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PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, SECOND SESSION

SENATE—*Friday, August 16, 1974*

The Senate met at 10 a.m. and was called to order by Hon. HARRISON A. WILLIAMS, JR., a Senator from the State of New Jersey.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, we come to prayer, not so confident of our hold on Thee, but of Thy mighty grasp of us. Reassure us once more of Thy guiding light that the words of our mouths and the meditations of our hearts be acceptable in Thy sight. Hold us to the eternal principles of the Founding Fathers that what we say and do here may contribute to fulfilling Thy purpose for the Republic and achieving peace and justice in the world.

In the Redeemer's name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 16, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HARRISON A. WILLIAMS, JR., a Senator from the State of New Jersey, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. WILLIAMS thereupon took the chair as Acting President pro tempore.

INCREASE IN COMPENSATION FOR DISTRICT OF COLUMBIA POLICEMEN, FIREMEN, AND TEACHERS—CONFERENCE REPORT SUBMITTED DURING ADJOURNMENT (S. REPT. 93-1101)

Under authority of August 15, 1974, Mr. EAGLETON, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15842) to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia, and for other purposes, which was ordered to be printed.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday, Thursday, August 15, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ESTABLISHMENT OF THE CASCADE HEAD SCENIC-RESEARCH AREA IN THE STATE OF OREGON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1044.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 8352) to establish the Cascade Head Scenic-Research Area in the State of Oregon, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That in order to provide present and future generations with the use and enjoyment of certain ocean headlands, rivers, streams, estuaries, and forested areas, to insure the protection and encourage the study of significant areas for research and scientific purposes, and to promote a more sensitive relationship between man and his adjacent environment, there is hereby established, subject to valid existing rights, the Cascade Head Scenic-Research Area (hereinafter referred to as "the Area") in the Siuslaw National Forest in the State of Oregon.

SEC. 2. The administration, protection, development, and regulation of use of the Area shall be by the Secretary of Agriculture (hereinafter referred to as the "Secretary") in accordance with the laws, rules, and regulations applicable to national forests, in such manner as in his judgment will best contribute to attainment of the purposes of this Act.

SEC. 3. (a) The boundaries of the Area, and the boundaries of the subareas included therein, shall be those shown on the map entitled "Proposed Cascade Head Scenic-Research Area", dated June 1974, which is on file and available for public inspection in the office of the Chief, Forest Service, United States Department of Agriculture: *Provided,* That, from time to time, the Secretary may, after public hearing or other appropriate means for public participation, make adjustments in the boundaries of subareas to reflect changing natural conditions or to provide for more effective management of the Area and each of the subareas in accordance with the purposes and provisions of this Act.

(b) As soon as practicable after the enactment of this Act, the Secretary shall, with provisions for appropriate public participation in the planning process, develop a comprehensive management plan for the Area. Said plan shall prescribe specific management objectives and management controls necessary for the protection, management, and development of the Area and each of the subareas established pursuant to subsection (c) hereof.

(c) Within the Area, the following subareas shall be established and shall be managed in accord with the following primary management objectives which shall be supplemental to the general management objectives applicable to the entire Area:

(1) Estuary and Associated Wetlands Subarea: An area managed to protect and perpetuate the fish and wildlife, scenic, and research-education values, while allowing dispersed recreation use, such as sport fishing, nonmotorized pleasure boating, waterfowl hunting, and other uses which the Secretary determines are compatible with the protection and perpetuation of the unique natural values of the subarea. After appropriate study, breaching of existing dikes may be permitted within the subarea.

(2) Lower Slope-Dispersed Residential Subarea: An area managed to maintain the scenic, soil and watershed, and fish and wildlife values, while allowing dispersed residential occupancy, selective recreation use, and agricultural use.

(3) Upper Timbered Slope and Headlands Subareas: Areas managed to protect the scenic, soil and watershed, and fish and wildlife values while allowing selective recreation and extensive research-educational activities. Timber harvesting activity may occur in these subareas only when the Secretary determines that the preservation of the timber resource is imminently threatened by fire, old age, infestation or similar natural occurrences.

(4) Coastline and Sand Dune-Spit Subareas: Areas managed to protect and maintain the scenic and wildlife values while allowing selective recreation and extensive research-educational activities.

SEC. 4. (a) The boundaries of the Siuslaw National Forest are hereby extended to include all of the lands lying within the Area as described in accordance with section 3 of this Act which are not within the national forest boundaries on the date of enactment of this Act.

(b) Notwithstanding any other provision of law, any Federal property located on the lands added to the Siuslaw National Forest by this section may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary. Any lands so transferred shall become part of the Siuslaw National Forest.

SEC. 5. (a) Subject to the provisions of subsection (b) of this subsection, the Secretary is authorized to acquire lands, waters, or interests therein within the Area by donation, purchase, exchange, or otherwise.

(b) Within all subareas of the Area except the estuary and associated wetlands subarea, the Secretary may not acquire any land or interest in land without the consent of the owner or owners so long as the owner or owners use such land for substantially the same purposes and in the same manner as it was used and maintained on June 1, 1974: *Provided, however,* That the Secretary may acquire any land or interest in land without the consent of the owner or owners when such land is in imminent danger of being used for different purposes or in a different manner from the use or uses existing on June 1, 1974. The Secretary shall publish, within one hundred and eighty days of the enactment of this Act, guidelines which shall be used by him to determine what constitutes a substantial change in land use or maintenance for the non-federally-owned lands within the Area. Within the estuary and associated wetlands subarea the Secretary may acquire any land or interest in land without the consent of the owner or owners at any time, after public hearing.

(c) At least thirty days prior to any substantial change in the use or maintenance of any non-federally-owned land within the Area, the owner or owners of such land shall provide notice of such proposed change to the Secretary or his designee, in accordance with such guidelines as the Secretary may establish.

SEC. 6. Notwithstanding the provisions of clause 7(a)(1) of the Act of September 3, 1964 (78 Stat. 903), as amended, moneys appropriated from the Land and Water Conservation Fund shall be available for the acquisition of any lands, waters, or interests therein within the area added to the Siuslaw National Forest by this Act.

SEC. 7. The lands within the Area, subject to valid existing rights, are hereby withdrawn from location, entry, and patent under the United States mining laws and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

SEC. 8. (a) The Secretary, pursuant to the Federal Advisory Committee Act (86 Stat. 770), shall establish an advisory council for the Area, and shall consult on a periodic and regular basis with such council with respect to matters relating to management of the Area. The members of the advisory council, who shall not exceed eleven in number, shall serve for the individual staggered terms of three years each and shall be appointed by the Secretary as follows—

(1) a member to represent each county in which a portion of the Area is located, each such appointee to be designated by the respective governing body of the county involved;

(2) a member appointed to represent the State of Oregon, who shall be designated by the Governor of Oregon; and

(3) not to exceed eight members appointed by the Secretary from among persons who, individually or through association with national or local organizations, have an interest in the administration of the Area.

(b) The Secretary shall designate one member to be chairman and shall fill vacancies in the same manner as the original appointment.

(c) The members shall not receive any compensation for their services as members of the advisory council, but they shall be reimbursed for travel expenses and shall be allowed, as appropriate, per diem or actual subsistence expenses.

(d) In addition to his consultation with the advisory council, the Secretary shall seek the views of other private groups, individuals, and the public, and shall seek the views and assistance of, and cooperate with, all other Federal, State, and local agencies with responsibilities for zoning, planning, migratory fish, waterfowl, and marine animals, water, and natural resources, and all nonprofit agencies and organizations which may contribute information or expertise about the resources, and the management, of the Area, in order that the knowledge, expertise and views of all agencies and groups may contribute affirmatively to the most sensitive present and future use of the Area and its various subareas for the benefit of the public.

SEC. 9. The Secretary shall cooperate with the State of Oregon and political subdivisions thereof in the administration of the Area and in the administration and protection of lands within and adjacent to the Area owned or controlled by the State or political subdivisions thereof. Nothing in this Act shall deprive the State of Oregon or any political subdivision thereof of its right to exercise civil and criminal jurisdiction within the Area consistent with the provisions of this Act, or of its right to tax persons, corporations, franchises or other non-Federal property, in or on the lands or waters within the Area.

Mr. PACKWOOD. Mr. President, I am delighted that today the Senate will pass the bill creating a Forest Service scenic-research area in Cascade Head on the Oregon coast. This bill, of which I have been a cosponsor for more than 4 years, will insure perpetually the protection of this area. The House has passed the bill. The bill we are considering today in the Senate is almost identical to the House bill, with a slight technical change, and I am sure it will be harmonized in conference.

Mr. President, H.R. 8352, as amended by the Interior Committee, establishes the Cascade Head Scenic-Research Area in Oregon. This legislation will provide for the enjoyment and study of the ocean headlands, rivers, streams, estuaries, and forested lands contained within the area. The boundaries of the Siuslaw National Forest are extended to include all of the lands in the Cascade Head Scenic-Research Area not presently within the national forest boundaries. The area which would be affected by H.R. 8352, as amended, involves approximately 8,910 acres consisting of a mixture of public and private lands.

Mr. President, the House recently passed parallel legislation, and I am pleased that we are now going to follow suit here in the Senate. Oregon is fortunate in having one of this Nation's most scenic coastlines. The Oregon people point with pride to the unparalleled beauty of their coastal region, and well they should, as the area is truly breathtaking.

But at the same time, Oregon cannot relax in its pride, as increasingly, the Oregon coast is being subjected to development pressures, the inevitable push of "progress." Oregon, however, being a progressive State in the true sense of the word, has recognized the value of protecting its estuarine and wetland areas from the adverse effects of commercial and residential development. The Salmon River estuary encompassed in this bill is the smallest and most pristine of Oregon's 14 recognized estuaries. Of all the seaboard States, only three contain less estuarial land than Oregon. The Salmon River estuary is, therefore, of immense scientific value, as its relatively small size enables it to serve as a control site for research and scientific purposes. The citizens of Lincoln and Tillamook Counties, the two coastal counties affected by the legislation being considered today, have recognized the value of this area and have expressed virtually unanimous support for this bill to protect approximately 8,500 acres on the Oregon coast from encroaching development.

This is known as the Cascade Head-Salmon River area, a rare biological microcosm of what the Oregon coast was before the settlement of man. It consists of several unique subparts which are identified in the legislation. Each subpart is to be managed in a manner to enhance its special characteristics.

In this way, we recognize the special qualities of each land form and provide for the most sensitive utilization of the overall area and its various subareas. The subarea designated as "estuary and associated wetlands" would be managed to protect its unique natural values and to perpetuate fish and wildlife values. Dispersed residential occupancy would be allowed in the "lower slope" subarea. The subparts designated "upper timbered slope" and "headlands" would be managed to allow recreation and research-educational activities, as long as these activities adhere to the overall conservation objectives set out in the legislation. The "coastline" and "sand dune-spit" subareas, too, are to be managed for recreation and research-education activity.

I understand, Mr. President, that the Forest Service would prefer to use existing authorities to designate these special subareas rather than through legislative designation. While I think that the Forest Service has done a commendable job in managing our forest areas, I think that the unique qualities of the Cascade Head-Salmon River area require special legislative attention to the distinct characteristics of each separate subarea. We want to make very clear the manner in which the subareas are to be managed. The name "Cascade Head Scenic-Research Area" denotes our intent to include "people values" in the management scheme while at the same time enhancing "natural values."

The "scenic research" designation is the first such denotation in the area of land conservation. Management objectives, as set out in the legislation for each subarea, will lend to the overall objective to include man in the ecosystem, yet at the same time protect the delicate biological interchange of the estuary.

Mr. President, I have had the pleasure of seeing firsthand the Salmon River Estuary and associated lands. I have experienced the exhilaration of climbing the headland, a magnificent rock promontory, jutting into the Pacific Ocean, and I know the closeness to nature one can feel in walking out on the sandspit and through the misty forests of the upper slope. This legislation will insure that these special pristine qualities will be maintained. Particularly significant, this legislation will provide man a unique place in the ecosystem, and, hopefully, will lend to a more sensitive relationship between man and his environment. Implicit in this measure is the idea that man need not desecrate the environment by virtue of his being a part of it. Again, the uniqueness of the "scenic research" designation lies in the special attempt to involve the public, to provide for public research and education with respect to the ecological resources and values of a natural area.

It goes without saying that the Cascade Head-Salmon River area is worthy of the best protection we can offer. Worth noting are the words of the State Land Board of Oregon that—

> The intricate and delicately balanced estuarine environment is all too easily disturbed or damaged and poor planning or careless development can destroy these values beyond all hope of revitalization in our time.

Mr. President, I think this legislation will provide the proper planning mechanism to perpetuate the biological interchange and life of the estuary. I strongly urge favorable action on S. 1943.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1089), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT FROM REPORT NO. 1089

I. PURPOSE

H.R. 8352, as ordered reported, would establish the approximately 8,910-acre Cascade Head Scenic-Research Area in and adjacent to the Siuslaw National Forest in portions of Lincoln and Tillamook Counties, State of Oregon.

II. BACKGROUND

A. Description of the area

The Cascade Head Scenic-Research Area is located on the west slope of the Coast Range of Oregon in the area known as Cascade Head which fronts on the Pacific Ocean. The topography ranges from tidal marshland to the typical rugged features of the Coast Range.

The geographical focal point of the area is the Salmon River estuary. The estuary is in virtually pristine condition and is bordered by a beautiful sand spit on the west and the prominent Cascade Head uplands on the north. The upland area on three sides is timbered. With the exception of the streambed all the flats are exposed at low tide. The highest point in the Area is the 1,600-foot summit of Cascade Head; the lowest elevation is sea level at the mouth of the Salmon River.

Population within the Area is light, although clusters of development do exist. At present time about 300 persons are living within the Area on a permanent basis, and perhaps as many as 450 persons reside there during the summer.

The Area is within easy access of more densely populated areas. The Pacific Coast Highway runs north and south along and through the eastern portion of the Area. Oregon State Highway No. 18 which joins the Pacific Coast Highway at Otis Junction, provides access from the east. A county road and forest service roads allow access to the heart of the Area. Approximately one and a half million people live within three hours driving time and an additional thirteen million people could drive to the Area within twelve hours.

The Area is rich in wildlife and fish. Black-tailed deer and black bear are the most prominent of the big game animals. The Area serves as an important nesting, resting, and feeding area for migrating waterfowl. It enjoys an annual average of 26,400 waterfowl use days. Among the uncommon waterfowl, shorebirds, and other estuary birds found in the Area are lesser scamp, bufflehead duck, ring-necked duck, horned grebe, common egret, brown pelican, harlequin duck and snowy plover. California sea lion, in a colony estimated as high as 400 animals, and the lone bald eagle and Pacific giant salamander which, although not plentiful, have been observed in the area, are perhaps the most interesting of the non-game animals and birds. A total of 37 species of fish have been identified in the Area. Particularly critical phases of salmon and steelhead life histories occur in the estuary. Similarly, herring, the major feed for salmon, need the estuary for successful spawning. The Area also contains sea perch, flounder, ling, cod, clams, and crabs. The Area enjoyed 5,000 angler days in 1970 and has a predicted angler-day use for the year 1980 of 12,000 angler days.

The 3,584 acres of national forest lands within the Area are part of the Cascade Head Experimental Forest which was established in May of 1934 for studies in silviculture, forest protection, ecology, forest utilization and related subjects in the Sitka spruce—western hemlock timber type. Since 1934 two other administrative subareas have been classified under the Secretary of Agriculture's authority: the 686-acre Neskowin Crest Research Natural Area established in 1941 and the 250-acre Cascade Head Scenic Area designated in 1966. The Research Natural Area is protected from all activities of man and is used as a "bench-mark" or "control-area". The Scenic Area is designated to afford protection to that part of Cascade Head that fronts on the Pacific Ocean.

Approximately 5,920 acres, or 66 percent of the Area, is considered to be commercial forest land. Stands of Sitka spruce dominate. Douglas-fir stands are found north of the Salmon River on both sides of the Pacific Coast Highway. Small parcels of western hemlock are scattered throughout the spruce. There is also an abundance of old cut over and burned areas now covered with stands of red alder.

The Forest Service, in its draft environmental impact statement on the legislation, summarized commercial timber activities as follows:

"Currently, the private commercial forest land in the Area contributes little to the area's economy. Most of this land has been cut over. However, if intensively managed on a 100-year harvest rotation, this private land could contribute approximately 1.4 million board feet annually to the area's allowable harvest. Timber on the Cascade Head Experimental Forest is not included in the Siuslaw National Forest's calculation of allowable harvest. Removal depends on the nature of experimental programs. In past years, timber harvest has been high. At the present time, it is limited to a salvage or maintenance program."

B. Need for, and brief description of, the legislation

Despite the present lack of major timbering activity in the Experimental Forest and the administrative protection provided to its subareas, the public has expressed a belief that the scenic, recreational, and research values of the national forest lands within the Area should be given permanent statutory protection. However, the real focus of public concern has been on the future management of the estuary, associated wetlands, and immediately adjacent forest lands—areas which are predominantly outside of the national forest boundary and are presently used for recreational and agricultural purposes.

H.R. 8352, as ordered reported, would extend the Siuslaw National Forest boundary to encompass these adjacent areas, to designate the consolidated area as the Cascade Head Scenic-Research Area, and to provide statutory guidelines to protect the scenic, recreational, and research values of the Area.

The following table shows the distribution of current land ownership in the proposed Area:

Owner:	Acres	Percent
National forest	3,584	40
Public domain	132	1
State of Oregon	248	3
YWCA	703	8
Nature conservancy	312	4
Timber companies	1,341	15
Other private owners	2,589	29
Total	8,909	100

In short, the extension of the national forest boundaries will add 5,325 acres (of which 4,945 acres are in private ownership) to the Siuslaw National Forest. Forty percent of the land to be included within the Cascade Head Scenic-Research Area is now national forest land, four percent is other public—Federal and State—land, and 56 percent is privately owned.

H.R. 8352, as ordered reported, would specify management directions for six separate subareas within the Area. These subareas evolved from a Forest Service Study of the Area and are described in detail in the environmental impact statement. The subareas to be established would be managed according to the following primary management objectives:

(1) Estuary and Associated Wetlands Subarea.—This area is to be managed to protect and perpetuate fish and wildlife, scenic, and research-education values, while, at the same time, allowing dispersed recreational and other uses compatible with the above criteria. For example, sport fishing, non-motorized pleasure boating, and waterfowl hunting are possible uses for the consideration of the Secretary of the Interior.

(2) Lower Slope-Dispersed Residential Subarea.—This area is to be managed to maintain scenic, soil and watershed, and fish and wildlife values while allowing dispersed residential occupancy and recreational and agricultural uses.

(3) and (4) Upper Timbered Slope and Headlands Subareas.—These areas are to be managed to protect the scenic, soil and watershed, and fish and wildlife values while

allowing selective recreation and extensive research-educational activities. Timber harvesting activities could occur in these subareas only when the Secretary of Agriculture determines that the preservation of the timber resource is imminently threatened by fire, old age, infestation or similar natural occurrence.

(5) and (6) Coastline and Sand Dune-Spit Subareas.—These areas are to be managed to maintain and protect the scenic and wildlife values while allowing selective recreation and extensive research-educational activities.

H.R. 8352, as ordered reported, would withdraw the entire Area from mineral entry and leasing.

To help achieve these broad and specific objectives the Secretary of Agriculture would be authorized to acquire lands and interests in lands, though this authority is specifically limited. Acquisition, except in the estuary and associated wetlands subarea, could only be done with the consent of the owner so long as the owner uses the land for substantially the same purposes, and in the same manner, as the lands were used on June 1, 1974. On the other hand, when such lands are in imminent danger of being used for different purposes or in a different manner from the uses existing on June 1, 1974, the Secretary could acquire the lands or interests in the lands without the consent of the owner. This authorization is to protect the Area from substantial changes in use that would irreparably damage the natural qualities of the Area. A further protection for both the Area and the land owners within the Area is that at least thirty days prior to any substantial change in the use of non-federally owned lands, the owner or owners of such lands would have to provide notice of such proposed change in use to the Secretary. This would be done in accordance with such guidelines as the Secretary may establish. This provision allows the Secretary to determine whether a proposed change in use is incompatible with proper management of the Area in advance of the change and to take the appropriate steps which could include acquisition of the lands when necessary. Clearly, the private land owners would benefit from such a provision by their knowing in advance whether any land use change they might propose is compatible with the management of the Area in accordance with H.R. 8352. Monies from the Land and Water Conservation Fund would be available for the acquisition of any lands, waters, or interests therein within the Area.

An advisory council would be established for the Area. The Act specifies that the total membership must not exceed eleven and that the members are to be appointed as follows:

(1) A member to represent each county in which a portion of the Area is located, who is to be designated by the governing body of the county involved;

(2) A member appointed to represent the State of Oregon, who is to be designated by the Governor; and

(3) Not to exceed eight members appointed by the Secretary of Agriculture from among persons who, individually or through association with national or local organizations, have an interest in the administration of the Area.

In addition to consulting with the advisory council, the Secretary of Agriculture would be required to seek the views of other private groups, individuals and the public, plus the assistance of appropriate State, Federal and local agencies with responsibilities for zoning, planning, migratory fish, waterfowl, and marine animals, water and natural resources.

The final provisions of H.R. 8352, as ordered reported, would direct the Secretary of Agriculture to cooperate with the State of Oregon and its political subdivisions in administering the Area. The provisions also reserve to the State of Oregon and its political subdivisions the right to exercise civil and criminal jurisdiction in the Area consistent with provisions of the Act, and the right to tax persons, corporations, franchises or other non-federal property in the Area.

III. COMMITTEE AMENDMENT

The Committee amendment to H.R. 8352 includes a number of technical changes. The only substantive changes are as follows: refer to recreation activities in the subareas designated in section 3(c)(2), (3), and (4) as "selective" rather than "extensive"; tighten the language concerning timber harvesting in section 3(c)(3) so as to limit the purpose for which it may be allowed to preservation of the timber resource in the face of eminent threats from natural occurrences; and provide that the advisory council be appointed pursuant to the Federal Advisory Committee Act (86 Stat. 770).

IV. LEGISLATIVE HISTORY

H.R. 8352 was introduced by Representative Wendell Wyatt in the House of Representatives on June 4, 1973. The bill, as amended, was ordered reported from the Subcommittee on Public Lands on June 5, 1974, and from the Committee on Interior and Insular Affairs on June 26, 1974. The report (Report No. 93-1247) was filed on July 31, 1974. On August 5, 1974 the bill was passed by the House of Representatives under suspension of the rules.

Senator Packwood introduced the companion bill—S. 1943—in the Senate on June 4, 1973. The Subcommittee on Public Lands held a hearing on the measure on June 24, 1974.

On July 15, 1974, the Chairman of the Subcommittee, Senator Haskell, presented S. 1943 to the Full Committee in open markup session. First, the Committee agreed to substitute H.R. 8352, as ordered reported from the House Interior Committee, for S. 1943. (The differences between H.R. 8352 and S. 1943, as introduced, are discussed in the House Report (Report No. 93-1247).) Second, the Committee adopted a number of changes to H.R. 8352 (see discussion under "III. Committee Amendment" in this report). Finally, by unanimous voice vote, the Committee ordered reported H.R. 8352, as amended. At the request of Senator Hatfield, the Committee agreed that the order to report would become effective immediately upon passage of H.R. 8352 in the House of Representatives. As previously noted, this occurred on August 5, 1974.

V. COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs, by unanimous voice vote in open markup on July 15, 1974, recommended that H.R. 8352, as amended by the Committee, be enacted.

VI. TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to subsection (b) of section 133 of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes of the Committee on Interior and Insular Affairs during consideration of H.R. 8352.

1. During the Committee's consideration of H.R. 8352, several voice votes were taken on amendments. The votes were cast in open markup session and, because the votes were previously announced by the Committee in accord with the provisions of section 133(b), it is not necessary that they be tabulated in the committee report.

2. H.R. 8352, as amended, was ordered reported favorably to the Senate on a unanimous voice vote.

VII. COST

In accordance with subsection (a) of section 252 of the Legislative Reorganization Act of 1970, the Committee notes that the cost of H.R. 8352, as ordered reported, would be as follows:

A land acquisition plan has not been developed for the Area; however, the Department of Agriculture estimates a possible five year land acquisition program of $1.5 million which would be funded through the Land and Water Conservation Fund. The estimated increased annual cost for administration of the Area as part of the Siuslaw National Forest is $80,000.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, beginning with those items following Calendar No. 264.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated, as requested by the Senator from West Virginia.

DEPARTMENT OF DEFENSE

The second assistant legislative clerk read the nomination of David Samuel Potter, of Virginia, to be Under Secretary of the Navy.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. COURT OF MILITARY APPEALS

The second assistant legislative clerk read the nomination of William Holmes Cook, of Illinois, to be a judge of the U.S. Court of Military Appeals.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. AIR FORCE

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Air Force.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. ARMY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. MARINE CORPS

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Marine Corps.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro temport. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—AIR FORCE, NAVY, AND MARINE CORPS

The second assistant legislative clerk proceeded to read sundry nominations in the Air Force, the Navy, and the Marine Corps which had been placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

HIGH LEVEL CORRESPONDENCE

Mr. HUGH SCOTT. Mr. President, at the beginning of this week, I released a letter to the Honorable James Madison, which read:

> Sir: It works.

I have just received a reply, addressed to me, to the following effect:

> I knew it would. Signed, James.

Some of my friends have been following this correspondence, and it is good to know that in some areas, especially upwardbound, the mail goes through.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia is recognized for not to exceed 15 minutes.

IMPORTATION OF CHROME FROM RHODESIA

Mr. HARRY F. BYRD, JR. Mr. President the House of Representatives shortly will consider S. 1868. This measure would reimpose the embargo on importation of chrome from Rhodesia.

In 1967, the United Nations imposed an embargo on all trade with Rhodesia, and the then President of the United States, President Johnson, unilaterally imposed an embargo on all trade by the United States with Rhodesia. This meant that the United States then became dependent on the Soviet Union for its critical and much-needed defense material—namely, chrome.

The bulk of the world's supply of chrome is deposited in Rhodesia. The New York Times in an editorial on Monday, April 8, states that South Africa and Rhodesia have 96 percent of the known chromium reserves. The United States was faced with a very critical situation as a result of President Johnson's unilateral action.

In 1971, Congress adopted the so-called Byrd amendment, which would permit the importation of chrome or any other strategic material from Rhodesia if such material was being imported from a Communist-dominated country. That is the law today. S. 1868, which is on the House calendar, would repeal this.

I think it would be very unwise to repeal that legislation. It would again make the United States dependent on Communist Russia for a vital material.

The Member of the Senate who perhaps has the greatest expertise of strategic stockpiling is the distinguished Senator from Nevada (Mr. Cannon). Senator Cannon is chairman of the Stockpiling Subcommittee of the Committee on Armed Services.

Mr. Cannon, in a statement on August 1, said this:

> The issue is obscure and remote from the lives of most Americans. It is also complex, involving our national need for supplies of critical materials which are not produced in the United States or even in all of North America—

Then he goes on to say:

> It is an issue which deserves careful and thoughtful review. My aim today, therefore, is to provide a careful outline of my reasons for continuing to support the Byrd amendment and opposing the enactment of S. 1868, now H.R. 8005, which would repeal it.

At the appropriate time, I shall insert Senator Cannon's excellent statement in the Record.

Representative Zion of Indiana, in a more recent statement in regard to this matter, said this:

> If the Congress passes H.R. 8005 which will be under consideration shortly and thereby imposes an embargo on strategic goods from Rhodesia, we will be legislating higher prices for American consumers and windfall profits to the Soviet Union.

Maybe that would enhance the question of détente with the Soviet Union, to give Russia windfall profits, but I think we have done enough in that regard when one considers the wheat deal of 1972 and the vast hundreds of millions of dollars Russia got out of that; when one considers the settlement of the Russian debt to the United States, which was settled at 25 cents on the dollar; and when one considers the fact that under the Strategic Arms Limitation Agreement, the United States again came out second best.

So I do not think we need to legislate another windfall for Russia in the name of détente.

Then, Representative Zion goes on to say:

> Most Americans, including many Members of the House, became quite disturbed over the oil embargo last fall and the price rises and inconveniences which this action by the Arab states precipitated. Yet now we are being asked to create an embargo ourselves which will only raise our own prices and provide direct economic aid to the Soviet Union.
>
> Since many other nations, including some black-ruled countries in Africa itself, have broken the embargo against Rhodesia long before the United States exempted several strategic products, there is no reason why we should once again adhere to a policy that has long proved itself ineffective. We only damage our own economy and aid the Soviet Union by reimposing an embargo on Rhodesia.

Mr. President, I emphasize again that chrome is a strategic material. It is an essential material. It is material that is not available in the United States, or even in North America. I quote again, from the New York Times in its editorial of Monday, April 8:

> South Africa and Rhodesia have 96 percent of known chrome reserves.

Yet the Congress of the United States is considering legislation which would eliminate the opportunity to obtain that vital material from the country which produces the bulk of that strategic material.

At this point I ask unanimous consent to insert in the Record, the excellent statement by Senator Cannon, chairman of the Stockpile Subcommittee of the Committee on Armed Servics, and following that, the statement made by the gentleman from Indiana, Representative Zion.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Rhodesian Chrome

Mr. Cannon. Mr. President, last year for the third time in 3 years, the Senate debated the issue of Rhodesian chrome. The issue was the same then as it was the year before and in 1971 when the Congress first adopted the Byrd amendment, which permits the importation of strategic and critical materials from Rhodesia as long as they can also be imported from Communist-controlled-countries. On December 18, 1973, the Senate passed S. 1868 which would impose the former sanctions and sent it to the House where it was referred to the Committee on Foreign Affairs. That committee favorably reported it out on June 27, 1974 and it now appears on the House calendar for an early vote.

The issue is obscure and remote from the lives of most Americans. It is also complex, involving materials which are not produced in the United States or even in all of North America, and involving our relationships with the United Nations. It is an issue which deserves careful and thoughtful review. My aim today, therefore, is to provide a careful outline of my reasons for continuing to support the Byrd amendment and opposing the enactment of S. 1868, now H.R. 8005, which would repeal it.

The principal commodity affected by the Byrd amendment is chrome ore, specifically metallurgical chrome ore, because in Rhodesia are located the free world's largest deposits of high-grade metallurgical chrome ore. Other types of chrome ore, including chemical grade and refractory grade, are found elsewhere in the world, but the metallurgical grade is by far the most important kind in terms of both economics and national security. The importance of metallurgical chrome is heightened because the world's other major sources are the Soviet Union and South Africa, although much smaller quantities are found in Turkey, Iran, and India.

Metallurgical chromite in the form of ore as it comes from the mine cannot be employed by the steel industry or by other industrial users. It must first be converted into one of several types of ferrochromium by a high-temperature smelting and reduction process. This process is carried out by the ferroalloys industry—which also converts manganese ore into various types of ferromanganese and ferrosilicon for use by steel producers and the aluminum industry.

METALLURGICAL CHROME AND THE NATIONAL SECURITY

Chromium is one of the most important and indispensable industrial metals. Current U.S. consumption of metallurgical chrome ore totals about 700,000 tons per year. None is mined in the United States or in North America.

Ferrochromium is irreplaceable for the production of stainless steel and other types of high-performance steels and superalloys, where the chromium imparts vital resistance to heat and corrosion. About 10-percent of domestic production of these steels goes directly to military and defense applications. Modern jet airplanes, nuclear submarines and warships, for instance, cannot be built without metallurgical chrome. Eighty-five percent of stainless steel is devoted to other essential uses, such as oil refineries, hospital equipment, food processing machinery and chemical plants. Only about 5 percent of U.S. chrome usage goes to household appliances and kitchen tools.

When the United States began to designate strategic materials for stockpiling and defense purposes in 1939, chromium was one of the first four commodities to be listed. The stockpile consists of metallurgical grade chromite and of several types of ferrochromium.

In April 1973, President Nixon proposed a new stockpile disposal legislation based on stockpiling essential needs for a 1-year period. In the case of chrome, the stockpile objectives would be reduced to 445,000 tons. The legislation is pending before the Armed Services Committee, but no hearings have been held.

Mr. President, with the press of other business before the Armed Services Committee this year, the Subcommittee on the National Stockpile and Naval Petroleum Reserves, which I have the honor of chairing, has not scheduled hearings on the President's proposals for considerably revising our stockpile objectives and policies.

Until we examine our stockpile reserves and measure them against our national security requirements in a careful, thoughtful fashion, it would be seriously irresponsible to contend that we can cut ourselves off from foreign sources of chrome and use up the stockpile.

Furthermore, we cannot ignore the fact that our principal source for metallurgical chrome ore is still the Soviet Union. There is no reason to cut off this supply, or to turn our back on it. But our interest in "détente" with the Soviet Union certainly does not mean that we can count on them as a continuing source of one of our most critical materials in every circumstance. We would be foolhardy to accept that kind of a bear hug.

PRICES OF METALLURGICAL CHROME

The prohibition against importation of chrome from Rhodesia in the 1967–1971 period produced a market increase in the price of Russian chrome. The U.S. Bureau of Mines Mineral Yearbook for 1970 states.

"Metallurgical grade chromite prices rose for the fourth successive year, continuing the trend initiated in 1967, primarily as a result of continued United Nations economic sanctions against Southern Rhodesia."

The price of Russian chrome dropped sharply after the enactment of the Byrd Amendment in 1972.

Its repeal is likely to result in a substantial increase. When repeal of the Byrd amendment was under consideration in 1972, suppliers of chrome forecast an immediate 20 percent price increase if imports from Rhodesia were banned again. If history repeats itself, repeal of the Byrd amendment would also result in a 20-percent increase in the price of Russian—and Turkish—chrome ore.

EFFECTS OF BYRD AMENDMENT ON THE FERROCHROME INDUSTRY

By producing a reduction in the price of metallurgical chrome ore, the adoption of the Byrd amendment has directly and usefully benefited the domestic producers of ferrochrome. It has reduced the cost of their essential raw material—whether obtained from Russia, Rhodesia, Turkey or elsewhere—and made them more competitive. Even if there has been no price reductions, the availability of alternate sources of ore is beneficial.

However, the U.S. ferroalloy industry has faced severe competition from imports of ferrochrome and ferromanganese for more than 15 years. Lower cost imports from foreign countries have put, and are continuing to put, increasing pressure on the domestic industry. There are a number of causes for this import competition. Among them:

First. The natural desire in many mineral-rich countries of the world to upgrade their products as much as possible. The ore-producing countries, including those who produce both chrome and manganese ore, seek to upgrade their products into ferroalloys and retain for themselves the economic benefits of such processing. Rhodesia and South Africa are doing this. Russia, too, must also be thinking of such moves. It may be further encouraged to do so if the Congress agrees to most favored nation tariff treatment for Russian goods. Such a move would reduce the duty on Russian ferrochrome by 75 percent.

Second. Forward integration efforts such as these by mineral-rich countries are spurred by specific savings that can be realized in transportation costs which may, in the case of chrome, account for 25 percent or more of total costs. It takes about 2½ tons of chrome ore to produce 1 ton of ferrochrome; the transportation rate per ton, however, is the same for the ferroalloy as it is for the ore. The ferroalloy producer who is located where the ore is found thus has a 50 percent or greater saving on his ocean freight costs.

Third. Electric power costs account for somewhere between 10 and 20 percent of the production costs for ferroalloys. The energy crisis in the United States is an important fact of life to the entire domestic ferroalloy industry which is power intensive and requires large quantities of electric energy. Rising costs of fossil fuels, the imposition of air pollution requirements on electric generating stations, and other factors are producing strong upward pressures on the costs of electric energy in the United States. In many of the producing countries today, the cost of electric power is significantly less than that in the United States.

Labor costs are, in contrast, not a very significant factor. For ferrochrome labor costs account for only about 10 percent of the production costs. While U.S. wage rates are much higher than those elsewhere in the world, U.S. productivity is much higher. Therefore, foreign ferroalloy producers do not have a significant labor cost advantage.

Imports of ferroalloys have accounted for somewhere between 20 and 40 percent of the domestic consumption of ferrochrome and ferromanganese over the past decade. Lower-priced ferroalloy imports put a severe squeeze on the earnings of the domestic producers and denies them the funds needed for modernization and expansion. This reality has made it all the more difficult for the domestic industry to respond to the current requirements for all pollution control and to meet the rising levels of electric energy costs.

These problems existed for some years before the Rhodesian sanctions were imposed but the imposition of sanctions in 1967 significantly aggravated the situation for the domestic producers of ferrochrome. The sanctions deprived them of the best source of lower cost chrome ore and made them depend instead on higher cost Russian or Turkish ore. Their competitive position and economic health suffered correspondingly. Adoption of the Byrd amendment benefited the industry—but not enough to reverse these trends.

None of this is particularly new and the fact that imports of ferrochrome are a serious problem for domestic producers can hardly come as a surprise to anyone familiar with the industry or to those in the government with responsibilities in this area. As early as 1963, the domestic ferroalloys industry petitioned for governmental relief and assistance under the nattional security provisions of the Trade Expansion Act. This petition and a subsequent one were both denied.

Another major factor whicn has affected the domestic ferrochrome industry was the increase in imports of stainless steel from Japan and elsewhere, which produced a significant and serious drop in the domestic production of stainless steel during the 1967–71 period and a corresponding drop in ferrochrome demand.

Caught between increasing imports and a declining market, profits of the U.S. ferrochrome industry were seriously eroded to the point where, in some cases, production is no longer economically feasible.

THE STAINLESS STEEL AND SPECIALTY STEEL INDUSTRIES

The price and competitive availability of chrome—specifically ferrochrome—are of critical importance to the stainless and specialty steel industry of the United States.

Stainless steel has a chrome content of 18 percent. Some special steels contain much higher amounts than that. Obviously, then, the cost of chrome is a significant factor in production of these steels.

Its importance is heightened if foreign steel producers, who have freely evaded the U.N. sanctions against Rhodesia since 1967, are again able to procure their raw materials for as much as 30 percent below the cost to American steelmakers. Although chromium accounts for an average of only 16 percent of stainless steel content, it represents fully 25 percent of the raw material cost for stainless production. Reimposition of the embargo would give foreign producers an automatic 6 percent cost advantage over American steelmakers. The penetration of foreign specialty steel into the American market would almost inevitably increase. Furthermore, Rhodesian chromium would enter this country, undetectable, in the form of stainless steel—as it did before enactment of the Byrd amendment, nullifying whatever effect the sanctions may have had.

SANCTIONS AGAINST RHODESIA ARE NOT PRODUCTIVE

The concept of general economic sanctions to achieve political goals has historically met with mixed success. Napoleon's effort to isolate England was a classic failure. The League of Nation's sanctions against Italy were a model of futility.

Prior to the sanctions resolution, Rhodesia relied upon agricultural products—primarily tobacco—for foreign exchange earnings. Manufactured goods were largely imported. Immediately following imposition of the embargo, the Rhodesian Government initiated a policy of self-sufficiency. Sanctions required extensive diversification of industry, but also granted a captive market to domestic suppliers. The results have been dramatic.

Since independence, Rhodesia's gross domestic product has sustained a growth rate of 10 percent a year. In 1971, manufacturing recorded a 15 percent advance, as textiles, nonmetallic minerals, foodstuffs, metals, transport equipment and machinery registered gains of better than 10 percent. Between 1964 and 1971, Rhodesia's total industrial output increased 70 percent, while the value of new construction doubled. Even the mining sector, one of the prime targets of the embargo, has been growing at a record pace. The value of mining output grew 6.7 percent in 1972 alone and topped 1967 production levels by over 95 percent.

Since imposition of the sanctions, over a hundred cases of evasion have been reported to the United Nations by Great Britain. These represent only the tip of the iceberg: sanction-busting continues to occur on a monumental scale.

South Africa and Portugal ignored the embargo from the outset. They were soon followed by Eastern European countries and parts of the Middle East. Finally, Western Europe and Japan entered the Rhodesian market with a vengeance. West Germans, Dutch, Italian, Japanese and Swiss companies have been blithely ignoring the embargo since 1968.

Despite the sanctions, therefore, this country of only 6 million inhabitants exported over a quarter of a billion dollars worth of goods last year.

The sanctions have been so flagrantly violated, few knowledgeable people seriously argue its effectiveness.

When the U.S. Ambassador to the United Nations charged widespread sanctions violations by several countries, none even bothered to respond.

The only excuse for the sanctions against Rhodesia was an official disapproval of the policies of its government. But we hardly approve of the policies of the Soviet Union either. What is wrong with buying what we need where we can get the best price and an adequate supply? Nearly everybody else does. My motive in supporting Rhodesian chrome importing is to protect the national security of the United States. I am unable to determine if Russia's prejudice towards Jews is more defensible than the Smith government's toward Africans.

Neither am I too happy about the resumption of last October's Mideast war which was made possible by the Soviet Union quietly and consistently sending tanks, arms and aircraft to the Arab nations and I might add, some of its most modern and sophisticated equipment. The individual shipments were not large enough to alarm the West, but the overall flow of arms was steady and accumulated over the months to make the Arab strike possible. And we now have had a resultant oil embargo and associated energy crisis and yet there are those who want the United States to once again become dependent upon the Soviet Union for chrome.

We cannot afford to have our economic strength used as a pawn in political or social contests, and we should not restrict our access to essential raw material for reasons like that.

I voted against S. 1868 for all those reasons and want my colleagues in the House to know these facts when voting on H.R. 8005.

CHROME EMBARGO AND WINDFALL SOVIET PROFITS

Mr. ZION. Mr. Speaker, if the Congress passes H.R. 8005 which will be under consideration shortly and thereby reimposes an embargo on strategic goods from Rhodesia, we will be legislating higher prices for American consumers and windfall profits to the Soviet Union. This is obvious from either the historical precedent we have from the previous experience with the embargo as well as the simple fact that arbitrarily restricting competition inevitably increases prices. At a time of great inflation for the American consumer, we must ask ourselves whether we act responsibly here in the Congress by taking actions which will raise prices for all stainless steel products. With the increased use of anti-pollution and numerous other products using stainless steel, any price increase of this commodity will have an escalating impact in the years ahead.

In 1967 the United States initially adhered to the embargo declared by the U.N. on all products from Rhodesia. At the time the embargo went into effect the price of metallurgical grade chrome ore—per short ton—of our imports from the Soviet Union stood at $39.87. With the imposition of the embargo, the Congress gave the Soviet Union a tacit monopoly of the market as only Rhodesia represented significant competition in the production of metallurgical grade chrome ore. When the Byrd amendment went into effect in 1971, the Russians had arbitrarily raised their chrome prices to $68.49, approximately a 60-percent increase. By last year through the competition offered once again by the Rhodesian market, the price had declined to $51.73 per ton.

The rulers in the Kremlin undoubtedly would welcome action by this Congress that would reap them a windfall profit on their sales of chrome. Just this past year they demonstrated their ability to price gouge Western nations through the embargo of oil they encouraged in the Middle East. The New York Times reported on June 5, 1974:

"The Soviet Union reaped nearly a billion dollars more in oil revenue than a year earlier, with only a modest increase in exports."

Overall the report notes that the Soviets increased their revenues by $990 million, even though sales only rose from 107 million metric tons to 118.3 million. Prices remained about the same to their Communist allies, and therefore "the extra profits came entirely from non-Commuunist customers." Even while making professions of support for an absolute boycott of the Dutch by the Arab oil producers, Soviet trade figures have now revealed that their own oil exports increased by one-third to Holland. The Soviet motivation for this becomes obvious when one finds that they simultaneously raised oil prices for the hardpressed Dutch by almost 350 percent. Other Western European nations suffered similar increases of about 300 percent.

Therefore as we debate the question of whether to repeal the Byrd amendment allowing competition in chrome prices, we must ask whether we want to raise American consumer prices so that the Soviet Union can reap a windfall profit on chrome monopoly. Most Americans, including many Members of the House, became quite disturbed over the oil embargo last fall and the price rises and inconvenience which this action by the Arab states precipitated. Yet now we are being asked to create an embargo ourselves which will only raise our own prices and provide direct economic aid to the Soviet Union.

Since many other nations, including some black-ruled countries in Africa itself, have broken the embargo against Rhodesia long before the United States exempted several strategic products, there is no reason why we should once again adhere to a policy that has long since proved itself ineffective. We only damage our own economy and aid the Soviet Union by reimposing an embargo on Rhodesia.

Mr. HARRY F. BYRD, JR. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes remaining under the order.

TOO MUCH GOVERNMENT

Mr. HARRY F. BYRD, JR. Mr. President, the able and thoughtful president of the University of Rochester is W. Allen Wallis. Mr. Wallis is also chairman of the Tax Foundation, Inc. He wrote a most interesting column for the Tax Foundation, published in its last bulletin, captioned, "Respect for Government."

Among other assertions by Chancellor Wallis is this:

> Now, the fact is that those who distrust governments are right.

I thoroughly agree with Chancellor Wallis in that assertion. I think the American people would be wise to distrust government. Those men who wrote our Constitution distrusted government, and that is why they created the Constitution, which attempted to put restrictions on government and divided power into three coequal branches.

Then Chancellor Wallis goes on to say that governments promise, as a matter of course; governments make many promises.

> They attempt to protect us from our own follies—of smoking tobacco or marijuana, from the folly of watching indecent movies, from the folly of selling too cheap or buying too high, from the folly of buying too cheap or selling too high, from the folly of wasting our money, from the folly of failing to fasten seatbelts, from the folly of buying

pills in containers that can be opened by children or arthritics, and from the folly of setting the wrong temperature on the laundry machine. The list is endless in number, infinite in detail and growing exponentialy.

Yes, Mr. President, I think government is getting into too many fields. I think government is trying to run the lives of the individual citizens of our Nation from Washington. I think what we need in this country is less government, less regulation, less domination. I am hoping for a turnaround under our new President.

For the past 12 or more years, practically every piece of legislation presented in the Senate has been more regulation for the American people, more centralization of power here in Washington. I submit that the lives of the American people cannot be effectively run from Washington, and should not be run from Washington.

I commend Chancellor Wallis of the University of Rochester for his excellent column in Tax Foundation Bulletin.

I ask unanimous consent that this statement be published at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RESPECT FOR GOVERNMENT

(By W. Allen Wallis)

Confidence and respect have nearly vanished from public affairs. Opinion polls show that at most one-fourth of American citizens have confidence in and respect for the President, and that even fewer have respect for Congress. A survey last fall of the public's esteem for various institutions showed that, except for the military (which was at the top of the list, just an eyelash ahead of universities) all government institutions ranked at the bottom—Federal, state and local governments, the courts, Congress, and the Administration. Among private institutions, only labor unions ranked as low as did the various branches of government.

That this loss of confidence in and respect for government is not just a consequence of Watergate or of Vietnam is apparent from earlier surveys. That it is not just an American phenomenon is apparent in England, Ireland, Germany, France, Italy, Russia, or almost any country in Africa, South America, or Asia.

Now the fact is that those who distrust governments are right. For governments everywhere undertake to do many things that cannot be done by governments—least of all by democratic governments—and they even undertake to do some things that cannot be done at all, either by governmental or non-governmental means. Governments promise, as a matter of course, good incomes, good health, good morals, good taste, and good relations among individuals. They promise equality, justice, tolerance, and safety, as well as peace, progress, prosperity, and purity, and even truth, goodness, beauty, and salvation. They attempt to protect us from our own follies—from the folly of smoking tobacco or marijuana, from the folly of watching indecent movies, from the folly of selling too cheap or buying too high, from the folly of buying too cheap or selling too high, from the folly of wasting our money, from the folly of failing to fasten seatbelts, from the folly of buying pills in containers that can be opened by children or arthritics, and from the folly of setting the wrong temperature on the laundry machine. The list is endless in number, infinite in detail and growing exponentially.

It is a striking paradox that the more people distrust the government, the more powers and responsibilities they heap upon it, many of the new powers being designed to counterbalance other powers that the government already has. The more powers the government has, the more ruthless, corrupt, and pervasive become the efforts to control those powers, the more numerous and harmful become the failures of the government, and the smaller becomes the respect and confidence that the government receives or deserves.

The appropriate remedy for excessive governmental powers, for abuses of governmental powers, for ruthlessness and corruption in gaining control of governmental powers is not create new governmental powers but to dismantle those that now exist. Return the power to the people. Give each individual the right and the responsibility for making his own free choices and decisions.

Inevitably, some individuals will make unwise decisions, even decisions that harm other people; but in the long run the harm done in this way is likely to be neither as great in the aggregate nor as hard to correct as the harm done by over-government.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has agreed to the concurrent resolution (H. Con. Res. 603) authorizing the Secretary of the Senate to correct the enrollment of the bill S. 3066, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The following bills, having been signed by the Speaker of the House of Representatives on August 15, 1974, were signed today by the Acting President pro tempore (Mr. WILLIAMS):

H.R. 15155. An act making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes;

H.R. 15405. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and

H.R. 15544. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. According to the previous order, the Senator from Connecticut (Mr. WEICKER) is recognized for not to exceed 15 minutes.

WATERGATE REFORM: WHERE DO WE STAND?

Mr. WEICKER. Mr. President, on July 31, the Senate approved an amendment to the Treasury appropriations bill, H.R. 15544, which would restrict secret investigations of confidential bank records.

In conference the Senate conferees receded on this important provision.

Mr. President, the issue of the confidentiality of bank records is of overriding significance to the preservation of our constitutional democracy. Frankly, I considered urging my colleagues to reject the conference report which deleted the Senate amendment.

Instead, however, I am today issuing a statement of policy relative to those legislative initiatives which strengthen the rights of the individual in our free society.

That policy is quite simply that I will continue to introduce and support legislation of this nature and fight forcefully for its enactment.

I do not believe that responsible reforms, approved by the Senate, should be sidetracked or sabotaged by parliamentary games or back-room deals.

The American people expect and deserve leadership with a vision and a will. They are deeply cynical of the shrill rhetoric of reform which swells the CONGRESSIONAL RECORD but rarely reaches the United States Code.

Therefore, I urge my colleagues to stand firm in support of the necessary reforms to preserve the integrity of our Government and the Constitution we cherish.

Mr. President, my amendment, as approved by the Senate, would have required that notice be given to a bank customer when the Government subpenas his or her bank records.

Today, field investigators from the IRS, other investigative branches of Treasury, the Post Office Department, and the Executive Office can subpena or by administrative summons, obtain bank records of any citizens, organizations, or corporation, enter the bank vaults, find out all about your personal transactions, use that information any way they please—and you will never be told about it.

Even aside from the constitutional principle and the requirements of due process of law, this practice raises questions as to just what kind of government we want.

In every other instance where subpenas are used to gather evidence, the target of that subpena knows full well what evidence he must hand over. Whether it be your personal property, or whether it be your testimony, you are extended the protection against someone going in the back door and gathering information of a personal nature.

Only bank records, records that contain some of the most personal information about you, are unprotected. Just because your confidential information resides in a bank vault is no reason to change the rules.

While I did not move to table the conference report, I surely do not intend to drop the matter of the confidentiality of bank records.

I have already discussed the matter with Treasury and IRS officials, and have instructed my staff to investigate legislative initiatives to deal with the well-publicized problems in this area.

To indicate my support of pending legislation, I have further cosponsored S. 2200, the Right to Financial Privacy Act of 1973, introduced by Senator CRANSTON.

S. 2200 is designed to insure that the disclosure by financial institutions of the details of their customer's bank accounts to Government officials and agencies will be governed by procedural safeguards.

As a member of the Senate Banking Committee, I am requesting of Chairman SPARKMAN and Senator McINTYRE, chairman of the Financial Institutions Subcommittee, that hearings be expedited on S. 2200. This legislation, while it may require certain modification, is much too important to languish on a committee clerk's cluttered desk.

Mr. President, I am confident of Congress commitment to uphold the constitutional principles enumerated by our Founding Fathers.

America depends on it. It is very much the business of the day. The events of last week did nothing to bring about the necessary reform that confronts the Nation as a result of the Watergate disclosures. That job can only be done here on the Senate floor.

Mr. President, I intend to discuss our obligations and our responsibilities for a few minutes this morning, both insofar as the legislation which did not pass yesterday is concerned, and the legislation which I hope to get passed on Monday. As I have indicated relative to the Weicker amendment to the White House personnel authorization bill, the reasons given by others for not supporting my position is that there is legislation on the way, that members of the executive branch of the Government are doing everything possible to bring about reform, and that we in Congress should not act in haste.

I have just indicated to the Senate what happened to the Senate amendment on the Treasury appropriation bill which would have required notice to bank customers who are having their records investigated. I ask unanimous consent to have printed in the RECORD a letter from the Commissioner of Internal Revenue Service, Donald Alexander, to Mr. Aubrey Gunnels, staff assistant, Subcommittee on Treasury, Postal Services, and General Government, Committee on Appropriations of the House of Representatives.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 5, 1974.

MR. AUBREY A. GUNNELS,
Staff Assistant, Subcommittee on Treasury, Postal Services and General Government, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR TEX: As we discussed Friday, we would very much appreciate the Committee's and your help in removing the amendment offered by Senator Weicker as passed by the Senate in the Senate Appropriation Act for the Service's fiscal year 1975 operations. The amendment reads as follows:

"None of the funds available under this act shall be used for the purpose of obtaining copies of, or information contained in, the financial records of any customer from a financial institution by a subpoena not including notice to such customer."

As I mentioned in our conversation Friday, we are aware of the competing objectives: the needs of financial institutions, and their depositors on one hand, and on the other the needs of the IRS in carrying out its responsibilities. *This is a difficult problem, but one that can be resolved—we believe—by following to a logical conclusion the work now underway to deal with this problem:*

The Administration is currently developing, through the Domestic Council Committee on the Right of Privacy, a comprehensive legislative proposal to protect individual privacy in relation to records of financial institutions. The proposal is being developed with a studied consideration of the rights and needs of individuals, financial institutions, and government agencies.

We are reviewing and preparing comments on S2200, which would govern the disclosure of certain financial information by financial institutions to governmental agencies.

The IRS Chief Counsel and myself are deeply involved in these projects, and are also reviewing the Service's existing procedures for requesting information from financial institutions.

We believe a studied approach to this problem is essential if we are to avoid impairing unintentionally an Agency's capability to function adequately in dealing with white collar crime and other enforcement problems. New substantive legislation may well be necessary, but it should concern itself with existing and potential problems in relation to all Federal agencies and other interested parties. This approach would better assure that the need of all parties are considered and weighed before legal remedies are decided. In this way the Administration and the Congress will have an opportunity to consider the matter within a broader, more appropriate context.

The requirement for notification to customers about whom the Service has requested records of transactions from financial institutions could result in dissipation of whatever advantage immediate possession of the records might have afforded law enforcement authorities, such as in bribery and fraudulent refund cases. These are but two examples where the Senate amendment would seriously impair the Service's ability to do its job in assuring high integrity among employees and in administering the law.

I sincerely hope you can support our request to solve this problem with studied effort after considering the needs of all parties. Please let me know if we can provide any additional information that may be helpful to the Conferees.

With best wishes,
Sincerely,
DONALD C. ALEXANDER.

Mr. WEICKER. Here is Commissioner Alexander, who sat in my office and eyeball to eyeball indicated that he was in favor of reform, hatcheting reform in private. On August 5, he sends a letter to Mr. Gunnels that starts of:

> DEAR TEX: As we discussed Friday, we would very much appreciate the Committee's and your help in removing the amendment offered by Senator Weicker as passed by the Senate in the Senate Appropriation Act for the Service's fiscal year 1975 operations.

Then he goes on, in the rest of the letter, to suggest the reasons why the Senate-passed amendment should be defeated. My amendment was very simple. It would have required notice of being investigated. I might state that without it we have documentary "no-knock." Congress has just repealed no-knock; yet here exactly the same principle involved relative to our documents—notice of investigation. Yet this is unacceptable to a Commissioner of Internal Revenue who says that he is for reform. I find that rather distressing and assuredly hypocritical.

I suppose I should not find it distressing when I look at the record—a record that includes unauthorized distribution of private information both by the present Commissioner of Internal Revenue, Mr. Alexander, and the present Secretary of the Treasury, Mr. Simon. But I am willing to let the past lie; it is only that I cannot legislatively ignore the facts—facts that clearly spell out a case of abuse of IRS information and abuse of the subpena process for bank accounts insofar as the Treasury Department is concerned.

To get to the IRS measure that is due before us, on August 7, the Senate tabled the conference report on the White House office personnel bill by a vote of 54 to 34, for the reason that a Senate amendment restricting executive branch access to tax returns, approved July 18, had been deleted in conference. On August 8, Chairman McGEE called for a new conference on the bill and Senate conferees were appointed with instructions to insist on the Senate amendment.

Nevertheless, the House on Monday, August 12, acted in effect to send back the original conference report without the critical amendment relative to tax returns. This parliamentary maneuver by the House returned the same legislation in order to circumvent the new conference duly called for by the Senate.

By concurring in Senate amendments to H.R. 14715, the House is clearly questioning the Senate's resolve in twice upholding a reform to strengthen the rights of the individual under the Constitution.

I urge my colleagues in the Senate to send a message to the House that we will not play parliamentary games with the confidentiality of every American's tax return.

When the so-called House amendment comes to the floor at the beginning of next week, I intend to move to concur in the House language with an amendment restoring the Senate's provision tightening access to tax returns.

Mr. President, I do not know how many times it has to be said on the floor of the U.S. Senate, to those persons from the White House, the Commerce Department, or whoever else in the executive department of the Federal Government feels he has some proprietary interest in our tax returns they have no interest in those returns. It is nobody's business except the taxpayer and the IRS. Period.

In opposing the Senate amendment, the House conferees raised questions of the germaneness of the Senate amendment, and indicated that the Ways and Means Committee was studying possible legislation in this area. And, in spite of the IRS Commissioner's public testimony supporting restrictive procedures for White House access to tax returns, the administration has consistently lobbied—and I must amend that when I say "administration" I do not include the new President of the United States, but I am including those in the executive branch of Government left over from the last administration—against the Senate amendment, decrying its possible interference with normal Federal agency procedures, and also promising its own legislation to remedy acknowledged abuses.

I do not believe these arguments against the Senate amendment are valid or convincing. Nevertheless, in the interest of accommodating objections of the House and the administration against the Senate tax return amendment, I will offer a modified amendment which narrows the restriction on access to tax returns to White House office staff, rather than the entire executive branch.

This modification should reasonably preclude any questions of its germaneness to a White House office personnel bill which, among other sections, authorizes additional White House employees who "shall perform such official duties as the President may prescribe."

I submit that this modified amendment would achieve an important and necessary reform aimed at questionable practices uncovered in recent Senate investigations. I know of no compelling rationale for White House aides to have access to any tax returns or the information contained therein. Should the President require tax return information to fulfill his official duties, he may make a personal request in writing for such material from the IRS.

In tabling the conference report last week, the Senate stood firm in support of reform necessary to restore the integrity of our Government.

With the House playing parliamentary games and the administration—and again I speak of those members of the administration left over from the last President—waffling on needed reform, let the Senate now reaffirm its commitment to the fundamental principles of constitutional democracy.

Let us now for the third time in as many weeks express our support for restricting White House tampering with confidential tax returns.

Mr. President, I call upon our new President of the United States, Jerry Ford, to join with us in meaningful reform to correct those abuses that are known to have occurred and which cry out for remedy.

This is not in any way on my part an attempt to embarrass this administration. I have the greatest confidence in our new President. But we cannot ignore the facts. They will not go away. These abuses are abuses that were committed not by Richard Nixon but by the Internal Revenue Service, by the Treasury Department, aided and abetted, I might add, by individuals still in office, and it is up to the Senate to legislate reform now.

I call upon President Ford to join with us in that task. We need his help and, indeed, I think he needs the help of every Member of this body to restore the confidence of the American people in their Government.

I also call upon President Ford to see to it that those members who are in the executive branch of Government, left over from past days, do not stand out there and say, "We support reform," and then do everything they possibly can to sabotage it.

We and the executive need to work together. This is not just a period of conciliation. It is a period of work, a period which requires the best of minds and the most decent of souls.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Connecticut yield?

Mr. WEICKER. I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I commend the Senator from Connecticut for his determined fight on this matter. I support the amendment which the Senator from Connecticut has proposed. I think he focuses attention on a very important matter.

In that connection, the Secretary of the Treasury, Mr. Simon, appeared 2 days ago before the subcommittee of which I am chairman, the Subcommittee on International Finance and Resources of the Finance Committee, and I queried Secretary Simon on the question of permitting the use of tax returns by personnel outside of the Internal Revenue Service.

I want to report to the Senate that Secretary Simon was very strong in his statements and is, in my judgment, very determined that the Internal Revenue Service, as long as he is Secretary of the Treasury, will not be used for political or partisan purposes. I was very pleased at the firm and strong responses to my queries made by the Secretary of the Treasury, Mr. Simon.

I again commend the Senator from Connecticut. I think this is a very important matter. I think this matter should be legislated, as well as having the cooperation of the appointed officials.

Mr. WEICKER. I thank the distinguished Senator from Virginia for his support in this matter as one who has led the fight for the individual's rights under our Constitution over the years.

But I want some action out of Mr. Simon. I have already read the letter from Mr. Alexander, who is sabotaging these efforts behind the scenes while espousing support in public.

Mr. Simon gave testimony to the select committee back in May of 1974. He said, "Yes, I believe we have to do something about IRS confidentiality."

Yet not until August 1974 does a bill come out of Treasury and then only as a counterthrust to the legislation which is already drafted and which we have passed upon twice.

I am perfectly willing to listen to people's good intentions and words, but I think the record of abuse is such that it is incumbent upon all of us to act. To act intelligently and definitively.

This is not the only matter that is going to come up in the months ahead. I have already mentioned two; access to our bank accounts, and the matter of access to our Internal Revenue Service returns. There have been other widespread abuses throughout Government as it relates to Government's role vis-a-vis the individual American.

This Nation is not built on government for the masses. The greatness of our Constitution, the greatness of our system, is that each individual *is important*. That is what gives to us a strength born of diversity rather than a dullness of mediocrity of sameness. It is to get back to the Government that was always intended for this Nation that I intend to vigorously pursue reform. Otherwise people will say that Watergate was not factfinding by the Senate but rather "getting Nixon."

It was factfinding, that was our job; not to determine individual guilt or innocence, but legislative factfinding. Why factfinding? So we could legislate.

Now, my colleagues, the time has come to legislate. In other words, our work did not cease last week. Our work began, our legislative work to remedy the abuses that came to light as a matter of the Watergate investigations, began.

Here we have the first small steps and, right out of the box, we have those in the administration who are holdovers, scurrying around saying, "We are for reform," but doing everything they can to sabotage it.

In that category I place both the Secretary of the Treasury and the Commissioner of the Internal Revenue Service.

So far it has been the Senate that has stood up and been counted. The House has afforded nothing. I have great confidence in Jerry Ford, and actively solicit his support of sound legislative reform of the abuses of Watergate.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. STAFFORD. Mr. President, the Senator quite rightly is asking for action, so I will not give him words, but just assure him when this matter comes to a vote I will vote with him next week.

Mr. WEICKER. I thank the distinguished Senator from Vermont.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

Is there morning business?

HOUSE CONCURRENT RESOLUTION 603—AUTHORIZING THE SECRETARY OF THE SENATE TO CORRECT THE ENROLLMENT OF THE BILL, S. 3066

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a message from the House of Representatives on House Concurrent Resolution 603, and I ask that it be laid before the Senate.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a message from the House, which the clerk will state.

The second assistant legislative clerk read as follows:

House Concurrent Resolution 603 authorizing the Secretary of the Senate to correct the enrollment of the bill, S. 3066.

Mr. ROBERT C. BYRD. Mr. President, I ask the clerk to read the message in its entirety.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The second assistant legislative clerk read as follows:

H. Con. Res. 603

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (S. 3066) to consolidate, simplify, and improve laws relative to housing and housing assistance, to provide Federal assistance in support of community development activities, and for other purposes, the Secretary of the Senate is authorized and directed to make the following correction:

In subsection 106(f)(2) of the conference report on the bill S. 3066, strike out the word "metropolitan" wherever it appears and insert the word "nonmetropolitan".

Mr. ROBERT C. BYRD. Mr. President, I thank the clerk.

I ask unanimous consent that the Senate proceed with its immediate consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 603) was agreed to.

ORDER OF BUSINESS FOR MONDAY, AUGUST 19, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday following the disposition of the Council on Wage and Price Stabilization bill, bill numbered S. 1361 be substituted in lieu of the bill numbered H.R. 8193, as stated in the order previously entered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HUD APPROPRIATION BILL—PRIVILEGE OF THE FLOOR

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. Michael Smith of my staff may be present in the Chamber during the debate and vote on the pending business, the HUD appropriations bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WHEN YOU NEED LEADERSHIP, LOOK TO UTAH

Mr. MOSS. Mr. President, Utah is a small State in terms of the size of her population, ranking 36th among the 50 States, but she bears witness to the truth of the old adage:

> There would be no great ones if there were no little ones.

President Ford held meetings Wednesday with the chairman of the National Governors Conference and the president-elect of the National League of Cities. Thursday he met with the president of the National Association of Counties. The distinguished government leaders who hold those posts are all Utahans: Governor Calvin Rampton, Salt Lake City Mayor Jake Garn, and Davis County Commissioner Stanley Smoot.

I congratulate President Ford for the good sense he has shown in seeking advice from these men. He has shown that when you need leadership, you cannot do better than to look to Utah.

I would, however, like to suggest to President Ford that he should not overlook the counsel and expertise of another distinguished Utahan, Robert Hilbert, the secretary of the Salt Lake County Conservancy District, who is president of the American Waterworks Association.

Mr. President, I ask unanimous consent that at the end of my remarks an article from the Salt Lake Tribune, dated August 15, 1974, which describes the meetings with President Ford, be included in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Rampton, Garn Attend Meetings With Ford

(By Frank Hewlett)

Washington.—Gov. Calvin L. Rampton and Salt Lake Mayor Jake Garn attended separate White House conferences Wednesday with President Ford and both were well pleased with the results.

"A very good meeting," said Gov. Rampton who headed the delegation from the executive committee of the governors conference.

At a press briefing following the conference, the Utahan said "Inflation without question is the number one concern in Utah as it is in most of the rest of the nation."

He mentioned no names but predicted there would be close elections in Utah in November and indicated belief that the Watergate problems of the Republicans would not have a profound effect on the elections outcome in his state.

Mayor Garn was one of five U.S. mayors selected to meet the press after 15 mayors had met President Ford. The Utahan is president-elect of the National League of Cities.

Mayor Garn was high in his praise of the President and noted the mayors had a meeting of their own prior to going to the White House and Mr. Ford was so well informed on the problems of the cities that he "foresaw our problems" before many proposed questions could be asked.

Gov. Rampton and Mayor Garn will return to Utah Tuesday following a meeting of the new coalition composed of governors, mayors and county officials. Gov. Rampton is chairman of the group and Mayor Garn a member.

President Ford has a meeting scheduled Thursday morning with the officials of the National Association of Counties. Utahans at this session include Stanley Smoot, Davis County commissioner elected president of NACO last month. The other is Jack Christiansen, executive director of the Utah Association of Counties.

MINNESOTA SUPPORTS ERTS

Mr. MOSS. Mr. President, today I am happy to report to the Senate that Minnesota supports the ERTS program.

The Honorable Wendell R. Anderson, Governor of the State of Minnesota, has written to me as follows:

> I agree that ERTS has proven its worth and that an operational ERTS System has great potential value—we can foresee great benefits from ERTS.

Mr. President, I ask unanimous consent that the letter of the Governor of Minnesota, dated July 18, 1974, be placed into the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 18, 1974.

Mr. Frank E. Moss,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

Dear Senator Moss: Thank you for your letter of June 24 concerning the viability of making the ERTS System operational.

I agree that ERTS has proven its worth and that an operational ERTS System has great potential value. Assuming that an operational system would provide turn-around time on the order of two to three days, that established data acquisition capabilities of ERTS were put in a User's Manual format and that future orbital hardware improvements will allow higher resolution imagery, we can foresee great benefits from ERTS.

If an operational system were permanently established, with imagery regularly available on a long-term basis, we could logically invest more time in establishing a long term program of use and research regarding the potential of acquired imagery.

To date, other than for experimental projects at the University of Minnesota, little use has been made of ERTS imagery in Minnesota. Applied research into the uses of ERTS imagery has been foregone due to the current status of the program as a research and development project.

Currently, our Department of Natural Resources is contracting with the Remote Sensing Laboratory of the University of Minnesota to develop recommendations to the Department concerning the most effective use of a remote sensing progress. This study is in progress and is scheduled for completion in August of 1975. Formal recommendations as to the use of ERTS imagery will be contained in that report.

If you desire further information, please do not hesitate to contact this office.

With warmest personal regards.

Sincerely,

WENDELL R. ANDERSON.

QUORUM CALL

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The **ACTING PRESIDENT** pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. ALLEN). Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGOVERN, from the Committee on Agriculture and Forestry, with amendments:

S. 3801. A bill to authorize the Federal Farm Credit Board to fix the compensation of the Governor and the Deputy Governors of the Farm Credit Administration (Rept. No. 93–1102).

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974—SUBMISSION OF A CONFERENCE REPORT (REPT. NO. 93–1103)

Mr. BAYH, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes, which was ordered to be printed.

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1104).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MOSS:

S. 3921. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOSS:

S. 3921. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes. Referred to the Committee on Government Operations.

RECORDS MANAGEMENT ACT

Mr. MOSS. Mr. President, today I am introducing a bill to require a more effective and efficient use of the tremendous number of Federal records that are produced annually.

A similar bill has been introduced in the House of Representatives by Congressmen RICHARD C. WHITE and GUNN McKAY. I appreciate the interest which these distinguished individuals have shown in legislation that will lessen the waste and inefficiency in the field of Government records management.

The importance Americans have placed on preservation of Government records goes back to the First Congress. However, no general congressional message regarding the disposal of records came until the Records Disposal Act of 1889. But the recommendations for the efficient and effective handling of Government records that were made by Presidential and congressional advisory committees throughout the 19th and 20th centuries were largely ignored by Government agencies.

In 1934, with the establishment of the National Archives, a systematic approach to the preservation and disposal of records was begun. This led toward a more acceptable form of records management to handle the tremendous growth in the paperwork of the Federal Government. Further impetus toward records management resulted from the two Hoover Commissions and the legislation and policies that followed.

The First Hoover Commission found that—

> Recordmaking and recordkeeping are the greatest consumers of salaries, space, and equipment of all the housekeeping or service activities of the Federal Government.

When the Commission made its report in 1949, approximately $1,200,000,000 was spent annually for recordkeeping. Furthermore, the Government was found to have 18,500,000 cubic feet of records which occupied more than 18,000,000 square feet of floor space. This was enough to fill six Pentagon Buildings.

To alleviate some of the problems of records management that had been pointed out by the First Hoover Commission, the Federal Property and Administrative Service Act of 1949 was enacted. This law declared that—

> It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system . . . for records management.

Additional legislation, the Federal Records Act of 1950, soon followed with the purpose of expanding authority in records management. And a Second Hoover Commission was authorized in 1955 to further the achievements of the First Commission.

Since 1955 the Federal Government's records management program has grown greatly. Although many difficulties have been overcome, a need still exists to find more efficient and economical means to handle the cost of Government paperwork that has increased from $4 billion a year in 1955 to $8 billion in 1966 to a whopping $15 billion a year in 1973. In only 1 year, 1972, the additional new records that were created approached 7 million cubic feet. If these records were placed in a single file drawer they would extend for some 1,300 miles.

Due to the great increase in the number of government records, and to a 1973 report by the Comptroller General of the United States to the Congress that the tremendous increase in the paperwork of the Government was not being managed in the most efficient manner, the need for legislation to improve our records management programs is very evident.

Such recognition of this need is not meant to detract from the significant achievements by the National Archives and Records Service or the General Services Administration. They have provided an admirable service in the handling of government records as efficiently and economically as our laws would allow. The efforts of the employees of NARS and GSA are to be commended for this. But additional authority is necessary if agencies are to be forced to improve their records management program.

Mr. President, present legislation in the records management field fails to overcome three basic weaknesses. The existing laws do not make the meaning of records management clear. Neither are agency responsibilities clear. And no practical means exist to enforce compliance of GSA regulations and recommendations.

I believe that remedies are needed in order that these weaknesses do not continue. It is time that we recognize the full potential of the records management concept. This bill provides a means by which the weaknesses in records management can be overcome. It provides a means to improve upon the impressive accomplishments of the Federal Records Act of 1950 in bringing Government paperwork under better management control.

This bill makes clear the need for records management to cut waste and unnecessary paperwork. A workable and complete definition of "record management" is spelled out with clarity. Agency responsibilities are expended upon and pressure is placed upon agencies to do something to insure efficient and economical records management practices. It is estimated that such practices would save at least $100 million per year by decreasing excess paperwork, which may amount to 25 percent of all paperwork, and by increasing efficiency in records management. Where voluntary compliance is not found, the Administrator of

GSA will have the authority to compel agencies—subject to appeal—to follow measures that will improve records management procedure.

Mr. President, I think that this is a significant and necessary piece of legislation. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3921

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Records Management Act".

AMENDMENT OF TITLE 44, UNITED STATES CODE

SEC. 2. (a) Title 44, United States Code, is amended by striking out chapter 27 through chapter 31 and inserting in lieu thereof the following new chapter:

"CHAPTER 27.—RECORDS MANAGEMENT

"Sec.
"2701. Definitions.
"2702. Objectives of records management.
"2703. General responsibilities of Administrator.
"2704. Records management authority of Administrator.
"2705. Records Review Board.
"2706. Records management by Federal agencies.
"2707. Custody and control of property.
"2708. Establishment of standards for selective retention of records; security measures.
"2709. Records center; storage, processing, and servicing of records.
"2710. Interagency records transfers.
"2711. Retention of records.
"2712. Certifications and determinations on transferred records.
"2713. Safeguards.
"2714. Unlawful removal, destruction of records.
"2715. Records management personnel.
"2716 Authority of Comptroller General.
"2717. Rules.

"§ 2701. Definitions.

"For purposes of this chapter, chapter 21, and chapter 25 of this title—

"(1) the term 'records' has the meaning given it by section 3301;

"(2) the term 'records management' means the planning, controlling, directing, organizing, training, promoting, and other managerial activities involved with respect to records creation, records maintenance and use, and records disposition, including the management of correspondence, forms, directives, reports, machine readable records, microforms, information retrieval, files, mail, vital records, records equipment and supplies, office copiers, word processing and source data automation techniques, records preservation, records disposal, and records centers or other storage facilities;

"(3) the term 'paperwork management' is considered to be a synonym for the term 'records management,' as defined above;

"(4) the term 'records practices' means any system, procedure, or technique followed with respect to effective records creation, records maintenance and use, and records disposition;

"(5) the term 'records creation' means any process involved with respect to producing any recorded information necessary to conduct the business of a Federal agency;

"(6) the term 'records maintenance and use' means any activity involved with respect to—

"(A) the planning and establishment of controls and procedures governing the location of records of a Federal agency;

"(B) the development and implementation of systems and procedures to facilitate the safeguarding, retrieval, and use of recorded information kept at file locations;

"(C) the development and implementation of systems for the economical and efficient processing of mail of a Federal agency;

"(D) the control of selection and use of equipment and supplies associated with records;

"(7) the term 'records disposition' means—

"(A) the removal by a Federal agency (in accordance with approved records control schedules) of records no longer necessary for the conduct of business by such agency, through removal methods which may include—

"(i) the disposal of temporary records by destruction or donation;

"(ii) the transfer of records to Federal agency storage facilities or records centers; and

"(iii) the transfer to the National Archives of the United States of records determined to have historical or other sufficient value to warrant continued preservation;

"(B) the transfer of records from one Federal agency to any other Federal agency;

"(8) the term 'records center' means an establishment maintained by the Administrator or by a Federal agency primarily for the storage, servicing, security, and processing of records which must be preserved for varying periods of time and need not be retained in office equipment or space;

"(9) the term 'inspection' means the review of Federal agency records, records practices, and records management programs for the purpose of evaluating records management effectiveness and recommending means for the improvement of records management;

"(10) the term 'paperwork study' means the carrying out of an investigation and analysis of any agency records, records practices, or paperwork processes (whether manual or automated), with a view toward rendering findings and recommendations with respect thereto;

"(11) the term 'servicing' means making available for use information in records and other materials in the custody of the Administrator—

"(A) by furnishing the records or other materials, or information from them, or copies or reproductions thereof, to any Federal agency for official use, or to the public;

"(B) by making and furnishing authenticated or unauthenticated copies or reproductions of the records or other materials;

"(12) the term 'unauthenticated copies' means exact copies or reproductions of records or other materials which are not certified as such under seal and which need not be legally accepted as evidence;

"(13) the term 'National Archives of the United States' means those official records which have been determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the Federal Government, and which have been accepted by the Administrator for deposit in his custody;

"(14) the term 'Administrator' means the Administrator of General Services; and

"(15) the term 'Board' means the Records Review Board established by section 2705 (a);

"(16) the term 'Federal-agency' shall have the meaning defined in title 40, United States Code, section 472(b); and

"(17) the term 'executive agency' shall have the meaning defined in title 40, United States Code, section 472(a).

"§ 2702. Objectives of records management

"It is the purpose of this chapter, chapter 21, and chapter 33 of this title to require the establishment of standards and procedures to assure efficient and effective records management. Such standards and procedures shall seek to effectuate the following goals:

"(1) accurate and complete documentation of the policies and transactions of the Federal Government;

"(2) control of the quantity and quality of records produced by the Federal Government;

"(3) simplification of the processes through which records are created, stored, retrieved, and used;

"(4) the judicious preservation and disposal of records;

"(5) the establishment and maintenance of a system which focuses continuous attention upon records from their initial creation to their final disposition;

"(6) the establishment and maintenance of mechanisms of control with respect to records creation, in order to assure the prevention of unnecessary records,—and the effective and economical operations of an agency;

"(7) the establishment and maintenance of such other systems or techniques as the Administrator considers necessary to carry out the purposes of this chapter, chapter 21, and chapter 33 of this title.

"§ 2703. General responsibilities of Administrator

"The Administrator shall provide guidance and assistance to Federal agencies with respect to records creation, records maintenance and use, and records disposition. In providing such guidance and assistance, the Administrator shall—

"(1) develop and promulgate records management standards, guidelines, procedures, and techniques, including guidance with respect to staffing and selection and effective use of equipment and supplies;

"(2) conduct research with respect to the improvement of records practices;

"(3) serve as a clearinghouse for information with respect to records management and as a central source for reference and training materials with respect to records management;

"(4) establish such interagency committees and boards as may be necessary to provide an exchange of information among Federal agencies;

"(5) disseminate information with respect to technological development in microfilm, office copying, automated data processing, and other electronic and mechanized equipment useful in the processing of recorded information;

"(6) promote the economical and efficient utilization of space, equipment, and supplies necessary for records creation, records maintenance and use, and records disposition; and

"(7) conduct paperwork studies and require the heads of executive agencies to conduct paperwork studies with respect to establishing procedures designed to save time and effort in records management, with particular attention given to standards and procedures governing the creation of records.

"§ 2704. Records management

"(a) The Administrator shall—

"(1) conduct inspections or paperwork studies, at regular intervals as determined to be necessary by the Administrator, of the records, records practices, and records management programs of every Federal agency;

"(2) require the head of every Federal agency at regular intervals as determined to be necessary by the Administrator to transmit a report to the Administrator with respect to the records, records practices, and records management programs of each such Federal agency;

"(3) prescribe rules with respect to records management; and

"(4) order, to the extent he considers necessary, the head of any executive agency to take specific action with respect to the records, records practices and records management program of his agency.

"(b)(1) The Administrator may conduct

paperwork studies at the request of the head of any Federal agency. Any such study shall not be in lieu of any inspection or paperwork study conducted by the Administrator under subsection (a)(1).

"(2) The Administrator may require reimbursement from the Federal agency involved for the cost of any study conducted by the Administrator under paragraph (1).

"(3) For purposes of this subsection (b), the term 'Federal agency' includes the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction.

"(c) The Administrator may conduct inspections or paperwork studies which involve a review of the policies and practices of more than one Federal agency and which examine interaction and relationships among Federal agencies with respect to records and records management.

"(d)(1) The officers and employees of each Federal agency shall cooperate fully with the Administrator with respect to any inspection or paperwork study of any such agency conducted by the Administrator under subsections (a)(1), (b)(1) or (c).

"(2) Records, the use of which is restricted by law or for reasons of national security or the public interest, shall be inspected or surveyed in accordance with rules prescribed by the Administrator, subject to the approval of the Executive Office of the President.

"(e)(1) The Administrator shall transmit reports to each House of the Congress no later than the close of business March 31 of each year. Each report shall contain—

"(A) a detailed statement with respect to each inspection or paperwork study conducted by the Administrator under subsection (a)(1) or subsection (c);

"(B) a compilation of reports transmitted to the Administrator under subsection (a)(2) during the most recent calendar year;

"(C) a description and explanation of any rule prescribed by the Administrator under subsection (a)(3), or of any order issued by the Administrator under subsection (a)(4) during the most recent calendar year; and

"(D) an evaluation of the adequacy of personnel staffing support for the records management function within each Federal agency;

"(2) Each report transmitted by the Administrator to each House of the Congress under paragraph (1) shall at the same time be transmitted to the Director of the Office of Management and Budget and to the Comptroller General. The Director and the Comptroller General shall review each such report and transmit their comments and recommendations with respect to each such report to each House of the Congress no longer than sixty days after receiving such report.

"(f) Except as provided by section 2705, every executive agency shall comply with any order issued by the Administrator under subsection (a)(4) which applies to such agency, no later than one year after the date upon which such order is issued.

"(g) There is hereby authorized to be established on the books of the Treasury a Federal Records Management Fund which shall be available without fiscal year limitations to meet expenses, including personal services and such costs as are required to provide necessary assistance to the Federal agencies. Such fund shall be credited with advances and reimbursements from available appropriations and funds of any agency (including General Services Administration) for records management services rendered and facilities made available thereto, with charges to be determined by the Administrator to approximate the costs incurred for providing records management services.

"§ 2705. Records Review Board

"(a) There is established as an independent organization in the executive branch of the Federal Government a board to be known as the Records Review Board.

"(b)(1) The Board shall be composed of five members as follows:

"(A) three appointed by the President by and with the advice and consent of the Senate:

"(B) one appointed by the Administrator; and

"(C) one appointed by the Director of the Office of Management and Budget.

A vacancy in the Board shall be filled in the manner in which the original appointment was made.

"(2)(A) Except as provided by subparagraphs (B) and (C), members of the Board shall be appointed for terms of five years.

"(B) Of the members first appointed—

"(i) two shall be appointed for terms of five years,

"(ii) two shall be appointed for terms of three years, and

"(iii) one shall be appointed for a term of one year, as designated by the President at the time of appointment.

"(C) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

"(c)(1) Except as provided by paragraph (2), members of the Board shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-16 of the General Schedule for each day (including travel-time) during which they are engaged in the actual performance of duties vested in the Board.

"(2) Members of the Board who are full-time officers or employees of the Federal Government shall receive no additional pay on account of their service on the Board.

"(3) While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Federal Government service are allowed expenses under section 5703(b) of title 5, United States Code.

"(d) The Board may appoint and fix the pay of such personnel as it deems necessary to assist it in carrying out its functions under this section.

"(e)(1) Any executive agency may appeal to the Board any order issued by the Administrator under section 2704(a)(4).

"(2) Any such appeal shall be filed no later than three months after the date upon which such order is issued. Such appeal shall be in writing and shall contain a detailed statement of the reasons of such agency for objecting to such order.

"(3) The Administrator shall, no later than one month after the filing of an appeal under paragraph (1), transmit a written reply to such appeal to the Board. Such reply shall include the reasons of the Administrator for issuing such order.

"(4) The Board shall render a ruling with respect to any appeal filed under paragraph (1) no later than three months after the date of such filing. If such ruling requires compliance with the order issued by the Administrator, the executive agency involved shall comply with such order no later than six months after the date upon which such ruling is rendered.

"§ 2706. Records managed by Federal agencies

"(a)(1) The head of each Federal agency shall make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Federal agency. Such records shall furnish the information necessary to protect the legal and financial rights of the Federal Government and of persons directly affected by the activities of the Federal agency.

"(2) The head of each Federal agency shall establish and maintain an efficient and continuing records management program which shall focus upon the complete cycle of records creation, records maintenance and use, and records disposition, the establishment of necessary or appropriate controls, and achievement of the goals described in section 2702.

"(b) The records management program established by the head of each Federal agency under subsection (a)(2) shall include provision for—

"(1) effective controls over records creation, records maintenance and use, and records disposition, to insure efficient and economical agency operations;

"(2) cooperation with the Administrator in applying standards, procedures, and techniques designed to improve records management, promote the maintenance and security of records deemed appropriate for preservation, and facilitate the segregation and disposal of records of temporary value; and

"(3) compliance with the provisions of this chapter and of section 2101 through section 2113, section 2501 through section 2507, and section 3301 through 3314, and any rule prescribed under such provisions.

"§ 2707. Custody and control of property

"The Administrator shall have immediate custody and control of the National Archives Building and its contents, and may design, construct, purchase, lease, maintain, operate, protect, and improve buildings used by him for the storage of records of Federal agencies in the District of Columbia and elsewhere. For purposes of this section 2707, the term 'Federal agency' includes the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction.

"§ 2708. Establishment of standards for selective retention of records; security measures

"The Administrator shall establish standards for the selective retention of records of continuing value, and assist Federal agencies in applying the standards to records in their custody. He shall notify the head of a Federal agency of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that shall come to his attention, and assist the head of such agency in initiating action through the Attorney General for the recovery of records unlawfully removed and for other redress provided by law.

"§ 2709. Records centers; storage, processing, and servicing of records

"(a) The Administrator may establish, maintain, and operate—

"(1) records centers for storage, processing, and servicing of records for Federal agencies pending their deposit with the National Archives of the United States or their disposition in any other manner authorized by law; and

"(2) centralized microfilming services for Federal agencies.

"(b) When the head of a Federal agency determines that it may effect substantial economies or increased operating efficiency, he shall provide for appropriate storage, processing, and servicing of records in a records center maintained and operated by the Administrator or, when approved by him, in a center maintained and operated by the head of the Federal agency.

"(c) For purposes of this section 2709, the term 'Federal agency' includes the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction.

"§ 2710. Interagency records transfers

"Subject to applicable law, the Administrator shall prescribe rules governing the transfer of records from the custody of one Federal agency to that of any other Federal agency.

"§ 2711. Retention of records

"The Administrator may empower a Federal agency, upon the submission of evidence of need, to retain records for a longer period than that specified in disposal schedules. The Administrator may withdraw, in accordance with rules prescribed by him, disposal authorizations covering records listed in disposal schedules.

"§ 2717. Certification and determinations on transferred records

"An official of the Federal Government who is authorized to certify to the facts on the basis of records in his custody, may certify to facts on the basis of records that have been transferred by him or his predecessors to the Administrator, and may authorize the Administrator to certify to facts and to make administrative determinations on the basis of records transferred to the Administrator, notwithstanding any other law.

"§ 2713. Safeguards

"The head of each Federal agency shall establish safeguards against the removal or loss of records he determines to be necessary and required by rules of the Administrator. Safeguards shall include making it known to officials and employees of the Federal agency—

"(1) that records in the custody of such agency are not to be alienated or destroyed except in accordance with section 3301 through 3314 of this title; and

"(2) the penalties provided by law for the unlawful removal or destruction of records.

"§2714. Unlawful removal, destruction of records

"The head of each Federal agency shall notify the Administrator of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of the agency of which he is the head that shall come to his attention, and with the assistance of the Administrator shall initiate action through the Attorney General for the recovery of records he knows or has reason to believe have been unlawfully removed from his agency, or from another Federal agency whose records have been transferred to his legal custody.

"§ 2715. Records Management Personnel

"The head of each Federal agency shall assign responsibility for developing, coordinating, and implementing his agency's records management program to a central identifiable control point within his agency, and shall assign to it personnel with specialized knowledge in the various functions comprising records management, and in such numbers as required to accomplish the objectives stated in section 2702.

"§ 2716. Authority of Comptroller General

"The provisions of this chapter and of section 2101 through section 2113, and section 2501 through section 2507, do not limit the authority of the Comptroller General of the United States with respect to prescribing accounting systems, forms, and procedures, or lessen the responsibility of collecting and disbursing officers for rendition of their accounts for settlement by the General Accounting Office.

"§ 2717. Rules

"The Administrator may prescribe such rules as he considers necessary to carry out the provisions of this chapter."

"(b) The table of chapters for title 44, United States Code, is amended by striking out the items relating to chapter 27, through chapter 31, and inserting in lieu thereof the following new item:

"27. Records management.......... 2701".

DEFINITION OF RECORDS

Sec. 3. Section 3301 of title 44, United States Code, is amended by inserting "machine readable materials," immediately after "photographs,".

EFFECTIVE DATE

Sec. 4. The foregoing provisions of this Act shall take effect on the date of the enactment of this Act, except that any requirement for the transmission of reports to the Administrator by the heads of Federal agencies or for the transmission of reports to the Congress by the Administrator, shall apply with respect to calendar years beginning after the close of December 31, 1974.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2022

At the request of Mr. Tunney, the Senator from Utah (Mr. Moss) was added as a cosponsor of S. 2022, a bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes.

S. 3680

At the request of Mr. Tunney, the Senator from New Mexico (Mr. Montoya) was added as a cosponsor of S. 3680, a bill to prevent unfair taxation of recent college graduates.

S. 3807

At the request of Mr. Tunney, the Senator from Oregon (Mr. Hatfield) and the Senator from Tennessee (Mr. Brock) were added as cosponsors of S. 3807, the Student Loan Protection Act of 1974.

SENATE RESOLUTION 385—SUBMISSION OF A RESOLUTION DESIGNATING "U.S. ARMED FORCES ROTC WEEK"

(Referred to the Committee on the Judiciary.)

Mr. TOWER. Mr. President, at a time when the United States is moving cautiously toward détente with the Soviet Union and The People's Republic of China, it is most important that we maintain the strength that permits continued negotiation. The heart of that strength is the manpower behind the gun, in the airplane, or on the ship. Battles are often as not won by the superior fighting man. Training, spirit, and leadership can contribute as much to the final victory as the quality weapon systems we must furnish our men. It is one of the foregoing, specifically leadership, that I am interested in today.

Although not the only source of our military leaders, the Reserve Officers Training Corps—ROTC—is perhaps our most important. The service academies provide a great portion of the career officers in our Armed Forces. ROTC, however, furnishes not only our Reserve units with the trained leadership it needs to be ready for national emergency, but it also furnishes our Active Forces with significant numbers of quality career officers.

Mr. President, beyond the question of numbers, ROTC provides the military system with something essential in a democracy—and that is contact with the civilian world. The importance of the role of ROTC in serving to integrate the services into the rest of our society by constantly providing officers who have been trained in a civilian school, officers who are, first, civilians themselves, should not be underestimated. Our Nation has flourished for nearly 200 years without the hint of military involvement in politics. While ROTC is not solely responsible for this, I believe it has been a significant factor.

I believe it is appropriate for these reasons for us to take this opportunity to express our appreciation and support for the ROTC program, as it continues its excellent leadership training for our servicemen of tomorrow. Without question, these young men and women are outstanding students who are receiving a very high quality of training from the best instructors and curriculum available, and America can certainly be proud of these fine, young, men and women.

Mr. President, I am very pleased to be introducing today, therefore, a resolution designating the week of September 15–21, 1974, as "U.S. Armed Forces ROTC Week." I urge my colleagues to express their full support for and gratitude to our Reserve officers-in-training, and I would be pleased to have them join as cosponsors of this resolution.

Mr. President, I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

S. Res. 385

Whereas the Armed Forces Reserve Officers' Training Corps (ROTC) program provides instruction in military leadership at more than 383 leading colleges and universities in the United States;

Whereas the purpose of ROTC is to train selected men and women for positions of responsibility in the active duty and reserve components of the United States Armed Forces;

Whereas the efficiency and vitality of the United States Armed Forces depends to a great extent upon the caliber of its officers, many of whom have been trained in the ROTC program;

Whereas government and business leaders by the thousands have been ROTC members, including the heads of leading industrial firms, governors, ambassadors, and public officials: Now, therefore, be it

Resolved, That, to recognize the Reserve Officers' Training Corps (ROTC) and honor its graduates, the President is authorized and requested to issue a proclamation designating the week of September 15–21, 1974, as "United States Armed Forces ROTC Week", and calling upon the people of the United States and interested groups and organizations to observe such week with appropriate ceremonies and activities.

COUNCIL ON WAGE AND PRICE STABILITY—AMENDMENTS

AMENDMENTS NOS. 1805 AND 1806

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted two amendments intended to be proposed by him to the bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

AMENDMENT NO. 1807

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON (for himself, Mr. Javits, Mr. Muskie, and Mr. Proxmire) submitted an amendment intended to be proposed by them jointly to the bill (S. 3919), supra.

AMENDMENT NO. 1808

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (S. 3919), supra.

AMENDMENT NO. 1809

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, I submit an amendment to S. 3919, the pending bill to create a Council on Wage and Price Stability, and I ask that it may lie on the table and be printed.

The amendment would set the date for expiration of the Council's authority on April 30, 1975, instead of June 30, 1976, as the bill now provides. The purpose of the amendment is to require Congress to review in detail the operation of the Council early in 1975, and to act again by further legislation if the Council is to be continued beyond that date.

Clearly, there are doubts and reservations in Congress about the Council that is now to be established in response to President Ford's request for a new agency to monitor inflation. All of us desire a quick and generous accommodation with the President in approving his first request to Congress. All of us hope that the Council will do an effective job in helping to launch the new administration's anti-inflation policy.

But Congress has a responsibility of its own to insure that the policy is effective, and the way we can best reach that goal is by conducting a prompt review of the Council's functions after its initial period of operation.

Clearly, June 30, 1976, is too long to wait for the sort of thorough review and detailed oversight that an expiration date for the Council's authority necessarily entails. I hope that my proposal to set the date at the end of April next year will be accepted by the Congress, and that Congress and the President will be able to work effectively together in a partnership against inflation.

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1519

At the request of Mr. Tunney, the Senator from Minnesota (Mr. Mondale) and the Senator from Massachusetts (Mr. Kennedy) were added as cosponsors of Amendment No. 1519, intended to be proposed to the bill (S. 3601) to amend the Urban Mass Transportation Act of 1964.

ANNOUNCEMENT OF HEARING

Mr. KENNEDY. Mr. President, I would like to announce that the Subcommittee on Refugees and the Subcommittee on Health will resume their joint hearings on "World Hunger, Health and Refugee Problems," on Tuesday, August 20, 1974. The hearing will begin at 9:30 a.m. in room 2228 of the Dirksen Senate Office Building, and will focus on human disaster in Africa, Bangladesh, and Cyprus.

The hearing will review the continuing famine needs in Africa, the flood relief needs in Bangladesh, and the growing humanitarian problems resulting from conflict in Cyprus.

The following persons are scheduled to testify:

Dr. Nevin Scrimshaw, head of department of nutrition and food science at MIT, and Dr. Robert Stone, Director of the National Institutes of Health, who just returned from Bangladesh.

Mr. Jarold A. Kieffer, Assistant Administrator for Population and Humanitarian Assistance, AID;

Mr. Donald S. Brown, Deputy Assistant Administrator for Africa, AID;

Others from the executive branch.

BRIEFING ON REACTOR SAFETY STUDY

Mr. PASTORE. Mr. President, on next Tuesday, August 20, 1974, the AEC will release the draft of the report entitled "An Assessment of Accident Risks in U.S. Commercial Nuclear Power Plants," prepared under the direction of Dr. Norman Rasmussen. In light of the interest in this report, a briefing has been arranged for Senators, or their designated staff, for 11:30 a.m. next Tuesday. A copy of my letter to Senators on this meeting which gives further details follows:

August 16, 1974.

Dear Colleague: At 11:30 a.m. on Tuesday, August 20, in Room S-407, Capitol Building, Dr. Dixy Lee Ray, Chairman, Atomic Energy Commission, and Dr. Norman Rasmussen will discuss the results of Dr. Rasmussen's recently completed study "An Assessment of Accident Risks in U.S. Commercial Nuclear Power Plants".

The study, under Dr. Rasmussen's direction, was commissioned by the AEC. It estimates the public risks that could be involved in potential accidents in present day commercial nuclear power plants. The Commission plans to circulate the report of the study to selected members of the public and the scientific community in order to have the benefit of such comments as may be received prior to publishing a final version of the report.

In view of current public interest in the safety of nuclear power plants, I urge that you plan to attend personally. If this is not possible, a designated staff member would be welcome.

A total of one hour is planned, approximately 40 minutes for presentation and the remainder of the time for questions and answers.

Later in the day the AEC plans to release the draft report during a scheduled press conference.

Sincerely yours,

John O. Pastore,
Vice Chairman.

ADDITIONAL STATEMENTS

TRIBUTES TO SENATOR MANSFIELD

Mr. HART. Mr. President, there is no word combination which can express the admiration and pride of this Senator from Michigan for the man from Montana whom we pause to honor.

Others have spoken correctly of his legislative skill, his patience, his integrity and decency. Indeed, these are the characteristics which brought him to the leadership. It was not ambition for place or position.

There is one easy way for me to explain for the record my feeling for Mike Mansfield. Repeatedly when one speaks with a student group, or a group of young people, the statement is made:

> Well, maybe politics is important, but it tends to dirty one. No one can participate without compromising important principles.

Repeatedly my answer is:

> Not true—Senator Mike Mansfield of Montana is proof positive that decency and moderation and accommodation can be maintained by one throughout a long and effective political life.

Now I can include in that answer the fact that such a man has served longer than any other man as the leader of his party in the Senate. I hope many years remain to be added to that record.

Mr. BURDICK. Mr. President, the distinguished majority leader from "big sky" country has been an individual who has shown vision and compassionate concern for the American people.

Mr. Mansfield has been Senate majority leader since 1961—longer than anyone else in the Senate's history. His fairmindedness, humility, and determination are widely respected by his fellow colleagues. As a former college professor of Latin American and Far Eastern history at Montana University, Mr. Mansfield has brought to the Senate a profound sense of history. This man of the Northwest has shown qualities of greatness that will single him out for a special place in history. As the Senator grew increasingly upset with the war in Vietnam, he pushed for, and got, Senate approval of various end-the-war amendments. And who will forget that he was the force behind the successful congressional moves to end the bombing in Cambodia.

The Senator from Montana is a man of intuitive commonsense and unlimited honesty. His fellow colleagues trust him, however much some may disagree with him, because they can be confident that the majority leader is truly a man of his word. I am proud to salute my neighbor to the west.

I congratulate the distinguished majority and Democratic leader for the prominent and magnificent services he has contributed to his party, to the people of Montana, and to the Nation.

Mr. FANNIN. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Arizona (Mr. Goldwater).

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Goldwater

It is a privilege to join in paying tribute to the distinguished Senator from Montana on this momentous occasion. From that day in 1953 when we both took the oath of office as Members o fthis body until the present, it has been a pleasure to know and serve with MIKE MANSFIELD. His thirteen years as Majority Leader have been marked by gentlemanly conduct, a willingness to listen to all sides and a lack of arm twisting that shows true leadership. He has set an example that future leaders will have a hard time matching. Leadership is one thing, bullying is another. We have lived through years of bullying; we have enjoyed thirteen years of leadership.

Mr. STEVENSON. Mr. President, I rise to congratulate the Senator from Montana on the occasion today of becoming the longest serving majority leader in the 186 years of the Congress. During his more than 13 years as majority leader Senator MANSFIELD has successfully guided through the Senate some of the most important and far-reaching pieces of legislation of the century. He understands the legislative process and has the respect of the entire Senate—Democrats and Republicans alike and of all who work here. Not only the Congress, but the Nation and the people of the United States are in his debt.

Mr. STEVENS. Mr. President, I am happy to join the Members of the Senate in congratulating the majority leader, the distinguished senior Senator from Montana, for his long service in that leadership capacity. Although I have been in the Senate for only the latter half of Senator MANSFIELD's service as majority leader, he has always treated me and the other Members of the Senate—particularly newcomers—with extreme courtesy and kindness. And, as a member of the minority, I am pleased to say that his approach to the Senate as a whole has fostered an appreciation of the traditions of the Senate by all its Members.

As a westerner I am particularly pleased that the majority leader reflects the graciousness and warmth of his native State of Montana.

Mr. NUNN. Mr. President, I am proud to join my colleagues in extending congratulations to the distinguished majority leader, Senator MIKE MANSFIELD of Montana, on the establishment of a new record for length of service as a majority or minority leader.

His record of 13 years and 225 days established yesterday is a tribute to his great capacity for leadership which has been recognized by his colleagues since his arrival in Congress in 1943.

In the 2 short years I have been in this body, I have come to regard him as both a close friend and adviser. My orientation to the complex procedural rules of the Senate was made easier by his advice and counsel. His assistance has been of great value to me on countless occasions.

More important, however, is the confidence and trust the majority leader enjoys from both sides of the aisle. His reputation for absolute fairness and integrity has won for him the highest esteem of both his Republican and Democratic colleagues.

Both on and off the floor, MIKE MANSFIELD reflects those qualities of honesty and integrity that are the hallmark of the American tradition.

I am proud to serve with Senator MANSFIELD in the U.S. Senate, and join all Americans in expressing deep appreciation for his dedicated service to his country and his distinguished leadership in the Senate.

Mr. HUGHES. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Iowa (Mr. CLARK).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CLARK

I wish to add my voice to those congratulating the distinguished majority leader, Senator Mike Mansfield, for his attainment of the distinction of having served longer in this position than any other person.

As a relative newcomer to this body I have not had the privilege of knowing and working with Mike for as long a period as many of my colleagues, but my respect and affection for this man and the kind of leadership he has so consistently displayed is no less great.

His integrity, honesty, fairness and humility should be—and are—deeply appreciated—not only by those of us here in this chamber, but also by the nation as a whole.

Mr. YOUNG. Mr. President, I wish to join with my colleagues in congratulating and commending our distinguished and beloved majority leader, Senator MIKE MANSFIELD, for having established an alltime record of 13 years and 225 days of continuous service as majority leader of the U.S. Senate.

Even more commendable than the longevity of his service is the manner in which he has conducted himself as our leader. Senator MANSFIELD's capacity for hard work constantly impresses me. He is always extremely well posted on all matters and I am amazed at how he keeps abreast of the thousands of bills we consider each year.

Mr. President, MIKE MANSFIELD's ability to lead the Members of this body, with our characteristic independence and widely divergent views, is an almost superhuman task. What I admire most about him is that he is always calm and collected. No one could be more considerate of our problems.

Our majority leader has truly been a great friend to all of us. The friendship and affection every Member of the Senate has for MIKE MANSFIELD will last forever. I shall always be grateful for his friendship and for all the considerations he has accorded me.

Mr. SCHWEIKER. Mr. President, I join in paying tribute to a great American, a dedicated Senator, and one of the most distinguished Senate majority leaders in the history of the Congress.

The record of service as majority leader which he has set, 13 years and 226 days is an important milestone. We are privileged to have the continued benefit of his leadership, his wisdom, his concern for the people of this country, and his dedication to the betterment of America. Every day, he will set a new record of service and I join in wishing his continued success for years to come.

Throughout my term of office in the Senate, I have been particularly impressed with the courtesy that MIKE MANSFIELD extends to all his colleagues. Young and old, experienced and inexperienced, Democrat and Republican, senior and junior, east and west, north or south, conservative or liberal—there are no differences in the respect he has for all his colleagues, and the fairness with which he carries out his responsibilities as the leader of this great body.

In my early days in the Senate, there were numerous occasions when Senator MANSFIELD went out of his way to assist me in carrying out my own duties, and I remain grateful for his respect and help.

Senator MANSFIELD has earned the esteem, the respect, and the gratitude of all his colleagues, and of all Americans, and it is a personal honor to pay tribute to his accomplishments as Senate majority leader.

Mr. MATHIAS. Mr. President, it was said of Lord Nelson that one of the sources of his success as a leader was the time and effort he expended on his midshipmen. However that may be, I can testify as a freshman senator as to the profound effect that Senator MANSFIELD's thoughtfulness and consideration for younger Members has upon all of us. Although I have not voted for him for leader and have necessarily opposed him on partisan issues, he has never failed to grant me his time and his attention whenever I asked for it. He has never asked me to vote for or against any bill nor exacted any price for his counsel and his assistance.

By the dignity and integrity of his own conduct he is an inspiration to all of his colleagues, and indeed to every American. This is leadership of a higher character than ballots can confer.

Mr. EAGLETON. Mr. President, I will be brief. Today, Senator MANSFIELD exceeds the previous tenure "track" record of Senator Joe Robinson of Arkansas.

Senator Robinson, you may recall, ran for Vice President with Al Smith on the 1928 Democratic ticket. Governor Smith's first choice for the Vice Presidential nomination—and parenthetically I know what it is to be less than a first choice for the Vice President—was Senator James A. Reed of Missouri.

I wrote my college thesis on Senator Reed and the role he played in defeating the League of Nations Treaty in the U.S. Senate.

At any rate, Mr. President, Jim Reed had a marvelous knack of turning a piercing phrase.

In declining Al Smith's offer of the Vice Presidential nomination, Jim Reed said:

> I refuse to take a back seat on a hearse.

Mr. President, I sadly admit, I do not know too terribly much about Senator Joe Robinson. I know a good deal more about Senator Jim Reed. I believe I know a great deal more about Senator MIKE MANSFIELD. He is a gentleman in the best sense of that word. He is gentle and he is manly. Although I am but a relative newcomer to the Senate, I can honestly say that I am delighted I came to the Senate in the Mansfield era. It is an era not only of record-setting longevity, but an era of decency and enormous accomplishment insofar as the position of majority leader is concerned.

Mr. PELL. Mr. President, I am particularly pleased to express my most heartfelt admiration and esteem for our majority leader, Mike Mansfield, for his record-setting tenure of this leadership position in the U.S. Senate.

Thirteen years and 225 days is in itself a time many would consider as encompassing a full career of government service. Many who have a desire to serve their country do not have the opportunity to participate in government for that length of time. Many would consider such length of service accolade enough.

Mike Mansfield's career in the Congress spans 32 years, almost 14 of which have been devoted to his work as majority leader. Added reason for acclaim and praise is provided by each day of that service and by the cumulative value it has had for all of us.

I have always been impressed by the wide-ranging and comprehensive knowledge of our majority leader. It spans domestic issues as easily as it does foreign affairs. I remember with particular delight and happiness a factfinding journey Mike Mansfield and I took together to the Vietnam area 12 years ago. His acumen was a source of enlightenment for me then, and so it has continued.

Our majority leader has been responsible for guiding through this Chamber legislation of momentous import for our Nation—as we have sought to improve the lives of our countrymen at home, as we have sought to bring peace to the world beyond our own shores.

Mike Mansfield has served this Nation in tumultuous times and in those quieter moments when a firm, yet patient hand, a calm and intelligent mind were equally needed.

All of us can develop knowledge. It comes from our daily activities. It comes from the vast amounts of literature which we and our staffs daily digest and attempt to give an ordered and meticulous review. It comes from our discussions and our debates in this Chamber. The Senate provides us with a limitless source of gaining knowledge.

But knowledge needs to be transformed into wisdom to be truly effective, truly an attribute of leadership. It is this quality of wisdom, this rare and most admirable quality, which I would emphasize today.

It belongs to our majority leader, and it gives dignity and strength to all he does.

Together with wisdom, he possesses to a remarkable degree the qualities of fairness and compassion. And it is because of his experience that I hope and trust he will remain majority leader for many years to come.

We salute him today for the record he has set, for his innumerable accomplishments. His continuing record endures for us, as does the wisdom it so manifestly imparts.

Mr. TUNNEY. Mr. President, I join my colleagues today in paying tribute to the distinguished service of our esteemed majority leader. Senator Mansfield, through all the turbulence of recent years, has provided a steadiness of purpose and a strength of resolve that have brought the Senate back to its rightful balance within our constitutional system. His sense of commitment, his integrity, all serve as inspiration to all Members of the Senate, and, of course, his unfailing fairness, the helping hand and counsel he gives incoming Members further enriches the lives of all who serve here.

He retains a calmness and sureness of judgment that assures a steady course of progressive legislation through the Senate.

Since coming to the Senate in 1953 and, conspicuously, since his election as majority leader in 1961, the senior Senator from Montana has, with quiet words and gentle suggestions, exercised leadership through a consensus of reason and mutual respect among all Members of the Senate, regardless of their party.

He has muted partisanship in favor of solid progress on the great issues before our Nation.

Senator Mansfield may have served more years than others as majority leader, but it is not the longevity of his service that we honor today, it is his abiding commitment to the obligations and the opportunities of the Senate to serve all America.

He has my respect, my gratitude and my admiration.

Mr. HRUSKA. Mr. President, I have noted with great pleasure that the distinguished Senator from Montana (Mr. Mansfield) has now served as majority leader in the Senate longer than any other majority leader or minority leader.

I have had the honor of knowing Senator Mansfield for many years. We have not always agreed on every issue, but I have always had the highest respect for his abilities. He is a man known among his colleagues on both sides of the aisle for his fairness and integrity. He is a man of his word. Senator Mansfield has demonstrated through the years his able leadership.

This is an outstanding accomplishment and I would like to join with my colleagues in offering my congratulations to Senator Mansfield.

Mr. FONG. Mr. President, it is indeed a pleasure to pay tribute to my good friend and colleague, Senator Mike Mansfield of Montana, who yesterday attained the distinction of having served as majority leader of the Senate longer than any other person in our Nation's history.

Today Mike Mansfield will have served 13 years and 226 days, 2 days longer than his nearest competitor, Senator Joseph T. Robinson, who managed to serve only 13 years, 224 days starting in 1923 and ending in 1937.

What turbulent, history-making years these past 13 years-plus have been.

Yet, no matter how stormy the seas our ship of state had to sail through, Majority Leader Mike Mansfield remained calm, facing each wave of crisis with intelligence, courage, and equanimity, which are his hallmarks.

He has other attributes which help account for his long acceptance and effectiveness as Senate majority leader. He is the epitome of fairness, honesty, and honor. His word is his bond. He has done a great deal to restore and maintain dignity and decorum in the Senate. His manner is gentle, but we who serve with him know how very firm and strong he is beneath that gentle exterior.

So today, Mike, I congratulate you not only for your recordbreaking tenure as majority leader but also for the grace and nobility with which you carry out your heavy duties.

Mr. JAVITS. Mr. President, yesterday, August 15, 1974, Senator Mike Mansfield completed 13 years, 225 days service as majority leader of the U.S. Senate. This is longer than anyone has served as majority leader and breaks the old record of former Senator Joseph T. Robinson who was party leader but not always majority leader for so many years in the 1920's and 1930's. This amazing record testifies to the high esteem in which Senator Mansfield is held by his colleagues in the Democratic party.

However, those of us on the other side of the aisle also respect and have great affection for the majority leader. He is a model of fairness and consideration to all Senators, regardless of party. With Mike Mansfield, partisanship is kept to a minimum and the national interest is always put first. After dealing with him for many years, I can state that he is always willing to help any Senator as much as possible consistent with his responsibility as majority leader.

I also believe that Mike Mansfield has opened up the Senate and allowed all Members, especially the junior Members to exercise their prerogatives to the fullest extent possible. This has allowed the Senate to function in a way it had not done in the past where junior Senators were seen but not heard and has allowed all members to participate to a greater extent in legislative business.

In addition to his service as majority leader, Mike Mansfield has been a knowledgeable and influential member of the Foreign Relations Committee and has made tremendous contributions by his opposition to the Vietnam war and inflated defense spending.

Mike Mansfield has a record to be proud of and he is that rare man who does not seek the respect or praise of his fellow Senators, but who deserves and gets it from all of us. I hope he remains with us for a long time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record a statement by the Senator from New Mexico (Mr. Domenici) congratulating Mr. Mansfield on having served longer as Democratic leader in this body than any other person.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR DOMENICI

It gives me great pleasure to congratulate my esteemed colleague, the Honorable Majority Leader of the Senate, Senator Mike Mansfield, for serving longer as Democrat leader in this body than any other person. But, I wish to congratulate him on more than mere longevity. I also wish to note his gracious generosity and kindness to this Senator, who has been here only 20 months, and who has benefited from the help offered by Senator Mansfield.

In an age when we are sometimes too slow to praise good things in our institutions, and too quick to condemn shortcomings, the honesty, kindness, and fairness of Senator Mansfield is a shining beacon to all of us.

Although I have been in this body a short time, I have had several occasions to observe Senator Mansfield's conduct on matters of great interest to me. His unflagging fairness, his patience, and his judgment has been praised, justly, by all. I wish here to also point out that Senator Mansfield has established a standard of trust in his fellow Senators that will stand for years. Such trust and respect shown others has made Senator Mansfield, in turn, one of the most trusted and respected of men.

Mr. MONDALE. Mr. President, Harry Truman over 15 years ago said that—

> Men make history and not the other way 'round. Progress occurs when courageous, skillful leaders seize the opportunity to change things for the better.

No description could better portray the career of our distinguished and beloved majority leader, the Senator from Montana (Mr. MANSFIELD). Yesterday, we were all privileged to mark his tenure as majority leader for 13 years and 225 days, a longer period of time than any other majority or minority leader has ever held such an important post.

And yet, Mr. President, I believe we would miss the essence of Senator MANSFIELD's contribution to the Senate and to the Nation if we dwelt solely on length of service. For it is the quality of his service and his devotion to the highest principles of American political life which have always marked his distinguished career.

As a leader in bringing about our withdrawal from the long ordeal in Vietnam, as a leader in reopening our contacts with the People's Republic of China, and as one of the principal movers behind the enactment of meaningful campaign finance reform legislation, Senator MANSFIELD has shown time and again his capacity for leadership and his ability to persuade his colleagues on the rightness and wisdom of his cause.

For nearly 10 years in the Senate, I have been privileged to work with him and to be the recipient of his many kindnesses and courtesies. I have benefited from his wisdom and his experience. And I know that every Member of the Senate has profited from his evenhandedness and his commitment to fundamental fairness in the conduct of our affairs.

Finally, I am convinced that many future milestones of achievement lie ahead in the distinguished career of Senator MANSFIELD. And I am confident that the happy occasion which we all marked yesterday will rededicate his efforts, and those of us all, toward effective, honest, and open leadership of Government in these most difficult of times.

Mr. HANSEN. Mr. President, I am happy to pay tribute today to my friend and fellow Westerner, Senator MIKE MANSFIELD, who holds the record for continuous service as majority leader of the U.S. Senate.

Though Senator MANSFIELD and I are of different political parties, I believe we share a common interest in and understanding of the problems and realities peculiar to the West. I know I share with everyone in this Chamber a common appreciation for the great skill and good sense which characterize his handling of the difficult duties of the majority leader.

Out West in Wyoming and Montana, where the towns are few and far between, the people are friendly and elected officials are on a first-name basis with nearly all of their constituents, MIKE MANSFIELD's name is known not only to all of his fellow Montanans, but to everyone in the surrounding States, as well. He is regarded as the national leader he is, and is respected and revered for his honesty, his intellect, and his long record of service to his country. And it is a long and distinguished record. Not everyone in this country enlisted in the Navy at 14 years of age, and not everyone served with the U.S. Army and the U.S. Marine Corps, as well. And, few in this country have served in Government as long and with such distinction as MIKE MANSFIELD, who first was elected to office in 1942.

During my short time in this body, Mr. President, I have watched with great admiration as the majority leader handled with skill and ease what to anyone else would have been very thorny problems. I have great affection for him as a person, and find it only natural that the people of Montana would, again and again, return him to Washington to do their work, and that the Members of the majority party in the Senate would, again and again, select him to lead the Senate in doing the work of the Nation.

I am honored to join with my colleagues in saying "thanks" to Senator MANSFIELD for a thousand kindnesses, and in saying "congratulations" for a job exceptionally well done.

Mr. SYMINGTON. Mr. President, I want to take this opportunity to salute Senator MANSFIELD on the milestone reached as the majority leader of the Senate. MIKE has now served longer than any other man in our history as leader of the Senate. His outstanding record was established on August 15 when he had served a total of 13 years and 255 days—1 day longer—now 2 days longer—than former majority and minority leader Joseph T. Robinson, of Arkansas.

All Americans can be proud of MIKE MANSFIELD. He is a man of fairness and outstanding integrity. He has not only served the people of his State, but all Americans. He has not only served the Democratic majority in the Senate, but all Senators. It is a difficult job and he has performed it with superb ability and fairness.

I congratulate him not only on the length of his service, but also on the quality, the dedication, and the courtesy of his leadership. It is a privilege to have him over the years as a leader and a friend.

Mr. CANNON. Mr. President, I have long valued my association and friendship with our distinguished majority leader, who has now served the longest term of any man in the top leadership of either party. MIKE MANSFIELD, a perfect choice for our Democratic Party and the Senate, has established his unique leadership abilities through many hard years of work—13 years, 225 days to be exact—in this body as majority leader.

His leadership, concern and spirit of cooperation and compromise has allowed this body to deliberate the crucial issues of America in an atmosphere of free exchange and honesty. He has emerged after many harsh battles in this Senate during the last 13 years as the one man who provides the needed firmness and determination, while at the same time the necessary openmindedness and flexibility. He has deserved and gained respect on both sides of the isle, and I am proud to pay homage to his unwavering service and dedication.

I hope that this body is fortunate to enjoy the benefits of MIKE's leadership for many more years. With MIKE at the helm, I feel secure and optimistic that we can overcome the challenges facing Congress and the country. In the effort, he can certainly continue to count on my help and support.

SENATOR MIKE MANSFIELD RECORDBREAKING SERVICE

Mr. DOLE. Mr. President, for over 13 years, this body has been guided by a man of quiet competence, candor, and principle. In his position as majority leader, he has filled his difficult and demanding role with both confident self-assuredness and respect for his colleagues. And these valuable attributes have made it unnecessary for him to resort to arm-twisting and bombast, techniques to which his style and personal manner would ill-suit him in any event.

SENATOR MANSFIELD—A REAL LEADER

Mr. PROXMIRE. Mr. President, the best thing about a record is that it gives an excuse to say publicly what one believes and which should be said, even though the opportunity did not exist.

Such is the case with the record set by the distinguished Senator from Montana, MIKE MANSFIELD. He has been a leader in this body longer than any other person, regardless of party, in our history.

That he has surpassed the previous record means nothing in itself. Its meaning is that MIKE MANSFIELD is a man who deserves to be majority leader, and thus has been able to stay in that job for a record length of time.

He is an extraordinary person.

His is a rare combination of qualities: Honesty, humility, erudition. He is persuasive, principled, patient. His attitude is positive and not negative. He has respect for his fellow man, regardless of station. He upholds justice without being self-righteous. He can condemn evil without condemning the evildoer. He fights for right without being unbending. He is fearless without instilling fear in others.

MIKE MANSFIELD is a leader because he knows how to lead and because he is worthy of respect.

Mr. President, I want to congratulate the Senator from Montana for his achievement and wish him well in all he does. I wish him a long, happy, and healthy life.

And, Mr. President, I wish to congratulate the members of the majority in Senate for having had the good sense to select MIKE MANSFIELD in the first place as majority leader and for keeping him in that important post.

THE DISTINGUISHED MAJORITY LEADER

Mr. FANNIN. Mr. President, I wish to join my colleagues on both sides of the aisle in praising our distinguished majority leader.

He has served as majority leader not only for a long time, but with great skill as well.

He is a man of rare patience, courtesy, and understanding. Above all, he is the epitome of fairness. In the decade that I have been in the Senate, I have never seen him act arbitrarily or abuse the power he holds.

He has, in fact, often gone out of his way to give a fair chance even to those with whom he disagrees.

I would like to thank him for the many courtesies he has shown me over the years, and I am very pleased that he now holds the record for length of service as a majority leader.

THE DISTINGUISHED SENIOR SENATOR FROM MONTANA

Mr. TALMADGE. Mr. President, yesterday the distinguished senior Senator from Montana reached a milestone of service to this body and the American people. Yesterday, Mike Mansfield completed 13 years and 225 days as majority leader of the U.S. Senate. This is the longest period that any Senator has served as the leader of his party in the history of our Republic.

I congratulate the distinguished majority leader. I commend him for his unselfishness. I thank him for his fairness, his unfailing courtesy, his forthrightness and honesty.

THE ACHIEVEMENT OF SENATOR MANSFIELD

Mr. PACKWOOD. Mr. President, we all owe a debt of gratitude to Senator Joseph T. Robinson, the recently eclipsed record holder of party leadership in the Senate. The fall of his longstanding tenure offers us a chance to remedy our shameful neglect in recognizing Mike Mansfield's contribution to the Senate. For while all too often we enjoy the fruits of leadership, we also fail to thank and acknowledge the laborer who carries the great burden of tilling and readying the soil in constant preparation for the planting of seeds and ideas, hoping for the bloom of successful legislation.

Mike Mansfield is such a laborer. More so than any other single man, his guidance and patience is responsible for this Chamber's great successes; our failures are our own. But the significance of Mike's achievement lies not in the past nor in the immediate future of less than a month when he approaches his 5,000th day of majority leadership. Rather, the final test of leadership, as the former dean of journalists expressed, is whether a man leaves behind him in other men the conviction and the will to carry on.

This body benefits daily from the conviction of Mike Mansfield—the conviction that fairness is the ultimate persuader, that patience is the best route to understanding.

Often we neglect to thank a man today because, after all, we think it can always be done tomorrow. But while memories and tomorrows are immortal, men are not. Mike Mansfield's career, his stewardship, continues, just as our too frequent unspoken gratitude will probably again resume. But at least today, on this occasion, I want Mike Mansfield to know each day of his additional service enriches the lives of 99 men, and long after both he and I have left this body his conviction, Walter Lippmann's test of leadership, shall carry on.

SENATOR MIKE MANSFIELD'S SERVICE SETS A RECORD FOR LONGEVITY AS MAJORITY LEADER—AMERICANS ARE FORTUNATE TO HAVE HIS LEADERSHIP

Mr. RANDOLPH. Mr. President, it is a joy to join my colleagues in expressing tribute to our most distinguished majority leader, Mike Mansfield, who has now served 13 years and 226 days in that position. This is a longer period than any other majority or minority leader has held this high position in the history of this Nation. His same seasoned guidance has been the bedrock on which rests our record of legislative achievements during those nearly 14 turbulent and challenging years. His counsel and compassion has been a firm foundation on which many of the complex issues of the day have been ameliorated and resolved.

Mike Mansfield not only has served as majority and Democratic leader longer than any other, his service occurred during what has probably been the most productive legislative period in the history of our Nation. This good man, this gentle man, has placed his imprint on some of the most significant social and economic laws ever produced. His resolute leadership has left its impact in so many areas of our national life and has helped shape the future of our people.

It is an extraordinary achievement to have enjoyed the trust and confidence of his colleagues on both sides of the aisle for so many years. On seven separate occasions, his Democratic peers have unanimously endorsed his leadership role. His calm and earnest demeanor, his simple honesty and his unswerving fairness have earned him the deep affection and high esteem that all of us feel for him.

Such admiration extends far beyond these halls. His selfless service to national and international policies and programs evokes commendation and respect in every corner of the world. But it is in his beloved home State of Montana that this universal acclaim is most unreservedly proclaimed. And deservedly so.

In July of 1973, I had the privilege of traveling to the University of Montana at Missoula, the hometown of this outstanding American. I addressed the Montana Council on Aging Workshop, and, following our meeting I had many conversations with the participants and with students on the campus.

Mr. President, it was gratifying, but not surprising to me that whenever the name of Mike Mansfield was mentioned, there was universal agreement. Group after group, young and old, chorused, "We are for him," and there was not a single dissent to that sentiment. Had the subject of this unanimous approbation been anyone other than Mike Mansfield, I would have suspected that someone had been doing some selective fieldwork.

I am honored to call him colleague, and privileged to know him as a true friend. His wife, Maureen, and my wife, Mary, have long cherished a wonderful friendship. In this age of shifting standards and flexible values, America is fortunate to have in a vital leadership role a man such as Mike Mansfield, whose credibility, integrity, and unquestioned dedication to service of all the people is a shining example that others can only strive to achieve.

VIRGINIA MILITARY INSTITUTE DECLARED NATIONAL HISTORIC LANDMARK

Mr. HARRY F. BYRD, JR. Mr. President, I am pleased that Secretary of the Interior Morton announced that the Virginia Military Institute, in Lexington, Va., has been declared a national historic landmark and included on the National Register of Historic Places.

VMI was deemed to possess exceptional value in U.S. history and was selected as a landmark under the theme "Political and Military History 1828–60" as a significant example of our Nation's cultural heritage for the education and enjoyment of all our citizens. VMI's superintendent is Gen. Richard L. Irby.

Formally organized in 1839, VMI, the "West Point of the South" was the earliest and has become perhaps the best known of the State-supported military colleges. Its resemblance to the U.S. Military Academy at West Point is not fortuitous. During the 20 years prior to the Civil War, VMI graduated men destined to win fame in the Civil War that lay ahead. Of its faculty, the most notable was the immortal "Stonewall" Jackson. At New Market, on May 15, 1864, the cadets materially aided in the defeat of Franz Sigel's invading Union Army.

In World War I, VMI gave 1,830 trained men to the Armed Forces, including 5 general officers.

In World War II, the number was 4,100 including 62 officers of general of flag rank. The most illustrious of these was General of the Army George C. Marshall.

The historic district encompasses a considerable area of the Virginia Military Institute. It is of varied composition, an ensemble of historic and architectural values and associations; and a complex of buildings constructed during the most historic period, 1839–1862, and continually thereafter to the present time. The buildings are mostly neo-Gothic, mixing the subsidiary styles variously known as collegiate, academic, military, cathedral and Tudor Gothic. In nearly all buildings there is evidence of the conscious attempt to repeat such features as the battlemented parapets.

Of the approximately 15 structures in the district, among the more important are the Barracks—already a national historic landmark—the Commandant's Quarters, the Pendleton-Coles House, and the Old Hospital. A. J. Davis designed some of the early buildings and in 1914 Bertram Grosvenor Goodhue designed three faculty residences of complimentary Gothic style.

As an alumnus of this fine institution, I am particularly proud of Virginia Military Institute's designation as a National Historic Landmark.

I. W. ABEL GIVES CONGRESS WISE COUNSEL

Mr. HUMPHREY. Mr. President, Wednesday, the Joint Economic Committee had the privilege of hearing testimony on the condition of our economy, and what to do about it, from one of the true giants of the American labor movement—Mr. I. W. Abel.

As chairman of the AFL–CIO's Economic Policy Committee and president of that great union, the United Steelworkers of America, this statesman of American labor spoke forcefully and wisely about the economic crisis confronting our Nation and our people.

But more importantly, Mr. Abel outlined, in the practical and responsible manner that has won him the admiration and respect of labor, management, and public officials, a series of tough but fair measures that could put our economy back on the road to recovery.

Mr. Abel, who I am privileged to count as a dear friend, demonstrated once again to all of us why he is such a great leader. Avoiding the temptations to generalize and theorize, this outstanding American provided specific suggestions regarding the problems that affect most Americans most seriously—food prices, housing costs and availability, and unemployment, to name just a few.

Mr. President, Mr. Abel's perceptive analysis of the current economic crisis and creative suggestions for bringing it to an end, in a way that is just to all Americans, warrants the careful study of every Member of Congress. I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

I want to thank the chairman and members of the committee for this opportunity to present the views of the AFL–CIO on national economic developments and trends.

The inauguration of President Ford on August 9 has given the American people and the national economy a psychological lift. The importance of such a boost to the spirit of the American people cannot be overestimated.

However, this psychological boost must be supplemented, quite rapidly, by an economic program designed to solve—not perpetuate—the economic problems that face the American people.

At its meeting in Chicago August 5 and 6, the AFL–CIO Executive Council devoted considerable attention to the sorry state of the national economy. Not since the end of World War II have the American people been faced by an economic situation as serious, as complex or as dangerous. The problem was compounded by misguided policies of the last Administration, by neglect and by widespread public distrust of the government's ability to deal with economic difficulties.

These problems have by no means gone away with Mr. Nixon's resignation. It is our hope that both the Congress and the new Ford Administration, now that the national nightmare is over, will turn their full attention to setting these matters straight.

The AFL–CIO Executive Council declared last February and May that the American economy had been in an inflationary recession since the final months of 1973, and recent government figures bear that out.

The dimensions of the problem are unchallengable:

Inflation is continuing to climb. The average worker's buying power is declining. Unemployment is up and is expected to rise during the coming months. The highest interest rates in 100 years and a money crunch are creating depression conditions in the home-building industry and serious trouble for other parts of the economy.

The recession is continuing and appears to be deepening. A long drawn-out recession, combined with continuing inflation, stares America in the face.

The stepped-up rise of prices was set off by the Russian grain deal in July 1972. The price rise began to accelerate in the second-half of 1972—during Phase II of the last Administration's so-called stabilization program, a one-sided program of controls on workers' wages and heavily weighted in favor of big business and big banks.

Inflation was aggravated by devaluations of the American dollar and vast exports of farm products and crude materials in short supply, such as steel scrap, copper scrap and even waste paper.

It was aggravated further in 1972, an election year, when the Federal Reserve supplied a rather easy flow of money and credit, at slowly rising interest rates, which encouraged speculation and the build-up of installment and business debt.

Added pressures on the rising prices of key farm products, raw and crude materials, resulted from hectic speculation and profiteering in the essentially unregulated commodity exchanges.

The energy emergency in the autumn of 1973 and the winter of 1973–1974—with the extraordinary rise of prices of oil and petroleum products—added still further to accelerating inflation and the economic woes of the American people.

The last Administration's response to these developing troubles—which it set off and, in large part, encouraged—was to adopt restrictive monetary and fiscal policies in early 1973. By the late winter and early spring of 1974, the government's economic program boiled down to very tight money, sharply rising interest rates and a hold-down on expenditures for essential programs, such as low- and moderate-income housing.

These polices could not possibly curb this rising tide of inflation. But they hit home-building first and hardest; residential construction, which declined in 1973, is now in a depression. They were a major factor in throwing the American economy into today's continuing recession. They generated even more inflation by raising costs and prices.

Moreover, these policies, and the money crunch they created, now present the threat of a deepening recession, business failures and high unemployment, while inflation persists.

Take a look at these facts:

Inflation—with its very marked effects on food and fuel prices, which have been spreading to the prices of industrial goods, utilities and services—has had a particularly devastating effect on most retired people and on low- and middle-income families with children. Their living standards have been undermined.

The buying power of the average worker's weekly take-home pay has dropped to about the level of 1965, nine long years ago.

The number of unemployed rose more than 750,000 between October 1973 and July 1974. If unemployment reaches a 6 percent rate, which government economists say is possible by the end of this year, it would mean an additional 650,000 jobless. The way things are going at present, the rise of unemployment may be considerably greater.

In recent months, the real volume of retail sales, after accounting for higher prices, has been about 5 percent below the same period of last year.

A housing shortage has been developing, while both housing starts and building permits have been falling sharply.

Confronted by the highest interest rates since the Civil War, many cities and counties are postponing bond issues and delaying investment in public facilities and services.

Public utilities are cutting back plant expansion programs. Even such large corporations cannot afford today's interest rates, since they are also faced by inflated fuel costs.

These actions by local governments and public utilities mean cuts in heavy construction, reduced orders for machinery, fewer jobs and increasing unemployment.

The monetary policies of the last Administration have brought the American economy to the edge of disaster.

A decisive change is needed to begin to lift the economy out of its present mess and onto the road to balance and health.

A decisive change in economic policies is also essential to maintain the psychological lift of the past few days and restore public confidence in the government's ability to manage economic problems with fairness, equity and justice.

Against this background, it should come as no surprise that workers are reaching for higher wage settlements at the bargaining table. The stepped-up inflation of the past two years leaves them no other choice but to try to stem their losses through negotiations with their employers.

By the time Mr. Nixon stepped down from office the inflation rate was more than double what it was in early 1969.

Over the 12 months that ended in June, the Consumer Price Index shot up 11.1 percent and even higher prices are already inescapable.

During the 12 months through July, wholesale prices climbed 20.4 percent. Wholesale farm prices have turned up and during the past quarter, wholesale prices of industrial goods rose at an annual rate of 30.4 percent. These increases are now on their way to the retail market and the consumer.

In June, the buying power of the average worker's weekly take-home pay was 4.5 percent lower than the year before and nearly 7 percent lower than in October 1972. June was the 15th consecutive month in which the average worker's buying power was below the level of the year before. It stands, as I said earlier, at about the level of 1965.

The Labor Department tells us that during the 12 months ending in July, the average worker's hourly wage rose only 8 percent, and that includes all wage increases, cost-of-living adjustments and the long-delayed rise in the federal minimum wage from $1.60 to $2 an hour.

Wage settlements reached in major collective bargaining contracts during the April-June quarter this year carried an average first-year increases of 9.2 percent, or 7.4 percent over the life of the agreement, plus cost-of-living escalators in many of the agreements.

So workers are still falling short of the 11.1 percent increase in living costs over the past year and are still losing ground.

The incomes and living standards of workers, pensioners and others living on low fixed incomes are being squeezed. But other types of incomes and costs are shooting up sharply.

Even though real economic growth has been declining, corporate after-tax profits jumped 28 percent in the second quarter of this year, according to a preliminary estimate by the First National City Bank of New York. The bank said "the advance appears to be largely, if not entirely, due to rising prices."

That 28 percent profit increase came after a 19 percent increase in the first quarter, when the economy was in the sharpest decline since the recession of 1958. It followed profit boosts of 26 percent in 1973, 25 percent in 1972 and 17 percent in 1971.

The prime interest rate, which the commercial banks charge on loans to the major corporation, jumped from 6 percent in early 1973 and 8¾ percent in the first-half of last March to 12 percent at present. That is a rise of 100 percent in the past 18 months and 37 percent in five months.

The tight money—high interest rate policy, enforced by the Federal Reserve, is putting the economy through a wringer. It has pushed the economy to the brink of disaster. A depressed home-building industry, declining national production and increased unemployment have been added to runaway inflation.

This spectacular rise of interest rates is adding sharply to inflationary pressures. It is directly boosting prices throughout the economy, as business passes on increased interest-rate costs. By creating slump conditions, it is depressing productivity and adding to upward pressures on unit costs and prices. In the name of fighting inflation, the Federal Reserve has become an engine of inflation.

These interest rates are boosting the taxpayers' burden. Interest payments on the federal debt rose $5.3 billion between fiscal years 1973 and 1974—much of it due to higher interest rates. It is also increasing the interest-payment burden of state and local governments.

Along with the immediate damage, the Federal Reserve's policy is building higher costs into the economy for many years in the future.

For example, payments on principal and interest for a 25-year, $25,000 mortgage at a 10% interest rate are $227 a month. That is $66 a month more, every month for 25 years, than the same mortgage at 6 percent. So over 25 years, the buyer will pay $68,100 for his $25,000 mortgage, or $19,800 more than he would pay at the 6 percent rate.

The Federal Reserve's goal is to further slow down the economy. If it succeeds, it will increase unemployment, which has already risen from 4.6 percent of the labor force to 5.3 percent since last October. That is an increase from 4.1 million to 4.9 million jobless.

The high-interest squeeze is creating further weakness in the economy, in addition to the depressed state of home-building and weakness in retail sales.

Major cities and counties have found it impossible to float needed bond issues at current interest rates, resulting in the postponement of improvement in community facilities and services, as well as curbing the growth of job opportunities.

Public utilities, confronted by these interest rates and high fuel costs, are cutting back plant expansion despite the need for additional gas and electricity facilities—adding to the 10.6 percent unemployment rate among construction workers and cutting the expansion of jobs for utility workers.

Such cuts in private and public investment now pose the danger of widespread reductions of the large inventories business accumulated in the past year. The result could be cancellations of orders for goods in the coming months and a general drop in production, working hours and employment.

Moreover, the Federal Reserve policy is discriminatory. It favors the powerful big-city commercial banks, wealthy money lenders and money-laden major corporations. But it hits workers and consumers, home-builders and home-buyers, communities, smaller businesses and even those corporations, like public utilities, that need lower-interest loans. While all of these have been starved for credit, there has been a continuing flow of loans for other purposes, such as foreign loans.

Governor Andrew Brimmer of the Federal Reserve Board reported last month that American banks increased the flow of money to foreign borrowers by $8.5 billion during the first five months of this year.

"Only a small share of the rise in bank loans to foreigners has been associated with export financing," Brimmer said. "Instead, it appears that, with the termination of non-export foreign lending restraints, banks have de-emphasized export financing and intensified their interest in developing other foreign lending and investment opportunities."

Nothing could be clearer than the fact that the tight money—high interest rate policies worked against the interests of the American economy and the American people.

These policies can reduce the rate of inflation only by subjecting the American people to the suffering of a depression or extended recession.

High interest rates and the rising price of homes, plus the phase-out of federal low- and moderate-income housing programs have brought a sharp drop in residential construction since early 1973.

Prices of homes and rents for new apartments have risen sharply. Credit for builders' loans is drying up and available only at very high rates. Moreover, the upward spiral of interest rates, led by the major commercial banks, has resulted in the large-scale withdrawal of funds from savings and loan associations and mutual savings banks, which are the main source of mortgage money.

Housing starts during the first half of this year were 31 percent below the comparable part of 1973, and in 1973, they were 13 percent below 1972.

Price inflation and the cutback in federally assisted home production have also shifted production toward the high end of the price scale. Less than 5 percent of new homes sold are now priced at under $20,000, and less than 30 percent at under $30,000. The median new home sales price is up to about $36,000.

As a consequence, most American families have been priced out of the housing market. It would now require an $18,000 income to meet total homeownership costs on a home with a $30,000 mortgage, which rules out about three-fourths of American families.

The annual rate of 1.6 million housing starts in 1974, so far, is barely keeping pace with the annual increase in households over the past two years. It does not allow for replacement of an estimated 700,000 units lost from the housing supply annually due to demolitions, fire, flood and other causes, and it does not begin to allow for housing to accommodate the mobility and migration of the population. The overall production deficiency creates housing shortages which breed more inflation.

The question of where low- and moderate-income families will find adequate housing has been ignored by the federal government. The rapidly increasing conversion of housing to condominium status is bringing crisis to hundreds of thousands of families that are being displaced because they can't afford to pay the price.

In addition, it is estimated that as much as 25 percent of the housing units sold this year will be condominiums, and that fact is creating new problems for those who can afford to buy them, as well as for those who can't. Many of these people are finding themselves saddled with escalating management and recreational fees under long-term contracts, as well as mortgage payments. There is no adequate consumer protection at federal, state or local government levels.

The housing chaos created by the last Administration has to be cleaned up as quickly as possible.

We urge the new Administration and the Congress to restore residential construction to a level that will meet the needs of the American people by taking these steps:

1. The Administration should use the remaining unused contract authority for housing assistance payments to make new commitments that will support the construction of additional units under the Section 235 home ownership assistance and Section 236 rental housing assistance programs. It should also utilize such additional authority as the Congress may enact in support of conventional low-rent public housing and assisted housing for the elderly.

2. The Congress should enact sufficient additional contractual authority for annual assistance payments under the conventional public housing, Section 235 and Section 236 programs that would permit those programs to be fully implemented during fiscal years 1975 and 1976.

3. The Congress should enact pending legislation that would permit direct loans and housing assistance payments to provide housing for low- and moderate-income senior citizens.

4. The Congress should enact proposed legislation that would provide for middle-income home mortgage financing at lower interest rates than those presently available, through mortgage purchases by the Government National Mortgage Association.

5. The Congress should adopt legislation to protect American families from abrupt displacement from apartment houses being converted to condominiums, and to protect consumers who purchase condominiums against hidden, long-term charges.

The AFL-CIO is convinced that the tight-money-high interest policies pursued by the Federal Reserve are a dire threat to the well-being of the American people. We believe that an immediate and thorough change in monetary policy is essential. We trust President Ford will agree.

For our part, we see an urgent need for much lower interest rates, combined with a selective monetary policy based on social and economic priorities. In our view, the extension of available credit should be eased for high-priority objectives and tightened for low-priority purposes.

Therefore, the AFL-CIO:

1. Urges the Congress to take immediate action to direct the Federal Reserve System to allocate available bank credit on a selective basis—to allocate a significant portion of available bank credit, at reasonable interest rates, for such priority purposes as housing, community facilities and expansion of essential public utility plants and to curb the flow of credit for such activities as gambling casinos, land speculation, hoarding, foreign loans and foreign subsidiaries of American companies.

The Federal Reserve System should also be directed to provide a sufficient expansion of money and credit, at lower interest rates, to encourage the needed expansion of economic activity and job opportunities.

2. Urges establishment of a direct lending program by the federal government to provide mortgages at reasonable interest rates for middle-income housing, as well as expansion of government programs for low- and moderate-income housing, which have been curbed in the past two years.

3. Calls on the Congress to establish a fair and equitable means of raising the required volume of federal revenue to meet the government's obligations for maintaining its operations and expanding essential programs.

Elimination of the major loopholes in the federal tax structure and adoption of an excess profits tax can raise as much as $30 billion of additional revenue. Proposals for further tax cuts for business, which Administration and big business spokesmen are advocating, should be rejected.

The average taxpayer will be able to obtain a genuine tax break when everyone pays his fair share of the federal tax burden.

4. Reiterates our request to the Congress to enact government controls on exports of agricultural and other products in short domestic supply—to be maintained until shortages are ended and inflationary pressures on the prices of such products subside.

Effective government regulation of the commodity exchanges, including margin requirements, is needed to curb price-boosting excessive speculation and profiteering.

The government should rebuild America's stockpile reserves of agricultural products and raw materials, which have been depleted in the past two years. The re-establishment of such reserves to adequate levels as rapidly as feasible is necessary to serve as a price-stabilizing factor, as well as for national security and to help meet domestic or foreign emergencies such as floods, shortages or famines.

5. Urges the Congress to appropriate the funds needed for a large-scale public service employment program. Substantial federal grants to the states and local governments are required to create jobs for the unemployed and provide unmet public services.

6. Calls on the Congress to enact a special program of federal grants to states, local governments and federal agencies to accelerate short-term public works construction and repairs in areas of high unemployment.

Mr. Chairman, there is a great deal more to be said about the grave state of the American economy, but I have confined this testimony to those areas where, in labor's view, the greatest dangers lie. These are the areas that we believe most urgently require the immediate attention of this committee and the Congress.

For five years, the economy has been given heavy doses of the wrong medicine. The resulting imbalances and inequities cannot be allowed to continue very much longer.

We in organized labor have great faith in the strength and resiliency of this nation and its institutions, including its economy. But the time has come to return to a sane, humane system of national priorities and to make the policy changes that are necessary to restore the national economy to health.

Amercian workers and the American people are in deep economic trouble, and they are looking to this Congress and President Ford for relief. That relief must come soon, if we are to escape economic chaos.

DEPLETION ALLOWANCE FOR OIL AND GAS

Mr. BARTLETT. Mr. President, in this country at present certain groups feel that the depletion allowance for oil and gas should be eliminated. In this connection I have found especially revealing an objective paper on the subject prepared by Dr. Oscar Kiessling, an authority on mineral resource problems over the past 50 years.

Mr. President, inasmuch as I believe the information in this paper would be of interest not only to my colleagues but also to all who read the RECORD, I ask unanimous consent that the paper may be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

THE BIG DEPLETION ALLOWANCE HULLABALOO

(by Oscar Kiessling*)

Responding to an applauding public that has recently paid double or more for gasoline and heating oil while major oil company earnings were at record levels, the House Ways and Means Committee has approved legislation that would gradually reduce the existing percentage depletion allowance for oil (22%) to zero by 1977. Regulated natural gas producers would retain the 22% allowance, but unregulated producers would lose it on the same timetable as for oil.

There has been little either in the public press or Congressional Hearings which indicates perceptive understanding of the reasons for, and the function of, the present depletion allowance. Indeed, widely advertised tax avoidance schemes with regard to oil investments for high income people such as doctors, lawyers, and professional actors have built up a general impression of a gigantic tax handout prevailing in the oil industry. What isn't known, of course, is that the investors often lost their shirts and that the promoters of these schemes were usually the important gainers. Similarly, a large but unknown number of well-heeled investors lost heavily in so-called tax-saving deals in cattle feeding and fruit groves.

Depletion is an irrefutable hard fact in the production of wasting assets such as coal, iron, silver, oil, gas and all other minerals and fossil fuels. Producers of these materials are much in the position of a farmer who starts working 200 acres of land and has, say, 10 acres sliced off each year so that at the end of 20 years no land is left. This brings up the problem of how much of the annual receipts is a return of capital to cover exhaustion of the property (depletion) and how much is net profit from operations.

Wise managers of mineral properties generally require depletion calculations for operational guidance. These are obtained by complicated and extensive engineering and evaluation studies—a procedure known as cost depletion. It produces reasonable results for mineral deposits that can be blocked out and approximately measured as for coal, iron, and large disseminated ore bodies such as the porphyry coppers. It is much less reliable, however, for vein mines and oil, gas, sulphur and certain other geologic structures where the size of the deposits, and their operational life, are mainly shrewd guesses owing to unknown factors. Even under favorable conditions, moreover, two groups of conscientious engineers working on the same data are likely to come up with somewhat variable answers.

With the advent of the corporate income tax in 1913 and subsequent increases in rates, the question of proper depletion allowances zoomed in importance. The IRS could challenge any company's cost depletion determination and frequently did so in the effort to pour more income into taxable earnings. The result was a mass of endless and bitter litigation which the courts found awkward to handle.

To deal with what they regarded as an unresolvable permanent tax hassle, mineral producers sought and obtained legislation which permitted percentage depletion as an alternative to cost depletion. Such legislation was passed for oil and gas in 1926, for many other important minerals in 1932, and for all other minerals in 1942–43. Under present law a 22% depletion allowance is permitted not only for oil and gas, but also for sulphur, uranium, lead, zinc, bauxite, molybdenum, and many more minerals; 15% for gold, silver, copper, iron, and oil shale; 14% for certain other metals and nonmetallics (feldspar, fullers earth, borax, granite, limestone, marble, phosphate rock, potash, etc.); 10% for coal, lignite, perlite, and sodium chloride; and 5%—the lowest allowance—for peat, sand, gravel, pumice, scoria, and clay for certain uses. The particular percentage allowances were determined on the basis that they represented fair industry averages for specified kinds of operations. Producers who did not find the percentages adequate, however, could resort to cost depletion if they could thereby sustain a case for a larger allowance.

A common current misunderstanding is that the 22% depletion allowance for oil is applied to the total earnings of the big oil companies and that this was a major factor in their high 1973 earnings. This, of course, is incorrect. The law specifically provides that percentage depletion applies only to the gross income from a property actually producing oil, and this income must be segregated for tax purposes. Mechanical separation—such as the removal of intruding salt water from oil—is permitted, but any manufacturing activity at the site (*e.g.* the production of oil components, carbon black, etc.) is excluded. The percentage allowance also cannot exceed 50% of the net income from a specific property.

Since there was a small decline in domestic production in 1973 and prices of domestic output were controlled at previous levels (the average well-head unit value was only $3.79 per barrel), it is obvious that percentage depletion had no more effect on earnings in that year than it did on profits in the relatively low-earning years of 1971–72. There is also substantial evidence indicating that the high 1973 earnings were largely attributable to the mark up of inventory values, profits from refining, manufacture and distribution, and larger sales abroad where there was no price control.

Another popular illusion is that the termination of percentage depletion would eliminate all depletion charges in the future. This, also, is off base. All such action would do is terminate the percentage device as a procedure for depletion tax accounting; the oil companies could still use cost depletion, as permitted by law, and there probably would be renewal of the previous difficulties with the IRS. No information is available on what the difference between percentage and cost depletion might be for the oil industry, but it certainly is substantially less that the tax-saving figures put forth by advocates of change; these figures appear to reflect the elimination of all depletion charge offs which will not take place.

A proper depletion allowance for mineral producers—including oil and gas—is essential for the existence of a viable domestic mineral industry on which the nation depends for important basic materials. All such operations have a limited life and depend on the capital flow from depletion for investment in new properties that it is hoped will provide continued production. The termination of percentage depletion for oil would have relative moderate effect on the earnings of large integrated oil companies; this is affirmed by the fact that they have mainly played possum throughout recent discussions with regard to change. But it would probably create serious problems for smaller independent operators who mainly drill wells and produce only oil, and who cannot afford to have their limited capital tied up by endless tax litigation.

The present percentage depletion allowance set up represents a legislative solution for an aspect of a complicated corporate income tax law that became largely inoperable. This is not meant to imply that the system is perfect or that appropriate changes may not be in order. But if changes are made they should come after adequate study and deliberation and not by the hot-shot quickie legislation now proposed largely because the masses are calling for blood irrespective of economic consequences.

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*Dr. Kiessling has served as editor of the Minerals Yearbook, director of the decennial Census of Minerals and special industrial adviser to the U.S. Tariff Commission.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, at present there are 78 nations which have ratified the Genocide Convention, including almost all of our NATO and SEATO allies. Americans who have traveled abroad to Western Europe, Canada, or Mexico have been in countries where the Genocide Convention was in full force.

There is absolutely no need to speculate about the effects of the Genocide Convention on the United States. Instead we can look at the countries that have ratified the convention and see how it has actually affected them. Many are democracies; some have federal forms of government. Their experience with the convention give us a realistic assessment of the impact the convention would have on the United States.

Has any citizen of any of these 78 nations been tried by an international court on charges of genocide? No. Has any citizen of these countries ever been extradited to a Communist country to stand trial for genocide? No. Has this convention abridged the freedoms of speech and assembly of the citizens of these countries? No. Has this convention disrupted the Federal structure of those federated nations which have ratified it? No. Nor will the Genocide Convention do any of these in the United States.

Mr. President, it is not enough to say that we are opposed to genocide. We must take constructive action. Ratification of the Genocide Convention by the Senate would constitute such action.

LATIN AMERICAN TEACHING FELLOWSHIPS

Mr. JAVITS. Mr. President, I have had the pleasure of serving as a member of the National Advisory Board of the Latin American Teaching Fellowships, LATF, program of the Fletcher School of Law and Diplomacy, Tufts University, for the past 6 years. Tufts University has developed a unique and effective educational exchange program in the Western Hemisphere. Tufts University, using the formula developed by its LATF program, has sent more Ph. D's and MBA's to Latin America than any other 10 universities combined. The key to the success of the LATF program is that the participants—drawn from throughout the Nation—are completely self-supporting.

Two hundred and twenty-five individuals have participated in the LATF program since it was launched 9 years ago. The LATF Fellows teach in Latin America for a period of from 2 to 4 years. Over half of the financial support for the LATF program comes from Latin American sources, primarily universities. That has been the key to its success. LATF Fellows teach only in those universities which provide some measure of financial commitment, which varies from as little as $22.50 per month to as much as $1,500 per month.

International development, which is essential if we are to construct a just international order in our increasingly interdependent world, is closely tied to the successful transfer of technology. The successful transfer of technology usually involves the "transfer" of technologically trained individuals for a sustained period of service abroad. LATF has performed in a particularly effective manner.

I am pleased to call to the attention of my colleagues an article from the March 21, 1974 issue of the Brazil Herald concerning Ambassador Crimmins' high praise for the performance of the LATF program in Brazil, and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Crimmins Praises LA Teaching Fellows Program

(By Phyllis Fitzgerald)

Sao Paulo.—One week before the Presidential inaugural ceremonies in Brasilia, United States Ambasador, John Hugh Crimmins, traveled to Sao Paulo to attend a luncheon hosted by the Federation of Industries of Sao Paulo (FIESP) on behalf of Latin American Teaching Fellowships (LATF)—an educational group administered by the Fletcher School of Law and Diplomacy in Medford, Mass.

LATF's basic aim is and has been to provide Latin American universities with young doctoral level professors in the scientific technical and managerial areas which have the greatest practical application in Latin America's rapidly expanding economies. LATF professors currently in Brazil were specifically requested by Brazilian universities, and brought here through Fletcher's recruiting program in the United States.

Ambassador Crimmins officially praised and endorsed the efforts of this young program. "I have always liked the Latin American Teaching Fellowships program," he said. "Lately I have learned about it even more and have been increasingly impressed by its performance and potential . . . LATF represents to Brazil a most appropriate area of activity."

Taking note of the manner in which the program is financed (through U.S. multinational and Brizilian corporate donations, AID, and concerned foundations), the Ambassador said that in his view, LATF represented "an exemplary model of the kind of constructive cooperation" he would like to see in the future.

Latin American Teaching Fellowships relies heavily on the timely support of the private sector, which in addition to its financial contributions has made many creative suggestions as to where university assistance might bring the most immediate results. The ambassador, complimented Fletcher's Dean, Edmund Gullion, for his foresight in perceiving, such a cooperative formula, and for firmly supporting LATF. "It is fitting that the Latin American Teaching Fellowships program is sponsored by the Fletcher School of Law and Diplomacy of Tufts University, for this fine school is one of the foremost schools of international relations and has trained many of our finest diplomats. Indeed the Dean of Fletcher School, my friend Ed Gullion, is a most distinguished career diplomat", said the Ambassador.

Teobaldo de Nigris and Jose Mindlin, president and vice president of FIESP, also took the opportunity to laud the program's successes and potential. Both men have also served as directors of LATF since its inception in Brazil, and have been instrumental in bringing it to its present level.

Dr. Mindlin strongly endorsed LATF as an excellent vehicle through which private companies can have a significant impact on the development of higher education in Brazil. He felt that the time is ripe for more Brazilian companies to join in supporting the program, stating that the aim of the luncheon was to spread the word to the many distinguished Brazilian corporate executives who were present.

Teobaldo de Nigris, in a final word, emphasized that Latin American Teaching Fellowships, as an organization that unites the efforts of the public and private sectors of both Brazil and the United States, represents the right idea at the right moment.

He also appealed for increased participation on the part of the Brazilian private sector, pledged his continued support, and wished LATF continued success.

This echoed Ambassador Crimmins' statement: "Speaking as an official representative of the U.S. Government, I can say that while public relationships are sought, private ties are the ones that are most lasting and are the ones we are trying to cultivate . . . The program receives government support, but is essentially a private program which counts on and receives support and contributions from the private sector.

BOYCOTTS AND INTERNATIONAL LAW

Mr. HUMPHREY. Mr. President, I would like to call to your attention a short appraisal of the international legal policies which came into conflict with the Arab oil boycott "weapon." Profs. Jordan J. Paust and Albert Blaustein, both distinguished international legal scholars, have prepared an extensive study documenting Arab objectives of their oil "weapon" strategy which are in breach of the United Nations Charter articles, supplemental documents which have been adopted by the U.N. General Assembly, and both bilateral and multilateral trade agreements that are presently in force with these countries. The full contextual features of their work will appear in "The American Journal of International Law (1974)" as "The Arab Oil Weapon—A Threat to International Peace."

I bring this summary to the attention of my colleagues with the hope of alerting Members of Congress to a fuller understanding of the international legal repercussions which the Arab oil boycott created. The impairment of these legal policies can only lead to the undermining of the basic objectives of the United Nations Charter and the idea of world law.

I ask unanimous consent that this article be included in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Illegality of the Arab Oil Weapon Under International Law [1]

(By Jordan J. Paust and Albert P. Blaustein)

October, 1973, witnessed two forms of Arab coercion which conflict with norms of international law governing the use of force: (1) the armed conflict against Israel, begun on October 6th, and (2) the use of the oil "weapon" against countries which, in Arab eyes, either supported Israel or did not comply with certain Arab demands. Both types and uses of coercion are in violation of Article 2(4) of the United Nations Charter, which reads:

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[1] A more detailed appraisal of legal policy and contextual features will appear in 68 *American Journal of International Law* (1974) as: "The Arab Oil Weapon—A Threat to International Peace."

"All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations."

Despite Arab claims and assurances that the use of the oil "weapon" has been merely to regain "Arab" lands and to promote a just settlement of the Palestinian peoples' claim for self-determination, there are five other identifiable Arab objectives involved in the use of the oil weapon. These objectives thwart the goals of the United Nations Charter (in actual circumstances) to such a degree that the oil "weapon" strategy falls within the ban on the use of coercion outlined in Article 2(4) and in supplemental United Nations documents. The five Arab objectives which impair legal policy to an impermissible extent are:

(1) the objective to force an overall settlement upon Israel on terms satisfactory to the Arabs through coercion by other States against Israel, or the use of force to make others pay more attention to Arab demands;

(2) the objective to seek a continued embargo on any country "supporting Israel"—with each country classified as either friendly to the Arabs, neutral or "supporting Israel";

(3) the objective to force other States to sever diplomatic and trade relations with Israel;

(4) the objective to compel other States to extend economic aid to the Arab States; and

(5) the objective to compel other States to extend military aid to the Arab States.

These are attempts to control the foreign policies and conduct (international and domestic) of other States and peoples—attempts to control the free choice of others.

Because of the incompatibility of such objectives with U.N. Charter goals and the wide and extensive destruction of resources [2] in several countries throughout the world, and other factors, we find that the oil "weapon" usage violates the United Nations Charter.

Detailed analysis is not possible here; but we would like to quote a portion of an authoritative expectation of the international community in support of our conclusion, and to outline other types of supportive material. The 1970 U.N. Declaration on Principles of International Law Concerning Friendly Relations and Co-Operation contains the shared expectation that:

"No state may use or encourage the use of economic, political or any other type of measures to coerce another state in order to obtain from it the subordination of the exercise of its sovereign rights and to secure from it advantages of any kind."

An analysis of both the Arab objectives and the actual contextual features of the coercive process employed by the Arabs indicates that this is exactly what is being done: the subordination of sovereign rights to Arab demands and the use of economic coercion in order to secure advantages in an impermissible manner.

Other "types" of goals at stake include the U.N. Charter goals of tolerance, friendly relations, peaceful settlement of disputes, the cooperative effort of States to solve economic problems, peace and international security, self-determination and independence of all States, a cooperative effort to stop armed conflict, and, where conflict occurs, its spread to other countries. Some of the U.N. documented goals and expectations which support the conclusion of impermissibility of the Arab oil weapon in terms of the U.N. Charter regulations on the use of force include:

(1) Charter Articles:

(a) 1

(b) 2(4)

(c) 53

(2) Supplemental documents:

(a) Draft Declaration on Rights and Duties of States, 1949 [Report of the International Law Commission, June 9, 1949. GAOR, IV, Supp. 10 (A/925), pp. 7–10.]

(b) Essentials of Peace, 1949 [Resolution 290(IV) of the General Assembly, December 1, 1949. GAOR, IV, Resolutions (A/1251), p. 13.]

(c) Peace Through Deeds, 1950 [Resolution 290(IV) of the General Assembly, November 17, 1950. GAOR, V. Supp. 20 (A/1775), pp. 13–14.]

(d) Draft Code of Offenses Against the Peace and Security of Mankind, 1954 [Adopted by the International Law Commission, July 28, 1954. GAOR, IX, Supp. 9 (A/2693), pp. 11–12.]

(e) Declaration on Inadmissibility of Intervention Into the Domestic Affairs of States, 1965 [Resolution 2131(XX) of the General Assembly, December 21, 1965. GAOR, XX, Supp. 14 (A/6014), pp. 11–12.]

(f) Declaration on Principles of International Law Concerning Friendly Relations and Co-Operation, 1970 [Resolution 2625 (XXV) of the General Assembly, October 24, 1970. GAOR, XXV, Supp. 28 (A/8028), pp. 122–124.]

as explained, supplemented and amplified by

(g) Report by the Secretary-General of the United Nations on the Question of Defining Aggression, 1952 [Report of October 3, 1952. U.N. Doc. (A/2211).]

(h) Definition of Aggression, 1954 [Soviet Union Draft Resolution, October 18, 1954. (A/C.6/L,332/Rev. 1.). GAOR, Annexes (IX) 51, pp. 6–7.]

(i) Vienna Convention on the Law of Treaties, 1969 [U.N. Doc. (A/CONF. 39/27). May 23, 1969.]

For various reasons, the use of the Arab oil "weapon" also violates other international treaties. Both bilateral and multilateral trade agreements have been breached, including:

(a) General Agreement on Tariffs and Trade (GATT), 1947 [61 Stat. (5), (6) (1947), T.I.A.S. No. 1700, 55–61 U.N.T.S., effective January 1, 1948.]

(b) Provisional Agreement between the United States of America and the Kingdom of Saudi Arabia . . ., November 7, 1933 [48 Stat. 1826 (1933).]

(c) Treaty of Commerce and Navigation between the United States of America and the Kingdom of Iraq, December 3, 1938 [54 Stat. 1790 (1938).]

(d) Treaty of Amity, Economic Relations and Consular Rights between the President of the United States of America and the Sultan of Muscat and Oman and Dependencies, December 20, 1958 [11 U.S.T. 1835 (1958).]

If the legal policies contained in the United Nations Charter are to be served, the international community must act against this form of economic coercion which thwarts not only Charter policies, but the very purposes of that organization. This is a matter of vital concern to the United Nations and to the international community; and steps must be initiated to make appropriate studies, to discuss appropriate community responses and to take needed U.N. action.

NOTES

Jordan J. Paust, J.S.D. Candidate at Yale University, received his A.B. (1965) and J.D. (1968) from the University of California at Los Angeles and his LL.M (1972) from the University of Virginia.

Albert P. Blaustein, Professor of Law at Rutgers University School of Law—Camden, received his A.B. (1941) from the University of Michigan and his J.D. (1948) from Columbus University.

They have co-authored *War Crimes Trials and Human Rights: The Case of Bangladesh* (Praeger 1974).

DISASTER FOR LIVESTOCK INDUSTRY, SKYROCKETING PRICES FOR CONSUMERS POSSIBLE IF USDA FAILS TO ACT

Mr. TALMADGE. Mr. President, the testimony yesterday of the Department of Agriculture at the emergency hearings of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, called in response to the distressing level of crop projections in the August 1 crop report, was very optimistic.

Clearly, the effort was directed at dispelling the wide-felt concern over impending shortages and sharp price increases.

In essence, the Department view is that no major problems exist, as both domestic demand and export demand is expected to moderate.

The rationale is simply that world food and feed production is up, that the expected higher prices will naturally dampen demand, the economic situation abroad is curtailing demand for U.S. products and in fact the U.S. supply situation is not all that bad.

Because of this, the Department says it has no contingency plan if shortages should develop except to let the market be self-determinate.

I appreciate the economic realities and relationships cited by the Department. However, in looking at the testimony of the Department and of other witnesses, it is evident that a large number of uncertainties have gone into their assessment. There is uncertainty about crop production in Canada, Bangladesh, Pakistan, India, the U.S.S.R., and China—or basically, in the world.

An early frost in the United States could be devastating because of the later than usual planting of corn and soybeans this year. And at this time it is not clear just how much export demand there will be for the scarce supplies of U.S. feedgrains, soybeans, and wheat.

However, what is clear is that prices of feed and food in the United States are going to rise. This is going to put additional pressure on already burdened livestock producers.

As more and more livestock producers find the cost-price squeeze too tight, they will necessarily cease production. This will mean, very quickly, smaller supplies of broilers, eggs, turkeys and pork. In the long run, it will mean less dairy products and beef. This translates into higher consumer prices very shortly.

The idea that contraction of herds will yield larger supplies of meat in the short run, and thus provide relief to consumers, is like burning your house to keep warm in January—you freeze in February.

The potential impact on dairy and beef producers would be long-term as the recovery cycle for these enterprises stretches over several years. And if livestock producers are forced out of business, the high prices and good markets for feedgrains and soybeans will quickly disappear, leaving our crop farmers in economic distress.

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[2] Here we mention specific resource values such as: power (including national defense capabilities and security), well-being (including medical care) and wealth (including jobs, standards of living, threats to economic stability—national, regional and international).

It is very clear that our economy cannot afford many more surprises like the August 1 crop report. I agree with the Department of Agriculture when they say we should have learned a lesson from the soybean embargo last year. The lesson is that you should not wait until the horse is stolen before you lock the barn door.

If we ignore current danger signals, we could very well find our food and feedstocks are inadequate for domestic needs because the have been contracted by foreign buyers or have in fact sailed away.

This morning's Wall Street Journal indicates that the Japanese are sufficiently alarmed over the expected shortages of U.S. corn that they are right now buying up all of the corn they will need until the 1975 harvest. They are moving quickly to protect their livestock producers.

If the Russians or other nations make similar demands on the U.S. grainery, the results will be catastrophic to the U.S. economy.

For these reasons, I appeal to the Secretary of Agriculture, to implement the export surveillance and reporting provisions in the Agriculture and Consumer Protection Act of 1973.

Section 802 of the act states:

> All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales of Agricultural commodities and at such times as he may request.

The Secretary must order all exporters of feedgrains to immediately report any pending export sales and this must be before the contracts are signed. By using this process, a more realistic and continuous appraisal of foreign shipments can be maintained. It will also assure against undue or unwarranted purchases by any foreign buyer. It will also protect our free enterprise, competitive market system against a concerted assault by a foreign centralized or government supported buying agent.

No one is less desirous of Government intervention in the marketplace than I am. But when events beyond the control of men create a situation that could spell disaster for a large portion of our livestock complex and add fuel to the inflationary fires plaguing our economy, it is irresponsible for Government to ignore the stark facts of reality.

Mr. President, I like Secretary Butz personally, although we have many differences on policy. I hope for his sake, as well as the sake of the American people, that he is right. He and his spokesmen have told us we have nothing to worry about. They have stated that there is no need for any kind of additional action, and that the Department of Agriculture does not even have any contingency plans for meeting possible drastic shortages in the supply of feed for our livestock producers.

I hope the Secretary and his men are right. For if they are wrong, the American people will rebel. If the average American wage earner, who can no longer afford the choice cuts of beef for his dinner table, finds that he can not afford milk, eggs, broilers, and bacon because we have shipped our grain overseas, they will explode!

The President will never be able to explain to the American people that we refused to control exports because it is our long-term economic best interest. To satisfy the American people and save his own political career, the President will be forced to clean house in the Department of Agriculture.

Mr. President, as a result of the Russian grain fiasco, the Congress provided the Department of Agriculture with the tools to protect our domestic food supply. I hope that, for the good of all of us, these tools will be used.

THE PROPOSED CRIMINAL CODE: BUSINESS LAWYER BEWARE

Mr. TOWER. Mr. President, the Business Lawyer, volume 29, No. 1, April 1974, a publication of the section of the corporation, banking, and business law of the American Bar Association, carried as lead article, "Business Lawyer Beware" concerning issues involved in the pending proposed Criminal Code revisions, S. 1 and S. 1400 to revise the Federal Criminal Code.

The article was written by Charles S. Maddock, Esq., a member of the Delaware bar and general counsel of Hercules Inc., Wilmington, Del.

The issues discussed merit serious consideration. I am not at all sure that the bill discussed does not represent a case of severe overkill.

Because this is a matter of such great and wide potential concern, I direct the attention of my colleagues to this significant article and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PROPOSED CRIMINAL CODE: BUSINESS LAWYER BEWARE

(By Charles S. Maddock, Member of the Delaware Bar)

The following scenario suggests one reason why lawyers advising business should become familiar with and interested in the pending proposals, hereinafter referred to as S. 1 and S. 1400,[1] to revise the Federal Criminal Code.

A United States Marshall is shown to the executive offices of the International Widget Company. Upon being introduced to Mr. Robertson, the President of the Company, the Marshal advises the President that he has been indicted and is under arrest for a violation of Section 7 of the Clay Act.[2] He is advised of his constitutional rights, handcuffed, and taken out through the Company offices to the Federal Building, where he is presented to the United States Magistrate, fingerprinted, photographed, and held pending his release on bail.

This scenario follows the acquisition, several months earlier, of the National Maget Company by Widget. Mr. Robertson was the key negotiator for Widget and the Government claims that the acquisition may tend to lessen competition.

Every antitrust lawyer knows that the foregoing is ridiculous—that a violation of Section 7 of the Clayton Act is not an act requiring or deserving treatment as a felony offense. Further, every antitrust lawyer knows that even if a violation of the Sherman Act[3] were involved, Mr. Robertson would not be charged with a felony, but he and his company would be summoned to answer for a misdemeanor. This is the way things are now!

S. 1, however, changes the present treatment of antitrust violations and the foregoing could result from these changes. Tucked away in the conforming amendments, which are part of S. 1, are provisions which make sweeping changes in the applicability of criminal law to antitrust matters. Mr. Robertson's difficulty is a reflection of only one of such changes.

Antitrust law is not the only area affected by the proposals to change the Federal Criminal Code. Information regarding the proposals as well as an indication of their probable effect on business should be of interest to the professional Bar.

S. 1 and S. 1400 are an outgrowth of a study made by a National Commission on Reform of Federal Criminal Laws,[4] which became known as the Brown Commission, after its chairman Edmund G. Brown.

A Final Report was filed with the President and with Congress on January 7, 1971. Hearings on the Report were held in 1971 and 1972.[5]

The Final Report of the Commission and the legislation which is intended to effectuate the Report, represent a complete revision of federal criminal law. Because of this, public interest in the legislation has come primarily from those groups who are interested in traditional criminal law and from criminal law sections of lawyer associations, including the American Bar Association. Industry groups, as such, have shown a remarkable lack of interest in the legislation. Of all the witnesses who have appeared before the Subcommittee, only six have offered testimony that even touches the provisions relating to business law. This lack of interest is difficult to rationalize because the proposals can have a far-reaching impact on industry. Experience indicates that constructive suggestions in the industry-related provisions of the proposals will be welcomed. There is an opportunity to be heard and to assist in the determination of what effect the criminal law is to have on industry.

All of the facts surrounding the current proposals make this a unique opportunity. If advantage is taken of the opportunity, the law which is enacted will probably be one that industry can live with in the future; if not, the entire relationship between government and industry will change and United States business will be saddled with restrictions that can seriously affect its ability to serve the public interest.

The changes, as they apply to the "antitrust laws," were carefully considered in the testimony of Mark Crane, a member of the Section on Antitrust of the American Bar Association. The following, taken from Mr. Crane's statement regarding S. 1, indicates why our fictitious Mr. Robertson is in trouble.

Taking the Robinson-Patman Act, first, Section 316(c) [of the conforming amendments to S. 1] amends the last paragraph of Section 3 of the Robinson-Patman Act. That paragraph now provides a fine or imprisonment for "any person violating any of the provisions of *this section*." (15 U.S.C. § 13a; emphasis supplied.) The language of the conforming amendments to S. 1 would replace the quoted phrase with one providing criminal penalties for "any reason violating any of

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the provisions of this *Act*." (Emphasis supplied.) Thus, while at the present time criminal penalties attach only to the violation of one section of the Robinson-Patman Act, the amendment would appear to make any violation of the entire Act a criminal offense, including any violation of Section 2. (15 U.S.C. § 13) This would mean that any price discrimiantion offense would carry with it criminal penalties, sweeping away the present distinction between those offenses in Section 2 where a price discrimination occurs without an express intent to injure a competitor and those offenses in Section 3 where the price discrimination results from specific knowledge that a competitor cannot respond with equal concessions or "for the purpose of destroying competition or eliminating a competitor." (15 U.S.C. § 13a)

Similarly, Section 316(d) of the conforming amendments to S. 1 would amend the fourth paragraph of Section 10 of the Clayton Act. (15 U.S.C. § 20) At the present time, the paragraph being amended provides criminal penalties for any common carrier, or director, agent, manager or officer of a common carrier, who "shall violate this *section*." (Emphasis supplied.) The proposed amendment provides for criminal penalties against "any person who violates this *Act*." (Emphasis supplied.) Thus, while at the present time there are provided criminal penalties for common carriers, and their agents who violate Section 10 of the Clayton Act, the proposed amendment would make the entire Clayton Act a criminal statute. Such an amendment would, for the first time, impose criminal penalties upon corporations—and on their responsible officers and directors—who engage in mergers found to violate Section 7 (15 U.S.C. § 18); who enter into exclusive dealing contracts found to violate Section 3 (15 U.S.C. § 14); or who serve as directors of two or more corporations which are found to be competitors in violation of Section 8 (15 U.S.C. §19).[6]

This is not the complete story on antitrust, but merely a sample to indicate the need for attention. Whether the antitrust proposals have been made from a desire to increase the breadth of criminal applications of and penalties for violating the antitrust laws, or inadvertently "slipped in" as part of a unifying or codifying process by those who are not specialists in antitrust, is an open question—quite probably some of the problems associated with this area of the law would have been avoided had lawyers, knowledgeable in antitrust laws, been more directly involved in the drafting of S. 1.

The problems in the antitrust area result mainly from the amendments to existing law which would carry forward the purpose of the proposals (the conforming amendments). This points up the necessity for careful study of the conforming amendments as they apply to all existing statutes relating to business, not just in the antitrust field, rather than looking simply to the language of the proposed Criminal Code itself.

S. 1 and S. 1400 already reflect some improvements that were made following suggestions in testimony presented at the time that the Preliminary and Final Reports of the Brown Commission were considered by the Subcommittee. The following sections[7] of S. 1 incorporate many of the suggested changes, follow reasonably well-established principles, and are far more satisfactory than were their counterparts in the Final Report: 1–2A7 (Organization Criminal Liability); 1–2A8 (Personal Criminal Liability for Conduct on Behalf of Organization); 1–1A4(51) (The Definition of Organization); and 2–7F6 (Interference with Activities of Employees and Employers).

In other areas, however, additional changes are not only desirable but necessary if we are to avoid a major change in the relationship of government and business. The following discussion points to these sections of S. 1 and S. 1400 to which the Committee on Corporate Law Departments of the American Bar Association Section on Corporation Business and Banking Law has taken exception in testimony before the Subcommittee and gives an indication of why there is objection to them.

Section 2–8F6 of S. 1 provides that a person is guilty of a "Regulatory Offense" if he engages in conduct prohibited by the requirements of a "statute, regulation, rule or order which is enforcible by criminal sanctions *or civil remedies*." (Emphasis supplied.)

There obviously is no change in law if violation of the regulation, rule or order is presently punishable by criminal sanction. The enlarged concept, however, establishes a criminal offense for violating any regulation, rule or order, even though Congress, in enacting the original statute authorizing the regulation, rule or order, provided only for a civil remedy.

A threshold problem is—what is meant by the words "rule, regulation or order"? Issued by whom—at what (federal, state or local) level and by virtue of what authority—and is it a preliminary, intermediate or final rule, regulation or order, whether or not subject to review?

And, what is meant by civil remedy? The language is broad enough to cover civil actions at common law between private persons, so that failure to comply with an order by a zoning commissioner to move a fence mislocated in accordance with a zoning ordinance—being an order—would become a federal crime punishable by fine or imprisonment, since there is a civil remedy available to the landowner whose property adjoins the offending fence. It is doubtful that anyone contemplates that sort of expansion of the federal criminal law, but the language could give this result.

But even if the language were changed to eliminate this clearly inappropriate situation there are still serious philosophical problems.

Today, almost every act of every type of business organization and its employees is directly affected by rules, regulations, or orders of some federal agency. The hiring, advancement and pay of employees; the work place; the tools used by employees; their relationship to each other, to the company and to unions; their pensions—in fact anything and everything to do with employees from the time they first apply for work, to and after their death, dismissal or retirement are covered by regulations of several federal government agencies. The products made by a corporation, starting with the protection of the concepts for the product or its method of manufacture, through the manufacture, advertising, sale and use of the product, post-sale recall, refund or repurchase, and in some cases, what may or may not be manufactured, and if so—how, are covered by regulations of several federal government agencies. The effect of manufacturing operations on close and distant neighbors is also closely regulated. The raising of capital, the use of capital, what can and cannot, as well as what must be said to stockholders, and when and in what form, are also extensively covered by federal regulations. In fact, the very structure of business is subject to extensive regulation. These are not emergency short-term regulations, but those that continue as a normal part of our economic framework. There is literally no part of business activity that is not touched by the federal government. Everything—from the location of and equipment in washrooms, on through and including multi-million dollar bond issues—are covered by some government regulation.

There may be some of these regulated activities where the use of the criminal law as an enforcement tool is desirable, but this is certainly not true of all regulated economic activity. The line between the two areas should be drawn by Congress deliberately. If the regulation or suppression of a particular type of activity is desirable, let the Congress make the determination and at the same time tailor the remedy to fit the evil sought to be avoided. In some cases, the need for a criminal penalty may be present, but certainly not in all situations.

In this way, the need for using the vehicle of the criminal law, as well as the extent to which it should be used, will be based upon hard facts related to a specific problem all persons afforded an opportunity to be heard upon all the details of the proposal.

The thought behind the proposal for a Regulatory Offense as stated by the Brown Commission is that it would make possible the development of a special body of law relating to penalties for the violation of rules, regulations and orders, and thus introduce an element of consistency in the application of penalties. Why this body of law cannot be developed and applied under existing conditions is not discussed, nor is the option apparently even considered. Furthermore, the professed desire for "consistency" seems to run completely contrary to the policy statement which the Commission recommended for inclusion in the final enactment of a provision relating to Regulatory Offenses.

Declaration of Policy. The great increase of statutory and administrative regulation commanding affirmative acts or forbidding behavior not condemned by generally recognized ethical standards emphasizes the need for discrimination in the use of the criminal law to enforce such regulation. Use of penal sanctions to enforce regulation involves substantial risk that a person may be subjected to conviction, disgrace, and punishment although he did not know that his conduct was wrongful. When penal sanctions are employed for regulatory offenses, considerations with respect to fair treatment of human beings, as well as the substantive aims of the regulatory statute, must enter into legislative, judicial, and administrative decisions with regard to sanctions. It is the policy of the United States to prefer nonpenal sanctions over penal sanctions to secure compliance with regulatory law unless violation of regulation manifests disregard for the welfare of others or of the authority of government. It is further the policy of the United States that no purely regulatory offense shall be punishable as a felony.[8]

If the foregoing is the policy of the United States, it is most difficult to understand why a special provision would be proposed for inclusion in the Criminal Code making all regulatory offenses crimes.

The problems inherent in the concept of a Regulatory Offense are not for large industrial corporations alone. All organizations—including labor unions—and all persons are subject to the Regulatory Offense provisions of S. 1. As indicated, there are very, very few activities of anyone directly or indirectly involved in business which are beyond the reach of some administrator or administrative agency with the power to issue rules, regulations or orders.

Since individuals act for organizations, all of the thousands of regulations relating to business activity have a direct impact on individuals. The "Regulatory Offense" concept adds the stigma of crime to a breach of any of these regulations and thus introduces a whole new concept in the area of "normal" activity of individuals. The length to which the concept of a Regulatory Offense is carried by S. 1, even outside the area of economic activity, is clear from the following example:

Under the terms of the conforming amendments to S. 1, appearing at pages 345 and 346 of the Bill, one knowingly bathing in the Springs at Hot Springs National Park without presenting evidence that he is the

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Footnotes at end of article.

patient of a physician registered at the Office of the Superintendent is guilty of a Class E felony, subject to imprisonment for a term of up to one year and probation for up to five years. If he is bold enough to bathe in the Springs on a number of occasions, he becomes guilty of a Class D felony and may be imprisoned for a term not to exceed three years. If he has no culpability at all, he still may be sentenced to 30 days; if he acts "recklessly" he may be sentenced to six months even though he has no knowledge of, or culpable lack of knowledge as to the existence of, the regulation.

But the "Regulatory Offense" concept is not the only cause for concern. Other important sections of S. 1 are 2–8F3 "Environmental Spoliation," 2–8F4 "Unfair Commercial Practices," and 2–8F5 "Securities Violations." These sections provide new criminal legislation in areas already thoroughly covered in existing law. Section 2–8F3 provides in part that:

(a) OFFENSE.—A person is guilty of environmental spoliation if he knowingly:

(1) pollutes the water, air, or land in the course of trafficking in property;

(2) in violation of a Federal statute or a rule, regulation or order under such statutes; and

(3) such violation is gross or the person manifests flagrant disregard for the environment.

(b) EVIDENCE.—If evidence has been introduced tending to show the existence of the circumstances described in subsection (a)(1) and (a)(2), and direct evidence of the actual belief of the defendant is not available, then, for the purpose of showing that the conduct, shown to have occurred manifested a flagrant disregard for the environment on the part of the defendant, the court may allow evidence to be introduced tending to show the reputation of the defendant as to regard for the environment in any community of which such person was a member at the time of the violation.

Section 2–8F4 lists a series of acts each of which constitutes the crime of Unfair Commercial Practice. They include the following:

(1) sells, offers for sale, or delivers less than the represented quantity of any commodity or service;

(2) sells, offers for sale, or delivers any commodity, product, or object which is adulterated or mislabelled;

(3) makes a false statement in any advertisement addressed to the public or to a substantial number of persons, in connection with the promotion of the person's business, occupation, or profession or to maintain or increase sale or distribution of property or services. . . .

Section 2–8F5 establishes a crime of a Security Violation for anyone who:

(1) knowingly engages in conduct prohibited, in fact, by or declared unlawful in title 15, United States Code, sections 77e, 77q, 77w, 77fff, 77xxx, 78l(a)(1)–(5), or 78j(b)(5); or

(2) in a registration statement filed under subchapter I of title 15, United States Code chapter 2A, or in an application, report, or other document filed under subchapter III of such chapter, or any rule, regulation, or order issued under such chapter, knowingly makes any untrue statement of a material fact or omits to state any material fact required to be stated in such statement or document or necessary to make the statements made not misleading.

Why, out of all the areas of regulated activity, these particular ones were selected for inclusion as separate sections in a revised Criminal Code is not clear. There is nothing in the legislation, the press releases relating to it, the articles written about it or the comments of the Brown Commission Report which give any clue. One would expect that if changes in the law relating to the fields covered were needed, legislation amending existing law would be proposed. The proposals, however, leave existing law untouched. A lawyer or businessman interested in securities law, for example, would find nothing new in the sources upon which he relies for information concerning his client's obligations in the securities field. To find the change, he must consult the new Criminal Code in addition to his normal sources. This may not be an unfair burden, but why create the burden at all when any required change, if in fact there is need for change, can be made just as easily in the securities laws themselves? At a minimum, the unnecessary duplication or re-phrasing of requirements in differing statutes will create completely unnecessary confusion.

Similarly, there are few areas of public concern that have received more attention than protection of the environment. Various committees of the Congress and the Environmental Protection Agency have been concerned with a wide variety of proposals. There is already a great deal of legislation on the books covering this area rather completely.

If additional legislation directed to the protection of the environment, whether it relates to requirements of law or penalties for violating the law, is to be considered, it should be done by the committees of Congress specifically concerned with this subject. It is indeed a strange twist in emphasis or priorities, to say the least, to include provisions on the subject of protection of the environment as a part of a complete revision of the Criminal Code without having the appropriate Committees of the Congress consider the new or unusual special needs in this area in the context of existing substantive law.

Section 2–8F4 deals in the criminal area with matters of Unfair Commercial Practices, also already the subject of established law and better dealt with by committees of Congress concerned with that particular subject matter. Most of what is covered is also subject to the provisions of the Federal Trade Commission Act—to mention only one existing broad spectrum law in the same field.

Again, it is most difficult to find how any useful purpose is served by the special treatment of these subjects in the Criminal Code, especially when one considers the mischief and confusion that can result from the duplication and re-phrasing.

S. 1400 does not provide for a "Regulatory Offense," "Environmental Spoliation" or "Unfair Commercial Practices." It does, however, in section 1761, greatly broaden the reach of the "Securities Violations" concept and adds two other areas to the just discussed "statutory duplication" scheme: Sections 1765 "Fraud in a Regulated Industry," and 1766 "Adulterated Food Product Violations." These sections of S. 1400 are subject to the same comments made regarding similar sections of S. 1.

We have suggested to the Subcommittee that the time and place to consider criminal penalties is when and where the *subject matter* of the legislation is considered, be it securities, environment, commercial practices, food and drug, or what not. At that time and place, there can be full hearings and consideration of what the requirements of the law should be—and the punishment can be tailor-made by the same group to insure compliance. The attention to detail that the substance of these legislative matters deserve is not possible when they are literally buried in a voluminous revision of the Criminal Code.

EFFECT OF CONVICTION—PUNISHMENT

There are probably very few lawyers advising corporations or business generally who have had anything more than the most superficial exposure to the criminal law since they left law school—if they had it then. All of this will have to change dramatically if the present proposals become law. The proposals, as has been pointed out, bring practically every act of the corporation and its employees within the coverage of the criminal law. Lawyers advising business will, therefore, have to concern themselves not only with the substance of criminal law, but of greater importance, with the techniques of dealing with criminal law enforcement officers. No longer will it be wise to handle regulatory matters in the cooperative "try to find a workable solution" fashion that has been typical of many, if not most, relationships with the regulatory agencies in the past. No longer will these agencies be simply regulatory agencies—they will now become part of the criminal process and the consequences of business error will be far more than a "cease and desist order" or a "consent decree." People could go to jail for a far larger variety of activities than ever before. In addition, as will be seen from the following discussion of the new penalties that are proposed, corporations could be prevented from engaging in interstate or foreign commerce; businessmen could be prevented from engaging in the same kind of business activity; notice of conviction must be given by publication, etc.

In light of the serious consequences to their clients, at a minimum, business lawyers will now have to consider Fifth Amendment rights before giving information that heretofore has been volunteered as part of settlement discussions. They must also become aware of the potentials involved in plea bargaining, particularly where immunity from prosecution or lighter sentences are offered in return for evidence implicating others. Especially must they be aware of the temptation to exaggerate, or even implicate innocent people when an over-zealous prosecutor in search of a "big fish" has a small one on the line. Honor, truth and decency often appear in one light when civil penalties are involved, and in another when prison is a prospect. These are just some of the "facts of life" completely familiar to the criminal lawyer but which are outside the experience and grasp of the lawyer advising business. The readjustment in approach to all business problems will be tremendous, not only for the lawyer, but also for the clients he advises. Business lawyers will now be in the position of dealing with potential "U.S. Attorneys" in every regulatory situation and will have to make major adjustments in their procedures and techniques for handling investigations, hearings, and other relationships with regulatory authorities.

The closest present analogy is in the tax field. Business lawyers who have not already done so should talk with lawyers handling criminal matters related to the tax laws. They should compare the techniques and procedures followed when there is an investigation of possible criminal fraud in the handling of taxes with those employed in routine audits, deficiency assessments or other matters associated with the strictly civil aspects of taxation. There is a world of difference. This is the new world with which all business lawyers will have to become well informed if they are to protect their clients' interest. "Law enforcers" are an entirely different group of people from the "regulatory authorities" with whom they have been dealing—the awesome force of the criminal law as a tool of enforcement does, indeed, change attitudes if not character.

Turning again to specifics, both S. 1 and S. 1400 also contain new severe penalties for organizations and their agents who violate the criminal law.

S. 1 contains a particularly interesting approach to the punishment or organizations:

§ 1–4A1. Authorized Sentences.

(c) All Offenses.—The court shall make one or more of the following dispositions of an offender. The court may:

(1) sentence him to imprisonment, *if the offender is an organization, to suspension of the right to affect interstate or foreign commerce, for a term authorized by section 1–4B1* (Sentence of Imprisonment). (Emphasis supplied.)

In S. 1400, Section 2001(c) provides:

An organization found guilty of an offense against the United States shall be sentenced to:

(1) the notice sanction as authorized by section 2004;

(2) probation as authorized by chapter 21; or

(3) a fine as authorized by chapter 22.

The notice sanction may be imposed in addition to a fine, and either or both may be imposed in addition to probation.

Section 2004 provides:

When an organization is found guilty of an offense, or when an individual is found guilty of an offense involving fraud or other deceptive practices, the court, where appropriate, may require the defendant to give notice of the conviction to the class of persons or to the sector of the public affected by the conviction or financially interested in the subject matter of the offense, by mail, by advertising in designated areas or through designated media, or by other appropriate means.

In addition, the probation provisions of Chapter 21, Section 2103(b) authorize the court to require as a condition of probation that the defendant:

(13) refrain from engaging in a specified occupation, business, or profession for a period which does not exceed the term of imprisonment which could be imposed under section 2301.[9]

S. 1, in Section 1–4A1(c)(7), contains substantially the same notice provision as in S. 1400, Section 2004. S. 1, in Section 1–4A3, also contains substantially the same "disqualification" from business or profession provisions as in Section 2103(b)(13) of S. 1400.

In addition to the criminal sanctions, existing civil remedies by way of treble damage actions or otherwise are, of course, retained. In addition, S. 1400 specifically provides in Section 2001(d):

Civil Penalties.—This chapter does not deprive a court of authority conferred by law to decree a forfeiture of property, suspend or cancel a license, require forfeiture of or disqualification from office or position, or impose any other civil penalty.

CONCLUSION

Undoubtedly there are other provisions in S. 1 and S. 1400, and in the conforming amendments, that will create special problems in areas of business activity not described herein, where lawyers having special knowledge in these areas, will recognize not only the problem being created, but find a way to eliminate the problem without undercutting needed or desirable changes in the federal criminal law.

The suggestion in this paper is simply that lawyers advising business become familiar with the proposals to amend the federal criminal laws, obtain copies of S. 1 and S. 1400, and a transcript of the Hearings before the Senate Subcommittee, and get actively involved.[10]

Congress is now involved in determining the legal environment in which business and all of us will have to live for a long time. We cannot sit back and expect the proposals to fade away. The committee to a complete revision of the federal criminal law is so strong that legislation will undoubtedly be adopted, even though it may be two or more years away. It is, therefore, incumbent upon lawyers concerned with business to find out what has been proposed, and the comments on the proposals already made, and to become involved constructively with existing bar and trade associations, or independently, to make certain that their views are heard. The need is great—the Subcommittee will welcome help—and the opportunity is unique. What is needed is constructive "input" from knowledgeable lawyers who have the wit and wisdom to recognize a unique opportunity for service both to the public and their clients.

FOOTNOTES

[1] S. 1, 93d Cong., 1st Sess. (1973); S. 1400, 93d Cong., 1st Sess. (1973) [hereinafter cited as S. 1 and S. 1400 respectively]. Senate Bill S. 1 was prepared by the Staff of the Subcommittee on Criminal Laws and Procedures of the Senate Judiciary Committee and introduced in the Senate on January 4, 1973, while S. 1400 was prepared by the Department of Justice and introduced on March 27, 1973. *See Hearings on S. 1 and S. 1400 Before the Subcomm. on Criminal Laws and Procedures of the Senate Comm. on the Judiciary.* 93d Cong., 1st Sess. (1973) [hereinafter cited as *Hearings*].

[2] 15 U.S.C. § 18 (1970). The United States Attorney has considerable, if not absolute, discretion to determine whether a criminal suspect should be arrested or notified to appear before the court to plead to a felony indictment.

[3] *Id.* §§ 1–7.

[4] This commission was appointed following the approval of Pub. L. No. 89–801, 80 Stat. 1516 (Nov. 8, 1966). It was assisted by a staff of experts in the area of criminal law headed by Louis B. Schwartz of the University of Pennsylvania Law School. The Final Report was filed with the President and Congress on January 7, 1971, after comments were received following the publication of its preliminary report.

[5] *Hearings on the Final Report of the National Commission on Reform of Federal Criminal Laws Before the Subcomm. on Criminal Laws and Procedures of the Senate Comm. on the Judiciary,* 92d Cong., 1st Sess. (1972) [hereinafter cited as *Hearings, Final Report*].

[6] *Hearings, supra* note 1, at 5597.

[7] All sections hereinafter discussed are contained in S. 1, 93d Con., 1st Sess. (1973); S. 1400, 93d Cong., 1st Sess. (1973), as denoted in the next text.

[8] *Hearings, Final Report, supra* note 5, at 228–29.

[9] Would this permit a court to suspend a corporation's right to engage in interstate commerce for a specified period as is specifically provided in S. 1, Section 1–4A1 (c) (1)?

[10] The Final Report of the National Commission on Reform of Federal Criminal Laws may be obtained from the U.S. Government Printing Office, Washington, D.C. Copies of S. 1 and S. 1400 may be obtained from your Congressman or Senator. A transcript of the Hearings to date on the Brown Commission Report and on the two Senate Bills may be obtained from the Subcommittee on Criminal Laws and Procedures of the Judiciary Committee of the Senate, 2204 Dirksen Senate Office Building, Washington, D.C. 20510. Suggestions relating to the proposals and inquiries regarding the possibility of testifying should be directed to the Subcommittee at the above address.

DROUGHT, FOOD AND INFLATION

Mr. **HUMPHREY**. Mr. President, the Washington Post today carried a very compelling editorial, "Corn, Soybeans and the Drought."

The editorial points out what I have been saying for over a year. Our Department of Agriculture blithly promised bumper crops in the face of fertilizer and other shortages, transportation problems and warnings from experts concerning the weather.

Unfortunately, the Department is still trying to assure everyone that, while there will have to be some "adjustments," the picture is still quite good. The Department representatives made it quite clear yesterday that they have not developed any contingency plans.

It was also clear from the testimony that the past forecasting record of the Department is so bad that their projections are not to be accepted without question.

Assistant Secretary Yeutter recommended, in his statement before the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, that we avoid panicing, not that anyone had suggested this. He stated:

> In the short-run, we see the smaller crop having little immediate impact on food prices here in the United States. The reduction in beef cattle numbers—which has been under way for several months—will increase beef supplies in the months ahead. We expect beef production to continue above year-ago levels throughout the remainder of this year and well into 1975.

He also suggested:

> The recovery in milk production which has been occurring in recent months probably also may be slowed and perhaps reversed by the higher feed grain costs.

This statement displays an unbelievable lack of information on what has been going on in the dairy industry for some months.

Prices have dropped over $1.50 per hundred weight for some grades of milk, and farmers are dropping out because they are losing money. Higher feed prices will make matters even worse.

We still do not have the final word on this year's harvest, and we will not have it until the crops are in the bins. An early frost could reduce the harvest even further.

Canada is an important player in the world crop picture. In a normal year, Canada plants 86 percent of its wheat by May 1. This year only 46 percent of the wheat had been planted by May 1. Canada with a short growing season, will thus be very vulnerable if an early frost sets in.

With our corn supply very short, great pressure will be put on our wheat supplies. As the availability of corn drops, farmers will shift to wheat. I am hoping that the Department is right, and the situation does not become more serious. However, the record of the Department is not one to encourage confidence.

The farmer and the consumer need to be alert to this problem, and we must all be looking for ways to develop a sensible reserve program to meet future needs.

Mr. President, I ask unanimous consent to print the Post editorial as well as the Corn Letter published by the National Corn Growers Association.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

CORN, SOYBEANS, AND THE DROUGHT

The ominous warning in the Agriculture Department's crop report this week foreshadows a painful choice on food export controls. If this country does not at last begin to limit its foreign sales of foodstuffs, they will inevitably aggravate the inflation in grocery prices here at home. But if we put limits on our exports they will have a serious impact on our balance of trade, which now depends heavily upon agricultural sales. That in turn, as the past administration always argued, could mean further trouble for the dollar.

Neither alternative is attractive, but there is no doubt which is the better and safer one. Limits on American food exports are now necessary. We cannot leave our basic food supply to the surges of an unpredictable world market. It serves the best interests of our major foreign buyers as well to set out clear rules now, letting them know exactly what they can expect and permitting them to make their own plans in an orderly fashion. It is not a matter of cutting off any buyer. Instead, it would mean telling the world how much we could safely export and, if total demand should approach that amount, how we would allocate our limited supply.

The Secretary of Agriculture, Dr. Earl Butz, will presumably advise President Ford against any export limits at all, just as he advised President Nixon against them. The past administration, with Secretary Butz's enthusiastic support, led this country into an exceedingly high-risk food policy that, at every turn, gambled long-range interests to get through short-range difficulties. Mainly to bolster the dollar abroad, and the foreign trade balance, the last administration fastened itself to a reckless policy of pushing food exports to the point of selling off most of our longstanding reserves.

All calculations for the current year were based on the most optimistic possible estimates of farm production—estimates requiring every contingency to run in our favor, from fertilizer supplies to the weather. It was in regard to the weather, of course, that the gamble failed. The policy was to get through this year with a crop that was to be hugely bigger than any previous record. That was before the drought began. Last year's corn crop was 5.6 billion bushels, and last spring the Agriculture Department was offering a euphoric forecast of 6.7 billion bushels this year. Now the Department expects only about 5 billion bushels. The wheat crop is better, and will be a little above even last year's record. But it will be 20 per cent below the forecast earlier this year, on which our trade policy has been based. The soybean crop last year was 1.6 billion bushels. The current forecast is 1.3 billion this year.

Secretary Butz can hardly be blamed for the drought this summer. But he can indeed be blamed for depreciating the possibility of a drought and ignoring the evidence that we might be approaching the bottom of the 20-year drought cycle. He can properly be blamed for the circumstance that we now come to a year of withered crops with the lowest reserves in more than a generation. When President Ford begins to weigh the advice that he is currently getting from the Agriculture Department, he may want to recall some of the previous landmarks of Secretary Butz's stewardship. After the Russian wheat deal, the price of wheat shot upward. The administration drew no lesson, apparently, from that interesting event. Instead, it sat deaf and blind through a series of warnings that other foreign countries were buying abnormally large volumes of American soybeans because of a worldwide shortage of protein. At length, the rush for soybeans drove the price to phenomenal heights and the administration, in a sudden burst of panic, slammed the door shut on any soybean exports at all for some months. To many foreign countries, this unexpected reversal seemed almost an act of open hostility. In this country soybeans are mainly fed to animals. But in many of the importing countries, notably, Japan, they are a staple of the human diet.

After the soybean fiasco the federal government set up a reporting system under which all agricultural export sales are registered. But they are registered only after the sale, and sometimes as much as a couple of weeks afterward. The proper step now, before matters go any further is to require export licenses for foodstuffs, if the exporter has to get a license before he can consummate a sale, the Agriculture Department will know precisely and before the fact how much of each crop has been sold abroad.

The United States has broad responsibilities to those overseas who have come to depend on our farmers to feed them. Some are, like the Japanese, wealthy countries that have been our steady customers for many years. Others desperately need food, but have no dollars with which to bid. Export licensing would make it possible to allow special provision for both the steady customers and the soft-currency buyers.

Americans, particularly those of us who live in cities, have learned a lot about agricultural policy in the past few years. We have learned that this country's food supplies—bountiful, varied and, by most other peoples standards, still cheap—are not to be taken for granted. Restoring stability and order to our agricultural markets will take skillful policy. Export licenses ought now to be regarded as only the first step toward rebuilding the national standby reserves of basic foodstuffs that in recent years, we have profligately allowed to run down.

THE NATIONAL CORN LETTER

BOONE, IOWA, *August 1974.*

Continued drought and high temperatures the last half of July in major sections of the corn belt have reduced our estimate of 1974 corn production to 5,040,251,000 bushels.

This new estimate is based on observed conditions throughout the U.S. as of August 1 and represents a 477,870,000 Bu. reduction from our July forecast of 5,518,121,000 Bu. Computed on 67,589,000 Acres planted for corn as grain, the yield is now down to *74.6* Bushels Per Acre. vs. 91.4 Bu in 1973. *The above forecast represents a shocking comparison to USDA's July 12 projection of a corn crop somewhere between 5.95 billion Bu. and 6.35 billion Bu.* USDA may gradually revise estimates downward over several months to ease shock onto market beginning with August 12 estimate.

Our surveys brought the following big production drops in 10 leading States

Iowa, 133,100,000 Bu.; Nebraska, 100,800,000 Bu.; Illinois, 31,020,000 Bu.; Minnesota, 37,080,000 Bu.; Missouri, 44,550,000 Bu.; Kansas, 43,200,000 Bu.; Indiana, 22,400,000 Bu.; Ohio, 29,600,000 Bu.; So. Dakota, 28,270,000 Bu.; No. Carolina 7,850,000 Bu. Our Aug. 1 yield per acre settings were Ill. 82; Ind. 80; Ia. 85; Kans. 64; Minn. 79; Mo. 69; Neb. 64; N.C. 75; Ohio 69; & S. Dak. 35 on the above 10 states.

Even these cuts may not be drastic enough—the new 30 day forecast is not favorable and our field observers say that if soaking general rains don't come soon, sections now rated fair to good may go downhill rapidly during August even though many of them have apparent good growth but are short on submoisture. Good rains Aug. 1 from west Iowa eastward arrested further deterioration in important areas.

It wasn't just the usual "July Hades Belt" States that always boil up 100 degree temperatures as soon as the winter wheat is combined and leaves the ground open to the sun or the States that border them that the drought affected. This year every state in the main producing area from Nebraska to the east coast has been hit with no exceptions. Some like Illinois, Iowa and Minnesota have excellent areas in them but have large failure acreages in the same state. In others such as Nebraska, So. Dakota, and Kansas, practically all the non-irrigated corn is now beyond the point of restoration if soaking rains come immediately. *It was the week of July 20 that delivered the coup de grace with temperatures reaching 114 degrees in some spots in So. Dakota, Nebraska, and Kansas.* One hundred degrees plus was common over more than 30 million acres of corn at that time. Without adequate reserve moisture in the western belt and on land that had been worked too wet at planting time elsewhere, the land soon baked and cracked open, allowing the moisture to escape without use by the plant. All this occurred at the critical pollination time and many ears failed to be fertilized. *Topping it all off, single cross seed corn fields were thrown out of pollination coordination between male and female rows and thousands of bushels thus destroyed.* Early ordering of seed corn for 1975 is important for our members, and by the way, so is antifreeze. *Since last December we stated that a short corn crop could bring $4 per bushel corn. This can happen if our 5.04 billion bu. figure proves correct.* Exporters report importers other than Japan still haven't really moved in to cover their needs yet and that export trade for distant delivery is comparatively quiet. So when importers do move it should add further strength to the market and if they decide to buy against possible future shortages a big runup can occur. If you have corn to sell, keep in mind the end of August and then decline into the fall harvest season as cool weather and fall rains occur. *There is one exception this year: Much of the 1974 corn crop in the central and eastern belt was planted so late that it could be ruined by a killing frost coming earlier than* normal. Last year the first kill came almost a month past the average date. If the opposite happens this year, 1974 production figures will have to be reduced still further. *Our advice: if you have old corn to sell, pick a strong spot during this bull market* period and congratulate yourself in having held it this long. Don't take a chance on contracting new corn unless you're willing to get hurt in case you lose your crop from more high temperatures, hail, windstorm or early frost. Get it in hand first and once harvested look for a bulge which will likely come in early winter. Following droughts, the marketing season highs generally occur fairly early. An old grain trade saying is that "A short crop usually has a long tail".

Corn exports 10–1–73 to 7–26–74 were 1,065,910,000 bu. vs. 943,892,000 a year ago.

Here's our supply & demand balance sheet for the current marketing year:

[In thousands of bushels]

U.S. corn carryover on Oct. 1, 1973 (smallest since 1952)	709,500
1973 total U.S. production for corn as grain (our final estimate)	5,543,500
Total available for domestic use and export Oct. 1, 1973 to Sept. 30, 1974	6,253,000
Now deduct anticipated usage Oct. 1, 1973 to Sept. 30, 1974:	
Livestock and poultry feed	4,210,000
Food and industrial use	430,000
Exports	1,200,000
Total usage Oct. 1, 1973 to Sept. 30, 1974	5,840,000
Estimated U.S. corn carryover Oct. 1, 1974 (smallest since 1948)	413,000

Up to now, we've forecasted 1974's crop of corn usage at 5,500,000,000 bushels. But now, there just won't be that much corn available, so price is going to have to ration consumption between now and the 1975 crop to a level of about 5,250,000,000 Bu.

Here's our balance sheet for the new corn marketing year beginning 10–1–74:

[In thousands of bushels]

Estimated U.S. corn carryover on Oct. 1, 1974 (smallest since 1948)	413,000
Estimated 1974 total U.S. production for corn as grain	5,040,251
Total estimated available for domestic use and export Oct. 1, 1974 to Sept. 30, 1975	5,453,251
Now deduct anticipated usage Oct. 1, 1974 to Sept. 30, 1975:	
Livestock and poultry feed	3,900,000
Food and industrial use	450,000
Exports	900,000
Total usage Oct. 1, 1974 to Sept 30, 1975	5,250,000
Estimated U.S. corn carryover Oct. 1, 1975 (smallest since 1948)	203,251

In 1948 carryover was 123,473,000 but consumption only 2,268,763,000 bu.—Less than half today's, so relatively, carryover 10–1–75 will be lowest on record.

The sad fact of today's crop disaster covers four distinct victims; (1) The corn farmers with the high input operating costs that have gone into planting and raising a crop failure combined with heavy debts on machinery and land. (2) The livestock, dairy and poultry farmers who must buy the high priced corn that is available to keep their herds and flocks alive in order to stay in business. Liquidation of some of the birds and animals must perforce take place, both because the price is too high and because there isn't enough corn to go around. This will tend to keep the end product prices low into next spring and thus our corn customers, whether they be here or abroad will suffer financial losses; (3) The consumer who will be faced with higher prices for meat, milk and eggs next year as a result of a shortage of these items once the excess inventory of breeding stock has been liquidated; (4) The agribusiness handlers of corn including transporters.

And if we raise a bumper corn crop next year, which often follows a poor crop, the corn farmer will find a much smaller number of consuming animals and birds for it both here and abroad, thus causing him to have a big 1975 crop on a restricted market at drastically lower prices.

This is the point at which a grain reserve program should be ready to go into action to sop up the excess production at a reasonable level through acquisition via a much higher corn loan than the present $1.10. We feel that the loan should be at least $1.80 per bu. which is only about 70% of current corn parity price. Release from the reserve should be no less than close to $3.000 bu.

With great regret we report to members that our long time director and friend, John Heline of Marcus, Iowa, passed away suddenly in early July. John served brilliantly and faithfully on the NCGA Board for 14 years and at the time of his death was President of the Iowa Corn Growers Association. He will be sorely missed. A delegation of directors and members attended the funeral to extend sympathy and recognition for his many contributions to the two associations.

If you're fortunate to have good crop prospects, enter the 1974 national corn yield contest. You could be a State or National winner. Our winners and wives in the three top places nationally in both the irrigated and non-irrigated divisions will be guests of Shell Chemical Co. on a 1975 overseas market development trip. Plaques for yields over 200 bu. per acre. Trophies for state and county winners. Send for entry forms and rules soon. *Entry deadline August 15.*

LEGAL REPRESENTATION FOR THE ELDERLY

Mr. TUNNEY. Mr. President, a short time ago it was my privilege to chair a hearing on Improving Legal Representation for Older Americans. The hearing was held in Los Angeles before both the Senate Special Committee on Aging and my Judiciary Subcommittee on Representation of Citizen Interests. This hearing—and subsequent hearings to be held in Washington, D.C.—combine the expertise of these two committees to focus on the barriers to adequate legal representation for the senior citizen, and to explore new avenues to improve legal assistance.

Upon attaining age 65, or retirement, the average older American is faced with many new programs that have potentially complicating legal problems—social security payments, disability, pension eligibility, supplemental security income, food stamps, or new tax reporting practices—to name just a few.

The challenge before us is to assure that legal representation is readily available to today's older person.

At our hearing in Los Angeles we heard witnesses who most convincingly brought to our attention the clear need for legal assistance for the elderly, as well as the many barriers that prevent the older person from obtaining representation.

Private attorney, Alan Goldhammer, explained the obvious need for attorney representation in claims involving disability issues, under social security, supplemental security income, and veterans' benefits:

> The claimant without an attorney is at the mercy of his local doctor who often lacks the time or desire to write a detailed report; the local doctor's reports are often conclusionary, unconvincing and often unintelligible. In contrast, doctors used by the administrative agencies are trained to write reports which, at least at first glance, appear comprehensive. . . . The attorney is needed to be certain that the administrative agency's medical experts have really taken time to evaluate the claimant and have really inquired into the claimant's symptoms. So often such experts have not done so.

Another private attorney, Michael Gilfix, who runs a free legal program for the elderly in Palo Alto with the cooperation of Stanford law students, examined the barriers to legal assistance caused by limited income and transportation:

> Eligibility for such services must not be based on rigid economic criteria. Realistic fears that savings accounts may be depleted by a prolonged illness should be a major factor in determining eligibility, with primary emphasis placed on actual income. . . .
>
> Transportation, for both clients and legal services staff, must be provided for in a comprehensive plan. Many senior adults cannot pay taxi fare where public transportation is insufficient. Furthermore, many senior adults are bedridden or otherwise severely limited in their mobility.

Ted Ellsworth, representing the National Council of Senior Citizens and the Older Americans' Social Action Council, spoke of the very real fear of reprisal commonly experienced by the older citizen who may have justified grounds for suit:

> The aged are in double jeopardy when it comes to getting legal services. First, a very high percentage are poor and can't afford legal services—second, they are many times insecure and afraid to approach an attorney. Sometimes this is because of fear of reprisal. A common case is fear of taking legal action against a landlord because of fear of being thrown out on the street. . . .

Joseph Berks, representing the National Retired Teachers Association-American Association of Retired Persons, revealed the special legal problems facing the elderly taxpayer:

> Not only is the aged taxpayer distinguishable from the non-aged, but upon reaching age 65, he is confronted by an entirely new set of federal income tax provisions which combine to make the reporting of his income and the computing of his tax liability a frustrating, or . . . an impossible task. The task of simply reporting and computing tax liability with respect to these forms of income is a complicated and tedious procedure requiring the use of multiple supporting schedules and forms in addition to the standard form 1040.

We also received testimony from several witnesses who outlined a variety of programs designed to bring better legal representation to senior citizens:

Mrs. Emma McFarlin, special assistant to Los Angeles Mayor Tom Bradley, reported that—

> The Mayor's Office and the City Attorney's Office are working on developing a program to use paralegal aides and attorneys to make legal assistance available to all of those who need it.

Mrs. Carnella Barnes, assistant director for the Department of Senior Citizens Affairs of Los Angeles County, testified about a similar program already in practice:

> The National Center for Law on Poverty in cooperation with the County of Los Angeles, Department of Senior Citizens Affairs, and other agencies were engaged in a series of community meetings with the aging, to determine the need for para legal volunteers who would assist in interpreting the legal needs of the elderly to the legal profession, which provides services to the public.
>
> The response to this community indicator was so impressive that the National Center for Law on Poverty instituted a voluntary training program to which staff and volunteers came for training, to serve as enablers to the elderly.

Mr. Donald M. Perkovich is the directing attorney of the Legal Center for the Elderly of Sacramento and Yolo Counties—the only legal services organization in the country funded through revenue sharing. Mr. Perkovich reported:

> In developing the Legal Center for the Elderly, we have implemented a program that is effective and sensitive to the special needs of the elderly as a particular client group. For example, many of the aged are physically incapacitated or have transportation problems and are unable to get to a central legal aid office. We have, therefore, established a network of twenty-four neighborhood outreach centers throughout the two counties which we serve. The outreach centers are located in senior citizen centers, churches, clubs, and hospitals. . . . With a staff of three attorneys and nine paralegals, our office has since September, 1973, provided legal assistance in over 800 cases, which is a substantial increase from the 158 elderly cases

the Legal Aid Society handled in the entire year prior to our inception.

Mike Burk, legislative advocate for the National League of Senior Citizens, testified to the efforts of his organization:

> If a poor and aged person's rights are abridged in some way, or if such a person becomes a victim of some circumstance requiring legal redress, how does such a person hire an attorney for representation when no funds are available for this service?
>
> The National League of Senior Citizens, a nonprofit organization I am representing today, has from its inception 33 years ago maintained a service for its members that is called simply a "counseling" service. The work done by this department of the League goes far beyond mere counseling, for over the years hundreds of elderly people, members of the League, have been represented by the staff of this department in hearings and in legal actions to initiate, to recover or to maximize cash or other grants or services available from the county, the state, and the federal government. The amounts, in dollar return to these elderly, went above the million dollar mark some years ago.
>
> Now, if you will visualize the extension of this service from just our League members to all the elderly poor, you may realize how important this legal service may be, and what an important help in the lives of our older Americans it could be.
>
> Of all the ancillary services that our society might offer our Senior Citizens there is none that would reach an area more void of help right now.

Finally, we heard from two witnesses from the National Senior Citizens Law Center:

Deborah Aaron, a law student at UCLA and a volunteer at the center, outlined the dearth of legal courses dealing with the elderly:

> At this time, no California law school offers a lecture course or seminar on the legal problems of the aged. UCLA is the only school directly involved in a clinical program dealing specifically with the elderly. No school recently has offered a course on the large government agencies meting out benefits to the aged. It is not surprising, then, that after a legal education which disregards the elderly, an attorney is not only unable to advise competently the few elderly clients who do solicit legal counsel, but is unaware of the existence of large numbers of senior citizens who know not where to turn.

Paul Nathanson, the executive director of the National Senior Citizens Law Center, was our final witness, and he offered several incisive proposals for improving legal representation for the elderly. He emphasized: First, the need for the private bar to look into mechanisms for prepaid legal insurance for older persons; second, the need for more private and public employers to offer preretirement counseling such as information on pension plans and estate planning; third, the need for educational programs to sensitize professionals in the field of aging about the important services lawyers can provide; and fourth, the need for large senior citizen organizations to explore the possibilities for legal insurance for their memberships.

All the witnesses reflected one common theme: The urgent need for better affordable legal assistance. Our Los Angeles hearing does not mark the end of this inquiry. We must lend our efforts toward insuring the development of new methods to make quality legal assistance available to older Americans.

DEA SEIZES 75 KILOS OF HEROIN

Mr. MONDALE. Mr. President, on Wednesday, July 14, the Drug Enforcement Administration announced that they had seized 75 kilos of heroin, with a street value of $112 million. This amount is greater than that seized in the "French connection" case of 1962.

I wish to congratulate the DEA on this action and would like to point out that two of the five men captured were identified as being indicted previously as major drug traffickers. I would like also to make mention of the fact that as John Bartels, Jr., the DEA Administrator said, this seizure is an indication of what may occur if Turkey continues their plan to again produce opium.

For the consideration of my colleagues, I ask unanimous consent that a copy of the DEA press release announcing the heroin sezure be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Drug Enforcement Administration,
Washington, D.C., August 14, 1974.

The largest seizure of heroin since Turkey banned the growth of opium poppies in 1972, was announced today by John R. Bartels, Jr., Administrator of the Federal Drug Enforcement Administration.

Bartels, speaking at a news conference at DEA Regional Headquarters in New York, said the heroin, 95% pure, had been skillfully concealed in a shipment of expensive furniture from France. 75 kilos of the high potency narcotic were hidden in well-crafted hollows of shelves, doors and end panels of nine pieces of Louis XII design furniture. He set the street value of the seized heroin at nearly 113 million dollars.

The DEA Administrator, in charge of all Federal drug law enforcement, said five persons, including two previously indicted major French drug traffickers were being held in record bail on charges of violating the Federal narcotics statutes.

The suspects were arraigned before Chief Judge Jacob Mishler in Federal court, Eastern District of New York. Their names and the amount of bail set are:

Maurice Leon Schoch, aka Jean Marc Rouzean, born 3/3/35, Nice, France, French citizen; $2,500,000.

Claude Antoine Schoch, born 6/10/46, Nice, France, French citizen; $2,500,000.

Claude Andre Breteche, born 1/10/47, Nice, France, French citizen; $1,000,000.

Albino Nicasio Rivera Garro, born 12/14/35, Ivanowsky-La Pampa, Argentina, Argentinian citizen; $2,500,000.

Nadine Marie France Besset, born 6/5/45, St. Cloud, Algeria, French citizen; $500,000.

According to Bartels, the seizure of the drug-filled furniture in a Long Island City warehouse, followed a series of cooperative actions among French national police, the U.S. Attorney for New York's Eastern District, David Trager, and special agents of DEA under the direction of John W. Fallon, Regional Director for the Federal narcotics agency.

Bartels noted that the seizure was the first of major proportions since the Turkish government agreed to ban all opium poppy growing in 1972. "That was the turning point," he said, "and the heroin epidemic in the United States went into a downturn. This seizure is a foretaste of things to come," he added, "if the Turks do, in fact, authorize their farmers to begin growing this deadly plant, it will be a disaster for untold thousands of Americans and I cannot remain silent while a new epidemic begins to snowball."

KANSAS HARD WINTER WHEAT COMMEMORATIVE STAMP

Mr. DOLE. Mr. President, today in Hillsboro, Kans., the 100th anniversary of the introduction of hard winter wheat is being celebrated. Part of the celebration centers around the issuance of a commemorative stamp in honor of the event. The U.S. Postal Service was most cooperative with me in arranging for this commemorative stamp, and I regret that our activities here in the Senate prevented me from attending the ceremonies in Hillsboro, Kans., today.

It is appropriate that we recognize the contribution the introduction of this important grain has made to the economy of Kansas and the well-being of the entire Nation. The wheat was called "Turkey Red" when introduced by a group of Mennonites who migrated to Kansas in 1874 searching for a climate comparable to that in the Ukraine area, where this wheat had already proved productive. The migration of this persecuted group was told well by Wayne E. Homan in a history of these people.

> They came first, 23 families of them, in 1874, year of the great wheat crop failure. The first of 500 Mennonites were attracted by the freedom offered in America. Since their origin in sixteenth-century Holland, they had formed an intimate acquaintance with religious persecution. In the seventeenth century they fled to Prussia. In 1783—promised religious freedom by the Russian Czar, who coveted their farming knowledge and ambition—they migrated to the Crimea. There they developed a wheat seed known as Turkey Red. It could be planted in fall, survive the cold winter and be harvested before the dry summer arrived.
>
> These seeds they brought with them on the long journey to America. They went to Odessa, on the Black Sea; by ship to Hull, England; by train to Liverpool; by ship to New York. The journey took two months. In New York they were directed to Hillsboro, Kansas, and each was given acreage.
>
> To their American neighbors the Mennonites' method of harvesting was as strange as their planting season. They threshed the wheat by rolling heavy ridged stones over the kernels. But Turkey Red was successful; in five years the Mennonites had paid off their debts.
>
> By then native Kansas farmers were buying Turkey Red seed and learning the new planting system.
>
> The early Mennonites worshiped in an adobe hut, long since crumbled. As others arrived, a church was built at Hillsboro. It also has been replaced. Many other Mennonite churches later were organized in Kansas.
>
> One of the larger Kansas Mennonite churches is at the Alexanderwohl community. It was so named because of a solicitous visit to the Prussian Mennonites in 1821 by Czar Alexander. The Czar, tradition says, intervened when the Mennonites were threatened because they rejected military service.
>
> A few miles north, at Newton, is the Mennonite center. Here they maintain a college, a museum, and a library. The latter contains many rare volumes and papers of historical import. But few contain knowledge so valuable as that their owners brought, along with Turkey Red seed, to the beleaguered Kansas wheat farmers."

Today, Kansas wheat farmers produce well over 300 million bushels of this winter wheat each year—1973's record production was 384,800,000, and would have been topped in 1974 with Mother Nature's cooperation. Adverse conditions, however, reduced this year's crop, indicated at 313,600,000 bushels. At current prices, this crop has a value of well over a billion dollars.

This wheat has proved to be a high-yielding sturdy crop on which plant breeders have found it difficult to surpass with other types of wheat. Work by the Kansas State Experiment Station at Hays, Kans., and other organizations has developed varieties of winter wheat that resist plant diseases, maximize moisture utilization, and produce desirable qualities for bakers and food processors in the wheat kernel itself.

Mr. President, I ask unanimous consent that the remarks I prepared for the ceremonies at Tabor College today be printed in the Record, along with an excellent article from the Kansas Farmer magazine written by Dr. Floyd W. Smith, Director of the Kansas Agricultural Experiment Station.

There being no objection, the remarks and article were ordered to be printed in the Record, as follows:

Remarks of Senator Bob Dole at the Dedication of the Kansas Hard Winter Wheat Stamp Auditorium—Tabor College, Hillsboro, Kans.

It is my pleasure to be here with you today and to join in this commemoration of the centennial anniversary of the introduction of hard red winter wheat in Kansas.

The commemorative stamp which the U.S. postal service officially introduces today, marking that centennial, is the third in a series of commemorative issues from the postal service, honoring rural America.

100 years ago, a small group of German speaking immigrants, Mennonites from the Steppes of Russia, came to Kansas where their centuries long flight from religious persecution came to an end.

They found their freedom here. And they brought with them the strain of winter wheat—turkey red they called it—which has made of our state a prosperous granary for this country and for much of the hungry people of the world.

You tell an easterner, or a city dweller, that Kansas grows over three hundred million bushels of wheat a year, and you are liable to get an unknowing grunt of acknowledgement, as if to say, "Doesn't everyone?"

The answer of course, is no. No one else approaches our abundant capacity for production of wheat. And, without the few seeds those immigrants brought to Kansas a hundred years ago, and the industry, energy and just plain hard work of thousands who have labored in our wheat fields since, we wouldn't be able to boast of such staggering production totals now.

The stamp, designed by John Falter of Kansas, shows a wheat field extending to the horizon. It shows, in short, abundance. It shows the fruits of the labor of honest Kansans.

To those of us who were born and raised in this winter wheat country, it symbolizes the hard work and anxiety that goes into growing a crop starting with planting in September–October and lasting till harvest in June–July. This year the crop in my home county of Russell suffered from mosasic, which wiped out entire fields. And the farmer is helpless to protect against this threat. So this picture means even more to us. It evokes memories of success and disappointment to be sure, but always of hardwork and the satisfaction that comes from it.

It is a symbol of what is a deep source of pride to me.

And though it is only a small reminder to the Nation, it represents an acknowledgement of the enormous contribution we Kansans make to our nation and the world.

Kansas Celebrates a Wheat Centennial

(By Floyd W. Smith, Director, Kansas Agricultural Experiment Station)

Wheat gave Kansas agriculture its finest hour in 1973. Gross agricultural income was about $4.2 billion—up some $1.4 billion from 1972. That year wheat produced on 66,000 farms recorded cash receipts in excess of $1.4 billion. This single grain crop accounted for more than 60 percent of the gain in 1973 cash receipts—more than $800 million.

Kansas farmers, now harvesting another good wheat crop, are also reflecting on the 100th anniversary celebration of the introduction of Turkey hard red winter wheat into the United States via Kansas. Mennonites brought sufficient seed of this variety from Russia in 1874 to establish the crop in such places as Marion and Harvey counties.

Prior to this, Kansans tried to grow soft winter wheats brought from eastern corn belt states. Wheat production was confined to less than 1 million acres and yielded but $7 to $8 million gross income annually. Twenty years after Turkey's introduction, wheat occupied 5 million acres and produced more than $50 million gross annual income in Kansas.

By 1914, value of the wheat crop was more than double that of corn, the previous leader among Kansas crops. In 1924, value of the wheat crop was more than $180 million and exceeded the combined value of all livestock produced in the State.

More than 40 years ago Kansas wheat production exceeded 250 million bushels in a single year. Even during the depths of drouth and depression, wheat stood in the forefront of Kansas agriculture. In 1934, for example, wheat contributed more than $70 million gross income—more than that generated by any other individual crop or livestock commodity.

During each of the last 5 years, Kansas wheat growers have established new records of yield efficiency and/or total production. Since the 1969 harvest, the value of the wheat crop has exceeded $3 billion.

Turkey wheat dominated the Kansas variety scene for more than 50 years. More than 100 hard red winter wheat varieties have emerged with some 20 of these, each having Turkey in its make-up, contributing significantly to Kansas' wheat progress. However, in the first 70 years of Kansas wheat history, only four varieties were really prominent.

Turkey. The introduction from Russia was well adapted and also provided breeding material.

Blackhull. This was a private selection from a Turkey wheat field made in 1912 by Earl G. Clark, Sedgwick. It was even better adapted than Turkey and eventually occupied large acreages. Also, Blackhull and a pair of its direct derivatives, Early Blackhull and Chiefkan, proved to be excellent breeding materials.

Kanred. A formal selection made from Turkey type wheat by the Kansas Agricultural Experiment Station. It was much improved over the original introductions and improved Kansas' competitive position in the World War I era.

Tenmarq. This was a selection from a Turkey-Marquis cross picking up higher quality from the spring wheat parent. Tenmarq was mainly responsible for the State's excellent wheat crops during World War II. An excellent parent material, Tenmarq contributed to Pawnee, Wichita, Comanche, Kiowa, Parker, Bison, Buckskin, etc.

Despite remarkable wheat production, Kansas' average yield per acre never exceeded 20 bushels. The one-time record 1931 crop of 251 million bushels averaged 18.5 per acre. Not until the late 1940's was significant production efficiency recorded. This came about because of four vastly improved varieties—Pawnee, Comanche, Wichita and Triumph—and the beginning of a formal wheat fertilizer program.

The better improved varieties with added nitrogen resulted in new record crops of 287 million bushels in 1947 and 308 million bushels in 1952. The latter, averaging 21, was the first to exceed 20 bushels an acre.

During the mid 1950's wheat improvement was plagued by drouth and failure of strong new wheats to appear. Kiowa and Bison were the exceptions. This pair, aided by another high quality newcomer, Ponca, and supplemented by the mellow gluten Wichita, enabled the State to produce new record average yields of 28.5 bushels per acre in 1958 and 1960.

Scout was released in Nebraska in 1963. This marked the start of unprecedented dominance by a single variety in hard red winter wheat history. Scout occupied from 42 to 48 percent of Kansas acreage in each of the years 1969–1973, inclusive. Scout and one of its direct derivatives, Eagle, comprised more than 55 percent of the record 1973 crop.

Scout stayed in front because of yield capability. This variety does resist some major disease and insect pests, it is fairly early in maturity and the grain ranks strong in high quality protein. Also, it is widely adapted in drier portions of the hard red winter wheat area. Still, its dominance in the five record breaking yields has to be associated with, at least a 10 percent yield advantage.

Other releases of the 1960's, including Kaw, Ottawa, Parker and Shawnee, each had theoretical advantages under specialized conditions. Ottawa and Shawnee had resistance to soil-borne mosaic. Parker had superb Hessian fly resistance. Kaw 61 possessed superior stem rust resistance and Shawnee had superior quality of protein. Still, none of them could compete with Scout.

Wheat breeders learned some lessons from all this. For example, for wide acceptance, a new variety must have outstanding yield potential. Too, early maturing, consistent yielders can gain acceptance in a vast wheat producing area. Possibilities for double cropping with soybeans make this attractive. High risk western Kansas area makes ruggedness paramount in new varieties.

Most times disease and insect resistance, or perhaps better still, tolerances, should be developed on a need basis. Witness the fact that Gage, an excellent yielder with only moderate tolerance to soil-borne mosaic, proved significantly more popular than Shawnee. Other lessons:

Wheat with high quality grain protein will enjoy good farmer acceptance provided there is ability to yield. Scout illustrates this. Superior protein quality with only fair yield potential will not insure acceptance.

Recent events strongly suggest that future varieties will be highly transitory.

Wheat yield and performance capabilities for the rest of the 1970's already are largely determined by certain stalwarts of yesteryear and even more significantly by recent releases.

Eagle and Centurk, for example, show every indication of becoming very important. Four new Kansas releases have received much attention. Impact of this mass release should be greater than that caused by similar releases in Kansas in the mid-1940's.

Sage. This is essentially a Scout type with some Ames genes to give it a new kind of leaf rust resistance and greater yield capability.

Cloud. Has a pedigree much like Sage. Deserves special consideration in central Kansas.

Trison. It was developed to introduce Bison's desirable bread baking qualities into an early Triumph type. Improved mixing time and better loaf volume offer this promise. Also, it has better straw strength.

Kirwin. An improved Parker type of wheat selected for western Kansas. It is hardier, subject to less shattering and having resistance to Hessian fly. It yields well, many times not unlike Scout.

This year two new releases came from Nebraska. Buckskin and Homestead wheats should spread risks associated with having too much of the original Scout types present.

Homestead resulted from complex crosses including some well known Kansas varieties and including also Scout. Medium and early maturity like Scout, it also provides resistance to both soil-borne mosaic and stem rust, plus relatively short straw.

Buckskin is a bit later than Scout and presumably might be better adapted to higher altitudes in the State. It has moderate resistance to stem rust, soil-borne mosaic and Hessian fly. It has excellent milling and baking qualities.

Beyond 1980 what? It has been stated that agricultural research conservatively put an extra $300 million into pockets of Kansas wheat growers last year. Behind this estimate is a dramatic story of improved yields.

In the 1920's Kansas farmers averaged 13.1 bushels of wheat for each acre harvested. This dropped to 12.3 in the dry 1930's. Since then there has been an almost unbelievable upswing from 15.9 bushels for each acre harvested in the 1940's to 34.6 bushels for the first 4 years of the 1970's.

Most recent comparisons suggest we can expect continuation of this kind of progress until and beyond 1980.

Scout, today's leader is 50 percent better than the original Turkey.

Eagle appears to be 55 percent superior to Turkey.

Best of the newer releases, Sage and Centurk, are between 60 and 65 percent superior to Turkey.

Moreover, we know we have potential new varieties capable of 20 to 25 percent superiority over Scout. Assuming adequacy of fertilizer, it seems certain that Kansas average yields in excess of 40 bushels an acre—perhaps as high as 45—can be anticipated by 1980.

INFLATION, PRODUCTIVITY, FRUGALITY IN GOVERNMENT, AND THE NEED TO SUPPORT CANCER RESEARCH

Mr. HUMPHREY. Mr. President, I think it is necessary for the Senate to take a new look at health research in this country. There are some new principles to examine. Possibly if we give consideration to cancer, talk about a disease to which we have all given a good deal of thought, we can get a better grasp on the principles involved.

As you have heard me say before, I think it is important for the Senate to direct its attention to broad principles of government because, whether we like it or not, this is a Presidential government. The Nation is run by the President; this one, the one before him; the ones for some time to come. But the Congress must set general policies. That is our job.

All the more reason to make sure we support the proper policies; and I think that we need to set down some new ones, shift gears, rethink, reconsider, and come up with a Senate outlook, a congressional position in favor of more health research, health research that is more responsive to the needs of this Nation. We need heads-up exploitation of research results for the immediate benefit of the patient.

We are all worried about dollars; about the budget, the economy. We are concerned as legislators for the American people; worried as family heads, and as citizens. We know that in these perilous times—and I use the term "perilous" advisedly with the perspective I derive from my position on the Joint Economic Committee—we know that whatever anti-inflation, antidepression program we adopt, one component must be a drive toward increased productivity.

Nothing, absolutely nothing, will increase a man's productivity more than good health. If you feel good you are full of vim and vitality and ready to work. If you are nagged by pain you cannot concentrate well on your work. And if you have a serious disease you need to devote a large part of your time to taking treatment, meeting the schedules of doctors and clinics. And, of course, many diseases remove a man from the work force entirely for weeks and months.

Cancer causes all of these forms of productivity cuts. If one has cancer undetected, he may lose weight, suffer a loss of energy, or if it affects the brain, lung, nerves, or a vital organ his capacity for activity can be reduced long before he knows he is sick.

I do not want to play the martyr, for thank God I am in good shape now, but I can testify to the loss of concentration and power to work when one is in pain. I can testify, too, as can many others in this Chamber, to the interruption to the routine of work and life that takes place when one begins to follow doctors' orders.

The industry absenteeism interrupts the flow of production. It invariably involves administrative expenses. Protection against such interruptions, both for the company and the employee, costs money. And the more disease there is, the higher the cost of insurance against disease. We all bear these costs ultimately in what we pay for goods and services and taxes.

It is clear that the country must devote a portion of its resources to biomedical research and the Congress has gone through a considerable amount of study, debate, and sometimes hit and miss responses to special situations, finally to arrive at a decision on what to spend on biomedical research.

Mr. President, I say that, in principle, our decision has been too miserly, too meager, inappropriate to the challenge of long-term cost saving for the Nation, the challenge of protecting the most vital national resources of all, human life, and skill.

Mr. President, I said in this Chamber on August 6 that, "Uncontrolled inflation is devastating to all our people," that it "eats away at the foundations of our institutions. It makes rational public and private decisionmaking virtually impossible." Recognizing the dire consequences of unchecked inflation, and the complete failure of the administration to mount a policy that might deal effectively with it, I introduced on August 6 a resolution to establish a National Commission on Inflation. My resolution is similar to the Mansfield resolution which was endorsed by President Ford in his recent address to Congress. I am very pleased that our new President is also keenly aware of the seriousness of the inflationary threat facing us.

So I say with complete conviction that when we are in a hyperinflationary period and need every ounce of production that we can force from our economic capacity, we simply must not throw money down the drain by allowing sickness to occur without detection, allow disease to progress without therapy, and allow death to rob us of tens of thousands of lifetimes' investment in rearing, educating, and employing our workforce. We cannot afford the waste of household formation only to bankrupt it, auction it off, disperse it among relatives, or abandon it because a father's or mother's career is cut short by cancer or some other fatal disease.

What are we losing as a result of disease in this country every year? What income tax are we paying involuntarily or, rather, unthinkingly, because of disease? I am not talking about the figures we hear about and yawn over every year when the budget comes out. I am not talking about the money we spend under the heading of "health." That is just a portion of what I am referring to. The White House's special analyses of the President's budget for fiscal 1975 state that public and private spending for health total $104 billion, and $4 billion goes into personal health care of cancer cases.

Now that is one part of the picture. What we pay to find and treat the disease.

But, Mr. President, this disease is a killer. The American Cancer Society estimates that 355,000 of use will die of cancer in this country in 1974 .

Many of us have been in business. We all know what insurance costs. A modest policy these days pays at least $10,000 at death. If one takes the 6, 8, or even let us say 10 percent legitimate insurance company profit out of that $10,000 then there are at least $9,000 left. Now we were using crass terms here, money, in evaluating a human life. But with even this minimum calculation those 355,000 lives have an economic value of $3.2 billion.

As I say, the $9,000 and the $3.2 billion total are arbitrary and represent only a minimal view of the value of lives lost to cancer. But the 355,000 estimated total cancer deaths this year is not arbitrary. The figure is based on sound epidemiological calculation. And it speaks of grade school and high school and college educational investments which were not allowed to mature, not allowed to achieve lifetime productivity.

Almost one-half of all cancer deaths take place before the patient's 65th birthday. Cancer is the leading cause of death among women 30 to 54 years of age. More schoolchildren die of cancer than from any other disease. The briefness of their lives, these tragic losses, add up to a formidable economic loss. First there were the costs of prenatal care and childbirth, the tending, clothing, housing, and then of course the educating.

Obviously the cost of cancer in the United States is now running more than the $6 to $8 billion that can be tallied for merely the costs of medical care and the insured value of lost lives. Without even calculating all of the costs mentioned. Dorothy P. Rice, probably the country's foremost expert on the economic impact of disease, put the 1963 cost of cancer at $15 billion—at 1964 prices.

Mr. President, these are not just statistical costs. They are real costs. Are we fighting inflation when we trim down our biomedical research budgets, as the administration wants us to do, or are we damaging the productiveness of our population?

I say we are damaging productivity.

Let us look at one disease for which research supported by the National Institutes of Health and the National Foundation—March of Dimes has already found a cure. Let us look at polio. This never was a disease as widespread as cancer.

But based on costs at the time, and on lives saved as a result of the practical elimination of polio from the United States in the early fifties, this country saved $1 billion a year between 1955 and 1961. This estimate comes from the March 1972, Journal of Laboratory and Clinical Medicine and takes into account medical care not needed, but it substracts the cost of polio vaccine and health services to administer the vaccine, while estimating the income loss which would have been caused by polio deaths and disability if no preventative has been found by researchers—$1 billion a year.

You know it is quite interesting that we can juggle the Federal budget. We can explore the U.S. Census figures. But we just have no way in our regular flow of economic data to account for this tremendous polio savings. We make national decisions of all kinds without this accounting.

We have a cost-of-living index, that is, the Consumer Price Index, but we do not have a cost-of-dying index. And we do not, as a congress, as a government, ever sit down and figure out what we gain from our biomedical research establishment and the progress it achieves.

I want to say here and now that it makes no sense for us to follow budget principles that threaten to perpetuate today's costs of the scourge of cancer. We must reexamine the principles guiding the Senate's decisions on biomedical research.

It is all very well to say that the Congress has been generous in funding the war against cancer. After all in 1970 the National Cancer Institute appropriation was $190 million and we have boosted the total to more than $500 million. But that is thinking in outmoded terms. Those terms were outmoded by the national cancer law of 1971, and further outmoded by this year's renewal of that law which has just been signed.

It is important to remember that the war against cancer was declared here, in this room, in the U.S. Senate. Our Committee on Labor and Public Welfare appointed a panel of consultants. These men and women studied the matter for months, then recommended a 5-year budget for the conquest of cancer. Their figure, at 1970 prices, for fiscal 1975 went to $850 million.

Was the 1970 panel just another group of people serving as sometimes happens these days, as consultants on the one hand and recipients of Federal largesse on the other?

Hardly.

The chairman was an investment banker. One man was a union president, another a former diplomat, one a retired advertising executive, a stock exchange officer, an active advertising company officer, none of whom will ever receive a National Institutes of Health research award of any kind. It is true that there were scientists on the panel as well. There had to be. The topic they were studying was scientific as well as administrative. The chairman was a businessman.

As the law was being passed the National Cancer Institute began to administer the law with an intense series of conferences. Over 250 advisers took part. They were by far the leading lights of the cancer research community. They knew what could be done. They knew the institutions in which it could be done. They knew the people capable of doing the work. In their judgment, as expressed in their final product, the national cancer plan, the fiscal 1975 appropriation for the National Cancer Insitute was to be $852 million—at 1971 prices. That is what they said could be spent reasonably, productively, and efficiently.

The American Cancer Society was a bit more cautious. Its legislative committee and board determined that society support should be given to a citizens' budget of $800 million, which now becomes $803.5 million with our adoption and the House's adpotion of the Bayh amendment to authorize a national exfoliative cytology, or Pap smear, program.

The National Cancer Institute also took its own look at fiscal 1975 needs. Possibly with an eye to a policy of "love thy Civil Service neighbor" the institute told the President that it needed $750 million for fiscal 1975.

A basic bureaucratic generalization is that a Government agencies overstate their needs when they make their first pass at each year's budget. That is part of the game. But if you think that the National Cancer Institute was playing the same old game you are wrong. Dead wrong.

People from various walks of life and with various interests in public affairs looked into the operations of the National Cancer Institute as they shaped the citizens' budget and they found the institute's own estimates to be extremely modest.

They found, for instance, that 12 of the 18 authorized comprehensive cancer centers were in existence at the time they made their budget. These 12 centers were in States with a total population of 86 million, or 7.2 million on the average for each center. That left 117 million persons in States with no centers. At the existing population-to-center ratio, the remaining 39 States needed at least 16 centers. Since centers were each putting about $8 million to work annually, the 16 new ones would theoretically use $128 million a year. The President's budget for centers ran $107 million and if the $128 million need identified by the citizens were added the total would have been $235 million. But the citizens' budget calls for only $150 million for centers, or $85 million below the identified need.

This is just one example of the frugality of the citizens' budget.

We are not talking about another pork barrel program. We are not talking about another river or harbor project that is necessary, but perhaps is suitable to build next year. We are talking about the lives of our sisters, mothers, children, lives of the 355,000 of our beloved ones who will leave us this year because of cancer.

Many of these lives, Dr. Rauscher, the Director of the National Cancer Institute, tells us, are being lost because of chemical assaults on the human body.

A major part of the national cancer plan is called cancer cause and prevention. In fiscal 1974 the plan invested $111 million in studying causes and prevention. About 9 percent of this investment went into the bioassay of suspect carcinogens, chemical causes of cancer. There are human and laboratory resources immediately available to increase this workload by 50 percent.

Dr. Rauscher tells us that 90 percent of cancer cases are caused by factors external to the human body, that is by factors leading to cancer where it otherwise would not have developed as a result of the body's own makeup.

The institute has already identified 32 industrial chemicals that cause cancer in man. Over 1,000 chemicals are known to cause cancer in animals and might well be causing cancer in man though the full facts on this will be available only after further research. It is complex. We cannot deliberately try to give cancer to humans in order to assay these chemical threats.

If we took advantage of the unused bioassay capacity, the 50 percent expansion immediately available, we would use another $5 million or $6 million a year and still would not begin to test each of the new chemicals being introduced into our environment, our supermarkets, our work places, our hardware stores, our air and drinking water, each year. So no one can say that the $5 million or $6 million would be a luxury. Most tragically, for hundreds of thousands of us each year that outlay is even something more important than necessity. It is the lost opportunity of a lifetime, the loss of life, itself.

The citizens' budgeters looked into each of the divisions within the Cancer Institute's cause and prevention activities and, with the same sort of calculation just illustrated with regard to underfunded bioassays, found that cause and prevention could economically use another $15 million at least. Yet in their citizens' budget they left out $9 million of that amount in order to keep their budget politically "realistic." Remember that when we come back to the $803.5 million citizens' budget total.

Maybe just one more portion of the national cancer plan need be explored in order to see the principle I believe that this Congress should recognize in guiding its biomedical appropriations work: Cancer control.

For you and for me, and for the remaining years of the lives of men now serving in this Senate, cancer control could well be the single most important part of the national cancer plan.

This is the part that puts research results into the mainstream of American medicine. Anything just going into basic research pipelines is unlikely to come out again as a practical therapy within 20 years. But plenty which went into the pipeline in the last 20 years is not only ready, but is waiting to be put to full use by the American medical community.

I doubt if more than a handful of Senators are aware that in the past decade there has been a revolution in the cancer research community which has upset many old theories and required reexamination of many, many of the clinical trials on which the books were long since closed. Some years ago researchers supported by the National Cancer Institute first suspected, then proved that an attack on the cancer cell might utterly fail most of the time but might be totally successful when the cell is in its most vulnerable stage, its reproductive stage, of development.

In other words, the theory shows that administration of drugs when a cell is in its dormant stage will probably have little or no effect. But if the drug reaches a cell during its reproductive stage and halts its development and division into daughter cells, then the tumor growth may be halted.

When this theory of cell kinetics was clarified by research the cancer community realized that it had to go back and re-study all of its old therapies and curative methodology to see if effective treatments had been overlooked because they were applied without recognition of the invulnerability of the cell during periods of dormancy.

Now the tests are showing excellent results. The National Cancer Institute is convinced, and I do not mean merely hopeful, I mean as sure as the researcher can be about mid-term results in experiments, that data in the next 12 months will prove that reapplication of tried and sometimes underrated drugs will save the lives of—and I am being careful not to exaggerate here—the lives of tens of thousands of Americans.

I would expect that someone within the sound of my voice at this very moment will have his or her life saved because of this research.

It would do no good for the National Cancer Institute to run into the marketplace, so to speak, and shout about miraculous new cures. We have had too much shouting about medical breakthroughs over the years.

But there is confidence within the Institute that in coming months it will be able to announce important new advances against solid tumors, the slow-growing tumors, the tumors that have obstinately withstood the probes of science even while progress was being made against the leukemias and lymphomas, the fast-growing cancers.

Obviously, when the data are irrefutable, when the facts are in, when the regimens which do the very best job have been identified and standardized, the doctors, hospitals, nurses, pharmacists, and other members of the health care team will not be prepared to drop everything they are doing now and pick up new courses of therapy overnight.

At the same time, the people who know these new approaches best, the ones working at the National Cancer Institute clinical center and the 20 or so centers around the country which have been pursuing this particular piece of research, cannot take care of all the patients needing the new treatment.

The country faces the task of spreading the word accurately and effectively. I say "the country" because spreading the word is not exclusively a medical practitioner's job. There are Government information officers to be involved pharmacists, nurses, hospital administrators, drug companies, advertising men, writers of communications to patients, to their families, journalists, and many others.

There is more, too, than information to be considered. There will be demonstration projects, field tests of large scale application of methods worked out in small-scale research clinics.

Mr. President I am talking about cancer control, a new task assigned to the National Cancer Institute by the law of 1971.

The cancer control element of the national plan is designed to assure that the patient in St. Paul will get treatment as good as the patient at Mayo Clinic in Rochester, Minn. The control program will put information in Lubbock, Tex., that will mean a patient there will not always need to travel to Houston for treatment at M. D. Anderson Hospital and Tumor Institute.

Cancer control will eventually touch more of you than any other part of the national cancer program. It will reach more of our constituents. It will make sure that effective research is rapidly translated into effective therapy. Cancer control people are the foot soldiers of the war against cancer. They are the ones who deliver the goods.

For this frontline work, the part of the national cancer plan that bears the major burden of applying research results, there is clearly a need for substantial funding. The administration's budget called for $45 million, certainly expecting that to be increased by the Congress. The citizen's budget calls for $50 million, certainly not an extravagant increase.

Indeed, we are spending almost that amount, $47 million this year, on the selective service system and we are not even operating the draft any more.

One of the kinds of cancer where some cures can be achieved under proper conditions is breast cancer. If the cancer is detected as soon as modern diagnostics are capable of detecting it, then the cure rate for breast cancer can achieve a level of 64 percent of the cases. But cures cannot be achieved without early detection. The cancer control program of the National Cancer Institute is confined by law to demonstration projects. The screening centers now have a capacity to examine 100,000 women a year.

The overall potential impact of this cancer control demonstration can be glimpsed in the initial statistics coming out of one of the breast cancer screening projects, Atlanta's. Among the first 1,300 women screened the Atlanta physicians found 8 breast cancers, only one of which was large enough to be felt in the clinic, and only one of which gave evidence of spread beyond the breast area. Of this group, the seven with the occult lesions have an excellent chance of living a normal, disease-free lifespan. The eighth one certainly has a far better chance for cure than she would have had otherwise, according to Dr. A. Hamlin Letton, the physician in charge.

Obviously these demonstration projects will improve with experience. But assuming the initial results in this one location are typical of the results from screening the entire 300,000 women which the projects will reach, we will save over 1,600 lives just in demonstrating how to control cancer. And along the way we will improve our screening methods through the test aspects of these projects.

Another form of curable cancer is carcinoma in situ of the uterine cervix. It is routinely cured now if found in time. Yet only 25 percent of American women take the necessary Pap test regularly. Science has made its contribution. But the medical job is not done. Cancer control work is needed. The National Cancer Institute is putting about $5 million per year in increasing the availability and utilization of Pap smears. Certainly none of us here can say that spending is extravagant.

Cancer control work in 1975 will begin to reach into places of employment. Newspaper headlines have told us all in this past year that some factories and mines are sources of this disease. Prevention work in this area is extremely important.

Let us go back to principles. As a matter of principle can this Congress really look to the cancer program as a portion of the Federal budget ripe for cutting to achieve frugality in Government spending? We are talking here about a citizens' budget for the National Cancer Institute which is but $150 million more than the House appropriation.

In view of the savings in dollars alone that grow out of cancer control work and other lifesaving, career-saving, taxpayer-saving aspects of the conquest of cancer, it does not make sense to cut the citizens' budget at all. Every dollar of it husbands America's resources, helps increase production, helps add years to the productive life of our work force, helps fight inflation.

And this certainly does not apply to cancer research alone. It is just as true of other NIH programs. They all add up to less than $2 billion in new budget authority in the fiscal 1975 administration budget.

The conquest of disease is one of the great unheralded weapons we have against economic waste. If you examine the decline in the national death rate between the years 1944 and 1970 you will find that 9,786,573 lives have been saved.

Of these 8,985,056 are still alive and 3,292,326 are wage earners, according to calculations made by the University of Michigan medical economics consultant Owen McCrory.

During the 26 years covered in this calculation these wage earners have had an income of $156 billion. In income and excise taxes alone they have contributed $19.7 billion to the Federal Government, Dr. McCrory calculates.

Obviously they have contributed many times over that amount to our gross national product, and to the pursuit of happiness that this Nation determined to foster at its founding.

The immense savings resulting from basic biomedical research over the years, and the application of this research to saving lives, families, dollars, and making a direct contribution to the Federal budgetary income in the form of taxes, demand that each of us do the wise thing and protect this highly productive area of American economic life.

If the Congress in its wisdom, or the National Commission on Inflation which I am sponsoring, decides that the budget must be cut significantly I would still hold to the principle that cutting health research can neither be big enough to make a difference nor is it a move in the right direction. A health budget cut would push productivity down when we need it most.

Mr. President, I strongly urge my colleagues in the Senate to support the full citizens' budget of $803.5 million for the National Cancer Institute and to appropriate commensurate increases in other units within the National Institutes of Health. These other units have been hurt in recent years. Their work has been harmed. Excellent projects have ground to a halt. Extremely promising leads have gone unexploited. Cancer is not the only disease requiring research. Eye trouble, diabetes, arthritis, birth defects, better and safer methods of family planning, all require full funding. The excitement of the research community is, itself, infectious. The elan, the spirit, the drive toward success and recognition scientists are what it takes to make medical progress. We cannot have that excitement in an institution which is closing down laboratories, pulling in its projects, telling young researchers that there is no room for them at the bench.

We need adequate funding for the basic and applied health research that this country can use effectively. I see no budget at NIH which the Senate should not increase for fiscal 1975.

REACTIVATING THE COST OF LIVING COUNCIL

Mr. STENNIS. Mr. President, in the address Monday evening to the joint session of Congress, President Ford made the following statement, and I quote:

> Before your Labor Day recess, Congress should reactivate the Cost of Living Council through passage of a clean bill, without reimposing controls, that will let us monitor wages and prices to expose abuses.

At the very beginning of his address the President said that within basic principles his "motto toward the Congress is communication, conciliation, compromise, and cooperation."

He said that he is confident that Congress will be his "working partner" as well as his "most constructive critic."

Now we have a chance to respond, and to show that we are ready to be a part of a working partnership toward the good of this Nation, and I think we should respond affirmatively. I believe we should act immediately to reactivate the Cost of Living Council.

Mr. President, there is no need to belabor the fact that the national economy is in bad shape. We have falling production and rampant inflation. For the first 6 months of 1973, consumer prices went up 12.4 percent, and real output, eliminating inflation effects, was down 4.1 percent. Materials inventories that were acquired by industry in the past are being used up and then replaced at current higher prices, continuing to fuel the inflationary fires. It is an extraordinarily difficult time for the American people, who see their savings being eaten up both by the need to use them to meet expenses and by their declining real value in terms of the purchase of goods in the market place.

In the last week of April and early in May, the Senate debated the question of authorizing the continuation of the Cost of Living Council, to enforce commitments made by industries that had been decontrolled prior to April 30, when the Economic Stabilization Act expired. The point was made that the Council could monitor wage bargains and price decisions, and spotlight the ones that are harmful to the public interest—a form of "jawboning," as it was done in previous administrations.

I favored continuing the Cost of Living Council, and I so voted. The debate 3 months ago ended in an impasse over the question of also authorizing to the President limited standby authority to impose wage and price controls. We are asked now to authorize the reactivation of the Cost of Living Council without reimposing the standby control authority.

On August 6, Dr. Arthur F. Burns, Chairman of the Federal Reserve Board, in testimony to the Joint Economic Committee, recommended reestablishment of the Cost of Living Council. He would go farther than using it as a monitoring agency, and would give it power to delay wage and price increases in key industries.

Prior to April 30, Dr. Dunlop, the former Director of the Cost of Living Council, said with respect to a permanent role for the Council:

> We tend to think of government involvement in terms either of regulating or of being 100 percent out of the picture. That view of government is quite inappropriate. There is a wide range of economic problems where the role of the government ought to be much more that of a catalyst, a mediator and gatherer of facts, to bring people together to discuss the consequences of these facts and the implications of policy.

On the day President Ford was sworn into office, August 9, General Motors announced a 9.5 percent price increase on 1975 model cars and trucks.

On the day President Ford spoke to Congress he issued a statement saying he was disappointed in the General Motors announcement, and that it is essential that all segments of the economy—industry and labor—exercise restraint in their wage and price actions. That is spotlighting, or "jawboning" if you wish to call it that, and if it is a procedure that is to be followed in the future, then the President needs a Cost of Living Council.

Mr. President, to summarize and to conclude, the new President of the United States, in his initial effort to close the divisions that have kept this Nation preoccupied, and to initiate concerted efforts to solve the economic problems we are facing, made a reasonable and rational request of the Congress.

To reestablish the Cost of Living Council is not a cure-all. But it can help the situation, and it will not harm it. Therefore it is a prudent action to take. The President's request is a prudent recommendation. I believe the Congress should act promptly to reactivate the Cost of Living Council, and I urge the Senate to do so with minimum delay.

NASA'S ACCOMPLISHMENTS IN SPACE

Mr. TUNNEY. Mr. President, the last several years have witnessed a boom in the advancement of science and technology, and we are reaping a variety of benefits as a result of that growth. NASA is not just shooting money into space; that money is helping to solve many of the problems facing us here on Earth.

Although NASA's accomplishments in space are widely known, I would like to comment briefly on three current problems of great significance: the Applications Technology Satellite, ATS–F, the Earth Resources Technology, ERTS, and the Space Shuttle.

The Applications Technology Satellite, ATS–F, is the most recent of the global communications satellites developed by NASA. The ATS–F, recently launched in the spring of this year, promises to be a giant step forward for improving education through satellite communications. Experiments being conducted by NASA and the Department of Health, Education, and Welfare are beaming educational and cultural material to Alaska, the Rocky Mountain region, and Appalachia. Next year ATS–F will be maneuvered over India where it will "see" some 5,000 villages equipped with inexpensive community receivers built by India. For the first time, these 5,000 villagers will, through the Indian Government, have educational programs on family planning, modern agricultural methods, and medical hygiene transmitted to them to help them lead healthier and more productive lives.

The Earth Resources Technology Satellite, ERTS, has been operating for just over 2 years now, a full year longer than we had anticipated. The repetitive and continuous coverage of the Earth's conditions provided by this satellite has already saved many millions of dollars in weather and storm damage and, more importantly, an untold number of lives. The high quality pictures received from ERTS have been used to detect and monitor air and water pollution, to discover geologic formations which will assist in the search for minerals and fossil fuels, to detect crop varieties and crop health just to name a few. As we become more familiar with the ERTS data many more uses will undoubtedly be discovered.

Development of the Space Shuttle is currently underway with the first flights expected in the late 1980's. The Shuttle will provide routine and inexpensive access to space by combining the advantages of an airplane and a spacecraft resulting in the ability to fly repeatedly into space and back to Earth. The effect of this reuseability will be a drastic reduction in the cost of spaceflight. The Shuttle will be able to carry any variety of laboratories, telescopes, or satellites into space cheaply. It will be able to retrieve and repair satellites in space or bring them back down for refurbishing. The dollar value of the advances in such areas as space manufacturing and vaccine production which will be made possible by the Space Shuttle as almost uncountable—amounting to billions of dollars a year.

The direct benefits from these and other NASA projects are great, but the indirect benefits, or spinoffs are of equal benefit to us.

Special batteries developed by NASA for our space program have made possible a rechargeable miniature heart pacemaker that eliminates the need for periodic removal of implanted pacemakers because of battery depletion. Conventional pacemakers must be replaced at least once every 2 years. The nickel-cadmium batteries developed by NASA will last as long as 20 years. The reduction in discomfort and in costs to heart patients, and the reduction for surgical risk is invaluable. Yet, some still say NASA is not people oriented. The spinoffs in other areas of medical diagnosis and treatment, safety, environment, education, and many more are just too numerous to mention.

Some may ask if the benefits from the space program could not be better achieved by putting money to work directly on these various problem areas, rather than waiting for indirect results from space. The answer is that you cannot always direct the development of technology. In order to be effective, technology must advance in all directions, and the results be used cooperatively. or example, the discovery of polio vaccine was made possible by the efforts of many medical men, but that discovery would not have been possible without the development of the electron microscope—which was developed for an entirely different purpose by totally nonmedical personnel and resources.

In the last few years NASA's budget has been cut nearly in half. Surely we must cut Federal spending as one means to control inflation, but in light of the numerous benefits resulting from NASA's work, and in view of the reductions already made to their budget in recent years, further cuts would slice into the muscle and bone of the Agency, rather than trim fat. An action on our part to further cut their appropriations would not prove wise. Let it not be said of us that we knew the price of everything, but the value of nothing.

AUTOMOBILE SEATBELTS

Mr. HRUSKA. Mr. President, my name has been added as a cosponsor of S. 3840, a bill introduced by the Senator from New York (Mr. BUCKLEY) which seeks to revoke the Department of Transportation regulation requiring installation in new cars of interlock seatbelt and seatbelt buzzer warning systems. This bill would make optional to the consumer, rather than mandatory, the inclusion of any interlock system, or sequential warning buzzers or lights, associated with seatbelt or other restraint systems.

Mr. President, each week I receive a substantial amount of mail from my constituents protesting the excessive and growing influence of the Federal Government upon the lives of private citizenry. Nebraskans have consistently opposed the intervention of big brother-like government in their lives, and I join them in an effort to protect citizens from excessive and needless intervention by the Federal Government.

Mandatory interlock systems and sequential warning buzzers and lights exemplify this kind of excessive interference by the Federal Government, and I have received a considerable amount of mail protesting these regulations. One Nebraskan wrote:

> Congress in my view interferes too much in our lives. One regulation and restraint after another gets enacted. The new auto seat belts seem to me not only an intrusion on our freedom but also potentially dangerous in getting out of order. Congress should never have imposed such detailed restrictions on individuals. The "Big Brother Knows Best" attitude should be opposed strongly. The auto seat belts are only one of many examples. Trust people to act wisely for themselves. Government is not so wise as to be able to rule on details for individuals in their lives.

Another Nebraskan summed up his feelings on the mandatory interlock and sequential buzzer and light systems thusly: "Can't we get rid of this bureaucracy that we are paying to tell us what is good for us?"

Mr. President, the mandatory buzzer warning and interlock systems are widely protested for sound reasons. These systems are a daily reminder to citizens of costly and excessive intervention by the Federal Government in their lives. I submit that we have reached a sad state of affairs when American citizens cannot start their cars without being compelled by Government regulation to fasten both the driver's and front passenger's seatbelts. There is certainly no example of Government intervention in the private lives of Americans which is more widely resented than the regulation which dictates that we cannot start our cars without first connecting our seatbelts.

There are many practical and economic reasons why such seat belt systems should not be required. The cost in terms of installation and repair of these systems is considerable. An interlock system breakdown can result in ignition malfunction, which in turn leads to significant repair costs. Despite the fact that an interlock system is an additional mechanism subject to mechanical failure, consumers are required to pay around $50 per car for such a device, whether they desire one or not.

I certainly do not intend to minimize the importance of automobile safety. Seat belts are an important means of insuring passenger safety, and I believe that it is in the best interest of every driver to "buckle-up." But I do not believe that the Government has the right to restrict the consumer's freedom of choice through forced self-protection. Each individual must have the right to act in what he feels is his own best interest and it is not the Government's proper role to attempt to protect people from themselves. The ultimate requirement for safety on our highways is responsible judgment on the part of each driver, not mandatory interlock systems which force drivers to use safety restraints.

Mr. President, I could go on to cite many reasons why we should abandon this example of intervention by the Federal Government which requires installation of seat belt interlock systems and buzzer warning devices. However, the strongest argument against these seat belt requirements is one of individual rights. Each American is free to act as he sees fit in matters which concern only himself. The Department of Transportation regulation which requires installation of these devices in new cars constitutes a serious infringement on the right of each individual to act in his own best interest without the Federal Government telling him what to do. The following excerpt from a column by James J. Kilpatrick effectively summarizes the public sentiment in regard to auto safety requirements:

> Better still the whole idea of this paternalistic regulation should be quietly shelved. If time demonstrates that the air bags truly do work, buyers will demand them and manufacturers will provide them. Until that time, it would be pleasant to see the heavy hand of government pick up its buzzers, its ignition interlocks, it air bags and sensors and its mollycoddling compulsions, and let motorists look after themselves.

Mr. President, I urge our colleagues to return freedom of choice in this matter to each individual by supporting this legislation. By lifting requirements for interlock and buzzer warning systems, Americans will again have the opportunity to determine their own safety needs without being coerced by the Federal Government.

TAX INJUSTICES AGAINST RECENT COLLEGE GRADUATES

Mr. TUNNEY. Mr. President, I recently introduced S. 3680, a bill to correct a massive tax injustice against thousands of recent college graduates. This legislation has since been modified and introduced by Senator BENNETT, at my request, as an amendment to H.R. 12035.

As many Senators know, the Internal Revenue Service recently initiated a tax collection campaign against thousands of college graduates. Under Revenue Ruling 73-256, the forgiven portion of educational loans was henceforth and retroactively declared to be taxable income. An estimated 150,000 students have been billed for back taxes in amounts as high as $1,000 a year, for up to 3 years. This amendment would prevent the Internal Revenue Service from enforcing this ruling until December 31, 1975, so that Congress will have sufficient time to develop a legislative solution.

At the request of the distinguished chairman of the Finance Committee, Mr. LONG, this amendment was referred to the Finance Committee for review. I hope it will receive prompt and favorable consideration. To assist the committee, I would like to point out the following facts:

First. This amendment was endorsed by the Treasury Department in a letter of July 31 to Chairman LONG from Mr. Fredric Hickman, Assistant Secretary of the Treasury. A copy of that letter follows.

Second. S. 3680 and a substantially similar bill offered by Senator BEALL have 22 cosponsors to date.

Third. A companion House bill, H.R. 14382, introduced by Representative IKE ANDREWS, has 143 cosponsors.

Fourth. This legislation has the enthusiastic support of many prestigious national organizations including: The American Medical Association, the National Education Association, and the Association of American Universities.

Mr. President, I ask unanimous consent that the text of the proposed amendment and the letter from Treasury be printed in the RECORD.

There being no objection, the text of the amendment and the letter were ordered to be printed in the RECORD, as follows:

AMENDMENT

SEC. 11. APPLICATION OF SECTION 117 TO CERTAIN STUDENT LOAN PROGRAMS.

(a) IN GENERAL.—Any amount received as a student loan shall be treated, for purposes of the Internal Revenue Code of 1954, as a scholarship under section 117 of such Code, without regard to whether repayment of all or a portion of the loan may be cancelled if the recipient works for a certain period of time in certain professions or certain geographical areas or for certain classes of employers. The preceding sentence shall not apply with respect to any interest paid on a student loan.

(b) DEFINITION.—For purposes of this section, the term "student loan" means any loan to an individual to assist the individual in attending an educational institution (as defined in section 151(e)(4))—

(1) by the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia, or

(2) by any educational institution (as defined in section 151(e)(4)) pursuant to an agreement with the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia under which the funds from which the loan was made were provided to such educational institution.

(c) EFFECTIVE DATE.—The provisions of this section shall apply with respect to amounts received as student loans on or before December 31, 1975.

THE DEPARTMENT OF THE TREASURY,
Washington, D.C., July 31, 1974.
Hon. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The problem of the taxation of educational loan scholarship and of similar work-related training and education programs operated by Federal, State and local governments, has long been of concern to the Treasury Department. We are presently preparing for submission to the Congress a proposal to amend the Internal Revenue Code which would in large part, we believe, resolve the present law statutory obstacles to resolution of the problem. We hope to submit this proposal in the near future.

However, until such a proposal is submitted and acted upon, we would support the enactment of legislation similar to that Senator Tunney intends to propose as an amendment to H.R. 8214, and which you forwarded to us by letter of July 17, 1974. The amendment, which is effective through December 31, 1975, would treat forgiven student loans, which are conditioned upon future employment, as scholarships, excludable from gross income under section 117. Senator Tunney's amendment would provide time for Congress to give full and adequate consideration to the complex area of the tax treatment of scholarships and fellowships and provide clear guidelines for determining under what circumstances such payments are excludable from the gross income of recipients.

Sincerely yours,
FREDERIC W. HICKMAN.

WEST VIRGINIA COAL FESTIVAL TO BE HELD IN BECKLEY

Mr. ROBERT C. BYRD. Mr. President, on Thursday, September 5, through Sunday, September 8, the first official State Coal Festival in West Virginia's history will be held in Beckley, W. Va., in my home county of Raleigh. In view of my State's preeminence in the production of bituminous coal, it seems to me altogether fitting that this enterprise is being undertaken. It is especially significant at this time, I think, because of the resurgence of coal's importance in our Nation's overall energy picture.

This, of course, is not the first time that exhibits and shows based upon bituminous coal have been put on in West Virginia. There have been many such events, among them the well-known Bluefield Coal Show, which was widely attended by equipment manufacturers and dealers and other leaders of the coal industry. That event, however, has not been held since 1962. But there have been other displays and activities related to coal in such places as Charleston, the State's capital, and in Beckley in the 1930's.

The significance of the new festival is that the State itself has designated it as the official State event publicizing the industry that is the backbone of West Virginia's economy. Its sponsors have incorporated as U.S. Coal Festivals, Inc., and elaborate plans are now going forward to make this an outstanding public event.

For that reason, I wish to call the Beckley Coal Festival to the attention of my colleagues in the Senate and the House of Representatives, and to assure them that any who attend will receive a warm welcome indeed. Moreover, I am confident that all who visit this exhibit and its attendant functions will be impressed by the technological progress that is being made by the bituminous coal industry in its role as our Nation's most basic and most abundant supplier of energy.

Beckley is the center of one of the oldest coalfields in my State as well as one of the newest and most modern. New multimillion-dollar coal operations are being opened in the Beckley area; the new U.S. Mine Health and Safety Academy, which will train personnel for work in the mines, is under construction; and other coal-related activities—such as an exhibition mine for tourists—make Beckley truly a bituminous coal capital.

Of interest to the general public in the forthcoming festival will be a coal parade, motorcar racing, high school football, open house at equipment manufacturers, and the dedication of the new Maple Meadow Mine of Cannelton Industries at Fairdale. Additionally, there will be street entertainment, a tennis tournament, coal-oriented exhibits, a retired person's reunion, a coal-loading contest, and art displays.

The welcome mat and the latchstring will be out, and I believe that all who visit Beckley for these events will be well rewarded. I want to take this occasion, before I conclude these brief remarks, to commend and compliment all who have worked to make this first official State Coal Festival a reality. Coal is making a well-deserved comeback for the simple reason that it is basic and essential to the American economy, and the sponsors of the Beckley Coal Festival are doing their part in that vital rejuvenation.

OPERATION OUTREACH

Mr. MONDALE. Mr. President, earlier this year Dr. G. Theodore Mitau, chancellor of the Minnesota State Colleges, developed a creative and thoughtful proposal to expand and intensify the off-campus activities of colleges and universities.

His proposal was unanimously endorsed by the Board of Directors of State colleges and universities.

The dialog Ted Mitau calls for is long overdue. It offers real hope at a time of confusion and uncertainties in our national life.

I commend this thoughtful proposal to the attention of my colleagues and members of the public and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

OPERATION OUTREACH: UNDERSTANDING FOR SURVIVAL

(By Chancellor G. Theodore Mitau)

Our colleges and universities must begin a massive public dialogue—a massive teach-out—with the American people to provide background and understanding for the enormous social and economic changes occurring at home and abroad which will profoundly affect every person's lifestyle and future.

The contributions of the Carnegie Commission on Higher Education, the Committee for Economic Development and the National Commission on the Financing of Post-Secondary Education may stand as significant events in the history of American colleges and universities.

I suggest, however, there has been a missing link in the study and critique of post-secondary education in America. These studies have tended to be somewhat too parochial. By focusing too much on the internal needs and processes of colleges and universities, they failed to emphasize that the world is in the midst of several revolutions; technological, political, and economic affecting every country in the world, every class, every citizen. Higher education has not yet addressed itself systematically and comprehensively to the enormous consequences of these simultaneous revolutions.

In part, because of this failure of educators, Americans, with incredible suddenness and without prior preparation found themselves in the midst of an energy crisis that profoundly shapes their lifestyle and their employment opportunities. They also discovered . . .

That small political entities in some far away land could effectively disrupt complex and sophisticated economies of countries thousands of miles away.

That gunboats could no longer be sent to rescue citizens and interests when revolutions endanger American lives and property.

That the militarily powerful nations of the western world found themselves absolutely helpless when raw material producing states exacted exorbitant prices for critical raw materials.

That in the decades ahead the underdeveloped nations of the world will simply no longer permit their resources to be taken to the heavily industrialized parts of the globe in exchange for relatively low prices.

That masses of poverty-stricken people will now be able to demand effectively a more equitable distribution of material wealth of the world through prices that will seriously endanger the standards of living of the United States, Europe, and of Japan.

These realizations are going to affect profoundly international attitudes, power relationships, and trade balances. There is no one who can predict with any certainty at this moment what the outcome of these revolutionary changes of power and privilege will likely be.

At the same time, there will be millions of American citizens who will suddenly be confronted with doubts and uncertainties, with anxieties and concerns about the kind of world in which their children will live and about the material conditions under which society will be permitted to operate.

Nor are these serious apprehensions growing out of international developments alone. At home we are raising questions about the integrity of public office.

About the equity of tax laws which permit the rich to escape proportionate tax burdens.

About the efficacy of our constitutional arrangements.

About the presidential leadership that was employing questionable means in the name of national security and "law and order."

About the increasing wealth of a few and the widening disparity between classes as to the ownership of wealth and economic power.

About the monotony of daily work in the heavily mechanized industries.

Although colleges and universities have increasingly opened the campuses to all age groups with varying degrees of effectiveness, and although curricula have been revised and reformed, and although instructional programs have been more tailor-made to meet individual student's needs and requirements, there has been a remarkable lack of urgency in undertaking a more imaginative role effectuating the necessary dialog with the broader public to update their understanding of the dynamics of societal and world changes.

What is now much in need is an active response to a "manifesto" that would call upon our American colleges and universities to address themselves to at least the following.

To prepare the masses of our fellow citizens to live in a world in which a major redistribution of privilege and power is in the making.

To prepare Americans for the realization that for the first time in modern history it may well be necessary for us to live at a lower material standard in order to achieve a more equitable distribution of material goods throughout the world. This in turn would help to remove some of the revolutionary ferment that might otherwise result in a nuclear holocaust destructive of the entire civilized world as we know it.

Our American colleges and universities could do much to share significant new knowledge and understanding about the contemporary world, to assist in the greater political and social sophistication of those who cannot be expected to pursue long-term study and who must continue to earn a living while they readjust themselves to a new world outlook.

On the eve of World War II, President Roosevelt promised the western nations of Europe that we would transform our industrial productive capacity to provide the military resources to overcome the forces of Nazi aggression and to prepare for a world characterized by the four freedoms.

Suddenly under the impact of military necessity this country became a virtual arsenal of democracy.

It is suggested here that the time has come when America's educational resources and leadership could well become the arsenal for peaceful change. This could be accomplished through men and women of all ages representing town and gown working in a systematic and orderly way with special courses, special experiences, and special dialogues to come to grips with the enormity of the adjustments that lie ahead.

No longer can this nation put its faith in the deferred learning of its youth. In 20 or 30 years this world may have so radically transformed itself that we may then be accused of having truly fiddled while Rome burned.

Thus, let us organize and conduct emergency programs through which college and university faculties meet in their respective communities in special conventions of educators and citizens, of specialists and generalists to carry on dialogues on the strategies and objectives by which the world's political, social, and economic changes might occur in an ambience free from recourse to nuclear confrontations.

What is suggested here is nothing less than a renaissance of the trained intellect and a reordering of missions for higher education by helping wider publics to look beyond the today to the tomorrow, to point up possible options, to critically evaluate alternatives, and to suggest rational choices to plural groups of policy-makers.

To implement "the manifesto" an appeal might be directed to the 50 governors of the states to work with leading representatives of colleges and universities, of business organizations, industrial concerns, professional groups and of members of organized labor, to identify professional expertise that could be invited to staff panels of "hearings" that would address themselves to the analysis and explication of contemporary problems. Such might include:

The energy crisis and consequences for employment and unemployment;

International economic relationships and balance of trade;

The shifting bases of political power abroad and at home;

Ethics and the public service;

Job satisfaction and economic productivity;

Personal effectiveness in large-scale organizations;

Drug and alcohol control and rehabilitation;

The changing role of sex and family relationships;

Individual and institutional racism;

Rebuilding of the urban and rural communities.

Particular effort would be made in the "hearing" arrangements to enlist the cooperative efforts of television, radio and the print media, enabling millions of homes to participate in this massive effort of the "teaching and learning society."

Local libraries, collegiate and public, would provide reference materials and reading lists.

The financing of this massive teachout might first be accomplished with private foundation support, the enlisting of individual contributions, and through support from corporations and other organized sources.

Once the merit, relevance, and significance of these programs have been established an effort would then be made to present the need for these massive teachouts to legislative and congressional bodies in the hope of obtaining a systematic fiscal base to carry on the educational effort.

This perhaps could return to our colleges and universities the great hope and pride which once characterized them in their public perceptions. Perhaps colleges and universities of the future could once again, by responding with imagination and creativity to the challenges ahead become the beacon of vision and the repository of some of the nation's greatest educational competence and leadership.

CYPRUS

Mr. KENNEDY. Mr. President, I am deeply distressed by recent events in Cyprus. The cease-fire has been broken; the peace talks at Geneva have apparently collapsed; Turkey has carried the fighting to the very heart of Nicosia; and the suffering of the Cypriot people continues.

Yesterday, the Greek Government announced its withdrawal from the military aspects of the North Atlantic Treaty Organization, with uncertain implication for the use of Greek facilities by U.S. forces.

This is a perilous moment for Cyprus, for Greek democracy, and for the Western Alliance in that part of southern Europe. If fighting continues, the hope of reconciliation on Cyprus will fade; the government in Athens of Premier Karamanlis will be in severe jeopardy, with its promise of democracy and constitutional practice; and the United States will face the prospects of war between two NATO Allies, political chaos on Europe's southern flank, and deepening uncertainties about the future of the Balkans.

The cease-fire in Cyprus must be restored; all non-U.N. forces on that troubled island—whose presence is not sanctioned by international agreement—must be withdrawn; and the process of protecting the individual and community rights of all Cypriots must be renewed.

The United States bears a special responsibility for helping to resolve these overlapping crises. Our support of the Greek junta during the past 7 years has helped bring about today's tragic events; it helped sour Greek opinion toward the United States; and it made more likely Greece's turning away from its military responsibilities to NATO.

I am still troubled by continuing reports that the U.S. Government has been "tilting" toward Turkey, and is not using its full diplomatic weight to bring about an end to fighting, the withdrawal of foreign forces, and the search for a Cypriot solution to Cypriot problems.

The American people deserve to know what is being done in our name, and where our Government stands at this critical moment in Greek and Cypriot history.

I urge the President and the Secretary of State to use their best efforts to secure peace in Cyprus.

I urge them to state unequivocally our support for the restoration of democracy and constitutional processes in Greece.

I urge them to support fully the humanitarian efforts by the U.N. and the ICRC, and make available emergency relief supplies to relieve the suffering of growing numbers of refugees on Cyprus.

I urge them to work with the Greek Government toward a full return of Greece to NATO.

And I urge them to suspend all military aid to the belligerent parties, for as long as the current crisis lasts.

Peace in that area of the world is vital to all Western nations. It can and must be secured, with the active support of the United States.

STATEMENT OF SENATOR METZENBAUM ON SENATOR PROXMIRE

Mr. METZENBAUM. Mr. President, I want to call attention of the Members of the Senate to an extraordinary, timely, and welcome newspaper column that compliments one of the most distinguished Members of the Senate.

The column is by Mr. James J. Kilpatrick, who has seemed to me to be a very thoughtful and fairminded man, though I often find myself in disagreement with policies he expouses. In fact, I think Mr. Kilpatrick has best been described as a principal spokesman for a responsible conservative point of view.

That is what makes it instructive that Mr. Kilpatrick should have devoted an entire column this past Wednesday to the virtues of Senator William Proxmire. What Mr. Kilpatrick discovers in the character and abilities of the Senator from Wisconsin is obviously part of what has made the Senator so appealing to such a huge majority of his constituents, 71 percent of whom reelected the Senator in 1970. Those qualtities are an amazing persistence, an insistence on independent thought, and a capacity to deal effectively with issues like economy and efficiency in Government with neither a liberal nor a conservative bias, but with a nonpartisan tenacity that serves every citizen of this country, whatever his or her political persuasion.

Mr. Kilpatrick reviews these qualities of the Senator from Wisconsin with insight and precision. He concludes that—

> If one were looking for "What's Good" about the Senate today, one would have to look fairly often in the direction of William Proxmire.

That is what I think, too, Mr. President. And I ask unanimous consent that the insightful column by Mr. Kilpatrick, which appeared in the Washington Star-News on August 14, 1974, be published in full at this point in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

What Is Good in the Senate

(By James J. Kilpatrick)

For the past 4½ months, the gentleman has been regularly on his feet in the Senate, delivering a series of cheerful speeches on "What Is Good About the Federal Government." Both the senator and his speeches merit a word of praise.

If you search the Congressional Directory for biographical information upon the gentleman, you will be brought up short by a single line. It says of the senior senator this much and nothing more:

"William Proxmire, Wisconsin."

The entry holds the brevity record. The congressional biography of Sen. Percy of Illinois runs on for 45 lines, the biography of Sen. Thurmond of South Carolina for 44. Congressman Pepper of Florida holds the title with a garrulous 53 lines. But the gentleman from Wisconsin covers himself in one.

As an exercise in modesty, the senator's official biography stands in remarkable contrast to the senator's transplanted hair, an exercise in vanity. The biography and the hair are equally in character.

Proxmire provides a nice study in contrasts. He is today Wisconsin's most popular political figure—in his last race in 1970 he swept all 72 counties and claimed 71 percent of the vote—but he was earlier a three-time loser in gubernatorial campaigns.

He is known as one of the Senate's most persistent "aginners." He has fought against the Alaska pipeline, against the supersonic transport plane, and against defense contracts. He is heard most frequently in stinging assault upon bankers, bureaucrats and Pentagon bosses. Yet he went out of his way in his "What's Good" series to praise the competition of bankers, the productivity of bureaucrats, and the competence of the Pentagon leaders.

Most of the time Proxmire is the liberals' liberal: He ranks high on the scorecards of organized labor; he has made 400 speeches in support of the Genocide Convention; he has voted for gun control, consumer protection, and easy voter registration. Yet he has steadfastly opposed racial-balance busing, and in his skinflint attacks upon wasteful spending he is the most persistent economizer since Harry Flood Byrd.

Proxmire is, in brief, a maverick: a Democrat who will not stay with the Democratic herd. He can be as irritating as the late Wayne Morse and as affable as old Sam Ervin. He is 59 years old, a fact one gleans from a few laconic lines in Who's Who, and in terms of presidential politics he is going nowhere. Within the Senate, he is headed for the chairmanship of the Banking Committee, a prospect that bankers class with bad loans and the bubonic plague.

The senator launched his "What's Good" speeches on March 26, out of the natural perversity of his nature: Everyone else was talking about what is bad. Agreeing that many aspects of American life are indeed unpleasant and inadequate, he nevertheless turned stubbornly to a brighter side.

Since then, Proxmire has taken up 21 topics. He and his staff have pulled together facts and figures on education, civil rights, women's rights, and environmental improvements. They have found much that is good in American medical care.

Looking back to 1957, when he first came to the Senate, Proxmire is genuinely amazed to find so much forward motion. He even has something pleasant to say about the press: It has registered "some remarkable achievements in the last few years."

The senior senator from Wisconsin is not likely ever to rank among a conservative's favorite senators, but there is this to be said about Proxmire: He is not likely to remain any group's favorite senator for long. Irascible, impatient, insistently righteous, the senator can be a royal pain in the neck.

But if one were looking for "What's Good" about the Senate today, one would have to look fairly often in the direction of William Proxmire, Wisconsin.

THE PLIGHT OF VICTOR POLSKY

Mr. TUNNEY. Mr. President, later this week, a trial will begin in Moscow—a trial of a leader in the Soviet Jewish community, Zev Yaroslavsky, executive director of the Southern California Council for Soviet Jews, met with Victor Polsky, the accused, in Moscow a few months ago. Yaroslavsky has documents detailing the events which occurred, and I wish to share with my colleagues the disquieting history behind Polsky's incarceration.

Last March, a young woman in Moscow threw herself in front of a passing car in an attempt to commit suicide. It is reported that Polsky, the driver of the car, could not possibly have avoided hitting her. At the scene of the accident, the victim and her parents told officials that she had attempted to commit suicide, and that the driver was not at fault. The hospital records and official report of the accident investigation confirm this statement from all parties concerned. Under such circumstances, no legal action is normally taken against the driver.

The KGB has, however, chosen to exploit this unfortunate incident as a way of silencing Polsky. The police have long been interested in Polsky, because of his prominent role in Soviet Jewish activities and because of his desire to emigrate to Israel. The victim and her parents are Communist Party employees; the father is employed by the Ministry of the Interior, an umbrella organ of the KGB. It is clearly in the family's interest to cover up the true details of the incident. And they have changed their "recollections" of the accident; their probable testimony at the trial next week will be barely recognizable as a description of the accident to anyone who might have seen it. Unfortunately, no interview of the witnesses was taken by the initial investigator, and the police have conducted subsequent "investigations" to prepare for the trial. There is little doubt but that a framed up case is being concocted against Victor Polsky.

The police have charged Polsky with reckless driving, a serious offense in the Soviet Union which carries a punishment of from 6 months to 2 years in prison. If the court does not hear or take into account the deliberate suicide attempt of the young woman, the entire incident will take the form of a common traffic accident, and Polsky will likely be sentenced to a long prison term. One of the few hopeful signs concerning the trial is that the doctor who questioned the victim after the accident and filed the official hospital report is apparently willing to testify in Polsky's defense. I wish this might prove to be a major vindicating factor for Polsky, but in all likelihood the prosecutor of the case will find a way to "discredit" the doctor's testimony in court.

The Soviet authorities have found a nonpolitical handle on Victor Polsky, and it is obvious that they intend to make every use of this unfortunate accident in their continuing effort to suppress Jews in their country. It is truly appalling that a man may be jailed for 2 years for a crime which he did not commit, solely to satisfy the political goals of the Soviet Government. I have written a letter to Ambassador Dobrynin, urging him to express to the Soviet authorities the profound sense of outrage which I and my constituents feel at this type of practice. I ask unanimous consent that the text of that letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

August 12, 1974.

Hon. Anatoly F. Dobrynin,
Ambassador Extraordinary and Plenipotentiary, Embassy of the U.S.S.R., Washington, D.C.

Dear Mr. Ambassador: I am writing to express my great concern at the decision to proceed with criminal charges against Victor Polsky in the People's Court, Baumansky Division, Moscow.

Last March, a young woman attempted to commit suicide by deliberately casting herself in front of Polsky's moving car. At least this seems inescapable from the reports of the initial investigation, the records of which I have. They indicate Mr. Polsky could not possibly have avoided hitting her.

It has now come to my attention that subsequent investigations have been initiated in an effort to establish that Mr. Polsky was at fault. This practice is most disturbing to me personally and to a number of my constituents who are familiar with the Polsky case. It appears that Victor Polsky is being victimized solely due to his desire to emigrate to Israel.

I appeal to you to use your good offices in this matter. Such events within your country do little to reinforce the improved relations between our nations, a goal which you and I both share. Thank you for your attention to this most urgent matter.

Sincerely,

John V. Tunney,
U.S. Senator.

Mr. TUNNEY. Mr. President, I encourage all of my colleagues in the Congress to protest this further incident of Soviet repression in the form of fabricated judicial proceedings. It is only through continued pressure on the Soviet Union that we will ever see the recognition of basic human rights in that nation. It is long past time for persecution of the Soviet Jews to end. Let us hope that the case of Victor Polsky may be the turning point.

BANGLADESH FLOOD RELIEF

Mr. KENNEDY. Mr. President, just a week ago, on August 8, I spoke in this Chamber to express my deep concern over the massive human tragedy caused by the heavy flooding in Bangladesh. Based on field reports of flood devastation and human need—and the Bangladesh Government's appeals to the United Nations and individual governments, including our own, for humanitarian assistance—I urged our Government to encourage and support international relief initiatives and make every effort to respond to human need in Bangladesh.

There can be no doubt that great tragedy has once again hit the Bengali people. Literally millions of men, women, and children are in need of emergency relief, let alone rehabilitation support in the weeks and month ahead. Crops have been destroyed. Food reserves have been lost. Housing, schools, and other facilities have been swept away. And all observers agree that this latest disaster seriously compounding existing economic and social problems in Bangladesh, which were brought about by the dislocations of the 1971 war for independence, the energy crisis, and related developments.

In purely human terms, there is great suffering today in Bangladesh. A recent Department of State memorandum states that—

> The present situation indicates some serious malnutrition and high morbidity rates.

And recent travelers to the area, who are experts in the field, report there is "more human suffering than ever before," that the nation as a whole "stands on the brink of starvation," and that epidemic and disease threaten the well-being and lives of millions.

Mr. President, as chairman of the Subcommittee on Refugees, I share the distress of others in Congress—including the distinguished Senator from Hawaii (Mr. Fong), who is the ranking minority member of the subcommittee—over our Government's lethargy in recognizing the latest tragedy in Bangladesh and in responding to the appeals of the Dacca Government for help. The record is clear that the administration is all but ignoring the urgent relief and rehabilitation needs of the Bengali people. Apart from a $25,000 emergency relief contribution and more studies on the scope of humanitarian needs, nothing much is being done by our Government and the outlook for early action is bleak.

And so I urge again today an abrupt change in the views and attitudes of our Government over humanitarian needs in Bangladesh. Hopefully, our Government will now recognize the impact of the flooding. Hopefully, as well, our country will respond to the specific requests of the Dacca Government for emergency relief supplies and transport facilities, and for needed food and reconstruction assistance in the months ahead.

A $30 million contingency fund for foreign disaster relief is immediately available. And if additional funds are needed, I am hopeful the administration will request them of Congress.

In this connection, Mr. President, I ask unanimous consent to have printed in the Record two editorials—from the Washington Post and the Washington Star-News—concerning relief needs in Bangladesh.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Aug. 12, 1974]

FOREIGN FLOODS: AMERICAN FOOD POLICY

Bangladesh, already miserable and flailing, has been struck by immense floods. Some 20 million people are said to have been rendered homeless, two million are marooned, and an untold number lost. The economic damage is of corresponding magnitude. The country has gone on a war footing but, unfortunately, a national emergency of these dimensions poses physical, administrative and political tests which even the government of a well organized and well financed state might not be able to manage. The extent to which nature alone is responsible for this catastrophe, and the extent to which people and governments have contributed to it, by act or by neglect, will no doubt be debated for a long time.

In cruel fact, the new floods merely accentuate a condition of desperation, of living on the very edge of the precipice, which characterizes Bangladesh in "normal" times. This is more or less the condition of most of the 750 million people of the south Asian subcontinent. It is expected by sober men to produce chaos and suffering on a scale beyond Western imagining—and soon. The idea that somehow the basic situation can be turned around in the subcontinent has infused the rhetoric of international alturism and international development efforts for some years. But in the absence of immense internal changes in the countries concerned, nothing like that can happen.

Bangladesh is now appealing to the international community for large amounts of food, shelter materials, medical supplies and various emergency services. These appeals, even if fully answered—which they will not be—would only let the country pull itself a little way out of a very deep hole. The provision of relief for Bangladesh is, nonetheless, an absolute moral necessity for the United States. To observe that magnitude of suffering without making some attempt to help diminish it, without offering some demonstration of concern, is unthinkable. The United States is the richest nation in the world, Bangladesh among the poorest. That contrast dictates the necessary response. Other members of the international community should and will help out. The Russians have a special political interest in Bangladesh (and in India) as part of their strategy to "contain" China; that should induce them to chip in. The oil-rich among Bangladesh's fellow Moslem states so far have been incredibly indifferent to their responsibilities to the world's poor, and they must be urged to help too. But the United States cannot turn away.

Here we come to a terrible choice for American policy. In general resource terms, the old "surpluses" with which the United States used to feed millions of the world's hungry people is gone; our national generosity of spirit is in corresponding scarcity. In specific political terms, the competition for scarce food-aid resources has become severe. For instance, Egypt got almost nothing in Food for Peace commodities last year. But this year it has taken literally Mr. Nixon's Cairo pledge to give its food requests "special priority attention" and it is asking for commodities whose value is greater than the total which the United States expects to spend on Food for Peace for all countries put together. That would leave—in a word—nothing for Bangladesh.

Certainly people are hungry in both countries. But the strictly humanitarian reasons for offering food free or cheap to Bangladesh are being weighed within the United States Government against the additional political reasons for sending food to Egypt. Other countries have their legitimate claims, too. A balance will have to be struck. Though it is unfair to blame it all on the United States, the new administration's decision will probably leave the governments of both Egypt and Bangladesh dissatisfied, many people in Egypt hungry, and many people in Bangladesh dead.

[From the Washington Star-News, Aug. 13, 1974]

BENGALI TRAGEDY

Bangladesh in the best of times lives on the edge of disaster. The country founded in the 1971 breakaway of East Pakistan has a densely concentrated population of 75 million, growing by about 2 million a year. Food shortages are chronic and growing, foreign earnings have declined with lessening demand for the country's jute and tea and industrial production has never returned to pre-secession levels, remaining 40 percent below capacity for lack of spare parts and raw materials. Henry Kissinger's description of the fledgling nation as an "international basket case" has been borne out by its first two and a half years of independence.

The Bengali people's regular quota of hardship is increased periodically by natural and man-made calamities. A typhoon and tidal wave from the Bay of Bengal in 1970 took a staggering 200,000 lives. The fight with the Pakistani government over secession, ended by the Indian-Pakistani war of December 1971, created millions of refugees and caused incalculable destruction and social upheaval.

Now Bangladesh is in the midst of another crisis of almost unbelievable proportions—monsoon-caused floods that the government calls "the worst in memory." Deaths this time have been estimated in the hundreds rather than the hundreds of thousands, but other measurements of the disaster are on a typically Bangladesh scale. Twenty million people are homeless and 2 million isolated by flood waters, half the agricultural land has been inundated and losses are put at $600 million. Without drinking water, people are starting to die of cholera.

Bangladesh has received large amounts of foreign aid, including that from the United States, in the struggle to become economically viable. Dacca now has appealed to the international community for additional infusions of governmental and private relief to provide shelter, food and medicine for refugees and to start another difficult recovery task. An immediate and generous response should be forthcoming.

ENERGY TRANSPORTATION SECURITY AND CONSUMER SPOKESMEN'S CREDIBILITY

Mr. MAGNUSON. Mr. President, next week the Senate will be considering H.R. 8193, the Energy Transportation Security Act of 1974. I was a sponsor of the S. 2089, which is identical to H.R. 8193, as it was introduced in the House of Representatives. My colleague, Senator Jackson, and the Senators from Maryland, J. Glenn Beall and Charles McC. Mathias joined as cosponsors of S. 2089.

The principal opponents of this legislation, the multinational oil companies, have charged that enactment of this legislation would be harmful to American consumers. I must say that this group along with the U.S. Chamber of Commerce which is waging a strong campaign against this legislation is a curious one to be speaking for the consumer while at the same time both are fighting against S. 707, the bill to establish an independent Consumer Protection Agency.

What makes their professed advocacy on behalf of the consumer by opposing H.R. 8193 even more puzzling is the fact that the Consumer Federation of America has written to Senator Long, the chairman of the Commerce Committee's Merchant Marine Subcommittee endorsing H.R. 8193.

I ask unanimous consent that the letter from Carol Tucker Foreman, executive director of the Consumer Federation of America to Senator Long be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C., Aug. 13, 1974.

Honorable Russell B. Long,
U.S. Senator
Washington, D.C.

Dear Senator Long: I am writing to you in regard to H.R. 8193, the Energy Transportation Security Act of 1974.

Consumer Federation of America is composed of 185 local, state and national consumer and consumer-related organizations, including citizen action consumer organizations, credit union leagues, rural electric cooperatives, labor and farm organizations. The total constituency of our member groups is 30 million Americans.

At the July 1973 annual meeting of Consumer Federation of America, our membership adopted a resolution calling for "a new national policy on fuels and energy . . . to insure an adequate energy supply at reasonable prices, which also insures effective protection of the environment." It appears that H.R. 8193 would make a valid contribution to such a policy.

First, H.R. 8193 will contribute to an adequate supply of fuel at reasonable prices. The experience of the past year has shown that when we are totally dependent upon other nations for vital materials and services, we may suffer the effects of unjustifiably high prices set upon their goods and services. The oil producing nations, by their 1973–74 embargo and subsequent price increase have subjected our economy to severe dislocations. Now producers of other vital materials such as bauxite are threatening similar action. There is no reason to believe that the nations under which oil tankers are registered might not impose a similar embargo on the use of their ships in order to raise transportation prices to outrageous levels.

Therefore, the potential long term benefits of the legislation appear to justify its passage. There have been charges that the short run effect of this legislation would be to increase prices to consumers. The Committee has acted to prevent oil shipped in American flag vessels from costing the consumer more in the short run. The avoidance of increased cost to the consumer is achieved by allowing a waiver of $0.15 per barrel of the oil import fee when crude oil is carried on U.S. flag vessels providing that the cost savings are passed on to the ultimate consumer. The cost to the U.S. Government of this waiver should be recovered in higher taxes paid by U.S. oil companies as a result of inability to continue the transfer pricing that has allowed them to shift profits to foreign controlled companies that pay no U.S. tax.

However, Consumer Federation of America would find this legislation much more appealing if the Congress would act simultaneously to require a Federal Trade Commission Investigation of the structure, conduct and performance of the petroleum tanker industry. The anti-competitive aspects of this industry because of its control by major oil companies demand remedial action.

Second, Consumer Federation of America finds that the environmental protection aspects of this legislation are consistent with our policy statement. We strongly support the provisions of this legislation requiring that all U.S. flag tankers contracted for construction after December 31, 1974 or delivered after December 31, 1978 be constructed and operated using the best available pollution prevention system including a segregated ballast double bottom system.

Sincerely,

Carol Tucker Foreman,
Executive Director.

Mr. MAGNUSON. I urge all Senators to review this endorsement by the Federation which is composed of consumer organizations, large and small, from all over the United States and consider its record on behalf of America's consumers against that of the major oil companies and the U.S. Chamber of Commerce.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS FOR 15 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, at 11 a.m., the Senate took a recess for 15 minutes; whereupon, at 11:15 a.m., the Senate reassembled when called to order by the Presiding Officer (Mr. Allen).

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 15572, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. PROXMIRE. Mr. President, the pending measure was before the Senate 11 days ago, having been reported previously by the committee on August 1, 1974. At that time, we had a lengthy debate on the measure. We discussed many aspects of it. We had, of course, a full committee report, the bill was available, the full hearings were available, which they still are. The Senate finally took action, recommitting the bill to the Committee on Appropriations, with instructions that the committee should consider all the amendments that were pending to the bill.

When the recommittal motion was considered by the Senate, I offered an amendment at that time to instruct the committee to make reductions of at least $300 million in the bill. My amendment was defeated by a vote of 49 to 27 and the recommittal vote that followed was almost unanimous.

Mr. President, while the committee was unable to reduce the pending measure by $300 million, I am pleased with the action the committee has taken.

We took that action on the basis of a recommendation made by the chairman of the committee, Senator McCLELLAN, and developed a compromise which none of us, of course, as with all compromises, was completely happy with. But I think it was fair, and certainly balanced.

The committee has recommended new budget—obligational—authority of $21,210,718,420, which is $226,094,580 below the budget estimate considered by the committee, and $364,386,420 above the sum recommended in the House bill. But, Mr. President, I hasten to point out that the committee considered estimates totalling $618,962,000 which were not considered by the House. Consequently, the sum recommended by the committee is actually $254,575,580 less than the House allowance, when you compare the similar requests before the House and the Senate.

The reduction below the budget estimates represents a cut of a little more than 1 percent in the overall budget and a reduction of a little better than 2.7 percent in the controllable items included in the budget.

I am disappointed that we could not have made a greater reduction in the overall budget. We have to recognize that two-thirds of this budget is the Veterans' Administration—veterans' pensions, veterans' benefits, veterans' health care—that all of us recognize we simply cannot reduce.

It would be wrong to cut it, it would be a violation of contract authority. It would be improper, and I think nobody in the Senate would want to reduce a veteran's pension or the benefits that a veteran needs to continue his education. If we do it, we should do it by legislation, not by appropriation action.

The committee action is a result of compromise. There were those members who wanted to cut less than is recommended. There were others who felt that the reduction should be greater. But as I previously indicated, I am satisfied with the committee compromise, even though I did not get the total reduction I sought.

Mr. President, more than 65 percent of the sum recommended by the committee of new budget—obligational—authority is for the Veterans' Administration aggregating $13,992,126,000. Of this sum $7,283,000,000 or more than 50 percent is for compensation and pensions for veterans, their widows and their survivors.

For readjustment benefits for veterans, $2,676,000,000 is recommended and for the medical care of our Nation's veterans, $3,187,644,000 is included in the bill.

Title I of the bill, which includes items for the Department of Housing and Urban Development, the committee is recommending $3,015,138,430. This sum is $80,585,570 less than the amount appropriated last year, it is $151,814,570 less than the estimate and finally, it is $195,283,570 below the sum recommended by the House.

For the space programs, the committee recommends an appropriation of $3,206,735,300, which is $171,728,300 more than the sum appropriated last year and is $35,958,700 less than the estimate, but, it is $3,685,300 more than the sum recommended by the House.

For the National Science Foundation, the committee recommends an appropriation of $659,600,000, which is $111,940,000, or almost 20 percent greater than the sum appropriated last year. However, the committee recommendation is below the budget estimate by $26,800,000 and below the House amount by $12,200,000.

Why is the figure over last year's by such a large amount? That is, of course, because there is a great deal of indirect energy research money in this bill, and we all recognize that that is essential if we are to develop the kind of independence in the energy area which we all so much want.

Mr. President, the committee has concurred with the House and has recommended an increase above the budget for both the Federal Communications Commission and the Securities and Exchange Commission, in order to insure that these very important watchdogs of the public welfare will be able to meet more effectively their demanding and expanding work loads.

I might point out that in both cases, both of these commissions raise almost as much money as their budgets, so they really do not cost the general taxpayer any significant amount.

For the Selective Service System, the pending measure contains $37,345,000, which is $9,818,000 below the estimate and $9,118,000 below the House allowance.

In addition to the money items contained in the bill, the committee has included amongst the general provision, a new section 406, which places a limitation on the use of vehicles.

The committee has also concured with the House and included language incorporating a flat 10-percent reduction from the sum requested by the Department and agencies for the payment of space rental levied by the General Services Administration.

Mr. President, that concludes my remarks on the bill. I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded, for purposes of amendment, as original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, in line 2, strike out "$14,340,000" and insert in lieu thereof the following: "$12,125,000: *Provided*, That none of these administrative funds may be used for the administration of the section 23 leasing program, or any replacement program, unless the available, unused balance of contract authority under the section 235 and section 236 programs, or any replacement programs, is made available for commitment, and committed, concurrent with the commitment of any contract authority under the section 23 program, or any replacement program, in amounts proportionate to the amounts committed under said section 23 program, or any replacement program."

On page 3, in line 21, strike out "$2,425,000,000" and insert in lieu thereof the following: "$2,300,000,000, of which not less than $500,000,000 shall be used only for the payment of operating subsidies to local housing authorities."

On page 4, in line 4, strike out "$23,400,000" and insert in lieu thereof "$21,825,000".

On page 4, in line 16, strike out "$200,000,000" and insert in lieu thereof "$194,000,000".

On page 5, in line 6, strike out "$125,000,000" and insert in lieu thereof "$121,250,000".

On page 5, beginning in line 7, strike out the semicolon and the following language: of which $1,000,000 shall be available only for rehabilitation and redevelopment of the DeKalb County, Tennessee, model cities area devastated by recent tornado damage.

"REHABILITATION LOAN FUND

"For the revolving fund established pursuant to section 312 of the Housing Act of 1964, as amended (42 U.S.C. 1452b), $70,000,000, to remain available until expended."

On page 5, in line 18, strike out "$100,000,000" and insert in lieu thereof "$106,700,000".

On page 5, in line 24, strike out "$39,000,000" and insert in lieu thereof "$37,830,000".

On page 6, in line 15, strike out "$60,000,000" and insert in lieu thereof "$67,900,000".

On page 6, in line 21, strike out "$5,000,000" and insert in lieu thereof "$6,130,400".

On page 7, in line 3, strike out "$10,900,000" and insert in lieu thereof "$11,543,000".

On page 7, in line 10, strike out "$5,580,000" and insert in lieu thereof "$5,412,600".

On page 7, in line 13, strike out "$3,530,000" and insert in lieu thereof "$3,424,100".

On page 7, in line 16, strike out "$6,830,000" and insert in lieu thereof "$6,625,100".

On page 7, in line 20, strike out "$19,513,000" and insert in lieu thereof "$18,927,610".

On page 7, in line 24, strike out "$29,446,000" and insert in lieu thereof "$28,562,620".

On page 9, in line 2, strike out "$4,512,000" and insert in lieu thereof "$4,376,640".

On page 9, in line 23, strike out "$265,000," and insert in lieu thereof "$257,050".

On page 11, in line 5, strike out "$2,327,380,000" and insert in lieu thereof "$2,326,580,000".

On page 11, in line 11, strike out "$135,670,000" and insert in lieu thereof "$140,155,300".

On page 12, in line 9, strike out "$75,080,000" and insert in lieu thereof "$79,020,000".

On page 12, in line 23, after the word "Center" insert a comma and the following:

"(I) $3,940,000 for construction of an Orbiter Horizontal Flight Test Facility, Flight Research Center".

On page 13, in line 3, strike out the word "and".

On page 13, line 4, after the word "for;" insert the following: "and (19) $4,880,000 for an addition to the Systems Development Laboratory (SDL) at the Jet Propulsion Laboratory (JPL);"

On page 14, in line 22, after the word "vehicles;" insert the words "not to exceed $5,000 for official reception and representation expenses;".

On page 14, in line 24, strike out "$35,900,000" and insert in lieu thereof "$36,500,000".

On page 15, in line 4, strike out "$666,800,000," and insert in lieu thereof "$654,750,000 to remain available until expended".

On page 15, in line 6, strike out the word "less" and insert in lieu thereof the word "more".

On page 15, in line 6, strike out "$13,200,000" and insert in lieu thereof "$12,700,000".

On page 15, in line 6, strike out the word "only".

On page 15, in line 7, strike out the word "less" and insert in lieu thereof the word "more".

On page 15, in line 7, strike out "$68,900,000" and insert in lieu thereof "$61,400,000".

On page 15, in line 8, strike out the word "only".

On page 15, in line 9, strike out the word "less" and insert in lieu thereof the word "more".

On page 15, in line 9, strike out "$8,000,000" and insert in lieu thereof "$3,000,000".

On page 15, in line 10, strike out the word "only".

On page 15, in line 11, strike out "$40,000,000" and insert in lieu thereof "$50,000,000".

On page 16, in line 6, strike out "$5,000,000" and insert in lieu thereof "$4,850,000".

On page 16, in line 19, after the word "and" insert the words "not to exceed $1,200,000 for travel expenses and,".

On page 17, in line 5, strike out "$46,463,000" and insert in lieu thereof "$37,345,000:".

On page 17, in line 23, strike out "$6,716,200,000" and insert in lieu thereof "$7,283,000,000".

On page 19, in line 2, strike out "$3,190,044,000" and insert in lieu thereof "$3,187,644,000".

On page 19, in line 16, strike out "$86,770,000" and insert in lieu thereof "$89,000,000".

On page 19, beginning at line 17, strike out the following language:

"ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

"For pilot programs for assistance in the establishment of new State medical schools, grants to affiliated medical schools, assistance to public and nonprofit institutions of higher learning, hospitals and other health manpower institutions affiliated with the Veterans Administration to increase the production of professional and other health personnel, and for expansion of Veterans Administration hospital education and training capacity as authorized by 38 U.S.C. Chapter 82, $30,000,000, to remain available until June 30, 1981."

On page 20, in line 16, after the word "law;" insert the words "not to exceed $2,500 for official reception and representation expenses;".

On page 20, in line 22, strike out "$388,130,000" and insert in lieu thereof "$428,842,000".

On page 21, in line 5, strike out "$230,850,000" and insert in lieu thereof "$223,924,500".

On page 21, in line 18, strike out "$45,150,000" and insert in lieu thereof "$43,795,500".

On page 22, in line 1, strike out "$10,000,000" and insert in lieu thereof "$9,700,000".

On page 22, in line 6, strike out "$2,100,000" and insert in lieu thereof "$2,037,000".

On page 23, in line 12, strike out "$100,000" and insert in lieu thereof "$97,000".

On page 28, in line 1, after the word "expenses:" insert the following: *"Provided further,* That not to exceed $1,000 shall be available for official reception and representation expenses:".

On page 28, in line 9, after "(12 U.S.C. 1421–1449):" insert the following new language: *"Provided further,* That the dollar limitation of section 18(c) of the Federal Home Loan Bank Act is further increased by the cumulative assessments and interest-bearing or other advances for purposes thereof, which shall include related commercial facilities, hereby authorized to be required by the Board as nonadministrative expenditures of agencies under administration or supervision of the Board or of a body composed of its members, all of which are hereby included in the references therein to agencies under the Board's supervision, and the Board is hereby authorized to adjust as it deems equitable the interest on advances now or hereafter outstanding thereunder or hereunder:".

On page 31, beginning at line 22, insert the following new language:

"SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment in violation of section 5(c)(2) of the Act of July 16, 1914, as amended (31 U.S.C. 638a)."

On page 32, line 3, strike out "406." and insert in lieu thereof "407.".

Mr. MATHIAS. Mr. President, the distinguished Senator from Wisconsin, the chairman of the committee, has demonstrated his usual efficiency and attention to business by having brought this bill back to the floor so promptly, and I can testify to the energy with which he attacked the problems that were presented after the bill was recommitted, and his insistence on very prompt committee attention to the questions that were raised in the previous debate.

I think it is only fair for me to say, however, that we have it back before us so promptly that we have beaten the printer, and the committee report is not upon Senators' desks. I have been requested by some Senators on our side to say that I do not believe we can bring this bill to a resolution until the committee report is in fact on the desks of Members of the Senate, in accordance with the usual practice.

Of course, the chairman, the manager of the bill, as well as myself, have become rather familiar with these figures by having lived with them so long, and I think there is no reason whatever why we should not make a record at this time on some of the points. But proceeding without the reports available to the general membership, who have not had that opportunity, does present some problems.

Mr. PROXMIRE. Mr. President, if the Senator will yield on that point, I appreciate that, and I think that may be the right course.

I call attention, however, to the fact that we did have considerable debate on this bill before, and the committee report, which covered 98 percent of the bill in its present form, was available. We also had the bill available before. We are confronted, of course, with an unusual situation; but if any Senator wishes to have the bill delayed, that is certainly his right and privilege, and I would respect it.

Mr. MATHIAS. I thank the Senator. As I say, I have no personal problem with this matter, as the Senator from Wisconsin does not, because we have had ample opportunity to discuss all of these figures and become familiar with the programs that will be funded by them. But I can also understand the reluctance of other Senators who may be called upon to vote on rollcalls on this question, on programs which will have an effect on the entire Nation, as well as, perhaps, a particular effect on their States. Therefore, I have simply put the Senate on notice that that situation does exist.

I think every one of us has got to be personally aware of what inflation does to this country. I know that I had occasion to go to the grocery store the other night and watch money just melt away. The money that used to buy a whole bagful of groceries barely filled up the bottom of the bag during the current week. So inflation is not some theory, some economist's term; it is a very real, personal problem that every one of us shares.

The floor manager, I think, has laid down in very explicit terms the kind of governmental restraint that will be necessary to deal with the problem of inflation. Again, what we do here cannot be just a theory. It has to be a fact. We cannot just talk about what we are going to do about inflation; we have to actually do some things.

I think this bill does represent a determined effort on the part of the Appropriations Committee to do some very real things. I offered some amendments to the bill in committee which proposed some cuts. They were not necessarily in the same dollar amounts as those which had been proposed by the Senator from Wisconsin or those that were ultimately suggested by the distinguished chairman of the full committee (Mr. McCLELLAN).

I must say that I think, as we make these cuts, we have to understand exactly what we are doing, that sometimes we can be penny-wise and pound-foolish, and that investments which may look to ultimate economies—economies in energy, for example, through the development of research programs in the National Science Foundation and in NASA—I think that that kind of reduction, if carried too far, can be inflationary, because it is depriving us of the greater productivity which might flow from those programs.

So there are value judgments to be made as we pursue our course in trying to bring inflation under control. Is a cut here going to reduce the amount of currency which is spiraling around and heating up the economy, or is a cut there going to actually reduce our future productivity and, therefore, be in fact inflationary instead of deflationary? That has been my concern. And I feel that some of the individual cuts that we have made perhaps fall in the latter category—that in NASA, in the National Science Foundation and, indeed, in some of the programs under HUD, we are perhaps approaching the point or even passing the point where, instead of being economy minded and fighting inflation, we may be actually encouraging inflation because we are decreasing productivity.

However, I think in the overall picture we are reaching a figure which, however I may disagree on individual items, is one which is a desirable target to shoot at. So I am supporting this bill, and I am urging other Members of the Senate to support the bill.

I think that there needs to be some technical ability to transfer funds, which is traditional in this area, and I am happy to yield the floor at this time for the introduction of such amendment.

Mr. MOSS. I thank the Senator from Maryland.

Mr. President, I send to the desk an amendment to H.R. 15572 and ask that it be read.

The PRESIDING OFFICER. The clerk will please state the amendment.

The assistant legislative clerk read the amendment, as follows:

On page 14, after line 11, insert the following paragraph:

"GENERAL PROVISION

"Not to exceed one-half of 1 per centum of the appropriations made available to the National Aeronautics and Space Administration by this Act for 'Research and development' and 'Research and program management' may be transferred to either of the other mentioned appropriation, but not to exceed the amount authorized therefor by the National Aeronautics and Space Administration Authorization Act, 1975 (Public Law 93-316)."

Mr. MOSS. Mr. President, this amendment is really a small and almost, what one would call, a technical amendment; but it does have the purpose of giving NASA a degree of flexibility in meeting the cut that has now been imposed on its fiscal year 1975 budget.

This amendment would not add any funds to the bill.

The amendment will provide NASA with flexibility to make limited transfers of funds between two appropriation categories in order to accommodate the most critical needs of a balance program.

The transfer would be limited to one-half of 1 percent of the total budget appropriation. Consequently, that is a very minimal amount.

The NASA budget request was cut by $35,958,700 in the Appropriations Committee action yesterday. That is, this bill is nearly $36 million below the amount that had been approved the first time the committee reported and before the bill was recommitted.

This is a substantial reduction when viewed against the continuing reductions that this agency has faced over the past few years. We all recognize that NASA has been declining in personnel and in funding steadily for the last 4 or 5 years and now is far, far reduced.

Therefore, Mr. President, this amendment is designed to provide the flexibility to organize and implement the best possible program for fiscal 1975 within the amount of funds being provided in this bill.

I might say, Mr. President, it is a painful thing to absorb a cut of this amount and, sitting as an ex-officio member with the committee yesterday, I voted against a cut this deep, but the cut prevailed and, therefore, NASA will be shorn of nearly $36 million which it vitally needs.

I think the Congress should grant this authority which will enable the agency to transfer between the Rand D and the Rand PM appropriation categories one-half of 1 percent of the amount of moneys that are appropriated. Providing this flexibility will enable NASA to deal with this cut with the least damage possible to the overall program of the agency.

Mr. President, I urge my colleagues to support this amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. PROXMIRE. First, I want to commend the Senator from Utah (Mr. Moss). I do not know anybody who has been more diligent in working with an agency or with a subcommittee or with a committee than the Senator from Utah, the chairman of the Space Committee.

We have had this Space Committee in existence for a number of years. There have been several chairmen, but Senator Moss is certainly, by far, the hardest working, the best informed, and the most vigorous in representing the interests as well as the criticisms of the agency.

I would like to make sure I understand this amendment. As I understand it, it would provide about $11.5 million that could be transferred from research and development to research and program management, and the reason for this, one reason for it is because there is an additional $6.5 million of obligations in effect that research and program management has to cope with above the original budget, and if this transfer authority is not provided, it would be very difficult or impossible to meet those obligations; is that right?

Mr. MOSS. That is correct.

Besides being limited to this one-half of 1 percent, which is approximately the amount that the Senator says, the amendment also provides that the amount transferred into the other program may not exceed the authorized amount. In other words, there will be no place where there would be any breach of the authorization of moneys, and this would simply allow it to be moved between programs because of the need, as the Senate says, because of commitments and the need for flexibility.

Mr. PROXMIRE. Well, I think this is necessary.

Frankly, I feel—and I suspect the Senator from Utah may, too, feel—that we should be very careful in permitting too much flexibility in transferring or the whole purpose and responsibility of Congress can be frustrated. We can make an appropriation in one area and, if the executive branch wants to spend it in another, we are just spinning our wheels. We are not exercising the kind of authority and responsibility we should exercise.

But this is very limited. It is only limited to one-half of 1 percent. It is for an express purpose because these additional obligations have come along and, I think, because the Senator from Utah has explained it so carefully, I think I can certainly support this one, although I think, as the Senator might agree, we should be very careful in making any kind of a precedent.

Mr. MOSS. I agree with the Senator from Wisconsin that the budgetary purpose is to determine where the moneys are to be spent, and I do not favor opening that up to the executive to override the judgment of Congress. In this instance, with the cut coming, with the obligations that exist and, as the Senator points out, with the very limited authority of one-half of 1 percent, I think it is the sensible thing to do. I am pleased that the Senator feels it is an acceptable amendment.

I would like to report also, Mr. President, that the following Senators join in this amendment: Senators SPARKMAN, ALLEN, CURTIS, GOLDWATER, and BEALL, all of whom would like to be shown as cosponsors.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MATHIAS. I fully support the amendment. In fact, if the distinguished Senator had not offered it, I would, but I am happy to support it on his motion.

The PRESIDING OFFICER. The question is on agreeing to the amendment. [Putting the question.]

The amendment was agreed to.

The PRESIDING OFFICER. Are there further amendments?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1 p.m. today.

There being no objection, at 11:46 a.m., the Senate recessed until 1 p.m., whereupon, the Senate reassembled at 1 p.m., when called to order by the Presiding Officer (Mr. HUDDLESTON).

ORDER FOR FILING CONFERENCE REPORT ON S. 821

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to file the conference report on S. 821 at any time prior to midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES, APPROPRIATIONS, 1975

The Senate continued with the consideration of the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I ask for the yeas and nays on the pendng bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk can call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Montana (Mr. MANSFIELD), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Michigan (Mr. HART) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from Iowa (Mr. CLARK) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Ohio (Mr. TAFT), and the Senator from South Carolina (Mr. THURMOND), are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Colorado (Mr. DOMINICK), are absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Ohio (Mr. TAFT), and the Senator from South Carolina (Mr. THURMOND), would each vote "yea."

The result was announced—yeas 60, nays 0, as follows:

[No. 365 Leg.]

YEAS—60

Abourezk
Aiken
Allen
Bartlett
Brock
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Church
Curtis
Dole
Eagleton
Fannin
Fong
Griffin
Gurney
Hansen
Haskell
Hatfield
Helms
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mathias
McClellan
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—40

Baker
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brooke
Buckley
Burdick
Cannon
Chiles
Clark
Cook
Cotton
Cranston
Domenici
Dominick
Eastland
Ervin
Fulbright
Goldwater
Gravel
Hart
Hartke
Hathaway
Hollings
Inouye
Johnston
Long
Mansfield
McClure
McGee
Montoya
Muskie
Pearson
Ribicoff
Taft
Thurmond

So the bill (H.R. 15572) was passed.

Mr. PROXMIRE. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PROXMIRE, Mr. PASTORE, Mr. STENNIS, Mr. BAYH, Mr. CHILES, Mr. MCCLELLAN, Mr. MOSS, Mr. MATHIAS, Mr. CASE, Mr. LONG, Mr. BROOKE, Mr. STEVENS, and Mr. YOUNG conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, will the Chair lay before the Senate the unfinished business and then recognize the Senator from Arkansas?

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The PRESIDING OFFICER (Mr. HUDDLESTON). The Chair lays before the Senate the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The Senate resumed the consideration of the bill.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, I yield to the distinguished Senator from Missouri to call up a conference report.

INCREASE IN COMPENSATION FOR DISTRICT OF COLUMBIA POLICEMEN, FIREMEN, AND TEACHERS—CONFERENCE REPORT

Mr. EAGLETON. Mr. President, I submit a report of the committee of conference on H.R. 15842, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HUDDLESTON). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15842) to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of August 15, 1974, at pages H8438–H8448.)

Mr. EAGLETON. Mr. President, this conference report is an attempt to bring the salaries of the District of Columbia policemen, firemen and teachers abreast with today's inflated cost-of-living.

The last salary increase for District of Columbia police and firemen was approved August 29, 1972. Since that time the consumer price index for the Washington, D.C. metropolitan area rose over 16 percent.

This conference report amends the present salary schedule for police and firemen and provides an increase across the board of 16 percent in the pay schedule.

Teachers in the District of Columbia are subject to the same increases in the cost-of-living. This conference report will increase the salaries of teachers by 10 percent on September 1, 1974. A second increase of an additional 3 percent will occur on January 1, 1974.

So that the Government of the District of Columbia can finance these salary increases, the conference report revises the real property tax in the District of Columbia. This revision contains authorization for a tax rate structure that will yield sufficient revenues to cover the salary increases for police, firemen and teachers.

Mr. President, I move the adoption of the conference report on H.R. 15842.

The **PRESIDING OFFICER**. The question is on agreeing to the conference report.

The report was agreed to.

ORDER OF BUSINESS

The **PRESIDING OFFICER**. The Senator from Arkansas is recognized.

Mr. **ROBERT C. BYRD**. Mr. President, will the Senator from Arkansas yield to me very briefly?

Mr. **McCLELLAN**. I yield.

Mr. **ROBERT C. BYRD**. For the information of the Senate, there will be no more rollcall votes today.

APPROPRIATIONS COMMITTEE ACTION ON DEFENSE APPROPRIATIONS BILL FOR FISCAL YEAR 1975

Mr. **McCLELLAN**. Mr. President, I wish to inform the Senate that the Committee on Appropriations has reported a defense appropriations bill for fiscal year 1975 that totals $82,079,358,000 in available funds. This amount includes $5 billion in transfers.

The bill as reported is $4,978,139,000 or 5.7 percent less than the President's amended budget request of $87,057,497,000. It is also $1,314,212,000 under the amount passed by the House and will result in an estimated reduction of $2.7 billion in actual outlays during fiscal year 1975.

I believe that the reductions which the committee has made in defense appropriations this year compare quite favorably with those made in fiscal year 1974 and in fiscal year 1973, the year I assumed the chairmanship of the Senate Committee on Appropriations and its Subcommittee on Defense Appropriations.

In fiscal year 1973, the Senate reduced the President's budget request by 4.5 percent. That included $1.3 billion in transfers.

In fiscal year 1974, the Senate reduced the President's budget request by 4.7 percent. That included $0.5 billion in transfers.

In view of the fiscal disarray in which the Nation finds itself today, I am convinced that the reductions made by the committee are prudent and responsible.

I might say, Mr. President, that my personal feeling is that if we have erred at all in making these adjustments, we may have, in one or more instances, made more substantial cuts than we should have made. But we have made every effort to make reasoned reductions in defense spending, and the appropriations which we recommend will provide the Nation with an adequate defense.

The amount agreed upon by the committee is the product of months of hearings. The committee, in its deliberations, studied, considered, and weighed, as best it could, all aspects of military security in an unsecure world before making the reductions and arriving at the amounts reflected in the bill.

I might add at this point that the full committee this morning considered the bill as it had been recommended to us by the subcommittee. We have worked on this measure now for some 4 or 5 months. I was very gratified that after weighing it and considering the amendments that were discussed and after everything had been said as to what the subcommittee had recommended, the full committee increased the amount of our recommendations by only $16 million. I myself offered the amendment to do that, because we felt it was prudent, wise, and judicious to restore that much of the cuts the subcommittee had recommended.

This appropriation will not please everyone. No measure we could report would satisfy everyone. Some will say the reductions we have made in budget requests are too great. Others will contend that they are too little. We hope, and we believe, that we have struck a proper balance.

This bill represents the considered and reasoned decisions of many Members of the Senate who are most familiar with the issues and problems involved. It is my hope that the Senate will accept and support the recommendations of the committee except possibly in a few instances where it may be demonstrated that some change or modification should be made.

As President Ford said in his appearance before Congress last Monday evening.

> Inflation is our domestic public enemy No. 1.

The inflationary spiral has produced skyrocketing prices at the supermarket, slowed industrial production and created growing concern both at home and abroad about the future stability and purchasing power of the dollar.

Even as we discuss the defense appropriation, inflation is taking its toll.

We will lose $6 billion to inflation even before we start to spend the money appropriated in this bill.

We will lose some $3 billion in inflation from the money appropriated during prior years before we can spend it.

Indeed, if we wanted to stay even with last year, it would require a total budget of $86 billion, taking into account a yearly rate of inflation of 11.5 percent.

In recent weeks, Mr. President, we have heard suggestions from all sides for a massive reduction in the budget to bring inflation under control.

Dr. Arthur F. Burns, the Chairman of the Federal Reserve Board, has called for a $10 billion cut. William Simon, the Secretary of the Treasury, has reportedly presented a list of potential reductions totaling $20 billion. Dr. Herbert Stein, who recently resigned as Chairman of the President's Council of Economic Advisers, has called for a return to the "old fashioned religion" of reduced government spending.

Mr. President, I think these suggestions are made in good faith. But when you take the appropriation bills and the budget requests and take into account world conditions of today, with the insecurity of peace and the potential threats that simply cannot be disregarded, it is imperative that we not reduce unduly or too substantially our military posture so that our strength would not be a deterrent. We must maintain a military strength of deterrent proportions.

There have also been some attempts on the floor of the Senate to slash appropriations bills across-the-board by flat percentages rather than by selective elimination and reductions.

What I am trying to say, Mr. President, is we cannot balance the budget just by taking the defense bill and saying we will take from defense whatever it takes to balance the budget. We cannot do that and act prudently or responsibly.

We should certainly strive for economy in Government, but fiscal responsibility requires that budget reductions be made in a coherent, unified and responsible manner. Indiscriminate across-the-board budget cuts—the meat-axe approach—meet none of these criteria.

In reality, instead of resulting in reduced governmental spending, this method of budget reduction—simply across-the-board cuts—actually encourages larger appropriations ultimately. If everyone knows that his budget request is going to be automatically cut by a fixed amount, a percentage amount, it is obvious that these requests will be inflated to cover the planned reduction. In effect, this means that possibly no reduction will be made at all.

Before I go any further, I want to say something about the across-the-board cut on this bill. Mr. President, I hope the committee has acted with sufficient responsibility in this area so that an across-the-board cut will not find favor with the Senate. If there are items, however, where there is a conscientious belief that they could stand a greater reduction, we will welcome reducing amendments and let them be discussed and determined on their merits.

There may be amendments—and I am sure there probably will be some—which ask for an increase. Mr. President, we in the Appropriations Committee find this a continuous thing. People want the budget balanced but they also want a little increase here, another increase there, and our task is not an easy one. It is one where we have to give and take, and we have undertaken to do that in the budget that we have presented.

I recently received a letter and an

analysis from Charles L. Schultze, a senior fellow at the Brookings Institution and Director of the Bureau of the Budget under President Johnson and a well-known liberal economist, which discusses the role of the Federal budget in causing inflation, and the economic impact of substantial cuts in spending below the President's fiscal 1975 budget.

I am inserting certain quotes from this letter into the RECORD, Mr. President, not because I necessarily agree with what Dr. Schultze says, but for those who are always contending that Federal deficit spending is the sole cause of inflation. This authority, at least, takes the position that a reduction in the budget—well, I will just read briefly what Dr. Schultze says:

> (1) The evidence emphatically refutes the popularly held view that government deficits and profligate government spending are the chief causes of recent inflation; and (2) under current conditions a substantial cut in federal spending would add to unemployment and virtually guarantee a serious recession, without significantly reducing the rate of inflation in the next year.
>
> Budget Director Roy Ash has been quoted (New York Times, June 27, 1974) as estimating that a $5 billion reduction in federal spending would reduce the inflation rate by only one-tenth of one percent. Such a reduction, however, could be expected over the course of a year, to add perhaps 200,000 people to the ranks of the unemployed. A larger budget cut might reduce the rate of inflation by another fraction, but it could well tip the scales of an already precarious economic situation into a new recession and swell the unemployment rolls by a much greater number.

Mr. President, as I pointed out, I do not necessarily agree with his conclusions, but I do emphasize that highly competent or recognized competent authorities have differences of opinion as to how much a budget cut is going to affect the rate of inflation.

So far as I am concerned, whether we have inflation or not, I think it is a prudent thing for this Government at all times to operate under a balanced budget, which is sound fiscal doctrine. I certainly want, in my work on the Appropriations Committee and as a Senator, to move as far in the direction of restoring sound fiscal policy as we can.

Mr. President, one of the major causes of our current fiscal disorder is not the result of action on appropriations bills, but of the phenomenal growth in recent years of "backdoor" or mandatory spending provided in legislative bills.

This is something, Mr. President, that our Members should learn and observe in the conduct of our legislative affairs.

In other words, Mr. President, it is not the sole responsibility of the Committee on Appropriations to hold expenditures down. The original responsibility rests with the legislative functions of the Congress.

For example, during the 6 previous fiscal years, Congress, through its actions on appropriations bills, reduced administration requests for new budget authority by approximately $33 billion. That is nearly $5 billion a year, Mr. President. During that same 6-year period, however, Congress approved in legislative measures outside the regular appropriations process, budget authority which exceeded the budget estimates by slightly over $40 billion.

While we hold discussion in appropriations committees, the legislative functions increase the obligations of Government, which we then have to try to meet in the appropriation process.

During the first session of the 93d Congress, alone, of the 145 legislative actions which have direct or indirect relationship to budget authority and spending, only 17 were in the form of appropriations measures. All the rest—128—were legislative bills which did not go through the usual appropriations process.

In the same session, on the appropriations side of the ledger, total reductions of $3.3 billion in budget authority and $533 million in outlays were made by the Congress upon the recommendation of the Appropriations Committees. Nevertheless, at the same time, Congress through the legislative process, or other than through appropriations bills, voted for a $9.2 billion increase in budget authority and $3.3 billion in outlays.

These legislative actions included such major unbudgeted actions affecting mandatory outlay as:

Social security increase, $1.1 billion.

Food stamp program, $724 million.

School lunch program, $258 million.

Veterans benefits, $358 million.

In the current session, the Joint Committee on the Reduction of Federal Expenditures reported on August 2, 1974, that the Senate had given its approval to 27 major actions affecting fiscal 1975 budget outlays. Of these, 10 were in the form of appropriation bills, excluding the vetoed agricultural appropriations bill. These appropriations measures showed reductions of $565 million in budget outlays. But only 17 legislative bills which did not go through the appropriations procedure showed increases of $3.2 billion in expenditures.

Among these completed legislative bills which carry a total outlays increase of $1.194 billion are:

Veterans educational benefits, extend delimiting period, $759.1 million.

Nutrition and school lunch programs, $200 million.

Civil service minimum retirement, $157 million.

Veterans disability benefits increase, $134.8 million.

In addition, major legislative bills not complete but passed by the Senate include:

Housing and Community Development Act, $553 million.

Emergency energy unemployment, $550 million.

Veterans educational benefits, $977.5 million.

So, Mr. President, it is clearly evident that the major pressure upon the budget does not come from the appropriations bills processed by the Appropriations Committees of Congress but from the failure on Congress, as a whole, to restrain spending and to establish needed priorities.

We must defer programs that are marginally desirable but not absolutely essential. We cannot afford optional luxuries while striving to cure the cancer of inflation.

To slow the inflationary expansion of money and credit so that we may establish and sustain a policy of national solvency and stability, each Senator, each individual Member of Congress must help put our fiscal affairs in order by exercising restraint in proposing and voting on programs that require massive new spending.

For the information of my colleagues, I ask unanimous consent to have printed in the RECORD at this point, Dr. Schultze's letter and analysis and excerpts from the latest Budget Scorekeeping Report prepared by the Joint Committee on Reduction of Federal Expenditures showing completed action on budgeted 1975 outlays and major pending actions affecting 1975 budget outlays.

There being no objection, the letter of Dr. Schultze, analysis and excerpts from Budget Scorekeeping Report were ordered to be printed in the RECORD, as follows:

THE BROOKINGS INSTITUTION,
Washington, D.C., August 7, 1974.

JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR MCCLELLAN: Your letter of August 5 asks my views on the role of the government budget in causing the inflation which the nation is now experiencing, and my judgment about the economic impact of substantial cuts in federal spending below the President's fiscal 1975 budget.

In summary: (1) the evidence emphatically refutes the popularly held view that government deficits and proliferate government spending are the chief causes of recent inflation; and (2) under current conditions a substantial cut in federal spending would add to unemployment and virtually guarantee a serious recession, without significantly reducing the rate of inflation in the next year.

Budget Director Roy Ash has been quoted (New York Times, June 27, 1974) as estimating that a $5 billion reduction in federal spending would reduce the inflation rate by only one-tenth of one percent. Such a reduction, however, could be expected, over the course of a year, to add perhaps 200,000 people to the ranks of the unemployed. A larger budget cut might reduce the rate of inflation by another fraction, but it could well tip the scales of an already precarious economic situation into a new recession, and swell the unemployment rolls by a much greater number.

I am attaching a short analysis which backs up the conclusions stated above. I thank you for the opportunity of expressing these views. I hope they are helpful.

Cordially,

CHARLES L. SCHULTZE,
Senior Fellow.

ANALYSIS

1. Has the government budget been the "principal responsible element of the current inflationary situation?"

Economic spokesmen of the Administration have argued that government deficits and rapidly rising government spending have been major causes of today's inflation. Government budgets, in their view, have directly caused inflation by overloading the economy with demands beyond its capacity to supply. In addition, they assert, large government deficits and their associated Treasury borrowing requirements have indirectly generated inflation by making it difficult for the Federal Reserve to pursue an appropriately tight money policy. Many financial and industrial executives share this view. It has become a widely held article of faith that government "profigacy" is the chief villain in today's economic scene.

The facts in no way bear out this belief. In four of the past five calender years the federal government did run deficicits. But these were due to the depressing effect of the 1970–71 recession on federal revenues, not to excessive spending. Moreover, part of the increased federal grants-in-aid during that period swelled the budget surpluses of state and local governments. As a consequence *when the budgets of federal, state and local governments are combined they revealed a decidedly noninflationary picture.*

On the "high employment budget" concept, introduced by President Nixon in his 1972 budget message and generally accepted by economists of various political and ideological persuasions, the combined budget of all levels of government averaged a $5.5 billion surplus over the past five calendar years.[1] As I can personally, and perhaps ruefully testify, this was a major contrast with the 1966–68 period when large budget deficits were indeed the prime cause of inflation.

The actual budget of all governments combined was indeed in deficit during 1970, 1971, and 1972, as the recession eroded revenue. But in 1973 the combined budget showed an actual surplus of $3.6 billion and continued in surplus ($2 billion) in the first quarter of 1974, despite the downturn in economic activity. (Later data are not available.) Over the entire period the years of actual deficit outweighted the years of surpluses by a modest amount—but the overall 5 years deficit amounted to a mere four-tenths of one percent of the nation's gross national product. And again, I stress, the actual combined budget moved back into surplus over a year ago, while the "high employment" budget was never in deficit.

The inflation of the past year has been dominated by fuel and food price rises, and by higher prices for imported raw materials. Monetary and budget policy could have had very little effect on fuel and food price advances. The oil cartel and worldwide agricultural problems sparked these price rises. Given the increase in fuel and food prices, all other prices combined would have had to *fall* 3 percent, in order to have held the overall inflation rate to a moderate 4 percent in the past year. Even the most draconian budgetary measures could not have produced a 3 percent fall in all other prices—or could have done so only by putting the country through a massive depression.

In brief, analysis of overall budget data and price behavior strongly refutes the view that government budgets have been the prime mover in recent inflation.

2. *What would be the effect of substantial budget cuts on employment and inflation?*

The federal budget should, of course, be examined rigorously to pare wasteful spending and assert reasonable priorities. That is not in question. But should the Congress go beyond this, and cut further into the budget as a means of reducing inflation?

If the economy were overheated and markets were booming, government spending reductions or tax increases would indeed be warranted as the chief means of fighting inflation. But the American economy at the present time is not in that situation. While industrial capacity has been growing, total output in the economy has fallen 1½ percent below what it was last fall; the real volume of consumer spending (adjusted for higher prices) is 2½ percent lower; housing starts have fallen dramatically. The unemployment rate has risen to 5.3 percent and even the Administration forecasts a rise in the next six months. Most independent forecasters are revising downward their estimates of output and income for the balance of the year. Although there still remain a few lingering shortage situations, the American economy is not now, nor is it likely to be during the near future, in the overheated situation requiring sharp cuts in the federal budget.

During the food, fuel, and raw material inflation of the past year, prices raced ahead of wages. The real purchasing power of average hourly earnings is 3 percent below a year ago—whereas wages normally rise 2 to 3 percent faster than prices each year, as productivity increases.

The pace of inflation in the next several years will be chiefly decided by what happens to wages, as workers strive to restore their lost purchasing power.

The currently high unemployment rate and sluggish economy will moderate wage demands to some extent. A strategy of fighting inflation by budget cuts essentially means the creation of still greater unemployment as the way to hold off wage increases. A small cut in the budget will do little to accomplish this objective—as indicated by Mr. Ash in his statement quoted earlier. A large budget cut ultimately might help reduce wage demands, but at a very high price. Given the precarious situation of the economy, the weakened state of consumer and housing demand, the prospective correction from the recent excessively high rate of inventory accumulation, and the mounting signs that businessmen are scaling back their investment plans, a large cut in federal spending might well tip the nation into a very serious recession by 1975. And in view of the economic difficulties which most other industrial nations are currently experiencing, an American recession could set off an international downturn, whose effects would feed back on our own economy.

In short, enacting large budget cuts—beyond those contemplated in the normal review of appropriations—would be an exceedingly costly strategy to fight inflation. It not only guarantees a long period of higher unemployment but runs the grave risk of setting off a chain of events leading to a very severe recession, at home and abroad.

FISCAL YEAR 1975—OUTLAYS

The impact of congressional action through August 2 on the President's fiscal year 1975 budget outlay requests, as shown in this report, may be summarized as follows:

[In millions]

	House	Senate	Enacted
1975 budget outlay estimate as revised and amended to date	$306, 312	$306, 312	$306, 312
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action	—209	+395	—76
Pending action	—2, 631	—359	
Legislative bills:			
Completed action	+766	+1, 234	+1, 194
Pending action	+859	+2, 454	
Total changes:			
Completed action	+557	+1, 629	+1, 118
Pending action	—1, 772	+2, 095	
Total	—1, 214	+3, 724	+1, 118
Deduct: Portion of congressional action included in May 30 revisions	+311	+311	+311
1975 budget outlays as adjusted by congressional action to date	304, 787	309, 725	307, 119

Completed actions: A summary of major individual actions composing the $1,118 million total outlay impact of completed congressional action to date on budgeted 1975 outlays follows:

COMPLETED ACTION OF BUDGETED OUTLAYS (EXPENDITURES)

Bills (including committee action)—Congressional changes in 1975 budgeted outlays (thousands)

1974 supplemental bills (1975 outlay impact):	
Second Supplemental	—$215, 000
Further Urgent Supplemental	—30
1975 regular bills:	
Agriculture, Environmental and Consumer Protection	+130, 000
Special Energy Research and Development	+20, 000
Legislative Branch	—11, 000
Legislative bills:	
Veterans educational benefits—extend delimiting period	+759, 100
Child nutrition and school lunch	+200, 000
Civil Service minimum retirement	+157, 000
Veterans disability benefits increase	+134, 800
Food assistance and special milk programs	+75, 000
Postponement of postal rate increases	+45, 200
Donated commodities, older Americans	+5, 500
Civil Service survivor benefits	+4, 600
Civil Service—early retirement, hazardous occupations	+3, 400
Deputy Marshals pay raise	+1, 900
Congressional Record, reduced postage fees	—8, 486
Military flight pay incentive	—16, 700
Rejection of salary increases for federal executives	—34, 000
Unemployment benefits extension (trust fund)	—133, 000
Total, 1975 outlay impact of completed congressional action	+1, 118, 284

Pending actions: The major pending legislative actions affecting 1975 budget outlays which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below.

MAJOR PENDING ACTIONS ON BUDGETED OUTLAYS (EXPENDITURES)

Bills (including committee action)	Congressional changes in budgeted 1975 outlays (in thousands)	
	House	Senate
Appropriation bills:		
Public Works and Atomic Energy	+$32, 000	+$65, 000
Interior and related agencies	+8, 300	+11, 000
District of Columbia	—15, 000	—23, 000
HUD, Space, Science, Veterans	—30, 000	—90, 000
Treasury-Postal Service	—77, 000	—57, 000
State, Justice, Commerce, the judiciary	—79, 000	
Labor, Health, Education, and Welfare	—315, 000	
Transportation and related agencies	—355, 000	—265, 000
Defense	—1, 800, 000	
Legislative bills (back door and mandatory):		
Veterans educational benefits	+195, 500	+977, 500
Housing and Community Development Act	(1)	+553, 000
Emergency energy unemployment	(2)	+500, 000
Small business direct loans	+360, 000	
Civil service survivor annuity modification	+202, 000	(3)
Public safety officers death gratuity	+43, 700	(3)
Hopi and Navajo Tribes relocation	+28, 800	

[1] Undetermined.
[2] Rejected.
[3] Action taken last session.

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[1] To be conservative, full employment is here defined as 4½% of the labor force rather than the usual 4%.

Mr. STENNIS. Mr. President, would the Senator yield to me quite briefly?

Mr. McCLELLAN. I yield to the Senator.

Mr. STENNIS. Mr. President, first, I want to commend the Senator from Arkansas for the very fine work that he has done on this voluminous and almost monstrous appropriation bill

I know, to my knowledge, he has worked on it since January of this year and I think the shouting is about over. I think this bill is so tightly and so well put together that there will be very little complaint about it here on the floor.

Next, I am so impressed with the fine grasp that the Senator from Arkansas has in the contents of this entire military program, it was so rapidly that he got into this vast subject matter, in a legislative way he has mastered these weapons systems problems, manpower, that go with the complications of this bill.

This is the tightest appropriation bill that I have seen in a good while. I think it is, by and large, certainly justified in making these allocations.

As he so clearly put it, he is always open to reason and willing to consider the facts, always willing to consider the facts that apply, here on the floor, in conference, or wherever else it is.

On this matter, getting ready for this debate, I want to emphasize that I do not know of anything that comes here to the floor of the Senate that is any more thoroughly gone over than this miiltary program.

It does not detract any at all from the work the Appropriations Committee has done to say that also the Armed Services Committee has been through many of these, the weaponry, especially, the military procurement bill.

Mr. McCLELLAN. Would the Senator yield at this point?

Mr. STENNIS. Yes.

Mr. McCLELLAN. I do not have any figure in mind exactly, but a lot of the reduction the Appropriations Committee was able to make was also due to the work of the Senate Armed Services Committee in the authorizing legislation.

The Senator's committee, with the approval of Congress, made a reduction of over a billion dollars on authorizations—I do not remember the exact amount inserted in the Record—so all of the credit for this reduction does not go to the Committee on Appropriations but also to the Committee on Armed Services.

Mr. STENNIS. The Senator was generous to bring that up. I was not going to make that point, except to say it has gone through two different committees and many subcommittees of each major committee. We have gotten this thing down to the rock bottom, I think. One can still disagree on matters of judgment, but the facts have all been brought out, weighed, and considered.

Yes, there was a reduction by the Committee on Armed Services on the bill, and the bill we brought here to the floor, including the manpower, of about $1.5 billion.

In conference, we were not able to hold all of that reduction. I think the reduction was $921 million in hardware, procurement matters, and an additional amount in research and development.

Our committee does not pass on a high percentage of the matters that are in this bill, such as operation and maintenance, salaries already fixed—there is nothing you can do about that in committee—travel, and so forth. But anyway, my main point is that in this bill the items have been thoroughly considered and these figures are set by those who are in sympathy, so to speak, with the military program. But they want value received for what the Government is spending.

I believe the bill is sound and will prove to be so in debate. It will prove to be a bone and muscle bill for our military services, and for our national security.

Mr. McCLELLAN. Mr. President, I wish to thank the distinguished Senator from Mississippi for his very gracious reference to the work of the Appropriations Committee on this bill.

I think I may have made this statement on the floor a few days ago but I want to make it again today, and I will make it again when we have this bill up for consideration. I say this now for the benefit of those who always insist you can cut the military a great deal more.

Mr. President, we hear a lot about priorities. I think we should remember that the first priority for any individual is self-preservation. That is the first priority of all of us. And that is also true with respect to Government. The first priority is the defense of our country. If we cannot defend our country, if we cannot preserve it, we cannot have the blessings of liberty and freedom that we enjoy today.

So the first priority, Mr. President, in all expenditures is the defense of our country.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. STENNIS. Mr. President, would the Chair indulge me for a moment, please?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following calendar orders numbered 1047, 1048, 1049, 1050, 1053, and 1054, they all having been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTINUATION PAY FOR PHYSICIANS OF THE UNIFORMED SERVICES

The bill (H.R. 15936) to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency was considered, ordered to a third reading, read the third time, and passed.

COMMAND OF FLYING UNITS OF THE AIR FORCE

The bill (S. 3906) to amend title 10, United States Code, by repealing the requirement that only certain officers with aeronautical ratings may command flying units of the Air Force was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 10, United States Code, is amended by repealing section 8577 (relating to the command of flying units of the Air Force) and by striking out the corresponding item in the analysis of chapter 845.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–1094), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The proposed legislation would remove from the law the provision that commanders of Air Force flying units shall be commissioned officers who have received aeronautical ratings as pilots (10 U.S.C. 8577). The legal barrier to command of flying units by commissioned officers who have not received aeronautical ratings as pilots is unecessary in the contemporary environment. It no longer serves the purposes for which it was originally intended.

The restriction on command of Air Force units dates back to 1920, when the Army Air Service sought to protect the integrity of its organization as a separate arm of the service. The original law, a sentence in Section 13a of the Act of June 3, 1916, ch. 134, added by Section 13 of the Act of June 4, 1920, ch. 227 (41 Stat. 769), shielded the fledgling Army Air Service from the parochial interests of competitive branches of the Army, and prohibited the assignment of nonflying commanders who could have inadvertently, or otherwise, inhibited the development of a viable Air Service. The original law achieved its purpose. Today, the need for a law restricting the command of flying units to pilots has been increasingly questioned, and is viewed by some as discriminatory.

Enactment of this proposed legislation will repeal a provision of law no longer considered necessary by the Air Force, and will remove a statutory barrier to command of flying units for a large number of commissioned officers.

COST AND BUDGET DATA

Enactment of this bill would not result in increased budgetary requirements for the Department of Defense.

HUNGARIAN CLAIMS

The Senate proceeded to consider the bill (H.R. 13261) to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes which had been reported from the Com-

mittee on Foreign Relations with an amendment.

Strike out all after the enacting clause and insert:

That the International Claims Settlement Act of 1949, as amended, is further amended as follows:

(1) Section 302, title III, is amended by adding a new subsection (c) as follows:

"(c) The Secretary of the Treasury shall cover into the Hungarian Claims Fund, such sums as may be paid to the United States by the Government of Hungary pursuant to the terms of the United States-Hungarian Claims Agreement of March 6, 1973.".

(2) Section 303, title III, is further amended by striking out the word "and" at the end of paragraph (3), and by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and the word "and".

(3) Section 303, title III, is further amended by adding a new paragraph (5) as follows:

"(5) pay effective compensation for the nationalization, compulsory liquidation, or other taking of property of nationals of the United States in Hungary, between August 9, 1955, and the date the United States-Hungarian Claims Agreement of March 6, 1973, enters into force.".

(4) Section 306, title III, is further amended—

(A) by inserting in subsection (a), immediately before "this title", the following: "paragraph (1), (2), or (3) of section 303 of"; and

(B) by adding at the end thereof the following:

"(c) Within thirty days after enactment of this subsection, or thirty days after enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (5) of section 303, whichever date is later, the Commission shall publish in the Federal Register the time when, and the limit of time within which, claims may be filed with the Commission under paragraph (5) of section 303, which limit shall not be more than six months after such publication.

"(d) Notwithstanding any other provision of this section, any national of the United States who was mailed notice by any department or agency of the Government of the United States with respect to filing a claim against the Government of Hungary arising out of any of the failures referred to in paragraph (1), (2), or (3) of section 303 of this title, and who did not receive the notice as the result of administrative error in placing a nonexistent address on the notice, may file with the Commission a claim under any such paragraph. The Commission shall publish in the Federal Register, within thirty days after enactment of this paragraph, when the limit of time within which any such claim may be filed with the Commission, which limit shall not be more than six months after such publication.".

(5) Section 310, title III, is further amended by adding at the end of subsection (a) thereof a new paragraph (7), as follows:

"(7)(A) Except as otherwise provided in subparagraph (D), whenever the Commission is authorized to settle claims by enactment of paragraph (5) of section 303 of this title with respect to Hungary, no further payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission under paragraphs (2) and (3) of section 303 out of the Hungarian Claims Fund until payments on account of awards certified under paragraph (5) of section 303 with respect to such fund have been authorized in equal proportions to payments previously authorized on existing awards certified under paragraphs (2) and (3) of section 303.

"(B) Except as otherwise provided in subparagraph (D), with respect to awards previously certified under paragraph (1) of section 303, the Secretary of the Treasury shall not authorize any further payments until payments on account of awards certified under paragraphs (2), (3), and (5) of section 303 have been authorized in equal proportions to payments previously authorized on existing awards certified under paragraph (1) of section 303.

"(C) Except as otherwise provided in subparagraph (D), the Secretary of the Treasury shall not authorize any further payments on account of awards certified under paragraph (3) of section 303 based on Kingdom of Hungary bonds expressed in United States dollars or upon awards to Standstill creditors of Hungary that were the subject matter of the agreement of December 5, 1969, between the Government of Hungary and the American Committee for Standstill creditors of Hungary.

"(D) No payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission under paragraph (5) of section 303 of this title, and no further payments shall be so authorized under paragraphs (1), (2), or (3) of section 303 (except payments certified as the result of claims filed under subsection (d) of section 306), until payments on account of awards certified under such paragraphs (1), (2), and (3) as the result of a claims filed under subsection (d) of section 306 have been authorized in equal proportions to payments previously authorized on existing awards certified under such paragraphs and arising out of claims filed other than under such subsection (d).

"(E) The Secretary of the Treasury is authorized and directed to deduct the sum of $125,000 from the Hungarian Claims Fund and cover such amount into the Treasury to the credit of miscellaneous receipts in satisfaction of the claim of the United States referred to in article 2, paragraph 4 of the United States-Hungarian Claims Agreement of March 6, 1973. Such amount shall be deducted in annual installments over the period during which the Government of Hungary makes payments to the Government of the United States as provided in article 4 of the agreement.".

(6) Section 316, title III, is amended by adding a new subsection (c) as follows:

"(C) The Commission shall complete its affairs in connection with the settlement of claims pursuant to paragraph (5) of section 303 of this title not later than two years following the deadline established under subsection (c) of section 306 of this title.".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 13261) was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–1095), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The main purpose of H.R. 13261 is to amend the International Claims Settlement Act of 1949, as amended, to implement the provisions of the claims agreement between the United States and Hungary which was signed on March 6, 1973. The agreement provides for the payment of $18,900,000 (in 20 equal annual installments of $945,000) by the Hungarian Government "in full and final settlement" of all claims of American nationals against Hungary for war damage, nationalization, expropriation and other taking of property.

BACKGROUND

In the World War II peace treaty which was concluded with Hungary on September 15, 1947, the Hungarian Government undertook to restore American-owned property in that country or else provide compensation to the extent of two-thirds of the war damage suffered by it. These undertakings were not honored; nor were American owners compensated for property which was nationalized or otherwise taken subsequent to the date of the peace treaty.

Article 29 of the peace treaty with Hungary provided that assets in the United States belonging to Hungarian nationals might be seized and liquidated and the proceeds used to pay the claims of American citizens. Accordingly, in 1955 the Congress approved legislation (P.L. 84–285) authorizing the vesting and liquidation of previously blocked assets (worth $3,318,614) of the Government of Hungary and its nationals other than natural persons. The proceeds of these assets were placed in a fund in the Treasury Department and used to pay in part the outstanding claims (approximately $58 million) of American nationals against Hungary. Pursuant to the terms of P.L. 84–285, the Hungarian claims program was completed on August 9, 1959. It was not 1965, however, that formal negotiations were begun to obtain compensation for the balance of the claims. Finally, on March 6, 1973, a claims agreement was signed.

PROVISIONS OF AGREEMENT

The main provisions of the claims settlement agreement with Hungary provide that the Hungarian Government will pay the United States $18,900,000 (in 20 annual installments of $945,000 each) in "full and final settlement" of all U.S. claims against Hungary. In addition, the Hungarian Government agrees to relinquish all claims it may have to assets ($3,318,614) which were vested by the U.S. in 1956. The agreement also provides for accelerated payments in the event six per cent of the dollar proceeds of Hungarian imports into the U.S. exceeds the annual installments of $945,000 in any calendar year.

In a series of notes annexed to the claims agreement, the Government of Hungary confirms its intention to settle the problem of dollar bonded indebtedness by direct talks with American bondholders or their representatives, while the U.S. agrees to seek authority from the Congress to accord most-favored-nation treatment to products originating in Hungary. In this connection, it should be noted that, if most-favored-nation treatment is not extended "within a reasonable amount of time," the Hungarian Government "reserves the rights to consult with a view toward considering the continuation of payments" under the terms of the agreement. Finally, the U.S. agrees to earmark $125,000 out of the $18,900,000 to be paid by Hungary for settlement of an outstanding claim relating to an aerial incident which occurred in 1951.

Section-by-Section Analysis

An explanation of the provisions of H.R. 13261 which was submitted by the Foreign Claims Settlement Commission is set forth below.

Paragraph 1. (The enacting clause unnumbered.) Inasmuch as the statute now provides that the Hungarian Claims Fund shall be comprised only of sums blocked, vested and transferred by the Attorney General under the Trading With the Enemy Act, the additional sums paid by Hungary under the Agreement concluded on March 6, 1973 cannot be covered into the Fund. New subsection (b) provides the vehicle for accomplishing this purpose.

Paragraphs 2 and 3. Paragraph 2 involves technical changes in the language of section 303, Title III of the Act to permit the addition of a new paragraph "(5)" as contained in the amendment under paragraph 3. The proposal under paragraph 3 makes provisions for the disposition of new claims against the Government of Hungary included within the agreement of March 6, 1973 which have arisen since August 9, 1955.

Paragraph 4. This proposal requires the normal publication of claims filing period in the Federal Register.

Paragraph 5. This paragraph revamps the award payment provisions with respect to claims against the Government of Hungary in order to insure that new awardees will not obtain a pecuniary advantage over previous awardees. It would limit the extent of payments on new awards to the extent of the percentage paid on previous awards, and then permit the residual balance to be distributed proportionately among all awardees. This paragraph also affects payments on war damage awards granted under paragraph (1) of section 303 of the Act and would prohibit any further payments on such awards until all other awards have been paid in equal proportions as have such awards. Hungarian war damage awardees have received payments out of the War Claims Fund as provided in Public Law 87–846, approved October 22, 1962 (Title II of the War Claims Act of 1948, as amended).

This paragraph further prohibits any further payments on awards under paragraph (3) of Section 303 of the Act based on Kingdom of Hungary bonds expressed in United States dollars and awards to Standstill creditors of Hungary. Claims based on Kingdom of Hungary bonds expressed in United States dollars will be the subject matter of future consideration by the Government of Hungary and were not settled by the March 6, 1973 Agreement. Claims by Standstill creditors of Hungary have been settled under a separate agreement concluded on December 5, 1969 between the Government of Hungary and the American Committee for Standstill creditors of Hungary. This paragraph will prevent double payment on such claims. Finally, this paragraph makes provisions for the payment to the United States of the sum of $125,000,000 in settlement of a claim arising out of an aerial incident in 1951 involving a United States plane.

Paragraph 6. This proposal requires the Commission to complete its affairs with respect to the Hungarian Claims Program not later than two years following the deadline for filing of the new claims.

COMMITTEE ACTION

The Committee on Foreign Relations held a public hearing (printed) on H.R. 13261 on June 27, 1974, at which time Mr. Wayland D. McClellan, General Counsel, Foreign Claims Settlement Commission, testified in support of the bill. In addition, the Committee heard former Senator Frank J. Lausche, who testified that several claimants had failed to receive a notice informing them of the deadline for filing claims under the Hungarian claims program authorized by Public Law 84–285, approved August 9, 1955. The reason the claimants did not receive the notice was because the Foreign Claims Settlement Commission sent it to a non-existent address, and even though the letter of notification was returned to the Commission marked "no such #" the Commission neglected to determine the correct address of the claimants involved. In subsequent correspondence J. Raymond Bell, the Chairman of the Foreign Claims Settlement Commission, wrote that although earlier letters in the claimants' file contained the correct address, the Department of State erroneously recorded that address.

Accordingly, during an executive session held on July 26, 1974, the Committee on Foreign Relations approved H.R. 13261 with an amendment designed to rectify the injustice which resulted when the Foreign Claims Settlement Commission sent the notice in question to a non-existent address and thus deprived certain claimants of the opportunity to file their claims under the Hungarian claims program. The Committee amendment provides that "any national of the United States who was mailed a notice by any department or agency of the Government of the United States with respect to filing a claim against the Government of Hungary . . . and who did not receive the notice as the result of administrative error in placing a non-existent address on the notice" may file a claim with the Foreign Claims Settlement Commission.

The Committee recommends that the Senate give early and favorable consideration to H.R. 13261, as amended.

LAND EXCHANGES IN THE KANIKSU NATIONAL FOREST, WASH.

The bill (S. 3289) to amend the act of August 10, 1939 (53 Stat. 1347), and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 10, 1939 (53 Stat. 1350) is hereby amended to read as follows:

"SEC. 2. Any of the non-Federal lands described in the first section of this Act may be accepted in exchange under the provisions of the Act entitled "An Act to consolidate national forest lands," approved March 20, 1922, as amended (42 Stat. 465; 43 Stat. 1090). All of such lands so accepted in exchange shall thereupon be added to and made a part of the national forest in which they are located and shall thereafter be administered under the laws and regulations relating to the national forests. Lands received in exchange or purchased under the provisions of this Act shall be open to mineral locations, mineral development, and patent, in accordance with the mining laws of the United States.".

SEC. 2. All exchanges made prior to the date of this Act involving any non-Federal lands within the area described in section 1 of the Act of August 10, 1939 (53 Stat. 1347) are hereby approved and confirmed.

ENFORCEMENT OF CUSTOMS AND IMMIGRATION LAWS

The bill (H.R. 10044) to increase the amount authorized to be expended to provide facilities along the border for the enforcement of the customs and immigration laws was considered, ordered to a third reading, read the third time, and passed.

AUTHORIZED NUMBER OF LIEUTENANT COLONELS AND COLONELS IN THE AIR FORCE

The Senate proceeded to consider the bill (H.R. 14402) to amend the act of September 26, 1966 (Public Law 89–606), as amended, to extend for 2 years the period during which the authorized number for the grades of lieutenant colonel and colonel in the Air Force are increased which had been reported from the Committee on Armed Services with an amendment:

Strike out all after the enacting clause and insert the following:

That beginning with October 1, 1974, through September 30, 1976, the columns under the headings "For colonels" and "For lieutenant colonels" contained in the table in section 8202(a) of title 10, United States Code, are suspended. For such period such columns shall read as follows:

"For colonels	"For lieutenant colonels
3,395	6,370
3,743	7,552
4,091	8,733
4,440	9,914
4,788	11,095
5,136	12,276
5,484	13,452
5,833	14,638
6,181	15,819
6,528	17,001
6,876	18,162
7,226	19,363
7,573	20,544
7,921	21,726".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An Act to amend section 8202(a) of title 10, United States Code, to extend for two years the period during which the authorized number for the grades of lieutenant colonel and colonel in the Air Force are increased."

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the votes by which the various bills were passed.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. MONDAY, AUGUST 19, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10:30 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HASKELL ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the name of the Senator from Colorado (Mr. HASKELL) be added to the list of those Senators to be recognized on Monday for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF H.R. 16243, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975

Mr. ROBERT C. BYRD. Mr. President, I have not discussed this with the distinguished Republican leader. It is the desire of Mr. MCCLELLAN to follow at some point during the afternoon on

Tuesday, or no later than 10 o'clock on Wednesday morning, with the Defense appropriation bill. So I ask unanimous consent that at some point following the vote on cloture, which will occur at 2:30 p.m. on Tuesday, or no later than 10 a.m. on Wednesday, the Senate proceed to the consideration of the Defense appropriation bill, that bill having been reported today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday the Senate will convene at 10:30 a.m. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Senators Church, Robert C. Byrd of West Virginia, Allen, Moss, Mansfield, Tower, Griffin and Haskell. There will then be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will proceed to take up the Council on Wage and Price Stabilization bill. Rollcall votes may be anticipated on amendments thereto and on passage thereof during the afternoon.

I ask unanimous consent that no rollcall votes occur on Monday prior to the hour of 5 o'clock p.m.

The PRESIDING OFFICER (Mr. Bartlett). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that the last request be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, upon the disposition of the Council on Wage and Price Stabilization bill, the Chair will lay down the copyrght bill, Calendar Order No. 995, S. 1361. I have doubts that any action will be taken on that bill on Monday.

As for Tuesday, the Senate will convene at 9 a.m. That order is subject to change, but only in the event an earlier convening hour is desired. There will be a period for the transaction of routine morning business, not to extend beyond 9:15 a.m.

From 9:15 a.m. to 1:15 p.m., there will be debate on the consumer protection measure. Debate will be controlled by and divided between Mr. Allen and Mr. Ribicoff. At 1:15 p.m., the 1 hour under rule XXII for debate on the motion to invoke cloture will begin running. At 2:15 p.m., the automatic live quorum will be called, and at about 2:30 p.m. the vote will occur, it being a rollcall vote, on the motion to invoke cloture on the consumer protection measure. What happens thereafter will depend upon the outcome of that vote.

ADJOURNMENT UNTIL 10:30 A.M., MONDAY, AUGUST 19, 1974

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in adjournment until 10:30 a.m., on Monday next.

The motion was agreed to; and, at 2:03 p.m., the Senate adjourned until Monday, August 19, 1974, at 10:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 16, 1974:

Department of Defense

David Samuel Potter, of Virginia, to be Under Secretary of the Navy, vice J. William Middendorf II, elevated.

U.S. Court of Military Appeals

William Holmes Cook, of Illinois, to be a judge of the U.S. Court of Military Appeals for the remainder of the term expiring May 1, 1976, vice William H. Darden, resigned.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

In the Air Force

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Brent Scowcroft, [redacted]FR (brigadier general, Regular Air Force) U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Gerald W. Johnson, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Robert E. Hails, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

Maj. Gen. Marion L. Boswell, [redacted]FR, U.S. Air Force, for appointment as senior U.S. Air Force member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James E. Hill, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Donald G. Nunn, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Richard F. Shaefer, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

In the Army

The following-named officer for appointment as chief, National Guard Bureau, under the provisions of title 10, United States Code, section 3015:

Maj. Gen. LaVern Erick Weber, [redacted], Army of the United States (major general, Army National Guard of the United States).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Bruce Palmer, Jr., [redacted] Army of the United States (major general, U.S. Army).

Col. Frederick Adair Smith, Jr., [redacted], U.S. Military Academy, for appointment as dean of the Academic Board of the U.S. Military Academy under the provisions of title 10, United States Code, sections 4333 and 4335.

In the Navy

Vice Adm. Charles S. Minter, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Raymond E. Peet, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. William T. Rapp, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Vincent P. de Poix, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

In the Marine Corps

Lt. Gens. Foster C. LaHue, George C. Axtell, and Robert P. Keller, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of lieutenant general in accordance with the provisions of title 10, United States Code, section 5233.

In accordance with the provisions of title 10, United States Code, section 5232, Maj. Gens. John N. McLaughlin, Edward S. Fris, and Robert L. Nichols, U.S. Marine Corps, having been designated for commands and other duties determined by the President to be within the contemplation of said section, for appointment to the grade of lieutenant general while so serving.

In the Air Force

Air Force nominations beginning John T. Abell, to be lieutenant colonel, and ending Seymour Wexler, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on July 29, 1974.

Air Force nominations beginning Jere P. Joyner, to be lieutenant colonel, and ending Jerrold J. Shea, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on August 2, 1974.

In the Navy

Navy nominations beginning Donna Jean Algoso, to be lieutenant, and ending Mary Margaret Ziegler, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on July 30, 1974.

In the Marine Corps

Marine Corps nominations beginning John M. Adams, Jr., to be colonel, and ending William M. Yeager, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on July 30, 1974.

HOUSE OF REPRESENTATIVES—*Friday, August 16, 1974*

The House was not in session today. Its next meeting will be held on Monday, August 19, 1974, at 12 o'clock noon.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the second calendar quarter 1974:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_______ <

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.<

AFFIDAVIT

[Omitted in printing]

PAGE 1<

A. Action Committee for Community Services, 1717 Massachusetts Avenue NW., Washington, D.C.

A. Roger D. Allan, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. American Family Corp., 1902 Wynnton Road, Columbus, Ga. 31906.

A. Anthony L. Anderson, Suite 820, 1800 K Street NW., Washington, D.C. 20006.
B. Sun Oil Co., 240 Radnor Chester Road, St. Davids, Pa. 19087.

A. Edward T. Anderson, 1155 15th Street, NW., Washington, D.C. 20005.
B. American Federation of State, County and Municipal Employees, 1155 15th Street NW., Washington, D.C. 20005.

A. J. Donald Annett, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Texaco Inc., 135 East 42d Street, New York, N.Y. 10017.

A. J. Lem Anderson, 400 First Street NW., Washington, D.C. 20001.
B. Time, Inc., Rockefeller Center, New York, N.Y. 10020.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. National Association of Recording Merchandisers, Inc., Trianon Building, Suite 703-20, Conshohocken State Road, Bala Cynwyd, Pa. 19004.

A. Fred Armstrong, Jr., 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. United Mine Workers, 900 15th Street NW., Washington, D.C. 20005.

A. Joseph P. Ashooh, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Fred G. Aten, Jr., 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. American Girl Fashions, Inc., 128 Office Plaza, 220 Forbes Road, Braintree, Mass. 02184.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ampex Corp., 401 Broadway, Redwood City, Calif. 94063.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Bernie Shoe Co., 70 Washington Street, Haverhill, Mass. 01830.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. The John Swenson Granite Co., Inc., Concord, N.H. 03301.

A. Baker & McKenzie, 815 Connection Avenue NW., Washington, D.C. 20006.
B. Welpro, Inc., New Zealand Road, Seabrook, N.H. 03874.

A. Arnold J. Barer, 677 Dexter Horton Building, Seattle, Wash., 98104.
B. Air Club International, 7777 Perimeter Road South, Boeing Field, Seattle, Wash. 98108.

A. Gary Lee Bauer, 968 National Press Building, Washington, D.C. 20045.
B. Direct Mail/Marketing Association.

A. Merle D. Baumgart, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Becker, Sisk & Becker, 1819 H Street NW., Suite 950, Washington, D.C. 20006.
B. Seattle Opera Association, Seattle, Wash.

A. Ralph C. Beerbower, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining, Congress, 1100 Ring Building, Washington, D.C. 20036.

A. T. Mark Benjamin, 18900 Abbotsford Circle, Germantown, Md. 20767.
B. American Telephone Management Systems, 1148 Taft Street, Rockville, Md. 20850.

A. Kathleen M. Bennett, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Thomas P. Bennett, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

A. Berl Bernhard, 1660 L Street NW., Washington, D.C.
B. Commonwealth of Puerto Rico, San Juan, Puerto Rico Government of the Commonwealth of Puerto Rico.

A. William C. Bickel, Suite 700, Blake Building, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Gulf Oil Co.-U.S.

A. Bruce P. Bickner, Sidley & Austin, One First National Plaza, Chicago, Ill. 60670.
B. DeKalb AgResearch, Inc., Sycamore Road, DeKalb, Ill. 60115.

A. Bruce P. Bickner, Sidley & Austin, One First National Plaza, Chicago, Ill. 60670.
B. Heinold Commodities, Inc., 222 East Riverside Plaza, Chicago, Ill. 60606.

A. Linda M. Billings, 324 C Street SE., Washington, D.C. 20003.
B. Sierra Club, 1050 Mills Tower, 220 Bush Street, San Francisco, Calif. 94104.

A. Richard W. Blake, 1776 K Street NW., Washington, D.C. 20006.
B. National Sugarbeet Growers Federation, 1000 10th Street, Greeley, Colo. 80631.

A. Boyden & Kennedy, 1000 Kennecott Building, Salt Lake City, Utah 84133.
B. Hopi Indian Tribe, Oraibi, Ariz.

A. W. W. Brackett, Alaskan Arctic Gas Study Co., P.O. Box 139, Commerce Court Postal Station, Toronto, Ontario, Canada M5L 1E2.
B. Alaskan Arctic Gas Study Co., P.O. Box 979, Anchorage, Alaska 99510.

A. Frank W. Bradley, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
B. Standard Oil Co. of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

A. Gene M. Bradley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash.

A. Lester M. Bridgeman, Bridgeman & Pyeatt, 1030 15th Street NW., Suite 420, Washington, D.C. 20005.
B. Bart B. Chamberlain, Jr., Myrtlewood Lane, Spring Hill, Mobile, Ala.

A. Bridgeman & Pyeatt, 1030 15th Street NW., Suite 420, Washington, D.C. 20005.
B. Bart B. Chamberlain, Jr., Myrtlewood Lane, Spring Hill, Mobile, Ala.

A. Sarah Anne Nation Brite, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. PruLease, Inc., 1225 Boylston Street, Boston, Mass. 02215.

A. Gary W. Bruner, Suite 320, 1750 Pennsylvania Avenue NW., Washington, D.C. 20005.
B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.

A. Delbert Alton Burroughs, Jr., 4925 Auburn Drive South, Mobile, Ala. 36618.
B. National Health Federation, P.O. Box 688, Monrovia, Calif. 91016.

A. James J. Butera, 1709 New York Avenue NW., Washington, D.C.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, New York 10017.

A. Cadwalader, Wickersham & Taft, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mocatta Metals Corp., 25 Broad Street, New York, N.Y.

A. David L. Cantor, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.

A. Chapin Carpenter, Jr., 1629 K Street NW., Suite 603, Washington, D.C. 20006.
B. Magazine Publishers Association, Inc., 575 Lexington Avenue, New York, N.Y. 10022.

A. Leslie Carpenter, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Charles Carroll, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Clark, West, Keller & Sanders, 2424 First National Bank Building, Dallas, Tex. 75202.
B. National Music Publishers' Association, Inc., 110 East 59th Street, New York, N.Y. 10022.

A. Clayton Brokerage Co. of St. Louis, Inc., 7701 Forsyth Boulevard, St. Louis, Mo. 63105.

A. Charles M. Clusen, 324 C Street SE., Washington, D.C. 20003.
B. Sierra Club, 1050 Mills Tower, San Francisco, Calif. 94104.

A. Robert E. Cole, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

A. William J. Colley, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

A. William J. Colley, 1025 Vermont Avenue NW., Washington, D.C. 20005.

B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1025 Vermont Avenue NW., Washington, D.C. 20005.

B. National Ethical Pharmaceutical Association, P.O. Box 13547, St. Petersburg, Fla. 33733.

A. Charles E. Collins, 1602 Rock Creek Drive, Frederick, Md. 21701.

B. Maryland Farm Bureau, Inc., 8930 Liberty Road, Randallstown, Md. 21133.

A. T. Neal Combs, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Sand Springs Home, c/o E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.

A. Richard L. Corrigan, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. David Cosson, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

A. Council for Responsible Nutrition, 1776 K Street NW., Washington, D.C. 20006.

A. Council of Construction Employers, Inc., 1625 I Street NW., Suite 711, Washington, D.C. 20006.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. P. H. Croft.

B. American Shortline Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Robert J. Cushman, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

A. Frank C. Daniel, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. George R. Davis, 100 Indiana Avenue NW., Suite 403, Washington, D.C. 20001.

B. Amalgamated Transit Union, National Capital Local Division 689.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C. 20005.

B. Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.

B. Recycled Paperboard Division of the American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. DeKalb AgResearch, Inc., Sycamore Road, DeKalb, Ill. 60115.

A. Daniel B. Denning, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C.

B. Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York, N.Y. 10006.

A. Charles J. DiBona, 1801 K Street NW., Washington, D.C. 20006.

B. American Petroleum Intsitute, 1801 K Street NW., Washington, D.C. 20006.

A. George J. Donnelly, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Gretchen Cassel Eick, 110 Maryland Avenue NE., Washington, D.C.

B. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C.

A. Electronic Data Systems Corp., 1300 EDS Center, Exchange Park, Dallas, Tex. 75235.

A. Glenn Ellefson-Brooks, 6052 Haverhill Court, Springfield, Va. 22152.

B. Women's Lobby, Inc., 1345 G Street SE., Washington, D.C. 20003.

A. Stuart F. Feldstein.

B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.

A. C. H. Fields, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

A. Robert W. Fischer, Denver Water Department, 144 West Colfax, Denver, Colo. 80202.

B. Board of Water Commissioners, 144 West Colfax, Denver, Colo. 80202.

A. Richard J. Flynn, Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. DeKalb AgResearch Inc., Sycamore Road, DeKalb, Ill. 60115.

A. Richard J. Flynn, Sidley Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, Ill. 60606.

A. E. David Foreman, Jr., 1730 M Street, Suits 511, Washington, D.C. 20036.

B. Ogden Transportation, 277 Park Avenue, New York, N.Y. 10017.

A. Mary Ellen Gale, 410 First Street SE., Washington, D.C. 20003.

B. American Civil Liberties Union, 22 East 40th Street, New York, N.Y. 10016.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70003.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

A. Arthur P. Gildea, 2347 Vine Street, Cincinnati, Ohio 45219.

B. National Conference of Brewery and Soft Drink Workers, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Affiliate, 300 South Ashland Boulevard, Chicago, Ill. 60607.

A. Martin D. Ginsburg, Weil, Gotshal & Manges, 767 Fifth Avenue, New York, N.Y. 10022.

B. Association of American Publishers.

A. Marvin Goodson, Professional Corp., 10850 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. David E. Greene, 8 Charles Plaza, Suite 304, Baltimore, Md. 21201.

A. Grey & Davis, Inc., 777 Third Avenue, New York, N.Y. 10017.

B. American League of Anglers, Inc., 810 18th Street NW., Washington, D.C. 20006.

A. Theodore R. Groom, 1211 Connecticut Avenue, Washington, D.C. 20036.

B. Trustees of the Western Conference of Teamsters Pension Trust Fund, 2300 Eastlake Avenue, East Seattle, Wash. 98102.

A. Samuel Gusman, 1025 Connecticut Avenue NW., Suite 202, Washington, D.C. 20036.

B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. CB&T Bancshares Inc., 1148 Broadway, Columbus, Ga. 31901.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Suite 400, Washington, D.C. 20006.

B. Standard Oil Co. (Indiana), 200 East Randolph Street, Chicago, Ill. 60601.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20038.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. The Havens Relief Fund Society, 289 Park Avenue South, New York, N.Y. 10010.

A. Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, Ill. 60606.

A. Harold J. Heinold, 222 South Riverside Plaza, Chicago, Ill. 60606.

B. DeKalb AgResearch, Inc., Sycamore Road, DeKalb, Ill. 60115.

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B. Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, Ill. 60606.

A. George F. Hennrikus, Jr.

B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.

A. Morris Hershson, 370 Lexington Avenue, New York, N.Y. 10017.

B. National Barrel & Drum Association, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wilson Tressler Hileman, Jr., 2601 Woodley Place NW., Washington, D.C. 20008.

B. National Committee for Effective No-Fault, 2535 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Hogan & Hartson, 815 Connecticut Avenue, Washington, D.C. 20006.

B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.

A. Ruthellen Holtz, 3322 Buchanan Street, Apt. 301, Mount Ranier, Md. 20822.

B. National Committee for Effective No-Fault, 2535 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Fortescue W. Hopkins, P.O. Box 218, Daleville, Va.

B. Virgil L. Frantz, Graham-White Manufacturing Co., P.O. Box 1099, Salem, Va.

A. Houger, Garvey, Schubert and Barnes, 1019 19th Street, NW., Suite 810, Washington, D.C. 20036.

B. States Steamship Co., 320 California Street, San Francisco, Calif.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.
B. American National Financial Corp., 300 Delaware Avenue, Wilmington, Del. 19801.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.
B. Lomas & Nettleton Financial Corp., 2001 Bryan Tower, Dallas, Tex. 75222.

A. Stanley W. Hulett, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Lawrence H. Hunt, One First National Plaza, Chicago, Ill. 60670.
B. DeKalb AgResearch, Inc., Sycamore Road, DeKalb, Ill.

A. Lawrence H. Hunt, One First National Plaza, Chicago, Ill. 60670.
B. Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, Ill. 60115.

A. Gerard F. Hurley, 2000 K Street NW., Washington, D.C. 20006.
B. National Swimming Pool Institute, 2000 K Street NW., Washington, D.C. 20006.

A. Sarah B. Ignatius, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

A. Independent Cosmetic Manufacturers & Distributers, Inc., 1819 H Street NW., Washington, D.C. 20006.

A. Independent Gasoline Marketers Council, Suite 900, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Theodore Jaffe, 75 Rockefeller Plaza, Third Floor, New York, N.Y. 10019.
B. Warner Communications Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.

A. A. W. Jessup, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. Billy B Johnson, 7724 17th Street NE., Seattle, Wash. 98115.
B. Alaska Federation of Natives, 133 Queen Anne Avenue, North, Seattle, Wash. 98109.

A. Stanley L. Johnson, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Texaco Inc., 135 East 42d Street, New York, N.Y. 10017.

A. Julie C. Keller, 401 Wilcox Building, Portland, Oreg. 97204.
B. Oregon Filbert Commission, 12295 Southwest Main, Tigard, Oreg. 97223.

A. William Kelley, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.

A. Kennedy, Holland, DeLacy & Svoboda, 1900 One First National Center, Omaha, Nebr. 68102.
B. Governors of the Knights of Ak-Sar-Ben, 63 and Shirley Streets, Omaha, Nebr. 68106.

A. John V. Kenny.
B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.

A. Thomas P. Kerester, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Balcor Co., One Concourse Plaza, 4711 Golf Road, Skokie, Ill. 60076.

A. David S. King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. Syndicat des Distillateurs de Sucre de Madagascar.

A. Helen Marie M. Klein, 215 Loyola Drive, Millbrae, Calif. 94030.
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A. Stephen W. Kraus, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Daniel M. Kush, 1615 H Street NW., Washington, D.C. 20006.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20006.

A. Jeffrey M. Lang, Bridgeman & Pyeatt, 1030 15th Street NW., Suite 420, Washington, D.C. 20005.
B. Bart B. Chamberlain, Jr., Myrtlewood Lane, Spring Hill, Mobile, Ala.

A. Thomas A. Lankard, 700 E Street SE., Washington, D.C. 20003.
B. National Association of State Savings and Loan Supervisors, 500 12th Street SW., Suite 810, Washington, D.C.

A. Corinne M. Leach, 6200 24th NE., Seattle, Wash. 98115.
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A. Charles W. Lee, 148 Duddington Place SE., Washington, D.C. 20003.
B. Committee for Full Funding of Education Programs, 148 Duddington Place SE., Washington, D.C.

A. Arthur W. Leibold, Jr., 888 17th Street NW., Washington, D.C. 20006.
B. PMI Investment Corp., P.O. Box 3836, San Francisco, Calif. 94119.

A. Edward N. Lennox, Suite 1710, 1010 Common Street, New Orleans, La. 70112.
B. Southern Industries Corp., Suite 1710, 1010 Common Street, New Orleans, La. 70112.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Board of Commissioners, County of Wayne, City-County Building, Detroit, Mich. 48226.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. The Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill. 60611.

A. Edward J. Lord, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind. 46206.

A. C. Lance Lujan, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., Two North 9th Street, Allentown, Pa. 18101.

A. Robert N. Lynch.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street, Suite 400, Washington, D.C. 20036.

A. Richard Lyng, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, 1600 Wilson Boulevard, Arlington, Va.

A. Ronald M. Marcus, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

A. Len Martin, Sykeston, N. Dak.

A. Mayer, Brown & Platt, 231 South LaSalle Street, Chicago, Ill. 60604.
B. Scott, Foresman & Co., 1900 East Lake Avenue, Glenview, Ill. 60025.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

A. Jane McMichael.
B. National Women's Political Caucus, 1921 19th Street NW., Third Floor, Washington, D.C. 20006.

A. Gerald J. Mehlman, 450 North Roxbury Drive, Beverly Hills, Calif. 90210.
B. Kaplan, Livingston, Goodwin, Berkowitz & Selvin, 450 North Roxbury Drive, Beverly Hills, Calif. 90210.

A. J. Neal Miller, Jr., P.O. Box 2100, Houston, Tex. 77001.
B. Gulf Oil Co.-U.S., Houston, Tex.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Havens Relief Fund Society, 289 Park Avenue South, New York, N.Y., 10010.

A. Clarence W. Moore, Woodward Building, Washington, D.C., 20005.
B. National Barrel and Drum Association Inc., 1028 Connecticut Ave., NW., Washington, D.C. 20036.

A. David C. Murchison, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Selected Morticians, 1616 Central Street, Evanston, Ill. 60201.

A. D. Michael Murray, 1120 Connecticut Avenue, Suite 842, Washington, D.C. 20036.
B. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn. 55101.

A. Fred A. Myers, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. National Association of Recording Merchandisers, Inc., Trianon Building, Suite 703, 20 Conshohocken State Road, Bala Cynwyd, Pa. 19004.

A. National Clean Air Coalition, Inc., 1609 Connecticut Avenue NW., Washington, D.C. 20009.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street, Suite 400, Washington, D.C. 20036.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Encyclopedia Britannica Educational Corp., 425 North Michigan Avenue, Chicago, Ill.

A. National Organization for the Reform of Marijuana Laws, 2317 M Street NW., Washington, D.C. 20037.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

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A. National Women's Political Caucus, 1921 19th Street NW., Washington, D.C. 20006.

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B. Independent Cosmetic Manufacturers, and Distributors, Inc., 1819 H Street NW., Washington, D.C. 20006.

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B. Japanese American Citizens League, 22 Peace Plaza, Suite 203, San Francisco, Calif. 94115.

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B. Committee for Study of Revenue Bond Financing, 1200 18th Street NW., Washington, D.C. 20036.

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B. National Association of Women's & Children's Apparel Salesmen (NAWCAS), 515 Peachtree-Palisades Building, Atlanta, Ga.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Hockey League, Two Pennsylvania Plaza, Suite 2480, New York, N.Y. 10001.

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A. Leif Oxall, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Old Home Manor, Inc., Homer City, Pa.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass.

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B. Tax Corp. of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

A. Paul Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, N.Y. 10022.
B. Warner Communications Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.

A. Pennsylvania Power & Light Co., Two North Ninth Street, Allentown, Pa. 18101.

A. Sam Pickard, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 N. Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Ralph Pomerance, Jr., 2017 Allen Place NW., Washington, D.C. 20009.
B. National Clean Air Coalition, Inc., 1609 Connecticut Avenue NW., Washington, D.C. 20009.

A. Everett O. Post, 1551 K Street NW., Washigton, D.C., 20005.
B. National Association of Service Contractors, 1551 K Street NW., Washington, D.C. 20005.

A. John Post, 888 17th Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 405 Lexington Avenue, New York, N.Y. 10017.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1620 I Street, Suite 714, Washington, D.C. 20006.
B. Seafarers International Union of North America, 675 Fourth Avenue, Brooklyn, N.Y. 11232.

A. Public Relations Counselors Inc., 2601 Peachtree Center Building, Atlanta, Ga. 30303.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

A. Richard J. Ragan, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
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B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. Nevada Resort Association, 932 East Sahara, Las Vegas, Nev. 89105.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW, Washington, D.C. 20036.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Frank Powell Sanders, 815 Connecticut Avenue NW., Washington, D.C.
B. The Signal Cos., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Charles E. Sandler, 1801 K Street, Washington, D.C. 20006.
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A. Peter G. Sandlund, 919 18th Street NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Associations, 30–32 St. Mary Axe, London EC3A 8ET, England.

A. Sand Springs Home, Sand Springs, Okla.

A. Robert L. Schmidt, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass.

A. Mahlon C. Schneider.
B. Green Giant Co., Le Sueur, Minn. 56058.

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B. Maryland State Fair and Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21903.

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B. National Remodelers Association, 50 East 42d Street, New York, N.Y. 10017.

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B. Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, Ill. 60606.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
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A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Marvin Goodson, Professional Corp., 10850 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. MCA, Inc., 100 Universal City Plaza, Universal City, Calif. 91608.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C. 20002.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National League of Insured Savings Association, 1200 17th Street NW., Washington, D.C. 20036.

A. James E. Simmons, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
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B. National Swimming Pool Institute, 2000 K Street NW., Washington, D.C. 20006.

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A. John H. Studebaker, 2501 Calvert Street NW., Washington, D.C. 20008.
B. Lear Motors Corp., Reno, Nev.

A. John H. Studebaker, 2501 Calvert Street NW., Washington, D.C. 20008.
B. National Caves Association, Skyline Caverns, Front Royal, Va.

A. Roger H. Sullivan, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, P.O. Box 2450, Honolulu, Hawaii 96804.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. World Airways, Inc., Oakland International Airport, Oakland, Calif. 94614.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
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B. Catrala, 1725 K Street NW., Washington, D.C.

A. J. Woodrow Thomas Associates, Inc., 734 15th Street NW., Washington, D.C. 20005.
B. R. Markey & Sons, Inc., 99 Wall Street, New York, N.Y. 10005.

A. Bert M. Thompson, 666 11th Street NW., Washington, D.C. 20001.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Billy G. Thompson, 1730 Pennsylvania Avenue NW., Suite 230, Washington, D.C. 20006.
B. Alaskan Arctic Gas Pipeline Co., P.O. Box 979, Anchorage, Alaska 99510.

A. J. Marsh Thomson, 1701 K Street NW., Washington, D.C. 20006.
B. National Oil Jobbers Council, 1701 K Street NW., Washington, D.C. 20006.

A. Maurice B. Tobin, Potlatch Corp., 1010 16th Street NW., Washington, D.C.
B. Potlatch Corp., One Maritime Plaza, Box 3591, San Francisco, Calif.

A. Richard P. Trotter, 925 15th Street NW., Washington, D.C.
B. National Association of Realtors, 155 East Superior Street, Chicago, Ill.

A. United States Committee for the Oceans, 245 Second Street NE., Washington, D.C. 20002.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allied Chemical Corp., P.O. Box 1057R, Morristown, N.J. 07960.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Co., of America, Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Washington, D.C. 20005.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Motors Corp., General Motors Building, Detroit, Mich. 48202.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Illinois Central Industries, 111 E. Wacker Drive, Chicago, Ill. 60601.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Steel Corp., 2800 Grant Building, Pittsburgh, Pa. 15219.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Time, Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 1625 K Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Bipartisan Committee on Absentee Voting, Inc., Suite 614, 1800 K Street NW., Washington, D.C. 20006.

A. George D. Webster, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Springs Home, c/o E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. Canada-France-Hawaii Telescope Corp., Institute for Astronomy, 2840 Kolowalu Street, Honolulu, Hawaii 96822.

A. Barbara Werner, 215 Third Street NE., Washington, D.C. 20002.
B. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.

A. George Wilkens, 222 South Riverside Plaza, Chicago, Ill. 60606.
B. DeKalb AgResearch, Inc., Sycamore Road, DeKalb, Ill. 60115.

A. George Wilkens, 222 South Riverside Plaza, Chicago, Ill. 60606.
B. Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, Ill. 60606.

A. Williams, Connolly & Califano, 839 17th Street NW., Washington, D.C. 20006.
B. Northwest Industries, Inc., 400 West Madison Street, Chicago, Ill. 60606.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Blomquist, Batte & Campbell, Inc., 1039 College Avenue, Wheaton, Ill. 60187.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Executive & Employee Benefit Plans, Inc., P.O. Box 4626, Columbus, Ohio 43212.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. School Bus Manufacturers Institute, 5530 Wisconsin Avenue NW., Suite 1220, Washington, D.C. 20015.

A. John C. Williamson, 1730 Rhode Island Avenue, Washington, D.C. 20036.
B. Potere, Inc., 470 Elmora Avenue, Elizabeth, N.J. 07208.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. National Corp. for Housing Partnerships and The National Housing Partnerships, 1133 15th Street NW., Washington, D.C. 20005.

A. Winston and Strawn, Suite 1040, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Gould, Inc., 8550 West Bryn Mawr Avenue, Chicago, Ill. 60631.

A. Winston and Strawn, Suite 1040, 1730 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. International Council of Shopping Centers, 445 Park Avenue, New York, N.Y. 10022.

A. John H. Witmer, Jr., Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. DeKalb AgResearch, Inc., Sycamore Road, DeKalb, Ill. 60115.

A. John H. Witmer, Jr., Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, Ill. 60606.

A. David G. Wood, 1825 K Street NW., Washington, D.C. 20006.
B. United Air Lines, P.O. Box 66100, Chicago, Ill. 60666.

A. Albert Young Woodward, 815 Connecticut Avenue NW., Washington, D.C.
B. Burmah Oil and Gas Co., P.O. Box 94193, Houston, Tex. 77018.

A. World Federalists, USA, 1424 16th Street NW., Washington, D.C. 20036.

A. Edward E. Wright, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Rubber Manufacturers Association, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. John H. Yingling, Yingling & Shay, 1156 15th Street NW., Suite 701, Washington, D.C. 20005.
B. First Federal Savings & Loan Association of Phoenix, 3003 North Central Avenue, Phoenix, Ariz. 85012.

A. J. S. Yonk, P.O. Box 5108, Greenwood Plaza, Denver, Colo. 80217.
B. Johns-Manville, P.O. Box 5108, Greenwood Plaza, Denver, Colo. 80217.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1974:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

NOTE ON ITEM "D."—(*a*) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(*c*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)

6. $--------TOTAL for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year

8. $--------TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $--------TOTAL now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ------------------, 19----)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(*a*) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures

9. $--------TOTAL for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year

11. $--------TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $--------TOTAL now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

PAGE 2

A. Aberg, Bell, Blake & Metzner, 222 West Washington Avenue, Madison, Wis., 53703.

B. Credit Union National Association, Inc., ICU Services Corp., 1617 Sherman Avenue, Madison, Wis. 53704.

D. (6) $4,467.

A. Robert K. Aberg, 222 West Washington, Avenue, Madison, Wis. 53703.

B. Aberg, Bell, Blake & Metzner, 222 West Washington Avenue, Madison, Wis. 53703.

D. (6) $2,456.85. E. (9) $716.59.

A. John J. Adams, Suite 1060, 1730 Pennsylvania Avenue NW., Washington, D.C.

B. Ethyl Corp., 330 South Fourth Street, Richmond, Va.

D. (6) $150.

A. John J. Adams, Suite 1060, 1730 Pennsylvania Avenue NW., Washington, D.C.

B. Vepco, Seventh and Franklin Streets, Richmond, Va.

D. (6) $250.

A. Clarence G. Adamy, 1725 I Street NW., Washington, D.C.

B. National Association of Food Chains, 1725 I Street NW., Washington, D.C.

D. (6) $300.

A. Ad Hoc Committee of Shipbuilders, 1200 18th Street NW., Washington, D.C. 20036.

D. (6) $980.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

D. (6) $9,199.44. E. (9) $9,199.44.

A. Aircraft Owners & Pilots Association, P.O. Box 5800, Washington, D.C. 20014.

E. (9) $494.44.

A. Air Traffic Control Association, Suite 409 ARBA Building, 525 School Street SW., Washington, D.C. 20024.

A. Alderson, Catherwood, Ondov & Leonard, 105 East Oakland Avenue, Austin, Minn. 55912.

B. The Hormel Foundation, Austin, Minn. 55912.

D. (6) $1,580. E. (9) $234.28.

A. Willis W. Alexander, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,500.

A. Roger D. Allan, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Amalgamated Transit Union, National Capitol Local Division 689, 100 Indiana Avenue NW. Suite 403, Washington, D.C. 20001.

A. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.

D. (6) $8,415.95. E. (9) $8,415.95.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.

D. (6) $46.45. E. (9) $9.65.

A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. The American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.

D. (6) $2,102.18. E. (9) $2,102.18.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.

D. (6) $7,780.35. E. (9) $7,780.35.

A. American Family Corp., 1902 Wynnton Road, Columbus, Ga. 31906.

E. (9) $1,847.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; Washington Offices: 425 13th Street NW., Washington, D.C. 20004.

D. (6) $45,956. E. (9) $45,956.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

E. (9) $64,017.78.

A. American Feed Manufacturers Association, Inc., 1701 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $300. E. (9) $300.

A. American Frozen Food Institute, 919 18th Street N.W., Washington, D.C. 20006.

D. (6) $115,426.35. E. (9) $2,169.21.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $3,141.55. E. (9) $3,387.65.

A. The American Humane Association, 5351 South Roslyn Street, P.O. Box 1266, Englewood, Colo.

E. (9) $1,800.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.

D. (6) $36,537.38. E. (9) $36,537.38.

A. American Israel Public Affairs Committee, 1341 G Street NW., Washington, D.C. 20005.

D. (6) $25,976.48. E. (9) $36,344.34.

A. American Land Title Association, Suite 303, 1828 L Street NW., Washington, D.C. 20036.

E. (9) $2,109.36.

A. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

E. (9) $1,008.85.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

E. (9) $25,122.47.

A. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.

E. (9) $5,060.

A. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.

E. (9) $621.11.

A. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.

D. (6) $7,359.73. E. $7,359.73.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

E. (9) $1,584.86.

A. American Parents Committee, Inc., 52 Vanderbilt Avenue, New York, N.Y. 10017.

D. (6) $2,805.10. E. (9) $472.27.

A. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $13,854. E. (9) $46,235.

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.

D. (6) $7,775.54. E. (9) $7,775.54.

A. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.

E. (9) $14,229.06.

A. American Postal Workers Union AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.

D. (6) $1,306,728.33. E. (9) $76,714.28.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. American Shortline Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,049.29. E. (9) $1,049.29.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.

B. National Customs Brokers & Forwarders Association of America, Inc., One World Trade Center, Suite 1109, New York, N.Y. 10048.

D. (6) $175. E. (9) $102.94.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $25.46.

A. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C. 28281.

D. (6) $19,652.21. E. (9) $19,652.21.

A. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $10,290.06. E. (9) $52,260.17.

A. The American Waterways Operators, Inc., 1250 Connecticut Avenue, Suite 520 Washington, D.C. 20036.

D. (6) $113,057. E. (9) $2,710.60.

A. Ted E. Amick, 1616 H Street NW., Washington D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington D.C. 20006.

D. (6) $750.

A. Donald E. Anderson.

B. National Cable Television Association, 918 16th Street NW., Washington, D.C.

D. (6). $8,750. E. (9) $75.

A. J. Lem Anderson, 400 First Street NW., Washington, D.C. 20001.

B. Eastex, Inc., 219 North Bowie Street, Jasper, Tex.

A. J. Lem Anderson, 400 First Street NW., Washington, D.C. 20001.

B. Time, Inc., Rockefeller Center, New York, N.Y. 10020.

D. (6) $1,333. E. (9) $247.09.

A. Scott P. Anger, 1725 K Street NW., Washington, D.C. 20006.

B. The Superior Oil Co., P.O. Box 1521, Houston, Tex. 77001.

A. J. Donald Annett, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.

D. (6) $220.

A. Leonard Appel, 425 13th Street NW., Suite 1032, Washington, D.C. 20004.

B. Everett Terminal Co., Inc., P.O. Box 1478, Hewitt Avenue Marine Terminal, Everett, Wash. 98206.

D. (6) $5,213.24. E. (9) $173.24.

A. John C. Archer, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $550. E. (9) $300.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $320. E. (9) $7.50.

A. Fred Armstrong, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Family Corp., 1902 Wynnton Road, Columbus, Ga. 31906.
D. (6) $1,825. E. (9) $22.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $10,000.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Electronic Data Systems Corp., 1300 EDS Center, Exchange Park, Dallas, Tex. 75235.
E. (9) $32.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Realty Committee, 230 Park Avenue, New York, N.Y. 10017.
D. (6) $1,250. E. (9) $55.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.
D. (6) $875. E. (9) $56.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. American Bottled Water Association, 1411 West Olympic Boulevard, Los Angeles, Calif. 90015.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Fairchild Camera and Instrument Corp., 464 Ellis Street, Mountain View, Calif. 94040.
D. (6) $900. E. (9) $225.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Hoffmann-La Roche Inc., Nutley, N.J. 07110.
D. (6) $300. E. (9) $4.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Montgomery County, Maryland, Lawyers Association c/o George Ballman, 3720 Farragut Street, Kensington, Md. 20795.
D. (6) $560. E. (9) $198.75.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Puerto Rican Government Economic Development Administration, GPO Box 2350, San Juan, P.R. 00936.
D. (6) $1,987.50. E. (9) $60.56.

A. Joseph Ashooh, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Judith A. Assmus, 1763 R Street NW., Washington, D.C. 20009.
B. Washington Research Project Action Council, 1763 R Street NW., Washington, D.C. 20009.
D. (6) $1,000.

A. Associated Employers, Inc., 8107 Broadway, Suite 202, San Antonio, Tex. 78209.
E. (9) $291.54.

A. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Association for the Advancement of Invention & Innovation, Suite 301, Crystal Mall 1, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $3,575. E. (9) $2,013.04.

A. Association of American Railroads, American Railroads Building, Room 211, 1920 L Street NW. Washington, D.C. 20036.
D. (6) $12,374.85. E. (9) $12,374.85.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington D.C. 20036.

A. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $500.

A. Associated Third Class Mail Users, Suite 607 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $300.

A. Fred G. Aten, Jr., 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $100.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $900. E. (9) $250.

A. Robert L. Augenblick, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $15.

A. Richard W. Averill, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $800. E. (9) $301.

A. Kenneth L. Bachman, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Donald L. Badders, 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW Credit Data, 100 Oceangate, Suite 800, Long Beach, Calif. 90802.
D. (6) $700. E. (9) $230.25.

A. Baer & Marks, 70 Pine Street, New York, N.Y. 10005.
B. Commodity Exchange, Inc., 81 Broad Street, New York, N.Y. 10004.
D. (6) $1,750. E. (9) $85.

A. John C. Bagwell, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Honolulu, Hawaii.

A. James F. Bailey, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $6,175. E. (9) $771.10.

A. Grace C. Baisinger, 2870 Arizona Terrace NW., Washington, D.C. 20016.
B. The National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $833.20.

A. Thomas F. Baker, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association.
D. (6) $66.72.

A. Donald Baldwin, 906 1625 I Street NW., Washington, D.C. 20006.
B. Pepco, 1900 Pennsylvania Avenue NW., Washington, D.C. 20006; American Electric Power Co., 2 Broadway, New York, N.Y. 10004.
D. (6) $4,208. E. (9) $456.

A. Donald F. Bale, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $380. E. (9) $100.

A. Markham Ball, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y.

A. Thomas H. Barksdale, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $8,250. E. (9) $338.

A. Robert C. Barnard, 1250 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Robert C. Barnard, 1250 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington. D.C. 20036.

A. Robert C. Barnard, 1250 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Irvin L. Barney, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo. 64112.
D. (6) $5,166.65.

A. Barrett Smith Schapiro & Simon, 26 Broadway, New York, N.Y. 10004.
B. New York Cocoa Exchange, Inc., 127 John Street, New York, N.Y.; New York Coffee and Sugar Exchange, Inc., 79 Pine Street, New York, N.Y.
D. (6) $10,000. E. (9) $150.

A. Robert W. Barrie, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $250.

A. Fraser Barron, 1054 Potomac Street NW., Washington, D.C. 20007.
B. Havasupai Tribal Council, Supai, Ariz. 86435.
D. (6) $2,737.50. E. (9) $222.04.

A. David S. Barrows, 214 Century Building, Portland, Oreg. 97205.
B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. T. Michael Barry, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $197.06.

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A. Weldon Barton.

B. The Farmers' Educational & Co-Operative Union of America, P.O. Box 2251, Denver, Colo.

D. (6) $4,286.18. (E) (9) $73.38.

—

A. William M. Bates, Bell & Stanton, Inc., 2016 Peachtree Center Building, Atlanta, Ga. 30303.

B. Georgia Farm Bureau Federation.

D. (6) $3,000. E. (9) $1,880.95.

—

A. Batzell & Nunn, 1523 L Street NW., Washington, D.C. 20005.

B. Independent Gasoline Marketers Council, 1747 Pennsylvania Ave. NW., Suite 900, Washington, D.C. 20006.

D. (6) $2,500. E. (9) $1,416.26.

—

A. Batzell & Nunn, 1523 L Street NW., Washington, D.C. 20005.

B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.

D. (6) $500.

—

A. Gary Lee Bauer, 968 National Press Building, Washington, D.C. 20045.

B. Direct Mail/Marketing Association, 968 National Press Building, Washington, D.C. 20045.

D. (6) $10,000. E. (9) $3,300.

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A. Donald S. Beattie, Congress of Railway Unions, 400 First Street NW,, Washington, D.C. 20001.

B. Congress of Railway Unions.

E. (9) $1,609.70.

—

A. Daniel S. Bedell, 1125 15th Street NW., Suite 600, Washington, D.C. 20005.

B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $5,546.32. E (9) $513.73.

—

A. Ralph C. Beerbower, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $1,075.

—

A. John H. Beidler, 1125 15th Street NW., Suite 600, Washington, D.C. 20005.

B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $8,059.96. E. (9) $477.24.

—

A. Page Belcher, 1701 Pennsylvania Avenue NW., Suite 404, Washington, D.C. 20006.

E. (9) $74.

—

A. Thomas S. Belford, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $225.

—

A. Berry & Gipson, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Atalanta Corp., 17 Varick Street, New York, N.Y. 10013.

D. (6) $7,975. E. (9) $112.56.

—

A. Berry & Gipson, 1700 Pennsylvania Aveenue NW., Washington, D.C. 20006.

B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

E. (9) $1,000.

—

A. Berry & Gipson, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. OEHEG, A-6020 Innsbruck, Sudtiroler Platz 8, Austria; OEMOLK, 1010 Wien, Wedertorgasse 5, Austria, Austrian.

E. (9) $1,134.10.

—

A. Max N. Berry, Berry & Gipson, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

—

A. Robert L. Bevan, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,000. E. (9) $640.

—

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $8,853. E. (9) $255.70.

—

A. Walter J. Bierwagen, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

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A. Tracy Bird, 1725 K Street NW., Suite 302, Washington, D.C. 20006.

B. National Motorsports Committee of ACCUS, 1725 K Street NW., Suite 302, Washington, D.C. 20006.

D. (6) $275. E. (9) $166.38.

—

A. Lydia Bitter, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) $320. E. (9) $320.

—

A. Neal R. Bjornson, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $1,250. E. (9) $59.57.

—

A. John W. Black, 1800 K Street NW., Suite 920, Washington, D.C. 20006.

B. Bank of America N.T. & SA, Bank of America Plaza, San Francisco, Calif 94137.

—

A. Brent Blackwelder, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C.

D. (6) $799.18.

—

A. Richard W. Blake, 1776 K Street NW., Washington, D.C. 20006.

B National Sugarbeet Growers Federation, 1000 10th Street, Greeley, Colo. 80631; 1776 K Street NW., Washington, D.C. 20006.

—

A. Richard W. Bliss, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, DC. 20036.

D. (6) $725.

—

A. Jerald Blizin, 1425 K Street NW., Washington, D.C.

B. Hill & Knowlton, 633 Third Avenue, New York, N.Y. 10017.

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A. Blumberg, Singer, Ross, Gottesman & Gordon, 245 Park Avenue, New York, N.Y. 10017.

B. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

D. (6) $5,500.

—

A. Becky Bogard, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $360.

—

A. Theodore H. Bornstein, 1424 16th Street NW., Washington, D.C. 20036.

B. World Federalists, USA, 1424 16th Street NW., Washington, D.C. 20036.

D. (6) $3,125.04. E. (9) $242.15.

—

A. Charles E. Bosley, 100 Maryland Avenue NE., Washington, D.C.

B. Council for a Livable World.

D. (6) $5,400.

—

A. G. Stewart Boswell, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C. 28281.

D. (6) $1,019.77. E. (9) $174.65.

—

A. Charles G. Botsford, 1730 M Street NW., Suite 609, Washington, D.C. 20036.

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A. A. D. Bourland, 1660 L Street NW., Suite 804, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grant Boulevard, Detroit, Mich.

D. (6) $3,000. E. (9) $1,449.51.

—

A. Kenneth J. Bousquet, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. General Atomic Co., San Diego, Calif.

D. (6) $1,600. E. (9) $350.

—

A. J. Wiley Bowers, 415 Pioneer Building, Chattanooga, Tenn. 37402.

B. Tennessee Valley Public Power Association, 415 Pioneer Building, Chattanooga, Tenn. 37402.

—

A. Edward L. Bowley, 817 14th Street NW., Washington, D.C.

B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C.

D. (6) $7,933.35. E. (9) $1,851.27.

—

A. Boyden & Kennedy, 1000 Kennecott Building, Salt Lake City, Utah 84133.

B. Hopi Indian Tribe, Oraibi, Ariz.

E. (9) $3,402.38.

—

A. Melvin J. Boyle, 1125 15th Street NW., Washington, D.C. 20005.

B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $6,333.

—

A. Frank W. Bradley, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

B. Standard Oil Co. of California, Suite 1204, 1700 K Street, NW., Washington, D.C. 20006.

E. (9) $25.

—

A. George E. Bradley, 1341 G Street NW., Washington, D.C. 20005.

B. Organization of Professional Employees of USDA (OPEDA), 1341 G Street NW., Washington, D.C.

D. (6) $1,260. E. (9) $25.

—

A. Wayne W. Bradley, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $1,250. E. (9) $574.

—

A. Charles N. Brady, 8111 Gatehouse Road, Falls Curch, Va. 22042.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

—

A. Joseph E. Brady, 5018 East Summer Moon Lane, Phoenix, Ariz. 85044.

B. National Coordinating Committee of the Beverage Industry.

—

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $320.76. E. (9) $19.69.

A. Robert M. Brandon, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $425.

A. Edward J. Brenner, Suite 301, Crystal Mall 1, 1911 Jefferson Davis Highway, Arlington, Va. 22202.

A. Lester M. Bridgeman, 1030 15th Street NW., Suite 420, Washington, D.C. 20005.
B. Bart B. Chamberlain, Jr., Myrtlewood Lane, Spring Hill, Mobile, Ala.
D. (6) $255. E. (9) $1.25.

A. Bridgeman & Pyeatt, 1030 15th Street NW., Suite 420, Washington, D.C. 20005.
B. Bart B. Chamberlain, Jr., Myrtlewood Lane, Spring Hill, Mobile, Ala.
D. (6) $675. E. (9) $37.50.

A. Parke C. Brinkley, 1155 15th Street NW., Washington, D.C. 20005.
B. National Agricultural Chemicals Association.

A. Wally Briscoe.
B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.
D. (6) $135. E. (9) $16.50.

A. John Broadbent, 161 East 42d Street, New York, N.Y. 10017.
B. Recycled Paperboard Division of the American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. John Broadbent, Dunnington, Bartholow & Miller, 161 East 42d Street, New York, N.Y. 10017.
B. J. R. Timmins & Co., 100 Wall Street, New York, N.Y. 10005.
D. (6) $7,538. E. (9) $222.

A. David A. Brody, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y. 10016.
D. (6) $450.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 810, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 810, Washington, D.C. 20036.
D. (6) $4,500.

A. W. S. Bromley, 605 Third Avenue, New York, N.Y. 10017.
B. American Pulpwood Association, 605 Third Avenue, New York, N.Y. 10017.

A. Teresa A. Brooks, 5205 Leesburg Pike, Suite 209, Bailey's Crossroads, Va. 22041.
B. American Osteopathic Hospital Association, 930 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $1,800. E. (9) $350.

A. Joe B. Browder, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $1,575.

A. J. D. Brown, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $500.

A. Michael F. Brown.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $51.20.

A. Travis Taylor Brown, 2525 49th Street, NW., Washington, D.C.

A. Brownstein Zeidman Schomer & Chase, Suite 900, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Housing Producers, Suite 312, 9301 Wilshire Boulevard, Beverly Hills, Calif. 90210.

A. Brownstein Zeidman Schomer & Chase, Suite 900, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Franchise Association, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. Brownstein Zeidman Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Massachusetts Bankers Association, Inc., 125 High Street, Boston, Mass. 02110.
E. (9) $43.

A. Brownstein Zeidman Schomer and Chase, Suite 900, 1025 Connecticut Avenue NW., Washington, D.C. 20036
B. Mortgage Guaranty Insurance Corp., MGIC Plaza, Milwaukee, Wis. 53201.

A. Lawrence E. Bruce, Jr., 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $2,925. E. (9) $2,143.

A. Marguerite E. Bryan, 400 First Street NW., Suite 700, Washington, D.C. 20001.
B. District No. 1, Pacific Coast District, Marine Engineers, Beneficial Association, AFL-CIO, 17 Battery Place, New York, N.Y. 10004.
D. (6) $900. E. (9) $127.31.

A. George S. Buck, Jr., P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Robert D. Buehler, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. The B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $175.

A. Norman D. Burch, 1775 K Street NW., Washington, D.C. 20006.
B. College of American Pathologists, 230 North Michigan Avenue, Chicago, Ill. 60601.
D. (6) $3,375. E. (9) $179.24.

A. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Washington, D.C.
D. (6) $21,615.78. E. (9) $982.25.

A. Phil Burnett, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $286.15.

A. George Burnham IV, 1625 K Street NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $286. E. (9) $300.

A. Charles S. Burns, 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $1,200. E. (9) $487.72.

A. Richard M. Bush, Suite 501, Barr Building, Washington, D.C. 20006.
B. Pacific Northwest Power Co., P.O. Box 3727, Spokane, Wash. 99202.
E. (9) $350.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.
D. (6) $1,716. E. (9) $1,698.97.

A. James J. Buters, 1709 New York Avenue NW., Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,250. E. (9) $80.50.

A. Harry W. Buzzerd, Jr., 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12885, Memphis, Tenn. 38112.
D. (6) $239.58. E. (9) $6.99.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley & Lardner, 815 Connecticut Avenue NW., Washington, D.C. 20006.

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A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley & Lardner, 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. Charles S. Caldwell, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,791.68.

A. David W. Calfee III, 324 C Street SE., Washington, D.C., 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $2,107.50. E. (9) $71.51.

A. Donald L. Calvin, 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y. 10005.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $461.54.

A. Charles Argyll Campbell, 1615 H Street NW., Washington, D.C. 20006.
B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.
E. (9) $250.

A. Charles O. Campbell, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Sharyn G. Campbell, 1620 I Street NW., Suite 603, Washington, D.C. 20006.
B. National BankAmericard, Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $2,500. E. (9) $2,597.50.

A. W. Dean Cannon, Jr., 1444 Wentworth Avenue, P.O. Box R, Pasadena, Calif. 91109.
B. California Savings & Loan League, 1444 Wentworth Avenue, P.O. Box R, Pasadena, Calif. 91109.
D. (6) $1,500. E. (9) $541.71.

A. Capital Holding Corp., Commonwealth Building, Louisville, Ky.
E. (9) $70,019.38.

A. Marvin Caplan.

B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $3,276. E. (9) $145.57.

A. Norval E. Carey, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. General Atomic Co., San Diego, Calif.

D. (6) $1,000. E. (9) $375.

A. Philip Carlip, 675 Fourth Avenue, Brooklyn, N.Y. 11232.

B. Seafarers International Union.

D. (6) $2,500. E. (9) $2,095.26.

A. Charles R. Carlisle, Suite 903, 1701 K Street NW., Washington, D.C. 20006.

B. Consultant to the Lead-Zinc Producers Committee.

D. (6) $2,400. E. (9) $3,068.35.

A. Elizabeth Carpenter, 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue New York, N.Y. 10017.

D. (6) $300. E. (9) $20.

A. L. C. Carpenter, 201 S. Seventh St, Columbia, Mo.

B. Midcontinent Farmers Association.

D. (6) $5,299.32. E. (9) $911.30.

A. Leslie Carpenter, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

D. (6) $75.

A. Charles T. Carroll, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. John R. Carson, 20 Chevy Chase Circle NW., Washington, D.C. 20015.

B. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.

D. (6) $6,250.

A. John L. Casey, 127 East 59th Street, New York, N.Y. 10022.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Casey, Lane & Mittendorf, 26 Broadway, New York, N.Y. 10004.

B. South African Sugar Association, P.O. Box 507, Durban, South Africa.

E. (9) $7,480.96.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.

B. Santa Fe Natural Resources, Inc., 80 East Jackson Boulevard, Chicago, Ill., Champlin Petroleum Co., P.O. Box 9365, Fort Worth, Tex.; Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $39,265.63. E. (9) $4,073.05.

A. James B. Cash, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,000. E. (9) $66.55.

A. James Cassese, Sr., 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.

D. (6) $3,600.

A. Frank R. Cawley, 511 Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.

B. Agricultural Publishers Association, 511 Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.

D. (6) $83.33. E. (9) $161.56.

A. Frank R. Cawley, 1625 I Street NW., Washington, D.C. 20006.

B. Harcourt Brace Jovanovich, Inc., 1625 I Street NW., Washington, D.C. 20006.

A. Frank R. Cawley, Room 511 Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.

B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

D. (6) $150. E. (9) $84.50.

A. Center for Public Financing of Elections, 201 Massachusetts Avenue NE., Washington, D.C. 20002.

D. (6) $36,949.60. E. (9) $21,447.97.

A. J. M. Chambers & Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.

B. Cordage Institute, 2300 Calvert Street NW., Washington, D.C. 20008.

D. (6) $1,125.

A. J. M. Chambers & Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.

B. Satra Corp., 475 Park Avenue South, New York, N.Y. 10016.

D. (6) $1,500.

A. Justice M. Chambers, 2300 Calvert Street NW., Washington, D.C. 20008.

B. Swaziland Sugar Association, P.O. Box 445, Mbabane, Swaziland.

E. (9) $3,523.77.

A. James W. Chapman.

B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.

D. (6) $2,530.

A. William C. Chapman, 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48002.

D. (6) $3,000. E. (9) $2,846.34.

A. Nancy H. Chasen, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $500.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

D. (6) $188,019.48. E. (9) $10.76.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee.

D. (6) $1,650. E. (9) $34.61.

A. Kimball Clark, 40 Ivy Street SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $102.70. E. (9) $74.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $4,749.99.

A. Robert M. Clark, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Atchison, Topeka and Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.

A. Clark, West, Keller, Sanders & Butler, 2424 First National Bank Building, Dallas, Tex. 75202.

B. National Music Publishers' Association, Inc., 110 East 59th Street, New York, NY. 10022.

D. (6) $1,500. E. (9) $500.

A. Joan Claybrook, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $1,200.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $875.

A. Clay Pipe Industry Depletion Committee, P.O. Box 6, Pittsburg, Kans. 66762.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. CSR, Ltd., 1-7 O'Connell Street, Sydney, Australia.

D. (6) $500. E. (9) $297.15.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Interbank Card Association, Suite 3600, 110 East 59th Street, New York, N.Y. 10022.

E. (9) $52.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.

D. (6) $1,200. E. (9) $48.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Oil Shale Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Peugeot, Inc., 300 Kuller Road, Clifton, N.J. 07015.

D. (6) $250.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10533.

D. (6) $250. E. (9) $89.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. American Brands, Inc., 245 Park Avenue, New York, N.Y. 10017.

E. (9) $82.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. Brown & Williamson Tobacco Corp., Louisville, Ky. 40201.

E. (9) $82.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. Liggett & Myers, Inc., 4100 Roxboro Road, Durham, N.C. 27702.

E. (9) $82.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. Lorillard, Division of Loews Theatres, Inc., 200 East 42d Street, New York, N.Y. 10017.

E. (9) $82.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. Philip Morris Inc., 100 Park Avenue, New York, N.Y. 10017.
E. (9) $82.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. R. J. Reynolds Industries, Inc., Winston-Salem, N.C. 27102.
E. (9) $82.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Ronald D. Clements, 1016 20th Street NW., Washington, D.C. 20036.
B. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
E. (9) $85.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.
D. (6) $675. E. (9) $163.60.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Bessemer and Lake Erie Railroad Co., 600 Grant Street, P.O. Box 536, Pittsburgh, Pa. 15230.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Railroad Passenger Corp. (Amtrak), 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. New York Cocoa Exchange, Inc., 127 John Street, New York, N.Y.; New York Coffee & Sugar Exchange, Inc., 79 Pine Street, New York, N.Y.; Commodity Exchange, Inc., 81 Broad Street, New York, N.Y.
E. (9) $187.08.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., Madison Avenue and St. Clair Street, P.O. Box 1035, Toledo, Ohio 43601.
D. (6) $625. E. (9) $163.05.

A. Larry D. Cline, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $34.50.

A. Coalition Against Strip Mining, 324 C Street SE., Washington, D.C. 20003.
D. (6) $5,250. E (9) $1,782.54.

A. Coalition for a National Population Policy, Suite 1010, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Grover B. Cobb, 1200 Travis, Houston, Tex. 77002.
B. Houston National Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $400. E. (9) $1,050.68.

A. Grover C. Cobb, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $400.

A. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.
E. (9) $2,845.

A. Jeffrey Cohelan, 1717 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $999.99.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,562.44. E (9) $290.84.

A. Cohen & Uretz, 1730 M Street NW., Suite 400, Washington, D.C. 20036.
B. Commonwealth of Puerto Rico, care of Jose Cabranes, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $8.60.

A. Cohen & Uretz, 1730 M Street NW., Suite 400, Washington, D.C. 20036.
B. McDonnell Douglas Finance Corp., 3855 Lakewood Boulevard, Long Beach, Calif. 90801.
D. (6) $3,700. E. (9) $147.70.

A. Cohen & Uretz, 1730 M Street NW., No. 400, Washington, D.C. 20036.
B. PHM & Co., 1300 EDS Center, Exchange National Bank Building, Dallas, Tex. 75235.
D. (6) $5,000. E. (9) $140.12.

A. Timothy A. Colcord, 1620 I Street NW., Suite 603, Washington, D.C. 20006.
B. National BankAmericard, Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $6,875. E. (9) $8,287.78.

A. Eleanor Cole, 720 Hotel Washington, Washington, D.C. 20004.
B. UBA, Inc.
D. (6) $1,000. E. (9) $1,000.

A. Robert E. Cole, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $600.25.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,749.99. E. (9) $66.

A. Robert T. Cole, 1200 17th Street NW., Washington, D.C. 20036.
B. H. H. Robertson Co., Two Gateway Center, Pittsburgh, Pa.
D. (6) $2,330. E. (9) $1,128.16.

A. Robert T. Cole, 1200 17th Street NW., Washington, D.C. 20036.
B. PPG Industries, Inc., One Gateway Center, Pittsburgh, Pa. 15222.

A. Lynn R. Coleman, Vinson, Elkins, Searls, Connally & Smith, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,260.

A. Coles & Goertner, 1000 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Committee of American Tanker Owners, Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Independent U.S. Tanker Owners Committee, 1612 K Street NW., Suite 510, Washington, D.C. 20006.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $500. E. (9) $475.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. Bicycle Manufacturers Association of America, Inc., 122 East 42d Street, New York, N.Y. 10007.
D. (6) $500. E. (9) $100.

A. Collier Shannon, Bill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. Department of Information, Private Bag X152, Pretoria, 0001, Republic of South Africa.
D. (6) $3,000. E. (9) $3,700.

A. Collier, Shannon, Rill & Edwards, 1666 K Street, NW., Suite 701, Washington, D.C. 20006.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
E. (9) $300.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $300.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. Tool & Stainless Steel Industry Committee, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
D. (6) $1,250. E. (9) $525.

A. Charles E. Collins, 1602 Rock Creek Drive, Frederick, Md. 21701.
B. Maryland Farm Bureau, 8930 Liberty Road, Randallstown, Md. 21133.

A. Paul G. Collins, 111 Westminster Street, Providence, R.I. 02903.
B. Industrial National Bank of Rhode Island, 111 Westminster Street, Providence, R.I. 02903.
D. (6) $68.75.

A. Robert B. Collyer, 720 Hotel Washington, Washington, D.C. 20004.
B. UBA, Inc.
D. (6) $1,000. E. (9) $1,000.

A. Colorado Railroad Association, 702 Majestic Building, Denver, Colo. 80202.

A. Committee for Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C. 20036.
D. (6) $12,000. E. (9) $5,480.80.

A. Committee of Copyright Owners (CCO), 1600 I Street NW., Washington, D.C. 20006.
D. (6) $29,430.53. E. (9) $29,430.53.

A. Committee on Strikes in Transportation, 1100 17th Street NW., Washington, D.C. 20036.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,816,318.16. E. (9) $382,837.93.

A. Computer Industry Association, 16255 Ventura Boulevard, Encino, Calif. 91316.
D. (6) $39,540. E. (9) $7,795.

A. Harold B. Confer, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $1,868.

A. Richard J. Congleton, 734 15th Street NW,. Washington, D.C. 20005.

B. American Academy of Actuaries, 208 South LaSalle Street, Chicago, Illinois 60604.
D. (6) $900. E. (9) $145.20.

A. Richard J. Congleton, 734 15th Street NW., Washington, D.C. 20005.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $1,500. E. (9) $200.

A. Congress of Railway Unions, 400 First Street NW., Room 800, Washington, D.C. 20001.
D. (6) $8,539.39. E. (9) $8,538.99.

A. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $4,307.05. E. (9) $4,307.05.

A. Raymond F. Conkling, 1001 Connecticut Avenue, Washington, D.C. 20036.
B. Texaco Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $350. E. (9) $78.50.

A. Connecticut Bankers Association, 100 Constitution Plaza, Hartford, Conn. 06103.
D. (6) $2,817.95. E. (9) $2,817.95.

A. Jerry C. Connors, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
E. (9) $45.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.
B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $2,600.

A. Jack T. Conway, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street, NW., Washington, D.C. 20036.
D. (6) $2,812.50.

A. Charles F. Cook, Jr., 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,175.

A. Eileen D. Cooke, 110 Maryland Avenue NE., Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $627.60.

A. Cook & Franke, S. C., 660 East Mason Street, Milwaukee, Wis. 53202.
B. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.
D. (6) $1,000. E. (9) $329.39.

A. Howard Lee Cook, Jr., 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,000. E. (9) $936.

A. James A. Cook, 2311 West El Segundo Boulevard, Hawthorne, Calif. 90250.
B. Ernest W. Hahn, Inc., 2311 West El Segundo Boulevard, Hawthorne, Calif. 90250.
E. (9) $250.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, P.O. Box 1123, Portsmouth, N.H. 03801.
D. (6) $1,250. E. (9) $331.11.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $62.10.

A. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $2,500. E. (9) $830.

A. Darrell Coover, 1625 I Street NW., Suite 812, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $293.

A. James T. Corcoran, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Motor Bus Owners, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $975. E. (9) $87.50.

A. Richard L. Corrigan, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $1,027.80.

A. Allan D. Cors, 1800 K Street NW., Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.
B. Penthouse International Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $5,891.46.

A. David Cosson, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
D. (6) $150.

A. Bertram Robert Cottine, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $130. E. (9) $12.

A. Robert M. Coultas, 1612 K Street NW., Suite 508, Washington, D.C. 20006.
B. Institute for Rapid Transit, 1612 K Street NW., Washington, D.C. 20006.

A. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $7,756.02. E. (9) $7,756.02.

A. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $409.60. E. (9) $547.67.

A. Roger C. Courtney, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $220.80. E. (9) $246.60.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Machine Tool Distributors Association, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Business Men's Assurance Co. of America, BMA Tower, One Penn Valley Park, Kansas City, Mo. 64141.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $26.95.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
E. (9) $8.43.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. MGIC Investment Corp., 600 Marine Plaza, Milwaukee, Wis. 43201.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.
E. (9) $9.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Federation of Independent Business, 921 Washington Building, Washington, D.C. 20005.
E. (9) $83.49.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Association of Research Libraries, 1527 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. The National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P. O. Box 1906, Shawnee Mission, Kans. 66222.
D. (6) $2,262.50. E. (9) $45.70.

A. Cramer, Haber & Becker, 475 L'Enfant Plaza, South, Suite 4100, Washington, D.C. 20024.
B. Action Committee for Community Services (ACCS), 1717 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $8,584.38. E. (9) $11,494.55.

A. Robert W. Crawford, 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $9,999.99. E (9) $996.58.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. P. H. Croft.
B. American Shortline Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $832.50. E. (9) $1,056.31.

A. H. C. Crotty, 12050 Woodward Avenue, Detroit, Mich. 48203.

A. Jack A. Crowder, Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C. 28281.
D. (6) $1,500. E. (9) $96.20.

A. Frank Cummings, Gall, Lane & Powell, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Institute of Electrical and Electronics Engineers, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $3,175.

A. John T. Curran, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $10,230. E. (9) $1,940.23.

A. William Kay Daines, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,400. E. (9) $152.39.

A. John Jay Daly, 968 National Press Building, Washington, D.C. 20045.
B. Direct Mail/Marketing Association.
D. (6) $10,000. E. (9) $3,300.

A. Thomas A. Daly, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association.

A. Frank C. Daniel, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $8,750.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C. 20006.
B. Japan Lumber Importers Association, Tokyo, Japan.

A. Fred E. Darling, 110 Maryland Avenue NE., Suite 510, Washington, D.C. 20002.
B. Noncommissioned Officers Association of U.S.A. (NCOA), Post Office Box 2268, San Antonio, Tex. 78298.
D. (6) $435.

A. Philip J. Daugherty.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,191.50. E. (9) $99.08.

A. Aled P. Davies, R. R. 1, Box 160, Valparaiso, Ind. 46383.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
D. (6) $500. E. (9) $1,901.25.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. Bankers Life and Casualty Co., 4444 Lawrence Avenue, Chicago, Ill. 60630.
E. (9) $74.31.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670
B. The First National Bank of Chicago, One First National Plaza, Chicago, Ill. 60670.
E. (9) $364.51.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. The Myron Stratton Home, P.O. Box 1178, Colorado Springs, Colo. 80901.
E. (9) $412.83.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. National Association of Independent Insurers, 2600 River Road, Des Moines, Ill. 60018.
E. (9) $148.60.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.
E. (9) $59.66.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
E. (9) $526.30.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. Trans Union Corp., 111 West Jackson Blvd., Chicago, Ill. 60604.

A. Charles W. Davis, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. United Insurance Co. of America, One East Wacker Drive, Chicago, Ill. 60601.
E. (9) $74.31.

A. George R. Davis, 100 Indiana Avenue NW., Suite 403, Washington, D.C. 20001.
B. Amalgamated Transit Union, National Capitol Local Division 689, 100 Indiana Avenue NW., Suite 403, Washington, D.C. 20001.

A. Ovid R. Davis
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $925. E. (9) $1,240.

A. R. Hilton Davis, 1615 H Street NW., Washington, D.C. 20006.
B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.
D. (6) $20. E. (9) $2.

A. Walter L. Davis, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C. 20005.
B. National Cystic Fibrosis Research Foundation, 3379 Peachtree Road NE., Atlanta, Ga. 30326.
D. (6) $3,750. E. (9) $498.85.

A. Dawson, Quinn, Riddell, Taylor & Davis, 725 Washington Building, Washington, D.C. 20005.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $4,500. E. (9) $498.27.

A. Charles W. Day, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $325. E. (9) $257.

A. J. Edward Day, 21 DuPont Circle NW., Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.

A. Ronald B. Dear, 422 First Street SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $2,500.

A. Tony T. Dechant.
B. The Farmers' Educational and Co-Operative Union of America, P.O. Box 2251, Denver, Colo.
D. (6) $4,000. E. (9) $69.19.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $1,172.50. E. (9) $14.20.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recycled Paperboard Division of the American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.
D. (6) $1,312.50 E. (9) $82.36.

A. John L. Delano, P.O. Box 1172, Helena, Mont. 59601.
B. Montana Railroad Association, P.O. Box 1172, Helena, Mont. 59601.

A. Vincent A. Demo, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $7,500. E. (9) $1,540.

A. Ray Denison, 815 16th Street NW., Washingon, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $7,000.50. E. (9) $500.51.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. American Society of Composers, Authors and Publishers, One Lincoln Plaza, New York, N.Y. 10023.

A. Claude J. Desautels, Suite 811, 1752 K Street NW., Washington, D.C. 20006.
B. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

A. Claude J. Desautels, Suite 811, 1752 K Street NW., Washington, D.C. 20006.
B. Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York, N.Y. 10006.

A. R. Daniel Devlin, 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
E. (9) $231.

A. John M. Dickerman, John Dickerman & Associates, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Lumber & Building Material Dealers Association, 1990 M. Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $6,029.28. E. (9) $162.02.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Committee for Marysville Dam, P.O. Drawer B, Maryville, Calif. 95902.
D. (6) $1,400.73. E. (9) $20.73.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Department of Water Resources, State of California, P.O. Box 388, Sacramento, Calif. 95802.
D. (6) $2,267.28. E. (9) $107.28.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Sacramento Yolo Port District, P.O. Box 815, Sacramento, Calif.
D. (6) $228.52. E. (9). $28.52.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.

D. (6) $52,561.55. E. (9) $52,561.55.

A. William H. Dodds, 1125 15th Street NW., Suite 600, Washington, D.C. 20005.

B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW, 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $7,039.75. E. (9) $1,084.83.

A. James F. Doherty, 1717 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $4,374.99.

A. Robert C. Dolan, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C., 20036.

B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

D. (6) $343.33. E. (9) $216.61.

A. Edward V. Donahue, 1900 L Street NW., Washington, D.C. 20036.

B. Graphic Arts International Union, 1900 L Street NW., Washington, D.C. 20036.

D. (6) $2,075. E. (9) $2,140.

A. Gary W. Donnelly, 1315 16th Street NW., Washington D.C. 20036.

B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.

E. (9) $39.75.

A. George J. Donnelly, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. James A. Dorsch, 1701 K Street NW., Washington, D.C.

B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

D. (6) $292.50. E. (9) $57.21.

A. C. L. Dorson, Suite 529, Munsey Building, Washington, D.C. 20004.

B. Retirement Federation of Civil Service Employees of the U.S. Government, Suite 529, Munsey Building, Washington, D.C. 20004.

D. (6) $3,434.20. E. (9) $30.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. Advance Schools, Inc., 5900 Northwest Highway, Chicago, Ill. 60631.

A. F. Raymond Downs, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.

B. The Proctor & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

D. (6) $8.50. E. (9) $17.50.

A. Harry J. Doyle, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.

D. (6) $778.50. E. (9) $648.10.

A. Robert H. Doyle, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $4,031.25.

A. Andrew Drance, Room 511 Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.

B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

D. (6) $448.50. E. (9) $78.60.

A. Dean W. Drulias, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.

D. (6) $319. E. (9) $428.60.

A. Franklin B. Dryden.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $120. E. (9) $120.

A. Evelyn Dubrow, 1710 Broadway, New York, N.Y. 10019.

B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.

D. (6) $4,329. E. (9) $2,571.70.

A. William DuChessi, 1126 16th Street NW., Washington, D.C. 20036.

B. Textile Workers Union of America, 99 University Place, New York, N.Y. 10003.

D. (6) $1,475. E. (9) $100.

A. Donald A. Duffy, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Industries Corp., 900 17th Street NW., Washington, D.C.

A. William E. Duke, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $450. E. (9) $225.

A. Norman Duncan, 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

D. (6) $300. E. (9) $150.65.

A. R. Michael Duncan, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. R. Michael Duncan, 1250 Connecticut Avenue NW., Washington, D.C.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Louise C. Dunlap, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $3,499.98. E. (9) $43.31.

A. Douglas G. Dunn, 1133 15th Street NW., Suite 503, Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $1,500.

A. Bruce Dunton, 1126 16th Street NW., Washington, D.C. 20036.

B. Textile Workers Union of America, 99 University Place, New York, N.Y. 10003.

D. (6) $1,975. E. (9) $100.

A. Donnie R. Duplissey, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.

B. Lone Star Gas Co., 301 South Harwood Street, Dallas, Tex. 75201.

A. J. D. Durand, 1725 K Street NW., Washington, D.C. 20006.

B. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.

A. J. Frederick Durr, R.R. No. 2, Sheridan, Ind. 46069.

B. National Association of Farmer Elected Committeemen, c/o J. Frederick Durr, R.R. No. 2, Sheridan, Ind. 46069.

E. (9) $84.15.

A. Henry I. Dworshak, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $1,175.

A. Roy W. Easley, 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, Inc.

A. Eastern Meat Packers Association, Inc., 734 15th Street NW., Washington, D.C. 20005.

D. (6) $125.90. E. (9) $36.67.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

E. (9) $1,480.59.

A. Robert E. Ebel, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.

B. Lone Star Gas Co., 301 South Harwood, Dallas, Tex. 75201.

A. N. Boyd Ecker, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500. E. (9) $17.50.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

B. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

D. (6) $843.75.

A. Arthur B. Edgeworth, Jr., 1709 New York Avenue NW., Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $587.50.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

E. (9) $190.

A. Macon T. Edwards, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $375. E. (9) $30.13.

A. Charles E. Ehrhart, 1800 K Street, NW., Suite 924, Washington, D.C. 20006.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

D. (6) $400. E. (9) $134.

A. J. C. B. Ehringhaus, Jr., 1600 South Eads Street, Arlington, Va. 22202.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Harmon L. Elder, 2000 L Street NW., Suite 520, Washington, D.C. 20036.

B. Wilson E. Hamilton & Associates, Inc., 2000 L Street NW., Washington, D.C. 20036.

D. (6) $250. E. (9) $264.35.

A. Electronic Data Systems Corp., 1300 EDS Center, Exchange Park, Dallas, Tex. 75235.

E. (9) $32.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.

A. Ruth Bowdey Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.

D. (6) $1,951.68. E. (9) $1,416.67.

A. John C. Ellis, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $550.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $30,755.96. E. (9) $25,862.21.

A. Emergency Committee for the American Offshore Service Industry, 2000 Southwest Tower, Houston, Tex. 77002.

A. Richard W. Emory, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland State Fair and Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.
E. (9) $51.91.

A. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
E. (9) $1,070.26.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.
B. Bob Hoffman, York Barbell Co., York, Pa. 17405.
D. (6) $1,950. E. (9) $314.37.

A. M. Dale Ensign, 1625 I Street NW., Washington, D.C.
B. Husky Oil Co., Box 380, Cody, Wyo. 82414.
E. (9) $14.

A. Grover W. Ensley, 200 Park Avenue, New York, N.Y. 10017.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,104.

A. Environmental Policy Center, 324 C Street S.E., Washington, D.C. 20003.
D. (6) $24,662.01. E. (9) $31,608.61.

A. Glenn R. Erickson, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,700. E. (9) $325.

A. Russell G. Ernest, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. John D. Fagan, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States.
D. (6) $3,364. E. (9) $25.

A. Robert R. Fahs, 1030 15th Street NW., Washington, D.C. 20005.
B. Cargill, Inc., 1200 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $2,500. E. (9) $38.50.

A. Clinton M. Fair, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $6,766.50. E. (9) $147.71.

A. The Farmers' Educational and Co-Operative Union of America, P.O. Box 2251, Denver, Colo.
D. (6) $69,567.85. E. (9) $33,214.74.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $2,432.80. E. (9) $2,432.80.

A. Federation of American Hospitals, Suite 810, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $4,500.

A. Fruzsina H. Fedlam, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $550.

A. Herbert A. Fierst, 607 Ring Building, Washington, D.C. 20036.
B. Council of Forest Industries of British Columbia, 1500 1055 West Hastings Street, Vancouver 1, British Columbia, Canada.
D. (6) $8,878.02. E. (9) $275.

A. Herbert A. Fierst, 607 Ring Building, Washington, D.C. 20036.
B. Joint Committee of Printing and Publishing Industries of Canada, 321 Bloor Street East, Toronto 5, Ontario, Canada.
D. (6) $999.99. E. (9) $165.

A. Francis S. Filbey, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $5,537.01.

A. Matthew P. Fink, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $4.

A. Thomas W. Fink, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $840. E. (9) $53.45.

A. Firearms Lobby of America, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $7,456.50. E. (9) $7,557.93.

A. Susan G. Flack, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C.
D. (6) $1,300. E. (9) $415.

A. William J. Flaherty, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky.
D. (6) $7,583.60.

A. James F. Fleming, 991 National Press Building, Washington, D.C. 20045.
B. United Egg Producers, 1001 International Boulevard, Suite 1105, Atlanta, Ga. 30354.
D. (6) $1,000.

A. Carl J. Fleps, 1000 16th Street NW., Washington, D.C. 20036.
B. The Greyhound Corp., Greyhound Tower, Phoenix, Ariz. 85077.
D. (6) $220. E. (9) $53.

A. John F. Fochtman, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,000. E. (9) $763.

A. Foley & Lardner, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. and Subsidiaries, 125 High Street, Boston, Mass. 02110.
D. (6) $1,690. E. (9) $211.45.

A. Foley & Lardner, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.
D. (6) $4,675. E. (9) $2.95.

A. Foley & Lardner, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. US Steel Corp. et al.

A. Gordon Forbes, 203 Hanover Building, 480 Cedar Street, St. Paul, Minn. 55101.
B. Minnesota Railroads Association.
D. (6) $500. E. (9) $598.79.

A. Forest Farmers Association, 4 Executive Park East NE., Atlanta, Ga. 30329.
D. (6) $945.51. E. (9) $945.51.

A. James W. Foristel, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,300. E. (9) $325.

A. John S. Forsythe, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $40. E. (9) $6.65.

A. David H. Foster.
B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.
D. (6) $2,500. E. (9) $237.50.

A. John G. Fox, 2000 L Street NW., Washington, D.C. 20036; 195 Broadway, New York, N.Y. 10007.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Joe H. Foy, 1200 Travis, Houston, Tex.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.
B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $750. E. (9) $84.09.

A. Robert M. Frederick, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $5,375.

A. James O. Freeman, 1709 New York Avenue NW., Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,375. E. (9) $15.50.

A. Mark H. Freeman, 910 17th Street NW., Suite 728, Washington, D.C. 20006.
B. League of New Community Developers, 910 17th Street NW., Suite 728, Washington, D.C. 20006.
D. (6) $3,492.94. E. (9) $72.87.

A. Benjamin W. Fridge, 1900 South Eads Street, Arlington, Va. 22202.
B. National Rifle Association of America, 1600 Rhode Island Avenue NE., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $1,770.80.

A. Susan Fridy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $500. E. (9) $69.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Hualapai Tribe of the Hualapai Reservation, Peach Springs, Ariz.
D. (6) $175. E. (9) $36.90.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Navajo Tribe, Window Rock, Ariz.

D. (6) $47,429.75. E. (9) $1,880.51.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Nez Perce Tribe, Lapwai, Idaho.

D. (6) $600.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak.

E. (9) $55.96.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Pueblo of Laguna, P.O. Box 194, Laguna, N. Mex.

D. (6) $250. E. (9) $7.70.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Salt River Pima-Maricopa Community, P.O. Box 120, Route 1, Scottsdale, Ariz.

D. (6) $188.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Seneca Nation of Indians, P.O. Box 268-A, Saylor Building, Irving, N.Y. 10481.

D. (6) $3,750.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Tuscarora Nation of Indians, Lewiston, N.Y.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C.

B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C., 20005.

D. (6) $100.

A. Gay H. Friedmann, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Lone Star Gas Co., 301 South Harwood, Dallas, Tex. 75201.

D. (6) $1,000. E. (9) $402.25.

A. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.

D. (6) $51,450. E. (9) $15,489.

A. Frank W. Frisk, Jr., 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $500.

A. Charles H. Fritzel, 1625 I Street NW., Suite 812, Washington, D.C. 20006.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $1,500. E. (9) $127.

A. David C. Fullarton, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

D. (6) $625.

A. James E. Gaffigan, 777 14th Street NW., Washington, D.C. 20005.

B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $225. E. (9) $30.10.

A. Peter N. Gammelgard, 1801 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. Nicole Gara, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $2,500. E. (9) $2,845.50.

A. William B. Gardiner, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky.

D. (6) $6,670.20. E. (9) $22.50.

A. John W. Gardner, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,125. E. (9) $1,869.61.

A. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

E. (9) $870.

A. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

E. (9) $843.75.

A. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.

E. (9) $1,934.23.

A. Mary Condon Gereau, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

D. (6) $4,710.50. E. (9) $231.

A. Lesley Chapman Gerould, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $1,000. E. (9) $4,140.

A. Donald Gerrish.

B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. William T. Gibb, III, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $100. E. (9) $25.

A. Wayne Gibbens, 1800 K Street NW., Washington, D.C. 20006.

B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $832.50. E. (9) $372.41.

A. Joseph L. Gibson, 1660 L Street NW., Suite 1001, Washington, D.C.

B. Montgomery Ward & Co., Inc., P.O. Box 8339, Chicago, Ill. 60680.

D. (6) $112. E. (9) $150.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio 43215.

B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio. 43215.

A. Dave Givens, 916 Nashville Trust Building, Nashville, Tenn. 37201.

B. Class I Railroads in Tennessee.

D. (6) $21,000. E. (9) $393.20.

A. Glassie, Pewett, Beebe & Shanks, 1819 H Street, NW., Washington, D.C. 20006.

B. Eastern Meat Packers Association, Inc., 734 15th Street NW., Washington, D.C. 20005.

A. Glassie, Pewett, Beebe & Shanks, 1819 H Street NW., Washington, D.C. 20006.

B. The National Independent Meat Packers Association, 734 15th Street NW., Washington, D.C. 20005.

A. Glassie, Pewett, Beebe & Shanks, 1819 H Street NW., Washington, D.C. 20006.

B. National Music Publishers' Association, Inc., 110 East 59th Street, New York, N.Y. 10022.

A. Don A. Goodall, 1625 I Street NW., Suite 614, Washington, D.C. 20006.

B. American Cyanamid Co., Wayne, N.J. 07470.

D. (6) $400. E. (9) $197.05.

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15111, Minneapolis, Minn. 55415.

B. Crop Quality Council, 307 Fourth Avenue South, P.O. Box 15111, Minneapolis, Minn. 55415.

D. (6) $6,600. E. (9) $5.95.

A. Frederick D. Goss, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

D. (6) $2,095.

A. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022.

B. Florists' Transworld Delivery Association, 900 West Lafayette Boulevard, Detroit, Mich. 48226.

A. Government Employes Council, AFL–CIO, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $13,630.24. E. (9) $6,542.61.

A. Graphic Arts International Union, 1900 L Street NW., Washington, D.C. 20036.

D. (6) $2,075. E. (9) $2,140.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22101.

B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.

D. (6) $657.84. E. (9) $25.

A. Robert K. Gray, 1425 K Street NW., Washington, D.C.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

D. (6) $1,676.33. E. (9) $309.66.

A. Virginia M. Gray, 3501 Williamsburg Lane NW., Washington, D.C. 20008.

B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $1,360. E. (9) $250.85.

A. Samuel A. Grayson, 611 Idaho Building, Boise, Idaho 83702.

B. Union Pacific Railroad, 1416 Dodge Street, Omaha, Nebr. 68102.

A. Richard Greenspan, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $120.

A. Chellis O'Neal Gregory, Jr., 151 North Carolina Avenue SE., Washington, D.C. 20003.

B. Center for Public Financing of Elections, 201 Massachusetts Avenue NE., Washington, D.C. 20002.

D. (6) $6,461.49.

A. William G. Grief, 1155 15th Street NW., Washington, D.C. 20005.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $500.

A. Grey & Davis Inc., 777 Third Avenue, New York, N.Y. 10017.

B. American League of Anglers, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $9,000. E. (9) $13,633.90.

A. Group Health Associates of America, Inc., 1717 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $11,934.70. E. (9) $11,934.70.

A. James J. Gudinas, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Kenneth J. Guido, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $662.49.

A. Jerome R. Gulan, 1225 19th Street NW., Washington, D.C. 20036.
B. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $4,500. E. (9) $1,200.

A. Matthew Hale, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $200.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Williams Cos., National Bank of Tulsa, Tulsa, Okla.
D. (6) $185.

A. J. G. Hall, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $4,500. E. (9) $2,952.41.

A. Keith Halliday, 1725 K. Street NW., Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 888 17th Street NW., Washington, D.C. 2006.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. The Hardaway Co., 11th Street and Third Avenue, Columbus, Ga.
D. (6) $500. E. (9) $100.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National School Supply & Equipment Association, 1500 Wilson Boulevard, Arlington, Va. 22209.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. United Student Aid Funds, Inc., 845 Third Avenue, New York, N.Y. 10022.

A. Patricia L. Hanahan, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $250.

A. James E. Hanson, 121 Second Street NE., Washington, D.C. 20002.
B. Puget Sound Tug & Barge Co., 1102 Southwest Massachusetts Street, Seattle, Wash. 98134.
D. (6) $180.

A. Robert B. Harding, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $300. E. (9) $110.43.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die and Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers.
D. (6) $2,500. E. (9) $587.83.

A. Bryce N. Harlow, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $150. E. (9) $150.

A. William B. Harman, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $310. E. (9) $36.

A. A. J. Harris II, 490 L'Enfant Plaza East SW., Washington D.C. 20024.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $549.22. E. (9) $38.40.

A. Stephanie G. Harris, 2000 P Street NW., Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Washington, D.C. 20036.
D. (6) $107.00.

A. William C. Hart, 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $4,532.50. E. (9) $6,985.99.

A. Rita M. Hartz, 1737 H Street N.W., Washington, D.C. 20006.
B. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $7,179.20. E. (9) $707.61.

A. Clifford J. Harvison, 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Walter A. Hasty, Jr., 1616 P Street NW., Washintgon, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. Sidney G. Hawkes, 1000 Connecticut Ave. NW., Washington, D.C. 20036.
B. The Mead Corp., 118 West First Street, Dayton, Ohio 45402.
D. (6) $825. E. (9) $605.

A. Paul M. Hawkins, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $742.50. E. (9) $643.28.

A. Robert T. Hayden, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
(D) (6) $4,261.75. E. (9) $1,256.69.

A. Patrick J. Head, 1660 L Street, Suite 1001, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., P.O. Box 8339, Chicago, Ill. 60680.
D. (6) $193. E. (9) $150.

A. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $5,788.80. E. (9) $5,788.80.

A. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $567.74. E. (9) $567.74.

A. Patrick B. Healy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $300. E. (9) $25.10.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y. 10017.
B. American Parents Committee, Inc., 52 Vanderbilt Avenue, New York, N.Y. 10017.

A. John F. Heilman, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky.
D. (6) $4,576.60.

A. Spencer H. Heine, 1660 L Street, Suite 1001, Washington, D.C., 20036.
B. Montgomery Ward & Co., Inc., P.O. Box 8339, Chicago, Ill. 66080.
(D) (6) $57.66. E. (9) $150.

A. Barbara Heller, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $669. E. (9) $117.27.

A. Ross E. Heller, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
D. (6) $75.

A. Phil D. Helmig, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $225. E. (9) $250.

A. Leslie P. Hemry, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $213.75. E. (9) $7.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y.
D. (6) $1,500. E. (9) $136.06.

A. George F. Hennrikus, Jr.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $554.35.

A. Andrew I. Hickey, Jr., 1133 15th Street NW., Washington, D.C. 20005.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $11,557.77. E. (9) $696.52.

A. M. F. Hicklin, 720 Bankers Trust Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 720 Bankers Trust Building, Des Moines, Iowa 50309.

A. J. Thomas Higginbotham, Mellon Bank, Pittsburgh, Pa. 15230.
B. Mellon Bank, N.A. & Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.
D. (6) $2,000. E. (9) $767.56.

A. J. Eldred Hill, Jr., 720 Hotel Washington, Washington, D.C.
B. UBA, Inc.
D. (6) $2,000. E. (9) $2,000.

A. James J. Hill, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Richard Hinds, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Richard Hins, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Harry R. Hinton, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $1,250. E. (9) $870.

A. Lawrence S. Hobart, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $510.

A. Claude E. Hobbs, 1801 K Street NW., Ninth Floor, Washington, D.C. 20006.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $900. E. (9) $195.

A. Leo D. Hochstetter, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Pictures Association of America, Inc., 1600 I Street NW., Washington, D.C.

A. Ralph D. Hodges, Jr., 1619 Massachusetts Avenue NW., Washington, D.C.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C.

E. (9) $19.50.

A. Thomas W. Holland, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.

B. Association of American Law Schools, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.

A. Thomas P. Holley, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Lee B. Holmes, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $6,800. E. (9) $9,437.

A. John W. Holton, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,750. E. (9) $22.

A. W. Dean Hopkins, 1105 East Ohio Building, Cleveland, Ohio 44114.

B. McDonald, Hopkins & Hardy Co., L.P.A., 1105 East Ohio Building, Cleveland, Ohio 44114.

E. (9) $100.

A. The Hormel Foundation, Austin, Minn. 55912.

E. (9) $1,814.28.

A. Houger, Garvey, Schubert & Barnes, 1019 19th Street NW., Suite 810, Washington, D.C. 20036.

B. States Steamship Co., 320 California St., San Francisco, Calif.

E. (9) $9,624.71.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

E. (9) $2,738.48.

A. Thomas Howarth, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) $999. E. (9) $999.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington D.C. 20006

B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. Howrey, Simon, Baker & Murchison, 1730 Pennsylvania Avenue NW., Washington, D.C.

E. (9) $67.95.

A. Charles L. Huber, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky.

D. (6) $9,809.40. E. (9) $24.88.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.

B. American National Financial Corp., 300 Delaware Avenue, Wilmington, Del. 19801.

E. (9) $565.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.

B. Lomas & Nettleton Financial Corp., 2001 Bryan Tower, Dallas, Tex. 75222.

E. (9) $595.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.

B. Zale Corp., 3000 Diamond Park Drive, Dallas, Tex. 75247.

E. (9) $595.

A. William J. Hull, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.

B. Ashland Oil, Inc., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.

B. Ohio Valley Improvement Association, Inc.

A. Gregory A. Humphrey, 1012 14th Street NW., Washington, D.C. 20005.

B. American Federation of Teachers, AFL-CIO, 1012 14th Street NW., Washington, D.C. 20005.

E. (9) $154.73.

A. David J. Humphreys, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Recreational Vehicle Institute, Inc., 2720 Des Plaines Avenue, Des Plaines, Ill. 60018.

D. (6) $13,500. E. (9) $49.20.

A. Richard M. Hunt, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. NL Industries, Inc., 111 Broadway, New York, N.Y 10006.

D. (6) $562.

A. James L. Huntley, 1775 K Street NW., Washington, D.C. 20006.

B. Retail Clerks International Association, AFL-CIO, 1775 K Street NW, Washington, D.C. 20006.

D. (6) $8,954.07. E. (9) $1,399.97.

A. Elmer P. Hutter, P.O. Box 2255, Washington, D.C. 20013.

B. Arnold L. House, Retail Food, et al., Washington, D.C.

E. (9) $235.

A. Elmer P. Hutter, P.O. Box 2255, Washington, D.C. 20013.

D. (6) $5.

A. Sarah B. Ignatius, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $1,266.68. E. (9) $10.

A. Frank N. Ikard, 1801 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $2,125. (E. (9) $957.

A. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $8,439.15. E. (9) $8,439.15.

A. Institute for Rapid Transit, 1612 K Street NW., Washington, D.C. 20006.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) $11,545.66.

A. International Brotherhood of Painters and Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.

E. (9) $5,095.73.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

E. (9) $17,829.04.

A. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

E. (9) $2,652.70.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

E. (9) $2190.95.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, Saint Paul, Minn. 55101.

D. (6) $7,503.43. E. (9) $13,051.34.

A. Ronald A. Jacks, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Reinsurance Association of America, 1025 Connecticut Avenue NW., Washington, D.C.

D. (6) $1,500. E. (9) $100.

A. Robert C. Jackson, 1150 17th Street NW., Suite 1001, Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.

D. (6) $2,750. E. (9) $92.45.

A. Jim Jaffe.

B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Robert L. James, 1800 K Street NW., Suite 920, Washington, D.C. 20006.

B. Bank of America N.T. and S.A., Bank of America Plaza, San Francisco, Calif. 94137.

A. Japanese American Citizens League, 22 Peace Plaza, Suite 203, San Francisco, Calif. 94115.

D. (6) $3,130. E. (9) $3,130.

A. Philip F. Jehle, 300 National Press Building, Washington, D.C. 20004.

B. Smith Kline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.

E. (9) $1,000.20.

A. David M. Jenkins II, 1800 K Street NW., Suite 622, Washington, D.C. 20006.

B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.

A. Jersey Central Power & Light Co., Madison Avenue at Punch Bowl Road, Morristown, N.J. 07960.
E. (9) $350.

A. Anita Johnson, 2000 P Street NW., Washington, D.C. 20036.
B. Health Research Group, 200 P Street NW., Washington, D.C. 20036.
D. (6) $107.04.

A. H. Bradley Johnson, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,075.

A. Jess Johnson, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John H. Johnson, Jr., 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers.

A. Rady A. Johnson, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $1,920.75. E. $6.

A. Reuben L. Johnson.
B. The Farmers' Educational and Co-Operative Union of America, P.O. Box 2251, Denver, Colo.
D. (6) $4,859.04. E. (9) $366.72.

A. Charles N. Jolly, 1775 K Street NW., Suite 315, Washington, D.C. 20006.
B. Miles Laboratories, Inc., 1127 Myrtle Street, Elkhart, Ind. 46514.
E. (9) $2,028.38.

A. Allan R. Jones, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $388.19.

A. Charlie W. Jones, 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $700. E. (9) $130.

A. L. Dan Jones, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $21.75.

A. Oliver H. Jones, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20006.
D. (6) $3,250. E. (9) $13,394.

A. Richard J. Jones, 1110 Davidson Street, Champaign, Ill. 60631.
B. Independent Grocers Alliance (IGA), 300 West Adams Street, Chicago, Ill. 60606.
D. (6) $50.

A. Ronald K. Jones, 7841 Deane Court, Springfield, Va. 22152.
B. Mobile Homes Manufacturers Association, P.O. Box 201, Chantilly, Va. 22021.
D. (6) $5,530. E. (9) $94.10.

A. Francis M. Judge, 1615 H Street NW., Washington, D.C. 20006.
B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.

A. James N. Juliana Associates, Inc., 1812 K Street NW., Suite 301, Washington, D.C. 20006.
B. Consejo Estatal del Azucar, Apartados Nums, 1256 y 1258, Santo Domingo, Dominican Republic.
D. (6) $1,200. E. (9) $52.

A. Katten, Muchin, Gitles, Zavis, Pearl & Galler, 125 South Clark Street, Chicago, Ill. 60603.

A. Gerald M. Katz, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland State Fair and Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.
E. (9) $23.96.

A. Carleton R. Kear, Jr.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $189.

A. William J. Keating, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. Howard B. Keck, 555 South Flower Street, Los Angeles, Calif. 90071.
B. The Superior Oil Co., 555 South Flower Street, Los Angeles, 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.
B. The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $275.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,749.99. E. (9) $373.88.

A. Eugene A. Kenney, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $3,000. E. (9) $2,000.

A. John G. Keller, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Co., USA, P.O. Box 2180, Houston, Tex.

A. Julie C. Keller, 401 Wilcox Building, Portland, Oreg. 97204.
B. Oregon Filbert Commission, 12295 Southwest Main, Tigard, Oreg. 97223.
D. (6) $3,000. E. (9) $3,950.

A. John T. Kelly, 1155 15th Street, NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association.

A. George Kelm, Suite 5200, One First National Plaza, Chicago, Ill. 60670.
B. The Myron Stratton Home, P.O. Box 1178, Colorado Springs, Colo. 80901.
E. (9) $412.83.

A. I. L. Kenen, 1341 G Street, NW., Washington, D.C. 20005.
B. American Israel Public Affairs Committee, 1341 G Street, NW., Washington, D.C. 20005.
D. (6) $1,249.98.

A. Harold L. Kennedy, 420 Cafritz Building, Washington, D.C. 20006.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $519.35.

A. Jeremiah J. Kenney, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. William J. Kenney, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $220. E. (9) $150.

A. John V. Kenny.
B. National Cable TV Association Inc., 918 16th Street NW., Washington, D.C.
D. (6) $127.50. E. (9) $50.

A. Thomas P. Kerester, Coopers & Lybrand, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Balcor Co., One Concourse Plaza, 4711 Golf Road, Skokie, Ill. 60076.

A. Kenneth L. Kimble, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Wash-D.C. 20006.
D. (6) $200. E. (9) $75.

A. Charles L. King, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $38.

A. David S. King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. Syndicat des Distillateurs de Sucre de Madagascar.

A. Susan B. King, 421 Fourth Street SE., Washington, D.C. 20003.
B. Center for Public Financing of Elections, 201 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $6,734.

A. John M. Kinnaird, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $1,094.56.

A. Kirkland, Ellis & Rowe, 1776 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. Ernest A. Kistler, Two North Ninth Street, Allentown, Pa. 18101.
B. Pennsylvania Power & Light Co., Two North Ninth St., Allentown, Pa. 18101.
D. (6) $625. E. (9) $319.47.

A. Ralph W. Kittle.
B. International Paper Co., Room 700, 1620 I Street, NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $800.

A. James D. Kittelton, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $551.27. E. (9) $50.

A. Douglas E. Kliever, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C.

A. Keith R. Knoblock, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $725.

A. Joseph L. Koach, 2000 L Street NW., Washington, D.C. 20036.

B. Wilson E. Hamilton & Associates, Inc., 2000 L Street NW., Washington, D.C. 20036.

A. Robert M. Koch, 1315 16th Street NW., Washington, D.C. 20036.

B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.

E. (9) $40.10.

A. Horace R. Kornegay, 1776 K Street NW., Suite 1200, Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $1,000. (9) $250.

A. Paul A. Korody, Jr., 1725 I Street NW., Washington, D.C.

B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.

A. Kenneth S. Kovack, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $4,665.99. E. (9) $1,196.27.

A. Albert H. Kramer, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $2,000. E. (9) $53.50.

A. Stephen W. Kraus, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Lawrence E. Kreider, 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Philip Kugler, 1012 14th Street NW., Washington, D.C. 20005.

B. American Federation of Teachers, AFL–CIO, 1012 14th Street NW., Washington, D.C. 20005.

A. William J. Kuhfuss, 225 Touhy Avenue, Park Ridge, Ill. 60068.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $1,125.

A. Lloyd R. Kuhn, 1725 DeSales Street NW., Washington, D.C. 20036.

B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

D. (6) $7,668. E. (9) $1,494.19.

A. Daniel M. Kush, 1615 H Street NW., Washington, D.C. 20006.

B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 20005.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $9,273. E. (9) $10,904.

A. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

E. (9) $14,526.23.

A. Nick L. Laird, Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. David R. Lambert, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $750.

A. A. M. Lampley, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

E. (9) $200.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.

B. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.

D. (6) $2,285.93. E. (9) $67.85.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.

B. Sportsman's Paradise Homeowners Association, 10612 Dalerose Avenue, Lennox, Calif.

D. (6) $1,340.72. E. (9) $187.41.

A. Jeffrey M. Lang, 1030 15th Street NW., Suite 420, Washington, D.C. 20005.

B. Bart B. Chamberlain, Jr., Myrtlewood Lane, Spring Hill, Mobile, Ala.

D. (6) $420. E. (9) $1.25.

A. Asger F. Langlykke, 1913 I Street NW., Washington, D.C. 20006.

B. American Society for Microbiology, 1913 I Street NW., Washington, D.C. 20006.

A. Thomas A. Lankard, 700 E Street SE., Washington, D.C. 20003.

B. National Association of State Savings & Loan Supervisors, 500 12th Street SW., Suite 810, Washington, D.C. 20024.

D. (6) $150. E. (9) $20.

A. James J. LaPenta, Jr., 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

E. (9) $481.

A. Clifford C. LaPlante, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $1,600. E. (9) $293.80.

A. Glenn T. Lashley, 8111 Gatehouse Road, Falls Church, Va. 22042.

B. D.C. Division, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. George H. Lawrence, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $550. E. (9) $135.

A. Lawyers Committee to End the War, One Wall Street, 25th Floor, New York, N.Y. 10005.

A. Lawyers to Preserve the Constitution, 36 West 44th Street, Room 500, New York, N.Y. 10036.

A. Monte Lazarus, 1825 K Street, NW., Washington, D.C. 20006.

B. United Air Lines, P.O. Box 66100, Chicago, Ill. 60666.

D. (6) $500. E. (9) $156.61.

A. William Lazarus, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C.

D. (6) $1,200. E. (9) $150.

A. League of New Community Developers, 910 17th Street NW., Suite 728, Washington, D.C. 20006.

D. (6) $13,412. E. (9) $11,654.22.

A. Robert W. Lee, 1028 Connecticut Avenue NW., Suite 1004, Washington, D.C. 20036.

B. The John Birch Society, Inc., 395 Concord Avenue, Belmont, Mass. 02178.

A. Legislative Committee of the Committee for a National Trade Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,330. E. (9) $2,005.43.

A. Robert J. Leigh, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

D. (6) $275.

A. Gilbert LeKander, 910 17th Street NW, Suite 501, Washington, D.C. 20006.

B. Montana Power Co., 40 East Broadway, Butte, Mont. 59701; Washington Water Power Co., P.O. Box 3727, Spokane, Wash. 99220.

D. (6) $450.

A. Nils A. Lennartson.

B. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va., 22314.

D. (6) $81.24.

A. Earl T. Leonard, Jr.

B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

D. (6) $215. E. (9) $465.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.

A. Morris J. Levin, 1620 I Street NW., Washington, D.C. 20006.

B. Association of American Railroads, American Railroad Building, Washington, D.C. 20006.

D. (6) $1,000.

A. Harry LeVine, Jr., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 570 Lexington Avenue, New York, N.Y.

D. (6) $270.

A. J. M. B. Lewis, Jr., 315 Shenandoah Building, P.O. Box 2887, Roanoke, Va. 24001.

B. National Council of Coal Lessors, 317 Southern Building, Washington, D.C. 20005; Iron Ore Lessors Association, 1500 First National Bank Building, St. Paul, Minn.

D. (6) $9,500. E. (9) $1,050.

A. J. Stanly Lewis, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $3,262.53.

A. Robert G. Lewis.

B. The Farmers' Educational and Co-Operative Union of America, P.O. Box 2251, Denver, Colo.

D. (6) $1,394.61. E. (9) $82.91.

A. Ronald L. Leymeister, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $252.

A. Herbert Liebenson, 1225 19th Street NW., Washington, D.C. 20036.

B. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.

D. (6) $4,500. E. (9) $1,200.

A. Russell B. Light, 955 L'Enfant Plaza North, SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $550. E. (9) $385.38.

A. Lester W. Lindow, 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc.

A. Lindsay, Nahstoll, Hart, Duncan, Dafoe & Krause, 1331 Southwest Broadway, Portland, Oreg. 97201.
B. Master Contracting Stevedore Association of the Pacific Coast, Inc., San Francisco, Calif.

A. John E. Linster, 2000 Westwood Drive, Wausau, Wis. 54401.
B. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
D. (6) $500.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Board of Commissioners, County of Wayne, City-County Building, Detroit, Mich. 48226.
D. (6) $6,000. E. (9) $589.59.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. The Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill. 60611.
D. (6) $6,279.44. E. (9) $1,063.43.

A. Joseph Lippman, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $150.

A. Charles B. Lipsen.
B. National Cable Television Association, 918 16th Street NW., Washington, D.C.
D. (6) $11,442.34. E. (9) $400.

A. Robert G. Litschert, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $775.25. E. (9) $93.87.

A. Edgar Lockwood, 1711 S Street NW., Washington, D.C. 20009.
B. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $3,000. E. (9) $72.84.

A. Sheldon I. London, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 1150 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $400. E. (9) $455.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $750. E. (9) $141.92.

A. James F. Lovett, 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $600. E. (9) $250.

A. James P. Low, 1101 16th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. Otto Lowe, 888 17th Street NW., Washington, D.C.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $1,050.

A. Freddie H. Lucas, 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, NY. 10019.
D. (6) $300. E. (9) $138.50.

A. Milton F. Lunch, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2020 Kt Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund.
B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $325. E. (9) $9.60.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Jersey Central Power & Light Co., Madison Avenue at Punch Bowl Road, Morristown, N.J. 07960.
D. (6) $350.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., Two North Ninth Street, Allentown, Pa. 18101.
D. (6) $300. E. (9) $21.12.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
E. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $300.

A. Lusk-Evans Ltd., 1120 Connecticut Avenue NW., Suite 940, Washington, D.C. 20036.

A. Mark H. Lynch, 133 C Street, SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $500.

A. James H. Lynch, Jr., 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $5,409.60. E. (9) $179.60.

A. Robert N. Lynch.
B. National Committee for a Human Life Amendment, Inc., 1700 L Street NW., Suite 400, Washington, D.C. 20036.
D. (6) $8,076.90. E. (9) $976.64.

A. LeRoy E. Lyon, Jr., 11th and L Building, Sacramento, Calif., 95814.
B. California Railroad Association, 11th and L Building, Sacramento, Calif. 95814.
E. (9) $842.27.

A. Shane MacCarthy, 1730 North Lynn Street, Arlington, Va. 22209.
B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.
D. (6) $1,125. E. (9) $1,807.42.

A. James E. Mack, 1225 19th Street NW., Washington, D.C. 20036.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $11,250. E. (9) $1,581.61.

A. James E. Mack, 1225 19th Street NW., Washington, D.C. 20036.
B. Peanut Butter Manufacturers and Nut Salters Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $454.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,500. E. (9) $344.60.

A. W. Terry Maguire, 491 National Press Building, Washington, D.C. 20045.
B. National Newspaper Association, 491 National Press Building, Washington, D.C. 20045.
E. (9) $5.

A. Robert L. Maier, 900 17th Street, NW., Washington, D.C. 20006.
B. Kaiser Industries Corp., 900 17th Street NW., Washington, D.C.

A. Andre Maisonpierre, 666 11th Street NW., Washington, D.C. 20001.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $630.

A. Thomas M. Malone, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Co., U.S.A., P.O. Box 2130, Houston, Tex.
E. (9) $400.19.

A. Ben J. Man, 400 First Street NW., Suite 700, Washington, D.C. 20001.
B. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.
D. (6) $1,638. E. (9) $328.41.

A. Management Communications, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Council on Foundations, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $70. E. (9) $18.25.

A. Carter Manasco, 5932 Chester Brook Road, McLean, Va. 22101.
B. National Coal Association, Coal Building, 1130 17th Street NW., Washington, D.C.
D. (6) $7,374.99. E. (9) $117.75.

A. Mike Manatos, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $84.02. E. (9) $94.96.

A. ManExec, Inc., 231 East Vermijo Avenue, P.O. Box 572, Colorado Springs, Colo. 80901.
B. Red River Valley Cooperative, Inc., P.O. Box 43, Hillsboro, N. Dak. 58045.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
E. (9) $830.

A. H. Warren Mann, 1200 Travis, Houston, Tex.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,000.

A. D. E. Marable, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers.
D. (6) $390. E. (9) $385.

A. J. Eugene Marans, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Marine Engineers' Beneficial Association, AFL-CIO, District No. 1, Pacific Coast District, 17 Battery Place, New York, N.Y. 10004.
E. (9) $7,100.75.

A. Rodney W. Markley, Jr., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $9,000. E. (9) $754.

A. Ralph J. Marlatt, 640 Investment Building, 1511 K Street NW., Washington, D.C. 20005.

B. National Association of Mutual Insurance Agents, 640 Investment Building, 1511 K Street NW., Washington, D.C. 20005.

E. (9) $1,665.

A. Dan V. Maroney, Jr., 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Winston W. Marsh, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C.

A. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

D. (6) $1,000. E. (9) $329.39.

A. J. Paull Marshall, 40 Ivy Street SE, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $474.33. E. (9) $111.20.

A. Thomas A. Martin, 1801 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $500. E. (9) $200.

A. Steven A. Martindale, 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

D. (6) $800. E. (9) $218.24.

A. Richard E. Martinez, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.

D. (6) $808.86. E. (9) $739.55.

A. Maryland State Fair and Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.

E. (9) $23.96.

A. Mike M. Masaoka, 2021 L Street NW., Washington, D.C. 20036.

B. American Japanese Trade Committee, 2021 L Street NW., Washington, D.C. 20036.

A. Mike M. Masaoka, 2021 L Street NW., Washington, D.C, 20036.

B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.

D. (6) $500.

A. Mike M. Masaoka, 2021 L Street NW., Washington, D.C. 20036.

B. Niei Lobby, 2021 L Street NW., Washington, D.C. 20036.

A. Mike M. Masaoka, 2021 L Street NW., Washington, D.C. 20036.

B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.

D. (6) $500.

A. Paul J. Mason, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Jon G. Massey, Suite III, 125 C Street SE., Washington, D.C. 20003.

B. Oil Investment Institute.

A. John J. L. Matson, 1909 K Street NW., Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.

D. (6) $400.

A. Barry D. Matsumoto, 1730 Rhode Island Avenue NW., Suite 204, Washington, D.C. 20036.

B. Japanese American Citizens League, 22 Peace Plaza, Suite 203, San Francisco, Calif. 94115.

D. (6) $687.

A. P. H. Mathews, 40 Ivy Street SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $751.29. E. (9) $311.91.

A. Charles D. Matthews, 1100 17th Street NW., Washington, D.C. 20036.

B. National Ocean Industries Association, 1100 17th Street NW., Washington, D.C. 20036.

D. (6) $233.33. E. (9) $84.61.

A. Robert A. Matthews.

B. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.

D. (6) $340.63.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.

B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.

B. Joint Government Liaison Committee, 1 North La Salle Street, Chicago, Ill.

A. Arnold Mayer, 100 Indiana Avenue NW., Room 410, Washington, D.C. 20001.

B. Amalgamated Meat Cutters and Butcher Workmen of North America (AFL–CIO), 2800 North Sheridan Road, Chicago, Ill. 60657.

D. (6) $6,604. E. (9) $835.

A. Mayer, Brown & Platt, Suite 1955, 231 South LaSalle Street, Chicago, Ill. 60604.

B. Brunswick Corp., One Brunswick Plaza, Skokie, Ill., 60076.

A. Mayer, Brown & Platt, 231 South LaSalle Street, Chicago, Ill. 60604.

B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Mayer, Brown & Platt, 231 South LaSalle Street, Chicago, Ill. 60604.

B. Scott, Foresman & Co., 1900 East Lake Avenue, Glenview, Ill. 60025.

A. Mayer, Brown & Platt, 231 South LaSalle Street, Chicago, Ill. 60604.

B. L. M. Williams and Clayton Burch families, 231 South LaSalle, Street, Chicago, Ill. 60693.

A. William J. McAuliffe, Jr., 1828 L Street NW., Suite 303, Washington, D.C.

B. American Land Title Association, 1828 L Street NW., Suite 303, Washington, D.C. 20036.

D. (6) $750.

A. Carlos R. McCalla, Jr., Route 2, Box 72F, New Windsor, Md., 21776.

B. U.S. Tobacco Co., 100 West Putnam Avenue, Greenwich, Conn. 06830.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.

D. (6) $300.

A. Robert C. McCandless, 1725 I Street NW., Washington, D.C. 20006.

B. National Association of Real Estate Investment Trusts, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) $735. E. (9) $10.75.

A. John A. McCart, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Government Employes Council, AFL–CIO, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $3,580.01.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga., 30301.

E. (9) $10.99.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Gulf & Western Industries, Inc., One Gulf & Western Plaza, New York, N.Y. 10023.

E. (9) $33.94.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

E. (9) $96.72.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Montgomery Coca-Cola Bottling Co., Inc., North Perry and Jefferson Streets, Montgomery, Ala. 35102.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Quaker State Oil Refining Corp., Oil City, Pa. 16302.

E. (9) $11.06.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Alfred P. Slaner, 640 Fifth Avenue, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. United Artists Corp., 729 Seventh Avenue, New York, N.Y. 10019.

A. Harry G. McComas, 1016 20th Street NW., Washington, D.C. 20036.

B. National Association Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

D. (6) $637.50. E. (9) $68.90.

A. Robert A. McConnell, Jr., 4234 Winfield Scott Plaza, Scottsdale, Ariz. 85251.

B. Amerco, International, 2727 North Central Avenue, Phoenix, Ariz. 85004.

D. (6) $1,852. E. (9) $2,402.40.

A. John L. McCormick, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $2,025.03. E. (9) $29.75.

A. E. L. McCulloch, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.

D. (6) $284.60. E. (9) $81.50.

A. Albert L. McDermott, 777 14th Street NW, Washington, D.C. 20005.

B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $496.50. E. (9) $99.65.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 10006.

B. The First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.

E. (9) $364.51.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 10006.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
E. (9) $526.30.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $87.50.

A. Robert M. McElwaine, 1129 20th Street, Washington, D.C. 20036.
B. American Imported Automobile Dealers Association.
E. (9) $640.

A. Robert E. McGarrah, Jr., 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW, Suite 708, Washington, D.C. 20036.

A. J. Raymond McGlaughlin, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $7,080.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $2,020. E. (9) $46.50.

A. Marshall C. McGrath.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $770. E. (9) $145.32.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $7,000.50. E. (9) $483.26.

A. Clarence M. McIntosh, Jr., 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $853.25.

A. C. A. (Mack) McKinney, 110 Maryland Avenue NE., Suite 510, Washington, D.C. 20002.
B. Marine Corps League, National Headquarters, 933 North Kenmore Street, Arlington, Va. 22201.

A. C. A. (Mack) McKinney, 110 Maryland Avenue NE., Suite 510, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of USA (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $2,700. E. (9) $6,218.84.

A. John S. McLees, 1615 H Street NW., Washington, D.C. 20006.
B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.
D. (6) $150.

A. C. W. McMillan, 14th and F Streets, Suite 1015, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,500.

A. Ralph J. McNair, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 2006.

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. American Dredging Co., et al.
D. (6) $8,750. E. (9) $3,309.98.

A. Harry McPherson, Suite 1100, 1660 L Street NW., Washington, D.C.
B. Montgomery Ward, Inc., 619 West Chicago Avenue, Chicago, Ill. 60607.
D. (6) $500. E. (9) $25.

A. George G. Mead, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $373.99.

A. Carl J. Megel, 1012 14th Street NW., Washington, D.C. 20005.
B. American Federation of Teachers, AFL–CIO, 1012 14th Street NW., Washington, D.C. 20005.
E. (9) $11,680.

A. William H. Megonnell, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $302. E. (9) $72.36.

A. Gerald J. Mehlman, 450 North Roxbury Drive, Beverly Hills, Calif. 90210.
B. Kaplan, Livingston, Goodwin, Berkowitz & Selvin, 450 North Roxbury Drive, Beverly Hills, Calif. 90210.
E. (9) $674.37.

A. Louis L. Meier, Jr., 1625 I Street NW., Washington, D.C. 20006.
B. American Society of Civil Engineers, Professional Society, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $430. E (9) $233.45.

A. Kenneth A. Meiklejohn, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $7,000.50. E. (9) $366.77.

A. R. Otto Meletzke, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $60. E. (9) $6.

A. Ellis E. Meredith, 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
E. (9) $133.59.

A. Lawrence C. Merthan, 1015 18th Street NW., Washington, D.C. 20036.
B. The Carpet and Rug Institute, Dalton, Ga. 30720.
D. (6) $250. E. (9) $40.

A. Marc Messing, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $1,579.18.

A. George F. Meyer, Jr.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $449.

A. James G. Michaux, 1801 K Street NW., Washington, D.C. 20006.
B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Ronald Michieli, 14th and F Streets, Suite 1015, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,000.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $3,223.39. E. (9) $1,512.05.

A. Miller, Cassidy, Larroca & Lewin, 1320 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Motors Corp., 14250 Plymouth Road, Detroit, Mich. 48232.
D. (6) $3,367.50. E. (9) $221.83.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Capital Holding Corp., Commonwealth Building, Louisville, Ky. 40201.
D. (6) $70,019.38. E. (9) $500.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lockheed Aircraft Corp., Burbank, Calif.
D. (6) $6,675.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Dallas, Tex., Chamber of Commerce.
D. (6) $195. E. (9) $101.06.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Gulf Intracoastal Canal Association, Houston, Tex.
D. (6) $262.50. E. (9) $28.60.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Texasgulf, Inc., New York, N.Y.
D. (6) $300. E. (9) $342.14.

A. Edwin Reid Miller, 1416 Dodge Street, Omaha, Nebraska 68179.
B. Nebraska Railroad Association, Union Pacific Building, 1416 Dodge Street, Omaha, Nebr. 68179.
D. (6) $6,550.22. E. (9) 13.92.

A. Joe D. Miller, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $875.

A. Luman G. Miller, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

A. A. Stanley Miller, 910 16th Street NW., Suite 302, Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $100.

A. Jack Mills, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $250.

A. Thomas F. Mitchell, 1735 I Street NW., Washington, D.C. 20006.
B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.
E. (9) $560.

A. Mobile Homes Manufacturers Association, P.O. Box 201, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $1,719.10. E. (9) $1,719.10.

A. John G. Mohay, 734 15th Street NW., Washington, D.C. 20005.
B. The National Independent Meat Packers Association, 734 15th Street NW., Washington, D.C. 20005.
D. (6) $450.

A. John V. Moller, 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $500.

A. John S. Monagan, Whitman & Ransom, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Connecticut Bankers Association, 100 Constitution Plaza, Hartford, Conn. 06103.
D. (6) $2,500. E. (9) $317.95.

A. Montgomery Ward & Co., Inc., 1660 L Street, Washington, D.C. 20036.
B. Montgomery Ward & Co., P.O. Box 8339, Chicago, Ill. 60680.
E. (9) $1,253.

A. G. Merrill Moody, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $71.75. E. (9) $102.82.

A. O. William Moody, Jr., 815 16th Street NW.,, Suite 510, Washington, D.C. 20006.
B. Maritime Trades Department, AFL-CIO, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
D. (6) $2,500. E. (9) $1,360.94.

A. Donald L. Morgan, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Donald L. Morgan, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Frank A. Morgan, Suite 820, 1800 K Street NW., Washington, D.C. 20006.
B. Sun Oil Co., 240 Radnor Chester Road, St. Davids, Pa. 19087.
D. (6) $4,000. E. (9) $175.

A. Jo V. Morgan, Jr., 815 15th Street NW., Washington, D.C. 20005.
B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
D. (6) $1,800.

A. Morison, Murphy, Abrams & Haddock, 1776 K Street NW., Suite 900, Washington, D.C. 20006.
B. The Sperry & Hutchinson Co., 330 Madison Avenue, New York, N.Y.

A. Gene P. Morrell, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. Lone Star Gas Co., 301 South Harwood, Dallas, Tex. 75201.
D. (6) $1,500. E. (9) $1,015.

A. Jack Moskowitz, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $326.69.

A. Lynn E. Mote, 1133 15th Street NW., Suite 503, Washington, D.C. 20005.
B. Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.
D. (6) $2,000.

A. Karen Mulhauser, 705 G Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League (NARAL), 250 West 57th Street, New York N.Y. 10019.
D. (6) $2,500. E. (9) $2,312.35.

A. William G. Mullen, 491 National Press Building, Washington, D.C. 20045.
B. National Newspaper Association, 491 National Press Building, Washington, D.C. 20045.
E. (9) $316.69.

A. Robert M. Mulligan, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Daniel J. Mundy, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
B. Building and Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $6,249.88. E. (9) $747.

A. David C. Murchison, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Selected Morticians, 1616 Central Street, Evanston, Ill. 60201.
D. (6) $135. E. (9) $24.89.

A. John J. Murphy, 806 15th Street NW., Washington, D.C. 20005.
B. National Customs Service Association.

A. Richard E. Murphy, 900 17th Street NW., Washington, D.C. 20006.
B. Service Employees International Union, AFL-CIO, 900 17th Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $179.

A. Richard W. Murphy, 1200 18th Street NW., Suite 1109, Washington, D.C. 20036.
B. Merck & Co., Inc., Rahway, N.J. 07065.
D. (6) $500.

A. Tom O. Murphy, 1156 15th Street NW., Washington, D.C. 20005.
B. United States Beet Sugar Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $1,140.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 842, Washington, D.C. 20036.
B. Chicago, Milwaukee, St. Paul & Pacific Railroad Co., 516 West Jackson Boulevard, Chicago, Ill. 60606.
D. (6) $100. E. (9) $195.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 842, Washington, D.C. 20036.
B. The Cleveland-Cliffs Iron Co., 1416 Union Commerce Building, Cleveland, Ohio 44115.
D. (6) $75. E. (9) $149.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 842, Washington, D.C. 20036.
B. National Association of Industrial Parks, 1800 North Kent Street, Arlington, Va. 22209.
D. (6) $78. E. (9) $150.

A. Thomas H. Mutchler.
B. International Paper Co., 1620 I Street N.W., Suite 700, Washington, D.C. 20006.
D. (6) $300. E. (9) $92.50.

A. J. Walter Myers, Jr., 4 Executive Park East NE., Atlanta, Ga. 30329.
B. Forest Farmers Association, 4 Executive Park East NE., Atlanta, Ga. 30329.
D. (6) $219. E. (9) $498.95.

A. John J. Nangle, 1625 I Street NW., Suite 812, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $500.

A. Augustus Nasmith, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
B. Associated Railroads of New Jersey, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
D. (6) $82.50.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.

A. National Air Carrier Association, 1730 M Street N.W., Washington, D.C. 20036.
D. (6) $1,291.25. E. (9) $1,291.25.

A. National Association for Humane Legislation, Inc., 675 Pinellas Point Drive South, St. Petersburg, Fla. 33705.
D. (6) $135. E. (9) $123.11.

A. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $5,496.99. E. (9) $9,429.03.

A. National Association of Farmer Elected Committeemen, care of J. Frederick Durr, Rural Route 2, Sheridan, Ind. 46069.
D. (6) $1,763.65. E. (9) $1,763.65.

A. National Association of Food Chains, 1725 I Street NW., Washington, D.C.
D. (6) $300. E. (9) $300.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $1,750. E. (9) $1,230.

A. National Association of Insurance Agents, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $12,303.59.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,045,054.81. E. (9) $32,592.03.

A. National Association of Mutual Insurance Cos., 2511 East 46th Street, Suite H, Indianapolis, Ind. 46205.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $5,456.84. E. (9) $5,456.84.

A. National Association of Plumbing, Heating, Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $4,293.46. E. (9) $4,293.46.

A. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
E. (9) $16,609.43.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $300. E. (9) $300.

A. National Citizen Committee for Revenue Sharing, 707 National Press Building, Washington, D.C. 20004.
E. (9) $256.18.

A. National Committee Against Repressive Legislation, 555 North Western Avenue, Los Angeles, Calif. 90004.
D. (6) $1,345.67. E. (9) $1,345.67.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.
D. (6) $249,523. E. (9) $16,446.12.

A. The National Committee on The Presidency, Inc., 63 East 82d Street, New York, N.Y. 10028.
D. (6) $32,849.26. E. (9) $59,416.59.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $9,320.88. E. (9) $9,320.88.

A. National Council for a Responsible Firearms Policy, 1028 Connecticut Avenue NW., Washington, D.C.
D. (6) $156. E. (9) $30.

A. National Council of Agricultural Employers, 237 Southern Building, 15th and H Streets NW., Washington, D.C.
D. (6) $63,000. E. (9) $1,650.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Cenco Instruments Corp., 2600 South Kostner Avenue, Chicago, Ill.
D. (6) $2,475. E. (9) $100.45.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C.
B. Committee for Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C.
D. (6) $833.33. E. (9) $227.94.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Encyclopedia Britannica Educational Corp., 425 North Michigan Avenue, Chicago, Ill.
D. (6) $2,000. E. (9) $179.79.

A. National Cystic Fibrosis Research Foundation, 3379 Peachtree Road NE., Atlanta, Ga. 30326.
E. (9) $13,001.14.

A National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y. 10017.

A. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $350,102.15. E. (9) $24,831.19.

A. National Federation of Independent Business, 920–922 Washington Building, Washington, D.C.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.
D. (6) $10,492.30. E. (9) $10,492.30.

A. National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $115,799.41. E. (9) $14,233.34.

A. National Home Furnishings Association, 1150 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $400. E. (9) $455.

A. The National Independent Meat Packers Association, 734 15th Street NW., Washington, D.C. 20005.
D. (6) $1,682.50. E. (9) $2,343.16.

A. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
D. (6) $18,288.84. E. (9) $18,288.84.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $5,035.45. E. (9) $5,035.45.

A. National Motorsports Committee of ACCUS, Suite 302, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $580.43. E. (9) $748.78.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
E. (9) $23,342.44.

A. National Rural Housing Coalition, 1346 Connecticut Avenue NW., Suite 529, Washington, D.C. 20036.
D. (6) $1,245.68. E. (9) $3,283.70.

A. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y.
E. (9) $1,905.97.

A. National Selected Morticians, 1616 Central Street, Evanston, Ill. 60201.
D. (6) $456.26. E. (9) $456.26.

A. National Small Business Association, 1225 19th Street NW., Washington, D.C.
D. (6) $5,000. E. (9) $2,562.52.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $14,055.07.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $2,563.71.

A. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
E. (9) $3,220.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C.
D. (6) $200. E. (9) $200.

A. Alexander W. Neale, Jr., 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $1,495.

A. Alan M. Nedry, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $350. E. (9) $136.76.

A. Allen Neece, Jr., 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Co., 512 Washington Building, Washington, D.C. 20005.
D. (6) $300.

A. Frances E. Neely, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second NE., Washington D.C.
D. (6) $2,195.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $750. E. (9) $500.

A. George R. Nelson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $227.13..

A. Ivan A. Nestingen, Suite 700, 1010 16th Street NW., Washington, D.C. 20036.
B. American Nursing Home Association, 1200 15th Street NW., Washington, D.C. 20005.
D. (6) $1,200.00. E. (9) $174.15.

A. E. John Neumann, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $400. E. (9) $300..

A. Robert B. Neville, 1155 15th Street NW., Suite 505, Washington, D.C. 20005.
B. National Restaurant Association, 1155 15th Street NW. Washington, D.C.
D. (6) $2,187.50. E. (9) $160.63.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20005.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York N.Y. 10017.
D. (6) $2,000. E. (9) $602.74.

A. E. J. Newbould, 1130 17th Street NW., Washington, D.C. 20036.
B. National Clay Pipe Institute, 350 West Terra Cotta Avenue, Crystal Lake, Ill. 60014.
D. (6) $150. E. (9) $4.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $6,000. E. (9) $15,575.

A. Richard Ney, 700 New Hampshire Avenue NW., Washington, D.C. 20037.
B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $6,750. E. (9) $4,251.31.

A. Charles E. Nichols, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $675. E. (9) $411.55.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $1,950. E. (9) $263.

A. Patrick J. Nilan, 817 14th Street, NW., Washington, D.C.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C.
D. (6) $9,216.58. E. (9) $1,272.01.

A. NL Industries, Inc., 111 Broadway, New York, N.Y. 10006.
E. (9) $762.

A. Charles M. Noone, 1225 Connecticut Avenue, Washington, D.C. 20036.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $414.71.

A. Robert H. North, 1105 Barr Building, 910 17th Street NW., Washington, D.C.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, 910 17th Street NW., Washington, D.C.
E. (9) $594.69.

A. Rebekah Norton, 422 First Street, SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $1,149.21.

A. Seward P. Nyman, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
D. (6) $650.

A. W. Brice O'Brien, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $825.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Alleghany Corp., New York, N.Y.
D. (6) $500. E. (9) $95.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $800. E. (9) $97.50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Transit Association, 465 L'Enfant Plaza West SW., Suite 2900, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $151.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Committee for Study of Revenue Bond Financing, 1200 18th Street NW., Washington, D.C. 20036.
D. (6) $1,666.50. E. (9) $401.19.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Investors Diversified Services, Inc., 2900 IDS Tower, Minneapolis, Minn. 55402.
D. (6) $1,500. E. (9) $415.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. National Association of Women's & Children's Apparel Salesmen (NAWCAS), 515 Peachtree-Palisades Building, Atlanta, Ga.
D. (6) $750.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. National Federation of Independent Business, 150 West 20th Street, San Mateo, Calif. 94403.
D. (6) $1,500.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. National Hockey League, Two Pennsylvania Plaza, Suite 2480, New York, N.Y. 10001.
D. (6) $3,500. E. (9) $200.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Northwestern Steel & Wire Co., Sterling, Ill. 61081.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Upper Mississippi Towing Corp., 7703 Normandale Road, Suite 110, Minneapolis, Minn. 55435.
D. (6) $2,500. E. (9) $198.60.

A. Lawrence J. O'Connor, Jr., 1801 K Street NW., Suite 1021, Washington, D.C. 20006.
B. The Standard Oil Co., Midland Building, Cleveland, Ohio 44115.
E. (9) $827.97.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., Suite 716, Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington D.C. 20036.
D. (6) $1,500.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., Suite 716, Washington, D.C. 20036.
B. Philippine Sugar Institute.
D. (6) $3,000. E. (9) $250.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing Workers of America, AFL-CIO, 15 Union Square, New York, N.Y. 10003.
D. (6) $4,181.52. E. (9) $1,041.34.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,999.98.

A. Richard C. O'Hare, 1120 Investment Building, Washington, D.C. 20005.
B. Harness Tracks of America, 333 North Michigan Avenue, Chicago, Ill. 60601.

A. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio 43215.

A. Oil Investment Institute, Suite III, 125 C Street SE., Washington, D.C. 20003.

A. Alvin E. Oliver, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. Edward W. Oliver, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue NW., 20016.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Samuel Omasta, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $49.25.

A. Charles T. O'Neill, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $115.83.

A. Daniel P. Oppenheim, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Selected Morticians, 1616 Central Street, Evanston, Ill. 60201.
D. (6) $280. E. (9) $16.37.

A. Organization of Professional Employees of the U.S. Department of Agriculture (OPEDA), 1341 G Street NW., Washington, D.C. 20005.
D. (6) $1,836.64. E. (9) $2,608.70.

A. Edward R. Osann, 2147 O Street NW., Suite 201, Washington, D.C. 20037.
B. Save the Dunes Council, Inc., P.O. Box 303, Chesterton, Ind. 46304.
D. (6) $1,984. E. (9) $974.18.

A. John L. Oshinski, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $4,728.99. E. (9) $1,107.26.

A. J. Allen Overton, Jr., 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.
D. (6) $1,675.

A. David A. Oxford, 1016 North Carolina Avenue SE., Washington, D.C.
B. Mobile Homes Manufacturers Association, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $5,000. E. (9) $125.

A. Juris Padegs, 127 East 59th Street, New York, N.Y. 10022.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.
B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Norman Paige, 538 Pennsylvania, Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 538 Pennsylvania Building, Washington, D.C. 20004.

A. Edward J. Panarello, Active Ballot Club Department, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $7,373.94. E. (9) $1,359.92.

A. Frederick Panzer, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $250.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Alyeska Pipeline Service Corp., P.O. Box 576, Bellevue, Wash. 98004
D. (6) $4,092.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $640. E. (9) $4.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Maritime Association, 17 Battery Place, New York, N.Y. 10004.
D. (6) $1,280. E. (9) $8.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20006.
D. (6) $950.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $5,657.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; National Association of Engine and Boat Manufacturers, 537 Steamboat Road, Greenwich, Conn. 06830.
D. (6) $270.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $1,660. E. (9) $83.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Chippewa-Cree Tribe, Rocky Boy Route, Box Elder, Mont. 59521.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

D. (6) $175.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

D. (6) $1,335. E. (9) $1.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C. 20006.

D. (6) $2,230. E. (9) $59.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. International Snowmobile Industry Association, 5100 Edina Industrial Boulevard, Minneapolis, Minn. 55435.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Machinery Dealers National Association, 1400 20th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Marcor, Inc., 619 West Chicago Avenue, Chicago, Ill. 60607.

D. (6) $235.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. The Nestle Co., 100 Bloomingdale Road, White Plains, N.Y. 10605.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. New Process Co., 220 Hickory Street, Warren, Pa. 16365.

D. (6) $1,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Outboard Marine Corp., 1401 Cushman Drive, P.O. Box 82409, Lincoln, Nebr. 68501.

D. (6) $1,400.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

D. (6) $1,300.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.

D. (6) $2,500.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Tax Corp. of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

D. (6) $1,487.50.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, N.Y. 10022.

B. Warner Bros. Inc., 4000 Warner Boulevard, Burbank, Calif. 91505.

D. (6) $4,284. E. (9) $169.93.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, N.Y. 10022.

B. Warner Communications Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.

D. (6) $19,932.55. E. (9) $436.22.

A. John J. Pecoraro, 1750 New York Avenue NW., Washington, D.C. 20006.

B. International Brotherhood of Painters and Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) $2,686.53.

A. Pennsylvania Power & Light Co., Two North Ninth Street, Allentown, Pa. 18101.

E. (9) $321.12.

A. Pennzoil Co., 900 Southwest Tower, Houston Tex. 77002.

E. (9) $17,349.24.

A. D. V. Pensabene, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

B. Standard Oil Co. of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

D. (6) $50. E. (9) $25.00.

A. J. Carter Perkins, Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, One Shell Plaza, Houston, Tex. 77001.

D. (6) $1,000.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.

B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.

D. (6) $3,083.33. E. (9) $1,909.77.

A. Kenneth Peterson, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $6,766.50. E. (9) $502.37.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

E. (9) $1,983.51.

A. John P. Philbin, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500. E. (9) $116.54.

A. Howard Phillips, 5 Lobao Drive, Danvers, Mass.

B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.

D. (6) $4,500.

A. Sam Pickard, 1101 17th Street NW., Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh, St. Louis, Mo. 63166.

A. Pierson, Ball & Dowd, 1000 Ring Building, Washington, D.C. 20036.

B. Committee for Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C. 20036.

D. (6) $2,222.22. E. (9) $129.27.

A. Pierson, Ball & Dowd, 1000 Ring Building, Washington, D.C. 20036.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $500.

A. Plains Cotton Growers, Inc., P.O. Box 10425, Lubbock, Tex. 79408.

D. (6) $54,516.88. E. (9) $1,350.

A. Kenneth B. Pomeroy, 10404 Conover Drive, Silver Spring, Md. 20902.

B. National Association of State Foresters.

D. (6) $3,000. E. (9) $1,129.70.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 910 17th Street NW., Washington, D.C. 20006.

B. Investment Co., Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $2,625. E. (9) $8.70.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 910 17th Street NW., Washington, D.C. 20006.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

D. (6) $2,163. E. (9) $27.95.

A. Richard M. Powell, 7315 Wisconsin Avenue, Washington, D.C. 20014.

B. International Association of Refrigerated Warehouses, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. William I. Powell, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $1,075. E. (9) $ 76.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $705. E. (9) $149.69.

A. John J. Power, 101 Constitution Avenue NW., Washington, D.C. 20001.

B. United Brotherhood of Carpenters and Joiners of America 101 Constitution Avenue NW., Washington, D.C. 20001.

D. (6) $2,064. E. (9) $50.

A. William C. Prather, 111 East Wacker Drive, Chicago, Ill. 60601.

B. U.S. League of Savings Association.

D. (6) $600.

A. Dan Prescott, 1800 K Street NW., Washington, D.C. 20006.

B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $132.11. E. (9) $79.25.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Registered Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $437.50.

A. Arnold J. Prima, Jr., 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,200. E. (9) $1,344.42.

A. Profit Sharing Council of America, 20 North Wacker, Suite 722, Chicago, Ill. 60606.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006

D. (6) $728.26. E. (9) $437.55.

A. Public Citizen Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

D. (6) $769.57. E. (9) $769.57.

A. Earle W. Putnam, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Howard Pyle, 1000 16th Street NW., Washington, D.C. 20036.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $1,346. E. (9) $22.79.

A. Joseph E. Quin, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,108.34.

A. William A. Quinlan, Route 8, Box 238, Annapolis, Md. 21401.

B. Associated Retail Bakers of America, 735 West Sheridan Road, Chicago, Ill. 60613.

D. (6) $462.80. E. (9) $129.59.

A. Arthur L. Quinn, Arthur Lee Quinn, 723 Washington Building, Washington, D.C. 20005.

B. Belize Sugar Industries, Belize City, Belize (Central America).

D. (6) $3,750. E. (9) $259.91.

A. Arthur L. Quinn, Arthur Lee Quinn, 723 Washington Building, Washington, D.C. 20005.

B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A. and Azucarera Nacional, S.A., Panama City, Panama.

D. (6) $4,500. E. (9) $343.20.

A. Arthur L. Quinn, Arthur Lee Quinn, 723 Washington Building, Washington, D.C. 20005.

B. Sociedad Agricola e Industrial San Carlos, S.A., Compania Azucarera Valdez, Azucarera Tropical Americana, S.A., Tabahuela Industrial Azucarera, C.A., Ecuador.

D. (6) $6,250. E. (9) $282.57.

A. Arthur L. Quinn, Arthur Lee Quinn, 723 Washington Building, Washington, D.C. 20005.

B. West Indies Sugar Association, Bridgetown, Barbados.

D. (6) $8,750. E. (9) $862.08.

A. James H. Rademacher, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $2,231.76.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington D.C. 20037.

D. (6) $436.80.

A. Raymond Raedy, 1701 K Street NW., Washington, D.C.

B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

D. (6) $9.85. E. (9) $4.52.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C.

D. (6) $10,692. E. (9) $10,692.

A. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.

D. (6) $4,575. E. (9) $4,575.

A. Donald A. Randall, Suite 303, 910 16th Street NW., Washington, D.C. 20006.

B. Automotive Service Councils, Inc., 4001 Warren Boulevard, Hillside, Ill. 60162.

D. (6) $3,300. E. (9) $658.50.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.

B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.

D. (6) $644.88. E. (9) $640.43.

A. G. J. Rauschenbach.

B. Communications Satellite Corp, 950 L'Enfant Plaza South SW., Washington, D.C. 20024.

D. (6) $2,000. E. (9) $1,060.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.

B. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.

D. (6) $150.

A. Timothy J. Redmon, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.

D. (6) $33.12. E. (9) $38.40.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dwight C. Reed, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association.

D. (6) $118.26. E. (9) $7.50.

A. David J. Reedy, 6S430 Huntington Circle, Naperville, Ill. 60540.

B. National Advertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60501.

D. (6) $2,400.

A. Robert S. Reese, Jr., 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. John T. Reggitts, Jr., R.D. 2 Boonton Avenue, Boonton, N.J. 07005.

A. John A. Reilly, 59 Maiden Lane, New York, N.Y. 10038.

B. Estate of Bert N. Adams, et al.

E. (9) $25.

A. W. W. Renfroe, 69 Fountain Place, Capital Plaza, Frankfort, Ky. 40601.

B. Kentucky Railroad Association, 69 Fountain Place, Capital Plaza, Frankfort, Ky. 40601.

A. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.

D. (6) $5,940.

A. Retirement Federation of Civil Service Employees of the U.S. Government, Suite 529, Munsey Building, Washington, D.C. 20004.

D. (6) $3,911.87. E. (9) $8,337.81.

A. Austin T. Rhoads, 1105 Barr Building, Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

E. (9) $964.93.

A. Rice Genocide Research, Post Office Box 7307, Washington, D.C. 20044.

E. (9) $1,211.50.

A. Theron J. Rice, 1130 17th Street NW., Suite 400, Washington, D.C. 20036.

B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Maxwell E. Rich, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue, NW., Washington, D.C. 20036.

D. (6) $625.

A. Harry H. Richardson, 335 Austin Street, Bogalusa, La. 70427.

B. Louisiana Railroads, 335 Austin Street, Bogalusa, La. 70427.

A. Mark Richardson, 1611 North Kent Street, Arlington, Va. 22209.

B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

D. (6) $270. E. (9) $250.

A. Warren S. Richardson, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) $2,060.

A. Robert R. Rickett, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Robert R. Rickett, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, DC. 20036.

A. Robert R. Rickett, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Paul M. Riley, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.

D. (6) $380.16. E. (9) $558.15.

A. Stark Ritchie, 1801 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. William Neale Roach, 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $469.22.

A. Paul H. Robbins, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. Clyde F. Roberts, Jr., 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers.

D. (6) $500.

A. James C. Roberts, 422 First Street SE., Washington, D.C. 20003.

B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.

D. (6) $3,250.

A. Kenneth A. Roberts, 888 17th Street NW., Washington, D.C. 20006.

B. Movers' Committee for Emergency Fuel Resources, c/o Robert K. Lee, P.O. Box 272, Nationwide Trailers Rental System, Wichita, Kans. 67201.

D. (6) $1,413.60.

A. Robinson, Silverman, Pearce, Aronsohn, Sand & Berman, 230 Park Avenue, New York, N.Y. 10017.

B. National Realty Committee, Inc., 230 Park Avenue, New York, N.Y. 10017.

E. (9) $414.96.

A. John P. Roche, 150 East 42d Street, New York, N.Y.

B. American Iron & Steel Institute, 150 East 42d Street, New York, N.Y.

D. (6) $500. E. (9) $210.

A. Thomas G. Roderick, 1101 16th Street NW., Washington, D.C. 20036.

B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

E. (9) $45.

A. Byron G. Rogers, 918 16th Street NW., Washington, D.C. 20006.

B. Denver Board of Water Commissioners, 144 West Colfax Avenue, Denver, Colo. 80202.

D. (6) $2,535.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20006.

B. Association of Registered Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $937.50.

A. Frank W. Rogers, Suite 793, 1801 K Street NW., Washington, D.C. 20006.

B. Western Oil and Gas Association, 609 South Grand Avenue, Los Angeles, Calif. 90017.

D. (6) $750.

A. Walter E. Rogers, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washingon, D.C. 20006.

D. (6) $1,000.

A. Rogers & Wells, 1666 K Street NW., Suite 900, Washington, D.C. 20006.

B. The Deltona Corp., 3250 Southwest Third Avenue, Miami, Fla. 33129.

A. Rogers & Wells, 1666 K Street NW., Suite 900, Washington, D.C. 20006.

B. Prime Land Bank, 1828 L Street NW., Suite 505, Washington, D.C. 20036.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Francis P. Rooney, 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.

D. (6) $400.

A. Christine Root, 4024 Franklin Street, Kensington, Md. 20795.

B. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $1,500. E. (9) $351.37.

A. Gail Rosenberg, 705 G Street SE., Washington, D.C. 20003.

B. National Abortion Rights Action League (NARAL), 250 West 57th Street, New York, N.Y. 10019.

D. (6) $1,480. E. (9) $82.

A. Larry M. Rosenstein, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Rouss & O'Rourke, 231 East Vermijo Avenue, Colorado Springs, Colo. 80903.

B. Union Nacional de Productores de Azucar, S. A. de C. V. Balderas 36, Mexico, D. F. Mexico.

D. (6) $9,999.99. E. (9) $3,856.42.

A. John Forney Rudy, 1800 K Street NW., Suite 622, Washington, D.C. 20006.

B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.

A. Perry A. Russ, 901 North Washington Street, Alexandria, Va. 22314.

B. Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $1,384.62. E. (9) $107.66.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Suite 514, Washington, D.C. 20036.

B. The Am College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.

D. (6) $1,000. E. (9) $1,102.18.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Suite 514, Washington, D.C. 20036.

B. American Optometric Association, 1730 M Street NW., Suite 206, Washington, D.C. 20036.

D. (6) $725. E. (9) $1,137.43.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Suite 514, Washington, D.C. 20036.

B. Am. Trucking Association Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $350. E. (9) $608.78.

A. Millard H. Ruud, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.

B. Association of American Law Schools, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.

A. Alla Marice Ryan, 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

D. (6) $100. E. (9) $7.80.

A. William Ryan, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,500. E. (9) $208.67.

A. Carl K. Sadler, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $6,526.80. E. (9) $7,451.75.

A. Irene Saunders.

B. Center for Public Financing of Elections, 201 Massachusetts Avenue NE., Washington, D.C. 20002.

D. (6) $3,073.

A. Thomas H. Saunders, 1825 K Street NW., Suite 501, Washington, D.C. 20006.

B. The Dow Chemical Co., Midland, Mich. 48640.

A. Ruth M. Saxe, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $300.

A. Henry Schacht.

B. California Canners and Growers, 3100 Ferry Building, San Francisco, Calif. 94106.

D. (6) $1,500. E. (9) $814.61.

A. Kenneth I. Schaner, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y.

A. Kenneth D. Schanzer, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

D. (6) $833.32. E. (9) $356.79.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland State Fair and Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.

E. (9) $51.91.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $300.

A. Stephen I. Schlossberg, 1125 15th Street NW., Suite 600, Washington, D.C. 20005.

B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $9,322.94. E. (9) $806.45.

A. A. Cleve Schneeberger, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Portland Cement Association, Old Orchard Road, Skokie, Ill. 60076.

A. Hilliard Schulberg, Suite B–3, 5010 Wisconsin Avenue NW., Washington, D.C. 20016.

B. National Liquor Stores Association, Inc., Suite B–3, 5010 Wisconsin Avenue NW., Washington, D.C. 20016.

D. (6) $225. E. (9) $164.

A. Hilliard Schulberg, Suite B–3, 5010 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Washington, D.C. Retail Liquor Dealers Association, Inc., Suite B–3, 5010 Wisconsin Avenue NW., Washington, D.C. 20016.

D. (6) $555. E. (9) $50.

A. Donald H. Schwab, 200 Maryland Avenue NE., Washington, D.C. 20002.

B. Veterans of Foreign Wars of the United States.

D. (6) $2,014.05. E. (9) $8.50.

A. Sydnee M. Schwartz, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $941.62. E. (9) $50.

A. John W. Scott, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $6,250.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 502, Washington, D.C. 20036.

B. Provident Life & Accident Insurance Co., Chattanooga, Tenn. 37402.

E. (9) $193.27.

A. Durward Seals, 1019 19th Street NW., Washington, D.C. 20036.

B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.

D. (6) $312.50. E. (9) $301.45.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $450. E. (9) $22.58.

A. Ronald C. Seeley, 1357 Nicolet Place, Detroit, Mich. 48207.

B. Estate of Bert N. Adams, et al.

A. Patricia S. Senger, 133 C Street SE., Washington, D.C. 20003.

B. Public Citizen Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

D. (6) $87.50.

A. Theodore A. Serrill, 491 National Press Building, Washington, D.C. 20045.

B. National Newspaper Association, 491 National Press Building, Washington, D.C. 20045.

E. (9) $250.38.

A. J. Richard Sewell, 1701 K Street NW., Suite 503, Washington, D.C. 20006.

B. Florida Power & Light Co., P.O. Box 3100, Miami, Fla. 33101.

D. (6) $900. E. (9) $100.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pfizer, Inc., 235 East 42d St., New York, N.Y. 10017.

D. (6) $625. E. (9) $260.

A. Harry D. Shapiro, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland State Fair and Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.

E. (9) $23.96.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Albright Title & Trust Co. et al.

D. (6) $11,238.17. E. (9) $1,632.82.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. American National Cattlemen's Association, Denver, Colo.

D. (6) $2,000. E. (9) $77.56.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054, 31st Street NW., Washington, D.C. 20007.

B. Cattle Feeders Tax Committee, P.O. Box 16086, Denver, Colo.

E. (9) $944.02.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. General Electric Co., 570 Lexington Avenue, New York, N.Y. 10022.

D. (6) $2,600. E. (9) $100.80.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Estate of Howard Allington; Estate of Robert P. Anninger; Henry Arnhold et al.

E. (9) $172.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Independent Grocers' Alliance et al.

D. (6) $2,028.42. E. (9) $340.90.

A. Sharon, Pierson, Semmes, Crolius & Finely, 1054 31st Street NW., Washington, D.C. 20007.

B. Mauritius Sugar Syndicate, Mauritius Chamber of Agriculture, Plantation House, Port Louis, Mauritius.

E. (9) $797.85.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $4,695. E. (9) $196.27.

A. Shaw, Pittman, Potts & Trowbridge, Barr Building, 910 17th Street NW., Washington, D.C. 20006.

B. Doubleday & Co., Inc., 277 Park Avenue, New York, N.Y. 10017.

A. John J. Sheehan, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $6,261.75. E. (9) $1,838.07.

A. Jowanda Shelton, 910 16th Street NW., Washington, D.C. 20006.

B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.

D. (6) $3,000. E. (9) $415.95.

A. Laurence P. Sherfy, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $1,175.

A. W. Lee Shield, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Edward L. Shields, 666 11th Street NW., Washington, D.C. 20001.

B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.

E. (9) $1,495.

A. Charles W. Shipley, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

D. (6) $373.33. E. (9) $344.80.

A. Harvey A. Shipman, 1725 K Street NW., Suite 1103, Washington, D.C. 20006.

B. Penn Central Transportation Co., Six Penn Center Plaza, Philadelphia, Pa. 19104.

D. (6) $200. E. (9) $1,322.10.

A. James K. Shiver, 1629 K Street NW., Suite 600, Washington, D.C.

B. Diamond Shamrock Chemical Co., Cleveland, Ohio.

D. (6) $150. E. (9) $50.

A. L. J. Sichel, 1730 M Street NW., Washington, D.C. 20036.

B. Abbott Laboratories, North Chicago, Ill. 60064.

D. (6) $300.

A. David Silver, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.

D. (6) $981.70. E. (9) $1,453.71.

A. Gilbert Simonetti, Jr., 1620 I Street NW., Washington, D.C. 20006.

B. American Institute of CPA's, 666 Fifth Avenue, New York, N.Y. 10019.

E. (9) $300.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee.

D. (6) $1,650. E. (9) $50.10.

A. Donald K. Simpson, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $575.

A. Julian H. Singman, 815 16th Street NW., room 310, Washington, D.C. 20006.

B. International Longshoremen's Association, AFL–CIO, 17 Battery Place, suite 1530, New York, N.Y. 10004.

D. (6) $5,000.

A. Jean Head Sisco, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C.

D. (6) $1,500. E. (9) $300.

A. Louis A. Sisler, 4407 16th Street NW., Washington, D.C. 20011.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $2,593.71. D. (9) $145.22.

A. Barney J. Skladany, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, NY. 10017.

D. (6) $1,000.

A. Carstens Slack, 1825 K Street NW., Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. American Horse Council, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $6,250. E. (9) $3,919.43.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $6,250. E. (9) $64.48.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. The Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.

D. (6) $8,500. E. (9) $486.99.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. National Hockey League, 2 Pennsylvania Plaza, Suite 2480, New York, N.Y. 10001.

D. (6) $8,500. E. (9) $34.22.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.

D. (6) $6,000. E. (9) $270.57.

A. Donald E. Smiley, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $716.19.

A. Arthur J. Smith, 1025 Connecticut Avenue N.W., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Gordon L. Smith, 1145 19th Street NW., Washington, D.C. 20036.

B. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022.

A. J. Kenneth Smith, Suite 820, 1800 K Street NW., Washington, D.C. 20006.

B. Sun Oil Co., 240 Radnor Chester Road, St. Davids, Pa. 19087.

D. (6) $4,000. E. (9) $1,000.

A. James R. Smith, 1250 Connecticut Avenue, Suite 502, Washington, D.C. 20036.

B. The American Waterways Operators, Inc., 1250 Connecticut Avenue, Suite 502, Washington, D.C. 20036.

D. (6) $2,250.

A. Robert Wm. Smith, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $420. E. (9) $277.

A. Wallace M. Smith, 425 13th Street NW., Washington, D.C. 20004.

B. National Association of Mutual Insurance Companies, 2611 East 46th Street, Suite H, Indianapolis, Ind. 46205.

D. (6) $600. E. (9) $81.

A. Wayne H. Smithey, 815 Connecticut Avenue NW., Washington, D.C. 20005.

B. Ford Motor Co., Dearborn, Mich.

D. (6) $2,465. E. (9) $1,380.20.

A. Arthur V. Smyth, 1625 I Street NW., Suite 902, Washington, D.C. 20006.

B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $500. E. (9) $100.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
B. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $640.75. E. (9) $341.50.

A. John M. Snow, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $2,378.

A. J. R. Snyder, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $350.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.
D. (6) $6,211.27. E. (9) $5,261.59.

A. Carl A. Soderblom, One East First Street, Room 803, Reno, Nev. 89501.
B. Nevada Railroad Association, One East First Street, Room 803, Reno, Nev. 89501; Southern Pacific Transportation Co.; Western Pacific Railroad Co.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the U.S.A. 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $730.

A. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150. E. (9) $150.

A. Joe P. Sparks, Sparks, Siler & McConnell, 4234 Winfield Scott Plaza, Scottsdale, Ariz. 85251.
B. Havasupai Tribe of Indians, Supai, Ariz.
D. (6) $4,214. E. (9) $33,783.95.

A. William W. Spear, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $754.29. E. (9) $2.80.

A. Frank J. Specht, 1725 DeSales Street NW., Washington, D.C. 20036.
B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. John F. Speer, Jr., 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. William C. Spence, Box 683, Houston, Tex. 77001.
B. Columbia Gulf Transmission Co., Box 683, Houston, Tex. 77001.

A. Joseph L. Spilman, Jr., 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $456.57. E. (9) $100.

A. Sportsman's Paradise Homeowners Association, 10612 Dale Rose Avenue, Lennox, Calif.
E. (9) $3,897.20.

A. James M. Sprouse, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.
E. (9) $194.

A. John W. Sroka, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John M. Stackhouse, 1155 15th Street NW., Washington, D.C. 20005.
B. National Agricultural Chemicals Association.

A. Lynn E. Stalbaum, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,250. E. (9) $386.81.

A. The Standard Oil Co. (Ohio), 1801 K Street NW., Suite 1021, Washington, D.C. 20006.
E. (9) $827.97.

A. Melvin L. Stark, 1025 Connecticut Avenue NW., Suite 211, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 211, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $350.

A. David J. Steinberg, 1028 Connecticut Avenue NW., Washington, D.C.
B. Legislative Committee of the Committee for a National Trade Policy, Inc., 1028 Connecticut Avenue, NW., Washington, D.C. 20036
D. (6) $1,000.

A. David J. Steinberg, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Council for a Responsible Firearms Policy, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. William M. Stephens, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C.
D. (6) $1,200. E. (9) $800.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Robert College of Istanbul, Turkey, 380 Madison Avenue, New York, N.Y. 10017.
D. (6) $67.50. E. (9) $4.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Rule of Law Committee, 1250 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. B. H. Steuerwald, 400 First Street NW., Washington, D.C.
B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Illinois 60056.

A. Wynne A. Stevens, Jr., 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $870.

A. Travis B. Stewart, 1775 K Street NW., Washington, D.C. 20006.
B. Hoffmann-LaRoche Inc., 340 Kingsland Street, Nutley, N.J. 07110.
D. (6) $650. E. (9) $150.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

A. Stitt, Hemmendinger & Kennedy, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Group, American Importers Association, New York, N.Y.

A. Stitt, Hemmendinger & Kennedy, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Japan Iron & Steel Exporters Association, Tokyo, Japan.

A. Nelson A. Stitt, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Francis W. Stover, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $6,039.35. E. (9) $660.76.

A. William M. Stover, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $1,000. E. (9) $100.

A. Harold E. Stringer, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind. 46206.
D. (6) $6,150. E. (9) $727.88.

A. John D. Stringer, 666 11th Street NW., Washington, D.C. 20001.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $1,930.

A. Roger J. Stroh, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $212.50. E. (9) $62.93.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $2,750. E. (9) $557.70.

A. Walter B. Stults, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $600.

A. Sullivan, Bureaugard, Meyers & Clarkson, 1200 18th Street NW., Washington, D.C. 20036.
E. (9) $73.15.

A. G. Don Sullivan, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $575.

A. Roger H. Sullivan, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Honolulu, Hawaii.
E. (9) $10.75.

A. Frank L. Sundstrom, 1776 K Street NW., Suite 1200, Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Suite 1200, Washington, D.C. 20006.
D. (6) $475. E. (9) $360.

A. Glenn A. Swanson, 1725 De Sales Street NW., Suite 905, Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
D. (6) $24,343.59. E. (9) $4,379.39.

A. Irving W. Swanson, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association.

A. Noble J. Swearingen, Suite 61, 128 C Street NE., Washington, D.C. 20002.
B. American Lung Association, 1740 Broadway, New York, N.Y. 10019.
D. (6) $1,000.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $8,749.98.

A. John R. Sweeney, 1000 16th Street NW., Washintgon, D.C. 20036.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $300. E. (9) $271.75.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.
B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.
D. (6) $427.10. E. (9) $243.65.

A. TADCO Enterprises, Inc., 1625 I Street NW., Washington, D.C. 20006.
B. Government of Bolivia, U.S. Embassy, 1145 19th Street NW., Washington, D.C.
D. (6) $15,000. E. (9) $5,845.29.

A. Charles P. Taft, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee for a National Trade Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Charles C. Talley, 100 Angus Court, Charlottesville, Va. 22901.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. David Tarr, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $225.

A. William K. Tell, Jr., 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $250.

A. L. D. Tharp, Jr., 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. James W. Thomas, 734 15th Street NW., Washington, D.C. 20005.
B. CATRALA, 1725 K Street NW., Washington, D.C.
D. (6) $2,500.

A. J. Woodrow Thomas Associates, Inc., 734 15th Street NW., Washington, D.C. 20005.
B. Hart Metals, Inc., Tamaqua, Pa.
D. (6) $2,250.

A. J. Woodrow Thomas Associates, Inc., 734 15th Street NW., Washington, D.C. 20005.
B. R. Markey & Sons, Inc., 99 Wall Street, New York, N.Y. 10005.
D. (6) $1,500.

A. J. Woodrow Thomas Associates, Inc., 734 15th Street NW., Washington, D.C. 20005.
B. REA Express, Inc., 219 42d Street, New York, N.Y. 10017.
D. (6) $4,500.

A. Bert M. Thompson, 666 11th Street NW., Washington, D.C. 20001.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $1,005.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,432. E. (9) $177.86.

A. William D. Thompson, 1660 L Street NW., Washington, D.C. 20036.
B. General Motor Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $3,811.93.

A. Cyrus C. Tichenor III, 815 Connecticut Avenue NW., Suite 1007, Washington, D.C. 20006.
B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.
D. (6) $5,250. E. (9) $3,846.54.

A. Paul J. Tierney, 1101 17th Street NW., Washington, D.C. 20036.
B. Transportation Association of America.
D. (6) $176.50. E. (9) $40.

A. Philip Tierney, 711 Princess Street, Alexandria, Va., 22313.
B. Estate of Paul T. Stone, 515 King Street, Alexandria, Va., 22314.

A. J. R. Timmins & Co., 100 Wall Street, New York, N.Y. 10005.
E. (9) $7,760.

A. E. Linwood Tipton, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.
E. (9) $786.41.

A. Charles Richard Titus, 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the U.S., Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. Tobacco Associates, Inc., 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $1,235.

A. Patrick F. Tobin, 128 C Street NE., Room 66, Washington, D.C. 20002.
B. International Longshoremen's & Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $4,000.

A. H. Willis Tobler, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,000. E. (9) $97.70.

A. David R. Toll, 1140 Connecticut Avenue, Suite 1010, Washington, D.C. 20036.
B. National Association of Electrical Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $531.94. E. (9) $452.25.

A. John P. Tracey.
B. American Bar Association, 1705 DeSales Street NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $50.

A. Transportation Association of America, 1100 17th Street NW., Washington, D.C. 20036.

A. Paul E. Trimble, 1411 Rockefeller Building, Cleveland, Ohio 44113.
B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. Glenwood S. Troop, Jr., 1709 New York Avenue NW., Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill
D. (6) $6,500. E. (9) $107.

A. Richard P. Trotter, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 155 East Superior Street, Chicago, Ill.
E. (9) $2,335.

A. Francis J. Tucker, Wynnewood Plaza, Wynnwood, Pa. 19096.
B. Penn Central Co., 3 Penn Center Plaza, room 823, Philadelphia, Pa. 19102.
D. (6) $2,625. E. (9) $817.12.

A. C. Roger Turner, 1106 Paper Mill Road, Wyndmoor, Pa. 19118.
B. Penn Central Co., 3 Penn Center Plaza, room 823, Philadeplhia, Pa. 19102.
D. (6) $3,000. E. (9) $511.98.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. St. Clair J. Tweedie, Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C. 28281.
D. (6) $1,074.30. E. (9) $111.

A. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
E. (9) $10,825.35.

A. United Egg Producers, 1001 International Boulevard, Suite 1105, Atlanta, Ga. 30354.
E. (9) $1,575.

A. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $2,745.89. E. (9) $2,745.89.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $2,858.30.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $609.70.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $776.12. E. (9) $776.12.

A. United States League of Savings Association, 111 East Wacker Drive, Chicago, Ill.
E. (9) $53,882.73.

A. Universay Development Consultants, Inc., 425 13th Street NW., Washington, D.C. 20004.

B. Mortgage Bankers Association of America.
D. (6) $3,000. E. (9) $9.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington D.C.

A. John A. Vance, 1150 17th Street NW., Suite 1109, Washington, D.C. 20036.
B. Pacific Gas and Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $591.25 E. (9) $510.92.

A. Ted Van Dyk Associates, Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. United Air Lines, P.O. Box 66100, Chicago, Ill. 60666.

A. Lois W. Van Valkenburgh, 1673 Preston Road, Alexandria, Va. 22302.
B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington D.C. 20002.
D. (6) $47.50. E. (9) $1.50.

A. Robert V. Vaughn, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $100.

A. Richard E. Vernor, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $96.90. E. (9) $15.30.

A. L. T. Vice, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
B. Standard Oil Co. of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
E. (9) $225.

A. Elizabeth Alderman Vinson, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $650.

A. Donn L. Waage, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Registered Bank, Holding Co., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $187.50. E. (9) $59.59.

A. Robert J. Wager.
B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $416.67. E. (9) $8.

A. Paul A. Wagner, 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $5,365.93. E. (9) $230.10.

A. Wald, Harkrader & Ross, 1320 19th Street NW., Washington, D.C. 20036.
B. Springs Mills, Inc., Fort Mill, SC. 29715.

A. E. F. Waldrop, Jr., 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $29.25.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allied Chemical Corp., P.O. Box 1057R, Morristown, N.J. 07960.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Company of America, Washington, D.C. 20036.
D. (6) $238.10.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cigar Manufacturers Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $238.10.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Washington, D.C. 20005.
D. (6) $238.10.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Motors Corp., General Motors Building, Detroit, Mich. 48202.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Gulf Oil Corp., Washington, D.C. 20036.
D. (6) $476.20.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Illinois Central Industries, 111 East Wacker Drive, Chicago, Ill. 60601.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Laredo National Bank, Alamo National Bank et al.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Steel Corp., 2800 Grant Building, Pittsburgh, Pa. 15219.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Procter & Gamble, Cincinnati, Ohio 45201.
D. (6) $238.10.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Time, Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.
D. (6) $250.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 1625 K Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Bipartisan Committee on Absentee Voting, Inc., Suite 614, 1800 K Street NW., Washington, D.C. 20006.
E. (9) $294.10.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Jack A. Waller, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $6,435.84.

A. Franklin Wallick, 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $6,172.62. E. (9) $579.25.

A. Charles S. Walsh.
B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.
D. (6) $127.50. E. (9) $15.

A. William A. Walton, 800 Merchants National Bank Building, Eighth and Jackson Streets, Topeka, Kans. 66612.
B. Kansas Railroad Committee, 800 Merchants National Bank Building, Eighth and Jackson Streets, Topeka, Kans. 66612.
D. (6) $450. E. (9) $450.

A. Richard D. Warden, 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $6,203.41. E. (9) $500.80.

A. Jack Ware, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $9,333. E. (9) $155.

A. Pamela R. Warner, 121 Second Street NE., Suite 5, Washington, D.C.
B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif.
D. (6) $300. E. (9) $682.07.

A. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $11,846.75. E. (9) $17,962.75.

A. Washington Research Project Action Council, 1763 R Street NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,863.57.

A. George B. Watts, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $300.

A. Ray Wax, c/o J. Frederick Durr, R.R. 2, Sheridan, Ind. 46069.
B. National Association of Farmers Elected Committeemen, R.R. 2, Sheridan, Ind. 46069.
E. (9) $64.95.

A. Clyde M. Webber, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $11,671.80. E. (9) $1,592.52.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. American Society of Composers, Authors & Publishers, ASCAP Building, One Lincoln Plaza, New York, N.Y. 10023.
D. (6) $3,600.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. Beneficial Management Corp., 200 South Street, Morristown, N.J.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. Canada-France-Hawaii Telescope Corp., 2840 Kolowalu Street, Honolulu, Hawaii 96822.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Morton N. Weiss, 55 Broad Street, New York, N.Y.
B. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y.
D. (6) $1,500. E. (9) $55.19.

A. Frank Welch, 3724 Manor Road, Chevy Chase, Md. 20015.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Fred M. Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $308.

A. Harry H. Westbay III, 1625 I Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $300. E. (9) $150.

A. Clyde A. Wheeler, Jr., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Oil Co., 240 Radnor Chester Road, St. Davids, Pa. 19087.
D. (6) $7,000. E. (9) $1,835.

A. Wheeler, Van Sickle, Day & Anderson, 25 West Main Street, Madison, Wis. 53703.
B. Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. Donald F. White, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,200. E. (9) $100.

A. John C. White, Room 1008, 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., Room 1008, 1101 17th Street NW., Washington, D.C.

A. John S. White, 420 Cafritz Building, Washington, D.C. 20006.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $706.27.

A. Douglas Whitlock II, 1660 L Street NW., Suite 1005, Washington, D.C. 20036.
B. Zale Corp., 1660 L Street NW., Suite 1005, Washington, D.C. 20036.
D. (6) $500. E. (9) $150.

A. William E. Wickens, 1520 33d Street NW., Washington, D.C.
B. Howrey, Simon, Baker & Murchison, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Leonard M. Wickliffe, 11th and L Building, Sacramento, Calif. 95814.
B. California Railroad Association, 11th and L Building, Sacramento, Calif. 95814.
D. (6) $3,314. E. (9) $6,570.47.

A. Richard J. Wiechmann, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. David Wilken, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
E. (9) $120.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 360 Lexington Avenue, New York, N.Y. 10017.
E. (9) $404.14.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $99.08.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 135 South Temple Street, Salt Lake City, Utah.
E. (9) $24.50.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.
E. (9) $14.50.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Cabot Corp., 125 High Street, Boston, Mass. 02110.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, Inc., 65 East Elizabeth Street, Bethlehem, Pa.
E. (9) $3.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $206.70.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Estate of Albert W. Small, c/o Mrs. Albert W. Small, 5803 Green Tree Road, Bethesda, Md.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $39.05.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. National Association of Insurance Agents, Inc., 85 John Street, New York, N.Y. 10038.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Quinaielt Tribe of Indians, Taholah, Washington.
E. (9) $51.85.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Special Industry Council on Energy Conservation, c/o Discover America Travel Organization, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $96.45.

A. Williams, Connolly & Califano, 839 17th Street NW., Washington, D.C. 20006.
B. Northwest Industries, Inc., 400 West Madison Street, Chicago, Ill. 60606.
D. (6) $140. E. (9) $7.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $360. E. (9) $3.

A. Francis G. Williams.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.

A. Harding de C. Williams, 1825 K Street NW., Washington, D.C. 20006.
B. Del Monte Corp., 215 Fremont Street, San Francisco, Calif. 94119.
D. (6) $500. E. (9) $50.

A. Harry D. Williams, 1025, Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $250.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Bankers Association of Puerto Rico, c/o Wender, Murase & White, 350 Park Avenue, New York, N.Y. 10022.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Blomquist, Batte & Campbell, Inc., 1039 College Avenue, Wheaton, Ill. 60187.
D. (6) $50. E. (9) $10.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Estee Lauder, Inc., 767 Fifth Avenue, New York, N.Y. 10022.
D. (6) $750. E. (9) $20.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Executive & Employee Benefit Plans, Inc., P.O. Box 4626, Columbus, Ohio 43212.
D. (6) $50. E. (9) $10.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. James G. Freeman & Associates, 1825 Magnolia Avenue, Burlingame, Calif. 94010.
D. (6) $100. E. (9) $10.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Globe Feather & Down Co., 1030 West North Avenue, Chicago, Ill. 60622.
D. (6) $250. E. (9) $20.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
D. (6) $1,000. E. (9) $100.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. National Council for Health Care Services, 407 N Street SW., Washington, D.C. 20024.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. National Association of School Bus Contract Operations, P.O. Box 324, Fairfax, Va. 22030.
D. (6) $100. E. (9) $20.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. School Bus Manufacturers Institute, 5530 Wisconsin Avenue NW., Suite 1220, Washington, D.C. 20015.
D. (6) $100. E. (9) $20.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Ward Industries, Inc., P.O. Box 849, Conway, Ark. 72032.
D. (6) $100. E. (9) $20.

A. Williams & King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. National Nutritional Food Association, 7727 South Painter Avenue, Whittier, Calif. 90602.
D. (6) $2,500. E. (9) $569.56.

A. Robert E. Williams, 1825 K Street NW., Washington, D.C. 20006.
B. United Air Lines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,250. E. (9) $642.07.

A. Robert G. Williams, 6521 Arlington Boulevard, Falls Church, Va. 22042.
B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
E. (9) $658.76.

A. Samuel M. Williams, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $400. E. (9) $300.

A. John C. Williamson, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Mobilehome Dealers National Association, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $2,000.

A. John C. Williamson, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Mortgage Insurance Companies of America, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $378.43.

A. John C. Williamson, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Apartment Association, 1825 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. John C. Williamson, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Potere, Inc., 470 Elmora Avenue, Elizabeth, N.J. 07208.
D. (6) $1,000.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Council for Responsible Nutrition, 1776 K Street NW., Washington, D.C. 20006.
E. (9) $4.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Marianas Political Status Commission, P.O. Box 977, Saipan, Mariana Islands 96950.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. National Corporation for Housing Partnerships and the National Housing Partnership, 1133 15th Street NW., Washington, D.C. 20005.
E. (9) $10.80.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Oil Investment Institute, 2500 Dunstan, Houston, Tex. 77005.

A. W. E. Wilson, 623 Ockley Drive, Shreveport, La. 71106.
B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.
D. (6) $5,037.50. E. (9) $2,411.74.

A. R. J. Winchester, 900 Southwest Tower, Houston, Tex. 77002.
B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.
D. (6) $6,300. E. (9) $3,600.

A. Winston & Strawn, Suite 1040, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Gould Inc., 8550 West Bryn Mawr Avenue, Chicago, Ill. 60631.
E. (9) $24.88.

A. Winston & Strawn, Suite 1040, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Council of Shopping Centers, 445 Park Avenue, New York, N.Y. 10022.
E. (9) $789.82.

A. Richard F. Witherall, 702 Majestic Building, Denver, Colo. 80202.
B. Colorado Railroad Association, 702 Majestic Building, Denver, Colo. 80202.

A. Barry M. Wolf, 631 North Carolina Avenue SE., Washington, D.C. 20003.
B. National Organization for the Reform of Marijuana Laws, 2317 M Street NW., Washington, D.C.
D. (6) $120.

A. James E. Wolf, 6521 Arlington Boulevard, Falls Church, Va. 22042.
B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
E. (9) $419.50.

A. Sidney M. Wolfe, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Nathan T. Wolkomir, 1737 H Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $9,693.60. E. (9) $2,666.57.

A. Kenneth D. Wollack, 1341 G Street NW., Suite 908, Washington, D.C. 20005.
B. American Israel Public Affairs Committee, 1341 G Street NW., Washington, D.C. 20005.
D. (6) $3,500.

A. Merle E. Wood, 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
B. Ewing M. Kauffman, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $2,062.50. E. (9) $540.

A. Merle E. Wood, 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $2,062.50. E. (9) $540.

A. Albert Young Woodward, 815 Connecticut Avenue NW., Washington, D.C.
B. Burmah Oil and Gas Co., P.O. Box 94193, Houston, Tex. 77018.

A. Albert Young Woodward, 815 Connecticut Avenue NW., Washington, D.C.
B. The Signal Cos., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Albert Young Woodward, 815 Connecticut Avenue NW., Washington, D.C.
B. The Flying Tiger Line, Inc., Los Angeles International Airport, Los Angeles, Calif.

A. Perry W. Woofter, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $9,000. E. (9) $938.

A. George M. Worden, 1425 K Street, Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Edward E. Wright, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $10.

A. Wyatt, Saltzstein, Minton & Howard, 1300 Wyatt Building, Washington, D.C. 20005.
B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $2,250. E. (9) $132.50.

A. Dennis M. Yamamoto, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $521.42. E. (9) $537.47.

A. John H. Yingling, 1156 15th Street NW., Suite 701, Washington, D.C. 20005.
B. First National City Bank, 399 Park Avenue, New York, N.Y. 10022.
D. $200. E. (9) $109.76.

A. James S. Yonk.
B. Johns-Manville, P.O. Box 5108, Greenwood Plaza, Denver, Colo. 80217.

A. Kenneth Young, 615 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $7,202. E. (9) $447.19.

A. John S. Zapp, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill., 60610.
D. (6) $2,400. E. (9) $702.

A. Thomas K. Zaucha, 1725 I Street NW., Washington, D.C. 20006.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
E. (9) $500.

A. Donald P. Zeifang, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $229.16.

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 1974 were received too late to be included in the published reports for that quarter.

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

	QUARTER			
P	1st	2d	3d	4th
	(Mark one square only)			

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

A. Albert E. Abrahams, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 155 East Superior Street, Chicago, Ill.
D. (6) $2,870. E. (9) $25.95.

A. Action Committee for Community Services 1717 Massachusetts Avenue NW., Washington, D.C.
D. (6) $58,631.33. E. (9) $45,855.92.

A. Actors Equity Association, 165 West 46th Street, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $2,500.

A. Randolf H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $200. E. (9) $40.

A. Paul W. Airey, 4517 Sunset Drive, Panama City, Fla. 32401.
B. Air Force Sergeants Association, 6101 28th Avenue SE., Suite 713, Marlow Heights, Md. 20031.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $14,184.56. E. (9) $14,184.56.

A. Donna Allen, 3306 Ross Place NW., Washington, D.C. 20008.
B. National Committee Against Repressive Legislation, 555 North Western Avenue, Los Angeles, Calif. 90004.
D. (6) $1,040. E. (9) $1,276.73.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $3,401.34. E. (9) $3,401.34.

A. American Institute of Housing Consultants, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $100. E. (9) $100.

A. American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
E. (9) $2,170.06.

A. American Nurses' Association, Inc., 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $6,108.95. E. (9) $6,108.95.

A. American Optometric Association, c/o Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $6,277.22. E. (9) $6,277.22.

A. American Parents Committee, Inc., 1145 19th Street NW., Washington, D.C. 20036.
D. (6) $3,843.68. E. (9) $3,270.37.

A. American Rivers Conservation Council, 324 C Street SE., Washington, D.C. 20003.
D. (6) $635.25. E. (9) $417.39.

A. Ted E. Amick, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $750.

A. William C. Anderson, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,500.

A. Robert E. Ansheles, 1025 Conn. Avenue NW., Washington, D.C. 20036.
B. American Thrift Assembly, Suite 1300, 1700 K Street NW., Washington, D.C. 20036.
E. (9) $25.75.

A. Robert E. Ansheles, Suite 907, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. CITC Industries, Inc., 1 Park Avenue, New York, NY. 10016.
D. (6) $472.50. E. (9) $120.20.

A. Associated Builders & Contractors, Inc., 1625 I Street NW., Suite 321, Washington, D.C. 20006.
D. (6) $6,000. E. (9) $3,000.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex.
E. (9) $188.85.

A. Associated Employers Inc., 8107 Broadway, Suite 202, San Antonio, Tex. 78209.
E. (9) $273.47.

A. Associated Railroads of New Jersey, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
D. (6) $220. E.(9) $82.50.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $300.

A. Baer & Marks, 70 Pine Street, New York, N.Y. 10005.
B. Commodity Exchange, Inc., 81 Broad Street, New York, N.Y. 10004.
D. (6) $500. E. (9) $70.

A. Charles W. Bailey, 1990 M Street NW., Suite 400, Washington, D.C. 20036.
B. National Right To Work Committee, 1990 M Street NW., Washington, D.C. 20036.
D. (6) $30.

A. Markham Ball, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 600 First Avenue, New York, N.Y.

A. Joseph Baroody, 1100 17th Street NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $300. E. (9) $150.

A. Barrett, Smith, Schapiro & Simon, 26 Broadway, New York, N.Y. 10004.
B. New York Cocoa Exchange, Inc., 127 John Street, New York, N.Y., New York Coffee & Sugar Exchange, Inc., 79 Pine Street, New York, N.Y.
D. (6) $2,000. E. (9) $220.

A. Ross Bass Associates, 4000 Massachusetts Avenue NW., Washington, D.C. 20016.
B. Record Industry Association of America, 1 East 57th Street, New York, N.Y.
D. (6) $6,250.

A. Davis M. Batson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
E. (9) $200.

A. Winston Everett Bell, P.O. Box 1718, Las Vegas, Nev. 89101.

A. C. Thomas Bendorf, 1620 I Street NW., Washington, D.C. 20006.
B. Association of Trial Lawyers of America.
D. (6) $3,000. E. (9) $4,630.

A. Thomas P. Bennett, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Billig, Sher & Jones, 1126 16th Street NW., Washington, D.C. 20036.
B. Steamship Conferences.
D. (6) $280.

A. Robert J. Bird, Suite 412, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Ad Hoc Coalition for Cemetery Care, 6216 S. Stanford Way, Whittier, Calif. 90601.

A. Robert J. Bird, Suite 412, 1140 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Occidental Life Insurance Co., 12th Street at Hill, Los Angeles, Calif. 90054.

A. Robert J. Bird, Suite 412, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Paul Revere Corp., Worcester, Mass. 01608.

A. Eleanor Bissinger, 275 Central Park West, New York, N.Y. 10024.
B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Brent Blackwelder, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $434.58.

A. Richard W. Blake, 1776 K Street NW., Washington, D.C. 20006.
B. National Sugarbeet Growers Federation, 1000 10th Street, Greeley, Colo. 80631.

A. Richard W. Bliss, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $725.

A. Helen Bremberg, 4515 South 31st Street, No. 202, Arlington, Va. 22206.
B. Women's Lobby, Inc., 1345 G Street SE., Washington, D.C. 20003.
E. (9) $260.46.

A. Cyril F. Brickfield, 1909 K Street NW., Washington, D.C. 20006.
B. American Association of Retired Persons/National Retired Teachers Association, 1909 K Street NW., Washington, D.C. 20006.

A. John Broadbent, 161 E. 42d Street, New York, N.Y. 10017.
B. J. R. Timmins & Co., 37 Wall Street, New York, N.Y. 10005.

A. Teresa A. Brooks, 5205 Leesburg Pike, Suite 209, Bailey's Crossroads, Va. 22041.
B. American Osteopathic Hospital Association, 930 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $1,800. E. (9) $350.

A. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $22,347.21. E. (9) $22,347.21.

A. Joe E. Browder, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $1,575.

A. Brown, Vlassis & Bain, 222 North Central Avenue, Phoenix, Ariz. 85004.
B. Navajo Tribe, Window Rock, Ariz. 86515.
D. (6) $440.

A. G. Nicholas Buffington, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $800. E. (9) $10.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Hearst Corp., 959 Eighth Ave., New York, N.Y. 10019.
D. (6) $900. E. (9) $300.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

B. Magazine Publishers Association Inc., 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $3,000. E. (9) $300.

A. David A. Bunn, Parcel Post Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Parcel Post Association, 1211 Connecticut Avenue, NW., Washington, D.C. 20036.
E. (9) $700.

A. George J. Burger, 250 West 57th Street, New York City, N.Y.
B. Burger Tire Consultant Service, 250 West 57th Street, New York City, N.Y.

A. George J. Burger, 30 Clinton Place, New Rochelle, N.Y. 10801.
B. National Federation of Independent Business, 30 Clinton Place, New Rochelle, N.Y. 10801.
D. (9) $2,187.48. E. (9) $398.69.

A. Carol Burris, 1345 G Street SE., Washington, D.C. 20003.
B. Women's Lobby Inc., 1345 G Street SE., Washington, D.C. 20003.
D. (6) $900. E. (9) $54.73.

A. David W. Calfee III, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $2,095. E. (9) $5.

A. Donald L. Calvin, 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y. 10005.

A. Charles R. Carlisle, Suite 903, 1701 K Street NW., Washington, D.C. 20006.
B. Lead-Zinc Producers Committee.
D. (6) $1,057.50. E. (9) $917.90.

A. Alfred Carr, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,413. E. (9) $167.50.

A. Richard M. Carrigan, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,413. E. (9) $278.31

A. Citizens Committee on Natural Resources, 1346 Connecticut Avenue NW., Suite 712, Washington, D.C. 20036.
D. (6) $18,691. E. (9) $10,179.96.

A. Clayton Brokerage Co. of St. Louis, Inc., 7701 Forsyth Boulevard, St. Louis, Mo. 63105.
E. (9), $1,859.70.

A. COALition Against Strip Mining, 324 C Street SE., Washington, D.C. 20003.
D. (6) $1,000. E. (9) $2,530.95.

A. Coalition for a National Population Policy, Suite 1010, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Coalition of Concerned Charities, c/o John G. Milliken, 1701 Pennsylvania Avenue NW., Suite 1102, Washington, D.C. 20006.
D. (6) $1,100. E. (9) $3,073.58.

A. Carl A. S. Coan, Jr., 1625 L Street NW., Washington, D.C. 20036.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $7,687.49. E. (9) $1,251.72.

A. The Coca-Cola Co., Post Office Drawer 1734, Atlanta, Ga. 30301.
E. (9) $2,065.

A. Jerry Cohen, 470 Totten Pond Road, Waltham, Mass. 02154.

B. Ruetgerswerke Aktiengesellschaft, Frankfurt, West Germany.
E. (9) $10.

A. Lynn R. Coleman, Vinson, Elkins, Searls, Connally & Smith, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,620. E. (9) $15.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.
B. Southern Forest Products, Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $5,425.02. E. (9) $1,132.04.

A. Paul G. Collins, 111 Westminster Street, Providence, R.I. 02903.
B. Industrial National Bank of Rhode Island, 111 Westminster Street, Providence, R.I. 02903.
D. (6) $68.75.

A. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023, and 910 16th Street NW., Washington, D.C. 20006.
D. (6) $44,887.46. E. (9) $18,386.92.

A. The Committee of Publicly Owned Cos., 22 Thames Street, New York, N.Y. 10006.
D. (6) $170,050. E. (9) $90,348.52.

A. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.
E. (9) $38.

A. Charles F. Cook, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,175.00.

A. Richard L. Corrigan, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $3,500.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.
B. Penthouse International Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $4,975.

A. David Cosson, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
D. (6) $220.

A. Council of AFL-CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C.
D. (6) $1,250.

A. John A. Couture, 1625 L Street NW., Washington, D.C. 20036.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $4,968.76. E. (9) $325.21.

A. Elizabeth M. Cox, 1107 National Press Bldg., Washington, D.C. 20004.
B. National Organization for Women, Inc., 1107 National Press Building, Washington, D.C. 20004.
D. (6) $2,760. E. (9) $38.90.

A. W. J. Crawford, P.O. Box 2180, Houston, Tex. 77001.
B. Exxon Company, U.S.A., P.O. Box 2180, Houston, Tex. 77001.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $4,836. E. (9) $652.02.

A. Frank C. Daniel, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $8,750.

A. Stephen I. Danzansky, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $268.96.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20006
D. (6) $9,037.50. E. (9) $1,665.

A. Richard C. Darling, 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $480. E. (9) $159.67.

A. John C. Datt, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $4,000. E. (9) $64.83.

A. George R. Davis, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.
B. Amalgamated Transit Union, National Capital Local Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.

A. Ovid R. Davis, care of The Coca-Cola Co., P.O. Drawer 1834, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $750. E. (9) $985.

A. Daniel P. Dawson, 200 E. Randolph Drive, M.C. 3101, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 E. Randolph Drive, M.C. 3101, Chicago, Ill. 60601.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. Opticians Association of America, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C.
B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C.
D. (6) $5,000.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C. 20005.
B. Association of Plaintiffs Trial Attorneys for Metropolitan Washington, D.C., Washington, D.C. 20005.
D. (6) $3,000.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah, 84101.
D. (6) $4,500. E. (9) $498.27.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C.
B. United States Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006.
D. (6) $18,750.

A. Dealer Bank Association, P.O. Box 479, Wall Street Station, New York, N.Y. 10005.
E. (9) $300.

A. Delta Group, Ltd., 2535 Massachusetts Avenue NW., Washington, D.C. 20008.

B. National Committee for Effective No-Fault, 2535 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Leslie E. Dennis, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.

D. (6) $925. E. (9) $158.

A. C. H. DeVaney, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $2,500. E. (9) $61.70.

A. Steven P. Doehler, 1625 L Street NW., Washington, D.C. 20036.

B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $3,749.98. E. (9) $529.31.

A. Wilbur B. Dronen, 100 NE. Adams St., Peoria, Ill. 61602.

B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61602.

D. (6) $1,500. E. (9) $820.40.

A. William DuChessi, 1126 16th St. NW., Washington, D.C. 20036.

B. Textile Workers Union of America, 99 University Place, New York, N.Y. 10003.

D. $1,475. E. (9) $100.

A. Hugh G. Duffy, 6244 Utah Avenue NW., Washington, D.C. 20015.

B. National Consumer Center for Legal Services, 1750 New York Avenue NW., Washington, D.C. 20006.

A. Gail Rakow Duncan, 144 East 22d Street, New York, N.Y.

B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Louise C. Dunlap, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $3,499.98. E. (9) $210.06.

A. Bruce Dunton, 1126 16th NW., Washington, D.C.

B. Textile Workers Union of America, 99 University Place, New York, N.Y. 10003.

D. (6) $1,975. E. (9) $100.

A. Henry I. Dworshak, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $1,175.

A. Eastern Meat Packers Association, Inc., 734 15th Street NW., Washington, D.C. 20005.

E. (9) $53.95.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

B. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

D. (6) $562.50.

A. Charles E. Ehrhart, 1800 K Street NW., No. 924, Washington, D.C. 20006.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

D. (6) $400. E. (9) $129.

A. Glenn Ellefson-Brooks, 6052 Haverhill Court, Springfield, Va. 22152.

B. Women's Lobby Inc., 1345 G Street SE., Washington, D.C. 20003.

E. (9) $28.95.

A. D. A. Ellsworth, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.

D. (6) $6,416.68. E. (9) $1,361.83.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

D. (6) $4,200. E. (9) $533.50.

A. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $35,273.61. E. (9) $25,517.62.

A. Robert S. Esworthy, c/o Classroom Teachers of Dallas, 3816 San Jacinto, Dallas, Tex. 75204.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $251.93. E. (9) $100.

A. Ethyl Corp., 1155 15th Street NW., No. 611, Washington, D.C. 20005.

E. (9) $200.

A. Brock Evans, 324 C Street SE., Washington, D.C. 20003.

B. Sierra Club, 1050 Mills Tower, San Francisco, Calif. 94104.

D. (6) $6,500. E. (9) $175.

A. Clinton M. Fair, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $6,714.50. E. (9) $145.19.

A. Federation of American Scientists, 203 C Street NE., Washington, D.C. 20002.

D. (6) $8,669.79. E. (9) $2,126.33.

A. Leon Felix, Jr., 10600 West Higgins Road, Rosemont, Ill. 60018.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $235.45. E. (9) $75.

A. Fensterwald & Ohlhausen, 910 16th Street NW., Washington, D.C. 20006.

B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.

D. (6) $1,500. E. (9) $1,230.07.

A. Lloyd Fillion, 1750 Columbia Road NW., Washington, D.C. 20009.

B. National Committee Against Repressive Legislation, 555 North Western Avenue, Los Angeles, Calif., 90004.

D. (6) $320. E. (9) $668.24.

A. Frank C. Fini, 2020 Brooks Drive, Apt. 506, Suitland, Md. 20028.

B. Air Force Sergeants Association, 6101 28th Avenue, Suite 713, Marlow Heights, Md. 20031.

A. Fiori & Burgeson, 3204 Auburn Way North, Auburn, Wash. 98002.

B. Alaska Federation of Natives, International, 133 Queen Anne Avenue North, Seattle, Wash. 98109.

E. (9) $3,125.

A. James F. Fleming, 991 National Press Building, Washington, D.C. 20004.

B. United Egg Producers, 1001 International Boulevard, Suite 1105, Atlanta, Ga. 30354.

D. (6) $1,000.

A. Roger Fleming, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $2,075. E. (9) $21.60.

A. David H. Foerster, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $4,227. E. (9) $35.80.

A. Forest Farmers Association, 4 Executive Park East NE., Atlanta, Ga. 30329.

D. (6) $25,331.

A. Jean Fox, 88 Central Park West, New York, N.Y. 10023.

B. Consumer Action Now, Inc. 30 E. 68th Street,, New York, N.Y.

A. Alice Frandsen, 10311 Folk Street, Silver Spring, Md. 20902.

B. Women's Lobby Inc., 1345 G Street SE., Washington, D.C. 20003.

E. (9) $79.

A. Ronald C. Frankis, 1730 Rhode Island Avenue NW., Washington, D.C.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

D. (6) $1,438. E. (9) $106.30.

A. Robert M. Frederick, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $5,375.

A. Frosh, Lane and Edson, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Institute of Housing Consultants, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. Frosh, Lane and Edson, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Institute for Government Assisted Housing, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $100.

A. Frosh, Lane & Edison, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Building Manufacturers, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $100.

A. Frosh, Lane and Edson, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Section 23 Leased Housing Association, Suite 707, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $450.

A. David C. Fullarton, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

D. (6) $975.

A. Gadsby & Hannah, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Council of Professional Services Firms, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

E. (9) $85.61.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70003.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $1,000.

A. Nicole Gara, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $2,500. E.(9) $2,690.83.

A. Leo J. Gehrig, One Farragut Square South, Washington, D.C. 20006.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $2,992.50. E. (9) $667.29.

A. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

E. (9) $562.50.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.

B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

E. (9) $3,052.25.

A. Horace D. Godfrey, 918 16th Street NW., Washington, D.C. 20006.

B. Godfrey Associates, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $625. E. (9) $71.45.

A. Godfrey Associates, Inc., 918 16th Street NW., Washington, D.C. 20006.

E. (9) $295.52.

A. Ilene Goldman, 140 Park Avenue, New York, N.Y.

B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. John Goldsum, P.O. Box 1148, Austin, Tex. 78767.

B. Texas Power & Light Co., P.O. Box 6331, Dallas, Tex.

E. (9) $921.72.

A. Jack Golodner, 1990 M Street NW., Washington, D.C.

B. Actors Equity Association, 165 West 46th Street, New York, N.Y. 10036.

D. (6) $2,500.

A. Jack Golodner, 815 16th Street NW., Suite 608, Washington, D.C. 20006.

B. Council of AFL–CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C.

D. (6) $1,000.

A. Frederick D. Goss, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

D. (6) $1,850.

A. George W. Gowen, 27th Floor, 161 East 42d Street, New York, N.Y. 10017.

A. Warren Graves, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $200. E. (9) $49.54.

A. James W. Green, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association—Government Relations, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $4,965. E. (9) $532.97.

A. Wayne Green, Peterborough, N.H. 03458.

B. Institute of Amateur Radio, Inc.

A. Dale Greenwood, 302 Hoge Building, Seattle, Wash. 98104.

B. Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98104.

A. James M. Hacking, 1909 K Street NW., Washington, D.C. 20006.

B. American Association of Retired Persons/National Retired Teachers Association, 1909 K Street NW., Washington, D.C. 20006.

E. (9) $9.

A. Isabel Halliburton, 320 East 57th Street, New York, N.Y. 10022.

B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Keith Halliday, 1725 K Street NW., Washington, D.C. 20006.

B. Associated Third-Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.

D. (6) $300.

A. Andrew E. Hare, 1990 M Street NW., Suite 400, Washington, D.C. 20036.

B. National Right To Work Committee, 1990 M Street NW., Washington, D.C. 20036.

D. (6) $720. E. (9) $191.

A. Donald L. Harlow, 310 Riley Street, Falls Church, Va. 22046.

B. Air Force Sergeants Association, 6101 28th Avenue, Suite 713, Marlow Heights, Md. 20031.

A. Robert E. Harman, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $5,305. E. (9) $86.90.

A. Clifford J. Harvison, 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Kit H. Haynes, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $2,500. E. (9) $119.65.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y. 10017, and 1145 19th Street NW., Washington, D.C. 20036.

B. American Parents Committee, Inc., 1145 19th Street NW., Washington, D.C. 20036.

A. Barbara Heller, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $189. E. (9) $205.91.

A. Ross E. Heller, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

D. (6) $260.

A. Lillie E. Herndon, 700 North Rush Street, Chicago, Ill. 60611.

B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.

D. (6) $454,829.83. E. (9) $453.14.

A. Donald E. Hirsch, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $2,750. E. (9) $56.16.

A. Thomas P. Holley, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Vivian Horner, 30 West 90th Street, New York, N.Y.

B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y. 10021.

A. Houger, Garvey, Schubert & Barnes, 1019–19 Street NW., Suite 810, Washington, D.C. 20036.

A. Peter W. Hughes, 1909 K Street NW., Washington, D.C. 20006.

B. American Association of Retired Persons/National Retired Teachers Association, 1909 K Street NW., Washington, D.C. 20006.

A. Irmgard Hunt, 336 Central Park West, New York, N.Y. 10025.

B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Sarah B. Ignatius, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $636.36. E. (9) $2.

A. Bernard J. Imming, 1019 19th Street NW., Washington, D.C. 20036.

B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.

D. (6) $437.50. E. (9) $246.49.

A. INA Corporation, 1600 Arch Street, Philadelphia, Pa. 19101.

A. Institute for Government Assisted Housing, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $100. E. (9) $100.

A. H. Bradley Johnson, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $1,075.

A. Ardon B. Judd, Jr., 1100 Connecticut Avenue, Washington, D.C. 20036.

B. Dresser Industries, Inc. 1100 Connecticut Avenue, Washington, D.C. 20036.

A. James N. Juliana Associates, Inc., 1812 K Street NW., Suite 301, Washingon, D.C. 20006.

B. Consejo Estatal del Azucar, Apartados Nums, 1256 y 1258, Santo Domingo, Dominican Republic.

E. (9) $156.21.

A. Robert E. Juliano, 1666 K Street NW., Suite 304, Washington, D.C. 20006.

B. Hotel and Restaurant Employees and Bartenders International Union, 120 East Fourth Street, 13th Floor, Cincinnati, Ohio 45202.

D. (6) $4,999.98. E. (9) $3,073.04.

A. James J. Kennedy, Jr., 815 16th Street, Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.

D. (6) $5,733.34. E. (9) $1,960.56.

A. Peter M. Kirby, 1709 New York Avenue, NW., Washington, D.C. 20006.

B. Air Transport Association.

D. (6) $750. E. (9) $975.79.

A. Paul R. Knapp, 1511 K Sttreet NW., Washington, D.C. 20005.

B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.

D. (6) $875.

A. Keith R. Knoblock, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $725.

A. George W. Koch, 1425 K Street NW., Suite 900, Washington, D.C. 20005.

B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

D. (6) $135.59. E. (9) $16.

A. Ralph D. B. Laime, 2201 Route 38, Cherry Hill, N.J. 08034.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $235.45. E. (9) $75.

A. David R. Lambert, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $750.

A. Land Improvement Contractors of America, 9515 Ogden Avenue, Brookfield, Ill. 60513.
D. (6) $900. E. (9) $900.

A. Laurence F. Lane, 1909 K Street NW., Washington, D.C. 20006.
B. American Association of Retired Persons/National Retired Teachers Association, 1909 K Street NW., Washington, D.C. 20006.
E. (9) $89.07.

A. Reed E. Larson, 1990 M Street NW., Washington, D.C. 20036.
B. National Right to Work Committee, 1990 M Street NW., Washington, D.C. 20036.
D. (6) $35.00. E. (9) $5.00

A. Susannah Lawrence, 215 East 72d Street, New York, N.Y. 10021.
B. Consumer Action Now, Inc., 30 E. 68 St., New York, N.Y.

A. Charles W. Lee, 148 Duddington Place SE., Washington, D.C. 20003.
B. Full Funding of Education Programs, 148 Duddington Pl. SE., Washington, D.C.
D. (6) $135. E. (9) $30.

A. Robert J. Leigh, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
D. (6) $450.

A. Richard J. Leighton, 1701 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. Earl T. Leonard, Jr., c/o The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga.
D. (6) $190. E. (9) $240.

A. Donald Lerch & Co., Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Shell Chemical Co., 2401 Crow Canyon Road., San Ramon, Calif.

A. Joseph A. Letorney, 20 Ashburton Place, Boston, Mass. 02108.
B. National Education Association, 1201 16th Street, NW., Washington, D.C. 20036.
D. (6) $251.93. E. (9) $75.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y., 10016.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. General Cable Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Union Investment GmbH, Neue Mainzer Strasse 33-35, 6 Frankfurt am Main 16, Federal Republic of Germany.
D. (6) $200. E. (9) $5.

A. Morris J. Levin, 1620 I Street NW., Washington, D.C. 20006.
B. Association of American Railroads, American Railroad Building, Washington, D.C. 20006.
D. (6) $1,000.

A. Ronald L. Leymeister, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $186.

A. Liberty Lobby, Inc., 130 3d Street SE., Washington, D.C. 20003.
D. (6) $27,390.88. E. (9) $19,894.64.

A. Edgar Lockwood, 1711 S Street NW., Washington, D.C. 20009.
B. Washington Office on Africa, 110 Maryland Avenue NE, Washington, D.C. 20002.
D. (6) $3,000. E. (9) $379.17.

A. J. Patrick Logue, 1030 15th Street NW., Washington, D.C. 20005.
B. American Nurses' Association, Inc., 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,350.12.

A. Gay Lord, 150 East 73d Street, New York, N.Y. 10021.
B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Gerald M. Lowrie, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connectcut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $262.65.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $1,550.

A. LeRoy E. Lyon, Jr., Eleventh and L Building, Sacramento, Calif. 95814.
B. California Railroad Association, Eleventh and L Building, Sacramento, Calif. 95814.
E. (9) $825.84.

A. Barbara Maltby, 600 West End Avenue, New York, N.Y. 10024.
B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. John V. Maraney, 324 East Capitol Street,, Washington, D.C. 20003.
B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. Ronald M. Marcus, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Carlin Masterson, 801 West End Avenue, New York, N.Y. 10025.
B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Craig Mathews, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. General Cable Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

A. John J. L. Matson, 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. Charles H. Mauzy, 3951 Snapfinger Parkway, Decatur, Ga. 30032.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $235.45. E. (9) $100.

A. Albert E. May, 1625 K Street NW., Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $95. E. (9) $10.55.

A. Anthony Mazzocchi, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $2,362.50. E. (9) $318.50.

A. John L. McCormick, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $2,029.18. E. (9) $210.30.

A. Stanley J. McFarland, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,550. E. (9) $333.57.

A. Joseph B. McGrath, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $7,875. E. (9) $174.28.

A. Peter E. McGuire, 400 First Street NW., Washington, D.C. 20001.
B. National Association of Retired & Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106; Hotel & Restaurant Union, 1666 K Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $1,000.

A. Joseph E. McMahon, 255 West 18th Street, New York, N.Y. 10016.
B. Association (Action) for Community Economic Development, 1126 16th Street Washington, D.C.
E. (9) $1,296.81.

A. Medical-Surgical Manufacturers Association, 1666 K Street NW., Suite 208, Washington, D.C. 20006.
E. (9) $4,163.81.

A. Carl J. Megel, 1012 14th Street NW., Washington, D.C. 20005.
B. American Federation of Teachers, AFL-CIO 1012 14th Street NW., Washington, D.C. 20005.
E. (9) $11,680.

A. Ellis E. Meredith, 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
E. (9) $181.78.

A. T. H. Meredith, 6030 Warwick Court New Orleans, La. 70114.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $2,137.50.

A. Edward L. Merrigan, 888 17th Street NW., Washington, D.C. 20006.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $12,500. E. (9) $288.40.

A. Edward L. Merrigan, 888 17th Street NW., Washington, D.C. 20006.
B. Sugar Distributors of Venezuela, Edif. de la Luz Electrica de Venezuela, Av. Urdaneta, 7th Floor, Caracas, Venezuela.
D. (6) $6,250. E. (9) $770.47.

A. Marc Messing, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $2,104.18. E. (9) $22.55.

A. Joseph L. Miller, 1612 K Street NW., Washington, D.C. 20006.
B. Northern Textile Association, Maytag Co., Hormel Co., National Parking Association.
E. (9) $100.

A. Lester F. Miller, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington D.C.
D. (6) $243. E. (9) $7.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Mine Workers of America Welfare and Retirement Fund, 2021 K Street NW., Washington, D.C. 20006.

A. Clarence Mitchell, 422 First Street SE., Washington, D.C. 20003.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. John G. Mohay, 734 15th Street, NW., Washington, D.C. 20005.
B. The National Independent Meat Packers Association, 734 15th Street NW., Washington, D.C. 20005.
D. (6) $433.34.

A. John V. Moller, 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $500.

A. John Morgan, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1935 K Street NW., Washington, D.C. 20006.
E. (9) $607.30.

A. Daniel J. Mundy, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
B. Building and Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $1,991.53. E. (9) $228.

A. William E. Murray, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $185.

A. George E. Myers, 1730 Rhode Island Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,181. E. (9) $121.40.

A. J. Walter Myers, Jr., 4 Executive Park East NE., Atlanta, Ga. 30329.
B. Forest Farmers Association, 4 Executive Park East NE., Atlanta, Ga. 30329.

A. Maryann Napoli, 800 West End Avenue, New York, N.Y. 10025.
B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Nash, Ahern & Abell, 4400 Jenifer Street NW., Washington, D.C. 20015.
B. United Mine Workers of America Welfare and Retirement Fund, 2021 K Street NW., Washington, D.C. 20006.

A. Augustus Nasmith, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
B. Associated Railroads of New Jersey, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
D. (6) $82.50.

A. National Air Carrier Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $875. E. (9) $875.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $695.87. E. (9) $418.79.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $17,464.66. E. (9) $17,598.13.

A. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $50,370.97. E. (9) $58,858.53.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
E. (9) $26.

A. National Association of Real Estate Investment Trusts, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,600. E. (9) $1,593.85.

A. National Association of School Bus Contract Operators, 4616 Lawn Court, Fairfax, Va. 22030.
E. (9) $1,304.90.

A. National Committee for Effective No-Fault, 2535 Massachusetts Avenue NW., Washington, D.C. 20008.
D. (6) $300.

A. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
D. (6) $454,829.83. E. (9) $453.14.

A. National Consumer Center for Legal Services, 1750 New York Avenue NW., Washington, D.C. 20006.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $35,272.77. E (9) $13,693.01.

A. National Federation of Business & Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $34,586.42. E. (9) $6,806.34.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $119,983.42. E. (9) $13,950.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $65,709. E. (9) $44,501.

A. The National Independent Meat Packers Association, 734 15th Street NW., Washington, D.C. 20005.
D. (6) $8,990. E. (9) $2,235.78.

A. National Organization for the Reform of Marijuana Laws, 2317 M Street NW., Washington, D.C. 20037.
D. (6) $3,198.30. E. (9) $600.

A. National Organization for Women, Inc., 1107 National Press Building, Washington, D.C. 20004.
D. (6) $9,399.13. E. (9) $9,399.13.

A. National Realty Committee, Inc., 230 Park Avenue, New York N.Y. 10017.
D. (6) $1,640.76. E. (9) $1,640.76.

A. National Rehabilitation, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $12,345. E. (9) $1,603.

A. National Right to Work Committee, 1990 M Street NW., Washington, D.C. 20036.
D. (6) $2,468. E. (9) $2,468.

A. National Rural Housing Coalition, 1346 Connecticut Avenue NW., Suite 529, Washington, D.C. 20036.
D. (6) $3,316.68. E. (9) $3,416.54.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $3,928. E. (9) $3,376.

A. National Tax Equity Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,602.32. E. (9) $2,009.14.

A. National Telephone Cooperative Association, 2100 M. Street NW., Suite 307, Washington, D.C. 20037.
E. (9) $3,755.

A. Navajo Tribe, Office of the Controller, Window Rock, Ariz. 86515.
E. (9) $400.

A. Ivan A. Nestingen, 1000 Connecticut Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $900. E. (9) $225.

A. Barbara Niles, 170 East 79th Street, New York, N.Y. 10021.
B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Robert D. Nordstrom, Washington, D.C. 20036.
B. National Canners Association, 1133 20th Street, NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $100.

A. Julia J. Norrell, 1620 I Street NW., Washington, D.C. 20006.
B. Association of Trial Lawyers of America.
D. (6) $3,457.98.

A. Rebekah Norton, 422 First Street SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C.
D. (6) $1,149.21.

A. W. Brice O'Brien, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $825.

A. Lawrence J. O'Connor, Jr., 1801 K Street NW., Suite 1021, Washington, D.C. 20006.
B. The Standard Oil Co., Midland Building, Cleveland, Ohio 44115.
E. (9) $788.54.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Alleghany Corp., New York, N.Y.
D. (6) $1,600. E. (9) $110.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,155. E. (9) $116.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006

B. Investors Diversified Services, Inc., 2900 IDS Tower, Minneapolis, Minn. 55402.

D. (6) $1,500. E. (9) $460.

A. Charles E. Olson, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $4,124. E. (9) $500.15.

A. Charles T. O'Neill, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,000.

A. James J. O'Neill, 22 Thames Street, New York, N.Y.

B. Committee of Publicly Owned Cos., 22 Thames Street, New York, N.Y. 10006.

D. (6) $13,399.98. E. (9) $1,105.19.

A. Franz M. Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. General Cable, Corp., 500 West Putnam Avenue, Greenwich, Conn., 06830.

A. Franz M. Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C.

B. Union Investment GmbH, Neue Mainzer Strasse 33-35, 6 Frankfurt am Main 16, Federal Republic of Germany.

D. (6) $200. E. (9) $5.

A. J. Allen Overton, Jr., 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C.

D. (6) $1,675.

A. Pacific Lighting Corp., 810 South Flower Street, Los Angeles, Calif. 90017.

E. (9) $5,443.75.

A. William G. Painter, 324 C Street SE., Washington, D.C. 20003.

B. American Rivers Conservation Council, 324 C Street SEC., Washington, D.C. 20003.

D. (6) $274.

A. Lew M. Paramore, P.O. Box 1160, Kansas City, Kans. 66117.

B. Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. Ellen Pattin, 6907 Lyle Street, Lanham, Md. 20801.

B. Women's Lobby Inc., 1345 G Street SE., Washington, D.C. 20003.

E. (9) $18.95.

A. Pepper, Hamilton & Scheetz, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Johns-Manville Co., P.O. Box 17086, Denver, Colo. 80217.

D. (6) $4,026.25. E. (9) $6.16.

A. Pepper, Hamilton & Scheetz, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. John G. Milliken, Suite 1102, Coalition of Concerned Charities, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $3,000. E. (9) $73.58.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Sun Oil Co., 1800 K Street NW., Washington, D.C. 20006.

D. (6) $5,600. E. (9) $136.57.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.

B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.

D. (6) $3,083.33. E. (9) $1,430.90.

A. Grant C. Pinney, Halsey Street, China Lake, Calif. 93555.

B. China Lake Elementary School District, Halsey Street, China Lake, Calif., 93555.

A. Frederick T. Poole, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $2,563. E. (9) $26.

A. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.

E. (9) $9,068.88.

A. William I. Powell, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $1,075. E. (9) $71.40.

A. Arnold J. Prima, Jr., 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,200. E. (9) $2,400.15.

A. Public Relations Counselors Inc., 2601 Peachtree Center Building, Atlanta, Ga. 30303

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $982. E. (9) $246.41.

A. Joseph E. Quin, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $825.

A. Ragan & Mason, 900 17th Street NW., Washington, D.C.

B. The Department of Tourism, Hamilton, Bermuda.

D. (6) $1,666.

A. Ragan & Mason, 900 17th Street NW., Washington, D.C.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa.

D. (6) $2,000. E. (9) $1,368.59.

A. Ragan & Mason, 900 17th Street NW., Washington, D.C.

B. National Ski Areas Association, Inc., 99 Park Avenue, New York, N.Y.

D. (6) $1,500.

A. Ragan & Mason, 900 17th Street NW., Washington, D.C.

B. R. J. Reynolds Industries, Inc., 401 North Main Street, Winston-Salem, N.C.

D. (6) $1,000.

A. Ragan & Mason, 900 17th Street NW., Washington, D.C.

B. Sea-Land Service, Inc., P.O. Box 900, Edison, N.J.

D. (6) $900. E. (9) $96.

A. Ragan & Mason, 900 17th Street NW., Washington, D.C.

B. Stimson Lumber Co. and Miller Redwood Co., 315 Pacific Building, Portland, Oreg.

D. (6) $125.

A. Rial M. Rainwater, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

D. (6) $ 243. E. (9) $8.

A. Clarence B. Randall, Jr., 1625 I Street NW., Suite 321, Washington, D.C. 20006.

B. Associated Builders & Contractors, Inc.

E. (9) $350.

A. Recording Industry Association of America, Inc., One East 57th Street, New York, N.Y. 10022.

D. (6) $363,484. E. (9) $58,548.15.

A. Recreational Vehicle Institute, Inc., 2720 Des Plaines Avenue, Des Plaines, Ill. 60018.

E. (9) $19,086.25.

A. Lola Redford, 1125 Fifth Avenue, New York, N.Y. 10028.

B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Robert S. Reese, Jr., 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Reserve Officers, Association of United States, 1 Constitution Avenue NE., Washington, D.C.

D. (6) $1,538.97. E. (9) $365.65.

A. Harry H. Richardson, 335 Austin Street, Bogalusa, La. 70427.

B. Louisiana Railroads, 335 Austin Street, Bogalusa, La.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. The Kellogg Co., Battle Creek, Mich.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. W. K. Kellogg Foundation, Battle Creek, Mich.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. Volume Footwear Retailers of America, 51 East 42d Street, New York, N.Y. 10017.

D. (6) $3,750.

A. Rosalie Riechman, 120 Maryland Avenue NW., Washington, D.C. 20002.

B. Women's International League for Peace and Freedom, 1213 Race Street, Philadelphia, Pa. 19107.

D. (6) $1,526.58.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

E. (9) $26.

A. John Riley, 1625 L Street NW., Washington, D.C. 20036.

B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $750. E. (9) $10.11.

A. Kenneth Roberson, 2 Dubonnet Road, Valley Stream, N.Y. 11581.

B. Meat Importers Council of America, Inc., 708 Third Avenue, New York, N.Y. 10017.

A. James C. Roberts, 422 First Street SE., Washington, D.C.

B. American Conservative Union, 422 First Street, SE., Washington, D.C.

D. (6) $3,250.

A. Ronald E. Robinson, 2800 Smith Tower, Seattle, Wash. 98104.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $235.45. E. (9) $100.

A. Nathaniel H. Rogg, 1625 L Street NW., Washington, D.C. 20036.

B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $3,168.74. E. (9) $118.20.

A. Francis P. Rooney, 1909 K Street NW., Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.

D. (6) $400.

A. Christine Root, 4024 Franklin Street, Kensington, Md. 20795.
B. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $1,500. E. (9) $393.80.

A. Peter G. Sandlund, 919 18th Street NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Associations, 30–32 St. Mary Axe, London EC3A 8ET, England.
D. (6) $11,250. E. (9) $9,626.34.

A. Jerome D. Schaller, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $460.50.

A. Kenneth I. Schaner, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y.

A. A. Cleve Schneeberger, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Portland Cement Association, Old Orchard Road, Skokie, Ill. 60076.

A. Ann Scott, 1107 National Press Building, Washington, D.C. 20004.
B. National Organization for Women, Inc., 1107 National Press Building, Washington, D.C. 20004.
E. (9) $40.

A. John W. Scott, 1616 H Street NW., Washington, D.C. 20006.
B. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,250.

A. Durward Seals, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $312.50. E. (9) $34.78.

A. Section 23 Leased Housing Association, Suite 707, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. Leo Seybold, 1709 New York Avenue Washington, D.C. 20006.
B. Air Transport Association.
D. (6) $2,079. E. (9) $577.08.

A. Jowanda Shelton, 910 16th Street NW., Washington, D.C. 20006.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $2,800. E. (9) $223.41.

A. Norman R. Sherlock, 1709 New York Avenue, Washington, D.C. 20006.
B. Air Transport Association.
D. (6) $865. E. (9) $971.52.

A. Laurence P. Sherfy, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,175.

A. A. Z. Shows, Suite 904, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $6,353.78. E. (9) $3,934.49.

A. Barry M. Siegel, 22 Thames Street, New York, N.Y.
B. Committee of Publicly Owned Co., 22 Thames Street, New York, N.Y.
D. (6) $9,212.46. E. (9) $710.47.

A. Donald K. Simpson, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $575.

A. Hall Sisson, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
E. (9) $3,321.12.

A. Spencer M. Smith, Jr., 1709 North Glebe Road, Arlington, Va. 22207.
B. Citizens Committee on Natural Resources, 1346 Connecticut Avenue NW., Suite 712, Washington, D.C. 20036.
D. (6) $3,524.95. E. (9) $1,084.63.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $12,358.64. E. (9) $12,358.64.

A. William C. Spence, Box 683 Houston, Tex. 77001.
B. Columbia Gulf Transmission Co., Box 683, Houston, Tex. 77001.
D. (6) $50. E. (9) $50.

A. Springs Mills, Inc., Fort Mill, S.C. 29715.
E. (9) $229.50.

A. J. Gilbert Stallings, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.

A. Joseph J. Standa, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $269.56. E. (9) $75.

A. The Standard Oil Co. (Ohio), 1801 K Street NW., Suite 1021, Washington, D.C. 20006.
E. (9) $788.54.

A. Robert H. Starkey, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $243. E. (9) $7.

A. Cynthia Stein, 50 West 96th Street, New York, N.Y. 10025.
B. Consumer Action Now, Inc., 30 East 68th Street, New York, N.Y.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

A. Stitt, Hemmendinger & Kennedy, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Group, American Importers Association, New York, N.Y.

A. Stitt, Hemmendinger & Kennedy, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Japan Iron & Steel Exporters Association, Tokyo, Japan.

A. Roger J. Stroh, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $212.50. E. (9) $21.73.

A. Michael E. Strother, 1435 4th Street SW., Suite B 512, Washington, D.C. 20024.
B. Land Improvement Contractors of America, 9515 Ogden Avenue, Brookfield, Ill. 60513.
D. (6) $900. E. (9) $147.20.

A. R. Keith Stroup, 2317 M Street NW., Washington, D.C. 20037.
B. National Organization for the Reform of Marijuana Laws, 2317 M Street NW., Washington, D.C. 20037.
D. (6) $450.

A. G. Don Sullivan, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $575.

A. Sun Oil Co., 1800 K Street NW., Washington, D.C. 20006.
E. (9) $5,736.57.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Agway, Inc., P.O. Box 1333, Syracuse, N.Y. 13201.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Central States Health & Life Co., of Omaha, Howard at 18th Street, Omaha, Nebr. 68102.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01101.
D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. National Association of Life Cos., 1365 Peachtree Street NE., Atlanta, Ga. 30309.
D. (6) $500. E. (9) $50.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Retail Credit Co., P.O. Box 4081, Atlanta, Ga. 30302.
D. (6) $5,000. E. (9) $1,500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Travelers Insurance Cos., One Tower Square, Hartford, Conn. 06115.
D. (6) $500. E. (9) $30.

A. Monroe Sweetland, 1705 Murchison Drive, Burlingame, Calif. 94010.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $308.62. E. (9) $100.

A. J. Woodrow Thomas Associates, Inc., 734 15th Street NW., Washington, D.C. 20005.
B. Hart Metals, Inc., Tamaqua, Pa.
D. (6) $2,250.

A. J. Woodrow Thomas Associates, Inc., 734 15th Street NW., Washington, D.C. 20005.
B. REA Express, Inc., 219 42d Street, New York, N.Y. 10017.
D. (6) $4,500.

A. Bert M. Thompson, 666 11th Street NW., Washington, D.C. 20001.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $865.

A. Philip Tierney, 711 Princess Street, Alexandria, Va. 22313.
B. Estate of Paul T. Stone, 515 King Street, Alexandria, Va. 22314.

A. Charles Richard Titus, 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. Patrick F. Tobin, 128 C Street NE., Room 66, Washington, D.C. 20002.

B. International Longshoremen's and Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $4,000.

A. J. P. Trainor, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $4,083.34. E. (9) $1,363.65.

A. W. M. Trevarrow, 601 National Press Building, Washington, D.C. 20004.
B. American Motors Corp., 14250 Plymouth Road, Detroit, Mich. 48232.
D. (6) $5,375. E. (9) $184.50.

A. Matt Triggs, 415 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $1,792. E. (9) $14.80.

A. J. Drake Turrentine, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Union Investment GmbH, Neue Mainzer Strasse 33–35, 6 Frankfurt am Main 16, Federal Republic of Germany.

A. Joseph D. Tydings, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $524.90.

A. United Egg Producers, 1001 International Boulevard, Suite 1105, Atlanta, Ga. 30354.
E. (9) $1,575.

A. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $2,385.27. E. (9) $2,385.27.

A. United States Lawn Tennis Association, Inc., 51 East 42d Street, New York, N.Y. 10017.

A. R. Dick Vander Woude, 10600 West Higgins Road, Rosemont, Ill. 60018.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $251.93. E. (9) $75.

A. Mary E. Vogel, 1107 National Press Building, Washington, D.C. 20004.
B. National Organization for Women, Inc., 1107 National Press Building, Washington, D.C. 20004.
D. (6) $2,749.98. E. (9) $26.95.

A. Wald, Harkrader & Ross, 1320 19th Street NW., Washington, D.C. 20036.
B. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.

A. DeMelt E. Walker, 1730 Rhode Island Avenue, NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,017. E. (9) $49.32.

A. Pamela R. Warner, 121 2nd Street NE., Suite 5, Washington, D.C.
B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif.
D. (6) $200. E. (9) $709.18.

A. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $16,424.67. E. (9) $12,720.96.

A. Janet H. Wegner, 1909 K Street NW., Washington, D.C. 20006.
B. American Association of Retired Persons/National Retired Teachers Association, 1909 K Street NW., Washington, D.C. 20006.

A. Arlene Weltman, 239 Central Park West, New York, N.Y. 10024.
B. Consumer Action Now, Inc.

A. Terrell M. Wertz, 1608 K Street NW., Washington, D.C.
B. American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $3,900. E. (9) $240.92.

A. Harry H. Westbay III, 1625 Eye Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $300. E. (9) $150.

A. Edwin M. Wheeler, 1015 18th Street NW., Washington, D.C. 20036.
B. 1015 Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. Leonard M. Wickliffe, Eleventh and L Building, Sacramento, Calif. 95814.
B. California Railroad Association, Eleventh and L Building, Sacramento, Calif. 95814.
D. (6) $3,314. E. (9) $5,134.73.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Bankers Association of Puerto Rico, Care of Wender, Murase & White, 350 Park Avenue, New York, N.Y. 10022.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. James G. Freeman & Associates, 1825 Magnolia Avenue, Burlingame, Calif. 94010.
D. (6) $100. E. (9) $10.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Globe Feather & Down Co., 1030 West North Avenue, Chicago, Ill. 60622.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
D. (6) $1,000. E. (9) $220.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. National Council for Health Care Services, 407 N Street SW., Washington. D.C. 20024.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Ward Industries, Inc., P.O. Box 849, Conway, Ark. 72032.

A. John C. Williamson, 1730 Rhode Island NW., Washington, D.C. 20036.
B. Mobilehome Dealers National Association, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $2,000.

A. John C. Williamson, 1730 Rhode Island NW., Washington, D.C. 20036.
B. Mortgage Insurance Cos. of America, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $185.37.

A. John C. Williamson, 1730 Rhode Island NW., Washington, D.C. 20036.
B. National Apartment Association, 1825 K Street NW., Washington, D.C. 20006
D. (6) $2,000.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Dealer Bank Association, P.O. Box 479, Wall Street Station, New York, N.Y. 10005.
D. (6) $300.

A. Women's Lobby, Inc., 1345 G Street SE., Washington, D.C. 20003.
D. (6) $10,638.55. E. (9) $12,531.67.

A. Burton C. Wood, 1625 L Street NW., Washington, D.C. 20038.
B. National Association of Home Builders of the United States, 1625 L. Street NW., Washington, D.C. 20036.
D. (6) $5,671.89. E. (9) $583.57.

A. World Federalists, U.S.A., 2029 K Street NW., Washington, D.C. 20006.
D. (6) $5,057.67. E. (9) $5,075.67.

A. Carol Wyrick, 5607 Greentree Road, Bethesda, Md. 20034.
B. Women's Lobby, Inc., 1345 G Street SE., Washington, D.C. 2003.
E. (9) $44.

A. James S. Yonk.
B. Johns-Manville, P.O. Box 5108, Greenwood Plaza, Denver, Colo., 80217.
E. (9) $320.

A. Marlene Zendell, 12522 Windover Turn, Bowie, Md. 20715.
B. Women's Lobby, Inc., 1345 G Street SE., Washington, D.C. 20003.
E. (9) $94.65.

A. John L. Zorack, 1709 New York Avenue, Washington, D.C. 20006.
B. Air Transport Association.
D. (6) $1,815. E. (9) $686.25.

A. Charles O. Zuver, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $88.37.

EXTENSIONS OF REMARKS

FIGHTING INFLATION

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 15, 1974

Mr. HARRY F. BYRD, JR. Mr. President, the job of fighting inflation, as President Ford has said, is going to involve some very tough decisions.

Just before our new President succeeded to the office, the Northern Virginia Daily, of Strasburg, Va., published an editorial outlining the kind of policies which the leaders of our Nation must follow if we are to get the cost of living under control.

Based in part on remarks I had delivered in the Senate 3 days earlier, the August 8 editorial declared rightly:

> It is one thing to indulge in platitudes about what needs to be done. It is quite another, for the Administration and for Congress, to face up to taking the stringent measures required to really stop the inflationary gallop.

Well said.

I hope that the Congress and the administration now will show the willpower necessary to make the spending cuts required to end the massive deficits which the Government has been running. Until this is done, inflation will rage on.

I ask unanimous consent that the text

of the editorial, "Byrd Told the Senate," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BYRD TOLD THE SENATE

On Monday, Senator Harry F. Byrd spoke to his colleagues in the Senate on the subject of inflation and the cost of government. As usual his remarks drove home the hard-line fiscal philosophy for which the senior senator from Virginia has become noted. And, as usual, he was right.

On July 25th, President Nixon made a nationally televised speech on the state of the nation's economy in which he promised that the Administration would do its part toward a beginning in holding the line on inflation by recommending that spending be held to only $300 billion. This impressed the listeners as a truly substantial step to get at the heart of the problem until one realizes that even at that lower figure outlays will still exceed last year's by some $30 billion.

The tenor of the senator's remarks was that a successful fight against inflation will involve the people, the Executive and the Congress. We do not think it will be difficult to get the cooperation of the public sector. We sense a genuine concern on the part of individual citizens as well as the business community and a desire to get on with the job they know must be accomplished if the rise in prices is to be checked.

The principal responsibility, however, lies with the Administration and with Congress. Sen. Byrd pointedly asked the question: "What is government doing to curb inflation?"

What is Congress doing? Congress works in mysterious ways. Of 54 senators who recently came out in favor of cutting 10 billion dollars from the Federal budget, only 16 voted a few days later against a $250 million increase in the Agriculture appropriation. In fact, the Senate has just raised spending for agriculture, consumer protection and the environment by 29 percent over last year.

According to Sen. Byrd:

"That bill included an increase of one billion dollars (from $3 billion to $4 billion) for food stamps, a program which has increased a hundredfold in cost since its inception in 1966.

"The agriculture bill included many worthwhile programs, programs which I have supported in the past. But I could not vote in favor of a 29 percent increase in spending over last year. I voted 'No' on the bill, but it was passed by 71–15."

What is the Administration doing? Seemingly sincere intentions to the contrary, it would appear that what the Administration lacks most is the intestinal fortitude to take a really hard line gainst the government fiscal policies, which are the principal cause of inflation.

It is one thing to indulge in platitudes about what needs to be done. It is quite another, for the Administration and for Congress, to face up to taking the stringent measures required to really stop the inflation gallop.

The Administration and the Congress must make up its mind that we can no longer behave fiscally as we did a decade or two ago when no domestic program was too costly if it promised a New Frontier or a Greater Society, and no foreign aid program too expensive it meant relief for the less fortunate, even at the expense of an endangered American economy.

As Senator Byrd points out, the government has now arrived at the place where it must take a searching look into every expenditure, domestic and foreign, and boldly take the potentially unpopular but vitally necessary steps required to save our economy. Whether it be the establishment of a new and costly consumer protection agency, federal civilian employment, foreign aid, international development, food stamps, or welfare, this nation has arrived at the time of reckoning.

In concluding his Senate speech, Sen. Byrd stated:

"So there are some grounds for hope.

"The hope will not be realized, however, until Congress and the President, working together, dedicate themselves to cutting government spending.

"The President, as I have said, must take the lead enunciating a firm policy.

"The Congress must have the will to hold the line.

"There is no hope of getting the cost of living under control until we get the cost of government under control."

We hope that the Administration and the Congress will put political considerations aside long enough to provide the leadership the nation must have to get the job done.

LAPEER DAYS

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. TRAXLER. Mr. Speaker, on August 21–22 the city of Lapeer, Mich., will celebrate "Lapeer Days," a once-every-5-years tribute to the friendly people, the productive farms, and the successful businesses and industries that have made Lapeer a truly great American city and county. In these times of national renewal and hope, it is particularly appropriate to honor the average American working men and women, whose strength and spirit always seem to carry us through perods of national crisis. The people of Lapeer exemplify the unyielding moral fiber that keeps us strong. Thus, their community's celebration is indeed a reflection of the dignity, honesty, and unflagging spirit of America's working people.

The history of Lapeer traces back to the arrival of Alvin N. Hart, the area's first settler. Hart was young—only 27—when he left his native Cornwall, Conn., to travel with the rushing tides of men and women moving West. The Northwest Territory, lush with forests and crisscrossed by rivers, lured the pioneering Hart to its heartland. After 2 years of tiring work hacking a home out of the wilderness, Hart formally established the village of Lapeer, after the name "lepierre"—meaning stone—given to the area by the early French traders.

In 1833 the area's second settler came to Lapeer. Enoch J. White, a boy of 19, made the long journey from South Hadley, Mass., and in true pioneering spirt, settled in Michigan to start a town. That same year he founded Whitesville, the eastern part of what is now Lapeer.

The forested area on the banks of the Flint River to which Hart and White had come, soon became a vibrant and noisy lumbering area, filled with the strong and courageous men who made the lumbering industry possible.

By 1870 most of the land had been cleared and Lapeer became a rich agricultural area. Farmers settled in the region and built up the first of a long line of productive farms on the fertile river land.

Lapeer County's first elections—to choose county officers—were held in 1837, the year Michigan became a State. Seven years later, in another election, Alvin Hart was elected a State senator to serve one of the largest geographic areas a Michigan State senator has ever represented: Lapeer, Oakland, Genesee, Shiawasee, Tuscola and Saginaw Counties and the entire Upper Peninsula of Michigan.

"Lapeer Days," a celebration embedded in the heritage of the Village and County of Lapeer, began as a way for the merchants in the area to thank their customers for their patronage during the past year. They did this by hosting a day of free entertainment and food. An ox was roasted in an open pit in the area behind the present Lyons and Smith Store and free beef sandwiches were given to all in attendance. When the county was still predominately rural and agricultural, the Lapeer 4–H Clubs took an active part in the celebrations, entering their livestock in the parade.

Some of the people who helped with the early Lapeer Days were Frank Conlen, Clarence Bolander, Harold Thorne, Bill Kruth, Al DesJardins, Harry Mers, Austin Swinn, Frank Coward, Charles Laesch, Dr. H. B. Zemmer, Art Dodds, Judge Lewis Cramton, George Skene, Fred Russell, Shad Vincent, Ralph Markwood, and many others. Many of these people stayed up all night to roast the beef and watch over it.

In recent years, Lapeer Days has become an event held every 5 years instead of annually. Today, Lapeer is a well-balanced community of urban residents, farmers and businessmen. The heritage of the town is celebrated by the parade, fireworks, variety show and other traditionally "American" festivities of Lapeer Days.

The industrial and manufacturing base of Lapeer County is diverse and strong. The area serves the heavy industry, particularly the automobile plants, of Genesee and Oakland Counties, as well as its own light manufacturing concerns, which produce castings, plastic trim, tools, camping trailers, metal stampings, toggle action clamps, plastic products, cardboard containers, tool and die and foam rubber products.

The respected Lapeer County Press, which traces back to 1839, serves the town on a weekly basis and is the largest rural weekly paper in America. A noted State home for the mentally retarded, Oakdale Center, established in 1894, through the efforts of Gov. John Rich, of Lapeer, has a patient population of 1,750, a staff of more than 1,200 employees, and a budget of more than $17 million. The home is a city in itself, occupying 90 buildings and 1,200 acres. Crampton Parks, stretching for 10 blocks along the Flint River, is a picturesque recreation center patronized by thousands of residents during the summer. The Lapeer County Courthouse, constructed in the style of the Greek Revival by the town's founder for only $10,000, is the oldest courthouse in Michigan that is still in use.

Mr. Speaker, I would like to thank the Lapeer County Press, including its publisher, Mr. Robert Myers, and its editor, Mr. James Fitzgerald, and the County Clerk, Mr. Lyle F. Stewart, for the historical information included in my tribute to Lapeer, Mich. Lapeer is a city and a county that embodies the unflagging spirit of America's pioneers—its early settlers and lumbermen, its businessmen and farmers, and all those men and women who have labored hard for their successes. On behalf of the people of Lapeer, I extend an invitation to my colleagues and to all Americans who may be traveling or vacationing in Michigan next week to visit this exciting celebration of our Nation's heritage.

TRANSIT MANAGEMENT SPECIALISTS

HON. THOMAS F. EAGLETON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, August 15, 1974

Mr. EAGLETON. Mr. President, a recent issue of Power Parade featured an article on the success of the American Transit Corp., which has its headquarters in St. Louis, Mo.

This company is now providing transit management services in 39 cities across the country and I think its success offers great hope for the future of urban mass transportation.

I ask unanimous consent that the article referred to be printed in the Extension of Remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Transit Management Specialists

In recent years public transportation in virtually every city of the U.S. has experienced sagging patronage. Despite consistent growth in population, most metropolitan areas have faced an equally consistent decline in the number of passengers carried by public conveyance.

Everywhere, the local transit experts have had to cope with declining revenues, while at the same time, stemming the tide of public and official apathy, to bring about a trend toward increased use of public transportation. In some cities, new rapid transit systems are being introduced at great financial cost. In others, municipal ownership, and/or local taxes are subsidizing transportation operations. City planners, civic and political leaders, the press and the public at large—all are having their say about the way to solve the municipal transportation crises.

In this day of subways, elevateds, monorails and other transportation solutions in use or being considered for use, it is interesting that the most universal, most versatile, and most available form of local public conveyance continues to be the bus. It is interesting, too, how many cities, using buses, are meeting local needs for adequate, reliable and economic public transportation.

In at least thirty-nine cities around the country, the management expertise of one company is earning credit for some of the success of local bus operations. These are the cities where management of local transportation is contracted with the American Transit Corporation, transportation experts headquartering at St. Louis, Missouri.

What is the expertise that American Transit brings to the bus systems it operates? The basics are there, of course—sound management, good equipment, trained personnel, operating know-how. All these American Transit provides in full measure.

But, there's another ingredient that American Transit brings to the 39 "properties" it operates—one that is not widely apparent in city transit systems elsewhere. It is *merchandising!* American Transit *sells* its servives to the public all the time. Through advertising, radio, posters, publicity and special ridership programs, ATC promotes greater patronage by the local populace. And it works!

Consider the American Transit program as it is applied in two large cities of the Southwest—Tucson and Phoenix, in Arizona. Because of their relative geographical proximity (135 miles) these two cities' bus systems benefit mutually from the experiences of each other—this is only natural. But, because they are part of American Transit's nationwide operation, they benefit also from the experiences of 37 other "sister" bus lines all over the country.

Phoenix's buses are under the management of ATC's resident manager, J. S. "Sparky" Loe. He presently has 89 GMC buses, 1947 to 1970, and recently added 40 new Flxibles to replace some of his oldest equipment. Every bus in the Phoenix fleet is Detroit Diesel powered—mostly 6–71s, with 8V–71s powering the new Flxibles. All have Allison transmissions.

Rigid preventive maintenance is practiced in the Phoenix fleet, just as it is in every ATC operation. All buses get scheduled inspection and servicing that is designed to meet high standards of cleanliness, safety and mechanical condition. ATC's 6000-mile inspection form contains 100 vehicle checkpoints, plus another 18 if the bus is air conditioned (most Phoenix buses are).

At Tucson, the story is much the same. Here, ATC manager Ed Bell is running 40 buses. Thirty of the buses are GMCs, with 21 being purchased in 1972 and 1973. The other 10 buses in the fleet are Flxibles, all purchased this year. Serving a population of 350,000. Tucson Transit is this year expanding its service mileage another half-million miles to slightly more than two million miles. All of Tucson's coaches are owned by the city, managed and operated by ATC.

Because Tucson, like so many cities today, is acutely conscious of pollution, its newer transit buses are earning popular approval for their cleaner exhausts. Signs in bus windows announce: "I've quit smoking", a direct tribute to cleaner burning Detroit Diesel power and the vertical roof-high exhaust with which the buses are equipped.

It is with just such ingenious promotions as this that ATC is appealing to local citizenry for increased patronage. Through posters, newspaper ads and publicity and through the use of public relations specialists (hostesses, no less) ATC's various operations are attracting public favor and producing increased ridership.

Quite a number of cities where American Transit is on the job have experienced market improvement in bus service and operating efficiency. The ATC brand of know-how in management and promotion seems to be effective.

NEW SOURCE OF NUCLEAR ISOTOPES FOR MEDICAL USES

HON. CHET HOLIFIELD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. HOLIFIELD. Mr. Speaker, we have learned of another spinoff made possible through the efforts of the Joint Committee on Atomic Energy and the Congress in promoting advances in the peaceful uses of nuclear energy—this time in the field of nuclear medicine. The Clinton P. Anderson Meson Physics Facility, LAMPF, at the Los Alamos Scientific Laboratory has produced in sufficient quantity a previously unavailable radioisotope, strontium-82, for clinical use at the Veterans' Administration hospital, Denver, Colo. The primary application will be in the detection of existing or potential myocardial infarction, the dying off of heart tissue due to the blockage of blood flow in heart muscle arteries. This coronary disease can affect one of every five adults in the United States, leading to 700,000 patients and possibly 150,000 deaths in persons between the ages of 40 and 65 years annually. The use of strontium-82 is a preventive approach, since it will help identify the high risk patient through its use as a myocardial scanning agent. The need for scanning agents for use in the diagnosis of this disease has been under development for years, but the availability has been extremely low and the cost extremely high.

The energetic, dense beam of protons from the LAMPF accelerator permits the creation of strontium-82 as a byproduct—basically something for nothing—from the excess protons not needed in other research programs.

Dr. Louis Rosen, Director of LAMPF and his associates should be congratulated for the development of this medical isotope for alleviating and possibly preventing human illnesses.

At this point, I would like to submit for the Record a news release from the Los Alamos Scientific Laboratory which describes the use of strontium-82:

First LAMPF Isotopes Shipped to Medical Facility

Los Alamos, N. Mex., August 5, 1974.—The first shipment of a radioactive isotope produced at the Los Alamos Scientific Laboratory's Clinton P. Anderson Meson Physics Facility (LAMPF) and designed for use in medicine has been made.

The isotope, strontium-82, has been delivered to the nuclear medicine section of the Veteran's Administration Hospital in Denver, Colorado. This is the beginning of a long-term continuing program to provide radioisotopes made at LAMPF to various medical facilities.

LAMPF is one of the few facilities which will be able to economically produce the strontium isotope for large-scale clinical use. It is expected that LAMPF will produce large quantities of a number of medically useful radioisotopes which are not readily available from other sources.

Radioisotopes are used in nuclear medicine for a variety of diagnostic and therapeutic purposes such as tumor localization, organ function studies, brain scans, and blood volume and heart muscle measurements. The most useful radioisotopes are those with the shortest half lives, as they reduce the radiation exposures to the patients.

Strontium-82 has a half life of 25 days and decays to its daughter isotope, rubidium-82, whose half life is 75 seconds. It is the rubidium isotope which will be used in the medical evaluation studies. It will be separated from the strontium periodically at the VA Hospital and will be tested in preparation for clinical studies.

A molybdenum target was bombarded with 800-MeV protons at LAMPF, and radio-chemical techniques were used to isolate the strontium isotope thus produced. The 120 microcuries of strontium-82 were shipped to Denver in a solution of hydrochloric acid.

This is yet another example of how a basic research project has important practical applications in diverse fields and can be of widespread benefit to mankind.

The principal investigators of this project were Drs. Hal O'Brien, Pat Grant, and Allen Agard (all of LASL's nuclear chemistry group, CNC–11), and Prof. Milton Kahn (a University of New Mexico Chemistry Department faculty member and LASL visiting staff member).

The Los Alamos Scientific Laboratory is operated by the University of California for the U.S. Atomic Energy Commission. This research was supported in part by a grant from the American Cancer Society to the UNM school of Medicine.

PENSION REFORM—AT LAST

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Friday, August 16, 1974

Mr. GRIFFIN. Mr. President, after too many years of delay and debate, Congress is about to erect a monumental new standard of economic justice for millions of American working men and women.

A conference report embodying the Senate-House pension reform compromise is ready, at last. I am confident that within a few days it will be adopted by an overwhelming vote in both Houses of Congress; and then, only the President's signature will be required to bring to a successful climax the long struggle for enactment of this important economic bill of rights.

It is reasonable to predict that the legislation will actually be signed into law by President Gerald Ford on or about Labor Day—a most appropriate salute to America's working men and women.

It has been 15 years since Congress has taken any legislative action in the pension field. Since then, the desperate need for reform and meaningful pension protection has become well known and well documented, often at great and painful cost to thousands of individual workers. For example:

In 1964, when the Studebaker Co. closed its doors, nearly 4,000 workers lost their pension benefits except for 15 cents on the dollar.

The number of UAW pension plans terminated in 1970 was twice the yearly average for the preceding 10 years. Since then, the number of plans terminated doubled again in 1971, held steady in 1972 and 1973, and is climbing again in 1974.

A recent study by the U.S. Departments of the Treasury and Labor reveals that no less than 1,227 pension plans were terminated in 1972, resulting in losses of pension benefits to over 19,000 workers. The average loss suffered by each worker exceeded $4,000.

But grim statistics do not tell the whole story. In a multitude of cases, workers supposedly covered by pension plans have found—after working 20 years or more for the same company—that they have no vested rights at all. In fact, careful reading of the fine print that characterizes too many pension plans, reveals that approximately two out of every three "covered" workers in America today really have no vested entitlement to a pension.

The new pension reform legislation before us now establishes not only minimum vesting standards but it sets up an insurance system to assure that pension benefits, once earned, will actually be paid upon entitlement.

Of course, this new pension reform bill—like legislative efforts in so many areas—is necessarily the product of compromise. The final version is not perfect; it will not be satisfactory to everyone. Nevertheless, I am delighted to support it and to hail it as a giant step in the right direction.

Because I have been such a strong advocate of pension reform, I am disappointed, naturally, that in some areas this legislation falls short. But in most respects the compromise does reflect and parallel the major reform concepts which were embodied in the bill I have introduced and reintroduced over the years.

In order to assist those who may be particularly interested in learning more about this new pension reform law, I ask to have printed in the RECORD at the conclusion of my remarks, a series of excellent articles by Sylvia Porter which appeared recently in the Detroit Free Press.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRIFFIN. In addition, it can be stated that further details and answers to specific questions about the new law will be available by writing to the Director of Inquiries, Labor-Management and Welfare Pension Reports, U.S. Department of Labor, Washington, D.C. 20216.

EXHIBIT 1

PENSIONS: FINALLY REFORM BILL NEARS OK

(By Sylvia Porter)

AUGUST 5, 1974.

Within a matter of days, the historic 1974 pension reform bill will become law. After years of debate, seemingly endless complications and disheartening delays, the legislation finally has been hammered out. It may be signed by President Nixon, with all the appropriate flourishes, as early as mid-August, but surely no later than Labor Day.

The number of workers estimated to be directly affected ranges up to 35 million. And the many more millions of us who are not direct beneficiaries also will be indirectly touched.

The two most important provisions are:

VESTING

This is a new guarantee that you actually will get the pension benefits you have been promised and which you have earned by working a given number of years for an employer. Under the law, employers will have these three choices to offer you:

Full vesting (giving the employe all of his earned pension benefits) after 10 years on the job; 25 percent vesting after five years of service, increasing yearly to 100 percent after 15 years; 50 percent vesting as soon as the sum of your age and your years of service reaches 45, with 10 percent additional vesting for each of the following five years.

The vesting provision will become effective immediately for new pension plans started after the law is enacted. Existing plans must comply by Jan. 1, 1976, although some may comply voluntarily before that date.

Job-changing in our country is so prevalent that only a fraction of those covered by plans could in the past expect to collect earned pension credits if they changed jobs before, say, 10 or 15 years of service for a given employer. Millions, in fact, changed jobs so frequently that pension benefits never became vested and they never got a penny.

Under this new law, the span of time a worker must wait before being assured of receiving pension rights may well be shortened from, say, 20 years of service to 10 to 15, or for the first time, benefits will be legally guaranteed (vested).

PORTABILITY

This key provision regulates—although it does not guarantee—the terms under which you may take vested pension benefits from employer to employer when changing jobs.

Under the '74 law, you may have to take your accumulated vested pension benefits in the form of a lump sum of money—if your employer insists and the benefit is less than $1,750. Or you will be able to translate it into a self-employment individual plan. Or you can just blow it, as you might blow your severance pay. Or, if your previous employer agrees, you will have the alternative of leaving the responsibility of managing this slice of your pension to your previous employer.

Criticism already is crescendoing against the reform provisions. Among the key points made:

Many companies undoubtedly will avoid the high cost of complying with the new law simply by not setting up any pension plan—and the overall result could be a reduction in the number of private pension plans established for workers in the future.

The "rule of 45"—one of the choices on vesting—would encourage employers to hire younger employes and would discourage hiring of older workers, just because of the higher cost of vesting older workers under a company pension plan.

The law does not change the fact that, today, plan benefits are typically less than $100 a month. Thus even with improved vesting, a typical worker may be vested in very little benefits even after satisfying a minimum of five years service.

There will be no protection against inflation's erosion of pension benefits in this law—although this may be among the first future amendments to the '74 legislation.

PENSIONS: WHO WILL BE COVERED?

(By Sylvia Porter)

AUGUST 6, 1974.

The historic pension reform bill to go on our statute books within a matter of days will, for the first time, provide guarantees that you will actually get the private pension benefits which you have been promised and which you have earned.

Who are "you"? The following Q. and A. will identify "you."

Q. How many workers are covered by this reform bill?

A. While the figures are slippery, estimates run from 23 million to 35 million workers, or about one-third to one-half of our current work force. This total covers millions of self-employed who will be able to set up their own plans under significantly liberalized and more attractive regulations.

Among those not touched: Government workers already covered by federal, state or local plans; those covered by church plans; workers under age 25; workers changing jobs more frequently than every five years; and, to some extent, casual and part-time workers.

Q. Will all existing pension plans be covered under the new law or only new plans?

A. All plans will have to comply, although the timetables for compliance vary according to the provision.

Q. Is there any minimum size for a plan to be covered?

A. No, no minimums.

Q. Will the new law force an employer or union to set up a pension plan?

A. No. But if and when they do, their plans will have to conform to the law's new rules.

Q. What coverage is extended to the self-employed?

A. The law will permit a self-employed person to join an approved self-employed retirement plan (Keogh) and to put into it up to 15 percent of his earned income or $7,500, whichever is less—as against the previous limits of up to 10 percent or $2,500 a year. The amounts set aside are deductible from income tax each year and earn income tax-free until they are distributed on retirement. More on this in future columns.

Q. Is there a minimum age for eligibility?

A. Yes. To be covered by the vesting provisions of the law, you must be at least 25 and also must have worked at least one year for a company offering a covered pension plan. If you are under 25 and have worked for a firm which has a plan, you must receive, when you turn 25, credit for at least three years of service.

Q. Am I protected from an employer firing me to avoid giving me my pension?

A. Yes. It is illegal to do this under the new law. And there are strict penalties for such action.

Q. What about survivors' benefits?

A. Plans must include both of the following two provisions to pass pension benefits along to the surviving spouse if a covered retired worker dies:

If you, an employe, die on or after retirement, your pension plan must provide that at least 50 percent of your pension benefits go to your surviving spouse—unless you specifically waive this provision in writing, prior to retirement; and if a plan provides for pension benefits on early retirement, you must be given the chance to convert these benefits into benefits for your surviving spouse. Today, only one in five workers is under a plan with automatic survivors' benefits which permit a surviving spouse to get benefits if the worker dies. Pensions for survivors are virtually non-existent in plans covering fewer than 1,000 workers.

However, if you have accumulated 10 to 15 years of pension benefits and die before retirement age, all of your earned benefits may go down with you; your spouse may get nothing.

Q. What about pensions for part-time workers?

A. There is minimal protection for part-time or occasional workers, a gap likely to hurt women workers hardest.

Q. Any other critically important provisions?

A. Yes. Effective six months after enactment of the bill, each pension plan administrator must give each participant a plain-language description and a summary of the annual financial report of the plan. And effective January 1976, when you leave a job, your employer will be required to give you a full rundown on the pension benefits you have earned and to file this information with the Social Security Administration. Social Security's computers will automatically issue reminders to you of key facts about your pension plan benefits.

Pensions: New Safeguards for Your Plan

(By Sylvia Porter)

August 7, 1974.

Until now, if your pension plan went bankrupt, it has been just too bad for you if the pension benefits on which you had been counting for your retirement years were wiped out. One estimate, based on a 1973 Treasury Department pension plan termination study, is that 750,000 workers whose pension benefits are vested (guaranteed) will not receive one cent during the next 20 years.

Until now, there have been no federal regulations protecting your pension plan against flagrant abuses by pension fund managers—such as the managers lending themselves, their relatives or friends fat sums at below-market interest rates.

Until now, there has not been enough money in at least one out of three pension funds to pay off future benefits already earned by the beneficiaries.

These are three key areas in which there will be major, vitally important reforms under the 1974 pension reform law. Here are key aspects put together by Michael Gordon, one of the lawyers who worked out final details of this historic reform.

All pension plans now in effect will become fully funded to meet all pension payments owed their work forces within 40 years. And all "normal" costs of administering a pension plan will have to be funded currently, under the new law.

As an illustration of what this means to you, if an employer started a pension fund today under the previous law, he would have had to put aside funds this year to pay pension benefits based on service performed in 1974 only—but not to cover pension credits accumulated by work performed by you over the past 10–20 years which may count toward your future pension benefits. The naive assumption has been that when your time came to retire, your employer would be able to find the necessary funds to pay your promised pension.

Under the 1974 law, employers now must not only fund pension credits for your current service but must also accumulate over the next 30–40 years enough to fund in full all past services. This new rule will mean that about one in three present plans will be forced to increase substantially the amount of its contributions to its pension plans. However, a majority of plans already are in compliance since they conform to accepted funding standards.

Any employer who fails to accumulate adequate funds and adhere to the new timetable will have to pay a stiff penalty tax.

The law will provide protection against irresponsible pension fund managers who have engaged in disastrous self-dealing, highly questionable investments in many areas, over-investment in a company's own stock.

Specifically, the law will ban insiders from influencing sales or other transactions involving the assets of a pension fund. It will prohibit the export of pension assets to other countries and limit investment in a company's stock to 10 percent of the fund's assets.

A new Federal agency, the Pension Benefit Guarantee Corp.—similar to the Federal Deposit Insurance Corp., which protects bank depositors in the event of a bank failure—is to be set up to protect you against abrupt cancellation of your pension benefits if your plan goes bankrupt. Trustees are to be the Secretaries of the Departments of Labor, Treasury and Commerce.

If a plan failed, the fund could pay up to $750 a month to each individual covered by the plan—just as the FDIC reimburses up to $20,000 in deposits to each depositor in a covered bank which has failed. All plans, regardless of size, must buy the plan termination insurance. Exceptions: government plans, church plans, and plans involving professional service corporations (e.g., groups of doctors) with fewer than 25 members.

As soon as the law goes on the books, all covered employers must pay a head tax of 50 cents to $1 into the insurance fund. For multi-employer plans, plan termination coverage won't begin until Jan. 1, 1978, but single employer plans receive coverage more quickly—perhaps as soon as the law is passed. Priority will be given to paying those already retired should their plans collapse.

Pensions: How To Protect Your Rights

(By Sylvia Porter)

August 8, 1974.

Under the new historic pension reform legislation of 1974, if you are a member of a pension plan which goes bankrupt, you will be protected by a new Pension Benefit Guarantee Corp. to be formed under the law and financed by employers whose pension plans are covered under the law.

Under the old law which the 1974 reform legislation will replace, you have had no protection, aside from the good will of your employer, against total loss of your pension benefits in the event your plan failed.

When the law is on the books, though, you will be able to appeal to the PBGC at Washington, D.C. 20216.

Also under this new law, you will be provided many other new rights and benefits not previously available—except through the generosity of some employers. These new rights and benefits will include vesting, safeguards against fund abuse, automatic survivors benefits, and many other vital protections.

But, be on guard! In many cases, the new safeguards will not go into effect immediately upon passage of the new law. You will have to be your own watchdog of your pension plan until all of the key provisions take effect. And after they do take effect, you still will have to know the names and places to which you will be able to appeal for help and information.

What can you do? Where can you turn for help if you suspect your plan or your benefits are in danger?

Within 30 days after enactment, the Labor Department will have set up an Office of Employee Benefits Security to deal with your questions and complaints about your pension and provisions of the new law. Write to this office at the U.S. Department of Labor, Washington, D.C. 20216, or to one of the Labor Department's 24 Labor-Management Services offices in major U.S. cities.

Meanwhile, you can direct any complaint or query involving the new law and your rights under it to Labor-Management & Welfare Pension Reports, Director of Inquiries, Charles Carlson, Washington, D.C. 20216. (Phone: 303—427–7129.)

If you have evidence that the money in your pension fund is being invested, spent or loaned illegally—e.g. loaned interest-free to a fund trustee or friend or relative of a trustee—contact your state prosecutor or when the pension reform law is on the books, the U.S. Department of Labor, Washington, D.C. 20216.

Not until January 1976 will the new rules go into effect requiring employers to disclose all key details of your pension rights to you when you leave your job and to file the same information with the Social Security Administration. Not until six months after enactment of this law will the new requirement go into effect requiring your employer to give you a plain-language description of your plan when you join it and a summary of the plan's financial status at that time.

Meanwhile, however, most private pension plans with 26 or more participants are covered by the 1958 Welfare and Pension Plan Disclosure Act. And under this act, your employer is supposed to provide you, the employe, with detailed, plain-language answers to such questions as "What are the service requirements of the plan?" and "Under what circumstances will a worker not receive pension benefits?"

If your employer has not provided you with such a plain description, write or phone the

Office of Labor-Management & Welfare Pension Reports (address and phone details above) or contact the nearest area office of the Labor Department's Labor-Management Services Administration.

Also get in touch with this Labor-Management Services office if you have any evidence of discrimination in your pension plan. Illustrations might be if a disproportionately large amount of the pension fund is going into benefits for a handful of executives while lower-paid employees aren't receiving any benefits at all or if you are being denied pension rights solely because of your age.

In the economic-social sphere, this 1974 session of Congress has chalked up a sorry record. But for this historic reform law alone, it has earned a solid place in history.

THE XIV INTERNATIONAL CONGRESS OF SURVEYORS

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1974

Mr. McDADE. Mr. Speaker, I want to call attention to a very significant meeting that will be held in Washington, D.C., from September 7 to 16, of this year—the XIV International Congress of Surveyors. This meeting will attract the world's foremost authorities on surveying, mapping, and land administration to Washington, D.C., to report on the results of their research and to discuss common problems in land mapping, sea surveying, cadastre, urban and rural planning, and real estate valuation. The participants will include delegates from over 50 countries, including educators, Government officials, and private practitioners.

The congress is sponsored by the International Federation of Surveyors, a nonprofit professional society whose president is William A. Radlinski of Herndon, Va., the first U.S. president in the 96-year history of the organization. Mr. Radlinski, who will preside over the congress, is the Associate Director of the U.S. Geological Survey. The congress is being hosted by the American Congress on Surveying and Mapping, the American Institute of Real Estate Appraisers, and the American Society of Photogrammetry.

The program for the congress will include the presentation of over 250 professional papers, the largest exhibition of surveying and mapping equipment ever held, and tours to over 10 organizations in the Washington area who share common interests with the federation.

I think it is a tribute to the surveyors and mappers of this country that they were able to attract this international gathering to the United States and to have organized such a massive affair. Great credit is due to Mr. Jeter Battley of the National Oceanic and Atmospheric Administration, and a resident of the District of Columbia for having directed the planning and organization of the congress.

It is timely and appropriate that the delegates will concern themselves with the application of their professions to environmental protection. Never before has the need to develop the full potential of the Earth's resources been so acute; and never before has man's capacity to inflict irreparable damage on those resources been so great. Only the wisest action, fortified by the best and most complete information about the Earth will enable mankind to strike a proper balance between the needed development of resources and the equally essential need to protect the environment. This meeting is oriented to this objective, and we applaud the efforts of these dedicated people who come from all corners of the world to share their knowledge and experience.

MACHINE VERSUS MAN

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 15, 1974

Mr. HARRY F. BYRD, JR. Mr. President, the August 19, 1974, issue of U.S. News & World Report has an excellent editorial captioned "Machine Versus Man." It is a signed editorial by the editor, Howard Flieger. I ask unanimous consent that this be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MACHINE VERSUS MAN

(By Howard Flieger)

It was bound to come. It has been on the way since the moment Thomas A. Edison invented the talking machine in 1877.

Yet, when it arrived the historical significance was lost in the anguish over Watergate, impeachment and a President's resignation.

The simple fact with tremendous implications is this: For the first time ever, the machine became the decisive witness against man in a contest involving human conduct—and the machine won.

The case for and against Richard M. Nixon rested not on the testimony of witnesses, not on documentary evidence, nor on the methodical accumulation of circumstances—traditional tools of law by which an issue is joined and a controversy resolved.

It rested with the White House tapes—bits of conversation recorded on silent machines, their reels revolving out of sight, seemingly out of mind, and often untended.

Without the tapes and the machines they ran on, there was little or nothing of substance. The entire Watergate-impeachment affair would have been decided eventually on the recollections of live witnesses.

Their sworn testimony often has been in conflict. Usually their stories have been uncorroborated by others—a case of one man's word against that of another.

Who among them was telling the truth? That problem for inquisitors, judges and juries is as old as the search for justice itself. In the end, it comes down to a matter of individual human judgment, weighing the creditability of each witness questioned by both sides.

But with the opening of the era of the machine as witness, all these elements change.

One doesn't form a judgment on whether a recording says what it means. This man-made marvel exercises no reason, offers no interpretation or perspective. It relates only that which it has heard, no more.

Of course, tapes can be tampered with, they can be blanked out or otherwise altered. But once this happens suspicion falls on human beings, not the machine. The latter, left alone, can perform but one function—record.

The advent of machine vs. man introduces new factors of a judicial nature that can influence the future. For example—

What of sworn testimony? You can't put a tape recording under oath to tell the truth, the whole truth and nothing but the truth. You can require its human custodian to swear to the accuracy and completeness of the tape involved, but that is hardly the same thing.

What becomes of the right of cross-examination? Nobody can cross-examine a tape. It cannot elaborate, it can only repeat.

What happens to the protections against self-incrimination? These are safeguards that have been built up in our system of justice through centuries. Thus, spouse cannot be made to testify against spouse; an accused has the right to confront his accuser; a person cannot be forced to testify against himself. Confessions are admissible only when they clear the most rigid barriers against entrapment.

All of these conditions are altered once the machine-made recording of the words of a defendant is accepted as the best evidence.

The irony is that the confrontation of man and machine did not have to happen now in the way that it did.

The tapes were Richard Nixon's. No law required them. They had no official status. They could have been obliterated with impunity up to the moment they were subpoenaed. Only then did they become evidence.

So why keep them? The most logical guess is that Mr. Nixon, mindful of their value as the basis for a history of his Presidency, could not bear to destroy them.

In the end, the tapes gave history a turn that no one could have anticipated.

WILL BUDGET CUTTING END INFLATION?

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. HARRINGTON. Mr. Speaker, in an article, "Inflation and the Federal Budget," which appeared in the August 12 Christian Science Monitor, Louis Bean asked:

> What assurance can there be that a balanced budget or a moderate surplus . . . will keep the 1975 price level from rising?

Mr. Bean also pointed out that—

> Economists stand helpless today before a peacetime inflation that has emerged recently, not from a general cause such as government wartime overspending but from observable specific factors that have, one after another, set off continuing chain reactions.

Mr. Bean is right. There is no assurance that cutting government spending is even going to begin to come to grips with the devastating and continuing inflation we face today. The causes lie essentially in the shortage of certain basic commodities, and the problem will not be solved easily.

In this light, I applaud the President's effort to call a bipartisan conference to explore various alternatives to deal with inflation. But more than that, I would argue that we, as Members of Congress charged with representing the best interests of our constituents, have an obligation not only to try to understand the problem, but to explore novel alternatives to really come to grips with the situation.

Hoping that this article can help contribute to the debate on this critical issue, I insert it in the RECORD at this time for the attention of my colleagues.

The text follows:

INFLATION AND THE FEDERAL BUDGET

(By Louis H. Bean)

Economists confess that they have no surefire ideas for stopping the current inflation. They bank on large crops and lower farm prices to slow down the present rate of inflation but not to stop it in its tracks. To deal with this and allied problems the Nixon administration had pointed to two essentials, neither of them startlingly new nor assuring. One is to achieve a balanced budget and this, of course, needs to be accompanied by the avoidance of tax cuts which is considered highly inflationary. The second essential is a tight money policy at the Federal Reserve under chairman Burns.

Let's assume that you are interested in making a quick check on the validity of the first essential. Unlike the second suggestion, the monetary approach, the budget balancing suggestion may be readily examined in the light of experience wtih balanced budgets. The record since World War II shows it to be a very uncertain palliative for inflation. If you select the right years you can argue that a balanced budget means a stable price level. But the record also shows that even a budget with a substantial surplus is no certain guarantee against the kind of inflation we are now experiencing.

If you were to go back further, to the prewar years of the early '30's, you would be surprised to find that a balanced budget was being prescribed as one of the cures of the great deflation and depression of 1932 and written into the Democratic platform of Franklin Roosevelt, just as it is now being prescribed as a cure for current inflation. But Roosevelt diluted the prescription and made it effective by arguing after the election that, while he favored balancing the regular federal budget, it was necessary for government to spend additionally to take care of the hungry and other needy.

Economists stand helpless today before a peacetime inflation that has emerged recently, not from a general cause such as government wartime overspending but from observable specific factors that have, one after another, set off continuing chain reactions. I have in mind the unforeseen 1972 crop shortages in Russia, India, and elsewhere which depleted our surplus grain stocks, the great reduction in fish meal production which skyrocketed the price of soybean meal and allied feeds, and the unusual Japanese demand for our lumber. The chain reaction stretched from inflated farm prices to retail food prices to increases in wages and to nonfood components of living costs. Then came the oil embargo and its nationwide and worldwide inflation in the costs of gasoline, fuel oil, and other forms of energy. These events have played havoc with budgets of governments, federal, state, and local, as well as with budgets of business and consumers.

If current inflation stems from these specific causes, is it reasonable to expect that it can be checked by a general device such as a balanced budget? Or even by a combination of a balanced budget and a tightened money supply? For a quick look at the question of what a balanced budget might accomplish, turn to the economic report of Mr. Nixon submitted to the Congress in February, 1974, for the record of government receipts and expenditures and for the accompanying cost of living index, and note particularly the years when the federal budget was in balance or had a surplus.

Since World War II we have had nine fiscal years without a deficit. In two of these, 1959–60 and 1951–52, expenditures and receipts were practically in balance. In two years, 1968–69 and 1948–49, receipts exceeds expenditures by about 2 percent. In two others, 1956–57 and 1955–56, they exceeded expenditures by 4 and 6 percent respectively and in three years, 1950–51, 1946–47 and 1947–48, receipts outweighted expenditures, respectively, by 17, 18, and 24 percent.

The relation of these favorable federal budget situations to the general consumer price level should give budget balancers some concern. When we array in order the nine fiscal years according to the size of the budget surplus and note what happened to prices in the related calendar years, the expected does not emerge. Surpluses have not prevented the price level from rising.

	Government surplus, percent over receipts	Consumer price index, percent increase over preceding year
1951–52	0	2
1959–60	0	2
1948–49	2	0
1968–69	2	5
1956–57	4	3
1955–56	6	1
1950–51	17	8
1946–47	18	14
1947–48	24	8

In the two years associated with balanced budgets the price level advanced about 2 percent. In the two years associated with a moderate surplus of 2 percent the price level remained unchanged in one and rose 5 percent in the other. In the two years associated with surpluses of 4 and 6 percent prices advanced 3 and 1 percent respectively, but in the three years associated with large surpluses of 17, 18, and 24 percent, the price index advanced 8, 14, and 8 percent respectively.

In the light of this record what assurance can there be that a balanced budget or a moderate surplus of 2 to 4 percent will keep the 1975 price level from rising 2 to 5 percent when even surpluses of 17 to 24 percent failed to stop the price level from rising 8 to 14 percent?

Mr. Bean is a statistician, economist, and historian.

ONE-SIDED DÉTENTE

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, August 16, 1974

Mr. HARRY F. BYRD, JR. Mr. President, while I support the principle of deténte—in the sense of a relaxation of tensions between the United States and the Soviet Union—I have long been concerned that the spirit of concession necessary for true détente is to be found in abundance in Washington but hardly at all in Moscow.

To put it another way, I believe that in the actual agreements that have symbolized détente—the grain deal, the arms control agreements and the settlement of the Soviet debt—the United States has come out second best.

An article in the July 31 edition of the Orlando Sentinel tends to confirm my suspicions. The writer John D. Lofton, Jr., points to warnings voiced recently by former Secretary of Defense Melvin Laird and former U.S. Ambassador to Moscow Foy Kohler.

Mr. Laird pointed out that there has been no sign of a movement toward arms reduction in Russia—quite the contrary—and Mr. Kohler said he finds, after scrutiny of Soviet statements and publications, that the Soviet version of peaceful coexistence "sounds more like the Western definition of cold war."

In bargaining wtih the Russians, it is vital that we keep in mind above all else the vital national security interests of the United States.

I ask unanimous consent that the text of Mr. Lofton's article from the Orlando Sentinel be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Orlando Sentinel, July 31, 1974]

FOREIGN POLICY

U.S.-SOVIET DÉTENTE QUESTIONED

(By John D. Lofton, Jr.)

"How goes so-called detente with the Soviet Union? A couple of recent news items speak for themselves.

"Item: In a virtually unnoticed article in Forbes Magazine, former Defense Secretary Melvin Laird is very dubious of the whole idea of detente.

"'I don't think we have reached a detente as completely as many of the advocates of Soviet-American friendship forecast in 1972,' he says. 'True, we made a small step in the direction of strategic arms limitation with the SALT I agreement, and we also face other opportunities. But we have not reached those agreements yet.'

"As to whether the Soviets want to curb the arms race—as they say they do—Laird is also doubtful.

"'The U.S.S.R. is going ahead full steam with about 12 per cent of its Gross National Product (GNP) allocated to their military base,' he pointed out. 'And we give six per cent. True, their GNP is half ours, but that really shows how determined they are.'

"So far, says Laird, the Soviets have made 'no moves' to reduce their national security and defense efforts. 'They have done just the opposite,' he observes, noting: 'The agreements signed up to date have made no effort to reduce the Soviet Union's power. I think that has to be understood when we look for progress from detente.'

"Laird says he's all for detente, but to him detente means easing tensions and a reduction in the weapons of war, 'and I have not seen any movement in that area.'

"Item: Foy Kohler, former U.S. ambassador to Moscow for four years, has told a House foreign affairs subcommittee that the Soviet version of peaceful coexistence 'sounds more like the Western definition of cold war.'

"Echoing Laird—in a paper written for the Center for Advance Studies at the University of Miami—Amb. Kohler says that after closely scrutinizing Soviet statements and publications, he and his colleagues 'have found no evidence that agreements reached at the Moscow and Washington summits of 1972 or 1973, or the general relaxation of tension between the United States and the U.S.S.R., have brought any changes in Soviet positions.'

"The former ambassador adds that neither the talks that produced the 1972 agreement on limiting strategic arms nor the current talks on further limitation 'have had any discernible impact on overall Soviet postures, activities or plans relative to the further development and possible utilization of nuclear weapons.'"

THE NEW FORD ADMINISTRATION

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. LOTT. Mr. Speaker, I am today reintroducing House Concurrent Resolution 268. As the new Ford administration begins its work in the White House, the Congress, through support of this resolution, can encourage a continuation of American policy toward the Republic of China. We can help give particular meaning to what the President said in his statement to the joint session of Congress on Monday:

> To our friends in Asia, I pledge a continuity in our support for their security, independence and economic development.

The importance that the House of Representatives attributes to this sense of the Congress resolution is reflected in the fact that over 100 Members have joined as cosponsors. This broad bipartisan backing embraces all regions of the country and philosophical points of view. The resolution quite simply but forcefully reaffirms American support for the Republic of China as follows:

> The United States government, while engaged in lessening of tensions with the People's Republic of China, do nothing to compromise the freedom of our friend and ally, the Republic of China and its people.

The diversity of support for this resolution is entirely understandable as nearly everyone acknowledges the extraordinary achievements made in the past two decades by the Republic of China. Possibly no clearer model exists in the world today of the advancement that can be accomplished in a developing country than does the Republic of China. This nation, unfortunately relegated to the rugged mountainous island of Taiwan, has consistently overcome all adversity and is now approaching the status of a developed nation. In the past decade per capita income has more than tripled from $144 to $467 per year. The International Monetary Fund recently reported that the Republic of China now has the highest per capita gross national product of any developing nation in the free world. Corporations from throughout the world have recognized the stability of the Republic of China and the industriousness of the free Chinese by investing nearly a quarter of a billion dollars in Taiwan last year. And in the first 6 months of this year additional investments continued at an even higher rate than last year. The growth rate of the free Chinese advanced at a rate of more than 10 percent so far this year despite continuing international diplomatic and energy difficulties.

Whatever troubles have arisen elsewhere in Asia, the United States has always been able to rely upon the Republic of China as a base of support. Aside from some military assistance that has been instrumental in preserving the peace in this part of Asia, the Republic of China has neither received nor requested foreign aid from the United States since 1967. Instead, the Nationalist Chinese have been sending their own teams of technical experts to other developing countries in Africa, Asia, and Latin America.

Why then, Mr. Speaker, one must ask, does pressure continue in the United States to change this mutually advantageous relationship that has flourished for so many years now? Quite simply we are told that we must break diplomatic relations with our close ally the Republic of China because the Communist rulers in Peking demand this as a necessary step in the so-called "normalization of relations" between the United States and the People's Republic of China. No one has, however, made a substantial case as to what advantages accrue to the United States from such an action, especially when contrasted with the obvious dangers which will be precipitated. If we recognize the true situation in mainland China then we must realize how important it is that we do not terminate our successful cooperation with the Republic of China.

While people throughout the free world have been properly horrified in recent months by the testimony coming out of the Soviet Union concerning the rigid suppression of the people there, virtually nothing has been said about the even more tyrannical regime that exists in Peking. Instead an image carefully cultivated by the Chinese Communists has unfortunately been accepted as reality by far too many Americans who should know better. All Americans were astounded somewhat when during President Nixon's trip to Moscow the Soviet leaders literally pulled the plug on the transmission of unfavorable news concerning dissidents by our major television networks. In mainland China our newsmen have never even had an opportunity to plug in and interview or even film anything that does not suit the rigid guidelines of the Chinese Communist Party. Real news about mainland China continues to come from Hong Kong rather than Peking. There are no "samizdat" or underground publications in Mao's China nor are there any publicly known dissenters from prevailing orthodoxy, because the efficiency of this totalitarian regime is vastly superior to that of the Soviets. Yet, ironically, the frightening effectiveness of their totalitarian system has caused many otherwise compassionate Westerners to express "admiration" for the so-called advances made under the leadership of Chairman Mao.

However well the rulers in Peking are able to suppress their own dissenters or restrict the flow of refugees fleeing to Hong Kong, they have still not been able to bring about assured political stability in the party itself. As everyone knows, figures who stand as heirs-apparent in the Communist leadership, such as former Defense Minister Lin Piao, become objects of campaigns of national scorn. Now Teng Hsiao-ping, routed in the so-called Cultural Revolution several years ago, has often displaced Chou En-lai by sitting to the right of Mao Tse-tung. The July 20, 1974, issue of the Economist comments on the increasingly fluid situation in the structure of the Communist hierarchy in Red China. With the apparent illness of Chou En-lai, they find that only Mao could prevent China from sliding back into factional warfare, cultural revolution-style. But any peace that Mao can patch up is unlikely to last a day longer than the 80-year-old Chairman himself.

The United States must not predicate her policy in Asia upon either the physical or political survival of any one or two men in Communist China. Given the structure of political maneuverings in the Politburo, the United States can receive no firm assurance of what is likely to happen in mainland China in the weeks and months ahead.

In sharp contrast to the calculated mystery that engulfs the politics of mainland China, the complete openness of the society in Taiwan leaves no doubt about the continued stability and friendship which the Republic of China guarantees to the United States. In possibly no other area of the world in recent years have American objectives of fostering peace and prosperity been so successful at so little cost to the United States as they have been in this part of East Asia. Although great antagonism continues to exist between the regime on mainland China and the government of Chiang Kai-shek and at some points their armies stand less than 2 miles away from each other, no substantial armed conflict has occurred between them for over a decade. One of the surest ways to undermine this situation and possibly encourage massive fighting and suffering among the people of China would be to terminate our diplomatic relations and pledges of military assistance to the Republic of China.

After so much suffering has taken place in so many other countries of Asia in recent years as the Communist forces have relentlessly pursued their expansionist designs, can we in clear conscience encourage possible warfare involving our oldest and closest ally in Asia? Mr. Speaker, I believe that the Members of this body must reject any such possibility. Red China may need tacit American diplomatic support in her ideological struggle with her fellow Communists in the Soviet Union. But if they genuinely desire our assistance in maintaining stability for their benefit on the Siberian border we should not be acquiescing to their demands that we break our alliance with the free people of the Republic of China. If anything we should demand, as we have in trade negotiation with the Soviet Union, that they allow freedom of emigration from their country, end their policy of cultural genocide or provide some other sign that they will relax their repressive policies against the Chinese people. "Normalization of relations" must not mean the sacrifice of either our allies or our ideals. By supporting this resolution the Members of the Congress can reaffirm their own dedication to our basic principles.

I include a copy of my resolution and a complete list of the cosponsors at this point in the RECORD:

CONCURRENT RESOLUTION

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States Government, while engaged in a lessening of tensions with the People's Republic of China, do nothing to compromise the freedom of our friend and ally, the Republic of China, and its people.

LIST OF COSPONSORS

Mr. Addabbo, Mr. Anderson of Illinois, Mr. Archer, Mr. Ashbrook, Mr. Bafalis, Mr. Baker, Mr. Bauman, Mr. Beard, Mr. Bevill, Mr. Blackburn, Mr. Bowen, Mr. Breaux, Mr. Broyhill of Virginia, Mr. Buchanan, Mr. Burgener, Mr. Burke of Florida, Mr. Chappell, Mr. Don Clausen, Mr. Del Clawson, Mr. Cohen, Mr. Conable, Mr. Conlan, Mr. Crane, Mr. Daniel, Mr. Davis of Georgia, Mr. Davis of South Carolina, Mr. Dennis, Mr. Dent, Mr. Derwinski, Mr. Dickinson, and Mr. Dorn.

Mr. Duncan, Mr. Fish, Mr. Fisher, Mr. Flood, Mr. Frenzel, Mr. Froehlich, Mr. Gilman, Mr. Ginn, Mr. Goldwater, Mr. Gross, Mr. Gunter, Mr. Hanley, Mr. Hansen of Idaho, Mr. Hinshaw, Mr. Huber, Mr. Hudnut, Mr. Hunt, Mr. Hutchinson, Mr. Ichord, Mr. Kemp, Mr. Ketchum, Mr. King, Mr. Lagomarsino, Mr. Landgrebe, Mr. Leggett, Mr. Kitton, Mr. Lott, Mr. McClory, Mr. Mathias, and Mr. Mathis.

Mr. Miller, Mr. Mitchell of New York, Mr. Montgomery, Mr. Moorhead of California, Mr. Murphy of Illinois, Mr. Murphy of New York, Mr. Myers, Mr. O'Brien, Mr. Passman, Mr. Price of Texas, Mr. Quie, Mr. Randall, Mr. Rarick, Mr. Roberts, Mr. J. Kenneth Robinson, Mr. Rousselot, Mr. Sarasin, Mr. Satterfield, Mr. Scherle, Mr. Sikes, Mr. Smith of New York, Mr. Snyder, Mr. Spence, Mr. Steiger of Arizona, Mr. Stratton, Mr. Symms, Mr. Thomson of Wisconsin, and Mr. Thone.

Mr. Treen, Mr. Vander Jagt, Mr. Veysey, Mr. Waggonner, Mr. Walsh, Mr. Whitehurst, Mr. Winn, Mr. Wilson of California, Mr. Bob Wilson, Mr. Won Pat, Mr. Wyman, Mr. Yatron, Mr. Young of Florida, Mr. Young of Illinois, Mr. Zablocki, and Mr. Zion.

RHODESIAN CHROME

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 15, 1974

Mr. HARRY F. BYRD, JR. Mr. President, the August 7 edition of the Northern Virginia Daily, of Strasburg, Va., included an excellent editorial concerning the effort to reimpose the embargo on importation of chrome, a strategic material, from Rhodesia.

Unfortunately, the Senate last December approved legislation to reinstate the chrome ban, which was put into effect by an Executive order banning imports from Rhodesia pursuant to a resolution of the United Nations Security Council, and later removed by passage of legislation which I sponsored in 1972.

The editorial in the Northern Virginia Daily correctly points out that reimposition of the chrome ban will increase our dependence upon the Soviet Union for a material vital to national defense.

The Senate-passed bill to put the chrome embargo back into effect is now pending in the House of Representatives. Hopefully, the House will reject it.

I ask unanimous consent that the text of the editorial, "It Makes No Sense," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT MAKES NO SENSE

In 1971, Virginia's Senator Harry F. Byrd, Jr. introduced an amendment (Section 503) to the Military Procurement Authorization Act which lifted the ban on shipments to the U.S. of Rhodesian chrome.

Sen. Byrd's argument then, an argument convincingly concurred in by his colleagues when the amendment came up for a vote by which it passed 251 to 100, was that the ban on imports of Rhodesian chrome had made the U.S. almost totally dependent on Soviet Russia for this vital, militarily important material.

We were not only dependent on Russia, the Soviets were taking us for a ride on price as well. Chrome which the Soviets were selling for $25 per ton before the U.S. government unwisely succumbed to the United Nation's sanction against Rhodesia, suddenly shot up to $75 per ton.

Last year, for reasons which may or may not have been an outgrowth of détente, Sen. Hubert Humphrey introduced a bill, passed by the Senate, which would reinstate the ban on Rhodesian ore and would thus make the U.S. once again dependent on Soviet chrome.

We are at a loss to understand the logic of the Humphrey bill. Having only just removed ourselves from the uncomfortable position of depending upon the Communist world for an essential commodity so important in the production of war materials, what's the logic in deliberately moving to box ourselves in again?

The Humphrey bill will soon come before the House for action. It's possible that House members may reverse their stand of several years ago and vote to reinstate the ban.

It may happen unless we let our representatives in Washington know that we unalterably oppose banning Rhodesian chrome.

THE KANSAS WHEAT CENTENNIAL

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. SHRIVER. Mr. Speaker, 100 years ago a group of Mennonite farmers emigrated from Russia to the central plains of Kansas. The Mennonites left their native lands—the steppes of Russia—because a hundred-year immunity from established religious orthodoxy and military service in Russia was being threatened. They sought and found in Kansas a home where they could once again work and worship without fear of repression. It is to that group of immigrants that we owe gratitude today. They brought to Kansas the strong Anabaptist convictions still evident in many areas of the Midwest today, hardy farming skills and a revolutionary new seed wheat that would lead this Nation to the agricultural prosperity and prominence it now enjoys.

TURKEY HARD RED WINTER WHEAT

The moon pushes away the windswept tattered clouds shining on fifty miles of buffalo grass stretching from the Cottonwood to the Little Arkansas River. The black-hatted Mennonite elder, up before the sun, absorbs the silence of the centuries, seems to smell wheat blown in the wind from the Crimea, looks into endlessness, nearly smiles, and thinks; "In three years that ocean of grass will be an ocean of waving fields of Turkey Red Wheat like those we left in the Molotchna."—ELMER SUDERMAN.

The immigrants to whom we are so deeply indebted for introduction of the Turkey red wheat transported small amounts of the hardy, drought resistant grain from the Molotchna and Crimea colonies of southern Russia across the ocean in earthen crocks and homespun bags. The wheat was called Turkey wheat, because it was first developed in that country. It was a reddish-gold in color and had harder kernels than the wheat traditionally sown for winter crops in America.

Soon after its introduction in the Midwest Turkey red wheat became the favorite and most profitable cereal grain grown by farmers in Kansas and surrounding States.

In 1898 Turkey hard red winter wheat was recognized by Kansas State Agricultural College—now Kansas State University—as "our standard hard winter wheat." The average annual yield in Kansas had climbed by that time from 24 million bushels when the Mennonites arrived in the 1880's to an average of 41 million bushels.

Turkey red winter wheat was the major winter wheat variety for 70 years. During the past 30 years new varieties of hard winter wheat have been developed, but all have their origin in the choice grains of wheat brought to America by the Mennonites.

Thanks to yields of Turkey red winter wheat and of new varieties developed from the original strain, the Central Plains States bear the title "Breadbasket of the World" and America has the ability—if necessary—to feed the world.

ANNA BARKMAN STORY

Among the Mennonite immigrants to Kansas in the late 1800's was 8-year-old Anna Barkman, daughter of Peter Barkman who farmed near the Crimean city of Caslov, Russia.

In April 1874, Anna Barkman hand selected 2 gallons—more than 250,000 grains—of the most perfectly shaped and colored kernels of wheat from her father's seed bin. The wheat was packed in Anna's trunk and accompanied the Barkmans on their 2-month journey across the Black Sea, Europe, and the Atlantic Ocean to America. The Barkman family settled near Hillsboro in Marion County, Kans., with other Russian families. There they sowed the select grains of wheat Anna selected before the journey.

Barkman and the other Mennonite immigrants continued to farm with the simple tools they had used in Russia. One man with oxen could break about one-half acre of the Midwestern prairie sod a day. The seed was sown by hand and the mature wheat was hand-cut with a scythe and shocked to dry. A seven-ridged stone was drawn on a threshing floor across the wheat straw to separate the grains from the ripened heads of wheat.

WHEAT CENTENNIAL

This year Americans are paying tribute on the hundred-year anniversary of the advent of Turkey red wheat to pioneers such as the Barkmans who made today's multibillion bushel wheat productions possible.

The celebration of the Turkey Hard Red Winter Wheat Centennial in Kansas this year has included sowing and harvesting fields of winter wheat using the same implements the immigrants worked with 100 years ago. Old fashioned binding and threshing demonstrations have been staged for the public on farms near Goessel and Hesston, Kans.

Historical markers commemorating the coming of the Mennonites to Kansas are being dedicated at Peabody and Hillsboro, Kans., and at other locations in central Kansas where the wheat was cultivated.

On Friday, August 16, the Kansas Wheat Palace and a Mennonite Immigration House will be dedicated at Goessel. In conjunction with the American Revolution Bicentennial Celebration, Wheat Center U.S.A. is being planned for construction on the Turkey Wheat Trail—formerly U.S. Highway 50—in South Hutchinson, Kans., and original Mennonite farms are being constructed in central Kensas.

Throughout August the Anna Barkman Road Co., a theatrical troupe, will travel in Kansas, Oklahoma, and Nebraska presenting "The Anna Barkman Story."

The Kansas Wheat Centennial will receive national recognition at Hillsboro Friday with the issuance of a Kansas hard winter wheat stamp. The stamp, third in the rural America series, commemorates the anniversary of the arrival of the immigrants and Turkey red wheat in Kansas. It was designed by John Falter of Philadelphia, whose grandparents were Midwestern wheat farmers. The stamp shows a field of wheat extending to the horizon with a railroad engine in the background puffing smoke as it pulls a tender and two cars.

It is a privilege and pleasure for me to personally participate in a number of these wheat centennial activities in the Kansas Fourth District whenever the legislative schedule of the House permits. I am proud of the key role which the people in my congressional district have played in the agricultural prominence of our Nation. We owe so much to the Mennonite pioneers who came to America a century ago seeking religious liberty and have given so much to the betterment of our Nation and the world.

For the benefit of my colleagues, in honor of our Mennonite benefactors and in recognition of the wheat centennial in Kansas, I submit the following article authored by Mr. Herbert F. Friesen of Inman and published in the Hillsboro Star-Journal which details the history of the Mennonite migration and the coming of Turkey red wheat to the United States:

TURKEY HARD WHEAT HISTORY MENNONITES EXPERIENCED

(By Herbert F. Friesen)

In 1874, Anna Barkman, eight-year-old daughter of Peter M. and Anna Barkman, lived on a farm near Caslov, a city of Crimea in Russia. The Barkmans belonged to the Krimmer Mennonite Brethren church.

The people of the church thought it wrong for men to be soldiers. But the ruler of Russia had made a law that Mennonites must be soldiers the same as other Russians. That is why Barkman decided to leave Crimea and move to America. Twenty-three of his neighbors, who were Mennonites, also said they would go to America with him.

HAND-PICKED SEED WHEAT

Barkman told his daughter, Anna, she must pick seed wheat to take to Kansas. "You must pick only the largest grains, which have a reddish gold color and are of good shape," said Barkman. "If the grains are pale in color, small or soft, throw them aside. Next month we will start for Kansas to make our home there. We should take only the finest of wheat for seed."

It was slow work, picking seed wheat, for it takes more than 250,000 grains of wheat to fill two gallons and the grains had to be chosen one at a time. For a week, Anna worked every day in the bin, picking out the best wheat until the two jars were filled.

How her father's face lighted up when he saw the wheat! Each grain was well shaped, and of a reddish golden color.

"BEST WHEAT IN THE WORLD"

"That is the best wheat in the world," said Barkman. "You have been very patient to do the work so well. I have a treat for you."

And he gave Anna a handful of hazel nuts. She felt well paid for her long hours of work; for hazel nuts were a great treat for her.

It was April 1874, when Anna picked the two gallons of wheat.

Anna married Johann Wohlgemuth following the immigration to Kansas. Her father died in 1904; her mother in 1910.

In Switzerland in the early part of the 16th century, there was formulated a religious creed which differed materially from the accepted beliefs of the day. It recognizes no authority outside the Bible and the enlightened conscience, limited baptism to the believer, and laid stress on those precepts which vindicate the sanctity of human life and man's word.

Who first advanced the creed is not known. But at Zurich in 1523, a church was established and from there the sect spread rapidly into Holland, Germany and Austria.

MENNO SIMONS ASSEMBLIES FOLLOWING

Adopters of the faith at first were known as Ana-baptists, although they called themselves Taeufer (Baptizers). In 1537, however, Menno Simons, an ex-priest from the Dutch province of Friesland, joined with them and assumed leadership as a teacher and organizer. From him was derived the term "Mennonite," by which they have since been known.

Bitter opposition was the lot of these converts. Three thousand were martyred in Germany during the first half century; six thousand others fell victims during the first half century of the Netherlands uprising. Nevertheless, they continued to increase in numbers and, under persecution, to extend their sphere of action.

By 1762, when Catherine II ascended the throne of Russia, Mennonites were in nearly all the countries of Central Europe, in Canada, and in the American colonies. The first Mennonite settlement in the United States was at Germantown, Pennsylvania, in 1663.

These immigrants settled on the Dnieper river, in Crimea, east to the sea of Azof, along the Kuban and the Volga, and in the provinces of Volhynia and Bessarabia. For 100 years they prospered. Odessa and Cherson on the Black sea, and Berdiansk and Taganrog on the Sea of Azof became famous as grain shipping ports, and the Russian Mennonite wheat fields were a determining factor in the world's markets.

Subsequently, their special privileges and increased wealth aroused the jealousy of those from whom they held aloof, and pressure was exerted to bring about a curtailment of privileges.

Alexander II, emperor through the latter part of the 19th century, yielded to the pressure. In 1870 he rescinded Catherine's order of military exemption, banned the German language, and assumed control of the schools. But since the 100-year period did not expire until 1883, he granted 10 years wherein those who would not accept the revocations might immigrate.

No official notice of the change was sent to the Mennonites, however, and they, taking no part in public affairs and reading no newspapers except their own church publications, might have allowed the 10 years to elapse without action, had not Cornelius Jansen, Prussian consul at Berdiansk and one of their faith, made it a point to inform them.

SEEK FREEDOM IN AMERICA

Great dismay was occasioned by the knowledge. They could not change their religion or their customs; their only alternative was to find another country. But where? Jansen advised that they go to America, where there was religious freedom and where many of their faith already resided.

And from America, as soon as the news was made known, came urgent invitations. Friends and relatives wrote of the advantages of this free country. Newspapers carried glowing advertisements. The Santa Fe railroad directed attention to the thousands of acres of low-priced land it was then offering for sale in Kansas.

Some of the distressed people began immediately to prepare for departure. The majority, however, was cautious. America they had condemned as an asylum for convicts, a catch-all for the off-scorings of other nations. "How can one live in peace amid such people, to say nothing of the native savages?"

FIND LAND NEAR HILLSBORO

But they must go somewhere. So, in the spring of 1873, a delegation of three went to America to find farms. These three men came to Kansas and near Hillsboro bought land for their American homes. They found that the sunshine in Kansas is much like that in Crimea. That is why they decided to live in Kansas. They wanted to live in a land of sunshine.

Catherine II, being of German birth, knew the Mennonites of Germany as a class of thrifty and industrious farmers. In 1783, when the Crimean peninsula and a territory along the Black sea were wrested from Turkey, it occurred to her that the Mennonite farmers would make excellent farmers and colonists in that part of her kingdom. It was further hoped that they would intermingle with the Tartar and native Russian and thereby improve the local citizenry.

Accordingly, she invited Mennonite emigration, granting land, freedom of worship, exemption from military service, local self-government and control of their schools—these privileges to endure for 100 years. The invitation was accepted by large numbers coming from Germany, Holland, Poland and other mid-European countries.

Each one of the Mennonites took a little of the best wheat for seed, and in each family the little children picked out the best seed, while the older people did the hard work of packing their things for the journey to Kansas.

The 34 families left Crimea on May 1. First, they took a boat from Caslov across the Black Sea to Odessa. Then they took a train across Europe to Hamburg in Germany. Then they took a ship to Hull, England, and once more took a train across England to Liverpool. There they took a steamship, City of Brooklyn, for America.

As they were crossing the Atlantic Ocean, Anna thought many times about the two gallon jars of wheat she had picked. Her mother had put the seed in a trunk with their clothes, so that it would be safe from harm. Anna wondered how the 250,000 grains of wheat which she had picked with her own hands liked the journey to America. She did not think they liked it very well because it was so dark in the trunk.

After many days the sailors shouted that they could see land. Anna ran on deck. Far to the west she could see a dark object. It looked like a cloud to her. "That is America," said Barkman.

They left the ship in New York and there took a train for Kansas.

LAND HERE IN APRIL

How glad the Mennonites were to reach Kansas after their long journey. It took two months to go from Crimea to Kansas. In May, 1874, the first contingent—about 34 families, led by Bishop Wiebe—embarked. They arrived in New York on July 15 and proceeded to Elkhart, Indiana, where John F. Funk found them shelter in an abandoned factory while Bishop Wiebe and a committee went to find a suitable place for settlement.

Bishop Wiebe, in a paper "Mennonite Immigration to Kansas" says, "We traveled over Nebraska and Kansas. In Nebraska we were afraid of the deep wells which had to be drilled and cost much money; our people did not have much money and they were used to dug wells, so we decided for Kansas where we found the wells shallow." Perhaps another inducement was the fact that on March 10, 1874, the Kansas Legislature passed a law exempting Mennonites and Friends (Quakers) from military service.

Continuing, Bishop Wiebe says C. B. Schmidt, land agent for the Santa Fe, "drove with us all over Kansas as far as Great Bend. On a hot August day we ate our dinner under a tree on Section 13 on the South Cottonwood." There they purchased 12 sections of land in the western part of Marion County. Agent Schmidt then went to Elkhart to bring on their families, while the committee hurried to get ready for them. Bishop Wiebe himself rented an empty store building in Peabody, bought a stove, a table, two horses and a wagon.

When that was done he was assailed by fears: the heat was intense, and the high winds seared everything. The year before grasshoppers had destroyed all crops. He wondered if they should be able to make a living. The members of his group were not rich in worldly goods. They had no provisions, no shelter, no implements. Some were old and sick, and winter was near.

SETTLE IN PEABODY FIRST

Overcome with his responsibilities, he sat on the doorstep of his hotel in Peabody and wept. But his landlady, Mrs. August Seybold, pointed to some stones nearby: "Do you see those stones? They are sometimes entirely under water; it can rain very hard here, and it soon will rain. Oh, Mr. Wiebe, be of good cheer; such people as you will make their living!"

At daybreak on the Sunday of August 16 the party arrived from Elkhart. Johann Fast, Wilhelm Ewart, John Rotsloff, Mrs. Peter Funk (of Bruderthal community) and those who had come the year before were at the station with teams and conveyances. Little Abraham Harder, the only one of the many children awake when the train stopped, looked through the window and saw Johann Fast. "There's Grandpa!"

On Sunday, the 16th, they went on the land, 14 miles northeast of Peabody. Bishop Wiebe continues: "I had loaded some lumber and utensils, and my family on top. So, we rode in the deep grass to the little stake that marked the spot I had chosen . . . My wife asked me, 'Why do you stop?' I said, 'We are to live here.' She began to weep. Several families moved into Mr. Funk's barn, where soon after old mother Abraham Cornelson died—the first dead body of our people in America."

Some turned their wagon boxes upside down and slept under them until more permanent facilities could be provided. Said Bishop Wiebe: "We built light board shanties, dug wells, and in three weeks it began to rain. We rented some plowed ground from English speaking neighbors who lived in Sections 12 and 14. Seed wheat was 70 cents in price, corn was $1.25; potatoes were $2 a bushel."

SEED WHEAT IN FALL OF 1874

The Anna Barkman seed wheat was seeded with other wheat this fall of 1874. At the end of five years Mennonite women no longer had cause to weep over their situation in Kansas—not that they ever spent much time in weeping for they "toiled in the heat of the day" along with their men.

In June of 1875, Barkman cut the wheat with a sickle and he threshed it with a big stone, which rolled across the wheat straw to beat the grain out of the wheat heads. The neighbors of Barkman, who had lived a long time in Kansas, laughed at him because he threshed with a stone. They thought he was funny. He spoke German and they spoke English and they could not understand anything he said.

But when he had finished threshing his wheat it was his turn to laugh for he had more wheat than his Kansas neighbors. The other Mennonites had good crops of wheat, too. But the other Kansas neighbors did not have good crops of wheat.

"Why do the Mennonites have good wheat when we have such poor wheat?" they asked. It was that way every year. The Mennonites always had much wheat in their fields, but the other people did not have much wheat. Also, the wheat the Mennonites raised was the best wheat. It made the best bread.

At last, the neighbors came to the Mennonites and bought seed from them. After that they had good wheat, too. Soon the news spread all over Kansas that the Mennonites had a new kind of wheat, which grew well in the Kansas sunshine, and which made better flour than any other kind of wheat. Nearly all the farmers in Kansas bought some of the seed.

The kind of wheat the Mennonites brought from Russia is called Turkey Red wheat. They call it Turkey because it first grew in a little valley in Turkey where the Mennonites got it. They call it Red because it has a reddish golden color.

Before the Mennonites brought Turkey Red wheat to America, the Kansas farmers did not grow much wheat. Now, Kansas is one of the greatest of all wheat-growing states. The people of other states come to Kansas to buy flour for bread and biscuit baking. They say: "Kansas grows the best wheat in the world."

This wheat is the grandfather of all U.S. hard winter wheats.

THE RUSH TO A CRISIS IN PUBLIC SPENDING

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 15, 1974

Mr. HARRY F. BYRD, JR. Mr. President, the publication Government Executive, in its August 1974 issue contains an excellent editorial captioned "The Rush to a Crisis in Public Spending." This was written by the magazine's publisher, C. W. Borklund. The editor of that publication is John F. Judge. I ask unanimous consent that this editorial be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RUSH TO A CRISIS IN PUBLIC SPENDING

(By C. W. Borklund)

This Nation's Governments, Federal, State and local, are on trial. But, thanks to such obfuscations as the Watergate—and related—business, it doesn't seem to have been noticed much.

Governments, particularly legislators, for at least the past half-dozen years or so, have been doing things which, added up, can only be labelled, at best, "Ignorant and Irresponsible." Upshot is, they are rushing the country into a monumental crisis in public spending.

In about four to six calendar years, the results of the trend will make the Watergate inquisition seem like a child's game. The most frightening "cover-up" in Washington, to us, is not in the White House Oval Office over tape recordings.

Rather, it's the smoke screen that has blown up around the facts of how the taxpayer's dwindling supply of resources is being gobbled up by Government programs. We'll have a full-blown documentation of this next month.

In the meantime, consider:

In 1956, Federal spending commanded 12.4% of the Gross National Product (GNP); 17.1% in 1966; 25.1%, probably, for fiscal 1976; and, on present trends, 35–37% in 1986.

For comparison's sake, Federal spending at the peak of World War II was about 50% of the GNP. What war are we fighting now?

It's not a military one. To the extent that he deserves all the credit, (and he doesn't), President Richard Nixon has outdone former Presidents Kennedy and Johnson when it comes to increased funding for so-called "social programs."

In fiscal 1968, Johnson's last budget year, total obligational authority (TOA) for Defense and military assistance programs was $75.6 billion. Assuming the current Defense budget request is approved, which seems probable, TOA for fiscal 1975 and will be $92.6 billion which is, in effect, a decrease in Defense spending since 1968 when inflation's impact on the dollar's buying power is thrown into the equation.

On the other hand, Federal, State and local spending for domestic social and economic programs was $123 billion in 1966. Unless some program already legislated is cancelled or sharply cut back, social and economic program spending will be $402.4 billion in 1976. In sum, for each of the last 10 years, those programs have been increasing in expenditures at an average annual rate of 12.6% and currently show no signs of slowing down.

In other words, it's been increasing more than twice as fast, roughly, as the growth of the GNP—and thus of the tax base that's supposed to pay for it. What is more, we can't find any evidence anywhere of any political pundits worrying about what is being done to the taxpayer's pocketbook.

If they fret publicly at all about the issue, their target for cutbacks is routinely the Defense budget. Headlined a recent *Washington Post* article: "Brookings (Institution) Sees Defense Cost of $142 Billion." (by 1980.) Echoed *Business Week:* "A new spiral for defense spending."

Baloney. Why don't they talk about a real issue? Where, in 1980, are we going to get the 12.6% of additional funds—on top of the 12.6% increase in 1979 and 1978 and 1977 and 1976—to pay for social security and for the welfare recipients and Medicare and pollution control and education programs and mass transit and occupational safety and Government employees? (In contrast to the 3.2 million persons on the Pentagon payroll, 14 million work for State and local government—and while the former number is trending down, the latter one is rising about as fast as the number of dollars they're spending.)

We are routinely amazed at the ability of high-level public figures to ignore these trends. Politicians being voted out of office they blame on "Watergate." The failure of social and economic programs to deliver what they've promised they blame on "lack of financing because of the money being spent in Defense."

"If we could only get another $10 billion out of Defense," they say, "we could clean up the rivers and the air and give every kid in the country a college education and guarantee the poor and the old an adequate income and cure every disease afflicting Man."

Nonsense. What did they do with the $100 billion more a year they've already received? What happened to the $52 billion a year the Feds have been sending back to the grass roots level?

The University of Michigan Institute for Social Research did an opinion survey recently of how well the Public though 15 public and private institutions were serving the country. At the top of the "Very good" list: "the U.S. military."

At the top of the "very poor" list, in order: "President and Administration;" "Federal Government;" "Labor Unions;" "Local Government;" "All Courts, Judicial System;" "States Governments;" "U.S. Congress." *Government* has an image problem and flim-flamming the Public out of half its money without giving back noticeable benefit is not the way to a better rating.

But "image" is hardly the most important part of it. At one time, this Nation could afford to suffer and suborn the transgressions of its governments.

But not *today!*

And not at these *prices!*

FUGITIVE FATHERS

HON. VERNON W. THOMSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. THOMSON of Wisconsin. Mr. Speaker, high on the list of problems which the Congress has put on the back burner is the urgent need for reform of our welfare programs.

It is unlikely that the House could take action on any comprehensive welfare reform bill this late in the Congress, but some small improvements could have a significant and positive effect at the local level.

One example of such an improvement is my bill, H.R. 13158, which I call the "Fugitive Fathers Act." This legislation has received widespread support from local welfare administrators and county boards in Wisconsin. Several county boards have passed resolutions of support for this legislation. In La Crosse County, Wis., for example, the Social Services Board points out that only 142 of 310 AFDC families are receiving their court-ordered support payments from fathers who have deserted the families, 110 fathers are living outside the State, and 82 of them pay nothing at all. Tracking down these fugitive fathers is often more time and trouble than a local district attorney can afford. Passage of this legislation would make interstate flight to avoid court-ordered support payments a crime and bring the FBI into the case, tracking down the fugitives.

I will include at this point in the RECORD, the resolution passed by the La Crosse County Social Services Board.

> RESOLUTION No. 93–74
>
> Whereas, 60 per cent of the families receiving Aid to Families with Dependent Children in La Crosse County are the result of divorce, or non-support or desertion, and
>
> Whereas, of 310 such cases only 142 make regular support payments, and 29 pay but not as ordered by the court, and
>
> Whereas, 110 non-supporting fathers are living outside of Wisconsin, and 82 are not supporting their families, and
>
> Whereas, the cost of this non-support for La Crosse County alone exceeds $260,000.00 per year,
>
> Therefore, be it resolved, that the La Crosse County Board of Supervisors go on record favoring the Fugitive Fathers Bill H.R. 13158 being introduced by Wisconsin Congressman, Vernon W. Thomson, and
>
> Be it further resolved that a copy of this resolution be sent to Mr. Casper W. Weinberger, U.S. Secretary of Health, Education and Welfare, U.S. Senators, William Proxmire, Gaylord Nelson, Russell B. Long, Chairman of Senate Finance Committee, Congressman Vernon W. Thomson, Governor Patrick J. Lucey, Mr. Wilbur Schmidt, Wisconsin Secretary of Health and Social Services, State Senators Robert P. Knowles, Milo G. Knutson, Lawrence Gibson and Raymond C. Johnson, State Assemblymen Michael P. Early, Virgil Roberts and Eugene W. Oberle and Mr. Robert Mortensen, Executive Director of the County Boards Association and to the Social Service Boards of all Wisconsin Counties.

EISENHOWER COLLEGE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. WALSH. Mr. Speaker, before my election to Congress I had close opportunity to witness the start and early development of Eisenhower College. The memorial concept of the college impressed me, particularly when I learned that the college founders had the full blessing of General Eisenhower—indeed, that he even approved the proposed academic program.

During the 93d Congress, since the college is in my district, I have come to know the President and other officers of the college. I have also gained a close association with the student body and find young men and women to be avid learners and a real credit to their institution. I am now even more impressed with their determination that this distinctive memorial will survive while maintaining the quality of the curriculum and the close community feeling which exists on campus.

A large number of the members of this Congress shared with me, just a year ago, a conviction that special legislation was warranted in behalf of Eisenhower College which had been recognized in 1968 by the 90th Congress "as a distinguished and permanent living memorial" to the late President. Unfortunately, we were rushed at that time so there was not full consideration of the merits of the then proposed legislation. It has now been realistically amended to meet the objections of those who considered the earlier bill open-ended and will soon be coming before us again.

What should be known, however, is that the idea for a small portion of the Eisenhower proof coin profit going to Eisenhower College was not contrived by people connected with the college but was proposed in April 1970 in an editorial in the Post Standard of Syracuse, New York, one of the leading papers in New York State.

The editors wrote:

> How about the government taking a small percentage of the $470 million it expects to make on the silver dollars or charging the buyers just a little extra and making a donation to Eisenhower College at Seneca Falls. That certainly would be a memorial gesture of lasting magnitude.

If Eisenhower College were located in any other community in these United States with comparable, documented evidence of accomplishments and distinction, I would argue for its support. We are proud of it in upstate New York. It must be the continuing pride of the Nation.

AIR PIONEER C. C. MOSELEY DIES

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. MOORHEAD of California. Mr. Speaker, a very great advocate of the free enterprise system, who resided in my district, recently died at the age of 79 years. Maj. Corliss C. Moseley was well known to many Members of Congress for his great concern for the future of America. Major Moseley saw clearly the necessity of having a sound defense and continually worked to strengthen the economy.

The following article recently appeared in the Glendale, Calif., News Press. I believe its account of this inspiring life will be of interest to the Members.

The article follows:

> Maj. Corliss Champion Moseley, noted airman and founder of Grand Central Aircraft Co. and Grand Central Industrial Centre, Glendale, died Monday at his home in Beverly Hills after a brief illness.
>
> The 79-year-old aircraft executive, a speed flier, horse breeder and World War I pursuit pilot, was a champion athlete at USC before World War I.
>
> He joined the Air Service of the Army Signal Corps in 1917, completed his training in France and flew combat for seven months as part of the First Pursuit Group. After the war, he served as a test pilot for the Army and in 1920 won the Pulitzer International Air Races.
>
> Maj. Moseley then came to Southern California and operated Grand Central Airport for the Curtiss-Wright Corp., later purchasing the 184-acre airport property from Curtiss-Wright. At one time, his Grand Central Aircraft Co., which had plants in both Glendale and in Tucson, Ariz., comprised one of the largest and most comprehensive engineering, overhaul and modification enterprises in the United States.

He was co-founder and first pilot for Western Air Express (1925), which later became Western Airlines. At various times during an eventful career, he served on the boards of directors of Curtiss-Wright, Douglas Aircraft, American Airlines and Western Airlines.

Prior to World War II, he expanded the aeronautical schools he had operated at Grand Central, first for the training of mechanics and other ground personnel for the Air Force and then for the near-wholesale training of pilots.

By the end of the war, Maj. Moseley's schools at Glendale, Oxnard, Ontario and Lancaster had trained more than 25,000 pilots and 13,000 mechanics for the service.

When encroachment of residential and business property at Grand Central Airport made it impossible to expand runways to bring in planes for overhaul work, he directed plans to convert the property into what is now Grand Central Industrial Centre, one of the Southland's finest industrial complexes.

He later became interested in the breeding of thoroughbred race horses and purebred cattle at his ranch in Wyoming.

Maj. Moseley was married twice. His first marriage, to Mrs. Viola H. Moseley, ended in divorce in 1952. He was married the following year to Audrienne Harvey Moseley. In addition to his wife, he leaves three daughters—Mrs. Marquita Maytag of La Jolla, Mrs. Polly Royce of Los Angeles, and Mrs. Sandra Chapman of Jackson Hole, Wyo. Private services are being arranged.

SOCIAL SECURITY BENEFITS FOR SENIOR CITIZENS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. MINISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

Mr. Speaker, social security benefits were never intended to constitute the exclusive source of retirement income for American senior citizens. Nevertheless, under the present law our senior citizens are in effect forbidden to work to supplement their admittedly inadequate benefits under penalty of reduced social security benefits. This penalty is enforced by the $2,400 earnings limitation which effects a proportionate decrease in social security benefits for earnings above the $2,400 figure.

It is noteworthy that the original social security bill did not contain such a punitive provision. Rather, the earnings limitation was enacted into law subsequent to passage of the act.

Today, we find our Nation gripped by soaring inflation which is jeopardizing what little financial security our senior citizens have been able to provide for. Though we must continue to increase social security benefits to keep pace with the ever-increasing cost of living, we should also increase the earnings limitation as well.

The simple fact is that this section of the law unfairly penalizes those older Americans who choose, out of choice or economic necessity, to continue to work for a living. Those who earn income from investments, like bonds, stocks, and real estate, are not penalized as such income is not subject to the earnings limitation. Rather, only those who must or choose to continue active employment are forced to bear the brunt of this most discriminatory and arbitrary provision.

I feel that those who have reached the age of 65 should be encouraged to continue working if they so desire. This country gains far more by their labor in productivity and taxes than it does by forcing them to quit work under penalty of reduced social security benefits.

I am hopeful that my fellow colleagues in the Congress will join me today in recognition of the great contribution our senior citizens make to our national welfare by cosponsoring the legislation I have introduced to increase the earnings limitation to $4,800.

THE CYPRUS CONFLICT

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. McKINNEY. Mr. Speaker, I am outraged by the present situation on the Mediterranean island of Cyprus. I wholly condemn the massive Turkish invasion on the northern coast and furthermore I am appalled by the obvious unwillingness of the Turkish Government to compromise at the peace conference in Geneva. Nor have the troubles been confined to the island itself; their effects have been far reaching. At present, there exists the horrifying possibility of war between Greece and Turkey. In addition, Greece has announced that it will withdraw from NATO and perhaps expel all U.S. personnel from its country—such actions will leave the southern flank of NATO extremely vulnerable. The Greek announcements are particularly saddening in view of the long and friendly association between our two countries. This situation must be resolved quickly and effectively; I strongly urge that the United Nations proposal for an immediate cease-fire be adopted by the Geneva conferees and I support the cessation of military aid to the warring parties at this time.

Apart from the strategic requirements for stability in the eastern Mediterranean, I feel it is my duty to bring to the attention of the House a situation where human misery and suffering have been forgotten amidst the political maneuvering and posturing of the nations involved. It depresses me to admit that, yet again, we are faced with the age-old situation in which those who least desire conflict, those who are least involved in international politics—the innocent bystanders—must bear the pain and the hardship. Today, the Cypriot people are the innocent bystanders.

The fact that such a beautiful island has a history of violence extending back as far as 1500 B.C. is almost beyond comprehension. Ironically, records spanning 3,500 years afford extensive analysis and, of all the conclusions we may draw from the historic facts, one appears glaringly obvious: the Cypriot people, and I stress Cypriot people, have managed to live together in reasonable harmony whenever they have been allowed to do so. Without exception, conflict in Cyprus has started as a result of interference by outsiders and it is the Cypriot people, Greeks and Turks alike, who, as innocent bystanders, are suddenly and violently involved.

By using the island of Cyprus as a stadium for the latest confrontation between their nations, Greece and Turkey have rekindled the flames of hostility between Cypriots who had started to think of themselves as Cypriots rather than as Greek-Cypriots or Turkish-Cypriots. I am convinced that partition is not the answer to the present problems; the setting up of autonomous Greek and Turkish regions will merely sow the seeds for more trouble in the future. We need only look briefly at what effect partition has had in Palestine, Korea, Vietnam, and Ireland to name but a few.

I am sure the House would join me in earnest hope for a speedy solution to the present confrontation. Only then can the Cypriot people begin the slow process of rebuilding mutual trust and respect. This rebuilding is of paramount importance and I strongly urge that all possible help and encouragement be given to this end. Such help could provide immediate relief to the injured and the homeless and hopefully might restore some of their faith in humanity. Even more important, with help and encouragement readily available we may dare to hope that the Cypriot people will once more move toward a peaceful coexistence.

MEMORIAL TRIBUTE TO BOBBY ANDERSON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. STOKES. Mr. Speaker, I was deeply saddened at the recent, tragic death of one of Cleveland's most talented and outstanding young actors, Bobby Anderson. A senseless act took his life at the age of 25, and his untimely death foreshortened a promising career and future.

These words, written in tribute to him by my special assistant, Ernie Fann, beautifully describe what Bobby meant to so many of us.

As an expression of our gratitude for what he gave us in his brief lifetime, and because of our profound sense of loss at his passing, I dedicate these words in his memory:

WHAT WE GON DO NOW

Hay Bobby! What we gon do now?

Suddenly, there you were,
Standing in a glimmering area of light
Expressions explicit and bold,
Shoulders swaggering, with artistic assurance.
And a smile, that broke quickly across your face
Taking final refuge in the corner of your eyes.

But suddenly you're gone. . . .
What we gon do now?

You were everyone you ever portrayed, Bobby
Because you knew how everyone should be.
You laughed as people should laugh
Because you have known pleasure.
And you moaned and you wept because you knew pain.
You stood silent and embraced serenity
Because you were serene, Bobby
You were serene.

But suddenly you're gone. . . .
What we gon do now?
Hey Bobby! What we gon do now?

The spot light has dimmed into a total darkness
We stand in unison
And there is the sound of thunderous applause
For a magnificent performance.
We applaud still more. . . . And we wait
But there is no encore.
Because suddenly you're gone.
What we gon do now, Bobby?
What we gon do now?

(By Ernie Fann, at the request of Congressman Louis Stokes.)

OLD MORSE LETTER GUIDE, DOCTOR SAYS

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. GUNTER. Mr. Speaker, I have been requested by a constituent to have the attached article that was printed in the July 28, 1974, edition of the Sentinel Star of Orlando, Fla., inserted in the RECORD to be brought to the attention of my colleagues in Congress:

[From the Orlando (Fla.) Sentinel Star, July 28, 1974]

OLD MORSE LETTER GUIDE, DOCTOR SAYS

(By Charley Ryan)

An Altamonte Springs allergist believes a treasured 1954 letter from the late U.S. Sen. Wayne Morse detailed his political independence might be pertinent today.

Dr. Albert M. Ziffer, then an intern at Bellevue Hospital in New York City, was angered because the Oregon senator, elected twice as a Republican, proclaimed himself an independent in 1952 and, in 1954, announced he would vote with the Democrats to organize the Senate in 1955.

The physician, in his lone political fling, had walked his New York precinct as one of the Citizens for Eisenhower. He called himself a Republican then. So he wrote Morse protesting his decision on Nov. 4, 1954.

The peppery senator replied 20 days later, "It has always been my belief that a U.S. Senator is not the property of a political party. Rather, I regard him as under obligation to every person in the state and to the nation. He has the solemn obligation of deciding each issue honestly and on the merits regardless of possible opposing views of political party leaders."

Morse said he warned the voters of Oregon, in his two campaigns, against electing him "unless they were willing to send me to the Senate as a free man, free to exercise an honest independence of judgment on the facts as I understood them."

In 1953, Morse said, "I considered myself morally bound to support the mandate of the people when they elected a Republican Senate in 1952 in that he would "support that mandate until the people had a chance to review their action. The recent (November, 1954) election constituted such a review and, in it the people decided against electing a majority of Republicans to the Senate."

The Oregonian announced his organization vote early so "the people of Oregon should know how I stood on this issue before they went to the polls. The election of the first Democratic senatorial candidate in 40 years is an interesting aftermath and is some indication of how the voters of Oregon feel on the matter . . ."

The Oregon vote that year was far clearer than the Morse letter indicates. The Democrats nominated a Portland state senator, Richard L. Neuberger, against Douglas McKay who had resigned as Eisenhower's Secretary of the Interior to campaign in his home state.

Neuberger, the victor who died in office in 1960, campaigned as a conservationist against McKay's forestry policies. He also disagreed with a McKay-sponsored plan, the so-called "Dixon-Yates deal" under which the Tennessee Valley Authority would be forced to purchase electric power from a private utility combine.

McKay called it government and private industry partnership in electricity. Neuberger said it would demolish the "yardstick" by which government measured private utility performance and smash the TVA system.

Morse, who in 1953 established the longest single speech record in the U.S. Senate, 22 hours and 26 minutes arguing against Republican conservation policies, strongly supported Neuberger. In fact, Morse had left the Republican party, saying he was "too liberal" for it.

In his letter to Dr. Ziffer, Morse said his 1954 decision to help the Democrats organize the Senate—he was to become a Democrat himself in 1956—was "reached only after thorough consideration of what would best promote the public interest. I concluded that, upon the basis of its record over the past 19 months, the Republican administration is not entitled to confidence from the American people and the control of the Senate and House by the Democrats is essential to the general public welfare."

He concluded, "So long as I serve in the Senate, I shall recognize the high obligation of keeping faith with my conscience. In so doing I am satisfied that I will be carrying out the will of the great majority of those who sent me to the Senate."

He also wrote, "When I was elected in Oregon, I became the senator for all persons in Oregon, including those who voted against me. I did not become the property of the Republican party."

The organization issue was heated in those years partly because Republican majorities in both houses were slim and became slimmer by attrition, particularly the death of Ohio U.S. Sen. Robert A. Taft late in 1953.

The 83rd Congress, that of the first two Eisenhower years, 1953–54 was the only Republican Congres organized under a Republican administration since the first Hoover years, 1929–30.

Dr. Ziffer, incidentally has traveled a similar road Morse, who died Monday, had taken. He now calls himself an independent politically. "Right now I'd be ashamed to call myself a Republican," he said.

But beyond party label, the allergist thinks Morse's words and stance should be a clear guide to members of the U.S. Senate now, particularly, "keeping faith with my conscience" and "carrying out the will of the great majority."

WBTV ENDORSES LEGISLATION TO SAVE THE NEW RIVER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. MIZELL. Mr. Speaker, this Congress has only 5 more months to save the New River. On January 2, 1975, the Federal Power Commission license of the Blue Ridge Power project will take effect. Congress must act or 40,000 acres of beautiful land in North Carolina and Virginia will be flooded.

Today, WBTV of Charlotte, N.C., broadcast a very thoughtful editorial in support of efforts to save the New River. I commend it to the attention of my colleagues:

PRESERVE NEW RIVER

Now that the House of Representatives is free from impeachment proceedings, it can get on with other matters that have been pushed aside. And surely one of the most urgent is the bill which our own Senators Ervin and Helms championed through the Senate earlier this year and which is aimed at making historic New River a part of the Wild and Scenic Rivers Systems, the river is doomed to officially-sanctioned vandalism from which it can never be reclaimed.

It just happens that New River winds its way through the Blue Ridge of North Carolina and Virginia. But no matter where it happened to be, it would cry out for preservation of its natural state—because, despite its name, it's the oldest river in the United States and the second oldest in the world after the Nile.

The urgency lies in the fact that the Federal Power Commission has recently issued a license, though not effective until next January, for the construction of a hydroelectric power project that would submerge 44 miles of the river plus 212 miles of tributary creeks. And it would flood 40,000 acres of land that has been home to mountain folks for generation after generation.

Now, anyone who has followed this station's editorials knows that we are for progress—but not at any price. And when that price is the obliteration of a fine, beautiful, ancient, unspoiled mountain stream, we've got to say NO.

We hope that you'll say no, too, and that you'll join in the fight to preserve the unique stretch of natural beauty that the upper reaches of New River represent. The bill that would order the study required before that segment of the river can be designated wild, scenic and protected will have to be acted upon soon by the House or it will be too late. We urge you to ask your Congressman to press for quick passage of the bill. Our future generations have already been robbed of so much of nature's treasure. Let us at least try to save for them the best of what remains.

WORLD FOOD AND POPULATION CONFERENCES

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. DU PONT. Mr. Speaker, famine and death by starvation are grim realities for millions of people in the African Sahel and parts of the Indian subcontinent. Depleted food reserves, crop failures, and rising food prices are resulting in increased hunger and malnutrition for additional millions in all nations. World population now numbers nearly 4 billion people and is increasing at a rate of about 2 percent a year—some 75 million more people each year. The harsh reality is that if world population and world food production continue to increase at current rates, there is no hope for improvement of the subsistent nutritional level that is currently the best attainable for millions of people around the world.

Unrestrained population growth is simply not consonant with a realistic expectation for improvement in nutritional status or quality of life for the Earth's peoples or for any substantial economic and social progress in the developing nations. The United Nations has designated 1974 as World Population Year and is sponsoring both a World Population Conference and a World Food Conference in the coming months to seek international solutions to this critical problem. President Nixon has officially proclaimed 1974 to be World Population Year in the United States and has also named a National Commission for the Observance of World Population Year 1974.

My good friend and colleague from Missouri (Mr. SYMINGTON) and I have circulated for cosponsorship a concurrent resolution expressing strong congressional support for the objectives and activities of these two important conferences. An identical resolution was circulated in the other House by Senators PERCY and HUMPHREY. We are gratified that our resolutions have received wide bipartisan support. Today we are introducing the resolution with 43 cosponsors, a strong indication that the Members of this body are committed to strengthening the leadership role of this country in solving the interrelated problems of world population growth and food shortages.

RHODE ISLAND IS NO. 1

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. TIERNAN. Mr. Speaker, I would like to alert my colleagues in the Congress to the progress made by the great State of Rhode Island and Providence Plantations in the area of highway safety. According to the latest figures from the Office of Statistics and Analysis of the National Highway Traffic Safety Administration, Rhode Island is No. 1 in highway safety in the Nation. It would perhaps be appropriate for other States to observe closely the progress Rhode Island has made and follow her example. If there is one area where thousands of deaths could be prevented each year, it is highway travel.

Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following.

RHODE ISLAND IS NO. 1

Rhode Island is No. 1 in highway safety according to the latest figures from the Office of Statistics and Analysis of the National Highway Traffic Safety Administration. Rhode Island ranks No. 1 in highway safety in the nation.

Presently Rhode Island's fatality rate is 41 deaths through May of 1974, the first five months of 1974 showing a decrease of 47.4 percent over fatalities for the same period in 1973.

The ten States with the greatest percentage reduction in highway fatalities for the first five months of 1974 are: 1) Rhode Island 47.4 percent; 2) Utah 46.7 percent; 3) Connecticut 41.6 percent; 4) North Dakota 40.6 percent; 5) Arizona 40.5 percent; 6) Delaware 36.8 percent; 7) Indiana 36.0 percent; 8) Lousiana 35.3 percent; 9) Missouri 33.6 percent; 10) Michigan 31.5 percent.

The National Highway Traffic Safety Administration offers incentive grants of up to $200,000 to the States with the best safety records for 1974. Rhode Island will be eligible for up to a $200,000 award if it remains in the top five States for the remainder of the year.

Rhode Island ranked 40th out of 51 jurisdictions (50 States and District of Columbia) in total number of motor vehicles registered in 1973. The top ten States were California with 13.4 million, Texas with 7.8 million, New York with 7.3 million, Ohio with 6.6 million, Pennsylvania with 6.6 million, Illinois with 5.9 million, Florida with 5.3 million, Michigan with 5.2 million, New Jersey with 4.0 million; and North Carolina with 3.4 million.

NEW ECONOMIC STRATEGY NEEDED NOW

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. VANDER VEEN. Mr. Speaker, the President has named the scourge of inflation as our number one domestic enemy. I agree, and have urged various economic reforms during the past several months. I have introduced legislation to provide tax relief for the lower- and middle-income consumer, to help them make ends meet during this inflationary spiral. I have suggested paying for this revenue loss through meaningful tax reform so that all individuals and corporations pay their fair share of the Nation's tax bill. I have also introduced legislation to create 900,000 public service jobs to help American workers in areas of the Nation suffering from severe and chronic unemployment.

The inflation-unemployment problem we will be facing in the months, and possibly, years ahead needs to be met on all fronts. There is need for cooperation, leadership and discipline on the parts of many groups with a direct interest in the economy. The problem has many fronts and must be met by government, labor, business, banking and the taxpaying consumer on all these fronts.

This morning's Washington Post contains a Joseph Kraft column on the need for a new economic strategy. Part of the strategy recommended is a "Federal jobs program." A veritable catalogue of eminent economists have also called for a significant public service employment program. Most recently Dr. Arthur Burns, Chairman of the Federal Reserve Board called for creating 800,000 public service jobs. His support was echoed by Treasury Secretary Simon who expressed interest in the same kind of program and legislation.

Mr. Speaker, many of the issues raised by the Kraft column are under concentrated discussion and debate. I wish to share some of these thoughts with my colleagues and underline the emphasis on public service employment. For these reasons I include the Kraft column at the conclusion of my remarks:

[From the Washington Post, Aug. 13, 1974]

MOVING SWIFTLY ON THE ECONOMY

(By Joseph Kraft)

The shock of President Nixon's resignation obliges President Ford to emphasize stability. But an effective fight against inflation, which the new President has correctly stigmatized as Public Enemy Number One, requires new policies and new men. So the political test for Mr. Ford is how swiftly and how smoothly he can turn his back on Mr. Nixon.

At the root of all this is inflation of a kind unfamiliar to modern American experience. This time the rise in prices is not explained by a sudden burst of consumer demand (as after World War II) or a big wage push (as at the end of the 1950s and 1960s). The operative cause now lies in extraordinary developments on the commodity front.

Oil prices have tripled in the past year thanks to the cartel of producing countries and their handmaidens, the oil companies. An extra $20 billion of national income now goes into the pockets of the countries and the companies.

Farm prices have also soared, mainly because of a drought with worldwide incidence. Farm income in this country rose from an annual figure of $1 billion at the end of last year.

According to Charles Schultze of the Brookings Institution, the rises in the price of fuel and food accounts, between them, for about 60 per cent of the increase in the consumer price index during the past year. Precisely because the inflation was rooted in supply problems, the measures taken by the Nixon administration have proved ineffective.

The Nixon administration concentrated its efforts on restricting demand by raising interest rates and clamping down government spending. But these actions had no impact whatsoever on the international oil cartel or the worldwide drought. The old-time religion, as the Nixon policy was called, didn't work because the old-time devil of excess demand wasn't the demon which needed to be exorcised.

On the contrary, the Nixon policies only made matters worse. Tight money and budget slashes engendered—as they were meant to—a drop in consumer demand. It is now 2.5 per cent lower than a year ago. The fall-off in demand had predictably adverse consequences on business. Output is now 1.5 per cent below what it was a year ago.

Sluggish business inevitably affected labor conditions. Real hourly wages have declined by 3 per cent over the past year. Unemployment is at 5.3 per cent and headed higher. Some industries dependent on relatively cheap credit—notably housing and utilities—are in very serious trouble, and the danger of a long-term recession is serious.

The upshot is a truly dangerous conjuncture. Business and labor—having suffered from inflation during the past year instead of gaining as they often do—are moving to get back their own wherever possible. Hence the big price rises announced by the steel and auto industries, even in the midst of falling demand. Hence also some big wage increases already concluded in local construction contracts, and demand by the mineworkers from the coal producers.

If these developments are not arrested, there will be a new break-out of inflationary pressures. But if the Ford administration merely continues against the inflation the tight money and budget cut policy of the Nixon administration, consumer demand will be clobbered to the point of long-term recession.

The way out of this bind is to do many things at once. Big companies and big unions have to be persuaded to forego, at least for awhile, increased wages and prices. Oil prices have to be knocked down—perhaps by organization of a counter-cartel among the consuming countries. Food prices ought to be stabilized by developing a policy for stockpiling against drought.

Demand should be sustained—perhaps by a cut in payroll taxes which would tide over low-income workers in lieu of a wage increase. The unemployed need the cushion of a federal job program. Certain industries, notably housing, require special help. Capital needs to be rationed in ways that do not break utilities and savings and loan associations.

Doing all these things at once require a major league team of economic managers at the strategic posts in government. The present team at the White House, the Treasury and the Office of Budget and Management cannot do the job. Apart from being believers in the old-time religion with a vested interest in vindicating their past, most of them have only the narrowest business experience. They are a sandlot team.

Mr. Ford, of course, can get first-rate people. For the time being, at least, he enjoys a honeymoon with most sectors of the country. Good men from business and labor and government and the academic world are keen to pitch in. But the longer he waits on making changes, the more he becomes wedded to the Nixon policies, the harder it will be for him to get the kind of talent required to meet the present economic troubles.

LIFESAVING AWARDS

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. CLANCY. Mr. Speaker, I have been informed recently that the American National Red Cross is bestowing commendations on two young Cincinnati area residents. They are to receive Red Cross Certificates of Merit and accompanying pins for saving the life of a swimmer. This is the highest award given by the Red Cross to persons who save or sustain life by the use of skills learned in a volunteer training program offered by the Red Cross in first aid, small craft or water safety.

The certificates bear the signatures of the President of the United States, who is honorary chairman, and Frank Stanton, chairman of the American National Red Cross. The Cincinnati area chapter of the National Red Cross will present the awards.

Receiving them will be William Neuforth, 5533 Sidney Road, and Terrence P. Donahue, 5647 Julmar Drive, Cincinnati.

On July 5, Mr. Donahue, a lifeguard trained in lifesaving, saw a swimmer suffer a seizure and sink toward the bottom of the pool. Mr. Donahue jumped in and pulled the stricken swimmer to the edge of the pool. There, Mr. Neuforth, trained in advanced lifesaving techniques, helped position the victim and apply mouth-to-mouth resuscitation.

The swimmer was breathing by the time a rescue squad arrived and quickly recovered fully a short time later at the hospital.

It could be said that these two young men were just doing their job as employees at the swimming pool. But saving lives is not "just doing" a job and William Neuforth and Terrence Donahue deserve commendation for coolly using their training in moments of stress to save and breathe life again into a fellow human. I take this opportunity to add my commendations to those of the President and Red Cross to these two young men.

DRIVE TO FIGHT KIDNEY DISEASE

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. MURPHY of New York. Mr. Speaker, kidney disease is a tragic reality for all too many Americans. It results in great pain and severe physical restrictions, in mental anguish and, quite often, in death. It is a disease that strikes across racial and ethnic lines, one that disregards age or occupation; it is a disease that America can and must conquer.

The late Dr. Homer Smith noted in "Fish to Philosopher" that,

> Bones can break, muscles can atrophy, glands can loaf, even the brain can go to sleep without immediate danger to survival. But should the kidneys fail . . . neither bone, muscle, gland nor brain could carry on.

Unfortunately, millions of Americans have experienced first-hand the truth in Dr. Smith's words.

America must accelerate its battle against kidney disease. Research must be expanded, costs lessened and still greater sums of money made available. The raising of that money cannot, however, be a burden heaped solely upon the shoulders of our Government, but one that the American people, themselves, assist in. For that reason, efforts such as those presently being undertaken by the Heckman Foundation of Jersey City deserve our congratulations and sincere support. The foundation is undertaking a statewide drive for kidney donations, and it is doing its best to inform the public of the dangers of kidney disease and of the necessity for being aware of the warning signs. Kidney disease is America's fifth greatest cause of death; with the help of programs of the type undertaken by the Heckman Foundation that statistic may soon be no more than a sad reminder of past suffering.

The Heckman Foundation is named in honor of Judge August Heckman, a man who is intimately acquainted with the anguish and tragedy of kidney disease. The Judge donated one of his own kidneys in an unsuccessful attempt to save the life of his son. His wife also gave up a kidney, in her case to their daughter who is now receiving treatment on a dialysis machine. Their courage and determination in the face of so much adversity is truly remarkable, and one more example of the desperate need for concerted action against kidney disease.

I would like at this time to insert into the RECORD this article written in the Jersey Journal concerning the commendable efforts of the Heckman Foundation. I hope that the foundation's, and the Heckman's actions will serve as an inspiration to all Americans, and as a warning that kidney disease will not merely disappear by itself; we must fight to overcome it.

At this point I would like to insert an article that appeared in the Jersey Journal on Monday, June 17, 1974.

JERSEY CITY TO LAUNCH KIDNEY DRIVE

A statewide drive for kidney donations will be undertaken in Jersey City this month by the Heckman Foundation, Jack Robinson, director of the nonprofit organization announced today.

Robinson said Jersey City was picked for the start of the drive in honor of Hudson County Superior Court Judge August Heckman, for whom the organization is named. Heckman is a Jersey City resident.

The Heckman Foundation also will seek contributions for research on kidney disorders, which Robinson called the fifth largest cause of death in the United States, and for the purchase of equipment, such as dialysis machines, to aid those persons afflicted with the disorders.

The Foundation also will set up an intensive program to get people to donate their kidneys after their deaths so there will be as little waiting time as possible for those who need kidney transplants.

Heckman gave up one of his own kidneys in an unsuccessful attempt to save the life of one of his sons. The lad died after receiving three kidney transplants.

The judge's daughter now is on a dialysis machine after having received a kidney which was donated to her by her mother.

According to Robinson, the foundation was incorporated more than a year ago, but is just starting to get off the ground.

The vice president of South Bergen Hospital and a member of the finance committee of St. Mary's Hospital in Passaic, Robinson said the foundation already has been asked to give a $30,000 grant to the Cornell Medical Center to develop a new serum for kidney disease.

Robinson said the foundation will give the grant as soon as enough money has been raised.

NEW PROFESSIONAL TEAM TAKES CHARGE OF FEA'S CONGRESSIONAL LIAISON

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. McFALL. Mr. Speaker, it was with mixed emotions that I learned of the appointment of Mr. Paul Cyr recently as Director of Congressional Affairs for the Federal Energy Administration.

Paul has acted in a similar capacity with the Army Materiel Command for a number of years. He was ably assisted by Mr. Stanley P. Hildago. When Administrator John C. Sawhill of FEA swore in Paul on August 2, his first act was to introduce Stan Hidalgo as the Deputy Director.

These two career civil servants have performed outstanding service for the U.S. Army in congressional affairs. Having an Army Materiel Command depot in my congressional district, on many occasions I have called upon Paul and Stan for information and assistance. They always have been extremely courteous, efficient and effective in helping work out problems that have cropped up from time to time. I know that they also are held in high esteem by other Members of Congress for their professionalism in the important field of congressional affairs.

But while I regret losing the services of Paul and Stan in Army liaison activities, I recognize that they will be able to perform even greater service in their new roles. For while there are only a relatively few Members of Congress who have AMC depots in their districts, each of us is called upon for assistance in matters dealing with problems coming under the jurisdiction of the Federal Energy Administration.

Undoubtedly, the departure of this team will create a void which the Army will find difficult to fill. These are critical times, however, and I know that their former colleagues wish them well as they begin new careers in an area calling for positive, rapid action.

The Federal Energy Administration can be proud of its choice, and although it is the U.S. Army's loss, it is certainly the country's gain. I offer my sincere congratulations to Paul Cyr and Stan Hidalgo.

LETTER SENT TO SECRETARY OF AGRICULTURE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. MINISH. Mr. Speaker, because of drought conditions throughout much of America's farmlands, we as a nation are facing a critical shortfall in essential agricultural produce. Accordingly, I am inserting in the Congressional Record for the information of my colleagues a copy of the letter I sent Agriculture Secretary Earl Butz urging him to impose export controls on wheat and other feed grains pursuant to the 1969 Export Control Act.

House of Representatives,
Washington, D.C., August 15, 1974.

Mr. Earl L. Butz,
Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C.

Dear Mr. Butz: The recent release of the August Crop estimates by the Department of Agriculture augurs badly for both the nation and the besieged consumer.

Specifically, the Department of Agriculture stated that the corn crop would be about 12% below last year's harvest of 5.64 million bushels. This represents a 22% drop from previous Department of Agriculture estimates.

Besides corn, soybean production is estimated to be 16% below last year's output. Other essential feed grains are also expected to fall substantially below last year's output

When we went into this crop year, we were hoping for record crops which would meet our domestic needs while leaving us with sufficient stocks to export. This would have eased inflationary pressures at home and substantially helped our balance of payments problems abroad.

Now, however, we find ourselves in a critical situation. Clearly, the results of this short crop will be felt in two ways—shortages of supplies, especially livestock products, and higher prices for nearly all food products.

As such, this shortage will aggravate the most serious problem this nation faces—inflation. It should be recalled that food prices soared in 1973 to a 22.1% increase, almost eight times the average annual rate of increase since the 1960's. To allow food prices to continue at such a rate in 1974 is something that we, as a nation, can not afford and something the American consumer will not stand for.

Those on fixed and moderate income are presently finding it increasingly difficult to procure at a reasonable price sufficient quantities of high quality food needed for daily subsistence. The critical situation we now face promises to make their plight even tougher.

Therefore, we must establish priorities to minimize our losses. Never again must the disastrous effects of failure to plan ahead, as experienced in the 1972–73 Russian Wheat Deal, be repeated. We must insure that Americans are assured of adequate stocks of the basic food commodity—bread.

Clearly, we must put the people of this country first. Accordingly, I call upon you to renounce your consistent stance of worrying more about the welfare of foreign markets and foreign nations than about the welfare of the American consumer. To do this, two courses of action must be undertaken immediately.

First, we must begin now to monitor more closely our stocks of wheat, feed grains, and soybeans.

Second, we must consider once again the imposition of export restraints. Quite clearly, we can not continue to ignore the realities of the current situation. We can not tolerate high profits for a few at the expense of the majority.

You will recall that I have in the past called for a temporary embargo on wheat and feed grains. Because of the present situation, we can not wait any longer for such export control imposition. To do otherwise would invite a repetition of the shortfalls experienced during the Russian Wheat Deal. I urge you to use your authority under the Export Control Act of 1969 to halt wheat and other feed grain exports. Such export control must be used as the means to curb domestic inflation, and to give stability to the domestic marketplace.

Sincerely yours,

Joseph G. Minish,
Member of Congress.

UNITED STATES SHOULD OBSERVE THE RULE OF LAW

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. FRASER. Mr. Speaker, we all are receiving many communications about S. 1868, the Senate-passed bill that will return the United States to full observance of the United Nations economic sanctions against Southern Rhodesia. I would like to share with the House two statements I received today.

First, a citizen concerned about U.S. violations of the U.N. sanctions, sent me the August 12 Los Angeles Times editorial on this matter. It forcefully presents what, to me, is the most important argument for ending the Byrd amendment loophole:

United States Should Observe the Rule of Law

It is an auspicious time to bring to the House of Representatives the legislation to restore American observance of United Nations economic sanctions against Rhodesia, for this is a time of renewed dedication to the rule of law.

The Senate already has acted to restore observance of the sanctions. The House is scheduled to vote Aug. 20.

There is no question that the sanctions themselves are controversial. There is reasonable doubt whether the U.N. Security Council should, in 1968, have applied them. But the United States supported that action, and thereby became bound by treaty obligation to observe the sanctions. The only legal way to eliminate them is to take action in the Security Council.

For three years, however, the United States has stood an international outlaw in refusing to observe the sanctions—a move to do away with the legislation by which Congress forced that disregard for the law now comes again before Congress.

No doubt the real issue will be obscured, as it has been in the past, by assertions that national security is risked banning chrome from Rhodesia and increasing the imports from the Soviet Union. But Secretary of State Kissinger has made clear that there is no truth to this. The American stockpile of chrome assures that there will be no strategic problem.

The issue before the House is respect for the law, nothing else. That is why we are confident the House will support the Senate and restore American observance of the sanctions.

Second, the president of the Communications Workers of America, Glenn E. Watts, has circulated a letter on S. 1868 that concisely summarizes all the reasons why we should pass S. 1868 when we consider it next Tuesday, August 20.

As Mr. Watts puts it:

International politics, economic consideration and humanitarian concern combine to compel the United States to abondon its shortlived reunion with Rhodesia and to return to its position as the leader of the community of nations.

The letter follows:

August 14, 1974.

Dear Member of Congress: Next week, the House of Representatives will consider S. 1868, legislation that would renew the United States full compliance with international economic sanctions against Southern Rhodesia. The Communications Workers of America, which represents more than 600,000 working people in collective bargaining, endorses enactment of this legislation and urges you to give complete support to S. 1868 when it comes before the House for debate and vote.

Proponents of the Byrd amendment, which had the effect of terminating American sanctions against Southern Rhodesia three years ago, are promulgating the same arguments today that they did in 1971 when Congress lifted economic sanctions against Rhodesia. The passage of time, has demonstrated these arguments to be false when they are held up to the light of scrutiny or tested against international experience since 1971.

Today, as they did in 1971, backers of the Byrd amendment claim that national security needs compel the United States to avoid imposing sanctions against Rhodesia. The current national stockpile of chrome ore, however, contains more than 5 million tons. Deputy Secretary of Defense William P. Clements has written that only 2.3% of the quantity now in the national stockpile would be needed during the first year of a war. The United States could successfully conduct a war for several decades without exhausting its present supply of chrome ore.

Today, as they did in 1971, supporters of the Byrd legislation assert that importation of chrome ore from Rhodesia reduces American dependency on the Soviet Union for this defense production commodity. Since the adoption of the Byrd amendment, American imports of chrome ore from the U.S.S.R. have more than doubled from 24 to 51 percent while last year we imported only about 12 percent of our chrome ore from Rhodesia.

In addition, there are several other nations from which America can obtain chrome ore to meet its needs including the neighboring Phillipines, as well as, Turkey, Brazil and Pakistan.

Rhodesian chrome ore, moreover, is hardly a bargain for the United States costing $80 a ton according to figures published by the U.S. Commerce Department as compared to lower prices we have paid to import chrome ore.

Foreign policy considerations also compel reinstating economic sanctions against Southern Rhodesia. The forward march of time is moving directly against the tiny authoritarian regime in Rhodesia which is finding it more difficult to repress its restless African majority. The recent granting of independence by Portugal's new leader, General de Spinola, to Rhodesia's neighbor, Mozambique, may hasten the closing of the circle against the Rhodesian regime.

International politics, economic considerations and humanitarian concern combine to compel the United States to abondon its short-lived reunion with Rhodesia and to return to its position as the leader of the community of nations. Enactment of S. 1868 will cost America absolutely nothing in terms of national security or economy while failure to pass the legislation would frustrate American relations with African countries and fortify the rule of the regime in Rhodesia, a rule which is a blight of international justice and an affront to human dignity.

This view is echoed by Secretary of State Henry Kissinger who stated earlier this year:

"I am personally convinced that the Byrd Provision is not essential to our national security, brings us no real economic advantages and is costly to the national interest of the United States in our conduct of foreign relations."

I hope that you will join in supporting passage of this legislation which would result in the repeal of the Byrd amendment and end American subsidization of the Rhodesian regime.

Sincerely yours,

GLENN E. WATTS,
President.

MANSFIELD'S INDEXING BILL BIG BOON FOR BIG LABOR

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. CRANE. Mr. Speaker, in discussing the best means to deal with our current run-away inflation, a number of different proposals have been introduced.

One of these is that of "indexing," an approach which has been used in other countries and one which Prof. Milton Friedman of the University of Chicago believes could be used effectively in our own country.

What Dr. Friedman proposes is tying an "escalator clause" to the Consumer Price Index, so that increases in that index would automatically trigger compensating adjustments in the areas of Government taxes and borrowing. This would destroy the advantages to government of inflationary money policies. Supporters of this proposal point to the example of Brazil where such an indexing plan has helped to reduce that nation's inflation rate without significantly weakening its economic growth.

The value of an indexing plan is a subject of great controversy. Many economists doubt its effectiveness. Dr. Friedman's approach, however, is even-handed. Under his proposal everyone—wage earners, social security recipients, retired persons, taxpayers in general—would be guaranteed compensation for the effects of inflation.

Now, a bill has been introduced in the Senate by Senator MIKE MANSFIELD, S. 3600, which would distort Professor Friedman's proposal. It would institute indexing in the private sector—but its benefits would be received almost solely by labor.

Under the Mansfield proposal, every employer in the country whose employes are covered by social security must raise the wages and salaries of all his workers at least once a year by an amount not less than the percentage rise in the Consumer Price Index for the preceding 12 months.

Discussing this proposal, J. F. Baldacchino, Jr., writing in Human Events, notes that:

> Those not helped by the Mansfield bill would actually be worse off because of it. Observers note, for instance, that businesses covered by "indexing" would have to pass the higher wage costs along to the consumer in higher prices. Because of their increased earnings, wage earners could afford these new prices. Others, however, such as the retired poor and persons on welfare, would simply have to tighten their belts and get along on less.

Mr. Baldacchino concludes that:

> The Mansfield version of "indexing" might have a popular appeal with some voters and it may please the unions. It is not to be confused with the "indexing" proposal popularized by Milton Friedman, however, and its efforts, like other Democratic wage schemes, could be somewhat less desirable than the usual assortment of liberal demagogues would have the electorate believe.

I wish to share with my colleagues the article by J. F. Baldacchino, Jr., as it appeared in the July 13, 1974 issue of Human Events, and insert it into the RECORD at this time:

MANSFIELD'S "INDEXING" BILL BOON FOR BIG LABOR

(By J. F. Baldacchino, Jr.)

The bosses of Big Labor, who for years have demanded—and received—boosts in the government's minimum-wage floor, and never mind the resulting unemployment among workers not protected by union contracts, will receive an even larger plum, if Senate Majority Leader Mike Mansfield (D.-Mont.) gets his way.

Mansfield has introduced a measure (S 3600) that would mandate by law that every employer in the country whose employes are covered by Social Security must raise the wages and salaries of all his workers at least once a year by an amount not less than the percentage rise in the Consumer Price Index for the preceding 12 months. Any employer who failed to comply could be hauled into court by his employes, forced to pay the employes up to three times "the amount of increase upon which the action is based," and get stuck with all court costs to boot.

Charles D. Ferris, staff director and general counsel of the Senate Democratic Policy Committee, who helped Mansfield with the bill, told Human Events that the measure encompasses a "piece of" a proposal popularized by conservative economist Milton Friedman of the University of Chicago to introduce widespread "indexing" throughout the economy.

As popularized by Friedman earlier this year, "indexing" involves tying an economy-wide "escalator clause" to the consumer price index, so that increases in the CPI automatically trigger compensating adjustments in other areas of the economy: wages, taxes, interest rates and so on. Supporters of the Friedman proposal maintain that a similar scheme has helped the government of Brazil make vast reductions in that country's inflation rate without significantly weakening the country's economic growth.

Many other economic observers have doubts about the Friedman plan, but whatever its potential as an anti-inflation mechanism, at least it is even-handed. Under the broad proposal recommended by Friedman, everyone—wage earners, Social Security recipients, retired persons living on the interest from government bonds, taxpayers in general—is supposed to be guaranteed compensation for the effects of inflation. The Mansfield bill, on the other hand, promises help for labor and labor only.

In fact, those not helped by the Mansfield bill would actually be worse off because of it. Observers note, for instance, that businesses covered by "indexing" would have to pass the higher wage costs along to the consumer in higher prices. Because of their increased earnings, wage earners could afford these new prices. Others, however, such as the retired poor and persons on welfare, would simply have to tighten their belts and get along on less.

If further indication is needed that the bill is a gift to labor, not a means of fighting inflation there is the fact that the measure points always in the direction of higher wages, never lower.

Critics note, for instance, that the reason given by supporters of widespread indexing as to why such price escalator clauses are supposed to help the government reduce inflation is that wage increases would slow down as prices levelled off. Yet there is nothing in the Mansfield bill to prevent wage demands from exceeding the rise in the consumer price index. Nor is there any clause requiring wages to drop in the event that the price level decreases.

It is no coincidence, in the view of many observers, that the proposed beneficiaries of the Majority Leader's legislative largess just happen to comprise the Democrats' biggest political backers. Indeed, it is said, the fact that Mansfield would even consider such special-interest legislation, much less introduce it, becomes one more dramatic illustration of the extent to which the interests of the labor barons dictate the actions of the majority party on Capitol Hill.

As with so many other labor union initiatives (the minimum-wage law is one example; the union ship coupled with restrictive membership practices is another), this so-called "Wage Adjustment Act of 1974" would most certainly give rise to higher unemployment.

Economist Murray N. Rothbard of the Polytechnic Institute of New York, for instance, had this to say of the Mansfield measure: "If that bill passes that's **it.**" He pointed out that the institution where he teaches, to give just one example, "is not going to be able to pay any indexed wages. It would just throw people out, that's all. And that's true for many other businesses."

That such mass firing would occur under legislation such as Mansfield's seems obvious. As Rothbard observed, many private colleges and universities are on the verge of bankruptcy already. These institutions simply cannot be expected to pass the higher costs of indexed salaries along to the students in the form of tuition without stimulating a further decline in already rapidly shrinking enrollments.

Businesses would share a similar predicament. As one observer remarked, "How do you index profits?" The fact is that businesses have no guarantee that, by raising prices, they can increase their revenues enough to cover the higher costs of indexed wages. The reason: Such price hikes could spark a decline in sales volume. (This can hold true, it is said, even in the fact of higher incomes among wage earners, since many consumers are psychologically repelled by higher prices, regardless of possible improvements in their ability to pay.)

Even the Friedman plan, though decidely more equitable than the Mansfield bill, has its detractors. Opponents argue, for instance, that "indexing" has not worked so well in Brazil as Friedman claims, and at any rate, the Brazilian experience is not applicable to the United States. Prof. Ronald A. Krieger of Baltimore's Goucher College recently went to Brazil to study the effects of "monetary correction," as the Brazilians call it.

His conclusion: "While it makes inflation easier to live with, it also makes it harder to reduce the rate of inflation, as Brazil found out once it began 100 per cent indexing of wages and some assets in 1967. The inflation rate, which had been dropping steadily as a result of fiscal and monetary restraint, levelled off in the 20 to 25 per cent range for a number of years. Inflationary expectations remained constant, which is efficient but which tends to perpetuate the previous rate of inflation."

Secretary of the Treasury William E. Simon takes a similar position. In a recent Human Events interview, Simon expressed the view that "indexing," far from helping to combat inflation, would be "an acceptance of permanent inflation in the country." The Treasury secretary added that he does not think "indexing" would benefit the U.S. economy, and said that the Brazilian finance minister agrees with this, as far as the United States is concerned.

Whatever the merits of the Friedman plan, however, the fact is that Friedman himself disavows any connection with the labor-oriented Mansfield bill. While the measure may have been stimulated by his position on "indexing," he said, "I don't think it's a valid conclusion from it."

What he does favor, the economist told Human Events in a telephone interview, is a bill sponsored by Sen. James L. Buckley (C.-R.-N.Y.) that would introduce escalator clauses into government taxes and borrowing. This measure—which would prevent citizens from being taxed on increases in their income that were entirely attributable to inflation, and would require the government to pay higher interest rates on its debts to compensate for inflation—is also the subject of debate among economists. But as Friedman points out, Walter Fellner of the Council of Economic Advisors, who has been one of the most outspoken critics of most aspects of indexation, does support the measures incorporated in the Buckley bill.

A major argument in favor of the Buckley measure is that the government—considered by many economic observers to be the chief, if not the only, cause of inflation—would be penalized if it continued to inflate. At present the government stands to gain from inflation for several reasons.

For one thing, as money incomes increase merely to keep pace with inflation, taxpayers get thrown into higher brackets. This gives liberal politicians more taxpayers' money to throw around, without requiring the politically unpopular expedient of openly raising the tax rate. At the same time the government gains from paying back its debts with "cheaper" dollars than it originally borrowed from bond-holders.

Because the Buckley bill would stop these abuses, proponents believe it would act to put the brakes on deficit government spending, which is a major cause of inflation.

In addition to his support for government indexation of its own affairs. Friedman said he favors "the voluntary adoption of escalator clauses by private employers and employes, if they jointly agree to it." But, he emphasized, "I am not in favor of compelling by law every employer to have an escalator clause on every employment contract," adding, "I think it's bad economics to have the government play a very large role in controlling wages and prices in any form."

In short, the Mansfield version of "indexing" might have a popular appeal with some voters and it may please the unions. It is not to be confused with the "indexing" proposal popularized by Milton Friedman, however, and its effects, like other Democratic wage schemes, could be somewhat less desirable than the usual assortment of liberal demagogues would have the electorate believe.

THE PLIGHT OF ISRAEL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. BINGHAM. Mr. Speaker, at its recent meeting the AFL–CIO Executive Council adopted a policy resolution on Israel which explains briefly, clearly and dramatically the problems facing that tiny democracy. I commend it to the attention of my colleagues:

Statement by the AFL–CIO Executive Council on Israel

Israel, the only viable democracy in the Middle East, faces economic problems possibly more threatening than the military attacks upon her by her neighbors. Still jeopardized by a ceasefire agreement which requires enormous economic investments in military preparedness, Israel's inflation rate over the past 6 months stands at 20 percent. Her balance of payments deficit is reported to be $3.3 billion and rising. The nation's total production is taxed at a rate of 62%. The cost of immigration is more than 20% of the national revenue and military is 40%. No nation, however, large or small, can survive this economic hemorrhage indefinitely without the unstinting support of free nations everywhere. To do less is to encourage the military and economic aggression of Israel's tormentors, a motley although wealthy band of international brigands.

The Executive Council strongly supports a free and independent Israel and urges the government of the United States to provide all necessary assistance to this valiant people whose survival in freedom is a cornerstone to peace in the world.

ROLLAND SMITH: OUTSTANDING CLEVELAND EXECUTIVE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. STOKES. Mr. Speaker, one of the chief ills of our free enterprise society is often the failure of industry and big business to recognize and respond to their social obligations within our communities. One business executive whose career has ideally exemplified the mutual relationship between profitmaking and social responsibility is Rolland F. Smith, former manager of the Fisher Body Division of the General Motors Corp. of Cleveland.

After more than 40 years with GM, Rolland Smith recently retired from his managerial post to become full-time chairman of the Businessmen's Interracial Committee on Community Affairs.

Rolland has said that he is beginning a new career. Perhaps it is the start of a new position, but it is not the beginning of his concern for the many social problems that have existed within the Cleveland community. As manager of the GM plant in my district, which is nearly 70 percent black, Rolland has consistently demonstrated compassion for and commitment to the people. I am proud to have shared his friendship, and have enjoyed my association with a corporate executive not only motivated toward profit but toward the needs of the people and community he served, as well.

He is truly an outstanding business executive who typifies the sensitivity that should and must exist within the Nation's corporate managers.

Accordingly I submit for the attention of my colleagues an article from the Plain Dealer about Rolland Smith and his 40 years of service to GM and Cleveland:

Fisher Body Executive Retiring Into New Career

(By Michael Kelly)

Corporate executives should have more than porfit on their minds, they should also practice social responsibility, Rolland F. Smith said yesterday.

Smith, 65, retires July 31 as manager of the Coit Rd. plant of the Fisher Body division of General Motors Corp. On Aug. 1 he begins a new job—as full-time chairman of the Businessmen's Interracial Committee on Community Affairs.

"I took over as chairman of the committee on July 1, but I cannot devote full time to it until I retire from GM. My 40 years with the corporation have gone very fast, but I don't consider my move a retirement. Actually I view it as a beginning of a new career."

Smith said he believes many business leaders, including some in Cleveland, have neglected the social responsibility side of their jobs and have concentrated on making profits for their firms.

"It always surprises business leaders but there are too many people out there who do think profit is a dirty word," he noted. "You don't change their attitudes merely by making speeches. The way to make the changes is through action."

Smith said he believes his 40 years with GM, most of them in managerial posts, have trained him to bring people together to solve common problems.

"I think this is the best thing I can do for Cleveland," he said. "This is a great city and our roots are here. I want to operate in a low-key way and attempt to act as a catalyst to bring people together in order to get the job done."

Smith said he planned to have an office downtown and work full time for the businessmen's interracial committee.

"We have a good staff, but there are many things a staff by itself just cannot do," he said.

The committee has applied for a foundation grant to begin a new program of aid to business and members of minorities.

"Until now the committee has concentrated its efforts in finding entry level jobs for members of minority groups," he said. "Now it's time to begin a program to help companies to promote these and other members of minority groups into management and supervisory positions."

Smith said he believes the day will come when a black becomes board chairman of General Motors or a woman is named chief executive officer of TRW Inc.

"Our job at the committee is to open the doors for members of minority groups, and then to make sure these persons are promoted on their ability. It is a job which has to be done."

In addition to the businessmen's committee Smith also serves as the metropolitan Cleveland area chairman for the National Alliance of Businessmen, and is chairman of the board of trustees of the Metropolitan Cleveland JOBS Council. Both organizations have been working very actively to find jobs for members of minority groups.

"I know what the problems are, because I didn't have a job for two years after I was graduated from college," Smith recalled. "I know the frustrations of hunting for a job and not being able to find one."

Smith was graduated with a degree in journalism from Marquette University in 1931, but because of the Depression was unable to get a newspaper job.

In 1933 he was able to get an interview with the personnel department of the Coit Rd. plant, which he has managed since 1956. His first job, at $24 a week, was as a checker in the plant's metal press department.

"It was ironic, but the day I started at the plant, I received a letter from the Springfield Sun offering me a reporter's job at $15 a week. But I decided the extra $9 a week was enough to get married on, so I stayed with General Motors." Smith said.

After seven years at the Coit Rd. plant Smith was transferred to Detroit as production engineer in charge of Fisher Body's part of a contract to build 5-inch guns for the U.S. Navy. In 1951 his job also turned to war work when he was general superintendent at Fisher Body's Grand Blanc, Mich., plant and was in charge of building the M48 tank.

Smith came back to the Coit Rd. plant as production manager in 1954, and became plant manager in 1959.

The plant, one of GM's oldest, has 2,500 hourly and 570 salaried employees. Smith probably knows the names of almost all of them.

A routine walk through the plant can take several hours because all employees stop to talk to the man they simply call "Rollie."

"If you don't know your people then I don't see how you can deal with their problems in an effective way," he said.

Smith and his wife, the former Ruth Gerhardstein, live in Shaker Heights. They have six children and 14 grandchildren.

"I know I'm going to miss the auto industry, with all the changes that go on constantly," Smith said. "But I'm very excited about the things I can do and help to get done for this community. I think this is the best thing I can do for Cleveland."

KEEP THE FAITH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. MICHEL. Mr. Speaker, the political apathy which has swept this country in recent months concerns me greatly. The extent to which Americans are no longer participating in the electoral process is alarming indeed and raises grave questions regarding the spirit of our citizenry. On this point, I have come across a very penetrating article written by the gentleman from Idaho (Mr. SYMMS) as a weekly column to his constituents. Although the gentleman directs his remarks toward Idaho, the ultimate message applies to every State in the Union. I commend the reading of this timely piece to all concerned colleagues:

KEEP THE FAITH

Now that the Idaho primary election is over, one disturbing fact seems to have gone relatively unnoticed. Total voter turnout this year was only about 30 percent of those eligible, as compared with figures of 57 percent in 1972 and 48 percent in 1970. This dropoff is particularly distressing when you consider Idaho's tradition of having one of the highest voter turnouts in the nation, year after year.

Apparently Idahoans have been hit by the same "bug" which has infected voters all across the nation in recent months. Primary turnouts have been similarly light everywhere else. The patented excuse given for this alarming degree of voter non-participation is America's disgust over Watergate. However, while Watergate may be a factor, we must look a lot deeper than that for the real answer.

In a broader sense, the problem—and it *is* a problem—is that people are beginning to lose faith in America. Day in and day out, the news media saturates us with the negative, depressing reports of hunger, discrimination, unemployment, inflation, environmental destruction, overpopulation, shortages, and now, to top it off, corruption in the highest levels of our government. This is the same government which has, over the years, constantly made sweeping promises which it could neither keep nor had any business making. In other words, government has been as much as telling us that it is not only corrupt, but it is also inept. The result is a general feeling of public despair, frustration and alienation toward our country and our future, manifest in a "why bother" attitude toward political elections.

Americans are making a big mistake, fostered for the most part, by the people who most depend on their votes—the politicians. We are being told by these people to put our faith in government to solve problems which only individual initiative and responsibility can ultimately solve. Americans are being encouraged, in a sense, to abandon their history of freedom and personal achievement, and to place their fate in the hands of the federal government. When the government fails to deliver and the problems continue unabated, people become disillusioned and cynical toward our whole political system, and begin to "drop out".

Well, it is time to bring this trend to a screeching halt. It is time for us to hold our heads up high and realize that our nation's greatness is not to be found in government action, but rather in the individual actions of you and me. We have a great deal to be proud of in this country. Let's remember that, and work in a positive, forward-looking fashion to make things better. Dropping out of the political process by not voting and not taking an interest in current affairs is a way of saying that we are giving up on America and allowing the political decisions which affect our lives to be made by "the other guy". That is neither good citizenship nor good sense. Our future is what we make it. The next five or ten years may well be the most crucial period in our nation's history. We will either continue in the direction of total government or return to the sound Constitutional principles which formed the bulwark of our prosperity and greatness. That direction will be set by you and me, or by the "other guy". Who will it be?

Let's stand up for America, and renew our faith in the sacred doctrine of individual freedom. Let's rededicate ourselves to the goal of maximizing that freedom by limiting the size and power of the national government. And let us never forget the immortal words of Edmund Burke who warned, "The only thing necessary for the triumph of evil is that good men do nothing."

RELIEF FOR RETIRED

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. CLANCY. Mr. Speaker, our colleague, JOHN ASHBROOK, has introduced legislation which would help retired citizens. The Cleveland Plain Dealer newspaper noticed and editorialized on the need for Representative ASHBROOK's legislation.

Following is the Plain Dealer editorial which I commend to the attention of all:

[From the Plain Dealer, Aug. 12, 1974]

RELIEF FOR RETIRED

U.S. Rep. John M. Ashbrook, R-17, of Johnstown, O., has introduced a bill to provide relief to retired persons through the grant of a $5,000 exemption from federal income tax for amounts received as annuities, pensions and other taxable retirement benefits.

The idea has merit because it calls attention to the plight of retired persons on fixed incomes who are caught in the inflation squeeze. Many of these retirees find their limited retirement income gnawed away by federal taxes. Often whatever they gain through cost-of-living escalator payments is chewed up by taxes even before inflation has a chance to gobble up its share.

We do not subscribe blindly to Ashbrook's proposal because it has not yet been spelled out how much his proposed exemption would penalize the federal income tax collection. Nor has it been established if this source of federal income can be replaced in some way without negating the thrust of Ashbrook's legislation. Ashbrook claims this relief could be obtained without introduction of any costly new programs.

But if Ashbrook can make a solid case for his proposal, he should be encouraged. Paying the taxes on retirement benefits is a particular hardship on retired persons who may find that, financially, retirement is not at all what they expected it to be.

COMMUNICATIONS WORKERS BACK RHODESIAN CHROME BILL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. BINGHAM. Mr. Speaker, many labor unions have taken strong stands in support of legislation to renew U.S. compliance with international economic sanctions against Southern Rhodesia. One of the leading unions in this effort has been the Communications Workers of America, whose president, Glenn E. Watts, recently sent the following letter to every Member of the House of Representatives:

August 14, 1974.

Dear Member of Congress: Next week, the House of Representatives will consider S. 1868, legislation that would renew the United States' full compliance with international economic sanctions against Southern Rhodesia. The Communications Workers of America, which represents more than 600,000 working people in collective bargaining, endorses enactment of this legislation and urges you to give complete support to S. 1868 when it comes before the House for debate and vote.

Proponents of the Byrd amendment, which had the effect of terminating American sanctions against Southern Rhodesia three years ago, are promulgating the same arguments today that they did in 1971 when Congress lifted economic sanctions against Rhodesia. The passage of time, has demonstrated these arguments to be false when they are held up to the light of scrutiny or tested against international experience since 1971.

Today, as they did in 1971, backers of the Byrd amendment claim that national security needs compel the United States to avoid imposing sanctions against Rhodesia. The current national stockpile of chrome ore, however, contains more than 5 million tons. Deputy Secretary of Defense William P. Clements has written that only 2.3% of the quantity now in the national stockpile would be needed during the first year of a war. The United States could successfully conduct a war for several decades without exhausting its present supply of chrome ore.

Today, as they did in 1971, supporters of the Byrd legislation assert that importation of chrome ore from Rhodesia reduces American dependency on the Soviet Union for this defense production commodity. Since the adoption of the Byrd amendment, American imports of chrome ore from the U.S.S.R. have more than doubled from 24 to 51 percent while last year we imported only about 12 percent of our chrome ore from Rhodesia.

In addition, there are several other nations from which America can obtain chrome ore to meet its needs including the neighboring Philippines, as well as, Turkey, Brazil and Pakistan.

Rhodesian chrome ore, moreover, is hardly a bargain for the United States costing $80 a ton according to figures published by the U.S. Commerce Department as compared to lower prices we have paid to import chrome ore.

Foreign policy considerations also compel reinstating economic sanctions against Southern Rhodesia. The forward march of time is moving directly against the tiny authoritarian regime in Rhodesia which is finding it more difficult to repress its restless African majority. The recent granting of independence by Portugal's new leader, General de Spinola, to Rhodesia's neighbor, Mozambique, may hasten the closing of the circle against the Rhodesian regime.

International politics, economic considerations and humanitarian concern combine to compel the United States to abandon its short-lived reunion with Rhodesia and to return to its position as the leader of the community of nations. Enactment of S. 1868 will cost America absolutely nothing in terms of national security or economy while failure to pass the legislation would frustrate America relations with African countries and fortify the rule of the regime in Rhodesia, a rule which is a blight on international justice and an affront to human dignity.

This view is echoed by Secretary of State Henry Kissinger who stated earlier this year:

"I am personally convinced that the Byrd Provision is not essential to our national security, brings us no real economic advantages and is costly to the national interest of the United States in our conduct of foreign relations."

I hope that you will join in supporting passage of this legislation which would result in the repeal of the Byrd amendment and end American subsidization of the Rhodesian regime.

Sincerely yours,

Glenn E. Watts,
President.

AL DAVIS, PROMOTER OF INTERNATIONAL UNDERSTANDING

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. REUSS. Mr. Speaker, we are all saddened by the recent death in Stockholm of Albert M. Davis, of Milwaukee, director of the International Institute since 1958. As much as any American, he led in the cultivation of that healthy ethnicity which has contributed so much to our technical culture.

I include an editorial from the Milwaukee Sentinel on his passing:

Albert M. Davis

A lot of little people are going to miss Albert M. Davis, a fact of which he should be proud. Davis, one of the most enthusiastic and successful promoters of Milwaukee gemultichkeit (in any language), died Friday in Stockholm, Sweden.

He had guided the International Institute of Milwaukee County, Inc., as its executive director since 1958. The institute has helped by the hundreds those tangled in strange customs, many of them in a strange land. The elderly immigrant bewildered by American ways, his great-grandson who had forgotten Old Country ways and the generations between were led to understand each other.

Davis liked to say that people are the same the world over and demonstrated it—and their differences—in the Holiday Folk Fair, which annually brings together the dozens of ethnic backgrounds Milwaukeeans remember. To his surprise, the fair turned into a highly successful commercial venture.

He believed, too, that every citizen should give of his best to his community, a duty he fulfilled in many years of service on the state Health and Social Services Board and as an aide to former Mayor Frank P. Zeidler.

ACCESS TO RAW MATERIALS

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. PATTEN. Mr. Speaker, the energy crisis recently demonstrated our vulnerability as a nation to shortages of vital raw materials. It is not only oil which is in short supply. Indeed, oil is far from the most critical of our raw materials problems. After all, we are 85 percent self-sufficient in that material. We are far less self-sufficient in such vital materials as bauxite, titanium and many other materials.

I do not pretend to be an expert on the business of obtaining these materials, but I think it incumbent on every Member of Congress to educate himself as much as possible on this issue.

In my home State of New Jersey, there is a firm which specializes in the international movement of minerals, metals, ores and other commodities. The president of that firm, Milton F. Rosenthal, of Engelhard Minerals and Chemicals Corp., recently addressed a seminar sponsored by the Overseas Private Investment Corporation on this subject. It is such a knowledgeable and concise discussion of the broad topic of access to raw materials that I believe it to be appropriate for insertion into the Congressional Record for the edification of Members. This address is not long and it is not couched in the economist's jargon, but in everyday, layman's language. I insert it in the Record at this point.

Access to Raw Materials

(By Milton F. Rosenthal)

All of us are aware of the energy crisis, although some now think of it as a thing of the past, to be swiftly forgotten. It concentrated attention on the fact that the industrialized nations are have-not countries, for the most part, in the field of energy.

Are they have-not nations also in other basic raw materials and, if so, what does this portend?

As a natural resources company, operating globally, we have daily contact with the phenomena of this subject. This is especially the case in the Philipp Brothers Division of our company which is the leading independent marketer of materials, metals, ores and ferro alloys.

I suggest that it is time for thinking people to reflect on the dimensions of what may be the most troublesome problem to face world society in the decades to come—access to raw materials.

Whenever an economic or financial crisis of important dimensions begins to manifest itself, it is the custom in this country to constitute a Commission and issue a lengthy report, buttressed by weighty data. The uniform fate of such reports is to gather dust on shelves of libraries until it is time for the next generation to review the same problem and issue its own voluminous response to it. This type of catharsis is short-lived and can hardly be described as constructive in providing effective solutions to fundamental problems. The current subject does not lack for such reports.

On June 27, 1973, the National Commission on Materials Policy, acting pursuant to a law of Congress issued a lengthy report which is a storehouse of data on the role of materials in the U.S. economy. It traces the growth of imports of essential raw materials and sounds the warning for the future. How much dust is this report destined to accumulate?

On April 29, 1974, the General Accounting Office issued a 281-page report. It stated that shortages of basic commodities and raw materials were causing serious economic, social and political problems for the U.S. and that the Government's ability to deal with the shortages has been inadequate. It said there is no clear, coordinated decision-making mechanism for formulating policies to alleviate commodity shortages.

It has just been reported that the Tariff Commission has sent a voluminous document to the Senate Finance Committee's international trade subcommittee, stating that virtually all of the world's trading nations have created extensive tariff and non-tariff barriers to free trade in ores, metals and metal products. It cites the quotas, embargoes, buy National policies, government subsidies for exports, administrative devices escalating the cost and inconvenience of imports and licensing practices. All these practices affect the free movement of and access to raw materials.

I think it can be taken as axiomatic that a modern society can almost be defined in terms of its per capita use and consumption of energy, food, minerals, metals and other industrial raw materials. For example, the U.S. population of 210 million is only 6% of the world population, and the U.S. land mass is only 6% of the world's land area; nevertheless, the U.S. consumers—to select a few examples only:

42% of the aluminum used in the world.
27% of the copper used in the world.
27% of the nitrogen used in the world.
31% of the petroleum used in the world.
29% of the phosphate rock used in the world.
25% of the zinc used in the world.

(Figures for 1972.)

A similar pattern applies to all the industralized nations. The so-called developed countries have less than a third of the world's population, yet consume over 80% of the energy and materials used in the world.

In order to obtain the energy and raw materials required for their societies, most of the industrial nations of the world are heavily dependent on foreign resources. While the U.S. is not as dependent in this respect as some of the Western European nations, or Japan, we nevertheless must have access to a multitude of foreign resources. For example, at present more than 90% of the bauxite, chrome, cobalt, manganese, platinum group metals and tin consumed in the U.S. originate from abroad; more than 75% of the antimony, fluorspar, gold and nickel; more than 50% of the cadmium, silver and zinc; more than 25% of the petroleum, iron ore and lead ore and more than 20% of the copper and mercury. This is only a partial listing.

We have recently witnessed the extent of dislocation to the industralized nations resulting from a comparatively small reduction in their access to energy resources and sudden substantial increase in energy cost. It can be predicted that if the U.S.'s access to these basic resources is adversely and materially affected for a prolonged period, our society will change for the worse. Such changes may be difficult or even impossible to reverse; they would have profound social and political consequences.

A companion danger of almost equal dimension is our excessive reliance upon foreign resources because of its implications for our balance of payments situation (unless exports can rise sufficiently to offset the import of such materials) and our increasing vulnerability to outside political pressures. In 1972 the deficit in the U.S. balance of trade for minerals and processed materials of mineral origin was $6 billion. Comparing forecast future U.S. demand trends with U.S. minerals production trends of the last two decades suggests that our annual deficit in the mineral balance of trade could approach as much as $100 billion by the year 2000—this projection was made in 1972—before the drastic change in the crude oil picture and the great increases in international values of the basic metals.

It seems obvious that a balanced program for the future for the U.S. must first of all encourage the development, conservation and replacement of domestic resources. It must at the same time encourage American development of foreign resources. It must encourage American exports to offset the inevitable balance of payments drain from the import of foreign resources.

A. DOMESTIC

(a) Resource development. The first priority should be the development of resources in the U.S. itself, since this avoids balance of payments problems and political reliance on others, including exposure to expropriation.

The U.S. mining industries are encountering increasing difficulty in financing needed expansion of capacity and the introduction of new or improved technology. Capitol will only flow to attractive payouts. Natural resource development is risky and generally capital intensive. Capital requirements per unit produced are rising as lower grade reserves are exploited or costlier technologies have to be initiated. If flow of capital to the mineral industries is discouraged by the elimination of depletion allowances or by punitive taxation, the results will be to discourage precisely what should be encouraged. Since the private sector is the source of supply, the role of Government is to facilitate industry's efforts to meet its responsibilities by providing a congenial economic and institutional climate. The problem of adequate indigenous raw materials cannot be solved by slogans about tax loopholes or tax preferences.

The U.S. mineral industries are operating in an atmosphere of uncertainty wherein the long-term planning and long lead times needed in such industries are jeopardized. For example, the factual basis for the formulation and implementation of environmental regulations must be improved, so that a meaningful compromise can be drawn between the protection of man and nature on the one hand, and the minimization of dislocation of essential economic activities on the other. In this connection the National Commission on Materials Policy evolved three directives for policy makers, two of which relate to this important subject and I quote:

(1) "Strike a balance between the 'need to produce goods' and the 'need to protect the environment' by modifying the materials system so that all resources, including environmental, are paid for by users."

(2) "Manage materials policy more effectively by recognizing the complex interrelationships of the materials—energy—environment system so that laws, executive orders, and administrative practices reinforce policy and not counteract it."

(b) Conservation. We have tended to satisfy our whimsical needs for all products, whether socially needed or not, without a sense of restraint giving heed to the problem of wasting resources. This luxury will not prevail forever.

(c) Recycling of materials must be emphasized more. There is at present substantial recycling of some metals: for example, over 20% of U.S. consumption of iron, antimony, copper, nickel and lead is derived from scrap. However, our philosophy must change to discourage the dumping of waste, encourage disposers to prepare waste for recovery, and create markets for recovered materials.

(d) Stockpiling of materials is thought of now as part of defense strategy; it must be conceived as part of the national economic strategy.

B. AMERICAN DEVELOPMENT OF FOREIGN RESOURCES

Expropriations, confiscations and unilateral modifications of agreements by host countries have severely modified the flow to the U.S. of foreign mineral materials produced by U.S. firms operating abroad, and have made other materials more costly.

At the same time U.S. industry is meeting considerable and increasing competition from other industrialized nations in developing new foreign mineral supplies and in assuring the long-term flow of minerals to the U.S. In this connection U.S. firms operate in foreign countries on a private basis with little or no government encouragement, whereas many foreign industrialized nations have mechanisms for extensive government assistance. Mention may be made of Japanese Government assistance in the form of long-term, low interest loans covering a substantial part of exploration costs, loans to Japanese firms and others for material development for Japanese consumption, loan guarantees, tax privileges to Japanese investors in overseas mineral developments and insurance against political risks.

American development of foreign resources could be encouraged in analogous ways, including:

(1) Provision of incentives—for example, special tax considerations, loan facilities additional to Eximbank, and supplementing the facilities of the International Bank and regional banks, such as Inter American Bank.

(2) The negotiation of international compacts through which the benefit of foreign investment accrues to both the investor and the host. While providing protection against expropriation of investment, this primarily would conform to established, prescribed standards covering areas such as host country participation, formulae for sharing profits, convertibility of profits and return of capital.

(3) An indispensable ingredient of such a program must be the perpetuation of an insurance system like OPIC (Overseas Private Investment Corporation).

C. ENCOURAGEMENT OF U.S. EXPORTS

A great assistance in this area would be a sensible and competitive system of credit insurance, at competitive rates, and swiftly available. Other countries are much more flexible and realistic on this subject.

CONCLUSION AND SUMMARY

It takes little imagination to recognize that one of the essential needs facing American society in the decades ahead is to fill the gap between our indigenous resources and our ever growing needs of industrial raw materials. Failure to face and solve that problem will result in an inevitable decline in our standards of living, with all that implies for the welfare of our people as well as for our political and moral influence in the world.

In our system of free enterprise, venture capital will avoid investments abroad dedicated to the discovery and development of raw material resources that are not protected against expropriation without adequate compensation or other risks not found in capital outlays in the industrialized countries. Whatever the other means may be to provide reasonable protection against these risks, one indispensable element is an effectively administered insurance program. Since the problem is one which affects the country as a whole and not just the private sector, Government involvement is not only desirable but necessary.

Seen in this light it behooves all of us who are concerned about doing something other than wringing our hands, to support the institution which already exists and should be able to fulfill the insurance role. This institution is OPIC (Overseas Private Investment Corporation).

THE FIRST CONTINENTAL CONGRESS

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. GREEN of Pennsylvania. Mr. Speaker, I would like to call attention to an official Bicentennial event that will occur in Philadelphia on September 5 and 6, 1974. I am referring to the reconvening of the First Continental Congress in Carpenters' Hall in Philadelphia, September 5, 1974. The reconvening of the First Continental Congress serves to draw the attention of the Nation to the birthday of our country by highlighting one of the most significant events that led to the Declaration of Independence.

We live in serious times, but they are no more serious than those in 1774. This reconvening is summoned at the invitation of Gov. Milton Shapp of Pennsylvania and the Governors of the 12 other Original States. It will meet not simply to celebrate an important historic event but to discuss problems which are common to all States and to draw their solutions into formal resolutions which can be enacted into law. Governor Shapp has stated that—

> It is our intention that this official Bicentennial should serve two purposes. First, that it be a tribute to the desire for liberty and dignity that led our forefathers—men of diverse and divergent interests—to begin working together two centuries ago. Second, that it provide a meeting ground for modern leaders of our 13 original states—an opportunity to discuss ways and means in which we can work together once again to reaffirm the spirit of common enterprise that led to the founding of these United States.

All Members of the Congress and their wives have been invited to attend the ceremonial dinner on the evening of September 6, 1974 in the Carpenters' Hall in the shadow of Independence Hall.

1974 is the most appropriate time for rededication. The constitutional process begun almost 200 years ago withstood one of its severest tests within the week. I hope many of our colleagues will be able to participate in these ceremonies next month.

Mr. Speaker, I would like to include as part of my remarks the full text of Governor Shapp's proclamation in honor of the 200th anniversary of the First Continental Congress, and the schedule of events:

PROCLAMATION IN HONOR OF THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS

On September 5, 1774, courageous and distinguished citizens from the American colonies assembled at Carpenters' Hall in Philadelphia to begin discussions that, within two years, led to their Declaration of Independence and to the formation of our 13 Original States.

As Governor of the Commonwealth in which the First Continental Congress convened, I have invited the present-day Governors of the Thirteen Original States to meet in session on September 5 and 6, 1974, at Carpenters' Hall in Philadelphia.

This invitation, moreover, is extended as well to the Senators and Representatives of the United States—heirs in spirit as well as fact to those first Congressmen who met in Philadelphia two hundred years ago.

Since that first historic meeting, the United States, the world's oldest continuing democracy, has been the forerunner in the development of human rights, science, education, technology, and the arts.

It is appropriate, therefore, that representatives of the Thirteen Original Colonies and all Americans celebrate this occasion as significant of our past and symbolic of our future.

It is our intention that this Official Bicentennial Assembly should serve two purposes. First, that it be a tribute to the desire for liberty and dignity that led our forefathers—men of diverse and divergent interests—to begin working together two centuries ago. Second, that it provide a meeting ground for the modern leaders of our Thirteen Original States—an opportunity for discussing ways and means in which we can work together once again to reaffirm the spirit of common enterprise that led to the founding of these United States.

It is our aim to discuss current problems and find workable solutions which can then be enacted into law in our respective states as uniform pieces of legislation.

Now, therefore, I, Milton J. Shapp, Governor of the Commonwealth of Pennsylvania, do proclaim September 5 and 6, 1974, as the Official Bicentennial of the First Continental Congress in Philadelphia.

RECONVENING OF THE FIRST CONTINENTAL CONGRESS SCHEDULE OF EVENTS AS OF AUGUST 8, 1974

Wednesday, September 4

Arrival of Governors and other delegates in afternoon or evening. Informal reception by Governor Shapp for other Governors at hotel. Dinner at leisure or individual basis with host couples assigned each governor.

Thursday, September 5

8:30 a.m.—Governors and delegates depart hotel.

8:45 a.m.—Mayor's breakfast at Powell House (242 South 3rd Street). Mayor Rizzo to be host to Governors and their ladies only. Approximately 35 in attendance.

Other delegates breakfast with Pennsylvania hosts at Hill-Physick House (321 South 4th Street). Approximately 100 in attendance.

10:30 a.m.—Governors and wives leave Powell House walking enroute to Carpenter's Hall (South on 3rd, W. on Pine, No. on 4th). Parade picks up other delegates and staffs at 3rd and Delancey.

10:30 a.m.—Opening session at Carpenter's Hall.

12:30 p.m.—Adjourn for lunch on the green adjacent to Carpenter's Hall, east side. Delegates, ladies and guests will number approximately 500.

2:30 p.m.—Reconvene at Carpenter's Hall for second session. Individual tours arranged for Governors and other delegates' wives, including tour of private Society Hill homes.

6:30 p.m.—Start cocktail party at Independence Hall.

6:15 p.m.—Conclusion of cockail party; optional walk or drive to Bookbinders.

8:00 p.m.—Dinner at Bookbinders.

8:45 p.m.—Conclusion of dinner, depart Bookbinders, drive to Walnut Street Theatre.

9:30 p.m.—Arrive at Walnut Street Theatre; Champagne party at intermission.

11:00 p.m.—Conclusion, depart theatre, en route back to hotel.

Friday, September 6

8:00 a.m.—Breakfast at hotel for official party and guests and press in Grand Ballroom. Approximately 300–400 to attend.

9:15 a.m.—Depart hotel. Ladies to have separate program(s) depending upon individual desires.

9:30 a.m.—Final session at Carpenter's Hall commences.

11:45 a.m.—Ceremonial conclusion of the conference outside Carpenter's Hall (music, etc.).

12:15 p.m.—Depart for golf and tennis tournaments (9 holes of golf). Lunch on site. At conclusion, return to hotel.

6:00 p.m.—Regular train arrives from Washington carrying members of U.S. Congress. To be met by special buses and taken to Independence Hall.

6:15 p.m.—Governors, delegates and wives leave hotel for Independence Hall.

6:30 p.m.—Reception on Grass Mall between Chestnut and Market Streets honoring 200th Anniversary of Continental Congress. Entertainment, etc. Approximately 1,000–1,500 in attendance.

7:30 p.m.—Dinner under marques on plaza north of Judge Lewis Fountain (north side of Market Street). Approximately 1,000–1,500 in attendance.

9:00 p.m.—Conclusion of dinner and appropriate remarks by Governor Shapp and important national figure(s).

10:00 p.m.—Fireworks and other entertainment.

10:30 p.m.—Transport to hotels and other transportation points, to be determined by each individual.

THIS FARM FAMILY NEEDS A FRIEND IN WASHINGTON THIS YEAR

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. ALEXANDER. Mr. Speaker, while inflation has taken its toll on all of us, the American farmer has yet another problem with which to grapple. He must contend with the weather, which is just about as predictable as prices.

In parts of our country, drought has virtually wiped out this year's crop. I would like to share with my colleagues a letter from a farm family in my district, who beseech us in Washington to help. I join them in their hopes that they will find friends in Washington this year and for years to come:

ROUTE 1, BONO, ARK.

DEAR BILL: Richard and I keep up with you through the newspaper and on T.V. We have always felt you were the farmer's friend and we appreciate this very much.

This has been a very hard year for us, at first so much rain we could not get into the fields and now we haven't had a good rain since the middle of June, so what we did get planted is burning up. This really hurts when the cost of fuel, fertilizer, and parts are at an all time high, to say nothing of the price of machinery.

This farm family needs a friend in Washington this year.

Thank you,

MRS. RICHARD NUTT.

VIEWS UPON THE RESIGNATION OF PRESIDENT NIXON

HON. DAVID W. DENNIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. DENNIS. Mr. Speaker, the following remarks on the subject of impeachment and the recent resignation of President Nixon sum up my views upon the entire matter, and I submit them with the thought that they may be of some interest to my colleagues and of some value for the record:

1. I did not seek the job of sitting in judgment on President Nixon. This was a Constitutional duty which came to me and which I had to perform as a member of the Committee on the Judiciary.

2. As a member of the Committee I was not in the position of either a prosecutor or a defense attorney, and was not entitled to play either role. Although no comparison is exact I was more nearly in the role of a judge, or, at least, of a grand juror or a committing magistrate, in behalf of the Republic, and I had to govern myself accordingly.

3. I believed that President Nixon was entitled to the benefit of every reasonable doubt, and I was determined that I would not vote to impeach and to remove from office the legally elected President of the United States, in the absence of clear and convincing legal proof of his guilt of an impeachable offense. The other side of this coin was, of course, that if such proof should be forthcoming I would then have no choice but to vote to impeach.

4. At the close of the hearings of the Committee on the Judiciary I realized, of course, that there was much damaging information in the record and that a number of the President's closest advisors and chief lieutenants had obviously been guilty of criminal misconduct. I believed, nevertheless, that the President's personal participation in this misconduct had not been adequately established. I realized, too, that the Committee did not have all of the evidence, and, in my judgment, we had not made every reasonable effort to obtain it through legal process. In this situation, I gave the President the benefit of the doubt and voted on each Article against impeachment; I think I was right in doing so, and in the same situation I would do so again.

5. Almost immediately after this vote new evidence came to light, for the first time, which established, out of President Nixon's own mouth, that on June 23, 1972, six days after the Watergate break-in, he had agreed with H. R. Haldeman to try to cover up the facts of this case and to obstruct the FBI investigation through the misuse of the CIA, in order to conceal the fact that the Watergate break-in had been planned and carried out by the Committee to Re-elect the President. The President issued a public statement admitting this, and, in doing so, he at the same time admitted that he had made previous untrue statements to the contrary, and that his repeated assertion that he knew nothing of the cover-up until March 21, 1973 was not true—since he had been actively engaged in it himself since at least June 23, 1972. None of this had been revealed to anyone before, not even to his own lawyer.

6. This unfortunate situation established a legal case of obstruction of justice as charged in the first Article of Impeachment, and caused me to come to the conclusion that I would be compelled to, and would, vote to impeach on this Article when and if it came to a vote in the House of Representatives, and I so stated. Again I feel that under the circumstances this was the only possible decision, and the right one.

7. I believe it is fair to add that this same situation so reflects upon President Nixon's credibility in this particular matter, that it cannot help but raise grave doubts in the mind about some other points in the record as to which I, and others, give him the benefit of the doubt; even though these may remain legally debatable. There were ten good men who voted "No"—not one of us felt that we could honestly and properly continue to do so as to Article I, after the events of August 5.

8. There are some who will say—even so, the offense was not sufficiently serious to justify impeachment or forced resignation. The offense has to be regarded as serious—not in the sense that anyone was killed or that money was stolen—but because this was a perversion of the processes of our national government by the very head of that government. Nevertheless, there are many who might have held this opinion, or exercised this judgment, had President Nixon only come forth with the facts these many months ago; but it is much more difficult to accept this position when the facts have come out at all only because there was no way to avoid it, and only after two years of untrue explanations.

9. It ought to go without saying that all of the foregoing is exceedingly painful to me. I have had to make two very difficult decisions, within a very few days, and I have been forced—by changed facts and circumstances—to make them in opposite directions. I would have been far happier personally had the facts so remained that I could have gone down fighting against impeachment against an adverse majority vote on the floor of the House, as I had fully expected to do. But it is President Nixon himself, and the now established and admitted facts of the case, that have made this impossible.

10. In this situation President Nixon's resignation—sad and tragic as it certainly is—was by far the best thing that could be done, both for him and for the country. I retain my great admiration for his statesmanship in world affairs, which ought not to be forgotten; I grieve for him personally, and still more for his family; I regret the triumph of his political enemies, many of whom are also my own; and I am strongly opposed to any thought of criminal prosecution or further harassment of the ex-President. He should be allowed, for the country's sake as well as his own, to depart in dignity and in peace.

11. Finally, I believe that President Ford will make a good President and will be a worthy leader of our Union. I would urge that we all give him our full measure of support.

NATIONALLY RECOGNIZED HISTORIAN IS ADVISER TO RECONVENING OF THE FIRST CONTINENTAL CONGRESS

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. ROONEY of Pennsylvania. Mr. Speaker, Merrill Jensen, Vilas research professor of history at the University of Wisconsin in Madison, is serving as the official adviser to the reconvening of the First Continental Congress September 5 and 6 at Carpenters' Hall, Philadelphia, Pa.

Nationally acclaimed authority on the First Continental Congress, Professor Jensen is editor of the "Documentary History of the Ratification of the Constitution." He also edited "The Documentary History of the First Federal Elections for the National Historical Publications Commission."

Among his publications are, "The Articles of Confederation", University of Wisconsin Press, 1940; second edition, 1947; third edition, 1959; "The New Nation: A History of the United States During the Confederation, 1781–89," New York, 1950, which was chosen by the History Book Club as book of the month in December 1950 and appeared in a paperback edition in 1964; "Regionalism in America," edited for the UW Press, 1941; "American Colonial Documents to 1776"; volume IX of "English Historical Documents," London and New York, 1955; introduction to a new edition of R. G. Adams' "Political Ideas of the American Revolution," New York, 1957; "The Making of the American Constitution, New York, 1964; "The Founding of a Nation," New York, 1968.

Professor Jensen has been a member of the history department of the University of Wisconsin since 1944 when he was an associate professor. He was made chairman of the department from 1961 to 1964 and then Vilas research professor of history.

Professor Jensen has also been concerned with the development of American studies overseas. In 1949–50 he was Harmsworth professor of American history at the University of Oxford. In 1955 he gave a seminar on American history at the University of Tokyo, Japan. In the fall of 1960 he gave a seminar on American colonial history at the University of Ghent, Belgium, on a Fulbright grant, and the spring of 1961 gave a series of seminars at Kyoto University, Japan, and another series of seminars at the same university in the spring of 1964. Since 1962 he has been a member of the Advisory Committee of American Studies of the Conference Board on International Exchange of Persons, the State Department agency in charge of the Fulbright program. In 1963 he was adviser to the American delegation at the Second Japanese-American Conference on Cultural and Education Exchanges held in Washington, D.C.

Professor Jensen earned the B.A., 1929, and M.A., 1931, degrees at the University of Washington and the Ph. D., 1934, at the University of Wisconsin.

He is married to the former Genevieve Privet and is the father of one daughter, Julanne, Mrs. David G. Pease.

He is a member of various professional associations such as the American Historical Association and the Organization of American Historians. He has served on the editorial boards of the Journal of American History and the American Quarterly. During 1969–70 he was president of the Organization of American Historians.

The Governors of the Thirteen Original States along with three delegates from each of the States will meet in deliberative sessions to debate problems common to all States and to finally draw their solutions into resolution which then can be enacted into law. Every effort is being made to see that this 1974 meeting of the "Congress" adheres to the agenda or formality of that first meeting.

LET US "SAVE OUTDOOR AMERICA"

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. RONCALLO of New York. Mr. Speaker, I recently submitted testimony before the National Parks and Recreation Subcommittee urging the expansion and other reforms of the Land and Water Conservation Act. I would like to share these remarks with my colleagues because, regardless of our individual views on the recent land use bill, the fund provides a viable mechanism for the protection of our environment.

My statement follows:

Let Us "Save Outdoor America"

Mr. Chairman, I appreciate the opportunity to offer testimony in support of H.R. 15740, the Save Outdoor America Act, which I have co-sponsored, and other legislation to expand the Land and Water Conservation Fund.

The bill is aptly named, because unless the fund is greatly increased, the encroachment of urban sprawl upon our remaining green space and our beaches will soon lose what chance remains for our children and grandchildren to enjoy the natural beauty of this great Nation.

The need is now, the time for this legislation is now and the mechanism for funding is available now. It may not be next year. The Save Outdoor America Act would finance an expansion of the fund to $1 billion by earmarking additional revenues from offshore oil leases, but committees throughout this Congress are already carving up the pie.

I am not a proponent of offshore oil drilling, despite my commitment to Project Independence. Until technology catches up to desire, drilling on the Outer Continental Shelf poses a great risk to the very wetlands which share in the Land and Water Conservation Fund.

My own personal views in favor of our ecology notwithstanding, offshore leasing is a fact in several of our coastal areas and does generate substantial revenue to the Federal Government. It seems only fitting, therefore, that monies from those who risk the destruction of our environment be first used to help preserve it. An expanded Land and Water Conservation Fund should have first call on these revenues. Other worthy programs and the general treasury can participate in the remainder.

Mr. Chairman, the need for a vast expansion of the Fund is manifest in the example of just one small corner of our country. Nassau and Suffolk Counties on Long Island, which I am proud to represent in Congress, together with local municipal governments and New York State have made a strong commitment to the acquisition and development of green spaces and wetlands for conservation and recreational purposes consistent with the environment. The bi-county area presently has pending with the State applications for grants totaling $163 million. Assuming an average 50 per cent federal share that is $81.5 million, or 45 per cent of the Fund allocated to the States in the Interior appropriation which recently passed the House, and this is only two counties, not the whole state. The non-federal funds for these projects are already available. We've done our part in New York, but we cannot do it alone.

Obviously, we are not going to get 45 per cent of the allocation for assistance to States in FY75, but the predicament of the Long Island environment gives rise to two important points. First of all, the Fund must be vastly increased. In the last fiscal year only $76.223 million were appropriated. These projects have been standing by and State funds have been gathering dust while we watch the cost of land, labor and materials rise dramatically and while those areas to be acquired remain open to private development.

Secondly, the arbitrary seven per cent limit on allocations to any one state must be removed from the law. On a per capita basis, New York and other largely urbanized states receive less than one-tenth of the apportionment granted to the least populous states. Let's face it: land costs more, everything connected with these projects costs more, in our urban states, and they are the ones with the least open space left and therefore in greatest need of assistance.

What also seems to have been forgotten is that 40 per cent of the Fund is used for Federal projects, nearly all of them far from our centers of population. If the majority of our population is to be able to enjoy the benefits of what is left of our natural resources reasonably close to their homes, equity dictates that the percentage limitation be removed. I would suggest to the subcommittee that the well-intentioned amendment to raise that limit to ten per cent is not the answer. I find no fault with the 60–40 split between State and Federal projects, but the state allocations should be determined by a formula to include population, unit costs of acquisition and development, extent of State and local commitment and an inverse ratio to the Federal projects supported by the fund in each state.

Parenthetically, I warmly endorse the proposal made during these hearings by the distinguished Commissioner of the New York State Office of Parks and Recreation, the Honorable Alexander Aldrich, suggesting that states with extreme seasonal variances in climate be permitted to use a minor portion of their allocation to enclose selected recreational facilities so that they may be utilized on a year-round basis.

Mr. Chairman, I would like to append to these remarks for inclusion in the hearing record, a list of the backlogged projects in Nassau and Suffolk Counties, plus a minor share of one project which goes over into Queens County. The logjam can be broken if interested funding is authorized for the Land and Water Conservation Fund.

I would like to conclude these remarks with a thought which may not have been considered previously in these hearings. As most of the members of the subcommittee are aware, I was a leader in the fight against the Land Use bill, and indeed was the first to call the attention of the House to what I consider the dangers of that piece of legislation. Among the many reasons for my opposition to the Land Use bill as written was that the impact of restrictions for the public good on the use of private land was not borne by society as a whole, but by the few whose property happened to fall in the restricted areas. This is not only of doubtful constitutionality, but is of very doubtful morality as well.

I remain, however, deeply committed to preserving our environment for future generations to enjoy, and I stress the word enjoy. An expension of the Land and Water Conservation Fund, coupled with better environmental management of Federal lands, is the perfect substitution for the Land Use bill. If a state or local government wants to preserve green spaces and beaches for the public good, but to the detriment of property owners, the right and proper thing to do is to condemn the land under the right of eminent domain and pay a fair price for it. This can be done through the Fund. Furthermore, the land does not remain in private hands—useless to its owner and closed to the public. Instead, it can be developed for recreational uses consistent with the environment and available to all the people.

Mr. Chairman, I urge swift enactment of the Save Outdoor America Act and related provisions to expand and improve the Land and Water Conservation Fund.

The list of backlogged Long Island projects follows:

SUMMARY

	Total	BOR share
Long Island Sound study—Schedule A:		
Recommendations:		
Land acquisition	48, 855, 000	24, 427, 500
Development	65, 854, 000	32, 927, 000
Land acquisition—Schedule B:		
Office of Parks and Recreation Environmental Quality Bond Act/Bureau of Outdoor Recreation	$14, 200, 000	$7, 100, 000
Department of Environmental Conservation—Wetlands	6, 985, 000	3, 492, 500
Office of Parks and Recreation—Schedule C: Capital projects 1974-75—1975-76	20, 015, 000	10, 007, 500
Municipal/county grants-in-aid—Schedule D:		
Applications pending	4, 054, 500	2, 027, 250
Applications anticipated (Nassau County)	3, 000, 000	1, 500, 000
Total	162, 963, 500	81, 481, 750

PROJECT GRANT-IN-AID FOR LONG ISLAND—STATE AND LOCAL PROJECTS

LONG ISLAND STUDY—SCHEDULE A

Program	Acquisition	Development	Total	BOR Federal share
North Hempstead	$20,610,000	$7,320,000	$27,930 000	$13,965,000
Oyster Bay	12,375,000	3,000,000	15,375,000	7,685,000
Queens		8,480,000	8,480,000	4,240,000
Brookhaven	180,000			90,000
		15,370,000	15,550,000	7,775,000
Smithtown		200,000	200,000	100,000
Riveroad	15,000,000	21,284,000	36,284,000	18,142,000
Southhold	690,000	10,200,000	10,890,000	5,445,000

ENVIRONMENTAL QUALITY BOND ACT—SCHEDULE B

Program	Acquisition	Development	Total	BOR Federal share
Office of Parks and Recreation:				
Meadow Island	$700,000		$700,000	$350,000
Napeaugue	13,500,000		13,500,000	6,750,000
Department of Environmental Conservation Coastal Wetlands:				
Mt. Sinai Harbor	75,000		75,000	37,500
Carmen's River	1,800,000		1,800,000	900,000
Babylon Marshes	30,000		30,000	15,000
Little Bay-Conscience Bay	75,000		75,000	37,500
Moriches Bay West	1,195,000		1,195,000	597,000
Lloyd Harbor	90,000		90,000	45,000
North Haven Marsh	45,000		45,000	22,500
Namkee Creek	100,000		100,000	50,000
Brown's River	50,000		50,000	25,000
Little North West Creek	1,000,000		1,000,000	500,000
Moueybogue Bay	650,000		650,000	325,000
Napeague (wetlands)	1,500,000		1,500,000	750,000
Boerman's Island	125,000		125,000	62,500
Acabonack Harbor	250,000		250,000	125,000

OFFICE OF PARKS AND RECREATION—SCHEDULE C

Program	Acquisition	Development	Total	BOR Federal share
Capital projects 74–75:				
Connetquot River State Park		$500,000	$500,000	$250,000
Jones Beach State Park		250,000	250,000	125,000
Nissequogue River State Park		350,000	350,000	175,000
1975–76				
Jones Beach State Park		7,015,000	7,015,000	3,507,500
Connetquot River State Park		350,000	350,000	175,000
Hither Hills State Park		2,600,000	2,600,000	1,300,000
Sunken Meadow State Park		1,300,000	1,300,000	650,000
Wildwood State Park		150,000	150,000	75,000
Caumsett		4,000,000	4,000,000	2,000,000
Montauk State Park		2,000,000	2,000,000	1,000,000
Brookhaven		1,500,000	1,500,000	750,000

MUNICIPAL/COUNTY PROJECTS—SCHEDULE D

Program	Acquisition	Development	Total	BOR Federal share
Applications in hand:				
Shirley		1,350,000	1,350,000	675,000
Lindenhurst		285,000	285,000	142,500
Huntington		150,000	150,000	75,000
East Hampton		80,000	80,000	40,000
Patchogue		120,000	120,000	60,000
Do		300,000	300,000	150,000
Amityville		470,000	470,000	235,000
East Hampton		74,500	74,500	37,250
Pending:				
Suffolk County		1,225,000	1,225,000	612,500
Nassau County bikeway		3,000,000	3,000,000	1,500,000

LULAC EDUCATIONAL SERVICE CENTERS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mrs. SCHROEDER. Mr. Speaker, over 12 million citizens in this Nation are of Spanish origin, the second largest ethnic minority grouping not of Anglo-European immigrant stock in our country. It is significant that, as we prepare to celebrate our country's Bicentennial, we recognize the existence and contributions of our Hispanic citizenry. They have added much to the rich and colorful history of our country—from California to Florida, including my own State of Colorado. For instance, a number of words in common usage of Spanish derivation are found in our vocabulary: Canon, lariat, adobe, lasso, pronto, patio, macho, doughboy, fiesta, Las Vegas, Florida, California, Nevada, and even Colorado.

Mr. Speaker, the cultural and historical contributions of our Spanish origin citizens are numerous, and as yet, undetermined. In attempts to ascertain these contributions, many university and college ethnic-cultural studies units are documenting the nature and extent of these additions to the greatness of our Nation as a whole. Everyone, regardless of ethnic origin has contributed to the economic and social growth of our Nation, unfortunately, it is still largely unnoticed that Spanish origin persons have also made additions to our great culture and prosperity. Persons of Spanish origin have done much to advance the cause of labor. They have also fought in all our wars. They have worked for the cause of human justice and dignity here at home. We have much to gain from their art, literature, and historical perspective—and we should encourage this to flourish through our educational processes. An informed and literate citizenry is the foundation of a truly workable democracy, and this applies to the citizenry of Spanish heritage.

Mr. Speaker, it concerns me greatly that the median educational level is 4 years of high school for only 36.4 percent of the Spanish-origin population, while it is 61.5 percent for the Nation as a whole. The 1970 census showed the median income of Spanish-origin persons 25 years and older who completed one or more years of college was $8,636, while that of the general population was $9,989. In Colorado, the median school years completed by Spanish-origin women 25 years and over was 9 years, and that of Spanish-origin men 25 years and over was 10 years. The median income as of the last official census for families headed by Spanish-origin women aged 14 years and over was only $4,117, while that of all Spanish-origin families was $7,787. This is a distressing picture, and one which can be changed.

The important and integral relationship between education, employment, and income is certain. Numerous barriers must be surmounted by the Spanish-origin male and female if they are to attain parity with the majority culture. Also, it must be recognized how important cultural factors such as language, life style, values, self-perception, and success models are in the achievement of one's potential. In line with this awareness of the importance of opportunity for the full educational achievement and advancement of Spanish-origin persons, I would like to include in the RECORD at this time an article from the June issue of La Luz magazine entitle: "LULAC Education Service Centers: An Idea Whose Time Has Come":

AN IDEA WHOSE TIME HAS COME

When someone has an idea, it seems as if it will never become reality. But, there is at least one "thought on a piece of paper" that has become fact for the Spanish-surnamed Americans of this nation.

Less than a year ago, a nationwide network of "people-oriented" service centers serving the educational needs of Chicanos, Cubanos, Puerto Riquenos, and other Latinos was a dream. Today, one can walk into anyone of 11 centers throughout the United States and someone will "reach out."

That someone could be James Cruz at the LULAC National Education Service Center in Chicago, Illinois or it could be Ricky Manzanares in Colorado Springs, Colorado.

The Service Center in Corpus Christi first opened in March of 1973. That makes Service Center Director Joe Longoria the "oldest" member of the family. The newest Center set into motion is one operated by Chris Lucero, located in the heart of the Ivy League schools in Boston, Massachusetts.

"It wasn't a simple thing to do," admits LULAC National Education Service Center Executive Director Ernest Robles, "because up until now, the educational problems of the Spanish-surnamed Americans had always been viewed as local ones rather than on a national level."

"What NESC has responded to was in fact a crisis of sorts," continues Robles, "which the less informed called a Chicano problem or a Boricua problem."

Robles gazes at the statistics piled on his desk. "It's true that if one looks at one piece of a puzzle, it doesn't make much sense. However, when the pieces are put together, in this case, when one looks at the Spanish-speaking population at the national level and the challenges that face us as we attempt to enter the colleges and universities of this country, it is very clear what we must do."

What was clear to Ernest Robles and about one hundred personnel in the 11 Field Centers, (Arizona, California, Colorado, Illinois, Kansas, New Mexico, Texas, Washington and Boston), is that in order to overcome the previous "isolation" of individual groups in various parts of the United States, a "communication device" had to be set up.

The NESC system is quite unique in its approach to "communication."

What is it that makes it unique and how does it work? "First of all," explains Colorado Springs Field Director Ricky Manzanares," we don't make any wild promises. For example, right now we do not even have scholarship money to give to our people, from this office, although this is something we are working on."

Manzanares notes that the NESC operation does have information that could lead to financial aid from other sources. He explains, "Many times, students don't know that money is available from universities, private and public foundations and other sources. And even if they know they exist, sometimes it's just a matter of having a number of them in a central location, to use on a referral basis."

If this approach does not appear unique to a skeptic, Manzanares will point out the key to the Center's success. As he puts it, "It's the atmosphere, and the staff's ability to relate to clients in a very direct and special way, that makes it work."

"When someone walks in," says Manzanares, "we immediately try to make the individual feel at ease. Too many agencies make it seem like they are doing you a favor by offering help."

Appointments are not necessary to take advantage of the NESC services. "It does make things easier when you do," explains Manzanares. "We have on the average, five to ten new people walking in every day. This does not include the number of telephone calls we get at all hours, not to mention the current service load."

At the Colorado Springs "storefront," (Manzanares says the storefront idea works better than a more formal office in his area), some 800 clients have been serviced. Many have been advised or counseled at least three times.

Manzanares notes, "We try to limit the client's visits with us to three times, for a very good reason, although we are more than happy to counsel someone as often as he wishes. What we don't want to do is create a dependency relationship between the client and the staff. The idea there," Manzanares explains in a reassuring tone, "is to instill self-confidence in the client and in the staff."

No one is turned away at a Centro Directiva (as it is called in Spanish), although it is primarily aimed at the large Chicano and Chicana population in the area. Anglo, Black and Americans of other ethnic origins are also welcome.

No one is turned away unless the family is in an unusually high income bracket. A formula is applied to all clients that determines eligibility by the OEO-funded program, by taking into account family financial status, the number of dependents, and other guidelines set by the Office of Equal Opportunity in Washington, D.C.

"Women," Manzanares notes, "are one of our top priorities because of the conditions that have existed in the past, that have for the most part stereotyped all women as 'homemakers'."

The client who walks in can expect to be treated in a friendly manner immediately. He or she is asked about himself or herself, and is asked questions about career and fields of interest by one of the five counselors on duty.

"Some clients know what they want to do, others don't. We are prepared to deal with either situation. The next thing we do is to determine how best to solve the client's problem. Sometimes it's a matter of counseling on which college entrance exam to take or other type of test such as a vocational test."

"It's then a matter of dealing with the paperwork," continues Manzanares, "which at times is somewhat complicated."

He says that the Center's philosophy, however, is to urge clients to take the forms home and try to fill them out themselves.

Filling out forms will continue to be a fact of life and Manzanares and his staff say that the best way and time to start to learn how to fill them out is as soon as possible.

Richardo Castro, one of the NESC counselors on duty at the Colorado Springs office, agrees with Manzanares. Castro does say, however, that the staff will lend aid in filling out forms if a snag develops.

"This is part of the follow-up operation," Castro further notes, "since the initial interview, and filling out forms is only the beginning of the process."

"We closely follow the various applications and forms as well as the client, and the progress or lack of progress of each."

Manzanares sums up the NESC Center activity this way. "The Colorado Springs Center is basically an alternative to the counseling that now exists, in high schools or colleges. We strive to complement, rather than duplicate, the efforts of other agencies or counseling services provided by the educational systems, and in certain instances we go beyond what is available elsewhere. We do things like visit rural areas and counsel parents on the advantages of a good education for their children. Another thing is that we try to do whatever we can to make sure the student stays in the college or university once he is in."

"Finally," says Manzanares, "we are continually looking for answers to problems like tutoring programs which have been to date largely unsuccessful. We are the first to admit that no one has the total answer to the educational needs of the Chicano in this area, but we think the NESC approach is among the best in the nation."

The man who oversees the day-to-day operations of all of the 11 Field Centers throughout the United States is recent Harvard Business School graduate, Rodolfo Castro.

Sitting in his Washington, D.C. offices, near the nation's Capitol building, Castro is the vital link between the Centers, like the one in Colorado and insures their smooth operation.

"The crucial aspect of my job is making sure that the individual Field Centers tailor their services to the needs of a particular area, while the total effort remains united," says Castro.

"In Boston, where the Spanish-surnamed population is admittedly small, our chief function there is to provide a channel of communication for the other ten Centers directly to the Eastern schools."

Castro continues, "However, New York, which has a large Boricua population, can also take advantage of our services. In essence, this means that a young man or woman, for example, that graduates from the University of Houston can go through us to apply to the Yale Law School, if he or she so wishes."

Castro also points out that while NESC must continue to focus on getting the student to enter the school, it is equally important to offer whatever support possible to insure the students completion of requirements for graduation.

"The most common situation," Castro explains with some degree of frustration, "is the lack of money to continue. Disillusionment with the unfamiliar surroundings is another."

Castro flashes a quick smile. "But that's why we are right in the heart of the community, to help in any way possible," he quickly adds as if to conceal the frustration.

This positive attitude is also shared by the program's top man, Ernest Robles. He swivels his chair around to glance at the huge wall-size map of the world directly in back of him.

"We have been very successful in telling our story on the local level through the various news media," Robles points out, "but again on the national scale, lack of awareness has posed an obstacle."

Not long ago, Robles, along with NESC Board Chairman Tony Bonilla, appeared on the nationally-televised morning program, "The Today Show."

"What we attempted to do in a very short time," Robles ponders thoughtfully, "was to raise the level of awareness of the network viewing audience. How do you explain in a few sentences the importance of the first large-scale effort to help guide the way for the nation's second largest minority group to higher-education, those who in the last analysis will be the professional and political Spanish-surnamed leaders of tomorrow?"

Robles is not a man who is discouraged easily, however.

"It's a part of the advocacy role of NESC," he explains, "to make America take notice of what we are doing. It doesn't stop there, because in doing this we are complementing the other parts of what we must do to insure that the NESC system works and continues to work on a long-term basis."

The other "parts" Robles speaks of are the guidance available to members of the Spanish-speaking community when he or she makes up his mind to continue his education beyond high school: Whether it be a university close to "home" such as UCLA or one that is "farther" away such as Harvard.

As for the future, Robles tells about how he is most anxious to see the program eventually become self-sustaining.

"We were originally funded by the government for two million dollars over an 18-month period. We are fairly certain that the program will be continued indefinitely. One of our long-term goals is to decrease the amount of government support and stimulate private sector funds."

"Too many programs have been started up," notes Robles, "only to be terminated as soon as the monies are depleted."

"This project," Robles boasts, "has an excellent track record. This is due mainly to our personnel out in the Service Centers around the country and to the enthusiasm and great response of the surrounding communities to the program efforts. It's a winning and effective combination!"

It's an idea whose time has come!

U.S. SKILL OLYMPICS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. GONZALEZ. Mr. Speaker, "skills build America"—that is what over 3,000 young high school and post-high school students from 46 States and U.S. territories set out to prove during the U.S. Skill Olympics of the Vocational Industrial Clubs of America, VICA, held recently in San Antonio, Tex.

The U.S. Skill Olympics is the final rung on the ladder leading to the International Skill Olympics, which for the first time, will have American competitors—VICA will have a team competing in 12 different skills—vying for gold, silver, and bronze Olympic medallions. These young Americans will be representing the United States in the areas of engineering drawing; radio and TV repairing; house wiring; ladies hairdressing; turning, machine trades; milling, machine trades; gas welding; electric welding; bricklaying; carpentry; industrial wiring; and sheet metal work.

While the International Skill Olympics has been held yearly throughout Europe since 1950, the United States has never had a team competing in this event. This year, however, America will have representation and VICA will undoubtedly distinguish itself and return some of the "gold" back to the United States.

VICA is a national student organization—over 180,000 members—of young men and women, taking vocational industrial education courses throughout the high schools and posthigh schools in 46 States and U.S. territories.

While vocational industrial education prepares students to enter the world of work; VICA club activities foster a deep respect for the dignity of work and personal development in leadership, citizenship, and patriotism, through the democratic processes.

VICA competitive activities, in over 26 different trade and job skills, start early in the school year, leading to the final competition in the U.S. Skill Olympics. Leadership development activities also take place concurrently. Winners in each division—skills and leadership competitions—move up the ladder and those VICA members who are the best during the U.S. Skill Olympics are chosen to represent the United States at the International Skill Olympics.

The national VICA organizations is 10 years old; the Texas VICA Association however, was born in 1948, known then as VICT—Vocational Industrial Clubs of Texas—until its association 10 years ago with national VICA.

I am, indeed, proud of the fact that I have been involved with both VICT and VICA for a number of years and to have been chosen as an honorary life member of this great student organization in Texas.

It is, likewise, an honor to report that five young San Antonio VICA members won olympic medallions during the recent U.S. Skill Olympics in the Alamo City. I congratulate these five exceptional young people: Robert Rocha, Fox Tech High School, gold medal winner, architectural drafting; Mark Carroll, Burbank High School, gold medal winner, auto body repair; Donald Rackler, Harlandale High School, gold medal winner, air-conditioning and refrigeration; Frank Duran, South San Antonio High School, silver medal winner, welding; and Richard Halsell, Holmes High School, bronze medal winner, carpentry. Texas is also proud of these young people for winning five of the eight medals captured by the great State of Texas during the U.S. Skill Olympics.

It would only be fair to recognize at this time the 12 VICA members who will be representing the United States at the International Skills Olympics to be held in August in Lisbon, Portugal:

Johnny Bloxton, West Virginia, carpentry.

Jerry Tanksley, Georgia, bricklaying.

Lloyd Smith, Ohio, ladies hairdressing.

Allan Goff, Oregon, industrial electronics.

Kenneth Phy, Pennsylvania, engineering drafting.

Grant Newland, Florida, radio and TV repair.

Daniel Caldwell, Missouri, sheet metal trades.

Gary Hendershot, Ohio, welding, metal arc.

Chester Rowan, Pennsylvania, welding, MIG-TIG.

James Williams, Tennessee, machine, turning.

Richard Fularz, Jr., Ohio, machine, milling.

David Capps, Virginia, electrical trades.

The U.S. Skill Olympics has the full support of national industry, management, and business and labor organizations. Why? Because they care about young people. I wish to honor at this time individuals from these organizations that make the U.S. Skill Olympics so successful year after year:

Charles Allen, United Brotherhood of Carpenters and Joiners.

Robert Boyton, Addressograph-Multigraph Corp.

John Sessions, AFL-CIO.

Richard Terrell, General Motors Corp.

John Wyatt, General Motors Corp.

Harold Lewis, Kansas Education Agency.

Richard York, General Electric Corp.

Dorothy Hauser, National Safety Council.

Louis Patalita, Carrier Air Conditioning Co.

Paul Pringle, DuPont.

William Eltzroth, Brick Institute of America.

William Roark, Brick Institute of America.

Kenneth Edwards, International Brotherhood of Electrical Workers.

Richard Sabo, Lincoln Arc Welding Foundation.

Robert Carrigan, American Technical Society.

Donald Wilson, American Trucking Association.

Donald Gieb, Bruce Publishing Co.

Eugene Koschella, Electronics Industries Association.

Robert S. Patterson, Texas Education Agency.

Wilbur Hull, Texas Education Agency.

If VICA members receive the kind of support and encouragement throughout the Nation as I have witnessed in my 20th Congressional District, then VICA is indeed in good hands. And if VICA members are an indication of what our young people are like throughout the Nation, then our country is in good hands.

IT'S BAD ALL OVER

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. ALEXANDER. Mr. Speaker, I would like to share with colleagues a recent Wall Street Journal article regarding the state of postal service abroad. We Americans are not unique in our woes over less than adequate handling of the mails:

[From the Wall Street Journal, Aug. 14, 1974]

FAST-MAIL FORMULA FOR FED-UP ITALIANS: LUG IT TO SWITZERLAND

(By Felix Kessler)

CHIASSO, SWITZERLAND.—It isn't for the scenery or the cuckoo clocks that Italians have long flocked to this small border town.

What they used to flock here for, their suitcases and mailbags bulging with money, was that most traditional of Swiss virtues—the security, and secrecy, offered by the various Swiss banks that have conveniently opened about 18 discreet branches here.

Well, the banks are still an attraction. But Chiasso's main lure today is a quaint wooden structure: the post office. And those Italian mailbags are prosaically stuffed with mail.

"It's tragic, the way they sometimes fight for parking spaces outside," says Giuseppe Noseda, Chiasso's postmaster. Inside, Italians throng to the two mail counters, daily posting some 12,000 letters to points outside Italy. Other Italians check their post-office boxes for mail from abroad.

Chiasso's unsought postal boom is directly attributable to the celebrated breakdown of Italy's mail system. For 15 months Italy's postal service has been plagued by labor disputes and slowdowns stemming from dissatisfaction over pay. Mail delays of weeks and even months aren't unusual.

8 TONS, WHAT DO YOU GET?

One newspaper charges that the backlog of mail waiting to be delivered runs well over 100 tons. What little faith Italians retained in their mail's reliability wasn't bolstered by the recent discovery that more than eight tons of mail had been sold to two paper-pulp plants.

As a result, the Swiss post-office box seems to have replaced the numbered Swiss bank account as a status symbol for many Italians. For a lot of them, it's almost a necessity.

Exactly how many Italians are renting Swiss post-office boxes isn't known, because the Swiss extend their penchant for banking secrecy to the mail. "The number of post boxes rented by Italian people cannot be published," says an official at postal headquarters in Berne. He does say, however, that all of Chiasso's 590 boxes are in use and that "new requests cannot be satisfied." Chiasso is about an hour's drive from Milan.

Other Swiss cities have also been beseiged by Italians seeking postal addresses or just a reliable and uncrowded place from which to mail vital letters or documents. Antonio Greppi, owner of a textile mill near Milan whose request six months ago for a Chiasso box couldn't be met, considers himself lucky to have obtained one not far away, in Rancate. "It's a new post office. They had to build a new one because all the others in Switzerland are busy with Italians," he says.

PROBLEMS EVERYWHERE, TOO

Italy isn't the only European country to suffer deteriorating postal service. German and French officials warn that deliveries will become much slower because of labor shortages. Though Britain's first-class service remains just that—first-class mail is usually delivered by the next morning—a slowdown affecting central London has produced some two-week delays and considerable grumbling.

While the Swiss mail is still good, says Chiasso Postmaster Noseda, a veteran of 44 years' service, "it also used to be better." Saturday deliveries have been dropped, and most big cities and outlying districts provide only one delivery a day, although Chiasso still manages two.

Yet no other mail shortcoming in Europe compare with Italy's. Douglas Fleming, general manager of the English-language newspaper, The Rome Daily American, complains that it takes an average of "two weeks to get a letter from Milan" and an unpredictable time for overseas mail, such as syndicated columns or comic strips. "I got stuff in the last few days from December," he says. "It's just ruining business."

HORROR STORIES

A trade official in Milan recently received an urgent cable from home for a report mailed three months ago, yet got a letter the same day that had been mailed the previous week from Canada." It would almost be better if they guaranteed delivery within a month," he says.

Nothing arouses Italian ire more than the suggestion by Minister of Posts Giuseppe Togni that the postal situation is an "invention" by journalists. "On the morning Togni made that claim," says Gian Paolo Bonomi, a Milan travel agent, "I received a letter from Turin, just 133 kilometers (83 miles) away, postmarked two months ago."

Long accustomed to shrugging off bureaucratic indifference and inefficiency, Italians are responding to their mail system's failings with unusual vigor. One pensioner smashed 20 windows in a Naples post office after vainly waiting for months for a document permitting a pension increase. Even L'Osservatore Romano, the Vatican newspaper, which rarely comments adversely on Italian affairs, recently published an editorial "joining the chorus of people encouraging those responsible to go to every limit, for reasons of justice, dutiful efficiency and civilized action, so as to assure the essential services of which everyone, and we, too, are legitimate and paying beneficiaries." The editorial expressed wonder that copies of the daily Vatican paper should be delivered in "bunches of five to seven issues at one time" even in Rome.

Some large Italian companies maintain virtually their own courier service to ensure vital deliveries. For some time, Olivetti, the typewriter and business-machine firm whose headquarters is in the small northern town of Ivrea, has had a department of some 50 couriers and also keeps a Swiss postal address in Martigny. "The mail's been terrible for years," says Ezio Lavarino, an Olivetti marketing man. "What's new is that people are at last complaining about it."

Major international concerns, banks and smaller businesses have increasingly found it necessary to employ private couriers for most mail. Several private delivery services have acquired such solid reputations for speed and reliability that some Italian state concerns employ them. Utilities for instance, use couriers to deliver their gas and electricity bills.

"It's a sad comment on the entire Italian bureaucracy," a diplomat says, "that even they don't trust the mail."

An Italian writer observes that the mail system's failure is testimony to Italy's social priorities: The country has one of the finest highway networks in Europe while its hospital and postal services appear on the verge of collapse, he says.

The excellent highways do make it possible for Italians to speed to Switzerland with urgent mail. One private courier, whose company has contracts with concerns in Venice, Florence, Bologna and Rome, says, "it's cheaper and faster to go to Chicago or Lugano than to rely on Italian mail. This way, it takes two days to get a letter to Malta instead of a month from Rome."

An executive at a Rome courier service, whose company ships many parcels abroad by airfreight, notes that postal regulations prohibit the inclusion of mail in such packages, though some "documents" and printed matter may be included. This number of "documents" being transmitted abroad has risen markedly of late, he says.

Many Italians stick Italian stamps on mail that is carried into Switzerland for dispatch abroad to show they aren't trying to shortchange their own system. Others say that Italian border guards make a point of not looking too closely at obvious mail vans. (Hauling the mail to Switzerland is technically a violation of the regulations of the Universal Postal Union because the practice deprives a member nation of postal business that technically should be its own. But with the Italian system somewhat moribund, the authorities have become lenient.)

When they arrive in Chiasso, Italians invariably receive a polite reception, though the Swiss aren't overjoyed at the extra business. "It's been like the Christmas rush for months," Postmaster Noseda says. "It isn't normal. We don't get extra pay for bringing in more business, you know." Nor is the post-office-box rental charge of about 70 cents a month likely to enrich the Swiss system immoderately, he points out.

With Italy's mail expected to endure chaotic (or at best erratic) service for months, Italian postal authorities have come up with an ingenious way of combating any decline in revenues: Italian postage stamps are handed out as change on the toll road between Milan and Chiasso.

MINERSVILLE LITTLE LEAGUE TEAMS SWEEP PENNSYLVANIA CHAMPIONSHIPS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. YATRON. Mr. Speaker, Minersville, Pa., recently had occasion to celebrate an event to which we can point with pride.

Both the girls' and boys' Little League teams captured first and second place in the Pennsylvania Statewide championships, after 3 days of exceptional competition on the tournament trail. Any community in America would boast of the fact that the two top championships in the entire State were won by its two teams.

First place was won by the girls' team, the Minerettes. The boys of the Miners All Stars came home with the second place trophy and their performance was described by the Pottsville Republican as having earned them the distinction of being the best team ever from Schuylkill County.

When the teams returned home after the successful tournament, they were honored by a parade down Sunbury Street, in Minersville, and the entire community welcomed them as outstanding winners.

Usually, it takes some time to produce a championship team, but the Minerettes had practiced together as a team for the first time 6 weeks ago, on July 1. Now, they are first in the State. The Minerettes are on their way to the four-team northeast regional tournament in Providence, R.I., where they will meet the New England champion. If they are victorious in that competition, they will go on to compete in the girls' Little League world series in Long Island, N.Y. They have my warmest wishes for a very successful competition. Coach Ann Marie Whiteash and assistant coach Bill Charles, when accepting the giant first place trophy, said they never thought the team would come that far.

When the Miners All Stars won the second place State championship, it was the first time a team from the county appeared in a State championship Little League final. Last year, they came in third place, which is a noteworthy accomplishment in itself. This year they performed like true professionals, and the encouragement of coaches Leroy Kessler and Emmett Kimmel was a source of confidence.

Mr. Speaker, I am honored to commend to the attention of my congressional colleagues the championship Little League teams of Minersville, Pa. Not only are their abilities on the playing field outstanding, but perhaps more importantly, their spirit of good sportsmanship, and in this case good sportswomanship as well, have brought them a large following of fans. Congratulations to the Minerettes and the Miners All Stars and their coaches, whose names appear below—winners in every sense of the word:

Coaches and Players of the Minerettes and Miners All Stars Little League Teams, State Champions, Minersville, Pa.

THE MINERS ALL STARS

Coach Leroy Kessler.
Coach Emmett Kimmel.
John Pisco.
Ray Ostrowsky.
Vince Earlosky.
Greg Grigalonis.
Ron Padelsky.
John Demcher.
Curt Sukeena.
Joe Ryan.
John Quinn.
Frank Dallago.
Thomas Krupo.
Nicholas Pizzico.
Mark Skiebel.
William Bernasz.

THE MINERETTES

Coach Ann Marie Whiteash.
Assistant Coach Bill Charles.
Lori Trezise.
Lori Sninsky.
Carolyn Harley.
Linda Ralston.
Krista Borrell.
Rose Mary Fesnock.
Linda Pizzico.
Charlyl Shulsky.
Valerie Lands.
Cindy Connelly.
Bonnie Wenner.
Ruth Graeff.
Beth Lechleitner.
Patty Sorokach.

ADDRESS AT WORLD ANTI-COMMUNIST LEAGUE CONGRESS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. DERWINSKI. Mr. Speaker, I would like to insert into the RECORD an address by Dr. C. Kazys Bobelis who is not only a distinguished physician and surgeon, but the national president of the Lithuanian American Council, Inc., located in Chicago. The Lithuanian American Council is an American civic movement against Communist expansion united for the restoration of Lithuania's freedom. Lithuania and her sister Baltic States Latvia and Estonia were illegally seized by the Soviet Union.

Since that day in 1940, these peoples have been denied the right of self-determination.

Dr. Bobelis addressed the World Anti-Communist League Congress at Taipei, Taiwan, on July 18. This speech, which I insert at this point, merits the attention of all Members:

Speech of Dr. C. K. Bobelis

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen: It is a great honor and privilege to be here in Taipei and to participate at this magnificent Congress of the World Anti-Communist League commemorating the Captive Nations Week for the 15th year and culminating with the "World Freedom Day."

It is certain that Taiwan is the most appropriate place for this meeting since the Republic of China has been for years, a most inspiring symbol of the firm and persistent resistance against international communist expansion and I sincerely hope that the Republic of China will successfully continue in its struggle for the re-establishment of the democracy on the mainland.

We in the United States are extremely happy that the people of the Republic of China have supported the Captive Nations Movement.

On July 19, 1959, United States Congress (Public Law 86–90 U.S. Congress), recognizing the dangers of the international communism and inhumane exploitation of the enslaved people, authorized and requested the President to issue a proclamation, designating the third week of July as "Captive Nations Week" and to issue a similar proclamation each year until such a time as freedom and independence shall have been achieved for all the Captive Nations of the World.

During the "Captive Nations Week", we Americans across the United States, reaffirm our concern for the more than 100 million people living in the eastern and central Europe under the illegal and brutal communist rule and constant persecution.

At the same time we also remind the free world that millions of Chinese people are deprived of basic rights and freedom principles by the Red China dictatorship. I am pleased to tell you, that today in my home town, Chicago and other cities throughout the United States, similar demonstrations and rallies are taking place. The people of the United States are happy and proud to know that they are not alone in their fight against imperialistic communist interventions, but that they do have friends all over the world who share the same goals to achieve freedom, self-determination and independence for all the people and nations alike.

How appropriate and meaningful are the "Three Peoples Principles—nationalism, democracy and people's livelihood, established by Dr. Sun-Yat-Sen, Father of the Chinese Republic. These principles should be a guiding light for all freedom loving people.

The Republic of China was one of the original founders of the United Nations and a permanent member of the Security Council and, therefore, it is indeed tragic that the Republic of China since October of 1971, due to the Communist manipulations, is deprived of representation in the United Nations. This action was in direct violation of the UN charter.

No wonder that many Americans call October 24th as a day of shame in the history of the United Nations.

The United Nations did not help the Baltic States, did not help Hungary, did not help the people of Tibet when they were murdered by the Red Chinese troops and so on and so on. . . the list of the silence and inaction of the United Nations has no end.

To an American, freedom means being able to worship as you please, travel where you wish, work where you prefer, say what you believe is right, vote for whom you like . . . in short, to make your own decisions about your own life.

We the people of the Free World are committed to the preservation and protection of the human rights and freedom of those people and nations who are unable to help themselves and it is our responsibility to continue to fight all dictatorial powers until all people will be able to determine their own destiny. And, therefore, we cannot and will not forget the brutal and illegal occupation of Lithuania and the other Baltic States, the forceful invasion of Czechoslovakia, merciless destruction of the freedom revolution in Hungary and many, many illegal acts performed by the Soviet armed forces.

We must also not forget that terrible enslavement of the freedom and peace loving Chinese people by the military troops of Red China still continues.

In an era when relations between the Soviet Union, Red China and the United States appear to be improving, many of us are greatly concerned about new detente policy of the United States, Soviet Union and Red China, we must not forget that there are still many nations who are denied the most basic principle of freedom—the right of self-determination, and these injustices should be corrected first.

None of us have faith in any treaties or agreements signed with the Soviet Union or Red China because they are only as a means justifying their goals.

It is better to have negotiations instead of confrontations, especially if through these negotiations, freedom and independence to all people could be achieved.

It is also true that because of detente policy, more and more dissident voices are coming out from behind the communist yoke.

But let us not have any illusions about the true commission, let us not make any concessions.

Detente cannot be based on illusions, it must be realistically appraised. It must be a two way street.

It is the responsibility of all of us here to influence our respective leaders at home not to be duped by the communist manipulators.

And I would like to conclude with these, what I believe, are immortal words of the late President of the United States, Lyndon B. Johnson, when he spoke of the dangers of the international communism—and I quote:

"And we have said from the very beginning that all of us believed that Hitler's aggression almost destroyed the world . . . and we believe that communist aggression will destroy it, if somebody doesn't stand up to it."

I sincerely believe, that we are the ones who can and should stand up against this international communist aggression.

Our final goal should be—liberty and justice for all.

Thank you.

AMENDMENT TO THE EMERGENCY DAYLIGHT SAVING TIME ENERGY CONSERVATION ACT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, already the beautiful sunlit hours of a summer's day are growing noticeably shorter and we may be inclined to recall the dark and dreary mornings that were ushered in with the inauguration of year round daylight saving time—YRDST—last winter. I would like to introduce today legislation to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 and eliminate the more dissatisfying and objectionable aspects for the year-old experiment. Based upon the interim report submitted by the Department of Transportation—DOT—on June 28, 1974, and the recommendations of DOT and the Federal Energy Administration—FEA—I propose that we amend the act to exclude the 4 months of November, December, January, and February from our program of YRDST, and observe standard time from the last Sunday in October to the last Sunday in February.

The data from the YRDST program is still somewhat inclusive and difficult to isolate from the influence of other conservation measures, therefore, it has been suggested by DOT and FEA that the experiment be repeated in modified fashion. It was recommended than a second year of the experiment would provide ample time to collect and evaluate heating fuel and electrical peak-load data which were not available before, thus providing for a more comprehensive assessment. We have been advised that continuing to observe the months of March and April on DST will provide just such a working sample of the energy saving potential of YRDST.

These months were chosen for several reasons: last year a 1-percent savings in electricity consumption was evident during these particular months as compared to 0.75 percent to both January and February; April and March offer the potential of larger energy savings of electricity and will partially offset increases in gasoline consumption compared to the winter months; sunrises occur early enough to stay the objections of those who worry about the safety of schoolchildren and others traveling or working in the dark early morning hours.

It is this last factor which I hold most important and which speaks to the point of my amendment. I have received a significant amount of correspondence from concerned parents and teachers who are aware of the danger of early morning fatalities. Although DOT statistics show that fatalities involving schoolchildren were reduced over the entire day during January and February, it was conceded that DST during the winter months offers potential risks of increases in early morning fatalities for schoolchildren. No amount of energy savings—and the protection totaled 50,000 barrels of oil equivalent per day—is worth the sacrifice of one child's life.

In conclusion, I urge the adoption of this amendment in order that the Nation may proceed in safety with this experiment in energy conservation. Beyond the primary consideration of reducing fuel consumption and maintaining a cue for voluntary programs with the same purpose, another round of YRDST, modified, will also allow us to determine the actual ancillary benefits which were anticipated. If there is a possibility that YRDST will reduce crime, improve traffic safety, expand economic opportunities both domestically and internationally, and increase time for leisure activities besides saving energy, then this effort deserves our full support and cooperation. I believe this legislation removes the most dangerous and negative aspects of the experiment and allows us to explore the possibilities of YRDST with confidence.

INHUMANE SOVIET TREATMENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. BIAGGI. Mr. Speaker, a group of young Americans have been staging a hunger strike near the Soviet Embassy in protest over the continued inhumane treatment of Valentyn Moroz, a Ukrainian historian serving a 14-year term in a Soviet prison for exercising his right of free speech.

Just today, I received word that two of the youths participating in the hunger strike became unconscious and had to be medically treated. Their sacrifice is of the highest order, but the Soviet leaders remain unsympathetic to their pleas.

These young students see the need to ally themselves with those in oppressed countries in their fight for freedom. The American Government has the tools to force the Soviets to grant basic humanitarian rights to their people but our Government refuses to do so.

Rather than negotiating for trade deals with the Soviets, rather than granting them more and more credits through the Export-Import Bank, we should be demanding that they free political prisoners like Valentyn Moroz.

Our American principles have always demanded that we fight for the rights of all peoples of the world wherever they are. We have not shirked from fighting the battles of those who are unable to do so for themselves.

Valentyn Moroz is but one example of how the Soviet state demands total subjugation of rights and liberties. Moroz started in life as a brilliant historian. He taught history and geography in Lutsk and Ivano-Frankivsk. Everything was going well for him—as well as can be expected under the Soviet dictatorship.

Then, all of a sudden, he was arrested in 1965 on the usual political charge of "anti-Soviet propaganda and agitation." While serving a term of 4 years at hard labor, he wrote "A Report from the Beria Reserve," telling of the brutal treatment of prisoners there. For this he was thrown into solitary confinement. In 1969, he was released and unable to find employment. Even his wife lost her job because of her husband's criminal record.

During this time, he prepared three publications dealing with man's quest for freedom and justice and criticizing the continued Soviet colonialism and denial of rights.

In 1970, Moroz was again arrested, sparking a great outcry of protest from his fellow Ukrainians. Again, he received a harsh sentence of 9 years at hard labor and 5 years of exile from his native Ukraine.

On July 1 of this year, he began a hunger strike. Despite the tortures and abuse in prison, Moroz has not lost his spirit. He continues to remain faithful to his convictions and beliefs and is willing to die for them.

Right now, while we are considering new trade relations with the Soviet Union, their leaders are very concerned about the attitudes of Members of Congress. We can be instrumental in freeing this political prisoner by letting our voices be heard in the chambers of the Kremlin. I have sent a letter to Soviet Premier Kosygin urging him to release Valentyn Moroz at once. I urge my colleagues to do likewise. Similarly, I have asked Secretary Kissinger to express the concern of this Government over the continued imprisonment of Valentyn Moroz.

Let our voices be heard. Let us join together with those students outside the Soviet Embassy and protest this continued inhumanity in the Soviet Union. Only when enough of an outcry is heard from the free world will the Soviet autocrats listen. When we all join together in solidarity with those oppressed peoples of Eastern Europe and the Soviet Union, there will be hope for world freedom and peace for everyone the world over.

TURKISH AGGRESSION AGAINST CYPRUS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. BINGHAM. Mr. Speaker, I am dismayed at the shocking manner in which the Government of Turkey has been using brute force, at the cost of innocent lives, to seek to impose its will in Cyprus. It seems to me that the U.S. Government has been timid and ineffectual in this situation and must take far more effective measures than it has to date to persuade the Turks to cease their aggression.

I commend to my colleagues the following cogent editorial from today's New York Times:

IMPERATIVES FOR CYPRUS

With the breakdown of peace talks in Geneva, Turkey's accelerated military drive on Cyprus and Greece's withdrawal of its forces from NATO, the full dimensions of the crisis in the Mediterranean have come abruptly into focus. The imminent dangers are of all-out war between Turkey and Greece and of collapse of NATO's southern flank, with ominous consequences for the entire eastern Mediterranean and the volatile Middle East.

It would be difficult to exaggerate the perils for many nations and millions of people in this situation; it is impossible to overemphasize the necessity for strong United States initiatives—whether advanced through the United Nations, NATO or unilaterally—to contain and defuse the crisis. Cruel fate has thrust this heavy burden on President Ford in his first week of office; but it is one he cannot shirk.

The President has made a good beginning by authorizing the State Department to deplore Turkey's "resort to the use of force" on Cyprus and to warn that all military aid to both Greece and Turkey will be cut off if they go to war. The United States cannot evade prime responsibility for stopping the violence not only because of its own position in the area, exercised both through NATO commands and the Sixth Fleet, but also because of the exceptionally close and influential ties this country has had with both Greece and Turkey ever since the launching of the Truman Doctrine programs of military and economic assistance in 1947.

In these decisive hours, the United States must assume prime responsibility for another reason as well: Washington bears a heavy share of the blame for the tragedy because its diplomatic efforts have been incredibly insensitive and ineffective—too little and invariably too late—through all of the period since the Athens-directed putsch against Archbishop Makarios ignited the crisis a month ago. Indeed, there are grounds for believing the United States had an opportunity to prevent the coup on Cyprus, but let it pass because of a long-held dislike and distrust of President Makarios and an unwillingness to offend the military rulers in Greece.

Once the coup had occurred, Washington might have persuaded Turkey to hold back on military intervention if Secretary of State Kissinger had given prompt, vigorous support to Britain's refusal to recognize the Cyprus regime headed by the sadistic Nikos Sampson and also to London's demand that Athens immediately recall the Greek officers who had directed the operation. As it was, Turkey concluded that Washington was ready to condone an action that clearly threatened the Turkish Cypriot minority and that might be simply a prelude to the forced union of Cyprus with Greece.

After the Turks did invade Cyprus the pressing need was to dissuade Ankara from embarking on a reckless military adventure aimed at achieving by force the partition of the island it had long sought. Here again, Washington's reaction was too mild and too late. What was required was the kind of tough, clear message that President Johnson sent to Premier Inonu, which prevented a Turkish invasion in 1964.

It is not too late for President Ford to talk bluntly to the Turks. Yesterday's statement deploring Turkey's military action goes part of the way toward answering charges of a Washington "tilt" toward Turkey in the conflict between the two NATO partners. What is needed is an emphatic follow-up to convince Premier Ecevit's Government and, above all, the Turkish military leaders that the United States really means to act.

BUSINESS TODAY: CHROME EMBARGO POOR WAY TO FIGHT RACISM

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. DENT. Mr. Speaker, in the great go-around that has characterized the Rhodesian chrome situation, we have still another attempt to disregard the economic well-being of the United States scheduled for floor debate next week. I say disregard because that is exactly what the proponents of S. 1868 are doing with their bill. They are not dealing in reality, when they encourage a renewed embargo of chrome from Rhodesia, for the simple fact that the numbers and the figures and the statistics point to a chain reaction inflationary spiral that will result from the embargo. As for the moral argument that S. 1868 supporters make, I think it is quite adequately refuted by an article that appeared in the business section of the Pittsburgh Post Gazette dated August 12, 1974. The article was written by Jack Markowitz, business editor of the newspaper.

The article follows:

(By Jack Markowitz)

Up for a vote in the House of Representatives this week (having sailed easily through the Senate) will come a bill so loaded with cockeyed economics, stiff-necked sanctimoniousness, political cynicism, and yet decent intentions too, as to unhinge the ethics of a saint.

It's the Rhodesian embargo bill, dull in title but rich in ironic overtones. H.R. 8005, if you ever want to look up your congressman's vote on it.

If it passes, certain religious and racial groups will proudly maintain that the U.S. internationally again is practicing the democratic decency it preaches.

True, this return to virtue will mean higher prices.

And a tighter squeeze on an already short material, stainless steel.

Maybe even some unemployment.

But Russia will be very happy. And in crowded black neighborhoods the claim will be made that a blow has been struck for black people's rights, albeit halfway across the world, and although the alleged white racists over there will be making more money than now.

Rhodesia is a country in southern Africa. A white government runs the country, though 95 per cent of the population is black.

Probably 95 per cent of Americans would just as soon see the place go hang. Except for one fact. Rhodesia has 67 per cent of the world's reserves of metallurgical chromium. The other major sources don't win global congeniality titles either: 22 per cent is in South Africa, 6 per cent in Russia.

Now Chromium happens to be essential in stainless steel making. It is the ingredient that makes steel stainless, corrosion-resistant, able to serve for food processing tanks, surgical tools, power plant piping, filters and valves in water purification plants, jet engine blades, thousands of other ways.

To be stainless a steel requires 10½ per cent chromium, but most grades have 18 per cent.

Nevertheless, sitting on all that chrome, Rhodesia's brand of alleged racism caused the United Nations in 1966 to vote sanctions against it. Good UN members are supposed to sell them nothing, buy nothing from them.

Of course, most UN members have no stainless industry. For them to forswear chromium is as painless as for the eskimos to ban beach umbrellas.

But the U.S., like Britain, honorably and rigidly observed the embargo for five years.

With what result? Instead of declining and falling, Rhodesia prospered, selling its chrome to other countries, which resold to the U.S. at hold-up prices.

"Every nation who was a signatory to the UN sanctions, except the U.S. and Britain, violated them by trading freely with Rhodesia," claims the American Iron and Steel Institute. "Even Zambia, Tansa Tanzania, and Zaire (all black-governed) acknowledge trading activity."

In 1971 the so-called Byrd amendment dug Congress' head out of the sand of unreality by allowing Rhodesian chrome to sell directly to U.S. customers without going through hyprocritical middlemen.

But now H.R. 8005 would scuttle the Byrd amendment.

It's not of course, the sort of legislation that brings the man-in-the-street to Washington, clamoring "No".

Against well-intentioned pressure groups furious that the U.S. would actually do business with "racists," it is mainly people who know the steel business who have to state the unpopular case for common sense.

The AISI, the industry's leading trade group, frantically claims that not Rhodesia, but American mills, workers and the dollar will be most bloodied by a new embargo.

In the last sanctions, Rhodesian mill output went UP 95 percent—spurred by the fatter profits of supplying the world through cynical middlemen. The Russian ore price more than doubled!

But killed in part by highway robbery prices, close to 20 per cent of U.S. ferrochrome production got knocked out of business.

This is the iron-chrome combination in which the material is commonly fed into the stainless "melt."

This nation is now judged to have ferrochrome capacity for no more than 50 per cent of current needs, while stainless demand is surging upward partly via another government fiat: the requirement for catalytic converters on auto exhaust systems.

Warns the AISI: "Faced with a declining number of ferrochrome suppliers, forbidden to deal with the lowest-cost producer, the American steel industry could expect to pay stratospheric prices for such ferrochrome as it could get.

Price inflation attributed to the last sanctions is judged at a total $100 million.

"Thus American jobs and the American steel industry would become the victims of a policy directed against a government which has prospered under the embargo."

There must be a better way to protect racism, wouldn't you think?

DUNDEE, MICH., TO CELEBRATE 150TH YEAR

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. ESCH. Mr. Speaker, the residents of Dundee, Mich., are beginning a long-awaited celebration marking the 150-year history of the community and its people. It will be my great pleasure and honor to join in that celebration next week when Dundee residents plan a number of festivities as part of the sesquicentennial observance.

The history of this community exemplifies the progress that has been made in our Nation during the past 150 years. From a rugged group of hardy pioneers who challenged the Michigan wilderness has grown a community dedicated to accomplishment and justifiably proud of its achievements. Moreover, throughout these years the spirit of individualism and pride of family has continued to be an important part of life in Dundee.

This pride in community has taken many forms over the years and now it is all coming together in one week-long observance to which many dozens of persons have contributed time and effort. Special committees have been formed under General Chairman Gerald L. Missler. In addition, there is an advisory board consisting of Ben Ball, Keith Baranowski, Wyman Fisher, Helen Hovizi, Judy Labun, Mr. Missler, Beth Norman, Ken Roof, Ruth Roof, Ron Swehla. And, of course, many others are working to make the sesquicentennial a success.

At this point in the RECORD, I would request that there be printed a brief history of Dundee which was prepared by Lois Eicholtz who also helped in production of a book depicting the history of Dundee:

BRIEF HISTORY OF DUNDEE, MICH.

It was in 1824 that a small community was carved out of the Michigan wilderness by a group of hardy pioneers from New York state. Ebenezer Dustin, owner of the first general store and trading post, christened it Dundee after the town of Dundee, Scotland. After it was determined that the Indians in the area were of friendly nature, more and more settlers arrived until by 1868 there was a population of 500 inhabitants and the business area included 15 stores, five millinery shops, two wagon shops, a school and a Masonic Lodge. Before the turn of the century, however, disaster struck. The entire north side of the business district was completely destroyed by fire. This turn of events only strengthened the pioneer's determination and eventually all the shops were rebuilt. The river Raisin, which divides the village into two sections, has played an important role in the development of Dundee. One of Dundee's historic landmarks is a three-story mill which was built on the river bank in 1866. This was used for a variety of businesses until 1931 when it stood empty and in need of repair. The village council intended to raze it until Henry Ford indicated a desire to renovate it and put it to use as one of his "little factories." The land mark was used by the Ford Motor Company for approximately 19 years before it was purchased by the Wolverine Manufacturing and Fabricating Company.

They utilized the site until 1970 when the Wolverine firm sold the structure and surrounding area of 13.8 acres to the village of Dundee for $1. The company, realizing that the old mill played a big part in the region's growth, felt it should be used and preserved for future generations.

Another aid to community growth has been the building of the Dundee Cement Plant, one of the largest of its kind in the world. The cost of construction was $25 million and it employs over 400 area residents.

Many changes have been wrought during the 150 year span of Dundee's history. It has grown from a small picturesque village to a thriving community with a population of over 2,500. It is with a sense of pride and accomplishment that the people of Dundee can look forward to the future with hopes of continued prosperity.

THE RISING FOOD PRICES

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Mr. MATHIS of Georgia. Mr. Speaker, once again I take the well of the House to speak briefly on a problem of unsurpassed magnitude facing the consumers of this Nation and that is the question of rising food prices.

In the past 24 months we have seen boycotts, price freezes, and other actions that many thought would effectively lower the price of food, especially animal products, beef, pork, chicken, and so forth.

Mr. Speaker, the livestock industry in this country is teetering on the edge of bankruptcy today and the outlook becomes more cloudy by the hour for producers of meat and consumers. The price of livestock feed has shot up like a rocket in the past 15 days and livestock producers were already operating at a loss in many areas.

For an example, a farmer in Colquitt County, Ga., was paying $119 a ton on August 1 for livestock feed. There have been three increases in the price of that feed in the past 15 days and today, that same farmer is paying $166 for that same ton of feed, and livestock prices are falling.

The prices are falling again, Mr. Speaker, because there are plenty of hogs and cows being brought to market as farmers realize there is no possible way to continue to purchase feed at these inflated prices. I would predict that farmers are selling more brood stock this week and will again next week than any other 2-week period in the history of agriculture. The long and the short of it is that there will be a shortage, of severe proportions, of meat in this Nation by this time next year or even sooner. And the meat that you will find in your supermarket display case next year is going to be of lower quality than the American housewife has become accustomed to.

Mr. Speaker, you know what grass-fed beef is like and I do too. We have become accustomed to eating top quality grain-feed beef and we have become accustomed to purchasing that beef at reasonable or even "bargain basement" prices. Those days will soon be gone. As the beef supply in this country becomes shorter, as well as all meat supplies, the prices are going to shoot up higher than feed has for the farmer in the past 15 days.

American consumers have for many years enjoyed the best of both worlds, high quality meat at low prices. This period is about to end unless we have drastic action to curb the rapidly escalating prices of feed grains, and put a damper on the fires of inflation. The first thing I believe we must do, Mr. Speaker, is to place an embargo on feed grains leaving this country. Let me emphasize, Mr. Speaker, that I am requesting a selective embargo, and not one that includes all agricultural commodities. I feel the feed grain dealers should also decrease their prices to livestock producers as soon as their supply increases. To this end, I am preparing a letter that I will address to President Ford. I would urge my colleagues in the House to also call this critical and urgent problem to the attention of the President.

Do not bother to contact Earl Butz, he does not know a hayrake from a horsecollar.

AGGRESSION IN CYPRUS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 15, 1974

Ms. ABZUG. Mr. Speaker, the Turkish aggression against the independent Republic of Cyprus threatens the fragile stability of the Eastern Mediterranean region and has turned a once peaceful island into an area of mass slaughter and terror.

The events in Cyprus are, of course, a matter of deep humanitarian and political concern to 2.5 million Greek-Americans, a concern that I share. But they must also be viewed with alarm by all Americans as they see a tide of anti-American feeling rising among Greeks and Cypriots, who suspect that American policy is "tilting" toward Turkey and that the secret aim of U.S. State Department policy may be to allow Turkey to set up military bases on this nonaligned island. They are asking whether Cyprus is to be "Vietnamized" and subjected to the kind of prolonged bloodbath that U.S. policy fostered in Southeast Asia.

The Greek Government believes so strongly that the United States has only been going through the motions of attempting to discourage the Turkish aggression that it has withdrawn its armed forces from the North Atlantic Treaty Organization and is considering the expulsion of 4,000 American troops stationed at NATO bases in Greece. Although Greek Cypriots concede the need to negotiate a greater degree of political autonomy for the Turkish minority which is disposed in villages and towns throughout Cyprus, they are suspicious of the motives behind calls for a geographical division of Greek and Turkish Cypriots.

According to British representatives who participated in the peace talks with representatives of Cyprus and Turkey in Geneva, the breakdown in negotiations was the direct result of Turkish intransigence. The Turkish representative's refusal to allow the Greek Cypriot negotiators time to consult with their government was clearly designed to end the talks and signal the resumption of Turkish military aggression in Cyprus.

The most urgent need is to stop the fighting and to obtain total observance of the U.N. Security Council resolution adopted on July 20, 1974, calling for a cease-fire, calling on all states "to respect the sovereignty, independence, and territorial integrity of Cyprus," and demanding "an immediate end to foreign military intervention in the Republic of Cyprus." Yesterday, the U.N. Security Council met again in emergency session and renewed its demand for a truce and resumption of peace negotiations.

There must be no doubt of where the United States stands in this dispute. It must stand for immediate peace. U.S. prestige in Greece and Cyprus is already at a new low because of our Government's long and tainted policy of support for the recently ousted Greek military junta and its indifference to the democratic needs of the Greek people. Our policy of providing arms and other military assistance to both the Greek and Turkish Governments, a policy that I have long opposed as inflammatory and counterproductive, has borne bitter fruit in the present outbreak of fighting.

One positive step that has been taken by the White House is the withdrawal of Henry J. Tasca as our Ambassador to Greece. Mr. Tasca has been closely identified with the U.S. policy of support for the military dictatorship that ruled the country for the past 7 years until the recent return of the Karamanlis government and the restoration of basic democratic rights.

Also significant is President Ford's authorizing of the State Department to deplore Turkey's resort to force" in Cyprus and to warn that all military aid to Turkey and Greece will be cut off if they go to war. It remains to be seen whether Secretary of State Kissinger will follow up with a more active and convincing attempt to get the Turkish Government to end its aggression and to withdraw from Cyprus.

I join with Representative JOHN BRADEMAS and other Members of the House in cosponsoring the following resolution which calls for an end to foreign intervention in Cyprus and suspension of military aid to Turkey until the fighting ends.

H. RES. 1319

Resolved, That it is the sense of the House of Representatives that—

(1) all military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey should be suspended on the date of adoption of this resolution; and

(2) the provision of this resolution should cease to apply when the President reports to the Congress that the Government of Turkey has withdrawn all of its armed forces from Cyprus.

I have received many expressions of concern from Greek-American organizations and individuals. Representatives of many Greek-American groups are planning a mass demonstration in front of the White House on Sunday, August 18, in behalf of peace and independence for Cyprus, and they have my support in their humanitarian effort to end the fighting in Cyprus.

At this point, I would like to include statements I have received from Greek-American representatives, as well as a news article and editorial from the New York Times of August 15:

RESOLUTIONS

We, the representatives of Ethnic Greek Societies in Greater New York convening this 14th day of August 1974 in New York City over the tragic situation on Cyprus and confronted with the ruthless Turkish invasion of that unfortunate island appeal to you Representative Bella S. Abzug for your immediate and unreserved support of resolutions in the United States Congress such as the John Brademas (D., Indiana) resolution that reaffirms the United Nations Resolution 353 and calls for the discontinuation of aid to Turkey until her forces leave the island of Cyprus. The repeated violations of the cease-fire by the Turkish forces have caused massive genocide of the Cypriot population without any attempt from our government to refrain Turkey in her expansionist effort. We appeal to your own humanity to support our efforts to stop the killing of innocent civilians on Cyprus.

THE AD HOC COMMITTEE FOR A FREE
AND INDEPENDENT CYPRUS,
August 13, 1974.

His Excellency Mr. KURT WALDHEIM,
Secretary-General, United Nations,
New York, N.Y.

EXCELLENCY: We are filled with sorrow as we witness the death and destruction in Cyprus by Turkey—a member State of the United Nations. Since Saturday evening August 10th, across the United Nations headquarters, we have been on a "hunger strike" to dramatize our total support and admiration for the gallant people of Cyprus.

In the name of humanity we appeal to Your Excellency to use your good offices to help stop the enormous human suffering in Cyprus—carried on by the Turkish invasion forces. The World Community must not stand idly by, while Turkey spreads death in Cyprus, intended to exterminate and displace a large part of the Greek-Cypriot population.

We also appeal to Your Excellency to continue your tireless efforts for the full implementation of the Security Council Resolution S/RES/353 (1974).

Prof. STANLEY KYRIAKIDES,
(For "The Ad Hoc Committee for a Free and Independent Cyprus".)

[Editorial from the New York Times, Aug. 15, 1974]

IMPERATIVES FOR CYPRUS

With the breakdown of peace talks in Geneva, Turkey's accelerated military drive on Cyprus and Greece's withdrawal of its forces from NATO, the full dimensions of the crisis in the Mediterranean have come abruptly into focus. The imminent dangers are of all-out war between Turkey and Greece and of collapse of NATO's southern flank, with ominous consequences for the entire eastern Mediterranean and the volatile Middle East.

It would be difficult to exaggerate the perils and many nations and millions of people in this situation; it is impossible to overemphasize the necessity for strong United States initiatives—whether advanced through the United Nations, NATO or unilaterally—to contain and defuse the crisis. Cruel fate has thrust this heavy burden on President Ford in his first week of office; but it is one he cannot shirk.

The President has made a good beginning by authorizing the State Department to deplore Turkey's "resort to the use of force" on Cyprus and to warn that all military aid to both Greece and Turkey will be cut off if they go to war. The United States cannot evade prime responsibility for stopping the violence not only because of its own position in the area, exercised both through NATO commands and the Sixth Fleet, but also because of the exceptionally close and influential ties this country has had with both Greece and Turkey ever since the launching of the Truman Doctrine programs of military and economic assistance in 1947.

In these decisive hours, the United States must assume prime responsibility for another reason as well: Washington bears a heavy share of the blame for the tragedy because its diplomatic efforts have been incredibly insensitive and ineffective—too little and invariably too late—through all of the period since the Athens-directed putsch against Archbishop Makarios ignited the crisis a month ago. Indeed, there are grounds for believing the United States had an opportunity to prevent the coup on Cyprus, but let it pass because of a long-held dislike and distrust of President Makarios and an unwillingness to offend the military rulers in Greece.

Once the coup had occurred, Washington might have persuaded Turkey to hold back on military intervention if Secretary of State Kissinger had given prompt, vigorous support to Britain's refusal to recognize the Cyprus regime headed by the sadistic Nikos Sampson and also to London's demand that Athens immediately recall the Greek officers who had directed the operation. As it was, Turkey concluded that Washington was ready to condone an action that clearly threatened the Turkish Cypriote minority and and that might be simply a prelude to the forced union of Cyprus with Greece.

After the Turks did invade Cyprus the pressing need was to dissuade Ankara from embarking on a reckless military adventure aimed at achieving by force the partition of the island it had long sought. Here again, Washington's reaction was too mild and too late. What was required was the kind of tough, clear message that President Johnson sent to Premier Inonu, which prevented a Turkish invasion in 1964.

It is not too late for President Ford to talk bluntly to the Turks. Yesterday's statement deploring Turkey's military action goes part of the way toward answering charges of a Washington '[illegible]" toward Turkey in the conflict between the two NATO partners. What is needed is an emphatic follow-up to convince Premier Ecevit's Government and, above all, the Turkish military leaders that the United States really means to act.

[From the New York Times, Aug. 15, 1974]

TURKS IN CYPRUS THRUST AHEAD IN DRIVE TO CONTROL THE NORTH; GREECE'S FORCES END NATO ROLE

(By Steven V. Roberts)

ATHENS, August 14.—Greece withdrew her armed forces from the North Atlantic Treaty Organization today, blaming her allies for not having prevented Turkey's new military advances in Cyprus.

The Government announcement said that Greece would remain a member only of the "political section" of the alliance. Greek officials said the withdrawal was aimed at arousing world opinion and bringing it to bear against Turkey.

The decision means that Greek troops will no longer be available for use by the North Atlantic Treaty Organization in the event of war. It also means that Greek strategy will no longer be coordinated with other allies. Greek officers started to leave alliance headquarters throughout Europe today.

Military analysts here said this lack of coordination would weaken defenses against the Soviet Union in the eastern Mediterranean. But they noted that Greece's only alliance assignment was to defend her own territory and that Greek troops would do this under any circumstances.

EFFECT ON FACILITIES UNCLEAR

United States officials were concerned that Greece's decision could threaten several important American military operations here, including the deployment of tactical nuclear weapons and the use of support facilities for the Sixth Fleet. But the officials had no information about Athens's intentions toward those operations, which are based on agreements between the two countries.

For weeks, Greece has been caught in a "terrible dilemma," a Western diplomat said.

Greece had virtually no power to counter Turkey's military position in Cyprus, and little if any leverage to counter Turkey's diplomatic position in the Geneva talks on a Cyprus settlement.

"This was a political action to demonstrate their total frustration in the current circumstances," the diplomat said. "They want to focus attention on their frustration."

Two Atlantic alliance facilities are maintained in Greece, one a missile firing range and the other an air-weapons training center. Both are on the island of Crete. Their status is uncertain.

What is certain is that Greece's relations with Turkey, an ally in the Atlantic alliance but a traditional enemy, have now collapsed.

CARAMANLIS ASSAILS TURKEY

In a public statement today, Premier Constantine Caramanlis decried Turkey's new attacks in Cyprus and declared: "I denounce the Turkish behavior to the entire civilized world."

"On her side, Greece will take all suitable measures to face an attack," he added, "which is not only directed against the independent state of Cyprus, but also shakes the institutions and the prevailing order of the whole world."

There was a mood of anxiety and uncertain anticipation in Greece. Military forces were reported on alert. Troops were observed moving through the northern city of Salonica toward the Turkish border in Thrace. Banks closed early, causing a flurry of concern. All international and most domestic flights were canceled, although the airport officially remained open. Editorial writers said Greeks were "ready to do their duty."

Despite the talk, analysts here said that Greece had few military options. Turkey already has up to 40,000 troops in Cyprus and Greece would find it extremely difficult to land a force even a fraction of that size, largely because of Turkish air superiority over the island.

"They can land enough to make a show," an expert said, "But never enough to win."

In Thrace, so many troops have massed on both sides of the border that analysts here believe any battle would probably end in a stalemate. An amphibious landing of Greeks on the Turkish mainland would be suicidal, the analysts said.

Greece's frustrations on the diplomatic front have been equally great. Athens accepted a cease-fire agreement on terms dictated by Ankara, during the first round of the Geneva talks. The military junta in Athens had organized the Cyprus coup that provoked Turkish military intervention, and Greeks were willing to pay a price for what Mr. Caramanlis today called "an irresponsible and irrational act."

For the second round of talks in Geneva, which broke down early this morning, Greece had counted heavily on pressure from Atlantic alliance allies, particularly the United States, to compel Ankara to abide by the cease-fire and to take a more moderate stand in its desire for a federal solution to the problem of Greek and Turkish communities in Cyprus.

Athens complained that Washington was not prepared to use the kind of pressure the Greeks thought was necessary.

One Western diplomat said today: "Washington had to lose one friend or the other, Greece or Turkey, and it chose to lose Greece. It was a hardheaded decision made by hardhearted people."

Greece's decision to withdraw troops from the North Atlantic Treaty Organization was in part intended to placate public opinion, which Greek officials said had become increasingly anti-American during the Cyprus crisis. The roots go back to the seven years of military rule, during which many Greeks felt Washington gave too much support to the Greek Junta.

Doubts about American policy grew considerably when Turkey invaded Cyprus on July 20. Many Greeks believed that Washington had encouraged the attack or, at the least, had failed to stop it.

A left leaning Greek paper, Athinaiki, today put on its lead story the headline "America Betrayed Us." It charged that Washington favored the partition of Cyprus into Greek and Turkish sectors.

Vrathyni, a conservative daily, said that as a result of United States policy in the Cyprus crisis, "The Statue of Liberty is dumfounded and its torch extinguished."

Several hundred students demonstrated in downtown Athens tonight, demanding the removal of United States bases from Greece and calling Secretary of State Kissinger a "murderer." Outside the Grand Bretagne Hotel, a large crowd gathered to cheer Premier Caramanlis. After he waved to them they started chanting, "American go home!"

Most Greeks seemed to welcome the decision to withdraw armed forces from the Atlantic Alliance as an assertion of Greek pride, following weeks of humiliation.

"Thank god, at last we are free," a boutique owner said. An auto parts salesman commented: "Now we have people in the Government who can stamp their feet and say, 'This is what we want, dammit.' "

POLITICAL MOTIVATION SPECULATED

Political analysts here noted that Andreas Papandreou, son of former Premier George Papandreou and a bitter critic of the United States and the Atlantic Alliance, planned to return to Greece next week.

By today's action, the analysts said, the Caramanlis Government has undercut one of Mr. Papandreou's key issues and one of the potential rallying points for left-wing opposition to the present leadership.

Mr. Papandreou is likely to call for the removal of all American military installations in Greece. United States tactical nuclear weapons are reportedly concentrated in northern Greece.

A naval facility in Souda Bay, in Crete, serves the Sixth Fleet. Without it, United States ships could not spend as much time in the eastern Mediterranean as they now do. The largest concentration of American personnel in Greece is at an airfield here.

Other American operations include communication networks, reconnaissance flights and home-port facilities for six destroyers. About 4,000 uniformed American personnel and 6,000 dependents live in Greece.

SENATE—*Monday, August 19, 1974*

The Senate met at 10:30 a.m. and was called to order by Hon. John C. Stennis, a Senator from the State of Mississippi.

PRAYER

Rev. Edward G. Latch, D.D., Chaplain, U.S. House of Representatives, offered the following prayer:

In Thy presence, our Father, we pause for a moment, lifting our hearts unto Thee in prayer. As we pray, do Thou restore our spirits and renew our strength. Make plain to us the path we should take and give us the sturdy spirit to work on it. What we felt we could not do, now we can do; what we thought hopeless, now is full of hope; what seemed impossible, now becomes possible. We are ready, Lord, ready for anything through the grace of Thy Spirit living in our hearts.

Bless our Nation with Thy favor and make her a channel for peace, justice, and good will in our world.

In the spirit of Christ, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The second assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., August 19, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. John C. Stennis, a Senator from the State of Mississippi, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. STENNIS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, August 16, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania (Mr. Hugh Scott) is recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order of the Senate, the Senator from Idaho (Mr. Church) is to be recognized at this point. Someone may wish to suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that the time be charged against the time allotted to me.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, in order that the time of the various Senators under the order previously entered will not be used up in the quorum call, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, without prejudice to any of the Senators who had orders for recognition.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

TRIBUTE TO SENATOR MANSFIELD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, at the request of the Senator from Wyoming (Mr. McGee), that a statement which he had prepared in recognition of the record for continuous leadership of the Democratic Party in this body by Mr. Mansfield be printed in the Record and, if there is a bound volume later, that the remarks of Mr. McGee may be included.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Statement by Senator McGee

A landmark has been achieved in the United States Senate as our distinguished colleague, Mike Mansfield, has established a new record for continuous leadership of the Democratic Party in this Body.

Mike has broken the record established in 1937 by Democratic Senator Joseph T. Robinson whose tenure as majority and minority leader of our party spanned 13 years, 244 days.

Mike Mansfield's length of service is a tribute to his many outstanding qualities which all of us appreciate very much. Mike, whom I not only hold in high esteem, but also count as a close personal friend, is the embodiment of a United States Senator. He is this, because he handles the difficult duty of representing his constituency effectively while at the same time devoting close attention to our national interests.

Mike Mansfield is the epitome of fairness in the handling of his duties as majority leader. One never has expectations that are violated, whether you are a Democrat or whether you are a Republican. You expect to be treated fairly. You are treated fairly. You expect to be treated with calmness and dignity. You are treated with calmness and dignity.

As a Wyoming neighbor to his own State of Montana, I can attest to his effectiveness in representing the interests of his constituency. Those of us from the Rocky Mountain West rely upon his wisdom and leadership in protecting those interests critical to the economic and cultural viability of our region of the country. He has always demonstrated a farsightedness in addressing himself to the needs of our region.

In essence, Mr. President, Mike Mansfield has conducted his responsibilities as Majority

Leader with dignity, wisdom, and fairness. He is scrupulous in his devotion to insuring that all interests are treated fairly, whether those interests be Republican or Democrat, Northerner or Southerner, Westerner or Easterner. As a result, he will always have our deep abiding respect.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. STENNIS):

Resolutions from the National Conference on Weights and Measures, National Bureau of Standards, requesting that the Secretary of Agriculture defer action on proposed net weight labeling regulations, and on the adoption and use of a National Sampling Procedure. Referred to the Committee on Agriculture and Forestry.

A joint resolution from the Legislature of the State of Montana. Referred to the Committee on Commerce:

"SENATE JOINT RESOLUTION No. 61

"A joint resolution of the Senate and the House of Representatives of the State of Montana requesting Congress to allow Montana to be on Mountain Standard Time from November first through March first

"Whereas, the recent pre-emption by Congress with regard to arbitrarily reinstituting Daylight Saving Time for all states regardless of geographic location or latitudinal position has caused considerable discomfort in Montana, and

"Whereas, our Lieutenant Governor Bill Christiansen has indicated that Montana's energy conservation due to Montana's directed return to Mountain Daylight Time will be marginal if any at all, and

"Whereas, the youth of Montana are being subjected to increased potential of serious injury due to automobile accidents while on the way to school in virtual total darkness.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the secretary of state is directed to request that the U.S. Congress reassess its action in pre-empting the state with regard to uniform return to Daylight Saving Time, in that they provide some mechanism for local state option and adoption.

"Be it further resolved, that the secretary of state is requested to send copies of this joint resolution to the U.S. Senate and House of Representatives and the members of Montana's Congressional delegation."

A resolution from the House of Representatives of the State of Montana. Referred to the Committee on Agriculture and Forestry:

"A resolution of the House of Representatives of the State of Montana directing the Montana Department of Agriculture and the Department of Livestock in cooperation with general farm and ranch organizations and commodity groups to prepare and provide data and information to the public concerning the relationship between the amount agriculture received and the final cost to the consumers

"Whereas, the public needs to know what the market basket costs are in relation to farm and ranch expenses in producing the food and fiber, and

"Whereas, farm production expenses will again move up sharply in 1974, fueled by a dramatic rise in prices for petroleum products, fertilizers and farm machinery, and

"Whereas, outlays for feed and seed will show another large increase due to higher prices and a need for more of these inputs, and

"Whereas, continuing inflation will be a large factor, and a rise in total production expenses will be substantially above the 1972–1973 production expense estimates.

"Now, therefore, be it resolved by the House of Representatives of the State of Montana:

"That the House of Representatives of the state of Montana supports the efforts of the Departments of Agriculture and Livestock, general farm and ranch organizations and commodity groups to provide data and inform the public on prices paid and costs incurred to produce the food on farm and ranches in relation to the relative costs of the food in the market baskets.

"Be it further resolved, that additional funding for this effort be sought from outside sources, such as the Montana Committee on the Humanities, general farm and ranch organizations and commodity groups.

"Be it further resolved, that copies of this resolution be sent to the Governor, Secretary of State, general agricultural organizations and commodity groups, the Department of Livestock and the Department of Agriculture.

"Be it further resolved, that the Secretary of State is requested to send copies of this resolution to the United States Senate and House of Representatives and the members of Montana's congressional delegation, and to the National Cost of Living Council."

A resolution from the Senate of the State of Montana. Referred to the Committee on Agriculture and Forestry:

"A resolution of the Senate of the State of Montana directing the Montana department of agriculture and the department of livestock in cooperation with general farm and ranch organizations and commodity groups to prepare and provide data and information to the public concerning the relationship between the amount agriculture received and the final cost to the consumers

"Whereas, the public needs to know what the market basket costs are in relation to farm and ranch expenses in producing the food and fiber, and

"Whereas, farm production expenses will again move up sharply in 1974, fueled by a dramatic rise in prices for petroleum products, fertilizers and farm machinery, and

"Whereas, outlays for feed and seed will show another large increase due to higher prices and a need for more of these inputs, and

"Whereas, continuing inflation will be a large factor, and a rise in total production expenses will be substantially above the 1972–1973 production expense estimates.

"Now, therefore, be it resolved by the Senate of the State of Montana:

"That the Senate of the State of Montana supports the efforts of the Departments of Agriculture and Livestock, general farm and ranch organizations and commodity groups to provide data and inform the public on prices paid and costs incurred to produce the food on farm and ranches in relation to the relative costs of the food in the market baskets.

"Be it further resolved, that additional funding for this effort be sought from outside sources, such as the Montana Committee on the Humanities, general farm and ranch organizations and commodity groups.

"Be it further resolved, that copies of this resolution be sent to the Governor, Secretary of State, general agricultural organizations and commodity groups, the Department of Livestock and the Department of Agriculture.

"Be it further resolved, that the Secretary of State is requested to send copies of this resolution to the United States Senate and House of Representatives and the members of Montana's congressional delegation, and to the National Cost of Living Council."

A resolution from the House of Representatives of the State of Arkansas. Referred to the Committee on Agriculture and Forestry:

"HOUSE RESOLUTION URGING THE CONGRESS OF THE UNITED STATES TO CLOSELY EXAMINE THE CAUSES AND POSSIBLE REMEDIES FOR THE DEPRESSED MARKET FOR BEEF, LIVESTOCK, AND POULTRY

"Whereas, all segments of the United States economy have experienced a high rate of inflation during the past two years; and

"Whereas, inflation has raised disproportionately the cost of all products necessary for the raising and production of beef, livestock, and poultry, such as fuel, labor, grains and feed; and

"Whereas, persons engaged in the raising of beef, livestotck, and poultry have not experienced a proportionate increase in income from the sale of such products because of a depressed market for beef, livestock, and poultry; and

"Whereas, the depressed market situation has reduced drastically the ability of the beef, livestock, and poultry farmers to receive a fair profit for their labor; and

"Whereas, decreased prices for beef, livestock, and poultry have not been reflected at the retail level; and

"Whereas, Congress should closely examine the depressed market situation to determine the causes and possible remedies therefor, and should seek to determine whether middlemen and retailers are making windfall profits as a result of the market situation;

"Now therefore, be it resolved by the House of Representatives of the Sixty-Ninth General Assembly, the first extraordinary session, 1974:

"SECTION 1. That the Congress of the United States is hereby urged to closely examine the causes and possible remedies for the depressed market for beef, livestock, and poultry, including a determination of whether middlemen and retailers are receiving windfall profits as a result of the depressed market.

"SEC. 2. That the Chief Clerk of the House of Representatives shall furnish an appropriate copy of this Resolution to the Speaker of the House of Representatives and President Pro Tempore of the National Congress as well as the Arkansas Congressional Delegation."

A joint resolution from the Senate of the State of California. Referred to the Committee on Appropriations:

"SENATE JOINT RESOLUTION No. 48

"Memorializes President and Congress to restore the full amounts required for the funding of flood control and reclamation projects in California during the 1974–75 fiscal year

"Whereas, The danger of flooding continues to be a critical problem in many areas of California; and

"Whereas, Inflationary factors cause the costs of flood control projects to increase drastically when needed projects are delayed; and

"Whereas, The President's budget recommends a reduction in the California Water Commission's budget recommendation for the 1974–75 fiscal year from $91,031,000 to $48,762,000, a net reduction of $42,269,000 in the recommended federal flood control program in California during the 1974–75 fiscal year; and

Whereas, A delay in Bureau of Reclamation projects for California would deny to California and the federal government additional revenues which would be generated by completion of the recommended projects on schedule; and

"Whereas, The President's budget recommends a reduction in the California Water Commission's budget recommendation for the 1974–75 fiscal year for Bureau of Reclamation projects from $78,167,500 to $51,326,000, a net reduction of $26,841,500 in the recommended Bureau of Reclamation program in California during the 1974–75 fiscal year; and

"Whereas, The President's budget recommends an elimination or curtailment of funding for a total of 87 flood control and reclamation projects which are located throughout the breadth and depth of California, and valued at $69,110,500 for the 1974–75 fiscal year; and

"Whereas, Total reduction in funding, if the President's recommended budget is adopted by Congress, would eliminate 3,000 jobs directly and would have the multiplier effect of eliminating thousands of additional jobs in supplier-related industries; and

"Whereas, These reclamation projects would benefit millions of people throughout not only the United States, but the entire world, by enabling urgently needed food and fiber to be provided; and

"Whereas, The construction of these flood control projects would result in the saving of many lives and large amounts of property by providing urgently needed flood protection; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to restore the full amounts required for the funding of flood control and reclamation projects in California during the 1974–75 fiscal year; and be it further.

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A concurrent resolution from the House of Representatives of the State of South Carolina. Referred to the Committee on Armed Services:

"A CONCURRENT RESOLUTION

"Supporting the acquisition of the Aircraft Carrier "Yorktown" by the Patriot's Point Development Authority, a body politic created by the South Carolina General Assembly, for permanent display and public viewing at the National Naval Museum in Charleston, South Carolina

"Whereas, the State of South Carolina has a long and proud air, naval and maritime heritage; and

"Whereas, the South Carolina General Assembly created a study committee to study the feasibility of establishing a national naval museum in the State; and

"Whereas, the report of the study committee recommended the creating of the Patriot's Point Development Authority to implement a National Naval Museum in historic Charleston Harbor; and

"Whereas, the authority was created by Act 116 of 1973 and signed by the Governor June 30, 1973; and

"Whereas, the National Naval Museum will provide a unique recreational and educational experience for all citizens who visit the museum and will inspire a feeling of pride and patriotism; and

"Whereas, Patriot's Point Development Authority is presently submitting its request and necessary application to the United States Navy to donate the Yorktown to the museum. Now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring:

"That the General Assembly of the State of South Carolina representing its citizens requests the United States Navy, and all who might be concerned, to donate the great aircraft carrier "Yorktown" to the National Naval Museum at Charleston, South Carolina, and make it possible for generations present and future to come visit this unique shrine. Be it further

"Resolved that copies of this resolution be forwarded to the President of the United States, to the Vice President of the United States, to the Secretary of Defense, to the Secretary of the Navy, to each United States Senator from South Carolina, and to each member of the House of Representatives of Congress from South Carolina."

A joint resolution from the Legislature of the State of California. Referred to the Committee on Armed Services:

"ASSEMBLY JOINT RESOLUTION NO. 95

"Memorializes the Congress of the United States to retain as a part of the Air National Guard, the 129th Special Operations Group at Hayward, the 163rd Fighter Interceptor Group at Ontario and the 195th Tactical Airlift Group at Van Nuys

"Whereas, The United States Constitution has recognized the need for a state militia; and

"Whereas, The Congress of the United States has seen fit to authorize Air National Guard units within the several states; and

"Whereas, The California Air National Guard has always responded to national emergencies, state civil disturbances and natural disasters; and

"Whereas, The California Air National Guard has met these challenges in a conspicuous and meritorious manner of performance at significantly lower costs as compared to similar active military units, and continues to make distinctive and vital contributions to the national defense posture of the United States; and

"Whereas, It has come to the attention of the Members of the California Legislature that the Department of Defense is programming the inactivation of the 129th Special Operations Group at Hayward, the 163rd Fighter Interceptor Group at Ontario and the consolidation of the 195th Tactical Airlift Group into the 146th Tactical Airlift Group, at Van Nuys; and

"Whereas, The Congress of the United States in 1966, and again in 1967, by congressional mandate, overruled the Department of Defense and directed the retention of the California Air Guard units then programmed for inactiviation; and

"Whereas, Unless positive action is again taken at congressional levels, the State of California will suffer drastic reductions in its ability to respond to emergencies and disasters of a state and local nature, as well as diminishing the Air Guard's prime mission of providing fully trained, ready reserve units to meet any national contingency which arise; and

"Whereas, The President of the United States and the Congress have consistently proclaimed their intentions to maintain a ready, strong, and effective military reserve force available for immediate response when needed; and

"Whereas, All of the units programmed for inactivation or consolidation are currently in a combat-ready C–1 status, fully manned and trained, and available immediately for either their state or federal missions; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to retain as a part of the Air National Guard of the United States, the 129th Special Operations Group at Hayward, the 163rd Fighter Interceptor Group at Ontario and the 195th Tactical Airlift Group at Van Nuys of the California Air National Guard and, recognizing California's continuing and abiding requirement for efficient and responsive aerospace defense and airlift capabilities and the security needs of the United States, to provide more modern aircraft to those organizations or to assign alternate missions to units of the Air National Guard of the United States from the approved military force structure, and to retain in the reserve forces program the already trained and readily available pool of dedicated citizen-soldiers who have unselfishly dedicated part of their lives to the protection of their state and country; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, the Secretary of Defense, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution from the Legislature of the State of New York. Referred to the Committee on Banking, Housing and Urban Affairs:

"JOINT RESOLUTION NO. 109, MAY 3, 1974

"Joint Resolution of the Legislature of the State of New York memorializing Congress and the President of the United States to propose, enact and sign into law, legislation including necessary appropriations that will aid in the development of new housing for the people of the state of New York.

"Whereas, Decent, safe and sanitary housing is one of the greatest needs of millions of Americans today; and

"Whereas, It has been a quarter of a century since the Federal Government pledged itself to provide adequate housing for all Americans; and

"Whereas, Land acquisition, the cost of new housing construction and financing have in many cases made private, unsubsidized housing beyond the means of a portion of the middle and low income families in our state, particularly in our urban areas; and

"Whereas, The massive funds necessary to provide adequate housing subsidy programs are primarily available from the Federal Government; and

"Whereas, The construction of middle and low income housing will provide employment for citizens of this state and contribute to the economic expansion and growth of the state; and

"Whereas, it is essential to the development of more housing that the Congress and the President restore all federal programs which aided the development of housing and that they provide the necessary leadership to initiate new legislation for housing that will begin to alleviate the tremendous crisis in housing which is now confronting New York state communities; now, therefore be it

"*Resolved*, That the legislature of the state of New York memorializes the Congress and President of the United States to propose, enact and sign into law legislation including necessary appropriations that will aid in the development of new housing for the people of the state of New York; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives, the President of the United States, and to each member of the Congress of the United States from the State of New York."

A concurrent resolution from the Legislature of the State of South Carolina. Referred to the Committee on Budget:

"CALENDAR NO. S. 947

"A concurrent resolution to memorialize the Congress of the United States to enact appropriate legislation to ensure that annual Federal appropriations by the Congress shall not exceed anticipated annual revenues

"Whereas, it has become the habitual practice of the Congress to appropriate Federal funds in excess of anticipated Federal revenues; and

Whereas, this practice has not only created a massive national debt but has been a major factor in the ever increasing inflation with its dire consequences for the economy and the budgets of our citizens; and

"Whereas, the continuation deficit spending can only increase inflationary pressures which most probably will cause more problems than the additional appropriations will solve; and

"Whereas, the State of South Carolina has for many years demonstrated that limiting spending to anticipated revenue is feasible and develops financial stability and public confidence in government. Now, therefore,

"*Be it resolved* by the Senate, the House of Representatives concurring:

"That the Congress of the United States be and hereby is memorialized to enact appropriate legislation to ensure that annual Federal appropriations by the Congress shall not exceed anticipated annual Federal revenues.

"*Be it further resolved* that copies of this resolution be sent to the Vice President, the Speaker of the House of Representatives, and each member of the South Carolina Congressional Delegation in Washington, D.C."

A motion from the Arkansas Legislative Council, State of Arkansas, opposing the implementation of Circular A–70 as proposed by the United States Department of the Treasury and the Office of Management and Budget; and expressing strong opposition to changing the existing federal statutes governing tax-exempt status of State or local bonds by administrative action. Referred to the Committee on Finance.

Resolution from the Legislature of the State of New York. Referred to the Committee on Finance:

"RESOLUTION NO. 82, MAY 7, 1974

"Resolution of the Assembly of the State of New York memorializing the Congress of the United States to enact legislation creating a National Health Insurance program

"Whereas, The quality and availability of health care in the United States presents one of the most critical issues facing the Congress; and

"Whereas, Good quality health care is a basic right of all peoples and a basic responsibility of government; and

"Whereas, The benefits of the recent advances in medical science have not reached all the people; and

"Whereas, Adequate hospital and medical care is not available to all those people in need of it; and

"Whereas, Only the highest income groups and the poor who are aided by public and private charity are relieved of ever-present concern over the high and escalating costs of health services; and

"Whereas, The vast middle income and relatively low income groups are left to cope with the shattering costs of catastrophic and prolonged illness; and

"Whereas, The overall quality and availability of health services for families residing in our inner cities and rural areas are inadequate; and

"Whereas, Very few voluntary health insurance plans provide adequate benefits and then at costs beyond the reach of those families most in need of such services; and

"Whereas, Pending National Health Insurance proposals before the Congress provide comprehensive programs for satisfying the public's need for available and high quality health services; now, therefore, be it

"*Resolved*, That the Legislature of the State of New York memorializes the Congress of the United States to enact legislation creating a National Health Insurance program; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the United States, the Speaker of the House of Representatives, the President pro tempore of the United States Senate and each member of Congress from the State of New York."

Resolution from the Legislature of the State of California. Referred to the Committee on Finance:

"HOUSE RESOLUTION NO. 166

"Relative to the emigration of Soviet Jews.

"Whereas, The United States House of Representatives has already expressed its support for freedom of emigration of all peoples in the Union of Soviet Socialist Republics by passing HR 3910 (Mills-Vanek), which would deny Most Favored Nation Status and United States Credit Concessions to any country denying free emigration to its citizens; and

"Whereas, The United States Senate has shown its support of the Jackson Amendment, co-sponsored by 77 Members, which makes identical demands on the Soviet Union for freedom of emigration; and

"Whereas, There is some indication that the Soviet authorities have offered to guarantee emigration rights to some specific numbers of Soviet Jews in exchange for the United States granting the Soviet Union Most Favored Nation Status and Credit Concessions; and

"Whereas, Reported attempts to arrive at a compromise congressional action to limit the flow of emigration in exchange for trade concessions would destroy the spirit of the principle of free emigration; and

"Whereas, The Union of Soviet Socialist Republics is already a signatory to the Universal Declaration of Human Rights of the United Nations, which includes the guarantee that any person shall have the right to leave his country with the right to return; and

"Whereas, The Assembly of the State of California supports the principle that freedom of emigration is a human right which should not be limited to specific numbers of persons nor to specific ethnic or religious minorities; now, therefore, be it

"*Resolved by the Assembly of the State of California*, That the Members call upon the President of the United States and the Members of the United States Senate and House of Representatives to support the withholding from the Soviet Union of Most Favored Nation Status and Credit Concessions until the human right to emigration is fully restored without any specification of numbers of persons or their ethnic or religious qualifications; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and each Senator and Representative from California in the Congress of the United States."

A joint resolution from the Senate of the State of California. Referred to the Committee on Finance:

"SENATE JOINT RESOLUTION NO. 53

"Communicates to the President and Director of the office of Management and Budget the strong opposition of the Legislature to the implementation of Circular No. A–70 of the Office of Management and Budget, re denial of tax-exempt status for state and local bonds for federally aided projects.

"Whereas, The federal Office of Management and Budget has proposed implementation of Circular No. A–70, entitled "Policies and Guidelines for Federal Credit Programs", which would preclude local governments from issuing tax-exempt bonds to finance programs and facilities receiving federal assistance; and

"Whereas, State and local governments traditionally have employed tax-exempt financing for municipal programs and facilities; and

"Whereas, Local governments rely heavily on federal assistance for financing municipal programs and facilities; and

"Whereas, The implementation of Circular No. A–70 would significantly and adversely affect the ability of the State of California and its political subdivisions to finance higher education facilities, medical care facilities, sewer, water, and pollution control facilities, highway and mass transit facilities, urban renewal and public housing projects, and privately owned low- and moderate-income housing funded by the state and by municipalities; and

"Whereas, Over a year ago, the attempt to implement Circular No. A–70 resulted in immediate and vigorous opposition by state and local governments and national interest groups, such as the National Governors' Conference, the Municipal Finance Officers' Association, and the National League of Cities/Conference of Mayors; and

"Whereas, Implementation of Circular No. A–70 would constitute direct federal intervention in, and substantial control of, debt management of the State of California and its municipalities, and would result in severe curtailment of the volume of tax-exempt financing, as the state and local governments would be unable to utilize it with respect to projects whose financial feasibility depends upon federal assistance; and

"Whereas, Circular No. A-70 proposes an undesirable means of accomplishing public policy and has massive implications for public finance throughout the country; and

"Whereas, There exist no feasible financial alternatives to replace the combination of tax-exempt municipal financing and federal assistance to provide state and local facilities; and

"Whereas, it has come to the attention of the Legislature that the Office of Management and Budget is planning specific action with respect to implementation of Circular No. A-70 in the near future; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, Jointly*, That the Legislature of the State of California communicates its strong opposition to the implementation of Circular No. A-70 of the

President of the United States and to the Director of the Office of Management and Budget; and be it further

"*Resolved*, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Director of the Office of Management and Budget, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution from the Senate of the State of Colorado. Referred to the Committee on Finance:

"SENATE MEMORIAL NO. 3

"Memorializing the Congress of the United States to enact legislation concerning Jewish emigration

"Whereas, There is pending in the United States Congress a bill to prohibit most-favored-nation treatment and commercial and guarantee agreements with respect to any nonmarket economy country which denies to its citizens the right to emigrate or which imposes more than nominal fees upon its citizens as a condition to emigration; and

"Whereas, There are three million Jews in the Union of Soviet Socialist Republics; and

"Whereas, There are many thousands of Jews in the USSR applying for visas to Israel and other countries; and

"Whereas, It has been the policy of the USSR by fees and other red-tape matters to discourage and prohibit those people from migrating; and

"Whereas, These people have the desire to leave the USSR and migrate to Israel and other countries; now, therefore,

"*Be It Resolved by the Senate of the Forty-ninth General Assembly of the State of Colorado:*

"(1) That the Congress of the United States is hereby memorialized to enact legislation whereby:

"(a) Products from any nonmarket economy country shall not be eligible to receive most-favored-nation treatment, such country shall not participate in any program of the Government of the United States which extends credits, credit guarantees, or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country during the period beginning with the date on which the President determines that such country:

"(I) Denies its citizens the right or opportunity to emigrate;

"(II) Imposes more than a nominal tax on emigration or on the visas or other documents required for emigration for any purpose or cause whatsoever; or

"(III) Imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice; and

"(b) The period of such sanctions shall end on the date on which the President determines that such country is no longer in violation of subparagraph (I), (II), or (III) of paragraph (a) of this subsection (1).

"(2) That in the event such legislation is enacted, the President is urged to find that the Union of Soviet Socialist Republics is in violation of the conditions set forth in subsection (1)(a) of this Memorial.

"*Be It Further Resolved*, That copies of this Memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to each member of Congress from the State of Colorado, and to the President of the United States."

A concurrent resolution from the Legislature of the State of South Carolina. Referred to the Committee on Finance:

"A CONCURRENT RESOLUTION

"To memoralize the Congress of the United States to continue the Federal revenue sharing program and commend the effectiveness of that program

"Whereas, the Federal revenue sharing program has been one of the most effective programs enacted by the Congress in recent years because of its recognition that local government can, in most cases, best assess and solve local government problems; and

"Whereas, Federal revenue sharing has resulted in numerous worthwhile improvements in government service and facilities; and

"Whereas, the program enables local government to more accurately plan for future improvements; and

"Whereas, the program has resulted in improvements in the often strained relationship between State and Federal governments because it offers visible evidence that Federal tax money does flow back to the sources from which it came; and

"Whereas, any reduction or abolition of this program would be a backward step which would be most discouraging to State, county and municipal governments and would do grave damage to programs inaugurated pursuant to and funded by Federal revenue sharing. Now, therefore,

"Be it resolved by the Senate, the House of Representatives concurring: That the Congress of the United States be and hereby is memorialized to continue and, if possible, expand the Federal revenue sharing program which has contributed most effectively to the solution of local government problems.

"Be it further resolved that a copy of this resolution be forwarded to the Vice President, the Speaker of the House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C."

A resolution from the Senate of the State of Massachusetts. Referred to the Committee on Finance:

"RESOLUTIONS

"Memorializing the Congress of the United States to enact legislation to permit an exemption of retirement income for persons 65 years of age or older

"Whereas, There was a 9.4 per cent rise in the cost of living for calendar year 1973; and

"Whereas, Inflation has been rising at the rate of 11½ per cent for the first three months of 1974; and

"Whereas, Persons on fixed incomes are the individuals most greatly affected by this skyrocketing inflation; and

"Whereas, There are 600,000 elderly persons in Massachusetts, many of whom live on fixed incomes; and

"Whereas, The Congress of the United States is presently considering HR5117 which would permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; now, therefore, be it

"*Resolved*, That the Massachusetts Senate memorializes the Congress of the United States to enact legislation in the form of HR5117 to relieve the mounting burden of inflation from our elderly citizenry; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the Clerk of the Senate to the presiding officer of each branch of Congress of the United States and to each member thereof from the Commonwealth."

A concurrent resolution from the Senate of the State of West Virginia. Referred to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION NO. 2

"Petitioning the President and Director of the Office of Management and Budget to refuse to implement the provisions of Circular No. A-70 of the Office of Management and Budget relating to denial of tax-exempt status for state and local bon is for federally aided projects

"Whereas, The federal Office of Management and Budget has proposed implementation of Circular No. A-70, entitled "Policies and Guidelines for Federal Credit Programs", which would preclude local governments from issuing tax-exempt bonds to finance programs and facilities receiving federal assistance; and

"Whereas, State and local governments have traditionally employed tax-exempt financing for municipal programs and facilities and the implementation of the provisions of Circular No. A-70 would significantly and adversely affect the ability of the State of West Virginia and its political subdivisions to finance higher education facilities, medical care facilities, sewer, water and pollution control facilities, highway and mass transit facilities, urban renewal and public housing funded by the state and privately owned low and moderate income housing funded by the state and by its municipalities; and

"Whereas, Implementation of Circular No. A-70 would constitute direct federal intervention in, and substantial control of, debt management of the State of West Virginia and its municipalities, and would result in severe curtailment of the volume of tax-exempt financing, as the state and local governments would be unable to utilize it with respect to projects whose financial feasibility depends upon federal assistance because there exist no feasible financial alternatives to replace the combination of tax-exempt municipal financing and federal assistance to provide state and local facilities; therefore, be it

"*Resolved by the Legislature of West Virginia:*

"That the Legislature of West Virginia communicate its strong opposition to the implementation of the provisions of Circular No. A-70 to the President of the United States and to the Director of the Office of Management and Budget; and, be it

"*Resolved further*, That the Clerk of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Director of the Office of Management and Budget, to the Speaker of the House of Representatives and to each Senator and Representative from West Virginia in the Congress of the United States."

A resolution from the House of Representatives of the State of Massachusetts. Referred to the Committee on Foreign Relations:

"RESOLUTIONS

"Urging the President of the United States, Congress and the United States Ambassador to the United Nations to condemn the action of terrorists in Israel

"Whereas, Acts of terror and murder can never be accepted by the people of the Commonwealth; and

"Whereas, For the second time in two months terrorists have killed innocent children in Israel; and

"Whereas, The world has kept silent as these acts of barbarism have continued; and

"Whereas, The United Nations has practiced hypocrisy by condemning Israeli destruction of inanimate objects while condoning in silence the Arab terrorists' murder of civilians; and

"Whereas, Such silence encourages further acts of terror; therefore be it

"*Resolved*, That the Massachusetts House of Representatives condemns and finds abhorrent these inhuman and barbaric acts of terrorism; and be it further

"*Resolved*, That we call upon the President of the United States, the Congress and the United States Ambassador to the United Nations to condemn these actions; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from the Commonwealth and the United States Ambassador to the United Nations."

A concurrent resolution from the Legislature of the State of Michigan. Referred to the Committee on Foreign Relations:

"House Concurrent Resolution No. 429

"A concurrent resolution memorializing Congress to allocate appropriate resources to the international effort to stave off the impeding calamity of drought in west Africa

"Whereas, The countries of Senegal, Mauritania, Mali, Upper Volta, Niger, and Chad in West Africa have been suffering their worst drought in sixty years, and the United Nations has declared these countries a disaster area; and

"Whereas, If the drought in this region continues, the population in these countries will suffer unimaginable disaster. Already the drought is crippling the economy of this region, and in many areas agricultural production is only twenty percent of the normal level; and

"Whereas, It is imperative that the world community come to the aid of these countries of West Africa for without a monumental world effort, the famine and disease will be catastrophic and recovery a long and desperate process; and

"Whereas, Grain is urgently needed both to feed the population and maintain cattle herds which are the basis of future nutritional self-sufficiency; now therefore be it

"Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature memorialize Congress to furnish the necessary material and transport in conjunction with the United Nations Food and Agriculture Organization to assure the physical and economic survival of these countries of West Africa suffering the disastrous effects of drought; and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the House of Representatives, and to each member of the Michigan delegation to the United States Congress.

"Adopted by the House of Representatives, April 26, 1974.

"Adopted by the Senate, May 22, 1974."

A joint resolution from the Legislature of the State of California. Referred to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution No. 108

"Memorializes the President and Congress to support and adopt such laws and regulations as will permit the state to participate in decisionmaking relating to the leasing of federal submerged lands off the California coast for oil or gas production. Requests that federal laws and regulations relating to such leases be at least as comprehensive and stringent as state laws and regulations governing oil or gas development under lease on state tidelands and submerged lands, and that the federal staff assigned to carry out such federal laws and regulations be at least as competent and at a comparable manpower level as the staff employed by the state for such purposes. Requests that the state be compensated by an adequate portion of the revenue derived from such federal leases, or by a share of the crude oil production itself, for expenses incurred by the state in providing support functions.

"Whereas, The President of the United States has indicated that the leasing of offshore waters for oil or gas production in coastal areas under federal control may be increased by 10 million acres in the next year; and

"Whereas, The Council on Environmental Quality has informed the President recently that drilling for oil and gas in the Atlantic Ocean offshore from the States of Virginia, Maryland, Delaware, and other East Coast states is acceptable; and

"Whereas, Expert testimony on known crude oil reserves off the California coast has estimated proven and potential reserves of crude oil in the billions of barrels; and

"Whereas, Federal authorization for oil or gas drilling off the California coast is imminent and, in fact, the United States Bureau of Land Management has taken initial steps to authorize the leasing of more than seven million acres off the southern California coast, with tracts to be announced for lease in July 1974; and

"Whereas, At the present time the State of California has no control or voice in the decisionmaking process for the leasing of offshore waters under federal jurisdiction, even though the state has a primary interest in the safety, pollution prevention, economics, and aesthetics of such operations; and

"Whereas, The state has itself leased more than 175,000 acres of tidelands and submerged lands along the coast, and permitted, under state control, the drilling of more than 4,000 wells and core holes with no significant pollution incidents; and

"Whereas, The state is known to have superior expertise in this area, with more stringent controls and safeguards than are required by the federal government; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to support and adopt such laws and regulations as will permit the State of California to participate in all decisionmaking relating to the leasing of federal submerged lands off the California coast for oil or gas production, including granting to California the right to recommend denial of any proposal which endangers the state's coastline or life or property in the state, constitutes an immediate or potential geologic hazard, or is environmentally incompatible on an aesthetic or total use basis; and be it further

"Resolved, That the Legislature of the State of California respectfully requests that federal laws and regulations relating to the leasing of offshore lands for oil or gas production be at least as comprehensive and stringent as laws and regulations governing oil and gas development under leases by the state on state tidelands and submerged lands, and that the federal staff assigned to carry out and enforce the federal laws and regulations be at least as competent and at a comparable manpower level as the staff employed by the State of California for these purposes; and be it further

"Resolved, That the Legislature of the State of California respectfully requests that the state be compensated by an adequate portion of the revenue derived from oil or gas production on federal submerged lands off the coast of California or by a share of the crude oil production itself, inasmuch as the various jurisdictions within the state, and the state itself, will be required to supply, and bear the cost of supplying, many support functions, including but not limited to, police, fire protection, and community services; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A concurrent resolution from the Senate of the State of Louisiana. Referred to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution No. 60

"A concurrent resolution to recognize the Choctaw Indian community of Louisiana and to request federal recognition thereof

"Whereas, an indentifiable Choctow Indian community has existed in the vicinity of Jena, Louisiana, since prior to the acquisition of Louisiana by the United States, as evidenced by the fact that this area was known as the "Choctaw District" in colonial times; and

"Whereas, the Choctaw of Louisiana were a constituent part of the Choctaw Nation which was recognized by and entered into treaty relationships with Spain, France, and the United States, and in particular, the Treaty of January 3, 1786 (7 Stat. 21) with the United States; and

"Whereas, federal officials in the first years after the Louisiana Purchase recognized the Choctaw Indians of Louisiana as a distinct self-governing Choctaw community; and

"Whereas, the Congress of the United States has heretofore appropriated federal funds which were earmarked for the education of the Choctaws at Jena, Louisiana, thus recognizing the Jena Choctaws as Indians eligible for special federal services for Indians; and

"Whereas, it is the policy of the state of Louisiana to recognize the Indian Tribes within the borders of the state, and to support their aspirations for the preservation of their cultural heritage and the improvement of their economic conditions, and to assist them in achieving their just rights.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the state of Louisiana formally recognizes the Choctaw Indian community at Jena, Louisiana, as an Indian Tribe.

"Be it further resolved that the Government of the United States of America, and particularly the Bureau of Indian Affairs, is hereby memorialized, requested and urged to take such steps as are necessary to effect in the near future formal recognition of the Choctaw Indian community at Jena, Louisiana, and to acknowledge that the rights of the Choctaws are no less, if not indeed greater, than that of other Indian Tribes in the United States, and thereupon to take appropriate executive and/or congressional action.

"Be it further resolved that copies of this Resolution shall be transmitted to the President of the United States, the presiding officers of the Senate and the House of Representatives of Congress of the United States, and the Director of the Bureau of Indian Affairs, United States Department of the Interior."

A joint resolution from the Legislature of the State of California. Referred to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution No. 91

"Memorializes the President and the Congress to authorize the Bureau of Reclamation to provide an additional 195,000 acre-feet of water annually for fishery preservation purposes in the Trinity River and to negotiate directly with the California Department of Fish and Game regarding ultimate amounts and schedules by which such water shall be released for fishery preservation purposes

"Whereas, The United States Bureau of Reclamation in 1963 completed construction of the Trinity River Division of the Central Valley Project, and began the export of Trinity River water to the Sacramento Valley; and

"Whereas, Since 1960, when Trinity Lake began to fill, extensive habitat modification (sedimentation and riparian vegetation encroachment) has occurred in the Trinity River downstream from Lewiston Dam; and

"Whereas, These changes are largely the result of alterations in the Trinity River's historic flow patterns, most notably a major reduction in annual flow past Lewiston and the elimination of peak spring flows, caused by the export of Trinity River water to the Sacramento Valley by the project; and

"Whereas, The numbers of adult steelhead entering the Trinity River in recent years have declined dramatically; and

"Whereas, The Federal Fish and Wildlife Coordination Act requires preservation of fish and wildlife at federal projects; and

"Whereas, The California Department of Fish and Game has requested significant additional water releases into the Trinity River in order to experimentally determine the amounts necessary to preserve the river's historic steelhead trout resource; and

"Whereas, The United States Bureau of Reclamation lacks authority to provide such releases into the Trinity River; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to authorize the United States Bureau of Reclamation to provide an additional 195,000 acre-feet of water annually for fishery preservation purposes in the Trinity River; and be it further

"Resolved, That the Bureau of Reclamation be authorized to negotiate directly with the California Department of Fish and Game regarding ultimate amounts and schedules by which such water shall be released for fishery preservation purposes; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution from the Legislature of the State of New York. Referred to the Committee on Interior and Insular Affairs:

"JOINT RESOLUTION No 91, APRIL 30, 1974

"Joint Resolution of the Legislature of the State of New York memorializing Congress to enact legislation granting legal recognition by the United States government to the Poospatuck and Shinnecock Indian Tribes

"Whereas, The Poospatuck and Shinnecock Indian Tribes, presently residing on reservations in New York State, have never been recognized by the federal government and thereby denied eligibility under programs offered by the Federal Bureau of Indian Affairs; and

"Whereas, These tribes, being among the first to seek an honoroble peace with their European brothers, executed peace treaties with King of England prior to the formation of a colonial government, and are thereby denied recognition by the United States; and

"Whereas, In fairness and justice this nation must recognize all its residents in an equal manner, and offer the same aid to these tribes as it has to others; now, therefore, be it

"Resolved, That the Congress of the United States be and hereby is respectfully memorialized to enact legislation granting legal recognition by the United States government to the Poospatuck and Shinnecock Indian Tribes, and that such tribes be made eligible for Federal Bureau of Indian Affairs programs; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives, and to each member of the Congress of the United States from the State of New York."

A resolution from the Senate of the State of Massachusetts. Referred to the Committee on the Judiciary:

"RESOLUTIONS

"Memorializing the Congress of the United States to enact legislation to provide assistance in improving the welfare of children in South Vietnam and to facilitate the adoption of orphaned or abandoned Vietnamese children, particularly children of United States' fathers

"Whereas, Due to the many years of war in South Vietnam there are countless orphaned or abandoned children; and

"Whereas, The United States has a moral responsibility to assist the government of South Vietnam in the care and protection of all South Vietnamese children, particularly those orphaned or abandoned; and

"Whereas, The United States has a special responsibility to assist in facilitating the care or adoption of children in Vietnam whose fathers are United States citizens and who are not living with their Vietnamese families; now, therefore, be it

"Resolved, That the Massachusetts Senate respectfully urges the Congress of the United States to enact legislation currently before the Congress assisting orphaned or abandoned Vietnamese children; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the presiding officer of each branch of the Congress of the United States and to each member thereof from the Commonwealth."

A joint resolution from the Legislature of the State of New York. Referred to the Committee on Labor and Public Welfare:

"JOINT RESOLUTION No. 42, APRIL 10, 1974

"Joint Resolution of the Legislature of the State of New York memorializing the President of the United States to release funds previously allocated to the Office of Economic Opportunity and memorializing Congress to enact legislation continuing funding of community action programs comparable to those funded through the Office of Economic Opportunity.

"Whereas, The basic wants and needs of the economically disadvantaged have best been met, with the preservation of human dignity, by local community action programs of people helping people to help themselves; and

"Whereas, Meaningful progress has been made in disadvantaged areas where community people, most aware of the problems of day to day survival, have been able to establish self-help programs with the use of federal funds; and

"Whereas, The Community Action Program in the State of New York and in particular the urban centers of our State, as a case in point, the Model Cities Program and Multi-Service Centers concept, has been able with federal funds to establish 350 delegate agencies that have provided essential support activities, and more important, hope, to the economically disadvantaged people of state and local communities; and

"Whereas, These are examples of many programs which would not come into being without federal funds, and the continuation of such programs and funds are vital to the preservation of this nation as a land of opportunity and equality for all its peoples; and

"Whereas, There is an absolute necessity for the continuing enactment of legislation of a federal level; now, therefore, be it

"Resolved, That the Legislature of the State of New York respectfully, yet firmly, urge, memorialize and petition the President of the United States to release funds previously allocated to the Office of Economic Opportunity, and continue funding of established programs of community action; and be it further

"Resolved, That the Legislature of the State of New York respectfully, yet firmly, urge, memorialize and petition the Congress of the United States to enact legislation continuing funding of community action programs; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives, and to each member of the Congress of the United States from the State of New York."

A joint resolution from the Legislature of the State of California. Referred to the Committee on Post Office and Civil Service:

"ASSEMBLY JOINT RESOLUTION No. 76

"Memoralizes the U.S. Congress to authorize issuance of a postage stamp commemorating 'Snowshoe' Thompson

"Whereas, The centenary of the death of John A. Thompson will shortly be observed on May 15, 1976; and

"Whereas, Born Jon Thorsen Rue on April 30, 1827, at Telemark, Norway, the birthplace of skiing, and emigrating with his family to Illinois and then Wisconsin, Thompson was drawn to California in 1851 by the lure of the Gold Rush; and

"Whereas, Commencing with the winter of 1856, 'Snowshoe' Thompson offered his services to the U.S. Post Office and the people of California to carry the mail across the Sierra Nevada on the 'snow skates' of his boyhood; and

"Whereas, During the succeeding six winters he closed the mountain break in the Pony Express route, making twice monthly trips across the Sierras over the 90 miles from the Carson Valley to 'Hangtown' (Placerville), California, often carrying 100 pounds of mail and parcels and usually completing his round trip traverse of virtually trackless mountains in an incredible five days; and

"Whereas, 'Snowshoe' Thompson's feats of courage and endurance have earned him a permanent place among the heroes of the West; he is also to be commended for his high sense of public duty, for not only did he participate in the making of history by carrying the first ore samples from the Comstock Lode to be assayed, but from month to month he carried the ordinary mail as well, bringing news and letters that were of inestimable value to the isolated settlers and miners of California; and

"Whereas, The measure of 'Snowshoe' Thompson's stature is that his ski tracks were displaced only by the tracks of steel of the Central Pacific Railroad Company; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to authorize the issuance of a commemorative postage stamp in honor of 'Snowshoe' Thompson; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A concurrent resolution from the Senate of the State of Louisiana. Laid on the table:

"SENATE CONCURRENT RESOLUTION No. 1

"A concurrent resolution to invite the Honorable Gerald R. Ford, Vice-President of the United States, to address a joint session of the Legislature of Louisiana

"Whereas, the Honorable Gerald R. Ford has loyally and faithfully served the people of the United States for more than a quarter of a century as a Congressman from the Fifth District of the state of Michigan and has untiringly served his party as its Minority Leader in the House of Representatives for over eight years; and

"Whereas, the Honorable Gerald R. Ford is serving with honor and distinction as this nation's fortieth Vice-President, its first such officer to be appointed to the high post; and

"Whereas, the people of Louisiana are honored by the presence within this state of this outstanding statesman, who by hard work and dedication has exhibited goals and standards in the conduct of his public life that serves to inspire other elected officials and the American people as a whole; and

"Whereas, the Legislature of Louisiana is keenly aware of the benefits which would derive to its members, as the 1974 legislative session commences, by taking advantage of the opportunity to have the Vice-President of the United States speak to it in joint session assembled.

"Therefore, *be it resolved* by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the Honorable Gerald R. Ford, Vice-President of the United States, is hereby invited to address a joint session of the Louisiana Legislature on Monday, the thirteenth day of May, 1974, at 12:30 p.m. in the Chamber of the House of Representatives.

"Be it further resolved that a copy of this resolution shall be transmitted to the Honorable Gerald R. Ford, Vice-President of the United States."

Speaker of the House of Representatives.

A resolution from the Christian Woman's Club, Opelika, Ala., praying for a National Day of Humiliation, Fasting, and Prayer. Laid on the table.

A resolution from the United Negro College Fund, Inc., urging that Federal officials use their influence to see that the Second Morrill Act is not repealed or made inoperative. Referred to the Committee on Agriculture and Forestry.

A resolution from the Toledo Board of Education, Toledo, Ohio, in support of continuing Federal funds to support community action agencies. Referred to the Committee on Appropriations.

A resolution from the city of Toledo, Ohio, requesting the Congress of the United States to appropriate the necessary funds for the continuation of community action programs. Referred to the Committee on Appropriations

A letter from the Michigan Asphalt Paving Association, Inc., Lansing, Mich., requesting assistance in obtaining a mandatory allocation program in asphalt cement. Referred to the Committee on Banking, Housing and Urban Affairs.

A resolution from the city of San Diego, Calif., opposing the enactment of Senate bill 1988, to establish a 200-mile fishery zone. Referred to the Committee on Commerce.

A resolution from the Western Conference of the Council of State Governments, endorsing revision of the Federal Highway Act provisions relating to axle and weight standards. Referred to the Committee on Public Works.

A resolution from the Western Conference of the Council of State Governments, urging the Western States to take necessary action to release impounded Federal Highway-Aid funds. Referred to the Committee on Public Works.

A resolution from the Western Conference of the Council of State Governments, urging the Congress to provide a program for the rehabilitation of present substandard primary and secondary highways and structures. Referred to the Committee on Public Works.

A resolution from the Western Conference of the Council of State Governments, urging the Congress of the United States to establish a formula for the distribution of highway trust funds which would reduce the States' matching ratio and a repayment schedule. Referred to Committee on Finance.

A resolution from the Western Conference of the Council of State Governments, urging Congress to formulate provisions in the national energy policy providing financial assistance to States beyond normal Federal-aid apportionments. Referred to the Committee on Finance.

A resolution from the Western Conference of the Council of State Governments, urging the Congress of the United States to permit and support flexibility to enable the several States to transfer highway funds between categorical grants. Referred to the Committee on Public Works.

A letter from the Western Conference of the Council of State Governments, urging the Congress of the United States to conduct public hearings in the Western States prior to finalization of Federal programs affecting transportation. Referred to the Committee on Public Works.

A resolution from the Western Conference of the Council of State Governments, urging the Congress of the United States to revise Federal Highway Safety Standard one in order to permit the several States to revise Federal Highway Safety Standard one in order to permit the several States to adopt a vehicle inspection program consistent with the needs and resources of the several States. Referred to the Committee on Commerce.

A resolution from the Western Conference of the Council of State Governments, recommending that the U.S. Congress take action in the areas of criminal justice. Referred to the Committee on the Judiciary.

A resolution from the Legislature of Broome County, N.Y., urging the adoption of Federal legislation authorizing completion of certain highway projects in New York State. Referred to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3615. A bill to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colorado (Rept. No. 93-1105).

By Mr. HUDDLESTON, from the Committee on Agriculture and Forestry, without amendment:

H.R. 6485. An Act to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938 (Rept. No. 93-1106).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 3518. A bill to remove the cloud on title with respect to certain lands in the State of Nevada (Rept. No. 93-1108).

VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT OF 1974—SUBMISSION OF A CONFERENCE REPORT (REPT. NO. 93-1107)

Mr. TALMADGE (for Mr. HARTKE), from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes, which was ordered to be printed, and which, at the request of the Senator from Georgia (Mr. TALMADGE), and by unanimous consent, was ordered to be printed in the RECORD, as follows:

The conference report is printed in the House proceedings of today's RECORD.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

Roger West Sant, of California, to be an Assistant Administrator of the Federal Energy Administration.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HOLLINGS:

S. 3922. A bill to amend the Coastal Zone Management Act of 1972 to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes. Referred to the Commitee on Commerce.

By Mr. SPARKMAN:

S. 3923. A bill for the relief of Loo Sing Woon. Referred to the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 3924. A bill for the relief of Gonzalo Rodriguez and his family. Referred to the Committee on the Judiciary.

By Mr. ABOUREZK:

S. 3925. A bill to amend section 5532 of title 5, United States Code, relating to reduction of retired or retirement pay of retired officers of the uniformed services who are employed by the Federal Government. Referred to the Committee on Post Office and Civil Service.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS:

S. 3922. A bill to amend the Coastal Zone Management Act of 1972 to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes. Referred to the Committee on Commerce.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1974

Mr. HOLLINGS. Mr. President, today I am introducing a bill which will make several technical amendments to the provisions of the Coastal Zone Management Act of 1972. While funding for the Coastal Zone Management Act was held up by the Office of Management and Budget until almost a year after its enactment, the National Oceanic and Atmospheric Administration has moved quickly in recent months to parcel out coastal zone development grants to the States. At this point in time, the development of State coastal zone management programs pursuant to the act is now well on the way to reality in all but two of our coastal States.

In this first year of the act's implementation, several technical problems have arisen which I hope can be dealt with adequately by this bill. These amendments have been identified by the staffs of the House Merchant Marine and Fisheries Committee and the Senate Subcommittee on Oceans and Atmosphere, the National Advisory Committee on Oceans and Atmosphere and by NOAA's Office of Coastal Zone Management, which is responsible for administering the program.

The coastal zone management program provides for three State grant programs. The first makes grants available to States under section 305 to be used in developing their individual coastal zone management programs. Then, once a State has developed an approved coastal zone management program, it may apply for and receive management grants under section 306 of the act. Finally, the act provides grants under section 312 to be used toward the development of estuarine sanctuaries.

My bill would amend the act in four ways. First, it would increase the appropriation for section 305 grants from $9 to $12 million. The successful participation of 28 to 30 coastal States and one territory in the coastal zone management program has emphasized the inadequacy of the present maximum authorized limit for this section. Indeed, $9 million just does not stretch very far when it must be parceled out between all of the coastal States. In the first year of the act's existence, States applying to the Office of Coastal Zone Management for grants under section 305 received, on the average, 37 percent less than the amount requested. This is even more significant when we realize that States were prepared to fully fund from their own revenues the one-third matching amount required by the act. In terms of dollars, this represents approximately $3 million in unmet State needs. This fact, coupled with the anticipated 40-percent increase in State requests for fiscal year 1975, more than substantiates the need for an increase in this area.

Second, the bill would amend the act to remove the present 10-percent limitation on the amount any one State may receive out of the total appropriated amount for section 306 management grants and replaces it with specific dollar limitations for specified yearly intervals. This amendment is designed to deal with an unusual situation that is expected to occur only in the first and last years of the implementation of section 306. States will not all complete their coastal zone management programs at the same time; in fact only four are expected to be eligible for coastal zone program management grants in fiscal year 1975. The present 10-percent limitation places those States that complete their program early at a disadvantage by limiting the amount of section 306 funds that they can receive. With only four applicants and each funded at up to a minimum of 10 percent of the funds available, only 40 percent of the funds available could be expended, shutting off the possibility of additional assistance for those States.

The act clearly visualizes grants to vary according to the length of a State's coastline or the size of its population. The 10-percent limitation was added to the act in anticipation that the entire $30 million authorized for section 306 grants would indeed be appropriated. If OMB's past record on funding the Coastal Zone Management Act is any guide to its future actions, considerably less than $30 million can be expected for grants under section 306 in fiscal year 1976 and fiscal year 1977. So, in order for the Office of Coastal Zone Management to make a more equitable and complete allocation of its grant assistance for management of coastal zone programs, the 10-percent limitation should be dropped and dollar limitations substituted in its place.

The recent annual report of the National Advisory Committee on Oceans and Atmosphere addressed the authorization limitation problem and recommended that the section 306 limitation be revised. The report states:

> We recommend that the allocation restrictions in Section 306 Administrative Grants Program be revised so as to allow more realistic assignment of funds according to need and readiness of individual participating States, especially during the build-up and phase-down periods of program development. With these actions the Coastal Zone Management Program envisioned by the Act will, in our opinion, be well under way.

Mr. President, this bill would correct this problem by setting a limit of $2 million per State for fiscal year 1975, $2.5 million for fiscal year 1976, and $3 million for fiscal year 1977.

The third amendment to the act proposed by the bill would extend grant assistance for the creation of estuarine sanctuaries for 3 more years. As it now reads, the act authorizes appropriations for fiscal year 1974 only at an amount not to exceed $6 million, with no State being allowed to receive in excess of $2 million.

It is clear from the legislative history of the Coastal Zone Management Act that the estuarine sanctuaries program was intended to serve as an integral part of the State coastal zone management efforts. Section 312 was designed to provide States with assistance in acquiring and operating natural field laboratories in which techniques and approaches for coastal zone management could be tested and perfected. The Commerce Committee intended that the system of estuarine sanctuaries be representative of the principal types of estuarines found in the United States, of which 11 broad types have been identified.

So far at least 20 coastal States have indicated a desire to establish an estuarine sanctuary. For fiscal year 1974, a total of $4 million was made available for estuarine sanctuary grants to the States. Although the $4 million is to remain available until expended, it will not be adequate to fund even half the estimated estuarine sanctuaries needed. To correct this situation, my bill would extend the authorization for section 312 grants to June 30, 1977. This should give NOAA the flexibility it needs to assure that State demands for estuarine sanctuary assistance are adequately met.

This amendment is also in line with recommendations included in the NACOA report, which recommends that—and I quote from the report:

> The Estuarine Sanctuaries Program should be extended in time, and the funding provided by Section 315 of the Act should be increased to a level sufficient to comply with the clear Congressional intent, namely, at least one estuarine sanctuary in each of the identifiable zoogeographic regions. We note specially that funds are now available on a one-time-only basis for purchase of a limited number of sanctuaries, but no support is available for planning and management of these areas on a continuing basis. It seems obvious that adequate monies to provide support for these Federal/State sanctuaries should also be added in this section. We do not know how much it will take and, hence, must leave it to the legislative amendment process to determine.

Finally, Mr. President, the bill would extend the availability of coastal zone management grants for an additional 2 years. Under present language both the program development and administrative grant programs would expire on June 30, 1977. This deadline would have probably been adequate for all States to develop coastal zone management programs had not the administration neglected to fund the program for almost a year after its passage, and had not the energy crisis been thrust upon us. Unfortunately, the former had caused an unnecesary delay of grant assistance not anticipated by the Congress when it enacted the Coastal Zone Management Act, while the latter has thrust new planning responsibilities upon many coastal States that neither they, nor the Congress, had anticipated back in the fall of 1972. A 2-year extension of both grant programs will provide coastal States with the extra time they need to develop coastal zone management programs that can cope with the land-side impacts of energy-related offshore development.

Mr. President, many of those who doubted the need for a Federal Coastal Zone Management Act when it passed in 1972 have become believers in 1974. The energy crisis has dramatically increased the need for coastal States to develop planning mechanisms to deal with deepwater ports, offshore oil and gas development, refinery construction, and other ramifications of increased offshore and onshore development. Everyone—

environmental groups, oil companies, and even the Department of the Interior—is now pointing to the Coastal Zone Management Act as the solution to controlling secondary impacts of offshore development so as to minimize environmental damage. It is a widely recognized fact that the land-side effects of offshore development are the greatest danger to the environment, not oil spills.

The amendments I propose today will insure that the Coastal Zone Management Act continues to serve the interest of the States and the Nation in the best possible way.

Mr. President, because of time constraints under which most coastal States are working to develop their coastal zone plans, I anticipate that the Senate and the House will act on this bill before the adjournment of the 93d Congress.

Mr. President, I ask unanimous consent that a breakdown of how the $7.4 million in section 305 program development grants for fiscal year 1974 were allocated to the various States, along with the names and addresses of participating State agencies, be printed at this point in the RECORD. I also ask that the text of the bill be printed in the RECORD.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 3922

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Coastal Zone Management Act of 1972 (86 Stat. 1280) is amended as follows:

(1) Subsection (h) of section 305 is amended by deleting "1977" and by inserting in lieu thereof "1979".

(2) Subsection (b) of section 306 is amended by deleting all after "relevant factors:" and by inserting in lieu thereof "Provided, That no annual grant made under this section shall be in excess of $2,000,000 for fiscal year 1975, in excess of $2,500,000 for fiscal year 1976, nor in excess of $3,000,000 for fiscal year 1977 and succeeding fiscal years: Provided further, That no annual grant made under this section shall be less than 1 per centum of the total amount appropriated to carry out the purposes of this section, unless at the discretion of a State a lesser amount will suffice.".

Section 315 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 315. (a) There are authorized to be appropriated—

(1) the sums of $9,000,000 for each of the fiscal years ending June 30, 1973, and June 30, 1974, and the sum of $12,000,000 for each of the five succeeding fiscal years, for grants under section 305, to remain available until expended;

(2) such sums, not to exceed $30,000,000, for the fiscal year ending June 30, 1974, and for each of the fiscal years 1975 through 1979, as may be necessary, for grants under section 306 to remain available until expended; and

(3) such sums, not to exceed $6 million for the fiscal year ending June 30, 1974, and for each of the three succeeding fiscal years as may be necessary, for grants under section 312, to remain available until expended.

"(b) There are also authorized to be appropriated such sums, not to exceed $3,000,000 for fiscal year 1973, and for each of the six succeeding fiscal years, as may be necessary for administrative expenses incident to the administration of this title."

COASTAL ZONE MANAGEMENT—SEC. 305, GRANTS AWARDS TO DATE

Number and State	Federal share	Total program	Date
1—Rhode Island	$154, 415	$231, 623	Mar. 13
2—Maine	230, 000	345, 000	Do.
3—Oregon	250, 132	419, 699	Do.
4—Michigan	330, 486	534, 447	Apr. 23
5—California	720, 000	1, 648, 653	Do.
6—Mississippi	101, 564	152, 346	Do.
7—South Carolina	198, 485	298, 500	May 10
8—Maryland	280, 000	465, 765	Do.
9—Washington	388, 820	583, 230	May 14
10—Texas	360, 000	551, 648	May 16
11—Ohio	200, 000	366, 300	May 21
12—Massachusetts	210, 000	315, 000	June 4
13—Connecticut	194, 285	324, 644	June 5
14—New Hampshire	78, 000	117, 000	June 7
15—Hawaii	250, 000	375, 000	June 10
16—Georgia	188, 000	303, 400	June 13
17—Delaware	166, 666	250, 000	June 14
18—Florida	450, 000	686, 000	Do.
19—Wisconsin	208, 000	354, 000	June 20
20—Alabama	100, 000	150, 000	Do.
21—Pennsylvania	150, 000	225, 000	Do.
22—North Carolina	300, 000	500, 000	June 21
23—Minnesota	99, 500	149, 250	Do.
24—Illinois	206, 000	309, 000	June 24
25—Louisiana	260, 000	394, 090	June 26
26—Puerto Rico	250, 000	375, 000	Do.
27—Alaska	600, 000	960, 000	Do.
28—New Jersey	275, 000	412, 500	June 27
29—Virginia	251, 044	376, 566	Aug. 12

STATE AGENCIES ADMINISTERING COASTAL ZONE MANAGEMENT GRANTS

R. C. "Red" Bamburg, Director, Alabama Development Office, State Office Building, Montgomery, Alabama 36104.

Dr. Y. R. Nayudu, Director, Division of Marine and Coastal Zone Management, Department of Environmental Conservation, Fouch O, Juneau, Alaska 99801.

Donald F. Craf, Executive Secretary, Environmental Quality Commission, Office of the Governor, Pago Pago, American Samoa 96920.

Melvin B. Lane, Chairman, California Coastal Zone Conservation Commission, 1540 Market Street, San Francisco, California 94102.

Douglas T. Costle, Commissioner, Department of Environmental Protection, State Office Building, Rm. 118, Hartford, Connecticut 06115.

David R. Keifer, Director, State Planning Office, Thomas Collins Building, Dover, Delaware 19901.

Bruce Johnson, Coordinator, Coastal Coordinating Council, 309 Magnolia Office Plaza, Tallahassee, Florida 32301.

James McIntyre, Director, Office of Planning and Budget, 270 Washington Street, S. W., Rm. 611, Atlanta, Georgia 30334.

Gerald S. A. Perez, Director, Bureau of Budget & Management, Office of the Governor, Agana, Guam 96910.

Dr. Shelley M. Mark, Director, Department of Planning and Economic Development, Executive Chambers, P. O. Box 2359, Honolulu, Hawaii 96804.

Anthony Dean, Director, Department of Conservation, 400 South Spring Street, Springfield, Illinois 62706.

William J. Andrews, Deputy Director, Department of Natural Resources, 608 State Office Building, Indianapolis, Indiana 46204.* **

Patrick W. Ryan, Executive Director, State Planning Office, P. O. Box 44425, Baton Rouge, Louisiana 70804.

Philip M. Savage, State Planning Director, State Planning Office, 189 State Street, Augusta, Maine 04330.

James B. Coulter, Secretary, Department of Natural Resources, Tawes State Office Building, Annapolis, Maryland 21401.

Charles H. W. Foster, Secretary, Executive Office of Environmental Affairs, 18 Tremont Street, Boston, Massachusetts 02108.

A. Gene Garley, Director, Department of Natural Resources, Stevens T. Mason Building, Lansing, Michigan 48926.

Gerald W. Christianson, Director, State Planning Agency, Capitol Square Building, St. Paul, Minnesota 55155.

Dr. James B. Rucker, Executive Director, Mississippi Marine Resources Council, P.O. Box 497, Long Beach, Mississippi 39560.

Robert B. Monier, Director, Office of Comprehensive Planning, State House Annex, Concord, New Hampshire 03301.

David J. Hardin, Commissioner, Department of Environmental Protection, P.O. Box 1889, Trenton, N.J. 08625.

Richard A. Wiebe, Director, Office of Planning Services, State Capitol, Albany, New York.**

James E. Harrington, Secretary, Department of Natural and Economic Resources, 116 West Jones Street, Raleigh, North Carolina 27611.

Dr. William B. Nye, Director, Department of Natural Resources, 1930 Belcher Drive, Columbus, Ohio 43224.

L. B. Day, Chairman, Department of Land Conservation and Development, 1600 SW Fourth Avenue, Rm. 660, Portland, Oregon 97201.

Name and Address

C. H. McConnell, Deputy Secretary, Resource Management, Department of Environmental Resources, P.O. Box 1467, Harrisburg, Pennsylvania 17120.

Gruz A. Matos, Secretary, Department of Natural Resources, P.O. Box 5887, Puerto de Tierra, Puerto Rico 00906.

Jerome Lessack, Acting Chief Statewide Planning Program, Department of Administration, 265 Melrose Street, Providence, Rhode Island 02907.

Edwin B. Joseph, Director, Marine Resources Division, South Carolina Coastal Zone Planning and Management Council, P.O. Box 12559, Charleston, South Carolina 29412.

Bob Armstrong, State Land Commissioner, General Lands Office, P.O. Box 12428, Capitol Station, Austin, Texas 78711.

Thomas R. Blake, Virgin Island Planning Office, Office of the Governor, P.O. Box 2605, St. Thomas, Virgin Islands 00801.**

Charles A. Christophersen, Director, Department of State Planning and Community Affairs, 1010 James Madison Building, 109 Governor Street, Richmond, Virginia 23219.

John A. Biggs, Director, Department of Ecology, State of Washington, Olympia, Washington 98504.

Joe E. Nusbaum, Secretary, Department of Administration, 1 West Wilson, Madison, Wisconsin 53711.

By Mr. ABOUREZK:

S. 3925. A bill to amend section 5532 of title 5, United States Code, relating to reduction of retired or retirement pay of retired officers of the uniformed services who are employed by the Federal Government. Referred to the Commttee on Armed Services.

Mr. ABOUREZK. Mr. President, there is an element of the Defense spending which I feel merits Senate recognition and debate. It concerns soaring military and civilian payroll and pension costs in the Department of Defense. It specifically involves military retirees now reemployed on the Federal payroll in supergrade or high grade Government positions at $36,000 a year or more. While the National Taxpayers' Union has recently estimated that there are about 100,000 double dippers now on the Federal payroll—military retirees who can collect both their Federal pay and Federal pension at the same time because of the Dual Compensation Act of 1964—I am addressing myself to a special breed of Federal Bureaucrat—the "super dipper"—who has a Federal job with $36,000 a year salary and who also collects dual compensation at taxpayers' expense. Many will soon have combined Federal pay/pension incomes of around $50,000 a year or more. This is a ridiculous situation if we really mean to fight inflation in Government spending.

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*Did not apply for Coastal Zone Management Grant in fiscal year 1974.

**Has not received a Coastal Zone Management Grant as of August 15, 1974.

According to the NTU, the Dual Compensation Act of 1964 has cost the American taxpayer at least $3 billion to date in added Defense manpower or pension costs. Government wide, it is adding about $600 millon to the Federal budget each year. Ironically, this act is usually antiveteran in its result. About 29 million veterans who are unretired now have to pay extra taxes to support about 100,000 professional military "double dippers" on the Federal payroll. This is a subject area which should be addressed later in full scale hearings by the appropriate congressonal committees in reviewing the costs and impact of the Dual Compensation Act.

I strongly feel that dual compensation in Federal jobs at the supergrade and high-grade pay levels is a real area of Pentagon fat that needs immediate attention. According to a recent study by the NTU, the American taxpayer is now in debt or liable for about $5 trillion. One aspect of this is an unfunded liability in the Military Retirement Fund around $140 billion. On top of this, the Civil Service Retirement Fund has an unfunded liability of around $70 billion. These two figures are interrelated. "Double dippers" on the Federal payroll are increasing the deficits in both of these funds.

With this in mind, and with President Ford's recent emphasis on the need for concrete actions to fight inflation, I would like to respectfully introduce the following anti-inflation, antifat, and pro-veteran amendment to the Defense Appropriations Act, which I ask unanimous consent to have printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5532(a) of title 5, United States Code, is amended by inserting "or reserve" immediately after "regular".

(b) Section 5532(b) of such title is amended to read as follows:

"(b) In the case of a retired officer of a regular or reserve component of a uniformed service who holds a position with a salary of at least $36,000 annually, an amount equal to his retired or retirement pay allocable to the period for which he receives pay shall be deducted from his pay, except for lump-sum leave payment purposes under section 5551 of this title."

(c) Section 5532(c) of such title is amended by inserting "or reserve" immediately after "regular".

Sec. 2. The amendment made by the first section of this Act shall become effective on January 1, 1975.

Mr. ABOUREZK. This amendment may only affect about 500 supergrade jobs at the $36,000 a year Federal salary level and above. However, it constitutes a very significant start in our efforts to stem inflation and eliminate obvious extravagance and misspending of the American taxpayers' dollar.

Some of these people have had four pay or pension increases in the last year. Pending executive pay increase proposals could put some of these people at the $60,000 a year level, with pension and pay combined. This kind of pay/pension squandering is an insult to millions of American taxpayers—including unretired veterans and social security retirees—who may now be struggling along without one pension or even one retirement income.

This amendment is just a small step toward total fiscal sanity. It should be followed up by full-scale hearings during this session on the Dual Compensation Act as an anti-inflation matter .

In summary, there is a strong connection between double-digit inflation in America today and double-dippers on the Federal payroll.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2022

At the request of Mr. Tunney, the Senator from Idaho (Mr. Church) and the Senator from Oklahoma (Mr. Bellmon) were added as cosponsors of S. 2022, a bill to provide part-time jobs in the Federal Civil Service.

S. 2643

At the request of Mr. Kennedy, the Senator from Michigan (Mr. Hart) was added as a cosponsor of S. 2643, a bill to revise the Immigration and Nationality Act.

S. 3305

At the request of Mr. Clark, the Senator from Michigan (Mr. Hart) and the Senator from New Jersey (Mr. Case) were added as cosponsors of S. 3305, the National Huntington's Disease Control Act.

S. 3644

At the request of Mr. Inouye, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 3644, a bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurse practitioners under medicare and medicaid.

S. 3742

At the request of Mr. Bentsen, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 3742, a bill designating San Angelo Dam on the North Concho River as the "O. C. Fisher Dam and Lake."

S. 3873

At the request of Mr. Bentsen, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 3873, a bill for the relief of the city of Arnasas Pass, Tex.

S. 3900

At the request of Mr. Bentsen, the Senator from Michigan (Mr. Hart), the Senator from Wyoming (Mr. McGee), and the Senator from South Dakota (Mr. Abourezk) were added as cosponsors of S. 3900, to create an independent anti-inflation Task Force with more specific functions and responsibilities.

S. 3919

At the request of Mr. Sparkman, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of S. 3919, a bill to authorize the establishment of a Council on Wage and Price Stability.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTIONS

SENATE CONCURRENT RESOLUTION 110

At the request of Mr. Kennedy, the Senator from New Hampshire (Mr. McIntyre), the Senators from Connecticut (Mr. Ribicoff and Mr. Weicker), the Senator from Indiana (Mr. Bayh), the Senator from Georgia (Mr. Talmadge), and the Senator from South Carolina (Mr. Hollings) were added as cosponsors of Senate Concurrent Resolution 110, a concurrent resolution relating to the situation in Cyprus.

SENATE CONCURRENT RESOLUTION 113

At the request of Mr. Percy, the Senator from Kansas (Mr. Dole) was added as a cosponsor of Senate Concurrent Resolution 113, to express congressional support of the United Nations sponsored World Food Conference and World Population Conference taking place this year.

SENATE RESOLUTION 386—SUBMISSION OF A RESOLUTION EXPRESSING THE SENSE OF THE SENATE REGARDING THE CRISIS ON CYPRUS

Mr. TUNNEY. Mr. President, the unwelcome news this morning of the death of U.S. Ambassador Rodger P. Davies in Nicosia, Cyprus, following an apparently spontaneous attack on the Embassy by Cypriot civilians, further compounds the tragedy which envelops that island.

Ambassador Davies is the latest casualty of the Cyprus crisis, which has caused untold death and destruction over the last several weeks. The American role in this crisis has not been constructive, in my view. The American actions over the past weeks—and going back for many years—are indicative of the sad state of our policy, when humanitarian and political considerations are submerged to a monolithic policy of maintaining military influence at all costs.

As we all know, the communal situation on Cyprus has been unsettled for more than a decade. Even though the Turkish community had been cut out of the government, civic leadership, and economic advances by President Makarios in the early 1960's, there was an end to the communal warfare. Moreover, the concept of complete union with Greece—

enosis—which was total anathema to the Turkish Cypriot population, was effectively suppressed by Makarios. In retrospect, it is obvious that the United States and Britain should have devoted much more effort over the past few years to resolving the communal problems on Cyprus in a manner acceptable to both sides. It was clear that Cyprus represented a continuing irritant to the stability of this area of the world, and a constant threat to NATO's southern flank.

The United States did not pursue this course, and pursued instead a policy of friendship and cooperation with the military junta in Greece after 1967. The junta actively opposed Makarios, who was seen as a left-wing demagogue, and aided the clandestine forces on Cyprus advancing the cause of enosis. The Turkish community on Cyprus, and the Turkish Government, could not have failed to view the junta's policies, and America's support for them, with the gravest alarm. Some crisis was sure to occur—but in the name of NATO stability, we persisted in backing an increasingly ineffective and unpopular regime, and sowed the seeds for a true crisis in NATO.

The Greek junta finally pushed its plans to fruition last month, with the overthrow of President Makarios, and the installation of a virulently proenosis leadership. Without a clear signal from Washington that the Cyprus coup would be opposed, the Turkish Government sent troops into Cyprus, seizing a small area on the north coast. This invasion served its purpose. Within hours, the Sampson government on Cyprus and its military sponsors in Greece had been overturned. Civilian government was restored in Greece, with great popular acclaim. The new government of President Caramanlis was clearly ready to repudiate the proenosis tendencies of the junta, and negotiate reasonably with the Turkish Government, and the parties on the island, to restore peace and communal tolerance.

The Turkish Government, however, was not satisfied. It did not heed repeated cease-fire resolutions passed by the U.N. Security Council. It used its overwhelming superiority in men and weapons to crush the Greek Cypriot national guard, and seize control over a third of the island, including the most valuable agricultural lands and economic facilities.

I was shocked and dismayed at the Turkish actions. They had no justification, once the original provocations of the Greek junta and Sampson coup had been rectified. The way to peaceful negotiation was finally before the parties, but the Turks rejected this path, and chose instead to rely on force. The Turkish Government displayed bad faith at the negotiating table, and callous disregard for human life in its onslaught. Widespread reports of looting and mistreatment of Greek Cypriots in the captured areas have been received. I suspect that the Turkish Government and armed forces have planned this aggression for a long time—almost certainly since the days and hours after the Sampson coup. And yet they misled their allies and made a pretense of negotiating in Geneva.

The force of arms, a concept abhorrent to me and condemned by the United Nations Charter, has sadly been triumphant on Cyprus. America has played an essentially useless role throughout this crisis, especially failing to put pressure on Turkey to be moderate when the prospects for a negotiated settlement became so great after the birth of the Caramanlis government.

We must now turn to the future, and continue our efforts to see justice done. The force of arms must not be allowed to dictate policy. I call on the Secretary of State and the new administration to use every effort to seek a truly negotiated settlement of the Cyprus problem, one that takes into account the legitimate needs of both sides. I also urge the immediate provision of emergency humanitarian assistance to Cyprus, to relieve the suffering of the tens of thousands of refugees who have suddenly been created on that island.

Finally, we must take a hard look at our relations with Turkey. As we are all aware, the Turkish Armed Forces are equipped with American weapons—as are the Greeks. The legislation under which these weapons have been given to Turkey most certainly does not contemplate or authorize this kind of aggression. Our Government should very seriously consider immediate termination of arms assistance to Turkey to prevent further misuse of the taxpayers' funds.

I am pleased to read this morning that the Secretary of Defense, has indeed, stated that an arms embargo might be considered by this Government in reaction to the clearly excessive Turkish military actions of the last week.

Mr. President, I ask unanimous consent to insert in the Record at this point a news article reporting the Secretary of Defense's statements yesterday, and the text of the Senate resolution which I hereby submit for the consideration of my colleagues to express this body's opposition to the actions of the Turkish Government.

There being no objection, the article was ordered to be printed in the Record, as follows:

Pentagon's Chief Cautions Turkey on Cyprus Drive—Schlesinger, in an Interview, Implies That Invaders Have Pushed Too Far—Assurance for Greece—Question of Aid to Ankara May Be Reviewed Soon as Means of Pressure

(By Leslie H. Gelb)

Washington, August 18.—Secretary of Defense James R. Schlesinger, employing Washington's toughest diplomatic language thus far in the Cyprus crisis, warned Turkey today against using her military superiority to drive the new Greek government "into a corner."

Mr. Schlesinger said that Turkey had gone beyond what any of her "friends or sympathizers" were prepared to accept in military advances in Cyprus.

While the Secretary termed it "inappropriate" to discuss what pressures Washington might bring to bear on Ankara, the clear implication was that he believed Turkey had gone too far, and that Washington should now be prepared to reassess its provision of military and economic aid to Turkey.

Mr. Schlesinger's comments on the Cyprus situation—on the CBS program "Face the Nation"—also seemed designed to undercut widespread accusations that the United States was "tilting" toward Turkey. In recent days, anger over what was perceived to be such a tilt has led to anti-American demonstrations in Greece and to Athens' decision to withdraw its armed forces from the military command of the North Atlantic Treaty Organization.

SUPPORT FOR CARAMANLIS

According to one well-placed aide, Mr. Schlesinger is seeking to do everything possible to strengthen the new Greek Government of Premier Constantine Caramanlis and to hold the door open for a reentry of Greek forces into the Atlantic alliance. If this means leaning toward Athens now, the aide explained, Mr. Schlesinger is ready to do that, as long as Washington maintains its overall position as an "honest broker."

In regard to Mr. Schlesinger's remarks about Turkey, a State Department spokesman, John F. King, said he did not know whether Mr. Schlesinger had checked his remarks with Secretary of State Kissinger or other State Department officials. The spokesman added that Mr. Schlesinger had his own views on this subject.

A ranking State Department official explained that Mr. Schlesinger had "very strong negative views about the former Greek military junta, feelings that were not reciprocated at the highest levels in this building."

The PRESIDING OFFICER. The resolution will be received and appropriately referred and, without objection, will be printed in the Record.

The resolution (S. Res. 386) which was referred to the Committee on Foreign Relations, reads as follows:

S. Res. 386

Whereas a peaceful settlement of the present crisis on Cyprus must be found, which provides for the legitimate aspirations and needs of both the Greek and Turkish communities;

Whereas the immediate irritants to the present crisis have been removed, with the restoration of civilian government in Greece and constitutional government in Cyprus;

Whereas the new government of President Caramanlis in Greece has shown great restraint, and willingness to negotiate seriously with all parties to achieve a settlement of the Cyprus problem;

Whereas the actions of the Turkish government have been in consistent disregard of the reasonable opportunities for a peaceful settlement, without excessive reliance on force of arms;

Whereas the Turkish government has ignored Security Council Resolution 353, adopted on July 20, 1974, which called for "an immediate end to foreign military intervention in the Republic of Cyprus" and "the withdrawal without delay from the Republic of Cyprus of foreign military personnel present otherwise than under the authority of international agreements."

Resolved, That it is the sense of the Senate that all Security Council Resolutions should be obeyed by the parties to this dispute, and territorial gains accomplished in violation of cease-fire resolutions should be relinquished;

Sec. 2. It is further the sense of the Senate that serious negotiations should be undertaken between the various parties to achieve a long-term settlement of the communal dispute on Cyprus, without taking into account territorial divisions accomplished by the force of arms;

Sec. 3. It is further the sense of the Senate that the United States shall use its good offices to seek these negotiations, and immediately send humanitarian assistance to Cyprus to relieve the suffering caused by the recent warfare on the island.

SEC. 4. It is further the sense of the Senate that the Secretary of State and the Secretary of Defense should give immediate consideration to suspension of arms sales and assistance to Turkey so long as Turkey is in violation of Security Council resolutions.

DEFENSE APPROPRIATIONS, 1975—AMENDMENTS

AMENDMENT NO. 1810

(Ordered to be printed and to lie on the table.)

MILITARY ASSISTANCE TO SOUTH VIETNAM
AMENDMENT NO. 1810

Mr. PROXMIRE. Mr. President, when the fiscal year 1975 defense appropriations bill (H.R. 16243) comes before the Senate later this week, I intend to offer an amendment to that bill reducing the amount of military aid provided for South Vietnam.

The bill currently provides $700,000,000 for military assistance, South Vietnamese forces under a new title VII.

My amendment would reduce this total to $550 million. The $550 million level is the same amount approved by the Senate for Vietnam in the fiscal year 1974 budget. The total that year was $650 million but $100 million of this went to Laos. Since Laos does not receive any military assistance in the fiscal year 1975 Defense appropriations bill, the dollar equivalent for South Vietnam is last year's $650 million less the $100 million for Laos or $550 million.

Mr. President I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT 1810

On page 28, line 5, strike out "$700,000,000," and insert in lieu thereof, "$550,000,000."

AMENDMENT NO. 1811

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

ENERGY TRANSPORTATION SECURITY ACT OF 1974—AMENDMENT

AMENDMENT NO. 1812

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. HOLLINGS submitted an amendment, intended to be proposed by him, to the bill (H.R. 8193) the Energy Transportation Secruity Act of 1974.

EXPORT-IMPORT BANK AMENDMENTS OF 1974—AMENDMENT

AMENDMENT NO. 1813

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an amendment, intended to be proposed by him, to the bill (S. 3917) to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

ENVIRONMENTAL PROTECTION ACT—AMENDMENTS

AMENDMENT NO. 1814

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. NELSON. Mr. President, I will now submit on behalf of myself and the distinguished Senator from Michigan (Mr. Hart), an amendment to S. 1104, introduced by Mr. Hart on March 6, 1973. The purpose of this amendment is to protect individuals threatened by certain kinds of conduct which cause very serious potential health hazards. It would come under the category of environmental health legislation.

Until recently I would never have thought we need such a law. Until recently, I believed that any court of law or any government administrator, when faced with a real risk of such serious injury to human beings, would have made sure that the danger is removed. But on June 4 of this year the U.S. Court of Appeals for the Eighth Circuit proved we do need such a law. On that date, the Eighth Circuit Court of Appeals lifted an injunction which Judge Lord of Minnesota imposed on the Reserve Mining Co. Reserve had been dumping taconite tailings into Lake Superior and the plaintiffs—which included the States of Wisconsin, Michigan, and Minnesota—proved to Judge Lord that there was a risk of cancer to those living in the Superior-Duluth region who ingested the water from the lake.

Judge Lord refused to "permit the present discharge until such time as it can be established that it has actually resulted in death to a statistically significant number of people. The sanctity of human life is of too great value to this court to permit such a thing," he said. Aware that "any environmental litigation must involve a balancing of economic dislocation with the environmental benefits," Judge Lord based his decision on his view that the defendants "have the engineering and economic capability to obviate the risk and chose not to do so in order to continue (the) profitability of the present operation." He put the whole issue into a few words and said, "This court cannot honor profit over human life and therefore, has no other choice but abate the discharge."

But in a shocking opinion, the appeals court said: "Judge Lord apparently took the position that all uncertainties should be resolved in favor of health safety."

Apparently, this court thought that in a case where tens of thousands of people were threatened with a potentially serious health hazard, all uncertainties should not be involved in favor of health or safety.

The appeals court went on to say that Judge Lord's "determination to resolve all doubts in favor of health safety represents a legislative policy judgment, not a judicial one." In other words, that court has asked us in the Congress to provide specific legislation before it decides this case in favor of the people whose health is threatened. This amendment, therefore, specifically responds to this part of the court's opinion.

I disagree with the eighth circuits' view of the law. I believe that the present law, even without this amendment, clearly protects the plaintiffs in the Reserve Mining case. I say this because I want no one to infer from my introducing this measure that I agree with the eighth circuit's notion that the law without such a bill does not protect the plaintiffs in the Reserve Mining case.

The Reserve Mining case has three key elements: First, there was a course of conduct which created a potentially serious health hazard. Second, the risk of harm was potential—not a certainty or a clear probability. And finally, in both situations it was decided that, since no one could be certain that a tragic result would occur, the course of conduct should not be stopped.

This, I submit, is more than misguided conduct; it is irresponsible in the extreme. To tolerate a serious potential health hazard when it is not absolutely necessary is unacceptable. Mr. President, the amendment I now introduce addresses itself to this very kind of situation.

The amendment is very specific and applies only in certain court proceedings:

First, the amendment is restricted to proceedings brought under one of the statutes administered by the Administrator of the Environmental Protection Agency.

Second, it is triggered only when a party is seeking equitable relief—for example, an injunction, but not monetary damages.

Third, the course of conduct must involve a kind of "discharging or emitting," and those words are defined in the amendment, or "manufacturing."

Fourth, the potential risk created must be real, it cannot be a negligible risk or only a theoretical possibility.

Fifth, the potential health hazard must be a very grave one: Death, serious illness or disease, or irreparable physical harm to humans.

In these highly urgent circumstances, the amendment would shift the burden of proof to the party creating the grave risk to health and require that party to prove either that no threat to health exists, that the threat is negligible, or that other considerations outweigh the health threat.

In other words, this measure is aimed at those situations where some evidence of a serious potential hazard exists, but the evidence is inconclusive. The legislation would prohibit the potentially dangerous conduct until it could be proved to be safe, or until it could be shown that the benefit substantially outweighs the risk.

Mr. President, in order to provide the legal context in which this amendment would operate, I would like to have set forth in the Record at this point an analysis of the precedents in this area of law. These precedents make it clear that this amendment reinforces and clarifies the oft-stated principle that environmental health and safety is of utmost importance.

In any proceeding for injunctive relief, the court's decision is discretionary and based upon equitable principles. Initially, the party seeking the injunction against an alleged hazard or nuisance must establish by a preponderance of evidence that without injunctive relief, he, or the interests he represents, is presently or imminently threatened with irreparable harm. In addition, he must carry the burden of proving that there are feasible alternatives to the other party's actions. See generally, J. Moore, Federal Practice, Section 65 (2d ed. 1972); Krier, J., "Environmental Litigation" in Law and the Environment 105 (Baldwin and Page eds. 1970). If the complainant is unable to carry this initial burden of proof, judgment will be rendered against him.

However, where there are judicially or legislatively recognized public interests at stake, courts do have broad discretion and power to protect such interests. In *United States* v. *Nutrition Service Inc.*, 227 F. Supp. 375, 399 (W.D. Pa. 1964), the U.S. district court made it clear that this is a significant power which very much affects just what a plaintiff or complainant must prove when he brings a health hazard to the court's attention:

> There is sufficient showing where as here, the Government presents evidence of violations of the provisions of a statute enacted for the protection of the public. Nor is it necessary to demonstrate the precise way in which violations of the law might result in injury to the public interest. It is sufficient to show only that the threatened act is within the declared prohibition of Congress.

In other words, the court here was satisfied with proof of a technical violation and did not require extensive proof of just how the threatened acts could harm humans.

Environmental health has been stated to be an important, even paramount, public policy by both the Congress and the courts. Congress has in fact repeatedly declared that it is the Nation's policy "to promote efforts that will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man." NEPA, 42 U.S.C. 4321 (1970).

It stated this policy again in the Air Pollution Control Act:

> The purposes of this subchapter are . . . to protect and enhance the quality of the Nation's air resources so as to promote the public health and welfare . . . 42 U.S.C. 1857(b)(1)(1970).

Similar unequvocal statements of public policy were expressed in the Federal Water Pollution Control Act:

> Standards of quality established pursuant to this subsection shall be such as to protect the public health or welfare. 33 U.S.C. 1160 (c)(3)(1970).

Congress has also mandated that where environmental degradation is also causing harm to the public health, such pollution shall be abated.

> The pollution of interstate or navigable waters . . . which endangers the health or welfare of any persons, shall be subject to abatement. . . . 33 U.S.C. 1160(a) (1970).

And with regard to air pollution:

> The pollution of the air in any state or states which endangers the health or welfare of any persons shall be subject to abatement as provided in this section. (42 U.S.C. 1857d (1970).

Courts, as well, have recognized the importance and seriousness of the stakes that are involved in litigation concerning the health and safety of the public. They have, moreover, recognized that these "newer" interests are not only equal to traditional ones but also have declared that environmental health and safety are necessarily of paramount consideraton.

Faced with a problem of having to decide novel, complex issues of scientific fact, the court in *Environmental Defense Fund et al.* v. *Ruckelshaus*, 439 F.2d 584, 594 (D.C. Cir. 1971) remanded the case for further testimony and substantiation noting,

> Courts are increasingly asked to review administrative action that touches on fundamental personal interests in life, health and liberty. These interests have always had a special claim to judicial protection in comparison with the economic interests at stake in a rate-making or licensing proceeding.

The court also made a special point to note that a threat to the public health is the most serious consideration where the standard of proof required is one of "imminent" hazard to the public. Because of the serious implications where the issue at stake is the public's health, a hazard should be considered "imminent" even though its impact will not be apparent for many years.

Noting that there was substantial disagreement between the two parties as to the validity of the evidence present the court, in *Ball* v. *Goddard*, 366 F.2d 177 (7th Cir. 1966), nonetheless, upheld the order withdrawing approval of a new drug application because of the paramount interest in protecting the public health from potentially hazardous drugs.

In *United States* v. *Nutrition Service*, supra at 388, the court weighed the relevance of the different interests represented and determined that:

> Ordinarily where no harm may be accrued by delaying a process in judicial procedure, a delay or postponement should be granted. But where the public health is a matter of concern in such litigation as it is here, no possible delay or obstruction should be permitted.

The court concluded:

> Congress intended that all persons in the national domain be protected against any such injury and this is reason enough for preventing an irreparable injury existing or threatening the public. *United States* v. *Nutrition Service, supra* at 388.

This, then, is not only the law, but it is good commonsense. Not only must courts now respect environmental concerns as important ones, but some interests, like some of those in the category of environmental health and safety, are paramount to others.

This is an important point because in deciding what is generally considered as "environment" or "environmental health" cases, courts virtually always are required to weigh these interests against other legitimate interests. That is, it is not enough simply to say "an environmental asset is being threatened"; we must also consider the value of the enterprise threatening it.

In this weighing process, some courts—like the court of appeals in the Reserve Mining case—have found themselves unable to break away from what the law used to be. The law for a long time gave great protection to economic interests, but rarely considered interests like those we now call environmental health and safety. And now, despite the unequivocal mandates cited above, some courts still fail to give adequate weight to the fact that some environmental resources, once lost, can never be regained or compensated for. Even more imperative are threats to human health. Clearly Judge Lord was correct to value health over profits.

Thus, when the court of appeals in Reserve Mining said that only the legislature could make policy of the sort demanded by plaintiffs, it must not have realized that the legislature has already declared such policy and made it the law of the land.

Another problem faced by plaintiffs in environmental health and safety cases—like Reserve Mining— is that the facts are often very complicated, with highly complex scientific and statistical questions. As a result, a court is tempted to shy away from these difficult issues. This reticence, however, consistently discriminates against plaintiffs—the ones who must rely on such scientific arguments. The court in *Crowther* v. *Seaborg*, 312 F.Supp. 1205, 1232 (7th Cir. 1966), affirmed a refusal to enjoin a nuclear project bemoaning a "lack of knowledge" about atomic radiation and said that such lack of knowledge "is not the product of insufficient scientific inquiry, but rather of the complexity of the problem presented." Under the amendment introduced by Senator Hart and me, such lack of complete scientific knowledge will not prevent a court from enjoining a grave health hazard when it is brought to the court's attention.

GENERAL REVISION OF THE COPYRIGHT LAW—AMENDMENT

AMENDMENT NO. 1815

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment, intended to be proposed by him, to the bill (S. 1361) for the general revision of the copyright law, title 17 of the United States Code, and for other purposes.

ADDITIONAL STATEMENTS

A PRAYER FOR OUR COUNTRY

Mr. GRIFFIN. Mr. President, after taking the oath of office, President Gerald R. Ford suggested that the American people, who had not selected him to be President by their ballots, could confirm him by their prayers.

In Southfield, Mich., at their Sabbath services on August 10, the members of Congregation Shaarey Zedek responded most appropriately with a beautiful prayer composed by Rabbi Irwin Groner.

I ask unanimous consent that a copy of Rabbi Groner's expression of hope and yearning be printed in the RECORD.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

A PRAYER FOR OUR COUNTRY

We thank Thee, O Lord, for America our home, a country dedicated to the ideals of freedom, justice and brotherhood. We praise Thee for the liberty, the opportunity, and the abundance we possess. Above all we praise Thee for the traditions which have made our country great and for the inspired leaders of our past who laid the foundations of this republic through faith, courage, and self sacrifice.

We have lived through a dark and painful period in our nation's history. Those entrusted with authority did abuse it. The highest office in the land was darkened by ever lengthening shadows of legal and moral wrongdoing. In the midst of this travail, many of us became disillusioned with our leaders, with ourselves, and with the failure of this government to reflect our national ideals. We have come to recognize with greater comprehension the words of Thy teacher "Righteousness maketh a nation great, but sin is a reproach to any people."

We are grateful to Thee, O Lord, for what this ordeal has taught us. We are a government of laws and not of men. These laws are designed to protect the rights of the weak against the strong, to defend the liberties of the individual against the tyranny of the powerful. We have relearned an old lesson: that the opinion of all the people is wiser than the opinion of any one man, of any small group of men.

Almighty God, we beseech Thee to look with favor upon our land and our people. Heal our wounds, bind us together, let the bitterness be replaced by forbearance and the anger muted by understanding, and the cynicism answered by trust. Justice having been done, let mercy and forgiveness complete the work of reconciliation and unity.

Heavenly Father we ask Thy blessing on Gerald Ford as he becomes the President of the United States. Mayest Thou, O Lord, to whom alone belong the dominion and the power, be his support in the fulfillment of his awesome trust, thrust upon him by unprecedented events in the experience of this people. Enable him to ensure the unfettered, uncompromised implementation of our Constitution for all the inhabitants of our land. Endow him with the spirit of wisdom that he may safeguard the physical and moral integrity of our beloved commonwealth, founded by our faith in Thee. Quicken his heart with the awareness of Thy presence, especially in the lonely moments of fateful decisions which may be his to make for us and the world.

May we, the citizens of this land, express by obedience to Thy law that we are worthy to have been made great among the nations of the earth. Above all, let us so order the affairs of this country that we heed the admonition of Thy prophet—"Let justice well up as the waters, and righteousness as a mighty stream." *Amen.*

THE COUSTEAU SOCIETY

Mr. HOLLINGS. Mr. President, I would like to commend the continuing efforts of Capt. Jacques Yves Cousteau in so effectively deepening our respect and appreciation for the mysteries of the ocean. His understanding of the myriad forms of marine life and the complex interdependence of man and the seas have prompted his great alarm at the forces endangering the oceans today. Recently, he has formed the Cousteau Society, a membership of concerned individuals, to focus on the integral role of the oceans in our life and to bring pressure to bear on those who might turn our oceans into wastelands.

I share Captain Cousteau's distress over the dying marine life and disrupted ecosystems of the sea and I strongly support his efforts to protect this most fragile, essential, and valuable resource.

Mr. President, I ask unanimous consent that a letter I received from Captain Cousteau be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY, 1974.

DEAR SENATOR HOLLINGS: A friend once told me a curious story I would like to share with you.

Some years ago, it seems, a European aquarium ran short of sea water just as it received a shipment of live salt water invertebrates, such as beautiful anemone, delicate featherduster worms or gorgonians.

Since the formula for sea water is well known, the curators decided to manufacture some. This was soon done. But when the marine creatures were installed in it they soon died.

Then, an inspiration! Some real sea water was added to a tub full of the man-made and the fragile beings that were put in it lived.

Is this not marvelous? It implies that each of the trillions of drops that the great oceans comprise has a life of its own, an invisible spark that we do not understand, but that makes possible the incredible myriads of marine life forms. (It also makes possible our own life on land, as I shall later explain.)

Surely this blessed miracle of life is the greatest treasure on earth. Yet do we humans cherish and guard it? On the contrary. Each month we now pour so many millions of tons of poisonous waste into the living sea that in perhaps twenty years, perhaps sooner the oceans will have received their mortal wound and will start to die.

I do not say this lightly. During the past thirty years my team and I have spent thousands of hours diving in aqualungs and other underwater devices.

During that time I have observed and studied closely, and with my own two eyes I have seen the oceans sicken. Certain reefs that teemed with fish only ten years ago are now almost lifeless. The ocean bottom has been raped by trawlers. Priceless wetlands have been destroyed by land fill.

And everywhere are sticky globs of oil, plastic refuse and unseen clouds of poisonous effluents.

Often, when I describe the symptoms of oceans' sickness, I hear remarks like "they're only fish" or "they're only whales" or "they're only birds."

But I assure you that our destinies are linked with theirs in the most profound and fundamental manner. For if the oceans should die—by which I mean that all life in the sea would finally cease—this would signal the end not only for marine life, but for all other animals and plants of this earth, including man!

With life departed, the ocean would become, in effect, one enormous cesspool. Billions of decaying bodies, large and small, would create such an insupportable stench that man would be forced to leave all the coastal regions. But far worse would follow—

The ocean acts as the earth's buffer. It maintains a fine balance between the many salts and gases which make life possible. But dead seas would have no buffering effect. The carbon dioxide content of the atmosphere would start on a steady and remorseless climb and when it reached a certain level, a "greenhouse effect" would be created. The heat that normally radiates outward from earth to space would be blocked by the CO_2, and sea level temperatures would dramatically increase.

One catastrophic effect of this heat would be melting of the icecaps at both the North and the South Poles. As a result, the oceans would rise by 100 feet or more, enough to flood almost all the world's major cities. These rising waters would drive one-third of the earth's billions inland, creating famine, fighting, chaos and disease on a scale almost impossible to imagine.

Meanwhile, the surface of the ocean would have scummed over with a thick film of decayed matter, and would no longer be able to give water freely to the skies through evaporation. Rain would become a rarity, creating global drought and even more famine.

But the final act is yet to come. The wretched remnant of the human race would now be packed cheek to jowl on the remaining highlands, bewildered, starving, struggling to survive from hour to hour. Then would be visited upon them the final plague, anoxia (lack of oxygen). This would be caused by the extinction of plankton algae and the reduction of land vegetation, the two sources that supply the oxygen you are now breathing.

And so man would finally die, slowly gasping out his life on some barren hill. He would have survived the oceans by perhaps thirty years. And his heirs would be bacteria and few scavenger insects.

I beg you not to dismiss this brief scenario as science fiction. The ocean *can* die, these horrors *can* happen. And there will be no place to hide.

Earth is the only planet we know of where life can exist. That is because it is that rarest of phenomena, a "water planet." Water is a peculiar and precious substance, with many oddities in its physical and chemical composition. This unique nature of water, operating in a dynamic world water system powered by the sun and the moon, provided the cradle in which life originated.

The ocean *is* life.

Yet again I ask, do we humans cherish and guard it? Consider these deadly skirmishes in the enormous assault we have unwittingly mounted against the oceans—

THE POISONED RIVERS

A researcher asked a marine biologist if he could supply a map showing which rivers pollute the ocean. The biologist had a simpler way. He said. "Any river that flows through an urban, industrial area is loaded with pollutants."

THE EXILED SEA OTTERS

An ecosystem of classic simplicity is the sea otter, the kelp and the sea urchin. Years ago the charming sea otter was abundant along the California coast, but now it has been almost wiped out. So the urchins it used to feed upon gnaw at the roots of the kelp, and what were once fecund marine jungles are now scrubby deserts.

GOODBYE WHALES, GOODBYE DOLPHINS

The only creatures on earth that have bigger—and maybe better—brains than humans are the Cetacea, the whales and the dolphins. Perhaps they could one day tell us something important, but it is unlikely that we will hear it. Because we are coldly, efficiently and economically killing them off. Recently my boat Calypso visited the Antarctic, and in every bay we saw piles of whale bones from the enormous kills of the forties and fifties when whales were all but wiped out. Not all of us wept, but we are all extremely upset.

THE COMING ABUNDANCE OF DDT

Every chemical waste or effluent, whether in air, on land, or in water, will eventually end up in the sea. Of all the DDT compounds so far produced over 30% are already in the oceans. We know that eventually all will end up there! (Production of DDT has been stopped in the States. But as always, the producers of pollutants subsidize another research, a counter research, and then, if unsuccessful, a new untested pollutant.)

"DADDY, WHAT'S A CORAL REEF?"

Years ago pollution started damaging coral reefs. In its wake came the famous starfish, doing its immemorial job of removing sick and imperfect coral. To save the reefs, divers worked around the clock injecting formaldehyde into the unfortunate echinoderms. But, alas, they were treating symptoms, not causes. It is our own profligate poisons, not the starfish, that may doom the reefs.

A NEW LOOK AT "THE ENDLESS BOUNTY OF THE SEA"

Remember when the inexhaustible sea, so-called, was going to feed all the world's new billions? Four years ago I knew that the amount of life in the oceans was dwindling at a terrifying rate. Yet I predicted that the fishing tonnage would continue to rise for a few years because of better equipment methods—and I was wrong. The tonnage of fish started down in 1971 and has kept going down ever since, in spite of more fishing vessels and better equipment.

I could add thousands more to these examples, and fill a dozen volumes. But I hope these few will convey my distress and concern at what is happening to our oceans, our planet and ourselves.

To do effective battle against such powerful forces of destruction, our Society must be totally independent. Governments, foundations and corporations, after all, do not have to breathe. We do.

How shall we accomplish our heavy task? We must present our case for the oceans to hundreds of great ones in government and industry. We must educate people around the world in classroom and theater, in television, film and print. We must continue and dramatically augment our basic research into the nature and function of the sea.

Faithfully,

Capt. Jacques-Yves Cousteau.

A MONUMENTAL CRISIS IN PUBLIC SPENDING

Mr. GOLDWATER. Mr. President, for many years I have complained about the consequences of ignorant and irresponsible Government fiscal policies. Now, according to the magazine, Government Executive, the upshot of unrestrained Government spending is rushing this country into "a monumental crisis in public spending."

In about 4 to 6 calendar years, the magazine says, the results of the trend in Government spending will make Watergate "seem like a child's game."

The magazine's opinion was set forth in an editorial written by C. W. Borklund who claims the most frightening "cover-up" in Washington is not in the White House Oval Office over tape recordings. The editorial says:

> Rather, it's the smoke screen that has blown up around the fact of how the taxpayer's dwindling supply of resources is being gobbled up by government programs.

Mr. President, because of the extreme importance of this editorial to a Congress confronted with an inflation crisis, I ask permission to have Mr. Borklund's editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Rush to a Crisis in Public Spending

The Nation's Governments, Federal, State and local, are on trial. But, thanks to such obfuscations as the Watergate—and related—business, it doesn't seem to have been noticed much. Governments, particularly legislators, for at least the past half-dozen years or so, have been doing things which, added up, can only be labelled, at best, "Ignorant and Irresponsible." Upshot is, they are rushing the country into a monumental crisis in Public spending.

In about four to six calendar years, the results of the trend will make the Watergate inquisition seem like a child's game. The most frightening "cover-up" in Washington, to us, is not in the White House Oval Office over tape recordings.

Rather, it's the smoke screen that has blown up around the facts of how the taxpayer's dwindling supply of resources is being gobbled up by Government programs. We'll have a full-blown documentation of this next month.

In the meantime, consider:

In 1956, Federal spending commanded 12.4 percent of the Gross National Product (GNP); 17.1 percent in 1966; 25.1 percent, probably, for fiscal 1976; and, on present trends, 35–37 percent in 1986.

For comparison's sake, Federal spending at the peak of World War II was about 50 percent of the GNP. What war are we fighting now?

It's not a military one. To the extent that he deserves all the credit, (and he doesn't), President Richard Nixon has outdone former Presidents Kennedy and Johnson when it comes to increased funding for so-called "social programs."

In fiscal 1968, Johnson's last budget year, total obligational authority (TOA) for Defense and military assistance programs was $75.6 billion. Assuming the current Defense budget request is approved, which seems probable, TOA for fiscal 1975 will be $92.6 billion which is, in effect, a decrease in Defense spending since 1968 when inflation's impact on the dollar's buying power is thrown into the equation.

On the other hand, Federal, State and local spending for domestic social and economic programs was $123 billion in 1966. Unless some program already legislated is cancelled or sharply cut back, social and economic program spending will be $402.4 billion in 1976. In sum, for each of the last 10 years, those programs have been increasing in expenditures at an average annual rate of 12.6 percent and currently show no signs of slowing down.

In other words, it's been increasing more than twice as fast, roughly, as the growth of the GNP—and thus of the tax base that's supposed to pay for it. What is more, we can't find any evidence anywhere of any political pundits worrying about what is being done to the taxpayer's pocketbook.

If they fret publicly at all about the issue, their target for cutbacks is routinely the Defense budget. Headlined a recent Washington Post article: "Brookings (Institution) Sees Defense Cost of $142 Billion." (by 1980.) Echoed Business Week: "A new spiral for defense spending."

Baloney. Why don't they talk about a real issue? Where, in 1980, are we going to get the 12.6 percent of additional funds—on top of the 12.6 percent increase in 1979 and 1978 and 1977 and 1976—to pay for social security and for the welfare recipients and Medicare and pollution control and education programs and mass transit and occupational safety and Government employees? (In contrast to the 3.2 million persons on the Pentagon payroll, 14 million work for State and local government—and while the former number is trending down, the latter one is rising about as fast as the number of dollars they're spending.)

We are routinely amazed at the ability of high-level Public figures to ignore these trends. Politicians being voted out of office they blame on "Watergate." The failure of social and economic programs to deliver what they've promised they blame on "lack of financing because of the money being spent in Defense."

"If we could only get another $10 billion out of Defense," they say, "we could clean up the rivers and the air and give every kid in the country a college education and guarantee the poor and the old an adequate income and cure every disease afflicting Man."

Nonsense. What did they do with the $100 billion more a year they've already received? What happened to the $52 billion a year the Feds have been sending back to the grass roots level?

The University of Michigan Institute for Social Research did an opinion survey recently of how well the Public thought 15 public and private institutions were serving the country. At the top of the "Very good" list: "the U.S. military."

At the top of the "very poor" list, in order: "President and Administration;" "Federal Government;" "Labor Unions;" "Local Governments;" "All Courts, Judicial System;" "State Governments;" "U.S. Congress." *Government* has an image problem and flimflamming the Public out of half its money without giving back noticeable benefits is not the way to a better rating.

But "image" is hardly the most important part of it. At one time, this Nation could afford to suffer and suborn the transgressions of its governments.

But not *today!*

And not at these *prices!*

C. W. Borklund.

HIGH COSTS OF ELECTRICAL POWER IN MISSISSIPPI

Mr. STENNIS. Mr. President, shortages of raw material, oil, and other petroleum products continue to plague our Nation and its people. We have hundreds of shortages which are drastically affecting our economy.

Our energy problems are far from being solved. We still allocate our petroleum products. We still have high prices.

Quite frankly, Mr. President, we are not out of the woods yet. We must not let up and go back to our wasteful ways of using energy.

Now, Mr. President, the No. 1 problem facing our Nation today is inflation. No one will argue that fact.

As everyone knows our energy problem is responsible to some extent for our high rate of inflation.

I would like to make the Senate aware of a situation in my State which illustrates the severity of this problem.

For years the utility companies in my State have built their boiler plants to burn natural gas. They did this because gas was clean, cheap, and abundant. For a secondary fuel they relied on residual fuel oil, or diesel, or a special combination.

Now what has happened. Well, we have a natural gas shortage and an oil shortage. The Federal Power Commission, of course, regulates the price of natural gas whereas oil has risen to unprecedented highs.

Recently the Federal Power Commission has told the supplier of natural gas for the utility companies in my State to curtail their sales of natural gas. In effect, they abrogated 30-year contracts in existence between the supplier and the utility company.

Now, of course, many of the utility companies have been forced to switch to their secondary source—fuel oil—to operate their plants. The fuel oil cost is extremely high. The utility companies are passing along their increased costs to the user or consumer in the form of a fuel adjustment cost which they are allowed to do by our public service commission, as in many States.

Mr. President, people are paying utility bills which equal or surpass their mortgage payments on their homes. Utility bills for many of these people have doubled or worse.

How much more can the people take, Mr. President? How long can they stand it? My answer is—not long. This is a deplorable situation. It has reached a crisis proportion.

What can be done to solve this problem? I am not sure I have a ready answer.

The long-range answer is, of course, increase our production of natural gas and petroleum. We can also use coal which is presently in abundance.

But people do not eat in the long run—they eat every day. These people need immediate relief.

Mr. President, the Federal Power Commission holds a life or death grip on my people. To further allow the withholding of natural gas will cause bankruptcies, foreclosures, and other economic woes.

I have urged the Federal Power Commission to eliminate this curtailment in view of the present fuel situation and the existing inequitable hardships being inflicted on Mississippians. If the Federal Power Commission eliminates the natural gas curtailment, then United Gas will sell natural gas to Mississippi Power & Light and other public utilities in Mississippi with whom they have long-term contracts, thus enabling these utilities to pass along the resulting saving in fuel costs to its customers.

I am hopeful that the Federal Power Commission will take favorable action soon. Also, I have urged the utility companies to determine what action they can take to obtain lower cost fuel. I am continuing to explore all possible avenues for relief.

Mr. President, I am pleased that the Commerce Committee will hold hearings on August 20 regarding this curtailment problem. The distinguished Senator from South Carolina (Mr. HOLLINGS), I understand, will preside and I am sure do his usually fine job of going into all aspects of the problem.

These hearings are very timely, Mr. President, and I commend the Commerce Committee for taking this step so that all the facts can be ascertained and all avenues for possible relief explored. Hopefully, the committee will recommend ways to solve this problem and give some relief to the people in our Nation.

Let us have some relief now and let us commit ourselves to producing more natural gas and other types of energy.

This problem has been or will become acute in every State. We all will suffer.

So, I say, Mr. President, this energy problem is far from being solved. It will continue to plague us if we do not stay on top of it. We cannot let up.

IN MEMORY OF MRS. MARTIN LUTHER KING, SR.

Mr. KENNEDY. Mr. President, the national crisis of gun abuse comes to public attention when a public figure is shot to death or maimed by the bullet of a would-be assassin. Yet, the daily death toll in this country due to guns is enormous. Nearly 25,000 Americans are shot to death each year in the United States. Guns account for nearly 70 deaths each day. The mindless argument that guns do not kill people, people do . . . has for too long, permitted the proliferation of firearms in this country, with totally insufficient restraints upon the distribution of these deadly weapons.

Ebony magazine in its September issue, presents an outstanding editorial on the need to establish a nationwide system of controls to begin reducing the number of guns in our civilian society.

Guns are too easy to obtain by those who are intent upon lawlessness or by those for whom a gun may become the easy way out if they are overcome by emotion.

Ebony magazine is quite articulate on this issue, and also understandably demanding in its call for a national campaign to reduce gun violence in America.

I ask unanimous consent to print in the RECORD the editorial—"In Memory of Mamma King," from Ebony magazine for September 1974.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IN MEMORY OF "MAMMA KING"

It was a happy time, one that would delight almost any devout Christian. Mrs. Alberta Christine Williams King had traveled widely, but her tours of Europe's capitals paled by comparison with her visit to the Holy Land last year. It was here, after all, that her Christ had triumphed, had, by the force of his own example, illuminated the human condition. And so, as she neared the end of the three score and ten years promised in her Bible, "Mamma King," as she was affectionately known, rejoiced that she had completed the most important trek of her life. To Mrs. Christine Farris, her only surviving child, she prophesied: "I'll probably never get back here again." Mother and daughter had accompanied the Rev. Martin Luther King Sr. to the Holy Land to share "Daddy King's" reward for being voted Atlanta's Minister of the Year by the National Conference of Christians and Jews.

THAT FATEFUL SUNDAY MORNING

It was also a happy time as Mamma King sat on that hot and fateful Sunday morning playing the organ at Atlanta's Ebenezer Baptist Church. As on many other Sundays, she had arisen, prepared her husband a diet breakfast of one poached egg, a slice of toast, orange juice and coffee, and prepared a cup of coffee for herself. Then she bade him farewell as he left home to attend his ministerial duties for the day. She would be following him a little later. Her own schedule was going to be full. There were two church club meetings to attend and she would preside over the Woman's Day observance at Ebenezer that morning. The day was going to be a busy one perhaps, but not an unusual one from her point of view. After all, for 25 years, Mamma King had served as Ebenezer's choir director, leaving briefly in the 1960s to work behind the scenes in "the movement" with her son, Martin Jr., and then returning as choral director in 1963 and serving until her "retirement" two years ago. Ebenezer, where she was baptized, had dominated her life. She often phoned Martin in the wee hours of the morning, bursting with some wonderful idea for a young people's group or for a special church program. Or else, having succumbed to persistent requests from adoring church members, she would periodically come out of retirement, reassemble her Martin Luther King Senior Choir and once again direct Ebenezer's music from the organ. On that most momentous of Sundays she was playing *The Lord's Prayer*.

THE HYMN NEVER ENDED

The congregation was singing "Forgive us our trespasses as we forgive those who trespass against us" when Marcus Wayne Chenault, a dropout from Ohio State University's graduate school, interrupted. He had entered Ebenezer that morning carrying two .32-caliber pistols in a small bag and had taken a seat in the "Amen Corner" where the most fervent worshippers usually sit. He had come, he later told police, because he had received "orders from God" to kill Rev. King "for worshipping a false idol." Leaping to his feet, he shouted "I'm going to kill every mother ------ here." His first bullet struck Mamma King in the face and she toppled over the organ keyboard. Her husband rushed to her side, crying, "Honey, where are you hurt?" She never answered. Before Chenault's frenzy had spent itself, church deacon Edward Boykin, 69, was also slain and retired school teacher Mrs. Jimmie Mitchell, 66, suffered a neck wound.

At Mamma King's funeral the Rev. Otis Moss of Lockland, Ohio, a former aide to Daddy King, observed that she had no control over the dates that would appear on her tomb: 1904–1974. "But that little dash in between 1904 and 1974, she could control that," he added. "She would not lose it. She would not abuse it. But God only knows she did use it."

This daughter, wife and mother of ministers, who had successfully lived the Christian life, communicating her intense spiritual strength to the entire King clan and to countless others; this woman who by the force of her own example had taught the sense of kindness, the sense of forgiveness, the sense of love; this woman who had given birth to the world's greatest civil rights warrior—to this shy, unpretentious, gentle woman it never occurred that she, too, would meet her death from an assassin's bullet as did her famous son six years ago. Yet, in the midst of lesser adversity, she had always taught her three children that they should not despair since their lot was no more difficult than that of others. "Why should we be spared from a difficult time?" Mamma King would ask. "We are not so special that nothing difficult shouldn't come to us. You must prepare yourself to meet it and live with it."

Or die with it if that, too, was necessary. Yet Mamma King did not contemplate eternity while slighting the here and now. This was the year she was going to have her first garden. She planted it carefully, putting in a row of tomato plants, some collards and turnip greens. A large tree shaded part of her yard and she had it cut down. Near her vegetable plot she planted a flower bed. It was a common sight to see Mamma King out working in the garden, aided by her young grandson, Albert. Today the King clan feasts from that garden.

MAMMA KING'S MEMORIAL

For one who has given so much to the living there can be no more fitting a memorial than a concerted public effort to correct the condition that brought about her tragic demise. That condition is graphically underscored by the ready accessibility of hand guns. The guns keep flowing to children, to madmen, to criminals. No one notices, really, until a Kennedy, a King or some other public figure is murdered. Then there is a great hue and cry, a wringing of hands and a gnashing of teeth. Some citizens profess not to have an answer to the gun control problem and that frees them of the responsibility of having one. Others contend that the nation must not move too rapidly on the problem and thus avoid the necessity of getting started. Still others claim the gun control problem is inseparable from other problems and therefore cannot be solved until all the other problems are solved. The evasions mount while the orgy of gun use goes on, menacing and murdering the innocent.

Powerful gun lobbyists like the National Rifle Assn. have argued that a gun is an amoral tool which cannot itself be blamed if its users turn out to be careless or violent. But the moral status of tools is hardly at issue. What is at issue is the immorality of making guns easily available to the responsible and the irresponsible alike. While Marcus Chenault's weapons were stolen from the bedroom of his father, a Dayton, Ohio, security guard, most other hand guns can be purchased with little or no difficulty. At least, that has been the experience of another young man in Atlanta who is close to Chenault's 23 years. Although he has a history of psychiatric instability that has alarmed many of his fellow Atlantans, he is allowed to have a gun permit. Curiously, this second young man, who is duplicated manyfold across the nation, claims he is ordained to carry out the non-violent mission of Martin Luther King Jr. Chenault also claimed divine ordination after completing his murderous mission. The ultimate protection against such madness is to take hand guns out of general circulation. Since gun regulations vary drastically from state to state, the nation desperately needs a uniform federal law banning hand gun ownership by private citizens except under special circumstances. Thus, persons with murder in their hearts will be restrained to some extent from acting out their aggression if they cannot readily obtain guns. That, indeed, has been the positive result in England which, by taking lethal weapons out of general circulation, can boast an annual death-from-hand-guns rate some 217 times lower than in the United States. Since we as a nation are afflicted with the disease of violence, effective federal gun control legislation alone will not cure us. But it will surely provide effective relief—perhaps saving the lives of other Mamma Kings—while we gain time to work at the real roots of our national sickness.

ALLEGATIONS REGARDING CONGRESSIONAL EMPLOYMENT PRACTICES

Mr. TAFT. Mr. President, yesterday an article appeared in the Washington Post containing some most disturbing allegations regarding congressional employment practices. As the ranking Senate minority member of the Joint Committee on Congressional Operations, the committee with jurisdiction over the Congressional Placement Office, from which the information came, I was especially concerned about the possibility that the Placement Office could conceivably be involved in a conspiracy to violate individuals' civil rights as a result of certain applicant referral and screening procedures. Accordingly, I have contacted Senator Metcalf, chairman of the Joint Committee, who is equally concerned about such allegations, and asked for a complete investigation of this matter. Senator Metcalf has assured me such an investigation will be forthcoming. Certainly we should, if we do not already, have standard practices of refusing to process any application with discriminatory conditions violative of our equal opportunity laws.

Whatever the results of our investigation might disclose, I as one committee member, will use every influence I have to see that the Placement Office in the future does not become involved, directly or indirectly, in abetting discrimination in any fashion against individuals seeking employment. Although the 1972 amendments to title VII of the Civil Rights Act of 1964 does contain an exemption for employment procedures in a substantial part of the legislative branch, I believe we in the Congress have an obligation to abide by the spirit and the letter of the law in this area. To do otherwise would not only be extremely hypocritical on the part of the Congress, but would also involve the legislative branch in the suppression of human rights and dignities of individual citizens—a practice which cannot be condoned by any acceptable standard.

TRAGEDY IN CYPRUS

Mr. PELL. Mr. President, the tragedy in Cyprus goes on and the toll of victims continues to mount.

The needless, vengeful, and wasteful murder of Ambassador Rodger P. Davies is an act I deplore and condemn. He was a fine and decent man who had been working tirelessly to find a compromise solution to the present crisis.

Mr. President, there are three actions which the United States should take quickly and decisively to halt the Turkish aggression on Cyprus.

First, we must stop fueling Turkish aggression by halting our military assistance program to Turkey until that nation complies with the dictates of the United Nations Security Council resolution,

Second, we should publicly condemn the excesses of the Turkish military action which has brought tragic suffering and hardship to the Cypriot people.

Third, we should remove our nuclear weapons from the Turkish-Greek tinderbox. Few Americans realize that, from the viewpoint of the number of nuclear weapons on its soil, Turkey has become one of the world's largest nuclear powers.

Mr. President, the United States is now reaping the fruits of its ill-considered policy of 7 years' support of the despotic government of the Greek juntas. From the first coup by a junta in 1967, the United States never once uttered an official public word of condemnation of that ugly regime. My voice and those of a very few of us in the Congress these 7 years were ignored by the administration and denounced by the juntas. I do hope, however, we gave a glimpse of hope to some of the imprisoned Greeks in their tortured travail.

The Greek people, who had come to consider the United States their main ally and patron, never felt able to restore a democratic government in their own land in part because the United States officially acquiesced to a rule of brute force.

Now, the United States is acquiescing to the use of brute force by Turkish forces on Cyprus. Our Nation has always adhered to the principle that force cannot be substituted for political legitimacy and that might cannot replace the need for compromise and negotiation. In Vietnam alone, the United States spilt more than 50,000 of its lives and $100 billion of its treasure defending the right of the Vietnamese people to find a political solution without coercion. Are we now to abandon this principle in Cyprus?

On Cyprus, we see the spectacle of Turkey forcibly changing frontiers and the very structure of government of the sovereign nation of Cyprus by military action.

As the Turkish agression continues, the Greek Government has so far chosen to avoid military confrontation with Turkey. One can only applaud the courage and strength of Mr. Karamanlis who has demonstrated great statesmanship by not yielding to the emotional pressures calling for an armed response.

Realistically, however, how much longer can he hold out if Turkey continues its agression. The United States must do everything in its power to impress the Turks that a military solution is out of the question.

Last Thursday I introduced Senate concurrent resolution 111 to accomplish the first of these goals—an end to all aid to Turkey and Greece until the United Nations cease-fire resolutions are honored. In the wake of Ambassador Davies' murder and the absence of a true cease-fire, it is imperative that the United States act.

Congress, by supporting my resolution, can demonstrate the full extent of our commitment to peace and the rule of law.

THE PROPOSED ENERGY TRANSPORTATION SECURITY ACT OF 1974—"SUPERBOONDOGGLE"

Mr. COTTON. Mr. President, presently pending on the Senate calendar of business is the bill, H.R. 8193, the proposed Energy Transportation Security Act of 1974, which would require increasing percentages of all oil imported into the United States to be transported on U.S.-flag vessels.

My opposition to such oil import cargo preference legislation is based principally on the potential cost of the bill to the American consumer and taxpayer. Not only will such cargo preference legislation increase the cost of oil to consumers, but it also will have an inflationary impact on this Nation's economy.

American shipyards are presently experiencing a record peacetime business boom with a backlog of orders valued at $6.5 billion. Yet, this bill would require a vastly increased tanker construction program. Such a program would be undertaken in the face of an anticipated world surplus of tankers.

Mr. President, because an editorial appearing in today's Wall Street Journal, entitled "Superboondoggle," puts this issue in perspective, I ask unanimous consent to print it in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Aug. 19, 1974]

SUPERBOONDOGGLE

When the Energy Transportation Security Act of 1974 arrives on the Senate floor today, Senators who have committed themselves to vote for this superboondoggle would be wise to phone in sick. There's no way they can justify supporting this bill, except if they wish to argue that the rate on inflation in the United States is now too low.

In the name of "national security," proponents of the bill would require that 30% of all petroleum imported into the U.S. be carried in American tankers, By 1977, some 40 supertankers would have to be constructed in American yards at a cost of $4 billion. The U.S. would then presumably be secure against a joint economic attack by the Panamanians, Greeks, Liberians and Swedes.

The dimensions of this boondoggle can not be fully appreciated without an awareness of the superglut of supertankers that's on the way. Fortune magazine finds that "the industry as a whole will have 600 supertankers coming on the market in the next four years," and that some authoritative sources predict one-quarter of the world tanker fleet will be surplus by 1978. The reopening of the Suez Canal will cut the need for supertankers, as will the development of North Sea oil.

The legislation is so bad President Ford should not even threaten to veto it. He might more effectively bring the Senate to its senses by threatening to sign it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, no human right is more precious than the right to life itself. The International Convention on the Prevention and Punishment of the Crime of Genocide was drafted to protect that right against systematic abuse. This accord, ratified by more than 75 nations, defines genocide as an international crime, and obligates its signatories to act against violators of the treaty.

One of the more controversial aspects of the convention is its prohibition of "direct and public incitement to commit genocide." Critics of the agreement have argued that this provision is subject to loose interpretation, and that it could be applied in a manner that infringes upon Americans first amendment liberties. An unsympathetic international tribunal, these critics assert, could accuse American citizens of genocidal conspiracy for making the sort of outlandish statements our Bill of Rights seeks to guarantee their right to make.

But these fears are unfounded. First, it is clear that the Constitution is supreme; no treaty can override the clear commands of the first amendment. Second, our own Supreme Court has, in the well-known Brandenburg against Ohio decision, established a definition of incitement that former Supreme Court Justice Arthur Goldberg has called "perfectly consistent" with the Genocide Convention's terms. That definition—that incitement is action directed toward, as Justice Goldberg put it, "producing imminent lawless action" and "likely to incite or produce such actions"—would not clash with the convention's more general description.

We must not, as we plod through examinations of the legal intricacies of the genocide accord, lose sight of its real purpose. It is intended to prevent the recurrence of the most heinous of crimes, the bestiality that took millions of lives in World War II. We must take care that we do not, in the name of individual liberty, leave the world more vulnerable to the most drastic abuse of collective power. I urge the immediate reconsideration and ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide.

THE CALIFORNIA COAST: BLUEPRINT FOR PLANNING?

Mr. CRANSTON. Mr. President, the August 18 edition of the Washington Post carried a remarkably perceptive story on "The Fight Over 'Improving' the California Coastline," by Rasa Gustaitis.

The article is one of the most historically accurate features on this important issue I have seen.

Because what is happening in California has implications not only for the rest of coastal America, but for land use planning all over the country, I invite the attention of my Senate colleagues to the story and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Aug. 18, 1974]

THE FIGHT OVER "IMPROVING" THE CALIFORNIA COASTLINE

(By Rasa Gustaitis)

San Francisco.—Sea Ranch is a vacation home subdivision with a national name as an example of design harmonious with nature. Its natural wood dwellings nestle amid waving grasses, fences are barred and open space is required. No wonder its developers have reaped architectural honors.

But among California conservationists, Sea Ranch is under attack as one of the big environmental problems for the Pacific coast. Sprawled along 10 miles of Sonoma County's most beautiful shore, it is the kind of development—despite its quality—that has been sealing off the oceanside as the private domain of a few. Lately, Sea Ranch has become a major testing ground for the effectiveness of the state's two-year-old Coastal Zone Conservation Act, the nation's broadest and most innovative land and marine use experiment.

California's 1,000-mile coast is America's longest and most diverse. Between Oregon and Mexico it includes forested mountains, deserts, sheep ranches, fishing villages, lemon and avocado groves, artichoke fields, overcrowded cities and industrial regions. There are atomic power plants, offshore oil wells, plans for deep-water ports. Abous 85 per cent of California's 20 million residents live within 30 miles of the coast.

Yet, increasingly, private residential development, mostly of second homes, has blocked public access to the ocean, driven out lower-income residents and farmers, destroyed wildlife and prime farming lands.

Then, two years ago, voters passed Proposition 20, an initiative declaring "that the California coastal zone is a distinct and valuable natural resource belonging to all people and existing as a delicately balanced ecosystem." Six regional and one state coastal zone conservation commission were created to develop a plan to "preserve, protect and where possible, restore" that resource "for the enjoyment of the current and succeeding generations."

This plan is to be presented to the legislature by Jan. 1, 1976. It is to cover an area three miles seaward from mean high tide and five miles inland or to the highest peak of the nearest mountain range.

In the interim the commissions have power to control development within 1,000 yards of the coast through issuance of permits. They are charged with preventing any project that would have "substantial adverse environmental and ecological effect" or would be inconsistent with the purposes of the act.

In keeping with that mandate, the state commission has made further building at Sea Ranch contingent on a series of steps to protect the public interest. In so doing, it has angered the developer and Sea Ranch lot owners, who think the requirements unfair, and conservationists, who favor a more comprehensive building moratorium.

ALL NEW PROBLEMS

The Sea Ranch controversy is a vivid example of the complexity of the coastal commissions' task.

Some 20 years ago, when the development was begun, its true public cost and impact were not considered by public agencies. Now Proposition 20 requires confrontation of these great costs.

If Sea Ranch is built, as planned, with 5,200 homes and condominiums, it will be the largest population cluster within many miles of the coast, bringing an array of problems. Septic tanks almost certainly will prove inadequate. Water needs will conflict with the needs of other life forms under the commissions' protection.

The two-lane coastal highway will be jammed by Sea Ranch traffic, at the expense of travelers to parks, camping grounds and nearby towns. Highway 1, snaking at cliff-edge past breathtaking views, is now a recreational asset. Yet pressures for widening it probably will arise.

These "improvements" will come out of the taxpayers' pockets. Is it fair to impose these costs of a luxury private vacation retreat on the general public? Was it fair to permit Sea Ranch to threaten the coastal environment further?

The state commission pondered these questions and decided that Sea Ranch had to be scaled down. But how to do it without injustice to property owners?

The commission ordered the Sea Ranch Association, which represents owners of about 1,760 lots, to meet certain requirements before lot owners could build. The association was told to provide limited public access to the coast, to monitor cumulative effects of septic tanks and provide for sewers and sewage treatment systems if these proved necessary, to monitor effects of water diversion on fish life in the nearby Gualala River, and to thin tree, planted by the developer, which blocked ocean views from Highway 1.

Some Sea Ranchers who wished to build before the association complied, could do so if they posted $1,500 with the local commission to use in reducing environment problems if the association failed to comply within a year.

The order came in response to a permit appeal by 11 lot owners, including Dr. Joseph Picchi of Oakland, who bought two half-acre lots in 1967. He built his family retreat on one and planned to sell the second. When no buyers turned up he decided to build a house on that lot, too, to improve its salability.

By this time the coastal law was in effect, so Dr. Picchi applied for a permit. The regional commission turned him down. * * * Rather than modify his design, Dr. Picchi appealed to the state commission. He disagreed about the view-blocking effect and he saw the commission's ruling as "arbitrary to the point of malfeasance."

He could not reconcile it with the fact that the Sea Ranch developer, with that same commission's consent, was ripping up more land for more half-acre lots just up the road.

The explanation was that Oceanic-California, Inc., was exempt from the law because it had invested substantially in that land before the law went into effect. Dr. Picchi was not moved. He already had paid for his two half-acres.

When the state commission responded with even more complex requirements, Dr. Picchi and the other 10 lot owners went to court.

Oceanic-California, likewise, is suing the coastal commission, claiming an exemption for all of Sea Ranch. As long as Dr. Picchi can't build as he wishes, lot sales are understandably slow.

Warren Height, president of Oceanic-California, sees Sea Ranch as the victim of people who want to stop all coastal building. "We're the best," he said. "If you can stop the good ones, you can stop anyone."

A SUBTLE CHANGE

In the view of Celia von der Muehl, a Sierra Club expert on coastal issues, however, "Sea Ranch is a test of whether the Coastal Conservation Act is capable of dealing effectively with existing subdivisions in remote areas." In her opinion, the commission could have stopped all further development until the long-range plan is finished, but rejected it as too harsh.

It was, in part, the development of Sea Ranch that sparked the movement that was to lead to Proposition 20. Angered by its denial of public access to so much of the coast, William Kortum, a Sonoma County veterinarian, organized opposition to the necessary zoning change from sheep farm to second-home intensity. When that failed, he led a move for a county initiative that would require access every mile to the tidelands that, under the state constitution, are public.

The initiative failed. Kortum blamed a large infusion of funds by the developer into the opposition. Height said the firm paid for ads but denied it had spent nearly as much as Kortum alleged.

A bill providing reasonable access subsequently passed the state legislature. Together with the Bay Conservation and Development Act, which set up a commission to prevent further filling of San Francisco Bay, it became a stepping stone for further coastal regulation.

When the legislature defeated even the weakest of these bills for three years in a row, a coalition of environmental groups, the Coastal Alliance, turned to the initiative process which, in California, allows voters to adopt legislation by popular ballot.

The big question now is whether the commissions can come up with a plan that reflects the will of the voters in Proposition 20 and, if they do, whether the legislature will pass it.

"A year ago I wouldn't have given it a chance," said Kortum. "But now, after Watergate, there have been changes. The markup of the legislature will be more favorable in 1976."

The commissions, at first, seemed to be dominated by developer friends. Not one leader in the fight for Proposition 20 was appointed.

One half of the 84 commissioners are locally elected officials. The other half are public representatives appointed one-third by the governor, one-third by the Senate Rules Committee, one-third by the Speaker of the Assembly.

One conservationist believes that this conservative makeup of the commission was beneficial in gaining public acceptance for innovative measures. He says it "limited the fear that all development would be stopped and forced citizens groups to come out and fight. Also, developer-oriented types for the first time began to see regional implications of decisions on local issues. A subtle change has taken place with many of the commissioners: a move toward a moderate, fairly progressive point of view."

LACK OF FUNDS

The program's major weakness is lack of funds. The initiative provided $5 million for three years. The federal Coastal Zone Management Act of 1972 brought $720,000 more. But requests for further money were repeatedly rejected by the state legislature or vetoed by Gov. Ronald Reagan, according to state commission counsel Joseph Petrillo.

Consequently, the state commission cannot hire adequate staff nor the consultants it needs for the gigantic task of writing the coastal plan, and deal with the overwhelming flow of permit applications.

"The permit element has become much larger, more debilitating and worrisome than anyone anticipated," said state commissioner Richard A. Wilson, a Round Valley sheep rancher and a Republican. He noted that commissioners and staff have to take time off from planning to deal with permits. In addition, some permits involve planning decisions which will set precedents.

By far the most controversial permit application so far was the proposed expansion of the nuclear power plant at San Onofre, three miles south of San Clemente. The Southern California Edison Co. and San Diego Gas and Electric Co. wanted two more reactors.

The utilities had approval from the Atomic Energy Commission, the Environmental Protection Agency, the California Public Utilities Commission, the state and regional water control boards, and the Southern California Regional Coastal Commission. Last December, the state commission took up an appeal by environmentalists, who argued that the new reactors would harm the bluffs, beaches and marine life through their cooling system.

Wilson added an economic argument: He foresaw trouble because "only a huge rate acceleration" could lead private industry to develop reactors to match AEC quality. He foresaw breakdowns, poor performance and a financial morass.

The commission, to nearly everyone's astonishment, rejected the utilities' application.

This was at the height of last winter's gas crisis. Angry protests poured in from legislators, the governor and the media. The commission was accused of putting fish ahead of people, of threatening Californian's prospects for light, heat and jobs.

On Feb. 20, the commission reversed itself and approved the project, with some stipulations.

"The experience showed that this commission, like others, is subject to pressure," said Wilson, who cast one of the votes against the proposal.

But Joseph E. Bodovitz, executive director of the state commission, said the reversal was "absolutely not" a collapse before political pressure. He said the utilities agreed to take steps to monitor effects on marine environment and to prevent damage if it occurs. They would protect "the most scenic area," he said, and provide public access. "With these conditions, the plant meets standards of environmental law," he said.

"The basic objection was to nuclear power in the area, which is rapidly urbanizing" according to Bodovitz. The attorney general advised that only the federal government has jurisdiction on that basis. So the commission had to decide on an environmental basis."

Like the Sea Ranch case, the San Onofre issue showed the commission to be moderate, if not lenient, in its interpretation of the coastal act.

The overall record is unspectacular. So far, more than 90 per cent of all permit applications have been granted. Many, to be sure, have been for additions to existing structures or replacement building. Many have been for new constructibon, but in areas not suitable for conservation.

However, even elsewhere, the commissions are highly reluctant to turn down applications from single-lot owners, partly out of political prudence—fearing voter ire in 1976—and partly out of a sense of fairness. After all, not much can be done with a house-sized lot except build a house on it.

THE MORRO BAY CASE

But so much of the cost is already subdivided that the cumulative effect of this attitude is to permit rapid development in many areas.

In Morro Bay, for instance, a commercial fishing center about half-way between Los Angeles and San Francisco, the coastal control act may actually have accelerated growth. At the edge of a 2,000-acre lagoon where as many as 25,000 birds have been counted in one day, Morro Bay is largely residential. The coastal act has made homes in the community more desirable. A lenient commission has been approving almost every application for a permit. Some structures have been built without permits. There has been no enforcement.

In that region, the coastal commission has functioned more as a zoning appeals aboard than as the broad planning body envisioned in the act.

Elsewhere, however, particularly in areas where development has been minimal, it has made some important decisions.

At Bodega Bay, 60 miles north of San Francisco, for instance, a permit for a 1,600-home condominium was denied because the area, primarily agricultural, would have been significantly affected.

Southward, in Carpinteria, a project for 116 single-family homes was denied because it would encourage the further urbanization of land ideal for growing lemons and avocados. A further reason for denial was the absence of local public parks.

The long-range effects of commission actions so far are hard to gauge, partly because "very few of the approved projects have been built," said Petrillo. "Those that have been built are almost invariably the worst. Where sensitive modifications were required by the commissions, the projects became too expensive by builder standards in some cases."

SMALLER PLANS

Another development the size of Sea Ranch in a remote area is not likely. "We're getting projects now that are smaller and better designed and have more environmental controls," Petrillo said.

Also unlikely is another Marina del Ray, the giant high-rise residential complex, mostly for single people, which is rapidly converting Venice from a mixed Los Angeles neighborhood to a high-priced district.

The massive infusion of funds represented by Marina del Ray raised land values, drove out elderly people living on social security and many of the artists and dropouts who have traditionally lived in Venice. It forced inland residents of the only black ghetto within walking distance of a Southern California beach.

Access to a two-mile public beach has been limited to one tip because of the private development. Traffic arteries are strained and there is a plan to build another freeway through Venice, causing further dislocation.

The coastal commissions were created too late to stop the Marina del Ray project. But now, before further development can proceed, various protective measures have to be taken, including provision of adequate public transit.

These decisions reflect evolution of commission policy, which can be expected to become part of the coming plan. There are indications that one primary emphasis will be on preservation of agricultural zones, both the 3½ million acres now in use and other suitable land. Many specialty crops, such as artichokes, avocados and cut flowers, do best on the coast. Despite the profitability of their cultivation, the higher profits available through urban land uses have in the past proved irresistible without public controls.

An attempt will be made to protect the habitat of salmon and steelhead, which have declined by at least 50 per cent in the past 30 years, largely because of logging, mining, water-diversion, landfills and flood controls.

Commercial development such as marinas, hotels and camping areas probably will be given preference over private residential development because they benefit more people.

There will be an effort to reduce the impact of offshore oil drilling, new tanker facilities and power plants through measures that encourage conservation and efficiency. Public transit will be encouraged.

Just how much will be accomplished will depend, in large part, on citizen involvement. They are, by and large, an unequal match for the powerful private interests with eyes on the coast.

Nevertheless, persistent citizens or groups have used the commission to press their cases, winning some and losing others. Several of those citizens are running for public office and campaigning for proper respect for land and sea.

In many ways the California struggle is being waged in various states—and in Congress itself with land use bills. Throughout the debates the California coastal experiment stands to become a model of how to guard the "delicately balanced ecosystem."

THE SUPERSONIC TRANSPORT PROGRAM

Mr. GOLDWATER. Mr. President, as most Members of the Senate know, I have been and am a strong supporter of the supersonic transport program which the Senate defeated several years ago.

I believe that it is very interesting that anything negative which reflects on the British-French Concorde, which is Western Europe's version of the SST gets immediate and prominent display in publications in this country. However, developments that tend to show what Britain and France may have achieved through the development of the Concorde are invariably relegated to specialized publications.

A fascinating article on the Concorde was written recently by Richard D. Fitzsimmons who is employed by the Douglas Aircraft Co. and who formerly worked as an aeronautics specialist in the National Aeronautics and Space Council. In an article written for the magazine Astronautics and Aeronautics, Mr. Fitzsimmons raised some pertinent questions regarding the future market for aircraft. He described a situation in which the Concorde could place the British and the French far out ahead in this aspect of future international air commerce. In other words, he did not accept the argument that because the Concorde has developed some "bugs" here and there that it is a dead concept. He also went into the subject of air travel costs and how they might affect the future of the European SST. This is the way Mr. Fitzsimmons put part of his arguments:

All kinds of groups, and eventually Congress said "no" to the SST. Only the passenger has not been heard from. When the Concorde goes into service, we think he will say "yes."

If the British and the French continue the present program to measure passenger response, and then step up to an aircraft economically superior to the present Concorde, they stand alone as being able to offer an economical supersonic transport to the Free World, at least for 10 years. Then the U.S. may well find itself standing on the outside as in 1952, but this time with no military development to save its commercial position of world leadership.

Mr. President, this article involving the future of one of our largest industries is of obvious importance. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TESTING THE MARKET

(By Richard D. Fitzsimmons)

Two values of air transportation override all others. The first, service for the business traveler, requires schedules with minimum inconvenience. The second, pleasure travel, requires low fare in place of some conveniences, but not regular schedules.

For many years the industry emphasized serving the business air-traveler. His needs dictated air-transportation development up to the time of the jet era when first-class and economy passengers were combined in one scheduled airplane service. Up to 1952 all U.S. air travel was first class. Then economy service was introduced in unpressurized slow aircraft with late-night departures. The public responded overwhelmingly to this new, low-fare service. Some introduction of the jets, air transportation has been strongly influenced by the surge in demand for economy travel.

The trend has been to lower air fares and improved service for the pleasure traveler; and it obviously has spelled success, as evidenced by the high growth rate of air transportation. On the North Atlantic, passengers today split 5% to first class and 95% to economy. This change in market has obscured the fact that first-class passenger travel continues to grow at a good rate in spite of the reduced differences in services offered between it and economy.

Consequently, the air-transportation system now lacks differentiation. Differences in schedules and airplane types between first class and economy no longer exist as they did up through 1958. Lower tourist fares have necessitated larger airplanes in lieu of expansion of frequency or introduction of more point-to-point services. The business traveler lacks the leverage to exact special conveniences in service. At the same time, the vacation traveler must pay more to cover unnecessary (from his point of view) scheduled service, lower load factors, and travel to major cities not necessarily his ultimate destination.

Combining business and tourist traffic in the same airplanes may not be the best answer economically—witness the fact that overseas charters by both scheduled and unscheduled operators have opened pleasure travel to increasingly larger numbers of people. In the short term this expansion of low-cost charter service naturally reduces demand for scheduled service. In the long term it means fares may have to be increased for scheduled service; it probably means smaller average size for airplanes in scheduled service; and it necessitates a reevaluation of the services provided the business traveler, including frequency, time saved, point-point service, and convenience. Should these trends prevail, reemphasizing scheduled services for the business traveler should open up a much greater market for a supersonic airplane like the Concorde than many now are willing to admit.

In 1976, when passengers first have the opportunity to patronize this supersonic aircraft, it will be immediately apparent if new attention must be directed toward satisfying the long-haul business traveler. If he shows up in large numbers to fly on supersonic transports, U.S. aviation may have a new "Sputnik" to face. Our airlines, our industry, and our nation will have been put again into a position of having to catch up.

To grasp what a trailing technical position in aviation can mean, let me take you back in time and place you in the preliminary-design department of a major U.S. airframe manufacturer in the year 1950. For four years your studies had shown jet propulsion could be applied to civil aviation and that civil jet transports could be made economical based upon the technologies developed through military jet bombers. However, your management remains unconvinced and the plant activities remain 99% military.

Meanwhile, North Atlantic traffic has been growing, and a few optimists think that jet service could take over a large share of the sea travel, maybe even generate some new markets as well. One chief executive of a major airline predicts a world market of only 50 to 55 jet aircraft. He also thinks 360 mph fast enough—who needs the extra speed a jet offers?

In England, another attitude prevails. As part of a British national plan, De Havilland moves ahead on the first civil jet transport, the Comet.

Fortunately, a USAF turboprop tanker requirement emerges in 1952; and with six years of preliminary design backed by thousands of hours of military flight experience, it proves straightforward to establish a solid technology case and offer a turbojet tanker proposal instead: the military KC–135 tanker-transport.

Much has been written of the so-called "16-million-dollar gamble" taken by Boeing on the Dash 80 prototype. Many use this as an example of how U.S. industry can step up to high-risk civil airplane development programs when the payoff is big. In reality many people who worked on that program think the gamble was made 99% for the military tanker contract (KC–135) and only 1% for future civil-transport opportunities (707). (In 1952 there was little talk of the advantages of diversification for a military contractor whose past civil-aircraft programs had been bad financial ventures.)

As late as the summer of 1954, after the first flight of the Dash 80 prototype, and after the KC–135 tanker production was underway, there still was no concerted effort to market a civil transport. Boeing's commercial sales staff consisted of only four people. Fortunately, research in civil jet transport technology could not be separated from the military application, and the jet-transport effort continued.

Look at this comparison of information from one of the 1952 jet-transport reports and features being predicted for supersonic commercial flight:

1952: Jets should provide:
Higher speed.
Lower operating cost.
Improved reliability.
Flight above weather.
Reduced vibration.
Improved safety.
This requires:
Longer and stronger runways.
Airport supplies of jet fuel.
Today: Supersonic should provide:
Higher speed.
Compatibility with existing airport system.

For the jet, speed was but one of the new features predicted. Flight above the weather sounds unimportant today, but in 1952 that was truly impressive. Travelers were used to seeing food sent tumbling as turbulent weather buffeted the airplane. Elimination of vibration, reduction of cabin noise, and vastly improved schedule reliability and airplane safety—the jet offered all these important factors. As we look back, the 1952 requirements for new fuel supplies and new airports for the proposed jets make today's Concorde facility requirements seem simple.

Invariably, the first check an airline executive made on his first jet test flight was to balance a nickel on end and see how long it would stand. This smooth ride itself meant a big advantage for the jet over reciprocating-engine transports.

These values of jet propulsion to civil aviation existed only on paper in the U.S. in 1952. The British began Comet services to Johannesburg in May that year.

Andre Priester, chief engineer for PAA, and one of the true pioneers of overseas airline travel, sent out a Christmas card that expressed his concern about the lack of a U.S. civil jet program. Depicting Paul Revere's lantern signals from the Old North Church. "One if by land and two if by sea." Priester added a third light and the statements, "Three if by air. The Comets are coming!"

In nearly two years of service, Johannesburg to London, Comets operated at a load factor of 88%, with almost every seat filled on every flight. Including the services to India, the entire 30,000 hours of Comet operations in the two years averaged a load factor of 86%. Of equal significance, the operators. BOAC and South African Airways (SAA), both reported profits on these operations. Yet the Comet I and its 36 seats was by every acceptable measure of comparative analysis uneconomical. Unfortunately, the economic equations did not cover passenger preference.

Efficient but empty airplanes can not compete with filled inefficient ones. The Comet operators made all the profits, and the competitors lost heavily. The Comet and its derivatives would undoubtedly have captured the lion's share of the world's markets had it not been for the unfortunate accidents ending in the grounding of the fleet in 1954.

The Comet I, with only 36 seats, had to be operated at fare levels based upon 58-seat propeller aircraft. It also consumed three times as much fuel per passenger. It took many years and expansion of the payload from 36 to 78 passengers to make the Comet IV economically competitive at equal load-factors.

The point of this story: The true evaluation of a successful transportation innovation is not how everything goes initially. Rather, it is the traveler by his preference that determines eventual success. In the case of the first civil jet transport, the Comet, the traveling public made its demands known; when the first traffic data were in, it was clear that jet transports would revolutionize air travel. The public made the decision. They wanted jets. *Neither the government, the airlines, nor the manufacturers could deny the consumer his role as the final judge.* Today, jets are the standard for air travel.

Aviation history would have been much different had not the early Comet suffered disasters and the U.S. military not needed a new tanker. Such occurrences will not protect the U.S. aircraft industry again.

Concorde represents the technical output of the best efforts of two major industrial countries, England and France. This is unlike the Comet, which was a product of a relatively small company in one country. We can expect the Concorde to be an excellent airworthy airplane.

Much has been said about the Concorde regarding economics and sociological and environmental issues. These issues are important. They are being addressed and many judgments are being made, some "for" and some "against"—but almost all of them made in isolation from other judgments.

Already we have enough evidence, however, to indicate that the Concorde will be environmentally acceptable in the upper atmosphere, that it will be no noisier than the present 707 and DC–8 aircraft, and that its sonic boom can be restricted to areas where no adverse reaction will exist. Accordingly, the following discussion deals only with the economies of the airplane and their influence upon the airlines.

In a free society profits are necessary for business to endure. Even a government-planned society must make profits on international business or over the long term suffer a drain on the resources of the country.

Air transportation is not an end in itself. It is a service. However, it also expands commerce and aids communications and understanding among people. It provides opportunities for people to live and work in widely separated parts of the world and still be only hours from business headquarters or from family ties. It facilitates national defense. It can contribute to a "presence" abroad, a fact the U.S. has capitalized upon in both the reciprocating-engine and jet transport eras.

Profits can be related to any of those values. But most people want to quantify profits in terms of dollars—profits being the difference between revenue and costs where costs include both direct and indirect accounts. Revenue must account for passenger load factor and erosion of fare, as well as revenue per seat mile.

But if, as with the Comet, passengers heavily patronize the Concorde because of its time savings, a high load factor may well offset high operating costs. Also, as will be shown later, the average fares will be high. Concorde then, could turn a profit, our studies show.

Initially, load factor for the Concorde can be expected to run between 85 and 95%. This high level will decrease, however, as production permits and more supersonic transports come into the market. Eventually, the load factor must return to reasonable levels or the service will be most unsatisfactory to the public. How long this will take depends upon market forces not now predictable.

For evaluation studies at Douglas, an 85:15 coach/first-class split in the SST has been used to match the 85:15 split used for the DC–10–30. This may not be what ends up satisfying the demand, but it does reflect the economic goals set for our Advanced Supersonic Transport design. A 270-passenger SST design proved near the optimum in our design studies, assuming no change to today's policy of both first-class and economy-class passengers in one airplane.

Our market analysis shows that this 270-passenger airplane could capture between 10 and 15% of the overseas air travel by 1990. The bulk of the market would go to subsonic economy-class aircraft. Nonetheless, the SST market, our studies indicate, justifies 350 aircraft by the year 2000 for a 270-passenger Mach 2.2 design.

In comparision, an independent survey of North Atlantic traffic shows that 90% of today's first-class and 40% of today's full-fare paying economy passengers would take the Concorde service if it were offered at present first-class fares. This would mean a 16% penetration of the North Atlatnic market requiring a large number of Concordes.

We predict the North Atlantic will continue to be the single most important overseas route in the world through the year 2000. So the North Atlantic market must be examined very carefully when you assess the impact of the Concorde. U.S. carriers had 90% of the business in 1945. Today the U.S. share is roughly 50%. The surge in charter business, first by foreign carriers, and since 1965 by U.S. carriers, is very obvious.

Through May 1952, only one class of scheduled service existed, first class. Then the 30% reduction in fare for economy service changed the market immediately. In 1958 this same low fare was offered in jet aircraft, and the first-class share dropped again, eventually reaching today's level of 5%.

A look at the history of fares in this market is more revealing. The 1948 one-class air fare ran twice the sea-tourist fare, yet history shows it was more than competitive. The tourist air fare of 1952 became even more attractive and opened up international travel to a large segment of the public. The excursion fares of 1956 introduced air travel to an even larger segment of the population, as evidenced by the huge growth in total travel. A survey by Dr. Gallup showed that one out of every four U.S. adults had taken a trip abroad in 1972.

For 20 years—1952 to 1972—first-class fares have remained relatively constant despite the great inflation over this period.

The percentage of passengers traveling first class proves nowhere near as important as the contribution first-class traffic makes to *total revenue*. First class contributes 11% to total revenue on the North Atlantic. Full-fare economy contributes roughly 20% to total revenue.

The near future should see a continuation of steady growth in first-class travel as no new, lower-cost subsonic competitive offering is envisioned that could enter the market picture. If anything, an increase in first-class share of the market can be expected as all air fares increase and also as Concorde service is introduced.

First-class business has been growing, doubling in about five years, and the revenue increasing even more rapidly. In 1973, compared to charter service, first class provided 10% more revenue from only one-quarter the passenger miles served. First-class business should be good business.

The airlines cannot afford to give up this share of the market—it is too significant. Airlines without supersonic transports will have to exert pricing or other strategies to attempt to mitigate the attractiveness of supersonic travel offered by airlines with Concordes.

There is little question but that a demand exists for first-class travel at even higher fares than today's especially when a real difference in service can be demonstrated. Supersonic speed represents a big difference. The questions are really, "What Price Speed?" and "How much must the fare be to provide a reasonable return?"

When the Concorde enters service in 1976, the consumer will again be the judge. If he comes out firmly for supersonic travel, the U.S. will be the loser. (In 1971 the Senate rejected, 51 to 46, continuation of two research prototypes of supersonic transports.)

To be sure, the long gestation from Concorde program approval by the French and British governments in 1962 to delivery in 1976 will have seen the marketplace change. The Concorde now faces more severe environmental constraints, critical emphasis on fuel costs and supplies, rapidly escalating labor and material costs, airlines heavily in debt with poor earnings, and a travel market dominated by excursion-type low-fare passengers. So the Concorde must now be considered as much commerical experiment as technical development.

Lack of orders at present indicates that the market demand predicted for the Concorde does not offer sufficient profit incentives to justify larger airline commitments. As it is mainly in economics that the Concorde suffers, this deserves special attention. It may take a Concorde II, with higher passenger capacity, to compete in a fare environment dictated by 300-passenger aircraft. If the public wants this form of transportation, such a Concorde II can be built with relatively little risk and probably be in service in 1978.

Studies conducted by Douglas (see F–13) indicate that a U.S. supersonic transport can be economically competitive to present jets, operate over the ranges required for a world-wide network, and satisfy the socio-environment demands of society, though it will take 80% more fuel per passenger. But I see no way to start a U.S. SST program in the face of the financial situation of the U.S. manufacturers and airlines, and the apathy in Congress and the Executive Branch. Without a strong national desire for a U.S. supersonic transport, it is not obvious now that a U.S. SST will come. Congressional support of limited research today is inadequate to define a target date for technology readiness. Even given unlimited funding a U.S. SST could not compete before 1986.

All kinds of groups, and eventually Congress, said *no* to the SST. Only the passenger has not been heard from. When the Concorde goes into service, we think he will say *yes*.

If the British and the French continue the present program to measure passenger response, and then step up to an aircraft economically superior to the present Concorde, they stand alone as being able to offer an economical supersonic transport to the Free World, at least for 10 years. Then the U.S. may well find itself standing on the outside as in 1952, but this time with no military development to save its commercial position of world leadership.

RESOLUTIONS OF HARTFORD COURT OF COMMON COUNCIL

Mr. RIBICOFF. Mr. President, recently the Hartford Court of Common Council passed a number of resolutions for consideration by Congress. I ask unanimous consent that they be printed in the Record.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

City of Hartford,
Court of Common Council,
Hartford, Conn., August 14, 1974.

This is to certify that at a meeting of the Court of Common Council, August 12, 1974, the following Resolution was passed.

Whereas, There has been an increase in reported infectious syphilis for the fourth successive year; and

Whereas, Uncontrolled gonorrhea has continued to increase, although serious attempts at control have begun; and

Whereas, Federal funding which sets up categorical appropriations for Venereal Disease control continues at about the same level but with uncertainties for the future; now, therefore, be it

Resolved, That the Hartford Court of Common Council does hereby vigorously urge that Federal funding under Section 318 of the Public Health Service Act for the control of Venereal Disease be extended at least through FY 1978 to give more stability to program planning and personnel recruitment; and be it further

Resolved, That the Hartford Court of Common Council does hereby direct the City Clerk to forward a copy of this resolution to the Connecticut Congressional delegation in Washington, D.C.

Attest:

Robert J. Gallivan,
City Clerk.

City of Hartford,
Court of Common Council,
Hartford, Conn., August 14, 1974.

This is to certify that at a meeting of the Court of Common Council, August 12, 1974, the following Resolution was passed.

Whereas, United States Senator Henry M. Jackson recently introduced an amendment to H.R. 14449, the Economic Opportunity Act Amendments of 1974, calling for the establishment of a National Veterans Outreach Program; and

Whereas, The main objective of this program will be to better provide essential services in the areas of educational counseling, job training and placement, legal and medical assistance, and a variety of other health-welfare related services needed by Vietnam era veterans; and

Whereas, Thousands of young men who served this Country during the longest and most difficult conflict in our history are now facing serious problems of unemployment, lack of education, housing, and legal and medical difficulties; and

Whereas, The GI bill and other existing programs that provide assistance for veterans are in many cases inadequate and in any case underutilized by large and important segments of the veteran population; and

Whereas, In order to assure the better utilization of the intended benefits of the GI bill and Federal, State, local, and private programs offering services to veterans, a comprehensive program encompassing all of the aforementioned services is vital; and

Whereas, The legislation, as proposed by Senator Jackson, would establish a National Veterans Outreach Program designed to provide total services to the Vietnam era veteran; now, therefore, be it

Resolved, That the Hartford Court of Common Council does hereby strongly support the amendment to H.R. 14449, as proposed by Senator Jackson, and urges the immediate passage of this legislation by Congress; and be it further

Resolved, That the Town Clerk is hereby directed to forward a copy of this resolution to the Connecticut Congressional delegation in Washington, D.C., United States Senator Henry M. Jackson, and the Senate Subcommittee on Employment, Poverty and Migratory Labor.

Attest:

Robert J. Gallivan,
City Clerk.

EQUAL RIGHTS FOR HANDICAPPED CITIZENS

Mr. TAFT. Mr. President, on Thursday, August 15, my distinguished colleague from West Virginia (Mr. Randolph), delivered an excellent speech regarding the handicapped to the Ohio Developmental Disabilities, Inc., and the Ohio Developmental Disabilities Planning and Advisory Council in Columbus, Ohio.

So that my colleagues may have the benefit of Senator Randolph's remarks, I ask unanimous consent that the text of his speech be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Equal Rights for Handicapped Citizens

(By Senator Jennings Randolph)

It is a privilege to participate in the Ohio Developmental Disabilities Seminar and to visit with "neighbors" in Ohio.

The Senate Subcommittee on the Handicapped endeavors are directed toward legislation and oversight of issues affecting handicapped persons. However, activities have developed beyond legislative programs. Our goal—which I believe we are achieving—is to have this Subcommittee serve as an advocate for the rights of all handicapped individuals.

When Senator Harrison Williams (Chairman of our Labor and Public Welfare Committee) and I announced the formation of the Subcommittee on the Handicapped, jurisdiction for legislation affecting the well-being of this important segment of our society was spread among several subcommittees of the Committee. It was our belief that legislative jurisdiction should be centralized so that the special needs of handicapped Americans might be met through a specific focal point. Our purpose is to inform the Senate on issues affecting handicapped citizens, to develop legislation, and to help formulate national policy. Again I emphasize my conviction that the Subcommittee's purpose is to act as an advocate for the handicapped—to argue their cause and their rights before the Congress and the American people. I have long believed in equal rights for all handicapped persons. The need to protect the inalienable rights of millions of our citizens is an issue of growing concern to all Americans. Instances of discrimination against handicapped persons are very often brought to my attention. I am amazed at the staggering social and legal obstacles that our handicapped citizens encounter:

Obstacles in educational and health services; obstacles in housing and travel; denial of access to public buildings; serious discrimination in employment which results in limited and underemployment. To help overcome some of these obstacles, the Subcommittee has during this Congress developed the Rehabilitation Act of 1973; the Javits-Wagner-O'Day Act; and legislation calling for a White House Conference on the Handicapped.

The Conference Report on the Elementary and Secondary Education Act Amendments, which contains an extension of the Education of the Handicapped Act, has passed House and Senate is at the White House for President Ford's signature, which he has promised. The Randolph-Sheppard Act extension has passed the Senate and is pending in the House Select Subcommittee on Education. Our Committee is presently considering a measure extending and amending the Developmental Disabilities Program.

In addition to legislation, we are involved in consumer protection issues such as hearing aids, architectural barriers, transportation system barriers, special consideration for disabled persons in the event of another energy crisis, and the right to travel by commercial air carrier. This is just the beginning.

One of the most vital measures coming from our Subcommittee was the Rehabilitation Act of 1973—which was designed as major revision, redirection and expansion of the vocational rehabilitation program. I introduced three bills; the first two were vetoed. To secure enactment of a bill, we eliminated desirable provisions. Our Subcommittee fought to maintain the special projects section, designed to meet special needs; we fought to keep the Architectural and Transportation Barriers Compliance Board, the Federal Interagency Committee on Handicapped Employees, the requirement for an individual written rehabilitation program for each client, the priority for services to those with the most severe handicaps, and anti-discrimination and affirmative action provisions. We also established an Office for the Handicapped within the Office of the Secretary of Health, Education and Welfare. It is my belief that this office will perform a critical function for concerned organizations and act as a clearinghouse for information on merited programs.

Of special concern to this group is the progress on the Developmental Disabilities legislation. Last year, on behalf of our Subcommittee, I requested the General Accounting Office to conduct a full review of the developmental disabilities program. Our bill is based on a thorough study of the GAO report, and the changes proposed to existing law involve definition, priorities, and administration.

On April 24, I introduced S. 3378, the "Developmentally Disabled Assistance and Bill of Rights Act."

This measure will change the title and structure of the National Advisory Council and give the members additional responsibilities. It sets up a specific time schedule for activities. It further stipulates a variety of provisions which Committee members believe will improve and expand programs for the developmentally disabled. Included are the requirements that the State plan must be goal-oriented. It must include a design for implementation and the plan must designate the State Advisory Council, appointed by the Governor and including a University Affiliated Facility representative. The Council must have its own staff, which must be responsible *solely* to the State Council, and the Council must be able to review and comment on all other state plans affecting the developmentally disabled individual.

In addition, there must be a national evaluation model developed for State evaluation systems for all services delivered within the States to the developmentally disabled; so that the States may adapt this system for their own use. Authorization levels are raised, and a new authority is proposed for renovating University Affiliated Facilities for needed "satellite centers." These centers will be extension of University Affiliated Facilities in States which do not have a University Affiliated Facility, where services only in such a facility are needed.

I anticipate that we may look forward to such a satellite center or extension of your fine Nisogner Center in Columbus in West Virginia.

The new Title II, the Bill of Rights, is concerned specifically with implementing standards for residential institutions and community agencies. It permits an alternative method of reaching the goal aimed at by specific stipulations.

The purpose of the Bill of Rights is to establish standards which assume the humane care, treatment, habilitation, and protection of persons with developmental disabilities. Ninety days after the enactment of this legislation, a National Advisory Council for Residential and Community Facilities will be established. Its 15 members will be appointed by the Secretary from public agencies, professional associations and voluntary associations. Five or more shall be consumers or representatives of consumers.

The duties of this new Council will be to advise the Secretary on regulations; to study and evaluate programs, by site visits and other appropriate methods; to recommend changes, revision, modifications, or improvements in standards or provisions. Assistance will be given to the Secretary in developing performance criteria to evaluate alternate standards.

Any State which desires to receive a grant under Title II shall submit a plan to the Secretary. It shall include a schedule for compliance with the standards for each facility or program requesting assistance; an assurance of reasonable State financial participation; a demonstration of the need for continuing residential services and a detailed plan that residential facilities will complement and augment rather than duplicate or replace other community services for persons with developmental disabilities. The designation of a single State agency would administer the plan with specifications of how the State intends to assess compliance with the standards. There is a provision that the plan be reviewed by the State Planning Council in conformance with the State plan. There would be a schedule for the cost for achieving compliance and procedures assuring the placement of each individual in the least structured program. The Secretary shall approve a plan setting forth a reasonable time for compliance. He can disapprove *only after* reasonable notice and opportunity for a hearing.

Grants under title II may be used to bring facilities and agencies into conformity. After study and site visits by the Council, revisions and modifications can be made to upgrade the institutions.

Title II provides for alternative criteria for compliance, an individualized written rehabilitation plan, detailed performance criteria for measuring each person's progress. A person's progress will be monitored and services for him provided and coordinated by his program coordinator. Protective and personal advocacy services will monitor programs and services and protect legal and human rights. This advocacy system shall be independent of any agency providing direct services.

The main thrust of S. 3378 is toward planning, coordination of efforts and services, elimination of inappropriate institutional placement, support of community programs as alternatives to deinstitutionalization, and improved quality of care and rehabilitation of those in institutions. Vital is the national commitment to deinstitutionalization and normalization. I advocate the policy that our Government help a person to live as normal a life as possible in the community and we should provide normalization in institutions.

The new Senate bill provides for a five-year program. Because this legislation is specifically goal-oriented, I feel that long-term support is needed to phase-in the appropriate components of the state plan. It is only common sense that if we are to achieve a comprehensive program for the developmentally disabled, adequate time and support will be needed to implement the plan designed to meet their needs.

This legislation has had input from the field, the present National Advisory Committee on Developmental Disabilities and many other interested groups.

I am sure Dr. Elsie Helsel, a knowledgeable and frequent visitor to our Subcommittee, will be able to respond to your questions on S. 3378 and other legislation during your conference.

I believe it to be sound legislation and I am convinced that knowledgeable groups like those in attendance at your conference can and must determine and meet the goals we seek for the developmentally disabled.

We have a bill providing more than one pathway to enable the developmentally disabled to follow a normalized pattern and to be guided in their aspirations—if necessary—and protected all the way.

The present bill is one answer at this time to what are urgent needs at this time, an opportunity to exercise rights and protection It is only while enjoying equal rights with the rest of us that the handicapped can expect to be absorbed as an integral part of society.

It is appropriate to recall these words:

"We hold these truths to be sacred and inalienable.
That all men are created equal
That from equal creation
They derive rights inherent and inalienable
Among which are the preservation of life, liberty, and the pursuit of happiness."

A ROTTEN WAY TO RUN A RAILROAD

Mr. SPARKMAN. Mr. President, the Senator from Vermont (Mr. Aiken) made some very forceful statements a few days ago regarding the present railroad situation in the United States. He was speaking primarily from the standpoint of New England, but what he said is understandable, I dare say, to most of the people of the country—to both those who are denied railway passenger service and to those who have to depend on Amtrak.

One of the leading cities of my State has no passenger service whatsoever. I refer to Mobile. We have tried to get passenger service extended from Jacksonville, Fla., to New Orleans through Mobile, but with no results. The Mobile Register on August 13 had a very good editorial entitled, "A Rotten Way To Run a Railroad." I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Mobile (Ala.) Register, Aug. 13, 1974]

A Rotten Way To Run a Railroad

It is not stepchild Mobile alone that has a grievance over the way the government-subsidized Amtrak railroad passenger system is run.

Mobile's grievance—a valid grievance, indeed—is its omission from the operation, even though its taxpayers are not exempt from helping to finance it.

Various other cities are in the same boat, which means in practical effect that Amtrak has shunted them up a creek without a paddle.

In Senate debate the other day on a bill to funnel an additional authorization of $200 million to Amtrak for the 1975 fiscal year and increased its authorized guaranteed loan authority from $500 million to $900 million, Sen. George Aiken of Vermont no longer could restrain his patience over the discriminatory practice of the government-supported project.

He protested sharply against funneling so much of the Amtrak money to the so-called Northeast corridor to the neglect of cities such as Mobile, which receive nothing, not even a way-station treatment.

Senator Aiken said flatly that he does not intend to vote for "any more of these (Amtrak money) bills unless they give consideration to the people who do not live between Washington and Boston.

"Not everybody in the United States lives between Washington and Boston, despite the implication in the Amtrak practice that everybody does."

Mr. Aiken did not cease and desist until he jolted Amtrak all over the place.

"This morning when I turned on the radio at 6 o'clock," he said, "I heard a voice encouraging everybody to travel from Washington to Boston by Amtrak, that there would be nine trains a day.

"What impressed me was the statement which in effect was this, 'you do not have to make any reservations. Just go to the train and get on and go to Boston or New York up the Northeast corridor.'

"That is a sharp contrast to the rules governing the train which goes from Washington to Montreal, the so-called long route. On that route you cannot get on the train unless you have made a reservation and sometimes the reservation should be made two months in advance.

"The other night in one of our stations in Vermont, 35 passengers were waiting and they only permitted 14 to get on the train. That is a common practice, I understand, when you get north of this sacred line running from Washington to Boston. There is not any consideration given to other parts of the country. . . .

"The Northeast corridor gets practically all the money, it gets all the equipment, advertising. 'Do not make any reservations. We will take you anyway, so long as you are just going to Washington, New York or Boston.'

"I think that is a rotten way to run a railroad."

Many other Americans ignored by Amtrak must have the same feeling about the discrimination that reserves for them the role of stepchildren.

The huge concentration of population in the so-called Northeast corridor is a matter of common knowledge. But not everybody lives in the Northeast corridor.

Congress should insist that government-subsidized Amtrak shed its Northeast corridor image and take on an image of fair play for all Americans.

WAR ON ILLITERACY

Mr. KENNEDY. Mr. President, I am pleased to enter in the RECORD an article from the September issue of Ebony magazine about the massive problem of illiteracy in this country. It is alarming to discover that nearly 19 million American citizens are functional illiterates.

In a society like ours that relies so much on the written word, it is critical for all citizens to be in command of the language. Dr. Ruth Holloway, director of the right to read program in the Department of Health, Education, and Welfare, is conducting the most important Federal effort to reduce the crippling effects of this needless affliction. There is no reason that America should allow her citizens to remain illiterate. And Dr. Holloway deserves every commendation for her extraordinary efforts to assist those who are handicapped because they lack adequate reading skills.

I believe the article "Ruth Holloway's War on Illiteracy," by Alex Poinsett deserves to be read by every member of the Senate, because of its importance to those of us involved with legislative measures that might seek to resolve such problems.

For that reason, I request unanimous consent to print the article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUTH HOLLOWAY'S WAR ON ILLITERACY

(By Alex Poinsett)

RIGHT TO READ PROGRAM TACKLES MASSIVE PROBLEM

If English is your mother tongue and you cannot read these words, you are lumped with the million or more total illiterates in this country. You are totally disconnected from an ever expanding universe of communication, a stranger in a world of printed words. You are trapped like the Minnesota woman who pleaded with a local educator: "Please teach me how to read. Now that my little girl is in school, she has started to bring home books and she asked me to read them to her . . . and I can't. I was never taught how and I don't want her to know her mother can't even read children's books."

If, on the other hand, you can read most of this magazine but cannot digest, analyze and utilize the printed information, you are one of nearly 19 million *functional* illiterates who attend public schools but never really learned how to read well. You probably cannot read well enough to fill out applications for jobs, welfare aid, apartment leases or a driver's license. You are juicy bait for loan sharks and charlatans. Even simple directions, street signs and daily newspapers elude you. You are handicapped like the drill sergeant who was a National Guardsman for nine years, admitting: "How I got by, I will never know, but I did. No one knows I have this trouble. Not even my family or my wife know my problem. I read a little . . . But it isn't enough to do what I want to do . . . It is very embarrassing when someone asks you to read and you have to squirm out of it."

Fortunately, both the Minnesota woman and the sergeant are benefitting from Right to Read, a federally directed program to eliminate illiteracy. Headed by a tall, diet-conscious black educator. Dr. Ruth Love Holloway, in the Office of Education. Right to Read involves state and local agencies, private business, professional associations, and individuals who have joined forces with the federal government to wipe out illiteracy. They seek to salvage the nearly 19 million, adult functional illiterates—a disproportionate number of whom are black, Chicano and Indian—and some seven million elementary and secondary school children burdened with severe reading problems: In large cities between 40 and 50 percent of the children are underachieving in reading and are potential functional illiterates. Each year, between 850,000 and a million students drop out of school largely because of reading disabilities that leave them two or more years behind their peers who remain in school.

This massive illiteracy was underscored as a crippling national problem in 1969 when Dr. James Allen, then the U.S. commissioner of education launched the Right to Read program, rhetorically dubbed "Education's Moonshot." Unfortunately, Allen was unable to generate the support for reading that once existed for moon shots. President Nixon promised $200 million for the reading program, then failed to ask Congress for money to fund it. And Allen's successor, Dr. Sidney P. Marland, later admitted to a congressional subcommittee that Right to Read in its first year and a half continued much rehetoric but no money.

To salvage the program in 1971, Dr. Marland summoned Dr. Holloway to Washington. As director of California's Bureau of Compensatory Education, she had become widely known as an able administrator. Indeed, when Dr. Marland approached her, she had already accepted the deanship of Howard University's School of Education, following appointment of her husband, a neurosurgeon, to Howard's medical faculty. If illiterates represented one extreme, Dr. Holloway personified another. Scholarly, articulate, urbane, her discourse was a model of coherence and orderliness. By contrast with the typical illiterate's shy demeanor, she was, by any standard, aggressive—almost compulsively so. Here was a general who could mastermind the war against illiteracy while at the same time making fundamental changes in the nation's schools.

For three months, Dr. Holloway negotiated with Dr. Marland, persuading him to agree on a $20 million budget for her first year, a 30-man staff and a $30,000 annual salary—tops for the Office of Education. "Although money isn't that important," she says now, her long eyelashes fluttering "I told him that if he wanted me, that's what was it was going to cost." In addition, she insisted on bringing five of her aides with her from California. "When you're starting something like this," she explains, "you need people around you that you know, people that you don't have to watch when you're trying to make certain kinds of changes. You are going to step on enough toes as it is. You really don't need somebody on your staff who isn't with you."

Such caution apparently motivated Dr. Holloway's refusal of bids to have her appointment announced by President Nixon. Reluctant to be type cast as a political appointee, she also did not want Right to Read (abbreviated R2R by insiders) to become a political football. A geninue war on illiteracy was far too important for such partisanship. The campaign would, first of all, be waged in the marketplace of ideas. Unlike many other educators, Dr. Holloway believes that intellectual ability cuts across caste and class, that contrary to some expectations most children are educable whether they are rich or poor, black, brown, or white, whether they live in the suburbs or in the ghettos of the major cities, that reading problems spring from multiple causes and therefore demand multiple approaches and solutions.

The schools had failed to teach children how to read, Dr. Holloway believes, because traditionally they were geared to the middle class and not really able to teach reading to children who varied from this limited "norm." Blacks and other minorities were seen as "culturally deprived" or "culturally disadvantaged," meaning there was something wrong with them and their culture and environment and not with the schools and their educational processes. Thus, the too-frequent educational practice was to adjust learners to schools rather than schools to learners.

Hence no adjustments were made in the colleges and schools of 18 states which allegedly trained teachers, yet required only one three-unit course in the teaching of reading while making mandatory six units in physical education and eight in music. No adjustments were made in 16 states which did not require even one course in the teaching of reading for would-be teachers. And, until very recently, publishers did not produce instructional materials for non-white, non-middle class, non-suburban students. Black, Native American, Hispanic and other cultures were often ignored, omitted or distorted in instructional materials and this neglect had a debilitating impact on the self-concept and achievement of black and other minority students. "If you don't see yourself reflected in what you are about in the classrooms," Dr. Holloway observes, "that has a major impact on reading."

Aggressively, she sought to infuse the Right to Read program with these and other ideas. Quite soon, however, it became clear to her that some of her Office of Education colleagues neither shared her commitment nor her enthusiasm. The $20 million budget which had been promised to her shrank to $12 million and other promises were broken as well. Frustrated, angered, ready "to go into a thing," she dropped a bombshell. After only six months, she resigned her post then called a press conference to explain why. Shock waves oscillated through the Dept. of Health, Education, and Welfare. Distressed at this explosive turn of events, HEW Sec. Elliot Richardson summoned Dr. Holloway to his office. "You can't do this," he pleaded. "You're making a failure out of me." Slowly, meticulously, Richardson responded point by point to the educator's grievances, finally succeeded in talking her out of her resignation, but only after convincing her that he, too, was committed to a full-scale war on illiteracy.

In the wake of this and other battles, the war goes on. Since those early days. R2R has encouraged, coordinated, and facilitated public and private efforts to improve reading instruction for all age groups. Right to Read has produced measurable results in its first three years. It has funded school- and community-based projects to test new combinations of teaching methods and materials. R2R has provided seed money to help 31 state education agencies develop and implement Right to Read programs in 1,227 local school districts serving more than 37 million children, and reading programs for school dropouts, the unemployed, welfare mothers and prison inmates. Some 20 governors have issued proclamations making R2R a statewide educational priority.

Under the Emergency School Aid Act (ESAA) of 1972, Dr. Holloway's office helps establish quality reading programs in newly desegregated schools to achieve gains of 1 to 1.5 years in word recognition, vocabulary and other communication skills among 70 to 80 percent of participating students. One such ESAA project administered under a two-year, $30,000 contract to Michigan State University's College of Urban Development not only helps children overcome their reading problems but also raises their self-esteem and develops positive attitudes toward the formal learning process. Preliminary findings indicate that when interracial and inter-cultural materials are used to teach reading literacy is enhanced and children interact better with each other.

Right to Read's modest $12 million budget may suggest it is a very small pebble in a very large pond. Actually, R2R has a dramatic ripple effect on some 21 other Office of Education programs that spend more than $500 million a year on educational reforms related to the war on illiteracy. This intra-office coordination is a ticklish business for Dr. Holloway since she is aware that most bureaucrats jealously guard their turf. She is obliged, she believes, "to keep little kings in their kingdoms while telling them what to do." That is, she monitors their programs to insure that they harmonize with R2R. "I know that I have a big stick," says the forceful administrator, "but I use it gently until I have to use it otherwise."

For her style is to get things done at any cost, even if it means locking horns with colleagues. She has been known to make life so miserable for uncooperative staffers that they were forced to resign. In one recent case, a colleague undermined R2R by publicly declaring that a war on illiteracy is futile because certain minority groups are always going to be illiterate. They simply cannot learn, the staffer insisted. When she spurned Dr. Holloway's order to cease and desist, the woman was stripped of her duties, taken off travel status, denied use of telephones and made to report daily to Dr. Holloway. After six weeks of such ego-deflating treatment, the official got the message. She resigned.

Dr. Holloway's power extends far beyond the Office of Education. "We know that the Labor Dept. spends more for adult literacy than the Office of Education," she reveals. "The U.S. Army spends a lot of money on reading literacy. All of the American overseas schools, which together constitute the eighth largest school district in the U.S. have substantial problems of reading and literacy because of the constant moving around of their students. The Bureau of Indian Affairs relates to reading problems on the reservations."

Accordingly, R2R has established cross-bureau coordination to facilitate planning between its office and various other federal agencies (e.g., U.S. Defense Department, Office of Economic Opportunity, Civil Service Commission, Veterans Administration, etc.). "We are helping coordinate the nearly $1 billion spent each year in federal aid from other programs which involve reading—to make sure each dollar is spent wisely," Dr. Holloway reveals.

Scanning the immediate future, her unruly hair springing hither and yon like that of the stereotypical intellectual, she expounds enthusiastically about such proposed new R2R programs as *Sesame Street*-type new teaching for adults and the formation of a volunteer "Peace Corps for Literacy" in which college students, young working adults, retired persons and others would be recruited and trained as volunteer tutors to devote a few hours each week toward helping illiterate adults learn to read. Colleges and universities would be encouraged to grant academic credit to students interested in serving as tutors and business firms would be encouraged to grant release-time to employes to serve. Right to Read academies for adults would operate out of churches, libraries, community centers, factories, office buildings, and volunteer organizations. "We want the literacy programs to be where the action is," Dr. Holloway insists, "where adults traditionally congregate, and most importantly in those places where adults feel comfortable. The academies would operate every day throughout the day. Sessions would be scheduled at times convenient for the trainee and not for administrative convenience. This would give existing community agencies the opportunity to become completely involved in their communities."

In addition to the academies, Dr. Holloway envisions a book ownership program for children. She contends that reading is enhanced in a variety of ways and "book ownership" is a major ingredient. Since costs often prevent children from buying books, Dr. Holloway would eliminate that problem by persuading publishers to make books available for 25 cents at supermarkets and other heavily-traveled locations in the nation's communities.

R2R hopes to phase out by 1980. By then it wants to have so increased functional literacy that 99 percent of 16 year oldsters and 90 percent of those over 16 will possess and use the reading competencies necessary to function effectively as adults. The Office of Education estimates $7 billion will be needed to win the war against illiteracy within ten years. Whatever the cost, it will be far less than keeping families on welfare, paying unemployment compensation, keeping inmates in prisons or solving other severe social ills that are related to reading problems. While totally literate persons would not have to find themselves caught up in these problems, illiterate persons may have no other choice. Right to Read is the nation's official recognition that it must pay for its problems either one way or another, that eliminating illiteracy would be far cheaper than continuing to support the bitter harvest of social ills it reaps. "Our nation is rich in resources—human, technological and financial," Dr. Holloway contends, "and we Americans can solve any problem that we decide is a priority. Our most precious resources are our people. Just imagine the impact if approximately 800,000 young people graduating yearly from our colleges were each to teach one illiterate to read, and if each graduating class between now and 1930 were to take on this mission as their national service. How quickly the battle against illiteracy would be won."

The culmination of R2R's mission is summed up in the case of a 47-year-old Navajo Indian handyman who during the first month of Dr. Holloway's administration, phoned from Arizona to say he had heard of her appointment and wanted her to teach him how to read. Instead, she funded a reading project for his tribe. Several conversations and seven months later the Navajo, a father of eight, phoned to say he had landed a new job as a store clerk and had obtained his first driver's license. "I don't make no more thumbprints," he boasted proudly. "I'm writing and reading now."

MASTER MASONS OF NORTH CAROLINA PROCLAIM WEEK OF PRAYER FOR PRESIDENT GERALD R. FORD

Mr. HELMS. Mr. President, just a few minutes ago I learned that the Grand Lodge of Ancient, Free, and Accepted Masons of North Carolina adopted this afternoon a formal resolution in New Bern, N.C., where the New Bern-Craven County Bicentennial Festival is in progress.

From throughout my State, members of the Masonic craft have gathered in New Bern on this historic occasion. Many Members of this Senate are Master Masons, and the resolution adopted by our brother Masons in North Carolina will be especially meaningful to them, as it is to me. But the thrust of the resolution, Mr. President, should have an impact on every American citizen.

President Gerald R. Ford is a Master Mason, and I have had the pleasure of conveying to him the message of the resolution adopted by his brother Masons in New Bern.

The Masons of North Carolina have proclaimed this week as a special week of prayer for the President of the United States. I wish to quote from the resolution and proclamation:

> Now, therefore, the Grand Lodge of Ancient, Free and Accepted Masons of North Carolina does hereby proclaim the week of August 19, 1974, a special week of prayer for the President of the United States of America, Brother Gerald Rudolph Ford, and does hereby beseech every Freemason within the grand jurisdiction of North Carolina to humble himself and fervently and sincerely invoke the blessings of Almighty God upon our President, that he may be filled with divine wisdom and unfaltering courage to lead the United States of America to be the Nation which God Almight would have it be.

Mr. President, I feel that it is evident to most Americans that at this critical moment in our Nation's history, we do certainly need a spiritual rebirth throughout our country. Surely we have now learned that we cannot go it alone, and that we must have the guidance of our Creator if this Nation, born in His name, is to endure.

I ask unanimous consent, Mr. President, that the full text of the resolution and proclamation, as adopted today by the Grand Lodge of North Carolina, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolution and proclamation were ordered to be printed in the RECORD, as follows:

RESOLUTION AND PROCLAMATION

The Grand Lodge of Ancient, Free and Accepted Masons of North Carolina. To all and every our worshipful and loving brethren—greetings:

Know ye, that whereas, the people in the several provinces of North Carolina did meet in Congress at New Bern, North Carolina on the twenty-fifth day of August 1774 in defiance of Royal Authority to protest the oppressive acts of the British Crown; and

Whereas, said Provincial Congress was the first public assembly of the Colonists in America which led to the Declaration of Independence and the birth of the United States of America; and

Whereas, one of the most traumatic episodes in the history of our Nation climaxed on the ninth day of August, 1974, with the first resignation of a President of the United States during the one hundred and ninety-eight-year history of our Country and with the installation of Brother Gerald Rudolph Ford as President of the United States of America; and

Whereas, members of the Masonic Craft played a great and important role in all events leading to the Declaration of Independence from the British Crown and the establishment of the government of the United States of America; and

Whereas, the Grand Lodge of Ancient, Free and Accepted Masons of North Carolina is now assembled at New Bern, North Carolina, to join in the bicentennial celebration of the First Provincial Congress; and

Whereas, it is deemed fitting and proper that we reaffirm our belief, faith and trust in Almighty God; that we humble ourselves before Him as individuals and as a Nation and implore the devine blessings of God upon our President that he may be imbued with wisdom and courage to lead us in these troublesome times to be the Nation which God would have us be.

Now, therefore, the Grand Lodge of Ancient, Free and Accepted Masons of North Carolina, does hereby proclaim the week of August 19, 1974, a special week of prayer for the President of the United States of America, Brother Gerald Rudolph Ford, and does hereby beseech every Freemason within the grand jurisdiction of North Carolina to humble himself and fervently and sincerely invoke the blessings of Almightly God upon our President, that he may be filled with devine wisdom and unfaltering courage to lead the United States of America to be the Nation which God Almighty would have it be.

Entered at New Bern, North Carolina, in the United States of America under the hand of the Most Worshipful Grand Master and the Grand Seal of Masonry this nineteenth day of August 1974 A.D.; 5974 A.L.

Grand Master William L. Mills, Jr.
Grand Secretary Charles A. Harris.

MAJOR OIL COMPANIES MAKE OIL COUNTRY TUBULAR GOODS AVAILABLE TO SMALLER PRODUCERS

Mr. BARTLETT. Mr. President, on August 2, 1974, I commended Exxon, U.S.A. for its effort to cooperate with the Federal Energy Administration during this period of tight supplies of oil country tubular goods.

At the same time, I called upon other major oil companies to join in the effort to ameliorate the supply problems being encountered by small independent producers.

Now, I am pleased to say that in general the response of the major oil companies has been favorable.

The FEA has received letters from Exxon, Amoco, Shell, Gulf, Conoco, Getty, Standard of California, Sun Oil Co., and Tenneco, indicating that they are willing to cooperate voluntarily to help provide some of the needs of smaller independent operators during the oil country tubular goods shortage.

These companies should be commended for their actions, and again I call upon those few straggling major oil companies who have not responded favorably to answer the challenge in the public interest and to assume their share of the burden of making oil country tubular goods available to independent producers who are victims of a sudden failure of the traditional distribution system.

My confidence has been sustained that private enterprise will respond to short term dislocation shortages which might threaten the livelihood of those who provide a most critical function in the discovery and development of our Nation's resources.

REPORT FROM RUSSIA

Mr. SPARKMAN. Mr. President, Starr Smith of Montgomery, Ala., a public relations consultant, writer, and lecturer has recently returned from a visit to the Soviet Union. Mr. Smith, a well-known writer on international subjects, has written a report on his visit for the member newspapers of the Alabama Press Association. This "Report From Russia" was published in a number of Alabama newspapers, including the Mobile Press-Register, of Mobile, Ala., under date of Sunday, June 9, 1974.

I ask unanimous consent that the report may be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

A REPORT FROM RUSSIA

(By Starr Smith)

EDITOR'S NOTE: Starr Smith is a Montgomery public relations consultant and writer. He has recently returned from a trip to Russia. This report was written exclusively for member newspapers of the Alabama Press Association.

After almost three weeks in Russia, it seems to me that a new wave of hope, friendship and optimism is spreading across that strange and fascinating land. From Leningrad in the north to Kiev in the Ukraine and in Moscow, capital of the Soviet Union, I talked with government officials, journalists, businessmen, educators, students, merchants, taxi drivers, bartenders and the man in the Russian streets. While the essential mystery and motives of the Russian leaders still remains unchanged or, at least, unclear, it is my impression that the people yearn for friendship with the West. The jagged fears of the Cold War have been replaced by the soft and beckoning winds of detente and, this spring, the people of Russia appear to be living better and more fruitful lives than at any time in their long and turbulent history. The country is at peace. There is no discernible tension. The faces on the street are little revealing, perhaps stoical, but they are friendly and smiling to an American visitor who also smiles. The Russian borders and skies are open. Tourists are everywhere. I personally talked with people from at least 25 countries and all parts of the world, some tourists, some businessmen. The Iron Curtain has been lifted, ever so slightly, to foreign trade and commerce. From all indications, the Curtain will raise higher and especially toward the United States. A cynic would say, of course, that the straine relationship between Red China and the Soviet Union is opening up Russian doors and hearts—all in the name of detente. This may be true, all a part of the Soviet mystique and international gamesmanship of easing tensions here and tightening the reins there. Be that as it may. The fact remains that a visit to Russia in the spring of 1974 is an engaging, enlightening and pleasant experience.

I traveled with a small group of journalists and observers from the National Press Club of Washington, D.C. Although we traveled as a group, we were free to move on our own. There were no restrictions. I think it safe to say that none of us became instant Russian experts, but we did have the opportunity to observe, to question, to talk, to see, to analyze—and to draw conclusions and form impressions.

The Russian journey begins and ends with Intourist, a sort of travel agency, hotel booker, and all-around arranger of accommodations in the Soviet Union. To the foreigner, Intourist is personified by a highly intelligent, articulate and attractive young Russian woman. She is a guide, an interpreter, tour lecturer, and information bureau. She opens the doors and paves the way. Our group had a head guide from Moscow who traveled with us for the entire trip. She was joined in each city by a local girl who was an expert on her own region. All the girls are university graduates with degrees, probably, in foreign affairs and diplomacy. Best of the lot was a winsome and beautiful young woman in Leningrad. Her name is Miss Irene Privosheina.

By far the most intriguing of Russian cities is Leningrad. A jewel of a city on the Neva River, it is the birth place of the Revolution of 1917, home of the famous Hermitage Museum and Russia's window to the sea. Built by Peter the Great and called St. Petersburg in his honor, the city has undergone two name changes and a 900-day siege by the Germans in World War II. Although Leningrad's epic defense and survival is classic, today there are few signs of the struggle. By contrast, reminders of the Revolution are everywhere. The Cruiser Aurora, which fired the first shot and set off the attack on the Winter Palace, is enshrined in the Neva. The Winter Palace itself, a great green and white architectural gem, is the key building forming the Hermitage, truly one of the world's most celebrated museums. Statues and pictures of Lenin are everywhere in Leningrad and throughout Russia. It is only truthful to say that Lenin is venerated as a god and his deeds and teachings are worshipped in Russia.

Leningrad is an industrial city of 4 million people. In May, the city's unforgettable white nights were beginning with daylight lasting until 10 and 11 at night. A view across the Neva on a white night from a window in the Leningrad Hotel is memory enough to last a lifetime. St. Isaac's Cathedral, with one of the three tallest domes in the world, behind St. Peter's in Rome and London's St. Paul, is now a museum—as are most churches in Russia. Some say St. Isaac's is the most beautiful church in the world. But there is more to Leningrad than mere aestheticism. Early one morning I watched an entire load of yellow tractors, made in Leningrad, leave for the Ukraine.

At the Moscow Press Club we held a joint news conference with top editors from Tass, Pravda, Izvestia, New Times and Russian Central Television. They asked good questions on Watergate but were extremely careful to cast no reflections, voice no opinions.

They were interested in Watergate and knowledgeable, that's all. On the Alexander Solzhenitsyn affair, they were outspoken and critical. They said he has harshly and unfairly criticized the Soviet Union's system, that he had not been punished in any way, that he was allowed to leave the country with his family—and they were glad to be rid of him.

We were in Moscow on May 9, the anniversary of VE Day. There was a 3-day celebration, centered mostly in Red Square which borders the Kremlin and Lenin's Tomb. The Red Army was everywhere. Veterans paraded. Long red banners and backdrops bearing huge pictures of Lenin hung from the buildings and long double lines of Russian people waited all night for a glimpse of his remains in the black marble Tomb there by the high Kremlin Wall. Between the Tomb and the Wall, Stalin and other fallen Soviet leaders lay buried, along with the American John Reed. At midnight I watched the Changing of the Guard at the Tomb. There in the moonlight, on the anniversary of VE–Day, it seemed incongruous to see the Russian guards using the German goose step. Behind the high red brick Wall, built in the 15th century, is the Kremlin—several square miles of landscaped grounds, palaces, churches (museums), the seat of Soviet government, the modernistic Palace of Congress and numerous other buildings, old and new.

Russians have always liked the theater. Now the ballet, opera, drama and concerts are flourishing as never before. At the Palace of Congress, we saw the Bolshoi Ballet present a brilliant production of Swan Lake and, in Leningrad, a young performer danced the most persuasive and forceful Basil in Don Quixote that I have ever seen. Later, backstage, I learned that his name is Guljalev and he is considered an eventual successor to the departed Rudolf Nureyev.

The Russians have restored many of the former palaces of the Czars in authentic detail and lavish splendor. In the Kremlin, only distinguished foreign visitors and few

Russians see the unbelievable Grand Palace where the royal and Sybaritical life style of the Czars is displayed—jewels, gowns, carriages, crowns, and other trappings and trinkets of power and pleasure. Here is a coat of arms on a carrige door inlaid with emeralds, diamonds, rubies, and gold and the horse's bridle blazing with precious stones. There is a tiny train, solid gold with moving parts, made for the son of royalty. In showing a visitor this endless array of redundant luxury it is as if the Russians are inviting a comparison between bygone royalty and present-day living conditions.

Many visitors shop in the Beryozkas or "dollar stores" where only foreign currency is used. The best buys are amber, jewelry, furs, dolls, perfume, and, of course, caviar and vodka. Russian food is pedestrian at best. Table wines are dry and good. Ice cream is excellent and sold in small stands on the street throughout Russia.

Late on my last night in Russia I left the hotel alone and found a small bar. The language is difficult in Russia but somebody can always speak a little English, French, or German. I visited for an hour or so and as I left one of the Russians made a short speech. Freely translated, he said, "Friendships with United States and Soviet Union will be stronger in future and everywhere and every day and now too."

WILDERNESS OBJECTIVES IN PENNSYLVANIA

Mr. **HUGH SCOTT**. Mr. President, several weeks ago I received a letter from Mr. Charles E. Hauer, secretary of the Pennsylvania chapter of the Sierra Club. Mr. Hauer relayed to me the body of a resolution adopted by the executive committee of the Sierra Club regarding the efforts of Senator SCHWEIKER and myself on behalf of wilderness objectives in Pennsylvania.

This letter brought to mind several other projects that are currently being conducted in Pennsylvania to protect wilderness areas and improve the quality of the human environment.

TINICUM MARSH

Just last week, for example, the Senate appropriated $1.2 million for the Department of the Interior to acquire land in the Tinicum Marsh outside of Philadelphia. Naturally, I supported this appropriation as another step in a long list of efforts to preserve the only remaining tidal marsh in the Commonwealth of Pennsylvania. On May 12, 1971, following a tour of the area with then Secretary of the Interior, Walter Hickel, I introduced legislation to establish the Tinicum Environmental Center. In June of 1972, my efforts bore fruit and I am hopeful that this appropriation will be the last needed to acquire the remaining portion of the 1,200 acres set aside in the Tinicum Environmental Center.

TOCKS ISLAND DAM

In other action this year, Congress provided $1.2 million for an environmental study of the Tocks Island Dam project.

The study will both determine the region's future needs and provide an environmental, economic, and social impact analysis of alternative for meeting these needs. The proposed study, designed to follow the guidelines adopted by the Delaware River Basin Commission, would thus consider not only Tocks Island, but projects which have been proposed as alternatives to this dam.

EASTERN WILDERNESS AREA

For many years I have been a proponent of setting aside some of the wilderness areas in Pennsylvania, particularly parts of the Allegheny National Forest, for preservation. This is the subject matter of the letter from the Sierra Club and I ask unanimous consent that it be published at the conclusion of my remarks.

PRICE-ANDERSON ACT

A fourth area of concern has been the amount of insurance coverage required for nuclear powerplants. In debate over the amount of insurance coverage required by the Price-Anderson Act, I supported an amendment which would allow individual States to impose higher liability limits than those set by the Federal Government. Although this amendment was defeated, 28 to 60, I continue to support its interest.

I am proud of these accomplishments, Mr. President, and I believe that Congress must lead the way in protecting our environment and conserving our natural resources. Only if we come to grips with this critical problem, can we insure that our children—and their children—will enjoy a healthy and natural environment.

I ask unanimous consent that the letter from Mr. Hauer be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SIERRA CLUB,
Johnstown, Pa., July 18, 1974.

Hon. HUGH SCOTT,
U.S. Senate, Washington, D.C.

DEAR SENATOR SCOTT: It is a pleasure and an honor to transmit to you the following resolution adopted by the Executive Committee of the Pennsylvania Chapter of the Sierra Club on July 13, 1974:

Whereas, The Pennsylvania Chapter of the Sierra Club considers the Eastern Wilderness Bill before Congress to be a most important environmental conservation proposal; and

Whereas, The study of potential wilderness areas in the Allegheny National Forest is one of the Chapter's high priorities; and

Whereas, We are deeply gratified at the successful passage in the U.S. Senate of the Eastern Wilderness Areas Act, which includes provision for three areas in the Allegheny National Forest, Hickory Creek, Tracy Ridge, and Allegheny Front, as study areas; and

Whereas, The persistent and vigorous support of Senators Hugh Scott and Richard S. Schweiker was crucial in the successful effort to secure study status for the three Allegheny National Forest areas;

Therefore, *Be It Resolved*, That the Pennsylvania Chapter of the Sierra Club records its gratitude and deep appreciation to Senators Scott and Schweiker for their efforts in behalf of wilderness objectives in Pennsylvania and directs that a copy of this resolution be sent to each of them and to the Club's members throughout the State.

Sincerely yours,
CHARLES E. HAUER,
Secretary.

CANADIAN WHEAT HARVEST DOWN

Mr. **HUMPHREY**. Mr. President, the New York Times today included a compelling article, "Canadian Farmers' Hopes Dashed for Peak Wheat Sales."

The article points out that the Canadian wheat harvest will be down by about 80 million bushels because of the wet spring planting season. This will place further pressure on world food supplies, particularly in light of reduced U.S. crop forecasts.

The Department of Agriculture has been unwilling to recognize the critical importance of the weather as a determining factor in the size of our crops. We must remember that an early frost or heavy late season rainfall could cause further reductions in our anticipated harvest.

In an era where food supplies are tight and livestock producers are expected to reduce their herds because of decreased grain availabilities, we must monitor our supplies more carefully and give greater attention to the weather.

We also must learn from these reduced crop estimates and begin to develop a sound program to cushion the impact of such shocks.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CANADIAN FARMERS' HOPES DASHED FOR PEAK WHEAT SALES

(By William Borders)

WINNIPEG, ALBERTA, Aug. 16.—As the farmers across Canada's broad, golden prairies begin their annual wheat harvest, they have disappointing news for eager buyers around the world:

At a time when Canada, one of the world's major wheat exporters, could be making record sales to a hungry world, the harvest will be no better—and quite possibly worse—than average.

WORLD MARKET IS TIGHT

Moreover, labor problems are slowing the distribution of wheat, and grain ships from China and Japan are waiting empty in Canadian waters, as scheduled sailing dates slip by.

"This was the year everyone was counting on to be the really good one," said a spokesman for the Canadian Wheat Board, the Government marketing agency here. "But now those hopes are pretty well gone."

This latest assessment from Winnipeg adds pressure to an international food market that is already tight because of rising populations, droughts, worldwide shortages and reduced crops in some of the other major producing countries, including the United States.

Largely because of a late, wet spring here, Canada now expects to harvest only about 550 million bushels of wheat, which would be a decline of 80 million bushels from last year's average sized crop. Earlier in 1974 the Government planners had expected a sharp improvement.

The Canadian wheat harvest would thus be about one-third the size of the American one. The United States is now forecasting a total of 1.8 billion bushels of wheat for 1974, which would be a record, even though it is down from estimates being made a few months ago.

Corn, not wheat, is causing most of the current anguish on American farms, where the drought has sharply reduced crop estimates. Corn, the United States' largest crop by far, is not nearly so important to Canada, where wheat is undisputed king.

Although the two are not directly comparable—because most wheat is used in products eaten by people and most corn is eaten by animals—pressure on any of the major grains can tend to tighten the international market for the others, and so Canadians are closely following American crop reports.

Because the world market price of wheat has doubled in the last two years, to more than $4 a bushel, the farmers out here in the rich, flat Big-Sky country are more prosperous now than they have been for some time.

MARKET GLUT RECALLED

After a number of lean years, they are suddenly fixing up their farms and buying new equipment at a vigorous pace and they had been expected to use a lot of their land for wheat this year.

In the nineteen-sixties it was not unusual for the Canadian prairie farmers to plant 29 million acres of wheat. But then came the market glut of 1970, when the country had the equivalent of nearly two years' harvests in storage.

"It scared us when they couldn't sell our wheat; it's a time we won't soon forget," said a farmer northwest of here, explaining that even though the market situation has reversed again since then—with customers all over the world now eager to buy—some individuals still hesitate about planting wheat.

This year, the Government had suggested the planting of 28 million acres of wheat in Canada's prairies, and a survey of farmers' intentions last winter indicated a wheat acreage of 26 million, which still would have been a substantial increase over last year.

But, as often happens here, the weather changed people's plans, the spring rains were unusually late and heavy, and by the time the land was dry enough for planting it was too late in a number of areas, and so the prairie land in wheat about to be cut now totals only 23 million acres.

With a population only one-tenth the size of the United States, Canada exports four bushels of wheat for every one it keeps, and for years Japan and China have been among the major customers. But this spring and summer, exports to the Pacific have been stalled by a work slowdown staged by grain handlers. * * *

FORESTRY BILL SIGNED

Mr. HUMPHREY. Mr. President, this past Saturday President Ford signed the forestry bill, S. 2296 into law.

This bill should give us a much needed tool in improving the management of our Nation's forests and rangelands.

Everyone who is familiar with the subject knows that there is a great potential for increased productivity from our forests and rangeland. This legislation will encourage the long-range planning necessary to maximize the utilization of these resources.

I would like to call to the Senate's attention a letter sent to me by the former Chief of the Forest Service, Dr. Richard McArdle. In his letter, he points out the importance and some of the background of this legislation.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
August 15, 1974.

Senator HUBERT HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I have only just today seen the Congressional Record for August 2 (your discussion of the Forest and Rangeland Renewable Resources Planning Act—pages S14174–79).

It is typically thoughtful and generous of you to credit me with influence in design of this very significant legislation. I do indeed appreciate your remarks and wish that I were fully worthy of them.

This is landmark forestry legislation. It does what I tried to do fifteen years ago and does it far better than I believed possible. It is another of your achievements that will result in substantial progress in resource conservation. Someday I am going to make a list of these conservation achievements, those I have personal knowledge of at any rate, and let you see what you have done over the years.

Reading these pages of the Record I was reminded of June 6, 1960 when you attended the dedication of the new forest research center at Grand Rapids, Minnesota and you asked me if I were having any legislation worries. I said the proposed multiple use-sustained yield bill was hung up in the Senate after committee approval and for some reason couldn't be brought to the floor for a vote. On your return to Washington you and Spencer Smith went to see Lyndon Johnson, then majority leader, and it was entirely through your efforts that this piece of legislation was blasted loose, voted on and signed June 12. I am convinced that had it not been for your interest and effective action there would be no multiple use-sustained yield law. That Act is one of the most important of all our forestry laws. I'm sure you've long since forgotten your part in this but I haven't and neither have many others.

My apologies for so long a letter. I wanted only to thank you for your references to me and began wandering.

Sincerely,

RICHARD E. MCARDLE.

GEORGIA'S FIRST SUPERSALESMAN PROBABLY WORE SKIRTS

Mr. TALMADGE. Mr. President, Georgia has an extremely proud history of outstanding people who served their fellow citizens beyond their lifetimes.

Our people have contributed to the health, scientific advances, government, business, and educational fields in ways which have been felt worldwide. One of the most interesting and phenomenal Georgians ever, one who has practically become a folk hero, was Martha Berry. She founded schools in the mountains of north Georgia at a time when education was widely regarded as a frill for city people and the rich. Berry Academy and Berry College today still provide quality education in a beautiful setting.

"Miss Martha" was energetic, strong-willed, and resourceful. She got things done. A very good article on her work, which was admired throughout America and Europe, appeared in the August issue of Spirit magazine. I ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUPERSALESMAN—GEORGIA'S FIRST SUPERSALESMAN PROBABLY WORE SKIRTS

Once upon a time, two young boys were leaning out of a dormitory window watching the sunset. "You see that road down there?" one of the boys said to the other. "Yeah, I see it," came the response. "Well you better look at it while you can, 'cause more'n likely it won't be there tomorrow." "Why not?" he was asked. "Cause I seen Miss Betty pokin' around here this afternoon, and she'll probably have us move it tomorrow!"

Anytime Martha Berry went "pokin' around it usually meant more work for the students of the Boys' Industrial School, forerunner of Rome, Georgia's Berry College. It wasn't that they minded the work exactly, it was just that to them the work seemed mighty pointless at times. They didn't understand why she had them planting saplings right across the middle of good farm land in long, straight rows. And they didn't understand why they had to go out in the forests and clear away underbrush and bushes. Who ever heard of "cleaning up" a forest? And to make matters worse. Miss Martha never seemed to tire of this; always adding new land to the campus, planting new trees, arranging—and "re-arranging—roads. And what for? The students couldn't farm all that land, and if she planted anything besides trees it was soybeans instead of cotton. Who in their right mind would plant anything but cotton on land that had never been used for anything else? There was no explaining it, that was just Miss Martha's way; you didn't ask questions, you just did what she said. In fact, few people refused to do what Miss Martha said, including Henry Ford, Andrew Carnegie, Calvin Coolidge, Hoke Smith, Teddy Roosevelt, Franklin Roosevelt and others of like stature.

Martha Berry was a latter day supersaleswoman; an entrepreneur in every sense who applied her substantial energies to education rather than profit. Some of the greatest industrialists of her-or anyone else's-time stood in awe of her accomplishments. Standing on 33,000 acres of beautiful *tree-lined* compus, Berry College, today, is a living monument to the sheer determination of this North Georgia pioneer. Berry's physical plant is currently valued at $19 million; the school is endowed with over $28 million; and those rows of trees she planted across the pastures now line roads leading to beautiful buildings. The land she bought and the forests she cleaned up comprise the largest campus in the world and one of the largest pine timberlands in the country.

In a one room log cabin, Martha Berry went into business at the turn of the century with a product to sell; education, and a needy market: the mountain people of North Georgia.

If she had been selling plows it would have been easier. Take the plow to the people, show them how it works, explain the benefits . . . and take the orders. But plows are one thing, education is another. Education was not a commodity easily sold to the mountain people of North Georgia in those days. They barely eked out a living from the land and saw no point in "decipherin' and 'cal'clating figers and sech". Martha Berry was intent, however, on bringing education to the people who needed it most, and had the least opportunities for it. She succeeded by pushing herself, her friends, her employees and her students to their limits. Domineering she was, but anything less and the Berry School would never have survived.

When Martha Berry started the Boys Industrial School at Mount Berry in 1902 a "boarding school" was unheard of in the Georgia mountains. It was hard enough to take time away from farming to attend one of the "day schools" she had instigated at Possum Trot, Mount Alto, Pleasant Valley and Foster's Bend a few years before, but to let their sons take months away from their farms to attend school was unrealistic thinking in the eyes of many.

Believing that "anybody can sell anyone something they want, but only a true salesman can sell someone something they *don't* want" Martha Berry started out to do just that. Knowing that education could not be presented in the same light as a plow or a mule, she was not above a respectable amount of scheming and plotting to get what she wanted. Once Mrs. Thomas Edison, wife of the great inventor and close friend of Martha

Berry, introduced Martha to Mrs. Henry Ford. Martha later met Ford when his private train stopped over in Muscle Shoals, Alabama. After a long talk with Mr. Ford Martha invited him to the schools to see for himself that "everyone works at Berry."

Martha carefully laid the groundwork for his visit. Everything had to be perfect. When he arrived he was delighted to find a portrait of himself hanging in the main administration building. Later he saw another one in a dormitory, and still another in his guest cottage. What he didn't know was that there was only one picture and Martha was simply moving it around to flatter him. It must have done the trick, for Ford, known as an industrialist, not a philanthropist, was so impressed with Berry that he returned at least once a year for the next twenty-five. Today the Ford Buildings stand in tribute to his faith in Berry and the wily ways of the founder.

"ANNA BARBARA"

Dr. Inez Wooten Henry, Miss Berry's closest companion and private secretary, adds further testimony to Martha's unflapable style and grit. The Andrew Carnegie's had rented some space for the Berry Schools at an exhibit in New York City. Martha sent word from New York for Inez to catch the next train and bring a spinning wheel with her to demonstrate the textile work done at Berry. Dr. Henry, only 14 at the time, and just a few months removed from Ty-Ty Creek says, "Only my ignorance saved me from being scared to death!" At the exhibit, Miss Berry called Inez over to meet some women.

"Inez, these women are our friends. Sing a song for them dear." Turning to the women Martha said, "All the girls at Berry sing while they spin and weave." Mortified, Dr. Henry whispered to Martha, "Miss Berry, I can't sing. I've never sung before."

"Of course you can, my dear. Just sing 'Anna Barbara'. Anybody can sing 'Anna Barbara'," Martha told her.

"Well I had never sung before," recalls Dr. Henry, "and I have never sung since, but I sang that day. Later I found out that I had sung to Mrs. Andrew Carnegie, Mrs. Henry Ford, and Mrs. John Vanderbilt Hammond!"

There were times when Martha Berry could be downright "pushy"—like the occasion of the very first commencement exercises of the Boys Industrial School in 1904. Martha had talked the Honorable Hoke Smith, President Cleveland's Secretary of the Interior and later Governor of Georgia, into delivering the commencement address. At the last minute, Smith telephoned and said he would be unable to attend. Martha paid no attention to his regrets but told him that she couldn't believe a man with his reputation would go back on his word; make himself and the school look bad; and, possibly do irreparable damage to the school's reputation. Over-whelmed, he reconsidered and arrived sleepless and exhausted.

"Where is the school?" he asked, looking around.

"Right here," Martha answered, pointing to the one dormitory and the recitation hall.

Smith stood silent for a moment, then asked, "Miss Berry, how many students receive their diplomas tonight?"

"One," she replied.

"Clayton is a fine boy," Miss Berry said, "Class valedictorian and honor graduate as well!"

Later, after shouts, whistles, tears and standing ovations from the mountain people who had spent days getting to the exercises. Hoke Smith admitted that he had never experienced anything to match that evening and donated a dormitory to Berry and served as a member of the Board of Trustees.

BIBLE STORIES

"Challenge is what makes you grow" Martha Berry often said. She was a fascinating example of that philosophy. From the very beginning when she started telling Bible stories to a handful of children in her log cabin playhouse, Martha met nothing but opposition from her family, her friends, her neighbors and her fiance. The mountain people she sought to help gave her the least opposition and the most encouragement. At her first "day school" at Possum Trot, she taught a 94 year old man how to read and write. With such encouragement she gradually opened other day schools at Mount Alto, Pleasant Valley and Foster's Bend. In 1901 she further committed herself by deeding 83 acres of her land near Oak Hill, the family home, to the Boys' Industrial School against the advice of her attorney. On this property she and the students built the first schoolhouse and dormitory. The entrance to the school was christened the "Gate of Opportunity." BIS students received a high school diploma, something very rare in 1902 and indeed rare in the Georgia mountains. Martha Berry's attitude was, "that if more people would go around encouraging people to work, the South wouldn't have the poorest farms in America!; (And) wouldn't be crawling with sickness; and with decent farms, taxes could be collected so schools could be built." Education and work went hand and hand.

MIXED CLASSES

Lack of finances was always a problem. At first, the school was not known and received no endowments. "Before we give our money, we need to know how well the school is going to work," people would tell Martha. (How many entrepreneurs have heard that through the years?) Then a "Godsend" came from Andrew Carnegie . . . a $25,000 endowment if she could match it with the same amount from others. She did.

Over this initial hump, it became evident that there was a great need for a girls branch of the BIS. (Martha said years later, "I started off thinking of all the work the boys could do. I should have thought about all the food they could eat".) In 1908, she opened the girls branch, emphasizing domestic skills. There was much opposition to this. The boys and girls could not "mix", and there had to be separate campuses which again brought up the question of finances. This time Theodore Roosevelt intervened and the problem was solved. Then World War I reared its ugly head.

The War took many Berry boys from the campuses and Berry Alumni from their jobs. Several hundred eventually served and 11 died. But everywhere the Berry boys fought, they were recognized as being able to cope with difficult situations. They could cook, sew, wash and build—a result of their work-study education at Berry. Back in Rome, money was a problem. All available funds were going to the war effort. Only by shrewd "politics" and business management did Miss Berry keep her schools in operation. After the war, the schools were flooded with applicants and most could not afford to pay their way. By spending "both sides of the dollar"—attending classes four days and working two days—the schools continued to operate.

During the Twenties it began to look like the worst was over at Berry. Henry Ford had given the girls' school a complex of buildings, but, paradoxically, this wonderful gift nearly drove the schools to bankruptcy. To the outside world it appeared that the Berry schools got everything they needed from the Fords and endowments dried up. Construction of the Ford buildings took four years, 1927–1931, and Ford provided no money for their upkeep. The timing was bad. The U.S. was in the throes of the Great Depression and money was tight everywhere. Efficient use of the school's farmland and timberland saved the day.

QUEEN OF ENGLAND

By the 30's, the Berry Schools had received international attention and on a visit to Europe, Martha was invited to be presented in the Court of Saint James to the King and Queen of England. In London, a dress was purchased for the occasion. Martha rationalized the expense of the dress with the thought that it would be worn when she "gave away" her girls at campus weddings. The train was another matter, however. She could not rationalize spending $300 on something she would not wear again, no matter how important the occasion. When told that she could not be presented without a train, she simply decided to forego the affair. Told that "one does not send 'regrets' to the King and Queen of the British Empire", she arranged to rent the train for one night. This, too, was unheard of and she had to solemnly promise not to reveal such financial arrangements. Today, the dress is on display at the Martha Berry Museum and the British government is trying to locate that famous train.

After 39 years of dedicated service, Martha Berry died in 1942, having never received a day's pay for her energies. She once said, "The returns I get on that property are far more rewarding than I could get from cotton or cattle." Her land had been utilized to the fullest in her eyes. While other small colleges and private schools are folding from lack of funds, Berry College and Berry Academy are still spending "both sides of the dollar" and still encourage students to participate in the "work-study" program Martha Berry first instigated in 1902 long before it was heard of anywhere else in the country.

"Education through practical application" is still the philosophy of the schools.

The Sunday Lady of Possum Trot, as she was called by the mountain people knew what she was doing after all.

CONGRESSIONAL RESPONSIBILITY FOR EXECUTIVE APPOINTMENT "ADVISE AND CONSENT"

Mr. MOSS. Mr. President, events have been taking place today in the Federal Government which dramatically emphasize the delicate balance of the separation of power established by our great Constitution. The separation of Government into three branches was a matter of careful and extensive debate by the brilliant drafters of our highest and most honored document of law. The system of checks and balances has served us well and will continue to do so only as long as each branch of this Government will stand steadfast in asserting its mandate for responsibility under the Constitution.

We in Congress, of course, have just been made painfully aware of the awesome reaches of responsibility which the Constitution has placed on our shoulders, awareness caused by the proceedings of impeachment and subsequent events which have taken place. But I do not rise today to address you on our responsibility to remove from office those who, as individuals, are unable to abide their public trust to lawfully obey their oath of office. Rather, I address that check of power which we in this body encounter almost routinely, the constitutional mandate to the Senate to "advise and consent" to Executive nomination.

During every session of Congress, there are referred to this body by the President several hundred nominations to positions in the Federal Government. Many of these include positions in the judiciary, the Cabinet, the independent agencies, and the Department of State, positions of great importance to our Government.

On occasion the Senate has entered into considerable deliberation over such nominations and in some instances we have refused consent to an appointment, but it has been seldom that consent was not forthcoming, possibly too seldom. Until very recently, except for our early history, the record shows intensive examination of nominees to be the exception rather than the rule. Even recent attention has been relatively scarce.

Advise and consent is our mandate to actively participate in the Executive process of appointment just as the veto is the Executve mandate to participate in the legislative process. One need only look at the physical location of the "advise and consent" clause within the Constitution to confirm that mandate. It is not set out in article I which details the Legslative powers, it is in article II, the Executive powers article. Just as it is the duty of the President to veto legislation he considers unwise, it is our duty to refuse to confirm those we consider unqualified.

Had the framers of the Constitution intended the Senate should not partcipate fully in appointing persons to public office, they could have worded the Constitution to direct the Senate only to approve or disapprove.

The debates of the Constitutional Convention indicate a fear existed that a strong President, if given the sole power of appointment, would create a monarchy. To insure the stability of a Republic, the States were given an equal voice in the appointment process. It is through the Senate that the voice is heard. As Governor Morris said when recalling his support in the Convention for advise and consent:

> As the President was to nominate, there would be responsibility, and as the Senate was to concur, there would be security . . .

It is our responsibility to make certain the Government of this Nation will not become insecure through Federal appointments.

We cannot continue to act passively. We must review nominations with great scrutiny. On our shoulders rests the final responsibility for Executive appointment.

I do not suggest that we should now reject all nominees because of party or philosophical differences. I do, however, propose that we begin to examine with extreme care the qualifications of these nominees. It is far better that we take the time to exercise a measure of preventive caution than suffer the burdens of correcting our oversight or neglect.

It is often said that the President should be allowed to choose with whom he will work. I am not fully advocating otherwise. Certainly we should not act to tie the hands of the executive branch, but we must act, within our bounds, to assure the quality and integrity of that branch.

It is seldom that we rise in debate to oppose appointment of a nominee to a Cabinet post. It has been a rare occurrence to withhold our consent to the appointment of an Ambassador. Members of the Cabinet are the personal advisers to the President, and members of the diplomatic corps are his representatives of foreign policy. Each appointee is responsible to the President, who is ultimately accountable for their performance. However, I suggest that the persons in these positions, though they must have the confidence of the President, should surely and deeply have national interests at heart.

A Cabinet member can be cooperative but remain an individual.

We have legislated great power to his trust. We must be certain he will observe that trust.

A Cabinet working in concert with the President is essential, but so is it essential that the Cabinet work with the Congress. Most important is the absolute necessity that Cabinet members work for the interests of the people of this great Nation, as should those who represent our foreign policy.

Certainly deference should be given to the President's choice whenever possible, but we cannot and must not consent to the appointment of any Cabinet or ambassadorial post nominee until we are certain consent should be given. We have a responsibility which we cannot avoid. Presidential discretion cannot be turned into Presidential license. We have to examine every quality of a nominee along with his ability and vote against those we do not consider fully qualified for the position.

Even more important are the deliberations to be made before the consent of this body is given for the appointment of nominees to the independent commissions. Cabinet and diplomatic offices may be referred to as "extensions of the Executive," but the independent agencies are "extensions of the Congress," created to carry out congressional policy. The deference given to the President in his Cabinet selections should not be carried over to the selection of those who will be appointed to the commissions.

The agencies were created by the legislative branch to be "independent," not subordinate to the Executive. They were given quasi-legislative powers to perform extended functions of Congress. The nominee, if appointed, is responsible to the Congress. He must show a feeling of that responsibility.

As our distinguished former colleague from Ohio, Mr. Bricker, so aptly stated, when this body was considering a nominee for appointment to the Atomic Energy Commission:

> [The Commission] is essentially an arm of the Congress, the Legislative Branch, and in our consent we have a responsibility rising almost to the level of original appointing authority.

We are all aware of the intent behind creation of the regulatory commissions, but the passive nature of this body when acting to advise and consent has allowed that intent to become distorted. Prof. Kenneth Culp Davis, a well-recognized scholar of the administrative process, has stated that there is now little difference between "independent" agencies and administrative departments. It is time for us to recognize the reality of that statement. The lines of agency responsibility which have been allowed to deteriorate must be reestablished. The grants of constitutional power are to be defended. We can reverse the process only by actively assuming the Senate role as a coequal in the appointment process.

I have risen before in this Congress to defend the role of the Senate in agency appointments. Just about 1 year ago, I stood before this body to assert the position that we cannot give deference to the President when considering nominations for independent commissions. I now reaffirm that position. The Senate, when considering nominees for positions with independent agencies, has not the right—but the duty—to consent to appointment of only those who feel their responsibility to Congress.

Even more compelling is the coequal nature of the Senate when acting to consent to a Judicial appointment. We all recognize the absolute need for an independent Judiciary, the third branch of our constitutional government. Judges are not the President's men nor are they the Senate's men. An independent and impartial Judiciary is essential to the presumption of equal justice to all. A respected member of the bar, Mr. Luis Kutner stated it very well when he wrote:

> A court whose decisions would be exactly what a President demanded would be neither just nor impartial. The independence of the Judiciary is unique—but then the—Constitution is unique—a written constitution definitely limiting the powers of government as they have not been limited in other countries.

It remains the responsibility of the Senate to preserve the unique character of the independent Judiciary as prescribed by the Constitution.

It should always be remembered, when considering a judicial nominee, that a vote of consent to an appointment should be a vote to insure the continuing administration of equal justice and due process of law to all the people of this Nation. We should not be concerned for the ability of a nominee to heed the desires of the Executive or the Congress. A Federal judge must be an independent person, accountable only to the law.

During recent debate in this body when considering a nominee to the Supreme Court, our distinguished colleague, the junior Senator from Massachusetts, stated:

> [We] must never view the nomination and confirmation process, as the Constitution has prescribed, as anything less than a joint responsibility, and one which we must take most seriously. . . . Separation of powers does not mean the domination of one branch over another, but rather—in this case in particular—a shared, co-equal responsibility.

This is a position to which I prescribe.

We often speak today of a usurpation of power by the executive. I propose that the Senate has in part acquiesced in that usurpation through a passive record of advise and consent. We must assert our mandate to participate in the appointment process. The assumption of an active and coequal position does not represent an intrusion of the Senate into executive powers, rather it is a regeneration of the constitutional responsibility of the Senate to check the appointment power of the President, a position for which there exists substantial historic precedent.

The record will show that I have in the

past followed the mandate of active participation in the appointment process. However, I am convinced that my role of the past shall not be indicative of my participation in the future. I intend to be severely critical of all major nominations which, hence forth, are presented to this body. The events of the day indicate to me that we have fallen short of our responsibility, our responsibility to act to prevent crisis in Federal administration rather than waiting to correct it. The committees must take great care when reporting to this body the quality of a nominee.

We are today in the throes of economic crisis and will consider shortly on this floor the nomination of Mr. Greenspan to the position of Chairman of the Council of Economic Advisers. I do not know if I will or will not consent to his appointment, but I do know that I intend to give his nomination my most critical examination, and I urge each Member of this body to do the same, to begin now, a role of active participation in the appointment process.

Much of this Nation's direction comes from these appointments. It is our ultimate responsibility to make certain that it is the right direction.

TRAGEDY IN CYPRUS

Mr. KENNEDY. Mr. President, the continuing crisis in Cyprus has today brought further tragedy and sorrow, now shared by the American people. In the death of Ambassador Roger Davies, we have lost a fine and gallant man, who served his country faithfully and well, and died while trying to bring peace to a troubled nation.

Ambassador Davies was greatly admired by all who worked with him during more than two and a half decades in the Foreign Service. He had a reputation for giving sound advice, and for making patient efforts on behalf of peace in the Middle East through that region's years of turmoil. My heart goes out to his family, whose loss we all share.

Mr. President, in Ambassador Davies' death, I hope we will gain new dedication to work for an end to fighting on Cyprus, and for a reconciliation of the Greek and Turkish communities.

TOMORROW'S AUTOMATED BATTLEFIELD

Mr. ABOUREZK. Mr. President, one of the problems encountered by Congress and the public in debating military policy and spending is the lack of information about the weapons being developed and the uses for which they are designed.

The following article, written by Paul Dickson, former editor of Electronics magazine, was published in the August issue of Progressive magazine; it describes and discusses the "'automated battlefield" which is nurtured by the Pentagon with about $5 or $6 billion a year, according to the article.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOMORROW'S AUTOMATED BATTLEFIELD

(By Paul Dickson)

Ranging from the nation's morale to its morality to its economic strength, there is no aspect of the American involvement in Southeast Asia that was not affected adversely.

The one dubious "success" on the American side of the war was its contribution to technology—specifically, military technology. Great advances were spurred by the war in such areas as solid state electronics, lasers, ordnance, and helicopters (even the Chinese are now talking about buying them from us). Vietnam was the testing ground for the conversion of one generation of military hardware to another. "Dumb" bombs gave way to deadly, laser-guided "smart" bombs, and the computer metamorphosed from a lesser military tool into a major element of all sophisticated weapons systems.

Of all these developments, however, none is as important as a concept which emerged during the war and which today dominates the research and development thinking of all the military services. This concept, tested with deadly accuracy in Vietnam, Laos, Cambodia, and Thailand, has already cost billions of dollars and will cost many billions more. As an organizing concept, it promises to have a truly revolutionary effect on the way that any non-nuclear wars will be fought in the future. One reaction to its lasting impact came from Senator Barry Goldwater, who said, "I personally think it has the possibility of being one of the greatest steps forward in warfare since gunpowder."

Ironically, this awesome multi-billion dollar military technology has attracted much less attention than its size and impact deserve. A few members of Congress have commented on it, and a special three-man Senate panel examined it for three days of closed hearings in November 1970. But the overall response from Capitol Hill has been underwhelming—much less than the attention given, say, the F-111, ABM, or SST. The blunt fact is that this gargantuan concept, termed the electronic battlefield (or sometimes the automated battlefield), has gone virtually unquestioned for the last three years.

The military has been highly secretive about the details of the program—at present little of the development work is unclassified—but has not hidden its objectives.

The first announcement of the electronic battlefield was made by General William C. Westmoreland in October 1969, at the annual meeting of the Association of the U.S. Army in Washington. Speaking of the military utopia off in the distance, he said, "I see battlefields or combat areas that are under twenty-four-hour real or near-real-time surveillance of all types. I see battlefields on which we can destroy anything we can locate through instant communications and the almost instantaneous application of highly lethal firepower." Westmoreland's vision of a new, highly mobile, and highly automated version of warfare concluded with the statement, "With cooperative effort, no more than ten years should separate us from the Automated Battlefield."

Now, about halfway into this ten-year martial plan, hundreds of individual programs are under way to develop aspects of this futuristic battlefield, ranging from new, sophisticated fire-control systems to unmanned, remotely-piloted aircraft. The idea is no longer tied to the ground, as might be inferred from the word "battlefield," but has stretched out to include the air and the oceans. The immensity of the idea is best expressed by those in the Pentagon itself. Lieutenant Colonel C. J. Lowman, Jr., of the Land War Office of the Department of Defense Office of Research and Engineering (DDR&E), says that the concept is involved in large development programs in almost every area of defense research and development (R&D) today, from efforts in automated data processing to new weapons. When asked how much money is involved annually in projects associated with the electronic battlefield, Lowman smiles and says, "I guess you'd have to say that the large majority of the DOD's $9 billion annual R&D budget is now part of the effort." At this rate of $5 billion to $6 billion a year, the electronic battlefield easily dwarfs such earlier Federal biggies as the World War II Manhattan Project on atomic weapons, and may eventually get into the price class of the Apollo Program for space exploration.

In short, the Pentagon is now in the throes of a major transformation which by the end of this decade should give it a totally new philosophy and *modus operandi*. War will be much less dependent on men because dogface ground troops, and even trained air pilots, will become less and less necessary. In their place will emerge controllers and technicians housed in remote centers where they will direct robot planes and fire-power in response to computer readouts and blips on screens. The new American military dream depends on a highly lethal, portable array of integrated, plug-in gadgets which, once installed, sets up a zone out of which, presumably, no living thing can escape. To understand the concept fully, one must go back to a secret meeting held in the summer of 1966.

The concept began with a little-known but highly influential group of civilian, academic scientists who spend their summers solving military problems and dreaming up new weapons systems. Called the JASON Division, this group meets under the auspices of the Institute for Defense Analyses, a powerful, low-profile think tank in the employ of the Pentagon. The assignment given to the forty-seven JASON scientists who met in July 1966 was to evaluate the effects of large-scale bombing in North Vietnam and to look into the alternatives, including the feasibility of "a fence across the infiltration trails" leading from North to South Vietnam.

By summer's end the JASON scientists reached two major conclusions: First, the bombing of North Vietnam was having no measurable direct effect on infiltration, and even a vastly stepped-up bombing campaign would not change the situation; second, the "fence" that then Secretary of Defense Robert S. McNamara had asked them to look into was a good idea. As later revealed in Senator Mike Gravel's edition of the *Pentagon Papers*, the JASON report was quite detailed on how the fence would work. It would be a barrier system five kilometers wide which would stretch across the demilitarized zone and Laotian panhandle, and which would be seeded with an array of mines, detectors, and sensors. Specific sensing equipment would be monitored by specially equipped patrol aircraft which would direct the attack of aircraft—loaded with cluster bombs and other anti-personnel weapons—against any activity detected on the barrier strip.

McNamara's enthusiasm for the program was such that he immediately created a special unit with the innocuous title of Defense Communications Planning Group (DCPG) to establish the fence as soon as possible. When the program was announced in September, it was promptly dubbed the "McNamara Line" by the press, which gave it considerable attention for a few weeks. Not much was heard about the barrier after that until more than a year later when, in December 1967, it was announced that part of it was in operation, but that other elements of it were experiencing technical problems. Less than a year after that announcement, the military let it be known during budget hearings that the enemy was able to end-run the electronics-rich strip, and another was that decoy groups could enter at one point to draw attention to that spot while a larger force crossed at another point. Quite simply, it was a linear idea not meant for a 360-degree war in which attack could come from any point of the compass.

The military, however, did not abandon the concepts inherent in the "McNamara "Line," its new incarnation was passing into electronic battlefield emerged as an idea which transcended the fence to become far more flexible and mobile: to move all the electronic gadgetry to wherever it was most needed. In truth, the "McNamara Line" had not died as much as it had lost its linearity and become the "McNamara Umbrella," opening across South Vietnam and into Laos, Cambodia, and Thailand. Ironically, even as the press carried glib obituaries for the "Line," its new incarnation was passing into the billion dollars-spent category—and rising fast. By November 1970, when a special panel from the Senate Armed Services Preparedness Investigating Subcommittee held hearings on the electronic battlefield in Vietnam, it was determined that $3.25 billion had already been appropriated for the program.

The program attracted heavy Federal funding and a swarm of defense contractors. During the last three years that U.S. forces were fighting in Southeast Asia, many facets of the electronic battlefield were implemented.

Of all the applications of the electronic battlefield employed, none was more sophisticated, dramatic, or lethal than an operation called Project IGLOO WHITE which was set up to cut traffic on the Ho Chi Minh Trail in Laos. It ran at full tilt from 1969 until the end of 1972 at a cost of about a billion dollars a year. It worked this way: Periodically, sensors were strewn over the landscape from high-speed aircraft, with the most common combination a mix of ADSIDs (Air-Delivered Seismic Intrusion Detectors) and ACOUBUOYs (Acoustic Buoys). The ADSID is a seismic sensor contained in a long spear which is flung from an airplane to embed in the ground so that only its antenna—disguised to look like a tropical plant—remains above ground. The ACOUBUOY is a radiomicrophone which floats down on a small parachute to snag in the branches of trees, to transmit noises. In all, tens of thousands of ADSIDs and ACOUBUOYs were dropped, along with other sensors including such bizarre items as a sensor produced by Honeywell which was made to look like animal droppings, and another called XM-3 chemical detector of "people sniffer" which was developed to detect the ammonia in human body odors. The "sniffer" device, however, was easily foiled when those on the ground learned it could be thrown out of whack by hanging buckets of urine in the trees.

In Project IGLOO WHITE, these sensors were used to detect activity which, once detected, was picked up by patrolling aircraft. In turn the aircraft relayed the information to a large land-based computer center in Thailand. "Skilled target analysts" monitored the information and decided whether or not the movement detected was worth attacking. If an attack was decided upon, planes were sent in to strike in truly electronic fashion; not only did the computer provide the course and coordinates for flight, but the plane's ordnance was released automatically. While most of the IGLOO WHITE missions were conducted by F-4 Phantom jets, some employed other aircraft. One special craft that was used was the Night Hawk, a helicopter gunship outfitted with special devices enabling it to see in the dark.

The actual ordnance used during IGLOO WHITE was as varied as the sensors. Some were such big items as PAVE-PAT II, a 2,500-pound bomb filled with propane under pressure and capable of clearing hundreds of acres of jungle; some were smaller anti-personnel weapons like WAPPUM and DRAGONTOOTH which are dropped from the air in huge numbers and arm themselves as they spin to the ground. These weapons are so distinctly anti-personnel in nature that Air Force Major Raymond D. Anderson, in the process of testifying to DRAGONTOOTH's effectiveness, said, "If a person steps on it, it could blow his foot off. If a truck rolls over it, it won't [even] blow the tire." Another of the horrifying anti-personnel weapons used with IGLOO WHITE and other electronic battlefield operations in Southeast Asia was the SUU-41 an airborne dispenser which was used to cover an area with hundreds of small GRAVEL mines. A single piece of GRAVEL looks like a small tea bag, but is quite effective at killing or maiming despite its innocent appearance. The list of such weaponry is long and diverse enough to include such items as "spider mines" which throw off long wire tentacles that explode when touched, and a small anti-personnel weapon that floats through the air like a leaf.

The military regarded IGLOO WHITE as a success. In 1971 the Air Force claimed that it had been able to find and destroy eighty per cent of the traffic coming down the Ho Chi Minh Trail. The claim at the end of that year was that 12,000 trucks and large numbers of troops had been destroyed without putting an American soldier on the ground.

The American departure from Vietnam did not end the military's interest in the electronic battlefield. Rather, that interest has intensified. As IGLOO WHITE and other operations demonstrated, the concept had proven itself. One of the military's major postwar goals is to develop and expand the notion. In the matter of sensors alone, there are many postwar efforts.

As the various services work to develop their own new generation of sensor packages, there are developments in other military areas. In May 1972, the United States held a major display of the electronic battlefield at a base in West Germany for the benefit of the other fourteen members of the North Atlantic Treaty Organization. That display, code-named MYSTIC MISSION, was clearly intended to induce the rest of NATO to adopt the system. Testifying in support of the fiscal 1974 military R&D budget, Stephen J. Lukasik, Director of the Advanced Research Projects Agency, said that the other nations were still making up their minds but that the United States was going ahead with a program to adapt old components and create new ones for the European environment. Whether or not the rest of NATO adopts the program, the United States is now preparing a European model of the electronic battlefield ready for quick transport to that area.

Sensor development is just a small slice of the vast electronic battlefield effort. Among the other ongoing elements that now make the electronic battlefield a far-ranging concept of offense as well as defense, and no longer a sort of electronic Maginot Line, are these:

RPVs (Remotely Piloted Vehicles)—The Army, Navy, and Air Force are all working on various pilotless, remotely controlled aircraft. They range from reusable surveillance fighters and bombers which could be built for a few million dollars each (much less than piloted aircraft) to models which would be expended as a ram against enemy aircraft, or as a guided bomb, and estimated to cost less than $100,000 each to produce.

Laser weapons—All three armed services are spending heavily to develop new laser arms—expected to cost more than $300 million a year for the next five years. First given broad and successful application in the "smart" bombs which are able to home in on a target illuminated by a laser beam, lasers are now being developed for applications such as antiaircraft, antimissile, air-to-air combat, and target location. In May 1973, *Aviation Week and Space Technology* reported an evolving Army program in which small RPVs would be outfitted with small television cameras and a laser designator. "Scenes viewed by the camera would be relayed in real time over a data link to ground observers who could acquire targets from a television monitor, then illuminate them with [RPVs] laser for remotely launched laser-guided missiles."

IBCS (Integrated Battlefield Control System)—A major Army program aimed at reducing manpower and increasing combat efficiency by applying automation to battle functions ranging from logistics to psychological tactics. Major elements of the IBCS now under development include the TACFIRE system in which hand-held digital devices (tied into a master computer) are used at the front line to direct firepower, and CS3 (for Combat Service Support System), a mobile computer that tends to the details of logistics and inventory supply in combat areas. This automated effort was described at one point by Army Brigadier General Wilson R. Reed as one ". . . which will electronically tie the sensors to the reaction means—the 'beep' to the 'boom' as it were—and leave the soldiers free to do what they do best—think, coordinate, control. The potential seems limitless."

The list could go on, but the point is that there are many efforts to link the "beep" to the "boom" which extend all the way down to the development of new techniques and hardware to prevent hostile jamming the other interference with the electronic links between the varied beeps and booms.

Incredibly, this massive proliferation of electronic military developments goes on without attracting the attention of civilian America. Congress has expressed little interest and much of that has been adulatory, in the tone of Senator Goldwater's comparison to the invention of gunpowder. About the only critical voice in Congress has been that of Senator William Proxmire, Wisconsin Democrat, who raised certain basic issues about electronic warfare in 1970 but has since let the matter drop. The issues raised by Proxmire then are still valid and need deep scrutiny. He questioned the cost of this kind of warfare and suggested that sensors had no ability to discriminate among soldiers, civilians, women, and children. The electronic guts of the system, he noted, were vulnerable to rough treatment and malfunction.

Before U.S. combat forces left Vietnam, the electronic battlefield was beginning to attract some attention from antiwar and peace research groups, but much of that interest died when America withdrew. The only major, sustained effort to educate the public about the electronic battlefield has been by NARMIC (National Action Research on the Military Industrial Complex), a branch of the American Friends Service Committee. Its major effort at public education began in 1962 with the production and distribution of some 1,300 copies of a filmstrip entitled "The Automated Air War." It was widely shown in the United States, Canada, and Europe. The NARMIC exposé is a well-documented, strong condemnation of the electronic battlefield innovations used in Southeast Asia.

Despite NARMIC's work, most Americans have little knowledge of the system, and many of those who are aware of its role in Vietnam do not understand its importance to the military and its cost to America in the post-Vietnam era—something on which the Pentagon is not issuing press releases. Probably there are some engineers and scientists working on parts of the program who are unaware of how their work fits into the ultimate military dream. In 1970, Proxmire claimed, "Most members of the Senate I have talked to did not even know that we had such a program." While that situation has changed mainly because of the hearings held on the subject later that year, it would appear from reading more recent hearings on military appropriations and monitoring the *Congressional Record* that Congress has not bothered to determine how the system has fared since 1970.

Several reasons for the lack of interest and concern are these: For one, the electronic battlefield is a loose concept rather than a cohesive program. For this reason, it does not appear as a line item in military budget requests, and since there is no budget or timetable for it there can be no cost overruns or delays to attract attention. Congress has questioned the cost and need for such specific items as magnetic sensors in the Army's budget, but it appears that the gigantic parent concept has been too elusive to question as a whole. Antoher reason why it has been left alone is that it fits in snugly with the Administration's stated view of the use of troops: smaller, volunteer armed forces with fewer troops abroad. As the concept is adapted for the European environment, there is little question that some of those troops in Germany which irk many politicians will be able to come home, replaced by sensors and computers.

A vital issue in the electronic battlefield concept is the moral one raised by NARMIC and others. For all the clean sophistication of the "beep" or sensor side of the idea, the boom side is appalling, as the antipersonnel weapons of Project IGLOO WHITE demonstrated. Last summer, the International Committee of the Red Cross issued a report entitled *Weapons That May Cause Unnecessary Suffering or Have Indiscriminate Effects*. The title is significant because "unnecessary suffering" and "indiscriminate effect" are terms used to describe weapons forbidden in international treaties and under the rules of war (Article 23 of the Hague Convention, for example) which the United States has agreed to. While the Red Cross does not identify any country by name, it describes the weapons of the automated battlefield as fitting the title of the report.

The electronic battlefield must be seen in the context of future wars—and, more specifically, future Vietnams. By creatng a way of warfare that depends on fewer and fewer "American boys," the military is making it easier to win public acceptance for getting into fights around the globe. Much of the anger felt at home over U.S. involvement in Vietnam had to do with the fact that Americans were being killed and maimed there. There would be much less anger against a war in which we were putting hardware, not men, on the line and casualty lists were dominated by decimated sensors, downed RPV's, and inoperative computers.

Finally, the electronic battlefield and its intense development raise the issue of what direction this country will take in the decades ahead: whether or not it will put much of its engineering and scientific talent to work on this lethal concept or whether that talent will be better employed on problems of civilian welfare.

Because the concept of the electronic battlefield has not been seriously challenged by civilian American or the Congress, it has become a national goal set entirely by the military and its contractors. The major point underscored by the development of the electronic battlefield is that the lesson of Vietnam was not that the war was a moral outrage, but that it was *inefficient*. The electronic battlefield which emerged during the waning days of that war is now being refined to make such encounters more "efficient" for the next generation.

POEM ABOUT DR. MARTIN LUTHER KING

Mr. PERCY. Mr. President, Mr. Ronnie Ted Shiflett, of Rome, Ga., has sent me a copy of a poem he has written in memory of the late Dr. Martin Luther King.

Mr. Shiflett's poem is both moving and poignant and I know that his sentiments are shared by millions of Americans.

I ask unanimous consent that Mr. Shiflett's tribute be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

I HAVE A DREAM

(By Ronnie Ted Shiflett)

(Dedicated to the memory of the late Dr. Martin Luther King, Jr.)

I have a dream, in a night of darkness,
And the night is far spent, when will day be,
And though the star's are twinkling bright,
The night is so black, that few eye's can now see.

I have a dream, of freedom, of justice, of liberty,
For all God's creation, black, yellow, and white,
For all over this nation and around this world,
Some people have refused to share, the path called right.

I have a dream, of peace, of love, of righteousness,
In a night possessed by war, by hate, by slavery,
And if my dream does not soon become a reality,
Then all men will suffer, and most of all, me.

I have a dream, which some day mankind may try to stop,
And this mortal man made of flesh, shall depart from me,
But let it be recorded for all men to see,
That I lived a life which few have lived,
And my life has become an eternal dream.

ABUSES OF THE THIEU REGIME

Mr. ABOUREZK. Mr. President, despite the continued denials of the Thieu regime and other dictatorships that prisoners are arrested, detained, and tortured, partly for political purposes and partly for pure fun, evidence continues to pile up every day that U.S. taxpayers' money is being used to support such reprehensible policies. I ask unanimous consent that two articles from the New York Times, both dated August 18, 1974, be printed in the RECORD to indicate the purpose for which American tax money is being used.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TORTURED WOMEN BEWILDERED BY PLIGHT

SAIGON, SOUTH VIETNAM.—Arrests by the South Vietnamese Government are not always calculated, often having a random aspect, touching not only those who know they are taking risks but also those who apparently do not.

A 25-year-old seamstress named Dang Thi Hien just seemed bewildered by her plight when she was interviewed recently while handcuffed to a stretcher in a Saigon hospital. As she spoke other patients in the crowded ward gathered in to listen.

Last Octobor, she recalled, a woman she had never met approached her as she was talking with a flower girl in a Saigon marketplace. The woman spoke a few words, then walked away.

"CONFESS!"

Suddenly four plainclothes policemen grabbed Miss Hien by the arms and placed her under arrest. She said she was taken to a police interrogation center in Khien Cuong, 22 miles from Saigon.

"They took me to a room," she said. "They told me to take off my pants and my blouse and I wouldn't do it, so they did it for me.

"There were five to seven people in the room. They beat me. They used a big stick and they put electrodes on the ends of my index fingers. When I started to fall they wouldn't let me fall and pulled me up by the hair. They beat me on the chest, the back. They took off my shoes and beat my stomach. It hurt very, very much."

"They wouldn't let me cry out," she continued. "They put their hands over my mouth and said to me, 'Confess!'

"They put a handkerchief over my nose and mouth and poured water and soap and put it through the handkerchief into my two nostrils and my mouth—three or four buckets. I was very tired by that time. Every time I drank these things, my stomach would swell up and they would kick me in the stomach. As soon as my stomach would go down again, they would give me more water and make it swell up again.

"They picked me up by the ribs with their hands, pulling the ribs out. Then they tied my legs apart after I fell because of the electric shock. They pulled my legs apart and kicked my vulva, and I lost blood there after that for 10 days. I could not stand any more."

She sank into unconsciousness, she recalled, and when she awoke she discovered that a live three-foot-long eel had been put in her underpants.

A CAUTIONARY GLANCE

"That night they took me to the hospital and gave me medicine to put me to sleep," she said. "I didn't know anything for a whole night. The next morning after I was awakened they took me back to the room and beat me again with sticks and kicked me on the back and chest. When I was lying on the floor they just came by and kicked. I could no longer walk. The second day I couldn't feel anything."

She told the story in a quiet steady voice. Only when her mother entered the ward and knelt by her did her eyes fill with tears.

"I am sick and sad," Miss Hien said. "Because I was arrested I think that the war still must be going on."

As for her political views, Miss Hien said only: "Before, I didn't know, I did not have any experience with the Government. Now?"

Her mother shot her a glance of warning and whispered a few words. "I don't want to say," Miss Hien added.

The interview was suddenly ended by a plainclothes police captain who had joined the crowd. He was exceedingly polite as he invited the correspondent to a nearby station house, asked what information the prisoner had given and, apparently satisfied that she had said little of importance, ended the session with a request that nothing be written that would get him in trouble with his superiors.

A few days later Miss Hien was removed from the hospital, although some of the staff said that she was in serious need of physical therapy. After spending time in two prisons, she was released in mid-June.

An American working for a private welfare agency who investigated her case was told by the police that she had been charged with "communication with the Communists." She was said to have introduced a girl to an older women who was suspected of association with the Vietcong.

Miss Hien denied involvement. In her case, as in many others, it was simply her word against that of the police. The police tortured her, she believed, "partly for fun and partly to find out."

SAIGON POLICE FIGHT SUBVERSION BUT ALSO CURB POLITICAL DISSENT

(By David K. Shipler)

SAIGON, SOUTH VIETNAM, August 17.—On the floor of a Saigon hospital ward a young seamstress named Dang Thi Hien lay handcuffed to an olive-drab stretcher. Her legs, covered with a blanket, were paralyzed—a result, she said of beatings and torture during police interrogation.

In a small office a student activist, Nguyen Xuan Ham, drew deeply on a cigarette while he described being forced to watch three friends tortured as policemen tried vainly to make him admit that he was a Communist.

A high-school philosophy teacher, Tran Tuan Nham, who was jailed after his unsuccessful run as anti-Government candidate for the National Assembly, hunched over his drawing of the layout of cells in the Saigon municipal police headquarters to show where he saw the head of the Private Bank Workers Union, Phan Van Hi, meet death—not by suicide, as the Government reported, but after days of beatings.

Beyond the well-known war of tanks and planes and infantry there is another war in South Vietnam—a silent, hidden war that runs its course out of the public view. It is waged in interrogation rooms, in prisons, in courtrooms. It is fought in tiny print shops and large universities, in churches and pagodas, in the cramped offices of opposition politicians and the shabby headquarters of dissident union leaders.

FAR FROM PUBLIC VIEW

Some portray the struggle as a monumental clash between free ideas and governmental suppression; others see it as the Saigon Government's rightful battle for survival against a potent campaign of Communist subversion.

In fact it is both, for its major roots are in the civil war that has consumed South Vietnam for two decades, taking some two million Vietnamese lives, touching virtually every family, seeping into every crevice of society.

The Government, to defend itself against Communist attempts to seduce and convert the civilian population and to combat infiltration, sabotage and assassination by the Vietcong, has assembled—with American financial and advisory help—an extensive police apparatus and a military judicial system that are waging this second, simultaneous war.

But those caught in the web of arrest, torture and imprisonment include not only Communists who pose as dissidents but non-Communist dissidents as well; not only sophisticated Vietcong officials but apolitical peasants suspected of Communist sympathies; not just Communist labor organizers but tough, aggressive union leaders; not only Vietcong propagandists but poets and writers who have simply opposed United States policy and called for peace.

In recent months a picture of the Government's police and judicial systems has emerged through interviews with former prisoners and their families, student activists, labor officials, teachers, journalists, authors, opposition politicians, Roman Catholic priests, Buddhist monks, lawyers and police officials.

Such inquiries by foreign correspondents are possible in Government-held areas, where outsiders have relative freedom. The Vietcong, in contrast, have permitted only strictly guided tours by newsmen, so little is known of the actual workings of their security and judicial systems. The sketchy outlines provided in captured documents and the interrogation of defectors indicate that recalcitrant civilians in Vietcong areas are subjected to arrest, trial, "re-education" and even execution.

As a result of the police activity on both sides, no neutralist sentiment has been allowed to gain momentum. The Government machinery designed to fight the Communists has actually eaten away the middle ground between the two warring camps.

NO PLACE TO TURN

Those politically active South Vietnamese who dislike both sides find themselves with no place to go. Some who were anti-Government dissidents have turned reluctantly to the Communists. Others hate and fear the Communists so much that they have grudgingly accepted President Nguyen Van Thieu although they do not like him either.

Yet the Government's system is not a massive, ever-present police operation comparable to that of the Soviet Union, nor does it suppress dissent so thoroughly that the country can present a public image of unity, as does North Vietnam.

* * * * *

Mr. Nham, the teacher, was arrested shortly after his unsuccessful 1971 campaign for a National Assembly seat, run on the theme "Fight the Americans and save the country,"—a slogan also used by North Vietnam. He was released in March after nearly two years in prison.

"At the beginning of the campaign, my election pamphlets were confiscated right at the print shop," he said in an interview four days after his release. "And on the first day of the campaign, in the morning, I began putting up my posters. By six o'clock that night the police were tearing them down."

Every day, he recalled, five or six of his campaign workers were arrested, held for a few hours and released. He said that after the election—he finished eighth in a field of 87 candidates running for six seats—about 20 of his workers were put in jail, where some remain.

ANTI-U.S. ARTICLES CITED

A journalist who asked not to be identified related that he had been arrested, beaten and tortured with electrical shock by policemen who cited several of his anti-American articles as evidence that he was a Communist.

He had translated American antiwar writing and had written a newspaper series about the My Lai massacre, the effects of defoliants and the use of antipersonnel bombs against North Vietnam, all based on books and articles published in the United States. He was released several months ago after about a year and a half.

A well-known author, Ngu-yen Buc Dung, who uses the pen name Vu Hanh, was arrested in 1967 and held for three years after he had written newspaper and magazine articles arguing that Vietnam's national culture must be preserved against Americanization. He advocated the establishment of a political movement with that aim.

During interrogation, he said, policemen beat him, forced soapy water into his mouth and tortured him by applying electrodes to his body.

In 1969, when his 18-year-old son, Nguyen Anh Tuan, protested the imprisonment, he was arrested and is still in prison. In January 1973, Mr. Dung's 15-year-old daughter, Nguyen Thi Phuong Thao, was arrested and held for six months for allegedly possessing antiwar music. The police said she was a Communist.

Now Mr. Dung's small house, tucked away in a compact garden off a back alley in Saigon, is stripped of his books and writings, all seized by the police. He has written two novels since his release, both so heavily censored that he does not think it worth trying again.

On Jan. 1, 1974, the police surrounded a Saigon cafe and, it is reported, arrested three young people connected with the clandestine publication of a small book of short stories entitled "Pink Hearts."

The stories are intensely antiwar, portraying the Government as the prime cause of a conflict that separates lovers and shatters families. One of those said to have been arrested, Than The Hung, a student at Van Hanh University in Saigon, wrote of a peasant named Sao Do, who fought the French and was now opposed to both sides in this war.

Sao Do reflects happily on the forthcoming marriage of his daughter, but worries that his two sons might kill each other.

Suddenly Government planes attack with "thousands of fragments of bombs and bullets surrounding and swooping down on Sao Do's hiding place, where his neighbors also try to save some fragment of life amid the net of death."

"After the careless terrorization," the story goes on, "the planes flew away, leaving behind a scene of destruction, torn houses, rows of bamboo with their heads bowed low to the ground, smoke rising up from burning houses. The smoke rose and disappeared like the incomplete dream of Sao Do."

"I DON'T LIKE THIS FLAG"

Another author reportedly arrested was Hoang Thoai Chau, who wrote a bitter story about a Saigon taxi driver's happiness upon hearing of the cease-fire. He expected his three sons to return from the army, but when he entered his house he found that only one son had come home, in a coffin draped with the South Vietnamese flag.

"Why don't you bring home something different from this flag?" the man asks his dead son. "I don't like this flag."

Many former prisoners, although by no means all, describe being subjected to torture, usually for one of two purposes: to force them to provide intelligence information or to force confessions, to which the military judicial system attaches great value.

A number who have been imprisoned in the Saigon municipal police headquarters, including a student leader, Ha Dink Nguyen, report seeing a slogan on the walls and on signs on desks: "If he is not guilty, beat him until he renounces. If he does not renounce, beat him to death."

Mr. Nham, the teacher and opposition candidate, said he was never tortured, but in the first week in March, when he was in a cell at the Saigon municipal police headquarters, he recalled, he say many people from the countryside, mostly women, who had been beaten so badly that they could no longer walk and had to be carried from cell to interrogation room.

LINKS TO THE OTHER SIDES

"I had a chance to talk with some of them," he reported, "and it seems they were people who had husbands or relatives on the other side, and so they had been brought here. Other people were suspected of trading with the other side."

He recognized among the prisoners a former student, Thuy Dung, a frail woman in her early twenties who leaned weakly against the wall of the corridor as she walked to and from interrogation. Through a student who was serving as a sweeper in the cellblock, she conveyed to Mr. Nham her concern that she was suffering from an injury caused when an eel was put in her underpants.

When Mr. Nham was first arrested, he went on, students in his cell had painfully swollen fingers because policemen had inserted pins under their fingernails, then run rulers back and forth across the ends of the pins during questioning.

One of those in the cell, a law student named Trinh Dinh Ban, had been beaten so badly that he could not sit upright, Mr. Nham related, adding, "He screamed all the time because he was in pain all over his body."

Other people have described similar situations. An American physician who works in a provincial hospital reported that prisoners were often brought into the wards with bruises that they attributed to police beatings. The doctor, who asked not to be identified, told of a woman who was near death, having been severely beaten on the stomach: "She had internal injuries, bleeding, she couldn't eat. I thought she was going to die, but she survived."

JUST ROUTINE QUESTIONING

Dr. Tom Hoskins, an American who works in Quang Ngai, on the central coast, reported that one of his clinic's regular patients, a 45-year-old woman, came in suffering from bruises. "She had been picked up for routine questioning," he said, "and was severely beaten around the arms, chest, legs."

The patterns of arrest envelop certain aggressive labor unions as well—those that threaten to translate serious economic concerns into sharp political issues.

In April, 1973, a number of prominent union officers were arrested and accused of being Communist agents, among them Mr. Hi. head of the bank union; Dang Tam Si, secretary general of the bank union; Nguyen Thua Nghiep, president of the Petroleum and Chemical Factory Workers Union, and Hoang Xuan Dong, secretary general of the Railway Workers Union.

Mr. Dong was among 27 union members arrested in April, 1973, after an illegal two-hour strike by clerical and repair workers seeking a wage increase. During interrogation, according to a source close to the case, he was blindfolded and his wrists were handcuffed behind his back and water was forced into his nose and mouth until he could not breathe. The police asked: "Who gave the order for this strike? Do you have contacts with Mr. Nghiep or Mr. Hi?"

HE DIED IN PRISON

Mr. Hi, arrested at about the same time, was accused of being a Communist agent for 25 years. Five days after his arrest he died in prison; the Government said he had hanged himself.

Mr. Nham, the teacher, whose cell was across the corridor, has a different version.

"I could see him carried out for interrogation and carried back," Mr. Nham recalled.

"The person who brought rice to the cells said he was being beaten really severely and he didn't know whether he would be able to bear it much longer."

On the night of April 22, Mr. Nham continued, he heard a noise from Mr. Hi's cell.

"A guard came over and opened his door and pulled him out head first so his legs were still in the cell and his body outside," Mr. Nham said. "He had no clothes on. One arm was across his chest. His arm was swollen and it was black like a piece of putrid meat. On his chest was a little bit of blood, his side along his ribs was just beaten into hamburger." Mr. Hi was dead.

Last March, Mr. Nham said, he shared a cell with a union man named Trang.

TORTURE OF STUDENTS DESCRIBED

"He had been there seven or eight months," Mr. Nham continued. "He was being strung up by his arms daily and beaten on his legs, his back, his chest. When I left there he was unable to walk because of the beatings on his legs, and his knees were so swollen.

"He was arrested for having known a Liberation Front official who had responsibility for having lent him his pickup truck to go around in."

According to Mr. Nguyen, the student leader and a former student chairman at the Saigon university, torture was a common aspect of the wave of arrests in which he and about 250 student leaders were caught early in 1972. They had assembled a "peace movement" to oppose the American presence in South Vietnam and President Thieu's one-man election in 1971. One activity was burning American vehicles.

Mr. Nguyen described himself as one of three students tortured in front of Mr. Ham, the activist leader, who was chairman of an association of Catholic students at the University.

Mr. Ham said the others were Huynh Tan Mam, head of the South Vietnam Student Union, who is still imprisoned, and Phan Nguvet Quon. The police began by torturing him alone.

"Sometimes they tied me to the chair," Mr. Ham recalled. "Sometimes they blindfolded me. During the first week I was beaten every day." He also reported being shocked by means of an old hand-cranked telephone generator connected to his nipples with clips.

This failing to elicit a confession, the police brought in his friends one at a time, he said, adding:

"It terrorized me. I was very angry that they beat a girl in front of me. They tied her ankles to a chair, tied a rope around her stomach and blindfolded her. They had a long rubber baton and they beat her knee caps. They they thrust their hands in under her ribs and pulled them out. They had her lie down and forced soapy water into her mouth.

"They attached one wire to an earlobe and one to her breast or to her genital area and then they would crank. When the crank was turned and produced a burst of electricity, she would strain at the chair and slump back."

The policemen took turns, Mr. Ham recalled. Some were in uniform, and he could see that they were high-ranking officers—majors and lieutenant colonels—while others were in civilian clothes or bare-chested.

"ORDINARY JOB, NO EMOTION"

"It was like an ordinary job with no emotion," Mr. Ham commented. "They had many Coca-Cola bottles and cigarettes. They would beat a little, drink a little Coca-Cola, smoke a cigarette, speak to each other in quiet voices—no emotion, very professional. Most were not angry or hateful but were just doing it very coolly."

There were times, he said, when he considered "saying anything to relieve the suffering," but he thought that they would have asked him for details he could not provide, "so it just would have prolonged the torture."

Miss Quon never begged him to confess, he said, "but she did shout at them, asking them why they were so savage."

SCARS ARE OFTEN BURIED

It is hard to see the scars of torture. Sometimes they are in the eyes, but not always. Often they are hidden far beneath the steady gaze and self-control learned, perhaps, in the interrogation rooms. For some, curiously, it is not the thought of the torture itself but the recollection of waiting to be summoned that stirs the old taste of fear.

Nguyen Viet Tuan can still taste it, and he was never tortured. The president of a group called the Young Catholic Workers, he was arrested for helping workers striking at a Saigon factory. He was treated gently, he said, but his cell was full of those tortured.

The tension is still real—the extreme fear of the long, silent * * *.

"After 10 P.M.," he said, "we would wait for a sound, a bell. Then the guard gets up, climbs upstairs—then the sound of the key. The interrogators in the daytime were not severe, but the interrogators at night were hard."

FERMI NATIONAL ACCELERATOR LABORATORY

Mr. PERCY. Mr. President, in May I spoke at the dedication of the Enrico Fermi National Accelerator Laboratory at Batavia, Ill. I take a considerable amount of pride in the completion of this project. For me this dedication represented the culmination of 8 years of intensive involvement with all of the people who have made this laboratory possible.

The Fermi Laboratory houses the world's first 400 billion electron volt accelerator. An accelerator that large will be used to explore the most minute subatomic particles known to man—and perhaps discover others not yet known. The application of elementary particle research has already led to the development of the modern chemical, electronics, and nuclear energy industries. No one can predict what applications may follow the increased understanding of elementary particles now being sought at the Fermi Laboratory.

In 1966, just after my first election to the Senate, the site at Batavia was selected for the laboratory from more than 125 different site proposals. Since that time the Fermi Laboratory has not only met, but exceeded every one of its goals on cost, performance specifications, and timing.

Faced with the severe construction cost limitation of only $250 million, $100 million less than the design study cost, the Fermi management trustees nevertheless completed the project under cost. Furthermore, they found it possible, within the $250 million appropriation, to capture fully the potential for raising the maximum energy of the accelerator from the initial 200 billion electron volts—BeV to 400 BeV, a task which had been expected to cost an additional $30 million.

Final congressional authorization for the laboratory was granted in July 1969. As one means of conserving funds, a rapid construction schedule was set, calling for acceleration of the first beam by June 1972. This target was bettered by 3 months, and by April 1974, the intensity of the accelerator beam had already reached a value double that which had previously been proposed for a reduced scope project.

Mr. President, I congratulate all the dedicated men and women who have worked so diligently to make the Fermi Laboratory a success. Special congratulations are due its director, Dr. Robert R. Wilson, who has seen the project through from its inception to its completion.

I ask unanimous consent that a fuller explanation of the history and prospects of the Fermi Laboratory be printed in the Record.

There being no objection, the history was ordered to be printed in the Record, as follows:

Background Information on the Fermi National Accelerator Laboratory

(Prepared by E. L. Goldwasser, July 29, 1974)

I. PURPOSE

The Fermi National Accelerator Laboratory is the United States' most recent contribution to man's long-standing effort to understand the universe in which he lives, and, in particular, to understand the fundamental structure of matter. It is a laboratory dedicated to the pursuit of basic research in the area of the "physics of the very small."

During the twentieth century this field of physics has progressed from the study of molecules and atoms, through the exploration of the nuclei of atoms and now to the study of the "elementary particles" which are the constituents of atomic nuclei. Thus the name given to today's "physics of the very small" is elementary particle physics. It sometimes also is called "high energy physics" because the only tools with which the very smallest bits of matter can be observed and explored are mammoth machines which accelerate particles to very high energies. These have progressed in the past 40 years from an energy of about a million electron volts that was required to explore what we now consider to be the relative large structure of an atom, to the unprecedented 400 billion electron volts that can now be made available at the Fermi National Accelerator Laboratory. The higher the energy of the accelerator, the smaller the size of the object which can be studied.

Using submicroscopic projectiles which have been accelerated to these very high energies, scientists bombard protons, neutrons and electrons which, until recently, have appeared to be the fundamental building blocks of matter. It has not yet been understood how those building blocks all fit together. It is hoped that through research which now been started at the Fermi National Accelerator Laboratory, important new insights and understanding will be gained, not only about the forces with which these small bits of matter interact but also about their own inner structure.

Evidence has already been obtained showing that the so-called elementary particles are not all ideal geometric points in space, nor are they even small uniform spheres. Rather, experiments seem to indicate that there is a whole new substructure inside these very small objects. It seems possible now to explore that world using the gigantic "microscope" that is provided in the Fermi Labortory's proton synchrotron.

Laymen frequently ask, "What use can be made of this new information? Granted, it may seem of the utmost importance to scientists, but of what importance is it to me?"

The answers to those questions are complex. In the first place, it is not only scientists who gain satisfaction from the achievements of science. On the contrary, increased understanding brings all men a freedom from superstition and fear. All men reap the cultural and intellectual rewards associated with a better understanding of the universe.

More concretely, for those who believe that we cannot afford to do research unless practical applications will follow, it may be reassuring that new knowledge has consistently had a profound impact on our technology. Out of our understanding of atoms have come the modern chemical and electronics industries. Our understanding of the atomic nucleus has given us a new energy source, new medical techniques and much more.

No one can predict what applications may follow the increased understanding of elementary particles that is now being sought at the Fermi National Accelerator Laboratory. However man's continuing effort toward achieving a better understanding of the universe has had in the past, and will certainly continue to have in the future, a most profound effect, not only on his standard of living, but also upon his self-respect, his philosophy and, indeed, upon his total environment.

II. HISTORY OF THE PROJECT

During the 1950's it first became clear that there were no technical limitations to the energy that could be achieved in a particle accelerator. Before that time, it had frequently been the state of the technology which established the size of an accelerator and therefore the power of the "microscope" that it could provide. At other times it had been a particular physics objective which established the size of the next accelerator to be built.

About fifteen years ago, 30 billion electron volt accelerators at Brookhaven Laboratory in New York and at the Cern International Laboratory in Geneva, Switzerland began to reveal a number of previously unexpected new particles and new phenomena in the submicroscopic world of the elementary particles. The observations that were made were sufficient to suggest that an interesting and important new substructure lay inside the particles which had previously been thought to be simple. Neither the size of that substructure nor the masses of its constituents could be experimentally observed or theoretically calculated. Therefore the size of a new accelerator that would be necessary to study and understand that new substructure could not be specified. The determining factors for the scope of a new accelerator laboratory then became, on the one hand, the interest and the promise of the physics that might be understood, and on the other hand the cost of the accelerator and associated facilities. This then was not a technological question, but rather an economic and a scientific question.

For the first time, in May 1963, a special panel of the General Advisory Committee of the AEC and of the President's Science Advisory Committee recommended the construction of a 200 billion electron volt accelerator. That recommendation was studied during the ensuing years and was finally subjected to a searching review in the 1965 hearings of Congress' Joint Committee on Atomic Energy. The Committee organized a roundtable discussion of the proposal, involving scientists, not only from the field of high energy physics but also scientists and laymen from many other related and unrelated disciplines. The support for the proposed new and unprecedentedly expensive step in high energy physics was enthusiastic and almost unanimous. Following those hearings the JCAE endorsed the AEC's proposed Program for High Energy Physics including, as a major feature, the construction of the world's largest accelerator.

A design study was undertaken at the Lawrence Berkeley Laboratory of the University of California, and the result was a preliminary design for a 200 BeV accelerator laboratory that would cost about $350 million.

In subsequent reviews of this proposal, Congress' Joint Committee on Atomic Energy criticized the scope of the project as being too small, noting that plans appeared to be well advanced for the construction of a European laboratory with a more powerful accelerator than the one that was being proposed for construction in the U.S. At the same time, the fiscal arm of the Executive Branch of the government criticized the project as representing too large an investment for the government to make at that time in this branch of physics. Thus the Congressional Committee was pressing for an energy of 300 BeV or more, at least 100 BeV higher than that proposed, while the Executive Branch was pressing for a cost limitation of about $250 million, $100 million less than that projected in the design study for a 200 BeV machine.

While these reviews were in progress, scientists and university officials were searching for a management device which could assure a national character for a new accelerator laboratory and which would guarantee access to the unique facility by qualified physicists, regardless of their institutional affiliation. As a result of that search, Universities Research Association, now composed of 52 universities, came into being in 1965. It is that organization which now operates the Fermi National Accelerator Laboratory, under contract to the U.S. Atomic Energy Commission.

A council of the presidents of these 52 universities meets annually to elect members to the Board of Trustees of the not-for-profit corporation. The Council of Presidents delegates to that Board of Trustees the management responsibility for the Fermi National Accelerator Laboratory.

Another sensitive issue was the choice of a location for the new laboratory. While Universities Research Association was in the process of formation, the Atomic Energy Commission undertook a search for an appropriate site for a new accelerator. The Commission asked for proposals from all parties interested in being considered for a site, one condition being that the land had to be given, unencumbered, to the Federal Government.

At the same time, the Commission asked the National Academy of Sciences to appoint a committee of experts to screen the site proposals. In all, more than 125 different sites were proposed. The National Academy's committee narrowed that list down to 6 acceptable sites. That list of 6 was then passed on to the Atomic Energy Commission which made the final choice of the present site of the Fermi National Accelerator Laboratory, near Batavia, 35 miles west of Chicago, Illinois.

The final site selection was made in December 1966. In March 1967, Universities Research Association appointed Dr. Robert R. Wilson as Director of the new laboratory. On June 15, 1967 the first dozen staff members of the new laboratory met for the first time in space that was rented in Oak Brook, between Chicago and the laboratory site, for the purpose of designing the accelerator and laboratory and submitting that design to the AEC by the following October.

This small nucleus of a staff started to work and, with active participation and cooperation by high energy physicists from other accelerator laboratories and universities, completed a design by the required date.

It was proposed to build a laboratory centered around a 200 billion electron volt accelerator at a cost of $250 million. It was further proposed that the accelerator, as built, would have the capability to be raised in energy, at a later date, to as high as 400 BeV, at an incremental cost of about $30 million. Furthermore, besides reducing the projected cost and increasing the obtainable energy, the new proposal restored to its previous high value the originally specified intensity of the accelerator. Whereas the preliminary design study had suggested an intensity of 5x10^{13} protons per pulse, a reduced scope project which had been suggested, as a means of conserving funds, had projected an intensity the equivalent of only 10% that of the original design. The formal proposal now submitted to the AEC restored the specified intensity to its original value. Thus the requirements both of the Executive Branch of the government and of Congress were met in this proposal. As one means of conserving funds, a rapid schedule of construction was set, calling for acceleration of the first beam by the end of June 1972.

In April 1969 the State of Illinois turned over to the federal government title for the land which was to be the site for the Fermi National Accelerator Laboratory. In July 1969 AEC and Congressional reviews were completed, and the full $250 million construction project was authorized. It was only three years later, in March 1972, that the first beam was accelerated to 200 billion electron volts. By April 1974, the intensity of the accelerator beam had already reached a value double that which had previously been proposed for a reduced scope project, and there is every reason to believe that the accelerator will rapidly approach the originally specified intensity of 5 x 10^{13} protons per pulse.

Furthermore, in the course of construction, it was found possible, within the $250 million appropriation, to capture fully the potential for raising the maximum energy of the accelerator to 400 BeV. By December 1972 protons had actually been accelerated to 400 BeV. Routine and reliable operation is now carried out at 300 BeV, 50% higher than the initial specification for the accelerator. It is expected that an energy approaching 500 billion electron volts may soon be achieved.

Originally, there were fears, because of the low cost estimate for construction, that there would not be sufficient funds to build the already somewhat austere experimental areas that had been proposed. To the contrary, the experimental areas, as built, are significantly broader in scope and have a much greater capability than was projected in any of the design studies. As many as 35 separate experiments are now in some stage of installation, testing and operation. This number is about twice that which was originally thought possible. Early critics felt that a five year construction period was much too short and that at least seven years would be required. Instead, now, seven years after the first staff meeting was held and only five years after the full authorization of the project, 45 experiments have been completed, and important physics results are beginning to be studied and discussed.

III. PROSPECTS FOR THE FUTURE

Dr. Wilson, in his March 1971 report to Congress' Joint Committee on Atomic Energy, expressed his confidence that the laboratory could be finished well within the original cost estimate and that funds might remain with which the capabilities of the laboratory could be increased far beyond those originally foreseen. One possibility that he described was the construction of an "Energy Doubler."

The Energy Doubler would be a second accelerator, consisting largely of a ring of superconducting magnets, installed inside the tunnel in which the present main accelerator already is located. Because superconductivity makes it possible to generate magnetic fields twice as strong as those which can be achieved with conventional magnets, it would become possible, with the Energy Doubler, to reach a maximum energy of 1000 GeV—one trillion electron volts!

In the fall of 1972 authorization was given to use some of the remaining construction funds for the development and construction of prototype energy doubler magnets. That work has progressed considerably and is continuing at present.

In addition to the capability of generating beams of higher energies than have ever been contemplated before, the Energy Doubler has another feature which is particularly interesting in view of the present fuel shortage and energy crisis. Superconducting wires present no resistance to the flow of electrical current. Therefore the switching of protons from the present accelerator to the contemplated Energy Doubler could sharply reduce the consumption of electrical energy. For example, to operate the present accelerator at an energy of 400 BeV, somewhere between 60 and 80 megawatts of power will be required. On the other hand, if the Energy Doubler turns out to be a feasible development, the new accelerator system could be operated at an energy of 400 BeV with a consumption of less than 25 megawatts of electrical power. That represents a substantial saving, and, because of that fact, the Energy Doubler is sometimes referred to as an "energy saver."

Furthermore, the development of superconducting technology that would be inherent in the development of the Energy Doubler could represent a significant contribution to one important facet of energy-related research. The transmission of electrical energy by superconducting cables would revolutionize the electric power industry, and the construction of the energy doubler would represent the largest project for the transmission of electric power by superconductor that has as yet been undertaken. It would provide a much needed stimulus to industrial developers and producers of superconductors.

In addition to the Energy Doubler, which could partially be constructed from funds which still remain from the original authorization, plans are already being developed for possible major new projects associated with the Fermi Laboratory's accelerator complex. The most favored of these projects is a system of so-called "storage rings." This is a pair of rings, which could accept protons from the present accelerator or from the Energy Doubler, and store them, circulating at high energy in opposite directions. The rings would be so configured as to intersect at several points around their circumference, and at those intersection points, high energy protons traveling clockwise could be made to collide with high energy protons traveling in the counterclockwise direction. The energy of those collisions using the Energy Doubler as an injector, would be more than 50 times that which is made available when beams from the present accelerator bombard a stationary target.

A system of such storage rings has already been operated successfully at the CERN Laboratory in Geneva, Switzerland. However the energy of those storage rings is less than 1/10 that which would be available from the rings which could be constructed at the Fermi Laboratory.

Another possible plan for the future envisions the use of electrons in one of the two storage rings described above. Those electrons could be accelerated in the existing accelerator system and injected into a storage ring. The resulting collisions between protons and electrons would make possible the probing of nuclear particles, using electromagnetism as a probe rather than the nuclear force.

Because this possible long-range project envisions storage rings in which protons could collide on protons or on electrons, it has been named "POPAE" standing for protons on protons and electrons.

IV. PHYSICS GOALS AND ACHIEVEMENTS

It is the goal of the Fermi National Accelerator Laboratory to increase man's understanding of the structure of matter. New understanding will be sought by searching for the smallest subdivisions of matter that can be observed, by exploring the size and structure of those bits of matter and by studying the forces through which they attract and repel each other. Before discussing the goals and achievements of the Fermi Laboratory it may be helpful to set the stage by describing the recent history of this field of research.

About a century ago, the tremendous breakthrough was achieved in the study of the structure of matter when scientists discovered that the myriad substances that surround us—gas, liquid and solid, could all be broken down into combinations of less than 100 different chemical elements. The smallest unit of each of those chemical elements was called an atom. Atoms, it was soon discovered, were about one hundredth of a millionth of an inch in diameter.

As physicists turned their attention toward the substructure of these atoms, they found that about 99.9% of the mass was located in a far smaller region at the atom's center. They called this the nucleus. The size of the atom, it was discovered, is determined by a group of electrons which orbit around the nucleus, the whole system looking very much like a scaled-down version of our solar system, the nucleus corresponding to the sun and the electrons corresponding to the planets. The diameter of the nucleus is only about 1/10,000th the diameter of the already submicroscopic atom.

By 1932 it was established that the nuclei of all atoms consist of varying numbers of only two different kinds of particles, protons and neutrons. All of the chemical elements and thus all matter in the universe, are therefore different formations of only three fundamental particles, electrons, neutrons and protons.

The simplicity of this picture of matter, in the 1930's, marked a tremendous achievement. However a number of substantial problems still remained. The two familiar forces with which matter pushes and pulls on other matter had then been identified as the gravitational force and the electromagnetic force. Those forces were well understood, yet it can easily be shown that if only those forces were acting, the particles which reside inside the nucleus would fly apart and not stick together as they are observed to do. Scientists therefore set forth to understand the forces which hold the nucleus together.

As a result of studies to date, two, new, independent force fields have been found. They have been named the strong force and the weak force. They bring the total number of forces in nature to four.

In order to gain some understanding of these new forces, higher energy accelerators were built, but when matter was examined using these more powerful "microscopes," it was surprisingly found that the simple world of neutrons, protons and electrons was in reality, not at all simple. Instead, more than a hundred new, hitherto unsuspected, strange new particles were discovered. Their existence has immensely complicated our view of the world.

It is simplicity, not complexity for which a scientist strives. Therefore, physicists started to search for patterns and regularities in the properties of the new particles, and these have now begun to appear. Those regularities have given us new insights into the beauties of the structure of matter and give us a glimmer of hope that a more profound simplicity and a more complete understanding lies just beyond the bounds of our present observations and comprehension.

In fact, based on these apparent regularities, in some cases predictions have been made about the existence of particles not yet found, and later the particles, in fact, were found. One basis of such an ordering scheme has been the possible existence of a still more basic set of building blocks out of which all of the observed "larger" particles could be constructed. One theory assigns special properties to those building blocks and has named them "quarks."

At the Fermi National Accelerator Laboratory scientists have started to work with the most powerful "microscope" ever constructed by man. The 400 BeV accelerator enables scientists to look at a proton and to discern substructures as small as 1/1000th of the size of the proton itself. Using these probes, physicists have already found evidence that the proton is not simply a uniform sphere but that it has a substructure of particles which had hitherto been unobservable. It is possible that this particle-like substructure which is now being observed in protons and neutrons may actually be the system of quarks which had previously been postulated, but so far, physicists have not been able to "free" a quark from a neutron or a proton. None have yet been directly observed in the open. Nevertheless, a number of searches have been conducted at the Fermi National Accelerator Laboratory, and more are due to be carried out during the coming months. Thus one of the goals of the new Laboratory is to observe quarks, if they are there to be observed, or, if they are not, to increase our understanding about their possible existence.

There are other kinds of particles for which searches are being conducted at the Fermi National Accelerator Laboratory. For many years, theorists have noted that there is a peculiar asymmetry in electromagnetism. Whereas electric and magnetic forces are very closely related and intertwined, electric fields arise from electric charges, whereas magnetic fields are found only to arise from electric currents, the movement of electric charges. As far as we know, there are no magnetic charges to play, for the magnetic field, a role analogous to that played by the electric charge for the electric field.

A related puzzle is associated with the fact that electric charge is "quantized." This means that one cannot increase the quantity of electric charge on any object in a continuous manner or by any arbitrary value. Electric charge comes in chunks, and one has ever seen the charge on an object change except by an amount equal to some integral number of those chunks. Yet we have no fundamental understanding of why that should be the case.

Theorists have been able to show that if the structure of electromagnetism is symmetrical,—if magnetic charges (called magnetic monopoles) were found to exist, then one could prove that both the monopoles and the electric charges would have to be quantized in value. It is therefore very attractive to many scientists to believe that such magnetic monopoles may really exist in nature. At the Fermi Laboratory, searches are in progress to find whether they exist within the realm that can be explored using the Laboratory's giant new accelerator.

One of the most interesting areas of research that have been opened at this new laboratory is that of the elusive fourth force of nature, the weak force or the weak interaction. We refer to the weak interaction as elusive, because whereas the source strength of the strong interaction is about 100 times that of the electromagnetic interaction, the source strength of the weak interaction is only one ten billionth that of the electromagnetic interaction.

There is one particle, and only one that we know of, which interacts only through the weak force. This is a particle called a neutrino, "little neutral one." To give some idea of the weakness of the weak interaction, it is interesting to note that neutrinos which impinge on the earth as part of the cosmic radiation, usually pass right through the entire earth without being deflected and without interacting in any way as they go through those thousands of miles of solid matter.

Nevertheless, at the Fermi Laboratory, it is possible to generate beams of neutrinos so intense that thousands of neutrino-induced interactions can be detected every day. Already, some interesting facts have been observed.

It has been found that the probability for a neutrino to interact with matter increases as the energy of the neutrino increases. If the energy is doubled, the probability for its interaction also doubles. If this behavior continues over a wide energy range, the point will come at which the effects of the weak interaction will dominate over those of the electromagnetic interaction. This could obviously have important ramifications for our understanding of the forces of nature and the structure of matter.

As part of the same set of observations at the Fermi Laboratory, it has been found that about one quarter of the interactions initiated by neutrinos are qualitatively different from what would be predicted by classical theory. The interpretation of those observations is complex, but one theory with which they would be consistent, also suggests that the electromagnetic interaction and the weak interaction are really not separate forces but are merely two different manifestations of a single basic force.

The idea that all the four force fields of nature might be unified and explained under one single theory has long been a dream of physicists, a dream that was actively pursued by Albert Einstein in his later years. It may be that we are beginning to see the realization of that dream.

An area in which we can be certain that substantial contributions will be forthcoming from the work in progress at the Fermi Laboratory is the study of the strong interaction and the study of the structure of the neutron and the proton. Surprises may be in store in the discovery of new particles or in the first systematic observation of the weak interaction. Those surprises may turn out to be much more important than the investigations about which scientists can be much more confident. However, the Fermi Laboratory accelerator is already substantially increasing our knowledge and understanding through its ability to look more closely at the size and the shape of the neutron and the proton, to discern their inner structures and to observe the effects of their interactions. All of these it can do in regions where they have never been done before. Already we have observed a surprising increase in the size of a proton as it is seen by particle, bombarding it with higher and higher energies. Some of these effects have never been observed before and all of them can now be studied in more detail than they ever have been studied before.

V. CONCLUSION

Scientists have every reason to expect that during the next five years, research at the Fermi National Accelerator Laboratory will provide a vastly improved picture of the fundamental particles of nature and of the ways they interact with each other.

A gigantic step forward in our understanding of matter was achieved with the atomic theory of the early twentieth century. Another gigantic step was achieved with our understanding of the nucleus that came in the middle of the twentieth century. It now seems tantalizingly clear that we are on the verge of another gigantic step through which we shall achieve a greater understanding of the elementary particles out of which all nuclei and all atoms are made.

From our understanding of the atom applications abound. From our understanding of the nucleus more applications have been forthcoming. No one can predict what use we shall make of a basic understanding of particles. However we can be sure that such an understanding will have an enormous impact on the minds and lives of men.

THE DEFENSE SYSTEMS OF THE DEVELOPING NATIONS

Mr. ABOUREZK. Mr. President, one of the fastest growing markets for industrial products in the world today is the defense systems of the developing nations. Total military spending by these nations is growing at a rate of 9 percent a year—twice that of developed countries, and also twice the rate of economic growth in the third world. One survey of worldwide defense spending indicates that the third world expenditures on military hardware increased from $3.3 billion in 1968 to an estimated $5.5 billion in 1972—an increase of 67 percent in 5 years. Since most countries seek to acquire increasingly complex and sophisticated weapons, the production of such equipment tends to be concentrated in an handful of the most advanced industrial nations: between 1950 and 1969, four countries—the United States, Soviet Union, Britain, and France—supplied 87 percent of the major weapons systems acquired by underdeveloped countries. The United States, faced with mounting threats of balance-of-payments deficits, has sought to encourage and exploit the growing appetite for advanced weapons in the third world by mounting an aggressive and well-organized sales campaign. As a result of a vigorous foreign military sales program, $96 million in fiscal 1965 to over $1.7 billion in fiscal year 1975—a 1,500-percent increase.

In a recent article in the Progressive magazine, Michael Klare presents an report on the current status of U.S. arms sales to foreign countries as well as a brief history of the FMS program of the past two decades. In light of upcoming consideration and debate on this matter, I would highly recommend the article to each of my colleagues.

Mr. President, I ask unanimous consent that the article by Mr. Klare be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE PENTAGON BLEEDS THE THIRD WORLD

(By Michael T. Klare)

In the early summer of 1973, while the nation's attention was focused on the unraveling Watergate scandal, the Department of Defense announced a series of major decisions on foreign military sales which indicated a radical shift in U.S. policy toward the underdeveloped "Third World":

First, on May 26, the Pentagon confirmed that the United States would sell advanced armaments, including F–4 Phantom fighter-bombers and F–5E supersonic jets to Kuwait and Saudi Arabia—both of which have provided funds and military support to the Arab forces battling Israel.

Second, on June 5, Secretary of State William P. Rogers announced that President Nixon would exercise his option—under an obscure provision of the Foreign Military Sales Act—to waive Congressional restrictions on the sale of "sophisticated" military hardware to Latin America, and would authorize sales of the F–5E supersonic fighter to Argentina, Brazil, Colombia, Venezuela, and, surprisingly, to Chile (then still ruled by the Marxist government of Salvador Allende).

Third, in the last week of July, Shah Muhammad Raza Pahlavi of Iran was flown to the United States to select first-hand the weapons his government would acquire in a $2.5 billion "buying spree"—the largest arms deal ever negotiated by the Department of Defense.

The cumulative impact of these decisions was to nullify wholly the policies which had governed U.S. arms sales abroad since World War II. Previous Administrations had held that all sales to Third World countries should be carefully screened to prevent needless expenditures on non-developmental programs, and to prevent local arms races from erupting into warfare. The Nixon Administration argues, however, that any such controls are self-defeating since these countries will buy arms anyway—if not from the United States, then from Europe or the U.S.S.R.—and that American interests are best served by selling to anyone who can make the down payments.

A recent study conducted by the U.S. Arms Control and Disarmament Agency determined that military spending by underdeveloped nations is growing at a rate of nine per cent per year—twice the rate of such spending in the developed countries, and also twice the rate of economic growth in the Third World. International Defense Business, a private information service, has reported that underdeveloped countries spent at least $5.5 billion on the acquisition of new arms in 1972—or double the amount spent in 1968. Since most countries seek to acquire the most modern weapons available, they have been forced to buy from the handful of nations which possess a modern armaments industry. According to the Stockholm International Peace Research Institute, four countries—the United States, Great Britain, France, and the Soviet Union—supplied eighty-seven per cent of the major weapons systems acquired by underdeveloped countries between 1950 and 1969.

The phenomenal growth of U.S. arms sales to Third World areas is eloquently documented in the latest statistics released by the Department of Defense: During the past three years, the United States sold $4 billion worth of arms to underdeveloped countries—or one and a half times more than the total of all such sales for the preceding *twenty* years. Equally striking is the disclosure that sales to *underdeveloped* countries in 1970–1972 were sixty per cent greater than sales to the *developed* countries. Before considering the implications of these ominous statistics, it is important to trace the evolution of U.S. arms sales policies.

The U.S. Foreign Military Sales (FMS) program was originally established in the early Cold War period as an adjunct to the grant system provided by the Military Assistance Program (MAP), and shared the latter's goal of strengthening "Free World" defenses against anticipated Soviet invasions. Since, in the immediate postwar era, most of America's allies were unable to shoulder the burden of their own and the common defense, the United States gave generously of its own resources to remilitarize Western Europe and the "forward defense countries" on the borders of the Soviet Union. Only when the NATO partners had completely rebuilt their war-shattered economies did Washington ask them to pay for the military equipment they were receiving in such abundance.

When President Kennedy took office in 1961, the goals of the FMS program changed radically. Defense Secretary Robert S. McNamara, who sought to expand the Pentagon's conventional warfare capabilities, recognized that overseas deployment of U.S. troops (and other war-related activities in Southeast Asia) would contribute to an ever-increasing deficit in balance of payments. To compensate for increased U.S. military spending abroad, he sought to persuade the allies to make substantial purchases of U.S. weapons. The Pentagon's overseas military missions and military assistance advisory groups (MAAGs)—originally deployed to furnish training in use of U.S. equipment provided under the Military Assistance Program—were converted into sales agents for U.S. arms manufacturers.

At first, the Pentagon's export drive was directed at the most advanced and prosperous nations of Western Europe, as well as Japan, Canada, and Australia. As the 1960s progressed, however, the market for American military products in the developed nations began to shrink and the Pentagon began to encourage substantial arms purchases by Third World nations that had become dependent upon the United States for economic and military aid. Growing Congressional opposition to direct military grants provided the Pentagon with an added incentive for expanding the sales program. To ensure that America's Third World clients would continue to receive the flow of weapons necessary for their survival in a revolutionary era, McNamara established an elaborate system of loans and credits enabling even the poorest countries to purchase U.S. arms. These included:

FMS Credit Sales: Low interest, long-term loans provided by the Department of Defense for purchase of American weapons. Total FMS credit sales for fiscal 1950–1972 amounted to $2.1 billion.

FMS Loan Guaranties: Loans secured from private U.S. lenders for foreign arms sales that are backed by Pentagon guaranties. (1950–1972 total $1.1 billion.)

FMS Cash Sales: Direct, government-to-government sales of U.S. military hardware. (1950–1972 total: $15 billion.)

Commercial Sales: Direct sales by U.S. firms of military equipment to foreign governments. (Such sales must be approved by the State Department's Office of Munitions Control.) Commercial sales totaled $3.2 billion between 1964 and 1972 (data for preceding years are unavailable).

Licensed Overseas Production: Overseas production of American weapons by foreign firms or governments. (These arrangements must be licensed by the Department of State.)

"Third Country" Arrangements: Sales or transfers from one country (which has received them in previous arms transactions with the United States) to another country. (Such arrangements *technically* require approval by the U.S. Government, but this requirement is sometimes waived when politically expedient—as, for example, when Iran transferred some U.S. jets to Pakistan in 1971.)

Spurred by these programs and the aggressive promotional activities of "advisory" personnel, Third World governments bought U.S. arms worth $1.2 billion during the last years of the McNamara era, a substantial increase indeed over the $431 million spent in the preceding fifteen years. Even this impressive gain, however, was soon to be overshadowed by the phenomenal sales growth realized during the Nixon Administration.

Increased U.S. arms sales to the Third World have become a central component of President Nixon's military and economic policies. Under pressure from an aroused public and a war-weary Congress, the Administration has been obliged to withdraw American combat troops from Asia and to restrain the rate of Defense spending at home. To continue protecting American interests abroad, therefore, Nixon has compelled client nations to supply troops for U.S.-led counterinsurgency operations (as Thai troops have been used in Laos), and to purchase substantial quantities of U.S. weapons to compensate for the declining Military Assistance Program. Under this strategy, the so-called "Nixon Doctrine," White House spokesmen insist that increased Foreign Military Sales and MAP aid are essential if the Administration's goal of reducing U.S. military strength abroad is to be achieved without precipitating the collapse of pro-U.S. military regimes in Asia.

U.S. arms aid, former Defense Secretary Melvin Laird argued in 1970, "is the essential ingredient of our policy if we are to honor our obligations, support our allies, and yet reduce the likelihood of having to commit American ground combat units." Persuaded by this final point, Congress grudgingly increased MAP grants from $782 million in fiscal year 1969–1970 to $1.3 billion in 1971–1972. Even these increases, however, have been inadequate to meet the voracious needs of America's allies, and arms *sales* have had to be expanded to fill the gap in even the poorest countries, such as South Korea and the Philippines. Thus FMS sales—which until 1965 amounted to far less than the MAP program—today are *eight* times greater than MAP aid.

The military rationale for arms sales is complemented by pressing economic and political considerations, principally:

Balance of Payments: Ever since October 1971, when America's foreign trade balance showed a net deficit for the first time since 1893, the Nixon Administration has regarded the balance-of-payments problem as a major foreign policy issue. As one solution to the problem, the Department of Defense launched an intensive campaign to expand sales of U.S. military equipment abroad. The U.S. sales drive has been so intense that many European officials—including several foreign ministers—have complained openly of the American's "all-out, hard-sell tactics." These hard-sell tactics have not been without success: while foreign sales of most U.S. manufactured goods have declined in recent years because of stiff competition from Europe and Japan, U.S. aerospace exports are rising and in 1972 were the only commodity to show a positive trade balance.

Aerospace Production: When Vietnam-related Defense expenditures began to decline in the early 1970s, many U.S. aerospace firms experienced significant cutbacks in Defense contracting and were forced to order massive layoffs of skilled and semi-skilled personnel. Some companies—particularly producers of attack aircraft and military helicopters—predicted that termination of the war would precipitate the closure of entire production lines or even corporate bankruptcy. To forestaff this eventuality, many companies launched intensive export drives designed to find foreign customers for their Vietnam hardware.

Cost-sharing: As aircraft and other military systems incorporate increasingly advanced technological improvements, the costs of research and development (R&D) and production engineering consume a larger share of total acquisition costs. (R&D expenditures on the C–5A jumbo transport jet, for instance, amounted to more than $1 million.) In an effort to pass on some of these mounting costs to the allies, the Pentagon is seeking substantial sales of advanced U.S. aircraft to wealthy Third World governments.

Spurred by such pragmatic considerations, the Pentagon has posted substantial increases in export sales for each of the past three years: Total military sales rose from $1.4 billion in 1970 to $2.6 billion in 1971, $3.9 billion in 1972, and an estimated $4.6 billion in 1973. Total sales for fiscal 1974 are expected to reach an astounding $5.2 billion.

Dollar Accumulations: With increased U.S. purchases of petroleum from the Middle East, and the rising prices of crude oil, the supply of dollars in Arab hands has been growing at a spectacular rate: Middle East profits from oil sales, according to one expert, will rise from $5 billion in 1970 to $10–$12 billion in 1975, and reach an estimated $30–$50 billion by 1980. At present rates of growth, this means that Middle Eastern producers will have accumulated an estimated $1,000 billion by 1990.

Obviously, such a concentration of U.S. currency becomes an independent source of power and a potential threat when one considers the fragile condition of the international monetary system: even $10 billion—if unloaded on the money market all at once—could precipitate a major financial crisis, while alternatively, it could be used to buy up entire U.S. industries. "The biggest long-range problem facing the United States in the Middle East," one Defense official told me, "is finding a way to get the Arabs to spend their dollars without letting them get control of our economy." One strategy that has been adopted by the Nixon Administration to deal with this problem is to induce substantial arms sales to the Middle East—a strategy which resulted in sales of more than

$4 billion to Iran, Saudi Arabia, and Kuwait alone in 1973–1974.

Political Influence: Arms sales, like military assistance grants, are considered an effective tool for strengthening the bonds of dependency that tie Third World arms recipients to their suppliers among the advanced industrial nations. The more advanced and expensive the weapons traded, the more dependent the buyer becomes on the training, spare parts, ammunition, and credits that are available only from the supplier; these in turn provide the supplier with considerable political leverage.

Arms sales are considered important in winning and preserving the loyalty of foreign military elites, which in many Third World countries have a substantial—if not decisive—role in determining national policies. These elites are increasingly eager to acquire the modern aircraft and other advanced hardware that they consider primary symbols of power and success—a phenomenon that U.S. arms dealers have been quick to exploit. Thus the Nixon Administration authorized credit sales of advanced jet aircraft (including the F–5E and A–4 Skyhawk) to Chile in an effort to preserve its ties with the military establishment, even though all other trade with the Allende regime had been banned. And although some analysts have questioned the actual value of such leverage (long-established client relationships have been sundered by Third World countries in response to changing political loyalties), the Pentagon argues insistently that increased arms sales are necessary to preserve American influence in areas where arms competition is brisk.

To achieve its diverse economic, political, and military objectives, U.S. policymakers have been obliged to scuttle established military sales doctrine which discouraged lavish arms spending by Third World countries. This reversal is most pronounced, perhaps, in the case of Latin America. During the Kennedy and Johnson Administrations, government policy precluded exports of advanced jet aircraft to South and Central America on the grounds that such sales would divert scarce economic resources from crucial economic and social development programs (which formed the cornerstone of the U.S. strategy for achieving political stability in the area), and because U.S. military doctrine stressed counterinsurgency and internal security rather than conventional warfare (thus obviating the need for sophisticated equipment).

In a discussion of U.S. military aid policy in 1967, Secretary McNamara told Congress that "our primary objective in Latin America is to aid, where necessary, in the continued development of indigenous military and paramilitary forces capable of providing, in conjunction with the police and other security forces, the needed domestic security." The 1968 aid program, he added, "will provide no tanks, artillery, fighter aircraft, or combat ships. The emphasis is on vehicles and helicopters for internal mobility [and] communications equipment for better coordination of in-country security efforts." This penurious outlook was formalized at the April 1967 Punta del Este Conference where, under prodding from President Johnson, Latin American leaders affirmed "their intention to limit military expenditure in proportion to the actual demands of national security. . . ."

The Punta del Este declaration was never taken to heart by the hemisphere's military leaders, most of whom consider counterinsurgency to be a secondary—if not demeaning—function, and who did not share Washington's approach to modernization. Constantly reminded of the close association between military strength and political power in the advanced countries (and in such contested areas as the Middle East and Southeast Asia), they acquired an understandable appetite for modern arms, including advanced fighter aircraft.

When their efforts to obtain American jets were frustrated by U.S. government restrictions and—at the height of the Vietnam war—by the sheer lack of suitable merchandise, many of the richer Latin American governments turned to Western Europe for supplies of the desired equipment. Within months of the Punta del Este conference, Peru ordered sixteen Mirage V supersonic fighters from France, and Argentina, Brazil, Colombia, and Venezuela followed with comparable Mirage orders. According to U.S. Department of Defense figures, Latin America spent $1.2 billion on European arms between 1968 and 1972, while spending in the United States amounted to $335 million.

Faced with the loss of its Latin American market (and the reduction in political leverage that this entailed), Defense officials and industry representatives, with Nelson Rockefeller an outspoken ally, launched an intensive campaign to abolish government constraints on arms exports to Latin America. Their arguments were received favorably in the White House.

Although by 1969 the White House was prepared to lift all constraints on sales of sophisticated arms to Latin America, it discovered that Congress was not disposed to move so quickly. In response to the growing national weariness with the Indochina war, and to what it considered excessive Presidential control over the management of foreign affairs, Congress—led by the Senate Foreign Relations Committee—adopted several stiff restrictions on sales of advanced armaments to Latin America. Under Section 4 (Conte-Long Amendment) of the Foreign Military Sales Act, the Pentagon is prohibited from furnishing credits for sale of "sophisticated weapons systems" to all underdeveloped countries (except "forward defense countries" on the borders of China or the U.S.S.R.) unless the President determines such sales are vital to the national security, while Section 33 (Fulbright Amendment) limits all forms of military assistance to Latin America (including arms credits, but exclusive of training) to $100 million with a Presidential waiver of fifty per cent of that amount.

To overcome these obstacles to increased U.S. sales activity in Latin America, Administration officials have campaigned vigorously for nullification of all Congressional restraints. In a 1969 statement of the Senate Subcommittee on Western Hemisphere Affairs, Assistant Secretary of State Charles A. Meyer suggested that "Latin Americans have become puzzled and even suspicious of our motives. Strong nationalist sentiment has arisen over what is seen as United States efforts to infringe on the sovereign rights of a country to determine its own military requirements."

Recognizing that the Senators were primarily motivated by the desire to prevent costly arms races in the Third World, Meyer emphasized the futility of such restrictions in light of extensive Latin American purchases of European arms: "The long-term consequence of our paternalistic, even patronizing, restrictions will be the acquisition of more expensive items, higher maintenance costs, and greater diversion of financial resources from civilian purposes."

Recent Administration statements have stressed more pragmatic concerns: that by forcing Latin America to buy from Europe we are losing an important export market at a time of mounting balance-of-payments deficits, and that by discouraging such exports we surrender to our competitors (including the Soviet Union) the political leverage that normally accompanies military sales.

In an extraordinary demonstration of Pentagon reasoning. Admiral Moorer even had the audacity to suggest that the only way to discourage Latin America from diverting excessive resources to the acquisition of arms was to *increase* U.S. military sales to the region to regain sufficient political leverage to persuade them to spend less on arms: "When we have been unable to sell U.S. military material or services, our friends and allies have turned to other sources . . . If we provide the material, our power to persuade is enhanced and our ultimate purpose—peaceful evolution and development—is served."

Despite such pressures Congress has so far refused to retreat on its arms sales policies. None of the key restrictions on sales to Latin America has been lifted, although some liberalization of credit terms and export ceilings is likely. In response to the resistance of Congress, the Administration has been unremitting in its search for interim measures permitting increased military sales in this hemisphere. On May 18, 1971, President Nixon informed Congress that he would exercise his option, under Section 33(c) of the Foreign Military Sales Act, to waive the $100 million ceiling on arms transfers to Latin America on the grounds that increased sales were vital to the national security.

Two years later, in 1973, the President announced that he would again invoke the national security waiver to permit sales of the F–5E supersonic fighter to Argentina, Brazil, Chile, Colombia and Venezuela.

Encouraged by such Administration concern, Latin American governments—particularly those ruled by military juntas—have made record purchases of our American weapons, raising their U.S. purchases from $44.4 million in 1969–1970 to $144.5 million in 1971–1972—a 225 percent increase.

Administration spokesmen frequently assert that the Pentagon's arms sales campaign is not intended to foster a weapons race in the Third World. "I am not urging in any sense an attempt to have an arms race by the developing countries," Deputy Secretary of State Kenneth Rush told Congress in 1973 while testifying on behalf of liberalized credit sales to Latin America. Nevertheless, the cumulative impact of Administration policies has been to quicken the pace of militarization in underdeveloped areas and to help fuel an upwardly spiraling "balance of terror" in certain key areas that could lead to an unending series of local wars or even a major world war.

Among factors which tend to spur weapons spending by Third World nations, the efforts of the United States to enhance its balance-of-payments position and to preserve its political influence have already been mentioned. Other factors also are at work: Since the United States has long had a virtual monopoly on sales of advanced technology weapons (particularly jet aircraft), many European countries, in an effort to boost their own exports, have worked energetically to promote sales of more conventional weapons (tanks, helicopters, small arms) to Third World countries, and particularly to Latin America and the Near East. The United States, in turn, has been compelled to liberalize its export policies so as not to lose its customers in these areas.

This competition among the arms *producers* has naturally induced a parallel and complementary competitiveness among the arms *recipients:* when one nation obtains supersonic jets or modern tanks, its neighbors and rivals naturally feel a need to obtain equivalent or superior weapons in order to protect their security. This process has led to the alarming spread of relatively sophisticated arms to otherwise backward and impoverished nations. In 1957, for instance, one small nation—Israel—possessed supersonic jets; twelve years later, thirty-three countries—including Afghanistan, Ethiopia, the Philippines, Uganda, Yemen, Peru, and Nigeria—owned such aircraft.

Even while its export policies contribute to a growing arms race in the underdeveloped areas, Washington claims to be seeking the preservation of a "balance of power" in certain strategic areas torn by political, religious, and economic strife. This is most apparent in the Middle East, where current U.S. policy calls for the maintenance of military parity between Israel and its Arab neighbors. While such a policy can, in some instances, contribute to the preservation of peace, it is ultimately *destabilizing* when motivated by rivalry between the big powers—in this case the Soviet Union and the United States—which are the main suppliers of weapons to the belligerents. Thus, when one side in the local dispute receives an increment in military strength from its patron, the other rivals must immediately obtain additional hardware from their own patron if the power balance is to be maintained. When there is no agreement between the big powers for restraint in weapons sales, each transfer of arms to one country sets off a chain of sales to other countries in the region.

This process perpetually threatens to precipitate armed conflict; as a supplier increases its investment in a local regime and its stake in the survival of the client expands proportionally, there is an increasing danger that local Third World conflicts will precipitate a clash between the great powers. (This danger became all too real in October 1973, when military personnel of both the United States and the U.S.S.R. were sent to the edge of the Israeli-Egyptian battlefield to supervise deliveries of advanced armaments.) And even if a world war does not come, the growing sales of armaments to underdeveloped nations will strengthen the rule of authoritarian military regimes while postponing long-overdue social and economic development projects which offer the only chance for long-term peace in the Third World.

CONSTITUENTS' PROPOSALS TO FIGHT INFLATION

Mr. ROTH. Mr. President, last month the First Pennsylvania Bank sponsored advertisements in the Philadelphia newspapers, which serve many of my constituents in Delaware, dealing with the evils of inflation and listing the bank's proposal for controlling inflation. Two weeks ago, the bank published a second advertisement asking readers to indicate whether they agree or disagree with nine specific anti-inflation proposals and to send the proposals to their Representatives and Senators in Washington.

The response has been staggering. I commend the First Pennsylvania Bank and my many constituents who have taken the time and the trouble to contact me on their recommendations for controlling inflation.

I firmly support many of these proposals, particularly the proposal to balance the Federal budget. The Federal budget has had a deficit for 14 out of the last 15 years. In the past 5 years alone, these budget deficits have totalled over $75 billion. This means that the Federal Government has been forced to borrow over $75 billion from the private money markets, taking that money away from commercial, mortgage, and small business loans, driving interest rates up to record levels, and fueling the fires of inflation.

Our No. 1 priority must be to regain control of the budget and put an end to these inflationary spending practices.

Another proposal I have supported would allow a certain amount of interest income from savings accounts to be tax exempt. This proposal would not only provide a small tax break for people who save money, but it would also reduce mortgage interest rates, help the housing industry, and make commercial loans more available.

These proposals, and others relating to energy-savings incentives and home mortgage financing, are laudable and worthwhile. I urge my colleagues to examine carefully these proposals to fight inflation.

I ask unanimous consent that the list of proposals and my constituents response be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COMPILATION OF CONSTITUENTS' RESPONSE TO ANTI-INFLATION PROPOSALS

[In percent]

	Agree	*Disagree*
Balance the federal budget. A balanced budget would tend to relieve a major source of inflationary pressure	100	--
Make the interest paid on all forms of savings accounts of $20,000 or less tax-exempt. To help protect the small investor and senior citizen from price increases	100	--
Allow the interest rates on all forms of savings accounts of $20,000 or less to rise in accordance with increases in the Consumer Price Index. To enable savings to keep pace with inflation	100	--
To ensure the availability of home mortgage money, allow variable interest rates, which rise or fall according to the level of general interest rates. Also, commit no mortgage money for *new* second homes for the next three years	93	7
To cut down excessive oil consumption, penalize new cars that get less than 15 miles per gallon by imposing a stiff purchase tax. Eventually, this tax should be extended to include new cars that get less than 25 miles per gallon	47	53
Designate as preferred borrowers those industries converting to more efficient use of energy reserves. And to further encourage the development of these priority industries, grant them variable investment tax credits based on new capital investment	87	13
Have the Federal Reserve direct lending institutions to increase the percentage required for down payments on non-essential consumer loans (swimming pools, pleasure boats, private aircraft, etc.) and, when necessary, to shorten the number of monthly payments	87	13
Make affordable loans available to essential industries, such as public utilities, by allowing lending institutions to reduce the reserve behind such loans	87	13
Require those individuals with after-tax earnings of $40,000 or more to invest 5% of their net income in Government Securities for a period of three years. At the end of three years, this investment would be returned with its original purchasing power intact	60	40

FOREIGN AID POLICY

Mr. ABOUREZK. Mr. President, in our continuing debate on foreign aid policy, we seldom consider the perceptions of the recipient countries in estimating the effects of various aid programs.

In the May 1974 edition of Africa magazine, extracts were published from a speech by President Julius Nyerere of Tanzania, which he gave at the New Zealand Institute of International Affairs.

In it he outlines what his country considers true aid, and what some of the recipients' problems are.

I urge my colleagues to review this interesting point of view and ask unanimous consent to print the article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR INDEPENDENCE NOT FOR SALE

(By President Julius Nyerere)

(President Julius Nyerere in March paid his first state visits to Mauritius, New Zealand, and Australia. He also visited the People's Republic of China, his third visit to that country in nine years. He spoke publicly on several occasions. But perhaps the most important speech Nyerere made during the state visits was the lecture he delivered at the New Zealand Institute of International Affairs, Christchurch, on March 18. Below are extracts from the lecture which was entitled "Aid and Developments from a Recipient's Point of View".)

I am told that the annual national income per head in New Zealand is about one thousand five hundred New Zealand dollars. The equivalent figure for Tanzania works out at something like seventy-three New Zealand dollars. In other words, the average Tanzanian works for 20 years before he receives the income which the average New Zealander earns in one year.

The attack on world poverty is a vital long term concern for the rich. They need to participate in it because of their humanity, and out of self-interest. But I go further. I believe that the poor nations have the right to demand assistance from the rich nations as a matter of justice, and in compensation for continuing exploitation.

The poor countries are told they must work hard, produce more, and then through international trade and the multiplier effect they will be able to overcome their poverty. It is an attractive proposition. Most of us believed it when our countries became independent. Unfortunately we have found that it does not correspoond with the facts.

I will give just two examples. In 1950, Ghana exported 267,000 tons of cocoa, and earned £54.6 million. The Ghanaians worked hard; they invested some of that money on improving the quantity and quality of the crop, which accounted for more than 70 per cent of their total export earnings.

By 1965 they were exporting 493,000 tons of cocoa—an increase of about 85 per cent in output. Unfortunately, all their work and investment had increased their income by only 25 per cent and the value of money had meantime fallen.

Or take the case of sisal—which used to be Tanzania's largest export earner—in terms of tractor prices.

In 1965 I could buy a tractor by selling 17.25 tons of sisal; at the time of my inquiry in 1972 I had to sell 42 tons of sisal to acquire the same model; and last month—after the much talked of rise in the price of primary commodities—I still had to spend the money value of 27.25 tons of sisal to buy this tractor—that is, 57 per cent more sisal than in 1965.

All the evidence suggests that such price movements are a function of the present world economic structure, in which the industrialised nations are able to control the price at which they sell, and also the price at which they buy. These same nations also control the international monetary institutions.

The rich nations become richer because their economic strength gives them economic power; the poor stay poor because their economic weakness makes them pawns in the power games of others.

Thus, the low return of Tanzanian coffee farmers is of no concern to the nations which want to buy coffee; the somewhat higher incomes of the workers in our instant coffee factory are apparently a different matter, so that factory runs at below capacity.

Changing the basis of international exchange relationships is an almost impossibly difficult thing to do. The various UNCTAD Conferences have wiped out any illusions which may previously have existed about that.

Even within nations, it is not easy to change the economic system so that it works in favour of the poor. But self-perpetuating poverty is countered internally by compensatory taxation organised and imposed by the national governments.

Unfortunately there is no world government which could tax the rich nations for the benefit of the poor nations; there is no international equivalent of social security payments. Instead, we have an acknowledgement of the need for 'International Aid'.

There appears, however, to be some confusion, if not hypocrisy, on this subject. Some people seem to think that any transaction between rich nations and poor nations, which is not settled within a matter of days by a cash transfer, can be classified as 'Aid'—quite regardless of the final advantage to one side or the other. I do not agree.

I believe that the term 'Aid' should only be used when there is a real transfer of resources to the poor, for the purpose of raising living standards and narrowing the gap between the poor and rich nations.

By my definition, military assistance would be excluded from the Aid figures. It has little relevance to the poverty gap, whatever other justification it may have. Export credits and commercial loans should also be disregarded.

Nor do I believe that private investment is Aid. It is undertaken for the benefit of the investor; local benefit—if any—is incidental.

And it is undertaken only in the expectation of a high rate of transferable profit; I am told that foreign investors look for an estimated 20 per cent profit before establishing a new enterprise in African nations!

This is the nature of private investment—I am not making a complaint when I list these things. But I do sometimes wonder what businessmen think when they see their investments in poor countries listed under their nation's aid totals.

In their position I think I might be worried; after all, if his factory is aid to us, why should we pay compensation if we take it over?

In fact export credits, commercial loans, and private investment, finally result—and are intended to result—in a transfer of resources from the poor to the rich. Poor countries seek for them because of the urgency of their need; but the resulting annual payments to rich nations are becoming a very real problem for many poor states.

Some countries, especially those which have suffered natural disasters, or whose major export price has collapsed, find themselves in very serious difficulties, with interest and foreign profit payments using up 20 per cent of their export earnings every year.

To meet these liabilities on previous loans they often have to borrow money. Then the new borrowing is counted as aid; but the interest payments to the rich nations are ignored!

I believe that only three things should be included in the category of international Aid. First is capital grants, that is, the transfer of international purchasing power. Grants tied to particular projects and to purchases from the donor country may also be genuine assistance, if the project and purchases are related to the needs of the recipient country.

But if, for example, an ultra-modern hospital is offered as a gift, it may have to be refused because of the heavy recurrent costs which it would involve for the poor nation.

Loans which carry no interest, or have very low interest rates, contain a large element of Aid—particularly at times of world inflation! But the aid element can be nullified or reduced if such a "soft loan" is tied to purchase from a high cost lending nation.

Indeed, our experience has shown us that a tied "soft loan" from some countries can be almost as expensive as free commercial money would be.

In the international aid statistics the nearest thing to my definition is the Official Development Assistance," and it is worth mentioning that the proportion of the Gross National Product of the major rich nations which was devoted to this, actually fell during the 1960s. As these countries themselves increased their wealth so greatly, the amount of money transferred annually did increase slightly.

Although development aid is a very marginal item for rich countries, it may be important to a poor country. It can do things like village electrification where such an advance is otherwise impossible, but where the electricity will enable the development of village industries, the improvement of water supplies and so on.

Aid can make a great contribution to development, provided it is given and accepted for what it is; a possible catalyst for local development.

Poor nations insist that the aid should be given as an expression of partnership, and therefore without political strings being attached to it. Poverty has no ideology. We are poor whether we are socialist, capitalist, or communist. We feel very strongly on this issue: our independence is not for sale.

It would be absurd to deny the relevance of politics to the struggle against poverty and therefore to the use of aid. If a country is corrupt, so that money or goods sent for development are diverted to the personal benefit of Ministers, senior civil servants, or other officials, it is not doing the job it was intended to do.

It is true that development goods which are put to use in a poor country are almost bound to do something to help it. But it does make a difference whether cement is used to build a Presidential Palace or a village well; and those whose aid is claimed on the grounds of rural development have a right to feel annoyed if it finishes up as a contribution to urban prestige building!

Aid cannot be politically neutral. Every government, however corrupt or tyranical, needs some public support, and even the honest use of aid can help to provide that support.

A village which gets a well is inclined to regard the government of its country more sympathetically than it would otherwise do, and people in the poor areas of a town are less likely to go on the rampage against corrupt Ministers if they are getting enough to eat.

Corruption in an aid-recipient state could mean that the taxes of some people are benefiting others richer than themselves. And fascism, racialism, and mass murder are evil whether committed in poor nations or in rich; humanity demands that we fight against such things, not give them support.

There is no country in the world where justice always prevails, where corruption is unknown, and where individuals never suffer through the actions of their government or the mistakes of its officials.

Even in those countries where the official policies may be judged to be beyond reproach, an excess of enthusiasm for progress, a sense of insecurity in times of crisis, or the administrative weakness which is a function of underdevelopment, frequently result in great sufferings for individuals or groups. Are these countries to be refused aid because of their failures?

BUREAU OF THE CENSUS REPORT ON THE STATUS OF BLACKS IN AMERICA

Mr. PERCY. Mr. President, we are all familiar with the importance and significance of the statistical data provided by the Federal Bureau of the Census. Although there can be inherent imperfections in the data collected, the information gathered by the Census Bureau is our best guide to enable us to arrive at conclusions regarding the existence and status of various population groups within our Nation.

The recently released annual report of the Census Bureau on the economic status of our country's black population is most revealing. The report is a result of the combination of data gathered from several long-term governmental studies. It is a comparative project in content and contrasts the 5-year period of 1964–69 with 1969–74 as they relate to blacks and their economic and social status.

Highlights of the report include:

First. The gains and economic progress made by blacks during the last half of the decade of the 1960's have been halted if not reversed since 1969. The report states:

> From 1969 to 1973, the median income of black families did not grow after an appreciable increase during the preceding four year period.

The median income for an average black family of two adults and two children was $5,999 in 1969.

The median income for this family in 1972 was $6,864 and 7,269 in 1973. Although these figures show an increase of median income of 21 percent since 1969, they are figures before adjusting for price changes due to inflation. After adjusting them for the impact of inflation, the new figures indicate that in reality the average family earned 0.2 percent less in 1973 than it did in 1969.

Second. In the years spanning 1970–73, income advances of black families have not kept pace with inflation, while earnings of white families have outstripped price increases by approximately 6.1 percent.

The average black family earned $5,999 in 1969. Between 1965 and 1969 "real" income of this family, after adjusting for inflation, rose 32 percent.

The average white family earned $9,794 in 1969. Between 1965 and 1969 "real" income of this family increased 16 percent.

Between 1969 and 1974, "real" income for the average black family decreased by 0.2 percent.

During the period 1969–74 income for whites increased 29 percent and after adjusting for inflation, "real" income had increased by 6.1 percent.

Third. The income "gap" between whites and blacks which had narrowed significantly in the 1960's is widening.

In 1969, black median income was $5,999, 61 percent of the median income for the average white family of $9,794.

In 1973, black median income was $7,269, 58 percent of the $12,595 for whites.

Fourth. There are more blacks living below the "poverty level" now than in the previous decade. There are less whites below that level.

The Census Bureau reports that there was a decline in the number of blacks living in poverty—below $3,000 annual income—in the 1960's.

From 1969 to 1973, the number of black families with income below the poverty level increased by 160,000 while the number of white families below that level declined by over 350,000.

Fifth. There has been a severe decline in the rate of growth of college-aged blacks enrolling in universities.

Of all college-age blacks, 10 percent were enrolled in colleges or universities in 1965; 15 percent were enrolled in 1970—a 5-percent gain in 5 years. Only 16 percent were enrolled in 1973—a 1-percent gain in 3 years.

Sixth. Blacks and minority group Americans were twice as likely to be unemployed last year as whites.

With these facts and figures in front of us, we can see that the social and economic needs of blacks and other minority group members are not being met. These figures should serve as a reminder and an index for future policy—facts to be considered as we continue our fight against spiraling inflation and our battle to cure our Nation's economic ailments—problems which have a greater impact on minority groups than on the general population.

I have no panacea that will cure the economic and social problems of our blacks and other minorities. We should, however, reiterate and continue to emphasize this tragic and frustrating situation. Our minority populations do suffer the most from the financial and economic crises of our day-to-day existence.

One cannot begin the work needed to solve a problem until that problem is recognized. I hope that the facts outlined here will encourage us all in the Congress and in the new administration to work to improve this depressed situation of our minorities just as theirs is an individual responsibility on the part of every member of a minority for self-achievement. With acknowledgment of the economic plight and the existence of the economic woes of our minorities as has been exemplified in the Census Bureau report, combined with the use of our compassion and our brainpower, we will be on the proper road to real progress in improving their economic conditions.

THE INTERNATIONAL POLICE ACADEMY

Mr. ABOUREZK. Mr. President, two excellent articles by Joseph Novitski, and an editorial on the situation in Chile appeared in the Washington Post over the weekend. In addition, Jack Anderson provided us with additional information on the International Police Academy on Saturday, August 3.

They come at a very pertinent time since it is this week that the House and Senate Foreign Relations Committees are marking up on the foreign aid bill. It is the information provided in these articles which, in part, led me to introduce three amendments to the bill this year. Hopefully, it will also be taken into consideration when each committee member considers the adoption of the amendments in markup.

Mr. President, I ask unanimous consent that these articles and editorial be printed in the Record.

There being no objection, the articles and editorial were ordered to be printed in the Record, as follows:

OAS Group Urges Chile Stop Torture

(By Joseph Novitski)

Santiago, Chile. The Human Rights Commission of the Organization of American States has recommended to the Chilean military junta that it stop physical and psychological torture, punishment without trial and pretrial detentions that amount to prison terms.

The recommendations, made privately to the government on Monday and given to the press last night, were the result of the first on-the-spot investigation of human rights violations in Chile by an international organization. Members of the Human Rights Commission spent two weeks in Chile talking to government officials and detainees and visiting prison camps, detention centers and military courts. They were not permitted to visit three military installations identified by detainees as torture centers.

The eight members of the commission did not make public the findings of their investigation. However, the 11 recommendations they made to the government clearly implied that they had gotten behind the increasingly easy-going normality of daily life in Chile and looked at the continuing expression of known or suspected Marxists since President Salvador Allende was overthrown last year.

The commission's recommendations indicated that it had found evidence that torture is used in interrogations of political prisoners, that people detained without charges are required to do hard labor, that Chileans sometimes disappeared for days or weeks after being seized by police or military intelligence services and that military courts have limited lawyers' access to their clients and tried people under wartime rules, for acts committed before the Sept. 11 coup.

The Human Rights Commission, a permanent body of the OAS, is limited in its ability to investigate charges of human rights violations by requirements that it work with the government that has been accused. The government of Cuba, Guatemala and Brazil, for example, have refused to allow commission representatives to visit their countries.

The OAS as a whole has never taken action on allegations of human rights violations by a member country, and in June tabled a commission report on torture in Brazil.

The government's decision to permit the commission to visit Chile appeared to be part of an effort by the junta to improve its international image. The jurists from the United States, Argentina, Brazil, Bolivia, Chile, Mexico, Venezuela and Uruguay said the government had cooperated with their mission.

Carlos Dunshee de Abranches, of Brazil, vice president of the commission, called the Chilean foreign minister's response to their recommendations "positive." That response was not made public immediately, but Santiago's pro-government newspapers published, the commission's recommendations prominently today without comment.

In the military view, Chile's image has been hurt, over the last 7 months by the very reports that the OAS commission came to investigate. Government officers have dismissed the reports of violations of human rights as Communist propaganda. They have termed the individual Chilieans, foreign journalists, and church groups they have reported on the details and dimensions of repression here Communists, had Chileans or Marxist dupes.

"They told me that they're always being lied about," U.S. Secretary of the Army Howard Callaway said last month at the end of a courtesy visit to Chilean army officials. "They categorically and adamantly denied that this (torture) was happening and showed me orders that had gone out. They said some soldiers had disobeyed these orders and had been punished."

There is no doubt that Communist and Socialist parties outside Chile, particularly in Western Europe, have organized a continuing campaign to denounce repression of leftists and others in Chile.

However, no communist or socialist countries belong to the OAS, a regional diplomatic grouping of the United States and 22 Latin American and Caribbean countries.

While the commission was here, according to an official estimate, 5,800 people were being held for political offenses in Chile, a country of 10 million.

About one-third of those held have had no charges lodged against them.

Hundreds of people, most of them women, went to the offices set up by the commission to add to the list of complaints before it. According to members of the commission, many came to report that relatives had disappeared after being detained.

While the commission was here, Jorge Montes, a Communist senator during Allende's government, was arrested with his wife and daughter. Relatives could not find out from junta officials where they were being held for more than a week.

Also during the commission visit, an air force court-martial condemned a Socialist lawyer and three air force men to death for treason, for their role in supporting the Allende government.

The sentences, junta spokesmen emphasized, are subject to review by the commander of the Santiago air force garrison and by Gen. Augusto Pinochet, the leader of the junta. While the OAS commission was here, officials hinted that one or both of the officers would probably be moved to commute the sentences.

Chile Junta Deals Democracy Out of Long-Term Plans

(By Joseph Novitski)

Santiago.—The Chilean military junta, after governing for 10 months with improvised policies and structures, has settled down for a long stay in power.

The junta, which replaced President Salvador Allende after the coup in which he died last September, began its tenth month by reordering the country's government, burning the national voter registry and breaking off relations with Chile's largest political party, the Christian Democrats. It all added up to a declaration that the military plans to govern for an indefinite span, without elections or organized civilian political support.

Government spokesmen, when asked how long military rule may last, answer, "We have plans, not deadlines."

The plans are for the long term and on a large scale.

"If we don't do big, lasting things, we might as well go home now," an adviser to the junta said recently.

Thus far, in what it calls "the second stage," the junta has made known its intention to rebuild the economy, to make it grow with the help of foreign investment, to reduce and reorganize the government bureaucracy and to enforce a total ban on civilian political activity by continuing the detentions and military-court trials that have been the rule since last September.

The first step of government reorganization came late in June, when the armed forces agreeded to shift from a four-man junta to a one-man presidency. Since the military overthrew Allende and uprooted his Marxist-oriented government, the commanders of the army, the navy, the air force and the *carabineros*, Chile's national police force, had exercised the powers of the presidency. They also took over the law-making power of the Congress, which was closed last year.

Now, Gen. Augusto Pinochet, commander-in-chief of the army and leader of the junta, has been named president for an indefinite term with the formal title of "supreme chief of the nation."

The point of the change, government sources said, was efficiency. The four-man junta had been slower in reaching decisions than one man would be they said, the commanders of the army, navy, air force and police have retained the role of drawing up laws for promulgation by decree.

Pinochet's rise also represents and ascendancy of the Chilean army over the navy, air force and police. Some civilian observers, believing that the army officers in government had shown more moderation than air force and navy officers, thought this might mean an easing of repression. This has not yet been the case.

Chilean families report that men and women are still disappearing for days and sometimes weeks. A businessman told friends recently he had been arrested, held for four days alone in a tiny cell and then released without charges.

While Gen. Pinochet was forming a new Cabinet of 14 military men and 3 civilians, two of them technocrats with international reputations, the government burned the national voter registration records. A government spokesman explained that the lists of 4 million voters were "notoriously fraudulent." No plans were announced for making new lists or reregistering voters.

The remote expectation that the junta might call elections to carry out its announced aim of restoring Chilean democracy disappeared with the electoral records. There remained another possibility, suggested to the junta by leaders of the Christian Democratic Party. The party leadership, who opposed Allende and publicly accepted the coup as a necessary evil, had hoped for a return to civilian government within three to five years.

That hope, according to Christian Democrats familiar with party affairs, disappeared when the junta publicly broke off its semi-public relations with the party last week. Formally, there has been no political party activity in Chile since the junta outlawed the country's Marxist parties and declared the others, including the Christian Democrats, in recess.

During the recess, Christian Democratic leaders continued to meet privately. Last January they presented a memorandum to the government that criticized the military's treatment of prisoners and its disregard for legal and human rights. Also in January, former Sen. Patricio Aylwin, recognized by the junta as the party's president, suggested privately to a military minister that Christian Democrats saw no need for more than five years of military dictatorship in Chile.

It was not Christian Democratic political opinions but censorship imposed on a Santiago radio station owned by the party that caused the party's complete break with the junta.

After an exchange of letters, the government called the party an "instrument of international Marxism" and told Aylwin bluntly to keep a respectful tongue in his head when he spoke to the military government.

Christian Democrats said the government's move looked like a signal from the army that its contacts with Christian Democrats were at an end.

Some party leaders said the break helped the party overcome the reputation of having helped in the coup. Even former President Eduardo Frei, the grand old man of Chilean Christian Democracy who had gone, with other former presidents, to a thanksgiving Mass with the junta last year, was reliably reported to be critical of the military government now.

"In the end it's probably better this way," said a Christian Democratic lawyer. "They tell us to shut up and we stop arguing. It shows everyone that this is a dictatorship and that's that.

Seventy-Three Socialists on Trial in Southern Chile

Santiago, August 1.—Seventy-three members of the outlawed Socialist Party are being tried on charges ranging from the illegal possession of arms to treason by a court martial in the town of Linares, about 172 miles south of Santiago, lawyers for the accused said today.

The lawyers said the prosecutor had demanded death penalties for four of the defendants charged with assisting the enemy during a state of internal war.

Questionable Means of Interrogation

(By Jack Anderson)

Students at the International Police Academy, a school run by the State Department to train foreign policemen, have developed some chilling views about torture tactics.

After a lengthy investigation, we have found no evidence that the academy actually advocates third-degree methods. But we have read several student papers which discuss the use of torture to break suspects.

"As a last resort . . ." wrote a Nepalese inspector, torture is "practical and necessary."

A South Vietnamese policeman wrote that "threats and force can put out any truth in a minimum time."

A Zaire officer agreed "force or threats" will expedite an investigation but warned: "This tactic must not be known by the public."

Another student from Nepal told how "carelessness" by interrogators had caused death, thereby creating "another trouble."

The State Department-run academy has been accused of teaching torture tactics. The movie "State of Siege," for example, showed the school's graduates torturing political prisoners.

An investigator for Sen. James Abourezk (D-S.D.) told us he had seen a number of theses written by the academy's students in support of torture tactics. The papers were written in English, Spanish and French, he said, and were kept in locked, steel cabinets.

My associate Joe Spear, accompanied by Spanish and French translators, paid a call upon the police academy, which is located in an old streetcar garage called the "Car Barn" in Georgetown.

They were shown evidence, selected by the school's administrators, which tended to prove the school doesn't teach torture tactics. Their own documents, however, reveal an ambivalent attitude toward torture.

For example, the lesson plan includes instruction in "Interviews and Interrogations." This teaches foreign policemen to question suspects in soundproof, windowless rooms with "bare walls."

They are instructed to use such interrogation techniques as "emotional appeals," exaggerating fears," and psychological "jolts." They are taught to observe the "physical state of the subject" for "sweating," "color changes," "dry mouth" and rapid pulse and breathing.

The lesson plan also states, however, that "so-called third degree tactics" should not be used. It is argued that these techniques lower the interrogator's "self-respect," impair "police efficiency," lower "the esteem of the police in the public eye," and lead to "false confessions and miscarriages of justice."

The foreign policemen, who come to the academy from such repressive governments as Brazil, Chile, Pakistan, South Vietnam and Uruguay, are told "a prisoner must be treated according to legal and humanitarian principles."

But our examination of the student papers showed many students graduate without showing much effect of their "humanitarian" training. Here are a few excerpts:

Tdan Dinh Vol, South Vietnam—"Based on experience, we are convinced there is just one sure way to save time and suppress stubborn criminal suspects—that is the proper use of threats and force."

Lam Van Huu, South Vietnam—"What do we mean by 'force and threat?' Physical force—beating, slapping, electrocuting. Threats—physical, shaking a fist in the face of the subject; verbal, saying 'Listen, I'm going to break your neck if you don't confess.' "

Inspector Madhav Bickrum Rana, Nepal—"Many a times police officers have gained valuable clues by the use of (drugs) . . . The water torture is a simple and ancient method of letting a tap to drip on a man's head at a certain interval. This is very effective in breaking a tough man and can make a raving lunatic of any human being after an hour . . ."

Gonzalo Wilches Sanchez, Colombia—is undeniable that in innumerable cases, the interrogator is forced to use systems of moral or physical coercion to obtain truth that the person knows."

Bemonatu Mpanga, Zaire—"The use of force or threats during an interrogation can be seen as one of our police tactics to be used for the expedition of an investigation . . . Above all, the press . . . should not have the slightest information about our methods of procedure."

Footnote: Abourezk has introduced legislation that would eliminate the State Department's Office of Public Safety, which runs the International Police Academy.

"Justice" in Chile

The "justice" of the victors is being relentlessly administered in Chile by the officers who overthrew the Allende government last fall. Given the chaos of his last days, it is conceivable that some of Allende's supporters sensed that a coup was coming and hoped to forestall it by creating a power center of their own within the Chilean armed forces. At any rate, the coup came, destroying any such hopes, and the would-be hunters became the prey. The officers who had seized power looked about them for a dramatic way to legitimize their authority, to convince others inside and outside Chile that they had indeed saved the country by their own intervention. For Chileans are, despite their recent trauma, a law-minded people, and even the new leaders appreciate the benefits of winning their countrymen's respect. To fulfill this vital legitimizing pupose, they decided on a mass trial of Allende supporters, who were accused of trying to take over a substantial part of the Chilean air force. Sentences were handed down in that trial the other day.

Now, only in a country as politically riven as Salvador Allende's Chile could a group of 54 air force men (and 10 civilians) have contemplated a kind of coup within one branch of the armed forces in order to assure military support to keep the elected government in power. That is a fair measure of how things were in Santiago at that time. But only in a country as politically restrictive as General Augusto Pinochet's Chile would these defendants have been tried with so little a sense on the government's part of its own basic illogic.

Note that, despite government promises of a prompt public trial, a considerable number of Allende's civilian officials have remained in prison or otherwise under detention for almost a year, untried and uncharged. But apparently the military was offended by the thought that some of its own—air force men—supported Allende. The military perhaps also wanted to intimidate would-be dissenters still within its ranks. These seem to be the particular reasons why the 60-odd defendents were brought to trial before an air force court martial. That court sentenced four of them—a former Socialist Party leader, and a colonel, captain and sergeant—to be shot, while 56 others received prison terms. Carrying out those sentences in a virtually certain way to build more hate and bitterness into Chilean society, which is desperately in need of a turn toward domestic peace.

In a trial where the crime charged is essentially loyalty to the previous government, there can be no question whether the trial is political: It is. Nonetheless, the Pinochet leadership permitted foreign observers to attend the sessions that were open—presumably to bear witness to the correctness of the proceedings or, at the least, to attest to the good faith of the Santiago junta. Whether the observers, simply by going, sanctioned the purpose of the trial would seem to be a fair question. Anyway, the reports of the several American observers, made to the Kennedy and Fraser congressional subcommittees, hardly gave the junta the clean bill of health it desired. The torture of political prisoners still goes on, the observers reported. Due process is an occasional thing The exodus of political refugees runs high.

Official American interest in how the Chilean government lives up to international standards of human rights is hard to perceive. American military aid is high and getting higher. And in respect to Chile there is not even the excuse, offered most recently, for instance, in respect to police excesses in South Korea, that the United States has strategic interests requiring it to look the other way.

SERVING CHILDREN HAVING UNMET HEALTH NEEDS

Mr. PERCY. Mr. President, the American Academy of Pediatrics, in cooperation with the Federal Government, has embarked upon a unique venture designed to develop and demonstrate methods for delivering health care services to underserved pediatric populations. This innovative approach to attacking the problem of maldistribution of health care resources is an excellent example of the partnership which can exist between the public and private sectors.

So that my colleagues interested in improving access and availability of medical services might examine this program, I would like to present here an overview of this project since its inception in 1972. I ask unanimous consent that the report prepared by Dr. Walter D. Campbell, director of the Department of Community Services of the American Academy of Pediatrics and Mr. Richard L. Zandstra, assistant project director of this program, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SERVING CHILDREN HAVING UNMET HEALTH NEEDS

"A number of identifiable groups of children do not now have access to the continuous, comprehensive care provided by physicians serving middle class American families. In fact, large numbers of our children, particularly those living in remote rural areas or in urban ghettos, can only obtain health care for acute and serious illnesses and even this with difficulty." [1]

This statement was contained in the 1970 Report on the Delivery of Health Care to Children by the Council on Pediatric Practice of the American Academy of Pediatrics which reviewed the current health status of children along with factors that influence child health and the delivery of child health care. When compared to the findings of the Academy's 1949 Report on Child Health Services and Pediatric Education, the problem of providing health services appears to have intensified.[2] Increasing numbers of articles in the lay press and medical journals refer to the growing unmet need for health services. Collectively, the observations of several authors define a crisis in health care.

Although the health of the population in general has improved significantly, the disparity in health status among population subgroups has been progressive.[3] The poor, the racial minorities and the geographically remote have been most affected. Their plight is evident in high infant and maternal mortality, in prevalent chronic and debilitating illness, and in shortened life expectancy. Underlying these problems are multiple and interrelated factors of socioeconomic nature.

The advance of technology during the past 50 years has greatly affected health care and health care delivery.[4] Diseases have been eliminated, illnesses have been relieved, organs have been replaced, consumer expectations have been raised and problems have become apparent. Newly developed, complex and lengthy treatments require facilities with expensive up-to-date equipment and expanded numbers of properly trained personnel. Health providers seek and find specialty practice surrounding hospitals in or near affluent suburbs. Consumers respond to the maldistribution of providers by using emergency facilities for acute problems of minor nature. Costs continue rising at a rate which places services out of reach, and the resulting care without follow-up, experienced guidance or human feeling has led to public discontent, increased expense and crisis care. As the cycle repeats, health care becomes less available, accessible and acceptable.[5]

Numerous programs have been instituted and existing programs have been continued to fill the growing health-care void. Federal, state and local governments have increasingly financed medical assistance plans, resource development efforts and categorical service programs. Private foundations have encouraged and progressively supported innovative health care delivery. Charity and volunteer programs continue assisting in situations creating special needs. Nevertheless, these fragmented efforts are only partially effective, varying in quality and inefficiently using scarce resources.

Developing coordinated, efficient and effective solutions is of course difficult. Health problems and accompanying circumstances require unique considerations. Many specific approaches have been tried with results ranging from modest success to frank failure. As new efforts are launched, the active and continuous involvement of all participants or their representatives appears to be the determinant of success or failure regardless of other variables.

Consumers now play a small role in the planning, policy making and evaluation of health care. But, with expertise about themselves, their needs and their environments, they have much to contribute to this process.[6] Providers, although unable to meet the current public demand for health services, are essential to the exploration of more efficient service arrangements. Institutions have need to seek new relationships with both consumers and providers. And, fiscal intermediaries must develop additional support for consumers, providers and institutions.

AAP INVOLVEMENT

In 1972 the American Academy of Pediatrics (AAP) initiated an effort to demonstrate leadership in developing health care programs which:

1. are accessible and acceptable to the medically underserved;
2. meet the health needs of target populations;
3. function at a high level of efficency;
4. make maximum use of provider ability, and
5. progress toward financial independence from government grant support over a 3-year period.

Funds were granted from the Office of Economic Opportunity (OEO) for the purpose of organizing and delivering child health care in combination with family planning services and other forms of health care to children and their families with basic unmet health needs. Initially, AAP chapters were polled for their interest in:

1. delivering health care in areas currently having inadequate health care services;
2. identifying and defining problems related to expanding the delivery of child health care;
3. planning and implementing alternative methods of health care delivery together with the target population;
4. establishing new working relationships with other agencies and organizations.

Interest was unexpectedly high, with over 30 chapters seeking additional information. Those wishing to pursue their interest were instructed to contact Community Action Program CAP agencies and OEO regional offices for assistance in identifying potential target areas. Areas selected as potential sites were studied for documentation of need and the target populations were sounded out on their receptivity to the anticipated program. On selection of the site by the chapter ter work was begun with the target population to set minimal health objectives, develop a plan and determine policy for providing acceptable medical care for up to 10,000 infants, children and adolescents. When the chapter plans had been favorably reviewed by the representative areawide planning agencies, they were presented along with a detailed management plan and a projected 12-month budget of approximately $150,000 for joint consideration by the AAP and the OEO.

ORGANIZING THE PROGRAM

Following approval of the proposed program, attention focused on the formation of a free-standing, nonprofit corporation and a board of directors. (Operationally the corporate structure was felt to be most suitable able.) While corporate papers were being prepared and filed by legal counsel, candidates for board membership were selected. At least 51% of each board consists of "consumers" or consumer representatives from among parents of future enrollees, local CAP directors, social service personnel and/or nonmedical community professionals. The remaining board membership is representative of health providers and includes physicians and nonphysicians. When the board had been constituted, agreement between the AAP and the corporation was negotiated on the contract, the work statement and the budget.

Other early functions of the board were the selection of a facility location and the

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Footnotes at end of article.

recruiting and hiring of top administrative and medical staff. Population density was the prime consideration in deciding the type of facility needed. Large patient populations within a small geographical radius required stationary clinic facilities for two programs. In the other programs the populations were spread out, necessitating unique arrangements.

Organizational plans set forth by the AAP call for an adminstrator and a core pediatrician in each program. Administrators were hired in the mobile and multisatellite programs, while the fixed base programs have thus far employed administrative assistants under the direction of the core pediatrician.

Three programs were built around pediatricians already practicing in or near the target areas. The other program was established and the pediatrician was recruited and moved into the area. In all cases, administrative personnel were recruited in a conventional manner, and the core pediatrician was identified through the efforts of the AAP chapters.

Short-term objectives to be achieved by the administrator and the core pediatrician during the first month after funding are many and varied:

1. Administrator finalizes lease arrangements.
2. Administrator applies for tax-exempt status.
3. Administrator and pediatrician review budget to determine financial constraints on renovating facilities, obtaining equipment and hiring staff.
4. Administrator establishes an accounting and bookkeeping system in accordance with guidelines issued by the funding source and the AAP, keeping adequate records of expended grant funds, clinic income, free care and bad debts.
5. Administrator secures bonding for any individual to be involved in financial transactions.
6. Administrator obtains insurance coverage on building, automobiles and individuals, including liability, theft, property damage, collision, malpractice, etc.
7. Administrative and medical staff determine equipment needs, and administrator places orders.
8. Administrator and pediatrician plan outreach and patient-enrollment procedures.
9. Administrator and pediatrician arrange referral with associated services and backup with appropriate institutions.
10. Administrator and pediatrician recruit and hire additional administrative and medical staff.
11. Administrator and pediatrician provide orientation to program staff.
12. Pediatrician and medical staff initiate health services.

OPERATION OF PROGRAMS

Four programs had successfully completed these short-term objectives and initiated patient services as of October 1, 1973. They are located in West Central Missouri, inner city Philadelphia, Maverick County, Texas, and several communities throughout Maine. Each program has attempted to develop an operational routine capable of meeting the child health needs of the area.

The Wescenmo project area is geographically extensive and has a total population of 227,468 (1970 census). Children under age 21 years in families earning less than $3000 annually number 26,920. Child-health services are primarily available from a few family practitioners, a single pediatrician and programs like Head Start. In 1971 a multidisciplinary Head Start Health Program documented the health need of children in this area covering portions of 13 counties.

The proposed program, funded in February 1973, called for a base clinic-administrative-communication center and a mobile, multidisciplinary team to provide outreach community health services. The base of operations is located in Sedalia, Missouri, and functions as a "drop-in" clinic, a subspecialty clinic and a 24-hour communications center. Professional coverage is maintained by a pediatric nurse practitioner with backup and supervision by the core pediatrician. The communications center handles emergency problems by professional advice and referral to the patient's nearest hospital, local area physician or the Wescenmo clinic.

The mobile team for outreach examination and care maintains a rotating site schedule utilizing various available structures. Coordination and administration in the field are handled by the health services coordinator who doubles as a part-time clinical psychologist. Equipment necessary for these extended health services is minimal and portable. Consumer communities within the target area have provided local volunteers to augment the mobile staff.

Convenant House is located in the Wister section of lower Germantown in northwest Philadelphia. The seventeen census tracts making up this area register more than 17,000 children under the age of 15 years, with over 50% coming from families receiving welfare payments. There are three private pediatric practices within the area, each drawing a majority of patients from outside the target area. Pediatric services from the one local hospital have been sharply curtailed, the local city health unit provides only well-child supervision of preschoolers and the school-health program limits health activities to screening and referral.

Based on the demonstrated need for additional health services, the proposed expansion of the Covenant House pediatric program was approved in February 1973. The program sought to enlarge the staff, increase enrollment, develop contract service agreements with local schools and preschools, and ultimately expand facilities. Services are provided by two pediatrician equivalents and pediatric nurse practitioners working in close association from a fixed base. As activities have increased, the Board has given its approval for the construction of a modular unit to allow additional expansion of services.

Mavrick County, Texas, is located southwest of San Antonio along the Rio Grande River. The county population is 23,000 and consists of large numbers of seasonal and migrant farmworkers whose health characteristics have been reported elsewhere. There are approximately 8,500 children under the age of 15. Eighty percent of the population are of Mexican descent; a majority have incomes below the poverty level and about 24 percent of the families are on public assistance.

The need for pediatric health services in this area was reported in a proposal prepared jointly by the Maverick County Hospital Board and the Texas Chapter of the AAP. The clinic was established in Eagle Pass and agreements were worked out to house the program in a wing of the old County Hospital. Following the successful recruitment of a Spanish-speaking pediatrician, services were initiated in late July 1973. Strong outreach by program aides and the core pediatrician plus cultural identity with clinic personnel have led to an overwhelming response from consumers, which has necessitated program expansion. Service agreements are now being developed with area child-care and school programs.

The Maine program was the last activity to be proposed and funded. This proposal directed attention to the need for health services in the remote areas of the state where poverty populations are small by comparison to other areas. Support was requested for several satellite clinics located in such areas, staffed by pediatric nurse practitioner-health aide teams and backed up by pediatricians in established practices.

With funding approved, a central administrative office was established and a part-time health services coordinator was employed to work with the administrator on the development and coordination of clinic activities. Services were initiated in two clinic sites shortly thereafter. Each clinic is providing health maintenance, acute and chronic care and follow-up. Twenty-four-hour emergency care and referral are available by telephone communication with the backup pediatrician. Efforts to identify appropriate sites and establish satellites are continuing. Negotiations with several institutions, providers, service programs and consumer representatives are being diligently pursued to attain these objectives.

STAFFING THE PROGRAMS

The supportive staff of each program is somewhat unque. All programs have one or two pediatric nurse practitioners, registered nurses and/or LPNS, a secretary-bookkeeper and outreach workers. In addition, volunteers have contributed significantly when given the opportunity.

The pediatric nurse practitioner (PNP) is responsible for assisting the administrator and physician in purchasing all supplies and equipment for the clinic medical activities. In the beginning a considerable portion of time is invested in orientation of PNPS to clinic activities. They work closely with the physicians during this period and more independently as ability and mutual trust develop. Medical orientation of RNS, LPNS and volunteers is a task for the PNP during the early period of clinic activities.

RN and LPN involvement gets into full swing with the advent of patient activity. At this time nurses should be prepared to assume responsibility for all immunizations and most routine procedures. In addition, orientation and training of volunteers to perform height, weight and head circumference measurements, and hearing and vision screening is to be done by the nursing staff.

Outreach workers have a twofold task. First, they must acquaint the potential population to the purpose, scope and availability of the clinic. Second, they are to enroll individuals and encourage them to take advantage of all clinic services. A thorough knowledge of enrollment forms and procedures is essential. An explanation of how to complete these forms is given initially by representatives of the AAP. Further clarification, if necessary, is the responsibility of the administrator.

Health-service coordinators are responsible for enhancing outreach and patient transportation arrangements. Their knowledge of the rural areas served and their administrative skills in the field are needed to reduce delays in providing needed health services.

At this time all four clinics have turned their attention to objectives which hopefully will assure a continued operational capacity as initial contract funds are gradually withdrawn over a 3-year period. These include:

1. exploring manpower agreements with medical schools and providers in relatively close proximity to the target area;
2. arranging referral agreements with subspecialists to assure attention will be given to specific medical problems identified;
3. implementing a standard set of charges and a sliding fee scale to help offset the costs of operations;
4. negotiating an adequate reimbursement fee with state Title XIX and other third party payers;
5. pursuing contractual service agreements with schools, Head Start and other programs seeking health care services.

EVALUATING THE PROGRAMS

The prime long-range objective for the PNPS, health coordinators, RNS, LPNS, secretaries and outreach workers is to acquire the expertise needed to work independently. The effectiveness of the PNPS is measured in their ability to perform and carry out patient care objectives with minimal supervision. Ultimately, the support function of the RNS, LPNS, secretary-bookkeepers, health coordinators and outreach workers plays a vital role in the success or failure of delivering health care in these areas of unmet need.

The evaluation of health care needs and their resolution depends upon assessing the health status of individual patients and patient populations. The efficient delivery of health services requires monitoring of the process. To do both in a pediatric program necessitates a health-management information system built around a pediatric-patient data base and a problem-oriented approach to child health care. As a minimum, the system needs to:

1. determine the success of enrolling the target population;
2. identify the health characteristics and health needs of the target population;
3. determine the success of the program in meeting the health needs and changing the health characteristics of the target population;
4. assess manpower needs and utilization;
5. demonstrate the positive impact of providing pediatric services in combination with family-planning services for other members of the family.

The major components of health-care delivery in the ambulatory setting are health maintenance or preventive health promotion and problem resolution. Either or both components may be adequate or inadequate depending on reference criteria. When the health needs of the patient have been met, the health status will be adequate in both components. Given similar information for numbers of individuals, the health status of populations can be determined.

Health maintenance is assessed in relation to establish critical experiences and periodicity on a two-dimensional matrix which is easily used to record and tabulate experiences, outcomes and providers. Problem resolution is reflected on a chronologic problem list containing dates, problem description, therapy and current status. The matrix and the problem list clearly summarize individual health status and expedite the obtaining of information from the health record. This information is easily collected on standard registration and encounter forms designed to meet the specific needs of a particular operational routine. Once collected and properly identified, the additional information which can be extracted is considerable and includes in part:

1. enrollment and registration data
2. demographic data
3. service data—past and projected
4. task delegation data
5. problem data
6. tracking data
7. appointment data
8. delinquent data
9. cost and billing data.

Assessing health status and managing the provision of services are largely a function of medical record keeping. A well-organized record system in the ambulatory setting can be the basis for planning, managing and evaluating the delivery of health services to individual patients and populations.

The status of program operations can be portrayed in a number of ways. However, because of the short duration of clinic activities, observations are limited to enrollment, health characteristics, problem resolution, manpower utilization, procedure cost and family-planning enrollment data. The following table shows progressive numbers of enrollments and encounters. Enrollment to date—6,320. Encounters to date—9,528.

	3 mo	6 mo	9 mo
ENROLLMENT			
Clinic 1	926	1,620	2,473
Clinic 2	417	969	1,560
Clinic 3	900	[1] 1,589	
Clinic 4	698		
ENCOUNTERS			
Clinic 1	1,291	2,537	4,022
Clinic 2	589	1,410	2,502
Clinic 3	1,134	[1] 2,406	
Clinic 4	598		

[1] After 5 months.

The health characteristics of the enrolled population are reflected in the prevalence of abnormals on health maintenance procedures administered. Any procedure with n of less than 300 after 9 months, 200 after 5 months and 100 after 3 months was not included.

PERCENT ABNORMAL

Description	Clinic 1	Clinic 2	Clinic 3	Clinic 4
Initial history	27	32	13.0	4
Interval history	18	36	53.0	26
Height, weight, hair color	6	5	2.0	4
Blood pressure	2	1	1.0	0
Physical examination	14	25	16.0	15
Vision	26	18	8.0	9
Color blind		3	1.0	1
Audiometric hearing		10	9.0	4
Speech	4	33	6.0	3
Development	4	41	6.0	
HB/HCT	7	3	7.0	3
Urinalysis	2	1	6.0	2
Immunizations) [1]	0	0	1.5	0
TB	0	0	3.0	3
School readiness			7.0	
Dental	10	38	29.0	35

[1] DPT, polio, measles, rubella, mumps.

The best indication of clinic success in meeting population health needs at this time is in the resolution of identified health problems. Through the first 9 months there have been 7,249 problems identified.

	Comp. res.	Maintenance prescription	Curative prescription	Referred	Number of prescription indicated
Clinic	[1]	[2]	[3]	[4]	
1-4	379	1,394	3,121	1,180	1,175

[1] Problem completely resolved at time of encounter.
[2] Optimum status of chronic problem.
[3] Treatment instituted with complete resolution anticipated.
[4] Referred for diagnosis of prescription.

Manpower utilization is reflected in the percent of each maintenance procedure done by the different provider types. The ranges provided represent the high and low for two clinics. There was a great deal of variation among clinics on this measure, but early observations indicate that as procedures are delegated the service output generally goes up and the cost per procedure comes down.

	Provider											
Procedure clinic	M.D. (1)	Percent (2)	PNP (1)	Percent (2)	RN (1)	Percent (2)	Aid (1)	Percent (2)	Vol. (1)	Percent (4)	Other (1)	Percent (2)
Init. hx	17	10	11	26	0	15	22	0	0	47	49	1
Interval hx	50	42	48	56	0	1	<1	0	0	0	2	0
Ht., wt., HC	62	1	37	10	0	29	<1	0	0	59		
Blood pressure	78	2	22	10	0	54			0	34		
Phys. exam	62	45	39	55	0	7			0	0		
Vision	86	2	14	6	0	13			0	79		
Audio. hear	71	2	29	6	0	10			0	78	0	4
Speech	79	46	21	40	0	6			0	3	0	5
Develop	60	43	40	44	0	5			0	0	0	7
HB/HCT	60	<1	40	6	0	92			0	1		
Sickle cell	75	0	25	12	0	87			0	1		
Blood lead	60	0	40	0	0	100						
Urinalysis	67	<1	33	3	0	95						
Immunizations [1]	54	1	43	7	0	91	3	0				
School read	84	82	16	12	0	6						
Dental	84	41	16	57	0	2						

[1] DPT, measles, rubella, mumps, TB testing.

	Number of procedures by provider								
	M.D.	PNP	RN	Aide	LPN	Volume	Other	Total	Cost per procedure
Clinic 1	8,656	4,410		372		4	780	$14,222	
Percent	(60.5)	(31)		(2.5)		(<1)	(5.5)		
Funds expended 9 mos								$114,157	$8.00
Clinic 2	5,185	4,063	5,912			4,495	280	19,935	
Percent	(26)	(20.5)	(29.5)			(22.5)	(1.5)		
Funds expended 9 mos								$114,981	5.75
Clinic 3	6,077		8,307		254		8	14,646	
Percent	(41.5)		(56.5)		(1.5)		(<1)		
Funds expended 5 mos								$55,566	3.80
Clinic 4	628	2,106	621				882	4,237	
Percent	(14.5)	(49.5)	(14.5)				(20.5)		
Funds expended 3 mos								$26,493	6.52

Family-planning enrollment also varied greatly from one clinic to another. No doubt there are a number of reasons for this, but success is greatest in fixed-base facilities where family planning is in operation in or near the facility providing child-health care. In those clinics which are mobile or located in multiple remote sites, family planning is not readily available, and referral impact is low.

	Number of families	Number in family planning	Percent
Clinic 1	1,306	396	30
Clinic 2	1,162	148	13
Clinic 3	490	230	47
Clinic 4	320	30	9
Total	3,278	804	25

FUTURE OF THE PROGRAMS

In conclusion, there are many pediatric populations with unmet health needs. Several underserved and low-income areas were identified by AAP chapters in anticipation of obtaining support for health-service efforts through a grant to the national organization by the Office of Economic Opportunity. Four programs developed jointly by consumers and providers have been approved and funded under a 3-year decreasing support arrangement to provide ambulatory child health care for up to 40,000 children. All programs initiated operations during 1973 with staff and format adapted to the needs and characteristics of the areas served. Our experience to date indicates that medical organizations can assume an active role in making health care available in low-income areas of unmet need in a manner acceptable to the target population. As we move beyond the period of implementation, our attention will be directed to gaining financial independence through improved efficiency, better use of provider ability and increased service volume, while maintaining high quality and holding the line on total costs.

FOOTNOTES

[1] American Academy of Pediatrics—Lengthening Shadows: A Report on the Delivery of Health Care to Children, 1971.

[2] American Academy of Pediatrics—Child Health Services and Pediatric Education: A Report of the Committee for the Study of Child Health Services. New York. The Commonwealth Fund, 1949.

[3] U.S. Department of Health, Education and Welfare: Toward a Comprehensive Health Policy for the 1970's. No. 0–427–047, Washington, D.C. U.S. Government Printing Office, May 1971.

[4] Wegman, H. E.: Medicine and the Public Health 1972. Address at the Yale Medical Alumni Day, June 1972.

[5] Abbduhl, J. W.: The Crisis in Medical Care. Pediatric Clinics of North America, Vol. 16, No. 4, Nov. 1969, p. 775.

[6] New Mexico Region Medical Program. The Role of the Consumer in Assuring Quality Health Care. University of New Mexico Printing Plan, 1973.

THE FOREIGN ASSISTANCE ACT OF 1974

Mr. ABOUREZK. Mr. President, at hearings before the Senate Foreign Relations Committee on July 24, 1974, to discuss the Foreign Assistance Act of 1974, the Reverend J. Bryan Hehir, director of the Division of Justice and Peace for the U.S. Catholic Conference presented one of the finest and clearest positions I have heard on the matter.

I strongly urge my colleague to consider the weight of his statement, made in behalf of Catholics all over the United States, and ask unanimous consent to print it in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON S. 3394

Mr. Chairman and Members of the Committee: My name is J. Bryan Hehir. I am the Director of the Division of Justice and Peace of the U.S. Catholic Conference; the Division serves as the foreign policy office for the Catholic Conference and I appreciate the opportunity of presenting its testimony before the Senate Foreign Relations Committee.

The focus of this testimony is the Military Assistance Program provided for in the Foreign Assistance Act. Specifically, I wish to testify in support of the three amendments to the Foreign Assistance Act offered by Senator James Abourezk which would:

Terminate programs and support for foreign police and prison training in the United States or abroad (#1511);

Prohibit military assistance for any country which did not agree to inspection of its prisons by selected international agencies (#512);

Require written reports from appropriate agencies on a country by country basis describing what measures have been taken to implement Section 32 of the Foreign Assistance Act of 1973 (#1552).

We see the Abourezk amendments in terms of the broader issue of the relationship of human rights and U.S. foreign policy. Last November at their annual General Meeting the Catholic bishops of the United States, in a resolution commemorating the twenty-fifth anniversary of the Universal Declaration of Human Rights, stated:

"Internationally, the pervasive presence of American power creates a responsibility of using that power in the service of human rights. The link between our economic assistance and regimes which utilize torture, deny legal protection to citizens and detain political prisoners without due process clearly is a question of conscience for our government and for each of us as citizens in a democracy." (Resolution of the U.S. Catholic Conference on the Twenty-Fifth Anniversary of the Universal Declaration of Human Rights)

Seeking to assist Catholics in fulfilling this responsibility of conscience, the U.S. Catholic Conference has tried during the course of the last year to identify and actively support specific legislative measures which relate to the impact of U.S. foreign policy on human rights in other countries.

The Abourezk amendments provide a means of relating specific human rights criteria to our military assistance policies. The relationship of human rights and foreign policy is a complex and delicate issue. The fragmented nature of the international system creates a substantial gap between the ideals proclaimed in the Universal Declaration of Human Rights and the actual practice we observe, tolerate and at times abet in and through our foreign policy. Since there exists no effective mechanism to guarantee the enforcement of human rights in the international system, the burden of enforcement falls upon individual states in their mutual relations.

This is a fragile instrument of control; it can be strengthened only if states, especially the leading actors in the system, take seriously the consequences of their policies regarding human rights. I do not wish to ignore the practical difficulty of according a priority to human rights criteria. This constitutes only one objective in the complex policy of a state. The essence of policy formulation involves making choices among competing indeed at times conflicting, objectives. Too often, however, it is the human rights criteria which are suppressed in this process of choice. Frequently they are subordinated to other objectives which appear more tangible or defensible to the general public, but which are not tested for validity with sufficient care or discrimination.

An example of how human rights criteria can be subordinated to other objectives is provided in testimony already submitted to this committee by Secretary Schlesinger in support of the FY 1975 Military Assistance Program (MAP). In discussing the MAP for Latin America, Mr. Schlesinger justified support of such programs principally in terms of the need for global deterrence and regional stability. No serious analyst today questions the need for a stable deterrent in the present strategic configuration of the international system. In our relationship with the Soviet Union a stable deterrent may be a tragic necessity of the nuclear age, but it is a necessity.

The applicability of the general notions of deterrence and stability to areas beyond the "relationship of major tension" between the superpowers, however, requires careful scrutiny. If the term stability is not confined to its proper context it can, like the term security, be used to rationalize and justify not only superfluous policies but indeed counterproductive policies.

The stability which is maintained in much of the developing world, including areas of Latin America, is a condition which benefits only a fraction of the population in the midst of socio-economic systems which wreak havoc in the lives of millions. Stability in these conditions often means preserving the status quo when minimal standards of justice cry out for change and reform.

Although Secretary Schlesinger explicitly noted that objections have been raised in the Congress and elsewhere against our MAP in Latin America, he failed to deal with one of the most persistent criticisms: the opposition within the United States and in Latin America against the training of police and military personnel at the International Police Academy and in American sponsored schools in the Canal Zone. To say, as the Secretary did, that these training programs serve both the interest of Latin Americans and the United States leaves several pertinent questions unanswered. Whose interests are served in Latin America by such programs, the interests of the majority of the population or the interests of a minority military elite? Moreover, how do we determine our own long-term interest in a region like Latin America: is it really in our interest to be the source of training and techniques which are often later used to violate human dignity and suppress human rights? Mr. McNamara of the World Bank in commenting on the social conditions existing in much of the developing world has said:

"When the distribution of land income and opportunity becomes distorted to the point of desperation, what political leaders must often weigh is the risk of unpopular but necessary social reform—against the risk of social rebellion."

Is it really in our long term interest to provide the means of suppressing those voices calling for "necessary social reform" in inequitable structures and systems?

A recent study by the Center for Defense Information in Washington points out that in the proposed FY 1975 budget the Administration is requesting 2.5 billion dollars in military assistance for 27 countries which forbid political opposition. Closer examination of this list reveals that in some of these receiving countries, such as Brazil, Chile, Bolivia, South Vietnam, and the Philippines there have been continuing allegations made by Church and international organizations that torture and other similar tactics are employed as a means of political control. I submit that it is not at all in our interest to be even marginally associated with financing governing elites or training their members who employ these forms of coercion. I recommend that the Committee vote to terminate such programs in the name of human rights.

Because of her transnational presence and system of communication the Church has been one voice identifying the forms of repression which exist in several countries presently receiving our military assistance. A particularly striking passage from a statement of the Brazilian Bishops of the Southern Region of Brazil in March, 1973 offers the following dialogue with Brazilian military authorities:

"It is not lawful for you to arrest people the way you do, without identification of agents, without communication to judges, without sentencing. Many of the arrests are kidnappings. It is not lawful for you to submit people to physical, psychological or moral torture in order to obtain confessions even more so when this leads to permanent damage to the health, psychological breakdowns, mutilations and even death."

I use this passage only as an illustration of the kinds of human rights violations which are alleged in a country destined to receive over sixty million dollars in military assistance this year and from which over seven thousand members of the military have been trained in the Military Assistance Training Program. In the face of repeated assertions of human rights violations the Administrative Board of the U.S. Catholic Conference last February issued statements of solidarity with the Churches of Chile and Brazil. The intent of these statements was not to speak to foreign governments but to our own government here in the United States, asking it to assess its policies of assistance to both Chile and Brazil in light of how human rights are being observed in those countries. Although the statements mentioned economic assistance, our concern in this testimony is with the military assistance program.

The decision to deny another country economic aid is always a very difficult choice because of the positive purpose economic assistance is designed to fulfill. The decision to withhold or terminate military assistance in the face of human rights violations perpetrated by military regimes presently in power can be made with greater clarity and assurance. The balancing factors in the decision on military aid are much less compelling.

The Abourezk amendments provide a means to make this decision and to make it with precision. They force us out of the business of offering training which can later be used to implicate us in fundamental crimes against the dignity, rights and freedom of others. They allow us to announce a standard of performance required of any who would seek our aid for military purposes. I submit that these amendments are not undue interference in the internal affairs of others. Rather, they are minimally necessary safeguards lest we use American power for objectives outside our borders which our own citizenry would never tolerate here at home.

The link between the standards we seek to achieve within our own country and the uses of our power and wealth which we tolerate abroad touches the moral basis of the argument being made in this testimony. Although we often fail in practice here at home, we are constitutionally committed to a system of government based on the dignity of the person and the protection of the basic rights which assure human dignity. Implied in our constitutional system is the moral premise that where human rights are abused with impunity anywhere they are threatened everywhere. Any human community, including political society, is held together by bonds of trust and respect which are made visible and effective in the exercise of responsibility for one another. When we refuse to accept responsibility for the life and dignity of others then the road is open for rule by terrorism, torture and brute force.

The exercise of responsibility is especially needed in the international community. Since individual states are still the primary agents of authority and action in international politics, the responsibility for assuring the protection of human rights rests principally with them. If we cannot maintain a certain consistency between our national ideals of government and our international behavior, we weaken the very claim to universal validity which our own rights are founded upon. An unscrutinized military assistance program can be the instrument of moral bankruptcy, a means of corrupting in the world around us the ideals we are pledged to maintain at home. We believe the Abourezk amendments give us a means of testing our military assistance program against our most deeply held moral and political beliefs. Those beliefs can be a vital force in shaping an international system founded on the dignity of the person, and committed to building a community of nations in which the political, social and economic rights of the person are acknowledged, protected and fostered. To fail to test all our programs against these moral and political beliefs is not only to sacrifice the rights of others, it is to deny our own best instincts and to deprive the international community of the fruits of our political heritage.

GUIDE TO PRACTICE OPEN HOUSING LAW

Mr. PERCY. Mr. President, since 1968 homeseekers who are victims of ethnic, racial, or religious discrimination have been able to successfully use the law to gain open housing. Each new success has brought more and more minority homeseekers looking for legal advice and the help of the courts.

The legal action program of the Leadership Council for Metropolitan Open Communities, under contract with the U.S. Department of Housing and Urban Development, has taken an active part in expanding the comprehensiveness of relief in cases of housing discrimination. Based on the council's experience in litigating hundreds of housing discrimination cases since 1968, the legal action program has prepared a "Guide to Practice Open Housing Law."

This guide presents an easily understandable and succinct outline of different methods, forms, and procedural steps of action to be taken in prosecuting fair housing cases, by both the private client and the prosecuting attorney. Filled with scores of examples and references to court cases, this guide covers all the principal elements involved in the handling of a major housing suit.

This guide is available to the public for $2 per individual copy, and $1 per copy for bulk orders of 25 or more.

Orders should be sent to Robert G. Schwemm, chief trial counsel, Leadership Council for Metropolitan Open Communities, 407 South Dearborn Street, Chicago, Ill. 60605.

BRAZIL

Mr. ABOUREZK. Mr. President, U.S. foreign policy has, for several years, favored Brazil over all other Latin American countries, because of its openness to investment and industrialization and because of the avid anticommunism of its present government.

There has been increasing pressure by a number of international human rights organizations, including the Human Rights Commission of the Organization of American States, on the Government of Brazil. The reason for this is the overwhelming frequency of political imprisonment, torture, and murder of Brazilian political dissenters and people associated with them.

I think the three following articles help clarify the intent of my amendments—1511 and 1512—to cut off military assistance to certain countries and police training and assistance to all foreign countries.

I urge my colleagues to review these articles and ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

BRAZIL CHARGES A CONGRESSMAN

(By Marvine Howe)

RIO DE JANEIRO, April 4.—An opposition Brazilian Congressman appeared before the Supreme Court in Brasilia today to be charged under the national security law with public offense to Chile's chief of state.

The charge stemmed from a speech in Congress last month in which the Congressman, Francisco Pinto of the opposition Brazilian Democratic Movement, described the chief of Chile's military junta, Gen. Augusto Pinochet Ugarte, as a "fascist" and "the oppressor of the Chilean people."

If convicted, the Congressman faces two to six years in prison.

FIRST SUCH CHARGE

This is the first time that Brazil's military Government has formally charged a member of Congress with public offense to a chief of state, although other members have used strong language to denounce other leaders, among them President Nixon, President Juan Domingo Perón of Argentina and Premier Fidel Castro of Cuba.

The Pinto case has stirred much comment and concern in opposition circles here in view of widespread hopes that the inauguration last month of Gen. Ernesto Geisel as President of Brazil was a step toward liberalization.

General Geisel has publicly declared that he favors a "gradual but sure" return to democratic rule in Brazil and has promised a new voice in policy making to Congress, which had been made powerless in recent years.

Mr. Pinto himself expressed the view that the Government's action against him was intended to placate not only General Pinochet but also Brazil's hardline military leaders, who have expressed concern over a slight relaxation of censorship.

Tho Congressman's five-minute speech, which included a warning against what he described as the Chilean leader's plea to create an anti-Communist axis with Brazil, Paraguay and Bolivia, was published in the Congressional Record but has not appeared in full in the Government-censored press.

CITES "LEGAL DUTY"

The general public learned of Mr. Pinto's stand when the Minister of Justice announced last week that he would be fired. Considerable press coverage has been given to the Pinto case but most articles in defense of him have been censored.

"I was acting according to my conscience and my constitutional and legal duty," Mr. Pinto declared in an interview here in Rio de Janeiro before taking off for Brasilia. He pointed out that the Brazilian Constitution gives Congress the exclusive right to discuss foreign treaties, conventions or international acts.

"My protest against Pinochet and his plan for an axis was above all made as a democrat and a Christian" Mr. Pinto declared, adding that he felt he was voicing a strong consensus not only of Brazil but also of the world.

His attack coincided with the arrival here of the Chilean leader for the inauguration of General Geisel as Brazil's fourth military President since the army took power 10 years ago.

[From the New York Times, July 9, 1974]

Brazil: Cost of Growth

(By Graham Hovey)

Brasilia.—Is the practice of political repression—censorship, arbitrary arrest, police and army persecution—essential for Brazil's 10 per cent growth rate?

Must the price of Brazil's spectacular economic development continue to be a widening gap between rich and poor—even a net drop in real income for those lowest on the economic scale?

These questions are of concern not only to international human rights groups, to Brazil's silenced politicians and civil libertarians or to Dom Helder Camara and his fellow Roman Catholic bishops of the impoverished, underdeveloped Northeast.

In fact they concern the man who became President of Brazil last March. At the first meeting of his Cabinet, Gen. Ernesto Geisel promised "sincere efforts for gradual but sure progress toward democracy." And he said that a fairer distribution of income would be his Government's "first priority" in social policy so that "the benefits of development can be universal."

Six months before his inaugration, General Geisel had startled some fellow officers and not a few economists by linking democracy to development. He declared that an "economic, social, racial and political democracy, in accord with the Brazilian people's character," was an essential condition for "the creation of a modern, competitive and dynamic economy."

Clearly this cautious conservative—the least "military" of the four army generals who have served as President since the overthrow of João Goulart in 1964—believes it possible gradually to expand democracy while acting concurrently to give the country's poor a greater share in the "economic miracle."

Few doubt the President's good intentions; many doubt he can carry them out. They cite a drearily familiar pattern of Government and police behavior toward press, political dissidents, even the Congress in the first months of the new regime: modest liberalization followed by harsh, abrupt crackdowns.

The word has gone out that the press under General Geisel would have greater freedom to commit on economic policy—and this seems generally true. Yet, censors cut out of news dispatches on the President's first Cabinet speech the section in which he called for better income distribution.

Despite Government promises that police violence would no longer be tolerated, five men were arrested last month and disappeared completely. The Brazilian Legal Foundation has sent to General Geisel a nine-page documentation on the torture of a São Paula lawyer for 27 days by soldiers in civilian clothes.

From the outset, President Geisel acted to expand the functions, if not the actual powers, of the Congress. But this worthy effort was largely undone when the Government arrested an Opposition member on the charge that he had violated national security laws with a speech in the Chamber of Deputies in which he called President Augusto Pinochet of Chile a fascist and an oppressor.

No doubt General Geisel dislikes mindless censorship, arbitrary arrest and torture, and prosecution of a deputy for exercising free speech in Congress. But he cannot yet control censors or security forces accustomed to a large measure of independence. And he must always take account of the opposition of army hard-liners to any political leavening or "decompression."

General Geisel may be similarly thwarted in his drive for fairer income distribution. Specialists say that so long as the Government remains committed to a 10 per cent growth rate, both political repression and uneven development, with lopsided distribution of benefits, are bound to continue.

They say this rate can be maintained only if the Government retains pervasive political and economic control, investing where early returns are likely and insuring that wages lag behind gains in output. And it might be politically hazardous for the new regime to settle for a more modest advance when the 10 per cent rate is hailed as Brazil's greatest achievement under the generals.

"The priority has become growth for its own sake, growth as a panacea for all ills," Prof. Albert Fishlow of the University of California at Berkeley wrote of Brazil last year. "Distributionism has become an enemy of the state."

Antonio Delfim Netto, architect of the "economic miracle" under the previous two Presidents, dismissed plans for fairer income distribution as "a veritable confidence game which would end up leaving the nation dividing the misery more equally." His successor as Finance Minister, Mário Enrique Simonsen, says: "Economic growth itself, by increasing the value of manpower, is one of the most effective automatic instruments of distribution."

Mr. Simonsen agrees with the goal of fairer distribution, but he would accomplish it over time by continuing Brazil's already massive expansion of public education, by expanded assistance to the poor in health and nutrition, by creating institutions to promote savings by workers, and by the income tax, which twelve million Brazilians now pay.

At best, then, the formula for General Geisel's "gradual but sure progress toward democracy" and his "first priority" for fairer income distribution is likely to be two modest steps forward, one step back—with a wary eye always on the military leaders who arranged his election and who might throw him out if he pushed "decompression" at the sacrifice of 10 percent growth.

[From the Washington Post, Mar. 20, 1974]

Brazil Torture Goes to OAS

(By Lewis H. Diuguid)

The Inter-American Commission on Human Rights, thwarted at every turn in a four-year effort to investigate torture charges in Brazil, will make unprecedented public charges at next month's general assembly of the Organization of American States that "serious cases of torture, abuse and maltreatment have occurred."

The commission also will detail Brazil's refusal to permit "independent judges, not subject to military or police influence" to investigate allegations of torture. From the outset, the military-dominated government has refused to let the commission pursue investigations in Brazil.

The seven-member human rights commission of the OAS was established in 1960, with powers limited to moral suasion. It is constrained by safeguards against public embarrassment of OAS member governments, making impossible all but the most bureaucratic and bland response to cases brought before it.

Nevertheless, a case presented by the United States Catholic Conference here alleging generalized torture of political prisoners, including churchmen, has run the gauntlet of safeguards and resulted in confrontation.

The commission's executive secretary, Colombia's Lius Reque, wrote The Rev. Frederick A. McGuire of the bishops' conference that findings against Brazil will be presented at the OAS general assembly in Atlanta, April 19. The Catholic Conference made the letter available to The Washington Post.

In addition to the Catholic Conference charge of generalized torture, the commission will report on a specific case involving a Brazilian trade unionist killed in 1970 after handing out leaflets.

Praising the commission's decision, Rev. McGuire said: "The Brazilian government is sensitive to mounting adverse international public opinion. Hopefully, this public outrage will be effectively translated into economic sanctions." He called for an end to U.S. and other foreign aid in Brazil.

The human rights commission, whose seven members are elected by the OAS Council to four-year terms, includes several prominent jurists from the hemisphere, who are free to consider any case involving human rights, brought by any claimant.

However, the affected government must be consulted at each step of the investigation.

In following up the Catholic Conference U.S. denunciation of Brazil, the commission presented case histories with the names of prisoners and their alleged torturers.

Brazil was asked to confirm or deny these allegations and to punish "the military and police authorities whose names are indicated" if they are found to have participated.

This stage of the case was reached two years ago in strictest secrecy, although a copy of the commission's presentation to Brazil later was leaked to the press.

Reque's letter reveals that Brazil rejected the request for a third-party investigation, saying a governmental "inquest" found no basis for the charges.

At a meeting late last year, in Cali, Colombia, the commission rejected Brazil's response and decided to put the case before the OAS General Assembly. The 23-nation assembly can approve, reject or ignore commission findings.

If the assembly chooses to ignore the report, the commission's only remaining option is to make public its detailed findings rather than the summary version, which excludes names, that will be presented to the assembly.

SIDNEY MARGOLIUS ON NUTRITION HEARINGS

Mr. PERCY. Mr. President, I know my colleagues are aware of the national nutrition policy study hearings which were held in June by the Select Committee on Nutrition and Human Needs.

I had the privilege to chair the session which heard the report of the study panel on nutrition and the consumer. A valued member of that panel was Sidney Margolius, a journalist and freelance writer who specializes in nutrition topics.

A succinct and perceptive summary of the high points of the select committee's hearings prepared by Mr. Margolius recently appeared in the Washington Star-News. I ask unanimous consent that his article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senate Hearings—Nutrition: Fears, Grievances

(By Sidney Margolius)

You wouldn't have thought 10 years ago that food experts would be so worried about national eating habits and food costs and availability that they would pour into Washington by the hundreds to voice their fears and grievances.

First there was the 1969 White House Conference on Food, Nutrition and Health. Now, in 1974, a series of special hearings by the Senate Select Committee on Nutrition and Human Needs has just finished.

The hearings, chaired mainly by Sens. George McGovern (D-S.D.) and Charles H. Percy (R-Ill.), were especially intense and often angry because they were held in a year of gyrating prices, threats of worldwide scarcity and some actual shortages, controversies over meat prices and the availability and costs of protein foods in general, concern for the amount of income poor people have to pay for food and for the inadequate and even health-endangering food choices of more well-to-do families, the proliferation of what participants usually castigated as "junk foods" and many other fears and even resentments.

From the testimony of hundreds of witnesses and scores of reports by committees of experts, here are some facts and views that may be useful in planning your own family's nourishment and spending:

Even though the prices of wheat and other grains have subsided from last year's record levels, we're not out of the woods yet, because of world needs and the threat of famine.

The availability and cost of grains is of vital importance because they are a basic foodstuff used both for direct consumption and in producing meat, poultry, eggs and other protein foods. Thus you may not be able to expect the present reduced prices on meat, poultry and eggs to continue.

The United States has a unique agricultural capacity and thus a responsibility for cooperating with other nations in sharing food supplies but, it was warned, a national export policy is needed to assure adequate domestic supplies. The bargain wheat deal with Russia was specifically criticized.

The direct inflation has hit low-income consumers especially hard because of the relatively sharp rise in the usual lower-priced staples such as rice, beans, grain products and margarine.

And it was reported that many poor people eligible for food stamps fail to get them. But even when families do have enough money for an adequate diet they often make poor choices, overspending for snack foods with heavy content of sugar, fats and low-nutrition starches.

These poor food choices have become a serious threat both to medical and dental health, charged many doctors and dentists at the hearings.

They recited specific effects such as widespread obesity, heart disease and teeth loss. Many of the doctors, dentists, and nutritionists at the conference seem to believe that many American families are "nutritional ignoramuses" and did not mind saying so.

Some consumer representatives believe that the public really needs more information about what it is buying in modern processed foods.

To correct this, a consumer panel chaired by Esther Peterson, president of the National Consumers League, urged that packages list three kinds of information: The actual nutrients—protein, vitamins and minerals—provided by a particular food; the percentages of actual ingredients, such as how much chicken in canned chicken soup and how much meat in canned beef stew; the official quality grade, such as whether the product is Grade A, B, C or whatever the standard is.

There was sharp criticism of some low-grade processed foods, particularly of promotions of high-sugar cereals and beverages for children.

Suggested remedies ranged from banning all TV commercials aimed at children to banning commercials for any product with more than 30 percent sugar by weight or 10 percent by volume.

They disagreed on the best method to control these promotions, but all indicated serious concern that parents, possibly through lack of knowledge, were unable to control children's demands for products.

THE HEALTH CARE CRISIS

Mr. ABOUREZK. Mr. President, for the benefit of the Members of this body who are concerned with the health care crisis, I would like to insert in the Record an article by Mr. Alfred Baker Lewis. Mr. Lewis is the chairman of the Connecticut Council on Health Security, and is extremely well-versed on the issue of national health insurance.

In his statement, Mr. Lewis reflects upon the inconsistent fact that although we in the United States spend more money on medical research than any other country, quality medical care is available to only a relative few.

Mr. President, I ask unanimous consent that Mr. Lewis' remarks be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement on National Health Insurance

I am Alfred Baker Lewis, Chairman of the Connecticut Council on Health Security, a retired member of the American Federation of Teachers, affiliate of the A.F.L.-C.I.O., National Treasurer Emeritus of the N.A.A.C.P., and I was also president of a small accident and health insurance company, the Mount Vernon Life Insurance Company (It has since been merged with another company.). So I know first hand some of the facts about the cost of health insurance written by private insurance companies.

We need free hospital and medical care for everyone through a system of government health insurance.

We should have the best health care in the world because we spend more money on medical research than any other country. Probably we have the best medical and hospital care for those comparatively few who can pay for it. But too often it is not available to those who need it.

An important reason for this failure to deliver the best health care for everyone is the cost to the individual person who becomes sick or injured in a non-industrial accident (industrial accidents are already covered by workmen's compensation). The cost of medical and hospital care has risen in the last few years higher and faster than other components in the increasing costs of living.

Good health care should be the right of any inhabitant of our country, just as the chance to get an education is a right. Yet they do not have such care as a right, and the care they do get is not as good as it should be.

There are two proofs of that last statement.

The best test of good health care is infant mortality. If we had the best medical care of any country, we would have the lowest infant mortality. We don't We are 17th from the lowest, and every country with lower infant mortality than ours has some form or other of government health insurance. This is a fact which we cannot ignore. We must face it. To ignore it, as do the opponents of government health insurance, can only be done at the expense of the nation's health.

The second proof is that Negroes have a substantially higher rate of infant mortality and a lower rate of longevity by 10 or 11% than do whites. This is clearly due to the lack of proper delivery of health care to those who need it. For Negroes are basically as healthy and hardy as whites if not more so. If you doubt that, you have only to look at the figures for the Olympic games.

In the 1964 Olympics, one college, Tennessee A&M in Nashville, with 15,000 Negro students, had 7 gold medalists. No other college had more than one gold medalist except the University of California, which has some 90,000 students, over 90% of them whites; and it had two gold medalists. When 15,000 Negro students turned out 7 gold medalists and nearly 90,000 white students won 2 gold medals, no one can say that Negroes are not healthy and hardy. They are. If they don't live quite so long—and they don't—and have a higher infant mortality rate than whites—which they do—it is because of the harder economic conditions under which on an average they have to live, and part of these harder economic conditions is poorer medical care.

The 1968 Olympics told the same story. The proportion of Negro to white gold medal winners on the American team was higher than their proportion to the general population.

It has been argued that we should maintain our present medical system, which is mainly on a fee for service basis, because we have made progress in increasing health and longevity. That is true. We have made such progress. The countries, however, which have government health insurance have also made such progress and at a greater rate than we. We are now 17th from the lowest in infant mortality. Fifteen years ago we were 9th from the lowest. While we have made progress in reducing infant mortality and increasing longevity, the countries with government health insurance have made greater progress. The figures are given in Exhibit A.

ARGUMENT ABOUT COST

The big argument used by the opponents of having free hospital and medical care for everyone is the cost. The argument is fallacious. There is absolutely nothing in government health insurance that will increase the total social cost of health care, though it will add to the federal budget. The inhabitants of our country already bear in full the cost of illness and non-industrial accidents. If a man becomes ill or injured in a non-industrial accident, the cost is borne by him if he can afford it. His family pays part of the cost for he may have to draw on his savings for his old age or for the higher education of his children. His employer suffers the loss of his work, and in a sense the whole community loses from the loss of his productive labor. Some of the financial cost may be borne by an insurance company, which means in the long run by the premiums of the policy holders. If he is indigent, or the illness forces him to become so, the state and local taxpayers, who pay for public welfare relief, carry the load. The cost is there. Someone in the community pays it. All that health insurance does is to distribute the cost around in a more just and equitable manner.

Part of the trouble with health care is that the availability of it is very unevenly distributed. If you live in a poor community the chances are that there is not good medical care readily available even if you can afford it. Most physicians, like others, want to live and practice where the money is. So poor communities have far fewer doctors or dentists in proportion to the population than richer ones.

We recognized this fact by trying to stimulate the building of hospital and health centers in places which lack them through the Hill-Burton Act. This has reduced somewhat but not eliminated the present maldistribution of medical care.

If you are unfortunate enough to be on relief, the situation is worse. Most relief costs are paid for by local taxes, mainly real estate taxes, with some subsidies from the State governments. This means, if relief is to be adequate, that the poor would have to be taxed heavily to support the destitute living among the poor, of whom there are many; while wealthier persons living in richer communities are taxed only lightly to support the destitute living among the rich, of whom there are few. This is clearly unjust. Also, it intensifies the maldistribution of medical care because the poorer localities simply cannot pay the taxes to provide adequate relief including medical care for those who need it and cannot pay for it.

Government health insurance would transfer the cost of sickness and non-industrial accidents for persons on relief from the state and local taxpayers who now pay most of the cost of general public welfare relief to the federal government. This would be a gain in social justice. For the states raise most of their money by sales taxes. Sales taxes bear much more heavily in proportion on the poor than on the rich. Nearly every penny spent by a poor person is hit with a sales tax. But many expenditures typical of a rich family totally escape a state sales tax, such as expenditures for domestic service, for trips abroad, or for investments. The local government bodies raise most of their money by taxes on real estate. This hits small homeowners. It also hits all tenants, because the landlords add the cost of the taxes to the rents. Taxes on real estate are not an accurate reflection of wealth, and therefore of ability to pay. For most of the wealth of rich people is held in the form of stocks and bonds, which are intangible personal property, and which the taxes relied on by local governments hardly ever reach. The Federal Government on the other hand raises most of its money from the graduated personal income tax and the corporation profits tax. Despite loopholes favoring the rich in the graduated personal property tax, the federal government's tax system is, roughly, taxation in proportion to ability to pay.

GOVERNMENT HEALTH INSURANCE WOULD REDUCE THE COST OF HEALTH CARE

There are sound reasons why the social cost of medical care would almost certainly be less under a system of government health insurance than it is now.

Too many people, when they begin to get sick, put off going to the doctor because of the expense. Inevitably, when they finally do have to go, the disease is apt to have a stronger hold and the cure is likely to take longer than would have been the case had he or she sought medical care earlier. If they could get medical care by government health insurance without personally paying for it through the fee-for-service system, they would be less likely to put off going to the doctor until too late.

PRESENT ACCIDENT AND HEALTH INSURANCE COSTS ARE TOO HIGH

A good deal of accident and health insurance costs are now carried by private insurance companies. Most of the policies are not sufficiently comprehensive. Some are only for disaster insurance, paying the cost of hospitalization if it goes above a certain fairly high level. Nearly all the group insurance policies that I know exclude mental illness and dental care. Nearly all individual policies exclude the cost of care for illness growing out of a pre-existing physical condition. The cost of maternity coverage is very high for those in the marital and age bracket that need it most.

Above all, all the policies are unnecessarily expensive because of the high acquisition costs. These acquisition costs are mainly broker's fees and advertising expense. They are totally unnecessary from a social point of view, and would be eliminated entirely by government health insurance.

You can get some idea of the unnecessary cost of health insurance carried by private companies from the figures on the relation between premiums and benefits collected and paid by private insurance companies.

The figures given in the Statistical Abstract of the U.S. for 1974 on page 464 show that the benefits paid out by private insurance companies were around 75% of the premiums taken in. For Blue Cross and Blue Shield, however, where the competitive acquisition costs do not exist so that they are in this respect similar to government health insurance, the benefits paid out were 93% of the premium income.

Government health insurance is needed; it would reduce the total social cost of illness and non-industrial accidents; it would cover practically all the medical and hospital costs of ill health, which private insurance companies don't do; and it would distribute the cost of health care in a more equitable way.

A rough estimate of how the cost of health care would be paid for under the Kennedy-Griffith Bill is included as Exhibit B.

BRIEF CRITIQUE OF OTHER BILLS

There are a number of other bills on health insurance before Congress. They are not satisfactory to those who favor full health care for all through the Kennedy-Griffith Bill for two main reasons. First, they do not fully cover health costs. For the costs that they do cover, they have co-insurance of 20 or 25% to be paid by the sick person plus deductibles which must be paid in full first by those getting health care before they get benefits. Good health care is a right, and should be so treated. There is therefore no more reason to require those who need medical or hospital care to pay part of the cost when they need it than there is to require those who have children in school to pay directly part of the cost of their children's education. In both cases the cost should be covered by taxes.

In the case of the Long-Ribicoff Bill for catastrophic health insurance, the deductible amount is very high for most persons so that poor persons would not benefit.

The other bills also use private insurance companies wholly or in part to provide the insurance. This increases the cost by profits for some companies and by competitive acquisition costs above what is necssary to cover the cost of claims for the reasons already explained.

EXHIBIT A

[1974 Ency. Brit., p. 727—Infant Mortality Rate]

United States	18.5
Hong Kong	17.5
Japan	12.4
Denmark	14.2
Finland	11.3
France	16.0
East Germany	18.0
Ireland	18.0
Luxembourg	13.6
Netherlands	11.4
Norway	12.5
Sweden	11.1
Switzerland	14.4
United Kingdom	17.6
Canada	17.5
Australia	17.3
New Zealand	16.5

We are 17th from the lowest.

[1959 Ency. Brit., p. 106]

United States	26
Denmark	23
Netherland	17
Norway	21
Sweden	17
Switzerland	23
United Kingdom	23
Australia	21
New Zealand	20

We were 9th from lowest.

EXHIBIT B

Estimated Total Health Costs by fiscal 1977 when any bills would be fully operative, $115 billion.

Amount covered by Health Security Program under the Kennedy-Griffith Bill, $76 billion.

The gap of 39 bills is made up as follows:

21 bills in medical expenses of the Dept. of Defense, Veterans Benefits, state programs for the mentally ill and long term nursing home care, which, apparently, the Kennedy-Griffith program would not take over, plus workmens compensation.

18 bills out of pocket expenses by consumers (patients) such as drugs, eyeglasses, hearing aids, dental care above 15 years, and fringe medical expenses such as for chiropractors, osteopaths, naturopaths, etc.

The 76 bills for the Health Security program would be paid by Health Security Payroll taxes, $38 billion.

This would be 3.5% paid by employers on their payroll, plus 1% by employees up to $15,000 income, and a 2½% tax of the first $15,000 income of self employed people.

General Federal Revenue, $38 billion.

Of this 38 bills, 20 bills would be money already being paid by the Federal Government as follows:

Medicare, $5 billion.

Medicaid, $10 billion.

Tax exemptions for medical costs and insurance, $4 billion.

Other government general revenue health costs, $1 billion.

The new revenue costs to be raised by general Federal taxes would be $18 billion.

Taxpayers would save a good deal more than the 18 bills as follows:

Premiums paid to insurance companies Estimated for 1977, $29 billion.

(It was 19.8 bills in 1971 according to the Statistical Abstract of the U.S. 1973, P 465, and rising about 2 bills a year.) And the Health Security Program would give far more complete coverage than any private insurance company now provides. What this difference in cost would be, I don't know.

Reduction of State and local taxes now levied to cover state and local share of medicaid, and costs of health care for persons on relief, which the Federal Government would take over, $4 to $6 billion.

Reduction in medical and hospital costs by prompter recourse to a physician when ill, whereas now such visits to a doctor are apt to be postponed and deterred because of the cost, so that the disease gets a stronger hold and takes a longer time and more expense to recover from, (* * *)

TRIBUTE TO SENATOR MANSFIELD

Mr. HATFIELD. Mr. President, yesterday, when many of my colleagues paid tribute to the distinguished record of the majority leader, I was tied up in a conference with the House on the interior appropriations bill. As a result, therefore, I was unable to join at that time in adding my warm words of praise for the job Senator MANSFIELD has done.

I am reminded of the old adage, usually applied to kinds of old, that a ruler can be either respected or loved, but not both, and it is better to be respected than loved. In my opinion, MIKE MANSFIELD disproves this completely, for he is both. As a friend, my affection for him is complete. His personal qualities of humility, hard work, intellectual acumen, and integrity should be an example for every young man and woman in the country to emulate. It is not just the fact that this milestone in length of service was reached by the majority leader but also it gives possibility for these tributes. It really just gives us all an excuse to express our appreciation to him for a job well done. The quality of his leadership is more important than its length, and it is for this reason that I want to add my congratulations, and my personal thanks, to this unique gentleman from Montana.

COMPASSIONATE TREATMENT FOR YOUNG AMERICANS

Mr. PELL. Mr. President, I applaud President Ford for the position he has taken to provide compassionate treatment and understanding to those young Americans who, during the Vietnam war, failed to subscribe to the provisions of our selective service laws.

Last December I introduced with the cosponsorship of Senator TAFT legislation to grant "earned immunity" from prosecution to those who refused military service during that war.

As I stated at that time, "this bill would not grant a blanket pardon to all those so accused, but it would provide a way for them to come out of hiding, and to return to their country, if they agree to serve their country in a manner in keeping with their conscientious convictions."

I note with pleasure a quotation from President Ford's address today to the Veterans of Foreign Wars:

> I want them to come home if they want to work their way back.

His words parallel my own beliefs in this regard. Senator TAFT's and my legislation calls for immunity from prosecution, provided those accused agree in writing to 2 years of military service or alternate service.

The wounds of our country in many areas need to be healed. In this one, which so concerns young Americans, they need to be healed with tempered justice.

I look forward to early consideration of the legislation I have introduced and I congratulate the President for the initiatives he has taken today to make manifest his convictions and those of his new administration.

A CUTBACK IN THE COVERAGE OF MENTAL HEALTH CARE

Mr. ABOUREZK. Mr. President, on August 2, 1974, the Washington Post carried a front page account of Blue Cross-Blue Shield's proposal to the Civil Service Commission suggesting a cutback in the coverage of mental health care. The proposed modification would affect inpatient as well as outpatient psychiatric treatment.

The news of this proposal was deeply distressing to me. Over the past decade, the portentous myths and connotations usually associated with persons afflicted with emotional disorders have gradually begun to disappear. And in the wake of this diversion has been a gratifying awareness and acceptance by the American public that difficulties of the mind are, in essence, no different than difficulties of the body.

This awareness has come about just in time; because never before in medical history has there been such a vital need for a comprehensive, superior system of mental health care—and an accompanying system of paying for it.

While I do not profess to be an expert on emotional disorders, I have acquired enough knowledge on the subject to make some viable assumptions: perhaps the occurrence of mental illness is on the upsurge because of the frenetic pace of life in our society; perhaps the reason lies in the very nature of our system of values—values which seem to be endlessly changing. It may be that the speed with which young people are now forced to grow up makes it tough for them to find a comfortable spot in an unquestionably chaotic world. Or it may just be that the incredibly powerful contradictions being imposed upon the country by some of its highest officials have made it difficult for many people of moral conscience to maintain their sanity without the utilization of professional assistance.

That this may be the case is certainly understandable.

Clare Foudraine, who is associated with the Washington Psychiatric Institute, has commented on the fact that within the past few months there has been an enormous increase in the number of young people requiring hospitalization, and that it is possible that their problems have been heightened and compounded by this shattering of their beliefs—compounded to the point that professional counseling, even hospitalization, are necessities.

But for whatever reasons there may be, as members of an intelligent society we must accept the fact that there are many people in the United States who need the services offered by those in the psychiatric profession. Should these unfortunate victims of society—or their families—be penalized? Should their care be left up to third-rate hospitals, already overburdened and understaffed? Should the human potential of our Nation be either sacrificed or jeopardized by some inordinate proposal?

I believe that if such a proposal is accepted, it will prove disastrous to countless citizens, and will be a tremendously unfortunate step backward for the status of the mental health profession.

Mr. President, I ask unanimous consent that the Washington Post article by Victor Cohn be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Aug. 2, 1974]

Blue Cross May Reduce Mental Care

(By Victor Cohn)

Five and a half million federal employees and family members face a possible cut Jan. 1 in their almost unlimited mental health insurance.

A confidential Blue Cross-Blue Shield proposal to the Civil Service Commission would wipe out much of a seven-year attempt by those health plans to compensate government workers as fully for emotional as physical illnesses.

Blue Cross-Blue Shield officials say the coverage has helped double the mental share of all federal Blue Cross-Blue Shield payments—up from 5 to 10 percent since 1967, and currently $100 million of a $1 billion national total.

Blue Cross-Blue Shield's present "high option"—chosen by almost all federal Blue Cross-Blue Shield users—pays 80 per cent of all bills from psychiatrists and other mental health professionals after the first $100 a year. It pays for an unlimited number of hospital days.

What Blue Cross-Blue Shield has proposed, according to informed sources, is a cutback to 50 per cent of the doctor-bill coverage and a 45-day annual limit on hospitalization.

"We thought handling mental illness the same way as physical was a great goal," Robert Laur, Blue Cross-Blue Shield's negotiator, said yesterday. "It has simply turned out that we can't do it.

"Some patients, even whole families, stay in treatment an extremely long time—months or years—and there are no ways like utilization review that can measure the results very well.

"There is certainly the opportunity for some abuse."

Dr. John P. Spiegel of Brandeis University, president of the American Psychiatric Association, has written the Civil Service Commission to argue that the proposed cut would create "an unconscionable hardship" on low and middle-income workers.

He also protested the fact that the negotiations are being held behind closed doors, with participants unwilling to discuss details. There are no other representatives of federal employees present.

Dr. Naomi Heller, a Washington Psychiatric Society council member, said, "Those who suffer the most will be mainly the lower-income employees who have been able to get private psychiatric treatment only because their health plan has been paying 80 per cent."

The cost of mental care can mount quickly. An hour's visit to a psychiatrist costs $40 in the Washington area and no less than $25 elsewhere. A patient seeing a psychiatrist twice a week here would run up a $2,080 bill in six months.

And $2,000 is the average cost per patient for the 50,000 federal employees and dependents getting treatment each year.

Only federal workers who have Blue Cross-Blue Shield coverage would be affected immediately. Of the 40 per cent who choose other coverage, nearly half are covered by Aetna Life and Casualty, whose mental benefits roughly equal the Blue Cross-Blue Shield.

Administration and congressional sources differed on whether Aetna might seek to change its benefits in January. "It seems obvious that if Blue Cross makes the change, other insurers are likely to follow suit" sooner or later, said Dr. William Granatir, Washington Psychoanalytic Society president.

Gordon Brown, assistant chief of the Civil Service Commission's legislative and policy division, said an announcement of any benefits change will be made after negotiations are completed in October. Then federal employees will get a two-week period—Nov. 15 to 30—to change plans if they like, he said.

Any Blue Cross-Blue Shield cut would come on the heels of a July 1 cut in mental benefits for 7 million military dependents, who are now limited to 40 out-patient visits and 120 hospital days in a year.

Both Blue Cross-Blue Shield and military cuts are likely to further flood already flooded state and local public facilities, said Dr. Heller, "and funds for them have been cut back too."

Psychiatrists, she conceded, also will feel the effect, "but we don't expect anyone to feel sorry for us, nor should they."

The generous federal benefits are far greater than those received by most other workers. They have attracted so many psychiatrists to the Washington area—home of a fifth of all Federal employees—that it now has more psychiatrists per capita than any other.

"We do hope to offer some alternate ways of compensation," said Blue Cross-Blue Shield's Laur. "We're not out to cut the present dollar flow, just to keep it from growing."

"No one likes to cut benefits," said J. S. Nagelschmidt of the Blue Cross Association. "But costs are costs."

THE COST OF LIVING COUNCIL

Mr. BUCKLEY. Mr. President, President Ford has wisely made the fight against inflation his first legislative priority. There is no doubt that he has the full support of the Congress and the American people in this effort.

However, I must dissent from the repetition of the sterile formulas of the past which seem to be suggested by the President's proposal to exhume the Cost of Living Council. Although proposed for the purpose of simply providing "information" to the Government on changes in wages and prices, it would in fact become an instrument of coercion and intimidation on vulnerable sectors of American business and labor. This amounts to nothing more than a de facto form of wage and price control employing extra-legal methods to be effective. For such a program to be effective in reducing prices and/or wages, it must rely on the implied threat to compel a reduction in wages and prices either through the later addition of necessary control authority or through the direction of unfavorable publicity to a business or union as a consequence of a price increase deemed inappropriate by the COLC.

If such a technique could be effective, it would have at least that to recommend it. However, we have had nearly 4 years of experience with virtually every form of wage and price control which could be enacted into law in a democratic society. The result was widespread shortages, gross inequities to wage earners resulting in the first decline in the level of real income since wage and price controls were abandoned after World War II, and a more intense level of inflation than we have experienced in recent economic history.

We should not forget the experience of the "jawboning" technique when it was applied in the steel industry in the early 1960's. President Kennedy was outraged by a price increase proposed by major U.S. steel producers in the early 1960's. The result was an intense extralegal effort on the part of the Kennedy administration—now called "jawboning"—to "encourage" steel producers to reduce their prices. The results were not immediately apparent, but became painful as we entered the dramatic economic expansion of the 1970's. As a result of the extralegal pressure on steel prices, profitability was reduced over what would have obtained had ordinary free market pricing obtained. As a result, investment in the steel industry was inadequate. Consequently, we are enduring a vast "crunch" in the supply of domestically produced steel which has sent the price of many important steel products into the stratosphere. Furthermore, our failure to expand our domestic capacity has contributed to existing unemployment.

There is no way to reduce the price of goods and services and increase their availability other than to permit the unhindered operation of free markets to direct the investment to areas of shortages by the signal of higher than average prices.

Any attempt to interfere with this mechanism, whether directly by government intervention in price and wage decisions by private individuals and organizations, or indirectly through government extralegal persuasion will inhibit the ability of the price mechanism to perform its function.

Let us not be led to the all-too-easy belief that there are pain free ways to extract our economy from the excesses of an inflationary boom. It is with reluctance that I vote against a measure that is President Ford's first request of the Congress. I do because the Cost of Living Council will not only fail in its objective; its creation will mislead the American public into thinking it is a positive step in the fight against inflation when it is not. This is not the time to offer false hopes for easy solutions. We need to enlist the American people's cooperation in a call for fiscal restraint that alone will restore price stability.

TRIBUTE TO SENATOR MANSFIELD

Mr. MAGNUSON. Mr. President, on August 15, Senator Mike Mansfield reached a milestone in American history. On that date he served a total of 13 years and 255 days as majority leader of the U.S. Senate. That is the longest period of time any individual has so served this Country.

The highest tribute that can be paid to Senator Mansfield is expressed in that record. No other man in the history of the U.S. Senate has had the confidence and respect of both his constituents and his brother Senators such that he was allowed to serve as leader of his peers for such a long period of time

I am proud to have been a Member of the Senate during the years Mike Mansfield has served as the majority leader. I am pleased to call Mike Mansfield a close and personal friend. Under his leadership, the U.S. Senate has emerged in the public view as something much more than a debating forum. Senator Mansfield has presented to all of us a standard of fairness, integrity, and moderation which has been the signal of true leadership. In the last 13 years and 258 days the U.S. Senate has moved toward real democratic reform. Senator Mansfield is responsible for creating the environment and leading the changes. I am confident Senator Mansfield's position in American history is well preserved. I join the many other Members of this body who hail him on this memorable occasion.

MICHIGAN BENEFITED BY ERTS

Mr. MOSS. Mr. President, the State of Michigan is using imagery from ERTS and high flying aircraft in several of their departments and individuals within these departments.

Mr. James G. Ahl, economic analyst, Office of Land Use, State of Michigan, has written to me about how this imagery has benefited these users. Here is part of his letter:

> NASA's ERTS and Skylab programs have benefited the state in terms of some information gathered and should probably be changed to an operational rather than research framework.

Mr. President, I ask unanimous consent that Mr. Ahl's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

State of Michigan, Department
of Natural Resources,
Lansing, Mich., July 25, 1974.

Hon. Frank E. Moss,
Chairman, Committee on Aeronautical and Space Sciences, Washington, D.C.

Dear Senator Moss: Several of the various state departments, and individual divisions within these departments, are aware of and are using ERTS and RB-57/U-2 imagery in their programs. The Office of Land Use in the Department of Natural Resources has developed and is presently field-testing a land use classification system based upon the proposed USGS system which utilizes both ERTS-1 and underflight photography.

NASA's ERTS and Skylab programs have benefited the state in terms of some information gathered and should probably be changed to an operational rather than research framework. The most relevant part of NASA's program has been the use of RB-57 and/or U-2 underflights for varying land and water information. It is recommended that this part of NASA's program be maintained. There is a wide variety of utilization of aerial photographs taken by NASA at elevations of 40,000 and 60,000 feet.

If further help is needed, please contact Mr. Karl R. Hosford, Chief, Office of Land Use, Michigan Department of Natural Resources, 7th Floor Mason Building, Lansing, Michigan 48926.

Sincerely yours,

James G. Ahl,
Economic Analyst, Office of Land Use.

THE SITUATION IN CHILE

Mr. ABOUREZK. Mr. President, just last week the Senate Foreign Relations Committee marked up a $20 million cut in aid to Chile, not more than $11 million of which may be used for military assistance.

There has been so much worldwide pressure on the year-old Chilean junta that it seems repetitive to describe the situation there once more. But it is more than justified by the staggering numbers of reports of murder, torture and detention without charge of junta opponents. There are many Members of Congress, including myself, who believe that the pressure ought to be maintained until these atrocious activities cease.

I urge my colleagues to review the following two reports in considering, when the foreign aid bill comes up, to cut aid to Chile even further than the $20 million that the standing amendment provides for. I ask unanimous consent to print reports from the Chicago Commission of Inquiry and from Amnesty International in the Record.

There being no objection, the reports were ordered to be printed in the Record, as follows:

Terror in Chile

I. THE CHICAGO COMMISSION REPORT

(What follows are excerpts from the report of the Chicago Commission of Inquiry into the Status of Human Rights in Chile, which visited Santiago in February, 1974. Large sections of the report are omitted, as in the separate volume of documents and other supporting evidence referred to in the text by roman numerals. The full report can be obtained by writing to Joanne Fox Przeworski, 1320 East Madison Park, Chicago, Illinois 60615, or Doris Strieter, 1600 South 14th Avenue, Maywood, Illinois 60153, or other members of the Commission. The report and documents cost $1.50, plus fifty cents for mailing costs.)

The Chicago Commission of Inquiry

The Chicago Commission of Inquiry Into the Status of Human Rights in Chile (henceforth referred to as "the Commission") was constituted as an *ad hoc* group of Chicago citizens concerned about the conditions of human rights in Chile after the military takeover of September 11, 1973. The Commission was formed upon the initiative and with the assistance of the Chicago Citizens' Committee to Save Lives in Chile, a loose coalition of groups and individuals. Members of the Commission hold differing political views and religious beliefs. They also vary in their attitudes toward the policies of the Popular Unity government headed by the late President Salvador Allende.

The members of the Commission are:

Ernest DeMaio, General Vice President, United Electrical, Radio and Machine Workers of America (UE)

Abraham Feinglass, International Vice President, Amalgamated Meatcutters and Butcher Workmen

Geoffrey Fox, Instructor of Sociology, University of Illinois, Chicago; Vice President, Chicago Circle Federation of Teachers.

Father Gerard Grant, S.J., Professor of Philosophy, Loyola University

George Gutierrez, Counselor, Chance Program, Northern Illinois University; Member, Human Relations Committee, DeKalb

Anna Langford, Lawyer and Alderwoman, Chicago City Council

Dean Peerman, Managing Editor, *Christian Century*

Joanne Fox Przeworski, Pre-Doctoral Fellow, Committee for the Comparative Study of New Nations, University of Chicago

Jane Reed, Associate General Secretary, Board of Church and Society, United Methodist Church

James Reed, Pastor, Parish of the Holy Covenant, United Methodist Church

Doris Strieter, Village Trustee, Maywood, Illinois

Frank Teruggi, Sr., father of Frank Teruggi, Jr., murdered in Chile

The members unanimously endorse the full contents of this Report.

Summary of the Findings

Given the limitations of time and resources, the Commission cannot estimate the frequency of detentions, torture, and executions in Chile. Moreover, because of the necessity to protect several of its sources, no documentation can be made public with regard to several cases of searches, seizures, detentions, and torture. [These limitations are discussed in detail in the full report of the Commission.]

The principle findings of the Commission are the following:

(1) The campaign of terror developed by the Junta seems to have assumed a systematic and organized character;

(2) Cases of politically motivated detentions are numerous: (a) the estimate of the number of persons detained as of January 20, 1974, exceeds 18,000; (b) an estimated total of 80,000 have been detained in the past six months; (c) a single list, made available to the Commission, of persons who have been detained and are presently missing contains over 250 names.

(3) No legal procedures are followed on a systematic basis, not even those appropriate for the "state of war and the state of siege" in the light of Chilean laws. Detentions continue indefinitely without charges being preferred. The access of lawyers to their clients is curtailed in violation of the Code of Military Justice, Codigo de Justicia Militar, Libro II, Tituto IV, Art. 184. Proceedings of military tribunals are secret in contravention of Art. 196. The request of the Commission to observe a trial was denied by the Vice Minister of Justice. Additional sentences are arbitrarily imposed after military tribunals pronounce their sentences.

(4) The use of torture continues. The Commission has obtained (a) written depositions of family members, (b) eyewitness accounts, (c) testimonies of released prisoners detailing the nature of wounds inflicted. As of December 11, 1973, there have been at least forty-two published reports of more than 410 persons killed "while attempting to escape."

(5) The use of economic sanctions with regard to those suspected of sympathies toward the government before September 11 is widespread: our estimate is that a total of approximately 160,000 were expelled from their work for this reason. An unknown number has been forced to retire prematurely, forfeiting the accumulated social security and retirement benefits. Those on the government blacklist are barred from other employment.

(6) Of 137 national unions, 30 of the less important are functioning; the rest were either dissolved or suspended. The national and regional bodies of the Central Federation of Workers (CUT) were disbanded. All delegated labor bodies and meetings of such bodies were abolished and prohibited. Several union members were picked up at random and shot in the presence of other workers, for example eleven railway repair and maintenance workers in San Bernardo.

(7) Unemployment is estimated to have reached 20 percent. The work week was extended by four hours. Inflation since the takeover has been 1,000 to 1,100 percent. Wages were raised by decree from 200 to 300 percent depending on work category on January 1, 1974. Unemployment compensations are based on 75 percent of the average wage during the past twelve months, but because of the inflation, such compensation, even when provided, is below the level of subsistence; hunger is widespread.

(8) All universities and several private elementary and secondary schools are under military administration. Several university schools and departments are closed. Police and nonuniformed agents are often present in classrooms. No extracurricular activities are allowed. Tuition has been instituted and access to education made much more difficult. The estimated number of students expelled reaches 20,000 (6,000 in Concepción alone); 300–400 professors are seeking employment and many more of those expelled have left the country. New educational programs are expected to drastically curtail the study of the social sciences, journalism, and public health.

(9) All periodicals which the Junta views as opposition have been closed. Of the eleven major newspapers which appeared daily in Sanitago prior to September 11, only six continue to be published. Of these six, three are controlled by the Edwards family. Moreover, *La Prensa*, the Christian Democratic newspaper, recently announced that it will discontinue publication. Copies of newspapers (1971–September, 1973) sympathetic to the Popular Unity government were removed from the National Library and other libraries. After a period of self-censorship, prior censorship has been reinstituted by the Junta. Some bookstores were closed, their books confiscated and burned. Most of the books dealing with philosophy, politics, and social problems are dangerous to own. Many people voluntarity burned their books, journals, and posters out of fear.

(10) From the early days of the takover, there was an intense campaign against foreign residents in Chile. According to *El Mercurio*, as of February 17, 3,647 foreigners were given safe conduct passes to leave the country: A total of 7,317 persons obtained safe conduct passes while 243 persons are said to remain in foreign embassies. All embassies party to the right of asylum (Montevideo-Convention, 1961) are carefully patrolled and access to them is prohibited.

(11) The Embassy of the United States seems to have made no serious efforts to protect the American citizens present in Chile during and after the military takeover. It refused to aid Charles Horman, directing him to seek assistance from his local police; it maintains not to have known anything about the arrest of Frank Teruggi, Jr., until notified by Stephen Volk on September 24, 1973. This must be contrasted with the conduct of several Western European embassies which threatened to break diplomatic relations if any of their nationals suffered at the hands of the military. The United States Embassy is one of the embassies where no asylum was given. The U.S. consular officers continue to reject those seeking refuge in the United States whom they consider to have leftist sympathies.

(12) Contrary to the assertion of the Chilean Junta, Mr. Frank Teruggi, Jr., was murdered while in military custody at the National Stadium. He was tortured and shot seventeen times. Contrary to the statements of the U.S. Embassy, protection was sought on his behalf the morning after he was detained and before he was murdered. Contrary to the assertions by the Embassy, no thorough investigation has been made with regard to the circumstances of his death by the Junta. Actually, the information concerning his death was unearthed by Frank Teruggi, Sr., while in Santiago.

(13) The Church high schools and Catholic University have been placed under military control along with state schools. At least 130 priests have been forced to leave Chile; at least three were killed and many tortured. . . . The Junta campaign in the press includes "letters" to the editor which denounce the Church as infiltrated by Marxists and as being an agent of international communism.

Interviews with the Junta representatives

During its stay in Santiago, the Commission had various interviews with official representatives of the Junta. It is the impression of the Commission that the Junta representatives made no attempt during these interviews to present us with a portrayal that would be in any way compatible with the situation known to them and easy to observe by anyone outside their offices. To the contrary, we were impressed by the fact that those Junta representatives felt most assured that they can present obviously transparent lies with utmost impunity.

We were told, for example, that every prisoner is given the charges against him (Vice Minister of Justice Max Silva, Lt. Col. Mario Rodriguez) and even that the former Minister of Foreign Affairs, Clodomiro Almeyda "is in his house" (taped interview with Max Silva). Upon telephoning Almeyda's wife, the Commission learned that he had been held on Dawson Island and removed to Santiago military hospital for treatment. He is allegedly no longer in the hospital, but she has no idea of his whereabouts.

When the Commission requested to see José Toha, former editor of *La Ultima Hora*, former Minister of Interior, Defense and Agriculture, the Minister of Justice responded that he was in a military hospital in Santiago and could not receive visitors. (He has since been reported dead under mysterious circumstances.)

It is clear that the Junta is bewildered by the fact that anybody might actually be concerned about the status of human rights in Chile. Anyone who does not uncritically accept the pronouncements of the Junta is regarded as an enemy. Their vilifications range from the United States Senate ("infiltrated by Marxists"), Senator Edward Kennedy ("agent of international communism"), the Ford Foundation ("not only infiltrated but controlled by Marxists, including admitted communists"—*La Segunda*, December 20, 1973), to Ambassador Harald Edelstam of Sweden ("the Red pimpernel"—*La Segunda*, February 22, 1974).

General atmosphere of "State of War," "State of Emergency," "State of Siege"

The campaign of terror developed by the Junta seems to have assumed a systematic and organized character. Repression is more selective than during the first months following the takeover, but it is thorough and well prepared. Names of prisoners, their location and details of arrest are computerized; it is assumed these lists include potential prisoners as well. For example, while persons who spent three months or more in Cuba were arrested during the first wave of detentions, persons who spent two months there were arrested subsequently, and those who were one month in Cuba are being detained at present (II, 13).

Official reasons cited for continuance of the "state of war" include reports of assaults, enemy plans, sabotage, resistance, arms caches, etc. People in general said there is no way of knowing the truth since the mass media are completely controlled and carry primarily local news. Arbitrary arrests and seizures are known only to the family affected and neighbors; people are afraid to report those missing for fear suspicion would be cast on themselves.

[Among the means used to sustain terror are the following:]

Cadavers found in rivers and on streets

a. There is widespread talk among the population about bodies being found in the Mapocho River in Santiago and elsewhere. The Junta authorities are anxious to discredit such accounts. However, we learned from numerous sources that this was true. For example, a resident of a high-rise apartment building overlooking the Mapocho River confirmed shooting on the river bank with the bodies falling into the water. (III, 14)

b. Seven Brazilians were routed from their apartment in September; only one had been engaged in politics. They were shot on the river bank; one of them was not killed. Falling into the water, he remained there, floating down the river until nightfall when he managed to find refuge. (II, 12)

c. A Spanish priest of the Salesian order, Juan Alsina, 29 years, was arrested at San Juan de Dios Hospital where he was the director of hospital personnel. His body was found in the Mapocho River and claimed through the help of the Spanish Embassy. He had died from torture. (II, 2; II, 12)

d. On January 8, 1974, the bodies of five prisoners were found in the Pilmaiquen River (IV, 9, 22)

e. Two dead bodies were found lying outside an elementary school. One died with his identification card in his extended hand. Some army men passing by commented to the teachers and students gathered in front of the bodies, "It must have been the police. We take our cadavers to the morgue." (II, 22)

Searches and lectures

In spite of General Oscar Bonilla's television speech in November during which he explained the rights of citizens during search and seizure operations, the military and paramilitary patrols enter homes with no search warrants, make arbitrary arrests and take articles of value. Many searches occur during the night, but they are equally common in daytime.

a. Evidence includes a detailed account of a house search and arrest by unknown individuals on January 30, 1974. Three members of the family were taken away after the family and their factory employees were terrorized. In addition various personal items and valuables were stolen. As of February 23, there is no news of the whereabouts of the father, son, and daughter who were taken. (IV, 3)

b. In the working-class areas, periodic searches are common. For example, in La Legua area of Santiago, military arrive every two or three days, some twenty to thirty prisoners are taken each time; some are released. (II, 12)

c. When the military searched a home in Las Barrancas, Santiago, the wife apparently complained that it was the third such search and wouldn't they please leave her family in peace. As the military departed, they said to the little boy outside, "So long, kid, you won't be seeing us around anymore." The child, surprised, inquired, "You mean you found my Daddy hiding in the roof?" The military reentered the house, brought the father downstairs, and shot him in front of his family. (II, 20; III, 12)

Turning oneself in

a. According to Decree 81 of November 6, 1973, any person cited for presentation in the *Diario Oficial* must appear before the authorities within five days. Failure to comply is punishable by prison sentence regardless of the verdict on any other charges that may be pending against the person.

b. Among the persons who did turn themselves in, the fate of three is known. Pediatrician Jorge Mario Jordan Domic was killed October 16. Dr. Jorge Avila, young and recently married, turned himself in September 19 or 20; shortly thereafter, he disappeared; his death was confirmed in December (IV, 6; IV, 13). On September 22 a high school student, 17 years, turned herself in after hearing her name over the radio. She was four months pregnant. Electric current was applied to her genitals during interrogation. She was afterward treated at a hospital where the prognosis was grave mental damage to her unborn child. She remains a prisoner in Santo Domingo. (V)

Economic pressures

a. According to Decree 6 of the Code of Military Justice, during a "state of war," everyone is only provisionally employed.

b. Workers, political leaders and intellectuals find themselves in the most distressed situation economically. The number of those dismissed for political reasons exceeds 150,000. Under the *Law of Desahucio*, prior to September 11, 1973, a fired worker was entitled to severance pay for a determined period of time. Junta decrees permit firing employees without this compensation. Further, in limited cases where payments are made, the effects of inflation (between 1000–1100 percent from September to February) outweigh the compensation which is determined by the average income for the previous year.

c. Workers are being fired or forced to resign and thereby lose all rights to pension plans provided by the state system and retirement benefits.

Detentions and executions

The Commission found that the National Congress building now houses the Bureau of Detention and Prison Camps which is in charge of all prisoners.

Frequency and manner

a. It is not Junta policy to inform families where prisoners are taken; if they do find out, it is through their own means. Letters to prisoners at Estadio Chile from their families indicate that many relatives did not know where prisoners are being held (III, 8). There are hundreds of cases of missing persons, either those taken at home or those who never returned home after leaving for work or an errand; whereabouts is unknown. (IV, 30; V)

b. There are numerous cases of multiple rearrests by different groups. Of particular importance is the seeming arbitrariness of these arrests and the autonomy of different branches of the armed forces. For example, x (name known to us) was interrogated five times. First, his house was searched, a day later he was arrested by military intelligence; the third time, a month later, he was arrested by policemen; the fourth time by a patrol of military and policemen. His present whereabouts is unknown (V). Y (name known to us) was arrested on three different occasions and is presently missing. Z (name known to us) was arrested four times; the last time by plainclothesmen (V).

Charges and sentencing

Those arrested are presumed guilty. Interrogation and torture are used to extract confessions. Often, only after such methods are used, the prisoner is released because no charges are placed. Those released are generally threatened with death if they reveal maltreatment; they frequently must sign releases which certify that they have been well treated.

Most of the 223 prisoners at Estadio Chile are being held without charges. None seemed to know what charges might be leveled at them. Their relatives, waiting outside the prison to deliver messages, are not aware of any charges. For some the military was in the process of gathering charges; according to Rodriguez, these would be for crimes under the previous regime as well as acts deemed criminal by the decrees and laws instituted by the new government [applied retroactively].

A worker in the south of Chile turned himself in the week following the takeover. He was held six weeks during which time he was tortured by electric shock applied to four parts of his body. He was eventually released because there were no charges against him (V).

Legal counsel

a. We are told repeatedly that lawyer involvement usually begins when charges are already drawn up and the case is ready. The lawyer can see the statement of charges against the defendant some 24 to 48 hours prior to sentencing. We are told that in the north, lawyers are given one to two hours. Frequently the only opportunity for lawyer and client to meet is the moment of sentencing. Hence the only recourse of the lawyer is to request clemency. In the case of a student from Africa, his meeting with his lawyer took place three hours before the trial and lasted three to five minutes. (II, 4, 5, 11, 18; III, 8; IV, 16)

b. Further, lawyers are appointed from a roster of the Chilean Bar Association and tend to be ultraconservative (see its document "Illegal Acts Committed under the Allende Government and the Bar Association Support for the Junta"). Lawyers who would be sympathetic to the client's case are threatened. Trials are absolutely secret. (II, 4, 11, 18; III, 8)

Torture

The use of torture is widespread, although treatment depends on various factors: who the prisoner is or is thought to be, the individual in charge of the local or regional center, and the branch of the armed services conducting the interrogation. It is general opinion of people interviewed that the Chilean Air Force is the most brutal, most likely to torture and kill. In contrast, the prisoners and populace in general regard the *carabineros* or national police force as more humane.

a. The most striking evidence came from some of the prisoners at Estadio Chile. Although Lt. Col. Rodriguez had arranged formal interviews with seven prisoners, there was a covert opportunity to communicate with other prisoners by leaning over the balcony. This was at first done by signaling: (pointing) what happened to X's arm (in sling). This person would then casually walk by the balcony and let his arm hang down, limp, while making a slicing sign indicating it had been broken. As the men got bolder, more and more walked by, lifting shirts, showing inside of arms to indicate electric shock burns. They told us where they had been tortured: Tejos Verde, Cerros de Chena. (These places were later confirmed as sites of torture by our evidence.) By the end of the hour and one half, they were carrying on a full conversation, in English or French, once they learned of our other languages. (11, 4)

b. There is widespread belief that Brazilian military, skilled in the use of methods of torture, were brought in immediately following the military takeover to interrogate Brazilian prisoners and Chileans as well. A number of sources told us that US and Brazilian torture equipment is used: electric shock units, nail bar, etc. [unconfirmed]. Other sources indicated that training in such methods was received by the military prior to the takeover in US training schools in Panama and in Texas. (II, 24)

c. Methods of torture being used include electronic shock applied to various sensitive parts of the body, fingernail extraction, shooting off guns next to the ear—along with more "conventional" brute methods—beating with gun butts, knife slashing, cigarette burns, sexual molestation and rape.

d. The cases are numerous: that of Victor Jara, internationally famous folksinger and artist is well known (IV, 1, 2). For details of others see documents IV. Documents which would compromise the sources are being shown to selected persons in the United States and abroad. These documents include several testimonies of persons who were tortured and released. For example, X was exposed to electric shocks, a gun was shot next to his ear drums, he was blindfolded for a week. Y was given electric shocks, he was blindfolded for fourteen days. Z's death certificate said he died of bronchial pneumonia. Upon exhumation several lacerations were discovered on his body. (V)

e. The torture is being used at the present time. A mother found the body of her son on February 13, 1974. His hands and genitals had been cut off. His body was covered with burns from cigarettes and slashed with knives. (II, 8)

f. According to a letter dated February 14, 1974, which was smuggled out of X prison and given to the Commission, a man was arrested in the middle of January and tortured until he signed a confession. (IV, 17)

Executions and the "Ley de Fuga"

When pressed by the Commission for an estimate, Vice Minister of Justice Max Silva stated that in the early days of the military government, there were some thirty persons executed, but there are none now. [Interview taped; available from Ms. Anna Langford] The evidence makes this statement ridiculous.

a. An unusually large number of escapes while under police custody are reported. This usually occurs in the following manner: "While being transported from x prison to y, the following prisoners attempted to wrest guns from their guards (or simply, to escape) during a breakdown of the vehicle. They were shot by the guards." However, it is generally known that prisoners are bound and under heavy guard while being moved.

b. According to 42 separate newspaper accounts, approximately 410 persons were shot while "attempting to escape" as of December 12, 1973, or during three months. The latest evidence is as of January 31 in Puerto Montt which reports the names of four prisoners "shot while attempting to flee." This seems to indicate this method is still being used. (IV, 7, 9)

c. There are repeated cases of alleged suicides of prisoners. Most recently, former Minister Jose Toha allegedly hanged himself in the military hospital to which he had been transferred for medical care. Toha, who was six feet, three inches tall, reportedly weighed less than 112 pounds when brought to Santiago from Dawson Island. In another case of an alleged suicide while in custody, X was said to have hanged himself with his shirt. He was dressed in a short sleeve cotton shirt; his body when claimed at the morgue was found covered with lacerations on the stomach and legs. (New York Times, March 17, 1974; V)

d. Many cases are reported of prisoners being executed after military tribunals have sentenced them to a definite period of time. While some of these cases could be attributed to the responsibility of local commanders, a series of such assassinations were a direct order from Santiago, carried personally by Chief of the Santiago area General Arellano Stark. This mission of death started in mid October in La Serena where 15 people were shot on October 16. The source of the order became public knowledge in La Serena after Jorge Washington Peña Hench, a respected musician and founder of La Serena's Symphony Orchestra, Conservatory and Children's Symphony, was killed. As there are 80 families in the symphony, his assassination became known. When the townspeople protested in outrage, the district military commander, Lt. Col. Ariosto Lapostol, published a statement in *La Provincia* newspaper saying that he was under orders from Santiago (III, 11; IV, 6)

e. The estimates of the total number of executions between September 11 and the visit of the Commission range very broadly. The official Junta figure is 2,170 including military men killed in the takeover (*Chicago Daily News*, February 2). Aside from Max Silva's figure of 30, the most conservative estimate encountered was 1,000 given by Gil Sinay. Informed foreign observers say that at least 5,000 deaths have been accounted for. The prevailing figure among our sources was 20,000 to 25,000, but the range reaches 80,000 if we are to accept the estimate of a conservative Chilean businessman. (II, 2, 5, 11, 12, 14, 25) Some names of those murdered were obtained by the Commission (IV, 31).

Partial list of those persons detained by military or paramilitary and whose present whereabouts is unknown is appended (IV, 30).

Economy

Salaries

a. In January, wage and salary levels were readjusted with an estimated increase which may or may not be the real increase after February changes. The long-announced "readjusted" salaries were scheduled for February, 1974. But no one knows what this will mean, in fact. Guesses are that salaries will approximately double or even triple. Minimum salary per month will be about 18,000 Escudos. The following figures are approximate and change monthly, but nonetheless they provide some idea of the economic situation as of January 31, 1974:

Wages per month (*in Escudos*)

Unskilled worker, from 10–15,000.

Skilled worker, 20–30,000.

Piece worker (piece work now discontinued), 20,000 up.

Doctors working for government hospitals, 40,000+.

Readjusted wages, new doctors, 80,000.

Bank clerk, 40–60,000.

Social worker, 50–60,000.

Univ. professor, 5 years experience, 80,000.

Hotel maid, 5,000+%.

Newspaper vendor, 5% sales.

Icecream vendor, supper, up to, 20,000.

b. The work week was increased by Junta decree a mandatory four hours. This means a 48 to 52 hour work week for workers; a 40 in-school week for teachers and university professors (II, 6, 22, 23).

Prices

a. The Commission noted that the stores seem to have a plentiful supply of goods, although few people can afford to do much buying. The Junta is running an economic campaign with such slogans as these: Chilean, Learn to Buy! and Free Competition is a Just Price.

b. The economic situation and purchasing power can be seen by the following examples:

(1) Rent: According to *El Mercurio*, February 15, 1974, the price of rents was allowed to increase five times over January, 1974.

(2) One family of five which the Commission interviewed spends an estimated 9000 Escudos on bread and milk alone (II, 13).

(3) The Commission was impressed by the fact that:

A worker who takes one bus to and from work, six days a week, 4 weeks per month, spends . . . 2160 E.

If he buys 1½ kilos of bread for his family per day, bread at 130 E./kilo, 1.5×130 × 30 days . . . 5850 E.

[Total for transportation and bread 8,010 E.]

If he should be a pack a day cigarette smoker and smoke the cheapest brand (range 130–220 E./pack), 130 × 30 days . . . 3900 E.

Approximate total [transportation, bread, cigarettes] . . . 12,000 E.

In other words, just for minimal transportation to and from work and bread for his family, a worker spends approximately 44 percent of what will be the minimum wage. Should he be a smoker, the cigarettes and bus fare (just for himself) and bread for his family will total 67 percent of the minimum wage.

(4) Articles of clothing have gone beyond the means of reach for the average worker. A blouse costs (average) 3000 E.; a man's shirt, 4500 E.; shoes, 5000–8000 E.; children's shoes, 3000–5000 E.

Trade unions

1. The Central Federation of Workers (CUT) is closed; any union activity whether written or by any other means is outlawed as of September 17, 1973 (Decree no. 12 of the Junta). The Commission found a padlock on the doors of the CUT offices. Funds of unions have been frozen. All delegated labor bodies and meetings of such are abolished and prohibited (II, 1; IV, 4).

2. Of 137 national unions, only thirty of those less important are functioning. The remaining 25 percent do not exist as unions because there can be no grievances filed, no collective bargaining; and union meetings cannot be held except with prior approval of the agenda by the police. Such meetings are limited to an explanation of military degrees. Election of union officers is also forbidden. The Junta has been attempting to replace former union officials by their own approved men (II, 1; IV, 4).

3. Many workers are not entitled to any compensation because they were not fired but left "voluntarily" when their employers threatened to denounce them to the authorities as "extremists." Many other workers are dead or missing (IV, 30). There is no official fund for widows and orphans. Trade unionists who collect funds for widows, orphans, and unemployed run a grave risk of punishment.

4. It seems the military are trying to physically eliminate union leaders. Leaders of CUT have been imprisoned, harassed, killed, or forced into exile (IV, 4). Two men were shot during searches of their homes; Luis Rojas Valenzuela, regional secretary of CUT in Arica, and Luis Almonacid, provincial secretary of CUT in O'Higgins. In the case of the General Secretary of CUT Rolando Calderon, the military tried to shoot him near the interior of the Swedish Embassy; he received facial wounds in the forehead and eyes (IV, 4).

5. The following table illustrates the status of the trade union movement in Chile at the present time:

Total number workers, total dismissed

Health workers (laborers)	45,000	18,000
Health, professional and technical (doctors, nurses, etc.)	18,000	6,000
Municipal workers	16,000	3,500

Health and Social Services

There are systematic campaigns of persecution against the doctors, medical personnel, and students who did not participate in the strike of professionals [in protest againt the Allende government] and who were politically active prior to September 11. Many physicians and hospital functionaries were tortured and killed. Many more were expelled or suspended from the medical profession (Chilean Medical Association and National Health Service) (IV, 13).

A detailed plan of persecution was designed by Dr. Augusto Schuster Cortes and followed by military prosecutors (IV, 11; IV, 12). Details of this persecution are given in statements by these prosecutors citing charges against professors, students, and functionaries and the subsequent suspensions and firing of same (IV, 14; IV, 15). Similar measures were taken in all branches of the School of Medicine in Santiago, the School of Veterinary Medicine, and the National Health Service.

Among the many physicians and personnel of the health service arrested are the director of the Linares Health Zone, Dr. Carlos Azmorano; the former Minister of Health Dr. Mario Lagos; nutrition expert Dr. Giorgio Solimano Canturias; director of Health for greater Santiago Dr. Gustavo Molina; director of the third Health Zone Dr. Asbalon Werner V. Other names are appended to the Report (IV, 30).

The military seems to be initiating a campaign against socialized medicine to the effect that the practice of medicine cannot be good quality unless services are "paid for." The charges for services are presently 3000 Excudos for a visit with a doctor of nine years experience or less; 4000 E. if ten years or more; 5000 E. if twenty or more years (II, 7, 8).

Education

1. All universities and several private elementary and secondary schools, including the pontifical Catholic University, are under military administration; rectors have been replaced by military officers. The Rector of the University of Chile, a Christian Democrat, protested the violation of university autonomy; he is presently in exile. San George's School, one of the most progressive institutions in Chile and run by the Holy Cross Fathers, has been intervened in by the military; the gymnastics teacher was made principal (II, 6, 12, 15, 16, 20, 22, 23).

2. The Junta is attempting to develop an elite educational system. Access to education has been made much more difficult since tuition is being instituted 18,000 E. [unconfirmed]. The work-study programs have been abolished; moreover, many students who participated in them have been suspended or expelled on the grounds that "they did not demonstrate a sufficient interest in their subjects." Students must now show means of support (e.g., working wife, family support) in order to attend the university.

3. The most conservative estimate that the Commission heard was 10 to 20 percent of the professors, functionaries, and students were suspended, forced to resign, or expelled. However, this figure does not accurately reflect the situation in the universities since some departments were particularly hard hit. For example, in Concepión, between 200–300 university professors (of 1,200) were suspended; approximately 6,000 of 18,000 students were suspended and/or expelled (II, 7, 16, 20, 23, 25).

4. In the School of Public Health, which had an outstanding reputation in Latin America, 70 of 120 persons have been suspended; it is not clear how many will be allowed to return. Charges against those dismissed or expelled are vague; for example, students and faculty in the Department of Economics, School of Political Economy were cited "for one of the above mentioned charges" after a listing of four or five counts was given (IV, 10).

5. The Junta has instituted changes in curriculum and dress code. Uniforms and briefcases are required for all students. According to one educator, "the military doctrine for all high schools and elementary schools will be reduced to discipline, cleanliness, obedience and uniforms" (II, 23). There also will be decided emphasis on military history and nationalism (II, 15).

6. No group meetings are allowed on university campuses. When the State Technical University reopened, the new rules included no talking outside of the classroom. The universities are continually patrolled by the Chilean police. Within the classrooms, intellectual dialogue is inhibited by fear of plainclothesmen and right-wing students, etc. (II, 15, 20).

7. Publishing will be under strict guidelines; scholars are fearful to even present a manuscript which might contain material anathema to the military censors. There has been evidence of pressure on the substance of teaching and of writing, particularly in the social sciences, social work, and education (II, 7, 23).

8. Educators have been taken prisoner, tortured, and killed; they are still being arrested. The day the Commission was leaving Santiago, it received the news that a professor Meruane from the Catholic University had been taken at 4 p.m. the previous day (II, 23; IV, 30).

Mass media

Freedom of the press, radio, and television has been effectively brushed by the Junta. All communication systems have been seized, leftist publications banned and offices closed. Of the eleven major newspapers which appeared daily in Santiago prior to September 11, only six continue to be published. Of these six, three are controlled by the Edwards family. Moreover, ***La Prensa,*** the Christian Democratic newspaper, recently announced it will discontinue publication. Prior censorship has been reinstituted.

1. Copies of the newspapers shut down have been removed from the historical records of the National Library and other libraries throughout the country. Selected books and works of certain authors are being removed from the library collections (II, 10).

2. Leading bookstores of radical and leftist literature, records, and posters (such as PLA, Prensa. Latina-Americana) are closed and their property confiscated. All bookstore owners must present a list of inventory for review. Those books censored must be removed, at a loss to the owner. Even if the newly ordered books are confiscated at customs, the owner must repay the bank for dollars advanced for the order. All political science books, right or left, are banned; also, social science books relating to Chile and any Marxist literature pertaining to Chile (II, 9).

3. Since some books are dangerous to own, and this category remains underfined, many people have burned their libraries. A sociology professor told a member of the Commission that he burned his doctoral thesis because it pertained to aspects of the Popular Unity government (II, 23). A middle-class woman, communist, burned her entire library out of fear; her first husband was in exile; her second husband, a communist, had been killed; her father had been killed as a "political extremist" (II, 20).

4. Of 6,000 people employed in the mass media, approximately 2,000 have been fired and most of these are unable to find other work. Even foreign correspondents have been given harsh treatment; a few have been taken into custody for up to fourteen days; some have been held at gunpoint while their quarters were searched (II, 11).

II. THE AMNESTY REPORT

(By Rose Styron)

Amnesty International, an apolitical world organization dedicated to protecting nonviolent "prisoners of conscience" and basic rights for people in all countries, receives reports almost daily of kidnapings, closed trials, arranged deaths, summary executions, expulsion, barbaric torture, and government by intimidation throughout Chile.

AI's sources are numerous. They include leaders of the American clergy who have worked in Chile or visited there since the coup as well as members of a women's group, of a trade union, and of several university faculties who have gone to Chile on fact-finding missions; also the United Nations and its High Commissioner for Refugees, who have set up sanctuaries there; commissions of both French and American jurists; and Amnesty's own three-man mission to Santiago. The junta rejected Amnesty International's January report as "biased and superficial" and "full of imaginary concepts about torture." But AI has compiled confirming evidence for all its charges.

Reports of torture have gone from many eyewitnesses, for example the wife of an Argentine lecturer held in Estadio Chile. (This is the larger of the two sports arenas which have been turned into detention centers in Santiago; at one time it held as many as 5,000 people.) She was stripped twice, and abused, searched by soldiers for "dynamite in her vagina" while she listened to the cries of her husband being beaten nearby. At one point she saw him in a room, naked and hung by his arms and legs, being given shocks with an electric goad. Several witnesses to the death of folksinger Victor Jara have testified to what happened to him in the same stadium; his captors gave him a guitar and commanded him to play while they broke, then cut off, his fingers; when he began to sing, they beat and then shot him. "As an example," one report states, they left his body "strung up in the foyer of the stadium."

Friends of Paulina Altamirano, wife of the leader of Allende's Socialist party—who was "the most wanted man in Chile" until he escaped to Cuba—report that she was forced to listen to faked tapes that led her to believe that she was hearing her children screaming.

The sophistication and systematic use of such methods of repression and revenge is the most depressing aspect of the current regime. A few weeks ago I was shown a crumpled piece of blue paper with minute writing edge to edge, smuggled out of the Santiago stadium. Its author is a very young man. I quote from it here:

> In case this anguished message arrives soon in the hands of any one in my family, I am going to tell what they did with us since Friday the week of January 18, 1974, when civil personnel in the presence of Sr. Guillermo Alvarez K., delegate from CORFO, "invited" four of us to take part in an interrogation which would last "two hours." We tranquillly got into vehicles, cream and blue. . . . They proceeded to put adhesive tape over our eyes and there we understood that it was a kidnaping. . . . In a closed truck, blindfolded and tied, we traveled two or three hours. . . . I heard the noise of weapons which chilled me to my soul. I said goodbye to myself with my eyes full of tears for all my loved ones. I thought they were going to shoot us because they put us against wooden beams with our hands up and our legs spread behind. I didn't know what to think. My God, but why do they do this?
>
> . . . Monday they took us in a small truck . . . we went down a stairway . . . hooded, our hands tied behind. They made us undress, tied us again, put us in small cells . . . and the inferno of terror began.
>
> The first one they took to the torture table did not emit screams, they were howls. My body trembled with horror, one could feel the blows and hear the voice of the torturer, "Who painted it? Who went?" . . . I spent many hours there listening to the tortures. . . .
>
> My turn came. They tied me to a table. . . . They passed cables over by naked body. They wet me and began to apply currents to all parts of my body and the interrogator did not ask me, he assured me, "You did this thing." I denied the monstrosities and the blows began to my abdomen, ribs, chest, testicles, etc. I don't know for how long they massacred me, but with the blows in my chest, my throat and bronchial tubes filled up and it was drowning me. I was dying. They were laughing but assured me they were not kidding and threw acid on my toes. They stuck me with needles. I was numb. They took me down. I could breathe.
>
> They took us back to the camp. There no one slept because of our moans. The prisoners cried with us.

They took us another day and it was worse. They did things that cannot be told . . . threats of death if we didn't sign what the interrogator wanted. "No one knows about you," he said, and he tortured us. He was making fun of us. We were no longer men. We were shadows. . . .

Eight days later we were transferred from Tejas Verdes, the place of our capture, to the Estadio Chile where we are isolated from the rest for being dangerous. . . . We signed the criminal declaration because we wanted to live and prove our total innocence. . . .

Why do they do this to us? . . . At the company all the workers that day saw the vehicles. Are they guilty by chance? . . .

This is our ordeal. Why, my God, why? We trusted in justice.—Estadio Chile, Feb. 14, 1974

The real purpose of the torture seems to be not so much to extract confessions as to induce conformity by terror, dehumanization, and the destruction of the will by prolonged pain. Much has been learned from the regime in Brazil, and, more specifically, from the Brazilian officers who were invited to Chile to give courses in interrogation to the armed forces and police. Amnesty has received reports of torture from the following prisons and detention camps:

—Quiriquina Island, where 500 prisoners on meager rations have been building their own jail.

—Chacabuco, the mine in the northern desert of Antofagasta (temperatures 110 by day, 32 by night), where approximately 1,600 middle-level officials and professional men and the relatives of ministers are being held. Among them is the musician Angel Parra, son of the singer Violetta and nephew of the poet Nicanor Parra. (In spite of conditions of hunger and maltreatment a remarkable mass by Angel Parra was said to have been performed there at Christmas.)

—Three "detention ships," including the *Lebu*, docked off Valparaiso, where, according to Amnesty's sources, men are dropped into the dark hold and all but abandoned.

—The Women's prison, called Casa de Mujeres el Buen Pastor, in Santiago. Here electricity applied to the gums produces hysteria; applied to the uterus of a pregnant woman, it produces brain lesions and abortions. Young girls are sent here pregnant from other torture camps, with their hair pulled out and their nipples and genitals badly burned.

—Tejas Verde, 250 kilometers south of Santiago, where paramilitary organizations have taken their victims.

—The concentration camp at Cerro Chena, where teenagers are subjected to sexual assaults, shock treatment, the burning of extremities.

The Antarctic Dawson Island camp, not far from Tierra del Fuego.

In September, thirty-six members of Allende's government were taken to Dawson Island from Santiago after being interrogated. Nineteen had turned themselves into the police as a radio announcement requested them to do, rather than take refuge in the embassies that offered it. They included José Toha, Minister of Defense, a man six feet four inches tall, who, when last seen alive, was down to 112 pounds, and could hardly see, hear, or walk. The junta has listed him a suicide, but there are convicing reports that he died by strangling. Daniel Vergara, one of two deputies who was shot in the back after he tried to negotiate with soldiers in La Moneda during the coup, was suffering from gangrene from his untreated wounds; it is feared that his arm may have to be amputated. His only son has been held for months in Chacabuco, for no other reason than being his father's son.

Before the Dawson Island camp was closed down in late April, the prisoners there suffered from extreme cold, hunger, lack of medical attention, and denial of privileges to read or write. They were forced to do manual labor too severe for them. Now they await the trials being planned for prominent political prisoners—expected sometime in May—and are being held incommunicado in secret locations near Santiago.

Trials of the junta's remaining enemies in the military services have already begun. Just before the coup more than a hundred officers and soldiers whose loyalty to the junta was in doubt were murdered. Others were shot during the takeover. The regime not only cannot afford to have experienced military opponents at large but seems determined to make examples of them. On April 17, fifty-seven air force officers and ten civilians were put on trial for treason and conspiring against the regime—the group is described as *"Bachelet y Otros,"* after General Bachelet, who mysteriously died before the trial began.

The air force under the junta, it is generally agreed, is the most brutal of the four branches of the military (the carbineros are the mildest), all of which have the power to arrest and interrogate. Some civilians have been arrested and then released by three of the military services and gloomily await arrest by the fourth. Such people may be given "conditional release" if they sign a statement that they were well treated and agree to return once a week to "cooperate." Arrested members of the military service, however, are not released at all.

The trials of allegedly disloyal army and navy officers and the Dawson prisoners will follow. Aside from the death sentence, the penalties being asked range from eighteen months to life, fifteen to thirty years being common for younger men. One military student is facing the death penalty because he protested flagellation. A thirty-two-year-old officer named Patricio Carbacho, described as a model soldier, has been accused of conspiring with dissenters months before the coup, although he carried out all orders unhestitatingly when it took place. Unaccountably, he also faces a death penalty. At least two generals who supported the coup have recently resigned. One is General Baeze, whose own nephew died by torture while he tried helplessly to intervene.

The military trials, though not discussed in Chilean newspapers, are "public." But secret trials and executions go on all the time throughout the country. In the province of Osorno, for example, dozens of farmers and workers disappeared last autumn and were located only when their sentences were announced or their bodies found. On March 29, Senator Kennedy's office learned that two Osorno, women had been condemned to death and 39 others given sentences of six to twenty years. At least thirty corpses of people who had been missing, some without arms, legs, or feet, were washed up on river banks in Osorno during the winter after relatives had given them up for lost.

In the "private" trials, the state-appointed lawyers usually have been given less than the legal forty-eight hours notice of trial, and often less than twelve hours, with no advance information about the charges, and only a few moments in which to see their clients. The prosecutors and judges are rarely lawyers and are frequently men with little education. A young school teacher was condemned to thirty years for allegedly instructing "(conscientization") his elementary school pupils in Marxist doctrine.

Four young students from the University of Chile at Arica were arrested for nothing more than participating in political discussions at the unversity. One of them, twenty-three-year-old Enzo Villanueva, received an arbitrary nineteen-and-a-half-year sentence (although the prosecutor had asked for five) after seeing his lawyer for five minutes. Another, Jorge Jaque, received thirteen years. Suffering from a disease of the joints, he was both severely tortured and denied medicine by his captors. One hand and his toes were amputated. The other two men, Miguel Berton and Sergio Vasquez received twenty-five and eighteen years respectively. They are all in La Serena jail with little hope of appeal.

Amnesty has extensive reports not only of persecutions in the colleges and among educators but of the torture and terrorizing of children in order to intimidate their families. Amnesty was informed in March that a nine-year-old girl and a four-year-old boy were tortured to death in front of their parents. There have been dozens of documented cases of kidnapings—particularly in the poorer districts—and of threats of kidnaping made to families whose children were at school. Kidnaped children have often been returned to their families after being maltreated by the police.

One of the regime's most feared instruments of terror is the paramilitary intelligence group called the DINA, which General Pinochet set up in December as a plain-clothes terror apparatus directly under his control. It is apparently modeled on the death squad in Brazil, where some of its leaders are known to have been trained. It specializes in brutal raids on factories and the houses of the politically suspect, sometimes kidnaping the inhabitants; it tends to be used in cases where the police and military forces want to avoid legal inquiries about missing persons.

Members of the medical profession have been selected for particularly vicious treatment. Since September 11 at least sixty-five doctors have either been shot or have died as a result of torture and untreated wounds. Seventeen psychiatrists were murdered in various parts of Chile the first day of the coup and psychiatrists in general have been persecuted, jailed, or kept under house arrest. Many doctors, nurses, and medical assistants have been arrested as potential threats to the junta, apparently because they were not against Allende—as a good many doctors were—and because they were much respected in working class communities and therefore seen as dangerous. Those who did not take part in a strike against the Allende regime by doctors and other professionals last summer became highly visible. A large number of them have since been under attack and, if not imprisoned, refused the right to practice. Several sources have estimated that over a thousand have been dismissed from hospitals.

Silvia Morris, the head nurse at the children's hospital in Valvaraiso, was condemned and tortured, for no greater offense than suggesting that her patients needed more nourishment and medical attention. Doctor Ernesto Luna Hoffer, a well-know neurosurgeon from Valdivia, was given a year in jail for raising the Chilean flag at half-mast as a sign of mourning for his fellow doctor, President Allende. Dr. Danilo Bartolin, a heart surgeon whose friends in Santiago despair now of his surviving, was taken to the Estadio Nacional in Chile in September, whipped and tortured, and taken to the mine at Chacabuco. Dr. Elena Galvez, after being removed from the Hospital Sotero del Rio, was abused in the stadium for refusing to take reprisals against certain hospital functionaries; she has just been released from jail.

On March 26, Amnesty International received a distressing new appeal from a group of Chilean doctors. Painstakingly documented, it lists eighty-five doctors now in prison. None had specific crimes charged against him. Nine have been condemned to death. Six well-known doctors were arrested January 13 (an ad in *The New York Times* and pressure from US colleagues helped to bring about the release of one of them, Dr. Gustavo Molina). It is now feared that death sentences will be handed down in secret trials to Alejandro Romero, Patricio Cid, and Bautista von Schowen. Earlier in March Amnesty heard that von Schowen, thirty years old, picked up December 13 after police had kept watch on his parent's home for two months, had been so beaten and mangled that he was taken to a military hospital.

Catholic priests and other clergy have been doing more than anyone else to help the victims of terror in Chile and they have emerged as the only group that has been openly challenging the regime. At increasing risk to their immunity, they have been pursuing every legal means available to secure information on people who are missing and to arrange the release of prisoners or publication of charges against them. They give moral and financial help to the thousands of Chilean children who have recently become orphans, to families in which the wage earners are dead or jailed, and to those who want to emigrate. Much of their time is spent trying to find lawyers to defend the poor, weak, and ignorant. (In fact, because so many lawyers have been persecuted or disbarred, they are also helping to find counsel for the well-to-do.)

The Lutheran bishop Helmut Frenz has recently organized the "Committee for Cooperation and Peace" along with Fernando Ariztia, the Auxiliary Bishop of Santiago, and Fernando Salas, a young Jesuit priest. Prominent Jewish and Protestant clergymen support this committee, which is trying to help political prisoners and their families, as well as the unemployed. In the last few weeks Bishop Frenz's committee has sent 131 writs of habeas corpus to the minister of interior, with no response.

Since the coup, Cardinal Raul Silva, the highest-ranking Roman Catholic in Chile, has been walking a tightrope. A year ago he tried to hold off civil war by inviting the leaders of opposing political parties to meet with him privately in the hope that Marxism and Christianity could coexist in Chile. After the coup, he continued to try to keep his office neutral, and was criticized by Catholic and Protestant leaders abroad for defending to the Vatican a policy of accommodation with the junta.

Since March, however he has become openly critical of the regime. Over official objections he held a public mass for José Toha—a symbolic refusal to accept the junta's claim that Toha was a suicide. In his Easter sermon, delivered under guard because the junta claimed that his life was being threatened by left-wing extremists, Silva accused the generals of ignoring the wishes of the church and continuing to violate "sacred human rights" ("We have said it in every voice and we have not been heard!"). On April 24, the Catholic bishops of Chile issued a strong statement accusing the junta of arbitrary detention and the use of torture and of creating unemployment and economic havoc for the poor. Chileans, they declared, were "living in a climate of insecurity and fear."

The junta has tended to be more careful in the pressures it applies to the clergy than it has with other groups. As General Leigh put it, the regime has "great respect for the church, but like many men, without realizing it, they are vehicles for Marxism." Immediately after the coup, however, American and other foreign priests were herded into Estadio Chile. A Spanish priest, Juan Alsina, was assassinated in the hospital where he worked. Most foreign clergymen left the country.

At Christmas, Ulysses Torres, a Methodist minister from the southern city of Chillán, was jailed with several young people who, according to military intelligence, had used his machine to mimeograph anti-junta remarks. He has not been released. Father Raul Hasbrun, a priest sympathetic to the right, ran the Catholic University's TV station until April. He was fired when he refused to accept the directives of Admiral Swett, the new rector appointed by the junta. Bishop Frenz was arrested and taken to the police to "talk about Marxism," and then sent home. On April 19 a Methodist minister, Samuel Araya (who had been fired from his post as head of Santiago's theological institute in February), was arrested while teaching an evening class at the seminary and taken to Estadio Chile. Father Joel Gajardo was taken to the stadium the same day and is still being held. Araya was released only after appeals were made by church leaders in Europe and the US as well as by former ambassador Nathaniel Davis, who had been Pastor Araya's parishioner.

William Wipfler of the National Council of Churches, who helped with the appeals on behalf of Samuel Araya and many others, has warned that "only the most intense and united pressures from outside Chile will be able to save the clergy and the laymen still in prison there." Indeed it should be clear that pressures from abroad, and particularly from the US, are the principal hope (if a slim one) for the victims of terror in Chile. The Nixon Administration, having done much to undermine the Allende regime, now has been supporting the junta with economic and military aid and remains silent about its atrocities and its absolute suppression of rights. It has refused asylum to Chilean refugees (by contrast with Canada, France, West Germany, Sweden, and other countries which have admitted thousands).

What is urgently needed is that American congressmen, lawyers, and other professionals visit Chile as observers of trials, prisons, hospitals; [1] that protests be made to General Pinochet in Santiago and to the Chilean embassy in Washington; that Congress, the White House, and the State Department be brought under pressure to cut off all aid to Chile until constitutional rights are restored, and to allow the refugees from Chile to enter the US.

Those who want to learn about such efforts (or contribute to them) can write to Amnesty International at 200 West 72 Street, New York, New York 10023, or to the National Council of Churches at 475 Riverside Drive, New York, New York 10027.

Freedom Under Allende

During the Allende regime private schools and universities continued to receive government subsidies, the Catholic television station became a bastion of Allende's opposition, two-thirds of the radio stations were controlled by the opposition, and by late 1972 in all the universities except one there had been elected rectors and governing bodies who were opposed to the government. Six weeks before the coup one could find on the same newsstand in downtown Santiago magazines of the extreme Right justifying the violent overthrow of the leftist government and others published by the Left calling for resistance by soldiers to their military superiors. *El Mercurio*, the principal opposition newspaper, continued to publish throughout the Allende period (it was closed for one day in June, 1973), while the government-owned *La Nacion* and the government subsidized *Chile Hoy* and the Quimantu publishing house, as well as two of the three Santiago TV stations, presented the Allende government's point of view.

Chile under Allende had a greater range of freedom of expression for political views of all kinds than any other country in the world. It is true that the Allende government tried to put economic pressure on the only independent paper company, but this was successfully resisted, as was a plan announced in March, 1973, to establish a unified national school system.

. . . the total number of politically related deaths during the three years of the Allende regime is surprisingly low. Not more than a half dozen were killed in street fighting in the entire period, and none of these deaths was attributable to police action. *Libro Blanco*, the White Book published by the military junta after the coup, lists ninety-six deaths under the Allende government. Twenty-two of them took place during the military uprising of June 29, 1973. Only one came from the action of troops against lower class settlers (in August, 1972), and Allende immediately went to the settlement and apologized.—Paul E. Sigmund, Professor of Politics at Princeton, in *World View*, April, 1974.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed with the understanding that following the remarks of Senators under the orders previously entered there will again be a brief period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Idaho is ready to proceed, and he will be recognized under the previous order of the Senate for not to exceed 15 minutes.

May we have quiet and also order at the same time?

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Idaho yield to me briefly?

Mr. CHURCH. Yes, I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, on Friday I had entered orders for the recognition of various Senators with whom I had cleared the suggestion their time today would be allotted to Mr. Church for his use. These Senators indicated their approval of my securing these orders.

They will not be here to claim the time, but they understand that it will be yielded without objection to the distinguished Senator from Idaho.

I, therefore, ask unanimous consent, Mr. President, that the time allotted to me, the time allotted to Mr. Allen, the time allotted to Mr. Moss, the time allotted to Mr. Mansfield, and the time allotted to Mr. Tower, with all of whom I had cleared this matter, be yielded to the distinguished Senator from Idaho so that his remarks will not show interruptions in the Record.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Idaho is recognized.

SUBSTANCE AND SHADOW OF DÉTENTE

Mr. CHURCH. Mr. President, the first requirement toward an assessment of what is called détente in Soviet-American relations is an appreciation of what the word means and what it does not mean. In classical usage "détente" refers to a lowering of tension, an abatement of hostility; it does not mean amity or partnership, or even reconciliation. In long-term perspective, a détente may carry promise, or at least the hope, of future friendship, but in present fact, it represents no more than the imposition of restraints on an otherwise costly and dangerous rivalry.

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[1] Senators Kennedy and Abourezk and Congressman Don Fraser of Minnesota have been the most active US legislators on behalf of the victims of persecution in Chile. Recently the "Fair Trial Committee for Chilean Political Prisoners" has been organized and has been sending observers to the trials in Santiago and trying to assist Chilean lawyers. The Committee's address is: 1215 NW 16th Street, Corvalis, Oregon 97330.

Perhaps some day the Soviet Union and the United States can be friends, partners for peace in a rejuvenated United Nations. But before that becomes a possibility, the two superpowers must tend to the prior business of ending almost three decades of cold war and surrogate hot wars around the globe. Above all—and this must be the guiding principle in all their dealings—they must cooperate to free the world from the threat of nuclear war Whether dealing with trade, arms control, European security, the Middle East or even cultural relations, they must never forget the danger they pose to each other and to the world; they must remember the warning of Albert Einstein, whose formula made possible the nuclear bomb, that "at the end, looming ever clearer, lies general annihilation."[1]

Again and again these days we hear the questions asked: "Is détente working?" and "Is it workable?" These are fair and appropriate questions, but they must be refined in terms of what détente is and what it is not. There is no use asking, for instance, whether the Soviet Union has acted as a partner for peace in the Middle East. Clearly she has not, but that was not to be expected, because we and the Russians are not friends; we are rivals. The right question from the standpoint of détente is whether the rivalry has been restrained by an awareness of the danger of confrontation. The answer to that, I think, is "yes"—by and large, the détente held up through the Middle East crisis. The Russians, it is true, threatened last October to intervene unilaterally in Egypt after we declined to intervene jointly; we then called an alert, perhaps unnecessarily, and they then drew back. Since that time, the Russians have gone along, grudgingly, with Mr. Kissinger's disengagement diplomacy, dragging their feet here and inciting obstruction there, but on the whole going along. We, in turn, while rebuilding our influence in the Arab countries, must recognize that the Russians cannot be excluded altogether if they are to be prevented from making trouble. Accordingly, now that the Syrian-Israeli disengagement has been achieved, we should be ready to take the great, substantive issues of an Arab-Israel peace to the Geneva conference where the United States and the Soviet Union will preside as cochairmen.

I have spelled out this example in order to illustrate what seems to me a reasonable, realistic criterion of détente. But within the modest limits of this conception, other questions must be raised. We must ask, for instance, whether the arms control agreements thus far reached and now in prospect will really limit or only rechannel the nuclear arms race. We must ask whether trade with and investment in the Soviet Union will be to our long-term economic benefit or merely to the Russians' immediate advantage. We must ask whether the European security and troop withdrawal talks now in progress are likely to get somewhere and reduce tensions, or whether the two conferences add up to nothing more than pomposity and futility. Finally, we must ask whether the détente policy promises to extricate the United States from dubious commitments in Asia and elsewhere, or only to suspend these involvements until the Vietnam reaction dissipates, or the next crisis occurs, or new leaders come on the scene. We must ask, in short, of each of the components of détente: Which is the durable and which ephemeral? Which is public policy and which public relations? Which is substance and which mere shadow?

I. PERSPECTIVES

I start with the assumption that détente is desirable and possible. Its desirability hardly seems contestable, except to those who actually prefer the cold war and the ever-present threat of hot war. The feasibility of détente is something else, because there are still competent and respectable observers who maintain that the Soviets are insatiable in their ambitions and relentless in their drive for world domination. This view is held not only by anti-Communists who fear the messianism of Communist ideology. Interestingly enough, among the most ardent proponents of the theory of Soviet insatiability are their fellow Communists in Peking, who see the Russians as no longer Communists at all, but rather as "fascists" who have come to the stage of "imperialism" in the Marxian dialectic.

Here in the United States, the same general proposition—of a relentless and unalterable Soviet drive for world domination—is still propounded by old-time cold warriors and ranking military figures. They recall Khruschev's famous threat to "bury" us, or his equally colorful prediction that ideological competition between the Soviet Union and the United States would not disappear "until the shrimp whistles." Gen. Matthew Ridgway wrote recently that détente, in his opinion, poses the potentially gravest danger to our Nation of all the problems we face." The reason is a kind of congenital perfidy and fanaticism which General Ridgway attributes to the Soviet leadership, based upon the "fundamental objective of spreading its form and concept of government throughout the world—in short, its aim of world domination."[2] The assumption of unlimited Soviet ambition was until recently virtually unquestioned as the guidepost of American policy. President Kennedy, speaking of Russia and China in his first state of the Union address, warned that "We must never be lulled into believing that either power has yielded its ambitions for world domination. . . ." Even today, our more redoubtable cold warriors maintain that Soviet policy is expansionist and unreliable, and that you cannot do business with the Russians because they will betray any agreement they make. By an ironic twist, some of our latter-day cold warriors, hearing their own suspicions echoed from Peking, would now embrace Communist China as an ally against the Soviet Union.

If the cold war perspective remains valid—if indeed the Soviet Union is unalterably committed to world domination—then détente can never be more than an occasional, carefully circumscribed truce between inveterate enemies. There can be no hope of ending the arms race, or of abating our frenzied dance with nuclear oblivion. In arms control as in all other areas of Soviet-American negotiation—trade, troop reductions, the Middle East—it would have to be assumed that the Russian motive in entering into any agreement would be only that of securing some advantage over us, an advantage that we might not even perceive. In such an atmosphere of mistrust, of course, not very much can be negotiated, and the cold war and the arms race would have to be accepted as permanent and unalterable.

The alternate perspective is that the Soviet Union has evolved into a more or less traditional great power—not a very nice one perhaps, but nontheless a conventional State, with conventional ambitions and conventional inhibitions. In this view, to which our Soviet experts now generally accede, the Soviet Union has gradually changed over the half-century of its existence; time, experience and the practical problems of running a huge country are seen as having relegated the Leninist doctrine of exporting revolution from the realm of policy to the realm of scripture. In other words, preaching and practice have diverged—an occurrence not unknown in Christian societies. Revolutions have a way of running out of steam—people can put up with a Cromwell or a Robespierre or a Trotsky for only so long. Sooner or later, the fire-breathing radicals die off, or cool off, or are displaced, as the popular desire for normalcy and security reasserts itself. As Prof. Crane Brinton wrote in his classic study of revolutions, "There is no eternal fanaticism or, at any rate, there has not yet been an eternal fanaticism."[3]

The retreat of the Soviets from fanticism has not always been apparent to us, partly because it has occurred in fits and starts, partly because our perception has been distorted intermittently by a fanaticism of our own—the fanaticism of uncritical, crusading anticommunism. In the early years of the cold war, President Truman and his Secretary of State, Dean Acheson, deliberately incited the popular view of communism as a conspiracy for world conquest. They did this in order to gain support for their otherwise sound policies of sustaining Greece and Turkey, the Marshall Plan and NATO. Once aroused, however, these sentiments acquired a virulent life of their own, so that subsequent Soviet initiatives toward improved relations could not easily be evaluated on their merits. When Khrushchev said "We will bury you," we read the statement as a threat of nuclear war.

Footnotes at end of article.

Khrushchev was asked about this statement when he visited the United States in 1959, and he replied with some anger that he had been talking about economic competition. "I am deeply concerned over these conscious distortions of my thoughts," he said. "I have never mentioned any rockets." [4]

The Eisenhower-Khrushchev détente, known as the "Spirit of Camp David," was short-lived. It was shattered by the U-2 affair in 1960, an ineptitude of our own making, and there followed a period of renewed cold war climaxed by the Cuban missile crisis in 1962. Khrushchev fell from power in 1964, partly perhaps, because of the rebuffs he had suffered from the United States. President Kennedy briefly revived the spirit of détente in 1963 with the conclusion of the partial nuclear test ban treaty, but the Vietnam war subsequently put Soviet-American relations back in the deep freeze.

As the Vietnam war drew tortuously toward its end, the spirit of détente revived and has now been carried further than at any previous time. Prior to the 1974 summit, to which I shall return, a number of noteworthy agreements were reached, although most of these were more significant for their future promise than for their actual substance. In addition to the 1972 ABM treaty, which was significant in itself, and the interim agreement on strategic arms, agreements were reached in Moscow in 1972 and Washington in 1973, providing for cooperation in such fields as space, science, medical research, agricultural research, oceanography and atomic energy. In addition, President Nixon and General Secretary Brezhnev issued in Washington in June 1973, a general declaration for the prevention of nuclear war, under which the two superpowers agreed to "act in such a manner" as to "avoid military confrontations" and to "exclude the outbreak of nuclear war" between themselves and others. Nothing more clearly illustrates the ambiguities of détente than this general declaration on nuclear war: depending upon subsequent agreements and policies, and the perspectives in which these are rooted on both sides, the declaration to prevent nuclear war may prove to be a mere shadow, like the Kellogg-Briand Pact to "outlaw war" in 1928, or it could, conceivably, prove to have been a milestone of great substance, an agreement of "historic significance" as Mr. Brezhnev pronounced it.

What are we to make of these Soviet overtures? Do the Russians really want stable, mutually beneficial political and economic relations with the United States? Was Mr. Brezhnev sincere in telling Members of Congress last year that "we came here to consolidate good things, not to quarrel?" Or are they just trying to get themselves out of a hole, or to milk our technology and then use the results against us? What indeed did General Secretary Brezhnev have in mind when he spoke to the West German people last year of a "radical turn toward détente and peace?" and how, if at all, can that statement be squared with the planting of an East German spy in Willy Brandt's Government? Was it just rhetoric when Mr. Brezhnev told the American people that "Mankind has outgrown the rigid 'cold war' armor which it was once forced to wear?" [5] Or is there an opportunity here for real arms control agreements, despite the disappointment in Moscow this year, and for a real and durable peace?

Since it is not to be supposed that the heirs of Lenin and Stalin have embraced Wilsonian idealism, we must seek the answers to these questions in the tangible incentives the Soviet leaders have—or do not have—for peaceful coexistence. On the whole, it seems to me, the incentives are real, and perhaps compelling. Consider what some of them may be: [6]

First, the state of the Soviet economy militates powerfully toward cooperation with the West. The 5-year plan begun in 1971 has fallen far short of expectations, and the effects of low agricultural and industrial production, as well as shortages of industrial manpower, have been compounded by a series of poor harvests.

Second, apprehensions of China give the Soviet Union a powerful impulse toward accommodation with the United States. By all available evidence, the Soviet Government greatly fears a Chinese-American alliance, or even extensive American aid to China. In what was probably the single most brilliant stroke of an often productive diplomacy, President Nixon and Secretary Kissinger gave the Soviet Union a powerful incentive toward détente by ending the sterile and ineffectual American boycott of mainland China. It is ironic indeed that while welcoming their own new relationship with the United States, the Chinese now warn the West against détente with the Soviet Union. Having wisely resisted any temptation to play Russia and China against each other, the United States has utilized their mutual suspicion only to give both an incentive for good relations with the United States. At the same time, by including in the Soviet-American agreement to prevent nuclear war the commitment to avoid nuclear conflict with others as well as with each other, Secretary Kissinger believes he may have reduced the danger of a Soviet attack upon China. It seems evident that the benefits to the United States of this triangular relationship would be lost if we were to join with China in an opportunistic—and possibly quite dangerous—alliance against the Soviet Union.

A third solid incentive for normalizing relations with the West is the desire of the Soviet Union to consolidate its position in Eastern Europe. As far as Eastern Europe is concerned, the Soviet Union has become a conservative, status quo power; the Russians want the West to acquiesce in, and in effect legitimize, the division of Germany and Soviet hegemony over Eastern Europe, and they would like to avoid the embarrassment of another Hungary or Czechoslovakia. This has largely been accomplished through Willy Brandt's Ostpolitik, the 1972 Berlin agreement, and the imminent Western recognition of East Germany. The Soviets would now like to put the seal on these developments through some final act of the conference, now in progress, on security and cooperation in Europe.

Incentives on the Soviet side do not mean that accommodation is written in the stars. As was demonstrated at Moscow in June, Brezhnev is as much under pressure from his military hardliners as Secretary Kissinger is from military and civilian hardliners in the Pentagon. Like some of their American counterparts, Soviet military leaders are apprehensive of the SALT talks, defense budget cuts, and possible troop reductions in central Europe. In addition, as in our own country, there is deep ideological suspicion of détente in the Soviet Union. The orthodox, cold war faction of the Communist Party sees nothing but trouble in détente—a loss of militancy, subversion by Western ideas, growing difficulties with intellectuals and nationality groups, and American gains in an ongoing arms race under the cover of SALT. Brezhnev, under the circumstances, will have to deliver if he is to prevail over his opposition. He will have to show tangible political and economic benefits from improved relations with the United States if he is to escape the fate of Khrushchev. The choice, therefore, is largely ours. We can encourage a moderate Soviet foreign policy by making such a policy rewarding for its proponents, or we can provoke renewed cold war by thwarting Mr. Brezhnev in trade, in the SALT talks, and in other areas of negotiation.

But encouraging Soviet moderation cannot involve encouraging new giveaways at the expense of our own economy. We should not, for example, provide large financial subsidies to develop Soviet oil and gas reserves. Nor need we rush into hastily conceived and incompetently executed deals such as the Russian wheat sale. To encourage the Soviet Union to believe that exaggerated economic benefits can be immediately real- launchers—though not missiles—in ized is as dangerous as a rigid denial that there are any benefits to be obtained from improving United States-Soviet trade and financial relations. What is called for is a realistic step by step testing of what are the outer limits of mutually beneficial economic ties—and I stress mutually beneficial because without such mutual benefits, which are perceived by American public opinion as mutual, détente cannot survive politically within the United States.

Which course we take depends upon our conception of our own interests and our perspective as to Soviet intentions. For the reasons I have suggested—most especially the need to obviate the danger of nuclear war—I believe it to be in our national interest to normalize relations with the Soviet Union in all feasible ways. The basic, long-term purpose of American foreign policy is to create a world environment in which we and other free societies will remain secure in our freedom. Clearly, the advancement of this purpose, as far as our relations with the Soviet Union are concerned, can best be served by drawing the Russians into an orderly world system, into what Secretary Kissinger has called "an agreed concept of order," or what President Woodrow Wilson once called "a concert of power."

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But both we and the Russians must realize that there are certain limits to such a "concert of power." It cannot be a 19th century style "concert of power" to freeze the status quo. It must take account of our own character as a nation. We are committed to fundamental concepts of humane treatment of dissident elements of a society although it may seem that we are too often willing to sacrifice these concepts in our relations with foreign powers in the "interest of stability"—a stability which as often as not turns out to be more ephemeral than real. It is unrealistic for us to expect to change the nature of Soviet society. It is equally unrealistic of the Soviet Union to expect us to be impervious to egregious abuses of the human person. We will and we ought to react to such abuses. That is why I supported the Jackson amendment and I am encouraged by the recent seeming recognition on both sides that accommodation may be possible on this issue.

As to our perspective, again for the reasons suggested, I believe Soviet-American détente to be possible as well as desirable. It remains, however, to convince certain of our policymakers, including influential Members of Congress, that the cold war and arms race need not be permanent and immutable. It remains for us to make our own unequivocal commitment to détente, and to carry that commitment beyond the shadow of vague declarations into the substance of specific agreements. Obviously, this will mean expanded trade—not the showy improvidence of the 1972 wheat deal but solid, durable, businesslike transactions. It will also mean the negotiation of new political accommodations—in Europe, the Middle East, and elsewhere. But above everything else it will require an end to the arms race—not just showy, cosmetic agreements under which neither side gives up anything its military really wants, nor even, just limited measures of arms control, but positive, substantial measures of arms reduction.

II. ARMS CONTROL

We must reduce the danger of nuclear war by bringing some sanity and sense of proportion to bear upon the management of weapons of mass destruction. A promising start—but only a start—was made with the ABM treaty signed in Moscow in 1972, which confined each superpower to no more than two antiballistic missile sites, and which has now been amended to allow only one ABM site on each side. The real significance of the ABM treaty is the implied commitment to permanent coexistence. By abandoning the futile effort to make themselves invulnerable to attack, the superpowers implicitly reconcile themselves to the survival of each other's power and social system. One may even read the ABM treaty as the implicit—or at least symbolic—abandonment on the Soviet side of the Leninist goal of world revolution. Of lesser importance was the 5-year interim agreement reached at Moscow in 1972, which put limits on each side's land-based and submarine-launched missiles.

Since the Moscow agreement of 1972, there has been little to cheer about. All that the Washington summit of June, 1973, accomplished was an agreement on "basic principles" to guide the second round of SALT talks so as to reach a permanent treaty limiting offensive strategic weapons by the end of 1974, and that objective, most unfortunately, was abandoned at Moscow in June 1974. In practice, the two sides have pressed on with the arms race in a feverish competition to accumulate "bargaining chips" for SALT II, and hope for a permanent treaty before 1985 has now been abandoned. To a great extent, the SALT debate has been shifted from Geneva, and even from the summit, to the domestic arenas of both countries as Soviet and American leaders have found themselves beset by warhawks at home.

Secretary Kissinger went to Moscow in March of this year seeking a "conceptual breakthrough." He failed, and he and the President failed again at the June summit, not only because Soviet military leaders are holding out for an agreement which will give them an advantage, but also—as the Secretary has acknowledged—because American military leaders wish to be free to complete certain of our arms projects while binding the Russians to terminate theirs. Specifically, the Soviets reject the American proposal for a freeze on the deployment of multipleheaded missiles—MIRV's—because they are several years behind the United States in this field. American military men, in turn, are calling for numerical equity of missile launchers—the Soviets have 2,360 to our 1,710—despite the fact that the United States has many more warheads. The Soviets also want the United States to modify its definition of strategic weapons to include any weapon that can strike the Soviet Union, including British and French submarine-based missiles and some 500 to 700 nuclear-armed American strategic bombers.

Secretary of Defense Schlesinger professes great fear of an erosion of the nuclear balance. The American advantage, he contends, is "qualitative" and therefore "transitory," whereas the Soviets have "more permanent," "quantitative" advantages in numbers of missile launchers—though not missiles—in "throw weight"—meaning the size of missiles—and in an ongoing development program described by Secretary Schlesinger as "staggering to us in its size and depth, though not in its pace." In due course, Mr. Schlesinger fears, the Soviets may "outclass" us, acquiring by 1978 or 1980 the "potential net throw weight for a major counterforce capability." To counter this danger as perceived by the Pentagon, Secretary Schlesinger calls for "essential equivalence" in "throw weight" and numbers of launchers, the objective being an equilibrium to which Mr. Schlesinger gives the interesting name of "armed civility."[7]

Lost to view in the arcane wranglings of the military intellectuals are certain simple but startling facts. Granted that the Soviets have a greater number of missile launchers than we have, the fact remains—as Secretary Kissinger has pointed out—that it is warheads, not launchers, which blow up cities, and the United States has more than three times as many warheads as the Soviet Union. As of mid-1973, according to the annual Defense Department report for fiscal 1975, the United States had 6,784 strategic warheads, whereas the Soviet Union has 2,200. By mid-1974, the United States was scheduled to have 7,940 compared to 2,600 for the Soviet Union. Each warhead can destroy a city, and we will soon have 36 warheads for each of the Soviet Union's 219 major cities, to say nothing of some thousands of tactical nuclear weapons, besides. This is more than overkill—it is overkill in spades.

Another, simple salient fact which is passed over by the Pentagon is that the likelihood of either side acquiring a counterforce, or preemptive first-strike, capability—the ability, that is, to destroy the other side's retaliatory power—lies somewhere between never and nil. Even if the Russians could destroy every single land-based American missile in its silo—and that is hardly likely—we would retain our virtually invulnerable submarine force, which consists at present of 41 Polaris-Poseidon submarines with over 4,000 nuclear warheads. The multiple warhead Poseidon missiles from a single nuclear submarine could simultaneously hit 160 separate targets in the Soviet Union.

As the Secretary of Defense acknowledges, the "essential equivalence" he is talking about is not real but psychological, the issue being one of "perceived equality" as against "psychological imbalance." The Secretary's point is that, even though overkill may reduce a possible imbalance of forces to utter meaninglessness, the delusion of superiority may nonetheless tempt adversaries to adventure while allies panic and break ranks.[8] Other high-ranking officials dismiss this conception as nonsense, pointing out that no land-based nuclear missile has ever been fired from an operational silo and can hardly, therefore, be regarded as having political value. It is true, of course, that behavior is often irrational, and that perceptions can function as if they were facts. But if we simply resign ourselves to mutual irrationality between the nuclear superpowers, there can be nothing in our future except an endless, spiraling arms race, an enormously costly competition in overkill with the constant possibility of some truly destabilizing breakthrough by one side or the other at any time. If we act on Mr. Schlesinger's concept of "perceived equality," it will mean staggering costs and the effective end to meaningful SALT negotiations. It is not enough to acknowledge the irrationality of political behavior—one side or the other has got to strive for a breakthrough to reason and sanity. I do not expect the Russians to initiate that process; it is up to us and the time is now.

Even if the arms race made sense in strictly military terms—as most assuredly it does not—we must think of national security in broader than military terms. National security depends no less upon the health and stability of our society

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than upon our stacks of suicidal weapons. Since the Second World War, the United States has spent over $1.3 trillion and the Soviet Union about $1 trillion on arms, both at incalculable cost to their internal needs. Certain Indian tribes of the Pacific Northwest used to engage in a practice called the "potlatch," under which they vied for prestige by heaping their treasures onto a bonfire, the victor being the one who engaged in the most prodigal waste. For the sake of "perceived equality," we and the Russians are now vying in a "potlatch" of nuclear overkill. The best we can hope for from this irrational rivalry is that we will only have spent ourselves into penury; the worst is Armageddon.

Despite such general considerations, and despite the inflationary effects of military spending on an economy already staggering from uncontrolled inflation, the Pentagon has asked Congress for the biggest military budget in American history for the fiscal year 1975. In addition to $92.9 billion in "obligational authority" for 1975, the Pentagon tacked on a "supplemental" request of $6.2 billion for the current fiscal year, for a staggering total of $99.1 billion, an increase of almost $19 billion over the $80.2 billion which Congress appropriated for fiscal 1974. When the Atomic Energy Commission's weapons program is added in, the total requested for arms exceeds $100 billion. It is encouraging that a Senate Appropriations Subcommittee recently cut about $5.1 billion from the administration's request for the fiscal 1975 weapons authorization but it is discouraging to read that President Ford seems to consider sacrosanct the Defense Department budget. We must address ourselves to the question of national priorities. We must still ask ourselves whether almost $100 billion in arms is essential to national security, or whether national security would not be better served if some part of this amount could be diverted for energy and the environment, health and education, agriculture and urban renewal.

In addition to costly overkill, the Pentagon is advocating a dangerous new "targeting doctrine" which, in the name of "selectivity and flexibility," would undermine the comparative present stability of mutual deterrence. Mr. Schlesinger contends that the threat of massive retaliation against cities is of "declining credibility" and should be supplemented with a capacity for "limited" nuclear strikes short of all-out war. Our European allies, the Defense Secretary tells us, are "joyous" at the thought that we might respond to a Soviet invasion of Western Europe with tactical nuclear weapons rather than an all-out attack on Soviet cities. During such a highly improbable war, Mr. Schlesinger would have us maintain "continued communications" with the Soviet leaders in the course of which we would "describe precisely and meticulously the limited nature of our actions." [9] They, in turn, cool as cucumbers in this fanciful scenario, would join with us in a kind of seminar on the ongoing war, like military intellectuals in a Pentagon situation room. The assumption of cool rationality in the midst of a nuclear war is all the more puzzling when contrasted with Secretary Schlesinger's assumption of hopeless irrationality in the strategic arms race.

Superficially attractive as a means of "improving deterrence across the spectrum of risk," [10] the new "targeting doctrine" has profoundly destabilizing possibilities. By increasing our capacity for a limited nuclear war, and thereby no doubt provoking the Russians to do the same, we make such a war seem less catastrophic, and therefore more likely. The Russians will probably perceive Mr. Schlesinger's new "flexibility" not as a means of "improving deterrence" at all, but rather as a mask for the development of a preemptive, first-strike capability against missile sites and command centers. In this respect, the new "targeting doctrine" threatens to undermine the great achievement of the ABM treaty. The purpose of that treaty was to give each side confidence in the security of its deterrent, retaliatory capability; the new "flexibility" can hardly fail to weaken that confidence.

In logic and morality there is good reason to seek an alternative to deterrence based on mutual assured destruction. But there is neither logic nor morality in an alternative which actually increases the danger of nuclear war by making it somewhat less cataclysmic. In fact, we already have viable alternatives, one being reliance on conventional forces in response to a conventional attack. In addition, we already possess a vast number of tactical nuclear weapons with which to strike back at an attack by means short of devastating Soviet cities and so bringing on their devastation of our cities. We can further increase our flexibility by improved command and control.

The real question then is not whether we need flexibility but whether we wish to destabilize the present balance of mutual deterrence by adopting a "targeting doctrine" which will inevitably drive both sides to the development of costly new weapons systems. Even though it is contended that the change-of-targeting doctrine requires no new capabilities and long-term costs of no more than $300 million for improved accuracy of weapons,[11] all previous experience tells us that any time the Pentagon gets its foot in the door of Congress with an exotic new "doctrine," it will soon be back with exotic new weapons systems at very exotic prices. The Russians, for their part, can be expected to respond to any improved American counterforce capability with costly new programs to reduce their vulnerability, such as superhardened silos, mobile ICBM's, or hair-trigger "launch-on-warning" command systems. And as far as deterrence is concerned, if the Russians were ever so incredibly rash as to contemplate some kind of attack on the United States or Europe, they might be more willing to risk it if they thought the United States likely to respond in a limited way rather than with a devastating attack. We see, therefore, that the new "flexibility" will almost certainly accelerate the arms race, while increasing—perhaps greatly increasing—the danger of nuclear war.[12]

Mr. Schlesinger's "targeting doctrine" was endorsed, in effect, by the Senate when, on June 10, by a vote of 49 to 37, it rejected Senator McIntyre's reasonable and very moderate proposal to delay the funding of counterforce research and development until the President certified failure in the effort to limit MIRV's through the SALT talks. In so doing, the Senate materially weakened Secretary Kissinger's hand at the Moscow summit, because the Soviets could only have read the Senate action as an endorsement of Secretary Schlesinger's approach as against Secretary Kissinger's détente policy. The matter also pointed up the debilitating ambivalence of the President as between his two Secretaries and their divergent strategic arms policies.

Against the background of residual cold war attitudes, the pressures of the military on the political leadership of both sides, and the weakness and ambivalence of a President facing impeachment, the Moscow summit of June 1974 was all but foredoomed to failure in strategic arms control. The protocol to the ABM treaty limiting each side to one ABM site instead of two is desirable but scarcely meaningful, inasmuch as neither side was disposed to go to the expense of building a second ABM site anyway. It is hardly a breakthrough—and not a little hypocritical—when the two great powers grandly prohibit themselves from doing something they do not want to do anyway and then turn around to take a bow for their restraint and magnanimity.

The ABM protocol is at least harmless; the failure on strategic arms is far more serious, and the failure is neither obviated nor concealed by the undertaking to supplant the current 5-year interim agreement with a new interim agreement to last until 1985. The time to have limited MIRV's was in the first round of SALT talks, before either side had them deployed. Now that the Pandora's box has been opened, the task is complicated by problems of "equivalency," and it can only become more complicated in the years ahead. The real meaning of the failure to conclude a comprehensive, permanent treaty on offensive weapons by the end of 1974, as the two powers had pledged to do at the Washington summit in 1973, is that the arms race will now go on, with little or no restraint crushing expense to both sides, and with every prospect of new destabilizing technological "breakthroughs." Both Mr. Nixon and Mr. Brezhnev yielded to their military establishments, with the result that we can now expect 11 years of frantic accumulation of "bargaining chips" toward an ever less probable agreement.

Somewhat less significant but even more hypocritical was the agreement on a "threshold test ban," prohibiting underground nuclear tests above 150 kilotons, instead of a perfectly feasible complete test ban. Even before the Moscow summit, a resolution calling for a complete ban had been cosponsored by more than one-third of the membership of the Senate. The Russians, for their part, had made known their willingness to sign a treaty stopping all underground tests. General Secretary Brezhnev stated on July 21 in Warsaw that his Govern-

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ment had been "prepared to go further." The Soviet Union, he said, "is ready, in particular, to conclude an agreement on a complete cessation of all underground tests of nuclear weapons." The setting of the threshold at so high a level—and even that not to take effect until March 31, 1976 to allow for a companion agreement being reached on peaceful testing—leaves both sides virtually unimpeded in their nuclear testing programs. Such inconveniences as the threshold ban may involve are already being circumvented by plans for an accelerated United States testing program to develop larger warheads for the Minuteman III missile, the submarine-launched Trident missile, and a bomb for the B-1 bomber before the March 1976 deadline.

There is a provision in the Non-Proliferation Treaty calling for "negotiations in good faith" toward "cessation of the nuclear arms race at any early date." A review conference of the parties to the treaty is scheduled for March 1975, at which time the "good faith" of the Soviet Union and the United States will be open to scrutiny. As of now—and especially in the wake of the Moscow summit—the chances have to be rated better than even that the superpowers will not have made the grade, in which event we may expect a growing number of countries—big and small, rich and poor, satisfied and aggrieved—to follow India's example of breakthrough to nuclear "glory." There is a real possibility that, in the light of the great powers' performance, the fledgling and potential nuclear powers will consign the Non-Proliferation Treaty to the scrap heap of pious lost hopes.

There is an aura of unreality about the "war games" played in the Pentagon—as, no doubt, there also is in the Soviet Ministry of Defense. Preoccupied as they are with the cold rationality of parry and thrust, strike and counterstrike, the military intellectuals lose sight of the broader irrationality of their own games. Although it is true that one might hope to mitigate the effects of a nuclear conflict, it is also true that nuclear war at any level or on any scale would be the result of a collapse of rationality on one or both sides. The urgent need is not for more ingenious means of controlling nuclear war but for a measure of wisdom toward preventing its occurrence on any level. The only way to improve upon the balance of terror is by eliminating some of the instruments of terror. Leaders of governments have prated and preached for years over their devotion to disarmament, but all they have actually tried to do—and that with little success—has been to decelerate the pace of the arms race. I surely do not disdain the SALT talks, or even the troop withdrawal talks in Vienna as mere shadows, but their substance is limited indeed in the perspective of human need.

With due recognition of the negotiating difficulties, even in the wake of recent disappointments, we must still keep our sights on a SALT agreement providing for substantial, mutual arms reduction. A rational—if not at present wholly realistic—goal would be an agreement for the phasing out of ICBM's and bombers until mutual deterrence could be brought to rely exclusively on the missiles of the two sides' virtually invulnerable submarine fleets. Arms control experts say that mutual deterrence based on a limited deployment of submarine-launched missiles would provide the most stable system of strategic security which can be envisaged.

In addition, we would do well indeed to seek an agreement for limiting research and development of new weapons systems. The SALT agreements thus far concluded and now envisaged are likely in fact to stimulate "R and D" for the improvement of allowed weapons systems. And doleful experience has shown that, once research is initiated on a weapons system, development and procurement are all but certain to follow. It would, of course, be exceedingly difficult to verify any agreement on limiting weapons research, but perhaps the chain can be broken by distinguishing between research and development: unrestricted research might be allowed while agreed restrictions were put upon development, and especially testing.

There is a prevailing, Panglossian assumption that small or symbolic agreements will inevitably lead to larger and more complete ones. In fact, past experience has shown that partial arms control agreements can actually have retrogressive consequences by stimulating intensified development of allowable systems. There has been in addition a great deal of eyewash—one might even say fakery—in the SALT agreements thus far reached. By our own admission we have thus far been required to terminate nothing in the way of weapons programs that we already had planned.

Since returning from Moscow, Secretary Kissinger has called for a national debate—one might say a national self-examination—on the problem of strategic arms and their enormous implications. There is no better way of framing the question than the way the Secretary himself has framed it: "What in the name of God is strategic superiority?" And, "What do you do with it?" The Secretary has also defined the most pressing political challenge: "Both sides have to convince their military establishments of the benefits of restraint, and that is not a thought that comes naturally to military men on either side." Finally, Mr. Kissinger has suggested where the responsibility belongs: if the President is faced with differences between his advisers—as indeed he is—then, Mr. Kissinger said before the summit, "it is his duty to move ahead in the direction which he believes to be in the national interest, keeping in mind the views of all of his senior advisers but, if necessary, choosing among them."

Great as the President's responsibility is, it is not his alone. Congress too has the responsibility to choose. And, far more than many in this body have been willing to acknowledge, Congress also has the power to enforce its choice through binding legislation.

Over the next 6 weeks or so, the Foreign Relations Committee will be holding wide-ranging public educational hearings on U.S. relations with Communist countries, especially the Soviet Union. Through these hearings the committee can provide a forum for the national debate Secretary Kissinger has called for. But beyond debate and education, I stress again, Congress has the duty to choose between strategic arms reduction and a continuing arms race masked behind a facade of cosmetic agreements.

For until and unless the superpowers agree to limitations involving real and substantial cutbacks—on offensive strategic missiles, on MIRV's, and on development and testing—the SALT talks will remain what they have always been, with the notable exception of the ABM treaty: more shadow than substance, way stations on the road to Armageddon.

FOOTNOTES

[1] Quoted by Chalmers M. Roberts in *The Nuclear Years* (New York: Praeger, 1970) p. 8.

[2] Matthew B. Ridgeway, "Detente: Some Qualms and Hard Questions," *New York Times*, April 4, 1974.

[3] *The Anatomy of Revolution* (New York: Vintage, 1965) p. 234.

[4] Quoted by Chalmers M. Roberts in "The Rages, Charms of Khruschev," *The Washington Post*, Sept. 12, 1971.

[5] Television address to the American people, June 24, 1973.

[6] The following discussion draws upon Marshall D. Shulman, "Toward a Western Philosophy of Coexistence," *Foreign Affairs*, October 1973, pp. 35–58.

[7] *US–USSR Strategic Policies*, Hearings before the Senate Foreign Relations Subcommittee on Arms Control, International Law & Organization (March 4, 1974), pp. 2–7, 18, 41–42.

[8] *Ibid.*, pp. 42, 45, 51, 56.

[9] *Ibid.*, pp. 8, 12–13.

[10] *Ibid*, pp, 8, 55.

[11] *Ibid.*, pp. 8, 28–29.

[12] The foregoing discussion draws upon Herbert Scoville, Jr., "Flexible Madness?" *Foreign Policy*, Spring 1974, pp. 164–177.

Mr. McINTYRE. Mr. President, I congratulate the distinguished Senator from Idaho. I am sure that in raising this issue, this question of détente and our relationships with our Soviet friends and the difficulties that we are having with SALT talks, the Senator emphasizes the need for a national debate. We need it very badly, if only for guidance for the Committee on Armed Services.

As the Senator mentioned in his speech, in June of this year, as the chairman of the Subcommittee on Research and Development of the Committee on Armed Services, I found and inquired into three different programs requested by the Secretary of Defense that were in the early stages of exploratory development and research. These programs were aimed at bringing about tremendous increases in the accuracy of our land-based missiles.

I was concerned that these programs were destabilizing; that they would, in the long run, represent a departure from what had been a good policy of survivability by deterrent.

As my good friend from Idaho knows, the vote that day was 45 to 37. We had a secret session on it, and our projections afterward on the absentees indicated that those who supported the Secretary of Defense on these unnecessary weapons, had a four or five vote edge on those who opposed them.

In the Committee on Armed Services, the issues we face are exceedingly difficult and complex, and yet we are always met with simplistic arguments.

Let me give the Senator an example. After the vote on my amendment I was talking with a distinguished Senator in the Chamber, and he said, "Tom, it would be very hard for me to explain to my constituents how I do not want a sharper knife, how I do not want to have a better aim or better accuracy for my gun."

Mr. President, that is doing great injustice to those trying to reach the questions one should be reaching in matters of this sort, which involve such great expenditures of funds.

Some seem to think that because the Soviets have bigger missiles that somehow or other we have got to go on and on to increase our accuracy, to increase our strength, to do all these things which tend to be, as the Senator has made so clear, so destabilizing.

So my congratulations to the Senator. I hope this issue can be raised and debated.

It is only a matter of 2 days or so before we will be going back to the appropriations bill and appropriate the funds to go ahead with these weapons that are, in my opinion, absolutely unnecessary.

Mr. CHURCH. Let me say to the Senator how much I appreciate his remarks. I take heart from the fact that in the Committee on Armed Services, particularly in the last 2 or 3 years, I should say, at least since the Senate debated the question of the ABM weapon and, for the first time, began to seriously explore the complex implications in this nuclear balance of terror, that some questioning has begun, and the Senator from New Hampshire has been one of those who has been asking the right kind of questions.

I think it is very heartening that this has happened, for this is the way that Senators ought to discharge their responsibilities.

It should be evident to us all, I think, that there comes a time when it is pointless, on both sides, to stack suicidal weapons any higher. When it is known that we now have the capability, in an all-out thermonuclear exchange, of destroying all life in the Soviet Union perhaps 20 times over, and the Russians have a similar capability to strike and destroy all life in this country 10 or 12 times over, then one must ask how many times each person must be killed to be dead?

Why should we keep accelerating this irrational nuclear arms race at such staggering cost, and thus lift the level of danger for both sides?

Obviously, we are in a new situation and we must think anew about it. If there are ways we can reduce this senseless burden, it would obviously serve the interests of both peoples.

That is the question we face. The Senator from New Hampshire, when he brought to the floor his challenge as to the need to develop these new exotic weapons systems the Pentagon is planning, and pointed up the destabilizing effect they could have on the present balance of deterrence, and the resulting acceleration of the arms race that would follow on both sides, did the country a great service.

I know in these matters no one speaks with more authority than members of the Committee on Armed Services. That is why I welcome the kind of critical, independent examination that I now see developing in that committee.

I only wish that the Senator had prevailed. If he continues to maintain his independent position and to insist upon a searching evaluation of the new weapons being sought, he will prevail. History is on his and my side.

So I encourage him to continue the work he is doing. There is no more important work to be done in the Senate today.

Mr. McINTYRE. I thank my friend, the Senator from Idaho.

Mr. CHURCH. Mr. President, I yield the floor.

Mr. PELL. Mr. President, let me begin by congratulating Senator CHURCH for his insightful analysis of détente. This statement, along with the hearings presently taking place in the Foreign Relations Committee, can only serve to improve our understanding of the issues that vitally concern the United States today.

Few challenge the premise that the fundamental purpose of détente is the avoidance of nuclear war and the resulting catastrophe that would befall the world. Yet major questions remain. What is the best means of avoiding an arms race and nuclear war while maintaining a viable defense of our interests? What else should and must détente encompass besides this fundamental purpose? It is primarily to these two questions that I shall direct my remarks today.

The Secretary of Defense has argued that the key to an arms balance between the United States and the Soviet Union is more a matter of psychology than reality: in his words, that there must exist a "perceived equality" of strengths. Yet such a line of thinking would commit the United States to a posture of matching any gains in Soviet arms. By its very nature, such a policy is competitive, dangerous and costly. Rather than attempt to achieve a posture of "perceived equality," the United States would do far better to insure a posture of "perceived sufficiency."

The arguments justifying a doctrine of sufficiency are compelling. The United States presently deploys nearly 8,000 nuclear warheads, or approximately 36 for each of the 219 major cities in the Soviet Union. Our Polaris-Poseidon nuclear submarine fleet and its successor the Trident guarantee a second-strike capability deterrent that is, for all intents and purposes, invulnerable. The marginal utility of further increases in our nuclear capability is negligible; overkill is as unnecessary as it is costly.

Presently, the problem exists of how to equate American advantages in accuracy and number of warheads with the Soviet advantage in throw-weight. By assuming a doctrine of sufficiency, these efforts of weighing apples and oranges would become obsolete. The United States would only have to maintain a position that was capable of serving as an effective deterrent. By doing so, we would be making a major contribution towards breaking the cycle of arms competition that has plagued us for so long.

Perception is a two-way street. It is not difficult to imagine how the Soviets view the present scramble in this country to accelerate many new defence projects before the recent arms agreements take effect. It is ever easier to imagine their reaction to the new doctrine of nuclear flexibility and selectivity. Not only does it appear that the United States regards nuclear war as a viable policy option, but the new doctrine undermines the basic premise that neither nation is to achieve a disabling firststrike capability.

The alternative to all-out nuclear war must not be limited nuclear war. The guarantee that it would remain limited is only theoretical; we would be better served to continue considering nuclear war as being out of the question, maintaining an adequate nuclear deterrent, improving our conventional forces, and continuing to seek gains in mutual arms limitation and disarmament.

The factor of cost must not be ignored. We must never forget that our resources, though great, are nonetheless limited. Military strength is but one dimension of national security; consequently, it must not receive a disproportionately large share of our resources. Ample resources, both financial and human, must be devoted to keeping our society strong and healthy within. Foreign policy does not operate in a vacuum; to the contrary, it derives much of its impact from the internal state of the Nation. As debates such as those on Vietnam, Watergate, and inflation reveal, a divided and dissatisfied people can only weaken our efforts abroad.

As I indicated earlier, the debate on détente also involves areas outside the realm of arms. Economic and human rights considerations predominate. Trade between the United States and the Soviet Union should be encouraged, but the same sound business practices should be followed that prevail in normal business transactions everywhere. Credit rates should reflect the going rates; grain prices should reflect the going market. Trade with the Soviet Union is not a form of aid, but rather a relationship that benefits each nation.

The issue of whether we should regulate our export of technology to the Soviet Union is a complex one that must be considered case by case. Lenin once remarked that if a profit was to be found, a capitalist could be depended upon to supply the rope for his own hanging. Here, we must be careful to assess any transfer of technology on security and national interest grounds besides on those of profitability.

No single issue relating to détente has received more attention than the American congressional support of the right to emigrate for Soviet Jews as a precondition of the extension of most-favored-nation status. As a cosponsor of the Jackson amendment, I endorse the principle that foreign policy must incorporate support for human rights. Yet support for human rights and support for détente are not in opposition; to the contrary, there is ample room for human rights in détente without jeopardizing the fundamental commitment of avoiding nuclear confrontation.

Détente, if it is to be meaningful and endure, demands a realistic perspective by the people of the United States. We must accept the different nature and aims of the Soviet Union. The two nations are competitors without any equals. Yet we must not lose sight that this competition cannot be allowed to expand into the realm of armed confrontation. Trade, cultural exchanges, scientific cooperation are all means of increasing what is in common and decreasing what is in competition. The current debate will have performed an invaluable service if it furthers our understanding of these and other alternatives that lie before us now.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains from the time allotted to the distinguished Senator from Idaho?

The PRESIDING OFFICER (Mr. Nunn). Twenty-five minutes remain.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time may be reserved to my control

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Haskell may now be recognized without prejudice to any other Senators who may have orders remaining.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. I thank the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator may proceed.

NO ONE IS ABOVE THE LAW

Mr. HASKELL. Mr. President, slightly more than a week ago Gerald Ford took the oath of office and began serving as the 38th President of these United States. The country breathed a collective sigh of relief. With great hopes and expectations for the coming weeks and months we all felt, as the distinguished Senator from Florida (Mr. Chiles) so well expressed, that "Today is a new day, Mr. President."

Since that day statements on the public record, including those made here, in the House of Representatives, and outside Congress, have stressed a desire to "forgive and forget" and have urged that the former President should be granted immunity from further prosecution. Some have gone so far as to suggest that action be taken expressing this to be the collective sense of Congress.

I should like to comment briefly on this matter, for I believe that to grant immunity would be a travesty of justice.

Mr. President, the past months have been trying for us all. I believe, though, that they have proven that this is a Nation of laws and not of men. Those laws apply with equal force to every American, whether laborer, businessman, scholar, or President.

The impeachment inquiry has indeed been a tragic affair. The tragedy, however, is that we suspected our President had abused the public trust and even committed criminal acts. The tragedy is that men went wrong, that careers were ruined, that liberties were compromised. Our national grief is that Watergate could ever happen, that abuse of governmental power could go unchecked as long as it did, and that the Nation as a whole could be deceived by one in whom it put its trust.

I, too, feel compassion for a man whose career must end this way. Our feelings of compassion, however, cannot be allowed to denigrate our system of laws and our constitutional structure.

In his summary view, Thomas Jefferson indicated the primary reason for his belief in the need to form a new, independent government when he asserted that the King "is no more than the chief officer of the people appointed by the laws and circumscribed with definite powers, to assist in working the great machine of government." The King, of course, would not have agreed. But Mr. Jefferson was voicing a theory of government, of social contract, and of executive power that was to be central to our new government. We give classic expression to this principle when we say that ours is "a government of laws and not of men," a government in which "no man is so high that he is above the law." Our governmental officers are creatures of the law, not of divine right. As such they are bound to obey the law and are subject like any other citizen to its application and sanctions, whether civil or criminal.

Let us consider, Mr. President, the situation at hand within the context of the constitutional provisions expressly applicable. Pursuant to its role under the Constitution, the House of Representatives readied itself for a vote on the question of the impeachment of the President of the United States. The Senate prepared itself for a trial in the event of impeachment by the House. This is the process mandated in our Constitution. But in the midst of that process, Mr. Nixon resigned.

Now the impeachment process relates to an official's status as holder of the public trust. It is an action accomplished by the people's branch of the Government for the purpose of protecting the people against those who would misuse public office. If brought, it would have been an action against the President as President, not as an individual citizen. It is an action separate and apart from the criminal laws.

Because Mr. Nixon resigned and thus made moot the process of impeachment, shall we say that the operation of the criminal laws should be suspended? Shall we say, as some appear to want us to do, that it is the sense of the Congress of the United States that he should not be subject to the laws of the country as would be any other citizen?

We have witnessed the vitality of our constitutional processes during the last few months. We have responded appropriately and convincingly to the abuse of governmental power. We have proven that this is a government of laws.

Yet despite all this and despite our constitutional heritage, many of our citizens believe that there is one set of rules for the rich and powerful and another, separate, set for the less fortunate. Failure to prosecute by granting immunity to Richard Nixon would merely confirm those beliefs. And think of the effect on the administration of criminal justice—so much for the vaunted impartiality, equity, and universality of our system.

Removal from high office by impeachment and criminal prosecution are separate threads in the fabric of our Constitution. Immunity for one man from criminal prosecution because he held high office would tear that admirable, durable, and delicate cloth.

Mr. President, the real issue before us is: Will we continue to be a nation of laws equally applicable to all? The future, not the present, is of the greatest concern to me. This issue cannot be particularized by the circumstances of Watergate. It should not be personalized by compassion we may feel for Richard Nixon. We are dealing with a government which has endured for nearly two centuries. We are now in the unique position of clarifying the nature and limits of Presidential power. We are today redefining the nature of the relationship between the branches of the Federal Government. We are, through this precedent, illuminating the standards and procedures by which we shall evaluate, judge and forgive or condone official conduct in the future.

Mr. President, immunity, whether it be urged by us or granted by the Special Prosecutor, would say to future Presidents that they can commit high crimes in office with impunity. It would say that there are only political risks. It would say that future Presidents can obstruct justice, can suborn perjury, can abuse every conceivable agency of the Federal Government, and that they will need not answer under the laws of the United States that prohibit those crimes. They need only surrender in the political arena; they can simply resign.

A grant of immunity would place the American people on notice that fear of criminal prosecution would no longer serve as the ultimate restraint on a President. A future President could dare anything but risk only his political office.

And what, Mr. President, of the Ehrlichmans, the Hunts, the Liddys, the Magruders, the Haldemans, the Mitchells, the Colsons, and any other citizens accused of crimes similar to those with which Richard Nixon has been charged by the House Judiciary Committee? Where is our "sense of the Congress" resolution for them? They, too, have lost their offices in Government. They, too, have suffered disgrace and humiliation. Are they not Mr. Nixon's equals before the laws of this great Nation? Or is he, because he held the highest office, just a bit more equal?

Any action pertaining to a grant of immunity must not be seen in the context of one man's career but rather of 200 years of constitutional strength and development. It must be seen in the context of many more years of democracy, freedom, and equal justice under law. If we were to take action expressing our desire for immunity we shall have failed to heed the wise advice of the late President of France, Charles De Gaulle, when he said:

> One should not insult the future.

Any grant of immunity would ignore the past and insult the future. It would rewrite the Constitution and provide a promise to future Presidents, and possibly other high officials, of protection expressly rejected by our Founding Fathers.

We have a living, a meaningful, a vigorous Constitution. It, and we, survived an intensely trying time. The Constitution says that all Americans are subject to our laws and that the law shall apply with equal force to all. Let us not end this sad, but strengthening, episode in our history by refusing to be a Nation of equal laws.

No one is above the law. Immunity would belie that fact.

Mr. President, I yield the floor.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, may we have order in the galleries?

The PRESIDING OFFICER. The galleries will be in order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I suggest that the time be charged to the time under my control.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I allot 10 minutes to the time under my control to the distinguished Senator from Wisconsin (Mr. PROXMIRE).

The PRESIDING OFFICER. The Senator from Wisconsin is reocgnized.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, time is running against the time I have allotted to the Senator. May we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, on of his secretaries.

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on August 17, 1974, he had approved and signed the following acts:

S. 2296. An Act to provide for the Forest Services, Department of Agriculture, to protect, develop, and enhance the productivity and other values of certain of the Nation's lands and resources, and for other purposes; and

S. 3669. An Act to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. STENNIS) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committee.

(The nominations received today are printed at the end of the Senate proceedings.)

BIG CONGRESSIONAL APPROPRIATIONS CUTS OFFSET BY INCREASES IN SPENDING ELSEWHERE—PRESIDENT AND CONGRESS HAVE TOUGH JOB AHEAD TO CUT BUDGET BY SUBSTANTIAL AMOUNTS

Mr. PROXMIRE. Mr. President, even though Congress has performed a fiscal miracle in its actions by cutting the fiscal year 1975 budget request by between $6 to $8 billion, other circumstances will push total spending to about $310 billion, or $5 billion more than the budget request, unless both the President and Congress take additional drastic action.

Congress has done a great job in cutting appropriations. The House cut defense by $4 billion. In the Senate, we went them one better and have a bill from the committee with a $5.4 billion cut. Even HEW, which year after year is several billion over the budget request, will be just below the budget in the Senate bill this year.

All in all, Congress will cut from $6 to $8 billion from the original budget request.

APPROPRIATIONS CUTS ARE NOT OUTLAY CUTS

Before we start cheering and patting ourselves on the back, however, the effect of all congressional actions will probably provide no cut at all. There are two reasons for this.

First, a cut in the appropriations—so-called new obligational authority—is not a cut in outlays or spending. Let me give some examples.

The Senate cut in the military defense bill of $5.4 billion does not provide a $5.4 billion cut in spending. It means a cut in spending of only $2.7 billion. Reason? Much of the money spent for defense this year is from past year appropriations, and much of the money we appropriate this year is for future year spending. Therefore, the spending cut is never as great as the appropriation cut. The House military cut of $4 billion only gives a spending cut of $1.9 billion.

As a result, the $6 to $8 billion appropriations cuts this year translate themselves into only a $3 to $4 billion spending cut at best.

CONGRESS PASSED BACKDOOR SPENDING

Second, at the same time Congress has been cutting the appropriations, it has been increasing some mandatory spending. Some of this we have done on our own and some of it with the approval of the executive branch. But the hard, cold, tough facts are that the increase in mandatory spending required by Congress will probably wash out the appropriation cuts we have made.

Specifically, Congress, in four veterans' bills, will increase required spending this year by $2 billion. The child nutrition and school lunch programs add another $275 million. A small business loan bill will cost $360 million this year. Civil service retirement adds another $157 million. The Trade Assistance Act may add from $300 to $600 million in readjustment assistance.

But so far as we can determine, the $3 to $4 billion outlay cuts brought about by the $6 to $8 billion cut in appropriations will just about be eaten up by the new spending which Congress and the administration have provided.

Therefore, after all our efforts, we are back at the $305 billion level.

FURTHER SPENDING WILL INCREASE BUDGET TO $310 BILLION AREA

But there is more bad news. Other things will raise spending to about the $310 billion level. While we cannot be exact or precise about all of them, let me be as specific as possible.

First, there was an increase in the requests for the military of $1 billion in a supplemental.

Second, interest on the national debt is bound to increase because of the generally higher level of interest rates than predicted at the beginning of the year.

Third, we can expect increases in the funds for unemployment compensation and other automatic stabilizers as unemployment rises to the 5.5 to 6 percent level.

Fourth, there are funds which were impounded by President Nixon which under either court orders or Budget Reform Act provisions will now be spent. I can think of $400 million in section 235 and section 236 of the housing funds alone.

Finally, there is the cost of inflation itself which affects the Government as it does private industry and ordinary people—costs for gasoline, heat, light, materials, and so forth.

At a minimum, we can expect these additional costs to add another $5 billion to the fiscal year 1975 budget.

MUST FACE HARD FACTS

Congress and the President must now face the fact that even with all of our hard efforts, fiscal year 1975 spending will be a mammoth $40 billion or 15 percent over last year, at a time when we face the worst inflation in our peacetime history. This is pouring gasoline on the fires of inflation with a vengeance.

What this means is that the President and Congress must now get together and decide where further spending can be cut, slowed down, stretched out, or stopped altogether if we are to stay within the original $305 billion budget level.

I am convinced that if the new President uses his present great good will to the fullest, he can cut outlays to $295 billion. Such an increase would still be $25 billion over last year. But the budget should be in balance.

Outlays not appropriations are the name of the game. And outlays in fiscal year 1975—not 1976 or 1977, or 1978—are what must be cut if we are to fight inflation.

If we wait until next year and even if we balance the budget next year, the restrictions on spending will not come until fiscal 1977 or fiscal 1978. That will be too late. Further, as we cannot predict what the economic conditions will be then, it may well be just exactly the wrong fiscal prescription. By that time, the economy may have stagnated, with unemployment at a very high level, and that, instead of inflation, may be the problem.

Therefore, timing is all important. And timing means that we must cut outlays in the present budget. Balancing some future budget will either be too little, too late, or exactly the wrong medicine for the times.

HOW IT CAN BE DONE

Here is how I think we can cut outlays this year.

While Congress controls appropriations or new obligational authority, the President controls outlays or spending. He can control to some considerable degree the rate, pace, speed, and timing of the spending.

There are now some $23 billion in defense procurement contracts which the budget treats as "uncontrollable" spending for fiscal year 1975. That is not uncontrollable. The President can tell the Pentagon to slow down the pace at which those contracts are performed.

There is another $85 billion of controllable items in the budget which can be effected by the President and the Budget Bureau.

My view is that there are further cuts available in the so-called uncontrollable items through tightening contracts, delaying schedules, and so forth.

Altogether, I believe that the President, with the cooperation of Congress, should cut or slow down at least $6 billion from Pentagon outlays, another $1.5 billion from foreign aid outlays in both the military and civilian areas, and $3 to $4 billion from highways, public works, public buildings, and other construction projects.

In addition, we should find another $3.5 to $4 billion from the remaining areas of the Government through personnel cuts—which translate into immediate budget cuts—and by asking every agency to cut about 3 percent from their operating budgets. This way, we can cut back to $295 billion even with the required payments under social security, for interest on the debt, to our veterans, and other uncontrollable items.

BUDGET REFORM ACT

The President should not do this by killing any program which Congress has authorized and funded. Instead the President, with our cooperation, should slow them down, stretch them out, and take a longer time for them to be carried out.

If necessary—and it may well be necessary under the Budget Reform Act—he should send us a list of such areas and ask for our approval and our cooperation. This should be a joint effort in the fight to bring rampaging and runaway inflation under control.

CONCLUSION

Mr. President, Congress has done a better job this year than in any previous year. But the effect of our actions is at best neutral over those matters we control, and $5 billion will be added to the budget because of things we cannot control.

It is time for the President and Congress to call upon every agency—HEW, HUD, State, Treasury, Defense, and all the rest—to get out their red pencils, erasers, and scissors, and cut, cut, cut.

Unless we do that, the Federal budget itself will once again be the engine of inflation, rather than have the absolutely necessary deflationary effect in a year of rampaging price increases and double-digit inflation.

Mr. President, I thank my good friend, the Senator from West Virginia, for making time available for me to speak.

COUNCIL ON WAGE AND PRICE STABILITY—PRIVILEGE OF THE FLOOR

Mr. TOWER. Mr. President, I ask unanimous consent that during consideration of S. 3919 and votes thereon and any amendments thereto, the following members of the staff of the Committee on Banking, Housing, and Urban Affairs and individual Senators' staffs be allowed access to the floor: Reginald Barnes, Kenneth McLean, Howard Beasley, Anthony Cluff, John Patten Abshire, Stanley Marcuss, William Weber, Holton Wood, Thomas Brooks. Senate staffs: C. I. Bray, Ellen Oberdorff, Elanor Bacrach.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining under the order?

The PRESIDING OFFICER. The Senator from West Virginia has 13 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I yield such time as he may require to the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.).

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I thank the distinguished Senator from West Virginia, and I suggest the absence of a quorum, with the time to run against the amount allotted to the Senator from West Virginia.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPORTATION OF CHROME FROM RHODESIA

Mr. HARRY F. BYRD, JR. Mr. President, the House of Representatives tomorrow will vote on legislation to reimpose an embargo on the importation of chrome from Rhodesia. The Senate will remember that in 1971, legislation was enacted by the Congress which prevents an embargo on a strategic material from a free world country when such material is being imported from a Communist-dominated country.

According to the New York Times, 96 percent of the world's supply of chrome is in Rhodesia and South Africa. Rhodesia, itself, has about two-thirds of the world's supply. If the United States cuts itself off from the supply of this vital material from Rhodesia, then it puts itself at the mercy of Soviet Russia for the bulk of its chrome imports. Almost all of the world's chrome comes from three countries: South Africa, Rhodesia, and Russia. Only small amounts can be obtained elsewhere.

The chairman of the Subcommittee on National Stockpile and Naval Petroleum Reserves of the Committee on Armed Services, the Senator from Nevada (Mr. CANNON), who has gone into this matter very carefully, opposed the legislation which the House will be voting on tomorrow, pointing out the effects on the United States of reimposing an embargo on the importation of chrome from Rhodesia.

Another significant point, it seems to me, Mr. President, is that when the legislation with the so-called Byrd amendment, was enacted into law in 1971, which amendment would permit the importation of chrome, that amendment was supported in both Houses of the Congress when the votes of the two Houses are taken together, by representatives from 46 of the 50 States of the Union.

So it is a national question, it is not a regional question.

It is a question of defense, it is a question of how much the United States wants to put itself in the position of having to rely on the only potential enemy against which the United States needs to spend for defense purposes, some $82 billion.

Mr. President, by no stretch of the imagination can Rhodesia, a small landlocked nation, be considered a threat to world peace.

Yet, under the United Nations Charter, an embargo can be placed against another country only if the Security Council declares that a nation is a threat to world peace.

Leaving out that aspect of it, the United States needs to consider whether it wishes to be dependent on Communist Russia for the bulk of a strategic metal, a strategic material, which is vital to national defense.

I hope that the House of Representatives will vote down the pending legislation upon which it will vote on tomorrow.

The United States has done a great deal for Russia in the name of détente.

In every case the United States has come off second best. Take the wheat deal. It cost the taxpayers of this Nation hundreds of millions of dollars.

Then we come to the settlement of the Russian debt, in 1972. The agreement which the United States made with Russia permits the settlement of that debt at 3 cents on the dollar, plus another 24 cents provided Russia is given most-favored-nation treatment, and provided she is loaned tax funds through the Export-Import Bank at subsidized interest rates.

Then the third agreement with Russia made in 1972 was the strategic arms limitations agreement. It was written into that agreement that Russia could have numerical superiority in intercontinental ballistic missiles and in nuclear carrying submarines.

Now we come again to another matter seriously affecting the relations between Russia and the United States which, if this legislation pending in the House of Representatives is enacted, will make the United States dependent on Russia for a strategic material.

Mr. President, I say that is carrying détente too far. It is jeopardizing the security of our Nation, and I hope the House of Representatives will vote it down tomorrow.

I end as I began, by pointing out that when the legislation permitting the importation of chrome passed Congress in 1971, it had the support of Representatives from 46 of the 50 States.

ORDER OF BUSINESS

Mr. HARRY F. BYRD, JR. Mr. President, I thank my friend from West Virginia for yielding me time, and I yield back the remainder of that time.

Mr. ROBERT C. BYRD. The Senator is welcome.

Mr. President, I yield back the remainder of the time under my control, and I ask unanimous consent that the order for recognition of the Senator from Michigan (Mr. Griffin) be vacated. I do this, I am sure, with his approval.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a further period for the transaction of routine morning business of not to exceed 14 minutes, with statements therein limited to 5 minutes each.

TRIBUTE TO SENATOR MANSFIELD

Mr. HUDDLESTON. Mr. President, in the short time that I have had the high honor of representing the great people of Kentucky in the U.S. Senate, there have been a number of history-making events.

We have seen the resignation of a Vice President and for the first time a new Vice President chosen under the provisions of the 25th amendment. We have seen the resignation of a President of the United States for the first time in the history of our Nation. One of our number has resigned and become Attorney General and the largest number of Senators ever have announced their voluntary retirement from this body. These and other events combine to characterize the past year and a half as a truly exceptional period in the annals of this country.

One exceptional achievement that is most pleasing to me is the accomplishment of the distinguished Senator from Montana (Mr. Mansfield) in establishing a record tenure of service as majority leader of the Senate. When on August 14, 1974, Senator Mansfield passed his 13th year, 255th day as leader of the Democrats in the Senate, he exceeded the length of service of any other man.

Through that span of over 13½ years, the Nation has gone through some of its most traumatic times: War, peace, assassination, three Presidents representing both major political parties. The individuals comprising the Democratic majority in this body have represented a variety of political and philosophical ideologies.

It is a great tribute to the dedicated, intelligent, and scrupulously fair leadership of Mike Mansfield that he has served through it all with great dignity and distinction. Certainly he has earned the respect of every Member of the Senate, and of all Americans, and of leaders throughout the world.

My personal acquaintance with Senator Mansfield has not been as long as most of my colleagues here. But, because of my great respect for him as a leader and as a person, because of my gratitude for his continuous efforts to assist those of us who are new in this body, and to facilitate and encourage our participation and to provide strong but unassuming guidance which makes our new tasks easier, I want to add my commendation to Senator Mansfield on the occasion of his remarkable achievement.

No matter how long I may have the privilege of serving in the U.S. Senate, I will always be grateful and proud that I knew, served with, and hopefully assisted Mike Mansfield.

SENATOR MIKE MANSFIELD

Mr. RIBICOFF. Mr. President, on Thursday, August 15, 1974, a new record was set in the Senate. On that day our distinguished majority leader, Mike Mansfield, earned the distinction of serving as majority leader for a longer period of time than anyone else in Senate history.

Senator Mansfield is a man of integrity, a superb Senator and a tribute to his great home State—Montana.

Senator Mansfield set the new record not because of the seniority system. He earned his recognition because of his service to the Senate and his party. Every 2 years he must stand for reelection to his post. He has been unanimously confirmed by his colleagues each of the seven times he has stood for reelection to the majority leader's post.

His work, not only as a party leader but as a national leader who speaks his mind without regard to partisan considerations, has been recognized by Presidents and leaders of both parties. As his good friend and colleague from Vermont (Mr. Aiken) so wisely put it: "He is a valuable national asset."

I salute the distinguished majority leader and wish him success for years to come. It is a pleasure serving with him.

THE DEATH OF FORMER SENATOR KARL MUNDT

Mr. HRUSKA. Mr. President, it was with sadness that we learned this weekend of the death of my very good friend and colleague for many years—former Senator Karl Mundt of South Dakota.

Karl Mundt had a long and distinguished career of public service. He dedicated his life to safeguarding the freedom and the interests of the people of South Dakota and of all Americans. Senator Mundt was a staunch defender of the American system of government. His efforts to stymie the attempts of those who would have undermined this system will always be appreciated.

Senator Mundt spent a total of 34 years in the House of Representatives and the U.S. Senate. He served the citizens of South Dakota well and they recognized his efforts and repaid him time and time again by returning him to Washington. He was victorious in nine elections to the Congress, a great tribute for any man from the people of his home State.

Humboldt, S. Dak., a small farming community in the southeastern part of the State, was the birthplace of Karl Mundt on June 3, 1900.

His father, who owned a hardware store, had come here from Iowa when the State was part of the Dakota Territory. It was this tradition of the prairie life and spirit of pioneer initiative and ruggedness that helped form the character of Senator Mundt. He grew up in the outdoors and wide-open spaces of South Dakota and developed a love for hunting and fishing that served him well in his work in the Congress.

Karl Mundt believed that man had a special relationship with nature and the benefits it provided. He felt that man should not only take from his environment, but he should return something, as well. Long before it became a popular national issue, Senator Mundt was acting forcefully to preserve our country's natural resources. He led the fight to achieve better protection of endangered species of wildlife.

Senator Mundt received an A.B. degree from Carleton College in Northfield, Minn., in 1923. Following his graduation, he taught speech and social sciences in the Bryant, S. Dak., high school and was the superintendent of the school. In 1927, he received a master of arts degree from Columbia University. From that time until 1936, Karl Mundt was chairman of the speech department and a social sciences instructor at General

Beadle State Teachers College in Madison, S. Dak. In 1938, Karl Mundt ran for the House of Representatives and was elected, thus starting his great career in the Congress of the United States. Senator Mundt was particularly known for his eloquence in the committee rooms and on the Senate floor. His early training in the art of speech served him in good stead in the halls of the Congress.

Karl Mundt has left us all many memorable legacies. One of those is the Earth Resources Observation System—EROS—Data Center in Sioux Falls, S. Dak. This facility processes and disseminates photographs and other data relating to the condition and amount of large land areas on Earth which is taken by an orbiting satellite.

Senator Mundt realized the importance additional information could play in this country's efforts to increase agricultural production through the use of technology. It was through his foresight and realization of the magnitude of this concept that the EROS Data Center was located in the Midlands.

One year ago this month, I had the privilege of participating in the dedication of the Karl E. Mundt Federal Building near Sioux Falls. This structure houses the EROS Data Center. What a fitting memorial to Senator Mundt. It would be my hope that this program is expanded in the years to come and its tremendous potential realized. Senator Mundt dedicated his life to the development of the heartland of America. The EROS Data Center, for which he worked so hard, can be a vehicle for the realization of Senator Mundt's dreams.

Karl Mundt is gone now, but he will be remembered. He left a lasting mark. I join with the citizens of his home State of South Dakota, his former colleagues in the Congress and the people of America in mourning his passing.

Mr. McCLELLAN. Mr. President, last Friday, August 17, 1974, Karl Mundt, former Senator and Representative from South Dakota, and a dear friend, passed away after a long and fruitful career of service to his community, his State, and his country. He had been a schoolteacher, public schools administrator, college professor, and official in the government of South Dakota before being elected to the 76th Congress. He served five terms in the House of Representatives and three full terms in the Senate.

The character of a man, however, cannot be fully gauged by the enumeration of the offices which he has held, although they do indicate a considerable measure of public esteem. Karl Mundt, as I knew him in the Senate, was a man of high ideals and great integrity, a man of vision and noble purpose, a man of true dedication to the interests of the people with whom he identified and whom he represented so ably.

Karl Mundt's sphere of interests was more extensive than most of the public was aware. Although his accomplishments in the fields of conservation, fiscal responsibility, and sound government operations were public knowledge, his activities in the realm of foreign relations were not so well known. One of his great dreams was the establishment of a Freedom Academy which would prepare young students as potential diplomats to disseminate the philosophy of peace in their assignments to foreign countries. He was not critical of the service schools which trained young men in the skills and science of defense. He realized this was necessary for the protection of our country. But he felt more emphasis should be placed on diplomatic training of our young people to insure peaceful coexistence with other peoples of the world.

One of his most cherished appointments was as a representative to NATO. During the latter period of his service with this organization, he became chairman of the Educational and Cultural Exchange Committee, a post which demanded much of his time and energies. It was shortly after his return from a meeting of this committee in Brussels—in October of 1969—that he was stricken by the illness from which he never fully recovered.

Senator Mundt and I served together on the Government Operations Committee. While I was chairman of the committee, he was for many years the ranking minority member. We also served together for many years on the Senate Permanent Subcommittee on Investigations—I as chairman and he as ranking minority member. During our tenure on this subcommittee, we conducted more investigations and held more hearings and made more reports to the Senate than possibly have ever been conducted, held, and made by any other investigating committee in the history of the Congress. Our service together on the Senate Appropriations Committee was another challenging and vital interest which we shared for some 17 years.

In the performance of his duties, both in committee and in the Senate Chamber, he was able, vigorous, dedicated, judicious, and effective. His friendship was a gift to be treasured by those fortunate enough to be so blessed. I consider myself among those thus designated, and shall keep his regard for me in cherished remembrance. In this context and in awareness of the lasting effect Karl Mundt and his works will have on those living after him, I recall the words of an unknown poet as he spoke of greatness:

A man is as great as the dreams he dreams;
As great as the love he bears;
As great as the values he redeems,
And the happiness he shares.
A man is as great as the thoughts he thinks;
As the worth he has attained;
As the fountains at which his spirit drinks,
And the insight he has gained.
A man is as great as the truth he speaks;
As great as the help he gives;
As great as the destiny he seeks,
As great as the life he lives.

I believe these words are as applicable to Karl Mundt as any I have ever read. He was a man—statesman and American—whom history will record among our Nation's great.

Mrs. McClellan expresses her deepest sympathy along with mine to Mrs. Mundt. We share with her and the Senator's devoted staff a sense of personal loss in the passing of a dear friend and colleague.

Mr. McGOVERN. Mr. President, I have just returned from Madison, S. Dak., where I attended funeral services for my former home-State colleague, Senator Karl Mundt. Wednesday afternoon, August 21, 1974, South Dakotans paid their last respects to one of their State's most distinguished public servants.

When Senator Mundt was felled by a massive stroke nearly 5 years ago, he was in his 31st year of congressional service. He had distinguished himself as a Member of the House of Representatives over a period of 10 years; and in his fourth term in the Senate had become the fourth-ranking Republican Member of this distinguished body.

While Senator Mundt and I were of different political persuasions, there was a mutual respect and congeniality that prevailed as we served together in these Chambers. It was a feeling that evolved from relationships in South Dakota political arenas covering more than two decades.

Karl Mundt and I first became acquainted much earlier than in our political years, however. He was a well-known debate coach and judge when I was beginning my forensics experience in Mitchell, S. Dak., Senior High School. My wife, Eleanor, and I both came under his judgment at speech and debate contests more than once. All of us were to reap career benefits in later years from this experience.

My distinguished colleague from Nebraska (Mr. HRUSKA) earlier inserted in the RECORD the outstanding biography of our departed friend. It alluded to Senator Mundt's accomplishments as he pursued the goals he set in performing services to his country and to his native State. But let me note here just two of his outstanding contributions as a public servant—his leadership in establishing the Voice of America, which beams the truths about our great democracy to other nations around the world; and the EROS Data Center, not far from his South Dakota birthplace, which shares with all nations vital information gathered by our space satellites to help them know better how to deal with the God-given resources of the world we live in.

Senator Karl Mundt has left indelible marks on the pages of history. We mourn his passing, and extend to his devoted wife, Mary, our deepest sympathy.

Mr. YOUNG. Mr. President, it is with great sadness that we in the Senate who had the honor and privilege to serve with the late Senator Karl Mundt learned of his passing.

Karl Mundt was a wonderful person with great ability and talent. His accomplishments for the State of South Dakota were tremendous—far more than most people realize. He was at the same time a great and respected leader on both the national and international scene.

Our good friend, Karl Mundt, spent most of his life in the service of his community, State, and Nation. Few have served longer in both the House and Senate of the United States than Karl Mundt. He was an influential and highly respected leader of this body before his health was suddenly impaired about 4 years ago.

Karl was a very special friend of mine. We came to the Senate about the same time, served on the same committees, and had many common interests. He spoke on my behalf in North Dakota on several occasions as I did for him in South Dakota.

I wish to extend my deepest sympathy to his wonderful wife, Mary.

Mr. MUSKIE. Mr. President, all of us are saddened by the death of a former colleague. It was with a particular sense of loss that I learned of the death last week of former Senator Mundt.

Karl Mundt and I were from different parts of the country. We had widely differing political philosophies. But for more than 10 years we worked together in the Senate to improve and clarify the nature of our unique Federal system of often conflicting and confusing intergovernmental relationships. From 1959 until his retirement, Senator Mundt and I served together on the Advisory Commission on Intergovernmental Relations, a body created by legislation we both sponsored. And for 10 years we shared the privilege of overseeing the birth and development of the Senate Subcommittee on Intergovernmental Relations.

The work of the subcommittee attracted few headlines in those early years. The legislation we considered was highly technical and unglamorous. Although Senator Mundt and I frequently disagreed over the details of particular bills, the final product of our deliberations reflected the true spirit of bipartisan cooperation and mutual respect we always enjoyed. I valued that relationship.

Senator Mundt's contributions to the legislative record of the Subcommittee on Intergovernmental Relations—most notably in the Intergovernmental Cooperation Act of 1968 and the Intergovernmental Personnel Act of 1970—were numerous and valuable. They reflected his deep concern with and understanding of the complexities and change in our evolving Federal system. In many unheralded ways they have helped strengthen that system today.

Mrs. Muskie and I extend our deepest sympathy to Mrs. Mundt.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there morning business? If not, morning business is concluded.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks announced that the Speaker had affixed his signature to the following enrolled bills:

S. 3066. An act to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes;

S. 3190. An act to authorize appropriations for fiscal year 1975 for carrying out the Board for International Broadcasting Act of 1973;

H.R. 10044. An act to increase the amount authorized to be expended to provide facilities along the border for the enforcement of the customs and immigration laws;

H.R. 15791. An act to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes; and

H.R. 15936. An act to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency.

The enrolled bills were subsequently signed by the Acting President pro tempore.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 19, 1974, he presented to the President of the United States the following enrolled bills:

S. 3066. An act to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes; and

S. 3190. An act to authorize appropriations for fiscal year 1975 for carrying out the Board for International Broadcasting Act of 1973.

COUNCIL ON WAGE AND PRICE STABILITY

The PRESIDING OFFICER (Mr. Johnston). Under the previous order, the Senate will now proceed to the consideration of S. 3919, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, has the bill been laid before the Senate?

The PRESIDING OFFICER. The bill has been laid before the Senate.

Mr. SPARKMAN. The pending bill is S. 3919, and I wish to speak briefly on that.

Mr. President, on Monday night, August 12, 1974, in his address to the Congress and the Nation, the President asked the Congress to pass before our Labor Day recess a bill which Senator Tower and I had introduced on that same day. The Committee on Banking, Housing and Urban Affairs held hearings on the bill, S. 3894, on Thursday morning, August 15, 1974, and we met in open markup on Thursday afternoon and agreed to report a clean bill.

This bill would establish a Council on Wage and Price Stability which would have authority to monitor price and wage situations in our economy generally. There are no provisions for mandatory or standby wage price control contained in the bill.

The Council would work with labor and management in an effort to improve the structure of collective bargaining and encourage price restraint. It would also be authorized to conduct public hearings to help publicize the inflationary problems and to focus attention on the need to increase productivity in all sectors of our economy.

Mr. President, I think that it is important that these matters be given wide publicity, because I am convinced that the public must take an active part in this fight against inflation. The more the public knows about the problem the more effective we will be in bringing this inflation under control.

I am pleased that our committee acted expeditiously in recommending to the Senate that these additional tools be granted to the President in his efforts to fight inflation. I urge the Senate to act as soon as possible on this bill.

Mr. President, I ask unanimous consent that a section-by-section analysis be printed in the Record.

There being no objection, the section-by-section analysis was ordered to be printed in the Record, as follows:

Section-by-Section Analysis of S. 3919

Section 1. Short title: Council on Wage and Price Stability Act of 1974.

Section 2. Council on Wage and Price Stability—The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability. The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President. The Director and Deputy Director shall be appointed by the President. The Director may employ and fix compensation of such officers and employees as are necessary to perform the functions of the Council. The Director may also employ experts, expert witnesses, and consultants in accordance with section 3109 of title 5 of the U.S. Code.

Section 3. Duties of Task Force—

(1) Review and analyze industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) Work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) Improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) Conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) Focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) Monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) Review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

Additionally, it is stated that nothing in this act authorizes the continuation, imposition, or reimposition of any mandatory economic controls.

Section 4. Treatment of Confidentiality and Disclosure of Information—The Council shall have access to data or information pertaining to the economy or any sector collected or generated by any department or agency of the Federal Government.

To insure the confidentiality of information—

(1) The Freedom of Information Act is fully applicable to any information obtained from the private sector by the Council.

(2) The disclosure of information obtained from Federal, State, or local agencies and departments is prohibited unless such disclosure is in accord with the Freedom of Information Act and the applicable rules of practice and procedure of such agency or department.

(3) The disclosure of confidential information by the Council or Council staff is a criminal offense.

(4) The disclosure of tax returns and related information is prohibited.

Section 5. Council Reports—The Council shall report to the President, and through him to Congress, from time to time, concerning its activities, findings, and recommendations.

Section 6. Authorization of Appropriations—There are authorized to be appropriated such sums, not to exceed $1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this act.

Section 7. Expiration—The authority under this act expires at midnight, June 30, 1976.

Mr. TOWER. Mr. President, today the Senate addresses itself to the Council on Wage and Price Stability Act of 1974, a bill to create a council to monitor the economy as a whole. The Committee on Banking, Housing and Urban Affairs is to be commended for the judicious manner in which it acted, reporting the bill favorable last Thursday afternoon after holding hearings that very morning.

The committee acted in good faith responding to President Ford's request of August 12, 1974, to expedite the proposal by the administration to create a council on inflation.

The proposed council, the Council on Wage and Price Stability, would have the power to monitor the economy, work with labor and management to improve the structure of collective bargaining and encourage price restraint as well as reviewing the Government's own policies, programs, and activities to determine the extent to which they contribute to inflation.

I approach this legislation with some amount of apprehension for many may perceive the action which we take today to be the first step back toward controls. If this view is pervasive, it could further exacerbate our inflationary problem by stimulating anticipatory wage and price increases and hence further the prospect of imposition of future controls. Congress must demonstrate that this is not our intent. No economic authority is being granted or authorized. The Senate clearly demonstrated its opinion toward extending any form of economic controls by defeating such a measure overwhelmingly on May 9, 1974, 56 to 32. On that same day I proposed a similar bill to the one being considered here today. Its purpose also, was merely to monitor the economy as a whole in cooperation with public and private agencies and not to reestablish an income policy.

It has been all too clearly demonstrated by our experience with economic controls that they are by nature arbitrary and artificial, creating shortages and dislocation of resources, certainly imposing more problems on our economy than it resolves. This body may be assured that I will not support any legislation of that kind.

Likewise, I do not want to underrate the importance which should be attached to the problem we face as a Nation in controlling inflationary pressures in our economy. They are enormous and pervasive, and they need to be dealt with through appropriate monetary and fiscal policies. The bill we are discussing today is not going to solve everything, but I think it sets up in the right direction an aid to the traditional tools of economic policy.

Briefly, I would like to explain what the Council on Wage and Price Stability is and what it is not. The Council is first and foremost a forum—a forum which draws representatives from all sectors of the economy to debate freely and air economic issues. It is a forum to collect economic information and follow the direction of the various economic sectors. It is therefore a forum with oversight authority and not an operating agency.

The provisions embodied in the Council on Wage and Price Stability Act of 1974 represent a license by the Congress to the President to exercise his influence to arrest the inflationary spiral. To this end I believe we should draw the line on acceptable amendments to this legislation where the discipline of an agency or a council of the Federal Government begins to replace the discipline of the marketplace. The discipline of the marketplace should be the final arbitrator of wages and prices.

I realize that several of my colleagues have amendments which would breach the acceptable line I have drawn. Their amendments I believe portray what the intent of this legislation is not—the establishment of controls on our economy.

It has been suggested that the President be given the authority to delay wage and price increases for a 45-day period with the possible extension of another 45 days. Mr. President, there is no such thing as the ability to delay wage and price increases for almost one quarter of the year except by controls—that is control by definition and not the intent of the proposed legislation. I do not believe the Congress or the American people want to return to wage and price controls.

It has also been suggested that the President be given the authority to demand information from all sectors of the economy through the issuance of subpenas. The President of the United States has not asked for this authority, nor does he want it. The power to subpena further infringes on the free market system and hence should be rejected. The Council on Wage and Price Stability Act of 1974 has very limited objectives. It is not an omnibus measure seeking to solve all of the problems relating to inflation.

I emphasize that this legislation in no way diminishes our need to maintain vigilance in exercising the fiscal and monetary policies that are the basic ingredients of economic stability. Nor should this legislation reduce our efforts to explore fully all other noncontrol policies to stabilize wages and prices in our economy.

I would like to commend two of my colleagues whose insight into the nature of the legislation has improved the administration's proposal. The distinguished Senator from New York, Mr. JAVITS recommended in an earlier proposal to not confine that Council's purview to the private sector but to extend its review and appraisal authority to the various programs, policies, and activities of the departments and agencies of the Federal Government to determine their inflationary impact. This, we have done. My colleague from Texas (Mr. BENTSEN) also felt it imperative that congressional representation be included in the formation of any Council. To this end I would hope that the President would exercise the appointment authority granted in the legislation to acquire congressional input.

In closing, I stress the importance to my colleagues of presenting the President with a clean bill, devoid of any control language, for his signature. Any extension of authority beyond the capacity to monitor will run the risk of stimulating the wage and price spiral. I am confident that those here today do not wish to be party to such an act. Let us now move expeditiously and give to the President this additional tool, the Council on Wage and Price Stability, which he has requested to fight inflation.

I certainly hope, Mr. President, that no substantive amendments that change the character of this bill will be accepted today.

The House is acting on a similar measure under suspended rule this afternoon. It is expected that they will complete action on it. If we can complete action on a relatively clean bill here in the Senate, it would expedite the matter of authorizing the establishment of this Council before we depart for the Labor Day recess.

Even if there are some minor differences between Senate and House, I think this can be quickly resolved in conference by the end of this action, but any substantial differences I think would meet with probably substantial opposition in the House and might require protracted conference. We would be in a position of not giving our new President the first tool he has asked for to be able to deal with what he considers to be, and indeed we all consider to be, our No. 1 domestic problem, and that is inflation.

I urge the adoption of it, but as it has been reported from committee.

Mr. SPARKMAN. Mr. President, I want to support the words that the Senator from Texas has said with reference to sending this bill to the President, or to the House. I hope our versions may be so close together we will have no difficulty getting it to the President expeditiously.

Mr. TOWER. If the Senator will yield at that point, the differences between the bill reported out of the House Banking and Currency Committee and the bill reported out of our committee are very slight and I think will be very quickly resolved. I can even foresee the House might go ahead and accept the Senate amendments, because I do not think they would be of great controversial nature.

Mr. SPARKMAN. I agree with what the Senator has said in his desire that no substantive amendments be added to this bill.

The President has asked for this bill to help him in his fight on inflation. That is his job.

We have said to the country that it is up to the President to control inflation and he has said to Congress that was his No. 1 concern. This is the tool that he has asked for. It is not a solution to the problem of inflation at all. It is merely the start.

I do not know whether as the Council proceeds with its work it may find the need for additional legislation. I should think that it would find such a need, and if so, I am sure the President will submit that legislation to Congress and I am confident that Congress will respond quickly. But this is the tool with which he proposes to start his fight on inflation and I would like to see him have it just as he asked for it. We have given him reason to believe that. There was very slight change in the bill that we reported and in the bill that the President asked for.

Mr. TOWER. If the Senator will yield on that point, I might say, if the administration finds the adoption in the committee——

Mr. SPARKMAN. I hope we can get quick action on the bill.

Now, Mr. President, there are some amendments that will be proposed and, of course, we are ready to take them up.

The assistant majority leader (Mr. ROBERT C. BYRD) has just asked me if there would be any objection to setting the vote at 4:15 p.m. I told him that so far as I was concerned there would be no objection.

Mr. TOWER. I believe he did not intend to seek a consent agreement on that.

Mr. SPARKMAN. Not at all.

Mr. TOWER. A gentleman's understanding.

Mr. SPARKMAN. That is right.

Mr. TOWER. That we would probably put them off until then.

Mr. SPARKMAN. That is right.

But there is no reason why we should not take up amendments as they are offered.

Mr. STEVENSON. Will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. STEVENSON. I have some difficulty hearing the Senator's comments.

Mr. SPARKMAN. I am sorry; I had my back turned.

Mr. STEVENSON. I appreciate the opportunity to ask the Senator this question.

I had discussed the matter with the distinguished majority whip. It was my understanding that the gentleman's understanding to which the Senator just referred applied to all amendments, and I was not sure I understood the Senator. Did the Senator say that the understanding was that there would be no votes on the bill, or no votes on the bill and all amendments, before——

Mr. SPARKMAN. There would be no vote.

Mr. STEVENSON. I thank the Senator

Mr. SPARKMAN. Before 4:15; that was my understanding.

Mr. TOWER. Except voice votes

Mr. SPARKMAN. No rollcall votes.

Mr. STEVENSON. That was my understanding.

Mr. SPARKMAN. But, as I said, I see no reason why we should not continue with amendments.

Mr. TOWER. Mr. President, I would like to point out that this council could be established by the President by Executive order, but that the President specifically wanted the endorsement of Congress for the proposal. I believe he feels that gives it more weight, gives it more muscle, and gives it more authority.

From the standpoint of using the Council for some friendly persuasion, sometimes vulgarly known as jawboning, I think that this does give it more muscle. Therefore, I hope Congress will support him in this.

I fear that if we add too much in the way of substantive amendments that change the character of the measure, that probably the House would not accept it, and the President himself might find it unacceptable.

Mr. President, I ask unanimous consent that during the consideration of S. 3919 and amendments thereto, Mr. Edward Kemp of the committee staff be allowed access to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 1:30 p.m.

The motion was agreed to; and, at 12:55 p.m., the Senate took a recess until 1:30 p.m.; whereupon, the Senate reassembled, when called to order by the Presiding Officer (Mr. NELSON).

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NELSON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

AMENDMENT NO. 1807

Mr. STEVENSON. Mr. President, I call up an amendment which I have at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SECTION 1. This Act may be cited as the "Cost of Living Act of 1974".

FINDINGS AND PURPOSES

SEC. 2. It is hereby determined that inflation is a threat to the economic well-being of the Nation and its people. The purpose of this Act is to provide the President with a means of focusing attention on the causes of inflation, and encouraging steps necessary to restrain inflation.

PRESIDENTIAL AUTHORITY

SEC. 3. To carry out the purposes of this Act, the President shall—

(a) focus public attention on causes of inflation;

(b) monitor the economy as a whole, including such matters as wages, cost, productivity, prices, sales, profits, imports, exports, and industrial capacity;

(c) work with labor, management, and governmental agencies to encourage price and wage restraint and increase productivity;

(d) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(e) conduct public hearings as appropriate to provide public scrutiny of inflationary problems;

(f) review the activities of the Federal Government and the private sector which may have adverse effect on supply or cause inflationary price increases, and make recommendations for such changes as will increase supply and restrain prices;

(g) conduct a continuing review of the effect of economic concentration and anticompetitive practices on inflation and recommend legislation and take other appropriate action to reduce the inflationary impact of such concentration or practices;

(h) evaluate the reasonableness of wage and price increases which may have a material effect on inflation, taking into consideration cost of living, costs of production, productivity, and the resource needs of any sector of the economy; and

(i) delay the implementation, for up to forty-five days, of any price or wage increase which the President finds is likely to have a serious inflationary impact, and extend such delay for up to an additional forty-five days if the President finds that significant injury to the economy as a whole would otherwise result.

COST OF LIVING TASK FORCE

SEC. 4. (a) The President is authorized to establish, within the Executive Office of the President, a Cost of Living Task Force (hereinafter referred to as the "Task Force") to which he may delegate his authority under this Act.

(b) There shall be a Director of the Task Force who shall be appointed by the President and with the advice and consent of the

Senate. The Director shall be compensated at the rate prescribed for level III of the Executive Schedule by section 5314 of title 5 of the United States Code. There shall be a Deputy Director of the Task Force who shall be appointed by the President and be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5 of the United States Code. There shall be two Assistant Directors of the Task Force who shall be appointed by the President and be compensated at the rate prescribed for level V of the Executive Schedule by section 5316 of title 5 of the United States Code. The Director of the Task Force shall be the chief executive officer of the Task Force and shall perform such functions as the President may prescribe. The Deputy Director and Assistant Directors shall perform such functions as the Director may prescribe.

(c) The Director may appoint, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Task Force and to prescribe their duties. In addition to the number of positions which may be placed in GS–16, GS–17, and GS–18 under existing law, the Director may, without regard to the provisions of title 5 of the United States Code relating to appointments in the competitive service, place, not to exceed ten positions in GS–16, GS–17, and GS–18 to carry out the functions of the Task Force.

(d) The Director of the Task Force may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5 of the United States Code and compensate them at rates not in excess of the maximum daily rate prescribed for GS–18 by section 5332 of title 5 of the United States Code.

(e) The Director of the Task Force may, with their consent, utilize the services, personnel equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

(f) Under such regulations as the President may prescribe, officers and employees of the Government who are appointed, without a break of service of one or more workdays, to any position for carrying out functions under this Act are entitled, upon separation from such position, to reemployment in the position occupied at the time of appointment or in a position of comparable grade and salary.

ACQUISITION, CONFIDENTIALITY, AND DISCLOSURE OF INFORMATION

SEC. 5. (a) For purposes of carrying out this Act, the President may by regulation, order, or otherwise obtain such information from, require such reports and the keeping of such records by, make such inspections of the books, records, and other writings, premises, or property of, and take the sworn testimony of, and administer oaths and affirmations to, any person as may be necessary or appropriate. The authority to obtain information under this subsection or section of this Act does not extend to copies of disclosures to departments or agencies of the United States excepted from disclosure under subsection (b) of this section.

(b) The authority under this section shall be subject to the provisions of the Freedom of Information Act (5 U.S.C. 552).

SUBPENA POWER

SEC. 6. The Director of the Task Force, or his duly authorized agent, shall have authority, for any purpose related to this Act, to sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this section, the Director, or his delegate, may request the Attorney General to seek the aid of the United States district court for any district in which such person is found to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the agency.

REPORTS

SEC. 7. In transmitting the Economic Report required under section 3(a) of the Employment Act of 1946 (15 U.S.C. 1022), the President shall include a section describing the actions taken under this Act during the preceding year and giving his assessment of the progress attained in achieving the purposes of this Act. The President shall also transmit quarterly reports to the Congress not later than thirty days after the close of each calendar quarter describing the actions taken under this Act during the preceding quarter and giving his assessment of the progress attained in achieving the purpose of this Act.

FUNDING

SEC. 8. There is hereby authorized to be appropriated $5,000,000 for fiscal year 1975 to carry out the purposes of this Act.

EXPIRATION

SEC. 9. The authority under this Act expires at midnight, October 1, 1975.

Mr. STEVENSON. Mr. President, I offer the amendment on behalf of Senators JAVITS, PROXMIRE, MUSKIE, JOHNSTON, and MANSFIELD.

Mr. President, I have a modification which I shall send to the desk and ask that the amendment be so modified.

The PRESIDING OFFICER. The clerk will state the modification.

The assistant legislative clerk read as follows:

At the end of the bill, add the following new section:

"SECTION ——.

"The powers conferred on the President by this Act shall be in addition to, and not in derogation of, any other powers conferred upon the President by law. For purposes of administering and enforcing the Emergency Petroleum Allocation Act of 1973, nothing in this Act shall alter the Economic Stabilization Act of 1970 as incorporated by reference in the Emergency Petroleum Allocation Act of 1973."

The PRESIDING OFFICER. Without objection the amendment will be so modified.

The Senator from Illinois is recognized.

Mr. STEVENSON. Mr. President, this is a technical modification. It simply makes it clear that this amendment, if enacted, would not affect the President's authority under other existing laws, including the Emergency Petroleum Allocation Act of 1973.

Mr. President, it is past time that the Government took action against inflation. S. 3919 offers no action. It gives the President no authority he does not already have except the authority to spend another $1 million. That, Mr. President, is not opinion; it is a fact. It was freely acknowledged in the Banking Committee during markup on this bill last week.

The bill does not even mention monitoring of the reasonableness of price increases or wage settlements or the effect of economic concentration and anticompetitive behavior on prices.

It has no teeth; indeed, it has no jaw. It has no stick nor even a carrot. It is a cipher.

The bill gives the President no power to require information on price or wage decisions. It has no subpena power to strengthen the President's information-gathering authority. Even if it did contain such powers, it does not provide adequate funding to do the job.

It offers no power to restrain or defer excessive wage or price increases. It is cosmetic. It is mere window dressing and, to the extent it masquerades as action, it is a sham.

High prices are causing higher prices. Higher prices are causing higher wages, which bring on still higher prices. Last month the wholesale price index rose at an appalling annual rate of 44 percent. Without action, the country heads for economic anarchy. It is everybody for himself. And, of course, in such a scramble it is the weak who suffer the most. The most powerful forces of labor and business fend for themselves. But the public loses out, especially the poor and those on fixed incomes, like the elderly. Everybody loses out except the most powerful and, in the end, they lose, too. In the end, the public will demand drastic action, perhaps a reimposition of controls, a freeze or perhaps other action which could jeopardize our free enterprise system. Already, Mr. President, public opinion polls report that a majority of Americans, by 50 to 39 percent, support a reimposition of wage and price controls.

There is no single action which would end inflation, but some action must be taken to cool the inflationary psychology, and slow down the inflationary pressures now rampant.

This amendment gives the President the authority to act. The impotence of S. 3919 was made clear by the President's abortive attempt to prevent General Motors' announced price increases. The President deplored the increases, and that was all. GM went right ahead. S. 3919 would not change that.

This amendment, on the other hand, would give the President authority to monitor all sectors of the economy effectively. He could by regulation require reports on the justification for inflationary wage and price increases. If necessary, he could obtain that information through the exercise of subpena powers. Monitoring would be effective, if he chose to make it so.

The authority under the amendment could be delegated by the President to an agency of his choosing or to an agency composed as he chooses—with the expectation of Congress that any such agency would fairly represent all the segments and interests in our economy.

That agency would be authorized to spend $5 million. Its director would be subject to final confirmation. Its authority would expire October 1, 1975.

With adequate monitoring, the President would be in a position to anticipate inflationary decisions and to urge restraint—and failing that, he could defer excessive wage and price increases for up to two 45-day periods, but not for longer than 90 days.

In that period, public attention could be focused on the proposed increases. The President could, if necessary, bring additional pressures to bear. Jawboning would be given a chance to work.

Mr. President, this amendment does not authorize wage and price controls. It proposes monitoring and wage and price deferrals, as suggested by the Chairman and members of the Federal Reserve Board.

It has been argued that the authority to impose wage and price controls invites anticipatory wage and price increases. Whatever the merits of that argument, it is irrelevant here. I do not propose authority to impose wage and price controls, and the amendment offers no incentive to increase wages or prices. On the contrary, the chance that an inflationary price or wage increase would be deferred and spotlighted by the President of the United States would provide an effective disincentive to unjustifiable and inflationary increases.

The President has not called for this action. The Federal Reserve Board has. The President has called for action—but this bill offers none.

It is not altogether clear that the President personally would oppose the action offered by this amendment. If the President does not want to defer wage and price increases, he would not have to do so. The authority is permissive—not mandatory. The President has made it clear that he wants to monitor the economy. This amendment would give him the tools with which to do so. It is supportive of the President—and it offers the Congress a chance to act.

If the Congress fails to act, a Government which first imposed controls when prices were rising at a rate of 4.4 percent will reimpose controls or a freeze when they are rising at 44 percent, or 14 percent. I do not support a control program, except in the petroleum sector. This amendment, far from imposing controls, could make them unnecessary. It could help to cool the inflationary fevers. It should be enacted.

Mr. President, I am pleased to ask unanimous consent that the Senator from Wisconsin (Mr. NELSON) be added as a cosponsor of this amendment.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **STEVENSON**. Mr. President, I ask unanimous consent, also, that Mr. Stanley Marcuss of the Banking Committee staff, and Mr. Reid Feldman of Senator MUSKIE'S staff be permitted privileges of the floor during the debate and any vote on the amendments to this bill.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The question is on the amendment, as modified.

Mr. **TOWER**. Mr. President, the Senator from Illinois said that the President's personal position on his proposed amendment is not clear but I think I can make that position clear. It is in firm opposition to the amendment proposed by the Senator from Illinois.

It is not supportive of the President, it does not reflect what he asked for, and I would reiterate my plea this morning that we come out of here with a clean bill.

Now, there are many reasons why the amendment offered by the Senator from Illinois should be rejected. It goes far beyond the establishment of a wage-price monitoring council.

I really think that is all most of the country wants, a wage-price monitoring council. As a matter of fact, I believe that organized labor has even expressed some apprehension of that, and I think that if we get into the business of controls, we are not going to have a bill. I do not think we could get one by the Senate if we reimposed controls.

So let us note what this amendment does.

It will allow the President to delay up to 90 days the implementation of wage and price increases. That, by definition, is a control, in effect. To impose a freeze for 90 days is a control, and this control would create all of the distortions, dislocations, anomalies, inequities, shortages, that are associated with the system of controls.

The existence of this authority would place the President in the position of being under intense pressure to use this control authority and the President does not want that. The fact that that authority existed and that there would be pressure upon the President to use it would, I think, serve as an anticipatory inflationary factor.

Further, it would allow the President to evaluate the reasonableness of wage and price increases. This places the Council in the position of reviewing individual wage and price increases beyond the scope of monitoring and it would substitute the decisions of the marketplace, decisions of what is reasonable in the minds of the members of the Council.

The amendment would further grant the President authority to obtain information from the public and to require special records and reports deemed necessary and authorize subpena power for the Council to obtain such information.

Now, this would endow the Council with all of the authority which the Cost of Living Council had for obtaining information. The controls administered by the Cost of Living Council have been discredited and nobody wants them back. Business does not want them, labor does not want them, and agriculture does not want them. No major segment of the economy wants reimposition of control authority.

This subpena power would result in the same redtape procedures and expenses as those that were imposed by the Cost of Living Council.

So the proposal of the Senator from Illinois is a step toward controls. I think it would exacerbate the inflationary process, and I hope that it will be rejected. It is not supportive of the President. It is not what he asked for.

The House of Representatives is considering, under suspension of the rules, at this moment, a clean bill which differs only in small and insignificant degree from the bill that we are now considering.

It is my hope that we will be able to send over to the House a clean bill which could be acted upon expeditiously. I am hopeful that, by keeping the bill clean, we can resolve whatever differences may exist if the House does not accept the Senate amendments.

It seems to me they might accept the Senate amendments, so that we will not have to go to conference. Even if we did, the differences are so minor they could be easily worked out.

We could get this bill out to the President's desk before we leave for recess. I believe it is incumbent upon us to do that.

This is the first thing that the President has asked for. Nobody is going to maintain the pretense that this is going to stop inflation, but it is an anti-inflationary tool in the hands of the President, and it is the tool that he wants. I believe that any tampering with the marketplace beyond this is going to put us right back in the same position we were in under the now discredited wage and price control system.

So I hope we can get this bill to the President right away. It may be that after the council is put into operation, it will want to recommend more legislation for Congress to consider, to perhaps further extend the authority of the President and the council through various means to deal with the problem of inflation.

I think it is important that government get its fiscal and monetary house in order before we go seek to impose narrow proscriptions on business, labor, and agriculture in the free marketplace.

So I urge my colleagues to reject the amendment that has been offered by the Senator from Illinois.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **MUSKIE**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The Senator from Maine is recognized.

Mr. **MUSKIE**. Mr. President, S. 3919, which the Senate considers today, has an important goal: the establishment of an economic monitoring agency, to provide an institutional focus for the Federal Government's fight against inflation. But the agency which S. 3919 would establish—named the "Council on Wage and Price Stability"—would simply be inadequate to deal with our grave and complex inflationary problems. Under S. 3919, the Council on Wage and Price Stability would be handicapped with minimal information-gathering powers and resources too scanty to provide the in-depth analysis of inflation we need. The accountability of the Council to Congress and to the public would be nil. And, most important, S. 3919 would not grant the President the authority he needs to take firm action to fight inflation.

Mr. President, if the establishment of an economic monitoring agency is to be anything more than window dressing, that Agency must have adequate authority, and resources, to do its job thoroughly. Together with Senators STEVENSON, JOHNSTON, JAVITS, and PROXMIRE, I propose to substitute, for the language of S. 3919, the provisions of amendment No. 1807, which would create an economic monitoring agency which meets that test.

This proposal, identical to S. 3918, which I introduced last Thursday, August 15, with the cosponsorship of Senators STEVENSON, JOHNSTON, and MANSFIELD, would establish a Cost of Living Task Force with a broad mandate to monitor and analyze inflation and its causes; power to gather information by reports from various sectors of the economy, and by subpena; a budget of $5 million, to allow for sufficient staff resources for the monitoring task; requirements to provide accountability to the public, through quarterly reports to Congress and Senate approval of the monitoring agency's Director; and authority to delay wage and price increases with "significant inflationary impact" for 45 days, and extend the delay for an additional 45 days to avoid "significant injury to the economy as a whole."

Mr. President, establishing an economic monitoring agency, of course, is only one of the actions we must take in order to begin combating inflation. It does not promise a solution to the problem. But a monitoring agency can provide an alert to special short-term inflationary and shortage problems, and continuing study of long-term inflationary trends and their causes; and can help fashion thoughtful long-term anti-inflation policies. At the same time, economic monitoring legislation can provide a mechanism, and the authority, to allow the executive branch to encourage voluntary restraint by business and labor, dampen inflationary psychology throughout the economy, and slow the ratchet of cost-push inflation by delaying those wage and price increases which might be unjustified and irresponsible.

I was gratified when President Ford last week called for Congress to reactivate the Cost of Living Council, which was allowed to expire last April.

Earlier this year, Senators STEVENSON, JOHNSTON, and I advanced a series of legislative proposals to achieve this purpose. I would like to express my tribute to their foresight at that time in undertaking to do so.

On March 5, I cosponsored Senator STEVENSON'S bill, S. 3114, to extend, in restricted form, economic monitoring and control authority under the Economic Stabilization Act. Senator JOHNSTON, chairman of the Subcommittee on Production and Stabilization of the Senate Banking Committee, proposed a similar measure, but in late March the Senate Banking Committee voted against any continuation of economic monitoring or wage and price control authority.

I felt strongly enough about the need to continue an economic monitoring agency to propose such a measure in the form of S. 3352, introduced on April 11, 1974, with the cosponsorship of the Democratic leadership and 13 other Senators. Although at that time I favored the retention of standby control authority, I drafted S. 3352 to continue only monitoring authority, to avoid the objections of those who opposed controls of any sort. When I presented this proposal to the Democratic conference, many of my colleagues agreed with me that its provisions, as well as additional standby wage and price control authority, were justified. Senators STEVENSON, JOHNSTON, and I jointly drafted a measure which contained all those provisions, and introduced it on April 29 as amendment No. 1229 to S. 3986, the appropriations bill for the Council on International Economic Policy. In debate in the Senate on succeeding days however, the standby control provision of this legislation was disapproved, and the authority for economic monitoring was so diluted on the Senate floor as to be meaningless. The result was that the entire proposal was laid aside.

But in the months since we last took this issue to the Senate floor, double-digit inflation has continued unchecked. The figures show that the Consumer Price Index has increased at an annual rate of 12.6 percent over the last months. The annual rate of increase in the Wholesale Price Index was 44 percent last month, over 55 percent at a compound annual rate—promising more consumer price inflation in the months to come.

Double-digit inflation has proven to be persistent, pervasive, and pernicious. It has not been chased away by the rosy predictions of administration economists. It is clearly a problem that demands special attention by the Federal Government.

But S. 3919, the bill to establish a Council on Wage and Price Stability, would mandate only a shadow of the required anti-inflation effort. As reported to the Senate, this bill, with only minor changes, is identical to the proposal made by President Nixon on August 2 and introduced by Senators SPARKMAN and TOWER on August 20 as S. 3984. It would establish a Council of eight members, with four advisory members, to perform limited monitoring functions. The funding authorized for this agency would be enough for the equivalent of only about 36 full-time positions, including both clerical and professional. The agency would not be required to regularly report to the Congress or the public, and its officials would not be subject to Senate confirmation. And S. 3919 would give the President no authority to take any but hortatory action to restrain wage and price increases.

Mr. President, instead of the inadequate Council on Wage and Price Stability established by S. 3919, our substitute amendment No. 1807 would create a Cost of Living Task Force with the staff resources sufficient to study in depth the special inflationary and shortage problems of each economic sector, and authority to gather data not now publicly available. This agency would be accountable to the Congress and to the public, through quarterly reports on its activities and Senate confirmation of its Director. And our proposal would grant the President authority to delay, for up to 90 days, individual price and wage increases which would otherwise be particularly damaging to the fight against inflation. Each of these elements is essential for economic monitoring to be effective.

First, our amendment provides sufficient funding—of $5 million in fiscal year 1975, instead of the $1 million proposed by S. 3919. With an authorization of only $1 million, the monitoring agency would be restricted to a maximum staff of about 36—allowing for fewer than 20 professionals—including the Director and Deputy Director—to perform the economic monitoring task. The complexity of our inflationary problem, however, requires a much more comprehensive effort than that.

An economic monitoring agency should have the capability, for example, to examine the components and causes of inflation in each sector of the economy. We need to know a lot more, for instance, about price increases for different agricultural products: why the seasonally adjusted annual rate of increase over the last 3 months for cereals and bakery products was 19.5 percent, and for fruit and vegetables 33.8 percent, but for dairy products only 7.5 percent. Or why consumer prices of household durables are increasing at about twice the rate of other durable products. We also need to know how the figures for each of these commodities are expected to change, and how Government action can be channeled to alleviate future increases in each sector.

To do this job, a monitoring agency needs staff adequate to develop and analyze special forecasting-type data, which is not now available from any other Federal agency. For instance, to understand construction cost increases, we should know about the pattern of wage increases, by locality, throughout the construction industry. To evaluate adequately the impact of a price increase in a particular commodity, for example, we should know which industries, and which manufacturing processes, depend upon that commodity, and whether substitutes are available.

Adequate staff resources are also needed to evaluate the effect of numerous Federal decisions on prices and the availability of domestic products. A comprehensive picture of our import and export policy, for example, requires monitoring decisions made by the Agriculture Department, the Treasury Department, the Commerce Department, the Federal Energy Office and our trade negotiators. To understand how Federal regulatory decisions affect price increases requires monitoring the actions of dozens of agencies, including the Department of Transportation, the FTC, the ICC, the Environmental Protection Agency, and others. And to forecast production of our domestic resources requires monitoring the decisions of still other agencies, including HUD, the Agriculture Department, the Interior Department, and the Federal Energy Office.

A dozen or two professional staff members could barely make a start at evaluating inflation in our complex economy. By providing an authorization of $5 million, our proposal would allow funding and support of a staff equivalent to 180 members, professional and clerical. With about $25 billion of the annual increase in our gross national product attributable to inflation, an expenditure of $5 million is surely justified to help us understand and deal with this problem.

Second, Mr. President, our proposal includes the data-gathering authority which is essential for an economic monitoring agency to be effective. Section 5 of our proposal allows the President to obtain information, reports, and recordkeeping by the private sector. This authority would allow the economic monitoring agency to obtain the prenotification of price increases, to provide advance warning of unjustified inflationary actions. In addition, section 6 of our proposal allows for subpena of witnesses and records, to provide for adequate evaluation of particular price or wage actions. Only with these information-gathering powers, which S. 3919 does not contain, could an economic monitoring agency have access to the data it needs to analyze and deal with inflationary problems.

Third, Mr. President, our proposal includes two specific provisions to insure accountability of the economic monitoring agency to Congress and to the public. Section 7 of our amendment would require quarterly reports to Congress, and a special section of the President's annual economic report, to recount the actions taken by the monitoring agency and assess progress in meeting inflation. In addition, our proposal requires that the Director of the economic monitoring agency be confirmed by the Senate. S. 3919 contains only the ambiguous provision that the monitoring agency report "from time to time" and contains no provisions for Senate confirmation.

Finally, Mr. President, our proposal grants to the President authority to take firm, positive action to deal with inflation by delaying the implementation of specific price or wage increases. Under the language of section 3(i) of our proposal, a price or wage increase could be delayed for up to 45 days if the President finds it is "likely to have a serious inflationary impact." This delay could be extended for up to an additional 45 days if the President found that "significant injury to the economy as a whole would otherwise result."

This flexible delay authority would not signal a return to wage and price controls. But it would give the President authority to deal sternly with the few wage or price increases he might find to be unjustified, and harmful to the economy. Delaying a selected few wage and price increases could slow down the ratchet effect of cost-push inflation in those few special cases where the increase would have "serious inflationary impact," or "significant injury to the economy as a whole." The delay authority, Mr. President, would also allow the issues surrounding a particular price or wage increase to be aired during the delay period, through public hearings which the monitoring agency is authorized to conduct. In addition, the delay authority would give the President the residual authority he needs to back up his efforts to persuade business and labor to follow, voluntarily, a course of economic responsibility.

The limited delay authority in our proposal would be merely a "stick in the closet"—not the blunt "club" of wage-price controls, which the Nixon administration misused so badly over the past 3 years, but simply the capacity to take minimal action to slow down unjustified increases and dampen the psychology of inflation.

There is no evidence or logic to support the argument that granting this limited delay authority would lead to anticipatory wage and price increases. The prospect of future inflation, on the contrary, is already prodding business and labor to ask for the largest possible increases they can obtain. Granting discretionary delay authority to the President could only encourage responsibility by business and labor, and help insure the success of any purely voluntary inflation control action he might take.

Economists, at both ends of the ideological spectrum support this concept. Arthur Burns, Chairman of the Federal Reserve Board, in fact, originated this concept, and repeated his endorsement of it in testimony on August 6, 1974, before the Joint Economic Committee, where he called for an economic monitoring agency and ad hoc review boards with power to do the following:

> Delay wage and price increases in key industries, hold hearings, make recommendations, monitor results, issue reports, and thus bring the force of public opinion to bear on wage and price changes that appear to involve an abuse of economic power.

Delay authority such as this has also been endorsed by Walter Heller, former Chairman of the Council of Economic Advisers, who has gone even further, calling for wage and price rollback authority. I ask unanimous consent, Mr. President, that statements of Mr. Burns and Mr. Heller be printed in the RECORD at the conclusion of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **MUSKIE**. The delay authority contained in our proposal, held in reserve, would supplement the other important positive actions in controlling inflation which the President and the economic monitoring agency could take, such as working with government, management, and labor in particular sectors; calling attention, publicly and privately, to the need for voluntary restraint in selected instances; reviewing economic concentration as it affects inflation; and conducting hearings on inflationary problems. Adding the delay authority to those other functions would give the Government a full range of options to respond to current and future inflationary problems.

Mr. President, it is evident that Congress will act quickly on the proposal to establish an economic monitoring agency, as the President has requested. And it is appropriate that we should grant reasonable requests of this new administration to deal with this most pressing of domestic problems. But, Mr. President, my colleagues and I simply could not let this opportunity pass without making this effort to clothe that authority with real substance and meaning. If we are going to give this problem of licking inflation a new, fresh effort, it seems to me that we ought to do everything we can to make sure that we are properly armed.

So we must be certain, in our prompt response to the President's request, that the legislation we pass is strong enough to deal with the problems it addresses. Unfortunately, S. 3919 would provide only an ineffective shell of a monitoring agency, without adequate resources or authority. Frankly, that legislation offers little real hope for firm Federal action to meet inflation.

If that legislation is enacted without being strengthened, I would be surprised if the President did not shortly regret that he did not have more adequate authority.

Only a strong monitoring agency, armed with Presidential authority to delay price and wage increases, will have the capacity to take on the comprehensive monitoring task, to give continuing attention to long-term inflation problems, and to give us confidence that the Executive will have the authority necessary to take the firm anti-inflationary action we need. The provisions of our substitute amendment meet those criteria.

On the record of our experience of last spring, I am not too optimistic of our ability to persuade the Senate to accept our proposal. I regret that. But our sense of responsibility is too strong for us to abandon our effort to arm the Government adequately for the fight against inflation.

I close with one more thought. Today government at all levels is plagued with lack of credibility. I suspect that all 100 of us have said that, time and time again. But this afternoon we have an unusual opportunity to build on the excellent start made by the new President, and engage the confidence of the country, by passing an anti-inflationary measure which the country will perceive as meaningful and deserving of support. This opportunity should not pass us by. So I urge the Senate to support our proposal.

EXHIBIT 1

STATEMENT BY ARTHUR F. BURNS, CHAIRMAN, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM BEFORE THE JOINT ECONOMIC COMMITTEE, AUGUST 6, 1974

I am pleased to appear before this Committee once again to present the views of the Board of Governors on the condition of the national economy.

Our country is now struggling with a very serious problem of inflation. In the past twelve months, the consumer price level has risen by 11 per cent; wholesale prices have risen even faster. When prices rise with such speed, inflation comes to dominate nearly every aspect of economic life.

The current inflation is of world-wide scope and of virulent intensity. Among the principal industrial countries, consumer prices over the past year have risen anywhere from 7 to over 20 per cent, while wholesale prices have advanced from 15 to over 40 per cent. Inflation is also raging among the less developed countries, and apparently in socialist countries as well as in those practicing free enterprise.

A major cause of the stepped-up rate of inflation around the world was the coincidence of booming economic activity among major industrial nations during 1972 and 1973. With production rising rapidly, prices of labor, materials, and finished products were bid up everywhere. The pressures of demand were particularly acute for industrial materials; severe shortages developed and prices of these commodities skyrocketed.

The impact of world-wide inflation on our own price level was magnified by the decline since 1971 in the value of the dollar in foreign exchange markets. Higher prices of foreign currencies raised the dollar prices of imported goods, and these price increases were transmitted to domestic substitutes as well as to finished products based on imported materials. Moreover, as the dollar became cheaper for foreign buyers, our export trade increased rapidly and thus reinforced the pressure of demand on domestic resources.

Other special factors have also contributed to the higher rate of inflation since the beginning of last year. Disappointing harvests in 1972—both here and abroad—forced a sharp runup in food prices during 1973. And the manipulation of petroleum shipments and prices by oil-exporting countries has caused a spectacular advance since last fall in the prices of gasoline, heating oil, and other petroleum products.

More recently, the removal of direct controls over wages and prices has been followed by sharp upward adjustments in both labor and commodity markets.

The inflation that we have been experiencing has already caused injury to millions of people and its continuance threatens further and more serious damage to the national economy.

As a result of the inflation, consumer purchasing power is being eroded. During the past year, the take-home pay of the typical worker declined nearly 5 per cent in real terms.

As a result of the inflation, the real value of the savings deposits, pensions, and life insurance policies of the American public has diminished.

As a result of the inflation, financial markets are experiencing strains and stresses. Interest rates have moved skyward. Some financial and industrial firms have found it more difficult to roll over their commercial paper or to raise needed funds through other channels. Savings flows to thrift institutions have diminished, and stock prices have plummeted.

As a result of the inflation, profits reported by corporations have risen sharply; but much of the reported profit is illusory because it fails to take into account the need to replace inventories, plant, and equipment at appreciably higher prices.

In short, as a result of the inflation, much of the planning that American business firms and households customarily do has been upset and become confused. The state of confidence has deteriorated and the driving force of economic expansion has been blunted.

It should not be surprising, therefore, that the physical performance of the economy has remained sluggish in recent months, despite the lifting of the oil embargo that depressed the economy last winter. Auto sales have recovered somewhat since March, but total retail sales—allowing for price advances—have continued to move sidewise. Residential building activity is in a slump. Although the volume of new housing starts rose a little in June, the average for the second quarter fell and the number of new building permits also declined. Actually, most major sectors of the economy recorded little or no change of activity in the second quarter, and early estimates suggest a slight further reduction of the real gross national product in that three-month period.

Recent economic movements do not have, however, the characteristics of a cumulative decline in business activity. In a typical business recession, all—or nearly all—comprehensive indicators of economic activity move downward simultaneously. That is not the case presently. For example, the demand for labor has remained strong. Employment has continued to rise, and the unemployment rate appears to be at about the same level now as it was in January.

In the industrial sector, production has recovered somewhat over recent months; factory shipments have continued their upward course; and new orders received by manufacturers of capital goods have risen further. Unfilled orders on the books of business firms, especially in the capital goods industrials, are enormous and are still advancing, as shortages of critical materials and parts continue to hold back production schedules.

In addition to the business capital sector, our export markets are a source of continuing strength to the economy. Also, some businesses are adding significantly to their inventories, in order to replenish depleted stocks and bring them into better balance with sales. These sources of strength have kept up activity in the industrial sector and have prevented the downward tendencies in our economy from cumulating in the manner characteristic of economic recessions.

We should, however, act decisively to bring inflation under control before these remaining sources of strength are undermind. If interest rates continue to soar, if construction costs and equipment prices continue to rise at a feverish pace, if our export prices continue to mount, we may eventually find that incentives for business investment are being eaten away and that our export markets are shrinking.

Let me turn now to the condition of international financial markets and recent trends in our international trade and payments accounts.

Our foreign trade balance has moved into deficit this year, principally because of the huge increase in the bill for imported oil. The dollar value of our fuel imports rose from an annual rate of $8 billion in the second quarter of 1973 a $28 billion rate in the second quarter of this year. The deterioration in the overall trade account was much less than this, however, since our exports the past year have risen much more than imports outside the petroleum category.

Partly for these reasons, partly also because our money and capital markets have been attracting funds from oil-exporting nations, the high price of imported oil has not created a serious balance of payments problem for the United States. Uncertainties surrounding the effects of recent oil prices have given rise to large and rather unsettling swings in the value of the dollar relative to other currencies since last October, but on balance the dollar is stronger now that it was at that time. The value of the dollar in exchange markets began to recover last October, fell once again between this February and May, and since then has gathered some strength. At present, the average price of the dollar in exchange markets, although below the high point reached in January, is still about 6 per cent higher than it was in October of last year, before the oil crisis. Intervention in exchange markets by the Federal Reserve and other central banks, while not extensive, has helped to prevent exchange rate fluctuations from becoming unduly large and upsetting to the calculations of firms operating in international markets.

Other oil-importing countries have fared less well during this difficult period of high and rising oil prices. For many of the less developed nations around the world, the rising costs of fuel and fertilizer have shattered plans for economic development. Industrialized nations also—notably Italy and to a lesser extent other countries such as Japan—have experienced severe strains in their international payments accounts. And all oil-importing countries have suffered a significant loss of consumer purchasing power due to the massive increase in fuel costs.

Unless the price of oil declines materially the oil-importing nations as a group cannot avoid sizable deficits in their current international accounts. This situation is fraught with danger for the stability of international financial markets. It is by no means clear that private financial institutions will be able to recycle the huge surpluses of the oil-exporting nations to the many nations of the world that are experiencing current account deficits. A substantial decline in the price of oil is, in my judgment, essential and requires the closest attention of the world's statesmen.

Strains in the international financial system will, of course, be reduced if the oil-exporting nations use their surpluses to provide assistance to countries with current account deficits—if not directly, then indirectly through international financial institutions. Tension in international financial markets will also be lessened if countries throughout the industrialized world, besides practicing conservation in the use of oil, assign high priority to gaining control over their internal inflationary problem. Most of them are now relying on monetary or fiscal restraints for that purpose and the world-wide boom in economic activity is therefore abating. If we and other nations around the world persist in this struggle, the raging fires of inflation will eventually burn themselves out.

In our own country, the battle against inflation has relied heavily on monetary restraint. The Federal Reserve recognizes that a restrictive monetary policy is bound to cause some inconvenience and even hardships. While we have tried to apply the monetary brakes firmly enough to get results, we have also been mindful of the need to avoid a credit crunch.

Thus, the supply of money and credit has continued to grow. During the past twelve months, the narrowly-defined money stock—that is, currency plus demand deposits—has increased 5½ per cent, while the loans and investments by commercial banks have risen by 12 per cent.

Since the beginning of this year, the annual rate of growth of these two magnitudes has been a little higher—6¼ per cent for the narrow money stock and 13½ per cent for total bank loans and investments. For one category of credit—namely, business loans of commercial banks—the annual rate of growth has been much higher, in fact over 20 per cent during the first half of this year.

Clearly, the American economy is not being starved for funds. On the contrary, growth of money and credit is still proceeding at a faster rate than is consistent with general price stability over the longer term.

Yet, the demand for money and credit has been rising at a very much faster pace than supply. This huge and growing demand for borrowed funds reflects the continuing strength of business capital investment; it reflects the efforts of many firms to rebuild inventories that were depleted by earlier shortages and slow deliveries; it reflects the inflated prices at which inventories must now be replenished; and it reflects, to some degree, anticipatory borrowing by those who fear that credit may later be unavailable or be still more costly.

In any event, with the demand for credit expanding much more rapidly than supply, credit markets have tightened, and interest rates have risen to levels such as we have not previously known in over a century of our nation's recorded experience.

For example, the rate of interest that commercial banks charge on short-term loans to their largest and best known business customers has risen to 12 per cent. In recent weeks, many of these same business firms have been paying from 11½ to 12¼ per cent in the commercial paper market. Long-term interest rates have also risen substantially. The highest-grade corporate bonds are selling at yields around 10 per cent; rates on tax-exempt securities have been averaging about 6½ per cent. Home buyers now face mortgage interest rates of 9 per cent or more.

These interest rate levels are disquieting. They cause difficulties for many individuals and pose a threat to the viability of some of our industries and financial institutions. But we cannot realistically expect a lasting decline in the level of interest rates until inflation is brought under control. When the rate of inflation is 11 or 12 per cent, an interest rate of even 10 per cent means that the rate of return to the lender, in real terms, is negative.

Evidence is accumulating that the restrictive policy pursued by the Federal Reserve is helping to moderate aggregate demand by reducing the availability of credit to potential borrowers and disciplining inflationary psychology. In the first half of last year, the credit extended to private domestic borrowers increased at an annual rate of $165 billion and amounted to about 14½ per cent of the private component of the gross national product. Estimates for the first half of this year suggest that the rate of aggregate private credit expansion has fallen to about $145 billion, or 11½ per cent of private GNP.

Of late, many businesses attempting to borrow at commercial banks have found it more difficult to obtain loans. The public securities markets have also been less receptive. Since the beginning of this June, cancellations or postponements of corporate bond and stock offerings have amounted to almost $2 billion. State and local governments have also been affected; cancellations or postponements of municipal security offerings since early June have amounted to about $800 million.

Some sectors of our economy now face unusually difficult problems. The housing industry—which had already been suffering from the erosion of workers' purchasing power, from rising construction and land costs, from fears of a gasoline shortage, and from overbuilding in some areas—is now experiencing added hardships because of soaring interest rates and reduced availability of mortgage credit at savings institutions and commercial banks. Public utilities have also been caught in a squeeze; the rates charged to their customers have lagged behind the prices of fuel and other materials, while rising interest rates have been adding to the costs of debt service.

During the recent boom, some carelessness crept into our financial system, as usually happens in a time of inflation. Some commercial banks permitted their liabilities to grow much faster than their capital. They also allowed dependence on volatile funds—such as overnight loans from other banks, certificates of deposit, and Eurodollars—to reduce their liquidity. The great majority of our banks have been managed prudently; but in some instances unhealthy practices have turned up—such as speculating in foreign exchange or acquiring large amounts of long-dated securities.

Striving for quick profits is a characteristic feature of an inflationary boom. In fact, our entire business system has come to rely on credit too heavily, as so often happens in a time of exuberance. But financial adventuring on the part of banking firms—whether in the United States or abroad—is especially deplorable, since mistakes on the part of individual banks can have pervasive effects on the state of confidence.

Taken as a whole, however, the commercial banking system in the United States is entirely sound, and it can be counted on to continue to function efficiently. My judgment is based on the actual condition of our banks, and it reflects also the state of readiness of the Federal Reserve to deal with such temporary financial problems as may arise.

The Federal Reserve stands ready, as the nation's lender of last resort, to come promptly to the assistance of any solvent bank experiencing a serious liquidity problem. Besides, the Federal Reserve has long had on hand well-laid contingency plans for assisting, if the necessity should arise, other types of enterprises experiencing liquidity problems.

The need to activate these plans appears remote. But the resources of the Federal Reserve are enormous, and there should be no uncertainty about our readiness to deal with financial emergencies.

Tensions in financial markets have lessened in recent weeks, but they may continue to trouble us until more evidence appears that the rate of inflation shows promise of diminishing. There are a few hopeful signs that price increases may abate during the second half of this year, but they are inconclusive.

The role of the special factors that served to accelerate price increases during the past year or two is now waning. Food and fuel prices have recently contributed less to the rise in the consumer price level than they did in 1973 or early 1974. The boom in our own economy and that of other nations has tapered off, and the pressure of demand on available industrial capacity should therefore continue to diminish.

The underlying problem of inflation, however, remains very grave. The Federal budget continues to be in deficit. Farm prices, which had a downward trend during the past ten months, have again staged a spirited recovery in the past few weeks. Shortages of materials and component parts—for example, steel, aluminum, coal, bearings, electric motors, forgings—continue to be troublesome.

Most serious of all, the rise of wage rates has accelerated sharply this year, while industrial productivity has been stagnating. Hourly earnings in the private nonfarm economy rose at an average annual rate of 10 per cent during the second quarter, and labor costs per unit of output rose faster still.

Progress can still be made this year in slowing the rate of advance in our price level, and it is urgent that we do so. We must face squarely the magnitude of the task that lies ahead. A return to general price stability will require a national commitment to fight inflation this year and in the years to come.

For a time, we should be prepared to tolerate a slower rate of economic growth and a higher rate of unemployment than any of us would like. A period of slow growth is needed to permit an unwinding of the inflationary processes that have been built into our economy through years of neglect. I believe the American people understand this, and are prepared to make the sacrifices necessary to stop inflation.

There are, of course, risks that a period of slow economic expansion will lead to a gradual weakening of demand for goods and services, to a deterioration in the economic outlook, and to cumulative recessionary tendencies. Public policy cannot ignore this possibility. But the principal danger our country faces today is from the corrosive effects of inflation. If long continued, inflation at anything like present rate would threaten the foundations of our society.

The proper course for public policy, therefore, is to fight inflation with all the energy we can muster.

Monetary policy must play a key role in this endeavor, and we in the Federal Reserve recognize that fact. Our actions this year have signaled a firm resolve to stick to a course of monetary restraint until the forces of inflation are under good control. We are determined to reduce over time the rate of monetary and credit expansion to a pace consistent with a stable price level.

However, monetary policy should not be relied upon exclusively in the fight against inflation. Fiscal restraint is also urgently needed. Strenuous efforts should be made to pare Federal budget expenditures in fiscal 1975. The Congress should resist any temptation to stimulate economic activity by a general tax cut or a new public works program.

Greater assistance from fiscal policy in the fight against inflation could, I believe, have dramatic effects on our financial markets. Even if no change were made in the course of monetary policy, interest rates would tend to fall and the stock and bond markets revive. Such developments would be of enormous benefit to the working of financial markets and to industries such as homebuilding that depend heavily on credit.

There may well be justification for governmental assistance to housing or other activities that are especially hard hit by a policy of monetary restraint. An expanded public-service employment program may also be needed if unemployment rises further. But government should not try to compensate fully for all the inconvenience or actual hardship that may ensue from its struggle against inflation. Public policy must not negate with one hand what it is doing with the other.

There are other actions that would be of help in speeding the return to general price stability. Fresh efforts should be made to bring our nation's business and labor leaders together to discuss their common interest in checking the wage-price spiral. A degree of governmental intervention in wage and price developments in pace-setting industries might also be helpful.

In the construction industry, the pace of wage increases is once again accelerating, and the progress made earlier through the Construction Industry Stabilization Committee could easily be lost. Reestablishment of that Committee would be in the public interest. The Board of Governors would also urge the Congress to reestablish the Cost of Living Council and to empower it, as the need arises, to appoint *ad hoc* review boards that could delay wage and price increases in key industries, hold hearings, make recommendations, monitor results, issue reports, and thus bring the force of public opinion to bear on wage and price changes that appear to involve an abuse of economic power.

Encouragement to capital investment by revising the structure of tax revenues may also be helpful, as would other efforts to enlarge our supply potential. For example, minimum wage laws could be modified to increase job opportunities for teenagers, and reforms are still needed to eliminate restrictive practices in the private sector—such as featherbedding and outdated building codes. We also need to enforce the anti-trust laws more firmly and stiffen penalties for their violation.

A concerted national effort to end inflation requires explicit recognition of general price stability as a primary objective of public policy. This might best be done promptly through a concurrent resolution by the Congress, to be followed later by an appropriate amendment to the Employment Act of 1946. Such actions would heighten the resolve of the Congress and the Executive to deal thoroughly with the inflationary implications of all new governmental programs and policies, including those that add to private costs as well as those that raise Federal expenditures.

This illustrious Committee has on past occasions provided timely and courageous leadership to the Congress and to the nation. The opportunity has arisen once again for the Joint Economic Committee to help our country find its way out of the great peril posed by raging inflation. Our people are weary, and they are anxiously awaiting positive and persuasive steps by their government to arrest inflation and to restore general price stability. The Federal Reserve pledges to you its full cooperation in your search for ways to restore a stable and lasting prosperity.

Opening Statement of Walter W. Heller, Regents' Professor of Economics, University of Minnesota, Before the Joint Economic Committee

In addition to the customary review of economic developments and policy, Senator Proxmire has asked for suggestions on aspects of the inflation problem that the Joint Economic Committee should examine in response to the Senate resolution instructing it to undertake an emergency study of the state of the economy with special reference to inflation. I will open with a list of such suggestions and continue with a statement of my own conclusions and convictions concerning the handling of the inflation problem in the light of the steadily worsening outlook for economic recovery.

At the outset, let me say that, with or without a Senate (and House) resolution, it is high time for the kind of sober and balanced analysis that the Joint Economic Committee can bring to the inflation problem. We are clearly in the grip of an inflation psychosis—in a recent survey, 87% of the public list inflation as their number one concern. In the fact of dangerous double-digit inflation and our almost traumatic state of mind about it, we run substantial risks of over-reacting, of practicing one-dimensional economics that counts—or over-counts—the benefits of tight money and budget austerity without adequately weighing the costs. A judicious inquiry by your Committee can help us attain a balanced perspective on the problem. It can help us avoid that worst of all worlds: Selling our soul—full employment and fair sharing of benefits and burdens—to that devil, inflation, and not getting deliverance in the bargain.

In the process of its investigation, the Committee will face an agenda of unrelentingly hard questions. Let me list some of the major ones, together with occasional suggestions as to where the answers may lie.

An obvious starting point of the inquiry would be to sort out the causes of our current inflation, attempting particularly to distinguish between the endemic and epidemic aspects of the problem. Identifying the causes of the 1973–74 inflation will help us fashion the appropriate cures—or at least avoid the inappropriate ones. This is not to say that understanding how the inflation genie got out of the bottle will readily tell us how to put him back in. But if inflation today is really in large part the lingering legacy of excess domestic demand, a policy of super-tight money and budget restraint is more appropriate than if, as I suspect, much of it has a one-shot character associated with food, fuel, and raw commodity price explosions. And going on from there, the Committee will want to determine how much of the one-shot inflation is being built into the fabric of the cost and price structure through the gathering momentum of the new price-wage spiral.

As already implied, a closely related question is whether inflation will succumb to the pressure of tight money and austere fiscal policy. Here, the spectre of 1969–70 haunts us. Tightening first the fiscal and then the monetary screws, thereby generating a recession and 6% unemployment, did not prevent inflation from steadily worsening until prices and wages were frozen. Why the game plan that failed so miserably in 1969–71 should suddenly be resurrected and offered as our economic salvation in 1974–75 is anything but clear to me. Careful econometric analyses by James Tobin (in the most recent Brookings *Papers on Economic Activity*) and by Otto Eckstein (in publications of Data Resources, Inc.) agree that if we simply go the route of severe monetary-fiscal restraint, we would have to endure a sustained and heavy unemployment to subdue inflation. Eckstein estimates that it would take at least two years of 8% unemployment to cut inflation back to a 4% rate. He rightly dubs this "overkill" and concludes that "the financial system would collapse before we cracked inflation."

Since a large part of the damage done by inflation is distributional—inequities between those on fixed and those on responsive incomes, between the poor who spend a high percentage of their income on food, fuel, and housing, and the well-to-do for whom such outlays are proportionately much smaller, and so on—an important part of the Committee's inquiry should focus on who gains and who loses from inflation (for which the study by G. L. Bach in the July/August 1974 *Challenge* is a good point of departure). But two caveats are in order:

The 1973–74 inflation *is* different. Where inflationary pressures are generated by vigorous monetary-fiscal expansion that tightens labor markets, the poor tend to gain in increased jobs and income as much as, or even more than, they lose through high prices. But this time around, runaway food and fuel prices eroded their real incomes without any compensating benefits in jobs and earnings.

The inquiry must extend beyond the costs inflicted by inflation itself to the costs implicit in a policy of fiscal-monetary austerity to combat it. The evidence may well show that certain groups—especially in the lower income and wage-earnings categories—are hit by a double whammy in this process.

Accompanying the analysis of distributional questions should be a parallel appraisal of the damages and costs of inflation balanced against the damages and costs of the Administration's more and more openly avowed policy of induced economic slack and torpor to check inflation. The costs of this policy in terms of output, jobs, productivity, profits, and financial stability are potentially huge—not to mention the adverse impact on foreign economies. No one in the Administration seems to doubt that this costly game is worth the candle. But many critics, myself included, feel that in their efforts to throttle inflation, they will strangle recovery, endanger financial stability, and retard the capital spending and productivity advances that promise longer-run relief from intense price pressures and shortages. Who is right? The country will be looking to the Joint Economic Committee's answer with intense interest.

In seeking that answer, the Committee will also have to judge whether the Administration is right in dismissing the current slump as an "energy spasm" or shortage phenomenon rather than a reflection of inadequate demand. In my view, the combination of contractionary monetary and fiscal policy and the demand-deflating effect of skyrocketing oil prices supports the latter explanation—and this will be increasingly so as Federal Reserve Policy squeezes demand even harder. In light of the much greater inventory accumulation that has shown up in the revised statistics and the growing evidence that shortages are progressively disappearing, the deficiency of overall demand and the existence of excess capacity will become more and more evident.

This leads directly to a series of policy questions on which the Committee inquiry can shed important light:

Since policy for the "new inflation" cannot limit itself to demand management, the Committee's study can make an important contribution by appraising the possibilities of supply management, ranging from better information devices to means of anticipating and averting supply shortages and production bottlenecks.

An objective evaluation of the possibilities of selective credit policies is also very much in order. Given the inequity of present credit restraints and their failure to distinguish between productive and speculative investment, one needs to take a hard look at policies that go beyond reliance on high prices to ration credit. Given the fungibility of money and the limited reach of its policy authority, what steps can the Federal Reserve Board take to help on this score?

On the wage-price front, any light the Committee could shed on two basic questions would be most helpful. The first is that hardy perennial: Where *is* competition a good policeman, and where is a government presence needed to counteract the excess market power of key unions and big business and make them behave in a more competitive way? Second, what *are* the possibilities of economic detente between business and labor? In the absence of any White House attempts (and ability) to bring about some kind of an economic disarmament agreement, Congress should develop an agenda that might lead to a mutual de-escalation of labor and management demands.

Various proposals for tax relief such as boosting income tax exemptions, converting such exemptions into tax credits, and exempting the working poor from payroll taxes would clearly serve the ends of equity, but are opposed by many on grounds that they would worsen inflation. An objective study matching the spending patterns of the beneficiaries of such tax relief with the patterns of supply—shortage versus excess capacity—in the areas where the money will be spent would help substitute reason for emotion on this issue.

Let me turn now to some observations on anti-inflation policies and their costs in the light of current economic prospects.

There is no quick fix for inflation in 1974. We can look for some ebbing as the run-up in fuel, raw materials, and food prices tapers off and as the post-controls surge subsides. But get-ahead price increases and catch-up wage increases are translating a lot of the one-shot food-fuel-commodity inflation into a new price-wage spiral. Although present 12% rates of inflation may have a soft core, I now fear that we will find the hard core of cost-push inflation in the 7%–8% range next winter.

The "old-time religion" of sky-high money costs and tight budgets will be relatively ineffectual in taming inflation, short of draconian budget slashes, tax boosts and dangerously tight money. Such measures would condemn us to deep and prolonged unemployment, huge losses of production, profits, and income, and financial crisis—costs that a democratic society will not and should not tolerate.

Such costs will become more and more painfully evident this summer and fall. As already suggested, the economic slump will be clearly revealed for what it is: not an "energy spasm," not a pause that refreshes, not a reflection of supply shortages, but a corrosive stagnation born of a short-fall in demand. Every day, new cracks are appearing in the facade of strength behind which the ordained optimists have been hiding. Underneath the veneer of high prices, high profits, and bulging order books, I detect growing signs of softness:

Even though orders may not be cancelled, some manufacturers are being asked to hold up shipments for which their customers were begging only a few months ago.

At the same time, more and more producers are finding they have attained satisfactory inventory levels.

As a result of this combination of factors, forward material commitments are being cut.

An Administration that has convinced itself that our present slowdown is simply evidence of a "shortages economy" and that speaks glibly of a "phantom recession" is missing the point. The debate over the semantics and politics of recession merely diverts attention from the real problem, namely: How far below our output and employment potential are we going to drive the economy in the course of our war on inflation? Undeviating adherence to present policies would push unemployment closer to 7% next winter than the 6% that is presently being forecast.

Sustained stringency in fiscal and monetary policy in addition to its direct costs in jobs and output will undermine some of our natural defenses against inflation. First, it will deny us the short-run productivity offsets to rising costs that we normally reap from a rising volume of sales and output. The combination of accelerating wage boosts and lagging productivity will build up more cost-push resistance to the downward pressures of lagging demand. The longer we stunt productivity by choking off recovery, the more likely it is that slower productivity growth and hence higher unit costs will be built into conventional price mark-ups.

Second, unswerving devotion to "the old-time religion" will worsen the environment for the business capital spending and technological advance that boost productivity and capacity in the longer run. Investment, innovation, and risk-taking thrive in an atmosphere of expansion and wither in stagnation. Current policy—especially in the form of hard-as-nails credit restraint—undermines the health of equity markets, pushes money costs skyward, and threatens both profitability and financial stability. In the face of this policy of calculated stagnation, no program of tax gimmicks or special incentives will induce the increases in capital spending needed to boost productivity, expand supplies, and ease price pressures.

What we need now is not a hell-for-leather program to put the country through the wringer in the misguided hope that we will squeeze the inflationary water rather than the economic lifeblood out of it. Instead of a one-dimensional policy that lets inflation fill our whole field of vision, we need to take our blinders off and adopt a balanced and comprehensive approach to the inflation problem. What are the main elements of such an approach?

First, counting not just the benefits but the costs of sustained monetary-fiscal austerity, we need to back off from the policy of excessive restraint to one of moderate restraint.

Second, recognizing the limitations of the traditional monetary and fiscal instruments of demand management, especially in the face of an inflation characterized by supply shortages and growing cost pressures, policy needs to respond accordingly.

Given the self-propelling nature of the renewed price-wage spiral, policy should seek to restore an atmosphere in which an economic detente between business and labor—on behalf of the consumer—might be possible. This won't be easy after the botch the Administration made of its late lamented controls. But without some kind of a wage-price monitor and a new set of wage-price guides—backed by powers of inquiry, publicity, suspension, and (in outrageous cases) even rollback—the outlook for inserting a circuit-breaker in the new round of cost-push inflation will remain bleak.

In the light of our traumatic experience with shortages and bottlenecks in the past couple of years, we need to explore the potential of supply management ranging all the way from better information devices like shortage alerts and prompt export reports or licensing to the use of special financial aids (not in the form of new tax shelters) and the milder forms of credit rationing.

Rationing of credit by price alone is channeling too much of our limited financial resources into speculation in inventories, land, precious metals, and foreign exchange to the detriment of investment in productive capital. And, as always, super-tight credit is squeezing small business, housing, and state and local borrowers. Both to curb inequities in the present allocation of credit and to curb speculative in favor of productive uses of credit, Federal Reserve policy should couple a gradual retreat from excessive tightness with the use of more selective methods of making credit available. And a gradual phase-out of the Regulation Q ceilings that short-change the smaller saver and distort the flow of financial resources is surely in order.

A White House and Congress that are dead serious about fighting inflation ought at long last to take the political risk—in terms of stepping on the toes of articulate and well-heeled pressure groups—to put an end to the laws, regulations, and practices that make government an accomplice in many cost- and price-propping actions. Running from anti-competitive regulation of transportation rates and inadequate anti-trust enforcement to resale price maintenance and the Davis-Bacon Act and embracing import quotas, tariffs, maritime subsidies, and the Buy-America Act, to name but a few—these restrictions in the aggregate deny the American consumer substantial benefits in price and wage moderation.

Third, we need to keep at the forefront of our thinking that the major damage inflicted by inflation—and particularly an inflation arising in large part out of a food and fuel price explosion—is its distributional inequity. Coupled with this is a sense of grievance and alienation, an undermining of morale and social cohesion that may be inflation's greatest cost.

One of the ironies of today's inflation is that both the nature of the price explosion and the nature of the weapons we are using to fight it tend to discriminate against the lower income groups. Their vulnerability to unemployment and income loss in a slack economy is well known. And apart from the usual built-in biases of monetary policy, budget policy has been squeezing social programs while enlarging defense outlays. And tax policy—except for the minor relief to low income groups tentatively approved by the Ways and Means Committee—shows far too little concern for those who are being short-changed by inflation. A truly balanced attack on inflation would couple the restraints of fiscal and monetary policy with measures to redress the grievances of inflation:

More generous unemployment insurance and a greatly expanded public service jobs program are a vital necessity under a policy which is "taking the cure" of unemployment and economic slack for the disease of inflation.

The vicious inroads of food and fuel price run-ups on the real income of lower income groups and wage earners—the statistics on erosion of the real incomes of wage earners in 1973–74 and the drop in relative incomes of blacks in recent years serve as disheartening testimony on this score—call not only for more generous food stamp and housing allowances but relief from payroll taxes for the working poor and increases in personal income tax exemptions, standard deductions, and low income allowances.

It is particularly important to put this proposed tax relief program in proper perspective. First, it contemplates a reduction of $6 to $8 billion out of total personal income and payroll tax revenue of $215 billion. Second, for the longer pull, such revenues can readily be made up by a program of long overdue tax reform and will, in any event, be more than offset by inflation's impact on income tax revenues. Third, as liberal critics need to be reminded, this carefully targeted tax relief would in itself be part and parcel of a program of fiscal and social justice just as much as a program of positive government outlays to the same groups. Fourth, as conservatives need to be reminded, most of the tax benefit would not "pour gasoline on the raging fires of inflation" but rather serve as nourishment for a sagging economy characterized by increasing slack and widening areas of excess capacity.

If we simply declare total war on inflation without weighing the resulting devastation of the human and financial landscape, experience tells that we will risk serious economic and social damage and invite an eventual public backlash. This is not a plea to be soft on inflation but rather a plea that we strike a sensible balance between benefits and costs in attacking inflation and thereby stay within the bounds of economic and political tolerance rather than risking repudiation of the battle before it is won.

Mr. NELSON. Mr. President, I ask unanimous consent that Mr. Raymond Watts of the Committee on Small Business be permitted the privilege of the floor during consideration of the pending legislation and the rollcall.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I share the wish that all our colleagues could have heard the eloquent and thoughtful statement which is so typical of the work of the distinguished Senator from Maine. I commend him, as well as the Senator from Illinois (Mr. STEVENSON) and their associates—Senator JOHNSTON and Senator PROXMIRE and Senator JAVITS—for what I think has been a thoroughly constructive and important effort, I supported their earlier effort this spring, and I intend to support them again this afternoon.

In responding to President Ford's request to Congress to revive the Cost of Living Council as a monitoring agency against inflation, I believe it would have been preferable for Congress at this time to give the new President the full panoply of powers he may need to fight the war against inflation. In essence, that means Congress should be creating an agency endowed with standby authority to impose mandatory controls, not only on prices and wages, but also on profits, interest, and dividends.

There can be no safe haven for inflation. America needs more than cosmetic answers to its largest domestic problem.

In this era when rising prices threaten to steal the country blind, we need a genuine watchdog against inflation, not a timid lap dog; a manager, not a scorekeeper; a player, not a spectator.

Certainly, Congress should not impose standby authority on an unwilling President. But neither should Congress abdicate its responsibility to insure that standby authority will be available, when and if the need arises.

Thus, in the present atmosphere of good will between Congress and the new President, it is fitting that Congress should close ranks behind him and provide the authority he has requested. But, for those of us who feel that stronger powers may well be needed as the fight against inflation continues, it is also fitting that we signal our willingness to make such powers available quickly, as soon as the need arises.

I do not believe there is any immediate need for resort to mandatory controls at this time. Now that the Watergate component of inflation is over, now that we have a full-time President with the full confidence of Congress and the American people, now that the do-nothing economic policy of the previous administration has been discarded, there is a broad and fertile opportunity for gradual policies, based on cooperation and voluntary restraint, to be used effectively against inflation.

This is the approach the President has already unveiled in his welcome effort against General Motors. This is the approach that Congress is following today, in authorizing a new domestic Council on Wage and Price Stability to help focus the spotlight of public opinion on inflationary developments in the economy.

But standby authority or actual controls may well be necessary in the future, in the event that voluntarism fails and stronger approaches are required in the national interest.

In recent experience, the massive current epidemic of inflation in the economy is rivaled in intensity only by the wave of inflation that swept the Nation in the World War II and Korean war eras.

In each of those earlier eras, mandatory controls were necessary to stem the tide, and it is hardly unrealistic to assume that similar emergency measures may also be required if we are to win the fight against inflation today. Nor is it unrealistic today to believe that standby authority to take such steps should now be placed on the statute books.

Indeed, the early economic experience of the Nixon administration argues strongly for the wisdom of establishing standby authority well in advance of the time it may be needed. President Nixon's finest economic hour came in August 1971, when he abandoned his administration's discredited earlier programs and launched his dramatic new economic policy, the freeze of phase I followed by the mandatory controls of phase II.

That was a policy that worked, and it worked in large part because the President had available to him the broad standby authority that Congress had given him the year before, in August 1970. As a result of phase I and phase II, the rate of inflation, as measured by the Consumer Price Index, was brought down from 5.5 percent in 1970 to 3.4 percent in 1971 and it stayed at 3.4 percent for 1972.

Those who argue that controls were ultimately proved a failure by the end of the Nixon years are ignoring this central lesson of the success of phase I and phase II. To be sure, phases III and IV were failures, but they failed primarily because of the administration's premature decision in January 1973 to abandon phase II, a disastrous decision which set uncontrolled inflation loose again and whose effects are still being increasingly felt today. As a result, under phases III and IV, inflation jumped up to 8.8 percent in 1973, and for the first 6 months of 1974, the rate has been over 12 percent.

For good reason last spring, therefore, Congress refused to extend the Cost of Living Council on any basis when the enabling legislation expired on April 30. After phases III and IV, the basic faith of Congress and the country, of business and labor, in the value of controls had vanished completely, in the face of the badly botched performance under past controls, and the obvious fact that the administration under President Nixon had neither the inclination nor the ability to use controls fairly, wisely, and effectively. The result, therefore, was no controls, no standby authority, not even a Cost of Living Council, not even a toothless watchdog.

The lesson of that past experience, however, is not that controls are bad per se, but only that controls are bad when they are badly used.

Now the atmosphere is wholly different. There is a new sense of confidence. Legislation to renew the Cost of Living Council is moving forward rapidly in Congress at the request of President Ford. Step by step, we are beginning to recover the ground lost under the previous administration.

In the dramatically changed circumstances of the present, I believe that Congress would be prepared to give the new Ford administration the full arsenal of economic weapons that a President should have available, including standby authority over prices and wages as a weapon of last resort.

Of course, in major respects, the situation today is unlike August 1971, when mandatory price and wage restraints could be imposed effectively by the sudden fiat of the White House. That approach could not work today. Nor, I am convinced, would it be President Ford's style to try to make it work that way.

In light of past experience, authority to impose controls can be used effectively in the future only if it is invoked after genuine cooperation and consultation by the administration with Congress and with all major sectors of the economy, especially business and labor. Only through such a process can the country be convinced that controls, if needed, will be applied with absolute and scrupulous fairness for the benefit of all. Never again should American workingmen and women be forced to bear the burden of a policy of price and wage restraint that discriminates unfairly against their wages, that is too soft on prices and too harsh on wages.

For the same reason, I also believe it would be a mistake at this time to attempt to reach a precise definition of the powers of the Council on Wage and Price Stability, before the forthcoming Domestic Summit Conference on the Economy is held. The Council should be created now, but its mission should gradually evolve, and the Summit Conference is an ideal forum to begin to shape that mission. Out of that conference can emerge the beginning of a new national consensus, defining the proper use of the administration's broad economic powers, shaping the President's own role and the role of the Council on Wage and Price Stability in the war against inflation.

In addition, out of the domestic summit conference may also emerge a clearer view of the specific additional powers and authority the administration will need in the fight against inflation. Thus, it is entirely possible that in the wake of the summit conference, it will be appropriate for the Congress to enact major new legislation for the economy, before our sine die adjournment for the November elections, comparable to the phase II legislation enacted in the fall of 1971 at the request of President Nixon.

My own view is that such legislation may well be necessary, not only to strengthen the powers of the Council on Wage and Price Stability, but also to provide additional weapons against inflation, including tax relief and offsetting tax reforms, as well as a variety of other measures that should be part of our newly declared war on all fronts against inflation, a sophisticated and comprehensive program to bring the economy back to health.

For now, however, as I have indicated, I would have preferred to see the Council on Wage and Price Stability given broader powers, including full standby authority, in the bill we are acting on today. By failing to act more boldly now, we may, in effect, be requiring the President to return to Congress to seek controls in some future crisis atmosphere, when urgent steps might well be needed more quickly than the processes of legislation could easily accommodate in the heat of a difficult moment.

Certainly, none of us would wish to see the President forced by a new deterioration in events to call a special session of a lameduck Congress after election day this fall, in order to obtain the additional authority he might need to deal capably with the economy at that time.

It is difficult to understand the position of those who oppose standby authority today. Their only argument is that the mere existence of such authority may encourage anticipatory price increases by some who might try to act before the invocation of controls.

But the argument is without merit. There is no real evidence that the basic standby authority conferred by Congress in 1970 led to such anticipatory price increases before controls were actually invoked by the Nixon administration in 1971.

And we know what happened when controls were finally ended last April 30, without the retention of any standby authority or even a Cost of Living Council. In the past 3 months we have witnessed some of the most vicious inflation in our history—the Consumer Price Index rose at an annual rate of 13 percent in May and another 12 percent in June, and no one doubts that a similar surge for July will be revealed when the figures are disclosed this Wednesday; an equally dismal story is told by the data on wholesale prices, which leaped an astounding 3.7 percent for the month of July alone, an incredible annual rate of 44 percent.

In light of facts like these it is impossible to believe that things would get worse today because of the mere enactment of standby authority for the new Council on Wage and Price Stability.

Obviously, the bare reinstatement of

the Council itself, without teeth can still be viewed as a step in the direction of return to wage and price controls. The real significance of the reinstatement of the Council is the clear signal that the Federal Government is moving firmly back into the battle against inflation.

In fact, last April, the principal opponents of the effort in Congress to extend the Council beyond April 30 made essentially no distinction between a Council with teeth and a Council without teeth in making their argument about anticipatory price increases. Yet now they are scrambling desperately to find a distinction after all.

If the important step of reinstating the Council is not itself sufficient to provoke anticipatory price increases, why should the modest additional step of adding standby authority to the Council's other powers be sufficient to provoke such increases?

The major step is the creation of the Council. At best, the mere addition of standby authority would be an inconsequential factor in current price and wage decisions, in light of the vastly more powerful forces already loose in the economy today. In any event, such standby authority would obviously be available for future use to roll back any flagrant anticipatory inflationary action in any sector of the economy.

In fact, the argument based on anticipatory price increases seems to me so shallow that it is more likely to be simply a tactic by those who are inflexibly opposed to any controls at any time. As Gardner Ackley, a member of the Council of Economic Advisers under President Kennedy and the Council's Chairman under President Johnson, succinctly put it the other day:

> Some who so argue are simply the captives of an ideology; I wonder if some others are not members of that fairly sizeable group who actually benefit from inflation.

All of us hope that a further era of mandatory controls will not be necessary. If all segments of the economy—especially business and labor, farm and consumer—voluntarily exercise some substantial mutual restraint under the leadership of the President, then controls will not be required.

But if that is not sufficient, I am confident that Congress stands ready to give the President all the additional tools he needs.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **JAVITS**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **JAVITS**. Mr. President, I ask unanimous consent that Frank Ballance of my staff may have the privilege of the floor during the debate on this measure.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **JAVITS**. Mr. President, I am a cosponsor of the Muskie-Stevenson substitute. I would like to add a few thoughts for the information of the Senate on this subject.

For one, Mr. President, I think the committee is entitled to the thanks of all of us. We are deeply indebted to the committee which acted very responsibly and very promptly in giving us a vehicle for the development of the ideas which are now before us.

Without such expeditious committee hearings and action by Senator SPARKMAN and Senator TOWER, we would still be picking our way through the underbrush. Often around here we miss the forest for the trees.

The fact is that a monitoring agency is an essential element in any anti-inflation effort which is to be renewed at this time outside of the oldtime medicine, which is not working. It is not working because it is too restrictive. It is not working, on the one hand, in that it is dampening business very seriously and is harming small business.

At the same time, it results in a nondiscriminating process because it hurts everybody without in any way selecting what is essential, what is helpful in terms of the total economy, which it is unable to do.

It is simply a blanket suffocation of the whole economy.

So, first and foremost, we will have a monitoring agency, and for this we should be deeply indebted to the Senate committee which acted so very promptly.

Now, as to the addition of various ideas, I think they are necessary, but again I repeat, the committee has done the essential point, which is to bring us the vehicle.

I believe that it is very important that there be some kind of a cooling-off period, if we are really to have a monitoring agency with some muscle. It is not price and wage control, either standby or actual, but if we are going to expose something to the public which the public may correct by the sheer impact of public opinion, and we know in this country that is extremely potent, we are not going to accomplish it unless we give the industry concerned, or the consumer or trade union concerned, or the group of workers concerned, an opportunity to consider the public impact.

The only way that can be done and not simply make it an accomplished factor and engage in a postmortem about it for effective purposes is to have some kind of a cooling-off period.

That is what Arthur Burns, who has been a very important figure in this fight has urged upon us—very essentially conservative and a very important financial leader—and that is what I think the situation requires.

So it is very distinct and prudent that this particular measure developed by Senator MUSKIE and Senator STEVENSON contains the standstill period.

Now, they have got 2 periods of 45 days each. It could have some other application, there is no magic about any number of days, but that is their idea and I am with them in terms of this being an essential part of what we desire in this monitoring agency field.

Second, and very importantly I believe, is subpoena power. I believe that, again, in order to have a little muscle they have to be able to bring people up and require them to testify and to give information. Otherwise, having been at this business a rather long time, I know the practicalities are that we have to dig around for witnesses who want to come and they are not necessarily either the best informed or the kind from whom we can develop by examination and cross-examination a case which will impress the public either way.

Now, those are the two critically important elements, as I see them, which are added by the substitute.

It has certain other advantages. It requires the monitoring agency itself to evaluate the reasonableness of wage-price increases and whether or not they have a material effect on inflation.

I find that desirable. It is somewhat assimilated to my own experience in the labor field where if we really want mediation to be effective we have to give the mediator ultimately the right to disclose what his recommendations have been. That certainly has to be done before there is an open break between the parties.

Another aspect on the substitute which I like very much is that it has adequate funding.

When I appeared before the committee, with the very kind and gracious consideration of Senator SPARKMAN and Senator TOWER, that was one of the points I made.

With a million dollars, we can get 36 professionals. That is not enough to administer a monitoring agency in the State of New York, let alone the United States, and I think their figure of $5 million is very low. I think $10 million would be the right figure for this purpose, as it is assumed, and I have had estimates of this, that about 300 people are required to really do this job in a way which will serve the people of the United States.

So, Mr. President, to sum up, the fundamental big issue is already dealt with by the committee, to wit, we should have a monitoring agency and for that I think we all owe a debt of gratitude because of the speed with which it was turned out by Senator SPARKMAN and Senator TOWER.

The addition of the concepts of the Muskie-Stevenson substitute of a cooling-off period and of subpena power, in my judgment, are indispensable, and the additional points which they make as to giving the monitoring agency the authority to evaluate reasonableness in terms of wage-price, and an adequate sum of money to do the job, make that substitute additionally attractive.

It is for that reason, Mr. President, that I went on it as a cosponsor, and I believe those are very persuasive reasons which should induce the Senate to substitute it for the committee bill.

I am sure that Senator MUSKIE and Senator STEVENSON will be the first to say that if their measure is substituted, it is still the committee bill, because the fundamental idea brought before us as promptly as it was brought before us is the conception of the committee as it is led by Senator SPARKMAN and Senator TOWER.

I yield the floor.

Mr. MUSKIE. Mr. President, I would like to express my appreciation to the distinguished Senator from New York for his continuing efforts in this fight against inflation. He gave us much support last spring, when we undertook to continue economic monitoring authority. As always, he brings thoughtful arguments to his cause.

Mr. JAVITS. I thank my colleague very much.

AMENDMENT NO. 1805

Mr. HATHAWAY. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The second assistant legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 6, after line 5 the following new subsection:

(c) Notwithstanding any other provisions of this section, the Director shall disclose to the public, at a reasonable cost, and upon a request which reasonably describes the matter sought, any matter of the type which could not be excluded from public annual reports to the Securities and Exchange Commission pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 by a business enterprise exclusively engaged in the manufacture or sale of a single product unless such matter concerns or relates to the trade secrets, processes, operations, style of work, or apparatus of a business enterprise.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Is this an amendment to the substitute proposed by the Senator from Illinois?

Mr. HATHAWAY. That is correct.

Mr. TOWER. To the bill?

Mr. HATHAWAY. That is correct.

Mr. TOWER. It is an amendment to the substitute?

Mr. HATHAWAY. That is correct.

Mr. President, this is an amendment to 1807, the Stevenson-Muskie amendment.

It provides for public disclosure in accordance with the law as it now stands governing the Federal Energy Administration. It is similar to a provision which appeared in the Economic Stabilization Act which expired at the end of March.

It is a matter over which we had considerable debate at the time the Economic Stabilization Act was considered.

I have discussed the matter with the cosponsors of the substitute. I understand that it is acceptable to them. I do not wish to delay the proceedings by going into more explanation of something which has been explained over and over again in the past.

Mr. STEVENSON. Mr. President, this is a provision which did appear in the Economic Stabilization Act. I think it is sound. I commend the Senator from Maine for offering it.

I have discussed it with the senior Senator from Maine, and both of us are prepared to accept the amendment.

Mr. HATHAWAY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to Mr. HATHAWAY's amendment to Mr. STEVENSON's amendment, as modified.

The amendment (No. 1805) to the Stevenson amendment (No. 1807), as modified, was agreed to.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session, for not to exceed 45 minutes, for the purpose of considering the nomination of Mr. Alan Greenspan.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will report the nomination.

COUNCIL OF ECONOMIC ADVISERS

The assistant legislative clerk read the nomination of Alan Greenspan, of New York, to be a member of the Council of Economic Advisers.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHY ALAN GREENSPAN'S NOMINATION SHOULD BE OPPOSED—THE VERY OLD FASHIONED, OUT OF DATE, AND IRRELEVANT ECONOMIC VIEWS OF THE PRESIDENT'S NOMINEE

Mr. PROXMIRE. Mr. President, I rise to oppose the nomination of Alan Greenspan to be Chairman of the Council of Economic Advisers.

I do this reluctantly. Mr. Greenspan is obviously a man of considerable intelligence. He is a well trained and competent economist. He has earned recognition for his competence among other professional economists. So far as I know, he is a man of high moral character and integrity. No one has suggested any reason to doubt that. Nevertheless, I believe that there are a number of reasons why Mr. Greenspan's nomination should be questioned which I wish to share with my colleagues in the Senate.

AMAZING OUT OF DATE VIEWS

First of all, he holds and holds sincerely a series of out of date, irrelevant and contradictory views.

I think it is very important that the views of the Chairman of the Council of Economic Advisers be known; because, after all, economic policy affects everything—it affects antitrust policy, tax policy, spending policy. If we approve a man whose views are contradictory to our own and then this is the policy that is followed by the administration, we have a degree of responsibility we otherwise might not have.

Mr. Greenspan made it emphatically clear in the hearings that he opposes vigorous enforcement of the antitrust laws. This is particularly damaging to his consistency, because Mr. Greenspan professes to be a very strong believer in free enterprise, competition, and laissez-faire.

I would consider this point of view to be a serious shortcoming of any top Government economist, but particularly in a man who will be the chief professional economic adviser to the President and whose economic orientation is so stringently and vigorously free enterprise and laissez faire.

FREE MARKET MUST BE FREE

The free market may, indeed, be the best economic answer to our problems. But it must be free. In order to function, it is clear that corporate price fixing must be prevented. The antitrust laws are not only an essential, but probably the prime method or way to see that this gets done.

EXCESSIVE MARKET POWER

This year is the year of the worst inflation in the peacetime history of our country. Except for some goods in short supply, this is not the usual demand inflation where too much money is chasing too few goods. We have an unemployment level of 5.3 percent, which most people believe will go to at least 5.5 to 6 percent by the end of the year, without inflation abating to any significant extent. That is not the way a demand inflation works.

One of the major elements in the inflation clearly appears to be excessive market power and corporate price fixing in certain major industries. This is true in oil, steel, chemicals, nonferrous metals, and machinery. This situation is outrageous—demand falls, prices rise.

In oil, we now find that the major companies are actually cutting back on the percentage of their refinery capacity in use—and this at a time when oil prices and oil shortages account for about 25 percent of the inflation. This is done to hold up prices.

In these circumstances, it is really intolerable to have a man in the key position as chief economic adviser to the President who is blind to the economic world in which we live and who opposes enforcement of the antitrust laws.

RAW UNADULTERATED MARKET POWER IN STEEL

In this last year alone, steel prices have increased by 40 percent. Let me repeat that: Steel prices have gone up 40 percent. Now, this is, by far, the biggest increase in any year in the history of our country. It is almost twice as big as any increase in steel prices ever.

How can that occur under these circumstances, especially in view of the fact that in July of this year, with a bigger capacity, less steel was produced than in

July of last year? It is not a matter of tremendous demand pressure. There is no way to explain it in terms of either wage increases or supply and demand factors. The one logical explanation is sheer, unadulterated, concentrated economic power.

Everybody who has studied the steel industry knows that they have a system of administered prices in which one steel company will establish its price, and then, within 24 to 48 hours, every other company in the industry will come within the fourth percentage place of that precise price.

The same explanation applies to the 50 percent increase in prices in the last year for industrial chemicals, for the 46 percent increase in prices in one year of nonferrous metals, for the 82 percent increase in the price of oil.

In the case of every single one of these commodities, the profits went right through the roof. These prices were not merely the result of cost increases. Even in the food industry, the concentration among processors is one of the reasons why, despite a sharp drop in farm prices in the first 5 months of this year—so sharp, indeed, that one of the reasons for it is that farm parity is now lower than it has been at any time in the last 10 years. People think that the farmer is doing so well. Yet food prices for consumers have continued to increase throughout this drop in farm prices.

So vigorous antitrust action is clearly called for as a major anti-inflation tool—not the only tool, but one of the major tools. I am convinced that Mr. Greenspan would not support such action, but would, according to his own testimony, oppose it. His voice is the big voice on the economic effect of antitrust policies. Following the Greenspan advice, President Ford might discourage antitrust action. Presidents have done that in the past; they have the power to do it. They can remove their antitrust chief, they can fire him within a few minutes. With that kind of power, of course, they can persuade him not to pursue antitrust action. They can do it sincerely, they can do it on the basis of the economic advice that they get from the Chairman of the Council of Economic Advisers.

OPPOSE CONSUMER PROTECTION LAWS

Mr. Greenspan also has made clear in his public statements that he does not support consumer protection legislation and views much of it as an interference with the free market. In the past he has written and spoken against various consumer protective measures.

In my view such legislation is another way to combat inflation. A free market is composed of a large number of buyers and a large number of sellers. But in addition, classically it has called for the buyers to be well informed.

To the extent that we have disclosure laws, truth in lending, truth in packaging, fair weights and measures, and other consumer protections, the consumer is better able to make intelligent choices and make the free enterprise and competitive system work. Again Greenspan advice to the President could be the critical factor in killing consumer protection legislation and enforcement.

OPPOSES PROGRESSIVE INCOME TAX

Finally, on the question of his economic views, Mr. Greenspan opposes the progressive income tax.

We are all well served by being tolerant of people's views. I believe strongly that society is benefited from the clash of a large number of differing views. And I do not object to Mr. Greenspan holding that view privately and personally. But I do say that it is astonishing that anyone would propose a man for the chairmanship of the Council of Economic Advisers who held such an out-of-date, old-fashioned, and even antediluvian, cruelly unjust view. It is incredible.

When tax reform legislation comes before President Ford, can anyone doubt what advice he will get from his prime economic adviser if we confirm Mr. Greenspan?

Once again, Mr. President, it is true that Mr. Greenspan will not be Secretary of the Treasury or head the Internal Revenue Service, but, as the Chairman of the Council of Economic Advisers, he will be the top professional economist on whom Mr. Ford will rely. When President Ford decides what kind of tax policy he will have, he must take into consideration the economic consequences. He could well be persuaded to follow the advice of a man whose views on taxes, while sincerely held, contradict the fundamental basis, it seems to me, for economic justice in our country; that is, that we should have taxation based on the ability to pay.

BIG BUSINESS POINT OF VIEW

There is one final matter which I question. Mr. Greenspan has just been on retainer by some 100 or so of the biggest corporations and conglomerates in the United States including almost all of the 10 largest banks and a number of the manufacturing firms which dominate industry.

He will return as 99 percent owner of this company when he finishes his term. I think it is a mistake to add to this administration another man from the same group, with the same background, as virtually every one of the President's economic advisers.

Mr. Rush is from Union Carbide, Mr. Simon is out of Wall Street, Mr. Ash is from a huge conglomerate called Litton, Mr. Dent is also from the big business. Now we are to add as the chief economic adviser a man with an identical background. Where, in the present economic councils, are the voices of the consumer, the small businessman, the farmworker, the housewife, and the ordinary working man and woman?

I can see having one or two big businessmen at the top. President Ford, in fact even the most liberal and progressive President, should have at least one man from business as an economic adviser. But they should not all be from big business.

Mr. President, I wish our new President Ford well. He has started off very, very well indeed. The last thing I wish to suggest at this time is that I am in partisan opposition to a request of the President.

This nomination comes, therefore, at a very awkward time. If President Nixon were in office, I would make a real fight over it. But circumstances this week have changed and changed very dramatically for the better.

But even though I am not prepared to do now what I would have been prepared to do only a few short days ago, I still believe it is important that this matter be brought to the attention of every Senator in the Senate. I have written to every Senator disclosing the Greenspan record.

Six months from now or a year from now I do not want it said, "Where were you when Mr. Greenspan was approved? Where was the Senate when this man with his views and his background was elevated to the single most important economic position in the Government?"

Those are the reasons I am expressing my opposition and those are the reasons why I feel compelled to vote against the nomination.

Some people have said that President Ford is a man with the personality and appearance and perhaps popularity, to a considerable extent, of President Eisenhower; that he has the partisanship of President Truman; and the economic views of Herbert Hoover. Mr. President, I think that that is unfair to President Ford, at least as far as the later characterization is concerned, because nobody knows about Mr. Ford's economic views fully.

I have known Mr. Ford for 40 years, since we were at college together, and I have known him to be a man who is a sincere, open-minded man, I think, who is very practical. For that reason, I do not think it is fair to conclude that he will follow a policy that would be cruel or insensitive or result in enormous unemployment and the destruction of the economic interests of many of our people. But I do think it is important that we recognize that when there is a hold-over appointment of this kind, that could have a profound effect on the quality and color of his administration, that we review it very, very carefully indeed.

While, as I say, Mr. Greenspan is a man of intelligence and charm and, as far as I know, a man of integrity and character, I think it is a mistake for the new President to start off with a person who is as ideologically extreme, who is more ideologically extreme than any Chairman of the Council of Economic Advisers that any President has had in 26 or 27 years in which that office has been in existence.

Mr. President, I reserve the remainder of my time.

Mr. HARRY F. BYRD, JR. Mr. President, I realize the sincerity of the convictions of the able senior Senator from Wisconsin. I do not know just why I should be defending Dr. Greenspan, but I do so because, while I understand and appreciate the sincerity of the convictions of the Senator from Wisconsin, I do not understand the reasoning behind it.

The Senator from Wisconsin says that Alan Greenspan is too vigorously for free enterprise.

I submit that this country was built on free enterprise. That is what has made this country great. That is what has given the people of this country the highest standard of living of any nation in the world, is the free enterprise system.

So far as the Senator from Virginia is concerned, I want to see people in Government who believe vigorously in the free enterprise system.

I think we have had too many people in Government who do not believe in the free enterprise system.

I think we have people in Government who would take this country, if they could, down the road of socialism. Socialism does not bring a high standard of living to its citizens. Free enterprise does.

The argument has been made also——

Mr. PROXMIRE. Mr. President, will the Senator yield on that first point?

Mr. HARRY F. BYRD, JR. I yield.

Mr. PROXMIRE. I have the greatest admiration and respect for the Senator from Virginia. He is an old and dear friend, as well as my seatmate. But I want to correct him on one misunderstanding of what I said.

I do not believe that Mr. Greenspan believes strongly enough in free enterprise. What I have said is that any person who does not believe in enforcing the antitrust laws does not believe in free enterprise.

I believe in competition, and that we have to pay the tough and often cruel price of vigorous competition if we are going to have free enterprise work. I believe that corporate price fixing is worse, if anything, than Government price fixing. There is no social direction in corporate price fixing. That is what I am getting at.

Mr. HARRY F. BYRD, JR. The Senator from Wisconsin has not let me get to that point. I was merely quoting the Senator's own statement, in which he stated that Dr. Greenspan believes so vigorously in free enterprise that he should not be confirmed for this job.

Mr. PROXMIRE. Let me correct the Senator's quotation. What I actually said was that the fact that Mr. Greenspan opposes the antitrust law is particularly damaging to his consistency, because Mr. Greenspan professes to believe in free enterprise.

He is less strong a believer than this Senator is, because I believe in competition, and no person who does not believe in enforcing the antitrust laws, when we have such obvious price fixing on the part of big business, can believe in free enterprise—when, to use the example I have cited, the steel industry engages so obviously in price fixing as it has been doing.

Mr. HARRY F. BYRD, JR. That is what I was going to get to when the Senator asked me to yield. In his next sentence, the Senator said that Dr. Greenspan does not believe in vigorous enforcement of the antitrust laws. So far as I know, that statement is absolutely correct. I happen to believe, as does the Senator from Wisconsin, that we should have vigorous enforcement of the antitrust laws. I suppose the Member of the Senate who has taken the keenest interest in this matter of the antitrust laws has been the senior Senator from Michigan (Mr. HART). I have discussed many times with Senator HART the enforcement of the antitrust laws, and we are in substantial agreement. And I assumed that the Senator from Wisconsin and the Senator from Virginia were in substantial agreement.

But the Chairman of the President's Council of Economic Advisers has no responsibility for or jurisdiction over the enforcement of the antitrust laws. I have not heard anyone get up here in the Senate, when there was a nominee for the Department of Justice, and make an attack because the Department of Justice does not enforce the antitrust laws. That is where the laws are enforced. The antitrust laws must be enforced through the Department of Justice, not through the Council of Economic Advisers.

I submit that the Department of Justice has not been enforcing the antitrust laws. The Kennedy administration did not do it; the Johnson administration did not do it; the Nixon administration did not do it.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. The place to attack that is in the Department of Justice when nominees come before this body for confirmation for those positions. I shall be happy to yield in a moment.

I submit that the Department of Justice has been going the opposite way. I cite as one example—and I think politics had a lot to do with it—when the Pennsylvania Railroad and the New York Central Railroad were permitted to merge, and that merger ended up in chaos and disaster.

But I say that Dr. Greenspan has nothing to do with the enforcement of the antitrust laws. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Let me state again to my friend from Virginia, first, Mr. Greenspan is one of two—I think he is only the second—Chairman of the Council who is not a Ph. D. in economics.

Mr. HARRY F. BYRD, JR. I do not know that that has anything to do with it, one way or the other.

Mr. PROXMIRE. The Senator from Virginia called him Dr. Greenspan. He does not have a Ph. D. But let me say that the Chairman of the Council of Economic Advisers, or anyone who advises the President on economic policy, is of the greatest importance because of his influence on tax policy, antitrust policy, or any other economic policy. Why? Because the President is the boss. I do not know if the Senator recalls, but back in the spring of 1971, the tapes just recently revealed that President Nixon wanted the Attorney General to remove the head of the Antitrust Division, Richard McLaren, wanted him to remove him forthwith, he said within 1 hour. Why? Because he was enforcing the antitrust laws too vigorously. He was going after ITT, trying, as the President said, to be a big trustbuster.

Mr. HARRY F. BYRD, JR. We do not want to——

Mr. PROXMIRE. The President of the United States can do that. If he gets advice from professional economists that enforcing the antitrust laws does not have a desirable effect with respect to prices, and so forth, he might very well do it. And he is likely to get that kind of advice from Mr. Greenspan. That is why I think this is of the greatest importance. He is right at the heart of all economic policy matters.

Mr. HARRY F. BYRD, JR. I think that is carrying things to extremes, may I say to the Senator from Wisconsin. In regard to Mr. Nixon's advice with regard to Mr. McLaren, I do not know who was the head of the Council of Economic Advisers at that time. I think it was probably Mr. Stein. I had to take issue with Mr. Stein a short while ago—I hated to do so, because he is from my State, or will be teaching there—when he blamed the American people for inflation, which I thought was a ridiculous assertion.

But I do not think any of us should blame the Chairman of the Council of Economic Advisers for President Nixon's saying that he wanted to oust Richard McLaren from the Department of Justice, because I do not think the Council had anything to do with the matter one way or the other.

Another reason given by the Senator from Wisconsin as to why Mr. Greenspan should not be confirmed as Chairman of the President's Council of Economic Advisers is because he does not believe in the progressive income tax. There again, he has nothing to do with the income tax laws. I happen to believe in the progressive income tax. I think it is the soundest and the most fundamentally appropriate tax, if there is an appropriate tax, that the Government can put on. I do not like the rates to which it has been carried, and at times in the past I think it has been confiscatory. It is still too high. But I favor a progressive income tax. I disagree with Mr. Greenspan in that regard.

But there again, he is not going to write the tax laws. The Congress of the United States is going to do that, and there is no sentiment in Congress, certainly no appreciable sentiment in Congress, for eliminating the progressive income tax. It does not make any difference whether Mr. Greenspan recommends it or President Ford recommends it; it just is not going to be done.

Mr. PROXMIRE. If the Senator will yield, I think that, first, the Senator from Virginia should begin to think of the hole he is digging himself into. If he is going to argue that the only matter of concern with respect to the Chairman of the Council of Economic Advisers is the matters over which he would have direct executive authority so he could change policy directly at his own order, obviously it does not matter who we appoint as the Chairman of the Council of Economic Advisers, because he does not have any direct authority.

My argument is he has indirect authority of the greatest importance. That indirect authority is that he is the No. 1 professional economic adviser to the President of the United States, and the President of the United States does make policy in all these areas. Certainly tax policy has the most profound effect on our economy.

The President is the No. 1 legislator. He recommends legislation that has far greater impact on Congress than that of any Senator or any Member of the House of Representatives, because he is President of the United States. If the President of the United States urges that we modify our tax code in order to meet his objectives, and in doing so we lessen the progressivity of the income tax, he could well do that on the advice of the Chairman of the Council of Economic Advisers.

If the Senator is taking the position—and I understand apparently he appears to be taking the position—that there is nothing Dr. Greenspan can do pro or con that is going to do any good or any harm, so who cares who is appointed the Chairman of the Council? I have been on the Joint Economic Committee for many years, as the Senator knows; I have been chairman or vice chairman of the committee for 8 years; I have had the Chairmen of the Council come before our committee, and they have a very serious effect on us. We are all busy people, as is the President. We have many other interests, and when a professional economist comes before us with the imprimatur of that office, with the authority of that office, and prestige of that office, and recommends a course of action, we give it the greatest and most sympathetic attention, and other Senators do and should.

That is the reason why I think we ought to have our eyes clearly open. We are appointing a man who has views which are just plain out of date, passé, and who is likely to push this economy of ours into a very serious recession, possibly even a depression.

Mr. HARRY F. BYRD, JR. Well, what I am suggesting is, and what I am saying is, that the Senator from Wisconsin is, I think, sort of carrying things to extremes here when he uses Dr. Greenspan's philosophical beliefs in regard to the income tax and in regard to the antitrust loans to say that he is not qualified or should not be consultant to the President on general economic policy.

I think the same thing applies to the Senator's argument that he is not qualified, because he is not an advocate of consumer protection. What Mr. Greenspan means by that is he thinks we have too much Government regulation and he is reluctant to see additional Government regulation, and I think many American citizens feel that way also.

Then the fourth item that the Senator from Wisconsin mentioned is that he has been an adviser to a number of important companies, and that is certainly correct. He has been and, I think, that is a tribute to his ability.

Mr. Greenspan is not one of the economists who is in agreement with all the other economists. He has unorthodox views on a lot of these things, and I think we probably ought to have somebody in Government with some different views from what we have had in the past.

Because we listened to these orthodox economists, a lot of them, this country has gotten into some problems. Maybe we will get into problems with Dr. Greenspan; I do not know. But he is a man of conviction. He is a man of ability. His record shows that.

He is coming down here not at his own request or desire. He turned down the position a number of times. He did not want the job.

He accepted the nomination finally because he feels this country is in a very bad condition economically, and he wants to try to make a contribution.

The President ultimately will make any decisions, will accept or not accept the advice given him by his Council of Economic Advisers and by the Chairman of that Council.

Mr. PROXMIRE. Mr. President, will the Senator yield on that last statement?

Mr. HARRY F. BYRD, JR. Mr. Greenspan does have a conservative view. He does feel that Government is responsible to a great extent for inflation. He does blame Government. I think he blames Congress and the Senate for the huge deficits that the Government has been running. So he does not have popular views. He has a conservative philosophy and, I think, it is just as well to have somebody in high positions, a few at least, who do have a conservative philosophy.

Mr. PROXMIRE. If the Senator will yield, Mr. President, I do agree with much of that. I think we certainly should have some in Government with that view. But this is just about all we have got.

I went over the list of the people around the President. It is not hard to predict what views President Ford, as Senator SCOTT pointed out, with a tabula rasa, a slate on which nothing has been written, is likely to take if we persist in providing this kind of adviser for him. The Senator knows this Senator has joined him and the Senator from Virginia has joined the Senator from Wisconsin in trying to cut Government spending consistently.

Mr. HARRY F. BYRD, JR. Nobody disagrees with that.

Mr. PROXMIRE. I think we have too much Government, and I think we should do our best to cut it back.

But I say when we have these particular views with respect to the specific areas I have enumerated here on the part of the chief professional economic adviser to the President, we should be very aware of it, very conscious of it, and we should realize what we are doing when we confirm the nomination of Dr. Greenspan, which is going to be done within a few minutes.

Mr. HARRY F. BYRD, JR. I think we should be aware of what we are doing on these important nominations. All should be examined carefully.

As I said when I began my remarks, I realize the sincerity and convictions of the Senator from Wisconsin. I just do not happen to feel the points which have been raised are of the magnitude to suggest that Dr. Greenspan should not hold the position to which he has been nominated.

The Senator from Wisconsin has done so much, more than anyone in the Senate, to try to focus attention and bring about a reduction in Government spending, and the elimination of these deficits, and that is basically what Alan Greenspan believes. That is his basic belief.

If I understand his views correctly, it is just what he will attempt to do.

So far as having conservative views around the President, there may be, and undoubtedly are, a few conservatives in positions of responsibility around the President. But it is going to take a lot more than that to offset the ultraliberal views of dozens and dozens of Members of Congress. So I am not concerned about President Ford having too many conservative people around him. As a matter of fact, I doubt if he has got enough.

Certainly President Nixon did not have enough, because the six Nixon budgets gave to this country $133 billion of deficit financing, 25 percent of the total national debt of this country.

If he had conservative advisers around him, they did not have much influence on him.

I hope that this new administration will do just as the new President indicated he would do a week ago tonight; that he will fight to bring down Government spending, that he will fight to get Government spending under control, that he will eliminate these deficits and will bring in a balanced budget in 1976. Alan Greenspan is dedicated to help him do just that.

Mr. PROXMIRE. If the Senator will yield just on that last point, I think, unfortunately, there is a confusion between conservatism, on the one hand, and reducing government spending, on the other. So many people assume when a person is conservative he, therefore, does not believe in spending. Well, we all know how untrue that is. The big spending we have now is in the military area, the space area, many other areas that are championed by conservatives.

If we take the record on spending, we will find that the so-called conservatives are the big spenders not only in Congress but in the administration. The difference is a difference in priorities.

Here is where we are going to get Dr. Greenspan coming down, on the basis of his record, on the basis of his connections, on the basis of the views he has expressed, on the basis of what he said at the hearing, and so forth, not in favor of cutting spending across the board, but in favor of the same old priorities that have put this country in such an unfortunate position.

Mr. HARRY F. BYRD, JR. Well, the Senator knows the figures so very well. The defense expenditures have leveled off, have been virtually level for about 6 years. They will be up some this year, but the Appropriations Committee has reduced the requests for defense spending by $5.4 billion, and the Senator from Wisconsin is on that committee and, undoubtedly, helped to bring about that reduction. I support the Appropriations Committee action to bring that spending down below the budget request by $5.4 billion.

Now, if we take another budget, if we take the HEW budget—and we do not have to go back many years, go back 3 years, maybe 4—we will find that that has been increased by about a third or maybe even 40 percent. There have been tremendous increases in that side of the budget. There have been tremendous increases in every budget, every appropriation bill.

Indeed, the first appropriation bill to come before the Senate this year, the first major one, was the appropriation for agriculture, consumer and environment. What did that do?

What did that do? That showed an increase of 28 percent, $3.5 billion, 28 percent in that one bill.

So the increase has been all along the line in nearly every item.

Mr. SYMINGTON. Will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. SYMINGTON. The Senator from Virginia knows my great respect, especially in the field he is now discussing.

As I understand it, the total budget is around $300 billion, of which $84 billion is controllable, that we can discuss and is not controlled by law itself. Of that $84 billion, 70 percent is, as I understand it, in the military field.

So if we are going to do what the President wants and if we are going to carry out at least what the Committee on Appropriations has stated it would like to have, it is true that we have to make heavy cuts in the military budget, and I associate myself with the remarks of the able Senator from Wisconsin on that score.

I do think that when we discuss some of the budgets of the domestic programs, especially in considering the problems that arise due to the extraordinary circumstances like drought and problems in the big cities due to unemployment, or for that matter in the other parts of the country, that we have to consider the reaction the people of the United States have when they realize we put $150 billion in South Vietnam and many billions of dollars into other parts of the world.

I am told today that the ambassador we just lost, because of personal reasons, asked for a quiet post. He was given Cyprus and then we had the sad occurrence of his being assassinated.

Would not the able Senator agree that we are badly extended diplomatically, militarily and economically around the world from the standpoint of the resources of the United States?

Mr. HARRY F. BYRD, JR. I certainly think so, yes.

Mr. SYMINGTON. I thank the Senator.

Mr. HARRY F. BYRD, JR. I concur, and the Senator from Missouri and the Senator from Virginia worked closely together on many of these matters to try to curtail United States global involvement.

I have been convinced for a long time, just as has the able Senator from Missouri, that we cannot police this world.

The world is too big; it is too complicated. With all the resources the United States has, we still cannot act as world policeman. We cannot act as world bankers. I object also to continued huge foreign-aid appropriations.

The PRESIDING OFFICER. The time for debate on the question has expired.

The question is, will the Senate advise and consent to the nomination of Alan Greenspan to be a member of the Council of Economic Advisers?

The nomination was confirmed.

Mr. TOWER. Mr. President, I ask that the President be advised.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

COUNCIL ON WAGE AND PRICE STABILITY

The Senate resumed the consideration of the bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

The PRESIDING OFFICER. The question is on the Stevenson substitute for S. 3919, as amended.

Mr. STEVENSON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STEVENSON. Mr. President, first I commend the distinguished chairman of the Committee on Banking, Housing and Urban Affairs and the ranking minority member, the Senator from Texas, for bringing the President's proposal to the Banking Committee and through the Banking Committee to the floor with great diligence and dispatch.

I share with them their desire to be of assistance to the President, to support the new President, and to give his requested legislation sympathetic and quick consideration.

On this support of S. 3919, however, Mr. President, I regret to say that I must part company with my colleagues on the Banking Committee.

This bill would give the President no authority that he does not already have to monitor the economy or to implement an effective policy. All it does is give him the authority to spend an additional $1 million.

I agree with my distinguished senior colleagues on the committee that we should act with dispatch and we should enact a bill right away. But it will make no difference, Mr. President, if this bill is enacted today, tomorrow, or not at all, because it does not give the President any authority which he does not already have to fight inflation.

It does not give him a stick; it does not give him a jawbone; it does not give him any additional authority to either monitor the economy or to urge restraint in both wage and price decisions within the economy.

As I indicated earlier, the President's impotence was made painfully apparent a few days ago, when, commendably, he urged restraint upon one of the Nation's largest manufacturers, General Motors. He deplored that corporation's announced intention to increase prices, but the corporation went right ahead with its plans to increase automobile prices for the new models about to come out.

This amendment does not authorize the imposition of controls. What it does is to give the President the authority and the power, either through regulation or, if necessary, with subpenas, to obtain data which is used to justify price or wage increases in the economy. With that data, the President would be in a position to monitor the economy effectively when price or wage increases are announced. The President would also be in a position to urge effective restraint. He could anticipate such increases; spotlight them; rely on public pressure to bring restraint to bear. Failing all that, the President would have the authority under this proposal to defer wage and price increases for 45 days, or not more than 90 days, in which time the increases could be spotlighted and public pressure brought to bear.

The President, himself, could devise ways to bring pressure to bear against unjustifiable and inflationary wage and price increases.

Mr. President, this proposal is intended to carry out the recommendation of the Chairman, and, indeed, all the members of the Federal Reserve Board, for effective monitoring. It does not authorize the imposition of wage and price controls.

On the contrary, it could prevent the reimposition of such controls. Without some action now to cool off the inflationary fevers in our society, it is likely that the Government, which first imposed controls when prices were increasing at an annual rate of 4.4 percent, will reimpose them when they are rising at an annual rate of 14 percent, or higher.

In July, the wholesale price index rose at an appalling rate of 44 percent. Already the American public—suffering as never before from inflation—is demanding action.

Today's newspapers report that a Gallup poll indicates that, by a majority of 50 percent to 39 percent, the American public supports a reimposition of wage and price controls.

Mr. President, this action could head off the necessity for any such action. It could bring restraint in the economy. It could cool off some of those inflationary fevers which, unless action is taken, could very likely lead to the reimposition of wage and price controls, or a freeze, and still more dislocations in the economy in the not-very-distant future.

It has been suggested that this proposal, if enacted, would invite anticipatory wage and price increases. That is not the case, because this proposal does authorize the imposition of wage and price controls. Far from acting as an incentive to increase wages and prices irresponsibly, this proposal would provide a disincentive. That is its purpose. If wages or prices were increased in any sector of the economy irresponsibly, they could, with this proposal, be highlighted and could, if necessary, be deferred. Consequently, it would act as a disincentive.

Mr. President, I do not claim, nor do any of my cosponsors on this measure claim that it is the final answer, or that it will stop the inflation. It will not. At most, it can cool off the inflationary fevers. It can buy the President a little time to come up with action and answers that will stop the inflation. It is not intended to root out the causes of the inflation. It is intended to help us deal with the symptoms.

Higher prices beget more high prices, and they, in turn, lead to higher wages which, in turn, bring on still higher prices. That is what we are suffering from now. With inflationary psychology rampant, without any Government leadership, having been abandoned by the executive branch—we are heading toward economic anarchy, with everybody scrambling to help themselves. Of course, those in economic power and influence fend for themselves. They do help themselves. But the people—especially the weak, the poor, the elderly and all those on fixed incomes—get left far behind. In time, Mr. President, without some such action as this, everybody will be left behind.

The public will demand action, perhaps far more drastic action than the reimposition of wage and price controls.

It is time, Mr. President, for Congress to take action.

I concede that this proposal does not presently have the President's personal support. On the other hand, it is not clear that he opposes it. This amendment does not require him to take action which he does not want to take. The authority to defer wage and price increases is permissive. It is not mandatory. As far as monitoring authority goes, the President has already indicated that he wants to monitor the economy. This proposal, Mr. President, would give him the ability to do so. I urge its support.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. NELSON. Mr. President, I ask unanimous consent that Mr. Stevenson's amendment be temporarily laid aside, while I propose an amendment on which I shall not ask for a rollcall vote, and immediately after I have proposed this amendment, that the Stevenson amendment be again the pending business.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Reserving the right to object, I did not hear the proposition of the Senator from Wisconsin. I am sure it is a perfectly valid proposition, but I would like to hear it.

Mr. NELSON. The Senator is perfectly correct. It is.

I asked unanimous consent that the Stevenson amendment be temporarily laid aside so that I can propose an amendment on which I shall not ask for a rollcall vote, to make a very brief statement, and then the Stevenson amendment shall again become the pending business.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Again, reserving the right to object, is this in the nature of an amendment to the Stevenson amendment?

Mr. NELSON. An amendment to the bill. I am asking unanimous consent that the Stevenson amendment be temporarily laid aside.

Mr. TOWER. But the amendment of the Senator from Wisconsin would not be disposed of?

Mr. NELSON. I will ask that it be printed in the Record, but I will withdraw the amendment.

Mr. TOWER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

Mr. NELSON. Mr. President, I send to the desk an amendment on behalf of myself and the Senator from Michigan (Mr. Hart) and ask the clerk that it be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. NELSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment, ordered to be printed in the Record, is as follows:

At the end of section 4, add the following new subsections:

"(f) The Council shall have and exercise the right of full access to information and reports obtained by the Federal Trade Commission in its line-of-business program.

"(g) Information and reports obtained by the Federal Trade Commission in its line-of-business program shall be available—

"(1) to sworn officers and employees of the Federal Trade Commission, duly authorized in the premises to examine the line-of-business reports from individual firms, for purposes of carrying out specific statutory responsibilities of the Federal Trade Commission; and

"(2) to the extent that such information and reports pertain to lines of business in which inflationary or anti-competitive price and wage changes are determined by the Federal Trade Commission or the Council to have occurred after August 23, 1974, to the Department of Justice, the Securities and Exchange Commission, the General Accounting Office, and the Office of Management and Budget for the purposes of carrying out their lawful responsibilities.

"(h) The Federal Trade Commission, or the Council with prior notice to and concurrence of the Federal Trade Commission, shall make available to the public information obtained from individual companies in the Federal Trade Commission's line-of-business program, including all or parts of the reports received from individual companies, when the Federal Trade Commission, or the Council with the concurrence of the Federal Trade Commission, determines that—

"(1) such information is similar to the information that would normally be included in or inferable from a public annual report filed with the Securities and Exchange Commission under section 13 or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C., secs, 78m and 78o) by a hypothetical registered company which had, as its sole business property and operations, property and operations substantially identical to the property and operations of the line of business to which such information pertains; and

"(2) such information pertains to any inflationary or anti-competitive price or wage change determined by the Federal Trade Commission, or by the Council with the concurrence of the Federal Trade Commission, to have occurred after August 23, 1974.

"Section 552 of title 5, and section 1905 of title 18, United States Code, shall be construed consistently with this subsection and, in any conflict between such sections, or either of them, and this subsection, this subsection shall prevail. The rules, regulations, orders and procedures of the Federal Trade Commission and the Council shall be written, construed, or if necessary modified, to conform with this subsection."

Mr. NELSON. Mr. President, without losing my right to the floor, I yield for one moment to the Senator from Indiana for the purpose of calling up a conference report.

Mr. BAYH. I thank the Senator. I appreciate the cooperation of my distinguished friend from Wisconsin and the distinguished Senators from Illinois and Texas.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974—CONFERENCE REPORT

Mr. BAYH. Mr. President, I submit a report of the committee of conference on S. 821, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Helms). The report will be stated by title.

The second assistant legislative clerk reads as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report, which reads as follows:

(The conference report is printed in today's House proceedings on pages 28935–28946.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. Is a vote to occur on the Stevenson amendment at 4:15 p.m.?

The PRESIDING OFFICER. There is only an informal agreement. There is no previous order specifying 4:15.

Mr. BAYH. Mr. President, the bill under consideration today, S. 821, is the product of the 3-year bipartisan effort, which as Chairman of the Senate Subcommittee to Investigate Juvenile Delinquency, I have been privileged to lead, to improve the quality of juvenile justice in the United States and to overhaul the Federal approach to the problems of juvenile delinquency and children in trouble.

The subcommittee held 10 days of

hearings and heard 80 witnesses on S. 821 and S. 3148, a similar bill which I introduced in the 92d Congress. These hearings demonstrated the need for comprehensive changes in Federal juvenile delinquency programs combined with assistance to States, local governments, and private agencies to prevent delinquency and to provide community-based alternatives to juvenile detention and correctional facilities.

The bill has been endorsed by the National Council on Crime and Delinquency, the National Council of Juvenile Court Judges, the American Parents Committee, the Boys' Clubs of America, the Girls' Clubs of America, the American Federation of State, County, and Municipal Employees, the National Congress of Parents and Teachers, the National Executive Committee of the American Legion, the National Legal Aid and Defender Association, the National Council of Jewish Women, the National Association of Social Workers, the Family Service Association of America, the National Governors Conference, the National League of Cities and U.S. Conference of Mayors, the National Conference of State Criminal Justice Planning Administrators, the National Youth Alternatives Project, the American Institute of Family Relations. B'nai B'rith Women and many other concerned organizations. Also, S. 821 provides for a program which in all respects meets the criteria for effective juvenile justice legislation set forth by the Interagency Collaboration on Juvenile Justice comprised of the Boys' Clubs of America, Boy Scouts of America, Camp Fire Girls, Future Homemakers of America, Girls' Clubs of America, Girl Scouts of the U.S.A., National Board of YMCA's, National Board of the YWCA's of the U.S.A., National Federation of Settlements and Neighborhood Centers, and Red Cross Youth Service. The support of these groups demonstrated that passage of S. 821 would represent a vital contribution to the well-being of the youth of our nation.

I was gratified when on March 5, 1974, the Senate Subcommittee to Investigate Juvenile Delinquency reported S. 821 unanimously to the full Judiciary. S. 821 originally proposed the creation of a new office to administer the program in the Executive Office of the President and the bill as reported from the subcommittee placed the program in the Department of Health, Education, and Welfare. The Judiciary Committee amended and reported the bill on May 8, 1974, placing the program in the Law Enforcement Assistance Administration (LEAA) of the Department of Justice and making certain other changes.

Following the May 8 action of the Judiciary Committee I worked closely with the distinguished ranking minority member (Mr. HRUSKA) to develop a strong bill which provides for administration of this program within LEAA and which guarantees that the program can achieve the crucial goals of S. 821 as originally introduced. I appreciate the special dedication of the Senator from Nebraska, other Members of this body, the House, and the private agencies to the cause of our youth.

I was pleased on July 25 when my colleagues in the Senate voted 88 to 1 in favor of the substitute bill that preserved the essence of the original Juvenile Justice and Delinquency Prevention Act.

I am especially gratified today to report the results of the House-Senate conference on S. 821. We had differences of opinion, but in the spirit of compromise, and in view of the 88-to-1 vote in this body and the 339-to-20 vote in the House, the conferees and their collective staffs labored mightily and have come up with a bill that will reach the goals we established more than 3 years ago.

I would like to express special appreciation to John Rector, Alice Popkin, Mary Jolly, and other members of my staff, and to Chuck Bruse of Senator HRUSKA's staff, Paul Sumarit of Senator McCLELLAN's staff, and the many other staffers, House and Senate, who labored so long and hard on this measure.

The conference bill contains these key provisions:

It creates a new Office of Juvenile Justice and Delinquency Prevention in LEAA to be headed by an assistant administrator who will be appointed by the President subject to the advice and consent of the Senate.

It revises the method for the composition of the existing LEAA State and regional planning agencies to guarantee adequate representation on planning boards, at the State and local levels, of specialists in delinquency prevention, including representatives of public and private agencies involved in this important effort.

It authorizes a new set of programs of delinquency prevention, diversion from the juvenile justice system and community-based alternatives to traditional incarceration, all of which are designed to stem the high incidence of juvenile crime and the extremely high incidence of recidivism among juveniles. For these new programs, $75 million is authorized to be spent in the current fiscal year, $125 million for the second year, and $150 million for the third year, with a guaranteed commitment to help support useful programs of private agencies.

It requires, in addition to the new programs, that LEAA sustain its present commitment of $140 million a year to juvenile programs, while giving the new assistant administrator who will run the juvenile justice office policy control over existing LEAA juvenile programs.

It establishes the Coordinating Council on Juvenile Justice and Delinquency Prevention and it creates a National Advisory Committee appointed by the President to advise the LEAA on the planning, operations, and management of Federal juvenile delinquency programs.

It authorizes direct grants to agencies to develop new approaches to juvenile delinquency prevention and requires that at least 20 percent of these funds must go to private nonprofit agencies.

It establishes within this same Office a National Institute of Juvenile Justice, to provide ongoing research into new techniques of working with juveniles, to serve as a national clearinghouse for information on delinquency and to offer training in those techniques to personnel who will work with juveniles.

It improves significantly the Federal procedures for dealing with juveniles in the justice system, with the goal of letting Federal standards serve as a worthy example for improved procedures in the States.

It provides for a 1-year phasing out of the Juvenile Delinquency Prevention Act.

It establishes a National Institute of Corrections within the Federal Bureau of Prisons.

It establishes a Federal assistance program for local public and private groups to establish temporary shelter-care facilities for runaway youth and their families. This part of the bill is almost identical to the Runaway Youth Act, which I originally introduced in the Senate in 1971 and has passed the Senate twice, once in 1972 and again in June of 1973. It is designed to help the estimated 1 million youngsters who run away each year.

I am gratified by the support expressed for legislation to help children in trouble from concerned individuals and organizations in all parts of the United States. I am particularly appreciative of the dedicated citizens in my home State of Indiana, who deal with the problems of providing justice for juveniles on a daily basis and from whom I have learned much about what still needs to be done by the Federal Government to meet the needs of our youth. Indeed, S. 821 incorporates many of the recommendations made by Hoosiers at a series of meetings on juvenile justice held throughout Indiana.

This legislation offers a comprehensive response to the juvenile delinquency crisis that sees young people account for more than half the crime in this country. With the court caseloads of juvenile offenders increasing dramatically and the rate of recidivism for persons under 20 the highest of any age group, the present juvenile justice system has proven itself incapable of turning these people away from lives of crime. Our goal is to make the prevention of delinquency a No. 1 national priority of the Federal Government, and in so doing save tens of thousands of young people from the ravages of a life of crime, while helping them, their families and society.

It is often said, with much validity, that the young people of this country are our future. How we cope with children in trouble, whether we are punitive or constructive, or a degree of both, whether we are vindictive or considerate, will measure our success—and it will measure the depth of our conscience.

I urge my colleagues to act expeditiously to provide the Federal leadership and resources so desperately needed to deal with juvenile delinquency. By enacting the Juvenile Justice and Delinquency Prevention Act of 1974, we will contribute significantly to the safety and well-being of all of our citizens, particularly our youth.

Mr. HRUSKA. Mr. President, the Senate now moves to consider the conference report on S. 821, the Juvenile

Justice and Delinquency Prevention Act of 1974. As a Senate conferee, I take this opportunity to highlight the action of the conference committee.

I first want to commend the efforts of my distinguished colleague from Indiana (Mr. BAYH) who served as chairman of the Senate conferees. His diligent work helped to further the bipartisan atmosphere in which our proceedings were conducted.

The primary purposes of S. 821 as passed by the Senate on July 25, 1974, were: First, to add a new part F to the Omnibus Crime Control and Safe Streets Act of 1968 in order to provide a comprehensive program within the Law Enforcement Assistance Administration for the purpose of dealing more effectively with the problems of juvenile justice and delinquency prevention and control; second, to extend and amend the Juvenile Delinquency Prevention Act for 1 year in order to permit an orderly transfer of the program to the LEAA; third, to establish a much needed National Institute of Corrections within the Bureau of Prisons; fourth, to correct the inadvertent failure of the 1973 amendments to the Omnibus Crime Control and Safe Streets Act to provide the Administrator of the Law Enforcement Assistance Administration with full authority to donate Federal surplus property to State criminal justice agencies; and fifth, to amend title 18 of the United States Code to assume certain rights for juveniles under Federal jurisdiction of delinquent acts.

Extensive hearings were held on S. 821 by the Subcommittee to Investigate Juvenile Delinquency, chaired by Senator BAYH. As originally introduced, this measure called for the establishment of a juvenile justice and delinquency prevention program within the Department of Health, Education, and Welfare.

When S. 821 was considered by the full Judiciary Committee, there was offered an amendment in the nature of a substitute to create this new program in the Law Enforcement Assistance Administration within the Department of Justice. I firmly believe that the issues of juvenile justice and delinquency prevention can be more successfully addressed by this agency. LEAA has an impressive record of dealing with this serious problem and has committed hundreds of millions of dollars in this area since the agency was first established in 1968.

Mr. President, the Senate bill differed significantly from the bill passed by the House. This latter bill, H.R. 15271, was reported to the House by the Committee on Education and Labor. It established a Juvenile Delinquency Prevention Administration within the Department of Health, Education, and Welfare. It also established a block grant program, a discretionary grant fund, an Institute for the Continuing Studies of the Prevention of Juvenile Delinquency, a Coordinating Council on Juvenile Delinquency Prevention, and a program to deal with runaway youth.

Despite the significant differences between the provisions of the Senate and House bills, and despite the strong insistance by the House conferees on several key provisions of that bill, I believe that the Senate conferees have been successful in retaining the essential provisions and character of the Senate bill. The conference report retains virtually all of the key features of the legislation passed by the Senate.

I am pleased to report that the conferees agreed to the Senate provision allowing LEAA to fulfill the lead role in the administration of the Juvenile Justice and Delinquency Prevention Act of 1974. This agreement is of overriding importance in that it established the Senate bill language as controlling for the general purposes of title II of the compromise bill.

The Office of Juvenile Justice and Delinquency Prevention is created within the Department of Justice, Law Enforcement Assistance Administration, rather than within the Department of Health, Education, and Welfare. As provided by the Senate bill there will be an Assistant Administrator at the head of the Office who shall be nominated by the President and appointed with the advice and consent of the Senate. The structure of this office will fit smoothly into the established structure of the Law Enforcement Assistance Administration. The Office will be able to utilize an established administrative structure to implement the LEAA activity in the individual States as required by this act.

The Administrator of LEAA will have the lead role in setting the policy and developing objectives and priorities for the Office as well as for all other Federal juvenile delinquency programs and activities of the juvenile justice system in the United States. The broad role given the Administrator will concentrate responsibility and the ability of one central Federal agency to achieve a coordinated and integrated Federal, State and local juvenile delinquency prevention and control program. The reporting requirements mandated by the compromise bill will allow the Congress to closely monitor the progress of LEAA as well as other Federal agencies in meeting their responsibilities under the Juvenile Justice and Delinquency Prevention Act of 1974.

Mr. President, the placement of this program in LEAA recognizes that in combating the problems of juvenile delinquency we must look, first and foremost, to the juvenile justice system—police, juvenile courts and juvenile correctional agencies.

This is consistent with the view taken by the National Advisory Commission on Criminal Justice Standards and Goals which, after an exhaustive study of the problem of crime in America and of the solutions to this problem, found that the Nation's first priority in reducing crime should be given to preventing juvenile delinquency. In its report "A National Strategy to Reduce Crime" the Commission said:

> The highest attention must be given to preventing juvenile delinquency, to minimizing the involvement of young offenders in the juvenile and criminal justice system and to reintegrating delinquents and young offenders in the community.

I am confident that LEAA can best provide assistance to police, juvenile courts, juvenile correctional agencies and others in their efforts in preventing and reducing juvenile crime, improving the quality of juvenile justice and dealing effectively with juvenile offenders.

There was substantial agreement, Mr. President, with the final version of this bill. All the Senate conferees signed the conference report. We believe that there has been a successful effort to retain the best features of both bills. This bill represents a culmination of years of hard work and the expertise and dedication of a great many individuals. The importance of this piece of legislation cannot be overstated. While we in government are attempting to achieve a balanced budget, certain crisis problems such as juvenile delinquency demand an immediate mobilization of Federal resources. The crisis of juvenile delinquency must be met.

I urge my colleagues to support the action of the conference committee.

I ask unanimous consent to have printed in the RECORD a statement describing and explaining the differences between the House and Senate bills, together with decisions made by the committee of conference in arriving at a reconciliation of those differences.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HRUSKA ON S. 821 CONFERENCE REPORT: JUVENILE JUSTICE AND DELINQUENCY PREVENTION

The conferees agreed to the Senate provision that the Law Enforcement Assistance Administration fulfill the the lead role in the administration of the Juvenile Justice and Delinquency Prevention Act of 1974. This agreement is of overriding importance in that it establishes the Senate bill language as controlling for the general purposes of Title II of the compromise bill.

The Office of Juvenile Justice and Delinquency Prevention is created within the Department of Justice, Law Enforcement Assistance Administration, rather than within the Department of Health, Education, and Welfare. As provided by the Senate bill there will be an Assistant Administrator at the head of the office who shall be nominated by the President by and with the advice and consent of the Senate. The structure of this office will fit smoothly into the established structure of the Law Enforcement Assistance Administration. The Office will be able to utilize an established administrative structure to implement the LEAA activity in the individual states as required by this Act.

The Administrator of LEAA will have the lead role in setting the policy and developing objectives and priorities for the Office as well as for all other Federal juvenile delinquency programs and activities of the juvenile justice system in the United States. The broad role given the Administrator will concentrate the responsibility and the ability of one central Federal agency to achieve a coordinated and integrated Federal, State and local juvenile delinquency prevention and control program. The reporting requirements mandated by the compromise bill will allow the Congress to closely monitor the progress of LEAA as well as other Federal Agencies in meeting their responsibilities under the Juvenile Justice and Delinquency Prevention Act of 1974.

The Senate and House bills both required two annual reports of the Administrator, one containing an analysis and evaluation of Federal juvenile delinquency programs with recommended modifications necessary to increase program effectiveness, and the other a comprehensive plan for Federal juvenile delinquency programs. In addition, the conferees adopted certain additional reporting requirements of the House bill. A House reporting requirement was accepted which specifies that the President, within 90 days of receiving the administrator's annual report analyzing and making recommendations pertaining to Federal juvenile delinquency programs, will submit a report to Congress and the Council of any action taken or anticipated with respect to recommendations made by the Administrator.

A series of requirements were accepted which specify that the Administration must submit one additional report in each of the first three report years. The first year's additional report is to enumerate specific juvenile delinquency criteria. The second year's additional report is to identify all Federal juvenile delinquency programs. In the third year's additional report the Administrator is to submit a detailed statement of procedures to be used with respect to the submission of juvenile delinquency development statements.

Finally, the Administrator is to require, through appropriate authority, each Federal Agency administering a Federal juvenile delinquency program to submit annually to the Council a juvenile delinquency development statement. This statement, together with the comments of the Administrator, will be included by the Federal agency in all budget related activity significantly affecting juvenile deliquency prevention and treatment.

These additional reporting requirements can be expected to substantially improve the ability of the Congress to oversee the entire Federal juvenile effort and to improve the overall coordination of Federal juvenile delinquency programs.

The conferees have also adopted the concept of the Interdepartmental Council established by the Senate bill. This Council, to be called the Coordinating Council on Juvenile Justice and Delinquency Prevention, is established as an independent organization in the executive branch. The function of the Council is to coordinate all Federal juvenile delinquency efforts. The conferees agreed that the Attorney General, as Chairman of the Council, will appoint an Executive Secretary of the Council. The Executive Secretary, with the approval of the Council, will appoint such personnel as are necessary to carry out the functions of the Council.

The conferees adopted the House provision for a separate authorized appropriation for the Council of such sums as may be necessary to carry out the purposes of the Council. This provision is in line with the important role envisioned for the Council by the conferees. The conferees retained the Senate provision that any individual designated by an agency head to represent him shall be a person exercising significant decision making authority in that agency. By this the conferees intend that the designated individuals will be senior officers of the agency with responsibility in an area closely related to juvenile justice and delinquency prevention activity.

The conferees also adopted the Senate bill's establishment of a twenty-one member National Advisory Committee for Juvenile Justice and Delinquency Prevention. The equivalent House bill provision established a six member Coordinating Council on Juvenile Delinquency Prevention. The agreement means that the Advisory Committee will, by virtue of its broad representative nature, have a more meaningful input into the Federal juvenile delinquency program. The House provision for appointment of regular members by the President was agreed to in lieu of appointment by the Attorney General as called for by the Senate.

The Senate provision that a majority of the regular members not be full time government employees was adopted. The House bill made no provision for public representation. Provision for public representation on the Advisory Committee will assure a broad expertise as well as fresh view points on methods to combat Juvenile Delinquency.

The duties of the Advisory Committee were adopted by the conferees verbatim from the Senate bill. These duties include: annual recommendations to the Administrator with respect to planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs; designation of a subcommittee to advise the Administrator on particular functions or aspects of the work of the Administration; designation of a subcommittee to serve as members of an Advisory Committee for the National Institute for Juvenile Justice and Delinquency Prevention; and designation of a subcommittee to serve as an Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice. In addition, the conferees adopted the House provision allowing the Chairman of the Committee to appoint personnel to carry out the duties of the Advisory Committee.

It is my view that the conferees, by accepting these provisions, have increased the accountability of the executive branch in dealing with juvenile delinquency as well as the executive branch's ability to do the job.

FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

The conferees agreed upon a compromise match provision for formula grants. Federal financial assistance is not to exceed 90 percent of approved costs with the non-federal share to be in cash or kind, a so called soft match. This means that private non-profit agencies, organizations, and institutions will be better able to take advantage of opportunities afforded for financial assistance. The agreed upon match provision is in lieu of the Senate provision for no match and the House provision for a 90 percent cash, or hard match.

The conferees adopted the State plan provisions of the Senate bill. LEAA's existent State Planning Agencies are designated as the administering agencies in the States. The State's juvenile delinquency plan must be consistent with Section 303(a) of the Omnibus Crime Control and Safe Streets Act and such plan may, at the discretion of the Administrator, be incorporated in the State plan required in Section 303(a) for the receipt of Part C action funds.

The advisory group created by the Senate to advise the State Planning Agency and its Supervisory Board is retained over the House provision of a State Supervisory board. The Advisory Group is to consist of 21 to 33 members, as required by the Senate, rather than at least 15 members as required by the House. The advisory group is meant to be advisory in nature only and will have no power to approve, disapprove or modify State plans.

The conferees accepted a compromise pass-through provision, providing that at least 66⅔ percent of funds allocated to the State as formula grants be expended through programs of local government. The Senate had provided a 50 percent pass-through and the House 75 percent. This provision is not a hard and fast requirement since the Administrator can waive the requirement at his discretion if delinquency services are organized primarily on a statewide basis.

Supervision of local government programs by a local supervisory board as provided by the House was deleted by the conferees. This means that the State Planning Agency and the advisory group will be responsible for oversight of local government programs.

The State plan requirement for employee protection represents a compromise between the Senate and House positions. The provision adopted deletes the reference to the Secretary of Labor contained in the Senate bill but retains the enumerated protective arrangements of the Senate bill. The conferees expect LEAA to consult with the Secretary of Labor before issuing guidelines to the States regarding protective arrangements. However, the decision to eliminate the direct participation of the Secretary of Labor eliminates what would have been a bottleneck in the planning-funding process.

The Conferees agreed to the Senate provision for distribution of funds in the event that a State fails to submit a plan or fails to submit a plan meeting the necessary requirements for funding under this Act. The Senate bill gives States an incentive to attempt to meet the plan requirements since failure to make such an attempt could result in the funds being expended in other States. The House bill would have required the funds to be expended within the State whether or not the failure was a result of explicit and conscious decision.

The Conferees adopted the Special Emphasis Prevention and Treatment Programs provisions exactly as provided in the Senate bill.

The use of funds for construction, whether formula grant or special emphasis funds, was agreed by the conferees to be limited to not more than 50 percent of the cost of the construction of innovative community based facilities for less than twenty persons necessary to carry out the enumerated purposes of the Act. While this construction provision is restrictive, it illustrates the importance attached by the conferees to alternatives to incarceration of juveniles. The word construction, as used in Section 103 (10) and in Section 227, is to be liberally construed. The term construction does not include minor repairs or alterations. The term facility as used in Section 227 means all or any part of a building used to house a project or activity funded under the Act.

NATIONAL INSTITUTE FOR DELINQUENCY PREVENTION AND JUVENILE JUSTICE

The conferees adopted a provision establishing a National Institute for Delinquency Prevention and Juvenile Justice, a composite name derived from those of the Senate and House bills.

The Institute is established within the Juvenile Justice and Delinquency Prevention Office under the supervision and direction of the Assistant Administrator and headed by a Deputy Assistant Administrator as called for by the Senate bill.

The Act mandates that the activities of the National Institute for Delinquency Prevention and Juvenile Justice be coordinated with those of the LEAA's National Institute of Law Enforcement and Criminal Justice. The conferees anticipate that there will be, in addition, strong coordination between these two Institutes and the National Institute of Corrections created by Title V of this Act. The Attorney General has the authority and responsibility to effectuate this coordination in order to maximize results and eliminate duplication of efforts.

Several additional functions of the Institute called for by the House were included by the conferees, including dissemination of pertinent data and studies, preparation of studies on the prevention and treatment of juvenile delinquency, short term training and instruction, development of technical training teams to aid the States in setting up their own development and training programs, and establishment of an Institute training program designed to train enrollees with respect to methods and techniques for the prevention and treatment of juvenile delinquency. I believe that these additional functions will strengthen the vital role of the Institute in providing a coordinated nationwide approach to juvenile delinquency prevention and control.

The Senate provision for a report by the Advisory Committee on Standards for Juvenile Justice to the President and Congress within the year of the date of passage was accepted by the conferees. The House had vested responsibility for this report solely in the Institute without any advisory committee input. Another Senate provision was accepted which links the Advisory Committee for the National Institute for Delinquency Prevention and Juvenile Justice with the National Institute for Delinquency Prevention and Juvenile Justice, requiring the committee to advise, consult with, and make recommendations concerning the overall policy and operations of the Institute. These two committees strengthen the communication and coordination between the Advisory Committee and the Institute.

AUTHORIZATIONS OF APPROPRIATIONS

The conferees agreed to a compromise on the length and level of appropriations authorized to carry out the purposes of Title II. The Senate appropriation authorization for Part F was for two years at $75 million for fiscal year 1975 and $150 million for fiscal year 1976, while the House authorization was for four years at $75 million for each of fiscal years 1975 and 1976, $125 million for fiscal year 1977, and $175 million for fiscal year 1978. The compromise is a three year appropriation authorization of $75 million for fiscal year 1975, $125 million for fiscal year 1976, and $150 million for fiscal year 1977.

The extra year agreed to by the conferees assures that LEAA will have an adequate opportunity for careful planning, implementation, and evaluation of funded programs. The Congress can expect significant progress to be demonstrated by the end of this period of time.

The conferees agreed to include a provision from the Senate bill requiring LEAA to expend from its other appropriations, other than appropriations for Administration, at least the same level of financial assistance for juvenile delinquency programs as was expended by LEAA during fiscal year 1972. The conferees also intend that other Federal agencies maintain their current levels of funding for juvenile delinquency programs and that such funding not be decreased as a direct result of the new funding provided by this Act.

EXTENSION OF JUVENILE DELINQUENCY PREVENTION ACT

Due to the change in administering agencies from HEW to LEAA the conferees adopted the Senate provision for extension and amendment of the Juvenile Delinquency Prevention Act. As noted in the floor debate on S. 821 this title simply allows HEW sufficient time to wind down the activities funded under the Juvenile Delinquency Prevention Act without an abrupt discontinuation of the program. This transitional period will allow transfer of worthwhile services and programs to the new office in a smooth and orderly fashion.

FEDERAL SURPLUS PROPERTY AUTHORITY

The Senate conferees reluctantly receded to the wishes of the House conferees and deleted the Federal Surplus Property authority contained in Title VIII of the Senate bill. There were several reasons for this result. The House Education and Labor Committee does not have jurisdiction over surplus property and it was indicated by the conferees that such provision would be opposed by the appropriate House committee on these grounds. Further, the conferees received the text of a GSA letter opposing Title VIII and indicating that proposed legislation will liberalize the rules regarding the disposal of surplus and excess property. Finally, the Congress will be reviewing the entire surplus property program in the next session and major revisions can be expected. It is my hope that the Law Enforcement Assistance Administration may yet be granted surplus property authority in order to improve the country's law enforcement and criminal justice system capabilities.

NATIONAL INSTITUTE OF CORRECTIONS

The House conferees accepted the Senate Title which establishes the National Institute of Corrections within the Department of Justice, Bureau of Prison. While the House bill contained no similar title, the House conferees agreed that there is a urgent need for such an Institute to serve as a center of correctional knowledge for Federal, State and local correctional agencies and programs to develop national policies, educational and training programs and to provide research, evaluation and technical assistance.

As I noted earlier, it is expected that there will be strong coordination between the National Institute of Corrections, the National Institute for Law Enforcement and Criminal Justice, and the National Institute for Delinquency Prevention and Juvenile Justice.

FEDERAL JUVENILE DELINQUENCY ACT

The House conferees also accepted the Senate amendment to the Federal Juvenile Delinquency Act. These amendments provide basic procedural rights for juveniles who come under Federal jurisdiction and bring Federal procedures up to the standards set by State law and recent Supreme Court decisions.

RUNAWAY YOUTH ACT

In the spirit of compromise, the Senate conferees agreed to adopt the House provision for a runaway youth program in the Department of Health, Education, and Welfare to deal with the problems of runaway youth and their families. The Senate bill contained no similar provision since runaway youth programs are adequately provided within the framework of the provisions of the Omnibus Crime Control and Safe Streets Act and other provisions of this Act. The conferees expect that LEAA funded runaway projects will continue on a limited scale, with close coordination with HEW.

Frankly, I opposed this provision of the House bill but agreed with other Senate conferees that a runaway program in S. 821 would increase the probability of House agreement to the conference report.

CONFORMING AMENDMENTS

The Senate bill directly amended the Omnibus Crime Control and Safe Streets Act in order to reflect the key provisions of this Act in the body of that Act. The conferees agreed to write the compromise bill in such a way as to leave those titles affecting the LEAA program as free standing provisions. The conforming amendments reintegrate certain key provisions by amending this Act and the Omnibus Act. This will insure that the programs authorized by the Juvenile Justice and Delinquency Prevention Act of 1974 remain within the jurisdiction of the House Committee on Education and Labor. They represent no substantive changes from the Senate bill.

I would like to comment on several of the direct amendments to the LEAA Act. One important change is the Amendment to section 203(a) of the Omnibus Crime Control and Safe Streets Act. This amendment requires, rather than permits, the State Planning Agencies and Regional Planning Units to include representatives of citizen, professional, and community organizations including organizations directly related to delinquency prevention.

Another change is the addition of section 528 to the Administrative provisions of the Omnibus Act. This section authorizes the Administrator to select personnel to administer the provisions of the Act.

Mr. HRUSKA. This means that the Administrator will have the flexibility in personnel matters that is needed to get the job done in the fastest and most efficient manner possible.

I also want to note that the House bill's antidiscrimination provisions have been added in modified form to the compromise bill. These provisions parallel the current LEAA authority contained in section 518(c) of the Omnibus Crime Control and Safe Streets Act. They give LEAA a more specific legislative handle to use to eliminate discrimination and thereby guarantee the civil rights of all Americans.

There was substantial agreement, Mr. President, with the final version of this bill. All the Senate conferees signed the conference report. We believe that there has been a successful effort to retain the best features of both bills. This bill represents a culmination of years of hard work and the expertise and dedication of a great many individuals. The importance of this piece of legislation cannot be overstated. While we in government are attempting to achieve a balanced budget, certain crisis problems such as juvenile delinquency demand an immediate mobilization of Federal resources. The crisis of juvenile delinquency must be met.

I urge my colleagues to support the action of the conference committee.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAYH. Mr. President, I move that the Senate recede from its disagreement to the House amendment to the title of the bill and concur therein.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana.

The motion was agreed to.

COUNCIL ON WAGE AND PRICE STABILITY

The Senate resumed the consideration of the bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

Mr. NELSON. Mr. President, this is an amendent to section 4 of the bill—S. 3919, the Council on Wage and Price Stability Act—which is the section on exchange, confidentiality, and disclosure of information.

The amendment is cosponsored by the Senator from Michigan (Mr. HART).

The purpose of this amendment, in a nutshell, is to give the new Council on Wage and Price Stability one additional power that might be of some real and immediate utility in damping down inflation. Our proposed amendment would empower the Council to disclose to Federal law enforcement agencies and the public certain secret product-line profits of the largest manufacturing corporations, if those profits were associated with inflationary price increases occurring after August 23, 1974.

By conferring that power, Congress would enable the Council to fight inflation three ways:

First, because of their almost universal preference to keep their profits made in individual product lines a secret from the public and the agencies, the affected giant corporations would be given a strong incentive not to raise prices, since raising prices would cause their profit secrets to become public knowledge.

Second, disclosure by the Council of secret, very high product-line profits of a giant corporation, following a price increase, would enable both the public and governmental agencies to make better-informed judgments on whether an inflationary "abuse" had in fact occurred and whether political or law-enforcement actions, or both, might be warranted.

Third, the public exposure of secret, very high product-line profits might well attract new competitive entrants into the industry involved, and the new competition could itself be very helpful in pushing down inflationary pricing. After all, that is what free enterprise is all about. The profit motive is the engine; but competition is the regulator, the governor on the engine that keeps the system working for the benefit of the consumer. At least, that is the theory, and the theory may become truth if we can get more information out into the open.

SUMMARY OF AMENDMENT'S PROVISIONS

The proposed amendment would bring about these desirable results by doing these things:

First, by adding a new section 4(f) to the bill, the amendment would remove any possible doubt or ambiguity concerning the right of the Council on Wage and Price Stability to have access to the report forms to be collected by the Federal Trade Commission in its new line-of-business program for the largest manufacturing corporations. It would be my own curbstone legal opinion, as a lawyer reading the bill, that S. 3919 as reported, by clear implication, already grants that right to the Council. But this line-of-business program is too new and too important to leave any room for argument or doubt. To avoid confusion, delay, and possible litigation, our amendment would have the bill say that the Council is to have and to exercise the right of access to line-of-business reports obtained by the FTC. The Council is definitely going to need to see and use those reports, because they will contain data of a type never before systematically, regularly collected by the Government, information of a type that is not now and will not soon become available from any other source, and information of a type that could not be more relevant to the Council's interests and concerns and purposes. The line-of-business reports will cover various aspects of the giant manufacturers' investments, costs and profits, by standardized product line.

Second, by new subsection 4(g)(1), the amendment would enunciate the policy of Congress that all appropriate sworn officers and employees of the Federal Trade Commission and the Council would be given access—confidential access—to company line-of-business reports for purposes of carrying out all of the specific statutory responsibilities of both agencies. Thanks in large part to some very hard and able work by my colleague from Wisconsin (Mr. PROXMIRE) and also the cosponsor of the present amendment (Mr. HART), and the distinguished Senator from Wyoming (Mr. MCGEE), a provision concerning this kind of more widespread access, within the FTC, was included in the Senate version of the recently passed bill making appropriations for agricultural, environmental and consumer protection programs—H.R. 15472. The Senate provisions for wider access to the FFC's line-of-busness forms were substantially lost in conference; then the whole bill, for other reasons, was vetoed by President Nixon on his last night in office, so we shall have to start over on that whole multibillion-dollar appropriation bill. I think it would be worthwhile to handle the subject of access to line-of-business reports right here and now in a legislative measure, where such things belong, and perhaps thereby avoid another round of discussion of the subject in an appropriations bill, where such things really do not belong.

Third, under new subsection 4(g)(2) and subsection 4(h), which the amendment would add to the bill, an inflationary price change occurring after August 23, 1974, would trigger a double-barreled further disclosure of information contained in any line-of-business report which the FTC or the Council determined to be pertinent to that change. The entire report would be made available to any or all of these agencies: the Department of Justice, the Securities and Exchange Commission, the General Accounting Office, and the Office of Management and Budget, for purposes of carrying out their lawful responsibilities. And information excerpted from the report would be made available to the public, through the use of a test for the legitimacy or illegitimacy of claimed confidential, proprietary status.

TEST FOR PUBLIC DISCLOSURE

The test is somewhat complicated, unless you happen to have been a fan and a follower, as I have been, of the Hathaway amendments which were engrafted, through the good work of the Senator from Maine, onto the Economic Stabilization Act Amendments of 1973—section 6 of Public Law 93-28—and the Federal Energy Administration Act of 1974—section 14 of Public Law 93-275. Then the test set forth in the amendment is perfectly simple, because it is just about the same test.

The agency—either the Federal Trade Commission or the Council—considers each piece of information in the line-of-business report that has become eligible for public disclosure, by reason of its pertinence to an inflationary price hike occurring after August 23, 1974. If it determines that the particular piece of information is SEC information, it becomes public. If it is not SEC information, it stays confidential.

And what is "SEC information?" It is information of the same type that would have to be made public in its annual report to the SEC by a hypothetical company—a public corporation—that had one and only one line of business, and that line would be identical to the line of business involved in the report to the FTC. The SEC, under sections 13 and 15(d) of the Securities Exchange Act of 1934 requires very detailed annual reports from all registered companies. Since some companies are very diversified—and those are the ones that will be reporting to the FTC on the new line-of-business form—and others are very specialized, a great competitive inequity has grown up, which has been recognized by economists and small businessmen for years.

If, for example, there was a company registered with the SEC that made nothing but refrigerators, anyone could look at that company's report to the SEC and tell what its costs and profits were in the refrigerator line of business, because that would be its only line of business. But when a company makes refrigerators only as one of hundreds of products, as General Motors does, as Ford Motor Co. does, and as other giant companies do, its consolidated company profit reports tell nothing at all about its profits on refrigerators. General Motors breaks down its business for public reporting purpose only into "automotive," 'nonautomotive," and "defense," and into foreign and domestic, and that also tells nothing about its refrigerator profits. Yet, GM is almost certainly the largest refrigerator maker in the world.

As a result of this kind of secrecy, many abuses can be carried on out of sight. I do not say that General Motors is making abusive, inflationary profits in refrigerators—I do not know; but I do say we all have a right to know what percentage of profit on sales and on investment GM is making, in refrigerators, and in every one of its major product lines.

In his address to a joint session of Congress on August 12, President Ford said we have to have equity in any inflation-fighting program, and no one can disagree with that, in principle—although there will be lots of disagreement on what is and is not equitable, no doubt.

But it seems to me inequitable to have it be a secret what kind of profits a giant diversified corporation is making in each product and vertical segment of its operations, simply because it is big enough to put the figures together in all sorts of meaningless ways. I have been trying for years, by one means and another, to get something done about that, and I expect to go on trying.

This amendment is an especially modest effort in that regard. It only applies to information that is going to be collected in the FTC's line-of-business program, and the public and even the agency disclosure of that information would not come about unless it were determined that some future report had some relevance to a price increase occurring after August 23, 1974, a date selected because it is the date the Congress is going to recess and the date by which the President told us we were to get this bill passed.

The four agencies—Justice, SEC, GAO, and OMB—selected in this bill for sharing of the line-of-business reports are the same ones that were contained in the comparable provisions of the Senate version of that vetoed appropriations bill. The reference to committees of Congress is omitted here, because outside the context in which that reference occurred in the appropriations bill, it is not necessary. It is well recognized that Congress, through its authorized committees for authorized purposes, has full—although sometimes confidential—access to FTC records, and that will of course be true of the line-of-business records unless language comparable to the unfortunate House language in the vetoed appropriations bill is again adopted, which I trust it will not be.

SMALL BUSINESS NOT HIT BY AMENDMENT

The FTC's line-of-business reports will be filed by only 345 of the country's largest manufacturing corporations in the first year of the program—the forms have just been mailed out within the past few days. Only 500 corporations will be involved in the second year, unless plans and appropriations limitations change, and it is doubtful that the program would ever apply to more than the 1,000 or at most 2,000 largest corporations. Consequently, the FTC's line-of-business program is not opposed by small business; rather, it is welcomed by small business, because it has the potential of eventually providing for a long-overdue wider, more equitable sharing with the whole business community of the very valuable industrial information that is generated—and now closely held in a "knowledge monopoly"—by big business.

And while they may and no doubt will object to this amendment's provision for wider access to their line-of-business data, big business that is involved in the program cannot say that this will add to their reporting burdens, since they already are required to do the work to fill out the line-of-business forms.

PRESIDENT FORD'S ADDRESS TO THE CONGRESS

Mr. President, the address to a joint session of Congress on August 12 by the new President of the United States, set a refreshing tone and announced some priorities and policies which will surely be welcomed by all Americans. None was more welcome than these:

First, the Gerald Ford administration is going to fight inflation, and fight it hard.

Second, the Ford administration is going to be for openness and accountability of governmental power, as well as for the rights of privacy of the individual citizen.

The address was received by the Congress with the same warmth and cordiality, in the same spirit of new beginnings and new hope as the President delivered it. Every Member of Congress wants to go more than half way to meet the President's request, just as much as we want and welcome his promise to go more than half way to accomodate to the expressed desires of this branch of Government.

The President's first specific request of the Congress, in connection with the fight that he, and we, and all Americans want to wage and must wage against inflation, was to enact legislation reactivating, with some changes, the Cost of Living Council. An administration bill to that end had been introduced earlier Monday, even before the President spoke. That bill—S. 3394—was very promptly considered by the Senate Banking Committee, and the bill before us today—S. 3919—is a clean bill patterned, with not any very significant changes, on the President's bill.

But I would like to recall the words our new President used when he asked us for this legislation. President Ford said:

> For a start, before your Labor Day recess, Congress should reactivate the Cost of Living Council through passage of a clean bill, without reimposing controls, that will let us monitor wages and prices to expose abuses.

The words that stand out there are "without reimposing controls" and "monitor wages and prices to expose abuses."

Plainly, the President believes that mandatory wage and price controls will not do as good a job of curbing inflation as will the forces of public opinion—and the forces of competition—if only the abuses can be exposed.

Many in the Congress will differ with that optimistic view of President Ford's. For my own part, I think he has come up with one good and important remedy, but he is very probably wrong in his hope that it will be all the remedy we need. Wage and price controls, whether inflexible or flexible, are extremely distasteful and drastic; no one really wants them; yet, there are situations and times when there seems to be no adequate substitute for them, times when the only alternative is economic chaos and economic disaster.

I was one of a minority in the Senate that voted for giving to the President a revised, more equitable, standby wage and price control authority, to be exercised under certain circumstances. I also voted for continuing a monitoring system for wages and prices, not dissimilar to the one the President is currently proposing.

Consequently, I would feel more comfortable if the President were now asking for something more and stronger than a monitoring system; but to say that he is not, perhaps, asking Congress for enough is not to say that what he is asking for is not good, and necessary. It is.

In fact, the last three words in the quotation just read from the President's Monday speech have real merit and importance. That concept deserves the Congress' closest consideration.

The three words are: "To expose abuses."

The President's suggestion is in the spirit of Louis Brandeis' famous and beloved remark,

> Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman.

And the amendment which Senator HART and I are asking the Senate to consider and adopt is in the same spirit. It is an amendment to the President's own bill—as somewhat amplified by the committee—that is designed and intended to implement the Presidents' own suggestion that we try, as one possible remedy for inflation that has not yet really been tried, the exposure of abuses.

The new Council on Wage and Price Stability would be given the mandate, by the bill as reported, to monitor and report inflationary abuses in big government, and I approve of that. But this amendment would greatly enhance and strengthen the Council's power to carry out its equally important task of monitoring and exposing abuses in big business.

GIANT CORPORATIONS ARE PRIVATE GOVERNMENTS

Today, giant corporations are governments unto themselves, accountable to no one, richer and more powerful than many of the elected, public governments of States and even nations. It is time and past time that we stripped from these great world powers the veils of secrecy. It is time that we carried out our new President's advice that we establish machinery by which the government and the public can know whether inflationary prices and pressures and profits are, in fact, abusive, by knowing—in far more detail than we now do—what they are.

When a giant diversified company's secret, high profits on a particular product become known, the forces of competition will be brought to bear on that profit. Other companies will enter that line of business, the competition will mount, and the inflationary prices will come down. That is the way of free enterprise, of the competitive market, which corporate secrecy is actually killing.

A short time ago I read a quotation from our new Republican President. Now I would like to close with a quotation from our Republican Assistant Attorney General in charge of the Antitrust Division of the Justice Department, Mr. Thomas Kauker. In an address he made a few days ago, on August 1, to the House Republican Conference. Mr. Kauper said:

> We promote competition and prosecute those who seek to destroy it in the firm belief that only through vigorous, free competition, can we develop and maintain the economic potential to produce the things we all need at prices we can all afford. Without competition prices get sticky—they go up, they may eventually level off at a monopoly level, but they are slow to come down. We must rely on competition to drive prices down.

I agree with that, and I would point out that there is nothing this Congress could do to make competition work better as a check on inflation than to enact legislation which would provide for exposure of the high, secret profits, by product line, of our giant corporations.

As a Democrat, I will proudly cooperate with any Republican President to achieve that end. After all, President Ford's proposal is in keeping with the view of the first great pro-competition, giant-killing Republican President, Theodore Roosevelt.

It was T. R. who said, in connection with the founding of the predecessor to the Federal Trade Commission:

> Great corporations exist only because they are created and safeguarded by our institutions; and it is therefore our right and our duty to see that they work in harmony with these institutions. . . . The first requisite is knowledge, full and complete; knowledge which may be made public to the world.

In keeping with that observation, and with last Monday's remarks by President Ford, I urge the Senate to adopt our amendment.

Mr. President, I ask unanimous consent to withdraw the amendment I sent to the desk.

The PRESIDING OFFICER. The Senator has the right to do so. The amendment is withdrawn.

The question is on agreeing to the Stevenson substitute for S. 3919, as amended.

Mr. SPARKMAN. Mr. President, I did not understand that the time for the vote had arrived.

The PRESIDING OFFICER. The Chair cannot hear the Senator.

Mr. SPARKMAN. When I asked earlier whether the time for the vote had been set at 4:15, I was told that that was only an informal agreement. I desire to be heard on the Stevenson amendment before the vote takes place.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SPARKMAN. Do I correctly understand that the vote can occur earlier than 4:15?

The PRESIDING OFFICER. The Chair advises the Senator that his understanding is correct.

Mr. SPARKMAN. Mr. President, I have great respect for the Senator from Illinois and for his ability and his integrity. He does a thorough job, and I commend him for it. It just happens that in this matter I do not believe he is taking the right course. I do not believe that this is the time for Congress to try to enact wage and price controls. Of course, the Senator from Illinois will say that he is not providing for wage and price controls. He says he is placing upon the President of the United States the necessity to watch things and, when something seems to be getting out of order, to call a halt.

I am as much interested in the fight against inflation as anyone can be. It is undoubtedly the No. 1 problem throughout the country. It has been for a long time and may be for a long time to come. I wish we had the formula that would guarantee wiping out inflation and getting rid of it as soon as we can. But I do not think anybody has found that formula.

The President of the United States has announced that with him and with his administration, it is the No. 1 objective. He did not ask for controls. He asked us to give him what he considered the basic means of getting this fight on inflation started, and that was for—a task force, as he called it.

The House has already acted on their bill and passed it, without difficulty and without amendments. They gave him what he asked for.

If we are going to expect the President of the United States to win the fight against inflation, then we ought to give him the tools for which he asked. I am not suggesting that this is the only thing he will ask for. He probably will ask for other things as we go along. But he starts out by asking for a task force that he can set up, which will give the most serious consideration to this problem and come up with ideas. Those ideas may result in legislation. If they do, I hope he submits that legislation to us, and I hope we act according to his wishes on that legislation. That is the least we can expect, if he is going to carry on the fight as we want him to do.

Let us give him the bill he wants. I admit that there is some difference between the House bill and the Senate bill, but I think we can classify it as minimal. I believe that undoubtedly there can be quick agreement with the House in the event we pass this bill this afternoon as the committee reported it.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TOWER. I might say that the Senate version is equally satisfactory to the administration as is the House version. As the Senator points out, these differences are so minimal, it is even conceivable that the House will accept the Senate amendment and that we will not have to go to conference—if our committee bill is accepted.

Mr. SPARKMAN. My understanding is that the only real difference in our bill is the disclosure provisions and they are in large part present law. Is that correct?

Mr. TOWER. That is correct.

Another difference is that we authorize the Council on Wage and Price Stability to monitor the impact of governmental programs on inflation

Mr. SPARKMAN. And I believe our programs on inflation.

Mr. TOWER. That is correct.

Mr. SPARKMAN. After hearings.

Mr. TOWER. After hearings.

Mr. SPARKMAN. And we heard from the President's Economic Counselor, Mr. Rush. We heard from the National Association of Manufacturers. We heard from the AFL-CIO. Was there anyone else?

Mr. TOWER. We had three Senators testify—Senator JAVITS, Senator ROTH, and Senator BENTSEN.

Mr. SPARKMAN. Is it not true that every one of those witnesses was in substantial agreement and wanted us to report that bill?

Mr. TOWER. That seemed to me to be the thrust of the testimony.

Mr. SPARKMAN. No one could read it otherwise. The committee voted to report that kind of bill.

Mr. President, I value highly the friendship of the Senator from Illinois. I have known him for a good many years. I knew him when he was a boy. He is a very fine member of our committee, one of the hardest working and one of the most able.

I admire him and I respect him. I respect his views, even when I do not agree with them. But I say to the Senator from Illinois that he offered this amendment in the committee and the committee rejected it, because they wanted to do what President Ford asked us to do: enact his bill as soon as we could. That is just exactly what we are trying to do, and that is what I plead with the Senate for us to do.

Does the Senator from Illinois wish to say something, Mr. President?

Mr. STEVENSON. Mr. President, I wish very briefly to respond to the distinguished chairman's comments.

First, I think the chairman may have been off the floor when I commended him earlier for acting with such dispatch and diligence in bringing this matter before the Committee on Banking, Housing and Urban Affairs, on which I am privileged to serve under his leadership, and therefore quickly bringing it to the floor. I share with him his desire to act quickly and support the President and give the President what he seeks. It is only at this point that I have to part company with the distinguished chairman, and it always distresses me to do that. He has been a friend and, I might add, a friend for two generations in my family. I have the greatest respect and affection for him.

The trouble is that the President did not ask for anything. He did not ask for any authority that he does not already have. That was acknowledged by, among others in the committee, the Senator from Texas. This bill does not give the President of the United States one iota of additional authority over what he already has, except for the authority to spend another million dollars, which, as one Member of the other body has said, is giving him nothing more than a million-dollar honeymoon.

Mr. President, this is not a radical proposal. It is not a suggestion that wages and price controls be reimposed. This proposal may not be sought by the President. But it is sought by the Chairman of the Federal Reserve Board and, I believe, by every member of the Federal Reserve Board. Its purpose is simply to make monitoring effective and give the President the authority to defer inflationary, unreasonable, and excessive wage and price increases.

The President has called upon Congress and upon the country for action and has proposed none. He has called for a monitoring of the economy. What I am trying to do is give him the necessary tools, and beyond that, just to jawbone, a means of deferring wage and price increases—not controlling them, but defining them, spotlighting them, giving the public an opportunity to see them and to bring pressure to bear.

It is not wage and price controls. It may be an alternative to wage and price controls, because without some such action, the Government which imposed controls when prices were going up at 4.4 percent, might very well reimpose them when they are going up at a rate of 44 percent. That is the annual rate at which wholesale prices were increasing during July.

I do not want to go that route. Perhaps by taking this modest action, we can avoid a reimposition of the controls and a freeze and still more dislocations in the economy.

Mr. SPARKMAN. Mr. President, I agree with the Senator to the extent that the President could have, by executive decree, set up such a council as this. But I think that we in Congress like to have the President lay the matter before us, let us have a hand in it, instead of just setting it up by Executive order.

Another thing which I notice the Senator has in his amendment is the power of subpena. I thought we had passed away from subpenas for the time, and I hope we have. I think we have all heard so much in connection with subpenas that we would be glad to be out from under that burden.

I say again, the President is asking for a tool with which to work. It is all he is asking for, to give him the congressional authority to set up a task force or council as is provided in this bill to explore these various matters. That is his first step in his fight against inflation. We all want to see him win in that fight, and I am in favor of giving him what he asks for.

Mr. President, I am about to do something I have never done before, and I regret very much that it comes in connection with the amendment of the Senator from Illinois.

Mr. President, I move to lay on the table the amendment of the Senator from Illinois.

Mr. STEVENSON. I ask for the yeas and nays, Mr. President.

The yeas and nays were not ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. I ask for the yeas and nays on the motion to lay on the table.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. HELMS). The question is on agreeing to the motion to lay on the table the amendment—No. 1807, as amended—of the Senator from Illinois (Mr. STEVENSON). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from New Jersey (Mr. CASE), the Senator from Kentucky (Mr. COOK), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "nay."

The result was announced—yeas 50, nays 34, as follows:

[No. 366 Leg.]

YEAS—50

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bible
Brock
Brooke
Buckley
Byrd,
  Harry F., Jr.
Chiles
Clark
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hruska
Huddleston
McClellan
McClure
Nunn
Packwood
Pearson
Percy
Randolph
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—34

Abourezk
Bentsen
Biden
Burdick
Byrd, Robert C.
Church
Hart
Haskell
Hathaway
Hollings
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Ribicoff
Roth
Stevenson
Symington

NOT VOTING—16

Bellmon
Bennett
Cannon
Case
Cook
Domenici
Eastland
Fulbright
Gravel
Hartke
Long
McGee
McGovern
Mondale
Scott,
  William L.
Stennis

So the motion to lay on the table was agreed to.

FINAL COST OF DIRKSEN OFFICE BUILDING WILL TOP $100 MILLION

Mr. HARRY F. BYRD, JR. Mr. President, I have a news article quoting the Capitol Architect, George M. White, as stating that the final cost of what started out to be a $48 million extension of the Dirksen Office Building possibly will top $100 million.

Mr. President, I do not feel that in this time of great inflation, that this time when the President of the United States is making as the key part of his program a determined effort to get Federal spending under control, I do not believe that Congress should go ahead at this time with a $100 million office building.

We must have some austerity in the Federal Government, and the place to start is in Congress and in the White House.

Congress can make a start by reviewing this proposed new Senate Office Building, because I think it would be unwise to go ahead with an expenditure of $100 million for a new building at the present time.

I know all the Senators are cramped for space. The Senator from Virginia is cramped for space. We have a lot of problems and difficulties in handling our duties and responsibilities, but the No. 1 problem is to get Government spending under control. A good place to start is to show that we have some austerity here in the city of Washington by getting along, for the time being at least, without a new Senate Office Building.

Mr. SPARKMAN. Before the Senator yields the floor, Mr. President, of course—by the way, I am chairman of the Senate Office Building Commission.

Mr. HARRY F. BYRD, JR. That I did not know.

Mr. SPARKMAN. I have been mixed in this.

Mr. HARRY F. BYRD, JR., The Senator then knows more about it than I do.

Mr. SPARKMAN. I do know the cost has gone up, as everything has. I am amazed at some of the costs that we are paying today for everything. But my memory goes back to about 1954, I guess it was, when the present new Senate Office Building, the Dirksen Building, was proposed. It may have been a year or two earlier than that.

I was on the Commission then. The chairman was the late former Senator Green of Rhode Island, by the way, and we worked very, very hard on that.

It was objected to here on the Senate floor when the time came to authorize it, or to get the appropriation, and the same argument was made then.

We had planned a more elaborate building than we have got. We had a big sun roof up there, with a nice dining room. We had a swimming pool down in the basement, and so many things. But the cost was too great, so the Commission went back to work, and we cut corners here, cut corners there, cut down the space, cut out the swimming pool, the gymnasium, the solarium, and all the other refinements, and cut the thing down considerably. But, of course, that took a couple of years, and by the time the building was built, the bobtailed building we are using now, it cost more—I think about $20 million more—than it would have cost had we gone on when it was first planned.

I do not know how such figures would add up today, but I do throw that out for the Senator to keep in mind.

Mr. HARRY F. BYRD, JR. I appreciate the history given to the Senate by the able Senator from Alabama. But I would point out that in 1958, the American people did not have the inflationary pressures which we have today. The cost of living was stable then. Today living costs are accelerating by an unprecedented degree, and the major cause is continued and accumulating Government deficits. The Government did not have the smashing Government deficits then, 1958, that it has today.

So, despite the history of the Dirksen building and despite the argument, which has a lot of merit to it, being made by the Senator from Alabama, I still hope that the Senator from Alabama and the Commission which he heads will give consideration to restudying this matter as to whether now is the proper time to be building a new Senate office building costing $100 million.

Mr. SPARKMAN. I thank the Senator from Virginia.

COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report it.

The second assistant legislative clerk read as follows:

Add to section 3 the following:

(8) Stay for not in excess of 60 days without prejudice any major wage or price

increase deemed to have a major inflationary impact on the economy.

The **PRESIDING OFFICER**. The Senate will be in order.

Mr. **JAVITS**. Mr. President, the amendment I am offering would permit the Council on Wage and Price Stability to delay for a period of up to 60 days a major wage or price increase that would have a major inflationary impact on the economy. I regard this provision as an essential element in a reconstituted Cost of Living Council.

There are several reasons why this cooling-off provision is needed. First, it will give real meaning to the hearing process on the wage or price increase. Without this provision hearings will be held after the increase has been announced or after it has been put into effect. Hearings could not then serve nearly the useful function they would otherwise have in determining whether the increase was justified and the materiality of its inflationary impact. I am not suggesting that there would be any return to controls and, therefore, after, at the maximum, a 60-day cooling-off period the increase could go into effect. But a major review procedure before the increase was put into effect would cause corporations or unions to proceed more cautiously, and hearings could then persuade them that the public would not tolerate a major increase that could not be fully justified during a public hearing.

Second, in the absence of a provision to permit cooling-off for a limited period, the alternative is pressure to roll back wage or price increases, a confusing process likely to produce more resistence than a period of cooling-off. While I am not proposing roll back authority as an alternative, and officially there would be no power to force a roll back, jawboning might result in a roll back. It would be far better to work out restraint measures while a delay was in effect, rather than after the increase had been put into effect.

Third, a cooling-off provision will allow the Council to mediate the increase quietly with the parties, in order to achieve a more permanent level of agreement on a reasonable increase that would satisfy the parties concerned as well as the American people. Dr. Dunlop proved conclusively the utility of mediation and negotiation to reach agreements with industry sectors to achieve reasonable price and wage stability.

Finally, if my colleagues are genuinely worried about whether a cooling-off device will be a precursor of controls, let me state my willingness to shorten the period to 45 or even 30 days, with no provision for renewal. But I stress that some period of enforced delay is essential if this Council is to have any effect on inflation.

We know that we cannot rely alone on a tight fiscal and monetary policy to stem the tide of inflation, even though we all recognize the importance of those measures and we are rapidly running out of time to deal with inflation. Urgent action is required, but we must not succumb to the temptation to act impetuously to deal with inflation by measures that will ultimately harm our economy still further. For example, we must revive and strengthen our capital markets, rather than enacting legislation that will hinder this effort. On the other hand, we cannot continue to hope that inflation will go away if we close our eyes and pray. It will not. It is just this attitude that has prevented any forward planning in agriculture with the calamitous results that may occur with declining corn, wheat, and soybean production.

May I remind my colleagues that about 60 percent of the rise in consumer prices last year was caused by higher food and fuel prices, and for wholesale prices the proportion was even higher. It is simply impossible to believe that tight fiscal and monetary policy will cure that kind of inflation. Thus a monitoring agency with some degree of cooling-off authority is an essential element in stemming further price increases. I want to give the President what he asks for, but I also want to give him the tools to deal with the real nature of our inflation, instead of a cosmetic program which we shall all regret in the months ahead.

Mr. President, an excellent editorial on causes of inflation and the measures to deal with it appeared yesterday in the Washington Post, written by Ms. Alice M. Rivlin. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FIGHTING WITH INFLATION

(By Alice M. Rivlin)

If the President is to reassure us that there is a leader in the White House, he must move quickly and firmly against inflation. But to do this he needs unequivocal answers to two questions: What caused the current inflation? What can we do about it?

At the moment experts and nonexperts are giving him answers that sort into two piles. One group tells him that the primary cause of inflation is excessive government spending and that the only cure is to cut that spending. Another group tells him that this particular inflation has little or nothing to do with government spending, but was set off by several shocks to the economy—the rapid rise of food prices attributable to crop failures, the leap of fuel prices associated with the oil embargo, world-wide escalation of raw material prices, and the increase in the cost of American imports that resulted from dollar devaluation. These coincident accidents drove up the cost of living, which, in turn, precipitated a new spiral of wage and price increases with labor demanding higher wages, to compensate for and anticipate cost of living increases, and business raising prices, to compensate for and anticipate increases in wages and other costs. If one accepts the shock-spiral explanation of what is happening, the appropriate cure is to persuade or force labor and business to moderate their wage and price demands.

The first view—that government spending is the culprit—is easy to comprehend and highly attractive to those who believe, as a matter of basic philosophy, that government is too big and should be whittled down. Nevertheless, although government deficit spending has contributed heavily to some past inflationary spurts—there is little evidence that it can be blamed for what is happening now.

In 1966–69, when unemployment was well below 4 per cent, the fact that the government was financing the Vietnam war by spending more than it was taking in created excess demand for goods and services and drove prices up sharply. Right now, however, the comparatively small deficit in the federal budget is the result of the fact that the economy is operating at less than full employment rather than inflationary force. If the unemployment rate were 4 or even 4.5 per cent instead of the current 5.3 per cent, the government would be taking in considerably more revenue than it is and paying out less unemployment compensation, and the budget would be running at a substantial surplus. Most economists believe that the "full employment surplus" (what the surplus would be at full employment) is a more accurate indicator of the budget's impact on the economy than the actual deficit. Moreover, state and local governments as a whole have been running actual surpluses, partly as a result of federal revenue sharing. The three levels of government taken together are running a regular old conventional budget surplus, even at current rates of unemployment. Hence, it is hard to argue that this particular inflation is caused by government spending unless one believes, as Secretary of the Treasury William Simon appears to, that the memory of the deficit-caused inflation in the late 1960s is adding to current inflationary expectations.

The shock-spiral explanation is supported by firmer evidence. As Federal Reserve Board Chairman Arthur Burns points out, "Last year, about 60 per cent of the rise in consumer prices was accounted for by food and fuel; for wholesale prices, the proportion was even higher." No conceivable economic policy would have prevented the food-fuel spurt or brought other prices down enough to offset its effect on the cost of living. After a period of surprising restraint, unions are now demanding catch-up increases in pay and built in protection against future cost of living increases. Last month, despite substantial unemployment, there were over 600 strikes, most of them by workers demanding multi-year wage increases to compensate for inflation. Business, in turn, is pushing up prices to cover higher wage and raw material costs and to protect profit margins.

If the shock-spiral explanation is correct, cutting government spending at this juncture is unlikely to have an appreciable impact on inflation; it almost certainly will push the economy deeper into recession. The Gross National Product (after allowance for inflation) has actually been falling for the last half year; unemployment is already running at 5.3 per cent and is expected, even by the administration, to rise to at least 6 per cent within the next few months. Cuts in government spending without compensating tax reductions could reduce demand for goods and services and lead to widespread layoffs that might take the unemployment rates still higher. This would mean real hardship, especially for the poor and for minority groups whose unemployment rates are a multiple of the average rate. It would be a political disaster for the Ford administration, especially, as seems likely, if the recession deepened while inflation remained high. We would then have a not-so-instant replay of the 1969–71 experience when the Nixon administration tried to cool off the inflation by using restrictive budgetary and monetary policy. It succeeded only in raising unemloyment without reducing inflation and finally had to abandon the strategy in favor of freezes and controls.

But what is the alternative? Hardly anyone wants to reimpose mandatory wage-price controls right now. Even those who favored the policy in 1971 and believed that it was reasonably successful agree that this would be a bad moment to try again. The rules for wage and price controls have to be written in terms of deviations from some base period in which relative wages and prices can be assumed to be reasonably normal. The outside shocks to the economy of last year have introduced imbalances and distortions in wage and price structure that make August 1974 a singularly poor base period for a control system. President Ford's best hope is that he can use the euphoria of the moment to bring business and labor together in a mutual non-aggression pact. If he is extraordinarily skillful, he can get them to agree to some general guidelines that will moderate average wage and price demands without freezing distortions into place.

The President's speech to the Congress on Monday revealed clearly that he has not yet made up his mind which explanation is correct—surely a fitting posture for a man on the third day of a new job. Rhetorically he gave major emphasis to the notion that government spending is responsible for inflation and should be cut, although he made it clear that his antipathy to big government is not tied to the inflation issue alone (". . . a government big enough to give you anything you want, is a government big enough to take from you everything you have"). But the speech contained no specific proposals for budget cutting. The President did not endorse President Nixon's announced goal of cutting $5 billion from the government's proposed budget for the current fiscal year or the more drastic $10 billion cut proposed by Arthur Burns. He said only that he would submit a balanced budget for fiscal year 1976, which does not even begin until next July 1. The President's only specific programmatic references were to non-cuts (for example, he assured the Congress that there would be no "unwarranted" reductions in defense and urged passage of national health insurance, which could only add to government spending). Perhaps the President has not yet made up his mind where to ask for reductions in the current budget, but it seems more likely that he has concluded that substantial immediate budget cuts are either politically infeasible or economically unwise or both.

Two of the President's major recommendations suggest that, despite the rhetoric about cutting government spending, he realizes that the first phase of any battle plan against inflation must be a mutual restraint agreement between business and labor. First, he asked Congress to reactivate the Cost of Living Council so it can monitor wages and prices "to expose abuses." President Nixon, shortly before he resigned, also made this recommendation and Congress is moving quickly to pass the bill. The President has not requested any enforcement powers for the council and would be unlikely to use such powers even if Congress supplied them. But his sharp rebuke to General Motors shows he is not adverse to telling pricehikers what he thinks of them. If the President wanted to, he could turn the Cost of Living Council into an aggressive presence in all major wage and price decisions, which would develop guidelines, hold hearings, and turn a glaring official spotlight on transgressors (but make no arrests). With luck, skill, and a large dose of cooperative self-denial on the part of both labor and business, it might even work.

Second, he has accepted a congressional resolution to call an economic "summit" conference and to preside over it himself "in full view of the American public." Without meticulous behind-the-scenes preparation, this notion has about a 99 per cent chance of turning out to be a public relations fiasco in which representatives of various interest groups posture before the TV cameras, deplore inflation and call on *other* groups to make sacrifices to stop it.

But there remains a small chance that the summit could actually be a forum in which business and labor leaders publicly committed themselves to abide voluntarily by specific wage-price guidelines with a genuine expectation of doing so. For this to happen would take skillful advance diplomacy of the kind that enables heads of state to make dramatic breakthroughs and rise triumphant from the conference table after a few hours of conversation. The quiet negotiators would have to glide back and forth between the White House and the council chambers of business and labor, suggesting compromises and hammering out agreements for public ratification at the economic summit. To be successful, the agreements might have to touch on tax and spending policy—not just wage-price guidelines. Unless this careful advance work takes place, the conference will be a talk fest and President Ford will have lost the unique opportunity created by the post-resignation euphoria to bring labor and business into a serious cooperative effort to damp down the wage-price spiral before it gets entirely out of hand.

Mr. JAVITS. Mr. President, in addition, there are no renewals of the up to 60-day cooling-off period. It is just one period.

I believe that in fairness, the Senate ought to vote on this. It is the classic alternative suggested by the Chairman of the Federal Reserve Board who has testified to it at great length. It has been widely discussed in the country.

Whatever may be the reasons for tabling the Muskie-Stevenson measure, it was a substitute and had a good many things to it more than the simple opportunity for a cooling-off period to give the monitoring agency some little amount of muscle.

It had in it, for example, subpena power, the authority to evaluate the reasonableness of wage and price increases. It had more money for the agency. It had two cooling-off periods of 45 days each, et cetera.

This is simply one thing which is to give the monitoring agency some small element of authority which will give its deliberations and its public hearings some greater weight than they would have with no authority whatever except to hear.

I hope very much that in order to get the matter disposed of and to give the Senate at least the opportunity to express its will that the managers of the bill might let us go to a vote on the merits.

I have no way to control them and I tell them now that I am not going to protract the debate, it would be meaningless, but I do hope for that simply in deference to the position and arguments which have been made on this side of the issue and because——

The PRESIDING OFFICER. The Senator will suspend. The Chair feels obliged to point out that the Senator from New York is entitled to be heard. Conversations should be made in the cloakroom.

The Senator may proceed.

Mr. JAVITS. Mr. President, I simply have made this because I think it is the classic, simplest way to present the issue as to whether we want a monitoring agency with some element of strength or whether we simply want a monitoring agency to have hearings which may prove to be solely cosmetic.

Again, I will state that I shall vote for it. I still congratulate the committee on bringing it out as promptly as it did. But I do think we ought to add some element of strength and muscle to its proceedings and this is the simplest and most direct way to do it, and it does have the authority of backing.

Mr. PROXMIRE. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. The Senator in his initial remarks said that the increase would be inevitable after the 60-day period.

I presume the Senator would feel there might be circumstances in which, with the opportunity for the President and Congress to focus on what might be causing an outrageous price and wage increase, the party involved may decide it was a mistake and that I might decide not to make the inquiry.

What would happen in the case of the Javits amendment——

Mr. JAVITS. Well, no question about that. If I implied what the Senator states, I misspoke myself.

The whole purpose of getting a cooling-off period is in the hope that the parties would think better of it.

When I said inevitable, that simply emphasizes that there is no cooling mechanism here. If the people seeking the increase persist, they will have it, they have no way of stopping, unless we suddenly pass new legislation. But the fact is that certainly the reason for this cooling-off period is in the hope they will think better of it as there is public disclosure or debate, or they might find some other way of doing it, or find their purposes are well served, as many unions did when the Cost of Living Council came back at them, there were reductions in what was sought in order to bring about approval. I would hope for the same kind of approach here.

I thank my colleague very much for helping me make that point.

Mr. TOWER. Mr. President, the same arguments lie against the proposal of the Senator from New York as did against the comparable section of the Stevenson amendment.

To achieve a delay, you must have an elaborate data-gathering system, which is, in essence, comprehensive prenotification. If there is delay on some and not others, there is a profound assumption that those not challenged are all right, and I think this would only serve to speed up price and wage increases.

It really is backdoor controls, because the power to delay is, in itself, by definition, a power to control.

I again would reiterate that the essence of this authority would place the President under intense pressure to use it and create the false impression in the mind of the public that such action will reduce inflationary pressure when, indeed, it may not.

The Senator has asked for a vote on the merits, and I appreciate that. But I think there are many of us who simply want a clean bill—because that is what the President has asked for—and do not necessarily want to assert or deny any particular position. Therefore, after the debate has run its course, and at the appropriate time—and I do not intend to gag anyone—I intend to move to table.

Mr. JAVITS. Mr. President, I have just one or two other points. Take this General Motors increase which has aroused so much concern in the country, and which has aroused the President—who is no wild-eyed liberal price-controller—to speak out against it. The people of the country ought to know what the dynamics are, why the increase, how it is accounted for. General Motors, without in any way denigrating its fantastically important function as a national producer and international producer, is an enormous enterprise which is able, I am sure, fully to account for the increase. Given the opportunity to do that, it may very well find its own public relations very materially increased.

In addition, Mr. President, given a fair opportunity, the kind I described, there is very much less likelihood of any rollback authority. If these prices continue to increase as they are increasing, we may have a big outcry in this country about rolling prices back. That has happened before. That would be really disastrous in terms of business practice. The procedure which I suggest, Mr. President, would avoid any such situation. In addition, there is a great effort to avoid controls. We do not want controls. We do not want even standby controls.

I most respectfully submit the experience of governance—and we have many former Governors here in the Chamber—the experience is that if you try to have things too tight, the reaction is very much more likely to be violent; whereas, if you give an opportunity for public consideration and discussions—discussions which are meaningful—the reaction, even if there has to be an increase, is very much tempered by the fact of the evidence.

I believe in the elementary interest of tranquillity in the country. If the present day means anything, the refreshing feeling in the country, because of President Ford's accession to power, has been one of feeling that we ought to have a period of tranquillity. We have a good chance for one now. On that ground, I think that the action which I propose in this amendment is eminently justified.

Mr. President, I do not want to protract the debate any further. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I move that the amendment of the Senator from New York be laid on the table.

Mr. JAVITS. I demand the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from North Dakota (Mr. HARTKE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from New Jersey (Mr. CASE), the Senator from Kentucky (Mr. COOK), and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "nay."

The result was announced—yeas 50, nays 35, as follows:

[No. 367 Leg.]

YEAS—50

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bible
Brock
Brooke
Buckley
Byrd,
  Harry F., Jr.
Chiles
Clark
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hruska
Huddleston
McClellan
McClure
McIntyre
Nunn
Pearson
Percy
Randolph
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stevens
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—35

Abourezk
Bentsen
Biden
Burdick
Byrd, Robert C.
Church
Hart
Haskell
Hathaway
Hollings
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Proxmire
Ribicoff
Roth
Stevenson
Symington
Taft

NOT VOTING—15

Bellmon
Bennett
Cannon
Case
Cook
Domenici
Eastland
Fulbright
Gravel
Hartke
Long
McGee
McGovern
Mondale
Stennis

So the motion to table the Javits amendment was agreed to.

CONGRESSIONAL REVIEW OF EXECUTIVE AGREEMENTS—REFERRAL OF BILL TO COMMITTEE ON THE JUDICIARY

Mr. ERVIN. Mr. President, I ask unanimous consent, with regard to S. 3830, which has been referred to the Committee on Foreign Relations, that the Committee on Foreign Relations be discharged from further consideration of that bill and that the bill be referred to the Committee on the Judiciary.

I introduced such a bill and the Subcommittee on Separation of Powers of the Committee on the Judiciary has held extensive hearings on it. It has been reported to the full committee, but there was an inadvertent omission of an amendment adopted in the subcommittee. I introduce this as a clean bill to take care of that situation. I have consulted the ranking members.

The PRESIDING OFFICER (Mr. HOLLINGS). Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, has the Senator spoken to Senator FULBRIGHT on this matter?

Mr. ERVIN. I cannot find Senator FULBRIGHT. I have spoken to Senator SPARKMAN and Senator AIKEN.

Mr. JAVITS. And they have agreed?

Mr. ERVIN. Yes. I might say Senator FULBRIGHT was very interested in having this bill before the Subcommittee on Separation of Powers.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, I do not object.

The PRESIDING OFFICER. Without objection, it is so ordererd.

HEALTH REVENUE SHARING AND HEALTH SERVICES ACT OF 1974—COMMITTEE DISCHARGED AND BILL PLACED ON CALENDAR

Mr. MANSFIELD. Mr. President, this has been cleared on both sides. I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from its consideration of H.R. 14214 and that the bill be placed on the calendar pending action on the Senate companion bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

Mr. KENNEDY. Mr. President, I call up my amendment No. 1809 to S. 3919 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

In section 7, delete "June 30, 1976" and insert in lieu thereof "April 30, 1975".

Mr. TOWER. Will the Senator from Massachusetts yield?

Mr. KENNEDY. Yes, I am glad to yield.

Mr. TOWER. I wish to inquire at this point if there are other amendments, so that Senators may be informed of how many more amendments there may be to vote on tonight.

Mr. PROXMIRE. The Senator from Wisconsin has one.

Mr. TOWER. I know the Senator from Massachusetts has one, and there may be others.

Mr. KENNEDY. This will not take much time, Mr. President, and I hope we can avoid a yea-and-nay vote on this.

Mr. President, this is a very simple amendment. It would set the date of expiration of the Council's authority on April 30, 1975, instead of June 30, 1976, as the bill now provides. The purpose of the amendment is to require Congress to review in detail the operation of the Council early in 1975, and to act again by further legislation if the Council is to be continued beyond that date.

Obviously, there are doubts and reservations in Congress about the Council that is now to be established in response to President Ford's request for a new agency to monitor inflation. All of us desire a quick and generous accommodation with the President in approving his first request to Congress. All of us hope that the Council will do an effective job in helping to launch the new administration's anti-inflation policy.

But Congress has a responsibility of its own to insure that the policy is effective, and the way we can best reach that goal is by conducting a prompt review of the Council's functions after its initial period of operation.

Clearly, June 30, 1976 is too long to wait for the sort of thorough review and detailed oversight that an expiration date for the Council's authority necessarily entails. I hope that my proposal to set the date at the end of April next year will be accepted by the Congress, and that Congress and the President will be able to work effectively together in a partnership against inflation.

Let me say, Mr. President, that I would have supported a recommendation by President Ford for stronger legislation. I supported the Stevenson amendment. I would have supported President Ford in asking for standby authority to impose wage-price controls. I also intend to support the President in this measure before the Senate. I have some reservations about its effectiveness in dealing with the issue of inflation, but I hope that it will provide a reasonable period for the President to exercise leadership in this area, and I hope he is successful.

But the amendment I am offering will provide an opportunity for Congress to act again early next year on this important issue of inflation. So I would hope that this amendment would be accepted. I think it will help insure that we meet our responsibilities.

If the economy is sound next year and the President feels that no further action is needed, based upon the efforts of business and labor and the Council, working together closely with the President, then a simple extension of the authority next year may very well be all that is needed. But something more significant may also be necessary, and that is why we should take every available step to insure early congressional review.

Mr. TOWER. Mr. President, I am not married to the 1976 date. I think the Senator from Massachusetts is quite right in saying that Congress should consider this matter next year. I think that all the amendment of the Senator does, however, is to mandate Congress to take up the matter, because it is fully within our capacity to take it up any time we want to, early in the session, perhaps. I think we should.

I think the date asked for by the Senator from Massachusetts is a little bit short, because if the Council is to be an ongoing forum for discussion and for indepth analysis, it occurs to me that it needs a reasonable amount of time, a reasonable life span, to allow it to perform these duties. There are many complicated and long-range duties that are to be undertaken by the Council, and I think this short period of time is not enough.

I anticipate that probably, the Council, through the President, will come back to us with legislative recommendations even before April 30 next year. But I do think that time is too short.

I think, however, that the Senator from Massachusetts is right in insisting that we give some consideration to these matters in Congress next year, and I hope we will do it even earlier in the session, facing an expiration date on April 30. I hope that the Senator will not press his amendment for April 30 of next year.

Mr. KENNEDY. Mr. President, the time allowed under the amendment would provide an 8-month period for the operation of the Council before the expiration date. That is one more than was originally provided when we enacted the Economic Stabilization Act of 1970. At that time, only a seven-month period was provided before the initial expiration date. The Economic Stabilization Act of 1970 was subsequently extended on five different occasions, for periods of 1 month, 2 months, 11 months, 1 year, and again 1 year.

The chronology of the 1970 act is as follows:

On August 15, 1970, the Economic Stabilization Act of 1970 was enacted, providing standby authority for the President to stabilize prices and wages. The authority was to expire on March 1, 1971.

On December 17, 1970, the expiration date was extended to March 31, 1971.

On March 31, 1971, the expiration date was further extended to May 31, 1971.

On May 18, 1971, the expiration date was again extended, to April 30, 1972.

Then, on December 22, 1971, the Economic Stabilization Act Amendments of 1971 were enacted. This was the so-called phase II legislation, enacted as a substitute for the Economic Stabilization Act of 1970. The expiration date was set at April 30, 1973.

Finally, on April 30, 1973, the expiration date was extended to April 30, 1974.

So it seems to me that the shorter expiration date I am proposing is in keeping with our original action in 1970. But if the manager of the bill wants to continue the authority for a full year, that will be satisfactory as far as I am concerned. What I am primarily interested in is that Congress should be required within the next year to exercise its judgment on the action we are taking today.

I would prefer an 8-month period. I would be prepared to accept a year, but I do think it is important that Congress act early next year, and that we have the chance to review the activities of the Council.

Mr. TOWER. I say that the Congress will have a chance anyway, because we are just like that 500-pound gorilla; we can do what we please. I suggest that this is something that we should and must do next year, even without the external discipline of a date certain by which we have to decide on the question of expiration or continuation.

However, in the same spirit of compromise that the Senator from Massachusetts has shown, if he will modify his amendment to make it 1 year from the date of enactment, then I think that I would be amenable to accepting it.

Mr. KENNEDY. For the purposes of the amendment, could we take July 31 as the date? That would make it just before the summer recess next year.

Mr. TOWER. I think it is fairly certain that we will be in session right up until the snow flies next year. Therefore, if we just make it 1 year from the date of enactment, I think that is sufficient. The Senator from Massachusetts originally suggested a year; now he is taking back a month of it.

Mr. KENNEDY. Well, we are now in the middle of August. If the Senator will accept the 15th of August, I am willing to modify my amendment to the 15th of August.

Mr. TOWER. How many days is that costing me, four, out of the year that I was given originally?

I am willing to agree to it.

The PRESIDING OFFICER. The amendment is so modified.

Mr. KENNEDY's amendment (No. 1809), as modified, is as follows:

In section 7, delete "June 30, 1976" and insert in lieu thereof "August 15, 1975".

Mr. KENNEDY. I might mention that August 15 is the anniversary of the enactment of the original standby authority, the Economic Stabilization Act of 1970.

The PRESIDING OFFICER (Mr. HOLLINGS). The question is on agreeing to the amendment (No. 1809), as modified, of the Senator from Massachusetts (Mr. KENNEDY).

The amendment, as modified, was agreed to.

AMENDMENT NO. 1806

Mr. HATHAWAY. Mr. President, I call up my amendment No. 1806, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Section 3(a)(1) is amended as follows: After the word "demand," insert "supply, and the effect of economic concentration and anticompetitive practices,".

Mr. HATHAWAY. Mr President, this amendment just adds a couple of lines to section 3(a)(1) which would require that the Council look into the effects of economic concentration and anticompetitive practices, in trying to determine what the causes of inflation are.

I think this is an important area for study, as well as the other areas that have been listed in the bill, and I hope that the Senator from Texas as well as the Senator from Alabama will accept it.

Mr. TOWER. Mr. President, will the Senator from Maine yield for a question?

Mr. HATHAWAY. I yield.

Mr. TOWER. By "economic concentration and anticompetitive practices" the Senator means those on the part of, let us say, labor as well as industry, does he not?

Mr. HATHAWAY. The Senator is correct.

Mr. TOWER. I am not saying that there is, but if there were any such economic concentration and anticompetitive practices on the part of labor, that would be a proper matter to be looked into as well?

Mr. HATHAWAY. The Senator is correct.

Mr. TOWER. I thank the Senator. Under those circumstances, I think I am prepared to accept the amendment.

Mr. BROCK. Mr. President, will the Senator yield for a question?

Mr. HATHAWAY. I yield.

Mr. BROCK. Would such anticompetitive practices include restrictive work rules?

Mr. HATHAWAY. Yes; it would. Any type of featherbedding operation whatsoever, whether by management or by labor, should be reviewed and come under study by the Council.

Mr. BROCK. I congratulate the Senator on his breadth of vision.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 1806) of the Senator from Maine (Mr. HATHAWAY).

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I have an amendment at the desk which I call up and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be waived. I am going to read the rest of it, and I hope the Senators will give me their attention, because this is a different amendment than previous ceiling amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE's amendment is as follows:

At the end of the bill, insert the following new section:

"SEC. . Not later than twenty days following the enactment of this Act, the President shall submit to the Congress a proposal to limit expenditures and net lending during the fiscal year ending June 30, 1975, under the budget of the United States Government to $295,000,000,000 or such higher amount if the President determines a ceiling of $295,000,000,000 is infeasible and indicates his reasons therefor. The proposal submitted pursuant to this section shall include separate ceilings on expenditures and net lending for each major department and agency of the Government. Such proposal shall become law in twenty days following its submission to the Congress unless prior to such date the Congress by concurrent resolution disapproves of or modifies such proposal and any modifications so made shall have the full force and effect of law. Any resolution of disapproval or modification shall be considered under procedures established under sections 910 through 913 of title 5, U.S. Code."

Mr. PROXMIRE. This is different from the $295 billion ceiling amendment I have offered in the past. It provides for a considerable amount of cooperation between the President and Congress.

The President would be required to submit to Congress a ceiling of $295 billion, or such higher amount as he may determine if he considers that unfeasible.

This amendment does give the President considerable discretion. It does not mean he has to go all the way down to $295 billion. Anyone who studies this matter in detail knows how very hard that will be. Although the Senate and the House of Representatives may very well cut the budget $8 billion below the President's request, much of that is obligational authority that would be spent over the next 2 or 3 years. Only about half of that reduction would be felt in the present fiscal year. In view of other increases, inflationary increases, increases in the national debt, increases in interest rates, increases in released impoundment funds, we are really up to about a $310 billion level. For the President to cut down to $295 billion is going to be extremely difficult; we must recognize that, so the amendment does give the President that leeway.

Moreover, it does provide that the President shall submit to Congress ceilings in various categories of expenditures—Defense, HEW, Transportation, HUD, and so forth. Congress would have 20 days within which to act. If we do not act in 20 days, the President's ceilings would take effect. However, we can modify those.

I think we should also recognize that we are probably going to be out of session by the middle of October, so we can only have a short time in which to act. I think if we really mean business about fighting inflation, while this monitoring measure may be helpful, it cannot do the anti-inflationary job that reducing the immense increase in Federal spending can do.

I think everyone recognizes that the kind of reduction we are talking about can have an effect on inflation in several ways. First, the Federal Government is the biggest single buyer, with the greatest demand, in the economy. Much of what we buy is items in short supply, such as steel, oil, chemicals, and many other things that have gone up sharply in price.

Second, if we can cut the budget down to $295 billion, it will have the effect of taking the Federal Government out of the capital market as a net borrower, because we otherwise would have a $10 billion deficit, and this would permit us to balance the budget. That would greatly release pressure on interest rates, and we all know how vital this is.

Most important of all is the effect this could have on businesses and consumers. There is no question that inflation is very largely a matter of psychological expectations, and of business acting because they anticipate inflation, and moving ahead to increase their prices, and labor to increase their wages, because they feel convinced that inflation is inevitable.

If Congress will act in this decisive way, I think that could have a really serious anti-inflationary psychological effect.

For all these reasons, Mr. President, I feel that this proposal is something that should be given consideration. It seems to me that whether it is technically germane or not, it is certainly as germane in spirit as any amendment we could offer. If we really mean business about doing something effective about this anti-inflation proposal that is now before the Senate, it seems to me this is the single most important amendment we could propose.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. Yes.

Mr. TOWER. I think the Senator from Wisconsin knows I think this is a good amendment, and support him. I do wish he could find another vehicle to attach it to other than this bill. Whether we like the rule of germaneness or not, or whether we think this amendment is germane or not, it might be in the Senate's best interest to find another vehicle where germaneness would not be an issue, because when we get to conference, the House might raise the issue of germaneness. The House just passed a clean bill by a vote of 379 to 23, which puts us in a little bit of a bad shape as far as amendments are concerned, considering the overwhelming margain by which they passed a clean bill. I wonder if the Senator would give some consideration to the possibility of finding another more appropriate vehicle.

Mr. PROXMIRE. Mr. President, there is no other bill on the calendar to which this amendment would be germane. I have discussed it with the staff of the policy committee and with others. I cannot find another bill as germane as this one is.

It seems to me that this is germane in a very real sense to what we are trying to do here: monitor prices. It seems to me that this proposal would have a more desirable effect in holding down prices than anything else this Congress can do.

I ask unanimous consent that the distinguished present Presiding Officer (Mr. HOLLINGS) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BROCK. As the Senator knows, I cooperated in his last endeavor, and we got passed a $295 billion ceiling.

I think, frankly, this proposal makes more sense than the earlier effort which we both made. I have only one concern with it, and that is whether or not 20 days is sufficient for the President to respond.

In the first place, 20 days would make his response come while the Senate, or at least the House of Representatives, was in recess. I wonder if it would not make more sense to give him 30 days, to at least have the time to act as wide as possible.

Mr. PROXMIRE. We thought about this, and we thought 20 days were desirable, but there is so little time when we come back. But I am happy to modify my amendment to make it 30 days instead of 20.

Mr. BROCK. Would the Senator allow me to join as a cosponsor?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from Tennessee (Mr. BROCK) be a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Senator NUNN and Senator CHILES be listed as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, will the Senator from Wisconsin yield? I have discussed this with the manager of the bill, and we have agreed that this is a good amendment. We will take it to conference and see what we can do with it and, of course, obviously if the House raises the issue of germaneness, that is a problem we have to face. But I think we would both be willing to stand as fast as we can with the Senate position.

Mr. **PROXMIRE**. I may be on that conference, and I know, I talked with the chairman of the House committee, Congressman PATMAN, and he is sympathetic with this.

Mr. **TOWER**. As the Senator knows, if the House wants to, they can ignore the rule of germaneness.

Mr. **SPARKMAN**. Let me just say a word. Of course, the House has all the advantage in the world on this question of germaneness. As a matter of fact, I have often referred to it as a vicious rule—that is what it is.

If we go to conference on a House bill, if it comes here under an H.R., and it gets here before out bill gets over there, why then, we go to conference on that House bill, and the Senator from Wisconsin knows that they can knock off almost anything they want to that we add to this bill. I suppose since they passed theirs earlier in the day, it will be here before ours could possibly be over there, so it probably will be in conference.

However, I think it is worthy of taking to conference, and I am glad to join the Senator from Texas.

Mr. **PROXMIRE**. I thank the Senator.

The **PRESIDING OFFICER**. The Chair has an inquiry. The Senator has 30 days one place or two places in the amendment? Is it both places or just the first place?

Mr. **PROXMIRE**. Just one; that the President be given 30 days.

The **PRESIDING OFFICER**. The first line of the amendment.

The question is on agreeing to the amendment as modified.

Several Senators addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Maine (Mr. MUSKIE).

Mr. **MUSKIE**. Mr. President, the amendment of the Senator from Wisconsin, which has just been presented to the Senate, is evidently about to be handled in a summary way. But I think its implications are so serious that I want to take at least a few minutes to explore them for the record.

There are two processes now underway in this body, and in Congress as a whole, for dealing with the issue of budget cuts. One is the regular appropriations process which, I think, is making its own record with respect to budget cuts, as was illustrated last week in the case of the defense budget.

Second is the new budget reform process, which Congress as a whole developed this year and the President signed into law. The second process is not yet fully equipped to deal with the 1975 fiscal year budget but, nevertheless, we are pressing to give the current budget our consideration.

One of the purposes of the new budget reform process is to provide a means for the Senate and Congress as a whole, to deal more effectively with the question of priorities in Federal spending.

The second sentence in the pending amendment, however, reads as follows:

> The proposal submitted pursuant to this section shall include separate ceilings on expenditures and net lending for each major department and agency of the Government.

Now, the effect of that sentence is to delegate to the President the authority to establish priorities, and we will get in response, if the language is literally followed, a figure for each major department and agency without any indication of the impact of that spending figure on activities within those departments and agencies—and the impact upon particular programs.

Now, the next sentence of the amendment reads:

> Such proposal shall become law in 20 days—

Now 30 days—

> following—

Mr. **PROXMIRE**. It is still 20 days. We did not modify that.

Mr. **MUSKIE**. Still 20 days—

> following its submission to the Congress unless prior to such date the Congress by concurrent resolution disapproves of or modifies such proposal and any modifications so made shall have the full force and effect of law.

Now, we will have 20 days. Within that time, we would first have to conduct hearings on the implications for budget priorities of the numbers that the President sends us. Then—still within that 20 days—we would have to develop a consensus in each House on possible modifications of those spending priorities. And then—still within the same 20 days—we would have to take action in each House on a concurrent resolution, then resolve differencies in conference, and finally come to a formal agreement of both Houses, so that our spending priorities, and not the President's might become law.

Mr. President, in the little more than 3 weeks since I have been chairman of the Senate Budget Committee, we have begun the laborious process of getting organized, and begun conducting hearings to understand the implications of questions of this kind. And in those brief 3 weeks I have been chairman, it has become clear to this Senator that the Federal budget is even more complex than it is generally understood to be; that the options available to us within that $304 billion or $305 billion total outlay level are not all that great; and that the total number of dollars available to us for reductions of actual outlays or spending this year are much less substantial than it would seem merely by citing the size of the total.

I have no objection to the objective of my friend from Wisconsin of reducing spending—actual spending—now. The Senator from Wisconsin (Mr. PROXMIRE) has made the point in his remarks that if we are going to cut $10 billion in spending we would have to cut much more than that in appropriations. So the actual cuts are going to be difficult to make.

Any Senator—and especially the Senator from Wisconsin, who has devoted so much time to this question—is, of course, within his rights in offering proposals to cut Government spending. In addition, of course, the newly created Senate Budget Committee now has a mandate to try to bring a discipline to Government spending. I do not know how many processes we must establish before we are convinced that we are moving in the right direction.

Before I lend my support to this amendment, with its delegation of a blank check to the President, I would want to know much more about the implications.

In a year when Congress has undertaken to swing the balance of power with respect to the public purse back to Congress, this proposal seems to go in the reverse direction. I, for one, am willing, as a Member of the Senate, to take responsibility to do the work, to decide where we can cut responsibly, and what our priorities should be. I am not yet ready to delegate that power back to the President after we have made such an effort this year to get a handle on it for ourselves.

Mr. **PROXMIRE**. Mr. President, in response to the Senator from Maine, let me first say that I agree with almost everything he has had to say. I think he has done an excellent job in starting the Budget Committee, and moving as he has.

I disagree in a few very important respects, however. One is the fact that the timing in stopping of inflation is of the greatest importance. If we proceed to move ahead in a way which would enable us to hold detailed hearings in all of these areas, by the time we act we may not be suffering from inflation but from something else, for inflation may have gotten way out of control.

Mr. President, this is not a blank check. This is not a blank check to the President of the United States. This provides, as the Senator read in the third sentence, that "unless prior to such date the Congress by concurrent resolution disapproves of or modifies such proposal and any modifications so made shall have the full force and effect of law." So the Congress will in fact under this amendment have the last word.

Now I think we have to do this in a cooperative way. We cannot expect—I do not think we should unilaterally make—the reduction, and I do not think the President should make it either. It mandates the President to tell us what his plan is, where he would make the reductions. It then gives us ample time to act, and we have the protections here so that it cannot be filibustered. We will have to act within those 20 days. We have the authority to do so. We will then be in a position to say whether we approve of the priorities or disapprove, and designate finally the priorities ourselves.

Mr. President, I did say that an appropriation reduction now does not mean we are going to get a corresponding reduction in outlays on spending in the coming year. I am very happy the Senator from Maine made this point. When we talk about outlays we may not have to make as big an appropriation cut in order to get a corresponding outlay reduction; similarly the President can on our instruction reduce outlays and postpone those expenditures of the Federal Government that are most inflationary, to a much greater extent than we can when we reduce appropriations. Without this amendment, I am confident the President will not balance the budget this year. With this amendment he may very well do so, and we in Congress will determine just where the budget cuts are made.

We should postpone the inflationary spending until later in the area of steel, oil, and with respect to other products where prices are going up so high. It is this kind of recommendation the President can make, and the Congress can act upon because we are not talking about appropriations, we are talking about outlays, expenditures.

Here is where this kind of proposal I have made here, it seems to me, can be most useful.

Finally, I would like to say that the Senator from Maine is right in saying it would be far better if we could take time, 6 months or 9 months, and have a very careful analysis of this, but the fact is that this inflation is now, and it is getting worse every day, every week.

Just last month we had an enormous increase in wholesale prices, a very big increase. We cannot postpone this.

Mr. President, I do hope the Senate can see its way clear to accept this amendment tonight and move ahead.

It is too bad we could not have gotten action on the similar ceiling amendment we passed last June. Now in August, it is much more harder. If we postpone this again, it seems to me it is going to be impossible. I think the time is rapidly running out on us.

I yield to the Senator from Maine.

Mr. MUSKIE. Everyone in this body shares the concern about inflation expressed by my distinguished colleague from Wisconsin (Senator PROXMIRE). If we could, by wiping out $10 billion in Federal spending, stop inflation tomorrow morning, I do not think there would be a dissenting vote to such a proposal.

Mr. PROXMIRE. May I say on that point, I think the Senator is absolutely right. This is only one step. We need jawboning, we need antitrust, we need monetary policy, we need many other things to be effective. This is only one step. I think it is a very important step, but it is only one step, the Senator is correct.

Mr. MUSKIE. Of course, fundamental to the Senator's proposal is the proposition that we ought to put together a new budget. The Senator is asking, in his amendment, that the President to do it, and evidently the Senator does not want him to take too much time for the purpose.

We explored the question of new budget submissions by this administration in hearings the Budget Committee held last week. The Director of the Office of Management and Budget, Mr. Ash, appeared at those hearings, and we asked him for specifics:

Where would he cut $10 billion, or where would he cut $5 billion?

He was not prepared to give us those answers. He said, "We will work out those numbers at the summit conference the President requested with Members of Congress."

I submit that we are not in a position to obtain the kind of information that the Senator's amendment calls for in its first two sentences. I have asked Mr. Ash to give us these kinds of numbers. If they are sent to Congress, the Budget Committee is in a position to deal with them, and the Senator from Arkansas has indicated his receptiveness to further agreements on budget cuts.

Meanwhile, the hard task of budget cutting, item by item, is being performed by the Committee on Appropriations under the able chairmanship of the Senator from Arkansas. They have spent all year on it. They have already given the time to the task, and have produced results in the form of budget cuts.

Nevertheless, we can certainly use the information called for in the first part of the Senator's amendment. The more information we can get, even this late in the session, the better judgments we can make.

But what I am concerned about is the last two sentences, or the last three, because what they do is delegate to the President the authority to establish, almost unilaterally, the entire set of priorities for the Federal budget. When we get his new order of priorities—and we do not know whether they would be based on a budget of 295, 297, 300, or 304 billions of dollars—their impact will be concealed under the number for each department and agency. And we will have just 20 days to evaluate and modify them before his proposal would become law.

I would suggest to the Senator that 20 days is so inconsequential that perhaps he ought to change that sentence to read as follows:

> Such proposal shall become law following its submission to Congress.

I think, as a practical matter, that the 20 days is so inadequate as to have that effect. The kind of thoughtful job of budget analysis which I am sure the Senator has in mind just cannot be accomplished in that time.

So if we think that such arbitrary action on the part of the President is necessary, given our economic difficulties, then let us wipe out the cosmetics, let us wipe out the 20 days, let us wipe out any pretense that Congress can look at this proposal in a thoughtful, meaningful way—and simple say that our circumstances are so dire that we are forced to hand this blanket authority to the President.

Mr. PROXMIRE. May I say to the distinguished Senator from Maine that this amendment does provide that Congress shall have the authority to decide, Congress shall have the authority.

The Senator from Maine says 20 days is inconsequential——

Mr. MUSKIE. I said inadequate.

Mr. PROXMIRE. Well, whether inadequate or inconsequential, we might as well proceed about giving Congress the priorities because it is so short a time.

In fact, I am a member, chairman of the subcommittee that has a $20 billion budget. I think we can decide within 10 days, but it will not be comfortable. All I say, we may not like it, but if we have to do it, we have to do it. We are in that kind of crisis now.

Mr. MUSKIE. My concern is that we would create the impression with the American people that Congress is looking at the details of the budget in a meaningful way. It would be a deception to suggest to the people that such a job could be performed thoughtfully in a few days. Given the time out of those days that it would take to get legislative action on the floor, how many days have we left over for a meaningful analysis of the President's proposal?

I say we ought not deceive the people on that point.

Mr. PROXMIRE. May I say to the Senator from Maine that the President had that complete authority, now without our doing anything at all over outlays. He always has had. If he wished, he could spend $320 million. He determines the pace of spending. Of spending, not appropriation, but spending.

He has outstanding obligational authority on which he can act. This amendment would limit the President's authority and require him to come in with a limit.

It is true, 20 days is not a year, not 6 months, but it would give us an opportunity to say yes or no and some knowledge of this whole operation.

It would give us some chance on the basis of the hearings we have been holding, our understandings we have been building up, to determine where those priorities are.

Suppose he should come in without any reduction in the outlay area for defense?

Suppose he should do that? Under my amendment we would be in a position to overrule that and decide that there must be a reduction in outlays, so far as defense expenditures are concerned. We can take the same position with respect to HUD or HEW. It is up to us to make the final decision.

Mr. SPARKMAN. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend from Alabama.

Mr. SPARKMAN. I may say that this amendment is most likely subject to the Budget Control Act. I do not believe that it should hold up the passage of this bill. After all, both Senator TOWER and I have agreed to take it to conference, but we have warned about the question of germaneness.

Mr. MAGNUSON. Has the Senator agreed to take this to conference?

Mr. SPARKMAN. What did the Senator say?

Mr. MAGNUSON. Has the Senator agreed to take this to conference?

Mr. SPARKMAN. We agreed that we would take it to conference, but warned the Senator at the time that all in the world the House conferees would have to do would be to object to it on the ground of germaneness and it is out. We did not want to take it to conference under any misunderstanding.

Mr. PROXMIRE. I will be happy to yield the floor to the Senator from Washington.

Mr. MAGNUSON. I would think this is marching uphill and down again. The President of the United States now has authority to send up a budget which has priorities. We have removed his budget authority to the extent that we are going to establish our priorities. The Budget Committee is going to establish the ceiling.

Mr. PROXMIRE. I am not giving the President any additional authority. I am giving the Congress authority. We are telling the President——

Mr. MAGNUSON. All right, so he sends up the budget. The Senator and I sit on the Appropriations Committee and the Congress reviews what the President sends up. That goes on now.

The Budget Committee is going to establish priorities. We have authority now. I do not know what more the Senator wants.

The Senator must know that the Appropriations Committee takes a look at what the President sends up, and we try to establish our priorities.

Next year we must work within a ceiling. We do not need to clutter up this process with another amendment.

Mr. PROXMIRE. May the Senator from Wisconsin respond?

Mr. MAGNUSON. I have not yielded the floor.

I just do not see the reason for this. This clutters up things. We established a Budget Committee. The Senate worked hard on it. We have the Appropriations Committee. So when a President sends up a budget, we take a look at it.

Mr. PROXMIRE. May I respond?

Mr. MAGNUSON. We can appropriate or not appropriate, or take the budget figures. Next year we will have the added addition of the committee of the Senator from Maine from which we will have a ceiling to work within.

Congress has taken the authority away from the President in all fiscal matters, except to send up a budget. What is a budget? A budget is an advisory thing. That is all it is. It is just advisory. Congress can take it or leave it. Many times, as the Senator from Wisconsin knows, he and I in Appropriations Committee have voted to cut the budget.

I happen to have a very sensitive area in HEW, which a lot of Senators want to up. We will have a ceiling when we begin the next time.

Mr. PROXMIRE. Will the Senator yield, Mr. President?

Mr. MAGNUSON. Let me finish.

Another thing about the budget it that it is a very flexible thing. It is a difficult thing to go by in some respects. I know there are in the budget some uncontrollable items. But we keep books in the United States Government.

You cannot just take a look at our fiscal problems between July 1 and June 30. They do not work that way. That is why the new Budget Committee is going to be a great help.

I do not see any sense to this amendment at all.

Mr. PROXMIRE. Will the Senator let the author of the amendment explain the sense?

Mr. MAGNUSON. I yield the floor.

Mr. PROXMIRE. Mr. President?

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. The Senator from Washington makes a point that a lot of people feel to be compelling. He says we have authority over all the appropriations. What we do not have authority over is outlay, the amount of money to be spent in 1975. No matter how little we appropriate or how much we appropriate, the President determines that. Outlay is all important in determining the impact of Federal spending on inflation. That is it. That is the name of the game—outlay.

All I am saying is that we should ask the President of the United States to recommend to us a ceiling of, hopefully, $295 billion on outlay. If he feels that is not feasible, he could be as close to that as he possibly can be. It is true that 20 days is not very much time. It would give us the final word so that we can decide. And we can decide. We can do a lot in 20 days. We can do a lot in a day, if we have to.

Certainly, in 20 days we can decide whether we agree with those priorities or do not agree. It seems to me that is a simple procedure. If we do not do that, on the basis of past appropriations, appropriations made in 1971, in 1972, in 1973, and in 1974, to date, the President will be in a position to expend funds far beyond the $295 billion, $305 billion, or $310 billion, if he wishes to do so, or far less.

This will bring Congress into the act so that, in partnership, we can have an effective way of controlling inflation through controlling Federal spending.

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I had a question or two to ask the Senator.

Even taking into consideration the managers may take the amendment, still, if we think it through, it will be helpful in the conference, if it should remain in the conference. What troubles me about it, Mr. President, is this concurrent resolution proposition.

I would like to submit this to the Senator: a concurrent resolution of both Houses does mean that we are turning legislative authority over to the President because if we do not stop him, then it becomes law. This is a greater authority the Senator is giving the President than he would normally have.

Mr. PROXMIRE. If the Senator will yield on that——

Mr. JAVITS. Let me finish.

Mr. PROXMIRE. No greater authority. He has the authority over outlays anyway.

Mr. JAVITS. If he does, that negates the Senator's amendment. If our impoundment legislation in the budget bill meant nothing so that he can impound, are we not yielding him far more than we have any design to? That is why we have a Budget Committee.

If the President already has the power, then this does not mean anything. He has the power. We have power. It is a contest of power. But it seems to me that when we say that it becomes law, we are admitting that he does not have the power; otherwise what do we need this for? If we admit he does not have the power, I think we are giving him much too much when we require a concurrent resolution. In other words, it becomes law unless we stop it. We do not have to do that. That is no way to confer authority.

I would think that if one House vetoed, that would be adequate, because that is assimilating our authority. But when we say we can only stop him by concurrent resolution, we are giving him the grant of authority, which I do not think we should do.

Mr. PROXMIRE. I say to the Senator from New York that the concurrent resolution we would pass, on the basis of the President's recommendation, but modifying it with respect to priorities any way we wish, would have the force of law, and he could not veto it.

Mr. JAVITS. Why?

Mr. PROXMIRE. Because it is a concurrent resolution.

Mr. JAVITS. In other words, he would have presented his proposition in advance. But is it not a fact that if we did not say that by concurrent resolution, it would not have the force of law, because he is getting the force of law without one House being able to knock it over? Suppose we do not like it but we cannot get the concurrent resolution. We are dead.

Mr. PROXMIRE. We have given away absolutely nothing the President does not now have. The President now has the authority to determine outlays any way he wishes. He has an enormous amount of obligational authority, especially in defense and other areas, which gives him the power to expend money during the coming fiscal year.

This would give Congress a power it does not now have, and it would be the power of law.

Mr. JAVITS. I cannot see it, in view of the budget bill.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. Who has the floor?

The PRESIDING OFFICER. The Senator from Wisconsin has the floor at this time.

Mr. JAVITS. Mr. President, the Senator has yielded to me. I should like to finish my thought.

Mr. SPARKMAN. Mr. President, we have a bill here that we are trying to carry forward, and all this discussion has absolutely nothing to do with it. I think we ought to have some way of controlling this thing and not lose control completely of the floor.

Mr. JAVITS. Mr. President, this is very novel.

Mr. SPARKMAN. It is not novel.

Mr. JAVITS. We can now amend rule XXII, right here and now, so that the managers of the bill can control the floor. That is what people like myself have been contending for since 1957, when I came to the Senate. But that is not the law. So long as the law is that we can debate it, we will.

Mr. President, I ask the Senator to think this through: Is it not self-contradictory that we passed the bill to prevent the impoundment; yet, the Senator says that the President has the complete power to impound, which negates that bill? Then, the next proposition is that something becomes law over which the President already has power. Why is it necessary to provide that it becomes law?

In addition, it deprives us of the initiative, because if one House does not want to go along, it becomes law. It turns the Constitution on its ear. I hope the Senator will explain that.

Mr. PROXMIRE. I will be happy to explain it to the Senator from New York.

We have had a good debate here. The time is getting late. The Senator from Maine and the Senator from New York are two of the most articulate and persuasive men in the Senate.

I think we have some confusion about what I think is a simple resolution. I will try to explain it simply; and if it is still confusing, I hope we can simply proceed on the basis of the best understanding we can get.

It reads:

> Not later than 30 days following the enactment of this Act, the President shall submit to the Congress a proposal to limit expenditures and net lending during the fiscal year ending June 30, 1975 under the budget of the United States government to $295,000,000,000 or such higher amount if the President determines a ceiling of $295,000,000,000 is infeasible and indicates his reasons therefor.

The reason for that is that many of us feel that we should balance the budget. If the President feels that we cannot and should not do so this year, he can tell us. We had a 74-to-12 vote last time we considered the issue that we ought to balance the budget. I would like to hear from the President if he thinks we cannot, and why not. We need that kind of explanation, if we are not going to balance the budget.

Second:

> The proposal submitted pursuant to this section shall include separate ceilings on expenditures and net lending for each major department and agency of the government. Such proposal shall become law in 20 days following its submission to the Congress unless prior to such date the Congress by concurrent resolution disapproves of or modifies such proposal.

That means we have the power, if he says that the spending should not be decreased in the military area, to overrule that.

I have provisions here that will prevent a filibuster. So we have the ability to act within that time.

I realize that this is imperfect. One can throw darts and arrows at anything that is proposed. There is no way we can get on top of spending this year without taking action that is going to be painful, difficult, and embarrassing. Many people will feel that it is some kind of surrender of authority. But this gives authority we do not have now. This would give us authority over outlays—the final authority. It would give the President the partnership authority to make his recommendations.

As Senator MUSKIE has said, this is not a new precedent. This President may have priorities different from those of President Nixon. He should have that chance. This resolution gives him that opportunity.

Overall, Mr. President, no matter how it is rationalized, discussed, or explained, the fact is that if one believes in holding spending down to $295 billion, he will vote "Yea" on this amendment; if he does not believe in it, he will vote "nay."

Mr. SPARKMAN. Mr. President, the Senator from Wisconsin will recall that we offered to take his amendment to conference, although we cautioned him on the rule of germaneness, and the Senator from Wisconsin understands that fully. He has been in many a conference when that rule was invoked by the House.

This is my feeling about the matter. I think there is a great deal in what the Senator from Wisconsin has said and what the Senator from Maine has said, but it seems to me that the matter that the Senator has proposed is one that needs to be threshed out with the Budget Committee. It does not belong as a part of this bill that we have been trying to pass here today. The House has already passed it by a vote of 379 to 23.

We have been killing time around here all afternoon. It seems to me that it is time to bring this discussion to an end. I earnestly hope that the Senator from Wisconsin will take up his measure in the confines, shall I say, of the new Budget Committee. Or, if he wants us to take it to conference, we will be glad to take it to conference. But he knows and I know that the House can knock it out on the rule of germaneness.

Mr. PROXMIRE. I do not know whether the House will knock it out on the rule of germaneness, because I think it is sufficiently important. I have spoken to Members of the House committee, and they are sympathetic to it. I may be wrong; the Senator may be right. I hope the Senator will let us take it to conference.

Mr. SPARKMAN. Senator TOWER and I have agreed to do that.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TOWER. I wonder whether we can get a controlled time agreement on this matter, because obviously this debate is going to go on all evening. This is the first thing the President has asked us to send him, and we are trying to do it. I hope the Senator from Wisconsin will withdraw his amendment. Apparently, he is not going to do so. Therefore, I think we should agree to controlled time, so that we will have some reasonable time when the Senate is going to vote on this matter tonight.

Mr. SPARKMAN. I wonder whether we can vote on the amendment. The Senator will accept a voice vote, I presume.

Mr. PROXMIRE. I am happy to vote at any time. We can vote now or 10 minutes from now or a half hour from now.

Mr. STEVENS. Mr. President, I join the Senator from Maine in this amendment. I do not believe it has any business on this bill. I think it is a cosmetic approach to inflation. It certainly is not directed the way the Senate has been going. I thought we were directed toward eliminating unnecessary Federal expenditures and created a budget committee for that purpose.

I think it implies that we are going to set some ceilings on expenditures before the Appropriations Committee have even completed their work. I do not see any reason to assume that Government spending per se is the cause of inflation. Unnecessary Government spending would contribute to inflation, but I thought that we had all labored pretty hard, and we have given plaudits all around to the people who created this budget committee. Now, suddenly, we are going to rush into an invitation to impoundment.

If there has ever been an invitation to impoundment, this amendment is one. We fought a battle here for 4 years against Executive impoundments. Here is a simple little amendment that says that, despite what we have done on appropriations bills, now we want the President to come up and set a limit on expenditures.

What about all these appropriations bills that have become law? I am not willing to see the President come up and set a ceiling on something that amounts to an impoundment on something we have set priorities on already. If the Budget Committee wants to tell us that we were wrong and to set procedures so that we will limit those expenditures, I am entirely in accord with that. But I agree with the chairman entirely. I hope he will make a motion to table this. If he will not, I will.

I do not think this amendment has any place in a bill that was supposed to be a clean bill. Some of us have voted here already, on something which, under other circumstances, we might have supported. This was supposed to be a thing that the President had asked the Congress to give him a clean bill to monitor this, and I thought, in the spirit of cooperation, we were going to do that. But if we are going to get into something that emasculates our budget control and imputes to the Committee on Appropriations improper judgment on bills we have already passed, I certainly cannot support it and I want to be able to vote against it.

Mr. HUMPHREY. Mr. President, I have listened attentively to a very fine debate. It appears to me that the chairman of the committee, the Senator from Alabama, has stated it very well, that this bill should be passed, that this particular amendment is not directly related to this bill, and that it poses problems of germaneness.

The Senator from Maine has stated very convincingly that the Budget Control Act that was adopted by Congress would be, in a sense, bypassed by this amendment. The Senator from Alaska has fortified that argument, as has, indeed, the Senator from New York. It appears to me that we can expedite this by just biting the bullet. I, therefore, move to table the amendment.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the Humphrey motion to table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota to table. On this question, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from New Jersey (Mr. CASE), the Senator from Kentucky (Mr. COOK), and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

The result was announced—yeas 58, nays 28, as follows:

[No. 368 Leg.]

YEAS—58

Abourezk
Aiken
Baker
Beall
Bentsen
Bible
Brooke
Church
Clark
Cotton
Cranston
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hart
Haskell
Hatfield
Hathaway
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McClellan
McIntyre
Metzenbaum
Montoya
Moss
Muskie
Pastore
Pearson
Percy
Randolph
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—28

Allen
Bartlett
Bayh
Biden
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Eagleton
Helms
Hollings
Mansfield
McClure
Metcalf
Nelson
Nunn
Packwood
Pell
Proxmire
Ribicoff
Roth
Schweiker
Symington
Talmadge

NOT VOTING—14

Bellmon
Bennett
Cannon
Case
Cook
Domenici
Fulbright
Gravel
Hartke
Long
McGee
McGovern
Mondale
Stennis

So the motion to lay on the table was agreed to.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 13999, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report, which is as follows:

CONFERENCE REPORT (H. REPT. NO. 93-1302)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1975, for the following categories:

(1) Scientific Research Project Support, $358,700,000.

(2) National and Special Research Programs, $91,900,000.

(3) National Research Centers, $52,500,000.

(4) Science Information Activities, $6,300,000.

(5) International Cooperative Scientific Activities, $8,000,000.

(6) Research Applied to National Needs, $148,900,000.

(7) Intergovernmental Science Program, $2,000,000.

(8) Institutional Improvement for Science, $12,000,000.

(9) Graduate Student Support, $15,000,000.

(10) Science Education Improvement, $70,000,000.

(11) Planning and Policy Studies, $2,700,000.

(12) Program Development and Management, $39,500,000.

SEC. 2. Notwithstanding any other provision of this or any other Act—

(a) of the total amount authorized under section 1, not less than $10,000,000 shall be available for the purpose of "Institutional Improvement for Science";

(b) of the total amount authorized under section 1, not less than $15,000,000 shall be available for the purpose of "Graduate Student Support";

(c) of the total amount authorized under section 1, not less than $70,000,000 shall be available for the purpose of "Science Education Improvement";

(d) of the total amount authorized in category (2) of section 1—

(1) not less than $1,600,000 shall be available for "Experimental R. & D. Incentives", and

(2) not less than $4,000,000 shall be available for "Ship Construction/Conversion";

(e) of the total amount authorized in category (6) of section 1—

(1) not less than $1,000,000 shall be available for "Fire Research", and

(2) not less than $8,000,000 shall be available for "Earthquake Research and Engineering"; and

(f) of the total amount authorized in category (10) of section 1—

(1) not less than $1,500,000 shall be available for "Science Faculty Fellowships for College Teachers",

(2) not less than $3,800,000 shall be available for "Student Programs" including "Undergraduate Student Projects" and "Student Originated Studies", and

(3) not less than $2,000,000 shall be available for "High School Student Projects".

SEC. 3. Appropriations made pursuant to this Act may be used, but not to exceed $5,000, for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 4. In addition to such sums as are authorized by section 1, not to exceed $5,000,000 is authorized to be appropriated for the fiscal year ending June 30, 1975, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 5. Appropriations made pursuant to sections 1 and 4 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 6. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty legislative days has passed after the Director or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

SEC. 7. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Astronautics of the House of Representatives and the Committee on Labor and Public Welfare of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

SEC. 8. This Act may be cited as the "National Science Foundation Authorization Act, 1975".

And the Senate agree to the same.

OLIN E. TEAGUE,
JOHN W. DAVIS,
JAMES W. SYMINGTON,
MIKE MCCORMACK,
CHARLES A. MOSHER,
ALPHONZO BELL,
MARVIN L. ESCH,
Members on the Part of the House.

EDWARD M. KENNEDY,
CLAIBORNE PELL,
THOMAS F. EAGLETON,
ALVIN CRANSTON,
WALTER F. MONDALE,
PETER H. DOMINICK,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause in the House bill and substituted new language. The committee of conference agreed to accept the Senate amendment with certain amendments and stipulations proposed by the conferees.

The National Science Foundation requested authorization in the amount of $783,200,000 for fiscal year 1975, plus $5,000,000 in excess foreign currencies. The House authorized the amount requested. The respective Senate figures were $829,800,000 and $5,000,000 in excess foreign currencies.

The committee of conference recommends $807,500,000, plus $5,000,000 in excess foreign currencies. This figure is $24,300,000 more than authorized by the House and $22,300,000 less than authorized by the Senate for fiscal year 1975.

The specific actions taken by the conference are as follows:

SECTION 1—FUNDS

1. For Scientific Research Project Support, the budget request of the National Science Foundation was $363,700,000. The House authorized $354,000,000 and the Senate authorized $363,700,000. The two Houses agreed on $358,700,000.

2. For National and Special Research Programs, the Foundation requested $84,800,000. The House authorized $86,000,000 and the Senate authorized $94,700,000. A compromise of $91,900,000 was approved by the conferees, which includes an additional $5,900,000 for oceanography-related programs, with emphasis on ship construction/conversion.

3. For National Research Centers, the House, the Senate, and the conferees approved the Foundation request for $52,500,000.

4. For Science Information Activities, the Foundation requested $5,000,000. The House authorized $8,300,000 which was the 1974 level of support and the Senate authorized $5,000,000. The conference committee agreed on $6,300,000 as a reasonable sum to maintain this vital function.

5. For International Cooperative Scientific Activities, the House, the Senate, and the conferees approved the Foundation request for $8,000,000.

6. For Research Applied to National Needs, the Foundation requested $148,900,000. The House authorized $139,100,000 and the Senate authorized $160,700,000. A compromise was reached at the original figure requested, $148,900,000.

7. For Intergovernmental Science Programs, the Foundation requested $1,000,000, which the House approved. The Senate authorized $3,000,000. A compromise was reached at $2,000,000.

8. For Institutional Improvement for Science, the Foundation requested $3,000,000. The House increased this figure to $10,000,000, largely to revitalize the Institutional Grants Program. The Senate authorized $12,000,000, to which the House agreed in conference.

9. For Graduate Students Support, the Foundation requested $12,700,000. The House authorized $13,200,000 and the Senate authorized $17,000,0000. The committee of conference agreed on $15,000,000 as adequate for this program.

10. For Science Education Improvement, the Foundation requested $61,400,000. The House authorized $68,900,000 in order to compensate for funds diverted from this program to technical training. The Senate authorized $71,000,000. The conferees agreed on a compromise of $70,000,000.

11. For Planning and Policy Studies, the Foundation requested $2,700,000 which both the House and Senate accepted.

12. For Program Development and Management, the Foundation requested $39,500,000 which was accepted by both the House and Senate.

SECTION 2

The bill as passed by the House put budgetary floors under the following:

(1) National and Special Research Program—$2,200,000 to assure continuance of the Experimental R&D Incentives Program.

(2) The Research Applied to National Needs Program—$2,000,000 for Fire Research to assure continuance of this effort.

(3) The Institutional Improvement for Science Program—$10,000,000.

(4) The Graduate Student Support Program—$13,200,000.

(5) The Science Education Improvement Program—$68,900,000, which included three sub-floor limitations. The latter were $1,500,000 for Science Faculty Fellowships, $3,800,000 for College Student Science Education, and $2,000,000 for High School Students Projects.

The Senate puts floors under the following:

(1) National and Special Research Programs—$8,000,000 for Ship Construction and Conversion.

(2) Research Applied to National Needs—$8,000,000 to assure continuance of the Earthquake Research Program.

(3) Institutional Improvement for Science—$12,000,000.

(4) Graduate Student Support—$17,000,000.

(5) Science Education Improvement—$71,000,000.

The latter three floors incorporated by the Senate, in effect, fixed the floor at the total amount of the Senate authorization and were designed to assure that these programs should not be cut in any way.

The committee of conference agreed to lower most of these floors in order to permit the Foundation additional funding flexibility in view of the fact that appropriations were expected to be lower than the authorization figures. The conferees agreed to the following floors:

(1) National and Special Research Programs—$1,600,000 for the Experimental R&D Incentives Program; $4,000,000 for Ship Construction and Conversion.

(2) Research Applied to National Needs—$1,000,000 for Fire Research; the $8,000,000 for Earthquake Research was retained.

(3) Institutional Improvement for Science—$10,000,000.

(4) Graduate Student Support—$15,000,000.

(5) Science Education Improvement—$70,000,000.

The sub-floors placed by the House within the Science Education Improvement category remain intact: for Science Faculty Fellowships, $1,500,000; for College Student Science Education, $3,800,000; for High School Student Projects, $2,000,000.

SECTION 3

Section 3 is identical to Section 3 of the House bill and Section 5 of the Senate bill.

SECTION 4

Section 4 is identical to Section 4 in both the House and Senate bills.

SECTION 5

Section 5 is identical to Section 5 of the House bill and Section 6 of the Senate bill.

SECTION 6

Section 6 is identical to Section 6 of the House bill and Section 7 of the Senate bill.

SECTION 7

Section 7 is identical to Section 8 of both House and Senate bills.

SECTION 8

Section 8 is identical to Section 9 of both House and Senate bills.

ADDITIONAL CONFERENCE ACTION

The committee of conference made three non-funding changes in the two versions as follows:

(1) *The Student Unrest Provision.*—The House bill carried a provision which the Foundation authorization bills had carried for several years to the effect that students or other persons receiving grants or payment of any kind from NSF should be completely severed from any NSF program providing such funds, if it were found that they had been guilty of causing disruption or damage by the use of force to the institution attended. The Senate bill eliminated this clause on the grounds that it was no longer necessary. The House concurred in the Senate view, but conferees wish to point out that similar restrictions are contained in the Apropriations Act pertaining to the National Science Foundation. Hence, inclusion of the clause in the Authorization Bill is redundant.

(2) *Fetal Research.*—The House bill contained a provision, adopted by amendment on the Floor of the House, to the effect that no funds appropriated pursuant to this act should be used to conduct research on a human fetus. The Senate bill eliminated this provision on the grounds that it was unnecessary. It was pointed out that H.R. 7724, which was in conference at the time and which is now P.L. 93–348, contained a special title known as the "Protection of Human Subjects Act." This law establishes a broad gauge expert commission whose duties will include the study of all kinds of research on humans and eventuate in recommendations to the Congress for necessary legislation. The House concurred with the Senate view on this matter, and believes such action to be particularly appropriate since, in any event, the Foundation has never supported research of the kind involved and does not do so at present.

(3) *Solar Energy Research.*—The House bill contained a provision which would have required special coordination between the National Science Foundation and the National Aeronautics and Space Administration with regard to solar energy research. The purpose of the provision was to insure that the two agencies, which were equally responsible for the findings of the President's Solar Energy Research Advisory Panel of several years ago, should coordinate their efforts in this area. While it was acknowledged that NSF should be the lead agency in this area, it was directed that those applied research areas in which NASA had particular capabilities should be managed and carried out by NASA when appropriate. The Senate eliminated this provision and substituted a clause providing simply that the Director of the National Science Foundation should be responsible for the planning, coordinating and directing of solar energy research throughout the federal government. In conference it was agreed that both provisions should be eliminated from the bill, and the essence of both stipulated in the Statement of Managers as follows:

First, the National Science Foundation should be the lead agency responsible for such research, as it has been designated by the Administration.

Second, prior to the inauguration of new phases of its program of Solar Energy Research and Technology, the Foundation is directed to coordinate such programs, particularly with regard to such areas as heating and cooling of buildings, wind energy, and satellite solar energy with the National Aeronautics and Space Administration and other appropriate Federal agencies, and report the resulting plans, schedules, and other findings to the Committee on Science and Astronautics of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within 90 days from the effective date of this Act. The coordinated program should be designed to take maximum advantage of the special capabilities of the Foundation, NASA, or other agencies involved. Such part or parts of the program which can be feasibly carried out by NASA or other appropriate agencies should be so assigned, including managerial responsibility, and should be funded by the Foundation pursuant to section 11(c) of Public Law 81-507.

Third, the Foundation is further directed to coordinate its Solar Energy and Technology program with the academic community, and with private industry—giving particular attention to the capabilities of small businesses and to innovative applied research proposals emanating therefrom.

OLIN E. TEAGUE,
JOHN W. DAVIS,
JAMES W. SYMINGTON,
MIKE MCCORMACK,
CHARLES A. MOSHER,
ALPHONZO BELL,
MARVIN L. ESCH,
Managers on the Part of the House.

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ALAN CRANSTON,
WALTER F. MONDALE,
PETER H. DOMINICK,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

Mr. KENNEDY. Mr. President, I urge my colleagues to give their full support to the conference report on the National Science Foundation which is before us today.

As approved by the Senate, the authorization provided $834.8 million for the Foundation's programs in fiscal 1975. The figure approved by the House was $788.2 million. The conference report provides $812.5 million.

The scientific research supported by the NSF extends the frontiers of science and provides the new knowledge that is essential if the United States is to conquer not only technological problems, but also the social and economic challenges that confront this Nation. The National Science Foundation is the only Federal agency charged with the responsibility of maintaining the health of U.S. science. Its grants, contracts, and facility support are designed to meet diversified scientific needs and to be responsive in identifying problems of national concern. Equally significant are the Foundation's science education programs which are designed not only to improve the effectiveness of science education at all academic levels, but to enhance scientific literacy and provide the scientific and technical manpower so vital to our country's future.

The authorization will permit the Foundation to continue to provide essential support for basic research in the science disciplines, for research-focused problems of national concern, for initiatives aimed at solving our energy crisis, and to maintain an adequate level for science education and institutional science support necessary to sustain the science education and research roles of academic institutions. It is the largest authorization in the Foundation's history, and is a reflection of the growing recognition that the research supported by NSF is an essential part of our effort to solve the problems which confront us as a nation. The scientific community is making its voice heard in virtually every agency and office of Government—and that voice must be strong if the Nation is to reap the benefits of our increasingly complex technology.

One of the single most important elements in the authorization is the Foundation's expanded role in energy research and technology. Approximately one-third of the amount authorized will be directed to this effort—pushing forward our basic knowledge and applying the results of that research to the introduction of new energy sources which hold enormous potential in our effort to free this nation from its dependence on dwindling fossil fuel supplies. The Foundation has extensive capabilities in this area, and its full participation in the formulation of public policy and the national effort to develop new energy sources is essential if that effort is to meet with success.

The programs authorized will build to a large degree upon existing NSF research programs. During the second session of the 92d Congress, for example, the Congress increased significantly the level of support for energy-related efforts to permit the Foundation to augment significantly its support of energy and related technology, particularly in solar, geothermal, and other nonconventional energy sources. It is especially important that the NSF continues and expands its efforts in the energy area at this time, in view of this Nation's acute need for alternative energy sources and the unique capabilities of the Foundation to foster this kind of research.

The National Science Foundation is calling on experts from government, industry, and universities in its broad scale energy research undertaking. It is sponsoring research dealing with conservation, conversion, production, and transmission, as well as with issues of environmental quality and the impact of energy production on the ecology and economies of various regions.

NSF has a major responsibility for the development of solar and geothermal energy. Its programs are designed to bring solar and geothermal energy sources into widescale application as quickly as possible. For example, as part of the solar energy program, four schools have been outfitted with experimental solar systems which went into operation in March of this year. They will provide important initial information on the systems performance and on their acceptability to the public, and more data has come from these experimental collectors than all the data that has been collected in laboratory experiments thus far.

The Foundation's solar energy research is a broad effort which focuses on advancing the technology for solar, thermal conversion, wind energy conversion, bioconversion to fuels and ocean thermal and photovoltaic conversion, as well as the heating and cooling, and to produce renewable supplies of clean-hydrocarbon fuel. It is estimated that, with widespread application of these technologies, solar energy could meet 30 percent of the Nation's energy needs as we move into the next century. In the case of heating and cooling of buildings, the estimates are that 25 percent to 50 percent of the total energy needs of the Nation could be satisfied in that same period with solar energy applications.

Also included in the authorization is a significant increase in research support in the science disciplines, establishing the most vigorous program of fundamental research in the Foundation's history. This basic research program, aimed at assuring adequate fundamental understanding of science, provides the undergirding for advanced research as well as for applied and developmental work. It provides support for all fields of science. It is an investment in discovery and innovation. It may lead to new sources of energy; to advances which will create new industries and transform old ones; to increased understanding of the principles that govern the physical, life, and social sciences—understanding which is essential if we are to enhance the quality of life.

And underlying these efforts must be a continued investment in science education and in support for graduate students and faculty members in the science disciplines in our colleges and universities. The training of men and women in the most advanced techniques and concepts of basic science is essential to the development of new technology—technology we will need to ensure our continued progress as a nation. Moreover, our need for trained scientists is as great now as it has ever been, and covers the whole range of science disciplines. We are looking to our scientists for guidance in finding solutions to air and water pollution control problems; for improved designs for mass transportation systems; for more effective utilization and delivery of health services; and for methods of allocating our scarce resources as fairly and effectively as possible. There is no significant unemployment of Ph. D. scientists in the United States today, in any discipline. In fact, in the field of engineering there is a growing shortage, with current unemployment levels estimated at about one-half of 1 percent, on a scale where 3 percent is considered full employment.

The authorization also recognizes that inflation has affected the cost of scientific research and equipment even more than it has affected the cost of food, housing and fuel. This is as true for applied research aimed at meeting our immediate needs, as it is for basic research from which benefits may only be reaped by future generations. Since fiscal 1967 there has been a 22-percent decline in constant dollars in the amount of Federal support for scientific research. This has worked a particular hardship on NSF and academic science and represents an inconsistent posture on the part of the Federal Government in its treatment of research and development support. Federal agencies with in-house laboratories have been able to compensate for inflation by means of salary, instrument and facility budget allowances. NSF has no in-house research capability, and the authorization, including the increases it makes over the administration's request, is designed to take into account the escalating costs of operating academic research laboratories, so that the Nation's capacity to produce quality scientific research will not be severely hampered.

The National Science Foundation operates no laboratories or scientific facilities of its own. Through grants and contracts it supports programs of scientific research and education in thousands of universities, research institutes and other organizations in all of the 50 States.

These programs represent an essential investment in this Nation's future, and no expenditure has a wider implication for the health, welfare and safety of the American people. Measured by any standard, American science has for decades sustained a level of productivity unmatched in the history of modern science.

It is the responsibility of the National Science Foundation to see that our scientists receive the financial support they need to carry forward promising research. As the only Federal agency with a direct mandate to strengthen science and education science, the NSF is called on to perform a critically important and unique function, and the authorization before us today will enable it to meet the responsibility.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

Mr. BAYH. Mr. President, I agree with President Ford—inflation is domestic enemy No. 1.

As I have pointed out repeatedly in Senate debates, and in travels throughout my State, the present rate of inflation cannot, must not, be tolerated. The "double digit inflation" of today poses severe economic hardships for all Americans. Unfortunately, we have made very little progress in the fight to end inflation, as evidenced by the rise in wholesale prices in July at an annual rate of 44 percent. The future course of inflation, it appears, is to continue upward—at an even more alarming rate than at present unless we act now.

Not content to merely point to the evils of inflation, I have worked for months on a number of very specific actions to bring the escalating rise in the cost of living in check. The list includes:

ROLL BACK OIL PRICES

I have voted for, and continue to support, a rollback in the price of crude oil and refined petroleum products. Excessive oil prices have been a principal culprit in causing inflation, driving upward not only fuel prices but increasing significantly the cost of scores of products which use petroleum such as drugs, synthetic rubber and fabrics, plastics, et cetera. Yet, the profits of the five largest oil companies were 67 percent higher during the first half of 1974 than during the same period last year. Obviously a reduction in oil prices would go a long way to slowing inflation, while indicating to the huge, multinational oil companies that they are not going to continue to exploit the American people.

REDUCE GOVERNMENT SPENDING

While there has been much talk about reducing Government spending to help stem inflation, I have offered a number of specific amendments to achieve this important and necessary objective. For example, last year I was successful in cutting more than a billion dollars from the Federal welfare budget. This was done by reducing waste and did not result in any reduction in services for deserving individuals and families. I have proposed another billion-dollar cut in welfare expenditures this year, as well as other steps to cut the fat out of the budget in such areas as new furniture, public relations personnel for the executive branch, travel expenses for Government employees, et cetera. In addition, as a member of the Senate Appropriations Committee, I am supporting significant cutbacks in foreign aid and in military expenditures unrelated to our national security. The combined effect of reductions in unnecessary foreign aid and military spending that I am supporting would be to strike approximately $6 billion from the budget requests.

BUDGET CEILING

To fulfill the objective of reducing Federal spending, I voted for an amendment—which we passed some weeks ago—to set a budget ceiling for the current fiscal year of $295 billion, approximately $10 billion below the $305 billion budget request. Since my proposed cut in welfare spending plus the cuts that I support in foreign aid and military expenditures would strike $7 billion from the budget, it is reasonable to expect that careful attention to waste in Federal spending could eliminate another $3 billion, or approximately 1 percent from the budget, to meet the overall goal of a $295 billion spending ceiling.

LOWER INTEREST RATES

For some time I have spoken out for a reduction in excessively high interest rates. The extremely tight monetary policy being practiced by the Federal Reserve Board is supposed to help control inflation. Obviously, it has not worked. Instead, the high interest rates have increased unemployment, especially in the home building industry, and added to the recession that hit the economy during the first half of the year. And, I should add, that if the Fed's very tight monetary policies do continue, we will have an equally disastrous second half and 1 year of no growth is 1 year too many. High interest rates have themselves become a cause of inflation, ironically adding significantly to the cost of doing business and to the final cost of consumer purchases, both through the cost of consumer credit and through the increased cost of goods which businessmen must charge to recoup their increased borrowing expenses. It is long past the time when interest rates should have been reduced.

EXPORT POLICY

Since a significant cause of inflation has been the rise in exports—and resulting domestic shortages—of such key commodities as scrap steel and petrochemicals, I authored an amendment that the Senate passed to provide more effective monitoring of exports of commodities in short supply. While free trading is the course of action I most prefer, I also believe we must be prepared to limit exports when extreme demand abroad creates major shortages and resulting inflation here at home. My amendment does not take the step of limiting exports of any product, since those decisions must be made on a case-by-case basis with great care, but it does provide the Congress with the independent data base on which to assess Commerce Department policies on exports. To date those policies have not been adequate and I would hope that through close monitoring we can anticipate tight supply situations instead of overreacting to them after they have surfaced.

TAX REFORM

While cutting Federal spending to reduce the budget deficit is one way to fight inflation, the same objective of reducing the deficit can be achieved by increasing Federal revenues. One of the best ways to do this is to close expensive tax loopholes exploited by large, multinational corporations—such as the oil companies—and by a few extremely wealthy individuals. To this end, I was the principal sponsor earlier this year of a major tax reform package that would have increased Federal revenues by more than $4 billion a year by closing these loopholes:

Oil depletion allowance;

Asset depreciation range, which enables large companies to depreciate equipment faster than the normal useful life of that equipment;

Minimum tax, to make certain extremely wealthy individuals do not escape reasonable taxation by using loopholes that are available only to the rich;

Domestic International Sales Corporation—DISC—a subsidy for sales of U.S. products overseas.

Mr. President, these are just some of the steps I have taken in the battle against inflation. I have worked for those specific objectives which I believe will be most effective in controlling inflation with an absolute minimum of negative impact on the economy and on those average Americans who have been the main victims of inflation.

This Nation cannot afford an anti-inflation policy built on a deliberate slowdown in economic activity and increased unemployment. That idea, if it continues, will reflect nothing more than the failure of policy. I believe we can do better.

Nor is it wise to control inflation by shortchanging vital programs, such as education, medical research, and others of need to the American people.

This raises another point, Mr. President. Much of the talk about the economy revolves around numbers. Too often those using the numbers forget the people make up those numbers. Inflation destroys the standard of living for millions of Americans, especially senior citizens and others on fixed incomes. Unemployment means destroyed hopes for millions of workers and their families, breeding despair and disenchantment with our Government. We must never lose sight, Mr. President, of the impact of our economic ills on the people of our country; we cannot deal with the economy in the abstract.

All of this, Mr. President, takes us to the measure before us today—the legislation requested by the President to create a Council on Wage and Price Stability.

I am prepared to support this proposal to create a means to closely, carefully, and constantly monitor prices and wages so we will have ample information on those actions which are themselves inflationary. In this context, I agree with the President that this Council should be only a monitoring body without the authority to control or to postpone wage or price increases. We have traveled that route, only to watch a once good program collapse under the weight of special interest lobbying in the previous administration and a willingness on the part of those charged with administering the program to sabotage its working.

While some have suggested the new Council have the power to postpone wage or price increases—in a so-called cooling off period—I fear that such an approach would create economic chaos and dislocations in the economy. Moreover, those singled out for such action would logically find ways to avoid Council action, perhaps through a series of small increases over a period of months rather than a single large increase. The fact is that through an effective monitoring agency that could call public attention to inflationary practices, we might well succeed in creating an atmosphere that would discourage wage and price policies which run counter to the fight against inflation.

Mr. President, shedding light on the sources of inflation could well provide us with an effective tool for dealing with this problem. To this end, I support the pending legislation and urge its adoption.

But we should not pretend that this measure will, of itself, solve inflation. A solution to the problem requires specific actions—such as those steps I outlined above—and I urge strongly that the President and Congress be prepared to follow up passage of this bill with tough action to stem the tide of inflation. It is that kind of action, and not just a monitoring body, that the American people want and deserve.

Mr. TAFT. Mr. President, I am pleased that the Senate today will pass legislation recommended by President Ford to establish a council on wage and price stability. As passed by the Senate, this council would have the seven specific functions proposed for an economic monitoring agency in the Inflation Restraint Act of 1974, which I introduced last May 14.

The Senate has already waited an excessive period of time to act upon legislation along the lines of the Inflation Restraint Act. In this time of hyperinflation, the least the Government can do is to allow a successor agency to the Cost of Living Council to act as an anti-inflation watchdog and to work for voluntary private efforts to reduce further inflation, as well as efforts to cut down inflationary actions by the Government itself.

Under this legislation, as under my bill, an entity within the executive branch would be empowered specifically to review Federal programs and make recommendations for anti-inflationary changes; review industrial capacity, demand and supply, and recommend appropriate price-restraint actions, improve wage and price data bases to help improve collective bargaining; conduct public hearings when appropriate; focus attention on the need to increase productivity; monitor the economy as a whole including wages, costs, productivity, prices, sales, profits, imports and exports; and analyze the impact of concentration and anticompetitive behavior on the economy. Both bills refrain from affording the President new power to control wages and prices. I note that strong information-gathering and staffing provisions of the Inflation Restraint Act have been dropped. That act's authority to enforce commitments made to the Cost of Living Council during the price-decontrol process, which would have been extremely useful in May but is not as important now, has also been dropped.

The creation of this council is a minor but necessary step in the fight against inflation because it will help pinpoint our inflationary problems. With an annual inflation rate at double-digit levels, however, we should not deceive ourselves into expecting the council to do too much. It is a complement and not a substitute for more fundamental anti-inflation policies, such as fiscal and monetary restraint and policies to expand the supply of various goods.

During the course of debate, I supported an amendment which would allow the President to delay wage and price increases for up to 60 days, if he finds that they would have a serious inflationary impact on the economy. I realize that both business and labor strongly opposed this amendment and it lost. However, I believe that wage or price increases likely to contribute further at this time to the inflation problem should be scrutinized carefully by the public. It is not too much to ask for careful analyses and justifications to determine whether such increases could or should be foregone.

Mr. BENTSEN. Mr. President, on July 31, in making the Democratic response to President Nixon's economic message, I urged the President to establish a Cost of Living Task Force—to keep track of price increases and wage settlements in the coming months—and to offer guidance to business and labor about what is best for the Nation. I did not advocate a return to controls. But, I noted that the President presently has no machinery for telling business and labor what is responsible. I stated that, if the President did not seek legislation to establish such a cost of living, then the Congress must move on its own.

President Nixon responded by submitting legislation on August 2 which would establish a Cost of Living Task Force wholely within the executive branch. President Ford inherited that proposal and urged its enactment in his nationwide address last Monday night. In a desire to cooperate with the new President, both the House and Senate Banking Committees held prompt hearings and have reported basically the "clean" bill the President asked for. While I applaud both the President's desire to institute some form of cost-of-living machinery and the House and Senate committees' rapid response. I have serious reservations about the effectiveness of machinery created by this legislation. The true power of any such agency will not lie in its mandatory authority, but rather in the public's regard for the fairness and competence of its findings. All sectors of our economy—business, labor, and the consumer—must feel that their views are represented in the deliberations and reflected in the findings. I seriously question whether that type of public confidence and support can be maintained for a board made up exclusively from within the executive branch.

Last week I introduced S. 3900 cosponsored by Senators MANSFIELD, SPARKMAN, HUMPHREY, TALMADGE, and NELSON, to create an independent anti-inflation task force with more specific functions and responsibilities. Senators HART, MCGEE, and ABOUREZK also have asked that their names be added to that measure. I request unanimous consent that they be added as cosponsors to S. 3900.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. That bill would provide for a five-member task force with two of its members appointed by the President and three by the joint bipartisan congressional leadership. As I indicated in my testimony before the Senate Banking Committee, I believe that this approach would be far more likely to result in an effective and evenhanded anti-inflation effort. I believe the more specific responsibilities and guidelines for action contained in my bill would also be very helpful. Unfortunately, these are not part of the bill as reported. However, I was pleased to see that the President's legislation was expanded to include what I regard is a key element of my bill—an effort to assess and reduce the negative impact of Government actions on our ability to achieve more reasonable price levels. I believe a special effort is needed in this area.

So, Mr. President, while the bill reported by the Banking Committee is far less than I would have liked, I shall support it. And I hope that despite my reservations the new task force will be able to make a positive contribution to our efforts to control inflation.

Mr. BAKER. Mr. President, I wish to apprise my colleagues that my support for S. 3919, establishing a Council on Wage and Price Stability, without amendments is not to be reviewed as an absolute rejection of the proposals for empowering the President with the authority to defer, temporarily, price and wage increases. Rather, I shall vote against all amendments to S. 3919 solely in deference to the request of the President for a "clean bill," as I believe that the immediate creation of a wage and price increase monitoring council is a vitally important economic tool for combating inflation.

Consequently, the distinct possibility that a lengthy and unsatisfactory conference between the House and Senate would result, if this bill delegated to the President or the Council on Wage and Price Stability the authority to impose mandatory economic controls, mitigates, in my opinion, against supporting the various amendments to S. 3919.

I do urge the relevant jurisdictional committees of the Congress, however, immediately upon passage and enactment of S. 3919 to reinitiate consideration of vesting the President with the authority to postpone, for an established period of time, the implementation of wage and price increases.

While I am not yet convinced that present economic circumstances mandate a moratorium on wage and price increases, a number of eminent economists, including the distinguished Chairman of the Board of Governors of the Federal Reserve System, Dr. Arthur Burns, favor the delegation to the President and/or the Council on Wage and Price Stability of such authority; and I believe that Congress should accord serious consideration to the passage of such legislation—but not as an attachment to a bill which President Ford specifically has requested to be "clean" and has labeled as urgently needed.

Mr. President, with these reservations, I am pleased to support the creation of a Council on Wage and Price Stability. In addition, I have been reassured by the determination of this new administration to effect fiscal responsibility through the submission of a balanced budget for fiscal year 1975. It seems very clear to me that stern fiscal and monetary measures are urgently required to restore economic well-being; and I hope that additional, viable economic proposals soon will emerge from the joint efforts of Congress and the administration and from the deliberations of the Economic Summit Conference recently called by the President at the suggestion of four of our colleagues.

Mr. MATHIAS. Mr. President, I intend to support S. 3919, establishing a Council on Wage and Price Stability. While many of the functions that this Council will perform could be performed by existing structures within the Federal Government, the President has made a judgment that these functions can best be performed by a council established for that specific purpose. I believe we should give him our support as he tackles the vexing problems of the economy.

I wish to note that section 3(b) of S. 3919 specifically provides:

> Nothing in this Act . . . authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similiar transfers.

During the recent period of wage-price controls, I became very concerned about the manner in which the program was being administered. In hearings held before the Subcommittee on Separation of Powers, I heard testimony from officers of the previous Cost of Living Council, practicing attorneys, representatives of business, labor experts, consumer groups. All were in agreement that the controls were administered in a manner that was inequitable and without proper procedural safeguards. I learned, for instance, that the basic guidelines upon which decisions were being made were kept secret by the Council. I learned that no adequate mechanism for establishing and following precedent was in existence.

As a result, I drafted a series of procedural regulations and offered them to the Senate in the form of an amendment to the bill we were last considering when extension of controls was proposed. I was pleased that the Senate adopted those amendments, although this act was later rendered moot when the Senate refused to extend the controls.

Because there are no controls provided under S. 3919, I will not offer my amendment to this bill. Should proposals be advanced at a later date which include wage-price controls, I shall request that the Senate give careful consideration to the procedural aspects of the imposition of such controls, consideration which was lacking at the earlier time. I consider this question vital because it goes to the heart of public acceptance of any such systems' legitimacy and fairness.

The time has come, I believe, for brutal frankness about our current economic situation. It is a common technique of Government, in times such as these, to refrain from pessimism because of the effect that it can have on public confidence, which is itself an important factor in the financial and economic health of the Nation. But it is quite clear to me that confidence is on its last legs and can no longer be propped up with rosy predictions and false hopes. Reality is to be found in the plunging stock market, in skyrocketing prices, in the elusiveness of credit, and in rising unemployment and underemployment. We must squarely face these truths if we are to be able to deal wtih them.

In March 1973, in response to the developing Watergate horrors, I spoke of the necessity for truth in Government. That principle is no less applicable now, for truth in Government—or the lack of it—is an important element of our current economic difficulty. And it reaches far back in time, at least to the "guns and butter" policy of the Johnson administration, where a lack of candor about the costs of the Vietnam war threw off our econmic forecasts. I believe that, in addition to the other medication which should be applied to the economy, a strong dose of truth would be helpful.

President Ford has a unique opportunity to do just this. Freed from the necessity to defend the decisions which got us here and backed by a reservoir of national good will, he is in a position to call attention to the difficult choices with which we are now confronted. He is the type of man who is inclined by personality to operate in this fashion. I hope that he will do so because I believe that the American people will respond.

Mr. ROTH. Mr. President, over the past 5 months I have been urging my Senate colleagues to develop a coordinated program to restrain inflation. Specifically, I have repeatedly urged the Congress to take action on my proposal to establish a National Commission on Inflation to promote voluntary wage and price restraint.

The Senate is now on the verge of acting on a very similar proposal in the form of President Ford's proposal to establish a Cost of Living Task Force. My proposal and the President's are identical in almost every respect. Both would review industrial supply and demand, encourage wage and price restraint, and monitor the economy as a whole to spotlight inflationary problems. But the one important distinction between the two proposals was the membership of the commission.

I believe that the most important function of an anti-inflation commission is to encourage cooperation between business and labor to work for price and wage restraint.

On August 15, I testified before the Committee on Banking, Housing and Urban Affairs that it is vitally important for all segments of the economy to be united in this national program to control inflation. I recommended that representatives of business, labor and other segments of the economy be included as members of this new anti-inflation commission.

I am pleased to see that the committee has voted to expand the membership to allow four nongovernmental positions, and I have written to President Ford urging him to appoint representatives of business and labor to the unit.

Business-labor representation, combined with their full attendance at the upcoming domestic summit on inflation, could be the beginning of the end for the traditionally adversary, and inflationary, relationship between business and labor. A renewed spirit of cooperation between business and labor is essential for the success of voluntary wage and price restraint policies.

The legislation before us today is the first step in a renewed fight against inflation. This new anti-inflation unit will not automatically cure inflation, and we should not tell the American people that it will. But strong bipartisan support for this legislation will signal the American people of the Federal Government's strong determination to develop answers to the problem of inflation.

This new Commission will not have the authority to freeze or control wage and prices, but it will serve to dampen the economy's inflationary expectations and create a climate of joint cooperation between the Government, business, labor, and others.

I support the Federal Reserve Board's recommendation to give the Commission subpena power and the authority to delay the implementation of inflationary price and wage increases for up to 90 days.

This new Commission will recommend to the President, the Congress, and the American people specific anti-inflation policies and programs it believes to be needed. It will conduct public hearings on inflation and will spotlight any price and wage increases it determines to be inflationary.

Our action today will enable all segments of the economy to come together and hammer out a unified response to inflation.

Mr. EAGLETON. Mr. President, the President of the United States has asked the Congress to meet him halfway in the effort to fight inflation and I am certainly willing to give a new administration the tools it believes are needed to deal with inflation. I shall vote in favor of the bill.

But I must say that I do not believe that an inflation-monitoring agency can be effective in the current economic environment, although I hope it will be. A few months ago, I voted with the majority to defeat a similar proposal. At that time, there was no indication that such authority could or would be used to control inflation. Now, however, in the context of a bipartisan and wide-ranging review of the economic environment, we have been asked specifically to provide a cost-of-living monitoring council. Therefore, we should do so.

Mr. President, I would urge the new administration to continue to seek out advice and information from diverse sources. The situation is serious and I wish Mr. Ford success in meeting it. By voting in favor of this measure, I hope to indicate my willingness to support his efforts to cope with the problem.

SENATOR RANDOLPH URGES DEFINITE REPORTING PERIODS

Mr. RANDOLPH. Mr. President, I had intended to offer an amendment to this measure to require that the President report to the Congress every 90 days, or more often, as he deems appropriate—but at least every 90 days—on the activities, findings, and recommendations of the Council on Wage and Price Stability. It is my belief that a definite reporting time is absolutely essential in this legislation and in other measures approved by the Congress.

I strongly urge that a firm reporting time be contained in the final version of this proposal to establish a Council on Wage and Price Stability. The able managers of this measure, the Senator from Alabama (Mr. Sparkman) and the Senator from Texas (Mr. Tower), have informed me in discussions that a quarterly reporting requirement is contained in the House bill and that the Senate conferees will agree to this provision in conference. Therefore, Mr. President, I shall not offer my amendment. I commend my colleagues for their thinking on this problem.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I know of no further amendment. I suggest third reading.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3919) was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. PASTORE. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. Allen). The question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that the Senator from Minnesota (Mr. Mondale) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from New Jersey (Mr. Case), the Senator from Kentucky (Mr. Cook), and the Senator from New Mexico (Mr. Domenici) are necessarily absent.

The result was announced—yeas 83, nays 3, as follows:

[No. 369 Leg.]

YEAS—83

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hart
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—3

Buckley
McClure
Weicker

NOT VOTING—14

Bellmon
Bennett
Cannon
Case
Cook
Domenici
Fulbright
Gravel
Hartke
Long
McGee
McGovern
Mondale
Stennis

So the bill (S. 3919) was passed, as follows:

S. 3919

An act to authorize the establishment of a Council on Wage and Price Stability

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Council on Wage and Price Stability Act".

Sec. 2. (a) The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability (hereinafter referred to as the "Council").

(b) The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President.

(c) There shall be a Director of the Council who shall be appointed by the President. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5, United States Code. The Director of the Council shall perform such functions as the President or the Chairman of the Council may prescribe. The Deputy Director shall perform such functions as the Chairman or the Director of the Council may prescribe.

(d) The Director of the Council may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Council at rates not to exceed the highest rate for grade 15 of the General Schedule under section 5332 of title 5, United States Code. Except that the Director, with the approval of the Chairman may, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed five positions at the rates provided for grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council.

(e) The Director of the Council may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(f) The Director of the Council may, with their consent, utilize the services, personnel, equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

Sec. 3. (a) The Council shall—

(1) review and analyze industrial capacity, demand, supply, and the effect of economic concentration and anticompetitive practices, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) improve wage and price data bases for the various sectors of the economy to im-

prove collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

Sec. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

(c) Disclosure by the Council of information obtained from a Federal, State, or local agency or department must be in accord with section 552 of title 5, United States Code, and all the applicable rules of practice and procedure of the agency or department from which the information was obtained.

(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known to the Council the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

Sec. 5. The Council shall report to the President, and through him to the Congress, from time to time, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

Sec. 6. There is hereby authorized to be appropriated not to exceed $1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this Act.

Sec. 7. The authority granted by this Act terminates on August 15, 1975.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Blatnik, Mr. Johnson of California, Mr. Roberts, Mr. Harsha, and Mr. Hammerschmidt were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 13871) to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 3620) to establish the Great Dismal Swamp National Wildlife Refuge.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and that the House recedes from its disagreement to the amendments of the Senate numbered 18, 22, 23, 24, 26, 36, 37, 38, 40, 43, and 51 to the aforesaid bill; and recedes from its disagreement to the amendments of the Senate numbered 9, 15, 16, 17, 20, 25, 27, 39, 34, and 50 to the aforesaid bill, and concurs therein with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House has agreed to the following joint resolutions, without amendment:

S.J. Res. 66. A joint resolution to authorize the erection of a monument to the dead of the First Infantry Division, U.S. Forces in Vietnam;

S.J. Res. 220. A joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 221. A joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 222. A joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution.

ORDER TO VACATE CONSIDERATION OF COPYRIGHT LAW REVISION, S. 1361

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order providing for the calling up of S. 1361, Calendar Order No. 995, at this time be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL OFFICE OF PROCUREMENT POLICY ACT—CONFERENCE REPORT

Mr. CHILES. Mr. President, I submit a report of the committee of conference on S. 2510, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Allen). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2510) to create an Office of Federal Procurement within the Executive Office of the President, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of August 7, 1974 at pp. 27205–27208.)

Mr. CHILES. Mr. President, the conference was held on August 6, 1974. All conferees signed the report. As chairman of the Procurement Subcommittee, I want to express my sincere appreciation to my colleagues—Senators Nunn, Huddleston, Roth, and Brock—who, as subcommittee members and conferees, gave unrelentlessly of their time to mold this legislation over the last year.

The House has passed the conference report by a vote of 389 to 1.

The importance of this legislation cannot be over emphasized in these times of rapid inflation. President Ford has stated that we must work together to control Federal spending. The new Office we are creating with this legislation will have the necessary authority to clean up the maze of conflictions and duplicative agency spending practices that have kept the taxpayer from getting his dollar's worth in the Government's $60 billion annual purchasing bill.

This conference substitute reflects, in all major respects, the Office of Federal Procurement Policy, OFPP, bill passed by this body on March 4, 1974. While there have been changes, the substance of the Senate bill has been retained.

As originally passed by the Senate, we envisioned that an Office of Federal Procurement Policy would be created within the executive office of the President, which includes the Office of Management and Budget. The Senate bill did not specify where within the executive office, but the recommendation of the Commission on Government Procurement, as reflected in the House bill, specifically placed the Office within the Office of Management and Budget, OMB. As conferees, we accepted specifying the location of the Office. But this was done only after we had the necessary assurances that the stature of the Office would not be diminished by its organizational location.

These assurances took many forms. For example, the House agreed to establish at the head of the Office an Administrator to be subject to Senate confirmation. With the exception of the Director of OMB and his Deputy, this Administrator will be the only senior operating official in OMB subject to our confirmation.

As an Administrator, we have also insured his independence. He will, for example, have his own appropriations expandable only for the purposes specified in this act. He, and not the Director, must keep the Congress informed as to his activities. Moreover, these activites must be limited to those specified in this act. Mr. President, I am convinced that this Office of Federal Procurement Policy is clearly at the level and with the independence we intended for it.

There should be no question raised in the future regarding the clear expectation that the authority, functions and responsibilities granted the Office in this act, shall be aggressively exercised by the Administrator. This act does not empower the Director of OMB; it empowers the Administrator of the OFPP.

S. 2510 contained a declaration of policy providing a conceptual framework for the conduct of Federal procurement. It intended to demonstrate that Congress now is, and will continue to be, an active watchdog of the procurement process. That declaration remains.

To assure congressional participation, the Senate bill further required of the Administrator that he provide Congress with advance notices of proposed policy changes and that major policies would be subject to a veto by either House on a majority vote. I am pleased to inform my colleagues that while modifications were made to remove the congressional veto provision, strong advance reporting requirements were retained in the conference substitute.

We are all too painfully aware of the public climate of Government distrust. It is because of this that I insisted upon the inclusion of a sunshine provision in this bill to require that meetings for the purpose of establishing procurement policies will be open to the public in order that the Office be conducted so as to give substantial visibility to its determinations. It gives me a great deal of pleasure to be able to report that the Senate sunshine provision has been agreed to by the House.

Mr. President, this effectively highlights our conference and the substitute bill agreed to by the conferees. It was, in my judgment, a successful conference. I believe that the conference substitute I am reporting on today accurately represents the intent of this body and clearly sets forth a congressional mandate to bring about long overdue and fundamental improvements in the procurement process—improvements that should result in an effective and viable Federal procurement system and ultimately benefit each and every one of us as Federal taxpayers.

Mr. President, I urge its enactment.

I ask unanimous consent that statements by Senator ROTH, Senator NUNN, Senator HUDDLESTON, and Senator BROCK in regard to the conference report be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR ROTH

I would like to join Senator Chiles, the chairman of our subcommittee on Federal procurement in expressing my agreement in the outcome of the conference on S. 2510, the bill to create an Office of Federal Procurement Policy. The conferees of both the House and Senate are to be commended for coming forth with a conference bill which retains the character and purpose of the legislation that was sent to conference by the respective houses. I note that there was only one negative vote in the House on the conference bill when it was passed by that body on August 14.

S. 2510, the Office of Federal Procurement Policy Act, will put into operation the first recommendation of the commission on government procurement. It is the cornerstone of the 149 recommendations of the commission to bring increase efficiency, effectiveness and economy in the purchase of Federal agencies. Many of my colleagues will recall that this commission was established by public law in November 1969 to take a comprehensive, systematic look at the way in which the Federal Government expends almost $60 billion annually to procure good and services. After 3 years of intensive study, the commission provided to the Congress a blueprint for correcting the root causes of many of the ills that plague the procurement process and have been of so much to Congress and the public.

The enactment of the Public Law establishing the Commission on Government Procurement, the development and passage of S. 2510, and the deliberations of the conferees have been characterized by a bipartisan determination to insure that a dollar's value is obtained for every dollar expended by the Federal Government in the acquisition of goods, services and facilities. As a member of the subcommittee on Federal Procurement, it has been a privilege to work with Senators Chiles, Brock, Huddleston, and Nunn in this kind of joint effort.

The Office of Federal Procurement Policy Act is but the first major legislative effort of the subcommittee to update and restructure the procurement process of the Federal Government, to correct the abuses of the past, and to provide a system tailored to the demands of the future. But it is the step that will set the pace for the future. By acceptance of the conference report, the Senate will have put someone in charge of procurement policy in the executive branch for the first time.

Significantly, in providing an executive branch focal point for procurement policy, as prescribed in the conference report, the conferees have insured that this Office will be responsive to the needs of Congress. As the report states, this has been done by the following:

A requirement for Senate confirmation of the Administrator (the head of the Office of Federal Procurement Policy);

Vesting the functions of the Office in the Administrator;

Separate appropriations for the Office which can only be used for the purposes specified in the Act;

A requirement that the Administrator keep the Congress fully and currently informed of his activities;

A requirement that the Administrator give the Congress 30 days' advance notice before the effective date of any major policy;

A provision that the Administrator is not to be assigned any functions other than those specified in the act.

I join with Senator Chiles in asking the Members support of the conference report. With the acceptance of this report, we will have made a good beginning on a long overdue return to greater fiscal responsibility in the process through which a fifth of the Federal budget is expended.

STATEMENT BY SENATOR NUNN

Today we are to vote on the bill to create a central Office of Federal Procurement Policy. I joined in cosponsorship of this important measure because it provides the sorely needed guidance and control over Federal agency procurement processes.

Over the years, we watched agency regulations, procedures and forms multiply and divide with little rhyme or reason, leaving a labyrinth of diverse procurement rules and regulations. Our tax dollars are buying paperwork and red tape as much as they are buying needed goods and services and, at the same time, making it more difficult for business to do business with the Government. Our Federal Government now spends over $60 billion annually in procurement outlays. This coupled with over $50 billion spent in grants, amounts to 40% of the Federal budget. We can no longer afford to overlook opportunities for improving economy and efficiency in such a vast area of Federal spendings.

The President of the United States has committed himself to the resolution of our Nation's economic difficulties as his top priority program. In the short run, we can receive beneficial results by reducing this year's Federal budget. It is a painful but necessary exercise and one in which we can not afford to play favorites.

Item by item cuts on a year to year basis alone, however, will not prove sufficient to bring about an ordered system of control over the Federal budget. By establishing the Office of Federal Procurement Policy we will have a central policymaking authority independent of any agency with the long-term task to be sure that every dollar spent on contracts is well spent. In our conference report we made certain that the OFPP will have directive rather than advisory authority, and that it will be directly responsive to Congress.

Mr. President, in my opinion, this legislation is desperately needed. We cannot in good conscience ask the American people to tighten their belts unless we tighten ours. We cannot expect them to put their house in order until we ourselves take action to clear out the bureaucratic cobwebs from the Federal Government's purchasing practices.

I join with the distinguished Senator from Florida and other members of the Procurement Subcommittee to urge the Senate to pass favorably on this conference report.

STATEMENT BY SENATOR HUDDLESTON

I support the conference report on S. 2510 and to commend the distinguished Chairman (Mr. Chiles) of the Subcommittee on Federal Procurement and the ranking minority, the Senator from Delaware (Mr. Roth).

As one of the Senate conferees, I urge my colleagues to pass this legislation so that we can get on with the business of instituting real, meaningful reform in Federal spending practices.

The chairman has already emphasized the tax savings to be gained through this legislation and goodness knows that taxpayers need a break. Americans need to know that their tax dollar is being spent with the utmost care. But equally important, taxpayers need to have faith in the procurement system they support.

Mr. President, the subcommittee heard too much evidence of conflicting, confusing, complex regulations; we heard too much evidence of bureaucratic red tape strangling and stagnating a system which disburses over $60 billion a year.

We heard too much evidence of the need for reform, not to do something. I think the "something" we did as embodied in S. 2510 is a hard, realistic first step toward restoring public trust and faith in the procurement process.

The Federal procurement process involves everything from purchasing pencils to missile systems, but the common denominator is that it's all being bought with hard-earned taxpayers money. We owe it to those taxpayers to provide a system that unifies the current fragmentation, standardizes the current haphazard maze of doing things, and offers a focal point for future leadership.

The need for honest reform in procurement goes beyond the much heralded cases of cost overruns, and cries out for simplicity and clarification of regulations and statutes.

I personally feel that the conference bill expresses the desire of Senate and deserves enactment. I urge acceptance of the conference report.

STATEMENT BY SENATOR BROCK

I want to associate myself with and support the remarks made by other members of the Subcommittee on Federal Procurement. I believe the conference bill is a good one and should be accepted by the Senate and sent to the President for his signature.

It is—and has been—extremely wasteful to have fragmented regulations issued by each agency governing the procurement system. The conference bill before the Senate will give us the opportunity to provide a uniform set of regulations and policies where none now exist, among other vital functions for the Office.

I, for one, personally support President Ford's call for curtailing government spending. The Federal Government must tighten its belt and establishing the Office of Federal Procurement Policy can help us do so by trimming the excess costs of paperwork and bureaucracy off the government's $60 billion a year purchases. This Office has a mandate and the authority to promote efficiency within the government and promote positive spending practices, and I expect it to be aggressively implemented.

Mr. President, I believe the conference bill reflects all the major points passed by the Senate and recommended by the Commission on Government Procurement in its report.

I join the Chairman and commend the other Senate conferees in working to produce this bill.

Mr. President, I urge favorable Senate action on this legislation.

Mr. CHILES. Mr. President, I move the adoption of the conference report.

The motion was agreed to.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order 1043, and after that Calendar Order 1055.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURAL GAS PIPELINE SAFETY ACT AMENDMENTS OF 1974

The Senate proceeded to consider the bill (S. 3620) to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes which had been reported from the Committee on Commerce with amendments on page 2, in line 14, after the word "necessary" insert "not to exceed $2,000,000 for the fiscal year ending June 30, 1975."

On page 2, in line 22, strike out the semicolon and the following language: "the sum of $1,450,000 for the fiscal year ending June 30, 1976; the sum of $1,700,000 for the fiscal year ending June 30, 1977; and the sum of $1,950,000 for the fiscal year ending June 30, 1978".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Pipeline Safety Act Amendments of 1974".

SEC. 2. Subsection 5(c) of the Natural Gas Pipeline Safety Act of 1968, as amended (49 U.S.C. 1671), is amended by renumbering paragraphs (2) and (3) as (3) and (4), respectively, and by inserting a new paragraph (2) as follows:

"(2) Funds authorized to be appropriated by section 15(b) of this Act shall be allocated among the several States to aid in the conduct of pipeline safety programs approved in accordance with paragraph (c) (1) of this section.".

SEC. 3. The text of section 15 of the Act is amended to read as follows:

"SEC. 15. (a) There are authorized to be appropriated such sums as are necessary not to exceed $2,000,000 for the fiscal year ending June 30, 1975 for the purpose of carrying out the provisions of this Act, except that the funds appropriated pursuant to this subsection shall not be used for Federal grants-in-aid.

"(b) For the purpose of carrying out the provisions of subsection 5(c) of this Act, there is authorized to be appropriated for Federal grants-in-aid, the sum of $1,200,000 for the fiscal year ending June 30, 1975.".

Mr. BEALL. Mr. President, I ask unanimous consent that additional views I attached to the report from the Committee of Commerce in respect to this bill be included in the RECORD at this point.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATOR J. GLENN BEALL, JR.

While I voted to report S. 3620, the Natural Gas Pipeline Safety Act Amendments of 1974, I did so with reservations.

Since the Act expires, we obviously must provide for its extension. I believe, however, that this Act needs more than a simple extension, without even a single day of hearings. In fact, the growing problem of natural gas explosions calls for a reexamination of both the Act and its administration.

My interest in natural gas problems grew out of the series of explosions which have rocked the Washington and Baltimore areas in recent years. In 1973 I offered an amendment to the Department of Transportation Appropriations bill authorizing a study of the growing problem of natural gas explosions in residential areas. This amendment passed and contracts, pursuant to this appropriation, have been let for studies of the safety of plastic pipes, odorants and their effectiveness, and the evaluation of the procedures and tools for assessing the safety of gas distribution systems.

Since then, I have continued my examination of this problem and have made a series of recommendations for administrative action, particularly with respect to the major cause of pipeline accidents—damage to pipelines during excavation. (See Congressional Record of May 21, 1974, pages S 8666–8668).

Damages to pipelines as a result of construction activities seems to be an area that cries out for immediate attention. These are steps that can and should be taken to dramatically reduce such accidents. As the National Transportation Safety Board has stated, "Pipeline accidents caused by excavation and construction activities, including blasting, can be prevented . . . Although new technological advancements and new concepts should be developed, the hardware and knowledge currently available can be used to reduce the number of excavation-damage accidents." When we keep in mind that damage to pipeline during excavation is already the primary cause of pipeline accidents, and it is estimated by the Association of General Contractors that between now and the year 2000, the United States will match all the construction that has taken place in our Nation's history, the need for action, and action now, to prevent construction-related accidents to pipelines and other underground utilities is apparent.

States, for example, should be required to establish statewide utility coordination councils and see to it that local councils are established in appropriate areas within the State. These are ongoing in a number of areas and they can and do work.

Similarly, at the state and local level, legislation should be enacted to require contractors to notify, via a one call or other similarly effective system, all utilities prior to commencing work. The utilities then should be required to respond with appropriate markings and assistance to contractors so as to avoid damage to buried lines.

Also, I believe that there is a critical need for examining the adequacy of existing inspection and staff. Earlier this year, I introduced S. 3245, the National Transportation Safety Board Independence and Improvement Act of 1974, which would broaden and expand the role of the National Transportation Safety Board in surface transportation safety, including pipeline safety. When I introduced the bill I pointed out that there are only two employees at the NTSB working on pipeline safety. Similarly, the Office of Pipeline Safety, in my judgment, is also understaffed with only eighteen professional employees. One might feel better if the staffing by the states in this field were adequate, but this is not the case.

For example, the Prince Georges County Task Force on Underground Utility Hazards, in my State of Maryland, concluded in a recent study that both the Office of Pipeline Safety and the Maryland Public Service Commission had minimal personnel in the field. Little or no on-sight inspection was found to be conducted by State and Federal agencies to verify compliance with regulations. Maryland had only one pipeline safety inspector for the entire State and ours is a representative State in this regard. At the very minimum, I believe that the Federal grants to the State must be sufficient to pay for the cost of a full time safety engineer and not less than one full time inspector.

In voting to report this bill, reserve my right to offer floor amendments or to offer amendments to subsequent bills which the Commerce Committee will be considering. I was pleased that the Committee, during our discussions of the reported measure, indicated its willingness to entertain such amendments to another measure at a later time. I will be discussing and working with my colleagues in determining the best course of action to pursue.

While it is true that pipelines, as compared to other modes of surface transportation, have a good safety record, nevertheless, the potential for catastrophe is overwhelming.

Because of the potential for catastrophe, the *Washington Post* in an editorial, urged "Federal and State officials, not to mention gas companies themselves, take the problem with more seriousness." I agree.

I hope the Commerce Committee will be able to conduct the needed and serious evaluation of this growing problem of natural gas explosions from which we have witnessed a tripling of fatalities since 1969.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FARM CREDIT ACT OF 1971

The Senate proceeded to consider the bill (S. 3801) to authorize the Federal Farm Credit Board to fix the compensation of the Governor and the Deputy Governors of the Farm Credit Administration which had been reported from the Committee on Agriculture and Forestry with amendments on page 1, in line 8, strike out "V" and insert in lieu thereof "5".

On page 2, in line 5, strike out "V" and insert in lieu thereof "5".

On page 2, in the line 7, strike out "V" and insert in lieu thereof "5".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Farm Credit Act of 1971 (85 Stat. 583; 12 U.S.C. 2001–2259) is amended as follows:

(a) The first sentence of section 5.11 is amended by striking out "in the Executive Pay Schedule" and inserting in lieu thereof "by the Federal Farm Credit Board without regard to the provisions of title 5 of the United States Code relating to classification and pay".

(b) The second sentence of section 5.13 is amended by striking out "not exceed the maximum schedule rate of the general schedule of the Classification Act of 1949, as amended" and inserting in lieu thereof "be at the rate fixed by the Federal Farm Credit Board without regard to the provisions of title 5 of the United States Code relating to classification and pay".

SEC. 2. Section 5314 of title 5 of the United States Code is amended by striking out paragraph (58).

The amendments were agreed to.

The bill was ordered to be engrossed for a third read, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the action by which both bills were passed.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECOGNITION OF SENATOR BIDEN ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, that Senator BIDEN be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 o'clock tomorrow morning.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business with statements limited therein to 3 minutes each, the period to extend to no later than 9:15 a.m.

At 9:15 a.m. the Senate will resume consideration of the unfinished business, S. 707. Debate will ensue thereon for 4 hours, from 9:15 to 1:15 p.m., with the time to be equally divided between Mr. ALLEN and Mr. RIBICOFF.

At the hour of 1:15 p.m., the 1 hour for debate on the motion to invoke cloture under rule XXII will begin running.

At the hour of 2:15 p.m., the automatic quorum call will occur, and upon the establishment of a quorum, or at about 2:30 p.m., the automatic rollcall vote will occur on the motion to invoke cloture on S. 707.

What happens after the vote on the motion to invoke cloture will depend upon the outcome of that vote. If cloture is invoked, then the Senate will proceed to the further consideration of S. 707 to the exclusion of all other business until final action is taken thereon.

If the vote to invoke cloture fails, the Senate will then proceed to the consideration of H.R. 16243, an act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975.

So at least one rollcall vote will occur tomorrow at about 2:30 p.m. and other rollcall votes may follow.

ADJOURNMENT UNTIL 9 A.M.

Mr. ROBERT C. BYRD. If there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 a.m. tomorrow.

The motion was agreed to, and, at 6:48 p.m., the Senate adjourned until tomorrow, Tuesday, August 20, 1974, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate August 19, 1974:

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force under the provisions of chapters 35 and 837, title 10 of the United States Code:

To be major general

Maj. Gen. John J. Pesch, [redacted]FG, Air National Guard.

To be brigadier general

Brig. Gen. John T. Guice, [redacted]FG, Air National Guard.

IN THE U.S. COAST GUARD

The following-named officer to be a permanent commissioned officer in the Coast Guard in the grade of captain having been found fit for duty while on the temporary disability retired list.

Hugh C. McCaffrey

The following-named officer to be a permanent commissioned officer in the Coast Guard in the grade of chief warrant officer, W4 having been found fit for duty while on the temporary disability retired list.

Russell A. Scruggs

The following-named officer to be a permanent commissioned officer in the Coast Guard in the grade of chief warrant officer, W3 having been found fit for duty while on the temporary disability retired list.

Thomas L. Wofford

CONFIRMATION

Executive nomination confirmed by the Senate August 19, 1974:

COUNCIL OF ECONOMIC ADVISERS

Alan Greenspan, of New York, to be a member of the Council of Economic Advisers.

(The above nomination was approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Monday, August 19, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, DD., offered the following prayer:

My voice shalt Thou hear in the morning, O Lord; in the morning will I direct my prayer unto Thee and will look up.—Psalms 5: 3.

Eternal God, our Father, we thank Thee for Thy mercies which are new every morning and fresh every day and for the word that they who wait upon Thee shall renew their strength. As we wait upon Thee do Thou come anew into our hearts with wisdom to walk wisely, with truth to think truly, and with love to live loftier lives.

Direct us in all our endeavors on behalf of our country that we may be just and kind and determined to do the right as Thou dost reveal the right to us.

To this end grant us the courage of our convictions and the strength to stand firm for all that is good and true and beautiful.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 10044. An act to increase the amount authorized to be expended to provide facilities along the border for the enforcement of the customs and immigration laws;

H.R. 15936. An act to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency; and

H. Con. Res. 603. Concurrent resolution authorizing the Secretary of the Senate to correct the enrollment of the bill S. 3066.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3190. An act authorizing funds for the Board for International Broadcasting for fiscal year 1975.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15842) entitled "An act to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8352. An act to establish the Cascade Head Scenic-Research Area in the State of Oregon, and for other purposes;

H.R. 13261. An act to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes.

H.R. 13595. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes;

H.R. 14402. An act to amend the act of September 26, 1966 (Public Law 89-606), as amended, to extend for 2 years the period during which the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force are increased; and

H.R. 15572. An act making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12281) entitled "An act to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Long, Mr. Talmadge, Mr. Hartke, Mr. Bennett, and Mr. Curtis to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 15572) entitled "An act making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Proxmire, Mr. Pastore, Mr. Stennis, Mr. Bayh, Mr. Chiles, Mr. McClellan, Mr. Moss, Mr. Mathias, Mr. Case, Mr. Long, Mr. Brooke, Mr. Stevens, and Mr. Young to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 355) entitled "An act to amend the National Traffic and Motor Vehicle Safety Act of 1966 to promote traffic safety by providing that defects and failures to comply with motor vehicle safety standards shall be remedied without charge to the owner, and for other purposes," agree to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Magnuson, Mr. Hartke, Mr. Moss, Mr. Griffin, and Mr. Cook to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3044) entitled "An act to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Cannon, Mr. Pell, Mr. Pastore, Mr. Long, Mr. Kennedy, Mr. Allen, Mr. Clark, Mr. Hugh Scott, Mr. Bennett, Mr. Griffin, Mr. Stevens, and Mr. Mathias, to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3792) entitled "An act to amend and extend the Export Administration Act of 1969," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Stevens, Mr. Cranston, Mr. Hathaway, Mr. Biden, Mr. Packwood, Mr. Brock, and Mr. Brooke to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2149. An act to amend title 10, United States Code, to provide certain benefits to members of the Coast Guard Reserve, and for other purposes;

S. 3289. An act to amend the act of August 10, 1939 (53 Stat. 1347), and for other purposes;

S. 3308. An act to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes; and

S. 3906. An act to amend title 10, United States Code, by repealing the requirement that only certain officers with aeronautical ratings may command flying units of the Air Force.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

EMERGENCY TOBACCO PRICE SUPPORT INCREASE

The Clerk called the bill (H.R. 16056) to provide for emergency increases in the support level for the 1974 crop of Flue-cured tobacco.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ROSE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AUTHORIZING THE CONVEYANCE TO THE CITY OF SALEM, ILL., OF A STATUE OF WILLIAM JENNINGS BRYAN

The Clerk called the bill (H.R. 5507) to authorize the conveyance to the city of Salem, Illinois, of a statue of William Jennings Bryan.

There being no objection, the Clerk read the bill as follows:

H.R. 5507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey, by quitclaim deed, and without monetary consideration, to the city of Salem, Illinois, all right, title, and interest of the United States in and to the statue of William Jennings Bryan authorized by the Act of June 18, 1930 (46 Stat. 783). Such conveyance shall be on condition that the city of Salem, Illinois, shall suitably display and maintain within such city such statue as a memorial to William Jennings Bryan, onetime Member of the House of Representatives of the United States, Secretary of State of the United States, and three times nominated by his party for President of the United States.

With the following committee amendments:

Page 1, line 4, strike the words "to convey, by quitclaim deed," and insert in lieu thereof "to donate, by appropriate cooperative agreement,".

Page 1, line 8, strike the word "conveyance" and insert in lieu thereof "donation".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE ERECTION OF A MONUMENT TO THE DEAD OF THE 1ST INFANTRY DIVISION, U.S. FORCES IN VIETNAM

The Clerk called the Senate joint resolution (S.J. Res. 66) to authorize the erection of a monument to the dead of the 1st Infantry Division, U.S. Forces in Vietnam.

There being no objection, the Clerk read the Senate joint resolution as follows:

S.J. Res. 66

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Society of the First Infantry Division—First Division Memorial Committee is authorized to erect (at no cost to the United States or the District of Columbia) a monument to the dead of the First Infantry Division, United States Forces in Vietnam, on the public grounds of the United States in the District of Columbia previously set aside for memorial purposes of the First Infantry Division, adjacent to the monument to the dead of the First Infantry Division, American Expeditionary

Forces in World War I, and adjacent to the monument to the dead of the First Infantry Division, United States Forces in World War II.

SEC. 2. The design and plans for such monument shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts, and the National Capital Planning Commission.

SEC. 3. The Secretary of the Interior shall be responsible for the maintenance and care of any such monument, in accordance with the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916, and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE REAPPOINTMENT OF DR. WILLIAM A. M. BURDEN AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The Clerk called the Senate joint resolution (S.J. Res. 220) to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask someone who is familiar with this bill what these Regents of the Smithsonian Institution do, the duties they perform, how they are paid, and what they are paid.

Mr. BRADEMAS. Mr. Speaker, if the gentleman will yield, I might say that 20 U.S.C. 42 directs that the general policy of the Smithsonian is set by the Board of Regents. The Regents act as a board of directors, set general policy, and guide the overall operation of the Institution by the Secretary.

I might say further that the Board of Regents is composed of the Vice President, the Chief Justice of the United States, three Members of the Senate appointed by the President of the Senate, three Members of the House appointed by the Speaker, and nine other persons other than Members of Congress.

The subject of the resolution now under consideration is the reappointment of Dr. William A. M. Burden as a member of the Board of Regents. The purpose of Senate Joint Resolution 220 is to provide for his extension for one more 6-year term.

Mr. GROSS. What do these so-called public members do?

Mr. BRADEMAS. They meet in January, May, and September of each year with the other members of the Board of Regents to discuss policy problems that come before the Smithsonian Institution.

As the gentleman from Iowa knows, the Smithsonian Institution is an institution of some lengthy history, and of some size here in Washington, D.C. The Institution receives upward of $100 million in Federal funds, and the Regents provide indispensable guidance on the prudent disposition of these funds.

Mr. GROSS. Are not the Members of Congress competent to handle this? What does it cost to support the Board of Regents?

Mr. BRADEMAS. Congress, in the Act of 1846, determined that a mixture of both public and private persons on the Board of Regents would insure that the Institution would be operated with maximum efficiency and responsiveness to the American people. In any event, the purpose of the three resolutions that are before us today is not to change the manner of operation of the Board of Regents.

Mr. GROSS. I am trying to find out what they have been doing in the past to justify their positions. Do they do a lot of traveling?

Mr. BRADEMAS. No. Most of their meetings are held in Washington. The Regents do not often travel. I do not represent myself as a particular authority on the operation of the Board of Regents in that I am responding today in the stead of Mr. NEDZI, chairman of the subcommittee that deals with the Smithsonian, but I would make clear to the gentleman from Iowa that membership on the Board of Regents of the Smithsonian is not a way for an American citizen to get rich. Indeed, pursuant to 20 U.S.C. 44, the Regents serve without salary and are authorized to receive only reimbursement for actual travel and other expenses incurred with respect to these meetings. In fact, no Regent has requested such reimbursement in recent years.

Mr. GROSS. I suspect there are a good many jobs in the Federal Government, including those of Members of Congress, on which, if one pays his taxes, one does not get very rich, but I doubt that that is very much of an argument in support of the Board of Regents. I am just trying to find out what they are paid, what they do for what they are paid. The reports are completely silent as to their duties or anything else.

Mr. BRADEMAS. Their duties are to determine the overall policy of the Smithsonian Institution, and to oversee the implementation of that policy by the Secretary of the Institution.

Mr. GROSS. Does the gentleman mean they collect no per diem?

Mr. BRADEMAS. No. They are paid no salary. As I pointed out previously, they are entitled only to reimbursement of incurred related expenses.

Mr. GROSS. I thought we had decided they did not travel.

Mr. BRADEMAS. No. I said I did not believe members of the Board of Regents are required to travel often. Most of their meetings are here in Washington.

Mr. GROSS. It seems there is a good deal of—not necessarily secrecy—but very little understanding, as far as I am concerned, of what this Board of Regents actually does. I do not know whether this is an operation in which a number of people, including Members of Congress and public appointees do the work, or whether the Directors do the work.

Mr. BRADEMAS. If the gentleman from Iowa will yield further——

Mr. GROSS. Yes, of course.

Mr. BRADEMAS. The Smithsonian Institution has been in existence for a long time now. To reiterate, the members of this Board are customarily persons who have been distinguished in some significant area of national life. For example, the subjects of the two other resolutions that are to come before the House today are Dr. Murray Gell-Mann, a mighty distinguished theoretical physicist, and Dr. Caryl P. Haskins, who has served with great distinction as head of the Carnegie Institute. These are outstanding and eminent scholars and public citizens who, with the Vice President and the Chief Justice, and those appointed by the President of the Senate, and Speaker of the House, give of their own time, energies, and talents, without remuneration, to serve in making policy for the Smithsonian Institution.

Mr. GROSS. I thank the gentleman. I would hope, I will say to the gentleman from Indiana, when the gentleman comes before the House to offer further public appointments to the Board of Regents of the Smithsonian Institution, that there would be some information for the Members of the House, telling us what they collect by way of per diem, how much they travel, and so forth, what the bill of upkeep is and the necessity for these public members in view of the fact that there are Members of both the House of Representatives and the U.S. Senate on the Board of Regents.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

There being no objection, the Clerk read the Senate joint resolution, as follows:

S.J. RES. 220

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor William A. M. Burden, of New York, New York, on July 2, 1974, be filled by the reappointment of the present incumbent for the statutory term of six years.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR REAPPOINTMENT OF DR. CARYL P. HASKINS AS CITIZEN REGENT OF BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The Clerk called the Senate joint resolution (S.J. Res. 221) to provide for the reappointment of Doctor Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Clerk read the Senate joint resolution, as follows:

S.J. RES. 221

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor Caryl P. Haskins of Washington, District of Columbia, on May 30, 1974, be filled by the reappointment of the present incumbent for the statutory term of six years.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR APPOINTMENT OF DR. MURRAY GELL-MANN AS CITIZEN REGENT OF BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The Clerk called the Senate joint resolution (S.J. Res. 222) to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Clerk read the Senate joint resolution as follows:

S.J. RES. 222

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor Crawford H. Greenewalt of Washington, Delaware, on May 30, 1974, be filled by the appointment of Doctor Murray Gell-Mann of California for the statutory term of six years.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MINSHALL of Ohio. Mr. Speaker, as author of the House joint resolutions identical to Senate Joint Resolutions 220, 221, and 222, before us today, I wish to heartily endorse the appointment of three distinguished Americans to the Board of Regents of the Smithsonian Institution, on which I am privileged to serve.

Messrs. William Armistead Moale Burden and Caryl Parker Haskins are well known as longtime regents, whose reappointment to the Board is recognition of their superior and devoted service to the great Institution. Mr. Murray Gell-Mann, Nobel Prize winner and brilliant theoretical physicist, will be an important new addition.

In support of the appointment of these eminent gentlemen, I submit herewith their impressive biographies:

Burden, William Armistead Moale, financier; b. N. Y. C., Apr. 8, 1906; s. William A. M. and Florence Vanderbilt (Twombly) B.; A. B. cum laude, Harvard, 1927; D. Sc., Clarkson Coll. Tech., 1953; LL. D., Farleigh Dickinson U., 1965, Johns Hopkins U., 1970; m. Margaret Livingston Partridge, Feb. 16, 1931; children—William A. M. (dec.), Robert Livingston, Hamilton Twombly, Ordway Partridge, Analyst aviation securities Brown Bros., Harriman & Co., N. Y. C., 1928–32; charge of aviation research Scudder, Stevens & Clark, N. Y. C., 1932–39; v.p., dir. Nat. Aviation Corp., aviation investment trust, N. Y. C., 1939–41; v.p. Def. Supplies Corp. (subsidiary RFC), 1941–42; spl. aviation asst. Sec. of Commerce, 1942–43; mem. NACA, 1942–47, asst. Sec. Commerce for Air, 1943–47; U.S. del. Civil Aviation Conf. 1944; chmn. U. S. delegation interim assembly Provisional Internat. Civil Aviation Orgn., 1946; aviation cons. Smith Barney & Co., Inc., 1947–49; partner William A. M. Burden & Co., 1949—; spl. asst. for research and devel. to sec. of Air Force, 1950–52; mem. Nat. Aeros. and Space Council, 1958–59; U. S. ambassador to Belgium, 1959–61; mem. U. S. Citizens Commn. for NATO, 1961–62; dir. Am. Metal Cilmax, CBS, Inc., Mfrs. Hanover Trust Co. (hon.). Chmn. bd. Inst. for Def. Analyses, 1961—; trustee, past pres., chmn. Mus. Modern Art; gov. Soc. of N. Y. Hosp., 1950—; trustee Columbia, 1956—, Fgn. Service Edn. Found., French Inst. in U. S. Regent Smithsonian Instn., 1962—; bd. dirs. Atlantic council U. S., 1961—; bd. govs. Atlantic Inst., 1964—.

Decorated comdr. Cruzeiro do Sul (Brazil), comdr.'s cross Order of Merit (Fed. Republic Germany), grand official El Sol del Peru (Peru), grand officer French Legion of Honor, comdr.'s cross Order of Merit (Italy), grand cordon Order of Leopold (Belgium), asso. comdr. (Bro.) Order of St. John Mem. Council Fgn. Relations (dir.), Am. Inst. Aeros. and Astronautics, France-Am. Soc. (press.), Confrerie des Chevaliers du Tastevin. Clubs: Somerset (Boston, Mass.); The Brook, Racquet and Tennis, River, Links, Century, Downtown Assn. (N. Y. C.); Metropolitan, Chevy Chase, Cosmos (Washington); Bucks's and White's (London); Travelers (Paris). Author: The Struggle for Airways in Latin America, 1943. Address; 630 Fifth Av. New York City N. Y. 10020.

Gell-Mann, Murray, theoretical physicist; b. N.Y.C., September 15, 1929; s. Arthur and Pauline (Reichstein) Gell-M.; B.S., Yale, 1948; Ph. D., Mass. Inst. Tech., 1951; m. J. Margaret Dow, April 19, 1955; children-Elizabeth, Nicholas. Mem. Inst. for Advanced Study, 1951; instr. U. Chicago, 1952–53, asst. prof., 1953–54, asso. prof., 1954, research dispersion relations, developed strangeness theory; asso. prof. Cal. Inst. Tech., Pasadena, 1955–56, prof., 1956– , now R. A. Millikan prof. physics, research theory of weak interactions, developed eightfold way theory and Quark scheme. NSF post doctoral fellow, vis. prof. Coll. de France and U. Paris, 1959–60. Recipient Dannie Heinemann prize Am. Phys. Soc., 1959; E. O. Lawrence Meml. award AEC, 1966; Franklin medal, 1967; Carty medal Nat. Acad. Scis., 1968; Research Corp. award, 1969; Nobel prize in physics, 1969. Fellow Am. Phys. Soc.; mem. Nat. Acad. Scis., Am. Acad. Arts and Scis. Club: Cosmos. Author (with Y. Ne'eman) Eightfold Way. Home: 1024 Armada Dr., Pasadena, California 91103.

Haskins, Caryl Parker, educator, research scientist; b. Schenectady, Aug. 12, 1908; s. Caryl Davis and Frances Julia (Parker) H.; Ph.B., Yale, 1930; Ph. D., Harvard, 1935; D. Sc., Tufts Coll., 1951, Union Coll., 1955, Northeastern U., 1955, Yale, 1958, Hamilton Coll., 1959, George Washington U., 1963 LLD., Carnegie Inst. Tech., 1960. U. Cin., 1960, Boston Coll., 1960, Washington and Jefferson Coll., 1961, U. Del., 1965; m. Edna Ferrell, July 12, 1940. Staff mem. research lab. Gen. Electric Co., Schenectady, 1931–35; research asso. Mass. Inst. Tech. 1939–45; pres., research dir. Haskins Labs., Inc. 1935–55, dr., 1935– , Chmn. bd., 1970– ; pres. Carnegie Instn. of Washington, 1956–71, also trustee.

Dir. E.I. duPont de Nemours & Co. Asst. liaison officer OSRD. 1941–42, sr. liaison officer 1942–43; exec. asst. to chmn. NDRC, 1943–44, dep. exec. officer, 1944–45; sci. adv. bd. Policy Council, Research and Devel. Bd. of Army and Navy, 1947–48; cons. Research and Develop. Bd., 1947–51, to sec. of def., 1950–60, to sec. of state 1950–60; mem. President's Sci. Adv. Com., 1955–58, cons., 1959—; mem. President's Nat. Adv. Commn. on Libraries, 1966–67; mem. JointU.S.-Japan Com. on Sci. Coop., 1961–67, cons., 1967—, Internat. Conf. Insect Physiology and Entomology; panel advisers Bur. East Asian and Pacific Affairs, Dept. of State, 1966–68.

Trustee Carnegie Corp. N.Y., 1955—, Rand Corp., 1955–65, 66—; fellow Yale Corp., 1962—; regent Smithsonian Instn., 1956—; bd. dirs. Council Fgn. Relations, 1961—, Population Council, Ednl. Testing Service, Center for Advanced Study in Behavioral Scis., Inst. Current World Affairs, Arctic Inst. N.Am., Schenectady Trust Co., Woods Hole Oceanographic Instn., Nat. Geog. Soc., Franklin Book Programs, 1953–58, Council on Library Resources, Pacific Sci. Center Found., Asia Found., Marlboro Coll. Mem. vis. coms. Harvard Overseers Com., Johns Hopkins U.; bd. visitors, Tulane U. Recipient Certificate of Merit (U.S.), 1948, Kings Medal for Service in Cause of Freedom (Gt. Britain), 1948. Fellow Am. Phys. Soc., A.A.A.S. (dir.), Am. Acad. Arts and Scis., N.Y. Zool. Soc., Pierpont Morgan Library, Royal Entomol. Soc. (Gt. Britain), Entomol. Soc. Am.; mem. Washington Acad. Scis., Royal Soc. Arts (Benjamin Franklin fellow), Faraday Soc., Mets. Mus. Art, Am. Mus. Natural History, Am. Philos. Soc., Brit. Assn. Advancement Sci., Audubon Soc., Save-the-Redwoods League, West Australian Naturalist Soc., Biophys. Soc. Nat. Acadm. Sci. N.Y. Acad. Scis., N.Y. Bot. Garden, P.E.N., Pilgrims, Sigma Xi (nat. pres. 1967-69), Delta Sigma Rho, Omicron Delta Kappa, Phi Beta Kappa, Episcopalian. Clubs: Century, Coffee House (N.Y.C.); Mohawk (Schenectady); Metropolitan, Cosmos, Chevy Chase, Federal City, University (Washington). Author: Of Ants and Men, 1939; The Amazon, 1943; Of Societies and Men, 1950; The Scientific Revolution and World Politics, 1964; contbr. to anthologies and tech. papers. Editor: The Search for Understanding, 1967; (with others): Am. Scientist, 1971—. Home: 1545 18th St., N.W., Washington, D.C. 20036, Office: 2100 M St., N.W., Washington, D.C. 20037 also: 22 Green Acre Lane Westport Ct. 06880.

GENERAL LEAVE

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks following the Senate joint resolutions with respect to appointment of the three members of the Board of Regents of the Smithsonian Institution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SUBORDINATION AGREEMENT FOR CERTAIN SOUTH CAROLINA LANDS

The Clerk called the bill (H.R. 9054) to amend the act entitled "An Act to authorize the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, South Carolina".

There being no objection, the Clerk read the bill as follows:

H.R. 9054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to authorize and direct the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, South Carolina", approved November 6, 1969 (83 Stat. 183), is amended—

(1) by striking out "an agreement subordinating" and inserting in lieu thereof "a quitclaim deed conveying and releasing";

(2) by striking out "is" and inserting in lieu thereof "and the Secretary of the Interior are"; and

(3) by striking out "288" and inserting in lieu thereof "228."

With the following committee amendments:

Page 2, line 2, strike out the word "and" following the word "are".

Page 2, line 4, change the period (.) following "228" to a semicolon (;) and add the word "and".

Page 2, insert the following after subsection (3):

(4) by adding a new sentence at the end thereof as follows:

The Secretary of Agriculture and the Secretary of the Interior are further authorized, in their discretion, to execute and deliver to the Board of Education of Lee County, South Carolina, its successors and assigns, a quitclaim deed or deeds conveying and releasing all right, title, and interest of the United States of America in and to one or more of parcels numbered 1, more particularly described in the above-mentioned deed dated December 14, 1945, and numbered 7, 9, and 11, more particularly described in the above-mentioned deed dated July 15, 1946, upon documentation satisfactory to said Secretaries that buildings, facilities, or improvements for educational or other related community purposes are planned for the parcels involved.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

DUTY-FREE ENTRY OF TELESCOPE AND ASSOCIATED ARTICLES FOR CANADA-FRANCE-HAWAII TELESCOPE PROJECT

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11796) to provide for the free entry of a 3.60 meter telescope for the use of the Canada-France-Hawaii telescope project to Mauna Kea, Hawaii, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, and I shall not object, I take this time to ask our chairman if he will explain to our colleagues the meaning of this legislation, and I yield to the chairman for that purpose.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 11796, as reported by the Committee on Ways and Means, is to permit the duty-free entry of a 3.60 meter telescope, and the laboratories, equipment, and installations necessary for its operation, in the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

The Canada-France-Hawaii telescope project is a non-profit international cooperative scientific undertaking by the Centre National de la Recherche Scientifique of France—National Center of Scientific Research—the National Research Council of Canada, and the University of Hawaii. The installation and development of a major astronomical observatory and facility at Mauna Kea, Hawaii, is provided for in a memorandum of understanding signed by the three agencies in Ottawa on October 25, 1973.

As provided by the memorandum of understanding among the three agencies, the project's total cost of approximately $20 million, which includes the telescope, its basic instrumentation, its dome, and associated buildings, is to be borne equally by the scientific agencies of Canada and France. The initial contribution of the University of Hawaii will consist of a long-term lease of the site and provision of certain support services and facilities. Your committee is informed that Mauna Kea may be one of the best observatory sites in the world.

Upon completion of the project's construction, the operating costs and observing time will be shared on the proportional basis of 42.5 percent each for the French and Canadian scientific agencies and 15 percent for the University of Hawaii.

Mr. Speaker, H.R. 11796 would enable the University of Hawaii to carry out its commitment to seek "relief from taxes, sales taxes on all goods imported specifically for use in the realization of the project and its continuing operation." Thus, as reported by your committee, the bill would provide for the duty-free entry of imported articles—limited to the optical telescope, and the laboratories, equipment and installation necessary for its operation—required by the Canada-France-Hawaii telescope project.

Your committee has amended H.R. 11796 to provide that only articles certified by the executive director of the project—or the associate executive director—as being necessary for the project's completion may be accorded duty-free treatment when entered on or before June 30, 1980. Upon that date, the duty-free treatment for such articles will terminate.

Mr. Speaker, the committee has determined that the favorable consideration of H.R. 11796, as reported, is not a departure from, but rather is consistent with, public policy established under Public Law 89–651, which implements the so-called Florence Agreement providing for the duty-free exchange of cultural, scientific and educational material. Under that law, Congress provided that scientific instruments imported for use by nonprofit institutions may be afforded duty-free entry if it is determined that no instrument of equivalent scientific value is available from domestic sources.

However, the Canada-France-Hawaii telescope project is a unique international undertaking initiated and funded primarily by scientific agencies in Canada and France in cooperation with the University of Hawaii which is providing the observatory site. In addition, the size of the project and its development over an extended period of time make it most difficult, if not impossible, to require the detailed petitioning and approval procedures for duty-free treatment of scientific instruments established by the Department of Commerce and the U.S. Customs Service under Public Law 89–651.

No objections to the enactment of H.R. 11796 have been received by the committee from any interested party. Favorable reports on the bill have been received from interested executive branch agencies, and the committee has amended the bill at the suggestions of the Departments of Treasury and Commerce to more closely conform the provisions of the bill to the intent of Public Law 89–651.

Mr. Speaker, your committee is informed that completion of the Canada-France-Hawaii telescope project would be of real benefit to the American scientific community. In consideration of the likelihood that import duties existing under present law would add unnecessary costs and complications to the project, and in the interest of the international practice of facilitating international scientific endeavors, your committee is unanimous in reporting H.R. 11796, as amended, and urges its favorable consideration by the House.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 11796, which would permit the duty free entry of a telescope and related equipment for a multinational observatory in Hawaii.

In October of 1973, a memorandum of understanding was signed by the French National Center for Scientific Research, the National Research Council of Canada, and the University of Hawaii. The memorandum provided for the installation and development of major astronomical facilities on Mauna Kea, an extinct volcano almost 14,000 feet above sea level. This is the highest point in the Hawaiian Islands, remote from population centers and widely considered to be one of the finest observatory sites in the world.

The cost of the project, estimated at $20 million, is to be borne equally by the Canadian and French agencies involved. The University of Hawaii initially is contributing a long-term lease of the site plus certain support services and facilities. Operating costs and observing time will be shared 42.5 percent each by the French and Canadian agencies and 15 percent by the University of Hawaii.

H.R. 11796 would assist the University

in meeting its commitment to seek "relief from taxes, sales taxes on all goods imported specifically for use in the realization of the project and its continuing operation." Only those items certified as needed by the project director would be exempt from duty under terms of this bill.

Based on information provided, the committee determined that H.R. 11796 is consistent with our policy relating to the duty-free exchange of cultural, scientific and educational material. No objections to the enactment of the measure were heard by the committee, favorable reports were received by executive agencies involved, and the vote was unanimous in ordering the bill reported. I urge its adoption now by the House.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, further reserving the right to object, may I ask the gentleman, is this equipment available in this country?

Mr. MILLS. This equipment is to be furnished entirely by Canada and France. It could be available here, but Canada and France paid for it. First of all, they are operating the position of the site for the location of this observatory.

Mr. GROSS. Why this sudden generosity on the part of the Canadians and the French?

Mr. MILLS. This is an agreement they have entered into, because they say this site is perhaps the best site for an observatory of any place in the world. The University of Hawaii will use it 15 percent and the Canadians and French 2½ percent.

Mr. GROSS. Is it not strange for Congress to relieve the Canadians of this duty when last yast year they wasted not a single moment in increasing their export tax on the petroleum products they shipped to the United States?

Mr. MILLS. This legislation, if the gentleman will yield, this will be of great value to the scientists, not only the Canadian scientists and French scientists, but to the University of Hawaii.

Mr. GROSS. I say to my friend, the gentleman from Arkansas, that is not the question. The question is, Why should we become so benevolent and philanthropic with respect to the Canadians when they jumped the tax on their petroleum product exports to the United States by some 300 percent last fall?

Mr. MILLS. I know they did. I have the same feeling about the actions of some of our so-called friends abroad; but I do think this is in the interest of the United States to do it.

Mr. GROSS. I do not know exactly on what basis, in fact, our interest lies.

Mr. MILLS. It is scientific, it is the development of scientific information that we will have as much use in as will they. All the scientists, I know, are all much in favor of it because of its location. This is an ideal place. I do not know anything about the State of Hawaii, but my friend, the gentleman from Hawaii, introduced the bill. He sought its passage. I think the contribution of the University of Hawaii is in a long-range term lease for the site.

Mr. GROSS. I will say to the gentleman from Arkansas that it is not really a question of what is good for Hawaii or any other State in the United States. There is such a thing as what is good for our taxpayers.

Mr. MILLS. I understand, but this is a nonprofit operation. It goes along with the agreement enacted in the 89th Congress. The only reason we want to do it this way, rather than go through the Committee on Interstate and Foreign Commerce is that it takes so much of our time to do it that way. Each item has to be invidually described. It has to be individually entered.

Mr. GROSS. I am sure it would be an exercise in futility to force a vote on this bill. I doubt very much if there would be 15 votes against it, first of all because of the absence of so many Members from the floor who ought to know something about this sort of legislation, and because we are always philanthropic; we are always willing to take a kick in the teeth from a foreign country, and turn around and give them the U.S. Treasury. We have long been a bunch of boobs in that respect. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

H.R. 11796

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to admit free of duty and other taxes a 3.60 meter telescope (including all articles required in connection with the manufacture, construction, operation, use, or maintenance of the telescope and its ancillary equipment) for the use of the Canada-France-Hawaii Telescope project at Mauna Kea, Hawaii.

SEC. 2. If the liquidation of the entry of any article described in the first section of this Act has become final, such entry shall be reliquidated and the appropriate refund of duty shall be made.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert the following:

That (a) the Secretary of the Treasury is authorized and directed to admit free of duty imported articles required by the Canada-France-Hawaii Telescope Project to complete the installation on Mauna Kea, Hawaii, of an optical telescope of 3.60 meters diameter, and the laboratories, equipment, and installations necessary for its operation, as provided for in a Memorandum of Understanding, signed at Ottawa on October 25, 1973, among the Centre National de la Recherche Scientifique of France, the National Research Council of Canada, and the University of Hawaii.

(b) The admission free of duty provided for in subsection (a) shall be accorded to any article imported by or for the account of the Canada-France-Hawaii Telescope Project if such article is certified by the Executive Director or the Associate Executive Director of the Canada-France-Hawaii Telescope Corporation as being required for the completion of the Project in accordance with the Memorandum of Understanding referred to in subsection (a).

SEC. 2. (a) The provisions of the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption, on or before June 30, 1980.

(b) Upon appropriate request therefore filed by the Executive Director or the Associate Executive Director of the Canada-France-Hawaii Telescope Corporation with the customs officer concerned on or before the one hundred and twentieth day after the date of the enactment of this Act, the entry or withdrawal of any article described in the first section of this Act which was made before the date of the enactment of this Act shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated in accordance with the provisions of such first section.

Mr. MILLS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The committee amendment was agreed to.

Mr. MATSUNAGA. Mr. Speaker, I am pleased to voice my support for H.R. 11796, a bill which I introduced to permit the entry, duty free, of a telescope and related articles to be used in the construction of a major telescope on the slopes of Mauna Kea, in my State of Hawaii.

Because of the unique atmospheric conditions and relative lack of artificial lighting, Mauna Kea provides an ideal site for such a telescope project. Already a smaller instrument is in use there, and the National Aeronautics and Space Administration is about to construct a very large infrared telescope on the site.

This project will contribute significantly to the advancement of astronomical knowledge. Moreover, because of the nature of the consortium undertaking the project, there will be an even more significant contribution to an atmosphere of cooperation among nations. The principal scientific research organizations of two nations, Canada and France, are participating in this venture with the University of Hawaii. The university is supplying the rights to the land on which the telescope is to be constructed and certain associated buildings. The balance of the construction expense, which will bring the total to about $20 million, is to be borne exclusively and equally by the Canadian and French partners in the venture.

Because local labor will be used for the construction of all support facilities, as well as in the assembly of the telescope and its ancillary equipment, the project will provide some relief to the high unemployment situation which now prevails in Hawaii, the rate of unemployment now being 8.4 percent.

Mr. Speaker, the limits of H.R. 11796 are carefully hedged to avoid abuse. A specific time limit, within which all articles must enter their country to be eligible for duty free entry, has been set; and only articles which have been certified as necessary for the project by the project director or associate director will be eligible for the exemption.

Mr. Speaker, it is significant to note that the bill enjoys broad support. The Committee on Ways and Means reported it by unanimous vote. The Departments of Treasury, Commerce, and State strongly support the bill, as do NASA and the National Science Foundation. It has been endorsed by the Hawaii State Federation of Labor, an AFL–CIO affiliate. In a letter addressed to me, Mr. Walter Kupau, president of that influential council, has written wholehearted support for this project as a benefit not only to the local economy, but also to the national and international scientific community.

Although this bill may be relatively minor in comparison to other momentous measures to be considered by the House in the days and weeks ahead, I believe the positive effects of H.R. 11796 would be substantial. There will be long strides taken in the advancement of our knowledge about the universe. There will be residual economic benefits to the State of Hawaii and the country as a whole. But most importantly, Mr. Speaker, by passing this bill we will demonstrate to the world that the United States is willing, even eager, to work with other nations, in the attainment of undeniably desirable goals. The example which Congress will set by enacting this modest bill will form the basis for further, broader areas of cooperation between the United States and other nations.

I urge the unanimous approval of H.R. 11796 by the House.

Mrs. MINK. Mr. Speaker, I rise in support of H.R. 11796, legislation to provide for the duty-free entry into the United States of a large telescope to be constructed on Mauna Kea, Hawaii.

The bill, of which I am a cosponsor, will facilitate the construction of the Canada-France-Hawaii telescope project. The 3.60-meter telescope will cost an estimated $20 million, of which some $7.6 million consists of articles made outside of the United States.

Under existing law, materials for cultural, scientific, and educational purposes may be imported duty free, but utilization of this would be difficult in view of the unique international nature of this undertaking and its development over a considerable period of time. The detailed petitioning and approval procedures required are viewed as too complex and burdensome for this project.

H.R. 11796 would permit items for this telescope project to be brought in, in much the same manner as envisioned under the general statute exempting scientific articles from duty but without the need for specific approval of each of the numerous articles involved. The legislation as amended in committee provides that the executive director of the project, or the assistant director, must certify that each item exempted from duty is for use in the project as claimed. The authority for such duty-free entry expires June 30, 1980.

This nonprofit, cooperative project is sponsored by the Centre National de la Recherche Scientifique of France, the National Research Council of Canada, and the University of Hawaii. The site of the telescope will be Mauna Kea, an extinct volcano generally considered one of the world's outstanding locations for an astronomical observatory.

The scientific research purposes of H.R. 11796 have wide support, including that of the administration. I ask for the approval of this bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii."

A motion to reconsider was laid on the table.

ESTABLISHING THE GREAT DISMAL SWAMP NATIONAL WILDLIFE REFUGE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3620) to establish the Great Dismal Swamp National Wildlife Refuge, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, strike out lines 1, 2, and 3, and insert:

SEC. 4. (a) Except as provided in subsection (b) of this section, there is authorized to be appropriated for the fiscal year ending June 30, 1975, not to exceed $1,000,000; for the fiscal year ending June 30, 1976, not to exceed $3,000,000; and for the fiscal year ending June 30, 1977, not to exceed $3,000,000.

(b) In no event shall the amount authorized to be appropriated exceed the cost estimates of the report to be submitted to the Congress by the Secretary pursuant to Public Law 92–478.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TWENTY-FIVE-PERCENT INTEREST EPITAPH

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, high interest causes higher prices—higher prices cause inflation. The way to stop inflation is to stop high interest and high prices and achieve low interest.

The Federal Reserve has spent 5 years trying to stop inflation with high interest—all the time interest rates were going higher and higher. This unwise effort did not make good sense, either common, book, or horse.

It is just as unwise to try to stop inflation by using high interest rates as it would be to try to put out the fire in your home with gasoline instead of with water.

High interest rates, while causing more inflation, creates more poverty and encourages the four greatest evils—poverty, ignorance, disease, and crime. High interest rates must be stopped to encourage our three greatest institutions: the home, the church, and the school.

The Golden Rule has been changed more by high interest than by any other cause. The new modern Golden Rule among some of our selfish and greedy is "those who have the gold make the rule."

In pioneer days one community experienced hard times, high interest and poverty, caused by what the people in the community believed were the policies of one particular moneylender, so when this moneylender passed away, the citizens of the community got together and decided that they would not permit his type of philosophy to go unnoticed by letting the people know by the epitaph on his monument with fitting and appropriate language to depict the type of life he lived in furthering excessive, exorbitant and usurious interest rates.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it

Mr. GROSS. Mr. Speaker, are we embarked upon special orders?

The SPEAKER. The gentleman from Texas may finish his sentence. That is the practice.

Mr. PATMAN. Mr. Speaker, the following is what was agreed upon and used as the epitaph:

Here lies old 25 percent
The more he made, the less he lent
The more he got, the less he spent
He's gone—we do not know which way he went
But if to Heaven his soul has went
He'll own the place and charge them rent.

CONGRESSIONAL OFFICE DISCRIMINATION

(Mr ECKHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKHARDT. Mr. Speaker, the Sunday paper informs us that "the most unusual forms of discrimination occur in four job orders" sent by a Congressman's office to the Congressional Office of Placement and Office Management. The description in one application to supply an employee lists in the form, under "Special Skills and Requirements," the following description: "Attractive, smart, young and no Catholics or water signs."

It is good to know that there are some enterprising souls here on the Hill thinking about what we can use for objects of discrimination when black genes become too diffused, immigrant tongues too fluent, and sects too flexible to longer afford us an object of hate.

It took a budding young Goebbels on somebody's staff to envisage chauvinism based on the zodiac, or, if it were a Congressman, an uncharacteristically innovative one. For those who have been worried about bigotry gradually fading away for failure of identifiable victims, this fresh approach gives new hope.

One may escape the ghetto or even the bondage of the genes of his ancestors, but he cannot escape his stars nor alter his birth date. It is set down with indelible certainty on his birth certificate and his social security card: once a Cancer, always a Cancer.

The sentiment is already being muttered in the cloakrooms and corridors: "I like a Scorpio who stays in his place." And then who would like his daughter to marry a Pisces?

What a comforting thought it is that now in America we know we will never run out of people to hate.

THE TRAGIC DEATH OF AMBASSADOR RODGER P. DAVIES

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, the tragic death of U.S. Ambassador to Cyprus Rodger P. Davies represents the most recent illustration of the need to restore peace to that part of the world. We cannot help but be shocked and deeply saddened by this event. Those of us who adhere to the belief that acts of violence can have no place in the affairs of the world community can only hope that the tragedy of Ambassador Davies' death will serve as an impetus for negotiations that will produce a permanent mechanism for peace. My deepest personal sympathies are extended to the family of Ambassador Davies.

NO DISCRIMINATION IN MY OFFICE

(Mr. SIKES asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, the allegations by a Texas newspaper that I refuse to employ blacks is an outright lie. I know nothing about the matter other than the fact I have not authorized any conditions of employment except ability and training. I had not heard about the incident in question until I read yesterday's paper. My inquiry shows that my administrative assistant has in the past telephoned requests for personnel to the Capitol Placement Office, usually for temporary personnel. She states she has no recollection of stating that blacks would not be considered, and she knew it is not the policy of this office to exclude blacks. There is no certainty that the actual call in question was made from my office. It is stated that an intern rifled the files of the Placement Office and gave certain information to the press. Possibly that individual changed the material to suit his or her purposes.

The fact is, I have given positions to blacks through my Capitol office. Two that come in mind were employed here for several years. One of them is still employed; the other left of his own volition.

I have also nominated a number of blacks to the Service Academies.

It would appear that newspapers which seek facts rather than sensationalism would consult the Congressmen whose practices they question before jumping into print without facts.

THE TRAGIC DEATH OF AMBASSADOR RODGER P. DAVIES

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I want to join in the remarks of the distinguished minority leader, the gentleman from Arizona (Mr. Rhodes) in expressing my profound sympathy and that, I am sure, of Members of the House of Representatives on both sides of the aisle, at the tragic death a few hours ago of our distinguished Ambassador to Cyprus, the Honorable Rodger P. Davies.

I knew Ambassador Davies. He was a friend. He served his country well, and I extend my deep sympathies to his family.

Mr. Speaker, the death of Rodger Davies is a symbol of the tragedy that the crisis in Cyprus has come to represent throughout the civilized world.

CONFERENCE REPORT ON S. 821, JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Mr. HAWKINS submitted the following conference report and statement on the Senate bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes:

Conference Report (H. Rept. No. 93–1298)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the bill, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment, insert the following:

That this Act may be cited as the "Juvenile Justice and Delinquency Prevention Act of 1974".

TITLE I—FINDINGS AND DECLARATION OF PURPOSE

FINDINGS

Sec. 101. (a) The Congress hereby finds that—

(1) juveniles account for almost half the arrests for serious crimes in the United States today;

(2) understaffed, overcrowded juvenile courts, probation services, and correctional facilities are not able to provide individualized justice or effective help;

(3) present juvenile courts, foster and protective care programs, and shelter facilities are inadequate to meet the needs of the countless, abandoned, and dependent children, who, because of this failure to provide effective services, may become delinquents;

(4) existing programs have not adequately responded to the particular problems of the increasing numbers of young people who are addicted to or who abuse drugs, particularly nonopiate of polydrug abusers;

(5) juvenile delinquency can be prevented through programs designed to keep students in elementary and secondary schools through the prevention of unwarranted and arbitrary suspensions and expulsions;

(6) States and local communities which experience directly the devastating failures of the juvenile justice system do not presently have sufficient technical expertise or adequate resources to deal comprehensively with the problems of juvenile delinquency; and

(7) existing Federal programs have not provided the direction, coordination, resources, and leadership required to meet the crisis of delinquency.

(b) Congress finds further that the high incidence of delinquency in the United States today results in enormous annual cost and immeasurable loss of human life, personal security, and wasted human resources and that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal Government to reduce and prevent delinquency.

PURPOSE

Sec. 102. (a) It is the purpose of this Act—

(1) to provide for the thorough and prompt evaluation of all federally assisted juvenile delinquency programs;

(2) to provide technical assistance to public and private agencies, institutions, and individuals in developing and implementing juvenile delinquency programs;

(3) to establish training programs for persons, including professionals, paraprofessionals, and volunteers, who work with delinquents or potential delinquents or whose work or activities relate to juvenile delinquency programs;

(4) to establish a centralized research effort on the problems of juvenile delinquency, including an information clearinghouse to disseminate the findings of such research and all data related to juvenile delinquency;

(5) to develop and encourage the implementation of national standards for the administration of juvenile justice, including recommendations for administrative, budgetary, and legislative action at the Federal, State, and local level to facilitate the adoption of such standards;

(6) to assist States and local communities with resources to develop and implement programs to keep students in elementary and secondary schools and to prevent unwarranted and arbitrary suspensions and expulsions; and

(7) to establish a Federal assistance program to deal with the problems of runaway youth.

(b) It is therefore the further declared policy of Congress to provide the necessary resources, leadership, and coordination (1) to develop and implement effective methods of preventing and reducing juvenile delinquency; (2) to develop and conduct effective programs to prevent delinquency, to divert juveniles from the traditional juvenile justice system and to provide critically needed alternatives to institutionalization; (3) to improve the quality of juvenile justice in the United States; and (4) to increase the capacity of State and local governments and public and private agencies to conduct effective juvenile justice and delinquency prevention and rehabilitation programs and to provide research, evaluation, and training services in the field of juvenile delinquency prevention.

DEFINITIONS

SEC. 103. For purposes of this Act—

(1) the term "community based" facility, program, or service means a small, open group home or other suitable place located near the juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning operation, and evaluation of their programs which may include, but are not limited to, medical, educational, vocational, social, and psychological guidance, training, counseling, alcoholism treatment, drug treatment, and other rehabilitative services;

(2) the term "Federal juvenile delinquency program" means any juvenile delinquency program which is conducted, directly, or indirectly, or is assisted by any Federal department or agency, including any program funded under this Act;

(3) the term "juvenile delinquency program" means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug and alcohol abuse programs; the improvement of the juvenile justice system; and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent;

(4) the term "Law Enforcement Assistance Administration" means the agency established by section 101(a) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended;

(5) the term "Administrator" means the agency head designated by section 101(b) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended;

(6) the term "law enforcement and criminal justice" means any activity pertaining to crime prevention, control, or reduction or the enforcement of the criminal law, including, but not limited to police efforts to prevent, control, or reduce crime or to apprehend criminals, activities of courts having criminal jurisdiction and related agencies (including prosecutorial and defender services), activities of corrections, probation, or parole authorities, and programs relating to the prevention, control, or reduction of juvenile delinquency or narcotic addiction;

(7) the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any territory or possession of the United States;

(8) the term "unit of general local government" means any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State, an Indian tribe which performs law enforcement functions as determined by the Secretary of the Interior, or, for the purpose of assistance eligibility, any agency of the District of Columbia government performing law enforcement functions in and for the District of Columbia and funds appropriated by the Congress for the activities of such agency may be used to provide the non-Federal share of the cost of programs or projects funded under this title;

(9) the term "combination" as applied to States or units of general local government means any grouping or joining together of such States or units for the purpose of preparing, developing, or implementing a law enforcement plan;

(10) the term "construction" means acquisition, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings, or any combination of such activities (including architects' fees but not the cost of acquisition of land for buildings);

(11) the term "public agency" means any State, unit of local government, combination of such States or units, or any department, agency, or instrumentality of any of the foregoing;

(12) the term "correctional institution or facility" means any place for the confinement or rehabilitation of juvenile offenders or individuals charged with or convicted of criminal offenses; and

(13) the term "treatment" includes but is not limited to medical, educational, social, psychological, and vocational services, corrective and preventive guidance and training, and other rehabilitative services designed to protect the public and benefit the addict or other user by eliminating his dependence on addicting or other drugs or by controlling his dependence, and his susceptibility to addiction or use.

TITLE II—JUVENILE JUSTICE AND DELINQUENCY PREVENTION

Part A—Juvenile Justice and Delinquency Prevention Office

ESTABLISHMENT OF OFFICE

SEC. 201. (a) There is hereby created within the Department of Justice, Law Enforcement Assistance Administration, the Office of Juvenile Justice and Delinquency Prevention (referred to in this Act as the "Office").

(b) The programs authorized pursuant to this Act unless otherwise specified in this Act shall be administered by the Office established under this section.

(c) There shall be at the head of the Office an Assistant Administrator who shall be nominated by the President by and with the advice and consent of the Senate.

(d) The Assistant Administrator shall exercise all necessary powers, subject to the direction of the Administrator of the Law Enforcement Assistance Administration.

(e) There shall be in the Office a Deputy Assistant Administrator who shall be appointed by the Administrator of the Law Enforcement Assistance Administration. The Deputy Assistant Administrator shall perform such functions as the Assistant Administrator from time to time assigns or delegates, and shall act as Assistant Administrator during the absence of disability of the Assistant Administrator in the event of a vacancy in the Office of the Assistant Administrator.

(f) There shall be established in the Office a Deputy Assistant Administrator who shall be appointed by the Administrator whose function shall be to supervise and direct the National Institute for Juvenile Justice and Delinquency Prevention established under section 241 of this Act.

(g) Section 5108(c)(10) of title 5, United States Code first occurrence, is amended by deleting the word "twenty-two" and inserting in lieu thereof the word "twenty-five".

PERSONNEL, SPECIAL PERSONNEL, EXPERTS, AND CONSULTANTS

SEC. 202. (a) The Administrator is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

(b) The Administrator is authorized to select, appoint, and employ not to exceed three officers and to fix their compensation at rates not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code.

(c) Upon the request of the Administrator, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Assistant Administrator to assist him in carrying out his functions under this Act.

(d) The Administrator may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title I of the United States Code.

VOLUNTARY SERVICE

SEC. 203. The Administrator is authorized to accept and employe, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

CONCENTRATION OF FEDERAL EFFORTS

SEC. 204. (a) The Administrator shall implement overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Administrator shall consult with the Council and the National Advisory Committee for Juvenile Justice and Delinquency Prevention.

(b) In carrying out the purposes of this Act, the Administrator shall—

(1) advise the President through the Attorney General as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of regulations guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives he establishes;

(3) conduct and support evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

(4) implement Federal juvenile delinquency programs and activities among Federal departments and agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

(5) development annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to September 30, an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal departments and agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations and coordination of such programs. The report shall include recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of these programs;

(6) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to March 1, a comprehensive plan for Federal juvenile delinquency programs, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

(7) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment,

funding, operation, or evaluation of juvenile delinquency programs.

(c) The President shall, no later than ninety days after receiving each annual report under subsection (b)(5), submit a report to the Congress and to the Council containing a detailed statement of any action taken or anticipated with respect to recommendations made by each such annual report.

(d)(1) The first annual report submitted to the President and the Congress by the Administrator under subsection b(5) shall contain in addition to information required by subsection (b)(5), a detailed statement of criteria developed by the Administrator for identifying the characteristics of juvenile delinquency, juvenile delinquency prevention, diversion of youths from the juvenile justice system, and the training, treatment, and rehabilitation of juvenile delinquents.

(2) The second such annual report shall contain, in addition to information required by subsection (b)(5), an identification of Federal programs which are related to juvenile delinquency prevention or treatment, together with a statement of the moneys expended for each such program during the most recent complete fiscal year. Such identification shall be made by the Administrator through the use of criteria developed under paragraph (1).

(e) The third such annual report submitted to the President and the Congress by the Administrator under subsection (b)(6) shall contain, in addition to the comprehensive plan required by subsection (b)(6), a detailed statement of procedures to be used with respect to the submission of juvenile delinquency development statements to the Administrator by Federal agencies under subsection ("l"). Such statement submitted by the Administrator shall include a description of information, data, and analyses which shall be contained in each such development statement.

(f) The Administrator may require, through appropriate authority, departments and agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this part.

(g) The Administrator may delegate any of his functions under this part, except the making of regulations, to any officer or employee of the Administration.

(h) The Administrator is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of rehabilitation programs which the Assistant Administrator finds to be

(i) The Administrator is authorized to transfer funds appropriated under this title to any agency of the Federal Government to develop or demonstrate new methods in juvenile delinquency prevention and rehabilitation and to supplement existing delinquency prevention and rehabilitation programs which the Assistant Administrator finds to be exceptionally effective or for which he finds there exists exceptional need.

(j) The Administrator is authorized to make grants to, or enter into contracts with, any public or private agency, institution, or individual to carry out the purposes of this part.

(k) All functions of the Administrator under this part shall be coordinated as appropriate with the functions of the Secretary of the Department of Health, Education, and Welfare under the Juvenile Delinquency Prevention Act (42 U.S.C. 3801 et seq.).

(l)(1) The Administrator shall require through appropriate authority each Federal agency which administers a Federal juvenile delinquency program which meets any criterion developed by the Administrator under section 204(d)(1) to submit annually to the Council a juvenile delinquency development statement. Such statement shall be in addition to any information, report, study, or survey which the Administrator may require under section 204(f).

(2) Each juvenile delinquency development statement submitted to the Administrator under subsection ("l") shall be submitted in accordance with procedures established by the Administrator under section 204(e) and shall contain such information, data, and analyses as the Administrator may require under section 204(e). Such analyses shall include an analysis of the extent to which the juvenile delinquency program of the Federal agency submitting such development statement conforms with and furthers Federal juvenile delinquency prevention and treatment goals and policies.

(3) The Administrator shall review and comment upon each juvenile delinquency development statement transmitted to him under subsection ("l"). Such development statement, together with the comments of the Administrator, shall be included by the Federal agency involved in every recommendation or request made by such agency for Federal legislation which significantly affects juvenile delinquency prevention and treatment.

JOINT FUNDING

SEC. 205. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be requested by the Administrator to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Administrator may order any such agency to waive any technical grant or contract requirement (as defined in such regulations) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

COORDINATING COUNCIL ON JUVENILE JUSTICE AND DELINQUENCY PREVENTION

SEC. 206. (a)(1) There is hereby established, as an independent organization in the executive branch of the Federal Government a Coordinating Council on Juvenile Justice and Delinquency Prevention (hereinafter referred to as the "Council") composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, the Assistant Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Deputy Assistant Administrator of the Institute for Juvenile Justice and Delinquency Prevention, and representatives of such other agencies as the President shall designate.

(2) Any individual designated under this section shall be selected from individuals who exercise significant decisionmaking authority in the Federal agency involved.

(b) The Attorney General shall serve as Chairman of the Council. The Assistant Administrator of the Office of Juvenile Justice and Delinquency Prevention shall serve as Vice Chairman of the Council. The Vice Chairman shall act as Chairman in the absence of the Chairman.

(c) The function of the Council shall be to coordinate all Federal juvenile delinquency programs. The Council shall make recommendations to the Attorney General and the President at least annually with respect to the coordination of overall policy and development of objectives and priorities for all Federal juvenile delinquency programs and activities.

(d) The Council shall meet a minimum of six times per year and a description of the activities of the Council shall be included in the annual report required by section 204 (b)(5) of this title.

(e)(1) The Chairman shall, with the approval of the Council, appoint an Executive Secretary of the Council.

(2) The Executive Secretary shall be responsible for the day-to-day administration of the Council.

(3) The Executive Secretary may, with the approval of the Council, appoint such personnel as he considers necessary to carry out the purposes of this title.

(f) Members of the Council who are employed by the Federal Government full time shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Council.

(g) To carry out the purposes of this section there is authorized to be appropriated such sums as may be necessary.

ADVISORY COMMITTEE

SEC. 207. (a) There is hereby established a National Advisory Committee for Juvenile Justice and Delinquency Prevention (hereinafter referred to as the "Advisory Committee") which shall consist of twenty-one members.

(b) The members of the Coordinating Council or their respective designees shall be ex officio members of the Committee.

(c) The regular members of the Advisory Committee shall be appointed by the President from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, such as juvenile or family court judges; probation, correctional, or law enforcement personnel; and representatives of private voluntary organizations and community-based programs. The President shall designate the Chairman. A majority of the members of the Advisory Committee, including the Chairman, shall not be full-time employees of Federal, State, or local governments. At least seven members shall not have attained twenty-six years of age on the date of their appointment.

(d) Members appointed by the President to the Committee shall serve for terms of four years and shall be eligible for reappointment except that for the first composition of the Advisory Committee, one-third of these members shall be appointed to one-year terms, one-third to two-years, and one-third to three-year terms; thereafter each term shall be four years. Such members shall be appointed within ninety days after the date of the enactment of this title. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

DUTIES OF THE ADVISORY COMMITTEE

SEC. 208. (a) The Advisory Committee shall meet at the call of the Chairman, but not less than four times a year.

(b) The Advisory Committee shall make recommendations to the Administrator at least annually with respect to planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs.

(c) The Chairman may designate a subcommittee of the members of the Advisory Committee to advise the Administrator on particular functions or aspects of the work of the Administration.

(d) The Chairman shall designate a subcommittee of five members of the Committee to serve, together with the Director of the National Institute of Corrections, as members of an Advisory Committee for the National Institute for Juvenile Justice and Delinquency Prevention to perform the functions set forth in section 245 of this title.

(e) The Chairman shall designate a subcommittee of five members of the Committee to serve as an Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice to perform the functions set forth in section 247 of this title

(f) The Chairman, with the approval of the Committee, shall appoint such personnel as are necessary to carry out the duties of the Advisory Committee.

COMPENSATION AND EXPENSES

SEC. 209. (a) Members of the Advisory Committee who are employed by the Federal Government full time shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

(b) Members of the Advisory Committee not employed full time by the Federal Government shall receive compensation at a rate not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Advisory Committee. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

PART B—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

Subpart I—Formula Grants

SEC. 221. The Administrator is authorized to make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

ALLOCATION

SEC. 222. (a) In accordance with regulations promulgated under this part, funds shall be allocated annually among the States on the basis of relative population of people under age eighteen. No such allotment to any State shall be less than $200,000, except that for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands no allotment shall be less than $50,000.

(b) Except for funds appropriated for fiscal year 1975, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purpose of this part. Funds appropriated for fiscal year 1975 may be obligated in accordance with subsection (a) until June 30, 1976, after which time they may be reallocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the State, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands for the same period.

(c) In accordance with regulations promulgated under this part, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 per centum of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

(d) Financial assistance extended under the provisions of this section shall not exceed 90 per centum of the approved costs of any assisted programs or activities. The non-Federal share shall be made in cash or kind consistent with the maintenance of programs required by section 261.

STATE PLANS

SEC. 223. (a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes consistent with the provisions of section 303(a), (1), (3), (5), (6), (8), (10), (11), (12), and (15) of title I of the Omnibus Crime Control and Safe Streets Act of 1968. In accordance with regulations established under this title, such plan must—

(1) designate the State planning agency established by the State under section 203 of such title I as the sole agency for supervising the preparation and administration of the plan;

(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) (hereafter referred to in this part as the "State planning agency") has or will have authority, by legislation if necessary, to implement such plan in conformity with this part;

(3) provide for an advisory group appointed by the chief executive of the State to advise the State planning agency and its supervisory board (A) which shall consist of not less than twenty-one and not more than thirty-three persons who have training, experience, or a special knowledge concerning the prevention and treatment of a juvenile delinquency or the administration of juvenile justice, (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education, or youth services departments. (C) which shall include representatives of private organizations concerned with delinquency prevention or treatment; concerned with neglected or dependent children; concerned with the quality of juvenile justice, education, or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act, (D) a majority of whose members (including the chairman) shall not be full-time employees of the Federal, State, or local government, and (E) at least one-third of whose members shall be under the age of twenty-six at the time of appointment;

(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments;

(5) provide that at least 66⅔ per centum of the funds received by the State under section 222 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Administrator for any State if the services for delinquent or potentially delinquent youth are organized primarily on a statewide basis;

(6) provide that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of a State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure (hereinafter in this part referred to as the "local agency") which can most effectively carry out the purposes of this part and shall provide for supervision of the programs funded under this part by that local agency;

(7) provide for an equitable distribution of the assistance received under section 222 within the State;

(8) set forth a detailed study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system. This plan shall include itemized estimated costs for the development and implementation of such programs;

(9) provide for the active consultation with and participation of private agencies in the development and execution of the State plan; and provide for coordination and maximum utilization of existing juvenile delinquency programs and other related programs, such as education, health, and welfare within the State;

(10) provide that not less than 75 per centum of the funds available to such State under section 22, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques, in developing, maintaining, and expanding programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, and to provide community-based alternatives to juvenile detention and correctional facilities. That advanced techniques include—

(A) community-based programs and services for the prevention and treatment of juvenile delinquency through the development of foster-care and shelter-care homes, group homes, halfway houses, homemaker and home health services, and any other designated community-based diagnostic, treatment, or rehabilitative service;

(B) community-based programs and services to work with parents and other family members to maintain and strengthen the family unit so that the juvenile may be retained in his home;

(C) youth service bureaus and other community-based programs to divert youth from the juvenile court or to support, counsel, or provide work and recreational opportunities for delinquents and youth in danger of becoming delinquent;

(D) comprehensive programs of drug and alcohol abuse education and prevention and programs for the treatment and rehabilitation of drug addicted youth, and "drug dependent" youth (as defined in section 2(q) of the Public Health Service Act (42 U.S.C. 201 (q)));

(E) educational programs or supportive services designed to keep delinquents and to encourage other youth to remain in elementary and secondary schools or in alternative learning situations;

(F) expanded use of probation and recruitment and training of probation officers, other professional and paraprofessional personnel and volunteers to work effectively with youth;

(G) youth initial programs and outreach programs designed to assist youth who otherwise would not be reached by assistance programs;

(H) provides for a statewide program through the use of probation subsidies, other subsidies, other financial incentives or disincentives to units of local government, or other effective means, that may include but are not limited to programs designed to—

(i) reduce the number of commitments of juveniles to any form of juvenile facility as a percentage of the State juvenile population;

(ii) increase the use of nonsecure community-based facilities as a percentage of total commitments to juvenile facilities; and

(iii) discourage the use of secure incarceration and detention;

(11) provides for the development of an adequate research, training, and evaluation capacity within the State;

(12) provide within two years after submission of the plan that juveniles who are charged with or who have committed offenses that would not be criminal if committed by an adult, shall not be placed in juvenile detention or correctional facilities, but must be placed in shelter facilities;

(13) provide that juveniles alleged to be or found to be delinquent shall not be detained or confined in any institution in which they have regular contact with adult persons incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges;

(14) provide for an adequate system of monitoring jails, detention facilities, and correctional facilities to insure that the requirements of section 223 (12) and (13) are met, and for annual reporting of the results of such monitoring to the Administrator;

(15) provide assurance that assistance will be available on an equitable basis to deal with all disadvantaged youth including, but not limited to, females, minority youth, and mentally retarded and emotionally or physically handicapped youth;

(16) provide for procedures to be established for protecting the rights of recipients of services and for assuring appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

(17) provide that fair and equitable arrangements are made to protect the interests of employees affected by assistance under this Act. Such protective arrangements shall, to the maximum extent feasible, include, without being limited to, such provisions as may be necessary for—

(A) the preservation or rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective-bargaining agreements or otherwise;

(B) the continuation of collective-bargaining rights;

(C) the protection of individual employees against a worsening of their positions with respect to their employment;

(D) assurances of employment to employees of any State or political subdivision thereof who will be affected by any program funded in whole or in part under provisions of this Act;

(E) training or retraining programs.

The State plan shall provide for the terms and conditions of the protection arrangements established pursuant to this section;

(18) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

(19) provide reasonable assurance that Federal funds made available under this part for any period will be so used as to supplement and increase (but not supplant), to the extent feasible and practical, the level of the State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and will in no event replace such State, local, and other non-Federal funds;

(20) provide that the State planning agency will from time to time, but not less often than annually, review its plan and submit to the Administrator an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

(21) contain such other terms and conditions as the Administrator may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

Such plan may at the discretion of the Administrator be incorporated into the plan specified in 303(a) of the Omnibus Crime Control and Safe Streets Act.

(b) The State planning agency designated pursuant to section 223(a), after consultation with the advisory group referred to in section 223(a), shall approve the State plan and any modification thereof prior to submission to the Administrator.

(e) The Administrator shall approve any State plan and any modification thereof that meets the requirements of this section.

(d) In the event that any State fails to submit a plan, or submits a plan or any modification thereof, which the Administrator, after reasonable notice and opportunity for hearing, in accordance with sections 509, 510, and 511 of title I of the Omnibus Crime Control and Safe Streets Act of 1968, determines does not meet the requirements of this section, the Administrator shall make that State's allotment under the provisions of section 222(a) available to public and private agencies for special emphasis prevention and treatment programs as defined in section 224.

(e) In the event the plan does not meet the requirements of this section due to oversight or neglect, rather than explicit and conscious decision, the Administrator shall endeavor to make that State's allotment under the provisions of section 222(a) available to public and private agencies in that State for special emphasis prevention and treatment programs as defined in section 224.

Subpart II—Special Emphasis Prevention and Treatment Programs

SEC. 224. (a) The Administrator is authorized to make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs;

(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

(3) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

(4) improve the capability of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent;

(5) facilitate the adoption of the recommendations of the Advisory Committee on Standards for Juvenile Justice and the Institute as set forth pursuant to section 247; and

(6) develop and implement model programs and methods to keep students in elementary and secondary schools and to prevent unwarranted and arbitrary suspensions and expulsions.

(b) Not less than 25 per centum or more than 50 per centum of the funds appropriated for each fiscal year pursuant to this part shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this section.

(c) At least 20 per centum of the funds available for grants and contracts made pursuant to this section shall be available for grants and contracts to private nonprofit agencies, organizations, or institutions who have had experience in dealing with youth.

CONSIDERATIONS FOR APPROVAL OF APPLICATIONS

SEC. 225. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under section 224, shall submit an application at such time, in such manner, and containing or accompanied by such information as the Administrator may prescribe.

(b) In accordance with guidelines established by the Administrator, each such application shall—

(1) provide that the program for which assistance is sought will be administered by or under the supervision of the applicant;

(2) set forth a program for carrying out one or more of the purposes set forth in section 223;

(3) provide for the proper and efficient administration of such program;

(4) provide for regular evaluation of the program;

(5) indicate that the applicant has requested the review of the application from the State planning agency and local agency designated in section 223, when appropriate, and indicate the response of such agency to the request for review and comment on the application;

(6) provide that regular reports on the program shall be sent to the Administrator and to the State planning agency and local agency, when appropriate;

(7) provide for such fiscal control and find accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title; and

(8) indicate the response of the State agency or the local agency to the request for review and comment on the application.

(c) In determining whether or not to approve applications for grants under section 224, the Administrator shall consider—

(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of this part;

(2) the extent to which the proposed program will incorporate new or innovative techniques;

(3) the extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Administrator under section 223(c) and when the location and scope of the program makes such consideration appropriate;

(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquents;

(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

(6) the extent to which the proposed program facilitates the implementation of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 247.

GENERAL PROVISIONS

Withholding

SEC. 226. Whenever the Administrator, after giving reasonable notice and opportunity for hearing to a recipient of financial assistance under this title, finds—

(1) that the program or activity for which such grants was made has been so changed that it no longer complies with the provisions of this title; or

(2) that in the operation of the program or activity there is failure to comply substantially with any such provision;

the Administrator shall initiate such proceedings as are appropriate.

USE OF FUNDS

SEC. 227. (a) Funds paid pursuant to this title to any State public or private agency, institution, or individual (whether directly or through a State or local agency) may be used for—

(1) planning, developing, or operating the program designed to carry out the purpose of this part; and

(2) not more than 50 per centum of the cost of the construction of innovative community-based facilities for less than twenty persons which, in the judgment of the Administrator, are necessary for carrying out the purposes of this part.

(b) Except as provided by subsection (a), no funds paid to any public or private agency, institution, or individual under this part (whether directly or through a State agency or local agency) may be used for construction.

PAYMENTS

SEC. 228. (a) In accordance with criteria established by the Administrator, it is the policy of Congress that programs funded under this title shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory.

(b) At the discretion of the Administrator, when there is no other way to fund an essential juvenile delinquency program not funded under this part, the State may utilize 25 per centum of the formula grant funds available to it under this part to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

(c) Whenever the Administrator determines that it will contribute to the purposes of this part, he may require the recipient of any grant or contract to contribute money, facilities, or services.

(d) Payments under this part, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on such conditions as the Administrator may determine.

PART C—NATIONAL INSTITUTE FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION

SEC. 241. (a) There is hereby established within the Juvenile Justice and Delinquency Prevention Office a National Institute for Juvenile Justice and Delinquency Prevention.

(b) The National Institute for Juvenile Justice and Delinquency Prevention shall be under the supervision and direction of the Assistant Administrator, and shall be headed by a Deputy Assistant Administrator of the Office appointed under section 201(f).

(c) The activities of the National Institute for Juvenile Justice and Delinquency Prevention shall be coordinated with the activities of the National Institute of Law Enforcement and Criminal Justice in accordance with the requirements of section 201(b).

(d) The Administrator shall have responsibility for the administration of the organization, employees, enrollees, financial affairs, and other operations of the Institute.

(e) The Administrator may delegate his power under the Act to such employees of the Institute as he deems appropriate.

(f) It shall be the purpose of the Institute to provide a coordinating center for the collection, preparation, and dissemination of useful data regarding the treatment and control of juvenile offenders, and it shall also be the purpose of the Institute to provide training for representatives of Federal, State, and local law enforcement officers, teachers, and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation personnel, correctional personnel and other persons, including lay personnel connected with the treatment and control of juvenile offenders.

(g) In addition to the other powers, express and implied, the Institute may—

(1) request any Federal agency to supply such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions;

(2) arrange with and reimburse the heads of Federal agencies for the use of personnel or facilities or equipment of such agencies;

(3) confer with and avail itself of the cooperation, services, records, and facilities of State, municipal, or other public or private local agencies;

(4) enter into contracts with public or private agencies, organizations, or individuals, for the partial performance of any functions of the Institute; and

(5) compensate consultants and members of technical advisory councils who are not in the regular full-time employ of the United States, at a rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code and while away from home, or regular place of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code for persons in the Government service employment intermittently.

(b) Any Federal agency which receives a request from the Institute under subsection (g)(1) may cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information and advice to the Institute.

INFORMATION FUNCTION

SEC. 242. The National Institute for Juvenile Justice and Delinquency Prevention is authorized to—

(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information.

RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS

SEC. 243. The National Institute for Juvenile Justice and Delinquency Prevention is authorized to—

(1) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with regard to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

(2) encourage the development of demonstration projects in new, innovative techniques and methods to prevent and treat juvenile delinquency;

(3) provide for the evaluation of all juvenile delinquency programs assisted under this title in order to determine the results and the effectiveness of such programs;

(4) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, upon the request of the Administrator;

(5) prepare, in cooperation with educational institutions, Federal, State, and local agencies, and appropriate individuals and private agencies, such studies as it considers to be necessary with respect to the prevention and treatment of juvenile delinquency and related matters, including recommendations designed to promote effective prevention and treatment;

(6) disseminate the results of such evaluations and research and demonstration activities particularly to persons actively working in the field of juvenile delinquency; and

(7) disseminate pertinent data and studies (including a periodic journal) to individuals, agencies, and organizations concerned with the prevention and treatment of juvenile delinquency.

TRAINING FUNCTIONS

SEC. 244. The National Institute for Juvenile Justice and Delinquency Prevention is authorized to—

(1) develop, conduct, and provide for training programs for the training of professional, paraprofessional, and volunteer personnel, and other persons who are or who are preparing to work with juveniles and juvenile offenders;

(2) develop, conduct, and provide for seminars, workshops, and training programs in the latest proven effective techniques and methods of preventing and treating juvenile delinquency for law enforcement officers, juvenile judges, and other court personnel, probation officers, correctional personnel, and other Federal, State, and local government personnel who are engaged in work relating to juvenile delinquency.

(3) devise and conduct a training program, in accordance with the provisions of sections 249, 250, and 251, of short-term instruction in the latest proven-effective methods of prevention, control, and treatment of juvenile delinquency for correctional and law enforcement personnel, teachers and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation officers, and other persons (including lay personnel) connected with the prevention and treatment of juvenile delinquency; and

(4) develop technical training teams to aid in the development of training programs in the States and to assist State and local agencies which work directly with juveniles and juvenile offenders.

INSTITUTE ADVISORY COMMITTEE

SEC. 245. The Advisory Committee for the National Institute for Juvenile Justice and Delinquency Prevention established in section 208(d) shall advise, consult with, and make recommendations to the Deputy Assistant Administrator for the National Institute for Juvenile Justice and Delinquency Prevention concerning the overall policy and operations of the Institute.

ANNUAL REPORT

SEC. 246. The Deputy Assistant Administrator for the National Institute for Juvenile Justice and Delinquency Prevention shall develop annually and submit to the Administrator after the first year the legislation is enacted, prior to June 30, a report on research, demonstration, training, and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and to new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs. The Administrator shall include a summary of these results and recommendations in his report to the President and Congress required by section 204(b)(5).

DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

SEC. 247. (a) The National Institute for Juvenile Justice and Delinquency Prevention, under the supervision of the Advisory Committee on Standards for Juvenile Justice established in section 208(e), shall review existing reports, data, and standards, relating to the juvenile system in the United States.

(b) Not later than one year after the passage of this section, the Advisory Committee shall submit to the President and the Congress a report which, based on recommended standards for the administration of juvenile justice at the Federal, State, and local level—

(1) recommends Federal action, including but not limited to administrative and legislative action, required to facilitate the adoption of these standards throughout the United States; and

(2) recommends State and local action to facilitate the adoption of these standards for juvenile justice at the State and local level.

(c) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Advisory Committee such information as the Committee deems necessary to carry out its functions under this section.

SEC. 248. Records containing the identity of individual juveniles gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or other agency, public, or private.

ESTABLISHMENT OF TRAINING PROGRAM

Sec. 249. (a) The Administrator shall establish within the Institute a training program designed to train enrollees with respect to methods and techniques for the prevention and treatment of juvenile delinquency. In carrying out this program the Administrator is authorized to make use of available State and local services, equipment, personnel, facilities, and the like.

(b) Enrollees in the training program established under this section shall be drawn from correctional and law enforcement personnel, teachers and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation officers, and other persons (including lay personnel) connected with the prevention and treatment of juvenile delinquency.

CURRICULUM FOR TRAINING PROGRAM

Sec. 250. The Administrator shall design and supervise a curriculum for the training program established by section 249 which shall utilize an interdisciplinary approach with respect to the prevention of juvenile delinquency, the treatment of juvenile delinquents, and the diversion of youths from the juvenile justice system. Such curriculum shall be appropriate to the needs of the enrollees of the training program.

ENROLLMENT FOR TRAINING PROGRAM

Sec. 251. (a) Any person seeking to enroll in the training program established under section 249 shall transmit an application to the Administrator, in such form and according to such procedures as the Administrator may prescribe.

(b) The Administrator shall make the final determination with respect to the admittance of any person to the training program. The Administrator, in making such determination, shall seek to assure that persons admitted to the training program are broadly representative of the categories described in section 249(b).

(c) While studying at the Institute and while traveling in connection with his study (including authorized field trips), each person enrolled in the Institute shall be allowed travel expenses and a per diem allowance in the same manner as prescribed for persons employed intermittently in the Government service under section 5703(b) of title 5, United States Code.

Part D—Authorization of Appropriations

Sec. 261. (a) To carry out the purposes of this title there is authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975, $125,000,000 for the fiscal year ending June 30, 1976, and $150,000,000 for the fiscal year ending June 30, 1977.

(b) In addition to the funds appropriated under this section, the Administration shall maintain from other Law Enforcement Assistance Administration appropriations other than the appropriations for administration, at least the same level of financial assistance for juvenile delinquency programs assisted by the Law Enforcement Assistance Administration during fiscal year 1972.

NONDISCRIMINATORY PROVISIONS

Sec. 262. (a) No financial assistance for any program under this Act shall be provided unless the grant, contract, or agreement with respect to such program specifically provides that no recipient of funds will discriminate as provided in subsection (b) with respect to any such program.

(b) No person in the United States shall on the ground of race, creed, color, sex, or national origin be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this Act. The provisions of the preceding sentences shall be enforced in accordance with section 603 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if such person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act.

EFFECTIVE CLAUSE

Sec. 363. (a) Except as provided by subsection (b), the foregoing provision of this Act shall take effect on the date of enactment of this Act.

(b) Section 204(b)(5) and 204(b)(6) shall become effective at the close of the thirty-first day of the twelfth calendar month of 1974. Section 204(1) shall become effective at the close of the thirty-first day of the eighth calendar month of 1976.

TITLE III—RUNAWAY YOUTH

SHORT TITLE

Sec. 301. This title may be cited as the "Runaway Youth Act".

BINDING

Sec. 303. The Congress hereby finds that—

"(1) the number of juveniles who leave and remain away from home without parental permission has increased to alarming proportions, creating a substantial law enforcement problem for the communities inundated, and significantly endangering the young people who are without resources and live on the street;

(2) the exact nature of the problem is not well defined because national statistics on the size and profile of the runaway youth population are not tabulated;

(3) many such young people, because of their age and situation, are urgently in need of temporary shelter and counseling services;

(4) the problem of locating, detaining, and returning runaway children should not be the responsibility of already overburdened police departments and juvenile justice authorities; and

(5) in view of the interstate nature of the problem, it is the responsibility of the Federal Government to develop accurate reporting of the problem nationally and to develop an effective system of temporary care outside the law enforcement structure.

RULES

Sec. 303. The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") may prescribe such rules as he considers necessary or appropriate to carry out the purposes of this title.

Part A—Grants Program

PURPOSES OF GRANT PROGRAM

Sec. 311. The Secretary is authorized to make grants and to provide technical assistance to localities and nonprofit private agencies in accordance with the provisions of this part. Grants under this part shall be made for the purpose of developing facilities to deal primarily with the immediate needs of runaway youths in a manner which is outside the law enforcement structure and juvenile justice system. The size of such grant shall be determined by the number of runaway youth in the community and the existing availability of services. Among applicants priority shall be given to private organizations or institutions which have had past experience in dealing with runaway youth.

ELIGIBILITY

Sec. 312 (a) To be eligible for assistance under this part, an applicant shall propose to establish, strengthen, or fund an existing or proposed runaway house, a locally controlled facility providing temporary shelter, and counseling services to juveniles who have left home without permission of their parents or guardians.

(b) In order to qualify for assistance under this part, an applicant shall submit a plan to the Secretary meeting the following requirements and including the following information. Each house—

(1) shall be located in an area which is demonstrably frequented by or easily reachable by runaway youth;

(2) shall have a maximum capacity of no more than twenty children, with a ratio of staff to children of sufficient portion to assure adequate supervision and treatment;

(3) shall develop adequate plans for contacting the child's parents or relatives (if such action is required by State law) and assuring the safe return of the child according to the best interests of the child, for contacting local government officials pursuant to informal arrangements established with such officials by the runaway house, and for providing for other appropriate alternative living arrangements;

(4) shall develop an adequate plan for assuring proper relations with law enforcement personnel, and the return of runaway youths from correctional institutions;

(5) shall develop an adequate plan for aftercare counseling involving runaway youth and their parents within the State in which the runaway house is located and for assuring, as possible, that aftercare services will be provided to those children who are returned beyond the State in which the runaway house is located;

(6) shall keep adequate statistical records profiling the children and parents which it serves, except that records maintained on individual runaway youths shall not be disclosed without parental consent to anyone other than another agency compiling statistical records or a government agency involved in the disposition of criminal charges against an individual runaway youth, and reports or other documents based on such statistical records shall not disclose the identity of individual runaway youths;

(7) shall submit annual reports to the Secretary detailing how the house has been able to meet the goals of its plans and reporting the statistical summaries required by paragraph (6);

(8) shall demonstrate its ability to operate under accounting procedures and fiscal control devices as required by the Secretary;

(9) shall submit a budget estimate with respect to the plan submitted by such house under this subsection; and

(10) shall supply such other information as the Secretary reasonably deems necessary.

APPROVAL BY SECRETARY

Sec. 313. An application by a State, locality, or nonprofit private agency for a grant under this part may be approved by the Secretary only if it is consistent with the applicable provisions of this part and meets the requirements set forth in section 312. Priority shall be given to grants smaller than $75,000. In considering grant applications under this part, priority shall be given to any applicant whose program budget is smaller than $100,000.

GRANTS TO PRIVATE AGENCIES, STAFFING

Sec. 314. Nothing in this part shall be construed to deny grants to nonprofit private agencies which are fully controlled by private boards or persons but which in other respects meet the requirements of this part and agree to be legally responsible for the operation of the runaway house. Nothing in this part shall give the Federal Government control over the staffing and personnel decisions of facilities receiving Federal funds.

REPORTS

Sec. 315. The Secretary shall annually report to the Congress on the status and accomplishments of the runaway houses which are funded under this part, with particular attention to—

(1) their effectiveness in alleviating the problems of runaway youth;

(2) their ability to reunite children with their families and to encourage the resolution of intrafamily problems through counseling and other services;

(3) their effectiveness in strengthening family relationships and encouraging stable living conditions for children; and

(4) their effectiveness in helping youth decide upon a future course of action.

FEDERAL SHARE

SEC. 316. (a) The Federal share for the acquisition and renovation of existing structures, the provision of counseling services, staff training, and the general costs of operations of such facility's budget for any fiscal year shall be 90 per centum. The non-Federal share may be in cash or in kind, fairly evaluated by the Secretary, including plant, equipment, or services.

(b) Payments under this section may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

PART B—STATISTICAL SURVEY

SURVEY; REPORT

SEC. 321. The Secretary shall gather information and carry out a comprehensive statistical survey defining the major characteristic of the runaway youth population and determining the areas of the Nation most affected. Such survey shall include the age, sex, and socioeconomic background of runaway youth, the places from which and to which children run, and the relationship between running away and other illegal behavior. The Secretary shall report the results of such information gathering and survey to the Congress not later than June 30, 1975.

RECORDS

SEC. 322. Records containing the identity of individual runaway youths gathered for statistical purposes pursuant to section 321 may under no circumstances be disclosed or transferred to any individual or to any public or private agency.

PART C—AUTHORIZATION OF APPROPRIATIONS

SEC. 331. (a) To carry out the purposes of part A of this title there is authorized to be appropriated for each of the fiscal years ending June 30, 1975, 1976, and 1977, the sum of $10,000,000.

(b) To carry out the purposes of part B of this title there is authorized to be appropriated the sum of $500,000.

TITLE IV—EXTENSION AND AMENDMENT OF THE JUVENILE DELINQUENCY PREVENTION ACT

YOUTH DEVELOPMENT DEMONSTRATIONS

SEC. 401. Title I of the Juvenile Delinquency Prevention Act is amended (1) in the caption thereof, by inserting "AND DEMONSTRATION PROGRAMS" after "SERVICES"; (2) following the caption thereof, by inserting "Part A—Community-Based Coordinated Youth Services"; (3) in sections 101, 102(a), 102(b)(1), 102(b)(2), 103(a) (including paragraph (1) thereof), 104(a) (including paragraphs (1), (4), (5), (7), and (10) thereof), and 104(b) by striking out "title" and inserting "part" in lieu thereof; and (4) by inserting at the end of the title the following new part:

"PART B—DEMONSTRATIONS IN YOUTH DEVELOPMENT

"SEC. 105. (a) For the purpose of assisting the demonstration of innovative approaches to youth development and the prevention and treatment of delinquent behavior (including payment of all or part of the costs of minor remodeling or alteration), the Secretary may make grants to any State (or political subdivision, thereof), any agency thereof, and any nonprofit private agency, institution, or organization that submits to the Secretary, at such time and in such form and manner as the Secretary's regulations shall prescribe, an application containing a description of the purposes for which the grant is sought, and assurances satisfactory to the Secretary that the applicant will use the grant for the purposes for which it is provided, and will comply with such requirements relating to the submission of reports, methods of fiscal accounting, the inspection and audit of records and other materials, and such other rules, regulations, standards, and procedures, as the Secretary may impose to assure the fulfillment of the purposes of this Act.

"(b) No demonstration may be assisted by a grant under this section for more than one year."

CONSULTATION

SEC. 402. (a) Section 408 of such Act is amended by adding at the end of subsection (a) thereof the following new subsection:

"(b) The Secretary shall consult with the Attorney General for the purpose of coordinating the development and implementation of programs and activities funded under this Act with those related programs and activities funded under the Omnibus Crime Control and Safe Street Act of 1968";
and by deleting subsection (b) thereof.

(b) Section 409 is repealed.

REPEAL OF MINIMUM STATE ALLOTMENTS

SEC. 403. Section 403(b) of such Act is repealed, and section 403(a) of such Act is redesignated section 403.

EXTENSION OF PROGRAM

SEC. 404. Section 402 of such Act, as amended by this Act, is further amended in the first sentence by inserting after "fiscal year" following: "and such sums as may be necessary for fiscal year 1975".

TITLE V—MISCELLANEOUS AND CONFORMING AMENDMENTS

PARTS A—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

SEC. 501. Section 5031 of title 18, United States Code, is amended to read as follows:

"§ 5031. Definitions

"For the purposes of this chapter, a 'juvenile' is a person who has not attained his eighteenth birthday, or for the purpose of proceedings and disposition under this chapter for an alleged act of juvenile delinquency, a person who has not attained his twenty-fifth birthday, and 'juvenile delinquency' is the violation of a law of the United States committed by a person prior to his eigtheenth birthday which would have been a crime if committed by an adult."

DELINQUENCY PROCEEDINGS IN DISTRICT COURTS

SEC. 502. Section 5032 of title 18, United States Code, is amended to read as follows:

"§ 5032. Delinquency proceedings in district courts, transfer for criminal prosecution.

"A juvenile alleged to have committed an act of juvenile delinquency shall not be proceeded against in any court of the United States unless the Attorney General, after investigation, certifies to an appropriate district court of the United States that the juvenile court or other appropriate court of a State (1) does not have jurisdiction or refuses to assume jurisdiction over said juvenile with respect to such alleged act of juvenile delinquency, or (2) does not have available programs and services adequate for the needs of juveniles.

"If the Attorney General does not so certify, such juvenile shall be surrendered to the appropriate legal authorities of such State.

"If an alleged juvenile delinquent is not surrendered to the authorities of a State or the District of Columbia pursuant to this section, any proceedings against him shall be in an appropriate district court of the United States. For such purposes, the court may be convened at any time and place within the district, in chambers or otherwise. The Attorney General shall proceed by information, and no criminal prosecutions shall be instituted for the alleged act of juvenile delinquicy except as provided below.

"A juvenile who alleged to have committed an act of juvenile delinquency and who is not surrendered to State authorities shall be proceeded against under this chapter unless he has requested in writing upon advice of counsel to be proceeded against as an adult, except that, with respect to a juvenile sixteen years and older alleged to have committed an act after his sixteenth birthday which if committed by an adult would be a felony punishable by a maximum penalty of ten years imprisonment or more, life imprisonment, or death, criminal prosecution on the basis of the alleged act may be begun by motion to transfer of the Attorney General in the appropriate district court of the United States, if such court finds, after hearing, such transfer would be in the interest of justice.

"Evidence of the following factors shall be considered and findings with regard to each factor shall be made in the record, in assessing whether a transfer would be in the interest of justice: the age and social background of the juvenile; the nature of alleged offense; the extent and nature of the juvenile's prior delinquency record; the juvenile's present intellectual development and psychological maturity; the nature of past treatment efforts and the juvenile's response to such efforts; the availability of programs designed to treat the juvenile's behavioral problems.

"Reasonable notice of the transfer hearing shall be given to the juvenile, his parents, guardian, or custodian and to his counsel. The juvenile shall be assisted by counsel during the transfer hearing, and at every other critical stage of the proceedings.

"Once a juvenile has entered a plea of guilty or the proceeding has reached the stage that evidence has begun to be taken with respect to a crime or an alleged act of juvenile delinquency subsequent criminal prosecution or juvenile proceedings based upon such alleged act of delinquency shall be barred.

"Statements made by a juvenile prior to or during a transfer hearing under this section shall not be admissible at subsequent criminal prosecutions."

CUSTODY

SEC. 503. Section 5033 of title 18, United States Code is amended to read as follows:

"§ 5033. Custody prior to appearance before magistrate

"Whenever a juvenile is taken into custody for an alleged act of juvenile delinquency, the arresting officer shall immediately advise such juvenile of his legal rights, in language comprehensive to a juvenile, and shall immediately notify the Attorney General and the juvenile's parents, guardian, or custodian of such custody. The arresting officer shall also notify the parents, guardian, or custodian of the rights of the juvenile and of the nature of the alleged offense.

"The juvenile shall be taken before a magistrate forthwith. In no event shall the juvenile be detained for longer than a reasonable period of time before being brought before a magistrate."

DUTIES OF MAGISTRATE

SEC. 504. Section 5034 of title 18, United States Code, is amended to read as follows:

"§ 5034. Duties of magistrate

"The magistrate shall insure that the juvenile is represented by counsel before proceeding with critical stages of the proceedings. Counsel shall be assigned to represent a juvenile when the juvenile and his parents, guardian, or custodian are financially unable to obtain adequate representation. In cases where the juvenile and his parents, guardian, or custodian are financially able to obtain adequate representation but have not retained counsel, the magistrate may assign counsel and order the payment of reasonable attorney's fees or may direct the juvenile, his parents, guardian, or custodian to retain private counsel within a specified period of time.

"The magistrate may appoint a guardian ad litem if a parent or guardian of the juvenile is not present, or if the magistrate has reason to believe that the parents or guardian will not cooperate with the juvenile in preparing for trial, or that the interests of the parents or guardian and those of the juvenile are adverse.

"If the juvenile has not been discharged before his initial appearance before the magistrate, the magistrate shall release the juvenile to his parents, guardian, custodian, or other responsible party (including, but not limited to, the director of a shelter-care facility upon their promise to bring such juvenile before the appropriate court when requested by such court unless the magistrate determines, after hearing, at which the juvenile is represented by counsel, that the detention of such juvenile is required to secure his timely appearance before the appropriate court or to insure his safety or that of others."

DETENTION

SEC. 505. Section 5035 of this title is amended to read as follows:

"§ 5035. Detention prior to disposition

"A juvenile alleged to be delinquent may be detained only in a juvenile facility or such other suitable place as the Attorney General may designate. Whenever possible, detention shall be in a foster home or community based facility located in or near his home community. The Attorney General shall not cause any juvenile alleged to be delinquent to be detained or confined in any institution in which the juvenile has regular contact with adult persons convicted of a crime or awaiting trial on criminal charges. Insofar as possible, alleged delinquents shall be kept separate from adjudicated delinquents. Every juvenile in custody shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care, including necessary psychiatric, psychological, or other care and treatment."

SPEEDY TRIAL

SEC. 506. Section 5036 of this title is amended to read as follows:

"§ 5036. Speedy trial

"If an alleged delinquent who is in detention pending trial is not brought to trial within thirty days from the date upon which such detention was begun, the information shall be dismissed on motion of the alleged delinquent or at the direction of the court, unless the Attorney General shows that additional delay was caused by the juvenile or his counsel, or consented to by the juvenile and his counsel, or would be in the interest of justice in the particular case. Delays attributable solely to court calendar congestion may not be considered in the interest of justice. Except in extraordinary circumstances, an information dismissed under this section may not be reinstituted.

DISPOSITION

SEC. 507. Section 5037 is amended to read as follows:

"§ 5037. Dispositional hearing

"(a) If a juvenile is adjudicated delinquent, a separate dispositional hearing shall be held no later than twenty court days after trial unless the court has ordered further study in accordance with subsection (c). Copies of the presentence report shall be provided to the attorneys for both the juvenile and the Government a reasonable time in advance of the hearing.

"(b) The court may suspend the adjudication of delinquency or the disposition of the delinquent on such conditions as it deems proper, place his on probation, or commit him to the custody of the Attorney General. Probation, commitment, or commitment in accordance with subsection (c) shall not extend beyond the juvenile's twenty-first birthday or the maximum term which could have been imposed on an adult convicted of the same offense, whichever is sooner, unless the juvenile has attained his nineteenth birthday at the time of disposition, in which case probation, commitment, or commitment in accordance with subsection (c) shall not exceed the lesser of two years or the maximum term which could have been imposed on an adult convicted of the same offense.

"(c) If the court desires more detailed information concerning an alleged or adjudicated delinquent, it may commit him, after notice and hearing at which the juvenile is represented by counsel, to the custody of the Attorney General for observation and study by an appropriate agency. Such observation and study shall be conducted on an outpatient basis, unless the court determines that inpatient observation and study are necessary to obtain the desired information. In the case of an alleged juvenile delinquent, inpatient study may be ordered only with the consent of the juvenile and his attorney. The agency shall make a complete study of the alleged or adjudicated delinquent to ascertain his personal traits, his capabilities, his background, any previous delinquency or criminal experience, any mental or physical defect, and any other relevant factors. The Attorney General shall submit to the court and the attorneys for the juvenile and the Government the results of the study within thirty days after the commitment of the juvenile, unless the court grants additional time."

JUVENILE RECORDS

SEC. 508. Section 5038 is added, to read as follows:

"§ 5038. Use of juvenile records

"(a) Throughout the juvenile delinquency proceeding the court shall safeguard the records from disclosure. Upon the completion of any juvenile delinquency proceeding whether or not there is an adjudication the district court shall order the entire file and record of such proceeding sealed. After such sealing, the court shall not release these records except to the extent necessary to meet the following circumstances:

"(1) inquiries received from another court of law;

"(2) inquiries from an agency preparing a presentence report for another court;

"(3) inquiries from law enforcement agencies where the request for information is related to the investigation of a crime or a position within that agency;

"(4) inquiries, in writing, from the director of a treatment agency or the director of a facility to which the juvenile has been committed by the court; and

"(5) inquiries from an agency considering the person for a position immediately and directly affecting the national security. Unless otherwise authorized by this section, information about the sealed record may not be released when the request for information is related to an application for employment, license, bonding, or any civil right or privilege. Responses to such inquiries shall not be different from responses made about persons who have never been involved in a delinquency proceeding.

"(b) District courts exercising jurisdiction over any juvenile shall inform the juvenile, and his parent or guardian, in writing in clear and nontechnical language, of rights relating to the sealing of his juvenile record.

"(c) During the course of any juvenile delinquency proceeding, all information and records relating to the proceeding, which are obtained in the discharge of an official duty by an employee of the court or an employee of any other governmental agency, shall be disclosed directly or indirectly to anyone other than the judge, counsel for the juvenile and the government, or others entitled under this section to receive sealed records.

"(d) Unless a juvenile who is taken into custody is prosecuted as an adult—

"(1) neither the fingerprints nor a photograph shall be taken without the written consent of the judge; and

"(2) neither the name nor picture of any juvenile shall be made public by any medium of public information in connection with a juvenile delinquency proceeding."

COMMITMENT

SEC. 509. Section 5039 is added, to read as follows:

"§ 5039. Commitment

"No juvenile committed to the custody of the Attorney General may be placed or retained in an adult jail or correctional institution in which he has regular contact with adults incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges.

"Every juvenile who has been committed shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, counseling, education, training, and medical care including necessary psychiatric, psychological, or other care and treatment.

"Whenever possible, the Attorney General shall commit a juvenile to a foster home or community-based facility located in or near his home community."

SUPPORT

SEC. 510. Section 5040 is added, to read as follows:

"§ 5040. Support

"The Attorney General may contract with any public or private agency or individual and such community-based facilities as halfway houses and foster homes for the observation and study and the custody and care of juveniles in his custody. For these purposes, the Attorney General may promulgate such regulations as are necessary and may use the appropriation for 'support of United States prisoners' or such other appropriations as he may designate."

PAROLE

SEC. 511. Section 5041 is added to read as follows:

"§ 5041. Parole

"The Board of Parole shall release from custody, on such conditions as it deems necessary, each juvenile delinquent who has been committed, as soon as the Board is satisfied that he is likely to remain at liberty without violating the law and when such release would be in the interest of justice."

REVOCATION

SEC. 512. Section 5042 is added to read as follows:

"§ 5042. Revocation of parole or probation

"Any juvenile parolee or probationer shall be accorded notice and a hearing with counsel before his parole or probation can be revoked."

SEC. 513. The table of sections of chapter 403 of this title is amended to read as follows:

"Sec.
"5031. Definitions.
"5032. Delinquency proceedings in district courts; transfer for criminal prosecution.
"5033. Custody prior to appearance before magistrate.
"5034. Duties of magistrate.
"5035. Detention prior to disposition.
"5036. Speedy trial.

"5037. Dispositional hearing.
"5038. Use of juvenile records.
"5039. Commitment.
"5040. Support.
"5041. Parole.
"5042. Revocation of parole or probation.".

PART B—NATIONAL INSTITUTE OF CORRECTIONS

SEC. 521. Title 18, United States Code, is amended by adding a new chapter 319 to read as follows:

"CHAPTER 319.—NATIONAL INSTITUTE OF CORRECTIONS

"SEC. 4351. (a) There is hereby established within the Bureau of Prisons a National Institute of Corrections.

"(b) The overall policy and operations of the National Institute of Corrections shall be under the supervision of an Advisory Board. The Board shall consist of sixteen members. The following six individuals shall serve as members of the Commission ex officio: the Director of the Federal Bureau of Prisons or his designee, the Administrator of the Law Enforcement Assistance Administration or his designee, Chairman of the United States Parole Board or his designee, the Director of the Federal Judicial Center or his designee, the Deputy Assistant Administrator for the National Institute for Juvenile Justice and Delinquency Prevention or his designee, and the Assistant Secretary for Human Development of the Department of Health, Education, and Welfare or his designee.

"(c) The ten remaining members of the Board shall be selected as follows:

"(1) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, one member for two years, and three members for three years. Upon the expiration of each member's term, the Attornery General shall appoint successors who will each serve for a term of three years. Each member selected shall be qualified as a practitioner (Federal, State, or local) in the field of corrections, probation, or parole.

"(2) Five shall be appointed initially by the Attorney General of the United States for staggered terms, one member shall serve for one year, three members for two years, and one member for three years. Upon the expiration of each member's term the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be from the private sector, such as business, labor, and education, having demonstrated an active interest in corrections, probation, or parole.

"(d) The members of the Board shall not, by reason of such membership, be deemed officers or employees of the United States. Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Board. Other members of the Board shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Commission pursuant to this title, be entitled to receive compensation at the rate not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, including traveltime, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Board shall elect a chairman from among its members who shall serve for a term of one year. The members of the Board shall also elect one or more members as a vice-chairman.

"(f) The Board is authorized to appoint, without regard to the civil service laws, technical, or other advisory committees to advise the Institute with respect to the administration of this title as it deems appropriate. Members of these committees not otherwise employed by the United States, while engaged in advising the Institute or attending meetings of the committees, shall be entitled to receive compensation at the rate fixed by the Board but not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(g) The Board is authorized to delegate its powers under this title to such persons as it deems appropriate.

"(h) The Institute shall be under the supervision of an officer to be known as the Director, who shall be appointed by the Attorney General after consultation with the Board. The Director shall have authority to supervise the organization, employees, enrollees, financial affairs, and all other operations of the Institute and may employ such staff, faculty, and administrative personnel, subject to the civil service and classification laws, as are necessary to the functioning of the Institute. The Director shall have the power to acquire and hold real and personal property for the Institute and may receive gifts, donations, and trusts on behalf of the Institute. The Director shall also have the power to appoint such technical or other advisory councils comprised of consultants to guide and advise the Board. The Director is authorized to delegate his powers under this title to such persons as he deems appropriate.

"SEC. 4352. (a) In addition to other powers, express and implied, the National Institute of Corrections shall have authority—

"(1) to receive from or make grants to and enter into contracts with Federal, State, and general units of local government, public and private agencies, educational institutions, organizations, and individuals to carry out the purposes of this chapter;

"(2) to serve as a clearinghouse and information center for the collection, preparation and dissemination of information on corrections, including, but not limited to, programs for prevention of crime and recidivism, training of corrections personnel, and rehabilitation and treatment of criminal and juvenile offenders;

"(3) to assist and serve in a consulting capacity to Federal, State, and local courts, departments, and agencies in the development, maintenance, and coordination of programs, facilities, and services, training, treatment, and rehabilitation with respect to criminal and juvenile offenders;

"(4) to encourage and assist Federal, State, and local government programs and services, and programs and services of other public and private agencies, institutions, and organizations in their efforts to develop and implement improved corrections programs;

"(5) to devise and conduct, in various geographical locations, seminars, workshops, and training programs for law enforcement officers, judges, and judicial personnel, probation and parole personnel, correctional personnel, welfare workers, and other persons, including lay ex-offenders, and paraprofessional personnel, connected with the treatment and rehabilitation of criminal and juvenile offenders;

"(6) to develop technical training teams to aid in the development of seminars, workshops, and training programs within the several States and with the State and local agencies which work with prisoners, parolees, probationers, and other offenders.

"(7) to conduct, encourage, and coordinate research relating to corrections, including the causes, prevention, diagnosis, and treatment of criminal offenders;

"(8) to formulate and disseminate correctional policy, goals, standards, and recommendations for Federal, State, and local correctional agencies, organizations, institutions, and personnel;

"(9) to conduct evaluation programs which study the effectiveness of new approaches, techniques, systems, programs, and devices employed to improve the corrections system;

"(10) to receive from any Federal department or agency such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions. Each such department or agency is authorized to cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information to the Institute;

"(11) to arrange with and reimburse the heads of Federal departments and agencies for the use of personnel, facilities, or equipment of such departments and agencies;

"(12) to confer with and avail itself of the assistance, services, records, and facilities of State and local governments or other public or private agencies, organizations, or individuals;

"(13) to enter into contracts with public or private agencies, organizations, or individuals, for the performance of any of the functions of the Institute; and

"(14) to procure the services of experts and consultants in accordance with section 3109 of title 5 of the United States Code, at rates of compensation not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5 of the United States Code.

"(b) The Institute shall on or before the 31st day of December of each year submit an annual report for the preceding fiscal year to the President and to the Congress. The report shall include a comprehensive and detailed report of the Institute's operations, activities, financial condition, and accomplishments under this title and may include such recommendations related to corrections as the Institute deems appropriate.

"(c) Each recipient of assistance under this shall keep such records as the Institute shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(d) The Institute, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for purposes of audit and examinations to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this chapter.

"(e) The provision of this section shall apply to all recipients of assistance under this title, whether by direct grant or contract from the Institute or by subgrant or subcontract from primary grantees or contractors of the Institute.

"SEC. 4353. There is hereby authorized to be appropriated such funds as may be required to carry out the purposes of this chapter."

PART C—CONFORMING AMENDMENTS

SEC. 541. (a) The section titled "DECLARATION AND PURPOSE" in title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is amended by inserting immediately after the second paragraph thereof the following new paragraph:

"Congress finds further that the high incidence of delinquency in the United States today results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources, and that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal Government to reduce and prevent delinquency.".

(b) Such section is further amended by adding at the end thereof the following new paragraph:

"It is therefore the further declared policy of Congress to provide the necessary resources, leadership, and coordination to (1) develop and implement effective methods of preventing and reducing juvenile delinquency; (2) to develop and conduct effective programs to prevent delinquency, to divert juveniles from the traditional juvenile justice system and to provide critically needed alternatives to institutionalization; (3) to improve the quality of juvenile justice in the United States; and (4) to increase the capacity of State and local governments and public and private agencies to conduct effective juvenile justice and delinquency prevention and rehabilitation programs and to provide research, evaluation, and training services in the field of juvenile justice and delinquency prevention.".

SEC. 542. The third sentence of section 203 (a) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is amended to read as follows: "The State planning agency and any regional planning units within the State shall, within their respective jurisdictions, be representative of the law enforcement and criminal justice agencies including agencies directly related to the prevention and control of juvenile delinquency, units of general local government, and public agencies maintaining programs to reduce and control crime, and shall include representatives of citizens, professional, and community organizations including organizations directly related to delinquency prevention.".

SEC. 543. Section 303(a) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by adding after the first sentence the following: "In order to receive formula grants under the Juvenile Justice and Delinquency Prevention Act of 1974 a State shall submit a plan for carrying out the purposes of that Act in accordance with this section and section 223 of that Act.".

SEC. 544. Section 520 or title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by (1) inserting "(a)" after "SEC. 520." and (2) by inserting at the end thereof the following:

"(b) In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, the Administration shall expend from other Law Enforcement Assistance Administration appropriations, other than the appropriations for administration, at least the same level of financial assistance for juvenile delinquency programs as was expended by the Administration during fiscal year 1972.".

SEC. 545. Part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by adding at the end thereof the following new sections:

"SEC. 526. The Administrator is authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

"SEC. 527. All programs concerned with juvenile delinquency and administered by the Administration shall be administered or subject to the policy direction of the office established by section 201(a) of the Juvenile Justice and Delinquency Prevention Act of 1974.

"SEC. 528. (a) The Administrator is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

"(b) Notwithstanding the provisions of section 5108 of title 5, United States Code, and without prejudice with respect to the number of positions otherwise placed in the Administration under such section 5108, the Administrator may place three positions in GS–16, GS–17, and GS–18 under section 5332 of such title 5.".

And the House agree to the same.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
SHIRLEY CHISHOLM,
ALBERT H. QUIE,
Managers on the Part of the House.

BIRCH BAYH,
JAMES O. EASTLAND,
JOHN L. MCCLELLAN,
PHILIP A. HART
QUENTIN N. BURDICK,
ROMAN HRUSKA,
HUGH SCOTT,
MARLOW W. COOK,
CHARLES MCC. MATHIAS, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate bill amended Title I of the Omnibus Crime Control and Safe Streets Act as amended while the House amendment established an independent bill. The conference substitute is an independent Act. It is not part of the Omnibus Crime Control and Safe Streets Act. It changes such Act to bring it into conformity with the Juvenile Justice and Delinquency Prevention Act. These conforming amendments represent no substantive changes from the Senate bill.

The Senate bill provides for the creation of an Office of Juvenile Justice and Delinquency Prevention within the Department of Justice, Law Enforcement Assistance Administration, to be directed by an Assistant Administrator appointed by the President with the advice and consent of the Senate. The House amendment created a Juvenile Delinquency Prevention Administration with the Department of Health, Education, and Welfare, to be directed by a Director appointed by the Secretary. The conference substitute adopts the Senate provision.

The House amendment provided for a Federal assistance program for services to runaway youth and their families to be administered by the Department of Health, Education, and Welfare. There was no comparable Senate provision. The conference substitute adopts the House provision.

The Senate bill amended the Federal Juvenile Delinquency Act which provides certain rights to Juveniles within Federal jurisdictions. There was no comparable House provision. The conference substitute adopts the Senate provision.

The Senate bill contained an amendment which permitted Federal surplus property to be contributed to States for use in their criminal justice programs. There was no comparable House provision. The conference substitute does not contain the Senate language. In deleting the Senate provision, it is noted that the House Committee on Government Operations is taking up a general revision of the subject of excess and surplus property disposition. It is hoped that the needs of Law Enforcement Agencies will receive due consideration for suitable priority and entitlement to eligibility. In the meantime, it is hoped that the General Services Administration will liberally construct the new regulations to best meet the needs of Law Enforcement Agencies.

The House amendment defined "construction" to exclude the erection of new structures. There was no comparable Senate provision. The conference substitute adopts the House provision.

The House amendment included alcohol abuse programs in the definition of "community based" programs. There was no comparable Senate provision. The conference substitute adopts the House provision.

The House amendment included alcohol abuse in the definition of "juvenile delinquency" programs. There was no comparable Senate provision. The conference substitute adopts the House provision.

The Senate bill required that the Administrator coordinate all Federal juvenile delinquency programs and policies. The House amendment provided that the Secretary shall establish overall Federal juvenile delinquency policies and programs. The conference substitute adopts the Senate provision.

The Senate bill authorized the Assistant Administrator of LEAA to appoint three GS–18 officers on appointment and to obtain other GS–18 officers on detail from other Federal agencies. The House amendment authorized the Secretary to appoint such officers as he deemed necessary. The conference substitute adopts the Senate provision.

The Senate bill authorized the Administrator to "implement" Federal juvenile delinquency programs and policies. The House amendment authorized the Secretary to "coordinate" all Federal juvenile delinquency programs and activities. The conference substitute adopts the Senate provision.

The Senate bill required annual evaluation and analysis of all Federal juvenile delinquency programs one year after the enactment of this bill. The House amendment required that the first annual report be submitted by September 30th. The conference substitute adopts the Senate provision.

The House amendment provided that, upon receipt of each annual report, the President must report to the Congress on actions taken or anticipated with respect to the recommendations of the Secretary; that the first annual report identify the characteristics of Federal juvenile delinquency programs; the second report identify all Federal juvenile delinquency programs with budgetary information; and the third report detail the procedures to be followed by all Federal agencies in submitting juvenile delinquency development statements. There was no comparable Senate provision. The conference substitute adopts the House provision with reporting to be made through the Attorney General.

The Senate bill authorized the Administrator to "request" information from other Federal agencies. The House amendment authorized the Secretary to "require" information from other Federal agencies. The conference substitute authorizes the administrator to "require through appropriate authority" such information.

The Senate bill required the Administrator to coordinate all juvenile delinquency functions with the Department of Health, Education, and Welfare. There was no comparable House provision. The conference substitute adopts the Senate provision.

The House amendment required that each Federal agency conducting a juvenile delinquency program submit to the Secretary a development statement analyzing the extent to which the program conforms with and furthers Federal juvenile delinquency prevention and treatment goals and policies. This statement, accompanied by the Secretary's response, shall accompany the legislative request of each Department. There was no comparable Senate provision. The conference substitute adopts the House provision with reporting to be made through the Attorney General.

The Senate bill authorized the Administrator to "request" that one Federal agency act for several in a joint funding situation. The House amendment authorized the Secretary to "designate" a Federal agency to act for several in a joint funding situation. The conference substitute adopts the Senate provision.

The Senate bill provided for the creation of an Interdepartmental Council on Juvenile Delinquency. There was no comparable House provision. The conference substitute does not contain the Senate language.

The Senate bill provided for the creation of a National Advisory Committee for Juvenile Justice and Delinquency Prevention. There was no comparable House provision. The conference substitute adopts the Senate provision.

The House amendment provided for a Coordinating Council on Delinquency Prevention which was independent, had a separate budget and public members. There was no comparable Senate provision. The conference substitute adopts the House provision with an amendment eliminating public members from the Council.

The Senate bill provided a minimum allocation of $200,000 to each State. The House amendment provided a minimum allocation of $150,000 to each State. The conference substitute adopts the Senate provision.

The House amendment included the Trust Territory of the Pacific Islands among the territories, for which a minimum allocation of $50,000 shall be made available from formula grants. There was is comparable Senate provision. The conference substitute adopts the House provision.

The House amendment provided for a 10% matching share requirement in cash for State and local programs. There was no comparable Senate provision. The conference substitute adopts the House provision with an amendment that financial assistance shall provide a 10% matching requirement which may be in cash or in kind.

The Senate bill provided for a State advisory body to advise the State Planning Agency. The House amendment provided for a State Supervisory Board to monitor implementation of the State plan. The conference substitute adopts the Senate provision.

The House amendment required that at least two members of the State Supervisory Board have been in the juvenile justice system. There was no comparable Senate provision. The conference substitute does not contain the House language. In deleting this provision the conferees note that the appointment of such persons to the State advisory board is to be encouraged, by virtue of their invaluable and unique experiences which could broaden the perspective of State Planning Agencies.

The Senate bill provided that 50% of the funds to State and local governments be spent through local governments. The House amendment provided that 75% of the funds be spent through local governments. The conference substitute provides that 66⅔% of the funds to State and local governments be spent through local governments.

The House amendment required that the local chief executive provide for the supervision of local programs by designating a local supervisory board. The Senate bill required that the local chief executive must provide for the supervision of local programs. The conference substitute adopts the Senate provision.

The House amendment provided that applications for special emphasis grants and applications shall indicate the response of the State and local agency to the request for review and comment. There was no comparable Senate provision. The conference substitute adopts the House provision. The Conferees emphasize that the provision listed under *State Plans*, Section 223(a) (19) which provides that any funds available under that part will be used to supplement and increase (but not supplant) the level of state, local and other non-federal funds that would be used in the absence of federal funds shall apply not only to the State Plan provisions but for *all of the programs authorized under this Act*. The maintenance of effort requirements will cover all activities presently conducted by any public or private agency or organization which might receive funding under any of the programs authorized under this legislation.

The Senate bill defined advanced techniques in the treatment and prevention of Juvenile Delinquency. The House amendment contained similar, but more general definitions of advanced techniques. The conference substitute adopts the Senate provision.

The House amendment, in its definitions of advanced techniques, included the prevention of alcohol abuse and the retention of youth in elementary and secondary schools. There was no comparable Senate provision. The conference substitute contains the House provision.

The Senate bill "requires" that within two years of enactment, juvenile status offenders be placed in shelter facilities; that delinquents not be detained or incarcerated with adults; and that a monitoring system be developed to ensure compliance with these provisions. The House amendment "encourages" such activities. The conference substitute adopts the Senate provision.

The Senate bill "provides" for the development of State research capacity. The House amendment "encourages" the development of State research capacity. The conference substitute adopts the Senate provision.

The House amendment included the physically handicapped among groups to whom assistance should be made available on an equitable basis. There was no comparable Senate provision. The conference substitute adopts the House provision.

The Senate bill provided for specific protection to be afforded employees affected by this Act. The House amendment provided for "fair and equitable treatment" to be afforded employees affected by this Act. The conference substitute adopts the Senate provision with an amendment deleting the phrase "as determined by the Secretary of Labor" and providing that arrangements for the protection of employees shall be to the maximum extent feasible. It is the intent of the conferees that the Administrator of LEAA consult with the Secretary of Labor, in order to utilize his expertise, before establishing guidelines for implementation of fair and equitable arrangements to protect the interests of employees affected by assistance under this Act. It is the further intent of the conferees that problems concerning employee protection arrangements shall be resolved by the Administrator in consultation with the Secretary of Labor where necessary.

The Senate bill provided for the involvement and participation of private agencies and the maximum utilization and coordination of existing juvenile delinquency programs in the development of the State plan. There was no comparable House provision. The conference substitute adopts the Senate provision.

The Senate bill required the reallocation of the State formula allotment to public and private agencies when a state plan is deliberately not prepared or modified. The funds reallocated will be utilized for special emphasis prevention and treatment programs within such State. The House bill contained a similar provision but makes no distinction regarding intentions. The conference substitute adopts the Senate provision.

The Senate bill provided that should no State plan be submitted due to neglect or oversight, the Administrator shall "endeavor" to make that State's allotment available to public and private agencies under the special emphasis program. There was no comparable House provision. The conference substitute adopts the Senate provision.

The Senate bill prohibited the use of potentially dangerous behavior modification treatment modalities on non-adjudicated youth without parental consent. There was no comparable House provision. The conference substitute contains no provision for the Senate language.

The House amendment provided for programs to retain youth in elementary and secondary schools and to prevent alcohol abuse among its special emphasis programs and grants. There was no comparable Senate provision. The conference substitute adopts the House provision.

The Senate bill provided a ceiling of 50% for assistance in Special Emphasis grants and programs. There was no comparable House provision. The conference substitute adopts the Senate provision.

The House amendment provided that priority for Special Emphasis grants and contracts be given to public and private nonprofits groups which have had experience in dealing with youth. There was no comparable Senate provision. The conference substitute does not contain the House language.

The Senate bill contains an application procedure for Special Emphasis grants related to the State Planning Agency. The House application for special emphasis grants and contracts was similar but did not specifically related to the State Planning Agency. The conference substitute adopts the Senate provision.

The Senate bill provided that the purpose of the special emphasis program was to implement the recommendations of the Advisory Committee. The House amendment provided that the purpose of the special emphasis program is to implement the recommendations of the Institute. The conference substitute provides that the purpose of the special emphasis program is to implement the recommendations of the Advisory Committee and the Institute.

The House amendment limited the use of funds for construction purposes to 50% for community-based facilities. There was no comparable Senate provision. The conference substitute adopts the House provision.

The House amendment limited to 25% the amount that a recipient may be required to contribute to the total cost of services. There was no comparable Senate provision. The conference substitute does not contain the House provision.

The Senate bill authorized the Administrator to utilize up to 25% of the formula grant funds to meet the non-Federal matching requirement of other Federal juvenile delinquency programs. The House amendment provided up to 25% of all funds to be utilized for this purpose. The conference substitute adopts the Senate provision.

The Senate bill established a National Institute for Juvenile Justice. The House amendment established an Institute for the Continuing Studies of the Prevention of Juvenile Delinquency. The conference substitute combines both provisions and establishes a National Institute for Delinquency Prevention and Juvenile Justice.

The House amendment specified the purposes of the Institute. There was no comparable Senate provision. The conference substitute adopts the House provision.

The House amendment included among the functions of the Institute, the dissemination of data, the preparation of a study on delinquency prevention and the development of technical training teams. There was no comparable Senate provision. The conference substitute adopts the House provision.

The Senate bill included seminars and workshops among the functions of the Institute. The House amendment included similar language among the functions of the Institute. The conference substitute adopts the Senate provision.

The Senate bill included training among the functions of the Institute. The House amendment included specific aspects of training among the functions of the Institute. The conference substitute adopts the House provision.

The House amendment provided that the functions, powers and duties of the Institute may not be transferred elsewhere without specific Congressional consent. There was no comparable Senate provision. The conference substitute does not contain the House language.

The House amendment provided for the specific powers of the Institute. There was no comparable Senate provision. The conference substitute adopts the House provision.

The House amendment provided for the specific powers and responsibilities of the Institute staff. The Senate bill contained similar but more general language. The conference substitute adopts the House provision.

The House amendment provided for the establishment of the training program, the curriculum of the training program, and the enrollment of participants in the training program of the Institute. There was no comparable Senate provision. The conference substitute adopts the House provision.

The Senate bill provided that the annual report of the Institute shall be submitted to the Administrator who, in turn, shall include a summary of this report and recommendations in his report to the President and the Congress. The House amendment provided that the Institute shall submit an annual report to the President and to the Congress. The conference substitute adopts the Senate provision.

The Senate bill provided for the development of standards for juvenile justice by the submission of an Advisory Committee report to the President and the Congress as well as by other means. The House amendment provided for the development of standards for juvenile justice by the submission of a report to the President and to Congress as well as by other means. The conference substitute adopts the Senate provision.

The House amendment authorized the Institute to make budgetary recommendations concerning the Federal budget. The Senate bill contained no such provision. The conference substitute adopts the Senate provision.

The Senate bill prohibited revealing individual identities, gathered for the purposes of the Institute, to any "other agency, public or private". The House amendment prohibited the disclosure of such information to "any public or private agency". The conference substitute adopts the Senate provision.

The House amendment authorized an appropriation for the Institute of not more than 10% of the total appropriation authorized for this Act. There was no comparable Senate provision. The conference substitute does not contain the House language. The conferees were in disagreement about what the appropriate level of funding should be for the Institute. In deleting this provision, however, the conference agreed that the level of funding for the Institute should be less than 10% of the total appropriation for this Act.

The House amendment provided for the effective dates of this Act. There was no comparable Senate provision. The conference substitute adopts the House provision.

The House amendment provided that the powers, functions and policies of the Institute shall not be transferred elsewehere without Congressional consent. There was no comparable Senate provision. The conference substitute does not contain the House language.

The House amendment provided that the Institute, in developing standards for juvenile justice, shall recommend Federal budgetary actions among its recommendations. There was no comparable Senate provision. The conference susbtitute does not contain the House language. The Senate bill established a National Institute of Corrections within the Department of Justice, Bureau of Prisons. There was no comparable House provision. The conference substitute adopts the Senate provision.

The Senate bill provides a two year authorization of $75,000,000 and $150,000,000. The House amendment provides a four year authorization of $75,000,000, $75,000,000, $125,000,000 and $175,000,000. The conference substitute provides a three year authorization of $75,000,000, $125,000,000 and $150,000.000.

Section 512 and 520 of the Omnibus Crime Control and Safe Streets Act, as amended provide for LEAA's authorization through June 30, 1976. Section 261(a) of the conference substitute provides authorization for the juvenile delinquency programs through June 30, 1977. It is anticipated that LEAA's basic authorization will be continued and the agency will continue to administer these programs through June 30, 1977.

The conferees agreed to including a provision from the Senate bill which requires LEAA to maintain its current levels of funding for juvenile delinquency programs and not to decrease it as a result of the new authorizations under this Act. It is the further intention of the conferees that current levels of funding for juvenile delinquency programs in other Federal agencies not be decreased as a direct result of new funding under this Act.

The House amendment contains a specific non-discrimination provision. There is no specific provision in the Senate bill. The conference bill adopts a modification of the House provision. This modification complements and parallels the requirements of Section 518(c) of the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
SHIRLEY CHISHOLM,
ALBERT H. QUIE,
Managers on the Part of the House.
BIRCH BAYH,
JAMES O. EASTLAND,
JOHN L. MCCLELLAN,
PHILIP A. HART,
QUENTIN N. BURDICK,
ROMAN HRUSKA,
HUGH SCOTT,
MARLOW W. COOK,
CHARLES MCC. MATHIAS, Jr.,
Managers on the Part of the Senate.

ACTION HELD UP ON REORGANIZATION RESOLUTION

(Mr. MARTIN of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of Nebraska. Mr. Speaker, it has been 6 months since the Select Committee on Committees reported out House Resolution 988, the Reorganization Act of the House. As the Members know, this has been held up for the past 6 months by the action of the Democratic Caucus.

Finally, last Thursday I was notified that a hearing was to be held in the Committee on Rules tomorrow, Tuesday morning, on this very important resolution. Twenty-four hours later, however, I was notified that it was called off because of the fact that some of the Members on the Democratic side of the aisle had put some pressure on the chairman of the Committee on Rules at the behest of the labor unions to cancel this hearing and hold up further consideration of this very important matter, one which the American people are demanding that the House take some action on.

Once again, Mr. Speaker, this illustrates the great power of the labor unions in this country, in opposition to the wishes of the American electorate. I hope that we can get this resolution called up before the Committee on Rules in the very near future.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

CALL OF THE HOUSE

Mr. MATHIS of Georgia. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 497]

Alexander
Anderson, Ill.
Arends
Aspin
Badillo
Beard
Blatnik
Brasco
Breckinridge
Brotzman
Buchanan
Burke, Calif.
Burton, John
Butler
Byron
Carey, N.Y.
Cederberg
Chisholm
Clark
Corman
Cotter
Daniel, Dan
Davis, Ga.
Diggs
Dorn
Drinan
Esch
Flowers
Ford
Fountain
Fraser
Frelinghuysen
Giaimo
Goldwater
Gunter
Hammerschmidt
Hanna
Hébert
Johnson, Colo.
Kluczynski
Kyros
Landrum
Leggett
Lehman
Litton
Lott
McClory
McCloskey
McKinney
McSpadden
Macdonald
Madigan
Martin, Nebr.
Martin, N.C.
Mayne
Michel
Mink
Minshall, Ohio
Mollohan
Murphy, N.Y.
Nedzi
Nelsen
O'Brien
Owens
Patten
Pepper
Pike
Pritchard
Rarick
Reid
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Roy
Ruppe
Sarbanes
Satterfield
Stark
Stuckey
Teague
Tiernan
Ullman
Van Deerlin
Vander Jagt
Walsh
Williams
Young, Alaska
Young, Ill.
Young, S.C.

The SPEAKER. On this rollcall 344 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANTI-INFLATION ACT OF 1974

Mr. PATMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 16425) to provide for the monitoring of the economy, and for other purposes.

The Clerk read the bill as follows:

H.R. 16425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Anti-Inflation Act of 1974".

FINDINGS AND PURPOSES

SEC. 2. It is hereby defined that the Federal Government must have a continuing concern with the rate of inflation, supply, industrial capacity, and means of increasing productivity, and must place primary reliance on budgetary and monetary policy as well as international trade and exchange rate policy, to constrain domestic inflation. In addition, to contribute to the moderation of inflation without incurring the drawbacks of mandatory controls, a body within the executive branch should act to see that the Government's direct impact on prices and wages is less inflationary and encourage private parties and local and State governments to adjust their policies and practices to contribute to a less inflationary economy.

COST OF LIVING TASK FORCE

SEC. 3. (a) The President is authorized to establish, within the Executive Office of the President, a Cost of Living Task Force (hereinafter referred to as the "Task Force").

(b) The Task Force shall consist of the Counselor to the President for Economic Affairs, the Chairman of the Council of Economic Advisers, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Director of the Office of Management and Budget, the Special Assistant to the President for Consumer Affairs, the Chairman of the National Commission on Productivity and Work Quality, and such other members as the President may, from time to time, designate or appoint. The President shall appoint the Chairman and the Vice Chairman of the Task Force.

(c) There shall be a Director of the Task Force who shall be appointed by the President and be a member of the Task Force. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5 of the United States Code. There shall be a Deputy Director of the Task Force who shall be appointed by the President and be compensated at the rate prescribed for level V of the Executive Schedule by section 5316 of title 5 of the United States Code. The Director of the Task Force shall be the chief executive officer of the Task Force and shall perform such functions as the President or the Chairman of the Task Force may prescribe. The Deputy Director shall perform such functions as the Chairman or the Director of the Task Force may prescribe.

(d) The Director of the Task Force may appoint, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Task Force and to prescribe their duties. In addition to the number of positions which may be placed in GS–16, GS–17, and GS–18 under existing law, the Director, with the approval of the Chairman of the Task Force, may, without regard to the provisions of title 5 of the United States Code relating to appointments in the competitive service, place, not to exceed five positions in GS–16, GS–17, and GS–18 to carry out the functions of the Task Force.

(e) The Director of the Task Force may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5 of the United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for GS–18 by section 5332 of title 5 of the United States Code.

(f) The Director of the Task Force may, with their consent, utilize the services, personnel, equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

FUNCTIONS OF THE TASK FORCE

SEC. 4. (a) The Task Force shall—

(1) review and analyze industrial capacity, demand and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) review the programs and activities of Federal departments and agencies and the private sector which may have effects on supply and prices and make recommendations for changes in such programs and activities to increase supply and restrain prices;

(7) evaluate the inflationary effects of international transactions, especially such aspects as the balance of payments, controls on imports and exports, and the cost of fuel and other commodities that directly or indirectly affect the rate of inflation;

(8) monitor the economy as a whole, including such matters as wages, costs, productivity, prices, sales, profits, imports and exports, and interest rates and rents.

(b) Nothing in this Act authorizes the imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, interest rates, or any similar transfers.

ACCESS TO UNITED STATES GOVERNMENT INFORMATION

SEC. 5. Any Department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Task Force, make that data or information available to the Task Force.

REPORTS

SEC. 6. The Task Force shall transmit, through the President, quarterly reports to the Congress not later than thirty days after the close of each calendar quarter describing the actions taken under this Act during the preceding quarter, reporting its findings and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy, and giving its assessment of the progress attained in achieving the purpose of this Act.

AUTHORIZATION FOR APPROPRIATION

SEC. 7. There is hereby authorized to be appropriated $1,000,000, to be available until expended to carry out the purposes of this Act.

TERMINATION

SEC. 8. The authority granted by this Act terminates on June 30, 1976.

The SPEAKER. Is a second demanded?

Mr. J. WILLIAM STANTON. Mr. Speaker, I demand a second.

Mr. ROUSSELOT. Mr. Speaker, is the gentleman opposed to the bill?

Mr. J. WILLIAM STANTON. No, Mr. Speaker, I am not.

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROUSSELOT. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

Without objection, a second will be considered as ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, when the new President addressed Congress last week he called the state of the economy "not so good" and he pointed out that the American people are unanimously concerned about inflation. As a first step to bring about economic stability the President called on the Congress to pass, before the Labor Day recess, a bill to establish a Cost of Living Task Force which would enable the administration to monitor wages and prices so that abuses and inflationary price increases might be exposed. He specifically requested that the task force not be empowered to impose mandatory wage and price controls. Actually this request is similar to the one made by former President Nixon in a message to the Congress on August 2, 1974.

The members of the task force will be appointed by the President and it is given an authorization of $1 million to carry out its duties. During the course of its existence the task force shall first review industrial capacity, demand and supply for the purpose of persuading industrial and governmental agencies to exercise price restraints; second, work with labor, management, and appropriate Government agencies to improve the structure of collective bargaining and productivity; third, improve wage and price data bases for the various sectors of the economy to improve collective bargaining; fourth, conduct public hearings; fifth, to bring attention to bear on the need to increase productivity; sixth, review the activities of Federal agencies and the private sector which may tend to create shortages and increase prices and recommend changes to bring about an end to these practices; seventh, evaluate the inflationary effects of international transactions; and eighth, monitor the economy as a whole.

In other words, this agency will be a watchdog and provide the President a means to jawbone.

Your committee ordered this legislation favorably reported on August 15 by a vote of 27 to 7. While the bill is not as comprehensive as perhaps it should be, in light of the sad state of our economy it is a first step and one in which the President has requested. I doubt that anyone would argue that we simply do not need to do anything about the economy. We are presently experiencing a rate of inflation which amounted to 10 percent over the past 12 months and currently there is no sign of a significant moderation in this trend. Unemployment remains at about 5 percent, interest rates are higher than they have ever been in our history, the energy crisis continues, wholesale prices have more than doubled in the past 2 years and the housing industry is in the throes of depression.

Under these conditions people who suffer most are those who have low- and moderate-income and the elderly who are on fixed incomes. These people have no one to look to in times like this but their Government so I think that the Congress is obliged to act on this problem immediately; it would be irresponsible of us to do otherwise.

The only significant argument against this legislation is that it is in the words of one critic, "only the smallest, most insignificant thing you can do to solve America's economic problems and it would be unfair to pretend anything else."

While I would not argue, and I doubt if the members of your committee would disagree, that this Cost of Living Task Force is a cure-all for inflation and in view of the fact that we have a new President who has been in office less than a month, it probably would be unfair to require him to submit a comprehensive economic program at this time. At the same time, when he shows that he simply wants to do something about the economy, we should cooperate with him in every respect. This bill attempts to supply the President with the tools he requested and I urge your favorable consideration.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Speaker, I must rise in opposition to H.R. 16425. This is sham legislation and a gross fraud on the American people.

Polls released within recent days indicate that some 50 percent of the American people believe that there is the very real possibility of a 1930's type depression. Similarly, the Wall Street Journal states that—

> It is now no longer beyond the realm of possibility that the United States might soon have to endure a severe economic depression. (July 22, 1974).

Yet despite the seriousness of our situation, the most forceful part of this legislation, section 4(a)(2), states merely that the task force shall "work with labor and management, to improve the structure of collective bargaining and the performance of those sectors in restraining prices." Even this language, however, is not defined. What is the base period from which we are to measure the unreasonableness of increases in salaries, profits, and interest rates? This is the crux of the problem yet it is not addressed by this legislation.

H.R. 16425 further mandates the study of the economic factors which lead to inflation. This sort of study might be legitimate if we did not already have the Joint Committee on the Budget, the Joint Economic Committee, the Council of Economic Advisers, OMB, and the wells of expertise and activity in the various executive agencies, but we do. In fairness, Mr. Speaker, I must conclude that this legislation is no more than a cosmetic device to cover a lack of real and responsible action. I submit, Mr. Speaker, that this conclusion is one which will be shared by our constituents.

What is needed is real dialog between the Congress and the executive branch. One day of hearings in the Banking and Currency Committee and 40 minutes of debate on the floor today does not constitute such a dialog.

We are in need of an intelligent food policy. The Congress and the President should strive for a combination of full production targets, some export controls, a cut of overseas military spending to alter the foreign exchange rates which largely explain the inflationary press of foreign demand and careful monitoring by the Department of Agriculture.

We are also in need of an articulated energy policy. Mass transit will be considered tomorrow. FEO should have provided us with information concerning the future tradeoffs between possibly inflationary spending now and the effect on the economy of continuing high oil prices. We should work with the President to pass measures allowing the consumer to intelligently choose energy efficient products. We should further move forward with legislation requiring more efficient automobiles, the great consumers of oil in our economy. These measures by affecting our balance of payments would go far in affecting foreign demand and in turn domestic prices for our grain, timber, and metals.

We should also begin to examine with the President the policies of the Federal Reserve. Its tight money policies have essentially stopped housing construction in many parts of the country. This cure offered by the believers in the "old time religion" of tight money is the cause of inflation in this important sector of the economy. We should carefully explore the use of credit rationing for the housing industry and other industries hardest hit by unemployment.

Mr. Speaker, we must also investigate the tax laws which make it possible for the enormous multinational conglomerates to expand notwithstanding staggering interest rates. The tax laws give such giants effective subsidies from the U.S. Treasury which small business does not enjoy. One need only look at the soaring bankruptcy rate among small businesses to realize that the costs of deflation are borne by the small business while the conglomerates continue to share increasing profits. We must work with the President to end these discriminatory policies.

Finally, Mr. Speaker, we need to discuss with the President the need for stand by power to control inflationary price hikes. "Jawboning" alone is a most ineffectual weapon against what the President refers to as "public enemy No. 1, inflation."

In conclusion, Mr. Speaker, much needs to be done and much can be done. Let us have an end of cosmetic studies and get on with the important business at hand. We cannot do this if we vote to abdicate our important role in this area.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Mr. Speaker, I yield for a question but not for a speech.

Mr. GROSS. Mr. Speaker, I just made a trip to the minority desk to obtain a copy of the report. There is no report. Where is the report on this bill?

Mr. PATMAN. The object of a suspension of the rules is to suspend all the rules, so that any rule requiring the report is suspended by this action.

Mr. GROSS. That is hardly the question. The bill ought to be accompanied by a report, irrespective of anything else.

Mr. PATMAN. If we had had time under the rules to have gotten out the report before we had it on the Suspension Calendar today, we would have done it.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my chairman yielding to me.

Did not the gentleman from Illinois (Mr. Crane), in committee on Thursday or Wednesday when we took this bill up, and the gentleman from Texas asked for unanimous consent that we shorten the time in which the report would be made ready because the gentleman from Texas wanted to have it completed by Friday. My assumption was—as I am sure it was the assumption of Mr. Crane—that the report would be available today. Did the printer not get the report out?

Mr. PATMAN. I think the gentleman is mistaken. I assure him that all rules are complied with in the presentation of this bill.

Mr. ROUSSELOT. I did not say that the rules were not complied with. My understanding was at the time that, if we submitted our minority or supplemental views by Friday, we were assured that was being done so that the committee staff would have an opportunity to make sure that the printed report was submitted for today.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Wisconsin for further explanation.

Mr. REUSS. Mr. Speaker, perhaps I can throw some light on what was a good faith effort by the committee to get a report ready.

The gentleman from Illinois (Mr. Crane) asked for time to file individual views as he was entitled to do. Because it was then the universal assumption that the House would sit on Friday, Mr. Crane and others similarly situated were allowed until Friday midnight to file their separate views.

In the event, the House did not sit on Friday; hence, the perfectly proper additional views of Mr. CRANE could not be filed. The report is ready, but it could not be printed. We regret it, but we are in compliance with the rule, and hope that this debate will serve the purpose.

Mr. PATMAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, in this area of good feeling—and it is a good feeling, indeed, to have in the White House a President who is evidencing real concern about the economic storms engulfing our Nation—I am sure we are all disposed to give to the new administration our full cooperation in fighting inflation. So far, he has not asked for very much. But what he has asked for, in the form of this legislation to create a Cost of Living Task Force to monitor price and wage movements, is being provided immediately by Congress in exactly the form he requested, despite our misgivings that it is not much of an anti-inflation reed on which to lean.

But is this all there is? Is this all we are going to be asked to do in providing machinery to combat a further series of twists of the price-wage spiral? Let us hope not. We are willing to give President Ford enough time to get his bearings, enough time to consult with a wide variety of economic experts and representatives of all segments of the economy, and enough time to develop his own program. But let us also hope that his program, when developed, will be far different from the policies followed by his predecessor during the 19 months after the disastrous phase III destabilization policy went into effect on January 11, 1973.

During the hearing in the Committee on Banking and Currency last week on this legislation to create a Cost of Living Task Force, the new administration's spokesman at the hearing, Director Roy Ash of the Office of Management and Budget, appeared to be speaking for the new President in insisting that no consideration is being given, or will be given, to any proposal to seek a renewal of authority for price and wage controls. Mr. Speaker, no economic doors should be closed with finality. No tool for combating inflating should be thrown away out of any doctrinaire political considerations. We are in an economic crisis, and we must face that fact with courage and openmindedness.

If President Ford had asked us last week for the reenactment of the Economic Stabilization Act which expired April 30, I doubt if there would have been very many votes in committee or on the House floor to grant such powers right now, even in this so-called honeymoon or marriage relationship between Congress and our new President. First of all, the controls were used abominably in their final 15 months. They were administered by people who did not want to make them work fairly. Public confidence was destroyed in the effectiveness of the controls—not because controls are inherently bad, as President Nixon's people maintained, but because they were badly used.

As I have stated in my separate views on H.R. 16425, it is incumbent upon the new President to bring into his administration officials we can trust, and which the public can trust, to attack economic problems on a realistic basis. They must be people who are in sympathy with the jobs they are given to do, and who are recognized by the public as being concerned over the very real economic problems of the individual family.

And the Congress, too, must learn from past mistakes. On April 16, 1973, the House rejected a bill from our committee to roll back all prices and interest rates to the levels of January 11, 1973, and to mandate controls over agricultural products and other raw materials, and over interest rates. Farmers were then enjoying high prices, even though the rest of the people were suffering from excessive increases in food costs. In blocking controls over agricultural commodities, the House presumably gave the farmer a great break—but we all know what happened: farm prices continued to rise, but so did the farmer's costs; eventually, however, when some crop prices and livestock prices fell, the farmer was put in a cost-price squeeze which was disastrous for many small farmers, and even some very large ones. An effective controls program should regulate all prices and all costs of production which have an inflationary impact.

All I am saying now is that with a new President and a new attitude in the White House, we must encourage President Ford to look at all of his options in fighting inflation, rather than standing behind the ineffectual policies of tight money, high-interest rates, and increased unemployment favored by the Nixon administration as the so-called old-fashioned religion in combating inflation. It did not work for Mr. Nixon and it will not work for President Ford.

The direct economic controls enacted by Congress on a standby basis on August 15, 1970, did work—they worked with remarkable effectiveness—from the time they were first applied a year later, on August 15, 1971, until they were largely dismantled—except over wages—on January 11, 1973. Certainly, the controls created problems and imbalances and the need for adjustments, but adjustments were made, the economy settled down, the price-wage spiral was halted, and we were doing fine from August 1971 to January 11, 1973. Let us never forget that.

If and when President Ford indicates a recognition of the need for restored controls authority, and brings into Government the kind of people who could operate such a program fairly and effectively, the Congress should stand ready to consider such legislation promptly and without prejudice.

Mr. PATMAN. Mr. Speaker, I yield such time as he may consume to the gentlemen from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, since no committee report was available for this debate, I feel it incumbent to state my position on this proposal.

Stated simply, this bill is intended to give the appearance of action against inflation, while in fact providing no action at all. It authorizes the President to appoint a committee which he undoubtedly could create on his own authority, and gives him a million dollars to do that which he could do anyway. My view is that the President does not need the authority conferred in this bill, and that he could find the authorized funds elsewhere.

Surely nothing is more pressing than the problem of inflation. But this does not mean that Congress ought to approve yet another sham action. We have been through so many games with inflation that I begin to wonder if we are not like the Bourdon kings of old—capable of learning nothing, incapable of forgetting anything.

Experience with the Economic Stabilization Act should have convinced even the most sanguine of us that it is a mistake to create an agency that has no real accountability to Congress. But this bill creates an agency that reports to the President, who then reports what he likes to Congress. In other words, if the task force comes up with reports and recommendations the President does not like, Congress will never receive them.

Inflation is an urgent problem, more so now than it was 5 years ago. Yet this bill does not demand that the task force it creates will come up with any comprehensive attack against inflation. The task force need not come up with anything substantive at all—merely quarterly reports of such a vague nature that they need contain nothing but sermons and slogans.

We need to learn that a real economic program is needed for this country. We need to forget about setting up a task force which, like this one, is intended merely to create an illusion of action.

Some would say that the President needs this bill in order to effectively "jawbone" against inflationary forces. But this bill contains no authority to support that moral suasion. The task force creates no moral authority that does not already exist; surely the President knows that, and knows too that he may need more than a jawbone to fight against inflation.

I am concerned that the task force may simply become a trumpet against the efforts of working people to regain some of their lost purchasing power, while doing nothing to dissuade industrial giants from continuing to steadily increase their prices and profits. If this should happen, as developed under the recent and disastrous controls program, the task force would merely become another discredited political subcommittee. The last thing the country can afford is another official agency established to trumpet one political philosophy or another. We need a sound program.

My friends in the minority party have in these last few years hooted at the kind of jawboning envisioned in this bill, but now they embrace it fervently. Likewise, they opposed wage and price controls, only to change their minds when their party switched lines. I admire this kind of moral and political flexibility, but cannot find in my own backbone that kind of malleability.

I did not believe that wage and price controls would work, because I did not believe that they would be equitably administered—and I was right. I do not believe that this proposed task force would do anything that could not otherwise be done. And I do not believe that Congress, for all its desires to cooperate with a new President, should acquiesce in this illusory action.

Certainly Congress ought to act against inflation. We ought to take some real action. If we want to do that, we should create a task force that reports directly to us, once each month, and which has the specific job of coming forward with a comprehensive economic program. We should have learned long ago that Congress ought to show some responsibility in the management of the Nation's economic problems. This means much more than handing the President a blank check after some crisis.

Yet, here we are again, after a great crisis, signing yet another blank check to the President. This bill does not reflect congressional responsibility, and it is not taking responsible action; it is merely avoiding, once again, the task of creating a national economic policy that is fair, that assures prosperity, and above all, one that works to contain inflation and solve our pressing social and economic problems.

Mr. ROUSSELOT. Mr. Speaker, although I personally do not feel this legislation is necessary, on the basis of our previous votes in the Committee on Banking and Currency several months ago, in fairness I am yielding 4 minutes to my ranking minority Member, the gentleman from New Jersey (Mr. WIDNALL), who favors the legislation.

Mr. WIDNALL. Mr. Speaker, I rise in support of H.R. 16425, a bill which would establish a Cost of Living Task Force. President Ford branded inflation "public enemy No. 1," and I think that we all support that indictment. The proposed task force would seek out and expose—to the administration, to Congress, and to the public—the confederates of public enemy No. 1. Who are these confederates? They can be the corporations whose prices and profits are unjustifiably high. They can be the labor unions whose demands for wage increases grossly exceed their gains in productivity. And let us acknowledge the fact that the Federal Government has been a confederate of inflation, because it has overspent, because it has failed to formulate an effective anti-inflationary policy.

The task force would be composed of four Cabinet officers and five other senior officials in the administration whose responsibilities relate directly to the economy. In addition, it would have a small and flexible staff. The task force would monitor the economy, assessing the inflationary impact of wage and price developments, of governmental programs and activities, and of the increasing costliness of food and raw materials. It would coordinate the anti-inflationary efforts of the various departments and agencies of the Federal Government. Working cooperatively with management and labor, the task force would encourage these groups to restrain the rise of wages and prices.

A primary function of this task force might be to mobilize public opinion against some of the confederates of public enemy No. 1, after these confederates are known. I think that, increasingly, the public expects inflation and accepts it as an unavoidable, inevitable inconvenience. It does not question the justifiability of price and wage increases and does not suspect that it is being gouged. It thinks that the days of price stability are forever gone. Entrepreneurs and wage earners can sometimes exploit the public acceptance of inflation, claiming falsely that they must ask for considerably more money in return for their goods and services because of a general, ongoing inflation of wages and prices. the task force should point out—to the administration, to Congress, and to the public—that, in certain instances, the rises of prices and wages are not inevitable, are not justified, and are abusive. I do not mean to imply that such abuses are widespread. They are probably not. However, whenever they exist, they should be made known to us all. The task force should expose such abuses to public censure in order to discourage them. If necessary, it should engage in what some have called "jawboning," actively attempting to persuade corporations and labor unions to exercise restraint when determining prices and wages.

Do not be mistaken. The establishment of this task force would not be an initial step toward the reimposition of wage and price controls, which most of us would oppose. From our own experience, we know that wage and price controls create far more problems than they ever solve. These controls do not halt inflation. They merely postpone it. More than this, by making prices and wages rigid and unresponsive to shifts in demand and supply, wage and price controls engender gross inefficiences, major dislocations, and severe shortages.

The President has asked for this Cost of Living Task Force. Let us approve it without delay. We know that it is hardly a cure-all which will rid us of the present inflation. But we believe that it represents a step in the right direction.

Mr. PATMAN. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. HARRINGTON).

Mr. HARRINGTON. Mr. Speaker, in the rather dismal period of almost 6 years of this administration's efforts to deal with matters which affect our economy, the only period in which we have had any lasting impact in encouraging stability stemmed out of the adoption of suggestions by most of the critics in August 1971, and continued until the rather abrupt termination of what was called phase II in January, 1973.

To participate in what may be a well intentioned effort in furtherance of a "marriage" described to us the other night by the President is understandable to us in many respects. But on the other hand, it only contributes to the politics of expectation. This afternoon's toothless effort in dealing with the problems of inflation will do little to restore either stability or confidence for the American public.

Mr. Speaker, I am somewhat puzzled and surprised that the chairman and the membership of the committee who have so willingly acceded to this approach, as constituted and without opportunity to debate, would not feel over the longer term as equally critical of the President in the aftermath, given the predictable failure of this approach, as they are accommodating now.

Mr. Speaker, I hope we will reject this bill this afternoon so as to provide a chance to deal with the legislation and the severe problems it is supposed to address in a more amendable fashion.

Mr. ROUSSELOT. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Speaker, this bill, self-defined as the Anti-Inflation Act of 1974, is sweeping in its mandate to superintend many of the aspects of our economy which contribute to rising prices. Truth in advertising laws, however, require me to say that an Anti-Inflation Act it is not.

It is, as I stated in committee, a "toothless tiger." It specifically states:

> Nothing in this act authorizes the imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, interest rates, or any similar transfers.

Director of OMB, Roy Ash, in his testimony before the committee stated emphatically that it was not his intention nor that of the administration to reimpose upon us disruptive wage and price controls. He pointed out further that they had, in fact, exacerbated inflation in this country through the distortions they created.

By 1973, even George Meany and the National Association of Manufacturers had come to agree on this point. Nevertheless, both Meany and the NAM as well as Dr. Arthur Burns and then Secretary of the Treasury John Connally were of one mind in the summer of 1971 in calling for such controls presumably to stop inflation.

At that time, I inserted in the RECORD a rather comprehensive analysis of controls under Benito Mussolini, Adolf Hitler, and Juan Peron, as well as our own experiences during World War II, and the Korean war which demonstrated conclusively the fact that wage and price controls only aggravate inflationary problems since they attack symptoms and not causes.

In his testimony before the committee, Mr. Ash acknowledged that one of the major causes of inflation—I would say the overwhelming cause of inflation—is deficit spending by the Congress of the United States and monetization of that debt by the Federal Reserve System.

I find nothing in the functions of the task force to be created under this bill that draws attention to this fact.

To be sure there are additional factors contributing to rising prices. However, most of these are beyond the purview or control of the proposed Cost of Living Task Force. One of these is the heightened demand for scarce resources. the result of rising expectations, and greater world affluence, and population growth worldwide. We do not need a task force to inform us of this elemental fact.

A second cause is the arbitrary price increase inflicted on the industrialized nations by the OPEC countries when they dramatically increased the price of oil. Sufficient attention has been already devoted to this cause of escalating prices by the media.

A third major cause is increasing production costs imposed on American businesses through overregulation by Congress of the business community which has produced mountainous paper-pushing, form-filling burdens. Congress has also, in an excess of zeal, imposed environmental standards on the business community which have unfortunately had the effect of significantly increasing production costs while simultaneously imposing greatly increased demand for scarce energy resources.

Minimum wage laws have also contributed to pressure on wage demands all the way up the line. Nothing in the Cost of Living Task Force mandate calls attention to these facts.

The one area where the task force might focus public attention is on wage increases that exceed productivity, but again one can find these facts in Department of Labor and Department of Commerce statistics and the business community has endeavored to dramatize this problem for years.

Evans and Novak in their Washington Post column of August 15, indicated that it is the desire of the new administration to "deroyalize" itself by cutting back on personnel at the White House and by placing greater reliance on the Cabinet, Inasmuch as this task force is to be comprised of, among others, the Counselor to the President for Economic Affairs, the Chairman of the Council of Economic Advisers, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Director of the Office of Management and Budget, the Special Assistant to the President for Consumer Affairs, and the Chairman of the National Commission on Productivity and Work Quality, it would seem that the President has access to all the expertise necessary to perform the duties of this new task force without creating a new body at an expense of $1 million and adding a new Director at level 4 of the Executive Schedule, a Deputy Director at level 5 of the Executive Schedule, five new positions in GS-16, GS-17, and GS-18 as well as "such officers and employees, including attorneys, as are necessary to perform the functions of the task force."

With such an array of talent which is already available coupled with the moral authority of the President, it would seem we already have an effective means of "jawboning" to secure restraint with respect to excessive wage or price determinations. The best that can be hoped for in this area is a mutual spirit of compromise and cooperation on the part of all Americans to help cope with the pressing problems of rising prices. But what worries me most about the prospects of re-creating a Cost of Living Task Force is that if it turns out to be a pussycat in dealing with the problems, there will soon arise a noisy chorus from the economically illiterate and the politically demagogic pandering to the national desire to find a convenient scapegoat for the complex economic woes of this Nation by putting teeth into this tiger. At that point, we will once again be compelled to relearn the lessons of history.

This Cost of Living Task Force is either a potential menace or a charade. In either case, it is wrong.

Mr. PATMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Speaker, I rise in strong support of H.R. 16425, a bill to provide for the monitoring of the economy and for other purposes.

Mr. Speaker, we have heard some of our colleagues state that this bill is simple window dressing and will not accomplish its goal of curbing inflation. I have to, personally, discount this observation. I will admit that the battle of inflation will require many steps by the Federal Government, by labor and business, and by the general public if we are to succeed. This bill will accomplish its purpose only if other steps are taken as a result of this legislation and at the same time that the task force is pursuing the findings and purposes of this act.

When one reads this legislation, they discover that the purpose of Congress is to create a body within the executive branch whose purpose is to act to see that the Government's direct impact on prices and wages is less inflationary and encourage private parties and local and State governments to adjust their policies and practices to contribute to a less inflationary economy.

To carry out the functions of this task force we specifically state that they shall:

> (1) review and analyze industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;
>
> (2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;
>
> (3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;
>
> (4) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;
>
> (5) focus attention on the need to increase productivity in both the public and private sectors of the economy;
>
> (6) review the programs and activities of Federal departments and agencies and the private sector which may have effects on supply and prices and make recommendations for changes in such programs and activities to increase supply and restrain prices;
>
> (7) evaluate the inflationary effects of international transactions, especially such aspects as the balance of payments, controls on imports and exports, and the cost of fuel and other commodities that directly or indirectly affect the rate of inflation;
>
> (8) monitor the economy as a whole, including such matters as wages, costs, productivity, prices, sales, profits, imports and exports, and interest rates and rents.

Mr. Speaker, I cannot help but point out that the findings and purposes of this act and the functions of the task force are similar to the Anti-Inflation Act of 1974 that I first introduced on April 3, 1974. At that time it was the overwhelming sentiment of our committee not to continue the Cost of Living Council in any way, shape, or form. This was despite my personal plea that no authority was given for the reimposition of any mandatory economic controls. Hindsight has taught us that we made a mistake. I applaud President Ford for asking for this legislation and I urge its adoption on the theory that it is better late than never.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I know that the gentleman from Ohio was one of those in the committee who, when we voted down this same concept in April, the gentleman in the well was one of those in the committee that supported this legislation.

Mr. J. WILLIAM STANTON. I strongly supported it, and I appreciate the gentleman pointing out that on April 5 we did not get sufficient time to discuss it. I took a strong stand against wage and price controls, but sincerely regret that the legislation was not adopted by our committee at that time. If it had been adopted we would have had a way to monitor industries that were voluntarily decontrolled when this legislation expired on April 30. I believe that the overwhelming sentiment today would be for it, although that is a question of hindsight. I certainly believe that the gentleman from California (Mr. ROUSSELOT) would agree that we would have had maybe a little less cost rise to some people in this country.

Mr. ROUSSELOT. I do not agree with my colleague, the gentleman from Ohio. But I did want to point out that the gentleman has been in favor of this legislation for several months.

Mr. J. WILLIAM STANTON. I appreciate the gentleman pointing that out.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. J. WILLIAM STANTON. If I have time I will be happy to yield to the gentleman from Idaho.

Mr. SYMMS. Could the gentleman cite to me one place, one time, anywhere in history, where wage and price controls have been used successfully by any government?

Mr. J. WILLIAM STANTON. I would say to the gentleman from Idaho (Mr. SYMMS): Show me one item, one single sentence in this particular bill with reference to wage and price controls. It simply is not there.

The SPEAKER. The time of the gentleman has expired.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. HUBER).

Mr. HUBER. Mr. Speaker, I had the unfortunate experience of coming down here in 1973 as a freshman to try to get some help for some of our people back in my district who were dealing with the Cost of Living Council.

So feeling that I could meet with the head of the Cost of Living Council, Dr. Dunlap, I attempted to reach him on the telephone. That was a real experience. I must have called that office at least a half dozen times, and I could get to the third secretary twice removed. There was no way that I could convince Dr. Dunlap that he ought to do me as a Congressman the courtesy of returning my call, because has was not responsible to me, and he could not have cared less. As a matter of fact, the only way I got to talk to this gentleman was to take advantage of the Republican Party who offered to freshman Members of Congress a chance to appear on a television program with him. I took advantage of that opportunity.

We were given a 1-minute TV interview, and when it came to my turn and they turned on the lights, Dr. Dunlap said to me:

> What can I do for you?

I said:

> You can answer your telephone; that is what you can do for me.

I said:

> I had to come down to this lousy television program to talk to you because you are too important to concern yourself with talking to a Congressman.

If there is anything we do not need in this country today, when we have so many inflation problems, it is to have more independent unconcerned bureaucrats to act as barriers between the people and the Government. The only thing I could say is if we put another layer of bureaucracy in here and it does not give us any more cooperation than we have had in the past, we are not going to help solve the problem of inflation; we are just going to add to it.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I rise in support of H.R. 16425, cited as the Anti-Inflation Act of 1974. This measure will reestablish the concept of a Cost of Living Task Force within the Executive Office of the President. Its function will be to monitor all aspects of the economy and make policy recommendations to improve fiscal and monetary policy and productivity. Its purpose will be to operate as a "super jawboning agency" to raise public consciousness concerning price and wage increases that threaten a deterimental impact on the fight against inflation. I think this will prove helpful by bringing public pressure to bear on important economic sectors that may be operating in an irresponsible manner.

This bill will not reinstitute mandatory economic controls, which have proved so ineffective in the past and may have caused as many economic problems as they have attempted to alleviate.

I will be the first to concede as the distinguished Chairman from Texas (Mr. PATMAN) said that this legislation is not an economic cure-all. Inflation will only be controlled when the Congress and the entire Nation are willing to balance the Federal budget. Controlling inflation will be a difficult task requiring everyone to bite the proverbial bullet. Nonetheless, this legislation will help keep the issues involved before the public in a constructive manner, and this should prove helpful in gaining popular support for the difficult steps that must be taken to stabilize our economy. At least passage of the bill can do no harm and could be one important weapon in the arsenal we must throw into the battle against inflation.

Besides, I think if President Ford feels this legislation will help him in his fight against inflation, it is little enough for Congress to do.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

The gentleman has indicated that this sort of jawboning would be to monitor excesses in wage increases or excesses in profits, so that in spite of this political philosophy we can blame it on one or the other. Are they also going to oversee the excesses in the Congress?

Mr. WYLIE. I would hope so. I asked Director Roy Ash that very question, and he said such action is provided for in the bill.

Mr. PATMAN. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I regret this measure is brought before us under suspension. I should have liked to have seen a matter of this importance brought before us under a rule and subject to amendment.

Personally, I do not think that this proposed Cost of Living Task Force is going to get us very far in the fight against inflation. It is mostly window dressing.

This bill falls so far short of what really needs to be done that it comes close to being a fraud. Moreover, whatever good there is in the proposal could be accomplished by the President acting alone, and this bill is therefore unnecessary. Since I dislike seeing the Congress involved in such a cosmetic maneuver, I propose to vote against the motion to suspend the rules and pass the bill without amendment.

I regret that we have a measure dealing with this overwhelmingly important problem brought to us in this fashion with a minimum of debate and with no possibility of amendment.

On March 28 of this year, 2 days before the Economic Stabilization Act expired, a Wall Street Journal headline proclaimed: "Will End of Controls Set Off an Explosion of Inflation in the United States? Administration Economists Contend Not, Feel Bulge in Prices Will Be Modest." As we all know by now, the administration economists were wrong. Stagnation, double-digit inflation, recession, depression, negative growth have all become part of our national vocabulary.

In this critical situation, it is natural to look to our new President for direction and leadership. I for one was relieved when the President, in his address to the Congress, declared inflation to be America's No. 1 enemy, but I was disappointed when the only thing he asked for was a new agency, much like the old Cost of Living Council, to monitor wages and prices and to add economic respectability to "jawboning."

President Ford's proposal in my view is both too little and too late. Monitoring wages and prices, with no authority to do anything about increases, is like trying to control speeders on the highway with sweet talk with scolding.

This initiative on the part of our new President is disturbingly reminiscent of what President Nixon did during the years and months before he accepted the need for controls. He proclaimed inflation to be one of our biggest problems, and he engaged in a variety of public relations episodes which were a substitute for action to halt the spiral of inflation. I am afraid the same pattern of events is emerging again. Apparently, we do not learn from our past mistakes.

This bill is unnecessary because the President does not need congressional authority to "jawbone," nor does he need congressional approval to create an executive branch office to perform the monitoring function. What I perceive here is an attempt to interfere as little as possible with the marketplace, co-opting the Congress into joining in the maneuver.

Had this bill come before the House under an open rule so that it could be amended, I would have been prepared to offer my bill as a substitute. It at least contains a definite program designed to protect the American consumer. It would set inflation and unemployment targets well within the range of accepted limits—and well below what we are experiencing today; it would create an independent Economic Stabilization Administration distinct and separate from the IRS; it would require the President—acting through the new ESA—to impose price controls where needed to achieve the targets; it would not allow the President to impose wage controls except as a last resort when voluntary restraints and the pressure of price controls are insufficient to keep wage increases within reasonable bounds; and it would give to the Congress the power by concurrent resolution to impose controls when the President fails to act, or veto any control regulation issued by the ESA.

The bill before us today holds out the hope to the American people that its new leader in the White House will set our economic house in order quickly. The Congress should not partake in building up the expectations of the American people that it is going to be that easy. Without more, this legislation should not be approved. If it were the forerunner of a stiff but equitable economic remedy, I would be prepared to support it. But as of this moment, I have heard nothing to suggest that such is the intended course of action. I have no wish to become a part of an economic sham to be perpetrated on the American people. I am convinced that my constituents want action such as I have proposed, action that will insure them that they can pay their rent and supermarket bills without first going to the bank for a loan.

Mr. ROUSSELOT. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I note the title of this bill states that it is "to provide for the monitoring of the economy." I would ask what the heads of agencies and the departments of Government are doing now but monitoring the economy? If not, we need some substantial changes.

This bill provides for a task force, and what would the task force be composed of? It would be composed of 10 of the heads of the departments and agencies of the Government now in existence plus, as my friend, the gentleman from Michigan (Mr. HUBER), has mentioned, a nice new layer of bureaucratic fat at a cost of a million dollars which is certainly conducive to inflation. I repeat, at a cost of $1 million. That is what this bill provides.

Moreover, on page 2 of the bill, after stating that it is for the purpose of monitoring the economy of the country, it goes on to state "and monetary policy as well as international trade and exchange rate policy, to constrain domestic inflation."

The dictionary tells us that to "constrain" is to compel or force. Are you saying that we are going to compel or force domestic inflation, and if so, how much? I believe those who constructed this bill ought to have used the word "restrain" which means to curb, repress, or suppress inflation.

Mr. SCHERLE. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa (Mr. SCHERLE).

Mr. SCHERLE. Mr. Speaker, I thank my colleague, the gentleman from Iowa, for yielding.

Will my colleague tell us what role the $100,000 we just voted about 2 weeks ago is going to play in this legislation?

Mr. GROSS. I could not begin to tell the gentleman where it has gone or where it will go, but Members of the House approved something on the order of $100,000 for this purpose.

Mr. SCHERLE. And that also was to monitor and to study the inflation, was it not?

Mr. GROSS. That is right.

Mr. Speaker, I am opposed to this legislation for the reason that it would simply add another layer of fat to the bureaucracy. If the officials and personnel now in this Government are not qualified to recognize inflation and the reasons for it, they are incompetent and ought to be fired. This is, again, throwing money at a problem in the hope that it will disappear.

Mr. ROUSSELOT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, it has been said that people have a government in order to have someone to blame for requiring them to do that which they should do voluntarily. This axiom it seems to me is especially true with respect to inflation, the issue we are discussing today.

Inflation will be stopped when people want it to be stopped, when the people in industry and when the people in government and when the people in labor and when the people generally, the consumers want it stopped.

Let me suggest the legislation we are debating is a step in the direction of getting the people to understand that basic axiom; the idea that they should know about the factors that are adding to inflation. Through this Cost of Living Task Force we hope we will be able to cause the people to appreciate the very reasons for inflation, the causes of inflation in the different segments, the abuses of our economy that are leading to inflation, and in that way to somehow stop inflation.

I support the bill. I urge my colleagues to support the bill.

Mr. ROUSSELOT. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Speaker, I rise in support of President Ford's attempts to cut the cost of living by cutting Government spending but I am in opposition to this bill to create the Cost of Living Task Force.

I oppose this measure because it is not the answer to controlling inflation. To the contrary—and by relying on it—the Government and the American people may be tempted to avoid dealing with the real causes of inflation.

Implicit in the creation of either a permanent Cost of Living Council with mandatory Federal wage and price control powers—like we had between 1971 and this past spring—or a "temporary" Cost of Living Task Force—like the one proposed here—is the notion that inflation comes from higher wages and profits. That notion—that belief—is wrong. Higher wages and higher profits are the results of inflation, not its causes.

When the wage earner holds dollars of less value in his hand, he has to ask for more of them—for wage increases—just to stay abreast of inflation. When the businessman holds dollar of less value in his hand, he has to ask for more of them—for more profits, more capital—just to replace old equipment and buy inventories with which to insure production. Jobs and production are at stake, and inflation is their enemy.

What, then, are the causes of inflation?

Inflation arises from the actions of Government. It comes from a decline in the purchasing power of the American dollar. When the dollar is worth less, it takes more of them to buy a good or a service. Instead of taking $100 to buy something last year, it takes $114—or more—to buy it this year. That is inflation.

This lessening of the dollar's value is a dircet result of the Federal Government spending money it does not have—deficit spending and budgets out of balance—and then trying to cover that deficit by printing more paper money behind which there is no growth in productivity.

When you and I hold a dollar in our hands, and then the Federal Government simply prints more dollars behind which there is no increased productivity, the value of the dollars we hold is less. It, therefore, takes more of them to maintain our standard of living. That is inflation.

Yet, the Cost of Living Task Force—created to deal with inflation—will not direct its efforts at either trimming the Federal budget or holding back the production of money—the causes of inflation. Instead, it will spend its time "jawboning" and "browbeating" both labor and business about proposed or actual increases in wages and profits. In other words, it will spend its time fighting the effects of—the results of—inflation. I think that is misleading to the American people, for they have the right to expect the Congress and the Government to really address themselves to the real causes of inflation.

An "aye" or "nay" vote on this bill—to create this Cost of Living Task Force—is not an "aye" or "nay" vote on inflation. By voting against this bill, one certainly is not voting for more inflation. To the contrary, by voting against this bill, one is saying that he wants the issue of inflation really attacked, not just talked about on this floor and in the executive.

I have worked against inflation by voting against excessive Government spending. I have voted to cut billions from the Federal budget. I opposed the continuation of the mandatory Cost of Living Council—a council which in the name of controlling inflation allowed it to increase almost threefold and produced some of the severest shortages in our Nation's history. I have urged that we balance the budget and also urged that the production of money be tied directly to increases in national productivity, and I have introduced bills to require both.

There is another thing which worries me about the bill before us. The Cost of

Living Task Force is to have no power to actually control wages and prices. That's good, in my opinion, but I predict a scenario may arise from the operation of the task force which will eventually produce another round of mandatory wage and price controls.

Why? Because during the life of this task force, inflation will probably continue unabated—unless, of course, we cut spending and the issuance of paper money—neither of which are within the purview of the task force.

When inflation continues, proponents of mandatory controls will say, "See, jawboning didn't work. We are still having inflation, despite the task force. Let us, therefore, reimpose mandatory wage and price controls. Let us give the task force these powers, too."

I regret to say it, Mr. Speaker, but I see that day coming. Thus, what we are doing today—if this bill should become law—is setting into motion—taking the first step toward—the creation of another mandatory wage and price control structure. And, I see nothing to indicate that it would not be unlike the previous one—producing both higher prices and less goods.

I had hoped to be able to vote for the first economic measures proposed by the new administration, because I believe strongly that the new administration is taking some prudent and long overdue steps toward restoring the health of our economy. I will work with this administration to cut inflation by cutting the costs of Government—by insisting upon balanced budgets and reduced costs. I will work with this administration to cut inflation by trimming our sails on new money supply. I cannot, however, vote with it this time, for I believe this bill is going in the wrong direction.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Idaho.

Mr. SYMMS. I would like to associate myself with the gentleman's remarks, and compliment him for his keen understanding of the cause of inflation. This bill gives undue credit to the myth that it is to fight inflation. To say this board will fight or stop inflation is like saying that a wet sidewalk causes rain—I guess if enough politicians run around the country promoting a myth maybe they can make the economic illiterate, American public believe it but it certainly does no compliment or credit to the respect of this body.

Mr. Speaker, this legislation should be voted down.

Mr. ROUSSELOT. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. SYMMS).

Mr. ROUSSELOT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. KEMP).

Mr. ROUSSELOT. Mr. Speaker, I yield myself 2 minutes.

H.R. 16425, though labeled the Anti-Inflation Act of 1974, can neither halt nor significantly reduce inflation. The economic elements and variables which the Cost of Living Task Force proposes to monitor, in order to demonstrate the Government's "continuing concern with the rate of inflation," are not the source of the problem.

The primary cause of inflation is the Government's irresponsible fiscal and monetary policies. Unrestrained Federal spending creates budgetary deficits. The Federal Reserve monetizes these deficits, resulting, in the long run, in extremely high interest rates on Treasury borrowing, which American taxpayers must pay. This fact is implicit in the "findings and purposes" of the bill, which state that the "Federal Government, must place primary reliance on budgetary and monetary policy, as well as international trade and exchange rate policy, to constrain domestic inflation."

If the Federal Government wants to utilize monitoring as a weapon against inflation, it should monitor itself, including the operations of the Federal Reserve. Moreover, with the combined resources of the Council of Economic Advisers, as well as the Treasury, Commerce, and Labor Departments, and the Office of Management and Budget at his disposal, the President is already well equipped to conduct whatever monitoring needs to be done.

To establish yet another bureaucracy to monitor the market economy will at best be ineffective, since it will not act as a restraint upon wage increases which are not justified by increased productivity or upon price increases which are not justified by greater acceptance of a product in the marketplace. At its worst, monitoring could be counterproductive. It could cause sharp increases in wage demands and list prices out of fear that mandatory controls may be reimposed. In addition, by distracting attention from the real causes of inflation, monitoring will postpone the time when effective fiscal and monetary action is finally taken.

Only last April, the full Committee on Banking and Currency voted 21 to 10 to table all bills calling for extension of the Economic Stabilization Act, including proposals similar to H.R. 16425, as reported by this same committee. Why this change now? It is because we have a new President and we are anxious to support him. We are anxious to support the President, but this does not make an idea any better than it was when it was rejected 4 months ago.

What is needed now, and what was needed last April, as well as 3 years ago when wage and price controls were first imposed, is for the Federal Government to exercise effective fiscal and monetary restraint. In his address to a joint session of Congress on August 12, 1974, President Ford recognized the need for such restraint and pledged to work "to bring the Federal budget into balance by fiscal 1976." Only this can stop inflation—let us not postpone it any longer.

Mr. PATMAN. Mr. Speaker, is the minority going to use any more time? We want the minortiy to finish their time. We have only one more speaker.

The SPEAKER. Does the gentleman from California reserve his time?

Mr. ROUSSELOT. I am only planning to use the time if I need it. I reserve the balance of my time.

Mr. PATMAN. Mr. Speaker, I object to reserving the time.

The SPEAKER. The majority has the right in the affirmative to close the debate.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Are not the rules suspended in this procedure?

The SPEAKER. The rules are suspended, but the majority has the right to close the debate.

Mr. GROSS. But this is a tradition in the regular procedure, in the consideration of a bill.

The SPEAKER. That is true. The Chair is going to comply in all respects with the custom of this House and provide for the affirmative to close debate.

The gentleman from Texas can reserve 1 minute of his time and yield the balance of his time.

Mr. PATMAN. Mr. Speaker, I do not understand the rule to mean——

The SPEAKER. There is no rule.

Mr. PATMAN. It means that I can yield them 1 minute of the remaining time, if that is what they want.

The SPEAKER. The gentleman may go ahead and yield all but 1 minute of his time.

Mr. ROUSSELOT. Why does not the gentleman just proceed. He is the one who is asking for suspension of the rule.

Mr. PATMAN. We only have one speaker, and we are asking the minority to use its debate time.

The SPEAKER. The minority has no further requests for time at this time.

Mr. PATMAN. Mr. Speaker, I yield the remainder of the time for debate on this bill to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Speaker, I am the last speaker, I presume, and I shall be very brief, I am positive.

We have had some economic discussions in the last few moments about the causes of inflation. Much emphasis has been placed on fiscal policy, and certainly an unbalanced budget plays its part. But that is merely one of many causes: monetary inflation, misallocation of credit inflation, lack of supply inflation, cost-plus inflation, and latterly, psychological inflation.

It has been stated a moment ago that since last April circumstances have not changed. I am sure the people of the United States generally do not share that view. Circumstances have changed enormously in the last few days, and our new President does command the confidence of the American people.

He came before us a week ago and asked us for a small thing, a little bill setting up a monitoring agency which does not now exist. I do not think it will do any harm. I think it may do some good. The President has asked for it before we go on our Labor Day recess.

I am quite proud of our Committee on Banking and Currency for coming back in a few days with such a bill. I take very seriously the views expressed by the gentleman from Massachusetts (Mr. HARRINGTON) and the gentleman from New York (Mr. BINGHAM) and others, that this legislation could be improved.

I say, let us pass it now. Let us give the President the tools he says he needs. And then, at the summit conference on economics which he has called for an early date after we get back, let us see whether, as an incident to a social contract for all our people, perhaps a less toothless tiger than the bill before us today could be included.

So, I would hope that we would take account of the fact that circumstances have changed, and that both sides of the aisle will respond cooperatively to our new President.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Speaker, on page 2 of the bill authority is given the President to designate members of the task force other than those specifically mentioned in the legislation. Because of the problem of interest rates, credit availability and all of these things, there was some concern expressed in our committee that no one in the financial area was included as ex officio member of the task force.

There also has been expressed some concern about the so-called independence of the Federal Reserve Board.

I would just like to have this colloquy with the gentleman from Wisconsin to establish that it is the intent of the committee and of the House that the President may designate the Chairman of the Federal Reserve Board or a member of the Board of Governors notwithstanding any other provision of law with respect to the independence of that Board. Is that not correct?

Mr. REUSS. I think the gentleman is entirely right. Whether the chairman of the Federal Reserve Board is made of sterner stuff than this gives him is a problem for the appointing authority, but he certainly is eligible for appointment. I agree with the gentleman.

Mr. VANDER VEEN. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Michigan.

Mr. VANDER VEEN. Mr. Speaker, I appreciate the gentleman's yielding.

I only wish to say, Mr. Speaker, that in view of the President's request for cooperation, I want, as a Member of the Democratic side and as a Representative of the President's own congressional district, to show that we wish in every way possible to cooperate with the President in attempting to attack what I agree is the No. 1 problem of this country, that is, inflation.

Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Wisconsin, and I urge support of this bill.

Mr. REUSS. Mr. Speaker, I thank the gentleman.

The House of Representatives has come up delightfully in public esteem in recent weeks. I would hope that we could continue to earn that good opinion of our public by showing that we too can act expeditiously.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I think the gentleman from Wisconsin is making a responsible and generous statement. Earlier is was mentioned that our fiscal policy is the real cause of inflation.

I would like to submit that this bill calls for an assessment and recommendations by the Cost of Living Council as far as Federal programs are concerned.

I asked Mr. Ash, when he appeared before our committee about looking at Federal programs. He said that it is contemplated that the task force will make recommendations to Congress on Government spending. I think we can support this bill, from that standpoint.

Mr. Speaker, I think the gentleman has made a significant and persuasive statement, and I thank the gentleman for yielding to me to say so.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, what we can look forward to, I think the gentleman will agree, is the addition of almost numberless GS-18 supergrades as well as consultants who will draw pay at the top of the supergrade level. We can look forward to the expenditure of $1 million with certainty. We may be uncertain about other things in connection with this but of one thing we can be certain: the number of bureaucrats will be increased and the $1,000,000 will be spent. All will be inflationary.

Mr. REUSS. To answer the gentleman, I would hope that we could have a Gross-Reuss task force to maintain surveillance over the new task force, to keep those supergrades down.

Mr. Speaker, I hope that the bill will be decisively adopted.

Mr. ROUSSELOT. Mr. Speaker, I think we have heard the arguments on both sides of this issue. I think the most persuasive thing that I have seen is that our committee, just 3 months ago, voted this down overwhelmingly as unnecessary.

Again, I wish to reemphasize that conditions have not changed that much.

Our President has said that he needs the cooperation of Congress in cutting inflation. The first thing we need to do is cut and balance the budget. That, I believe, is the most important thing that we can do for the American people.

I urge my colleagues to disapprove this unusual procedure of suspending the rules for this legislation.

Mr. BRINKLEY. Mr. Speaker, in his address to the joint session of Congress last week, President Ford accurately adjudged inflation as "public enemy No. 1," and pledged to us his total effort at unifying the Nation in a concerted campaign against this problem. I have faith in his ability to do this.

As one of his first recommendations, the President urged the Congress to reestablish a cost of living monitoring system within the Federal Government, while at the same time he vowed that there would not be a reestablishment of wage and price controls. Upon hearing the President make this recommendation, my immediate reaction was one of surpise; I told a reporter who asked my reactions, in fact, that it came as a "jolt." After all, the former Cost of Living Council had been so closely related to wage and price controls, which many think now were a disaster and very well might have caused more harm than good to the economy.

It is clear now, Mr. Speaker, that what the President was asking for was a task force that would monitor wages and prices along with other aspects of the economy, and would recommend to the President actions that could be taken with regard to private business, Federal agencies and other sectors, with an eye toward generally increasing supplies while holding back prices. The Cost of Living Task Force, in essence, will be giving public exposure to conditions in the economy, while not possessing the powerful controls which the former Cost of Living Council had.

I think that we all must face the realities of the economic situation, Mr. Speaker, and acknowledge the necessity of an oversight panel such as that urged by the President. But we all must demand, in return for supporting the request, that the panel—the task force—stay within its legal bounds and not become another agency for controlling wages and prices.

In this regard, I am bothered somewhat by the rather high budget, $1 million, requested for the task force, and by the fact that the bill provides for a director and deputy director at salaries of $38,000 and $36,000 a year respectively; and provides for the hiring of "a necessary number" of additional personnel at supergrade salary levels ranging from $32,806 to $36,000 yearly. I for one want to go on record as urging and hoping that the task force will hold its personnel needs to a minimum, that the personnel hired will justify their presence on the payroll, and that the Cost of Living Task Force itself will set an example for the rest of the Nation.

What we need now, Mr. Speaker, is not another bureaucracy. Indeed, we learned through the Cost of Living Council that this is no answer for inflation. What we urgently need is a trustworthy weapon against "public enemy No. 1," and the seriousness of the problem requires that the Cost of Living Task Force contribute meaningfully to that goal.

Mrs. HOLT. Mr. Speaker, the creation of a Cost of Living Task Force to monitor the economy will give President Ford a device in the fight against inflation, but we must all recognize that it will be nothing more than a useful device.

The Cost of Living Task Force will not stop inflation, and no Member of the House of Representatives should use his vote for this resolution as an excuse to evade the hard decisions on Government spending.

Mr. Speaker, on our agenda today is a $20 billion bill dealing with mass transit, and this will put Members of Congress to the real test. It will show just how serious are the Members about fighting inflation.

President Ford, struggling with the immense economic problems confronting our Nation, has urged us to exercise restraint on the mass transit act. He has called upon us to reduce the authorization to a manageable $11 billion or less.

If we are ever to control inflation and end the economic crisis afflicting our Nation, it will require responsibility by the Congress.

Mr. Speaker, it is very nice to have one's name recorded among the votes for a Cost of Living Task Force, but this does not relieve the Congress of the hard decisions that must be made.

Studies are useful, and monitoring the economy is useful, but nothing could be more valuable than a Congress awakened to the necessity for fiscal restraint.

Mr. BAUMAN. Mr Speaker, I support the enactment of H.R. 16425, the Anti-Inflation Act of 1974. This measure establishes a Cost of Living Task Force to monitor the many aspects of the economy and will grant the President and the Congress a possibly useful weapon in our joint effort to combat inflation, which is indeed our No. 1 domestic enemy.

I do not believe that the imposition of further wage and price controls will assist us in combating the existing inflationary forces and it should be clearly noted that this measure contains no authority to impose mandatory economic controls on prices, wages, rents, or salaries. The history of wage and price controls during the previous administration should make it clear to everyone that Government sanctions will not arrest the rapid increase in prices and wages.

While I am not in favor of mandatory wage price controls, I am of the opinion that the enactment of this legislation and the upcoming White House Conference on the Status of the Economy will focus the Nation's attention on our most important domestic problem. It may even provide the necessary impetus for both business and labor to conduct themselves with restraint in the course of labor negotiations which will take place in the coming months. Restraint and cuts in Federal spending by both the Congress and the administration are badly needed to enable us to win the long and difficult struggle against inflationary forces in our country.

Mr. Speaker, the quick enactment of this legislation following President Ford's recent request for its prompt consideration by the Congress is a clear indication of the spirit of cooperation in which both the Congress and the administration will act to provide improved economic conditions for all the citizens of this country. While I am under no illusions about the impact of this legislation in and of itself, I do believe that those of us in the Congress owe it to the new President to permit the passage of this bill. He has asked us to cooperate in his professed willingness to fight inflation, and along with a continuing effort to cut Government spending, we should be willing to join him in this battle. I therefore support H.R. 16425.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. PATMAN) that the House suspend the rules and pass the bill (H.R. 16425).

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Pursuant to clause 3 of rule XXVIII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

PARLIAMENTARY INQUIRY

Mr. PATMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. PATMAN. Mr. Speaker, does the statement of the Chair mean that after the other bills considered under suspension of the rules have been disposed of this afternoon, the votes on those bills will be taken up in order and this will be the first one to be voted on at that time?

The SPEAKER. The gentleman is correct. The bill will be voted on at that time.

AMENDING EMERGENCY DAYLIGHT SAVING TIME ENERGY CONSERVATION ACT OF 1973

Mr. STAGGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 16102) to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974, through the last Sunday in February 1975, as amended.

The Clerk read as follows:

H.R. 16102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Emergency Daylight Saving Time Energy Conservation Act of 1973 is amended—

(1) by inserting immediately after "(15 U.S.C. 260a(a))," in subsection (a) the following "and except as provided in subsection (e) of this section,"; and

(2) by adding at the end thereof the following subsection:

"(e) During the period commencing at 2 o'clock antemeridian on the last Sunday of October 1974, and ending at 2 o'clock antemeridian on the last Sunday of February 1975, the standard time of each zone established by the Act of March 19, 1918 (15 U.S.C. 261–264), as modified by the Act of March 4, 1921 (15 U.S.C. 265), shall be the standard time of each such zone pursuant to such Act of March 19, 1918, as so modified."

SEC. 2. Section 4(a) of the Emergency Daylight Saving Time Energy Conservation Act of 1973 is amended by striking out "June 30, 1975" and inserting in lieu thereof "July 31, 1975".

The SPEAKER. Is a second demanded?

Mr. BROYHILL of North Carolina. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. STAGGERS. Mr. Speaker, H.R. 16102 if enacted would return the United States to standard time from the last Sunday in October 1974—October 27—until the last Sunday in February 1975—February 23.

As everyone will recall, Mr. Speaker, the United States was faced with a severe shortage of energy supplies in the fall of 1973. In November the President sent to the Congress an energy emergency legislative program which included enactment of year-round daylight saving time. This was based on experience during the two World Wars when enactment of year-round daylight saving time resulted in conservation of electric energy. In addition, it was believed that enactment of the legislation would more actively involve the American people in the energy conservation effort.

In response to the President's request, the Congress enacted the Emergency Daylight Saving Time Energy Conservation Act of 1973—Public Law 93–182. The act placed most of the Nation on daylight saving time from its effective date of January 6, 1974, until the last Sunday in April 1975. The act also directs the Secretary of Transportation, who administers it, to submit to the Congress interim and final reports on the operation and effects of the legislation.

The Secretary has submitted a substantial two-volume report. However, he notes that its findings are, for the most part, inconclusive because of other changes while the act has been in effect, including limited fuel availability, speed limit reductions, Sunday gasoline station closings, and voluntary reductions by the American people in lighting, heating, and unnecessary travel.

The interim report does indicate, however, that observance of daylight saving time during the months of January through April 1974 probably resulted in a reduction in consumption of electrical energy of between .75 and 1 percent. Though this may sound insignificant, Mr. Speaker, it translates into a reduction in energy consumption equivalent to about 100,000 barrels of oil per day.

The Secretary's interim report also indicates that although there has been an increase in fatalities among school age children between the morning hours of 6 to 9 a.m. there has also been an offsetting decrease of such fatalities during the remainder of the day. But, again, the results are inconclusive, Mr. Speaker, because of the unusual traffic conditions resulting from the energy shortage.

The Secretary has recommended that the Emergency Daylight Saving Time Act be amended so as to place the United States on standard time during the months of November, December, January and most of February. His report indicates that a majority of the American people prefer daylight saving time from March through October. It would also permit a more thorough assessment of the overall impact of daylight saving time including its effect on energy consumption by having it in effect during March and most of April 1975.

Mr. Speaker, H.R. 16102 would carry out the Secretary's recommendation and I urge its enactment.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Indiana.

Mr. BRAY. Mr. Speaker, in the State of Indiana, we have approximately 12 counties that are in the central time zone and the rest of the State is in the eastern time zone. Under the 1966 act there was a provision, as I recall, that a State could elect to exempt all of the State, or all of the State in the more easterly time zone, from observance of daylight saving time.

Indiana did elect to stay on standard time in that portion of the State in the eastern time zone the year around.

Now, does this legislation affect that in any way?

Mr. STAGGERS. Mr. Speaker, the situation in Indiana is this. Indiana has passed a law which is given effect by the 1973 act which exempts the 80 counties of Indiana in the eastern time zone from observing daylight saving time when it is in effect elsewhere in the United States. The six counties in the northwest part of Indiana and the six in the southwest part observe central daylight saving time when it is in effect elsewhere. Therefore, when daylight saving time is being observed elsewhere in the United States, all of the State of Indiana is on the same clock time—that is, it is 7 a.m., or what have you, throughout the State of Indiana as a result of the 80 counties in the eastern time zone observing eastern standard time and the 12 counties in the northwest and southwest corners of the State observing central daylight saving time.

However, while the Nation is observing standard time as it would from the last Sunday in February 1975—February 23—under H.R. 16102, there is no provision for exemption under the 1966 or 1973 act and the 80 counties of Indiana in the eastern time zone will be observing eastern standard time and the 12 counties in the northwest and southwest which are in the central time zone will be observing central standard time. These different parts will be observing different clock times while standard time is in effect. Thus, when it is 10 a.m. in that portion of Indiana in the eastern time zone, it is 9 a.m. in the 12 counties in the northwest and southwest which are in the central time zone—while, of course, standard time is being observed throughout the United States.

Under H.R. 16102, daylight saving time would resume throughout most of the United States on the last Sunday in February 1975. At that time all of Indiana would again observe the same clock time as a result of the interaction of the Federal law and the laws of the State of Indiana. If Indiana wanted to change its law it, of course, could do so. I understand the Indiana legislature meets in November of each year.

Mr. BRAY. No, Indiana will not have time to take care of this if legislators are running because the legislature does not meet until January, and the legislation as passed becomes effective in October.

Mr. STAGGERS. I have it marked down here that the Indiana legislature meets in November. But whether it meets in November or January makes no difference. Under the 1966 act the changeover to standard time has taken place on the last Sunday in October of each year and I do not see that the State of Indiana could or would want to do anything about that. The change back to daylight saving time under the 1966 act, however, took place on the last Sunday in April, whereas, under H.R. 16102 it would take place on the last Sunday in February 1975.

Mr. BRAY. Does this change the law existing today?

Mr. STAGGERS. I did not hear the gentleman.

Mr. BRAY. Is this going to change the law, except that we are changing the months of daylight savings time, but is this going to change the law in Indiana?

Mr. STAGGERS. This legislation would not affect Indiana law as I explained it earlier. It would amend the 1973 Emergency Daylight Saving Act to provide for standard time throughout the United States from the last Sunday in October 1974 to the last Sunday in February 1975.

Mr. BRAY. It will not change the Indiana law?

Mr. STAGGERS. No.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I will be happy to yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding.

I would like to ask the chairman this question: The State of Kentucky under the authority of the Emergency Daylight Saving Time Act, redrew its time zones. Would the gentleman from West Virginia tell me in the event this bill carries today and becomes the law, whether it will change this exemption? Does that mean that from the last Sunday in October to the last Sunday in February that these time zones would revert back to the time zones in effect prior to the emergency daylight saving time bill enactment last year?

Mr. STAGGERS. No, the legislation itself will make no change whatsoever in the boundary zone limit in Kentucky under the 1973 act. However the time limits could be changed if the State of Kentucky wanted to change them and the Secretary of Transportation concurred. That was the way the time zone limit was changed before, as I understand it. The Secretary changed it from across the middle of the State on a north south axes to a position where the 12 northeastern counties, which adjoin Ohio and West Virginia are the only ones left in the eastern time zone.

Mr. MAZZOLI. At the present time these 120 counties are separated, 108 counties on Central time, and the 12 eastern counties on Eastern time, and that would stay in effect during the 4 months of standard time?

Mr. STAGGERS. It will.

Mr. MAZZOLI. Then come next February, the last Sunday in February of 1975, then would they simply—the 12 counties and the 108 counties—separate between the daylight saving time at the end of February 1975?

Mr. STAGGERS. Under the Secretary of Transportation's order the zone change in Kentucky under the 1973 act would continue until the last Sunday in April.

Mr. MAZZOLI. The last Sunday in April?

Mr. STAGGERS. Then they go back to the time zone limits as they existed under the Uniform Time Act of 1966.

Mr. MAZZOLI. Then as of the last Sunday in April 1975, they would revert to the time zone boundaries in the way they existed prior to the emergency daylight saving time?

Mr. STAGGERS. That is correct.

Mr. MYERS. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I am happy to yield to the gentleman from Indiana.

Mr. MYERS. Mr. Speaker, I thank the gentleman for yielding.

In the colloquy the gentleman from West Virginia had a moment ago with the gentleman from Indiana (Mr. BRAY) I understood the gentleman to say that the legislature in Indiana would have to take positive action. It seems to me that on page 2, paragraph (e) it does provide that this legislation shall become effective on the last Sunday of October, 1974, and I see no provision exempting those several States, including the State of Indiana, in which the basic law had exempted those States, the amended statute. But how can Indiana and possibly four other States comply with this when their State legislatures are not going to meet until after this October date?

Mr. STAGGERS. Let me say to the gentleman from Indiana this would put each of them under standard time. As in the past, they had no trouble whatsoever under standard time, and they will all be under standard time, the whole Nation will. Before we went into daylight saving time we heard no complaints from Indiana.

Mr. MYERS. If the gentleman will yield further, the original legislation did provide for an exemption of these five States including Indiana, these States were on the margin, where the States were divided into two time zones, and I do not see where that is provided for in this legislation.

Mr. STAGGERS. The gentleman does not quite understand this. Under the 1973 Emergency Daylight Saving Time Act we allowed a State divided by a time zone limit to exempt all of the State in the more easterly time zone from observing daylight saving time. Of course, under the 1973 act as passed last year we only provided for daylight saving time and for some exemptions to its observance. Even under the 1966 act there were no exceptions to the observance of standard time and certainly it wouldn't make sense to allow States to exempt themselves from the observance of standard time provided for under H.R. 16102.

Mr. MYERS. And it is the intention of this legislation not to change the existing laws and the existing times as they now exist in these States that are divided?

Mr. STAGGERS. While the Nation is observing standard time. That is right.

Mr. MYERS. They will continue to exercise the same time that they are presently on, and stay year round?

Mr. STAGGERS. Unless they want to change it.

Mr. MYERS. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

What is so mysterious about this subject that the Department of Transportation—I believe that is where the study was supposed to be made—could not make their full report on time?

Mr. STAGGERS. We gave them until July of next year to make a full report. We said they should make an interim report before this July so we would know something of the operation and effects of the legislation while it is in effect.

Mr. GROSS. It might take another year to file a full report. It probably means there will be more people on the payroll or they will keep some more people on the payroll; will they not?

Mr. STAGGERS. No. We did not give them any extra money.

Mr. GROSS. I do not know about the extra money. Most of them are overstaffed anyway, but it gives them an excuse to keep them on the payroll; does it not?

Mr. STAGGERS. I might say to the gentleman we do not provide a cent of money in the bill.

Mr. GROSS. There is not all that mysteriousness about the daylight time or the lack of it. Now that Congress has recovered from the hysteria that overtook it last year, why do we not go to daylight time in April and cut it back in October when we are going into the winter in some areas?

Mr. STAGGERS. Let me say to the gentleman the Department of Transportation concluded—and the members of the subcommittee and of the full committee concurred—that the precarious period is from November through late February and that during that period we should observe standard time instead of daylight saving time. This 1973 act terminates, I might say to the gentleman from Iowa, on April 27, 1975, at which time the Nation will revert back to the 1966 law. However, as the gentleman from Iowa has noted, the Secretary of Transportation will have until July 31, 1975, to submit to the Congress his final report on the operation and effects of the 1973 act.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Indiana.

Mr. BRAY. I thank the gentleman for yielding.

As I understand it, at the present time the 80 counties in Indiana in the eastern time zone on eastern standard time and the 12 in the northwest and southwest part of the State are on central daylight saving time. Under the bill, on the last Sunday of October the entire State would be on standard time, either eastern standard or central standard time, without any action on the part of our legislature; is that correct?

Mr. STAGGERS. The gentleman is correct.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Speaker, but until and unless the legislature meets and does that, the effect of this bill is that whereas the State of Indiana now stays on the same clock time, it will no longer do so and these counties on central time will now be on a slower time unless we amend the State law. Isn't that the effect of this bill?

Mr. STAGGERS. The gentleman is correct. During the observance of standard time Indiana may not exempt itself and the portion of the State in the eastern time zone will observe eastern standard time and the two areas in the central time zone will observe central standard time.

Mr. DENNIS. And during that time then they will have two times.

Mr. BROYHILL of North Carolina. Mr. Speaker, you will undoubtedly recall, on November 27, 1973, during the period in which the United States was confronted with its first prolonged peacetime energy shortage, the House passed the Emergency Daylight Saving Time Energy Conservation Act to provide for daylight saving time on a year round basis for a 2-year trial period. It was hoped that this action would not only result in energy savings in electrical power consumption but would also actively involve the American people in an energy conservation effort and that this involvement would encourage individuals to be more sensitive about energy usage in their own homes.

In order to gain a broader understanding of the effects of year round daylight saving time, Congress included in the act a requirement for the Secretary of Transportation to prepare an interim report by June 30, 1974, and a final report by June 30, 1975, on the operation and the effects of the act. The interim report was transmitted to the Congress on June 28, 1974.

That report recommended proceeding with the second year of the experiment, but it also recommended that the act be amended to provide that during the second year of the experiment, the Nation observe daylight time for 8 months of the year instead of 12, and return to standard time for the remainder, from the last Sunday in October 1974, to the last Sunday in February 1975.

In its evaluation of the effects of year-round daylight saving time, the Department of Transportation concluded that year-round daylight saving time probably resulted in a savings in electricity consumption of as much as 0.75 percent for January and February and 1 percent for March and April. Other factors could have contributed to these savings. To the extent that savings occurred, coal was the predominant fuel saved. There was also evidence that electrical power companies experienced peak-load demand reductions, but the energy savings could not be substantiated due to the lack of data.

In the judgment of the Department of Transportation the months of March and April offer the potential of producing larger energy savings of electricity and of offsetting increases in gasoline consumption as compared to the winter months. A second year's experiment for these months would provide ample time to collect and evaluate heating fuel and electrical peak-load data which were not available for the interim study, and would, of course, provide a more comprehensive assessment of the net effect of energy use due to daylight saving time.

As you are aware, a great deal of public apprehension was expressed over the safety of children traveling to school on dark mornings. While the limited data available for the brief period of last winter's year-round daylight saving time experience, and the unusual travel conditions prevailing at the time, did not provide an adequate basis for properly evaluating the risk to schoolchildren, there is some evidence that daylight saving time during the four darkest winter months does in fact provide an increased hazard to children. For this reason, I feel it would be wise to adopt the provisions of H.R. 16102 and return to standard time during the four darkest months of the winter from November through February.

Although the United States is not at this time confronted with a critical shortage of energy supplies, it is essential that our limited resources be conserved. Even though the data derived from the observance of daylight saving time during the period from January 6, 1974, through April 1974 are not conclusive, there is some substantial basis for concluding that such observance did result in a reduction of the consumption of electrical energy between three-quarters and 1 percent. This translates into annual energy savings equivalent to 50,000 barrels of oil per day.

For the reasons that I have expressed I urge the enactment of H.R. 16102, which would place the United States on standard time from the last Sunday in October 1974 until the last Sunday in February 1975. Our best information indicates that this would result in the conservation of electrical energy during the months of March and April 1975 and would certainly permit a more thorough assessment of the overall impact of daylight saving time including its effect on total energy consumption.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Kentucky.

Mr. SNYDER. I had one further question in furtherance of the colloquy between the gentleman from Kentucky and the chairman of the committee.

Mr. BROYHILL of North Carolina. I will be delighted to yield to the chairman and to the gentleman and I will be glad to respond as well.

Mr. SNYDER. Under last year's law where a time zone split a State, one of the options was to allow the Governor to request the Secretary to change the time zone line, which ours did. My question is now that we are taking care of the more difficult hours for schoolchildren and so forth, will the Governor still have either under existing law or under this bill the option to request the Secretary to revert to the original time zone line if he elected to do that?

Mr. STAGGERS. Yes; according to the Secretary, he would have a provision to do it. He would have the authority and the power and the Governor would have the authority and the power to do it for him.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield to the gentleman from Kentucky and a member of the committee who has been a strong advocate for taking this action we are now doing.

Mr. CARTER. Mr. Speaker, I support the bill, H.R. 16102, to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 by reestablishing standard time in the United States from the last Sunday in October of this year until the last Sunday in February 1975.

My support, however, is not without some reservation, Mr. Speaker. Although this measure will enable us to return to standard time during a portion of the winter season, it does not go far enough toward providing the remedy that we need. For years I have proposed that daylight saving time be effective only during the period from Memorial Day to Labor Day of each year, and I continue to believe that this would be the most reasonable solution to this entire matter.

In any case, it is clear that the Emergency Daylight Saving Time Energy Conservation Act of 1973 has not proved to be effective in conserving our vital energy resources, and I am in favor of this proposal to amend it.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. CcCollister), a member of the committee.

Mr. McCOLLISTER. Mr. Speaker, I rise in support of the legislation to end year-round daylight saving time. After 7 months of this experiment, we do not have enough data to abandon it completely, but we have enough to modify the system to meet the problems which have arisen.

Preliminary reports from the Department of Transportation indicate energy savings totaled about 1 percent during March and April, with coal the predominant fuel saved. The second year is needed to provide time to collect and evaluate heating fuel and electrical statistics which were not available for the interim report.

Another major factor in considering an amendment to the Emergency Daylight Saving Time Energy Conservation Act of 1973 is public concern for safety of schoolchildren. Reduced speed limits and gasoline shortages probably figured in increased traffic safety, but the data is inconclusive. There was a 23.8-percent decrease in motor vehicle fatalities for January-March 1974 compared with the same period in 1973. An increase in schoolchildren fatalities during the morning hours of 6 to 9 a.m. for February 1974 was offset by a decrease in fatalities in the early evening hours. Some schools advanced their starting times to alleviate the darkness problem, so it is nearly impossible to determine the actual effect.

Despite the lack of hard evidence on this point, the public anxiety and ill feeling it generated make it worthwhile to return to standard time during the 4 darkest months of the year. Sunrises during March and April are early enough to remove parental concern about a return to daylight saving time.

Public opinion is strongly on the side of March through October daylight saving time according to polls taken in March of this year during the experiment.

By allowing 2 more months on standard time, the adverse economic impact on some daytime only and full-time radio stations could be alleviated somewhat. Some stations have complained that they miss part of their prime time morning rush-hour broadcasts since they cannot come on the air until sunrise. The full-time stations receive morning interference from stations which are allowed to turn up their power between sunset and sunrise.

As much as the energy situation has eased since the end of the Arab oil embargo, we cannot drop all our conservation efforts now. After we have the results of the second year of the experiment we will be better equipped to study the whole question of daylight saving time.

I appreciate the fact that the Department of Transportation took public opinion and reaction into account in making their recommendations. And I am pleased to back a revised plan of daylight saving time from the last Sunday in February through the last Sunday in October and a return to standard time November through February.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. Heinz), another member of the committee.

Mr. HEINZ. Mr. Speaker, as you know, the Emergency Daylight Saving Time Energy Conservation Act of 1973 was passed to provide for daylight saving time on a year-round basis for a 2-year trial period. In addition to the expected energy savings in electrical power consumption, other energy savings were anticipated by the act. One of the hoped-for effects of YRDST was that it would actively involve the American people in an energy conservation effort and that this involvement would lead individuals to a sensitivity to energy usage in their own homes. The magnitude of the resultant energy savings, however, was impossible to predict at the time of the passage of the act. Also, a number of ancillary benefits were anticipated by the act, including reduced crime, improved traffic safety, expanded economic opportunities both domestically and internationally, and increased opportunities for recreational activities. These benefits were also impossible to quantify when the act was passed. To gain a broader understanding of the effects of YRDST, we required that the Secretary of Transportation prepare an interim report by June 30, 1974, and a final report by June 30, 1975 on the operation and effects of the act.

The interim report supports continuing the DST experiment and recommends that the act be amended to provide that during the second year of the experiment, the Nation observe daylight time for 8 months of the year and return to standard time for the remainder, from the last Sunday in October 1974 to the last Sunday in February 1975.

I am pleased that my recommendations as set forth in H.R. 16229, which I introduced on August 1, 1974, were adopted by my colleagues on the Interstate and Foreign Commerce Committee, and I strongly support the clean bill reported by the committee.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Ketchum).

Mr. KETCHUM. Mr. Speaker, I rise to support H.R. 16102, the Emergency Daylight Saving Time Amendments. I supported the legislation that gave us year-round daylight saving time because I hoped it would conserve sufficient energy to offset any unpleasant side effects. Unfortunately, this has not proven to be the case.

The time to admit a mistake is when you have made one. It is clear that whatever energy was saved by changing to daylight saving time last winter was minimal. The early morning darkness caused by daylight saving time proved to be much more of a problem than we envisaged. Parents were understandably reluctant to allow their children to walk to school, or ride their bicycles in the dark. It appears that the darkness increased the early morning fatality rate for schoolchildren. The winter months are simply not suited for daylight saving time, and we cannot save energy by trying to make them so.

I hope that we pass this bill removing the darkest months from daylight saving. But the American people should not construe this action as meaning it is no longer necessary to conserve energy. That goal is just as important now as it was when we first passed the year-round legislation. That experiment did not work, and we should recognize it, and correct it, but we must not cease searching for ways to stretch our energy resources.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. Sebelius).

Mr. SEBELIUS. Mr. Speaker, I would like to add that I do not think we went far enough on this. I will rise later at the appropriate time to comment further on this.

Mr. Speaker, I appreciate the opportunity to make these remarks pertaining to the bill that would give us back some 4 months of standard time.

In behalf of all of the farmers, businessmen, mothers, and schoolchildren who get up in darkness in my congressional district, I want to thank my urban colleagues for providing us with 1 extra hour of daylight in the morning for 4 months.

Ever since coming to the Congress I have introduced legislation that would limit daylight saving time to the 3 summer months. Unfortunately, my bill never saw the light of day. Furthermore, when the energy crisis came upon us, the Sun set on my bill and we witnessed the dawning of a new era; daylight saving the year round.

Nevertheless, now that it has been shown we do not save any appreciable energy with daylight saving and considering the hardship "DST" brings to our citizens, I am hopeful that some day in the near future we will be able to shed new light on this subject. This action today at least provides some light at the end of the dark tunnel. I am always grateful for progress of any kind. I am reminded of the legend that states daylight saving time was invented by an old pioneer who cut off one end of a blanket and sewed it on to the other end in order to make it longer. I want to thank my colleagues for giving us part of our blanket back.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. HOSMER).

Mr. HOSMER. Mr. Speaker, I rise in opposition to the bill, because the yeararound daylight saving time experiment has just begun. There has not been any definitive indications made by the Department at this time one way or another about the proposition. It has been in too short a time to gain meaningful knowledge. I believe we should let the time run out on the law as it now is. Only the next 4 winter months are involved, but they are key months for all evaluating the proposition properly. That will give us a good runout. We will be able to know the right thing to do. Certainly we are just guessing, and guessing wildly, about the merits of this question as we consider it today. I urge defeat of the bill.

Mr. BRINKLEY. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Georgia.

Mr. BRINKLEY. I understand from the chairman of the committee that the general legislation will expire in 1975. Will that be the end of 1975, or does the gentleman know?

Mr. BROYHILL of North Carolina. I am sorry. I did not hear the gentleman's question. I understand he is asking when this would expire?

Mr. BRINKLEY. Negative. May I put the question again. I understand this legislation which we are considering today will be effective for 1 year only.

Mr. BROYHILL of North Carolina. For this year only, that is, for the months including the winter months of 1974–75.

Mr. BRINKLEY. And then in 1975 the law which this legislation modifies, that law expires——

Mr. BROYHILL of North Carolina. Next year, it would revert back to the basic law which is 6 and 6; 6 months of daylight time and 6 months of regular time. It means that next year we would observe regular time, standard time, from the last Sunday in October until the last Sunday in April of 1976.

Mr. BRINKLEY. Until the last Sunday in April 1976?

Mr. BROYHILL of North Carolina. Yes.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman.

Mr. GROSS. That is if Congress does not go berserk again?

Mr. BROYHILL of North Carolina. That is unless Congress acts otherwise.

Mr. GROSS. I thank the gentleman.

Mr. BROYHILL of North Carolina. Mr. Speaker, I have no further requests for time.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Mrs. GRASSO).

Mrs. GRASSO. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of this legislation. I commend our distinguished chairman for acting on this matter with discretion and dispatch.

Mr. Speaker, most of my colleagues would agree that year-round daylight saving time has not been entirely successful as an energy conservation proposal.

Therefore, I strongly support passage of H.R. 16102, the Emergency Daylight Saving Time Act Amendments. The bill would return the United States to standard time for the winter months by reinstating standard time from the last Sunday in October 1974 to the last Sunday in February 1975.

Shortly after the country went on permanent daylight saving time in January 1974, I was disturbed by the disruptions in the schedules of working people in Connecticut and by reports of injuries suffered in traffic accidents by children who had to travel to school in the dark. At that time I urged the distinguished gentleman from West Virginia (Mr. STAGGERS) to conduct oversight hearings on the new law. By early February, I had been convinced that the new law needed revision and introduced a bill to reimpose standard time from the last Sunday of November to the last Sunday in February.

The recent interim report filed by the Department of Transportation substantiates the need for a revision in the present law by indicating that little energy saving resulted from the change to year-round daylight saving time during the months of January and February. Moreover, the report mentions school schedule changes, loss of revenue by radio stations, and adverse conditions in the construction industry as evidence of the confusion caused by the time change.

However, I take serious exception to the DOT's treatment of traffic fatalities involving schoolchildren. The Department indicates an overall decline in these fatalities in January and February, with a rise in early morning deaths offset by a decline in fatalities at night. This is an insensitive way of treating this subject. The Department should be reminded that it is dealing with children and not simply with cold, hard statistics, and that their protection is imperative at any hour.

Mr. Speaker, year-round daylight saving time was tried and it proved unsatisfactory. H.R. 16102 would rectify the present situation by returning the United States to 4 months of standard time in the late fall and early winter months.

The House must take favorable action on this legislation to curtail the year-round daylight saving time system. A prompt revision of the year-round plan is essential to the safety of our schoolchildren, the peace of mind of their parents, and the well-being of all our people.

I urge my colleagues to support H.R. 16102.

Mr. ICHORD. Mr. Speaker, the House Interstate and Foreign Commerce Committee has voted out a bill for our consideration today which would amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to place the United States on standard time from the last Sunday in October 1974 until the last Sunday in February 1975. This compromise bill would amend the year-round DST which went into effect on January 6, 1974, replacing it with 4 months of standard time rather than the normal 6 months of standard time which this Nation had prior to enactment of Public Law 93–182.

While I did not vote in favor of the original year-round DST legislation when it passed the House on November 27 due to my conviction that it strongly discriminated against selected segments of our population, would not save appreciable energy, and was only an expedient response to the critical and complex energy shortages which confronted this Nation in the fall of 1973, I do feel that this compromise bill offered by the Interstate and Foreign Commerce Committee should be commended and warrants the support of the Members of this body. The committee's bill represents the culmination of hearings which were held on August 12 which I had the privilege to participate in and is a direct response to the recommendations of the interim report of the Department of Transportation on the effect of YRDST which, after determining that energy savings under YRDST were "inconclusive," recommended that Public Law 93–182 be amended so that standard time is observed for the 4 winter months. Under the legislation offered to the House today the Department of Transportation would be required to report to Congress on July 31, 1975, as to the full effects of of this amended version of daylight saving time. In the interest of energy conservation I believe that we should try this amended version of DST and fully determine if an energy conservation does result. By returning to standard time during the dark winter months we shall hopefully avoid many of the problems which arose under YRDST such as the detrimental effect of this Nation's schoolchildren and farmers. Thus, Mr. Speaker, while I have introduced legislation which would repeal YRDST entirely, I do support this compromise measure. At the same time, Mr. Speaker, I would urge that we also turn our full diplomatic skills to the Middle East in the hope that stability in that area of the world will preclude a future oil embargo such as the one which created the severe shortages of several months ago, and additionally, Mr. Speaker, I would urge this body to continue with deliberate and sensible long-range planning to encourage and expand domestic energy exploration and development and promote the wise use of our all too limited energy supplies.

Mr. BINGHAM. Mr. Speaker, I rise in opposition to this attempt to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973. I believe the need for year-round daylight saving time—YRDST—exists to the same degree today as it did in November when this body voted to implement it, despite the apparent easing of the petroleum shortage.

Public Law 93–182 provided for a 2-year experiment in YRDST. The present bill provides for terminating the experiment and reverting to standard time from the last Sunday in October 1974, until the last Sunday in February 1975.

One of the provisions in the original emergency legislation required the Secretary of Transportation to submit an interim report on the effects and operations of YRDST. It is on the basis of that report and its recommendations that this legislation is before us today. I do not question the statistical expertise of the Department of Transportation, but I do question the wisdom of their conclusions.

In the first place, there was a measurable savings in energy during the period January–April 1974; 14,000 barrels of oil per day; 106 million cubic feet of gas—or another 19,500 barrels of oil; 9,650 tons of coal per day—or another 42,320 barrels of oil; 24,000 barrels per day equivalent of nuclear and hydropower.

During January and February, DOT estimated there was a three-quarter percent decrease in peakload energy consumption, and a 1-percent decrease during March and April. This bill then ignores a quantitative energy savings and the year-round need to conserve energy appears in order to appease a vocal segment of the public.

We are only deceiving ourselves if we believe that the energy shortage is over. When the heating season begins in November, heating oil supplies will get tight; why make them tighter by repealing d.s.t.?

Many of those who oppose YRDST and support this bill argue that early morning darkness has been responsible for an increased number of schoolbus related fatalities. While the DOT report does support the contention that there were an increased number of schoolchildren fatalities during the morning hours, the report also stated that there was an offsetting reduction in fatalities during the early evening hours. Furthermore, there is no direct evidence that darkness rather than human or mechanical failures were directly responsible for fatal accidents involving school age children.

DOT data for the January to March 1974 period shows a 28.5-percent decrease in motor vehicle fatalities for all segments of the population. While the reduction in the speed limit on our highways was no doubt the major factor in this saving of many human lives, I cannot believe that pushing dusk back—the most dangerous time of the day to drive—until after the end of the rushhour did not also contribute to the reduction in highway deaths.

Many senior citizens and pedestrains in my district have also benefited from the extra hour of daylight. Though there are no conclusive figures to support the contention that YRDST has reduced crime, many of my constituents believe that it has had such an effect, and statistics do in fact show that the greatest incidence of muggings, robberies, and purse snatchings occur during the early evening hours when most people are either returning from work or are shopping.

I believe that this is a hasty amendment to a reasonable emergency measure. It appears to represent a weakening of our resolve to conserve energy whenever possible despite a little inconvenience so that we may be in a better position to handle the next abrupt curtailment of energy supplies, be it from an increase in demand or foreign intervention. YRDST should be given at least 1 more year's trial.

Mr. HECHLER of West Virginia. Mr. Speaker, I strongly opposed and voted against winter daylight saving time when it was put into effect last year. For the life of me, I could not and cannot understand why small schoolchildren were forced to wait in the early morning darkness for the schoolbus to come along, and by what logic it could be claimed that fuel was being saved by this intolerable burden on the people.

In the early morning hours in the winter, the temperature is at its lowest. It stands to reason that more fuel must be expended in schools, homes and places of business during these hours when daylight saving time is in effect. Many school superintendents had to change their school hours during the darkest months of winter in order to protect the safety of young schoolchildren, and to save the fuel which was being burned up early in the morning. As a result, many parents who went to work at 9 a.m. found it difficult to bring their children to the schools or bus stops when school did not begin until later under the adjusted school hours.

Lots of people were grumpy all day when forced to get up and go to work in the middle of the night.

Personally, I would have preferred to see daylight saving time only from Memorial Day until Labor Day. However, the pending legislation is at least a step in the right direction, and I strongly favor and will vote for its adoption.

Mr. MILLER. Mr. Speaker, I rise in support of this proposal to return a measure of standard time to the Nation. Last December I voted against going to year-'round daylight saving time. In retrospect I think most Members will agree that the decision to make this switch was ill-conceived and done only for cosmetic purposes. Statistics just released show that no measurable savings were made by moving to YRDST. Indeed, those Members who voted in favor of the legislation last December did so only because of the great concern that something—anything—had to be done about our energy problem. Our energy crisis was not something that developed from November 30 of last year. It had been slowly building for the past 3 years. When the Arab oil embargo made the crunch more immediate there was a rush to show concern by adopting this move to daylight time.

The repeal today of the congressional action of last December shows that there are dangers involved in rushing to meet a problem with the depth of the energy shortage with stop-gap measures. In the future I hope that Congress will take a closer look at any such proposals before rushing to judgment.

I know that many of my constituents in the 10th District of Ohio will applaud the action we take here today. Since the instatement of YRDST last year my office has been flooded with letters complaining of the disadvantages of the switch. The primary concern was over the safety of schoolchildren in the early morning hours. With the start of the new school year only a few days away, the action we take here today will be a great comfort to parents of school-age children, especially when the dark months of midwinter are upon us and standard time becomes so important.

Mr. Speaker, I urge prompt passage of this important measure.

Mr. BAUMAN. Mr. Speaker, I rise in support of H.R. 16102, which amends the Emergency Daylight Saving Time Energy Conservation Act of 1973 to allow the United States to observe standard time during the 4 winter months, from the last Sunday in October of 1974 until the last Sunday in February 1975. As we all know, last November the Congress, as part of its efforts to take prompt action with regard to the energy crisis, passed the Emergency Daylight Saving Time Energy Conservation Act, which put the country on year-round daylight saving time. While I had reservations at that time the overwhelming majority of both the House and Senate approved the measure and it took effect in January of this year.

In the 8 months which have elapsed since the move to year-round daylight saving time, it is apparent that the change was made in haste and that the advantages gained, if any, do not outweigh the increased danger which it presents for schoolchildren in my district in Maryland and throughout the country. The year-round daylight saving time study prepared by the Department of Transportation indicates that there was an increase in schoolchildren fatalities during the early morning hours of 6 to 9 a.m. for February of 1974 as opposed to February of 1973 and it is quite possible that this unfortunate increase was due to hasty enactment of the legislation.

Mr. Speaker, while I have sponsored legislation which provided for the repeal of the Emergency Daylight Saving Time Energy Conservation Act, I am pleased that the Department of Transportation and the Committee on Interstate and Foreign Commerce have supported a measure which provides for a return to standard time from November to February. I believe that the great majority of the people in my district and across the country favor a resumption of standard time during the winter months. It is my hope that the enactment of this legislation will provide safer commuting conditions for children who walk to school and wait for schoolbuses during the early morning hours at a time when many commuters are traveling to their places of business.

Mr. MATHIAS of California. Mr. Speaker, I see no reason to continue daylight saving time through a second winter. The positive effects of the program are outweighed by the public's dislike of year-round daylight saving time.

The continuation of this program produces nominal energy savings. Most Americans have adjusted their lives and lifestyles to stay within the boundaries necessarily established to conserve our energy resources. The dissolution of daylight saving time for 4 months a year should not adversely affect the sometimes stable, sometimes unstable energy situation.

In my district, Mr. Speaker, a large portion of the school aged children are transported to school along rural roads and highways. The early morning darkness of daylight saving time coupled with the thick Tule fogs we receive between November and February, increase the chances of serious injuries and fatalities to these children. There is not much that we can do to minimize the risk of injury to our children, but when the opportunity to eliminate a potential hazard comes along we must act upon it. Therefore, Mr. Speaker, I support H.R. 16102.

Mr. WHALEN. Mr. Speaker, I rise in favor of passing H.R. 16102 under the suspension of the rules.

Last December I voted for the Daylight Saving Time Energy Conservation Act of 1973. That legislation provided that DST would be in effect on a year-round basis for a 2-year period. Another important provision of that act, the inclusion of which I strongly supported, stipulated that the Secretary of Transportation submit to Congress an interim report detailing the effects of the time change.

That interim report has been completed. The legislation before us this afternoon is a result of the recommendations contained therein. That is, the Nation will return to standard time from the last Sunday in October 1974, until the last Sunday in February 1975. The requirement that the Secretary file a final report is continued, although the deadline is extended a month, from June 30, 1975, to July 31, 1975.

I have studied the Secretary's report and concur in the decision to recommend the resumption of standard time during the 4 winter months. The Secretary has acknowledged that the data on which his recommendations are based are not conclusive. As he stated in his summary:

> The effects were so small that they could not in general be reliably separated from effects of other changes occurring at the same time. . . . Consequently, the part winter season provided a poor basis for analysis and generalization . . . there is no unambiguous direct evidence that they were either beneficial or harmful.

For example, electricity consumption was reduced by only about 0.75 percent in January and February and by 1 percent in March and April.

Of great concern to parents were the effects on children going to school in the early morning darkness. While the available evidence showed that, indeed, fatalities at that time involving schoolchildren increased, there was an offsetting decrease in the early evening hours.

In addition, no significant effects on traffic safety could be attributed to year-round DST.

At best, then, the benefits of winter DST are marginal compared to the problems and inconveniences which polls show our people experienced. For that reason, I urge the prompt adoption of H.R. 16102.

Mr. BOLAND. Mr. Speaker, while there are many of us here today that would continue to disagree with the assertion that the energy crisis in this country is over, no one would deny that the sense of urgency that prevailed at the beginning of last year's embargo has greatly diminished.

It is therefore, in the light of reasoned reflection, that we reexamine today H.R. 16102 which would amend the Emergency Daylight Saving Time Energy Conservation Act of 1973.

What have been the energy savings that resulted from year-round daylight savings time? The Secretary of Transportation, who is required by the act to prepare a report on the efficacy of this legislation has submitted an extensive interim study which casts significant doubt on the energy savings contributions that the act has made. Many other contributing factors—including speed limit reductions, weekend gasoline station closings, and voluntary conservation efforts—have been cited as having had greater impact on the reduced energy consumption of the Nation.

Thus, the Committee on Interstate and Foreign Commerce has decided to recommend only a limited implementation of daylight saving time during the coming winter. Instead of year-round daylight saving time, the Nation would return to standard time from the last Sunday in October 1974 to the last Sunday in February 1975.

Mr. Speaker, I support this recommendation. As it has been proposed, during the months of March and April 1975, emergency daylight saving time would still be in effect. The Secretary of Transportation will thus still be able to complete his study of year-round daylight time, with 1975 data, while American workers and schoolchildren will be able to ride to work or school in relative light.

The increased incidence of child fatalities in the early morning hours of last winter, because of emergency daylight saving time, has disturbed me greatly. I feel that what energy savings might be attributable to daylight saving time must give way to safety for schoolchildren.

In addition, there are other areas of disruption which could be eliminated by this change back to Standard Time. Radio station interference would be lessened. School timetables advanced to avoid transporting children in the dark could be restored. All this could be achieved, we are told, without significant hindrance to the principal object of the Emergency Daylight Savings Time Energy Conservation Act, which was to assess the permanent advantage of regular year-round daylight savings time.

I urge my fellow Members to support H.R. 16102 as both a sensible and a responsible solution to one of our nagging energy problems.

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the termination of daylight saving time.

Our energy conservation measures are falling away, one by one, at a time when there is no reason to believe that they are not needed.

The experiment with this important conservation measure is not complete. Early evidence indicates that year round DST does provide for a small reduction in energy consumption. More importantly, the reductions occur at time of peak electrical demands, and may be saved brown-outs this winter, and potential electric supply crises in winters to come.

This is no time for the Congress to pretend that we have, or can get, all the energy we need. Energy is high-priced and subject to embargo at any time. Last winter's price increases and embargo give us a fair warning which we seem unable to understand.

Termination of year-round DST is playing fast and loose with national energy policy. We need conservation, but this Congress seems determined to base its energy policy on politics rather than realities.

I oppose this bill although I know it will be a futile gesture. Just as we are unable to set realistic spending priorities, so are we unable to establish a realistic energy policy.

Mr. REGULA. Mr. Speaker, I rise in support of H.R. 16102 to amend the Emergency Daylight Saving Time Act.

At the end of this month school boards and school superintendents will be planning year schedules. In doing so, it is critical that they know whether this country will observe standard or daylight saving time during the winter months.

To eliminate the safety hazard to children who would have to go to school in the dark, I introduced a similar bill last February, H.R. 12695. This June, Congress received an interim report from the U.S. Department of Transportation as required by the Emergency Daylight Saving Time Act. This study recommends that, as part of a continuing experiment, the Nation observe daylight saving time for 8 months of the year and standard time from the last Sunday in October 1974 through the last Sunday in February 1975. This exactly parallels my proposal, allowing for time changes to be made on Sundays.

The interim report notes that year-round daylight saving time—YRDST—probably resulted in an electrical energy savings of three-fourths percent to 1 percent this past winter. But the predominant fuel saved was coal, our most abundant fossil fuel.

The study also reveals that there was an increase in schoolchildren fatalities during the morning hours of 6 to 9 a.m. for February 1947 versus February 1973. There is great public apprehension over the safety of children traveling to school on dark mornings. In a national survey—conducted by the National Opinion and Research Center—NORC—of the University of Chicago—71 percent of those polled felt that such accidents were caused by the extra hour of darkness in the morning. The perceived threat to schoolchildren's safety resulted in 56 percent feeling that YRDST should be discontinued this coming winter.

It is generally accepted that light has a significant effect on motor vehicle accidents. The National Safety Council reports a death rate for night accidents which is 2.5 times that of daylight accidents. If parents are required to send their children to schools, it is our public responsibility to provide them with the safest possible transportation.

We should act to allay any parental fears by observing standard time during the winter months.

In Ohio's 16th District, the shortest day of the year has 9 hours and 12 minutes of sunlight. New York, Philadelphia, Pittsburgh, Columbus, Indianapolis, Des Moines, Denver, and Salt Lake City also get at least 9 hours of sunlight during the winter solstice. I submit that children of this latitude, and some even more northerly can go to and return from public schools in daylight. Observing standard time, the latest sunrise in the 16th District occurs at 7:25 a.m. and the earliest sunset at 4:31 p.m. A hypothetical school day of 8:15 to 3:30 would allow 45 minutes of daylight before and after school.

The strength of our Nation lies in the energies of its people. We can surely invest four-twelfths of any time-management energy saving in safety for our schoolchildren, to insure that their energies will grow and mature.

Mrs. HOLT. Mr. Speaker, last winter Congress enacted legislation to establish year-round daylight saving time in an effort to conserve our dwindling energy resources.

Through the months, it was determined that little, if any, energy savings resulted from continuous daylight savings time. It was determined, however, that much inconvenience was caused.

Mr. Speaker, I am relieved that we are taking early action to restore standard time through the 4 winter months. Putting our schoolchildren in danger cannot be condoned.

Mr. McKAY. Mr. Speaker, I am taking this opportunity to express my support for H.R. 16102 amending the Daylight Saving Time Energy Conservation Act of 1973.

I support this bill for the following reasons. First, the actual energy savings realized are in question. For example, schools were completed to turn on lights and heat earlier actually adding to their energy consumption. Parents were forced to drive their children to school because of the danger involved with their children walking to school in the dark. This extra fuel consumption was unnecessary and added to the fuel shortage. Most important of all the Department of Transportation has released an interim report on the operational effects of year-round daylight saving time. The results indicate that we are not conserving energy under this plan.

A second consideration is for the safety of the school aged children. Fatalities among schoolchildren increased during the early morning hours with the implementation of daylight saving time. I feel this is an unnecessary risk for these young citizens.

My third consideration is related to the factor of inconvenience. Farmers, dairymen, and construction workers are all adversely affected by the imposition of daylight saving time during the winter months.

It is my belief that the serious safety implications combined with considerations of convenience and actual energy savings does not warrant another winter under daylight saving time.

Mr. FLYNT. Mr. Speaker, I support H.R. 16102 and urge my colleagues to approve its passage.

Like many of my colleagues, I have introduced legislation to repeal the Emergency Daylight Saving Time Act of 1973. While I would like to have the opportunity to vote on legislation which would further shorten the period of daylight saving time beyond that recommended in H.R. 16102, I am pleased that the Committee on Interstate and Foreign Commerce has reported this legislation to remove daylight saving time during November, December, January, and February.

I opposed the Emergency Daylight Saving Time Energy Conservation Act when it was originally presented on the floor of the House in November 1973. I opposed year-round daylight saving time primarily because of the dangerous conditions in predawn hours on heavily traveled streets, roads, and highways when schoolchildren are required to await school buses or walk to school in the darkness. We have the opportunity and the responsibility today to reduce the dangers to which our schoolchildren are exposed by passing H.R. 16102.

The original rationale for the 1973 act was that by gaining an extra hour of daylight in the evening hours, energy would be saved. This has not proven to be true with people now needing extra lights in the morning to prepare themselves for the day. The additional energy now spent in the morning more than nullifies the energy saved by the additional hour of evening light.

In the past, Georgians have agreed with daylight saving time during the summer months but have opposed it in the fall because of the safety hazards to their schoolchildren. Literally hundreds of parents of young children have expressed to me their concern about the unsafe conditions created since year-round daylight saving time became effective on January 6, 1974. I urge my colleagues to approve H.R. 16102 and thereby contribute to a safer time environment for our children.

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 16102, a bill to amend the Public Law 93–182, the Emergency Daylight Saving Time Energy Conservation Act of 1973. This bill would place the United States on standard time from the last Sunday in October until the last Sunday in February.

Several reasons prompt my support of this legislation. I question the dubious results achieved in the area of energy conservation under year-round daylight saving time. Reports vary on the measure of success gained in pursuit of this desired goal in the face of our first peace time energy shortage.

Second, my reason for support of this bill to repeal winter daylight savings time is based upon the increase in traffic fatalities that occurred in the early morning hours as children walked to school in the dark. Rearranging of school hours alone cannot solve this problem.

It is significant to recognize that the House Interstate and Foreign Commerce Committee considered this legislation and ordered it reported to the House by a nearly unanimous voice vote. This fact is coupled with the committee's recommendation that H.R. 16102 should be enacted as expeditiously as possible so that school systems, railways, airlines, buslines, radio, and television networks and broadcast stations and other enterprises could make necessary schedule alterations to provide for a smooth transition.

In voicing my concern and the concern of those persons in my district in Florida, I introduced H.R. 12313, on January 28, 1974, a bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973. It is my belief that H.R. 16102 combines the best of both proposals by allowing for a return to standard time during the winter months. I have felt that any energy conservation resulting from the original bill would prove negligible, certainly nothing commensurate to the danger hundreds of thousands of schoolchildren face each morning.

Upon completion of our first year of year-round daylight saving time, the Department of Transportation, has authorized release of a summary of its effect. The results are inconclusive and the study itself admits "that since the measurable effects of YRDST were small, there is no unambiguous direct evidence that they were either beneficial or harmful." The Secretary of Transportation now recommends that Public Law 93-182 be amended as this legislation, H.R. 16102 proposes to do.

As we approach winter 1975, I would hope that we would assess the accomplishments and consequences of nationwide year round daylight saving time. Bearing in mind the increased incidence of traffic fatalities of schoolchildren, the increased morning use of gasoline and electricity, and the conflicting reports concerning the actual conservation of energy, I urge my colleagues in the House to discontinue the year round daylight saving time requirement during the winter months by supporting H.R. 16102.

In closing, I wish to enclose a letter from the Honorable Reubin O'D. Askew, Governor of the State of Florida copies of which were sent to all members of the Florida Delegation. It supports my earlier contentions and reads as follows:

STATE OF FLORIDA,
August 12, 1974.

Hon. JOHN E. MOSS,
Chairman, Subcommittee on Commerce and Finance, U.S. House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE MOSS: I greatly appreciate the opportunity to be able to send my written comments to your subcommittee for your hearings on year-round daylight saving time.

When the nation switched from standard to daylight saving time on January 6, 1974, the citizens of Florida were more than willing to participate in this national experiment to reduce energy consumption. We anticipated that there might be difficulties and inconveniences but we did not think that these problems would create a unique hardship necessary to justify requesting a specific exemption from the Secretary of Transportation.

Almost immediately after the change from standard to daylight saving time, Florida experienced a tragic increase in the number of fatal accidents involving school children in the pre-dawn hours.

At my request, the Florida Highway Patrol prepared a special report, copy enclosed, which attempted to isolate the relationship of the time change on school related fatalities. The report compares fatalities of school age children (5 to 18) during dawn (6:30-9:00 a.m.) and dusk (5:00-7:30 p.m.) hours during weekdays from January 6 to April 26, 1974 and from January 8 to April 27, 1973 as follows:

SCHOOL AGE TRAFFIC FATALITIES—WEEKDAYS

From 6:30 to 9 a.m.—1974: 22; 1973: 5.

From 5 to 7:30 p.m.—1974: 15; 1973: 18.

Total 1974: 37; 1973: 23.

As you can see, pre-dawn fatalities in 1974 increased *tragically* over 1973 from 5 to 22, and total morning and evening deaths increased from 23 to 37. These figures are even more revealing when compared to total highway fatalities for all ages which *decreased* from 887 in 1973 to 673 in 1974.

There is no way to know for certain how many of these accidents resulted from the morning darkness of daylight time or how many were caused by the unusually heavy fog that shrouded much of our State during January and February. Unfortunately, government can do little about the early morning fog and quick falling evening darkness, but it can control the clock that marks the coming and going of our school children.

Because of these highway tragedies, I strongly urge Congress to allow the citizens of Florida and the nation to enjoy daylight time in the summer and standard time in the winter. Either the provisions of the Uniform Time Act of 1966 or the eight months of daylight and four months of standard time recommended by the Administration would achieve this goal.

With warm regards,
Sincerely,

REUBIN ASKEW,
Governor.

Mr. BIAGGI. Mr. Speaker, I rise in support of the bill H.R. 16102, a bill which will amend the year-round daylight saving time bill to allow standard time to be in effect from the last Sunday in October of 1974 through the last Sunday in February of 1975. While I would have preferred to see my own bill H.R. 12586, which would have repealed the entire act, and made standard time in effect from the first Sunday in March until the last Sunday in October, I feel the important thing is to pass some legislation which will preclude Americans from having to endure the dangers of darkness on winter mornings.

Back in November of 1973, I joined with my colleagues in support of H.R. 11324 which authorized year round daylight savings time to be tried on an experimental basis for 2 years. I supported this legislation on the grounds that it had the potential to both conserve critically low energy supplies as well as reduce crime, both with a minimal adverse effect on the Nation as a whole.

However, what appeared to be a sound concept in theory has proved not to be so in practice. Year-round daylight savings time has presented many new and potentially dangerous problems for our citizens.

The supposed strong point of this policy was its potential to conserve electrical and other energy consumption through time management and indirectly reduce energy used by increased awareness and involvement by individuals, companies, and public agencies.

Yet, a recent study released by the Department of Transportation, summarizing the first full winter of year-round daylight saving time, showed that the positive effects on energy conservation were indeed minimal, as less than a 1-percent saving in overall energy consumption was achieved.

Without a doubt, the most serious problems created by this new time arrangement was endured by the millions of schoolchildren in our Nation. For many of these young Americans, year-round daylight saving time meant having to walk, ride bicycles or buses to school in the dark during the coldest months of the year.

As a result, there were increased incidences of children being killed or seriously injured during the early morning hours. Ten major States including Pennsylvania and Connecticut reported increased fatalities in 1974 over the comparible period of 1973. Of these States with increased fatalities, Florida showed the biggest increase, up five fatalities in January 1974 as compared with January of 1973.

The Department of Transportation attempted to minimize these increases and instead tried to twist these figures around. They stated that fatalities nationwide involving school age children over the entire day in both January and February of this year were reduced from the previous year. However, they conceded that in the morning between 6 and 9 a.m. there were sharp increases, but they claimed than an offsetting decrease in fatalities during the early evening hours effectively canceled these increases.

Yet, as most people know, very few schoolchildren, particularly the youngest ones, are required to return from school in the early evening hours. It is the early morning that we should be concerned with. These figures take on an even more tragic overtone when measured against the fact that less travel and gasoline use was recorded during the past winter than in 1973.

With a seeming return to normalcy being registered at the gasoline lines, it can be reasonably expected that more and more cars will be back on the roads by the time that the winter of 1975 arrives. It is because of the real potential for increased deaths and injuries to our schoolchildren, that I introduced my bill, and we are presently considering this bill both designed to amend the present period for which daylight savings time is in effect.

What this bill will do is not destroy the concept of maximum daylight, but rather modify it so that it no longer poses a daily life and death struggle for the young schoolchildren of this Nation. What is being proposed is an 8-month-a-year period for daylight savings time, with the 4 winter months returning to standard time. The long-range goal of achieving the maximum number of daylight hours during the course of the normal school/working day is a sound one.

However, year round daylight savings time is neither the best nor the safest way to achieve this.

In the month of January for example under year round daylight savings time, the sun does not rise until after 8 a.m., well after many schoolchildren are either in class or in route to school. Yet, under the provisions of this bill, during the months of November, December, January, and February, we would be under standard time thus allowing the sun to rise 1 full hour earlier.

The plight of our schoolchildren is but one of several important problems which have resulted from the conversion to YRDST. It has resulted in serious problems for a number or radio stations in this Nation, who in the midst of their important morning rush-hour broadcasts, encounter serious frequency interference problems.

As I mentioned earlier, I felt that more daylight might have a favorable effect in reducing the overall number of crimes committed in this Nation. Yet, according to reliable figures, year round daylight savings time has had no effect in reducing these crimes.

Advocates of YRDST point to the fact that a majority of Americans as well as majorities in both Houses of Congress supported YRDST and helped to make it a law of the land. Yet, as sometimes happens, unforeseen difficulties which occur ipso facto have caused many of these former supporters to reassess their positions. My personal reassessment led to the introduction of my bill.

A revision in the present law is needed, one which makes DST an 8-month operation. We should no longer have to make school administrators undertake the arduous task of changing their hours of school operations. The children of our Nation should no longer have to fear for their lives simply going to school. And we should preclude the parents of these children from having to endure the anxiety of sending their children off to school in the dark, or worse, themselves driving, thus wasting more energy and presenting additional obstacles for the children who continue to walk.

I wish to pay particular tribute to the distinguished chairman of the committee (Mr. STAGGERS) for his efforts at reporting out a bill this session. We should admit to previous error rather than compounding it by allowing this law to stand. I urge its prompt passage.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS) that the House suspend the rules and pass the bill H.R. 16102, as amended.

The question was taken.

Mr. SCHERLE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CONFERENCE REPORT ON S. 3698, AMENDING THE ATOMIC ENERGY ACT OF 1954

Mr. PRICE of Illinois submitted the following conference report and statement on the Senate bill (S. 3698) to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology:

CONFERENCE REPORT (H. REPT. NO. 93–1299)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3698) to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That subsection 123 d. of the Atomic Energy Act of 1954, as amended, is revised to read as follows:

"d. The proposed agreement for cooperation, together with the approval and determination of the President, if arranged pursuant to subsection 91 c., 144 b., or 144 c., of if entailing implementation of sections 53, 54, 103, or 104 in relation to a reactor that may be capable of producing more than five thermal megawatts or special nuclear material for use in connection therewith, has been submitted to the Congress and referred to the Joint Committee and a period of sixty days has elapsed while Congress is in session (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days), but any such proposed agreement for cooperation shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed agreement for cooperation: *Provided*, That prior to the elapse of the first thirty days of any such sixty-day period the Joint Committee shall submit a report to the Congress of its views and recommendations respecting the proposed agreement and an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed agreement for cooperation. Any such concurrent resolution so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) within twenty-five days and shall be voted on within five calendar days thereafter, unless such House shall otherwise determine.".

SEC. 2. This Act shall apply to proposed agreements for cooperation and to proposed amendments to agreements for cooperation hereafter submitted to the Congress.

And the House agree to the same.

MELVIN PRICE,
CHET HOLIFIELD,
CRAIG HOSMER,
MIKE MCCORMACK,
Managers on the Part of the House.

JOHN O. PASTORE,
GEORGE D. AIKEN,
HOWARD BAKER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3698) to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below.

PROCEDURE FOR APPROVAL OF AGREEMENTS

The Senate bill provided that agreements for cooperation of the type specified in the bill would not become effective until they had been submitted to Congress and referred to the Joint Committee on Atomic Energy and a period of sixty days had elapsed. The Joint Committee was required to submit a report to the House and Senate within 30 days after receipt of the proposed agreement and to submit in addition a proposed concurrent resolution stating in substance that the Congress either favors or disfavors the proposed agreement. If within 60 days Congress were to pass a concurrent resolution stating in substance that it does not favor a proposed agreement, then the agreement would not become effective.

The House amendment provided that no proposed agreement of the type specified in the bill would become effective unless and until specifically approved by Act of Congress.

LEGISLATIVE PRIORITY AND ANTIFILIBUSTER PROVISION

The Senate bill provided that within 25 days after the Joint Committee on Atomic Energy reports its proposed concurrent resolution, such resolution becomes the pending business of the House in question and shall be voted on within five calendar days thereafter, unless such House shall otherwise determine by yeas and nays.

The House amendment contained no provisions for legislative priority for matters dealing with proposed agreements.

The conference substitute conforms essentially to the Senate bill with the exception that the yeas and nays aspect has been deleted. Each House may determine whether and how the proposed concurrent resolution becomes the pending business or is voted on by any method acceptable under its rules.

EFFECTIVE DATE OF BILL

The Senate bill provided that this Act will be applicable to proposed agreements for cooperation and to proposed amendments to agreements for cooperation submitted to Congress after its enactment.

The House amendment provided that the Act would apply to agreements and amendments proposed or entered into after July 1, 1974.

The conference substitute conforms to the Senate bill.

MELVIN PRICE,
CHET HOLIFIELD,
CRAIG HOSMER,
MIKE MCCORMACK,
Managers in the Part of the House.

JOHN O. PASTORE,
GEORGE D. AIKEN,
HOWARD BAKER,
Managers in the Part of the Senate.

CONFERENCE REPORT ON H.R. 14920, GEOTHERMAL ENERGY ACT OF 1974

Mr. McCORMACK submitted the following conference report and statement on the bill (H.R. 14920) to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research

and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 93-1301)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14920) to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Geothermal Energy Research, Development, and Demonstration Act of 1974".

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) the Nation is currently suffering a critical shortage of environmentally acceptable forms of energy;

(2) the inadequate organization structures and levels of funding for energy research have limited the Nation's current and future options for meeting energy needs;

(3) electric energy is a clean and convenient form of energy at the location of its use and is the only practicable form of energy in some modern applications, but the demand for electric energy in every region of the United States is taxing all of the alternative energy sources presently available and is projected to increase; some of the sources available for electric power generation are already in short supply, and the development and use of other sources presently involve undesirable environmental impacts;

(4) the Nation's critical energy problems can be solved only if a national commitment is made to dedicate the necessary financial resources, and enlist the cooperation of the private and public sectors, in developing geothermal resources and other nonconventional sources of energy;

(5) the conventional geothermal resources which are presently being used have limited total potential; but geothermal resources which are different from those presently being used, and which have extremely large energy content, are known to exist;

(6) some geothermal resources contain energy in forms other than heat; examples are methane and extremely high pressures available upon release as kinetic energy;

(7) some geothermal resources contain valuable byproducts such as potable water and mineral compounds which should be processed and recovered as national resources;

(8) technologies are not presently available for the development of most of these geothermal resources, but technologies for the generation of electric energy from geothermal resources are potentially economical and environmentally desirable, and the development of geothermal resources offers possibilities of process energy and other nonelectric applications;

(9) much of the known geothermal resources exist on the public lands;

(10) Federal financial assistance is necessary to encourage the extensive exploration, research, and development in geothermal resources which will bring these technologies to the point of commercial application;

(11) the advancement of technology with the cooperation of private industry for the production of useful forms of energy from geothermal resources is important with respect to the Federal responsibility for the general welfare, to facilitate commerce, to encourage productive harmony between man and his environment, and to protect the public interest; and

(12) the Federal Government should encourage and assist private industry through Federal assistance for the development and demonstration of practicable means to produce useful energy from geothermal resources with environmentally acceptable processes.

DEFINITIONS

SEC. 3. For the purpose of this Act—

(1) the term "geothermal resources" means (A) all products of geothermal processes, embracing indigenous steam, hot water, and brines, (B) steam and other gases, hot water and hot brines resulting from water, gas, or other fluids artificially introduced into geothermal formations, and (C) any byproduct derived from them;

(2) the term "byproduct" means any mineral or minerals which are found in solution or in association with geothermal resources and which have a value of less than 75 percent of the value of the geothermal steam and associated geothermal resources or are not, because of quantity, quality, or technical difficulties in extraction and production, of sufficient value to warrant extraction and production by themselves;

(3) "pilot plant" means an experimental unit of small size used for early evaluation and development of new or improved processes and to obtain technical, engineering, and cost data;

(4) "demonstration plant" means a complete facility which produces electricity, heat energy, or useful byproducts for commercial disposal from geothermal resources and which will make a significant contribution to the knowledge of full-size technology, plant operation, and process economies;

(5) the term "Project" means the Geothermal Energy Coordination and Management Project established by section 101(a);

(6) the term "fund" means the Geothermal Resources Development Fund established by section 204(a); and

(7) the term "Chairman" means the Chairman of the Project.

TITLE I—GEOTHERMAL ENERGY COORDINATION AND MANAGEMENT PROJECT

ESTABLISHMENT

SEC. 101. (a) There is hereby established the Geothermal Energy Coordination and Management Project.

(b) (1) The Project shall be composed of six members as follows:

(A) one appointed by the President;

(B) an Assistant Director of the National Science Foundation;

(C) an Assistant Secretary of the Department of the Interior;

(D) an Associate Administrator of the National Aeronautics and Space Administration;

(E) the General Manager of the Atomic Energy Commission; and

(F) an Assistant Administrator of the Federal Energy Administration.

(2) The President shall designate one member of the Project to serve as Chairman of the Project.

(3) If the individual appointed under paragraph (1) (A) is an officer or employee of the Federal Government, he shall receive no additional pay on account of his service as a member of the Project. If such individual is not an officer or employee of the Federal Government, he shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315) for each day (including traveltime) during which he is engaged in the actual performance of duties vested in the Project.

(c) The Project shall have overall responsibility for the provision of effective management and coordination with respect to a national geothermal energy research, development, and demonstration program. Such program shall include—

(1) the determination and evaluation of the resource base;

(2) research and development with respect to exploration, extraction, and utilization technologies;

(3) the demonstration of appropriate technologies; and

(4) the loan guaranty program under title II.

(d) (1) The Project shall carry out its responsibilities under this section acting through the following Federal agencies;

(A) the Department of the Interior, the responsibilities of which shall include evaluation and assessment of the resource base, including development of exploration technologies;

(B) the National Aeronautics and Space Administration, the responsibilities of which shall include the provision of contract management capability, evaluation and assessment of the resource base, and the development of technologies pursuant to section 102(b);

(C) the Atomic Energy Commission, the responsibilities of which shall include the development of technologies; and

(D) the National Science Foundation, the responsibilities of which shall include basic and applied research.

(2) Upon request of the Project, the head of any such agency is authorized to detail or assign, on a reimbursable basis or otherwise, any of the personnel of such agency to the Project to assist it in carrying out its responsibilities under this Act.

(c) The Project shall have exclusive authority with respect to the establishment or approval of programs or projects initiated under this Act, except that the agency involved in any particular program or project shall be responsible for the operation and administration of such program or project.

PROGRAM DEFINITION

SEC. 102. (a) (1) The Chairman, acting through the Administrator of the National Aeronautics and Space Administration, is authorized and directed to prepare a comprehensive program definition of an integrated effort and commitment for effectively developing geothermal energy resources. Such Administrator, in preparing such comprehensive program definition, is authorized to consult with other Federal agencies and non-Federal entities.

(2) The Chairman shall transmit such comprehensive program definition to the President and to each House of the Congress. Interim reports shall be transmitted not later than November 30, 1974, and not later than January 31, 1975. Such comprehensive program definition shall be transmitted as soon as possible thereafter, but in any case not later than August 31, 1975.

(3) As part of the comprehensive program definition required by paragraph (1), the Chairman, acting through the Geological Survey, shall transmit to the President and to each House of the Congress a schedule and objectives for the inventorying of geothermal resources.

(b) The National Aeronautics and Space

Administration is authorized to undertake and carry out those programs assigned to it by the Project.

RESOURCE INVENTORY AND ASSESSMENT PROGRAM

SEC. 103. (a) The Chairman shall initiate a resource inventory and assessment program with the objective of making regional and national appraisals of all types of geothermal and resources, including identification of promising target areas for industrial exploration and development. The specific goals shall include—

(1) the improvement of geophysical, geochemical, geological, and hydrological techniques necessary for locating and conducting geothermal resources;

(2) the development of better methods for predicting the power potential and longevity of geothermal reservoirs;

(3) the determination and assessment of the nature and power potential of the deeper unexplored parts of high temperature geothermal conviction systems; and

(4) the survey and assessment of regional and national geothermal resources of all types.

(b) The Chairman, acting through the Geological Survey and other appropriate agencies shall—

(1) develop and carry out a general plan for the orderly inventorying of all forms of geothermal resources of the Federal lands and, where consistent with property rights and determined by the Chairman to be in the national interest, of non-Federal lands;

(2) conduct regional surveys, based upon such a general plan, using innovative geological, geophysical, geochemical, and stratagraphic drilling techniques, which will lead to a national inventory of geothermal resources in the United States;

(3) publish and make available maps, reports, and other documents developed from such surveys to encourage and facilitate the commercial development of geothermal resources for beneficial use and consistent with the national interest;

(4) make such recommendations for legislation as may from time to time appear to be necessary to make Federal leasing policy for geothermal resources consistent with known inventories of various resource types, with the current state of technologies for geothermal energy development, and with current evolutions of the environmental impacts of such development; and

(5) participate with appropriate Federal agencies and non-Federal entities in research to develop, improve, and test technologies for the discovery and evaluation of all forms of geothermal resources, and conduct research into the principles controlling the location, occurrence, size, temperature, energy content, producibility, and economic lifetimes of geothermal reservoirs.

RESEARCH AND DEVELOPMENT

SEC. 104. (a) The Chairman, acting through the appropriate Federal agencies and in cooperation with non-Federal entities, shall initiate a research and development program for the purpose of resolving all major technical problems inhibiting the fullest possible commercial utilization of geothermal resources in the United States. The specific goals of such program shall include—

(1) the development of effective and efficient drilling methods to operate at high temperatures in formations of geothermal interest;

(2) the development of reliable predictive methods and control techniques for the production of geothermal resources from reservoirs;

(3) the exploitation of new concepts for fracturing rock to permit recovery of contained heat reserves;

(4) the improvement of equipment and technology for the extraction of geothermal resources from reservoirs;

(5) the development of improved methods for converting geothermal resources and byproducts to useful forms;

(6) the development of improved methods for controlling emissions and wastes from geothermal utilization facilities, including new monitoring methods to any extent necessary;

(7) the development and evaluation of waste disposal control technologies and the evaluation of surface and subsurface environmental effects of geothermal and development;

(8) the improvement of the technical capability to predict environmental impacts resulting from the development of geothermal resources, the preparation of environmental impact statements, and the assuring of compliance with applicable standards and criteria;

(9) the identification of social, legal, and economic problems associated with geothermal development (both locally and regionally) for the purpose of developing policy and providing a framework of policy alternatives for the commercial utilization of geothermal resources;

(10) the provision for an adequate supply of scientists to perform required geothermal research and development activities; and

(11) the establishment of a program to encourage States to establish and maintain geothermal resources clearinghouses, which shall serve to (A) provide geothermal resources developers with information with respect to applicable local, State, and Federal laws, rules, and regulations, (B) coordinate the processing of permit applications, impact statements, and other information which geothermal resources developers are required to provide, (C) encourage uniformity with respect to local and State laws, rules, and regulations with respect to geothermal resources development, and (D) encourage establishment of land use plans, which would include zoning for geothermal resources development and which would assure that geothermal resources developers will be able to carry out development programs to the production stage.

(b) The Chairman, acting through the appropriate Federal agencies and in cooperation with non-Federal entities, shall implement a coordinated program of research and development in order to demonstrate the technical means for the extraction and utilization of the resource base, including any byproducts of such base, and in order to accomplish the goals established by subsection (a). Research authorized by this Act having potential applications in matters other than geothermal energy may be pursued to the extent that the findings of such research can be published in a form for utilization by others.

DEMONSTRATION

SEC. 105. (a) The Chairman, acting through the appropriate Federal agencies and in cooperation with non-Federal entities, shall initiate a program to design and construct geothermal demonstration plants. The specific goals of such program shall include—

(1) the development of economical geothermal resources production systems and components which meet environmental standards;

(2) the design of plants to produce electric power and, where appropriate, the large-scale production and utilization of any useful byproducts;

(3) the involvement of engineers, analysts, technicians, and managers from industry field and powerplant development, which shall lead to the early industrial exploitation of advanced geothermal resources;

(4) the provision for an adequate supply of trained geothermal engineers and technicians;

(5) the provision of experimental test beds for component testing and evaluation by laboratories operated by the Federal Government, industry, or institutions of higher education;

(6) the construction and operation of pilot plants; and

(7) the construction and operation of demonstration plants.

(b) In carrying out his responsibilities under this section, the Chairman, acting through the appropriate Federal agencies, and in cooperation with non-Federal entities, may provide for the establishment of one or more demonstration projects utilizing each geothermal resource base involved, which shall include, as appropriate, all of the exploration, siting, drilling, pilot plant construction and operation, demonstration plant construction and operation, and other facilities and activities which may be necessary for the generation of electric energy and the utilization of geothermal resource byproducts.

(c) The Chairman, acting through the appropriate Federal agencies, is authorized to investigate and enter into agreements for the cooperative development of facilities to demonstrate the production of energy from geothermal resources. The responsible Federal agency may consider—

(1) cooperative agreements with utilities and non-Federal governmental entities for construction of facilities to produce energy for commercial disposition; and

(2) cooperative agreements with other Federal agencies for the construction and operation of facilities to produce energy for direct Federal consumption.

(d) The responsible Federal agency is authorized to investigate the feasibility of, construct, and operate, demonstration projects without entering into cooperative agreements with respect to such projects, if the Chairman finds that—

(1) the nature of the resource, the geographical location, the scale and engineering design of the facilities, the techniques of production, or any other significant factor of the proposal offers opportunities to make important contributions to the general knowledge of geothermal resources, the techniques of its development, or public confidence in the technology; and

(2) there is no opportunity for cooperative agreements with any utility or non-Federal governmental entity willing and able to cooperate in the demonstration project under subsection (c)(1), and there is no opportunity for cooperative agreements with other Federal agencies under subsection (c)(2).

(c) Before favorably considering proposals under subsection (c), the responsible Federal agency must find that—

(1) the nature of the resource, the geographical location, the scale and engineering design of the facilties, the techniques of production, or any other significant factor of the proposal offers opportunities to make important contributions to the general knowledge of geothermal resources, the techniques of its development, or public confidence in the technology;

(2) the development of the practical benefits as set forth in paragraph (1) are unlikely to be accomplished without such cooperative development; and

(3) where non-Federal participants are involved, the proposal is not eligible for adequate Federal assistance under the loan guaranty provisions of title II of this Act.

(f) If the estimate of the Federal investment with respect to construction and operation costs of any demonstration project proposed to be established under this section exceeds $10,000,000, no amount may be appropriated for such project except as specifically authorized by legislation hereafter enacted by the Congress.

(g)(1) At the conclusion of the program under this section or as soon thereafter as may be practicable, the responsible Federal agencies shall, by sale, lease, or otherwise, dispose of all Federal property interests which they have acquired pursuant to this section (including mineral rights) in accordance with existing law and the terms of the cooperative agreements involved.

(2) The agency involved shall, under appropriate agreements or other arrangements, provide for the disposition of geothermal resource byproducts of the project administered by such agency.

SCIENTIFIC AND TECHNICAL EDUCATION

SEC. 106. (a) It is the policy of the Congress to encourage the development and maintenance of programs through which there may be provided the necessary trained personnel to perform required geothermal research, development, and demonstration activities under sections 103, 104, and 105.

(b) The National Science Foundation is authorized to support programs of education in the sciences and engineering to carry out the policy of subsection (a). Such support may include fellowships, traineeships, technical training programs, technologist training programs, and summer institute programs.

(c) The National Science Foundation is authorized and directed to coordinate its actions, to the maximum extent practicable, with the Project or any permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States, in determining the optimal selection of programs of education to carry out the policy of subsection (a).

(d) The National Science Foundation is authorized to encourage, to the maximum extent practicable, international participation and cooperation in the development and maintenance of programs of education to carry out the policy of subsection (a).

TITLE II—LOAN GUARANTIES

ESTABLISHING OF LOAN GUARANTY PROGRAM

SEC. 201. (a) It is the policy of the Congress to encourage and assist in the commercial development of practicable means to produce useful energy from geothermal resources with environmentally acceptable processes. Accordingly, it is the policy of the Congress to facilitate such commercial development by authorizing the Chairman of the Project to designate an appropriate Federal agency to guarantee loans for such purposes.

(b) In order to encourage the commercial production of energy from geothermal resources, the head of the designated agency is authorized to, in consultation with the Secretary of the Treasury, guarantee, and to enter into commitments to guarantee, lenders against loss of principal or interest on loans made by such lenders to qualified borrowers for the purposes of—

(1) the determination and evaluation of the resource base;

(2) research and development with respect to extraction and utilization technologies;

(3) acquiring rights in geothermal resources; or

(4) development, construction, and operation of facilities for the demonstration or commercial production of energy from geothermal resources.

(c) Any guaranty under this title shall apply only to so much of the principal amount of any loan as does not exceed 75 percent of the aggregate cost of the project with respect to which the loan is made.

(d) Loan guaranties under this title shall be on such terms and conditions as the head of the designated agency determines, except that a guaranty shall be made under this title only if—

(1) the loan bears interest at a rate not to exceed such annual per centum on the principal obligation outstanding as the head of the designated agency determines to be reasonable, taking into account the range of interest rates prevailing in the private sector for similar loans and risks by the United States;

(2) the terms of such loan require full repayment over a period not to exceed thirty years, or the useful life of any physical asset to be financed by such loan, whichever is less (as determined by the head of the designated agency);

(3) in the judgment of the head of the designated agency, the amount of the loan (when combined with amounts available to the qualified borrower from other sources) will be sufficient to carry out the project; and

(4) in the judgment of the head of the designated agency, there is reasonable assurance of repayment of the loan by the qualified borrower of the guaranteed indebtedness.

(e) The amount of the guaranty for any loan for a project shall not exceed $25,000,000, and the amount of the guaranty for any combination of loans for any single qualified borrower shall not exceed $50,000,000.

(f) As used in this title, the term "qualified borrower" means any public or private agency, institution, association, partnership, corporation, political subdivision, or other legal entity which (as determined by the head of the designated agency) has presented satisfactory evidence of an interest in geothermal resource and is capable of performing research or completing the development and production of energy in an acceptable manner.

PAYMENT OF INTEREST

SEC. 202. (a) With respect to any loan guaranteed pursuant to this title, the head of the designated agency is authorized to enter into a contract to pay, and to pay, the lender for and on behalf of the borrower the interest charges which become due and payable on the unpaid balance of any such loan if the head of the designated agency finds—

(1) that the borrower is unable to meet interest charges, and that it is in the public interest to permit the borrower to continue to pursue the purposes of his project, and that the probable net cost to the Federal Government in paying such interest will be less than that which would result in the event of a default; and

(2) the amount of such interest charges which the head of the designated agency is authorized to pay shall be no greater than the amount of interest which the borrower is obligated to pay under the loan agreement.

(b) In the event of any default by a qualified borrower on a guaranteed loan, the head of the designated agency is authorized to make payment in accordance with the guaranty, and the Attorney General shall take such action as may be appropriate to recover the amounts of such payments (including any payment of interest under subsection (a)) from such assets of the defaulting borrower as are associated with the project, or from any other surety included in the terms of the guaranty.

PERIOD OF GUARANTIES AND INTEREST ASSISTANCE

SEC. 203. No loan guaranties shall be made, or interest assistance contract entered into, pursuant to this title, after the expiration of the ten-calendar-year period following the date of enactment of this Act.

GEOTHERMAL RESOURCES DEVELOPMENT FUND

SEC. 204. (a) There is established in the Treasury of the United States a Geothermal Resources Development Fund, which shall be available to the head of the designated agency for carrying out the loan guaranty and interest assistance program authorized by this title, including the payment of administrative expenses incurred in connection therewith. Moneys in the fund not needed for current operations may, with the approval of the Secretary of the Treasury, be invested in bonds or other obligations of, or guaranteed by, the United States.

(b) There shall be paid into the fund the amounts appropriated pursuant to section 304(c) and such amounts as may be returned to the United States pursuant to section 202(b), and the amounts in the fund shall remain available until expended, except that after the expiration of the ten-year period established by section 203, such amounts in the fund which are not required to secure outstanding guaranty obligations shall be paid into the general fund of the Treasury.

(c) Business-type financial reports covering the operations of the fund shall be submitted to the Congress by the head of the designated agency annually upon the completion of an appropriate accounting period.

TITLE III—GENERAL PROVISIONS

PROTECTION OF ENVIRONMENT

SEC. 301. In the conduct of its activities, the Project and any participating public or private persons or agencies shall place particular emphasis upon the objective of assuring that the environment and the safety of persons or property are effectively protected; and the program under title I shall include such special research and development as may be necessary for the achievement of that objective.

REPORTING REQUIREMENTS

SEC. 302. (a) Chairman of the Project shall submit to the President and the Congress full and complete annual reports of the activities of the Project, including such projections and estimates as may be necessary to evaluate the progress of the national geothermal energy research, development, and demonstration program and to provide the basis for as accurate a judgment as is possible concerning the extent to which the objectives of this Act will have been achieved by June 30, 1989.

(b) No later than one year after the termination of each demonstration project under section 105, the Chairman of the Project shall submit to the President and the Congress a final report on the activities of the Project related to each project, including his recommendations with respect to any further legislative, administrative, and other actions which should be taken in support of the objectives of this Act.

TRANSFER OF FUNCTIONS

SEC. 303. (a) Within sixty days after the effective date of the law creating a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States (or within sixty days after the date of the enactment of this Act if the effective date of such law occurs prior to the date of the enactment of this Act), all of the research, development, and demonstration functions (including the loan guaranty program) vested in the Project under this Act, along with related records, documents, personnel, obligations, and other items to the extent necessary or appropriate, shall, in accordance with regulations prescribed by the Office of Management and Budget, be transferred to and rested in such organization or agency.

(b) Upon the establishment of a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States, and when all research and development (and other) functions of the Project are transferred, the members of the Project may provide advice and counsel to the head of such organization or agency, in accordance with arrangements made at that time.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 304. (a) For the fiscal years ending June 30, 1976, and September 30 1977, 1978, 1979, and 1980, only such sums may be appropriated as the Congress may hereafter authorize by law.

(b) There are authorized to be appropriated to the National Aeronautics and Space Administration not to exceed $2,500,000 for the fiscal year ending June 30, 1975, for the purpose of preparing the program definition under section 102(a).

(c) In addition to sums authorized to be appropriated by subsection (b), there are authorized to be appropriated to the fund not to exceed $50,000,000 annually, such sums to carry out the provisions of the loan guaranty program by the Project under title II.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the House bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the House bill, insert the following: "An Act to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, to establish a loan guaranty program for the financing of geothermal energy development, and for other purposes."

And the Senate agree to the same.

Olin E. Teague,
Mike McCormack,
Don Fuqua,
Jim Symington,
Charles A. Mosher,
Barry M. Goldwater,
John Wydler,
Managers on the Part of the House.

Henry M. Jackson,
Alan Bible,
Frank Church,
Lee Metcalf,
Floyd K. Haskell,
Paul Fannin,
Mark O. Hatfield,
James A. McClure,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14920) to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

Short title

House Bill

The House bill provided that this legislation shall be cited as the "Geothermal Energy Research Development, and Demonstration Act of 1974".

Senate Amendments

The Senate amendments provided that this legislation shall be cited as the "Geothermal Energy Act of 1974".

Conference Substitute

The conference substitute is the same as the House bill.

Findings

House Bill

Section 2 of the House bill provided that the Congress finds that (1) there is a national energy shortage; (2) present organizational structures and funding levels are not adequate to meet energy needs; (3) although electric energy is a convenient form of energy, the sources for electric power generation are in short supply; (4) national energy problems can be solved only if there is a commitment to develop geothermal resources; (5) undeveloped geothermal resources are known to have a large energy content; (6) some geothermal resources contain energy in forms other than heat; (7) some geothermal resources contain valuable byproducts; (8) technologies for the development of most geothermal resources presently are not available, but such technologies are potentially economical and desirable; (9) much of the known geothermal resources exist on public lands; (10) Federal financial assistance is necessary for the development of geothermal resources; and (11) there is a Federal responsibility to encourage private industry in the development of geothermal resources.

Senate Amendments

Section 201 of the Senate amendments sets forth that the policy of the Congress to encourage the development of geothermal energy through resource inventory, research, and financial and technical assistance for the construction of pilot and demonstration geothermal developments.

Conference Substitute

The conference substitute is the same as the House bill, except that an addition is made to reflect the policy stated in section 201 of the Senate amendments.

Definitions

House Bill

Section 3 of the House bill defined the term "byproduct" as any mineral found in association with geothermal steam and associated geothermal resources which has a value of less than 75 percent of the value of such geothermal steam and associated geothermal resources, or which is not of sufficient value to warrant extraction and production by itself.

Such section provided that the term "geothermal steam and associated geothermal resources" has the meaning given it by section 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001(c)), except that any amendment of such subsection occurring after the date of the enactment of this legislation shall not affect the meaning of such term for purposes of this legislation.

Such section provided that the term "known geothermal resources area" has the meaning given it by section 2(c) of such Act (30 U.S.C. 1001(e)), except that any amendment of such subsection occurring after the date of the enactment of this legislation shall not affect the meaning of such term for purposes of this legislation.

Such section defined the term "fund" as the Geothermal Resources Development Fund.

Such section defined the term "Project" as the Geothermal Energy Coordination and Management Project.

Senate Amendments

Section 210 of the Senate amendments contained definitions of the terms "geothermal resources", "qualified borrower", "pilot plant", and "demonstration development". Section 104 of the Senate amendments defined the term "fund" to mean the Geothermal Resources Development Fund.

Conference Substitute

The conference substitute is the same as the House bill, except for the following changes: (1) the definition of "known geothermal resources area" is eliminated; (2) the Senate amendments' definition of "pilot plant" and "demonstration development" are added, with the latter term changed to "development plant"; (3) the definition of "Chairman" is added; and (4) the Senate amendments' definition of "geothermal resources" is substituted for the definition of "geothermal steam and associated geothermal resources". The manner in which the Senate amendments defined such term has the same substantive effect as the definition contained in the House bill.

COORDINATION OF GEOTHERMAL ENERGY DEVELOPMENT

Establishment of Geothermal Energy Coordination and Management Project

House Bill

Subsection (a) of section 101 of the House bill provided for the establishment of the Geothermal Energy Coordination and Management Project (hereinafter in this statement referred to as the "Project"). Subsection (b) of section 101 provided that the Project shall have the following members: the Administrator of the Federal Energy Administration; an Assistant Director of the National Science Foundation (hereinafter in this statement referred to as "NSF") an Assistant Secretary of the Department of the Interior; an Associate Administrator of the National Aeronautics and Space Administration (hereinafter in this statement referred to as "NASA"); and the General Manager of the Atomic Energy Commission (hereinafter in this statement referred to as "AEC"). Such subsection also provided that the Administrator of the Federal Energy Administration (hereinafter in this statement referred to as "FEA") shall act as Chairman of the Project.

Subsection (c) of section 101 provided that the Project shall be responsible for managing and coordinating national geothermal energy research, development, and demonstration programs, including determination and evaluation of the resource base, research and development with respect to various technologies, demonstration of appropriate technologies, and administration of the loan guaranty program established by this legislation.

Subsection (d) of section 101 provided that the Project shall cooperate with the Department of the Interior, NASA, AEC, and NSF, in carrying out its responsibilities. Such subsection also provided for the responsibilities of each such agency.

Subsection (e) of section 101 provided that the Project shall have overall authority with respect to programs and projects initiated under this legislation. The agencies involved, however, shall be responsible for the operation and administration of each such program or project.

Senate Amendments

The Senate amendments required functions to be performed with respect to management and coordination of a national geothermal energy research, development, and demonstration program, which are similar to functions established by section 101(c) of the House bill.

The Senate amendments assigned such functions to Federal agencies in the following manner: (1) section 202 of the Senate amendments assigned the function of determining and evaluating the resource base to the Secretary of the Interior (hereinafter in this statement referred to as the "Secretary"); (2) sections 202(e) and 207 of the Senate amendments assigned the function of research and development with respect to exploration, extraction, and utilization technologies to the Secretary and to AEC; (3) sections 202(e) and 207 of the Senate amendments assigned the function of demonstrating appropriate technologies to the Secretary and AEC; and (4) title I of the Senate amendments required the Secretary to administer a loan guaranty program.

Section 205 of the Senate amendments required NASA to prepare and furnish a proposal for the employment of space technologies for the inventorying and mapping of geothermal resources, and section 202(c) of the Senate amendments required the Secretary to participate with NASA in the development of techniques for the discovery and evaluation of geothermal energy resources.

Section 203 of the Senate amendments required the Secretary to coordinate with the AEC geothermal energy development programs established by the Senate amendments.

Conference Substitute

The conference substitute is the same as the House bill, with the following changes: (1) the conference substitute gives the President authority to appoint a member to the Project; (2) the President is given authority to designate one of the members of the Project to serve as Chairman; (3) an Assistant Administrator of FEA is made a member of the Project to replace the Administrator of FEA; and (4) the conference substitute clarifies the intent that NASA shall provide its contract management capabilities to aid other members of the Project in accomplishing the goals of this legislation.

Specific inclusion of the Assistant Administrator of FEA as a member of the Project was agreed to in light of the duty assigned to the Administrator of FEA under section 5(b)(2) of the Federal Energy Administration Act of 1974 (P.L. 93–275; 88 Stat. 99), whereby the Administrator is "to assess the adequacy of energy resources". It is believed that FEA, in its planning capacity, should be aware of the activities and progress of the Project, and this goal would be served by designation of the Assistant Administrator of FEA as a member of the Project.

Functions of National Science Foundation

House Bill

Subsection (a) of section 102 of the House bill amended section 3 of the National Science Foundation Act of 1950 (42 U.S.C. 1862) by inserting a new subsection (c) which provides that the Director of NSF shall support geothermal energy research, development, and demonstration programs in accordance with section 102(b) of this legislation.

Subsection (b) of section 102 provided that the Director of NSF shall support and fund geothermal energy research, development, and demonstration programs initiated and approved by the Project. Such subsection further provided that its provisions in no way restrict the authority of the Director to support and fund basic research, but that such provisions do not authorize the Director to support and fund any demonstration project which is not included in any program initiated and approved by the Project. The Director may, however, support and fund such a project if any other provision of law provides him with authority to do so.

Senate Amendments

Section 202(e) of the Senate amendments required the Secretary to participate with NSF, together with other Federal agencies, in the assessment of geothermal energy resources.

Conference Substitute

The conference substitute omits section 102 of the House bill and section 202(e) of the Senate amendments. The omission of section 102 is based upon the fact that no amendment to the National Science Foundation Act of 1950 is necessary in order to provide NSF with authority to carry out functions assigned to it by this legislation.

Functions of National Aeronautics and Space Administration

House Bill

Subsection (a) of section 103 of the House bill amended section 203 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473) by inserting a new subsection (b) which provides that NASA shall carry out geothermal energy technology research and development in accordance with section 103(b) of this legislation.

Subsection (b) of section 103 provided that NASA may undertake and carry out programs assigned to it by the Project.

Subsection (c) of section 103 required the Administrator of NASA to prepare, in consultation with various public and private agencies and organizations, a comprehensive program definition with respect to the development of geothermal energy resources.

Senate Amendments

No provision.

Conference Substitute

The conference substitute omits subsection (a) of section 103 of the House bill, Section 103(b) is retained by the conference substitute and subsection 103(c) is retained with the following changes: (1) the interim report filing date is changed from October 31, 1974, to November 30, 1974; (2) the final report filing date with respect to the program definition is changed from June 30, 1975, to August 31, 1975; and (3) a provision is added which establishes a resource inventory and assessment program to be carried out by the Geological Survey as an important part of the program definition. This latter provision is drawn from section 202 of the Senate amendments.

Resource inventory and assessment program

House Bill

Subsection (a) of section 104 of the House bill required the Project to make regional and national appraisals of geothermal resources. The goals of the appraisal program shall include (1) improving geophysical and other techniques necessary to locate and evaluate geothermal resources; (2) developing better methods to predict the power potential of geothermal reservoirs; (3) determining and assessing the nature and power potential of high temperature geothermal convention systems; and (4) surveying and assessing regional and national geothermal resources.

Subsection (b) of section 104 required the Project, acting through the Geological Survey and other appropriate agencies, to (1) inventory geothermal resources on Federal land and, with the explicit permission of the owner involved, on non-Federal land; (2) conduct regional surveys, using drilling and other techniques, leading to a national inventory of geothermal resources; (3) make available maps and reports developed from such surveys to encourage commercial development of geothermal resources; (4) recommend legislation with respect to Federal leasing policies for geothermal resources; and (5) participate with various public and private agencies and organizations in developing technologies for the discovery and evaluation of geothermal resources.

Senate Amendments

Section 203 of the Senate amendments required the Secretary to undertake a resource inventory and assessment program similar to the program established by section 104(a) of the House bill.

Section 202 of the Senate amendments required the Secretary, acting through the Geological Survey, to undertake steps with respect to resource inventory and assessment which are similar to the steps required by section 104(b) of the House bill.

Conference Substitute

The conference substitute is the same as the House bill, with the following changes: (1) the heading for section 104 of the House bill is changed to reflect the approach taken by the Senate amendments; and (2) the nature of drilling techniques to be used is modified by the conference substitute, to clarify the intent that this research should be to establish the extent and nature of geothermal resources, and should not involve any exploratory drilling, which is and should remain the province of private industry.

Research and development

House Bill

Section 105 of the House bill required the Project to initiate a research and development program to resolve problems with respect to commercial utilization of geothermal resources. The goals of such program shall include (1) development of effective drilling methods; (2) development of reliable predictive and control methods; (3) exploitation of rock fracturing techniques; (4) improvement of extraction equipment and technology; (5) development of geothermal energy conversion methods; (6) development of methods to control emissions and wastes; (7) development of waste disposal control technologies; (8) improvement of the capability to predict the environmental impact of developing geothermal energy resources; (9) identification of social legal, and economic problems with respect to geothermal resources development; (10) provision for an adequate supply of scientists to perform required geothermal research and development activities; and (11) establishment of a program to encourage States to establish geothermal energy research and development.

Such section also required the Project to implement a coordinated research and development program to demonstrate extraction and utilization technologies and to accomplish such goals.

Senate Amendments

Section 207 of the Senate amendments established a research and development program which was similar to the program established by the House bill. The differences between the two programs are as follows:

1. The Senate amendments required by the AEC to carry out the research and development program, in cooperation with private industry.

2. The Senate amendments required the AEC to continue research authorized by the Senate amendments having potential applications in fields other than those exclusively related to geothermal energy. The House bill limited the Project to research which is directly related to geothermal energy.

3. The Senate amendments did not include specifically in the research and development program the following goals: (1) identification of social, legal, and economic programs related to geothermal energy research; (2) provision for an adequate supply of scientists; and (3) encouragement of States to establish geothermal energy information clearing houses.

Conference substitute

The conference substitute is the same as the House bill, except that the conference substitute incorporates the provision of the Senate amendments which requires the Project to continue research authorized by this legislation having potential applications in fields other than those exclusively related to geothermal resources.

It is the intent of the conferees that the term "non-Federal entity" shall include, but shall not be limited to, private industry, academic institutions, municipalities, public utility districts, State and local governments, and private research laboratories.

Demonstration

House bill

Subsection (a) of section 106 of the House bill provided that the Project shall initiate a program to design and construct geothermal demonstration plants. The goals of such program include (1) developing economical geothermal energy production systems and components; (2) designing and constructing plants to produce electrical power; (3) operating such plants for a period of time; (4) providing experimental test beds; (5) involving engineers and technicians from private industry in developing methods of geothermal energy exploitation; and (6) providing for an adequate supply of trained geothermal engineers and technicians.

Subsection (b) of section 106 permitted the Project to establish a separate demonstration project for each geothermal resource base. The Project was given authority to obtain, through appropriate Federal agencies, plants and other real property used in any demonstration project.

Any agency designated by the Project to conduct a demonstration project shall provide for the disposal of electric energy and other geothermal resource byproducts of such project. Such disposition, to the maximum extent possible, shall be achieved through the sale of such byproducts.

Such subsection also provided that, at the conclusion of the program required under subsection (a), agencies designated by the Project to conduct demonstration projects shall, to the extent possible or appropriate, dispose of such projects or dispose of all electric energy and other geothermal resource byproducts produced by such projects.

Such subsection also provided that preference shall be given to known geothermal resource areas in making site selections for demonstration plants.

Senate Amendments

Section 208 of the Senate amendments authorized the AEC to enter into cooperative agreements with non-Federal entities for the construction, operation, and maintenance of demonstration developments for the production of electric or heat energy from geothermal resources. The non-Federal participants would be expected to make some contribution in the form of funds, rights in property, services, or other valuable consideration. The amount of the non-Federal contribution would be left to the discretion of the AEC on a case-by-case basis.

It was anticipated that several such demonstrations would be selected to reflect the development of a variety of geothermal resource types, the application of a variety of energy development and utilization technologies and a variety of conditions of energy and byproduct needs.

The AEC was authorized to proceed with such developments in which the estimated Federal investment will not exceed $10,000,000.

The AEC was authorized to investigate potential agreements for major demonstration facilities (in which the Federal investment will exceed $10,000,000) and to submit proposals to proceed with such agreements to the Congress for authorization.

In preparing proposals for cooperative agreements with non-Federal entities to construct major geothermal energy facilities, it was intended that non-Federal participants shall be selected which have the financial, technical, and management competence to perform the functions required of them pursuant to the agreement.

Conference Substitute

The conference substitute is the same as the House bill, with the following changes: (1) the goals of the program established by section 106(a) of the House bill are expanded to include construction and operation of pilot plants and demonstration plants; (2) the provisions of the House bill relating to disposition of electric energy and demonstration projects are replaced by comparable provisions of the Senate amendments; and (3) the conference substitute eliminates the provision that preference shall be given to known geothermal resource areas in making site selections for demonstration plants.

The conference substitute incorporates provisions of section 208 of the Senate amendments which would authorize the Project to enter into cooperative agreements with non-Federal entities for the construction, operation, and maintenance of demonstration plants for the production of electric or heat energy from geothermal resources. The non-Federal participants would be expected to make some contribution in the form of funds, rights in property, services, or other valuable consideration. The amount of the non-Federal contribution would be left to the discretion of the Project on a case-by-case basis.

The conference substitute also adds a provision which is intended to complement the provisions of the Senate amendments which are incorporated and to provide an opportunity for the establishment of demonstration projects without cooperative agreements in the event that there are no possibilities for cooperative agreements with non-Federal entities.

The legislative intent of the Senate amendments was adopted by the conferees regarding the disposal of electric energy produced by demonstrations utilizing geothermal resources. The principal intent is to clearly specify those conditions which must be fully met prior to any consideration of Federal sale and disposition of electric energy resulting from demonstration projects initiated under this legislation. The measure insures that where electric energy is produced by jointly financed demonstration projects the non-Federal participating entity would market the power. In those instances where the criteria for a totally Federally financed and operated demonstration project are met, the resultant electric energy is to be consumed only by the Federal Government. In unusual circumstances, where (1) there is no non-Federal entity willing and able to participate, (2) the stringent criteria justifying a Federally-owned and operated project have been fully met, and (3) there is no opportunity for Federal consumption of the resultant electric energy, only then may the appropriate Federal agency consider direct commercial sale and disposition of the resultant electric energy.

The conference substitute also includes a provision, which is based upon a provision contained in section 208 of the Senate amendments, which requires specific congressional authority for any proposed demonstration project if the estimated Federal investment for such project exceeds $10,000,000.

Scientific and technical education

House Bill

Section 107 of the House bill provided that it is the policy of the Congress to encourage programs to provide trained personnel to carry out geothermal research, development, and demonstration activities. NSF was authorized to support educational programs designed to effectuate such policy. NSF was required to coordinate its activities with various public and private agencies and organizations, and was authorized to encourage international participation and cooperation with respect to such educational programs.

Senate Amendments

No provision.

Conference Substitute

The conference substitute is the same as the House bill.

LOAN GUARANTIES

Estabishment of loan guaranty program

House Bill

Subsection (a) of section 201 of the House bill provided that it is the policy of the Congress to authorize the Chairman of the Project to designate an appropriate Federal agency to guarantee loans to encourage commercial development of geothermal resources.

Subsection (b) of section 201 provided that the head of the designated Federal agency may guarantee any loan made for purposes of (1) determining and evaluating the resource base; (2) extraction and utilization research and development; (3) acquiring rights to geothermal resources; and (4) constructing and operating geothermal resources demonstration facilities.

Subsection (c) of section 201 provided that loan guaranties may not exceed 75 percent of the aggregate cost of the project involved. Subsection (d) of section 201 authorized the head of the designated agency to establish terms and conditions for loan guaranties, and further provided that a guaranty may be made only if (1) the rate of interest for the loan involved does not exceed prevailing interest rates for conventional construction loans; (2) the loan must be fully repaid within 30 years; (3) the amount of the loan, together with amounts otherwise available, is sufficient to carry out the project involved; and (4) there is reasonable assurance of repayment of the loan by the qualified borrower.

Subsection (e) of section 201 prohibited the head of the designated agency from guarantying any loan if such loan is in excess of $25,000,000 for any project, or from guarantying any combination of loans to a single qualified borrower in excess of $50,000,000.

Subsection (f) of section 201 defined the term "qualified borrower" as any public or private agency or organization which, as determined by the head of the designated agency, has an interest in geothermal resources and is capable of carrying out research or development activities with respect to energy production.

Senate Amendments

The Senate amendments were the same as the House bill, with the following differences:

1. The Senate amendments authorized the Secretary to administer the loan guaranty program.

2. The Senate amendments did not authorize specifically the making of loan guaranties for the following purposes: (1) determination and evaluation of the resource base; and (2) research and development with respect to extraction and utilization technologies.

3. The committee report with respect to the Senate amendments indicated that section 101(e) of the Senate amendments was designed to permit loan guaranties of no more than $25,000,000 for a single project, and loan guaranties of no more than $50,000,000 for a single borrower. The committee report with respect to the House bill indicated that section 201(e) of the House bill was designed to permit loan guaranties for loans for a single project if the amount of loans did not exceed $25,000,000, and to permit loan guaranties for loans to a single borrower if the amount of such loans did not exceed $50,000,000.

4. The definition of "qualified borrower" contained in section 210(b) of the Senate amendments specifically required that a potential borrower, in order to be considered a

qualified borrower, must have the financial responsibility to operate a geothermal energy commercial facility. The definition of "qualified borrower" contained in section 201(1) of the House bill did not make any specific reference to financial responsibility, but did require that a qualified borrower be capable of performing research or completing development and production of geothermal energy in an acceptable manner.

Conference Substitute

The conference substitute is the same as the House bill, with the following changes: section 201(c) of the House bill is clarified to indicate that this legislation intends to permit loan guaranties of no more than $25,000,000 for a single project, and loan guaranties on no more than $50,000,000 for a single borrower; and (2) the conference substitute makes technical changes in the provisions relating to the operation of the loan guaranty program to conform with current Federal practices and policies relating to the operation of similar loan guaranty programs.

The conference substitute retains the provision of the House bill which required the Chairman of the Project to designate the head of a Federal agency to administer the loan guaranty program. It is the intent of the conferees that the Federal agency which is designated should have the competence and field organizations necessary to receive and process applications.

The conference substitute also retains the provision of the House bill which authorized the making of loan guaranties for the determination and evaluation of the resource base and for research and development with respect to extraction and utilization technologies. The conference substitute also retains the definition of "qualified borrower" which is contained in the House bill and which is consistent with the establishment of eligibility for research and development loans.

Payment of interest

House Bill

Subsection (a) of section 202 of the House bill provided that the head of the designated agency may pay to the lender any interest charges due on the unpaid balance of a guarantied loan if the head of the designated agency finds that (1) the borrower is unable to pay such interest charges and it is in the public interest to permit the borrower to pursue the project involved; and (2) the amount of such interest charges does not exceed an amount equal to the average prime interest rate for the preceding fiscal year, plus one-half of 1 percent.

Subsection (b) of section 202 provided that if a qualified borrower defaults on a guaranteed loan, the head of the designated agency may make payment in accordance with the terms of the guaranty. The Attorney General of the United States was required to take appropriate action to recover the amount of such payments from assets of the qualified borrower which are associated with the project involved.

Senate Amendments

Section 102 of the Senate amendments was the same as the House bill, except that section 102 assigned responsibilities to the Secretary, and not to an agency designated by the Chairman of the Project.

Conference Substitute

The conference substitute is the same as the House bill, except that the conference substitute provides that the Attorney General also may recover payments from surety contained in the loan guaranty agreement.

Period of guaranties and interest assistance

House Bill

Section 203 of the House bill provided that no loan guaranties or interest assistance contracts shall be made after the 10-calendar-year period following the date of the enactment of this legislation.

Senate Amendments

Section 103 of the Senate amendments was the same as the House bill.

Conference Substitute

The conference substitute is the same as the House bill.

Geothermal resources development fund

The conference substitute is the same as the House bill.

House Bill

Subsection (a) of section 204 of the House bill established in the Treasury of the United States a Geothermal Resources Development Fund (hereinafter in this statement referred to as the "fund"). The fund shall be available to the head of the designated agency for carrying out the loan guaranty and interest assistance program authorized by this legislation.

Such subsection also provided that moneys in the fund not needed for current operations shall be invested in bonds or other obligations of the United States.

Subsection (b) of section 204 provided that payments into the fund shall be made from amount appropriated by the Congress pursuant to section 304(c) and from amounts returned to the United States pursuant to section 202(b).

Such subsection also provided that amounts in the fund shall remain available until expended, except that amounts available in the fund after the 10-calendar-year period following the date of the enactment of this legislation shall be paid into the general fund of the Treasury.

Subsection (c) of section 204 required the head of the designated agency to submit annual reports to the Congress with respect to the operation of the fund.

Senate Amendments

The Senate amendments were the same as the House bill, except that the Senate amendments required the Secretary (and not the head of a designated agency) to submit annual reports to the Congress with respect to the operation of the fund.

Conference substitute

The conference substitute is the same as the House bill.

GENERAL PROVISIONS

Protection of environment

House Bill

Section 301 of the House bill provided that activities under this legislation shall be designed to protect the environment and to assure the safety of persons and property. Such section also provided that the program developed by the Project under title I of this legislation shall include special research and development to assure environmental protection and the safety of persons and property.

Senate Amendments

Section 201 and section 207(a)(5) of the Senate amendments contained provisions similar to those of the House bill with respect to protection of the environment.

Conference substitute

The conference substitute is the same as the House bill.

Reporting requirements

House Bill

Subsection (a) of section 302 of the House bill required the Chairman of the Project to submit biannual reports to the President and to the Congress with respect to the activities of the Project.

Subsection (b) of section 302 required the Chairman of the Project to submit reports to the President and to the Congress with respect to each demonstration project conducted under section 106 of the House bill.

Senate Amendments

Section 206 of the Senate amendments required the Secretary to submit the exploration plan and schedule required by section 202 of the Senate amendments, to the President and to the Congress no later than one year after the date of the enactment of this legislation. Annual progress reports would be required thereafter.

Conference Substitute

The conference substitute is the same as the House bill, except that the conference substitute requires reports annually, and not semi-annually.

Transfer of functions

House Bill

Section 303 of the House bill provided that, upon the establishment of a permanent Federal organization or agency having jurisdiction over energy research and development, the functions of the Project shall be transferred to and vested in such organization or agency. Such section also provided that, after such transfer and vesting, members of the Project shall provide advice and counsel to the head of such organiation or agency.

Senate Amendments

No provision.

Conference Substitute

The conference substitute is the same as the House bill. It is the intent of the conferees that the transfer procedures established by this legislation will not involve the physical transfer of personnel, programs, or agencies which are not otherwise specifically designated for such transfer by legislation such as that creating the Energy Research and Development Administration. Accordingly, it is contemplated that such personnel, programs, or agencies which are engaged in the geothermal programs created by this legislation and which are not transferred to a new agency such as the Energy Research and Development Administration shall continue to engage in such existing programs following the creation of such new agency.

Authorization of appropriations

House Bill

Section 304 of the House bill provided that, for fiscal years 1976, 1977, 1978, 1979, and 1980, only such sums may be appropriated to carry out this legislation as the Congress may authorize by law after the date of the enactment of this legislation.

Such section also authorized to be appropriated $2,500,000 for fiscal year 1975 to the Administrator of NASA to prepare program definitions under section 103(c).

Such section also authorized to be appropriated $50,000,000 annually to carry out the loan guaranty program established by this legislation.

Senate Amendments

Section 106 of the Senate amendments authorized appropriations to the fund not to exceed $50,000,000 annually.

Section 209 of the Senate amendments authorized appropriations for fiscal years 1974, 1975, and 1976, as follows: (1) $10,000,000 annually to the Secretary; (2) $35,000,000 annually to AEC; and (3) such amounts as may be required to NASA.

Conference Substitute

The conference substitute is the same as the House bill.

OLIN E. TEAGUE,
MIKE MCCORMACK,
DON FUQUA,
JIM SYMINGTON,
CHARLES A. MOSHER,
BARRY M. GOLDWATER,
JOHN WYDLER,
Managers on the Part of the House.
HENRY M. JACKSON,
ALAN BIBLE,
FRANK CHURCH,
LEE METCALF,
FLOYD K. HASKELL,
PAUL FANNIN,
MARK O. HATFIELD,
JAMES A. MCCLURE,
Managers on the Part of the Senate.

NATIONAL GAS PIPELINE SAFETY ACT AMENDMENTS OF 1974

Mr. STAGGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15205) to amend the National Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes, as amended.

The Clerk read as follows:

H.R. 15205

A bill to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Pipeline Safety Act Amendments of 1974".

SEC. 2. Section 5(c) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1674 (c)) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting immediately after paragraph (1) the following new paragraph:

"(2) Funds authorized to be appropriated by section 15(b) of this Act shall be allocated among the several States for payments to aid in the conduct of pipeline safety programs in accordance with paragraph (1) of this section.".

SEC. 3. Section 15 of such Act (49 U.S.C. 1684) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 15. (a) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, and $2,850,000 for the fiscal year ending June 30, 1976, for the purpose of carrying out the provisions of this Act, except that the funds appropriated pursuant to this subsection shall not be used for Federal grants-in-aid.

"(b) For the purpose of carrying out the provisions of section 5(c) of this Act, there are authorized to be appropriated for Federal grants-in-aid, $1,800,000 for the fiscal year ending June 30, 1975, and $2,500,000 for the fiscal year ending June 30, 1976.".

The SPEAKER. Is a second demanded?

Mr. BROWN of Ohio. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 15205 is a simple extension of authorizations of appropriations for fiscal years 1975 and 1976 to carry out the Natural Gas Pipeline Safety Act of 1968. That act provides for the setting of Federal safety standards for those facilities in or affecting commerce used in the transportation by pipeline or storage of natural or other gases. This is a unique Federal-State cooperative program, Mr. Speaker. Under the program, State agencies may administer State standards equivalent to or stricter than Federal standards with respect to intrastate pipelines or may serve as the Federal agent for administering Federal standards with regard to such pipelines. In addition, States may serve as agents of the Federal Government for the purpose of enforcing the Federal standards with respect to interstate gas pipeline systems. At present, 22 States are serving as Federal agents with regard to interstate pipelines within their borders. Of the 52 jurisdictions covered by the legislation—the 50 States, the District of Columbia and Puerto Rico—only the State of New Jersey is not participating in the program under the act.

States which participate in the program under the act are entitled to receive up to 50 percent of their cost of personnel, equipment, and activities committed to carrying out the act.

Mr. Speaker, the importance of the gas pipeline safety program has been vividly demonstrated by two explosions which occurred in 1974.

In April, a gas explosion wrecked a 24-story office building in New York City. Only because it occurred before the beginning of the normal business day was a massive loss of life avoided. As it was, 70 persons were injured and $10 million in damage was done by the explosion.

In June, an interstate pipeline burst and exploded about 50 miles from Washington, in Fauquier County, Va. The explosion occurred at night and the flames which I understand shot up nearly 4,500 feet could be seen in the sky over Washington. Again we were fortunate. Because the explosion took place in a remote rural area, no injuries or fatalities resulted from it.

To prevent such gas explosions, H.R. 15205 would authorize $3,800,000 for fiscal year 1975, of which $1,800,000 would be for grants-in-aid to the States, and $5,350,000 for fiscal year 1976, of which amount $2,500,000 would be for State grants-in-aid.

Mr. Speaker, I urge the passage of H.R. 15205.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the chairman in seeking your support of H.R. 15205, the bill providing a 2-year extension of authorizations for the DOT Office of Pipeline Safety. The act provides $2 million for fiscal year 1975 and $2.85 million for fiscal year 1976 for administrative and operational expenses of the Office. The legislation also authorizes Federal grants-in-aid for State pipeline safety programs in the amounts of $1.8 million for fiscal year 1975 and $2.5 million for fiscal year 1976. This bill passed both the subcommittee and full committee unanimously.

The Natural Gas Pipeline Safety Act, enacted in 1968, directs the DOT Office of Pipeline Safety to set and enforce safety standards for facilities used in transporting natural and other gases by pipeline, and in storing such gases.

This involves approximately 1.4 million miles of gas pipeline system, including some 70,000 miles of gathering lines, 260,000 miles of transmission pipelines, and 650,000 miles of distribution mains, plus an additional 400,000 miles of gas service lines. These pipeline facilities transport more than a third of the Nation's energy needs while serving approximately 43.7 million customers.

Federal safety standards under the act may apply to the design, installation, inspection, testing, construction, extension, operation, replacement and maintenance of gas pipeline facilities.

The act creates exclusive Federal safety authority over gas pipeline systems, generally described as interstate systems. In addition, the act gives the Office of Pipeline Safety overall responsibility for the safety regulation of intrastate gas pipeline systems.

A State may assume responsibility for enforcement of safety standards covering intrastate facilities through certain certification procedures with OPS or may enter into an agreement with the Office of Pipeline Safety to assist in the enforcement of the Federal safety standards. A certifying State agency may adopt additional, or more stringent, standards applicable to intrastate pipeline facilities, which are not incompatible with the Federal standards.

This law provides that OPS make grants-in-aid of up to 50 percent of the cost of personnel, equipment and activities of a State agency to help it in carrying out a safety program under the certification or agreement procedures or to aid a State as it acts as an agent for OPS in enforcing safety standards of interstate gas pipeline facilities. At present, 22 States act as agents of the Secretary for such purpose.

The repeated occurrence of gas pipeline accidents underscores the importance of supporting the pipeline safety program through those authorizations and through continuing scrutiny of the Office of Pipeline Safety. I ask your backing of H.R. 15205.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. I have not been able to get a report. Is there a report in existence on this bill?

Mr. BROWN of Ohio. There is a report, I would say to my friend, the gentleman from Iowa; I picked up one in the back of the Chamber, near the page desk.

Mr. GROSS. I was given a bill, H.R. 15205, for scrutiny over the weekend. That, evidently, is not the bill before the House.

Mr. BROWN of Ohio. The bill under consideration is as reported out of the committee on August 16, 1974.

Mr. GROSS. This bill was reported out on June 5, 1974.

Mr. BROWN of Ohio. I think that is the date, if I may say to the gentleman, on which the bill was introduced.

Mr. GROSS. That is the bill that was

made available to me by the document room.

Mr. BROWN of Ohio. As the gentleman certainly knows, I do not have any responsibility for the document room.

Mr. GROSS. I understand that perfectly, but in the absence of a report, where does the money for fiscal year 1975, the $3.8 million, go? To the States, or to whom does this money go?

Mr. BROWN of Ohio. Some of the money goes to the States, as indicated in my remarks, to finance the operation of the State inspection and administration of pipeline safety in those States which have contracts with the Federal Government permitting them to undertake the responsibility for pipeline safety in their State. That is one of the provisions of the Natural Gas Pipeline Safety Act enacted in 1968. The rest of the money provided by this authorization goes to the Federal Government or, rather, is used by the Federal administration, under the provisions of the 1968 pipeline safety legislation, to administer the national portion of this program under the Department of Transportation.

Mr. GROSS. The grants in aid to the States and the administrative expense money to the Federal Government; is that what the gentleman is saying?

Mr. BROWN of Ohio. That is correct.

Mr. GROSS. And the gentleman feels that the States must have this assistance?

Mr. BROWN of Ohio. The money is to finance the work done by the States rather than have the Federal Government bureaucracy expanded to the extent of adding personnel who would then have to go out into the States and do the actual work of administering the program. In other words, many of the States currently have, or already had when the bill was passed in 1968, personnel for existing State programs to provide for pipeline inspection and the setting of standards and so forth.

Many of those people were already on the local payroll at that time. Some, of course, have been added since in States which did not have pipeline safety programs at the time, but are supported by the grant-in-aid program from the Federal Government since those States undertook to establish programs to encourage pipeline safety in conformity with the 1968 Federal law.

The approach of the 1968 law is the old Hinshaw approach on regulatory activities, where the Federal Government assists with the costs of State regulatory activities, if the State activities will comply with the Federal law—thus saving the necessity of duplicating Federal and State regulatory activities.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, is this a new program with respect to pipelines?

Mr. BROWN of Ohio. Mr. Speaker, it is a program which was originally passed in 1968.

Mr. GROSS. So it is not a new program?

Mr. BROWN of Ohio. No; it is not now a new program, although it was new in 1968. At that time it provided for assistance to the States in administering new standards set by the Federal Government for pipeline safety.

Some States at that time already had such programs; some States did not. We now have 22 States which are cooperating with the Federal Government and receiving grants-in-aid and acting for the Federal Government in maintaining standards of pipeline safety.

Mr. GROSS. Mr. Speaker, do we do this for other utilities, or is it required for other utilities by the nature of their product?

Mr. BROWN of Ohio. Mr. Speaker, I would have to say, "Yes" and "No" in response to the gentleman's inquiry.

The pattern, as I indicated, is a pattern originally established legislatively by former Congressman Hinshaw, who, I think, served back in the thirties and forties—he was a Congressman from California, and he is no relation to the current Congressman from California—providing for the Federal Government to provide funds to assist with the administration of Federal standards by State agencies.

Mr. Speaker, this is done in other utility areas, but I am sorry to say I cannot identify all of the programs which the gentleman has inquired about.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. ROGERS).

Mr. STAGGERS. Mr. Speaker, I yield such time as as may consume to the gentleman from Massachusetts (Mr. MACDONALD).

Mr. MACDONALD. Mr. Speaker, the bill we are considering today, H.R. 15205, extends the authorization for the Office of Gas Pipeline Safety for 2 years, and also authorizes for 2 years the continuation and expansion of the program supervised by that office which provides grants-in-aid to the States. These grants-in-aid contribute up to 50 percent of the cost of the States' activities in pipeline safety, which are the backbone of the system.

The administration requested open-end authorizations for the administrative costs of the OPS, which your committee rejected. Instead, we have recommended that specific sums be authorized—$2 million for fiscal 1975, $2.8 million for fiscal 1976. The fiscal 1975 appropriations have already passed the House, provided for in the Department of Transportation funds.

We have also recommended the authorization of Federal grants-in-aid to the States of $1.8 million for fiscal 1975 and $2.5 million for fiscal 1976. These sums are in line with recommendations of the National Association of Regulatory Utility Commissioners.

Aside from the general policy of this committee against granting long term, open end authorizations, there is another basic reason that we have recommended extending the authorization for the Office of Pipeline Safety by only 2 years: During the hearings which our subcommittee held on June 13, we put a great many questions to the Director of OPS, Mr. Caldwell, and to the Deputy Assistant Secretary of Transportation, Mr. Sedan. The subcommittee intends to exercise its oversight authority and satisfy itself that the Office of Pipeline Safety is really doing the vitally important job the Congress has directed it to do, namely to insure that there will be no recurrence of the pipeline explosions that we have seen in the past year. Some of these tragic accidents have occurred within the local gas distribution systems which do not come under Federal control. The latest incident did occur in an interstate pipeline, but in a nonpopulated area in Virginia. There is, of course, no guarantee that we will be so lucky next time. It is the responsibility of Congress to see that the Office of Pipeline Safety is doing all that is humanly possible to prevent future accidents. We fully intend to assume that responsibility.

Mr. STAGGERS. Mr. Speaker, I have no further requests for time.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. McFALL). The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS) that the House suspend the rules and pass the bill H.R. 15205, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EXTENDING THE APPROPRIATION AUTHORIZATION FOR REPORTING OF WEATHER MODIFICATION ACTIVITIES

Mr. STAGGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15008) to extend the appropriation authorization for reporting of weather modification activities, as amended.

The Clerk read as follows:

H.R. 15008

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act entitled "An Act to provide for the reporting of weather modification activities to the Federal Government", approved December 18, 1971 (15 U.S.C. 330e), is amended by striking out "ending June 30, 1973, and June 30, 1974," and inserting in lieu thereof "1973, 1974, 1975, 1976, and 1977,".

The SPEAKER pro tempore. Is there a second demanded?

Mr. BROWN of Ohio. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. STAGGERS. Mr. Speaker, I rise in support of H.R. 15008, a bill to extend the authorization of appropriations to the Secretary of Commerce to administer programs on the reporting of weather modification activities. This bill would extend the authorizations for 3 fiscal years. Each year $200,000 would be authorized to be appropriated, the same level as for fiscal year 1974.

The bill has the unanimous support of the Commerce Committee and is supported by the administration. By extending the authorizations, we will be able to keep track of the weather modification activities that are going on and to use this valuable information to protect the health, safety, and property of the people of the Nation.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge you to approve the weather modification reporting authorizations which both the subcommitee and the full committee unanimously approved.

This legislation extends the authorizations at their current level for the weather modification reporting program which is administered by the National Oceanic and Atmospheric Administration—NOAA—of the Department of Commerce. It authorizes $200,000 per year for fiscal year 1975 through fiscal year 1977.

"Weather modification" refers to artificially produced change in the weather; that is, cloud "seeding," hail suppression, tornado and hurricane modification, fog dissipation, lightning suppression, precipitation redistribution, and so forth. Such activities are carried out for research, experimental and other purposes by municipalities, educational institutions, scientific organizations, airports, airlines, and commercial firms. Presently the conduct of weather modification projects is not regulated by Federal law but is subject to State law in about two-thirds of the States.

In 1971, since such activities had a potentially significant impact and since there was then no central source of information on weather modification, the Congress passed the Weather Modification Reporting Act. This act required anyone engaging in non-Federal weather modification to submit reports to NOAA before and after undertaking a weather modification activity. And, since 1973, Federal agencies with weather modification projects also report such experimental activities to NOAA. NOAA maintains records of each and publishes periodic summaries of modification projects.

The most recent NOAA summary published shows that 67 weather modification activities were carried out in 19 States from November 1972 to December 1973.

This program provides the only central source of weather modification information in the country. Such a source of public information facilitates weather forecasting, avoids duplication of projects and more easily identifies potential hazards. It is a necessary program, and I urge you to support authorizations to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. Macdonald), the chairman of the subcommittee.

Mr. MACDONALD. Mr. Speaker, this bill simply extends the authorizations, for 3 years, for the weather modification reporting program of the Department of Commerce. The authorizations for fiscal 1975, 1976, and 1977 are identical—$200,000 per year—and are at precisely the same level as the past 2 years.

As you know, this program is an information service that keeps track of all weather modification activities in the country. It is the only coordinated central source of this information.

Mr. Speaker, it is a service to the public to maintain this source of information on development in attempts to change the weather artificially. I urge your support of this legislation.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Florida (Mr. Rogers).

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 15008, the weather modification authorization. This program has been in existence for some time now and already we have some promising leads into one of mankind's most vexing problems—the weather.

We are seeing reports now that we are on the right track in developing methods of suppressing fog, which will be of great use to the navigation industry and to the American people who travel by air.

We have seen research which, if proven out, might help us in breaking up air pollution and of course, we are still working on the basic problem of actually modifying weather.

I saw just this past week interviews with farmers in the West and Midwest who are turning to individuals who claim that they can bring rain. These farmers, hard pressed by long periods of drought, are willing to spend large amounts of money in order to save their crops.

I am not aware of any private ventures which have brought such success, but in certain experiments in Florida, there have been promising results which need to be looked into.

In addition, the work of the National Oceanic and Atmospheric Administration in surveillance is vitally important to all Americans for economic as well as personal safety reasons. We in Florida are dependent on the National Hurricane Center's capabilities to forewarn us on tropical storms and hurricanes, And the more we can increase our capabilities in weather forecasting, the greater our guarantee that we will not be subject to surprise disasters such as we experienced in the 1938 hurricane disaster. I strongly urge the passage of this legislation.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from West Virginia (Mr. Staggers) that the House suspend the rules and pass the bill, H.R. 15008, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the Senate bill (S. 3320) to extend the appropriation authorization for reporting of weather modification activities, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the Senate bill as follows:

S. 3320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of December 18, 1971 (85 Stat. 736; 15 U.S.C. 330e), is amended by striking the word "and" after "June 30, 1973," and inserting after "June 30, 1974," the words "June 30, 1975, June 30, 1976, and June 30, 1977,".

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Staggers moves to strike out all after the enacting clause of S. 3320 and to insert in lieu thereof the provisions of H.R. 15008, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 15008) was laid on the table.

YOUTH CONSERVATION CORPS

Mr. DOMINICK V. DANIELS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14897) to amend the Youth Conservation Corps Act of 1972 (Public Law 92-597, 86 Stat. 1319) to expand and make permanent the Youth Conservation Corps, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 13, 1970 (84 Stat. 794) is amended to read as follows:

"POLICY AND PURPOSE

"Section 1. The Congress finds that the Youth Conservation Corps has demonstrated a high degree of success as a pilot program wherein American youth, representing all segments of society, have benefited by gainful employment in the healthful outdoor atmosphere of the national park system, the national forest system, other public land and water areas of the United States and by their employment have developed, enhanced, and maintained the natural resources of the United States, and whereas in so doing the youth have gained an understanding and appreciation of the Nation's environment and heritage equal to one full academic year of study, it is accordingly the purpose of this Act to expand and make permanent the Youth Conservation Corps and thereby further the development and maintenance of the natural resources by America's youth, and in so doing to prepare them for the ultimate responsibility of maintaining and managing these resources for the American people.

"YOUTH CONSERVATION CORPS

"Sec. 2. (a) To carry out the purposes of this Act, there is established in the Department of the Interior and the Department of Agriculture a Youth Conservation Corps (hereinafter referred to as the 'Corps'). The Corps shall consist of young men and women who are permanent residents of the United States, its territories, possessions, trust territories, or Commonwealth of Puerto Rico who have attained age fifteen but have not attained age nineteen, and whom the Secretary of the Interior or the Secretary of Agriculture may employ without regard to the civil service or classification laws, rules, or regulations, for the purpose of developing, preserving, or maintaining the lands and waters of the United States.

"(b) The Corps shall be open to youth from all parts of the country of both sexes and youth of all social, economic, and racial classifications with all Corps members receiving compensation consistent with work accomplished, and with no person being employed as a member of the Corps for a term in excess of ninety days during any single year.

"SECRETARIAL DUTIES AND FUNCTIONS

"SEC. 3. (a) In carrying out this Act, the Secretary of the Interior and the Secretary of Agriculture shall—

"(1) determine the areas under their administrative jurisdictions which are appropriate for carrying out the programs using employees of the Corps;

"(2) determine with other Federal agencies the areas under the administrative jurisdiction of these agencies which are appropriate for carrying out programs using members of the Corps, and determine and select appropriate work and education programs and projects for participation by members of the Corps;

"(3) determine the rates of pay, hours, and other conditions of employment in the Corps, except that all members of the Corps shall not be deemed to be Federal employees other than for the purpose of chapter 171 of title 28, United States Code, and chapter 81 of title 5, United States Code.

"(4) provide for such transportation, lodging, subsistence, and other services and equipment as they may deem necessary or appropriate for the needs of members of the Corps in their duties;

"(5) promulgate regulation to insure the safety, health, and welfare of the Corps members; and

"(6) provide to the extent possible, that permanent or semi-permanent facilities used as Corps camps be made available to local schools, school districts, State junior colleges and universities, and other educational institutions for use as environmental ecological education camps during periods of nonuse by the Corps program.

Costs for operations maintenance, and staffing of Corps camp facilities during periods of use by non-Corps programs as well as any liability for personal injury or property damage stemming from such use shall be the responsibility of the entity or organization using the facility and shall not be a responsibility of the Secretaries or the Corps.

"(b) Existing but unoccupied Federal facilities and surplus or unused equipment (or both), of all types including military facilities and equipment, shall be utilized for the purposes of the Corps, where appropriate and with the approval of the Federal agency involved. To minimize transportation costs, Corps members shall be employed on conservation projects as near to their places of residence as is feasible.

"(c) The Secretary of the Interior and the Secretary of Agriculture may contract with any public agency or organization or any private nonprofit agency or organization which has been in existence for at least five years for the operation of any Youth Conservation Corps project.

"GRANT PROGRAM FOR STATE PROJECTS

"SEC. 4. (a) The Secretary of the Interior and the Secretary of Agriculture shall jointly establish a program under which grants shall be made to States to assist them in meeting the cost of projects for the employment of young men and women to develop, preserve, and maintain non-Federal public lands and waters within the States. For purposes of this section, the term 'States' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

"(b)(1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary of the Interior and the Secretary of Agriculture. Such application shall be in such form, and submitted in such manner, as the Secretaries shall jointly by regulation prescribe, and shall contain—

"(A) assurances satisfactory to the Secretaries that individuals employed under the project for which the application is submitted shall (i) have attained the age of fifteen but not attained the age of nineteen, (ii) be permanent residents of the United States or its territories, possessions, or the Trust Territory of the Pacific Islands, (iii) be employed without regard to the personnel laws, rules, and regulations applicable to full-time employees of the applicant, (iv) be employed for a period of not more than ninety days in any calendar year, and (v) be employed without regard to their sex or social, economic, or racial classification; and

"(B) such other information as the Secretaries may jointly by regulation prescribe.

"(2) The Secretaries may approve applications which they determine (A) to meet the requirements of paragraph (1), and (B) are for projects which will further the development, preservation, or maintenance of non-Federal public lands or waters within the jurisdiction of the applicant.

"(c)(1) The amount of any grant under this section shall be determined jointly by the Secretaries, except that no grant for any project may exceed 80 per centum of the cost (as determined by the Secretaries) of such project.

"(2) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretaries find necessary.

"(d) Thirty per centum of the sums appropriated under section 6 for any fiscal year shall be made available for grants under this section for such fiscal year.

"SECRETARIAL REPORTS

"SEC. 5. The Secretary of the Interior and Secretary of Agriculture shall annually prepare a joint report detailing the activities carried out under this Act and providing recommendations. Each report for a program year shall be submitted concurrently to the President and the Congress not later than April 1 following the close of that program year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. There are authorized to be appropriated amounts not to exceed $60,000,000 for each fiscal year, which amounts shall be made available to the Secretary of the Interior and the Secretary of Agriculture to carry out the purposes of this Act. Notwithstanding any other provision of law, funds appropriated for any fiscal year to carry out this Act shall remain available for obligation and expenditure until the end of the fiscal year following the fiscal year for which appropriated.".

The SPEAKER pro tempore. Is a second demanded?

Mr. ESCH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. GRAY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 498]

Alexander
Anderson, Ill.
Arends
Aspin
Badillo
Baker
Beard
Bolling
Brasco
Brotzman
Burton, John
Butler
Carey, N.Y.
Clark
Conyers
Coughlin
Culver
Daniel, Dan
Davis, Ga.
de la Garza
Dickinson
Diggs
Dorn
Dulski
Edwards, Calif.
Evans, Colo.
Evins, Tenn.
Fisher
Frelinghuysen
Gettys
Giaimo
Gibbons
Gunter
Hammerschmidt
Hanna
Harsha
Hastings
Hébert
Holifield
Ichord
Johnson, Colo.
Jones, Ala.
Kastenmeier
Kluczynski
Litton
McClory
McKinney
McSpadden
Madigan
Mathis, Ga.
Mayne
Mink
Moakley
Mollohan
Murphy, N.Y.
Nedzi
O'Brien
Pepper
Pike
Preyer
Pritchard
Quie
Rarick
Rees
Reid
Rhodes
Rodino
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Ruppe
Ryan
Satterfield
Shuster
Sikes
Stanton, James V.
Steele
Steiger, Ariz.
Steiger, Wis.
Stokes
Stuckey
Teague
Udall
Van Deerlin
Williams
Wilson, Charles H., Calif.
Young, Alaska
Young, Ill.
Young, S.C.

The SPEAKER. On this rollcall 344 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

YOUTH CONSERVATION CORPS

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wholeheartedly support H.R. 14897, a bill to expand and make permanent the Youth Conservation Corps.

As chairman of the Select Subcommittee on Labor, I am pleased to report to all the Members of this House that we can be proud of the results and accomplishments of the Youth Conservation Corps pilot program authorized by Public Law 91–378. Like the Civil Conservation Corps—CCC—whose improvements and benefits can still be seen in the countryside, the Youth Conservation Corps has proved itself a success in accomplishing needed environmental work and in providing meaningful outdoor employment to 9,771 young people during the first 3 years of the pilot program.

The program provided young men and women with the experience of outdoor living and working, and intensifying their understanding of the ecological and environmental problems facing our country.

The Department of Agriculture reports the enrollees completed $4,464,000 worth of high priority conservation work on Federal lands during the first 2 years of the program. This represents an estimated return of 79 cents on every Federal dollar spent in the form of conservation work and improvements on public lands.

The testimony heard by the subcommittee concerning the extension and expansion of YCC was unanimous in its praise of the program, both in human and economic terms. The enrollees who came before the subcommittee reflected the enthusiasm and wealth of experience gained from participation in the YCC. It is also noteworthy that one of the directives included in the legislation is that participants are drawn from all socioeconomic and racial backgraunds. This directive assures that enrollees are provided an opportunity to work and socialize with young people who they would not ordinarily get to meet in their normal everyday life. It provides an experiment in social interaction in addition to the other benefits already described.

Because of this unsullied experience, the full Committee on Education and Labor decided that the continued success of the Youth Conservation Corps could best be guaranteed by making the program permanent at an annual authorization level of $60 million. This funding level would permit the program to accommodate 60,000 enrollees a summer and assure that continuing work would be performed on our high priority conservation programs.

At a time when employment of our young people during the summer months is a growing problem, and at a juncture in environmental history when our country has a reforestation backlog of 3.3 million acres, the YCC offers a means to cope with and alleviate, to a significant extent, both concerns. I strongly urge my colleagues to vote in favor of this investment in the well-being of our young Americans, and the preservation of our national beauty.

This is a highly successful conservation work program and I am pleased to commend the gentlemen from Washington (Mr. MEEDS), the chief architect of this legislation, who will explain more fully the details of H.R. 14897.

Mr. MEEDS. Mr. Speaker and Members of the House, the purpose of H.R. 14897 is to expand and to make permanent the highly successful Youth Conservation Corps pilot program, which is now in its fourth year of operation.

In the summer of 1971 we had a program of $2.5 million, which provided healthful outdoor experience for 2,676 young people; in 1972, a $3.5 million program, which provided this type of work for 3,495 young people; in 1973, a $3.5 million program, which provided this type of work for 3,500 young people; and this summer, a program established at $10 million, which has in it approximately 10,000 young enrollees.

The legislation before us today will authorize permanently $60 million which will provide funding for approximately 60,000 young people. Indeed, it will be more than that because of the State-Federal cost-sharing program, about which I shall speak a little later.

This legislation is cosponsored by over 60 Members of this body, and it was passed in the other body unanimously not too long ago. It has been praised by everyone who has had contact with the program.

The program we are talking about, Mr. Speaker, was copied from the Civilian Conservation Corps program of the 1930's, the CCC's. Its concept is to combine the high unemployment rate of young people with the backlog of needed work on our Federal lands and to provide involvement of young people who ultimately will inherit the management of the natural resources of this country.

It has been a highly successful program. The concept with which we commenced initially has been thoroughly tested. Approximately 20,000 young people from all geographic areas, all social, economic, ethnic, and racial groups, and both sexes in this country have served in the program. It is a program which boasts a retention rate of 96 percent across the 4-year period it has been in operation. In other words, there is only a 4-percent dropout during the entire four summers of operation of this program.

Talking strictly in material terms, for every dollar that has been paid into the Youth Conservation Corps program, we have received back in improvement of our Federal lands 79 cents, and in addition some 20,000 young people have gotten approximately $300 for each of their summer's work.

The program has contributed in 2 years alone $4½ million of priority conservation work on the Federal lands. A University of Michigan study indicated that the Youth Corps enrollees had each achieved an average of 1 year's schooling in environmental studies, what it would have taken them 1 year in the regular school term to achieve.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I am delighted to yield to the gentleman from Florida.

Mr. HALEY. Mr. Speaker, I note, of course, that the previous bill provided for $10 million, and this calls for $60 million.

I would like to say this: I believe that the old Civilian Conservation Corps provided for some of the finest returns for the moneys that we spent. But I am wondering here about the ages of those in the program.

As I remember, the old Civilian Conservation Corps was made up of men above 18 years of age.

Mr. Speaker, will the gentleman give us some further explanation of this?

Mr. MEEDS. Yes. Mr. Speaker, I would be delighted to respond to the gentleman.

This is a summer program. It operates during the summer season only. The CCC's operated the year around.

This is not intended to replace the educational experiences that young people of this age should be accomplishing, and, therefore, most of the programs are only for a period of 8 weeks during the summer. The wages may differ in varying programs, but the average across the Nation has been $300 for each summer worked. The ages covered are 15 through 18.

Now, the gentleman mentioned an increase. This is not an increase. We authorized in the bill which this will amend and replace $60 million for fiscal year 1975, as we do in this legislation. It is true that the money was never appropriated. We are not here acting on appropriation either.

So in terms of money authorization, this is exactly the same as it was in the last bill that this one amends.

Mr. ROUSH. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Speaker, it is my understanding that we have Federal laws which prohibit the requirement of the signing of a "pledge of allegiance" to any political party as a condition of Federal employment, and that we do have laws which do prohibit "kickbacks" as a result of Federal employment.

Now, my understanding of this bill is that 30 percent of the moneys to be used for these grant programs would go to the States for projects within the State, in other words, State land and water conservation projects; is that correct?

Mr. MEEDS. That is correct, including municipalities.

Mr. ROUSH. What would happen, I would ask the gentleman, in the instance of a State which leases projects which have been constructed with Federal funds, and the State desires to use a portion of their money to conduct conservation programs on those projects? Would it be the gentleman's contention and belief that the Federal laws would prohibit these requirements of "allegiance to a political party," or the so-called kickbacks? Would they apply in such an instance wherein the youth employed would be employed on a project built with Federal funds but is leased to the State?

Mr. MEEDS. It is my feeling that where the funds are mainly Federal that the Federal law with respect to kickbacks and pledge of allegiance would have to apply.

I would have to look into it more carefully, because the gentleman has mentioned this, and it is the first I have heard of it.

I might also say that every State in the Union has an antikickback law, and probably most honor the other law too.

Mr. ROUSH. The gentleman is not acquainted with certain political practices in the State of Indiana. I have deplored the fact that on projects that have been constructed with Federal funds but which are being leased by the State, a political party can require a lifeguard or a young college man, woman, or teacher who is in summer employment to contribute 2 percent of his or her salary to a political party in my State and require political clearance as a condition of employment.

I do not want to see money dedicated to the very worthy things which the gentleman has set out in his bill used in such a manner in my State or in any other State for such purposes. I would hope that some time a committee of this Congress might direct its attention to what I consider to be a very deplorable and disgraceful practice.

Mr. MEEDS. I would certainly join the gentleman from Indiana in condemning that type of practice, and I will say to the gentleman that I would personally work with the gentleman to see that it is prevented.

Mr. ROUSH. I thank the gentleman.

Mr. MEEDS. Mr. Speaker, the question has been asked why we should make this program permanent. It should be made permanent, and it should be fully funded at $60 million, because of the following factors. First of all, unemployment among young people in this country is three times the national average of adults. It is 15.6 percent.

As a group, some of the highest unemployment in this entire Nation exists with young people, and young people who are actively seeking employment. This is not some figure that one pulls out of the sky and says that that is how many young people are unemployed, but these are the hard figures that are gathered through unemployment compensation, and other measures of unemployment in this Nation.

The applications for this program—and I think this is significant both in terms of merit and in terms of how good a program this really is—we have had an average of 30 applications for every one of the positions we have been able to fill with the funds available.

Indeed, in the first year of this program for about 2,500 job positions we had 130,000 applications. We have had an average of 100,000 applications for each 3,000 job positions every year that the program has been in existence and yet we have been able to fill only one out of 30 of those.

There is a vast backlog of conservation work needed in this country. Trails need to be repaired, or built, and also camp grounds. As the gentleman from New Jersey indicated earlier, we are still using today some of the camp grounds, trails and roads that were built by the CCC in the 1930's. Many of these are in disrepair, and need to be repaired.

The Forest Service alone tells us that 3.5 million acres of Federal forest lands have been cut over and never replanted. These people can be utilized to work on these kinds of programs.

We found in this legislation something that we should have and did suspect from the very beginning, that we needed a different kind of a program to really make it available to all American youths. If we look at a map that shows the location of the Federal lands, we find that they are located, by and large, away from the urban population centers, in other words, where the majority of young people are now. So we inaugurated this year for the first time the Federal-State cost-sharing program. Under that, 30 percent of the funds appropriated will be utilized in State-Federal cost-sharing with the Conservation Corps-type programs.

This year for the first year a Youth Conservation Corps program, either Federal or Federal-State cost-sharing program, is operating in every State of this Union. The Federal Government will contribute up to 80 percent, and all States are participating.

Mr. Speaker, this has been a highly successful program which has combined young people who need jobs with jobs that need doing. It has been carefully tested for 4 years now and has shown great promise and should be expanded and made permanent. Both in material terms and in human terms, it deserves our support.

Mr. ESCH. Mr. Speaker, I yield myself such time as I may consume.

Mr. ESCH. Mr. Speaker, I would like to ask my colleagues whether they think it is good public policy that the Government get a significant return on every dollar it invests. I am sure the obvious answer is yes.

Unfortunately, quite often legislation is passed which has good intentions designed to provide services to specific areas or groups but does not benefit all Americans. That is certainly not to say specific or directed legislation is bad or even unnecessary, but when legislation does come before the House which provides tangible results which can be seen and documented, then I believe it is worthy of note. The legislation before us today does just that. The Youth Conservation Corps provides employment for men and women, age 15 through 18, and puts them to work on national and State parklands to provide needed conservation and improvement work on these public lands.

The work is hard and the hours are generally long, yet last year over 100,000 applications were received for the YCC jobs. Now you might ask why would 100,000 young people want to work very hard for relatively few dollars. Someone might say, "It just doesn't make sense," and the more suspicious among you might even say, "There has got to be some sort of 'boondoggle' involved in this program." Well, the simple facts are that the youth of this Nation are often improperly stereotyped. Young people want to and are willing to work very hard, particularly when they can see that their efforts are benefiting society. They are concerned about the environment. Working in this program gives them an opportunity to contribute to improving the environment. Young people want to learn more about nature and the wilderness. This program gives them an opportunity not only to learn but to actually work to preserve it. Young people want to be contributing and productive members of society. The experiences that they receive while working in this program, the personal growth and values which they derive from participating in it become the basis upon which they will, as they get older, help them as they become the future leaders of this Nation. I think that I would be reassured with the knowledge that tomorrow's leaders have a foundation made in part out of sweat and hard work. This program, it is fair to say, is in the best traditions of all of the values that we Americans hold dear.

Mr. Speaker, the legislation before us today did not emerge from our committee overnight but was the result of almost two years of considerable thought and consideration. This legislation is the result of the efforts of many individuals and I extend my particular praise and thanks to the gentleman from Washington, LLOYD MEEDS, the gentleman from New Jersey, DOMINICK DANIELS, and the gentleman from Minnesota, AL QUIE, for their untiring efforts on behalf of this legislation. I can say to my colleagues with a clear conscience that this bill is one which could and should be supported by everyone and I hope that it is passed unanimously.

Mr. Speaker, at this time I yield 3 minutes to the gentleman from Indiana (Mr. LANDGREBE), a member of the committee.

Mr. LANDGREBE. Mr. Speaker, I thank the gentleman for yielding me this 3 minutes. I could not possibly start to tell and say all the things I dislike about this proposal in the 3 minutes but I will do the best I can.

I happen to have lived during the days of the original CCC camps. I know about some of the evils of those camps and of course some of the good. There is one major difference between the CCC camps of the early 1930's and those proposed today under this legislation. The difference is that there are tens of thousands of jobs awaiting the youth of today. I suggest the Members drive in any direction all over America and they will see "Help Wanted" signs. The restaurants look like employment agencies rather than places where one can purchase food and drink.

I feel today the youth of America would be much better served and would better serve others by accepting jobs in the marketplace where they could not only earn decent salaries but also learn a craft or a trade or a business, rather than go out into the forest to learn how to use a shovel. They can learn that any place.

There are jobs just waiting for willing hands. We need people to do those jobs and we also need the tax money that they would produce. The backlog of unfilled orders in industry is getting longer and longer and there are decent respectable people in America today who are working two or three jobs trying to meet the demands and many are working six and seven days per week while literally thousands of our young people wander around aimlessly in search of ways to avoid taking a respectable job.

Worst of all, our national debt is at the half trillion dollar mark. It is amazing how few Americans realize that the interest bill on that national debt for this fiscal year is in excess of $30 billion. That figure for interest on our debt makes the $84 billion outlay for national defense look rather modest, by comparison.

Mr. Speaker, I urge that this bill certainly be laid to rest, and if the time ever comes again when there are no jobs and our young people really need to be gathered up off the streets and given something to do, that will be plenty of time to enact this type legislation. Today we have jobs and prosperity and from this businessman Congressman's standpoint I see absolutely no need for this legislation.

Mr. ESCH. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I find it equally difficult in 3 minutes to give the number of reasons why the Members hopefully will overwhelmingly support this bill.

I would rather not speak at all at this point to the many wonderful things that this bill has done for young people but rather look for a moment at some of the problems the young people are facing around this country today and see what this legislation offers as an alternative.

We have juvenile crime with the statistics showing an ever-increasing number of crimes taking place. We have youthful unemployment at triple the rate of our regular unemployment.

We have alcohol usage on the rise this year. It is becoming a real crisis in our national life today for our young people. We have all these things at work.

On the other side of the coin one of the bright lights we have is the Youth Conservation Corps.

My only objection to this bill is that under the present amount we have allocated in this program it can only reach 60,000 young people aged 15 to 18 a year. My objection is that I wish it could reach at least three times that number, because if we had three times that number of openings, we would have every one of those jobs filled with young people who are anxious and willing to get the opportunity.

Someone said that you can learn to dig or live in the woods anywhere. Well, that is not true. The opportunity is not there anywhere. To do something constructive and something good and to give us the opportunity in Congress to make this possible on a permanent basis, I just cannot think of anything more worthwhile than to overwhelmingly vote for this bill, show our young people in this country that we care and that we are willing to give them the opportunity to do something constructive and to learn.

Mr. ESCH. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. Gross).

Mr. GROSS. Mr. Speaker, make no mistake about it, slice it thick or thin, we are right back to the good old leaf-raking days of the Civilian Conservation Corps. This bill costs, we are told, $60 million. With 60,000 people a year to be benefited for a summer's employment, that amounts to $1,000 each for 3 months or less.

Why not just give them the $1,000 each? Why not just give them the $1,000 and hope that they will get some benefit. Where are the departmental reports in connection with this bill? The Office of Management and Budget and other departments ought to be interested in it, yet there is no word in the report from any department or agency.

Mr. DOMINICK V. DANIELS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Of course, I yield.

Mr. DOMINICK V. DANIELS. I would like to say that the Secretary of Agriculture and the Secretary of the Interior appeared before the subcommittee when the hearings were held and were high in their praise for the program. So I conclude from that that this program had the approval and met with the satisfaction of the Federal agencies involved.

Mr. GROSS. But the report is completely silent as to their positions. The Department of the Interior and the Department of Agriculture and others have made no reports in connection with this bill. You are asking the taxpayers to put up $60 million, although some of the proponents appear to be saying that we are asking for $60 million and hope to get $10 million from the Appropriations Committee. Now, which is it?

Mr. DOMINICK V. DANIELS. I might say in last year's extension, we asked for an authorization of $60 million, but the committee only allowed $3,500,000 for 3,500 enrollees of the program; so we are asking for the same authorization that was approved by this Congress for the fiscal year 1974.

Mr. GROSS. So you do not anticipate getting $60 million?

Mr. DOMINICK V. DANIELS. No. I do not anticipate getting it.

Mr. GROSS. Then why in the world are you asking for it?

Mr. DOMINICK V. DANIELS. However, the Department has asked for at least 40,000 enrollees. More than 100,000 applications are on file.

Mr. GROSS. Mr. Speaker, this Government continues to try to be all things to all people around the world yet here we are today in a throwback to the old CCC days of the depression of the thirties with a program to provide $60 million for another leaf-raking operation.

It seems to me that before Congress approves this made-work program there ought to be the declaration of an emergency by the President. In the absence of such a declaration I am not going to support this program.

Mr. ESCH. Mr. Speaker, I would want to emphasize to the Members that of the $60 million authorized—if it were ever appropriated to the fullest extent, the experience of the first 4 years indicates that for every dollar spent on this program, we get a direct return in benefit, in work projects in our national forests and in our parks, of 79 cents. In other words, in building campsites, building trails and developing other projects which contribute to all of us in our national parks and in our national forests, we get a return of 79 cents for every dollar spent in the program.

Mr. Speaker, I would challenge the other Members of the House to find another program anywhere in our great bureaucracy which gives us that much return for the dollar.

Another point that should be emphasized is that indeed, the indications are from the Department of the Interior that although it is not listed in the report, they do support the bill. According to the information which we have, the administration has no objection to this bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from Iowa.

Mr. GROSS. By whose evaluation does the gentleman make the statement?

Mr ESCH. In testimony before our committee, both from the Department of Agriculture and Department of the Interior, they explicitly stated that the valuation has been made that 79 cents per dollar is returned.

Mr. GROSS. Well, that is just lovely. Then, why not just give them $1,000 and the return probably would be better, would it not?

Mr. ESCH. I would say to the gentleman from Iowa that the only additional cost, because it is overlaid on the present programs we have, is an additional cost involving travel, food, and lodging expenses in addition to what they are paid directly.

So, I think the gentleman will find there is a minimum amount of bureaucracy and a maximum amount of return for the dollar.

Mr. Speaker, I yield 2 minutes to a member of the committee, the gentleman from Oregon (Mr. Dellenback).

Mr. DELLENBACK. Mr. Speaker, I would like to speak directly to the comment of my friend from Iowa, as to why we should not just give the participants in this program the $1,000. That would basically miss much of the fundamental points of this program. The testimony before the committee, the testimony on the floor today from members of the committee, has been that two great advantages come from this program.

First of all, the young people involved are not just handed something for doing nothing. What they get is meaningful and educational employment. They end up with a program which is enjoyable, but they end up with a program which is also, from their standpoint, extremely valuable. That is one reason why they should not be given the dollars. I would say to my colleague and friend that they should be made—as this program makes them—to earn the dollars.

Then second, the point that was alluded to just a moment ago by my friend from Michigan (Mr. Esch). There is very considerable value of a direct, tangible nature, to the projects and to the areas where this work is done. The gentleman from Michigan gave some estimate of the dollar return. Those of us who come from the areas of the West, where we see some of this work actually accomplished, realize the value that has been yielded to the national forests and to the other areas where this work has been accomplished. There is a very considerable, tangible benefit that flows from it.

Mr. Speaker, I could go on at greater length—2 minutes is far too short—but I would close by rising in support of this legislation; by commending the gentleman from Washington (Mr. Meeds), the gentleman from New Jersey (Mr. Daniels), and the gentleman from Michigan (Mr. Esch), for having steered this through the subcommittee and through the committee.

I started out, when this program first began, as something less than completely supportive and strong in my support of this program. As I have watched it, however, I have become convinced that it is excellent, and I urge adoption today of this bill by an overwhelming vote of this House.

Mr. ESCH. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. Miller).

Mr. MILLER. Mr. Speaker, I thank the gentleman for yielding.

I take this time to ask if someone on the committee can answer the question as to why the bill states that individuals employed under the project for which an application is submitted shall be employed without regard to the personnel laws, rules, and regulations applicable to full-time employees of the applicant.

Mr. MEEDS. Mr. Speaker, if the gentleman will yield, there are matters of retirement and unemployment compensation and other matters as to which these people are not intended to be covered. They are intended to be covered, however, for accidental injury, and they are intended to be covered by workmen's compensation and to be covered by the Federal Court of Claims.

Mr. MILLER. Is the language in the bill in any way intended to sidestep the minimum wage law in the employment of the youths?

Mr. MEEDS. No; it is not.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I now yield 2 minutes to the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS).

Mrs. GRASSO. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentlewoman from Connecticut.

Mrs. GRASSO. Mr. Speaker, let me first take the opportunity to thank the distinguished chairman of the Select Labor Subcommittee and my friend, the gentleman from New Jersey (Mr. DANIELS), and my colleague and friend, the gentleman from Washington (Mr. MEEDS), for their efforts on behalf of H.R. 14897, a bill to amend the Youth Conservation Corps Act. As a member of the subcommittee and a cosponsor of the bill, I know the time and labor which were devoted to getting this legislation to the floor.

In a relatively short period of time the Youth Conservation Corps—YCC—has proven itself to be an excellent program which not only provides needed summer employment for our Nation's young people but also enables them to help improve and maintain the quality of their environment.

In 1970, the Congress created a 3-year pilot Youth Conservation Corps to allow young people to perform important environmental and conservation work on Federal parks and forest lands. The programs proved so successful in its first 2 years that the 92d Congress extended the pilot program for an additional year with an increased authorization.

The bill under consideration today, H.R. 14897, would make two significant changes in the present YCC law. First, it would provide permanent authority for the program and authorize $60 million for each fiscal year. Second, it would change the present pilot program for State YCC programs into a permanent feature of the bill.

I am particularly satisfied with the continuation of the State-operated YCC provision of the present law. During subcommittee consideration of similar legislation in 1972, I introduced and strongly supported this requirement that 30 percent of the funds appropriated each year for the program be spent on YCC operations on State-owned park and forest land. Because of this section of Public Law 92-597, my State of Connecticut—which has no Federal park or forest land—was allocated $72,000 to employ 84 young people in its first YCC program in 1974.

If the YCC is established on a permanent basis, Connecticut youngsters will have continued opportunities for work in the fresh air of our beautiful State parks and forests for many summers to come. Through this experience they will learn to appreciate more deeply the natural beauty of our State, while contributing to the preservation of that beauty.

For these reasons, prompt passage of this vital measure is essential. I am confident that my colleagues will join me in supporting this bill.

Mr. PERKINS. Mr. Speaker, I rise in spport of the legislation.

Mr. Speaker, the time has come to make a decision about the factors of one of the most effective programs for youth in which the Federal Government is involved.

The fact that we can bring the Youth Conservation Corps bill to the floor under suspension of the rules is a clear indication that the decision is an easy one.

Since its creation by Public Law 91-378 in 1970, the Youth Conservation Corps has been a most successful program.

It began small, as a pilot program to provide summer employment for some 3,000 young people on our national lands. The age bracket was 15 through 18—the bracket in which overall unemployment in this country reaches upward past 15 percent.

Last year, there were approximately 100,000 applications for the 3,500 slots, the figure to which enrollment was raised under increased authorizations.

In all nearly 10,000 young people have been employed during the 8-week summer period in national forests and on public lands.

As the Members know, this program is the lineal descendant of the old Civilian Conservation Corps established back in the 1930's. This was one of the most successful New Deal programs, for it took young unemployed youngsters and put them to work on a variety of outdoor programs—building trails, planting new forests, culling timber, building drainage structuers in small watersheds, and the like. In our national parks and national forests today, you can still find the evidence of this good program of 40 years ago.

The Youth Conservation Corps is, I suppose, a sort of cousin of the program established nearly a decade ago in the Job Corps under the Economic Opportunity Act. A number of Job Corps conservation centers were established around the country with many features of the old CCC.

We had one of these conservation centers in Menifee County, in my Congressional district, in the Daniel Boone National Forest. In this, hundreds of young men were taken from the ranks of the jobless and taught job skills relating to conservation, the environment and land management.

This particular center was closed by the former Administration about 5 years ago when former Labor Secretay Schultz undertook to "improve" the Job Corps by reducing the training opportunities available to young Americans.

In hindsight, we all recognize that was the kind of "improvement" the undertaker has in mind.

Be that as it may, the Job Corps center in my area was closed, but I hope to see some kind of conservation center established there again some day.

A few days ago, the House completed action on the public works appropriation bill, providing funds to commence construction of the Red River Lake in a beautiful area of the Daniel Boone National Forest at the edge of the vast Cumberland Plateau.

This lake will be one of the most scenic, and one of the best sources of pure water in America. I anticipate that within a short time the upper Red River gorge and the tributaries of the Red River in that area will be taken over and preserved in their native state for our posterity.

The Youth Conservation Corps could play a major role in that work in that area—removing litter, keeping the areas clean, helping with the selective harvesting of timber, and providing paths and trails to make that beautiful area more accessible to all Americans. That work will pay for itself.

But paying for itself has already become a tradition in the 3-year history of the present Youth Conservation Corps. Testimony gathered by the Committee on Education and Labor indicates that an estimated 79 cents was returned to the Government for every dollar spent. This return was in the form of conservation work and improvement on public lands.

The legislation before us today makes the Youth Conservation Corps a permanent, rather than a pilot, program. The committee unhesitatingly recommends your approval of it as a contribution to improving the quality of American life.

Mr. ESCH. Mr. Speaker, I have no further requests for time.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I would like to call the attention of the Members of this House to page 8 of the hearings conducted on this bill.

I refer to the testimony of Paul Vander Myde, Deputy Assistant Secretary of Conservation, Research and Education, U.S. Department of Agriculture. In the third paragraph from the bottom, I quote as follows:

> In determining future programs levels, we believe it is most desirable to have adequate flexibility for funding—

And after a statement containing a few more words, he goes on to say as follows:

> If the committee feels that this program should be continued at the current level of $60 million as authorized by Public Law 92-597, the Department of Agriculture would have no objection.

Mrs. MINK. Mr. Speaker, I rise in support of H.R. 14897 which makes permanent the Youth Conservation Corps program.

The YCC program was originally enacted by Congress in 1970 as a pilot demonstration project to provide employment during the summer months for young men and women for conservation work in Federal forests and parks. Ten million dollars were made available this summer for the program, an increase of $6.5 million over the previous year. In addition, the YCC program was expanded this summer to include State participation for the first time since its inception. Of the total amounts available, $3 million in matching grant funds were awarded to 46 States for cost-share projects on non-Federal public lands and water.

I believe there is no disagreement that the YCC program has proven itself a success. Since the program began in 1970, young men and women between the ages of 15 and 18 from varied socioeconomic and racial backgrounds have been able to find meaningful outdoor employment by accomplishing needed environmental work while at the same time developing an understanding and appreciation of our Nation's environmental heritage.

The committee has found that the proven success of the YCC program can best be assured by making it permanent at an annual authorization level of $60 million. Because the need for conservation work is as great on State lands as the need on federally owned lands, the committee bill also establishes a grant program to States to assist them in providing conservation programs for non-Federal public lands and waters within the States. The Federal share of the cost of State-operated camps cannot exceed 80 percent.

As a cosponsor of this bill, I urge my colleagues to join me in supporting H.R. 14897.

Mr. QUIE. Mr. Speaker, the legislation before the House today is one that I can say with all confidence can be supported by all Members. This is rare legislation because, in addition to its great purposes, the Youth Conservation Corps program actually brings a measurable return to government, Federal or State. It has been documented that almost 80 cents out of every dollar the Federal Government spends in this program is returned in the form of actual and needed improvements to public lands.

This legislation is significant in that it provides an opportunity for young people to work, and I might add work very hard, at improving the Nation's environment. Youth corpsmen and women, receiving minimal pay, work on national and State parks, national forests, national wildlife refuges, and other Federal land and water areas administered by the Secretary of Agriculture and the Secretary of the Interior, and use their talents and skills to improve those lands for all Americans to use.

The benefits of this program go beyond just hard work. It affords our young citizens an opportunity to get out, see nature, and become part of it. By working in the outdoors they gain an appreciation of and a love for nature and the magnificent wilderness. They become in a real sense part of nature as they gain more understanding while they help to preserve and improve it.

Over the years I have been on trips into wilderness and parkland areas where young people have participated. I have watched them grow and develop as a result of their interaction with nature. I have found that by spending time in the wilderness young people develop a capacity for independence and self-sufficiency and this quite often in my judgment helps them to become better citizens.

I am proud of this legislation and think it is very significant. I extend the highest praise to my colleagues, MARVIN ESCH of Michigan, LLOYD MEEDS of Washington, DOMINICK DANIELS of New Jersey, and JOHN DELLENBACK of Oregon, with whom I have worked to develop this bill to which we can all point with pride.

I ask all of my colleagues to support this legislation.

Mr. BIAGGI. Mr. Speaker, I rise in support of the bill H.R. 14897, legislation which will expand and make permanent, the Youth Conservation Corps. This program is a proven success. I was pleased to cosponsor the legislation 4 years ago which created the YCC, and I am pleased today to cosponsor this legislation which will make the YCC a permanent Federal program.

In 1970 the Youth Conservation Corps was created. It was to be modeled after the famous Civilian Conservation Corps of the 1930's which provided tens of thousands of persons with employment, while making great advances in conservation efforts. The new YCC program was hailed by many in this Nation, and now 4 years later, it appears to have exceeded everyone's expectations both in terms of providing employment for young Americans and tending to some key conservation projects.

For the first 3 years, the YCC provided over 10,000 Americans between the ages of 16 and 19 with gainful employment. In addition, it has been estimated that the YCC accomplished some $4.5 million worth of high-priority conservation work on Federal lands.

Yet despite these glowing statistics, the YCC since the outset has been hampered by inadequate funding. While Congress raised the authorization levels for fiscal years 1973 and 1974, the administration requested only enough appropriations to employ 10,000 persons for the current summer, far below the number who were seeking these jobs.

This legislation today seeks to provide the YCC with a more viable and realistic budget so as to continue their work. The program will now become permanent with an annual authorization level of $60 million. If this full amount is appropriated, it is expected that some 60,000 persons a year can be employed by this program.

This program takes on added significance when measured against the fact that traditionally young people between the ages of 16 and 19 suffer one of the highest levels of unemployment of any group in this Nation. This is particularly true in the nonschool months of summer when the demand for jobs is especially high. In June of 1974 the unemployment rate for this group of Americans reached 15.6 percent, some 10 percent higher than the national average.

We as a nation are more concerned about the consequences of unemployment among our youth, because in the long idle hours of the summer, many well-intentioned young men or women have found themselves engaging in nonconstructive activities instead of enjoying the virtues of hard work which many of them would prefer.

Not only does the YCC provide jobs for young people, it also provides them with an education. Their education consists of having an opportunity to work directly with nature, and gaining a lasting respect for our Nation's environment. It educates them to work closely with young people their own age. And above all, it provides them with an education on the value of a dollar.

Throughout the hearings which were conducted on this bill glowing testimony was received by beneficiaries of the YCC program, who recounted their own personal observations on the unique experience of working for the protection of our Nation's environment.

In a time when this Nation is concerned about inflation and wasteful Government spending, it should be pointed out that for each dollar spent on YCC, an estimated 79 cents was returned to the Government in the form of conservation work and improvements on public lands. Further, by providing jobs, it reduces unemployment, which is an integral cause for the unprecedented levels of inflation we have today.

Mr. Speaker, all of my colleagues should relish the opportunity to pass legislation as worthwhile as this. We have a stake in the future of the youth of this Nation as well as a stake in preserving and protecting our environment, both for ourselves and our children. The YCC is a program designed to assist both these concerns. It deserves your support and I am confident that it will receive it.

Mr. GAYDOS. Mr. Speaker, I rise in support of this legislation.

The purpose of this legislation is to expand and make permanent the Youth Conservation Corps which was established in 1970.

After several unsuccessful attempts, Congress finally passed the Youth Conservation Corps Act in 1970. This was a pilot program which provided summer employment for 2,600 youths, age 14 to 18, in 1971, and 3,500 youths of that age in 1972. The act was amended in 1972 to expand the scope of the program both in the number of youths employed as well as to provide for a Federal-State cost-sharing program. In 1973, 3,500 youths were employed for the 8-week program, out of 100,000 applicants. In 1974, there were 10,000 participants in the program, with States participating for the first time in this program, with 3,500 of the 10,000 engaged in the State program.

This program has been highly successful. It has a twofold effect in that it provides summer employment for youths representing all segments of society, while at the same time, many conservation projects have been undertaken. In the first 2 years of the program, $4,464,000 worth of high priority conservation work was performed on Federal lands. It is estimated that out of every dollar spent in the program, 79 cents has been returned to the Government in the form of improvements on Federal lands. This, of course, is the most obvious financial return on the investment. But the other return in the form of educational value to the participants as well as providing meaningful employment to youths who otherwise might well have spent a summer of indolence is immeasurable. Furthermore, the majority of the participants have used their earnings from the program to help finance their education.

The Departments of Interior and Agriculture have indicated that 40,000 youths could be employed in the program. What better way to conserve our natural resources for future generations than to use our most valuable asset, our youth, who can take personal pride in their participation in reclaiming and preserving our natural heritage.

I urge my colleagues to give strong support to this legislation.

The **SPEAKER** pro tempore (Mr. NATCHER). The question is on the motion offered by the gentleman from New Jersey (Mr. DOMINICK V. DANIELS), that the House suspend the rules and pass the bill H.R. 14897.

The question was taken.

Mr. **SYMMS**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

EXTENSION OF THE MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972

Mr. **DINGELL**. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15540) to extend for 2 years the authorization for appropriations to implement title I of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended.

The Clerk read as follows:

H.R. 15540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries Act of 1972 (Public Law 92–532; 86 Stat. 1052) is amended by striking "fiscal year 1974," and inserting in lieu thereof "fiscal years 1974 and 1975,".

The **SPEAKER** pro tempore. Is a second demanded?

Mr. **MOSHER**. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. **DINGELL**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before the House today would extend for 1 year, and at present levels of expenditure, the authorization available to the Environmental Protection Agency to carry out its responsibilities under the so-called Ocean Dumping Act. It is a simple bill, designed to meet a simple and unobjectionable objective.

In enacting the basic law 2 years ago, the Congress participated in the making of an important commitment: The protection of the ocean and U.S. coastal waters from unregulated dumping of all materials. The range of ocean dumping activities which had taken place prior to that time was extensive: It included radioactive materials, nerve gas, a bewildering array of industrial chemicals and much other miscellaneous and unknown debris, from various sources and of varying composition. Indeed, a large part of the problem arose from the fact that no one was quite sure just what was being dumped at all.

Accordingly, we enacted in 1972 the Marine Protection, Research and Sanctuaries Act, in order to give us a handle on these activities, and to provide some measure of protection to the world's oceans, which were rapidly becoming perceived as far from immune from deterioration as a result of man's activities. That act gives to the Administrator of EPA the power to review proposed dumping activities, to permit those activities which will be harmless, to phase out those which cannot much longer be tolerated, and to prohibit absolutely those which should not be permitted in any case. It does a great many other things as well, which need not be detailed at this time, but it is clear that there is no controversy whatever as to the importance of keeping the program going at this time.

Enactment of the legislation before the House today will also enable the United States to meet its international obligations, in accordance with the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter. That convention has been ratified by the United States, and we have already taken action to conform the existing law to its requirements. As principal sponsor of this convention, the United States has a commitment to see that we are in a position to carry out our own responsibilities under it.

The authorization for funding under title I of the act expired over a month ago, on June 30; I understand that the administration is continuing its activities, on a temporary basis, under authorizations contained in other legislation, but that the need for prompt and favorable action on this legislation is urgent.

Accordingly, and because I believe that this is important and necessary legislation, if we are to succeed in our goal of protecting the oceans and U.S. coastal waters, I ask for approval of H.R. 15540.

Mr. **MOSHER**. Mr. Speaker, I yield myself such time as I may consume.

Mr. **MOSHER**. Mr. Speaker, I strongly support H.R. 15540, which would amend the Marine Protection, Research, and Sanctuaries Act of 1972 by extending for 1 year the authorization for appropriations to implement title I of the act at its present level.

The Marine Protection, Research, and Sanctuaries Act of 1972 became effective on April 23, 1973. It represents a national commitment to protect ocean waters which are recognized to be essential to the very survival of mankind.

There is a crucial need for research to fill in the great gaps in our knowledge of the oceans, necessary for proper management of a dumping permit program. Progress is being made, but the present authorization for funding under the act expired on June 30, 1974. It is essential that the continuity of this important environmental effort be maintained during fiscal year 1975.

The legislation calls for a 1 year extension of the authorization for appropriations. It is estimated that the cost of this extension would be no more than $5.5 million.

The passage of H.R. 15540 was endorsed by the Environmental Protection Agency, the Department of Commerce, and the Department of Transportation. I urge that all Members join with me in voting for the passage of H.R. 15540.

Mrs. **SULLIVAN**. Mr. Speaker, passage of the legislation before the House today is both noncontroversial and essential. The purpose of the bill is to extend, for a period of 1 year, and at existing levels, the authorizations available to the Environmental Protection Agency under title I of the Marine Protection, Research, and Sanctuaries Act of 1972, also known as the Ocean Dumping Act.

That legislation was enacted 2 years ago; its purpose was to provide a system whereby it would be possible to regulate the hitherto uncontrolled dumping of waste materials into the oceans and the coastal waters of the United States. Enactment of this legislation is necessary in order to permit EPA to carry on with the job to which we have assigned it: the regulation of ocean dumping by U.S. citizens and ships, or in U.S. waters.

There is also in existence an international treaty, covering the same general subject, of which this country was a principal sponsor. If we are to live up to our obligations, both under the statute and under the treaty, we must act favorably upon this legislation immediately.

Our committee has held a series of overnight hearings on agency progress under the Ocean Dumping Act—a practice which we have undertaken with respect to much of the legislation over which our committee has jurisdiction. We anticipate further oversight hearings in the next Congress as well, including sessions to consider activities undertaken by the Department of Commerce with respect to its obligations under titles II and III of this act. It will be in order, next year, to consider extending the authorizations for every title of the act.

Mr. Speaker, if we are serious about the goals to which the administration and the country have committed themselves, we must provide adequate authority for the responsible agency to take the necessary steps to that end. Enactment of H.R. 15540 is a necessary step in this direction.

I urge its favorable consideration.

GENERAL LEAVE

Mr. **DINGELL**. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks on the subject of this legislation.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. **DOWNING**. I rise to endorse and urge all Members to support H.R. 15540, which will provide for fiscal year 1975 authorization for appropriations under title I of the Marine Protection, Research, and Sanctuaries Act of 1972.

In 1971, this House took a significant step forward in passing H.R. 9727, which was designed to restore a proper balance between the economic and environmental needs related to disposal of waste into the oceans. That bill, after a long and difficult conference with the other body, resulted in Public Law 92-532, the act which we propose to amend today. Title I of that act provided for a permit system under which careful consideration could be given to the utilization of the ocean as a place for disposal of wastes originating from the land. We made it clear that we intended that the abuse of the ocean from toxic materials should cease and at the same time we recognized that certain materials might continue to be dumped into the ocean, so long as they were properly regulated to insure the minimum of impact on ocean waters. The permit system established by the act has been in effect for a period of more than 1 year, and while the implementation has been sometime slower than we had hoped, its apparent that its continuation is mandatory if we are to continue to use the ocean rationally, and thereby to protect it from the deterioration which could occur without our constant attention.

One of the major problems facing this country and the world today relates to the maximum feasible utilization of the fisheries resources of the sea. Unless we continue to protect the ocean waters from the threat of unlimited pollution, those resources will rapidly disappear from the scene. Another threat to the fisheries resources off our coast is, of course, the massive activity of foreign fleets and that is another issue which we must face shortly. But equally dangerous is the pollution threat and the Marine Protection, Research, and Sanctuaries Act give promise of going a long way toward the solution of the problem.

In this area, the United States once again has demonstrated its leadership in facing up to what is a worldwide problem. Subsequent to the passage of the act, an international convention addressing the same subject was signed in London, and this Nation has ratified that convention.

Both for the value of the program itself, and our international commitment, we must continue the ocean dumping permit program. The Committee on Merchant Marine and Fisheries, through its responsible subcommittees, is now engaged in the review of the basic act and the effectiveness of its implementation. I believe that, early in the next Congress, we may recommend certain amendments to the act to make it even more effective. In the meantime, the bill before us today will authorize the continuation of the ocean dumping permit system for the balance of the present fiscal year at the same level as was authorized in fiscal year 1974. I urge the support of all Members for the bill.

Mr. BIAGGI. Mr. Speaker, as cosponsor of this bill to extend the Marine Protection, Research, and Sanctuaries Act of 1972, I would like to give my wholehearted support to its passage. The protection of our marine resources is a crucial part of any meaningful national commitment to the preservation of our environment.

Too often in recent years it has taken an imminent shortage of consumer commodities or the existence of dangerous health conditions to awaken us to the need for a rational policy of resource management and environmental protection. But with the realization that the resources of our planet are limited has come the realization that reactive measures in times of crises are not enough. If we neglect our marine resources until the day that pollution leaves our beaches cluttered with refuse and dead marine life, it will be too late to do anything about it.

The passage of this act initially established a national commitment for the protection of a part of the environment which had not previously been the subject of any protective regulatory activities. It established a regulatory scheme to control materials from the United States, as well as certain materials originating outside of the United States, that are being transported for the purpose of being dumped into the ocean waters. Only with our continued support can this commitment to the preservation of our marine environment be implemented properly.

The bill before us today would extend the existing act. I would like to see those responsible for the act's administration deal with the serious dumping problems that are threatening our beaches and shores. In the New York City area, the dumping of sludge in the ocean has become a serious threat to the coastal beaches as the accumulations gradually move closer to the shores. This type of dumping must be brought under control.

Efforts to protect the marine environment must cut across political boundaries. Human disturbances of nature's highly sensitive ecological balance do not stop at artifically drawn State and national borders. The need for international cooperation was recognized with the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter. The ratification of that convention and the incorporation of its provisions into law established the cooperation of the United States in this international effort. Surely its continued success depends on the cooperation of major powers such as the United States.

Rather than a reactive effort, the act of 1972 anticipated national needs to protect ocean waters, which are vital to the continued existence of mankind. It works toward this end by establishing a permit program of ocean waste disposal. It has also imposed specific research requirements to add to the great dearth of the knowledge required for the management of a rational and effective program.

Conditions prior to the passage of the act provide alarming evidence of this lack of knowledge. Of the 200 dumping sites then in use for disposal of wastes at sea, only 10 had ever been studied to determine the potential impact on the ocean environment. There is still a great deal to be learned about the extent of the effects of human interference with ecological balances. Vigorous research activity is therefore a vital corequisite to any effective policy of environmental protection.

We must have a sophisticated understanding of exactly how we are affecting our environment so that we can prevent what may eventually become irreversible damage. Surely we cannot falter in our commitment to the protection of our marine resources, by failing to extend this vital act.

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 15540, a bill to extend the authorizations for appropriations to implement title I of the Marine Protection, Research, and Sanctuaries Act of 1972. As a member of both the Subcommittee on Oceanography and the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Merchant Marine and Fisheries Committee, I have been concerned about the lack of effective legal controls on the dumping of wastes at sea over the years. In 1969 and 1970 this concern was accentuated by incidents involving the dumping of nerve gas and other warfare agents into the ocean by the Department of Defense. Because of this concern on September 9, 1970, I introduced H.R. 19088, a bill to prohibit the future dumping of chemical, biological, radiological, and other warfare wastes into the ocean. Also, on September 21, 1970, I introduced H.R. 19359, a bill which directed the designation of areas where dumping of all wastes would be prohibited and the designation of standards for dumping in other areas so as to eliminate or minimize detrimental impact on health and environment.

Subsequently, I was pleased to join several of my colleagues on the committee in sponsoring the Marine Protection, Research, and Sanctuaries Act of 1972 which contained some of the provisions of my prior bills. This act establishes a procedure for sound environmental regulation of the dumping of all wastes into the ocean, except dredged spoil under the jurisdiction of the Corps of Engineers and discharge through outfalls under the Federal Water Pollution Control Administration.

Interim regulations for the permit program mandated under title I of the act were issued in April 1973 and permanent regulations were issued on October 2, 1973. Since the time the program was initiated, 90 permits for ocean disposal have been issued. The bill before the House today would extend the authorizations for the continued administration of the title I permit program for 1 year at last year's authorization level. The committee estimates that the total cost of the program extension is $5.5 million for EPA, the Army Corps of Engineers, and the Coast Guard—the agencies sharing the administration and enforcement responsibilities under title I of the act.

It is the intent of the committee to continue its oversight hearings on the administration and research portions of the program during this session of Congress.

Mr. Speaker, I wish to commend Chairman SULLIVAN, and Subcommittee Chairmen DINGELL and DOWNING and my other colleagues' fine work on this legislation and in overseeing the implementation of the existing act. I wish to urge all

House Members in joining me in support of the bill on the floor today.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and pass the bill H.R. 15540, as amended.

The question was taken and (two-thirds have voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "To extend for one year the authorization for appropriations to implement Title I of the Marine Protection, Research, and Sanctuaries Act of 1972."

A motion to reconsider was laid on the table.

INCREASING THE BORROWING AUTHORITY OF THE PANAMA CANAL COMPANY

Mr. LEGGETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14600) to increase the borrowing authority of the Panama Canal Company and revise the method of computing interest thereon.

The Clerk read as follows:

H.R. 14600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 71 of title 2 of the Canal Zone Code is amended as follows:

(1) By striking out from the first sentence "$10,000,000" and inserting in lieu thereof "$40,000,000".

(2) By striking out the third sentence and inserting in lieu thereof "Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations.".

The SPEAKER pro tempore. Is a second demanded?

Mr. SNYDER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. LEGGETT).

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks on this legislation at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, this past Thursday the Panama Canal celebrated some 60 years of operational existence. Since August 15, 1914, when the SS *Ancon* made passage through the interoceanic waterway, over 400,000 vessels have likewise transited the Canal. The Panama Canal has been a successful enterprise, bringing great benefits for world commerce and for our Nation's national security since its construction. And not only has the Canal been a great asset to the international oceanic commerce of the world, it has been a project which has paid into the Treasury many of the costs incurred in its construction and operation. As you know, the Canal now operates on a cost-recovery basis and it is required that its revenues, derived chiefly from tolls on vessels which transit the Canal, be equal to or greater than the costs incurred in operating that enterprise. The legislation which we have before us today is a measure to insure that the Panama Canal has adequate financial protection in the event that for any reason a serious disruption should halt the flow of those revenues.

H.R. 14600 is simply designed to increase the borrowing authority of the Panama Canal Company so that it can continue to operate and meet its various financial obligations during those times when it is beset by an emergency or a constraining situation of any type.

Proceeding on the basis of reasonable assumptions is the best we can do in any situation. And though the borrowing authority has never been utilized before, the nearly 15,000 transits of the canal per year, and incidentally, about a quarter of those are ships whose navigation allows little room for error in the canal, make it possible that a situation could develop in which the flow of revenues would be interrupted and a borrowing authority needed. On the other hand, though it is possible to imagine some circumstances in which proposed borrowing authority might be inadequate to sustain operations, let us say, when some catastrophe might occur, and that consequently the Panama Canal Company would have to come to Congress for funds anyway, despite this I believe the proposed $40 million limit of borrowing authority is a sum which should cover most of the potential interruptions of canal revenue.

This legislation for our consideration today, H.R. 14600, is part of the detailed nuts-and-bolts statutes which together make the grand operation of the Panama Canal a reality. H.R. 14600 is, in my opinion, clearly needed at this time and I would ask those who wish to assure an adequate amount of financial protection for the canal to favorably consider it.

Thank you.

Mr. LEGGETT. Mr. Speaker, I rise in support of H.R. 14600, which increases the limit of the amount the Panama Canal Company may borrow from the U.S. Treasury from $10 million to $40 million, and also makes a technical change in the method by which the rate of interest on any sum borrowed by the Company would be computed.

This bill passed in our subcommittee and in the full committee without contest.

Essentially what the bill does is recognize that occasionally the Panama Canal Company's operations may run into difficulty due to blockage of the canal, labor strife, political problems, et cetera, and that we need to have a method to continue the operations of the canal when the Company's income is arrested.

Since 1951 when the Panama Canal Company was reorganized, it has been required by status to operate on a cost-recovery basis. The Company sustains the great majority of its revenues from tolls on vessels which transit the canal, and these revenues and others provide the funds from which the expenditures of the Company are made. The sister organization of the Panama Canal Company, the Canal Zone Government, receives appropriations each fiscal year but is required to pay back these appropriations into the U.S. Treasury by the end of the fiscal year from Company revenues. The self-sustaining arrangement for this Government corporation has worked well for over a generation, a fact which I believe shows the wisdom of that arrangement and the great importance of the canal.

Considering that the Panama Canal has been a successful Government venture for some 60 years and 4 days and considering that the canal's importance to international commerce and national security is generally acknowledged, it would be preposterous to think that the U.S. Government would not provide some adequate financial protection, some kind of good insurance, for that waterway. And Congress did provide that protection many years ago. The question today is whether it is adequate.

We established many years ago a borrowing fund of $10 million at a time when the tolls income from the canal was in the order of $30 million.

The 1948 special $10 million fund was set up in the U.S. Treasury and the Panama Canal Company could borrow from it when an emergency such as a blockage of the canal from a rockslide or vessel accident or political problems or otherwise might put a stop to the flow of canal revenues. That $10 million fund was not needed, and was not utilized.

In 1959 we had found it prudent to eliminate the fund since by earmarking this money and setting it aside the Company lost interest on the money in the fund, and this was not in accordance with the best interests of the operations of the Panama Canal Company.

In 1959, Public Law 86–200 abolished the borrowing fund on grounds that the $10 million in revenues could be better assisting the financial position of the Panama Canal Company. The new law gave the Company the authority to borrow up to $10 million without any special fund. Perhaps as much by good fortune as well as skill, that authority has never been needed, and never utilized.

Hopefully, the borrowing authority will never be needed. But vigilance requires us to anticipate otherwise. The longest the canal has been closed in recent years was 27 hours due to an accident with a vessel transiting the canal. Early in its existence the canal was closed for a long period due to rock slides in one of its most vulnerable areas. Those slides continue to be a danger but engineering work on the hills adjacent to the canal and the use of seismic devices to monitor earth movements have greatly reduced this danger.

The major hazard to canal traffic today is the transiting of large vessels, many of which are designed for maximum tonnage that can transit the canal, and whose dimensions demand the most careful handling and good conditions in going through that waterway. Since the most critical as well as the most vulnerable locations in the Panama Canal are the locks and the facilities adjacent thereto, a single mistake, unfortunate occurence, or anything begetting a shearing, breakage, explosion, or collision in or near the locks could very well knock out the canal for a lengthy period of time.

These potentialities are the reason for establishment of a borrowing authority. But $10 million today does not provide adequate financial backstop authority. In fiscal year 1952 the annual sum of canal tolls revenues was $30.4 million. In fiscal year 1973, it was $113 million, and the projected tolls revenue since the tolls increase is a great deal higher than that figure. In short, whereas $10 million in the early 1950's represented 3 or 4 months revenue, it represents only about one-quarter of that today. And so, I believe the new proposed limit for the borrowing authority is wise and not extravagant.

Concurrent with this change, we thought that since the general policy of the Federal Government on the interest rate on borrowing had changed from the older method of doing it, that is what we called the coupon plan, we thought it might be well to upgrade the method of determining interest by which any borrowings of the Panama Canal Company might take place under the current borrowing authority. The Company may have to borrow from the U.S. Treasury.

So the bill, then, does two things. It increases the borrowing rate for the Panama Canal Company from $10 million to $40 million and also has the effect of changing the interest rate from the coupon rate of current Governnment marketable obligations of comparable maturities to the current borrowing rate of the Government. I think it is proper and frugal and in the interest of good canal administration that this particular bill be enacted.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Florida.

Mr. HALEY. I thank the gentleman for yielding.

I think the gentleman has very well answered the question I had in mind as to why the necessity of raising the limits from $10 million to $40 million. Does the gentleman, or anyone, anticipate any situation that might arise that would require this amount of money?

Mr. LEGGETT. I do not really believe that any particular incident precipitated the current reanalysis. We could all speculate as to what may have happened, as a practical matter, had we had to use the old borrowing fund or had we been required to use the present borrowing authority, but we do think today if we are required to use the borrowing authority what would be required would be larger than $10 million, and therefore this is the reason for this action.

Mr. HALEY. Will the gentleman yield further?

Mr. LEGGETT. I yield to the gentleman.

Mr. HALEY. I understand our Secretary of State has been down talking to the people in Panama. If it came to the proposition of his turning this canal over to Panama—which I hope never happens—in that case if it were turned over, what would happen to this authority? Would it remain in the Government here or would it remain and would it be in the possession or the authorization of something we would furnish to Panama?

Mr. LEGGETT. To answer the gentleman, this is merely one of perhaps a thousand laws that affect the Panama Canal Zone at the present time, and were any treaty negotiated that were to affect these thousand laws, I believe that everybody with whom I have talked in the Department of State, plus the Members of Congress with whom I have talked, all concede that the Congress would have to review the matter and determine our new laws in these particulars.

So this will be law while the United States is running the Canal and until further action of the U.S. Congress.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Iowa.

Mr. GROSS. For the purposes of the record, may we have the assurance of the gentleman from California that this borrowing authority would be used only very sparingly, perhaps in the event of an emergency of some nature?

Mr. LEGGETT. I think I can clearly give that guarantee based on the experience to date, in that we have not used the borrowing authority to date. The Governor down there in this respect has been very frugal and very fortunately we have had enough business going through the canal that we have not needed to resort to the borrowing authority.

I think the track record is really the best answer, and we just have not had to borrow up to date.

Mr. GROSS. I thank the gentleman.

Mr. LEGGETT. Mr. Speaker, I reserve the balance of my time.

Mr. SNYDER. Mr. Speaker, I wholeheartedly endorse the statements that have been made by the chairman of the subcommittee.

Mr. Speaker, I rise in support of H.R. 14600, a bill to increase the borrowing authority of the Panama Canal Company and to revise the method of computing interest thereon.

This legislation is intended to increase the long-established authority of the Panama Canal Company to borrow from the U.S. Treasury. The form of the present borrowing authority dates from 1959 when Public Law 86-200 came into being. The present borrowing limit was set at $10 million because that was the amount of a special Treasury fund set up in 1948 to provide emergency capital for the Company.

Due to efficient management and the fact that there have been no major accidents or incidents affecting the flow of traffic through the canal, the Company has never found it necessary to exercise its borrowing authority. However, the world has not stood still since 1958 when the $10 million limit was set.

The volatile situation in the Republic of Panama and inflation have raised questions as to the adequacy of the amount of money available to the Company. Both the volume and size of ships have significantly increased. No one in this Chamber needs to be lectured on the effects of inflation nor reminded that it is rampant throughout the world. The Panama Canal Company, dependent as it is on both United States and Panamanian sources for planning, materials, and labor, is certainly not immune from inflation's ravages. The volume of shipping has doubled since the early fifties. This new workload of canal pilots and other workers increases the mathematical probability of a major accident. Ship size has increased to the point where nearly one-fourth of the ships transiting the canal have a beam width of 80 feet or more. Given a lock width of only 110 feet, the risk of a significant blockage is further heightened.

The emphasis on the risk of blockage of the canal is derived from the fact that the Company operations are financed from tolls revenue. Serious problems could arise if the canal had to be shut down for any length of time. The $10 million borrowing authority as established in Public Law 86-200 gave the Company the ability to borrow nearly 78 days, tolls revenue in 1959.

In 1948, when the $10 million figure was first used, it represented over four months' revenues. Today, it is equivalent to less than 1 month's tolls.

There will be no "cost" to the taxpayers as a result of this legislation. If the borrowing authority is ever used, the money borrowed will be repaid to the Treasury at the market rate of interest.

I urge the passage of H.R. 14600 as a sound planning measure taken to insure the security of operation of a canal, the maintenance and operation of which are vital to the interests of the United States of America.

Mr. SNYDER. Mr. Speaker, I have no further request for time.

Mr. LEGGETT. Mr. Speaker, I have no further request for time.

The SPEAKER pro tempore (Mr. NATCHER). The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House suspend the rules and pass the bill H.R. 14600.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 14600.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL HISTORIC SITES

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13157) to provide for the establishment of the Clara Barton

National Historic Site, Md.; John Day Fossil Beds National Monument, Oreg.; Knife River Indian Villages National Historic Site, N. Dak.; Springfield Armory National Historic Site, Mass.; Tuskegee Institute National Historic Site, Ala.; and Martin Van Buren National Historic Site, N.Y.; and for other purposes, as amended.

The Clerk read as follows:

H.R. 13157

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) unless otherwise provided hereafter, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire by purchase with donated or appropriated funds, donation, exchange, or by transfer from another Federal agency such lands and interests in lands as hereafter provided for establishment as units of the national park system, as follows:

(1) for establishment as the Clara Barton National Historic Site, Maryland, those lands depicted on the map entitled "Boundary Map, Clara Barton National Historic Site, Maryland", numbered NHS–CLBA 90.001 and dated February 1974, which shall include the land and improvements occupied by Clara Barton founder of the American Red Cross, located at 5801 Oxford Road, Glen Echo, Maryland: *Provided,* That the above mentioned land and improvements may be acquired only by donation: *And provided further,* That the donation of any privately owned lands within the historic site may not be accepted unless and until the property is vacant;

(2) for establishment as the John Day Fossil Beds National Monument, Oregon, those lands depicted on the map entitled "Boundary Map, John Day Fossil Beds National Monument", numbered NM–JDFB–20,014–A and dated June 1971: *Provided,* That the national monument shall not be established unless and until the State of Oregon donates or agrees to donate the Thomas Condon-John Day Fossil Beds, Clarno, and Painted Hills State Parks: *Provided further,* That the Secretary shall not acquire a fee title interest to more than one thousand acres of privately owned lands except by donation or exchange: *Provided further,* That the Secretary shall designate the principal visitor center as the "Thomas Condon Visitor Center";

(3) for establishment as the Knife River Indian Villages National Historic Site, North Dakota, those lands depicted on the map entitled "Boundary Map, Knife River Indian Villages National Historic Site, North Dakota", numbered 468–20,012 and dated July 1970;

(4) for establishment as the Springfield Armory National Historic Site, Massachusetts, those lands depicted on the map entitled "Boundary Map, Springfield Armory National Historic Site, Massachusetts", numbered NHS–SPAR–91,003 and dated January 1974, the oldest manufacturing arsenal in the United States: *Provided,* That the historic site shall not be established unless an agreement is executed which will assure the historical integrity of the site and until such lands as are needed for the historic site are donated for this purpose;

(5) for establishment as the Tuskegee Institute National Historic Site, Alabama, those lands depicted on the map entitled "Boundary Map, Tuskegee Institute National Historic Site, Alabama", numbered NHS–TI–20,000–C and dated September 1973, which shall include the home of Booker T. Washington, the Carver Museum, and an antebellum property adjacent to the campus of Tuskegee Institute, known as Grey Columns; and

(6) for establishment as the Martin Van Buren National Historic Site, New York, those lands depicted on the map entitled "Boundary Map, Martin Van Buren National Historic Site, New York", numbered NHS–MAVA–91,001 and dated January 1974, which shall include the home of Martin Van Buren, eighth President of the United States.

(b) The Secretary may also acquire personal property associated with the areas referred to in subsection (a) of this section. Lands and interests therein owned by a State or any political subdivision thereof which are acquired for the purposes of subsection (a) of this section may be acquired only by donation.

Sec. 2. (a) When the Secretary determines that an adequate interest in lands has been acquired to constitute an administrable unit for each of the areas described in section 1 of this Act, he may, after notifying the Committee on Interior and Insular Affairs of the United States Congress of his intention to do so at least fourteen days in advance, declare the establishment of such unit by publication of a notice to that effect in the Federal Register. Such notice shall contain a map or other description of the boundaries of the unit, together with an explanation of the interests acquired and the costs incident thereto. The Secretary may refrain from acquiring property for establishment of any unit authorized by this Act where, in his judgment, satisfactory agreements or donations with respect to properties which are needed for the protection and administration of a particular unit have not been consummated with the owners of such properties.

(b) Pending the establishment of each unit and thereafter, the Secretary shall administer the property acquired pursuant to this Act in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented, and, to the extent applicable, the provisions of the Act of August 21, 1935 (49 Stat. 666), as amended.

Sec. 3. Notwithstanding any other provision of law, the Secretary is authorized to construct roads on real property in non-Federal ownership within the boundaries of the Tuskegee Institute National Historic Site. Any roads so constructed shall be controlled and maintained by the owners of the real property.

Sec. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, not to exceed, however, the following:

(a) Clara Barton, National Historic Site, $812,000 for development;

(b) John Day Fossil Beds National Monument, $400,000 for the acquistion of lands and interests in lands and $4,435,200 for development;

(c) Knife River Indian Villages National Historic Site, $600,000 for the acquisition of lands and interest in lands and $1,130,000 for development;

(d) Springfield Armory National Historic Site, $5,300,000 for development;

(e) Tuskegee Institute National Historic Site, $185,000 for the acquisition of lands and interests in lands and $2,722,000 for development; and

(f) Martin Van Buren National Historic Site, $213,000 for acquisition of lands and interests in lands and $2,737,000 for development.

The SPEAKER pro tempore. Is a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. TAYLOR of North Carolina. Mr. Speaker, H.R. 13157 is an omnibus bill authorizing the establishment of six new units of the National Park System. It is the end product of the constructive efforts of not only the members of the Subcommittee on National Parks and Recreation and the Committee on Interior and Insular Affairs, but of almost 20 other Members of this House who sponsored or cosponsored proposals dealing with individual components of this bill.

BRIEF BACKGROUND OF COMPONENTS OF H.R. 13157

Without consuming too much time, Mr. Speaker, I want to briefly describe the six units which H.R. 13157 proposes to add to the National Park System.

First, the bill would create the Clara Barton National Historic Site. Located in Glen Echo, Md., this site includes the home of Clara Barton, the founder of the American Red Cross. It is an interesting structure, but, more importantly, it can tell the story of this great humanitarian and it can interpret the early evolution of one of this Nation's outstanding charitable organizations—the American Red Cross.

Second, the bill authorizes the establishment of the John Day Fossil Beds National Monument. This important fossil field is located in north-central Oregon. While there are other units of the national park system which protect the scientific values of certain fossil fields, the John Day area possesses a great diversity of life history which is not represented at any of the other areas.

The third component of H.R. 13157 is the Knife River Indian Villages National Historic Site located in the State of North Dakota. The new unit will add to the national park system several important archeological sites where the life of the Plains Indians can be studied and interpreted. At one time, it was a hub for trading between tribes, as well as with white fur traders. In addition, it is important as a place where Indian culture and agricultural adaptation developed. Protection of the archeological sites in this area is needed, but equally important is the need to properly study, develop, and interpret the area for the visiting public.

The fourth component is the proposed Springfield Armory National Historic Site in Springfield, Mass. Few places in the national park system demonstrate and interpret the role of manufacturing in the early history of the Nation. The Springfield Armory can help to present this phase of our history, because it was at this location that the mass production of small arms, with interchangeable parts, began. In addition to its intrinsic historical significance, it will interest many Members to note that it houses the largest collection of small arms in the world. Not only does it contain examples of every weapon produced at the Springfield Armory, but it includes weapons produced by other American manufacturers, as well as weapons from around the world. For my southern colleagues, I should also note that its collection of Confederate weapons is said to be the most comprehensive in existence.

The fifth unit included in H.R. 13157 is the Tuskegee Institute National Historic Site in the State of Alabama. This site tells a different part of America's cultural story. It tells of a struggle of black people to help themselves through hard work, dedication, and education. Tuskegee Institute was founded in 1881 by Booker T. Washington—a man who was valued as a boy at $400, but whose value to his people and to the Nation could never be measured in dollars. The historic site will include his home and will be used to interpret his life and times to the visiting public. It will also feature the museum and laboratory established by George Washington Carver—the man whose practical experiments were so important for many common products of the southern farmlands—including the development of hundreds of uses for the peanut, sweet potato, soybean, and cotton. This historic site will represent living history, because it will be closely associated with the continuing functions of Tuskegee Institute.

The sixth, and last, unit is the Martin Van Buren National Historic Site near Kinderhook, N.Y. This feature of the bill will assure the preservation and interpretation of the life of the eighth President of the United States. The key property of the site is the mansion, known as "Lindenwald," which was the home of Martin Van Buren for the last 20 years of his life. It is presently being held by the National Park Foundation and will be conveyed to the United States at cost.

Mr. Speaker, all six of these areas represent important additions to the National Park System. They will each tell their own important story for the American public. They certainly constitute places of recognized national significance.

LEGISLATIVE CONSIDERATION

I want to emphasize that even though there is very little, if any, controversy concerning these proposals, they received careful consideration by the committee. Before developing the omnibus bill which is now before the House, separate public hearings were held on each component.

While the departmental recommendations, in some cases, stop short of an administration endorsement, it is clear from the record and from the recommendations of the Secretary's Advisory Board on National Parks, Historic Sites, Buildings, and Monuments, that all of them merit the recognition which H.R. 13157 will extend to them. I hasten to add that it is the function of the Congress—and not the executive branch—to make this final determination.

COST

Mr. Speaker, the land acquisition costs in these six units will be relatively nominal since much of the real estate is to be donated. H.R. 13157 contains the usual limitation on appropriations for these purposes for each unit. Altogether, the land acquisition authorization totals $1,398,000.

Development costs must necessarily take into account the facilities which are required to accommodate large numbers of people. Sanitation facilities, heat and light needs, administrative and maintenance facilities, access roads and trails, signs, parking areas, and a host of interpretive devices must all be taken into account when the master plan is made. These costs sometimes seem high, but everyone who visits a park unit recognizes their importance for a meaningful and pleasant experience. As with land acquisition costs, H.R. 13157 includes a development appropriation ceiling for each unit. Taken together, development costs at these six units over a period of 5 or more years is expected to total about $17,136,000.

CONCLUSION AND RECOMMENDATION

Mr. Speaker, I am pleased to bring H.R. 13157 to the House floor for the consideration of the Members and I urge its adoption, as amended by the committee.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I will be glad to yield to the chairman of the Committee on Interior and Insular Affairs (Mr. HALEY).

Mr. HALEY. Mr. Speaker, I thank the genteman for yielding.

I am happy to rise in support of this legislation. Especially do I want to call attention to the Tuskegee Institute, the National Historic Site in Alabama. This pays honor to one of the great black educators of this Nation, one of the great outstanding Americans, in my opinion.

Also, I am glad to see some recognition being given to George Washington Carver, who is a gentleman from North Carolina. Many of us in the South realize what a tremendous job he did to bring about the economic development of the southern States.

Mr. TAYLOR of North Carolina. Mr. Speaker, let me state to the gentleman that while visiting Tuskegee I was impressed by the many quotations from the great American, Booker T. Washington. Let me quote a few:

> There is as much dignity in tilling a field as in writing a book.
>
> No man who has the privilege of rendering service to his fellows ever makes a sacrifice.
>
> At Hampton, I not only learned that it was not a disgrace to labour, but learned to love labour not alone for its financial value but for labour's own sake and for the independence and self-reliance which the ability to do something which the world wants done brings.
>
> I will not permit any person to debase my soul by making me hate him.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Iowa.

Mr. GROSS. What is the total cost of this bill for all the projects set forth?

Mr. TAYLOR of North Carolina. The land acquisition, the cost is relatively low because many of the properties will be donated. In fact, most of them will be donated. The total land acquisition for all six areas is $1,398,000. The development cost, which is subject to the annual appropriation process for the six areas would have a total cost of $17,136,200.

Mr. GROSS. So the total bill is approximately $18 million to $20 million?

Mr. TAYLOR of North Carolina. About $18½ million.

Mr. GROSS. The total land acquisition and development?

Mr. TAYLOR of North Carolina. The gentleman is correct, for the six areas.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 13157, an omnibus bill to provide for the establishment of six national historic sites, including the Springfield Armory National Historic Site in my home city in Massachusetts.

My colleague from western Massachusetts, Congressman SILVIO O. CONTE, and I are cosponsors of the original bill in this Congress, H.R. 329, to authorize the establishment of the Springfield Armory National Historic Site, now included in the legislation before us today.

This legislation would authorize the Secretary of the Interior to accept from the city of Springfield portions of the historic Springfield Armory property, together with a donation of improvements and personal property on such lands. Specifically, they are the major arsenal buildings: the commanding officer's quarters, the master armorer's quarters, and the main arsenal. The main arsenal houses the Springfield Armory Museum, which contains the outstanding Benton arms collection.

For nearly two centuries the armory has been the heart of the Springfield area. From the beginning, the operating center of the Springfield Armory has been Armory Square, where these three buildings are located on a magnificent bluff overlooking the center city and the picturesque Connecticut River.

The Armory Square complex contains a tree-covered parade and various historic buildings once used for housing, administration, manufacturing, and storage at the armory. Since 1968, when the armory was deactivated, many of these buildings have been converted to educational use by the Commonwealth of Massachusetts which operates the recently established and highly successful Springfield Technical Community College. The State has agreed that the college will assure the historical integrity of the site and the nearby buildings.

The Armory Square complex, surrounded by a majestic iron fence, is on a commanding site overlooking the original town and is notable for the spacious surroundings allotted its buildings. The consistent scale and restrained, dignified character of the structures, and the uniform use of sturdy brick construction, white trim, and slate roof, all contribute to a harmonious totality in which the sum is greater than any single part.

Armory Square has retained its identity and overall architectural composition for the past 100 years. The square's size and distinction, provided in part by its elevation and the iron fence enclosing it, provide a degree of isolation from the adjacent urban environment. Within walking distance is the famous quadrangle that is considered the cultural heart of Springfield.

The proposed Springfield Armory national site would commemorate the important role of the Springfield Armory in the Nation's military and industrial history. For nearly 200 years, the armory was a center for manufacturing and development of small arms, producing weapons which achieved a justified reputation for quality, accuracy, and dependability. For a substantial portion of this time, the armory made Springfield the small arms center of the world.

Springfield Armory played an important role in the development of the principle of interchangeability of parts, a necessary forerunner of the modern assembly line techniques of American industry. In 1822, an armory workman named Thomas Blanchard designed a machine for turning gun stocks; though conceived for that specific purpose, his machine proved a forerunner of subsequently perfected machinery for making other interchangeable gun parts. Blanchard's gunstock machine is in the museum collection at the armory.

When, in 1774, the British Parliament imposed an embargo on the shipment of firearms to the American colonies, the Massachusetts committee of safety took measures to supply the need. An armorer for the colony was named, and all qualified gunsmiths were encouraged to address themselves diligently to their trade. In the Springfield area, three local mechanics by March 1776 were engaged in fabricating guns: One making barrels; a second, locks and rigging; and the third, turning the stocks.

Col. Henry Knox, commanding a Continental artillery regiment within the defenses of New York City, on September 27, 1776, suggested to the Continental Congress the establishment of "one or more capital laboratories" for manufacture of guns and ordnance stores. In December of that year, General Washington had Knox promoted to brigadier general, named him chief of artillery and assigned him the job of setting up of such laboratories at York, Pa., and Hartford, Conn. After careful inspection of potential sites, Knox selected Springfield over Hartford as the "best place in New England for a laboratory, cannon foundry, et cetera." Though located on the Connecticut River for a power source, Springfield was far enough upstream for safety against attack by heavy war vessels.

Buildings at first were rented in the town of Springfield, in 1777, where initial production was of paper cartridges. During the year all the extra powder belonging to the Continental Army at Boston was sent to Springfield for storage and ammunition production. Arms also were sent there for storage at an early date. Springfield early in the Revolution thus became a military supply depot of major importance, a distributing point for ordnance needs throughout the northeastern theater of war.

The requirements of the burgeoning establishment soon necessitated an expansion of the physical facilities. The site selected was the militia training field on a hilltop just outside the town, and there in 1778 were erected a magazine, barracks, and accommodations for operation of the laboratory. These were the first constructions on the site of the present Armory Square.

George Washington's successful campaign of 1781 having assured a cessation of hostilities, attention was given to adequately safeguarding the large supplies of powder remaining in Government hands. In 1782, the Congress ordered the establishment of "good and sufficient magazines" at Springfield, Mass.; West Point, N.Y.; Yellow Springs, Pa.; and New London, Va.

In addition to its historical role in the development and manufacturing of small arms, Springfield Armory was also the site where Shay's rebellion was quelled. On January 25, 1787, the rebellion of small farmers under Daniel Shay against unfair taxation ended at Springfield Arsenal, with their defeat as they attempted to seize the magazine.

Following the Revolutionary War in 1794, President Washington recommended, and the Third Congress authorized, the establishment of the U.S. Arsenal at Springfield.

Mr. Speaker, I believe that Springfield Armory represents a heritage of Government arms development and manufacture that is worthy of preservation. In April 1963, the Army was dedicated as a national historical landmark. And at its 65th meeting in October 1971, the Secretary's Advisory Board ond National Parks, Historic Sites, Buildings and Monuments, "heartily endorsed the establishment of the Armory Square portion of the Springfield Armory as the Springfield Armory national historic site."

After deactivation in 1968, part of Armory Square was conveyed to the city of Springfield, which in turn leased a portion to Springfield Armory Museum, Inc., a nonprofit foundation, for preservation and management.

Other parts of the Armory were conveyed to the Commonwealth of Massachusetts. It became apparent, however, that preservation of the appearance of historic buildings, particularly those marked for use by the Springfield Technical Community College, was not assured. Congressman CONTE and I filed H.R. 108 on January 22, 1971, in the 92d Congress to authorize the establishment of the Springfield Armory national historic site. On September 7, 1972, the Department of the Interior filed a favorable report to the Congress recommending the enactment of H.R. 108. The 92d Congress, however, adjourned before hearings could be scheduled in the House and Senate.

Springfield Armory National Historic Site would encompass approximately 55 acres. The Department proposes to acquire in fee, through donation, 18.35 acres of land owned by the city of Springfield and a strip of 1.97 acres owned by the State of Massachusetts and utilized in conjunction with the college. The remaining 34.61 acres would remain in State ownership, constituting a "preservation control area," pursuant to the agreement concluded with the State, that would preserve the historic appearance of the parade and the exterior of structures, including the Technical College, surrounding it. In addition, the Department would conclude an agreement with the Secretary of the Army concerning the arms collection and other museum objects now at the site. Since the arms collection is a key feature of the historic site, the Department believes that a satisfactory agreement should include a loan of the articles on a long-term basis, subject to renewal, to the National Park Service. A draft of an agreement containing this type of loan arrangement has been negotiated: its signing awaits the passage of legislation creating the historic site.

Because land would be acquired entirely through donation, no land acquisition costs are involved. This bill authorizes $5,300,000 for development of the site. The estimated cost of operation and maintenance is expected to be about $356,000 per year.

As the Nation approaches its Bicentennial anniversary in 1976, it is my firm belief that the passage of this legislation and the establishment of a Springfield Armory National Historic Site would be fitting and relevant commemoration of the important role that the Springfield Armory has played in our Nation's history.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise to express my strong support for this bill, H.R. 13157, which provides for the establishment of a variety of national historic sites and monuments. In particular, I would like to address myself to the establishment of the Springfield Armory National Historic Site, in Springfield, Mass.

The Springfield Armory has a rich and glorious history deeply intertwined with the creation and growth of our Nation. The defense of our country, and the preservation of its ideals, has been contributed to on this historic site since it was founded at the time of the Revolutionary War.

The Springfield Armory was the first facility of its type to be established in the United States. Begun in 1777, it was the first of this country's arsenals, and the only one to be called an armory. The presence of a large number of skilled gunsmiths, blacksmiths, and craftsmen located in the Springfield area prompted Gen. Henry Knox, George Washington's top artillery officer in the Continental Army, to recommend the site as most suitable to the Army's needs. From 1777 to 1780 the amory prepared musket cartridges for distribution to colonial troops.

In the years following the Revolution, the armory was used as a storage depot for ammunition. In 1794, President Washington, who had visited the arsenal during his military career, recommended to the Third Congress that the armory be established as a permanent Government arsenal. That recommendation was adopted, and by an act of Congress in 1794, it became the U.S. Armory.

In 1787, one of the most spectacular events in the armory's history occurred. On January 25, Daniel Shay led a group of farmers who were revolting against heavy taxation and the depreciation of paper currency, a situation which I am sure we can all identify with today. Approximately 2,000 men attempted to seize the arsenal in order to capture its military stores for purposes of insurrection. An army of 4,000 men, raised to deal with the rebellion, easily repulsed the attackers who fled after a few of their number fell in battle. This abortive attempt to seize the arsenal virtually ended the rebellion.

Over the years the production of the armory grew proportionately with America's defense needs. In the year 1795 the 40 people employed at the armory produced 245 muskets. By the height of the Civil War, the armory's production had expanded to 276,000 rifles a year. Production again expanded to more than 547,000 rifles a year during World War I and to more than a million a year throughout the Second World War.

In addition to manufacturing weapons for our troops, the Springfield Armory has been in the forefront of weapons design and development. Shoulder arms developed during the first century of the armory's existence, and in the second century the flintlock, percussion—both smooth and rifled bore—and the breach loading rifle were improved and produced at Springfield. Later, the bolt action, the semiautomatic, and full automatic types of weapons were developed and produced at the Springfield Armory. John C. Garand, a Springfield Armory expert, developed the M–1 for use during World War II. When it closed in 1968, the armory was still a technical and scientific center for American military weaponry ranging from pistols, rifles, and machineguns to aircraft armaments.

Mr. Speaker, the rich and proud tradition of the armory in the service of the Nation's defense more than qualifies its preservation in the public ownership. It is more than an inspiration to the people of the United States—it is a monument to the heritage of the traditions it has helped to defend.

For these reasons, Mr. Speaker, I urge my colleagues to join with me in supporting this bill to preserve for posterity these monuments which stand in glowing tribute to the glorious heritage and history of our great Nation.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill now before us, H.R. 13157, along with its identical companion measure, H.R. 13427, is designed as an omnibus bill incorporating the authorization of six new units of the national park system.

Five of these areas commemorate an historic theme, and one preserves an important natural history resource. The areas involved in this bill are as follows:

First. The Clara Barton House, in the State of Maryland, will preserve the home of the founder of the American Red Cross, and will display and interpret the important contributions which Miss Barton has made to foster the idea of people helping people in times of disaster and need.

Second. The John Day Fossil Beds, in the State of Oregon, contains a fantastic display of plant and animal fossils, many of which are exposed to view.

Third. The Knife River Indian Villages, in the State of North Dakota, contain the remains of ancient Indian villages characteristic of the lifestyle and culture of the Indians of the plains.

Fourth. The Springfield Armory, in the State of Massachusetts, embraces the oldest manufacturing arsenal in the United States, and will display a large collection of arms.

Fifth. The Tuskegee Institute, in the State of Alabama, recognizes the significant educational and scientific contributions of Booker T. Washington and George Washington Carver, closely associated with the educational advancement of black Americans.

Sixth. The home of Martin Van Buren, in the State of New York, known as "Lindenwald," preserves the residence of the eighth President of the United States.

Seventh. Mr. Speaker, the committee has considered all six of these areas to constitute worthy additions to our national park system. I know of no controversy involved over any of these areas, and I urge my colleagues to join in support of the passage of this bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Hosmer).

Mr. HOSMER. Mr. Speaker, I support the bill before us, H.R. 13157. This is an omnibus bill which authorizes the addition of six new units to our National Park System. Five of these areas will be national historic sites and one will be a national monument.

All six of these areas were the subject of hearings conducted by the committee, and each was given close scrutiny as to its merits. All of these areas have had strong support for their establishment as units of the National Park System and none were controversial. In the case of many, costs have been significantly minimized due to the willingness of current owners to donate lands and properties to the Federal Government.

I recommend that my colleagues join me in the support of this legislation.

Mr. SKUBITZ. Mr. Speaker, I yield such time as he may consume to the gentleman from North Dakota (Mr. Andrews).

Mr. ANDREWS of North Dakota. Mr. Speaker, I appreciate the gentleman yielding to me. I want to compliment him and our good friend, the chairman of the subcommittee, the gentleman from North Carolina (Mr. Taylor) on the work they have done.

In North Dakota, we have one of the historical sites in this bill, the Knife River Indian Villages area. This, of course, marks a living area of the original Americans.

When we become concerned with minorities—as we should be—in our country, we all too often forget the American Indian and the great contributions they made to the development of life in this great Nation of ours.

This bill will allow us to preserve what is left of some of the earliest archeological sites.

Mr. Speaker, I commend the committee for its work, and I urge support of this legislation.

Mr. SKUBITZ. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. Gude).

Mr. GUDE. Mr. Speaker, as one of the sponsors, I rise in support of H.R. *13157*, to establish various national historic sites, including the Clara Barton Historic Site in Glen Echo, Md. The provision for the Clara Barton National Historic Site was embodied in H.R. 2841, which I originally introduced on January 24, 1973. I wish to commend the distinguished chairman of the Interior Committee, and all the members of that committee, for their hard efforts and dedicated interest in this measure.

The Clara Barton House is adjacent to the C. & O. Canal National Historical Park, which is, of course, under the direction of the Park Service. The House was constructed with timbers salvaged from the Red Cross barracks which were set up in Johnstown, Pa., to aid victims of that devastating flood. The people of Johnstown, to show their gratitude to Clara Barton, had the wood shipped to Cumberland, Md., and then brought to Glen Echo on the C. & O. Canal.

The house itself is unique for several reasons. Its architecture is known as "Steamboat Gothic," utilized in the late 19th century and the reason for this becomes obvious to anyone who pays a visit. The house has a open central gallery, three stories high, and ringed by walkways. The three tiers of rooms face the gallery. Colored windows in the clerestory windows add to the steamboat feeling. The Captain's Cabin, which was Clara Barton's room, provides a commanding view of the gallery appropriate to that of river and bay steamers of past generations.

For several years around the turn of the century, the house served as the national headquarters of the American Red Cross, founded by Clara Barton. Ms. Barton herself resided in the house until her death in 1912.

Clara Barton's role in the founding of the Red Cross, and her dedicated efforts tending to the wounded during the Civil War rightfully have earned for her a major place in our American history, and mark her clearly as one of our most famous women. Clara Barton has worldwide fame as a great and dedicated humanitarian.

I believe that the Clara Barton House will be a welcomed and valuable addition to the National Park Service and will complement the historic aspects of the C. & O. Canal National Historical Park.

For many years, the house has been under the control of a group known as the Friends of Clara Barton, a nonprofit group of dedicated citizens who wished to preserve the structure. I believe that we in the Congress, and the American people, owe a debt of gratitude to these wonderful and selfless people. I urge the support of the House for this measure.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, the record ought to show that the late John Saylor was one of the principal sponsors of this Clara Barton site.

Mr. GUDE. Mr. Speaker, the gentleman is exactly right. The wood from which the Clara Barton House was constructed was originally used for the barracks that sheltered the victims of the Johnstown flood. And, of course, Johnstown was in the late John Saylor's district. The wood, a gift from the grateful people of Johnstown, was transported down the C. & O. Canal to Glen Echo, Md.

John Saylor was a strong supporter of this legislation as he was interested in preserving so many other national shrines and conservation areas.

Mr. SKUBITZ. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. KING).

Mr. KING. Mr. Speaker, I thank the gentleman for yielding to me.

I want to express my appreciation to the chairman, to the chairman of the subcommittee and to the ranking minority member for the attention they have given us when we asked that former President Martin Van Buren's home, in Greene County, in my congressional district, be designated as one of our national parks.

It was long overdue, and is the only place owned by a former President of the United States that has not been recognized as a national landmark.

Mr. Speaker, I join the other Members, and I would hope that the House would pass this legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. Yes, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, it is nice to preserve historic sites, but I wonder if there will be any money left to preserve the site now occupied by the U.S. Treasury. Another that might be added is Fort Knox. That site a few years ago held the greatest store of gold I imagine any nation ever had. It is now reported to be nearly empty.

Mr. SKUBITZ. Mr. Speaker, may I say to my colleague, the gentleman from Iowa, that we will do our best in preserving both.

Mr. GROSS. I hope so.

Mr. NICHOLS. Mr. Speaker, I would like to take this opportunity to speak in favor of H.R. 13157, the national historic sites, which includes the authorization for the establishment of the Tuskegee Institute National Historical Park.

Among institutions of higher learning in the United States that have been established for black students, Tuskegee Institute is probably the most widely known. The student body of 3,200 represents 38 States, including Alabama, and 14 foreign countries which exemplifies the fine reputation of this outstanding university.

Dating back to 1881 when the institution was chartered by the Alabama State Legislature, the principles on which Tuskegee bases its educational philosophy are the same today as they were when Booker T. Washington first opened the doors to some 40 students. As the first educator of Tuskegee Institute, Dr. Washington hoped to instruct the predominantly agrarian pupils in certain trades. During this era of history in the bleak years following the War Between the States, the black community for the most part were field hands. Dr. Washington felt that through education these same people could pull themselves up by the boot straps and find a better way of life.

This great experiment has worked over the years and today the school just as Dr. Washington had hoped, sets the example with good education and leadership training. As an example of past experiences of the students of Tuskegee there are still many buildings standing which were constructed by students in the early part of this century. This was not only an experience in carpentry for these students, but the brick that these buildings were built with were also made by the students of Tuskegee. Among the buildings erected by students still standing are the Oaks, the home of Booker T. Washington, the Administrative Building, Tomkins Hall, the Dining Hall, and White Hall.

One of the greatest accomplishments of Dr. Washington was to give Dr. George Washington Carver the opportunity to come to the Tuskegee campus where he conducted studies indigenous to the area. On the campus today you may visit the Carver Museum which contains an impressive display of the astute and important scientific work that this great scientist and American conducted.

Mr. Speaker, the historical and cultural significance of this fine Alabama institution is almost limitless. This bill would provide for the preservation of these historically pertinent structures both on and off the Tuskegee campus, and I strongly urge the enactment of this legislation.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill (H.R. 13157) as amended.

The question was taken.

Mr. HOSMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof), the rules were suspended, and the bill as amended was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR INCREASES IN APPROPRIATION CEILINGS AND BOUNDARY CHANGES AND AUTHORIZING APPROPRIATIONS FOR LAND ACQUISITION FOR THE NATIONAL PARK SYSTEM

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14217) to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park System, to authorize appropriations for additional costs of land acquisition for the National Park System, and for other purposes, as amended.

The Clerk read as follows:

H.R. 14217

A bill to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park System, to authorize appropriations for additional costs of land acquisition for the National Park System, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—ACQUISITION CEILING INCREASES

SEC. 101. The limitations on appropriations for the acquisition of lands and interests therein within units of the National Park System contained in the following Acts are amended as follows:

(1) Biscayne National Monument, Florida: Section 5 of the Act of October 18, 1968 (82 Stat. 1188, 1189) is amended by changing "$24,575,000" to "$28,350,000";

(2) Colonial National Historical Park, Virginia: Section 4 of the Act of July 3, 1960 (46 Stat. 856), as amended (16 U.S.C. 81f) is amended by changing "$2,777,000" to "$10,472,000";

(3) Cumberland Gap National Historical Park, Kentucky and Tennessee: For the acquisition of lands authorized in subsection 301(2) of this Act, there are authorized to be appropriated such sums as may be necessary, but not more than $427,500;

(4) Fort Necessity National Battlefield, Pennsylvania: Section 5 of the Act of August 10, 1961 (75 Stat. 336), is amended by changing "$115,000" to "$722,000";

(5) Independence National Historical Park, Pennsylvania: Section 6 of the Act of June 28, 1948 (62 Stat. 1061, 1062), as amended (16 U.S.C. 407r), is amended by changing "$11,200,000." to "$12,792,000.";

(6) Indiana Dunes National Lakeshore, Indiana: Section 10 of the Act of November 5, 1966 (80 Stat. 1309, 1312; 16 U.S.C. 406u-9) is amended by changing "$27,900,000" to "$35,526,000";

(7) Moores Creek National Military Park, North Carolina: The Act of September 27, 1944 (58 Stat. 746) is amended by adding the following new section:

"SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, but not more than $243,000 shall be appropriated for the acqusition of lands and interests in lands and not more than $325,000 shall be appropriated for development.";

(8) Morristown National Historical Park, New Jersey: Section 3 of the Act of September 18, 1964 (78 Stat. 957) is amended by changing "$281,000" to "$2,111,000";

(9) Rocky Mountain National Park, Colorado: For the acquisition of lands authorized in subsection 301(6) of this Act, there are authorized to be appropriated not more than $2,423,740 and for development of such lands there are authorized to be appropriated not more than $318,000; and

(10) Virgin Islands National Park, Virgin Islands: Section 4 of the Act of October 5, 1962 (76 Stat. 748; 16 U.S.C. 398f) is amended by changing "$1,250,000" to "$12,250,000".

TITLE II—DEVELOPMENT CEILING INCREASES

SEC. 201. The limitations on appropriations for development of units of the National Park System contained in the following Acts are amended as follows:

(1) Channel Islands National Monument, California: For the purposes of development of the administrative site and visitor facilities authorized by section 401 of this Act, there are authorized to be appropriated $2,936,000;

(2) Cumberland Gap National Historical Park, Kentucky and Tennessee: In addition to any funds heretofore appropriated for said national historical park, there are hereby authorized to be appropriated not more than $160,000 for development; and

(3) International Peace Garden, North Dakota: Section 1 of the Act of October 25, 1949 (63 Stat. 888), as amended (68 Stat. 300 and 72 Stat. 985), is amended by changing "$400,000" to $1,702,000".

TITLE III—BOUNDARY CHANGES

SEC. 301. The Secretary of Interior shall revise the boundaries of the following units of the National Park System:

(1) Biscayne National Monument, Florida: To add approximately 8,738 acres of land and water, including all of Swan Key and Gold Key:

(2) Cumberland Gap National Historical Park, Kentucky and Tennessee: Notwithstanding the provisions of the Act of June 11, 1940 (54 Stat. 262), as amended (16 U.S.C. 261–265), the Secretary of the Interior is authorized to acquire by donation, purchase with donated or appropriated funds, or exchange not to exceed 60 acres of land or interests in land located in Bell County, Kentucky, and Claiborne County, Tennessee, for addition to and inclusion in the said national historical park which, upon acquisition, shall become a part of the Cumberland National Historical Park subject to the laws, rules, and regulations governing such park;

(3) Fort Necessity National Battlefield, Pennsylvania: To add approximately 411 acres;

(4) Independence National Historical Park, Pennsylvania: To add approximately 4.67 acres, which shall include the area bounded by Chestnut Street, Front Street, Walnut Street, and Second Street, to be known as Project F: *Provided*, That the authority of the Secretary of the Interior to acquire property by condemnation under this Act shall be suspended with respect to all property within the boundaries of the area known as Project F during the time the city of Philadelphia shall have in force and applicable to such property a duly adopted, valid zoning ordinance approved by the Secretary: *And provided further*, That no zoning ordinance or amendment of a zoning ordinance shall be approved by the Secretary which (1) contains any provision which he may consider adverse to the preservation and development of the Independence National Historical Park, or (2) fails to have the effect of providing that the Secretary shall receive notice of any variance granted under and any exception made to the application of such ordinance or amendment;

(5) Lava Beds National Monument, California: To add approximately 321.58 acres and to delete approximately 60.12 acres, which additions and deletions shall comprise only federally owned lands, and lands deleted from the monument shall be administered by the Secretary of the Interior in accordance with the Federal reclamation laws;

(6) Morristown National Historical Park, New Jersey: The Act of September 18, 1964 (78 Stat. 957) is amended changing "two hundred and eighty-one acres" in both places in which it appears in the first section to "465 acres" and change the period to a colon and insert "*Provided*, That title to the property known as the Cross estate may not be accepted until the property is vacant." and

(7) Rocky Mountain National Park, Colorado: To add approximately 1,556.21 acres.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. The Secretary of the Interior is authorized to accept the donation of the fee simple title of not to exceed five acres of land and submerged land within the Ventura Marina, Ventura County, California; and to develop, operate, and maintain thereon administrative and visitor facilities to be used as a mainland headquarters for the Channel Islands National Monument: *Provided*, That no lands or any interests therein may be accepted by the Secretary until a mutually satisfactory agreement has been executed which shall include, among other things, an agreement on the design for such facilities, a reasonable timetable for their construction, and an agreement concerning public use of and access to such facilities. Any property accepted under the provisions of this Act shall be administered as a part of the national monument.

SEC. 402. The Act of September 27, 1944 (58 Stat. 746), providing for the Moores Creek National Military Park is amended by changing the words "accept in behalf of the United States donations of" to "acquire by donation, purchase, or exchange", and by changing "to be accepted" to "acquired".

SEC. 403. (a) The Secretary of the Interior, in cooperation with the Secretary of the Army, shall cause to be conducted such studies as they deem reasonable and necessary to determine the causes and extent of the damage to the foundations of the historic structures of the San Juan National Historic Site and shall transmit to the Congress, as soon as possible, but no later than one year after the date of the enactment of this Act, the alternative courses of action, together with their recommendations, which might be taken to assure the historical integrity of such structures and the safety of the visiting public. Pending the submission of such recommendations, the Secretary of the Interior shall take every reasonable precaution to assure the public safety and the maximum public enjoyment of the historic site.

(b) To carry out the purposes of this section, there are authorized to be appropriated such sums as may be necessary, but not more than $100,000.

SEC. 404. (a) The Secretary of the Interior is authorized and directed to undertake a study of the most feasible and suitable means of preserving and interpreting for the benefit of the public the historic and natural resources of the Ohio and Erie Canal in the State of Ohio, together with associated and related lands. In carrying out the study the Secretary shall consider existing and proposed State and local highway plans, land-use plans, outdoor recreation plans, and related plans for the preservation of historic and natural resources. Not later than one year from the date of enactment of this Act the Secretary shall submit to the Congress a report of such study, including his recommendations as to the means of protecting, interpreting, and developing the resources of the Ohio and Erie Canal and adjacent lands.

(b) To carry out the purposes of this section, there are authorized to be appropriated such sums as may be necessary, but not more than $40,000.

SEC. 405. (a) In all instances where authorizations of appropriations for the acquisition of lands for the National Park System enacted prior to January 9, 1971, do not include provisions therefor, there are authorized to be appropriated such additional sums as may be necessary to provide for moving costs, relocation benefits, and other expenses incurred pursuant to the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91–646; 84 Stat. 1894). There are also authorized to be appropriated not to exceed $8,400,000 in addition to those authorized in Public Law 92–272 (86 Stat. 120) to provide for such moving costs, relocation benefits, and other related expenses in connection with the acquisition of lands authorized by Public Law 92–272.

(b) Whenever an owner of property elects to retain a right of use and occupancy to any statute authorizing the acquisition of property for purposes of a unit of the National Park System, such owner shall be deemed to have waived any benefits under sections 203, 204, 205, and 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894), and for the purposes of those sections such owner shall not be considered a displaced person as defined in section 101(6) of that Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the legislation now before the House is H.R. 14217. This bill is not a complex measure. It simply provides for revised appropriation ceilings at various units of the Natonal Park System for land acquisition and development. It also makes needed boundary changes and authorizes certain studies which the committee believes are needed.

BRIEF BACKGROUND

This bill is the product of public hearings on 19 separate legislative proposals cosponsored by over 75 Members of Congress. It represents a joint effort to bring to the House floor needed legislative proposals which would otherwise suffer severe competition from other more urgent and pressing measures. To the best of my knowledge, none of the proposed changes involve any significant controversy.

BRIEF EXPLANATION

Mr. Speaker, H.R. 14217 authorizes increased appropriation ceiling to 10 existing units of the National Park System, as well as increased ceilings for development at five others. In addition, it makes needed boundary changes at seven national park areas. The committee report explains each of these changes, so

I will not take the time of the Members of the House to detail them unless questions arise. I will say, however, that each change was reviewed in detail by the the members of the Subcommittee on National Parks and Recreation before being recommended for inclusion in H.R. 14217, except for the boundary change at the Lava Beds National Monument. In that case, informal meetings with representatives of the Department of the Interior led to the development of a provision—offered in the full committee—which will result in a more reasonable and definable boundary for the monument. I might add that all of the lands involved are already federally owned so that no expenditure of Federal funds will be required in this particular case.

I do think that I should emphasize that H.R. 14217 includes two items that have not heretofore been considered and approved by the Congress. They are a study provision relating to the serious erosion problem at the San Juan National Historic Site in Puerto Rico, and a study provision relating to the feasibility and desirability of preserving the Ohio and Erie Canal in Ohio.

In both of these cases, the studies are to be made by the Secretary of the Interior and he is to report his findings and recommendations to the Congress for whatever further action he deems appropriate.

COST

Mr. Speaker, this bill authorizes the appropriation will be made from the land acquisition. As everyone knows, this appropriation will be made from the land and water conservation fund which was created by the Congress to help satisfy the outdoor recreation needs of the Nation. A large portion of the costs involved in this legislation is represented by provisions in the bill which are needed to satisfy land acquisition programs at Biscayne National Monument, Fla., $3,775,000; Indiana Dunes National Lakeshore, Ind., $7,626,000; Morristown National Historical Park, N.J., $1,830,000; Rocky Mountain National Park, Colo., $2,423,740; and Virgin Islands National Park, Virgin Islands, $11,000,000.

Development needs under H.R. 14217 are closely associated, in some cases, with the land acquisition needs involved in this legislation. At Cumberland Gap National Historical Park, for example, the $160,000 authorized to be appropriated for development is to be used primarily to remove an offensive and obtrusive meat-packing plant from lands adjacent to the visitor center of the park. At the International Peace Garden in North Dakota, however, the authorization increase in the development ceiling—totaling $1,302,000—is to be used to complete the original objective for which the area was established.

H.R. 14217 also provides appropriation authority which is essential to satisfy the objective of the Relocation Assistance and Real Properties Acquisition Policies Act of 1970. While that act has been taken into account in the years since its enactment, land acquisition authorization ceilings prior to that time did not include these costs. For this reason, the committee was advised that several areas authorized prior to 1971 contain deficient authorization ceilings. To satisfy this need, the bill authorizes the appropriation of not more than $8,400,000.

CONCLUSION AND RECOMMENDATION

Mr. Speaker, H.R. 14217 represents the combined efforts of many Members of Congress. In most every respect, it has the support of the administration and, I should note, the support of the Members who represent the areas involved. This bill was approved by a voice vote of the members of the Interior and Insular Affairs Committee.

It is a pleasure for me to join my colleagues in bringing a bill to the floor which should help to accomplish the objectives of the park areas which have already been authorized by the Congress. I urge the approval of H.R. 14217, as amended, by the Members of this House.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I am pleased to yield to the chairman of the Committee on Interior and Insular Affairs, the gentleman from Florida (Mr. HALEY).

Mr. HALEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this legislation. I think it is something that will fulfill our expectation that it will be money well spent, whatever it costs.

I also wish to take this opportunity, Mr. Speaker, to pay tribute to the chairman of the subcommittee, the gentleman from North Carolina (Mr. TAYLOR), who during this session of the Congress has carried a tremendous load, as we well know. In the many bills that he has brought here on the floor of the House he has been a very fine chairman of his subcommittee. He very ably presented the bills; he has a fine knowledge of what the content of them is.

I would like to say this, too, Mr. Speaker, for the benefit of my good friend, the gentleman from Iowa (Mr. GROSS). I do not think that we have to worry about any historical site or monument or anything as far as Fort Knox is concerned, because I understand, the way we spend our money, there will be nothing there but an empty building very shortly.

Mr. TAYLOR of North Carolina. Mr. Speaker, I thank the chairman of the committee for his kind remarks. We have had, I believe, a productive year in our committee.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, during each Congress a great many bills are referred to the Committee on Interior and Insular Affairs which constitute minor adjustments in existing law or noncontroversial new legislation.

A large group of these bills affects the national park system and deals with such matters as needed adjustments in park boundaries, changes in appropriation authorization ceilings, minor studies, and the like.

As a matter of procedural expediency, the committee has found it beneficial for both the committee itself and the House to consider these matters collectively in the format of an omnibus bill.

The bill before us, H.R. 14217, is such a vehicle. Full hearings were held on a great number of individual bills, and then the substance of these bills was combined by the committee into one omnibus bill.

The bill now before us provides principally for boundary adjustments at 7 units of the national park system; additional appropriation authorizations for land acquisition at 10 units of the system; additional appropriation authorizations for development at 5 units of the system; and a couple of studies.

Mr. Speaker, all of these proposals were closely scrutinized by the committee. All of them were strongly supported in testimony by numerous congressional and public witnesses, and to my knowledge, none of them bear any controversy.

All of these measures are designed to provide for improved protection and operation of units of the national park system.

I urge my colleagues to join with me in the support of this legislation.

Mr. SKUBITZ. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in strong support of H.R. 14217, and wish to commend members of the committee for their efforts. The bill authorizes adding some 202 acres to the Morristown National Historical Park in New Jersey. This park lies in a strategic location within the most densely populated State in the Union. Moreover, approximately one-fourth of the population of the contiguous United States lies within 250 miles of the park, thus many thousands are able to visit Morristown relatively easily. I am most pleased, therefore, that the House today is considering H.R. 14217. This bill contains the provisions of H.R. 10251, a bill which Representative MARAZITI and I introduced over a year ago with the endorsement of the entire New Jersey delegation in the House and a member of the committee, the gentleman from Ohio (Mr. SEIBERLING). Our State's two Senators have introduced a companion measure in the other body, and I am certain that the many efforts of State officials and concerned private citizens in the park area were helpful, too.

Mr. Speaker, Morristown National Historical Park encompasses Gen. George Washington's military encampment during the harsh winters of 1779–80—winters which some say were more severe than those which the Continental forces endured at Valley Forge. Visitors to the park, upon viewing the stark surroundings in which our revolutionaries lived during those long winters, inevitably leave Morristown with an enhanced appreciation of the sacrifices those warriors made for their country. Often, they come to realize for the first time that General Washington's contribution to American independence lies as much in his ability to inspire and maintain a devotion to a cause among men living under duress as it does in his leadership on the battlefield or as Chief Executive of our fledgling Nation.

Mr. Speaker, the bill before us today will permit the acquisition of five separate inholdings in addition to a 165-acre tract of land which sits at the headwaters of the Passaic River and which connects the Jersey Brigade's Revolutionary War campground with the Jockey Hollow area of the park. Congressional action on H.R. 14217 cannot be delayed if we are to preserve this historic site free of incompatible economic development. Aside from the generally increasing pressures for development which prevail throughout the area, A.T. & T.'s new World Headquarters is located just 2 miles from this tract and can be expected to precipitate an even greater demand for nearby housing.

Finally, Mr. Speaker, Morristown National Historic Park has been designated as a Bicentennial site by the Federal Government in anticipation of the large crowds expected to visit the site of George Washington's military campground during the 1976 celebration. If we are to insure that those Americans who visit the park during the Bicentennial festivities will be able to appreciate the full significance of this site and Morristown's contribution to the Revolutionary War, then it is essential that H.R. 14217 be passed so that the Park Service may begin the necessary preliminary operations now. Mr. Speaker, I urge a favorable vote on this bill.

Mr. SKUBITZ. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Don H. Clausen).

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in strong support of the bill, H.R. 14217 and I wish to commend the chairman of our subcommittee, Mr. Taylor, and the distinguished gentleman from Kansas, (Mr. Skubitz) for their leadership in presenting this bill to the House.

I am a cosponsor of this legislation providing additional funding and boundary changes for 15 units in our national park system. These improvements will help our parks serve the needs of our people.

Hearings were held both in the field, throughout the Nation, and here in Washington, D.C. to make certain each of the changes was needed and justified. It is particularly important that the subcommittee make these on-site inspections of the various areas to become familiar with the problems and potentials of each unit in the system.

Normally, of course, we proceed legislatively with each park proposal on an individual basis but in this particular instance it was determined by the committee that the better part of wisdom would be to move ahead with an omnibus bill concept in order to complete action in this Congress as expeditiously as possible.

In addition, I wish to express my full support for the historic preservation authorization which will expand our ability to meet the need to protect the six sites included in the bill. H.R. 13157 will create six new historic sites and give national recognition to these outstanding areas.

Mr. SKUBITZ. Mr. Speaker, I yield such time as he may consume to the gentleman from North Dakota (Mr. Andrews).

Mr. ANDREWS of North Dakota. Mr. Speaker, I appreciate the gentleman yielding me this time, and I want to compliment the committee again for the outstanding job they have done on these two bills today.

I also wish to point out that this particular bill covers the International Peace Garden authorization. Today we know in this world of ours that we are living in great tension between some nations, yet our boundary with Canada is the longest undefended boundary between two countries in the world. This Peace Garden is the area that commemorates the basis of the coexistence between our two great nations on the North American continent.

Part of the authorization is to build a tower in which to place bells in a carillon that have been donated to this unique memorial from the people of Canada. The committee wisely found its way to make this authorization so that we can proceed with this great monument of friendship between the people of our country and Canada.

Again I want to express my thanks to my good friend, the gentleman from North Carolina, (Mr. Taylor), and to my equally good friend, the gentleman from Kansas (Mr. Shubitz) and to the chairman of the full committee, the gentleman from Florida (Mr. Haley) for recognizing the need to continue with this building program on our Canadian border.

Mr. SKUBITZ. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. Regula).

Mr. REGULA. Mr. Speaker, I rise to express my strong support for this bill, and also to express my thanks to the leadership of the committee for permitting us to go ahead with the study of the Ohio and Erie Canal Park as a part of this bill.

The proposal to be studied is a much-needed facility in Ohio. We presently have no national parks. This proposal will tie in with the Cuyahoga Valley Park as presently being considered by the Congress.

Included in this bill is an authorization for a study of the most feasible and suitable means of preserving and interpreting the historic and natural values on the Ohio and Erie Canal in the State of Ohio.

Prior to proposing this study bill, I, Mr. Vanik, Mr. Seiberling and 24 of my colleagues introduced a bill (H.R. 8875) calling for the immediate establishment of this national park and recreation area along the Ohio and Erie Canal between the towns of Clinton and Zoar. Since the first step in establishing this park that the Secretary must take will be to conduct studies to define the boundaries of the park and develop detailed plans, I feel that the immediate authorization of this study will shorten the total time needed to make this park operational when it is finally authorized by Congress.

The model of this proposal is the successful Chesapeake and Ohio Canal National Historical Park which runs through our Nation's Capital. In fact, as early as 1765, George Washington, who surveyed the C. & O. Canal, considered the Tuscarawas River as part of an all water route from the Great Lakes to the Ohio River and beyond.

Approximately 36 miles of canal paralleling the Tuscarawas River in the State of Ohio between the towns of Clinton and Zoar would be under consideration for possible inclusion within the national park system under the terms of this bill. This section of the river lies on the southern edge of heavily populated northeast Ohio and traverses Summit, Etark and Tuscarawas counties. The park is within a short distance of seven standard metropolitan statistical areas; the Akron-Canton area with populations of 679,000 and 372,000 respectively; Cleveland with a population of 2,064,000, Youngstown with 536,000. Columbus, Ohio and Pittsburgh, Pa., are within 2 hours driving distance, and Toledo is within 3 hours. Approximately 5,000,000 can conceivably be served from these three areas alone.

The Ohio Department of Natural Resources has completed an exhaustive study of this area and has stated:

> The river valley offers diverse landscapes, historical significances and opportunity to satisfy recreational needs of expanding urban areas.

The old canal towpath and channels, and adjacent woodlands represent an open corridor offering outstanding opportunities for recreation.

The area is replete with history. The Delaware Indians claimed and utilized the Tuscarawas River in 1750. At that time, the valley was already recognized as a major transportation route. The Muskingham Trail originating in Lake Erie followed the ridges along the Cuyahoga, Tuscarawas, and Muskingham Rivers to reach the Ohio River. Those same streams were parts of a major canoe route from the Great Lakes to the Mississippi. The Muskingham Trail was so important to the Indian way of life that it was designated as sacred ground and kept open to Indian commerce even in times of war. Artifacts are still found throughout the area. The Ohio and Erie Canal route eventually paralleled the Indian trail and had a tremendous impact on development of the Ohio territory.

The canal was begun in 1825 and completed in 1832. It was dug by hand and log plows pulled by mules. Contracts for canal construction were let in short sections of a mile or less to farmers owning adjacent land.

Eventually the canal spanned a 309-mile route. The locks and spillways along the canal were made of large hand-hewn stones and white oak timbers. The bottoms of the locks were surfaced with white oak timbers to protect against erosion. Gates were built of heavy oak timbers and culverts were constructed to carry lateral drainage under the canal. Several aqueducts carried the canal over major streams. Remains of the aqueducts are still visible and some of the old oak timbers are still in use.

The communities of Clinton, Canal, Fulton, Massillon, Navarre, Bolivar, and Dover were cities alive with warehouses and taverns. Those cities literally grew up with the canal. Both freight and passenger packet boats made the trip from Cleveland to Portsmouth in 80 hours.

The canal was the main route of transportation and commerce until about the time of the Civil War when railroads began to take over. By 1845, packet boats had almost disappeared although freight boats were still in constant use until the great flood of 1913 ended the useful life of the canal.

Today, several locks, remnants of aqueducts and abandoned channels and long portions of the canal itself are still visible in Stark and Tuscarawas Counties.

This area has excellent restoration potential for hiking, riding, and nature study. The Ohio Historical Society has restored portions of the canal and the towpath of the canal has been officially designated as the "Ohio Buckeye Trail." The river and canal corridor have outstanding canoeing possibilities and float trips from 3 to 36 miles could easily be developed. Scenic drives and bridle trails could be incorporated within the park and rewatered sections of the canal would provide excellent winter sports opportunities.

The State of Ohio has established memorials at Schoenbrunn, the first settlement in Ohio; Fort Lauren, the only revoluntary fort in Ohio, Gnadenhutten, the place where 96 Christian Indians were massacred by Pennsylvania militiamen; and the village of Zoar, where a group of separatists from Germany settled to find religious freedom. All of these memorials will be near this park. The Ohio Department of Natural Resources recently announced plans for access point mini parks along the canal and river.

The impact of the fuel shortage on recreation for the urban area dweller has yet to be definitely measured. Based on our experience with the gasoline shortage thus far, I think it is safe to assume that far greater numbers of recreation seeking people will be looking to all levels of their Government for conveniently located protected open spaces. This "energy problem" has accelerated the need to implement our national policy of bringing parks closer to the people.

Time is precious as open spaces not already in State or local ownership along this canal will soon be developed if not quickly preserved.

I strongly urge prompt passage of this legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Iowa, because I was quite sure that the gentleman from North Dakota (Mr. ANDREWS) had rung a bell with the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I hope that this is the last bill from the Committee on Interior and Insular Affairs for today, because it seems to be going up in price with each bill. The previous one cost us $18 million, and this one apparently will cost the taxpayers $42.5 million.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Speaker, it is my great pleasure to support H.R. 14217, which provides for increases in appropriation ceilings and boundary changes in certain units of the National Park System and authorizes appropriations for additional costs of land acquisition. The House Committee on Interior and Insular Affairs, chaired by Congressman HALEY, and its Subcommittee on National Parks and Recreation, chaired by Congressman TAYLOR, have spent a great deal of time conducting hearings and developing this important legislation. Like many of you, I had the pleasure of testifying before the Subcommittee on National Parks and Recreation, and I would like to commend the distinguished Members who have worked to produce this omnibus bill, which is a composite of the various individual measures which had been introduced.

Mr. Speaker, one of the historical sites which this bill is concerned with is the Fort Necessity National Battlefield, which is located in my congressional district. At the present time, the battlefield consists of 350 acres. An additional 150 acres have been authorized, but have not yet been acquired.

This legislation authorizes the addition of approximately 411 acres, so that the total battlefield acreage, as a result of this legislation, will amount to 911 acres. H.R. 14217 authorizes the appropriation of $607,000 for a new ceiling of $722,000 for land acquisition. When appropriated, this money should be sufficient to accomplish the acquisition of the former 150 acres remaining to be acquired, along with the additional 411 acres authorized by this legislation. One 235-acre tract is a portion of a larger parcel once owned by George Washington and constitutes his original land patent at Fort Necessity.

If you are not familiar with the historical significance of Fort Necessity, I would like to briefly note the highlights. The Battle of Great Meadows was fought here on July 3, 1754, and the skirmish was a turning point in American history. It marked the beginning of the French and Indian War between England and France for control of the North American Continent, a war so expensive that the excessive taxes levied upon the Colonies by Great Britain precipitated the War of Independence. In addition, the Battle of Great Meadows marked the first major episode in the military career of George Washington.

Mr. Speaker, I have always believed that the preservation and restoration of our historic sites are key functions of the Federal Government. If we are to pass along to our children and grandchildren an appreciation for American history, it is imperative that we support legislation such as H.R. 14217, and I urge its passage today.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. ROUSH).

Mr. ROUSH. Mr. Speaker, I rise in support of H.R. 14217 which provides for increases in appropriations ceilings and boundary changes in certain units of the national park system and for other purposes.

I support the bill in its entirety, but there is one part that is of special interest to me and that is the section dealing with the Indiana Dunes National Lakeshore, which raises the authorization ceiling to $35,526,000.

When that lakeshore was authorized in 1966 the land acquisition ceiling of $27,900,000 was established. To complete land purchase we now need to raise that authorization ceiling to $35,526,000 or an additional $7,626,000.

Since 1966 when 8,330 acres were authorized for acquisition, 3,490 acres have been acquired. The Department of the Interior informs me that some 2,600 acres have to be acquired, if at all, by donation—these are either State park lands or other lands in public ownership. So, 1,872.55 acres in private ownership remain to be acquired by purchase.

The entire amount authorized for land acquisition by the 1966 act has now been appropriated, and all but approximately $1 million, according to the Department of the Interior, which is being held as a departmental contingency reserve to meet deficiency judgments, has been expended as of last fall.

The Department has reported that the increase in acquisition costs over the 1966 estimates is in part attributable to inflation in land values and in part to a decision by the U.S. Court of Appeals concerning the proper method of valuing certain tracts. Deficiency judgments will take up part of the additional funds and administrative costs, of course, are figured in as well.

The Department of the Interior has concurred in this request for the increased authorization ceiling as well.

The Indiana Dunes National Lakeshore is a unique combination of lakefront, dunes, hinterland that is not only ecologically valuable as a study site, but is ideally suited to the fulfillment of the recreational and open-space needs of the people of the region.

Mr. Speaker, I have visited the dunes frequently over the years. I have walked the area and camped out with people who love that beautiful, peaceful setting. I wish I could bring to you a full realization of the beauty and wonder of the area. I want to see it preserved and used for the enjoyment and enrichment of millions of people not only from the Midwest, but from the whole United States. We have something special there. The legislation before us today will allow us to complete purchase of the land authorized and is therefore particularly important.

At the dedication of the Lakeshore in 1972 Interior Secretary Rogers C. B.

Morton described the Indiana Dunes National Lakeshore as "an enclave . . . a peaceful respite for 10 million Americans who live and work nearby." He went on to say that he expected the park to provide "outdoor recreation and environmental education opportunities for some 87,000 visitors daily." His expectations will undoubtedly be fulfilled because there are now more than 9½ million people living within a 100-mile radius of the lakeshore—within a comfortable and energy-saving drive for vacationers.

Until this authorization ceiling bill is passed, the people in the Midwest must continue to wait for fulfillment of the congressional promise issued in the passage of the act establishing the Indiana Dunes National Lakeshore 8 years ago. Passage of this legislation today is awaited eagerly.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from the Virgin Islands (Mr. de Lugo).

Mr. de LUGO. Mr. Speaker, I appreciate the opportunity to speak on behalf of that portion of H.R. 14217, which would increase the authorization for the acquisition of additional land within the Virgin Islands National Park from $1,250,000 to $12,250,000.

In view of the fact that the present statutory ceiling for land acquisition in the park has been reached, this amending legislation is necessary in order to purchase slightly over 1,100 acres which include most of the remaining unique and unspoiled shoreline on the island of St. John.

The St. John National Park, as we know it today, is a tremendous success. It has provided the residents of the Virgin Islands with the opportunity to enjoy the natural endowments of their territory, and has been a significant attraction for an increasing number of tourists. There is every reason to anticipate that as the size and facilities of the park increase, even greater numbers of visitors will be attracted to the Virgin Islands.

The park offers, within hiking distance, a spectacular variety of flora ranging from lush tropical vegetation to the shrub dominated south facing slopes. The scenery is ever changing and includes rocky coastlines, crescent bays with white beaches, blue-green seas, and densely wooded hills. The opportunities for the visitor are limitless and include scenic mountain roads, quiet coves, coral gardens, swimming, snorkeling, underwater photography, fishing, and sightseeing among the ruins of 200-year-old plantations.

The unprecedented past success of the Virgin Islands National Park, as well as its future existence, is based upon its untouched natural beauty and freedom from commercial exploitation. The passage of this legislation would be a guarantee on the part of the Congress that the natural heritage of St. John will be preserved for future generations. Any delay will jeopardize this goal and make future land acquisitions ever more expensive.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. Downing).

Mr. HOSMER. Mr. Speaker, the legislation before us is an omnibus bill embracing various minor changes affecting a dozen or more units of the national park system. The spectrum of subjects ranges from minor boundary adjustments to appropriation authorization increases for land acquisition and development, to provision for studies. The bill consequently provides for the improvement of protection and management at 13 different units of our national park system.

None of the items incorporated in this bill have borne any controversy, and it is for that reason, along with the opportunity of expediency of action by the committee and the House, that these individual items were consolidated into an omnibus bill.

This bill and its identical companion, H.R. 14218, are cosponsored by many Members of this body. I urge my colleagues to join in support of its adoption by the House.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 14217.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. Taylor) that the House suspend the rules and pass the bill H.R. 14217, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

JOHNNY HORIZON '76 CLEAN UP AMERICA MONTH

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 1070) authorizing the President to proclaim the period of September 15, 1974, through October 15, 1974, as "Johnny Horizon '76 Clean Up America Month."

The Clerk read as follows:

H.J. Res. 1070

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the period of September 15, 1974, through October 15, 1974, as "Johnny Horizon '76 Clean Up America Month", and calling upon the people of the United States to observe such period with appropriate activities.

The SPEAKER pro tempore. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, this is the type of resolution that a number of months ago we used to pass by unanimous consent. However, we are now bringing it forward under the suspension arrangement. This joint resolution has to do with the request of the Department of the Interior for a continuation of their "Johnny Horizon '76 Clean Up America Month."

Mrs. HOLT. Mr. Speaker, in celebration of our 200th anniversary in 1976, citizens from all parts of our country have joined together in striving for a cleaner, more beautiful America.

The Johnny Horizon program was established to coordinate citizens' national efforts to achieve this worthwhile goal. September 15 to October 15 has been set aside to emphasize the amount of success already accomplished through the hard work of our concerned citizens, and to advertise the importance of continuing their valuable efforts.

Only through the enthusiasm and support of all Americans will our countryside and cities alike be free of unsightly litter for the celebration of our Bicentennial.

Mr. Speaker, I urge my colleagues to join me in wholehearted support of this valuable program.

Mr. WIGGINS. Mr. Speaker, I have no requests for time. I do support the resolution, and I reserve the balance of my time.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 1070.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Edwards) that the House suspend the rules and pass the joint resolution House Joint Resolution 1070.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the joint resolution was passed.

A motion to reconsider was laid on the table.

WOMEN'S EQUALITY DAY

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 1105) designating August 26, 1974, as "Women's Equality Day," as amended.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 26, 1974, is designated as "Women's Equality Day", and the President is authorized and requested to issue a proclamation in commemoration of that day in 1920 on which the women of America were first guaranteed the right to vote.

The SPEAKER pro tempore. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, I urge enactment of this bill.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, I rise in support of this resolution.

I wish to thank Mr. EDWARDS for bringing to the floor and urging the passage of House Joint Resolution 1105. I am deeply honored that today the House is considering this resolution which I introduced, designating August 26 as Women's Equality Day. It is similar to House Joint Resolution 52, passed by this body last year and signed into law.

August 26 marks the day women won the right to vote. In this 54th anniversary year, I believe it is the duty of this Congress to recognize the long hard struggle of the women's movement for this basic right. August 26 symbolizes women's struggles, past and present. Around the country women will be gathering on that day, holding festivals, honoring women who have achieved distinction, holding feminist art shows and book fairs.

Once again on August 26, women will discuss job discrimination, lack of adequate day-care facilities for working mothers, credit discrimination, professional recognition, accessibility of birth control information. But this year as never before, they will discuss their candidacies; for thousands of women are seeking representation in political institutions from the local level to this Congress.

Though our victories have been too few and far between, we do have something to celebrate. By this year, 33 of the needed 38 States have ratified the equal rights amendment. The Women's Educational Equity Act was passed as part of H.R. 69. The minimum wage provision was expanded to include domestic workers. The pension reform act was amended to expand eligibility for women and young people. This year, numerous sex-discrimination amendments have been added to major pieces of legislation. This year, I predict, there will be more women in office at every level.

But still, there remain in committee bills equalizing pay, child care legislation, social security rights, credit availability, and other benefits. I believe 1974 should be the year to create a national day recognizing the progress women have made, but also realizing what inequities still exist. This should be the year that both sexes undertake the necessary steps to obliterate these inequities forever. Let us designate August 26 as the symbol of this national commitment.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 1105.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, I should like to ask the gentleman from California whether or not the "Whereases" that are in the one resolution have been stricken, and whether we have just a straight resolution or what? I have two bills in front of me, and I should like to have information on them.

Mr. EDWARDS of California. In answer to the gentleman from Ohio's inquiry, it is customary to remove and delete the "Whereas" clauses. This has been done, and the resolution now is without the "Whereas" clauses.

Mr. ASHBROOK. I thank the gentleman.

Mr. Speaker, I certainly say to the gentleman from California, having great respect for the Committee on the Judiciary, I would hope that some of the "Whereases" would not have been stipulated to, and I am glad to have that assurance.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, do I understand the resolution now before the House strikes out the following language "whereas the women of the United States have been treated as second-class citizens * * *"? Has that been stricken?

Mr. EDWARDS of California. Mr. Speaker, it has been stricken.

Mr. GROSS. I am delighted to hear that. Where did that come from anyway?

Mr. EDWARDS of California. It is the custom of the Judiciary Committee to strike all the whereas clauses even though sometimes the members of the Judiciary Committee unanimously would agree and perhaps the membership of the House would agree with them. The gentleman brings up one the Judiciary Committee would have agreed with and would have wanted to have in the resolution.

Mr. GROSS. Did the gentleman say they would have agreed with it?

Mr. EDWARDS of California. I presume so. I think so.

Mr. GROSS. My wife tells me she would not agree that she has been treated as a second-class citizen, and I just wondered where it originated. So that is stricken as well as most of this other language "Whereas the women of the United States have united to assure that these rights and privileges are available to all citizens equally" and Congress "supports their organization." I do not know what organization that is, but all that is gone now from the resolution which I read over the weekend and something new has been entered into on this today. Is that correct? All that language is gone?

Mr. EDWARDS of California. That language is gone.

Mr. GROSS. And we are not called upon to support some unknown organization in behalf of women. Am I right in that?

Mr. EDWARDS of California. That matter is gone, as a matter of the custom of the House and in these resolutions brought forth by the Judiciary Committee. We never pass judgment on the whereas clauses, we just eliminate them.

Mr. GROSS. Of course, we do not need whereas clauses to put language in a resolution that might be repugnant to some people. We might strike the whereas clauses and still leave the language. I just want to be sure that language is not in the resolution presently before the House, any of that language.

Mr. EDWARDS of California. I believe the gentleman has a copy of the resolution.

Mr. GROSS. And so we are asked only now to say that we are in favor of some kind of kindness toward women.

Mr. EDWARDS of California. What we will be asked to vote on in this resolution is exactly what the resolution says.

Mr. GROSS. I thank the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Clerk read the entire resolution consisting of seven lines.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

H.J. RES. 1105

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 26, 1974 is designated as "Women's Equality Day", and the President is authorized and requested to issue a proclamation in commemoration of that day in 1920 on which the women of America were first guaranteed the right to vote.

Mr. WIGGINS. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in support of the legislation offered by the gentlewoman from New York (Ms. ABZUG). I am pleased to join her in cosponsoring legislation that would designate August 26 of each year as "Women's Equality Day."

May I point out to my colleagues, that as the representative of the community that is the birthplace of the famed Susan B. Anthony, pioneer in this cause, I am acutely aware of the struggle for equal rights for women, its successes, and those successes yet to come.

Fifty-four years ago, on August 26, the

19th amendment to the Constitution was ratified. This climaxed a long campaign to secure the right to vote for the women of this country.

Today, an equally arduous campaign is underway to once again amend our Constitution, this time to insure, under the law, equal rights for women. To date, 33 States of the 38 required have ratified this amendment. I have every hope and expectation that final ratification will come soon and the amendment will bring about the desired changes in many areas.

Mr. Speaker, as of the 1970 census of the United States, there were 104,299,734 women in this country, comprising 51.3 percent of the population. I believe it is time we accorded this majority of our population the rights to which they are entitled as citizens of this Nation.

I regret that the social attitudes of generations force us to seek recourse in legislation to insure the equality of women in this country. I do believe, however, that the focus of public attention on this very real problem can only help. For that reason, I am pleased to support this legislation and hope it will serve as a reminder to my colleagues and to all Americans of the struggle for equal rights that is still being waged.

Mr. WIGGINS. Mr. Speaker, I support the resolution as well in its amended form.

Mr. Speaker, I have no further request for time and I reserve the balance of my time.

Mrs. MINK. Mr. Speaker, I rise in support of House Joint Resolution 1105, designating August 26 of each year as Women's Equality Day. This day was selected, because it was on an August 26 that the 19th amendment to the U.S. Constitution guaranteeing women the right to vote was ratified. It is an important milestone in the continued struggle of the women of the United States for equal rights for all citizens, male and female.

Today the women of America do more than vote. They are also rising, in strength and in numbers, to take their place as officeholders and makers and executors of our laws. A steadily increasing number of women are placing themselves out front to do battle for positions as Senator, Congresswoman, Governor, and other legislative and executive offices in their States and although we will lose four women this year who are voluntarily leaving the Congress, the best estimates are that an equal number may be elected to replace them. There is no better testament to the presence and work of women officeholders here than the fact that we may soon see more of them. I would like to submit brief summaries by Kay Mills of a few of the coming races this fall involving women aspirants from across the country:

[Chicago Daily News, August 19, 1974]

WOMEN CANDIDATES RUNNING STRONG

(By Kay Mills)

Halfway through the political season, voters and their parties have failed to tap women candidates for state and federal offices to the degree expected in the search for fresh new faces.

The notable exception is Rep. Ella Grasso, the Democratic gubernatorial nominee in Connecticut. Mrs. Grasso probably will become the first woman elected governor in her own right—not as a widow or stand-in for her husband.

Best estimates predict enough women may be elected to Congress to replace the four who are leaving: Mrs. Grasso, plus Representatives Edith Green (D-Ore.), Martha Griffiths (D-Mich.) and Julia B. Hansen (D-Wash.), who are retiring. There are 12 other women in the House of Representatives, no women in the Senate.

With 11 primaries involving women still to go, so far 9—not counting incumbents—have been selected as their party's candidate for the House and two for the U.S. Senate. Nine more women new to the federal election scene still face House primaries as do four women running for the Senate.

Despite the break-even outlook for the Congress, women's strategists are optimistic, pointing out that more women are following Mrs. Grasso's example of making politics a career. Before her election to the House in 1970, Mrs. Grasso, 55, served in the state legislature, starting in 1953, and was elected Connecticut secretary of state in 1958, 1962 and 1966.

"It used to be that when women ran for the state legislature, they were in their 40s and 50s and that was the highest office to which they aspired; their male colleagues, on the other hand, were in their 20s and 30s and on their way up," said Fredi Wechsler, political action co-ordinator for the National Women's Political Caucus (NWPC).

Both Mrs. Wechsler and Jane McMichael, NWPC executive director, predicted this trend will yield more women candidates for statewide and federal offices in five or six years. "We had 120 women running for Congress this year," Ms. McMichael said. "My guess is 150 will run in 1976 and probably 200 by 1978."

Mrs. Grasso is the only women gubernatorial candidate. Her opponent is 35-year-old Robert H. Steele, an independent-minded Republican also elected to the Congress in 1970.

In Arkansas, Republican Leona Troxell is running for lieutenant governor.

In Maryland, former Republican national committeewoman Louise Gore is running behind Rep. Lawrence Hogan in the Sept. 10 gubernatorial primary. Hogan's early stand for impeachment of President Nixon was initially considered a liability but probably isn't now. Winner of that race faces incumbent Gov. Marvin Mandel.

In Rhode Island, Louise Kazanjian faces a Sept. 10 primary in her bid for the Republican nomination for lieutenant governor. In the New York Democratic primary that same day, State Sen. Mary Anne Krupsak also is running for lieutenant governor.

Feminists are particularly watching the Krupsak race because, even though she is Catholic, she introduced New York's abortion law, prompting opponents to say masses for her soul on the steps of the state capitol.

In the Senate picture, a liberal Oregon state legislator, Betty Roberts, was selected this month to replace the late Wayne Morse as Democratic nominee against Sen. Bob Packwood. Roberts has a fairly strong organization left from her second-place finish in the gubernatorial primary this spring and Packwood describes her as a "formidable" opponent.

Republican Party worker Gwen Bush from Charleston, S.C., faces Sen. Ernest F. Hollings this fall. The Republican national committee's monthly newsletter says Hollings "has drifted to the left" since 1968 and Mrs. Bush intends to show that "the philosophy of Ernest F. Hollings is the philosophy of Teddy Kennedy."

In Senate primaries yet to come, Paula Hawkins, a conservative Republican who serves on the Florida Public Service Commission, has seen her chances enhanced by the withdrawal of incumbent Edward Gurney. June Riggs, a Republican, is running in the Washington State primary for the chance to oppose powerful Senate Commerce Committee chairman Warren Magnuson.

Barbara Mikulski, a feisty Baltimore city councilwoman from a predominantly blue-collar, ethnic district, is driving around Maryland seeking to head an 11-person Democratic field in the Sept. 10 Senate primary. If she wins, she has an even tougher battle: running against the popular incumbent Republican, Sen. Charles McC. Mathias.

Most observers feel Ms. Mikulski, who chaired the Democrats' committee writing delegate-selection rules for the 1976 presidential convention, is looking ahead to a race that year against Maryland's more vulnerable junior senator, J. Glenn Beall Jr.

And in Nevada, conservationist Maya Miller is running a tough (but probably losing) fight for the Democratic Senate nomination against Lt. Gov. Harry Reid, protege of the incumbent governor.

St. Louis has an all-woman House race lined up as Democratic incumbent Leonor K. Sullivan will face Republican Joann Raish and independent Marie Nowak. Sullivan is favored.

Other House races involving women find Nina Miglionico, a Democratic city council member from Birmingham, running for Alabama's 6th District seat against incumbent John H. Buchanan Jr. She's got an outside chance to be elected if the Democrats can unite, which they haven't been able to do since Buchanan won in the Goldwater sweep of Alabama in 1964.

In the 2d District of Arkansas, Judy Petty, who was political secretary to the late Gov. Winthrop Rockefeller, is running against well-entrenched Rep. Wilbur Mills.

In California, Colleen O'Connor, member of an old San Diego family, is running against Republican Rep. Bob Wilson, who has close ties with former President Nixon. Democrat Betty Spence has strong union backing in her race against incumbent Rep. Philip Crane in his Chicago suburban district, but Crane is favored.

Helen Meyner, whose husband was governor of New Jersey, is running against Joseph Maraziti, a Republican who defended Mr. Nixon in the House Judiciary Committee, then switched after White House tapes revealed the former President had authorized a Watergate cover-up for political reasons.

Millicent Fenwick, a Republican, is running in New Jersey's affluent 5th District against a young liberal Democrat, Fred Bohen. The seat formerly was held by Republican Peter H. B. Frelinghuysen, who is retiring. Ms. Fenwick, a former editor of Vogue, was a two-term state representative and resigned as state director of consumer affairs to run for Congress. She is given a chance to win.

In Kansas, Martha Keys won the Democratic nomination in a district being vacated by W. R. Roy, who is running for governor. The district was traditionally Republican but Democrat Roy had held the seat since 1970.

And in Ohio, Fran Ryan, a Columbus city councilwoman, is given a chance to beat incumbent Sam Devine in the 12th District. An independent candidate, Kathleen Harroff, also is running for the Senate from Ohio.

Women are still involved in House primaries in Arizona, Florida, Hawaii, New Hampshire, Vermont and Maryland—where Gladys Spellman, a Democrat, is given a good chance to succeed Hogan.

Among incumbents, Rep. Patricia Schroeder (D.-Colo.) is considered facing the toughest primary battle. Her opponent is Denver schoolboard member Frank Southworth and busing is the issue. That vote comes Sept. 10.

Mrs. HOLT. Mr. Speaker, August 26 has been proposed as a day of recognition for American women and their efforts to achieve social, civil, economic, and political equality in our land. It will commemorate the 54th anniversary of the passage of the 19th amendment giving American women the right to participate in the selection of their elected officials.

Women have contributed so much to our country and its development; their contribution is increasing as they enter every profession confident that they are able to contribute. Particularly, I am gratified that I have never been subject to any discrimination in this House, where men and women work together as colleagues on matters of the gravest consequence to our country.

Mr. Speaker, equality never arises because some legislation is enacted; true equality lies in the heart of the people. I believe the American people are in accord on the subject of recognizing the intelligence, talent, and ability of women, and I urge my colleagues to join me in wholehearted support of Women's Equality Day.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the joint resolution (H.J. Res. 1105), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL ACCOUNTING OFFICE LEGISLATION

Mr. HOLIFIELD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12113) to revise and restate certain functions and duties of the Comptroller General of the United States and for other purposes as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "General Accounting Office Act of 1974."

TITLE I—STATISTICAL SAMPLING PROCEDURES IN THE EXAMINATION OF VOUCHERS

SEC. 101. Subsection (a) of the Act entitled "An Act to permit the use of statistical sampling procedures in the examination of vouchers", approved August 30, 1964 (31 U.S.C. 82b-1(a)), is amended to read as follows:

"(a) Whenever the head of any department or agency of the Government or the Commissioner of the District of Columbia determines that economies will result therefrom, such agency head or the Commissioner may prescribe the use of adequate and effective statistical sampling procedures in the examination of disbursement vouchers not exceeding such amounts as may from time to time be prescribed by the Comptroller General of the United States; and no certifying or disbursing officer acting in good faith and in conformity with such procedures shall be held liable with respect to any certification or payment made by him on a voucher which was not subject to specific examination because of the prescribed statistical sampling procedure, so long as such officer and his department or agency have diligently pursued collection action to recover the illegal, improper, or incorrect payment in accordance with procedures prescribed by the Comptroller General. The Comptroller General shall include in his reviews of accounting systems an evaluation of the adequacy and effectiveness of procedures established under the authority of this Act."

TITLE II—AUDIT OF TRANSPORTATION PAYMENTS

SEC. 201. Section 322 of the Transportation Act of 1940 (49 U.S.C. 66) is amended—

(1) by striking out the first sentence of subsection (a) and inserting in lieu thereof "Payment for transportation of persons or property for or on behalf of the United States by any carrier or forwarder shall be made upon presentation of bills therefor prior to audit by the General Services Administration, or by any other executive agency designated by the Administrator of General Services to conduct such audit (pursuant to regulations prescribed by him) in cases involving transportation outside the continental United States or in other exceptional cases. The right is reserved to the United States Government to deduct the amount of any overcharge by any carrier or forwarder from any amount subsequently found to be due such carrier or forwarder. The provisions of this subsection shall not affect the authority of the General Accounting Office to make audits in accordance with the Budget and Accounting Act, 1921 (31 U.S.C. 41), and the Accounting and Auditing Act of 1950 (31 U.S.C. 65).";

(2) in the second proviso of subsection (a), by striking out "cognizable by the General Accounting Office" and by striking out "received in the General Accounting Office" and inserting in lieu of the latter "received in the General Services Administration or an executive agency designated by the Administrator of General Services."; and

(3) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting the following new subsection (b):

"(b) Nothing in subsection (a) hereof shall be deemed to prevent any carrier or forwarder from requesting the Comptroller General to review the action on his claim by the General Services Administration or an executive agency designated by the Administrator of General Services. Such request shall be forever barred unless received in the General Accounting Office within six months (not including any time of war) from the date the action was taken or within the periods of limitation specified in the second proviso in subsection (a) of this section, whichever is later.".

SEC. 202. (a) Incident to the transfer of functions pursuant to the amendments made by section 201 of this Act, there shall be transferred to such agency such records, property, personnel, appropriations, and other funds of the General Accounting Office as the Comptroller General and the Director of the Office of Management and Budget shall jointly determine after consultation with the Administrator of General Services and, with respect to personnel, with the Chairman of the United States Civil Service Commission.

(b) Personnel transferred pursuant to subsection (a) of this section shall not be reduced in classification or compensation for one year after such transfer, except for cause. After such one year period, each person transferred pursuant to subsection (a) shall be subject to the provisions of section 5337 of title 5, United States Code, as if such person had continued to be an employee of the General Accounting Office.

SEC. 203. The transfer of functions pursuant to the amendments made by section 201 of this Act shall be fully effected not later than July 1, 1977, or at such earlier time as is agreed upon by the Comptroller General and the Administrator of General Services. Notice of the effective date of the transfer shall be published in the Federal Register not less than thirty days in advance thereof. No transfer of personnel pursuant to this title shall be effected prior to July 1, 1975.

TITLE III—AUDIT OF NONAPPROPRIATED FUND ACTIVITIES

SEC. 301. (a) The (1) operations and funds (including central funds) of nonappropriated fund and related activities authorized or operated by an executive agency to sell merchandise or services to military or other Government personnel and their dependents, such as the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, Exchange Councils of the National Aeronautics and Space Administration, commissaries, clubs, and theaters, (2) systems of accounting and internal controls of such funds and activities, and (3) any internal or independent audits or reviews of such funds and activities shall, unless otherwise provided by law, be subject to review by the Comptroller General of the United States in accordance with such principles and procedures and under such rules and regulations as he may prescribe. The Comptroller General and his duly authorized representatives shall have access to those books, accounts, records, documents, reports, files, and other papers, things, or property relevant to funds and activities within this subsection as are deemed necessary by the Comptroller General.

(b) When required by the Comptroller General for such nonappropriated fund and related activities with gross receipts from sales of more than $100,000 a year as he may designate by class, or upon specific request of the Comptroller General in any other case, each executive agency shall furnish promptly a copy of the annual report of any nonappropriated fund or related activity referred to in subsection (a). If such information is not included in any activity's annual report, such agency shall also furnish a statement showing the yearly financial operations, financial condition, and cash flow, and such other annual information relating to the activity as may be agreed upon by the Comptroller General and the head of the executive agency concerned.

TITLE IV—EMPLOYMENT OF EXPERTS AND CONSULTANTS

SEC. 401. The Comptroller General may employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for persons in the Government service employed intermittently. However, ten such experts or consultants may be employed for periods not in excess of three years, at rates (or the daily equivalent thereof) not in excess of the rate prescribed for Executive level V under section 5316 of title 5, United States Code.

TITLE V—GENERAL ACCOUNTING OFFICE BUILDING

SEC. 501. Notwithstanding any other provision of law, the Comptroller General shall have exclusive custody and control over the General Accounting Office Building, including the operation, maintenance, repairs, alterations, and assignment of space therein. The Comptroller General and the head of any Federal agency may enter into agreements for space to be occupied in the General Accounting Office Building by such agency at such rates as may be agreed upon. Amounts received by the General Accounting Office pursuant to such agreements will be deposited to the appropriation initially charged for providing operation, maintenance, repair and alteration services with respect to such space.

TITLE VI—AUDIT OF GOVERNMENT CORPORATIONS

AMENDMENTS TO THE GOVERNMENT CORPORATION CONTROL ACT

SEC. 601. The Government Corporation Control Act is amended as follows:

(1) Section 105 of such Act (31 U.S.C. 850) is amended by adding at the end thereof the following sentence: "Effective July 1, 1974, each wholly owned Government corporation shall be audited at least once every three years.".

(2) Section 106 of such Act (31 U.S.C. 851) is amended by striking out the first sentence and inserting in lieu thereof "A report of each audit conducted under section 105 shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

(3) Section 202 of such Act (31 U.S.C. 857) is amended by adding at the end thereof the following sentence: "Effective July 1, 1974, each mixed-ownership Government corporation shall be audited as provided herein at least once in every three years.".

(4) Section 203 of such Act (31 U.S.C. 858) is amended by striking out the first sentence and inserting in lieu thereof "A report of each audit conducted under section 202 shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 602. The Federal Deposit Insurance Act is amended as follows:

(1) Section 17(b) of such Act (12 U.S.C. 1827(b)) is amended by adding at the end thereof the following sentence: "The Corporation shall be audited at least once in every three years.".

(2) Section 17(c) of such Act (12 U.S.C. 1827(c)) is amended by striking out the first and second sentences and inserting in lieu thereof "A report of each audit conducted under subsection (b) of this section shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENT TO FEDERAL CROP INSURANCE ACT

SEC. 603. Section 513 of the Federal Crop Insurance Act (52 Stat. 76; 7 U.S.C. 1513) is amended by striking out all after the first sentence.

AMENDMENTS TO THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

SEC. 604. Section 107(g) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701y(g)) is amended by—

(1) adding the following new sentence at the end of subparagraph (1): "Such audit shall be made at least once every three years."; and

(2) striking out the first sentence in subparagraph (2) and inserting in lieu thereof "A report of each such audit shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.".

AMENDMENT TO DISTRICT OF COLUMBIA REDEVELOPMENT ACT OF 1945

SEC. 605. Section 17 of the District of Columbia Redevelopment Act of 1945 (60 Stat. 801) is amended by striking out "annual audit" in the last sentence and inserting in lieu thereof "audit".

TITLE VII—REVISION OF ANNUAL AUDIT REQUIREMENTS

AMENDMENT TO FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 701. Section 109(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 756(e)) is amended to read as follows:

"(c) (1) As of June 30 of each year, there shall be covered into the United States Treasury as miscellaneous receipts any surplus in the General Supply Fund, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund.

"(2) The Comptroller General shall make audits of the General Supply Fund in accordance with the provisions of the Accounting and Auditing Act of 1950 and make reports on the results thereof.".

AMENDMENT TO THE FEDERAL AVIATION ACT OF 1958

SEC. 702. That part of the second sentence of section 1307(f) of the Federal Aviation Act of 1958 (49 U.S.C. 1537(f)) which precedes the proviso is amended to read as follows: "The Secretary shall maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950:".

AMENDMENT WITH RESPECT TO THE BUREAU OF ENGRAVING AND PRINTING FUND

SEC. 703. Section 6 of the Act entitled "An Act to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes" (31 U.S.C. 181d) is amended by striking out "the General Accounting Office" and all that follows thereafter to the end of such section and inserting in lieu thereof "the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.".

AMENDMENT WITH RESPECT TO THE VETERANS' CANTEEN SERVICE

SEC. 704. Section 4207 of title 38, United States Code, is amended to read as follows:

"§ 4207. Audit of accounts

"The Service shall maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.".

AMENDMENT WITH RESPECT TO THE HIGHER EDUCATION INSURED LOAN PROGRAM

SEC. 705. Section 432(b)(2) of the Higher Education Act of 1965 (20 U.S.C. 1082(b)(2)) is amended to read as follows:

"(2) maintain with respect to insurance under this part a set of accounts, which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.".

AMENDMENT TO THE HOUSING ACT OF 1950

SEC. 706. Section 402(a)(2) of the Housing Act of 1950 (64 Stat. 78; 12 U.S.C. 1749a(a)(2)) is amended to read as follows:

"(2) maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950: *Provided*, That such financial transactions of the Administrator as the making of loans and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government.".

AMENDMENT TO THE FEDERAL CREDIT UNION ACT

SEC. 707. Section 209(b)(2) of the Federal Credit Union Act (12 U.S.C. 1789(b)(2) is amended by striking out "annually".

AMENDMENT WITH RESPECT TO AUDIT OF THE GOVERNMENT PRINTING OFFICE

SEC. 708. Section 309(c) of title 44, United States Code, is amended by striking out the third sentence and inserting in lieu thereof "the Comptroller General shall audit the activities of the Government Printing Office at least once every three years and shall furnish reports of such audits to the Congress and the Public Printer.".

TITLE VIII—LIMITATION OF TIME ON CLAIMS AND DEMANDS

SEC. 801. Effective one year after enactment of this Act, section 1 of the Act of October 9, 1940 (54 Stat. 1061; 31 U.S.C. 237), is amended by striking out "ten full years" and inserting in lieu thereof "six years".

The **SPEAKER** pro tempore. Is a second demanded?

Mr. **STEELMAN**. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. **HOLIFIELD**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 12113, the bill to revise and restate certain functions and duties of the Comptroller General of the United States, was reported unanimously from the Committee on Government Operations. This bill was introduced at the Comptroller General's request. The committee made certain revisions which we believe improve the bill. Essentially, its purpose is to adjust the Comptroller General's audit functions to effect a more productive use of resources in the General Accounting Office. I will summarize the provisions of the bill briefly by title.

Title I amends existing law to remove the $100 limitation on the amount of disbursement vouchers subject to agency audit by statistical sampling techniques. The Comptroller General is authorized to prescribe specific dollar limitations for each department or agency and will evaluate procedures so prescribed. The $100 ceiling is out of date, and the amendment makes for more flexibility and more efficient audit operations.

Title II amends existing law to transfer from the GAO to the General Services Administration the functions of initial audit of transportation bills and the recovery of overcharges. The GSA, by statute, is the traffic manager agency for the Federal Government and maintains a master tariff file. The Comptroller General will retain final audit responsibility, as he does with respect to other agencies.

Approximately 400 employees would be involved in the transfer of functions under title II. Some of those employees have expressed concern that their opportunities for job advancement and job security might be affected adversely. The committee has written specific provisions into the bill to allow ample time for advance planning and to protect employee rights and privileges. Up to 3 years are allowed for the transition. No personnel may be transferred before July 1, 1975. Employees who are transferred to the GSA will continue to have employment and other rights equivalent to those afforded had they remained in the GAO. The committee has assurances from the GAO, the GSA, and the OMB that careful consideration will be given to employee rights and privileges.

Title III authorizes the Comptroller General to audit nonappropriated fund activities such as military post exchanges and commissaries. It limits nonappropriated fund activities to those which sell merchandise or services to military or other Government personnel and their dependents; in other words, activities of the type that would be profitmaking in private industry. As the Members know, there have been some serious abuses in this area, and the GAO should have authority to audit such activities from time to time.

Title IV gives the Comptroller General continuity authority to employ experts and consultants. Under existing law, he must get this authority renewed each year. Also, this title would permit the Comptroller General to retain up to 10 experts or consultants, at executive level V, for periods not in excess of 3 years. This authority is similar to that given the Comptroller General in section 702 of the Congressional Budget and Impoundment Control Act of 1974, Public Law 93-344.

Title V gives the Comptroller General custody over his own building. The General Services Administrator, who now has custody over the GAO building, would prefer to retain it. The committee resolved the issue by providing that the Comptroller General will have exclusive custody and control over his headquarters building, but any leasing of additional space for GAO, whether in Washington, D.C., or in the field, will continue to be handled by the GSA. Since the General Accounting Office is a part of the legislative branch, the committee action puts the GAO on the same footing with other legislative agencies, such as the Library of Congress and the Government Printing Office.

At present, the GAO building has some other office tenants occupying approximately one-half of the building space. Upon enactment of the bill, the Comptroller General intends to continue contracting with GSA or private industry for needed custodial services. My own surmise is that with the continually increasing functions and responsibilities placed by the Congress in the Comptroller General's orbit, in the not too distant future he will need the entire building for his own organization. Consequently, although I sponsored the GSA legislation originally in the Congress and I am sympathetic to, and have supported, its efforts to centralize buildings management in the executive branch, I believe it is appropriate, in this case, to make an exception for the GAO as a legislative agency.

Title VI amends the Government Corporation Control Act and certain other statutes to require audits of Government corporations once every 3 years rather than annually.

Title VII makes certain revolving funds subject to audit at the discretion of the Comptroller General rather than on an annual basis.

The Comptroller General assures us that Government corporations and revolving funds will be audited more frequently than once every 3 years if the situation so requires.

Title VIII reduces from 10 years to 6 years the statute of limitations on the filing of claims with the GAO. The 6-year period conforms to the 6-year statute of limitations for the filing of claims against the Government in the courts. Annual savings of $300,000 are estimated by the Comptroller General through reduced storage costs. The new time period will become effective 1 year after enactment of the bill, in order to provide a grace period for claimants who otherwise might be barred without adequate notice of the shorter period allowed for the presentation of claims.

In summary, Mr. Speaker, H.R. 12113 will enable the Comptroller General to do his job more effectively. He will be relieved of certain administrative audit functions, which properly should be lodged in the executive branch. He will acquire more flexibility to carry out his audit functions and to safeguard the integrity of the public business.

I urge the adoption of H.R. 12113.

Mr. STEELMAN. Mr. Speaker, I urge passage of this bill as amended by the Committee on Government Operations. This bill was reported out unanimously by voice vote on August 15 from our committee. The committee held 2 days of hearings in June, and they are now in print.

As far as changes are concerned, we have tried to resolve all disagreements concerning the provisions of the bill. As the chairman has stated, we tried to update the authority of the Comptroller General. In doing so, we hope and feel that this bill is a necessary part of our effort here in this body to continue congressional authority.

Mr. HOLIFIELD. Mr. Speaker, I have no further requests for time.

Mr. HORTON. Mr. Speaker, I urge passage of H.R. 12113 as amended by the Government Operations Committee.

The committee ordered this bill reported by unanimous voice vote on August 15. We held 2 days of hearings in June—they are now in print—and as far as possible, have tried to resolve all disagreements concerning the provisions of the bill.

The bill updates various authorities of the Comptroller General. Basically, it is designed to allow for more effective operations by the Federal Government's auditor and principal investigator for the Congress. This bill is a necessary part of our effort to revamp congressional authority and capabilities.

There are two points I believe deserve special mention:

The first concerns title II, which transfers responsibility for the primary audit of transportation payments from the General Accounting Office to the General Services Administration. As the chairman noted, this transfer involves approximately 400 employees who have expressed their concern to our committee that this might adversely affect their advancement opportunities and security. The committee, in response to these concerns, made several changes in the bill to protect the rights of these employees. We added a requirement that the Director of the Office of Management and Budget and the Comptroller General consult with the Chairman of the U.S. Civil Service Commission with regard to the proposed transfer of employees.

Also, we guarantee that transferred employees would not be reduced in pay or classification for 1 year after their transfer, except for cause, and thereafter would have longevity and other employee benefits under 5 U.S.C. 5337, to the same extent as if they had remained employees of the General Accounting Office. And finally, we prohibit the transfer for a period of 1 year to assure that adequate time is available for planning the transfer. We fully expect these changes to give the employees all of the protection possible under law and that these employees will be treated fairly by all parties involved.

The second point I would like to mention is that this bill transfers custody of the headquarters building of the General Accounting Office from the General Services Administration to the Comptroller General. We have made this transfer in order to stress the independence of the General Accounting Office from the executive branch. It was not our intent in any way to discredit or otherwise damage the Federal buildings fund established by Public Law 92-313. We consider the GAO to be a unique Federal institution and have agreed to this transfer because of its special independent relationship to all other Federal agencies as a result of its being the auditor of the Federal Government.

Mr. Speaker, I urge passage of H.R. 12113.

GENERAL LEAVE

Mr. STEELMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from California (Mr. Holifield) that the House suspend the rules and pass the bill H.R. 12113, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. The debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 16425, H.R. 16102, and H.R. 14897, on which the yeas and nays were requested.

Pursuant to the provisions of clause 3 (b) (3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rule on which the Chair has postponed further proceedings.

ANTI-INFLATION ACT OF 1974

The SPEAKER pro tempore. The unfinished business is the vote on the motion of the gentleman from Texas (Mr. PATMAN) to suspend the rules and pass the bill, H.R. 16425, on which the yeas and nays are ordered.

The Clerk read the title of the bill.

The vote was taken by electronic device, and there were—yeas 379, nays 23, answered "present" 1, not voting 31, as follows:

[Roll No. 499]

YEAS—379

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Baker
Barrett
Bauman
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Runnels
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—23

Abzug
Bingham
Burton, John
Collins, Tex.
Conyers
Crane
Goldwater
Gonzalez
Gross
Harrington
Helstoski
Kemp
Ketchum
Landgrebe
Mitchell, Md.
Moss
Roybal
Ryan
Schroeder
Stark
Steelman
Symms
Wilson, Charles H., Calif.

ANSWERED "PRESENT"—1

Rousselot

NOT VOTING—31

Anderson, Ill.
Aspin
Beard
Brasco
Brotzman
Carey, N.Y.
Davis, Ga.
Diggs
Giaimo
Gunter
Hanna
Hawkins
Hébert
Hogan
Long, Md.
McSpadden
Mayne
Nedzi
O'Brien
Pritchard
Rarick
Reid
Rhodes
Rooney, N.Y.
Ruppe
Satterfield
Stuckey
Van Deerlin
Williams
Young, Alaska
Young, S.C.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rhodes and Mr. Mayne for, with Mr. Rousselot against.

Until further notice:

Mr. Hébert with Mr. Hanna.

Mr. Carey of New York with Mr. Davis of Georgia.

Mr. Giaimo with Mr. Long of Maryland.

Mr. Rooney of New York with Mr. Young of Alaska.

Mr. Satterfield with Mr. O'Brien.

Mr. Nedzi with Mr. Brotzman.

Mr. Rarick with Mr. Hogan.

Mr. Diggs with Mr. Reid.

Mr. Hawkins with Mr. Aspin.

Mr. Van Deerlin with Mr. Anderson of Illinois.

Mr. Gunter with Mr. Beard.

Mr. Stuckey with Mr. Ruppe.

Mr. McSpadden with Mr. Williams.

Mr. ROUSSELOT. Mr. Speaker, I have a live pair with the gentleman from Arizona (Mr. RHODES). If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

AMENDING THE EMERGENCY DAYLIGHT SAVING TIME ENERGY CONSERVATION ACT OF 1973

The SPEAKER. The unfinished business is the vote on the motion offered by the gentleman from West Virginia (Mr. STAGGERS) to suspend the rules and pass the bill H.R. 16102, as amended, on which the yeas and nays are ordered.

The Clerk read the title of the bill.

The vote was taken by electronic device, and there were—yeas 383, nays 16, not voting 35, as follows:

[Roll No. 500]

YEAS—383

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Baker
Barrett
Bauman
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux

Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Hastings
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—16

Bingham
Cleveland
Dellenback
Frelinghuysen
Frenzel
Harrington
Harsha
Heckler, Mass.
Hosmer
Patten
Robison, N.Y.
Ryan
Studds
Tiernan
Wilson, Charles H., Calif.
Wydler

NOT VOTING—35

Anderson, Ill.
Aspin
Beard
Brasco
Brotzman
Burleson, Tex.
Carey, N.Y.
Davis, Ga.
Diggs
Giaimo
Gunter
Hanna
Hawkins
Hébert
Hogan
Holifield
Kyros
McSpadden
Mayne
Nedzi
Nichols
O'Brien
Price, Tex.
Pritchard
Rangel
Rarick
Reid
Rhodes
Rooney, N.Y.
Ruppe
Stuckey
Van Deerlin
Williams
Young, Alaska
Young, S.C.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Davis of Georgia.
Mr. Rooney of New York with Mr. Hanna.
Mr. Hawkins with Mr. Reid.
Mr. Carey of New York with Mr. Rarick.
Mr. Giaimo with Mr. Hogan.
Mr. Diggs with Mr. Aspin.
Mr. Kyros with Mr. Ruppe.
Mr. Rangel with Mr. Nedzi.
Mr. Van Deerlin with Mr. Anderson of Illinois.
Mr. Stuckey with Mr. Mayne.
Mr. Burleson of Texas with Mr. O'Brien.
Mr. Gunter with Mr. Beard.
Mr. Holifield with Mr. Price of Texas.
Mr. Nichols with Mr. Brotzman.
Mr. McSpadden with Mr. Williams.
Mr. Rhodes with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **STAGGERS**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

YOUTH CONSERVATION CORPS

The **SPEAKER**. The unfinished business is the vote on the motion offered by the gentleman from New Jersey (Mr. Dominick V. Daniels) to suspend the rules and pass the bill H.R. 14897, on which the yeas and nays are ordered.

The Clerk read the title of the bill.

The vote was taken by electronic device, and there were—yeas 361, nays 38, not voting 35, as follows:

[Roll No. 501]

YEAS—361

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Badillo
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Ichord
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone

Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—38

Archer
Ashbrook
Bafalis
Baker
Bauman
Blackburn
Burke, Fla.
Burlison, Mo.
Butler
Camp
Clawson, Del
Collins, Tex.
Conlan
Crane
Davis, Wis.
Devine
Dickinson
Flynt
Fountain
Goodling
Gross
Huber
Hutchinson
Jarman
Landgrebe
Maraziti
Martin, N.C.
Michel
Robinson, Va.
Rousselot
Ruth
Satterfield
Shuster
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Young, Fla.

NOT VOTING—35

Anderson, Ill.
Aspin
Beard
Brasco
Brooks
Brotzman
Carey, N.Y.
Davis, Ga.
Diggs
Giaimo
Green, Pa.
Gunter
Hanna
Hays
Hébert
Hogan
Johnson, Pa.
Lehman
McSpadden
Mayne
Nedzi
O'Brien
Pritchard
Rarick
Reid
Rhodes
Rooney, N.Y.
Ruppe
Sikes
Stuckey
Van Deerlin
Ware
Williams
Young, Alaska
Young, S.C.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Davis of Georgia.

Mr. Rooney of New York with Mr. McSpadden.

Mr. Brooks with Mr. Rarick.

Mr. Carey of New York with Mr. Young of Alaska.

Mr. Giaimo with Mr. Ware.

Mr. Diggs with Mr. Hanna.

Mr. Green of Pennsylvania with Mr. Aspin.

Mr. Gunter with Mr. Hogan.

Mr. Hays with Mr. Anderson of Illinois.

Mr. Nedzi with Mr. O'Brien.

Mr. Reid with Mr. Johnson of Pennsylvania.

Mr. Sikes with Mr. Beard.

Mr. Stuckey with Mr. Mayne.

Mr. Van Deerlin with Mr. Brotzman.

Mr. Lehman with Mr. Ruppe.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the Senate bill (S. 1871) to amend the Youth Conservation Corps Act of 1972 (Public Law 92–597, 86 Stat. 1319) to expand and make permanent the Youth Conservation Corps, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of October 27, 1972 (86 Stat. 1319) is amended to read as follows:

"POLICY AND PURPOSE

"SECTION 1. The Congress finds that the Youth Conservation Corps has demonstrated a high degree of success as a pilot program wherein American youth, representing all segments of society have benefited by gainful employment in the healthful outdoor atmosphere of the national park system, the national forest system, and other public land and water areas of the United States, and by their employment have developed, enhanced, and maintained the natural resources of the United States, and whereas in so doing the youth have gained an understanding and appreciation of the Nation's environment and heritage equal to one full academic year of study, it is accordingly the purpose of this Act to expand and make permanent the Youth Conservation Corps and thereby further the development and maintenance of the natural resources by America's youth, and in so doing to prepare them for the ultimate responsibility of maintaining and managing these resources for the American people.

"YOUTH CONSERVATION CORPS

"SEC. 2. (a) To carry out the purposes of this Act, there is established in the Department of the Interior and the Department of Agriculture a Youth Conservation Corps (hereinafter referred to as the 'Corps'). The Corps shall consist of young men and women who are permanent residents of the United States in territories, possessions, or trust territories, who have attained age fifteen but have not attained age nineteen, and whom the Secretary of the Interior or the Secretary of Agriculture may employ without regard to the civil service or classification laws, rules or regulations, for the purpose of developing, preserving, or maintaining the lands and waters of the United States.

"(b) The Corps shall be open to youth of both sexes and youth of all social, economic, and racial classifications with all Corps members receiving compensation consistent with work accomplished, and with no person being employed as a member of the Corps for a term in excess of ninety days during any single year.

"SECRETARIAL DUTIES AND FUNCTIONS

"SEC. 3. (a) In carrying out this Act, the Secretary of the Interior and the Secretary of Agriculture shall—

"(1) determine the areas under their administrative jurisdictions which are appropriate for carrying out programs using employees of the Corps;

"(2) determine, with other Federal agencies, the areas under the administrative jurisdiction of these agencies which are appropriate for carrying out programs using members of the Corps, and determine and select appropriate work and education programs and projects for participation by members of the Corps;

"(3) determine the rates of pay, hours, and other conditions of employment in the Corps, except that all members of the Corps shall not be deemed to be Federal employees other than for the purposes of chapter 171 of title 28, United States Code, and chapter 81 of title 5, United States Code;

"(4) provide for such transportation, lodging, subsistence, and other services and equipment as they may deem necessary or appropriate for the needs of members of the Corps in their duties;

"(5) promulgate regulations to insure the safety, health, and welfare of the Corps members; and

"(6) provide to the extent possible, that permanent or semipermanent facilities used as Corps camps be made available to local schools, school districts, State junior colleges and universities, and other education institutions for use as environmental/ecological education camps during periods of nonuse by the Corps program. Costs for operations, maintenance, and staffing of Corps camp facilities during periods of use by non-Corps programs as well as any liability for personal injury or property damage stemming from such use shall be the responsibility of the entity or organization using the facility and shall not be a responsibility of the Secretaries or the Corps.

"(b) Whenever economically feasible, existing but unoccupied Federal facilities and surplus or unused equipment (or both), of all types, including military facilities and equipment, shall be utilized for the purposes of the Corps, where appropriate and with the approval of the Federal agency involved. To minimize transportation costs, Corps members shall be employed on conservation projects as near to their place of residence as is feasible.

"(c) The Secretary of the Interior and the Secretary of Agriculture may contract with any public agency or organization or any private nonprofit agency or organization which has been in existence for at least five years for the operation of any Youth Conservation Corps project.

"GRANT PROGRAM FOR STATE PROJECTS

"SEC. 4. (a) The Secretary of the Interior and the Secretary of Agriculture shall jointly establish a program under which grants shall be made to States to assist them in meeting the cost of projects for the employment of young men and women to develop, preserve, and maintain non-Federal public lands and waters within the States. For purposes of this section, the term 'States' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

"(b)(1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary of the Interior and the Secretary of Agriculture. Such application shall be in such form, and submitted in such manner, as the Secretaries shall jointly by regulation prescribe, and shall contain—

"(A) assurances satisfactory to the Secretaries that individuals employed under the project for which the application is submitted shall (i) have attained the age of fifteen but not attained the age of nineteen, (ii) be permanent residents of the United States or its territories, possessions, or the Trust Territory of the Pacific Islands, (iii) be employed without regard to the personnel laws, rules, and regulations applicable to full-time employees of the applicant, (iv) be employed for a period of not more than ninety days in any calendar year, and (v) be employed without regard to their sex or social, economic, or racial classification; and

"(B) such other information as the Secretaries may jointly by regulation prescribe.

"(2) The Secretaries may approve applications which they determine (A) meet the requirements of paragraph (1), and (B) are for projects which will further the development, preservation, or maintenance of non-Federal public lands or waters within the jurisdiction of the applicant.

"(c) (1) The amount of any grant under this section shall be determined jointly by the Secretaries, except that no grant for any project may exceed 80 per centum of the cost (as determined by the Secretaries) of such project.

"(2) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretaries find necessary.

"(d) Thirty per centum of the sums appropriated under section 6 for any fiscal year shall be made available for making grants under this section for such fiscal year.

"SECRETARIAL REPORTS

"SEC. 5. The Secretary of the Interior and Secretary of Agriculture shall annually prepare a joint report detailing the activities carried out under this Act and providing recommendations. Each report for the preceding program year shall be submitted concurrently to the President and the Congress not later than April 1 of each year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. There are authorized to be appropriated, and made available to the Secretary of the Interior and the Secretary of Agriculture to carry out the purposes of this Act, amounts not to exceed $100,000,000 for each fiscal year. Notwithstanding any other provision of law, funds appropriated for any fiscal year to carry out this Act shall remain available for obligation and expenditure until the end of the fiscal year following the fiscal year for which appropriated."

MOTION OFFERED BY MR. DOMINICK V. DANIELS

Mr. DOMINICK V. DANIELS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DOMINICK V. DANIELS moves to strike out all after the enacting clause of S. 1871 and to insert in lieu thereof the provisions of H.R. 14897, as passed by the House:

That the Act of August 13, 1970 (84 Stat. 794) is amended to read as follows:

"POLICY AND PURPOSE

"SECTION 1. The Congress finds that the Youth Conservation Corps has demonstrated a high degree of success as a pilot program wherein American youth, representing all segments of society, have benefited by gainful employment in the healthful outdoor atmosphere of the national park system, the national forest system, other public land and water areas of the United States and by their employment have developed, enhanced, and maintained the natural resources of the United States, and whereas in so doing the youth have gained an understanding and appreciation of the Nation's environment and heritage equal to one full academic year of study, it is accordingly the purpose of this Act to expand and make permanent the Youth Conservation Corps and thereby further the development and maintenance of the natural resources by America's youth, and in so doing to prepare them for the ultimate responsibility of maintaining and managing these resources for the American people.

"YOUTH CONSERVATION CORPS

"SEC. 2. (a) To carry out the purposes of this Act, there is established in the Department of the Interior and the Department of Agriculture a Youth Conservation Corps (hereinafter referred to as the 'Corps'). The Corps shall consist of young men and women who are permanent residents of the United States, its territories, possessions, trust territories, or Commonwealth of Peurto Rico who have attained age fifteen but have not attained age nineteen, and whom the Secretary of the Interior or the Secretary of Agriculture may employ without regard to the civil service or classification laws, rules, or regulations, for the purpose of developing, preserving, or maintaining the lands and waters of the United States.

"(b) The Corps shall be open to youth from all parts of the country of both sexes and youth of all social, economic, and racial classifications with all Corps members receiving compensation consistent with work accomplished, and with no person being employed as a member of the Corps for a term in excess of ninety days during any single year.

"SECRETARIAL DUTIES AND FUNCTIONS

"SEC. 3. (a) In carrying out this Act, the Secretary of the Interior and the Secretary of Agriculture shall—

"(1) determine the areas under their administrative jurisdictions which are appropriate for carrying out the programs using employees of the Corps;

"(2) determine with other Federal agencies the areas under the administrative jurisdiction of these agencies which are appropriate for carrying out programs using members of the Corps, and determine and select appropriate work and education programs and projects for participation by members of the Corps;

"(3) determine the rates of pay, hours, and other conditions of employment in the Corps, except that all members of the Corps shall not be deemed to be Federal employees other than for the purpose of chapter 171 of title 28, United States Code, and chapter 81 of title 5, United States Code;

"(4) provide for such transportation, lodging, subsistence, and other services and equipment as they may deem necessary or appropriate for the needs of members of the Corps in their duties;

"(5) promulgate regulation to insure the safety, health,and welfare of the Corps members; and

"(6) provide to the extent possible, that permanent or semi-permanent facilities used as Corps camps be made available to local schools, school districts, State junior colleges and universities, and other education institutions for use as environmental/ecological education camps during periods of nonuse by the Corps program.

Costs for operations maintenance, and staffing of Corps camp facilities during periods of use by non-Corps programs as well as any liability for personal injury or property damage stemming from such use shall be the responsibility of the entity or organization using the facility and shall not be a responsibility of the Secretaries or the Corps.

"(b) Existing but unoccupied Federal facilities and surplus or unused equipment (or both), of all types including military facilities and equipment, shall be utilized for the purposes of the Corps, where appropriate and with the approval of the Federal agency involved. To minimize transportation costs, Corps members shall be employed on conservation projects as near to their places of residence as is feasible.

"(c) The Secretary of the Interior and the Secretary of Agriculture may contract with any public agency or organization or any private nonprofit agency or organization which has been in existence for at least five years for the operation of any Youth Conservation Corps project.

"GRANT PROGRAM FOR STATE PROJECTS

"SEC. 4. (a) The Secretary of the Interior and the Secretary of Agriculture shall jointly establish a program under which grants shall be made to States to assist them in meeting the cost of projects for the employment of young men and women to develop, preserve, and maintain non-Federal public lands and waters within the States. For purposes of this section, the term 'States' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

"(b) (1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary of the Interior and the Secretary of Agriculture. Such application shall be in such form, and submitted in such manner, as the Secretaries shall jointly by regulation prescribe, and shall contain—

"(A) assurances satisfactory to the Secretaries that individuals employed under the project for which the application is submitted shall (i) have attained the age of fifteen but not attained the age of nineteen, (ii) be permanent residents of the United States or its territories, possessions, or the Trust Territory of the Pacific Islands, (iii) be employed without regard to the personnel laws, rules, and regulations applicable to full-time employees of the applicant, (iv) be employed for a period of not more than ninety days in any calendar year, and (v) be employed without regard to their sex or social, economic, or racial classification; and

"(B) such other information as the Secretaries may jointly by regulation prescribe.

"(2) The Secretaries may approve applications which they determine (A) to meet the requirements of paragraph (1), and (B) are for projects which will further the development, preservation, or maintenance of non-Federal public lands or waters within the jurisdiction of the applicant.

"(c) (1) The amount of any grant under this section shall be determined jointly by the Secretaries, except that no grant for any project may exceed 80 per centum of the cost (as determined by the Secretaries) of such project.

"(2) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretaries find necessary.

"(d) Thirty per centum of the sums appropriated under section 6 for any fiscal year shall be made available for grants under this section for such fiscal year.

"SECRETARIAL REPORTS

"SEC. 5. The Secretary of the Interior and Secretary of Agriculture shall annually prepare a joint report detailing the activities carried out under this Act and providing recommendations. Each report for a program year shall be submitted concurrently to the President and the Congress not later than April 1 following the close of that program year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. There are authorized to be appropriated amounts not to exceed $60,000,000 for each fiscal year, which amounts shall be made available to the Secretary of the Interior and the Secretary of Agriculture to carry out the purposes of this Act. Notwithstanding any other provision of law, funds appropriated for any fiscal year to carry out this Act shall remain available for obligations and expenditure until the end of the fiscal year following the fiscal year for which appropriated.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 14897) was laid on the table.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, may I say that the program for the remainder of the day will be the conference report on H.R. 16027, Interior Department appropriations for fiscal year 1975.

Mr. Speaker, the chairman of the Committee on the Judiciary has advised me that he will file the report of that committee, pursuant to House Resolution 803, when the House convenes tomorrow.

I take this opportunity to advise the House that after the filing of that report and its reference by the Speaker to the calendar, I will offer a resolution, under suspension of the rules, commending the Committee on the Judiciary for its conduct of the impeachment inquiry, accepting the committee's report and providing for printing of the report in the Record.

Mr. Speaker, I ask unanimous consent that the text of the resolution which I have offered be printed at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. I will read the resolution in order that the gentlemen and gentlewomen of the House may be aware of it:

H. Res. —

Resolved, That the House of Representatives

(1) takes notice that

(a) the House of Representatives, by House Resolution 803, approved February 6, 1974, authorized and directed the Committee on the Judiciary to investigate fully and completely whether sufficient grounds existed for the House of Representatives to exercise its constitutional power to impeach Richard M. Nixon, President of the United States of America; and

(b) the Committee on the Judiciary, after conducting a full and complete investigation pursuant to House Resolution 803, voted on July 27, 29, and 30, 1974, to recommend articles of impeachment against Richard M. Nixon, President of the United States of America; and

(c) Richard M. Nixon, on August 9, 1974, resigned the Office of President of the United States of America;

(2) accepts the report submitted by the Committee on the Judiciary pursuant to House Resolution 803 (H. Rept. 93———) and authorizes and directs that said report be printed in full in the Congressional Record and as a House document and;

(3) commends the chairman and other members of the Committee on the Judiciary for their conscientious and capable efforts in carrying out the committee's responsibilities under House Resolution 803.

Mr. Speaker, the program for tomorrow will be:

The private calendar;

H.R. 2, pension reform conference report;

The House resolution concerning the report of the Judiciary Committee;

H.R. 15581, the District of Columbia appropriations conference report;

H.R. 12859, Federal Mass Transportation Act;

H.R. 16032, the Eisenhower College bill; and

S. 1868, the United Nations Participation Act.

APPOINTMENT OF CONFEREES ON H.R. 14883, AMENDING THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 14883) amending the Public Works and Economic Development Act of 1965, with a Senate amendment thereto, disagree to the Senate amendment and, request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from California?

The Chair hears none, and appoints the following conferees: Messrs. Blatnik, Johnson of California, Roberts, Harsha and Hammerschmidt.

RE-REFERRAL OF H.R. 1190 AMENDING THE INTERNAL REVENUE CODE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that H.R. 1190 to amend the Internal Revenue Code to regulate and prevent multiple taxation of certain kinds of income, which was referred to the Committee on the Judiciary, be re-referred to the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONFERENCE REPORT ON H.R. 13999, AUTHORIZING APPROPRIATIONS FOR THE NATIONAL SCIENCE FOUNDATION APPROPRIATIONS

Mr. SYMINGTON filed the following conference report and statement on the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes:

Conference Report (H. Rept. No. 93–1302)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1975, for the following categories:

(1) Scientific Research Project Support, $358,700,000.

(2) National and Special Research Programs, $91,900,000.

(3) National Research Centers, $52,500,000.

(4) Science Information Activities, $6,300,000.

(5) International Cooperative Scientific Activities, $8,000,000.

(6) Research Applied to National Needs, $148,900,000.

(7) Intergovernmental Science Program, $2,000,000.

(8) Institutional Improvement for Science, $12,000,000.

(9) Graduate Student Support, $15,000,000.

(10) Science Education Improvement, $70,000,000.

(11) Planning and Policy Studies, $2,700,000.

(12) Program Development and Management, $39,500,000.

Sec. 2. Notwithstanding any other provision of this or any other Act—

(a) of the total amount authorized under section 1, not less than $10,000,000 shall be available for the purpose of "Institutional Improvement for Science";

(b) of the total amount authorized under section 1, not less than $15,000,000 shall be available for the purpose of "Graduate Student Support";

(c) of the total amount authorized under section 1, not less than $70,000,000 shall be available for the purpose of "Science Education Improvement";

(d) of the total amount authorized in category (2) of section 1—

(1) not less than $1,600,000 shall be available for "Experimental R. & D. Incentives", and

(2) not less than $4,000,000 shall be available for "Ship Construction/Conversion";

(e) of the total amount authorized in category (6) of section 1—

(1) not less than $1,000,000 shall be available for "Fire Research", and

(2) not less than $8,000,000 shall be available for "Earthquake Research and Engineering"; and

(f) of the total amount authorized in category (10) of section 1—

(1) not less than $1,500,000 shall be available for "Science Faculty Fellowships for College Teachers",

(2) not less than $3,800,000 shall be available for "Student Programs" including "Undergraduate Student Projects" and "Student Originated Studies", and

(3) not less than $2,000,000 shall be available for "High School Student Projects".

Sec. 3. Appropriations made pursuant to this Act may be used, but not to exceed $5,000, for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

Sec. 4. In addition to such sums as are authorized by section 1, not to exceed $5,000,000 is authorized to be appropriated for the fiscal year ending June 30, 1975, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

Sec. 5. Appropriations made pursuant to sections 1 and 4 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

Sec. 6. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty legislative days has passed after the Director or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

SEC. 7. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Astronautics of the House of Representatives and the Committee on Labor and Public Welfare of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

SEC. 8. This Act may be cited as the "National Science Foundation Authorization Act, 1975".

And the Senate agree to the same.

OLIN E. TEAGUE,
JOHN W. DAVIS,
JAMES W. SYMINGTON,
MIKE MCCORMACK,
CHARLES A. MOSHER,
ALPHONZO BELL,
MARVIN L. ESCH,
Managers on the Part of the House.

EDWARD M. KENNEDY,
CLAIBORNE PELL,
THOMAS F. EAGLETON,
ALAN CRANSTON,
WALTER F. MONDALE,
PETER H. DOMINICK,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause in the House bill and substituted new language. The committee of conference agreed to accept the Senate amendment with certain amendments and stipulations proposed by the conferees.

The National Science Foundation requested authorization in the amount of $783,200,000 for fiscal year 1975, plus $5,000,000 in excess foreign currencies. The House authorized the amount requested. The respective Senate figures were $829,800,000 and $5,000,000 in excess foreign currencies.

The committee of conference recommends $807,500,000, plus $5,000,000 in excess foreign currencies. This figure is $24,300,000 more than authorized by the House and $22,300,000 less than authorized by the Senate for fiscal year 1975.

The specific actions taken by the conference are as follows:

SECTION 1—FUNDS

1. For Scientific Research Project Support, the budget request of the National Science Foundation was $363,700,000. The House authorized $354,000,000 and the Senate authorized $363,700,000. The two Houses agreed on $358,700,000.

2. For National and Special Research Programs, the Foundation requested $84,800,000. The House authorized $86,000,000 and the Senate authorized $94,700,000. A compromise of $91,900,000 was approved by the conferees, which includes an additional $5,900,000 for oceanography-related programs, with emphasis on ship construction/conversion.

3. For National Research Centers, the House, the Senate, and the conferees approved the Foundation request for $52,500,000.

4. For Science Information Activities, the Foundation requested $5,000,000. The House authorized $8,300,000 which was the 1974 level of support and the Senate authorized $5,000,000. The conference committee agreed on $6,300,000 as a reasonable sum to maintain this vital function.

5. For International Cooperative Scientific Activities, the House, the Senate, and the conferees approved the Foundation request for $8,000,000.

6. For Research Applied to National Needs, the Foundation requested $148,900,000. The House authorized $139,100,000 and the Senate authorized $160,700,000. A compromise was reached at the original figure requested, $148,900,000.

7. For Intergovernmental Science Programs, the Foundation requested $1,000,000, which the House approved. The Senate authorized $3,000,000. A compromise was reached at $2,000,000.

8. For Institutional Improvement for Science, the Foundation requested $3,000,000. The House increased this figure to $10,000,000, largely to revitalize the Institutional Grants Program. The Senate authorized $12,000,000, to which the House agreed in conference.

9. For Graduate Student Support, the Foundation requested $12,700,000. The House authorized $13,200,000 and the Senate authorized $17,000,000. The committee of conference agreed on $15,000,000 as adequate for this program.

10. For Science Education Improvement, the Foundation requested $61,400,000. The House authorized $68,900,000 in order to compensate for funds diverted from this program to technical training. The Senate authorized $71,000,000. The conferees agreed on a compromise of $70,000,000.

11. For Planning and Policy Studies, the Foundation requested $2,700,000 which both the House and Senate accepted.

12. For Program Development and Management, the Foundation requested $39,500,000 which was accepted by both the House and Senate.

SECTION 2

The bill as passed by the House put budgetary floors under the following:

(1) National and Special Research Program—$2,200,000 to assure continuance of the Experimental R&D Incentive Program.

(2) The Research Applied to National Needs Program—$2,000,000 for Fire Research to assure continuance of this effort.

(3) The Institutional Improvement for Science Program—$10,000,000.

(4) The Graduate Student Support Program—$13,200,000.

(5) The Science Education Improvement Program—$68,900,000, which included three sub-floor limitations. The latter were $1,500,000 for Science Faculty Fellowships, $3,800,000 for College Student Science Education, and $2,000,000 for High School Students Projects.

The Senate put floors under the following:

(1) National and Special Research Programs—$8,000,000 for Ship Construction and Conversion.

(2) Research Applied to National Needs—$8,000,000 to assure continuance of the Earthquake Research Program.

(3) Institutional Improvement for Science—$12,000,000.

(4) Graduate Student Support—$17,000,000.

(5) Science Education Improvement—$71,000,000.

The latter three floors incorporated by the Senate, in effect, fixed the floor at the total amount of the Senate authorization and were designed to assure that these programs should not be cut in any way.

The committee of conference agreed to lower most of these floors in order to permit the Foundation additional funding flexibility in view of the fact that appropriations were expected to be lower than the authorization figures. The conferees agreed to the following floors:

(1) National and Special Research Programs—$1,600,000 for the Experimental R&D Incentives Program; $4,000,000 for Ship Construction and Conversion.

(2) Research Applied to National Needs—$1,000,000 for Fire Research; the $8,000,000 for Earthquake Research was retained.

(3) Institutional Improvement for Science—$10,000,000.

(4) Graduate Student Support—$15,000,000.

(5) Science Education Improvement—$70,000,000.

The sub-floors placed by the House within the Science Education Improvement category remain intact: for Science Faculty Fellowships, $1,500,000; for College Student Science Education, $3,800,000; for High School Student Projects, $2,000,000.

SECTION 3

Section 3 is identical to Section 3 of the House bill and Section 5 of the Senate bill.

SECTION 4

Section 4 is identical to Section 4 in both the House and Senate bills.

SECTION 5

Section 5 is identical to Section 5 of the House bill and Section 6 of the Senate bill.

SECTION 6

Section 6 is identical to Section 6 of the House bill and Section 7 of the Senate bill.

SECTION 7

Section 7 is identical to Section 8 of both House and Senate bills.

SECTION 8

Section 8 is identical to Section 9 of both House and Senate bills.

ADDITIONAL CONFERENCE ACTION

The committee of conference made three non-funding changes in the two versions as follows:

(1) *The Student Unrest Provision.*—the House bill carried a provision which the Foundation authorization bills had carried for several years to the effect that students or other persons receiving grants or payment of any kind from NSF should be completely severed from any NSF program providing such funds, if it were found that they had been guilty of causing disruption or damage by the use of force to the institution attended. The Senate bill eliminated this clause on the grounds that it was no longer necessery. The House concurred in the Senate view, but conferees wish to point out that similar restrictions are contained in the Appropriations Act pertaining to the National Science Foundation. Hence, inclusion of the clause in the Authorization Bill is redundant.

(2) *Fetal Research.*—the House bill contained a provision, adopted by amendment on the Floor of the House, to the effect that no funds appropriated pursuant to this act should be used to conduct research on a human fetus. The Senate bill eliminated this provision on the grounds that it was unnecessary. It was pointed out that H.R. 7724, which was in conference at the time and which is now P.L. 93-348, contained a special title known as the "Protection of Human Subjects Act." This law establishes a broad gauge expert commission whose duties

will include the study of all kinds of research on humans and eventuate in recommendations to the Congress for necessary legislation. The House concurred with the Senate view on this matter, and believes such action to be particularly appropriate since, in any event, the Foundation has never supported research of the kind involved and does not do so at present.

(3) *Solar Energy Research.*—the House bill contained a provision which would have required special coordination between the National Science Foundation and the National Aeronautics and Space Administration with regard to solar energy research. The purpose of the provision was to insure that the two agencies, which were equally responsible for the findings of the President's Solar Energy Research Advisory Panel of several years ago, should coordinate their efforts in this area. While it was acknowledged that NSF should be the lead agency in this area, it was directed that those applied research areas in which NASA had particular capabilities should be managed and carried out by NASA when appropriate. The Senate eliminated this provision and submitted a clause providing simply that the Director of the National Science Foundation should be responsible for the planning, coordinating and directing of solar energy research throughout the federal government. In conference it was agreed that both provisions should be eliminated from the bill, and the essence of both stipulated in the Statement of Managers as follows:

First, the National Science Foundation should be the lead agency responsible for such research, as it has been designated by the Administration.

Second, prior to the inauguration of new phases of its program of Solar Energy Research and Technology, the Foundation is directed to coordinate such programs, particularly with regard to such areas as heating and cooling of buildings, wind energy, and satellite solar energy with the National Aeronautics and Space Administration and other appropriate Federal agencies, and report the resulting plans, schedules, and other findings to the Committee on Science and Astronautics of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within 90 days from the effective date of this Act. The coordinated program should be designed to take maximum advantage of the special capabilities of the Foundation, NASA, or other agencies involved. Such part or parts of the program which can be feasibly carried out by NASA or other appropriate agencies should be so assigned, including managerial responsibility, and should be funded by the Foundation pursuant to section 11(c) of Public Law 81–507.

Third, the Foundation is further directed to coordinate its Solar Energy and Technology program with the academic community, and with private industry—giving particular attention to the capabilities of small businesses and to innovative applied research proposals emanating therefrom.

Olin E. Teague,
John W. Davis,
James W. Symington,
Mike McCormack,
Charles A. Mosher,
Alphonzo Bell,
Marvin L. Esch,
Managers on the Part of the House.

Edward M. Kennedy,
Claiborne Pell,
Thomas F. Eagleton,
Alan Cranston,
Walter F. Mondale,
Peter H. Dominick,
Robert T. Stafford,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. BURLESON of Texas. Mr. Speaker, I am advised that my vote on rollcall No. 500, the Emergency Daylight Saving Time Act amendments, failed to record. I was present and voted for the Emergency Daylight Saving Time Act amendments, and I wish the Record to show that I voted aye in that instance.

CONFERENCE REPORT ON H.R. 16027, DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1975

Mrs. HANSEN of Washington. Mr. Speaker, I call up the conference report on the bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 15, 1974.)

Mrs. HANSEN of Washington (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The SPEAKER. The Chair recognizes the gentlewoman from Washington (Mrs. Hansen).

Mrs. HANSEN of Washington. Mr. Speaker, I present today the conference report on the fiscal year 1975 Department of the Interior and Related appropriation bill. The conference agreement between the House and the Senate totals $3,169,162,310. This amount is $15,647,000, above the House amount and $1,232,000 below the Senate amount. It is above fiscal year 1974 by $576,258,110 and above the budget estimate by $15,157,600. The conference agreement on the Interior and related agencies portion of the special Energy Research and Development Appropriation Act was $543,166,000, a reduction of $18,467,000 below the budget estimate. Therefore, if you consider all the agencies normally funded in this bill, there is a reduction of $3,309,400 below the budget estimate.

There are several items considered by the Senate and included in the conference agreement which were not considered by the House. These items include: the Youth Conservation Corps, Saline Water Research, the National Museum Act, and the Pennsylvania Avenue Development Corporation. These items total $14,871,000. The major increases over the budget include $1,185,000 for the Office of Water Resources Research; $5,491,000 for the U.S. Fish and Wildlife Service; $2,324,000 for the Bureau of Mines; $9,832,000 for the Bureau of Indian Affairs, excluding the Indian Finance Association; $700,000 for the Trust Territory of the Pacific Islands; $31,511,000 for the U.S. Forest Service; and $2,649,000 for the Indian Health Service.

The major reductions under the budget include $1,303,000 for the Bureau of Land Management; $2,001,000 for the Geological Survey; $12,000,000 for the Indian Finance Act; $550,000 for administration of Indian Territories; $1,354,000 for the Office of the Secretary, and $5,036,000 for the Smithsonian Institution.

Mr. Speaker, in addition the funds requested by the majority of agencies funded in this bill for official travel have been reduced by approximately 10 percent.

Mr. Speaker, I will be glad to answer any questions.

Mr. McDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report.

Mr. McDADE. Mr. Speaker, I rise in support of the conference report to the bill H.R. 16027, appropriating funds for the Department of the Interior and related agencies, and to urge its adoption by the House.

Mr. Speaker, your committee worked long and hard in conference with essentially two goals in mind. First, was to provide sufficient funds for the development and management of the multiple resources contained in this bill. Second was to attempt to live within the framework of the budget request which was submitted to us earlier this year.

In general, I believe we have accomplished both goals. Our bill is $3.3 million below the total budget request for all activities and agencies funded in this bill. And while there are certainly a number of areas where we would like to have added funds, we think there are sufficient moneys contained therein to meet the needs of each agency this year.

Mr. Speaker, this bill contains a number of items that are particularly important to the residents of my 10th Congressional District of Pennsylvania. First is the inclusion of $4.1 million for land acquisition for the Delaware Water Gap National Recreation Area. This Congress has been tremendously sympathetic over the past several years to the needs of property owners in the proposed park. It remains one of my highest priorities to complete the land acquisition of this park and then proceed to develop its resources. These funds will go a long way toward the realization of these goals.

Second, is an appropriation of $1.5 million for the continuation and expansion of a highly successful mine flushing demonstration technique in three towns near Scranton, Pa., under the guidance of the U.S. Bureau of Mines. During the past several years the Bureau has undertaken extensive activities in attacking the ravages caused by improper surface and deep mining practices. Through research conducted by the Bureau, we are demonstrating to the entire Nation that new subsidence control techniques can provide complete protection for property while converting badly mine-scarred lands into productive recreational, commercial, and residential usage. While the conference committee's report contains $500,000 less than the House had approved earlier, we will have sufficient funds for an active land restoration program in northeastern Pennsylvania this year.

Mr. Speaker, as in all such conference reports there is some give and some take. However, there is no real disagreement on the part of either House on the need to develop our energy resources, the need to provide better health care for our native Americans, the importance of increased recreational opportunities in our national parks, or the great desire of Americans for cultural and historical enrichment. All of these things will take place because of our actions in passing this bill. I enthusiastically urge its adoption by the House of Representatives.

Mr. WYATT. Mr. Speaker, will the gentleman yield?

Mr. McDADE. I yield 3 minutes to the gentleman from Oregon (Mr. Wyatt).

Mr. WYATT. Mr. Speaker, I rise in support of this conference report. I would like to commend the conferees, led by our distinguished chairman of the subcommittee, the gentlewoman from Washington (Mrs. Hansen), and the ranking minority member, the gentleman from Pennsylvania (Mr. McDade). It is an excellent conference report, and I support it wholeheartedly.

Mr. STEIGER of Arizona. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Speaker, recognizing the familiarity of the gentleman from Oregon (Mr. Wyatt) with the lumber business, the committee in its report, on page 10, addresses the problem of log exports and justifiably wants to prevent an exporter from increasing exports of his own timber while satisfying his domestic needs by increasing purchases of public timber. The committee's report language defines this substitution as "the purchase of a greater volume of public timber to replace a greater volume of private timber which has been exported." It is my understanding that the committee intended that there be an increase in both volumes exported and volumes of public timber purchased before substitution regulations would be invoked.

Mr. WYATT. This is correct. If there is no significant change or increase in the amount of timber exported from the levels prevailing during the pertinent period it might be appropriate and would be in order for an individual or company to purchase some public timber if prevailing market conditions so justify.

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman from Oregon.

Mr. GUDE. Mr. Speaker, will the gentleman yield?

Mr. McDADE. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. Gude).

Mr. GUDE. Mr. Speaker, I rise in support of the conference report on H.R. 16027, the Department of the Interior appropriations for fiscal 1975. Included in the conferee's compromise version is the sum of $1,250,000 in additional funding for repairs to the C. & O. Canal National Historical Park.

As I discussed when this legislation was originally before this body, the C. & O. Canal is greatly in need of some major repair work necessitated by the destruction caused by Hurricane Agnes 2 years ago. Various of the canal's historic structures, such as the great aqueducts, must be stabilized soon if further deterioration is to be prevented.

The most distinguished chairwoman of the Interior Appropriations Subcommittee, Mrs. Hansen, has long been a close and valued friend to the canal, as witnessed by her subcommittee's approval of the Interior Department's full request for $3 million for repairs. I and others felt that more funding was needed, and took up the matter with the appropriate departmental authorities. Subsequently, the Department did approve a request for additional funds. The Senate added some $2.5 million to the bill. The conferees have made available a total of $4.25 million for canal repair work this fiscal year. I wish to commend all who have worked so hard and who have been so helpful to me in seeking additional funding, and I certainly wish to give my full support to this report.

It is my hope that by the time we are ready to celebrate this Nation's Bicentennial, the canal, too, will be ready as a valuable tool to help teach the millions of visitors expected in Washington during 1976 the history and rich traditions of this region. Hopefully, it will be ready for the benefit and enjoyment of all who will wish to see this great resource. I will continue to work in that direction.

Again, I urge support for this report.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. McDADE. I yield such time as he may consume to the gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Speaker, I take this opportunity to express my appreciation to Mrs. Hansen and other managers on the part of the House for their diligence in securing approval in conference of $600,000 for the construction of a visitor center at the Lincoln Home National Historic Site in Springfield, Ill. Without this support, the building could not be completed in time for the Bicentennial celebration in 1976. The Lincoln Home development is the centerpiece of Illinois' observance of this Bicentennial. Mrs. Hansen has been a great friend of historic preservation, especially of the Lincoln saga, and her retirement from the Congress is a great loss to those interested in such preservation and a great personal disappointment to me. Her contributions will, however, live on many generations after the rest of us have left these Halls.

Mr. FRENZEL. Mr. Speaker, I will vote against the conference report on H.R. 16027, the Department of the Interior appropriations bill. I voted against the House bill because it was increased too much over the fiscal year 1974 figures, but the conference report is even higher.

I know that Interior does good work, and my vote does not mean any specific criticism of the Department, or its work. My negative vote is a protest against overspending.

Interior's appropriation is up 22 percent from fiscal year 1974. There are not that many new programs to justify such an increase.

I do not mean to be a pinch-penny, but if we are ever to make progress against inflation, we have to vote to reduce some desirable programs. I regret the need for my vote today, but I believe it is essential to the fight against inflation.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise today in support of adoption of the conference report on H.R. 16027, Department of the Interior appropriation bill for fiscal year 1975, and at the outset, I want to express my personal appreciation to the House conferees for prevailing with the Senate in the matter of additional funding for the construction of a Redwood Research Laboratory at California State University, Humboldt in Arcata, Calif.

In addition to expressing my thanks to the members of the Interior Appropriations Subcommittee, I want to once again take the opportunity to call attention to the capable and totally dedicated leadership and performance of the chairman of the subcommittee, Mrs. Hansen of Washington, since this will be her last Interior appropriations bill.

During her years of service, she has done more than any individual in the House for the preservation of our natural resources and the advancement of programs designed to enhance our renewable resources such as reforestation and fish and wildlife research. As well, she has been instrumental in advancing programs dealing with Indian health and education which came under her jurisdiction.

There is no way one could adequately express appreciation for all of the personal attention she has given to the many personal requests we have made to her over the years. The country and the Congress will miss her but she has left a legacy of constructive and responsible legislation in the natural resource field that will long be remembered by those of us who have served with her and enjoyed by all Americans for generations to come.

Mrs. HANSEN of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I recommend adoption of the conference agreement by the of the conference agreement by the House, and I include at this point in the Record pertinent tables pertaining to funds included in the conference report.

DEPARTMENT OF THE INTERIOR AND RELATED APPROPRIATION BILL, FISCAL YEAR 1975 (16027)

			Allowances			Conference allowance compared with—		
Agency and item (1)	New budget (obligational) authority appropriated, 1974 (2)	Budget estimates of new (obligational) authority, 1975[1] (3)	House (4)	Senate (5)	Conference (6)	Budget estimates of new (obligational) authority, 1975 (7)	House allowance (8)	Senate allowance (9)
TITLE 1—DEPARTMENT OF THE INTERIOR								
Land and Water Resources								
Bureau of Land Management								
Management of lands and resources	$116,682,000	$142,649,000	$140,696,000	$141,126,000	$141,096,000	−$1,373,000	+$400,000	−$30,000
Construction and maintenance	6,800,000	6,655,000	6,655,000	6,725,000	6,725,000	+70,000	+70,000	
Public lands development roads and trails (appropriation to liquidate contract authority)	(4,000,000)	(4,070,000)	(4,070,000)	(4,070,000)	(4,070,000)			
Oregon and California grant lands (indefinite, appropriation of receipts)	28,750,000	28,750,000	28,750,000	28,750,000	28,750,000			
Range improvements (indefinite, appropriation of receipts)	3,242,000	4,503,000	4,503,000	4,503,000	4,503,000			
Recreation development and operation of recreation facilities (indefinite, special fund)	165,000	242,000	242,000	242,000	242,000			
Total, Bureau of Land Management	155,639,000	182,619,000	180,846,000	181,346,000	181,316,000	−1,303,000	+470,000	−30,000
Office of Water Resources Research								
Salaries and expenses	13,769,000	12,700,000	13,795,000	13,990,000	13,885,000	+1,185,000	+90,000	−105,000
Office of Saline Water								
Saline water conversion	3,627,000	3,029,000		3,007,000	3,007,000	−22,000	+3,007,000	
Total, Land and Water Resources	173,035,000	198,348,000	194,641,000	198,343,000	198,208,000	−140,000	+3,567,000	−135,000
Fish and Wildlife and Parks								
Bureau of Outdoor Recreation								
Salaries and expenses	4,696,000	5,040,000	5,010,000	5,210,000	5,210,000	+170,000	+200,000	
Land and Water Conservation Fund								
Appropriation of receipts (indefinite)	76,223,000	300,000,000	300,000,000	3,00000,000	300,000,000			
United States Fish and Wildlife Service								
Resource management	86,537,000	101,785,000	100,666,000	101,168,000	101,126,000	−659,000	+460,000	−42,000
Construction and anadromous fish	8,126,500	8,978,000	13,447,000	14,347,000	14,047,000	+5,150,000	−600,000	−300,000
Migratory bird conservation account (definite, repayable advance)	3,500,000		1,000,000	1,000,000	1,000,000	+1,000,000		
Total, United States Fish and Wildlife Service	98,163,500	110,682,000	115,113,000	116,515,000	116,173,000	+5,491,000	+1,060,000	−342,000
National Park Service								
Operation of the National Park System	193,752,000	210,058,000	209,437,000	209,425,000	209,325,000	−733,000	−112,000	−100,000
Planning and construction	20,012,000	57,303,000	53,466,000	63,290,000	58,112,000	+809,000	+4,646,000	−5,178,000
Road construction (appropriation to liquidate contract authority)	(35,000,000)	(23,000,000)	(24,126,000)	(27,500,000)	(26,026,000)	(+3,026,000)	(+1,900,000)	(−1,474,000)
Preservation of historic properties	15,842,000	24,375,000	24,375,000	24,375,000	24,375,000			
Planning, development and operation of recreation facilities (indefinite, special fund)	30,378,000	11,900,000	11,900,000	11,900,000	11,900,000			
John F. Kennedy Center for the Performing Arts	2,400,000	2,420,000	2,420,000	2,420,000	2,420,000			
Total, National Park Service	262,384,000	306,056,000	301,598,000	311,410,000	306,132,000	+76,000	+4,534,000	−5,278,000
Total, Fish and Wildlife and Parks	441,466,500	721,778,000	721,721,000	733,135,000	727,515,000	+5,737,000	+5,794,000	−5,620 000
Energy and Minerals								
Geological Survey								
Surveys, investigations, and research	160,240,000	205,576,000	203,195,000	205,044,000	203,575,000	−2,001,000	+380,000	−1,469,000
Mining Enforcement and Safety Administration								
Salaries and expenses	59,040,000	68,146,000	67,803,000	68,413,000	67,913,000	−233,000	+110,000	−500,000
Bureau of Mines								
Mines and minerals	71,989,000	75,539,000	77,703,000	76,163,000	77,863,000	+2,324,000	+160,000	+1,700,000
Total, Energy and Minerals	291,263,000	349,261,000	348,701,000	349,620,000	349,351,000	+90,000	+650,000	−269,000
Indian Affairs								
Bureau of Indian Affairs								
Operation of Indian programs	414,478,000	406,177,000	467,096,000	466,100,000	467,000,000	+823,000	−96,000	+900,000
Education and welfare services (appropriation to liquidate contract authority)	(793,000)							
Construction	54,723,000	52,795,000	66,571,000	55,512,000	61,804,000	+9,009,000	−4,767,000	+6,292,000
Road construction (appropriation to liquidate contract authority)	(43,000,000)	(59,000,000)	(59,000,000)	(59,000,000)	(59,000,000)			
Indian loan guaranty and insurance fund		20,000,000	20,000,000	20,000,000	20,000,000			
Revolving fund for loans	900,000	50,000,000	38,000,000	38,000,000	38,000,000	−12,000,000		
Alaska Native fund	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000			
Miscellaneous trust funds (definite)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000			
Miscellaneous trust funds (indefinite)	15,550,000	15,500,000	15,500,000	15,500,000	15,500,000			
Total, Bureau of Indian Affairs	558,601,000	677,472,000	580,167,000	668,112,000	675,304,000	−2,168,000	−4,869,000	+7,192,000

Footnotes at end of table.

			Allowances			Conference allowance compared with—		
Agency and item (1)	New budget (obligational) authority appropriated, 1974 (2)	Budget estimates of new (obligational) authority, 1975[1] (3)	House (4)	Senate (5)	Conference (6)	Budget estimates of new (obligational) authority, 1975 (7)	House allowance (8)	Senate allowance (9)
Territorial Affairs								
Office of Territorial Affairs								
Administration of territories	$14,500,000	$15,000,000	$14,950,000	$14,450,000	$14,450,000	−$550,000	−$500,000	
Permanent appropriation (special fund)	(420,000)	(625,000)	(625,000)	(625,000)	(625,000)			
Transferred from other accounts (special fund)	(645,000)	(875,000)	(875,000)	(875,000)	(875,000)			
Trust Territory of the Pacific Islands	59,386,000	61,000,000	63,500,000	61,700,000	61,700,000	+700,000	−1,800,000	
Micronesian claims fund, Trust Territory of the Pacific Islands		1,400,000	1,400,000	1,400,000	1,400,000			
Total, Office of Territorial Affairs	73,886,000	77,400,000	79,850,000	77,550,000	77,550,000	+150,000	−2,300,000	
Secretarial Offices								
Office of the Solicitor								
Salaries and expenses	9,089,000	12,200,000	11,790,000	12,040,000	12,040,000	−160,000	+250,000	
Office of the Secretary								
Salaries and expenses	17,225,000	20,047,000	19,629,000	19,504,000	19,454,000	−593,000	−175,000	−$50,000
Departmental operations	6,620,000	10,954,000	10,954,000	10,523,000	10,523,000	−431,000	−431,000	
Salaries and expenses (special foreign currency program)	670,000	522,000	192,000	192,000	192,000	−330,000		
Total, Office of the Secretary	24,515,000	31,523,000	30,775,000	30,219,000	30,169,000	−1,354,000	−606,000	−50,000
Total, Secretarial Offices	33,604,000	43,723,000	42,565,000	42,259,000	42,209,000	−1,514,000	−356,000	−50,000
Total, new budget (obligational) authority, Department of the Interior	1,571,861,500	2,067,982,000	2,067,645,000	2,069,019,000	2,070,137,000	+2,155,000	+2,492,000	+1,118,000
Consisting of—								
Appropriations	1,571,861,500	2,067,982,000	2,067,645,000	2,069,019,000	2,070,137,000	+2,155,000	+2,492,000	+1,118,000
Definite appropriations	(1,417,603,500)	(1,707,087,000)	(1,706,750,000)	(1,708,124,000)	(1,709,242,000)	(+2,155,000)	(+2,492,000)	(+1,118,000)
Indefinite appropriations	(154,258,000)	(360,895,000)	(360,895,000)	(360,895,000)	(360,895,000)			
Memoranda—								
Appropriations to liquidate contract authority	(82,793,000)	(86,070,000)	(87,196,000)	(90,570,000)	(89,096,000)	(+3,026,000)	(+1,900,000)	(−1,474,000)
Total new budget (obligational) authority and appropriations to liquidate contract authority	(1,654,654,500)	(2,154,052,000)	(2,154,841,000)	(2,159,589,000)	(2,159,233,000)	(+5,181,000)	(+4,392,000)	(−356,000)
TITLE II—RELATED AGENCIES								
Department of Agriculture								
Forest Service								
Forest protection and utilization:								
Forest land management	377,884,000	291,136,000	306,278,000	305,627,000	306,119,000	+14,983,000	−159,000	+492,000
Forest research	63,800,000	70,525,000	75,487,000	74,860,000	75,402,000	+4,877,000	−85,000	+542,000
State and private forestry cooperation	28,022,000	29,746,000	34,638,000	34,638,000	34,638,000	+4,892,000		
Total, forest protection and utilization	469,706,000	391,407,000	416,403,000	415,125,000	416,159,000	+24,752,000	−244,000	+1,034,000
Construction and land acquisition	27,093,000	24,147,000	31,459,000	28,692,000	30,908,000	+6,761,000	−551,000	+2,216,000
Youth conservation corps	10,000,000	10,240,000		10,240,000	10,240,000		+10,240,000	
Forest roads and trails (appropriation to liquidate contract authority)	(97,700,000)	(121,000,000)	(120,464,000)	(121,275,000)	(120,864,000)	(−136,000)	(+400,000)	(−411,000)
Acquisition of lands for national forests:								
Special acts (special fund, indefinite)	94,000	161,000	161,000	161,000	161,000			
Acquisition of lands to complete land exchanges	55,300	39,310	39,310	39,310	39,310			
Acquisition of lands, Klamath Indians		49,000,000	49,000,000	49,000,000	49,000,000			
Cooperative range improvements (special fund, indefinite)	700,000	700,000	700,000	700,000	700,000			
Assistance to States for tree planting	1,013,000	1,346,000	1,344,000	1,344,000	1,344,000	−2,000		
Construction and operation of recreation facilities (indefinite special fund)	3,273,000	1,260,000	1,260,000	1,260,000	1,260,000			
Total, Forest Service	511,939,300	478,300,310	500,366,310	506,561,310	509,811,310	+31,511,000	+9,445,000	+3,250,000
Commission of Fine Arts								
Salaries and expenses	153,000	176,000	174,000	171,000	171,000	−5,000	−3,000	
Department of Health, Education, and Welfare Health Services Administration								
Indian health services	203,284,000	226,043,000	225,352,000	227,336,000	226,217,000	+174,000	+865,000	−1,119,000
Indian health facilities	49,927,000	54,956,000	55,406,000	61,912,000	57,431,000	+2,475,000	+2,025,000	−4,481,000
Total, Indian Health	250,211,000	280,999,000	289,758,000	289,248,000	283,648,000	+2,649,000	+2,830,000	−5,600,000
Office of Education								
Indian education	40,000,000	42,000,000	42,000,000	42,000,000	42,000,000			
Indian Claims Commission								
Salaries and expenses	1,164,000	1,333,000	1,324,000	1,324,000	1,324,000	−9,000		
National Capital Planning Commission								
Salaries and expenses	1,559,000	1,840,000	1,777,000	1,777,000	1,777,000	−63,000		

Footnotes at end of table.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1975 (16027)—Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1974 (2)	Budget estimates of new (obligational) authority, 1975[1] (3)	Allowances			Conference allowance compared with—		
			House (4)	Senate (5)	Conference (6)	Budget estimates of new (obligational) authority, 1975 (7)	House allowance (8)	Sen ateallowance (9)
TITLE II—RELATED AGENCIES—Continued								
National Foundation on the Arts—Continued								
Salaries and Expenses								
Endowment for the arts	$54, 275, 000	$72, 000, 000	$67, 250, 000	$67, 250, 000	$67, 250, 000	—$4, 750, 000		
Endowment for the humanities	44, 500, 000	72, 000, 000	67, 250, 000	67, 250, 000	67, 250, 000	—4, 750, 000		
Administrative expenses	6, 500, 000	11, 000, 000	10, 500, 000	10, 500, 000	10, 500, 000	—500, 000		
Subtotal, salaries and expenses	105, 275, 000	155, 000, 000	145, 000, 000	145, 000, 000	145, 000, 000	—10, 000, 000		
Matching Grants								
Endowment for the arts (indefinite)	6, 500, 000	10, 000, 000	7, 500, 000	7, 500, 000	7, 500, 000	—2, 500, 000		
Endowment for the humanities (indefinite)	6, 500, 000	10, 000, 000	6, 500, 000	6, 500, 000	6, 500, 000	—3, 500, 000		
Subtotal, matching grants	13, 000, 000	20, 000, 000	14, 000, 000	14, 000, 000	14, 000, 000	—6, 000, 000		
Total, National Foundation on the Arts and the Humanities	118, 275, 000	175, 000, 000	159, 000, 000	159, 000, 000	159, 000, 000	—16, 000, 000		
Smithsonian Institution								
Salaries and expenses	58, 543, 000	69, 789, 000	67, 789, 000	67, 789, 000	67, 789, 000	—2, 000, 000		
Science information exchange	1, 695, 000	1, 770, 000	1, 755, 000	1, 755, 000	1, 755, 000	—15, 000		
Museum programs and related research (special foreign currency program)	4, 500, 000	4, 500, 000	2, 000, 000	2, 000, 000	2, 000, 000	—2, 500, 000		
Restoration and renovation of buildings	1, 070, 000	1, 325, 000	1, 490, 000	1, 490, 000	1, 490, 000	+165, 000		
Construction and improvements, National Zoological Park	3, 790, 000	10, 000, 000	9, 420, 000	9, 420, 00	9, 420, 000	—580, 000		
Construction (appropriation to liquidate contract authority)	(17, 000, 000)	(10, 000, 000)	(7, 000, 000)	(7, 000, 000)	(7, 000, 000)	(—3, 000, 000)		
Salaries and expenses, National Gallery of Art	6, 202, 000	6, 673, 000	6, 673, 000	6, 623, 000	6, 623, 000	—50, 000	—$50, 000	
Salaries and expenses, Woodrow Wilson International Center for Scholars	800, 000	1, 010, 000	954, 000	954, 000	954, 000	—56, 000		
Total, Smithsonian Institution	76, 600, 000	95, 067, 000	90, 081, 000	90, 031, 000	90, 031, 000	—5, 036, 000	—50, 000	
American Revolution Bicentennial Administration								
Salaries and expenses	19, 605, 000	9, 719, 000	9, 686, 000	9, 686, 000	9, 686, 000	—33, 000		
National Council on Indian Opportunity								
Salaries and expenses	282, 000	(2)						
Federal Metal and Nonmetallic Mine Safety Board of Review								
Salaries and expenses	60, 000	63, 000	60, 000	60, 000	60, 000	-3, 000		
Joint Federal-State Land Use Planning Commission for Alaska								
Salaries and expenses	694, 400	694, 400	644, 000	693, 000	693, 000	-1, 400	+49, 000	
Pennsylvania Avenue Development Corporation								
Salaries and expenses	500, 000	831, 000		824, 000	824, 000	-7, 000	+824, 000	
Total, new budget (obligational) authority, Releated Agencies	1, 021, 042, 700	1, 086, 022, 710	1, 085, 870, 310	1, 1C1, 375, 310	1, 099, 025, 310	+13, 002, 600	+13, 155, 000	-$2, 350, 000
Consisting of—								
Appropriations	1, 021, 042, 700	1, 086, 022, 710	1, 085, 870, 310	1, 101, 375, 310	1, 099, 025, 310	+13, 155, 000	+13, 155, 000	-2, 350, 000
Definite appropriations	(1, 003, 970, 700)	(1, 063, 901, 710)	(1, 069, 749, 310)	(1, 085, 254, 310)	(1, 082, 904, 310)	(+19, 002, 000)	(13, 155, 000)	(-2, 350, 000)
Indefinite appropriations	(17, 072, 000)	(22, 121, 000)	(16, 121, 000)	(16, 121, 000)	(16, 121, 000)	(-6, 000, 000)		
Memoranda—								
Appropriations to liquidate contract authority	(114, 700, 000)	(131, 000, 000)	(127, 464, 000)	(128, 275, 000)	(127, 864, 000)	(-3, 136, 000)	(+400, 000)	(-411, 000)
Total, new budget (obligational) authority and appropriations to liquidate contract authority	(1, 135, 742, 700)	(1, 217, 022, 710)	(1, 213, 334, 310)	(1, 229, 650, 310)	(1, 226, 889, 310)	(+9, 866, 600)	(+13, 555, 000)	(-2, 761, 00)
RECAPITULATION								
Total new budget (obligational) authority, all titles	2, 592, 904, 200	3, 154, 004, 710	3, 153, 515, 310	3, 170, 394, 310	3, 169, 162, 310	+15, 157, 600	+15, 647, 000	-1, 232, 000
Consisting of—								
Appropriations	2, 592, 904, 200	3, 154, 004, 710	3, 153, 515, 310	3, 170, 394, 310	3, 169, 162, 310	+15, 157, 600	+15, 647, 000	-1, 232, 000
Definite appropriations	(2, 421, 574, 200)	(2, 770, 988, 710)	(2, 776, 499, 310)	(2, 763, 368, 310)	(2, 792, 146, 310)	(+21, 157, 600)	(+15, 647, 600)	(-1, 232, 000)
Indefinite appropriations	(171, 330, 000)	(383, 016, 000)	377, 016, 000)	(377, 016, 000)	(377, 016, 000)	(-6, 000, 000)		
Memoranda—								
Appropriations to liquidate contract authority	(197, 493, 000)	(217, 070, 0C0)	(214, 660, 000)	(218, 845, 000)	(216, 960, 000)	(-110, 000)	(+2, 300, 000)	(—1, 885, 000)
Total new budget (obligational) authority and appropriations to liquidate contract authority	(2, 790, 397, 200)	(3, 071, 074, 310)	(3, 368, 175, 310)	(3, 389, 339, 310)	(3, 386, 122, 310)	(+15, 047, 000)	(+17, 947, 000)	(—3, 117, 000)
Special Energy Research and Development bill (interior portion)	(230, 083, 000)	(561, 633, 000)	(557, 933, 000)	(535, 266, 000)	(543, 166, 000)	(—18, 467, 000)	(—14, 767, 000)	(+7, 900, 000)
Grand total, new budget (obligational) authority and appropriations to liquidate contract authority	(3, 020, 480, 200)	(3, 932, 707, 710)	(3, 926, 108, 310)	(3, 924, 535, 310)	(3, 929, 288, 310)	(—3, 419, 400)	(+3, 180, 000)	(+4, 783, 00)

Footnotes at end of table.

Mr. McDADE. Mr. Speaker, I have no further requests for time.

Mrs. HANSEN of Washington. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 374, nays 25, not voting 35, as follows:

[Roll No. 502]

YEAS—374

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Badillo
Bafalis
Baker
Barrett
Bauman
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Bolling
Bowen
Brademas
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Riegle
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Stephens
Stratton
Stubblefield
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—25

Archer
Ashbrook
Bennett
Butler
Clancy
Collins, Tex.
Conable
Conlan
Crane
Davis, Wis.
Devine
Dickinson
Frenzel
Goodling
Gross
Harsha
Ketchum
Landgrebe
McCollister
Miller
Powell, Ohio
Robinson, Va.
Shuster
Steiger, Wis.
Traxler

NOT VOTING—35

Anderson, Ill.
Aspin
Beard
Boland
Brasco
Breaux
Brotzman
Carey, N.Y.
Conyers
Davis, Ga.
Diggs
Giaimo
Gunter
Hanna
Hébert
Hogan
McSpadden
Mayne
Nedzi
O'Brien
Passman
Pritchard
Rarick
Reid
Rhodes
Rinaldo
Rooney, N.Y.
Ruppe
Staggers
Stokes
Stuckey
Van Deerlin
Williams
Young, Alaska
Young, S.C.

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Breaux.

Mr. Rooney of New York with Mr. Davis of Georgia.

Mr. Giaimo with Mr. Passman.

Mr. Carey of New York with Mr. Stokes.

Mr. Staggers with Mr. Rinaldo.

Mr. Diggs with Mr. Boland.

Mr. Gunter with Mr. Williams.

Mr. Nedzi with Mr. Mayne.

Mr. Stuckey with Mr. O'Brien.

Mr. Van Deerlin with Mr. Anderson of Illinois.

Mr. Rarick with Mr. Beard.

Mr. Hanna with Mr. Hogan.

Mr. McSpadden with Mr. Brotzman.

Mr. Reid with Mr. Ruppe.

Mr. Aspin with Mr. Conyers.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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[1] Includes budget amendments as follows:

H. Doc. 93-209

Bureau of Land Management: Management of lands and resources	$9,700,000
United States Fish and Wildlife Service: Resource management	800,000
Geological Survey: Surveys, investigations, and research	25,300,000
Bureau of Mines: Mines and minerals	103,500,000
Office of Coal Research: Salaries and expenses	148,400,000
Office of the Secretary: Energy conservation and analysis	12,900,000
Total, H. Doc. 93-209	300,600,000

H. Doc. 93-286

Bureau of Land Management: Management of lands and resources	12,325,000
Geological Survey: Surveys, investigations, and research	2,625,000
Bureau of Mines: Mines and minerals	300,000
Bureau of Indian Affairs: Operation of Indian programs	300,000
Office of the Solicitor: Salaries and expenses	350,000
Office of the Secretary: Departmental operations	1,400,000
Total, H. Doc. 93-286	17,300,000

H. Doc. 93-291

Forest Service: Acquisition of lands, Klamath Indians	49,000,000

H. Doc. 93-307

Bureau of Land Management: Management of lands and resources	1,110,000
Geological Survey: Surveys, investigations, and research	15,025,000
Total, H. Doc. 93-307	16,315,000

H. Doc. 93-310

Bureau of Indian Affairs:	
Operation of Indian Programs	$10,000,000
Indian Revolving fund for loans	50,000,000
Indian Loan Guaranty and Insurance fund	20,000,000
Total, H. Doc. 93-310	80,000,000

H. Doc. 93-317

Forest Service: Forest Research	6,040,000

S. Doc. 93-99

Fish and Wildlife Service:	
Resource management	690,000
Construction and anadromous fish	300,000
Bureau of Indian Affairs:	
Operation of Indian programs	2,070,000
Construction	920,000
Office of the Solicitor: Salaries and expenses	330,000
Total, S. Doc. 93-99	4,310,000
Total, budget amendments	473,565,000

[2] Budget amendment contained in H. Doc. 93-286 withdrew the request of $300,000 for appropriations for the National Council on Indian Opportunity.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 9, line 23, strike out $209,437,000, and insert: $209,425,000."

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$209,325,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 15, line 3, insert: "of which not to exceed $1,500,000 shall remain available until expended: *Provided*,".

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 16, line 13, strike "$77,703,000" and insert: "$76,163,000".

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$77,863,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 16, line 14, strike "$26,991,000" and insert "$27,791,000."

MOTION OFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,691,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 17, line 16, strike or lands and insert: lands, or treaty fishing rights tribal use areas;

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 18, line 2, insert: "*Provided*, That $570,000 shall be available to assist the Pyramid Lake Paiute Tribe of Indians in the operation and maintenance of facilities for the restoration of the Pyramid Lake fishery pursuant to the Washoe Act (43 U.S.C. 614)."

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$470,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 19, line 2, strike: That not to exceed $1,300,000 shall be available to assist the Brockton Public Schools, Montana, for construction of school facilities, and insert: "That the unobligated balance of $10,300,000 previously appropriated for Mt. Edgecumbe School and four Regional Dormitories in Alaska shall be made available for the construction of Chevak, Northway, Hooper Bay, Galena, and Alakanuk Schools, Alaska".

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 19, line 9, insert: "*Provided further*, That not to exceed $100,000 appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1974, to the Edgar, Montana, Public School District No. 4, shall be made available to the newly established Plenty Coups High School District No. 3, Big Horn County, Pryor, Montana".

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 19, line 15, insert: "*Provided further*, That $580,000 shall be available to assist the Pyramid Lake Paiute Tribe of Indians in the construction of facilities for the restoration of the Pyramid Lake fishery pursuant to the Washoe Act (43 U.S.C. 614)".

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 19, line 19, insert: "*Provided further*, That not to exceed $110,000 shall be for assistance to the Rough Rock School on the Navajo Indian Reservation, Arizona, for equipment".

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amnedment of the Senate numbered 25 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$100,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 19, line 22, insert: *Provided further*, That not to exceed $1,195,000 shall be available to assist the Ramah-Navajo School Board, Inc., including not to exceed $800,000 for construction of school facilities and not to exceed $395,000 for purchase of school equipment.

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 20, line 1, insert: "*Provided further*, That not to exceed $128,000 shall be available to assist the Heart Butte School, Blackfeet School District No. 1, Montana, for planning for construction of school facilities.".

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$100,000".

The motion was agreed to.

Mr. GROSS. Mr. Speaker, will the gentlewoman yield?

Mrs. HANSEN of Washington. I yield to the gentleman from Iowa.

Mr. GROSS. Perhaps this has been passed, but how did the arts and humanities come out? Did they come out all right in conference?

Mrs. HANSEN of Washington. If the gentleman will yield, there was a difference between the House and Senate on the matching grants portion of the arts and humanities funding and the Senate agreed to the House position. There is no difference in the overall figures.

Mr. GROSS. I am glad to hear that we apparently came out all right.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 20, line 10, strike out: "and that not to exceed $1,433,000 shall be available to assist the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, for development and construction of the Big Springs Domestic Water System."

MOTION OFFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein with an amendment, as follows: Restore the matter stricken in said amendment and in lieu of the sum named in said amendment insert: "$1,350,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 26, line 23, strike "$19,629,000." and insert: "$19,504,000."

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein with an amendment, as follows in lieu of the sum proposed by said amendment insert "$19,454,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 28, line 8, insert: "and for the emergency rehabilitation of burned-over lands under its jurisdiction:".

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 37: Page 30, line 1, insert:

"SEC. 107. The sum of $261,278,000 appropriated under the head Office of Coal Research, Salaries and Expenses, in Public Law 93-322, signed June 30, 1974, includes $12,500,000 for a program for magnetohydrodynamics (MHD), of which $5,000,000, as described in Senate Report 93-903 and House Report 93-1123, shall be used in part to initiate design of an MHD engineering test facility, and there shall be undertaken immediately the design and planning of such engineering test facility, to be located in Montana, large enough so as to provide a legitimate engineering basis which when achieved will enable the immediate construction of a commercial scale MHD plant (500 MWe or above) for possible operations in the mid-1980's."

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38: Page 30, line 25 insert: *"and emergency rehabilitation."*

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 31, line 8, insert: *and for the emergency rehabilitation of burned-over lands under its jurisdiction*

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 32, line 16, insert:

"YOUTH CONSERVATION CORPS

"For expenses necessary to carry out the provisions of the Act of August 13, 1970, as amended by Public Law 92-597, $10,240,000, to remain available until the end of the fiscal year following the fiscal year for which appropriated: *Provided*, That $5,120,000 shall be available to the Secretary of the Interior and $5,120,000 shall be available to the Secretary of Agriculture: *Provided further*, That the funds appropriated in this paragraph shall be available only upon the enactment into law of authorizing legislation."

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: On page 46, line 5, insert:

"PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

"SALARIES AND EXPENSES

"For necessary expenses, as authorized by section 17 of Public Law 92-578 as amended, $824,000, to remain available until expended: *Provided*, That the funds appropriated in this paragraph shall be available only upon enactment into law of authorizing legislation."

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment, insert:

"PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

"SALARIES AND EXPENSES

"For necessary expenses, as authorized by section 17 of Public Law 92-578 as amended, $824,000: *Provided*, That the funds appropriated in this paragraph shall be available only upon enactment into law of authorizing legislation."

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 51: On page 46, line 21, insert: *"Provided*, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs."

MOTION OFFERED BY MRS. HANSEN OF WASHINGTON

Mrs. HANSEN of Washington. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. HANSEN of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 51 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

CONFERENCE REPORT ON H.R. 12628, VETERANS EDUCATION AND REHABILITATION AMENDMENTS OF 1974

Mr. DORN submitted the following conference report and statement on the bill (H.R. 12628), Veterans Education and Rehabilitation Amendments of 1974:

CONFERENCE REPORT (H. REPT. 93-1303)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert the following:

That this Act may be cited as the "Vietnam Era Veterans' Readjustment Assistance Act of 1974".

TITLE I—VOCATIONAL REHABILITATION AND EDUCATIONAL AND TRAINING ASSISTANCE ALLOWANCE RATE ADJUSTMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1501(2) a comma and "all appropriate individualized tutorial assistance," after "counseling";

(2) by striking out in section 1502(a) all after "if such disability" and inserting in lieu thereof "arose out of service during World War II or thereafter."; and

(3) by amending the table contained in section 1504(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$209	$259	$304	$22
Three-quarter-time	157	194	229	17
Half-time	105	130	152	11
Farm cooperative, apprentice, or other on-the-job training:				
Full-time	182	220	254	17".

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by striking out in the last sentence of section 1677(b) "$220" and inserting in lieu thereof "$270";

(2) by amending the table contained in section 1682(a)(1) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$270	$321	$366	$22
Three-quarter-time	203	240	275	17
Half-time	135	160	182	11
Cooperative	217	255	289	17";

(3) by striking out in section 1682(b) "$220" and inserting in lieu thereof "$270";

(4) by amending the table contained in section 1682(c)(2) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$217	$255	$289	$17
Three-quarter-time	163	191	218	13
Half-time	109	128	145	9";

and

(5) by striking out in section 1696(b) "$220" and inserting in lieu thereof "$270".

SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by amending section 1732(a)(1) to read as follows:

"(a)(1) The educational assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed in section 1682(a)(1) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents.";

(2) by striking out in section 1732(a)(2) all after and including "of (A)" and inserting in lieu thereof "prescribed in section 1682(b)(2) of this title for less-than-half-time pursuit of an institutional program by an eligible veteran.";

(3) by striking out in section 1732(b) "$177" and inserting in lieu thereof "$217"; and

(4) by amending section 1742(a) to read as follows:

"(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on behalf of such person a special training allowance computed at the basic rate of $210 per month. If the charges for tuition and fees applicable to any such course are more than $85 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed $85 a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each $9.02 that the special training allowance paid exceeds the basic monthly allowance.".

SEC. 104. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1786(a)(2) "$220" and inserting in lieu thereof "$270";

(2) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$196	$220	$240	$10
Second 6 months	147	171	191	10
Third 6 months	98	122	148	10
Fourth and any succeeding 6-month periods	49	73	93	10"

and

(3) by amending section 1787(b)(2) to read as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be completed at the rate prescribed in paragraph (1) of this subsection for an eligible veteran with no dependents pursuing such a course.".

SEC. 105. (a) The Administrator shall carry out directly a thorough study and investigation of the administrative difficulties and opportunities or abuse that would be occasioned by enactment of some form of variable tuition assistance allowance program, with reference to such difficulties and abuses experienced by the Veterans' Administration after the end of World War II in carrying out the provisions of Veterans' Regulation Numbered 1(a), relating to the payment of tuition and related expenses for veterans of World War II pursuing a program of education or training under the Servicemen's Readjustment Act of 1944, and to any such difficulties and abuses presently being experienced by the Veterans' Administration in carrying out existing tuition assistance programs under title 38, United States Code, including chapter 31 vocational rehabilitation, correspondence courses, flight training and PREP, and of ways in which any such difficulties and abuses could be avoided or minimized through legislation or administrative action so as to ensure an expeditious, orderly, and effective implementation of any tuition assistance allowance program.

(b) In carrying out the study and investigation required by subsection (a), the Administrator shall consult with and solicit the views and suggestions of interested veterans' organizations, educational groups and associations, persons receiving assistance under chapters 31, 34, 35 and 36 of title 38, United States Code, other Federal departments and agencies, and other interested parties.

(c) The Administrator shall report to the Congress and the President not later than one year after the date of enactment of this Act on the results of the study and investigation carried out under this section, including any recommendations for legislative or administrative action.

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

SEC. 201. Section 1652(a)(3) of title 38, United States Code, is amended by striking out the period at the end of such section and inserting in lieu thereof "unless at some time subsequent to the completion of such period of active duty for training such individual served on active duty for a consecutive period of one year or more (not including any service as a cadet or midshipman at one of the service academies).".

SEC. 202. Section 1661 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "36 months" and inserting in lieu thereof "45 months"; and

(2) striking out in subsection (c) "thirty-six" and inserting in lieu thereof "45".

SEC. 203. Section 1673 of title 38, United States Code, is amended as follows:

"(2) any sales or sales management course which does not provide specialized training within a specific vocational field, or in any other course with a vocational objective, unless the eligible veteran or the institution offering such course submits justification showing that at least one-half of the persons who completed such course over the preceding two-year period, and who are not unavailable for employment, have been employed in the occupational category for which the course was designed to provide training (but in computing the number of persons who completed such course over any such two-year period, there shall not be included the number of persons who completed such course with assistance under this title while serving on active duty); or";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character"; and

(3) by amending subsection (d) to read as follows:

"(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V or subchapter VI of this chapter) which does not lead to a standard college degree and which is offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this title.".

SEC. 204. Section 1682 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has 'already qualified,' a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service.

"(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance based upon the rate prescribed in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

"(3) The educational assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.".

SEC. 205. Section 1685 of title 38, United States Code, is amended as follows:

(1) by striking out in subsection (a) all of that portion of the second sentence preceding "during a semester" and inserting in lieu thereof "Such work-study allowance shall be paid in the amount of $625 in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating two hundred and fifty hours";

(2) by striking out the last sentence of subsection (a) and inserting in lieu thereof the following: "An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid $250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours."; and

(3) by striking out in subsection (c) "(not to exceed eight hundred man-years or their equivalent in man-hours during any fiscal year)".

SEC. 206. Section 1692(b) of title 38, United States Code, is amended as follows:

(1) by striking out "$50" and inserting in lieu thereof "$60";

(2) by striking out "nine months" and inserting in lieu thereof "twelve months"; and

(3) by striking out "$450" and inserting in lieu thereof "$720".

SEC. 207. Section 1723 of title 38, United States Code, is amended as follows:

(1) by amending subsection (a)(2) to read as follows:

"(2) any sales or sales management course which does not provide specialized training within a specific vocational field, or in any other course with a vocational objective, unless the eligible person or the institution offering such course submits justification showing that at least one-half of the persons who completed such course over the preceding two-year period, and who are not unavailable for employment, have been employed in the occupational category for which the course was designed to provide training (but in computing the number of persons who completed such course over any such two-year period, there shall not be included the number of persons who completed such course with assistance under this title while serving on active duty); or";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character";

(3) by striking out in subsection (c) "any course of institutional on-farm training,"; and

(4) by striking out in subsection (d) "to be pursued below the college level" and inserting in lieu thereof "not leading to a standard college degree".

SEC. 208. Section 1732 of title 38, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c)(1) An eligible person who is enrolled in an educational institution for a 'farm cooperative' program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

"(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

"(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

"(C) a half-time basis (a minimum of five clock hours per week),

shall be eligible to receive an educational assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

"(2) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed in section 1682(c)(2) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents.".

SEC. 209. Section 1780(a)(2) is amended by inserting "(or customary vacation periods connected therewith)" after "holidays".

SEC. 210. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by amending section 1774(b) to read as follows:

"(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

"Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$550.
Over $5,000 but not exceeding $10,000	$1,000.
Over $10,000 but not exceeding $35,000	$1,000 for the first $10,000 plus $925 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000	$6,050.
Over $40,000 but not exceeding $75,000	$6,050 for the first $40,000 plus $800 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000	$12,000.
Over $80,000	$12,000 for the first $80,000 plus $700 for each addition $5,000 or fraction thereof.";

and

(2) by amending section 1784(b) to read as follows:

"(b) The Administrator may pay to any educational institution, or to any joint apprenticeship training committee acting as a training establishment, furnishing education or training under either this chapter or chapter 34 or 35 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to submit to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying $3 by the number of eligible veterans or eligible persons enrolled under this chapter or chapter 34 or 35 of this title, or $4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d)(5) of this title, on October 31 of that year; except that the Administrator may, where it is established by such educational institution or joint apprenticeship training committee that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran enrollment plus eligible person enrollment in such educational institution or joint apprenticeship training committee during such calendar year, establish such other date as representative of the peak enrollment as may be justified for such educational institution or joint apprenticeship training committee. The reporting fee shall be paid to such educational institution or joint apprenticeship training committee as soon as feasible after the end of the calendar year for which it is applicable.".

SEC. 211. Section 1788(a) of title 38, United States Code, is amended as follows:

(1) by striking out in clause (1) "below the college level" and inserting in lieu thereof a comma and "not leading to standard college degree,";

(2) by striking out in clause (2) "below the college level" and inserting in lieu thereof a comma and "not leading to a standard college degree,":

(3) by striking out in clause (6) "below the college level" and inserting in lieu thereof "not leading to a standard college degree"; and

(4) by adding at the end of such subsection the following:

"Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection); but (A) the academic portions of such courses must require outside preparation and be measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses must be measured on not less than one quarter or one semester hour for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses must be measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester. In no event shall such course be considered a full-time course when less than twenty-hours per week of attendance is required.".

SEC. 212. (a) Chapter 36 of title 38, United States Code, is amended by inserting at the end thereof the following new section:

"§ 1796. Limitation on certain advertising, sales, and enrollment practices

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1974 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

"(c) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section.".

(b) The table of sections at the beginning of chapter 36 of such title is amended by inserting

"1796. Limitation on certain advertising, sales and enrollment practices."

below

"1795. Limitation on period of assistance under two or more programs.".

SEC. 213. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new sections:

"§ 219. Evaluation and data collection

"(a) The Administrator, pursuant to general standards which he shall prescribe in regulations, shall measure and evaluate on a continuing basis the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in achieving such goals in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Such information as the Administrator may deem necessary for purposes of such evaluations shall be made available to him, upon request, by all departments, agencies, and instrumentalities of the executive branch.

"(b) In carrying out this section, the Administrator shall collect, collate, and analyze on a continuing basis full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of real property, proposed excessing of land, accretion and attrition of personnel, and categorized expenditures attributable thereto, under all programs carried out under this title.

"(c) The Administrator shall make available to the public and on a regular basis provide to the appropriate committees of the Congress copies of all completed evaluative research studies and summaries of evaluations of program impact and effectiveness carried out, and tabulations and analyses of all data collected, under this section.

"§ 220. Coordination of other Federal programs affecting veterans and their dependents

"The Administrator shall seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all other departments, agencies, and instrumentalities of the executive branch and shall seek to achieve the maximum feasible coordination of such programs with programs carried out under this title."

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding

"219. Evaluation and data collection.
"220. Coordination of other Federal programs affecting veterans and their dependents."

below

"218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.".

SEC. 214. Subchapter IV of chapter 3 of title 38, United States Code, is amended as follows:

(1) by inserting in section 241 "in carrying out the purposes of this subchapter (including the provision, to tne maximum feasible extent, of such services, in areas where a significant number of eligible veterans and eligible dependents speak a language other than English as their principal language, in the principal language of such persons)" after "outreach services";

(2) by inserting in clause (2) "to eligible veterans and eligible dependents" after "information" the first time it appears;

(3) by striking out in section 242(b) "may implement such special telephone service" and inserting in lieu thereof "shall establish and carry out all possible programs and services, including special telephone facilities,";

(4) redesignating sections 243 and 244 as 244 and 245, respectively, and adding the following new section after section 242:

"§ 243. Veterans' representatives

"(a)(1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapters 31, 34, 35, and 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

"(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counseling, outreach, and other related veterans' services.

"(3) The functions of such veterans' representatives shall be to—

"(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

"(B) assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

"(C) maintain active liaison, communication, and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

"(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments authorized under this title;

"(E) coordinate Veterans' Administration matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as 'V.C.I. institutions');

"(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

"(G) where such functions are not being adequately carried out by existing programs at such institutions (i) provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title) and (ii) carry out outreach activities under this subchapter; and

"(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

"(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more than one particular educational institution.

"(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

"(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that the activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title."; and

(5) amending section 244 (as redesignated by clause (4) of this subsection) of such title by—

(A) striking out "may" and inserting in lieu thereof "shall"; and

(B) inserting "and provide for" after "conduct" in paragraph (5).

(b) The table of sections at the beginning of such chapter is amended by striking out

"243. Utilization of other agencies.
"244. Report to Congress."

and inserting in lieu thereof

"243. Veterans' representatives.
"244. Utilization of other agencies.
"245. Report to Congress.".

TITLE III—VETERANS AND DEPENDENTS EDUCATION LOAN PROGRAM

SEC. 301. (a) Chapter 36 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Education Loans to Eligible Veterans and Eligible Persons

"§ 1798. Eligibility for loans; amount and conditions of loans; interest rate on loans

"(a) Each eligible veteran and eligible person shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b)(1) of this section if the veteran or person satisfies the requirements set forth in subsection (c) of this section.

"(b)(1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran or eligible person shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran or person to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.

"(2)(A) The amount needed by a veteran or person to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran or person which may be reasonably expected to be expended by such veteran or person for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which such veteran or person is enrolled.

"(B) The term 'total amount of financial resources' of any veteran or person for any year means the total of the following:

"(i) The annual adjusted effective income of the veteran or person less Federal income tax paid or payable by such veteran or person with respect to such income.

"(ii) The amount of cash assets of the veteran or person.

"(iii) The amount of financial assistance received by the veteran or person under the provisions of title IV of the Higher Education Act of 1965, as amended.

"(iv) Educational assistance received by the veteran or person under this title other than under this subchapter.

"(v) Financial assistance received by the veteran or person under any scholarship or grant program other than those specified in clauses (iii) and (iv).

"(C) The term 'actual cost of attendance' means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran or person is enrolled.

"(3) The aggregate of the amounts any veteran or person may borrow under this subchapter may not exceed $270 multiplied by the number of months such veteran or person is entitled to receive educational assistance under section 1661 or subchapter II of chapter 35, respectively, of this title, but not in excess of $1,000 in any one regular academic year.

"(c) An eligible veteran or person shall be entitled to a loan under this subchapter if such veteran or person—

"(1) is in attendance at an educational institution on at least a half-time basis and (A) is enrolled in a course leading to a standard college degree, or (B) is enrolled in a course, the completion of which requires six months or longer, leading to an identified and predetermined professional or vocational objective;

"(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran or person, as determined under subsection (b) of this section, under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

"(3) enters into an agreement with the Administrator meeting the requirements of subsection (d) of this section.
requirements of subsection (d) of this section.

No loan shall be made under this subchapter to an eligible veteran or person pursuing a program of correspondence, flight, apprentice or other on-job, or PREP training.

"(d) Any agreement between the Administrator and a veteran or person under this subchapter—

"(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

"(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

"(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on Treasury notes and obligations being purchased by the Fund at the time the loan agreement is made, except that no interest shall accrue prior to the beginning date of repayment; and

"(4) shall provide that the loan shall be made without security and without endorsement.

"(e)(1) Except as provided in paragraph (2) of this subsection, whenever the Administrator determines that a default has occurred on any loan made under this subchapter, he shall declare an overpayment, and such overpayment shall be recovered from the veteran or person concerned in the same manner as any other debt due the United States.

"(2) If a veteran or person who has received a loan under this section dies or becomes permanently and totally disabled, then the Administrator shall discharge the veteran's or person's liability on such loan by repaying the amount owed on such loan.

"(3) The Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives, not later than one year after the date of enactment of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 and annually thereafter, a separate report specifying the default experience and default rate at each educational institution along with a comparison of the collective default experience and default rate at all such institutions.

"§ 1799. Sources of funds; insurance

"(a) Loans made by the Administrator under this subchapter shall be made from funds available under subsection (b) of this section for such purpose, and repayment shall be guaranteed as provided in subsection (c) of this section.

"(b)(1) Any funds in the National Service Life Insurance Fund continued under section 720 (in this subchapter referred to as the 'Fund') shall be available to the Administrator for making loans under section 1798 of this title. The Administrator shall set aside out of the Fund such amounts, not in excess of limitations in appropriations Acts, as may be necessary to enable him to make all the loans to which veterans or persons are entitled under section 1798 of this title.

"(2) Any funds set aside under paragraph (1) of this subsection shall be considered as investments of the Fund and while so set aside shall bear interest at a rate determined by the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations being purchased by the Fund at the time such funds are set aside.

"(c) The Administrator shall guarantee repayment to the Fund of any amounts set aside under subsection (b) of this section for loans under section 1798 of this title and of any interest accrued thereon. In order to discharge his responsibility under any such guarantee, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations being purchased by the Fund at the time the loan agreement is made. The Secretary of the Treasury is authorized and directed to purchase such notes and other obligations.

"(d) There are authorized to be appropriated to the Administrator such sums as may be necessary to enable him to repay to the Fund any amounts set aside under subsection (b) of this section together with any interest accrued thereon. Any funds paid to the Administrator pursuant to an agreement made under section 1798(d) of this title shall be deemed to have been appropriated pursuant to this subsection.

"(e) A fee shall be collected from each veteran or person obtaining a loan made under this subchapter for the purpose of insuring against defaults on loans made under this chapter, and no loan shall be made under this subchapter until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed 3 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran or person and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the Fund, and amounts so deposited shall be available to the Administrator to discharge his obligations under subsection (c) of this section.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"SUBCHAPTER III—EDUCATION LOANS TO ELIGIBLE VETERANS AND ELIGIBLE PERSONS

"1798. Eligibility for loans; amount and conditions of loans; interest rate on loans.

"1799. Source of funds; insurance.".

SEC. 302. (a) Subchapter IV of chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1686. Education loans

"Any eligible veteran shall be entitled to an education loan (if the program of education is pursued in a State) in such amount and on such terms and conditions as provided in sections 1798 and 1799 of this title.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1685. Education loans."

below

"1685. Veteran-student services.".

SEC. 303. (a) Subchapter IV of chapter 35 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1737. Education loans

"Any eligible person shall be entitled to an education loan (if the program of education is pursued in a State) in such amount and on such terms and conditions as provided in sections 1798 and 1799 of this title.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1737. Education loans."

below

"1736. Specialized vocational training courses.".

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

SEC. 401. Chapter 41 of title 38, United States Code, is amended as follows:

(a) Section 2001 is amended by redesignating paragraph (2) as paragraph (3) and adding after paragraph (1) a new paragraph (2) as follows:

"(2) The term 'eligible person' means—

"(A) the spouse of any person who died of a service-connected disability,

"(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37 and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or

"(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.".

(b) Section 2002 is amended by (1) inserting "and eligible persons" after "eligible veterans" and (2) inserting "and persons" after "such veterans".

(c) Section 2003 is amended by—

(1) striking out in the first sentence "$250,000 veterans" and inserting in lieu thereof "250,000 veterans and eligible persons";

(2) striking out in the fourth sentence "veterans' " and inserting in lieu thereof "veterans' and eligible persons' ";

(3) inserting in clauses (1), (2), (4), (5), and (6) of the fifth sentence "and eligible persons" after "eligible veterans" each time the latter term appears in such clauses;

(4) inserting in clause (3) of the fifth sentence "or an eligible person's" after "eligible veteran's"; and

(5) inserting in clause (4) of the fifth sentence "and persons" after "such veterans".

(d) Section 2005 is amended by inserting "and eligible persons" after "eligible veterans".

(e) The last sentence of section 2006(a) is amended by striking out "veterans" and inserting in lieu thereof "eligible veterans and eligible persons".

(f) Section 2007 is amended by—

(1) inserting in subsection (a)(1) "and each eligible person" after "active duty,";

(2) redesignating subsection (b) as subsection (c) and inserting the following new subsection (b):

"(b) The Secretary of Labor shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section."; and

(3) striking out in the second sentence of subsection (c) (as redesignated by clause (2) of this subsection) "and other eligible veterans" and inserting in lieu thereof "other eligible veterans, and eligible persons".

SEC. 402. Chapter 42 of title 38, United States Code, is amended as follows:

(1) by inserting in the first sentence of section 2012(a) "in the amount of $10,000 or more" after "contract" where it first appears, by striking out ", in employing persons to carry out such contract," in such sentence, and by striking out "give special emphasis to the employment of" and inserting in lieu thereof "take affirmative action to employ and advance in employment" in such sentence;

(2) by striking out in the third sentence of section 2012(a) "The" and inserting in lieu thereof "In addition to requiring affirmative action to employ such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the"; and

(3) by striking out in the first sentence of section 2012(b) "giving special emphasis in employment to" and inserting in lieu thereof "the employment of".

SEC. 403. (a) Chapter 42 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 2014. Employment within the Federal Government

"(a) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

"(b) To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS–5, as specified in subchapter II of chapter 51 of title 5, and subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that in applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted. The eligibility of such a veteran for a readjustment appointment shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appointment may be made under authority of this subsection after June 30, 1978.

"(c) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93-112 (87 Stat. 391), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

"(d) The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.

"(e) The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section, except that, with respect to subsection (c) of this section, the Commission may include a report of such activities separately in the report required to be submitted by section 501(d) of such Public Law 93-112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.

"(f) Notwithstnding section 2011 of this title, the terms 'veteran' and 'disabled veterans' as used in this section shall have the meaning provided for under generally applicable civil service law and regulations."

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"2014. Employment within the Federal Government.".

SEC. 404. (a) Part III of title 38, United States Code, is amended by adding at the end thereof a new chapter as follows:

"Chapter 43—Veterans' Reemployment Rights

"Sec.
"2021. Right to reemployment of inducted persons; benefits protected.
"2022. Enforcement procedures.
"2023. Reemployment by the United States, territory, possession, or the District of Columbia.
"2024. Rights of persons who enlist or are called to active duty; Reserves.
"2025. Assistance in obtaining reemployment.
"2026. Prior rights for remployment.

"§ 2021. Right to reemployment of inducted persons; benefits protected

"(a) In the case of any person who is inducted into the Armed Forces of the United States under the Military Selective Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receives a certificate described in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service), and (2) makes application for reemployment within ninety days after such person is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

"(A) if such position was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

"(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of thet employer, be offered employment and, if suc person so requests, be employed in such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case;

"(B) if such position was in the employ of a State, or political subdivision thereof, or a private employer, such person shall—

"(i) still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be offered employment and, if such person so requests, be employed by such employer or his successor in interest in such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case,

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so. Nothing in this chapter shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protection than the rights and protections established pursuant to this chapter.

"(b)(1) Any person who is restored to or employed in a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored or reemployed without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to the established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be dischanged from such position without cause within one year after such restoration or reemployment.

"(2) It is hereby declared to be the sense of the Congress that any person who is restored to or employed in a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored or reemployed in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment; or reemployment.

"(3) Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.

"(c) The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were inducted into the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or ordinance of such State or political subdivision establishing greater or additional rights or protections.

"§ 2022. Enforcement procedures

"If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021 (a), (b)(1), or (b)(3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits provided for in such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions by any person claiming to be entitled to the benefits provided for in such provisions, such United States attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent. No State statute of limitations shall apply to any proceedings under this chapter.

"§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

"(a) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored or reemployed by such agency or the succesor to its functions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

"(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

"(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia,

the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be offered employment and, if such person so requests, be employed in such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to or employed in positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be reemployed under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules, regulations, and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits provided for in such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term 'agency in the executive branch of the Government' means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the United States Postal Service and the Postal Rate Commission).

"(b) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a), and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored or employed by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces. In any case in which it is not possible for any such person to be restored to or employed in a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 3304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be offered employment and, if such person so requests, be employed in such position by the agency in which such position exists.

"(c) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored or reemployed by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

"§ 2024. Rights of persons who enlist or are called to active duty; Reserves

"(a) Any person who, after entering the employment on the basis of which such person claims restoration or reemployment, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all of the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise, performed by such person after August 1, 1961, does not exceed five years, and if the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

"(b) (1) Any person who, after entering the employment on the basis of which such person claims restoration or reemployment, enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided for by this chapter in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

"(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness and other than for training) or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b)(1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve Component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this subsection shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

"(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this chapter for persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person restored to or employed in a position in accordance with the provisions of this subsection shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.

"(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be offered employment and, if such person so requests, be employed by that employer or his successor in interest in such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

"(e) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining, by a preinduction or other examination, physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to such rejection or examination, such employee shall be permitted to return to such employee's position in accordance with the provisions of subsection (d) of this section.

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or section 206, 301, 309, 402, or 1002 of title 37, is considered inactive duty training.

"§ 2025. Assistance in obtaining reemployment

"The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions or reemployment of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

"§ 2026. Prior rights for reemployment

"In any case in which two or more persons who are entitled to be restored to or employed in a position under the provisions of this chapter or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto or reemployed on the basis thereof, without prejudice to the reemployment rights of the other person or persons to be restored or reemployed.".

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by adding at the end thereof.

"43. Veterans' Reemployment Rights- 2021".

SEC. 405. Section 9 of the Military Selective Service Act is amended by—

(1) repealing subsections (b) through (h); and

(2) redesignating subsections (i) and (j) as subsections (b) and (c), respectively.

TITLE V—EFFECTIVE DATES

SEC. 501. Title I of this Act shall become effective on September 1, 1974.

SEC. 502. Title III of this Act shall become effective on November 1, 1974, except that eligible persons shall, upon application, be entitled (and all such persons shall be notified by the Administrator of Veterans' Affairs of such entitlement) to a loan under the new subchapter III of chapter 36 of title 38, United States Code, as added by section 301 of this Act, the terms of which take into account the full amount of the actual cost of attendance (as defined in section 1798(b) (2)(C) of such title) which such persons incurred for the academic year beginning on or about September 1, 1974.

SEC. 503. Titles II and IV of this Act shall become effective on the date of their enactment.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert the following: "An Act to amend title 38, United States Code, to increase vocational rehabilitation subsistence allowances, educational and training assistance allowances, and special allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish an education loan program for veterans and persons eligible for benefits under chapter 34 or 35 of such title; to make other improvements in the educational assistance program and in the administration of educational benefits; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service, by increasing the employment of veterans by Federal contractors and subcontractors, and by providing for an action plan for the employment of disabled and Vietnam era veterans within the Federal Government; to codify and expand veterans reemployment rights; and for other purposes.".

And the Senate agree to the same.

WM. J. BRYAN DORN,
OLIN E. TEAGUE,
JAMES A. HALEY,
THADDEUS J. DULSKI,
HENRY HELSTOSKI,
JOHN PAUL HAMMERSCHMIDT,
MARGARET M. HECKLER,
JOHN M. ZWACH,
CHALMERS P. WYLIE,
Managers on the Part of the House.

VANCE HARTKE,
H. E. TALMADGE,
JENNINGS RANDOLPH,
HAROLD E. HUGHES,
ALAN CRANSTON,
CLIFFORD P. HANSEN,
STROM THURMOND,
ROBERT T. STAFFORD,
JAMES A. MCCLURE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text and made a title amendment.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment and with a title amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—VOCATIONAL REHABILITATION AND EDUCATIONAL, AND TRAINING ASSISTANCE ALLOWANCE RATE ADJUSTMENTS

Both the House bill and the Senate amendment liberalize eligibility requirements for disabled Vietnam era and post-Korean conflict veterans to receive training under the vocational rehabilitation program in chapter 31 so as to provide all post-Korean conflict veterans equal treatment for purposes of these benefits with veterans of service during World War II and the Korean conflict. The conference agreement provides for this liberalization of chapter 31 benefits—made available to any veteran with a 10-percent compensable service-connected disability or higher—for any veteran of World War II service or later service.

The House bill provides for increasing the rates of monthly educational assistance and training allowances by 13.6 percent for eligible veterans and dependents under chapters 34 and 35 and a comparable percentage increase for the vocational rehabilitation subsistence allowance under chapter 31 for service-connected disabled veterans. (This would increase the monthly educational assistance allowance for a single veteran with no dependents from $220 to $250 for full-time institutional study.) The Senate amendment provides for an increase in these rates of 18.2 percent and includes as an integral part of the rate increase package a partial tuition assistance allowance program, under which an additional allowance of up to $720 per school year would be paid to eligible veterans and persons under chapters 34 and 35, the VA paying according to the following formula: 80 percent of a school's yearly tuition charges up to $1,000 after excluding the first $100 of tuition. (The basic monthly educational assistance allowance for a single veteran with no dependents under the Senate amendment is increased from $220 to $260 for full-time institutional study plus the tuition assistance allowance entitlement, as appropriate, which would average out to approximately $31 more per average veteran per month—a total educational assistance average payment of $291 per month.)

The conference agreement provides for an increase in the monthly educational assistance, training, and vocational rehabilitation subsistence allowances of 22.7 percent, an increase for the single veteran with no dependents of from $220 to $270 for full-time institutional study. The conference did not approve the tuition assistance allowance portion of the Senate amendment, after the most extensive and careful consideration. The conferees instead substituted a provision (section 105) directing the Veterans' Administration to carry out a thorough study, and to report to the Congress and the President within 12 months, on the opportunities for abuse and administrative difficulties arising from a tuition assistance program if one were to be enacted. Various interested organizations and agencies would be consulted and their views solicited as part of the study process. The study would draw its context from the findings of abuses in connection with the World War II GI bill program and from an investigation of these problems as presently being experienced under GI bill tuition assistance programs such as chapter 31 vocational rehabilitation, correspondence courses, flight training, and PREP, and would include recommendations by the Veterans' Administration as to legislative or administrative ways in which any such abuses and difficulties could be prevented or mitigated under present or future programs.

TITLE II. EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

The Senate amendment clarifies and liberalizes the circumstances under which service-connected disabled veterans training under the vocational rehabilitation program in chapter 31 may qualify for individualized tutorial assistance. The House bill contains no comparable provision. The House recedes.

Both the House bill and the Senate amendment, by an amendment to the section 1661 (a) entitlement provision, permit the initial six months of active duty training by Reserve and National Guard members to be counted for entitlement for educational assistance under chapter 34 if such members subsequently serve on active duty for 12 or more consecutive months. The conference agreement provides for this new eligibility by amending the definition of "active duty" in section 1652(a)(3) in order to provide greater clarity.

The Senate amendment extends the maximum entitlement to educational assistance for eligible veterans and eligible dependents from 36 to 45 months. The House bill contains no comparable provision. The House recedes.

Both the House bill and the Senate amendment extend to 10 years the current 8-year delimiting date for veterans and chapter 35 eligible dependents to complete their programs of education (and exclude in computing such delimiting date the period of time that such veteran-civilians were held as prisoners of war during the Vietnam conflict). The conference agreement does not contain such a provision since the conferees decided during the course of their deliberations to separate this agreed-upon item and proceeded to pass S. 3705 in early July, which has now been enacted into law as Public Law 93–337 (July 10, 1974).

The Senate Amendment clarifies and strengthens certain administrative provisions governing the chapters 34 and 35 educational assistance program in order to prevent and mitigate against abuses by requiring that courses with vocational objectives must demonstrate a 50-percent placement record over the preceding two-year period in the specific occupational category for which the course was designed to provide training; by prohibiting enrollment in courses which utilize significant avocational or recreational themes in their advertising; and by providing that not more than 85 percent of eligible students enrolled in proprietary below-college level courses may be wholly or partially subsidized by the Veterans' Administration or the institution. The House bill contains no comparable provisions. The conference agreement includes these provisions, clarifying that the 50-percent placement requirement does not apply where it is clear that the individual graduate is not available for employment or trained during active duty. Situations in which a graduate could be regarded as not available for employment would include a graduate who becomes disabled, is continuing schooling, is pregnant, or undergoes a change in marital status which compels the graduate to forego a new career. In addition, a graduate who unreasonably refuses to cooperate by seeking employment should not be counted in determining whether the placement percentage has been attained. Such a lack of cooperation can include unreasonable demands as to job location, remuneration, or working conditions. (The "reasonableness" of graduate cooperation should be tested, in part, against normal expectations created by the nature of the training offered by the institution and the advertsing, sales, or enrollment practices which it utilizes.)

In addition, the conferees have agreed to add a parenthetical provision so as to exclude from the computation of the 50-percent placement requirement those numbers of persons who receive their vocational training while on active duty military service. The purpose of this modification is merely to avoid imposing an unreasonable requirement on such vocational institutions to follow such servicemen throughout their period of military service—which might be a matter of several years—in order to determine whether appropriate job placement had been secured following release from active duty. On the other hand, the conferees do not intend by this modification to manifest any less concern about the quality of training which active duty servicemen obtain under the GI bill, and the conferees continue to expect, as expressed in connection with consideration of Public Law 92–540 in 1972, that the base education officers and education program of the Defense Department will generally continue adequately to counsel active duty servicemen and to monitor closely the utilization tion by such servicemen of their GI bill entitlements.

The conference agreement also deletes the word "specific" in modification of the term "occupational category". This deletion was agreed to in order to permit the Veterans' Administration somewhat more latitude in writing regulations to carry out this requirement. The conference has been made aware that use of the Dictionary of Titles is in some cases obsolete or unduly restrictive. Accordingly, as defined by VA regulations, closely related employment obtained by course graduates could also qualify in determining placement figures. In providing for this flexibility, however, the conferees stress that it is still their intention that this requirement be interpreted in light of the very specific discussion and examples contained in the Senate committee report (No. 93–907) on pages 64 through 72.

The conferees are aware of the inherent difficulties in locating all course graduates and intend that a statistically valid and reliable sample approved and verified by the Veterans' Administration will satisfy the requirement of this section without necessitating that the institution secure information about each course graduate. The conferees would also anticipate that, in implementing the placement requirement under this section, the Veterans' Administration will allow schools a reasonable period of time to collect and submit the required data.

Both the House bill and the Senate amendment authorize up to six months of refresher training for veterans with current GI bill eligibility in order to update knowledge and skills in light of the technological advances occurring in their fields of employment during and since the period of their active military service; however, the House bill permitted such refresher training to be initiated not later than 6 months after the veteran's discharge. The House recedes.

Both the House bill and the Senate amendment liberalize the veteran-student services program by raising the maximum work-study allowance (the House bill from $250 to $500 and the Senate amendment to $625), commensurately increasing the maximum number of hours a veteran-student may work (the House bill from 100 to 200 hours and the Senate amendment to 250 hours), and removing any statutory ceiling on the number of veterans permitted to participate in this program. The Senate amendment also limited to $250 the amount of the work-study educational assistance allowance which may be paid to a participating veteran in advance. The House recedes.

The Senate amendment liberalizes the tutorial assistance program by extending the maximum assistance period from 9 to 12 months and increasing the maximum monthly tutorial assistance allowance from $50 to $60. The House bill contains no comparable provision. The House recedes.

The Senate amendment liberalizes permissible absences from courses not leading to a standard college degree by excluding customary vacation period established by institutions in connection with Federal or State legal holidays. The House bill contains no comparable provision. The House recedes.

In this connection, the conferees note that in numerous places in the bill, the Senate amendment and the conference report have deleted the words "below the college level" and inserted in lieu thereof "leading to a standard college degree". The House conferees have agreed to these stylistic changes only with the very explicit understanding, which is also shared by the Senate conferees, that this change in terminology makes no substantive alteration in the scope and applicability of all of the sections being so modified.

Both the House bill and the Senate amendment extend to eligible dependents under chapter 35 eligibility for farm cooperative training under the same terms and conditions as apply to eligible veterans under chapter 34. The conference agreement contains this provision.

The Senate amendment increases the allowance payable by the Administrator for the administrative expenses incurred by State approving agencies and administering benefits under title 38. The House bill contains no comparable provision. The House recedes.

Both the House bill and the Senate amendment permit any joint apprenticeship training committee which acts as a training establishment to receive the annual reporting fee of $3 for each eligible veteran or person enrolled in educational assistance programs in return for furnishing the VA with required reports and certificates of enrollment, attendance, and termination regarding such eligible veterans. The conference agreement includes this provision.

Both the House bill and the Senate amendment permit an educational institution offering courses not leading to a standard college degree to measure such courses on a quarter- or semester-hour basis provided certain specific measurements of the academic, laboratory, and shop portions of such courses meet minimum requirements. The House bill adds a proviso that in no event shall such course be considered a full-time course when less than 25 hours of attendance per week is required; the Senate amendment reduces this minimum requirement to 18 hours. The conference agreement provides that 22 hours of attendance per week shall be required.

The Senate amendment repeals the current 48-month limitation on any person training under more than one VA educational assistance program. The House bill contains no comparable provision. The Senate recedes.

The Senate amendment provides that the Administrator shall not approve the enrollment of any eligible veteran or dependent in any course offered by an institution which utilizes erroneous, deceptive, or misleading advertising, sales, or enrollment practices of any type and provides that a final cease and desist order entered by the Federal Trade Commission shall be conclusive as to disapproval of such a course for GI bill enrollment purposes. The House bill contains no comparable provision. The conference agreement contains the Senate provision without the above described FTC-order-conclusiveness provision.

The Senate amendment provides for a new subchapter under which the Administrator is directed to measure and evaluate all programs authorized by title 38 with respect to their effectiveness, impact, and structure and mechanisms for service delivery, and to collect, collate, and analyze on a continuing basis, full data regarding the operation of all such programs and to make available to the public the results of his findings. The House bill contains no comparable provision. The conference agreement embodies the essence of the Senate provision, although somewhat revising and condensing the language in order to provide for greater focus and more specificity.

The conferees wish to stress that in condensing the new section 219 (evaluation and data collection), as added in section 213 of the conference report, the requirement in subsection (c) of the original Senate provision, that, whenever feasible, the Administrator should arrange to obtain the specific views of program beneficiaries and program participants with respect to evaluations of such programs, was deleted as unnecessary. The conferees believe that the Administrator already possesses inherent authority to do this, and that it would be desirable for him to exercise that authority. The conferees also believe that the most effective evaluations are those conducted by fully independent personnel.

The Senate amendment clarifies and strengthens the Administrator's functions and responsibilities under the VA outreach program provisions to include a greater use of telephone and mobile facilities and peer-group contact, as well as providing for certain stress on bilingual services in certain areas and providing explicit contract authority with respect to certain outreach activities. The House bill contains no comparable provision. The conference agreement contains the Senate provisions, except that it eliminates the requirement that contract authority be exercised for outreach activities, and any statutory specification of mobile facilities.

The conferees do not intend by the deletion of specific statutory reference to the use of "mobile" facilities to indicate in any way their disapproval of or lack of support for the appropriate use of such facilities as mobile vans and wish to stress, moreover, their belief that these vans, which hitherto have generally been employed only in rural areas, could serve as useful a purpose in urban areas with high population concentrations.

The Senate amendment establishes a veterans representative (Vet Rep) program to provide for a full-time VA employee at, or in connection with, each educational institution where at least 500 GI bill trainees are enrolled, to serve as a liaison between the VA and the institution and to identify and resolve various problems with respect to VA benefits, especially educational assistance, for veterans attending each such institution. The House bill contains no comparable provision. The House recedes.

In adopting this provision, the conferees were keenly aware of the concerns which have been expressed to members of both bodies about the implementation of this program which has already been undertaken administratively by the VA, and of the assurances received from the Office of Management and Budget, the White House, and the VA with respect to the intended operation of this program. Of specific concern is the understanding, most recently embodied in the Senate Appropriations Committee report (No. 93–1056) on H.R. 15572, the Fiscal Year 1975 HUD-Space-Science-Veterans Appropriations Act, that VA regional offices, with the concurrence of the Chief Benefits Director, will have considerable flexibility in the assignment of these new Vet Reps in terms of particular campus needs. This same flexibility is provided for in the conference report. In those instances where a Vet Rep can perform more effectively in terms of carrying out the special responsibilities of liaison with the campus veterans, assignment of the Vet Reps to regional offices should be carried out in order to improve the capacity of those offices to provide effective services. At the same time, the conferees wish to call attention to the conference report provision which is intended to avoid any situation in which an educational institution might be in any way compelled to accept such an on-campus assignment by the VA (new section 243(a)(4) provides that the "inappropriateness of assignment of veterans' representatives to a particular educational institution" shall be grounds for reallocation of such Vet Reps to other educational institutions or to the regional office). The conferees expect that such assignment matters will be resolved amicably in close consultation and coordination with individual institutions, GI bill trainees at such institutions, and other interested parties.

The Senate amendment establishes an Inter-Agency Advisory Committee on Veterans Service to be composed of the heads of various Federal departments and agencies (with the Administrator as Chairman) to promote maximum feasible effectiveness and coordination of and interrelationship among all Federal programs affecting veterans and dependents, and to make recommendations to the President and the Congress regarding the annual budget and the development, coordination, and improvement of Federal programs and laws affecting veterans and their dependents. The House bill contains no comparable provision. The conference agreement provides that the Administrator shall seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all Federal programs and activities affecting veterans and seek to achieve the maximum coordination of their programs with the programs carried out by the Veterans' Administration. The conferees expect the Administrator to specify in his annual report the results of this new process.

TITLE III. VETERAN AND DEPENDENTS EDUCATION LOAN PROGRAM

The Senate amendment authorizes supplementary assistance to veterans and eligible dependents by direct loans to them from the VA (utilizing the National Service Life Insurance Trust Fund) of up to $2,000 a year to cover educational costs not otherwise provided for in title 38 or other Federal loan or grant programs. The House bill contains no comparable provision. The conference agreement provides for such a supplementary loan program, reducing the maximum yearly loan to $1,000, increasing the maximum amount of the loan fee which the Administrator may charge for such loans, directing the Administrator to collect any delinquent amounts in loan principal and interest payments in the same manner as any other debt due the United States, and directing the Administrater to report to the Congress annually on the default experience at each institution.

The conferees are concerned that excessive default rates at certain institutions might jeopardize the success of the program, and both Committees will closely monitor default experience and expect the Administrator to do so as well. In this connection, the conferees direct the Administrator to utilize his new authority under new section 1796, added to title 38 by section 212 of the conference report, with respect to deceptive and misleading advertising, to take affirmative steps to prevent any questionable sales or enrollment practices utilizing advertising about the availability of the new loan program as a promotional technique. The Administrator should, in this regard and as part of fulfilling his notification requirement under section 502 of the conference report, promulgate in regulations a model loan description which shall be used by institutions in their advertising if they wish to refer to the loan availability.

TITLE IV. VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

The Senate amendment extends chapter 41 benefits (job counselling, training, and placement services) to wives and widows eligible for educational assistance benefits under chapter 35. The House bill contains no comparable provision. The House recedes.

The Senate amendment expands and strengthens the administrative controls which the Secretary of Labor is directed to establish under chapter 41 in order to insure that eligible veterans, wives, and widows are promptly placed in a satisfactory job or job training opportunity or receive some other specific form of employment assistance, and requires the Secretary to publish standards for determining compliance by State Public Employment Service agencies with the provisions of chapters 41 and 42. The House bill contains no comparable provision. The House recedes.

The Senate amendment clarifies and strengthens existing law requiring that Federal contractors and all of their subcontractors take particular actions in addition to job listing in order to give "special emphasis" to the employment of qualified service-connected disabled and Vietnam era veterans. The House bill contains no comparable provision. The conference agreement provides further clarification in this provision by making clear the intention of the Congress that affirmative action is to be taken by all Federal contractors and all of their subcontractors with respect to their employment practices in order to promote the greatest possible employment and advancement in employment of qualified service-connected disabled veterans and veterans of the Vietnam era. It is the conferees' objective in making this clarification to ensure that the goals of the program, as spelled out above, will be achieved according to an orderly and effective timetable, backed up by an effective compliance mechanism. The provision in the conference report is thus substantially identical in language and intended scope with the provisions of section 503 of the Rehabilitation Act of 1973 (Public Law 93–112).

The Senate amendment includes a provision stating that it is the policy of the United States to promote maximum employment and job advancement opportunities within the Federal Government for qualified service-connected disabled and Vietnam era veterans, and providing for special Federal appointment authority and other mechanisms to carry out such policy. The House bill contains no comparable provision. The House recedes.

The Senate amendment provides for the codification into title 38 of existing law on veterans' reemployment rights, and further extends such rights to veterans who were employed by States, or their political subdivisions. The House bill contains no comparable provision. The House recedes.

TITLE V. EFFECTIVE DATES

The House bill makes all amendments effective on the date of enactment except for rate increases which are to be effective on the first day of the second calendar month which begins after the date of enactment. The Senate amendment makes the provisions in titles II and IV of the Senate amendment effective on the date of enactment (improvements in GI bill provisions and in employment assistance), the new loan program in title III effective on September 1, 1974, and the rate increases and other provisions of title I effective on July 1, 1974. The conference agreement makes all amendments effective on the date of enactment except that the rate increase will be effective September 1, 1974, and the new loan program will be effective November 1, 1974 (except that veterans or dependents eligible for such loan entitlement on or after November 1, 1974, shall be entitled to a loan amount reflective of the full amount of their tuition and all other costs of attendance which they incurred for the academic year beginning on or about September 1, 1974).

TITLE AMENDMENT

The Senate amendment amends the title of the bill to reflect the provisions in the Senate amendment. The conference agreement amends the title to reflect the provisions in the conference report.

CHANGES IN EXISTING LAW MADE BY H.R. 12628 AS AGREED TO IN CONFERENCE

For the information of the Members of Congress, changes in existing law made by the bill (H.R. 12628) as agreed to in conference, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

* * * * *

PART III. READJUSTMENT AND RELATED BENEFITS

Chapter	Sec.
31. Vocational Rehabilitation	1501
34. Veterans Educational Assistance	1650
25. War Orphans' and Widows' Educational Assistance	1700
36. Administration of Educational Benefits	1770
37. Home, Farm, and Business Loans	1801
39. Automoiles and Adaptive Equipment for Certain Disabled Veterans and Members of the Armed Forces	1901
41. Job Counseling, Training, and Placement Service for Veterans	2001
42. Employment and Training of Disabled and Vietnam Era Veterans	2011
43. Veterans Reemployment Rights	*2021*

CHAPTER 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

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SUBCHAPTER II—ADMINISTRATOR OF VETERANS' AFFAIRS

Sec.
210. Appointment and general authority of Administrator; Deputy Administrator.
211. Decisions by Administrator; opinions of Attorney General.
212. Delegation of authority and assignment of duties.
213. Contracts and personal services.
214. Report to the Congress.
215. Publication of laws relating to veterans.
216. Research by Administrator; indemnification of contractors.
217. Studies of rehabilitation of disabled persons.
218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.
219. Evaluation and data collection.
220. Coordination of other Federal programs affecting veterans and their dependents.

SUBCHAPTER IV—VETERANS OUTREACH SERVICES PROGRAM

Sec.
240. Purpose; definitions.
241. Outreach services.
242. Veterans assistance offices.
243. Veterans' representatives.
[243.] *244.* Utilization of other agencies.
[244.] *245.* Report to Congress.

* * * * *

Subchapter II—Administrator of Veterans' Affairs

* * * * *

§ 219. Evaluation and data collection

(a) The Administrator, pursuant to general standards which he shall prescribe in regulations, shall measure and evaluate on a continuing basis the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in achieving such goals in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Such information as the Administrator may deem necessary for purposes of such evaluations shall be made available to him, upon request, by all departments, agencies, and instrumentalities of the executive branch.

(b) In carrying out this section, the Administrator shall collect, collate, and analyze on a continuing basis full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of real property, proposed excessing of land, accretion and attrition of personnel, was categorized expenditures attributable thereto, under all programs carried out under this title.

(c) The Administrator shall make available to the public and on a regular basis provide to the appropriate committees of the Congress copies of all completed evaluative research studies and summaries of evaluations of program impact and effectiveness caried out, and tabulations and analyses of all data collected, under this section.

§ 220. Coordination of other Federal programs affecting veterans and their dependents.

The Administrator shall seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all other departments, agencies, and instrumentalities of the executive branch and shall seek to achieve the maximum feasible coordination of such programs with programs caried out under this title.

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Subchapter IV—Veterans Outreach Services Program

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§ 241. Outreach services

The Administrator shall provide the following outreach services *in carrying out the purposes of this subchapter (including the provision, to the maximum feasible extent of such services, in areas where a significant number of eligible veterans and eligible dependents speaks a language other than English as their principal language, in the principal language of such persons)*:

(1) by letter advise each veteran at the time of his discharge or release from active military, naval, or air service, or as soon as possible thereafter, of all benefits and services under laws administered by the Veterans' Administration for which the veteran may be eligible and, in carying out this paragraph, the Administrator shall insure, through the utilization of veteran-student services under section 1685 of this title, that contact, in person or by telephone, is made with those veterans who, on the basis of their military service records, do not have a high school education or equivalent at the time of discharge or release;

(2) distribute full information *to eligible veterans and eligible dependents* regarding all benefits and services to which they may be entitled under laws administered by the Veterans' Administration and may, to the extent feasible, distribute information on other governmental programs (including manpower and training programs) which he determines would be beneficial to veterans; and

(3) provide, to the maximum extent possible, aid and assistance (including personal interviews) to members of the Armed Forces, veterans, and eligible dependents in respect to clauses (1) and (2) above and in the preparation and presentation of claims under laws administered by the Veterans' Administration.

§ 242. Veterans assistance offices

(a) The Administrator shall establish and maintain veterans assistance offices at such places throughout the United States and its territories and possessions, and the Commonwealth of Puerto Rico, as he determines to be necessary to carry out the purposes of this subchapter, with due regard for the geographical distribution of veterans recently discharged or released from active military, naval, or air service, the special needs of educationally disadvantaged veterans (including their need for accessibility of outreach services), and the necessity of providing appropriate out-reach services in less populated areas.

(b) The Administrator [may implement such special telephone service] *shall establish and carry out all possible programs and services, including special telephone facilities,* as may be necessary to make the outreach services provided for under this subchapter as widely available as possible.

§ 243. Veterans' representatives

(a)(1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapter 31, 34, 35, and 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per eahc five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counselling, out-reach, and other related veterans' services.

(3) The functions of such veterans' representatives shall be to—

(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

(B) assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

(C) maintain active liaison, communication, and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments authorized under this title;

(E) coordinate Veterans' Administration matters with, and provide appropriate briefings to, all on-campus veterans' groups working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as "V.C.I. institutions");

(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

(G) *where such functions are not being* *adequately carried out by existing programs at such institutions (i) provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title) and (ii) carry out outreach activities under this subchapter; and*

(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more than one particular educational institution.

(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that activities of veterans' representatives carried out under this section complement, and do not interfer with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title.

[§ 243.] *§ 244.* Utilization of other agencies

In carrying out the purposes of this subchapter, the Administrator [may] *shall*—

(1) arrange with the Secretary of Labor for the State employments service to match the particular qualifications of an eligible veteran or eligible dependent with an appropriate job or job training opportunity, to include where possible, arrangements for outstationing the State employment personnel who provide such assistance at appropriate facilities of the Veterans' Administration;

(2) cooperate with and use the services of any Federal department or agency or any State or local governmental agency or recognized national or other organization;

(3) where appropriate, make referrals to any Federal department or agency or State or local governmental unit or recognized national or other organization;

(4) at his discretion, furnish available space and office facilities for the use of authorized representatives of such governmental unit or other organization providing services; and

(5) conduct *and provide for* studies in consultation with appropriate Federal departments and agencies to determine the most effective program design to carry out the purposes of this subchapter.

[§ 244.] *§ 245.* Report to Congress

The Administrator shall include in the annual report to the Congress required by section 214 of this title a report on the activities carried out under this subchapter, each report to include an appraisal of the effectiveness of the programs authorized herein and recommendations for the improvement or more effective administration of such programs.

CHAPTER 31—VOCATIONAL REHABILITATION

* * * * *

§ 1501. Definitions

For the purposes of this chapter—

(1) The term "World War II" means the period beginning on September 16, 1940, and ending on July 25, 1947.

(2) The term "vocational rehabilitation" means training (including educational and vocational counseling, *all appropriate individualized tutorial assistance,* and other necessary incidental services) for the purpose of restoring employability to the extent consistent with the degree of disablement, lost by virtue of a handicap due to service-connected disability.

§ 1502. Basic entitlement

(a) Every veteran who is in need of vocational rehabilitation on account of a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title shall be furnished such vocational rehabilitation as may be prescribed by the Administrator, [if such disability—] *arose out of service during World War II or thereafter.*

[(1) arose out of service during World War II or the Korean conflict; or

[(2) arose out of service (*A*) after World War II, and before the Korean conflict, or (*B*) after the Korean conflict, and is raised for compensation purposes as 30 per centum or more, or if less than 30 per centum, is clearly shown to have caused a pronounced employment handicap.]

(b) Unless a longer period is prescribed by the Administrator, no course of vocational rehabilitation may exceed four years. If the veteran has pursued an educational or training program under chapter 33 (prior to its repeal), 34, 35, or 36 of this title, such program shall be utilized to the fullest extent practical in determining the character and duration of the vocational rehabilitation to be furnished him under this chapter.

(c) Vocational rehabilitation may not be afforded outside of a State to a veteran on account of post-World War II service if the veteran, at the time of such service, was not a citizen of the United States.

(d) Veterans pursuing a program of vocational rehabilitation training under the provisions of this chapter shall also be eligible, where feasible, to perform veteran-student services pursuant to section 1685 of this title and for advance subsistence allowance payments as provided by section 1780 of this title.

* * * * *

§ 1504. Subsistence allowances

(a) While pursuing a course of vocational rehabilitation training and for two months after his employability is determined, each veteran shall be paid a subsistence allowance as prescribed in this section.

(b) The subsistence allowance of a veteran-trainee is to be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of training as specified in column I:

Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$170	$212	$248	$18
Three-quarter-time	128	159	187	14
Half-time	85	106	124	9
Farm cooperative, apprentice, or other on-job training: Full-time	148	179	207	14

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of training	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	*$201*	*$249*	*$293*	*$21*
Three-quarter-time	*151*	*188*	*221*	*17*
Half-time	*100*	*125*	*147*	*11*
Farm cooperative, apprentice, or other on-the-job training:				
Full-time	*175*	*212*	*245*	*17*

CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

* * * * *

SUBCHAPTER IV—PAYMENTS TO ELIGIBLE VETERANS; VETERAN-STUDENT SERVICES

Sec.
1681. Educational assistance allowance.
1682. Computation of educational assistance allowances.
1683. Approval of courses.
1684. Apprenticeship or other on-job training; correspondence courses.
1685. Veteran-student services.
1686. Education loans.

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Subchapter I—Purpose—Definitions

* * * * *

§ 1652. Definitions

For the purposes of this chapter—

(a) (1) The term "eligible veteran" means any veteran who (A) served on active duty

for a period of more than 180 days any part of which occurred after January 31, 1955, and who was discharged or released therefrom under conditions other than dishonorable or (B) was discharged or released from active duty after such date for a service-connected disability.

(2) The requirement of discharge or release, prescribed in paragraph (1)(A), shall be waived in the case of any individual who served more than one hundred and eighty days in an active-duty status for so long as he continues on active duty without a break therein.

(3) For purposes of paragraph (1)(A) and section 1661(a), the term "active duty" does not include any period during which an individual (A) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (B) served as a cadet or midshipman at one of the service academies, or (C) served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve[.] *unless at some time subsequent to the completion of such period of active duty for training such individual served on active duty for a consecutive period of one year or more (not including any service as a cadet or midshipman at one of the service academies)*.

(b) The term "program of education" means any curriculum or any combination of unit courses or subjects pursued at an educational institution which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational professional, or vocational objective. Such term also means any curriculum of unit courses or subjects pursued at an educational institution which fulfill requirements for the attainment of more than one predetermined and identified educational, professional, or vocational objective if all the objectives pursued are generally recognized as being reasonably related to a single career field. Such term also means any unit course or subject, or combination of courses or subjects, pursued by an eligible veteran at an educational institution, required by the Administrator of the Small Business Administration as condition to obtaining financial assistance under the provisions of 402(a) of the Economic Opportunity Act of 1964 (42 U.S.C. 2902(a)).

(c) The term "educational institution" means any public or private elementary school, secondary school, vocational school, correspondence school, business school, junior college, teachers' college, college, normal school, professional school, university, or scientific or technical institution, or other institution furnishing education for adults.

(d) The term "dependent" means—

(1) a child of an eligible veteran;

(2) a dependent parent of an eligible veteran; and

(3) the wife of an eligible veteran.

(e) For the purposes of this chapter and chapter 36 of this title, the term "training establishment" means any establishment providing apprentice or other training on the job, including those under the supervision of a college or university or any State department of education, or any State apprenticeship agency, or any State board of vocational education, or any joint apprenticeship committee, or the Bureau of Apprenticeship and Training established pursuant to chapter 4C of title 29, United States Code, or any agency of the Federal Government authorized to supervise such training.

SUBCHAPTER II—ELIGIBILITY AND ENTITLEMENT

§ 1661. Eligibility; entitlement; duration

Entitlement

(a) Except as provided in subsection (c) and in the second sentence of this subsection, each eligible veteran shall be entitled to educational assistance under this chapter or chapter 36 for a period of one and one-half months (or the equivalent thereof in part-time educational assistance) for each month or fraction thereof of his service on active duty after January 31, 1955. If an eligible veteran has served a period of 18 months or more on active duty January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 36 months (or the equivalent thereof in part-time educational assistance) plus an additional number of months, not exceeding nine, as may be utilized in pursuit of a program of education leading to a standard undergraduate college degree.

Entitlement Limitations

(b) Whenever the period of entitlement under this section of an eligible veteran who is enrolled in an educational institution regularly operated on the quarter or semester system ends during a quarter or semester, such period shall be extended to the termination of such unexpired quarter or semester. In educational institutions not operated on the quarter or semester system, whenever the period of eligibility ends after a major portion of the course is completed such period shall be extended to the end of the course or for twelve weeks, whichever is the lesser period.

(c) Except as provided in [subsection] *subsections (a) and (b)* and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of thirty-six months.

* * * * *

SUBCHAPTER III—ENROLLMENT

* * * * *

§ 1673. Disapproval of enrollment in certain courses

(a) The Administrator shall not approve the enrollment of an eligible veteran in—

(1) any bartending course or personality development course;

(2) any sales or sales management course which does not provide specialized training within a specific vocational field, *or in any other course with a vocational objective,* unless the eligible veteran or the institution offering such course submits justification showing that at least one-half of the persons [completing] *who completed* such course over the preceding two-year period, *and who are not unavailable for employment,* have been employed in the [sales or sales management field] *occupational category for which the course was designed to provide training (but in computing the number of persons who completed such course over any such two-year period, there shall not be included the number of persons who completed such course with assistance under this title while serving on active duty)*; or

(3) any type of course which the Administrator finds to be avocational or recreational in character *(or the advertising for which he finds contains significant avocational or recreational themes)* unless the veteran submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

(b) Except as provided in section 1677 of this title, the Administrator shall not approve the enrollment of an eligible veteran in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible veteran is seeking.

(c) The Administrator shall not approve the enrollment of an eligible veteran in any course to be pursued by open circuit television (except as herein provided) or radio. The Administrator may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit television, if the major portion of the course requires conventional classroom or laboratory attendance.

(d) The Administration shall not approve the enrollment of any eligible veteran, not already enrolled, in any [nonaccredited] course [below the college level] *(other than one offered pursuant to subchapter V or subchapter VI of this chapter) which does not lead to a standard college degree and which is* offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this title.

* * * * *

§ 1677. Flight training

(a) The Administrator may approve the pursuit by an eligible veteran of flight training where such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation or where generally recognized as ancillary to the pursuit of a vocational endsaver other than aviation, subject to the following conditions:

(1) the eligible veterans must possess a valid private pilot's license and meet the medical requirements necessary for a commercial pilot's license; and

(2) the flight school courses must meet the Federal Aviation Administration standards and be approved both by the Agency and the appropriate State approving agency.

(b) Each eligible veteran who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of subsection (a) hereof, shall be paid an educational assistance allowance to be computed at the rate of 90 per centum of the established charges for tuition and fees which similarly circumstanced nonveterans enrolled in the same flight course are required to pay. Such allowance shall be paid monthly upon receipt of a certification as required by section 1681(c) of this title. In each such case the eligible veteran's period of entitlement shall be charged with one month for each [$220] *$260* which is paid to the veteran as an educational assistance allowance for such course.

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SUBCHAPTER IV—PAYMENTS TO ELIGIBLE VETERANS; VETERAN-STUDENT SERVICES

* * * * *

Flight Training

§ 1682. Computation of educational assistance allowances

(a)(1) Except as provided in subsection (b), or (c) of this section, or section 1677 or 1787 of this title, while pursuing a program of education under this chapter of half-time or more, each eligible veteran shall be paid the monthly educational assistance allowance set forth in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the applicable type of program as shown in column I:

Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$220	$261	$298	$18
Three-quarter-time	165	196	224	14
Half-time	110	131	149	9
Cooperative	177	208	236	14

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	*$270*	*$329*	*$366*	*$22*
Three-quarter-time	*203*	*240*	*276*	*17*
Half-time	*135*	*160*	*182*	*11*
Cooperative	*247*	*255*	*289*	*71*

(2) A "cooperative" program, other than a "farm cooperative" program, means a full-time program of education which consists of institutional courses and alternate phases of training in the business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion.

(b) The educational assistance allowance of an individual pursuing a program education—

(1) while on active duty, or

(2) on less than a half-time basis.

shall be computed at the rate of (A) the established charges for tuition and fees which the institution requires similarly circumstanced nonveterans enrolled in the same program to pay, or (B) [$220] *$260* per month for a full-time course, whichever is the lesser.

(c) (1) An eligible veterans who is enrolled in an educational institution for a "farm cooperative" program consisting of institutional agricultural courses prescheduled to fall within 44 weeks of any period of 12 consecutive months and who pursues such program on—

(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any 3-month period),

(B) a three-quarter-time basis (a minimum of 7 clock hours per week), or

(C) a half-time basis (a minimum of 5 clock hours per week) shall be eligible to receive an educational assistance allowance at the appropriate rate provided in the table in paragraph (2) of this subsection, if such eligible veteran is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the veteran is enrolled.

(2) The monthly educational assistance allowance of an eligible veteran pursuing a farm cooperative program under this chapter shall be paid as set forth in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the basis shown in column I:

Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following fo each dependent in excess of two:
Full-time	$177	$208	$236	$14
Three-quarter-time	133	156	177	11
Half-time†††	89	104	118	4

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Basis	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	*$217*	*$255*	*$284*	*$17*
Three-quarter-time	*163*	*191*	*218*	*13*
Half-time†	*109*	*128*	*145*	*9*

(d) (1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has "already qualified," a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veterans' knowledge and skills and to be instructed in the technological advances which have occurred in such veterans' field of employment during and since the period of such veteran's active military service.

(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance based upon the rate *prescribed in the* table in subsection (a) (1) or in subsection (c) (2) of this section, whichever is applicable.

(3) The educational assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.

* * * * *

§ 1685. Veteran-student services

(a) Veteran-students utilized under the authority of subsection (b) of this section shall be paid an additional educational assistance allowance (hereafter referred to as "work-study allowance"). Such work-study allowance shall be paid [in advance] in the amount of [$250] *$625* in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating [one] *two* hundred *and fifty* hours during a semester or other applicable enrollment period, required in connection with (1) the outreach services program under subchapter IV of chapter 3 of this title as carried out under the supervision of a Veterans' Administration employee, (2) the preparation and processing of necessary papers and other documents at educational institutions or regional offices or facilities of the Veterans' Administration, (3) the provision of hospital and domiciliary care and medical treatment under chapter 17 of this title, or (4) any other activity of the Veterans' Administration as the Administrator shall determine appropriate. [Advances of lesser amounts may be made in return for agreements to perform services for periods of less than one hundred hours, the amount of such advance to bear the same ratio to the number of hours of work agreed to be performed as $250 bears to one hundred hours] *An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid $250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours.*

(b) Notwithstanding any other provision of law, the Administrator shall utilize, in connection with the activities specified in subsection (a) of this section, the services of veteran-students who are pursuing full-time programs of education or training under chapters 31 and 34 of this title. In carrying out this section, the Administrator, whereever feasible, shall give priority to veterans with disabilities rated at 30 per centum or more for purposes of chapter 11 of this title.

(c) The Administrator shall determine the number of veterans whose services the Veterans' Administration can effectively utilize [(not to exceed eight hundred man-year or their equivalent in man-hours during any fiscal year)] and the types of services that such veterans may be required to perform, on the basis of a survey, which he shall conduct annually, of each Veterans'

Administration regional office in order to determine the numbers of veteran-students whose services can effectively be utilized during an enrollment period in each geographical area where Veterans' Administration activities are conducted, and shall determine which veteran-students shall be offered agreements under this section in accordance with regulations which he shall prescribe, including as criteria (1) the need of the veterans to augment his educational assistance or subsistence allowance; (2) the availability to the veteran of transportation to the place where his services are to be performed; (3) the motivation of the veteran; and (4) in the case of a disabled veteran pursuing a course of vocational rehabilitation under chapter 31 of this title, the compatibility of the work assignment to the veteran's physical condition.

(d) While performing the services authorized by this section, veteran-students shall be deemed employees of the United States for the purposes of the benefits of chapter 81 of title 5 but not for the purposes of laws administered by the Civil Service Commission.

§ 1686. Education loans

Any eligible veteran shall be entitled to an education loan (if the program of education is pursued in a State) in such amount and on such terms and conditions as provided in sections 1798 and 1799 of this title.

Subchapter V—Special Assistance for the Educationally Disadvantaged

* * * * *

§ 1692. Special supplementary assistance

(a) In the case of any eligible veteran who—

(1) is enrolled in and pursuing a post-secondary course of education on a half-time or more basis at an educational institution; and

(2) has a deficiency in a subject required as a part of, or which is a prerequisite to, or which is indispensable to the satisfactory pursuant of, an approved program of education,

the Administrator may approve individualized tutorial assistance for such veteran if such assistance is necessary for the veteran to complete such program successfully.

(b) The Administrator shall pay to an eli-

(b) The Administrator shall pay to an eli- pursuant to subsection (a) of this section, in addition to the educational assistance allowance provided in section 1682 of this title, the cost of such tutorial assistance in an amount not to exceed [$50] *$60* per month, for a maximum of [nine] *twelve* months, or until a maximum of [$450] *$720* is utilized upon certification by the educational institution that—

(1) the individualized tutorial assistance is essential to correct a deficiency of the eligible veteran in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, an approved program of education;

(2) the tutor chosen to perform such assistantce is qualified; and

(3) the charges for such assistance do not exceed the customary charges for such tutorial assistance.

* * * * *

§ 1969. Payment of educational assistance allowance

(a) The Administrator shall, under such regulations as he shall prescribe after consultation with the Secretary of Defense, pay the educational assistance allowance as computed in subsection (b) of this section to an eligible person enrolled in and pursuing (1) a course or courses offered by an educational institution (other than by correspondence) and required to receive a secondary school diploma, or (2) any deficiency, remedial, or refresher course or courses offered by an educational institution and required for or preparatory to the pursuit of an appropriate course or training program in an approved eductional institution or training establishment.

(b) The educational assistance allowance of an eligible person pursuing education or training under this subchapter shall be computed at the rate of (1) the established charges for tuition and fees which the educational institution requires similarly circumstanced nonveterans enrolled in the same or a similar program to pay, and the cost of books and supplies peculiar to the course which such educational institution requires similarly circumstanced nonveterans enrolled in the same or similar program to have, or (2) [$220] *$260* per month for a full-time course, whichever is the lesser. Where it is determined that there is no same program, the Administrator shall establish appropriate rates for tuition and fees designed to allow reimbursement for reasonable costs for the education or training institution.

(c) The educational assistance allowance authorized by this section shall be paid without charge to any period of entitlement earned pursuant to section 1661(a) of this title.

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CHAPTER 35—WAR ORPHANS' AND WIDOWS' EDUCATIONAL ASSISTANCE

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SUBCHAPTER IV—PAYMENTS TO ELIGIBLE PERSONS

Sec.
1731. Educational asistance allowance.
1732. Computation of educational assistance allowance.
1733. Special assistance for the educationally disadvantaged.
1734. Apprenticeship or other on-job training; correspondence courses.
1735. Approval of courses.
1736. Specialized vocational training courses.
1737. Education loans.

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SUBCHAPTER III—PROGRAM OF EDUCATION

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§ 1723. Disapproval of enrollment in certain courses

(a) The Administrator shall not approve the enrollment of an eligible person in—

(1) any bartending course or personality development course;

(2) any sales or sales management course which does not provide specialized training within a specific vocational field, *or in any other course with a vocational objective,* unless the eligible person or the institution offering such course submits justification showing that at least one-half of the persons [completing] *who completed* such course over the preceding two-year period, *and who are not unavailable for employment,* have been employed in the [sales or sales management field] *occupational category for which the course was designed to provide training (but in computing the number of persons who completed such course over any such two-year period, there shall not be included the number of persons who completed such course with assistance under this title while serving on active duty)*; or

(3) any type of course which the Administrator finds to be avocational or recreational in character (*or the advertising for which he finds contains significant avocational or recreational themes*) unless the eligible person submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

(b) The Administrator shall not approve the enrollment of an eligible person in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible person is seeking.

(c) The Administrator shall not approve the enrollment of an eligible person in [any course of institutional on-farm training,] any course to be pursued by correspondence (except as provided in section 1786 of this title), open circuit television (except as herein provided), or a radio, or any course to be pursued at an educational institution not located in a State or in the Republic of the Philippines (except as herein provided). The Administrator may approve the enrollment of an eligible person in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit televised instruction, if the major portion of the course requires conventional classroom or laboratory attendance. The Administrator may approve the enrollment at an educational institution which is not located in a State or in the Republic of the Philippines if such program is pursued at an approved educational institution of higher learning. The Administrator in his discretion may deny or discontinue the educational asistance under this chapter of any eligible person in a foreign educational institution if he finds that such enrollment is not in the best interest of the eligible person or the Government.

(d) The Administrator shall not approve the enrollment of an eligible person in any course which is to be pursued as a part of his regular secondary school education (except as provided in section 1733 of this title), but this subsection shall not prevent the enrollment of an eligible person in a course [to be pursued below the college level] *not leading to a standard college degree* if the Administrator finds that such person has ended his secondary school education (by completion or otherwise) and that such course is a specialized vocational course pursued for the purpose of qualifying in a bona fide vocational objective.

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SUBCHAPTER IV—PAYMENTS TO ELIGIBLE PERSONS

§ 1731. Educational assistance allowance

(a) The Administrator shall, in accordance with the provisions of section 1780 of this title, pay to the parent or guardian of each eligible person who is pursuing a program of education under this chapter, and who applies therefor on behalf of such eligible person, an educational assistance allowance to meet, in part, the expenses of the eligible person's subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

(b) No educational assistanc allowance shall be paid on behalf of an eligible person enrolled in a course in an educational institution which does not lead to a standard college degree for any period until the Administrator shall have received—

(1) from the eligible person a certification as to his actual attendance during such period; and

(2) from the educational institution, a certification, or an endorsement on the eligible person's certificate, that he was enrolled in and pursuing a course of education during such period.

§ 1732. Computation of educational assistance allowance

(a)(1) The educational assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate [of (A) $220 per month if pursued on a full-time basis, (B) $165 per month if pursued on a three-quarter-time basis, and (C) $110 per month if pursued on a half-time basis.] *prescribed in section 1682 (a)(1) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents.*

(2) The educational assistance allowance on behalf of an eligible person pursuing a program of education on less than a half-time basis shall be computed at the rate [of (A) the established charges for tuition and fees which the institution requires other individuals enrolled in the same program to pay, or (B) $220 per month for a full-time course, whichever is the lesser.] *prescribed in section 1682(b)(2) of this title for less-than-half-time pursuit of an institutional program by an eligible veteran.*

(b) The educational assistance allowance to be paid on behalf of an eligible person who is pursuing a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion, shall be computed at the rate of [$177] *$209* per month.

(c) (1) An eligible person who is enrolled in an educational institution for a "farm cooperative" program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period).

(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

(C) a half-time basis (a minimum of five clock hours per week),

shall be eligible to receive an educational assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the industrial institution through a duly authorized instructor of such institution in which the person is enrolled.

(2) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed in section 1682 (c)(2) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents.

[c]*(d)* If a program of education is pursued by an eligible person at an institution located in the Republic of the Philippines, the educational assistance allowance computed for such person under this section shall be paid at a rate in Philippines pesos equivalent to $0.50 for each dollar.

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§ 1737. Education loans

Any eligible person shall be entitled to an education loan (if the program of education is pursued in a State) in such amount and on such terms and conditions as provided in sections 1798 and 1799 of this title.

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SUBCHAPTER V—SPECIAL RESTORATIVE TRAINING

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§ 1792. Special training allowance

(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on [his] behalf *of such person* a special training allowance computed at the basic rate of [$220] *$260* per month. If the charges for tuition and fees applicable to any such course are more than [$69] *$82* per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed [$69] *$83* a month, upon election by the [parents] *parent* or guardian of the eligible person to have such person's period of entitlement reduced by one day for each [$7.35] *$8.69* that the special training allowance paid exceeds the basic monthly allowance.

(d) No payments of a special training allowance shall be made for the same period for which the payment of an educational assistance allowance is made or for any period during which the training is pursued on less than a full-time basis.

(c) Full-time training for the purpose of this section shall be determined by the Administrator with respect to the capacities of the individual trainee.

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CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

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SUBCHAPTER II—MISCELLANEOUS PROVISIONS

Sec.
1780. Payment of educational or subsistence assistance allowances.
1781. Limitation of educational assistance.
1782. Control by agencies of the United States.
1783. Conflicting interests.
1784. Reports by institutions; reporting fee.
1785. Overpayments to eligible person or veterans.
1786. Correspondence courses.
1787. Appenticeship or other on-job training.
1788. Measurement of courses.
1789. Period of operation for approval.
1790. Overcharges by educational institutions; discontinuance of allowances; examination of records; false or misleading statements.
1791. Change of program.
1792. Advisory committee.
1793. Institutions listed by Attorney General.
1794. Use of other Federal agencies.
1795. Limitation on period of assistance under two or more programs;
1796. Limitation on certain advertising, sales, and enrollment practices.
Subchapter III—Education Loans to Eligible Veterans and Eligible Persons
1798. Eligibility for loans; amount and conditions of loans; interest rates on loans.
1799. Revolving fund; insurance.

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SUBCHAPTER I—STATE APPROVING AGENCIES

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§ 1774. Reimbursement of expenses

(a) The Administrator is authorized to enter into contracts or agreements with State and local agencies to pay such State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies and an allowance for administrative expenses in accordance with the formula contained in subsection (b) of this section in (1) rendering necessary services in ascertaining the qualifications of educational institutions for furnishing courses of education to eligible persons or veterans under this chapter and chapters 34 and 35, and in the supervision of such educational institutions, and (2) furnishing, at the request of the Administrator, any other services in connection with chapters 34 and 35. Each such contract or agreement shall be conditioned upon compliance with the standards and provisions of chapters 34 and 35.

(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

Total salary cost reimbursable under this section	[Allowance] *Allowable* for administrative expense
$5,000 or less	[$500.] *$550.*
Over $5,000 but not exceeding $10,000	[$900.] *$1,000.*
Over $10,000 but not exceeding $35,000	[$900] *$1,000* for the first $10,000 plus [$800] *$925* for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000	[$5,250.] *$6,050.*
Over $40,000 but not exceeding $75,000	[$5,250] *$6,050* for the first $40,000 plus [$700] *$800* for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000	[$10,450.] *$12,000.*
Over $80,000	[$10,450] *$12,000* for the first $80,000 plus [$600] *$700* for each additional $5,000 or fraction thereof.

SUBCHAPTER II—MISCELLANEOUS PROVISIONS

§ 1780. Payment of education assistance or subsistence allowances

Period for Which Payment May be Made

(a) Payment of educational assistance or subsistence allowances to eligible veterans or eligible persons pursuing a program of education or training, other than a program by correspondence or a program of flight training, in an educational institution under chapter 31, 34, or 35 of this title shall be paid as provided in this section and, as applicable, in section 1504, 1682, 1691, or 1732 of this title. Such payments shall be paid only for the period of such veterans' or persons' enrollment, but no amount shall be paid—

(1) to any eligible veteran or eligible person enrolled in a course which leads to a standard college degree for any period when such veteran or person is not pursuing his course in accordance with the regularly established policies and regulations of the educational institution and the requirements of this chapter or of chapter 34 or 35 of this title; or

(2) to any eligible veteran or eligible person enrolled in a course which does not lead to a standard college degree (excluding programs of apprenticeship and programs of other on-job training authorized by section 1787 of this title) for any day of absence in excess of thirty days in a twelve-month period, not counting as absences weekends or legal holidays (*or customary vacation periods connected therewith*) established by Federal or State law (or in the case of the Republic of the Philippines, Philippine law) during which the institution is not regularly in session.

Notwithstanding the foregoing, the Administrator may, subject to such regulations as he shall prescribe, continue to pay allowances to eligible veterans and eligible persons enrolled in courses set forth in clause (1) or (2) of this subsection during periods when the schools are temporarily closed under an established policy based upon an Executive order of the President or due to an emergency situation, and such periods shall not be counted as absences for the purposes of clause (2).

Correspondence Training Certifications

(b) No educational assistance allowance shall be paid to an eligible veteran or wife or widow enrolled in and pursuing a program of education exclusively by correspondence until the Administrator shall have received—

(1) from the eligible veterans or wife or widow a certificate as to the number of lessons actually completed by the veteran or wife or widow and serviced by the educational institution; and

(2) from the training establishment a certification or an endorsement on the veteran's or wife's or widow's certificate, as to the number of lessons completed by the veteran or wife or widow and serviced by the institution.

Apprenticeship and Other On-Job Training

(c) No training assistance allowance shall be paid to an eligible veteran or eligible person enrolled in and pursuing a program of apprenticeship or other on-job training until the Administrator shall have received—

(1) from such veteran or person a certification as to his actual attendance during such period; and

(2) from the training establishment a certification, or an endorsement on the veteran's or person's certificate, that such veteran or person was enrolled in and pursuing a program of apprenticeship or other on-job training during such period.

Advance Payment of Initial Educational Assistance or Subsistence Allowance

(d) (1) The educational assistance or subsistence allowance advance payment provided for in this subsection is based upon a finding by the Congress that eligible veterans and eligible persons need additional funds at the beginning of a school term to meet the expenses of books, travel, deposits, and payment for living quarters, the initial installment of tuition, and the other special expenses which are concentrated at the beginning of a school term.

(2) Subject to the provisions of this subsection, and under regulations which the Administrator shall prescribe, an eligible veteran or eligible person shall be paid an educational assistance allowance or subsistence allowance, as appropriate, advance payment. Such advance payment shall be made in an amount equivalent to the allowance for the month or fraction thereof in which pursuit of the program will commence, plus the allowance for the succeeding month. In the case of a serviceman on active duty, who is pursuing a program of education (other than under subchapter VI of chapter 34), the advance payment shall be in a lump sum based upon the amount payable for the entire quarter, semester, or term, as applicable. In no event shall an advance payment be made under this subsection to a veteran or person intending to pursue a program of education on less than a half-time basis. The application for advance payment, to be made on a form prescribed by the Administrator, shall—

(A) in the case of an initial enrollment of a veteran or person in an educational institution, contain information showing that the veteran or person (1) is eligible for educational benefits, (ii) has been accepted by the institution, and (iii) has notified the institution of his intention to attend that institution; and

(B) in the case of a re-enrollment of a veteran or person, contain information showing that the veteran or person (i) is eligible to continue his program of education or training and (ii) intends to re-enroll in the same institution.

and, in either case, shall also state the number of semester or clock-hours to be pursued by such veterans or person.

(3) Subject to the provisions of this subsection, and under regulations which the Administrator shall prescribe, a person eligible for education or training under the provisions of subchapter VI of chapter 34 of this title shall be entitled to lump-sum educational assistance allowance advance payment, such advance payment shall in no event be made earlier than thirty days prior to the date on which pursuit of the person's program of education or training is to commence. The application for the advance payment, to be made on a form prescribed by the Administrator, shall in addition to the information prescribed in paragraph (2) (A), specify—

(A) that the program to be pursued has been approved;

(B) the anticipated cost and the number of Carnegie, clock, or semester hours to be pursued; and

(C) where the program to be pursued is other than a high school, credit course, the need of the person to pursue the course or courses to be taken.

(4) For purposes of the Administrator's determination whether any veteran or person is eligible for an advance payment under this section, the information submitted by the institution, the veteran or person, shall establish his eligibility unless there is evidence in his file in the processing office establishing that he is not eligible for such advance payment.

(5) The advance payment authorized by paragraphs (2) and (3) of this subsection shall, in the case of an eligible veteran or eligible person, be (A) drawn in favor of the veteran or person; (B) mailed to the educational institution listed on the application form for temporary care and delivery to the veterans or person by such institution; and (C) delivered to the veteran or person upon his registration at such institution, but in no event shall such delivery be made earlier than thirty days before the program of education is to commence.

(6) Upon delivery of the advance payment purusant to paragraph (5) of this subsection, the institution shall submit to the Administrator a certification of such delivery. If such delivery is not affected within thirty days after commencement of the program of education in question, such institution shall return such payment to the Administrator forthwtih.

Prepayment of Subsequent Educational Assistance or Subsistence Allowance

(e) Except as provided in subsection (g) of this section, subsequent payments of educational assistance or subsistence allowance to an eligible veteran or eligible person shall be prepaid each month, subject to such reports and proof of enrollment in and satisfactory pursuit of such programs as the Administrator may require. The Administrator may withhold the final payment for a period of enrollment until such proof is received and the amount of the final payment appropriately adjusted.

Recovery of Erroneous Payments

(f) If an eligible veteran or eligible person fails to enroll in or pursue a course for which an educational assistance or subsistence allowance, advance payment is made, the amount of such payment and any amount of subsequent payments which, in whole or in part, are due to erroneous information required to be furnished under subsection (d) (2) and (3) of this section, shall become an overpayment and shall constitute a liability of such veteran or person to the United States and may be recovered, unless waived pursuant to section 3102 of this title, from any benefit otherwise due him under any law administered by the Veterans' Administration or may be recovered in the same manner as any other debt due the United States.

Payments for Less Than Half-Time Training

(g) Payment of educational assistance allowance in the case of any eligible veteran or eligible person pursuing a program of education on less than a half-time basis (except as provided by subsection (d) (3) of this section) shall be made in an amount computed for the entire quarter, semester, or term during the month immediately following the month in which certification is received from the educational institution that such veteran or person has enrolled in and is pursuing a program at such institution. Such lump sum payment shall be computed at the rate provided in section 1682(b) or 1732(a) (2) of this title, as applicable.

Determination of Enrollment, Pursuit, and Attendance

(h) The Administrator, may, pursuant to regulations which he shall prescribe, determine enrollment in, pursuit of, and attendance at, any program of education or training or course by an eligible veteran or eligible person for any period for which he receives an educational assistance or subsistence allowance under this chapter for pursuing such program or course.

* * * * *

§ 1784. Reports by institutions; reporting fee

(a) Educational institutions shall, without delay, report to the Administrator in the form prescribed by him, the enrollment, interruption, and termination of the education of each eligible person or veteran enrolled therein under chapter 34, 35, or 36.

(b) The Administrator may pay to any educational institution, *or to any joint apprenticeship training committee acting as a training establishment,* furnishing education *or training* under either *this chapter or* chapter 34[,] *or* 35[.] [or 36] of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution *or joint apprenticeship training committee* is required to [report] *submit* to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying $3 by the number of eligible veterans or eligible persons enrolled under [chapters] *this chapter or chapter* 34[.] *or* 35[, and] of this title, or $4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d) (5) of this title, on October 31 of that year; except that the Administrator may, where it is established by [the] *such* educational institution *or joint apprenticeship training committee* that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran *enrollment* plus eligible person enrollment in such *educational* institution *or joint apprenticeship training committee* during such calendar year, establish such other date as representative of the peak enrollment as may be justified for [that] *such educational* institution *or joint apprenticeship training committee.* The reporting fee shall be paid to [the] *such* educational institution *or joint apprenticeship training committee* as soon as feasible after the end of the calendar year for which it is applicable.

* * * * *

§ 1786. Correspondence courses

(a) (1) Each eligible veteran (as defined in section 1652(a) (1) and (2) of this title) and each eligible wife or widow (as defined in section 1701(a) (1) (B), (C), or (D) of this title) who enters into an enrollment agreement to pursue a program of education exclusively by correspondence shall be paid an educational assistance allowance computed at the rate of 90 per centum of the established charge which the institution requires nonveterans to pay for the course or courses pursued by the eligible veteran or wife or widow. The term "established charge" as used herein means the charge for the course or courses determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State approving agency or the actual cost to the veteran or wife or widow, whichever is the lesser. Such allowance shall be paid quarterly on a prorata basis for the lessons completed by the veteran or wife or widow and serviced by the institution.

(2) The period of entitlement of any veteran or wife or widow who is pursuing any program of education exclusively by correspondence shall be charged with one month for each [$220] *$260* which is paid to the veteran or wife or widow as an educational assistance allowance for such course.

(b) The enrollment agreement shall fully disclose the obligation of both the institution and the veteran or wife or widow and shall prominently display the provisions for affirmance, termination, refunds, and the conditions under which payment of the allowance is made by the Administrator to the veteran or wife or widow. A copy of the enrollment agreement shall be furnished to each such veteran or wife or widow at the time such veteran or wife or widow signs such agreement.

No such agreement shall be effective unless such veteran or wife or widow shall, after the expiration of ten days after the enrollment agreement is signed, have signed and submitted to the Administrator a written statement, with a signed copy to the institution specifically affirming the enrollment agreement. In the event the veteran or wife or widow at any time notifies the institution of his intention not to affirm the agreement in accordance with the preceding sentence, the institution, without imposing any penalty or charging any fee shall promptly make a full refund of all amounts paid.

(c) In the event veteran or wife or widow elects to terminate his enrollment under an affirmed enrollment agreement, the institution (other than one subject to the provisions of section 1776 of this title) may charge the veteran or wife or widow a registration or similar fee not in excess of 10 per centum of the tuition for the course, or $50, whichever is less. Where the veteran or wife or widow elects to terminate the agreement after completion of one or more but less than 25 percentum of the total number of lessons comprising the course, the institution may retain such registration or similar fee plus 25 per centum of the tuition for the course. Where the veteran or wife or widow elects to terminate the agreement after completion of 25 per centum but less than 50 per centum of the lessons comprising the course, the institution may retain the full registration or similar fee plus 50 per centum of the course tuition. If 50 per centum or more of the lessons are completed, no refund of tuition is required.

§ 1787. Apprenticeship or other on-job training

(a) An eligible veteran (as defined in section 1652(a)(1) of this title) or an eligible person (as defined in section 1701(a) of this title) shall be paid a training assistance allowance as prescribed by subsection (b) of this section while pursuing a full-time—

(1) program of apprenticeship approved by a State approving agency as meeting the standards of apprenticeship published by the Secretary of Labor pursuant to section 50a of title 29, or

(2) program of other on-job training approved under provisions of section 1777 of this title.

subject to the conditions and limitations of chapters 34 and 35 with respect to educational assistance.

(b)(1) The monthly training assistance alowance of an eligible veteran pursuing a program described under subsection (a) shall be as follows:

[

Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two-dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$160	$179	$196	$8
Second 6 months	120	139	156	8
Third 6 months	80	99	116	8
Fourth and any succeeding 6-month periods	40	59	76	8

]

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of training	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	*$189*	*$212*	*$232*	*$9*
Second 6 months	*142*	*164*	*184*	*9*
Third 6 months	*95*	*117*	*137*	*9*
Fourth and any succeeding 6-month periods	*47*	*70*	*90*	*9*

(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be [(A) $160 during the first six-month period, (B) $120 during the second six-month period, (C) $80 during the third six-month, and (D) $40 during the fourth and any succeeding six-month period.] *computed at the rate prescribed in paragraph (1) of this subsection for an eligible veteran with no dependents pursuing such a course.*

(3) In any month in which an eligible veteran or person pursuing a program of apprenticeship or a program of other on-job training fails to complete one hundred and twenty hours of training in such month, the monthly training assistance allowance set forth in subsection (b) (1) or (2) of this section, as applicable, shall be reduced proportionately in the proportion that the number of hours worked bears to one hundred and twenty hours rounded off to the nearest eight hours.

(c) For the purpose of this chapter, the terms "program of apprenticeship" and "program of other on-job training" shall have the same meaning as "program of education"; and the term "training assistance allowance" shall have the same meaning as "educational assistance allowance" as set forth in chapters 34 and 35 of this title.

§ 1788. Measurement of courses

(a) For the purposes of this chapter and chapters 34 and 35 of this title—

(1) an institutional trade or technical course offered on a clock-hour basis [below the college level], *not leading to a standard college degree,* involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of thirty hours per week of attendance is required with no more than two and one-half hours of rest periods per week allowed;

(2) an institutional course offered on a clock-hour basis [below the college level], *not leading to a standard college degree,* in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of twenty-five hours per week net of instruction (which may include customary intervals not to exceed ten minutes between hours of instruction) is required;

(3) An academic high school course requiring sixteen units for a full course shall be considered a full-time course when (A) a minimum of four units per year is required or (B) an individual is pursuing a program of education leading to an accredited high school diploma at a rate which, if continued, would result in receipt of such a diploma in four ordinary school years. For the purpose of subclause (A) of this clause, a unit is defined to be not less than one hundred and twenty sixty-minute hours or their equivalent of study in any subject in one academic year;

(4) an institutional undergraduate course offered by a college or university on a quarter- or semester-hour basis shall be considered a full-time course when a minimum of fourteen semester hours or the equivalent thereof (including such hours for which no credit is granted but which are required to be taken to correct an eduactional deficiency and which the educational institution considers to be quarter or semester hours for other administrative purposes), for which credit is granted toward a standard college degree, is required, except that where such college or university certifies, upon the request of the Administrator, that (A) full-time tuition is charged to all undergraduate students carrying a minimum of less than fourteen such semester hours or the equivalent thereof, or (B) all undergraduate students carrying a minimum of less than fourteen such semester hours or the equivalent thereof, are considered to be pursuing a full-time course for other administrative purposes, then such an institutional undergraduate course offered by such college or university with such minimum number of such semester hours shall be considered a full-time course, but in the event such minimum number of semester hours is less than twelve semester hours or the equivalent thereof, then twelve semester hours or the equivalent thereof shall be considered a full-time course;

(5) a program of apprenticeship or a program of other on-job training shall be considered a full-time program when the eligible veteran or person is required to work the number of hours constituting the standard workweek of the training establishment, but a workweek of less than thirty hours shall not be considered to constitute full-time training unless a lesser number of hours has been established as the standard workweek for the particular establishment through bona fide collective bargaining; and

(6) an institutional course offered as part of a program of education [below the college level] *not leading to a standard college degree* under section 1691(a)(2) or 1696(a)(2) of this title shall be considered a full-time course on the basis of measurement criteria provided in clause (2), (3), or (4) as determined by the educational institution. *Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection); but (A) the academic portions of such courses must require outside preparation and be measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses must be measured on not less than one quarter or one semester hour for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses must be measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester. In no event shall such course be considered a full-time course when less than twenty-two hours per week of attendance is required.*

* * * * *

§ 1796. Limitation on certain advertising, sales, and enrollment practices

(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

(b) The Administrator shall pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out invesitgations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

(c) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section.

SUBCHAPTER III—EDUCATION LOANS TO ELIGIBLE VETERANS AND ELIGIBLE PERSONS

§ 1798. Eligibility for loans; amount and conditions of loans; interest rate on loans

(a) Each eligible veteran and eligible person shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b)(1) of this section if the veteran or person satisfies the requirements set forth in subsection (c) of this section.

(b)(1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran or eligible person shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran or person to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.

(2)(A) The amount needed by a veteran or person to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in *subparagraph (B) of this paragraph) available to the veteran or person which may be reasonably expected to be expended by such veteran or person for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which such veteran or person is enrolled.*

(B) The term "total amount of financial resources" of any veteran or person for any year means the total of the following:

(i) The annual adjusted effective income of the veteran or person less Federal income tax paid or payable by such veteran or person wtih respect to such income.

(ii) The amount of cash assets of the veteran or person.

(iii) The amount of financial assistance received by the veteran or person under the provisions of title IV of the Higher Education Act of 1965, as amended.

(iv) Educational assistance received by the veteran or person under this title other than under this subchapter.

(v) Financial assistance received by the veteran or person under any scholarship or grant program other than those specified in clauses (iii) and (iv).

(C) The term "actual cost of attendance" means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran or person is enrolled.

(3) The aggregate of the amounts any veteran or person may borrow under this subchapter may not exceed $270 multiplied by the number of months such veteran or person is entitled to receive educational assistance under section 1661 or subchapter II of chapter 35, respectively, of this title, but not in excess of $600 in any one regular academic year.

(c) An eligible veteran or person shall be entitled to a loan under this subchapter if such veteran or person—

(1) is in attendance at an educational institution on at least a half-time basis and (A) is enrolled in a course leading to a standard college degree, or (B) is enrolled in a course, the completion of which requires six months or longer, leading to an identified and predetermined professional or vocational objective;

(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran or person, as determined under subsection (b) of this section, under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

(3) enters into an agreement with the Administrator meeting the requirements of subsection (d) of this section.

No loan shall be made under this subchapter to an eligible veteran or person pursuing a program of correspondence, flight, apprentice or other on-job, or PREP training.

(d) Any agreement between the Administrator and a veteran or person under this subchapter—

(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than a rate determined by the Secretary, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of loans made under this subchapter, except that no interest shall accrue prior to the beginning date of repayment; and

(4) shall provide that the loan shall be made without security and without endorsement.

(e)(1) Except as provided in paragraph (2) of this subsection, whenever the Administrator determines that a default has occurred on any loan made under this subchapter, he shall decline an overpayment, and such overpayment shall be recovered from the veteran or person concerned in the same manner as any other debt due the United States.

(2) If a veteran or person who has received a loan under this section dies or becomes permanently and totally disabled, then the Administrator shall discharge the veteran's or person's liability on such loan by repaying the amount owed on such loan.

(3) The Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives, not later than one year after the date of enactment of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 and annually thereafter, a separate report specifying the default experience and rate at each educational institution along with a comparison of the collective default experience and rate at all such institutions.

§ 1799. Revolving fund; insurance

(a) There is hereby established in the Treasury of the United States a revolving fund to be known as the "Veterans' Administration Education Loan Fund" (hereinafter in this section referred to as the "Fund").

(b) The Fund shall be available to the Administrator, without fiscal year limitation, for the making of loans under this subchapter.

(c) There shall be deposited in the Fund (1) by transfer from current and future appropriations for readjustment benefits such amounts as may be necessary to establish and supplement the Fund in order to meet the requirements of the Fund, and (2) all collections of fees and principal and interest (including overpayments declared under section 1798(e) of this title) on loans made under this subchapter.

(d) The Administrator shall determine annually whether there has developed in the Fund a surplus which, in his judgment, is more than necessary to meet the needs of the Fund, and such surplus, if any, shall be deemed to have been appropriated for readjustment benefits.

(e) A fee shall be collected from each veteran or person obtaining a loan made under this subchapter for the purpose of insuring against defaults on loans made under this subchapter; and no loan shall be made under this subchapter until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no

event exceed 3 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran or person and paid from the proceeds thereof.

CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

* * * * *

§ 2001. Definitions

For the purposes of this chapter—

(1) The term "eligible veteran" means a person who served in the active military, naval, or air service and who was discharged or released therefrom with other than a dishonorable discharge.

(2) *The term "eligible person" means—*

(A) the spouse of any person who died of a service-connected disabiilty.

(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37 and, regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or

(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.

[(2)] *(3)* The term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, and may include, to the extent determined necessary and feasible, American Samoa, the Virgin Island, and the Trust Territory of the Pacific Islands.

§ 2002. Purpose

The Congress declares as its intent and purpose that there shall be an effective (1) job and job training counseling service program, (2) employment placement service program, and (3) job training placement service program for eligible veterans *and eligible persons* and that, to this end policies shall be promulgated and administered through a Veterans Employment Service within the Department of Labor, so as to provide such veterans *and persons* the maximum of employment and training opportunities through existing programs, coordination and merger of programs and implementation of new programs.

§ 2003. Assignment of veterans' employment representative

The Secretary of Labor shall assign to each State a representative of the Veterans' Employment Service to serve as the veterans' employment representative, and shall further assign to each State one assistant veterans' employment representative for each 250,000 *eligible* veterans *and eligible persons* of the State veterans population, and such additional assistant veterans' employment representatives as he shall determine, based on the data collected pursuant to section 2007 of this title, to be necessary to assist the veterans' employment representative to carry out effectively in that State the purposes of this chapter. Each veterans' employment representative and assistant veterans' employment representative shall be an eligible veteran who at the time of appointment shall have been a bona fide resident of the State for at least two years and who shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 of subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates. Each such veterans' employment representative and assistant veterans' employment representative shall be attached to the staff of the public employment service in the State to which they have been assigned. They shall be administratively responsible to the Secretary of Labor for the execution of the Secretary's veterans' *and eligible persons'* counseling and placement policies through the public employment service and in cooperation with manpower and training programs administered by the Secretary in the State. In cooperation with the public employment service staff and the staffs of each such other program in the State, the veterans' employment representative and his assistants shall—

(1) be functionally responsible for the supervision of the registration of eligible veterans *and eligible persons* in local employment offices for suitable types of employment and training and for counseling and placement of eligible veterans *and eligible persons* in employment and job training programs;

(2) engage in job development and job advancement activities for eligible veterans *and eligible persons,* including maximum coordination with appropriate officials of the Veterans' Administration in that agency's carrying out of its responsibilities under subchapter IV of chapter 3 of this title and in the conduct of job fairs, job marts, and other special programs to match eligible veterans *and eligible persons* with appropriate job and job training opportunities;

(3) assist in securing and maintaining current information as to the various types of available employment and training opportunities, including maximum use of electronic data processing and telecommunications systems and the matching of an eligible veteran's *or an eligible person's* particular qualifications with an available job or on-job training or appenticeship opportunity which is commensurate with those qualifications;

(4) promote the interest of employers and labor unions in employing eligible veterans *and eligible persons* and in conducting on-job training and apprenticeship programs for such veterans *and persons;*

(5) maintain regular contact with employers, labor unions, training programs and veterans' organizations with a view to keeping them advised of eligible veterans *and eligible persons* available for employment and training and to keeping eligible veterans *and eligible persons* advised of opportunities for employment and training; and

(6) assist in every possible way in improving working conditions and the advancement of employment of eligible veterans *and eligible persons.*

* * * * *

§ 2005. Cooperation of Federal agencies

All Federal agencies shall furnish the Secretary of Labor such records, statistics, or information as he may deem necessary or appropriate in administering the provisions of this chapter, and shall otherwise cooperate with the Secretary in providing continuous employment and training opportunities for eligible veterans *and eligible persons.*

§ 2006. Estimate of funds for administration; authorization of appropriations

(a) The Secretary of Labor shall estimate the funds necessary for the proper and efficient administration of this chapter. Such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget for the Department of Labor. Estimated funds necessary for proper counseling, placement, and training services to *eligible* veterans *and eligible persons* provided by the various State public employment service agencies shall be separately identified in the budgets of those agencies as approved by the Department of Labor.

(b) There are authorized to be appropriated such sums as may be necessary for the proper and efficient administration of this chapter.

(c) In the event that the regular appropriations Act making appropriations for administrative expenses for the Department of Labor with respect to any fiscal year does not specify an amount for the purposes specified in subsection (b) of this section for that fiscal year, then of the amounts appropriated in such Act there shall be available only for the purposes specified in subsection (b) of this section such amount as was set forth in the budget estimate submitted pursuant to subsection (a) of this section.

(d) Any funds made available pursuant to subsections (b) and (c) of this section shall not be available for any purpose other than those specified in such subsections, except with the approval of the Secretary of Labor based on a demonstrated lack of need for such funds for such purposes.

§ 2007. Administrative controls; annual report

(a) The Secretary of Labor shall establish administrative controls for the following purposes:

(1) To insure that each eligible veteran, especially those veterans who have been recently discharged or released from active duty, *and each eligible person* who requests assistance under this chapter shall promptly be placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to enhance his employment prospects substantially, such as individual job development or employment counseling services.

(2) To determine whether or not the employment service agencies in each State have committed the necessary staff to insure that the provisions of this chapter are carried out; and to arrange for necessary corrective action where staff resources have been determined by the Secretary of Labor to be inadequate.

(b) The Secretary of Labor shall establish definite performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the suceceding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section.

[(b)] *(c)* The Secretary of Labor shall report annually to the Congress on the success of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter. The report shall include, by State, the number of recently discharged or released eligible veterans, veterans with service-connected disabilities, [and] other eligible [veterans] *veterans, and eligible persons* who requested assistance through the public employment service and, of these, the number placed in suitable employment or job training opportunities, or who were otherwise assisted, with separate reference to occupational training under appropriate Federal law. The report shall include any determination by the Secretary under section 2001 or 2006 of this title and a statement of the reasons for such determination.

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CHAPTER 42—EMPLOYMENT AND TRAINING OF DISABLED AND VIETNAM ERA VETERANS

Sec.
2011. Definitions.
2012. Veterans' employment emphasis under Federal contracts.
2013. Eligibility requirements for veterans under certain Federal Manpower training programs.
2014. Employment within the Federal Government.

§ 2012. Veterans' employment emphasis under Federal contracts

(a) Any contract *in the amount of $10,000 or more* entered into by any department or agency for the procurement of personal property and non-personal services (including construction) for the United States, shall contain a provision requiring that [, in employing persons to carry out such contract,] the party contracting with the United States shall [give special emphasis to the employment of] *take affirmative action to employ and advance in employment* qualified disabled veterans and veterans of the Vietnam era. The provisions of this section shall apply to any subcontract entered into by a prime contractor in carrying out any contract for the procurement of personal property and non-personal services (including construction) for the United States. [The] *In addition to requiring affirmative action to employ such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the* President shall implement the provisions of this section by promulgating regulations within 60 days after the date of enactment of this section, which regulations shall require that (1) each such contractor undertake in such contract to list immediately with the appropriate local employment service office all of its suitable employment openings, and (2) each such local office shall give such veterans priority in referral to such employment openings.

(b) If any disabled veteran or veteran of the Vietnam era believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to [giving special emphasis in] *the* employment [to] *of* veterans, such veteran may file a complaint with the Veterans' Employment Service of the Department of Labor. Such complaint shall be promptly referred to the Secretary who shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant consistent with the terms of such contract and the laws and regulations applicable thereto.

* * * * *

§ 2014. Employment within the Federal Government.

(a) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

(b) To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS–5, as specified in subchapter II of chapter 51 of title 5, and subsequent career conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that is applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted. The eligibility of such a veteran for a readjustment appointment shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appointment may be made under authority of this subsection after June 30, 1978.

(c) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93–112 (87 Stat. 319), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

(d) The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.

(e) The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section, except that, with respect to subsection (c) of this section, the Commission may include a report of such activities separately in the report required to be submitted by section 501 (d) of such Public Law 93–112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.

(f) Notwithstanding section 2011 of this title, the terms "veteran" and "disabled veteran" as used in this section shall have the meaning provided for under generally applicable civil service law and regulations.

Chapter 43—Veterans' Reemployment Rights

Sec.
2021. Right to reemployment of inducted persons; benefits protected.
2022. Enforcement procedures.
2023. Reemployment by the United States, territory, possession, or the District of Columbia.
2024. Rights of persons who enlist or are called to active duty; Reserves.
2025. Assistance in obtaining reemployment.
2026. Prior rights for reemployment.

§ 2021. Right to reemployment of inducted persons; benefits protected

(a) In any case in which any person is inducted into the Armed Forces of the United States under the Military Selective Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receives a certificate described in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service) and (2) makes application for reemployment within ninety days after such person is relieved from such training and service from hospitalization continuing after discharge for a period of not more than one year—

(A) if such position was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of the employer, be offered employment and, if such person so requests, be employed in such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case;

(B) if such position was in the employ of a State or political subdivision thereof or a private employer, such person shall—

(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

(ii) if not qualified to perform the duties of such position by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be offered employment and, if such person so requests, be employed by such employer or his successor in interest in such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest appropriation thereof consistent with the circumstances in such person's case,

urless the employer's circumstances have so changed as to make it impossible or unreasonable to do so. Nothing in this chapter shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections than the rights and protections established pursuant to this chapter.

(b)(1) Any person who is restored to or employed in a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored or reemployed without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration or reemployment.

(2) It is hereby declared to be the sense of the Congress that any person who is restored to or employed in a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored or reemployed in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment or reemployment.

(3) Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.

(c) The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were inducted into the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or ordinance of such State or political subdivision establishing greater or additional rights or protections.

§ 2022. Enforcement procedures

If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021(a) or (b)(1), (b)(3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits provided for in such provisions.

The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming to be entitled to the benefits provided for in such provisions, such United States attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent. No State statute of limitations shall apply to any proceedings under this chapter.

§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia.

(a) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored or reemployed by any such agency or the successor to its functions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia,

the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be offered employment and, if such person so requests, be employed in such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to or employed in positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be reemployed under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules, regulations, and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits provided for in such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term "agency in the executive branch of the Government" means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the States Postal Service and the Postal Rate Commission).

(b) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a), and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored or employed by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces. In any case in which it is not possible for any such person to be restored to or employed in a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be offered employment and, if such person so requests, be employed in such position by the agency in which such position exists.

(c) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored or reemployed by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

§ 2024. Rights of persons who enlist or are called to active duty; Reserves

(a) Any person who, after entering the employment on the basis of which such person claims restoration or reemployment, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise performed by such person after August 1, 1961, does not exceed five years, and if the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

(b)(1) Any person who, after entering the employment on the basis of which such person claims restoration or reemployment enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions be entitled to all of the reemployment rights and benefits provided by this chapter in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four year (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness and other than for training) or whose active duty is voluntary or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b)(1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this sub-section shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this chapter for persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person *restored to or employed in a position in accordance with the provisions of this subsection shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights by this subsection shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.*

(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be offered employment and, if such person so requests, be employed by that employer or his successor in interest in such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

(e) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining, by a preinduction or other examination, physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to such rejection or examination, such employee shall be permitted return to such employee's position in accordance with the provisions of subsection (d) of this section.

(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or section 206, 301, 309, 402, or 1002 of title 37, is considered inactive duty training.

§ 2025. Assistance in obtaining reemployment

The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions or reemployment of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

§ 2026. Prior rights for reemployment

In any case in which two or more persons who are entitled to be restored to or employed in a position under the provisions of this chapter or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto or reemployed on the basis thereof, without prejudice to the reemployment rights of the other person or persons to be restored or reemployed.

MILITARY SELECTIVE SERVICE ACT

(Public law 92–129)

* * * * *

Sec. 9. Reemployment.—(a) Any person inducted into the armed forces under this title for training and service, who, in the judgment of those in authority over him, satisfactorily completes his period of training and service under section 4(b) shall be entitled to a certificate to that effect upon the completion of such period of training and service, which shall include a record of any special proficiency or merit attained. In addition, each such person who is inducted into the armed forces under this title for training and service shall be given a physical examination at the beginning of such training and service, and upon the completion of his period of training and service under this title, each such person shall be given another physical examination and, upon his written request, shall be given a statement of physical condition by the Secretary concerned: *Provided*, That such statement shall not contain any reference to mental or other conditions which in the judgment of the Secretary concerned would prove injurious to the physical or mental health of the person to whom it pertains: *Provided further*, That, if upon completion of training and service under this title, such person continues on active duty without an interruption of more than seventy-two hours as a member of the Armed Forces of the United States, a physical examination upon completion of such training and service shall not be required unless it is requested by such person, or the medical authorities of the Armed Force concerned determine that the physical examination is warranted.

[(b) In the case of any such person who, in order to perform such training and service, has left or leaves a position (other than a temporary position) in the employ of any employer and who (1) receives such certificate, and (2) makes application for reemployment within ninety days after he is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

[(A) if such position was in the employ of the United States Government, its Territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

[(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority; status, and pay; or

[(ii) if not qualified to perform the duties of such position by reason of disability sustained during such service but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

[(B) if such position was in the employ of a private employer, such person shall—

[(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

[(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such either position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case.

unless the employers' circumstances have so changed as to make it impossible or unreasonable to do so;

[(C) if such position was in the employ of any State or political subdivision thereof, it is hereby declared to be the sense of the Congress that such person should—

[(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

[(ii) if not qualified to perform the duties of such position by reason of disability sustained during such service but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case.

[(c) (1) Any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (b) shall be considered as having been on furlough or leave of absence during his period of training and service in the armed forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.

[(2) It is hereby declared to be the sense of the Congress that any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (b) should be so restored in such manner as to give him such status in his employment as he would have enjoyed if he had continued in such employment continuously from the time of his entering the armed forces until the time of his restoration to such employment.

[(3) Any person who holds a position described in paragraph (A) or (B) of subsection (b) shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a reserve component of the Armed Forces of the United States.

[(d) In case any private employer fails or refuses to comply with the provisions of subsection (b), subsection (c)(1), subsection (c)(3), or subsection (g) of the district court of the United States for the district in which such private employer maintains a place of business shall have power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action: *Provided,* That any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States Attorney or comparable official for the district in which such private employer maintains a place of business, by any person claiming to be entitled to the benefits of such provisions, such United States Attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions: *Provided,* That no fees or court costs shall be taxed against any person who may apply for such benefits: *Provided further,* That only the employer shall be deemed a necessary party respondent to any such action.

[(e)(1) Any person who is entitled to be restored to a position in accordance with the provisions of paragraph (A) of subsection (b) and who was employed, immediately before entering the armed forces, by any agency in the executive branch of the Government or by any Territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored by such agency or the successor to its functions, or by such Territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed immediately before entering the armed forces by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

[(A) such agency is no longer in existence and its functions have not been transferred to any other agency; or

[(B) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia, the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provision of this section insofar as they relate to persons entitled to be restored to positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be restored under the last sentence of paragraph (2) of this subsection. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules and regulations and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by him through other employment, unemployment compensation, or readjustment allowances: *Provided,* That any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this paragraph, the term "agency in the executive branch of the Government" means any department, independent establishment, agency, or corporation in the executive branch of the United States Government.

[(2) Any person who is entitled to be restored to a position in accordance with the provisions of paragraph (A) of subsection (b), and who was employed, immediately before entering the armed forces, in the legislative branch of the Government, shall be so restored by the officer who appointed him to the position which he held immediately before entering the armed forces. In any case in which it is not possible for any such person to be restored to a position in the legislative branch of the Government and he is otherwise eligible to acquire a status for transfer to a position in the classified (competitive) civil service in accordance with section 2(b) of the Act of November 26, 1940 (54 Stat. 1212), the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which he is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists.

[(3) Any person who is entitled to be restored to a position in accordance with the provisions of paragraph (A) of subsection (b) and who was employed, immediately before entering the armed forces, in the judicial branch of the Government, shall be so restored by the officer who appointed him to the position which he held immediately before entering the armed forces.

[(f) In any case in which two or more persons who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter the armed forces, the person who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of the other person or persons to be restored.

[(g)(1) Any person who, after entering the employment to which he claims restoration, enlists in the Armed Forces of the United States (other than in a reserve component) shall be entitled upon release from service under honorable conditions to all the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provision of this title, if the total of his service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise performed by him after August 1, 1961, does not exceed five years, provided that the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

[(2)(A) Any person who, after entering the employment to which he claims restoration enters upon active duty (other than for the purpose of determining his physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon his relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided by this section in the case of persons inducted under the provisions of this title, if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which he was unable to obtain orders relieving him from active duty).

[(B) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining his physical fitness and other than for training) or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under paragraph (2)(A) of this subsection extended by his period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component: *Provided,* That with respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended the provisions of this paragraph shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

[(3) Any member of a reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (A) his release from that active duty for training after satisfactory service, or (B) his discharge from hospitalization incident to that active duty for training, or one year after his scheduled release from the training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this section for persons inducted under the provisions of this title, except that (A) any person restored to a position in accordance with the provisions of this paragraph shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this paragraph shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under the Veterans' Preference Act of 1944, as amended (5 U.S.C. 851 and the following).

[(4) Any employee not covered by paragraph (3) of this subsection who holds a position described in paragraph (A) or (B) of subsection (b) of this section shall upon request be granted a leave of absence by his employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon his release from a period of such active duty for training or inactive duty training, or upon his discharge from hospitalization incident to that training, such employee shall be permitted to return to his position with such seniority, status, pay, and vacation as he would have had if he had not been absent for such purposes. He shall report for work at the beginning of his next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following his release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If that employee is hospitalized incident to active duty for training or inactive duty training, he shall be required to report for work at the beginning of his next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after his release from active duty for training or inactive duty training, whichever is earlier. If any employee covered by this paragraph is not qualified to perform the duties of his position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, he shall be restored by that employer or his successor in interest to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case.

[(5) Any employee not covered by paragraph (3) of this subsection who holds a position described in paragraph (A) or (B) of subsection (b) of this section shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering or determining by a preinduction or other examination his physical fitness, to enter the Armed Forces of the United States. Upon his rejection, upon completion of his preinduction or other examination, or upon his discharge from hospitalization incident to that rejection or examination, such employee shall be permitted to return to his position in accordance with the provisions of paragraph (4) of this subsection.

[(6) For the purposes of paragraphs (3) and (4), full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, United States Code, is considered active duty for training; and for the purpose of paragraph (4), inactive duty training performed by that member under section 502 of title 32, or section 301 of title 37, United States Code, is considered inactive duty training.

[(h) The Secretary of Labor, through the Bureau of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions of persons who have satisfactorily completed any period of active duty in the armed forces of the United States or the Public Health Service. In rendering such aid, the Secretary shall use the then existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.]

[(i)]*(b)* Right to vote; Poll Tax.—Any person inducted into the armed forces for training and service under this title shall, during the period of such service, be permitted to vote in person or by absentee ballot in any general, special, or primary election occurring in the State of which he is a resident, whether he is within or outside such State at the time of such election, if under the laws of such State he is otherwise entitled to vote in such elections; but nothing in this subsection shall be construed to require granting to any such person a leave of absence or furlough for longer than one day in order to permit him to vote in person in any such election. No person inducted into, or enlisted in, the armed forces for training and service under this title shall, during the period of such service, as a condition of voting in any election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, be required to pay any poll tax or other tax or make any other payment to any State or political subdivision thereof.

[(j)]*(c)* Reports of separation.—The Secretaries of Army, Navy, Air Force, or Transportation shall furnish to the Selective Service System hereafter established a report of separation for each person separated from active duty.

Wm. J. Bryan Dorn,
Olin E. Teague,
James A. Haley,
Thaddeus J. Dulski,
Henry Helstoski,
John Paul Hammerschmidt,
Margaret M. Heckler,
John M. Zwach,
Chalmers P. Wylie,
Managers on the Part of the House.
Vance Hartke,
H. E. Talmadge,
Jennings Randolph,
Harold E. Hughes,
Alan Cranston,
Clifford P. Hansen,
Strom Thurmond,
Robert T. Stafford,
James A. McClure,
Managers on the Part of the Senate.

COMPENSATION FOR WORK INJURIES AMENDMENTS

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 13871) to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, strike out "8101 (2)" and insert: 8101(1)

Page 1, lines 4 and 5, strike out "inserting ", podiatrists," after "surgeons"." and insert: inserting "and" after the semicolon on subsection E(iv) and adding a new paragraph (F) as follows:

"(F) an individual selected pursuant to chapter 121 of title 28, United States Code, and serving as a petit or grand juror and who is otherwise an employee for the purpose of this subchapter as defined by paragraphs (A), (B), (C), (D), and (E) of this subsection.".

Page 1, after line 5, insert:

(b) Section 8101(2) of the Act is amended by inserting ", podiatrists, dentists, clinical psychologists, optometrists, chiropractors," after "surgeons", and adding after the words "State law" a period, and the following: "The term 'physician' includes chiropractors only to the extent that their reimbursable services are limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist, and subject to regulation by the Secretary".

Page 1, line 6, strike out "(b)" and insert: "(c)".

Page 1, line 7, strike out "podiatrists," after "supplies by". and insert: "podiatrists, dentists, clinical psychologists, optometrists, chiropractors," after "supplies by", and by inserting before the semicolon ". Reimbursable chiropractic services are limited to treatment consisting of manual manipulation of the spine to correct a sublaxation as demonstrated by X-ray to exist, and subject to regulation by the Secretary".

Page 1, after line 7, insert:

(d) Section 8101(5) of the Act is amended by inserting before the semicolon ", and damage to or destruction of medical braces, artificial limbs, and other prosthetic devices which shall be replaced or repaired, and such time lost while such device or appliance is being replaced or repaired; except that eyeglasses and hearing aids would not be replaced repaired, or otherwise compensated for, unless the damages or destruction is incident to a personal injury requiring medical services".

Page 1, line 8, strike out "(c)" and insert: "(e)".

Page 2, line 5, strike out "(d)" and insert: "(f)".

Page 2, line 9, strike out "back." and insert: "back; and".

Page 2, after line 15, insert:

(g) Section 8101(1)(D) is amended by deleting the word "and" after the semicolon.

Page 2, line 16, after "2." insert: "(a)".

Page 4, line 7, after "any" insert: "other".

Page 4, line 17, after "employee;" insert: "or".

Page 5, line 21, strike out "with" and insert: "without".

Page 7, line 2, strike out "ends." and insert: "ends.".

Page 7, after line 2, insert:

"(d) If a claim under subsection (a) is denied by the Secretary, payments under this section shall, at the option of the employee, be charged to sick or annual leave or shall be deemed overpayments of pay within the meaning of section 5584 of title 5, United States Code.

Page 7, after line 2, insert:

"(e) Payments under this section shall not be considered as compensation as defined by section 8101(12) of this title."

Page 12, line 10, strike out "and" and insert: "or".

Page 12, line 11, after "if" insert: "no".

Page 13, line 22, strike out "8164" and insert: "8146a".

Page 15, lines 10 and 11, strike out "annuity computation under the civil service retirement provisions,".

Page 15, line 19, strike out "compensation," and insert: compensation or from the time compensable disability recurs if the recurrence begins after the injured employee resumes regular full-time employment with the United States,".

Page 16, after line 7, insert:

(c) Section 3315a of title 5, United States Code, is repealed upon the effective date of this section.

Page 16, line 8, after "23." insert: "(a)".

Page 16, after the line following line 9, insert:

(b) Section 8142(c)(2) of the Act is amended by adding after "Title 22" the phrase ", or a volunteer with one or more minor children as defined in section 2504 of title 22,".

Page 18, after line 4, insert:

Sec. 28. (a) Except as otherwise provided by this section this Act shall take effect on the date of enactment and be applicable to any injury or death occurring on or after such effective date. The amendments made by sections 1 (b) and (c), 2, 3, 7 (a) and (b), 8 (a) and (b), 9, 16, (a) and (b), 17, 19, 20, 21, 22, 24, and 25 shall be applicable to cases where the injury or death occurred prior to the date of enactment but the provisions of these sections shall be applicable only to a period beginning on or after the date of enactment.

(b) Section 11 of this Act shall become effective 60 days from enactment and be applicable to any injury occurring on or after such effective date.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ESCH. Mr. Speaker, reserving the right to object—and I shall not object—I think it is time to ask the chairman of our subcommittee if he would briefly insert in the Record at this point the differences between the Senate and the House versions.

It is my understanding that this bill passed by a voice vote in the House of Representatives on May 7, 1974, and that the amendments to the bill from the other body are primary technical.

Mr. Speaker, I will ask that he explain it to us, if he will.

Mr. DOMINICK V. DANIELS. Mr. Speaker, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. Mr. Speaker, on May 7, 1974, this House by an overwhelming voice vote passed the amendments to the Federal Employees Compensation Act to modernize and upgrade compensation benefits to injured Federal workers. Those revisions were necessitated by changing social and economic conditions and by the recommendations of the National Commission on State Workmen's Compensation Laws. The amendments contained in this legislation will assure that FECA continue as a model of efficient and equitable compensation for workers injured in the scope of their employment.

The bill as passed by the House contains some 27 changes in existing law, the most principal of which would provided for continuation of full pay for up to 45 days where the employees' claim is uncontroverted, and the disability is related to traumatic injury; guarantee the right of an employee to return to his or her former or equivalent position if recovery occurs within 1 year; allow compensation of up to 312 weeks for an impaired internal or external organ not specified by statutory schedule; adjust the Consumer Price Index computation to make it more responsive to cost-of-living increases; and make certain groups, previously excluded, eligible for cost-of-living compensation increases.

This bill was a culmination of testimony and consultation with all significant groups interested in the development of enlightened compensation policy, and the tireless efforts of Mr. Esch, the ranking minority member of the Select Subcommittee on Labor, Mr. Gaydos, and Mr. Dent in the House, and my very close friend, Senator Harrison Williams, chairman of the Committee on Labor and Public Welfare in the Senate.

The amendments made to this bill in the Senate carry my unqualified endorsement, since they expand the guarantee that injured Federal employees receive the medical services, treatment and benefits to which they are rightfully and fairly entitled. For the benefit of my colleagues, I will outline the additions made by the Senate, and briefly explain their rationale:

SENATE AMENDMENTS—JUSTIFICATION

FOUR NEW PROVISIONS

First, expansion of medical services and facilities: The Senate expanded the act's definition of "physician" and "medical, surgical, and hospital services and supplies" beyond the House's addition of podiatrists by the addition of dentists, clinical psychologists, optometrists, and chiropractors.

The addition of these new categories is a recognition of the need for specialized professional services which should be available directly to the disabled worker. Currently, such services are available only through referral by a treating or supervising medical doctor. A similar provision covering clinical psychologists and optometrists has been enacted into law—Public Law 93-363—in connection with the Federal employee benefits program.

The limitation on chiropractors with respect to spinal subluxation is similar to that contained in the medicare provisions of the Social Security Act, as amended. The committee has made it clear that it expects the Secretary to promulgate regulations with respect to reimbursement for chiropractic services, and will consult with the Secretary of HEW, taking into consideration all studies on chiropractic medicare, both State and Federal.

Second, compensation for damaged prosthetic devices: The present statute does not reimburse Federal employees for loss of personal property due to accident regardless of the fact that the same accident resulted in personal injury. The Senate change, and one that appears equitable under all circumstances, would amend the definition of the term "injury" to include damage to or total loss of medical braces, artificial limbs, and other prosthetic devices. It would require the Government to compensate injured employees for work-related damage to artificial appliances or prosthetic devices. However, damaged eyeglasses and hearing aids would be replaced or repaired only if the damage were related to personal injury requiring medical services—although such personal injury need not necessarily be related to an injury of the eye or ear.

It is noted that the scheduled award provisions of the act would not apply to such damage or loss.

Third, coverage of employees on Federal juries: The Senate amended the House version further to extend coverage to include all otherwise eligible Federal employees who are disabled, or killed while serving as Federal grand or petit jurors. It is intended that this coverage would be applied as if the juror were an employee on a special mission as part of—and an extension of—Federal employment.

The Department of Labor has rejected all such claims for compensation filed by Federal jurors regardless of their regular employment on the basis that Federal jurors do not come within the present statutory definition of Federal employees. It appears that at least to the extent that the Federal jurors are also regular Federal employees, this is an unfair result to those individuals performing a vital civic function.

In addition, the Judicial Conference of the United States adopted a resolution in March 1974 calling for the coverage of all persons serving as Federal jurors; we have taken a lesser step by covering only Federal employees in this capacity.

Fourth, Peace Corps volunteers: Since the last amendment to FECA in 1966, the Peace Corps has recognized a third category of volunteers, generally referred to as the head of household volunteer (22 U.S.C. 2504(c)). A head of household volunteer receives a readjustment allowance of $125 per month, the same figure as the volunteer leader receives. However, at present he or she is compensated under the FECA for disability payments at the same rate as an ordinary volunteer. This change would bring consistency in the application of disability benefits based on monthly earnings. Accordingly, this revision would "deem" head of household volunteer the same as volunteer leaders "to be receiving monthly pay" at GS-11 rates.

I urge the Members of this body to support the Senate changes incorporated into H.R. 13871. Each Member can be satisfied that this bill will advance the cause of fair and progressive compensation for our injured Federal workers.

Mr. ESCH. Mr. Speaker, I would like to ask the chairman of the subcommittee, the gentleman from New Jersey (Mr. Dominick V. Daniels) a question in review, and I simply want to clarify my understanding and the gentleman's understanding that with respect to our purpose in extending coverages to specific services such as chiropractic services, the treatment of the patient is limited to abnormal subluxation of the spine. While this bill would make such services directly available to the patient, such availability is subject to regulations by the Secretary. Is that correct? Is that the understanding of the gentleman?

Mr. DOMINICK V. DANIELS. That is my understanding.

Mr. ESCH. That in terms of these specific services they are subject to the same regulations under medicare and medicaid, and can be determined to be helpful in the treatment of the patient's condition.

Mr. DOMINICK V. DANIELS. The answer to that question is yes, also; the understanding of the gentleman is correct.

Mr. ESCH. Mr. Speaker, continuing the reservation of objection, this bill is a major step forward in the coverage of Federal employees in that it removes a major inequity, but the amendments passed by the Senate are acceptable not only to the members of the committee on this side of the aisle, but there is also indication that they are acceptable to the Office of Management and Budget, and to the Department of Labor.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, how much does this cost, I would ask the gentleman from Michigan?

Mr. ESCH. I would say to the gentleman from California that the additional figures stemming from the amendments of the Senate I do not believe we know, we do not have a specific price on those, but they cover inequities.

Let me give the gentleman an illustration: Depending if you are the head of a household, a Peace Corps volunteer, you are covered by Federal employee compensation, and this corrects the inequity where all Peace Corps volunteers would not be covered, the leader would be covered, so that it corrects an inequity such as that. And the same correction covers an extension of the services related to coverages, for example, on eyeglasses, if they are damaged while you are under employment and injured in Federal employment, then your eyeglasses would be covered.

Mr. DOMINICK V. DANIELS. If the gentleman will yield, I have just been handed a copy of the report by the staff covering the Senate amendments. I understand the annual cost of amendments added by the committee is estimated as follows: $25,000 for coverage of Federal employees serving as Federal jurors; $10,000 for coverage of the new classification of Peace Corps volunteers; and $50,000 for replacement or repair of damaged prosthetic devices and appliances.

Mr. ESCH. So the annual cost in summary would be less than $100,000?

Mr. DOMINICK V. DANIELS. $85,000.

Mr. ROUSSELOT. Less than $100,000.

If the gentleman will yield further, the overall cost of the whole bill is how much?

Mr. ESCH. The bill as originally passed in the House of Representatives with the additional coverage would be in the neighborhood of $50,000 to $60,000.

Mr. DOMINICK V. DANIELS. If the gentleman will yield, I understand the costs to be as follows: $1 million for fiscal year ending June 30, 1974; $6,777,629 for the fiscal year ending June 30, 1975; $8,266,939 for the fiscal year ending June 30, 1976; $10,283,961 for the fiscal year ending June 30, 1977; $12,785,069 for the fiscal year ending June 30, 1978; and $15,886,433 for the fiscal year ending June 30, 1979.

Mr. ESCH. I would say to the gentleman from California that this is not the addition passed by the Senate; this is the bill as passed by the House which would include this amount, and this would be over a 5-year period.

Mr. ROUSSELOT. Over a 5-year period, and the almost but not quite $100,000 add-on passed by the Senate would be on an annual basis?

Mr. ESCH. On an annual basis.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ABA'S REJECTION OF RESOLUTION CALLING FOR ABOLITION OF HOUSE COMMITTEE ON INTERNAL SECURITY

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ICHORD. Mr. Speaker, I wish to call my colleagues' attention to the significant vote of the American Bar Association's House of Delegates which last Thursday rejected a resolution calling for abolition of the House Committee on Internal Security and transfer of its jurisdiction to the Judiciary Committee.

This is particularly noteworthy because you will be called upon in the near future to consider the House reform resolutions of Mr. BOLLING and Mrs. HANSEN which also include provisions for the transfer of the internal security jurisdiction either to the Judiciary or Government Operations committees. The effect in either case would, of course, be the abolition of the Committee on Internal Security but without assurance that the work would be effectively continued in another committee. The fact that the same proposal was rejected by the ABA should be peruasive when the resolutions are considered by you.

I find that the proposed resolution considered by the ABA was primarily a restatement of the objections to the Committee on Internal Security which the gentleman from Massachusetts (Mr. DRINAN) has been unsucessfully advancing for the past 4 years.

First, the resolution insists that the committee's "primary purposes" is "exposure for the sake of exposure" and has no truly legislative purpose. To test the validity of this allegation let me tell you about the current work of the Committee on Internal Security and let you judge whether the committee is engaged in aimless or improper investigations. During this session of the 93d Congress the committee has thus far held 22 days of hearings on the subject of terrorism—which are simply criminal acts for political purposes. No one who reads the papers can deny that this is a new and frightening internal security problem fully justifying the attention of the Congress, which itself has been the object of terrorist attacks. A committee staff study emphasizing the transnational aspects of terrorism and the first volume of the committee's terrorism hearings should be available for your review within the next several weeks. Whether these hearings will lead to specific legislation or recommendations for executive branch action is a matter I am, of course, exploring at this time.

Organizations in the United States which have been involved in terrorist acts or which support such acts "when the time is ripe" are identified in the staff study. I do not consider this "exposure for the sake of exposure," but rather as an essential part of an examination of the problems of terrorism. Terrorist acts are, after all, perpetrated by individuals who are usually responding to the propaganda of their revolutionary organizations.

You will also recall that the Speaker, and others in the House leadership as well as the Select Committee on Committees, have emphasized the necessity for the committees of the House to exercise their oversight responsibilities. This has been described as of equal importance to actual legislation, a view with which I entirely agree. I submit that the Committee on Internal Security is effectively exercising this oversight function in the course of its other current hearings dealing with the internal security work of the executive branch and which to date have focused primarily on the Federal Bureau of Investigation. These hearings are timely, necessary and satisfy an important legislative purpose.

Second, the proposed ABA resolution asserted that the internal security functions of the Congress would be "more appropriately served by other more responsible committees," and in support thereof claimed that the work of the Committee on Internal Security during the first session of the 93d Congress relating to the involvement of revolutionary groups in prison unrest was unnecessary because the Judiciary Committee had earlier found no substance to such allegations.

The facts are that the Judiciary Committee received the allegations during the course of hearings on prison reform but made no effort to investigate them and rather clearly exhibited no desire to do so. It was only after I had satisfied myself that neither the Judiciary Committee nor any other committee of the Congress had examined this problem adequately that I proposed that the Committee on Internal Security proceed with its investigation. It did so and the culmination of its work was seen this past June when over 125 State correctional officers convened at the FBI Academy at Quantico, Va., for a discussion of the problem of revolutionary involvement in prison unrest and a program of continuing dissemination of information by the FBI to State correctional officers was instituted. Director Kelley of the FBI informed me that this conference and the program were the direct result of the hearings, report and recommendations of the Committee on Internal Security.

It was this concrete example which supported my belief that no other committee of the House would have the inclination or expertise to go into such specialized internal security problems and to my belief that this important work can be done most effectively by the existing Committee on Internal Security.

The third objection cited in the rejected bar association resolution was the existence and use of the committee's public files which, as I have repeatedly explained to this body, are simply material from printed public sources compiled to assist the committee in its research and investigative functions. It is not a matter of the committee acquiring private communications and then publicizing them. All material in the files is already in the public domain and available for use by anyone who chooses to collect it.

If this body does not want the committee to maintain these files and to make their contents available to Members of Congress and executive branch investigative agencies then the House should consider a resolution to this effect. I have time and again urged those who complain so loudly about these files to come forward with such a resolution and have it voted upon up or down. No Member has done so and until I receive contrary instructions from the House the files will continue to be maintained just as all other committees maintain files pertinent to their mandates.

Lastly, the proposed ABA resolution asserted that the activities of the Committee on Internal Security "inhibit the free exercise of first amendment freedoms." No one has come forward with any evidence to show that revolutionary groups or their supporters and sympathizers are in any way inhibited in the exercise of their first amendment rights because of the work of the Committee on Internal Security. On the contrary, I see a continuous flood of constitutionally protected propaganda from such groups and their ability to grind it out seems to be limited only by the availability of funds to do so. Inhibited they are not.

CHARGES OF RACIAL DISCRIMINATION IN HIRING PRACTICES

(Mr. THOMSON of Wisconsin asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. THOMSON of Wisconsin. Mr. Speaker, no one abhors racial discrimination more than I do. That is why I was shocked to read a newspaper account charging me and 19 of our colleagues with discriminating against blacks, Catholics, or other minority groups.

Speaking for myself, the charge is malicious and completely without foundation. I have requested a full and impartial investigation of the charges. Coming as it does on the heels of embarrassing fabrications of Members' insertions without the Members' knowledge or consent, one must suspect that another "dirty trick" may have been perpetrated.

For the record: neither I nor any member of my staff has ever placed any racial restrictions on employment in my office.

The placement office apparently received a phone call from a member of my staff in December 1972, requesting applicants for a typist position. The request was made without any racial restriction, yet, the placement office card file record of the request calls for only "white Republican" applicants. I cannot explain the motivation of the person preparing the card, but I think the Members should protect themselves by having the placement office provide them with a form which they could fill out and sign, detailing the qualifications which they are seeking in job applicants.

I will include in the Record at this point my letter requesting the Speaker to conduct an investigation into this matter, since the Justice Department has already indicated that it lacks jurisdiction on this matter.

House of Representatives,
Washington, D.C., August 19, 1974.

Hon. Carl Albert,
Speaker of the House of Representatives, Rayburn House Office Building, Washington, D.C.

Dear Mr. Speaker: The reputations of several of the Members have been tarnished by charges of employment discrimination. I can only speak for myself, of course, but I consider the charge malicious and completely without foundation. Neither I nor any member of my staff has ever placed any racial restriction on employment in my office.

Coming on the heels of last week's *Record* fabrications and falsifications of bills introduced without Members' knowledge or consent, I think this situation demands a full investigation to determine whether the cards with discriminatory restrictions were mistakenly prepared by sloppy administrators or the work of some "dirty trickster."

Since the Justice Department has indicated that it lacks jurisdiction in this matter, I am requesting that your office conduct a full-scale and impartial investigation to determine the truth of these charges and issue a public report on its findings.

With best regards, I am

Sincerely yours,
Vernon W. Thomson,
Member of Congress.

PERSONAL EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, late on the afternoon of Thursday, August 15, 1974, I was absent during the latter part of the consideration of H.R. 12859, the Federal Mass Transportation Act of 1974, and missed three votes. For the record, I now state how I would have voted on each of these questions had I been present.

ROLL NO. 494

An amendment to prohibit the use of any funds to implement busing plans in order to overcome racial imbalances in any school or school system. I would have voted "No."

ROLL NO. 495

An amendment that sought to make urbanized areas with a population of 2 million or more eligible under category "A". I would have voted "No."

ROLL NO. 496

An amendment that sought to require the Secretary to evaluate the extent to which urban communities are attempting to discourage auto use and encourage mass transit use before approving projects. I would have voted "No."

CONDEMNING VIOLENCE IN THE CYPRUS SITUATION

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I join with the distinguished minority leader, the gentleman from Arizona (Mr. Rhodes), and my colleague on the Democratic side, the gentleman from Indiana (Mr. Brademas), in condemning the unfortunate slaying of Ambassador Davies in Cyprus.

We condemn violence, whether it be in Cyprus, Greece, on the American shores, or anywhere else in the world. But I would strongly suggest that the people of Greece are embittered over the American foreign policy in dealing with the Cyprus situation, and that the State Department, under the heading of Dr. Kissinger, is not in some measure without some fault.

The overall response of the Department of State to this major international crisis has been both dismal and disappointing. Despite my call for a suspension of military aid to Turkey and despite daily reports of U.S. weaponry being used by Turkey to arbitrarily rule Cyprus, there has been no response by the State Department.

Last week, I urged Secretary Kissinger to personally go to this troubled area to begin a new round of high level shuttle diplomacy between Ankara and Athens designed to bring about a cessation of the fighting. It seems incomprehensible to me that the Secretary does not consider this crisis important. His insensitivity to the problems has led to Greek Cypriot citizens, who remember his personal visits to nonallied Arab nations, to feel they are being accorded second-class citizenry status by the U.S. Government. These feelings have resulted in their strong anti-American sentiments of late.

Was it necessary for this act of violence to occur? Do we have assurances that the Secretary of State will even act now? Irrespective of the considerations of Greece and Turkey, our paramount concern now has to be the protection of our diplomatic personnel throughout the world. Their security cannot be jeopardized and we should take whatever steps necessary to insure their safety.

The stage may now be set for further acts of violence against Americans. We must bring the curtain down before a new act of violence occurs. I implore Secretary Kissinger to actively work on bringing the warring factions to the bargaining table, so that the independence of Cyprus can be restored. We have seen what our failure to act thus far has led to. We should need no further lessons before we act.

THE "BUY RUSSIA" BILL ALIAS THE CHROME IMPORT BILL, S. 1868

The SPEAKER pro tempore (Mr. McKay). Under a previous order of the House, the gentleman from Florida (Mr. Sikes) is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, the chrome bill, S. 1868, scheduled for consideration in the House of Representatives on Tuesday, should be called the "Buy Russia" bill. It will create unemployment in America, increase inflation, and cause American industry to be dependent in large extent on chrome from Russia. Russia is principal beneficiary of the bill, the United States will be the loser. Jobs for American employees and price restraints on steel products depend upon the defeat of this "Buy Russia" bill.

American industry requires a constantly increasing supply of chrome. Rhodesia has the greatest resources. Passage of this bill would create permanent restrictions against Rhodesian chrome regardless of what government may be in power there in the future. If we shut off Rhodesian chrome, we increase our dependence upon Russian chrome. Russia now will be glad to sell us chrome at a handsome profit. No longer would the world market govern the price to the United States. When Russia controls the major supply of chrome to the United States, they may decide it is not to their best interest to sell chrome to us. The recent Arab oil embargo demonstrated the complications that can be caused by politically motivated trade embargoes. Why should we put ourselves in a position where the tyrants of the Soviet Union could use chrome against the United States as the Arabs did oil?

The effect of this bill would be to put major U.S. industries at the mercy of the Soviet Union. During the sanctions against Rhodesia the Soviet Union was our principal source of high quality chromite. It took advantage of our dependence upon it in two respects: first, the quality of the ore exported to the United States steadily deteriorated; and second, Russian prices dramatically increased. From $35.78 per short ton in 1965 the price steadily increased to $68.45 in 1972 and then fell back to $51.73 per ton in 1973 when sanctions were lifted.

Chrome is essential to U.S. industry. It is essential to medical science in the United States. It is essential to defense. Guns, planes, tanks, missiles, and ships all require chrome. When we become principally dependent upon Russia, the supply can be cut off or the price increased at will. That does not make sense. The "Buy Russia" bill should be defeated.

EXPORT-IMPORT BANK ACT AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKinney) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, scheduled for floor consideration on Wednesday is H.R. 15977, the Export-Import Bank Act Amendment. Before debate begins on this issue, on the floor, I thought I would take this opportunity to share with my colleagues three letters which I have received from Connecticut regarding the Exim Bank. I believe they make a case for continuation of Exim financing in terms of jobs for workers in Connecticut and markets for Connecticut products. Without further comment, I will include those letters in the Record:

July 22, 1974.

Hon. Stewart B. McKinney,
House of Representatives,
Washington, D.C.

Dear Mr. McKinney: I am writing because I am concerned about what I am hearing and reading in the newspapers in regards to the Export-Import Bank of the United States. I work for a Fortune "100" corporation and part of my responsibility calls for arranging financings with our commercial banks and EXIMBANK. The posture Congress is taking can only hurt the American exporter and the over-all American economy. Eximbank responding to political criticism now is setting its lending rate on a case-by-case basis between 7% and 8½%. And further, though under standard practice the Eximbank puts up 45% of the cost of the export goods, with private banks providing a like amount and the borrower putting up 10%, Eximbank in recent weeks has been providing as little as 25% of the total in many cases.

Clearly, Eximbank is not a subsidy granting government agency. On the contrary, Eximbank has been very profitable. There is little doubt that international salesmen for U.S. products overseas will obtain few orders if they cannot assure potential buyers of adequate financing. Without Eximbank U.S. exporters, able to rely only on floating commercial interest rates, would be put at a disadvantage vis-a-vis foreign suppliers, who do get government financing.

Mr. Casey, president and chairman of the bank has said that loans to the U.S.S.R. have been part of "an historic and successful initiative in seeking to move our relationship away from military competition toward mutual satisfactory economic relations." No matter how small a move this may be doesn't it deserve our full support—in a world teaming with conflict and untrust? Thurston B. Morton in announcing Senate East-West Trade Hearings in 1967 said "East-West trade is a fertile field for American commercial considerations and a fertile field for controversy and myth-making."

According to recently released statistics the "real" output of the economy dropped at an annual rate of 1.2 per cent in the quarter just ended. Reports accompanying these statistics stated "the main single influence in throwing the whole G.N.P. into negative figures was a sharp deterioration in the nation's foreign trade balance."—Why then do we attack Eximbank and make its programs so restrictive that it drives business away?

Either Eximbank performs its intended function or it does not. If it does we should support it and do all we can to help it expand—if not it should be abolished. But, we should not "tie its hands" so it cannot succeed and then lay the blame on the bank for our failure.

Thank you for your consideration and I urge you to support Eximbank—without the proposed restrictions.

Yours very truly,
Edward F. Freund.

July 19, 1974.

Hon. Stewart B. McKinney,
Cannon House Office Building,
Washington, D.C.

Dear Mr. McKinney: As president of Local Number 3381 of the United Steelworkers of America, I wish to bring your attention to House Bill HR 13838 which affects the membership of my local. This Bill deals with Eximbank and the renewal of its existence.

The existence of Eximbank has helped our membership in my local and in turn the workers in Farrel Corporation in Ansonia and Torin Corporation in Torrington, as well as other workers throughout the state. In the past few years our shop at Waterbury Farrel has received foreign orders for equipment which exceed 54 million dollars. All of these orders were gotten because of the loans Eximbank gave to these foreign buyers. To us this meant not only exporting goods, but importing work which meant jobs for my local. Before these orders came in, employment was a little shaky in our shop, but after these orders came, employment was at full capacity and will be so for at least five years.

Our membership is aware of the fact that if Eximbank had not made the loans to these buyers, then foreign competition would have gotten the orders and with it a number of our members may have lost their jobs. We are not asking that you favor us, but we have heard so much about foreign countries subsidizing their businesses which have hurt us, we are only asking that you help us even the odds in getting this work.

We therefore request that you favorably support the extension of the Eximbank.

Very truly yours,
Robert L. Cook,
President, Local 3381, United Steelworkers of America.

July 24, 1974.

Hon. Stewart B. McKinney,
House of Representatives, Cannon House Office Building, Washington, D.C.

Dear Sir: Thank you for the time you so kindly gave to me when I was in Washington last week. It was kind of you to take time out of your extremely busy day to see me. Your thoughts as to how we can do a better job are also very much appreciated. I expect to host a meeting of the District Export Council of Connecticut next week and will discuss some of these ideas with the group.

Since my return I have obtained some new figures regarding Connecticut exports which might be of interest to you. Present authorized Exim commitments total $323,000,000 for Connecticut exports of $473,000,000. The most recent export figures for Connecticut show us 17th in the nation with a total of $830,000,000 in exports of manufacturing products. This figure should have reached $1,000,000,000 in 1973 and this would mean that approximately 60,000 jobs are related to exports according to the formula used by most of the experts. There are 900 to 1,000 companies involved in exporting although we think these figures are low as it does not include many of our fine companies that produce components of end use products exported by others.

Thank you again for your time, and I hope that I have the opportunity of meeting with you again in the near future.

Sincerely,
William J. Stanners,
Executive Vice President.

OUR ECONOMIC SITUATION DEMANDS ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Railsback) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, it is becoming increasingly difficult for the average American to make ends meet. Double digit inflation—which is what we have been experiencing since the beginning of the year—is simply not the kind of inflation we can live with and still have confidence in our economic future. Bringing inflation under control must be this country's No. 1 priority, and economic restraint has to be the key ingredient to any policy we adopt.

I would like to point out that bringing our economy under control does not in any way imply that I favor control as such. Mandatory wage and price controls simply did not work in the past, and I am still very much opposed to them. I am, therefore, encouraged that the bill before us today, H.R. 16425, the Anti-Inflation Act of 1974, proclaims that nothing in the legislation authorizes the imposition or reimposition of mandatory economic controls with regard to prices, rents, wages, salaries, corporate dividends, interest rates, or any similar transfers.

As we are all aware, Congress originally granted the President standby authority to control prices and wages back in 1970. This authority has been repeatedly renewed, most recently in 1973, when the economic stabilization program was continued until April 30, 1974. Although the administration recommended that the controls themselves be phased out by that deadline, the President did request an extension of the Cost of Living Council. This request was then renewed by President Ford in his address to the Congress on August 12.

Although I am against actual controls, I do nevertheless believe that wages and prices should be carefully watched, that all segments of our economy must be aware of the public concern in the economic area, and that the Government needs all possible information available in order to charter its course against inflation. Therefore, I urge immediate enactment of H.R. 16425.

Briefly stated, this legislation creates a Cost of Living Task Force within the Executive Office to monitor the economy. The task force will encourage price restraint, analyze industrial capacity, determine the effects of governmental and international transactions upon inflation, work with labor and management to improve the structure of collective bargaining and to increase productivity, and try to determine what can be done to solve our inflationary problems.

The task force will be composed of at least nine members who are appointed by the President, including the Secretaries of Treasury, Labor, and Commerce, the Director of the Office of Management and Budget, and the Chairman of the Council of Economic Advisers. This task force will transmit quarterly reports to the Congress outlining its actions, findings, and recommendations about inflation. The task force's authority terminates at the end of fiscal year 1976, and, hopefully, by that time, inflation will be under control.

Mr. Speaker, we should not be mislead that this bill will solve the economic crisis—we need more long-range programs for that—but it will at least let us know what we are dealing with.

THE UNWISE COURSE OF U.S. POLICY IN THE CYPRUS CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, day by day, the events surrounding the crisis over Cyprus, which began last month, spell out a pattern of increasing tragedy for the people of that small island republic, for the people of Greece, and for the future course of relations between Greece and the United States.

Mr. Speaker, last night in Boston, Mass., I had the privilege, together with my distinguished colleague, the gentleman from Maryand, the Honorable PAUL SARBANES, of addressing the 52d national convention of the Order of Ahepa, the Greek-American fraternal organization.

Mr. Speaker, on that occasion, I spelled out my own views on the aggressive actions by the Government of Turkey against Cyprus and indicated why I believe that the policies pursued by the U.S. Department of State are in large measure responsible for these unhappy developments in the eastern Mediterranean.

This morning, August 19, 1974, Mr. Speaker, I again joined Congressman SARBANES to testify before the Senate Foreign Relations Committee in support of President Ford's nomination of Jack B. Kubisch as the new U.S. Ambassador to Greece, and I also on this occasion expressed my views on U.S. policies in the Cyprus crisis.

Mr. Speaker, I insert at this point in the RECORD the text of my prepared statement before the Foreign Relations Committee which includes the text of my address last night in Boston:

STATEMENT OF CONGRESSMAN JOHN BRADEMAS OF INDIANA, ON THE NOMINATION OF JACK B. KUBISCH AS U.S. AMBASSADOR TO GREECE

Mr. Chairman: I am very grateful for the opportunity to appear before the distinguished Members of this great Committee to testify in support of the nomination by President Ford of Jack B. Kubisch as the new Ambassador to Greece.

Although this is my sixteenth year as a Member of Congress, this is the first time I have requested an opportunity to appear before your Committee, and I should therefore perhaps explain why I have asked to do so today.

In the first place, I have the privilege of being the first native born American of Greek origin ever elected to Congress and you will, therefore appreciate that I have a particular concern about developments in the land of my father's birth and about the relationships of our own country with Greece.

That these relationships are today suffering the greatest strain is symbolized by the tragic news of which I have just learned, the slaying in Nicosia a few hours ago of our distinguished Ambassador to Cyprus, a valued friend of mine and, I am sure, of many members of this Committee, an outstanding servant of our country, Rodger P. Davies.

Second, I am glad of the opportunity to express my very high regard for President Ford's first ambassadorial nomination, Jack Kubisch.

I have known Mr. Kubisch for a number of years. He was a constituent in that he lived in South Bend, Indiana, in the District I represent, from 1950 to 1961 as well as for two years in the early 1940's, and Mrs. Kubisch is from South Bend. Mr. Kubisch was in private business with several Indiana firms during the 1950's, including the Bendix Home Appliance Company and Great Northern Distributors.

Beyond my pleasure at seeing an outstanding former constituent nominated to so responsible a position, I have followed with great interest Mr. Kubisch's career in the United States Foreign Service.

As I am sure you are aware, Mr. Chairman, Mr. Kubisch has been accorded the rank of Minister by each of three Presidents (Kennedy, Johnson and Nixon) and served as Charge d'Affaires in three of our most important embassies, France, Brazil and Mexico.

In 1971 he was named United States Minister to our Embassy in Paris where he served as Charge d' Affaires during 1972 and part of 1973, during which period he worked with Dr. Kissinger on both the Vietnam peace talks and the negotiations that led to the development of a relationship between the United States and the Peoples Republic of China.

As you are also aware, he has since May 1973 been serving as Assistant Secretary of State for Inter-American Affairs and is, as well, the United States Coordinator of the Alliance for Progress in Latin America.

Although Mr. Kubisch has not been as directly involved with Greek affairs as with the other areas of the world which I have mentioned, he did play a role in the Marshall Plan Program, which, of course, was vital to Greece. During 1949–50 he was an Assistant to Ambassador Averell Harriman in the regional headquarters of the Marshall Plan in Paris.

From my observation of Mr. Kubisch, I have come to regard him as a person of the highest integrity, outstanding ability and unquestioned dedication to the interests of the people of the United States.

The United States is obviously today confronted with very great difficulties in respect of our policies toward Greece. Only a diplomat with exceptional qualities will be able to have a change to cope effectively with these difficulties. I believe that Jack Kubisch is eminently qualified to assume the important responsibility of United States Ambassador to Greece and I am, therefore, pleased to commend him most warmly to the Members of the Committee on Foreign Relations and to the Senate.

The third reason, Mr. Chairman, I have asked to appear before you today is to express my views on United States policy toward Greece during the current crisis in Cyprus.

Because I had an opportunity last night in Boston at the National Convention of the Order of AHEPA to address myself to this subject, I should like to ask consent to insert at this point in the hearings the text of my remarks in Boston and only briefly summarize them here.

REMARKS OF CONGRESSMAN JOHN BRADEMAS, 52D CONVENTION, ORDER OF AHEPA, BOSTON, MASS., AUGUST 18, 1974

I am very grateful for this opportunity to speak to my brother Ahepans gathered for this 52d Supreme Convention of our Order.

We meet at a time of tragedy and sorrow, tragedy and sorrow for the people of Greece, the people of Cyprus, and for persons of Hellenic origin wherever they may live.

For during the last weeks, the world has been witness to an example, with few parallels in recent times, of naked aggression by one country against a far smaller one.

The cease-fire on Cyprus announced on Friday can in no way diminish the outrageous action of Turkey over the last several days in invading and attacking, by land, sea, and air, this small island country.

What is particularly shocking, of course, is that, by action and inaction, the government of the United States has condoned and, it is not too much to say, given tacit support to these aggressive acts on the part of the government of Turkey.

Already, as a consequence of Turkish military attacks, Cypriots, both Greek and Turkish, as well as members of the United Nations peacekeeping forces have lost their lives.

In complete violation of repeated UN Security Council cease-fire resolutions, the Turks have poured thousands of troops onto Cyprus and have bombed Nicosia and other areas and have shelled the island from the sea.

U.S. ARMS USED FOR TURKISH AGGRESSION

And what is, of course, particularly outrageous is that arms used by the Turkish forces have been supplied by the taxpayers of the United States and troops that have been carrying out these savage attacks have been trained with money supplied by the American people through our program of aid to Turkey.

And where are we today?

The invasion and occupation of Cyprus by Turkish forces has had the most calamitous effects.

First, Greece, one of the oldest friends and most faithful allies of the United States, has been compelled, in protest at American acquiescence in the Turkish invasion, to withdraw from NATO, thereby gravely weakening NATO defenses in the Mediterranean and presenting a windful gift to the Soviet Union and her Warsaw Pact allies.

Second, after years of military dictatorship in Greece, openly supported by the United States, a new and democratic government has at long last returned to the cradle of democracy.

But the Turkish occupation of Cyprus is an obvious setback to any efforts of our country to support the continuation of constitutional government in Greece.

A third consequence of the failure of U.S. policy to respond sensitively and wisely to this crisis is, of course, the peril to the independence and peace of Cyprus, a free country with which the United States has enjoyed friendly relations. For who can now say with assurance for how long—no matter the final settlement of the Cyprus crisis—there will continue to be bloodshed and fighting and internal strife on that vital island in the eastern Mediterranean?

You should know that only last Thursday all five Members of Congress of Greek origin—my colleagues and friends, Congressman Peter Kyros of Maine, Gus Yatron of Pennsylvania, Paul Sarbanes of Maryland, and Skip Bafalis of Florida—and I met with Secretary of State Kissinger to express directly to him our profound concern—and our vigorous protest—at the posture of the government of the United States during these last weeks.

CONGRESSIONAL PROTESTS TO KISSINGER

Because our discussions with Secretary Kissinger were understood to be off the record, I do not feel it appropriate to indicate to you here what he had to say to us on Thursday.

But I can tell you what we said to him.

We expressed in the strongest language possible our view that there could be no doubt that the policy of the United States government during these last bloody weeks has been clearly tilted in favor of Turkey.

We protested the failure of the government of the United States to respond effectively to Archbishop Makarios' blunt and open warning in early July that the military junta in Athens intended to seek his assassination and the overthrow of the lawfully elected government of Cyprus.

We protested the failure of the United States government publicly to express support for the restoration of constitutional government in Cyprus after the coup.

We protested the failure of the United States government publicly to protest the initial attacks on Cyprus by Turkish military forces.

We protested the failure of the United States government publicly to support the plea by the British Foreign Secretary to the Turks to continue the talks in Geneva.

And we protested to Secretary Kissinger the failure by the government of the United States—up until noon last Thursday—to voice any public criticism whatsoever of the massive invasion of Cyprus by Turkish forces and the Turkish air and sea attacks on Nicosia and other parts of the island.

In sum, we registered to Secretary Kissinger the strongest possible protest against the failure of the United States to oppose, by public word or by deed, what the rest of the civilized world, both through UN Security Council resolutions and commentaries by governments and press, has protested, the blatant disregard by the Turks of the cease-fire resolutions and the military conquest by Turkey of one-third of Cyprus.

And to State Department spokesmen who describe as "baloney" charges that U.S. policy has tilted in favor of Turkey, I call attention to the following paragraph from a Washington Post report of a press conference in Ankara last Friday at which (Turkish Prime Minister):

"Ecevit said he had had frequent telephone conversations during the crisis with Secretary of State Henry Kissinger and he strongly praised the American role. He said that Washington had been 'less emotional' and more objective than Britain, whose Foreign Secretary James Callaghan sternly denounced Turkey for breaking off the Geneva talks earlier this week.

"The United States, Ecevit said, had 'evaluated the problem objectively, refrained from taking sides, refrained from pressures'."

A Calamitous Failure for U.S. Foreign Policy

Here in the United States we have just emerged from what President Ford quite rightly described as the long nightmare of Watergate.

During the last two years, the American people have been learning month by month of what we now know to have been the most sordid pattern of lawlessness and corruption on the part of any Administration in the near 200 year history of our country.

But I feel I must tell you that in the last month there has emerged another pattern of which no citizen of the United States can be proud.

For, to reiterate, by the actions and inactions of our own government, we have in effect sided with one NATO ally, Turkey, to support the use of American arms and American trained forces for military aggression against a small, friendly nation with close ties to another NATO ally, Greece.

It has been a time of calamitous failure for the foreign policy of the United States.

What I believe has been most remarkable and most worthy of praise during this difficult time is the restraint and dignity of Prime Minister Constanine Caramanlis, whose government must remain the best hope for return to an enduring democracy in Greece.

The sharp rise in anti-American sentiment in Greece, at precisely that time when constitutional government is born again there, must stand as a sharp rebuke to the shortsightedness of American policy toward Greece.

Last Friday, I talked by telephone to an American friend, of Greek descent, in Athens who said, "It is now dangerous to be an American in Athens"!

As one who just ten years ago this year visited Greece with Harry S. Truman and Mrs. Lyndon B. Johnson and who personally observed the tumultuous welcome they received, I can tell you that the actions of the United States Department of State over these past weeks mark the bankruptcy of U.S. policy toward one of our oldest friends.

Some of us have for a long time publicly warned against the dangers to the American national interest, and to Western security, of our blindly supporting successive military dictatorships in Greece. The United States is now reaping the whirlwind of the unwisdom of that fundamentally anti-NATO, anti-American policy.

Let us all hope that, somehow, despite the folly of our Department of State in this matter, we can at least begin to repair the wounds and start the now long task of rebuilding the confidence of the people of Greece in the government of the United States.

UNITED STATES SHOULD HALT AID TO TURKEY

What are we to do now, in the immediate situation?

As you may know, my four Hellenic-American colleagues and I on August 2 introduced in the House of Representatives a resolution expressing the sense of Congress that all foreign troops, except those required by the UN peacekeeping effort, should be withdrawn from the island of Cyprus.

Well over 100 Members of the House of Representatives, both Democrats and Republicans, joined us in cosponsoring this resolution.

In response to the escalation of the Turkish military attacks on Cyprus, however, we determined that a stronger resolution was necessary and for that reason, last Wednesday, all five of us introduced another resolution in the House expressing the sense of Congress that all U.S. economic and military assistance and military sales to Turkey should immediately be stopped until all Turkish armed forces have been withdrawn from Cyprus.

Many other Members of the House have asked to cosponsor this resolution, House Resolution 1319, and I am tomorrow introducing additional resolutions at their request.

It now seems to me imperative that Americans of Greek origin and indeed all Americans who love freedom and cherish the enduring ties between Greece and the United States should immediately communicate to their Representatives and Senators in Congress their support for this resoultion.

For only if the government of Turkey is made to realize that the people of America are opposed to the use of their tax dollars for such aggressive purposes will there be any chance for restoring peace and independence to Cyprus, for sewing up the gaping hole in NATO which American diplomacy has caused by compelling the withdrawal of Greece from NATO, and for making clear U.S. support for constitutional government in Greece after the long nightmare of military dictatorships there.

So I hope that even tonight the Order of Ahepa will go on record as supporting the efforts of Congressman Brademas, Kyros, Yatron, Sarbanes, and Bafalis to reverse the blatantly pro-Turk policy of our Department of State.

FAILURE OF "PRIVATE DIPLOMACY" OF STATE DEPARTMENT

For it must now be clear to all but the most biased observers that the so-called "private diplomacy" of the Department of State has failed, and failed abysmally, to prevent the tragedy of the last month.

I hope that the Order of Ahepa will unanimously approve a resolution urging a cutoff in all U.S. military and economic aid and all U.S. military sales to Turkey until such time as Turkish troops have been withdrawn from Cyprus.

The time for effective action is now. And I hope that before sundown tomorrow every member of the Ahepa family here will send a telegram to his Congressman as well as to both his United States Senators urging support of every effort in Congress to cut off all further U.S. military and economic aid and military sales to the government of Turkey. And I hope that similar wires will be sent to President Ford and Secretary Kissinger as well.

I am confident that the American people support neither the pro-Turkish policies of the Department of State nor the wrongs these policies have worked against the people of Cyprus and of Greece.

I am equally confident that the persons who must take the lead in calling for the righting of these wrongs are the men and women of the family of Ahepa.

RESOLUTION URGING HALT OF U.S. AID TO TURKEY UNTIL WITHDRAWAL OF TURKISH ARMED FORCES FROM CYPRUS

Mr. Speaker, at this point in the RECORD I insert the text of House Resolution 1319, which I have introduced on behalf of myself and the gentleman from Maine (Mr. KYROS), the gentleman from Pennsylvania (Mr. YATRON), the gentleman from Maryland (Mr. SARBANES), and the gentleman from Florida (Mr. BAFALIS).

Mr. Speaker, House Resolution 1319 expresses the sense of the House of Representatives that all U.S. military and economic assistance to Turkey be suspended until all the armed forces of Turkey have been withdrawn from Cyprus.

The text of House Resolution 1319 follows:

H. RES. 1319

Resolved, That it is the sense of the House of Representatives that—

(1) all military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guarantee, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of

Turkey should be suspended on the date of adoption of this resolution; and

(2) the provisions of this resolution should cease to apply when the President reports to the Congress that the Government of Turkey has withdrawn all of its armed forces from Cyprus.

Mr. Speaker, at this point in the Record I list the names of those Members of the House of Representatives who have so far cosponsored this or identical resolutions:

Cosponsors of House Resolution 1319

Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, Mr. Hanrahan, Mr. Annunzio, Mr. Dent, Mr. Taylor of Missouri, Mr. Price of Illinois, Mr. Johnson of Colordo, Mr. James V. Stanton, Mr. Shuster, Mr. Minish, Mr. Adams, Mr. O'Brien, Mr. Cronin, Mr. Hudnut, Mr. Parris, Mr. Sarasin, Mr. Fascell, Mr. Rosenthal, Mr. Froelich, Mr. Don H. Clausen, Mr. Biaggi, Mr. Abdnor, Mr. Rooney of Pennsylania, Mr. Eilberg, Mr. Ketchum, Mr. Boland, Mr. Badillo, Mr. Rousselot, Mr. Gilman, Mr. Burke, Mr. Conte, Mr. Tiernan, Mr. Walsh, Mr. Seiberling, Mr. Gude, Mr. Young of Illinois, Mr. Steelman, and Mr. Thompson of New Jersey.

Mr. Pike, Mr. Hanley, Mr. Obey, Mr. King, Mr. Vanik, Mr. Maraziti, Mr. Podell, Mr. Stuckey, Mr. Carney of Ohio, Mrs. Grasso, Mr. Yates, Mr. Van Deerlin, Mr. Traxler, Mr. Vigorito, Mr. Nedzi, Mr. Helstoski, Mr. John L. Burton, Mr. Philip Burton, Mr. McKinney, Mr. Wyman, Mr. Reuss, Mr. Steele, Mr. Edwards of California, Mr. Roncalio of Wyoming, Mr. Moss, Ms. Jordan, Mr. Fauntroy, Mr. Won Pat, Mr. Ford, Mr. Roybal, Mr. Stark, Ms. Holtzman, Mr. Dingell, Mr. Pepper, Mr. Luken, Mr. Rodino, and Mr. Dulski.

CRISIS IN CYPRUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Sarbanes) is recognized for 5 minutes.

Mr. SARBANES. Mr. Speaker, the crisis of Cyprus has brought tragic consequences to the people of that independent nation; has disrupted peace in the eastern Mediterranean; has plunged NATO into a grave internal crisis and has caused a serious deterioration in the long-standing friendly relationship between the United States and Greece.

In light of the Turkish aggression on Cyprus, I have joined with the gentleman from Indiana (Mr. Brademas), the gentleman from Maine (Mr. Kyros, the gentleman from Pennsylvania (Mr. Yatron, and the gentleman from Florida (Mr. Bafalis, along with 72 other Members of the House, in introducing House Resolution 1319 which calls for a cutoff of all military and economic assistance and all military sales to Turkey until all of Turkey's Armed Forces have been withdrawn from Cyprus. Mr. Speaker, I invite other Members of the House who may not already have done so to join in cosponsoring House Resolution 1319, the text on which follows this statement.

Mr. Speaker, last night I was privileged to address in Boston the 52d Annual Convention of the Order of Ahepa, the Nation's largest Greek-American fraternal order, on the tragic consequences of U.S. policy with regard to Cyprus. The text of this address is set out below:

House Resolution 1319

Resolved, That it is the sense of the House of Representatives that—

(1) all military, economic, or other assistance, all sales of defense articles and srevices (whether for cash or by credit, guarantee, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey should be suspended on the date of adoption of this resolution; and

(2) the provisions of this resolution should cease to apply when the President reports to the Congress that the Government of Turkey has withdrawn all of its armed forces from Cyprus.

Statement of Congressman Paul S. Sarbanes (D.-Md.) Order of AHEPA, 52d Annual Convention, Boston, Mass., Sunday, August 18, 1974

Reverend clergy, fellow members of the AHEPA family and all true friends of liberty and justice. Tonight I join with fierce determination in your efforts to achieve peace and justice for the suffering people of Cyprus and fair and honorable treatment for the people of Greece.

The recent events on the historic Greek islands of Cyprus have once again tested the bravery of the Cypriot people and the conscience of us all. As one Greek Cypriot soldier, fighting on a front line with only a bolt-action rifle and supported by obsolete armored cars and a few tanks almost thirty years old told a journalist, "write that Greeks are never afraid." When he said that he was fighting against some of the most modern, sophisticated weapons in the world; weapons provided by the American taxpayer to Turkey, but provided for defensive purposes and not for despicable actions of aggression.

We meet here to join in an effort to restore the independence and integrity of Cyprus and to aid its people to meet the critical problems of survival now facing them. Remember that at this very moment thousands of refugees in Cyprus, victims of Turkish aggression, are without food, shelter, and medical care and in need of immediate assistance. We must do all we can to respond to that need at once.

We meet here to press forward with the cause of justice for the people of Cyprus. We must pursue this goal not only because of our close ties with those of Greek heritage but, perhaps more importantly, because the Turkish invasion of this small, independent and peaceful country violated every principle of international law and every precept of human decency. Turkey's military action was carried out in direct violation of United Nation's resolutions and in the face of condemnation by world opinion. Let there be no doubt about it, Cyprus is the victim of aggression, raw and brutal aggression which has brought death and destruction to that lovely country. It is a grievous wrong and we must work to make the situation right.

As Americans we should be deeply concerned and troubled by the position our State Department has taken with respect to this crisis. Despite repeated warnings from many sources, including members of the Congress and representatives of your organization and many other concerned groups, the State Department at every critical juncture has failed to take action to avert the tragedy now confronting us.

1. It refused to support Archbishop Makarios, the democratically elected President of Cyprus, when such support could have preserved stability and peace on Cyprus.

2. It failed to prevent Turkish military intervention by denouncing the attempted coup in Cyprus and stressing the need to preserve constitutional government in Cyprus.

3. It refused to bring pressure to bear on Turkey to prevent the invasion of Cyprus and to limit and restrict Turkish military action once such an invasion occurred. Contrast, if you will, the actions of the late President Johnson, who warned a Turkey preparing to go to war in no uncertain terms of the American Government's position and thereby preserved peace in the area.

4. It failed to consider the need to be understanding and supportive of a democratic regime in Greece, thereby placing in danger our traditional friendship.

Let us look for a moment, because it is important to our understanding of this matter, at the statements our State Department has issued on this tragic matter during the past week and the interpretations placed upon them.

Item: On Wednesday, August 14th, State Department spokesman, Robert J. McCloskey stated, in response to charges that U.S. policy was favoring Turkey, "I think it is plain baloney that the United States is tilting toward any one party or other in this dispute."

Item: Just the day before, on Tuesday, August 13th, the State Department issued a statement on Cyprus in which it stated the U.S. position to be as follows: "We recognize the position of the Turkish community on Cyprus requires considerable improvement and protection. We have supported a greater degree of autonomy for them."

"The parties are negotiating on one or more Turkish autonomous areas. The avenues of diplomacy have not been exhausted. And, therefore, the United States would consider a resort to military action unjustified. We have made this clear to all parties."

Notice my friends that this statement was directed to all parties at a time when it was obvious to everyone that only Turkey was engaged in aggressive military action. Furthermore, the comments favoring greater autonomy for the Turks on Cyprus was made at the very time that a desperate effort was underway to prevent the Geneva talks from collapsing. As one diplomat subsequently observed: "In the day's context those were the magic words Turkey had been waiting for."

Item: On Wednesday morning, August 14th at 5 a.m. Turkish forces began major aggressive military actions with air strikes and tank and troop movements directed at Nicosia and Famagusta.

Item: British Foreign Secretary James Callaghan, returning home from Geneva following the renewed Turkish military action, said: "A great opportunity has been thrown away. All we needed in Geneva was another 36 hours to work out a solution. All that has been thrown away." He went on to express the belief that the Turkish orders to attack were issued before Turkey walked out of the Geneva peace conference.

Item: In London, Archbishop Makarios stated: "I am in particular disappointed at the attitude of the United States which could, I believe, have prevented Turkey from invading Cyprus or at least put an end to the aggression."

Item: On Wednesday, August 14th, in the face of Turkey's flagrant action, the State Department finally issued its first public criticism stating "We deplore the Turkish resort to the use of force". However it then went on to issue warnings to both Turkey and Greece by stating "If Greece and Turkey, two NATO allies, were to resort to war it should be clear that they could not count on a continuing line of military supply from the United States." Imagine, with Turkey actively moving as an aggressor, the State Department felt compelled to warn both sides.

Item: On Thursday, August 15th, Turkish Prime Minister Ecevit after a meeting with U.S. Ambassador William Macomber in Ankara told reporters Turkey is very happy with the "frank and open" U.S. policy on Cyprus.

Item: On Friday, August 16th, after Turkey had overrun one third of the island and unilaterally declared a cease fire, a State Department spokesman stated: "We welcome the Turkish government's announcement of a cease fire and we want to make clear that we could not understand any resumption by Turkey of military operations on Cyprus." This is incredibly mild diplomatic language and obviously suggests the the State Department could understand the Turkish military operations up to that point.

Item: The Turkish view of the American role was stated in Ankara on Friday by Prime Minister Ecevit at a press conference where he said he had had frequent telephone conversations during the crisis with Secretary of State Henry Kissinger and he strongly praised the American role. He said that Washington had been "less emotional" and more objective than Britain, whose foreign Secretary James Callaghan sternly denounced Turkey for breaking off the Geneva talks earlier this week. The United States, Ecevit said, had "evaluated the problem objectively, refrained from taking sides, refrained from pressures."

In the light of all of this it is clear indeed who is talking plain baloney. It is the State Department when it contends that its policy has not been tilted toward any one party in this dispute.

As you know those of us in Congress of Greek-American descent and many other who are close friends of Greece and the Greek people have made the strongest representations to the State Department since the beginning of this crisis. To press forward on this matter we have introduced in the House of Representatives a resolution calling for a cut-off of all military and economic assistance and all military sales to Turkey. We believe strongly that the United States government must make it clear to Turkey in no uncertain terms that this country condemns recent Turkish action, that it opposes any partition on the island of Cyprus, and that it supports the integrity and the independence of that country.

The consequences of the catastrophic policy of our State Department during this crisis are staggering:

1. NATO has been plunged into its worst internal crisis since its creation 25 years ago and the Western security system in the Eastern Mediterranean has collapsed.

2. Efforts to support the civilian government of Constantine Karamanlis and the restoration of constitutional democracy to Greece have been dealt a serious blow. Karamanlis, a man of outstanding ability and a close friend of the United States throughout his political life, has been placed in an exceedingly difficult position.

3. Peace and justice on Cyprus have been jeopardized, perhaps for generations to come, as efforts to develop harmony between its people have given way to hatred and bitterness. The independence and integrity of a peaceful nation has been subverted contrary to all rules of international law.

4. The likelihood of conflict between Greece and Turkey, two NATO allies, has been greatly increased. As Prime Minister Karamanlis stated when Greece withdrew its troops from NATO, he was acting only "after the Atlantic Alliance had demonstrated its inability to prevent Turkey from creating a state of conflict between two allies."

5. A consequence which must pain us all personally is the grave deterioration in Greek-American relations. America and Greece have always had a close relationship since this country assisted Greece in its struggle against Turkey for national independence and human dignity. In two world wars Greece fought valiantly with America against the forces of aggression and she has consistently been one of our closest allies. Is Greece now to be lost as our friend because of the blindness and shortcomings of the State Department's policy?

It is imperative that our national policy be altered so that this question be answered with a ringing no. It is for this reason that Congressmen Brademas, Kyros, Yatron, Bafalis and myself have introduced our resolution cutting off aid to Turkey. Cutting off aid, I want to point out, to a nation which recently announced that it was resuming the growing of opium. A step which will deal a critical blow to our efforts to control drug addiction in this country, where it is estimated the number of heroin addicts has been cut in half since the opium ban was instituted. And yet, despite this fact and despite the generous compensation paid by the U.S. to Turkey farmers for the ban, the Turkish government is resuming opium production and thereby turning loose on the streets of America an enemy which menaces us all. What kind of a policy is it, I ask you, to trade the friendship of Greece for that of a country which is willing to poison our youth.

The task before us is not an easy one. We must go to work to change the policy of the State Department so that it returns to basic international principles of justice and the rule of law and repudiates armed aggression and its brutal and illegal results. We must take measures to provide the desperately needed assistance and aid required by the displaced refugees on Cyprus. And we must take steps to restore our traditional friendship with Greece and to support the re-institution of democracy in the land which gave that cherished concept to the world. All of these things will require great effort but working together I believe we can prevail.

THE 15TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, the 15th anniversary of Captive Nations Week was successfully observed both here and abroad. As has been already extensively reported, the 1974 week was highlighted by official proclamations across the country, rallies and parades, news accounts and editorials, and radio and TV discussions. The chief contribution of the recent observance was the constructive doubts it raised about détente and the captive nations.

An analysis of this important subject appeared in The Rising Tide, July 29, 1974, edition, a rapidly expanding newspaper devoted to the general subject of world freedom.

Under the caption "Captive Nations Belie Détente," it presents the analysis developed by Dr. Lev E. Dobriansky of Georgetown University. Excerpting the basic essentials of this presentation, I earnestly commend them to the studied reading of our Members and all others who are concerned with peace, human rights, and freedom:

Captive Nations Belie Détente

(By Dr. Lev E. Dobriansky, chairman of the National Captive Nations Committee and president of the Ukrainian Congress Committee of America)

Little is it recognized or understood in the Free World that the essential freedom message of the two towering Russian intellectuals, Andrei Sakharov and Alexander I. Solzhenitsyn, conforms almost precisely with the established captive nations analysis. In calling for the withdrawal of Russian power to the national borders of Russia and the renunciation of Marxism-Leninism they, and countless behind them in the USSR, are in essence calling for the freedom of the crucial non-Russian nations in the USSR, the surcease of Russian imperio-colonialism, and the open admission of the bankruptcy of Marxist philosophy in the whole area of the captive nations. Both strike at the foundation stone of the captive nations analysis, namely the captive non-Russian nations in the USSR, the first victims of Soviet Russian imperio-colonialism, and both point to this basic analytical structure of thought without which the conception of "a structure of peace" in our time cannot but become a colossal illusion.

NATIONS

All the diplomatic flurry, motion and summitry of the past few years haven't made a dent in the overall structure of the captive nations. The simple historical truth is that an enduring structure of peace cannot possibly be founded on a permanent structure of captive nations, extending from the Danube to the Pacific and into the Caribbean. The ultimate and determining question is whether detente, as presently conceptualized and developed, can accommodate not so much the oppressive Red regimes but more so the liberating forces in the captive nations and peoples themselves. . . .

Part of the antidote to present illusions of detente is surely a memorized review of the long list of captive nations:

People or nation:	*Year of Communist domination*
Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkestan	1922
Mongolian People's Republic	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Serbia, Croatia, Slovenia, etc., in Yugoslavia	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960

It should be stressed that almost half of the captive nations are in the Soviet Union itself. Of these, most were conquered by Soviet Russian force after World War I and forcibly incorporated into a newly-formed empire-state called the Union of Soviet Socialist Republics at the end of 1922. They form the foundation of Moscow's outer empire in Central Europe, Asia and Cuba.

MOSCOW'S TROIKA POLICY

For an evaluation with perspective and understanding of these prospective developments and the illusions of detente, the concept of Moscow's traditional troika policy is indispensable.

As elaborated in the '73 Week, the troika consists of (1) the anchor horse racing toward a controlled, totalitarian and imperialist consolidation within both the inner empire in the USSR and the outer empire in the so-called satellite states of Central Europe; (2) guided by the effective "peaceful coexistence" sub-strategy, the second unit pointing in the direction of a divide-and-subvert process in the West; and (3) the final part, still generated by "wars of national liberation," galloping in a progressive infiltration and undermining of the less developed areas of the world. Each part of the troika is continually reflected by some notable, varying current events.

Viewed globally, the Cold War in its real sense has not diminished; as manipulated by Moscow * * *.

EIGHT PROMINENT ILLUSIONS OF DETENTE

The outline of the foregoing captive nations analysis is adequate enough to spotlight the mounting illusions of detente which can be concisely defined as follows:

(1) *The Nation-State Illusion:* At this late stage in global politics it is incredible, but true, that in our highest governmental, educational and other institutions that the USSR is viewed as a nation-state with "Soviet citizens" of different ethnic backgrounds similar to the pattern of the U.S. In defending detente the Secretary of State, who plainly misunderstands the Captive Nations Week Resolution, suffers from this basic illusion when he speaks of "our two peoples," "out two nations," and some sort of a "Soviet domestic structure" for an area which is really multi-international in composition.

(2) *The Non-Interference Illusion:* The first illusion logically breeds this one on non-interference in the "internal affairs" of the USSR. Rationally, the principle of non-interference is valid where it concerns a nation-state, but in the case of an empire-state, founded on conquest and oppression of nation and with imperial extensions and ambitions beyond, it makes only practical sense to the imperialist power. The abuse of this principle is an old imperial Russian technique with Stalin, Vishinsky, Khrushchev and Brezhnev have frequently employed not only for the empire-state of the USSR but also, as the Brezhnev doctrine confirms, for its imperial extensions in Central Europe.

(3) *The Institutional Policy Illusion:* The strange notion that the external policy of a state can be divorced from its internal, imperial policies is what may be called the institutional/policy illusion, which is obviously cognate to the preceding illusion. The external imperial policy has always been fed by the oppressive, whether authoritarian or totalitarian, internal policy of the empire. To hope for substantial changes in the former without essential structural and behavioral changes in the latter is the illusion. As Solzhenitsyn recently pointed out, one of the characteristics of our present pseudo-detente is: "When any acts of cruelty and even brutality by one side towards its own citizens and its neighboring peoples is hastily and nearsightedly accepted by the proponents of detente as "in no way standing in the way of detente"—thereby encouraging new acts of brutality and persecution . . . Kissinger is quoted.

(4) *The "Peaceful Coexistence" Illusion:* As shown earlier, "peaceful coexistence" is no illusion for Moscow. It is a very specific and definite substrategic policy for the Kremlin totalitarians. It only becomes an illusion for the West and us Americans when we identify it with détente in the mistaken belief that this troika unit of Westpolitik means a live-and-let-live policy. "Peaceful coexistence" for Moscow means plainly ideo-political warfare in all its dimensions against the West, and in our country it is already an open secret that our F.B.I. cannot cope with the inflow of agents from behind the Iron Curtain.

(5) *The Non-Ideologic Illusion:* Some détentists hold that the ideologic power of Moscow and its syndicate is minimal and that there is little to fear from it. As far back as 1957, Kissinger observed, "The emerging middle class in Russia may, of course, in time ameliorate the rigors of Soviet doctrine." Apart from a mythical middle class in "Russia," Marxist-Leninist ideology remains doctrinally powerful in the CPSU membership and beyond, though for the Russian populace at large and among the captive non-Russian nations its power of attraction is nil. What is more important is the effective tool it represents to attract all sorts of elements in the Free World who have not experienced the experience of the captive peoples, including from another interpretative angle the Russian people.

(6) *The Humanist Illusion:* Bred by the "mellowed Communist" fantasy of the 60's, many détentists view the Kremlin and other Red totalitarians as destalinized types and thus more humane and reasonable to work with toward "peace." After all Solzhenitsyn was exiled, not murdered. Those harboring this widespread illlusion are easily deceived by calculating Potemkinist techniques of the Kremlin, where for one Solzhenitsyn tens of thousands linger in Moscow's prison camps, psychiatric wards and terminal cells. The leadership is mainly Stalin-bred, is brutal and calculating, and in Hitlerian fashion cultivates and dominates a society that is predominantly technocratic and militaristic.

(7) *The Economic Interpendence Illusion:* It is in the area of trade, long-term joint projects, and gradually enhanced economic involvements leading to a generalized economic interdependence that leverage is sought by us to curb and cause all three horses of the Russian troika to retreat, with "peace" becoming more secure than ever before. Bear in mind that Moscow's essential objective is to acquire our advanced technology to shore up its messy, labor-short and capital-starved economy while its overall strategic troika races on.

It is absolutely necessary, therefore, to focus the predication of our trade and investments on politico-social concessions in the USSR itself and not for Moscow's restraint in Vietnam, the Mideast and elsewhere, which is really a dealt cover-up for relative American weakness in these areas and could be open-end as the troika, fed by our economic "aid," races on. Without, such USSR-centered concessions, economic interdependence will remain an illusion and, as in all cases of trade with totalitarian powers, the answer to the question of "Who is giving the shaft to whom?" should be evident.

(8) *The Non-Morality Illusion:* Finally, the supposedly hard-nosed play in power balances leaving no room for moral forces of idealism, human rights, freedom, national independence, etc. is perhaps the most absurd illusion surrounding détente. Regardless of all its imperfections, the whole story of America is founded on moral idealism, whether expressed by internal or external policies for basically they're interwoven, and this unfolding story is unsurpassed in the history of mankind. The continuing impact of American idealism on the captive nations is boundless and is one of the greatest of our weapons against the Kremlin totalitarians.

A détente pursued on the basis of these illusions will only court disaster for us and the Free World. A real, genuine détente, pointing even to the mutual benefits of entente, presupposes the dissipation of these illusions and a concrete development of an irreversible and guaranteed movement of actions that would preclude violence, further arms build-up, and the violation of fundamental human and national rights. Invoking the nuclear scare, as Kissinger does, is no argument for an illusory détente. The formation of a genuine détente, based on the factual counterpoints to the illusions, is the hope of this 15th Captive Nations Week anniversary.

* * * been shifted, with low-keyed operations in one area, intense repressive measures in another, and incessant plays on "American imperialism" in a third. Skillfully employing the "peaceful coexistence" strategem and its low-keyed tactics, Moscow seeks both time and critical economic means to sustain and expand this overall structure and its manifold activities for the historic moment when its diplomacy and adjunct military and other factors will directly confront the West, and the U.S. in particular, at clear-cut advantages to itself.

THE COLD WAR: "PEACEFUL COEXISTENCE" AND DÉTENTE

The current confusion over the terms of Cold War, "peaceful coexistence" and détente suggests in itself that the time is ripe for a national reexamination of our policies before we find ourselves too far afield in abating Moscow's global strategy. Treaties, negotiations, cultural exchange, trade and other involvements were rife in relations with Nazi Germany, but these failed to alter the course of basic trends. The injection of a nuclear age doesn't make these activities any more substantial and scarcely deters Moscow from racing its global troika.

From the beginning of the RSFSR the strategem of "peaceful coexistence" has always been a tool in Moscow's Cold War arsenal. The first victims of Soviet Russian aggression, such as Byelorussia, Ukraine, Georgia and others, were temporarily exposed to it. This special Cold War concept of unyielding systemic conflict and political warfare is uttered almost daily by Moscow and its satraps, and aside from the Aesopian language means in essence: "The struggle between the proletariat and the bourgeoisie and between world socialism and imperialism will be waged up to the complete and final victory of Communism on a world scale. . . . All forms of the class struggle—political, economic and ideological—are closely interwoven, one augmenting the other—bringing first one form and then another to the forefront."

Within the empire the Cold war is expressed in varying degree by nationalist assertions, resistance to Russification, open dissidence, religious revival, underground publications, and sheer ideological apathy and indifference. In the third sphere of Moscow's operations, who would classify Vietnam, the Mideast, the Indian Ocean, the base of Cuba and others as being beyond the Cold War concept as it pertains to US–USSR relations? The Cold War in its multiform can be and is waged through proxy and intermediate conduits.

AMERICANS MUST SUPPORT CZECHOSLOVAK ASPIRATIONS FOR FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, August 21 marks the sixth anniversary of the 1968 invasion of Czechoslovakia by the Soviet Union—an outrageous act of totalitarian oppression which again reminded the world that ideals of freedom and human dignity simply do not exist for the brutally cruel masters of the Kremlin.

The people of Czechoslovakia again commemorate August 21 as a day of Soviet shame as will Americans who trace their ancestry to this captive nation. None of us, as Americans, must ever forget that a system of monstrous barbarity still rules in the captive nations and that all of us must continue our support for the Czechoslovak people in their just aspirations for self-determination and human dignity.

Mr. Speaker, at this point in the Record I wish to include an appeal from the Czechoslovak National Council of America issued in commemoration of this sad day in the history of freedom-loving peoples everywhere.

The appeal follows:

Czechoslovak National
Council of America,
Chicago, Ill., August 21, 1974.

Freedom Is Indivisible

On this sad occasion of the sixth anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article 1, Section 2);

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and cooperation among all nations on the basis of true progress and humanity.

The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a *Day of Soviet Shame* in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve;

"The withdrawal of Soviet troops from Czechoslovakia."

SAFE AMERICA COMMITTEE SUPPORTS HCIS

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, on July 31, the Safe America Committee, an organization composed of individuals from occupations as diverse as clerics and carpenters, admirals and academicians, bankers and businessmen, placed a full page "Open Letter to Congress" in the Washington Post and other journals, supporting the continuation of the House Committee on Internal Security and urging the expansion of its activities in keeping with the increased threats to the safety of America.

I am hopeful that every member of the House will have an opportunity to review the challenging contents of this well-conceived letter sponsored by an impressive list of notables whose efforts are being coordinated by the American Security Council.

ASC itself requires no introduction in Washington circles—nor for that matter in Moscow, which, through its propaganda organs Izvestia and Pravad, has bitterly attacked the Council's incisive positions on vital national and international security issues. The ASC was founded in 1955 as a nonpartisan, educational organization. It draws heavily upon a broad across-section of the American public for its sources of membership. ASC is administered by ex-FBI agent and World War II bomber pilot John Fisher and a competent staff of experts in the fields of military, security, and international affairs. The letter follows:

Safe America Committee,
Washington, D.C.

Dear Congressman: Less than two weeks after all America was shocked by the terrorist kidnapping of Patricia Hearst, the House Committee on Internal Security released a report on the Symbionese Liberation Army.

Since the epidemic of political terrorism which has plagued the rest of the world now threatens to break out in the United States, the Committee on Internal Security is now holding hearings on trans-national aspects of terrorism and their effect on American internal security.

Yet Congressman Bolling's House Committee has proposed the abolition of the House Committee on Internal Security and the transfer of its jurisdiction to the Committee on Government Operations (House Resolution 988). (The Hansen Committee of the Democratic Caucus substitute would transfer internal security jurisdiction to the Judiciary Committee).

This proposed transfer of jurisdiction would not only abolish the House Committee on Internal Security, it would also abolish the functions of that Committee. This is true because this provision would not transfer the 40 experienced professional staff employees of the House Committee on Internal Security . . . nor would it provide a budget for a new staff.

The Bolling proposal doesn't even provide for sub-committee status for the internal security function. Even if it did, no sub-committee can have the stature and the effectiveness of a standing committee.

The Bolling provision follows the pattern of the proposal which has been made for many, many years by the anti-security lobby led by the National Committee Against Repressive Legislation.

But this is totally contrary to the wishes of the average voter.

For example, the Opinion Research Corporation did a public opinion survey of voting age citizens in April 1974 and asked:

It has been proposed in Congress that the House Committee on Internal Security should be abolished and its area of work (but not its staff) given to the Government Operations Committee. Do you agree or disagree with this proposal?

45% disagreed; 26% agreed and 29% were undecided.

In other words, nearly twice as many voters were for keeping a separate House Committee on Internal Security as were for the transfer of jurisdiction.

On the lawmaking role of the Committee, the Opinion Research Corporation asked:

Should Congress pass new legislation that makes it illegal to teach or advocate the overthrow of the Government by force or violence?

63% said yes; 30% said no and 7% were undecided.

On the investigative and public information role of the Committee, the Opinion Research Corporation asked:

Do the American people have the right to be fully informed about the goals and activities of organizations which are dedicated to the overthrow of the U.S. Government by force and violence?

89% said yes; 8% said no; 3% were undecided.

Passage of HR 988 or the Hansen substitute in their present form would effectively eliminate the functions of the Internal Security Committee and would be directly contrary to the clear wishes of the vast majority of the voters.

We strongly support the continuation of a standing House Committee on Internal Security. We also urge the expansion of its staff and activities so that it can be more responsive to the increased internal security threats.

Partial Listing of Safe America Committee Membership

Robert E. L. Eaton, Natl. Cmdr., The American Legion.

Richard Smith, Chairman, Young Republican Natl. Fed.

Martha Rountree, President, Leadership Foundation.

Ron Dear, Executive Director, American Conservative Union.

Gen. Bruce C. Clarke, USA Ret., Chairman Emeritus, National Assoc. Uniformed Services.

Brig. Gen. A. R. Brownfield, Exec. Dir., The Military Order of the World Wars.

Miss Eleanor Schlafly, Exec. Sec., Cardinal Mindszenty Fdn.

Sgt. Maj. C. A. McKinney, Dir. of Legislative Affairs, Non-Commissioned Officers Assn.

J. Fred Schlafly, President, American Council for World Freedom.

Elwyn W. Kelting, President, Fundamental Christian Assn.

H. Dean Buttram, Jr., Pres., Student Government, Jacksonville State University.

Mrs. Billie Bowles, State V. P., Calif. Republican Assembly.

Anatol Pleskaczewski, V. Pres., Byelorussian Congress Com. of America.

Lt. Julian Hopkins, Natl. Comdr., Disabled Officers Association.

John M. Fisher, President, American Security Council.

Mrs. Maurice Kubby, Natl. V. P., American Legion Auxiliary.

Ray R. Soden, Natl. Cmdr., Veterans of Foreign Wars.

O. P. Norton, Exec. Dir., Amer. Soc. for Ind. Security.

Natalie Wales Hamilton, Pres., Committee to Unite America.

Ron Docksai, Natl. Chairman, Young Americans for Freedom.

Donald O. Shaw, Member, Bd. of Governors, Natl. Counter Intelligence Corps Association.

Mrs. Bernard F. Kennedy, Natl. Americanism Chairman, American Legion Auxiliary.

Dr. S. Edgar Moon, Exec. Dir., Western Pennsylvania Public, Interest Research Group.

Mrs. H. W. Glickfield, President, Women's Republican Club of Ft. Lauderdale.

Reverend Cyril Drozdiak, Franciscan Order.

Mrs. A. A. MacGregor, Pres. Rep. Women of Pa., Inc.

Dr. Ivan Docheff, Natl. Chm., American Friend of the Anti-Bolshevick Bloc of Nations.

Carl L. Hill, President, Taxpayers Association.

D. L. Harlow, CMSAF Ret., Director of Legislation, Air Force Sergeants Assn.

R. Adm. V. H. Schaeffer, USN Ret., Exec. Dir., Naval Reserve Assn.

R. W. Nolan, Natl. Exec. Sec., Fleet Reserve Association.

Richard Mantia, Exec. Sec., Building and Construction Trades Council (St. Louis).

Jack Valenti, President, Local 655, Retail, Clerks International Association.

Ollie W. Langhorst, Exec. Sec.-Treas., Carpenters District Council (St. Louis).

Robert E. Stewart, Sec.-Treas., Local 35, Plumbers and Pipefitters International.

Joseph F. Cointin, Dist. 9, Bus. Rep., Intl. Assn. Machinists.

Richard D. Flotron, Bus. Rep., Local 1, Intl. Bro. Elec. Workers.

Russell E. Egan, Exec., Local 13, Office and Professional Employees Intl. Union.

H. C. Schwarzer, Bus. Rep. and President, Carpenters Local 1108, AFL–CIO.

Gerald Shearrer, Police Sgt., Detroit Police Department.

Kenneth K. Hinau, Detective, Honolulu Police Department.

William F. Maughan, Deputy Inspector, New York City Police Department.

Mrs. Frank A. McAllister, Rosedale.

Mrs. Leslie F. Johnson, Omaha High School Principal.

R. G. Hatcliff, Principal, Newport Spec. School Dist.

Harry Burdette, Vice Principal, Baltimore City Public Schools.

Sanford N. McDonnell, Pres., McDonnell Douglas Corp.

Roger Milliken, President, Deering Milliken, Inc.

William R. Lloyd, President, Pittsburgh Elevator Company.

P. P. Butler, Ret. Pres., First City Natl. Bk., Houston, Tx.

C. G. Carlson, President, Caco-Pacific.

R. F. Babbidge, Chrm. of Bd. and Chief Executive Officer, Promanent International, Inc.

Edward B. Benjamin, Starmount Farm.

W. F. Colclough, Ret. Chrm. of Bd., American Bank Note Company.

Mrs. Page Nelson.

J. D. Street, President, St. Louis Slag Prod. Company.

William E. Cromling, Exec. V.P., 1st Natl. Bank of Elyria, Ohio.

Col. Michael P. Yannell, Pres., Builders Express, Inc.

Cmdr. A. F. Kempe, USMC Ret., Pres., Seneca Coal Corp.

John G. Sevcik, Gen. Mgr., McCormick Place.

Dr. Mary Tarzian, Publisher, Banner-Graphic & Sarkes Tarzian, Inc.

C. L. Ballew, President, Circulation Svc., Inc.

Arthur L. Reese, Director, Motorola, Inc.

Paul Mann, Pres. & Chrm. of Bd., Home St. Life Ins. Co., Inc.

Ambassador David M. Key, Ret.

Amb. J. Wesley Jones, Ret.

Amb. Elbridge Durbrow, Ret.

Dr. Hugh W. Ellsaesser, Physicist, Lawrence Livermore Laboratory.

Adm. E. J. Roland, USCG Ret.

Maj. Gen. Frank D. Weir, U.S. Marine Corps-Ret.

Gen. H. K. Mooney, USAF Ret.

Vice Admiral K. K. Cowart, USCG Ret.

Gen. A. P. O'Meara, USA Ret.

Lt. General E. M. Almond, USA Ret.

Vice Admiral J. H. Doyle, USN Ret.

Neill S. Brown, President General Paper Corporation.

John C. Irwin, Gen. Atty. U.S. Steel Oilwell Division.

G. Woodrow Ballew, Pres. Blackburn Bank.

Robert L. Bell, President, The Gauley Natl. Bank.

William K. Todd, Pres., Todd Publications, Inc.

Arnold H. Jacobsen, Chrm., Washington Central Bank.

Layton W. Bailey, Jr., Vice Pres., MCA TV.

C. Dana McCoy, President, Space Systems, Inc.

Rev. Thomas J. O'Day, Director, Loyola Retreat House.

Pastor D. Goldberg, Grace Bible Institute.

Rev. Simon E. Forsberg, Minister and Instructor, Montana Institute of the Bible.

Rev. Newton M. Coughenour, Clergyman and Lecturer.

Rev. Richard C. Halter, Pastor, Calvary Baptist Church.

Rev. Gerard J. Clark, Catholic Priest, St. Anthony Church, Milwaukee.

Rev. Paul C. Pepoon, The United States Methodist Church.

Rev. C. William Havens, Baptist Missionary.

Rev. R. J. McMiller, Lutheran Pastor.

Rev. Edgar A. Day, Minister, United Methodist Church.

Rev. Edgar A. Day, Minister, United Methodist Church.

Rev. Emmanuel Kelsch, Chaplain, Holy Trinity Hospital.

Rev. Robert W. Cooke, Evangelist (Baptist)

Rev. Oliver N. Hamby, Minister Natl. Presbyterian Church.

Rev. Bob White, Evangelist, Bob White Evangelistic Assn.

Brother Harvey, Missionary, Maryknoll Fathers.

Rev. J. P. Sweeney, Chaplain, Flushing Hospital Med Centre.

Rev. Wilbur Kissell, Chaplain, Providence Hospital.

Professor Roger W. Williams, Columbia University.

Dr. John Eccles, Prof., State Univ. of New York.

Professor Ralph H. Davidson, Ohio State University.

Dr. Kurt Glaser, Professor of Government, Southern Illinois University.

Professor Leon D. Nobes, Western Michigan University.

Professor Ward Fleming, Prof. of Political Science, City Colleges of Chicago.

Professor John H. Dudley, Calif. St. Univ., Long Beach.

Professor Marvel L. Baker, University of Nebraska.

Professor Sarah L. Rowe, West Chester State College.

Professor Richard Stealy, Ball State University.

Dr. William H. Pixton, Prof., Troy State Univ.

Professor Gustav H. Franke, Jr., Hampden-Sydney College.

Dr. T. F. Boushy, Prof. of Hist. & Pol. Sci., Fayetteville State University.

Professor Gordon N. Murray, City Colleges of Chicago.

Dr. E. Atwell Cherry, Professor of Economics, State Univ. of New York.

Coach Paul F. Dietzel, Director of Athletics, University of South Carolina.

SANTA ROSA COUNTY CHAMBER OF COMMERCE RESOLUTION ON THE ECONOMY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Santa Rosa County Chamber of Commerce at Milton, Fla., has adopted a resolution expressing their concern with unnecessary spending in Government and their desire for more cooperation between Congress and administrative agencies. I am glad to call this resolution to the attention of the Members of the House and to urge careful consideration of the wording of the resolution.

SANTA ROSA COUNTY
CHAMBER OF COMMERCE,
Milton, Fla.

RESOLUTION

Whereas, the political climate of our country has been in a state of turmoil for the past several years, and

Whereas, that turmoil has been a factor in the down turn of our economy, and

Whereas, the primary factor in the inflation, now evident in our country, is believed to be government fiscal policy, and

Whereas, the cause of that political turmoil has, evidently, been eliminated, and

Whereas, the problem of administering our country should now be the primary concern of our Congress, now therefore be it

Resolved, That the Board of Directors of the Santa Rosa County Chamber of Commerce most earnestly call upon the members of the U.S. Senate and House of Representatives to lay aside partisan politics and strive to work together for the good of all of the United States, and be it further

Resolved, that the Board of Directors of the Santa Rosa County Chamber of Commerce enjoin each legislator to make diligent efforts to eliminate these programs, both enacted and proposed, which cause unnecessary spending by Government and which cause unnecessary restraints to be placed upon those businessmen who practice the "Free Enterprise Method", of U.S. Business.

Approved and adopted by the Board of Directors of the Santa Rosa Country Chamber of Commerce this 12th day of August, A.D. 1974, in Milton, Santa Barbara County, Florida.

NATIONAL TIMBER RESOURCES

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Forestry Incentives Program, which received an overwhelming endorsement in Congress, is expected to contribute significantly toward better forest management and increased timber production on a very large portion of the Nation's timberlands. An interesting and sound discussion of the Forestry Incentives Program appeared in the Baltimore Sun recently under the pen of Henry S. Kernan. It is entitled "National Timber Resources." I feel that it deserves reprinting in the CONGRESSIONAL RECORD.

NATIONAL TIMBER RESOURCES

(By Henry S. Kernan)

Since earlier this year a United States District Court has enjoined the Forest Service from selling an extra billion board feet of national forest timber as ordered by the Cost of Living Council. At issue in the case are high prices for lumber against contentions that the 92 million acres of timbered national forest have a broader vocation than supplying coniferous lumber to a voracious market for housing.

With nearly two thirds of the soft wood saw timber inventory, public forests are the logical and efficient source of wood. Yet their traditionally subordinate part in supply will probably not change easily or soon. Only intensive timber management could change that part to a major one, a proposal which Congress has ignored or defeated several times.

Instead Congress has chosen non-industrial private forests for money and attention. Although such ownerships cover 60 per cent of the country's forested area, they have only one fifth of coniferous sawtimber. Economists and foresters have long shuddered over their fragmentation and poor condition; but Congress has seen them as an opportunity to help private endeavor without sparking controversy over the federal forests.

At the time of hearings and debates even such contentious viewers of forest policy as the Sierra Club and the National Forest Products Association accepted the choice as wise. While the national forests by law have a vocation for multiple use, private lands can reach for whatever degree of commerical timber management the owners' means and interests allow.

Thus by that strange transmogrification of words which is the genius of our language, FIP (once a silver coin worth 6½ pence) has become the Forestry Incentives Program and a potentially weighty factor for better housing and the quality of life which abundant wood products can give. Herein is a new tack for forestry. Other programs such as the Soil Bank have planted trees, but primarily for social purposes aimed at easier, pleasanter surroundings for residents and visitors to the countryide. The new forestry incentives are for the national timber supply and only incidentally for the benefits which receive equal status on the national forests.

FIP has two sections of the 1973 Farm Bill. They authorize annual appropriations of $25 million with orders that the Secretary of Agriculture use them where planting trees and improving timbered stands best match the aim of producing sawlogs. Therefore the 1974 Program Year, although leaving out no state, placed half the funds in the Southeast, with Alabama's $903,000 the largest share. California's $50,000 is about half of Maryland's, with Alaska and Rhode Island coming in last with $5,000 each. State foresters select the counties and local foresters the exact sites for planting or improvement. The use of high quality land first results from a clear directive and should prevent weak mix-up of social and economic needs which cost-sharing programs have too often become.

Nevertheless the Forestry Incentives Program would probably not have come about had not cost-sharing suggested an alternative to the controversial cutting of old-growth timber on the national forests and to the cycles of steeply rising lumber and plywood prices of 1969 and 1973. Since then both the Forest Service and the President's Panel on Timber and the Environment have pointed toward even steeper prices and shortages of coniferous sawtimber instead of the low-cost, abundant and high quality wood which the forests should provide. They include the best and most extensive pinelands in the world and hardwoods that rival the best of the tropics.

Therefore the program offers incentives only for planting trees and improving timber stands upon the sites most capable of yielding returns upon the costs incurred. Those for planting run from $32 to $90 an acre, depending mainly upon the effort needed to rid the ground of competing vegetation and prepare the soil. The first year's planting of 450,000 acres will be mostly on the coastal sweep from East Texas to the Eastern Shore where some 30 million acres lie idle or nearly so.

The aim of timber stand improvements is to give the best trees room to grow by eliminating their competitors for light and space. It will cover about the same area as planting, but with lower costs and less time for salable results than the 20 years pine planting require.

A taxpayer can well ask why this form of private enterprise needs the fillip of federal help up to 75 per cent of the investment cost. The country needs wood while millions of acres are either unstocked or growing wood so poor as to be almost without value. For the private owner the alternatives to growing wood can usually be bonds and savings accounts that yield higher returns.

The alternatives to public ownership or help are the ecological and energy problems of using materials which neither sink rapidly and harmlessly back into the cycle of life as does wood nor renew themselves with the easy nudge of an incentive dollar.

TO THE CONGRESS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, a lyric statement by Joel Oppenheimer in the Village Voice has come to my attention which I believe captures the feeling that millions of Americans, myself included, toward former President Richard M. Nixon. Let me read it:

To The Congress

dears sirs i do not
wish to sound
vindictive but if he'll
pay his taxes and the
penalties they'd
properly put on you
or me, and if he makes
good a few blighted
public lives, and if
he'll scotch tape the
constitution back
together again, and
if he'll breathe life
into assorted indochinese,
then we'll just be even.

There is much debate in the country on whether the President will escape prosecution or be granted immunity. It is clear Mr. Speaker, from your statements and others, that this Congress quite correctly will not grant immunity to Richard M. Nixon for any criminal acts which he may have performed while in Congress; and I believe that the special prosecutor, Leon Jaworski, will find it impossible to continue with the prosecution of lesser former officials of government for criminal activities and allow the chief culprit to remain free from prosecution. I have full confidence that the special prosecutor will fulfill his obligations of office in the same exemplary way that he has to date.

PAIRS IN THE COMMITTEE OF THE WHOLE

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I am today introducing a resolution to amend the House rules so as to extend the use of pairs to the Committee of the Whole House on the State of the Union.

The practice of "pairing" in the House began in the early 1800's. Members on opposing sides of an issue would informally arrange pairs when both were to be absent from the floor during a vote on a particular bill. The pair, though not counted as a vote, allowed Members to indicate how they would have voted had they been present.

Originally, pairing was done by gentlemen's agreement with the House exercising no control over their use or abuse. In 1880, as part of a general reform of the House rules, pairs received their first formal recognition, as a device for enabling Members to announce their positions on bills when they could not be present for the actual voting. Thereafter, pairs were to be announced by a clerk of the House and published in the official journal of the day's proceedings immediately following the first rollcall.

So long as votes taken in the Committee of the Whole were limited to voice votes, divisions, and—unrecorded—teller votes, pairs were not practical nor were they needed. When electronic recorded votes were introduced in the Committee of the Whole, pairs would have been convenient, but the Speaker ruled that pairs were not permitted.

I can see no valid reason not to extend the use of pairs to recorded votes taken in the Committee of the Whole. The Committee is a procedural fiction whose genesis can be traced back to Britain's early parliament. The Committee, in reality, is the House operating under less formal procedural rules for the sake of convenience. For example, only 100 Members are needed to conduct its business, whereas a quorum in the House is 218. Why should Members be denied the convenience of pairing in this forum?

Moreover, on many occasions, the real fight over the shape of legislation occurs during consideration of amendments in the Committee. By the time the bill is before the House for final approval, in many cases approval is little more than a formality.

Though the rules of the House now provide that pairs may be announced just once during the course of the legislative day, the Congressional Record does show pairs after each vote taken in the full House by the electronic recording system. Announcing pairs but once each day was recommended in the 1880's as a means of expediting the business of the House at a time when a call of the roll lasted 20 minutes.

Expedition was also a principal reason for adopting the electronic vote recording system now employed. However, my proposal will in no way delay matters. As all Members know, most pairs are no longer formally announced by the pair clerk; they are arranged by majority and minority clerks and inserted in the appropriate place in the Congressional Record. Under my amendment, no time would be lost; the pair clerks would simply repeat the process now used in the House for votes taken in the Committee of the Whole.

My final reason for offering this amendment is, perhaps, the most important. Each Member has a responsibility to the constituents he or she represents to cast a vote each time a bill or resolution is before the House. When a Member is, for some reason, unable to be present for a vote on the floor, I believe the responsibility to be on record on that particular issue is not diminished. My amendment would enable each Member to formally record his or her position on controversial legislative actions in the Committee when unable to be there in person.

I should add that under any procedure pairing can be accomplished only to the extent that there are enough Members who wish to be recorded in the negative on any given vote to offset those who wish to be recorded in the affirmative, and vice versa. Where a vote is lop-sided no pairs—or only a small number of pairs—may be available. However, this limitation on the usefulness of pairing applies whether pairs are permitted only in the House or also in the Committee of the Whole.

The reform I am proposing is a modest one; it would hurt no one and would assist both the Members and their constituents. I am introducing the resolution and hopefully, stimulate debate. I intend now so that it may be a matter of record, to offer my resolution as an amendment to the Bolling and Hansen committees' reform proposals because I believe it would be consistent with the stated goals of House Resolution 988, and would be in the public interest.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ANDERSON of Illinois (at the request of Mr. RHODES), for today, on account of illness.

Mr. BEARD (at the request of Mr. EVINS of Tennessee), for today, on account of a death in the family.

Mr. BROTZMAN (at the request of Mr. RHODES), for today, on account of a death in the family.

Mr. FOUNTAIN, from 12 noon until 1 p.m. today, on account of official business.

Mrs. HANSEN of Washington, for August 20, 21, 22, and 23, on account of official district business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES for 15 minutes, today, and to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. LENT) to revise and extend their remarks, and to include extraneous matter:)

Mr. MCKINNEY, for 5 minutes, today.
Mr. RAILSBACK, for 5 minutes, today.

(The following Members (at the request of Mr. BRECKINRIDGE) to revise and extend their remarks and include extraneous matter:)

Mr. BRADEMAS, for 5 minutes, today.
Mr. SARBANES, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. MINISH, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MATSUNAGA, to extend his remarks immediate preceding passage of the bill H.R. 11796.

Mr. ZABLOCKI.

Mrs. MINK to revise and extend her remarks on H.R. 11796, considered in the House today.

(The following Members (at the request of Mr. LENT) and to include extraneous matter:)

Mr. KEMP in three instances.
Mr. STEELMAN.
Mr. ARCHER.
Mr. GUDE.
Mr. MOORHEAD of California.
Mr. WYMAN in two instances.
Mr. VEYSEY.
Mr. BROYHILL of Virginia.
Mr. BROOMFIELD.
Mr. BRAY in two instances.
Mr. SEBELIUS.
Mr. CRONIN.
Mr. FINDLEY.
Mr. CRANE.
Mr. BROWN of Ohio.
Mr. DERWINSKI in three instances.
Mr. HOSMER in two instances.
Mr. CONTE.
Mr. COLLINS of Texas in four instances.
Mr. SARASIN in two instances.

(The following Members (at the request of Mr. BRECKINRIDGE), and to include extraneous matter:)

Mr. ANNUNZIO in six instances.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in two instances.
Mr. GAYDOS.
Mr. HAMILTON in two instances.
Mr. EILBERG in 10 instances.
Mr. MOLLOHAN.
Mr. LEHMAN.
Mr. EVINS of Tennessee in two instances.
Mr. ROUSH in two instances.
Mr. FISHER in three instances.
Mr. BIAGGI in 10 instances.
Mr. BERGLAND.
Mr. FRASER in five instances.
Mrs. MINK in two instances.
Mr. DIGGS.
Mr. LUKEN.
Mr. TEAGUE in six instances.
Mr. MATHIS of Georgia in five instances.
Mr. BROWN of California in five instances.
Mr. VANIK.
Mr. MITCHELL of Maryland.
Ms. HOLTZMAN.
Mr. YOUNG of Georgia.
Mr. OBEY.
Mr. MURPHY of New York.
Mr. BINGHAM in 10 instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3289. An act to amend the act of August 10, 1939 (53 Stat. 1347), and for other purposes; to the Committee on Agriculture.

S. 3308. An act to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 3906. An act to amend title 10, United States Code, by repealing the requirement that only certain officers with aeronautical ratings may command flying units of the Air Force; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 10044. An act to increase the amount authorized to be expended to provide facilities along the border for the enforcement of the customs and immigration laws;

H.R. 15791. An act to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes; and

H.R. 15936. An act to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 3066. An act to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes; and

S. 3190. An act to authorize appropriations for fiscal year 1975 for carrying out the Board for International Broadcasting Act of 1973.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following title:

On August 15, 1974:

H.R. 7218. An act to improve the laws relating to the regulation of insurance companies in the District of Columbia.

On August 16, 1974:

H.R. 15155. An act making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes;

H.R. 15405. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and

H.R. 15544. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1975, and for other purposes.

ADJOURNMENT

Mr. BRECKINRIDGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p.m.), the House adjourned until tomorrow, Tuesday, August 20, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2662. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–1, finding that the making of an agreement with the Government of Egypt for the sale of 100,000 metric tons of wheat, and the sale of such wheat in furtherance of such an agreement, is in the national interest of the United States, pursuant to subsections 103 (d)(3) and (d)(4) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480); to the Committee on Agriculture.

2663. A letter from the Deputy Chief of Naval Material (Procurement and Production), transmitting the semiannual report of the Department of the Navy's research and development procurement actions of $50,000 and over, covering the period ended June 30, 1974, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

2664. A letter from the Chairman, Cost Accounting Standards Board, transmitting the annual progress report of the Board for fiscal year 1974, pursuant to section 719(k) of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

2665. A letter from the Assistant Secretary of the Treasury for International Affairs, transmitting a report on the status of foreign credits by U.S. Government agencies and by international organizations in which the United States is a member, as of June 30, 1973, pursuant to section 634(f) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2666. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92-043; to the Committee on Foreign Affairs.

2667. A letter from the Commissioner, Immigration and Naturalization Service. Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

2668. A letter from the Secretary of Commerce, transmitting the annual report of the National Marine Fisheries Service for calendar year 1973, pursuant to section 9 of the Fish and Wildlife Act of 1956 [16 U.S.C. 742h]; to the Committee on Merchant Marine and Fisheries.

2669. A letter from the Administrator of General Services, transmitting a prospectus proposing the acquisition, under a lease arrangement, of space in a building to be constructed to house the U.S. courts and other Federal agencies with an adjacent parking facility in Fort Lauderdale, Fla.; to the Committee on Public Works.

2670. A letter from the Chairman, U.S. Tariff Commission, transmitting the 24th report of the Commission on the operation of the trade agreements program, covering calendar year 1972, pursuant to section 402(b) of the Trade Expansion Act of 1962; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

2671. A letter from the Comptroller General of the United States, transmitting a report on the need to reimburse more consistently health facilities under medicare and medicaid; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. H.R. 16425. A bill to provide for the monitoring of the economy, and for other purposes (Rept. No. 93-1297). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. H.R. 12113. A bill to revise and restate certain functions and duties of the Comptroller General of the United States, and for other purposes; with amendment (Rept. No. 93-1300). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee of conference. Conference report on S. 821 (Rept. No. 93-1298). Ordered to be printed.

Mr. PRICE of Illinois: Committee of conference. Conference report on S. 3698 (Rept. No. 93-1299). Ordered to be printed.

Mr. TEAGUE: Committee of conference. Conference report on H.R. 14920 (Rept. No. 93-1301). Ordered to be printed.

Mr. TEAGUE: Committee of conference. Confernce report on H.R. 13999 (Rept. No. 93-1302). Ordered to be printed.

Mr. DORN: Committee of conference. Conference report on H.R. 12628 (Rept. No. 93-1303). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL of Virginia:

H.R. 16457. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under health care education loan programs; to the Committee on Ways and Means.

By Mr. DINGELL (for himself, Mr. McCloskey, Mr. Breaux, Mr. Forsythe, and Mr. Whitehurst):

H.R. 16458. A bill to establish a Federal Zoo Accreditation Board in order to insure that zoos and other animal display facilities maintain minimum standards of care for animal inventories, to provide technical and financial assistance to zoos, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HAWKINS (for himself, Mr. Reuss, Ms. Abzug, Mr. Anderson of California, Mr. Badillo, Mr. Barrett, Mr. Benitez, Mr. Boland, Mrs. Burke of California, Mr. John L. Burton, Mr. Brown of California, Mr. Carney of Ohio, Mrs. Chisholm, Mr. Clay, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Dent, Mr. Diggs, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, and Mr. Fauntroy):

H.R. 16459. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. Reuss, Mr. Fraser, Mr. Gray, Mr. Green of Pennsylvania, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Miss Holtzman, Ms. Jordan, Mr. Koch, Mr. Lehman, Mr. Luken, Mr. Meeds, Mr. Metcalfe, Mrs. Mink, Mr. Moakley, Mr. Murphy of New York, Mr. Nix, Mr. Patman, Mr. Perkins, Mr. Podell, Mr. Rangel, Mr. Rees, and Mr. Riegle).

H.R. 16460. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. Reuss, Mr. Rodino, Mr. Rosenthal, Mr. Roybal, Mr. Sarbanes, Mr. Seiberling, Mr. Smith of Iowa, Mr. Stark, Mr. Stokes, Mr. Thompson of New Jersey, Mr. Tiernan, Mr. Traxler, Mr. Vander Veen, and Mr. Charles H. Wilson of California):

H.R. 16461. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. Reuss and Mr. Phillip Burton):

H.R. 16462. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mrs. HECKLER of Massachusetts:

H.R. 16463. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the tax imposed on interest on savings; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland:

H.R. 16464. A bill to transfer the technical assistance authority to the Secretary of Housing and Urban Development with respect to the surety bond guarantee program of the Small Business Administration provided by the Housing and Urban Development Act of 1970 to the Small Business Administration; to the Committee on Banking and Currency.

By Mr. MITCHELL of Maryland (for himself, Mr. Badillo, Mr. Tierman, Mr. Kemp, Mr. Hawkins, Mr. Dellums, Mr. Helstoski, Mr. Long of Maryland, Mr. Moakley, Mr. Stark, Mr. Young of Georgia, Mr. Conyers, Mr. Fauntroy, Mr. Rangel, Ms. Collins of Illinois, Ms. Abzug, Mr. Stokes, Mr. Edwards of California, and Mr. Burgener):

H.R. 16565. A bill to limit use of prison inmates in medical research; to the Committee on the Judiciary.

By Mr. CONLAN:

H.R. 16466. A bill to reestablish the fiscal integrity of the Government of the United States and its monetary policy, through the establishment of controls with respect to the levels of its revenues and budget outlays, the issuance of money and the preparation of the budget, and for other purposes; to the Committee on Ways and Means.

By Mr. DOWNING:

H.R. 16467. A bill to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more than 16 passengers when emergency situations arise; to the Committee on Merchant Marine and Fisheries.

By Mr. GUDE:

H.R. 16468. A bill to amend title 39, United States Code, to require the Postal Service to consult with agencies of State and local governments with respect to the construction of certain Postal Service facilities, to establish hearing procedures with respect to proposals for such construction, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GUDE (for himself, and Mr. du Pont):

H.R. 16469. A bill to authorize the voluntary withholding of Maryland, Virginia, and District of Columbia income taxes, pursuant to agreements subject to review by the Committee on House Administration of the House of Representatives, in the case of certain legislative officers and employees; to the Committee on House Administration.

By Mr. HEINZ (for himself, Mr. Biester, Mr. Kyros, and Mr. Myers):

H.R. 16470. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 16471. A bill making a supplemental appropriation for the Department of Health, Education, and Welfare for the fiscal year ending June 30, 1975, to provide funds to conduct a study of the effects of the red tide on human health; to the Committee on Appropriations.

By Mr. KYROS:

H.R. 16472. A bill to direct the Secretary of Commerce to undertake a comprehensive study of the present and future needs of public ports in the United States, to establish a loan and grant program to enable public ports to comply with certain Federal standards, and for other purposes; to the Committee on Public Works.

By Mr. OWENS (for himself, Mr. Railsback, Mr. Mitchell of New York, Mr. Bell, Mr. Brown of California, Ms. Burke of California, Mr. Phillip Burton, Ms. Chisholm, Mr. Cleveland, Mr. Cohen, Mr. Cronin, Mr. Davis of South Carolina, Mr. Dellums, Mr. Edwards of California, Mr. Fascell, Mrs. Grasso, Mr. Harrington, Mr. Hogan, Mrs. Holt, Ms. Holtzman, Mr. Lagomarsino, Mr. Luken, Mr. McKay, Mr. Mann, and Mr. Murphy of New York):

H.R. 16473. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. OWENS (for himself, Mr. Podell, Mr. Roncallo of New York, Ms. Schroeder, Mr. Stark, Mr. Symington, Mr. Thompson of New Jersey, Mr. Vigorito, and Mr. Won Pat):

H.R. 16474. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 16475. A bill to authorize a limited waiver of the child labor provisions of the Fair Labor Standards Act of 1938 with respect to certain agricultural hand harvest laborers; to the Committee on Education and Labor.

By Mr. WYMAN:

H.R. 16476. A bill to amend title 5, United States Code, to provide that an employee's accrued annual leave may be granted only upon such employee's request and, absent such request, such accrued leave may not be required to be taken; to the Committee on Post Office and Civil Service.

By Mr. MELCHER:

H.J. Res. 1112. Joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September annually as National Good Neighbor Day; to the Committee on the Judiciary.

By Mr. WALDIE:

H. Con. Res. 608. Concurrent resolution expressing the policy of the Congress that the performance of the functions of the Federal Government should be attained by use of its own manpower and not by means of contracts with the private sector; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM:

H. Res. 1326. Resolution to amend the Rules of the House of Representatives to permit pairs in Committee of the Whole on roll call votes; to the Committee on Rules.

By Mr. CAREY of New York:

H. Res. 1327. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. MOORHEAD of Pennsylvania:

H. Res. 1328. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. BRADEMAS (for himself, Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, Mr. Hanrahan, Mr. Annunzio, Mr. Dent, Mr. Taylor of Missouri, Mr. Price of Illinois, Mr. Johnson of Colorado, Mr. James V. Stanton, Mr. Shuster, Mr. Minish, Mr. Adams, Mr. O'Brien, Mr. Cronin, Mr. Hudnut, Mr. Parris, Mr. Sarasin, Mr. Fascell, Mr. Rosenthal, Mr. Froehlich, Mr. Don H. Clausen, and Mr. Biaggi):

H. Res. 1329. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. BRADEMAS (for himself, Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, Mr. Abdnor, Mr. Rooney of Pennsylvania, Mr. Eilberg, Mr. Ketchum, Mr. Boland, Mr. Badillo, Mr. Rousselot, Mr. Gilman, Mr. Burke of Massachusetts, Mr. Conte, Mr. Tiernan, Mr. Walsh, Mr. Seiberling, Mr. Gude, Mr. Young of Illinois, Mr. Steelman, Mr. Thompson of New Jersey, Mr. King, Mr. Vanik, and Mr. Maraziti):

H. Res. 1330. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. BRADEMAS (for himself, Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, Mr. Podell, Mr. Stuckey, Mr. Carney of Ohio, Mrs. Grasso, Mr. Yates, Mr. Van Deerlin, Mr. Traxler, Mr. Vigorito, Mr. Nedzi, Mr. Helstoski, Mr. John L. Burton, Mr. Phillip Burton, Mr. McKinney, Mr. Wyman, Mr. Reuss, Mr. Steele, Mr. Edwards of California, Mr. Roncalio of Wyoming, Mr. Moss, and Ms. Jordan):

H. Res. 1331. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. BRADEMAS (for himself, Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, Mr. Fauntroy, Mr. Won Pat, Mr. Ford, Mr. Roybal, Mr. Stark, Ms. Holtzman, Mr. Dingell, Mr. Pepper, Mr. Luken, Mr. Rodino, Mr. Dulski, Mr. Pike, Mr. Hanley, and Mr. Obey):

H. Res. 1332. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

520. By Mr. PRICE of Illinois: Memorial of the House of Representatives of the Illinois General Assembly relative to that body's opposition to the proposed abandonment of various railroad lines within the State; to the Committee on Interstate and Foreign Commerce.

521. Also, memorial of the House of Representatives of the Illinois General Assembly relative to returning the observance of Memorial Day to May 30; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. MINK:

H.R. 16477. A bill for the relief of Keith Lai McKinney and Clifford Tuan McKinney; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 16478. A bill for the relief of Dr. Wilfredo Falcon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

474. By the SPEAKER: Petition of Peggy Ha'o Ross, Kahului, Maui, Hawaii, relative to redress of grievances; to the Committee on Interior and Insular Affairs.

475. Petition of William E. Payne, Jersey City, N.J., relative to redress of grievances; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

RECENT DEVELOPMENTS SHOW OUR AMERICAN CONSTITUTIONAL SYSTEM WORKS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. EVINS of Tennessee. Mr. Speaker, certainly the recent developments and historic events, including the successful Presidential transition, have once again demonstrated the strength and enduring soundness of our Constitution.

In this connection I place in the Record herewith my recent newsletter, Capital Comments, because of the interest of my colleagues and the American people in this most important subject:

Recent Developments Show Our American Constitutional System Works

Recent developments and historic events in the Congress and the country have again demonstrated that our American system of constitutional government works. The 93rd Congress may well be recorded in history as the Congress that reversed the flow of power which for years has been away from Congress and to the Executive.

As Mr. Anthony Lewis pointed out recently in a nationally syndicated column, the capable, competent and statesmanlike conduct of the Members of the Committee on the Judiciary during the impeachment proceedings "conveyed a reassuring sense of constitutional order."

The writer commended the wisdom and eloquence of the Members of the Committee and made the point that the impeachment process was one method by which Congress reasserted its power.

There have been other examples—legislation regaining control of the purse strings and controlling executive impoundments of appropriated funds, termination of the bombing in Cambodia, and a successful challenge to claims of virtually unlimited executive privilege, among others.

This historic week in Washington, which included the resignation of President Nixon—

the first President in our history to resign from the presidency—concluded with Gerald R. Ford, longtime member of the House and later Vice President, assuming office as the thirty-eighth President of the United States.

Standing before a Joint Session of the Congress, the new President pledeged a new era of "communication, conciliation, compromise and cooperation". President Ford exhibited an air of confidence and pledged an administration of openness and candor.

The foundations of our Constitution—imbedded deeply in our heritage and tradition—proved firm and strong as this difficult presidential transition occurred peacefully and in an orderly manner—with no mobs, tanks or disorders like those which accompany transfers of power in some other nations.

As Chief Justice Warren Burger quietly remarked to a friend just after the jurist had administered the oath of office to President Ford: "The system worked."

The presidential transition moved swiftly and smoothly—and President Ford announced that "our long national nightmare is over."

"Let us restore the Golden Rule to our political process," he said shortly after assuming the office of the Presidency. "Let brotherly love purge our hearts of suspicion and hate."

He echoed the same spirit in his address to a Joint Session of the Congress. His most important proposals for action were to announce a "summit meeting" on inflation and to call for re-creation of the Cost of Living Council to monitor wages and prices.

Your Representative worked with President Ford as a Colleague in the Congress for a number of years. He is a solid man, a fine American, with good instincts and high ideals. We all wish for President Ford the very best of good luck and success as he assumes the high and important office of 38th President of the United States.

FACTS ON RHODESIAN CHROME

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. ARCHER. Mr. Speaker, the United States joined with members of the United Nations in imposing mandatory economic sanctions on Rhodesia in 1966. Upon careful consideration of the effect of this boycott on the economy and national security of the United States, the Congress in 1971 added an amendment to the Military Procurement Authorization Act, the Byrd amendment, allowing the President to import materials strategic and critical to the United States—for example, chrome, ferrochrome, nickel, and asbestos. The Senate acted to reimpose this ban in December 1973. The House may soon be considering this bill, S. 1868.

Earlier this year, I sent out a "Dear Colleague" letter along with a factsheet entitled "Major Considerations Concerning Rhodesian Chrome." Since we may be considering this legislation, I would like to enter an updated version of this factsheet in the RECORD.

MAJOR CONSIDERATIONS CONCERNING RHODESIAN CHROME

ESSENTIAL NEED FOR CHROME

A basic fact is that the United States desperately needs Rhodesian chrome, especially ferrochrome, an alloy of chrome which is essential for specialty steel products (e.g., stainless steel). Unlike the situation in World War II when synthetic rubber could be substituted for rubber in our vital industries, there is no substitute for chromium in stainless steel (each ton of stainless steel must contain at least 11% chrome or 220 pounds. Normally, chrome content is about 18%). Except for the period of the boycott (1967–1971), Rhodesia has been a faithful supplier of this vital material to the United States. No chromite ore has been mined in the U.S. since 1961 and Rhodesia possesses 67.3% of the known world resources of metallurgical grade chromite.

U.S. CHROME SUPPLY AND FUTURE REQUIREMENTS

The assertion had been made that the U.S. has sufficient chrome in our national stockpile to meet our national defense needs citing the fact that the Department of Defense purchases of chrome-bearing metals account for three percent of our national stockpile. This is not the complete story. In the consideration of our defense needs, we must look at the end-uses of most chrome based metals. Over 94% of stainless steel (which accounts for 91% of the chrome consumption) is used in industrial applications ranging from chemical production to food handling equipment. Petroleum refining, power generation, and pollution control equipment are dependent upon the availability of large quantities of stainless steel. We are talking about the critical use of stainless steel in petroleum refining operations and building nuclear power plants to meet our current energy crisis and in pollution control devices (auto catalytic converters). This specialty steel is also essential in the production of aerospace equipment, railroad cars, construction equipment, and jet engines.

The present stockpile of chrome could probably supply our strictly defense needs but could not supply defense-supporting needs and could seriously damage our domestic stainless steel industry. In 1972 the United States used 309,000 tons of ferrochrome and about 400,000 tons in 1973. The demand for stainless steel will likely accelerate at a geometric rate in future years. Current forecasts estimate that the U.S. may be using 750,000 tons of ferrochrome by 1980! We need to make the proper preparations now in order to avoid a shortage of this precious metal in future years. At present, there are no reserves of metallurgical grade chrome in the U.S.

Contrary to charges made by proponents of reimposing the boycott, importation of Rhodesian ferrochrome would not be harmful to the American ferrochrome industry. The American ferrochrome industry has been on the decline since 1963 for a variety of reasons (e.g. increasing costs of labor and electric power, pollution control regulations, and the increasing importation of stainless steel from Japan)—all matters unrelated to the Rhodesian situation. There is no real threat to American jobs from the Rhodesian ferrochrome industry. In fact, since domestic prices are forty to fifty cents less per pound than overseas sources, U.S. specialty steel producers would generally prefer to purchase American ferrochrome. However, there is a shortage. U.S. ferrochrome producers are operating at capacity levels and have placed their customers on allocation. We need overseas supplies of ferrochrome to keep our specialty steel industry operating.

CHROME FROM RHODESIA OR RUSSIA

If we restored the ban on Rhodesian chrome, the United States would have to rely on the only other large source of chrome in the world outside Rhodesia and South Africa (which uses Rhodesian chrome to upgrade its own ore)—Soviet Russia. Considering our past dealings with the Soviet Union, a reliance on the Soviets for such a precious metal would be precarious for our best national interests.

We already have had some revealing experiences with the U.S.S.R. on the chrome issue during the period the U.S. supported the boycott. Soviet chrome more than doubled in price and the price of ferrochrome went up 60% to 70% during this time. The United States had been paying $39.50 a ton for the Rhodesian ore compared to $55.50 a ton for the Russian ore. The average price of Russian chrome jumped from $35.78 a ton in 1965 to $68.49 a ton in 1971 allowing the Russian to reap "windfall profits" on our need for the chrome. Russian prices reached their peak in 1971 despite the fact that chrome demand reached a ten year low! With the enactment of the Byrd amendment in 1971, the Russian price stabilized and declined with the highly competitive Rhodesian chrome again reaching the American markets. Continued importation of chrome from Rhodesia would guarantee the U.S. a reliable supplier and prevent the U.S. from relying on a dubious source of supply (the Soviet Union), which did not hesitate to enforce its advantage in the trade earlier by raising prices.

THE INTERNATIONAL ISSUE AND BOYCOTT

An issue has been raised that the United States should adhere to the United Nations boycott and that such action would increase our acceptance (and trade) among African nations. Eight years of the boycott has proved that other nations have given vocal support but in actuality it has been only Britain and the United States (until 1971) among the industrialized nations which have enforced it. Italy, Japan, France, West Germany and even Communist China have continued to trade with Rhodesia.

While millions of Americans were inconvenienced by reduced supplies of petroleum products during the Arab boycott, the U.S. refused to capitulate to international blackmail in changing its foreign policy toward Israel. The U.S. should maintain good relations with all nations but *not* at the expense of sacrificing an independent foreign policy. If we would restore the boycott in deference to a number of vocal African nations, we would be giving into political blackmail while sacrificing a matter of our own national security. The U.S. has made only a narrow exception to the trade boycott of Rhodesia (chrome-ferrochrome-nickel-asbestos) while other members of the U.N. freely trade a variety of items with Rhodesia. The entire question in international affairs boils down to one essential question: Will the United States import chrome directly from Rhodesia or will it obtain Rhodesian chrome via importing a finished product (stainless steel from Japan) which would cripple our own specialty steel industry and cause unemployment? Dependence on a strong competitor for a finished product (Japan) or on an unreliable source for the chrome (U.S.S.R.) is a risky economic and political decision in a turbulent world of order to uphold an embargo which only one major industrial nation supports!

A PLEA BARGAINING DEAL THAT RAISES QUESTIONS

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. FISHER. Mr. Speaker, I call attention to a strange action on the part of the office of Watergate Special Prosecutor, which is difficult for me to comprehend.

Here is what I am referring to: A

few months ago Jake Jacobsen was indicted on 7 counts in Abilene, Tex., for conspiracy, misapplication of savings and loan funds, and perjury, carrying a potential penalty of 35 years in prison and $65,000 in fines. This indictment has no relationship of any kind to the Watergate investigation.

It happens, incidentally, that the savings and loan association referred to in the indictment was located in my home town of San Angelo, Tex., and the victims were my constituents. A considerable amount of money was involved.

Now, boom, the press reports that in a sudden swap-out, plea bargaining deal manipulated in Washington by Watergate Special Prosecutors the Abilene case against Jacobsen is to be dismissed.

The people down there wonder why? They want to know what is going on up here. There has been revealed no claim the local U.S. district attorney was not prepared to proceed with that prosecution. No contention has been made that the facts did not justify the indictment.

According to the Washington press Jacobsen, after also being indicted in Washington on a charge of giving false testimony on a matter totally unrelated to the Texas case, made a deal with the Special Prosecutors.

The prosecutors agreed to forego pursuing the Washington charge and let Jacobson plead guilty to a milder case on condition that he would agree to testify and make out some sort of a case against former Treasury Secretary John Connally for receiving $10,000 in milk funds from Jacobsen, the purpose for which it was to be used being in dispute.

They can call this plea bargaining if they want to, but it has all the trappings of an obstruction of justice on the part of those who manipulated the deal. That is, if arbitrary action by Special Prosecutors to prevent Jacobsen from having to answer for an alleged crime in Texas can be called an obstruction.

It is emphasized that the Texas case against Jacobsen had not the remotest relation to Watergate or to alleged misuse of milk funds.

Technically it is no bribery on the part of the prosecutors, but it contains many of the ingredients of bribery. If they had offered Jacobsen $1,000, say, to testify against Connally, that would be bribery. But in terms of administration of justice, what is the difference? We can be sure that having the Texas case dismissed was worth far more than $1,000 to Jake Jacobsen.

And, for good measure, as a part of the Special Prosecutors' deal they agreed not to prosecute Jacobsen on his first Washington indictment which the press reported the prosecutors could have reinstated, carrying a potential penalty of 5 years and $10,000.

It seems to me the Office of Special Prosecutor owes it to the public to explain just what was wrong with the Texas case against Jacobsen that justifies it being thrown out of court. If it was done to satisfy the ego of those who manipulated it, and not for some urgent and plausible legal reason related to the facts in that case, then it would appear the deal becomes some sort of a shenanigan which should be loudly condemned.

THE JAPANESE ARE ABOLISHING THEIR CONTROLS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. GAYDOS. Mr. Speaker, some of us here well remember the time when the flow of Japanese steel into this country was costing the jobs of thousands of laid-off American steelworkers and how a wave of protest, in which I joined, arose in Congress and elsewhere.

The protest was based upon the principle of fairness. The Japanese industry was being subsidized in its exports by a government which at the same time was severely restricting imports. I demanded, as did others, that drastic action be taken to correct the situation.

As might have been expected, our globally minded State Department objected on the grounds that we Americans by some strange logic still bore a responsibility to play the patsy for others in the interest of world peace. Jobs here seemed less important to our diplomats than goodwill in Tokyo.

But, as I recall, the matter became so serious that the Japanese themselves took notice and, fearing retaliation, convinced our State Department that they would cut back voluntarily; that is, adopt an export quota system of their own which would ease the problem.

Whether this system worked or not is a matter unsettled. Demand for steel suddenly soared throughout the world and particularly here in our country. So our industry became busy and the danger of subsidized Japanese competition lessened. Today it no longer is in mind.

But now from Tokyo comes word that Japan's steel industry will abolish its voluntary restrictions on iron and steel exports at the end of this year. United Press International said this in its dispatch:

> The Japan Iron and Steel Federation sources said such restrictions are no longer necessary because of declining shipments to the United States and Europe.

Perhaps not. But what if the situation turns around and competition is revived? It seems to me that the Japanese are playing it cleverly. An end to the current high demand would have Japanese steel gushing unrestricted into the U.S. market, once more, costing jobs here and necessitating another rallying of our forces to bring a halt. Meanwhile, the Japanese industry could continue booming by dumping surpluses on us as they did in the past, and at the cut prices made possible by subsidies.

Why, if the Japanese are sincere, should not the voluntary restrictions be kept on a standby basis? Why should they be abolished now except to bring about the old advantage for Japan once market conditions change? I ask our State Department to inform the Japanese at once that, if these controls are dropped, we will be compelled to adopt controls of our own. No American steelworker is going to lose his job to Japanese competition in the future without a battle from me and others in this Congress.

MIDPARK HIGH SCHOOL'S SURVEY OF HAZARDOUS TOYS

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. MINSHALL of Ohio. Mr. Speaker, students of Midpark High School Middleburg Heights, Ohio, recently made two highly interesting and potentially valuable surveys. As a project for their home economics and child development classes, they conducted neighborhood interviews to determine what parents think of toys now on the market and to obtain their ideas for better and safer playthings. Approximately 80 percent of the families interviewed reported accidents involving toys and children.

Steven J. Chorvat, Chief of the Bureau of Neighborhood Conservation and Environmental Health Services of the Cleveland Department of Health, was consultant for the project. I would like to join him in congratulating both students and teachers on their work, results of which are to be sent to the U.S. Consumer Product Safety Commission.

I include the following in the CONGRESSIONAL RECORD:

MIDPARK STUDENTS LAUDED FOR UNSAFE TOY SURVEY

Home economics and child development classes at Midpark High School have been commended by Steven J. Chorvat, chief of the Bureau of Neighborhood Conservation and Environmental Health Services of the Cleveland Department of Health, for their participation in a "safe and hazardous toy" program.

The U.S. Consumer Product Safety Commission estimates there are 700,000 injuries from unsafe toys every year in the U.S.

Students made two surveys in their neighborhoods during the school year to determine what parents thought of available toys, and to elicit their ideas and suggestions for better and safer toys.

As a result of the survey, parents and students came up with many such suggestions for stores, toy manufacturers, the U.S. government Consumer Product Safety Commission, and local authorities to follow for better and safer toys to protect children.

Teachers involved in the program included Carol Templeton, Carol Pickering, Carol Barnes, Kit Emch and Jan Flowers.

The Environmental Health Services of the Cleveland Department of Health cooperated with teachers and students in helping to plan the program and compiling data from the neighborhood surveys.

Programs on safe and hazardous toys are also presented through local libraries.

[From the Plain Dealer (Cleveland), Mar. 21, 1974]

PUPILS' SURVEY TURNS UP 1,088 INJURIES FROM TOYS

(By Thomas H. Gaumer)

A new toy does not necessarily bring happiness, according to Middleburg Heights residents.

In fact, a new toy often causes unhappiness and even bitterness, pupils at Midpark High School learned from a survey of 841 residents. Most of the residents complained of toys breaking and children being injured, sometimes seriously, by new toys.

Using a form designed by the Cleveland Department of Health, six home economics classes conducted the survey. Their results were compiled by Steven J. Chorvat, the health department's chief of neighborhood conservation.

The classes recorded 1,088 instances where children were injured by toys. Some parents said they have concluded that the way to avoid the problem is to make toys instead of buying them.

The survey showed that most toy injuries were cuts, bruises, burns and shocks. Among the 814 respondents, injuries mentioned included 53 children with broken bones, 56 who choked from swallowing small objects, one child who lost an eye, another who lost a finger and three who were poisoned. One boy lost his hearing for three months because of a cap gun.

The long list of toys that caused injuries included bicycles, electrical and chemical toys, guns that shoot objects, metal doll houses and other metal toys, exposed screws and nails and wires in stuffed toys.

A large majority of those surveyed also said that some toys began to fall apart within days or weeks of purchase. The also said that toys are not as well made as they were a few years ago.

Among suggestions from the respondents for making toys safer were:

Don't take advertisements for gospel. They are designed to sell.

Manufacturers should tag toys warning of dangers.

Remove false advertising from television. Children see the advertisements and demand the toys.

Warn friends and neighbors about unsafe toys.

Put yourself in the child's place when buying toys. Ask yourself if he could break the toy and what kind of injury it could cause.

Stores should watch closely the toys they buy.

Miss Kit Emch, one of three home economics teachers whose pupils participated, said each youngster was given 10 questionnaires and asked to have them filled by friends, neighbors and by going door-to-door.

TO BETTER SERVE THE CONSTITUENTS

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. SARASIN. Mr. Speaker, on January 28 of this year I entered in the CONGRESSIONAL RECORD a lengthy discussion of intention to establish a constituent service fund to help underwrite the costs of providing my Fifth District Connecticut constituency with the kind of communication and services I feel they deserve.

I placed before my colleagues and the public a detailed explanation of the types of expenses I believe could properly be charged to such an account, the method by which I hoped to raise the money for the fund and the text of a lengthy Internal Revenue Service response to a letter I wrote them asking for an official opinion of these plans.

I would now like to offer to my colleagues and the public a report on the first 6 months of operation of the constituent service fund. It has been of tremendous benefit in partially offsetting the tremendous out-of-pocket expense required of a Congressman who desires to maintain a high level of service to and communications with his district. I would be remiss if I did not also express my extreme gratitude to those individuals who have contributed to make the program a success.

The basic structure of the fund is based on a maximum $200 subscription for any individual and also benefits from miscellaneous contributions ranging from $1 upward. Contributions totaling $7,178 have been received from 51 individuals as of July 30, 1974.

Expenditures to that point totaled $6,011.60, leaving a balance of $1,166.40.

The money spent was used for the following:

Newsletters and questionnaires, including materials, engraving and printing—$3,923.64.

Staff assistance—$538.50.

"A Guide for Older Americans" handbook—$900.

Administrative expenses, including meetings, mailings, and Advisory Board—$531.99.

Travel reimbursements—$117.47.

The constituent service fund has proved to be a valuable asset in carrying out my congressional responsibilities and I shall continue to report regularly on its progress.

MR. FORD AND RHODESIAN CHROME

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. FRASER. Mr. Speaker Sunday, October 18, the Washington Post published an editorial "Mr. Ford and Rhodesian Chrome."

This week, probably tomorrow, August 20, the House will debate S. 1868. This bill permits the United States to again comply with U.N. economic sanctions against Southern Rhodesia. Advocates of the bill hope President Ford reads and acts upon the Post's editorial recommendation that he review "his position in the light of his new Presidential perceptions and responsibilities," and strongly support S. 1868.

The editorial follows:

MR. FORD AND RHODESIAN CHROME

A nice test, apparently the first of its kind, is coming up in the House Tuesday for President Ford. If he follows the sound national policy he inherited, he will put his administration's weight behind a proposition he voted against as a member of the House.

The issue is Rhodesian chrome. Since 1965, the United States has supported the trade sanctions voted against the former British colony by the United Nations. Three years ago, however, despite that official commitment, Congress enacted the "Byrd Amendment," sponsored by Sen. Harry Byrd (Ind.-Va.), authorizing Americans to buy Rhodesian chrome. Mr. Ford voted for the Byrd Amendment, apparently accepting the argument that Rhodesian chrome keeps the United States from becoming unduly dependent on imports of Soviet chrome. Moreover, while he was Vice President Mr. Ford rejected suggestions by other Nixon administration officials and interested legislators that he help the administration secure repeal of the Byrd Amendment. The latest such repeal effort passed the Senate last December and will arrive on the House floor on Tuesday.

Rhodesian chrome is not a simple issue. There are, however, two broad considerations on which there is substantial room for agreement. First, the Byrd Amendment has become a symbol, to many Americans and to the black-rule African nations, of official United States support for white-minority rule in Africa. It is an embarrassment to our national values and to our diplomacy. Not everyone agrees that sanctions are a good idea but no one can deny that the Byrd Amendment damages our relations with a score of African states whose good will and—yes—resources are of value to us. Whether Rhodesian chrome would still be available if the Smith government in Salisbury fell and a racially representative government came to power is also a fair question. Africans are asking whether it was only by accident that, in Mr. Ford's address to Congress last Monday, theirs was the only major region of the world not mentioned specifically by name.

The Byrd Amendment also has become something of a test of whether the United States—and by extension, every other nation—will honor its commitments undertaken at the United Nations. If it becomes established practice that a government's word given at the United Nations can be taken back at home, then the world body loses even a faint prospect of doing its necessary job. The United States, as a founder of the United Nations and as one of the principal prospective beneficiaries of the conditions it seeks to promote, has its interest as well as its reputation to uphold in seeing to it that this violation of its commitment is put to an end. Ours is the only country in the world which has formally and officially undercut its United Nations stand, on any issue, in this way.

Mr. Ford had hardly entered the White House when, in a message to the Secretary General, he pledged "continued American support for the United Nations" and offered the world body his personal respects. As a result of his own earlier position on the Byrd Amendment, however, a cloud hovers over his pledge. It would probably make the crucial difference in the uphill repeal fight in the House if Mr. Ford were to indicate that he has reviewed his position in the light of his new presidential perceptions and responsibilities. To do otherwise, in our view, would be to persist in what might be called a foolish consistency.

NATIONAL ACCLAIMED HISTORIAN MERRILL JENSEN COMMENTS ON THE FIRST CONTINENTAL CONGRESS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. EILBERG. Mr. Speaker, national acclaimed authority on the First Continental Congress, Prof. Merrill Jensen of the University of Wisconsin and now serving as the official adviser to the Reconvening of First Continental Congress, September 5, and 6, 1974, at Carpenters Hall, Philadelphia, Penn., made the following statement which I feel will be of interest to my colleagues in this Congress:

STATEMENT CONCERNING THE FIRST CONTINENTAL CONGRESS

The First Continental Congress met in Philadelphia on 5 September 1774 to adopt common policies to defend American rights and liberties against British attacks upon them. The delegates were strong men who differed profoundly about the policies to be adopted, but they united as one in their conviction that American rights must be defended.

As political leaders the delegates represented the elective branches of the colonial legislatures—the "houses of representatives." Forty-two of the fifty-four men had been or were members of those houses, and the great majority of them believed in legislative supremacy over the executive and judicial branches of government, principles they put into practice in writing American constitutions after 1776.

In the years after 1776 the delegates to the First Congress served their states as legislators, governors, and judges, but they did far more than that. In meeting together in 1774 they created the oldest national political institution: the Congress of the United States whose history extends unbroken from 1774 to the present day. Between 1774 and 1789 Congress established domestic policies, directed military operations, and determined and executed the foreign policies of the nation. Not until the adoption of the Constitution of 1787 did Congress share power with a Senate, an Executive and a Supreme Court.

Forty-one of the delegates to the First Congress were members of Congress between 1775 and 1789. In 1787, twenty-five per cent of the surviving members were elected to the Constitutional Convention. Fifty per cent of the surviving members served in the state conventions that ratified the Constitution. And last, but by no means least, two members of the First Congress—George Washington and John Adams—were the first two presidents of the United States under the Constitution of 1787, and two others—John Jay and John Rutledge—were the first two chief justices of the United States Supreme Court.

The members of the First Congress in 1774 thus began laying the foundations of a new nation whose independence the Second Congress declared in July 1776, and they played a fundamental role in creating a government for the nation. They often disagreed profoundly about the character of the political institutions they created, but collectively they were "Founding Fathers" in every sense of the term, and they are deserving of all honor on the two hundredth anniversary of their first meeting together.

PUBLIC TELEVISION SCORES ON IMPEACHMENT

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. YATES. Mr. Speaker, I believe the job performed by public television in covering the recent impeachment proceedings before the House Judiciary Committee deserves special notice. In my opinion, public TV did an outstanding job in providing essential explanation and background information about the debate. I thought, too, that its commentary was particularly tasteful and dignified. The staff of the National Public Affairs Center for Television—NPACT—which produced the programing, rendered a genuine public service in presenting coverage which was a model of fairness and objectivity.

I believe it is now clear that public television can provide the American people with objective information on what their Government is doing and why. The impeachment coverage proved that public TV can certainly match, if not go beyond, the commercial networks in giving important insights and interpretation of activities here in Congress.

I believe the article by John J. O'Connor in the New York Times of July 29, which I am attaching to my remarks, is well justified:

TV: VERDICT ON IMPEACHMENT COVERAGE? JUSTIFIED

(By John J. O'Connor)

After four full days of coverage, the verdict is clear. The decision to televise the House Judiciary Committee debates on Presidential impeachment is fully justified. While the presence of TV cameras has undoubtedly had some effect on the participants, that effect has often been positive, keeping blatant or excessive posturing to a bearable minimum. Meantime, the public is afforded invaluable access to, and understanding of, a historical event.

The House debates are by no means as "sexy," in TV trade jargon, as the Senate Watergate hearings, where new and frequently sensational information was being divulged on screen in living color almost daily. The material of the debates is now familiar to most Americans, and the constant rehashing of details can be downright boring. Many viewers, at least according to the ratings numbers, have stayed for awhile and then switched to other channels.

The more persistent have had two key rewards: a firsthand view of the complicated processes of government, and the emergence of a mosaic of 38 distinct personalities from the rather colorless mass of the committee itself. The importance of the proceedings is almost matched by television's awesome ability to transform local figures into national personalities.

Though there can be little doubt that the House panel hearings should be televised, legitimate concern remains on the question of how. Some observers, citing the historic importance, would argue that the proceedings be carried simultaneously on all three commercial networks instead of being rotated daily on a single network. You are, in other words, going to watch it whether you like it or not. This argument smacks of smug paternalism at best.

Much attention has also been given to the inclusion of commercials. The networks, however, have shown reasonable restraint in this area. Commercials have been inserted, but only in the natural recess breaks, and in some cases have almost provided welcome relief from the labored musings of the TV commentators.

The biggest problem for television is the material placed in and around the committee proceedings. The commercial networks have been using their chief anchormen—Walter Cronkite, John Chancellor, Harry Reasoner and Howard K. Smith—as central and generally sound commentators, explaining what is about to happen and summarizing what has happened.

Proceedings, however, require very little explaining. The content is remarkably clear. That leaves the commentators with a minimum of immediate commentary, and during breaks the tendency is to switch to TV reporters at the scene who conduct interviews.

The interviews are sometimes either worthless or misleading. On NBC, Friday morning, several committee members went on record with the completely erroneous impression that the proceedings would wind up that day. The interviews also, and quite naturally, can stimulate aggressiveness on the part of the reporter searching for news. The effect on the TV screen is merely jarring and, at this point, counterproductive.

For at this stage of the impeachment process, the primary role of television, especially if it is to have a role in the entire proceedings, should be that of a conduit. The less extraneous interference, the better. Hard reporting should be restricted to regular newscasts and special reports. "Grandstanding" before the TV cameras is a seduction for TV newsmen no less than for members of the Congress.

On the commercial networks, several of those special reports have been excellent, particularly those carried on CBS and NBC on Wednesday evening for a review of the Supreme Court decision and the opening of the committee debates. As for the Judiciary Committee debates, the most effective coverage, perhaps coming closest to the concept of a conduit, has been provided by public TV's NPACT center in Washington.

NPACT has been feeding the coverage live to certain stations, including Channel 13 in New York. Following the live feed, the stations are free to pick up a taped version of the entire day. At Channel 13 that has resulted in day-long coverage extending into the early hours of the following morning, what one station spokesman calls "wall-to-wall impeachment."

As anchormen, Paul Duke and Jim Lehrer have relied mostly on studio conversations with assorted guests, generally law school professors. The format is thoughtful and relatively unobtrusive. For the rest of the proceedings, that is precisely the format the medium must cultivate.

THE HOME HEALTH SERVICE ACT

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. STEELMAN. Mr. Speaker, meeting the medical needs of Americans adequately is of concern to all of us, especially in our discussions of national health insurance. An area I am particularly interested in is health care for the elderly. A great many elderly people do not want to be institutionalized in a nursing home or hospital and do not need to be for minimal medical care. Home health care is an inexpensive alternative which permits the individual to remain in his home and retain his independence while still being assured of health care.

The Home Health Services Act, presently under consideration in both the House and Senate, is a first step as it would authorize Federal funds to nonprofit agencies for the purpose of training people in providing health care to the elderly in their homes. I would like to see this legislation enacted this Congress and as an indication of the support for a program such as this, I am inserting in the RECORD a letter I received from a constituent of mine in Dallas which I believe states the case far better than I can:

DALLAS, TEX.,
August 9, 1974.

Hon. ALAN STEELMAN,
Cannon House Office Building,
Washington, D.C.

DEAR MR. STEELMAN: I have just finished reading Steelman Reports. There is something in it that I want to know more about and where to apply if I qualify.

You introduced the "Home Health Care Act" of 1974. I am very, very interested for I am a retired school teacher and a handicap from polio of years ago.

School teachers here in Dallas at least don't pay into Social Security. Some do "moonlight" however and will draw and are drawing Social Security depending on what they did on the side of classroom teaching.

Beside school teaching, I used a second trade, printing-linotype, to earn quarter hours toward Social Security in the past. I also earned quarter hours working for The Boy Scouts of America and in construction and for the government at Washington, D.C. Thus, when I fell-out of school teaching due to a stroke and recovered some, I thought that I was covered under Social Security. Alas, I was told that I did not have enough quarters to qualify.

If it wasn't for a small teacher's pension and insurance taken out by me while I was teaching, I'd be another on Welfare rolls. However, my family and I make do very well and are very grateful for all we receive and have.

I have to take very strong medicine now and for ever more. I can't get around very good anymore on my crutches and depend on my Family to push me around when we go some place in my wheelchair. "Home Health Care," at least in the near future, seems to be what I need.

Your help in explaining this act to me and telling me where to apply will be appreciated.

Best wishes.

Sincerely yours,
LAMAR H. EWING, Sr.

THE THREAT OF NO-FAULT

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. COLLINS of Texas. Mr. Speaker, the House is now considering the National No-Fault Insurance Act which passed the Senate on May 1. H.R. 10, a similar House version is currently awaiting further action by the House Interstate and Foreign Commerce Committee. This concept is one more example of the unrelenting spread of Federal control. We are dealing with a serious constitutional issue involving Federal infringement on State sovereignty. Present discussions indicate that Congress may prudently carry no-fault over until the next session.

In 1945, the McCarren-Ferguson Act assigned to the State the primary responsibility for regulation of insurance. National no-fault proposals would not only impose strict "minimum" standards of automobile insurance in every State, but would further compel each State to act under orders of the Federal Government in implementing and administering no-fault systems. States would be coerced to devote their agencies, officials, and facilities to the operation of the plan. This invasion of State's rights is contrary to the 10th amendment and inconsistent with constitutional federalism.

A few years ago Justice Black described federalism as requiring "* * * a continuance of the belief that the National Government will fare best if the States and their institutions are left free to perform their separate functions in their separate ways." A national no-fault system would undermine the value of this kind of Federal-State relationship. The evils of centralization of the Government threaten us in many aspects of our daily lives. Now the Washington bureaucrats are trying to convince the American people that automobile insurance is another area where Federal "protection" is warranted.

An individual State is essentially in a better position to determine the needs of its people. Twenty-three States have already adopted substantial no-fault plans representing approximately 50 percent of the Nation's population. Similar proposals are being actively considered by all other State legislatures. It is certainly noteworthy that in a period of 3 years a large number of States have taken the initiative to enact no-fault. The value of experimentation is compelling and at this point in time we need flexibility. But if Congress votes favorably on S. 354, H.R. 10, or similar Federal alternatives, State no-fault would be virtually frozen into a single approach and would prevent any future adaptation when it is most needed.

In Massachusetts, the first State to enact a no-fault insurance plan, the percentage of bodily injury claims per 100 automobiles was 6.5 percent, the highest in the United States. But in Texas, only 1.66 percent claims were made annually per 100 automobiles. Obviously, Texas and Massachusetts have no common experiences which need a common remedy.

Still another aspect involves the idea of motor vehicle tort cases. Proponents of the Federal bills now before us argue that elimination of tort liability would be to the advantage of America's 90 million motorists. But to literally deprive individuals in every State of their rights to pursue legal recovery is indeed questionable. Quite the contrary, the pending national proposals may very well increase substantially insurance rates for these millions of consumers. I wish to refer to an actuarial study recently conducted by the advisory rating department of Allstate Insurance Co., which predicts what will happen to premiums under S. 354. The projections below indicate increases and personal injury premiums for the following two categories of policyholders:

(A) The policyholder now carrying average limits of bodily injury coverage, plus uninsured motorist coverage.

(B) The policyholder now carrying the above protection plus an average amount of auto medical payments coverage or No-Fault (PIP) coverage.

The percentage changes, in each case an increase, are:

[In percent]

	Policyholder category A	Policyholder category B
California	+37	+12
Georgia	+51	+26
Illinois	+24	+2
Kentucky	+16	+2
Nebraska	+85	+53
New Jersey	+18	+18
North Carolina	+43	+20
Ohio	+38	+20
Pennsylvania	+33	+14
Texas	+87	+24

A statement made by Leroy Jeffers, past president of the State Bar of Texas, on behalf of its 23,000 members gets right to the heart of the matter:

> The federal force embodied in this bill is not needed, wanted, or warranted in our State. Our legislature and our officials . . . have overwhelmingly rejected the system which this bill seeks to impose by coercion. Instead, we have made giant strides in the improvement of our own automobile accident jurisdiction . . . to give more adequate remedies to our people for their automobile accident injuries.

It is my belief that sound State action is the only course to follow. Texas has taken that course and I strongly urge Congress to allow other States to seek the solution best suited to their own needs by not imposing rigid Federal standards as contained in this legislation.

POWERPLANT STATUS CLARIFIED

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. HAMILTON. Mr. Speaker, I am disturbed by the difficulty I have had in obtaining accurate information on proposed powerplants in the vicinity of Madison, Ind. In a letter dated June 5, 1974, Commissioner William Doub, of the Atomic Energy Commission, stated that the AEC "does not have any information with respect to proposed nuclear powerplants" in the vicinity of Madison. Within 3 weeks, newspaper accounts in southern Indiana reported that the AEC had agreed to provide Public Service Indiana with enriched nuclear fuel for a powerplant a few miles from Madison.

A constituent brought this apparent discrepancy to my attention, and I asked Commissioner Doub for an explanation. Though it appears that his staff made an honest mistake, it is rather disconcerting that it takes this long to obtain correct information from the AEC regarding an announced nuclear plant.

The text of Commissioner Doub's letter follows:

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., August 12, 1974.

Hon. LEE H. HAMILTON,
House of Representatives.

DEAR MR. HAMILTON: This is in response to your letter dated July 22, 1974, in which you noted a discrepancy between information you received from me in a letter dated June

5, 1974, and a recent newspaper account regarding a nuclear power plant proposed by Public Service of Indiana in the vicinity of Madison, Indiana. In looking into the matter further, I find that my previous letter was indeed in error.

Your letter of May 14, 1974, requested information on five power plants and no specific utility was named. Often it is difficult to identify a particular future project by the name of a town or area. In this case my staff erroneously assumed you were referring to American Electric Power Company's plans for several nuclear plants in Indiana concerning which we had received several inquiries about that same time.

Public Service of Indiana informed us some time ago that they intend to file an application for construction permits for a two-unit nuclear power plant in the vicinity of Madison by mid-1975. When and if such an application is filed, the procedures explained in my previous letter and its enclosure will apply.

The reason for the AEC entering into an agreement with Public Service of Indiana so far in advance of the submittal of an application is the requirement that nuclear power plant operators must contract for uranium enrichment services eight years in advance of their expected first fuel delivery date. These negotiations are transacted between a prospective applicant and our Oak Ridge Operations Office in Oak Ridge, Tennessee.

I sincerely regret the mistake and hope you will accept my apology.

Sincerely,

William O. Doub,
Commissioner.

SUGAR ACT AMENDMENTS OF 1974

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. SEBELIUS. Mr. Speaker, I think the time worn saying "it's no use crying over spilled milk" may apply to the remarks I would like to make, but in this case it is spilled sugar.

I realize that hindsight is always "20-20" but I would like for my colleagues to reflect for a moment on the debate weeks ago when we were considering the Sugar Act Amendments of 1974. The bill, as reported by the House Agriculture Committee, was not perfect by any means, however, in the floor debate I suggested the legislation would nevertheless benefit the consumer, the sugar industry, the growers, and the workers.

Historically, the Sugar Act has stabilized prices and production for producers and consumers. But following numerous crippling amendments, the bill was defeated. Since that time prices have increased and uncertainty prevails within the sugar industry. The farmer faces the uncertainty of fluctuating prices at the same time he is confronted by unprecedented production costs. In addition, the United States is dependent on foreign sources for almost half of our total use.

It seems to me it is obvious that in urging a free market situation, my colleagues did not give enough consideration to the fact we have had a law on the books to assure us of an adequate supply of sugar at a fair price for 40 years and that a sudden departure from that policy was bound to cause uncertainty and wide price fluctuation.

I would like to call to the attention of my colleagues, a recent editorial in the Russell Daily News entitled "Not So Sweet." This editorial quotes a respected sugar beet industry spokesman from my district, William A. Davis, of Goodland, Kans. When making a case for the Sugar Act during debate, I kept hearing references to special interest subsidies. I remarked at the time that I did not know of any special interests, but that I was acquainted with folks from my district in the sugarbeet industry who were in a much better position than myself or self-declared consumer advocates in the Congress to tell us what the results of terminating the Sugar Act would be. The following editorial does just that and I think Mr. Davis is entitled to say, "I told you so":

Not So Sweet

Failure of Congress to renew the Sugar Act on June 5 didn't take long to be felt across the nation. The price of the 10-pound sack has jumped about a dollar according to local reports.

The industry is now without domestic controls, according to an industry spokesman, William A. Davis, Goodland. It is subject to "boom and bust" cycles which could ruin the domestic industry.

The Sugar Act began in 1934. Import quotas are set for 32 countries. Production is limited for cane and beets. In its life, the act provided an adequate supply, made production stable and promoted trade, according to growers.

Of the 12 million tons used in the United States, 60 per cent is raised domestically. The rest is divided among foreign producers. In the United States, beets and cane are contracted for a pre-stated supply. There is no other outlet. Beets are a one-year crop and cane is a two-year crop. Both require heavy investments in capital and labor.

For the past four years, world demand has exceeded production and reserves are at a low point. The price of refined sugar has nearly doubled in the past six months and stores say the $3.50 10-pound bag will go even higher.

The immediate prospect is a surplus, low market prices and overplanting followed by a scarcity and high prices. Foreign sugar can be produced with cheap labor. The United States producer is at the mercy of other sugar-producing nations. The result will be detrimental to producers and unfavorable to consumers, according to Davis.

The Sugar Act didn't cost the public, growers claim. It set prices and wages, financed with an excise tax, part of which was paid back to producer cooperatives complying with federal wage and price standards.

Davis blames Congress. He said members have no interest in stability other than from the consumer standpoint. Some want to capture the 40 per cent foreign sugar for the United States. Labor influenced others to tack on amendments giving extra payments to labor.

About 75 to 80 per cent of the sugar is used by commercial firms such as bottlers and candy-makers. These added to the confusion by demanding cheaper sugar.

The Sugar Act has been managed economics for 40 years. A free market opened by failure to renew it is already affecting Kansans—down on the farm and at the supermarket.—R.T.T.

STUDY SHOWS NEGATIVE EFFECTS OF NATIONAL HEALTH INSURANCE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. CRANE. Mr. Speaker, those who advocate the institution of a system of national health insurance seem, in many instances, not to have carefully considered what such a policy would mean in terms of the quality of medical care available to Americans.

All those who believe that a system of national health insurance would, in some way, improve the quality of our medical care should carefully consider the results of a study recently released by the Rand Corp.

The study, based on an economic analysis of the country's health care systems, was produced for the Rand Corp. by Joseph P. Newhouse and Charles E. Phelps, both Rand ecomonists, and William B. Schwartz, M.D., physician-in-chief at Tufts-New England Medical Center in Boston.

The study shows that under a system of national health insurance physicians' offices and clinics would be swamped with new patients and the Nation's health care costs would jump from $3 to $16 billion—and maybe more—over the present level of $62 billion a year.

They predicted that—

> Demand for ambulatory services would skyrocket 30% to 75%, since only 40% of care in clinics, private practice, and outpatient departments is now covered by insurance plans.

They also predict that—

> Physicians' fees would go up, patients would have to wait longer for appointments, and waiting rooms would be crowded.

The net effect of increased demand, the report said, would be to reallocate private ambulatory care to less affluent patients. Life expectancy, however, would not increase since most of the major causes of death, from alcoholism and accidents to cancer and cardiovascular disease, are not really affected by the availability of health care.

The Rand report, which was published in a recent issue of the New England Journal and Medicine, should be carefully considered by those who are now advocating a system of national health insurance.

I wish to share with my colleagues an article about this report which appeared in the June 24, 1974, issue of the AMA News, and I insert that article in the Record at this time:

NHI Would Swamp M.D.'s, Study Shows

A new study by the Rand Corp. asserts that national health insurance (NHI) would cause physicians' offices and clinics to be swamped with new patients, even though hospitals would be affected very little.

Not only that, the nation's health care costs would jump from $3 billion to $16 billion—and maybe more—over the present level of $62 billion a year.

The report, "Policy Options and the Impact of National Health Insurance," was produced for the Santa Monica "think tank" by Joseph P. Newhouse, PhD, Charles E. Phelps, PhD, both encomists for Rand; and William B. Schwartz, MD, physician-in-chief at Tufts-New England Medical Center in Boston.

The study is based on an economic analysis of the country's health care systems, as well as examinations of changes occurring in Canada after adoption of NHI there.

Three hypothetical NHI plans—none of which duplicate any of the 79 different bills now pending in Congress—were examined.

First, a complete, comprehensive health care plan that would pay all costs for everybody was analyzed; second, a 25% coinsurance plan, in which the insured provides for one-fourth of his own medical bills; and third, deductible plans, with both large and small deductibles.

The same economic effects were predicted with all three hypothetical systems, though in varying degrees.

The predictions:

Demand for ambulatory services would skyrocket 30% to 75%, since only 40% of care in clinics, private practices, and outpatient departments is now covered by insurance plans.

Demand for hospital space would not increase much, since 90% of present hospital bills are covered by some insurance plans; and only four out of five hospital beds in the country are normally occupied now.

Physicians' fees would go up, patients would have to wait longer for appointments, and waiting roms would be crowded. But the number of patient visits would not increase much, the report said, since the present system is operating at or near capacity.

The net effect of increased demand, the report said, would be to reallocate private ambulatory care to less affluent patients. Relatively wealthy people are primarily "time-poor," and would be less willing to stand in long lines to see a physician, regardless of the cost. Poorer people, however, would be able to get ambulatory care, since it would no longer be too costly for them.

Life expectancy would not increase much, since most of the major causes of death, from alcoholism and accidents to cancer and cardiovascular disease, are not really affected by the availability of health care.

However, the "quality of life" would improve for many people who previously didn't get medical care when they needed it because of prohibitive cost.

The hypothetical comprehensive plan examined would be the most expensive to society, the authors said. With free health care available to all, ambulatory services would be swamped with a 75% increase in demand. The cost would add $16 billion to the nation's health care bill; including drugs and dental care in the plan would probably double the increase.

The 25% coinsurance plan would likewise cause a big increase in demand for ambulatory services, as much as 30%, but the total effect would be less than the comprehensive plan. People covered by private insurance plans with better coverage would simply not take part in the NHI plan.

Two kinds of deductible plans were discussed as alternatives to either of the two plans above. First, a large-deductible was examined, in which the insured would pay medical bills up to 10% of his annual income; and second, a small deductible was examined, in which the insured pays $100–$150 of his medical costs before the NHI takes effect.

The large-deductible plan would have the least impact on present health care institutions, since it would probably affect fewer people than any other plan, the authors said.

The small-deductible plan was considered to have its strongest effect on ambulatory care services, too, since it would affect many more people than the large-deductible plan. However, the authors said there was not enough data to accurately assess the possible effects of such a plan.

The report was published in a recent issue of the *New England Journal of Medicine*.

LONG NINE MUSEUM

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. FINDLEY. Mr. Speaker, a structure important in the life of Abraham Lincoln, as well as in the State of Illinois, was dedicated as a museum August 3 in Athens, Ill. The two-story frame store and meeting hall which in Lincoln's day also served as a post office was the scene of a public dinner on August 3, 1837, to pay tribute to Lincoln and the eight other tall Illinois legislators who were credited with persuading the General Assembly to move the capitol from Vandalia to Springfield.

Athens at that time was within the borders of Sangamon County with Springfield as the county seat.

Seven of the "long nine," Lincoln included, were feasted and toasted that day by community leaders in the second floor of the building.

The recent ceremony included a feast and toasts exactly 137 years later to the hour, and Mr. Speaker, it was my privilege to occupy the Lincoln seat at the banquet table and to offer the same toast Lincoln used on that earlier occasion.

The dinner culminated the work of a group of private citizens led by John R. Eden who organized the project of acquiring and restoring the "long nine" structure.

Dr. Wayne C. Temple, acting State archivist of the State of Illinois and a noted Lincoln scholar, served as historian for the project, and gave the principal address of the day.

Among the distinguished visitors were Melvin K. Richardson, secretary of the association; Mrs. Arthur Sieving, widow of the diorama artist whose works are displayed at the museum; Mayor Alfred Mason of Athens; Dr. Lloyd Ostendorf, widely known Lincoln portrait artist who painted the banquet scene; Phillip H. Wagner, president of the association; as well as these board members: Larry Richardson, Warren Hughes, George C. Whitney, Helen P. Dalton, and C. R. McCorkle.

The text of Dr. Temple's address:

ADDRESS BY DR. WAYNE C. TEMPLE

As we stand here today, we are certainly on a spot very closely connected with Lincoln. And as the chill winds of winter and the torrid winds of summer sweep over this small prairie village, they blow past, rather rudely, the huge footprints that abound all around this place. They are Lincoln's.

He had an important connection with this town, because in those days the way you went to Springfield from New Salem, or the other way around, was through the town of Athens. So, he was through here many, many times. He stood right here where we are standing today at this store which was built by Col. Matthew Rogers about 1832. He told some of his funniest yarns, I imagine, right here on this porch. Yes, with this town he had many connections which we have been able to document.

In the History Room of this building you call see a copy of his survey for the post road that ran by this building; he finished the job on the 4th of November, 1834. Lincoln also surveyed land for the farmers all around this area.

He came back here on July 16, 1836, to campaign in person. When his horse had been stolen on March 18 that year while visiting in Springfield—I am sad to say—he did not have enough money to buy another one. And it was the wife—talk about women's liberation—of Robert L. Wilson (a resident of Athens) who loaned Lincoln her own saddle horse to ride on the campaign trail during that year of 1836.

Of course, the event we commemorate today was the famous "Long Nine" banquet given in this very structure on August 3, 1837. Lincoln attended that event, too, and proposed a toast—one of the few times he ever drank a glass of wine in public.

One other happening here is also fascinating. When I finished my research, I discovered that on April 5, 1837, Col. Matthew Rogers, who lived in Athens, sold this "Long Nine" building to Josiah Francis, a man in Springfield who started the *Sangamo Journal*. Josiah Francis never finished the payments on this building, so what do you think that the Colonel did? He engaged the law firm of Logan & Lincoln to sue Josiah Francis *et al.* to recover this very building and lot. This fact has been unknown all these years because nobody ever compared the legal description in this law case with the legal description of this building! So, on June 29, 1841, Lincoln wrote in his own hand a foreclosure bill and filed it in the Sangamon County Circuit Court. On the 3rd of December that year he won the suit for his client, and the building reverted to Col. Rogers. This legal brief of Lincoln's is now held by the Library of Congress.

This man Lincoln has had so many of history's trials and tribulations. But no matter how strongly the incessant winds blow across these wide prairies, the giant footprints which he made here will never be blown away.

I would now like to pay tribute to seven members of the Long Nine for service that some of you may not know about. Let me read the military honor roll for the Long Nine:

John Dawson, veteran from the War of 1812. Captured by Indians and held in Canada until he was finally ransomed and returned home. Yet he did not quit military service. He served as Captain of a Sangamon County Company in the Black Hawk War of 1832.

Ninian W. Edwards, later brother-in-law to Abraham Lincoln. He served as a Captain in the Civil War.

William F. Elkin, a Captain in the Black Hawk War.

Job Fletcher, one of the Senators in the Illinois Legislature, was a veteran of the War of 1812.

Andrew McCormick, who would later become Mayor of Springfield, served as a Private in the Black Hawk War. During that conflict he was wounded in battle. He also served in the Militia as a Captain: 20th Regiment.

Robert L. Wilson volunteered as a Private in a battalion formed at Washington, D.C., by none other than the colorful Cassius M. Clay to guard the President and the White House early in the administration of Abraham Lincoln. Gen. Clay hailed from White Hall, south of Lexington, Kentucky, near Richmond. Wilson later enlisted in the Union Army and rose to the rank of Colonel.

Abraham Lincoln, tallest and greatest of the Long Nine (so named because their total height came to 54 feet or an average of 6 feet each) towered nearly six feet four inches in his stocking feet. Any person in those days who measured six feet was a very tall person indeed. He, too, served as a Captain in the Black Hawk War and later in the Militia. Then he became the Commander-in-Chief of all the Union Forces in the United States. Just as Lincoln was the tallest and the highest ranking of them all, he also made the largest sacrifice for his beloved Country. He lost his life while serving as Commander-in-Chief, and Joseph K. Barnes, Surgeon General of the United States, considered that Lincoln's death on April 15, 1865, occurred in line of duty. Therefore, in typical medical language he cryptically included the President's demise in his official report for the Civil War under this entry: "Case—A. L——, aged 56 years . . . ."

I think that this is an outstanding record. Seven out of these nine State Legislators from Sangamon County were veterans. We, the living, today salute you departed members of the famous "Long Nine."

CONTRACTING OUT FEDERAL JOBS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. WALDIE. Mr. Speaker, in the last 2 years, I have watched with great concern the efforts made by the Director of the Office of Management and Budget, Roy Ash, to "contract out" functions presently being performed by Federal employees to major private contractors.

Mr. Ash has a great interest in this issue. Mr. Ash is the former president of the conglomerate Litton Industries, and Litton, with its hundreds of subsidiary companies, has for years held many Federal contracts—although it has most often been unable to perform the job without substantial cost overruns.

In 1973, Mr. Ash, acting for the administration, moved to have the Navy, on the grounds of costs, contract out its personnel functions at the Pacific Missile Range at Port Mugu, Calif. Along with other Members of Congress, I asked to see the statistics the Navy used in reaching this conclusion. They could not supply the statistics that substantiated their claim, and Congress, therefore, legislatively moved to prevent contracting out at Port Mugu.

In 1974, again on the grounds of cost savings, OMB called on the three branches of the military to contract out most of their operational support services. Again they could not provide statistical evidence for this order, and more recently they have limited the scope of their proposal to just a few bases.

Mr. Speaker, I sincerely hope that the new administration will be responsible enough, at least, to first determine whether "contracting out" saves money before the recommendation is made. However, due to the bias Mr. Ash has brought to OMB, I feel compelled to offer the following resolution, that Congress may make its position on contracting out officially known.

The resolution follows:

CONCURRENT RESOLUTION

Expressing the policy of the Congress that the performance of the functions of the Federal Government should be attained by use of its own manpower and not by means of contracts with the private sector.

Whereas, it has apparently become the policy of the current Presidential administration that certain services necessary to the operation of government activities which are now performed by Federal employees under direct Federal Government supervision shall in the future be performed by employees of businesses in the private sector with which the Government has contracts; and

Whereas, in most areas the Federal Government has developed the administrative and manpower capabilities to perform missions set forth by and for agencies of the Government; and

Whereas, the Federal Government has demonstrated its high level of administrative efficiency; and

Whereas, Federal employees have demonstrated their high level of efficiency in conducting the missions, goals, and business which the government has sought to achieve: Now, therefore be it:

Resolved by the House of Representatives (*the Senate concurring*), That it is the policy of the Congress that the performance of the functions of the Federal Government should be attained by employment of its own manpower and not by means of contracts with the private sector.

OPIUM FLOW

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. ROUSH. Mr. Speaker, I rise today to express my gratification that the House of Representatives has had the courage and wisdom to adopt House Concurrent Resolution 507. My only regret is that the House has delayed for 3 years the adoption of such legislation which has the impact of potentially eliminating the illegal flow of vast amounts of opiate poppy and its derivatives which threaten to enter into this country through illicit channels.

In April of 1971, I, along with 19 of my colleagues, introduced a bill amending the Foreign Assistance Act of 1961 to require the Comptroller General of the United States to report to Congress annually on the effectiveness of measures being taken by countries to prevent narcotic drugs, "partially or completely produced or processed in such country, from unlawfully entering the United States" and whether countries have undertaken "appropriate measures" to prevent narcotic drugs from unlawfully entering the United States.

This particular bill provided that if after 90 days from the issuance of such report any country was found guilty of not taking proper precautions to prevent unlawful entry into the United States of such narcotic drugs, that country would thereafter receive no further economic assistance from the United States.

The bill, however, did specify circumstances under which these provisions can be waived. If the President found that the foreign country deemed by the Comptroller General as being guilty of such actions had undertaken appropriate measures to prevent such narcotic drugs from unlawfully entering the United States, or found that the overriding national interest required that economic aid be continued, he might ask Congress to waive these provisions. If the Congress concurred, those provisions of the act cutting off economic aid to the foreign country would not apply to that country unless a subsequent report was given and the Comptroller General determined that the foreign country had again neglected to comply with the provisions of the bill.

Unfortunately, this bill failed to pass the House. Instead, a much weaker bill was passed in 1971, which amended the Foreign Assistance Act of 1961 to give the President the power to suspend aid to countries which in his judgment did not cooperate to prevent illegal transport of drugs to the United States. This was an amendment which the Congress hoped would encourage voluntary action on the part of the President, but it demanded no mandatory action as it should have.

On January 12, 1973, I introduced another amendment to the Foreign Assistance Act. At that time, I found a new bill necessary because the President had not, and still has not, invoked the authority given to him by the 1971 amendment. I pointed out that a bill was necessary that would carefully spell out a machinery for mandatory cessation of foreign assistance.

That bill which I introduced in 1973 provided, like the earlier one, for an annual report by the Comptroller General and the 90-day period immediately following this report before cutting off of foreign assistance to any country found negligent in efforts to prevent the unlawful entry of narcotic drugs into the United States.

However, there were three basic differences between the bill I introduced in 1973 and the amendment that was passed in 1971: First, under present law, as amended in 1971, the President cuts off funds only if his own judgment dictates that he do so, and up to now, apparently, it has not. Under the bill I introduced in 1973, if a violation is discovered the suspension of assistance is required. Second, under present law, as amended, it is up to the President to decide if such assistance can be revived, if the offending country comes into compliance with the law regarding efforts to prohibit unlawful entrance of narcotic drugs into the United States. Under my bill, this power would rest with the Congress. If the President finds that a country whose assistance has been suspended has not taken adequate steps to remedy this situation, or if he finds that it is in the national interests of the United States to resume foreign aid to a particular country, the President then issues a report to Congress and requests permission that the penalty be waived, the assistance restored. The Congress will then determine if the suspension of foreign assistance is to be waived and if so passes a concurrent resolution to that effect. Moreover, the bill I introduced in 1973 makes it extremely clear that the concurrent resolution does not remain in perpetuity; a subsequent adverse determination by the Comptroller General would require a new suspension of foreign assistance by the President and another waiver by the Congress, if the assistance was to be restored.

Last year, when I introduced this bill, I indicated that I preferred a mandatory over a voluntary provision on this matter. I expressed the belief at that time that I thought the State Department would oppose this approach as State would argue that we need more pleading power, more voluntary compliance. Although House Concurrent Resolution 507 does not require mandatory compliance, it is a step in the right direction. Nonetheless, I am still of the opinion that it is time we stopped hoping for compliance and started making sure that we get it.

Finally, though, House Concurrent Resolution 507, which passed the House by a two-thirds majority on August 5, 1974 is an extremely wise resolution. It gives the President ample time and flexibility to negotiate with the Turks and, at the same time, demonstrates to the Turks the concern which the U.S. Congress has for this problem. Also, it strongly recommends suspension of aid by the President should the Turks elect not to take effective action to control opium production and flow into the United States. Nevertheless, I do feel that legislation requiring suspension should have been passed 3 years ago, the result being a savings by the Congress of vast amounts of time, and therefore taxpayers money. If effective action would have been taken 3 years ago to curb not only opium production and flow in Turkey, but also in other countries such as Mexico and Afganistan, the problem we have now would never have arisen and a concurrent resolution by the Congress would not have been necessary.

THE BATTLE AGAINST INFLATION MUST BE WON

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. BIAGGI. Mr. Speaker, after 6 long years of inaction and neglect by the executive branch, it now appears that the great American tragedy, inflation, is about to receive the paramount attention of our new President, Gerald R. Ford.

President Ford delivered a stirring message to the American people on this past Monday night, and its effect came not from the usual stale promises to deal with inflation, but important solutions he offered to combat it. This country needs no further studies on inflation, it needs action, and it needs it now.

Inflation is not merely an overnight annoyance, but rather a malignancy which has allowed itself to grow virtually unchecked for the last 10 years. Our Nation's economy in the 1960's went through a period of unparalleled growth with the end result being the inflation which hovers over us today. What made the 1960's different from the 1970's was that in the former decade, we were also enjoying a period of unparalleled prosperity and due to this inflation could be better endured. Yet the 1970's brought a major economic transition in this country, marked by an overall economic slowdown caused by deficiencies in trade, feeble economic policies, and misguided export policies which depleted valuable domestic commodities. All these factors have resulted in inflation becoming more conspicuous and troublesome for the average American citizen to endure.

Wherein do the solutions to inflation lie? The key word in that previous sentence is solutions, for it will take concerted and cooperative efforts from all walks of our society to arrest the growth of inflation.

Many Americans now point to their Government as the main culprit for the continuation of inflation, and not without good cause. In recent years, we the Congress have allowed Government spending to reach unprecedented levels, thus driving the public debt to equally astronomical levels. The Congress has demonstrated its fiscal irresponsibility far too often, thus perpetuating inflation to such a point that it has driven millions of Americans, particularly our elderly citizens, down to their economic knees.

Therefore, the number one priority in any battle against inflation must be the cutting of excess Government spending with the objective of achieving a balanced Federal budget. To quote from the President's speech:

> Support your candidates, Congressmen, Senators, Democrats and Republicans, conservative or liberal, who constantly vote for tough decisions to cut the cost of government, restrain Federal spending and bring inflation under control.

This has been my policy throughout my 5 years in the House of Representatives. I am pleased that finally, after all this time, I have found such a formidable ally. Let us review some of the more important votes in this area—which have occurred during this session.

In May of this year, an effort was made to increase once again the public debt ceiling. Congress again like a promiscuous woman of the night found herself unable to say no to the administration's request for still another increase, and thus the bill was passed by a one vote margin. As I have in the past when this issue has come up, I voted against it.

I have long advocated that the Congress put a ceiling on appropriations at least equal to the amount of revenues expected for a particular fiscal year. Then all appropriations should be kept within that ceiling. This would permit stabilization of the public debt and an eventual reduction.

I have maintained a consistent position on all votes which seek to cut unnecessary Government spending. I voted to cut some of the fat from the budget of the Office of Management and Budget. I voted to reduce the supplemental appropriations bill by 5 percent. And I have voted against a number of subsidy give programs to groups and industries in our society who have sought to exploit inflation for their own ends.

Yet there was one issue where my opposition was particularly intense; namely, for a bill which established an inflation policy study to be conducted by the Congress. This bill I considered to be among the most absurd to come before Congress in recent years. It set up a congressional study group to study inflation with the inflationary price tag of $100,000. My abhorrence to this bill was a result of not only the cost figure involved but the added factor that the bill called for a 6-month period for the study to be completed. I ask then as I do now, do the American people deserve to wait another 6 months before they get solutions to inflation? Yet apparently enough of my colleagues felt so and the bill was passed by an overwhelming majority.

There have and will continue to be bills proposed which will seek to increase Federal spending, and but for one exception, I will continue to oppose them. The one exception being moneys appropriated for the preservation of a strong national defense. There can be no justification for weakening this Nation's defensive capabilities because of inadequate funding levels. We must always be in a position of strength to both assist our friends and defend against our foes. The structure of peace which has been so carefully molded can only be preserved if we the United States remain as the preeminent power in the world.

I applaud the President's initiatives in this field and offer him my support. He has recognized inflation as the grave national problem it is, a problem which needs action and not promise. We must all work together in this battle; housewives and consumers must exercise prudence, our local, State, and Federal Governments must exercise proper restraint in their spending, and labor and business must cooperate in their wage agreements. Only a unified effort by all these groups will bring about necessary and urgently needed improvements in our economic situation.

We in the Congress have a special responsibility in this fight. We must not fear to pass strong legislation to deal with the problem. For many it might mean reversing longfelt beliefs about Government spending. The course will not be easy, but it will be no harder than the course which many of our citizens are facing today trying to keep pace with inflation. I am prepared to do my share to help restore this Nation to a semblance of economic stability. I hope I will be joined by my colleagues in this venture.

PERSONAL ANNOUNCEMENT

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. VEYSEY. Mr. Speaker, it was necessary for me to leave Washington on official business in California before adjournment last Thursday. Had I been here I would have voted as follows on amendments to the Federal Mass Transportation Act:

The Harsha amendment to make urbanized areas with a population of 2 million or more eligible under category A, rollcall 495, aye.

The Shuster amendment that sought to require the Secretary to evaluate the extent to which urban communities are attempting to discourage auto use and encourage mass transit use before approving projects, rollcall 496, aye.

AN APPEAL TO CONGRESS

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. MOORHEAD of California. Mr. Speaker, many people in America today are concerned with our economy and with the preservation of our free enterprise system. They are concerned by inflation and high interest rates. The following article which appeared in Value Line warrants consideration by the Congress:

The article follows:

AN APPEAL TO CONGRESS

1. THE UNITED STATES TODAY

Interest rates are burdensomely high. Long-term high-grade corporate bonds sell on a 9% maturity yield basis. The prime rate stands at 10%. Twenty-five years ago domestic interest rates were only 2.5%. In just a quarter-century all of the progress made in the money markets from 1800, when the U.S. was an unstable republic and rates were upwards of 8% and 9%, to the end of the Second World War, has been washed away. A 2.5% rate may have been a bit lean but a 9% quality bond rate is surely much too hefty.

Since 1947 corporate liquidity has been drying up. The need for capital and an increasing debt burden have driven companies to try to live with as little cash on hand as possible. The computer age has assisted them in this endeavor, especially in inventory and receivables control. Still over the past two and a half decades, corporate liquidity has declined about 70%. Working capital support of sales for industrial companies followed by Value Line has declined in line with the overall trend, from 31.0% in 1954 to 23.5% last year, on average. Even the banks are more illiquid. The ratio of *bank borrowings-to-bank reserves* has worsened steadily since World War II, and especially since 1967. The ratio was 0.3 then, 0.8 in 1970 and currently stands at 1.65–1.70. In the last few years, following the Penn Central debacle, the liquidity of non-financial companies has remained fairly stable. Of course, a price has had to be paid for this recent and possibly temporary stability. The ratio of *interest payments-to-profits plus interest payments* has jumped from a fairly safe 25% in 1965 to over 45% currently. In the same period the ratio of *retained earnings plus depreciation charges* (*i.e., retained cash flow*)*-to-investment* has been squeezed down from nearly 100% to a scary 70%–75% now.

Unless current trends are reversed, the impairment of corporate liquidity will persist. Capital is required to finance discovery and development of new materials and energy resources, as well as to clean up the environment. Unfortunately, little widening of the ratio of corporate profits to national income is indicated at this time, even though the current ratio is a skimpy two-thirds of what it was a generation ago.

Consequence: companies must seek still more external financing. With the typical stock P/E ratio presently at 8.0 or so, the cost of desirable equity financing is about 13%. Since bond rates are a less expensive 9%, more debt formation is likely. This in turn means the ratio of fixed charges-to-income will widen further and in so doing increase the risk entailed in buying bonds or holding other debt instruments, increasing risk tends to force interest rates still higher and will make it more difficult for companies to float long-term bonds. So, bond term lengths will shorten, thereby increasing the risk of doing business altogether because the day could come when debt can no longer be rolled over. This could happen even if Washington acts to improve liquidity by injecting funds into the money supply, simply because current government policies lean against a proper flow of funds into the stock market. Result? A possible bust! And possibly dissolution of our political institutions too. Small wonder then that the latest consumer poll shows over-all pessimism the deepest in at least 25 years.

2. CAN IT BE AVOIDED?

Yes, a "crack" can be avoided if the federal government acts promptly to save the equity markets. If P/E ratios can be widened on average to 11.0 or 12.0 on current earnings levels, equity financing will again become feasible. At P/E's of 16.0–18.0, the cost of equity financing would easily compete with the debt route, taking pressure off the bond markets and helping to lower interest rates.

The federal government can take a number of constructive steps to repair the equity markets, save all the financial markets and avoid a liquidity crunch. Curing the sickness that afflicts the stock market would make venture capital available again. Venture capital is the seed money necessary to support invention, the testing of new ideas, and long-term economic creativity.

3. A 10-POINT PROPOSAL FOR GOVERNMENT ACTION

(1) Eliminate the capital gains tax. Capital gain on the sale of a residence is taxed only if a new home is not purchased with the proceeds. Reason: homes are deemed to be a necessity. But investment, particularly equity investment, is a necessity now too, and an especially urgent one.

(2) Eliminate double taxation on common dividends either by giving corporations a dividend tax credit or by granting a much larger one than $100 to individuals who receive dividends. This would make equity investment income more attractive.

(3) Permit price-level adjustments in property, plant and equipment in the determination of the depreciation deduction for corporate tax purposes, so as to improve cash flow, and permit corporations to replace worn-out equipment at today's prices which are much higher than the original equipment cost.

(4) Increase the investment tax credit, especially in areas related to resource development, energy, technology, ecology, pollution control and waste recycling.

(5) Reduce on a graduated basis, the tax deductibility of long-term interest charges and lease obligation expenses when debt-to-equity ratios reach specified levels in order to discourage excessive use of debt and protect the quality of corporate balance sheets.

(6) Provide modest tax incentives keyed to corporate productivity gains.

(7) Permit greater deductibility of capital losses on individual income tax returns. Only $1,000 of capital losses can currently be offset against taxable income in a single year.

(8) Provide increased and more efficient government insurance against brokerage house failures so as to rebuild investor confidence.

(9) Enact legislation to force institutions to maintain orderly markets in block transactions. The equity market needs more stability and liquidity.

(10) Spur pure research and development by companies with tax credits or government funding so that by 1978 the pace of domestic new product introduction will once again be advancing. Otherwise our competitive position worldwide will sink.

There is a resilience and youthful spirit in America that makes possible a change in institutions to preserve our economy and the American way of life. This nation has been in revolution since 1776. By the Second Centennial, in 1976, the ongoing American revolution hopefully will have once again tackled and solved the problems of the day. To this end we urge Congress to act now with deliberate speed . . . to preserve and to protect the economy and the capital markets.

"No counsel is more trustworthy than that which is given upon ships that are in peril". Leonardo da Vinci, 1452–1519

4. INCOME DISEQUILIBRIUM, 1947–1973

Despite a few ups and downs, the U.S. economy as measured by the GNP (gross national product) increased from $231 billion in 1947 to $1,288 billion in 1973, an increase of 460% in 25 years. Of this gain 290% is represented by inflation, 170% by real growth.

As a percent of the national income, employee compensation widened from 65% in 1947 to 75% in 1973 while corporate profits before taxes slipped from 16% to 12%. The track record for corporate income after taxes has been far worse.

The demand for goods and services from the government and private sectors in the U.S. has been consistently strong over many years. As a result, corporations have traditionally striven to expand the capacity of their manufacturing facilities and assure their sources of raw materials and energy.

To do so requires investment capital which can come from only three sources: (a) retained corporate earnings (after dividend payments), (b) equity financing and (c) debt formation.

Since 1947, the effective tax rate on the income of corporations has increased from 36% to over 44% in 1973. Result: corporate profits after taxes as a percent of national income have shrunk from 10% to 6.7%, just one-eleventh the amount paid out annually for employment compensation. In other words, while employee compensation has leaped 510% in the last quarter decade, corporate profits have advanced only 255% (half as fast).

Corporate income is used for just two purposes: (1) reinvestment for growth and (2) dividend payments to private investors. Between 1947 and 1963, dividend pay-out of taxable income widened from 20% to 28%. During this same period of tax rate expanded by a quarter to the 44% level prevailing today. As a result, retained earnings as a proportion of pretax income narrowed to 28% from 44% just a decade and a half before.

From 1963 to 1965 the gap between the productive capacity of the United States and the actual GNP was eliminated in part because of a temporary tax cut; this expansion generated explosive demand for working capital on the part of corporations to support sales growth and finance new investment.

From 1963 to 1968, corporate dividends increased 44% as pay-out ratios held steady in the 25%–28% range. This was beneficial to investors and the equity markets. But beginning in 1967 the tax rate began to climb again rising to 47% in 1970 and then returning to the 44% level by 1973.

The tax bite increased at the same time as the demand for capital ballooned. In response, corporate managers were forced to squeeze dividend pay-out ratios down from 27% in 1967 to a skimpy 22% in 1973, only a little more than the post World War II figure (20%). Consequently, dividends inched ahead just 18% in the last five years as against 44% in the prior five years when inflation was far milder. (Between 1968 and 1973 consumer prices rose by about 30%.) This pay-out ratio maneuver, in part due to the wage, price and dividend controls program, helped to alleviate the corporate working capital problem somewhat. But it could not solve it.

So corporate managers turned to the financial markets for funds. By the late Sixties, the declining ratio of profits to national income coupled with shrinking dividend payout ratios had taken a heavy toll of the equity markets. The stock market had tumbled. The bond market and the banks were under pressure to supply corporations with capital which previously would have come from the equity markets.

As corporations turned more to debt instruments to finance growth, their fixed charges and financial leverage rose. Interest rates did too, in a wild sort of way . . . from 4%–5% in the decade ending 1965, to 5%–6% by 1967 and 8%–10% currently. Something will have to give—and it's probably the U.S. standard of living—unless fundamental problems are faced and decisive action taken.

5. HISTORICAL PERSPECTIVE

It happened 2000 years ago: after the assassination of the Roman Consul, Julius Caesar, in 44 B.C., interest rates soared to 12% per year, unemployment climbed and capital investment fell off. The Roman "nation", comprising 20 million people at the time, was on the brink of collapse.

But Julius' successor, Octavian, and his followers, acted to preserve and rebuild the economy by establishing a responsible government and converting Egyptian gold into Roman coins. The circulation of new coins and their very gradual debasement over the next two centuries provided an ample money supply for the support of investment and growth. Public works spending coupled with public employment in the Roman army spurred consumer demand. (Welfare was minimized by limiting the dole to 200,000 citizens.)

The government encouraged savings of 25%–30% by its legionnaires so that on retirement, after 20 years of service, they could invest in a small business or buy a house. Well-paved roads or bridges were constructed all the way from Britain to Arabia Aqueducts, theaters, wharfs, canals and entire cities (free of traditional walls) were built in an era of great peace defended by a powerful army on the frontier. (Seven soldiers per 1000 of population was common, a figure not equalled except in modern times, when economies again were strong enough to support such a force.)

New mining districts developed to provide necessary raw materials. Energy was plentiful. Trade expanded. Imports to, and exports from, lands as far away as China, India and Scandinavia increased. Wine, olive oil, perfume, ceramics, glass, bronze, silverware and a variety of small industries grew up as well. Farmers prospered and so did the alfalfa fertilizer industry.

The factory system advanced too under the capable leadership of individual Roman industrialists and even some joint-stock companies. Factories, employing hundreds and even thousands, produced bronze lamps, kitchen utensils, pipes and valves, blown glassware and unbreakable glass bowls. The textile, brick, tile, steel, central heating, crane and derrick, and shipbuilding industries all flourished.

Then came the collapse. Over-taxation to support government extravagance, political intrigue and corruption, constitutional crises, protein-deficient and lead-tainted diets, disease, slavery, revolution, and ultimately anarchy, took their toll.

Economic expansion ceased in 235 A.D. From 256 to 280 prices rose 1000%. Both industry and agriculture folded, trade shrivelled. 40 million people faced starvation. The golden age of Rome (40 B.C. to 230 A.D.) had passed . . . for good.

MIDDLE EAST REFUGEE PROBLEM

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. BROOMFIELD. Mr. Speaker, one of the tragic aftermaths of war is the problem of the homeless refugees. The Geneva conference will be meeting shortly to deal with the Middle East situation, and the refugee problem will surely be high on the list of priorities.

Phillip Slomovitz, editor of Michigan's only English-Jewish newspaper, the Jewish News, questioned how the conference will resolve this problem in a recent editorial.

The editorial outlines the Israeli position on this vital issue, and raises questions we should all be asking. The answers to these questions may well determine the future course of events in the Middle East, and I offer Mr. Slomovitz' timely comments to my colleagues for their consideration:

Who Will Solve the Refugee Problem?

The unresolved refugee problem is certain to be major on the agenda of the approaching Geneva conference which is to deal with the Middle East situation and with proposals for possible peace negotiations between Israel and the Arab states.

How will the problem be tackled? Will the major world powers, the United States and the Soviet Union, be pragmatic about it? Will all the facts relating to the issue be taken into consideration?

Responsible research conducted in Israel by the Association for Peace on the question of refugees in a number of world areas presented these facts.

Refugee problems which have been solved by the integration of refugees in the countries where they sought refuge:

[Year, countries involved, and number of refugees integrated]

1945–48: West Germany, 9.7 million Germans from Eastern Europe (Poland, Soviet Union, Czechoslovakia).

1945–48: East Germany, 3.8 million Germans from Eastern Europe.

1947–50: India, 8.5 million Indians from Pakistan.

1947–50: Pakistan, 6.5 million Pakistanis from India.

1953–55: South Korea, 5.5 million Koreans from North Korea.

1954–56: South Vietnam, 1 million Vietnamese from North Vietnam.

Israel's position on refugees was outlined in the study as follows:

The 700,000 Jewish refugees from Arab countries, and the survivors from the Nazi Holocaust, have been resettled and integrated into Israel's economy.

Israel is willing to agree on full compensation to Arab refugees, as part of a workable agreement on the entire matter of resolving the conflicts with the Arab states. In fact, Israel is prepared to participate in and cooperate with the International Development Fund in arriving at a solution of the refugee problem.

What's the Arab role in the serious issue? Are they prepared to assist in solving problems affecting 1,500,000 refugees in the camps? Are the Arab states, with their $20 billion in world banks willing to assist in solving the needs?

This is no longer a one-sided matter. Arabs owe a responsibility to their kinsmen to put an end to suffering among them. The problem cannot and will not be solved by a mass invasion of Arabs into Israel. This would inevitably lead to Israel's destruction, and that's a danger that neither Israel, nor her kinsmen throughout the world, nor the world powers, can afford to countenance.

The security of Israel is at stake, and the civilized world is expected to combine the forces of civilized people to prevent an entire people's destruction. The Geneva conferees will be put to the test soon in this vital issue.

SURVEY TAKEN BY OHIO HEALTH DEPARTMENT

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. OBEY. Mr. Speaker, the Industrial Union Department of the AFL–CIO recently requested the Ohio State Health Department to determine the rates of still births and fetal deformations in Ohio communities where substantial numbers of workers are involved in vinyl chloride and polyvinyl chloride production.

Last January it was revealed by B. F. Goodrich officials in Louisville, Ky., that vinyl chloride, a petroleum derivative from which one of our most important and widely used types of plastic is manufactured, was the possible cause of liver cancer among the workers who manufacture it into plastic. Since that time it has been learned that in addition to the one form of liver cancer, vinyl chloride may be causing enlarged livers and spleens, deleterious blood changes, skin eruptions, pathology of the bones of the fingers and restricted lung function. On Friday the disturbing results of the Ohio survey were released indicating that vinyl chloride may be causing malformations in the children of vinyl chloride workers.

Although the State of Ohio did not find a higher number of still births in the communities where polyvinyl chloride is manufactured, they found twice the number of infant deformities in those communities. The State average for malformations between 1970 and 1973 was 11.4 per each 1,000 live births. But in Painesville where Uniroyal and Robintech each have polyvinyl chloride plants the rate was nearly 20 per 1,000 live births. In Ashtabula, where a General Tire facility is located, the rate is 18 per thousand, and in Avon Lake where there is a B. F. Goodrich plant, the rate was 22 per 1,000.

Although we do not know for certain that vinyl chloride is the cause of the high number of malformations in these communities, other studies now being conducted by Dr. Irving Selikoff and the research team at Mount Sinai solely on vinyl chloride workers give some indication of abnormal chromesomes among workers and a higher than normal rate of miscarriages and still births among the wives of vinyl chloride workers.

It is now estimated that more than 6,500 workers are involved in the production of polyvinyl chloride and about 1.5 million workers or nearly 2 percent of the labor force is involved in shaping the raw plastic into various consumer goods.

These men and women expected the corporation which employed them and the Federal Government they pay taxes to support to see to it that they were protected from this health hazard over which they have no control. Now it appears that many could die, others may live out their lives in ill health, and still others may raise deformed children because they did not know the health implications of dangerous chemicals.

Mr. Speaker, it is time we started to make a greater effort to find out what these chemicals are doing to us. It is time for the Congress to work out differences between the House and Senate versions of the Toxic Substances Act and put that legislation on the books. It is time for the administration to realize the importance of this research and begin giving the agencies involved the kind of administrative backup that is needed to get the job done. It is too late to do anything for many of the workers exposed to vinyl chloride other than assess the damage and impose the strictest possible standards on future use and production of the chemical. But it is not too late to start finding out about the thousands of other dangerous chemicals in the workplace and in our daily environment and we should begin immediately.

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO EXCLUDE FROM GROSS INCOME INDEBTEDNESS UNDER HEALTH CARE EDUCATION LOAN PROGRAMS

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, I have today introduced legislation which is designed primarily to assist our country in developing adequate health personnel for medically underserved and indigent areas.

The legislation was occasioned by what I consider to be an unfortunate ruling by the Internal Revenue Service in 1973 that basically held that amounts advanced to medical students under a State medical loan scholarship program that are canceled upon fulfillment of a condition to practice in a rural area of a State must be included in the student's gross income in each taxable year that the loan is forgiven. On the basis of this ruling, the Internal Revenue Service has been collecting the tax from doctors and others in the year that they have received the forgiveness.

Mr. Speaker, such a result, in my opinion, is unwarranted and must be corrected. The State loan programs for medical students, as well as certain Federal programs we have enacted, are designed to encourage physicians, nurses, and other health professionals to serve in rural areas or in ghetto areas where there is a shortage of health personnel. They are rewarded for so doing by having loans they have obtained, while students, forgiven upon the completion in their service in these areas.

I do not believe that Congress ever intended that the forgiveness of these loans was to be considered imputed income for income-tax purposes in the year in which they were forgiven. Nevertheless, the Internal Revenue Service in ruling 73–256 has held that the individuals involved must include this income in the year the loan was forgiven. This not only destroys the incentive for these needed professionals to go to underserved areas, but it also undermines the whole notion of what Congress had in mind when it enacted programs at the Federal level designed to accomplish the same result.

The legislation I have introduced would exclude from gross income the amount of such indebtedness as well as the payment for loans made by the Federal Government or a State or local subdivision for a scholarship which is conditioned upon the completion of service in a rural or medically underserved area. It seems to me that this is only consistent with our goal to assure an adequate supply of medical personnel to all areas of our country.

At the present time, the Committee on Ways and Means is considering national health insurance legislation. We are all aware of the fact that any national health insurance will increase the demands on an already overburdened supply of medical personnel. We on the committee are concerned about this and recognize that we must do everything possible to assure adequate supply of medical services and personnel to handle the increased demand which will be occasioned by any new national health insurance plan. It is altogether inconsistent that we should allow to stand a revenue ruling which goes in the opposite direction.

Accordingly, Mr. Speaker, I have introduced this legislation to change the result of that revenue ruling and will do everything I can to urge its approval by the Committee on Ways and Means, either as part of our comprehensive tax reform bill or as inclusion in a national health inusrance bill.

MORAL HYPOCRISY OF OPPOSITION TO RHODESIA

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. LANDGREBE. Mr. Speaker, probably this week the House will be deciding whether in effect to repeal the Byrd amendment which allows the United States to purchase strategic goods from Rhodesia. Over two-thirds of the world's resources of metallurgical grade chrome ore is located in Rhodesia and nearly another one-fifth in South Africa. Thus about 90 percent of the world's chrome resources which are vital in stainless steel production are concentrated in these two countries. Yet under the terms of the legislation we will be considering both these countries will be prohibited from exporting their chrome to the United States. Instead we will be compelled to import this resource from the Soviet Union and, as in the period from 1967–71, pay nearly whatever price the Kremlin arbitrarily decides we must. Therefore, we will be legislating an embargo against ourselves.

Several of the major fallacies that exist in the arguments for changing the current policy of the United States toward Rhodesia have been pointed out in a recent letter to the New York Times by Carl Brenner. He elaborates upon the moral hypocrisy that exists in so much of the discussion over the embargo of Rhodesia. While we have been urged to boycott Rhodesia because of their internal racial policy, no such consideration has been given to the internal policies of the inevitable alternative chrome supplier—the Soviet Union. If anything, one must certainly acknowledge that the Communist dictatorship in the Soviet Union engages in a much more repressive policy than anyone could contend exists in Rhodesia where the "Government is based on Anglo-American notions."

Similarly one finds that even in Africa the Zambian Government, which is ruled by black Africans and urges us to support the boycott, purchases coal from Rhodesia because they find that this is in their own economic self-interest. As Brenner states:

> If the U.S. has no moral problem in trading with the various Communist countries, and Zambia has no moral problem in trading with Rhodesia, then the U.S. should have no moral problems with Rhodesia.

Lastly Brenner points out that the same Soviet Union which will be benefitting from any reimposition of a boycott of Rhodesian chrome currently supports armed guerrilla terrorism in East Africa. Yet, ironically, we have been urged to boycott the products of Rhodesia because the United Nations has declared them a "threat to world peace." We must follow the reality of the situation rather than the rhetoric of the U.N. and reject this misconceived legislation. I request unanimous consent that the letter by Carl Brenner in the New York Times be included in the RECORD at this point.

The letter follows:

ON BOYCOTTING RHODESIA

TO THE EDITOR: The House will vote soon on the question of whether or not the U.S. should import chrome ore from Rhodesia. The Nixon Administration would have Congress renew the chrome embargo against Rhodesia on moral grounds.

The Soviet Union is the only other source of chrome ore of comparable quality. American steel companies had to buy chrome from the Soviet Union during the last embargo because chrome is needed to produce high-grade steel. Consider the risk in U.S. total dependence on the Soviets for chrome. Of course, New England Power and W. R. Grace buy coal from Poland. Occidental Petroleum has signed contracts to buy Soviet natural gas. So one can see that we buy certain natural resources from the Soviet Union.

Zambia, a black Communist-oriented country, buys coal from Rhodesia, which happens to have vast deposits of coal and copper besides chrome. The writer saw the railroad cars at Victoria Falls.

The Administration's hypocrisy lies (1) in our disgust for boycotts aimed against America, e.g. Arab oil, and (2) in our desire to promote détente through trade, e.g. with China and Russia, as opposed to the Administration's willingness to boycott Rhodesia on moral grounds. If the U.S. has no moral problem in trading with the various Communist countries, and Zambia has no moral problem in trading with Rhodesia, then the U.S. should have no moral problems with Rhodesia.

Is the Administration going to inquire into the internal politics of all of America's trading partners? Assuming *argumendo* that we ought to make the inquiry, then Solzhenitsyn's disclosures in the "Gulag Archipelago" provide a clear, convincing basis to boycott the Soviet Union on moral grounds.

The moral basis for boycotting Rhodesia is that a white minority controls the country. Rhodesia does not practice apartheid, and its Government is based on Anglo-American notions. For example, I attended a murder trial in Salisbury, Rhodesia, in 1973 in which three lawyers (two black, one white)—paid by the state—defended three indigent blacks in open court.

If it is appropriate to inquire about Rhodesia's internal politics, close examination shows Rhodesia is pro-West and pro-U.S. Though the white minority does control the black majority, it is done with black participation at present, and increasing numbers of blacks are being educated and enfranchised.

The Soviet Union and China want the U.S. to weaken Rhodesia through isolation. A weakened Rhodesia would fall to the possession of Zambia and Tanzania, where Soviet and Chinese weapons have been captured from terrorists based there. The State Department has confirmed that the terrorists are getting Soviet and Chinese help.

Rhodesia needs our trade, and we need its chrome. It would be a foolish hypocrisy to isolate Rhodesia, as proposed by the Administration.

CARL BRENNER.
SAN ANTONIO, TEX., *July 14, 1974.*

NATIONAL STUDENT LOBBY COMMENTS ON THE PROPOSED TITLE IX REGULATIONS

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mrs. **MINK**. Mr. Speaker, the proposed regulations to title IX of the Education Amendments of 1972, regarding sex discrimination in educational institutions receiving Federal financial assistance, were finally published on June 20. The proposed regulations would apply to nearly all the public elementary and secondary schools and to almost 2,500 postsecondary institutions of education, covering such subjects as admissions policies, the treatment of students, employment, and procedures for enforcement.

The public is invited to send in their comments on these regulations up to October 15, 1974. I would like to submit for the RECORD a copy of the comments I have received from the National Student Lobby:

COMMENTS

The far reaching effects that the Title IX Regulations will have on higher education, in terms of eliminating discrimination for both sexes, makes student comment imperative.

The National Student Lobby, in developing its comments, adhered to the following principles:

(1) Title IX Regulations must deal with sex discrimination in curriculum. An entire section dealing with sex discrimination in curriculum should be incorporated into the Regulations.

(2) It is essential that affirmative action be mandatory rather than optional in the regulations. Each institution must maintain a written affirmative action plan.

(3) Stringent enforcement procedures are necessary if Title IX is to have any effect. Institutions must at least annually be required to submit compliance statements, and HEW must automatically conduct periodic reviews.

(4) Admissions must be non-discriminatory in order to allow equal access to educational institutions. Careful precautions must be taken in order that distribution of financial aid, recruitment and other procedures involved with admissions operations are non-discriminatory.

(5) Men and women should have an equal opportunity to participate in competitive and non-competitive athletics. The fact that opportunities in the past have been discriminatory makes affirmative and remedial action in this area important.

(6) Marital status must have no bearing on a person's opportunity to participate in an educational program or activity.

(7) Equal access must be provided for job opportunities to members of both sexes. It is necessary for equal payment and benefits for equal work.

The following section-by-section analysis, containing the National Student Lobby's more specific comments, has been submitted to its member schools for consideration:

Section 86.2(d). In order to better effectuate the policy of Title IX the useage of "Director" should not only include the Director of the Office for Civil Rights, but any official so designated.

Definition of "Director" should be changed to read "means Director of the Office of Civil Rights or official designated by him/her to carry out his/her orders."

Section 86.2(g) (5). Since any contractual agreement or arrangement made between an educational institution and the Federal Government constitutes a form of assistance, any contractor must be covered as a recipient of "Federal financial assistance."

Section 86.2(m). Since vocational and professional training programs are covered at both the secondary and graduate level, there seems to be no reason to exempt undergraduate institutions from coverage in such programs.

Definition of "Institution of professional education" should be changed to read "means an institution which offers a program of academic study which leads to a first professional degree including those professional degrees offered by undergraduate institutions in a field for which there is a national specialized accrediting agency recognized by the United States Commissioner of Education".

Section 86.3(b). Since prior discrimination has prevailed at every level of the educational system of this country, there is a need for stringent application of Title IX. To this end every institution must maintain an affirmative action program.

Change by substituting the following: "A recipient must take affirmative action to overcome the effects of conditions which have resulted in limited participation therein of persons of a particular sex."

Section 86.4(a). In order to guarantee compliance, each recipient as a condition for receiving Federal financial assistance must produce a written statement explaining its plan for compliance.

Substitute the words "written compliance statement" each time the word "assurance" appears.

Section 86.4(c). This should be amended in order to maintain a form that will be consistent with 86.4(a).

Change by substituting the following: "The Secretary shall insure that each application for Federal financial assistance for any educational program or activity is submitted to the Director and is approved by him/her before receiving approval for funding. Such compliance statements will be required by the applicant's or recipient's subgrantees, contractors, subcontractors, transferees, or successors interest."

Section 86.6(b). Coverage in this section should also include employees or potential employees.

Each time the word "student" appears, add the words "employee or applicant for employment."

Section 86.6(b). This section seems to imply that curriculum regulations set up on a state or local level are not binding when they have the effect of perpetuating sex bias. Also, employment discrimination which might be acceptable under state or local provisions would be unacceptable under this section. It is the responsibility of the Office for Civil Rights to use this section to enforce curriculum non-discrimination.

Section 86.7. Since a recipient's practices may appear to be non-discriminatory on the face, but in fact result in the exclusion or limitation of persons of one sex, prohibition of such discrimination must be included.

Insert the following at the end of this section: "Employment practices which on the face appear to be non-discriminatory, but in fact result in the exclusion or limitation of persons of one sex are prohibited."

Section 86.8. Since sex discrimination cannot be eliminated in educational institutions without individuals specifically responsible for coordination of such efforts, every institution should be required to designate at least one qualified employee who is adequately compensated, to be responsible for such activities.

Substitute for "an employee" the following: "one or more qualified employees, all of whom receive adequate compensation for their efforts."

Section 86.9(a) (2) (b). Since visual images often have an important impact on potential or actual students or employees, this section is vital.

Section 86.11. Educational programs should be covered by Title IX regardless of whether that specific program receives direct Federal financial assistance.

Change to read: "applies to every recipient and to each educational program or activity operated by such recipient regardless of whether that particular program or activity receives or benefits directly from Federal financial assistance."

Section 86.12. This section is acceptable in that it assures First Amendment rights and at the same time assures application of Title IX.

Section 86.13. Although this section is statutorily mandated, discrimination against persons of one sex at any institution, military or otherwise, is unacceptable.

In order that a definition of "military training as its primary purpose" is clear, the regulations should enumerate the institutions which qualify for exemption.

Section 86.14(a). This section needs no revision.

Section 86.16(b). Institutions which formerly were single sex and are in the process of converting to co-educational should be required to recruit to overcome effects of past discrimination.

Should be changed to read: "86.16(b) (6).

Outline methods for instituting recruitment program to overcome the effects of past discrimination."

Section 86.16(c). Institutions which are in the process of converting to co-educational institutions must recognize their responsibility to practice non-discrimination in all programs except those exempted by 86.15.

Add to the end of (c): "No recipient protected by Section 86.15 shall practice discriminatory policies in any of its programs outside of admissions."

Section 86.21(b). Steps to overcome such past effects of sexual bias must be taken. Therefore, the regulations must prohibit use of criterion for which substantial differences in meeting such criterion exists based on sex for all age groups.

Change to read as follows: "(3) A recipient shall not consider any criterion as part of the admissions process for which discrepancies based on sex exist including criterion for which applicants of particular age groups may fulfill such criterion to a different degree than applicants of the opposite sex in the same age group."

Section 86.21(b)(*3*). Insert the following: "A recipient shall outline in writing what criterion are used for admission to each of its programs. Such criterion may not in any way subject applicants to discrimination on the basis of sex. This requirement is in no way intended to imply that subjective criterion is unacceptable."

Section 86.22. Institutions made up entirely or predominantly of the male sex have traditionally been given preference over students from institutions made up entirely or predominantly of the female sex.

Change to read "A recipient to which this subpart applies shall not give preference to applicants for admissions on the basis of attendance at any educational institution or other school or entity which admits as students only or predominantly members of one sex unless such recipient allows equal preference to applicants from institutions, schools, or other entities which admit as students only or predominantly members of the other sex."

Section 86.23(*a*). Equality in recruitment must apply in every program and administrative unit of any institution.

Change to read: "A recipient to which this subpart applies shall make comparable efforts including financial incentives to recruit members of each sex. Such comparable efforts must include non-discriminatory recruitment practices at every institution at which the recipient recruits. Any recruitment effort which on its face appears non-discriminatory, but results in favoring one sex over the other is prohibited."

Section 86.23(*b*). This section should be amended to make sure that there is comparable recruitment at male and female single-sex or predominantly single-sex institutions.

Change to read: "A recipient to which this subpart applies shall not recruit at an educational institution, school or entity, which admits as students only or predominantly members of one sex—unless such recipient can prove to the Director in writing that such recruitment is non-discriminatory because of comparable efforts at similar institutions, schools or entities which admit only or predominantly members of the other sex."

The following items should be included:

Section 86.24. Financial Assistance: A recipient to which this subpart applies shall not discriminate on the basis of sex in offering fellowships, scholarships, loans or any other form of financial assistance to potential applicants, applicants or students.

Section 86.25. Evaluation of Admission Procedure: (a) A recipient shall at least annually evaluate its admission procedure to insure that no student is denied admission on the basis of sex or subject to discrimination on the basis of sex. (b) A recipient shall record at each admission period the number of applications received, the number of students meeting each of the criterion required for admissions, the number of students accepted, the number of students offered financial aid and the amount of such assistance broken down for each sex.

Section 86.24. Discrimination in granting financial assistance implies discrimination in admissions.

Section 86.25. In order for an institution to insure non-discrimination in its admission procedure, it must collect information on its applicants and admitees by sex.

Section 86.31(b). Sanctions and punishments imposed by an educational institution occasionally differ for each sex, by rule, or regulation or practice. Such discrimination is unacceptable.

Between section (4) and (5) insert: "Subject any person to separate sanctions or punishments;".

Section 86.31(b)(7). This section seems to imply that organizations or other entities which are affiliated with the recipient regardless of how substantial that relation is, are prohibited from discrimination on the basis of sex. Exemptions for entities which are directly affiliated with a recipient should not be made.

Section 86.32(b). Housing for students who are parents should not be discriminatory based on their marital status. Furthermore, no special provision should be made for students of a particular sex in providing special aid, childcare or related services.

And the following under (b)(3): "A recipient may not discriminate on the basis of sex in providing housing for its students who are parents. (i) Housing provided for married parents must be equally available to single parents. (ii) Housing provided for single parents must be equally available to parents of either sex. (iii) Services provided in conjunction with housing must be comparable in quality and cost for all parents regardless of their sex or marital status."

Section 86.34. Classes for which the primary participants are of one sex, will be equal in quality to those of the other sex.

Insert between 86.34(a) and (b): "A recipient shall insure that courses in which members are predominantly one sex, are equivalent in size and quality to courses in which the members are predominantly the other sex."

Section 86.34(c)(1). It is imperative that counseling and related materials be totally free of sex discrimination.

Add: "Nor shall they use materials which are sex biased, whether subtly-through illustrations or overtly through sex biased or stereotypical portrayals of a particular sex."

Section 86.34(c)(2). Traditionally institutions have used sex biased materials. To insure that they do not continue, review and correction of counseling materials is imperative.

Add: "Annual reviews should be conducted to assure that sex bias does not exist in testing or other material used to appraise or counsel students."

Section 86.35(2). This section should be deleted.

Insert in this section: "Nothing in this section prohibits administration of a scholarship, fellowship or other financial assistance in order to overcome effects of past discrimination on the basis of sex."

Section 86.35(b)(1). Discriminatory practices on the part of the placement service must be prohibited.

Amend as follows: "Shall take such action including nondiscriminatory job placement counseling as may be necessary. . .".

Section 86.35(b)(3). Written reports must be submitted by the recipient.

Add: "Recipients shall report annually on student employment broken down by sex including wages, number of hours worked, job descriptions, and other conditions of employment for the following students and recent graduates: (i) All students placed by the institution through its placement assistance programs including career placement; (ii) All students employed by the recipient; (iii) All students receiving work-study."

Section 86.35(d). Continued maintenance of separate teams perpetuates discriminatory practices. By eliminating provisions for allowance of separate teams in the regulations, allowance of separate athletic scholarships is no longer applicable. If HEW refuses to eliminate provisions for separate athletic teams, only strong enforcement of financial assistance will begin to equalize athletic programs.

Delete section 86.35(d). If separate teams are allowable add: "Provided that financial assistance to members of each sex is comparable in terms of actual dollars awarded and number of awards granted."

Section 86.35(e). Comprehensive reporting must be instituted.

Add: "Annual reports shall be made on financial aid broken down on the basis of sex. Such reports shall include number of grantees, and amount granted for each financial assistance program administered by the recipient."

Section 86.36. Since gynecological treatment is a necessary component in regular medical care for women there is no reason for exclusion of it.

After "employees or recipients" insert the following: "Pregnancy, childbirth, false pregnancy, miscarriage, abortion or recovery therefrom, shall be treated as a temporary disability in determining coverage by such services. Any recipient which provides full coverage health service must provide gynecological care."

Section 86.37. Since marital or parental status has no bearing on a person's ability to participate in any program which might be offered by an educational institution and pregnancy may affect such participation only temporarily, discrimination against persons on the basis of such status must be prohibited. Guarantee of non-discrimination in this area is especially important. This section prohibits such discrimination.

Section 86.38(a). Separate teams are not acceptable in that they foster discrimination and allow past discrimination to continue to affect athletics.

Insert after "recipient": "Such non-discrimination includes equivalent access to facilities, comparable quality of facilities, comparable access to training resources, equal aggregate expenditures and other services and benefits. No recipient shall provide any physical education or athletic program separately." Delete the final lines of this section and insert the following: ". . . provided that a recipient may operate teams which have a division for each sex where selection for such teams is based on competitive skill. If operation of a team without divisions has the effect of discriminating against one sex, an institution must operate two-division teams. Treatment of each division shall be equal including scoring procedure in competition, use of facilities, coaching, services and other benefits."

Section 86.38(c)(1). This will assure further communication of non-discrimination.

After "Inform members" insert "in writing."

Section 86.42. Deletion of section (a) and (b) in no way imply that subjective criterion is not acceptable, however, use of discriminatory tests or related materials is not acceptable.

Section 86.46. Title IX prohibits unequal periodic benefits on the basis of sex and the regulations should also make such a prohibition. Unisex tables would provide an acceptable and consistent approach to this issue.

Substitute: "Administer, operate, offer or participate in a fringe benefit plan which provides unequal periodic benefits for each sex."

Section 86.47(e)(1). Consistency with the way pregnancy is treated is necessary. In this section it should be treated as any other temporary disability.

Delete "in writing" unless all other disabilities must be confirmed by physician in writing. Also delete "120 days prior to such date."

Section 86.51. In order to avoid abuse of the bona-fide occupational qualification it should be necessary to require certification and approval from the Director that sex is a bona-fide occupational qualification.

Substitute: "In all cases, exempting employment in a locker room or toilet facility used by members of one sex, the recipient must make application in writing to the Director for certification in each instance where sex is to be considered a bona-fide occupational qualification."

Summary of comments on Sections 86.51 (a) through 86.63(c):

1. Written and scheduled reports are necessary to assure compliance with Title IX.

2. Due process shall be afforded individuals in pursuing their complaints.

3. Ample time (365 days) will be allowed for the complainant to submit complaint and supporting materials.

THE FUTURE OF SOCIAL SECURITY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington report entitled "The Future of Social Security":

THE FUTURE OF SOCIAL SECURITY

Doubts have been raised about the financial stability of the social security system by recent newspaper and magazine articles. These doubts have threatened the peace of mind of many Americans who presently receive, or in the future will receive, benefits. Several observations about the social security sytsem and its future may be helpful.

The growth in the social security program has been phenomenal. When social security began in 1935, the tax was 2%—1% each on employer and employee—on the first $3,000 of annual income. In 1947 less than 2 million Americans, or 1 in every 71, collected benefits. Today the social security system pays $4.6 billion per month in benefits to 30 million Americans, or 1 in every 7. Over the years, social security expanded to include new benefits, like Medicare and cost of living adjustments, new beneficiaries, including dependents, survivors, and permanently disabled workers. Since 1968 the typical benefit has increased 69%, far more than the 43% increase in the cost of living. During the same period the maximum social security tax has more than doubled.

Despite all the changes, the social security system is not bankrupt, although reforms are needed to assure the integrity of the system. Total assets in social security trust funds at the beginning of 1957 were large enough, before new tax revenues came in, to pay benefits for 3 years and 1 month. By the beginning of 1974, total assets in the trust funds were sufficient to pay benefits for only 9 months.

As these figures suggest, the social security program is clearly operating on a pay-as-you-go basis, with the workers of today paying for today's benefits. Such a system does not necessarily indicate that social security is in fiscal trouble. After all, social security is a social insurance system, unlike private insurance and private pension plans. A private insurance company must have sufficient funds on hand so that it will be able to pay all existing obligations, but a national compulsory social insurance system, with assured income from taxes, need not.

In 1971 the Social Security Advisory Council, consisting of economists, businessmen, and at least one executive from a major life insurance company, stated in its annual report that the test of actuarial soundness for a social insurance system is whether the expected future income from contributions and interest or invested assets will be sufficient to meet anticipated expenditures for benefits and administrative costs over a specific period.

Will social security pass this test for actuarial soundness? For the short run the answer is yes, but in the long run, if reforms are not made, the answer is no. There are several reasons for the funding deficit. For one thing, estimates of the social and economic situation in the country by the Social Security Administration for the period 1964–1975 have not been very accurate. The Administration projected a growth in real wages over the period of 2.1% a year, but between 1965 and 1973 real wage growth has averaged only 1.7%. The Administration also projected a 1964–1975 birth rate gradually declining from 21 per 1,000 to 20 per 1,000, then climbing again, but the birth rate dropped dramatically and now stands near 15 per 1,000.

Although the pay-as-you-go method of financing social security has worked in the recent past, it may not work in the long run given our population growth. Later in this century, the lower birth rate, together with longer life expectancies, will increase the ratio of beneficiaries to taxpayers. In 1947 there were 22 workers for every social security beneficiary; by 1972 there were only 3 workers for every beneficiary.

The result of several factors, including the expanded coverage of the social security system, the automatic increases in benefits as the cost of living climbs, and the declining birth rate, is that by 1990 the Social Security Administration will be paying out $20 billion more in benefits than it takes in that year. Although in the short run there will be no serious problems, the entire area of financing social security for the long-term future requires immediate attention.

An Advisory Council on Social Security was recently named to study means of financing the system. Their recommendations will be submitted to Congress by January 1, 1975, and it is reasonable to expect the Congress to enact legislation to solve the future problems. Over the history of the Social Security Act, many changes have been made, faults corrected, and more adjustments must be made in the future.

Several approaches to assure sound long-term financing are being considered. There are no pat solutions, and each has its drawbacks, but at least they open up the emerging debate on the alternatives. These approaches include trimming benefits, increasing the ceiling on taxable earnings, and financing the system partly through the government's general revenues.

Above all, it is important to remember that the social security system has served us well. It is not perfect by any measure, but a system is worth saving which provides 91% of the people over age 65 with benefits, assures that 95% of all children under age 18 and their mothers will receive benefits if the family breadwinner dies, provides disability benefits to 80% of the population between ages 21 and 64 in case of severe and prolonged disability, and makes a greater contribution than any other program to the prevention of poverty in the nation.

VIRGINIA APGAR, EVOLVED INFANT TEST

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. CONTE. Mr. Speaker. I am proud to represent a congressional district that houses 13 institutions of higher education. The distinguished alumni of these schools have played major roles in shaping policy and programs in all areas of concern in this Nation.

It is with sadness, that I call to the attention of my colleagues, the recent passing of Dr. Virginia Apgar, physician and researcher, developer of the Apgar Score, a test used to evaluate the health of newborn infants. Dr. Apgar was a graduate of Mount Holyoke College, located within my congressional district in South Hadley, Mass. In 1954, she was honored by her alma mater as the recipient of its annual Alumnae Award.

In order that the great humanitarian achievements of Dr. Apgar may be known and appreciated by my colleagues, I insert, at this point, two articles from the Washington Post and the New York Times:

[From the Washington Post, Aug. 8, 1974]

VIRGINIA APGAR, EVOLVED INFANT TEST

(By J. Y. Smith)

Dr. Virginia Apgar, who developed a widely used test to evaluate the general health of newborn infants and to help detect possible birth defects, died in a New York hospital Wednesday at the age of 65.

She had been hospitalized for diagnostic tests and the cause of her death was not immediately known.

Dr. Apgar's test, which she first proposed in 1952, assigns a numerical value of 0, 1, or 2 to each of five bodily conditions: the heartbeat, respiration, muscle tone, reflexes and skin color. A score of four or less is a sign of possible trouble.

Prior to development of the test, doctors (and mothers) generally waited for the infant's first cry to see if it was healthy. Normally, a baby gives its first cry of life within two minutes of birth.

Dr. Apgar's test is normally given within the first 60 seconds of life, because, as she once explained, "that's when the baby is at his worst."

The test became so widely used that it was turned into an acronym; A, for activity (muscle tone); P, for pulse (heartbeat); G, for grimace (reflexes); A, for appearance (skin color); and R, for respiration. It is thus known as the APGAR Score.

Dr. Apgar specialized in problems of infancy and birth defects for much of her medical career.

She assisted in about 17,000 births. In 1959, she became chief of the congenital malformations division of the National Foundation-March of Dimes. In 1968, she was named vice president for medical affairs of the foundation, which specializes in research on birth defects.

In an interview in 1966, Dr. Apgar said: "For a long time, the problem of birth defects seemed beyond solution. It is still, in my view, the most challenging medical problem facing mankind. But it is fair to say that today, under the combined assault of modern day geneticists, embryologists, molecular and cellular biologists, and other research scientists more and more light is being shed on some of the mysteries that have surrounded the cause of birth defects."

Dr. Apgar was born in Westfield, N.J., and graduated from Mount Holyoke College in Massachusetts. She received her medical degree from the College of Physicians and Surgeons at Columbia University in New York in 1933 and spent the next two years as an intern in surgery at Presbyterian Hospital in New York. She then became a resident in anesthesiology at the University of Wisconsin and at Bellevue Hospital in New York.

From 1938 to 1959, she was director of the department of anesthesiology at Columbia-Presbyterian Medical Center in New York and from 1949 to 1959 she was professor of anesthesiology at Columbia. She was the first professor of anesthesiology at that school and the first woman to hold a full professorship there.

She was also a staff-member or consultant at several other hospitals in the New York area.

Dr. Apgar was the author of more than 70 publications for both physicians and laymen, including "Is My Baby All Right?" She wrote on anesthesiology, resuscitation and birth defects, among other subjects. She lectured widely in the United States, Canada, Britain, Australia and New Zealand.

She was a fellow of the New York Academy of Medicine and the late New York Academy of Sciences. She was also a member of the American Society of Human Genetics, the Genetics Society of America, the American Association for the Advancement of Science, the Allan O. Whipple Surgical Society, the board of governors of the American College of Anesthesiology, of which she was also a past president, and numerous other professional organizations.

Her honors included the 1954 Alumnea Award of Mount Holyoke College, the New York Infirmary's Elizabeth Backwell Citation for Distinguished Service to Medicine by a Woman (1960) and the Distinguished Service Award of the American Society of Anesthesiologists.

In private life, she enjoyed stamp collecting, gardening, photography and music. She played the viola with the symphony orchestra of Teaneck, N.J., and with a number of chamber music groups. She was a member of the American Philatelic Society and the Catgut Accoustical Society, a group that made its own stringed instruments.

She resides in Tenafly, N.J. Survivors include a brother, Lawrence C. Apgar, of Pocono Lakes, N.J.

[From the New York Times, Aug. 8, 1974]

VIRGINIA APGAR, BABY-TEST EXPERT—DEVELOPER OF HEALTH CHECK FOR THE NEWBORN IS DEAD

Dr. Virginia Apgar, who developed an internationally recognized test for determining the health of newborn infants, died yesterday at Columbia Presbyterian Medical Center. She was 65 years old and lived at 30 Engle Street, Tenafly, N.J.

The test, known as the Apgar Score, measures five body functions and helps to determine 60 seconds after birth whether a baby needs help to sustain life. The functions, which are checked again five minutes after birth, are heartbeat, respiration, muscle tone, reflexes and skin color.

Dr. Apgar's entire medical career was spent in research, teaching and administration. She never went into private practice.

Dr. Apgar, who was born in Westfield, N.J., graduated from Mount Holyoke College in 1929 and received her medical degree from the Columbia University College of Physicians and Surgeons in 1933. She also received a Master of Public Health degree from Johns Hopkins University in 1959.

PROFESSOR AT COLUMBIA

From 1949 to 1959 she was professor of anesthesiology at the College of Physicians and Surgeons, the first professor of that discipline at that medical school and the first woman physician to hold a full professorship there.

As attending anesthesiologist at Presbyterian Hospital here and as a consultant in that field at Valley Hospital in Ridgewood, N.J., and Goldwater Memorial and Triborough Hospitals here, she assisted in the delivery of close to 20,000 babies.

On March 19, 1944, Dr. Apgar administered the anesthesia in the birth of quadruplets—three girls and a boy—to Mrs. Harry Zarief at Sloane Hospital for Women, 622 West 168th Street.

In 1959 Dr. Apgar changed jobs. She went to the Cornell University Medical School here as clinical professor of pediatrics, and she also joined the staff of the National Foundation-March of Dimes.

NAMED VICE PRESIDENT

At the National Foundation she was named in 1967 as vice president and director of basic research after having served for eight years as head of the division of congenital malformations. In 1973 the foundation promoted her to senior vice president in charge of medical affairs.

Besides these two posts, she also held at the time of her death the position of lecturer in medicine at Johns Hopkins.

Dr. Apgar wrote numerous articles for medical journals. In 1973, together with Joan Beck, she published a book entitled "Is My Baby All Right?"

Dr. Apgar's energies and talents were not confined to medical matters. She found time to develop into an accomplished string instrument player and to build her own instruments, a viola and a cello. She was also a member of the American Philatelic Society.

As a musician she performed with the Teaneck (N.J.) Symphony and other ensembles and belonged to the Amateur Chamber Music Players and the Catgut Acoustical Society, whose members make their own instruments.

Dr. Apgar is survived by a brother, Lawrence C. Apgar, of Pocono Lakes, Pa.

AFL–CIO STRONGLY SUPPORTS S. 1868

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. FRASER. Mr. Speaker, Andy Biemiller, director of the AFL–CIO Department of Legislation, has written to every Congressman expressing strong AFL–CIO support for S. 1868.

This letter makes very clear where organized labor stands on this matter. I hope all Members have seen the Biemiller letter. If not, the text of the letter addressed to me follows:

AUGUST 16, 1974.

Hon. DONALD M. FRASER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FRASER: The House of Representatives is tentatively scheduled to consider on Tuesday, August 20, S. 1868, the United Nations Participation Act.

The AFL–CIO strongly supports S. 1868 to reimpose the United States adherence to the UN Embargo on Rhodesia, which is being sponsored in the House by more than 100 members. In our 1973 Convention, the AFL-CIO again passed a resolution calling for the repeal of the Byrd Amendment which has placed us in violation of that UN effort since 1971.

All available evidence demonstrates that the renewed and temporary loss of Rhodesia as a source of chrome ore and ferrochrome would create no national security problems, and that there are a sufficient number of other sources for these products to supply our domestic commercial needs.

It is also important to note that our adherence once again to the embargo would help improve our relationship with other African nations upon whom we are reliant for many vital resources.

The United Steelworkers of America, AFL-CIO, has stated that upholding the UN sanctions against Rhodesian chrome will have no adverse effect on American steelworkers' jobs. We concur in that statement.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

MURPHY VERSUS EVEL

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. MURPHY of New York. Mr. Speaker, over the weekend I announced plans to introduce a House Concurrent Resolution to prevent current plans being negotiated by a major network to telecast the suicidal death leap of stunt racer Evel Knievel.

As you know, during my 12 years in Congress I have taken a deep interest in the massive display of violence on television and its possible consequences on the tranquillity on this Nation.

I base my decision to introduce this resolution on the Surgeon General's study of the impact of presentations such as the Knievel "death leap" on the Nation's youth and on their propensity to imitate such behavior. Violence and aggression—in this case a highly dangerous act fraught with violent overtones—shown on television can affect anyone in any case, but it is more likely to be imitated if it seems justified by the prevalent social values. For example, if an established "hero" or "antihero" such as Knievel is committing the violent or aggressive act and if such "hero" is rewarded for his act, the impulse to copy that aggression is even greater.

By his own admission, Knievel stands to make millions of dollars and garner national fame and adulation from this one jump. Indeed, the jump has been termed the "megapromotion" of the century.

The Federal Communications Commission has informed me they are ready to move to prevent telecasting this event if they are given a substantial mandate from the Congress. I therefore ask colleagues to join me in sponsoring this resolution. I call Members attention to an editorial in today's Washington Star-News—Monday, August 19, 1974—entitled, "Evel's Influence." The editorial offers support for the basis of my resolution and I insert it at this point in the Record:

Evel's Influence

So if Evel Knievel wants to kill himself on that crazy motorcycle, trying to jump the Snake River Canyon, what business is it of ours to criticize? After all, some will say, it's his skin, isn't it? Well, no, it isn't, altogether. All of us stand to lose something and gain nothing (unlike Evel, who may earn $25 million from the stunt) whether he plunges into the void or makes it safely across on September 8. For what he poses in this senseless exploit really is a moral nightmare for the country.

He figures his survival chances at 50–50, in proposing to leap the 1,500-foot-wide Idaho canyon at 350 m.p.h. on a rocket-assisted motorcycle. It's a matter of big money, but also, without doubt, of his own ego which cannot be satisfied anymore by jumping all those massed Mack trucks as thousands gasp. Also, if that kept going, he might feel compelled to add one Mack too many someday. So if he must, by nature, tempt death beyond any previous limits known to man, why not do it for the biggest possible stakes, before the biggest possible audience, in the grandest setting available? This, we would guess, is the motivating logic.

And the proposition, in effect, is to sell the American public a ringside seat for death, or at least the strong possibility of witnessing that messy outcome. Otherwise, companies promoting numerous Evel Knievel products in connection with the jump would not be headed for sales of perhaps $200 million, according to one estimate. The overpowering offensiveness of this, we think, is in its appeal to children, who are expected to spend tens of millions on Knievel items ranging from toys to T-shirts. "He will jump and the image of the honest man remains—and sells—whether he lives or dies," says an official of a toy firm which hopes to sell a lot, either way.

But no matter how much honesty or bravery there may be in Evel's makeup, these factors are of small account beside other considerations. For essentially, this is an act of violence, in that many of those who watch will, we expect, feel keenly disappointed—deprived of their money's worth—if he doesn't take the deep dive. That is the titillating, profit-assuring potential. And to make his lack of respect for life the basis of a sweeping hero-worship is but to brutalize our society even more, to play upon a baseness in human nature that already is manifested in too much idolatry of violence.

All of us are debased by the presumption that we'll be gaping breathlessly to see Evel take the fall, if that be his fate. We hope that many Americans will decide to give the event no recognition, much less applause.

THE PRIDE OF WATERBURY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. SARASIN. Mr. Speaker, the entire city of Waterbury, Conn., is extremely proud of the achievement of Joan Joyce who is acclaimed as the best women's softball pitcher in the world. Last week, adding to her many accomplishments, she led her team, the Raybestos Brakettes of Stratford, Conn., to the world's championship of women's softball.

Several national publications, including the New York Times Magazine and the Women's Sport magazine, recently featured the previous achievements of Joan and the Brakettes, including the fact that they had won 10 national titles and compiled an astonishing winning record. The climax of this amazing record was last week, during the 1974 Women's World Softball Tournament, when the team as a whole and Joan individually, displayed their athletic expertise.

Joan pitched 36 innings, including two perfect games, 76 strikeouts, and three no hitters in her credits. She allowed only three hits and during a semifinal game struck out 20 of 21 batters. Joan's lifetime record includes losing only 25 of over 360 games pitched, 70 no-hitters, almost 5,000 strikeouts and a .316 lifetime batting average spanning a 20-year career.

The Raybestos, which represented the United States, had to defeat teams from 15 other countries, including Italy, the Netherlands, Australia, and finally Japan, to win the world title.

Many in women's athletics are becoming celebrities and are entering professional competitions. Women's softball, however, is still played merely for the pleasure it gives the participants and the spectators. The Raybestos Manhattan Co. sponsors the Brakettes by paying the team's expenses, but no salaries or individual travel expenses are received by the team members.

Mayor Victor Mambruno of Waterbury has proclaimed Monday, August 19, as Joan Joyce Night to congratulate Joan and to provide local residents with the opportunity to watch her pitch for the Brakettes in an exhibition game against the Waltham, Mass., Difters.

I would like to join in congratulating Joan Joyce and all other Raybestos Brakettes for their victory last week. I would also like to offer the Brakettes my best wishes for another victory when they defend their national title in Orlando, Fla., later this week.

TRIBUTE TO HON. O. CLARK FISHER—OUTSTANDING LEGISLATOR

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. EVINS of Tennessee. Mr. Speaker, I want to take this means of paying a brief but sincere tribute to our colleague, the gentleman from Texas (Mr. Fisher) who is retiring at the conclusion of this term after having served 32 years in the Congress.

As a member of the powerful Committee on Armed Services, Clark Fisher has devoted much of his life to drafting and sponsoring legislation to enhance and strengthen the military strength of this Nation.

He is able, dedicated, and conscientious—he has served his district, State, and Nation faithfully and well throughout his distinguished career of public service which spans more than three decades.

He is a conservative Democrat who lives in San Angelo, Tex.; a rancher, scholar, author, Christian gentleman and grandfather. He is the author of several publications on Texas heritage and his family.

Certainly we regret Clark Fisher's decision to retire—he will be missed in these sacred precincts.

However, we understand his desire to enjoy a richly deserved retirement with his family and we wish him the very best of good luck and success, good health and much happiness in the years ahead.

SENATE—*Tuesday, August 20, 1974*

The Senate met at 9 a.m. and was called to order by Hon. Harry F. Byrd, Jr., a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our help in ages past, our hope for years to come, in times heavy with crises and fraught with startling changes, help us to be strong and wise and unafraid. As we play our part in these days of destiny, keep us ever in the spirit of prayer—for we need Thee every hour.

We pray for the President and for all who serve the Government of this Nation. We pray especially for every emissary abroad upholding the ideals, the policies, and the concerns of this Republic in other nations. We offer our heartfelt thanksgiving for the selfless service of Rodger Davies, who in the midst of other people's conflicts, as an ambassador of goodwill, made the supreme sacrifice. Grant him peace and encompass all who are dear to him with Thy comfort and grace.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The second assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C. August 20, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Harry F. Byrd, Jr., a Senator from the State of Virginia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HARRY F. BYRD, JR., thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ALLEN. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, August 19, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ALLEN. Mr. President, I ask unanimous consent that all committees of the Senate may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE—UNITED NATIONS WORLD FOOD CONFERENCE

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the President of the Senate Pro Tempore, appoints the Senator from Oklahoma (Mr. BARTLETT) to attend the United Nations World Food Conference, to be held in Rome, Italy, November 5–16, 1974.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader desire to be recognized?

Mr. BEALL. No, Mr. President. I reserve my time.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 9:15 a.m., with statements therein limited to 3 minutes.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A PROGRAM TO FIGHT INFLATION

Mr. ROTH. Mr. President, I am today setting forth my recommendations to President Ford, Congress, and the American people to fight inflation. I had originally prepared this speech for presentation 3 weeks ago, but because of the climatic events of the first week in August, the speech was postponed.

We now have a new President, a new mood, and a new determination to tackle the problems of inflation. We must seize on this opportunity to take the initiative to instill confidence in the Nation's ability to control inflation. I believe I have an obligation to my constituents and my country to get the message across to a frightened and disillusioned public that the Federal Government is firmly committed to controlling inflation. I believe the American people will accept and support the hard decisions necessary to control inflation, but only if the Federal Government is willing to provide the leadership.

Inflation is not a necessary consequence of financing strong economic growth. Inflation is instead a consequence of political permissiveness and a lack of political leadership and political courage. The Federal Government, particularly the Congress, has been too permissive in its spending practice. The Congress has tried to satisfy everybody, and in the end, it has dissatisfied everybody with the inflation it has created.

The real answer to the inflation problem involves increased production and productivity. It will involve cutting Federal spending this year and balancing the budget next year; getting business and labor to cooperate in restraining prices and wages and working together to enable the United States to compete more effectively; persuading foreign countries to reduce oil prices; and, providing tax breaks for people who save money instead of spending it.

These proposals of mine are not all inclusive; they are not the only answers. The proposals will not provide a quick solution to inflation, but they will, if backed up by effective national leadership, put us on the road to restraining inflation.

REGAIN CONTROL OF FEDERAL BUDGET

My first proposal is to regain control of the Federal budget. In the period between 1955–1965, Federal spending rose at a 6-percent annual rate, but in the period between 1965–1974, Federal spending rose at more than 10 percent every year. The Federal budget has had a deficit for 14 out of the last 15 years. In the last 5 years alone, these budget deficits have totaled $76.4 million.

This means that the Federal Government has been forced to borrow $76.4 billion from the private market, taking that money away from commercial, mortgage, and small business loans, and driving interest rates up to record levels.

The chart below shows the dramatic increase in Federal spending in the last 15 years.

Fiscal year	Receipts	Outlays	Surplus or deficit (—)
1960	92,492	92,223	269
1965	116,833	118,430	—1,596
1970	193,743	196,588	—2,845
1971	188,392	211,425	—23,033
1972	208,649	231,876	—23,227
1973	232,225	246,526	—14,301
1974	271,000	274,660	—3,665
1975 (estimate)	294,000	305,445	—11,440

As distressing as these figures are, they are misleading. These figures represent what is known as the unified budget, a misleading accounting practice first adopted by the Johnson administration to hide the actual budget deficits. The unified budget concept is based on the false assumption that surpluses accumulated in the various trust funds can be counted as normal revenue to offset Federal spending. These trust funds, such as social security, railroad retirement, and others, cannot be used to offset the daily operating expenses of the Government and reduce the actual budget deficits. The only reason for including these trust funds in the budget accounts is to deceive the American people as to the full extent of Federal deficit spending.

For example, in fiscal 1975, the trust fund surplus totaled $8.4 billion, and is counted in the budget as normal revenue to reduce the reported deficit. In other words, this $8.4 billion figure is used to reduce the actual $19.8 billion budget deficit to $11.4 billion. In fiscal 1974, the trust fund surplus was $14.5 billion, which means that the reported $3.6 billion budget deficit was actually over $18 billion.

Our No. 1 priority must be to regain control of the budget to insure that these inflationary spending increases do not occur again in future years. We must reestablish our priorities to insure balanced budgets and even budget surpluses. This will not be an easy task, and it cannot be done in 1 year. The Federal budget is too large to be cut all at once without causing a brutal shock to the economy. But we must begin now to lay the groundwork for balanced budgets and fiscal responsibility.

First, we can reexamine the budget and eliminate all wasteful and inefficient programs in the current budget. The Congress has already voted to eliminate the sugar subsidies and to put an end to food stamps for college students. The food stamp program has grown from $2 billion in 1973 to $4 billion in 1975, and part of that money was going to college students. As a first step, I cosponsored legislation to authorize the President to reduce Federal spending by $10 billion.

Second, the Federal Government should stretch out and delay a number of spending programs. For example, we can delay all new construction of Federal buildings, except where the unemployment problem is critical. We can reduce the number of Federal employees through attrition and halt all unnecessary Federal travel. We can stretch out the Federal revenue sharing program, or direct the cities to only spend the revenue sharing funds on our most urgent needs, such as the elderly or mass transit.

Third, we should limit the annual increase of all of our necessary programs. We have to get away from the idea that every year each Federal program will receive an automatic increase. This past month the Senate passed one spending bill that was 22 percent higher than last year and another bill 13 percent higher than last year. These two bills alone will increase spending $3.6 billion more than last year.

We should also approve all appropriations bills a year or two in advance to allow better planning. If the Congress told each program it would receive a certain amount of money for the next 3 years, it could budget the money and not expect an automatic increase every year.

It will be extremely difficult to hold down Federal spending, and the American people will have to support Members of Congress who vote to cut spending. Every spending program is popular with at least one segment of the country, and a vote against a spending increase is not politically appealing. I recently voted against a $13.5 billion spending bill for agriculture, environment, and consumer programs because I believed the $3 billion, 22 percent, increase over last year's spending was inflationary. I hope the supporters of these programs realize that my vote was not a vote against these programs but a vote against inflation.

I will continue to vote against large inflationary spending increases, and I will work to eliminate wasteful programs and to stretch out other programs. We must hold the budget in line if we are to hold the line on inflation.

ESTABLISH A NATIONAL COMMISSION ON INFLATION

After urging the Congress over the past 5 months to establish an anti-inflation commission, my second proposal is on the verge of becoming law in the form of the President's Cost of Living Task Force. I have repeatedly urged the Congress to establish a National Commission on Inflation to promote voluntary wage and price restraint, and I am pleased that the President and the Congress has acted on a very similar proposal.

On August 15, I testified before the Senate Banking, Housing and Urban Affairs Committee that it is vitally important for all segments of America to be united in this national effort to reach a common ground on policies to fight inflation. I recommended that representatives of business, labor, agriculture, and other segments of the economy be included as members of the new anti-inflation commission. The Senate has now voted to expand the membership to allow four nongovernmental positions, and I have written the President urging him to appoint representatives of business and labor to the commission.

In the past, business and labor have had an adversary relationship, with each group trying to outpace the other. But business and labor both have to recognize that these practices only contribute to further inflationary pressures. Business and labor have to get together to form a national consensus on anti-inflation policies, and I believe their membership on the commission will aid the fight against inflation.

INITIATE INTERNATIONAL CONFERENCES ON INFLATION

For my third proposal, I urge the President to initiate two high-level international conferences devoted solely to coordinating international efforts to fight inflation. Inflation is a worldwide problem and part of the solution lies in cooperative action with other industrialized countries.

The first conference should be limited to the industrialized nations in Western Europe and Japan. These countries are also experiencing very severe inflation. In Germany the rate is 7 percent, in France 14 percent, in Britain 16 percent, In Italy 16 percent, and in Japan, the highest of all, 23 percent.

At this conference, the Western democracies should work out specific proposals to coordinate their domestic anti-inflation policies in the monetary and fiscal fields; they should take steps to control the transmission of high rates of inflation through the international monetary system; and they should establish a common policy on oil and other raw material prices. This conference should not be a one-shot affair, long on rhetoric and short on results. It should be a working conference of the highest ranking financial officials of each country, and a permanent liaison group should be established to ensure continued coordination.

The second international conference would bring together the industrialized nations and the oil producng countries. As every American knows, the four-fold rise in petroleum prices over the past 2 years has been a major stimulus to inflation. We cannot allow the OPEC countries to destroy the economies of industrialized nations. Nor can the OPEC countries afford to since their well-being is dependent upon a healthy world economy. After all, without our markets, without our transportation and distribution facilities, without our technology, their oil would be worthless. The industrialized countries have a lot of bargaining power if they would speak with one voice. It is imperative that we do speak with one voice in letting the OPEC countries know in no uncertain terms that we will not tolerate further inflationary pressures through costly oil price hikes.

TAX BREAKS TO PROMOTE SAVINGS

The fourth proposal is to provide tax incentives to middle-income people to promote savings and investments. Such a proposal will not only provide a small tax break for the people strapped by inflation, but it would also reduce mortgage interest rates, help the housing industry, and make commercial loans more available.

The Federal tax laws are presently structured in a way that is biased against personal savings and in favor of consumption. This in itself is one of the prime causes of inflation. I am presently working on legislation to encourage people to save more money by allowing perhaps $500 per year in interest income from a savings account to be tax-exempt. The average passbook savings account pays about 5 percent, and this proposal would mean that people could save up to $10,000 tax free.

Another proposal that I have advanced calls for the reduction of future tax rates by the rate of inflation. This would insure that a person would no longer be forced to pay more taxes simply because inflation has pushed him or her into a higher tax bracket. Each year, the Federal Government subjects every taxpayer to a hidden tax—an inflation tax. This tax is the result of the effect that inflation has on a tax system which is based on a progressive tax rate. My proposal would reduce this hidden inflation tax and the amount of inflated revenues that the Federal Government collects and spends each year.

Mr. President, in summary, the fight against inflation will not be an easy one. The Federal Government must take the initiative and offer strong leadership. We cannot expect the American people to make sacrifices if we are not willing to make hard decisions to formulate a national anti-inflation program. The proposals I have offered today do not provide simple solution or easy answers to inflation. But in the past, Americans have shown that they are capable of making hard choices in times of national emergencies. They have shown an enormous capacity to endure personal sacrifices for the national good. The President and Congress must take the lead. Inflation is our No. 1 economic problem, and we must make its solution our No. 1 priority.

The ACTING PRESIDENT pro tempore. The Chair, speaking as the Senator from Virginia, commends the Senator from Delaware for his comments on the budget and associates himself with the comments of the Senator from Delaware.

Mr. ROTH. I thank the distinguished Senator from Virginia. He has, of course, been one of the foremost fighters for holding down spending and fighting inflation.

QUORUM CALL

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ALLEN, from the Committee on Agriculture and Forestry, with amendments:

H.R. 12000. An act to enable egg producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl, and products of spent fowl (Rept. No. 93-1109).

By Mr. PASTORE, from the Committee on Appropriations, with amendments:

H.R. 15404. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1110).

By Mr. BENTSEN, from the Committee on Public Works:

S. 3934. An original bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes (together with minority views) (Rept. No. 93–1111).

By Mr. BIDEN, from the Committee on Public Works, with an amendment:

S. 3815. A bill to designate the Federal office building located in Dover, Del., as the "J. Allen Frear Building" (Rept. No. 93–1112).

By Mr. PASTORE, from the Committee on Commerce, with amendments:

S. 3825. A bill to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes (Rept. No. 93–1113). (Referred to the Committee on Appropriations).

Mr. PASTORE. Mr. President, I submit a report on S. 3825, from the Committee on Commerce, with reference to the long-range funding for public broadcasting. Inasmuch as this involves an appropriation, I move at this time that the bill be referred under the rule to the Committee on Appropriations.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Jack B. Kubisch, of Michigan, a Foreign Service Officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece; and

Richard L. Sneider, of New York, a Foreign Service Officer of Class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MAGNUSON. Mr. President, as in executive session, I report from the Committee on Commerce sundry nominations in the Coast Guard which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS:

S. 3926. A bill to amend the act entitled "An Act to establish the Fire Island National Seashore, and for other purposes", approved September 11, 1964 (73 Stat. 928). Referred to the Committee on Interior and Insular Affairs.

By Mr. CURTIS:

S. 3927. A bill to amend the Internal Revenue Code of 1954 to reduce the required charitable distributions of private foundations. Referred to the Committee on Finance.

By Mr. HANSEN:

S. 3928. A bill to amend part B of title XI of the Social Security Act to make certain reforms in the program of review of professional medical services provided under the Social Security Act, and to protect the confidentiality of medical records. Referred to the Committee on Finance.

By Mr. FANNIN:

S. 3929. A bill to amend the Internal Revenue Code of 1954 to increase incentives for savings and investment. Referred to the Committee on Finance.

By Mr. PELL (for himself, Mr. Pastore, Mr. Kennedy, and Mr. Brooke):

S. 3930. A bill to amend the Federal Property and Administrative Services Act of 1949. Referred to the Committee on Government Operations.

By Mr. DOMENICI:

S. 3931. A bill to amend title II of the Social Security Act to provide that the amount of an individual's earnings shall, for purposes of the provisions thereof requiring deductions from benefits on account of excess earnings, be deemed to be reduced by an amount equal to the expenses paid by him during the taxable year for medical care for himself. Referred to the Committee on Finance.

By Mr. TALMADGE:

S. 3932. A bill for the relief of Anecita Maiquez Salindong; and

S. 3933. A bill for the relief of Basil W. Lillard. Referred to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 3934. An original bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. Placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS:

S. 3926. A bill to amend the act entitled "An act to establish the Fire Island National Seashore, and for other purposes," approved September 11, 1964 (73 Stat. 928). Referred to the Committee on Interior and Insular Affairs.

Mr. JAVITS. Mr. President, the bill I am introducing today would do those two things.

First, the authorization figure would be increased by $10 million. The National Park Service has estimated that it would require at least $7,150,000 to complete acquisitions and condemnations in the seashore. This is just an estimate which the Park Service itself indicates could go up depending on future condemnations.

Second, the legislation gives the Secretary the power to go to the appropriate U.S. district court for injunctive relief against any action covered by the act which is inconsistent with the purposes of the act or which is considered adverse to the protection and development of the national seashore.

On September 11, 1964, the Fire Island National Seashore was authorized by Public Law 88–587 with the stated purpose to preserve the section of barrier beach off the south shore of Long Island and to provide recreation and natural open space for the enjoyment of all. The act provided $16 million for acquisition of property within the seashore and as of this time all but $276,561 has been spent for seashore property with the remaining amount reserved for pending condemnation suits. There has been no new money provided for Fire Island since the original act was passed by the Congress.

Since its establishment the Fire Island National Seashore has been a very popular resort area for the people of Long Island and metropolitan New York—an estimated population of 10 to 12 million. It contains excellent beaches with imposing sand dunes and interesting vegetation. The sunken forest in the western half of the island is a tremendous natural resource which remains in a wholly natural state. In the calendar year 1972, according to the Interior Department, 578,702 visitors used the seashore. It is clearly one of our most important natural resources.

Unfortunately, since the passage of the Fire Island legislation there have been numerous complaints over the years regarding improper development of private property and insufficient regulation of vehicular traffic on the "fragile" island.

Over the years, my office in response to complaints from George Biderman, the first Chairman of the Seashore Advisory Commission, and Charles Lowry, his successor, intervened with the Interior Department to try and stop improper development of private property. Unfortunately the statute provides for only one remedy—that of condemnation of private property which has been zoned in a manner not satisfactory to the Secretary of Interior or which has been subject to a variance, exception or use that failed to conform to the regulations of the Secretary. Because of lack of funds and the inevitable court battles, the Interior Department never used its power of condemnation to stop improper development on Fire Island. On the other hand, the Interior Department never came to the Congress to request additional funds for acquisition of property on Fire Island. In fact, a completed master plan has never been approved by the National Park Service for the island despite the fact that it has been worked on in stages since 1965. The latest estimate by the Park Service is that the master plan is not expected to be completed before January 1975.

On August 9, 1972, after frustration with the actions of the Interior Department, George Biderman, Charles Lowry, and 12 other property owners on Fire Island commenced an action against the Secretary of Interior and various officials of the towns and villages which have jurisdiction over Fire Island. The complaint sought relief by requiring the Secretary of Interior to prepare an environmental impact statement and also sought to enjoin the municipalities involved from issuing building permits or granting zoning variances until the environmental impact statement was prepared and any changes in the Secretary's regulations governing local zoning ordinances were promulgated. On August 22, 1973, the Federal district court in the eastern district of New York denied relief to the plaintiffs concluding that the court was powerless to enjoin municipalities from implementing their zoning ordinance. This decision was affirmed by the court of appeals on May 30, 1974. See *George Biderman et al.* v. *Rogers C. B. Morton et al.* (Doc. No. 73-2842). Chief Judge Kaufman writing for the court stated that absent funds for condemnation, the statutory scheme devised by Congress leaves the Secretary powerless to arrest the allegedly destructive development of Fire Island. In an eloquent statement at the end the opinion, the chief judge stated as follows:

> On the basis of the affidavits and interrogatories in the record before us, there is little doubt in our minds that environmentalists—and indeed courts—have been and will continue to be frustrated in their commendable efforts to safeguard the natural beauty of Fire Island. In their justifiable frustration, plaintiffs have sought relief from the courts, but it is clear that only Congress can provide the remedy. Denial of the preliminary injunctive relief sought by plaintiffs must, therefore, be affirmed and the case remanded for further proceedings not inconsistent with this opinion. Nevertheless, precatory though our words must necessarily be, we cannot help but urge those with the power and authority to preserve this gem of an island to halt their procrastination and get on with the urgent business of saving this charming and fragile outpost of nature before the encroachment of haphazard development irrevocably despoil it.

I think the Congress should take up the challenge presented by the court of appeals decision and should move ahead by enacting legislation to increase the authorization for acquisitions on Fire Island and to provide the Secretary of Interior with the authority to enjoin development which is inconsistent with the purposes of the act.

The courts are given appropriate jurisdiction to consider such injunction suits. This new authority will give the Secretary of Interior the ability to restrain development which is not in accordance with the purposes of the act; that is, to conserve and preserve for the use of future generations certain relatively unspoiled and undeveloped beaches, dunes and other natural features on Fire Island. In most instances the threat of an injunction should deter private landowners from making improper use of their property. This should also enable the Interior Department to minimize the expense involved, because it will require fewer condemnations.

When private landowners were given examptions in the original Fire Island legislation, that action was predicated upon use of property consistent with the objectives of the act. That is the reason the Secretary of Interior was given the power to condemn property used in a manner inconsistent with the act. I believe the legislation I am introducing will give the Secretary the tools that are necessary to protect this irreplaceable resource. We must not let development destroy one of our greatest natural treasures.

I ask unanimous consent that a copy of an Interior Department memo containing pertinent information on Fire Island and its administration be placed in the RECORD at this point and that the text of the bill be printed in the RECORD.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 3926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the Act entitled "An Act to establish the Fire Island National Seashore, and for other purposes," approved September 11, 1964 (78 Stat. 928), is amended by deleting "$16,000,000" and inserting in lieu thereof "$26,000,000".

(b) Section 7(c) of such Act is amended by adding immediately after the first sentence thereof the following new sentence: "In addition to any other statutory authority available to him under this Act or any other law, the Secretary, in carrying out his duties under this Act to administer, protect, and develop Fire Island National Seashore, is authorized to petition an appropriate United States district court for injunctive relief concerning any action covered by the provisions of this Act which the Secretary determines is inconsistent with the purposes of this Act, or which he considers adverse to the protection and development, in accordance with the purposes of this Act, of the area comprising the national seashore, and the United States district courts shall have jurisdiction to receive, consider and act upon any such petition."

BRIEFING STATEMENT—FIRE ISLAND

1. Fire Island National Seashore was authorized by Public Law 88-587 passed September 11, 1964.

2. The purpose of the area is to preserve a section of barrier beach off the south shore of Long Island, to provide recreation and natural open space for the enjoyment of all.

Support for establishment of the park came from residents and conservationists who did not want to see a road constructed on Fire Island as proposed by Robert Moses. A severe storm in 1962 had a sobering effect on homeowners on the island and led to a feeling that much of the open space on the island should be preserved. Also there was a substantial interest in strengthening erosion control measures and zoning controls on the island.

3. The boundary extends 29 miles from the east boundary of Robert Moses State Park to Moriches Inlet. Sixteen million dollars has been authorized for land acquisition and of this figure, less than one percent remains unobligated. The water boundary extends 1,000 feet on the oceanside, and up to 4,000 feet on the bayside.

A. The Federal Government holds title to 2,733 acres.

B. The State of New York holds title to all ocean front lands below mean high water (a legal point not accepted by all.) We are now in process of having these lands before Federal areas transferred from the State of New York.

C. The Towns of Brookhaven and Islip hold title to all bay bottom lands except a small tract at Sailors Haven.

D. The Towns of Brookhaven and Islip also hold title to several tracts within our boundary—totaling 204 acres.

E. Title held by private citizens or village governments and associations totals 1048 acres.

F. Suffolk County holds title to 1519 acres.

4. Federal Jurisdiction is Proprietory and extends to all lands in Federal ownership plus lands and waters of the State of New York adjoining fast lands of Federal ownership.

5. Budget for Fiscal Year 1974 is $617,400.

6. Staffing: 28 Permanent and 50 Temporary.

7. Visitor Use for Calendar Year 1972 was 578,702. Use was predominately from Long Island and Metropolitan New York.

8. Developed Areas:

A. Watch Hill:
(1) Marina 150 boats.
(2) Concession-contract.
(3) Ferry Service—special use permit.
(4) Campground—reservation system.
(5) Protected swimming beach.
(6) Nature Trail.

B. Sailors Haven:
(1) Marina 30 boats.
(2) Concession-contract.
(3) Ferry Service—special use permit.
(4) Protected swimming beach.
(5) Nature area—Sunken Forest.
(6) Boardwalk and cement trail systems.

9. Undeveloped Areas:

A. Eight mile zone (from Watch Hill east to Smith Point County Park) is to be left largely undeveloped.

B. Talisman is to be developed as third major public use area when funds permit.

C. Westend Strips. These are too small for development as major public use areas.

10. Conceptual Master Plan Draft:

A. Attempts to solve certain resource and public use problems, i.e.:
(1) Visitor access:
(a) Parking on mainland.
(b) Ferry service and lateral movement (concession).
(2) Carrying capacity of developed areas.
(3) Priority placed on day use areas rather than more marinas.
(4) Natural zones to be placed in low development priority.
(5) Visitor experience defined.

B. Major Recommendations:
(1) Acquisition of Coast Guard tract.
(2) Mainland ferry and parking sites.
(3) Dune protection zone—undeveloped lands along dune line within communities.

C. Areas to be developed are Watch Hill, Sailors Haven, and Talisman

D. Acquisition funds required—$7,150,000 estimate

(1) For mainland parking and ferry terminal sites 80 acres	$2, 000, 000
(2) Beach strand in front of communities (60 feet) 50 acres @$25,000	1, 250, 000
(3) Dune zone within communities 40 acres @$35,000	1, 400, 000
(4) Enforcement of zoning standards—7 actions per year for two years @$150,000 each	2, 000, 000
(5) Acquisition of tract #2203—8.5 acres	500, 000
Total	7, 150, 000

E. Increase of annual operating funds $260,000.
(1) 5.5 man years.
(2) Temporary positions for beach protection, beach clean-up, enforcement of beach buggy regulations, etc., 16 man years.

11. Environmental Impact Statement:

A. Provided environmental data regarding suggested development plan.

B. Set forth overwash principle of barrier islands as a factor governing development.

C. Suggests erosion control philosophy.

12. Status of Law Suits:

A. First complaint action filed August 9, 1972.
(1) Requested an Environmental Impact Statement for Fire Island National Seashore.
(2) Asked National Park Service to control beach vehicle travel.

(3) Asked National Park Service to acquire ocean front beaches.

(4) Other issues:

(a) Zoning standards and action.

(b) Development in communities.

(5) Plaintiff filed interrogatories March 20, 1973

(a) Reply included preliminary draft of Master Plan and Environmental Impact Statement.

(6) Motion for dismissal denied, but no decision—pending completion of Master Plan and Environmental Impact Statement

B. Plaintiff's arguments and preliminary motion of injunction filed August 22, 1973.

(1) Points of complaint:

(a) Inadequacy of Environmental Impact Statement and Master Plan.

(b) Overwash theory contested.

(c) Continued and past failures of National Park Service to carry out provisions of Act.

(2) Asked National Park Service to refrain from giving approval for the issuing of or granting building permits, variance permits for dredging, building on dunes or wetlands. National Park Service should issue vehicle permits only for essential services and for health and safety of Fire Island National Seashore residents and visitors.

(3) Reply by Government September 13, 1973 agreed to items of injunction except:

(a) Superintendent may approve applications for building permits containing no variances, exceptions, or adverse locations by providing plaintiff in court on 30 day notice.

(b) We want to continue to manage vehicle control:

(1) Proposed vehicle regulation amendments submitted for court review.

(2) Seashore would issue permits subject to change and approval of regulations as proposed.

(2) Seashore would issue permits subject to change and approval of regulations as proposed.

(3) Items of injunction do not effect Federal land management and public use except beach buggy operations.

13. Status of Planning:

A. Survey on environmental assessment of non-Federal lands developed and proposals advertised. Necessary to complete Environmental Impact Statement:

(1) $68,000 study under contract with Jack McCormack and Associates.

(2) Study to be completed by September 1, 1974.

(3) Survey covers:

(a) Land use inventory.

(b) Land ownership inventory.

(c) Existing development.

(d) Evidence of environmental manipulation.

(e) Environmental pollution.

(f) Topography.

(g) Geomorphology and coastal processes.

(h) Soil.

(i) Ground, water hydrology.

(j) Vegetation and flora.

(k) Fauna.

(l) Estuarine quality.

(m) Assessment of storm damage.

(n) Historical, cultural and archeological resources.

(o) Need to maintain presence on existing Federal lands.

14. Erosion Control:

A. Saltaire—Ocean Bay Park proposals to construct groins *objected* to by the National Park Service and Town of Islip. (Now before Corps of Engineers.)

B. National Park Service—Corps meetings September 6, 1973, opened discussions and established positions of each agency. Plans are to follow up with a review of Corps' plan for hurricane protection and submit comments. Plan not received from the Corps.

15. Beach Vehicle Control:

A. Kismet (Lighthouse Shores) versus Town civil action appeal heard by Suffolk County Supreme Court ruling that Town lack jurisdiction.

B. Seashore vehicle amendments have been submitted to Washington for printing in Federal Register.

16. Beach Strand Acquisition:

A. Letters have been sent to property owners in east end to determine their interest in donating strips to Federal Government—response has been limited and with little interest in donating.

B. Condemnation case regarding acquisition of beach strand in front of Seaview has resulted in information that costs would likley exceed $1,000,000. This figure exceeds available funds, and it has been recommended the case be withdrawn without prejudice or cost to Federal Government.

17. Private Development on Lands in Seashore District:

A. Private owners and developers have asked town for building permit and sight to subdivide undeveloped lands in the seashore district—(tract 2203).

B. By provision of the enabling legislation development of this land would subject it to condemnation.

C. Costs for acquisition of this tract would likely exceed remaining acquisition funds authorized by Congress.

18. Revision of Master Plan and Environmental Impact Statement will be completed as soon as McCormack information is provided. Hopefully this will be before end of 1974.

19. Public meetings will be held on Master Plan and Environmental Impact Statement.

20. New legislative authority will be sought as need is clearly identified in planning documents. This most likely will be in 1975.

By Mr. HANSEN:

S. 3928. A bill to amend part B of title XI of the Social Security Act to make certain reforms in the program of review of professional medical services provided under the Social Security Act, and to protect the confidentiality of medical records. Referred to the Committee on Finance.

PSRO'S AN AREA WHICH NEEDS STUDY

Mr. HANSEN. Mr. President, after long and deliberate study of the PSRO statute, I have concluded that this law needs to be changed. Not only is the present law meeting widespread opposition, but it allows for a dangerous precedent of inappropriate government intervention into the private affairs and responsibilities of American citizens.

I am not unmindful, Mr. President, of recent developments in the other body concerning national health insurance and possible amendments to the Professional Standards Review Organization law.

It is my understanding that the Senate Finance Committee, under the able leadership of Senators RUSSELL LONG, of Louisiana, and WALLACE BENNETT, of Utah will possibly examine suggested amendments in this area even before the Finance Committee, on which I also serve, comes to grips with the national health insurance proposals. And all of these actions apparently could take place in this session of Congress.

To that end, Mr. President, I am pleased to offer my suggested amendments to PSRO in order to have all the alternatives before the committee.

There has been misunderstanding on both sides of this controversial issue. It has been difficult to separate fact from fiction. Extreme and possibly fanatical positions taken either for or against PSRO have, in my view, weakened the arguments promoted, respectively.

I do not agree that the statute should be repealed. It should be amended, and that is the goal of the legislation that I am introducing today.

The undergirding reason for PSRO was to insure that Federal expenditures for medicare and medicaid approaching $20 billion a year not be wasted on unnecessary and substandard quality medical services. The prospects of a national health insurance program in the near future without some control on utilization and quality again indicated the urgent need for such a program. PSRO was built to be a mechanism to monitor the utilization and quality of these government-reimbursed services. In this respect, peer review and quality assurance concepts have been conclusively demonstrated to be workable and helpful in decreasing overutilization and increasing quality of medical care.

It is widely agreed that, if handled right, a program embodying these concepts could have far-reaching potential in improving the delivery of economical and quality medical care in our country.

It has already been established by the existing PSRO statute that it would be inappropriate for government or other non-professional agents to review medical care; this job must be left to the doctors.

We may then assert that such a program must rely first on the good faith and cooperation of the doctors themselves. This, I believe, is the prime and most important requirement for the success of any review process. If the physicians are alienated or disgruntled with the program, it cannot possibly be expected to be a success. To force them into it like a herd of sheep can only result in half-hearted compliance that will result in mediocre effectiveness. The strength of the review program must come from the ranks and not from the top.

Herein lies the principal problem with the existing legislation: It has alienated the major part of the medical profession to the point of organized drives for noncooperation, repeal, or amendment of the law.

I reiterate what I noted on the Senate floor on June 21, that over 15 State medical societies have passed resolutions for repeal of the law; 29 other State societies support repeal or amendment—others have joined since—the American Medical Association, representing the majority of practicing physicians, has, in accordance with a resolution of its house of delegates, asked for amendment of the law. The controversy has generated two court suits; and two State legislatures have called for repeal of the law.

These actions are all well summarized by a statement of AMA past-president

Russell B. Roth, M.D., before the Senate Finance Health Subcommittee oversight hearings:

> The best efforts of the legislators involved, the staff of the Senate Finance Committee, the staff of the PSRO administrative office in HEW, and physicians from AMA, from assorted state medical societies and specialty medical organizations, have not succeeded in creating in the profession the climate of acceptance and cooperation essential to success. The fault does not lie with the sincerity or intensity of the effort to cooperate, it lies with the basic ineptitude of the statute.

It is appropriate to note that there has been a limited and qualified physician cooperation with the PSRO program. This has often been misrepresented or confused with support of the PSRO statute itself. It appears that most physicians across the country are in support of peer review and quality assurance programs, which is reflected by substantial resource allocations toward peer review and quality assurance programs development by most physician groups or societies, prior to and concurrent with the PSRO implementation.

The current qualified physician cooperation appears to be based on three realizations: First, peer review and quality assurance are good things; second, PSRO is now the law of the land; and, third, in the face of worse alternatives, the present PSRO law should be worked with as much as possible to assure that non-professionals do not gain control of the review process.

However, cooperation with implementation of the program in line with these realizations does not infer widespread support or satisfaction. This was shown by testimony before the Senate Finance PSRO oversight hearings in May. Almost every witness, including several presently designated PSRO's, expressed deep concern with certain provisions of the law, and asked that they be changed.

It therefore no longer seems relevant to debate whether there should be peer review; the question is, "How should it be done?"

The current alienation and concern with the program lies chiefly with the forms that peer review and quality standards take in the present PSRO law. This is justified, in my view, as dangerous and discriminatory administrative abuses are not sufficiently precluded by the statute.

The ultimate authority for certifying PSRO's, for designating PSRO areas, for approving norms and standards, for disciplinary action and for financial reimbursement resides finally with the Secretary of HEW. He is directed to consult with local interested parties, but in no way is he required to follow their advice.

The present statute mandates a single, inflexible and rigid structure. It is arbitrary, subject to advice and counsel of local physicians, but must be certified by the Secretary of HEW. There is no allowance for alternative unique and commendable systems that have been locally developed, and that would accomplish the same purpose as PSRO. Several responsible review systems are now in existence that are doing effective review work in accordance with the intent of the law, but they will probably not meet the regulations of the Secretary for certification as PSRO's. Dr. Kenneth Kahn, president of the Colorado Foundation for Medical Care—Colorado's PSRO—commented to me:

> PSRO truly may develop programs of proper cost, efficiency, and quality. However, a heavy handed program with bureaucratic direction that is concocted centrally and not locally will surely result in another health care albatross. The present efforts to implement threaten to establish this very bureaucratic yoke. The government's negotiators are not flexible and seem to be pointed toward the development of a uniform data set that will emanate from the Social Security Administration. . . . I therefore would urgently plead that the Senate Finance's Health Subcommittee implement amendments to the law.

Presently the law is being implemented in general accordance with the legislative intent. But acceptable regulations now promulgated are subject to change by a future administrator, who may take a more liberal interpretation of the law. Such a liberal interpretation could have disastrous effects, and with the relatively easy procedure for changing regulations, no doubt serious abuses could be made.

We may well consider what might occur in 10 years from now, under a different administration, if the present regulations were changed. Some will say that this is not easy, nor possible, given the public reaction that would occur if the changes were objectionable. I have had enough experience in government to know how regulations can be manipulated within a government bureaucracy without the knowledge or understanding of most those affected. Many and devious are the methods that have been used and could be used. My fears are not allayed by promises that procedures and public response are sufficient to guarantee that disinterested Government bureaucrats do not alter regulations to the detriment of the people, either knowingly or unwittingly.

Of course, all administrative abuses cannot be accounted for in the statute, but the prominent and most dangerous ones can.

It appears that the present HEW implementation of the PSRO program is sharply geared to cost control at the expense of quality control. Doctors in Wyoming have expressed concern at the neglect of quality-oriented instructions or regulations from HEW. This is evidenced by HEW insistence that PSRO's use the uniform hospital abstract data system—which contains primarily financial information and is cost-oriented—rather than locally or regionally developed data systems. Colorado wants to develop their own data system oriented toward quality as well as cost control. So far they have had little success in doing so.

Few problems of confidentiality have arisen with PSRO at the present time. Neither have the data banks been completed or the regulations enforced. But the possibility for abuse is inherent within the law. When patient, physician, and institutional profiles are maintained on every participant throughout the country, and such data is stored in computers centrally located, available to administrators within the Department of Health, Education, and Welfare, abuses of confidentiality are likely. Just making them illegal is not sufficient; they should be made nigh impossible.

A statement of Justice William O. Douglas from his concurring opinion in Roe-Wade is most appropriate:

> The right of privacy has no more conspicuous place than in the physician-patient relationship, unless it be in the priest-penitent relation.

This is obviously the result of the Senate Finance Committee staff's instructions to HEW. Its report accompanying the Social Security Amendments of 1972, pages 264–265, stated:

> The committee expects that the Secretary, in conjunction with various medical and other organizations, would assist the local professional standards review organizations through providing them with model operational guides, forms and methodology descriptions. *To the greatest extent possible, standardized forms and procedures should be utilized by the local review organizations.* Of course, this approach would not preclude acceptable modification and adaptation to meet local circumstances, but *basic formats should be established for national usage and basic comparable data for inter-PSRO comparisons should be developed.* (Emphasis added.)

Such fears are further substantiated by the recent "Report to the Secretary of Health, Education, and Welfare and Commissioner of Social Security," by the Advisory Committee on Medicare Administration, Contracting and Subcontracting: "Another possibility, which both the Government and industry have discussed with the committee, is the utilization of regional or national data processing centers. The committee believes that this possible future course of action should be fully investigated."

In my view, no degree of administrative efficiency is sufficient to account for a heavy handed, centralized program that disallows local innovation and variation. Such policy will be the inevitable failure of PSRO.

> It is one thing for a patient to agree that her physician may consult with another physician about her case. It is quite a different matter for the State compulsorily to impose on that physician-patient relationship another layer, or as in this case, still a third layer of physicians. The right to privacy—the right to care for one's health and person and to seek out a physician of one's own choice protected by the Fourteenth Amendment—becomes a matter of theory not a reality, when a multiple physician approval system is mandated by the State.

In this era of computers and data banks we must ever be aware of and guard against government surveillance of private lives.

The present law mandates that norms and standards of medical care, rather than guidelines of "expected" or "usual" treatments, be developed by physicians. Such norms are developed locally, but must be "in accordance with regulations of the Secretary," and are subject to the approval of the National Professional Standards Review Council. If they differ substantially from nationally developed or regional standards, reimbursement for services may not be made.

Such norms and standards could have the effect of motivating many physicians to practice within the limits specified—in order to be legally safe. Such published parameters of care could stifle individuality, innovation, experimentation, and subjective judgments.

It appears that with the subjective and intuitive nature of many medical judgments, it will be highly unlikely that designed and noted norms and standards can be realistically applied, except on a very broad range.

The present law is also more punitive than educational. Upon determination of noncompliance with the law or poor quality practice, present law mandates punitive measures, with no opportunity for an educational process to enable physicians to improve or change.

And finally, administration of the program is not specified by law. This deficiency has resulted in competition among HEW agencies for control of the program, with subsequent confusion and dismay among PSRO's across the country who wonder who they should listen to.

I, therefore, conclude that while being essentially praiseworthy in concept and intent, the present PSRO statute has some basic problems that should be changed.

The specific amendments that I offer are in accordance with the testimony from the oversight hearings:

First. Extend the implementation deadline to PSRO to July 1, 1978.

Second. Decisions regarding area designation, PSRO ability to review care, and PSRO contracts that are made by the Secretary shall be subject to the concurrence or veto of the National Professional Standards Council. The National Professional Standards Review Council therefore would have the ultimate authority on these specified matters.

Third. The National Council should be given its own staff.

Fourth. A Technical Task Force consisting of practicing physicians as well as others should be created under the auspices of the National Council, to gather and disseminate information on review systems, structures, innovations, and methods; and advise the profession and Government agencies involved in administering the program of the above plus its assessment of program policies.

Fifth. Area designation, the organization performing review responsibilities, and basic methodology of medical review would be left up to the local medical professionals, including nurses and other allied health professionals, according to guidelines from the National Council.

Sixth. Data functions and ownership of data will be left in the hands of each PSRO. Data systems should be locally or regionally developed and located, in accordance with guidelines from the National PSR Council.

Seventh. Review of medical services, notwithstanding the size of the PSRO, shall be done locally.

Eighth. Published guidelines of medical care, used as initial checkpoints in the review process, shall be guides only, and cannot be substituted for the medical judgment of the physician.

Ninth. Compliance to such guidelines as promulgated by PSRO's shall neither protect nor endanger the physician who may become legally liable for his acts or omissions. Liability of the reviewing physicans must be defined.

Tenth. Action taken by local PSRO's upon evidence of sub-standard medical practice would be directed toward educational initiatives rather than punitive action. However, punitive action will be retained as an alternative to educational processes after such efforts have proven ineffective.

Eleventh. PSRO's should be encouraged to review care paid for by other, private third-party payers such as private insurers, HMO's, and so forth, upon their request.

Twelfth. Other statutory authority for medical review, utilization review, within the Social Security law that is duplicative of PSRO responsibilities would be waived upon implementation of PSRO.

Thirteenth. Administration of the PSRO program will be specifically designated by law to one Government Office of Professional Standards Review.

Fourteenth. PSRO records, data, and findings would not be subpenable for civil court actions.

Fifteenth. Preadmission certification authority for hospitals will be deleted.

Mr. President, this is a sensitive issue, and we must be most careful while interjecting into it the powers of the Federal Government. Medical care is of such a subjective, intuitive, and personal nature that to reduce it to terms of norms, guidelines, and standards would seem most foolish and shortsighted. Regardless of the many scientific and technological advances, medicine is still an art.

To think that the Government can mandate procedures that will insure the wise use of its money without cooperation of the medical profession would be most naive. Our objective must not be to just insure that Government dollars are wisely spent, but that people receive good medical care. A professional review program must not just mandate review of physicians' services and provide for disciplinary measures, but it must build and contribute to the professional competence of the physicians themselves. It must help them to be better doctors. In this connection, may I quote from John Stuart Mill, who has spoken words of profound import to this very issue:

> It is not much to be wondered at if impatient or disappointed reformers, groaning under the impediment opposed to the most salutary public improvements by the ignorance, the indifference, the intractableness, the perverse obstinacy of a people, and the corrupt combinations of selfish private interests armed with the powerful weapons afforded by free institutions, should at times sigh for a strong hand to bear down all these obstacles, and compel a recalcitrant people to be better governed. But those who look in any such direction for the realization of their hopes leave out the idea of good government its principal element, the improvement of the people themselves. One of the benefits of freedom is that under it the ruler cannot pass by the peoples' minds, and amend their affairs for them without amending them.
>
> It is an adherent condition of human affairs that no intention, however sincere, of protecting the interests of others can make it safe or salutary to tie up their own hands. Still more obviously true is it, that by their own hands only can any positive and durable improvement of their circumstances in life be worked out.

Professional standards review must be a product of the physicians themselves. It can be done by them, and I am confident that they will do the job without undue interference of government bureaucratic organization. Let us place faith in them, and thus contribute to motivation within their ranks towards better self-government.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part B of title XI of the Social Security Act is amended to read as follows:

"PART B—PROFESSIONAL STANDARDS REVIEW

"DECLARATION OF PURPOSE

"SEC. 1151. In order to promote the effective, efficient, and economical delivery of health care services of proper quality for which payment may be made (in whole or in part) under this Act and in recognition of the interests of patients, the public, practitioners, and providers in improved health care services, it is the purpose of this part to assure through the application of suitable procedures of professional standards review, that the services for which payment may be made under the Social Security Act will conform to appropriate professional standards for the provision of health care and that payment for such services will be made—

"(1) only when, and to the extent, medically necessary, as determined in the exercise of reasonable limits of professional discretion; and

"(2) in the case of services provided by a hospital or other health care facility on an inpatient basis, only when and for such period as such services cannot, consistent with professionally recognized health care standards, effectively be provided on an inpatient basis or more economically in an inpatient health care facility a different type, as determined in the exercise of reasonable limits of professional discretion.

"DESIGNATION OF PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

"SEC. 1152. (a) As soon as practicable after the date of enactment of this part, the Secretary shall assist the National Standards Review Council in proposing guidelines for selection of professional standards review areas. Upon completion of such guidelines, the Secretary shall notify the physicians in each State that an area within each such State will be designated as a professional standards review area in accordance with such guidelines. No such designation shall be made until the medical care organizations in such State shall have an opportunity to choose the area or areas in such State, in accordance with such guidelines, which should be selected as professional standards review areas. The choice of such organizations shall be followed in selecting any such area unless the Secretary, with the concurrence of the National Standards Review Council, determines that such choice should not be followed.

"(b) The Secretary shall, at the earliest practicable date after selection of an area as a professional standards review area in accordance with subsection (a) of this section, enter into an agreement with a qualified organization whereby such an organization shall be conditionally designated as the Professional Standards Review Organization for such area. No such conditional designation shall be made without the concurrence of the National Services Review Council. If, on the basis of its performance during such period of conditional designation, the National Standards Review Council determines that such organization is capable of fulfilling, in a satisfactory manner, the obligations and requirements for a Professional Standards Review Organization under this part, the Secretary shall enter into an agreement with such organization designating it as the Professional Standards Review Organization for such area.

"(c) For purposes of subsection (b), the term 'qualified organization' means—

"(1) when used in connection with any area—

"(A) a private nonprofit organization (including a medical foundation), which includes members of nursing and other health care disciplines, designated by a State medical society or any State to perform such duties, functions, and activities of a Professional Standards Review Organization required by or pursuant to this part;

"(B) an organization (i) which is a nonprofit professional association (or a component organization thereof), (ii) which is composed of licensed doctors of medicine or osteopathy engaged in the practice of medicine or surgery in such area, (iii) the membership of which includes a majority of all such physicians in such area, (iv) which is organized in a manner which makes available professional competence to review health care services of the types and kinds with respect to which Professional Standards Review Organizations have review responsibilities under this part, (v) the membership of which is voluntary and open to all doctors of medicine or surgery in such area without requirement of membership in or payment of dues to any organized medical society or association, and (vi) which does not restrict the eligibility of any member for service as an officer of the Professional Standards Review Organization or eligibility for and assignment to duties of such Professional Standards Review Organization, or, subject to subsection (d) (1),

"(C) such other public, nonprofit private, or other agency or organization, which the National Standards Review Council determines, in accordance with criteria prescribed by the Council in regulations, to be of professional competence and otherwise suitable;

"(2) an organization which the Secretary, with the concurrence of the National Standards Review Council, on the basis of his examination and evaluation of a formal plan submitted to the Secretary by the association, agency, or organization (as well as on the basis of other relevant data and information), finds to be willing to perform and capable of performing, in an effective, timely, and objective manner and at reasonable cost, the duties, functions, and activities of a Professional Standards Review Organization required by or pursuant to this part.

"(d) (1) The Secretary shall not enter into any agreement under this part under which there is designated as the Professional Standards Review Organization for any area any organization other than an organization referred to in subsection (c) (1) (A) prior to July 1, 1978, nor after such date, unless, in such area, there is no organization referred to in subsection (c) (1) (A) which meets the conditions specified in subsection (c) (2). The Secretary shall not enter into any contract with any such organization without the concurrence of the National Standards Review Council.

"(2) Whenever the Secretary enters into an agreement under this part under which there is designated as the Professional Standards Review Organization for any area any organization other than an organization referred to in subsection (c) (1) (A), he shall not renew such agreement with such organization if he determines that—

"(A) there is in such area an organization referred to in subsection (c) (1) (A) which (i) has not been previously designated as a Professional Standards Review Organization, and (ii) is willing to enter into an agreement under this part under which such organization would be designated as the Professional Standards Review Organization for such area;

"(B) such organization meets the conditions specified in subsection (c) (2); and

"(C) the designation of such organization as the Professional Standards Review Organization for such area is anticipated to result in substantial improvement in the performance in such area of the duties and functions required of such organizations under this part.

"(e) Any such agreement under this part with an organization (other than an agreement established pursuant to section 1154) shall be for a term of 5 years; except that, prior to the expiration of such terms such agreement may be terminated—

"(1) by the organization at such time and upon such notice to the Secretary as may be prescribed in regulations (except that notice of more than 3 months may not be required); or

"(2) by the Secretary with the concurrence of the National Standards Review Council, after the Secretary and the Council have determined (after providing such organization with an opportunity for a formal hearing on the matter) that such organization is not substantially complying with or effectively carrying out the provisions of such agreement.

"(f) (1) In order to avoid duplication of functions and unnecessary review and control activities, the Secretary is authorized to waive any or all of the review, certification, or similar activities otherwise required under or pursuant to any provision of this Act (other than this part) where he finds, on the basis of substantial evidence of the effective performance of review and control activities by Professional Standards Review Organizations, that the review, certification, and similar activities otherwise required are not needed for the provision of adequate review and control.

"(2) Notwithstanding subsection (f) (1), the Secretary shall, upon designation of an organization as the Professional Standards Review Organization for an area, waive all other review, certification, or similar activities otherwise required under or pursuant to any provision of this Act (other than this part).

"(g) (1) In the case of agreements entered into prior to July 1, 1978, under this part which any organization is designated as the Professional Standards Review Organization for any area, the Secretary shall, prior to entering into any such agreement with any organization for any area, inform the doctors of medicine or osteopathy who are in active practice in such area of the Secretary's intention to enter into such an agreement with such organization.

"(2) If, within a reasonable period of time following the serving of such notice, more than 10 per centum of such doctors object to the Secretary's entering into such an agreement with such organization on the ground that such organization is not representative of doctors in such area, the Secretary shall conduct a poll of such doctors to determine whether or not such organization is representative of such doctors in such area. If more than 50 per centum of the doctors responding to such poll indicate that such organization is not representative of such doctors in such area the Secretary shall not enter into such an agreement with such organization.

"REVIEW PENDING DESIGNATION OF PROFESSIONAL STANDARDS REVIEW ORGANIZATION

"SEC. 1153. Pending the assumption by a Professional Standards Review Organization for any area, of full review responsibility, and pending a demonstration of capacity for the performance of such review with respect to matters involving the provision of health care services in such area for which payment (in whole or in part) may be made, under this Act, any review with respect to such services which has not been designated by the Secretary as the full responsibility of such organization, shall be reviewed in the manner otherwise provided for under law.

"TRIAL PERIOD FOR PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

"SEC. 1154. (a) The Secretary shall initially designate an organization as a Professional Standards Review Organization for any area on a conditional basis with a view to determining the capacity of such organization to perform the duties and functions imposed under this part on Professional Standards Review Organizations. Such designation may not be made prior to receipt from the organization of a formal plan for the orderly assumption and implementation of the responsibilities of the Professional Standards Review Organization under this part. Such designation shall not be made without the concurrence of the National Standards Review Council.

"(b) During any such trial period (which may not exceed 24 months), the Secretary may request a Professional Standards Review Organization to perform only such duties and functions required under this part of Professional Standards Review Organizations as he determines such organization to be capable of performing. The number and type of such duties shall, during the trial period, be progressively increased as the organization becomes capable of added responsibility so that, by the end of such period, such organization shall be considered a qualified organization only if the Secretary and the National Standards Review Council find that it is substantially carrying out in a satisfactory manner, the activities and functions, required of Professional Services Review Organizations under this part with respect to the review of health care services provided or ordered by physicians and other practitioners and institutional and other health care facilities, agencies, and organizations. The Secretary shall not make any such determination without the concurrence of the National Standards Review Council. Any such determination may be appealed pursuant to the provisions of this part. Any of such duties and functions not performed by such organization during such period shall be performed in the manner and to the extent otherwise provided for under law.

"(c) Any agreement under which any organization is conditionally designated as the Professional Standards Review Organization for any area may be terminated by such organization upon 90 days notice to the Secretary or by the Secretary with the concurrence of the National Standards Review Council upon 90 days notice to such organization.

"DUTIES AND FUNCTIONS OF PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

Sec. 1155. (a)(1) Notwithstanding any other provision of law, but consistent with the provisions of this part, it shall (subject to the provisions of subsection (g)) be the duty and functions of each Professional Standards Review Organization for any area to assume, at the earliest date practicable, responsibility for the review of the professional activities in such area of physicians and other health care practitioners and institutional and noninstitutional providers of health care services in the provision of health care services and items for which payment may be made (in whole or in part) under this Act for the purpose of determining whether—

"(A) such services and items are or were medically necessary;

"(B) the quality of such services meets professionally recognized standards of health care; and

"(C) in case such services and items are proposed to be provided in a hospital or other health care facility on an inpatient basis, such services and items could, consistent with the provision of appropriate medical care, be effectively provided on an outpatient basis or more economically in an inpatient health care facility of a different type.

"(2) Each Professional Standards Review Organization shall determine and publish, from time to time, the types and kinds of cases (whether by type of health care or diagnosis involved, or whether in terms of other relevant criteria relating to the provision of health care services) with respect to which such organization will, in order most effectively to carry out the purposes of this part, exercise the authority conferred upon it under paragraph (1).

"(3) Each Professional Standards Review Organization shall be responsible for the arranging for the maintenance of and the regular review of profiles of care and services received and provided with respect to patients, utilizing to the greatest extent practicable in such patient profiles, methods of coding which will provide maximum confidentiality as to patient identity and assure objective evaluation consistent with the purposes of this part. Such methods of coding and/or data systems as required to carry out the provisions of this part shall be locally or regionally developed and located. Profiles shall also be regularly reviewed on an ongoing basis with respect to each health care practitioner and provider to determine whether the care and services ordered or rendered are consistent with the criteria specified in clauses (A), (B), and (C) of paragraph (1).

"(4) Physicians assigned responsibility for the review of hospital care may be only those having active hospital staff privileges in at least one of the participating hospitals in the area served by the Professional Standards Review Organization and (except as may be otherwise provided under subsection (e)(1) of this section) such physicians ordinarily should not be responsible for, but may participate in the review of care and services provided in any hospital in which such physicians have active staff privileges.

"(5) No physician shall be permitted to review—

"(A) health care services provided to a patient if he was directly or indirectly involved in providing such services, or

"(B) health care services provided in or by an institution, organization, or agency, if he or any member of his family has, directly or indirectly, any financial interest in such institution, organization, or agency.

For purposes of this paragraph, a physician's family includes only his spouse (other than a spouse who is legally separated from him under a decree of divorce or separate maintenance), children (including legally adopted children), grandchildren, parents, and grandparents.

"(b) To the extent necessary or appropriate for the proper performance of its duties and functions, the Professional Standards Review Organization serving any area is authorized—

"(1) to make arrangements to utilize the services of persons who are practitioners of or specialists in the various areas of medicine (including dentistry), or other types of health care, which persons shall, to the maximum extent practicable, be individuals engaged in the practice of their profession within the area served by such organization;

"(2) undertake such professional inquiry either before or after, or both before and after, the provision of services with respect to which such organization has a responsibility for review under subsection (a)(1);

"(3) examine the pertinent records of any practitioner or provider of health care services providing services with respect to which such organization has a responsibility for review under subsection (a)(1); and

"(4) inspect the facilities in which care is rendered or services provided (which are located in such area) of any practitioner or provided.

"(c) No Professional Standards Review Organization shall utilize the services of any individual who is not a duly licensed doctor of medicine or osteopathy to make final determinations in accordance with its duties and functions under this part with respect to the professional conduct of any other duly licensed doctor of medicine or osteopathy, or any act performed by any duly licenses doctor of medicine or osteopathy in the exercise of his profession.

"(d) In order to familiarize physicians with the review functions and activities of Professional Standards Review Organizations and to promote acceptance of such functions and activities by physicians, patients, and other persons, each Professional Standards Review Organization, in carrying out its review responsibilities, shall (to the maximum extent consistent with the effective and timely performance of its duties and functions)—

"(1) encourage all physicians practicing their profession in the area served by such Organization to participate as reviewers in the review activities of such Organization;

"(2) provide rotating physician membership of review committees on an extensive and continuing basis;

"(3) assure that membership on review committees have the broadest representation feasible in terms of the various types of practice in which physicians engage in the area served by such Organization; and

"(4) utilize, whenever appropriate, medical periodicals and similar publications to publicize the functions and activities of Professional Standards Review Organizations.

"(e)(1) Each Professional Standards Review Organization shall utilize the services of, and accept the findings of, the review committees of a hospital or other operating health care facility or organization located in the area served by such organization, but only when and only to the extent and only for such time that such committees in such hospital or other operating health care facility or organization have demonstrated to the satisfaction of such organization their capacity to effectively, and in timely fashion, review activities in such hospital or other operating health care facility or organization (including the medical necessity of admissions, types and extent of services ordered, and lengths of stay) so as to aid in accomplishing the purposes and responsibilities described in subsection (a)(1).

"(f)(1) An agreement entered into under this part between the Secretary and any organization under which such organization is designated as the Professional Standards Review Organization for any area shall provide that such organization will—

"(A) perform such duties and functions and assume such responsibilities as may be required to carry out the provisions of this part; and

"(B) collect such data relevant to its functions and such information and keep and maintain such records as may be required to carry out the purposes of this part.

"(2) Any such agreement with an organization under this part shall provide that the Secretary shall make payments to such organization equal to the amount of expenses reasonably and necessarily incurred by such organization in carrying out or preparing to carry out the duties and functions required by such agreement.

"(g) Notwithstanding the size of any Professional Standards Review area, review of medical services as authorized by this part by the respective Professional Standards Review Organization in that area shall be performed locally by local health professionals.

"(h) Each Professional Standards Review Organization shall be encouraged to accept the responsibility for the review of care paid for by other, private third-party payers, upon their request or compliance, consistent with subsection (a)(1).

"GUIDES FOR HEALTH CARE SERVICES FOR VARIOUS ILLNESSES OR HEALTH CONDITIONS

"Sec. 1156. (a) Criteria of health care shall be identified or developed by each Professional Standards Review Organization, giving due consideration to such criteria of care identified or developed by national medical specialty organizations. Such criteria of health care shall be used by the Professional Standards Review Organization as guides of care. Such guides, where appropriate, shall be based upon typical patterns of practice in the area served by such Organization (including typical lengths-of-stay for institutional care by age and diagnosis) and be used as initial points of evaluation and review except that such guides shall not be substituted for the medical judgment of individual physicians in the delivery of health care services. Notwithstanding any other provision of law such guides shall not, in any civil litigation, be applied as evidence to any treatment in the absence of competent medical testimony. The National Standards Review Council and the Secretary shall make available technical assistance in utilizing and applying such guides to organizations requesting such assistance.

"(b) The National Standards Review Council shall prepare for the distribution to each Professional Standards Review Organization and to each other agency or person performing review functions with respect to the provision of health care services under this Act, or under other health care programs covered by this part, of appropriate materials indicating various guides being utilized in other geographical areas. Such data concerning guides shall be reviewed and revised from time to time.

"SUBMISSION OF REPORTS BY PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

"SEC. 1157. If in discharging its duties and functions under this part, any Professional Standards Review Organization determines that any health care practitioner or any hospital or other health care facility, agency, or organization has violated obligations imposed by section 1159, and that a pattern of violations exists from which a finding is made by the Organization that the conduct of such person or entity constitutes a substantial violation, such Organization shall report the matter to the Statewide Professional Standards Review Council for the State in which such Organization is located together with the recommendations of such Organization as to the action which should be taken with respect to the matter. The Professional Standards Review Organization shall make its determination only after providing to the person or entity an opportunity for conference with such Organization for the purpose of obtaining voluntary compliance with the obligations imposed by section 1160 and making a finding that such person or entity has shown an inability or lack of desire or intention to comply with such obligations. Any Statewide Professional Standards Review Council receiving any such report and recommendation shall review the same and promptly transmit such report and recommendation to the Secretary together with any additional comments or recommendations thereon as it deems appropriate.

"REQUIREMENT OF REVIEW APPROVAL AS CONDITION OF PAYMENT OF CLAIMS

"SEC. 1158. (a) Except as provided for in section 1159, no Federal funds appropriated under any title of this Act (other than title V) for the provision of health care services or items shall be used (directly or indirectly) for the payment, under such title, or any program established pursuant thereto, of any claim for the provision of such services or items, unless the Secretary, pursuant to regulations determines that the claimant is without fault if—

"(1) the provision of such services or items is subject to review under this part by any Professional Standards Review Organization, or other agency; and

"(2) such Organization or other agency has, in the proper exercise of its duties and functions under or consistent with the purposes of this part, disapproved of the services or items giving rise to such claim, and has notified the practitioner or provider who provided or proposed to provide such services or items and the individual who would receive or was proposed to receive such services or items of its disapproval of the provision of such services or items.

"(b) Whenever any Professional Standards Review Organization, in the discharge of its duties and functions as specified by or pursuant to this part, disapproves of any health care services or items furnished or to be furnished by an practitioner or provider, such organization shall, after notifying the practitioner, provider, or other organization or agency of its disapproval in accordance with subsection (a), promptly notify the agency or organization having responsibility for acting upon claims for or on account of such services or items.

"HEARING AND REVIEW BY NATIONAL PROFESSIONAL STANDARDS REVIEW COUNCIL

"SEC. 1159. (a) Any beneficiary or recipient who is entitled to benefits under this Act (other than title V) or a provider or practitioner who is dissatisfied with a determination with respect to a claim made by a Professional Standards Review Organization in carrying out its responsibilities for the review of professional activities in accordance with section 1156(a) shall, after being notified of such determination, be entitled to a reconsideration thereof by the Professional Standards Review Organization and, where the Professional Standards Review Organization reaffirms such determination in a State which has established a Statewide Professional Standards Review Council, and where the matter in controversy is $100 or more, such determination shall be reviewed by professional members of such Council and, if the Council so determines, revised.

"(b) Where the determination of the Statewide Professional Standards Review Council is adverse to the beneficiary or recipient (or, in the absence of such Council in a State and where the matter in controversy is $100 or more), such beneficiary or recipient shall be entitled to a hearing thereon by the National Standards Review Council, and, where the amount in controversy is $1,000 or more, to judicial review of the National Standards Council's final decision after such hearing.

"OBLIGATIONS OF HEALTH CARE PRACTITIONERS AND PROVIDERS OF HEALTH CARE SERVICES; SANCTIONS AND PENALTIES; HEARINGS AND REVIEW

"SEC. 1160. (a) (1) It shall be the obligation of any health care practitioner and any other person (including a hospital or other health care facility, organization, or agency) who provides health care services for which payment may be made (in whole or in part) under this Act, to assure that services or items ordered or provided by such practitioner or person to beneficiaries and recipients under this Act—

"(A) will be provided only when, and to the extent, medically necessary; and

"(B) will be of a quality which meets professionally recognized standards of health care; and

"(C) will be supported by evidence of such medical necessity and quality in such form and fashion and at such time as may reasonably be required by the Professional Standards Review Organization in the exercise of its duties and responsibilities;

and it shall be the obligation of any health care practitioner in ordering, authorizing, directing, or arranging for the provision by any other person (including a hospital or health care facility, organization, or agency), of health care services for any patient of such practitioner, to exercise his professional responsibility with a view to assuring (to the extent of his influence or control over such patient, such person, or the provision of such services) that such services or item will be provided—

"(D) only when, and to the extent, medically necessary; and

"(E) will be of a quality which meets professionally recognized standards of health care.

"(2) Each health care practitioner, and each hospital or other provider of health care services, shall have an obligation, within reasonable limits of professional discretion, not to take any action, in the exercise of his profession (in the case of any hospital or other such provider), which would authorize any individual to be admitted as an inpatient in or to continue as an inpatient in any hospital or other health care facility unless—

"(A) inpatient care is determined by such practitioner and by such hospital or other provider, consistent with professionally recognized health care standards, to be medically necessary for the proper care of such individual; and

"(B) (i) the inpatient care required by such individual cannot, consistent with such standards, be provided more economically in a health care facility of a different type; or

"(ii) (in the case of a patient who requires care which can, consistent with such standards, be provided more economically in a health care facility of a different type) there is, in the area in which such individual is located, no such facility or no such facility which is available to provide care to such individual at the time when care is needed by him.

"(b) (1) If after reasonable notice and opportunity for discussion with the practitioner or provider concerned, any Professional Standards Review Organization submits a report and recommendations to the Statewide Professional Standards Review Council pursuant to section 1157 and if the Professional Standards Review Organization determines that such practitioner or provider, in providing health care services over which such organization has review responsibility and for which payment (in whole or in part) may be made under this Act has—

"(A) by failing, in a substantial number of cases, substantially to comply with any obligation imposed on him under subsection (a), or

"(B) by grossly and flagrantly violating any such obligation in one or more instances, and

"(C) by exhibiting recalcitrance and an intent not to, or a lack of ability to, abide by the provisions of this part and the obligations imposed upon him under subsection (a), after appropriate educational and negotiating initiatives conducted by the Professional Standards Review Organization,

he (in addition to any other sanction provided under law) may exclude (permanently or for such period as the Secretary may prescribe) such practitioner or provider from eligibility to provide such services on a reimbursable basis, except that if there has been no previous imposition of sanctions resulting in termination or suspension under this section, the Professional Standards Review Organization's action against such practitioner or provider shall be limited to a suspension for not more than 30 days of the eligibility of such practitioner or provider to provide health care services on a reimbursable basis under this Act.

"(2) A determination made under this subsection shall be effective at such time and upon such reasonable notice to the public and to the person furnishing the services involved as may be specified in regulations. Such determination shall be effective with respect to services furnished to an individual on or after the effective date of such determination (except that in the case of institutional health care services such determination shall be effective in the manner provided in title XVIII with respect to terminations of provider agreements), and shall remain in effect until the Professional Standards Review Organization finds and gives reasonable notice to the public that the basis for such determination has been removed and that there is reasonable assurance that it will not recur.

"(3) Any person furnishing services described in paragraph (1) who is dissatisfied with a determination made under this subsection shall be entitled to reasonable notice and opportunity for a hearing thereon by the National Standards Review Council, and to judicial review of the Council's final decision after such hearing.

"NOTICE TO PRACTITIONER OR PROVIDER

"SEC. 1161. Whenever any Professional Standards Review Organization takes any action or makes any determination that any health care practitioner or other provider has violated any obligation imposed on such practitioner or provider under section 1160, such Organization shall, before taking such action or making such determination, give notice to such practitioner or provider of such determination and the basis therefor, and shall provide him with appropriate opportunity for discussion and review of the matter.

"STATEWIDE PROFESSIONAL STANDARDS REVIEW COUNCILS

"SEC. 1162 (a) In any State in which there are located three or more Professional Standards Review Organizations, the Secretary shall establish a Statewide Professional Standards Review Council.

"(b) The membership of any such Council for any State shall be appointed by the Secretary and shall consist of—

"(1) one representative from and designated by each Professional Standards Review Organization in the State;

"(2) four physicians, two of whom may be designated by the State medical society and two of whom may be designated by the State hospital association of such State to serve as members on such Council;

"(3) four persons knowledgeable in health care from such State whom the Secretary shall have selected as representatives of the public in such State (at least two of whom shall have been recommended for membership on the Council by the Governor of such State).

"(c) It shall be the duty and function of the Statewide Professional Standards Review Council for any State, (1) to coordinate the activities of, and disseminate information and data among the various Professional Standards Review Organizations within such State including assisting the Secretary as he may require, (2) to coordinate the activities of the local Professional Standards Review Organizations and hear appeals from determinations of such organizations, and (3) to act as an intermediary between such organizations and the National Standards Review Council and the Technical Task Force.

"(d) The Secretary is authorized to enter into an agreement with any such Council under which the Secretary shall make payments to such Council equal to the amount of expenses reasonably and necessarily incurred, as determined by the Secretary, by such Council in carrying out the duties and functions provided in this section.

"ESTABLISHMENT OF NATIONAL PROFESSIONAL STANDARD REVIEW COUNCIL

"SEC. 1163. (a)(1) There shall be established a National Professional Standards Review Council (hereinafter in this section referred to as the 'Council') which shall consist of fifteen physicians, not otherwise in the employ of the United States, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(2) Members of the Council shall be appointed for a term of three years and shall not be eligible for reappointment. The terms of the members of the Council shall be staggered at one-year intervals.

"(3) The Secretary shall from time to time designate one of the members of the Council to serve as Chairman thereof.

"(b) Members of the Council shall consist of physicians of recognized standing and distinction in the appraisal of medical practice, representing a wide geographical distribution. A majority of such members shall be practicing physicians. A majority of such members shall be physicians who have been recommended by the Secretary to serve on the Council by national organizations representing practicing physicians. The membership of the Council shall include physicians who have been recommended for membership on the Council by consumer groups and other health care interests.

"(c) The Council is authorized to procure its own secretarial, clerical, and technical staff, to utilize, and the Secretary shall make available, or arrange for, such technical and professional consultative assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such pertinent data prepared by, for, or otherwise available, to the Department of Health, Education, and Welfare as the Council may require to carry out its functions.

"(d) Members of the Council, while serving on business of the Council, shall be entitled to receive compensation at a rate fixed by the Secretary (but not in excess of the daily rate paid under GS-18 of the General Schedule under section 5332 of title 5, United States Code), including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"(e) It shall be the duty of the Council to—

"(1) advise the Secretary in the administration of this part;

"(2) make such other determinations as authorized by this part;

"(3) provide for the development and distribution, among Statewide Professional Standards Review Councils and Professional Standards Review Organizations of information and data which will assist such review councils and organizations in carrying out their duties and functions;

"(4) review the operations of Professional Standards Review Organizations with a view to determining the effectiveness and comparative performance of such organizations in carrying out the purposes of this part;

"(5) make or arrange for the making of studies and investigations with a view to developing and recommending to the Secretary and to the Congress measures designed more effectively to accomplish the purposes and objectives of this part; and

"(6) establish a Technical Task Force (A) to gather and disseminate information on review systems, structures, innovations, and methods, (B) to assist the statewide and local organizations in carrying out their functions under this part and (C) to perform such other functions and duties as the Council may require consistent with the provisions of this part. Members of the Technical Task Force shall include, on a geographical distribution, representatives of Professional Standards Review Organizations, and such other experts in health care and consumer representatives as the Council shall determine.

"(f) The National Professional Standards Review Council shall from time to time, but not less often than annually, submit to the Secretary and to the Congress a report on its activities and shall include in such report the finding of its studies and investigations together with any recommendations it may have with respect to the more effective accomplishment of the purposes and objectives of this part. Such report shall also contain comparative data indicating the results of review activities, conducted pursuant to this part, in such State and in each of the various areas thereof.

"APPLICATION OF THIS PART TO CERTAIN STATE PROGRAMS RECEIVING FEDERAL FINANCIAL ASSISTANCE

"SEC. 1164. (a) In addition to the requirement imposed by law as a condition of approval of a State plan approved under any title of this Act under which health care services are paid for in whole or part, with Federal funds, there is hereby imposed the requirement that provisions of this part shall apply to the operation of such plan or program.

"(b) The requirement imposed by subsection (a) with respect to such State plans approved under this Act shall apply—

"(1) in the case of any such plan where legislative action by the State legislature is not necessary to meet such requirement, on and after July 1, 1978; and

"(2) in the case of any such plan where legislative action by the State legislature is necessary to meet such requirement, whichever of the following is earlier—

"(A) on and after January 1, 1979, or

"(B) on and after the first day of the calendar month which first commences more than ninety days after the close of the first regular session of the legislature of such State which begins after December 31, 1978.

"CORRELATION OF FUNCTIONS BETWEEN PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS AND ADMINISTRATIVE INSTRUMENTALITIES

"SEC. 1165. The Secretary shall by regulations provide for such correlation of activities, such interchange of data and information, and such other cooperation consistent with economical, efficient, coordinated, and comprehensive implementation of this part (including, but not limited to, usage of existing mechanical and other data-gathering capacity) between and among—

"(1)(A) agencies and organizations which are parties to agreements entered into pursuant to section 1816, (B) carriers which are parties to contracts entered into pursuant to section 1842, and (C) any other public or private agency (other than a Professional Standards Review Organization) having review or control functions, or proved relevant data-gathering procedures and experience; and

"(2) Professional Standards Review Organizations, as may be necessary or appropriate for the effective administration of title XVIII, or State plans approved under this Act.

"CONFIDENTIALITY OF INFORMATION

"SEC. 1166. (a)(1) The written records, as well as any other data or information acquired or evidence adduced, or working papers, reports, proceeding, findings or recommendations made with respect to such data, information or evidence, of the Professional Standards Review Organizations or any committees or any other agencies performing functions for the organization, of any Statewide Professional Standards Review Council, and of the National Standards Review Council, under this part shall be held in confidence and shall not be disclosed to any person except to the extent that may be necessary to carry out the functions and duties imposed under this part; and

"(2) The written records, as well as the data or information acquired or evidence adduced, or working papers, reports, proceedings, findings or recommendations made with respect to such data, information or evidence of the Professional Standards Review Organizations or any committees or any other agencies performing functions for the organization, of any Statewide Professional Standards Review Councils and of the National Professional Standards Review Council shall not be subject to subpoena by any court in a civil action or to civil discovery proceedings relating to such action; nor shall the identity of any member, or employee of a Professional Standards Review Organization, of the Statewide Professional Standards Review Council, and the National Standards Review Council, or any patient, practitioner or provider whose medical treatment, diagnosis, or practice is subject to the scrutiny or review of any Professional Standards Review Organization, or person providing information, counsel or services to such organization be subject to subpoena or discovery proceedings for the purpose of obtaining information relating to the written records or data or information acquired or evidence adduced or working papers, reports, proceedings, findings, or recommendations made with respect to such data, information or evidence under this part.

"(b) Nothing provided in this part shall prevent the use of the information acquired under this part for research or statistical purposes authorized by Federal or State law, except that the name or identity of any patient, practitioner or provider whose records have been studied, or of any member or employee of a Professional Standards Review Organization, of the Statewide Professional Standards Review Council and the National Professional Standards Review Council, or any person providing information, counsel or services to such organization shall not be disclosed.

"(c) It shall be unlawful for any person to disclose any information described in subsection (a)(1) other than for such purposes authorized in this part, and any person violating the provisions of this section shall be fined not more than $1,000 and imprisoned for not more than six months, or both, together with the costs of prosecution.

"(d) Any patient whose treatment or medical records have been the object of the scrutiny or review of any Professional Standards Review Organization, or practitioner or provider whose treatment or practice has been subject to such review or scrutiny, who has reasonable cause to believe that such review or scrutiny has resulted in inaccurate records and/or determinations on the part of the Professional Standards Review Organization may enter such civil court complaint as required to correct such misinformation. The results of such court action may not be used in any other civil court action or proceeding.

"(e) Compliance to guidelines as promulgated by any Professional Standards Review Organization shall neither legally protect nor endanger the physician who may become legally liable for his acts or omissions.

"PAYMENTS TO ORGANIZATIONS

"SEC. 1167. (a) The Secretary shall reimburse organizations for their ordinary and necessary expenses incurred in the performance of their official duties and functions under this part, including, organizational expenses, filing fees, reasonable attorneys' fees, and other expenses set out in regulations of the Secretary.

"(b) Any Professional Standards Review Organization shall also recover from the Secretary, as a part of its ordinary and necessary expenses, reasonable costs incurred in the course of litigation, as well as such amounts as may be recovered against such organizations in the course of any civil litigation, settlement or other resolution of a civil liability claim or other action lodged against such organization (including reasonable attorneys' fees and expenses of litigation) on the basis of its performance of its official duties and functions.

"CONTRACT ASSISTANCE

"SEC. 1168. The Secretary is authorized to enter into contracts with any State medical society or private non-profit organization (including medical foundations) designated by a State medical society for the provision of necessary technical and other assistance in the establishment and operation of any Professional Standards Review Organization. The functions of such organization may include assistance necessary for conditional designation as a Professional Standards Review Organization, the preparation of prototype plans and operations, general administration of operational functions set forth in this part, and such other functions as the Secretary may by regulations prescribe. Organizations providing such management and technological assistance and otherwise coordinating and implementing review efforts and advising Professional Standards Review Organizations pursuant to any such agreement will be reimbursed directly by the Secretary to the amount of expenses reasonably and necessarily incurred by such organization in preparing to carry out, and in carrying out, the duties and functions required by such agreement.

"AUTHORIZATION FOR USE OF CERTAIN FUNDS TO ADMINISTER THE PROVISIONS OF THIS PART

"SEC. 1169. Expenses incurred in the administration of this part shall be payable from—

"(a) funds in the Federal Hospital Insurance Trust Fund;

"(b) funds in the Federal Supplementary Medical Insurance Trust Fund;

"(c) funds appropriated to carry out the health care provisions of the several titles of this Act; in such amounts from each of the sources of funds (referred to in subsections (a), (b), and (c)) as the Secretary shall deem to be fair and equitable after taking into consideration the costs attributable to the administration of this part with respect to each of such plans and programs.

"ADMINISTRATION OF PROFESSIONAL STANDARDS REVIEW

"SEC. 1170. The sole authority for administering and implementing the provisions of this part as vested in the Secretary shall be delegated to and reside within one Office of Professional Standards Review, as determined by the Secretary of Health, Education, and Welfare.

"EXEMPTIONS OF CHRISTIAN SCIENCE SANATORIUMS

"SEC. 1171. The provisions of this part shall not apply with respect to a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts."

By Mr. FANNIN:

S. 3929. A bill to amend the Internal Revenue Code of 1954 to increase incentives for savings and investment. Referred to the Committee on Finance.

SAVINGS AND INVESTMENT INCENTIVE ACT

Mr. FANNIN. Mr. President, I send to the desk for appropriate reference the Savings and Investment Incentive Act.

This bill calls for constructive tax reform by providing incentives for additional savings and capital mobilization. Our present tax structure encourages consumption and discourages investment, because the Federal income tax laws place a significantly heavier burden on savings and investment than on consumption. This policy has stifled needed capital formation and economic growth. This policy must be reversed.

We must adopt a policy that will assist our economy in providing the goods necessary to meet domestic needs and, in so doing, combat inflation; provide the additional jobs and equipment required by an expanding labor force; provide wage increases based on increasing productivity without inducing price increases; and meet the competition for world markets so that we may resolve our balance-of-payments problem.

Mr. President, the U.S. economy needs vast increases in capital outlays. Financial forecasters recently estimated the total capital for plant and equipment for the next 10 years to be about $2 trillion. Increased capital spending programs are important in today's economy and an ever-increasing flow of new capital investment is vital to the future health of the U.S. economy. Why does this huge capital need far exceed those of any previous decade?

Our industrial plant is old while that of our overseas competition is relatively modern. If industry in the United States is going to survive, it is important that outmoded, inefficient plant and equipment be replaced immediately with the latest technology.

Pollution control requirement will force costly modifications and new equipment which generally do not produce income and earnings.

The solution to our energy problem and the goal of self-sufficiency will require large amounts of capital.

It will be necessary to expand and modernize if we are to absorb the estimated 1.6 million people which will be added to the work force each year.

Mr. President, there are four sources of capital available to the American corporation, and there are serious problems associated with each of these four sources.

First, the current level of depreciation charges is not adequate to generate the funds needed to replace plant and equipment in an inflationary economy. Depreciation is based on cost; profits are higher than if depreciation were based either on replacement value or on price levels in effect each year. Further, these artificially high profits then result in high taxes and less cash for investment. For example, it has been estimated that corporations have understated depreciation by $29 billion in the period 1970 through 1973. Although current depreciation provides cash flow available for capital expenditures, it is not new capital but a recovery of capital already committed to productive resources.

Second, retained earnings have been a major source of capital, with shareholders taking out about 40 percent of earnings in the form of dividends. They have been content to have the company reinvest the remaining 60 percent because their share values would be enhanced by the earnings. Nevertheless, if share values continue to be depressed, dividend payouts will be substantially higher. In addition, profits in 1973 largely came from inventories and these are not available to expand plant and equipment or to pay dividends since corporations must replace inventories to continue in business, often at still higher prices.

Third, although some of our capital requirements will come from borrowings, many companies have already reached their maximum debt capacity as the debt-to-equity ratio for industrial companies has increased from 25 to over 40 percent in the last decade. High interest rates combined with a high level of debt creates fixed charges that cannot be tolerated, especially in an economic downturn. Further, there is growing reluctance on the part of bond buyers in these inflationary times to make long-term commitments even at the current record high interest rates.

Fourth, the balance of needed funds must be obtained through the issue of new equity securities. However, there has been a substantial decline in the amount of new equity capital which has been raised in the past few years. It is extremely difficult today to float large issues of equity except at prices that are not acceptable either to management or to the shareholders of the company.

Now let us examine the supply side. We find that the rate of savings in the United States has dropped to a new low, the lowest rate of savings of any developed country in the free world. Billions have flowed from savings institutions and banks. The number of individual shareholders has decreased by some 1.6 million in the last 2 years. The purchases and sales of individual investors now represent less than 30 percent of the daily trading on the New York Stock Exchange.

Public and private action is needed now to reward individuals willing to save and invest and shift resources into construction of new productive capacity. Our tax policy must be redirected to favor the producer, which in the long run can only benefit all of us as consumers. We must recognize that a major surge of capital investment in new and more productive capacity is absolutely essential if we are to bring demand-pull inflation under control.

The following provisions of the act would increase incentives for saving, capital formation, and risk taking:

Section 2. This section increases the investment tax credit from 7 to 15 percent. The 7 percent investment credit has spurred capital investment over the last decade despite its on-again, off-again history. If we are to be effective in our fight against inflation, we must attempt to increase productivity. An incentive to increase investment in new plants and equipment will encourage productivity and dampen the inflationary spiral by encouraging increases in supplies of scarce commodities. Increasing supplies and reducing demand is the proper way to fight today's inflation. Increasing the investment tax credit to 15 percent would increase capital outlays above current estimates by $30 billion.

Section 3. This section increases the allowable range of useful lives of the asset depreciation range—ADR—from 20 to 40 percent.

Because of inflation, American business has, in effect, underdepreciated its assets. Each dollar of today's capital recovery allowances based on the original cost of the existing stock of production facilities is worth only 83 cents in terms of the current cost of these facilities. This underdepreciation has led to an overstatement of profits and an overpayment of taxes based on those profits. When replacement is necessary, the cost of replacement has greatly increased due to inflation. This increased cost of replacement must be paid for primarily from earnings. The class life system—ADR—has helped to overcome the repressive nature of our depreciation policy. In order to lessen the effects of inflation on replacement costs, a shorter period for computing depreciation should be permitted. It is estimated that if the ADR is increased to 40 percent, the increase in capital outlays might well total $76 billion in additional saving and investment over 3 years.

Section 4. This section permits taxpayers to write off the cost of pollution control facilities in the year in which the outlays are made. Stringent environmental standards requiring new abatement equipment have cut into capital investment. Abatement equipment generally does not directly increase productivity or efficiency of operations nor can the cost of such facilities be partially recovered by business from higher sales revenues. Spending for pollution control equipment increased by almost 200 percent from $1.1 billion in 1968 to over $3 billion in 1971. It has been estimated that as much as $300 billion may be needed for pollution control facilities alone in the next decade. A special tax allowance for these costs is essential if we are to meet the new demands to clean up the environment.

Section 5. This section would permit the exclusion from capital gain taxes the first $1,000 of gain each from the sale of securities. Investment capital traditionally has come from the savings that individuals invest in American business by buying securities. However, because of low stock prices, unstable economic conditions, and a Federal tax policy of bias toward saving, investors are staying out of the stock market. It is estimated that over the last 2 years 1.6 million individual shareholders have left the securities market, taking with them some $12 billion in potential growth capital. Unless our tax laws are liberalized to encourage investments, the Nation could fall short of its capital requirements. An annual capital gain exclusion would increase the demand for equities resulting in a larger volume of transactions in stocks by individuals and a larger volume of capital gain realization.

Section 6. This section allows individual taxpayers a tax credit of 10 percent of up to $2,000 of increases in their savings held in specified assets with a limit of $200 per return—$100 for married taxpayers filing separate returns. The credit is limited to saving in the form of savings accounts in commercial banks, mutual savings banks, savings and loan institutions, credit unions, corporate equities, and Federal Government debt instruments.

The credit for savings has many advantages:

It would, for a great many individuals, reduce the cost of maintaining or increasing their savings, while increasing the cost—by the amount of the foregone tax credit—of reducing their savings to finance consumption outlays.

It would certainly increase the total amount of personal saving compared to the amount which would otherwise be undertaken.

It would clearly provide some buffer for individuals against the erosion of their savings by inflation.

It would funnel additional funds into financial intermediaries and reduce pressures on yields in the capital markets. It would bolster the stock market and provide support to the bond market. It would significantly ease the situation of mortgage lenders.

It would serve as a first step toward placing saving on a more nearly equal footing with consumption under the income tax and contribute to reducing the cost of capital, hence to increasing the rate of private capital formation, productivity, and real wage rates.

It is clear that our future needs for saving and investment represent an enormous challenge far beyond what is normal for the American economy. Investments will have to take an increasing share of economic output at the expense of consumption and Government spending. This bill is vital to our economic health as it will help provide the resources and incentive to continued growth of the Nation's productive capacity and modernization of existing equipment.

Mr. President, I ask that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3929

A bill to amend the Internal Revenue Code of 1954 to increase incentives for savings and investment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Savings and Investment Act".

Sec. 2. Increase in Investment Credit.

(a) In General.—Section 46(a)(1) of the Internal Revenue Code of 1954 (relating to determination of amount of investment credit) is amended by striking out "7" and inserting in lieu thereof "15".

(b) Effective Date.—The amendment made by this section applies to section 38 property (as defined in section 48(a) of such Code) acquired or the construction, reconstruction, or erection of which is begun after December 31, 1974.

Sec. 3. Increase in Class Life Variance.

(a) In General.—Section 167(m)(1) of the Internal Revenue Code of 1954 (relating to class lives for purposes of depreciation) is amended by striking out "20" and inserting in lieu thereof "40".

(b) Effective Date.—The amendment made by this section applies to property acquired or the construction of which is begun after December 31, 1974.

Sec. 4. Alternative Amortization Period for Pollution Control Facilities.

(a) In General.—Section 169 of the Internal Revenue Code of 1954 (relating to amortization of pollution control facilities) is amended by—

(1) striking out "60 months" in subsection (a) and inserting in lieu thereof "60 months or 12 months",

(2) striking out "60-month period" in subsection (a) and inserting in lieu thereof "60-month or 12-month period", and

(3) striking out "60-month period" in subsection (b) and inserting in lieu thereof "60-month or 12-month period".

(b) Effective Date.—The amendments made by this section apply to any new identifiable treatment facility (as defined in section 169 (d) (4) of such Code) acquired or the construction, reconstruction, or erection of which is begun after December 31, 1974.

Sec. 5. Exclusion of Capital Gains.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income)' is amended by—

(1) redesignating section 124 as 125, and

(2) inserting immediately after section 123 the following new section:

"Sec. 124. Limited Exclusion of Certain Capital Gains.

"(a) General Rule.—In the case of a taxpayer other than a corporation, gross income for the taxable year does not include an amount equal to the net section 1201 gain resulting solely from the sale or exchange of securities, to the extent that such amount does not exceed $1,000.

"(b) Exception.—Subsection (a) does not apply to a taxpayer who is subject to the tax imposed under section 1201 (b).

"(c) Definitions.—

"(1) Net section 1201 gain.—The term 'net section 1201 gain' has the same definition it has under section 1222 (11).

"(2) Securities.—The term 'securities' has the same meaning it has under section 165 (g) (2).".

(b) Technical Amendments.—

(1) Section 1202 of such Code (relating to deduction for capital gains) is amended by adding at the end thereof the following new sentence: "No amount of such excess shall be allowed as a deduction under this section to the extent such amount is excluded from gross income under section 124.".

(2) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 124 and inserting in lieu thereof the following:

"Sec. 124. Limited exclusion of certain capital gains.

"Sec. 125. Cross references to other Acts.".

(c) Effective Date.—The amendments made by this section apply to sales or exchanges of securities occurring after December 31, 1974, and before January 1, 1979.

Sec. 6. Tax Credit for Savings.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by adding at the end thereof the following new section:

"Sec. 43. Increased Savings by Individuals.

"(a) In General.—There shall be allowed to an individual, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 10 percent of the amount of qualified savings deposits such individual makes during such year.

"(b) Limitation.—The credit allowed by subsection (a) for a taxable year shall not exceed $200 ($400 in the case of a joint return under section 6013).

"(c) Definitions.—For the purposes of this section—

"(1) Qualified savings deposits.—The term 'qualified savings deposits' means—

"(A) amounts deposited in a savings deposit or withdrawable savings account in a financial institution;

"(B) amounts used to purchase common or preferred stock in a domestic corporation;

"(C) amounts used to purchase a bond or other debt instrument issued by a domestic corporation; and

"(D) amounts used to purchase obligations of the United States.

"(2) Financial institution.—The term 'financial institution' means—

"(A) a commercial or mutual savings bank whose deposits and accounts are insured by the Federal Deposit Insurance Corporation or otherwise insured under State law;

"(B) a savings and loan, building and loan, or similar association the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or otherwise insured under State law; or

"(C) a credit union the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or otherwise insured under State law.".

(b) Technical Amendment.—The table of sections for such subpart A is amended by adding at the end thereof the following:

"Sec. 43. Increased Savings by Individuals.".

(c) Effective Date.—The amendments made by this section apply to qualified savings deposits made after December 31, 1974.

By Mr. PELL (for himself, Mr. Pastore, Mr. Kennedy, and Mr. Brooke):

S. 3930. A bill to amend the Federal Property and Administrative Services Act of 1949. Referred to the Committee on Government Operations.

Mr. PELL. Mr. President, I am today introducing a bill on behalf of Senator Pastore, Senator Kennedy, Senator Brooke, and myself, to amend the Federal Property and Administrative Services Act of 1949. At this point, I ask unanimous consent to have the text of the bill in its entirety printed in the Record at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, the purpose of this legislation is to simplify the disposal process of surplus Federal property that has become available as a result of the realinement of our Defense Department bases.

I am sure that my colleagues are aware of the results of the hearings that were held by the Senate Armed Services Committee as to the economic plight and the injustice that was visited upon the State of Rhode Island by the removal of the fleet from Narragansett Bay and the closing of Quonset Point Naval Air Station and the naval air rework facility at that base.

I could go on at great length about the economic impact but, I think it would only be necessary to point out at this time to my colleagues that the unemployment rate in Rhode Island is presently 7.3 percent while the national average is 5.3 percent.

The most significant problem that the State of Rhode Island faces at this time is to try to obtain the utilization of the surplus Federal property in a timely, efficient manner so that economic utilization can become a reality rather than a dream.

My office has been working with Gov. Philip Noel's office for some time in trying to be of assistance. In the course of events, it became readily apparent that new legislation was needed since under the present legislation it is impossible for any State or municipality to achieve a rapid enough transfer of real estate in a time frame that would allow the replacement industry to be organized and put into operation so as to offset the loss of thousands of Federal jobs. Governor Noel's policy and program review team, for whom I have great respect and admiration, has worked around the clock for these many months since the base realinement was announced on April 17, 1973, to try to meet this economic crisis. At my request, the Governor's staff put together a treatise on this subject, entitled, "Problems of Disposal of Federal Land—Rhode Island, a Case History," which I ask unanimous consent to be printed in the Record at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. PELL. Mr. President, this analysis, I believe, clearly indicates both the necessity for the legislation I have introduced today and the urgency for its passage. If Rhode Island is to survive this economic crisis brought on by the Federal Government, it needs to be given the latitude by and the assistance of the Federal Establishment in order to do so.

The legislation which I have just introduced not only will facilitate disposition of Federal property to the State or community but will allow the Federal Government to extend credit for a period not to exceed 40 years for the acquisition of this property in a similar format as a mortgage, the rate of interest to be determined by the Secretary of the Treasury.

Also, the Federal Government would give credit to the State against the acquisition costs for the State's investment in preparation for redevelopment of such property and also it would give credit to the State for the additional income brought about by reason of economic utilization for a 5-year period beginning on the date of sale or lease.

This legislation is necessary, is just, and it is urgently needed. I would ask my colleagues that when this legislation comes to the floor of the Senate, they fully consider the views I have put forth today. I should also like to thank my colleagues, Senator Pastore and Senator Brooke, for their advice and counsel, which led to improvements in the language and intent of this legislation.

Exhibit 1

S. 3930

A bill to amend the Federal Property and Administrative Services Act of 1949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"(p) (1) Notwithstanding any other provision of law, in order to provide for the speedy economic development of abandoned defense facilities, the Secretary of Defense (hereinafter referred to as the 'Secretary') or the Administrator, as appropriate, shall sell or lease (for a term of not less than 15 years) unused employment related real property to qualified State or local agencies in accordance with the provisions of this subsection.

"(2) For the purpose of this subsection—

"(A) the term 'unused employment related real property' means any real property, including buildings, fixtures, and equipment situated thereon, which the Department of Defense ceased to use actively after March 31, 1973, and which (i) prior to such date, provided a source of direct civilian employment for 400 or more individuals and provided secondary employment for persons residing in the vicinity of such property, and (ii) has the potential for supporting a similar level of civilian and secondary employment if sold or leased under this subsection; and

"(B) the term 'qualified State or local agency' means (i) the government of a State in which unused employment related real property is located, and which has a population of less than 4,000,000, or a non-profit corporation or State agency designated by the Governor of such State, to hold title to or lease such property, or (ii) a city in which unused employment related real property is located, and which has a population of more than 200,000 persons, or a non-profit corporation or other agency designated by the mayor or other highest elected official of such city to hold title to or lease such properties, whichever has the smaller jurisdiction.

"(3) The sale or lease value of property to be sold or leased under this subsection shall be determined by the Secretary or the Administrator, as the case may be, as the fair market value of such property reduced by the sum of (A) all investments and contributions made by any State or political subdivision thereof or qualified State or local agency in preparation of such property for redevelopment, and its expenditures and commitments made to proposed users and occupants of the site in order to attract them to such property, (B) an amount, as determined under regulations of the Secretary or the Administrator, representing the additional employment income such property will produce during the 5 year period beginning on the date of sale or lease, and (C) the amount of any other benefit to the United States determined under regulations of the Secretary or the Administrator.

"(4) In carrying out the provisions of this subsection, the Secretary or the Administrator shall—

"(A) notify the appropriate qualified State or local agency of the availability of unused employment related real property not later than 2 years after the cessation of active use thereof; and

"(B) make such property available under this subsection in contiguous parcels as large as practicable.

"(5) The Secretary or the Administrator shall require and receive, as a condition of any disposal of any property under this section, satisfactory assurances that the qualified State or local agency will hold public hearings prior to making such property available for private industrial or commercial use.

"(6) The Secretary or the Administrator, as the case may be, is authorized, in order to facilitate the disposition of property under this subsection, to extend credit to a qualified State or local agency in a principal amount not to exceed the value determined under paragraph (3). The amount of any such extension of credit shall be payable over a period not to exceed 40 years, and interest at a rate determined by the Secretary of the Treasury, taking into account the average annual interest rate on outstanding marketable obligations of the United States of comparable maturities as computed at the end of the fiscal year next preceding the date of the sale, shall be payable annually on the unpaid principal balance of any such extension of credit."

EXHIBIT 2

PROBLEMS IN THE DISPOSAL OF FEDERAL LAND: RHODE ISLAND—A CASE HISTORY

The purpose of this paper is to provide a case history of some of the problems experienced by the State of Rhode Island in the current disposal process of surplus federal land located at the Newport Navy Base, the Quonset Naval Air Station, the Davisville Construction Battalion Center, and the Charlestown Naval Auxiliary Landing Field.

The comments made herein must be seen in the perspective of the severe economic blow caused by the Defense Department decision to radically reduce or eliminate naval functions in the State. It is because of the severe economic impact that this case history draws the conclusion that a simplified disposal process is needed to provide maximum assistance for affected states and municipalities.

In the wake of the Naval base closings, the State of Rhode Island's immediate problem was (1) to get sufficient land excessed to provide a viable configuration for private sector development and (2) to rapidly put in place replacement jobs sufficient to offset the primary jobs lost through military reduction.

The current federal disposal process has not served to allow the State to rapidly develop excess federal lands. The process, because of the complexities of its procedures, has been tortuous and slow to the further detriment of the economic condition of the State.

The amount of time given to a state or municipality to put in place well thought out recovery programs from defense installation closings is the critical ingredient in the problem. It is essential that there be (1) enough time to plan adequately and (2) that the transfer process be rapid enough to allow replacement industry to be recruited and put in operation in order to offset the loss of federal jobs.

It is necessary for states and municipalities to have sufficient time to prepare the analysis and institutional structures that will enable them to prepare for the impact of defense employment cutback before actual cuts are made. In the case of Rhode Island, the announcements of the largest military cutback impact any one state has ever had to bear was followed by an almost immediate reduction in homeported military personnel and in civilian employees.

TIME FOR ANALYSIS

Enough time is needed before reductions in force to allow economic impact analysis to be done. These studies are essential to enable the state and municipalities to request federal funding. Such studies are complex and take many months to prepare. Agreement on the studies requires the coordination of the many investigators to insure consensus as to the projected impact. With an agreed upon analysis, the affected parties are able to negotiate for appropriate funding to offset the impact.

In the Rhode Island case these studies were done under the pressure of the first months after the closing. It was necessary to assemble data on impact in time to make application for Federal funds and to negotiate with the Navy for usuable surplus parcels for future economic development. The studies were accomplished but only under crisis conditions when they could and should have been done in a time span that would have provided for wider consultation and a more extensive data base.

THE NEED FOR ANALYSIS BEFORE SURPLUS DECISIONS

To our knowledge the Navy made its surplus decisions on the basis of military requirements and without regard to the impact of their decisions on the economy of the State. It was harmful enough to have to absorb 51 percent of the entire base closings for 1973 (a situation which might not have obtained with adequate economic impact analysis), but in addition the size and configuration of excessed parcels was made without regard for their civilian reuse potential to alleviate economic deprivation. It was necessary for the Governor and the Congressional delegation to detail to the Navy the extent of the impact on the State and to request a change in land configuration to allow for economic development. This was accomplished, but at the cost of seven months of negotiations, seven months during which time military forces were being reduced and the State was uncertain what land it would receive. These seven months reduced sharply the State's ability to negotiate with replacement industry who were considering re-location to former federal lands.

A requirement to produce economic impact studies, use them as a basis for defense base closing and to make these studies available to state and municipal leaders would be an improvement over the present situation.

TIME FOR SETTING UP STATE RESPONSE MECHANISM

The addition of six months to a year's lead time in preparation as suggested above would have made a significant difference in the State's ability to prepare for an adequate response. The State has been able to in one year develop new institutions designed for recovery. This is testimony not to the adequacy of the lead time but of the almost super-human effort made by such a large number of public and private sector citizens to cope with this emergency in such limited time. Attached is a description of the process of building recovery institutions which gives some testimony to the complexities of the problem and the time required to adequately perform them.[1]

In essence, a recovery program requires a complex response mechanism which must investigate impact, provide information and leadership, seek relief through grants, recruit new industry, re-allocate existing state, local and national resources, coordinate many agencies, develop reuse options and the creation of new institutions to own and develop land.

The addition of a year's lead time before reductions in force are made would greatly assist the state and municipalities in this matter.

SIMPLIFICATION OF DISPOSAL AND TRANSFER PROCESS

It takes a number of months for state and municipal officials to understand thoroughly the excessing and disposal process. Officials are reluctant to make decisions without thorough understanding lest they prematurely close off more attractive options available to them. In the Case of Rhode Island, despite repeated requests for a detailed description of the entire excessing and disposal process, it was not until one year after the announcement of the base closings that the federal government was able to provide a handbook which assembled the majority of the facts related to the disposal processes. The State was in the position of constantly arranging meetings with individual government agencies in order to uncover more and more facts about the excessing and disposal processes.

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[1] "Response to Economic Crisis", Noel, Philip W., *Innovation in State Government*, National Governors Conference, June, 1974.

Having now survived one year of gathering information about the excessing and disposal process, it is our conclusion that these processes are so complex that despite the best intentions of federal officials, or the provision of the most adequate workbooks and pamphlets explaining the processes, that the complexities place inordinate fact-finding and decision-making burdens on the shoulders of the State and municipalities struggling to recover from the shock of severe economic deprivation.

Beyond the time that it takes to learn the processes, it takes a longer time to learn who and what agency in the process can be an effective proponent to assist the State and municipalities in their recovery efforts. In the past year, the State has had innumerable occasions to travel to Washington and to regional federal offices to discuss the same problem and suggest the same solution to agencies ranging from the White House to OMB to DOD to OEA to line agency secretaries and assistant secretaries to middle level managers to regional administrators, to federal regional councils to specialized federal teams of all levels and to local federal representatives. Such time-consuming searching for the individual or group of individuals with the ability to cut red tape, to give concrete answers and to make decisions has been a problem of the highest order. At a time when the State or the municipalities should be spending its effort in recruiting new industry, planning reuse of the federal properties and training unemployed workers for new jobs, this unnecessary time and expense for travel, for endless negotiations, for reams of correspondence and in long hours of planning strategies to achieve that which could be so simply done if the process of transfer were not so complex.

In the past three weeks, one federal agency has occupied the time of two state employed lawyers, six members of the Governor's staff, two state agency department or division heads for approximately five full working days for each member of the team as well as $1,000 of travel, secretarial time and telephone calls. This one exercise has diverted the attention of the top state economic development people from the essential activities of job replacement and planning and has forced them to become experts in the intricacies of federal law and regulations related to the disposal of federal property.

SIMPLIFICATION AND SPEED IN TRANSFER PROCESS TO AID ECONOMIC DEVELOPMENT

In the Rhode Island situation, it is important that the State be able to recruit new industry as rapidly as possible to utilize available facilities at surplus Naval lands. For these parts of the bases where reuse options are clear and the market is strong, the State needs a way for speedy placement of new industry. Our experience to date is that it takes superhuman effort, enormous good will and twice as much time as common sense would indicate to accomplish this.

Six months after the announcement of the closing of the Quonset Naval Air Station, the State became aware that it could recruit a major new employer to the State who could provide at a minimum 2,000 well-paying industrial jobs. It has required an extraordinary effort of the Congressional delegation, the Governor of the State and the involved federal agency heads to be able to give the corporation the necessary assurances that it could safely begin to improve and utilize facilities at the Naval base on a lease basis prior to the time of transfer of title into State hands. The corporation was naturally reluctant to make an investment of $10 or more million in improvements until it had iron clad assurances that it could leave at least a 10-year lease. The State of Rhode Island has worked daily from November, 1973 until June, 1974 with GSA, FAA, OMB, OEA, DOD, and the U.S. Navy in an all out effort to provide these assurances. This process has consumed all of the time of two of the Governor's top aides and almost one full day a week the Governor himself not to mention the hundreds of thousands of hours spent by other state and local officials to bring this project into fruition. The waste of talent, the loss of time, and the side-tracking of attention from vital problem-solving caused by this one exercise is evidence enough that the federal process is at the present time a wasteful instrument.

The State of Rhode Island has since December, 1973 sought to locate four small firms in lands located at the Newport Naval Base. Despite the good intentions of all agencies involved, there has not been, at this moment, a resolution of the problem and 150 to 300 new jobs for Aquidneck Island have not yet been placed on the labor market. It is not that people or agencies are uncaring or unwilling to act, but simply that the process is so complicated and so time-consuming and involves so many actors that decision-making is slowed to a painful pace. Our latest information is that it will take three more months to open the land to reuse.

TIME NEEDED FOR REUSE PLANNING

The above examples have referred to portions of surplus federal lands that lend themselves easily to civilian reuse. In these areas, the disposal process must be speeded. In other parts of the federal lands more, not less time is needed. Military bases do not easily convert to civilian use. Time is needed to do the studies and make the plans to convert them.

NEED FOR JOINT MILITARY-CIVILIAN PLANNING OF WITHDRAWAL SCHEDULES

Any change in the disposal process must allow for flexibility so that portions can be obtained quickly and others delayed. It is often important that the military not close down buildings and utilities prematurely. The re-activation costs and building deterioration is very expensive and adds another burden to the State's economy.

If better military, state and municipal planning were done well ahead of the projected closing, many of these scheduling problems could be avoided. As it is now the military has its timetable for withdrawal and despite local commanders' good will cannot be made open enough to accommodate civilian scheduling.

By Mr. DOMENICI:

S. 3931. A bill to amend title II of the Social Security Act to provide that the amount of an individual's earnings shall, for purposes of the provisions thereof requiring deductions from benefits on account of excess earnings, be deemed to be reduced by an amount equal to the expenses paid by him during the taxable year for medical care for himself. Referred to the Committee on Finance.

ADJUSTMENT OF THE SOCIAL SECURITY EARNINGS LIMITATION FOR MEDICAL EXPENSES

Mr. DOMENICI. Mr. President, out-of-pocket medical expenses are becoming more of a burden for the elderly—as well as for younger persons—every year. Medicare, which was sold to the American public as the great medical expense panacea, paid only $40 of the health bills of the elderly in 1973. Medicaid and other public sources and private insurance have helped some, but all these together still left the average older person with a $311.40 personal health bill in 1973. In 1970 15 percent of all older persons had out-of-pocket expenses of $550 or more. Over 4 percent had out-of-pocket expenses of $1,000 or more. As health care expenditures for the elderly have risen over 40 percent since 1970, it is obvious that these bills which the elderly must now pay are dramatically higher.

The higher medical bills illustrate only part of the problem. Many persons simply do not have adequate medical care because they cannot afford the costs of such care which they would personally have to bear. Dental care, out-of-hospital drugs, eyeglasses and hearing aids, for example, are often needed by elderly persons, but the costs for these items are not included under medicare, so some older persons must do without these basic health aids.

Younger persons on social security, for example, orphans and young mothers, may be in a worse predicament as they do not even have medicare to help out with their health expenses.

At the same time, we penalize these persons on social security by reducing their cash benefits by $1 for every $2 of annual earnings above $2,400.

Today I am introducing a bill which would help a group particularly hard hit by this earnings limitation—those persons on social security who at the same time are faced with high medical bills. For such persons who have annual out-of-pocket medical expenses, my bill would raise the earnings limitation to take account of these bills.

For example, if an individual earned $2,700, but his medical expenses totaled $300, he would not lose any social security annuities as the $300 would reduce total outside earnings to $2,400—the acceptable income figure under the law. Such an amendment to the Social Security Act, I feel, would give these persons a more reasonable opportunity to meet their medical expense obligations. This provision would allow these persons to have the satisfaction and self-respect of paying their debts, and it would also make it more likely that such persons would seek medical care when needed.

The limitation on the earnings of social security beneficiaries which can result in the reduction or complete loss of benefits, is in effect a 50-percent tax on these earnings when they exceed $2,400 a year. If we must continue such a tax, we should at least allow deductions from this tax for medical expenses as is allowed by other income tax laws. S. 3931 would provide for such an offset of medical expenses incurred by working social security beneficiaries.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1988

At the request of Mr. MAGNUSON, the Senator from West Virginia (Mr. RAN-

DOLPH) was added as a cosponsor of S. 1988, a bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes.

S. 2499

At the request of Mr. FONG, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 2499, a bill to amend the Age Discrimination in Employment Act of 1967 to remove the 65-year-age limitation.

S. 2993

At the request of Mr. JAVITS, the Senator from Pennsylvania (Mr. HUGH SCOTT) was added as a cosponsor of S. 2993, the Emergency Energy Employment Assistance Act of 1974.

S. 3776

At the request of Mr. SCHWEIKER, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 3776, a bill to provide individuals serving as grand or petit jurors certain employment rights.

S. 3862

At the request of Mr. THURMOND, the Senator from Georgia (Mr. TALMADGE) was added as a cosponsor of S. 3862, a bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris peace accord of January 27, 1973, have been fully complied with, and for other purposes.

S. 3869

At the request of Mr. HARTKE, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 3869, a bill to notify Federal employees in the event of the closure of Federal installations.

S. 3877

At the request of Mr. JAVITS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 3877, the National Institutions Act.

SENATE RESOLUTION 387—SUBMISSION OF A RESOLUTION TO AUTHORIZE THE HIRING OF INTERNS BY SENATORS

(Referred to the Committee on Rules and Administration.)

Mr. BIDEN (for himself, Mr. CHILES, Mr. CLARK, Mr. DOMINICK, Mr. GRAVEL, Mr. JAVITS, and Mr. MOSS) submitted the following resolution:

S. RES. 387

Resolved, That—

(a) notwithstanding any other provision for funds, each Member of the Senate shall have made available from the contingent fund of the Senate until otherwise provided by law, an amount not to exceed $3,600 to hire additional employees during the period July 1 to June 30, inclusive, each fiscal year.

The additional employees, to be known as United States Senate student interns shall be paid at the gross rate of not to exceed $300 per month each. Furthermore, no more than one intern may be employed at any time; nor in any case may the total number during a calendar year exceed 12. Such allowance and such interns shall be in addition to all allowances and personnel made available to such Member under other provisions of the law.

(b) No person shall be paid compensation as a United States Senate student intern who does not have on file with the Sergeant of Arms at all times during the period of employment, a certificate that such intern was during the academic year immediately preceding his employment a bona fide student at a high school or at a post-secondary educational institution.

SEC. 2. The Senate Committee on Rules and Administration shall make regulations such as may be necessary to carry out this Resolution.

SENATE INTERNS

Mr. BIDEN. Mr. President, I submit today, for consideration by the Committee on Rules and Administration, a resolution which I hope needs no lengthy justification. The proposal, which I offer on behalf of seven cosponsors, is not exactly a new one; indeed, it formalizes a practice which has a long and distinguished history in the Senate: the student internship. Nor is my proposed language an innovation, for much the same suggestion has been made by concerned Members of the Senate in the past. Most recently, in the last Congress, my friend and colleague from Alaska, TED STEVENS, offered an almost identical resolution with the support of 16 other Senators.

The thrust of this legislation, which requires only approval by the Rules Committee and the Senate, would be to establish a funded intern program to encourage an active and expanded roster of young people participating in the work of the Senate and its offices.

It is to this end, Mr. President, that I propose this morning to confer institutional status upon the student intern tradition, which provides the Senate with a direct program to the young men and women.

The intern program has been helpful to Senators for years. Not only does it allow the satisfaction of transmitting some of the excitement of working on Capitol Hill to receptive young people, but it also contributes to staff efficiency by gearing eager young people into the increasing workload which besieges Congress with each passing year. Thus, the internship is a double-edged advantage, with an added indirect benefit of a multiplier effect upon interest in legislation and participation in Government when the intern returns to his or her community or school.

Nonetheless, the implementation of intern programs in the Senate has generally been an informal arrangement. My resolution would not change that situation, because participation, selection and tenure of interns would remain completely at the discretion of the Senator. However, by establishing a compensatory intern program, this resolution would put the program on an independent footing that would eliminate inequities which are inherent in the present situation.

I hope such a program is established. Virtually every office with a Federal Government capacity in town has a program whereby young people can be exposed to the workings of the agency in which they are interested. The White House has a large intern program, as does almost every executive branch agency. The Federal courts have both paid and noncompensated legal internships. The House of Representatives has a summer intern program, named in honor of the former majority leader, Lyndon Johnson, which provides $500 a month for hiring students to work in congressional offices.

The Senate, however, has been less consistent, mainly because any remuneration provided for interns presently is to be drawn from the clerk-hire fund with which each Senator pays his permanent staff salaries. Many Senators confronted with the choice of using their limited resources to retain professional staff members or to pay interns whose tenure is circumscribed by school agenda and family commitments, find it difficult to assign priorities to their funds. The option to hire or not hire interns, I remphasize, is retained by each Senator, but the decision will not be influenced by the adverse effects of drawing down the clerk-hire fund for personal staff salaries.

More importantly, reimbursement at a subsistence level of $300 a month will widen the horizons of participation in the program to include many students who, for one reason or another, cannot bear the expense of coming to Washington as an unpaid volunteer. A small increment of investment, just enough to cover housing and food for interns on a month-to-month basis, should generate a proportionately large increase in the availability of young people for these positions. Furthermore, this expansion can be moderated or intensified by the number of interns which the Senator chooses to hire in the course of a year. The option is to hire as many as one intern for each of 12 months or one intern for 12 months, or something in-between, or not participate at all.

The Senate program is designed to be a year-round program, intended to take advantage of the numerous schools with work-study programs and the like, as opposed to the House program, which is geared toward summer-vacation tenures.

Mr. President, in summation I would note that the Senate today is graced with large numbers of career legislative personnel who first came to Capitol Hill in their youth, attracted by the lightning-rod atmosphere and and lifetime possibilities of the place. Interns from Delaware have been an asset operation of my office, among them, Walter Johnson, Helen Kalson, Helen Kanovsky, Kathy Pennock, Cindy Skibiki and Barbara Spiegel. One has gone on to work as a salaried campaign consultant for a public relations firm, and two others have found permanent jobs in the Senate. I hope that my colleagues will see fit to underwrite a program whose participants are of such high caliber, and to do its part to restore the politicians' trade in the esteem of the Nation's youth.

SENATE RESOLUTION 388—SUBMISSION OF A RESOLUTION RELATING TO THE DEATH OF FORMER SENATOR ERNEST GRUENING

(Referred to the Committee on Rules and Administration.)

Mr. ROBERT C. BYRD (for Mr. GRAVEL) submitted the following resolution:

S. RES. 388

Resolved, That the legislative proceedings in the U.S. Congress relating to the death of the former Senator from Alaska, Mr. Gruening, be printed as a Senate document.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 40

At the request of Mr. BROCK, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of Senate Concurrent Resolution 40, expressing the sense of the Congress with regard to the value of an outstanding group of student organizations which promote the goal of career development in America's young people.

SAVING STATE AND COUNTY FAIRS—AMENDMENT

AMENDMENT NO. 1816

(Ordered to be printed and referred to the Committee on Finance.)

Mr. CURTIS submitted an amendment, to be proposed by him, to the bill (S. 3701) to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501 (c), (3) and (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY—AMENDMENTS

AMENDMENTS NOS. 1818 THROUGH 1827

(Ordered to be printed and to lie on the table.)

Mr. ERVIN submitted 10 amendments intended to be proposed by him to amendment No. 1817 proposed by Mr. DOLE to the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

AMENDMENT NO. 1828

(Ordered to be printed and to lie on the table.)

Mr. BROCK (for himself and Mr. MCCLURE) submitted an amendment intended to be proposed by them jointly to the bill (S. 707), supra.

AMENDMENTS NOS. 1829 AND 1830

(Ordered to be printed and to lie on the table.)

Mr. MOSS submitted two amendments intended to be proposed by him to the bill (S. 707), supra.

REVISION OF THE COPYRIGHT LAW—AMENDMENT

AMENDMENT NO. 1831

(Ordered to be printed and to lie on the table.)

Mr. BAYH. Mr. President, I am introducing today an amendment to section 112(b) of the copyright bill, S. 1361. The purpose of my amendment is to correct an action taken by the Judiciary Committee which would severely inhibit the development of instructional television by governmental and other nonprofit organizations. Adoption of this amendment will return this provision to that adopted by the House in earlier versions of the Copyright Law Revision.

Instructional television is no longer predominantly "live" or "local" in character as it once was in its early days. National educational institutions such as the Agency for Instructional Television under the aegis of the Association of Chief State School Officers and the Great Plains Instructional TV Library have demonstrated the effectiveness of top-quality elementary and high school telecourses jointly created and produced by the educational authorities of several States. It is clear that through this kind of "consortium" development and financing, more professional resources can be pooled, wider instructional expertise can be applied, larger production funds can be devoted, and greater school use can be made of the best possible educational programs in exactly those subject areas most in demand by educational authorities across the country. Several of these multistate courses are already in use, and many more are being planned—all without a single dollar of Federal funds or other subsidized assistance.

To encourage instructional broadcasting in the public interest, section 110(2) has been included in S. 1361 to exempt classroom television from royalty payments for books, music, records, and photographs directly used for teaching purposes. This important instructional television exemption has, however, been limited to broadcast only, and explicitly does not permit recording for production or use. On the contrary, section 112(b), as it presently stands, clearly prohibits instructional recordings unless the total number is under 30 and used for no more than 7 years with the guarantee that no other recordings will be made by anyone with or without permission, and that all recordings, no matter where held or how in use, will be totally destroyed at the end of the 7 years. In practice, these recording restrictions will frustrate the purpose and nullify the effect of the proposed educational exemption.

It is true that the recording limitations have been successively extended with each new version of the Senate bill. The number of allowable recordings has gone from 2 to 12 to 30 in the course of Judiciary Committee consideration over the past several years, and the retention period has gone from 1 year to 5 years to 7 years. But multistate instructional programs cannot be developed, let alone used, if no more than one recording is permitted for all of the public schools in an entire State. And how can any State educational agency in good conscience promise in advance to discard expensive instructional materials involuntarily at the end of 7 years even if there is considerable school demand for continued use after that?

The recording restrictions in section 112(b) can have but one reason and one result: substantial cancellation of the section 110(2) school broadcasting exemption and severe crippling of future instructional television materials. At a time when instructional broadcasting is being viewed as one of the principal possibilities for better education of the Nation's children, I believe that this restraint must be eliminated from the copyright law revision that will affect all of us for years to come.

I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1831

On page 102, line 23, strike lines 23 to 35 and insert in lieu the following:

"(b) Notwithstanding the provisions of section 106, it is not an infringement of copyright for a governmental body or other non-profit organization entitled to transmit a performance or display of a work under section 110(2) or 114(a) to make copies of a particular transmission program embodying the performance and display, and to distribute such copies for transmission by or through other governmental bodies or nonprofit organizations."

FINANCING OF RECYCLING FACILITIES—AMENDMENT

AMENDMENT NO. 1832

(Ordered to be printed and referred to the Committee on Finance.)

Mr. DOMENICI. Mr. President, our distinguished colleague from Michigan (Mr. GRIFFIN) recently introduced S. 3752, a bill to amend the Internal Revenue Code of 1954 to permit industrial development bonds to be issued to finance recycling facilities. As he pointed out, our energy and environmental problems make it imperative that we recover as much as we can from our wastes. Yet the current interpretation of the Internal Revenue Code discriminates against recycling facilities, in that it does not allow tax-exempt status for such facilities, although it does for solid waste disposal facilities. S. 3752 is intended to remove such discrimination.

I believe that this incentive to reuse, and thus conserve, our resources can and should be broadened, in ways which have become apparent in recent hearings before the Panel on Materials Policy, on which I serve. The testimony we heard covered not only recovery of metals, glass, and paper from the municipal waste stream, but also imaginative ways of using the energy content of the refuse which would otherwise be buried or burned with no useful return. The city of Nashville, Tenn., for instance, provides heat and cooling for all of the city municipal buildings, some of the State buildings and some nearby private buildings by using one-third of the city's solid waste, plus some reprocessed waste oil, for fuel. Mayor Briley told us that the idea for doing this came when they were struggling with solid waste disposal problems at the same time they were trying to decide what fuel to use for new municipal buildings.

Since the Nashville facility is owned and operated by a public corporation, they were able to finance its construction with general revenue bonds. But many communities contract for solid waste disposal with private companies; more than half of the Nation's residential waste and nearly all of the commercial and industrial wastes are handled in this way. If such towns, cities, and counties want to encourage resource and energy recovery, tax-exempt bonds to reduce the capital investment needed for the new facilities are a useful carrot to be able to dangle in front of the waste disposal industry.

Energy recovery doesn't have to be limited to burning the garbage as is. A plant being built in San Diego will convert solid waste to oil. Other processes are being tested which produce gas from garbage. I have even been told of a system in which bacteria produce electricity directly from fermenting rice hulls. The legislation we produce should allow for all of these, and others not yet thought of. The amendment I offer today would have that effect.

Mr. President, I ask unanimous consent that the text of my amendment be reprinted at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1832

On page 2, line 1, after "of", insert ", or recovery of energy from".

MONITORING THE ECONOMY—AMENDMENT

AMENDMENT No. 1833

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted the following amendment, intended to be proposed by him, to the bill (H.R. 16425) to provide for the monitoring of the economy, and for other purposes:

AMENDMENT No. 1833

On page 7, in line 3, strike "June 30, 1976" and insert "August 15, 1975".

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975—AMENDMENTS

AMENDMENT NO. 1834

(Ordered to be printed and to lie on the table.)

Mr. MUSKIE submitted an amendment intended to be proposed by him to the bill (H.R. 16243) supra.

AMENDMENT NO. 1835

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, I submit an amendment for printing which I intend to propose to H.R. 16243, the Department of Defense appropriation bill, and I ask unanimous consent that a letter which I have prepared in connection with the amendment be printed at this point in the RECORD, together with the text of the amendment itself.

There being no objection, the amendment and letter were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1835

On page 50, line 21, insert a new section as follows:

SEC. —. (a) No funds appropriated for the use of the Department of Defense by this or any other Act in fiscal year 1975 may be used for the purpose of stockpiling war materials or equipment for use by any Asian country except to the extent authorized by title VII of this Act or by the Foreign Assistance Act of 1961 or the Foreign Military Sales Act.

(b) Any materials or equipment stockpiled by the Department of Defense on the date of enactment of this Act for future use by any Asian country may not be transferred to any such country except to the extent such transfer is specifically authorized by law.

U.S. SENATE,
Washington, D.C., Aug. 20, 1974.

DEAR COLLEAGUE: I intend to offer an amendment to the FY 1975 Defense Appropriations Bill which would prohibit use of defense funds to stockpile reserves for Asian allies.

On May 6 of this year, the Foreign Relations Committee revealed that the DOD has included in its FY 1975 budget a request of $529 million for "War Reserve Stocks for Allies." These procurement funds are in addition to those which are specifically authorized and appropriated for U.S. forces. In FY 1973 and FY 1974, a total of $525 million was similarly set aside by the DOD for such stockpiling.

Last June, by voice vote, the Senate approved my amendment to S. 3000, the DOD authorization bill, prohibiting the stockpiling of war reserves for allies out of FY 1975 Defense budget funds and requiring that the $525 million previously earmarked for such stockpiling be reserved for sole use by U.S. forces. That amendment was dropped in conference.

The arguments for prohibiting the use of these funds for "War Reserve Stocks for Allies" are:

(1) The DOD has been unclear in responding to Congressional inquiries as to the nature, scope and transferral of these stocks. At times, it says these funds will be used to procure weapons for U.S. active and reserve forces. Yet they are labeled "War Reserve Stocks for Allies," and designated to support South Korea, South Vietnam, and Thailand in the event of a future conflict.

(2) If the $529 million in FY 1975 represent the value of supplies which the U.S. may turn over to allies, then such stockpiling should more properly be authorized in the Foreign Assistance Bill, and not the DOD bill.

(3) These "War Reserve Stocks for Allies" are likely to become part of a highly-abused "excess stocks" program to certain countries, particularly South Vietnam, South Korea, and Thailand, where definite ceilings on military aid have been established by Congress. Under this procedure, the $529 million would be used to purchase new equipment for U.S. active and reserve forces; the replaced equipment would go into the stockpile; and the equipment in the stockpile would then be declared excess and turned over to the allies.

A GAO study last month concluded that the "War Reserve Stocks for Allies" item contained substantial dangers of abuse in transfers of war stocks to allies, without sufficient accountability to the Congress.

(4) DOD maintains that these stocks can be transferred to allies by the President without the specific authorization of Congress. This practice represents a serious loss of control by Congress of a major part of its powers in the area of foreign policy and military aid.

If you would like to cosponsor this amendment, or would like further information about it, please call Joe Annunziata at X-54543.

Sincerely,

EDWARD M. KENNEDY.

AMENDMENT NO. 1836

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself, Mr. HATFIELD, Mr. PROXMIRE, Mr. MATHIAS, Mr. STEVENSON, and Mr. KENNEDY) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 16243), supra.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1553

At the request of Mr. ERVIN, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of amendment No. 1553, intended to be proposed to the bill (S. 1361) to revise the copyright law.

NOTICE OF HEARING ON THE NATIONAL PARK CAMPSITE RESERVATION PROGRAM

Mr. JACKSON. Mr. President, I wish to announce for the information of the Members of the Senate and other interested parties that the Committee on Interior and Insular Affairs will hold an open hearing on Wednesday, August 21, 1974, to take testimony concerning the national park campsite reservation program and the awarding of a concession contract by the Park Service to a firm known as the Park Reservation System.

The hearing will begin at 2 p.m. and will be held in room 3110, Dirksen Senate Office Building.

NOTICE OF HEARING RELATING TO EDUCATION IN THE DISTRICT OF COLUMBIA

Mr. STEVENSON. Mr. President, on Thursday, August 22, 1974, at 10 a.m., in room 6226, Dirksen Senate Office Building, the Senate Committee on the District of Columbia will hold a public hearing on H.R. 16543, a bill to reorganize public post secondary education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into a single landgrant university of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes.

Persons wishing to present testimony at that hearing should contact Mr. Andrew Manatos, associate staff director of the committee, room 6222, Dirksen Senate Office Building, by 12 noon on Wednesday, August 21, 1974.

ADDITIONAL STATEMENTS

THE WORLD FOOD CONFERENCE

Mr. HUMPHREY. Mr. President, last September, I offered an amendment to the Foreign Assistance Act of 1973 which was subsequently incorporated in the legislation and signed into law calling upon the President to "support the organizing of a world food conference under United Nations auspices in 1974." During the confirmation hearings of Secretary Kissinger, I urged him to lend his support to the proposal.

In his first speech before the United Nations after becoming Secretary of State, Dr. Kissinger asked that such a conference be organized to discuss ways to maintain adequate food supplies and to concentrate the efforts of all nations to meet hunger resulting from natural disasters.

The United Nations formally adopted a resolution calling for a World Food Conference and Secretary General Waldheim appointed Mr. Sayed Marei of the United Arab Republic as the secretary general of the conference.

The conference will take place in Rome, November 5–15. The agenda for the meeting focuses on national and international actions to increase food production, to improve consumption patterns in the developing world, to strengthen emergency relief and food aid, to develop more effective food production and consumption information and stockholding policies and to improve the access of developing country exports to the markets of the developed world.

This conference is most appropriate and timely. Cereal production must increase by an average of 25 million tons each year to meet rising demand. In 1972, instead of increasing, world production of cereals actually dropped 33 million tons thereby creating havoc with prices and the commodity markets. As a result of this shortfall, world stocks of cereals dropped from 49 million tons in 1971–72 to 29 million tons in 1972–73 leaving the consumers of the world dependent on a 27-day buffer of the basis of world consumption as protection against production shortfalls.

The cereal "gap" of the developing world is projected to reach 85 million tons by 1975, a figure which represents almost three times their gross imports in 1969–72. This means that the capacity of the producing countries will become evermore strained to meet world demand, and producers will be subject to the possibility of increasingly wide fluctuations in world demand. The result will be an ever-increasing uncertainty from year to year in regard to food availability.

We have seen how important the weather can be in influencing crop production, and we must begin to share information on a world basis on weather expectations as well as crop forecasts.

World food security should be the theme of the conference, and it requires more than the good intentions of international statesmen. It is more than beautifully worded resolutions and principles; world food security is a commitment, and it is only with a sense of commitment that the leaders of the world will be able to assure future generations of the availability of mankind's most precious external resource.

Delegates from over 100 nations will gather in Rome to address the issue of food security. The seriousness of their task must not be eclipsed by short range economic interests. Future generations will not judge us kindly if the opportunity to build a foundation for future food security is turned into an arena of myopic political concerns.

I am pleased to see the great outpouring of interest in the World Food Conference. The World Hunger Action Coalition is a group of private organizations which was organized to highlight the conference and build public and private support for it. I hope others will follow their lead in encouraging the broadest possible interest and attention to this most important initiative.

On September 4, Ambassador Edwin M. Martin, Coordinator of the U.S. Participation in the World Food Conference, will hold a meeting with representatives of nongovernmental organizations to discuss the U.S. position in regard to the conference. I encourage every interested individual or organization to contact Ambassador Martin's Office at the Department of State.

We must make it clear to our Government that we are prepared to accept the challenge of future world food security now. This means taking constructive action to deal with the urgent issues of assuring food security for all people throughout the world.

The United States as the world's major food surplus Nation must take the lead in dealing with this problem. We have a unique role to play, and history will treat us harshly if we shirk our duty and turn aside.

DROUGHT AND MEAT PRICES AND SUPPLIES

Mr. HUMPHREY. Mr. President, the impact and the implications of our recent Midwest drought on meat prices and supplies has only begun to sink into the consciousness of our people. The Washington Post article, "USDA Says Drought Will Boost Meat Prices in '75," provides some understanding of what is expected to happen.

The Department of Agriculture has an explanation as to what that impact will be although it has not been widely discussed. The main result is that producers will begin to reduce their herds and feed them less feed grains.

For this fall and early next year, the prices for meat are expected to remain about where they are now as herds are sold off. The clear implication is that by late 1975 meat will be less plentiful and, of course, much more expensive.

This expected development on future prices and supplies has received very little attention, and the Department of Agriculture refers to this as if it were a minor adjustment.

Mr. President, this is a development of major significance, and I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Aug. 15, 1974]

USDA Says Drought Will Boost Beef Prices in 1975

(By Jack Egan)

Reduced harvest expectations for corn and soybeans because of the drought and resulting higher feed prices "will have a substantial impact on the livestock and poultry industry and could set off a chain of events that may reverberate through the livestock industry for several years," the Agriculture Department said yesterday.

The USDA's livestock and meat situation report predicted a continued drought will force ranchers to move large numbers of cows, steers and heifers directly from grassland pasture to slaughter for the rest of the year.

This will increase meat supplies and lower prices in the short run, but will substantially reduce the number of animals and mean higher beef prices in 1975.

Paradoxically, if last week's rains signal an end to the drought, this will mean higher meat prices this fall because more cattle will be kept on pasture and less forced liquidation will take place. But meat prices in 1975 would be lower.

Live cattle prices are currently around $48 per hundred pounds in Midwest markets. The USDA's outlook report said this could drop to the low 40s this fall in the event of liquidation. But if the drought abates and green grass is again available, the price could get pushed over the $50 level.

The outlook summary predicted that retail meat prices "will probably turn lower again in the fall and remain below year-earlier levels for most of the last half of 1974."

The farm price of livestock was down 7 per cent in the first half of this year from the comparable period in 1973, according to the report. But wholesale meat prices were only down 1 per cent, and retail prices were up to 10 per cent for the period, the report said.

The American Cattlemen's Association in its monthly survey said the average retail price of beef this month is up 11 cents per pound or 8 per cent from a month ago. But the group noted that beef prices remain below their highs reached earlier this year.

The Agricultude Department meanwhile reported that the number of cattle on feed in seven major beef-producing states was down 23 per cent from a year ago, although total cattle numbers are up significantly.

The sharp drop in the number of cattle in feed lots reflects the high level of feed prices. Farmers have preferred to keep cattle on grass and send them directly to slaughter to save feeding costs and prevent from being squeezed.

Yesterday, corn—a major feed ingredient—sold above $4 a bushel in some cash markets for the second consecutive day. And on the Chicago Board of Trade, corn futures all rose the 10-cent daily price limit again.

However, the lock-step advance of all other commodities with corn that took place on Tuesday was broken as profit taking hit the wheat and soybean pits.

There were reports that some government officials were considering the imposition of export controls because of the bleak harvest prospects, particularly for corn.

But again trader observers discounted the possibility, claiming the price of corn would be sufficient to ration supplies and would make export controls unnecessary.

"If corn goes up to $4 a bushel, and stays there, our exports will be 50 per cent off this year," Hubert Dyke, vice president of the U.S. Feed Grains Council, said.

On Tuesday, the USDA in its latest supply and demand situation report reduced expected exports of corn for the next crop year to a range of 750 million to 900 million bushels. The earlier estimate had been 1.15 billion bushels. Expected use of corn for domestic livestock feeding was cut by 600 million bushels to bring overall demand into balance with the latest supply figures.

The meat situation report indicated that livestock feeding operations would continue to get squeezed because of the expected higher feed prices.

Congress last month passed a $2 billion emergency loan guarantee bill for livestock producers caught between high feed costs and low market prices for fed animals.

And the Farmers Home Administration yesterday announced the first loan under the program had been made by a local Nebraska bank to James B. Jacobs for $165,000. Jacobs is an irrigation farmer and cattle producer in Gibbons, Neb.

Under the program, the government will guarantee 80 per cent of loans up to a maximum of $250,000 to an individual.

HIGH PROTEIN RICE

Mr. HUMPHREY. Mr. President, I was delighted to read the August 20 article in the New York Times "Scientists Seek High Protein Rice."

The article describes the work being carried out at the International Rice Research Institute in the Philippines to develop a new rice variety which contains 25 percent more protein.

This center, which has received major support from American foundations and the Agency for International Development, has already made a major contribution toward increasing rice production.

I salute the Institute on its very valuable contributions, and I commend the article to the attention of this body.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Aug. 20, 1974]

Scientists Seek High Protein Rice

Los Banos, The Philippines.—The next miracle in rice research is the imminent development of a new variety that contains 25 per cent more protein.

That is the goal that the International Rice Research Institute, based at this town 40 miles south of Manila, has set for itself. Such a discovery would benefit a third of the world's population—1.3 billion people who depend on rice for more than half of their food.

"IR8," the first "miracle rice" developed at the institute eight years ago, is 8 per cent protein. But scientists now hope to produce a variety by cross-breeding that will contain 10 per cent protein.

STAPLE FOR POOR

That would mean 25 per cent more protein in rice, the staple food of some of the poorest people in the world, those who, according to World Bank figures have an annual income of $80.

Millions of Asians eat rice at every meal. Too often, rice is their entire meal.

"It's possible to breed in protein as high as 13 or 14 per cent," explained Thomas Hargrove, a young Texan at Los Banos who studied agriculture in college and says he learned a lot of practical things about growing rice while serving as a United States Army officer in the pacification program in Vietnam.

"The problem is that the yield drops when the protein content goes too high," he said.

So the goal of the scientists here is to create a rice that yields as well as IR8 but has 25 per cent more protein.

Chemists have analyzed the protein content of 7,600 varieties of rice from around the world. Six were selected and crossed with IR8 and the offspring have been grown through several generations.

Asians, sometimes even hungry ones, are particular about the taste of the rice they eat.

But scientists at Los Banos say taste panel tests have shown that rice with two percentage points more protein cannot be distinguished from lower protein rice.

When a line is identified that has high yield potential and high protein, it will be crossed with other varieties to incorporate such characteristics as resistance to disease and insects.

Then it will be turned over to national breeding programs to be used as a parent in crosses with locally adapted varieties.

When and if that occurs, it probably will be called "miracle rice."

But the men and women of the Los Banos institute who did years of painstaking research and hard work to develop it smile wryly at the term "miracle rice."

WHAT'S GOOD IN THE SENATE

Mr. BROCK. Mr. President, I would like to share with my colleagues an article by James Kilpatrick in the Washington Star-News. The title of the article is "What's Good in the Senate" and the subject is the distinguished Senator from Wisconsin (Mr. Proxmire).

The Senator from Wisconsin and I have disagreed on some issues in the past, and I expect we may do so again. Nevertheless, we have always enjoyed a warm friendship, and more than once I have benefited from the Senator's close study of the issues. He is indeed one of those "good in the Senate" and in my opinion, good in the Nation as well.

Mr. President, I ask unanimous consent that Mr. Kilpatrick's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

What's Good in the Senate

(By James J. Kilpatrick)

For the past 4½ months, the gentleman has been regularly on his feet in the Senate, delivering a series of cheerful speeches on "What Is Good About the Federal Government." Both the senator and his speeches merit a word of praise.

If you search the Congressional Directory for biographical information upon the gentleman, you will be brought up short by a single line. It says of the senior senator this much and nothing more:

"William Proxmire, Wisconsin."

The entry holds the brevity record. The congressional biography of Sen. Percy of Illinois runs on for 45 lines, the biography of Sen. Thurmond of South Carolina for 44. Congressman Pepper of Florida holds the title with a garrulous 53 lines. But the gentleman from Wisconsin covers himself in one.

As an exercise in modesty, the senator's official biography stands in remarkable contrast to the senator's transplanted hair, an exercise in vanity. The biography and the hair are equally in character.

Proxmire provides a nice study in contrasts. He is today Wisconsin's most popular political figure—in his last race in 1970 he swept all 72 counties and claimed 71 percent of the vote—but he was earlier a three-time loser in gubernatorial campaigns.

He is known as one of the Senate's most persistent "aginners." He has fought against the Alaska pipeline, against the supersonic transport plane, and against defense contracts. He is heard most frequently in stinging assault upon bankers, bureaucrats and Pentagon bosses. Yet he went out of his way in his "What's Good" series to praise the competition of bankers, the productivity of bureaucrats, and the competence of the Pentagon leaders.

Most of the time Proxmire is the liberals' liberal: He ranks high on the scorecards of organized labor; he has made 400 speeches in support of the Genocide Convention; he has voted for gun control, consumer protection, and easy voter registration. Yet he has steadfastly opposed racial-balance busing, and in his skinflint attacks upon wasteful spending he is the most persistent economizer since Harry Flood Byrd.

Proxmire is, in brief, a maverick: a Democrat who will not stay with the Democratic herd. He can be as irritating as the late Wayne Morse and as affable as old Sam Ervin. He is 59 years old, a fact one gleans from a few laconics lines in Who's Who, and in terms of presidential politics he is going nowhere. Within the Senate, he is headed for the chairmanship of the Banking Committee, a prospect that bankers class with bad loans and the bubonic plague.

The senator launched his "What's Good" speeches on March 26, out of the natural perversity of his nature: Everyone else was talking about what is bad. Agreeing that many aspects of American life are indeed unpleasant and inadequate, he nevertheless turned stubbornly to a brighter side.

Since then, Proxmire has taken up 21 topics. He and his staff have pulled together facts and figures on education, civil rights, women's rights, and environmental improvements. They have found much that is good in American medical care.

Looking back to 1957, when he first came to the Senate, Proxmire is genuinely amazed to find so much forward motion. He even has something pleasant to say about the press: It has registered "some remarkable achievements in the last few years."

The senior senator from Wisconsin is not likely ever to rank among a conservative's favorite senators, but there is this to be said about Proxmire: He is not likely to remain any group's favorite senator for long. Irascible, impatient, insistently righteous, the senator can be a royal pain in the neck.

But if one were looking for "What's Good about the Senate today, one would have to look fairly often in the direction of William Proxmire, Wisconsin.

DR. "JACK" SCHMITT ON ENERGY R. & D.

Mr. MOSS. Mr. President, Dr. Harrison "Jack" Schmitt was the last—or as he prefers to say—the latest man to walk on the moon, and the only scientist. He received his Ph. D. in geology from Harvard and had a distinguished career as a geologist with the U.S. Geological Survey before he became an astronaut in 1965. His professional training and experienced eye were in large measure responsible for the outstanding success of our final lunar landing mission, Apollo 17.

Recently, Dr. Schmitt was appointed to a new and important position at NASA as Assistant Administrator, Office of Energy Programs. In this new assignment, Dr. Schmitt will be responsible for coordinating all energy related research within NASA and acting as principal liaison with other agencies involved in energy research.

Last Saturday, August 17, 1974, Dr. Schmitt addressed the College of Eastern Utah Seminar on Coal, in Price, Utah, with a speech entitled "An Approach to Energy Research and Development," in which he discusses three phases of the Nation's energy future from now through the beginning of the next century.

Mr. President, I urge all Senators to read this thoughtful address and I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

An Approach to Energy Research and Development

(By Harrison H. Schmitt[1])

There is obviously great need for a long-range approach upon which to base our present actions related to energy research and development. Any one of a number of such long-range approaches probably would be adequate; however, it is imperative that we choose one now in order to focus present action and to provide the foundation for improvement in the future.

The approach I suggest assumes that the Nation's energy future, through the early part of the 21st century, will consist of three specific, although interlocking phases. First, there is the present phase of crisis of energy supply which will certainly last as a real or internationally controlled political factor until at least 1980 and possibly until 1985 depending on our ability to find early relief. Second, there will be a transition phase which we must initiate in the present and which will last until ultimate alternatives to fossil and fission fuels are available. Finally, there is a phase which will see the gradual increase in the utilization of sources of renewable energy that can eventually replace fossil and fission fuels.

Several factors, obvious to us in the present, will exert major, if not dominant, controls on the duration of these three phases and the detailed character they assume. These factors are as follows:

1. The political need to become independent, or to demonstrate the *real* ability to be independent, of foreign supplies and foreign prices of fossil fuels.
2. The rate at which new domestic petroleum reserves are identified from which the Nation can become as self-sufficient as required.
3. The human need to preserve those of our resources now used as fossil fuels for far more valuable uses as petro-chemicals, fertilizers, and other products.
4. The economic and operational rates at which new plants related to the production of electricity and synthetic fuels can be brought into being and the lifetime of those plants required for amortization of the initial investment.
5. The degree to which conservation and preservation of the environment becomes possible either through voluntary, regulatory, or research and development efforts.
6. The rate at which the technology of futuristic energy sources advances toward practicality.

PHASE I: CRISIS

The nature of the crisis phase of our energy future will be either one of shortage or of dependence on uncertain foreign supplies. The duration of Phase I is dependent on the level of energy *conservation* we reach and the rate at which we produce from old or identify new sources of petroleum.

Reduced use of present forms of energy is the obvious first step in conservation; however, it is clear that reduced consumption is possible only to the point at which levels of intolerable unemployment and/or inconvenience are reached. Conservation through the benefits of present research and development is clearly important if only to free future financial resources from the creation of energy.

Present research and development in conservation can take many possible routes. Given our present limitations and knowledge, the most promising and most quantitatively significant paths are in more efficient ground propulsion, improved residential and industrial insulation, *solar* heating and cooling of buildings, improved heating and cooling systems, and integrated utility systems for large population units.

The most critical aspect of Phase I is the need for early relief from the crisis of energy supply without unacceptable dependence on uncertain foreign supplies. It is clear that petroleum, that is, oil and natural gas, is the only energy source that can potentially provide this early relief. Other important future sources of energy, such as coal, oil shale, geothermal, solar, and nuclear, even in aggregate, cannot give enough total energy over the next ten years to provide more than a part of the relief required. It is clear to many geologists that great and deliverable quantities of petroleum can be found in on- and off-shore areas directly accessible to the Nation. If rapid and publicly assessed and then leased for exploration by industry, the demonstration of the availability of this petroleum can be made in time to provide relief by 1980. All we must do is take steps to find this petroleum and to be ready to refine it.

PHASE II: TRANSITION

The Transition Phase of our energy future is dominated by two major factors: one is the need to gradually terminate the use of petroleum as an energy source and the second is the need to create the interim alternatives to petroleum which will carry us into the 21st century with the complete cessation of the use of any fossil fuels. The most pressing reasons for these needs are the preservation of natural hydrocarbons for the agricultural and chemical requirements of future generations and the enhancement of the environment for all generations.

The basis for policy decisions relative to Phase II initially should be the assumption of success in preparing for Phase III, that is, in the creation of inexhaustible alternatives to fossil fuels. With this working assumption, our research and development needs aimed at Phase II should concentrate on energy sources that can (1) provide for ease of transition away from petroleum as a fuel, and (2) provide for regional and potentially national sources of clean energy.

Coal appears the most likely energy source to ease the transition away from petroleum. Coal gasification, liquefication and central powerplants not only will help make the transition but they can also provide the raw materials for future agricultural and chemical needs. Oil shale is another possible transition energy source; however, it is not completely clear that extensive research, development, and production related to this resource is necessary. Although worth much additional study, before committing to a major development of oil shale we should assess fully our financial resources, oil shale's many undesirable environmental implications, and the existing technological base of coal. Leaving such a great future chemical resource as oil shale temporarily in the ground will probably not hurt us.

The assumption upon which Phase II policy is based, that is, the availability of inexhaustible energy sources in the 21st century implies several policy decisions relative to the eventual obsolescence of various other energy sources. In particular, the following decisions appear warranted:

1. No new power stations which use petroleum will be built beyond those under construction in 1975.
2. Construction of power stations which use coal or coal-derived fuels will begin to be phased out after about 1985 depending on the progress of Phase III.
3. Most petroleum-dependent ground propulsion systems will begin to be phased out about 1990 with the possible even earlier introduction of electric commuter cars.
4. Petroleum-dependent air transportation systems will begin to use synthetic fuels, hydrogen or methane, by about 1990.
5. Construction of *non*-breeder nuclear fission plants will begin to be phased out after about 1985 depending on the success of breeder reactor development and construction.
6. Construction of breeder reactor plants will begin to be phased out after the year 2000 depending on the progress of Phase III.

The decisions outlined above must take into account not only the progress of Phase III, the Ultimate Energy Phase, but also the expected amortization schedule and lifetimes of plants related to the various energy sources. In most cases we must assume that the economically required lifetime of any new power station, independent of energy source, will be on the order of 30 years.

PHASE III: ULTIMATE ENERGY

The Ultimate Energy Phase, as mentioned above, is the period when there is one or more inexhaustible clean sources of energy that permit the conservation of hydrocarbons for agricultural and chemical purposes. There are several energy sources for which there are reasonably clear technological paths known and which can provide relatively clean electricity indefinitely.

There is, of course, nuclear fission, but because of its controversial nature and some real disadvantages it will always be desirable to minimize its use provided other non-fossil fuel alternatives are available. There is no question, however, that we must accept nuclear fission plants as being necessary facts of life until alternatives to them are available in specific locations. More desirable means of producing clean energy appear to be through hydroelectric, geothermal, solar, ocean thermal, and fusion sources, although large investments in research and development remain to be made before the economic feasibilities of each have been demonstrated fully. It will probably be necessary to conduct R&D programs in each of the geothermal, solar, and ocean thermal areas because their applicability is limited geographically; however, if successfully developed and if properly exploited, in aggregate they represent essentially inexhaustible future sources of energy for many if not most regions of the Nation.

In addition to the probable regional use of hydroelectric geothermal, solar, and ocean thermal energy, the energy from nuclear fusion presently appears to be the most promising "ultimate" source of energy. On the other hand, a significant level of fundamental scientific and engineering research should continue that may identify other, potentially even more desirable alternatives. Engineering studies of solar power stations in space and theoretical investigations into the nature of gravity are obvious candidates for such sustaining research. The value of such research as usual will have unanticipated ramifications even outside the questions of energy sources.

The concept of Phase III also implies long-term research in other areas if the generation of electricity (or hydrogen or methane) will ultimately dominate the energy scene. In particular, futuristic means of ground and air propulsion eventually must be developed. Such means of transportation probably should begin to be in widespread use about the year 2000.

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[1] Assistant Administrator, Office of Energy Programs, National Aeronautics and Space Administration, Washington, D.C. 20546, Division of Geological and Planetary Sciences, California Institute of Technology, Pasadena, Calif. 91001.

The approach to National energy research and development I have outlined here permits a closer examination of the future roles of coal. Coal will be one of the major, if not *the* major, contributors to the transition phase of our energy future. Its abundance plus the existence of technology to solve its problems assures coal's role in that future.

In this transition phase, coal will provide the bulk of our central station generation of electrical power. Coal or its derivatives will be the mainstay fuel supply of dispersed fuel cell stations providing local, efficient, and reliable electrical power.

Coal derivatives, such as synthetic gas and oil, will be important sources of portable fuel for ground and air transport. By using these derivatives, petroleum can begin to be freed for its more critical use as a source for chemicals, including those of increasingly great need in agriculture.

Coal-derived gas will begin to replace natural gas as an industrial and home source of heat. Other roles for coal in times of energy transition will almost certainly appear.

When we begin to pass into the time of using only renewable energy sources, that is, the Ultimate Energy Phase of our energy future, coal itself will begin to transition to new roles. These roles will make use of coal as the unique natural chemical that it is. In those uses, coal will replace petroleum in its uses for petrochemicals and agricultural materials. Coal may even become a chemical source for food if we have not yet reached a balance between man's population and the Earth's natural potential to feed.

This rosy future for coal as a natural resource is not without its challenges. The National Aeronautics and Space Administration is hoping to help government and industry meet these challenges through the application of the management and engineering technology that have made us the world's only true space-faring nation. The central challenge we see before you is to increase as rapidly as possible the use of coal as a clean, efficient, and abundant source of energy. It seems unlikely that a transition to renewable fuels will be possible without meeting this challenge unless we accept unacceptable alternatives in foreign policy, in economics, and in our way of life.

The details of your challenge, and, indeed, the Nation's challenge, are formidable. A quantum jump is required in the rate, efficiency, and safety by which coal or coal-derived energy is moved from deep mines and to the market. Systems must be created by which *all* varieties of coal can be used without environmental or physical hazards. These are not easy tasks.

On the other hand, we in NASA and, I believe, our friends in the Congress, believe that this generation has a new base from which we can do things; the base of technology that was created as we have accomplished another National goal, that of exploring the new frontier of space. That base of technology has emphasized good management, innovation, and the idea that failure is not an acceptable solution to important problems. That base of technology includes automatic control techniques that may move the miner from the mine to the surface; environmental control techniques that can protect the miner left in the mine; combustion technology that can be applied wherever coal is converted to intermediate products or energy; reliability, quality control, and test techniques that can increase efficiency and safety in all aspects of coal engineering; and fuel cell technology that may be the wave of the future in commercial power generation. In cooperation with industry, the Department of the Interior, and other federal and state agencies we hope to soon be realizing this part of the potential of your investment in space.

CONCLUSION

As I indicated at the onset, the energy policy guidelines I have suggested are probably just one of many possible schemes under which the states and the federal government can define specific programs. They do, however, represent some of the more logical extrapolations of our present knowledge of technology and trends. Later modifications to this scheme will certainly be necessary as knowledge expands, but to wait on that knowledge is to perpetuate crisis. To proceed on the basis of present knowledge, however, is to lay foundations for the future of the Nation and, indeed, the future of the world.

THE VICE-PRESIDENT-DESIGNATE

Mr. BAKER. Mr. President, I wish to commend President Ford for his selection of former Gov. Nelson Rockefeller as Vice-President-designate. Both from the standpoint of the citizenry, which should be stimulated and reassured by the nomination to the Vice-Presidency of a man possessing a broad, diverse, and successful range of experience in and out of government, and from that of the Ford administration, which should benefit immensely from the service of Nelson Rockefeller, the President chose well.

Additionally, and speaking now as one who stands on the Republican side of the aisle, the Vice-President-designate should strengthen and reaffirm the continued existence of the Republican Party as a broad-based, truly national political party capable of assimilating and accommodating a wide variety of viewpoints and geographical orientations. Nelson Rockefeller's vast political experience, encompassing two national campaigns for the Republican Presidential nomination and four successful races for the governorship of New York, will prove an invaluable asset as the Vice-President-designate campaigns on behalf of Republican candidates. Moreover, it has long been my view that the turmoil and tragedy of recent months largely could have been avoided had there been more politics, instead of less, in the White House. In this regard, the political career of the Vice-President-designate will complement that of President Ford and those of many of the White House advisers in sensitizing the executive branch to the respect and deference that must be paid to the democratic process if our Government is to properly perform its constitutional function.

Mr. President, in summation, I believe that Nelson Rockefeller was a good choice as Vice-President-designate. It is my expectation and my hope that the Congress after the appropriate deliberation, will promptly confirm Governor Rockefeller as Vice President of the United States.

TRANSIT IN ATLANTA

Mr. BENTSEN. Mr. President, the August 19 edition of the Washington Star-News carried an interesting article by Thomas Crosby on mass transit in Atlanta.

Earlier this year, I chaired Transportation Subcommittee hearings in Atlanta, and I was impressed by the attitude of Atlantans toward their bus system and the plans for their expanded rail-bus service. MARTA appears to have broad community support, which is critical if a transit system is effectively to serve its citizens.

Prior to the hearings, I stood at a bus stop in downtown Atlanta and talked to several private citizens, all of whom had praise for the efficiency and the low fares which mark the Atlanta system. I was particularly impressed that MARTA seems to be attracting middle and upper income Atlantans as well as those who must depend on public transportation for economic reasons.

In my view, the lesson of Atlanta is that convenient, clean, and efficient transit service can attract substantial ridership.

Despite the success of the Atlanta system, the need for Federal assistance in transit is clear; Atlanta, in fact, cannot carry out its plans without substantial Federal aid.

In June, following my nationwide hearings on transportation, I introduced S. 3601, the Urban Public Transportation Assistance Act of 1974, which would channel both operating assistance and capital assistance into our medium sized and larger cities, all of which sorely need transit aid.

As this Congress draws to a close, I hope that transit aid will not be lost in the rush to adjournment. It is one of our most urgent national priorities.

I stand ready to work with the administration and the members of other committees to develop a realistic, long-term bill. The dollar figures in the final package are subject to negotiation; what matters is that our cities know that there is a long range Federal program which will speak to one of their most critical financial and human problems.

I ask unanimous consent to print the text of the article from the Washington Star-News in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ATLANTANS' GIVE UP AUTOS FOR FAST, CHEAP BUS RIDES

(By Thomas Crosby)

ATLANTA.—During rush hours, there is little apparent difference between this Southern city and Washington. All major highways are clogged with bumper-to-bumper traffic.

But unlike Washington, where commuters are reluctant to end their love affair with the automobile, frustrated Atlanta area commuters are abandoning their cars in ever-increasing numbers and switching to the bus.

The reason is simple. While it can cost up to $2.50 a day to commute by Washington's Metrobus, the top fare the Atlanta bus commuter has to pay is 30 cents—that's 15 cents each way for a trip that can cover a distance of 57 miles.

An example of the converted commuter is Maureen Sanet, 44, who lives in Dunwoody, a small community 20 miles from downtown Atlanta.

Mrs. Sanet said she used to commute to her job in an Oldsmobile. This cost her $2.50 a day in parking fees and she said she had to fill the gas tank at least twice a week.

For the last year, Mrs. Sanet has been riding to work aboard one the 815 buses owned and operated by Metropolitan Atlanta Rapid Transit Authority (MARTA), which also is preparing to bulid the Atlanta area's 53-mile-long rapid rail system.

Mrs. Sanet said of the bus system, "It's very good, it's cheap, and I'm more relaxed when I get to work."

MARTA purchased the Atlanta area's privately-owned bus system in February 1972 and two weeks later reduced the 40-cent fare to 15 cents. Since then, the number of daily riders has jumped from below 200,000 a day to approximately 260,000.

The lower fare is possible because the voters in the city of Atlanta and the counties of Fulton and DeKalb agreed to an areawide 1 percent sales tax to pay for bus operating deficits and the local share of the $1.8 million rapid rail system.

This year that sales tax is expected to produce $55 million, of which $22 million will be used to finance MARTA operating losses. The remainder of the money will go toward rapid rail construction, which is expected to begin this year.

Metro, by comparison, will lose over $38 million this fiscal year, but there is no special fund or tax from which these losses can be paid. Therefore, money may have to come from area governments which could necessitate property tax increases.

Since taking over the private bus company, MARTA has added new routes, purchased nearly 500 new buses, tightened schedules and embarked on an advertising campaign to boost bus ridership.

Metro is doing the same things, but Atlanta officials warn that without lower fares, Metro's efforts to increase ridership may be doomed to failure. The basic D.C. Metrobus fare is 40 cents.

Alan Kiepper, MARTA's general manager, said, "We no longer have to fight the basic battle of transit in Atlanta." Area voters, he said, are aware that rapid transit—both bus and rail—is a ncessary service that requires subsidies.

Bob Nelson, Kiepper's financial assistant, notes that the "entire country suffers from the mental attitude that transit should be a profitable operation. This just isn't true."

Nelson predicts that MARTA will have to raise its fare by mid-1976—probably by a nickel—but he predicted that people would not object, because they are aware of the pressures of inflation.

Metro General Manager Jackson Graham said there is no current plan to reduce Metrobus fares from their present levels, although an effort is being made to charge more equitable fares through a fare reorganization that the public will get a chance to comment on next month.

PREVENTION OF JOB DISCRIMINATION AGAINST PERSONS AGE 65 AND OVER

Mr. FONG. Mr. President, it is a distinct personal pleasure to be joined by the distinguished chairman of the Special Committee on Aging, Senator Frank Church, as cosponsor of S. 2499, which would amend the Age Discrimination in Employment Act so as to extend its protection to persons over 65 as well as those between 40 and 65.

As ranking minority members of the Special Committee on Aging, I have shared with Senator Church and other committee members a deep concern about the way our society both overtly and insidiously imposes second class citizenship on many older Americans.

One of the most serious manifestations of this second class status comes from the practice of denying jobs to persons past 65 solely because of chronological age. For many this creates totally unjustified economic hardship. That such denials are often totally unrelated to productive abilities, experience and willingness to work have been repeatedly shown by job performance studies.

That we have a law which prohibits age discrimination in employment only below age 65, is in itself discriminatory because it could be interpreted as a legal and moral sanction for such discrimination after 65. This alone, it seems to me is a most valid reason for removal of the age ceiling in the Age Discrimination in Employment Act. I think it would be most unfortunate if this well-intended statute, because of its age 65 ceiling, should be used as an excuse by employers to deny job opportunities to older persons.

Employment studies are extensive showing capabilities and dependability of workers past 65. Many are extremely desirable employees. Equally clear is the fact that older Americans—both employed and retired—deeply resent rejection of any citizen's right to employment just because he or she happens to have had a certain number of birthdays. And that "65" should be the number is totally unsupportable on a scientific basis.

To the extent that age discrimination prevents employment among persons over 65 who are able and willing to work—and there may be tens of thousands—our Nation suffers a loss in wealth which their voluntary use of skills and experience can produce. At a time when America is faced with shortages of many goods and services, this becomes especially shortsighted.

Even more important to the individual is the way in which age discrimination in employment after 65 can interfere with abilities of older persons to supplement other income through work, either part time or full time. How we, as a nation, can continue such arbitrary interference with the rights of older Americans to help themsleves to acquire necessities and comforts of life is a matter which, in my judgment, is incapable of defense.

Beyond economic factors in employment discrimination based on age is the relationship it can have on the older person's health. For many individuals past 65, the psychological, emotional, and physical benefits to be derived from continued involvement in our Nation's productive activities can be even more important than the money they earn. We have no right to permit denial of their rights to such fulfillment.

Important as the foregoing arguments are, however, the simple, moral fact is that older Americans are entitled to all of the rights and privileges of first-class citizenship. Discrimination against any group by any element of society is reprehensible. It is doubly so when it is directed at the millions of persons past 65 whose contributions have been so important in achieving America's greatness.

I therefore welcome the occasion of Senator Church's cosponsorship of S. 2499 as an opportunity for me to renew my plea to end job discrimination against persons over 65 who want to work. I take this occasion also to extend an invitation to all other Members of the Senate to join Senator Church and myself in sponsorship of this bill.

In succeeding national administrations, Presidents Eisenhower, Kennedy, Johnson, and Nixon have all taken note of the tremendous loss in national wealth resulting from our refusal as a nation to make full use of the skills, experience, and productivity of older Americans. Older persons themselves have made clear their unhappiness and dissatisfaction with second- and third-class status in the labor market.

It is imperative that America reexamine its employment and retirement policies—both overt and subtle—to the end that all persons, regardless of age, have the clear right to participate in the productive activities on which our total wealth ultimately depends.

An enlightened policy of work opportunity for older Americans who want gainful employment will benefit us all, young and old. Today's worldwide inflation, for example, is partly due to shortages of goods and services generating from rapid acceleration of demand in almost all nations. At least some of this demand-supply imbalance could be alleviated through use of skills offered by older persons who are denied the chance to work solely because of age.

There should be ample opportunity for retirement by older Americans, but such retirement should be with dignity, honor, and income adequacy. At the same time, we should make every effort to assure that such honorable retirement policies are not used as an excuse to deny work opportunities to able persons who want to continue in gainful employment.

Members of the Special Committee on Aging and most other Members of Congress, I believe, understand the seriousness of our need for fair employment practices related to age and for more enlightened retirement policies. The need for action, however, goes beyond legislative initiatives. We need to develop an entirely new attitude toward older people and their right to work in all parts of society—employers, Government, labor unions, educators, public opinion makers.

I believe that the Federal Government nonetheless does have a responsibility to provide leadership toward more sensible, more humane employment and retirement practices. This begins with legislation and vigorous implementation of legislation by the executive branch. These initiatives are essential to creation of the new attitude toward aging and employment which needs to permeate the whole fabric of our society. Enactment of S. 2499 will be a step in this direction.

Mr. CHURCH. Mr. President, I am pleased today to join with Senator Hiram Fong, ranking minority member of the Special Committee on Aging, in sponsoring S. 2499 which would amend the Age Discrimination in Employment Act of 1967—ADEA—to remove the age 65 limitation.

As it now stands, the act protects those between the ages of 40 and 65. Protection for anyone over age 65 is virtually nonexistent since only two States have laws which include those over 65.

What is even more devastating is that the age 65 limitation in the Federal law may have the unintended effect of reinforcing discrimination against anyone over that age. This was pointed out in a working paper, Improving the Age Discriminaton Law, issued by the Committee on Aging last year.

More recently, a letter to the Federal Times stated that because of the extension of ADEA to Federal employees one Government installation has interpreted it "as a go-ahead signal to discriminate against those over 65 with impunity and total disregard for past years of loyal, dedicated service."

This is intolerable and certainly does not reflect the intent of Congress. Therefore, it seems to me that the time has come for Congress to protect the job rights of all workers by removing the upper age limit from the law.

While perhaps the majority of workers look forward to retirement at age 65 or even before, others need and want to continue employment. Many who are not permitted to work face only a gray future of low-income and ultimate welfare dependency.

Society needs to keep everyone productive as long as possible. As the American Medical Association said in a recent statement.

> The promotion of work opportunities for persons over 65 improves their life expectancy, physical and emotional well-being, and their earning power, and reduces their dependence on family and government.

ADEA does not, of course, protect those who cannot produce. It does say that chronological age alone cannot be used to judge employability. It gives older people the chance to compete on equal terms. This is all that they want and all that the act is intended to do. I urge that this protection be given to those over age 65 through early enactment of S. 2499.

TRIBUTE TO SENATOR MANSFIELD

Mr. MONTOYA. Mr. President, a few days ago some of our colleagues expressed themselves in commendation of the services and distinguished career of the distinguished majority floor leader, the senior Senator from Montana (Mr. MANSFIELD).

At the time I was attending a conference between the House and Senate conferees on an appropriation bill. Thus I express regret I could not participate.

I do want to give expression to my most sincere feelings about this distinguished public servant. He has dedicated himself in serving the Senate as an institution and the Senators as individuals in a most responsible and courteous manner. The maxim to which he has adhered is that every Senator is equal.

As leader he has never sought power nor has he used his office to cause disadvantage to others. He has conducted his office out in the open with honest concern for the integrity and image of this fine institution. He has done magnificently well in this regard.

I congratulate Senator MANSFIELD for the outstanding work he has given to this institution and to the cause of good government in this Nation. We are all in his debt.

THE EXPORT-IMPORT BANK

Mr. THURMOND. Mr. President, the Export-Import Bank has now been in operation for 40 years and has made a significant contribution to the strength of the U.S. economy. Export sales supported by Eximbank mean jobs for American workers, revenues for the Federal Government as well as State and local governments, and foreign currency earnings to offset imports of needed goods and raw materials. During fiscal year 1974, Eximbank participated in nearly $13 billion of U.S. export sales which sustained nearly 800,000 fulltime U.S. jobs.

Funded in 1945 with $1 billion in capital appropriated by the Congress, Eximbank has repaid over $900 million to the Treasury in dividends out of annual profits. Eximbank does not receive annual appropriations, but rather finances its operations by borrowing from private capital markets and by making loans out of retained earnings. Eximbank is a unique Government agency in that it has been able to operate at a profit over the years while at the same time accomplishing its objective of stimulating exports.

Eximbank's support of American exports is carried out with due regard for the national security through clearance and coordination with the departments and agencies designated to regulate exports. Any exporter wishing to sell a product abroad of a high technology or military nature must obtain a license from or approval of some other governmental agency.

For example, the Commerce Department's Office of Export Administration is presently responsible for the control of exports of commodities and technical data. It has jurisdiction over all classes of exports that are not specifically assigned by statute to another unit of the Government. This office coordinates its activity with other agencies, principally the Departments of Defense and State, the CIA, and the Atomic Energy Commission.

With respect to the export of military equipment, the Office of Munitions Control of the State Department controls the export of defense articles, including related technical data. Many of this Office's day-to-day activities are coordinated with the Defense Department. Moreover, under an amendment to the Export Administration Act recently passed by this body, the Secretary of Defense would be given certain formal review powers over any exports of technology or products to any communist country which could increase the military capability of that country. This bill is now in conference, and I strongly urge the conferees to retain this provision. I might add that similar controls now exist with respect to the nuclear power field where the AEC has a licensing procedure which it administers.

I strongly favor stringent controls to assure that we are not exporting know-how, highly technological equipment or other products which could be detrimental to the national interest. However, Eximbank is strictly a financing agency. If we are not satisfied with the controls which presently exist, we should strengthen the existing machinery in regulatory agencies. We should not unnecessarily weaken the Export-Import bank.

Now let me turn my attention to some of the charges made recently by critics of Eximbank. Some question whether Eximbank should be loaning money at interest rates which are below market rates. First of all, the Bank's Board of Directors have been responsive to the rise in commercial interest rates. Last February, the Bank raised its interest rate from 6 to 7 percent, and again in June, Chairman William Casey announced that the Bank would be charging from a low of 7 percent to a high of 8½ percent, accordindg to the elements in individual transactions.

Eximbank's rates are higher than the interest rates supported by the official export credit agencies of other major industrial countries—France, Germany, Italy, Japan, and the United Kingdom. The proper basis for evaluating Eximbank's interest rates is not with the commercial rates prevailing here in the United States, but rather with the export interest rates prevailing in our major competitor countries. To assist American exporters adequately in selling their products abroad, Eximbank must meet the foreign competition and to do so it must charge a competitive interest rate. To require Eximbank to charge a rate 1 or 2 percentage points below the prime rate in the United States would make our export credit program noncompetitive and would benefit foreign exporters who are bidding against U.S. firms for orders with the full support of their government export credit agencies.

Other critics of Eximbank would subject individual loan transactions in excess of $50 million to congressional review. I do not believe that this congressional review is necessary. If it were imposed, it would place American exporters at a serious disadvantage on orders of this magnitude. The Congress already exercises control over the activities of Eximbank in two ways. First, each year Eximbank's loan authorization and expense ceiling must be approved by the appropriations committees and by both Houses. Second, the overall limitations on the Bank's lending activities and its statutory life must be periodically approved by the Banking Committees and by both Houses.

Review of individual loan transactions is not the proper function of the Congress. We should set the policy guidelines and leave the banking decisions to Eximbank's Board of Directors, who are charged by law with responsibility for making sound loans and in compliance with all export restrictions. Based on the Bank's record, I have confidence in the Bank's Board of Directors to make decisions with our national interest and the interest of our export community in mind.

The imposition of a waiting period before final Eximbank action while Congress reviewed a loan transaction would put U.S. exporters at a serious competitive disadvantage in view of the fact that no export credit agency in Europe or Japan is required to submit specific transactions to its legislature for approval. Also, buyers in other countries would possibly turn to competitor countries rather than submit to public debate of their applications.

Looking now to the future, I believe it is essential to the continued strength of our economy that Eximbank be supported in its efforts to further U.S. exports. It is clear that our need for imported raw materials will increase in the years to come. Unless we can increase our volume of exports at a level which will keep pace with our rising volume of imports, payments for these imports will place a severe strain on our foreign exchange reserves. For example, in the months of May and June, the United States had a deficit in our merchandise trade balance of $1.033 billion and a trade deficit in excess of $2 billion is expected for the whole year 1974.

To meet these new demands on our exports, I will support legislation which would increase the amount of loans, guarantees, and insurance which Eximbank may have outstanding at any one time from the present $20 billion to $30 billion. Such an increase to a $30 billion commitment authority is necessary to enable Eximbank to continue to provide the necessary support over the next 4 years, the period for which we are extending Eximbank's charter. Eximbank has served our national economic interest well in the past and I believe we should continue it on an adequately flexible basis to support U.S. businesses in the future in their efforts to sell abroad.

AMERICAN POLICY IN THE CYPRUS CRISIS

Mr. JACKSON. Mr. President, on August 16, in a letter to President Ford, I voiced my deep concern that the indecisiveness of U.S. policies in the face of Turkish attempts to create a fait accompli on Cyprus could weaken the fragile democratic institutions which have now so painfully but hopefully reemerged in Greece. I ask unanimous consent that the full text of my letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

August 16, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: As one long interested in a strong and vital North Atlantic Alliance and in the need to maintain stability in the strategic Mediterranean area, I want to convey to you my deep personal concern over recent developments affecting Cyprus. The apparent unwillingness of the government of Turkey to heed the repeated United Nations calls for a cease-fire until achieving all its military objectives has made a disruptive situation worse. I recognize the problem raised when two alliance partners of the United States come into conflict; yet it is precisely in furtherance of durable Greek-American and Turkish-American relationships—ones that can be supported by the American people and the Congress—that I would urge our government to use political and diplomatic means at its disposal to encourage Turkish compliance with the appropriate United Nations resolutions. The solution to the Cyprus problem should not be dictated by Turkish military operations.

In my view, the restoration of constitutional and democratic government in Greece—a development welcomed by all freedom-loving peoples—should have been taken as a clear sign that the new democratic government in Athens was prepared to respect the independence of Cyprus. Instead of responding positively to these changes in Greek politics, the Turkish government has exploited them and has exacerbated the explosive situation in the Eastern Mediterranean.

These unhappy developments are in part the outgrowth of indecisive U.S. policies. As you know, I had urged a more realistic policy toward the Greek military government and had co-authored legislation—approved by the Senate—which would have made U.S. military assistance to Greece contingent upon the Greek government's fulfillment of its NATO commitments, especially those relating to free institutions specified in the preamble of the North Atlantic Treaty. The Senate sponsors of this legislation have now recommended its postponement as a sign of good faith in the intentions of Prime Minister Karamanlis.

Yet we find that it is the democratic government in Athens which must now bear the brunt of everything that has gone before, while the North Atlantic Alliance as a whole is weakened. I am concerned that the diplomatic passivity of the United States in the face of Turkish attempts to create a *fait accompli* on Cyprus may weaken the fragile democratic institutions which have now so painfully but hopefully re-emerged in Greece.

I recognize that this is a complex question for all the governments involved. I trust, however, that the United States will recognize the long-term benefits—for NATO and for the entire international community—of standing firmly for the independence and integrity of Cyprus.

Sincerely yours,
Henry M. Jackson,
U.S. Senator.

ASSISTANCE TO FAMILIES FOR HIGHER EDUCATION

Mr. DOMENICI. Mr. President, rapidly increasing costs of higher education have been particularly burdensome on families with moderate and middle incomes. These families are not fully eligible for financial assistance and find themselves with great difficulties in financing their children's education as rising prices continue to strain the family budget. I recently became a cosponsor of a measure, S. 3571, which is aimed at providing assistance to these families in meeting their increasing costs through a tax deferral plan.

College costs have increased over 25 percent in the past 5 years and additional increases are predicted. According to the Office of Education, the average tuition for 1973–74 of a public school is $1,492 while the average cost of a private school is $3,281. Families with moderate incomes faced with the prospect of financing a college education, particularly with two or more children in school at the same time, will have extreme difficulties. With a general rate of inflation in consumer prices of 11.1 percent in the past year, cutting costs to pay college bills is more difficult than ever. These families have an income that is too high to qualify them for much financial aid which is available to the poor and are in a "middle class crisis." At the same time, they are faced with higher income tax bills when their income rises in an inflationary time.

Unless we attempt to provide some assistance to these families, the opportunities and benefits of college education and other training may be denied to many middle class children. A family with three children in college, even if a college of modest cost is chosen, may easily find thmselves faced with an annual bill of $5,000. With mounting costs of all commodities and services, these families may simply find themselves unable to provide educational opportunities for children.

S. 3571 is aimed to help the burden for these families. This bill will allow deferral of taxes for costs of higher education in an amount equal to 75 percent of eligible costs up to $1,500 a year per student. These eligible costs include tuition, room and board and other expenses incurred in pursuing a degree or other educational professional or vocational objective. Eligible costs are reduced by any financial aid the student is receiving as scholarships or educational loans.

In order to insure that these benefits are received by the families which need them the most, there is a phaseout tied to both income and the amount of eligible costs. The deferral may be taken, subject to the limitations described above, for the entire amount of tax liability. However, this tax liability used in determining deferral will be reduced by twice the amount the tax liability exceeds expenditures otherwise eligible. Thus, if eligible expenditures are $1,500, the deferral amount will decrease as income tax liability rises above this amount and will be entirely phased out at $3,000 of tax liability.

For a family of four with one eligible student this feature would mean that the phaseout would begin at roughly $15,000 of adjusted gross income and be completely phased out at roughly $20,000. For a family of four with two eligible students, the phaseout would begin at roughly $20,000 and be completed at roughly $30,000. The deferral is available to either the parents or to the student himself.

The amount deferred would be paid back with interest in years in which no deferral is taken. The repayment schedule would be 20 percent of tax liability and geared to the family's income. A family could, of course, repay the loan earlier with no penalty.

Legislation of this type is especially appropriate to our goal of providing assistance to middle income families for expenses of higher education. It focuses on the particular needs of the families involved with a minimum of complexity and is a reasonable approach for a number of reasons.

First, the deferral mechanism is in the nature of a loan rather than a program of Government financing with the difficulties and revenue costs involved in such a program. It allows a family relief from the burdens of college costs at the time when they are most pressed and allows repayment when the family is over the hump. Since the loan repayment schedule is based on income tax liability, it provides for repayment when the family can afford it.

Second, the income phase out and reduction for other financial assistance insures that the relief goes to those who need it the most. The phaseout is tied both to the income and to the number of students, recognizing that a family with higher income and more students in school is in as much a financial strain as a family with lower income and fewer students in school. The reduction for financial assistance prevents double benefits from this program and other assistance programs.

Third, the plan recognizes the diverse needs for career training by allowing the deferral provisions for both academic, technical, and for full and part time students.

Finally, Mr. President, the proposal is a simple one from an administrative standpoint. It uses the familiar mechanism of the income tax system for determining both the amount of the deferral and the schedule of repayment. It requires no government inquiry into the finances or educational choices of the families involved other than the tax liability which would be reported to the Government in any case. I feel this measure offers an approach which will prevent middle class families from being closed out of college educations with a minimum of complexity, and I urge my colleagues' support.

CONGRATULATIONS, KATIE HANNA

Mr. McINTYRE. Mr. President, I want to call to the attention of my colleagues an article which appeared in Parade magazine on July 28, 1974. This article praised the accomplishments of Ms. Katie Hanna, a young woman from Keene, N.H.

Mr. President, young people like Katie are a good sign that today's youth can achieve their goals in our political system. We, in New Hampshire, are very proud of Katie and wish her luck in her next endeavor —a bid for a seat in the New Hampshire Legislature.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KEEPING UP—WITH YOUTH

(By Pamela Swift)

POLITICAL AGE

A new political star may be rising on the New England horizon in the attractive person of a 20-year-old Mount Holyoke College junior named Katherine M. (Katie) Hanna.

A speech by Katie is credited with swaying the New Hampshire Constitutional Convention last month to support lowering the age of candidates for governor and state legislators to 18. Katie, the youngest delegate at the state convention, which is held once every 10 years, argued that if 18 is old enough to vote, it's old enongh to hold the state's highest office. The previous minimum age was 30, and some delegates wanted to reduce it only to 25. After listening to Katie they voted 180–134 to go all the way to 18.

One veteran legislator congratulated her and said: "That was the first time anybody ever changed my vote by speaking on the floor of this chamber."

Katie got to the Constitutional Convention in the first place by upsetting the Mayor of Keene, N.H., in the election of delegates. She campaigned during school vacations and over weekends by knocking on doors and writing letters. The total cost of her campaign, excluding the cost of gas to get her from South Hadley, Mass., where Mount Holyoke is, and Keene, N.H., where she lives, was $60.

Katie, an English major, is an old hand at politics. In 1972 she was a Muskie delegate at the Democratic National Convention, and she's spending the summer as a political interne with New Hampshire Sen. Thomas J. McIntyre, a Democrat.

The new 18-year-old age qualification has to be ratified by the state's voters in November. But with Katie Hanna stumping for it, how can it lose?

COAL RESEARCH CENTER

Mr. PERCY. Mr. President, Illinois has long been one of the Nation's leading coal-producing States and it ranks among the highest in coal reserves. Now Illinois is rapdly developing as the Nation's leading coal conversion State as well. The State is becoming deeply involved in the new technologies designed to produce environmentally clean synthetic energy sources from our most abundant energy resource—coal.

As examples of the kind of programs which are being supported by the State of Illinois, Gov. Daniel Walker has announced the following major coal conversion projects, most of which are being jointly funded by the Office of Coal Research, Department of the Interior, and private industry:

H-Coal—a $75 to $90 million liquefaction pilot plant at Standard, Ind., refinery site, Wood River;

Low Btu gasification plant at Poverton, privately funded by Commonwealth Edison;

Pressurized fluid bed—General Electric, a major national engineering firm and a major Illinois utility have agreed to attempt to locate a $50 million pilot plant in Illinois;

Liquefaction demonstration plant—State has offered major assistant to firms bidding for this $100 to $400 million project; and

Commercial scale high Btu gasification plant in southern Illinois—the State will assist in joint feasibility study by Carter Oil and Columbia Gas.

Other active proposals include:

Ammonia from coal for fertilizer.

Methenol from coal for automobile fuel.

Combined gasification and municipal refuse plant.

U-gas—Institute of Gas Technology low Btu process.

Low Btu gas from char produced in the COED process which also produces crude oil.

By far the most ambitious and most appealing prospect is the $1 billion Federal Coal Research Center which Governor Walker has proposed for Illinois. This project, which would bring together at one location several different stages of coal production and conversion, would be a tremendous asset to the Nation's energy future. Illinois is a logical site for such a major coal development center as was recently pointed out by Federal Energy Administrator, John Sawhill.

I fully support the Governor's efforts in promoting coal conversion technology in Illinois, and particularly his proposal for locating a Coal Research Center there. I ask unanimous consent that an article on Mr. Sawhill's comments about the Coal Research Center, which appeared in the Chicago Tribune on August 9, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. AIDE FAVORS ILLINOIS FOR COAL RESEARCH PROJECT

(By Casey Bukro)

Illinois is one of the leading coal-producing states in the nation and it would be a logical site for a coal research project, said John C. Sawhill yesterday.

The chief of the Federal Energy Administration announced here that his agency is reviewing an application from Gov. Walker to bring a $1 billion federal Coal Research Center to Illinois.

No promises were made by Sawhill, but he did say that the application is pending and that "it would make sense" to have a project in Illinois to find ways to convert dirty, soft coal into clean-burning oil and gas.

Sawhill began the day by meeting with executive officers of 10 major steel firms and the American Iron and Steel Institute. He later toured the Inland Steel Co. plant in East Chicago, Ind.

It was the kickoff, said the official, of a nationwide energy conservation program with the iron and steel industry. More meetings will be held between government and the steel industry to define areas where industry can cut energy demands, he said.

Industry accounts for about 40 per cent of the nation's energy consumption.

The meetings are aimed at exploring the contributions the steel industry can make to Project Independence, the goal of making the United States self-sufficient in energy by 1980.

Frederick C. Jaicks, chairman of Inland Steel, was named by Sawhill to the recently created Project Independence Advisory Committee.

Public hearings on Project Independence began in Denver Tuesday. Similar hearings will be held in Chicago beginning Sept. 9.

KIDNEY DISEASE QUESTIONNAIRE—V

Mr. HARTKE. Mr. President, on four previous occasions, I have entered into the RECORD the responses of hospitals associations and hospital administrators to a questionnaire which I sent earlier this year on the kidney disease program under medicare. The material contained in those responses should interest anyone who supports the need for a national health insurance program. It serves as a warning of the pitfalls which must be avoided if we are to have a workable national health program.

Mr. President, today I ask unanimous consent that two analyses undertaken by the National Kidney Foundation and the American Hospital Association of the responses to my questionnaire be printed in the RECORD.

There being no objection, the analyses were ordered to be printed in the RECORD, as follows:

AMERICAN HOSPITAL ASSOCIATION,
Chicago, Ill., July 29, 1974.

Hon. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARTKE: The American Hospital Association is pleased to respond to Mr. Howard Marlowe's request to review and analyze selected responses to your recent survey soliciting feedback on the end stage renal disease programs covered by Section 299I, P.L. 92-603. We appreciate your interest and initiative in this vital area of health care.

Members of my staff performed an initial review and prepared a summary of the respondents' comments. That summary, along with the actual responses, was then forwarded to the Bureau of Professional Services in our Chicago headquarters for final analysis. The primary staff member responsible for that assignment, Mr. Daniel Thomas, has had previous professional experience as a renal technician. We believe his comments expressed in the enclosed letter of June 17, 1974 to Goodrich Stokes, lend additional emphasis to the comments of the respondents.

As background for Mr. Thomas' comments, and because it addresses in some detail those survey responses less technical in nature, we are enclosing a copy of our preliminary summary.

Thank you for the opportunity to assist you in this endeavor.

Sincerely,

LEO J. GEHRIG, M.D.,
Vice President.

SUMMARY

Senator Vance Hartke of Indiana recently solicited feedback from a number of health service providers concerning their experience with the chronic renal disease programs under Section 299I, P.L. 92-603. The survey addressed the following areas:

Initial implementation problems;
Patient volume;
Availability of local supplemental benefits;
Reimbursement backlog;
New problems encountered; and
Recommendations for program improvement.

The American Hospital Association is privileged to have reviewed and analyzed approximately 50 of the responses received to date. The respondents represent 25 states, 17 state hospital associations, rural and urban hospital and physician providers, renal institutes, state departments of health, health planning commissions, and reimbursement intermediaries.

Despite the diverse nature of the respondents, similar problems were identified. A brief listing follows:

INITIAL IMPLEMENTATION PROBLEMS

1. Insufficient lead-time prior to implementation.

2. Inadequate information dissemination.

3. Inordinate delays in eligibility certifications.

4. Frequent changes in regulations and/or interpretations.

5. Reduced coverage by non-federal programs due to misinterpretation of Medicare benefits.

6. Excessive administrative requirements to document reimbursement claims.

Although many of the above conditions have been ameliorated, improvements in program operations are said to have resulted in increased "red tape" and additional administrative burdens.

PATIENT VOLUME

No meaningful conclusions can be drawn from the sample due to the unstructured nature of the responses which included individual provider and state-wide estimates. Aggregate statistics frequently represented patients receiving varying degrees of treatment, participants in non-federal programs, and patients from surrounding jurisdictions giving rise to possible double counting.

REIMBURSEMENT BACKLOG

In aggregate terms, backlogs were reported to have diminished somewhat since inception of the program due to accelerated eligibility certifications, availability of necessary reimbursement forms, and improved understanding of billing procedures. Nevertheless, instances of significant backlogs were reported. In one institution alone, the receivable amounts to $750,000.

AVAILABILITY OF LOCAL SUPPLEMENTAL BENEFITS

Virtually all respondents indicated that local supplemental benefits are available from several sources including state government appropriations, public welfare, and philanthropic funds.

NEW PROBLEMS

A myriad of new problems are reported, but most can be crudely categorized as ones resulting from inflexibility or inadequacy of program coverage and/or administration. Those most frequently cited appear below:

Inflexibility

1. Excessive administrative burden on physicians to provide billing documentation.

2. Bureau of Health Insurance standardization of costs and charges not considered responsive to variables of treatment situations.

3. Number of transplants required to maintain status as an authorized transplant center viewed as arbitrary and unrealistic.

4. Veterans Administration ruling prohibiting non-veteran home dialysis training creates costly duplication in some instances and hardships in other instances where separate training program is not an available alternative.

5. Providers of dialysis services in "nonmaintenance" mode not permitted to provide services to Medicare beneficiaries under terms of standard agreement for reasonable cost reimbursement.

6. Aggregation of physician and hospital charge components necessitates hospital absorbtion of expenses for medically necessary physician services not reimbursed under program.

7. Program does not accommodate certain effiecient aspects of pre-existing programs, e.g. required expensive leasing arrangements, instead of outright purchase and recycling of dialysis equipment.

8. Use of Medicare criteria to determine covered routine laboratory procedures does not recognize physician judgement of medical necessity of certain procedures.

Inadequacy

1. Current criteria for rural treatment centers unreasonable; treatment costs exceed current reimbursement screens.

2. Funding to pay "back-up" person is needed in remote areas where family members are not available to provide service.

3. Refusal of program to reimburse for patient "takehome" blood where patient has been adequately trained to self-administer transfusion.

4. Lack of coverage of neecssary "at-home" dialysis supplies encourages utilization of more expensive in-center treatment.

5. Required three-month waiting period causes financial hardship on patient during time when treatment mode is extremely expensive.

The respondents made numerous recommendations for program change—most of which can be inferred from the above list of specific problems.

AMERICAN HOSPITAL ASSOCIATION,
Chicago, Ill., June 17, 1974.

Mr. GOODRICH STOKES,
American Hospital Association,
Washington, D.C.

DEAR GOODRICH: I am following our June 12, 1974, telephone conversation with some additional comments on the responses to Senator Hartke's survey on the chronic renal disease program (CRD) under section 2991, Pulic Law 92-603.

As I indicated to you earlier, your letter to Mr. Howard Marlow identifying six problems related to initial implementation of the program does accurately reflect some problems that had been brought forward from the surveys and from input to the American Hospital Association staff.

It is important to reemphasize the importance of insufficient lead time on the initial implementation of the CRD program. As a result of this shortcoming, other problems that you identified arose:

1. Regulations that were hastily developed were quickly discovered to have serious shortcomings and multiple revisions of them were necessary.

2. Inadequate information was available about the program and dissemination of program information was poor. As a result, nonfederal programs misinterpreted the provisions and reduced coverage below levels needed to supplement federal support.

3. Inflexibility of the program causes needless problems for patients, for physicians and for providers of facilities and services.

(a) the requirement for fixed numbers of transplants is arbitrary but the transplant requirements could be made more flexible based on percentages or statistical handling.

(b) the program is not responsive to variable treatment situations but could be made more responsive by allowing for variations that can be justified from a cost-benefit approach.

(c) the program encourages methods of operation which may in fact be more costly and difficult to justify than if programs were allowed to develop methods which could be shown to reduce cost per unit of benefit provided. For example blanket elimination of home transfusions is arbitrary, blanket refusal to provide for funding of back-up home dialysis personnel may be more costly, encouragement of in-center-treatment by refusing to reimburse for some necessary supplies and services may result in higher cost to the program.

The requirement for 20% coinsurance has caused a great deal of hardship for patients and concern for providers. This requirement should either be eliminated or program regulations should encourage states to provide coinsurance.

Finally the problems which you have identified support staff recommendations for greater provider input as regulations are developed.

Sincerely,

DANIEL R. THOMAS,
Staff Associate, Division of Education.

U.S. SENATE,
Washington, D.C., May 10, 1974.

Mr. STEVE PORTNOY,
American Hospital Association,
Washington, D.C.

DEAR STEVE: Enclosed are copies of the responses received to date in reply to Senator Hartke's survey on the chronic renal disease program.

I would appreciate if these letters could be reviewed and analyzed by your Association.

Sincerely,

HOWARD MARLOWE.

NATIONAL KIDNEY FOUNDATION,
New York, N.Y., July 16, 1974.

CHARLIE PLANTE,
Washington, D.C.

DEAR CHARLIE: Thank you for sending copies of the responses to Senator Hartke's questionnaire relative to implementation of PL 92-603. I have had the opportunity to study them at length and they are thoughtful and responsible responses and comments on the questions posed. It is gratifying to me to be able to report that the majority of issues and problems which were described in response to the questionnaire have been resolved. I have made inquiries throughout many parts of the country and there seems to be a general consensus that even though significant problems still exist, HEW and SSA are making genuine efforts to bring a hasty solution to these remaining problems. It appears to me that these were undertaken after Senator Hartke's "Kidney Disease Program in Chaos" was published in the Congressional Record on March 5th. At least from a temporal standpoint there appears to be a definite relationship between his accurate criticism of program implementation and their intensified efforts directed at solving the existing problems.

I might summarize some of the major points raised in the letters which were received in Senator Hartke's office:

1. At the time the questionnaire was sent reimbursement appeared to be the most pressing and significant issue. It is true that many facilities and home dialysis patients were experiencing inordinate delays in the payment of bills and at least a number of facilities were forced to consider closing their doors. It is gratifying that this major stumbling block has now, for the most part, been overcome. Minor difficulties still exist in defining which services are allowable. However, the major issues are resolved and, from first hand knowledge, there is little if any delay in receipt of payments for routine services.

2. Many of the incentives for home dialysis patients to enter this less costly type of treatment have been removed. These criticisms are legitimate and, at the request of Dr. Alvin Goodman of BOA, I have submitted to him a list of experts in this field who will be willing to address this very complex issue. Parenthetically I might add that although the problems seem relatively simple, the solution can have extensive ramifications which could have profound significance upon the entire program. Nonetheless we all agree that the problem does need to be addressed and I am confident that the Committee selected by Dr. Goodman will be well qualified to deal with the issues at stake.

3. A similar lack of incentives and, probably more importantly, confusion over guidelines regulating procurement of cadaveric organs have slowed many transplant programs to a virtual halt. Recent intermediary letters have been issued which clarify this matter and it appears to me that at the present time the difficulties in cadaver organ procurement relate more to motivation rather than mechanisms of reimbursement. I anticipate that in the near future an advisory committee will be formed to address this important issue.

4. The problem of physician reimbursement seems to have been satisfactorily resolved by the final regulations issued by HEW. It is inevitable that there will be disagreement regarding the specifics of reimbursement; however, from personal contact with a large number of nephrologists in various sections of the country the alternatives defined in the Regulations have generally been considered as fair and equitable for the amount of time and effort devoted to the care of these complicated patients. Considerable confusion still exists as to what services are allowable in the event of a "non-routine" artificial kidney treatment but I anticipate that evolving experience will answer many of the intermediary questions regarding the nature and necessity of these services. Apropos of the comments in section 2 of this letter there has been generous addition of incentives to physicians to encourage home dialysis. This point is raised only to emphasize the necessity of developing patient incentives for adopting this type of therapy.

5. Appropriate questions have been raised relative to the dichotomy between encouragement of early organ transplantation and the necessary charges for tissue typing, Regional or National registry, potential related living donor evaluation, and the prescribed 3-month delay before entitlement to these services. I believe that this issue can and will be resolved as experience with the program evolves.

In summary, it is my belief that Senator Hartke's questionnaire and comments served as a catalyst to implement the development of the functional aspects of PL 92-603. I believe that many (and indeed most) of the stumbling blocks addressed in response to his questionnaire have been accomplished. It remains for the National Kidney Foundation and other concerned parties to assist the involved federal agencies in ironing out the final bothersome details and wrinkles in the program.

I shall look forward to seeing you at the next meeting of the Executive Committee in September.

Sincerely yours,

WILLIAM J. FLANIGAN, M.D.,
Chairman, Council on Dialysis and Transplantation.

PRAISE FOR THE VETERANS' ADMINISTRATION

Mr. DOMENICI. Mr. President, I have been critical at times in the past of the operation of the Veterans' Administration. We know, however, that they have a very difficult set of problems. The transition to machine-type work has caused some of these problems, but even with available resources the Veterans' Administration has rendered great services, particularly in my home State of New Mexico.

Albuquerque, N. Mex., has VA facilities that reflect some of the problems of VA facilities throughout the country. Some are too old. But, the dedication of VA employees and their kindness to patients and family often make up for outdated facilities.

I would like to share with my colleagues a letter from Mrs. Louis Gordon Pooler of Albuquerque, who writes in praise of the VA hospital staff in that city. Her praise should be part of the public record and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR DOMENICI: On behalf of my family and myself I do so very much want you to know what wonderful care my late husband, Commander Louis G. Pooler, USN (Ret.) had while he was a patient in the Intensive Care Unit of the VA Hospital here in Albuquerque. Commander Pooler was there for several days after he had had a heart failure attack with other complications.

I wish you to know everything was done that could have been. The doctors, nurses, orderlies and all who were behind the scenes couldn't have been more courteous, patient, kind and gentle to him, as well as to each of us. We are most grateful to have had the privilege of his being there. I have written to the Intensive Care Unit to thank them personally. There aren't words in which I can express our thanks to one and all, and can only hope that you will convey it for us to each staff member.

Sincerely yours,

MABEL LEIGHT POOLER.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, for the last 7 years, I have daily urged the Senate to take action on the genocide and other human rights conventions. Support for the Genocide Convention has come from many of the most prominent members of the bar, the press, and from many of my constituents. Previous administrations have supported the Genocide Convention. The Ford administration has not yet spoken in favor of the Convention, but I look forward to its doing so.

The Foreign Relations Committee of the Senate has held hearings on the Convention several times. Each time, the large body of testimony was in favor of the Convention. This attests to the intense interest in the convention and the widespread support of basic human rights.

Such resistance as there is to ratification of this treaty seems to have abated in the 24 years since the original hearings. I sincerely believe that this lessening of resistance can be attributed to the broader and deeper understanding of the provisions of the convention. The provisions of the convention which seemed to raise so many questions have now been debated and explained by eminent members and scholars of the bar, and representatives in the United Nations.

Mr. President, the time for ratification of the Convention is now.

TRANSFER OF AAPS PROGRAM TO ERDA

Mr. PERCY. Mr. President, on August 15, the day S. 2744, the Energy Reorganization Act passed the Senate, I proposed an amendment for discussion which would transfer the purely developmental portions of the alternative automotive power systems program from the Environmental Protection Agency to the Energy Research and Development Administration. I intend to take up this issue again in conference.

I ask unanimous consent to print in the RECORD a research report on the AAPS program and supporting materials, including letters from experts in automotive power research. This material, portions of which were inadvertently omitted from the RECORD of August 15, overwhelmingly supports the transfer of AAPS to the new ERDA.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE ALTERNATE AUTOMOTIVE POWER SYSTEMS PROGRAM (AAPS) AND THE EPA: THE NEED FOR CHANGE

THE PROBLEM

1. The new ERDA is intended as the central agency for managing and conducting Federal energy research and development efforts. Most energy related R&D programs from Interior, the EPA, and the National Science Foundation were proposed for transfer to ERDA, along with other Federal R&D activities. However, a Committee amendment to S. 2744 offered by Senator Muskie deleted the originally proposed EPA R&D transfers to ERDA.

2. Because ERDA will be primarily a *developmental* agency, in contrast to EPA, which is mainly a *regulatory* agency, certain programs currently in the EPA that are largely developmental should be transferred to ERDA. One of these is the Alternative Automotive Power Systems Program (AAPS).

This report is intended to make the case for transfer of the AAPS Program to ERDA, and to provide background for a floor amendment to the ERDA bill for this purpose.

THE ARGUMENT FOR THE MUSKIE AMENDMENT

The rationale for the Muskie amendment, deleting the transfer, is provided in the correspondence between Senators Muskie and Jackson in May:

The EPA must be in the alternative engine business in order to prove to recalcitrant auto companies that it is possible to develop clean engines and meet regulatory deadlines.

"Enforcement policies should be based on good research and adequate demonstrated techniques so that the Agency can make sound decisions as to actual pollution control requirements.[1]

"It is not enough for the EPA to maintain an ability to assess pollution control developments; the Agency must be able to stimulate such developments and participate actively in that process . . .[1]

The main goal of the AAPS Program is to develop a low-emission vehicle—a goal which is *regulatory*. But Senator Muskie admits, "If the EPA had a significant effort to achieve high full economy, transfer might be appropriate.[1]

EVIDENCE TO SUPPORT TRANSFER OF AAPS TO ERDA

The outcry against the Muskie amendment has been consistent—from members of the academic community, from engineers working in the EPA's R&D programs, and from members of the Advisory Committee on AAPS. The ironic element of this situation is that those people with the strongest vested interest in the AAPS Program—usually those who resist any organizational change—are most fervently in favor of getting AAPS out of ERDA.

What follows is a summary of the best information available which disproves the Muskie argument.

A. Recommendations for Transfer by the Advisory Committee on AAPS (ACAAPS).

This Advisory Committee was formed in 1971 to oversee the technological and organizational aspects of the AAPS Program. On June 13 and 14, the Committee met to discuss the transfer of AAPS to ERDA.

As a result of the meeting, Dr. David Ragone, Dean of Engineering at the University of Michigan, and Chairman of ACAAPS, wrote to Russell Peterson, Chairman of the Council on Environmental Quality. The letter summarized the ACAAPS view of the deletion of the transfer by the Muskie amendment:

"The ACAAPS recognizes the need for research and development in the EPA as required to support its regulatory activities. However, there is a qualitative difference between the research efforts intended to support regulation and research efforts intended to investigate and develop new technological alternatives. The AAPS Program is clearly in the latter category . . . While the alternative power sources developed under the program must clearly be environmentally acceptable, the program must also be constantly aware of the changing national fuel and national resources picture.

"We, therefore, conclude that the AAPS program should be incorporated into ERDA, an agency whose long-term aims are more consistent with the AAPS goals and we urge you take whatever actions possible to promote this move."

Additional support for transfer has been expressed individually by members of the ACAAPS: Dr. John H. Sununu, Dean of the Tufts College of Engineering, Mr. Robert Sawyer, professor at the Berkely College of Engineering, Mr. Beno Sternlicht, Chairman of Mechanical Technology Incorporated and Chairman of the Committee of NASA, Mr. Jack Hope, formerly of the White House Office of Science and Technology, and Dr. S. William Gouse, Director of the Office of Coal Research, Department of the Interior.

The following are excerpts from the letters of the above experts, addressd to Senator Percy:

"The EPA should conduct research and development which is in support of its control functions in the environmental protection field. The AAPS Program, which deals with research and development of alternatives to the present internal combustion engine, is clearly not directly supportive of the EPA control function . . . I strongly endorse the original proposal to have [AAPS] transferred to ERDA, which is clearly to be a research and developmental agency." (letter of Mr. Sawyer, July 3.)

"The transfer of the AAPS Program from EPA to ERDA, which is part of the House bill, has been omitted from the Senate version. This is most unfortunate. In fact, the only reference to propulsion R&D is found in the correspondence between Senators Jackson and Muskie. This correspondence leaves considerable concern in my mind, for it splinters the inadeqaute R&D effort, and encourages duplication and parochial attitude. In his May 25 letter, [Senator Muskie] proposed two separate development programs, one managed by the EPA to develop a low emission vehicle, and the second program to be managed by ERDA to develop a high fuel economy vehicle. Implementation of this suggestion would result in a wasteful use of monies and no useful products." (letter of Dr. Beno Sternlicht, July 5.)

"It is quite apparent that the [AAPS] Program activities are compatible with time scales longer than those associated with the regulatory or enforcement capabilities of EPA. The systems must be optimized as measured against a variety of criteria, such as utility, energy, and cost, as well as their impact on the environment. If all these measures are to be reflected fairly in the developmental effort, they should not be pursued within an agency whose primary responsibilities include assuring compliance to emissions standards within relatively short time limits." (letter of Dr. Sununu, July 5.)

"Their [AAPS Program] current location in a regulatory agency has not permitted them to integrate many important aspects of propulsion, such as low fuel consumption, safety and noise, along with their charter requirements for low emissions. Integration of the above requirements is necessary to foster development of engines to meet the overall needs of the nation. The new ERDA organization, being R&D oriented, provides the proper framework for this balanced approach." (letter of Mr. Hope, July 9.)

Although the above correspondence points to the positive advantages of having AAPS in ERDA, it does not specifically detail the substantial *negative* record of the EPA in managing AAPS. AAPS' lack of progress over the last few years is attributed, for the most part, to EPA mismanagement. What follows is the evidence leading to that conclusion.

B. The GAO's Analysis of the EPA's Office of Air Programs.

The report, issued on May 15, 1972, titled, "Cleaner Engines for Cleaner Air", outlines the failure of the EPA's Office of Air Programs (OAP) to coordinate effectively a program of alternative engine development.

The AAPS Program was initiated by the OAP in 1970 to carry out certain high-risk, high pay-off research programs for alternative engine development which the auto industry was not pursuing.

After two years of work, in 1972, AAPS had made little progress. The EPA decided to discontinue work on the hybrid engines, and concentrate on the gas turbine, the Rankine cycle engine, and the stratified charge.

The GAO found that:

"The commitment of resources, both money and manpower, was not commensurate with the need, nor did it reflect the urgency of the need to resolve the air pollution problem."

"OAP did not obtain detailed information from automobile manufacturers to 1) insure that its limited resources would not be spent duplicating work and 2) enable better direction of its efforts." In this regard, OAP admitted to not being aggressive in obtaining information from the auto industries.

In 1972, as a result of this mismanagement, GAO concluded that AAPS had made little progress in developing an alternative engine, and that much of its work was duplicating that done by the auto industries.

Although no update has been done on the GAO report, there are many indications that the situation has not changed:

C. Reorganization as Proposed in S. 2176.

In May and June of 1973, the Senate Commerce Committee held hearings on S. 1055 and 1093, which were consolidated into S. 2176. The basic purpose of the R&D sections of the bill run in the same vein as the ERDA concept—to consolidate the automotive R&D functions of the Federal Government under one agency (in this bill the Department of Transportation.)

The bill was supported by Senator Jackson and Senator Muskie when it passed the Senate last December. Thus, the information divulged in the hearings is directly relevant to the proposal to move AAPS to ERDA.

The hearings which related to the AAPS Program focused on three problem areas:

1. The massive increase in effort needed to make programs such as AAPS viable.

"Efforts to achieve this goal [of developing an alternative engine] have been inadequate and no extensive Federal research and development program directed towards a pollution free automobile have been implemented. The present AAPS program is definitively limited by budget constraints and has recently been substantially reduced in scope." (statement of Mr. Richard Morse, Chairman of the Scientific Energy Systems Corp.)

"A fund [supplemented by Congressional appropriations for Automotive Technical Development] would absorb the current AAPS Program and would be administered by the National Science Foundation. Alternatively the AAPS Program could be strengthened, or the task could be given to some other existing or potential new agency." (statement of John Steinbruner of the Harvard Institute of Politics.)

These experts were commenting on the

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[1] Letter from Senator Muskie to Senator Jackson, May 7th.

poor level of funding for AAPS. In the past three years, the funding level for AAPS has actually been reduced from $13 million in FY '73 to $7 million for FY '74 and $7 million for FY '75.

At the same time, the Big Three auto companies have shifted funding in the R&D programs away from alternative engines to improvements on the present internal combustion system in order to meet the new emissions standards.

In testimony, Mr. Robert Sansom, Assistant Administrator of the EPA, stated the EPA's views about the proper level of funding for AAPS:

The Federal Government should not spend its funds on alternative systems research while the massive auto companies, which have the resources, were carrying out research running into the hundreds of millions each year.

The emissions standards established by the EPA would force the auto companies to develop alternative systems (statistics show these companies are concentrating their funds on alterations to the present engine, i.e., catalytic converters.)

The EPA merely serves to provide "backup protection" and to "fully explore the potential of those systems not receiving adequate attention."

The present level of Federal funding "is just about right."

Thus, the EPA operates on the assumption of good faith on the part of the auto industry's alternative research efforts: the AAPS Program, because it stands so low on the EPA's list of research priorities, does not, as a result, receive enough funds to properly carry out the job it is supposed to do.

2. The failure of the EPA to properly consult with domestic industry and foreign research in order to avoid duplicative effort.

The Phillips Research Laboratories in the Netherlands has made great progress with the Stirling engine. Due to low emissions and high fuel economy, the Stirling engine is a prime candidate for future use. In 1970 Phillips contacted the EPA, but the EPA could give no support to a developmental program.

The EPA has not had close contact with the National Academy of Science or their panel on alternative power systems, which has advised an increased role of the Federal Government in this area of R&D.

"We naturally are anxious to pick up any new idea which might be developed, but we have found little new as yet. Many of the conclusions now being arrived at in the government program (AAPS) look very much like our own reached several years ago." (Statement of General Motors, 1974.)

3. The need to transfer AAPS out of EPA.

Although the letter of S. 2176 states that DOT and EPA would "effectively coordinate" their programs, thus not specifically providing for any transfer, the Commerce Committee Report states:

"It is anticipated that the personnel and facilities of AAPS will be transferred to the Department of Transportation."

CONCLUSIONS

On the basis of this very substantial evidence, the issue of the transfer of AAPS to ERDA should be reintroduced. Each element of the Muskie argument can be refuted:

1. EPA automotive R&D has not led to the development of new engines by the auto companies. EPA R&D has not produced a viable alternative engine.

EPA's proper regulatory functions should be backed by adequate confirmatry research, but its mission, the experts assert, is not aided by a developmental role.

2. AAPS has not been the basis for "good research and adequate demonstrated techniques." The slight progress of AAPS, the poverty of its funding, and the lack of results show that the program, in its present location in an organization devoted to regulation, can offer little in terms of "good research."

3. The AAPS Program has not "stimulated developments" as Senator Muskie would have wished. In 1973, the Assistant Administrator of the EPA stated that he viewed AAPS as only a "backup program." Thus, AAPS has a very low profile in the EPA R&D priorities.

4. The goal of AAPS is not regulatory, but developmental. In its present position AAPS cannot assist EPA with its primary regulatory responsibility.

The EPA's efforts in the development of an alternative engine to the present internal combustion system have been sadly lacking in terms of money, organization, and focus. In the new ERDA, which will have the atmosphere most conducive to AAPS research, the program will receive a higher priority, greater funding, and could well result in very substantial new developments. Thus, if located in ERDA, AAPS could progress at a faster rate and actually assist EPA with its regulatory functions by providing the adequately demonstrated technology EPA needs. AAPS will also provide ERDA with a solid core around which to build a strong program of propulsion research.

July 19, 1974.

Hon. Edmund S. Muskie,
U.S. Senate, Washington, D.C.

Dear Senator Muskie: I am writing in regard to the recommendations of CEQ's Advisory Committee on Alternative Automotive Power Systems concerning transfer of certain parts of EPA's automotive R&D program to ERDA. We in OMB, CEQ and EPA have reached agreement on a transfer which I believe you will find consistent with both EPA and ERDA research goals in environment and energy.

We believe that the developmental as opposed to the regulatory aspects of the Advanced Automotive Propulsion Systems (AAPS) program, now conducted by EPA, should be transferred to the proposed Energy Research and Development Administration when it is established. Our reasoning is that ERDA will be in a more appropriate position than EPA to conduct long-range hardware development efforts and that much of the AAPS program could benefit from close association with related R&D programs in other energy conversion technology areas.

I would like to emphasize that the proposed transfer to ERDA would *not* strip EPA of its confirmatory and technology assessment capability and resources in the automotive area. Furthermore, it is not the Administration's intention to transfer any of the research activities in EPA that are connected with assessing and evaluating emission control technologies (e.g., we believe the Michigan test facility, which is not operated in support of the AAPS program, should continue to support EPA regulatory activities). In fact, the President's FY 1975 Budget request provides for an increase for an expanded technology assessment program to enable MPA to remain abreast of technology developments that may impinge on regulatory decisions.

Again, I wish to assure you that the Administration proposes to transfer only those activities concerned with the long-range development of advanced automotive propulsion systems.

I would appreciate your support regarding the proposed transfer. Frank Zarb, my Associate Director, who handles this program in OMB and I would be pleased to discuss this matter with you further if your desire.

With warm regards.

Sincerely,

Roy L. Ash,
Director.

U.S. Department of the Interior,
Washington, D.C., July 8, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: Thank you for the opportunity to comment on Senate Bill 2744. I recently read the Committee print of the output of the Senate Government Operations Committee and was somewhat surprised to find that the advanced automotive power systems program and certain programs related to coal preparation, combustion, and stack-gas treatment were not to be transferred to ERDA. This is not useful. From a research & development management point of view, it makes sense to have related and parallel technology development programs under one overall management structure so that appropriate tradeoff decisions relating to resource allocation can be made on the basis of common information.

The program on advanced automotive power systems now in EPA has moved the technology forward. However, the general environment it is in forces it to operate in support of the regulatory program. This is not the best creative atmosphere in which one would like to develop new technologies that are responsive not only to air pollution requirements, but to the energy problem and other emerging resource problems, as well as the needs of the transportation community. I don't think one should take away from EPA all capabilities in automotive powerplant work because it needs to have an in-house capability to effectively operate a certification program. However, research & development activities on advanced power systems are not required to perform their legal function.

In the area of coal preparation and combustion, I think the case for moving to ERDA is stronger. The bulk of the Federal activity in this area is now in the Department of the Interior, principally in the Office of Coal Research. This will be going to ERDA. While the technical people in the various agencies have been cooperating, there are real administrative difficulties in coordinating and budgeting a research program across agency lines. The Federal Government is not designed to make this easy.

It's possible that the stack-gas treatment program could remain behind in EPA. The activities on this problem elsewhere in the Government are small. The bulk of it is now in EPA. However, there is a long history of difficulty when people charged with issuing and enforcing regulations are also responsible for conducting the research to develop the knowledge on which to base these regulations. It is practically an impossible job when this conflict of interest is within a single agency. While slower, it is better to have the technology developed under one set of management guidelines, and regulations affecting the use of technologies developed under another. Keeping the enforcement function and the research function under the same roof requires unusual administrators, the kind that are in very short supply.

I would strongly urge your supporting an effort to move all R&D programs to ERDA, as originally planned, rather than allowing this fragmentation to start. After all, the basic purpose of ERDA was to pull these things together.

If I can help in any other way, please let me know.

Sincerely yours,

——— ———,
Acting Director, Office of Coal Research.

University of California, Berkeley,
Berkeley, Calif., July 3, 1974.

Senator Charles H. Percy,
U.S. Senate, Committee on Government Operations, Washington, D.C.

Dear Senator Percy: In response to your invitation, I am pleased to be able to provide my views regarding Senate Bill 2744. I am particularly concerned about the status of two Environmental Protection Agency research and development programs, the Alternative Automotive Power Systems (AAPS) program and the stationary source control program (dealing with stationary fossil fuel combustion). These are two productive research and development programs which deal with many of the broader environmental and energy conservation aspects of fossil fuel utilization and other topics in mobile and stationary applications, respectively.

These areas are obviously of central importance to any energy research and development effort. The two specific EPA programs are well-established, well-managed, and well-staffed and provide an obvious nucleus for planned ERDA work in these fields. Not to include them in the ERDA organization would weaken needed centralization of government programs in the utilization of fossil fuels and lead to even further duplication of effort by government agencies.

The EPA should conduct research and development which is in support of its *control* functions in the environmental protection field. The AAPS program, which deals with research and development of alternatives to the present internal combustion engine, is clearly not directly supportive of the EPA control function. (As a side issue, the EPA should be encouraged to conduct and support research and development on automotive emissions control, a responsibility which they have largely deferred entirely to the automotive industry.) It is possible that some aspects of the EPA program dealing with stationary combustion may be of importance to the EPA function; however, the majority of the topics of that program form an essential part of any research and development related to fossil fuel utilization in non-transportation applications.

In summary, I strongly endorse the original proposal to have the two EPA research and development programs transferred to ERDA which is clearly to be a research and development agency rather than to remain in EPA which is primarily a control agency. The assignment to ERDA of a central role in ground transportation propulsion would seem particularly needed in order to stem the proliferation of often duplicative government programs which appear to be occurring in this field at the present time.

If I can be of further assistance, I shall be glad to be called upon.

Sincerely yours,

ROBERT F. SAWYER,
Professor.

JUNE 14, 1974.

Hon. RUSSELL PETERSON,
Chairman, Council on Environmental Quality, Washington, D.C.

DEAR DR. PETERSON: The Advisory Committee on Alternative Automotive Power Systems (ACAAPS) at its meeting of June 13 and 14, 1974, discussed the relationship between the Alternate Automotive Power System (AAPS) program, presently in EPA, and the proposed Energy Research and Development Administration (ERDA). As the legislation was initially framed AAPS was to be moved to ERDA. We understand that there is now some uncertainty concerning that move.

While ACAAPS has in the past confined its attention primarily to the technological aspects of the AAPS program, we now feel compelled to comment on this legislation because we recognize that the organizational placement of the AAPS program is so vital to its success. We urge that the AAPS program be merged into the new ERDA organization.

The ACAAPS recognizes the need for research and development efforts in EPA as required to support its regulatory activities. However, there is a qualitative difference between the research efforts intended to support regulation and research activities intended to investigate and develop new technological alternatives. The AAPS program is clearly in the latter category. In addition, the goals of the AAPS program must, in view of new national priorities, extend beyond the primary concerns of environmental protection. While the alternative power sources developed under the program must clearly be environmentally acceptable, the program must also be constantly aware of the changing national fuel and national resources picture.

We, therefore, conclude that the AAPS program should be incorporated into ERDA, an agency whose long term aims are more consistent with the AAPS goals and we urge that you take whatever actions possible to promote this move.

Sincerely,

DAVID V. RAGONE,
Chairman, ACAAPS.

JULY 9, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate, Committee on Government Operations, Washington, D.C.

DEAR SENATOR PERCY: Your letter of June 25, 1974 requested my views on the transfer of two EPA programs to the new ERDA organization as proposed in your Senate bill 2744.

I discussed my views with Messrs. John Pearson and Eric Lazar of your office by way of phone on July 8th and will document them in this letter. My background for making these comments is based primarily on two years of work in the Executive Office of the President, Office of Science and Technology, where I worked very closely with many government agencies concerned with civilian technology and in particular, the area of transportation.

I strongly recommend that the Advanced Automotive Powers Systems Program and organization currently located within the EPA be transferred to the new ERDA administration for the following reasons:

Prior to 1972, over 90% of all propulsion R. & D., (both Government and Industry), was performed in the aerospace field with only 10% being devoted to surface transportation systems. This appeared completely out of balance with national needs due to the fact that surface transportation carries over 95% of the nations' goods, contributes nearly all of the transportation related pollution and consumes over 85% of transportation energy (over 50% of the nation's petroleum). As a result many of us in the Executive Office felt that the U.S. Government should become more involved in the more fundamental aspects of surface transportation propulsion R. & D., leaving to the industry, production related R. & D. where they already excel. In looking for a mechanism to start this propulsion activity, the EPA–AAPS Program provided an ideal core around which to build this effort.

EPA should continue to perform R&D related to their regulatory responsibilities but the AAPS Program as currently performed in EPA is much more closely related to the new and advanced propulsion systems where the ERDA will have prime responsibility. It is more important to note that when new and advanced propulsion systems are being developed, it is impossible to separate the many requirements such as low emissions, low fuel consumption, low noise, safety, economics and many other factors, therefore making it unreasonable to split the responsibility for advanced powerplant R&D among several agencies based on these requirements alone.

The current AAPS organization has grown from a small low emission related group to a well managed and internationally respected group of automotive propulsion engineers. Their current location in a regulatory agency has not permitted them to integrate the many important aspects of propulsion such as low fuel consumption, safety and noise along with their charter requirement for low emissions.

Integration of the above requirements are necessary to foster the development of engines to meet the overall needs of the nation. The new ERDA organization, being R&D oriented, will provide the proper framework for this balanced approach.

I am not personally knowledgeable about the stationary powerplant emission activity being conducted in North Carolina and will therefore defer to others in commenting on its administrative location.

Thank you for giving me the opportunity to comment on this important subject.

Sincerely,

J. I. HOPE.

TUFTS UNIVERSITY,
Medford, Mass., July 5, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate, Committee on Government Operations, Washington, D.C.

DEAR SENATOR PERCY: I am writing in response to your request for my views on the proposed transfer of some EPA programs to ERDA.

There is little question that the reorganizations which would result from the various provisions of Senate Bill 2744 will significantly influence the character and effectiveness of government programs relating to energy, national resources and the environment. Therefore, it is critical that the administrative structures and potential conflicting agency responsibilities be given careful and thorough consideration prior to final action.

I am particularly concerned about the future of federally supported research and development of automotive powerplants. The Advisory Committee on Alternative Automotive Power Systems (ACAAPS), in a letter to the sponsors of Senate Bill 2744, has already expressed its view that the AAPS program, now under EPA, should be merged into ERDA. I strongly support this proposal. If AAPS is to continue its contribution towards minimizing the negative impacts of the use of the automobile, the program must operate under an administrative structure inherently reflective of the broad scope of its activities.

The AAPS program is clearly intended to investigate new alternatives with the fundamental objective of providing the technology required by government and industry "to impact national issues such as energy, natural resources, pollution and balance of payments." It is quite apparent that in this context the program activities are compatible with time scales longer than those associated with the regulatory or enforcement responsibilities of EPA. The propulsion systems being developed must be optimized and measured against a variety of criteria such as manufacturability, reliability, utility, energy efficiency, cost, and resource depletion, as well as their impact on the environment. If all these measures are to be reflected fairly in the development effort, they should not be pursued within an agency whose primary responsibilities include assuring compliance to emission regulations within relatively short time limits.

It should also be noted that mixing a state-of-the-art development program within the framework of a regulatory agency is in many ways counterproductive. Although the development of regulations should not take place in isolation, neither should the assessment of what is achievable be based on the idealized results of state-of-the-art technology. It would be difficult for EPA to resist the pressure for incorporating the latest and best data from program prototypes as "improved" standards if AAPS remained within the agency. Utilization of immature results as the basis for new performance criteria would definitely not be in the best overall national interest.

Paradoxically, there is also the potential for negative national impact from a reaction directly opposite to that noted above. The paternal relationship of the regulatory agency to the development program would tend to taint any important improvements which may be achieved. This could make it difficult to implement potentially easily achievable, yet more stringent standards based on the exploitation of any truly significant developments of the program.

There are also a number of compelling reasons why AAPS would be appropriate as an ERDA program. Most significantly, the two principal thrusts of the AAPS activities for the near and intermediate term are the improvement of energy efficiency and the reduction of the impact of powerplant manufacture on the depletion of natural resources. Both of these aims clearly correspond to basic objectives and directions of the new agency. Furthermore, the structure of ERDA as proposed will permit more effective cooperative efforts with existing related activities in other agencies. ERDA can provide the administrative and technical environment most conductive to the achievement of the basic AAPS goals. Since it is inevitable that there will be significant interagency competition for funds and responsibilities in these areas, the clear cut coincidence of purpose and agency charter for AAPS within ERDA will eliminate some of the difficulties the program would otherwise face and contribute substantially to its success.

I wish to emphasize that the AAPS program transfer I am espousing is limited to the alternative power system development efforts. Other related activities such as the automotive emissions control technology assessment can remain within EPA. Furthermore, it would also be appropriate to keep the Federal Clean Car Incentive Program and the Low-Emission Vehicles Purchase Program in EPA. These programs provide a mechanism for financial stimulation of independent developments of reduced emission systems. Their character is such that they do not require any critical technology program management or direct project supervision. They properly complement the regulatory aspect of the EPA activities and probably could not be as effective if transferred out of the agency.

Although the remarks above have dwelt on the development programs for automotive power systems, similar considerations generally apply to the stationary power systems programs. The state-of-the-art technology development aspect of the pre-combustion, combustion, and post-combustion clean up activities would also best be served by transfer to ERDA.

I hope these comments will assist you in the review of Senate Bill 2744. I urge you and your associates to recognize that the inherent distinctions in agency roles will make a significant difference in the national impact that can be made by these high technology programs.

Sincerely,

John H. Sununu,
Member, Advisory Committee on Alternative Automotive Power Systems.

Mechanical Technology Inc.,
Latham, N.Y., July 5, 1974.

Robert Vastine,
Government Operations Committee Minority Staff, Washington, D.C.

Dear Bob: I would like to express my great concern and disappointment with the Senate Committee version of the ERDA Bill. It seems to me that the field of Propulsion, which represents the highest energy utilizer, should have been clearly identified as an area which will receive major governmental R&D emphasis (refer to my correspondence with OMB, attachments la—d).

My concern is based on:

1. Pages 12 and 13 of the ERDA Bill identifies the expenditure of funds and the allocation of staff to the various program areas. The field of propulsion is not even mentioned.

2. Six Assistant Administrators for ERDA are designated and their fields of R&D are identified. The area of propulsion is omitted. Yet, propulsion is the greatest user of energy, and of petroleum in particular; this energy is used in a highly inefficient manner (attachment 2). Other areas of considerably less significance and potential R&D "payoff" are identified. It seems to me that an Assistant Administrator for Propulsion should be appointed. As a minimum, the Assistant Administrator for Conservation or Advanced Energy Systems should be charged with this responsibility. Adequate funds and staff should be given to him in order for him to perform this urgently needed research.

3. The transfer of the AAPS program from EPA to ERDA, which is part of the House Bill, has been omitted from the Senate Committee version. This is most unfortunate. In fact, the only reference to propulsion R&D is found in the correspondence between Senators Jackson and Muskie. This correspondence leaves considerable concern in my mind, for it splinters the inadequate R&D effort, and encourages duplication and parochial attitude. It also has the danger of establishing regulation which is not well-founded, or in the best overall national interest. (refer to the history of AAPS—attachment 3).

My overall concern is that the area of propulsion has not received the R&D emphasis that it deserves, e.g.

It does not have the stature (no Assistant Administrator has been appointed).

It does not have the funds and staff assigned to it.

It does not transfer the AAPS program to ERDA which is a logical home for this activity.

It does not recognize that propulsion R&D (automotive propulsion being part of it) can have greater short and intermediate term impact (attachment 4) on Project Independence, the Balance of Trade, and a High Standard of Living than will most of the other programs that have been identified.

It does not recognize that propulsion R&D must be conducted in a "balanced" way. It must consider all of the factors, which in general are interactive, which influence propulsion—not one at the expense of the other (refer to correspondence between Senators Jackson and Muskie). It should be recognized that up to very recently, the AAPS program of EPA addressed itself (based on EPA's charter) solely to emissions at the expense of energy. It is very likely that ERDA will address itself to energy, at the expense of emissions (attachment 5). In order to avoid this situation, the Propulsion R&D must be managed by one governmental agency and the various programs must be integrated. It is important to transfer the AAPS program into ERDA and to increase its stature, funding and manpower level.

The Senate Committee version of the ERDA bill does not address itself to this key area of nationally required R&D. I strongly urge that the Senate and House address itself to this issue. Our national economy, which is greatly influenced by the automobile and other forms of transportation, will suffer if the government does not conduct the required R&D in a well-coordinated and timely fashion.

Sincerely yours,

Dr. Beno Sternlicht,
Technical Director.

THE FEDERAL RESERVE

Mr. SPARKMAN. Mr. President, the July issue of Fortune magazine carries an article entitled "The Agony of the Federal Reserve," which contends that partisan politics played a part in the formulation of monetary policy during 1972. I was particularly disturbed by one segment of the article which read as follows:

> In the circumstances, the dispute between Burns and the FOMC majority became fairly tense at times. At one point, frustrated at his inability to convince the Committee of the need to hold down interest rates, Burns left a meeting in obvious anger. He returned in about an hour, announcing: "I have just talked to the White House."
>
> The effect of this declaration on the Committee must have been quite dramatic. Burns was invoking the aid of the White House in a manner rarely, if ever, employed by a Chairman of the nominally independent Federal Reserve System . . .

In view of my knowledge of Chairman Burns, whom I hold in the highest esteem, I found this allegation incredulous and requested his reaction.

Dr. Burns has assured me that there is not one grain of truth to the assertion published by Fortune, and that the purported incident never took place.

When I learned of this matter, I forwarded a written request for a statement of the Chairman's position and I ask unanimous consent that my letter to Chairman Burns together with his response and letters from other Federal Reserve officials be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

August 14, 1974.

Hon. Arthur F. Burns,
Chairman, Board of Governors, Federal Reserve System, Washington, D.C.

Dear Mr. Chairman: An article in the July edition of Fortune magazine has been called to my attention in which the author reports that during the course of a meeting in 1972 of the Federal Open Market Committee you invoked the name of the White House in an effort to sway members of the Committee toward a particular policy.

Since I know how much you prize the independence of the Federal Reserve—as I do—I wonder if you would care to comment on the assertion made in the article.

With best wishes, I am

Sincerely,

John Sparkman.

Federal Reserve System,
Washington, D.C., August 19, 1974.

Hon. John J. Sparkman,
U.S. Senate,
Washington, D.C.

Dear Senator Sparkman: I am responding to your letter of August 14 requesting my comment on the article entitled "The Agony of the Federal Reserve" which appeared in the July issue of Fortune magazine. You asked about an allegation in the article that I conveyed an appeal from the White House to sway the Federal Open Market Committee toward a particular policy.

There is not one grain of truth in that assertion. I have asked Mr. Thomas J. O'Connell, Counsel to my office, to transmit for your study relevant information and supporting documentation. These are enclosed.

I am most appreciative of the opportunity afforded by your inquiry to set forth accurately the facts of this matter.

Sincerely yours,

Arthur F. Burns.

Federal Reserve System,
Washington, D.C., August 19, 1974.

Hon. John J. Sparkman,
U.S. Senate,
Washington, D.C.

Dear Senator Sparkman: Chairman Burns has asked that I reply to your letter of August 14 in which you have noted the article entitled "The Agony of the Federal Reserve" that appeared in the July issue of Fortune Magazine. You have inquired concerning a statement contained in that article that, during the course of a Federal Open Market Committee meeting in 1972, Chairman Burns, in an effort to sway associate members of the Committee to a position of easier monetary policy, directly invoked the aid of, and specifically asserted a conversation with, the White House.

As reflected in the enclosures to this letter, Chairman Burns and other Committee members and staff officials in a position to express first-hand knowledge as to the asserted occurrence, advised the author of the article and editorial and publication officials of Fortune Magazine that there was not one grain of truth in the alleged White House pressure incident. On the basis of extremely careful inquiry of Committee members and officials in attendance at meetings throughout the year 1972, which efforts are carefully chronicled in the enclosed copies of correspondence, the aforementioned advice as to erroneous reporting was made known to Fortune Magazine. The Chairman's denial of the truth of the proposed report, as well as certain supporting denials, was conveyed to Fortune Magazine prior to publication in an effort to correct apparent misinformation or misreporting.

In the belief that the enclosures, fully read both in relation to the article and the refutations thereto effectively sets straight the record in this matter, Chairman Burns has asked that I transmit the same to you in response to your inquiry.

Sincerely yours,

Thomas J. O'Connell,
Counsel to the Chairman.

Federal Reserve System,
Washington, D.C., July 8, 1974.

Mr. Hedley Donovan, *Editor-in-Chief, Fortune, Time and Life Building, Rockefeller Center, New York, N.Y.*

Dear Mr. Donovan: In the July issue of *Fortune*, page 188, Mr. Sanford Rose purports to describe certain events during a meeting of the Federal Open Market Committee. There is not one grain of truth in his report.

Sincerely yours,

Arthur F. Burns.

Federal Reserve System,
Washington, D.C., July 10, 1974.

Mr. Hedley Donovan,
Editor-in-Chief, Fortune Magazine, Time Life Building, Rockefeller Center, New York, N.Y.

Dear Sir: I am writing to you with respect to the article entitled "The Agony of the Federal Reserve" by Mr. Sanford Rose in Fortune's July issue.

I want to object strongly to the author's assertion that partisan political considerations have influenced the determination of monetary policy—particularly during the presidential election year of 1972. I find especially objectionable the assertion that on one specific occasion the Chairman of the Federal Open Market Committee, Arthur F. Burns, used an appeal from the White House as a means of pressuring the Committee to permit a greater expansion in money and credit than the Committee itself thought wise.

It may be recalled that, in 1972, an economic recovery was under way, but the economy was still producing well below its potential (as indicated by an unemployment rate that averaged 5.8 per cent during the first half of the year). Prices were rising quite moderately, although this partly reflected the system of wage and price controls then in effect. Given the overall objectives of national stabilization policy at that time—which were to check the pace of inflation while reducing the level of unemployment—the Federal Reserve directed monetary policy so as to enhance the prospect of achieving those goals.

The part of the article to which I take specific exception is under the legend "the stimulus of politics." This section not only contains a number of serious errors, but it also impugns the integrity of the System's decision-making process. The author alleges generally that during 1972 the monetary policy of the Federal Reserve System was influenced by politics. He asserts specifically that, during one FOMC meeting, Chairman Burns:

"... frustrated at his inability to convince the committee of the need to hold down interest rates . . . left . . . in obvious anger (and) returned in about an hour, announcing: 'I have just talked to the White House'."

And the article continues:

". . . the committee got the idea: the White House was determined to try to keep rates from rising."

In the next paragraph, Mr. Rose states that "many" of those present "could" have interpreted Chairman Burns (alleged) statement as an implied threat that unless the Federal Open Market Committee "acquiesced" it "might easily" have resulted in efforts to limit the Federal Reserve's independence. As a consequence, the author states, the FOMC was persuaded to continue providing monetary stimulus to the economy throughout 1972.

These assertions are false—both in general and in particular. When the article was in preparation, the author spoke to me by telephone seeking confirmation of the reported event. I told him at the time that no such episode took place. I stated that during my more than eight years as a member of the FOMC (and I have missed only one meeting in all of those years—namely, in September, 1973), there was never an occasion on which the Chairman urged the Committee to adopt a particular monetary policy because "the White House" preferred a specific course of action.

However, to reassure myself that I was justified in denying the validity of the report of such an event, I consulted the detailed minutes of discussion and actions prepared by the staff for each of the 1972 FOMC meetings, and I asked the staff to make a thorough review of those minutes. I also reviewed my own notes taken at these meetings. Furthermore, I discussed the matter with my colleagues on the Federal Reserve Board and with a number of Federal Reserve Bank Presidents who also attend FOMC meetings. These inquiries produced absolutely no evidence to indicate that there was an episode like the one described. This fact was reported to the author during at least two telephone conversations while the article was in preparation. I also know that several other persons who served on the Committee in 1972 independently told the author that the episode did not occur. Yet, the author persisted in his claim—although he cites no individual to support it who is willing to speak for attribution.

As far as I am concerned, this matter extends beyond the role of the Chairman of the FOMC—who, as I have stressed, never urged the Committee to moderate the rise in interest rates because the White House sought such a goal. The individual members of the Committee would not allow themselves to be "persuaded" to yield to the White House or to anyone else their statutory authority to determine the nature and objectives of open market operations as one instrument of monetary policy. By suggesting otherwise, the author has stained the integrity of the FOMC, and he has done so without presenting any evidence to substantiate his insinuating assertion.

In my recent letter to the President announcing my intention to resign from the Board to resume my academic career at the end of this summer, I said:

"During my years on the Board, there has been almost a complete change in membership, but the spirit of nonpartisan cooperation and commitment to the furtherance of the nation's interest on the part of the Members has not changed at all."

I could have made the same statement with respect to the FOMC. Those words would never have been written had there been any incident such as the article alleged.

In concluding this letter, let me say also that I was not only surprised but also disappointed to see that the author missed an excellent opportunity to help broaden public understanding of the objectives and operating techniques of the Federal Reserve System. Instead, he has presented to Fortune's readers a one-sided picture of monetary policy in the last few years. In essence, in carrying out monetary policy, the ultimate objective of the Federal Reserve is to encourage a strong, noninflationary economy. In pursuit of this goal, the complexity of the economy makes it impossible to concentrate on a single financial variable. Thus, despite the persistent urgings of monetarists, the Federal Reserve does not base its policy solely on the control of the money supply or other monetary aggregates. Rather, it also gives considerable weight to elements such as interest rates, liquidity, and credit conditions broadly conceived.

I hope Fortune magazine will publish this letter in its August issue as a corrective to what would otherwise stand as a stain on one of the nation's principal organs responsible for the conduct of monetary and credit policy.

Sincerely yours,

Andrew F. Brimmer.

July 19, 1974.

Mr. Hedley Donovan,
Editor-in-Chief Fortune, Time and Life Building, Rockefeller Center, New York, N.Y.

Dear Mr. Donovan: As a member of the Federal Open Market Committee, I was more than a bit surprised at the insinuation in the Sanford Rose article (July, 1974) that I acted as a puppet for the White House. I attended all the meetings of the Committee in 1972 and 1973 and, therefore, find the account disturbing because of its inaccuracy. The events described by Mr. Rose simply did not occur!

I grow more humble as I attempt to struggle with cascading economic problems, and criticism of System actions is always welcome in our efforts to find appropriate answers for these questions. I have made mistakes in judgment in the past and undoubtedly will continue to do so in the future. However, to be faced with insinuations of a complete lack of integrity, not only by the author but by your editorial board, shocks me, as I know the event described never occurred, or that the members of the Committee, including the Chairman, would be a party to such behavior. This strikes me as a most un-Fortune-ate article. The article and the related editorial comment does both Fortune and its readers a disservice.

Sincerely,

Willis J. Winn.

Federal Reserve System,
Washington, D.C., July 22, 1974.

Mr. Hedley Donovan,
Editor-In-Chief, Fortune Magazine, Time Life Building, Rockefeller Center, New York, N.Y.

Dear Mr. Donovan: In the article on the Federal Reserve in the July issue of *Fortune*, there is described on page 188 a purported incident at a 1972 meeting of the Federal Open Market Committee, involving a contact with the White House and the successful urging of White House views upon the Committee. That incident did not take place, and I deeply regret the fact that *Fortune* editors gave any credibility to such a story.

I was Secretary of the Federal Open Market Committee during the year 1972, and responsible for an accurate rendition of what took place at its meetings. In that capacity, I have personally spoken with every individual who was a member of the Federal Open Market Committee during 1972. Not one of them has any knowledge of such an incident.

I report this to you in the expectation that *Fortune* will wish to set its record straight.

Yours sincerely,

Robert C. Holland,

Bierbower & Rockefeller,
Washington, D.C., July 29, 1974.
Editor in Chief,
Fortune Magazine, Time Life Building, Rockefeller Center, New York, N.Y.

Dear Sir: In the July 1974 issue of *Fortune* there is a provacative article on the Federal Reserve by Mr. Sanford Rose. It contains what I believe to be a serious falsehood (which he apparently failed to check out carefully before using), which reflects on the integrity of members of the Open Market Committee—a low blow which I resent. I refer to the following comment:

"In the circumstances, the dispute between Burns and the FOMC majority became fairly tense at times. At one point, frustrated at his inability to convince the committee of the need to hold down interest rates, Burns left a meeting in obvious anger. He returned in about an hour, announcing: 'I have just talked to the White House.'

The effect of this declaration on the committee must have been quite dramatic. Burns was invoking the aid of the White House in a manner rarely, if ever, employed by a Chairman of the nominally independent Federal Reserve System. It was undoubtedly a difficult moment for Burns, a man accustomed to swaying colleagues by the logic of his arguments. But the committee got the idea: the White House was determined to try to keep rates from rising.

Many of those who heard Burns' words could have interpreted them as an implied threat. That is, either the committee acquiesced or it risked the White House's maximum displeasure. And White House displeasure might easily have meant Republican backing for persistent southern Democratic efforts to limit the Federal Reserve independence. In any case, Burns eventually succeeded in persuading the FOMC to continue providing that stimulus throughout 1972. But the effort seems to have hurt him personally, and there are signs that his influence over the committee was weakened for some time." *Fortune*, pp. 186, 188.

Obviously, one should not undermine public confidence in the Federal Reserve by impugning the integrity of the members of the OMC—suggesting that they would vote in accordance with White House wishes rather than their own consciences—unless he had made every possible effort to verify what he believed to be facts by going to the best sources available (in this instance the members of the Open Market Committee).

I am certain that no such incident ever occurred. I attended every meeting of the Open Market Committee in 1972 except for one in May. At the May meeting the committee voted unanimously for a policy directive supporting a slower growth in money supply, and so this obviously could not have been the meeting at which the alleged incident described by Mr. Rose occurred.

Certainly no such incident occurred at any meeting I attended. Since I occupied a seat next to Chairman Burns I could not have missed hearing such a remark. Since I was a strong defender of the independence of the Federal Reserve in the 21 years I served on the Board, I can assure you that had any such pressure been applied I personally would have reacted strongly against it. I think that this would have been true of other members of the Open Market Committee. The use of such pressure at any time, by any chairman, would have produced results quite the reverse of the impact alleged by Mr. Rose. The opposition would not have melted; it would have solidified.

The fact is that I believed that the Federal Reserve policies in the fall of 1972 were not sufficiently restrictive. It is a matter of public record that I and one other member of the Open Market Committee did not support the policy directive approved at the September meeting for that reason. I believe that subsequent events have shown that we were correct.

But Mr. Rose is wrong and grossly unfair in suggesting that the majority of the members of the Open Market Committee were politically motivated in voting for the more relaxed policies that were followed. He bases this false conclusion on someone's fabrication of an incident that never occurred and on the assumption that political motivation is the only possible explanation for anyone failing to support a more restrictive monetary policy in 1972.

What Mr. Rose should have done was to report on the advice others were giving during this period. Was it obvious to everyone except the members of the Open Market Committee that money had to be tightened by slowing down the growth of the money supply?

The answer is no. There were plenty of economists, including those who were supporting the Democratic candidate in 1972, who did not want to see the Federal Reserve tighten the monetary screws in 1972. The unemployment rate had risen from an average of 3.5 per cent in 1969 to 5.9 per cent or over until October. I think it is safe to say that most economists at that time were still thinking in terms of policies that would get the unemployment rate down to what was then considered a more acceptable level. Many thought of this as around 4 per cent. This was the view, for example, of a former chairman of the Council of Economic Advisers in a Democratic administration. This prominent economist thought then that a 4 per cent unemployment target was reasonable and that we should be willing to risk some inflation in order to achieve it. Most economists wanted to see the economy sustain a high rate of growth. In the spring of 1972 one of the best known economists in the nation (not a Nixon partisan) advised that the Federal Reserve should pursue a liberal monetary policy even though we might be criticized for permitting what might appear to be an excessively rapid rate of growth of money supply. The main thing in his view was achieving a high rate of growth of GNP. He thought we should not worry about money supply until we attained a satisfactory GNP growth rate.

Even as late as December 1972, this same outstanding economist was saying that a 5.5 per cent rate of unemployment was not acceptable to most people and that we would probably have to live with substantially higher rates of inflation than we had been accustomed to in the past in order to get unemployment down.

It is not my purpose to try to rationalize what hindsight shows was an error in policy. I merely want to make it clear that the members of the Open Market Committee who were reluctant in 1972 to take action that they thought would slow economic growth and keep unemployment levels high were in very good company. That company included supporters of both presidential candidates.

Mr. Rose has oversimplified the problem and falsified the record to make the case that the decisions of the Open Market Committee were motivated by politics.

Fortune owes its readers a correction of the misinformation supplied by Mr. Rose. It also owes the honorable men who serve on the Open Market Committee an apology.

Sincerely yours,

J. L. Robertson.

Federal Reserve System,
Washington, D.C., July 19, 1974.
Mr. Hedley Donovan,
Editor-in-Chief, Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y.

Dear Mr. Donovan: I am writing with reference to your July 15 letter to Chairman Arthur F. Burns in which you outlined plans by *Fortune* to publish letters from Chairman Burns and Governor Andrew F. Brimmer concerning allegations made in an article—"The Agony of the Federal Reserve"—published in the July issue of the magazine.

Your letter also states that you can add nothing of your own knowledge to the incident except to say "that Mr. Rose is a very experienced and thoughtful journalist and . . . I know he approached this assignment in a thoroughly conscientious way."

Drawing upon my own 14 years experience as a journalist, most of it in Washington, I must say that Mr. Rose's article as printed violates the basic tenets of professional journalism. I refer specifically to his assertion that on one occasion Chairman Burns used an appeal from the White House to pressure the Federal Open Market Committee into expanding money and credit to an extent that the Committee as a whole thought inappropriate.

First of all, I can assure you, as a Federal Reserve official who attends Federal Open Market Committee meetings, that no such incident took place.

Nevertheless—and despite the fact that he had been authoritatively informed to the contrary—Mr. Rose's article asserts that it did take place. *Fortune* magazine permitted this assertion to appear in its columns as a bald assertion, and totally without support from any source, named or unnamed.

It is this fact—that the assertion on page 188 of your July issue was repeatedly and flatly denied by those present, but that these denials were nowhere mentioned—that destroys any claim to professionalism in Mr. Rose's article. This is irresponsible writing.

Let me be specific. I informed Mr. Rose that this assertion was totally false. Governor Brimmer also so informed him. Finally, Chairman Burns did so. All of us spoke—weeks before the article appeared—for attribution. Yet *Fortune* permitted a highly damaging statement, as to which it had multiple on-the-record denials, to be printed without attribution or support. Far from being thoughtful and conscientious, this is thoughtless and irresponsible behavior. During the course of my conversation with Mr. Rose, long before publication, I suggested that he recheck the sources he contended told him of this incident. Mr. Rose refused to do this. He also refused to accept my suggestion that he telephone other members of the Federal Open Market Committee and its staff and put the same question to them. Refusal to check and recheck sources, when there is time and opportunity to do so, suggests to any professional journalist that no source exists or that there is no source that would stand up under such rechecking. The allegation made by *Fortune* was certainly serious enough to warrant a complete survey of the Committee members and its staff. Yet Mr. Rose failed to do so.

All this shocks the sensibilities of responsible journalism. I think *Fortune* owes it to its readers, to the Federal Open Market Committee and especially to Chairman Burns to print a public apology of this unsubstantiated and invidious allegation.

Very truly yours,

Jospeh R. Coyne,
Assistant to the Board.

NORTH COUNTRY EDUCATION SERVICES HONORED

Mr. McINTYRE. Mr. President, I have have recently received notification that the North Country Education Services was presented with an Educational Pacesetter Award from the National Advisory Council on Supplementary Centers and Services. North Country Education Services is a program which serves the northern section of New Hampshire, covering seven supervisory school unions. Through this program expertise in the area of speech, hearing, and psychological counseling, as well as shared audiovisual materials have been developed over the past 4 years. Begun initially by a title III grant, the program for northern New Hampshire schoolchildren now is supported by contributions of the local communities served by the program. The letter of award reads in part:

> This award is being made in recognition of your project's section as one of the outstanding Title III programs in the country. Because of its record of success in areas relating to innovativeness, pupil achievement, cost-effectiveness and program administration, it is worthy of national visibility.
>
> It is a special tribute to have been selected from among the more than 1800 Title III projects in this country and to be considered worthy of replication and adoption by other school systems.

This honor is indeed meritorious, and it is a privilege for me to pay recognition to this outstanding New Hampshire educational project.

ADDRESS OF JOAN MARIE GERARDA HART OF ALBUQUERQUE, N. MEX.

Mr. DOMENICI. Mr. President, Joan Marie Gerarda Hart, class president of St. Pius X High School in Albuquerque and valedictorian of her graduating class at that school, gave a thoughtful and stimulating address at her class' graduation exercises this summer.

Her emphasis on the positive, and her belief in the progress that the Nation has made and can continue to make, should give all Members of this body confidence in the eminent good sense and wisdom of our young men and women.

She exhorts her classmates to higher goals and bigger tasks—those related to making society a better world. Her sense of mission, based upon her deep Christian faith, is uplifting. She points out that a decade remains before we reach that fateful year of 1984, a decade in which we in this Nation can either fulfill George Orwell's prophecy or insure that a "Brave New World" of that kind never exists. I ask unanimous consent that her judicious remarks be printed in the Record for all to examine and weigh.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address of Joan Marie Gerarda Hart

Members of my class, our parents, relatives and friends, Father Sohn and the faculty.

Ten years ago, in 1964, we, the graduates of today, were in second grade. World and national affairs concerned us little but we can remember some of the events which were taking place—the civil rights marches in the South, Lyndon Johnson's election, the relatively new war in Vietnam. Much that happened then has affected our lives.

Today we can attempt to look ahead another decade—to 1984. In 1948, George Orwell, a well know British author, wrote a book entitled *1984*. In it, he described a society in which the individual is irrelevant and disposable. The world of *1984* is one in which the government has complete control over man's actions and thoughts and reduces man to a mere manipulation of the state through such devices as doublethink, newspeak, and Big Brother.

Contemporary pessimists have commented that the state described in Orwell's *1984* is fast approaching—that newspeak, doublethink, and Big Brother are fundamental to the nation of modern organizational society.

They see Big Brother, the omnipresent God-figure, represented by rampant invasion of privacy; from elementary school character records, to wiretapping, to FBI dossiers on "potential criminals" and political enemies. Big Brother is also personified by the attempt of the Executive Branch of Government to snatch power from the Legislature and Judiciary in both foreign and domestic affairs.

Newspeak, the language of the *1984* government which assigns interpretations to words and thereby eliminates undesirable concepts, is said to be found today in such documents as the Pentagon and other war-related papers and most recently, in the Watergate transcripts. The widespread decline of magazines and competing newspapers, caused in part by the higher postal rates imposed by the government, and the loss of a variety of news sources facilities a government's use of propaganda as does the threat of reprisal by IRS investigation of those who speak against the "official" government position. Some even feel that our highest public servants, Senators, Congressmen, and even our Chief Executive, practice doublethink, the *1984* art of feeling complete truthfullness while telling complete lies, repudiating morality while laying claim to it, using logic against logic. The public is made to feel totally ignorant and incompetent to hold opinions on matters of public interest. Situations are "explained" by supposed experts. For example, early in the Vietnam War, the people were told that they didn't have all the facts and hence had no right to hold or express an opinion contrary to that of "ofcial" government policy. The same argument was made during the so-called energy shortage.

George Orwell wrote *1984* as a pessimistic prophesy. He expressed a mood of near despair about the future of man and predicted that unless the course of history changed, men all over the world would lose their human qualities and would become soulless automatons and slaves to industry without even being aware of what was happening to them. Orwell asked whether human nature could be so changed that man would forget his longing for freedom, for dignity, for integrity, for love—could man forget that he is human?

In view of the events of recent years—Vietnam, the Energy Crisis, Watergate Conspiracy, Breakin, and Coverup, Inflation, the Battle over Presidential Privilege, Illegal and Unethical Campaign Practices—it may seem that we are well on the way to total corruption and economic disaster.

The novel *1984* was a warning: it was also a challenge. As the Class of 1974 we must heed the warning and respond to the challenge.

The history of this country is replete with challenge. A few people, invading alien soil, built a nation that has led the world not only in providing material benefits but also in promoting human value. We are better housed, better fed, and better educated than most of the world. We also have greater freedom and greater individual opportunity.

Because of our natural resources, material affluence was relatively easy to achieve. Respect for the dignity of human beings, the prime reason for seeking our independence from England and the touchstone of our Constitution, has been achieved only by constant vigilance and frequent struggle. We fought a terrible war because we were divided over the question of human slavery, and we have spent 100 years attempting to adjust to the determination that the Black man has the same rights and should have the same opportunities as the White man. That we have not completely succeeded in solving the problems of a pluralistic society should distress us but not lead us to despair or discouragement. We have made progress.

Seventy-seven years ago, searching for a job in Boston shoe factories, my Grandfather was met with signs saying "No Irish Need Apply". He has lived to see another Irish Catholic become President of this country and to see his Grandchild be accepted to Harvard. Our class will see Blacks, Chicanos, Indians, and women in all sought-after occupations. More importantly, we, or our children, *will* see a time when color of skin goes unnoticed.

There are two reasons for the progress this nation has made in furthering respect for human dignity. The first is the concern for the value of life held by the founders of this country.

The second reason for our progress has been the participation of the "ordinary citizen" in the processes of government. We have refused to delegate absolute power to a few, and we must never do so. We should not be fooled by the false argument that we "don't know all the facts." As John Dewey said:

"No matter how ignorant a person is, there is one thing that he knows better than anybody else and that is where the shoes pinch his own feet and that because it *is* the individual that knows his own troubles, even if he is not literate or sophisticated in other respects, the idea of Democracy as opposed to any conception of Aristocracy is that every individual must be consulted in such a way, actively, not passively, that he himself becoms a part of the process of authority, of the process of social control; that his needs and wants have a chance to be registered in a way where they count in determining social policy."

We who graduate today have our work cut out for us. We must meet the responsibility that our society places upon us to be continually concerned with the operation of a Christian and truly Democratic Government. It is our right; it is our duty. St. Pius X said when speaking of Christian social action,

"To make all things new in Christ has ever been the watchword of the Church, as in a particular way it is ours in the fateful moments through which we are now to give history its fulfillment, to restore in Christ, not only what properly pertains to the divine mission of the Church, but also those things which pertain to all elements of civilization."

Our class has the concern—fostered by the educational experiences that we have had at St. Pius High School. We have the desire for the improvement of society; for effective prison reform, drug rehabilitation programs, better care for the aged, environmental recovery, insuring rights of the unborn, avoiding future war and killing.

We are a good class and we have benefitted from many advantages. When we meet for our tenth reunion, it will be 1984. I am confident that the propheses of George Orwell will have been proven wrong. It will take vigilance and work but as it said on a calendar in my Father's office:

"When the work is finished, the mornings are sad."

May we never think that our work is finished—and in 1984 may we be proud that we, in adulthood, are pursuing our goals of a freer, more responsible society—true to our ideals of making the world better—however small or large a part of it we influence.

VERMONT INTERESTED IN ERTS

Mr. MOSS. Mr. President, "Vermont is definitely interested in the application of the ERTS system, particularly for environmental surveillance." That's what Thomas P. Salmon, Governor of Vermont, said to me recently in a letter.

Mr. President, I ask unanimous consent that Governor Salmon's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF VERMONT,
EXECUTIVE DEPARTMENT,
Montpelier, Vt., July 19, 1974.

Sen. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: Thank you for your letter of June 24th inviting me to comment on the merits of establishing an operational ERTS system.

Vermont is definitely interested in the application of the ERTS system, particularly for environmental surveillance. Dr. Martin L. Johnson, my Secretary of the Agency of Environmental Conservation, is a member of the Space Applications Board, National Academy of Engineering, and he has advised me of the great potential for the ERTS system. As a practical application, the State of Vermont, at the present time, has entered into a modest contract with the Department of Geography at the University of Vermont employing the ERTS system for general surveillance of environmental parameters for the Lake Champlain area.

We anticipate expanding this surveillance in the future, and I feel that the bills, S. 2350 and S. 3484, would be very helpful in furthering these efforts.

Sincerely,

THOMAS P. SALMON,
Governor.

ENCOURAGING SIGNS ON INFLATION

Mr. SPARKMAN. Mr. President, in these days of high inflation we have very little regarding the economy that is good. However, in the August 19 American Banker there were two little items that gave some encouragement. I ask unanimous consent to have these printed in the RECORD as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SIGNS ARE HOPEFUL THAT SLOWING OF INFLATION IS CLOSE AT HAND

(By Joseph R. Slevin)

WASHINGTON.—President Ford will not bring inflation under control next week or next month but things may not get much worse before they start to get better.

It could be that the surging inflation wave finally is beginning to crest and that the often predicted but never achieved slowing of the inflation spiral is close at hand.

Canny conservative Federal Reserve Board chairman Arthur F. Burns sees some hopeful signs. So does imaginative, liberal former Council of Economic Advisers chairman Walter E. Heller.

Neither expects a miracle and both suspect that living costs will be climbing more rapidly in the months to come than they had anticipated when the year began.

But they are peering further back in the price chain, to the raw materials that eventually are processed into the finished goods that businessmen and consumers buy. Both men cautiously conclude that the devastating runup in world commodity prices has ended and that a decline has begun.

"The place I would look for a decline is in the prices of industrial materials," Mr. Burns said recently. He noted that raw materials prices topped out in April and are lower now.

"We are going through a period of sluggish economic expansion," the Federal Reserve chairman explained. The demand for goods and services is rising less rapidly throughout the world, he stressed.

The pressure on industrial capacity are diminishing and that, in turn, is being reflected in less pressure on industrial prices, Mr. Burns said. "I expect that to spread," he declared.

"The worldwide movement of commodity prices is down," Mr. Heller agrees.

While the summer drought and cut in crop prospects has made him pessimistic about food prices, the University of Minnesota economist stresses that the business slowdown and a reduced "chew-up" of raw materials are bringing down industrial prices.

"A lot of this softness only now is beginning to appear," Mr. Heller says. He predicts that many businessmen and economists who only can see shortages will be "very unpleasantly surprised" by how quickly shortages and bottlenecks can turn into surpluses.

But it will take time for the industrial price declines to be reflected in finished goods. End products now and for some time to come will be going up in response to materials and wage increases that already are in the pipeline and to large wage boosts that are still to come.

Mr. Burns refuses to predict the rate at which living costs will be climbing late this year, but makes it plain that he sees no sudden shift to price stability.

"You can have 10%, you can have 12%, you can have 8%, you can have 7%," he says. "I sit around and listen to these professional colleagues of mine debate whether the price level at the end of the year will be rising 8%. Not one of them knows what he's talking about."

Mr. Heller predicts that living costs will climb at an 8%-to-9% a year pace late this year, which will be down from the current 12% a year double-digit inflation rate. He expects a further slowing in the first half of 1975 but has boosted his prediction for next winter from an earlier 6½ percent rate to 8%.

DOLLAR GAINS PREDICTED BASED ON U.S. STABILITY

NEW YORK.—The dollar is expected to gain moderately against the German mark and should score stronger gains against other major trading currencies, according to Isaac Menashe, member of the $16.5 billion-deposit Chemical Bank's foreign exchange advisory service.

In the July/August issue of Chemical's Report from Europe, Mr. Menashe explains that the underlying factors leading strength to the dollar are the prospective U.S. price and balance-of-payments performances, the relatively high level of U.S. interest rates compared to rates in other money centers, and the attractiveness of high quality and safe investment instruments offered by the U.S. financial markets.

Mr. Menashe states that, "The U.S. and German rates of inflation are expected to converge into the 10% area by yearend while other countries inflation rates will improve yet remain higher than the U.S.

Mr. Menashe views the European snake arrangement—whereby European currencies move up or down in relation to each other—as inherently volatile. He believes in retrospect that the existence of the snake fostered the speculative rush into German marks and related currencies in April and May of this year. Monetary authorities of snake countries would, he says, contribute to less instability in exchange markets by disbanding the existing arrangement and recasting it along more flexible lines.

JURY JOB PROTECTION

Mr. SCHWEIKER. Mr. President, on July 18 I introduced S. 3776, a bill to provide job protection for persons serving on State and Federal juries.

I was astounded to learn that basic principles of job protection, such as those afforded persons called to military service, are not guaranteed for jurors. Just recently, in the Mitchell-Stans trial and on the Watergate grand juries, we have seen examples of the kind of abuses which can occur without jury job protection. Two Watergate grand jurors were fired outright, and two others requested to be relieved to protect their employment. In addition, two jurors in the Mitchell-Stans trial were discharged by their employers. These are only the most publicized examples of the ever-growing problem of persons being economically penalized simply for trying to be good citizens.

Mr. President, I have been pleased by the wide-spread support which S. 3776 has received from the general public and the media. I ask unanimous consent that a number of editorials endorsing the principle of jury job protection be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Coraoblis (Pa.) Record, July 29, 1974]

NEEDED: JOB PROTECTION FOR JURORS

Senator Richard S. Schweiker has proposed a bill which would grant job protection to people who serve on state and federal juries.

Schweiker said two members of the Watergate grand jury were fired outright and two others asked to be relieved in order to protect their jobs. In addition two jurors in the Mitchell-Stans trial were fired.

The justice system in the United States is admittedly not perfect, but if it is to work at all, people must be willing to serve as jurors. Jury duty often means a long period away from job and family. If it also means that a working person faces the possibility of losing a job in the process, those willing to serve will be few and far between.

Schweiker's proposal, patterned after the reemployment protection granted to people called into military service, would go a long way in easing the problems for those who are fulfilling their responsibilities as citizens.

[From the Harrisburg (Pa.) Patriot]

SAFEGUARD JURORS

Senator Richard Schweiker's bill to protect the jobs of people serving on jury duty is an eminently reasonable proposal. If there's anything disturbing about the measure, it's the fact that legal safeguards should be necessary.

But they are. The senator cited job losses by people serving in the Mitchell-Stans trial and on Watergate grand juries as "only the most publicized examples" of individuals suffering economic reprisals for fulfilling their citizenship responsibilities.

It's bad enough that too many people, young and old, try to avoid jury duty on one pretect or another. Justice, after all, requires not only good judges on the bench and good attorneys for prosecution and defense, but good people from all walks of life willing to serve on juries so they can be broadly representative of the community. In his first inaugural address, Thomas Jefferson called trial by jury one of the principles that "form the bright constellation which has gone before us."

For many, jury duty can mean both inconvenience and financial loss. But such service is one of the ways we Americans pay our dues for the system we enjoy. Certainly, those performing their duty shouldn't be subjected to the more serious economic disruption represented by the loss of a job. Employers should understand the broader public interest being served and be willing to put up with temporary loss of their employes.

The Schweiker bill would extend to jurors the same sort of protection military draftees have been granted in the past. That's only fair. In a sense, jurors also have been drafted to protect our way of life. Members of Congress should have few reservations about rallying around the principle contained in this legislation.

[From the Pittsburgh (Pa.) Press, July 31, 1974]

Protection for Jurors

Fewer citizens would duck jury duty if Congress passed a law like the one proposed the other day by Sen. Richard S. Schweiker of Pennsylvania.

Sen. Schweiker wants to guarantee that persons who serve on federal and state juries will get their old jobs back—with no loss in pay or benefits—when jury duty is over.

The senator points out that two jurors in the Mitchell-Stans case lost their jobs; two Watergate grand jurors were fired, and two others asked to be replaced during the proceedings.

This is one reason responsible people tend to back away from jury duty.

A job-protection law, similar to the one covering military inductees, would be a logical way to prevent such harassment in the future.

[From the Sharon (Pa.) Herald]

Job Protection Needed for Members of Juries

The months-long terms of the Watergate grand juries cost two members of the panels their jobs and compelled two others to asked to be relieved to protect their livelihoods.

In addition, two members of the jury in the celebrated trial of former Atty. Gen. John Mitchell and former Commerce Secretary Maurice Stans also were summarily fired because of prolonged absences from their jobs.

These are only the most publicized examplea of what U.S. Sen. Richard Schweiker, R-Pa., calls the increasing problem of "persons being economically penalized simply for trying to be good citizens" by accepting assignment to jury duty.

For while some union contracts do serve as a shield against arbitrary dismissal by an employer, the fact is that there is currently no adequate job protection for jurors mandated by law either on the state or federal levels.

To correct this omission, Schweiker has introduced in the Senate legislation which would provide not only job protection but a buffer against financial hardship resulting from jury duty.

Patterned after the reemployment protection afforded persons called to military duty, the Schweiker bill has the following major provisions:

1. Any person who applies for reemployment within 15 days following the completion of jury duty would have to be rehired at his or her former seniority, pay and status levels.

2. No juror restored to his position would be compelled to forfeit any health, pension, insurance or other employment benefits.

3. Federal district courts (and presumably state courts) would be empowered to grant money damages to jurors who lose their jobs, and the courts would be required to give precedence to juror suits for relief.

4. In the case of federal juries, offices of the U.S. Attorney would be required to act as attorney for any person seeking relief under the measure, and no attorney fees or court costs could be assessed.

While there are no known instances of loss of employment by jurors in this county, such cases are beginning to appear elsewhere, and thus the Schweiker bill seems to us to be both timely and necessary and should receive favorable and prompt action by the Congress. As the Pennsylvania senior senator notes.

"The jury is an institution which not only protects the legal rights of defendants, but also puts into practice our commitment to government by the people.

"If we permit the price of this civic participation to be loss of employment, we should not be surprised that citizens shirk involvement in government or that public confidence in government continues to decline."

Jury Protection

A law which provides for financial protection of workers while serving on jury duty has been needed for a long time. Now, it looks as if one will be passed.

Such a bill, guaranteeing job protection for those who serve on state and federal juries, has been proposed by Senator Richard Schweiker.

He pointed out that two members of the Watergate grand jury were fired outright and two others asked to be relieved of jury duty in order to protect their jobs. Two jurors in the Mitchell-Stans trial also were fired.

Jury duty is an obligation of all citizens. Those called should not hesitate to serve and their employers should not hesitate to cooperate in making it possible for them to serve.

As Senator Schweiker has pointed out, many persons trying to be good citizens by serving willingly when called for jury duty are often economically penalized.

And, this is not right.

The Senator has proposed a bill patterned after the reemployment protection granted to people called into military service.

The Schweiker proposal is one which should have the support of the Congress.

[From the Sunbury (Pa.) Daily Item, July 18, 1974]

Protect Jurors

U.S. Senator Richard S. Schweiker (R-Pa.) has introduced a long overdue bill to provide job protection for persons serving on state and federal juries.

It should get speedy attention in Congress.

The senator points out that two Watergate grand jurors were fired outright and two others requested to be relieved to protect their employment.

In addition, he cites the cases of two jurors in the Mitchell-Stans trial who were discharged by their employers.

There are many other less-publicized examples of people being economically penalized for performing their duty as good citizens.

Under the Schweiker bill any juror who applies for reemployment within 15 days after the completion of jury duty must be rehired at his or her former seniority, pay and status levels; similar to protection granted to persons called into military service.

The bill also provides that no juror restored to his or her position will forfeit health, pension, insurance or other employment benefits; that federal district courts are empowered to grant money damages to jurors losing their jobs and that courts are required to give precedence to juror suits.

The U.S. Attorney would act as counsel for anyone seeking relief under the bill and no attorney fees or court costs would be charged.

It's a good bill, and should become law quickly.

[From the Washington Observer-Reporter]

Protecting Jurors

When a juror is called and seated in trials which last weeks or months, the duty necessarily becomes tiresome and inconvenient for most of them.

To add to this the possibility that the juror may lose his job because he is unable to get to work by reason of the jury duty is to create too a bill for a citizen to pay no matter how loud the outcries that he must do his civic duty.

Information is that two Watergate grand jurors were fired outright and two others asked to be relieved of jury duty to protect their employment. Two jurors in the John Mitchell-Maurice Stans trial were fired by their employers.

These happen to be cases arising out of highly publicized trials or legal proceedings and it can be imagined the the same type of thing happens in less publicized instances.

This is why, in principle at least, legislation introduced by Pennsylvania Senator Richard Schweiker is appropriate in theory even if some details of the proposal might be debated. In general, the bill is patterned after the job protection granted to persons called to military service.

There are enlightened employment situations in which employers have already established more than fair rules for their employes who are called for jury duty, including reimbursing the employe for loss of pay.

But it seems to us that some form of formal job protection for jurors is warranted simply as a matter of insuring fuller citizen participation in one of our vital functions. And there is also another consideration.

It is that a juror who is under threat of possible loss of his job is susceptible not only to hasty consideration of the matter he has before him but even subject to possible overt influence from those who hold that employment club and who may have some reason for seeing less than an honest and unbiased decision in the matter in which the juror is sitting.

PRESIDENT FORD'S DILEMMA: HIGHER UNEMPLOYMENT VERSUS MORE INFLATION

Mr. SPARKMAN. Mr. President, in the August 19 issue of the American Banker was a very interesting article by Mr. J. A. Livingston, a most able economist and writer. I ask unanimous consent that it be printed in the Record as a part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

President Ford's Dilemma: Higher Unemployment Versus More Inflation

(By J. A. Livingston)

Philadelphia.—President Ford's honeymoon in Wall Street came to a quick end. For a good reason. The transfer of power and influence from a President preoccupied with self defense to a President free to attack the economic troubles besetting the nation did not, unfortunately, ameliorate or dissipate a decade's cumulative difficulties.

Mr. Ford took note of this in his formal address to Congress: "The state of the union is excellent. But the state of the economy is not so good . . . The unanimous concern of Americans is inflation. For once all the polls agree."

Take your druthers. The Ford prescription is either:

A laudable reducing diet for an overblown economy, or

A deplorable blood-letting for an economy already in the early stages of malnutrition.

The President made clear he wants to keep down government spending. In this, he is pursuing the course of former President Nixon. Significantly, he did not promise to "bust-the-budget" to prevent a recession. Wisely, he did not use the word recession or slump in his address.

This took forebearance, courage, and recognition of reality. A slowdown is in process. It could well become a turndown. And nothing done impromptu—whether a massive injection of Federal Reserve credit into the high interest rate money market or a sudden burst of Federal spending to create jobs—will change its course.

The June data on inventories are premonitory—the second monthly 1.7% increase. Simultaneously, total sales—manufacturing, wholesale, and retail—dipped. Implication: Businessmen are meeting customer demand by letting stocks-on-hand run down. This suggests a fall-off in new orders and a further drop in industrial production.

The behavior of workers is a barometer of the times. They are cautious about quitting jobs. Monthly hiring by manufacturing companies has been falling and are at a two-year low, while layoffs, (aside from a bulge early this year) have been steady—one for every 100 workers. This indicates tightness in the job market. Workers no longer feel free to tell Boss A to "go to hell" knowing they can walk down the street to a welcoming, "Fine, go to work" from Boss B.

The letdown in Wall Street, following the upsurge before Mr. Nixon's resignation, is readily explained. Gerald Ford is manacled to a dilemma: Higher unemployment versus more inflation. And he is no Houdini. He can not escape it.

He can fight higher unemployment by increasing government spending. This he has committed himself not to do. He wants to get a balanced budget in 1976. Furthermore, increased spending would require increased borrowing when the money market is already overcrowded with borrowers. This would tend to increase interest rates. And higher interest rates would discourage still further capital expenditures, housing, and business in general.

Certainly it would dampen the ardor for stocks in Wall Street. Bonds now offer yields of 9%. This is the return which can be expected over the years from stocks if capital gains are added to dividends. But if stocks offer no more than bonds, why buy them?

Of course, higher interest rates can be combated by the Federal Reserve Board—by pumping reserves into banks so that they'll have plenty of funds for lending. But this would be more of the hair of the same dog that has been biting all of us: Too much money chasing a supply of goods we can not increase rapidly.

Prices would advance. Inflation would accelerate. This would boost interest rates, which in turn would diminish entrepreneurial derring-do and increase unemployment.

As I have said before, we have painted ourselves into a recession. The remedies of the past—deficit spending and easy credit—are denied us. Investors and speculators have learned an important lesson: Despite the platitudes, inflation is not good for business, bondholders or stockholders.

And so, from a Wall Street point of view, it is wait and see: Are we in a slump and will it last long enough—will the President tolerate it long enough—to check inflation and inflationary expectations?

No politician or political party can want a slump—with the misfortune it heaps. But politicians can not be indifferent to the political consequences of slumps. Which party will a recession help—the Democratic or Republican?

If a slump is slow in coming and lasts into 1976, that will be a Republican minus. The Democrats will be able to cry out against "The party of depression—1929 is here again."

But there is another scenario—one no playwright could make believable. The current slowdown becomes a recession, it lasts into the fall of 1975 and then recovery sets in. By November 1976, unemployment is down and so is inflation. Then Gerald Ford would emerge as the new Mr. Republican. He'd be accepted as what he says he is: "The people's man."

Conclusion: Times are going to get tough before they get better.

AUGUST 21

Mr. PERCY. Mr. President, on August 21, we will mark the sixth anniversary of the Soviet invasion of Czechoslovakia. This brazen and unprovoked act, undertaken to deny the peoples of Czechoslovakia the benefits of liberalization, will not be forgotten by those who revere freedom. Nor will it be forgotten by history.

On this occasion I wish to express my continuing interest and concern for the well-being of the peoples of Czechoslovakia.

TRIBUTE TO SENATOR MANSFIELD

Mr. BENTSEN. Mr. President, in January of 1961, the Members of this body elected as their majority leader the distinguished senior Senator from Montana. In the 13 years, 226 days in which he has served in that office, a period longer than any other in the history of our Republic, Senator MANSFIELD has displayed a keen and perceptive leadership ability.

Never have I seen a Senator show greater fairness, a greater sense of commitment to his colleagues, to our Constitution, to the affairs of his State and the Nation, than has Senator MANSFIELD.

Senators follow MIKE MANSFIELD's leadership not because of fear of retribution or an anticipated favor or a quid pro quo, but because they know he has studied the issue well and his position reflects an honest commitment. He does not ask for support unless he feels the issue has major importance to the Nation.

His is the most difficult job in the Senate, yet he has provided the direction and guidance that has seen some of this country's finest and most honorable dreams become reality. He has served as a focal point in the drive to enact the Civil Rights Acts of 1964, 1965, and 1968. He was influential in granting to 18-year-olds the right to vote. His lead in foreign affairs is exemplary. Even now, he is one of the spearheads in our fight to overcome the burden of inflation.

The rare qualities embodied in this man are a tribute to the confidence, respect, and admiration that he inspires in those of us who look to him for wise and reasoned leadership.

Despite our troubled times today, Senator MANSFIELD's leadership has helped keep this Senate a great institution. The way he discharges his constitutional functions is a credit to himself and to our Nation.

His plain speaking, genuine modesty, and integrity are exceeded only by his devotion to the Senate, to the people of the United States, and to the people of Montana.

And, I take personal gratification in offering a note of thanks to him for all that he has done to assist those of us who are first-term Senators. I remember well, as one of the freshmen who took Senate seats in January 1971, the spirit with which MIKE MANSFIELD agreed to assist the new class. Because of his leadership, new Senators are quickly given an opportunity to participate and make meaningful contributions. He is my friend and colleague. He is a statesman of the highest caliber, always a gentleman. MIKE MANSFIELD is a Senator's Senator.

Mr. President, I am honored to add my own personal feelings of respect and admiration to this man who exemplifies the leadership qualities which has made this body respected and this Nation great.

ADDRESS BY SENATOR TALMADGE ON THE ECONOMY

Mr. NUNN. Mr. President, today, my good friend and distinguished colleague, Senator HERMAN TALMADGE, delivered an exceptional address on the state of the economy to the National Press Club.

For a long time, Senator TALMADGE has been an outspoken proponent of a balanced Federal budget. He has described dramatically the results of deficit spending in a continuing effort to make Congress and the other branches of Government more fiscally responsible.

It is my pleasure to ask unanimous consent to have his remarks printed in the RECORD, and I urge my colleagues to give his thoughtful address careful review.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR HERMAN E. TALMADGE

I appreciate this opportunity to appear before the National Press Club. This is a distinguished platform, and I am honored indeed to be here.

These are extraordinary times for the United States. We grope for our political bearings. We struggle to get our economy back on an even keel. The American people are confused, frustrated, and, according to the kind of mail I get, very, very, angry.

For two years, a seemingly endless series of bizarre events has unfolded. Each drew significance from those which came before. Each generated momentum for those which followed.

They came in a sordid procession: A shock, a revelation, a bombshell, another and still another, until finally the inevitable end that was unparalleled in the history of our Republic.

Strapped into a pitching, hurtling roller coaster, we came out of the last blind hairpin curve, and lurched to a dumbfounded standstill. We find ourselves somewhat numb and disoriented. Our stomachs are queasy. Our legs are a little like rubber.

Still, we have survived even though at times we thought the wheels would come off. The Constitution works. Our system of government is sound. But, nonetheless, we heave a sign of relief to be able to disembark from the breathtaking ride our nation has been on.

Now, we search the crowd for friends . . . for a reassuring face . . . a strong shoulder, a steadying hand. We seek security, now that the national nightmare is over.

We might well ask ourselves, where have we been? What have we done? What has happened to us? And, more importantly, where do we go from here?

The trauma has ended. Nevertheless, some of us, I dare say, find that fact disconcerting. It means that we in the Congress will once again have to devote all of our time and energy to the business of governing the country.

It means that we must now return to the multiplicity of problems which have been with us for a long, long time . . . even longer than Watergate which was, in the final analysis, a plague some men visited upon many men . . . and which, in the grand scheme of affairs of state, was only a fleeting diversion.

We have near economic chaos and double-digit inflation which even the most optimistic economists tell us will take years to unravel.

We have an unstable world situation in which we must direct our efforts toward keeping our allies, our potential allies, and even our traditional adversaries, from one another's throats.

We face dilemmas in health care, education, housing, taxation, food supplies and prices, and energy. In short, we have problems in this country which run the gamut of social, economic, and military tribulation.

These are problems which have gone begging for too long. The time is long overdue to give them more attention, before all of us, including our great nation, go begging as well.

Since I am one of the few men on Capitol Hill not seeking higher office, I do not have a five or fifteen or fifty point program for solving these immediate problems and all the others the mind of man can conceive.

Anyhow, political office holders are known more for talking about problems than for solving them. In fact, government has a way of setting forth like Don Quixote to attack problems on the horizon and, in so doing, of not only sometimes making them worse, but also of precipitating new crises.

Someone in Georgia wrote me a couple of weeks ago that Congress ought to be restrained from making any new laws for a few weeks. And, if the members of Congress got bored with nothing to do, they ought to go to work repealing some laws. That of course is far-fetched, but it gives you an idea about the mood of the people these days.

Realizing that I could very well be accused of political heresy, I nonetheless submit that government cannot, and ought not to try, to undertake to resolve all the ills of mankind.

Over the years, a cruel hoax has been perpetrated on our nation by leaders who would lead the people to believe that the government can and should be all things to everyone, everywhere . . . hang the expense, full speed ahead.

I do not subscribe to that school of thought. We do not possess the manpower, the financial resources, or the general wherewithal to do that. Most importantly, we do not have that mandate from the American people.

To a very large extent, it has been this philosophy—the idea that all the ills of mankind can be wiped away by the stroke of a legislative pen or the expenditure of vast sums of money—that has gotten us where we are today.

A national debt of almost $500 billion, $100 billion more than the indebtedness of all the other nations of the world combined.

Double-digit inflation . . . and astronomical interest rates.

I have referred to Watergate, and to the traumatic experience it was for the United States. It put the Constitution to test. It challenged our system of government. Both the Constitution and the system of government emerged as strong, if not stronger, than before.

I do not wish to minimize the significance of Watergate. I only wish to emphasize what I believe to be a far more serious problem, in terms of the long-term security of our Nation and the safety and well-being of the American people.

When runaway inflation strikes a nation, when its monetary system becomes uncontrollable, its constitution is rendered meaningless, and government is reduced to a shambles. The highways of history are strewn with the wreckage of governments which have lost control of their finances.

We have heard a great deal in recent months about "national security," with respect to the public's right to know.

National security to some people means a strong and viable military defense. It of course also has been given a variety of other connotations. I believe, however, that national security becomes empty rhetoric unless there is the guarantee of a stable and fair economy.

Watergate no doubt posed a threat to the security of the nation. Inflation constitutes a far more serious menace. Watergate no doubt undermined the confidence of the people in government. Runaway inflation can destroy confidence in government, totally and permanently.

When the people lose all confidence in eroded money, they lose all confidence in the government that issued that money . . . and history shows that political, social, and economic breakdown leads to a general disintegration of the fabric of government.

Again, as history shows, when this has occurred, the only way order has been restored from chaos is through strong-arm government. This, of course, means loss of individual liberty.

Serious inflation has been a part of the American economy now for almost 10 years. We have had nearly a decade to see it keep building up.

First, we tolerated 3 or 4 percent inflation, and then as it crept up a few more points, we tolerated that as well. Suddenly, we found ourselves in double-digit inflation, something like 14 percent, and all at once it occurs to us that inflation is intolerable.

For the past year we have heard inflation described as the nation's number one problem. If we have, at long last, come to a realization of how critical inflation really is, it is about time. We certainly have not paid it much attention over the past 25 years.

Federal fiscal policy during this period gave root to the inflation we now suffer, which is now beginning to come into full bloom.

We need never to lose sight of the fact that creeping inflation of the variety that has been inflicted upon the United States is only a few steps away from hyperinflation, or runaway inflation, which has wrecked other economies and resulted in dictatorships in Germany, Latin America, and other parts of the world. The tragic results of inflation can in fact be traced through history all the way back to the Roman Empire.

I say it is not ony time for the people of the United States and this government to become aware of the historical consequences of runaway inflation, it is time we got a little fearful.

It is time that we start treating inflation as the serious threat to our nation that it is, and start acting accordingly—in government, in business, in labor, and in the Federal Reserve.

I applaud the President's call for the reinstatement of the Cost of Living Council to monitor wages and prices. I think the Economic Summit, a meeting of the very best economic minds we have in this country, can serve a useful and, I hope, productive purpose.

The Federal Reserve Board is going to have to relax restraints on credit, and bring exorbitant interest rates back down to a more manageable level.

There may have to be a tax package to encourage savings and industrial investment and expansion, in order to increase productivity and relieve shortages.

There may have to be a tax increase to help bring us closer to a balanced budget.

To my mind, a tax reduction is totally out of the question at this time, because this would only increase the federal deficit which I regard as a major culprit in the inflationary spiral in the first place.

But . . . not one of these actions alone nor all of them together will serve to restore stability to the United States' economy in the absence of real budgetary control and a halt to multibillion dollar deficits year after year.

Federal spending must be curtailed. The line must be drawn. It must be cut back in every conceivable area.

As a long time opponent of excessive foreign and military economic aid, I happen to believe that the tremendous outpour of American dollars abroad must be stopped.

At the same time, we need to take a hard look at domestic spending and stop piling program upon program at a cost of increased billions each fiscal year. We have got to abandon the idea that if we put in a good program that costs $10 billion, it will 10 times as good if we spend 10 times as much.

For example, we are all naturally concerned about health care for the American people. But, can we really afford at this critical point to put through a comprehensive federal health insurance program that could cost as much as $80 billion?

Without a doubt, this would be a noble venture. But does anybody nowadays stop and ask, "Can we afford it?"

I have supported as an alternative health care program a catastrophic illnesses insurance program which would be enormously beneficial to millions of Americans, and equally important, which would be more in line with what we can afford at this time.

I have introduced a proposed Constitutional amendment which would forbid the federal government from spending beyond its revenue means except in cases of national emergency. The State of Georgia has had a provision in its Constitution since 1877.

I am not overly optimistic about my amendment. Admittedly, it would be strong medicine.

However, if we consider the severity of present-day inflation, and consider the unabated course it may take in our nation, it does not seem to be such a drastic step to take.

When you consider the consequences of runaway inflation and what it has done to other industrial nations, the idea of telling the government it must balance the budget, it must reinforce the dollar, and it must not drive our nation deeper and deeper into debt, seems to be a very worthy alternative indeed.

VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1974

Mr. INOUYE. Mr. President, on numerous occasions I have spoken before the Senate on the need for a new GI education bill that will provide an equal opportunity to all Vietnam veterans to utilize their educational benefits. The conference report on the Vietnam Era Veterans Readjustment Assistance Act of 1974 marks a good beginning in that direction.

I have joined with 25 of my colleagues in writing to the chairman of the Senate Veterans' Affairs Committee requesting that continued efforts toward that end go forth during this fall. I hope that these efforts will include the participation of President Ford, the new Director of the Veterans' Administration and the representatives of millions of Vietnam veterans. Until we have created a just, fair, and effective GI bill, our efforts must be sustained.

I ask unanimous consent that the letter to Chairman HARTKE be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 19, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: your efforts in drafting a conference report on the Vietnam Era Veterans Readjustment Assistance Act of 1974 are to be congratulated. The provisions of this legislation as approved by the Conferees will go a long way toward bringing veterans educational benefits in line with today's needs.

We are concerned, however, over the decision not to include in the final bill the partial tuition assistance allowance which was an essential element in the Senate version of this legislation and which was approved unanimously by your Committee and the entire Senate.

Your Committee's report on S. 2784 stated, "The creation of a partial tuition assistance allowance (is) necessary as part of an effort to deal effectively with the G.I. bill educational assistance comparability problem." We believe that need still exists.

The effectiveness of the improved benefits as approved by the Conferees will continue to vary dependent upon the availability of low-cost, readily accessible, public, post-secondary schools. Despite the increased benefits in the conference bill, some form of variable tuition payments is needed to ameliorate the differences in educational costs incurred by veterans residing in different states with different systems of public education and to restore equity among these veterans.

We understand the need to gain quick Congressional and Presidential approval of improved educational benefits legislation so that plans for the fall can be made by the veteran. The intransigence of some members of the House conference stands in the way of a timely implementation of a tuition grant program. Therefore, we will support the conference report on the Senate floor.

We would recommend that, during the fall, your Committee continue to work with the Veterans Administration to design a tuition grant program that will protect against potential abuses and that will provide equity to all veterans regardless of their state of residence. We recognize and appreciate your own strong commitment to this objective. Given that this issue has already been examined in depth and received broad bipartisan support, we are certain that a tuition bill can be reported to the floor of the Senate and considered early in the 94th Congress.

Sincerely,

George McGovern, Charles McC. Mathias, Jr., William D. Hathaway, Mike Mansfield, John O. Pastore, Edward W. Brooke, Daniel K. Inouye, Robert Dole, Walter F. Mondale, Hugh Scott, Thomas F. Eagleton, Hubert H. Humphrey.

James Abourezk, John V. Tunney, Dick Clark, Abraham Ribicoff, Harrison A. Williams, Edmund S. Muskie, Robert Taft, Jr., Philip A. Hart, Frank Church, Ted Moss, Richard S. Schweiker, Clifford P. Case, Howard M. Metzenbaum, Jacob K. Javits.

COL. R. DUNCAN BROWN, JR., PANAMA CANAL ENGINEER

Mr. THURMOND. Mr. President, as a student of interoceanic policy questions, I am alert to news relating to the Panama Canal. It was, therefore, with regret that I read of the death on August 17, 1974, of Col. R. Duncan Brown, Jr., U.S. Army, retired, who during 1957–61 was Director of the Engineering and Construction Bureau of the Panama Canal.

It was during this period that the project for enlarging Gaillard Cut from a minimum width of 300 feet to 500 feet was started under Colonel Brown's supervision. Completed on August 15, 1970, at an estimated cost of $95,000,000, it was the second major improvement in the canal affecting navigation since its opening in 1914. The other completed major improvement was the Madden Dam and power project.

Mr. President, in order that a suitable record of Colonel Brown's canal service may be included in the annals of the Congress, I request that the obituary notice of his death be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 20, 1974]

COL. R. DUNCAN BROWN DIES; ENGINEER ON PANAMA CANAL

(By J. Y. Smith)

Retired Army Col. R. Duncan Brown Jr., an officer in the Corps of Engineers for 22 years, died of multiple sclerosis Saturday at the Veterans Hospital in Perry Point, Md. He was 56.

One of Col. Brown's last assignments before his retirement in 1963 was in the Panama Canal Zone, where he was director of the engineering and construction bureau of the Panama Canal Co., the U.S. government corporation that runs the facility.

During his service there, from 1957 to 1961, Col. Brown supervised the continued widening and deepening of the Gaillard Cut, a project that was first undertaken when the canal was opened in 1914 and which was not completed until 1967.

The Gaillard Cut takes the canal through the Continental Divide. Within its nine-mile length are the Paraiso-Cucaracha and Empire Reaches (sections of canal), which also have been widened over the years.

The canal company's annual reports for 1960 and 1961 state that "remarkable progress was made" in the years in which Col. Brown was chief of the engineering and construction bureau.

During the more than 40 years in which work on the cut and the reaches was in progress, that part of the canal was widened from a minimum of 300 feet to a minimum of 500 feet.

Hazel Murdock, an official of the canal company in Washington, said yesterday that the amount of earth and rocks removed during the work was greater than that removed during the original construction of the canal.

"When you talk about digging the canal, that Gaillard Cut was the monster," Miss Murdock said.

During his service in Panama, Col. Brown was also responsible for the selection and installation of the mechanical "mules"—"mules" are diesel-powered engines that run on rails and cogwheels—that pull ships through the 12 locks on the canal.

His other duties in the Canal Zone included the construction of the new Gorgas Hospital there.

Col. Brown was graduated in 1941 from the United States Military Academy at West Point. He also earned a master's degree in civil engineering from Texas A&M and a degree in business administration from George Washington University.

In 1961, Col. Brown was assigned to the Army's industrial college at Ft. McNair and in 1962 he was named director of military construction and real property in the office of the assistant secretary of the Army in the Pentagon.

His decorations include the Army Commendation Medal with two oak leaf clusters.

Following his retirement from the service, Col. Brown worked briefly for an engineering firm in San Francisco on the San Francisco Bay Area Rapid Transit system. He was compelled to retire for reasons of health.

Survivors include his wife, Mary, of the home at 1866 Patrick Henry Dr., Arlington; two sons, Capt. R. Duncan Brown III of Ft. Levenworth, Kan., and Lt. William R. Brown of Schofield Barracks, Hawaii; two daughters, Mary Alan Beckley of Tucson, Ariz., and Nancy Feuerbach of Blacksburg, Va.; his parents. Col. and Mrs. R. Duncan Brown of Summit, N.J., a sister, Rosalie Payne, also of Summit; and one grandson.

A TRIBUTE TO SENATOR MIKE MANSFIELD

Mr. HARTKE. Mr. President, I am pleased to join with my colleagues in saluting the distinguished majority leader, MIKE MANSFIELD.

I have worked side by side with MIKE MANSFIELD for the past 15 years, and have come to respect him as a leader and as a friend. His major attribute is the respect which he has earned of his colleagues and of members of the administration. We all know him as a fair man—one whose fairness knows no partisan boundaries. In the handling of his Senate responsibilities, he was always respected the wishes and interests of his colleagues and remained steadfast in his love for the Senate as the greatest deliberative body in the world.

MIKE MANSFIELD is also a statesman. Throughout his many years of service to the people, his primary concern has been the national interest. In all, he represents the epitome of what a U.S. Senator should be.

The greatest tribute to MIKE MANSFIELD can be found in his years of service as our majority leader. Those years, more than any other Senate majority leader in the history of this Nation, attest to his effectiveness and the respect which we all have for him.

Mr. President, Mike Mansfield has served this Senate well, and he has served the American people well. He has given us the strength to perform our responsibilities, and he has always challenged us to do better. His leadership, fairness, and calm decisiveness are in the highest traditions of the Senate and will set a benchmark for decades to come. I am proud to join in saluting him today and look forward to many more years of his leadership.

OKLAHOMAN HEADS AMERICAN BAR ASSOCIATION

Mr. BELLMON. Mr. President, an Oklahoman has become president of the American Bar Association. He is James D. Fellers, one of our State's leading citizens.

He was installed as president of the 180,000-member organization at its annual meeting in Honolulu last week, having been named president-elect a year ago.

Jimmy Fellers has been practicing law since 1936 when he was admitted to the Oklahoma bar after his graduation from the University of Oklahoma law school. He served as president of the Oklahoma Bar Association in 1964.

He served his country during World War II and was awarded the Bronze Star.

Throughout his career, he also has been active in civic and community affairs in Oklahoma City.

Mr. Fellers has a distinguished record of service to his profession and to his community.

Mr. President, I ask unanimous consent that an article from the New York Times regarding James Fellers be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

New Bar Leader: James Davison Fellers

Honolulu, August 15.—For most of its 180,000 members, the American Bar Association is a source of valuable contacts and educational aid, a professional fraternity, a political sideline or a provider of tax deductible summer vacations in places like Waikiki. But for James Davison Fellers of Oklahoma City, it has been very nearly a way of life. When he becomes president of the association here tomorrow, it will be the climax of an undramatic, painstaking climb through the ranks of the nation's largest legal organization that took him nearly 40 years.

In 1937, the year after he obtained his law degree from the University of Oklahoma, Mr. Fellers discovered the A.B.A. was meeting in nearby Kansas City, traveled there, joined what was then called the "junior bar" and, apart from time out for World War II, has labored untiringly in the association ever since.

A SLOW COURSE

Cautious in his political and social views, he was content to travel the slow course to advancement. After service as an Air Force intelligence officer in Europe, he chose to return to the "junior bar" at the age of 32 rather than compete with the older lawyers, and that group made him its national chairman.

Since then he has occupied a long list of senior offices in the A.B.A. and related legal groups. He made it to the board of governors in 1962 and then to the organization's second-ranking office, chairman of the House of Delegates in 1966.

By contrast, the man Mr. Fellers succeeded as president, Chesterfield Smith of Florida, joined the association only nine years ago. His rise, meteoric by the group's standards, was assisted by a keen sense of publicity, a willingness to work and travel and a refreshing country-boy candor.

A major factor in Mr. Feller's success in the association has been his wife, Randy, the former Margaret Randerson. Their son wrote recently: "From the start he had a campaign manager who was close to the situation and knew his habits well, my mother."

Mrs. Fellers plans her husband's travel schedule, goes with him to all the multiple bar meetings and is an active hostess at the social functions that makes new friends for an attorney rising in the association. One afternoon this week, she was organizing an Oklahoma cocktail party in the Fellers' suite in the Sheraton-Waikiki Hotel as her husband talked about his legal background.

He could not remember what inspired him to go to law school—"it seems like I always wanted to be a lawyer." His father was a paint manufacturer, and no one else in the family had any particular legal interests. He took his undergraduate and law degrees simultaneously, helping to support himself by waiting on tables and tutoring.

$50 A MONTH

Mr. Fellers could not recall his first client or his first case when he joined an Oklahoma City firm after graduation, but he remembered his salary: $50 a month. His only option had been a job with a credit bureau, telephoning Depression debtors about unpaid bills.

After working with several firms, he opened in 1948 the predecessor of his present Oklahoma City firm: Fellers, Snider, Baggert, Blankenship & Bailey. He identifies himself as "a trial lawyer with a general business practice."

He has little time for hobbies. As he travels the nation, he looks longingly at golf courses adjoining the hotels where bar associations meet. At home, he likes to garden "to get the meanness out of my system." His children—a son and two daughters—are married and the Fellers have seven grandchildren.

Mr. Fellers, who has never been active in politics, remains a registered Democrat but has voted more frequently for Republican candidates in recent years. He has questioned the bar association's recent vote to rule out possession of marijuana and private homosexual acts by consenting adults as criminal offenses.

After the Hawaii convention closes, Mr. Fellers will make his first tour representing the American legal profession abroad; first to Australia for meetings with their Law Council, then to New Zealand to talk with leaders of the Law Society. Both groups are equivalent to the A.B.A.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 707, which the clerk will state.

The assistant legislative clerk read as follows:

> S. 707, a bill to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The ACTING PRESIDENT pro tempore. The Chair will state that the time between 9:15 and 1:15 shall be divided and controlled by the Senator from Alabama (Mr. Allen) and the Senator from Connecticut (Mr. Ribicoff).

The Senator from Alabama (Mr. Allen) is recognized.

Mr. ALLEN. Mr. President, I yield 15 minutes to the distinguished Senator from Nebraska (Senator Hruska).

Mr. HRUSKA. I thank the distinguished Senator from Alabama.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska is recognized.

Mr. HRUSKA. Mr. President, I rise in opposition to the pending bill, S. 707.

Its declared objectives seem attractive and desirable. But the provisions of the measure seeking these declared goals are harmful and against the best interests of all concerned; particularly against the interests of the very person for whose benefit the bill is ostensibly directed, to wit, the consumer of America.

The bill's opening recitals include these words:

> (1) It is the purpose of this Act to protect and promote the interests of the people of the United States as consumers of goods and services which are made available to them through commerce or which affect commerce by establishing an independent Consumer Protection Agency.
>
> (2) It is the purpose of the Consumer Protection Agency to represent the interests of consumers before Federal agencies and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the interests of consumers. The authority of such Agency to carry out this purpose shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.
>
> (3) It is the purpose of this Act to promote protection of consumers with respect to the—
>
> (A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;
>
> (B) preservation of consumer choice and a competitive market;
>
> (C) prevention of unfair or deceptive trade practices;
>
> (D) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;
>
> (E) furnishing of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit; and
>
> (F) protection of the legal rights and remedies of consumers.
>
> (4) To achieve the foregoing purposes, this Act should be so interpreted by the executive branch and the courts as to give effect to the intent of Congress to protect and promote the interests of consumers.

These are broad goals, indeed. And again I say they sound attractive.

However, the bill's terms and substance are far reaching, complex, devious, and of uncertain results in many, many ways. They have high potential for great trouble, frustration, and substantial added cost of Mr. and Mrs. America and their children.

Hence, my opposition to the bill in its present form.

Can it be amended to a point of acceptability? I doubt it.

But to a point of certainty, it cannot be repaired sufficiently by amendment on the floor of the Senate to achieve such respectability and responsibility which would warrant approval into law.

GENERAL CONSIDERATIONS

The reason for this is that its basic principles are defective and some of its assumptions are, in fact, false. In general, may I say, Mr. President, that I agree with the position outlined in the minority views on this bill. These minority views were submitted by the Senator from North Carolina (Mr. ERVIN) for himself and for the Senators from Alabama (Mr. ALLEN), from Tennessee (Mr. BROCK), and from Georgia (Mr. NUNN).

In their minority views, these colleagues of mine expressed the belief that the proposal in S. 707 is a bad idea where time has come and gone. They urged the bill's rejection or at least its extensive revision after thorough consideration.

Some of the major reasons which they listed include the following:

I. S. 707 is bad in theory, being conceived out of a paranoid fear of businessmen and farmers, a patronizing attitude toward consumers and a paradoxical view of the role of Government.

II. S. 707 grants powers to a political appointee who would be responsible to no one, powers which no responsible official would use and which no irresponsible official should have.

III. S. 707 will result in the subversion of the public interest to the often conflicting special interests of consumers, as these special interests are defined by a corps of bureaucrats.

IV. S. 707 is, itself, a fraud upon consumers who have been led to believe it is the answer to their day-to-day problems and frustrations.

V. S. 707, if enacted, will lead inexorably to the creation of other special advocacy agencies representing interests just as important as those of the consumer which are threatened by the existence of a powerful CPA.

Hence, my opposition to the bill in its present form.

DISCUSSION IN DETAIL OF SECTION 14(d) OF THE BILL

However, my purpose in these remarks at this time, Mr. President, is to discuss and direct attention and remarks on a specific provision of this proposal, S. 707, to wit, section 14(d).

SEC. 14(d) Except as otherwise provided in this subsection, the Administrator shall be represented by attorneys designated by him. The Department of Justice shall represent the Administrator in all court proceedings authorized by this Act or otherwise, except that in any case in which the Administrator seeks to challenge an agency action or any part thereof by intervention or by invoking judicial review, or in which the Department of Justice is representing or may represent a department, agency, officer or employee of the United States whose interests conflict with those of the Administrator, then the Administrator may be represented by attorneys he designates for such purpose. Unless the Attorney General notifies the Administrator such representation may be made by attorneys designated by the Administrator. In all litigation in the Supreme Court of the United States, the Solicitor General shall represent the Administrator; except that in any case in which the Solicitor General is representing a department, agency, officer, or employee of the United States whose interests conflict with those of the Administrator, then the Administrator may be represented by attorneys he designates for such purpose. In any court proceeding in which the Department of Justice or the Solicitor General is representing the Administrator, the Attorney General or the Solicitor General, as appropriate, shall consult with the Administrator concerning the most effective means of representing the interest of consumers in such proceedings. Upon the written request of the Administrator, the Attorney General or the Solicitor General shall advise the court of any substantial policy disagreements with the Administrator concerning the interest of consumers.

Examination will show that the result and the impact of this section does not make sense.

This section provides legal representation for the Agency for Consumers Advocacy in court proceedings.

Ostensibly it assigns this responsibility to the Department of Justice in keeping with the long-standing general rule that all Federal Government litigation shall be superintended and directed by that Department.

In reality, however, the exceptions and conditions contained in section 14(d) are such that the Administrator of the Agency will be represented in Court by attorneys he himself selects and designates.

This is a radical and abrasive change from the practice and procedure followed since George Washington's time as a general policy, and which was codified into Federal statute form over 100 years ago.

That procedure and practice, Mr. President, is that generally the conduct of litigation in which the United States, an agency, or officer thereof is a party or is interested, is reserved to officers of the Department of Justice under the direction of the Attorney General.

There are major, enduring policy considerations of high degree for this rule.

Section 14(d) flouts those reasons and the 185 years of experience in our Nation's history in the legal field on which they are based. The section contains a denial of that history. In addition it contains some alien, incongruous ideas and proposals.

For example, in authorizing the Attorney General to represent the Administrator for the Agency for Consumer Advocacy in court proceedings, the section 14(d) provides that the Attorney General must notify the Agency for Consumer Advocacy within a reasonable time of his intention to do so, and provides further that the Attorney General will disclose to the court any substantial policy disagreements which may have arisen between the Department of Justice and the Administrator who is the Department's client.

In other words, the lawyer—the Department of Justice—will be required to disclose any disagreements he has with his client—the Agency for Consumer Advocacy.

In all frankness, such a ridiculous requirement would not serve the best interests of anyone concerned, either the lawyer—the Department of Justice—or the client—the Agency for Consumer Advocacy—or the consumer, that is to say, the taxpayers of America, or the court itself.

Further, breach of professional ethics to require a lawyer to notify a court of a policy disagreement with his client certainly would be raised and would be very important.

THE LARGER ISSUE

There is a larger issue at stake, however. It involves these propositions: Who should have control of government litigation?

Should there be a centralized control thereof, or should there be a fragmented, highly contradictory, ineffective, and highly expensive dispersal of such authority and control?

For over 100 years, as a general rule, there has been placed in the Attorney General the authority and responsibility for conduct of litigation involving Federal interests.

It is a wise policy.

There are sound reasons for it, well tested and well seasoned.

That policy should be retained.

Any evasions or erosions should be resisted and avoided.

In recent years there has been a tendency and many attempts to weaken this wise policy.

Section 14(d) in the bill S. 707 is a classical example. It is typical of several recent enactments along that line.

Hence, this section and the bill in which it is contained should be resisted and avoided.

All of the principal reasons for control by the Attorney General in the Department of Justice of such government litigation are fully applicable to this section 14(d).

What are the reasons for this long established policy?

First, let there be an understanding as to the statutory basis for the Attorney General's authority to control and direct litigation involving the United States.

Such authority, in substantial effect since 1870, is found codified principally in 28 United States Code, sections 515 through 519. Most applicable to the instant discussion are the following:

28 U.S.C. 515—The Attorney General or any other officer of the Department of Justice . . ., may, when specifically directed by the Attorney General, conduct any kind of legal proceeding, civil or criminal . . . whether or not he is a resident of the district in which the proceeding is brought.

28 U.S.C. 516—Except as otherwise authorized by the law, the conduct of litigation in which the United States, an agency, or officer thereof is a party, or is interested . . . is reserved to officers of the Department of Justice, under the direction of the Attorney General.

28 U.S.C. 517—The Solicitor General, or any officer of the Department of Justice, may be sent by the Attorney General to attend to the interests of the United States in a suit pending in a court of the United States, or in a court of the State, or to attend to any other interests of the United States.

28 U.S.C. 518(b)—When the Attorney General considers it in the interests of the United States, he may personally conduct or/and argue any case in a court of the United States in which the United States is interested, or he may direct the Solicitor General or any officer of the Department of Justice to do so.

28 U.S.C. 519—Except as otherwise authorized by law, the Attorney General shall supervise all litigation to which the United States, an agency, or officer thereof is a party, and shall direct all United States Attorneys, Assistant United States Attorneys, and Spe-

> cial Attorneys . . . in the discharge of their respective duties.

These provisions represent the codification of the strong policy which is furthered by insuring that the Government take a consistent and uniform position in its litigation.

And that authority for representation of the Government's interests in court derive from one source.

Historically a few independent agencies have had special statutory authority to appear in court.

However, such exceptions are generally unwise. They should not be extended. In a number of more recent grants of such authority, repeal should be effected. Such exceptions are damaging and harmful.

All such exceptions operate to dilute the centralization which necessarily best protects the Government's interests in litigation, and which will result in clarity and direction for the benefit of the general public in its conduct and expectations as to any and all fields of activity and endeavor.

The public—consumers, taxpayers, and the citizens, all 215 million of them—are entitled to a government that will speak and contend for a united national policy, one which will be understandable and clear, one which will not place undue, unnecessary burdens or needless expenditure of taxpayers' funds, time, or general disposition.

The general public—including all citizens, consumers, taxpayers, and those in fact who are governed—has a right to be protected from the confusion, chaos, frustration, and uncertainty which would come about if there is abandoned the authority and direction now generally vested in the Department of Justice for Government litigation.

That is to say, the spreading out to numerous agencies and bureaus of Government the capability of engaging in innumerable court contests—any of which would have parts of government contending against other parts of government—at great expense in time, in court resources, and in expense.

Caught in the middle of most such trials would be the ones for whose benefit such governmental agencies are allegedly created and sustained; namely, those who are governed, all 215 million of them.

It is to serve the best interests of the Government in all its parts of the courts and of the public, that 28 U.S.C. sections 516 through 519 were codified into the statutory form they now enjoy.

This policy now is in its second century of existence.

It should not be diluted or eroded.

Yet that is precisely what section 14(d) of the pending bill, S. 707, does. It dilutes and erodes a longstanding, vitally necessary policy by authorizing the Agency for Consumer Advocacy's appearance in court independently of the authority and responsibility of the Department of Justice by and through the Attorney General.

Mr. President, there are four basic major policy reasons for central litigation direction and supervision by the Department of Justice:

First. To present a uniform position on important legal issues to the court. Litigation through a proliferation of Government agencies would necessarily result in divergence, confusion, and a greater burden of litigation. We know that in the past client agencies have taken positions diametrically opposed to each other, and the real function and goal has been to resolve the conflicts so that the Government would speak with one voice in the courtroom.

Second. To select test cases which will present the Government's viewpoint in the best possible light. Without the Department of Justice to cull out cases which would be poor vehicles for judicial attention, it might take years to secure correct judicial rulings on key issues.

Third. To secure a greater objectivity in the filing and handling of cases. Agencies are affected litigants. They cannot always be trusted to view a case in proper perspective, having in mind a national policy consideration.

Fourth. To achieve better rapport with the courts. It should be no secret that many judges resent agency lawyers. The judges know and trust the Department lawyers who are in their courtrooms week in and week out and many have openly expressed their desire to have Government cases presented by Government attorneys. By having the trial work handled by regularly assigned Department of Justice lawyers, the court, if displeased or concerned, knows that he can express himself to the U.S. attorney whom he knows—not to a name in Washington, D.C.

AGENCY COUNSEL PERSISTS REGRETTABLY IN EFFORTS TO ACQUIRE LITIGATION RESPONSIBILITY

Notwithstanding the clear advantages and necessities of central direction and responsibility, there has been a persistence on the part of agencies of our Federal Government to acquire jurisdiction to authorize them to appear in court on their own behalf. Too often in more recent times there has been acquiescence in this by conference. Congress has authorized several of these instances lately. This is regrettable and there should be an effort made as we go along to deauthorize and repeal those instances, not to add to them.

Often the argument is made by agency attorneys that they are expert in their particular field and hence should be entrusted with going into court to represent the controversies which arise in that field. Further, it is said that without litigation capabilities the morale and the efficiency of these agencies are damaged and are hurt.

Such arguments may sound plausible. They are not.

Overriding considerations prove this. Such arguments do not overcome the compelling need for the Government to speak with one voice in judicial proceedings.

There are many reasons for the clear necessity for a single voice on behalf of the Federal Government.

Several are summarized in this very concise, yet telling quotation from former Attorney General Homer Cummings:

> Many considerations require this result. Uniformity of interpretation of the laws, the necessity of centralized responsibility for the contact of the Executive with the Judicial Department, and economy, among others, have forced an organized administration of federal justice. Moreover, attorneys of the Department of Justice, because of their very detachment from the business of administration, are equipped to interpret the law and gauge the temper of the courts. There are also many objections often made to a system whereby an administrative agency with the aid of its own attorneys first acts in a semi-judicial capacity in deciding the scope of its authority and then becomes a litigant in the courts to maintain the validity of its own proceedings.
>
> Greater variety of experience, increased resources, more numerous assistance, and a nationwide network of district attorneys, marshals, and special agents versed in the local practice before the courts and local conditions have been available to all government agencies through the Department of Justice. These, plus a tradition dating from the foundation of the government itself, could not be duplicated by single departments or agencies of the government. Without them, no large program of law enforcement would succeed (Cummings and McFarland, *Federal Justice*, pages 490–91).

The respected and revered Judge Learned Hand emphasized the importance of the control by the Attorney General of litigation in the case of Southerland against International Insurance Co. (43 Fed. 2d, CCA 2d, 1930). He wrote as follows:

> The government has provided legal officers, presumably competent, charged with the duty of protecting its rights in its courts . . . Congress having so provided for the prosecution of civil suits, can scarcely be supposed to have contemplated a possible duplication in legal personnel. The cost of this is one consideration, but far more important is the centering of responsibility for the conduct of public litigation. The Attorney General has powers of "general superintendence and direction" over district attorneys . . ., and may directly intervene to "conduct and argue any case in any court of the United States" . . . Thus he may displace district attorneys in their own suits, dismiss or compromise them, institute those which they decline to press. No such system is capable of operation unless his powers are exclusive or if the departments may institute suits which he cannot control. His powers must be coextensive with his duties. And so, quite aside from the respectable authority that confirms our view, we should have no doubt that no suit can be brought except the Attorney General, his subordinate or a district attorney under his "superintendance and direction," appears for the United States.

The Agency for Consumers Advocacy if S. 707 is approved would be just one of the many Federal agencies which each Federal district attorney represents.

The U.S. district attorneys offices were established in 1789 to provide local counsel for the U.S. Government across the country, to facilitate the successful litigation of claims against local defendants represented by local attorneys. The U.S. attorneys afford the Government and its agencies a special relationship of trust and confidence with local courts and the local bar. From this relationship, flows a number of consequences which materially assist in the successful prosecution of its civil actions. Local control insures swift action and cooperation by U.S. marshals. The local prosecutor can obtain timely entry of default judgments and disposition, rather than having unexecuted papers left awaiting signature in judges chambers for several months or weeks. And local presence facilitates negotiations which may lead to the expeditious agreement to consent judgments—consent judgments which are made in the public interest.

While only relatively few of civil cases actually proceed to full trial on the merits, the Government obtains material advantage when pretrial proceedings and trial are conducted by the U.S. attorneys office. That office is staffed by experienced litigators, familiar with total practice and procedure with local courts and juries. Of course, where the particular facts or complexity of legal issues may warrant, the U.S. attorney can and does call upon assistance from department officials in Washington and from agency attorneys.

In our view the placement of an attorney for each agency in each of the 95 judicial districts would impose an unwarranted burden on the taxpayer. There are not enough cases in any one judicial district to permit this. Nor would it be an intelligent use of the taxpayer's money to send an attorney from the Office of the General Counsel from Washington each time there is a status call or a pretrial conference. There are additional negative factors in this approach—and obviously this is not directed solely to any one agency—the argument by defense counsel that bureaucrats in Washington are abusing their power and are out to get his client has some appeal in the more local cases.

On the other hand it makes no sense to require U.S. attorneys and their assistants to attend such conferences on behalf of agencies unless they retain control over these cases, because courts will expect to hear from someone with authority to make decisions on behalf of the Government.

Quite aside from the difficulties of presenting a firm position before the district courts, there may be legal obstacles as well. It is the practice of the Department of Justice to exercise exclusive control over the conduct of government litigation committed to the Department's jurisdiction by sections already quoted in my remarks, title 28, United States Code 516 and 518. The Department has never been answerable to its Government "clients" and is not subject to dismissal where its handling of the litigation does not please or satisfy the "client." The Department represents not only the individual governmental unit involved—whether an agency or executive department—but rather the interests of the Government as a whole, interests which transcend the particularized interests of the litigating parties.

The control exercised by the Attorney General over certain forms of Government litigation dates from the creation of that office in 1789 with the passage of the Judiciary Act. Further, control over Government litigation in district court created by the Judiciary Act was vested in the U.S. Attorney.

All of the history of this concept leads to one conclusion: Since the U.S. attorneys are under the control and supervision of the Attorney General, their litigating authority is coterminous with that of the Attorney General. It has never been the practice for other agencies to utilize the services of U.S. attorneys as private counsels. The U.S. attorneys act for the Department of Justice. Where the Department or the Attorney General have no jurisdiction, the U.S. attorneys cannot act.

Mr. President, this subject of legal representation in the courts on behalf of the Federal Government is not new; 45 years ago it was canvassed in depth. In January of 1929, 70th Congress, second session, House Document 510 contains much pertinent material on the subject. Under consideration at that time was the "Origin and Development of the Office of Attorney General." At page 78 is found language attributed to Attorney General Sargent who served in that office from 1925 until 1929. The text of it reads as follows:

> It is desirable in the operations of federal law and its amplification that to the greatest possible extent these operations be unified and made so clear that the citizen, no matter how remotely distant from the seat of government or how slight may be the federal question involved in any controversy which may arise between him and his government, he shall be able to know that every issue in his case from its inception will be treated as the law is interpreted by the Supreme Court of the United States and followed by the Department of Justice. Such progress is being made along these lines that the day is not far distant when the law officers of the government throughout the country, and in all the executive departments of the government, will administer the law along the same lines of legal interpretation. Care is being used in matters of appeal to intermediate courts and effort is made to reduce the amount of government litigation in those courts with consequent saving of expense to the government and trouble and expense to the citizen of the United States. In appellate court work the Department has sought to bring about fuller cooperation and understanding between it and the other executive departments and those boards and bureaus whose litigation the Department handles. Attorneys representing the United States in the lower federal courts have been kept advised, as far as possible, of the position which the Department has taken in the higher federal courts on various questions, so that their action may be consistent, and attorneys employed in the various executive departments, boards, and bureaus, are likewise kept informed so that their action may be guided accordingly and they not be led into taking positions which the Department may not be able to support in the appellate courts. The idea is sought to be maintained in the Department that the United States is in a different position when litigating with its citizens than in an ordinary litigant, the Department proceeding on the theory that the United States wins a case whenever justice is done one of its citizens in the courts.

In conclusion, I say that to make the executive power effective and to permit the Government to take an express uniform policy position, there should be centralized control of litigation policy within the executive branch. Such centralized control of government litigation is important to avoid inconsistencies or incompatibilities in the position the government takes for the Federal courts.

In addition, it is important—and this view is expressed in legislative history over the last two decades or more—that the positions to be taken by a single agency on questions of general concern to the Federal Government and all of its agencies reflect the overall interests of the entire Federal Government and the public and not just the interests of the particular agency as it sees it.

This discussion of section 14(d) should serve to show that there is a major obstacle to favorable consideration of S. 707 as it is written.

There have been many other instances of substance and of great merit which have been expounded upon during the course of the debate on this bill. Each of them lends a great deal of persuasiveness to the same general conclusion which I have reached. To those I add this proposition: That there should not be a further erosion and dilution of the general policy, but that there should be a continued effectiveness of the Attorney General's direction of all Government litigation, with the assistance of the Department of Justice and its representatives throughout this land.

It is hoped that the bill will not be approved for the general considerations set forth in other discussions, and culminating in the minority views from which I have already quoted and to which I subscribe.

It is my hope that the bill will be defeated.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time? The Senator from Connecticut (Mr. RIBICOFF) is recognized.

Mr. RIBICOFF. I yield myself 15 minutes.

Mr. President, Senator DOLE, Senator MAGNUSON, Senator PERCY, Senator JAVITS, Senator Moss, Senator CRANSTON, and I will introduce today an amendment in the nature of substitute to the original consumer protection bill. Frankly, we have done so in the spirit of compromise that President Ford spoke of in his speech last week.

I want to take this opportunity to commend Senator DOLE, who worked so hard with the sponsors of this legislation over the last few days, to draft an acceptable compromise.

I sincerely believe that the proposed substitute is a fair and reasonable compromise. It protects the basic rights of consumers to be represented by a strong and effective spokesman in Washington. At the same time, it meets the genuine concerns of some who are equally interested by particular aspects of the original bill.

The new amendment adopts the structure and form of the House's consumer bill. The compromise uses wording much closer to the House provisions throughout the bill—particularly in areas where strong preference has been voiced for the House bill. In addition the proposed compromise retains additional safeguards for business contained only in the Senate bill.

The compromise includes the three areas where Mr. Ash expressed especially strong concern about the Senate wording in his May 15 letter to Chairman ERVIN.

The principal areas of change are as follows:

1. INTERROGATORIES

The substitute adopts the House provision requiring the ACA to submit its interrogatories to another Federal agency for approval before it can be submitted to a private business. The Senate version would have permitted the agency to submit the interrogatories directly to the private party from whom the information is sought.

In addition, the provision to use the FTC as backup agency for interrogatories where no other agency is appropriate has been deleted.

2. INDEPENDENT SUBMISSION OF BUDGET

The Senate bill would have required the ACA to submit its proposed budget to the Congress at the same time it is submitted to OMB. The Senate bill would also have permitted the agency to submit any legislative proposal it might have directly to Congress without first submitting the proposals to OMB. The compromise deletes these provisions.

3. SUBPENA POWER

The Senate bill would have permitted ACA to request use of an agency's subpena authority when it participates in informal agency proceedings. The House bill does not permit this. The compromise deletes this power.

4. REMOVAL FOR CAUSE

The Senate bill would have provided that the ACA Administrator be subject to removal only for "inefficiency, neglect of duty, or malfeasance in office." The House bill has no limitation on the President's removal power. The compromise deletes this limitation.

In addition the substitute incorporates added safeguards for businesses contained in S. 707, but not in the House-passed bill. These include the following:

First. The exemption from the interrogatory section for small business.

Second. The provision requiring the ACA to consult with small business and to take their special needs into account when settling policy.

Third. The provision denying ACA the right to be present when other interested persons appear before the agency in connection with informal agency activities.

Fourth. The bar against ACA using its information-gathering powers to obtain prosecutorial recommendations from other agencies.

Fifth. The bar against ACA obtaining from other agencies data from bank examination reports which would constitute an invasion of an individual's personal privacy.

Because of the concerns voiced about the effect of the act on consumers, the compromise contains additional provisions on agriculture not in either the House or Senate bill. Additional amendments to sections 5 and 15 expand the definition of consumers to include farmers and specifically directs the agency to assure that farmers can obtain at a fair price the goods and services they need.

In other respects the proposed draft follows the Senate wording rather than the House wording, because it seemed to the sponsors more clearly drafted, or more complete.

ACA NOT A REGULATORY AGENCY

It is easy to lose track of the basic nonregulatory nature of the proposed consumer protection agency in the welter of discussion about particular provisions.

The ACA is not a regulatory agency. It will have no power to compel anything. It is thus less powerful than Federal regulatory agencies, which have decision-making authority and power to compel compliance.

ACA will be an advocate.

Its main function will be to advocate the interests of consumers before other Federal agencies and departments. There is no such entity now in existence which has that function or power.

Mr. President, in the last few days, there have been unusually good editorials in the New York Times and in the Washington Post. I ask unanimous consent that they be printed in the RECORD following my statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. RIBICOFF. Mr. President, I also want to point out that the ACA will be extremely modest in size. Its first year budget will be $15 million. The ACA budget is equivalent to GM's profits for 4 days.

ACA is also minuscule within the Federal system.

Mr. President, S. 707 has now been the pending business in the Senate for over 1 month—since July 16. This is the sixth time in less than 2 years that the Senate has been asked to end debate on this matter.

I am confident a majority of the Senate would agree that every Senator has now had reasonable opportunity to debate the bill.

Mr. President, I strongly support the pending motion to adopt cloture on this bill so the Senate can have a chance to vote on the merits of this legislation.

EXHIBIT 1

[From the New York Times, Aug. 19, 1974]

CONSUMER INTERESTS

This week, for the third and probably last time, a majority of the United States Senate will attempt to break a determined filibuster being carried out in opposition to the establishment of a Federal Government agency to promote and protect the consumer interest.

The ferocity of minority opposition to a relatively modest and limited proposal is something to behold. Massed lobbies from the Chamber of Commerce of the United States, the National Association of Manufacturers, the National Association of Food Chains, the Business Roundtable and some 300 firms and trade associations have sounded their alarms across Capitol Hill.

They warn of an omnipotent new super agency—in fact the proposed consumer agency would have no regulatory power of its own. Its function would be nothing more than simply to inject a consumer's viewpoint into the hearings and proceedings of the established regulatory agencies, to make certain these interests are considered alongside the industry and business views which have had the field to themselves for so long. Obviously, "consumers" are not a monolithic bloc of society, any more than is "business"; but the diversity of consumer interests is no excuse for ignoring them in reaching specific decisions of government.

The critics complain of wasting taxpayers' money or launching a sprawling new Federal bureaucracy. Well, the proposed agency's first year budget would be all of $15-million, about what General Motors makes in profits in four days. It would be one-sixtieth of the budget of the Department of Commerce, which has the officially assigned function of promoting commerce and industry. Lest any fears of a burgeoning bureaucracy still linger, the whole existence of the new agency would come up again for review in three years' time.

With all their resources and criticisms, the anti-consumer lobby has failed to dissuade a majority of the Senate from supporting the bill, which has already passed the House by an overwhelming vote. Filibuster is the only technique remaining to block the legislation and it is in danger of succeeding just as it did last year. The votes of a handful of uncommitted Senators are all that stand in the way of mustering the two-thirds' majority needed for cloture. With their help, Congress can prevent an organized and vociferous minority from obstructing honest consideration of the issues of consumer representation in Washington.

[From the Washington Post, Aug. 20, 1974]

A VOICE FOR CONSUMERS

Two years ago, opponents of an independent consumer protection agency managed to kill the concept on the Senate floor by talking it to death. Today the Senate, in its third cloture vote on this year's bill, S. 707, will decide whether such obstructionist tactics are going to be allowed to triumph once again. A Senate stall is the last real weapon which the opposition has, because the House has already approved a similar measure, 293–94. The ferocity of the lobbying by many business interests shows that they know the stakes are high. The real question is whether enough senators are willing to stand up against some big companies and contributors, and vote to give the interests of ordinary people a larger influence in government decision-making.

The foes of S. 707 have been sounding loud alarms about the dangers of creating some superagency empowered to impose its own notions on the rest of the government, that might indeed cause problems—but that is not what S. 707 contemplates at all. The new consumer agency would have no independent regulatory powers. The name adopted by the Senate three weeks ago, the Agency for Consumer Advocacy, reflects the real function of the proposed body, which would be to serve as a watchdog for consumers and to represent their concerns before the existing agencies whose decisions so vastly affect the public's health, safety and pocketbooks.

S. 707 would probably not be necessary if so many questions had not been raised about the ways in which the established regulatory bodies operate. Last week, for instance, 11 staff scientists and three outside medical advisers for the Food and Drug Administration charged in a Senate hearing that the FDA hierarchy has been practicing a double standard, upholding its experts when they recommend the approval of new drugs but frequently reassigning or otherwise harassing them for recommending that uses of new medicines not be approved: The issue is whether the FDA has consistently been governed by scientific integrity, as commissioner Alexander M. Schmidt assert, or whether some drug companies have been allowed to peddle products whose safety and efficacy are dubious.

Consumers literally have a life-or-death interest in what is going on at FDA, and such questions should not be aired only when a few civil servants become frustrated enough to take their worries to Capitol Hill. Nor should the influence of consumer concerns at other agencies, such as the Federal Energy Administration, depend so largely on the aggressiveness of one or two employees in an overworked "consumer office." The consequences of government actions are so large, and the issues so complex, that fair treatment for the general public can best be assured by establishing an independent advocate.

Some 60 senators now recognize the need to give the public a large voice in dealings between business and the bureaucracy. The first step, however, is to limit debate on S. 707. That can be done if just a few more senators agree that the issue at this point is not every detail of the bill, but whether a timely and useful concept should be blocked time and again by a stubborn minority.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. RIBICOFF. Mr. President, I yield 5 minutes to the Senator from Illinois.

The ACTING PRESIDENT pro tempore. The Senator from Illinois (Mr. PERCY) is recognized.

Mr. PERCY. Mr. President, as a cosponsor of the present substitute amendment that is being offered by my distinguished colleague, the Senator from Connecticut (Mr. RIBICOFF), I merely would like to point out that what the authors of that substitute have attempted to do is to take the best features of both the House bill and the Senate bill. There have been many features developed in the Senate bill, for instance, which we felt, were absolutely essential to meet public needs uncovered during several years of discussion, inquiry, and testimony in committee and debate that has been held on the floor of the Senate.

Certainly the exemption for small business has been a provision that was universally regarded as desirable. Small business is not as well equipped to handle relationships with the Federal agencies as larger enterprises. And, certainly the impact on the consumer of businesses of modest size cannot compare with the impact of the very large companies distributing on a national basis.

So, after deliberation, that particular exemption was provided for, and fully supported by a Senate vote. We felt that would have appeal to our colleagues in the House.

Also, there was a provision requiring the ACA to consult with small business and to take their special needs into account when setting policy which, we feel, should be incorporated.

There is a provision denying ACA the right to be present when other interested persons appear before the agency in connection with informal agency activities. That also seemed a logical part of the compromise bill, but is not contained in the House-passed bill. We are not presuming, of course, to render judgment as to what position the House Members will take when they are appointed to conference if the Senate is able to vote on and pass this bill. But, we feel that there should be a closer community of interest in these matters that have been brought to our attention, and about which there seems to be accord among the Members and supporters of this bill.

The bar against ACA using its information-gathering powers to obtain prosecutorial recommendations from other agencies, which is section 10(b), seems to be another item that should be included.

The bar against ACA obtaining from other agencies data from bank examination reports, which would constitute an invasion of an individual's personal privacy, is a very appropriate section.

The Committee on Government Operations will be meeting today in a markup session to mark up a landmark bill on privacy. Certainly everything that we, legislatively from this standpoint forward, should take into account is what we have learned about invasions of privacy in America. Laws passed by this body should reflect what we hope will be a new policy with respect to the invasions of privacy that are not in the national interest and have no direct relationship to it.

The requirement that ACA not make available to the public any complaint where the complainant has asked his identity to be kept confidential seems to be a desirable addition to this compromise bill. It is not in the House bill, but I see no reason to believe that House Members would not look with favor upon that section, as we have here in the Senate.

The wording of the compromise provides for the expiration of the agency authorization at the end of 3 years. I think this provision is good. The Chamber of Commerce indirectly suggested that we give consideration to having some agency of Government make an analysis as to the pros and cons, the assets and liabilities, of the ACA. After a great deal of consultation and discussion, it was determined that the GAO——

The PRESIDING OFFICER (Mr. METZENBAUM). The Senator's time has expired.

Mr. PERCY. Mr. President will the Senator yield 5 additional minutes.

Mr. RIBICOFF. I yield 5 additional minutes.

Mr. PERCY. Mr. President, the GAO would be directed to study the agency and its effectiveness and report to Congress at the end of the first 3 years.

I can assure my colleagues in the Senate that this particular provision greatly assuaged a deep concern that I had. It seems once we set an agency up, they go on into perpetuity, just as Presidential commissions and committees go on into perpetuity.

The only way we were finally able to face up to this problem was to provide that they would go out of existence unless specifically renewed.

Mr. RIBICOFF. Will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. RIBICOFF. I believe this is important. I know that all of us serving on the Government Operations Committee—if we remain on the committee—will have the oversight function.

There is no question that there is a big job to do in Government operations about many agencies that are outmoded, have outlived their usefulness.

Certainly, we should be able to ride herd on this agency and the entire staff of the Government Operations Committee would be available to all Senators on the committee—including the distinguished Senator from Alabama—to make sure that the agency's job is being done right.

The agency will certainly take a year to get into swing and within the period of the 3 years we ought to have a very good idea of whether it is working or not working, whether it is worthwhile or not worthwhile, and its continuation would have to be justified.

So we have been very careful to make sure that we watch this agency, monitor it ourselves, and if the agency does not live up to our expectation, then Congress, of course, has the power to terminate it.

Mr. PERCY. This is exactly the point. The problem we faced was not a difference of principle at all. We should evaluate, reevaluate, appraise and analyze what has been accomplished by any Government agency—particularly in its initial period—until it has absolutely proven itself.

Many times, after Government agencies proved themselves, we let them go on—even when the need for them has long since ceased. It is hard to terminate the charter of any agency once it is started.

So here we have arrived at a very happy solution. The Comptroller General, for whom we have the highest regard—he has one of the most professional, balanced staffs in Government—will appraise and analyze ACA as to what has been accomplished on behalf of the consumer, what harassment of business if any, has occurred.

We want to know that. None of us are anxious to harass business. Only detriment will befall the society if Government sets out to do that.

We have been committed as a nation, from the very beginning, to the creation and production of goods and services, to a vigorous private sector. Government should only intervene into the private sector when there is clear abuse, when there is demonstrated need and when the public and national interest would be served.

Mr. ALLEN. Will the Senator yield?

Mr. PERCY. Yes, I am happy to yield for a question.

Mr. ALLEN. The Senator stated that this agency would come to an end at the end of 3 years. Well, the Senator from Alabama fails to see any such language in the bill.

I believe what the Senator has reference to is that this is a 3-year authorization. The agency would not come to an end at the end of 3 years, as the distinguished Senator seems to believe, and how many agencies does the Senator know of that have authorizations 3 years in advance?

Do we not generally just have authorization year by year?

So I do not see the agency is restricted by this legislation. I think it gets a 3-year authorization when other agencies are merely getting annual authorization.

So I believe the Senator is wrong when he says that the agency is going to come to an end at the end of 3 years.

I wish the Senator would reconsider his remarks.

Mr. PERCY. Well, there is no intention by the managers and sponsors of the bill to have the agency end after 3 years. I want to make that point very clear, indeed. If the agency is carrying on its function, is performing a service, I do not foresee its discontinuance after only 3 years. Thirty-nine consumer protection agencies in 39 different States are performing well today. I have seen no effort on the part of those States, having had the benefit of this kind of activity——

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. RIBICOFF. I wish to respond to the distinguished Senator from Alabama.

The authorization of appropriations, which is section 20 of the renumbered compromise, but is identical to what is in the original bill, provides for a 3-year authorization, and then it says, and I read:

> Any subsequent legislation to authorize appropriations under this act for the fiscal year beginning on July 1, 1977, shall be referred in the Senate, to the Committee on Government Operations, and to the Senate Committee on Commerce.

We also have a provision that requires the Comptroller General, before the 3-year period, to submit a report on the effectiveness of this agency.

We specifically write in the necessity to come back with legislation. I believe it was the Senator from Delaware (Mr. ROTH) who insisted on that type of wording. There was a question which we discussed at length in the subcommittee and the full committee. How could we assure that this would only be 3 years and would not continue? It was Senator ROTH who insisted on specific language making it positive that we would have to come back with new legislation to the Senate and the House, and that in the Senate the Committee on Government Operations, and the Committee on Commerce, would then have jurisdiction over any legislation.

Mr. ALLEN. Will the Senator yield? I hate to belabor the point, but no affirmative legislation is required to keep the agency going, despite what the Senator seems to believe. All that would be required is that a new authorization bill be introduced that would go to the Committee on Government Operations and the Committee on Commerce. It does not take any affirmative legislation whatsoever to keep the agency alive. It would go on and on. What would have to be considered would not be affirmative legislation but appropriations authorizing legislation.

Mr. RIBICOFF. I am not an expert but——

Mr. ALLEN. That is the case with any of our agencies. So we have not set up any plan whereby it takes affirmative action.

Mr. PERCY. I would say to my distinguished colleague from Alabama that the sponsors of this bill are perfectly willing to say ahead of time that the GAO should go in and make an analysis and study. I cannot imagine the Committee on Appropriations being very receptive to continuing an agency if, on balance, the GAO's report is negative. We feel that the very fact that the GAO is required to evaluate ACA will have a very salutary effect upon the administrator and the agency. The administrator knows his agency is going to be audited. The agency is not set up independently, so that it may just run pell-mell on its own, without any degree of responsibility.

This agency is going to have to have a sense of responsibility not only to the people, the consumers, but Congress and the executive branch of Government. We feel that this is a very sound provision.

Mr. RIBICOFF. If the Senator will yield, I do not recall any other legislation, though there may be, where the GAO has been given the specific monitoring responsibility. Not less than 30 months or more than 36 months after the effective date of this act, the Comptroller General shall prepare and submit to Congress a report on his audit.

Then, of course, we provide that any subsequent legislation to authorize appropriations under this act for the fiscal year beginning on July 1, 1977, shall be referred to the Senate Committee on Government Operations and the Committee on Commerce.

So we have a situation where the GAO must report its findings, and new legislation has to be produced. It is referred to the Commerce Committee and Government Operations. It is an opportunity and necessity, really, if we are going to do our duty, to have full hearings in both committees and then introduce on the floor legislation to continue it for 3 years, 5 years, whatever in the wisdom of Congress they decide.

I do believe we have this agency in a position where it will have to prove itself within a period of 3 years if it expects to be renewed by the Congress.

Mr. PERCY. Mr. President, I very much appreciate the comments from my distinguished colleague on that particular point. I would like to point out that in the compromise there is a section that is not included in either the House or the Senate bill.

This came about as a result of discussions that we have had regarding agriculture. Additional amendments to section 5 and section 15 expand the definition of consumers to include farmers. Those sections specifically direct the agency to assure that farmers can obtain, at a fair price, goods and services they need.

Also, a very, very important aspect of this, which I believe the Senator from Alabama would be particularly interested in, is that the interest of the consumer is not just in price. It is complex. It is a balance. The consumer interest is best served by taking a combination of marketplace factors into consideration. Reasonable price, availability of goods or services, and, obviously, quality consistent with the price being paid. It is very frequently found——

The PRESIDING OFFICER (Mr. ABOUREZK). The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, I yield an additional 5 minutes to the Senator.

Mr. PERCY. Frequently regulatory agencies are concerned with giving the impression that they are holding the price down. The commissioners of those regulatory groups are not always serving the public interest by keeping the price down.

The true interest of the consumer is to determine that the price is the lowest possible, but adequate for the producer to have the incentive to provide the services or goods.

Many times we find State regulatory agencies taking a political approach rather than an economic approach. They put their head in the sand and simply say, "We are going to hold those telephone rates down," or "We are holding down those public utility rates." That makes headlines, but this approach is not always best for the buying public.

What might result is that the telephone company or the public utility might not be able to get adequate financing to expand its plant, because of profit margins being so low. It is simply not considered a good risk. They cannot get equity capital on the one hand, or they are given a very low rating for debt financing on the other.

We have exactly that situation today. The public utilities are ill-equipped to compete in the private sector, and against private sector capital demands. We have a demand for capital that will be in excess of $4.5 trillion in the next 12 years. That is in contrast with only $1.5 trillion in capital investment that was made in the past 12 years.

The consumer interest is served by having adequate supply. This new provision now in the compromise legislation, not contained in either the House or Senate version, will take that factor into account. The administrator would be directed to look at this aspect of the consumer interest.

When we legislated meat prices here on the floor, there was a feeling on the part of some of our colleagues that they had done a wonderous thing. They had waved a magic wand. They had somehow passed a bill that was going to roll back the price of meat. The only difficulty was, producers did not send the meat to market. The meat markets were very soon empty. It was an empty gesture to have a sign showing ground round steak at 93 cents, or whatever the frozen price was, but not have any of it above the counter. In Chicago, we found enough of it was under the counter.

In other words, you would pay the registered, official, legal price. If you paid a supplementary amount, you could get it from under the counter. Within 3 weeks, the city of Chicago had to appoint 275 inspectors in the meat markets just to go around and find the black marketeers.

This is not what we are trying to accomplish. Any administrator who would believe that his only responsibility is price is not the kind of an administrator that any of us have any interest in having nominated by the President or confirmed by the Senate. He must take into account adequate supply.

This may well be an item that many of our colleagues who are very much concerned about oil and gas would be interested in. The price can be regulated to a level where there is no incentive to explore, to find and develop new sources of oil or gas. Perhaps that provision, amplified and carried into fields of that kind, might give reassurance to our colleagues that there is going to be a balance between supply and price taken into account here.

I commend my colleagues who have worked together on this compromise. They have done so in the interest of presenting a bill that we can pass in the Senate and take to conference with the House. They are working toward a ready agreement to send to President Ford; a bill that he would feel he could sign without hesitation.

As a Congressman, President Ford is already on record. He voted for a similar House-passed bill several years ago. He recognizes full well that the Republican Convention of 1972 took a position that an independent Consumer Protection Agency, now renamed the Agency for Consumer Advocacy, should be created.

The Democratic platform incorporated that as a major provision.

Part of the skepticism that the American people have of politics is that these platforms are created with a great deal of fanfare at conventions and then no one reads them until the next platform committee has a chairman. Then, he goes back and reads them. I know. I was a platform chairman in 1960. I probably read more platforms than any member of our party, at least up to that particular point.

As I look back, they contained too many empty promises. Here, again, a promise would have been made, yet not fulfilled, unanimously adopted by both political parties. And yet, we are unable to even bring it to a vote on the floor of the Senate.

I think the spirit of compromise, has now set in among some of our distinguished colleagues. Senator DOLE has taken a fine leadership position in this area. Others who will be cosponsors, indicate a willingness and a desire to work cooperatively with the executive branch of Government. We have been meeting with the President's consumer adviser, Virginia Knauer, throughout. Her insistent support for this concept, her advocacy for the consumer, and the long consideration and good judgment she has brought to bear reaching her position of support, should be a reassurance to the business community. There is no attempt here to do other than to enact a piece of legislation to create an agency that at the end of 3 years will be given high marks by the Comptroller General.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. RIBICOFF. To be equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:15 A.M.

Mr. JAVITS. Mr. President, I move that the Senate stand in recess for 10 minutes and that the Senate reconvene at 10:15 a.m.

The motion was agreed to; and at 10:05 a.m., the Senate recessed until 10:15 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ABOUREZK).

Mr. ERVIN. Mr. President, I suggest the absence of a quorum and suggest that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ERVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I yield to the distinguished Senator from North Carolina such time as he may require.

Mr. ERVIN. Mr. President, I ask unanimous consent that all amendments which have been proposed to the original bill and which are at the desk at the time of the vote on cloture be deemed to have been read for the purposes of satisfying the provisions of rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, in view of the fact that a substitute has been proposed for the original bill, and there is no reasonable time for drawing amendments to the substitute prior to the cloture vote, I ask unanimous consent that all amendments which are proposed and which are at desk at the time of the cloture vote be subject to modification after the cloture vote to conform to the substitute.

The PRESIDING OFFICER. Is there objection?

Mr. RIBICOFF. Mr. President, I shall not object. I think the request made by the distinguished Senator from North Carolina is eminently fair under the circumstances, and I commend him for having made the suggestion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I have written out in my own handwriting, which is extremely poor and virtually illegible by others, certain proposed amendments to the proposed substitute. For fear that the clerk, notwithstanding his great erudition and experience in reading writing writing as distinguished from reading reading writing, may not be able to decipher what I have written, I shall read these proposed amendments to the Ribicoff substitute for S. 707:

The first amendment is as follows:

> In section 17(a) insert the following between the words "broadcasting license" and the words "or to a labor dispute": "or to any person, firm, or corporation engaged in farming or the raising of livestock or poultry."

My next proposed amendment:

> In section 17(a) insert the following between the words "broadcasting license" and the words "or to a labor dispute": "or to any person, firm, or corporation producing, processing, manufacturing, transporting, or selling agriculture commodities or any goods composed in whole or in part of any agricultural commodity."

Another amendment:

> In section 17(a) insert the following between the words "broadcasting license" and the words "or to a labor dispute": "or to any person, firm, or corporation whose gross annual income is less than $10,000,000.00."

I shall also send forward to the desk in a moment a further proposed amendment to the Ribicoff substitute to S. 707, as follows:

> On the appropriate page and line, change the period for a colon and insert in the following at the end of section 17(a): "*Provided, however,* The Administration shall have the power and the obligation to participate in every controversy or negotiation or contract between any labor organization and any person, firm, or corporation covered by this Act which is likely to result in increased prices on products or services to consumers."

I also submit this amendment:

> In section 17(a) strike out the following: "or to a labor dispute within the meaning of section 13 of the Act entitled "an Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (39 U.S.C. 113), or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171)".

I send the proposed amendments to the substitute which I have just read to the desk, and ask unanimous consent that they be considered as having been read for the purposes of satisfying the requirements of rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I confess that the proposed changes in the substitute do not make the proposed legislation any worse, but I respectfully submit that they do not make it any better. I do not think it would be possible to improve this bill without entombing it somewhere in the archives of eternity beyond the power of resurrection, because, as I stated in the remarks I made in respect to the original bill, the bill constitutes an attack upon the free enterprise system. It not only constitutes an attack upon the free enterprise system, but it constitutes an attack upon the theory that the United States should have a government of laws rather than a government of men.

Congress has never undertaken at any time in the past to create any new office with the absolute power which this proposed legislation would give to the Administrator. As a matter of fact, this bill vests in the Administrator discretionary powers.

In the first place, the definition of a consumer interest set forth in the proposed legislation covers everything which human beings eat, drink, wear, or use for shelter.

The only thing it does not give the Administrator jurisdiction of is the immortal soul of the consumer. The Administrator can exercise his powers, interject himself into virtually every commercial undertaking, every farming undertaking, and every other pursuit by which men earn their daily bread that occurs anywhere, at any time, in any place within the 50 States of this Union and within the territories and Commonwealths and the mandated territories under the jurisdiction of the United States beyond the seas.

The Wall Street Journal for July 23, 1974, had an article by Arlen J. Large entitled "Do We Need a Consumers' Bureau" and the salient point which this article makes is the following:

> The unsatisfactory record of the old-line regulators ought to be a strong argument against trying to cure the ills of bureaucracy with more bureaucracy.

This proposed legislation reminds one of the doctor who had been treating a bedridden patient for years with just one type of medicine. The patient grew none the better but rather the worse, and the doctor proposed only one change in treatment, and that was to increase the dose which had produced no good results in the patient.

Undoubtedly some of the laws which govern the various departments and agencies of the Federal Government stand in need of change and amendment. But the way to effect these changes in these laws which govern regulatory agencies is to amend those laws. It is not to create an individual who is subject to virtually no law, and who has discretionary power to throw a monkey wrench into the operating machinery of the regulatory agency or any regulatory agency. Of course, that would take a whole lot more work than just creating an office of administrator with these vast and unreviewable powers.

This administrator can go around—of course, he is called an advocate—and, in his own way, tell every regulatory agency of the Government how it should discharge its duties. He can also call on businessmen for multitudinous reports.

I do not know that this change requires him to submit his interrogatories to other agencies, requires him to get their approval before he can submit them. I do not know, I have not had time to read that. But this proposed legislation makes this consumer administrator immune to all of the processes of law which all of the other approximately 220 million Americans are subject to.

As I construe this proposal, he cannot be sued except that it does have a provision that a person can apply for an injunction. But I do not know how a court of equity would have authority to issue an injunction against a public official who has virtually absolute power, because his discretion is not subject to anybody's review.

There is one provision in this bill which, I think, is incompatible with fair play. It gives this administrator the power to make public pronouncements concerning the goods or services of any person engaged in what we have heretofore been accustomed to calling with pleasure our free enterprise system. But it provides, in effect, that he is not liable for any act that he commits in this connection, and not liable for any damages which he may cause by false statements to those persons who are engaged in the free enterprise system and who are producing goods or services for the benefit of the people.

I have an amendment pending which would provide that the United States would be subject to suit in the Court of Claims, and that the United States could be held liable for any damage which the administrator does to any person who produces goods or services, who is injured by his false statements. Certainly, if we are going to have somebody make proclamations to the public about the goods or services rendered and offered by any person, and he makes false charges about those goods and services, I think that the taxpayers, who are also consumers, ought to be responsible.

We proudly boast that there is no wrong without a remedy. But if this legislative proposal passes in its original or substitute form, we will certainly nullify that proud boast of our law because the administrator can commit wrongs for which there are no remedies.

I would like to read to the Senate this statement that appeared in the Wall Street Journal of July 23, 1974:

> Rep. David Henderson of Iowa, during final House debate in 1887 on a bill creating the Interstate Commerce Commission:
>
> "This city is today swarming with keen, zealous, able agents of the railroad power trying to defeat passage of this bill. Every vote cast at their dictation and every vote cast against this bill is a vote for railroad supremacy and against the people. . . . The passage of this bill will be one of the greatest steps that can be taken to speed the coming of still happier days for our people."
>
> Sen. William Proxmire of Wisconsin, introducing in 1974 a bill to abolish the Interstate Commerce Commission:
>
> "There are more whiskers and cobwebs at the ICC than any other place in the government. With fierce competition among air, rail, barge and road transportation, regulation for other than safety purposes has long been unnecessary. The answer is abolition plus strong enforcement of the antitrust laws."

So we have had this prophesy made by Representative David Henderson of Iowa in 1887, there were just as rosy promises made to the Senate by the distinguished Senator from Connecticut and the distinguished Senator from Illinois.

I desist from reading for a moment to make a comment on the statement from the Senator to the effect that this consumer agency will go out of existence in 3 years.

The proposed legislation does not so provide.

I can recount an experience that happened when I was in the House in 1946. The appropriation bill, as it had done for many years, carried an appropriation for the Spruce Corporation, and suddenly the members of the Appropriation Committee and the staff of the Committee of the House were asked what the Spruce Corporation was, and nobody knew.

Well, all they could say was that they had been making appropriations for them every year. A small appropriation, it is true.

An inquiring reporter made an inquiry and found that the Spruce Corporation had been created as a public corporation in 1917 during the First World War, had been created for the avowed purpose of purchasing Spruce timber to be used by the United States in the construction of aircraft. The war came to an end before the Spruce Corporation had purchased a single stick of spruce timber. They never did purchase any spruce timber.

The Corporation had an administrator and a couple of secretaries and an office for which appropriations were made from the time it was created in 1917 or 1918 down to 1946, when it did go out of existence as a result, not of activity on the part of Congress, but on account of the activity of an inquiring reporter.

Despite the rosy promises and prognostications and predictions of the distinguished Senator from Illinois (Mr. PERCY), if the Consumer Administrator ever quits throwing monkey whenches in the machinery of all the regulatory bodies in the United States and riding herd upon all of the producers of goods and services in the United States and retires to the inocuous that of the Spruce Corporation, I predict that the prophetic forecast of the distinguished Senator from Illinois will not come true, but we will have another Spruce Corporation on our hands in that event.

I have never known, outside of the Spruce Corporation, any agency, other than the OPA and similar agencies, to go out of business. The most permanent thing on this earth is a temporary Federal agency.

We also have the prophecy that this is going to be a small operation. If the Administrator exercises one-tenth of 1 percent of all the authority this proposed legislation would give him, he is going to have to have an agency about twice the size of HEW.

I believe, as Topsy, it would just grow. Topsy was very small when started, but Topsy kept growing, growing, growing, and you are going to see the agency of the Administrator continue to grow, and grow, and grow, and not only to throw monkey wrenches in the machinery of Government, but also to ride herd on all the people in the United States that produce anything, and that includes most all of the consumers, except a few consumers that may be parasites on society.

We are going to have an agency that is going to eat up the substance of the taxpayers and I predict they will be as numerous as the locusts that descended upon Egypt in the days of the pharoahs.

I would like to call up my amendment for consideration that deals with the question of exemption of those engaged in farming.

I did not number the amendment, but the amendment exempts every person, firm or corporation who is engaged in farming, or in the raising of livestock or poultry.

The **PRESIDING OFFICER**. The clerk will report.

The assistant legislative clerk read the amendment, as follows:

> In section 17(a) insert the following between the words "broadcasting license" and the words "or to a labor dispute": "or to any person, firm, or corporation engaged in farming or the raising of livestock or poultry."

Mr. **ERVIN**. Now, this is a proposed amendment to the substitute.

Mr. **RIBICOFF**. Will the Senator yield?

Mr. **ERVIN**. Yes.

Mr. **RIBICOFF**. The substitute has not been filed at the present time, but—we are going to file it before the time of the vote.

Mr. ERVIN. Of course, my amendment will not be in order until the substitution.

Mr. RIBICOFF. I am just wondering if the Senator is going to ask for a vote on it.

Mr. ERVIN. No.

Mr. RIBICOFF. Just calling up the amendment?

Mr. ERVIN. I call up the amendment.

Mr. RIBICOFF. I am waiting for the distinguished Senator from Kansas before filing the amendment.

Mr. ERVIN. Well, I hope the distinguished Senator from Kansas will come to the floor because my amendment will exempt all of the farmers in Kansas from the operation of this bill, and the distinguished Senator from Kansas was very much concerned about the plight that this put the farmers in.

I hope he will be on the floor and I hope that he will support my amendment, even if he is not a cosponsor of the substitute, I am not sure he is.

Mr. RIBICOFF. Well, it is my understanding that he is trying to work out an agricultural amendment.

But I cannot speak for the distinguished Senator from Kansas, who is not here.

Mr. ERVIN. I have two very fine agricultural amendments.

Mr. RIBICOFF. I would say that if the Senator's agricultural amendments are adopted the bill could very well be worthless.

Mr. ERVIN. I will wait and speak to my amendments at the time the substitute is offered and my amendments will be in order.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BUCKLEY. Mr. President——

Mr. ALLEN. Mr. President, how much time will the Senator require?

Mr. BUCKLEY. Ten minutes.

Mr. ALLEN. Mr. President, I yield 10 minutes to the distinguished Senator from New York.

Mr. McCLURE. Mr. President, will the Senator yield for a unanimous consent request?

Mr. BUCKLEY. I yield.

Mr. McCLURE. I ask unanimous consent that Mr. Jim Streeter, of my staff, be allowed the privilege of the floor during all stages of proceedings on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I would like to once again contribute to what columnist James Kilpatrick has aptly described as a bill which is extraordinary, a profoundly un-American bill, one which deserves billing as perhaps the worst bill of the 93d Congress.

I would also like to address myself to some of the misconceptions and problems that have arisen during the course of not an extended debate, but what might better be described as a sporadic debate. I belive we have yet to begin what could be described as an extended examination of what the real implications are of S. 707.

Mr. President, an issue of considerable importance concerning S. 707 involves the question of the extent to which this legislation would give broad authority to the Administrator of the Agency for Consumer Advocacy to interpose himself into normal commercial relations. The distinguished junior Senator from Kansas (Mr. DOLE) raised several serious questions 3 weeks ago which have not in my opinion received sufficient consideration. If I might paraphrase the point of the Senator: Would the Administrator under this proposed law have the authority to insinuate himself into trade negotiations or other similar kinds of informal activity as described in section 6 of S. 707?

It is my opinion that the Administrator would be so authorized; in fact, his ability to move into any area, except labor activities and national security cases, is almost without limit. Section 4(11) is quite clear: any commercial activity is within the jurisdiction of the Administrator. Under the procedures laid out in S. 707 the Administrator may, when interested in questions involved in informal proceedings which seemingly include trade negotiations—at least the majority report and section 4(11) would point to that—seek a continuing relationship with the host agency which is obligated under the act to keep the Administrator of ACA informed as to the nature and direction of the interested matter. Whenever a disagreement arises between the Administrator and the agency whose information he seeks the latter is instructed in section 9 of the proposed act to defer to the determination made by the consumer agency. Should the agency continue to refuse to produce what the Administrator seeks the latter may take the refusing party to court to order compliance.

As a practical matter the Agency for Consumer Advocacy is made a primary party in matters involving trade negotiations whether they be for the export of wheat grown in Kansas or the importation of shoes into New England. The ACA Administrator's continuing authority to scrutinize for the purpose of representing consumers gives him a broad authority to influence commercial transactions. The Administrator is authorized to make public statements, to organize public pressure groups if you will, to coerce a company or organization from participating in trade transactions which will result in a diminished domestic supply on the simplistic theory that immediate demand from abroad is not in the interests of domestic consumers. The point is that the Administrator is fully authorized to conclude unilaterally that increased exportation is not in the interests of consumers. The operation of the ACA along these lines, which the majority report acknowledges is very much within the competency of the Administrator, can only guarantee disruption of reasonable, necessary and normal commercial activity.

Another matter of serious concern is the Administrator's authority under this proposed act to undertake product comparisons. In remarks made by me to the Senate on July 23, I stated:

> I seriously doubt whether this proposed agency will have available to it the ability to replicate the complexities which are necessarily required to reflect the aggregate demands [and supplies] of the marketplace.

I further suggested that personnel who do all in their power to construct comparative test models with the utmost of fair-mindedness and sophistication in mind may cause serious and undeserved injury to totally innocent parties whose product was not treated properly by an inadequate test model. It has taken only 2 weeks for a real life example to reinforce my point.

Mr. President, I would like to direct the attention of the Members of the Senate to the recent study conducted by the Antitrust Subcommittee of the Senate Committee on the Judiciary into "cost comparisons" of 119 life insurance companies. Very recently the distinguished chairman of that subcommittee, Mr. HART, expressed public regrets to one of the companies included in the comparison test, the Colonial Penn Group, Inc., because the test model discriminated against Colonial Penn's unique marketing system which allows for persons up to the age of 85 to purchase life insurance without a health examination. Of course such an unusual service requires an additional cost which is reflected in a higher premium. But the test results, which were widely publicized, indicated that Colonial Penn was simply marketing very high cost insurance. Undoubtedly every one connected with the testing program did everything within his power to insure fairness. There was certainly no intent to do a disservice to Colonial Penn or any other company. However there was error because it is literally impossible to replicate the services, supplies and demands which make up the aggregate of our economy or even any industry within the economy.

Until professional, independent actuaries have had time to review and analyze the testing models employed and its implementation the overall value of the study remains in question. But for Colonial Penn the verdict is in: The company has been subjected to widespread publicity, initiated by the U.S. Government, to the effect that its insurance is the most costly of the 119 companies tested.

This kind of error can cause a given firm incalculable damage, and it could also drive out of the market place products or services of unique importance to certain classes of consumers.

Under S. 707 if the Agency makes a similar mistake, and I contend they are inherent in such testing operations, the Administrator is obligated to express his regrets. If the injured party goes to court seeking damages the defendant, an agency of the Government, simply gets a dismissal on the grounds of sovereign immunity. Just what consumers are we seeking to protect?

During the course of the debate over this legislation the Senate has been informed and even lobbied by a group allegedly supporting S. 707: The National Association of Attorneys General. I personally received a communication on behalf of the association from the attorney general of Massachusetts, Mr. Robert H. Quinn, urging support for S. 707. He stated, "I sincerely urge your favorable consideration of S. 707." I responded to his appeal with the question: Have "the Attorneys General who voted in favor of the resolution studied either the bill adopted by the House or the Senate version?"

I am informed in a letter from Attorney General Quinn, dated August 1, 1974, that the resolution adopted by the association "does not support any specific bill," although the communication to me was clearly favorable to S. 707 and H.R. 13163, the House-passed version of the bill. Further, I am forced to conclude that Mr. Quinn implicitly admits that he, and his fellow members, have not studied S. 707 inasmuch as his letter of reply is silent on the question asked.

But clearly a misrepresentation has occurred and I think it is imperative that the matter be cleared up immediately. The National Association of Attorneys General is not supporting S. 707 or H.R. 13163. It is indeed ironic that this incident occurs over the consideration of a bill the implicit premise of which is that Government must act to insure a high degree of truthfulness on the part of American enterprise.

A final note. It is the stated intent of the sponsors of S. 707 to protect the "interests of consumers." Yet, as the consumers themselves define their No. 1 interest, it is inflation. In the Gallup poll, released August 4, 1974, it was found that 48 percent of the American population blames the Government—rightfully, in my opinion—for chronic, persistent inflation. Organized labor is held primarily responsible by 19 percent; business by 16 percent. In other words Government, not business or labor, is responsible for the single most important concern of consumers, as they, themselves, define it.

It would be in the interests of all consumers, regardless of their tastes and preferences in the marketplace, to have inflation brought under control through means other than the distortions of wage and price controls.

I question whether informed consumers really favor legislation of the kind now under consideration, legislation whose one sure result will be to drive up the cost of doing business, limit product competition and innovation, and thereby drive consumer prices still higher.

Mr. President, on any kind of analysis, the measure before the Senate is unwarranted, it is wasteful, and it constitutes a massive fraud on American consumers. I urge that today we do not vote to close off this debate, a debate that, in my judgment, has received insufficient attention by the press, in which the arguments have been insufficiently reported, so that we have yet to penetrate and provide the consuming American public an understanding of what we propose to do to them.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **ALLEN**. Does the Senator desire additional time?

Mr **BUCKLEY**. I have completed my statement. I thank the distinguished Senator from Alabama.

Mr. **RIBICOFF**. Mr. President, I yield 5 minutes to the distinguished Senator from Illinois.

Mr. **PERCY**. Mr. President, while the distinguished Senator from New York is in the Chamber, I wonder if it would be a fair question to put to him as to how the consumer protection agency, or whatever it is termed in the State of New York, has actually operated under Governor Rockefeller and now under Governor Wilson. I would hope that the concept of consumer protection would have a very strong advocate in Governor Rockefeller. I supported the former Governor of New York for President in 1968, as the distinguished Senator will recall. I have every intention of supporting him with enthusiasm as Vice President in 1974.

I wonder whether we could have some comment. I have not followed the work in New York too closely. I wonder whether or not that agency has performed a service. Is it not representative, of the work that an agency that is modest in site can do? Has it reassured the millions of consumers in the State of New York that someone is taking a look at their interests? I point out this is a consumer economy and should be one, not just a producer economy.

I yield 2 minutes, if the distinguished Senator feels that that would be adequate time in which to comment.

Mr. **BUCKLEY**. Mr. President, I appreciate the opportunity to comment.

I should like to remind the Senator from Illinois, who was once the president of a very large corporation, that he succeeded in deriving profits in that corporation not by producing but by serving the needs and tastes of consumers. Had he not been able to help produce a product that compared favorably with other products of a particular market, his company would have gone into bankruptcy.

Therefore, I believe that in the normal course of commercial events, my distinguished colleague was serving consumer interests. I believe that if one understands the competitive system, the capitalist system, he finds that it is one that succeeds only because of services to consumers.

I will now answer the Senator's question. There is no possible way of comparing the agency activities of New York State with what we propose to create in this bill. No one in New York State is authorized to intervene in every proceeding of every bureau and every agency within New York State that is dedicated to specific consumer concerns, such as safety, labeling, and so forth. What we have before us is not something which speaks out here and there in order to serve or to highlight someone's specific concern, but an instrumentality with unprecedented powers.

Mr. **PERCY**. Could the distinguished Senator be more specific about what kind of unprecedented power this agency, which is a nonregulatory agency, actually would have?

Mr. **BUCKLEY**. The administrator of this agency would have the sole right to determine what is a consumer interest.

Mr. **PERCY**. In the colloquy that took place on the floor of the Senate this morning, we were attempting to determine what the interest is by legislative history. We took into account that a consumer's interest is in price, but he also is interested in supply. At considerable length, the Senator from Illinois described what he felt to be one of the great problems with our regulatory agencies. That is, in order to make headlines, they decree a price which is totally unrealistic, which then cuts off expansion, which cuts off future sources of supply. This, in turn, causes upward pressure on prices because there will not be adequate supply.

These are the very concepts we want to build into this agency. We want an administrator who will fully understand that the consumer interest is not just price but also quality, adequacy of supply, availability of the product, and services to go with that product. That is the balanced consumer picture that must be taken into account. That is the legislative history we are attempting to create on the floor of the Senate. We want to back up and support the language in the compromise version of this legislation, which, I think, comes far closer to the objectives and goals of the distinguished Senator from New York than original versions of this bill introduced earlier. The Senator from New York, quite properly, objected to certain features of them.

Mr. **BUCKLEY**. It is wonderful to talk about legislative history, and it sometimes is useful to a court in trying to determine whether a particular functionary has acted in accordance with the dictates of Congress.

I have not seen the substitute to which the Senator from Illinois refers; but if it bears any resemblance to the bill before me, S. 707, we see the creation of an agency that, whatever the legislative history, will be managed by an administrator whose ultimate decision is not subject to any practical review by any forum. He is an administrator who, once locked into office, is there for 4 years and cannot be discharged, except for being insufficiently zealous.

We have a situation in which one individual ultimately has the power to make the determination in the various balances. There is no single correct balance.

If the Senator from Illinois and I want to buy an automobile, he may be looking for safety and weight, and I may be looking for economy of fuel. So we have different tastes. I believe that the inevitable result of——

Mr. **PERCY**. Would the Senator mind an interruption? We are talking about the original bill and how the substitute takes into account the objection that has been raised. The Senate substitute will more closely pattern the House bill, and this particular section has been deleted.

Mr. **BUCKLEY**. I am delighted to hear this. I take no solace in having something patterned after the House bill, because the House bill, I believe, in its own way, would produce as great an administrative monstrosity. I suggest that if we had a new bill under consideration, therefore, it is incumbent upon the Senate not to vote cloture later today, so that each one of us and the public at large will have an opportunity to give this new legislation the kind of scrutiny that it deserves.

We are all in agreement, whether we favor this approach or not, that it is landmark legislation that will have an important permanent impact on the American economy, on American jobs, on consumer selection. I hope that my distinguished friend from Illinois will join me in urging that we set this matter aside so that we can have ample time to study the provisions of the new legislation, to determine whether it is or is not in the interest of the public.

Mr. PERCY. I thank my distinguished colleague. Although we have debated this issue before the National Press Club, I evidence then and I indicate once again my great respect for the judgment of the distinguished Senator from New York and for his dedication to a set of principles in which he truly believes.

The Senator from Illinois has believed in those same principles—the freedom, for instance, to buy or sell gold. I could not help but think of the distinguished Senator from New York when, this morning, on the Today program, I heard a debate on the purchase and sale of gold by individual American citizens. But now it is something that the American people are going to be able to do. The big question is, is it a good investment? That is the sole issue.

An individual ought to decide whether or not he wants that bar of gold in the basement or under the mattress, drawing no interest, possibly going down, possibly going up in value. Why should the American people be deprived of the right to gain or lose, to exercise their own discretion as to investments.

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator from Illinois has consumed 10 minutes.

Mr. PERCY. I yield myself 5 additional minutes.

The Senator from Illinois fully agrees with the Senator from New York. Furthermore, with regard to the principle of limiting the power of regulatory agencies, the Senator from Illinois, on the floor of the Senate, has evidenced deep concern about giving the power to set wages and prices in this country to a Director of the Pay Board and a Director of the Price Board—especially when none of those officers would even be confirmed by the Senate of the United States. We were giving awesome power away, certainly over the objection of the Senator from Illinois.

That has proven to be a disastrous policy. But it was law. It was carried out. It was there for 2½ years. We had a few people in the Cost of Living Council that had the right of life or death over labor unions, over businesses, over pricing practices, and over the supply of goods and services that were available.

The Senator from New York says that we are giving awesome unprecedented power to this miniscule little agency. Yet, it is not even a regulatory agency—it cannot rollback a production line, it cannot stop the operation of a single plant, and it exempts 92 percent of all the businesses in America from its province. The Senator from Illinois is aghast at the feeling on the part of the Senator from New York that this is awesome, unprecedented power.

The Senator from Illinois has said that he doubts that there would be too many businessmen who would want to give up the true responsibility and power that they have to make decisions in their own businesses and come down and take a job as the administrator of this particular office unless it had some powers to do something. But the framers, organizers, and managers of this bill have been absolutely certain that we have indicated that this is to be a regulatory agency.

It is not to have the power of a regulatory agency. It is to be an advocate, a lawyer, for the consumer. We have been in the practice of defining what the interests of that consumer are.

While the distinguished Senator from Kansas is on the floor, I should like to pay particular tribute once again today to the outstanding work that he has done. He has taken, working together with other Senators, the best elements of the House bill and the best elements of the Senate bill. The Senator from Illinois this morning detailed in outline many of the provisions which are not in the House bill that have been now incorporated in the compromise amendment that is being offered.

We feel that we have benefited from 5 years of hearings, testimony, and debate. The compromise provides a balanced picture, a balanced piece of legislation, particularly if we take the area of agriculture.

The administrator, by amendment, would be directed to take agriculture into account. Agriculture is an area where we have seen the futility of trying to legislate arbitrary prices—most recently in the field of livestock. We cannot repeal the laws of supply and demand—it is utterly futile to try.

The administrator must take into account availability of supply. This is extraordinarily important, as I mentioned earlier in the day, to those interested in gas and oil. The administrator should take that into account. It is in the interest of the consumer to point out to State regulatory agencies that when they arbitrarily fix a price too low they inhibit future sources of supply. Profits are held down so tightly that an industry, a public utility, whatever it may be, cannot even get the capital to expand, explore, and develop adequate sources.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. PERCY. I am very happy to yield to the Senator from New York for a question.

Mr. BUCKLEY. I am very intrigued by what the Senator from Illinois has been saying about brand new legislation. One of the things that intrigues me is his admission as to the enormous defects of that legislation, which has been before the Congress for the past several weeks. I do hope that the Senator from Illinois will agree with me that we cannot responsibly go ahead with this compromise until each one of us has had the opportunity individually to study what is in it, what its implications are, and that it would be foolhardy and irresponsible to move to a vote this week or next on this matter.

Mr. PERCY. The Senator from Illinois actually cannot agree with that. We have already thoroughly debated and studied this legislation. It is a field that we have been plowing for 5 years. We have consumer advocacy agencies of one sort or another in 39 States. It is hardly a new idea. There is not a single idea that is incorporated in this compromise that is revolutionary or new. They have all been discussed. We have had innumerable markup sessions, innumerable hearings in a variety of committees—in conference, in the Committees on Government Operations, House and Senate. So there is nothing new in this legislation, and certainly, copies of the four-page summary are available. Anyone who has kept abreast of the details of this legislation—including the Senator from New York, who has been an outstanding spokesman in opposition to the principles of the legislation—will recognize there is included nothing new in the measure.

I should think any Senator with proper staff backup would be prepared to vote on this measure after all of these delays, the many, many hours of debate, and the thousands of hours of accumulated hearings and discussions in committee. The cooperation and help of a great many of a wide spectrum of Senators has been brought to bear on the particular compromises that have been worked out.

The catalyst for the compromise has been one singular action that has taken place. We have a new President, a new administration. We want to have a new start on these old problems. They have been hanging around too long. We have a new spirit of compromise, of conciliation, of cooperation. Our response to that new administration, the new Ford—and to-be Rockefeller—administration should be that we can compromise.

The managers of the bill have been into account in the compromise every single objection that the Director of the Office of Management and Budget, Roy Ash, has raised. Certainly, with the help of our distinguished colleague, the junior Senator from New York, and the senior Senator from New York (Mr. JAVITS), who, for years, has been a pioneer in this effort, we have worked out an approach to this problem that can enable us to achieve one great objective.

We will not just to pass a bill in the House and the Senate. We will pass a bill in the Senate which will be compatible with the House bill. A bill which could go through conference smoothly, and quickly. At the same time, it would be a piece of legislation that we can send to the President, that we feel ahead of time he would find consistent with his voting pattern in Congress in the past.

I am happy to yield for a question or comment.

Mr. BUCKLEY. Mr. President, I would say I do not believe, while I understand the sincerity with which the Senator from Illinois has spoken, that this is a compromise of people's views taking into account all the various terms that have been discussed; but in any event I suggest that no Senator can arrive at an intelligent determination on passing or not passing legislation of this importance based on a four-page summary.

This new legislation, we are told, is significantly different from the legislation the distinguished Senator from Illinois has been advocating for the past month, and which he now admits was defective in many important respects. I submit that we must have the opportunity to study this compromise and determine whether it will help or do harm to the consumer. I submit that with the press of business before we have our recess, it is inconceivable and implausible that a majority of the Members of this body can understand the changes that have been made, and what their significance is.

I agree that we need a new start, but let us have an orderly new start, resubmit this matter to the committee, and let hearings be held on the new provisions, so that we can understand the full impact on the American economy.

I thank the Senator.

Mr. PERCY. Mr. President, I would only comment that the Senator from Illinois has really not heard an argument presented by the opponents of the legislation that has not been presented before.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. The managers of the bill have been prepared and ready to vote on any amendments, any modifications, any changes that any Member of the Senate would want to put forward. We would be happy to present them, to vote on them, and we have had some votes. But at least in the recent past there has not been an indication, that any proposals could be resolved by a vote up or down—even after a reasonable amount of debate.

That is why this measure of attempting to invoke cloture has been resorted to. That is certainly why, in the spirit of compromise, cooperation, and conciliation, the managers of the bill have sat down with a number of distinguished Senators. Any Senators could join that group. And, a wide range of Senators have been contacted. The managers of the bill have been quite willing to work with anyone who has constructive ideas, who says, "Here is an objection I have, and here is an amendment that would correct that objection." A great many of the issues involved in this legislation were resolved in this fashion.

The managers of the bill welcome any intervention and participation, not in the spirit of killing the legislation or preventing a vote on it, but for the purpose of achieving an objective. There can be no mistake about this. There is a compromise. It has some opposition and some support. But within that compromise, the best features of an agency for consumer advocacy have been preserved.

A consumer protection agency, so-called, is created, as it was called for unanimously in the platform of the Republican Party and in the platform of the Democratic Party. So the agency is going to be there. There will be an administrator, who will have certain responsibilities, duties, staff, and backup support financially, as authorized by the Senate. But it has been changed in certain particulars, not one of which should come as any surprise to any Member of the Senate who has followed this legislation.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. PERCY. I am happy to yield.

Mr. McCLURE. The Senator indicates that the compromise, which most of us have never seen, does something for agriculture. I understand that that concession was made in order to get the support of one or two of the sponsors in order to break cloture.

But in regard to specific examples, I believe the Senator from Illinois said a moment ago that this compromise and its exemption for agriculture exempts this Agency from any opportunity to intervene in any way with something which directly affects the pricing of agricultural products. Is that correct?

Mr. RIBICOFF. Mr. President, that is not correct. In the compromise, the purpose is to include the farmer as one of the groups protected by the Agency for Consumer Advocacy. To accomplish this, the definition of consumers has been amended to include farmers. The compromise also specifically directs the Agency to insure that farmers can obtain at a fair price the goods and services they may need.

We have not reached complete accord in certain situations. Senator DOLE's staff and our staff are trying to work out some language, which they have not done up to the present time. But in all fairness, the original bill and the present bill both provide that the legislation does not alter the substantive authority vested in Federal agencies by other acts of Congress. So if Congress passes a law affecting the prices of agriculture, there is no way, whether it is agriculture or any other area, that this Agency can come in and supplant a congressional mandate. That is in the old bill and it is in the present bill. We cannot change a law passed by Congress and signed by the President.

Mr. McCLURE. Do I understand the comment of the Senator to be that the Senator from Illinois was incorrect if in fact he said the Agency could not intervene in proceedings that directly affected the price of agricultural products? Is it the Senator's position that the only place they cannot do it is where Congress has passed a specific law, with the further comment that they have not yet decided what the final language would be? Is that correct?

Mr. RIBICOFF. Where it comes to agricultural products, no agreement has been reached on the language in this particular area. I think that the Senator's position, to which I am sympathetic, is that in considering the price consumers pay, the Agency will also take into account the adequacy of supply. In other words, there may occur a situation where it would be in the consumer's interest to increase the price in order to assure a sufficient supply.

Mr. McCLURE. Who makes that decision?

Mr. RIBICOFF. The decision will always be made by the agency charged, which in this case would be the Department of Agriculture.

Keep in mind that the consumer advocate makes no basic decision on anything. He just presents facts and arguments. The consumer advocate does not make the decisions. He does not hand down any orders for any agency. He cannot substitute his opinion for the opinion of the agency charged with the decision-making authority. His basic role is to give the facts and state a position for the consumer. If the proceeding may affect both price and the adequacy of the supply of goods, the Administrator can go ahead and present arguments and facts on how to balance price and supply factors. It is the Secretary of Agriculture who makes the decision.

Mr. McCLURE. But the Secretary of Agriculture does not set prices under our system. He makes decisions which affect prices, but he does not set prices officially, and that is surely not what we are trying to do here, indicate that the Secretary of Agriculture is given the authority or shall impliedly have the authority to set prices in the marketplace, either for the seller or the buyer.

Mr. RIBICOFF. But the ACA does not set prices, either. The ACA has no authority to set prices or make a decision. He is the person who provides facts to the person who does make the decision.

Mr. McCLURE. Will the Senator yield further?

Mr. RIBICOFF. Certainly.

Mr. McCLURE. Is my understanding correct, then, that although the language has not yet been decided upon that will be offered here later today in the substitute upon which we will then have to vote cloture, the agency will have the authority to intervene in the actions which may be taken by any agency of Government, perhaps with the exception of the State Department, on actions that might affect the prices of agricultural products?

Mr. RIBICOFF. That is correct.

Mr. McCLURE. So we should not represent to anybody in the United States that there will be an attempt to exempt agriculture from the intervention of the ACA.

Mr. RIBICOFF. As far as I am personally concerned, yes. But what I am saying to the distinguished Senator is that in the process of intervention, the Administrator must give weight to the problem of adequacy of supply.

In other words we are now, in this country and in the world, short of food. There may come a situation where, in order to get an adequate supply of food for our Nation and its people we are going to have to take into consideration price, and the Administrator might decide to present both sides of the question and all of the facts to the agency that makes that decision.

I would not mislead the distinguished Senator or any other Member of this body in telling them how I look at it, but there is no blanket exemption.

Personally, I do not know how the rest of the Senate feels, but I would be opposed to exempting agriculture. I want to be very honest and fair.

Price setting procedures before the Department of Agriculture do have an impact on consumers, and I could not in good conscience support an exemption in this area. However, an adequate supply of food is most certainly in the consumers' interest, and it is entirely possible that the ACA might advocate higher prices in a Department of Agriculture proceeding in order to enhance and expand the consumers' food supply. But the ultimate decision is not the Administrator's, but that of the other agency involved.

Mr. McCLURE. I appreciate the Senator's candor, and I am certain his statement is exactly correct that it is not his intention to give that kind of a blanket exemption to agriculture. It is his intention under the bill to give that kind of exemption to labor but not to agriculture, if I understand it correctly.

Mr. RIBICOFF. We have gone into this before. The bill exempts certain labor-management disputes because Federal agency involvement in such disputes is of a unique limited nature.

Mr. McCLURE. Then may I ask just a couple of specific questions about the kind of actions in which the ACA could intervene that affect the price of agricultural products.

Suppose the Secretary of Agriculture is being asked to raise the price supports on dairy products, in which he does have a direct effect. It would be my understanding that the Senator would say the ACA has the right to intervene, to acquire what information it may get from any of the producers or marketers of dairy products, and to present their point of view to the Secretary of Agriculture in opposition or in support of whatever action he might take?

Mr. RIBICOFF. Let me give the Senator some examples. In 1971 milk marketing orders raised the price of milk for consumers in America some $2 billion. I would hope that if this Administrator is worth his salt, he would point out to the country and the Department of Agriculture the deleterious effects of such a milk marketing order. If he could not do that, I do not want a bill.

The Russian wheat deal had a significant impact on consumers. I would hope that the Administrator would be sufficiently alert to preserve the consumers' viewpoint in such a case.

But what I am pointing out to the Senator is that the bill should acknowledge that in order to get more food, or more energy or more minerals, we may be in a situation where we are going to have to deal with price. So it is a choice between getting something at a higher price or nothing at a lower price. Under those circumstances, I would hope that the Administrator, in all honesty, would present all the facts to the person or the agency making the decision, and the agency making the decision then would have to weigh what is best for the country, an adequate supply or a higher price.

But what I am arguing for is that the people of this country should know, Congress should know, the Administrator should know, and I think this is a problem we are faced with, and this is the end that I would hope we could achieve.

Mr. McCLURE. Will the Senator yield further for one additional question?

Mr. RIBICOFF. I yield.

Mr. McCLURE. If I understand what the Senator is saying, he has got to weigh adequate supply and the effect of price upon an adequate supply.

If, for instance, the Agency for Consumer Advocacy's Administrator felt it was in the best interests of the consumers of this country to increase the price, that is to increase the supply of domestic beef by raising the price, he would intervene with the Secretary of Agriculture and say, "Cut off the import quotas, raise the price of beef, therefore, and the consumers can be protected by having a more adequate supply," is that the thrust of the argument?

Mr. RIBICOFF. That is right. He has the right to do that. My feeling is there are certain issues that are going to be clear-cut involving health and safety, or fraud. It is clear that the advocate will go in with a single purpose in such cases.

But there are certain issues that the consumer's interest will be more diverse and the Administrator may have to suggest ways to balance conflicting consumer interests in his presentation to the person making the decision.

Please keep in mind the Administrator is an advocate. He makes no decision himself. He hands down no order.

Mr. ALLEN. I yield 20 minutes to the distinguished Senator from Ohio (Mr. TAFT).

The PRESIDING OFFICER. The Senator from Ohio.

Mr. TAFT. I thank the distinguished Senator for yielding.

I would just like to pick up the colloquy where it left off because, I must say, I intended to talk on the bill as presently before us and not on some substitute that is apparently in the process of being constructed.

I have seen some draft language with regard to the agricultural exemption so-called, and my confusion, after listening to the distinguished Senator from Connecticut (Mr. RIBICOFF), is even greater with regard to it because apparently, as I read the language, it indicated that there would be no permission or no authority for the consumer advocate to intervene in matters relating to the setting of price of raw agricultural products; whereas what the Senator from Connecticut has just said would seem to me to indicate pretty clearly that there is a right of the consumer advocate, maintained at least in the minds of some of the supporters of the so-called compromise, for the consumer advocate to intervene in those situations.

In any event, for my own sake, I would like to say that I cannot conceive of amendments being made in the basic bill that we have before us, other than a total substitute for that bill, and I do not even go along with the House bill type of substitute to it, that I think would do away with the primary defects that exist in this legislation.

I have said before I think it would create a bureaucratic monstrosity and I believe firmly that that is the case.

I have pending at the desk, and I am not going to call up at this time, but I am going to address my remarks somewhat to, an amendment which I have introduced, No. 1648, which would take a different approach to this entire problem. It would take the approach of setting up a commission really in the tradition of the Hoover Commission studies to see if in some way the deficiencies, the admitted deficiencies, in the consideration of the consumer interests and the interests of our various regulatory agencies, could not be handled within these regulatory agencies.

My amendment is in the nature of a substitute.

Mr. President, in order to protect the interests of the consumers of America, we shold seek a plan which will assure fairness, balance, and completeness in the consideration of their interests before Federal regulatory bodies. I firmly believe that S. 707, which will create the Agency for Consumer Advocacy, will not only fail to achieve that result, but will work in opposition to such a plan.

I am pleased that the proponents of S. 707 have changed the name of the proposed agency from that of the Consumer Protection Agency to the Agency for Consumer Advocacy. The truth as to the role of this Agency and what the American consumer can expect from it is slowly beginning to become apparent. Instead of being a panacea for the protection of all consumer interests, we now see that this Agency will not protect, but rather merely advocate such interests as it deems to be of importance to consumers. As I mentioned in my July 25 speech, the Consumer Advocacy Agency will inevitably lead to minority rule in matters affecting consumers. It assumes built-in disruption of virtually all government agencies and will hinder, not help, effective representative of consumer interests within the Federal Government.

The hard fact is that consumer interest is as broad, as varied, as complex as the entire U.S. economy or the entire U.S. population. The great bulk of producers of consumer goods exists to serve an infinite variety of circumstances. What is in the interests of one consumer in one set of circumstances may well be contrary to the interests of another consumer in another set of circumstances.

Each consumer has his own needs, his own desires, his own standards of satisfaction, and the only way that our society has been able to meet those various demands is through a free and open society in which the market itself sets the standards of protection for the consumer.

We, in Congress, have recognized this fact by delegating to specific Federal agencies the responsibility for representing certain consumer interests in certain circumstances. The Food and Drug Administration is assigned to look after the consumer's interest in the safety of food and drugs.

Let us get to the matter of agricultural commodities for a minute.

I just point out the very wide and very complex technical dispute over the use of the drug Dieldrin in the feeding of cattle, something in which the consumer advocate would now come in, taking one side or another. I do not know what side he would decide was to the consumer's best interest, whether he would relate it to price or to the health and safety of the consumers, or whether he would relate it to the well-being of the farmers involved.

In any event, he certainly would not be barred by the amendment or the proposed substitute that has been discussed this morning, in the language I have seen in regard to it, in any event.

The Federal Trade Commission is charged to protect the consumer from unfair trade practices. The Securities and Exchange Commission protects the consumer in the investment of his funds and so forth. These are areas of great complexity and expertise in which it seems unlikely that the ACA with the limited staff that it is going to start with would have the skill or background to adequately assess the public interest.

To superimpose over all of this a single agency with the authority to speak for all consumers and all of their interests and in all circumstances is—I repeat—a fallacious and unworkable concept. The entire idea of speaking for the consumer interest breaks down when put into practice as a single governmental function.

This country does not need—nor should it tolerate—an agency that is legally empowered to force its subjective view of consumer interests on the many specialty agencies which are already charged with the expertise and the responsibility to protect consumers. The notion is inimical to due process, to our system of checks and balances, and our traditional aversion to any one, single, all-powerful official.

There are those who propose that the Agency for Consumer Advocacy would seek the prevention of unfair or deceptive trade practices. Now that mandate sounds familiar. Perhaps the Chairman of the Federal Trade Commission should comment on the need to have an agency with a parallel function to his agency. The proposition sounds terribly wasteful in a time when we are trying to cut back on Government expenditures. Consider also that 36 Federal agencies have already said that more than 1,300 specific types of proceedings and activities in their area would be subject to the proposed Agency for Consumer Advocacy's intervention, participation, or appeal. In addition, some agencies have acknowledged that the Agency for Consumer Advocacy could potentially intrude into everything they did.

I contend that there are already ample Federal agencies to protect the consumer's interest. The job of Congress is not to proliferate these agencies, but to see that they discharge their duties in the interest of the consumers. I have introduced legislation, amendment No. 1648 in the nature of a substitute to S. 707, which will bring the expertise of these agencies to protect the consumer interest by concentrating their role in the area of investigation and prosecution of offenses, especially those which have an effect on consumers. The adjudicatory functions of these agencies will be transferred to Administrative Law Courts for independent and unbiased judgment of the issues.

Certainly these Federal agencies are not without fault; my record already indicates that I am no defender of our regulatory agencies. Much of the criticism directed at them from a consumer standpoint may be valid.

I for one have long supported reform of our regulatory processes.

When I was a Member of the House of Representatives, I joined with the distinguished Senator from Michigan (Mr. GRIFFIN), who was then a Member of the House, in authoring legislation to reform the National Labor Relations Board.

In the Senate, I cosponsored legislation to abolish the Interstate Commerce Commission, after Professor Moore of Michigan State University demonstrated that America's consumers paid up to $7 billion a year in excess freight rates—an excess which he showed was attributable to ICC regulation.

Most recently we have seen the Consumer Product Safety Commission betray the hopes of those who envisioned it as an effective consumer champion. In at least two cases, it set matters for adjudicative hearing before it had adopted any rules of practice. Its notices, published in the Federal Register, stated that:

> Since the Commission has not issued rules of procedures, the Administrative Law Judge will determine the rules of procedures to be followed.

By allowing the Administrative Law Judge to make up his rules as he goes along, the Commission has been in clear violation of the Administrative Procedure Act, 5 U.S.C. 552. This has tainted its own proceedings, betrayed the interests of consumers who may need effective and successful litigation, and diminished the credibility of the agency.

It may also be true, as some supports of S. 707 argue, that regulatory agencies are often too close to the industries which they are supposed to regulate. The wining and dining of regulatory "watchdogs" by the interests they are supposed to control, arouses the suspicion that at times the consumer may not always be the paramount subject of concern.

But the answer to these problems lies not in the addition of another layer of bureaucracy with the power to confuse, protract and delay proceedings.

The situation calls for nothing short of a fundamental reform of the administrative process itself which will guarantee that the consumer and public interest will be the paramount consideration.

I believe that the time has come for us to separate the investigatory and prosecutory functions of the regulatory agencies from their adjudicatory functions. Such a separation would result in the most effective and efficient representation of consumer and public interests, as well as more procedural fairness for those who are regulated.

Nothing, it seems to me, is more unfair than having a commission which orders the issuance of a complaint later pass on the merits of the case. Inherent to the present system is a conflict of interest within the agency between its responsibilities as a prosecutor and a judge. This conflict of interest offends even the most basic notions of fairness and justice.

In 1610 it was held in Bonham's case that "no man shall be the judge in his own cause".

Blackstone wrote that:

> In all tyrannical governments, the supreme magistracy, or the right both of making and enforcing the laws is placed in one and the same man, or one and the same body of men; and wherever these two powers are united together, there can be no public liberty."

Montesquieu wrote that:

> There is no liberty, if the power of judging be not separated from the legislative and executive powers. Were it joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control: for the judge would be then the legislator. Were it joined to the executive power, the judge might behave with all the violence of an oppressor.
>
> Miserable indeed would be the case, were the same man, or the same body whether of the nobles or of the people, to exercise those three powers, that of enacting laws, that of executing the public resolutions, and that of judging the crimes or differences of individuals.

Many of our State constitutions have made provisions for the strict separation of powers. The Massachusetts constitution provides, for example, that:

> In the government of this commonwealth, the legislative department shall never exercise the executive and judicial powers, or either of them: The executive shall never exercise the legislative and judicial powers, or either of them: The judicial shall never exercise the legislative and executive powers, or either of them: To the end it may be a government of laws and not of men.

Madison, in the Federalist No. XLVII, stated that:

> Where the whole power of one department of the government is exercised by the same hands which possess the whole power of another department, the fundamental principles of a free constitution are subverted.

The dangers which Madison, Blackstone, the authors of our State constitutions, and the early English judges saw in unified powers are present in our regulatory agencies. The fact that judicial review constrains arbitrary actions and therefore makes them constitutional does not make this joinder of powers a desirable or responsible means of carrying out the legislative mandate for the public good.

Agency heads often read staff reports in approving the issuance of complaints and later serve as judges in the same cases. Administrative law judges can be selected so as to devote most of their time to the same regulatory agency—a type of forum shopping by agency chairmen which should not be permitted. Administrative law judges themselves have generally come from the staffs of the agencies, which presents a problem not found in U.S. district courts where the judges, despite their backgrounds, hear a wider variety of cases. There is also regular consultation between the staffs attempting to settle the cases and the members of the commission who may ultimately have to decide them. Some staff members have testified as experts at hearings and later have given informal advice on the same questions or related questions to those making decisions.

It would be just as fair for the FTC's oil structure case to be decided between directors of Exxon—wearing different hats, of course.

These problems were studied by the American Bar Association's Committee on Administrative Law. Its 1934 report stated that:

> When an administrative tribunal is charged with investigation . . . and with the preparation and conduct (through its own attorneys) of the very proceedings on which it sits in judgment . . . it is doing exactly what the experience of the ages has demonstrated to be unwise and, indeed, unworkable.

The President's Committee on Administrative Management reported in 1937 that the regulatory agencies—

> Constitute a headless fourth branch of the government, and a haphazard deposit of irresponsible agencies and uncoordinated powers. They do violence to the basic theory of the American constitution that there should be three major branches of the government and only three.

This view even won the support of President Franklin D. Roosevelt.

The committee also found:

> A temptation for the (Federal Trade) Commission to decide that it has proved its own case must be very strong, and the businessman not unnaturally resents having his rights settled by an "interested" tribunal.

This concern is echoed by the proponents of S. 707 who voice the opposite conclusion that the interest of the agencies leans in favor of business. I believe we must remove the inherent conflict of merged roles which make bias and special interests a threat to the resolution of what is best for the consumer and the public.

The Attorney General's Committee on Administrative Procedure in 1941 recommended the internal division of labor within agencies. The minority report issued by that committee adopted what I believe is the better view:

> In cases involving factual issues between the investigating or prosecuting agents of the government and private parties, the same agency should not issue complaints, prosecute the proceedings thereunder, and adjudicate the cases where there is no opportunity for the citizen to have a readjudication by an independent tribunal. . . . Here we think complete separation, with adjudication by wholly independent agencies, is normally to be preferred.

These problems were not eliminated by the passage of the Administrative Procedure Act in 1946. The continuing deficiencies were recognized in the report of the second Hoover Commission in 1955. It stated:

> The Administrative Procedure Act sought to achieve an internal separation of functions at the hearing level. The theory of separation was based on the principle that the person who investigates and prosecutes a case should not also serve as a judge. We propose that such internal separation of functions be applied to agencies themselves as well as to hearing officers. We further proposed to include in the requirement for separation of functions, certain proceedings now exempt from this requirement, such as the determination of applications for initial licenses and the validity or application of rates, facilities, or practices of public utilities or carriers, whenever a hearing is required by law."

The recommendations of the second Hoover Commission relative to the transfer of adjudicatory functions of regulatory agencies to new administrative courts were, I think, very comprehensive and very illuminating.

I ask unanimous consent that they be included in my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

PART IV. TRANSFER OF JUDICIAL FUNCTIONS OF ADMINISTRATIVE AGENCIES TO THE COURTS

The development of the administrative process has led to a substantial modification of the traditional doctrine of the separation of powers. In special areas of regulation, executive, legislative and judicial powers have been combined in a single instrumentality, but such a commingling of functions is justified only where the Congress finds that it is necessary to the effective performance of the regulatory responsibilities of the Federal Government. Our task force believes that wherever practicable there should be a complete separation of the judicial functions of administrative agencies from their other functions.

Where the proceeding before the administrative agency is strictly judicial in nature, and the remedy afforded by the agency is one characteristically granted by courts, there can be no effective protection of private rights unless there is a complete separation of the prosecuting functions from the functions of decision. The latter should be transferred either to persons who do not participate in the administrative processes or to the courts. As an example, the imposition, remission, or compromise of money penalties, the award of reparations or damages, and the issuance of cease and desist orders, all of which are typical judicial remedies, should be transferred from the administrative agencies to the courts wherever this can be done without harm to the regulatory process. We feel that the Interstate Commerce Commission and the Secretary of Agriculture should be divested of authority to enter orders for reparations and damages, and we suggest that further study be made of this general problem with a view to removing typically judicial functions from the agencies in the executive branch.

RECOMMENDATION NO. 50

Congress should look into the feasibility of transferring to the courts certain judicial functions of administrative agencies, such as the imposition of money penalties, the remission or compromise of money penalties, the award of reparations or damages, and the issuance of injunctive orders, wherever it may be done without harm to the regulatory process.

Where functions performed by administrative agencies may not be readily imposed upon the existing courts of general jurisdiction, but should nevertheless be removed from administrative control, we propose that they be placed in a court of special jurisdiction, to be known as the Administrative Court of the United States. The concept of the task force was that it would serve as a trial court for such matters of special adjudication.

Our task force examined the whole field of adjudicatory functions now performed by administrative agencies and Executive tribunals for the purpose of determining which of those functions not covered by our preceding recommendation might properly be transferred to a court or courts of special jurisdiction. It concluded that there are several areas in which such transfer of functions might be made without endangering the administrative processes.

The first area is that of taxation. The Tax Court of the United States is the only strictly executive tribunal in the United States. We believe that this Court should be removed from the executive branch. It would be a legislative court comparable to the United States Court of Claims.

The second area is that of trade regulation. At present a number of agencies and executive departments attempt to enforce, through injunctive orders, statutes declaring unlawful unfair methods of competition and unfair or deceptive trade practices. Considerable confusion exists as to the jurisdiction of the various agencies and departments in this field. More uniform and effective enforcement of these laws will be gained by transferring this function to a special court.

The third area is that of labor relations where, under the National Labor Relations Act, control is presently vested in the National Labor Relations Board of five members and an independent General Counsel. The Board has investigatory powers over unfair labor practices, jurisdictional disputes, and certification of collective bargaining units. It also conducts elections to determine whether a union represents a majority of employees in an appropriate unit, passes upon and determines the certification of employee representatives, and adjudicates unfair labor practice cases. The General Counsel has final authority, on behalf of the Board, with respect to the investigation of charges of unfair labor practices, the issuance of complaints thereon, and the prosecution of such complaints before the Board.

It is not proposed that the new Administrative Court have general jurisdiction over the judicial functions of administrative agencies in any areas other than the three mentioned. We believe, however, that once it is established the Administrative Court will provide an instrumentality to which, from time to time in the future, additional adjudicatory functions in special areas might be transferred. Additional Sections of the Court could readily be established. The Administrative Court thus would serve as an intermediate stage in the evolution of administrative adjudication and the transfer of judicial activities from the agencies to courts of general jurisdiction.

RECOMMENDATION NO. 51

An Administrative Court of the United States should be established with three sections as follows—

(*a*) A Tax Section which should have the limited jurisdiction in the field of taxation now vested in the Tax Court of the United States;

(*b*) A Trade Section which should have the limited jurisdiction in the trade regulation field now vested in the Federal Trade Commission, the Interstate Commerce Commission, the Federal Communications Commission, the Civil Aeronautics Board, the Federal Reserve Board, the United States Tariff Commission, the Federal Power Commission, the Department of the Interior, and the Department of Agriculture; and

(*c*) A Labor Section which should have the jurisdiction now vested in the National Labor Relations Board by the National Labor Relations Act over the adjudication of cases involving unfair labor practices.

It is further recommended that the Congress study and determine whether the Trade Section and the Labor Section of the Administrative Court should have original or appellate jurisdiction.

Mr. TAFT. Defenders of our regulatory system point to the administrative ease of having investigatory, prosecutorial, and adjudicatory powers vested in the same agency.

But, administrative ease is not the

standards set under our constitutional framework. The genius of the American system of Government lies in the fact that the American people have procedural and substantive rights when they are confronted by their Government. These constitutional rights are not possessed solely by criminals and pornographers. Every businessman in America, as well as every consumer, and the general public have an important stake in these procedural and substantive rights.

Surely criminal matters could be disposed of with greater administrative ease if there were no need for juries, defense counsel, cross-examination or impartial judges. If the prompt execution of social policy were all that was required, every criminal suspect could be arrested, prosecuted, convicted, and executed by the sheriff, without further ado.

Yet, our regulatory agencies, for all their combined powers, are neither efficient nor effective. All too frequently they have become political boneyards and bureaucratic swamps.

The adjudicatory process has become riddled with delays and ineptitude to the point where the public interest has been eviscerated. The proposed Agency for Consumer Advocacy would only exacerbate the deficiencies in present administrative agencies. It is wisely said that justice delayed is justice denied, and the delay factor alone that is certain to result from the ACA seems sure to create further injustice, paralysis, defensiveness, and maladministration in a host of administrative agencies and departments.

In this regard, I refer to the progress of the Securities and Exchange Commission's reform efforts appearing in an article in the August 10, 1974, edition of Business Week magazine entitled, "The SEC's New Impact on Corporations." I ask unanimous consent that the full text of this article be included at the end of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

The article correctly concludes that an administrative agency need not be captivated by the subjects of its regulations and, therefore, ineffective. Instead, through proper reform, it may be made responsive to not only the goals of its statutory creation, but also to consumer interests.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **ALLEN**. I yield an additional 3 minutes.

Mr. **TAFT**. I thank the Senator for yielding.

Mr. President, the SEC is an agency demonstrating how best the public interests may be represented through thoughtful and concerned reformation. The intervention of the ACA can only have the effect of complicating and paralyzing this agency and others in the performance of their designated missions.

Every consumer in America should be concerned with the fact that regulatory proceedings have become needlessly protracted. The Federal Trade Commission's Carter's Little Liver Pill case took 16 years for disposition, and the Union Pacific-Rock Island merger is still pending at the Interstate Commerce Commission after more than 9 years of study. The central issue for consumers should be whether the Federal Trade Commission would have moved more promptly in the Carter's Little Liver Pill case had there been another agency on the scene issuing interrogatives, filing motions, filing briefs, making arguments and taking appeals? Or would the 16 years have stretched to 32?

My amendment, No. 1648, in the nature of a substitute to S. 707, would bring substantial reform to the regulatory process. Instead of adding a new layer of bureaucracy to further protract regulatory proceedings, my amendment would establish a Consumer Protection Study Commission for the sole purpose of making revised and updated recommendations relative to the desirability and feasibility of transferring the adjudicatory, licensing, and rulemaking function of our regulatory agencies to newly created administrative law courts.

Unlike the earlier Hoover Commission, this study group would have a very limited task. It would be charged with restudying part IV of the 1955 report. It would reexamine, modify, particularize, and resubmit recommendations numbered 50 and 51 from the earlier report.

In addition, it would be the function of this new Commission to make recommendations with respect to maintaining within the agencies studied a prime responsibility for protecting the interests of consumers as they relate to the functions performed by such agencies and administrative courts. Congress could then intelligently proceed with legislation to accomplish this fundamental reform to protect the consumer interest.

Most importantly, the new commission would have to report back to Congress within 6 months from the confirmation of all members of the Commission.

All too frequently, executive reorganization has been a fiasco because it has amounted to little more than a reshuffling of executive organization charts. All too frequently, the number of bureaucrats and the amount of paperwork has not diminished. The reforms envisioned by my amendment would strike a fundamental blow for consumers who are interested in effective regulation and would provide greater procedural fairness to all interested parties.

The consumers of America are outraged by the fact that the regulatory process, which purports to benefit them, has frequently broken down. The wining and dining of regulators, the delay in proceedings, the mountains of paperwork, the armies of lawyers, and the general ineptitude on the part of some regulators would not be cured under S. 707. But a reform such as I envision would enable and force these regulatory agencies to become effective because they would be turned into advocates before impartial administrative law courts. The sloth of those who are comforted by the fact that their agencies are the judges of their own proceedings would be replaced with the necessary energy and intellectual vigor of those who must fight for America's consumers in an open court. Stripped of its adjudicatory functions, regulatory agencies would have the sole responsibility of investigation and prosecution. Consumer advocacy would be at the core of their efforts as they vigorously pursue their mandate to protect the public welfare. Instead of one Agency for Consumer Advocacy whose efforts are spread thinly over every function of every agency, each agency would be a consumer advocate in its specialty field of regulation. My proposal would assure consumer protection through specialized agencies not merely advocacy by an outside generalist.

The **PRESIDING OFFICER**. The Senator's additional time has expired.

Mr. **TAFT**. Mr. President, will the Senator from Alabama yield me 2 additional minutes?

Mr. **ALLEN**. I yield 2 additional minutes to the distinguished Senator from Ohio.

Mr. **TAFT**. At no time in history has the independence of our court system been more clearly demonstrated than these last 2 years. We need the same independence in the adjudication of regulatory agency matters. Judges are not subject to influence from the executive branch, special interests, political pressure, or bureaucratic self-dealing. The administrative law courts, which I propose, would be the purest forum to insure protection of consumer and public interests at the decisionmaking level. My proposal will guarantee consumer protection through the courts and insure vigorous investigation and prosecution of consumer issues by the agencies.

It is time for those of us in Congress who are interested in consumers to stop bamboozling them with the idea that more bureaucrats in Washington will make everything better. Nothing could be further from the truth. If we are interested in consumers, we should make our regulatory agencies effective, vigorous watchdogs, instead of hidebound bureaucracies, further obfuscated by the proposed ACA bureaucracy.

A transportation consultant once wrote to me that the ICC had 43 trillion railroad rates on file without an index. How much better off would America's consumers be with another layer of bureaucracy on top of all that?

If we are interested in reform, we should be honest enough with ourselves and with the American people to say that if the present system is not working, it will not be helped with the addition of more lawyers to file more briefs and ask for more delays. By creating a new Hoover-type commission, we can quickly call upon the best administrative law scholars in our country and find solutions to the problems of all consumers.

EXHIBIT 1

THE SEC'S NEW IMPACT ON CORPORATIONS

The securities industry today is in the worst financial straits it has seen since the early 1930s. Many Wall Streeters are fearful that commercial banks, which already have a toehold in the brokerage field, may usurp their business. So bad is the situation on Wall Street—with most smaller investors completely out of the market—that some underwriters and bankers are looking past the Securities & Exchange Commission, the industry's traditional watchdog, to a proposal for forming a super agency to bolster their beleaguered industry. They see a need not so much for regulatory reform—for instance, a central market—which might only contribute to further weakening of the securities industry but for a kind of giant shot in the arm for Wall Street.

In the thick of all this is a hearty, articulate man who just a year ago was a little-known Chicago securities lawyer suddenly appointed to the chairmanship of the SEC. Ray Garrett, Jr. took the job as SEC chairman just as the widening ripples of Watergate were starting to lap over the agency's doorstep. Garrett, in fact, replaced G. Bradford Cook, who had resigned amid criticism that he had mishandled a complaint against financier Robert L. Vesco. Like Cook, he vowed to carry out an ambitious program of SEC reform that had been initiated by Cook's predecessor, the flamboyant William J. Casey, now president of the Export-Import Bank.

"Casey left the pipelines clogged," Garrett says, and today, he is busily unclogging them. For Garrett, the urgent need now is to strengthen the SEC's policeman role, even while his agency copes with the longer-term Casey reforms, and to watch any developments that might lead to a radical restructuring of the SEC. Garrett's primary levers for achieving reform are the accountants and the lawyers. He is asking corporations to be more responsible in fully disclosing their financial affairs, and he wants their lawyers to share with the SEC and the public any information about a company that indicates fraud. As Garrett sees it, he is merely exercising his agency's basic franchise. What he hopes to accomplish is to help restore investor confidence in the securities of the nation's corporations.

Garrett commands the support of an aggressive staff, typified by enforcement chief Stanley Sporkin and chief accountant John C. "Sandy" Burton. Some critics say the triumvirate has exercised its authority overzealously. In any case, the hallmark of Garrett's administration has been rapport with his staff. He runs the agency on a consensus basis. "There is," says a 20-year staff veteran, "more a feeling of mutual trust between this chairman and the staff than with any other commission I've known."

NO GREAT CHANGES SOON

The 54-year-old Garrett, mostly a pragmatist, voices doubts that any far-reaching SEC reforms are likely soon. As he recently told the Securities Industry Assn., "All the industry has now is us, and all we have, in addition to our personnel, are the present statutes that we administer."

Yet many of the top people in the securities industry want the SEC to give them a big helping hand—right now. If it does not, they say, the agency should be supplemented or replaced with entirely new institutions better equipped to help Wall Street perform its essential task of providing capital to U.S. business.

Last week, an ad hoc committee of underwriters and bankers headed by Salim L. Lewis, senior partner of Bear, Stearns & Co., met with Treasury Secretary William Simon and other Presidential advisers to press for the creation of a super agency in the executive branch that would coordinate all governmental policies, including those of the SEC, that bear directly on the health of the markets. John C. Whitehead of Goldman, Sachs & Co., former chairman of the Securities Industry Assn., would go even further. He proposes that the SEC be replaced outright by a more benevolent agency to be known as the Federal Capital Markets Board, patterned somewhat after the Federal Reserve Board. The new agency would have power to do something that the SEC today is neither authorized nor structured to do: to lend government money to bolster faltering brokerage houses.

SEC statutes empower the commission to protect investors against fraud in the markets and to require registration of public offerings, with full disclosure of corporate business and financial affairs. Last week, for example, the SEC sued Mattel, Inc., for allegedly issuing false financial reports and press releases and overstating its earnings for the year ended Feb. 3, 1973. Mattel consented to the SEC's charges without admitting or denying guilt. The laws also require securities exchanges and the National Assn. of Securities Dealers to submit to SEC regulation. Under legislation now pending in Congress and endorsed by Garrett, the SEC's authority in these areas would be strengthened and made more explicit. But, despite the ferment in the industry, the commission's basic mission would not be changed.

Garrett has experience carrying out that mission. A former SEC staffer, he was director of corporate regulation in the 1950s. As chairman, he listens closely to the staff. "With him," says another staffer, "you put in your five cents' worth and pretty soon it's a dollar."

The staff orientation of the SEC does not stop with Garrett. Two of his fellow commissioners also are former staffers: Irving Pollack, former enforcement chief, and Philip A. Loomis, Jr., former general counsel. The remaining commissioners are A. A. Sommer, Jr., a Cleveland securities lawyer, and John R. Evans, former minority staff director of the Senate Banking Committee.

AGGRESSIVE STAFF WORK

Among the 1,920-man staff serving the commission, no one stirs more public controversy than Sporkin, the 42-year-old enforcement director who is known to Wall Street as a tough cop, and Burton, the agency's top accountant, who has forced sweeping changes in what corporations must disclose about their finances. Both have come to be as well known to the business world as Garrett himself. Burton, who is portly and affable and even resembles Garrett, is a former Columbia University accounting professor who has been with the SEC only 2½ years. Sporkin is an intense, combative, restless SEC veteran of 13 years on the staff.

The program that Garrett and his staff are pushing would:

End fixed minimum commissions on the stock exchanges by May 1, 1975, in favor of negotiated rates. The goal is to spur competition among brokers. Though Wall Street already has started to adapt to this requirement, many brokers fear that it will lead to lower revenues and will only worsen the industry's financial difficulties, which have recently become so acute—in the official NYSE view, at least—that the Big Board plans to apply for an increase of up to 10% on most commissions, pending next year's introduction of freely competitive rates.

Establish a central market system, including a consolidated ticker tape for all trading in listed stocks and an automated quotation system for bid and asked prices. The aim is to abolish exchange trading monopolies by forcing exchange members into competition with all other dealers.

Require companies to make fuller disclosure in financial reports and force company lawyers and accountants to acknowledge that they have a broad responsibility to the public as well as to their clients. Under certain circumstances, the SEC insists, when a client may be committing fraud and refuses to accept his lawyers' advice to desist, the lawyers have a duty to resign the account and to notify stockholders or the SEC.

But many in the securities industry argue that Garett's prescritpions will do more harm than good. They point to the preciptous plunge in the financial fortunes of Wall Street, with more than 150 NYSE brokerage houses having merged or gone out of business. Not only will competitive rates for brokers further depress revenues but, they fear, the industry will not be able to afford to install and operate a new automated market system. Moreover, they insist, the SEC's toughened enforcement policies are giving securities dealers and corporate management an intolerably bad image, driving even more investors away.

Paul Kolton, chairman of the American Stock Exchange, says of the Garrett program: "Events have moved quickly because of economic conditions, and concern focuses elsewhere. The central stock market idea came in an entirely different environment. Today we must address ourselves to other priorities—the capital-raising programs of business and the market liquidity."

"It is a lousy market," Garrett agrees. "We are caught up in the cycle of the ages. Inflation, depression, and equity market collapse are the significant threats, more significant than the central market. But they are problems beyond the SEC's jurisdiction."

Also beyond the SEC's jurisdiction is a force that is feared by the regulators and the regulated alike: competition from the giant commercial banks. Despite a popular misconception, the Glass-Steagall Act of 1935 did not bar banks completely from the securities business. Banks retain the legal right to act as stockbrokers for customers, and they constitute the largest group of underwriters in municipal bonds.

THE THREAT FROM THE BANKS

In the past few years, the banks, which see themselves as the ultimate "financial shopping centers," have become more aggressive. They have begun to push their brokerage services through automatic dividend reinvestment plans and stock purchase programs for account holders.

Next year, Congress may reexamine the whole question of limitations under the Glass-Steagall Act. Most likely, the basic restriction—that banks cannot do any underwriting of corporate securities issues—will remain unchanged. But even with the act as it stands, banks have many advantages over brokerage houses in a securities business. Their branches are everywhere, and the checking account and loan services they offer make them centers of business life.

Garrett recognizes the threat that banks pose to the existing securities market. "After all," he says, "you reach a point where you can no longer deny a business to those who have the capital and the resources to carry it out."

BUT NO SPECIAL BREAKS

Despite such formidable challenges to the industry's very existence, Garrett discourages any expectation that the securities business will get any breaks from his agency. "We are primarily an enforcement agency, with the responsibility to police fraud in securities transactions," he reiterates. And he denies that his agency's enforcement actions "have measurable negative effects on the ability of business to raise capital."

However, many in the securities industry feel that it is time for the SEC to weigh economic realities more heavily in its regulatory activities. "You have to consider the SEC's mentality," says a vice-president of a major brokerage house. "They are mainly lawyers, and they approach our problems from the fairness side of the picture—the SEC was born out of the need to create fairness in the markets, under the notion that if everything was fair, everything would work out. What we need now is an institution that can weigh questions of equity against questions of efficiency and economics."

Whitehead of Goldman Sachs put it this way in a recent letter to Garrett: "I would ask you to consider whether it is not a fact that the conditions that created the SEC in the 1930s have not changed—changed, in fact, by exactly 180 degrees. Investors no longer invest without information; they have available to them a tremendous array of facts. ... Security prices are no longer artificially inflated; they are at all-time lows. The boiler-room operation no longer exists in our industry; securities dealers generally perform with pretty high standards."

Garrett says that the commission has no official view on Whitehead's proposal for a capital markets board. "We have been devoting our thoughts to what we can do with what we have," he explains. The industry, he adds, is seeking "mercy, not justice."

As for the idea of creating an executive superagency to coordinate the activities of all government agencies that deal with problems of the capital market, he says, "I would like to see the government give all the attention it can to this." But he then asserts the independence of regulatory agencies from the executive branch. "We [the SEC] could not commit ourselves to follow the instructions of outside people."

Even so, Garrett and his staff have not closed their minds about the securities industry and its problems. Garrett encourages lively staff dialogue. Shortly after he became chairman, he took the commission and its top staffers to the Bedford Springs Hotel, a resort hotel in Pennsylvania, for three days of brainstorming on the agency and its role. That had never been done before. The Garrett regime has also adopted a regular feature of informal "brown-bagger" lunches in the chairman's inner office, where Garrett, his fellow commissioners, and a staff man or two informally discuss regulatory strategy in "an atmosphere of intellectual insubordination," as one staffer puts it.

STANDARDS FOR LAWYERS

Perhaps no strategy has caused so much heated discussion at such sessions as the SEC's moves in the past two years to hold lawyers liable in some instances when their clients run afoul of the securities laws. Lawyers have been charged with negligence or with aiding and abetting fraud. In a 1972 landmark case against National Student Marketing Corp., the SEC also named two prestigious law firms as defendants, declaring that "the task of enforcing the securities laws rests in overwhelming measure on the bar's shoulders." That concept, says Sporkin, "marks a great revolution in SEC enforcement."

Technically, registration statements filed with the SEC do not require lawyers' opinions on the legality of securities issues. The statutory requirement is the names and addresses of any attorneys who gave such opinions to their clients. However, as Commissioner Sommer points out, lawyers nowadays are "the field marshals" of many transactions involving securities. And it is an established doctrine of the courts that lawyers—and accountants, too—have professional responsibilities to the public as well as to their clients. A phrase that Sporkin and his staff never tire of repeating comes from a 1964 federal court decision in a securities fraud case: "In our complex society, the accountant's certificate and the lawyer's opinion can be instruments for inflicting pecuniary loss more potent than the chisel or the crowbar."

Before the National Student Marketing Corp. case, lawyers had been named in suits by the SEC, but only in their capacity as corporate officers or directors. With the NSMC case, however, the SEC lobbed a bombshell into the legal profession's ranks. Along with the company and some of its officers, directors, and accountants, the agency named as co-defendants the New York law firm of White & Case, which was NSMC's counsel, and Chicago's respected Lord, Bissell & Brook, representing Interstate National Corp. in a merger with NSMC.

The two law firms were charged with approving the closing papers in the merger when they allegedly knew that NSMC's public financial statements, in which the merger relied, were substantially incorrect, painting a picture of profitable operations when there actually was a loss. NSMC signed a consent decree, without either admitting or denying guilt, but the law firms denied the allegations against them and are going to court. The case is in the pre-trial stage.

The SEC's action worries the legal profession, especially as a threat to the lawyer-client relationship (box, page 102). Says one lawyer, "The SEC has set the dangerous precedent of second-guessing professionals by light of hindsight." Even some SEC staff members feel that attacks on "white knight" law fiirms that investors have come to respect could backfire.

But Sporkin feels strongly that all attorneys in securities practice must take full responsibility for notifying the SEC when their clients commit fraud, unless they can put a stop to it privately. As a practical matter, more and more law firms that get into major squabbles with clients over possible fraud and that resign the accounts are notifying Sporkin's office to clear themselves.

SWAY OVER ACCOUNTANTS

The SEC has a firmer statutory hold over public accountants, the other professional group that it says must serve the public as well as the client. Securities law requires that "independent public accountants" certify the financial reports filed with the SEC and mailed to stockholders under proxy rules. Stock exchange rules also require certification of annual reports. And the law gives the SEC sweeping authority over the form and contents of reports and over the accounting principles that companies use.

Over the years, the SEC has in effect delegated its authority to establish accounting principles to the profession itself. But the profession has come under increasing fire for allegedly dragging its feet on stiffer accounting rules out of deference to corporate executives who like to "massage the figures." Accountants live in fear that the SEC will snatch back its authority from the profession's own rulemakers. This fear has reached new heights during Burton's tenure as SEC's chief accountant.

One dramatic measure of Burton's activist approach is that during his 2½-year tenure he has issued 20% of all the Accounting Series Releases—the SEC's statements and rules—that the agency has promulgated over its 40-year history. Burton has been careful not to make rulings immediately before the profession's own Financial Accounting Standards Board acts on a point—"I believe the determination of proper business accounting can best be made in the private sector"—but he has prodded accountants toward reform.

For example, he has questioned the counting of land developments as sold when the promoters hold only unenforceable installment notes and have not completed promised improvements on the land. In a package of reforms expected to be adopted soon, he wants companies to disclose their accounting procedures in detail and to explain the reasons for any changes, plus restating new income figures as if the changes had not been made. He wants to discourage companies from "managing" their earnings by switching accounting methods.

"Some people laugh when I say this, but I don't think we've taken huge steps," Burton says. "We're not trying to dramatically change the basic framework."

There are people who neither believe Burton nor are laughing. They can be found at some of the five major accounting firms named by the SEC as co-defendants in fraud cases or censured by the agency for unprofessional conduct. The charges have ranged from "poor accounting judgment" to "deficiencies in audit work in the presence of a bribe."

CONGRESS TAKES A HAND

Whatever the trend of debates among the regulated about the course that SEC is following, the commission and its staff are ultimately answerable chiefly to Congress. As an independent regulatory agency, it is in fact an arm of Congress. And so far, its activist policies are winning applause at the Senate Banking Committee and the House Interstate & Foreign Commerce Committee, the two groups that oversee the SEC.

"I do not view the SEC's job as being to represent the securities industry's interests," says Senator William Proxmire (D-Wis.), who next year becomes chairman of the Banking Committee. "I know that industry people think it is. I think Garrett is an extraordinarily capable man, and I'm very impressed by the commission. It is one of the strongest we've ever had, from a public interest standpoint, in my 17 years in the Senate."

Representative John E. Moss (D-Calif.) also thinks that the Garrett SEC is "a very competent body." He has deep reservations about proposals to replace the SEC with a new agency or to interpose other agencies between the SEC and those whom it regulates. Moss is the sponsor of a bill to make the SEC even more independent and powerful without altering its existing role.

Under the Moss bill, a companion to a bill that has already passed the Senate, the commissioner whom the President designates as chairman would be guaranteed a full 5-year term as chairman instead of holding the title "at the pleasure of the President" as he does now. It also empowers the SEC to force exchanges to police their own rules for members, and it gives the SEC explicit authority to supervise the creation and operation of the central market. Says a Moss aide: "Our bill gives the SEC a mandate to say who is to be in and who is to be out of the central market. It is a very broad grant of direct authority over some very ticklish matters." In Garrett's view, the SEC already has that power, but he and his fellow commissioners fully support the Moss bill.

Thus, after 40 years of federal securities regulation, Congress clearly wants the SEC to have more, not less, power. The SEC's critics can take scant satisfaction from the fact that the current reform legislation has not passed Congress. Indeed, should Congress fail to pass these reforms, the possibility that it would ever pass more radical proposals is made even more remote. And since the Supreme Court has traditionally been reluctant—and in practically all cases has downright refused—to second-guess expert regulatory bodies on their decisions, Garrett and his activist commission are not likely to be forced from their present course.

ANGRY LAWYERS BLAST THE SEC

Monroe H. Freedman, dean of New York's Hofstra University Law School and a controversial civil libertarian (he is not a securities lawyer), has accused the SEC of employing enforcement practices "that are probably unparalleled in our jurisprudence for their open violation of basic rights." These include, he charges, intimidating witnesses, pressuring business associates to use separate counsel, and failing to warn those who are targets of investigation. He does not spare the bar. Because "the whole professional training" of the securities lawyer "is directed toward caving in," Freedman declares, "there has been a complete failure of the securities bar adequately to represent the people being regulated."

The SEC flatly denies pursuing a policy of harassing the legal profession. Martin Lipton, a prominent New York securities lawyer and partner in Wachtell, Lipton, Rosen & Katz, says there is no evidence that the commission follows any policy of violating the rights of those being investigated.

But, talking with top securities lawyers in New York, Business Week finds that, whether or not the charges are valid, the SEC has engendered, in attorney Kenneth J. Bialkin's phrase, "a climate of fear" within the securities bar. Bialkin, a partner of Wall Street's prestigious Wilkie, Farr & Gallagher, and chairman of an American Bar Assn. securities committee, is one of the leaders in a fight against a recent SEC proposal that all disciplinary proceedings against attorneys be public.

PRESSURE TO COOPERATE

The proposal for public disciplinary hearings is significant because, in the view of many lawyers, it is another step in the SEC's steady pressure on the attorney to cooperate with the commission's staff rather than litigate all-out on behalf of a client. According to Bialkin, there are no concrete standards to guide the SEC; it can discipline attorneys for "unprofessional conduct," a vague charge that can encompass simple noncooperation and even devotion to client.

Indeed, one of the current horror stories making the rounds of the securities bar is the case of securities lawyer Joseph Churvin, who was attending a Washington meeting at the SEC to discuss a forthcoming investigation of a client. Within minutes after refusing to disclose the contents of conversations he had had with witnesses in connection with his client's case, Churvin was handed a personal subpoena. Staff members threatened to have him "sequestered"—removed from the particular case on the grounds of conflict of interest—and reminded him that his primary duty was to the commission, not the client. Ultimately, the subpoena was quashed and Churvin continued to represent his client. According to Robert Smith, who represented Churvin before the commission and was formerly his law partner, senior SEC officials conceded privately that the staff had acted improperly.

The problem of professional conduct worries lawyers because of changing SEC standards. According to Louis Lowenstein, partner in New York's Nickerson, Kramer, Lowenstein, Nessen, Kamin & Soll, the SEC's conventional position was that it could not bring proceedings against an attorney unless he was active in a conspiracy to defraud. Now says Lowenstein, the SEC is pursuing a "turnstile theory": In other words, if a lawyer signs a prospectus, proxy statement, or other material that is made public, and the material turns out to be fraudulent, the lawyer may be held accountable even if he was ignorant of the fraud. To protect himself, the lawyer must therefore treat his client as an adversary.

Lowenstein agrees with the SEC that the lawyer cannot deliberately look the other way while fraud is being committed, but he questions how far attorneys must be required to go in investigating their own clients.

THE GREATEST FEAR

This is where the uncertainty and the fear are greatest. The SEC, as one lawyer has put it in pointed exaggeration, "is expanding the definition of fraud daily." The bar does not want to be caught on the wrong side of a constantly moving line. Even those who completely support the thrust of the SEC's enforcement policies argue, like Martin Lipton, that a lawyer should not be "second-guessed for making a good-faith decision, even if it turns out to be wrong."

As a result of the SEC's enforcement position, many lawyers are beginning to extricate themselves from their clients' affairs, pushed to some degree by the fact that insurance companies are canceling liability insurance for securities practitioners. Several law firms have stopped signing "closing certificates" required in registration statements and are letting corporate treasurers sign them instead. And the companies that issue such statements, the new companies and shaky old companies that most need new capital, are precisely the ones that attorneys want least to do with these days.

Many attorneys privately state their belief that the SEC policy, rather than leading to more disclosure, will ultimately lead to less, either because lawyers will simply withdraw from active involvement or because corporate clients themselves will learn that it is imprudent to reveal too much to a lawyer who may have an obligation to tell all to the SEC.

Mr. RIBICOFF. Mr. President, I yield 5 minutes to the Senator from Maryland.

AMENDMENT NO. 1746

Mr. BEALL. Mr. President, I call up my amendment No. 1746.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 63, line 5, immediately after the period, insert the following: "Each Federal agency shall issue rules determining the circumstances under which the Administrator may be allowed to make simultaneous submissions under subsection (b)."

Mr. RIBICOFF. Mr. President, I ask unanimous consent that if this amendment is adopted, it be keyed into the substitute proposal in renumbering the section.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, according to the report of the Committee on Government Operations, a major difference between the 1972 Consumer Protection Act and S. 707 is that the present legislation does not require regulatory agencies to allow the ACA to participate in their informal activities simultaneously with others, page 4. Indeed, the report indicates that the express purpose of the committee amendment to section 7(b) was to clarify this issue.

However, I have read the committee amendment to section 7(b) with great care and it is extremely difficult for me to see how the adopted language clarifies the position of the Government Operations Committee. I cannot see how it is clear from this language that it is the Federal regulatory agency, rather than the Administrator, which has the authority to determine when the Administrator's submissions may be simultaneous with that of other parties, and when they may not.

Hopefully, the amendment I am offering will make it explicit that it is the regulatory agency which is granted authority to determine when the Administrator may present material in informal agency activities.

I fully realize that this intent may be clear in light of the Government Operations report. However, this matter involves a vast number of agency activities which may become the subject of ACA intervention. I feel, therefore, that an issue of this magnitude should not have its resolution rest on an interpretation of legislative history, but rather should be contained in the clear and explicit language of the bill itself.

I would therefore urge that this clarifying amendment be supported by the full Senate, as we have supported its intent by adopting the Government Operations amendment to section 7(b).

Mr. RIBICOFF. Mr. President, this is a good amendment, and it has the approval of the managers of the bill. I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

Mr. BEALL. I thank the Senator from Connecticut, the manager of the bill.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Senate has passed the following bill and joint resolution in which it requests the concurrence of the Senate:

H.R. 15540. An act to extend for 1 year the authorization for appropriations to implement title I of the Marine Protection, Research, and Sanctuaries Act of 1972;

H.J. Res. 1070. A joint resolution authorizing the President to proclaim the period of September 15, 1974, through October 15, 1974, as "Johnny Horizon '76 Clean Up America Month"; and

H.J. Res. 1105. A joint resolution designating August 26, 1974, as "Women's Equality Day."

ENROLLED BILL SIGNED

The message also announced that the Speaker has affixed his signature to the enrolled bill (S. 2510) to establish an Office of Federal Procurement Policy within the Office of Management and Budget, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. Harry F. Byrd, Jr.).

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were read twice by their titles and referred as indicated:

H.R. 15540. An act to extend for 1 year the authorization for appropriations to implement title I of the Marine Protection, Research, and Sanctuaries Act of 1972; to the Committee on Commerce; and

H.J. Res. 1070. A joint resolution authorizing the President to proclaim the period of September 15, 1974, through October 15, 1974, as "Johnny Horizon '76 Clean Up America Month"; to the Committee on the Judiciary.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. ALLEN. Mr. President, I yield 15 minutes to the distinguished Senator from Idaho (Mr. McClure).

Mr. RIBICOFF. Mr. President, I had promised Senator Hart that he would be next.

Mr. ALLEN. If it is all right with the distinguished Senator from Idaho. After the remarks of the distinguished Senator from Michigan, I will automatically yield 15 minutes to the distinguished Senator from Idaho (Mr. McClure).

The PRESIDING OFFICER. How much time is yielded to the Senator from Michigan?

Mr. RIBICOFF. Fifteen minutes.

Mr. HART. Mr. President, much has been spoken over these many days with respect to the desirability of adopting the Agency for Consumer Advocacy. Much has been spoken over these many days in opposition to the proposal. I am not satisfied that anything I am about to say will suggest any new or even mildly undeveloped considerations, but let me try.

Congress can guarantee an important protection of consumer rights by enacting S. 707, the Agency for Consumer Advocacy Act. The bill creates an independent agency to represent the interests of consumers before other Federal agencies and courts, and to develop and disseminate information of consumer concern. The need for bolstering consumer protection is obvious; it is plainly written in the mass of evidence that I have seen as a Senator and member of the Commerce and Judiciary Committees, evidence describing the systematic and widespread abuse of consumers in both the public and private sectors.

The consumer now demands more protection from his government than ever before. These demands are fueled by economic and technological forces which have reduced his ability to protect himself.

Is that a fair demand? I think so. Economic and technological forces have reduced my ability to protect myself in the marketplace. The concentration of corporate power which has reduced competition and induced the consumer's sense of powerlessness, the sophistication of modern advertising techniques, and the technical complexity and abundance of consumer products greatly increased the scope for deception, fraud, and injury to the consumer. A wide gap has opened between the purchasing skill and knowledge of potential risks on the part of the consumer and the selling skill and technological sophistication of the manufacturer.

The need for creating a Consumer Protection Agency, with the powers and, importantly, the limitations provided by S. 707, is therefore clear. The major concerns voiced in opposition to S. 707 must be carefully considered. This is emphatically true in my view because these concerns, often vehemently expressed, are unsupported in a careful reading of this intricate bill.

One question frequently asked by critics of the ACA is, why create a new agency when we can reform existing ones? Revitalize our Federal regulators, they urge; if bureaucrats bend to the will of the special interests, fire the regulators. That argument has an appeal, but it is an appeal only to those who are unknowledgeable about the structure of our Government. S. 707 is not predicated on the venality of Federal officials. Instead, it tries to repair a structural flaw in the regulatory process which has far greater influence on agency behavior than the character flaws or virtues of their staffs. I am speaking of the advocacy gap in the Federal regulatory system.

The regulatory process is heavily premised on the operation of an effective adversary system of representation and advocacy for just and equitable results. This premise is seriously flawed practice. There are nearly 8,000 practicing lawyers in Washington, D.C., whose daily absorption is directly or indirectly to obtain what their clients desire from the agencies and their political environments. Yet, less than 50 full-time professionals represent the public. The result is that while the clamor of advocacy by special interests before the agencies gives the appearance of democratic pluralism at work, in fact a growing number of unrepresented interests suffer from an advocacy gap.

In making this comment about the 8,000-odd lawyers, many of whom are at work at this moment advancing aggressively, as they should, the causes of their clients, I add that their undertaking is certainly not dishonorable. It is the nature of their profession—our profession, many of us. It is one that is rewarding monetarily and professionally satisfying. But it does distort the fact. It does suggest that there is at work a give and take in agency decisions which will assure the long-term best interest of the public being identified and protected.

Well, that is not, Mr. President, what any one of those 8,000 lawyers is responsible for or being paid for. It is to advance a particular interest in front of that agency for the fellow who pays his fee.

Again, as a lawyer, I did it. I make no apology for it. But I hope I have not suggested that when I arose before a State Public Service Commission, I spoke for the interests of the citizens of the State. I spoke for the interests of the carriers.

Take, for example, the food inspection agencies of the Department of Agriculture. When there is no countervailing pressure from consumers, the constant hammering of industry complaints—about the effect of inspection on their profit margins, about the alleged hostility of individual inspectors, about the lack of uniformity in inspection—becomes a war of attrition on the objectivity and publicmindedness of top inspection officials. In this context, the regulatory official's claim that he is competent to protect the public interest without help from consumer advocates is a frail reed for the consumer to lean on. Regulatory officials, after all, live in a political world. Like politicians, they are not immune to seeking shelter from tough decisions by looking to see where the consensus lies. Yet, unlike politicians, their role is largely passive. They cannot go out and drum up popular support for an issue. They more frequently respond to those organized interests who knock on their door.

Rodney Leonard, a former Administrator of the Consumer and Marketing Service in USDA, has stressed that the absence of consumer advocacy was the greatest single barrier to effective consumer programs in USDA. Speaking of his former colleagues, he notes that they respond to pressure. They look at Congress, they look to see how much the Congress appropriates for various programs, because it is a signal to them as to what the consensus is. They look to their department secretary to see what he does. They look to the White House to see what pressures it brings. They are constantly bombarded by various interest groups. For a remedy, he urges "increase the pressure from the consumer sector." "The Secretary of Agriculture," he states, "is a Secretary not of farmers, but of food policy. The problem is he is not being subjected to the pressures from the whole spectrum."

As long as the advocacy gap in the agency's decisionmaking remains unaffected, it matters relatively little whether the agency is directly accountable to the President, or quasi-independent; or whether there is one commissioner or collegial rule; or whether rulemaking or case-by-case adjudication is dominant; or even whether the agency's delegated missions and goals are formulated loosely or with "strict guides, checks, and safeguards." As Roger Cramton, formerly chairman of the Administrative Conference, has said:

> The cardinal fact that underlies the demand for broadened public participation is that governmental agencies rarely respond to interests that are not represented in their proceedings. And they are exposed, with rare and somewhat insignificant exceptions, only to the view of those who have a sufficient economic stake in a proceeding or succession of proceedings to warrant the substantial expense of hiring lawyers and export witnesses to make a case for them.

Robert Pitofsky, who directed the FTC's Bureau of Consumer Protection from 1970 to 1973, came to a similar conclusion:

> The consumer's interest is fragmented and grossly under-represented in ordinary agency regulatory business. Week in and week out at the FTC, there were large numbers of experienced and highly competent business representatives in my office, and the offices of commissioners and other staff members, urging views consistent with the varied interests of their business clients . . . the ratio of impact by business representatives compared to consumer representatives—taking into account the numbers of people seen, time spent in discussion or negotiation, experience of representatives, and so on—is probably in the order of over 100 to 1 . . . In vast areas of commission regulatory activities, no consumer input was ever felt by any Commissioner or staff member to my knowledge.

That is a—I was going to say a harsh criticism, but that is not the correct description. That is a pretty blunt recital of the time, thought, and allocation of resources as between the public interest and the special interests, from an agency that, over the years, has been thought to be one of the more sensitive in this town.

This extraordinary imbalance of representation means that an agency, to be fair, must not only consider the claims of organized interests, but also the claims that might be advanced on behalf of individuals and groups not represented before them. This they have failed to do. Indeed, in the order of over 100 to 1 in certain particulars, this they have failed to do. That is why the Agency for Consumer Advocacy appears to me to be necessary and desriable. I hope that when the vote occurs later today, we will be permitted, as a result of it, to proceed to the adoption of the bill and, hence, the creation of the Agency.

I yield back the remainder of my time.

Mr. ERVIN. Mr. President, I yield 15

minutes to the distinguished Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, my remarks are not at this time directed toward the issue of cloture, but toward the fundamental precepts of this legislation. I think we can argue, and will later, concerning the merits of cloture at a time when a major substitute is still being drafted, as was brought out just a moment ago in my colloquy with the Senator from Connecticut, that some of the language in that substitute has not yet been worked out, and yet we will be asked today for a vote to close off debate on major legislation upon which we have had no notice, and no opportunity to look at the details of that legislation.

I am increasingly concerned about attempts to create Government agencies responsible to no one but themselves—a fourth branch of the Government, so to speak. These are agencies which would not be accountable to the executive branch in whose domain they would lie or in any meaningful sense to the legislative branch which created them. And with the broad enforcement powers at their disposal, the traditional avenues of the judiciary are avoided.

Perhaps this phenomenon is an outgrowth of the regulatory agencies: Perhaps not. Yet, I think you could probably trace the gradual shift from yesterday's "regulation" to today's "advocacy." In any event, it reached its zenith most recently when Congress authorized creation of a Legal Services Corporation accountable to no one. And now, immediately upon its heels, we have before us the Agency for Consumer Advocacy.

A letter from the Director of the Office of Management and Budget to Senator ERVIN clearly expresses the official concern of the executive branch. Mr. Ash wrote:

> The Administration strongly opposes the establishment in S. 707 of a fixed term of office for the CPA Administrator, a term of four years co-terminous with that of the President. Such rigidity and insulation from the authority of the President, for what the bill itself terms a "non-regulatory agency" would be not only unprecedented for a purely Executive agency but also highly inappropriate and detrimental to the proper functioning of the Executive Branch of which CPA, of course, would be a part . . .
>
> (The bill) would mandate simultaneous submission of all CPA budget estimates and legislative recommendations and testimony to the Office of Management and Budget and to Congress. These sections would in effect prohibit requiring CPA to participate in the process through which other agencies may review prospective legislative proposals and would short-circuit the normal fiscal review process that all executive agencies undergo.

The dangers to the legislative branch are twofold: First, the Constitution contemplates that Congress will be responsible for the agencies it creates and will exercise a legitimate oversight function in reviewing their porfarmances. To facilitate this responsibility, Congress created the General Accounting Office as an investigatory facility to help us determine whether existing agencies are, in fact, acting in the public interest as they are charged to do in the preambles of the statutes creating them. Now, we find that this fourth branch of Government, this Agency for Consumer Advocacy, is to assume our oversight responsibilities for us. Moreover, it will not merely review whether or not Federal agencies are acting in the public interest, but whether they are acting in the consumer's interest as well.

Second, the ACA would be as the minority report points out:

> Free of any control and responsibility. Until fiscal year 1977 when new authorizations must be sought from the Senate Committees on Government Operations and Commerce, it answers to no one but its appropriations committee whom it is authorized to lobby along with other Members of Congress.

Finally, I must point out that not even the judicial branch will have the authority to curb the power of the ACA. No one can challenge the Administrator's determination that his involvement is in the consumers' interests. It is not reviewable in court by anyone.

Independence from improper or illegal pressure is, of course, fine and necessary for the proper functioning of an independent agency. But independence from legitimate executive direction is not sound, responsive government. Instead of deterring political pressure, it would actually encourage it.

The inherent dangers of this sort of legislation are beginning to be understood throughout the country. I have received dozens of letters opposing the bill from individuals in Idaho, many of them small businessmen. One of the most interesting letters was written by Robert E. Vaughan, director of promotions and research, for the Idaho Statesman, Idaho's largest daily newspaper.

He states:

> Just a short note to express my appreciation for your very strong stand against the Consumer Protection Agency bill now pending before the Senate.
>
> We in Idaho feel that the Consumer Protection Division of the Attorney Generals office is effective enough and is being strengthened enough to work in behalf of the Idaho consumer.
>
> I do not believe that government officials in Washington, D.C., have special or superior talents which allow them to be able to direct and police all of the agencies involved in federal government any better than we here in Idaho can do it ourselves. Again thank you very much for your position in strongly opposing this legislation.

Now that is a rather courageous statement, coming as it does from a newspaper which more often supports the policies of the liberal establishment. And it raises still another question regarding the effect of this legislation on sound government. What about State consumer protection programs? Are we really prepared to say again that the Federal bureaucracy is better equipped to deal with consumer problems than those charged with the responsibility on the local level?

Under our Constitution, checks and balances were prudently provided so that no one branch of Government would have undue authority. This legislation just plain upsets the balance, and I will not support a bill which so clearly undermines the Constitution.

Mr. President, the Idaho Statesman is not the only business in my State which opposes the creation of a Federal consumer agency. Recognizing that there are already nearly 50 Federal agencies serving various consumer interests, the people of my State are quite strong in their opposition to this legislation. I would like to conclude my remarks by bringing to the Senate's attention a few of the dozens of letters I have received in opposition to this legislation. I believe these letters clearly indicate that the opposition cuts across all social and economic lines.

I have a letter here from a radio station in Idaho which states:

> I know that you are aware of S.B. 707 (the so-called Consumer Protection Agency bill) which will be coming up for vote in June or early July.
>
> This short note is to let you know that I support your opposition to this new proposed infringement on our free market system. With all of the present consumer laws already on the books (both federal and state), the creation of another branch of government to "protect" this country's consumers makes no sense what so ever.
>
> In addition, if this new agency was created its probable operating budget would almost certainly add to the inflation that is already out of hand.

A letter from the North Bench Grange No. 356 states as follows:

> The members of North Bench Grange No. 356 back the National Grange in their opposition to the Consumer Protection Act (S. 707) and urge you to support Ervin and Allen, Senators, and others in their effort to prevent enactment of this dangerous legislation.

A letter from a small community chamber of commerce, the Gooding Chamber of Commerce:

> As President of the Gooding Chamber of Commerce, I urge you to oppose the passage of S. 707, dealing with the establishment of a Consumer Protection Agency.
>
> We feel that S. 707 and HR 13163, would grant excessive powers to CPA to obtain information from businesses; make the obtaining of agency regulatory decisions even murkier than they are now; and place an undue paperwork burden on many businesses.
>
> In my capacity as the branch manager of a bank, I am very familiar with the tremendous paperwork and documentation load placed upon businesses (banks in particular), by government. It is very costly in terms of the expenditure of money and resources, to constantly feed the analytical and investigative agencies of the local, state and federal government.
>
> Your help in defeating S. 707 would be appreciated.

A letter from the Idaho Motor Transport Association:

> We have been appraised of Senate bill 707, a consumer protection oriented piece of legislation that disturbs me and the members of the Idaho Motor Transport Association.
>
> As you are well aware, our industry is probably the most regulated type business in the United States; regulated by the Interstate Commerce Commission, Department of Transportation, OSHA, state regulatory bodies and many others. We are regulated as to where we can operate, what we can transport, the rates we can charge and the many, many rules and regulations regarding employee hiring, firing and equipment safety, sizes, weights, etc. Practically every facet of our doing business has to be approved by some board or commission both Federal and state.
>
> It appears Senate Bill 707 will only create another Federal agency designed to further restrict the free enterprise system.

It is time industry be given some consideration and protection rather than adding more problems to an industry already overburdened by Governmental control and intervention.

As a private citizen I feel I have protection but I am becoming concerned that I am being protected to destruction by Federal bureaucracy.

Your assistance in supportng an extended floor fight by participating in the debate and advising Senator Ervin and Senator Allen in advance of the debate.

Also we urge you to vote against cloture.

A letter from Lewiston Grain Growers, Inc., a growers cooperative:

Please refer to Senate Bill S. 707, Consumer Protection Act.

As manager of a cooperative business organization for over twenty years, I can see nothing more harassing and costly than the continued growth of big government using especially the promise of protecting the citizen some way or another. Now we have passed by the House a bill to establish an agency to intervene in the proceedings and activities of agencies already established for that purpose. Some of these agencies already seriously effect the advantages of the free enterprise system.

We do not deny the need for some consumer protection, but doesn't the U.S.D.A., I.C.C., F.D.A., E.P.A., O.S.H.A., plus many others cover this area? We are certain these agencies are made up of competent people. We do not need an agency to watch over these people with added cost and harassment to taxpayers.

We think this legislation is certainly not needed and urge your support in its defeat.

A letter from the Boise Ad Club:

The U.S. House of Representatives has passed legislation that would establish a Consumer Protection Agency (H.R. 13163). A similar bill (S. 707) is now moving through the U.S. Senate committee structure. A final vote on this legislation in the Senate could take place very shortly.

The Boise Ad Club has opposed as unnecessary and unwise the creation of a multimillion dollar "super-agency" with powers to intervene in the proceedings of other government regulatory agencies. Your assistance is needed now if there is to be any hope of defeating or modifying the bill on the Senate side.

Rather than creating a CPA, the Boise Ad Club believes that Congress should look to the improvement of existing agencies already empowered and designed to deal with consumer problems. Such an approach is especially desirable at a time when there is serious concern about the rising costs of government.

We therefore urge you to oppose S. 707 in its present state.

A letter from a housewife:

The latest in cradle to grave promises really has me upset: consumer protection.

There are a few of us, and perhaps more than some might think, who do not want to be protected right into the poorhouse. When we hear about investigations, subcommittees, new programs and agencies to "take care of the consumer," all we can see are higher taxes and the escalating cost of living.

The old warranties are good enough, if we protect ourselves by careful buying habits. If a product is misrepresented or poorly made, the public will not long be duped, and I would guess that manufacturer would soon be out of business.

I noticed your comments in a recent issue of the Statesman. We do appreciate your reasonable approach, and hope it will influence some of your colleagues.

A letter from a small manufacturer, Mountain States Paint Manufacturing Co.:

I understand that S. 707 is the Senate version of H.R. 13163. It seems that both the House and Senate bills propose to create a powerful, independent and autocratic super Consumer Protection Agency which will have overriding power on all existing administrative agencies such as the Federal Trade Commission. Environmental Protection Agency and other departments who are already engaged in various direct or indirect aspects of so-called consumer affairs.

Although I cannot disagree with the concept of providing protection for the American consumer against abusive trade practices, this proposed law will create an administrative monster, in my opinion, armed to the teeth with wide vertical powers that will encompass and conceivably strangle many of the existing Federal agencies. The effect upon all segments of the business community is potentially devastating.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ERVIN. Mr. President, I yield the Senator 5 more minutes.

Mr. McCLURE. I thank the Senator for the additional time.

I continue to read from the letter:

As a legitimate businessman I am deeply interested in the welfare of consumers, and my continued business operation is entirely dependent upon the satisfaction of those consumers. However, we are being stifled by bureaucracies upon bureaucracies, and the paperwork is burying us. We are trying to run our business in a profitable way and provide the tax money in order to support the various administration bureaucracies in Washington, and we are being hampered from doing so and our taxes are ever-increasing. American business, its managements and employees can ill-afford another gigantic tax-consuming bureaucracy, least of all one whose primary function will be to render virtually every other Federal agency and department less efficient than it already is. Other Federal agencies are already operating effectively in this consumer area, and there is sufficient statutory authority already for further improvement.

In this time of inflation, recession, and general public confusion can't we have some time to get our head above water before additional bureaus are foisted upon us. I don't know when I've been so concerned about our country, and I think we need a breathing spell.

A letter from a food distributing chain:

This communication is to thank you for the position you have taken in reference to Senate Bill 707 dealing with the proposal for a new Consumer Protection Agency.

While I am sure you have reviewed this bill thoroughly and have found many things objectionable, the main objection we would have is the fact that it creates another Federal control agency that will tend to further burden, confuse and hamstring the business community. .

As you know, we have a Consumer Protection Division in the Idaho State Attorney General's office at the present time. Here again, is it not best that the states administer this type of program without further ridiculous controls from Washington?

A letter from a CPA:

I wish to express my opposition to Senate Bill 707 creating the Consumer Protection Agency. In my opinion this bill is simply another instance of government intervention in the citizens business affairs.

We have far too many agencies at present and certainly don't need another one with the power to be granted this agency. In my opinion it will be inefficient and wasteful and a real disservice to consumers. We can ill afford any more burdensome paperwork and having to answer to more bureaucrats in Washington.

A letter from Triangle Dairy:

I am writing to you regarding the Consumer Protection bill, S. 707, which should be coming up for debate in the Senate very soon. I understand that you are opposing the bill, and I would certainly appreciate all you can do to see that this particular bill is killed. Also anything you can do to see that a similar bill is not proposed at a later date will be appreciated.

I don't believe I need to tell you that I feel that the consumer is already being protected in many ways—and to me the most important is competition by all private businesses in this country. As a private business, we already have far too many government forms and reports to fill out; and this will eventually end up meaning a lot more plus a super-department that could go in and designate things that I don't feel are even constitutional.

Good luck in the fight on this bill.

Mr. President, I take the Senate's time to read these communications from my constituents not because they have any superior wisdom, many of these have superior wisdom to some who are proposing it, but that is not my point. My point is that the advocates of this legislation are saying that the people want it. These are but an example of dozens upon dozens upon dozens of communications I have from the people and the people say that they do not want it.

I think it is time for us to listen to the people of this country and turn this legislation down.

I yield back my time.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT ON THE BALANCE-OF-PAYMENTS DEFICIT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HARRY F. BYRD, JR.) laid before the Senate the following message from the President of the United States reporting on the progress toward offsetting the balance-of-payments deficit resulting from the deployment of U.S. forces in NATO Europe, which was referred to the Committee on Armed Services:

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93–155), I am pleased to submit a report to Congress on our progress toward offsetting the balance of payments deficit resulting from the deployment of U.S. forces in NATO Europe.

President Nixon reported to the Congress on May 16, 1974 that the offset agreement concluded in April 1974 with the Federal Republic of Germany had a dollar value of approximately $2.22 billion over fiscal years 1974 and 1975. Of that amount, the fiscal year 1974 portion will total approximately $1.1 billion and will be directly applicable toward meeting the requirements of Section 812.

Since President Nixon's last report, the NATO Economic Directorate has concluded a study showing the payments for military-related items from the United States by allies other than the Federal Republic of Germany should amount to approximately $1 billion. When that amount is added to the fiscal year 1974 portion of the offset agreement with Germany, it becomes clear that the United States should be able to offset the $2.1 billion military foreign exchange expenditures resulting from the deployment of our forces in NATO Europe during fiscal year 1974. Accordingly, I can report to the Congress that the requirements of Section 812 should be met.

Gerald R. Ford.

The White House, *August 20, 1974.*

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore (Mr. Harry F. Byrd, Jr.) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 16425) to provide for the monitoring of the economy, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Staggers, Mr. Jarman, Mr. Dingell, Mr. Adams, Mr. Devine, Mr. Kuykendall, and Mr. Shoup were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Boland, Mr. Evins of Tennessee, Mr. Shipley, Mr. Roush, Mr. Tiernan, Mr. Chappell, Mr. Giaimo, Mr. Mahon, Mr. Talcott, Mr. McDade, Mr. Scherle, Mr. Ruth, and Mr. Cederberg were appointed managers of the conference on the part of the House.

ORDER OF BUSINESS

Mr. RIBICOFF. I yield 5 minutes to the distinguished Senator from Nevada.

Mr. BIBLE. I thank the Senator from Connecticut.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. BIBLE. Mr. President, I submit a report of the committee of conference on H.R. 16027, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Hathaway). The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of August 15, 1974, at pp. 28369–28373.)

Mr. BIBLE. Mr. President, the bill making appropriations for the Department of the Interior and related agencies, as it passed the Senate, provided a total of $3,170,394,310 in new budget authority and $218,845,000 to liquidate contract authority. That is a grand total of $3,389,239,310 for the Department of the Interior—exclusive of the Bureau of Reclamation, the power marketing agencies and the agencies funded this year in the special energy research and development appropriation—and for related agencies such as the Forest Service, Indian Health Service, National Foundation on the Arts and Humanities, Smithsonian Institution, and others.

The conference committee report provides $3,169,162,310 in new budget authority and $216,960,000 to liquidate contract authority, for a total of $3,386,122,310. This is a reduction of $3,117,000 in the Senate allowance and an increase of $17,947,000 over the House allowance. It represents an increase of $15,047,600 over budget estimates considered in this bill.

I should point out that for all programs considered by the Interior Appropriations Subcommittee, including those carried this year in the special energy appropriation bill, the budget estimates totaled $3,932,707,710. The comparable appropriation figure is $3,929,288,310, an actual reduction of $3,419,400 in the combined Interior and related agencies appropriations.

Mr. President, I ask unanimous consent that a tabulation of the fiscal year 1974 appropriation and the budget, House, Senate, and conference committee allowances for fiscal year 1975 be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BIBLE. Mr. President, conferences with our House counterparts on the Interior and related agencies appropriations have always been amicable during my service on this subcommittee, going back to the leadership of the beloved late dean of the Senate, Carl Hayden of Arizona. Members from both sides have always taken a constructive approach to conference negotiations, attempting to provide the most realistic funding levels for the important natural resource, cultural and Indian programs financed by the bill. This year was no exception, thanks mainly to the wise judgment and cooperative attitude of the gracious and distinguished Julia Butler Hansen, who chairs the House subcommittee. Both of us were presiding over our last Interior appropriation conference this year, and it was fitting, I think, that this session not only went smoothly but achieved actual reductions in the overall bill.

MAJOR DIFFERENCES

This year there were no serious differences in the House and Senate allowances. While the Senate-passed bill was more than $18 million over the House, this was made up almost entirely of $19.4 million in items that were not considered by the House such as late-arriving budget amendments and programs that lacked authorization when the House passed the bill. The result is a bill that falls $3,117,000 under the Senate allowance and $17,947,000 over the House amount, including new budgetary authority and appropriations to liquidate contract authority.

What differences there were came mostly in the construction programs of the National Park Service, Bureau of Indian Affairs, Forest Service, and Indian Health Service. In these instances there was candid give and take by both sides. In every instance, the overriding need to curtail Federal spending was the first and most important consideration.

BUDGET REDUCTIONS

In closing I want to emphasize again that the combined appropriations considered by the Interior Subcommittee—those in this bill and those Interior portions that were funded earlier in the special energy appropriation—represent a net reduction in the budget estimates of more than $3.4 million. This was a difficult achievement in these times of urgent energy and environmental needs that are tied so intimately to the programs in this bill. The fact that we did achieve this reduction is a tribute, I think, to both the House and Senate committees. And it is a tribute, as I mentioned earlier, to the independence and dedication of the lady from Washington, Julia Butler Hansen, who is retiring after a splendid career in Congress.

I would be guilty of serious neglect if I did not also offer my gratitude to the Senator from Alaska (Mr. Stevens), the ranking minority member of the Interior Appropriations Subcommittee. He marched through this difficult task with me stride for stride. He devoted many long and tiring hours to the job of conducting the many weeks of hearings and to developing what I consider to be a balanced and realistic bill.

I am honored to yield to the Senator from Alaska for any comments he may care to make.

EXHIBIT NO. 1

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1975 (16027)

Agency and item	New budget (obligational) authority appropriated, 1974	Budget estimates of new (obligational) authority, 1975[1]	Allowances			Conference allowance compared with—		
			House	Senate	Conference	Budget estimates of new (obligational) authority, 1975	House allowance	Senate allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TITLE I—DEPARTMENT OF THE INTERIOR								
Land and Water Resources								
Bureau of Land Management								
Management of lands and resources	$116, 682, 000	$142, 649, 000	$140, 696, 000	$141, 126, 000	$141, 096, 000	−$1, 373, 000	+$400, 000	−$30, 000
Construction and maintenance	6, 800, 000	6, 655, 000	6, 655, 000	6, 725, 000	6, 725, 000	+70, 000	+70, 000	
Public lands development roads and trails (appropriation to liquidate contract authority)	(4, 000, 000)	(4, 070, 000)	(4, 070, 000)	(4, 070, 000)	(4, 070, 000)			
Oregon and California grant lands (indefinite, appropriation of receipts)	28, 750, 000	28, 750, 000	28, 750, 000	28, 750, 000	28, 750, 000			
Range improvements (indefinite, appropriation of receipts)	3, 242, 000	4, 503, 000	4, 503, 000	4, 503, 000	4, 503, 000			
Recreation development and operation of recreation facilities (indefinite, special fund)	165, 000	242, 000	242, 000	242, 000	242, 000			
Total, Bureau of Land Management	155, 639, 000	182, 619, 000	180, 846, 000	181, 346, 000	181, 316, 000	−1, 303, 000	+470, 000	−30, 000
Office of Water Resources Research								
Salaries and expenses	13, 769, 000	12, 700, 000	13, 795, 000	13, 990, 000	13, 885, 000	+1, 185, 000	+90, 000	−105, 000
Office of Saline Water								
Saline water conversion	3, 627, 000	3, 029, 000		3, 007, 000	3, 007, 000	−22, 000	+3, 007, 000	
Total, Land and Water Resources	173, 035, 000	198, 348, 000	194, 641, 000	198, 343, 000	198, 208, 000	−140, 000	+3, 567, 000	−135, 000
Fish and Wildlife and Parks								
Bureau of Outdoor Recreation								
Salaries and expenses	4, 696, 000	5, 040, 000	5, 010, 000	5, 210, 000	5, 210, 000	+170, 000	+200, 000	
Land and Water Conservation Fund								
Appropriation of receipts (indefinite)	76, 223, 000	300, 000, 000	300, 000, 000	300, 000, 000	300, 000, 00			
United States Fish and Wildlife Service								
Resource management	86, 537, 000	101, 785, 000	100, 666, 000	101, 168, 000	101, 126, 000	−659, 000	+460, 000	−42, 000
Construction and anadromous fish	8, 126, 500	8, 978, 000	13, 447, 000	14, 347, 000	14, 047, 000	+5, 150, 000	−600, 000	−300, 000
Migratory bird conservation account (definite, repayable advance)	3, 500, 000		1, 000, 000	1, 000, 000	1, 000, 000	+1, 000, 000		
Total, United States Fish and Wildlife Service	98, 163, 500	110, 682, 000	115, 113, 000	116, 515, 000	116, 173, 000	+5, 491, 000	+1, 060, 000	−342, 000
National Park Service								
Operation of the National Park System	193, 752, 000	210, 058, 000	209, 437, 000	209, 425, 000	209, 325, 000	−733, 000	−112, 000	−100, 000
Planning and construction	20, 012, 000	57, 303, 000	53, 466, 000	63, 290, 000	58, 112, 000	+809, 000	+4, 646, 000	−5, 178, 000
Road construction (appropriation to liquidate contract authority)	(35, 000, 000)	(23, 000, 000)	(24, 126, 000)	(27, 500, 000)	(26, 026, 000)	(+3, 026, 000)	(+1, 900, 000)	(−1, 474, 000)
Preservation of historic properties	15, 842, 000	24, 375, 000	24, 375, 000	24, 375, 000	24, 375, 000			
Planning, development and operation of recreation facilities (indefinite, special fund)	30, 378, 000	11, 900, 000	11, 900, 000	11, 900, 000	11, 900, 000			
John F. Kennedy Center for the Performing Arts	2, 400, 000	2, 420, 000	2, 420, 000	2, 420, 000	2, 420, 000			
Total, National Park Service	262, 384, 000	306, 056, 000	301, 598, 000	311, 410, 000	306, 132, 000	+76, 000	+4, 534, 000	−5, 278, 000
Total, Fish and Wildlife and Parks	441, 466, 500	721, 778, 000	721, 721, 000	733, 135, 000	727, 515, 000	+5, 737, 000	+5, 794, 000	−5, 620, 000
Energy and Minerals								
Geological Survey								
Surveys, investigations, and research	160, 240, 000	205, 576, 000	203, 195, 000	205, 044, 000	203, 575, 000	−2, 001, 000	+380, 000	−1, 469, 000
Mining Enforcement and Safety Administration								
Salaries and expenses	59, 040, 000	68, 146, 000	67, 803, 000	68, 413, 000	67, 913, 000	−233, 000	+110, 000	−500, 000
Bureau of Mines								
Mines and minerals	71, 989, 000	75, 539, 000	77, 703, 000	76, 163, 000	77, 863, 000	+2, 324, 000	+160, 000	+1, 700, 000
Total, Energy and Minerals	291, 269, 000	349, 261, 000	348, 701, 000	349, 620, 000	349, 351, 000	+90, 000	+650, 000	−269, 000
Indian Affairs								
Bureau of Indian Affairs								
Operation of Indian programs	414, 478, 000	466, 177, 000	467, 096, 000	466, 100, 000	467, 000, 000	+823, 000	−96, 000	+900, 000
Education and welfare services (appropriation to liquidate contract authority)	(793, 000)							
Construction	54, 723, 000	52, 795, 000	66, 571, 000	55, 512, 000	61, 804, 000	+9, 009, 000	−4, 767, 000	+6, 292, 000
Road construction (appropriation to liquidate contract authority)	(43, 000, 000)	(59, 000, 000)	(59, 000, 000)	(59, 000, 000)	(59, 000, 000)			
Indian loan guaranty and insurance fund		20, 000, 000	20, 000, 000	20, 000, 000	20, 000, 000			
Revolving fund for loans	900, 000	50, 000, 000	38, 000, 000	38, 000, 000	38, 000, 000	−12, 000, 000		
Alaska Native fund	70, 000, 000	70, 000, 000	70, 000, 000	70, 000, 000	70, 000, 000			
Miscellaneous trust funds (definite)	3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000			
Miscellaneous trust funds (indefinite)	15, 500, 000	15, 500, 000	15, 500, 000	15, 500, 000	15, 500, 000			
Total, Bureau of Indian Affairs	558, 601, 000	677, 472, 000	680, 167, 000	668, 112, 000	675, 304, 000	−2, 168, 000	−4, 863, 000	+7, 192, 000

Footnotes at end of table.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1975 (16027)—Continued

Agency and item	New budget (obligational) authority appropriated, 1974	Budget estimates of new (obligational) authority, 1975[1]	Allowances			Conference allowance compared with—		
			House	Senate	Conference	Budget estimates of new (obligational) authority, 1975	House allowance	Senate allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Territorial Affairs								
Office of Territorial Affairs								
Administration of territories	$14,500,000	$15,000,000	$14,950,000	$14,450,000	$14,450,000	−$550,000	−$500,000	
Permanent appropriation (special fund)	(420,000)	(625,000)	(625,000)	(625,000)	(625,000)			
Transferred from other accounts (special fund)	(645,000)	(875,000)	(875,000)	(875,000)	(875,000)			
Trust Territory of the Pacific Islands	59,386,000	61,000,000	63,500,000	61,700,000	61,700,000	+700,000	−1,800,000	
Micronesian claims fund, Trust Territory of the Pacific Islands		1,400,000	1,400,000	1,400,000	1,400,000			
Total, Office of Territorial Affairs	73,886,000	77,400,000	79,850,000	77,550,000	77,550,000	+150,000	−2,300,000	
Secretarial Offices								
Office of the Solicitor								
Salaries and expenses	9,089,000	12,200,000	11,790,000	12,040,000	12,040,000	−160,000	+250,000	
Office of the Secretary								
Salaries and expenses	17,225,000	20,047,000	19,629,000	19,504,000	19,454,000	−593,000	−175,000	−$50,000
Departmental operations	6,620,000	10,954,000	10,954,000	10,523,000	10,523,000	−431,000	−431,000	
Salaries and expenses (special foreign currency program)	670,000	522,000	192,000	192,000	192,000	−330,000		
Total, Office of the Secretary	24,515,000	31,523,000	30,775,000	30,219,000	30,169,000	−1,354,000	−606,000	−50,000
Total, Secretarial Offices	33,604,000	43,723,000	42,565,000	42,259,000	42,209,000	−1,514,000	−356,000	−50,000
Total, new budget (obligational) authority, Department of the Interior	1,571,861,500	2,067,982,000	2,067,645,000	2,069,019,000	2,070,137,000	+2,155,000	+2,492,000	+1,118,000
Consisting of—								
Appropriations	1,571,861,500	2,067,982,000	2,067,645,000	2,069,019,000	2,070,137,000	+2,155,000	+2,492,000	+1,118,000
Definite appropriations	(1,417,603,500)	(1,707,087,000)	(1,706,750,000)	(1,708,124,000)	(1,709,242,000)	(+2,155,000)	(+2,492,000)	(+1,118,000)
Indefinite appropriations	(154,258,000)	(360,895,000)	(360,895,000)	(360,895,000)	(360,895,000)			
Memoranda—								
Appropriations to liquidate contract authority	(82,793,000)	(86,070,000)	(87,196,000)	(90,570,000)	(89,096,000)	(+3,026,000)	(+1,900,000)	(−1,474,000)
Total, new budget (obligational) authority and appropriations to liquidate contract authority	(1,654,654,500)	(2,154,052,000)	(2,154,841,000)	(2,159,589,000)	(2,159,233,000)	(+5,181,000)	(+4,392,000)	(−356,000)
TITLE II—RELATED AGENCIES								
Department of Agriculture								
Forest Service								
Forest protection and utilization:								
Forest land management	377,884,000	291,136,000	306,278,000	305,627,000	306,119,000	+14,983,000	−159,000	+492,000
Forest research	63,800,000	70,525,000	75,487,000	74,860,000	75,402,000	+4,877,000	−85,000	+542,000
State and private forestry cooperation	28,022,000	29,746,000	34,638,000	34,638,000	34,638,000	+4,892,000		
Total, forest protection and utilization	469,706,000	391,407,000	416,403,000	415,125,000	416,159,000	+24,752,000	−244,000	+1,034,000
Construction and land acquisition	27,093,000	24,147,000	31,459,000	28,692,000	30,908,000	+6,761,000	−551,000	+2,216,000
Youth conservation corps	10,000,000	10,240,000		10,240,000	10,240,000		+10,240,000	
Forest roads and trails (appropriation to liquidate contract authority)	(97,700,000)	(121,000,000)	(120,464,000)	(121,275,000)	(120,864,000)	(−136,000)	(+400,000)	(−411,000)
Acquisition of lands for national forests:								
Special acts (special fund, indefinite)	94,000	161,000	161,000	161,000	161,000			
Acquisition of lands to complete land exchanges	55,300	39,310	39,310	39,310	39,310			
Acquisition of lands, Klamath Indians		49,000,000	49,000,000	49,000,000	49,000,000			
Cooperative range improvements (special fund, indefinite)	700,000	700,000	700,000	700,000	700,000			
Assistance to States for tree planting	1,013,000	1,346,000	1,344,000	1,344,000	1,344,000	−2,000		
Construction and operation of recreation facilities indefinite, special fund)	3,278,000	1,260,000	1,260,000	1,260,000	1,260,000			
Total, Forest Service	511,939,300	478,300,310	500,366,310	506,561,310	509,811,310	+31,511,000	+9,445,000	+3,250,000
Commission of Fine Arts								
Salaries and expenses	153,000	176,000	174,000	171,000	171,000	−5,000	−3,000	
Department of Health, Education, and Welfare								
Health Services Administration								
Indian health services	200,284,000	226,043,000	225,352,000	227,336,000	226,217,000	+174,000	+865,000	−1,119,000
Indian health facilities	49,927,000	54,956,000	55,406,000	61,912,000	57,431,000	+2,475,000	+2,025,000	−4,481,000
Total, Indian Health	250,211,000	280,999,000	280,758,000	289,248,000	283,648,000	+2,649,000	+2,890,000	−5,600,000
Office of Education								
Indian education	40,000,000	42,000,000	42,000,000	42,000,000	42,000,000			
Indian Claims Commission								
Salaries and expenses	1,164,000	1,333,000	1,324,000	1,324,000	1,324,000	−9,000		
National Capital Planning Commission								
Salaries and expenses	1,559,000	1,840,000	1,777,000	1,777,000	1,777,000	−63,000		

Footnotes at end of table.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1975 (16027)—Continued

			Allowances			Conference allowance compared with—		
Agency and item	New budget (obligational) authority appropriated, 1974	Budget estimates of new (obligational) authority, 1975 [1]	House	Senate	Conference	Budget estimates of new (obligational) authority, 1975	House allowance	Senate allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TITLE II—RELATED AGENCIES—Continued								
National Foundation on the Arts								
Salaries and Expenses								
Endowment for the arts	$54, 275, 000	$72, 000, 000	$67, 250, 000	$67, 250, 000	$67, 250, 000	−$4, 750, 000		
Endowment for the humanities	44, 500, 000	72, 000, 000	67, 250, 000	67, 250, 000	67, 250, 000	−4, 750, 000		
Administrative expenses	6, 500, 000	11, 000, 000	10, 500, 000	10, 500, 000	10, 500, 000	−500, 000		
Subtotal, salaries and expenses	105, 275, 000	155 000, 000	145, 000, 000	145, 000, 000	145, 000, 000	−10, 000, 000		
Matching Grants								
Endowment for the arts (indefinite)	6, 500, 000	10, 000, 000	7, 500, 000	7, 500, 000	7, 500, 000	−2, 500, 000		
Endowment for the humanities (indefinite)	6, 500, 000	10, 000, 000	6, 500, 000	6, 500, 000	6, 500, 000	−3, 500, 000		
Subtotal, matching grants	13, 000, 000	20, 000, 000	14, 000, 000	14, 000, 000	14, 000, 000	−6, 000, 000		
Total, National Foundation on the Arts and the Humanities	118, 275, 000	175, 000, 000	159, 000, 000	159, 000, 000	159, 000, 000	−16, 000, 000		
Smithsonian Institution								
Salaries and expenses	58, 543, 000	69, 789, 000	67, 789, 000	67, 789, 000	67, 789, 000	−2, 000, 000		
Science information exchange	1, 695, 000	1, 770, 000	1, 755, 000	1, 755, 000	1, 755, 000	−15, 000		
Museum programs and related research (special foreign currency program)	4, 500, 000	4, 500, 000	2, 000, 000	2, 000, 000	2, 000, 000	−2, 500, 000		
Restoration and renovation of buildings	1, 070, 000	1, 325, 000	1, 490, 000	1, 490, 000	1, 490, 000	+165, 000		
Construction and improvements, National Zoological Park	3, 790, 000	10, 000, 000	9, 420, 000	9, 420, 000	9, 420, 000	−580, 000		
Construction (appropriation to liquidate contract authority)	(17, 000, 000)	(10, 000, 000)	(7, 000, 000)	(7, 000, 000)	(7, 000, 000)	(−3, 000, 000)		
Salaries and expenses, National Gallery of Art	6, 202, 000	6, 673, 000	6, 673, 000	6, 623, 000	6, 623, 000	−50, 000	−$50, 000	
Salaries and expenses, Wodrow Wilson International Center for Scholars	800, 000	1, 010, 000	954, 000	954, 000	954, 000	−56, 000		
Total, Smithsonian Institution	76, 600, 000	95, 067, 000	90, 081, 000	90, 031, 000	90, 031, 000	−5, 036, 000	−50, 000	
American Revolution Bicentennial Administration								
Salaries and expenses	19, 605, 000	9, 719, 000	9, 686, 000	9, 686, 000	9, 686, 000	−33, 000		
National Council on Indian Opportunity								
Salaries and expenses	282, 000	(2)						
Federal Metal and Nonmetallic Mine Safety Board of Review								
Salaries and expenses	60, 000	63, 000	60, 000	60, 000	60, 000	−3, 000		
Joint Federal-State Land Use Planning Commission for Alaska								
Salaries and expenses	694, 400	694, 400	644, 000	693, 000	693, 000	−1, 400	+49, 000	
Pennsylvania Avenue Development Corporation								
Salaries and expenses	500, 000	831, 000		824, 000	824, 000	−7, 000	+824, 000	
Total, new budget (obligational) authority, Related Agencies	1, 021, 042, 700	1, 086, 022, 710	1, 085, 870, 310	1, 101, 375, 310	1, 099, 025, 310	+13, 002, 600	+13, 155, 000	−$2, 350, 000
Consisting of—								
Appropriations	1, 021, 042, 700	1, 086, 022, 710	1, 085, 870, 310	1, 101, 375, 310	1, 099, 025, 310	+13, 002, 600	+13, 155, 000	−2, 350, 000
Definite appropriations	(1, 003, 970, 700)	(1, 063, 901, 710)	(1, 069, 749, 310)	(1, 085, 254, 310)	(1, 082, 904, 310)	(+19, 002, 600)	(+13, 155, 000)	(−2, 350, 000)
Indefinite appropriations	(17, 072, 000)	(22, 121, 000)	(16, 121, 000)	(16, 121, 000)	(16, 121, 000)	(−6, 000, 000)		
Memoranda—								
Appropriations to liquidate contract authority	(114, 700, 000)	(131, 000, 000)	(127, 464, 000)	(128, 275, 000)	(127, 864, 000)	(−3, 136, 000)	(+400, 000)	(−411, 000)
Total, new budget (obligational) authority and appropriations to liquidate contract authority	(1, 135, 742, 700)	(1, 217, 022, 710)	(1, 213, 334, 310)	(1, 229, 650, 310)	(1, 226, 889, 310)	(+9, 866, 600)	(+13, 555, 000)	(−2, 761, 000)
RECAPITULATION								
Total, new budget (obligational) authority, all titles	2, 592, 904, 200	3, 154, 004, 710	3, 153, 515, 310	3, 170, 394, 310	3, 169, 162, 310	+15, 157, 600	+15, 647, 000	−1, 232, 000
Consisting of—								
Appropriations	2, 592, 904, 200	3, 154, 004, 710	3, 153, 515, 310	3, 170, 394, 310	3, 169, 162, 310	+15, 157, 600	+15, 647, 000	−1, 232, 000
Definite appropriations	(2, 421, 574, 200)	(2, 770, 988, 710)	(2, 776, 499, 310)	(2, 793, 378, 310)	(2, 792, 146, 310)	(+21, 157, 600)	(+15, 647, 000)	(−1, 232, 000)
Indefinite appropriations	(171, 330, 000)	(383, 016, 000)	(377, 016, 000)	(377, 016, 000)	(377, 016, 000)	(−6, 000, 000)		
Memoranda—								
Appropriations to liquidate contract authority	(197, 493, 000)	(217, 070, 000)	(214, 660, 000)	(218, 845, 000)	(216, 960, 000)	(−110, 000)	(+2, 300, 000)	(−1, 885, 000)
Total, new budget (obligational) authority and appropriations to liquidate contract authority	(2, 790, 397, 200)	(3, 371, 074, 710)	(3, 368, 175, 310)	(3, 389, 239, 310)	(3, 386, 122, 310)	(+15, 047, 600)	(+17, 947, 000)	(−3, 117, 000)
Special Energy Research and Development bill (Interior portion)	(230, 083, 000)	(561, 633, 000)	(557, 933, 000)	(535, 266, 000)	(543, 166, 000)	(−18, 467, 000)	(−14, 767, 000)	(+7, 900, 000)
Grand total, new budget (obligational) authority and appropriations to liquidate contract authority	(3, 020, 480, 200)	(3, 932, 707, 710)	(3, 926, 108, 310)	(3, 924, 505, 310)	(3, 929, 288, 310)	(−3, 419, 400)	(+3, 180, 000)	(+4, 783, 000)

[1] Includes budget amendments as follows:

H. Doc. 93-209

Bureau of Land Management: Management of lands and resources	$9,700,000
United States Fish and Wildlife Service: Resource management	800,000
Geological Survey: Surveys, investigations, and research	25,300,000
Bureau of Mines: Mines and minerals	103,500,000
Office of Coal Research: Salaries and expenses	148,400,000
Office of the Secretary: Energy conservation and analysis	12,900,000
Total, H. Doc. 93-209	300,600,000

H. Doc. 93-286

Bureau of Land Management: Management of lands and resources	12,325,000
Geological Survey: Surveys, investigations, and research	2,625,000
Bureau of Mines: Mines and minerals	300,000
Bureau of Indian Affairs: Operation of Indian programs	300,000
Office of the Solicitor: Salaries and expenses	350,000
Office of the Secretary: Departmental operations	1,400,000
Total, H. Doc. 93-286	17,300,000

H. Doc. 93-291

Forest Service: Acquisition of lands, Klamath Indians	49,000,000

H. Doc. 93-307

Bureau of Land Management: Management of lands and resources	1,110,000
Geological Survey: Surveys, investigations, and research	15,205,000
Total, H. Doc. 93-307	16,315,000

H. Doc. 93-310

Bureau of Indian Affairs:	
Operation of Indian Programs	$10,000,000
Indian Revolving fund for loans	50,000,000
Indian Loan Guaranty and Insurance fund	20,000,000
Total, H. Doc. 93-310	80,000,000

H. Doc. 93-317

Forest Service: Forest Research	6,040,000

S. Doc. 93-99

Fish and Wildlife Service:	
Resource management	690,000
Construction and anadromous fish	300,000
Bureau of Indian Affairs:	
Operation of Indian programs	2,070,000
Construction	920,000
Office of the Solicitor: Salaries and expenses	330,000
Total, S. Doc. 93-99	4,310,000
Total, budget amendments	473,565,000

[2] Budget amendment contained in H. Doc. 93-286 withdrew the request of $300,000 for appropriations for the National Council on Indian Opportunity.

Mr. STEVENS. Mr. President, I thank the Senator from Nevada for his comments.

Mr. President, the conference report before the Senate recommends an appropriation of $3,169,162,310 for the Department of the Interior and related agencies for fiscal year 1975.

This recommendation is above the budget estimate by $15,157,600. However, if you include Interior's portion of the Special Energy Research and Development Appropriations Act, there is a reduction below the budget estimate.

Mr. President, I again thank and commend the distinguished chairman of our subcommittee, Mr. BIBLE, for his fine work on this bill and for the many courtesies he has shown me and to other Members of the Senate and to the conferees from the House throughout its consideration.

I certainly join him in commending JULIA BUTLER HANSEN, who is also retiring as our chairman has said. It has been a pleasure and a real honor to work with both of these chairmen, and we look forward to receiving their advice in the future.

Mr. President, I urge the adoption of the conference report.

Mr. YOUNG. Will the Senator yield me 2 minutes?

Mr. ALLEN. I yield 2 minutes.

Mr. YOUNG. Mr. President, it is with a bit of sadness on my part, and I believe on the part of every Senator, that this will be the last appropriations bill our wonderful friend and colleague, Senator ALAN BIBLE, will be handling before his announced retirement.

Senator BIBLE has a long and fine record in the U.S. Senate and especially as a member of the Senate Appropriations Committee—a record that few Senators have ever equaled.

He has been one of the hardest working and most effective members of the Senate Appropriations Committee. Much of this is due to his deep interest, hard work, and concern for not only the people's interests, but the interests of the Federal Government in holding down expenditures and at the same time providing adequate funds for the most necessary programs. Senator BIBLE has always been known for the considerate and gentlemanly manner in which he conducted himself as chairman of various appropriations subcommittees. He had an unusual faculty of making you feel at least halfway happy and satisfied when he found it necessary to disapprove an appropriations request by friends like me. Certainly no one has ever been more considerate and helpful to me than Senator BIBLE.

ALAN BIBLE will long be remembered by all of us as a wonderful friend and a great Senator. We will miss him very much.

Mr. PERCY. Will the distinguished Senator yield for just a brief comment?

Mr. BIBLE. I yield, if I have any time remaining.

Mr. RIBICOFF. Whatever time the distinguished Senator from Nevada would like, he has.

Mr. BIBLE. Well, I appreciate the time.

I yield first to the Senator from Illinois.

Mr. PERCY. Mr. President, I would not want this occasion to go by without expressing, as a past ranking Republican member on the Department of Interior Subcommittee on Appropriations, my great regard, my affection, and tremendous admiration for our distinguished colleague. By his own choice, he is leaving the Senate of the United States.

No one could possibly work side by side with him, as I had the privilege of doing for a year, without fully realizing his intimate knowledge of the natural resources and assets we have as a nation; his devotion and dedication to preserving this country and its recreational areas; and his devotion to all of the projects that came under the jurisdiction of that subcommittee. The Kennedy Center alone will be a lasting monument to his vision, his foresight, and his courage. And certainly, the accomplishments that have been commented upon previously on this floor, in the area of the arts. The magnificent work that Nancy Hanks has done, was possible only because of his foresight, vision, the innovativenes. Yet, he has the ability to say no at the proper time; to discriminate and discern the difference between a project that is essential or highly desirable, and one that could be deferred or should be canceled entirely.

When the distinguished chairman of that subcommittee decided that a project was not in the national interest, he did so always with great insight and excellent judgment.

I have the greatest respect and admiration for our beloved colleague. I wish him the very best in whatever he chooses to do.

We look forward to working with him in the remaining days of this Congress. Certainly, for many years to come, he will be a very welcome addition to every one of our councils.

Mr. BIBLE. I certainly thank the Senator from Illinois for his kind words, as well as the Senator from Alaska and the Senator from North Dakota.

I reciprocate. I have enjoyed this work. I have had a great interest in moving this great area of natural resources forward. I think I have made a few contributions. If I have, I am satisfied.

Mr. President, I now move that the conference report be agreed to.

The conference report was agreed to.

Mr. BIBLE. Mr. President, I ask that the clerk state the amendments in disagreement.

The second assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$209,325,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$1,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 16 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$77,863,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 17 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$27,691,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 20 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$470,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 25 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$100,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 27 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$100,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, and in lieu of the sum named in said amendment, insert "$1,350,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$19,454,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 50 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION, SALARIES AND EXPENSES

"For necessary expenses, as authorized by section 17 of Public Law 92–578 as amended, $824,000: *Provided*, That the funds appropriated in this paragraph shall be available only upon enactment into law of authorizing legislation."

Mr. BIBLE. Now, Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 9, 15, 16, 17, 20, 25, 27, 29, 34, and 50.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

Mr. BIBLE. I move to reconsider the vote by which the conference report was agreed to.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION ACT OF 1974

Mr. ERVIN. Mr. President, last week the Senate passed H.R. 11510, a bill to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions. The Senate adopted a motion that they would insist on its amendments and ask for a conference with the House.

The appointment of the conferees, however, was postponed.

I ask unanimous consent that the Chair be authorized to appoint the conferees on behalf of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair appoints the following conferees: Mr. Ervin, Mr. Jackson, Mr. Muskie, Mr. Ribicoff, Mr. Metcalf, Mr. Percy, Mr. Javits, Mr. Gurney, and Mr. Roth.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. How much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. ALLEN. Twenty minutes?

The PRESIDING OFFICER. Two minutes.

Mr. ALLEN. I do not believe that will be time enough to accommodate the distinguished Senator from Virginia.

Mr. RIBICOFF. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Connecticut has 20 minutes remaining.

Mr. RIBICOFF. Would the Senator wish some of my time to accommodate those who wish to speak?

Mr. ALLEN. We would appreciate 8 minutes for the Senator from Virginia, and 4 minutes for the distinguished Senator from West Virginia (Mr. Robert C. Byrd).

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the distinguished Senator from Alabama yielding to me. I have spoken on several occasions with regard to the consumer advocacy bill, and in opposition to it. Today I have some excerpts from letters from Virginians that I would like to share with my colleagues in the Senate. My mail is overwhelmingly in opposition to this bill.

I have before me an article written by James J. Kilpatrick. It is entitled "A Monstrously Bad Bill." Mr. Kilpatrick is a former editor of the Richmond News Leader. He is a distinguished journalist and columnist, one who is familiar, I believe, to every Member of this body.

Mr. Kilpatrick says it is the worst bill of the 93d Congress. He admits that it is a considerable sweep. But he says it is a monstrously bad bill.

He continues:

> In the holy name of consumerism, one of the more fashionable religions of the day, the Congress could create a bureaucratic nightmare. The sponsors and defenders of this bill make it sound so simple. Out of the whole cloth they have fashioned a speechless dummy named The Consumer. The poor creature, it is said, has no one to defend his interests. Business and industry have highly paid lobbyists, whose insidious talent is to manipulate the agency set up for their regulation. The consumer, by contrast, is an abandoned babe in the forest of wolves. The bill would create a new agency with authority to fight back on his behalf.

Mr. Kilpatrick suggests that the theory rests on a false premise that there is such a thing as the consumer. And yet the definition in the bill refers to every human being.

Mr. President, in the interest of time, rather than to attempt further to dissect this article, I ask unanimous consent that it be printed at this point in the Record in its entirety, as it appeared in the Washington Post on August 12, 1974.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Monstrously Bad Bill

(By James J. Kilpatrick)

The Senate continues debate this week on a measure that merits a splendid superlative title. It is the Worst Bill of the 93rd Congress.

Admittedly, that takes in a considerable sweep; but the bill to create a Consumer Protection Agency is not merely a bad bill. It is a monstrously bad bill. In the holy name of consumerism, one of the more fashionable religions of the day, Congress could create a bureaucratic nightmare.

The sponsors and defenders of this bill make it sound so simple. Out of whole cloth they have fashioned a speechless dummy named "the consumer." This poor creature, it is said, has no one to defend his interests. Business and industry have highly paid lobbyists whose insidious talent is to manipulate the agencies set up for their own regulation. The consumer, by contrast, is an abandoned babe in a forest of wolves. The bill would create a new agency with authority to fight back on his behalf.

The theory rests on a false premise, that there is such a thing as "the consumer." Under the definition contained in Section 4 of this bill, every human being who uses or purchases any goods or services whatever is a consumer. But unless one assumes that all human beings have identical personal and economic interests, it is plain that no advocate possibly could serve all consumers alike.

Let us examine, if you please, the best interests of this hypothetical "consumer" in such areas as milk, lumber, textile products and shoes. Presumbaly, consumers have an interest in cheap milk; but the human beings in the dairy industry, who also are consumers, have an interest in higher milk prices. People who build houses want cheap lumber; people who produce lumber find that idea unappealing. The country is flooded with textiles imported inexpensively from the Far East, and doubtless this suits some consumers very well; but the consumer who works in a North Carolina mill has a different view.

Back in January of 1972, this correspondent happened to be covering the McGovern campaign in New Hampshire. The candidate stood in the snow outside a couple of shoe factories, shaking hands as the shifts changed. Repeatedly, he was asked one question: How did he stand on the importation of shoes from Italy? These men and women were consumers of shoes; they were also producers of shoes. How would a Consumer Protection Agency look after their interests?

The bill is a fraud. It defines the "interest of consumers" partly in terms of their "economic concern," which is to say, in terms of the price the consumer pays for goods and

> services. In the determination of such prices, no factor of cost is more important than the cost of labor. Yet labor is exempted from this bill.
>
> The bill is administratively impossible. Under this measure, the new agency would have an administrator. He would be responsible to no one. He could intervene in any governmental proceeding (except as to labor) throughout the entire realm of federal authority. His determination of the "interest of consumers" would be virtually unreviewable. He could be removed by a president only at the risk of another Saturday night massacre.
>
> Under this legislation, the new agency would have some $20 million to spend on advocacy. It is a small-sum, perhaps, in a $300 billion budget, but it is a large sum indeed in terms of lawyers, lobbying and litigation. Far from putting the "consumer" on an equal platform with business spokesmen, the authorized sum would make the administrator King of the Lobbyists, the fattest cat in town.
>
> Our present system of consumer protection may not be perfect, but such old-line agencies as the courts, the Food and Drug Administration and the Federal Trade Commission do a reasonable job, and such new agencies as the Consumer Products Safety Commission are coming on strong. A case for further bureaucracy cannot be made.

Mr. WILLIAM L. SCOTT. Mr. President, I would like to share as many of the pieces of correspondence that have come to me from all over the State of Virginia from individual citizens, from organizations of various types, as I can, and then to ask unanimous consent to include those that I intended to share with the Senate but did not have time for in the RECORD at the conclusion of my remarks, as if they were stated in full on the floor of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, a lady from Falls Church writes in part:

> I believe in free enterprise, as we have enjoyed under our Constitution; free to run our own business and enterprises with peace of mind. We surely wish to keep it that way and to continue to run our own affairs as usual.

She prefaces these remarks by her opposition to the Consumer Protection Agency, or what has now been changed to the Consumer Advocacy Agency.

Here is a letter from Alexandria. In part, it says:

> We have county agents, city agencies, State consumer boards, plus hundreds of Federal agencies, including the Federal Trade Commission, already protecting the consumer. I am 100 percent for consumer education and protection. But let's not duplicate and triplicate the effort until one hand does not know what the other is doing. The present bill is one of waste and confusion.

Mr. President, I am aware that there has been some suggestion of a measure in the nature of a compromise, in part at least, adopting the House measure, but we would still have a consumer advocate; we would still have a consumer lobbyist; we would still be paying for lawyers to represent the so-called interest of the consumer.

I do not believe there is any basic change in this bill by the suggestions for amendments.

I have a letter from a gentleman from Richmond. In part he says that he wishes to express his sincere concern about Senate bill 707.

> As proposed, such a bill would create nothing less than a superagency and immense and awesome powers and answerable only to itself. With recent abuses of governmental power all too vivid in my mind, I find it unbelievable that Congress; and especially the Senate, would abdicate its responsibility and elect to place in one individual the power to decree what is in the "consumer interest."

From Warm Springs, Va., a gentleman writes to me:

> I think it would be a good thing if the Congress would quit trying to help the consumer, because every time they do something else to help us it costs and costs, and all of the cost is borne by the consumer.

This coincides with the President's remarks to a joint session of Congress, in which he said that we had to start saying "No"; and I believe we should say no to this bill.

The letter from Warm Springs continues:

> I can cite many examples. The first and uppermost in my mind is the beef cattle situation. If supply and demand had been left alone the price would have gone up and the supply increased and then come down in a regular and historic manner. Another example is the protection through the environmental agencies. That is, putting contraptions on automobiles that burn more gas and help only in New York and Los Angeles. I think the worst consumer protection we have had is that of the fair interest rates. Before the Government told the business they must publish their interest rates on charge accounts, we had very few accounts in which interest was charged. Now there is no one who doesn't charge from 12% to 18% on accounts of any description.
>
> Please consider my plea to get out of the consumer protection business. It's costing too much to live now, and every time you help us it gets higher.

A letter from a gentleman in Portsmouth, Va., who asks that I vote against this bill states:

> As a consumer, I do not feel any new government regulatory agencies are needed as there are too many already. If we are to reduce inflation, government spending must be reduced and restriction on business should be relaxed. Exempting organized labor from coverage by this bill makes it a farce, since labor is a major factor in the cost of goods and service.

A similar letter from Roanoke:

> Frankly, from all I can discern this agency will have the potential of being able to act in a most heavy-handed, arbitrary and oppressive manner upon the citizens of this country. And further, this agency would seem to be established on the all too frequently occurring ill-conceived premise that the average citizen does not have the capability of exercising enough intelligence to make even the most ordinary decisions affecting his or her own life.
>
> As I see it Big Brotherism will once again become an enlargingly horrendous reality in all of our lives if this legislation is allowed to be passed.

A Lynchburg constituent writes:

> There is no need for a Consumer Protection Agency. If I understand the bills they will be as bad or worse as OSHA, and I cannot see how the consumer or business can continue with the stupid legislation that comes out of Washington. In my opinion it will be a disservice to the consumer. Prosecution under this law would be very detrimental to the consumer as well as the merchant. With the fabulous amount of paper work going on in Washington today, government decisions would be slow and difficult and very, very costly and it is unneeded.
>
> Not only that, but like any other bureau of government control, it will be inefficient, wasteful and loosely administered.

A letter from a gentleman in Portsmouth states:

> The passage of the Consumer Protection Agency legislation would be of great concern to me as a citizen, not because I do not care about the consumer, after all I am a consumer myself, but because here is another agency being established to do the work of many other organizations that are already in existence who can obviously handle the work. It seems to me that if we are not satisfied with the operation of these organizations, we should try to modify them rather than to try to set up another one. Organizations on top of organizations can only add to our already burdened tax dollar. Further, I strongly believe this hodge-podge establishment of agency on top of agency can only lead to chaos, confusion and inefficiency.

From Fairfax, Va., we have a letter asking that I oppose this measure, which obviously is not in the best interests of the consumer, the government, or business and continues:

> More specifically, it is requested that you aid the efforts of those who are spearheading the opposition to this ill-conceived legislation which would impose new burdens on the working process of government. Every agency has an inherent need to be responsive to the needs of the public and to act in the public's best interest. The imposition of a consumer protection agency will only serve to "muddy the waters" and further impede the process of administering laws and regulations. In brief, this legislation and the agency it would create is not needed and holds the very real potential of creating new and bigger problems.

The Arlington Chamber of Commerce is opposed to the bill for the following reasons:

> 1. Added concentration of power at the Federal level.
> 2. More paperwork and bureaucratic requirements on business.
> 3. Long, drawn out discussions and a potential increase in the burden on our already overloaded courts.
> 4. Exemption of labor unions.
> 5. Duplication—building a bureaucracy upon an existing bureaucracy of some 34 existing federal agencies.
> 6. Added expense to both business and consumers.

The letter concludes:

> We would respectfully urge that you consider voting against this legislation.

Mr. President, I do not have the slightest difficulty in voting against this measure. I have called it the common-law barratry bill because we would have an administrator authorized to stir up strife and litigation within the Government and among the people of the country. We need unity in the country, and this measure is not the way to get it.

From Manassas, I have a letter reading as follows:

> Another agency would cause a further complication in proceedings before these existing agencies and would also cause delays in providing relief for both the public and the utilities. An agency such as is suggested by S. 707 would feel the necessity to

> justify its existence and in so doing would inevitably lead to delays and expense for both government and the utilities. Such increased expense would eventually be paid by the consumer.

A resident of Smithville expresses his opposition in this way:

> Any type consumer legislation further passed, as present legislation already hamstrings our business community, could be the destruction of our free enterprise system. It is to be pointed out as a fact that business would not exist today if they were not interested in providing what the consumer wants. The American taxpayer would have to put out more tax monies to support a consumer protection agency when federal agencies already exist to do such a job as is proposed in the CPA bill, that of protecting the consumer. Some of these agencies are FTC, EPA, FDA, in addition to other agencies of HEW and Department of Agriculture; all of these supported by the Consumers tax dollars. From just all of these supported by the Consumers tax dollars. From just these few agencies pointed out, it can readily be determined that we have an over-regulated, cumbersome government, and industry is presently over-regulated by government. Over-regulation kills incentive for industries, as well as, adding additional tax burden to already tax-weary citizens. Basically, what this act would do is create a fully fertile field for unscrupulous attorneys in a society where the legal profession is our fastest growing trade. And, I suggest this bill opens the gates for harassing by Special Interest Groups, rather than complaints from private citizens. If passed, this would and could over-ride other existing Federal Agencies causing mass chaotic conditions in all phases of our economy.

A Chesapeake, Va., gentleman said this:

> The CPA would be permitted to seek judicial review of other agencies, whether or not CPA participated in the proceeding CPA would be permitted to intervene in formal and informal proceeding of other agencies. CPA would be given extensive information gathering authority. The bill provides inadequate protection of company trade secrets or confidential information. Labor disputes would be exempt from the scrutiny of CPA while creating a second "prosecutor" against business in virtually all Federal proceedings. Manufactured housing industry in this State feels that H.R. 13163 and S. 707 are inimical to its interest and that of the public in the final analysis. We feel that it would exacerbate feelings of mistrust and disharmony among members of the business communites, consumer interest and existing Federal Agencies.

Also from Tidewater, a Warsaw constituent said:

> As you may be aware, in excess of 33 government agencies are presently involved in programs to protect the interest of consumers. S. 707 advocates another agency with the consumer's interests in mind. It is my opinion that if the present consumer protection programs were effectively implemented further legislation would be unnecessary. I believe it would be more appropriate to direct your efforts toward rendering the existing programs (over 1,000 are presently in existence) successful. Enactment would only create another government bureaucracy which we do not need.

From Richmond came these comments:

> From its lack of protection for company trade secrets to its arbitrary determination of relevance and interrogatory power, the bill is unique in its pointed attack on business. The establishment of such an agency with complete power of intervention in proceedings of other agencies, coupled with ill-defined judicial review, can create chaos for business and industry.

Another Virginian indicated:

> Mechanically and economically speaking, this bill will never fly—regardless of the number assigned to it. While the American consumer may indeed benefit from the idealism of consumer protection, establishment of a $10 million/year super agency empowered with the ability to initiate legal action against other government agencies can only benefit government lawyers. As a consumer, I want to be heard, but I do not want to pay for another Federal bureaucracy which may destroy the effectiveness of the regulatory agencies now in existence.

A lady from Chesapeake said:

> I feel there are already enough federal agencies conducting consumer interest programs, and I believe this consumer protection program would further disrupt rather than promote orderly government and further increased cost to the consumer.

A Blacksburg citizen said:

> An independent CPA would monitor the work of existing agencies fully capable of implementing the many laws designed to protect the public. If these existing agencies are not performing satisfactorily, Congress should reexamine their programs, personnel, and objectives, and, if necessary, enact corrective legislation. Another agency further encumbering the federal bureaucracy is not the solution. "The CPA as proposed in S. 707 could involve itself in any agency proceeding which affects consumers and could initiate a court review of a proceeding it did not agree with. In addition, S. 707 would grant the CPA extensive power to obtain confidential information from business and government organizations. These powers create a super agency that is unprecedented for a non-regulatory agency, and we view these powers as a threat to the orderly function of business and government.

Another Richmond citizen asked that the legislation be defeated and stated:

> Government regulations on industry continue to be a tremendous burden and time consuming and it is understood that the above legislation would result in more delay and harassment in the government regulatory process. Anything you can do to help defeat this legislation will be very much appreciated.

A Manassas constituent raised a number of questions:

> The courts in the U.S. are already being clogged with the growing litigation. S. 707 will only further act as a real "Court Clogger". In light of public disagreements which arise between opposing consumer organizations, how can the new Consumer Protective Agency determine which group of consumers to speak for when intervening in business-government matters? Court decisions are being made by officers of the Government who are sworn to make these decisions in the whole of public interest. S. 707 would allow this Consumer Protective Agency the right to inject itself into their finding at the request of the aggrieved party. Could you conduct the affairs of your office with such a monitor and adversary at your door to assert that you were not representing the interest of your constituents? Certainly not.

A Richmond constituent felt there was no need for this agency and stated:

> Rather than establish an independent Consumer Protection Agency, I believe the Legislative and Executive branches of government should encourage existing agencies to accept this Consumer protection responsibility in their areas of concern. For example, it seems that the Food and Drug Administration is best qualified to look after Consumers' interests in the areas of food and drugs, the Department of Health, Education and Welfare should be best qualified in the areas of health and education. For the sake of economy and efficiency I encourage you to pursue the course of (1) not establishing an independent Consumer Protection Agency and (2) requiring that existing agencies assume this responsibility with no increase in personnel.

Mr. President, in conclusion, I am voting the way my constituents want. They do not want this bill. I do not believe a majority of the people of the country want it and hope the Senate will reject the proposal.

Mr. ALLEN. Mr. President, I ask unanimous consent that the time from 1:15 through 2:15 be equally divided between the distinguished Senator from Connecticut (Mr. RIBICOFF) and the junior Senator from Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I yield 5 minutes to the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. HARRY F. BYRD, JR. Mr. President, I commend the Senator from Alabama (Mr. ALLEN) and the Senator from North Carolina (Mr. ERVIN) for the determined and able fight which they have made in opposition to S. 707. The Senator from Virginia has kept an open mind on this legislation. Frankly, I would prefer to support it. Its title suggests that it is legislation that I should like to support, "Agency for Consumer Advocacy."

All of us in the United States are consumers. Consumers deserve protection and deserve help from the Federal Government. But. Mr. President, the more one has listened to this debate, the more one studies the legislation, the more one ponders what is likely to happen if this legislation is enacted, the more one becomes convinced that S. 707 goes too far.

I have developed a rather lengthy speech on this subject. I shall not deliver it today, because the Senate is now operating under time limitation because of the pending vote as to whether cloture shall be invoked and debate shut off. But in brief, Mr. President, it seems to me that this legislation would pile a new bureaucracy on top of all the existing bureaucracies. We have dozens and dozens of regulatory agencies of the Federal Government which have the responsibility for consumer protection in one form or another. This legislation does not abolish any of those.

If those agencies are not doing their job, then I submit that Congress should abolish them. But no one suggests that the agencies be abolished. The proponents of S. 707 seem to suggest and indicate that the agencies are not doing their job, but the solution to the problem, as they see it, is to create another agency, a super agency, over and above all the other agencies that we now have.

I think, Mr. President, the American people probably are over-regulated now. We are trying to invade the private affairs of virtually all of the people of our Nation, even to the extent of, only 2 weeks ago, passing legislation in the Senate to say that if a person wants to buy an AM radio, he must, at the same time, buy an FM radio. S. 707 does not go quite that far, but I use that other piece of legislation as illustrative of the desire of Congress to exercise more and more control over every segment of our society.

I should like to support S. 707. As I say, I approached it with an open mind. I did not express opposition to it until I had an opportunity to listen to a great deal of the debate.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. ALLEN. Mr. President, I allot 2 additional minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I have reached the conclusion, Mr. President, that this legislation goes much too far and should not be enacted in its present form by the Senate of the United States.

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

I am pleased to state that I have with me a release from Virginia Knauer, Special Assistant to the President for Consumer Affairs, in which she has announced support for the ACA by the following firms: American Income Life Insurance Co., Amivest Corp., Ar-Ex Products Co., Dreyfus Corp., Monogram Industries, Inc., Polaroid Corp., and King Super Markets. She further states:

> Each firm and its representative recognizes that ACA is not a threat to business but an invitation to work with government and consumers to meet consumer's needs and resolve common problems. They have understood what I have been telling the business community ever since I became a consumer spokesman: business and consumers have a common interest in seeing that the consumer is adequately represented in government decisionmaking.

She further goes on to remind us that in addition to these firms, the following major American corporations support ACA: Montgomery Ward, Marcor, Zenith, Motorola, AMFAC, Inc., Kimberly-Clark Corp., Connecticut General Life Insurance Co., Alexander Hamilton Life Insurance Co. of America, Consumers United Insurance Co., GIT Corp., Maxwell Corp. of America, Condamatic Co., Inc., DynaDay Plastics, Inc., and American Sound Corp.

I ask unanimous consent that the entire release be printed in the Record at this point.

There being no objection, the release was ordered to be printed in the Record, as follows:

Office of Consumer Affairs,
Washington, D.C., August 20, 1974.

Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, today announced the names of seven additional firms which support legislation to create an Agency for Consumer Advocacy (ACA).

Mrs. Knauer's statement is as follows:

"With the third cloture vote affecting debate on legislation to establish an Agency for Consumer Advocacy due today in the United States Senate, it is gratifying to know that more and more business leaders are stating their support for ACA. These firms represent multi-million-dollar manufacturing companies, insurance, finance and investment firms and others whose names are household words for many Americans.

Today I am pleased to announce the support for ACA of the following firms: American Income Life Insurance Company, Amivest Corporation, Ar-Ex Products Company, Dreyfus Corporation, Monogram Industries, Inc., and Polaroid Corporation, and King Supermarkets.

Each firm and its representative recognizes that ACA is not a threat to business but an invitation to work with government and consumers to meet consumer's needs and resolve common problems. They have understood what I have been telling the business community ever since I became a consumer spokesman: business and consumers have a common interest in seeing that the consumer is adequately represented in government decisionmaking.

I think their letters speak for themselves.

Bernard Rapoport, President of American Income Life Insurance, said that his company is totally supportive of an ACA, adding that he recommends that funding for this independent consumer agency should be made through a ten-year irrevocable appropriation."

Martin Stone, Chairman of the Board of Monograph Industries, a leading manufacturer of industrial and sanitation equipment, pledged his complete support and added that the move to openness and responsiveness of government and business will help to insure the health and freedom of our political and economic system.

John Wolbarst of Polaroid Corporation wrote that he does not share the view of some of the business community that the ACA would be harmful to industry's interests. He said that it is unrealistic to take the position that it is up to consumers to represent themselves before government agencies and added that it seems reasonable and desirable to create a government agency charged with this responsibility.

Jerome S. Hardy, President of the Dreyfus Corporation, one of the largest investment firms, agreed with this view and asked that his company be added to the list of other corporations that favor ACA.

The statements of these business leaders are important because they demonstrate that there is not a solid block by business opposing the creation of ACA. As the time draws nearer to the final Senate vote, I am confident that more business leaders will come forward and join with consumers in urging affirmative action by Congress.

Julius B. Kahn, President of Ar-Ex Products Co., said that legislation to establish a consumer agency has his full support.

Emmanuel Sella, President of Amivest Corp., New York, N.Y., said in a telegram that his firm supported the Senate legislation.

Allen Bildner, President of King Supermarkets, Inc., Irvington, N.J., expressed similar sentiments."

In addition to the seven firms stated above, Mrs. Knauer has previously announced the support of Montgomery Ward and its parent company, Marcor; Zenith; Motorola; AMFAC, Inc.; Kimberly-Clark Corporation; Connecticut General Life Insurance Company; Alexander Hamilton Life Insurance Company of America; Consumers United Insurance Company; GTR Corporation; Maxwell Corporation of America; and three companies under the same management—Condamatic Company, Inc.; DynaDay Plastics, Inc., and American Sound Corporation.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. RIBICOFF. Chargeable to my time.

The PRESIDING OFFICER The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I yield myself 6 minutes.

Mr. President, in just a few minutes the Senate will vote on whether or not debate shall be brought to a close under the provisions of rule XXII with respect to S. 707; and one of the reasons advanced for bringing debate to a close is the fact that some sort of compromise, so-called, has been agreed to by certain Senators, and that is offered as the reason for bringing the debate to a close.

Mr. President, I submit that this so-called compromise has not been offered. It has not been printed. So far as I know, copies have not been made available to Senators, or if copies have been laid on Senators' desks, few Senators are here to read the compromise. So, far from being a reason for bringing the debate to a close, the imminence of the so-called compromise is a reason for continuing debate, not bringing it to a close.

What is this compromise, and who reached it? Well, about eight Senators who have been for legislation of this sort all along, and I believe the distinguished Senator from Kansas (Mr. Dole) is said to be—and is, I am sure—one of the cosponsors of the so-called compromise.

What sort of compromise is that? Compromise by advocates of the bill and one who opposed it; why would that be binding on the other Members of the Senate?

So, Mr. President, with the so-called compromise coming in, it opens up an entirely new field for debate. For that reason, debate should not be brought to a close.

I was interested, too, Mr. President, in the startling admissions that we have heard here on the floor by some of the advocates of this legislation. Up to now, we have been led to believe that the consumers were just one great big monolithic group, who had only one idea in mind, and this administrator would decide what that idea would be and would press it to a conclusion before some of the regulatory bodies and agencies of government. Now we are hearing—for the first time, I might say, in all of the years that this type of legislation has been pending before the Senate—that consumers might be divisible, that they might have different ideas about different subjects, and for the first time it is suggested that possibly the Administrator of the Agency for Consumer Advocacy might come into a proceeding and suggest raising prices on goods or raising prices on various materials whose production might be increased by raising their prices.

Heretofore we have been led to believe that the consumer is going to get a whole lot of benefit and, as the distinguished Senator from Illinois suggested, one area that the consumer protection advocate would work in would be lowering tariffs on shoes, so that cheap shoes could come into this country, the consumer interest being the price. But now they say that the matter of availability of supplies is something that the consumer advocate would take into consideration.

I would gather that to mean that the consumer protection advocate might appear before the Federal Power Commission and recommend raising the price of natural gas at the wellhead, in order that that might increase production of natural gas.

This is a new voice that we are hearing today on the Senate floor. I do not know why that is, unless it is because on the last cloture vote the effort to obtain cloture lost by some seven votes and the advocates are now offering new theories in seeking votes.

The **PRESIDING OFFICER**. The Senator's 6 minutes have expired.

Mr. **ALLEN**. I yield myself 3 additional minutes.

Now, this compromise is supposed to gather in some of the doubtful Senators, some of the Senators who have not taken as decisive a stand, possibly, as some other Senators.

I would like to warn those Senators that once debate is brought to a close and we have votes on these amendments, and this compromise, there is no assurance whatsoever that those additional Senators who today will vote to bring debate to a close by invoking cloture would get added the provisions that they want, because the compromise has not even been offered, so how can it be debated?

There are two interesting things in this memorandum, this four-page memorandum of the so-called compromise offered by the bill's supporters, taking a provision here and a provision there and adding a new provision, and then just stirring them together in a great big pot and fishing out a new bill. Let us see what the proponents of the so-called compromise say that it provides. Let us look at the last few lines of this memorandum:

> Additional amendments to Sections 5 and 15 expand the definition of consumers to include farmers.

Well, is that not just real nice? We find out now for the first time that they are going to bring farmers within the purview of this bill, and they find out, apparently for the first time, that farmers are consumers. Because that is what it says here, that they have expanded the definition of consumers to include farmers. That is real nice, that farmers are now to be included within the term "consumers."

Let us see what else it provides. This is what they say their compromise will do; listen to this:

> and specifically directs the agency to assure that farmers can obtain at a fair price, goods and services they need.

Well, shades of King Canute, if the Agency for Consumer Advocacy is going to take on the obligation, the role, and the duty of assuring that farmers can obtain, at a fair price, goods and services that they need, that is mighty fine. We hope they can. We hope the shopowner, the taxi driver, the secretary, the millworker, the steel mill employee, and the textile employee can get goods and services at a fair price. That is what it says they are going to do for the farmer.

Mr. President, I ask unanimous consent to have printed in the RECORD two articles by James J. Kilpatrick, one entitled "Producing a Commissar," and the other entitled "A Monstrously Bad Bill."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star-News,
Aug. 16, 1974]

PRODUCING A COMMISSAR

(By James J. Kilpatrick)

Just as we were interrupted last weekend, we were talking about the bill to create a Consumer Protection Agency. It is an extraordinary bill—a profoundly un-American bill—and it merits your careful thought.

One version of this bill, H.R. 13163, passed the House in April. A Senate version, S. 707, is now pending in the upper chamber. If the Senate succumbs to the virus of galloping consumerism, eventually the two bills will be reconciled, and with President Ford's approval, we will wake up some morning to find we have voted ourselves a wet blanket.

Perhaps Ford will not approve. His conservative instincts run deeper than those of his predecessor. As he reminded us a few days ago, he takes office beholden to no man—not even to Ralph Nader. And who's afraid of Virginia Knauer? Let us hope this well-intentioned but fundamentally bad bill never becomes a public law.

In describing this bill as "un-American," I have this in mind: One of the first principles of the American way of life is that ours is not a monolithic society. Ours is a free society, composed of men and women with different interests and different values. The idea of state-decreed uniformity is alien to us.

Another cherished American principle is the principle of political accountability. Over the years we have created an intricate system of checks and balances, of reviews and controls, of restraints upon power. Working in tandem, the public sector and the private sector have operated in an effective state of tension. The system may not be perfect, but it has given America a reasonably free and reasonably prosperous economy.

Now comes this bill to create a Consumer Protection Agency. The agency would be headed by an administrator whose first duty is to define the "consumer interest." A few days ago, before the interruption, I was saying that no such singular consumer interest can possibly be defined. The longer one reflects upon this duty, the more impossible the task becomes.

What is the consumer interest in automoblies? The administrator would have power to intervene in every proceeding of the Department of Transportation having to do with automobile safety and design. The Administrator would be expected to intervene in every environmental proceeding having to do with air pollution.

Is it in the consumer interest to require that new automobiles come equipped with air bags, hydraulic bumpers, and catalytic emission controls? Perhaps it is. But these devices may add as much as $400 to the cost of a car. Is it in the consumer interest to have inexpensive cars? Perhaps it is. But these two opposing interests cannot possibly be reconciled.

A hundred such examples could be offered. It is anticipated that the administrator would define a consumer interest as to the packaging of goods. But what is the consumer's interest? Does the consumer want packages that are secure, very secure, or practically impenetrable? Does he want his pound of bacon sealed once or sealed twice? The difference inevitably must be reflected in the price of the product.

The Federal Register bulges with regulations affecting everything from peanut butter to cherry pies. How can one administrator prescrbe a universal taste?

In every other agency of the federal government, the decrees of a commissioner or secretary or department head are reviewable. The checks and balances of due process of law operate to provide restraints against an abuse of power. Congress provides some oversight. An overweening official can be fired.

But as this bill is now set up, the administrator of the Consumer Protection Agency would have a virtually unreviewable power to do as he pleases, and it would be almost impossible to dismiss him.

In a different society, under a different concept of state supremacy, we would call such an officer a commissar. What in the world do we want with a commissar here?

[From the Washington Star-News,
Aug. 12, 1974]

A MONSTROUSLY BAD BILL

(By James J. Kilpatrick)

The Senate continues debate this week on a measure that merits a splendid superlative title. It is the Worst Bill of the 93rd Congress.

Admittedly, that takes in a considerable sweep; but the bill to create a Consumer Protection Agency is not merely a bad bill. It is a monstrously bad bill. In the holy name of consumerism, one of the more fashionable religions of the day, the Congress could create a bureaucratic nightmare.

The sponsors and defenders of this bill make it sound so simple. Out of whole cloth they have fashioned a speechless dummy named "the consumer." This poor creature, it is said, has no one to defend his interests. Business and industry have highly paid lobbyists whose insidious talent is to manipulate the agencies set up for their own regulation. The consumer, by contrast, is an abandoned babe in a forest of wolves. The bill would create a new agency with authority to fight back on his behalf.

The theory rests on a false premise, that there is such a thing as "the consumer." Under the definition contained in Section 4 of this bill, every human being who uses or purchases any goods or services whatever is a consumer. But unless one assumes that all human beings have identical personal and economic interests, it is plain that no advocate possibly could serve all consumers alike.

Let us examine, if you please, the best interests of this hypothetical "consumer" in such areas as milk, lumber, textile products and shoes. Presumably, consumers have an interest in cheap milk; but the human beings in the dairy industry, who also are consumers, have an interest in higher milk prices. People who build houses want cheap lumber; people who produce lumber find that idea unappealing. The country is flooded with textiles imported inexpensively from the Far East, and doubtless this suits some consumers very well; but the consumer who works in a North Carolina mill has a different view.

Back in January of 1972, this correspondent happened to be covering the McGovern campaign in New Hampshire. The candidate stood in the snow outside a couple of shoe factories, shaking hands as the shifts changed. Repeatedly, he was asked one question: How did he stand on the importation of shoes from Italy? These men and women were consumers of shoes; they were also producers of shoes. How would a Consumer Protection Agency look after their interests?

The bill is a fraud. It defines the "interest of consumers" partly in terms of their "economic concern," which is to say, in terms of the price the consumer pays for goods and services. In the determination of such prices, no factor of cost is more important than the cost of labor. Yet labor is exempted from this bill.

The bill is administratively impossible. Under this measure, the new agency would have an administrator. He would be responsible to no one. He could intervene in any governmental proceeding (except as to labor) throughout the entire realm of federal authority. His determination of the "interest of consumers" would be virtually unreviewable. He could be removed by a president only at the risk of another Saturday night massacre.

Under this legislation, the new agency would have some $20 million to spend on advocacy. It is a small sum, perhaps, in a $300 billion budget, but it is a large sum indeed in terms of lawyers, lobbying and litigation. Far from putting the "consumer" on an equal platform with business spokesmen, the authorized sum would make the administrator King of the Lobbyists, the fattest cat in town.

Our present system of consumer protection may not be perfect, but such old-line agencies as the courts, the Food and Drug Administration and the Federal Trade Commission do a reasonable job, and such new agencies as the Consumer Products Safety Commission are coming on strong. A case for further bureaucracy cannot be made.

Mr. ALLEN. I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. How much times does the Senator from Kansas wish?

Mr. DOLE. Ten minutes.

Mr. RIBICOFF. I yield 10 mintues to the Senator from Kansas.

The PRESIDING OFFICER. Ten minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, today I am proposing, along with the distinguished Senator from Connecticut (Mr. Ribicoff), the distinguished Senator from New York (Mr. Javits), the distinguished Senator from Illinois (Mr. Percy) a solution of the impasse that has developed in regard to the consumer protection bill, S. 707.

The alternative I am introducing is a substitute amendment. It was created by taking the best provisions of the Senate and the House bills and putting them all together in this substitute.

The substitute resolves the key issue of the labor exemption to the satisfaction, I believe, of all those who have been concerned that consumer interests would not be represented in this area.

The issues making the Senate bill a likely veto candidate have been deleted. These issues are the term and removal of the Administrator, the OMB bypass, and the independent interrogatory power.

The Senate provisions on FCC and small business are retained.

Finally, provisions have been included to prevent a self-defeating possibility that ACA actions might drive farmers out of business in the interest of low food prices for consumers.

I talked and discussed with the majority and minority managers of the Senate bill and believe that the substitute is acceptable to them. In fact, they so stated earlier in the day. My amendment retains those provisions of the House bill which make it more acceptable to the private sector and the Federal agencies, yet it includes a number of the Senate provisions which are better and more concisely drafted.

We are all concerned about protecting the interests of consumers and many have questioned whether the Agency for Consumer Advocacy would actually protect the interests of consumers. I believe this substitute will provide meaningful representation for consumers. At the same time, it will not create a superagency that will harass or meddle in our great private enterprise sector.

CONCEPT OF PARITY

There are a number of important reasons why the basic House consumer protection measure, with a few appropriate changes, is preferable to the format presently contained in S. 707. The most important reason why I favor the basic House version of this legislation is that H.R. 13163 adheres to the concept of equality and parity between the Consumer Advocacy Agency, private enterprise, and any other private interest. My amendment places them in the same position before Federal agencies—and with the same powers. Under my amendment, the agency has no direct interrogatory power. Rather, it places the Consumer Advocacy Agency in substantially the same position as any other party to a regulatory or administrative proceeding. This has the effect of putting consumer interests, voiced through the Agency for Consumer Advocacy, on a level equal to, but not greater than, business interests.

LABOR ISSUE IS KEY

In regard to the important issue of labor, my substitute amendment adopts the House provision in regard to labor matters. It is my opinion that this substitution resolves the issue of ACA representing consumer interests in labor issues. The result is a labor provision which would prohibit the administrator's participation only in regard to completely private contractual labor negotiations between unions and businesses. This type of exemption of Federal intervention in private labor negotiations is consistent with the entire concept and authority of the act. Once any Federal agency involvement occurs, the Administrator would be authorized to submit views or participate in that agency proceeding. These actions are equal to any action the Administrator could take concerning any other sector of business or commercial activity.

Mr. President, I ask unanimous consent that a staff memorandum prepared by the House Government Operations Committee staff explaining the development of the "labor exemption" be included in the Record at this point.

There being no objection, the staff memorandum was ordered to be printed in the Record, as follows:

The Labor-Management Relations Exemption in the House CPA Bill

This memorandum is to clarify the intent of the exemption language in section 17 of H.R. 13163 dealing with labor/management relations.

This language does not exempt labor or labor issues from the purview of the CPA. Rather, it prohibits CPA involvement in those Federal activities designed to ease labor/management negotiations or prevent unfair practices by either side.

By way of background, several business representatives expressed concern during consideration of the House bill that the CPA potentially would have the power to disrupt delicate labor/management negotiations. An example of this may be found on page 251 of the House committee hearings (attached).

The House language exempts from the CPA's purview three Federal activities dealing with labor/management negotiations. The first two deal with labor disputes involving illegal activities on the part of either labor or management where a court or the NLRB may prohibit such an activity. The third provision exempts the CPA from any negotiation where the Federal Mediation and Conciliation Service assists the negotiating parties.

As noted in the House Government Operations Committee report, "The bill also exempts labor disputes and labor agreements within the meaning of certain statutes codified in 29 U.S.C. 113, 152, and 171. The first excludes labor injunction suits under the Norris-LaGuardia Act; the second, proceedings before the National Labor Relations Board to elect or determine employee bargaining representatives and to prevent unfair labor practices; and the third, assistance in the negotiation of labor agreements by the Federal Mediation and Conciliation Service."

These exemptions in no way amount to a "labor exemption." If there are issues before a revived Cost of Living Council, OSHA, the Wage Board, etc., or if there is question of the inflationary impact of certain wage demands, the CPA would be able to comment or participate just as he would in all other Federal activities. See attached statement by a principal House sponsor during the subcommittee mark-up of the bill.

Mr. Fuqua. You were not directly involved in a settlement that occurred with one of your competitors this past week. Was the Federal Mediation Service involved in that settlement?

Mr. Williams. I don't recall whether it was or not.

Mr. Fuqua. Assume they were, or in some other similar settlement. If you will turn to page 14 of H.R. 21, section 204, and read there on lines 10 and 11, would you consider the Federal Mediation Service to be defined as a Federal agency?

Mr. Williams. I believe that would be a Federal agency as the term is defined, yes.

Mr. Fuqua. Then if you had a situation where the settlement cost resulted in a higher price of automobiles and you felt that some of the settlement costs should be passed on to the customer, could not the CPA intervene and postpone the ultimate settlement of that labor negotiation until it was resolved?

Mr. Williams. If that were considered a proceeding, and I think it could be under some of the earlier testimony, yes, he would have a right to intervene in that.

PRODUCTION COSTS OF CPA PARTICIPATION

Mr. Fuqua. What kind of effect would that have on the Ford Motor Co.? What effect would this have on the Ford Motor Co. if the CPA had full party intervention rights? If the CPA just wanted to put a hold order on the settlement until he had a chance to review it?

Mr. Williams. Any delay would be substantially expensive to Ford, whether waiting for third party——

Mr. Fuqua. For labor and management. If there was a settlement reached and the union approved it, you still would be held up until the CPA finally made their decision under H.R. 21. Could not that happen?

Mr. Williams. That could happen. Any

delay, as I say, would be substantially expensive.

Mr. Fuqua. That is all, Mr. Chairman.

Copy of Transcript of Meeting

Mr. Wydler. Could I ask a question? I don't understand. What does this mean, labor disputes? What does this technical language mean within the meaning of Section 13 of the Act et cetera, et cetera, et cetera. What does that mean?

Mr. Goodwin. That is a reference to the National Labor Relations Act, jurisdiction over labor.

Mr. Wydler. Who isn't included in that section?

I don't know what that means. Why is it defined that way?

Mr. Goodwin. To the extent there was a consumer interest involved.

Mr. Erlenborn. Part of the labor disputes would be covered and only part excluded.

Mr. Wydler. I don't even like that. I have a further question. What would happen under the Cost of Living Council situation that we have here where the Cost of Living Council was trying to fix prices and fix wages. Under this would it mean that this consumer agency would be allowed to come and question all the decisions in the price field but not come in and question any of these decisions they are making in the wage field?

Mr. Goodwin. I think they could.

Mr. Wydler. Wouldn't they have disputes then that would be considered disputes under Section 13 of the Act entitled and so forth and so on?

Mr. Goodwin. That kind of an operation would not be considered a labor dispute within the meaning of Section 13 of this Act.

Mr. McGinn. What we are talking about here are private sector contractural agreements, disputes over contractual agreements.

Mr. Wydler. I would be very honest, I can't honestly see why, I don't understand the logic of why that isn't something that is involved with the interest of consumers of our country. To me to try to cut that out seems to be almost unbelievable.

How do we rationalize that one? Is that your amendment?

Mr. Fuqua. It is not my amendment. I pointed it out and——

Mr. McGinn. It was an amendment that the staff drafted. We will take the blame.

What we are seeking to do was exempt the situation Mr. Fuqua pointed out in the hearings where delays in the settlement of a contract dispute between management and labor could result in harm to the society as a whole and probably in almost every instance to the consumer as well.

Mr. Wydler. This probably comes because I don't understand the language but——

Mr. McGinn. Perhaps we could solve that.

Mr. Wydler. Let me see if I get this straight.

Does Section 13 only operate where the Federal Mediator Service is brought into the picture or something of this nature?

Mr. Goodwin. This would exclude them from getting involved in Federal Mediation Service activities.

Mr. Wydler. How about an injunction by a company trying to stop a strike?

Mr. Rosenthal. You try to analyze. I don't think they should, and I think it is trying to define two areas, keep them out of NLRB direct management negotiations, because it is too difficult. In the Cost of Living Council when you are dealing with the broader issue and not specific issues of labor relations agreement then they ought to have some input, some intellectual input if the opportunity presents itself. I think its trying to get good reasonable rationale for defining areas of jurisdiction.

Mr. Fuqua. What if the President invokes the Taft-Hartley Act, can the CPA go in?

Mr. Rosenthal. If the invocation was based, the underpinning of the vocation was the NLRB, then I think they probably could not get in.

Mr. Wydler. How about the railway—

Mr. Rosenthal. That is not exempted here.

Mr. Brown. Labor disputes do not have impact on the consumer?

Mr. Rosenthal. You are getting into the third level of negotiations, because then you get into the cost to the consumers, you get into pension rights, you get into time, you get into Saturday work, you get into fringe benefits, you are just extending this to the nth degree. The Cost of Living Council I think is in the broad umbrella area, very significant in its work as far as consumers or its lack of work. There I think there should be some input.

Mr. Brown. The Cost of Living Council has the opportunity to speak to wage matters also, so are wage matters under the Cost of Living Council exempted or are they not exempted?

Mr. Rosenthal. They are not exempted.

Mr. Brown. That is not a labor dispute?

Mr. Rosenthal. It may eventually involve itself into a labor dispute.

Mr. Brown. That is my question. If the Cost of Living Council sets a certain wage situation and there is a labor dispute following, is the CPA then exempted because—

Mr. Rosenthal. At which point? They are exempted at the NLRB stage of the labor dispute but they are not exempted at the time of the Cost of Living Council decision. The question is not to continue their involvement in a labor dispute to determine it.

Mr. Brown. What is the rationale for that, please?

Mr. Rosenthal. The rationale is it gets too heavy to handle. I don't think they should be involved in fringe benefits and negotiating contracts, they ought to get involved in the first stage of the Cost of Living Council.

Mr. Horton. It has been my view all along, in spite of Mr. Fuqua's suggestion, that it wasn't even necessary to have it in here because a labor dispute is not an action between the agency, it is an action between a labor union and management where they are having a relationship. How could the CPA get involved?

Mr. Fuqua. NLRB.

Chairman Holifield. All they can get in is the advocate point of view. They can appear before a board. They have no power in the decision-making.

Mr. Fuqua. Suppose a company is bringing an injunction against a union for something that has a consumer interest, maybe it is food products or something, could the CPA come in?

Mr. Rosenthal. Who would be bringing the injunction?

Mr. Fuqua. Maybe a company or industry would be bringing a suit against labor.

Mr. Rosenthal. It sounds like an FDA action.

Chairman Holifield. That is a matter for the courts to decide, isn't it?

Mr. McGinn. It won't be an agency involvement.

Mr. Rosenthal. There is no Federal agency, there is no intervention.

Mr. Fuqua. You say a court sitting in equity for other purposes?

Mr. Rosenthal. That is for enforcement of labor disputes.

Mr. Fuqua. Or there is a lockout?

Mr. Rosenthal. I don't think they should be involved.

Mr. Brown. Would you yield? One of the issues we are going into here is a California issue, as a matter of fact, and that is the question of an inability to move the produce in the field, and there have been, of course, labor matters involved in that. My question is—

Mr. Fuqua. Including truckers?

Mr. Brown. Yes. My question is, does the inability to move the produce and results in the produce rotting in the fields and the price going up on vegetables and so forth and so on, citrus fruits, is that a matter in which the CPA should be interested?

I gather the conclusion is we should not be concerned about the price of food, that is, the CPA has not been involved in it.

Mr. Rosenthal. If you are asking my opinion they should not be involved.

Mr. Brown. Price is not one of the consumer interests they should identify?

Mr. Rosenthal. That is right.

Mr. Brown. I am confused then by the logic that gets us out of that issue, price and supply, of a food product and says that we shouldn't be involved in that issue as a consumer protector.

Can you explain that to me?

Mr. Rosenthal. I can try and take a narrower interpretation and say there may not be a Federal agency involved in the lockout situation.

Mr. Brown. ICC was involved in the truck matter.

Mr. Rosenthal. Yes. There may not be a Federal agency involved or there may be a Federal agency involved. I think it is too difficult to expect this agency unrealistically to get involved in labor disputes which are essentially labor disputes.

Mr. Brown. Well, now, would the ICC, would the Consumer Protection Agency and failure of ICC to act in the truck issue, the truck boycott, pass-through of truck costs, which resulted in products in Florida not getting up the East Coast and thereby raising consumer's prices then and cutting consumer's price of those food products, would that be appropriate area for the Consumer Protection Agency, because I think we are making legislative history, and I think we ought to know whether or not food products may be exempted or maybe its—

Mr. Rosenthal. If you are asking my own view, my view is that it would be appropriate to get involved in the ICC thing in that area. When it got to the next level, the next to where it became exclusively or principally a labor dispute, I would exclude it then.

Mr. DOLE. As explained in this memorandum the labor provision was originally developed to protect business interests in private labor negotiations between companies and unions.

Mr. President, my substitute amendment, just as with H.R. 13163, contains no restrictions upon the ordinary power of the President to remove the administrator of the ACA. Under the provisions of this proposed amendment, the President would have full authority at his discretion to remove the administrator.

My amendment further retains the desirable House language in regard to review of ACA budgetary requests, legislative proposals, and comments by the Office of Management and Budget. My amendment retains the desirable House version in regard to this important provision and would not allow direct budgetary or legislative submissions from the ACA to Congress.

The exemption from information gathering for small business, initially introduced by Senator Domenici, is preserved in my substitute. And the requirement that the administrator take full account of the interests of small business, which was initially introduced by Senator Brock, has also been preserved in my substitute.

In addition, there has been an agricultural clarification, not an exemption, suggested this morning by the distinguished Senator from North Carolina (Mr. ERVIN), and I might say to the Senator from North Carolina, if cloture is voted and this amendment is offered, I feel quite certain it will be accepted, but I was unable to have that accepted in the substitute.

But it does include what I consider to be a clarification in this area.

AGRICULTURE CLARIFICATION

The substitute amendment includes a provision pertaining to the capacity of the Agency for Consumer Advocacy to intervene in administrative proceedings which bear upon the income of farmers and production of farm products. In regard to this area, which is of interest to our Nation's farmers, even an advocacy function may result in administrative delays that could work to the potential disadvantage of farmers. I have included an agricultural change which will prohibit the administrator from intervening in any U.S. Department of Agriculture proceeding in a manner which would hinder farm production or the income of farmers.

In addition to exempting farmers from the direct intervention of the Administrator, ACA is required to protect the consumer interests of farmers as consumers in buying fertilizer, equipment, and other essentials.

I might add, there has been a great deal of concern in rural America about the high cost of gasoline, about the high cost of butane, the high cost of propane, the high cost of about everything the farmer purchases. There would be some effort and some aid to the farmer through the ACA. This substitute provides for that and it should be of great benefit to Kansas farmers.

The original version of the House bill (H.R. 13163) is the basis of this substitute amendment. This is the version that was passed by the House of Representatives, to include a saving provision for small businesses, identical to the one which was adopted earlier in the Senate debates on S. 707. That provision requires the administrator to take due consideration of the unique problems of small business so as not to discriminate or cause unnecessary hardship in the administration or implementation of the provision of this act. This provision, together with the language of the House bill, amounts to the small business exemption as approved by the Senate.

The substitute also amends the original version of H.R. 13163 to change the name of the prospective agency to the Agency for Consumer Advocacy, thereby bringing the name of the agency into line with the name change amendment which was recently adopted in regard to S. 707. In my opinion, this name change provides a much more accurate and descriptive designation of the agency. It denotes the advocacy function which this agency would perform and does not convey the erroneous notion that the agency would have the independent capacity to interrupt business activities of normal Government operations.

FCC EXEMPTION

The current version of S. 707 exempts the Federal Communications Commission from the provisions of the act in regard to the renewal of radio or television broadcasting licenses. I regard this as an appropriate exemption as apparently do a majority of Senators who voted not to strike this exemption from S. 707. Accordingly, this language from S. 707 has been added to my updated version of H.R. 13163.

I hope every Senator will join me in supporting this substitute amendment.

Mr. President, in further reference to the so-called "labor exemption," it would be helpful at this time if the distinguished Senator from New York would enlighten some of my colleagues and clarify what we mean by the "labor exemption."

We are concerned about when the labor exemption applies, and when it does not apply.

My first question to the distinguished Senator from New York would be, what does the House labor provision in the substitute amendment provide concerning labor-management disputes?

Mr. JAVITS. Will the Senator yield?

Mr. DOLE. Yes.

Mr. JAVITS. The substitute amendment contains the so-called "labor exemption" from the House bill. In truth, this provision is not a labor exemption, but a management-labor relations exemption. In fact the exemption is very limited, because the major Federal agencies dealing with labor-management negotiations, the National Labor Relations Board and the Federal Mediation and Conciliation Service, may not determine or dictate in any way, shape, or form the demands or the terms of settlement of parties to labor negotiations.

Mr. DOLE. That is the case now?

Mr. JAVITS. That is correct.

Mr. DOLE. This has nothing to do with ACA's authority to intervene in Federal proceedings relating to labor matters?

Mr. JAVITS. It does not change it at all.

Mr. DOLE. All right.

Mr. JAVITS. Indeed, the Supreme Court has expressly held that the Board may not intervene in that process or dictate any of the substantive terms of collective bargaining agreements in the H. K. Porter decision (397 U.S. 99 (1970)). Thus, since the Government agencies involved do not have authority to effect wage settlements, there simply is no way that eliminating the "labor exemption" would have any significant impact upon the ACA's ability to represent consumer interests, involving labor or management matters.

In supplementing that answer, Mr. President, may I point out that the labor exemption, as I understand it, in the Dole substitute, and I think it is properly so called, is explicit in its reference to all three labor acts.

It refers to the Wagner Act, that is the first reference in 1932; it refers to the Taft-Hartley Act, that is the second reference in 1947; and finally to the Landrum-Griffin Act, which is the most recent of the three.

The PRESIDING OFFICER. The 10 minutes of the Senator from Kansas have expired.

Mr. RIBICOFF. I yield 10 minutes more.

Mr. JAVITS. And in each case, Mr. President, it affects the key section which defines the coverage, and that is exactly what the Senator from Kansas has just referred to.

Section 113 of title 29 of the Wagner Act deals with the matter of labor disputes. The relevant section, section 152 of title 29 of the United States Code, which is the relevant section of the Taft-Hartley Act, deals with controversies involving labor and management.

The final section is section 171 of the Landrum-Griffin Act and that deals with the settlement of issues between employers and employees in controversies arising between employers and employees.

So that the answer I have given to the Senator's question corresponds exactly with the terms of the labor provision, the labor exemption limited it from, as I have just described it, which is contained in section 17(a) of the Dole substitute.

Mr. DOLE. I appreciate the response to that question.

I think to follow up, my second question would be, Does this mean that the ACA is empowered to intervene in other proceedings to advocate positions which might affect labor?

Mr. JAVITS. The Senator refers, of course, to the new name of the agency.

Mr. DOLE. Right.

Mr. JAVITS. If the Senator will yield, there is no provision in this bill which would prevent ACA from intervening in any proceeding in which it determines that an issue substantially affected the interests of consumers, regardless of whether the issue involved labor-related issues. Not management, not controversies, not labor disputes, but labor-related issues.

There is certainly no inherent conflict between consumer interests and the interests of labor. The consumer has a stake in the maintenance of a stable economically viable labor force and the maintenance of purchasing power by workers which is the mainstay of a mass market economy, and which in turn provides the greatest possible efficiency in the distribution of consumer goods and services. Nevertheless there is nothing in the so-called labor exemption which would prevent the ACA from commenting or intervening in appropriate proceedings in advocating a position contrary to the position taken by organized labor or any of its component entities. For example, it is conceivable that in the development of a voluntary product standard by the Department of Commerce, a proceeding in which consumer representation is customarily sought, ACA could advocate the inclusion of new materials which might be resisted by unions insisting upon traditional materials.

Mr. DOLE. I might ask the distinguished Senator from New York, does the labor-management exemption in the substitute, also the House version extend to secondary boycott cases?

Mr. JAVITS. It would because the secondary boycott cases come within the recognition of the NLRB as an unfair labor practice and, therefore, would be, by the express language, including that act which is referred to in the Dole substitute, excluded.

I might say to the Senator that that is an exclusion which was a very hard one, but we have made it in a spirit of coming forward, just as the Senator from Kansas has come forward in a very statesmanlike way.

Mr. DOLE. I thank the distinguished Senator from New York.

My point is and was when we discussed this earlier in the Senate, there was a feeling by me that somehow labor was getting the break and business was getting a brake. So my research went back to the House bill, back to the markup sessions in the House. Based on the markup sessions and some of the testimony before the House committee, and on the House provision itself, it seemed to me that that language should be added to the substitute, and it is part of the substitute. I think it is one of the key issues.

The House provision is included in the substitute and the main exemption is for private negotiations, just as private negotiations of any other type are exempt.

There is no difference in the labor provision than for any other private negotiation.

The labor exemption does nothing for labor not already done for business and industry and the exemption is entirely consistent with the intent and power of the act. All Federal proceedings relating to labor are subject to the administrator. The full nature of the exemption stated in the House bill and now in the substitute has been spelled out very well by the distinguished Senator from New York in the colloquy we have just had.

Mr. President, in closing, let me suggest that there are important changes. It is my understanding that there are 27 changes in all, counting improvements taken from S. 707.

We took the best of S. 707 and the best of the House bill and made some 27 significant changes and this is what we are voting on today.

I might just summarize this by saying that the term of the administrator now is 4 years. There is no doubt about that.

He can be removed by the President, just as a U.S. attorney, for example.

We eliminated the OMB bypass in the new version.

The interrogatory power is no longer independent. It is derivative. It must go through a Federal agency. That was a sticky point for many.

There is no independent authority for the ACA administrator in making interrogatories. They must work through Federal agencies on interrogatories. The interrogatories must be with the agency's authority; not just subject matter, but authority.

The catch-all provision requiring FTC to transmit interrogatories where no other agency has authority was deleted, so that is an improvement.

The burden of proof is on the Federal agency to refuse to transmit interrogatories.

There have been a great number of substantial changes.

I would like to conclude by asking the distinguished Senator from Connecticut one question with reference to agriculture.

We have had lengthy discussions about agriculture. As the distinguished Senator from Alabama noted a few moments ago, farmers are consumers. The farmers are concerned about prices. They also want protection from high prices.

On the other hand, they are also producers. They want reasonable and fair prices for what they produce. They want to maintain export levels. That is how farmers make a profit. That is how they stay on the farm.

So I have great concern about this particular section relating to farmers and the allegation that the ACA may interrupt or delay sales of agricultural commodities for export.

It is my understanding that the ACA could do neither. They could neither delay nor prevent such export sales. I ask the distinguished Senator from Connecticut if that is his understanding.

Mr. RIBICOFF. That is correct. The administrator of ACA would not be able to interrupt or otherwise participate in private sales or negotiations relating to agriculture. The ACA would no more be able to interrupt, delay or halt the export sales of agriculture commodities than any other private party such as the millers and bakers who tried to limit export sales of wheat last spring. The administrator of ACA would only be able to participate in Federal proceedings concerning agriculture in the same respect as any other private party, consumer group or business enterprise would be able to do.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. RIBICOFF. How much time remains on my side?

The PRESIDING OFFICER. There are 6 minutes remaining to the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I wish to take this opportunity to commend the Senator from Kansas. We have had a very knotty, tough bill. It has been a very difficult bill to bring to a vote. The Senator from Kansas has been constructive throughout. There have been honest differences of opinion. The Senator from Kansas and his capable staff have been working with the Senator from New York, the Senator from Illinois, the Senator from Washington, myself, and our staffs to try to work out a fair compromise that would eliminate many of the questions in doubt and still protect the consumer. I commend the Senator from Kansas for his leadership.

At this time, Mr. President, I ask unanimous consent that the Senator from Washington (Mr. MAGNUSON), the Senator from California (Mr. CRANSTON), and the Senator from Utah (Mr. MOSS) be joined as original cosponsors of the Dole substitute.

Mr. DOLE. I thank the Senator.

Mr. RIBICOFF. I believe the Senator from New York and the Senator from Illinois are already on the Dole substitute.

Mr. DOLE. Yes. They are original cosponsors.

Mr. RIBICOFF. I thank the Senator.

AMENDMENT NO. 1817

Mr. DOLE. Mr. President, I send my amendment to the desk in the nature of a substitute and ask the clerk that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that we dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

AMENDMENT NO. 1817

Strike all after the enacting clause and insert the following:

That this Act may be cited as the Consumer Protection Act of 1974.

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy.

(b) The Congress hereby declares that—

(1) It is the purpose of this Act to protect and promote the interests of the people of the United States as consumers of goods and services which are made available to them through commerce or which affect commerce by establishing an independent Agency for Consumer Advocacy.

(2) It is the purpose of the Agency for Consumer Advocacy to represent the interests of consumers before Federal agencies and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the interests of consumers. The authority of such Agency to carry out this purpose shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

(3) It is the purpose of this Act to promote protection of consumers with respect to the—

(A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

(B) preservation of consumer choice and a competitive market;

(C) prevention of unfair or deceptive trade practices;

(D) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

(E) furnishing of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit; and

(F) protection of the legal rights and remedies of consumers.

(4) To achieve the foregoing purposes, this Act should be so interpreted by the executive branch and the courts as to give effect to the intent of Congress to protect and promote the interests of consumers.

ESTABLISHMENT

SEC. 3. (a) There is hereby established as an independent agency within the executive branch of the Government the Agency for Consumer Advocacy. The Agency shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of four years. The Administrator shall be a person who by reason of training, experience, and attainments is exceptionally qualified to represent the interest of consumers. There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, powers, and duties as may be prescribed from time to time by the Administrator and shall act for, and exercise the powers of, the Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator. On the expiration of his term, the Administrator shall continue in office until he is reappointed or his successor is appointed and qualifies.

(b) No employee of the Agency while serving in such position may engage in any business, vocation, other employment, or have other interests, inconsistent with his official responsibilities.

(c) There shall be in the Agency a General Counsel who shall be appointed by the Administrator.

(d) The Administrator is authorized to appoint within the Agency not to exceed five Assistant Administrators.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 4. (a) The Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Administrator is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Administrator compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants; *Provided*, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Administrator may prescribe;

(4) promulgate such rules, regulations, and procedures as may be necessary to carry out the functions vested in him or in the Agency, and delegate authority for the performance or any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Agency and on such terms as the Administrator may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, or institution;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(8) adopt an official seal, which shall be judicially noticed; and

(9) encourage the development of informal dispute settlement procedures involving consumers.

(10) establish such regional offices as the Administrator determines to be necessary to serve the interests of consumers;

(11) conduct conferences and hearings and otherwise secure data and expressions of opinion;

(12) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible;

(13) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(14) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Upon request made by the Administrator, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency in the performance of its functions.

(d) The Administrator shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include—

(1) the activities of the Agency, including its representation of the interest of consumers before Federal agencies and Federal courts;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Agency by other Federal agencies in carrying out the purposes of this Act;

(4) the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers, and the prospective results of alternative consumer protection programs;

(5) the appropriation by Congress for the Agency the distribution of appropriated fund for the current fiscal year, and a general estimate of the resource requirements of the Agency for each of the next three fiscal years; and

(6) the extent of participation by consumers and the effectiveness of representation of consumers before Federal agencies, together with recommendations for new legislation, new budget authority for the Agency, and administrative actions to deal with problems discussed in the report, to protect and represent the interests of consumers more effectively, and to carry out the purposes of this Act.

FUNCTIONS OF THE AGENCY

SEC. 5. (a) The Agency shall, in the performance of its functions, advise the Congress and the President as to matters affecting the interests of consumers; and protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Administrator shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) conduct and support research, studies, and testing to the extent authorized in section 9 of this Act;

(3) submit recommendations annually to the Congress and the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) publish and distribute material developed pursuant to carrying out its responsibilities under this Act which will inform consumers of matters of interest to them, to the extent authorized in sections 8 and 11 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests and problems of consumers which are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) keep the appropriate committees of Congress full and currently informed of all its activities, when asked or on its own initiative;

(8) publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(9) encourage the adoption and expansion of effective consumer education programs;

(10) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(11) encourage meaningful participation by consumers in the activities of the Agency;

(12) perform such other related activities as he deems necessary for the effective fulfillment of his duties and function;

(13) promote the consumer interests of farmers in obtaining a full supply of goods and services at a fair and equitable price.

REPRESENTATION OF CONSUMERS

SEC. 6. (a) Whenever the Administrator determines that the result of any Federal agency proceeding or activity may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing the interests of consumers, as provided in paragraph (1) or (2) of this subsection. In any proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The Administrator shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with Federal agency statutes and rules of procedure of general applicability governing the conduct thereof. The intervention of participation of the Administrator in and Federal agency proceedings or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(1) Whenever the Administrator determines that the result of any Federal agency proceeding which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice, or which is conducted on the record after opportunity for an agency hearing, or with public notice and opportunity for comment, may substantially affect the interests of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing the interests of consumers in such proceeding.

(2) With respect to any Federal agency proceeding not covered by subsection (a)(1) of this section, or any other Federal agency activity, which the Administrator determines may substantially affect the interest of consumers, the Administrator may participate by presenting written or oral submissions, and the Federal agency shall give full consideration to such submissions of the Administrator. Such submissions shall be presented in an orderly manner and without causing undue delay. Such submission need not be simultaneous with that of any other person.

(b) At such time as the Administrator determines to intervene or participate in a Federal agency proceeding under subsection (a)(1) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a), stating concisely the specific interests of consumers to be protected. Upon intervening or participating he shall file a copy of his statement in the proceeding.

(c) To the extent that any person, if aggrieved, would have a right of judicial review by law, the Administrator shall have such right. The Administrator may as of right intervene as a party or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of a Federal agency action which the Administrator determines may substantially affect the interests of consumers, except that where the Administrator did not intervene or participate in the Federal agency proceeding or activity involved, the court shall determine whether the Administrator's institution of the judicial proceeding would impede the interests of justice. Before instituting a proceeding to obtain judicial review in a case where the Administrator did not intervene or participate in the Federal agency proceeding or activity, the Administrator shall petition the Federal agency for rehearing or reconsideration of its action if the Federal agency statutes or rules specifically authorize rehearing or reconsideration. The petition shall be filed within sixty days after the Federal agency action or within such longer time as may be allowed by Federal agency procedures. If the Federal agency does not act finally upon such petition within sixty days after filing thereof, or within any shorter time, less five days, as may be provided by law for the initiation of judicial review, the Administrator may institute a proceeding for judicial review immediately. The participation of the Administrator in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

(d) When the Administrator determines it to be in the interests of consumers, he may request the Federal agency concerned to initiate such proceedings or to take such other action as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Agency of the reasons for its failure and such notification shall be a matter of public record.

(e) Appearances by the Agency under this Act shall be in its own name and shall be made by qualified representatives designated by the Administrator.

(f) In any Federal agency proceeding in which the Agency is intervening or participating pursuant to paragraph (a)(1) of this section, the Agency is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of goods and papers, and submission of information in writing.

(g) The Agency is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(h) Nothing in this section shall be construed to prohibit the Agency from communicating with Federal, State, or local agencies and courts at any time in any manner consistent with law or agency rules.

(i) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interest of consumers. Each Federal agency shall issue rules determining the circumstances under which the Administrator may be allowed to make simultaneous submissions under subsection (b). Such additional rules shall be published in proposed and final form in the Federal Register.

(j) The Administrator is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. The Administrator shall notify the principal sponsors of any such petition within a reasonable time after receipt of any such petition of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If the Administrator declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

CONSUMER COMPLAINTS

SEC. 7. (a) Whenever the Administrator receives from any person any signed complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a State or Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to any Federal, State, or local agency which has the authority to enforce any relevant law or to take appropriate action. Federal agencies shall keep the Administrator informed to the greatest practicable extent of any action which they are taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Agency shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) The Agency shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all signed consumer complaints of any significance which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless the Administrator, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to take with respect to the complaint;

(3) if the complainant requests that his identity be protected, his complaint shall not be maintained for public inspection and copying.

CONSUMER INFORMATION AND SERVICES

SEC. 8. (a) The Agency shall develop on its own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as it determines to be most effective, information, statistics, and other data including, but not limited to, matter concerning—

(1) the functions and duties of the Agency;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Administrator, possess information which would be useful to consumers are authorized and directed to cooperate with the Agency in making such information available to the public.

STUDIES

SEC. 9. The Administrator is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interests of consumers.

INFORMATION GATHERING

SEC. 10(a)(1). The Administrator is authorized, to the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, to submit to any Federal agency written interrogatories or requests for reports and other related information, within the scope of that agency's authority for prompt transmittal under such agency's authority to specified persons engaged in a trade, business, or industry which substantially affects interstate commerce and whose activities the Administrator has determined may substantially affect the interests of consumers. Such submission to the Federal agency shall set forth with particularity the consumer interest sought to be protected, and the purposes of which the information is sought. The Federal agency shall promptly transmit, as submitted, such interrogatories and requests for reports and other related information to the specified person or persons unless the agency determines that the interrogatories and requests—

(A) seek information that does not substantially affect the health or safety of consumers, or are not directed to the discovery of consumer fraud or substantial economic injury to consumers;

(B) are not relevant to the purposes for which the information is sought; or

(C) would be unnecessarily burdensome to the Federal agency or any specified person.

If the Federal agency determines not to transmit the interrogatories or requests, such determination shall be accompanied by a statement of the reasons therefor. Upon receipt of any responses to the interrogatories or requests, the agency shall promptly transmit them to the Administrator. Nothing in this paragraph shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subject to its provisions.

(2) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record; or

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any pending agency proceeding against the person to whom the interrogatory is addressed.

(3) In the event of noncompliance with any interrogatories or requests transmitted by a Federal agency pursuant to paragraph (1), enforcement proceedings may be instituted in the manner provided by law. If the Federal agency fails to promptly commence such enforcement proceeding, the Administrator may, upon ten days' written notice to such agency, commence such enforcement proceeding in its own name. In any judicial proceeding concerning any interrogatories, requests for reports or other related information, the Federal agency may move to substitute the Administrator as party in interest and thereafter, at the discretion of the court, the Federal agency shall cease to be a party to the proceeding.

(4) The Administrator shall not have the power to obtain the production or disclosure of any data or other information under this subsection from any person as defined by paragraph (5) of this subsection.

(5) For the purpose of the exemption referred to in Paragraph (4), "person" shall be defined as any person which (A) together with its affiliates does not have assets exceeding $7,500,000, does not have net worth in excess of $2,500,000, and does not have an average net income, after Federal income taxes, for the preceding two years in excess of $250,000 (average net income to be computed without benefit of any carryover loss), and (b) has had over the preceding two years an average number of full-time employees not in excess of 25. Nothing in paragraph (4) shall be construed to prohibit the Administrator from requesting the voluntary production of any such data or information. The Administrator shall, not later than eighteen months after the date on which this Act becomes effective, submit to Congress a detailed report with respect to the operation of this limitation on the purposes of this Act for such action as the Congress may deem appropriate.

(b) Upon written request by the Administrator, each Federal agency is authorized and directed to furnish or allow which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy and prosecutorial recommendations by Federal agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financal institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions;

(6) information which would disclose the financial condition of individual customers of financial institutions; and

(7) trade secrets and commercial or financial information described in section 552(b) (4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Administrator, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function. Before granting the Administrator access to trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford him a reasonable opportunity not to exceed 10 days to comment or seek injunctive relief. Where access to information is denied to the Administrator by a Federal agency pursuant to this subsection, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

(c) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator, solely from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof, or any book containing any abstracts or particulars thereof, to be seen or examined by the Administrator, except as provided by law.

LIMITATIONS ON DISCLOSURES

SEC. 11. (a) The Agency shall not disclose to the public or to any State or local agency—

(1) any information (other than complaints published pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, United States Code, obtained from a person and privileged or confidential unless the Administrator determines that the release of such information is necessary to protect health or safety; or

(2) any information which was received solely from a Federal agency when such agency has notified the Agency that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, the Agency may disclose such information in such form or manner.

(b) No authority conferred by this Act shall be deemed to require any Federal agency to release to any instrumentality, created by or under this Act, any information the disclosure of which to another Federal agency is prohibited by law.

(c) In the release of information pursuant to the authority conferred in any section of this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 6, the following additional provisions shall govern:

(1) The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. The Administrator shall comply with any notice by a Federal agency pursuant to section 11(a)(2) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(3) Notice of all changes or additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

(4) Where the release of information is likely to cause substantial injury to the reputation or good will of a person or company, the Agency shall notify such person or company of the information to be released and afford an opportunity for comment or injunctive relief. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection.

(d) In any suit against the Administrator to obtain information pursuant to the provisions of section 552 of title 5, United States Code, where the sole basis for the refusal to produce the information is that another Federal agency has specified that the documents not be disclosed in accordance with the provisions of subsection (a)(2) of this section, the other Federal agency shall be substituted as the defendant, and the Administrator shall thereafter have no duty to defend such suit.

PROCEDURAL FAIRNESS

SEC. 12. In exercising the powers conferred in section 5(b)(4) and section 7, the Agency shall act pursuant to rules issued, after notice and opportunity for comment by interested persons in accordance with the requirements of section 553 of title 5, United States Code, so as to assure fairness to all affected parties.

NOTICE

SEC. 13. (a) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by the Administrator, notify him of any proceeding or activity at such time as public notice is given.

(b) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon specific request by the Administrator, promptly provide him—

(1) a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concerning such subject; and

(2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency and which would facilitate the Administrator's timely and effective participation under section 6 of this title.

(c) Nothing in this section shall affect the authority or obligations of the Administrator or any Federal agency under section 10 (b) of this Act.

SAVING PROVISIONS

SEC. 14. (a) Nothing in this Act shall be construed to affect the duty of the Administrator of General Services to represent the interests of the Federal Government as a consumer pursuant to section 201(a)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(4)).

(b) Nothing in this Act shall be construed to relieve any Federal agency of any responsibility to protect and promote the interests of consumers.

(c) Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the Administrator as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

DEFINITIONS

SEC. 15. As used in this Act, unless the context otherwise requires—

(1) "Administrator" means the Administrator of the Agency for Consumer Advocacy;

(2) "Agency" mean the Agency for Consumer Advocacy;

(3) "agency action" includes the whole or part of an agency rule, order, license, sanction, relief, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency process, or phase thereof, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal;

(5) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing", as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes;

(8) "Federal agency" or "agency" means "agency" as defined in section 551 of title 5, United States Code. The term shall include the United States Postal Service and any wholly owned Government corporation and, unless otherwise expressly provided by law, any Federal agency established after the date of enactment of this Act, but shall not include the Agency for Consumer Advocacy.

(9) "Federal court" means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the Virgin Islands, and the United States Court of Claims;

(10) "individual" means a human being;

(11) "interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(12) "participation" includes any form of submission;

(13) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(14) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(15) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

CONFORMING AMENDMENT

SEC. 16. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(62) Administrator, Agency for Consumer Advocacy."

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(99) Deputy Administrator, Agency for Consumer Advocacy."

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(132) General Counsel, Agency for Consumer Advocacy."

"(133) Assistant Administrators, Agency for Consumer Advocacy."

EXEMPTIONS

SEC. 17. (a) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the Atomic Energy Commission, to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113) or of section 2 of the Labor Management Relations Act (29 U.S.C. 152) or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

(b) Nothing in this Act shall be construed and no authority in this Act shall authorize the Administrator to intervene in any United States Department of Agriculture proceeding without considering the consumers' interest in an adequate supply of food, and without considering the interests of farmers in maintaining an adequate level of income and production.

SEX DISCRIMINATION

SEC. 18. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under Title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee.

FAIRNESS FOR SMALL BUSINESS

SEC. 19. (a) It is the sense of the Congress that small business enterprises should have their varied needs considered by all levels of government in the implementation of the procedures provided for throughout this Act.

(b)(1) In order to carry out the policy stated in subsection (a), the Small Business Administration (A) shall to the maximum extent possible provide small business enterprises with full information concerning the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various departments and agencies under such provisions, and (B) shall, as part of its annual report, provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(2) To the extent feasible, the Administrator shall seek the views of small business in connection with establishing the Agency's priorities, as well as rules and regulations which will be promulgated for the purpose of implementing this Act.

(3) In administering the programs provided for in this Act, the Administrator shall respond in an expeditious manner to the views, requests, and other filings by small business enterprises.

(4) In implementing this Act, the Administrator shall insofar as practicable, treat all businesses, large or small, in an equitable fashion; due consideration shall be given to the unique problems of small business so as not to discriminate or cause unnecessary hardship in the administration or implementation of the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 20. There are authorized to be appropriated to carry out the provisions of this Act not to exceed $15,000,000 for the fiscal year ending June 30, 1975, not to exceed $20,000,000 for the fiscal year ending June 30, 1976, and not to exceed $25,000,000 for the fiscal year ending June 30, 1977. Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning on July 1, 1977, shall be referred in the Senate to the Committee on Government Operations and to the Senate Committee on Commerce.

EVALUATION BY THE COMPTROLLER GENERAL

SEC. 21. (a) The Comptroller General of the United States shall audit, review, and evaluate, the implementation of the provisions of this Act by the Agency for Consumer Advocacy.

(b) Not less than 30 months nor more than 36 months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a), which shall contain, but not be limited to, the following:

(1) an evaluation of the effectiveness of consumer representation activities;

(2) an evaluation of the effect of such agency activities on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives of this Act as set forth in section 3.

(c) Copies of the report shall be furnished to the Administrator of the Agency for Consumer Advocacy, the chairmen of the Senate

Committee on Commerce and on Government Operations, and the chairman of the Committee on Government Operations of the House of Representatives.

(d) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by the Agency shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.

MISCELLANEOUS PROVISIONS

SEC. 22. (a) Nothing in this Act shall be construed to limit the discretion of any Federal agency or court, within its authority, to grant the Administrator additional participation in any proceeding or activity, to the extent that such additional participation may not be as of right, or to provide additional notice to the Administrator concerning any agency proceeding or activity.

(b)(1) No act or omission by the Administrator or any Federal agency relating to the Administrator's authority under sections 6, 7, 8, 9, 10, 11, and 13 of this Act shall affect the validity of any agency action or be subject to judicial review: *Provided*, That (A) the Administrator may obtain judicial review to enforce his authority under sections 6, 8, 9, 10, and 13 of this Act: *Provided*, That he may obtain judicial review of the Federal agency determination under section 6(f) of this Act only after final agency action and only to the extent that such determination affected the validity of such action;

(B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

(C) any person who is substantially and adversely affected by the Administrator's action pursuant to section 6(f), 10(a), or 11 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

(2) For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect the interests of consumers or that his intervention in any proceeding is necessary to represent adequately the interests of consumers shall be deemed not to be a final agency action.

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 23. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Agency and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Agency.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) of this subsection shall be without reduction in classification or compensation for one year after such transfer.

PUBLIC PARTICIPATION

SEC. 24. (a) After reviewing its statutory authority and rules of procedures, relevant to agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

(1) petition the agency for action;

(2) receive notice of agency proceedings;

(3) file official complaints (if appropriate) with the agency;

(4) obtain information from the agency; and

(5) participate in agency proceedings for the purpose of representing their interests.

Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner designed to inform and able to be understood by the general public.

EFFECTIVE DATE

SEC. 25. (a) This Act shall take effect ninety calendar days following the date on which this Act is approved, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any or the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 26. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

Mr. DOLE. Mr. President, I appreciate the time yielded to the junior Senator from Kansas. Let me indicate again that I feel the changes are realistic and meaningful. They have been discussed over and over again, particularly with the distinguished Senator from Illinois, and the distinguished Senators from New York and Connecticut. There are some differences, still. There are some things I would like to have changed. But I believe on balance we have a fair and realistic proposal—a proposal, I might add, which is better than that passed by the House, where it passed by a 3-to-1 margin.

We have made some corrections, we believe it has been tightened up. We believe it protects the free enterprise system. It also gives some assurance to agriculture and others who have concern about the bill.

Based on that, Mr. President, on the study we have done and the discussions we have had, I intend to vote for cloture later on today.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield 7 minutes to the distinguished Senator from Wyoming (Mr. HANSEN).

Mr. HANSEN. Mr. President, despite the lengthy debate on Senate bill 707, the Agency for Consumer Advocacy, I sincerely believe that many of those who support this bill have not considered its conceptual problems and far-reaching adverse effects. Under this legislation, the Administrator of the unprecedented Agency, for all practical purposes, is given almost limitless power to intervene in all business and governmental questions which may have a probable effect on the consumer.

Mr. President, before addressing the areas of specific difficulty with this bill, I want to turn to what I, and a great number of others, consider to be the overriding conceptual fallacy with this legislation. Those advocating the passage of this bill make it sound so very simple; they assert that the purpose of the bill is to protect the "consumer interest." The difficulty of course, is determining in any given factual setting just what is the consumer interest, for each factual setting will have varying effects on individual consumers.

What the proponents of this bill have failed to consider is the individuality of the American consumer. The proponents have, in the alternative, conceptualized a faceless gnome, labeled him "the consumer" and proclaimed that it is his interest they seek to protect. The difficulty with this position is that it is based on the false premise that there is a single market philosophy that reflects the interests of all consumers. I have been unable to identify any such all-encompassing philosophy, and believe that no such philosophy exists. We are not a Nation of faceless monolithic consumers, each of whom's economic and personal interests are alike. Quite the contrary.

The philosophy the American consumer applies in the marketplace is an individual as the philosophy he applies in any other area of endeavor. Accordingly, it is ridiculous for Congress to enact legislation with the underlying perspective that there exists a single consumer interest, a single consumer philosophy which is representative of all consumers.

The fact is that each American consumer not only has his own particular market philosophy, but most often, what is in the best interest of one consumer or consumer group is adverse to another consumer or consumer group. Accordingly, attempts directed to establish a national consumer policy are truly unrealistic.

Specifically, it is safe to assume we, as consumers, would all like to pay less for the products we purchase. However, a policy favoring lower prices on any specific product will come at the expense of those consumer—individuals employed in that product area. For example, consider the consumer's interest in the following areas: foreign trade, domestic production and environmental programs.

What policy represents the consumer interest concerning import duties? If the United States lowers the import duty on various products, including, for example, shoes, watches, textiles, radios, and automobiles, to name but a few, the price of these products would decline. Lower price would appear to be in the consumer interest, unless, as a consumer you are employed by a domestic industry in competition with these foreign produced products. If you are in this latter category, you would surely not want the market flooded with low-cost foreign products because this would threaten your employment and standing in the market. Accordingly, the question remains, what represents the national consumer interest.

This principle applies equally to domestically produced products for which there is no foreign competition. Many consumers will want low-cost farm products, homes, utilities and consumer services; however, consumers, whether they be labor or management, whose purchase power is connected with these industries, will seek higher prices and profits to assure their continued lifestyle and market power.

Finally, what is the consumer interest in environmental programs—are environmental programs pro or anticonsumer? There is no question that environmental programs increase the cost of goods and services to the consumer. Accordingly, should these programs be scrapped to increase the consumer's buying power?

In short, it is clear that when applied to individual programs and policy questions there is no definable national consumer interest. To create an agency empowered to advocate this nonexistent national consumer interest, is a fraud on the American consuming public, and legislation premised on this false concept should be rejected by the Congress.

This bill is particularly fraudulent, for if enacted, the newly created agency would be given, at the taxpayers expense, $20 million for its advocacy, and once the Agency's advocacy position was determined, its determination would be virtually unreviewable. An even greater fraud on the consumer is that the bill exempts from its provisions the most significant element that has increased the cost of consumer products, the cost of labor. What hurts consumers more than prices jacked upwards by wage pressures? Yet, the bill excludes labor from its broad sweep, clearly to the consumer's detriment.

Mr. President, turning from the conceptual problem of determining what is the "consumer interest," I direct my colleagues' attention to several specific problems inherent in this bill. Mr. President, I sincerely believe that the costs to the consumer of this legislation, and the almost insurmountable burden it places on both business and Government greatly mitigate against passage of this bill. I believe that, especially in the long run, the consumer will be in a considerably worse position if this legislation is enacted.

Mr. President, I would like to preface my remarks in this regard by indicating to my colleagues that I recognize that an amendment adopted to this bill exempts small businesses from some of this bill's provisions. However, because the scope of this exemption is so extremely narrow, I view the bill in its present form, for all practical purposes, as not containing a small business exemption.

Consequently, in realistic terms, the result of the bill will be an increase in governmental redtape for all businesses. The cost to the business community of dealing with this additional governmental redtape will be passed to the consumer in the form of higher prices. Accordingly, the true and significant result of this bill is that the consumer will be forced to pay more for almost everything he purchases. Moreover, this legislation will place a particular hardship on the small businessman, the neighborhood businessman, who has in the past and continues to maintain a good, honest and workable relationship with the consumer. Finally, this legislation will hamstring the governmental decisionmaking process by the continual intervention and threat of intervention by the Administrator.

Mr. President, there is no question that the large business enterprises of our society, the General Motors and the ITT's, though burdened by this legislation, will survive, for they are in the best position, because of their relative size and market power, to pass through the increased cost of governmental redtape directly to the consumer. The unfortunate consequence on the consumer, however, is that he will have to pay more for the goods and services he purchases in the marketplace; hardly the result one would expect from what has been widely touted as consumer legislation. However, not only will this legislation hurt the consumer, because he will be forced to pay higher prices in the marketplace, but equally significant is that as a result of this legislation the consumer will face a more hostile marketplace with large enterprises taking a larger and larger share.

The small businessman would, like his larger counterpart, attempt to pass along his increased operating expenses, caused from the additional redtape this legislation will place on him. However, unlike his larger counterpart, the small businessman has no national market to absorb these additional costs and accordingly must suffer the plight of potentially pricing himself out of his limited market. Either way, the consumer loses. Either the consumer is forced to pay higher prices for the goods and services of the small businessman, or suffer the loss from the marketplace of a businessman he knows and trusts and with whom he can communicate face-to-face and receive immediate satisfaction to his problems.

The market void created by the departure of the small businessman will soon be filled by large enterprises who can, because of their size and market power, survive under the additional governmental redtape burden. In this regard, this legislation is self-defeating, for it drives out the small businesses which are locally owned and operated and have faithfully served their customers, only to be replaced by the large enterprises, which the consumers view as less concerned with and responsive to their desires and needs.

Mr. President, it is exactly this type of shortsighted legislation that has inflicted the most damage on the consumer by driving up the cost of goods and services and by driving out the small neighborhood businesses who are most responsive to his needs. The anomoly with this particular bill is that it is all done in the consumer's name.

An additional point I want to bring to my colleagues' attention is that this bill, if enacted, will not only come at the immediate expense of the consumer, and the small businessman, but also at the expense of orderly Government. Under this bill, the Administrator may intervene in all governmental decisions which he alone determines may substantially affect the interest of the consumer, and may appeal most all of the determinations which are adverse to his position. Because such an incomprehensible number of governmental decisions will potentially affect the consumer, the Administrator's intervention into such a myriad of decisionmaking processes will considerably lengthen the time, which in many instances is an already intolerable period, before a final governmental decision is reached. Such a result strikes at the heart of good government.

Obviously, when additional parties participate in a proceeding, the general result is to lengthen the time necessary to reach a decision. Moreover, whenever the number of persons who may appeal final governmental decisions is expanded, there is an increase in the number of potential appeals with a concomitant increase in the time before implementation of those decisions. An additional hazard of this bill is that no governmental action is truly final until the Administrator has intervened. Under the provisions of this bill, if the Administrator did not participate in the initial decisionmaking process, he may still seek judicial review, after demanding that the department or agency reconsider its position. Accordingly, governmental decisions remain open, unfinished, until the Administrator has appeared.

In addition to the significant delay in governmental action, caused as a consequence of the Administrator's actual intervention, there will be significant additional delays even if the Administrator does not intervene, because all affected governmental departments and agencies will, for all practical purposes, have to prepare an "impact statement" on every action they take for fear the Administrator will intervene. This, of course, will not only increase the delay of agency action, but also increase the work load of the Agency, with a consequent rise in the consumer's Federal income tax burden.

However, even more important than the delay in governmental decision making and increased work load, is the fact that the Administrator could intervene in governmental proceedings, which, though they may have a consumer impact, have a much broader, more pervasive effect on our total economy and society. Specifically, I wish to direct my colleagues attention to the effect the Administrator's intervention would have on various Department of Agriculture programs. I cite the problems this legislation will have on Agriculture Department programs because I am most familiar with those programs, but I wish to note that agriculture programs are only exemplary of the general havoc this bill will cause most Federal programs.

Mr. President, I recently listened, with much concern, to the provocative remarks of Senator AIKEN on this exact matter, and I share his views that the Administrator's intervention into many Agriculture Department programs would significantly weaken the stability of this Nation's food production, a consequence which is clearly not in anyone's best interest, least of all the consumer.

Mr. President, I submit that this Nation's agriculture policy as presently formulated is directed in the consumer's interest. This country's agriculture policy has made the United States the greatest producer of food products in the world. It is inconceivable to me that allowing a Federal bureaucrat, with no knowledge of the intricacies of food production on a national scale, to intervene in the Agriculture Department's policy formulation will make this already responsive process any more responsive to the consumers' needs. To the contrary, it is my belief that such intervention will be detrimental to sound, long-term, agriculture policy, and, consequently, at the expense of the consumer.

Mr. President, this bill would allow the Administrator to intervene in decisionmaking processes concerning the production of feed grains, farm acreage production allotments and restrictions, marketing quotas, land use programs, grain sales programs, price stabilization programs, and import-export policies, to name but a few.

To allow the Administrator to intervene in these and other similar, crucial agriculture determinations will not only result in delayed policy formulation, but will potentially sabotage the entire decisionmaking process. The formulation of this country's agriculture policy is an extremely complicated, step-by-step process. The legislation under consideration would allow the Administrator of the Agency for Consumer Advocacy to intervene at each stage of the process, and finally seek judicial review of any decisions adverse to his position. Such intervention will allow the Administrator to run roughshod over this Nation's agriculture policy, to the severe detriment of the consumer.

Additionally, a factor which in the long run may prove even more critical to sound agriculture policy formulation than the Administrator's intervention is the potential of continual judicial intervention. Because the Administrator may seek judicial review of most Department determinations in which he is not in agreement, the courts will be forced into a position of establishing agriculture policy. The courts are in a particularly poor position, having no expertise in agricultural matters, to make final determinations concerning multi-level, extremely detailed agricultural policy.

In today's world, agriculture policy not only has apparent domestic ramifications, but also maintains a wide international perspective. The agriculture policy of the United States is quite often tied closely to this Nation's foreign policy. Accordingly, constant intervention in this process will lead not only to a less than sound agriculture policy, but will also disrupt this Nation's foreign policy. Clearly, the judiciary is in an obviously poor position to sit in final judgment of this Nation's detailed, long-term agriculture programs, particularly as they relate to foreign policy.

In summary, let me say that the agency for consumer advocacy bill, if enacted, will increase the cost of consumer products, will levy a severe blow to all businessmen, specifically the small businessman, and, finally, strike a critical blow to governmental decisionmaking, particularly Department of Agriculture policy formulation. The bill will cause all these problems with little or no significant benefit to the consuming public. The small benefits espoused by the proponents of this legislation are greatly outweighed by the detrimental effects this legislation will place on the American consumer, the American economy and our governmental processes. This bill is, in fact, a sham on the consumer public and, in the long run, will make the marketplace less responsive to the consumers' individual needs.

Mr. President, it is very interesting to be around this body long enough to observe what goes on at times. I think we had a classic example with respect to this bill of all the shenanigans and the undercover negotiations, the machinations, that can take place trying to sell a bill of goods.

In the first place, who is a consumer? When this bill was drafted, I think a lot of people had the happy illusion, mistaken though it was, that you could use that magic word "consumer" and have an appealing platform that would sell with everybody.

In an election year, I can understand the concern to politicians. I am a politician. I do not happen to be this year, because I am not running this year, but if I were, I suspect I would have to look this over pretty closely to see if there might not be some merit in it. If you can latch onto something that seems to have magic appeal, that reaches down to the common rank and file of Americans, if you can promise them something that will secure for you at least 51 percent of their votes, you are going to be on the winning side.

That idea might have had some validity, but I can assure those who may not yet have learned it, it is getting less and less every day.

Who are consumers? I think a more relevant question is: Who is not a consumer?

Every last one of the 211 million Americans we have in this country is a consumer. There is not anyone who is not.

When this bill was first drafted, apparently it was presumed that farmers were not very important consumers because only 5 percent of the population happen to be engaged in farming. So why worry about leaving them out? Why would it not make better sense to appeal to the vast majority of Americans, saying, "If you will vote for this bill, everything is going to be better; the warranties are all going to be observed; prices will drop, and the cost of food is going to go down?"

What is wrong with that? The thing that is wrong with it is that a lot of farmers are in trouble today. They are going broke. What will help the farmers is not to have the price of food become cheaper. What will help the farmers is to see that a bigger share of the dollar that goes into the purchases in the supermarket gets back into the hands of the farmer; to see that the farmer is given a reward commensurate with the effort that he puts out.

So here at the 11th hour and the 59th minute we have a whole new package handed us, presuming to correct all of the ills that are in this fantastic bill.

We are told that the major things that have been wrong have been identified now; we have the farmers in. What do they say?

This sheet that was passed around to explain the amendment says, in the last paragraph, "Additional amendments to sections 5 and 15 expand the definition"—"expand the definition"—"of consumers to include farmers."

Up until this moment, Mr. President, it probably never occurred to anybody that the 5 percent of all Americans who were engaged in agriculture were consumers. But now at the 11th hour and the 59th minute we have found that they, too—the farmers of this country—are also consumers.

So what are we going to do for them? This new substitute specifically directs the agency to assure that farmers can obtain, at a fair price, goods and services they need. What a great thing and what a phony promise to hold out for anybody!

I am in the farming business. I happen to be a cattle rancher. I saw the prices of livestock plummet from last year down to about half of what they were a year ago, to where they are now. Why should I not buy this, if, as a farmer, I am going to be able to obtain at a fair price the goods and services I need? The bill makes no mention of labor, unless this new substitute does. I have not read it yet. I can think of no better reason than to say we had better know what is in the substitute; because if we are gullible enough to buy this and to vote cloture on this bill without even knowing what is in the substitute, then I would respectfully observe that the Senate is not displaying the wisdom and the study that should precede its actions on such an important piece of legislation.

Mr. President, I know that very little time is left, but I want to say that if we are gullible enough in this body to think that we are going to fool the citizens of America by presuming to do a service for them on such a phony bunch of ideas as now seems to me to be embodied in this bill, we are dumber than I believe the average American hopes we are.

I hope that we reject outright our right to invoke cloture. I hope we can learn more about this bill. I hope that we have the honesty to tell the American people that we know that their views and their concerns and their interests are different. We will enforce the laws we have on the books, and there are many good laws. We certainly do not need another agency to spend more hard earned tax dollars, to push up the inflationary spiral even further, to take each of us by the hand, leading us through a supermarket, saying, "Don't buy this; buy that."

If we follow that kind of idea, I can assure every American that prices will not be lower, and farmers will not be able to obtain at a fair price goods and services they need. It will cost everybody more, and Americans will be the losers.

The PRESIDING OFFICER (Mr. Helms). The time of the Senator has expired.

Who yields time?

Mr. ALLEN. I yield myself 4 minutes.

Mr. President, we have heard a great deal in the Senate by advocates of this measure about how many hearings have been held on this bill, what great work has gone into it, and how it has been changed from time to time until, in the final analysis, a bill has been agreed upon that would not permit of any substantial additional amendments.

It was pretty well akin to the laws of the Medes and Persians, which could not be changed. That was the attitude of the sponsors of this measure until it became necessary to secure additional votes in the Senate to invoke cloture, but I do not believe the efforts are going to succeed.

What has happened here is that an entirely new bill has been concocted, and I do not believe that some of the cosponsors of the measures have even read the bill. I doubt that many of them have read the memorandum explaining the substitute bill. They took some sections from the House bill, some from the Senate bill, made up new sections, and then threw them in the pot and mixed them up, and a witches' brew has resulted.

So, Mr. President, far from having a perfect bill that has been well polished and well honed, they are willing now, at the last minute, to come in with something entirely new, something that very few Senators know anything about. Instead of saying, "Let us have several days of debate, several days of opportunity for amendments to this substitute," they say, "No, let us choke off debate now, let us prevent any additional amendments from coming in, and let us force adoption of this substitute."

I was interested in hearing the distinguished Senator from Kansas a moment ago talk about the improvement of this substitute with respect to S. 707. He said that the substitute would give the Administrator a 4-year term. Apparently, the Senator from Kansas had not bothered to read the digest that Senator Ribicoff read into the Record this morning as to what the bill would do, because it says the opposite to that.

The digest says that the protection that the administrator had is removed, which was that he could not be removed except for inefficiency, neglect of duty, or malfeasance in office. The substitute removes that protection and leaves it wide open for removal at any time. So, far from giving him a 4-year term, it removes the protection that the Senate bill gives him. Apparently, the sponsors, themselves, do not realize what is in the bill.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I yield the remainder of my time to the distinguished Senator from Illinois, who has done such outstanding work on this entire legislation.

Mr. PERCY. Mr. President, I thank my distinguished colleague.

I should like to express my deep appreciation to the distinguished Senator from Connecticut and the distinguished Senator from New York, particularly, who have done monumental work on a piece of legislation that has been orbiting, we might say, around Congress for approximately 5 years now. Certainly, to be joined by the distinguished Senator from Kansas (Mr. Dole), who has been pragmatic and realistic in his approach to this legislation, is indeed gratifying.

Mr. President, we have been debating this issue for a period of 5 years. There are very few Senators who are not familiar with the arguments pro and con.

Also, I think this is an idea whose time has come. Similar agencies to protect the consumer have already been demonstrated to be of value in 39 States. At this stage we can say the idea has been tested. But obviously a single State cannot cope or deal with problems with products or services that are supplied nationwide. So a Federal Agency for Consumer Advocacy, or, as it was called before, a Consumer Protection Agency, has now been created in legislation, balanced out, taking into account the arguments pro and con, taking into account the conflicting interests that exist in our economy. It is the feeling of many of us—two-thirds of us, we hope—that the time has come now to end the protracted debate that has been carried on for a period of 5 years, to bite the bullet, face this issue up or down, and vote on the basis of its merits.

Mr. President, I have been in the Senate only 8 years. I cannot recall any time in that period when there ever was a piece of legislation that had both such ferocious opposition and such devoted support as this one. Certainly, the opposition has been powerful, well-financed, and articulate, but it has largely conducted its work behind the scenes. A reference was made earlier on the floor of the Senate to underground work. I have never seen the degree or extent of underground work, all in the interests of carrying on their position, as was done in opposition to this bill.

When we bring it out into the open, when we bring it out in the forum of public debate, what we have is trade associations issuing lobbying documents. They are, apparently, unwilling to put their own names on these documents. It was only by soliciting their testimony in Senate hearings that we were able to determine and have verified the actual lobbying groups that were taking a position in opposition to the Consumer Protection Agency.

The National Press Club scheduled a debate. The distinguished junior Senator from New York (Mr. Buckley) was to debate the senior Senator from Illinois. A businessman was asked to represent the interests of business on both sides of the issue.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. Mr. President, I yield the Senator 1 additional minute.

Mr. PERCY. Immediately, a distinguished businessman was found to take a position of advocacy. In 10 days, the business community could not present a single businessman in the National Press Club to take the opposition side.

I say all of the opposition has presented arguments that have long since been answered. I am very proud to indicate that the American Bar Association, the Association of Trial Lawyers of America, the Association of the Bar of the City of New York, the Chicago Council of Lawyers, 31 State Governors, the League of Mayors, and Business Week magazine all support ACA. Marco Corporation, Zenith, Motorola, Connecticut General, Polaroid, and the platforms of the Democratic and Republican parties in 1972 also support this legislation.

Mr. President, I ask unanimous consent that a list of companies that have indicated their support be inserted in the Record at this point.

There being no objection, the list was ordered to be printed in the Record, as follows:

ADDITIONAL BUSINESSES SUPPORTING THE AGENCY FOR CONSUMER ADVOCACY

Monogram Industries, California (Martin Stone).
Dreyfus Corporation, New York, New York.
Brands Mart, Long Island City, New York.
Hechinger's, Washington, D.C.
Harper Systems Company, Little Rock, Arkansas.
Roy Hatfield Company, Little Rock, Arkansas.
Island X Lounge, Little Rock, Arkansas.
C. J. Hudgens Studio, 1000 N. Tyler, Little Rock, Arkansas.
Atkins Variety Store, Atkins, Arkansas.
Royal Transmission, Las Vegas, Nevada.
Urban Community Insurance, New York, N.Y.
Federation of Cooperatives, Inc., New York, N.Y.

Mr. PERCY. It is time that we had this agency, which is not a regulatory agency; it is a watchdog for the consumer. It is an advocate of the consumer.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. ALLEN. Will the Senator yield for a question on my time?

Mr. PERCY. I am happy to yield.

Mr. ALLEN. Since this is a compromise between the advocates of the bill and the distinguished Senator from Kansas (Mr. Dole), I ask if the compromise has been cleared with Mr. Ralph Nader, who has an interest in this type of legislation.

Mr. PERCY. I have no idea. I have had no conversations with Mr. Nader in, probably, 2 months. I have indicated that I would be very happy to meet with

Ralph Nader and any of his group after we have enacted the Senate version of this bill.

Mr. DOLE. Will the Senator yield?

Mr. PERCY. I am happy to yield, if the Senator from Alabama has any more time.

Mr. ALLEN. I have 1 additional minute. I want to use that.

Mr. PERCY. I have no doubt that Ralph Nader would find reasons to be against certain of the provisions in the compromise.

Mr. ALLEN. One final comment on the digest of the proponents of the legislation. That states that the Agency is to assure that farmers obtain at a fair price the goods and services they need.

Perhaps we do not need any further solution now of the inflation problem if they will just include in this every other average citizen—the millworkers, the taxicab drivers, the beauty parlor operators. If we can all get goods and services at a fair price, then the inflation problem will be solved. I am glad to see that the advocates of this legislation are just incidentally solving the inflation problem with the legislation. I only wish they could.

I reserve the remainder of my time.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. PERCY. I do not have the time. Does the distinguished Senator have time to yield for a question?

Mr. McCLURE. Will the Senator yield for a parliamentary inquiry?

Mr. ALLEN. Yes, I yield.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. McCLURE. Mr. President, I should like to know exactly what it is that we will be voting on in the cloture vote. Is the cloture to the bill, which is a committee amendment, in the nature of a substitute, or is the cloture being directed toward the amendment in the nature of a compromise which we have been discussing most of today?

The PRESIDING OFFICER. The vote is on the motion to invoke cloture on the bill, S. 707.

Mr. McCLURE. A further parliamentary inquiry: The vote will not be in any way related to the proposed amendment or compromise which has been discussed?

The PRESIDING OFFICER. That is correct. The amendment is the pending question.

Mr. BEALL. Will the Senator yield for a parliamentary inquiry?

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. If I have any additional time, I shall yield some.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. BEALL. If cloture prevails, do I understand correctly that each Member will have 1 hour——

The PRESIDING OFFICER. That is correct.

Mr. BEALL. The first matter for consideration will be the compromise amendment now before us, which, in itself, is amendable.

The PRESIDING OFFICER. That is the pending question. The Senator is correct.

Mr. BARTLETT. Mr. President, I have previously indicated my philosophical opposition to the Agency for Consumer Advocacy.

The establishment of such an agency is an admission that government does not represent the people, including the consumer.

However, I continue to believe that the people are represented by both the executive and legislative branches, and when their representation is inadequate or subverted, the people can and do make changes at the ballot box.

I am convinced that an independent consumer agency would be more susceptible to poor and unfair representation than the present agencies which are accountable to Congress and the executive.

Further, and just as important, such an agency stands on tenuous grounds from a practical viewpoint—not only because at this point another $50 million agency is a dubious luxury we cannot afford, but primarily because it will mean a proliferation of the already ponderous redtape which is inherent in the Government bureaucracy and which makes Government operate at a ponderous level.

This agency would have not only the right, but the mandate to become an adversary to every other agency, to dispute with and possibly override their decisions by appeals to Federal courts. Private parties and companies engaged in proceedings with other Federal agencies would be confronted with the situation in which no decision involving consumer interests is final until the Agency for Consumer Affairs has agreed to let it rest or until it has been reviewed and settled by the courts, if challenged by the ACA.

The great majority of Americans, which incidentally includes that amorphous body called consumers, thinks Government is already too big and too slow.

Mr. President, I assure you if this bill becomes law, the Federal Government will be much bigger and much slower.

Mr. STEVENS. Mr. President, it is with considerable reluctance that I have opposed enactment of S. 707 as presently drafted. For reasons which are peculiar to Alaska and which I shall enumerate hereafter, I find myself forced to conclude that creation of an Agency for Consumer Advocacy would be directly contradictory to the most fundamental interests of Alaska, and therefore must be resisted.

As my colleagues know, Alaska is a State blessed with a great bounty of natural resources—resources which in the years to come may make the 49th State a focal point in the achievement of our national goal of energy and mineral self-sufficiency.

Sensible development of these resources in an efficient, expeditious, and environmentally sound fashion has become one of the goals of Alaska's citizens. Indeed, the future economic viability of our State and the Nation is dependent upon our sensible, but aggressive, use of these resources.

We in Alaska are confident that the necessary technical and scientific skills to accomplish this monumental job are currently available. We are sure that North Slope oil can be tapped and safely transported over a trans-Alaska pipeline to the benefit of all citizens of this Nation and with only negligible environmental impact. In fact, we are now engaged in that great undertaking as we all know.

How we got this far is a difficult story to tell, but one that bears some repeating here for the lessons it can teach us as we consider this legislation.

Those of you whose privilege it has been to visit our State know that there are few if any areas of the globe which can match it for natural and untainted beauty. The heavy hand of industrial pollution and the ravages of urbanization have not yet touched Alaska, and Alaskans are proud of that fact.

We take a back seat to no American in our dedication to maintaining the purity of our landscape.

Yet we will not allow that concern to prohibit the economic development of our State in a way which will guarantee Alaska's citizens the same standard of living that other Americans now have.

What we propose to do, and what we are doing, is to balance these often conflicting interests, so that the best of both may be achieved with minimal adverse impact on either. We believe that the trans-Alaska pipeline case is an ideal example of this "Alaskan solution" and we are proud that we have been able to provide national leadership in this area.

Because environmental protection has always been a cornerstone of Alaska life we did not oppose enactment of the National Environmental Policy Act and the creation of the Environmental Protection Agency. Both the act and the Agency have provided us with a high standard of conduct by which we can assess our own environmental protection efforts. Make no mistake about it, they have not made our lives any easier, but they will make our lives and the lives of our children better in the long run.

In short, we in Alaska are committed to a course of conduct which will make our State a model in the environmental field.

And this brings me to the reason why I feel compelled to register my strong objection to the legislation now before us.

During the past few months, I have devoted considerable time to a study of hearings records and background of this consumer protection proposal, and this study convinces me that enactment of S. 707 will place in jeopardy the significant environmental and economic achievements which Alaskans have made over the years.

S. 707 proposes to create an agency which would be empowered to intervene and participate in every formal or informal action of the Federal Government where an "interest of consumers" is thought to exist. More than that, the Agency for Consumer Advocacy is given the extraordinary authority to employ interrogatories, use host agency subpena power and appeal Federal agency decisions to the courts.

Now, these powers would perhaps be tolerable were it not for the fact that the bill's proponents have refused to confine the consumer advocate to a jurisdiction clearly related to consumer concerns. Rather they have said that virtually anything may be considered an "interest of consumers" and thereby have created an agency without bounds.

There can be little question that the framers of this legislation long ago wanted a consumer advocate who could become deeply involved in environmental issues.

Consider a recent comment made by Lee C. White, chairman of the Energy Policy Task Force of the Consumer Federation of America. Mr. White, who as my colleagues know was formerly the Chairman of the Federal Power Commission, said the following on March 27, 1973, during Senate committee hearings on S. 707:

> I think it is possible for consumer groups and for environmental groups to be in total disagreement on whether it (the pipeline) ought to come down through Alaska or whether it ought to come through Canada, or whether it should come down at all.
>
> It seems to me in those circumstances that it is possible that the consumer advocate can be very useful and very helpful to the Government in assigning different teams to be advocates within the same proceeding and throw as much light and information and analysis and argumentation into the process as is possible.—Lee C. White, Chairman of the Energy Policy Task Force of the Consumer Federation of America, Hearings Transcript, p. 362.

The conclusion I necessarily draw from this testimony, and from the fact that the Environmental Protection Agency is clearly covered by S. 707 as an agency over which the ACA will have jurisdiction, is that we are being asked to create yet another layer of bureaucracy to complicate and compound the administration of Federal environmental legislation. This I am unwilling to do, and my reasons are several.

First, anyone who has dealt with the EPA knows there is little cause to fear that it is not doing the job Congress gave it. In fact many of my colleagues frequently seem to think it is doing too good a job. Certainly in this complex and delicate public interest area over which it has jurisdiction, the EPA does not need badgering by another agency concerned only with the consumer interest.

And this brings me to my second point. Just how could the consumer advocate develop and maintain the high level of technical and scientific expertise necessary to make his intervention in environmental matters anything more than a nuisance? John F. Banzhaf, professor of law and legal activism at the National Law Center, stated the problem succinctly when he wrote in his June 5, 1974, letter to Senator MONDALE:

> Consumers have a very wide spectrum of interests, many falling in areas of great legal and technical complexity. Were the Consumer Protection Agency forced to develop sufficient expertise in each of these many areas so as to present and espouse the consumer interest, it could do so only with an inordinate expenditure of time and resources. Moreover, as the individual responsible for a given area—e.g., food product labeling—educated himself on these issues, it is not unreasonable to suppose that he would leave the agency, creating a lack of continuity and the need to re-educate a new staff member. To put the same thought in different words, it is impossible for an agency the size of the Consumer Protection Agency to develop a continuing expertise in the many areas of direct interest and impact on consumers.—In a letter to Senator Mondale, June 5, 1974, from John F. Banzhaf, printed in the Record on June 24, 1974, at page 20738.

I must confess that I do not regard S. 707 as a simple little bill which will cause a few ripples. I am mindful of a recent comment of Judge Henry J. Friendly, Chief Judge of the U.S. Court of Appeals for the Second Circuit, which is referred to in the minority views on S. 707. In commenting on the problems raised by certain "simple" provisions of the National Environmental Policy Act he states:

> One must wonder whether the framers of the seemingly simple formulation (in NEPA) that any Federal Agency which proposes any action that "would have a significant effect upon the quality of the human environment" must prepare an impact statement, *could have remotely conceived the volume of litigation it would spawn.* In practical effect it has come to mean that any proposed federal action having a conceivable effect on the environment will become the subject of a suit, whether successful or not.

NEPA-generated litigation will not even hold a candle to the volume of litigation which an ACA can be expected to create. Remember, one of the ACA's main purposes is to litigate the decisions of other agencies.

The only result of all this for Alaskans is delay and disruption in Federal decisionmaking processes upon which so much of our State's future depends, and I for one am not willing to wager that future on an untried and unprecedented legislative experiment.

Accordingly, I have developed, and, at the appropriate time, will offer two amendments to S. 707, the adoption of which must be prerequisites to my support of that measure. The first would exclude the Agency for Consumer Advocacy from intervening in any matter involving the National Environmental Policy Act. I feel the Environmental Protection Agency and the Council on Environmental Quality are doing a more than adequate job in this area now.

The second would exclude the Agency for Consumer Advocacy from intervening in any matter involving pipeline routing or the determination of the well-head price of gas. If this amendment is not adopted, the Agency for Consumer Advocacy would be intervening in pipeline routing decisions in Alaska representing consumers located in the heavily populated areas in the Midwest and Eastern States—an intervention, incidentally, which would be to the detriment of the very consumers they seek to protect. Delay in development of Alaska's resources results in increased cost to the consumer—and to all Americans—as we are forced to pay higher and higher prices for imports.

Third, to demonstrate what I believe would be constructive action to protect the consumer, I have introduced an amendment to create an office of consumer advocacy in each department and agency. In this manner there would be consumer advocates in each department and agency which is involved in decisions which affect the interests of consumers. I believe that this is a far more rational approach than setting up a new independent agency to represent the interests of consumers before existing agencies.

Mr. BROOKE. Mr. President, the consumer protection movement in the United States has made great advances during the past decade. Americans are increasingly questioning the age-old caveat, "Let the buyer beware," and are demanding that manufacturers and merchandisers accept more responsibility for the quality, safety, and service of their products.

As industry and business have grown in this country, businessmen have taken steps to insure that their interests are protected in the Federal Government. Various corporations have established lobbying groups, business organizations, commissions, agencies, and attorneys as representatives and spokesmen in Washington.

However, the largest interest group in this country, the American consumer—and virtually everyone is a consumer—has never been formally represented in the Federal Government.

For more than a dozen years, it has been apparent that considerable support for the consumer exists here in Congress. But, unfortunately, the many bills designed to establish a consumer protection agency have never been enacted into law. However, the House has recently passed a Consumer Protection Agency bill by an overwhelming margin and almost a third of my colleagues here are cosponsors of this bill before us. Though no one has publicly stated his opposition to the concept of consumer protection, it seems that many businesses want to see only a weak consumer protection bill, or no action at all by the Senate. The powerful influence exerted by some business concerns in this country attests to the fact that consumers are only marginally represented here in Washington. We now have a chance to try and balance the scale.

Of course, the President has had a consumer adviser for some years now, but this person has never had the legal authority to initiate action in possible cases of unfairness to consumers. The Presidential consumer adviser has been little more than a small voice in the complex workings of the Federal Government. The President's current Consumer Adviser, Mrs. Virginia Knauer, is working hard to protect the consumer interests of America, but she and her staff cannot watch everything. And, it should be pointed out that she wholeheartedly supports S. 707.

This frightful lack of strong consumer advocacy in the Federal Government is a situation that must be changed. With the passage of S. 707, the consumer would finally have an advocate within the Federal Government. That representative would be the Agency for Consumer Advocacy.

Too often in the past, the interests and concerns of the product-and-service-buying public have been lost in the bureaucratic shuffle involved with the proposal, debate, passage, and implementation of new legislation. The ACA would act as an advocate for these formerly unrecognized consumer interests.

As a cosponsor of the Agency for Consumer Advocacy bill, I believe it is excellent legislation. It would benefit all concerned.

It would focus consumer concern in one agency for the first time. Right now, when consumers are faced with unsafe or shoddy merchandise, or a service that does not live up to its promise, they are unsure of who to write to for assistance. Letters of consumer concern have been scattered among the Members of the House and Senate, and among the various Federal agencies and commissions. Often little or no action is taken in behalf of these worried consumers. With the establishment of the ACA, consumers would have people who are working specifically on their problems. The sometimes weak, half-hearted consumer efforts by agencies which are mainly concerned with other areas would become concerted efforts that would produce results.

Section 10 of this bill covers the manner in which the ACA would handle consumer complaints. This would be a very important function of the proposed agency, and a major reason why we should take affirmative action on this bill. The agency, if established, is bound to receive thousands of letters a year from consumers who are unhappy with certain foods or services. The Administrator is instructed to follow up on these letters, which, in effect, would become the consumer's link to the Federal Government. The ACA Administrator would: First, keep a tally of letters directed at specific businesses and then, at certain times, pass these complaints along to that business along with suggestions to prevent future complaints; second, pass along all relevant complaints to the proper Federal agency and, again, submit suggestions for the protection of consumer interests; third, watch for any complaints that seem to point out a violation of Federal or State law in relation to consumer interests, and then to take the appropriate action to end this unlawfulness; fourth, make sure other Federal agencies also "follow up" on complaints submitted to them by the ACA; and fifth, to make available for public inspection all complaints and replies to these complaints. The Administrator may also, under his informational powers, authorize the research and publishing of a report in a particular area of consumer complaint.

Establishing an Agency for Consumer Advocacy would help insure that Federal agencies are familiar with the views and interests of the consumer, thereby enabling such agencies to carry out responsibly their statutory obligations.

Another important function of the ACA is its ability to represent the consumer in the courts. As described in section 8, the Administrator would be able "to obtain judicial review of any Federal agency action reviewable under law." Critics of the ACA have charged that the Administrator would be "meddling" in many court cases and holding up important court decisions. This is an unjust charge. I believe that this judicial function would simply mean that consumer interests would be properly represented for the first time. This would, hopefully, prevent any court decision from being overly protective of business interests. And, through its informational function, the ACA would inform the public of all relevant decisions affecting consumers. Of course, this agency and its Administrator would have no authority to enact any regulations or enforce any sort of a decision.

I also believe the information-gathering and dissemination powers of this new agency would benefit the consumer. The surveys, investigations, and conferences that the ACA would initiate in the field of consumer affairs would provide important information to other agencies on the concerns and needs of consumers.

Critics of the proposed structure of the Agency for Consumer Advocacy argue that the establishment of independent nonregulatory, special interest agencies is a poor way to run the Government. However, this country has traditionally relied on the adversary system to produce governmental and judicial decisions that are as fair and as consistent with the public interest as possible.

This act does no more than to make this adversary process more complete by including representatives of interests heretofore largely neglected. Neither Federal agencies nor businesses can fairly object to permitting all sides to be heard.

Other critics feel that the agency will create interagency confusion and interfere in affairs that are irrelevant to consumers. I believe that the ability to participate in the so-called "informal" activities, as well as the "formal" proceedings of Federal agencies is absolutely necessary to the effectiveness of this agency. The presence of the consumer advocate would not create any confusion in the Federal Government; it would only help to make an important voice be heard. We all know that a great number of important decisions are made in the informal activities of Federal agencies. It is often said that as much as 90 percent of all agency activities are "informal." If this Consumer Advocacy Agency cannot participate in these informal activities, its power would be greatly reduced.

The consumer of this country should no longer have to "beware" of products and services in this country. Many businesses have already found that consumer efforts on their part help create satisfied customers and employees. Giant Foods, a large supermarket corporation has found that both sales and earnings went up to record levels in the first year of a consumer program.

This example, and there are many others, points out the fact that the businessman also does not have to "beware" of the consumer. Our laissez-faire economic system works best when it is founded on a basic trust between the buyer and seller as well as between the businessman and the consumer. The establishment of an agency to advocate the interests of the American consumer would not in any way disrupt our economic system. On the contrary, I think the businessman will be pleasantly surprised to find that the public will take a much greater interest in his company when consumers feel their interests are not being misused by the company. The consumer wants to trust the people who are providing goods and services, and I believe the establishment of an Agency for Consumer Advocacy would go a long way toward establishing that trust.

We have debated long enough on this bill and I urge the Senate to invoke cloture on S. 707 and to get on to a final, positive vote on this bill. The ideas involved in enacting an agency for consumer advocacy have been debated publicly for a dozen years now. Congress has debated the possibility of this type of agency for 5 years and we have debated this particular bill for weeks. At every step along the way, this measure has received strong support from the public and its elected officials. The House has passed a similar bill by a vote of 293 to 94. It has been the doubt and efforts of the few remaining opponents of consumerism that has kept a consumer agency from becoming a reality. The time for this bill has arrived. The people have asked for it, concerned legislators have initiated it, we have held lengthy debate, and now the time has come to vote on an Agency for Consumer Advocacy.

I urge all Senators to vote to invoke cloture on S. 707 and then to vote favorably on its passage.

Mr. BROCK. Mr. President, James J. Kilpatrick, one of the Nation's most noted journalists, recently wrote an article which he entitled "A Monstrously Bad Bill." He wrote about the Consumer Protection Agency measure. I ask unanimous consent that his article be printed in the Record for all of my colleagues to see.

There being no objection, the article was ordered to be printed in the Record, as follows:

A MONSTROUSLY BAD BILL

(By James J. Kilpatrick)

The Senate continues debate this week on a measure that merits a splendid superlative title. It is the Worst Bill of the 93d Congress.

Admittedly, that takes in a considerable sweep; but the bill to create a Consumer Protection Agency is not merely a bad bill. It is a monstrously bad bill. In the holy name of consumerism, one of the more fashionable religions of the day, the Congress could create a bureaucratic nightmare.

The sponsors and defenders of this bill make it sound so simple. Out of whole cloth they have fashioned a speechless dummy named "the consumer." This poor creature, it is said, has no one to defend his interests. Business and industry have highly paid lobbyists whose insidious talent is to manipulate the agencies set up for their own regulation. The consumer, by contrast, is an abandoned babe in a forest of wolves. The bill would create a new agency with authority to fight back on his behalf.

The theory rests on a false premise, that there is such a thing as "the consumer." Under the definition contained in Section 4 of this bill, every human being who uses or purchases any goods or services whatever is a consumer. But unless one assumes that all human beings have identical personal and economic interests, it is plain that no advocate possibly could serve all consumers alike.

Let us examine, if you please, the best interests of this hypothetical "consumer" in such areas as milk, lumber, textile products and shoes. Presumably, consumers have an interest in cheap milk; but the human beings in the dairy industry, who also are consumers, have an interest in higher milk prices. People who build houses want cheap lumber; people who produce lumber find that idea unappealing. The country is flooded with textiles imported inexpensively from the Far East, and doubtless this suits some consumers very well; but the consumer who works in a North Carolina mill has a different view.

Back in January of 1972, this correspondent happened to be covering the McGovern campaign in New Hampshire. The candidate stood in the snow outside a couple of shoe factories, shaking hands as the shifts changed. Repeatedly, he was asked one question: How did he stand on the importation of shoes from Italy? These men and women were consumers of shoes; they were also producers of shoes. How would a Consumer Protection Agency look after their interests?

The bill is a fraud. It defines the "interest of consumers" partly in terms of their "economic concern," which is to say, in terms of the price the consumer pays for goods and services. In the determination of such prices, no factor of cost is more important than the cost of labor. Yet labor is exempted from this bill.

The bill is administratively impossible. Under this measure, the new agency would have an administrator. He would be responsible to no one. He could intervene in any governmental proceeding (except as to labor) throughout the entire realm of federal authority. His determination of the "interest of consumers" would be virtually unreviewable. He could be removed by a president only at the risk of another Saturday night massacre.

Under this legislation, the new agency would have some $20 million to spend on advocacy. It is a small sum, perhaps, in a $300 billion budget, but it is a large sum indeed in terms of lawyers, lobbying and litigation. Far from putting the "consumer" on an equal platform with business spokesmen, the authorized sum would make the administrator King of the Lobbyists, the fattest cat in town.

Our present system of consumer protection may not be perfect, but such old-line agencies as the courts, the Food and Drug Administration and the Federal Trade Commission do a reasonable job, and such new agencies as the Consumer Products Safety Commission are coming on strong. A case for further bureaucracy cannot be made.

Mr. TUNNEY. Mr. President, today we will be voting on one of the most important pieces of consumer protection legislation ever before the Senate. We are all familiar with this legislation. It has been discussed and delayed for too many years.

Clearly, now, is the time to take action. Consumers are appallingly underrepresented before the Federal agencies whose decisions critically affect their health, safety, and economic well-being. This legislation would help correct the current imbalance of representation before Federal agencies which often have been dominated by large corporations and special interests, leaving consumers feeling powerless and cheated.

The Agency for Consumer Advocacy will help renew our citizens' trust by acting as a consumer advocate in Federal agency proceedings. Its creation will be a crucial step toward restoring the public confidence in the regulatory processes of our Government. This agency will insure that the legitimate interests of consumers receive consideration equal to that now accorded the well-represented producer interests.

Equal opportunity for access to Government is an American axiom. I strongly urge my colleagues to support passage of S. 707.

Mr. THURMOND. Mr. President, this body is considering what has been termed a compromise consumer advocacy bill. In my opinion, there is no real compromise under consideration at all. This effort is merely an attempt to slip the measure through by agreeing to a few minor modifications and attempting to label these changes as great compromises.

The creation of this new bureaucracy, designed to pit consumer against producer, and, indeed, consumer against consumer, would still entail the same disrupting functions as before. After all, we are all consumers, and we are all producers in some fashion.

This bill's sponsors have laboriously emphasized that they are protecting the rights of the consumer. Yet, clearly it is in the interests of Americans, all of whom are consumers to some degree, to have a thriving economy. It seems paradoxical that anyone would want to see the creation of a Government agency whose actions would be to involve American businessmen, large and small, in even more redtape. This can only act to further stifle our competitive, free enterprise system.

Certainly no one is adverse to the basic concept of consumer protection. It is in large part for this reason that we have the Federal Trade Commission, the Interstate Commerce Commission, the Federal Aviation Administration, the Civil Aeronautics Board, the Federal Energy Administration, the Consumer Products Safety Commission, the National Traffic Safety Commission, the Food and Drug Administration, and numerous other Federal agencies. All of these agencies take into account the consumer interest in carrying out their functions. The last thing we Americans need is yet another Federal bureaucracy to "protect" us.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate having expired, the Chair, pursuant to rule XXII, lays before the Senate the pending cloture motion, which the clerk will state.

The second assistant legislative clerk read the cloture motion as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill, S. 707, to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes:

Abraham Ribicoff, Alan Cranston, Mike Mansfield, Mark Hatfield, Frank E. Moss, James B. Pearson, Warren G. Magnuson, John O. Pastore, Henry M. Jackson, Clifford P. Case.

Harrison A. Williams, Jr., Jacob K. Javits, Charles H. Percy, Charles McC. Mathias, William Proxmire, George McGovern, Thomas J. McIntyre, Hubert H. Humphrey, Edward M. Kennedy, Daniel K. Inouye, Vance Hartke.

CALL OF THE ROLL

The PRESIDING OFFICER (Mr. Helms). Under rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 370 Leg.]

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. McGee), and the Senator from South Dakota (Mr. McGovern), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. Case) and the Senator from Kentucky (Mr. Cook) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. Pursuant to rule XXII, a rollcall has been had, and a quorum is present.

The question before the Senate is: Is it the sense of the Senate that debate on the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will now call the roll.

The legislative clerk called the roll.

Mr. TOWER (after having voted in the negative). Mr. President, on this vote I have a live pair with the Senator from New Jersey (Mr. Case) and the Senator from Kentucky (Mr. Cook). If they were present and voting they would vote "aye." If I were permitted to vote I would vote "nay." I, therefore, withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. McGee), and the Senator from South Dakota (Mr. McGovern) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. Case) and the Senator from Kentucky (Mr. Cook) are necessarily absent.

The yeas and nays resulted—yeas 59, nays 35, as follows:

[No. 371 Leg.]

YEAS—59

Abourezk
Bayh
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Dole
Domenici
Eagleton
Fong
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Tunney
Weicker
Williams
Young

NAYS—35

Aiken
Allen
Baker
Bartlett
Bellmon
Bennett
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dominick
Eastland
Ervin
Fannin
Fulbright
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
Johnston
Long
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Tower, against.

NOT VOTING—5

Case
Cook
Gravel
McGee
McGovern

The PRESIDING OFFICER. On this vote, there are 59 yeas and 35 nays. Two-thirds of the Senators present and voting not have voted in the affirmative, the cloture motion is not agreed to.

Mr. DOMINICK. Mr. President, at the risk of simplistically being labeled as anticonsumer by my constituents in Colorado who have not studied the bill, I have again voted against shutting off debate on S. 707, a bill which would create a so-called Agency for Consumer Advocacy.

Basically, I have four objections to the type of agency this bill would create. First, I do not believe the agency could represent the "consumer" because there is no single "consumer" position on any given issue. Second, the agency could not "protect" the consumer from the problems the consumer faces today, such as shoddy merchandise, ineffective guarantees, or deceptive and misleading business practices, because under the bill the agency would not itself deal with these problems, but would merely refer them to other agencies.

My third objection is that we are being asked to authorize $60 million over the next 3 years for a consumer agency when we already have more than 30 Federal agencies running more than a 1,000 programs for consumers throughout the Government. The fourth reason I oppose the bill is my belief that the agency will not only fail to help the consumer, it will harass legitimate businessmen and further slow the sometimes snail-like pace of our Federal bureaucracy through its powers of intervention, appeal, interrogation and subpena.

Let me elaborate on these four points. First, I question whether the Administrator of the proposed Agency for Consumer Advocacy would ever be able to act in the interest of all consumers. There frankly isn't a single issue I can think of where our nation's consumers are of one voice, one mind, one opinion. Just walk down the aisle of any supermarket and you will see some shoppers are concerned most with quality, others with price, and still others with convenience offered by certan products.

The same could be said for automobiles. Some consumers are looking for the car that will give them greatest safety, others are looking for luxury, and many consumers are shopping on the basis of price.

How would the Administrator of the proposed agency determine the primary consumer interest in gasoline? Does the consumer want lower prices at the risk of future shortages? Or is the consumer willing to pay higher prices in the hope of avoiding such shortages? Is price or availability the consumer's primary interest here? These are questions which must be raised, because the consumer agency would have the power to intervene—and even to appeal—the decisions of the Federal Energy Administration with regard to oil and gasoline policy.

My second objection, Mr. President—assuming for the sake of argument that the Administrator could ascertain the "consumer" interest on every issue—is that the Agency for Consumer Advocacy proposed in this bill simply would not be working to protect consumers by correcting the problems which most disturb them. The agency would not concern itself with refrigerators that break down shortly after they are purchased, or defects in new cars, or guarantees that turn out to be worthless, or deceptions on the part of businesses. In fact, the only contact the Agency for Consumer Advocacy would have with the public would be through the processing of consumer complaints.

Under the consumer complaint provision of the bill, the Agency for Consumer Advocacy would receive and subsequently pass along to Federal, State and local agencies or businesses the complaints it receives. Other Federal agencies would then be required to report on the disposition of these complaints. Thus, the Agency for Consumer Advocacy, purportedly designed to protect consumers, would be nothing more than a bureaucratic referral service—it would not itself deal meaningfully with complaints.

This brings me to my third objection—namely, that we are being asked to approve the creation of an agency which would be authorized $60 million over the next 3 years—in spite of the fact that we already have some 30 Federal agencies working on programs to help the consumer. At a time when the Federal Government stands accused as perhaps the major factor in the current inflationary spiral, we must think long and hard about the need for another consumer agency.

My mail indicates that the people of Colorado believe we already have enough Federal agencies involved in consumer protection. We have the Consumer Product Safety Commission—an independent regulatory agency created in 1972—which has set safety standards for more than 11,000 consumer products. The Commission has a staff of 750, and a budget of about $40 million.

We have the Food and Drug Administration, which is charged with the responsibility of protecting the health of Americans against impure and unsafe foods, drugs, and cosmetics. FDA is empowered to call an unsafe or ineffective product off the market, and has done this on a number of occasions. The FDA's budget is nearly $200 million.

The Federal Trade Commission is another independent agency which, among other things, handles complaints about false or deceptive advertising, fake warranties and guarantees, mislabeling of goods by manufacturers, and other practices. FTC's budget is in the neighborhood of $38 million.

There is an office of consumer affairs in the Department of Health, Education, and Welfare. The office, run by Virginia Knauer, has 55 employees and a budget in excess of $1 million. It issues pamphlets and a biweekly newsletter warning consumers against fraudulent business practices and shoddy merchandise.

Mr. President, the Congress has also been working hard to protect the consumer's interests. Look at the laws we have passed in recent years. We have had the Fair Packaging and Labeling Act, the Interstate Land Sales Act, the Truth in Lending Act. We have created the Environmental Protection Agency—we have even required warnings on cigarette labels.

Now, I am aware of the so-called capture theory being proposed in some quarters. Supposedly, regulatory agencies eventually become captives of the very businesses they were created to regulate. But, Mr. President, if this is true—and I am not certain that it is—what assurance have we that the proposed Agency for Consumer Advocacy will not itself be "captured?" Do we then create another agency—and further? No one seems to have an answer to those questions.

Finally, Mr. President, with regard to my fourth objection, let me say that even if I didn't view the Agency for Consumer Advocacy as being unable to ascertain the consumer's position on any given issue, as a waste of Federal money which would further fuel inflation, and as an agency that would add another layer to the already ponderous Federal bureaucracy, I would still have to oppose it because of the provisions in the bill which would permit that agency to harass legitimate businessmen and tie the operation of the Federal Government in knots.

Why do we need an agency with the power to rummage through the files of virtually every other Federal agency? Why do we need an agency that can burden honest businessmen with questionnaires and interrogatories which must be answered under oath? Why do we need an agency which could literally disrupt the workings of the entire Federal Government with its almost unlimited powers? Mr. President, this agency could drive the rest of the Federal agencies crazy with constant lawsuits—the Federal Government against the Federal Government—in court suits that would snarl our Government's operations as they have never been snarled before!

Mr. President, I predict that if this Agency for Consumer Advocacy is created in its present form, we will see this agency intervening and appealing decisions of other Federal agencies—and it seems to have almost limitless powers to do so—in everything up to and including international negotiations. Some people have contended that Henry Kissinger will have to consult with the head of the Agency for Consumer Advocacy before he can reach any agreement with foreign powers which might conceivably affect the consumer in any way.

Mr. President, I for one am not ready to see George Orwell's "Big Brother" predictions for 1984 come true in 1974. I do not need any czar—which is exactly what the Administrator of the Agency for Consumer Advocacy would be—to oversee the Government's operations and decide what is or is not in my best interests as a consumer—and I do not believe the people of Colorado, or of the United States, want this either. For these reasons, I will continue to oppose this bill in its present form.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House insists upon its amendments to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office and to amend certain other provisions of law relating to the financing and conduct of such campaigns, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Hays, Mr. Thompson of New Jersey, Mr. Dent, Mr. Brademas, Mr. Jones of Tennessee, Mr. Mollohan, Mr. Mathis of Georgia, Mr. Dickinson, Mr. Devine, Mr. Ware, and Mr. Frenzel were appointed managers of the conference on the part of the House.

The message also announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) to provide for pension reform.

PROGRAM

Mr. GRIFFIN. Mr. President, the Senate having voted three times now not to invoke cloture on this particular bill, I wonder if I could direct a question to the distinguished majority leader, if he could give the Senate any indication as to what may be the future of this S. 707 and whether he can tell us anything about the program for the rest of the day and the rest of the week?

Mr. MANSFIELD. Mr. President, in response to the questions raised by the distinguished acting Republican leader, may I say that it is my intention to meet with Senator Ribicoff and Senator Percy to discuss what, if any, future action will be taken on this bill at this time, but the pending order of business will shortly be, under a unanimous-consent agreement previously arrived at, Calendar No. 1056, H.R. 16243, the defense appropriation bill.

That will be followed by the appropriation bill covering State and Justice, which will be marked up this afternoon.

Tomorrow we will take up the report on pensions which has passed the House today.

ORDER OF BUSINESS

Mr. MANSFIELD. At this time, Mr. President, I ask unanimous consent that the Senate allow me to yield to the distinguished Senator from Alabama (Mr. Sparkman) for the purpose of calling up a report on the Cost of Living Council.

The PRESIDING OFFICER. Without objection, it is so ordered.

MONITORING THE ECONOMY

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 16425.

The PRESIDING OFFICER laid before the Senate H.R. 16425, an act to provide for the monitoring of the economy, and for other purposes, which was read twice by its title.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SPARKMAN. Mr. President, I urge the Senate to accept the House bill.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Chamber and in the galleries?

The PRESIDING OFFICER. The Senators are asked to take their conversations to the cloakroom.

The Senator cannot proceed until the Senate is in order.

The Senate is not in order. The Chair solicits the cooperation of Senators in taking their conversations to the cloakroom. The Senators will please take their seats.

Mr. CURTIS. Mr. President.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Several Senators addressed the Chair.

Mr. KENNEDY. Mr. President, I wish to ask the manager of the bill a question. I just came on the floor to vote and I understand now we are considering this as a new matter, the House bill which has as the expiration of the Council June 30, 1976, if I am correct. Yesterday I think we virtually by unanimous vote agreed that there was some value for Congress having the opportunity to exercise its judgment on the issue of inflation and that we wanted to provide a reasonable period of time for the Presidential initiatives.

I think a number of us expressed on the floor that we were willing to grant or support additional powers to the President to exercise that leadership, and I understood that we accepted an amendment which I had offered initially to provide an April 30 expiration date, but in exchange of colloquy with the Senator from Texas, we agreed on an August 15 date.

I am wondering if that amendment would be included. As I understand it, it is not included on the matter we are considering at the present time and I would like to ask if the manager of the bill would be willing to accept it?

Mr. SPARKMAN. Mr. President, let me say this to the Senator from Massachusetts. An effort was made in the House to accept the Senate bill. Of course, it had to have unanimous consent and that was not forthcoming.

Therefore, it seems that our natural recourse is to accept the House bill, and except for the date of expiration the Senator will find nothing to disagree with the House bill.

Mr. KENNEDY. Well, Mr. President, I would take——

The PRESIDING OFFICER. The Senate is not in order. The Senator will suspend. Staff members are asked to take their seats. Senators are asked to take their conversations to the cloakroom, the Senator cannot be heard.

Mr. KENNEDY. Mr. President, I feel that this is a matter of some considerable importance. I think all of us are quite willing—at least I was—to support whatever powers the President felt were necessary in dealing with this particular measure. I can understand that he wants a reasonable period of time to exercise leadership in this area, but I, too, feel—and I think a number of the Members also feel—that we have a responsibility here in Congress.

I think we have a responsibility to review the action that will be taken. Therefore, it was for that reason that I offered that amendment.

I am going to suggest the absence of a quorum and prepare an amendment to strike the expiration date and insert August 15, 1975. I wish the manager of the bill would be willing to accept that. If not, then I will ask for a quorum call and prepare such an amendment.

I shall be glad to review with the manager of the bill the reasons for this. We have a responsibility as well as the President. I think it is appropriate for us, over the period of the next year, as a result of hearings in committee, to have the chance to review what the inflation rate is and what measures have been taken to curb inflation, to exercise our good judgment.

Mr. SPARKMAN. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. SPARKMAN. The Senate bill provides for an expiration date of August 15, 1975. The House bill provides June 30, 1976. I understand that is the one thing in which the Senator from Massachusetts is interested.

Mr. KENNEDY. The Senator is quite correct.

Mr. SPARKMAN. Is that right?

Mr. KENNEDY. The Senator is correct.

Mr. SPARKMAN. If the Senator objects to our accepting the House bill, let it rest at that and we will notify the House that it was not acceptable. In that event, I am of the opinion that the Speaker will present the Senate bill under the suspension of rules of the House. If not that, if he should fail, we will go to conference.

Mr. KENNEDY. I am sure the Senator has stated the parliamentary situation correctly. I would hope that that could be done in a matter of hours, really. As I indicated yesterday, I thought it would take 5 or 10 minutes to discuss this issue.

I am in no way interested in delaying, although I do feel that this does maintain a role for Congress and the Senate on the question of the development of economic policy. I think it is an important role for the Congress to maintain in working with the President.

Mr. SPARKMAN. I am perfectly willing to go along with the Senator, but I am just talking about the parliamentary situation. If the Senator offers his amendment and we insist upon it, then a single voice over in the House can prevent its being accepted. That has already been done with reference to our bill.

If the Senator still insists on it, we can go to conference. But the thing about it is that we want this thing finished now.

Mr. KENNEDY. I share the sense of urgency about this measure. That is why, in the course of the discussion yesterday, I was prepared for a 20-minute time limitation. We discussed into the evening some other amendments, but not this particular one. I was quite willing to adjust the amendment from the period of 8 months, which had initially been the amendment, to a year, even though the last time that we revised the Economic Stabilization Act we only had a period of 7 months. Then we had five different occasions when we extended it.

It seems to me, Mr. President, that this is an appropriate action. I want to indicate my willingness to cooperate with the manager of the bill. Hopefully, we can get expeditious action. But I am not prepared to see an opportunity go by for the Senate to consider this measure. If the Members of this body feel they want to waive that opportunity, then I am prepared to be guided by the majority rule, obviously.

I am not interested in going into a lengthy discussion on this. I would feel that it is appropriate to get a vote on that particular measure, and I am obviously quite willing to abide by it.

Mr. President, I am prepared to send to the desk an amendment and ask for its immediate consideration.

Mr. STENNIS. Will the Senator from Alabama yield for a question?

Mr. SPARKMAN. Yes.

Mr. STENNIS. As I understand, this is the Cost of Living Council bill.

Mr. SPARKMAN. Yes.

Mr. STENNIS. I will have to leave the floor on another matter, but I want to express my interest in the bill, and support of the bill, too. Largely, as I understand, this follows, in a general way, the law that we had that expired in April, which we did not renew in April or May.

Mr. SPARKMAN. It is patterned, I will say, along that line, and it is the request of the President.

Mr. STENNIS. I understand. I was interested in it then, and thought I saw the need for it, to the extent that I voted in favor of continuing something in the nature of this Cost of Living Council.

I commend the Senator for bringing in the bill. I certainly support it.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, in view of the unanimous consent agreement concerning the defense appropriation bill, that this matter be laid aside temporarily while the interested parties may have a discussion.

If the distinguished chairman of the Committee on Appropriations would allow me, I would like to make a request now.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

DEFENSE PRODUCTION ACT

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3270.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the amendment of the House of Representatives to the bill (S. 3270), an act to amend the Defense Production Act of 1950, as amended, which were to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Defense Production Act Amendments of 1974".

Sec. 2. (a) Subsection (b) of section 304 of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2094), is repealed.

(b) Such section 304 is amended by adding at the end thereof the following new subsections:

"(b) The Secretary of the Treasury is authorized and directed to cancel the outstanding balance of all unpaid notes issued to the Secretary of the Treasury pursuant to this section, together with interest accrued and unpaid on such notes.

"(c) Any cash balance remaining on June 30, 1974, in the borrowing authority previously authorized by this section, and any funds thereafter received on transactions heretofore or hereafter entered into pursuant to section 302 and 303 shall be covered into the Treasury as miscellaneous receipts."

Sec. 3. Section 711 of the Defense Production Act of 1950 (50 U.S.C. App. 2161) is amended—

(1) by inserting "(a)" after "Sec. 711.";

(2) by inserting "(including sections 302 and 303 and for payment of interest under subsection (b) of this section)" after "Act" the first place the term appears; and

(3) by adding at the end thereof the following new subsection:

"(b) Interest shall accrue on (1) the cumulative amount of disbursements to carry out the purposes of sections 302 and 303 (except for storage, maintenance, and other operating and administrative expenses), plus any unpaid accrued interest, less the cumulative amount of any funds received on transactions entered into pursuant to sections 302 and 303 and any net losses incurred by an agency in carrying out its functions under sections 302 and 303 when the head of the agency determines that such net losses have occurred; and (2) the current market value of the inventory of materials procured under section 303 as of the first day of each fiscal year commencing with the fiscal year beginning July 1, 1975. At the close of each fiscal year there shall be deposited into the Treasury as miscellaneous receipts, from any amounts appropriated under this section, an amount which the Secretary of the Treasury payment of any interest accrued and unpaid under this subsection. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with one year remaining to maturity.".

Sec. 4. The first sentence of section 717 (a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

Sec. 5. The Defense Production Act of 1950 is amended by adding at the end thereof the following new section:

"Sec. 720. (a) In consideration of—

"(1) increased dependence of the United States on the importation of certain natural resources vital to the national defense, the orderly operation of domestic and foreign economies, and the need for reasonable pricing of such resources; and

"(2) the ability of other countries that export essential resources to, singly or in groups, arbitrarily raise the prices of these commodities to unreasonable levels;

the Congress authorizes and directs the Comptroller General of the United States, in consultation with Council of Economic Advisers, the Council on International Economic Policy, the Secretary of the Treasury, the Secretary of Defense, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Agriculture, the Administrator of the General Services Administration, and any other appropriate agencies of the United States, to undertake a study.

"(b) The purpose of the study is to recommend legislative and administrative actions to develop a comprehensive strategic and economic stockpiling and inventories policy which (1) identifies the existence or possibility of any long- or short-term shortages or market adversities affecting the supply of any resource or commodity, facilitates the availability of essential resources, (2) prevents disruptions in the domestic and foreign economies, and (3) prevents unreasonable increases and erratic fluctuations in the prices of essential resources.

"(c) In carrying out the study the Comptroller General shall consider the following:

"(1) The feasibility of purchase and sale of essential resources by the United States in order to achieve reasonable and orderly market prices of these resources.

"(2) A method to determine what constitutes 'essential resources'.

"(3) A proposal for a unified administrative structure to formulate and implement a continuing and comprehensive management program for the efficient marketing of United States inventories and stockpiles of essential resources.

"(4) At current and projected levels of military and civilian materials consumption, the quantities of materials necessary to satisfy demand for a period of not less than one year.

"(5) Any current or projected adjustment necessary to reflect dependency on imports.

"(6) The current and potential ability of the United States to develop substitutes for imported essential resources.

"(7) The feasibility of expanding acquisitions of essential resources through barter agreements.

"(8) The impact of the pricing of essential resources on the international monetary system.

"(9) Any existing government policies and practices which may tend to adversely affect the supply of any resource or commodity.

"(d) The Comptroller General of the United States shall transmit to each House of Congress the study not later than March 1, 1975. It shall contain a detailed statement of the findings and conclusions of the Comptroller General, together with his recommendations for legislative and administrative actions.".

And to amend the title so as to read: "An Act to amend the Defense Production Act of 1950."

Mr. MANSFIELD. Mr. President, I move to concur in the House amendment with an amendment which I now send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment, ordered to be printed in the Record, is as follows:

AMENDMENT TO HOUSE AMENDMENT TO S. 3270

Section 5 of the House amendment is amended as follows: strike all that follows the word "section:" on page 3, line 19, and insert in lieu thereof the following:

"NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES

"Sec. 720. (a) Short Title.—This section may be cited as the 'National Commission on Supplies and Shortages Act of 1974.'

"(b) Findings.—(1) The United States is increasingly dependent on the importation from foreign nations of certain natural resources vital to commerce and the national defense.

"(2) Nations that export such resources can alone or in association with other nations arbitrarily raise the prices of such resources to levels which are unreasonable and disruptive of domestic and foreign economies.

"(3) Shortages of resources and commodities are becoming increasingly frequent in the United States, and such shortages cause undue inconvience and expense to consumers and a burden on interstate commerce and the Nation's economy.

"(4) Existing institutions do not adequately identify and anticipate such shortages and do not adequately monitor, study, and analyze other market adversities involving specific industries and specific sectors of the economy.

"(5) Data with respect to such shortages and adversities is collected in various agencies of the Government for various purposes, but is not systematically coordinated and disseminated to the appropriate agencies and to the Congress.

"(C) Purposes.—It is the purpose of this Act (1) to establish a national commission to facilitate more effective and informed responses to resource and commodity shortages and to report to the President and the Congress on needed institutional adjustments for examining and predicting shortages and on the existence or possibility of shortages with respect to essential resources and commodities.

"(2) To direct the Comptroller General of the United States to complete a study recommending means for the development of a new strategic and economic stockpiling policy.

"(d) Establishment of Commission.—There is established as an independent instrumentality of the Federal Government a National Commission on Supplies and Shortages (hereinafter referred to as the 'Commission'). The Commission shall be comprised of thirteen members selected for such period of time as such Commission shall continue in existence (except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term) as follows:

"(1) The President, in consultation with the majority and minority leaders of the Senate and the majority and minority leaders of the House of Representatives, shall appoint five members of the Commission from among persons in private life;

"(2) The President shall designate four senior officials of the executive branch to serve without additional compensation;

"(3) The President of the Senate, after consultation with the majority and minority leaders of the Senate, shall appoint two Senators to be members of the Commission and the Speaker of the House of Representatives, after consultation with the majority and minority leaders of the House of Representatives, shall appoint two Representatives to be members of the Commission to serve without additional compensation.

"(e) Chairman and Vice Chairman.—The President, in consultation with the majority and minority leaders of the Senate and the House of Representatives shall designate a Chairman and Vice Chairman of the Commission.

"(f) Compensation.—Each member of the Commission appointed pursuant to subsection (d)(1) of this section shall be entitled to be compensated at a rate equal to the per diem equivalent of the rate for an individual occupying a position under level III of the Executive Schedule under section 5314 of title 5, United States Code, when engaged in the actual performance of duties as such a member, and all members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

"(g) Functions of the Commission.—It shall be the function of the Commission to make reports to the President and to the Congress with respect to—

"(1) the existence of possibility of any long- or short-term shortages; employment, price or business practices; or market adversities affecting the supply of any natural resources, raw agriculture commodities, materials, manufactured products (including any possible impairment of productive capacity which may result from shortages in materials, resources, commodities, manufactured products, plant or equipment, or capital investment, and the causes of such shortages, practices, or adversities;

"(2) the adverse impact or possible adverse impact of such shortages, practices, or adversities upon consumers, in terms of price and lack of availability of desired goods;

"(3) the need for, and the assessment of, alternative actions necessary to increase the availability of the items referred to in paragraph (1) of this subsection, to correct the adversity or practice affecting the availability of any such items, or otherwise to mitigate the adverse impact or possible adverse impact of shortages, practices, or adversities upon consumers referred to in paragraph (2) of this subsection;

"(4) existing policies and practices of government which may tend to affect the supply of natural resources and other commodities;

"(5) the means by which information with respect to paragraphs (1), (2), (3), and (4) of this subsection can be most effectively and economically gathered and coordinated.

"(h) Reports of the Commission.—The Commission shall report not later than March 1, 1975 to the President and the Congress on specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency to provide for a comprehensive data collection and storage system, to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world. The Commission may, until June 30, 1975, prepare, publish, and transmit to the President and the Congress such other reports and recommendations as it deems appropriate.

"(i) Advisory Committee.—(1) The Commission is authorized to establish such advisory committees as may be necessary or appropriate to carry out any specific analytical or investigative undertakings on behalf of the Commission. Any such committee shall be subject to the relevant provisions of the Federal Advisory Committee Act.

"(2) The Commission shall establish an advisory committee to develop recommendations as to the establishment of a policy-making process and structure within the executive and legislative branches of the Federal Government as a means to integrate the study of supplies and shortages of resources and commodities into the total problem of balanced national growth and development, and a system for coordinating these efforts with appropriate multi-State, regional, and State governmental jurisdictions. For the purpose of carrying out the provision of this paragraph there is authorized to be appropriated not to exceed $75,000 for the fiscal year ending June 30, 1975.

"(j) Staff and Powers of the Commission.—(1) Subject to such rules and regulations as it may adopt, the Commission, through its Chairman, shall—

(A) appoint and fix the compensation of an Executive Director at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code, and such additional staff personnel as is deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and the General Schedule under section 5332 of such title;

(B) be authorized to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code; and

(C) be authorized to utilize to the extent practicable the staff and internal analyses of the General Accounting Office developed pursuant to the study mandated by subsection (1) of this section.

"(2) The Commission or any subcommittee thereof is authorized to hold hearings and to sit and act at such times and places, as it may deem advisable.

"(k) ASSISTANCE OF GOVERNMENT AGENCIES.—Each department, agency, and instrumentality of the Federal Government, including the Congress, consistent with the Constitution of the United States, and independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such data, reports, and other information as the Commission deems necessary to carry out its functions under this Act.

"(1) POLICY STUDY BY THE COMPTROLLER GENERAL.—The Comptroller General of the United States, in consultation with the Commission and any other appropriate agency of the United States, shall prepare a study recommending legislative and administrative actions to develop a comprehensive strategic and economic stockpiling and inventories policy which facilitates the availability of essential resources. The Comptroller General shall transmit such study to each House of Congress and to the President not later than March 1, 1975. In carrying out such study the Comptroller General shall—

"(1) coordinate the research for such study with the Commission's identification and analyses of shortages or market adversities affecting the supply of essential resources, in order to avoid duplication of effort;

"(2) consider the following in the development of the strategic and economic stockpiling policy:

"(A) the feasibility of purchase and sale of essential resources by the United States in order to achieve reasonable and orderly market prices of these resources:

"(B) a method to determine what constitutes 'essential resources';

"(C) a proposal for a unified administrative structure to formulate and implement a continuing and comprehensive program for the efficient marketing of United States inventories and stockpiles of essential resources;

"(D) the quantities of materials necessary to satisfy demand for such resources for a period of not less than one year at current and projected levels of military and civilian materials consumption;

"(E) any current or projected adjustment necessary to reflect dependency on importation;

"(F) the current and potential ability of the United States to develop substitutes for imported essential resources;

"(G) the feasibility of expanding acquisitions of essential resources through barter agreements; and

"(H) the impact of the pricing of essential resources on the international monetary system.

"(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Commission not to exceed $500,000 for the fiscal year ending June 30, 1975, to carry out the provisions of this Act."

Strike the amendment to the title made by the House Amendment and insert in lieu thereof the following:

"Amend the title so as to read: 'An Act to amend the Defense Production Act of 1950, and to establish a National Commission on Supplies and Shortages Act of 1974.' "

Mr. MANSFIELD. Mr. President, the Senate amendment to the amendment of the House contains the substance of S. 3523, the National Commission on Supplies and Shortages Act which passed the Senate on June 12. It is offered to this measure as an amendment in order to facilitate the consideration and disposal of this issue by the other body. By way of explanation, however, I would like to comment on the genesis of this matter particularly as it relates to the cooperation shared between both bodies of the Congress and in turn between the executive and legislative branches.

To begin with, at the outset of this session the majority caucus and the majortiy policy committee voted to support the establishment of an instrumentality designed to assist the Nation in dealing with potential future areas of crisis with regard to sufficient supplies of resources, materials and commodities. Economic foresight was the way we perceived it, and it was agreed that some mechanism ought to be provided that gives us an alternative to the crash-based planning with which the Nation attempted to meet the energy crisis. At the direction of the Democratic Caucus, I pursued the issue with the Republican leadership and may I say in this regard that the able Republican leader played the leading role both in bringing together all concerned and in meeting this issue constructively. The joint House leadership and President Nixon exhibited similar cooperative support and responded fully. In a sense, the proposal was unique in the way both branches, both Houses and both parties came together to find a solution to an issue of the highest priority. And it is with that same sense of high priority that the issue of the Nation's resources, commodities and materials is viewed by President Ford.

Last week in his address to the joint session, President Ford expressed it in the following manner:

> We will be working together with other nations to find better ways to prevent shortages of food and fuel. We must not let last winter's energy crisis happen again.

Mr. President, we in the Congress could not agree more fully with that statement. It is precisely to avoid or at least to mitigate the next crisis in food or fuel or whatever that the Senate voted overwhelmingly last June to establish the National Commission on Supplies and Shortages. This is the measure that was carved out of the cooperative efforts of the joint House and Senate leadership together with the Executive. I should say that those acting in behalf of the executive branch at that time included Secretary Simon and Director Ash. Not only do I think that the support of the administration and the House leadership are essential to the success of this proposal, it seems to me that unless these and all other department heads and council heads cooperate fully in supplying the needed economic information to such an instrumentality, its usefulness would be greatly impaired. The leadership therefore sought to join in efforts that would assure the ultimate success of this first major step to meet an enormous problem.

As it now stands the proposal mandates that the specific recommendations as to a permanent independent planning facility at the highest level of national life be provided by March 1, 1975. Thereafter this Commission would itself continue to perform the task of perceiving a potential economic crisis area and of offering alternative policy actions needed to offset that crisis until Congress moves on the recommendations for a permanent facility. In every way it will function in a transitional way and Congress would have 4 months to act.

Let me close by stressing that this is a first step and with it is provided the cooperation between parties, between branches, and between Houses of Congress that will assure its success and ultimately the success of a future full-fledged, highly visible, and highly credible mechanism within our national life to accomplish the task of economic foresight regarding future needs of the Nation.

If after a year the work of the Commission is unfinished, and Congress still has not acted on its recommendations, or if sufficient funds have not been made available, I see no reason why we simply cannot extend its life and provide supplemental resources. The important thing is that we get this project underway and that we do so expeditiously and cooperatively. This issue is far too important to be jeopardized by further delay and long-range studies.

Finally, may I say that economic planning is not an easy task. Indeed, it is one of the most ambitious undertakings in which a society—any society—can engage. But it seems to me that information-gathering in a comprehensive and coordinated fashion, followed by full and effective analyses will provide the only way this Nation can prepare itself not just for immediate concerns but for the crisis that looms ahead—on the horizon and beyond. It is not compulsive planning to which I refer. It is instead the presentation of alternative options that might be employed today as the only way of avoiding the crises that most assuredly will arise tomorrow and the many tomorrows thereafter. This is the facility that is required. It is needed by the Congress. It is needed by the executive. It is needed by the Nation.

Many Senators have contributed to the development of this issue. Particularly I would like to note the strong efforts of Senators MAGNUSON and TUNNEY. Their work on this proposal in the Committee on Commerce was indispensible. Also to be commended highly is the Senator from Kentucky (Mr. HUDDLESTON) who has undertaken on his own initiative a most comprehensive investigation into our resource, commodity and material problems. The same high commendation goes to Senator BROCK, Senator PERCY, and many other Senators on both sides of the aisle whose efforts on this whole matter of economic foresight have been superb.

Mr. President, on this issue I ask unanimous consent that there be printed in the RECORD an explanation of the purpose of the Senate amendment to the House Defense Production Act amendment together with an interview with

Wassily Leontieff, the Nobel Prize winning economist which appeared in the July–August issue of "Challenge, the Magazine of Economic Affairs."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Purpose of Senate Amendment to the House Defense Production Act Amendment

The purpose of the Senate Amendment to the House Amendment to S. 3270 is to consolidate the mutual purposes of the House Defense Production Act Amendments and the shortages commission bill (S. 3523), which passed the Senate in June and which is germane to the House amendments. Without this consolidation of purposes and provisions, there would be duplication of effort by the Commission established pursuant to the Senate bill and the GAO study proposed in the House amendments. The intention of this Senate amendment is to preserve and ensure the formation of the National Commission on Supplies and Shortages (which evolved after consideration by the House and Senate Joint Leadership, Members of the Executive and two Senate Committees and floor debate), while maintaining the stockpile policy analysis mandate suggested by the House.

Under this proposed amendment to the House amendment Section 5 would enact a new section 720 to the Defense Production Act. The National Commission on Supplies and Shortages would have the following main functions:

1. Report by March 1, 1975 on institutional recommendations for establishing a permanent entity to monitor, forecast and, where necessary provide remedial advice regarding the supply of resources and commodities and materials;

2. Gather and analyze information on an interim basis with regard to current and pending shortages and market adversities.

3. Provide Congress and the Executive with alternative policy options to meet these problems.

On the other hand, the essential purpose of the GAO study, which would be released simultaneously on March 1, 1975, would be to report on the development of a new strategic and economic stockpiling policy; a matter directly related to the function of the Shortage Commission.

Since the objectives of the Commission reports and the GAO study are related, staffs and data would be shared to the extent possible in order to avoid duplication of effort. However, each of the proposed reports or study has a unique focus, thus eliminating the possibility of repetition.

What An Economic Planning Board Should Do

(By Wassily Leontief)

Q. In your article in the *New York Times* of March 14, you comment on Herbert Stein's suggestion that we possibly should have a national planning board. You say: ". . . if in place of the powerless and understaffed, well-informed and intelligently guided planning board, the mess in which the country finds itself today could have been avoided." This implies that great things can be expected of a planning board. What would a planning board be capable of doing and what would it not be capable of doing?

A. I do not think that planning is an easy and simple matter. Planning is possibly one of the most ambitious things society can undertake in the economic field, and one cannot expect instant success. The practical approach must be gradual. I would visualize that the first step might consist simply of analyzing the operation of the economic system, simply of getting at the facts and presenting the picture as it evolves. But not in terms of a few general indices. There is too much emphasis nowadays on attempting to describe the state of the economy in terms of a few indices such as price level, employment, savings, and GNP. There is also great pressure now to use social indices. I'm rather skeptical about the usefulness of very aggregative, essentially symbolic descriptions of the state of the economic system. It can be effectively explained only in terms of rather deep-lying details. For example, you cannot deal with various aspects of technological development, trends in different industries, and the now very fashionable problems of resources and pollution in aggregative terms. As a matter of fact, the problem of inflation cannot be dealt with in aggregative terms either. If you had inflation in which all prices and incomes moved in parallel, nobody would care. Actual inflation is a change in relative prices, not just in the average price level.

Q. You're talking about the question of information. What kind of information do we need? Or, to be specific, what kind of information does a planning board need to be effective?

A. I would like to describe and measure the flow of goods and services among all the different sectors of the economy, the state of equipment, the structure of the labor force, and prices in very great detail, so that looking at the entire picture, we would see what is happening in each sector, physically as well as financially. The planning board must have a detailed and at the same time fully integrated picture, not just disjointed pieces of information. It must know what is happening in the economy from day to day, month to month, and year to year.

Q. How much of this information do we have now?

A. When you say *we*, that raises a question. As a matter of fact, various people have access to separate chunks of the requisite data. Most of this information is in the hands of private businesses and public organizations which control a large part of our economy. The first and foremost task of the planning—or rather monitoring—board would be to fit together the pieces of this jigsaw puzzle so that a clear, detailed picture of the entire system emerges.

Q. If a planning board were in possession of this detailed information about the economy, what would it do with it?

A. Three years ago we might have discovered that our refining capacity was not sufficient to provide American users of various petroleum products with amounts they would like to buy at the existing prices.

Q. Certainly we were in possession of this information. We knew, or at least some people knew, that there was a coming shortage of refining capacity. So it isn't a lack of information that's at issue but a lack of reaction to that information. The government had that information. What would a planning board add to the picture?

A. Possibly some people spoke about it, but the word was never spread in precise, incontestable terms. A planning board would provide official information which everybody would have to pay attention to. And, of course, a planning board would not only provide information, but also draw conclusions about the future course of development, assuming inaction or alternative courses of action.

Q. There are other countries, such as France and Japan, that have large planning boards. Weren't they in possession of the information concerning the oil shortage? And if they were, why didn't they react to the situation? They were taken unawares; they paid the penalty of inaction just as we did, even though they had large planning boards.

A. As far as I understand it, Japan and Europe were not hit the same way we were. They were hit by the embargo of the Middle Eastern oil producers. We are hit not so much by the embargo as by the shortage of domestic refining capacity. That is why our petroleum industry tells us that we still have trouble even though the embargo has been lifted. Considering what happened in Europe when the embargo hit and what happened here when we experienced a small shortage, the comparison comes out very favorably for Europe and very unfavorably for us. Europe was really much less disorganized than we were.

Let me add this observation. I was rather amused to read about the encounter between Mr. Kissinger and French Foreign Minister Jobert in Washington last February. It was a peculiar situation. Mr. Kissinger was arguing for international planning while representing the country which does the least internal planning of any in the West, and manages the little it does in a most haphazard manner. If Mr. Jobert agreed to plan petroleum collectively and asked Mr. Kissinger to put his cards on the table, Mr. Kissinger wouldn't have any cards to put on the table. He has no power to control the internal situation, and, even if he had such power, the U.S. government has no factual information on the basis of which he could exercise power in an intelligent, systematic way. During my recent stay in France, I found a very good system of administrative and economic controls, backed up by a well-organized data system. The French government is much more aware of what is happening in the French economy that we are of what is happening in ours. So-called indicative planning has often been pooh-poohed. Actually, it provides the French government, particularly the Ministry of Finance, with very detailed information and effective control over the French economy. So when Mr. Jobert essentially said, "Look here, we don't want too much international planning," I think he said it because he felt confident about France's ability to compete with other countries from a pretty firmly and rationally managed domestic base.

Q. That sounds a bit ironic after France suffered from the oil embargo. The implication of your previous remarks is that the best of planning within national boundaries has to be frustrated if that planning doesn't extend internationally. Countries that are heavily engaged in international trade are dependent on various commodities that they import, and if they can't rely on those, then the planning system is frustrated, is it not?

A. Yes, uncertainty about foreign supplies and outlets is undoubtedly important. But admitting that one operates in a world of uncertainty, one can avoid the pitfalls and take advantage of the changing international situation if one can operate from a well-managed domestic base. I think this is the attitude of Soviet Russia. Soviet Russia is known to operate quite effectively in the world market. Look at Soviet agriculture and large-scale industrial production. While the Russians are quite inefficient in the organization of production at the microlevel, they have the overall domestic economy rather well under control, and thus can take advantage of unexpected opportunities on the world markets. They can respond to changing external conditions much better than countries that are not well organized at home.

Q. Let's consider the Council of Economic Advisers (CEA). What are its shortcomings and what would you like to see an expanded planning board be able to do that the present Council of Economic Advisers cannot do?

A. The present Council of Economic Advisers is not in a much better position to know what actually is going on than any private academic economist with a small research staff. The information it has about the economy is summary and approximate, not much better than that possessed by a professor at Chicago or Harvard. The kinds of recommendations it can make are limited to the classical Keynesian variety. There are about three or four variables it can manipulate—the government budget in the aggregate, certain aspects of taxation, certain aspects of monetary policy—and that's all. When members of the CEA are asked for advice on some particular problem, they usually don't have the necessary information on hand. What they have to do is ask somebody to research the thing. The fellow who researches it possibly has three or four assistants and usually has to call up somebody on the outside. They don't have on hand as full a picture as, for example, the Ministry of Trade has in Japan, or Professor Malinvaud, the head of research in the French Ministry of Finance, has when he is advising Giscard d'Estaing.

Q. But if the Council of Economic Advisers has aggregative information about the economy, why does it need detailed information, Can't the operation of the market serve the regulatory function of bringing about balance in the detailed aspects of the economy?

A. The market is indeed a marvelous machine. It operates like a large automatic computer. As contrasted with amateurs who have only discussed them, anybody who has had practical experience with large automatic computers knows that these complex mechanisms break down a couple of times a day and that you must have repairmen standing around all the time fixing up this and fixing up that. The idea that you can feed a problem into the computer at five o'clock in the afternoon before going home and find the answer neatly printed out in the morning is quite incorrect. Experience with automatic computers shows that you cannot rely on them to solve all your problems automatically. By the same token, you cannot rely on the competitive economic system to solve all your problems automatically either. You need a very large crew of troubleshooters on a standby basis. And mind you, a repair crew must know exactly how an engine is constructed and how it operates.

Now this is much more than a superficial analogy. Many proponents of the "competitive solution" of all economic problems are as naive as those who assume that if you can get hold of an automatic computer, you can rely on it without any knowledge of what goes on behind those whirling discs inside.

Q. My understanding of cases where detailed planning has been attempted—and this could be either indicative as in France or imperative as in the Soviet Union—is that the lag in the collection of information, and the sheer weight of all the detailed information that has to be collected in attempting to direct the economy, makes this kind of computing operation just as bad as, if not worse than, the computing that the market itself does.

A. I have a feeling that simply bringing out a systematic, detailed description of the current state of the economy and analyzing the figures could have very beneficial effects. The next step would be to collect information systematically about investment decisions, employment decisions, decisions about technology, and the like, made by private corporations as well as by all kinds of public bodies. I think that simply putting together such fully coordinated systematic information, instead of relying on all kinds of casual surveys, would improve the efficiency of our system.

Let me say that if this country were to undertake such large-scale monitoring operations, we would go about it much more efficiently than many other countries do. Planning is a technical problem, and we pride ourselves—rightly so—on handling technical problems well. Observe what happens in the Soviet Union. From what I can see, the most successful planning in the Soviet Union is done in some of the Baltic Republics. There, the central planning boards seem to be quite effective in using modern computers and analytical techniques. Why? Because the cultural level of the entire population is higher and management operates with greater skill. America builds highways more efficiently, organizes industrial production more efficiently, and does its marketing more effectively than other countries. Why shouldn't we be able to collect economic information and utilize it more efficiently too?

Q. Perhaps we should clarify whether you're advocating imperative planning or indicative planning for the United States.

A. At the present time, I would not advocate imperative planning for the United States except in those areas in which we already have a great deal of governmental regulation. In fields like communications, transportation, and agriculture, which are already subject to direct government action, with better information and more systematic analysis, such guidance would be much more effective than the kind of ad hoc, uncoordinated operations the government is conducting now.

It's quite understandable that business does not like any type of outside intervention. Business, however, is not as delicate a flower as its spokesmen would like us to believe. The implication is that if you just breathe on it in the wrong way, it will wilt. No, private enterprise is robust and it will pursue profits if there are any to pursue. You may restrict its freedom in one way or another, but as long as there is a gleam of profit at the other end of the narrow tunnel, business will pursue it. So I'm not afraid that regulation will cause business to give up. It will use all its imagination, capacity, and drive to function effectively within the limits imposed by public authority.

Q. You've raised several questions. First of all, about indicative planning. If you take the case of France, the Commissariat au Plan does make detailed information available, but the fact is that the information is often disregarded by industry. I believe Renault at various times has exceeded the projections for production in the automobile industry. Doesn't this undermine the value of indicative planning? As a matter of fact, I've heard it argued that indicative planning in France has not been successful, that it's the bullying behind the indicative planning that has been successful.

A. Oh yes, I'm not against bullying; but you can bully much better if you know what pitfalls are to be avoided and in what direction you want the economy to go. I realize full well that it will not be easy to be a little more systematic in directing our complex economy. In the beginning the results won't be very brilliant, but conditions will be even worse if we go on muddling through as we're doing now.

Q. Another point I want to ask you about. I don't understand your praise of Soviet planning when at the same time you say that profits should be the indicator of business success. The Soviets have quite a few other indicators besides profit, and this really creates a muddle of red tape and inefficiency.

A. Nothing is further from my mind than the notion that the profit motive, or, in a wider sense, self-interest, can be replaced by centralized decision making. The profit motive is the wind that fills the sails and propels the vessel. The helmsman knows how to use the rudder to make the vessel move in the direction in which he wants to go. Milton Friedman repeats again and again that the profit motive is the powerful driving force that moves our economy, and I agree. But he also insists that we abandon the vessel to the whim of the wind, and let it go in the direction in which the winds happen to be blowing. Follow his advice and the ship will very quickly land on the rocks. I say: use the profit motive, but control it to move the economy in the direction you want to go. And to fix your course, you must have maps and charts.

Q. All right, let's go back to France. The French have indicative planning, but they haven't succeeded in doing anything about inflation. Is this beyond the powers of a planning board? What can a planning board do and what can it not do?

A. Among the so-called free nations, Japan and France have used a kind of indicative planning for the longest period of time. Both are among the fastest moving countries. The spectacular sustained growth of Japan is well known, and in recent years France has been the fastest growing economy in Europe. This does not prove, of course, that planning was the cause of prosperity and growth. But certainly planning didn't prevent it; I think it helped.

As far as inflation is concerned, my view is that inflation is quite unavoidable in free exchange economies. The Keynesian prescriptions essentially enhanced the rate of inflation. Nobody can stop inflation unless the whole economic system is changed in a drastic way. The only country in which I have seen no sign of inflation is China. Why? Because there obviously the entire monetary mechanism plays a minor, subordinate role, and the operations of the economy are guided by direct physical controls. In modern economies where money plays a major, active role, there's a ratchet effect. Nobody ever likes to reduce prices. Whenever relative prices get out of line, those that are low, relatively speaking, go up. Inflation seems to be an unavoidable feature of the system.

Q. This greatly curtails the power of the planning board in Western countries, does it not, because inflation is very disruptive.

A. We can discuss how disruptive inflation is. It would be most resirable to have no inflation, but there are other things in the economy which can be equally or even more disruptive than inflation. The long-standing claim of economists that they knew how to control inflation is an empty pretense. By now most of us agree that we don't know how to make good the claim. The steady, long-run, upward-rising trend is impossible to control because of the ratchet mechanism built into our social-economic system that makes it advantageous to create money—advantageous, that is, despite all the protestations to the contrary, to some of the most powerful and important groups in our society.

Q. Should we be willing to live with inflation?

A. I suppose we will live with it whether we are willing or not. We might as well be willing. Not that I like it very much. But one reason why economists are in such disrepute is that they have pretended to understand inflation and to know how to control it when obviously we do not.

Q. What is the mix between planning and the market that you think would be appropriate in a country like the United States?

A. One must proceed empirically. First of all, one must secure a solid data base—a map describing the terrain. One must create a governmental body with enough resources and sufficient power at its disposal to collect and analyze these data. This task cannot be carried out without close cooperation with industry and labor. Planning can be introduced only step by step, starting with the fields in which the government already is heavily involved, such as taxation, environment, transportation, and now, obviously, energy.

Q. How would a planning board determine priorities?

A. I happen to be very skeptical of the

idea—which many theoretical economists advance—of a national "objective function," defining national goals as a well-oriented set of national priorities. By analogy with an individual "utility function," it supposedly could provide a guide to fine-tuning economic decisions. I don't think that an economist *qua* economist has any more competence to choose national goals than any other citizen. What an economist should be able to do, however, is to outline the choices. If a friend were to invite me to dinner in a restaurant and say, "Wassily, will you please describe your tastes to me so that I can order the appropriate dishes?" I would reply, "Never mind the description of my tastes. Just show me the menu and I will select the dishes myself."

Q. So the priorities are determined by a political process.

A. Absolutely.

Q. If you invite the participation of both business and labor, you are going to have conflicts over the plan.

A. Certainly you will have conflict. We have conflict now, only at the present time it's resolved by a kind of cheating process. Politicians and even economists make promises which they cannot possibly fulfill. We should at least be able to present feasible—that is, practical—alternatives.

Q. Would the planning board simply play a passive role in drawing up a menu? Or would it have the power to decide what hors d'oeuvres you're going to have?

A. Just as with tax legislation, the final decision has to be made by the Congress. The choice of the measures or the course of action designed to achieve certain objectives should definitely not be within the competence of the planning board. The planning board, after analyzing the situation, should present the government, and ultimately the public, with a set of feasible alternatives.

Q. At present we have the Council of Economic Advisers, the Federal Reserve, the Office of Management and Budget, and the Treasury. Would you combine their powers in some way or would you leave them alone?

A. I believe that the adversary procedure which dominates in Washington in all fields, including economics, is ridiculous. Whenever an economic decision has to be made, the ascertainment of the facts is left to experts representing different groups of people with mostly opposing interests. Each expert is expected to present the facts conducive to the acceptance of the goals of his political or economic backers.

I would concentrate the fact-finding function as much as possible in the hands of an overall organization, call it a planning board or the fact-finding arm of the planning board, and put it under a bipartisan committee of the Congress or even make it independent like the Supreme Court. Let other departments make the specific practical proposals, utilizing the same basic factual information as much as possible.

The trouble is that we prepare the factual analysis on which to base the choice between alternative courses of economic policy in the same way as the two opposing sides prepare their evidence for adversary court proceedings.

Q. But as long as we have competing interests in our society, we're going to have advocates within the government for those interests. You don't suggest that we can sidestep that, do you?

A. Absolutely not. I try to be extremely practical and I know we will always have contesting interests. However, I think we can begin to establish certain rules of the game. Let them push for their particular solutions, but let us at least ascertain that each of these solutions can really be implemented in practice. As things stand now, each of the opposing interest groups usually promises results that an objective analysis of the situation would show to be unachievable.

Q. Just one last question. What would be the length of the palnning period? Would a planning board plan both for the short range and the long range?

A. I would be inclined not to meddle with the short range. However, the information which a planning agency possesses should be put at the disposal of anybody who makes short-range decisions. Describing the alternative possibilities, I would center attention on the medium range, that is, three to five years, and the long run, say, ten to twenty years and beyond. The latter is particularly important because the effect of many of the most critical economic decisions taken now will surface only during our children's lives or the lives of our children's children.

Mr. MAGNUSON. Mr. President, I wish to speak in favor of the Senate amendment to the House amendment to the Defense Production Act. As chairman of the Senate Commerce Committee, which favorably reported the proposal for a National Commission on Supplies and Shortages, I have had the occasion to consider the troubling problems of inflation, recession and shortages of essential resources. The proposed Commission—which passed the Senate as S. 3523—before us today in the consolidated form of an amendment to the House Defense Production Act amendment, is a first step toward meeting the immediate need for a comprehensive analysis of Federal institutional mechanisms for examining and predicting the supply of resources and commodities.

The bipartisan leadership of the House and Senate have chosen this parliamentary mechanism to enact S. 3523. I am extremely pleased to see the Congress moving ahead with the creation of a National Commission on Supplies and Shortages.

It was the Senate Commerce Committee's intent in S. 3523, as explained in detail in the committee's report (No. 93–904), that the Commission have two primary functions:

First, to report on current and pending shortages, and

Second, to report on institutional adjustments, including the advisability of a permanent resource monitoring agency.

The institutional report is to be completed by March 1, 1975. Presumably, it will give Congress and the President additional information on alternative agencies for monitoring the availability of resources. Numerous studies, beginning in 1952 with the Paley Commission, have already recommended the need for a permanent resource monitoring system. The Senate has not yet endorsed the wisdom of these earlier studies which suggested a permanent entity and resource policy.

It must be emphasized, however, that although the Senate floor debate on S. 3523 did not completely accept the committee's recommendation for a transitional Commission until such a permanent entity is established, it did preserve the on-going functions of predicting short- and long-term shortages at least until the end of the current fiscal year. This proposed Shortages Commission should not be viewed as just another study, but as a group with policy analysis and monitoring responsibilities.

It is my belief that Congress must act decisively early in the next session on the recommendations from this Commission. The problems of limited resources and the failure of our Government agencies to have a coordinated and effective response to resource crises will not disappear. We cannot stand idly by depleting our resources without conservation and without planning. A systematic economic forecasting unit which would coordinate the vast amount of resource data collected in over 50 Government agencies can help us avoid in the future another resource crisis comparable in severity to the impact of the energy crisis.

I commend the cooperation of the joint leaders in this effort and urge my colleagues to support this amendment. But I also caution that this vote today does not end our resource and commodity management responsibilities for the future.

Mr. HUGH SCOTT. Mr. President, I am pleased to offer my support for the amendment creating the Commission on Supplies and Shortages. This proposal earlier passed the Senate, as an original bill, and was sent to the House where no action was taken.

However, when the House considered the Senate-passed Defense Production Act, an amendment was agreed to which proposed a stockpile policy analysis. The pending amendment would retain most of that language; but in addition the amendment takes most of the language of our earlier bill on shortages and supplies.

I am pleased that this legislative action will enable the new Commission to begin work promptly. The distinguished majority leader (Mr. MANSFIELD) deserves great credit for his initiative in this regard.

The PRESIDING OFFICER. The question is on the motion to concur in the House amendment, with a Senate amendment.

The motion was agreed to.

The PRESIDING OFFICER. Without objection, the title will be amended accordingly.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate Calendar No. 1056, H.R. 16243.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 16243) making appropriations for the Department of Defense for the Fiscal Year ending June 30, 1975 and for other purposes, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to its immediate consideration.

The Senator from Arkansas is recognized.

Mr. McCLELLAN. I yield to the distinguished Senator from Colorado.

GEOTHERMAL ENERGY ACT OF 1974—CONFERENCE REPORT

Mr. HASKELL. Mr. President, I submit a report of the committee of conference on H.R. 14920, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HELMS). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14920) to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demosntrations in technologies for the utilization of geothermal resources, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of August 19, 1974, at pp. 28967–28974.)

Mr. HASKELL. I would like to state for the record that the conference report has been approved by the Senator from Arizona (Mr. FANNIN), the senior Republican member of the conference committee.

Mr. President, on July 11, the Senate took from the calendar H.R. 14920, the Geothermal Energy Research, Development, and Demonstration Act of 1974 and amended the House bill with the text of S. 2465, the companion Senate measure. Subsequently, the committee of conference met and reconciled the differences between the two versions of the measure. I would like to compliment the other members of the conference committee for their fine efforts in bringing this important legislation to the floor of their respective House for final consideration.

It is my belief that the conference report that we have before us is an excellent melding of the strong points which were contained in each version of H.R. 14920. As the Members will recall, the objective of the two versions was almost identical, that is, bringing about the timely development of geothermal energy resources for the benefit of all citizens of our Nation, but the mechanics of how this laudable goal was to be reached differed.

Originally, the House version would have established a "Geothermal Energy Coordination and Management Project" composed of the Federal Energy Administration, the National Science Foundation, the Department of the Interior, the National Aeronautics and Space Administration, and the Atomic Energy Commission with the Administrator of the FEA as Chairman of the project. The project was to have overall management responsibility for geothermal resource inventory, research and development and demonstration programs.

The Senate version called for the Department of the Interior to carry out a resource inventory with assistance from NASA and vested the authority for the research and development of geothermal energy technologies with the Atomic Energy Commission.

The committee of conference adopted the House plan for a management project, but recommends that the chairman of the project be designated by the President. The committee of conference also expanded the membership of the project to include an additional member to be appointed by the President.

Both versions would have established a loan guaranty program to encourage the development of geothermal energy resources by non-Federal entities. This program, of course, was retained in conference with conforming amendments including adoption of the House recommendation that the loan program be administered by a designated agency rather than the Department of the Interior. I should point out that this action does not exclude the Department of the Interior from administering the loan program if so designated by the chairman of the project.

I would like to commend the able efforts of both the Senator from Nevada (Mr. BIBLE), who I think can be characterized as the leader for the development of geothermal resources, and the Senator from Arizona (Mr. FANNIN), who has established a long and distinguished record regarding efforts to bring about the timely development of this important resource.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

Mr. McCLELLAN. Mr. President, today the Senate considers H.R. 16243, the Department of Defense appropriation bill for fiscal year 1975. This is the largest appropriations bill that the Senate will be considering this year, and one that is of vital interest to every American. Although the Nation can be grateful that we were at peace, peace can be maintained and insured only through vigilance and a strong posture. The committee has carefully examined this year's Defense request and is convinced that the bill before the Senate will maintain the military strength we need at the minimum feasible cost.

OVERALL RECOMMENDATIONS

The committee recommends an appropriation of $82,079,358,000 for the Department of Defense for fiscal year 1975. This includes transfer authority of $513.6 million.

This amount will provide: $20,094,875,000 for the Department of the Army; $26,973,643,000 for the Navy Department; $24,727,643,000 for the Department of the Air Force; and $3,028,197,000 for the Defense Agencies and related items.

By title, the committee's recommendations include: $24,138,858,000 for military personnel appropriations; $6,040,600,000 for retired military personnel; $25,338,303,000 for operation and maintenance accounts; $16,955,016,000 for procurement; $8,389,281,000 for research and development; and $700,000,000 for Military Assistance, South Vietnamese Forces.

These appropriations do not include funds for military construction, family housing, foreign assistance, and civil defense, which are included in other appropriations bills.

RECOMMENDED REDUCTIONS

The $82,079,358,000 recommended in the bill is a reduction of $4,978,139,000—or 5.7 percent—below the administration's budget request. It is $1,314,212,000 below the House allowance and $3,108,612,000 above the amount appropriated in fiscal year 1974. This will result in a reduction in actual outlays by $2.7 billion during fiscal 1975, which should have a significant impact on reducing inflation, and it will help us move toward a balanced budget.

SUMMARY OF ITEMS IN THE BILL

The funds recommended in the committee bill buy two basic things—day-to-day pay and operating costs of our military forces and investment in new items of military equipment, including both research and development of new weapons and equipment, as well as actual procurement.

All told, the committee is recommending $49,477,161,000 for the pay and operating costs of active duty military, Reserve forces, and DOD civilians. This amount includes $24,138,858,000 for military personnel, and $25,338,303,000 for operation and maintenance—which includes the pay for most of the civilian personnel.

In the first category, the recommended funds will pay for an active Army of 14 divisions and 4 separate brigades; a Navy with 508 commissioned ships in the active fleet and 6,283 active aircraft; 3 active Marine Corps divisions, each with an associated aircraft wing; and an Air Force with 10,145 aircraft and 1,054 intercontinental ballistic missile launchers.

Manpower funded in the bill is substantial: 2,127,912 in the Active Forces and 939,647 in the Reserve components, for a total of 3,067,559. This is still a significant reduction from the fiscal year 1974 total of 3,140,527, 72,968 below the number we had last year. In addition to the military manpower, funds are included for a total of 995,000 civilian employees of the Department of Defense.

It is important to keep in mind the very substantial cost of manpower, which is 56.1 percent of the fiscal year 1975 Defense budget.

Now, as to the second aspect of this budget—the development and procurement of new weapons and equipment for our Armed Forces. The committee recommends $25,344,297,000 for these programs which are a key part of modernizing our military establishment—consisting of $8,389,281,000 for research and development and $16,955,016,000 for procurement.

I would like to highlight the funds in the bill for major programs in procurement and research and development.

A total of $1,749,152,000 is recommended for Army research and development. This sum includes: $32.7 million for the heavy-lift helicopter; $49.1 million for the utility tactical aircraft system, a new utility helicopter; $60.8 million for the advanced attack helicopter, a follow-on to the Cobra; $100 million for the SAM-D, a new and complex surface-to-air missile, a reduction of $11 million from the request; and, $60.8 million is recommended for further work on the Safeguard antiballistic missile defense system.

For Navy research and development, the committee recommends a total of $2,979,612,000. This includes: $20 million for the Navy's new fighter prototype, but no funds for the F–401 engine. This engine was originally to have powered the F–14 aircraft, but the Navy seems to have abandoned its use in that plane and cannot decide where else to use this new and advanced technology engine; $31 million for the submarine launched cruise missile; $641.1 million for the Trident missile system; $63 million for the AEGIS surface-to-air missile system; $45.8 million for surface effects ships; $107.2 million for the Trident submarine system; and, $15.7 million for the NATO patrol hydrofoil missile ship.

For Air Force research and development, the committee recommended $3,144,460,000. This includes: $400 million is included for the B–1 bomber; $164.6 million for the F–15 fighter; $55.8 million for an advanced medium STOL—short take-off and landing—aircraft; $32 million for the air combat fighter; $123.9 million is included for Minuteman missile squadrons; $119.9 million for development of advanced ballistic reentry systems; and, $61.5 million for the air launched cruise missile.

In the area of procurement, some of the major programs include the following:

For the Army, procurement of 25 new helicopters, including six AH–1 Cobra attack helicopters and 19 CH–47 Chinook cargo transport helicopters. New missiles procured include $80.3 million for the improved Hawk air defense missile; $86.5 million for the Dragon antitank missile; $104.6 million for the TOW antitank missile; and $64.4 million for the Lance surface-to-surface missile. The bill includes funds for 950 tracked combat vehicles, including 510 M60A1 standard combat tanks and 151 M113A1 armored personnel carriers. Over $720 million is included in the bill for procurement of Army ammunition, including funds to modernize Army ammunition facilities.

For the Navy, the committee recommends $2,745,200,000 for various aircraft, including procurement of 191 combat aircraft, 13 airlift aircraft, 18 trainers, and 6 tanker aircraft. Some of the more significant aircraft and their associated funding are $118 million for 30 A–7E attack aircraft; $617.3 million for 50 F–14A fighter aircraft; and $388 million for 40 S–3A antisubmarine warfare aircraft.

Funds are included in the bill for procurement of a variety of Navy missiles, including $48 million for 73 Poseidon submarine-launched ballistic missiles and over 3,000 tactical missiles, including $51.6 million for 300 Sparrow air-to-air missiles; $15.5 million for 800 Sidewinder heat seeking air-to-air missiles, $93.2 million for 340 Phoenix long-range missiles needed to support F–14A aircraft deployments; and $78.2 million for 150 Harpoon antiship cruise missiles.

The committee recommends $3,140,400,000 for shipbuilding and conversion programs in the Navy, including purchase of 23 combat and auxiliary ships as well as conversion and overhaul of other ships. The bill includes $927 million for the second and third of 10 planned Trident ballistic missile firing submarines; $502.5 million for three SSN–688 class high speed submarines; $457.1 million for seven DD–963 Spruance class multipurpose destroyers; $152.3 million for the fourth DLGN nuclear powered guided missile frigate; $92.3 million for four patrol hydrofoil missile ships; and $186 million for three patrol frigates. In addition, one destroyer tender, one fleet oiler, and a fleet ocean tug are also funded in the bill.

Funds for procurement of 110 aircraft for the Air Force are included in the bill. This includes $100.1 million for 24 A–7D attack aircraft; $118 million for 20 A–10 close air support aircraft; $276.7 million for four E–3A airborne warning and control system aircraft; and $690.7 million for 62 F–15A air superiority aircraft and trainers. In addition, $593.3 million is included for modification and modernization of in-service aircraft such as the B–52, F–4, F–111, C–5 and others.

For Air Force missiles, a total of $1,518,700,000 is recommended. This includes $298.4 million for 61 Minuteman III intercontinental ballistic missiles; $11.1 million for 300 Shrike antiradar missiles; $57.7 million for 6,000 Maverick air-to-ground missiles; and $43.3 million for 300 Sparrow air-to-air missiles.

Finally, Mr. President, the committee is recommending an appropriation of $700,000,000 for military assistance, South Vietnamese forces. This is a reduction of $750,000,000 from the budget request and funds petroleum, ammunition, aircraft, and other items needed by the South Vietnamese in fiscal year 1975.

The bill also includes $6,040,000,000 for retired military personnel. There are over 1 million retired persons on the rolls for fiscal 1975.

CEILINGS ON APPROPRIATIONS

Mr. President, on February 27, 1974, at the opening of hearings by the Committee on Appropriations on the administration's record $304.4 billion-plus budget for fiscal year 1975, I announced that the committee would, as it did last year, establish tentative ceilings for the bills coming before it. As part of that action, the Subcommittee on Defense projected a reduction of $3.5 billion in new budget authority from a total Defense request which, at that time, was $85.6 billion.

Mr. President, in announcing this target, I said that it was a goal that we hoped to meet or exceed. The bill reported by the Senate Appropriations Committee has significantly surpassed this original objective. I point out that, subsequent to submission of the fiscal year 1975 budget, amendments adding $1.5 billion were submitted, bringing the total budget request for fiscal year 1975 up to a total of $87.1 billion.

THE RAPIDLY INCREASING COSTS OF DEFENSE

I am certain that the Senate is concerned that Defense outlays have risen from $78 billion in 1968—when we were fighting a war in South Vietnam—to over $85 billion in fiscal year 1975, when we are no longer at war.

The reason for this phenomenon results principally from the very heavy impact that inflation has had on the Defense budget.

Between 1968 and today's Defense budget, military basic pay rates have more than doubled, adding costs of $9.9 billion.

Military allowances are up 41 percent. This represents an additional $1.9 billion to the Defense budget.

Civil service pay has risen 59 percent, requiring an additional $5.5 billion.

The cost of supplies has increased 54 percent, for an additional $13.7 billion.

Retired pay cost increases total $2.5 billion.

In summary, between 1968 and 1975, pay and price increases alone have added about $34 billion to the Defense budget.

Even as we discuss the Defense appropriation today, inflation is taking its toll.

We will lose $6 billion to inflation even before we start to spend the money appropriated in this bill.

We will lose $3 billion to inflation from the money appropriated during prior years before we can spend it.

Indeed, if we wanted to stay even with last year, it would require a total budget of $86 billion taking into account a yearly rate of inflation of 11.5 percent.

During the last 2 years, purchase price inflation has eaten into defense costs at a rate of 9 percent or more, compared to the period from 1958 to 1964, when it was less than 1 percent a year. There have been substantial increases between the unit prices budgeted last year and the price the military is paying today for the very same item.

The cost of a machinegun is up 23 percent, for a dump truck 65 percent, for a 105 millimeter shell 29 percent, and for a pickup truck 38 percent.

With increases of this magnitude in a single year, you can see what has happened to the purchasing power of the defense dollar. Of course, a great deal of this dramatic jump in defense costs is due to the sophistication demanded in modern warfare.

In World War II, a B–29 bomber cost $680,000. On a similar basis, if we buy the B–1, it will cost $48 million—almost 71 times as much.

A P–51 fighter aircraft of 30 years ago cost $54,000. An A–7D of today costs $3.3 million, more than 61 times as much. Some more recent comparisons are:

A jeep has gone from $3,400 in 1964 to $4,160 in 1973 and is projected to cost $7,000 in 1976.

A 2½ ton Army truck cost $8,700 in 1964. A similar truck costs $15,500 today and is projected to reach $26,000 in 1977.

An M–60 tank produced in 1964 cost $170,000, but today's M–60A2 costs $717,000.

A nuclear submarine of 1964 cost about $81 million; today an SSN–688 costs $194 million.

A destroyer escort in 1964 cost about $29 million; the DD–963 in the 1975 budget is estimated to cost around $101 million.

FOOD COSTS

As every housewife knows, food prices have increased significantly in the last few years. In 1967, it cost $1.30 a day to feed a soldier. This rose to $1.52 in 1971, to $1.65 in 1973, and in 1974 has jumped to $2.28 a day. It is expected to go even higher. As shown by the table which I shall insert in the Record at this point, everyday food items increased on the average about 61 percent over the past 10 years.

I ask unanimous consent that the table be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Cost of food items	Cost in 1964 (cents)	Cost today[1] (cents)	Percent increase
White bread, 1 lb	0.21	0.27	28.6
Round steak, 1 lb	1.04	1.75	68.3
Rib roast, 1 lb	.83	1.56	88.0
Chuck roast, 1 lb	.57	1.23	115.8
Pork chops, 1 lb	.88	1.80	104.6
Bacon, 1 lb	.67	.90	34.3
Hamburger, 1 lb	.49	.82	67.4
Pork loin, 1 lb	.61	1.60	162.3
Milk, ½ gal	.48	.76	58.3
Butter, 1 lb	.74	.81	9.5
Coffee, 1 lb	.82	1.12	36.6

[1] August 1974. These are prices paid by the Department of Defense.

INCREASES IN FUEL PRICES

Mr. McCLELLAN. Fuel prices continue to increase despite diligent efforts of the Defense Department to reduce petroleum consumption. Even though consumption in 1975 will be 226 million barrels—9 million less than last year's consumption of 235 million barrels—petroleum costs have gone up $1,558,500,000 over the fiscal year 1974 cost. All told, it will cost $3,472,600,000 for petroleum products in fiscal year 1975—or 81 percent more than it did during the previous fiscal year, and we will be using less fuel.

For example, between the middle and end of last year, Air Force jet fuel skyrocketed from $6.43 per barrel to $13.63, while Navy distillate fuel, which is the prime ship steaming fuel, increased from $4.51 to $15.50 per barrel.

Mr. President, I would ask that my colleagues take note of these increased costs in all military operations, so that they may be cognizant that when they insist that we ought to operate our defense establishment on the same level of costs under these inflated prices that we operated it last year, that is tantamount to insisting that we reduce the military strength of this Nation.

It could not have any other effect.

INCREASES IN MILITARY AND CIVILIAN PAY

Certainly one of the principal reasons for rising costs has been the huge jumps in pay of our military and civilian personnel.

Mr. President, I mentioned earlier that pay and related costs consume 56.1 percent of the defense dollar in fiscal year 1975. During the past 10 years, civilian salaries, including those for blue collar wage board employees, have risen by about 85 percent. Average regular military compensation increased about 93 percent, almost double, during the past 10 years.

What effect do increases like this have on our payroll? Ten years ago it cost $14.7 billion for 2.7 million military personnel and $7.3 billion for 1 million civilians. Let us look at the contrast. Today—in fiscal year 1975—it costs $32.6 billion for 2.2 million military personnel and $14.9 billion for 1 million civilians. In the last 10 years, then, although the number of military has declined significantly and the number of civilians has remained about constant, their pay and related costs have more than doubled.

Although good progress has been made in achieving an all-volunteer force, it has come at a high cost. The Department of Defense estimates the additional cost to be $3.7 billion alone during fiscal year 1975.

THE HIGH COST OF RETIRED PERSONNEL

The cost of retired military personnel which, unlike most other Federal agencies, is funded in the Defense Department budget, has also increased dramatically in recent years. In fiscal 1964—10 years ago—retired pay was $1.2 billion. In 1975, it will be well over $6 billion—a fivefold increase in just 10 years. And with annual or semiannual increases in the cost of living retired pay will continue to rise each year. This increase in retired pay is not unique to the military—Federal civil service retirement has gone up fivefold between 1964 and 1975, and social security increased about fourfold in the same period. All of this, Mr. President, is a product of both increasing numbers on the rolls as well as higher annuities.

DEFENSE IN COMPARISON WITH OTHER FEDERAL AGENCIES AND PROGRAMS

Finally, I would like to address myself for a moment to the charge made by many that there has been no real reordering of national priorities and no significant decline in our defense costs. An examination of the facts shows something quite different.

In the 1950's, outlays for national defense were about 50 percent of the Federal budget of the Federal Government, total spending.

In the 1960's, they were about 40 percent of the Federal budget—45 percent in 1968.

In the 1970's, they have dropped below 30 percent. In fiscal 1975 they will be only 29 percent of the Federal budget.

In the past decade—the 10 years from 1964 to 1974—human resource programs were increasing by the following amounts:

Federal aid to education jumped 46.2 percent from $1.3 billion to $7.6 billion.

Public assistance increased by 365 percent, from $3.1 billion to $14.5 billion.

Social security and related retirement and disability programs increased by 283 percent, from $19.6 billion to $75 billion.

Health services, including medicare and medicaid, increased by 4,418 percent, from $496 million to $22.4 billion.

So, Mr. President, it is clearly evident that contrary to the misconceptions of many including some Members of the Senate—we are spending far less proportionately to maintain our national security than we are spending for human needs and nondefense programs.

Looking at this problem from a slightly different perspective, we find that between 1968 and 1975, total Federal budget outlays rose from $178.8 billion to proposed $304.4 billion—a rise of 70 percent. Defense costs during that same period of time rose by 9 percent, but the remainder of the Federal budget rose 121 percent, legislative functions rose 161 percent, judicial functions rose 231 percent, executive direction and management rose 433 percent, human resources rose 173 percent, and State and local government spending rose 131 percent.

Mr. President, I think it is obvious that the rising cost of defense is part of a pattern of increasing costs which affects all goods and services—and in most cases these costs all rose much more dramatically and much faster than defense spending.

During fiscal 1975, national defense will receive the lowest share of the Federal budget—under 26 percent, and of total public spending—under 18 percent—since 1940, the year before Pearl Harbor when defense spending was 8.3 percent of all public spending and under 16 percent of the total Federal budget.

During fiscal 1975, Defense will have the lowest level of manpower it has had since 1950.

During fiscal 1975, Defense will have the lowest level in terms of real purchasing power it has had since 1951. This year defense spending will be less than 6 percent of GNP whereas in 1955 defense spending was 11.2 percent of GNP.

In conclusion, Mr. President, I am aware that the amounts included in this bill will not please everyone. No measure that can be sent to the floor of the Senate could do so. No measure providing appropriations for the Defense Department for the military establishment can possibly please everyone.

There will always be some Members who will say that we have cut too deeply;

there will always be others who will say that we have not slashed enough.

This bill represents the considered and reasoned judgment of the Members of the Senate most familiar with the issues and problems involved in maintaining our national security. In reporting this bill, we have tried to provide security without excess, muscle without fat.

I have been informed that efforts will be made on the floor or may be made to slash this appropriation even further—to make across-the-board cuts—meat-ax cuts. Such a move would, in my view, be misguided and irresponsible. The reductions we have already made are substantial and represent the maximum that can prudently be made, in my judgment, in defense spending.

In fact, in an effort to hold down Federal spending and to balance the budget, we may have cut too much already.

It is my hope, Mr. President, that since we have tried to take a middle course, have tried to balance out the necessity for strong defense and also the impact that spending has on deficits and on our economy, that we have struck a balance.

It is my hope, Mr. President, that the Senate will accept and support the recommendations of the committee.

I hope it will accept the recommendations we have made and pass this bill without substantial changes.

Of course, during the debate, Mr. President, I will be happy to answer any questions Members may have.

I yield to the distinguished Senator from North Dakota.

The **PRESIDING OFFICER** (Mr. BARTLETT). The Senator from North Dakota is recognized.

Mr. **YOUNG**. Mr. President, the disguished chairman of the Senate Committee on Appropriations, Senator McCLELLAN, has already explained in considerable detail the various provisions of this defense appropriations bill. It includes the major items of expenditures and other important provisions of the bill. The views he expresses with respect to the defense bill are much the same as mine.

I recognize that this appropriations bill will not satisfy everyone. Some of our Members will want to reduce it even more by a percentage cut, or other means, to $81 billion or below, and others may have serious concern that the $5.5 billion reduction is much too great.

The huge reduction of $5,491,739,000 in this defense appropriations bill represents the biggest cut in any appropriations bill in my time. This big cut, I believe, is responsive to the economic distress we are experiencing in our country today. However, this reduction in the defense bill is not the only answer to our economic problems. It is only one of many actions that must be taken if we are to again experience economic stability. Reductions in other appropriations have and should be accomplished in an attempt to balance the budget and reduce spending as much as possible.

I have always strongly believed that our Armed Forces should be equipped with the most modern and effective weapons possible, even if it meant that total troop levels would have to be reduced. It is because of my strong belief in this principle that I am concerned this $5.5 billion reduction may be too much in some areas. I am particularly concerned about the research and development of newer and more modern weapons.

This austere budget will provide considerable funding for research and development for the start of some new modern weapons and the continuation of others. It certainly is inadequate to support all of what might well be necessary in the development of new weapons of the future that are emerging as ideas today.

At the outset of almost every war in which we have been involved, our enemies have had better, more modern, and effective weapons. This was certainly true of World War I and World War II. The most recent example was the Middle East war. The arms supplied by the Soviet Union to the Arab nations were equal to or better than most of the weapons we supplied to the Israelis. This is but one clear example of the ability of our potential enemy to equip his forces with the most modern and sophisticated weapons. It just does not make sense for a nation as great as ours to be second best in technology and weapons systems necessary to protect our national interests.

One of the major reasons why it is so difficult to cut defense spending this year is the cost of our all-volunteer military force. The average annual pay of military personnel just 6 years ago was approximately $5,500. Now that average pay for military personnel is considerably beyond $11,000 a year.

This bill reduced military and civilian manpower. Military manpower overall is reduced by 24,211 to a total strength of 2,127,912 by the end of fiscal year 1975. This will be the lowest military strength in this country since 1950 or before the Korean war. This defense bill, as reported by the Senate Appropriations Committee, requires that the military personnel overseas be reduced by 25,000. This overseas reduction is in no way intended as a unilateral action on the part of the committee to reduce troops in Europe or prejudice the efforts of our representatives to negotiate in Vienna for a mutual and balanced force reduction.

This reduction in our overseas military force is left to President Ford and the Department of Defense.

Civilian personnel will be reduced under this bill by 32,327 below the budget estimate at a savings of an estimated $403,000,000. Most of this reduction will be by attrition and denial of personnel increases.

There has been a very sizable overrun in the cost of many of the important weapons systems that are now being produced. Inflation is not only resulting in higher costs of weapons systems, but almost everything that people have to buy. The cost of much more simple farm tractors has doubled or even tripled in the last 10 years. To a large extent this is true of automobiles and most things that the housewife has to buy. Inflation hurts the cost of military equipment even more severely because these weapons systems are much more complex and sophisticated than ordinary industrial goods.

Mr. President, every American is acutely aware of the effect inflation has and is having on our lives today. This is compounded by the energy crisis. The farmer, businessman, manufacturer—and particularly the American family—are having to do without, delay, or go into debt to even continue to do the things they were accustomed to doing only a year ago. This is also true of Government agencies.

The Defense Department faces these same problems. I believe that the $5.5 billion cut contained in this bill before us today cuts right down to the bone and any further cuts would jeopardize our defense. I urge all of my colleagues to support this bill substantially as reported.

The **PRESIDING OFFICER**. The Senator from Wisconsin is recognized.

Mr. **PROXMIRE**. Mr. President, I call up my amendment No. 1810.

The **PRESIDING OFFICER**. The committee amendments have not been disposed of.

Mr. **PROXMIRE**. I beg the Chair's pardon.

Mr. **McCLELLAN**. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as amended be considered as original text for the purpose of further amendment, with the understanding that no points of order be considered as having been waived by reason thereof.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, in line 10, strike out "$7,875,013,000" and insert in lieu thereof "$7,762,213,000".

On page 2, in line 18, strike out "$5,720,230,000" and insert in lieu thereof "$5,665,510,000".

On page 3, in line 10, strike out "$1,713,506,000" and insert in lieu thereof "$1,686,206,000".

On page 3, in line 18, strike out "$7,332,151,000" and insert in lieu thereof "$7,210,881,000".

On page 4, in line 1, strike out "$498,600,000" and insert in lieu thereof "$485,800,000".

On page 4, in line 9, strike out "$216,200,000" and insert in lieu thereof "$202,900,000".

On page 4, in line 17, strike out "$68,500,000" and insert in lieu thereof "$67,800,000".

On page 4, in line 25, strike out "$145,865,000" and insert in lieu thereof "$147,865,000".

On page 5, in line 7, strike out "$600,800,000" and insert in lieu thereof "$661,300,000".

On page 5, in line 15, strike out "$204,527,000" and insert in lieu thereof "$205,027,000".

On page 6, in line 10, strike out "$6,228,389,000" and insert in lieu thereof "6,137,532,000".

On page 6, in line 11, strike out "370,000,000" and insert in lieu thereof "$343,000,000".

On page 6, in line 22, strike out "$7,177,915,000" and insert in lieu thereof "$7,140,575,000".

On page 7, in line 8, strike out "$451,824,000" and insert in lieu thereof "$449,284,000".

On page 7, in line 18, strike out "$7,113,254,0000" and insert in lieu thereof "$7,077,930,000".

On page 8, in line 2, strike out "$763,143,000" and insert in lieu thereof "$748,642,000".

On page 8, in line 4, strike out "$203,932,000" and insert in lieu thereof "$201,932,000".

On page 8, in line 7, strike out "$11,224,000" and insert in lieu thereof "$10,924,000".

On page 8, in line 8, strike out "$14,772,000" and insert in lieu thereof "$14,356,000".

On page 8, in line 13, strike out "$757,453,000" and insert in lieu thereof "$765,453,000".

On page 8, in line 14, strike out "$2,357,375,000" and insert in lieu thereof "$2,350,159,000".

On page 9, in line 12, strike out "$279,600,000" and insert in lieu thereof "$273,600,000".

On page 10, in line 19, strike out "$286,680,000" and insert in lieu thereof "$292,580,000".

On page 11, in line 13, strike out "$586,500,000" and insert in lieu thereof "$589,500,000".

On page 12, in line 9, strike out "$632,500,000" and insert in lieu thereof "$652,500,000".

On page 12, in line 11, after the word "facilities", insert a colon and the following language: "*Provided*, That not less than ninety-two flying units shall be maintained during fiscal year 1975".

On page 13, in line 5, strike out "$81,900,000" and insert in lieu thereof "$56,900,000".

On page 13, beginning at line 17, insert the following new language:

CONTINGENCIES, DEFENSE

"For emergency and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes; $5,000,000.".

On page 14, in line 16, strike out "$224,300,000" and insert in lieu thereof "$265,700,000".

On page 16, in line 5, strike out "$344,800,000" and insert in lieu thereof "$343,500,000".

On page 16, in line 22, strike out "$726,500,000" and insert in lieu thereof "$720,200,000".

On page 17, in line 20, strike out "$669,600,000" and insert in lieu thereof "$689,700,000."

On page 18, in line 11, strike out "$2,814,000,000" and insert in lieu thereof "$2,745,200,000".

On page 18, in line 23, strike out "$726,000,000" and insert in lieu thereof "$748,600,000".

On page 19, in line 17, after $244,300,000" insert a comma and the following language: "which shall be available only for construction of DLGN 41 and for advance procurement funding for DLGN 42, both ships to be constructed as follow ships of the DLGN 38 class."

On page 19, in line 24, after "$116,700,000;" insert the words "for a fleet oiler, $81,400,000;".

On page 20, in line 6, strike out "$3,059,000,000" and insert in lieu thereof the following language: "$3,140,400,000 and in addition $103,600,000 for escalation and cost growth on prior year programs which shall be derived by transfer from 'Shipbuilding and Conversion, Navy 1973/1974,'."

On page 21, in line 5, strike out "$1,602,600,000" and insert in lieu thereof "$1,582,600,000".

On page 22, beginning in line 12, strike out the following language: "$3,190,300,000, and in addition, $76,200,000, of which $49,400,000 shall be derived by transfer from 'Aircraft Procurement, Air Force, 1974/1976' and $26,800,000" and insert in lieu thereof the following language: "$2,705,700,000, and in addition, $153,600,000, of which $106,800,000 shall be derived by transfer from 'Aircraft Procurement, Air Force 1974/1976' and $46,800,000".

On page 23, in line 9, strike out "$1,555,200,000" and insert in lieu thereof "$1,518,700,000".

On page 24, strike out "$1,864,400,000" and insert in lieu thereof "$1,772,000,000".

On page 24, in line 21, strike out "$102,017,000" and insert in lieu thereof "$98,416,000".

On page 25, in line 9, strike out "$1,831,630,000" and insert in lieu thereof "$1,749,152,000".

On page 25, in line 17, strike out "$3,065,121,000" and insert in lieu thereof "$2,979,612,000".

On page 26, in line 2, strike out "$3,377,317,000" and insert in lieu thereof "$3,144,460,000".

On page 28, in line 1, strike out the semicolon and the following language: "$622,600,000, and in addition, $77,400,000, which shall be derived by transfer from "Aircraft Procurement, Air Force, 1974/1976" and shall be available only for the procurement of F-5E aircraft" and insert in lieu thereof a comma and "$700,000,000".

On page 31, in line 5, strike out "$204,343,000" and insert in lieu thereof "$202,343,000".

On page 42, in line 14, strike out the words "or drycleaning facility" and insert in lieu thereof the words "dry cleaning facility, or purchase of bulk milk dispensing equipment".

On page 50, in line 9, strike out the figure "427" and insert in lieu thereof "436".

On page 50, in line 9, strike out the figure "567" and insert in lieu thereof "576".

On page 50, beginning at line 15, insert the following new language:

"SEC. 847. None of the funds appropriated by this Act shall be available for use after March 31, 1975, to support United States military forces stationed or otherwise assigned to duty outside the United States in any number greater than 440,000, not including military personnel assigned to duty aboard United States naval vessels.".

On page 51, in line 4, strike out "$1,100,000" and insert in lieu thereof "$800,000".

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the following changes be made in the bill to correct typographical errors:

On page 20, line 6, after the amount "$3,140,400,000" insert a comma, and on line 9, strike the year "1974" and insert in lieu thereof "1977".

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Wisconsin.

AMENDMENT NO. 1810

Mr. PROXMIRE. Mr. President, I call up my amendment No. 1810.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 28, line 5, strike out "$700,000,000," and insert in lieu thereof, "$550,000,000,".

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors: Senators KENNEDY, SCHWEIKER, HART, COOK, HATFIELD, SYMINGTON, CRANSTON, MOSS, CLARK, PELL, GRAVEL, ABOUREZK, McGOVERN, HATHAWAY, METZENBAUM, BAYH, HARTKE, CHURCH, and STEVENSON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Mr. Ron Tammen, of my staff, be permitted to remain on the floor during the debate and vote on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 372 Leg.]

Bartlett
Byrd, Robert C.
Clark
Cranston
Goldwater
Haskell
Hathaway
Hughes
Inouye
Mathias
McClellan
Proxmire
Stevens
Symington
Tower
Young

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Aiken
Allen
Baker
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Church
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Griffin
Gurney
Hansen
Hart
Hartke
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
McClure
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams

The PRESIDING OFFICER. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 1871) to amend the Youth Conservation Corps Act of 1972 (Public Law 92–597, 86 Stat. 1319) to expand and make permanent the Youth Conservation Corps, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3703) to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3703) to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 14402) to amend the Act of September 26, 1966 (Public Law 89–606), as amended, to extend for 2 years the period during which the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force are increased.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15842) to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes; that the House recedes from its disagreement to the amendment of the Senate No. 20 and concurs therein; and that the House recedes from its disagreement to the amendment of the Senate No. 5 and concurs therein with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 5507. An act to authorize the conveyance to the city of Salem, Ill., of a statute of William Jennings Bryan;

H.R. 9054. An act to amend the act entitled "An act to authorize the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, S.C.;

H.R. 11796. An act to provide for the duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii;

H.R. 12113. An act to revise and restate certain functions and duties of the Comptroller General of the United States, and for other purposes;

H.R. 13157. An act to provide for the establishment of the Clara Barton National Historic Site, Md.; John Day Fossil Beds National Monument, Oreg.; Knife River Indian Villages National Historic Site, N. Dak.; Springfield Armory National Historic Site, Mass.; Tuskegee Institute National Historic Site, Ala.; and Martin Van Buren National Historic Site, N.Y.; and for other purposes;

H.R. 14217. An act to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park System, to authorize appropriations for additional costs of land acquisition for the National Park System, and for other purposes; and

H.R. 14600. An act to increase the borrowing authority of the Panama Canal Company and revise the method of computing interest thereon.

HOUSE BILLS REFERRED

The following House bills were each read twice by their titles and referred as indicated:

H.R. 5507. An act to authorize the conveyance to the city of Salem, Ill., of a statute of William Jennings Bryan; to the Committee on Rules and Administration.

H.R. 9054. An act to amend the Act entitled "An Act to authorize the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, S.C.; to the Committee on Agriculture and Forestry.

H.R. 11796. An act to provide for the duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii; to the Committee on Finance.

H.R. 12113. An act to revise and restate certain functions and duties of the Comptroller General of the United States, and for other purposes; to the Committee on Government Operations.

H.R. 13157. An act to provide for the establishment of the Clara Barton National Historic Site, Md.; John Day Fossil Beds National Monument, Oreg.; Knife River Indian Villages National Historic Site, N. Dak.; Springfield Armory National Historic Site, Mass.; Tuskegee Institute National Historic Site, Ala.; and Martin Van Buren National Historic Site, N.Y.; and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 14217. An act to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park System, to authorize appropriations for additional costs of land acquisition for the National Park System, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 14600. An act to increase the borrowing authority of the Panama Canal Company and revise the method of computing interest thereon; to the Committee on Commerce.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

AMENDMENT NO. 1810

MILITARY AID TO SOUTH VIETNAM

Mr. PROXMIRE. Mr. President, why should the Senate increase the amount of funds it approved last year for the South Vietnamese Armed Forces by 27 percent?

That is precisely what the bill before us will do. It will increase the military aid provided to Vietnam from the $550 million the Appropriations Committee and the full Senate approved last year to $700 million. That $150 million increase represents the 27 percent.

Last year the total amount appropriated by the Senate for military assistance service funded was $650 million. This money was for two countries, South Vietnam and Laos. Laos received a little over $100 million. This left about $550 million as approved by the Senate for South Vietnam.

HOLD THE LINE TO LAST YEAR

My amendment would allow the same appropriations for Vietnam as accepted by the Senate last year—$550 million. Money for Laos is now contained in the military assistance program—MAP—under the foreign aid bill. It is not a part of this bill and therefore the $100 million for Laos last year must be subtracted from the $650 million that was appropriated. This leaves $550 million—the level established in my amendment.

Mr. President, I am well aware that after the Senate approved the $100 million for Laos and the $550 million for South Vietnam last year, the conference committee with the House compromised at a much higher figure of $1,126 million. Of that total, $266 million subsequently has been charged to the fiscal year 1975 account to make up for deliveries and expenses incurred in prior years. This so-called bookkeeping was confined to the fiscal year 1974 budget by the action of the Kennedy amendment on the fiscal year 1974 supplemental. The practical effect of the inclusion of the charge of this $266 million to the fiscal year 1974 budget is to reduce the amount of new money in that budget by $266 million.

When the Laos money of $108 million is taken out of last year's final budget for MASF, and the $266 million is subtracted since it applies to prior commitments, and some $69 million is reduced for payback of aircraft shipped earlier, only $683 million was left for new programs.

Therefore, even judging by the figures that came out of the conference committee, a Senate position of $550 million, the same as last year, is practical and not the reduction the administration would have us believe.

Mr. President, I do not think it necessary to point out just how inflation is affecting our economy. The stark facts are that, due to increased cost of interest on the national debt, the Defense supplemental request, veterans educational benefits, and a rise in court-released impounded funds, spending—that is, outlays—will rise to the $310 billion level this year. This is a cold fact of life that will occur even though the total appropriations actions of Congress will probably be below the budget request by some $6 to $8 billion, and most of that reduction is in this bill. The distinguished Senator from Arkansas (Mr. MCCLELLAN) deserves great credit for having made this kind of reduction. I know it was not easy. He worked very hard on it. He and the distinguished Senator from North Dakota (Mr. YOUNG) deserve great credit, in this inflationary year, for being very sensitive to the need for whatever reduction they could make.

Congress and the President now face the fact that even with all of our hard efforts, fiscal year 1975 spending will be a mammouth $40 billion or 15 percent over last year at a time when we face the worst inflation in our peacetime history.

What this means is that the President and this Congress must now decide where further spending can be cut, slowed down, stretched out, or stopped altogether.

Of all the areas in the Federal budget, there is less need for sending hundreds of millions in military aid to Vietnam than any other single item.

What I am proposing is not a cut in terms of the Senate's position of last year. It is the same appropriation as considered in the Appropriations Committee and accepted on the floor last year.

Granted, inflation has had an impact on this military aid to South Vietnam. But should we ask the American public to pay for their own inflation and add on top the inflation in the goods we freely give to South Vietnam?

The very least we can do is let the South Vietnamese military forces absorb the impact of U.S. inflation without asking the taxpaying American public for another subsidy.

STRATEGIC IMPLICATIONS

What about the strategic situation in South Vietnam? By not increasing our military commitment to that nation will we be handing it over to the Communists?

Well, the Vietnamese war has been going on for over 20 years. We have joined in the history of that conflict only in the last 10- or 12-year period. The war was going on before we got there. It is going on even though we left.

No one can say that our contribution has been inadequate. According to the Defense Intelligence Agency—DIA—U.S. military aid to South Vietnam was eight times greater—think of that, Mr. President; our aid to South Vietnam was eight times greater than that given by the two Communist powers to North Vietnam in 1973.

Since 1966 the DIA estimates show the United States spent 29 times as much in Indochina as the Soviets and Peoples Republic of China combined. This amounts to $2.57 billion from the U.S.S.R. and $1.08 billion for the Peoples Republic of China—PRC.

The United States on the other hand spent $107.10 billion in the same period including some $10.4 billion in direct military aid.

This is not my estimate. It is the estimate of the Defense Intelligence Agency of our Government.

Estimates for U.S.S.R. and PRC support were said to be $290 million for calendar year 1973 compared to $2.3 billion in military aid from the United States to South Vietnam.

While Chinese and Russian arms shipments were reduced by more than half from 1972 to 1973, the United States increased its shipments by $286 million in the same 1-year period.

I ask my colleagues, has our contribution been inadequate? Have we spent enough money? Did we lose enough lives? Are we being foolish to try to hold the line on further spending for South Vietnam?

I think the answer is obvious.

FOREIGN POLICY IMPLICATIONS

The maintenance of high levels of military aid to South Vietnam could be contrary to our long-term foreign policy objectives in Indochina. We are committed to a policy of military disengagement. Yet, the House has proposed an appropriation $150 million greater than that deemed proper by the Senate last year—a sum actually larger than the fiscal year 1974 final new appropriation when bookkeeping reductions are made.

It has become more and more evident in the past few months that South Vietnam does not need increases in military aid in order to survive. Within the last 2 months, both Defense Secretary Schlesinger and Admiral Moorer have declared that the military situation in South Vietnam is far from crtical.

On June 5, 1974, Secretary Schlesinger told the House Foreign Affairs Committee that the United States no longer expects a major Communist offensive in South Vietnam.

On July 8, Admiral Moorer, the former Chairman of the Joint Chiefs of Staff, told U.S. News & World Report that he saw no evidence of an offensive by the North Vietnamese and that the "main thrust of their effort has been directed toward developing the infrastructure and seeing what they could do to increase their political influence with the population."

Reports in recent weeks about a new offensive have now died out, perhaps spawned in the first place by a desire to influence congressional consideration of the military assistance request.

Congressional study groups returning from recent trips to Vietnam, including one led by Congressman PETER FRELINGHUYSEN of the House Foreign Affairs Committee, have reported that the Thieu government has done very well since the cease-fire. His study group estimated that Saigon has gained control over 770 more hamlets since the January 1973 Paris truce, while the Communists have lost their hold on nearly 400 hamlets over that same time span.

There seems little need to increase military assistance to a nation enjoying such successes in the field.

The truth of the matter is that the Thieu government and the North Vietnamese have been on a limited warfare basis since the Paris truce. The peace agreements have been violated at will by both sides.

WASTE AND CORRUPTION

What happens to the hundreds of millions that we give to South Vietnam?

Unfortunately much of our assistance has gone to line the pockets of corrupt officers and bureaucrats. Talk to anyone who has served in Vietnam at any level. They will tell you of the black market operations, the U.S. military assistance goods being sold on the same street as the U.S. warehouses, the bribery and corruption that is expected at every level of Government.

But we need not rely on second hand evidence. We know about the thousands of "ghost" soldiers added to military payrolls for which the United States pays about 40 percent of the salaries.

South Vietnam's 92 generals have only recently been ordered to cut their personal staffs of chauffeurs, bodyguards, and servants from 36 to 11 each. They have also been told that they must make do with two rather than four motor vehicles. That is where U.S. tax dollars have gone. Think of it. Only 11 chauffeurs and servants each.

Evidence has also been uncovered recently that a number of new American A-37's worth $500,000 each—are being dismantled and sold for scrap on the black market in Saigon. A police raid on an illegal scrap operation yielded the wings of 15 planes as well as substantial amounts of other U.S.-made military equipment which were being readied for foreign export.

We ship it to them. They tear it down and export it out of the country for a profit. Not a bad deal some would say.

PLENTY OF ECONOMIC AID AVAILABLE

Mr. President, the passage of my amendment would not leave South Vietnam "high and dry." In addition to the $550 million I would provide in military assistance, the United States will contribute nearly $1 billion in economic aid to South Vietnam—by far the largest total allotted by us to any nation.

It is true that the Foreign Relations Committee has just voted to reduce this to $500 million. If it stays at that level, it would still represent the largest total for any nation. This $500 million is in addition to the $700 million that we have in this bill.

The administration has requested $911,553,000 in economic aid to South Vietnam; $751 million will come out of security supporting assistance and the Indochina postwar reconstruction accounts; $160,553,000 was requested for Public Law 480, the commodity sales and food for peace legislation.

No other country in the world is scheduled to receive this much economic aid. Not Central West Africa and the drought stricken Sahel, not the war torn Bangladesh, not Cambodia with its continuing strife, not Indonesia, India, or Korea. Not Pakistan, Egypt, or the entire economic assistance package to Africa. It surpassed the total economic aid planned for all of Latin America or the Middle East. It is one-fifth of all U.S. economic aid worldwide.

No—we will not be leaving South Vietnam "high and dry."

To conclude, Mr. President, there is no reason why the American taxpayer should be called upon to pay $700 million this year for supporting the South Vietnamese military machine.

Keeping military aid to South Vietnam at the same level as the Senate approved last year, when taken in the context of our raging inflation at home, is the very least we can do.

Mr. President, I yield the floor.

Mr. PELL. Mr. President, I am pleased to cosponsor the amendment of Senator PROXMIRE to the fiscal year 1975 Department of Defense appropriations bill. The amendment, which would reduce military aid to South Vietnam to last year's level of $550 million, is a necessary step in the process of phasing out the American role in Indochina.

Those who oppose the reduction in military aid claim that additional aid will enable South Vietnam to turn the corner and attain economic and military self-sufficiency. Yet this is a refrain that we have heard for too many years. The United States has sacrificed 50,000 lives and hundreds of billions of dollars to prevent the imposition of a military solution in Vietnam. "Vietnamization" has had ample opportunity to prove itself; the burden of defense must increasingly be borne by the South Vietnamese themselves.

By reducing American aid, we will be saving precious funds we can ill-afford to spare. More important, the United States will be demonstrating its firm conviction that political accommodation must be found in Vietnam. Our aim should not be military victory for the south, but rather a political settlement consonant with the Paris Accords of January 1973. Reconciliation and reconstruction, long overdue, require a context of peace. The continuing war in Vietnam, to a significant extent made possible by American arms supplied to the south, must come to an end.

RECESS FOR 30 MINUTES

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 30 minutes.

The motion was agreed to; and, at 4:35 p.m., the Senate took a recess until 5:05 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. TUNNEY).

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

Mr. CLARK obtained the floor.

Mr. CLARK. Mr. President, I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the Senator from Iowa not be deprived of his rights to the floor because of the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I wish to add my name as a cosponsor of amendment No. 1810.

I applaud the significant reductions voted by the Appropriations Committee under Senator McCLELLAN's leadership in this appropriations bill. However, in my judgment, there is a need and an opportunity for additional reductions.

Specifically, Senator PROXMIRE has presented a most persuasive case for reducing the military assistance appropriation to South Vietnam from $700 to $550 million. To get a complete picture of U.S. assistance to South Vietnam, we must include the $420 million for postwar reconstruction recommended by the Foreign Relations Committee in the Foreign Assistance Act of 1975 and the $160.5 million in commodity sales and food-for-peace funds included in Public Law 480. Total aid to South Vietnam then, with the cuts suggested by Senator PROXMIRE, will still approach $1.13 billion. Surely, this is more-than-generous support, to a less-than-model regime, in these most inflationary times.

There are positive and compelling reasons for limiting our military assistance to South Vietnam. Senator PROXMIRE has cataloged quite comprehensively the gross imbalance between Soviet-Chinese aid to the North and American aid to the South—We provide eight times as much aid to South Vietnam as the Communists provide to North Vietnam—and he has pointed out the waste and corruption which our aid has generated.

The problem of a political settlement in South Vietnam is a key argument in favor of this amendment, because a responsible limitation of our aid can encourage such a long-overdue settlement.

With each new weapon we supply the South Vietnamese, the incentives for the two adversaries to negotiate are further eroded. This is not to say that we should blame the South Vietnamese alone for continuing the largest war on Earth or that we should allow their army to become weak. But by limiting our military assistance, we do signal ally and adversary alike that it is time to negotiate.

The enormous and disproportionate U.S. military assistance undermines the Communist powers' belief in America's peaceful intentions in Vietnam, and despite a carefully built détente, the possibility of a cooperative American-Soviet-Chinese effort to force both sides to observe the Paris agreement is jeopardized. Only through this cooperative effort, with each side bringing pressure to bear on both the North and the South to abide by the Paris agreements, will we have peace in that land. Surely we should have learned by now that there is no military solution to the war in Vietnam.

Today, we can begin to change that. By limiting the military assistance appropriated for South Vietnam to the level approved by the Senate last year, we will responsibly reduce Federal expenditures, while encouraging a real peace in Vietnam.

Mr. GOLDWATER. Mr. President, I rise in opposition to the pending measure. In all due respect to the Senator from Wisconsin, whose efforts to cut the budget I applaud—as I generally go along with him—I must comment that the Committee on Appropriations has done an outstanding job in reducing the defense budget. I believe the cut is slightly in excess of $5 billion.

I am not going to argue, as I normally would, about that cut, because I think there are places in the military budget that can be cut, and I am sure the distinguished chairman from Arkansas has carefully worked on that bill. I can understand the desire of the Senator from Wisconsin to cut the money that we have promised to South Vietnam, but I am afraid that some of his information, even though it comes from high members of the Defense Department, does not jibe exactly with information that I have from equally high people.

What the Senator does not realize is that the North Vietnamese have been preparing for this massive offensive for a long time. That offensive is underway.

Contrary to what he may have been told, the offensive is underway and the North Vietnamese are in better shape to pursue a successful campaign at this time than they have been at any time in the 20 years that this long war has gone on.

Even though the figure that he uses, that we give eight times the aid that the Soviets in Red China give to North Vietnam, I think if one reduces it to cost, one will find that they probably give a little more than we do in actual equipment. They have not only rebuilt the air bases that were used in the area just south of the DMZ; they have built new paved runways north of the DMZ and south of the DMZ.

They have a petroleum pipeline that now can service air units and reservice ground units to the very close proximity of Saigon. They have railroads built toward the south that they did not have before and, as I have mentioned, some greatly improved roads.

So far, Mr. President, I feel that if we renege on giving South Vietnam what we told her we would give, South Vietnam is going to be in a very bad way. It is true that there has been graft over there. It is true that they have misused our equipment. I have been in that part of the world. In fact, in World War II

I served in that part of the world. Misusing equipment and having dishonesty among the military seems to be a way of life for them. It has always been.

But the important thing, I believe, is that—and we cannot laugh this off—with the present ability of the North Vietnamese to wage a successful war, the whole of Vietnam can become a Communist part of this world. Then I have to remind my colleagues that when this happens, Laos undoubtedly will fall, Cambodia will fall. Then we are going to be confronted with a question of what we do about our very valued allies, the Thais.

Just to the south of Thailand, in fact, on the Thai peninsula, is the opportunity to build a canal or a pipeline across the isthmus that will make the delivery of oil to our own shores and to our ally, Japan, that much easier. If we lose all of Southeast Asia, Mr. President, because we want to renege on the money that we have promised them, then I think the United States is going to wind up suffering far, far more than the $150 million that is involved in the Senator's amendment.

Mr. President, for these reasons, for the very great importance of Southeast Asia, whether we like to believe it or not, I hope that my colleagues will vote against this amendment. I should not want this to discourage my friend from Wisconsin from offering further amendments to cut. As he knows, I generally go along with him. But in this one, I think we are taking a risk that we cannot afford to take.

Mr. PROXMIRE. Will the Senator yield briefly?

Mr. GOLDWATER. I yield.

Mr. PROXMIRE. I thank the Senator for a very fair and moderate statement on this amendment. I should like to ask the Senator, though, how long he would expect us to go along with this billion dollar aid, in effect, when we consider the economic aid and the military aid, because the average the Committee on Foreign Relations is recommending is that the Senate provide half a billion dollars in economic aid. We are providing $700 million here in military assistance, so it will be well over a billion dollars. It just seems to be endless. We just seem to be going on forever.

It has been a 20-year war. We are now out of it by a year and a half or so. It seems like an endless, hopeless expenditure.

Mr. GOLDWATER. In answer to that question, I think that we can reach an agreement that if we do not show a military ability to resist the enemy within the next 12 months, we can well say that is all we are going to do.

Mr. PROXMIRE. Does not the Senator agree that the South Vietnamese have done well enough, that all the indications are, on the basis of the testimony of the Secretary of Defense, of Admiral Moorer and others, that they are doing extremely well? They have taken more hamlets than the North Vietnamese have taken. Their position does seem to be strong, and we are providing, with this substantial amount, far more than the other side is providing; eight times as much.

Mr. GOLDWATER. As I mentioned earlier, the eight times figure can be a misleading one because of the difference in their currency and ours, and the difference in the costs of building our equipment and their equipment. But I would accept the eight times figures.

However, I believe that in hardware, they are probably getting as much, if not a little more.

I related, when I think the Senator was talking to someone else, the fact that they have built roads, they have built a petroleum line. They have built airbases that will accommodate Mig's. We have not given them anything, really, in modern aircraft. Their best aircraft that they use from us is the A-37, which, at its best, is a very lightweight, easily destroyed attack fighter, while they are going up against Mig's, that even we were not up against in large numbers during our stay in that country.

I think the test, to answer the Senator's question, will be what happens in this present engagement. If the South Vietnamese can resist it, then I think we should take another look at it next year. If they cannot resist it, then I certainly would not favor throwing more money into it.

Mr. PROXMIRE. I hope we can come to some kind of conclusion on this, because for so many years, as I say, this has been going on, year after year. We say, "We shall just continue it another year, take a harder look at it next time."

In the midst of tremendous inflation, it is a great burden on the American people, and with the enormous contribution we have made to South Vietnam, compared to anything from the outside, it seems to me that this is a limited, modest request which I make of the Senator.

Mr. PASTORE. Will the Senator yield to me?

Mr. PROXMIRE. I am happy to yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, the thing that bothers me is not so much the money that is involved. The thing that bothers me is the principle that is involved.

I can remember only too well that cold day in January of 1961 when President Kennedy stood before the world and said:

> Let the world know, whether they bear us ill will or good will, that we shall endure any hardship, make any sacrifice, support any friend, resist any foe, in the cause of freedom.

That is what America believed.

That is what America is doing. That is why we became involved in Vietnam. That is why we became involved in South Korea.

Now what do we find, in 1974? I picked up a newspaper last week and read that a Catholic bishop, a Protestant minister, and several governmental officials in South Korea, by the process of a secret martial tribunal, had been put in jail because they were enemies of the state. Why were they enemies of the state? Because they disagreed with the principles of the man in power.

Is that what we are spending American taxpayers' money for?

Take South Vietnam. We have heard about the tiger cages. We have heard about political adversaries being put in prison. I ask, what are we spending our money for? What is this all about?

We have spent, up to today, $146 billion in Vietnam. We have suffered more than 45,000 dead, 303,000 wounded, 2,600 paraplegics—young boys today in America who are in wheelchairs, who cannot even light their own cigarettes. We have 13,000 missing in action.

What price must we pay for this independence and this freedom that we are talking about, when there is no freedom in those countries?

I think the time has come when we have to reassess ourselves and find out where we are going. And I say to my friends here in the Senate, yes, maybe we cannot bring an abrupt closing to this charade, to this imposition on the American taxpayers, but something needs to be done. I agree with the Senator from Vermont (Mr. AIKEN), who a long time ago said that all we have to do is declare that we have served our purpose and we are getting out of South Vietnam. We would have been well off if we had done it at that time.

Today we are having problems. We are being told by the President of the United States that we have got to say no—no to housing for the elderly, no to aid for elementary schools, no to all of the things that we need here in America, because we have not got the money.

Here we are, meeting here today: We are asked to shell out almost another billion dollars to South Vietnam. And let me tell you something: With the evolution of time and the vicissitudes that are involved, unless they stand up and fight for their own freedom, and stop the corruption in South Vietnam which we have witnessed up to now, we are going to be in a bad way.

We are in a bad way. Let me say very frankly, I believe what we do for Americans will never bankrupt this Nation, but the way we are spending our money abroad will bring us to bankruptcy, and the sooner we begin to realize that, the better off we are going to be.

Mr. KENNEDY. Mr. President, I intend to support the amendment of the distinguished Senator from Wisconsin, and I have asked to be a cosponsor of the amendment.

I know the arguments that have been made here earlier in the afternoon, and during the recent past. We have heard talk about the buildup, the increased activities of the North Vietnamese in the South, the concentrations of military equipment, and the threat of military expansion by the North Vietnamese in contradiction to the agreements that were made in Paris. But I am also mindful of the testimony that was given by Maj. Gen. William Caldwell before the Armed Services Committee earlier this year, when he testified that outside some so-called landgrabs in the immediate post-cease-fire period, the overall control of territory has not changed adversely to the South Vietnamese; and in fact he indicated that the Saigon forces have increased their territorial and population control since the time of the cease-fire.

He also testified earlier in the year, when questioned about it, that the danger of a potential offensive by the North Vietnamese was also no longer considered an immediate threat.

But there is another factor, Mr. President. I ask the proponent of the amendment whether he is aware of the statement that was made by the American Ambassador in Saigon when he was asked about what should be the contribution of aid and assistance by the United States, in its support of South Vietnam, as compared with the contributions that would be made by the Chinese and the Soviet Union to North Vietnam.

He indicated, as shown in a cable that we placed in the proceedings of the Subcommittee on Refugees, that he "would completely agree that our intention all along was to balance the aid being given by the Soviet Union and the People's Republic of China to North Vietnam." And he "thought we should give material and training—to Saigon—to match that being given to North Vietnam by the Soviets and the Chinese."

Mr. President, when you consider what the whole direction, what the trend has been over the period of recent years—certainly in the last 3 years—you find, according to Defense Intelligence Agency estimates, that there has been a dramatic decline in military assistance being provided North Vietnam by the Soviet Union as well as by the Chinese, and that there has been a slight reduction in economic aid as well.

As a matter of fact, the Defense Intelligence Agency estimates that in 1973 there was eight times as much military aid to Indochina provided by the United States as that provided by the U.S.S.R. and China. And any review of the last year, as I understand recent estimates—even though the figures have not been developed comprehensively for the whole year—would show that this trend has continued. Reduction in military assistance by the Soviet Union and reduction in military assistance by the People's Republic of China, but an increase in total military assistance by the United States to South Vietnam. It makes no sense.

I want to commend the Appropriations Committee for the job that they have done in many different areas of the request for appropriations. I do feel that in this area, and in the few others which I intend to talk about as this debate continues, it makes very little sense for the United States to be asked for an increase in money, especially for military assistance to South Vietnam.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PASTORE. Does the Senator know that in Paris they agreed that insofar as the surveillance commission was concerned, the North Vietnamese, the Vietcong, and South Vietnam would each make a contribution to the commission? The North Vietnamese have not paid a dime, and the Vietcong have not paid a dime. And what do you think our State Department has done? They have asked us to pay the whole bill.

How stupid can we become? This is an imposition upon the American taxpayer. All I am saying is that before we stop building homes for the elderly in our own country, let us cut out some of this commitment abroad.

Mr. PROXMIRE. Mr. President, will the Senator yield very briefly on that point?

Mr. KENNEDY. I yield.

Mr. PROXMIRE. Which I think is an excellent point, that is, comparing our aid to South Vietnam with the aid by the Soviet Union and the People's Republic of China to North Vietnam. The Senator's figures were the same figures that I have seen from the Defense Intelligence Agency. In addition, estimates of the aid by the Soviet Union and the People's Republic of China were said to be $290 million for calendar 1973, compared to $2.3 billion in military aid by the United States to South Vietnam.

Furthermore, while the Chinese and Russian arms shipments were reduced by more than one-half from 1972 to 1973, we increased our shipments by $286 million in the same 1-year period.

So if there ever has been a case—a clear, documented case on the basis of the only record we have, from the Defense Intelligence Agency—for us to make a reduction, it is here.

And, as I say, I am not asking to eliminate this military assistance to South Vietnam. I am asking to make a reduction back to the level that the Senate recommended last year.

Mr. KENNEDY. I think this amendment makes sense.

The American Ambassador in Saigon has indicated that we, as a matter of policy, ought to keep our aid in some kind of balance. He did not indicate how long this balance should go on, and I think the Senator is quite correct in asking the question about how long we should expect the American taxpayer to continue to pay for what is a very substantial military assistance program.

But, be that as it may, we have seen the dramatic decrease by those who are supplying the North Vietnamese, while we increase or maintain the levels of our support to South Vietnam.

Finally, I would say this, Mr. President. When we compare this kind of military assistance against our humanitarian assistance to South Vietnam, we find it is far less. Obviously, we have an ongoing and continuing responsibility, I think, in the name of humanitarianism, to provide for the needs of the million-odd orphans in South Vietnam, the thousands of young children who have lost arms and legs—and I believe that responsibility even extends to a child who happens to have lived north of the parallel and had his legs blown off. We have these kinds of responsibilities which are based upon our humanitarian concern for individuals and people.

But we have had very little leadership from our Government in that area. We have had very little diplomatic initiatives to support these programs, or increase our funding for them.

We do not even hear voices saying, "We are going to be able to do the humanitarian job and provide that assistance if we are able to provide this level of military assistance as well." We find a woeful lack of diplomatic initiatives or governmental concern in trying to end the fighting for which we bear a very heavy responsibility.

It always amazes me to find that the great majority of Americans believe this war is over and ended, simply because we are not shedding American blood. But the war is continuing, and we have an ongoing responsibility to bring that conflict to an end, and to help the victims of that war. Yet we have seen shameful little in new initiatives in this area, despite the brilliance of our diplomacy in other areas—and I have commended the Secretary of State for his actions in the Middle East and in other areas of the world. But the policy of détente and negotiation ought to be renewed in Indochina, instead of endless support of endless war.

But, nonetheless, the war continues. And it seems to me that for all of these reasons the amendment of the Senator from Wisconsin (Mr. PROXMIRE) should be agreed to.

All it is saying is that we should continue military assistance to South Vietnam—which is very substantial—at the same rate as last year, and no more. I think this is a responsible amendment.

I wish we had been able to win the votes to see some gradual modification and some reduction in our military aid program. I think that would have been responsible indeed. But, it seems to me, this amendment is the bare minimum, and it certainly should be supported by the majority of the Members of the Senate who are, I think, concerned about peace in that part of the world and who have a sense of priority in terms of humanitarian needs, and who are concerned about achieving a change in attitude by the Government of South Vietnam in trying to reach some negotiated settlement to end, once and for all, the conflict in Vietnam.

Mr. SYMINGTON. Mr. President, I support the amendment of the distinguished Senator from Wisconsin.

In 1961, on the famous trip of Gen. Maxwell Taylor and Mr. Walt Rostow, I went to Vietnam; in 1965 I went all over the country; in 1966 I went all over the country from top to bottom; and in 1967 I went all over the country.

I came back and told President Johnson that, in my opinion, every penny that we spent from there on out was wasted money.

In 1972 I went back and saw nothing to persuade me that I had not been right in 1967. I can remember making an address in Kansas City in the fall of 1967 and, afterward invited questions from the audience. A young man asked, "Are you saying that 13,500 of our best Americans have died in vain?"

I said, "Well, my answer to you would be by putting another question. Would you rather kill 13,500 more than admit that you made a mistake?"

Mr. President, that figure of the number of men who were killed became 54,000, four times the number who had died up until the fall of 1967.

I told the President at that time that I felt all the money that we put into this country would be wasted because, without our heavy military support, as well as our political influence, the government in Saigon could not last.

I have never changed by mind since 1967. I have consistently supported all those who worked for a reduction in military aid to this country.

It is for those reasons that I am glad to support the Proxmire amendment.

Mr. McCLELLAN. I yield to the Senator from South Carolina (Mr. THURMOND).

Mr. THURMOND. Mr. President, I rise in opposition to the Proxmire amendment.

The administration originally favored a budget for South Vietnam of $1.6 billion. But this, I believe, was reduced to $1.45 billion. The House authorized $1.126 billion. The Senate authorized $900 million.

The conference between the Senate and the House agreed upon $1 billion. Now there was appropriated by the House $700 million.

The Senate Appropriations Committee also authorized the same amount as the House, $700 million.

Mr. President, any further reduction will seriously cripple the South Vietnamese capability to defend themselves and will be a violation of the clear understandings they had from us at the time of the cease-fire.

A level of funding of less than $700 million would be a drastic cut in support. At fiscal year 1974 levels of enemy activity, a program of $550 million as proposed in this amendment, will probably cause the Government of South Vietnam to abandon large segments of the country and would weaken the prospects for a negotiated political settlement.

The weaknesses such a reduction would cause will be fully recognized by Hanoi. This level invites increased, not reduced, hostilities.

A ceiling of $700 million or less would mean:

O. & M. funds would have to be used primarily to support only selected operational requirements. Many critical operational requirements could not be supported.

Next, POL will be reduced more than 25 percent from the planned level. There will be more than a 20-percent reduction in current line-haul transportation capacity—essential to a viable defensive posture.

Next, communications will be critically weakened. Command and control will decay from shortages.

Next, ground ammunition will be funded at less than 50 to 60 percent of the Defense-recommended program of $401 million. There would be a dangerous drawdown of incountry stocks. Ammunition provided at this level will not begin to sustain the fiscal year 1974 level of combat—a level dictated by Hanoi. Ammunition restrictions already in effect have begun to affect the morale of the South Vietnamese soldier and have caused a definite increase in casualties.

Now, Mr. President, many people who did not favor the war at all in Vietnam and have favored a smaller amount to help South Vietnam since the war ended have begun to reappraise the situation and take another view of it.

For instance, the Washington Post—and everyone knows that paper's position on this matter—of August 11, 1974, contains an editorial entitled "Aid For Vietnam." Even the Washington Post has come out for adequate aid to South Vietnam. I congratulate this paper upon its change in attitude in this matter.

I quote a paragraph here from the editorial:

> We now conclude that it is wrong to try to make Saigon alone observe the agreement, to its political detriment, when Hanoi is under no similar pressure to observe its side of the agreement. Unilateral pressure, furthermore, preclude's a new American approach to Moscow and Peking—an approach we believe should be made—to reduce further all outsiders' roles, especially as arms suppliers.

Another paragraph in the editorial reads:

> The only correct basis for phrasing out aid, we now believe, is a determination that it no longer is important to the United States what happens in South Vietnam. A powerful case for this can be made: the United States has invested an immense amount of blood, treasure and prestige in Vietnam, won that country the opportunity to fend for itself, and now has its own good reason to turn aside. But if this determination is to be made, we Americans owe to ourselves—and to the Vietnamese and to others elsewhere who rely upon us—to make it openly. To pledge fidelity but to reduce our support progressively or even precipitately is to undermine both interest and honor. If the Congress in its fatigue or wisdom—whatever the mix—is to pare aid this year and to threaten to cut even more next year, it should have the courage to announce that it no longer considers the outcome in Vietnam as a matter of American consequence.

Now, Mr. President, do we consider the outcome in South Vietnam a matter of serious consequence?

I should think we would. I should think it is important that we want to see South Vietnam remain free. We know if South Vietnam goes down the drain, Cambodia, Laos, maybe Thailand, and other countries in that part of the world will go down the drain. The whole of Southeast Asia will probably go down the drain. That will place this country at a tremendous handicap in that part of the world.

We know it is necessary for South Vietnam to have aid if it is to deter Communist aggression, and if we are going to give meaning to the sacrifices made in South Vietnam, the more than 55,000 men who died over there, the more than 300,000 wounded, casualties, over there, and the billions of dollars we spent in South Vietnam.

Mr. President, we have a policy there. Are we going to live up to it? Are we going to back down from it? Are we going to step aside and say to the world that although we promised Vietnam a tank for a tank and a gun for a gun that now we will not deliver?

Well, we cannot deliver unless we provide for the aid that is needed. $700 million is bare bones; it is a bare minimum.

I would remind you again that the administration feels that twice that much is necessary. I would remind you that the conference committee of the Senate Armed Services and the House Armed Services, the men who have studied this matter in depth in conference, agreed on a billion dollars.

Now, the Senate Appropriations Committee cut it to $700 million, but the amendment of the distinguished Senator from Wisconsin would now reduce it to $550 million, $150 million less than the Senate Appropriations Committee agreed upon.

Mr. President, it would be a great mistake, in my judgment, if we do not provide a minimum, a minimum, of $700 million for aid to South Vietnam.

I hope that our colleagues will think about this matter and not allow Vietnam to go down the drain. I cannot see how anybody could favor this amendment if they want to see South Vietnam remain free. Certainly it is to the advantage of the Free World that South Vietnam remain free, it is to the advantage of the United States that South Vietnam remain free, and from our own selfish interests, our own national interests, we ought to favor South Vietnam remaining free.

Now, there is another paragraph in this editorial that I want to quote from:

> We think that Americans would not like to live in a world where a small nation that had strong reason to rely on American steadfastness had been let down.

Quoting again from another paragraph:

> We are convinced, nonetheless, that the principle of American steadfastness deserves to be honored as best we can.

Mr. President, does the honor of America mean anything, does our honor, our commitment, mean anything, does our promise to South Vietnam mean anything?

Are we going to live up to it? We cannot live up to it if we cut this appropriation bill further and I believe that the people of this country want to see us live up to our commitment and help keep South Vietnam free.

If South Vietnam goes down the drain the people lose freedom there, and all the fighting in South Vietnam has been in vain. How do the mothers who have lost their sons over there feel about this?

How do those 300,000 injured, 300,000 casualties, feel about it? Do they want anything done?

Do they want to feel that their sons lost their lives in vain?

I should think not.

Mr. President, I want to say that the President of the United States is opposed to this amendment I am informed, I say to you that the Secretary of State is opposed to this amendment I am informed, I say to you that the Secretary of Defense is opposed to this amendment I am informed.

Mr. President, when the conference committee of the Senate Armed Services and the House Armed Services, who are supposed to be experts in this field, go along unanimously and favor $1 billion for this cause, and when your President and your Secretary of State and your Secretary of Defense all come along and say that they favor a reasonable amount and oppose this amendment, then I think it is time for the Senate, for my colleagues here, to hearken and to think and appraise this situation and not allow South Vietnam to go down the drain.

These brave people have fought and they have suffered, probably like no people in any other country. They belong to the free world. Do we want to see them put under the heel of the Communist dictator? Do we want to see them lose their right to freedom? I hope that we will not permit that.

Mr. President, Secretary Kissinger, in a letter that he wrote to the Honorable JOHN C. STENNIS, Chairman of the Committee on Armed Services of the Senate, had this to say:

> With regard to South Vietnam, I have a very personal sense of obligation to do everything I can to make good on our moral commitment to assist that nation in its survival as an independent state. The administration's request for $1.6 billion in military assistance was made because of our conviction that the survival of South Vietnam is indispensable—

Mr. President, did we catch that, that the survival of South Vietnam is indispensable? That is what the head of the Department of State says—

> to the creation of an enduring structure of peace in Southeast Asia. Without our military assistance, South Vietnam's ability to resist Communist military pressures, fueled by an extensive flow of arms and supplies from the North, would be critically endangered.

In other words, it simply means that South Vietnam cannot survive if we do not give them adequate assistance.

I hope, Mr. President, that my colleagues will think over this matter. I hope that they will reach a conclusion that we cannot let South Vietnam go down the drain. I hope they will appreciate the hard fighting and the suffering that these people have done to maintain their freedom and not now throw up our hands and say to the world, "We no longer have any interest in the freedom of the people there. America is no longer interested in that part of the world. It can just go, go to the winds."

Mr. President, I do not believe that is the feeling of the people of America. I know it is not in the best interest of the people of America as well as the people of Vietnam. I hope that the Senate will see fit to kill this amendment.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 A.M. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, at 10 a.m. debate on the pending amendment will occur, the time to be equally divided between the distinguished Senator from Arkansas, the manager of the bill, Mr. McCLELLAN, and the disinguished Senator from Wisconsin, the sponsor of the amendment, Mr. PROXMIRE, and the vote to occur at the hour of 11.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR BARTLETT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. BARTLETT be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF DEFENSE APPROPRIATION BILL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 10 o'clock tomorrow morning the Senate resume consideration of the Defense appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. We have 1 hour, as I recall, equally divided in time.

Mr. ROBERT C. BYRD. That is correct.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the remarks of Mr. BARTLETT on tomorrow, there be a period for the transaction of routine morning business, with statements therein limited to 3 minutes each, the period not to extend beyond the hour of 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the ro'l.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WOMEN'S EQUALITY DAY

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House on House Joint Resolution 1105, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. TUNNEY) laid before the Senate House Joint Resolution 1105, which was read twice by its title, as follows:

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That August 26, 1974, is designated as "Women's Equality Day", and the President is authorized and requested to issue a proclamation in commemoration of that day in 1920 on which the women of America were first guaranteed the right to vote.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution (H.J. Res. 1105) was considered, ordered to a third reading, read a third time and passed.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. BAYH. Mr. President, I submit a report of the committee of conference on H.R. 15581, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other

purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of August 15, 1974, at pp. H8420–H8421.)

Mr. BAYH. Mr. President, I shall make only a few brief remarks. The total appropriation of Federal funds allowed in conference on H.R. 15581 for the District of Columbia is $379,400,000, a decrease of $38,317,000 below last year, $26,600,000 below the President's budget request, $10,000,000 below the House bill, and the same amount as recommended in the Senate bill.

In terms of the District of Columbia funds, the conference allowed $1,073,642,900, an increase of $100,516,300 over last year, $40,451,100 below the President's budget request, $481,100 below the House bill, and $3,469,000 below the Senate bill.

Mr. President, the conferees again present a balanced budget for the District of Columbia for consideration by the Senate.

Mr. President, this bill is the product of a great deal of work and effort on the part of both Houses to reach a compromise.

In my judgment, it is a good bill. The amounts provided for some items are not entirely to my satisfaction; however, in the main, there will be adequate funds to meet the necessary expenses and to conduct most high-priority programs of the District of Columbia. I think that anyone who has studied our bill and compared it with the House measure would see that a great many of the matters that are of significant importance to the Senate are incorporated in this bill.

In fact, Mr. President, I am pleased to report to the Members that we were able to sustain the Senate position in 85 percent of the items that were in conference.

Mr. President, I think this latter fact indicates that the Senate bill was based on the foundation of sound rationale. I think it is also a tribute to the House conferees that we were able to resolve our difficulties in an atmosphere of cordiality and rationality. I also wish to express my sincere thanks to the distinguished ranking minority member of the subcommittee (Mr. MATHIAS), for his support and assistance during the conference.

Without his support and council during the hearings process, and continuing on through the consideration on the floor, and without his full cooperation during the conference, this measure could not have been presented. I wish the RECORD to show that this has been a bipartisan effort. The Senator from Maryland has always been there—making his contribution to the outcome.

Mr. President, I ask unanimous consent that a tabulation of the fiscal year 1974 appropriations and the budget, House, Senate, and conference committee allowances for the fiscal year 1975 be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

HIGHLIGHTS OF THE CONFERENCE AGREEMENT

Mr. BAYH. Mr. President, I would like to discuss some of the highlights of the conference agreement.

The conference agreement includes six additional positions and $59,100 to provide for the strengthening of staff support for the newly elected City Council, which will take office on January 2, 1975.

The agreement also includes increased funding for the planning, management and personnel functions of the District of Columbia, so that the city can better utilize the resources provided in the bill. It seemed to the members of the committee that this was a good investment that would more than pay for itself by stimulating better management and better use of city personnel.

The bill includes an increase in the Office of Consumer Affairs to provide for the implementation of the recently enacted Consumer Goods Repair Regulations.

The conference agreement also includes a modest increase in the Department of Finance and Revenue in order to allow the city to move toward a more equitable 1-year cycle for the assessment of real property in the District of Columbia.

The conference agreement also includes funds for the public library system to replace expiring Federal-grant funded programs in such areas as providing library services to the blind and physically handicapped and maintaining the Sursum Corda storefront library.

The recommendation also includes the full budget request of $85,000 for the recently enacted District of Columbia rent control program.

The conferees are also recommending the inclusion of $26,000 for the D.C. contribution to the Washington EAR, a metropolitan-wide closed circuit radio service for the blind and handicapped.

EDUCATION

One of the largest increases agreed to in conference is for the public school system. The amount provided in the bill, together with approximately $5.5 million in unanticipated balances of unexpended Elementary and Secondary Education Act grant funds, will provide the schools with sufficient funds to carry out the entire program proposed in the city's budget request, including all of the contemplated improvements in the special education program, as well as funds to continue the adult education demonstration center.

Mr. President, I think most of us here would agree that the education of our boys and girls—the young men and women of our communities and our country—is a most important priority. One could make a case for, and certainly, and if possible, I would wish to find more funds to support this important area in the District. In any case, the conferees have been able. to provide a significant increase. The funding level recommended by the conference committee does meet the dual requirement of a full budget request level for the public school system in the District, as well as the overall balanced budget for the entire city.

HUMAN RESOURCES

For the Department of Human Resources, the conferees have included funds to allow the District to implement that provision of its welfare reform effort which will provide a cost-of-living increase in public assistance payments. This increase will be partially funded as a result of new moneys included in the Senate bill, and partially by requiring the District to do a better job of scrutinizing its budget and supervising those who are administering it—including paying closer attention to assure that only those who are eligible for public assistance receive such payments.

The conferees are also recommending a small increase in the payment rates for the care of children in foster homes. In view of the rapid inflation in food costs, the committee concluded that this was a minimum necessary adjustment.

The conferees are also providing additional funds to improve the programs for mentally retarded persons in the community and at Forrest Haven. This is the first step in an 8-year program for improving the care and treatment of mentally retarded persons in the District of Columbia, an area that has been too long neglected.

In the area of environmental services, the conferees have provided the necessary additional funds for preventive maintenance for the water distribution system.

SPECIAL INITIATIVE TO CLEAN UP THE CITY

The conferees have also included the full Senate increase of $1.2 million for a special initiative to clean up the Nation's capital for the Bicentennial celebration. Mr. President, the unsanitary and dirty condition in areas of the city cannot continue to be ignored—especially because of the negative effects on the health of city residents and on neighborhood stability. The conferees have agreed to the $1.2 million increase over the budget request as evidence of their concern and commitment to make a really significant effort to clean up the city before the Bicentennial celebration, when over 50 million of our fellow citizens will be visiting the Nation's capital. This increase will be used to implement a well thought out cleanup plan which was submitted to the committee in response to its request last March.

Unfortunately, the Senate conferees were unable to sustain the Senate increases for the Office of Economic Development, the Office of Human Rights, or the Capital Outlay funds for the Shapiro Tract. The House conferees were adamant in their opposition to these items.

CONCLUSION

Mr. President, in conclusion, let me state that I thought that the Senate bill was a good one. The conference report before you today provides for a good bill. All of the programs funded in this bill are important to the citizens of the District of Columbia and the many tourists who visit our Nation's Capital every year. These programs are important to the well-being of the District's citizens. They assist those who are often unable to assist themselves, especially the young and the aged. They will help build much-needed schools and other public facilities. They will help reduce unemployment.

Mr. President, I firmly believe that the funds in this bill will assist the citizens who live in and visit the District to enjoy a more healthy and wholesome environment. I urge my colleagues to support enactment of the conference report.

Mr. President, again, I say that I appreciate the cooperation of the ranking minority member of my subcommittee, the Senator from Maryland, as well as the other members of the conference committee, the subcommittee and the full committee.

Also, as chairman of this subcommittee, I would like to say a special word of tribute to the staff work of Mr. Terrence E. Sauvain and Mr. Robert B. Clark, professional staff members of the Committee on Appropriations. Mr. Sauvain, in particular, has worked tirelessly and diligently in assisting me and other members of the subcommittee to bring about the enactment of a sound and fiscally responsible balanced budget for the District of Columbia—while providing for as many as possible of the high priority items approved in conference.

Without their effort, too, we would not have been successful.

I think it is important, also, to pay tribute to the cooperation and consideration of the distinguished chairman of the House Committee. Mr. William Natcher of Kentucky certainly walked more than half way across the line to meet the desires of the Senate, and his committee members were most cooperative. I should like the Record to show that from the standpoint of the subcommittee chairman, I am deeply grateful for his cooperation.

Mr. President, I should perhaps add one note that, although there are other needs in the District that certainly the Senator from Maryland and I struggled with and would like to have fulfilled, we feel the pressing problem that the other Members of the Senate feel, particularly the members of the Committee on Appropriations, that we have to make every conceivable effort to balance this budget, to fight inflation. For that reason, we are hopeful that the citizens of the District will recognize the contribution that this particular bill makes in that regard, because it comes in significantly under the request that was originally made by the President.

Mr. President, I urge that the conference report be agreed to.

Exhibit 1

TABLE I.—DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL 1975, H.R. 15581—FEDERAL FUNDS

[Amounts in thousands of dollars]

Agency and item (1)	1974 appropriation by allotment and activity (2)	1975 budget estimate (3)	House allowance (4)	Senate allowance (5)	Conference agreement (6)	Conference agreement compared with— Appropriation, 1974 (7)	Budget estimate, 1975 (8)	House bill (9)	Senate bill (10)
FEDERAL PAYMENT									
General fund	$187,450	$230,000	$221,200	$221,200	$221,200	+$33,750	−$8,800		
Water fund	2,555	3,200	3,200	3,200	3,200	+645			
Sanitary Sewage Works fund	1 528	2,400	2,400	2,400	2,400	+872			
Total, Federal payments	191,533	235,600	226,800	226,800	226,800	+35,267	−8,800		
FEDERAL LOANS									
General fund	177,969	161,400	153,600	143,600	143,600	−34,369	−17,800	−$10,000	
Highway fund	11,900	9,000	9,000	9,000	9,000	−2,900			
Water fund	7,067					−7,067			
Sanitary Sewage Works fund	25,000					−25,000			
Metropolitan Area Sanitary Sewage Works fund	4,248					−4,248			
Total, Federal loans	266,184	170,400	162,600	152,600	152,600	−73,584	−17,800	−10,000	
Total, Federal funds	417,717	406,000	389,400	379,400	379,400	−38,317	−26,600	−10,000	

TABLE II.—DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL 1975, H.R. 15581—OPERATING EXPENSES AND CAPITAL OUTLAY

[Amounts in thousands of dollars]

Agency and item	1974 appropriation by allotment and activity		1975 Budget estimate		House allowance		Senate allowance		Conference agreement		Conference agreement compared with—			
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Appropriation, 1974	Budget estimate, 1975	House bill	Senate bill
(1)	(2)		(3)		(4)		(5)		(6)		(7)	(8)	(9)	(10)
OPERATING EXPENSES														
General Operating Expenses:														
Office of the Commissioner	20	496.0	27	610.8	27	600.8	27	610.8	27	600.8	+104.8	−10.0		−10.0
City Council	36	616.5	75	1,504.4	50	866.8	63	979.0	56	925.9	+309.4	−578.5	+59.1	−53.1
Executive Office:														
Office of the Secretariat	30	658.3	25	543.1	25	543.1	25	543.1	25	543.1	−115.2			
Office of Public Affairs	12	246.0	12	248.5	12	248.5	12	248.5	12	248.5	+2.5			
Office of Budget and Financial Management	179	2,985.0	181	2,820.4	181	2,820.4	181	2,820.4	181	2,820.4	−164.6			
Office of Planning and Management	74	1,213.0	142	2,554.3	121	2,121.7	140	2,316.7	140	2,316.7	+1,103.7	−237.6	+195.0	
Personnel Office	59	1,229.4	70	1,367.9	60	1,213.3	70	1,288.3	67	1,263.5	+34.1	−104.4	+50.2	−24.8
Compensation Funds:														
Disability Compensation		2,475.0		2,375.0		2,375.0		2,375.0		2,375.0	−100.0			
Unemployment Compensation		3,829.0		3,970.0		3,970.0		3,970.0		3,970.0	+141.0			
Workmen's Compensation		592.7		572.4		572.4		572.4		572.4	−20.3			
Municipal Audit	36	652.6	36	705.3	36	663.4	36	663.4	36	663.4	+10.8	−41.9		
Office of Civil Defense	8	161.7	8	152.1	8	152.1	8	152.1	8	152.1	−9.6			
Office of Human Rights	37	580.3	49	717.0	37	577.9	49	717.0	37	577.9	−2.4	−139.1		−139.1
Office of Consumer Affairs	14	190.3	19	284.4	14	215.0	19	284.4	19	284.4	+94.1		+69.4	
Bicentennial Activities		150.0		175.0		150.0		175.0		150.0		−25.0		−25.0
Total, Executive Office	449	14,963.3	542	16,485.4	494	15,622.8	540	16,126.3	525	15,937.4	+974.1	−548.0	+314.6	−188.9
Department of Finance and Revenue	533	8,710.2	531	8,222.1	513	7,865.0	531	8,022.0	531	8,022.0	−688.2	−200.1	+157.0	
Office of the Corporation Counsel	185	3,361.6	185	3,485.7	185	3,360.9	185	3,485.7	185	3,360.9	−.7	−124.8		−124.8
Department of General Services	657	16,641.0	595	16,086.8	594	15,989.3	595	16,000.3	594	15,989.3	−651.7	−97.5		−11.0
Department of Economic Development	544	8,660.2	553	8,231.1	544	8,066.3	552	8,214.9	544	8,066.3	−593.9	−164.8		−148.6
Public Library	565	7,183.8	621	7,523.4	591	7,320.0	620	7,413.3	620	7,413.3	+229.5	−110.1	+93.3	

Agency and item	1974 appropriation by allotment and activity		1975 Budget estimate		House allowance		Senate allowance		Conference agreement		Conference agreement compared with—			
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Appropriation 1974	Budget estimate 1975	House bill	Senate bill
(1)	(2)		(3)		(4)		(5)		(6)		(7)	(8)	(9)	(10)
Other Independent Agencies and Offices:														
Assistant to the Commissioner for Youth Opportunity Services	28	2,026.3	28	2,231.2	28	2,231.2	28	2,142.6	28	2,142.6	+116.3	−88.6	−88.6	
Assistant to the Commissioner for Housing Program	27	480.5	30	527.0	27	442.0	30	527.0	30	527.0	+46.5		+85.0	
Parole Board	25	436.3	24	426.1	24	426.1	24	426.1	24	426.1	−10.2			
Department of Insurance	24	488.6	24	449.5	24	449.5	24	449.5	24	449.5	−39.1			
Minimum Wage and Industrial Safety Board	42	719.9	43	712.9	42	700.3	42	700.3	42	700.3	−19.6	−12.6		
Recorder of Deeds	71	749.3	77	771.3	71	738.8	71	738.8	71	738.8	−10.5	−32.5		
Public Service Commission	28	504.6	28	503.4	28	501.4	28	501.4	28	501.4	−3.2	−2.0		
Zoning Commission	23	380.4	(1)	(1)							−380.4			
Board of Appeals and Review	4	71.7	4	73.8	4	72.7	4	72.7	4	72.7	+1.0	−1.1		
Board of Elections	7	550.5	22	757.9	22	712.5	22	712.5	22	712.5	+162.0	−45.4		
Office of the Surveyor	40	422.2	40	423.5	40	423.5	40	423.5	40	423.5	+1.3			
Commission on the Status of Women	2	46.9	3	51.2	2	33.6	3	51.2	2	33.6	−13.3	−17.6		−17.6
Commission on Judicial Disabilities and Tenure	1	47.4	1	44.4	1	44.4	1	44.4	1	44.4	−3.0			
Board of Labor Relations	2	98.6	2	87.5	2	87.5	2	87.5	2	87.5	−11.1			
Total, Other Independent Agencies and Offices	324	7,023.2	326	7,059.7	315	6,863.5	319	6,877.5	318	6,859.9	−163.3	−199.8	−3.6	−17.6
Contributions: to Metropolitan Area Agencies:														
Metropolitan Washington Council of Governments		176.0		196.6		170.6		196.6		196.6	+20.6		+26.0	
Washington Metropolitan Area Transit Commission		85.9		76.7		76.7		76.7		76.7	−9.2			
Total, Contributions to Metropolitan Area Agencies		261.9		273.3		247.3		273.3		273.3	+11.4		+26.0	
Miscellaneous Contributions:														
Redevelopment Land Agency		6.0		6.0		6.0		6.0		6.0				
Apprenticeship Council		5.0		5.0		5.0		5.0		5.0				
School Transit Subsidy		4,112.3		3,812.3		3,812.3		3,812.3		3,812.3	−300.0			
Washington Convention and Visitors Bureau		252.0		252.0		252.0		252.0		252.0				
Metrobus Subsidy		3,403.0		9,700.0		6,000.0		6,000.0		6,000.0	+2,597.0	−3,700.0		
Total, Miscellaneous Contributions		7,778.3		13,775.3		10,075.3		10,075.3		10,075.3	+2,297.0	−3,700.0		
Total, General Operating Expenses	3,313	75,696.0	3,455	83,258.0	3,313	76,878.0	3,432	78,078.4	3,400	77,524.4	+1,828.4	−5,733.6	+646.4	−554.00
Public Safety:														
Metropolitan Police	6,034	110,977.5	5,783	111,675.8	5,783	111,675.8	5,783	111,675.8	5,783	111,675.8	+698.3			
Fire Department	1,544	36,258.8	1,572	36,998.7	1,544	36,732.7	1,544	36,732.7	1,544	36,732.7	+473.9	−266.0		
Courts:														
Appeals	53	1,389.8	56	1,450.2	53	1,376.5	56	1,421.1	56	1,421.1	+31.3	−29.1	+44.6	
Superior	1,042	17,963.3	1,034	18,048.4	1,034	17,914.4	1,034	17,914.4	1,034	17,914.4	−48.9	−134.0		
Court System	68	1,551.4	68	3,946.0	75	3,726.8	75	3,726.8	75	3,726.8	+2,175.4	−219.2		
U.S. Courts—Reimbursements for Justice Department (Services for D.C.)		8,279.6		5,732.5		5,732.5		1,159.8		1,159.8	−7,119.8	−4,572.7	−4,572.7	
Public Defender Service	109	1,842.3	109	1,793.8	87	1,718.2	109	1,793.8	87	1,718.2	−124.1	−76.6		−75.6
Bail Agency	54	712.5	54	696.6	54	696.6	54	696.6	54	696.6	−15.9			
Total, Courts	1,326	31,738.9	1,321	31,667.5	1,303	31,165.0	1,328	26,712.5	1,306	26,636.9	−5,102.0	−5,030.6	−4,528.1	−75.6
Department of Corrections	[2] 1,858	31,835.4	1,844	32,134.3	1,844	31,683.8	1,844	32,134.3	1,844	31,909.1	+73.7	−225.2	+225.3	−225.2
National Guard	20	294.4	20	271.7	20	271.7	20	271.7	20	271.7	−22.7			
Total, Public Safety	10,782	211,105.0	10,540	212,748.0	10,494	211,529.0	10,519	207,527.0	10,497	207,226.2	−3,878.8	−5,521.8	−4,302.8	−300.8
Education:														
Public Schools	10,480	168,919.3	10,940	176,882.8	10,648	173,218.2	10,719	174,203.2	10,711	174,028.0	+5,108.7	−2,854.8	+809.8	−175.2
Board of Higher Education	6	81.9	9	151.2	9	149.8	9	149.8	9	149.8	+67.9	−1.4		
D.C. Teachers College	200	3,336.1	286	4,868.5	241	4,088.9	252	4,303.9	241	4,088.9	+752.8	−779.6		−215.0
Federal City College	974	19,805.3	943	19,489.7	943	19,389.7	943	19,389.7	943	19,389.7	−415.6	−100.0		
Washington Technical Institute	429	9,233.4	432	10,131.8	432	10,092.4	432	10,092.4	432	10,092.4	+859.0	−39.4		
Total, Education	12,089	201,376.0	12,610	211,524.0	12,273	206,939.0	12,355	208,139.0	12,336	207,748.8	+6,372.8	−3,775.2	+809.8	−390.2
Recreation: Recreation Department	779	15,040.0	892	14,940.0	874	14,852.0	883	14,902.0	883	14,902.0	−138.0	−38.0	+50.0	
Human resources:														
Executive direction and support	1,112	14,048.7	1,342	17,668.7	1,342	17,668.7	1,342	17,668.7	1,342	17,668.7	+3,620.0			
Payments assistance	736	78,358.4	771	79,212.6	741	77,445.3	771	77,945.3	771	77,945.3	−413.1	−1,267.3	+500.0	
Social rehabilitation	1,883	33,435.9	1,711	35,840.4	1,711	34,740.4	1,716	34,137.9	1,716	34,137.9	+702.0	−1,702.5	−602.5	
Mental health	1,352	40,012.2	1,389	40,170.6	1,389	39,570.9	1,389	39,870.9	1,389	39,870.9	−141.3	−299.7	+300.0	
Community health and hospitals	4,048	54,785.0	4,090	51,082.8	4,040	50,753.8	4,056	50,882.8	4,040	50,782.8	−4,002.2	−300.0	+29.0	−100.0
Narcotics treatment	304	5,035.8	269	4,302.9	269	4,302.9	269	4,302.9	269	4,302.9	−732.9			
Total, human resources	9,435	225,676.0	9,572	228,278.0	9,492	224,482.0	9,543	224,808.5	9,527	224,708.5	−967.5	−3,569.5	+226.5	−100.0
Highways and traffic:														
Department of Highways and Traffic	1,549	20,283.9	1,549	20,548.8	1,549	20,424.7	1,549	20,548.7	1,549	20,424.7	+140.8	−124.1		−120.4
Motor vehicles	269	4,152.3	265	3,859.2	263	3,755.3	263	3,755.3	263	3,755.3	−397.0	−103.9		
Total, highways and traffic	1,818	24,436.2	1,814	24,408.0	1,812	24,180.0	1,812	24,304.0	1,812	24,180.0	−265.2	−228.0		124.0

Footnotes at end of table.

TABLE II.—DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL 1975, H.R. 15581—OPERATING EXPENSES AND CAPITAL OUTLAY—Continued

[Amounts in thousands of dollars]

Agency and item	1974 appropriation by allotment and activity		1975 Budget estimate		House allowance		Senate allowance		Conference agreement		Conference agreement compared with—			
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Appropriation, 1974	Budget estimate, 1975	House bill	Senate bill
(1)	(2)		(3)		(4)		(5)		(6)		(7)	(8)	(9)	(10)
Environmental Services:														
Department of Environmental Services	3,122	42,390.7	3,222	43,230.0	3,207	42,341.0	3,260	44,430.0	3,260	44,430.0	+2,039.3	+1,200.0	+2,089.0	--------
Washington Aqueduct	325	5,796.3	325	5,917.0	325	5,917.0	325	5,917.0	325	5,917.0	+120.7	--------	--------	--------
Total, Environmental Services	3,447	48,187.0	3,547	49,147.0	3,532	48,258.0	3,585	50,347.0	3,585	50,347.0	+2,160.0	+1,200.0	+2,089.0	--------
Personal Services (Annualization of Pay Increases)		(2)	--------	12,987.0	--------	12,987.0	--------	12,987.0	--------	12,987.0	+12,987.0	--------	--------	--------
Repayment of Loans and Interest		39,633.0	--------	49,067.0	--------	49,067.0	--------	49,067.0	--------	49,067.0	+9,434.0	--------	--------	--------
Settlement of Claims and Suits		222.0	--------	34.0	--------	34.0	--------	34.0	--------	34.0	−188.0	--------	--------	--------
Total, District of Columbia Operating Expenses	[3] 41,663	841,371.2	42,430	886,391.0	41,790	869,206.0	42,129	870,193.9	42,040	868,724.9	+27,353.7	−17,666.1	−481.1	−1,469.0
Capital Outlay		131,755.4	--------	227,703.0	--------	204,918.0	--------	206,918.0	--------	204,918.0	+73,162.6	−22,785.0	--------	−2,000.0
Grand Total, District of Columbia	41,663	973,126.6	42,430	1,114,094.0	41,790	1,074,124.0	42,129	1,077,111.9	42,040	1,073,642.9	+100,516.3	−40,451.1	−481.1	−3,469.0

[1] Transferred to the Office of Planning and Management.

[2] Included in each agency and department amounts.

[3] Does not include 234 permanent positions approved on a temporary basis for Department of Corrections.

Mr. MATHIAS. Mr. President, I shall not detain the Senator long, but I want to say just a word, in view of the fact that this is, in a sense, a historic bill. After a century, a full century of congressional rule of the District of Columbia, this is the last appropriation bill which will be enacted under the commissioner form of government. Next year, when the Congress considers the contribution of the Federal Government to the operation of the Capital City, it will be under the provisions of the home rule legislation which will go into effect later this year.

So it is a historic moment when we are really performing the last act of stewardship under an old plan, one that I think has served its purpose and which we are all glad to see change.

I think that the Committee on Appropriations has acquitted itself very well in this last act of its stewardship. I know it was a particular sacrifice on the part of the Senator from Indiana, the chairman of the subcommittee, to have devoted the really endless number of hours he has devoted to hearings, to discussions, informal discussion of this measure, and to consulting with officials of the District of Columbia. While all of us share the constitutional responsibility for the Nation's Capital, he has put in a tremendous personal investment of time and effort. I think that I, certainly, have observed it and appreciate it. I am sure that it is widely recognized in the Nation's Capital.

The bill does represent hard work, as he, himself, has noted, on the part of the Senate and on the part of the members of the House Committee on Appropriations, led by the gentleman from Kentucky (Mr. NATCHER).

I think one interesting thing, and perhaps one bit of evidence of good faith of both the House and the Senate, is the fact that the two bills came so close in their dollar amount, although there were some differences as to the individual items and how the amounts were apportioned within the bill.

But that was resolved harmoniously, and the committee of conference was one of the most agreeable that I have ever attended.

I would finally note, as has already been said, that we are $40 million under the budget. This is not just tipping our hat to the mood of the moment. There have been very careful and considered economies. I think the bill, although it is economical and lean, does provide for the essential services that are necessary. To provide any less, I am frank to say, I think would not serve the cause of the fight against inflation, but would in fact feed the fires of inflation by decreasing the efficiency of government, which we should be careful never to do.

So I think it is a move in the right direction. As our chairman has said, it would have been impossible to achieve this kind of equitable result without the hard staff work that Mr. Sauvain and Mr. Clark contributed, for which we are very grateful.

Mr. President, I support the conference report, and urge that the motion of the Senator from Indiana be agreed to.

Mr. BAYH. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendment in disagreement.

The second assistant legislative clerk read as follows:

> *Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein with an amendment as follows:
>
> In lieu of the sum named in said amendment, insert "$207,226,200".

Mr. BAYH. Mr. President, I move that the Senate concur in the amendment of the House of Representatives to the amendment of the Senate numbered 5.

The motion was agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will convene at 9:30 a.m.

Mr. BARTLETT will be recognized for not to exceed 15 minutes, immediately after the two leaders or their designees have been recognized under the standing order.

There will then be a period for the transaction of routine morning business, not to extend beyond 10 a.m., with statements therein limited to 3 minutes each.

At 10 a.m., the Senate will resume consideration of the Defense appropriations bill. The pending question at that time will be on the adoption of the Proxmire amendment, No. 1810. There will be 1 hour of debate, with the vote to occur at 11 a.m. That will be a rollcall vote, the yeas and nays already having been ordered.

Other amendments will be called up tomorrow, and yea-and-nay votes could occur thereon throughout the day. Conference reports, being privileged, can be called up at any time.

ADJOURNMENT TO 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 6:21 p.m. the Senate adjourned until tomorrow, Wednesday, August 21, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 20, 1974:

VETERANS' ADMINISTRATION

Richard L. Roudebush, of Indiana, to be Administrator of Veterans' Affairs, vice Donald E. Johnson.

DEPARTMENT OF STATE

Shirley Temple Black, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ghana.

VICE PRESIDENT OF THE UNITED STATES

Pursuant to the provisions of Section 2 of the Twenty-fifth Amendment to the Constitution of the United States, I hereby nominate Nelson A. Rockefeller, of New York, to be the Vice President of the United States.

HOUSE OF REPRESENTATIVES—*Tuesday, August 20, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God is spirit; and they that worship Him must worship Him in spirit and in truth.—John 4: 24.

O God, our Father, who hast given us life and hast made the Earth good to live upon, make known Thy presence to us as we worship Thee in spirit and in truth.

Deliver us from the tyranny of trifles, from majoring in minors, and from giving too much attention to little things that do not matter much and not enough attention to larger things that matter most. Grant unto us the spirit which enables us to give our best thought and our greatest efforts to that which is truly important that what we accomplish may be for the highest good of our Nation.

Teach us to respond to the nudging of Thy Spirit that we may not flounder in confusion, nor fail in noble endeavors, nor faint by the way but looking to "Thee may find wisdom for sound decisions, strength for daily tasks, and peace when evening comes and our work is done.

In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13999) entitled "An act to authorize appropriations for activities of the National Science Foundation, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 821) entitled "An act to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes."

The message also announced that the Senate receded from its disagreement to the amendment of the House to the amendment to the title of the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2510) entitled "An act to create an Office of Federal Procurement within the Executive Office of the President, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3620. An act to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes;

S. 3801. An act to authorize the Federal Farm Credit Board to fix the compensation of the Governor and the Deputy Governors of the Farm Credit Administration; and

S. 3919. An act to authorize the establishment of a Council on Wage and Price Stability.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOLAND. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 503]

Anderson, Ill.
Archer
Ashley
Aspin
Bevill
Bingham
Brasco
Breckinridge
Brown, Calif.
Burke, Calif.
Chisholm
Clark
Corman
Cronin
Culver
Davis, Ga.
Dellums
Dennis
Dorn
Drinan
Dulski
Esch
Evins, Tenn.
Forsythe
Giaimo
Gray
Green, Oreg.
Gunter
Hansen, Wash.
Harsha
Hébert
Hicks
Hogan
Holifield
Johnson, Colo.
Latta
Litton
McCollister
McEwen
McKay
McSpadden
Macdonald
Martin, Nebr.
Mayne
Murphy, N.Y.
Nedzi
O'Brien
O'Hara
Podell
Quillen
Rangel
Rarick
Reid
Reuss
Rooney, N.Y.
Scherle
Smith, N.Y.
Steed
Steele
Stokes
Stuckey
Teague
Thompson, N.J.
Udall
Van Deerlin

The SPEAKER. On this rollcall 369 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REFERRAL OF H.R. 15472, AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975, AND VETO MESSAGE TO THE COMMITTEE ON APPROPRIATIONS

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the President's veto message and the bill, H.R. 15472, making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes, be referred to the Committee on Appropriations.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXPLANATION OF MOTION TO REFER VETO MESSAGE AND BILL, H.R. 15472, TO THE COMMITTEE ON APPROPRIATIONS

(Mr. WHITTEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WHITTEN. Mr. Speaker, our Appropriations Subcommittee has requested that in view of the President's veto of appropriations bill providing appropriations for the Department of Agriculture, including the food and conservation programs, the Environmental Protection Agency, the Federal Trade Commission, the Food and Drug Administration, and other agencies, our subcommittee has requested that the bill be sent back to the Appropriations Committee for further consideration.

Mr. Speaker, this is the first time that this bill has been vetoed since I have been chairman of the subcommittee and I would like to say here that I do not agree that the figures used in the veto message are a proper measure of the funds in this bill.

I would point out that $100 million of the $261,977,500 added to our bill by the Senate was requested by the Secretary of Agriculture of the Senate, because the food programs, for which the funds were requested, would exhaust section 32 funds, thus jeopardizing the production of food in this time of scarcity and high prices. It was my belief that Secretary Butz' request had the blessings of the Director of the Office of Management and Budget, though no official budget request was sent down.

Of the remaining $161,977,500 added by the Senate, we got the Senate to withdraw $96,002,300 in conference leaving the bill $165,975,175 above the bill as approved by the House.

Mr. Speaker, I respectfully submit that the bill as it was reported by our committee and as approved by the House was below the budget as judged by usual standards. It was only by mixing apples and pears that the veto message was made to seemingly justify such veto.

First of all, the statement was made that the bill exceeded the budgetary recommendations by $540 million. I am not certain of the significance of this figure since it was not indicated whether the $540 million involved new obligational authority or outlays. I presume that the figure includes $400 million of loan authority plus the gross total of $138 million in new obligational authority by which the final bill with Senate additions exceeded the overall budget estimate.

While the bill as passed by Congress exceeded the budget estimate by $138 million in new obligational authority, as

I have pointed out $100 million of that excess was the direct result of a letter from the Secretary of Agriculture. The Senate added $100 million over the budget estimate to protect the solvency of section 32 funds. The House concurred in this action in the conference. So actually, as we look at it, we approved a $13.5 billion appropriations bill which was $38 million over the budget estimate. This is not a significant increase. In fact it is about one-third of 1 percent.

The administration makes reference to the effect on expenditures. I am one of those who believes that the way to control spending is to limit the new obligational authority in the first place. For that reason I pay more attention to the original authority to spend which is contained in new obligational authority. The point was made that congressional action on this bill would increase outlays for fiscal years 1976 and 1977. Be that as it may, there will be many appropriation actions at later dates that can materially affect expenditures in these future years.

The veto message also indicated that $345 million would be available for the water and sewer programs of the Farmers Home Administration, a level more than eight times higher than any level in the past. The bill approved by the Congress provided $225 million for water and sewer grants in rural areas. In arriving at the figure in the veto message they included $120 million which was carried over from fiscal year 1974. I am surprised that this item should even be mentioned. Notwithstanding the fact that we even now have thousands of rural families without adequate water and sewer facilities, the administration froze this money in fiscal year 1974. On May 7, 1974, the Department of Agriculture issued a special announcement indicating that all of the water and sewer grant funds currently held in reserve were being released. In commenting that the 1975 level is considerably higher than any single previous year, no mention was made of the fact that the administration has been doing everything it could during the past few years to retard this program. Each year funds have been put in reserve notwithstanding the urgent need for these facilities.

The statement was also made that funding for agricultural conservation programs would be more than doubled, completely reversing recent efforts of the administration to reform these programs. It all depends on what you are talking about when you use the term "double." The 1974 appropriations bill provided a $160 million for this program. This is another program the past administration had been doing its best to eliminate, notwithstanding the continuing urgent need for the conservation of our land and water resources especially now when we are asking farmers to maximize their production. Remember we had here 1,000,000 Americans putting up about half the cost plus their labor.

The statement is also made that the bill would increase certain loan programs operated by the Department of Agriculture by $400 million more than recommended in the budget estimate and that increase would further strain already over-stressed credit markets and would add to inflationary pressures. I must point out that included in the total cited in the veto message, $192 million in loan authority for rural electrification and telephone loans was included even though recent legislation placed these programs beyond the reach of the budgetary process. It should be pointed out that the biggest increase in loan authority was for housing. You all know what the current situation is in our housing market. People are desperate for housing and the housing industry is flat on its back. Certainly the additional loan authority could possibly further aggravate the current loan markets, but you have to draw priorities. On May 10, 1974, President Nixon announced action taken by the White House which "will assure the availability of more than $10 billion of mortgage money for the housing market during 1974 beyond the funding already provided through prior actions."

The veto message expressed opposition to the provision in the bill transferring from the Department of Housing and Urban Development a $175 million program to clean up the Great Lakes.

So that the record will be accurate, the bill as passed by the Congress includes language transferring impounded HUD funds to EPA. $100 million was for the Great Lakes program and $75 million was for the clean lakes program. The language providing for the transfer of $100 million for the Great Lakes program had been in the bill for the last 3 years, but the Office of Management and Budget has consistently refused to release the funds. The transfer provision was included in the bill again this year because testimony during the hearing revealed that EPA was developing a program to utilize these funds.

The veto message further stated that the feasibility of the cleanup program has not yet been proven. The committee recognizes this and provided in its report that the funds for the clean lakes program should be utilized for sewer systems. The need for sewer systems has been conclusively proven.

Notwithstanding, Mr. Speaker, in the spirit of cooperation and in a genuine desire to take whatever action we can to impede the increasing threat of inflation, I want to say I am thoroughly in accord with the decision to refer the bill back to the House Appropriations Committee for further consideration. Our previous action on the bill will be reevaluated in view of current circumstances. However, this reevaluation will be influenced by our strong conviction that adequate funds need to be available for the conservation of our land and water resources, the assurance of adequate food production, the protection of our environment and the protection of consumers of this Nation.

Mr. Speaker, I serve on the Appropriations Subcommittee for Defense. I rank second on the full 55-member Committee on Appropriations.

I say this to point up the fact that I know this is one bill which looks after all the people of the United States. Consumer and producer, vital to our health and welfare, basic to our economy and the foundation for all the many activities of our Government from defense to foreign policy.

APPOINTMENT OF CONFEREES ON H.R. 15572, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1975

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? The Chair hears none, and appoints the following conferees: Messrs. BOLAND, EVINS of Tennessee, SHIPLEY, ROUSH, TIERNAN, CHAPPELL, GIAIMO, MAHON, TALCOTT, McDADE, SCHERLE, RUTH, and CEDERBERG.

APPOINTMENT OF CONFEREES ON H.R. 15427, TO AMEND RAIL PASSENGER SERVICE ACT OF 1970

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 15427, to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, JARMAN, DINGELL, ADAMS, DEVINE, KUYKENDALL, and SHOUP.

RESOLUTION AUTHORIZING CERTAIN INVESTIGATIONS AND STUDIES BY THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. SISK from the Committee on Rules submitted a privileged report (H. Res. 737, Rept. No. 93–1304) authorizing certain investigations and studies by the Committee on House Administration, which was referred to the House Calendar and ordered to be printed:

H. RES. 737

Resolved, That (a) the Committee on House Administration, acting as a whole or by subcommittee, is authorized to conduct full and complete investigations and studies and make inquiries concerning any or all of the subject matter within its jurisdiction as set forth in clause 9 of rule XI of the Rules of the House of Representatives. However, the committee shall not undertake any investigation or study of any subject which is being investigated or studied for the same purpose by any other committee of the House.

(b) For the purpose of making such investigations and studies, the committee or any subcommittee thereof is authorized to sit and act, subject to clause 31 of rule XI of the Rules of the House of Representatives, during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether the House is meeting, has recessed, or has adjourned, and to hold such hearings and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee, or any member designated by him, may administer oaths to any witness.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTATE OF THE LATE RICHARD BURTON, SFC, U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late Richard Burton, Sfc., U.S. Army (retired).

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ESTELLE M. FASS

The Clerk called the resolution (H. Res. 362) to refer the bill (H.R. 7209) for the relief of Estelle M. Fass to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

RITA SWANN

The Clerk called the bill (H.R. 1342) for the relief of Rita Swann.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2629) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

FAUSTINO MURGIA-MELENDREZ

The Clerk called the bill (H.R. 7535) for the relief of Faustino Murgia-Melendrez.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ROMEO LANCIN

The Clerk called the bill (H.R. 4172) for the relief of Romeo Lancin.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 3190) for the relief of Gabriel Edgar Buchowiecki.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEONOR LOPEZ

The Clerk called the Senate bill (S. 280) for the relief of Leonor Lopez.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the Senate bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ESTATE OF PETER BOSCAS, DECEASED

The Clerk called the bill (H.R.2637) for the relief of the estate of Peter Boscas, deceased.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

ESTABLISHMENT OF A WAGE AND PRICE STABILITY COUNCIL

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 3919), to authorize the establishment of a Council on Wage and Price Stability, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. J. WILLIAM STANTON. Mr. Speaker, I reserve the right to object.

Mr. Speaker, I do so only in the hope that the chairman of our committee will explain to the House Members the very small, slight differences that are in the legislation on which the chairman hopes to see the Senate-passed version for the Cost of Living Task Force.

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. PATMAN. Mr. Speaker, will the gentleman reserve his objection until the bill is read?

Mr. GROSS. Mr. Speaker, no, I will not.

The SPEAKER. Objection is heard.

MILITARY DESERTERS AND DRAFT EVADERS SHOULD NOT BE GRANTED AMNESTY

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, in view of President Ford's statement in Chicago yesterday concerning military deserters and draft evaders during the Vietnam conflict, I would like to reemphasize my own personal opposition to any form of amnesty.

I still feel very strongly that these people broke the laws of our Nation and should be held accountable just like any other American citizen. If they do return to the United States, it should be with the understanding that they will be subject to trial and suitable punishment if found guilty.

NEW YORK'S BUDGET INCREASED 300 PERCENT; BONDED INDEBTEDNESS, 600 PERCENT, DURING ROCKEFELLER'S TERM AS GOVERNOR

(Mr. PIKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PIKE. Mr. Speaker, last week the President of the United States in his first message to a joint session of Congress told us that inflation was Public Enemy No. 1 and we had to cut Government spending. Today he has nominated as Vice President the man who during his term as Governor has increased the budget of the State of New York by 300 percent and increased the bonded indebtedness of the State of New York by over 600 percent.

All I can say is if he can do for the United States of America what he has done for the State of New York, we "ain't seen nothing yet."

NOMINATION OF NELSON ROCKEFELLER: ITS SIGNIFICANCE FOR LATIN AMERICA AND THE CARIBBEAN

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, the nomination of Nelson Rockefeller as Vice President promises to bring to the highest circles of Government a strong voice supporting renewed prominence for Latin America and the Caribbean in U.S. foreign policy.

From my close work with Mr. Rockefeller following his 1969 White House report on hemisphere policy, I have firsthand knowledge of his firm grasp of the issues which confront Latin American and Caribbean countries and his deep conviction of the importance of good hemisphere relations to the United States. His vast knowledge of the area and his long and close friendship with Secretary of State Kissinger signify to me that the Ford administration not only will continue the new dialog begun in Mexico City but will convert the new spirit of cooperation into a solid record of accomplishment.

Governor Rockefeller's concern for hemisphere relations has been lifelong. He served under President Roosevelt as coordinator of inter-American affairs from 1940 to 1944 and then became the first Assistant Secretary of State for the area from 1944 to 1945.

Since then, he has maintained an active interest both as a private citizen and as Director of President Truman's Point Four program, as Special Assistant to President Eisenhower and as Governor of New York.

In his first address to Congress President Ford indicated his dedication to Secretary Kissinger's efforts to rebuild U.S. relations with our Hemisphere neighbors. The selection of Nelson Rockefeller underscores the President's intention and promises a new and brighter day for U.S. relations with Latin America and the Caribbean.

SPECIAL SKILLS AND REQUIREMENTS

(Mr. ECKHARDT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, yesterday I commented on the interesting dispatch that the Fort Worth Star Telegram brought to us from the records of the Office of Placement and Office Management. It dealt with the "Special Skills and Requirements" that Congressmen's offices list for applicants for employment on the forms of that agency—such as "No southern accents, white only."

At first blush this might be thought to be racially discriminatory. But on more careful examination any fair-minded person will conclude that this is not necessarily so. Any person, black or white, from climes closer to the sun than Boston, might commit errors in pronunciation which would grate on Massachusetts ears. For instance, what $8,000 clerk-stenographer from Mississippi would not fall into the old southern way of dropping the "r" in the word "idear"?

And then, too, although a southerner from Georgia of whatever color would apply the meticulous accuracy of Massachusetts speech to the name of the island in the Indian Ocean, "Diego Gahciah," a southerner from, say, Brownsville, Tex., might erroneously insert an "r."

Such use of the language could not help but be a source of daily embarrassment to both New England staff and Massachusetts constitutent alike and to all who speak the immaculate and unalloyed King's English of the Boston waterfront.

INTEGRATION BETWEEN PENSION PROGRAMS AND SOCIAL SECURITY SYSTEM

(Mr. ULLMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ULLMAN. Mr. Speaker, in connection with the pension reform bill let me alert the Members as to how the matter of integration between the pension programs and the social security system will be handled.

Many of us have received telegrams expressing concern about one of the provisions in the conference report on the Employee Retirement Security Act of 1974. I am referring to section 1021 (g), which appears on pages 131 and 132 of the conference report of the House Committee on Ways and Means.

This provision would provide that until July 1, 1976, pension plans cannot increase their level of integration of social security with private pension plans by taking into account changes in the social security wage base or in social security benefit levels since 1971. We have been told that this will greatly increase the costs of private pension plans, something that I am sure none of the Members of the House would like to see occur. This is particularly true if these increased pension costs result in the termination of private pension plans. Certainly that is not the intent of this legislation which is designed to improve and encourage the expansion of private pension plans.

Personally, I am not sure that those who tell us that their funding costs will be substantially increased because of the 2-year freeze provided in this provision are correct in their analysis. If there are substantial increases in costs, I believe that this arises from the belief on the part of the private pension plan actuaries involved that once this freeze occurs there will be no further integration of social security and private pension plans hereafter. This certainly was not the intent of the 2-year freeze included in the bill.

I recognize, however, that this has caused a great deal of concern, and I personally do not want to detract from this fine piece of legislation by the creation of any confusion on this issue. For that reason I have consulted with the conferees, and they have indicated a willingness to delete this provision from the conference report. The technique for doing this is by action on a concurrent resolution immediately following the adoption of the conference report, instructing the enrolling clerk of the

House to make certain technical and clerical corrections needed in the conference report before enrollment of the bill. In addition, in this same concurrent resolution would be a provision for the deletion of this provision relating to the integration of social security and private pension plans.

The conferees recognize, however, that the integration of social security and private pension plans represents a difficult problem which needs further study and attention in the future. For that reason, we recommend that the Internal Revenue Service issue no further regulations on integration of social security and pension benefits at least until June 30, 1975.

This is the statement which appeared in the House Ways and Means Committee report on the pension bill and represents what I believe is a minimum action which should be taken at this time with regard to this issue of integration of social security and pension benefits. A statement outlining what I have indicated to you is available to the Members, and is as follows:

> Immediately following the action by the House on the Conference Report on H.R. 2, the "Employee Retirement Income Security Act of 1974", a concurrent resolution is to be offered for consideration of the House. This concurrent resolution authorizes the enrolling clerk of the House to make a series of clerical and technical corrections to the Conference Report before the enrollment of the bill. In addition to these technical and clerical corrections, however, there is also a provision instructing the enrolling clerk to delete from the Conference Report, section 1021(g) which appears on pages 131–132 of the Conference Report. The explanation of the provision deleted appears in the statement of managers on pages 280 and 281.
>
> The provision being deleted would have provided that until July 1, 1976, pension plans could not increase their level of integration of social security with private pension plans by taking into account changes in the social security wage base or in social security benefit levels after 1971. Under this rule, plans which currently are integrated above the 1971 levels would have been permitted to retain their current levels of integration.
>
> The conferees believe that there are problems with respect to the way social security and pension plans are integrated, but are not sure that the solution offered in the conference agreement represents the best answer to this problem. For that reason, this provision is being deleted pending further study.

GETTING OUT OF INFLATION

(Mr. HANNA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANNA. Mr. Speaker, we have had before this Congress yesterday and we will continue today the two bills reflecting the cost of living task force. As important as the administration thinks this legislation is, it is not going to do very much for inflation. This country has been decapitalized in two ways. The shift of money in high-priced areas of economy from those purposes where productivity is most desired is the first, and the second is the decapitalization by the cost of imports.

What this country needs is capitalization. Therefore we must have a program for savings and we must have an incentive and a tax program which will direct those savings into those activities which are most productive and most wealth producing or this county will never get out of inflation.

REMARKS OF REPRESENTATIVE BARBER CONABLE, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES ON TAX REFORM

(Mr. CONABLE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. CONABLE. Mr. Speaker, tax reform is a matter of some urgency and I want to express misgivings about its course over the next few months. The Ways and Means Committee has completed a complicated draft which will be ready the second week of September. Some of our drafting decisions were questionable, and major review and revision will be needed. For instance, I question the decision to add to this general reform bill the oil windfall profits tax provision which should stand on its own feet; this decision appears more related to internal Democratic politics than to substantive necessity.

But, the people want tax reform, and the progress we have made should not be blunted by disagreement about details. Nor should we be distracted by other legislative opportunities which represent only possibilities at this point. Mr. Speaker, I hope we will continue to give tax reform the highest possible priority in the time remaining to the 93d Congress.

CONGRATULATIONS TO VICE-PRESIDENTIAL NOMINEE NELSON ROCKEFELLER

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I know the majority of the Members of the House certainly join with me in congratulating President Ford on the great nomination he made for his candidate for the Vice Presidency of the United States.

Nelson Rockefeller is a man who unquestionably is going to provide with President Ford the kind of leadership that we so desperately need in this country today. He is the kind of leader who will get out and work with the people. I can think of no one more qualified to do this job.

To my fellow Republicans I would certainly say we now have or will have as our Vice President a man who has been dedicated to our party and willing to work for all of our Members, but in the bigger sense he is willing to work for the entire country.

With an active and involved Congress and the leadership of these two great men Gerald Ford and Nelson Rockefeller I believe the country will move forward and solve the problems at hand.

UNFORTUNATE CHOICE OF ROCKEFELLER

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I am very disappointed that President Ford has chosen Nelson Rockefeller as his Vice-Presidential nominee. The President has correctly stated that excessive government spending is one of the chief problems facing our country, especially in our battle against inflation. It is totally inconsistent, therefore, to choose a man who, throughout his entire political life, has used his energy and prestige to do exactly the opposite—that is, to increase spending by giant steps and increase taxes on the already overburdened American.

I know of no person who can identify less with the problems of the average American than Nelson Rockefeller. No one can less identify with the elderly living on fixed income, the housewife with her budget problems, the small businessman meeting a payroll or the average worker just trying to keep his head above the water than former Gov. Nelson Rockefeller.

With so many leading Republicans available, it is unfortunate that the President chose a man who has continually been rejected nationwide by the overwhelming majority of the Republican Party. Nelson Rockefeller now gets indirectly what he never has been able to achieve directly.

Because of the great respect we all have for our new President, I have little doubt that Nelson Rockefeller will be confirmed as Vice President. However, I am sure Mr. Rockefeller does not have the support of most Americans. The New York Times, the Washington Post and major media in our country may be pleased but I am sure that the average American is not.

A TRAGIC LOSS

Mr. FRELINGHUYSEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FRELINGHUYSEN. Mr. Speaker, I was shocked and saddened by the violent death in Cyprus of Ambassador Rodger Davies, a distinguished diplomat and my personal friend. As Secretary Kissinger has noted, Mr. Davies embodied the finest traditions of the career Foreign Service Officer. Substantively, he was at home with the intrigue and complexity of Middle Eastern politics; personally he had great optimism about the potential for improvement in the human condition everywhere; professionally, he was a capable leader, but at once a true friend to his subordinates.

I recall our meeting just prior to his departure for that difficult assignment in Cyprus. He was full of eagerness and anticipation, despite the fact that tension and violence have been the hallmark of recent Cypriot history. Rodger Davies felt deeply that the moral suasion of the United States might make a difference in trying to resolve the island's deep-seated ethnic problems, even though we had no proprietary interest in the outcome.

Perhaps the best memorial which might be created for America's fallen envoy would be that Ambassador Davies' ideals of justice and reason should prevail as the Greeks and Turks attempt to resolve their differences.

ROCKEFELLER'S GOOD RECORD

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, President Ford's nomination of Nelson Rockefeller to be Vice President shows his determination to bring to the administration the best possible talent to deal with current problems.

Mr. Rockefeller's record as Governor of the second largest State in the Union shows how he can effectively cope with urban and rural problems alike. He has a recognized grasp of monetary and fiscal affairs, and a long record of experience and achievement in foreign policy. He is admirably suited to be our Nation's Vice President, and if need be, to assume the Presidency itself.

Mr. Rockefeller is a man of unquestioned integrity who has been tested at the polls for two decades. He has met that test successfully each time.

He will, I am sure, help the entire Nation in the healing process already so well advanced.

ROCKEFELLER BEST CHOICE

(Mr. DELLENBACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLENBACK. Mr. Speaker, in naming former Gov. Nelson Rockefeller as his nominee for Vice President, President Ford has picked a man capable of adding very considerable strengths and abilities to the top level of the executive branch.

Inflation is the Nation's most critical problem and Rockefeller has the confidence of leaders of labor, business, banking and the international economic community—all are critically important to our stopping inflation.

In addition, Rockefeller's administrative experience and his extensive knowledge of international affairs will both be critically important and helpful to the Nation.

I commend President Ford for his courageous and wise choice and I hope that the House and the Senate will move quickly to confirm Governor Rockefeller's nomination.

CONGRATULATIONS ON SELECTION OF NELSON ROCKEFELLER

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I want to congratulate President Ford on his selection of Nelson Rockefeller as Vice President. In my judgment, Nelson Rockefeller was a logical choice. Nelson Rockefeller has a broad spectrum standing across the Nation as a statesman. He has personal resources and prestige not found in any other potential candidate for the office. Nelson Rockefeller exemplifies how diversified views are welcome within the Republican Party. His 15 years of coping as Governor with the difficult and complex problems of the State of New York have demonstrated his abilities at managing government finance and have given him a special feel for the problems of the States. Additionally, he has expertise in international affairs which I feel is very important right now. After all, the executive branch represents all of the American people, not just a faction within any political party.

CONFERENCE REPORT ON H.R. 2, EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Mr. DENT. Mr. Speaker, I call up the conference report on the bill (H.R. 2), Employee Retirement Income Security Act of 1974, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 12, 1974.)

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania is recognized.

Mr. DENT. Mr. Speaker, under an agreement, I will take 15 minutes on this side. Then, I will yield 15 minutes for the use of the distinguished chairman of the Committee on Ways and Means, Mr. ULLMAN.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, first let me compliment the distinguished members of the subcommittee headed by the gentleman from Pennsylvania (Mr. DENT) without whose single efforts over the years this legislation would not be possible. I wish to strongly commend the minority members headed by the gentleman from Illinois (Mr. ERLENBORN), as well as the members of the Committee on Ways and Means headed by the gentleman from Oregon (Mr. ULLMAN), the gentlewoman from Michigan (Mrs. GRIFFITHS), the minority members of the Ways and Means Committee and all the members of the Standing and Conference Committees who have made a contribution to one of the most important pieces of legislation which has ever been brought before this body.

Mr. Speaker, I have been in the Congress some 25 years, and have received literally thousands of letters which I have in my files from individuals who have worked in the coal mines and were never able to get any welfare or pension benefits from the United Mine Workers Welfare and Pension Fund.

I am talking about individuals who have worked more than 10 years, 15 years, and in many instances 20 years and 25 years. They have been denied needed benefits because of, we may say, arbitrary and hyper-technical interpretations of collective bargaining agreements to the effect that if they were not working on such and such days back in 1946 and 1947, they were just eliminated altogether from the pension plan.

This no longer will be the case. We have basic minimum pension rights written into this bill which should have been enacted many, many years ago to protect the rights of working people.

Mr. Speaker, to summarize what is being done today let me state—after years of study and investigation, hearings and debate, after endless hours of work, pension reform legislation of an historic character is almost complete.

Four committees of the Congress—the Senate Committees on Labor and Public Welfare and Finance and the House Committees on Ways and Means and Education and Labor—joined in their efforts and have contributed meaningfully of their experience and knowledge. These committees shared in a most unprecedented effort, together with the Joint Committee on Internal Revenue Taxation, to produce a bill which otherwise would have been impossible of achieving.

In one sense, the purpose of this conference report is relatively simple. It is designed to reduce sharply the number of people who pay money into private pension plans year after year expecting eventually to receive retirement income only to have their hopes dashed and end up getting nothing.

It is the aim of this conference report to make pension plans more equitable and more sound. Workers will have to be permitted to participate in a covered pension plan within a reasonable time and at a reasonable age. Participating workers will have to achieve a vested interest after limited periods of service with an employer. Minimum funding standards will go a long way toward insuring the solvency of pension plans, toward insuring that when a worker retires there will be adequate dollars available to pay his pension. The adequacy of a pension plan's assets will be insured against the risk of termination by insuring the unfunded portion of the benefits.

The conference report also substantially raises the minimum standards of fiduciary conduct required of trustees, administrators, and others dealing with retirement plans and resources. These minimum standards will be enforced through criminal and civil sanctions. In addition, more adequate public disclosure of a plan's administrative and financial affairs will henceforth be required.

Mr. Speaker, while this is a most important piece of legislation, it is not perfect.

Very likely it will not, at least in the short run, encourage a dramatic increase in the number or proportion of working Americans who are covered by private pension plans, and substantially less than half of the work force are presently covered.

Mr. Speaker, this pension reform legislation is of critical importance to the congressional district in eastern Kentucky which it is my privilege to represent. It has been a source of great regret to me over the years to encounter time after time cases of miners who have been denied benefits which they had every reason to expect from the United Mine Workers welfare and retirement plan.

I have literally hundreds upon hundreds of letters in my files—letters seeking my assistance because of denials on account of rigid, arbitrary, and unreasonable eligibility requirements.

Recently the settlement of two class action suits against the welfare and retirement fund of the United Mine Workers confirmed what many of us had believed for quite some time. That is, that the eligibility standards of that plan being administered in an arbitrary and capricious fashion.

U.S. District Judge Gerhard Gesell had even earlier upheld charges of mismanagement brought against the miners' pension fund and had forced the trustees to step down.

I am hopeful that this legislation will take a giant step forward, not only in making welfare and pension benefits to miners administered in a fair and equitable manner and with assurances of security, but also to the thousands of other workers in other fields of labor who have had similar unfortunate experiences.

As I have stated, the bill does not cover everything that we might desire but it is a beginning that should have been made long ago.

The vesting requirement, however important, may only insure a minimum level of payments. The conference report does not undertake to raise the level of benefits paid under existing plans, and they are often much too meager.

The "rule of 45," one of the alternatives among the three vesting rules, some say will encourage employers to hire only younger workers, discriminating against older workers because of higher costs implicit in this plan. We hope it will not turn out that way, but some are genuinely concerned.

This report makes no pretense of reducing the tragic impact of inflation on pension plans. The erosion of retirement benefits will continue to occur until we as a nation either conquer inflation or gain more knowledge than we have now on how its effects may be reduced for our Nation's pensioners.

No, Mr. Speaker, this bill is not perfect, and it may be that in the next Congress amendments will be necessary. On a bill so vastly complicated some consequences are almost certainly unforeseen and some problems will arise, but we will continue vigorous oversight of the act. The conferees agreed on a joint task force effort to study the impact of this legislation on pension plans and to solve a number of important problems on which we have far too little information on which to legislate at this time.

Mr. Speaker, this legislation involves something in excess of 36 million workers. The total resources of pension plans are estimated to be in excess of $150 billion. That amount is increasing in excess of $10 billion annually. No one knows exactly how many pension plans there are; and, this legislation is enormously complex. If it is going to meet the hopes that we all have for it, both the Department of Labor and the Internal Revenue Service are going to need to expand their personnel rolls quickly to include the needed lawyers, accountants, actuaries, investment advisers, and administrators.

I would hope that the labor movement, the business, banking and financial communities will assist the agencies in recruiting the first rate people that are needed to make this legislation a success. I would urge also that the utmost cooperation of the Civil Service Commission and the Office of Management and Budget are going to be needed if a team is going to be put together that will effectively carry out the intention of the Congress and solve the many problems of implementation that are bound to occur in such a complicated field.

Mr. Speaker, I would be remiss if I did not again, before closing, commend the members and the staff of the four committees and the joint committee represented on this conference. They have worked together in a spirit of determination and cooperation and have solved problems of enormous complexity involving strongly felt and differing views. They have achieved, I think, a result of which both bodies can be enormously proud.

Mr. Speaker, I would like to ask the distinguished gentleman from Pennsylvania one question:

Section 4082(c)(2) of the act provides that the Pension Benefit Guaranty Corporation will have discretion, subject to certain limitations, to provide termination insurance to a multi-employer plan which terminates after the date of enactment and before January 1, 1978. For this purpose, will the discretionary authority of the corporation extend to partial terminations as well as to complete terminations of a plan?

Mr. DENT. The answer to that is "Yes." In the pension field, the term "termination" has been defined by Treasury regulations for many years to include both partial and complete terminations—Treasury Regulation section 1.401-6(b)(2). In accordance with this usage, references to termination in section 4082(c)(2) of the act would also refer to either a complete or partial termination.

Mr. PERKINS. Mr. Speaker, I wonder whether the gentleman from Pennsylvania will please answer this question: In developing regulations to determine "hours of service" as set forth in section 202(a)(3)(C), will the Secretary be able to take into account the recordkeeping problems of individual plans or industries?

Mr. DENT. The answer to that, as I think both the chairman of the Committee on Ways and Means and I agree, is that it is contemplated that in applying the standard of 1,000 hours of service as constituting a year of service the regulations will recognize various alternative methods of computing hours of service to take into account the peculiar problems of different plans or industries. For example, in some industries correct records of hours worked may be difficult to obtain, but the equivalent of "hours of service" can be arrived at from data concerning the earnings of workers.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I would like to take this opportunity to congratulate the chairman of this subcommittee, the gentleman from Pennsylvania (Mr. DENT). I know the work that he has done in connection with this monumental legislation. Rightfully called the Dent bill, it is a bill which, when enacted into law and signed by the President, will go down as one of the milestones in congressional legislative activities.

The gentleman from Pennsylvania has labored 7 long years and he has provided a long-overdue answer to the problems of pension rights that have existed over the years for the working man of America.

I am delighted to have served on the Pension Task Force and to have been associated with the gentleman from Pennsylvania on the development of this bill.

Mr. Speaker, I rise to offer my strong and enthusiastic support for the conference report to H.R. 2, the Pension Reform Act. This is indeed a historic day in the Congress for we are about to pass one of the most important pieces of legislation ever for the working men and women of this Nation.

The benefits of this legislation for some 70 million working men and women will be far reaching and profound. Workers are receiving their own version of an emancipation proclamation. The Pension Reform Act will save the American worker from economic anxiety and uncertainty which in the past has accompanied retirement. It will free workers from servitude to unscrupulous employers, who seek to deprive their employees of the fundamental right to a pension.

I am personally proud on this important occasion. Proud in the sense of having been a cosponsor of this legislation as well as a member of the Pension Task Force which deliberated on the language of this bill. It is a day when all of us who worked so diligently and tediously on this bill should be proud, for the final version we are considering today is an excellent piece of legislation.

H.R. 2, while extremely complex, has one underlying theme. It is a piece of legislation designed to protect and expand the rights of all workers to a pension. It sets no geographic, social or economic stipulations, but instead seeks to cover the gamut of working people under its provisions.

I would like to discuss what I consider to be the key points in this landmark piece of legislation.

The act makes it very clear that a person need not endure the long time periods of today before he becomes eligible for pension coverage. Under the terms of the bill, any employee who is at least 25 years of age with 1 year of service will now be eligible for a company pension plan.

Strong vesting rules are also contained in this bill, which will allow the average worker greater flexibility in his efforts to achieve the highest level of economic security. By the imposition of these new rules, no longer will it be necessary for an employee to lose his pension rights, merely because he goes to another job.

Companies must choose between one of three vesting rules. The first would allow 100 percent vesting after 10 years of covered service; the second would allow 25 percent vesting after 5 years of covered service with 5 percent additional vesting for each year of service between the 6th and 10th years, and 10 percent additional vesting for the 11th through the 15th years; and the third would allow 50 percent vesting when age plus covered service equals 45, with 10 percent increases each year until 100 percent is achieved. These new rules, although somewhat confusing have one lucid theme: they are designed to insure that the worker will gain pension rights for his years of work.

The next important feature of this bill is the funding section. There can be no security in a pension plan if it is not funded properly. Inproper funding whether arising through inexcusable ignorance or outright fraud leads to bankruptcy with the worker being the ultimate loser. This injustice will be eliminated by the act to insure pension solvency and protect the worker.

I am pleased to see that the strong House language on fiduciary responsibility is continued in the final version. There must be provisions to insure fair handling of a worker's money for if pensions are to be equitable and honest the rules on disclosures of all information relating to pension funds must be very strict and explicit. This is the only way to prevent abuses in the pension system. Without it there is no protection. Not only does the act require full disclosures about pension plans, but it also makes the parties managing the fund personally liable for their actions.

The requirement for funding, vesting, fiduciary responsibilities and disclosures will go a long way toward making plans safe, fair, and secure. There remains the risk that the employer company will go out of business, or be bought by or merged with another company. This one problem more than anything else causes great disillusionment and anger among workers. Once a company goes out of business, each of its employees lose their pension rights no matter what their length of service might be. There was an example in New York where the Rheingold Beer Co. went bankrupt and workers with as much as 25 and 30 years of service lost their pensions.

The termination insurance program contained in this bill will put an effective end to this scandal. Its operation is simple. A company is required to pay insurance premiums on its unfunded liabilities to an insurance program administered by the Secretary of Labor. If the company becomes insolvent, the insurance program pays the worker his pension under any and all circumstances. This guarantee means that never again will the worker lose what is his by right. It goes a long way toward making retirement the truly safe haven it should be for those who have worked hard all their lives.

Mr. Speaker, a long but constructive and important legislative episode is about to end with the passage of this report. The end result will be that the American worker can at long last look beyond his working days to economic security and happiness.

This Nation was founded by those who believed in and practiced the concept of hard work. Our growth and success as a nation has been dependent on millions of Americans continuing this principle for the common good of this Nation. Yet hard work did not always guarantee economic security, but today we are seeking to change this.

With the passage of this bill we will have completed the second important legislative accomplishment for the workers of this Nation. The first was the minimum wage law which increased hourly salaries for over 50 million Americans. Now this bill provides these and other Americans with security in their later years. We must show to the American worker that hard work remains a virtue—one which is needed to make America strong.

Mr. QUIE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to take this moment to commend my colleagues who worked so hard on putting together H.R. 2, the pension bill.

The gentleman from Pennsylvania (Mr. DENT) on the Committee on Education and Labor, and the gentleman from Illinois (Mr. ERLENBORN) did the most work. I want to also commend the gentleman from Pennsylvania (Mr. SCHNEEBELI) and the gentleman from Oregon (Mr. ULLMAN) on the Committee on Ways and Means. However, let me especially thank my colleague, the gentleman from Illinois (Mr. ERLENBORN) who undertook the in-depth study of a very complicated piece of legislation.

On our side of the aisle I would say that nobody comes close to him. In fact, one can put the composite of all the Members on our side together, and that composite would not compare with respect to the knowledge and the contribution that the gentleman from Illinois (Mr. ERLENBORN) has made. He has an in-depth understanding of this as few other individuals have. The time he has put into this work I think is commendable, and the other Members of Congress who have developed this kind of expertise are to be commended as well.

I believe, Mr. Speaker, that this is the kind of service that we should expect from Members of this House.

Mr. Speaker, I yield the remainder of my time, or 14 minutes, to the gentleman from Illinois and 15 minutes to the gentleman from Pennsylvania.

Mr. ERLENBORN. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, this is, in my opinion, red letter day for many Members of the House and many people across this country, both employees and employers. This is, I believe, legislation which will go down as, if not the most important work of this Congress, at least among the most important bills that this Congress has had an opportunity to consider.

Mr. Speaker, it has been a long and rocky road we have traveled reaching this point today. There was very little agreement some 7 years ago when the gentleman from Pennsylvania (Mr. DENT) became one of the leaders in proposing reform of our pension system through legislation at the Federal level. Until that time there was little in the way of Federal legislation regulating the private pension system. Much resistance was apparent at the outset.

The gentleman from Pennsylvania (Mr. DENT) has persevered, and I think that he has learned a lot in the intervening years. He certainly has taught some of us a good deal over that course of time.

Just a few years ago the gentleman from Pennsylvania and I appeared to be quite far apart in our thinking on this legislation. However, I am happy to say that in the last year and a half or two years we have come to almost total agreement.

Mr. Speaker, this is long, complex, and technical bill. I do not think that any Member would have time in the hour that is available to all of us to explain it thoroughly. I will say that the result of the conference was to endorse the work of the House. In most respects the conferees adopted the provisions of H.R. 2 as it passed the House.

H.R. 2 as it passed the House was the product of compromise. So I think this is really the best that can be achieved in the legislative system.

The bill touches on many areas in the field of private pensions. First of all, it provides minimum standards for those who are employed by a company operating a private pension plan governing when they may be able to participate in that pension plan. It establishes minimum standards for vesting.

As some Members may recall, in the House we approved three minimum standards for vesting. The conferees agreed to these three standards.

The bill provides minimum funding standards so that the promise of a pension bill be backed up by putting money in the pension fund in an orderly fashion. It provides for the first time Federal fiduciary standards so that those who are in the position of a fiduciary will have clear standards to follow, as written into this law. It provides for reporting of important information from the pension plans to the Federal Government, where it will be available to those who need such information to determine whether the plan is being managed properly.

It provides for meaningful disclosure to the participants so that they may know what their rights are and what rights have been accrued and, in the event of termination, whether they have vested rights and how they may perfect those rights when they reach retirement age.

One feature which had been widely discussed has not been included in the report—and I think rightly so—and that is portability. The portability feature, as passed by the other body, was not true portability, as understood by most, in any event. Portability, as contained in the bill passed by the other body, would allow a person, if the plan provided for cashing-out vested benefits upon termination and he could put those proceeds of the cashing-out in a central portability fund.

The conferees did not agree to the central portability fund. However, I think we did agree to something that would be more meaningful and more helpful to the individual worker. We have provided, in lieu of the central portability fund, that the rights that might be cashed out could be placed by the employee in an individual retirement account. This could be done in the fashion of a tax-free roll-over so there would not be any adverse tax consequences to the employee. I think this is the best that we can furnish to the employees in the field of portability.

I was not in total agreement with the gentleman from Pennsylvania (Mr. DENT) when the bill passed the House. The Members may recall the two items that bothered me were jurisdiction and termination insurance. I am happy to report that the conference did resolve the problem of jurisdiction in a fashion that I think was very responsible. We spelled out clear jurisdictional guidelines for both the Department of Labor and the Treasury Department so that in most instances plan participants and those who are managers of pension plans will know where to go for approval of a plan and where to go for the enforcement of individual rights.

Lastly, although it is not in title I, which was the jurisdiction of our Committee on Education and Labor, I am very pleased that in title II we do have the provision for the creation of individual retirement accounts. I think this finally provides equity for those who are not self employed, and therefore cannot take advantage of H.R. 10, or the Keogh plan, and yet are not employed by an employer who furnishes them a company plan.

The individual retirement account provided for in this bill will allow those who are not self employed to establish on a tax-free basis a fund for their own retirement. I think that this provides, as I say, equity, because the tax laws in the past have taken care of others, and not the individual who is not self employed and does not have access to a company sponsored private plan.

Mr. Speaker, I think it is a good conference report, and I hope it is unanimously approved.

Mr. DENT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON of New Jersey. Mr. Speaker, I rise in support of the report of the conference committee on H.R. 2. Having served on the conference committee and having been privilege to participate in the momentous decisions embodied in this report. I feel we have an obligation to the millions of workers who will benefit from this legislation. We must approve the report of the conferees and, following what I hope will be speedy action by the Senate, send this legislation to the President for his signature.

As we are too well aware, this effort to secure protection for employees' private pension rights has followed a long and tortuous path through this House as well as the other body. In part, our difficulties have stemmed from the enormous complexity of the field to be regulated, as well as the recent political uncertainty surrounding the executive branch. I think that our success in dealing with this bill, in the face of these obstacles, offers new evidence of the continued vitality of the legislative branch. As a member of the Committee on Education and Labor, it has been my privilege to follow the leadership of my esteemed colleague from Pennsylvania (Mr. DENT) and our chairman, my good friend from Kentucky (Mr. PERKINS), on this important piece of legislation. Their ceaseless efforts as spokesmen for our committee have had my full support and I hope they will accept my congratulations on behalf of millions of working men and women for a job well done.

Having helped in the task of working through the complexities of the conference report, I am proud to say that I believe we have reconciled the competing interests of participants and pension plan sponsors in a way that speeds the protection of the new standards without creating undue financial dislocation or immediate disruption of existing pension plans. By way of explanation, I would draw the attention of my colleagues to the provisions dealing with the effective dates for the vesting, participation and eligibility provisions contained in part 2 of title I. Under the conference substitute the provisions with respect to participation and vesting will apply to new pension plans in plan years beginning after the date of enactment of the conference report. For pension plans in existence on January 1, 1974, the general effective date of the participatiton and vesting provisions is to be plan years beginning after December 31, 1975.

Moreover, the general effective date of plan years beginning after December 31, 1975 applies in the case of collectively bargained plans in the same manner as in the case of unilateral plans. However, in order that the opening up of a contract to comply with the requirements of this bill will not require negotiations with respect to other matters, the conference substitute provides that a collective bargaining contract, in existence on January 1, 1974, which does not expire until after the general effective date for existing plans, may be reopened solely for the purpose of allowing the plan to meet the requirements of this bill, without having to be opened for any other purpose.

Additionally, I would like to focus for a moment on what I believe to be the most important provision of the bill, termination insurance. In conjunction with the new minimum vesting and funding standards which will substantially reduce the risk of benefit loss on plan termination, the insurance provisions will guarantee the payment of benefits to all participants. In a recent study commissioned by the Departments of Labor and Treasury for the year 1972, it was discovered that 1,227 pension plans terminated involving 42,000 participants, of whom 19,500 persons in 546 plans lost benefits. Of those 19,500 participants who suffered benefits losses, 8,500 were either retired, eligible to retire or fully vested. The total benefit losses amounted to more than $48.7 million, of which $34.4 million would have gone to those in the retired, eligible to retire or fully vested categories.

In my own district, the Roebling plant of the Colorado Fuel and Iron Co. was closed June 30 thereby thrusting almost 1,400 men and women into the ranks of the unemployed. Many of these employees had 30 to 35 years of service in the plant and have chosen to retire. Although the plant ceased operation June 30, the pension plan for those employees continues in existence. The conference substitute covers all pension plant terminations of single employer plans occuring after July 1, 1974. Inasmuch as the Roebling pension plan was not terminated prior to July 1, 1974 within the meaning of the term as used in the conference report, the plant and its employees are covered by the reinsurance provision in title IV.

Mr. Speaker, on behalf of millions of American working men and women, I urge a favorable vote on the conference report.

Mr. DENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would be very remiss at this point if I did not acknowledge the aid and the help of the gentleman who is the ranking member on this committee, the gentleman from Illinois (Mr. ERLENBORN). I want the House to know that without his efforts and his understanding and his complete cooperation it would not be possible for this House today to vote on a piece of legislation that I believe goes a long way toward correcting the many faults and errors that were in the original pension system in this country.

The gentleman from Illinois (Mr. ERLENBORN), was a great advocate of what I think is one of the greatest reforms in the whole bill. The gentleman insisted from the very beginning that a complete and full disclosure of a pension participant's standing within that pension plan be made available, and that it should be written in such a way that individuals would understand exactly what his position was, what his entitlement was, and exactly where he stood at the moment of his inquiry.

This, to my mind, is one of the cornerstones of reform, because when we started out we started out with only one aim in view and that was to give to a pension participant his entitlements under the contract of the pension plan he belonged to. In this whole program we have come before this House, both Mr. ERLENBORN and myself, have said that we do not expect to bring forth a perfect vehicle. We know that there will be many trials and errors in its interpretation and in its administration, but we have also promised the House that if and when these particular problems crop up we will come to the House jointly and help in trying to resolve the problems in favor of a perfect working pension system in the United States.

I want to also compliment the gentleman from Oregon, the chairman of the Committee on Ways and Means, who has worked hand-in-hand diligently and with his able staff has contributed a great deal to what I think is the first time in history where four subcommittees have joined in one piece of legislation and have come out together unanimously for that piece of legislation. Mr. ULLMAN deserves the gratitude of this House, as well as Mr. ERLENBORN and all the members of the four committees, for the work that they have done, and I cannot pass this moment up without saying to the Members that our chairman of the full committee, Mr. PERKINS, has been outstanding. He has allowed this committee to work its will with encouragement and advice and counsel when we needed.

At this time, Mr. Speaker, I should like to take this opportunity to reiterate my regard and respect for all of the members of the committee and the conferees.

I advise every Member of Congress to read the report well so that he will be able to answer the many questions that I know he will be asked when he gets back in his own district.

The mail that is coming into my office, if that is any indication, indicates the Members are going to receive a great number of inquiries on this legislation. Our committee stands ready to give the Members all of the cooperation we can in order to make their task of answering these questions easier. We know they will come, for the simple reason that this is an intricate piece of legislation, it is landmark legislation, it is the first time in the history of this country we have stepped into a private pension system, most of it negotiated between employers and employees. In the early beginning we were told that this was not a proper matter for legislation.

However, as time went on and as thousands, yes, millions, of workers lost their rights under the present system of private pensions in the United States, more and more individuals in the banking field, the investment field, the insurance field, the actuaries and trustee groups, and individual members of local plans, officers of those plans, in fact, employers all over the United States came to the door of our committee.

I must compliment at this time the task force that we put together, Mr. ERLENBORN and myself, and the two directors whom we named, who have diligently worked entirely on the contents of the legislation without friend or favor to anybody. They worked diligently to get legislation before this Congress that will do, as I said, what we started out to do: to make sure that all the moneys put into any pension plan for or on behalf of or directly by the participant are guaranteed to him at some point in time and that he will receive that money and its earnings as his contribution toward his retirement.

If we work together in the future as we have now, we will be able to iron out the problems.

I want to say to the Members that I am gratified at this moment that I found so many willing workers, so many willing helpers who, like myself, started in this field very green. Very few of us had any knowledge whatsoever of the 100-and-some-odd thousand plans, it is to the credit of our committee that we are able to come here with legislation where in all of injuries are kept to a bare minimum. To the extent injuries are discovered, I guarantee the Members that we will come before them to correct that injury.

It was not our intent to injure the private system. We were absolutely determined that we would strengthen the private pension system, because with the private pension system and social security we will be able to make life compatible for those who retire at 65 or older.

Mr. Speaker, I would like to take this opportunity to express my gratitude to my fellow conferees and their respective staffs who have labored so long to work out the details of our conference report on H.R. 2. What we have before us today is the product of 20 meetings of the conference committee and interminable hours of work by staff. The chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS) has once again demonstrated those qualities of leadership which have marked his distingushed career. Additionally, I would like to note the tireless efforts of the gentleman from Oregon (Mr. ULLMAN) who never once waivered in his dedication to resolving the differences between the Senate and House measures.

I am sure that none will be surprised to find that I support this conference report, but my enthusiasm for this legislation cannot be contained by so simple a term. I have been engaged in a number of legislative battles in my time, many of them right here in this Chamber, none were more important than this intial fight to protect the retirement security of workers and none have resulted in so fair a conclusion. Perhaps I anticipate too much in expecting the House to agree to this conference report, but I think not. We have before us the embodiment of the aspirations of millions of Americans. I cannot believe that this body would impede the speedy realization of those legitimate dreams of financial security.

I will not pretend that some do not criticize this report. As is always the case with those of us who choose to follow a path midway between unrealistically fanciful solutions and "do nothing," some will say we have gone too far and others will say that we have done too little. With respect to those who counsel no action to relieve the plight of retired workers, I have only a profound sense of loss. They will never experience the sense of fellowship that is our reward when we are able to relieve the fears and misery that afflict other human beings.

To those who decry our efforts as inadequate or in the words of a recent press release by Mr. Ralph Nader "a terrible disappointment," I would join my distinguished colleague from Illinois (Mr. ERLENBORN) in likening them to the man, who standing by the sea with eyes cast heavenward, complained "and another thing Lord there's too much salt in the water."

To those who, recognizing the wisdom of the middle course, nonetheless find fault with our report, I promise to continue to fight for improvements in the retirement security offered by private plans. I am not convinced that the provisions contained in our conference report are a penultimate solution to all the problems of retirement security for our work force, but it is a grand beginning. There are problems not contemplated in its provisions and we will be busy for many years attacking those problems, as well as strengthening the standards we will be voting on today.

We have within our grasp a victory of historic proportions for those working men and women whose efforts fuel our economy. For the first time they will enjoy the protection of minimum Federal standards in five areas.

Minimum vesting standards: Partial retirement benefits will be earned even by those who serve less than full careers with employers.

Currently, the vast majority of those covered by private pension plans can have no protection against forfeiture of their accrued benefits, in the event they leave coverage before attaining retirement age or fulfilling stringent minimum service requirements extending in some cases to as long as 30 years.

Minimum funding standards: Defined benefits will be required to be funded currently as they accrue and past service credits will be amortized over reasonably short periods of time. These new requirements will help prevent the accrual of benefits without concurrent payments into the plan to pay those benefits when they come due.

Termination insurance: Defined benefit plans will be covered by insurance to protect participants against the loss of benefits on account of plan terminations prior to completion of the funding cycle.

This provision will provide a backup guarantee to every pension plan that, regardless of the economic fortunes of the companies sponsoring the plan, its obligations will be met.

Fiduciary standards: All plans will be subject to new Federal trust standards which will delineate the rights and responsibilities of those who are covered by and those who deal with pension plans.

These standards, embodying existing

trust concepts, will prevent abuses of the special responsibilities borne by those dealing with plans.

Disclosure and reporting: All plans will be required to provide each participant with certain limited information, publish comprehensive financial and actuarial data and provide special reports on the occurrence of certain critical events. The availability of this information will enable both participants and the Federal Government to monitor the plans' operations.

Numerous minor technical problems were dealt with in drafting the specific provisions which make up these major subject areas. I think it is a tribute to the concern shown by your conference committee that relatively minor technical points were weighed and every effort was made to carefully draw the language of our report to resolve these technical questions.

Specifically, I would like to point out that in drafting the provisions of the benefit accrual requirements contained in section 204(b)(1)(B) and 411(b)(1)(B)—the 133-percent test—social security benefit levels for future years and other factors relevant in computing benefits including salary differentials are to be held constant. With respect to compensation related fluctuations in rates of accrual or in an appropriate case fluctuations on account of differing rates of contribution it is the intention that such fluctuations be disregarded for purposes of applying the 133-percent test.

Similarly in considering the question of allocating the additional costs of providing the new required survivors option, the conferees decided to allow the plans to adjust the joint and survivor option benefit to an actuarial equivalent of the single life annuity. As was made clear in the report of the Committee on Ways and Means—No. 93-807—the plan is not required to "subsidize" joint and survivor benefits. The approach adopted by the conferees would contemplate either individual case by case adjustments for each joint annuity or aggregate adjustments based on the plan's overall experience. In neither case could the adjustment exceed an actuarial reduction in the single life annuity.

In the area of reporting and disclosure, we had to deal with certain unique features of certain plans—in particular, the recordkeeping burdens placed on multiemployer plans. In an effort to anticipate these problems we gave the Secretary of Labor authority to alter the recordkeeping requirements. For example, section 209(a)(2) requires multiemployer plans to maintain records in accordance with regulations to be prescribed by the Secretary of Labor. It is contemplated that these regulations would not be more onerous than the requirements of regulations prescribed under part 1 of title I of the act and would permit alternative methods of compliance as described in section 209(a)(2) should recognize that necessary records may be maintained by governmental sources such as the records maintained by the Social Security Administration. In cases of this type, a plan administrator may be able to meet the requirements of maintaining these records by utilizing such governmental information. Additionally it is expected that the Secretary of Labor will waive the new reporting and disclosure requirements—under sections 101-111 of the bill—for buy-out agreements involving retiring or deceased partners—under section 736 of the Internal Revenue Code.

During the course of our activity on this legislation, I have been impressed by the degree to which private plans have come to rely on the records maintained by the Social Security Administration. We have chosen to rely on their capability in maintaining the individual records for terminated participants. I know that this valuable public service imposes a burden on that agency, but I would hope that my colleague from Oregon (Mr. ULLMAN) would join with me in expressing the importance attached to the Social Security Administration continuing its important role.

Another issue dealt with in the conference report is the policy against what has been described as "bad boy" clauses. While firmly articulating this policy, the conferees expressly provided in section 203(a)(3)(B) that a plan be permitted to suspend benefits under certain circumstances. This section further authorizes the Secretary to prescribe regulations necessary to carry out the purposes of this provision. It is contemplated that those regulations would permit a plan's provisions concerning suspension to take into account the particular facts and circumstances of the industry; the objectives of industrial stability; the conditions of employment and earnings in the industry; the benefit payment period of the plan; and the burden of onerous and costly administrative procedures imposed upon the plan by these provisions.

In certain industries covered by multiemployer plans, for example, the garment industry, intermittent and casual employment is common. Under these or similar circumstances, the regulations prescribed by the Secretary should permit plan provisions which would establish reasonable rules of governing the exits and reentry from the status of retired participant of the plan and working participant of the plan, and the duration of time during which benefits may be suspended.

A reference in section 203(a)(3)(B) to "such period as the employee is employed does not refer literally to the exact number of days and hours of employment, but to a reasonable period during which employment occurs. For example, plan regulations in certain industries might provide that a person will be considered employed during a reasonable period of time if he elects to participate in employment at any time during that period of time.

In the case of transfers of assets on termination of a plan, section 403(d)(2) authorizes the Secretary to provide regulations. As explained by the managers, it is expected that regulations will provide for transfer of assets upon termination of a plan, but I think it is clear that these regulations will be able to take into account the real needs in certain situations.

By way of example, in the case of collectively bargained plans established in an industry for the employees covered or working in that industry, it may be desirable from time to time for the overall benefit of the beneficiaries to transfer assets or funds from one plan to another because of existing circumstances. For example, a health and welfare fund or a supplemental unemployment benefit fund may wish to transfer assets to a retirement fund covering the same beneficiaries to enhance the actuarial soundness of the retirement fund.

It is understood that termination includes substantial transfers of assets which might be described as a partial termination. The Secretary may approve such transfers where accrued rights are not impaired and where the transfer is in the best interest of the employees covered by the plans taken as a whole. It is recognized that the participants may not be identical in each of the plans involved in a particular case.

Finally I wish to make note of what is to many the crowning achievement of this legislation, the reservation to Federal authority the sole power to regulate the field of employee benefit plans. With the preemption of the field, we round out the protection afforded participants by eliminating the threat of conflicting and inconsistent State and local regulation. We followed to a large extent the same approach as in Public Law 93-222, 87 statute (414) where the regulation of health maintenance organizations was foreclosed to State authority—section 113(a).

The conferees, with the narrow exceptions specifically enumerated, applied this principle in its broadest sense to foreclose any non-Federal regulation of employee benefit plans. Thus, the provisions of section 514 would reach any rule, regulation, practice or decision of any State, subdivision thereof or any agency or instrumentality thereof—including any professional society or association operating under color of law—which would affect any employee benefit plan as described in section 4(a) and not exempt under section 4(b).

On page 8 of the conference report definition No. 31 includes within the reporting requirement union apprenticeship programs. We clearly expect the Secretary of Labor to continue his present policies with respect to such plans and exempt them from the reporting requirements unless a clear reason for changing that policy is shown.

Mr. ERLENBORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me make a point of additional observation that I should have made when I originally spoke, which is to compliment the gentleman from Pennsylvania for his foresight in asking for the establishment of a task force within the Committee on Education and Labor which was devoted to the sole problem of becoming expert in and handling legislation in this field of private pension reform.

Let me say also that we were blessed on that task force over the last 2 years to have the services of Mr. Vance Anderson, formerly of my State of Illinois and Mr. Russell Mueller, two outstanding experts in the field of private pension regulation. It was only because of the expertise available to our task force in the form of these two employees of the task force that we were able to do the kind of job we have.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this conference report on H.R. 2.

The **SPEAKER** pro tempore (Mr. Smith of Iowa). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I want to commend all of the members of the two committees of the House, the Education and Labor Committee and the Ways and Means Committee, and their staffs for the long extended hours and hard work that went into this monumental piece of legislation. This legislation is extremely complex. It affects the lives of up to 30 million people and 300,000 or 400,000 private pension programs in this country.

It has been a painstaking task and very difficult from the point of view of jurisdiction. We have two major committees of the House involved in the jurisdiction here and we have proven to the House that committees can work together when there is a problem of double jurisdiction and that we can work out a formula to resolve such problems. For a while last fall the Members will remember it was extremely difficult to try to find a way, but we did find the way.

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to my friend, the gentleman from Massachusetts, a member of the committee and a member of the conference committee and who served in that capacity as one of the most diligent members hour after hour every afternoon. I yield to the gentleman from Massachusetts (Mr. Burke).

Mr. BURKE of Massachusetts. Mr. Speaker, I thank my good friend, the gentleman from Oregon, for yielding.

I rise in support of the conference report and I also join with the gentleman from Oregon in complimenting the two committees as well as the gentleman from Pennsylvania (Mr. Dent) and the gentleman from Illinois (Mr. Erlenborn) and the gentleman from Pennsylvania (Mr. Schneebeli) and all the members on both committees who have given unstintingly of their time to bring about this far-reaching legislation.

I would like to ask the gentleman for some clarification concerning the language in the report.

The language of Report No. 93–1280 on page 279 relative to amounts designated as employees' contributions is ambiguous. The purpose of the conferees was only to assure that after December 31, 1973, employee contributions so designated would be taxable at time of payment. It is not the intent of the conferees to speak to existing law one way or the other.

Mr. ULLMAN. The gentleman, I would say, raises a very important point. It is not our purpose to affect in any way the interpretation of existing law.

Mr. BURKE of Massachusetts. I thank the gentleman for his clarification.

Mr. ULLMAN. Mr. Speaker, I would like to yield to our distinguished colleague, the gentlewoman from Michigan, also a member of the conferees (Mrs. Griffiths).

Mrs. GRIFFITHS. Mr. Speaker, some years ago the indicated amount of pension funds assets were about $4 billion. I held the first hearings that were ever held on this problem through the Joint Economic Committee.

I would like to say that we pointed out then and the committee agreed that it is certainly in the interest of the Federal Government to encourage these tax-free pension funds and that the Government should see that that money is paid out at last to the people for whom it has been set aside.

I would like to congratulate the gentleman in the well and all those who have worked so long and hard on this matter. I personally feel we have probably made errors, but I am sure they can be corrected and that we can guarantee that the money withdrawn from tax-free funds will go to those for whom it was intended, the workers of America.

Mr. ULLMAN. Mr. Speaker, the gentlewoman has stated the issue very well and I congratulate her for her hard work.

The **SPEAKER.** The time of the gentleman has expired.

Mr. ULLMAN. Mr. Speaker, I yield myself 5 additional minutes.

I would like to pay my respects to the staff that worked so hard, the staff of the Labor Committee, Mr. Anderson and his group, and the Joint Committee on Internal Revenue Taxation, Larry Woodworth and his group, who worked long hours and were extremely diligent, and my good friend, the gentleman from Pennsylvania (Mr. Dent), with whom I worked so closely and so intimately during all these long months since we began negotiating on this subject matter.

I want to say that there is no gentleman in the House that it has been my pleasure to work with, with whom I have had a more congenial relationship on this matter.

I urge the adoption of the legislation that is now before us, the Employee Retirement Income Security Act of 1974. Because pensions are so technical a subject, it has not been an easy job to reconcile the many differences between the House and Senate pension bills. However, I believe that the decisions of the conferees which are embodied in this bill have produced a highly successful pension bill. As you know, as this legislation worked its way through each House of the Congress, it received the joint consideration of two different committees—the tax-writing committee and the Labor Committee. Now, in the present bill, through the action of the conferees, we have a product which embodies the combined experience and expertise of the Labor and tax-writing committees of both Houses. The result is landmark legislation which will aid many millions of employees by making more adequate provision for their retirement needs.

This legislation provides urgently needed reform in the pension area. But, at the same time, it continues the basic governmental policy of encouraging the growth and development of voluntary private pension plans. For example, under this legislation, the favorable tax treatment that has been so instrumental in encouraging the growth of nondiscriminatory plans over more than three decades will continue. Indeed, in some respects, this bill expands such favorable tax treatment by providing more reasonable limitations on the amounts that self-employed people can set aside in their own retirement plans and by allowing individuals not covered by pension plans to set up a new type of individual retirement plan for themselves.

As under prior law, in order to qualify for this favorable tax treatment, pension plans will have to satisfy the present rules in the Internal Revenue Code designed to limit the favorable treatment to plans which do not discriminate in favor of highly paid employees as compared to the rank and file employees. However, under this legislation, to secure this favorable tax treatment, plans will also have to satisfy additional requirements which are designed to make them a more effective means of providing retirement income. These new requirements pertain to coverage, vesting, funding, fiduciary requirements, and plan termination insurance.

I want to emphasize that these new requirements have been carefully designed to provide adequate protection for employees and, at the same time, provide a favorable setting for the growth and development of private pension plans. It is axiomatic to anyone who has worked for any time in this area that pension plans cannot be expected to develop if costs are made overly burdensome, particularly for employers who generally foot most of the bill. This would be self-defeating and would be unfavorable rather than helpful to the employees for whose benefit this legislation is designed. For this reason, we have been extremely careful to keep the additional costs very moderate. The additional costs resulting from the new minimum vesting requirements in the bill, for example, for the most part is expected to range only from 0 to 1.5 percent of payroll.

Let us turn now to the provisions of the pension bill. In view of its complex nature, I will be able here to sketch out only the major outline of the legislation. But, I think I can tell you enough to show how good a bill it is. In the majority of cases, the conferees accepted the House provisions. In some cases, we accepted the Senate provisions. And in others, we adopted a compromise provision somewhere between the provisions adopted by both Houses. However, I think it is fair to say that these departures from the House bill generally constitute an improvement, reflecting the additional time we were able to give to the particular issue.

As under the House bill, the conference bill provides that qualified plans may not, because of age or service, exclude any employee who has attained age 25 and has completed 1 year of service. The conferees also accepted the House provision permitting a plan to require 3 years of service for all employees before participation if it provides full vesting immediately on participation. In addition, any plan which is maintained exclusively for employees for a governmental or tax-exempt educational organization which provides full and immediate vesting for all participants may have a participation requirement of age 30, with 1 year of service.

However, the House provision prohibiting qualified plans from excluding from participation any employee who has completed 3 years of service regardless of age was rejected on the ground that it would have required plans to extend coverage for extremely young employees who work for the firm a few years and then leave before accumulating enough service to acquire significant benefits. The latter provision would have involved significant administrative work and expense for plans without providing commensurate benefits for the young employees. However, the conference agreement adopts an alternative provision to help assure the benefits of pension plan coverage to employees who start working at young ages and continue to work for the firm for substantial periods of time. Under the latter provision, any employee who starts working for the firm at age 22 or younger and then meets the age requirement for participation by serving until the age of 25 will be given credit for the 3-year period from age 22 to 25 for purposes of determining the percentage of his benefits that are vested.

As under the House provision, a defined benefit plan—that is, a plan which pays out specified benefits—may exclude from coverage employees who are within 5 years of normal retirement age when they begin employment. The purpose is to encourage the employment of older workers by eliminating any obstacles to such employment which might exist, because of the extra costs involved in covering them under defined benefit plans.

The conferees also adopted provisions regarding what constitutes a year of service for purposes of applying the participation requirements which are superior to the rules in either the House or Senate bills.

As under both the House bill and the Senate bill, the pending legislation requires qualified plans to grant covered employees nonforfeitable rights to their own contributions. However, in the vital area of vesting of employer contributions, which is essential to assure that employees will not be subject to unreasonable forfeitures, the bill generally adopts the minimum standards in the House bill. The bill does not force all retirement plans into one rigid vesting mold; instead, it provides three alternative vesting options in order to give the hundreds of thousands of retirement plans flexibility to provide adequate vesting protection for their covered employees in the light of the various circumstances and conditions confronting them.

Under one option, a qualified plan would be required to provide an employee with vested rights to at least 25 percent of his accrued benefits from employer contributions after 5 years of service, plus an additional 5 percent for each of the next 5 years and 10 percent for each of the next following 5 years. This means that under this option, the employee must be vested in at least 50 percent of the employer-provided benefits after 10 years of service and 100 percent vested after 15 years of service.

A second vesting option is to provide employees a 100-percent nonforfeitable right to accrued benefits derived from employer contributions when they have achieved at least 10 years of service.

A third option permits firms which wish to provide faster vesting for their more mature employees than for their younger ones to do so by taking into consideration the age of the employee as well as his service for purposes of computing his vested rights. Under this option, the plan provides a covered employee who has at least 5 years of covered service a vested right to at least 50 percent of the accrued benefits financed by his employer's contributions when the sum of his age and years of service equals 45; the minimum required vesting percentage would thereafter be increased by 10 percentage points a year in each of the following 5 years. However, under this option, an employee who has completed at least 10 years of service must be given a vested right to at least 50 percent of the accrued benefits after 10 years of service and an additional 10 percent vested right for each year thereafter.

In general, the vesting requirements of the conference bill apply to all accrued benefits, including those which accrue before the effective date of the provision. Years of service prior to the effective date also are to be counted for purposes of determining the extent to which the employee is entitled to vesting.

However, for vesting purposes, a plan is not required to take into account service performed before January 1, 1971, unless the employee has at least 3 years of service after December 31, 1970. The purpose of the provision is to avoid imposing on plans very heavy costs for providing retroactive vesting for employees who have already terminated their service. This might jeopardize benefits for employees still covered under the plan and could involve very serious recordkeeping problems.

In addition, under the conference agreement, the vesting rules become completely effective on the effective date instead of going into effect gradually over a 5-year period after the effective date, as under the House bill. This change was made because, after consideration, your conferees agreed that it was essential for the protection of covered employees that they be given the full protection of the vesting provisions on the effective date without any delay, particularly since the costs involved in financing such vesting are expected to be moderate.

The participation and vesting standards adopted by this legislation become effective for new plans on the date of enactment; for existing plans, these standards become effective in plan years beginning after December 31, 1975. The later effective date for existing plans was provided in order to give them time to make the necessary changes to conform to the new requirements.

In the case of certain supplementary benefits provided pursuant to a collective bargaining contract existing on January 1, 1974, the accrued benefit rules under the vesting standards become effective at the termination of the contract but not later than plan years beginning after December 31, 1980.

Also, to provide additional flexibility in regard to vesting standards, the Secretary of Labor is given the authority to prescribe temporary variations in the vesting standards under certain conditions where regular vesting standards would be harmful to the plan and to the covered employees. Such temporary variations may be granted initially for a 4-year period followed by a variation for another 3 years.

The minimum funding standards in the conference bill, which are designed to help assure that plans will accumulate sufficient funds to pay their pension obligations when they fall due, also represent an improved version of the House provisions. These standards generally apply to private defined benefit plans—that is, to plans which specify that participants are to receive a designated amount of benefits. Profit sharing and stock bonus plans are not subject to the funding standards since these plans do not specify the amount of benefits but instead pay out whatever benefits the funds will purchase on the date the benefits begin.

Under the general funding standards, employers maintaining single-employer plans not in existence on the enactment date of the legislation must pay normal costs currently and amortize their accrued past service liabilities in level payments over no more than 30 years. A similar amortization period of no more than 30 years is required for past service liabilities arising as a result of single-employer plan amendments after the effective date.

However, in recognition of the fact that large numbers of plans assumed heavy past service liabilities prior to any requirement to amortize such liabilities, plans in existence on the effective date of the legislation are allowed a longer period—up to 40 years—to amortize past service liabilities existing at the beginning of the first plan year to which the requirement applies. In addition, multiemployer plans are allowed to amortize all past service liabilities, including those created after the effective date of the legislation, over a period of up to 40 years. This recognizes that multiemployer plans generally have an added element of financial strength in that their contributions come from a number of employers who, as a group, are less likely than comparable single employers to experience business difficulties.

Although the funding standards in the conference bill generally follow the House provisions, your conferees agreed to the deletion of a House provision calling for the funding of the difference between accrued vested liabilities and plan assets over a 20-year period. This funding standard would have required more rapid funding for some plans than the general funding standards which I have described. It was deleted because the conferees agreed that the general funding standards provide adequate protection in helping to assure that plans will accumulate sufficient sums of money to pay their obligations.

We added a new alternative standard which is designed to be used for plans using funding methods which require contributions at least equal to those under the entry age normal method and whose assets, at market value, approach their accrued liabilities. Under this alternative standard, an employer can satisfy his funding obligations for the year by contributing to the plan an amount which equals the normal cost of the plan plus the difference between the plan's liabilities and the plan's assets valued at fair market value.

As under the House bill, the conference bill allows experience deficiencies to be funded in level amounts over a period of up to 15 years for single-employer plans and up to 20 years for multi-employer plans.

In order for these funding standards to perform their functions efficiently, it is essential that the actuarial assumptions on which funding is based be sound. For this reason, the conference bill requires the actuarial assumptions of each plan to be certified by an actuary every 3 years or more frequently if required by the Internal Revenue Service. Standards are also provided as to the enrollment of actuaries for this purpose.

As under both the House bill and the Senate bill, penalties in the form of an excise tax on the employer are imposed to the extent that the amounts contributed to the plan fall short of those called for under the funding standard.

However, a number of relief measures are provided to make sure the funding requirements do not cause hardship and do not result in the disruption of pension plans. Under certain specified conditions where these funding requirements would result in business hardship, the Secretary of the Treasury may provide a year-to-year waiver of these requirements. In addition, in such cases the Secretary of Labor may also grant an additional 10 years on top of the period of time generally provided to amortize past service liabilities and experience losses. However, the conference bill deletes a provision in the House bill which would have given the Secretary of Labor the authority to describe an alternative minimum funding standard in certain cases of hardship.

For new plans, the funding provisions are effective for plan years beginning after the date of enactment of the bill. For existing plans, the funding provisions are effective for plan years beginning after December 31, 1975.

For collectively bargained plans—both single-employer and multiemployer plans—the funding standard is not effective until the termination of the contract existing on January 1, 1974, but in no event later than plan years beginning after December 31, 1980.

We were also successful in conference in deleting a Senate provision establishing a central portability fund. The latter involved the establishment of an elaborate and cumbersome mechanism which, though beneficial in purpose, would have been seldom used. In its place we provided a simple and effective means whereby individuals who are separated from service will be able to transfer their pension funds to tax-exempt individual retirement accounts—which I shall describe later.

The conferees also improved a number of House and Senate provisions which are vital for the protection of the pension rights of employees. This includes full disclosure of the features and operation of pension plans. Standards are established for fiduciaries of pension plans to protect against possible misuse of pension funds. Fiduciaries are required to comply with a prudent man rule, and transactions likely to prove inimical to the interests of the plan participants are specifically prohibited. Here, the force of both the labor laws and the tax laws are brought to bear to protect against abuses in regard to pension funds. The labor law provisions provide rules and remedies similar to those under traditional trust law to govern the conduct of fiduciaries. Also, the tax law provisions apply an excise tax on disqualified persons who violate the new prohibited transaction rules. In addition, plan investments must meet a diversification requirement unless, under the circumstances, it is clearly prudent not to do so. In this connection, limitations are placed on the investment of pension plan assets in employer securities.

The conference bill provides for the establishment of a system of plan termination insurance which is superior to the comparable provisions in either the House or the Senate bill. A Pension Benefit Guaranty Corporation to administer this insurance is set up within the Labor Department with a Board of Directors composed of the Secretary of Labor as Chairman and the Secretaries of the Commerce and Treasury. The plan termination insurance is mandatory for private defined benefit plans that either affect interstate commerce—and in the case of nonqualified plans that have met the standards for qualified plans for 5 years—or that are qualified under the Internal Revenue Code. However, the plan termination insurance does not cover H.R. 10 plans or plans established by personal service corporations which have fewer than 26 participants. The insurance is financed by premiums paid by covered plans. In addition, the Pension Benefit Guaranty Corporation is authorized to borrow $100 million from the U.S. Treasury.

The insurance benefits are, of course, to be paid only where the assets of the terminated plan are insufficient to pay the specified benefits under the plan. The insurance covers 100 percent of average wages during the individual's highest paid 5 years, but not more than $750 a month.

Under the conference bill, all vested basic retirement benefits of covered defined benefit plans are insured up to the insurance limitations—other than benefits vesting only because of termination as a result of Internal Revenue Code requirements. In addition, any nonbasic benefits the corporation elects to insure would also be covered. However, where the plan provision providing the benefit had been in existence for less than 5 years as of the date of the termination of the plan, coverage is phased in at the rate of 20 percent per year until the benefit is fully covered after it has been in effect for 5 years.

Employers are liable for benefits paid under the insurance program up to 30 percent of their net worth. However, insurance must be made available to employers to protect themselves against this contingent liability.

In order to provide prompt and effective protection for the employees concerned, insurance coverage for plans established by single employers becomes effective for plans terminated after June 30, 1974. Coverage for multiemployer plans generally starts for terminations after December 31, 1977. However, to prevent hardship, the Pension Benefit Guaranty Corporation, subject to certain limitation, is given discretionary authority to provide benefits to employees covered by multiemployer plans which terminate after the date of enactment of the legislation and before January 1, 1978. However, such discretionary benefits cannot be paid if they would jeopardize the coverage of multiemployer plans terminated in 1978 and later years.

The protection offered by this legislation extends not only to the employee but also to his spouse. Plans are required to give the covered individual what amounts to an option to receive his retirement benefits in the form of a joint and survivor annuity paying his spouse at his death, an annuity of at least one-half of the annuity during both lives.

Provision has also been made for effective coordination between the Treasury Department and the Labor Department in enforcing the standards imposed by the bill. Here the emphasis is on bringing to bear the full enforcement powers granted to both Departments under the bill as well as avoiding duplication of effort for both the administering agencies and plan administrators. For this reason, where the act requires the Treasury Department and the Labor Department to carry out provisions relating to the same subject matter, the Secretaries of these Departments are instructed to consult with each other in the development of rules, regulations, practices, and forms, to the extent appropriate for efficient administration.

Finally, the conference bill contains a number of provisions which are designed to provide more rational and equitable tax treatment under pension plans. These new provisions generally follow the approach taken in the House bill, although, in some cases, the Senate provisions have been taken, and practically all of the provisions have been improved technically.

The conference bill goes far to remove a longstanding inequity by granting individuals who are not covered by any kind of qualified pension plan a limited tax deduction for their retirement savings. In 1975 and later years such individuals will be allowed to take deductions for annual contributions to a new type of individual retirement plan up to 15 percent of earned income or $1,500, whichever is less.

These retirement plans will be available to all employees who are not active participants in a qualified retirement plan, a governmental pension plan, or an annuity plan established by a tax-exempt or public educational institution under section 403(b) of the Internal Revenue Code which confers most of the tax advantages associated with qualified plans.

The individual retirement plan may be established by an individual's employer or union as well as by himself.

To encourage the widespread use of such individual retirement plans, the conference bill provides that the contributions can be invested in a wide range of investments, including special Government retirement bonds, annuity contracts, life insurance endowment contracts, mutual funds, corporate securities, banks, and credit unions.

A second set of provisions substantially reduce the longstanding discrimination against the self-employed resulting from the fact that their retirement savings under H.R. 10 pension plans have been limited severely while comparable pension limits do not apply to their corporate counterparts. This change also reduces the present inducement for self-employed people to incorporate merely for pension purposes. Starting in 1974 the maximum deductible H.R. 10 contributions a self-employed person may make on his own behalf are increased from the present level of 10 percent of earned income up to $2,500 a year, to 15 percent of earned income up to $7,500 a year. Comparable limitations are applied to the benefits that may be paid to self-employed individuals by H.R. 10 plans which are of the defined benefit type under regulations to be prescribed by the Secretary of the Treasury or his delegate.

To allow self-employed people with fluctuating earned incomes to set aside a specified minimum amount regularly for retirement, a self-employed individual is permitted to deduct annual contributions to an H.R. 10 plan amounting to $750 or 100 percent of his earned income, whichever is less, even though this is in excess of the regular deduction limits.

The new more liberal limitations on contributions or benefits for self-employed people under qualified plans also apply to shareholder employees of subchapter S corporations—small business corporations—who are generally subject to the same limitations as self-employed people under qualified plans.

The conference bill does not include a Senate provision which would have permitted the allowable deductions for all the partners covered under a particular plan to be pooled and then allocated to particular partners under the provisions of the plan. This pooling arrangement was rejected, because it would have permitted inequitable distributions of such deductions in favor of the most highly paid and influential partners in the firm.

Self-employed people will be allowed to count no more than $100,000 of their earned income in computing pension contributions or benefits for themselves. As a result, they will have to provide significant pension contributions for their regular employees who are covered by the pension plan if they wish to utilize the full maximum tax allowance for their own pension contributions.

A third set of provisions makes the tax laws regarding pension plans fairer by limiting the amount of the contributions or benefits that can be provided to any individual under such a plan. The fact that present law does not provide such specific limitations has made it possible for extremely large contributions and benefits to be made under qualified plans for some highly paid individuals. While there is, of course, no objection to large retirement benefits in themselves, it is not appropriate to finance extremely large benefits in part at public expense through the use of special tax treatment. To avoid abuses, the conference bill adopts the limitations in the House bill, with a number of technical improvements. These limitations are generous enough to permit substantial retirement benefits which are adequate judged from any reasonable standard.

Under defined contribution plans—money-purchase pension plans and profit-sharing plans—the sum of the employer's contributions for the employee, a specified portion of the employee's own contributions, and any forfeitures allocated to the employee cannot exceed 25 percent of the employee's compensation or $25,000, whichever is less. Employee contributions to defined contribution plans are taken into account for purposes of this limitation. However, for this purpose there is excluded the greater of, first, employee contributions amounting to 6 percent of compensation or second, one-half of the employee's contributions.

For plans which provide defined benefits, the limit is in terms of the amount of annual benefits that may be paid to a participant. More specifically, the annual benefit paid under such plans cannot exceed 100 percent of the participant's average compensation for his highest 3 years of earnings—regardless of the age at which the benefits start—or $75,000 beginning at age 55 or later, whichever is less. Where the annual benefit starts before age 55, the $75,000 annual limit on benefits is adjusted downward actuarially. However, to avoid any possible adverse effect on individuals with relatively modest retirement benefits, this benefit limitation does not apply to retirement benefits which do not exceed $10,000 for the plan year or for any prior plan year.

The $75,000 annual limit applies to a benefit financed by the employer which is payable in the form of a straight life annuity beginning at age 55. Correspondingly higher benefits may be paid to the extent that they are financed by employee contributions. No actuarial adjustment is required to be made in the maximum annual limit on benefits under defined benefit plans where ancillary benefits which are not related to retirement are provided. For example, no downward actuarial adjustment in the limit is to be required for disability benefits before normal retirement age. In addition, no downward adjustment is to be made for a normal joint and survivor feature.

Moreover, to prevent abuse, the full maximum benefit may be paid only to individuals who have 10 years or more of service. Where an individual has served for less than 10 years, the maximum permissible benefit is reduced proportionately.

The contribution and benefit limits are applied in a way which prevents any individual from securing higher limits for himself merely because he is covered by several retirement plans financed by the same employer. For purposes of applying these limits, all defined contribution plans established by an employer are combined and treated as one defined contribution plan, and all defined benefit plans established by an employer are combined and treated as one defined benefit plan.

Also, if an individual is covered by both a defined contribution plan and a defined benefit plan established by his employer, then an overall limit is applied to coordinate the two limits discussed above. In this case, the sum of, first, the percentage utilization of the maximum limit under the defined benefit plan and, second, the percentage utilization of the maximum limit under the defined contribution plan cannot exceed 140 percent. For example, if both types of plans are used equally, the overall limit may be satisfied by using up to 70 percent of the limits applicable to each type of plan.

Because of the vital importance of maintaining the real value of retirement benefits, the bill instructs the Secretary or his delegate, through regulations, to make annual adjustments in the allowable limits to take account of increases in the cost of living. This includes adjustments in the $75,000 annual limit to benefits paid by defined benefit plans, the $25,000 limit to contributions under defined contribution plans, and, in the case of a participant who was separated from service with the firm, the amount of his average earnings in his highest compensated three consecutive years of service.

The bill provides adequate time for adjustment to the new limits on benefits and contributions under retirement plans. In general, these limits apply to contributions made or benefits accrued in years beginning after December 31, 1975. However, to ease the transition to the new rules, an active participant in a defined benefit plan on October 2, 1973, will be permitted to receive an annual benefit which exceeds $75,000 a year based on his annual rate of compensation and the plan provisions in effect on that date, provided the benefit does not exceed 100 percent of his annual compensation on October 2, 1973. Where this "grandfather" treatment is utilized, the cost-of-living adjustments in the limits, which I have just described, are not available.

The conference bill provides a new, simplified method of taxing lump-sum distributions under qualified plans to replace the treatment provided under the 1969 act which has proved to be unadministrable.

Under the new provision, the portion of the distribution representing pre-1974 value receives capital gains treatment; the balance of the lump-sum distribution is taxed as ordinary income under a separate tax schedule—the tax schedule applicable to single people—generally without reductions, exclusions, or consideration of the taxpayer's other income. A special minimum distribution allowance is provided to insure that the tax paid by lower income individuals on their lump-sum distributions will generally not be more than under present law. Ten-year averaging relief is also provided for the portion of the lump-sum distribution which is taxed as ordinary income under the separate tax rate schedule income. This results in a tax payable at the time of the distribution, but no greater than the amount the taxpayer could expect to pay were the income to be spread over his remaining life expectancy.

As I indicated, the pre-1974 portion of the distribution is to receive capital gains treatment, while the balance of the distribution is to be subject to this special 10-year averaging rule. The present complex rules for determining how much of a distribution is under the old law and how much under the new law is to be replaced, in the bill, by a rule allocating on the basis of active participation in the plan. For example, if an employee was an active participant for 30 years altogether and 20 of those years were before 1974, then 20/30—which is two-thirds—of the distribution would receive capital gains treatment. In order to provide a rule that can be used quickly for employees who may have already left the plan during 1974 or who will leave before this year is out, it would be appropriate to take into account active participation this year and active participation in prior years as follows: active participation in 1974 would be in terms of months, with any part of a month treated as a full month; active participation before 1974 would be in terms of years, with any part of a year counting as a full year. I would hope that this rule, which might become the basis for the permanent regulations on this point, would enable employers to give the necessary tax information to those of their employees who leave active participation in the plan during 1974 and receive lump-sum distributions.

Finally, the conference bill adopts, with certain modifications, a House provision which suspends proposed Internal Revenue Service regulations in regard to so-called salary reduction plans in existence on June 27, 1974, to give the Congress an opportunity to study the matter further.

With this I will end my summary of the highlights of the pension bill. I could go on and give further details, but I do not want to take more time for this, and, in any event, the details are described completely in the statement of the managers of the bill. What is important now is that we act promptly and pass this legislation so that it can begin its vital function of assisting our people to obtain meaningful and more secure pensions.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Minnesota.

Mr. NELSEN. I received a telegram this morning pleading a case of the private retirement funds that some companies had and the feeling that this conference committee report moved in a direction contrary to what was in either the House or the Senate bill. It was written in such a manner that they felt the security of their funds were interfered with. Does the gentleman have any comment on that?

Mr. ULLMAN. Yes. I am glad the gentleman raised the issue.

I spoke to it briefly in remarks earlier in the House today. This has to do with the matter of the integration of private pension programs with social security programs. It is section 1021(g) in the bill. I stated to the House earlier that we are correcting this matter. We are removing from the conference report that language with respect to which questions have been raised and on which many Members have received correspondence. We are dealing with this problem by offering a concurrent resolution immediately following the passage of this conference report that will correct some technical matters in the legislation, but that will also take from the bill this provision limiting integration between the social security system and private pension programs. I think it will completely satisfy the gentleman from Minnesota.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, I understand the gentleman has said that section 1021(g) will be stricken from the conference report.

Mr. ULLMAN. The gentleman is correct. We are doing this by bringing up a concurrent resolution immediately following the passage of this conference report, which will take care of technical matters and strike section 1021(g) from the conference report.

I think that will satisfy the gentleman.

Mr. KAZEN. I thank the gentleman.

Mr. ULLMAN. Mr. Speaker, let me just say that this legislation does establish a whole new set of minimum standards in the private pension field, but in doing so we have been diligent not to discourage the establishment of future pension programs. We want the private pension programs in this country to grow and to prosper, and we had to consider closely the problem that if we imposed regulations and requirements which were too severe, we might discourage the establishment of new private pension programs.

We believe we have dealt adequately with this problem. On the one hand we protected the people who are covered under this very fine system of private pension programs in a meaningful way, and this was done without putting the private pension program out of business.

Mr. Speaker, again I want to congratulate all those who participated in this long endeavor, and urge the Members to support the conference report.

Mr. BROYHILL of Virginia. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Speaker, I am glad to be able to support the conference agreement on the Employee Retirement Income Security Act of 1974.

As many have said here, this is one of the most far-reaching and important pieces of legislation that will be considered by Congress this session. It will have impact on the lives of the vast majority of Americans for years to come.

This bill, which was the product of many months of work by both the Committee on Education and Labor and the Ways and Means Committee provides significant new protections for workers presently covered by private pension plans and, in addition, extends for the first time the opportunity for those employees not covered by a pension plan to put aside some money for their retirement and obtain a tax deduction for the contribution made.

Mr. Speaker, others have gone into great detail on what the conferees agreed to, and I see no purpose in doing the same. However, I would like to discuss a few items which are important to both the Nation and to many of my constituents who have a stake in this bill.

First of all, it is important to note that this legislation increases the maximum amount the self-employed can put aside for their retirement. The so-called "Keogh Plans" which have greatly expanded the opportunity for self-employed individuals and their employees to provide for a pension in their retirement years are a fundamental part of our pension law.

Presently, the maximum limitations on deductions for self-employed individuals are 10 percent of income not to exceed $2,500. This legislation increases these maximums to 15 percent and $7,500 respectively. The same change is made as to exclude subchapter S corporation shareholder employees. In applying the percentage limitation, not more than $100,000 of earned income may be taken into account. Self-employed persons are permitted to set aside up to $750 a year out of earned income, without regard to the percentage limitation.

Additionally, the substitute authorizes Treasury regulations to allow self-employed persons and shareholder employees in effect to translate the 15 percent/$7,500 limitations on "contributions" into approximately equivalent limitations on benefits which individuals can receive under a defined benefit plan. I think both of these provisions are necessary and timely in light of the inflation we have experienced in the past few years and which we can conceivably experience in the future.

The need for increases in the limitations on Keogh plans was occasioned by the lack of limitations heretofore in existing law relative to corporate employees. Under present law, there are virtually no limitations on the amount that can be contributed to a plan by the corporation on behalf of its employees. The disparity between the $2,500 maximum and present law and the zero limitation on corporate employees has occasioned the widespread proliferation of the so-called professional corporations.

The conference bill makes an attempt to bring this disparity into prospective. As others have pointed out, we have provided a limitation on the amount of deductible contributions which can be made in behalf of corporate employees and have increased the maximum deductible amounts available to the self-employed. This is an important step in the direction of tax equity between these groups, and I think it represents one of the most significant developments in the pension law which is contained in this legislation.

Mr. Speaker, during consideration of the pension legislation in the House a question arose as to whether the new standards for participation, vesting and funding should be applicable to Government plans generally and after a great deal of give and take on this matter, it was decided that the question of this coverage should be deferred until the committees knew more about the effect such an inclusion would have on existing governmental plans. I was concerned about this matter and felt that Government employees should at least be entitled to the same protections granted to those in the private sector, but reluctantly agreed it would be a mistake to take hasty action in this area. Accordingly, I supported the provision which provided for a study of this entire question by the House Committees, and as I indicated in my remarks in the House debate, I plan to take an active role in this study.

The bill before us also clarifies present law to provide that amounts contributed to a qualified plan in taxable years beginning after December 31, 1973, are to be treated as employee contributions if they are designated as such under the plan. As a result, should the committees of the Congress, for example, which are responsible for legislation governing the civil service retirement system redesignate the employee contributions, it is possible that the Federal employees would be able to obtain a tax deduction for their contributions to the civil service plan. At the present time, there is a pending law suit by certain Federal employees to effect this change, and the conferees felt that the pension legislation should take a neutral posture with respect to this suit. I was glad to be able to assure this result was obtained.

Finally, Mr. Speaker, I would like to discuss briefly a provision in the bill relating to so-called cafeteria plans. Essentially, these are plans which offer employees options relative to certain benefits so that they may pick and choose the ones which are most advantageous to them. For example, if a husband and wife are both working for separate employers, and each are offered a health insurance benefit, there would be no reason for both to take out a health policy. The result is that the health insurance benefit as a form of compensation is of no value to the one person and some companies have been moving in the direction of giving their employees the option to pick benefits which will be of value.

These so-called cafeteria plans contain a salary reduction element in the sense that there is the option on the part of the employee to choose a benefit and indications are that the Internal Revenue Service may apply its 1972 proposed salary reduction regulations to these arrangements.

In this legislation we have, in effect, grandfathered-in existing salary reduction plans until 1977 and have precluded the Treasury from issuing regulations on them prior to that time. The same kind of grandfathering is provided to cafeteria plans, and this is an important development for the companies which have taken the innovative step in the compensation area by introducing the cafeteria plan approach.

In section XI of the Joint Explanatory Statement of the committee of conference on H.R. 2, it is stated that new participants may be added to an existing plan in the normal course of business. The intent of the conferees in making this statement is that the application of pre-1972 rules to existing plans will not be affected by the addition of new participants "in the normal course" and that pre-1972 rules will be applied to such new participants as well as those covered on June 27, 1974. Where employees of a company are already covered by an existing plan, its extension to additional groups of employees of the same company or its subsidiaries would be considered to be an addition of new participants in the normal course.

Mr. SCHNEEBELI. Mr. Speaker, I yield myself such time as I may consume.

Mr. SCHNEEBELI. Mr. Speaker, I rise in support of the conference report on H.R. 2, the Employee Retirement Income Security Act of 1974. This legislation, which embodies a myriad of pension reform provisions, is the product of months of work by conferees representing four congressional committees and should prove to be one of the most important bills considered by this Congress.

The thrust of the legislation is to provide adequate protection for the pension benefits of workers who are presently under existing plans and to insure that those who will be covered in the future will obtain the same protections. The legislation agreed to by the conferees does this by mandating new Federal standards for participation, vesting and funding for existing and new plans and by establishing a program of plan termination insurance to protect those plan participants from loss of benefits when a plan is terminated. The standards for participation, vesting and funding approved by the conferees are essentially those which were contained in the House version and should provide the basis for easier administration of the new law.

The chairman outlined in detail the substance of the agreements reached by the conferees, and I shall not repeat them. However, I would like to touch on a number of areas included in the conference agreement.

First, I would like to discuss the difficult question the conferees had to face in resolving the issues of jurisdiction, administration, and enforcement of the new pension law. As Members will recall, the jurisdiction over pension provisions was split in the House between the Committee on Education and Labor and the Committee on Ways and Means. The House version of the bill provided dual standards and dual jurisdiction by both committees and there was a great deal of discussion during the House debate on how this would work. The Senate version, on the other hand, provided the essential elements of the pension reform legislation would be administered by the Internal Revenue Service with certain other areas being administered by the Department of Labor.

Under the conference agreement, procedures are provided which will allow a significant and appropriate role in the enforcement of participation, vesting, and funding standards to both the Department of Labor and the Internal Revenue Service with respect to plans which seek qualifications under the Internal Revenue Code. In addition, where areas of jurisdiction are delegated to one department or the other, the conference agreement provides general guidelines for coordination and administration of the enforcement.

Qualified plans are those which receive special tax benefits under the Internal Revenue Code and these in the past have always been administered by the Internal Revenue Service. On the other hand, plans which did not seek this special tax treatment have generally not been governed by Federal regulations and under the conference agreement, these are brought under the jurisdiction of the Department of Labor.

The conference agreement provides for the administration of qualified plans in two stages—the initial stage when the plan seeks special tax benefits under the Internal Revenue Code and secondly, the operational stage with respect to continued eligibility of the plan for special tax benefits. The agreement provides for special coordination between the Secretary of Labor and Secretary of the Treasury and should provide the basis for a solid administration of this new law.

The bill also provides that the plans heretofore described as nonqualified will also be required to meet the standards set down in the bill. These will generally be administered by the Secretary of Labor. There are those of us who have felt that this dual administration would be cumbersome and could be difficult for the general administration of pension plans. However, despite the fact that I would have preferred a single administrative scheme, I am convinced that the proposal for the dual administration agreed to by the conferees is the best that could have been worked out under the circumstances. I feel it is worth being tried in the next few years. Should the Congress find that it is not workable, we will have the responsibility to come back and make appropriate changes in the law to assure the effective administration of the new important standards which we have set forth in the legislation.

As I previously indicated, the conference agreement, like the House bill, provides new standards for participation, vesting and funding. Generally, under the agreement, new participation and coverage rules will extend to all plans, whether they be qualified or unqualified under the Internal Revenue Service regulations—except for government plans, church plans, a plan to comply with the workmen's unemployment disability or compensation laws, plans maintained outside the United States primarily for the benefit of nonresident aliens, employee welfare plans, certain supplementary plans, unfunded deferred compensation arrangements and the new individual retirement accounts. Generally, under both the labor law and tax law titles of the conference substitute, an employee cannot be excluded from the plan on the account of age or service if he is at least 25 years of age and has had at least 1 year of service. There are certain exceptions to this rule but this is generally the provision which will apply.

Additionally, plans must meet one of three alternative rules relating to the vesting of benefits.

The first is the so-called graded vesting schedule under which an employee must be 25 percent vested at the end of 5 years, 50 percent vested at the end of 10 years and 100 percent vested at the end of 15 years.

The second option is the 10-year, 100 percent vesting formula which allows full vesting after 10 years of service, but no vesting up until the 10th year.

The third option is the so-called rule of 45 under which an individual with 5 or more years of service would be 50 percent vested when the sum of his age and years of service equaled 45 with 10 percent additional vesting for each year thereafter.

The conferees agreed to a change in this last formula under which each employee with 10 years of covered service—regardless of his age—must be at least 50 percent vested and there must be provision for 10 percent additional vesting for each year of service thereafter.

The idea of having three separate vesting schedules is to allow employers and employees to choose one which most conforms with their particular situation and is designed to provide the kind of flexibility that the conferees felt was necessary in the establishment of new standards for pension plans. I support this concept and think it will prove to be one of the most important parts of this new legislation.

The legislation also provides new minimum funding standards which are designed to assure that individuals covered by pension plans will have something either when they retire or their plan is terminated.

The new funding requirements generally follow the House version of the bill which provided the unfunded past service liabilities were to be amortized over a 30-year period and experience gains and losses over a 15-year period. These new requirements should provide the kind of protection needed in this important area.

The conference agreement generally follows the House provisions relating to limitations on contributions to pension plans and profit-sharing arrangements. Under existing law, there are virtually no limits on the amount that can be contributed to these plans with the result that there is a substantial tax subsidy involved since the employer obtains a deduction for the contribution he makes to the plan. The House and Senate separately agreed that there should be some limitations on these amounts in an effort to bring the treatment afforded corporate employees more in line with that allowed the self-employed.

The changes made would allow the self-employed to deduct the lesser of 15 percent of income or $7,500 and would limit the contributions under corporate defined benefit plans. These contributions would be restricted to an amount which would fund an annual benefit not to exceed the lesser of $75,000 or 100 percent of the participants average compensation in his high 3 years of employment. Under the agreement, both of these ceilings are to be adjusted to reflect cost-of-living increases. In the case of defined contribution plans, the bill limits the amount to the lesser of $25,000 or 25 percent of the participant's compensation from the employer. The effect of these limitations is to assure greater equity among different groups of employees as well as to provide what most consider to be adequate pension and profit-sharing levels for high-paid executives. It is generally felt that these limits are rational in terms of the present pension and profit-sharing situations around the country.

Additionally, the legislation provides for the first time a significant new program for so-called pensionless employees. These are individuals who work for organizations which do not have any pension program. Since they are not self-employed, they cannot qualify for the Keogh plans. The provision in the bill, which was recommended by the administration, would allow an employee to contribute 15 percent of his compensation with a maximum of $1,500 per year to an individual retirement account and receive a tax deduction for it. The purpose of this new provision is to encourage that half of the working population not now covered by any pension plan to obtain some tax benefits and begin a program to provide funds for retirement. It should be the basis for significant expansion of the private pension system, and it is certainly one of the most important features of this new pension bill.

The legislation also provides new and simpler rules for the tax treatment of lump-sum distributions and clarifies the existing rules relative to salary reduction and cash or deferred profit-sharing plans. These latter pension plans have been held under a cloud of mystery in light of certain 1972 regulations issued by the Internal Revenue Service.

During my remarks on February 26, when the House was considering H.R. 2, I noted that the legislation was extremely comprehensive and complex and that it would have a pervasive effect on private economic security measures. I also noted that in view of the magnitude of this legislation, legislative oversight would be required and changes would be in order as we gained experience in dealing with the new standards and regulations in the bill.

The conferees have provided a mechanism for detailed study of certain provisions that they felt were in need of further examination and for general oversight. This will be accomplished by the establishment of a joint task force made up of the staff of the Committee on Ways and Means and the Committee on Education and Labor as well as the Senate committees involved. This joint task force has been assigned a number of areas to study immediately and will be reporting back to Congress as these studies are completed. However, I think it is important to note that the conferees recognized the need for continuing review of this important area and provided the mechanism to assure it.

While I do not agree that every provision agreed to by the conferees and can see certain trouble spots along the way, I can say that on balance this is a fine bill reflecting the best efforts of a great number of people and should provide the basis for greater protection for employees' pension rights in the future, as well as affording the opportunity for those not presently covered to obtain meaningful pensions even if their employers do not establish a pension plan. For these reasons, I support the conference agreement and urge my colleagues to vote for it.

Mr. BROTZMAN. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Colorado.

Mr. BROTZMAN. Mr. Speaker, I rise in support of the Employee Retirement Income Security Act of 1974. I commend the conferees for the responsible manner in which they addressed the major problems associated with the present pension system. We, in turn, owe it to the 30 million employees who are currently covered by private retirement plans and the 53 percent of the work force who are not covered to pass this legislation and reverse the inequities that have worked to discourage self-reliance, prudence, and independence.

In the course of my work as the Representative of Colorado's Second Congressional District, I have been impressed with the number of persons who would like to provide for their retirement years through their own devices. All too often they are unable to do so. While their salaries enable them to live in relative comfort, they simply lack the resources necessary to save for the future. More often than not their inability to save can be traced to the fact that their taxes—including income taxes, sales taxes, and property taxes—represent the single largest claim on their paychecks.

As a consequence, Mr. Speaker, I set pension reform as one of my personal priorities and without hesitation, I can say that the bill before us is the realization of this goal. To my mind, there is five important principles which need to be included in sound pension reform legislation. Each is addressed by this bill.

First, an income tax deduction must be provided for those who wish to save independently for their retirement. Second, the tax deduction for self-employed persons who provide for their own and their employees' retirement has to be liberalized to better conform to today's financial realities. Third, vesting standards have to be secured for those employees who face the risk of losing their pension rights when they change or lose their job. Fourth, the law must be flexible enough to allow a pension plan to provide for a "cash out" whereby an employee's accrued benefits can be put into a qualified retirement savings program, without paying tax either on the distribution or on earnings from it, until he draws benefits upon retirement. Finally, minimum financing standards must be established to increase the security of pensions.

Under the conference substitute, the maximum annual deduction for an independent retirement account is to be $1,500 or 15 percent of compensation. A wide variety of investment possibilities would be allowed the taxpayer who chooses to establish such a fund for himself, and standards for the distribution of the fund are established to prevent misuse of IRA accounts. At last, 25 million men and women who are not covered by a pension will be able to receive a share of the tax benefits long accorded those who are protected by employer financed plans.

Similarly, the self-employed or those who do business other than as a corporation can better insure their futures and those of their employees because this legislation increases the maximum deductible contribution to the lesser of 15 percent of earned income or $7,500. Not only will this help the small businessman who is floundering in a riptide of inflation, but it will retard the proliferation of firms converting to corporate status chiefly for this tax purpose.

To secure pension rights, that are really deferred compensation, this bill provides three alternative vesting formulas that can be incorporated into a qualified pension plan. This insures flexibility for the employer, but, most important, it preserves for those 30 million Americans who are now covered by private pension plans the interests accrued through the years. While not required of any plan, pension portability is sanctioned by this legislation. Thus, an employer can add another dimension to his pension plan and the employee can transfer his entitlement without tax loss.

So that employees expecting retirement benefits under their firm's plan will have the security of knowing that their vested benefits are being adequately funded, H.R. 2 establishes new funding standards. The minimal amount an employer is to contribute annually to a defined benefit pension plan includes the normal costs of the plan plus amortization of past service liabilities, experience losses, and so on. Again, to aid the financially marginal business, the bill establishes a procedure for waiving minimum funding requirements and stretching out the amortization timetable. Business failure, after all, ultimately works to the detriment of the pensioner.

I believe, Mr. Speaker, that the Employee Retirement Income Security Act of 1974 is a reflection of this institution's finest quality—the ability to transform differences of opinion into workable laws. If enacted, it will brighten the futures of millions of Americans.

Mr. SCHNEEBELI. Mr. Speaker, I yield 5 minutes to the gentleman from Texas, (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, the Conference Pension report represents many good features. It is a comprehensive and equitable bill. Bankers, insurance agents, lawyers, all approved the bill. But there is one underlying weakness that is still there. The Government and Congress should not enter into the private field of pensions.

Why is the Labor Department the managing bureaucracy in this operation? With most management groups, the Labor Department is about as welcome as a plague of locusts. The easy answer to avoid this is for a small company to simply not have a pension plan. Thereby all the forms and paperwork for the Government reports can be eliminated if you do not have a plan.

My big objection is the entry to Government through its blanket insurance which will, in turn, lead to control of private pension plans. I was impressed and believe 100 percent in President Ford's statement last week to the Joint Session of Congress. I may miss an exact quote, but as I recall, he said—

> A government that is big enough to give you all you want is a government big enough to take from you all you have.

Our Government record in managing pension plans is a dismal failure. We vote benefits in every election year but do not vote the income and reserves to pay the pension. Look at Government's record—every plan a financial, insolvent deficiency.

Last week the Commerce Committee discussed and passed out the railroad retirement bill. This bill calls for general revenue to pay out a plan that is broke and has suffered from Government mismanagement. The past 5 years Congress increased railroad pension benefits by 68.5 percent with no increase in income to offset it. We moved the retirement age back from 65 to 60. Total funds paid over the years by annuitants will cover about 3 years payments from a person with an average pension expectancy of 16 years at age 60.

Let us review social security, which is our basic Government pension plan. A few years ago we had 18 years reserves to back the plan, but today we are on the thin ice of 8 months. Social Security Administration is well run and capably managed, and we are all proud of this efficient organization. Their problem is the Government legislation turned out by Congress. Social security schedules are based on political expediency and not sound finance.

Let us look at the Government system of pensions for our military. There was nothing paid in for many years. Now inadequate contributions are not sufficient. How can you provide for a pension to pay over half a man's salary after he has served 20 years? A young man retiring at 41 can draw a pension for 35 to 45 years. Every Congress must fund this deficiency.

Let me get a few facts straight. This plan does not provide portability. The mistaken impression that you can carry full benefits from one company is impossible. Each private plan is different so the individual who changes jobs must continue to start over with some adjustment.

Another limitation to a small company is the right of the Labor Department to review a company's complete financial books. They may request reports, data, and a full audit once a year, which is expensive to a small fund. No small business wants the Labor Department checking all expenses, loans, cash positions and profit margins which is a burden.

The strong appeal in this pension bill is the vesting. This is great for folks under 40, but is a loser to employees over 40. To have tax deductible status, present pension plans must retain all unused reserves in the plan when an employee leaves the company. These reserves make possible a larger pension for the older employees when they retire. Now these distributed funds will not be available for the long-time workers, who are the ones most concerned with a pension.

The big issue is the insurance and control feature by the Government. Private pension plans have a 99-percent record of successful administration. Compare this to the Government's record of zero percent with total failures in financial management of Government-controlled pension plans. Let us not let the Government gradually absorb the $170 billion of private fund assets.

Private pension plans should continue to be private, and to this concept of taking in the Government as a partner, I vote "No."

Let us remember—a Government that is big enough to give you all you want—is a Government big enough to take from you all you have.

Mr. ULLMAN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I think we should point out that in the delicate area of jurisdiction between IRS and the Labor Department we have striven to avoid all duplication. I think we have been extremely successful. We worked out a formula whereby we have divided the responsibilities and eliminated for all practical purposes all areas of double jurisdiction.

Mr. CLANCY. Mr. Speaker, today we are considering the conference report on H.R. 2, the pension reform bill. The long story behind this legislation began last April when the Senate Labor Committee reported S. 4, and ended on the Senate side with its version of pension reform, H.R. 4200. The House version of H.R. 2 resulted from the combination and the coordination of the efforts of the Education and Labor Committee and the Ways and Means Committee.

This legislation is indeed timely in this period of "stagflation" and basic job insecurity. Because H.R. 2 deals with both qualified and non-qualified plans, H.R. 10, Keogh, plans and individual retirement accounts, provision is made for the retirement needs of many millions of individuals. It is necessary to assure that individuals who have productively spent their careers will have adequate incomes to meet their retirement needs.

Under present law, the key has been reliance on voluntary actions by employers to provide adequate pension and welfare plans for their employees, and for the self-employed and low income wage earners to rely on less than adequate methods to insure against their retirement needs. In many cases the result, in the absence of comprehensive legislation, has been loss of benefits under unduly restricted forfeiture provisions, outright failures of pension plans and inequitable tax treatment.

This legislation, I believe, is a step in the right direction. The wider coverage, vesting and funding provisions of H.R. 2 will assure a measure of soundness and stability to pension plans to pay promised benefits at the time they are most needed. The protection of employee benefit rights provided by H.R. 2, while it cannot be said to be a panacea for all the problems in the pension area, is a significant and comprehensive improvement in assuring and protecting the continued well-being and security of American's work force.

Mr. BRADEMAS. Mr. Speaker, I rise in support of the conference report on H.R. 2, the Employee Retirement Income Security Act of 1974.

Mr. Speaker, this is one of the most important laws ever passed by Congress to protect the rights of American working men and women. And my colleagues on the Committees on Education and Labor and Ways and Means who labored long and hard on this legislation should be congratulated for their great energy and perseverance in reaching agreement on this landmark measure.

As a member of the Education and Labor Committee, and as one of the cosponsors of this legislation, I know how complex this measure is and how difficult it has been to write comprehensive pension-reform legislation.

Mr. Speaker, I want to pay a word of special tribute to the distinguished chairman of the general Subcommittee on Labor, the Honorable JOHN DENT, for his outstanding leadership on this legislation.

Mr. Speaker, this bill establishes certain minimum standards to protect the retirement benefits of the more than 30 million people who are covered by private pension funds.

Although private pension systems have served the needs of many workers, they have failed countless others. The promise of pension benefits upon retirement has been an illusion for too many working men and women.

Mr. Speaker, H.R. 2 would help meet these problems by establishing standards to protect these private retirement benefits. This measure includes minimum standards for coverage and participation of plan participants; fiduciary and disclosure standards to guard against fraud and abuse of pension funds; vesting standards to guarantee that a worker would have a vested right to at least a portion of his pension after working one job for a few years; and minimum standards of funding of pension plans to assure that pension assets will be able to meet existing claims.

Mr. Speaker, the bill is of special interest to me because of the Studebaker shutdown in South Bend in 1963 in which thousands of workers who lost their jobs received only a fraction of the pension benefits they had earned during a lifetime of work. Indeed, some workers received no pension at all.

Although the Studebaker plan was a liberal one, which called for the systematic funding of liabilities when the plan terminated, there were not enough assets available to pay all claims.

As a result of the Studebaker shutdown, workers with as much as 40 years of seniority were left with nothing and were far too old to start receiving new pension credits from another company.

Mr. Speaker, although the Studebaker closing is perhaps the most dramatic example of the effect of pension plan failures, it is by no means unique.

A joint study of the Departments of Labor and Treasury released last year indicated that during 1972 more than 15,000 pension plan participants lost retirement benefits because their pension plans were terminated without sufficient assets to meet all plan obligations. These losses amounted to more than $210 million in anticipated retirement incomes and several thousand of these victims of pension plan terminations actually lost their entire earned pensions.

Mr. Speaker, this legislation would help meet the problem of involuntary plan termination, underscored by the Studebaker shutdown, by providing an insurance plan which guarantees payment of vested benefits if a pension fund terminates without sufficient assets to meet its obligations.

Mr. Speaker, over a decade ago the collapse of Studebaker and its pension fund taught us a painful lesson. If pension insurance had been available then, thousands of pensions would have been saved. Enactment of this comprehensive pension reform legislation which includes plan termination insurance is long overdue and I urge my colleagues to give H.R. 2 their full support.

Mr. BADILLO. Mr. Speaker, the Employment Retirement Income Security Act is a long overdue measure aimed at insuring that millions of American workers currently covered by private pension plans will actually benefit from a pension when they choose to retire. By establishing certain uniform standards and a termination insurance system, H.R. 2 will enable many men and women to retire with a reasonable degree of economic security and peace of mind. However, this legislation must not be considered the final word in pension reform as a number of more substantive reforms still require action.

I continue to be deeply troubled that this bill contains no mention of portability and believe this is an oversight which must be corrected as quickly as possible. While there are three vesting plans incorporated in this legislation, a worker must have the right and ability to move to some other type of employment in some other area if he or she so chooses and cannot continue to be tied to one job.

In this period of high unemployment it seems particularly important that a worker be afforded the right to transfer his pension rights should he be required to change jobs because of necessity or to seek advancement. The American labor force has traditionally been a highly mobile one and a worker's retirement security must be effectively protected.

I am not disappointed that the conferees failed to include the portability language incorporated in the measure passed by the Senate. Although a portability program was purely voluntary, it at least encouraged its establishment in an effort to furnish the maximum possible protection for workers. The voluntary portability system envisioned in the Williams-Javits bill and which I unsuccessfully attempted to offer to the House bill would have enabled companies to permit their employees to carry their vested rights from one firm to another when changing jobs. I am fearful that vesting without portability may prove inadequate in certain instances.

American workers do not typically remain with one employer during a lifetime, Mr. Speaker. As a consequence there is a definite need for pension credit accumulation for employees as they move from one job to another in an economy in which both individual and corporate mobility is increasing.

I am hopeful, therefore, that the issue of portability will be given first priority as the momentum for more comprehensive pension reform continues. However, the initial steps must be taken this afternoon by adopting the conference report before us and seeing to it that the reforms this legislation proposes are fully and accurately implemented.

Mr. GAYDOS. Mr. Speaker, I wish to commend the conferees of both Houses of Congress for their diligent efforts in reaching an agreement on legislation which will protect and preserve the pension benefits of the American working man.

Specifically, I wish to commend my colleagues, Mr. PERKINS, Mr. THOMPSON, ERLENBORN, and Mr. SARASIN for their ef- Mr. DENT, Mr. BURTON, Mr. QUIE, Mr. forts in incorporating in the conference report provisions which this House so overwhelmingly approved on February 28 of this year.

It is obvious that this legislation is most complex, and I will only point out some of the most significant provisions.

PARTICIPATING AND VESTING

The conference report adopts the House provision in that no plan may require as a condition of eligibility an age greater than 25 or employment service in excess of 11 years. Where plans provide for 100-percent immediate vesting, this would have to occur no later than after 3 years service. The conference report does add a new provision which provides for a so-called "look-back" of up to 3 years for an employee who begins employment prior to age 24. Thus, an individual who is employed at age 20 will, upon attaining age 25, have a vested credit of 3 years.

The conference report provides for the three vesting rules which were embodied in the House bill. These are: First, 10 years service rule, with 100-percent vesting after 10 years of service; second, graded 15-year-rule with 25 percent vested after 5 years of service, and 100 percent vested after 15 years; and third, the rule of 45, which provides for 50-percent vesting when age of individual plus years of service equal 45.

The conference report does add a new provision which requires under the rule of 45 that an individual with 10 years of service will have 50-percent vested benefits regardless of his age. This means that an individual, aged 30, who commenced employment at age 20 and had 10 years of service would, under the rule of 45, otherwise not obtain any vested benefits, since his age, 30, plus service of 10 years, equals 40. The conference report, however, will now provide the individual with a vested benefit, at age 40, as 10 years of service.

As provided in the House bill, a plan would be allowed to change its vesting provisions provided that the vested benefits would not be reduced or delayed for the plan participants at the time of the change. As in the House bill, any plan would be allowed to provide for vesting of benefits after a lesser period of time or in a greater amount than was set forth in the law.

FUNDING

The conference report emphasizes the provisions of the House requiring all plans subject to the act to make annual contributions equal to the normal operating costs plus an annual amortization of the unfunded accrued liability over a period of 30 years for a single employer plan or 40 years for a multiemployer plan.

TERMINATION INSURANCE

The conference report, with some minor changes, adopts the House provisions which provide for the creation of a Pension Benefit Guaranty Corporation, whose purpose is to guarantee payments of benefits to participants in the event of termination of the pension plan. There are three new provisions in the conference report, however, which are of interest:

First. An advisory committee will be created consisting of two representatives of labor, two representatives of management, and three representatives of the general public, to be appointed by the President and confirmed by the Senate, whose purpose will be to advise the Pension Benefit Guaranty Corporation on policies and procedures to be followed with respect to terminated pension plans.

Second. The House bill would authorize the Corporation to insure employers against a contingent liability that could arise if, upon termination of a pension plan, it was necessary for the Pension Benefit Guaranty Corporation to make payment to the pension plan in order to insure that the participants receive the benefits to which they are entitled. The conference report provides for mandatory coverage of contingent employers liability for both single and multiemployer plans.

Third. The conference substitute authorizes the Pension Benefit Guaranty Corporation to attempt to develop within a 3-year period a system whereby insurance against contingent liability can be, in whole or in part, provided by private insurers.

EFFECTIVE DATES

First. The reporting and disclosure provisions will generally become applicable January 1, 1975.

Second. The provisions on participation and vesting will become effective for plans in existence as of January 1, 1974, for the plan year commencing after December 31, 1975. With respect to new plans, they will be subject to requirements for the plan year commencing after the date of enactment of the bill.

The conference report does contain a new provision that pension plans which are collectively bargained, the collective bargaining agreement may be reopened solely for the purpose of allowing the pension plan to comply with the requirements. Otherwise, the pension plan would not be subject to participation and vesting requirements until the expiration of the current collective bargaining agreement.

Third. Funding. New plans will be subject to funding provisions in the first plan year beginning after the date of enactment of the legislation. For existing plans, they will be subject to the provisions on December 31, 1975, except that existing collectively-bargained plans would be subject to the provisions upon expiration of the existing collective bargaining agreement or, at the latest, December 31, 1980.

Fourth. Termination insurance. For single-employer plans, termination insurance coverage would be effective July 1, 1974, with premium payments to commence on the date of enactment of the legislation.

For multiemployer plans, coverage to commence January 1, 1978 with employer liability commencing on the date of legislative enactment.

Fifth. Fiduciary responsibility. The fiduciary liability provisions of the act would become effective January 1, 1975.

Mr. Speaker, this legislation represents a giant step forward in protecting the pension rights of American workers. I strongly urge the adoption of the conference report.

Mr. MINISH. Mr. Speaker, I rise in strong support of the Employee Pension Security Act of 1974, the so-called pension reform bill.

This legislation has been long overdue and is much needed. I want to commend the conferees on both sides for producing a quality conference report which represents a giant step forward toward reforming the terrible mess that now permeates private pensions in the United States.

Private pension plans have experienced tremendous growth over the last decades to the point where they now affect 30 million Americans—it is time for the Federal Government to step in and assure that these employees and others receive their just due.

For too long people have been denied pension security because they change their jobs, their workplaces are shut down, the companies they work for are sold, declare bankruptcy, or move to another area.

The legislation before us today, which will be cleared for the President's signature in the near future will go a long way toward alleviating present roadblocks to a secure and a meaningful retirement.

In summary, the bill would assure the pension coverage of most private enterprise employees while at the same time protecting their eventual benefits. Additionally, the various private pension plans will be required to show proper funding, and the bill authorizes a Federal run employer-financed insurance program to guard against failing plans.

I am disappointed that the legislation's final version does not require the strong mandatory portability features that were in my original bill. However, it should be noted that the measure does call for a limited form of voluntary portability which will be of immense benefit if employees and employers work together to make it effective. In addition the legislation calls for further congressional work on the portability issue during the 94th Congress.

All too often in the past private pension plans were a sham—they did not deliver what they promised. Employees in our country have waited a long time for effective reform in this area. It is high time that some order, stability, and reliability were introduced into this virtually unregulated sector of our economy. I urge an overwhelming vote of approval for H.R. 2.

Mrs. GRASSO. Mr. Speaker, after years of toil and effort, the House is finally ready to approve a pension reform bill which will truly protect the rights of the American worker.

I would like to take this opportunity to express, on behalf of the workers in my district, my thanks to my colleague and friend, the gentleman from Pennsylvania (Mr. DENT), for his tireless efforts on behalf of this legislation.

The final provisions of H.R. 2 will directly affect as many as 35 million workers and additional millions and their families. For the first time, they will be assured by the law that pensions promised to them will be delivered on their retirement.

By establishing minimum vesting, funding, and fiduciary standards, the bill will protect private pension plans and will prevent a recurrence of the too-often repeated story of pensions which unexpectedly vanished when workers reached retirement age.

Without question, H.R. 2 represents the most important piece of labor-related legislation since the establishment of the Federal minimum wage nearly 40 years ago. I wholeheartedly support the conference report and would hope that it could be quickly signed into law.

Mr. ANNUNZIO. Mr. Speaker, I rise in strong support of this monumental and most significant reform legislation, because for the first time in our nation's history, a comprehensive Federal statute governing private pension plans is being enacted. For the first time, working Americans who in good faith pay a part of their salaries into company pension plans, will be guaranteed, upon retirement, receipt of the benefits for which they worked so hard.

The case for pension plan reform was made known by the thousands of workers who voiced their legitimate grievances to us, who told their stories before House and Senate hearings, and even on TV the people spoke, and we listened.

The pension reform bill will assure that those workers under private pension plans will get the benefits to which they are entitled—even if a company for which they worked goes out of business. I feel that the pension plan termination insurance program is the real backbone of the legislation. It will be the spine of the private pension system since it will assure workers that if they are entitled to a pension, they will get one.

As I have said in the past, in speaking for the inclusion of a termination insurance program, such a program would eliminate the legitimate fears shared by thousands of workers that the pension on which they so desperately depended would not pay off at retirement. No longer will actual losses be experienced by thousands of workers each year who have found that their pension plan was terminated without sufficient assets to pay all benefits due.

This legislation recognizes that despite the favorable tax treatment afforded pension plans and the enormous growth over the years, too many employees with long years of service were losing anticipated retirement benefits owing to the lack of vesting provisions in these plans. Mr. Speaker, H.R. 2 provides minimum standards of vesting from which plans can choose. Similarly, it provides rules concerning eligibility, participation requirements, plan termination insurance, reporting and disclosure, fiduciary responsibilities, individual retirement accounts, and survivors' benefit options.

Mr. Speaker, this legislation also recognizes that the soundness and stability of many pension plans were endangered because of inadequate funding requirements. The minimal funding requirements prescribed by the Internal Revenue Service did very little to contribute to the financial integrity of pension plans. It is therefore reassuring that this complex piece of legislation calls for the systematic funding of pension plan liabilities.

The present tax laws generally are aimed at preventing employers from operating plans as tax avoidance devices. They also prohibit employers from running plans that discriminate in favor of officers, stockholders, and highly paid employees. But the tax laws do nothing more than this. Yet the Treasury Department was estimating that we were losing something like $4 billion a year in lost revenues from private plans taking tax deductions for contributions to pension trusts, with the income then earned by the trusts being tax exempt.

I am proud of the provisions regarding participation, vesting, funding, and also the other major tax and reporting provisions in the bill. I would like to call particular attention to some of the lesser known details which I think will definitely be appreciated by our working men and women.

First of all, when an individual leaves a pension plan prior to retirement—with a vested right to a pension—the employer will not only be required to furnish him with a statement setting forth what the employee is entitled to, but he would also be required to forward a copy to the Social Security Administration. When the individual applies for social security benefits, he will be notified what he is due under the pension plan which covered him perhaps 5, 10, or even 20 years ago. Often workers forget these things over the years and never apply for benefits which are rightfully theirs.

Another feature that I think is important and which I would like to point out to my colleagues is that workers who leave plans with vested rights to their pension can expect the full amount promised at retirement under plans which integrate their benefit formulas with social security. Under offset plans, an employer could formerly reduce the amount that he would pay under his pension plan to reflect increases in social security benefits enacted after the individual left his company. Now the offset under integrated plans will be frozen at the level in effect when the individual terminated employment.

I should also add that this legislation codifies the current administrative practice of the Internal Revenue Service which freezes the amount of the offset for individuals once they are retired.

These are just two features I would like to point out. Of course, I could go on and on discussing the numerous provisions in this lengthy bill, but suffice it to say that this was one of the most complex pieces of legislation that any of us has had to face and I think the conferees did a commendable job. Once the conference report before us is enacted into law and the program gets underway, it will be necessary for us to monitor the effectiveness of the law in order to eliminate any weaknesses that might exist and in order to strengthen it and make sure that the intent of Congress is fully implemented.

Mr. RAILSBACK. Mr. Speaker, today is certainly a day we have all been looking forward to. But I must say that the people who have been looking forward to it with the greatest anticipation are the millions of working men and women who will be helped by the pension reform legislation before us this afternoon. Estimates of the number of people who will be covered by H.R. 2 are as high as 30 million.

The legislation will establish minimum standards which pension plans must meet. I believe that the standards are fair from the standpoint of participants and employers, unions and management. The conferees have carefully considered both the House and Senate versions of the legislation and have worked expeditiously in bringing this measure to the floor. I would like to take just a moment to commend them for this most difficult task. The legislation is inordinately complex and technical, and my only caution and concern is that adequate explanations of the bill be provided to all concerned.

Basically, H.R. 2 will require that all employees be eligible to participate in a pension plan after they are 25 years old and have worked for an employer for 1 year. This provision recognizes that younger workers change jobs more frequently than older workers before settling down into a career occupation. It also takes into consideration the fact that other individuals are transient or temporary workers, and have no intention of staying with one employer for any length of time. The legislation does not saddle employers with keeping records for these individuals which would not only be costly and time consuming, but also to little avail.

The bill also establishes what I believe are responsible and flexible standards for vesting. Three options are available which will permit employers some choice in the vesting formula they wish to adopt. I should add that the vesting cost studies that were completed last year showed a nominal difference in costs among the different options studied.

I am also pleased that the bill includes sound requirements for the funding of pension plans. The systematic funding of pension plan liabilities in the manner called for in H.R. 2 should contribute significantly to the financial integrity of pension plans. This, coupled with tighter standards of fiduciary conduct, should add employee confidence in the private pension system.

One provision which I am truly encouraged by is that regarding the pension plan termination insurance program. I carefully studied the arguments for and against such a program, and concluded that we have a fairly serious problem that can be solved with the sharing of risk among all plans.

H.R. 2 also serves to remedy an obvious inequity that has existed for years in the tax treatment afforded pension plans set up by the self-employed. Whereas formerly there was no limitation on corporate contributions to pension plans, the self-employed were limited to a maximum deduction of $2,500 a year. Now they will be entitled to up to $7,500 a year. This will hopefully stem the tide of professionals seeking to incorporate because of the differences in tax treatment of pension plans.

Mr. Speaker, we have all sought ways to preserve and stimulate the future growth of the private pension system. In fact, we were very careful in avoiding the inclusion of provisions which would stifle that growth. Toward this end the legislation was carefully shaped. But what could be done to encourage and stimulate the growth of the private pension system?

Mr. Speaker, the inclusion of the so-called IRA provisions permitting individuals not covered by a pension plan to set up a tax-qualified plan of their own will be a catalyst in stimulating the growth of the private pension system. Now individuals not covered by a pension can take, depending on their income, a tax deduction of up to $1,500 a year for retirement savings. This is a provision similar to that I have been calling for in bills I have introduced over the last several years. Therefore, I am particularly pleased this language is included in H.R. 2.

To conclude, I believe the Pension Reform Act comes to grips with many of the serious problems facing far too many Americans regarding pension plans. I urge immediate enactment of H.R. 2—it is a good pension reform bill, and we must usher in an era of pension reform yet this year.

Mr. PRICE of Illinois. Mr. Speaker, I would just like to add my comments to those that have already been made in support of the adoption of the conference report on H.R. 2, the Employee Benefit Security Act of 1974.

This legislation was introduced in response to growing complaints that many pension plans are inadequate and deprived of retirement benefits if they change jobs, their plans are insufficiently financed, or the company folds. These people need to be protected better than they are now, and this legislation I feel will do an admirable job of alleviating the harsh conditions that now exist. Potentially affecting 30 million citizens, this bill is one of the most important bills this Congress will consider.

I urge my colleagues to adopt these provisions so that vesting and portability standards may be put into effect as soon as possible. The workers of America need this legislation so that they may be assured of receiving the benefits for which they worked so hard.

Mr. TIERNAN. Mr. Speaker, today is the culmination of several years of effort to reform the private pension system. Our vote in favor of the conference report to H.R. 2, the Employee Retirement Income Security Act of 1974 will assure millions of workers adequate income for their retirement years.

The private pension system in the United States has grown at a phenomenal rate in the past 30 years. In 1940, only 4 million employees were covered by private pension plans. Today, over 30 million employees or almost one-half of the private nonfarm work force are covered by these plans. Over $150 billion in assets are held in reserve to pay benefits credited to private plan participants. But even with this huge amount in reserve, employees often retire only to find out that for some reason they are denied the pension they earned. Either the company has unknown rules for pension eligibility or runs into financial difficulty and there are no funds left to pay pension benefits. Despite this rapid growth of the pension system, there are no Government regulations to correct the flaws.

Both the Senate and the House have put in long hours working to reform the pension system, to strengthen the position of the retiree without discouraging the growth of private pension plans. The bill we are voting on today was a monumental task, but it was completed successfully. This bill will establish minimum standards of vesting, funding, and fiduciary responsibility. It will also porvide insurance for the vested portion of unfunded liabilities against the risk of premature plan termination. This insurance will protect employees from the bankruptcy of their employer.

Another important provision of this bill is the tax deduction allowance for those not covered by pension plans. While 30 million employees are covered under pension plans, still half of our work force does not have the benefit of these plans. But the bill we are voting on today will allow these individuals to set up their own retirement accounts and deduct up to $1,500 from their income tax returns.

This bill will protect the employee's pension rights from bankruptcy of the employer; it will require the employer to clearly state the eligibility standards for pension participation; it will set up vesting and funding standards; and it will help those not covered under a pension plan by providing a tax deduction for retirement savings. This is one of the most monumental pieces of labor legislation passed by any Congress and the long years of work on this bill were well worth the effort.

Mr. COLLIER. Mr. Speaker, I rise in support of the conference report on H.R. 2, the Employee Retirement Income Security Act of 1974.

As a conferee on this important legislation, I can tell the Members that this is one of the most comprehensive bills I have ever worked on and feel it will provide the basis for improved pension benefits for virtually all Americans who are now covered by a plan, may be covered in the future, or will be able to take advantage of the newly established individual retirement accounts.

As many of the conferees have indicated, this legislation provides new standards relating to participation, vesting, and funding of pension plans, establishes a new program of individual retirement accounts for those pensionless employees who do not have coverage under an existing plan and provides a large number of other changes in both the tax and labor laws relating to this entire subject. Others have dealt with some of the items contained in this legislation, and I would like to merely touch on a few items which I think are critical and deserve explanation.

As I indicated, the conference agreement provides three alternative vesting standards which must be met by either plans which qualify under the tax law or those that will be required to meet the guidelines established by the Secretary of Labor. The existing Internal Revenue Code provides rules against discrimination on the part of pension plans between employees. Simply stated, a particular plan must not favor supervisory employees over nonsupervisory employees in its vesting provisions and other provisions if it is to qualify for the special tax treatment afforded by the Internal Revenue Code for qualified plans.

Generally speaking, the Internal Revenue Service has forced on small employers faster rules of vesting than it has on the larger plans since there may be more likelihood of turnover and greater benefits to highly paid workers in those plans than in the larger companywide plans. Unfortunately, the law has not been administered on a uniform basis, and the conferees were made aware of a number of situations where small employers, who were attempting to provide their employees with a meaningful pension plan, have had to vest and fund their plans at levels significantly in excess of those required of major corporations.

The conferees attacked this problem by providing in general that a plan which meets the vesting requirements provided in the bill is not to be considered discriminatory unless there is a pattern of abuse under the plan or there has been or is reason to believe that there will be an accrual of benefits or forfeitures tending to discriminate in favor of employees who are officers, shareholders or highly compensated. It seems to me that once a plan meets the standards established in this bill there should be no greater requirement for it, and the Internal Revenue Service should not be allowed on a general basis to require faster vesting of the small employer than it would a large corporate employer.

The provisions in this bill provide, except in cases where actual abuse occurs, the Internal Revenue Service in administering the vesting provisions will not require a vesting schedule more stringent than 40 percent vesting after 4 years of employment with 5 percent additional vesting for each of the next 2 years and 10 percent additional vesting for each of the following 5 years.

Additionally, this more rapid vesting would generally not be required except in a case where the rate of likely turnover for executives was substantially less than the rate of likely turnover for rank and file employees.

As a conferee, who proposed this last alternative, I wish to make it clear that my intentions are to make uniform the rules under which the Internal Revenue Service operates in those instances where there is a definite pattern of abuse. I hope and intend that these rules will not be applied in cases where there is only a slight question and the circumstances preclude absolute nondiscrimination. The thrust of this pension legislation should be to protect employees and to insure that they have adequate benefits. It should not be implemented in a way which will force employers to end their plans or perhaps discourage other employers from beginning them.

The conferees provided that the joint pension task force is to study this problem carefully. I hope the group will move on this very important question quickly.

Mr. Speaker, there is one other important item I would like to discuss. It relates to the establishment in this legislation of the tax deductions for individual retirement accounts. As Members of the House will recall, in his pension message some years ago, former President Nixon recommended the establishment of a new program under which a good share of the 30 million Americans not presently covered by pension plans would be encouraged to begin their own plans. This recommendation was presented in the form of a tax deduction granted to an employee who is not eligible or covered by a pension plan at his place of work to contribute up to $1,500 per year of his money into an account which would be set aside for his retirement. The encouragement involved was the tax deduction for that $1,500.

Both the House and Senate versions contained so-called IRA's and I think that this is one of the most critical provisions in this legislation. It is designed to allow noncovered individuals to obtain some pension benefits when they retire. Its purpose is worthy and its operation should be very simple.

The funds contributed to an individual retirement account will be available for the purchase of an annuity contract, a qualified retirement bond, an account in a bank, and in addition, certain life endowment insurance contracts to the extent that the amounts paid are properly allocable to retirement savings. On this latter point, it is important that an explanation be given as to why the conferees decided against allowing the funds of individual retirement accounts to be used for the purchase of life insurance generally.

It is important to note there is presently no tax deduction allowed for amounts paid for the purchase of life insurance, and the individual retirement accounts are designed to provide a retirement benefit, not a life insurance benefit. As a result, the conferees decided to allow the assets of individual retirement accounts to be used only for the retirement savings element in an endowment contract. I think this is a fair result and makes sense in light of what the purpose and intention of the individual retirement account provision is.

Mr. Speaker, there are many other provisions in this bill which deserve discussion and others will highlight them in their remarks. Suffice it to say, that I believe this is an important piece of legislation that deserves the support of each Member of the body. I hope it will pass by an overwhelming vote.

Mr. SMITH of Iowa. Mr. Speaker, I fully appreciate the fact that the subject matter covered by the Employee Retirement Income Security Act of 1974 is very extensive and complicated. There is a great need for private pension plans, deferred income plans, and other plans which receive tax benefits as an encouragement to providing supplemental retirement income. Realistically, social security by itself is not likely to be sufficient to provide enough for retirement income and the supplemental plans are very important.

In establishing a deferred income plan, older employees would not be able to receive benefits unless the plan provides for paying these benefits out of the trust fund in excess of the contributions of such employees and thereby creating an unfunded liability which is paid back over a period of years—usually 15 years or more. If the company which has approved such a negotiated plan approves a plan preferred by the employees which includes an unfunded liability and if that company then goes out of business prior to the time when the unfunded liability has been funded, it is understood that the value of the vested rights of the younger employees will not be as much as they have paid in, because some of this money is needed to finance the retirement of older employees who had not paid in enough to purchase their lifetime annuity. Provisions of this bill which set up an insurance corporation and guarantee certain benefits, may expose employer units which go out of business after the effective date of this act to additional liabilities over and above those included in the negotiated contract. Employees of companies which went out of business after July 1, 1974, and prior to the effective date of this act may receive benefits from the fund without their employer units having paid any extra money and this money will have to come from those who are paying insurance premiums hereafter. Indirectly, this is paid from funds which would have otherwise provided employees with increased retirement benefits.

It seems to me that this plan as agreed upon expropriates from some employee groups whose plan must pay the extra insurance premium to give to others; and that it also has the overall effect of discouraging the future establishment of deferred income plans with unfunded liabilities to pay for the benefits for older members. It inevitably will also discourage establishing the kind of individual deferred income plans which have in the past provided the greatest amount of benefits for the contributions paid in. Although the overall objectives of the bill are laudable, I think these negative aspects are very bad and should be corrected in this bill and before irreparable damage is done to many people in the work force today.

While appreciating the overall espoused objectives of the bill and supporting the need for minimum vesting standards and other provisions such as those encouraging individuals to buy an individual annuity plan, I feel it would have been advisable to correct some of the bad features and believe the committees involved should consider amendments very soon.

Mr. SARASIN. Mr. Speaker, the private retirement system has always held out to America's workers the promise of economic security during retirement years. While millions of Americans did collect their benefits, the situation was not nearly as fortunate for thousands of others.

For the past 6 years, members of the House and Senate have been studying the private retirement system, reviewing with our staffs the case histories of people who, after 20, 30, and even 40 years of faithful and competent service found themselves without the retirement benefits they had worked all their adult lives for.

The Federal Government, the only body with the broad powers necessary to address the problems of a system which covers an estimated 30 million workers, had to step in. Suggestions were made to improve the system, to tighten up the provisions and the loopholes which led to individual loss of rights. For what must have appeared to be an inexcusable length of time, however, the necessary compromises could not be reached.

This year, however, success has not eluded us. Throughout the 93d Congress to date, we worked on the many provisions, this time avoiding the problems that had ended previous congressional efforts. House Education and Labor, House Ways and Means, Senate Labor and Senate Finance Committees combined resources and knowledge in an effort to produce a good, sound realistic measure.

Today the culmination of our efforts lies before the House. We do not hold it up to our colleagues as a panacea for all the problems and we are not trying to tell the people of America that they will get all the benefits they are expecting.

We are offering legislation which is an excellent first step toward these goals, a bill which provides reasonable assurances that the benefits will be where they are supposed to be when they are supposed to be. Even more important, we have finally provided a foundation upon which we can base reforms for the future.

For the thousands of people who have lost their pensions through no fault of their own we can unfortunately do nothing. For our present and future working men and women, however, we can do something. We must approve the conference report on pension reform legislation and we must do it today. The American people have been waiting a long time for the many necessary changes, and this is one change that they cannot wait for any longer.

Mr. ROSTENKOWSKI. Mr. Speaker, the approval today of H.R. 2, by the full House of Representatives, marks the culmination of countless months of work on pension reform legislation. It will certainly be considered one of the most lasting achievements of this, the 93d Congress.

Since H.R. 2 is the end product of months of cooperative effort between the Committee on Ways and Means and the Committee on Education and Labor, credit for the final language of this legislation cannot be given to one man or even to one committee. But both the acting chairman of the Committee on Ways and Means, Mr. ULLMAN, and the head of the pension task force, Mr. DENT, deserve much credit for the many long hours spent laying the groundwork for this unusual but effective joint effort.

Without further expanding on the remarks of my fellow conferees as to the contents of this conference report, I would like to explain just one of the difficulties encountered by both Houses in drafting this extensive revision of the private pension system; a difficulty that caused considerable delay in the presentation of this bill to the full House for final approval.

The goal of this legislation was to strengthen the rights of employees under existing pension systems, while at the same time encouraging the expansion of these plans and the creation of new ones. As a result, the committees found it necessary to develop a delicate compromise between stricter regulations for protection of employees and sufficient inducements for continued participation by employers.

In doing this, our task was further complicated by the diversity of existing plans, some of which were affected quite unexpectedly under early drafts of this bill. Thus, it was constantly necessary to rework the various provisions in order that we not regulate certain plans out of existence—a situation that would hardly have benefited the pensioner whose rights we were most trying to preserve.

Thus, in reviewing this legislation, it is necessary to remember that with the exception of certain collective bargaining agreements, pension plans are voluntarily set up by employers as an inducement to attract employees. In developing compromises in this area, both the committees and the conferees were necessarily cognizant of the need to encourage the continued existence of these plans. As a result, the conference report on H.R. 2 represents a true balance of the interests of all concerned. For example, its early vesting provisions will insure that each employee will have rights and not just empty promises as his retirement approaches. Similarly, the tax provisions not only will lessen the tax evasion that in the past has been practiced by many high salaried individuals, but will also continue to encourage the establishment of retirement plans by corporate employers.

H.R. 2 represents a delicate yet comprehensive reform of the present pension and retirement system in this country. As such, I feel that it deserves the full support of each Member of this House.

Mr. HILLIS. Mr. Speaker, I am pleased that the time has finally arrived for us to take final action on the Pension Reform Act.

I have been interested in and have worked hard on pension reform since the beginning of my first term in Congress. I submitted two bills dealing with pension protection to the Congress and testified before committee in support of stronger and improved protection for participants and beneficiaries of employee welfare and pension benefit plans. I am pleased to say that elements from my legislation have been incorporated in the Pension Reform Act before us today.

Rapid approval of this legislation would represent a major step forward in providing a strong and guaranteed private pension system in America.

I would urge President Ford to sign this measure posthaste so that we can see the provisions of this much needed act become law.

Mr. MATHIAS of California. Mr. Speaker, in our consideration of H.R. 2 we are concerning ourselves with the financial security of America's work force. Literally millions of our working men and women currently enrolled in pension plans will be directly affected by the passage of this reform legislation, and millions more will be indirectly affected by it due to the fact that they may, in the future, enter a retirement benefit program.

Too many Americans have been duped into believing that they need not fear financial worries upon retiring, and have been left with little or no security for their retirement years. This legislation will eliminate the chance of that happening by guaranteeing the proper management of moneys contained in pension funds and, in fact, by guaranteeing the existence of ample money to pay out the anticipated benefits.

Many Americans have suffered the loss of pension benefits due to markers and bankruptcies. The establishment of a termination insurance system will guarantee retirement benefits to employees who find themselves caught shorthanded by sudden shifts in the status of their employing agency.

For these reasons, and others, Mr. Speaker, I favor the adoption of the conference report accompanying H.R. 2. It is my hope that we can have this legislation passed by both Houses of Congress, and on the President's desk for signing by Labor Day.

Mr. CARNEY of Ohio. Mr. Speaker, the conference report on the Employee Retirement Income Security Act of 1974, H.R. 2, now before the House gives me a great deal of satisfaction. Legislation protecting the pension benefits earned and paid for by employees during their working years has been one of my highest priorities ever since I became a Member of the Congress.

House bill 2 is not a perfect bill. No bill passed by the Congress ever is. But H.R. 2 will eliminate most of the glaring inequities in private pension plans in which 30 million working men and women have invested over $125 billion of their hard-earned money.

This pension reform bill does not require a company to have a pension plan. But it does make certain that persons who work for a company having such a plan will receive the full pension benefits to which they are entitled. This bill would forbid a company having a pension plan from excluding any employee 25 years of age with at least 1 year of service. It gives employees a vested right to their pension benefits in one of three ways; First, 100 percent vesting after 10 years of service; Second, graduated 100 percent vesting after 15 years of service; third, 50 percent vesting when years of service and age of employee total 45, 10 percent per year over the next 5 years, and at least 50 percent vesting after 10 years of service.

Second, this pension reform bill requires that all pension plans be properly funded. Third, it requires full disclosure of all significant information about a pension plan, including the requirement that a plan summary or plan description be given to each plan participant. Fourth, it sets high fiduciary standards, including personal liability of pension fund administrators. Fifth, the bill establishes a portability system in which an employee's pension credits from one qualified plan may be transferred to another qualified plan upon the approval of the new plan. Sixth, it requires that all pension plans be certified by the U.S. Department of Labor and the Internal Revenue Service as being in compliance with the standards under this law. Seventh, it provides a Federal reinsurance program guaranteeing the payment of all nonforfeitable pension benefits. Eighth, it provides liberal tax deductions for the retirement plans of self-employed individuals.

Because of the safeguards contained in H.R. 2, an employee whose company goes out of business or merges with another company will not lose his pension benefits. Because of the safeguards contained in H.R. 2, an employee who is laid off, or fired, or quits his job will not lose the pension benefits which he has earned.

The Employee Retirement Income Security Act is a reasonable and responsible bill. It is the result of long deliberations and a great deal of hard work. I commend Senator Harrison A. Williams and Senator Jacob K. Javits who sponsored the pension reform bill in the Senate, and my colleagues, Congressman John H. Dent and Congressman Al Ullman, who managed the pension reform bill on the floor of the House. I also congratulate Speaker Albert, who made the pension reform bill one of his top priorities for the 93d Congress.

Mr. Speaker, the Pension Reform Act will go down as one of the most important pieces of legislation passed by this Congress. It will help restore the confidence of the American people in their Government. I urge my colleagues to support the bill.

Mr. REUSS. Mr. Speaker, today the House will no doubt dispatch the conference version of H.R. 2 to the Senate and the White House. As one who has long supported pension reform, I am delighted to see pension reform become law. As one who has long fought for tax reform, however, I am saddened by the discriminatory tax provisions of the bill, and particularly by the increase in the "Keogh plan" loophole.

For 10 years, self-employed individuals—mainly lawyers, doctors, accountants—have received a tax break—known as the Keogh plan, after its original sponsor—on their contribution to retirement savings—first, a deduction of up to $1,250 a year, later liberalized to $2,500. H.R. 2 would raise the maximum deduction to $7,500.

In 1968, the Tresury Department's annual Statistics of Income published, for the first and last time, a detailed breakdown, by income classes, of those who used the Keogh plan. Over half had adjusted gross incomes over $25,000—sufficient to put them in the richest 5 percent of American families. These self-employed professionals are not necessarily among the legendary superrich, but in a country where the median income is only $12,051, they are certainly in the very comfortable upper middle class.

During these same years, more than half of American workers—53 percent in 1973—had neither qualified corporate pension plans nor tax-deferred retirement accounts. Included in this majority, according to the Treasury Department, are most low-paid workers, employees in small businesses, farmers, fishermen.

These are the workers who need the most help. They are the families most affected by the continued high inflation in the cost of food, fuel, housing. They are the workers whose payroll taxes have risen rapidly these past 3 years. They are the parents who can barely scrape together enough money for their children's education, or for a decent home. They are the ones who need the greatest encouragement and help in saving for retirement.

H.R. 2 does give them some incentive to save—a $1,500 a year maximum tax deduction for retirement account contributions. This is a welcome move indeed.

But at the same time, the pension bill triples the Keogh deduction for self-employed individuals. Compare the $7,500 which Keogh plan beneficiaries can set aside, tax-free, with the $1,500, the maximum permitted uncovered employees.

Is the need for Keogh plan beneficiaries five times as great? Quite the contrary. The relatively well-to-do Keogh plan users spend a smaller percent of income on basic necessities, and are thus better padded against inflation. They have the cash to choose from a wide range of profitable investment opportunities, many of which also reduce their tax bills.

It was argued that unless the Keogh deduction is raised, self-employed professionals would incorporate to take advantage of more liberal corporate pension benefits. Surely the simplest and cheapest—for widening the Keogh loophole will cost the taxpayers $150 million a year—way to prevent this shift would have been to place a reasonable limit on corporate pension benefits.

Ostensibly, H.R. 2 does limit corporate pension plans—but in such a way that few top corporate executives will feel the difference. For "defined contribution" plans, the bill limits the amount on which tax may be deferred to 25 percent of earned income or a maximum of $25,000 a year. For "defined benefit" plans, the benefit is limited to a $75,000 annuity, which means an annual set-aside of about $35,000. Since, according to a recent SEC survey of the highest paid executives in private industry, top corporate officers now look forward to an average retirement annuity of $61,000, the pension reform bill "limitations" seem less than stringent.

This, then, is what the tax provisions of H.R. 2 amount to: $1,500 a year tax-free for uncovered, largely modest-income employees; $7,500 for self-employed individuals, mainly well-to-do professionals; and up to $35,000 a year for the best-paid corporate executives. In other words, H.R. 2 makes possible a huge tax subsidy for those who raked in the money during their working days, and a chicken-feed tax subsidy for those who merely make a bare-bones living. It is the greatest unfairness to the modest-income majority who not only get the short end of the stick when they retire, but must make up through their taxes while they work the revenues lost through these and similar tax loopholes for the rich.

These tax changes are clearly discriminatory, ill-coordinated, and reflect too obviously the relative lobbying strength of corporations, professional associations, and the average worker. The tax side of the pension bill is unworthy of the name "reform," unworthy of Congress and its supposed dedication to the interests of the average citizen. One can only hope that a new and clearer-sighted Congress will do better in 1975.

Mr. McCLORY. Mr. Speaker, the adoption today of the conference report on H.R. 2 marks another near final step taken by the Congress to assure American workers eventual pension plan security. H.R. 2 is the result of more than 5 years of committee work and task force investigation which revealed gross abuses of the pension rights of thousands of our Nation's workers. When the Employee Benefit Security Act becomes public law, it will cover more than 30 million Americans who are presently participants in private pension plans—with assets of more than $150 billion.

While it should be noted that the number of abuses have been relatively small in proportion to the several million workers that are covered by private pension plans, I cannot help but recall the plight of several hundred Elgin National Watch Co. employees, almost all of whom are residents of my 13th Congressional District of Illinois. Their case was atypical—perhaps unique—in that the watch company fund was overfunded—while most losses sustained by pension plan participants result from insufficient funds. At the heart of the Elgin controversy was the question, "who should be entitled to the excess funds"—the pensioners or the company, which had come under the direction of new management who wished to liquidate the pension fund.

Nonetheless, the experience of the Elgin pensioners sharply illustrated the need for minimum Federal standards to insure against loss of pension funds that rightfully belong to the contributing employees. After several protracted lawsuits in two States, the Elgin case was finally settled and some 1,089 Elgin Watch Co. pensioners received initial cash payments followed by lifetime pension payments.

As the Representative in Congress serving these watch company employees, I am proud to have played a role in the development of this landmark legislation. I also take pride in my colleagues—particularly those of the Education and Labor Committee and the Ways and Means Committee—whose arduous task it was to write acceptable and compatible bills for final House consideration.

Mr. FORD. Mr. Speaker, I rise in favor of the pension reform conference report.

Mr. Speaker, for more than 7 years I have been working with my colleagues on the Education and Labor Committee to enact legislation to protect the pensions of our working men and women. Today, at last, I am able to rise in support of this final for passage of the Employee Retirement Income Security Act of 1974—a comprehensive pension reform law which will protect the pension benefits of millions of American workers.

With the enactment of this legislation we intend to end the problem which so many American workers face when they learn that after working for several years the pension benefits to which they thought they were entitled are nonexistent—nonexistent because of inadequate vesting protection, or poor or negligent administration, because the plan was not properly funded.

Mr. Speaker, those of us who have been involved in this legislation from the outset will recall that it was 7 years ago when the General Subcommittee on Labor, on which I then served, first began its work on pension protection legislation. Since that time we have continually conducted hearings, revised several different legislative proposals and we have been constantly negotiating with all the interested parties.

The bill we have before us today represents the work of this past 7 years during which we have dealt with enormous complexities related to the task of protecting workers' pensions. The final product is an excellent compromise which all of us should support.

I should like to remind my colleagues that one problem we continually had to deal with in passing this legislation was that we could not come up with a bill that was acceptable to all facets of organized labor. I am happy to say that the bill we now have before us has received the enthusiastic support of virtually every segment of organized labor, including the AFL-CIO, the UAW, and the United Steel Workers. It has the support of the hundreds of my own constituents who have contacted me over the years urging me to support legislation to protect their hard-earned pensions.

The Employee Retirement Income Security Act will provide for Federal standards of fiduciary responsibility, for minimum standards of vesting and funding, and perhaps most important of all, for pension plan termination insurance.

At this point, I would like to summarize its key provisions. This legislation establishes a tighter reporting and disclosure requirement for pension plans, as well as providing for standards of conduct for fiduciaries—the persons who control the management of pension funds. It also requires that the administrator of a plan must provide each participant with a written description of the plan in language that an average and reasonable worker can be expected to understand intelligently.

The vesting requirement provision of the bill provides for three alternative formulas. One of the following rules would meet the minimum requirements provided for under this legislation: the 10-year service rule which would guarantee 100 percent vesting after 10 years of covered service, but under which no vesting would occur prior to a full 10 years of service; the graded 15-year service rule which provides for 25 percent vesting after 5 years of covered service, increasing by 5 percent for each of the next 5 years and 10 percent for the subsequent 5 years until 100 percent vesting is achieved at the end of the 15th year; or the "rule of 45," under which 50 percent vesting would occur when age plus the number of years of covered service equals 45. Under this rule, an employee would have to be vested 50 percent after 10 years. The vesting would increase by 10 percent each subsequent year so that an employee would be 100 percent vested in 15 years.

The bill also provides for assurances that the pension plan will be adequately funded. This protection is guaranteed by the provision which requires an employer to make payments toward the principal of unfunded accrued liabilities. A liability is what is incurred when the employer grants pension credits to employees for past services, and an unfunded liability is what exists when assets are not sufficient to cover the liabilities over the long run.

Mr. Speaker, one of the most important provisions of the legislation before us today is that part of the bill which provides for pension plan termination insurance. This provision is designed to protect workers who have been paying into pension plans for years, only to learn that, prior to their retirement, the plans, for one reason or another, have terminated. This provision would establish a Pension Benefit Guaranty Corporation adminstered by a Board of Directors consisting of the Secretaries of Labor, Commerce, and Treasury.

Mr. Speaker, I cannot overstate the importance and the urgency of the need for prompt enactment of this legislation into law. Ever since I first cosponsored pension protection legislation over 6 years ago, my office has been deluged with mail from my constituents demanding that Congress provide the American working men and women with protection for their private pension plans.

Over the past years, the committee has traveled to my own State of Michigan and conducted hearings in which we have been confronted by the distressing tales of workers who have suffered great damage, because of the inadequacy of our present pension laws. The committee has heard from witnesses who have described situations resulting in lost and reduced pension benefits as a result of the closing of major employers in the Detroit area such as the Garwood Division of Sargent Industries, of Packard Motors, and of Essex Wire.

The committee was told of the situation which resulted in 1960 when a major Detroit newspaper shut down and paid its over 400 employees lump-sum pension benefits of approximately $160. We heard from steelworkers who lost jobs as well as pension benefits as a result of the shutdown of the Mahon Industrial Division and the Taylor Cement Co., and we heard the testimony of one individual who received, after 29 long years of service, a lump-sum payment of $1,800 when the Gardwood plant closed down in my own district recently.

Mr. Speaker, these were all stories which were related to the committee when it traveled to Michigan. Similar stories can be and have been heard in virtually every State and every congressional district in this country. The evidence in support of the need for the legislation we are considering today is insurmountable.

At this point, I would like to commend my good friend ond colleague, the distinguished chairman of the General Subcommittee on Labor, Mr. DENT, and all the members of our committee who worked so diligently on this legislation. I would also like to commend the staff members of the special pension task force for their long hours of work on this bill.

In addition, I might add that the Ways and Means Committee, which added the special provisions for additional pension benefits for the self-employed, should be commended for its cooperation in getting this bill passed.

Mr. Speaker, the protections which this bill will afford to our American working force are long overdue. At this point, I urge my colleagues from both sides of the aisle to give this legislation their unequivocal support so that it can be sent to the White House and be signed into law at the earliest possible date.

Mr. HARRINGTON. Mr. Speaker, today we are considering the pension reform conference report. While it is my intention to support the conference bill, which will provide urgently needed pension reform to the millions of Americans employed in private industry, this legislation can only be viewed as a modest first step toward development of completely equitable and all-encompassing retirement plans.

The Employee Benefit Security Act of 1974 basically establishes standards for private pension plans currently in existence. Such a reform is long overdue. Too often we hear of individuals who receive no pension, after many years of employment, because they retired or quit before an arbitrarily designated date for "vesting" of benefit credits, or because they were too young or too old to participate in the plan. A company may go bankrupt and thus all pension funds are lost. No safeguards currently exist to prevent a business from simply dropping its retirement plan. If a company merges or is sold, the new owners may alter the plan, with no consideration of benefits accrued in the previous plan. Hopefully, this new legislation will prevent these injustices from occurring in the future.

PROVISIONS OF THE PENSION REFORM BILL

The pension reform bill will expand the number of employees eligible for pension plans by establishing a low minimum number of hours worked in a year in order to qualify—1,000 hours or approximately one-half time—a low minimum age, and a high maximum age for plan participants. An employee will no longer need to wait many years before he or she begins to accumulate pension credits for years worked. Basically, the bill states that, at age 25, an employee who has worked 1 year must be included in the pension plan, if the company has one. Besides establishing 25 as the minimum age, the bill also requires that older employees not be excluded from a pension plan due to age, unless they are within 5 years of retirement. Furthermore, by redefining a "year's work" as 1,000 hours, many part-time and seasonal workers will now become eligible for retirement plans.

The pension reform bill establishes two alternate plans, one of which a business must elect, to provide an orderly method of accumulating pension credits. An employer will no longer be able to hold back on sizable accumulations until an employee has worked for many years.

One of the most important provisions requires selection by a business of one of three methods to "vest" an employee's accrued credit, insuring him or her of an orderly accumulation of vested credits, with at least 50 percent vested after 10 years and 100 percent vested after 15 years of service.

The new full vesting will not guarantee retirement benefits, however, if a company goes bankrupt or merges or drops its retirement plan. This legislation provides strict standards for a company's financing of pension plans: funds will be administered, completely independent of the employer, through trusts or insurance companies; contribution schedules for the company will be established to insure adequate funds to meet current pension obligations.

Since even the above provision might not save an employee's pension, a newly established Pension Benefit Guaranty Corporation will insure employee retirement benefits if a company should be unable to meet its pension plan commitments.

Finally, the legislation requires a number of reports to open up the often incomprehensible labyrinth of private pension plans to public view. Companies will report annually to the Secretary of Labor, detailing their compliance, and in addition, will provide employees with an explanatory booklet of the pension plan in understandable language.

For the 40 million employees in private industry not covered by a pension plan, the legislation would allow establishment of an Individual Retirement Account—IRA: an employee may put 15 percent of his or her salary, up to $1,500 annually, into an IRA and receive a tax deduction for the amount. Self-employed people will also be able to put as much as 15 percent of their salary, up to $7,500, into a fund to earn income which is tax-free until retirement.

WEAKNESSES OF THE PENSION REFORM BILL

Despite the improvements to private pension plans, we cannot overlook the shortcomings of this pension reform legislation, since these weaknesses reveal the areas in which further legislation is needed.

One common inadequacy is the lack of a provision for complete portability of pensions. If an employee has gained 50 percent vested credits after 10 years service and then quits, he or she will keep that vested amount; however, these years of service will not be counted at the new place of employment. Thus, while this legislation does remove some of the restrictions hampering full freedom of employment, it does not entirely free an employee from the need to stay at one place of employment for a certain length of time—5 or 10 years, depending on the plan—in order to have his credits vested.

Another weakness of this legislation is the staggered and late effective dates. The priorities of the bill's authors are somewhat suspect here, since the effective dates seem to reflect a certain prejudice in favor of the employer.

For example, retroactive to the beginning of this year, the amount of money the self-employed can set aside is considerably increased, especially for those earning over $35,000 annually. This provision has been criticized as primarily an aid to the affluent as a result—we cannot help but question the motive for retroactivity in this case.

Only pension plans set up after enactment of the new law are immediately required to conform to the new standards; companies with plans already in existence have until January 1, 1976, to comply. This delay seems incomprehensible to me. Since next January, companies with plans must begin detailed reporting to the Secretary of Labor, there is no reason that compliance with the other regulations could not also go into effect at that time.

While there appeared to be a certain amount of haste to allow retroactive deductions for the self-employed, the bill is remarkably slow to enforce another provision: it postpones until January 1, 1976, the new limits on corporate contributions to retirement plans for executives.

Since by voting in favor of H.R. 2 and the conference report, we are displaying our recognition of the need for reform, to delay without good reason the dates of compliance for employers with the new standards, while rushing through a tax deduction provision primarily for the affluent, is at best hypocritical.

A final criticism is the insufficient motivation for companies to establish new pension plans, especially now that new, stricter guidelines are in effect. Furthermore, the bill only insures that the amount of pension promised is paid, and paid fairly. No judgment is made as to the sufficiency of the promised amount. When we consider that many elderly Americans are barely surviving on their minimal fixed incomes, we realize that the size of the pension, not just its reliability, can be of crucial importance. While I support this effort today to aid millions of workers, I would hope that we can continue to pursue this issue of providing sufficient income for all our Nation's elderly.

In short, Mr. Speaker, although this bill does have many flaws, it is at least an encouraging first step toward significant private pension reform.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in support of the conference report on H.R. 2, providing for long past due reform of pension law in this country.

During the century that private pension plans have been with us, they have grown phenomenally—and without regulation.

In 1940, private pension plans covered 4.1 million employees and had total assets of $2.4 billion. In the next 10 years the number of enrolled employees more than doubled and total assets increased five-fold. By 1960, the number of enrolled employees more than doubled again and the assets increased 2½ times.

Today there are 30 million employees enrolled in private pension plans—total assets of which are over $130 billion. In 30 years the number of enrolled workers has increased by seven times and the total assets are worth 50 times their value in 1940.

But, consider that out of the 30 million employees enrolled in plans, almost a third, 10 million, will receive no benefits whatever.

Of those workers who in the last 20 years left their job for any reason at all—voluntarily, discharged, plant closing, and retirement—88 percent lost all rights to their pension benefits.

As a matter of equity and fair treatment, as a matter of industrial justice, an employee covered by a pension plan is entitled after a reasonable period of service to the protection of future retirement benefits against any possible termination of his employment.

Without vesting, a worker displaced after long years of service is denied all of his accrued pension protection. A worker in a similar position who voluntarily changes his employment has to forfeit his right to future pension. Both circumstances are charged with inequity.

A pension is not a gift from the employer. It has become universally recognized by employers, by workers, and by unions that pension benefits are part of an employee's compensation. It is the other half of the paycheck. And millions of employees have been cheated and unless we pass this conference report today, many millions more will be cheated out of that second paycheck.

Vesting is universally recognized as fair and necessary. But in almost one-third of all pension plans it is absent. In the remainder, overly restrictive age and service or other requirements for all practical purposes make the vesting provision inoperative.

Consider the following personal histories related to the Education and Labor Committee, of which I am a member.

A loyal employee who, after holding several responsible positions with the same company for 26 years, was discharged without pension rights at the age of 59.

A salesman with 28 years of service was discharged at the age of 56 without pension rights because his division closed down. To be eligible for a pension, he would have had to remain with the company 9 more years until age 65.

A worker, with 36 years of service with the same company, lost all pension rights because the factory shut down. He was unable to follow the company to its new location, because of his wife's illness.

A 64-year-old man who worked 15 years for one company applied for his pension after he was laid off and discovered that he was only 1 year short of eligibility. He, too, lost all benefits.

These are not uncommon examples of pension plans without adequate or equitable vesting provisions. These workers, like millions of others enrolled in private pension plans did not have sufficient vesting rights in their pension programs even though they had been long-time employees.

Today's economy is rapidly shifting. There are changes in consumer and business demand, corresponding shifts of jobs among industries, occupations, and geographical areas. It is unreasonable that vesting should not take effect after 10 years of continuous employment and it is unreasonable that those vested rights not be "portable."

In those industries predominantly covered by pension plans such as manufacturers and public utilities, half of the workers with 10 or more years of service will not be working for the same employer by the time they reach retirement age. This raises not only the problem of vesting, but that of portability; the right of an employee to apply pension rights accrued with company A to the pension benefits he may enjoy with new employer B, C, D, and however, many subsequent employers he may work for.

We have been living under an archaic pension system. It has no relationship to today's fast moving economy and our mobile work force. The time for change is long overdue.

But even if vesting rights are reasonable and we can make them portable, there must be some assurance that the funds themselves are adequately financed and safeguarded.

I recall one company which had a moderate pension plan. There were about 11,000 employees and former employees enrolled; 4,500 were 40 years or older and had worked at least 10 years with the company and had vested rights; 3,600 employees were already drawing benefits. Their average age was 51 and the average length of service was 23 years.

The fund had assets of $24 million held in trust by the Chase Manhattan Bank.

In 1964, the company folded. Because of insufficient and improper funding of the plan, the average payment of annuities was only $600.

One of my colleagues on the Education and Labor Committee was a member of the State legislature where the company was located. He visited the area at the time of the shutdown. He recalled to me that several workers went out to their garages and hung themselves. After working for 20 to 30 years, they could not bear the thought of living without the pension security they had counted on all their lives.

This was not a fly-by-night company. It had been in business for over a century and had started by making covered wagons. The company was the Studebaker Corp.—the victim of a rapidly changing economy, consumer, and business demands.

We talk about living in a free society. The essence of liberty is as much economic freedom as it is political freedom.

But as far as "freedom from want" in old age is concerned, there is no choice. Until now, the promise of your pension has been this: If you remain in good health and stay with the same company until you are age 65; and if the company is still in business; and if your department has not been abolished; and if you had not been laid off for too long a period; and if there is enough money in the fund; and if that money has been prudently managed, you may get a pension.

That is not good enough, Mr. Speaker.

It is utterly and totally indefensible in an American society as affluent as ours, that an individual's economic security in his later years should rest on such a flimsy foundation and a phony promise; to be so endangered by such an incredible list of "if's" and "maybe's." I strongly urge my colleagues to support this bill and right the great wrongs suffered by millions of workers.

Mr. BROYHILL of North Carolina. Mr. Speaker, I rise in support of the conference report on H.R. 2, the Employee Retirement Income Security Act of 1974.

For over 2 years, the Congress has labored to draft legislation that would guarantee to the worker his promised benefits while not running up unnecessarily the costs of pension programs. I believe the compromise worked out by the House and Senate conferees has met these requirements.

We have all witnessed the tragic plight of hundreds of workers who, upon retirement or job termination, have suddenly discovered they have no pension, either through pension fund mismanagement or through a special clause contained in the fine print of the contract. The people learned the hard way that their future financial security was not guaranteed.

This bill, however, will correct these inequities by providing adequate safeguards for the administration, operation, and establishment of pension funds, with full disclosure to participants and their beneficiaries on what type of plan they are participating in, what kinds of benefits they will receive, and their vesting eligibility.

H.R. 2 provides for the administration of pension plans by the Secretary of Labor. The Secretary of the Treasury will be responsible for the audited financial statements and the certified actuarial reports supplied by each pension and welfare plan engaged in or affecting interstate commerce.

Every participant in an employee benefit plan must be given a summary plan description written in easily understood language. Further, all plan documents and annual reports must be made readily available for inspection by participants or their beneficiaries.

The two most important features of this bill are participation and vesting standards.

An employee cannot be excluded from a plan because of age or service, if he is at least 25 years old and had had at least 1 year of service. If the plan provides full and immediate vesting for all participants, it may require participants to be age 25, with 3 years' service. On the other hand, a plan may not exclude an employee because he is too old. However, under a defined benefit plan, an employee may be excluded from participation if he is within 5 years of attaining the normal retirement age under the plan when he is first hired.

In addition, service with a predecessor employer must be counted for purposes of the plan if the successor employer continues to maintain his predecessor's plan. However, the successor employer cannot nominally discountinue the predecessor's plan.

The bill also contains a modified portability provision, in that service with any employer who is a member of a multiemployee plan is to be counted toward the plan. A multiemployer plan is one maintained as a result of a collective bargaining agreement, with participation by more than one employer, each of whom makes less than 50 percent of the contributions.

H.R. 2 provides three options for vesting participation in private pension plans: 100 percent vesting after 10 years' service; 25 percent vesting after 5 years' service, with 100 percent vesting after 15 years' service; 50 percent vesting when age plus service equals 45—after 5 or more years employment—with 10 percent additional vesting for each year thereafter, and 100 percent vesting at normal or stated retirement age.

To protect the integrity and soundness of pension programs, minimum funding and insurance regulations are contained in the bill.

Mr. Speaker, I am pleased with this legislation. The House and Senate conferees are to be congratulated on their efforts to arrive at a viable compromise in an expeditious manner. By passing this measure, the Congress will have taken an important step toward protecting the retirement incomes of millions of American workers.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the conference report on the bill, H.R. 2, presently under consideration.

The SPEAKER pro tempore (Mr. SMITH of Iowa). Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I have no further requests for time.

Mr. ERLENBORN. Mr. Speaker, we have no further requests for time.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ERLENBORN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 407, nays 2, not voting 25, as follows:

[Roll No. 504]

YEAS—407

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill

Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.

Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collier
Collins, Ill.

Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt

Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle

Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White

Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—2

Collins, Tex.
Landgrebe

NOT VOTING—25

Anderson, Ill.
Aspin
Brasco
Cleveland
Davis, Ga.
Dorn
Gray
Gude
Gunter
Hansen, Wash.
Hébert
Latta
Litton
McSpadden
Macdonald
Mayne
Michel
Nedzi
Podell
Rarick
Rooney, N.Y.
Steed
Steele
Stuckey
Van Deerlin

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Davis of Georgia.
Mr. Rooney of New York with Mr. Dorn.
Mr. Macdonald with Mr. Gray.
Mr. Steed with Mrs. Hansen of Washington.
Mr. Podell with Mr. Litton.
Mr. Nedzi with Mr. Michel.
Mr. Van Deerlin with Mr. Anderson of Illinois.
Mr. Gunter with Mr. Cleveland.
Mr. Stuckey with Mr. Latta.
Mr. Rarick with Mr. Mayne.
Mr. Aspin with Mr. Gude.
Mr. McSpadden with Mr. Steele.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On August 14, 1974:

H.R. 15074. An act to regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

On August 17, 1974:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky;

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez and Milagros Catambay Gutierrez; and

H.R. 5667. An act for the relief of Linda Julie Dickson (nee Waters).

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN H.R. 2, EMPLOYMENT RETIREMENT INCOME SECURITY ACT OF 1974

Mr. ULLMAN. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 609) and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 2) to provide for pension reform, the Clerk of the House of Representatives shall make the following corrections:

(1) In the item relating to section 405 of the bill in the Table of Contents, strike out "of" and insert in lieu thereof "by."

(2) In the item relating to part I of subtitle A of title II in the Table of Contents of the bill strike out "Part I" and insert in lieu thereof "Part 1".

(3) In the item relating to part II of subtitle A of title II in the Table of Contents of the bill strike out "Part II" and insert in lieu thereof "Part 2".

(4) In the item relating to part III of subtitle A of title II of the bill strike out "Part III" and insert in lieu thereof "Part 3".

(5) In the item relating to part IV of subtitle A of title II in the Table of Contents of the bill strike out "Part IV" and insert in lieu thereof "Part 4".

(6) In the item relating to part V of subtitle A of title II in the Table of Contents of the bill strike out "Part V" and insert in lieu thereof "Part 5".

(7) In paragraph (1) of section 3, strike out "plan was established or maintained" and insert in lieu thereof "plan, fund, or program was established or is maintained".

(8) In paragraph (18) of section 3——

(A) insert "of subtitle B" after "part 4";

(B) strike out "or which has been listed for more than 1 month (at the time of such sale or purchase) on an electronic quotation system administered by a national securities association registered under such Act,"; and

(C) strike out "or so listed on such an electronic quotation system,".

(9) In paragraph (35)(B) of section 3, strike out "individual account plans" and insert in lieu thereof "an individual account plan".

(10) In paragraph (37)(A)(ii) of section 3 of the bill, strike out "agreement" and insert in lieu thereof "agreements".

(10A) In paragraph 37(A)(ii) of section 3 of the bill insert "an" before the word "employee".

(11) In section 4(b)(5) of the bill, strike out "which" before "is unfunded".

(12) In the last sentence of section 102(a)(1) of the bill, strike out "Any" and insert in lieu thereof "A summary of any".

(13) In section 103(b)(3)(D) of the bill insert after the phrase "and his relationship or" the words "that of".

(14) In section 103(d)(8) of the bill, strike out "302" and insert in lieu thereof "302(c)(3)".

(15) In section 103(e) of the bill, strike out "fiscal year" and insert in lieu thereof "plan year".

(16) Strike out paragraph (1) of section 104(b) of the bill and insert in lieu thereof the following:

(1) The administrator shall furnish to each participant, and each beneficiary receiving benefits under the plan, a copy of the summary, plan description, and all modifications and changes referred to in section 102(a)(1)—

(A) within 90 days after he becomes a participant, or (in the case of a beneficiary) within 90 days after he first receives benefits, or

(B) if later, within 120 days after the plan becomes subject to this part.

The administrator shall furnish to each participant, and each beneficiary receiving benefits under the plan, every fifth year after the plan becomes subject to this part an updated summary plan description described in section 102 which integrates all plan amendments made within such five-year period, except that in a case where no amendments have been made to a plan during such five-year period this sentence shall not apply. Notwithstanding the foregoing, the administrator shall furnish to each participant, and to each beneficiary receiving benefits under the plan, the summary plan description described in section 102 every tenth year after the plan becomes subject to this part. If there is a modification or change described in section 102(a)(1), a summary description of such modification or change shall be furnished not later than 210 days after the end of the plan year in which the change is adopted to each participant, and to each beneficiary who is receiving benefits under the plan.

(17) In section 104(d) of the bill, insert "the" before "Treasury".

(18) In section 107, strike out "under section 104(a)(3)" each place it appears and insert in lieu thereof "or simplified reporting requirement under section 104(a)(2) or (3)".

(19) In section 108, strike out "sections 101 through 107 and section 412 of this Act" each place it appears, and insert in lieu thereof "this part or section 412".

(20) In section 110(a) of the bill, strike out "[and events]" and insert in lieu thereof in lieu thereof ", or class of pension plans,".

(21) In section 111(a)(1) of the bill, strike out "[and events]' and insert in lieu thereof "and events".

(22) In paragraph (7) of section 201 of the bill, strike out "Such plan is".

(23) In section 203(a)(3)(D)(ii) of the bill strike out "break-in" and insert in lieu thereof "break in".

(24) In section 203(b)(4) of the bill—

(A) strike out "((A)" and insert in lieu thereof "(A)";

(B) strike out "((B)" and insert in lieu thereof "(B)"; and

(C) strike out "204(d)(1).)" and insert in lieu thereof "204(d)(1).".

(25) In section 204(b)(1)(C) of the bill, strike out the third sentence.

(26) In the first sentence of section 204(b)(1)(C) of the bill, strike out "at" after "would be entitled".

(27) In section 204(b)(1)(C) of the bill strike out "participated" and insert in lieu thereof "participated".

(28) In section 204(b)(1)(D) of the bill strike out "accured" and insert in lieu thereof "accrued".

(29) In section 204(b)(1)(G) of the bill strike out the second sentence and insert in lieu thereof the following: The preceding sentence shall not apply to benefits under the plan commencing before benefits payable under title II of the Social Security Act which benefits under the plan—

(i) do not exceed social security benefits, and

(ii) terminate when such social security benefits commence.

(30) In section 204(c)(1)(D) of the bill strike out "realtionship" and insert in lieu thereof "relationship".

(31) Strike out the last sentence of section 204(e) of the bill and insert in lieu thereof the following:

In the case of a defined contribution plan, the plan provision required under this subsection may provide that such repayment must be made before the participant has any 1-year break in service commencing after such withdrawal.

(32) In section 204(e) of the bill strike out "subparagraph" and insert in lieu thereof "subsection".

(33) In section 204(h) of the bill—

(A) strike out the parenthesis before "For", and

(B) strike out the parenthesis after the period at the end thereof.

(34) Strike out section 206(a) of the bill and insert in lieu thereof the following:

SEC. 206. (a) Each pension plan shall provide that unless the participant otherwise elects, the payment of benefits under the plan to the participant shall begin not later than the 60th day after the latest of the close of the plan year in which—

(1) the date on which the participant attains the earlier of age 65 or the normal retirement age specified under the plan,

(2) occurs the 10th anniversary of the year in which the participant commenced participation in the plan, or

(3) the participant terminates his services with the employer.

In the case of a plan which provides for the payment of an early retirement benefit, such plan shall provide that a participant who satisfied the service requirements for such early retirement benefit, but separated from the service (with any nonforfeitable right to an accrued benefit) before satisfying the age requirement for such early retirement benefit, is entitled upon satisfaction of such age requirement to receive a benefit not less than the benefit to which he would be entitled at the normal retirement age, actuarially reduced under regulations prescribed by the Secretary of the Treasury.

(35) In section 206(b)(1), strike out "such plan" and insert in lieu thereof "a pension plan".

(36) In section 206(d)(2) of the bill insert after "section 4975" the first time it appears "of the Internal Revenue Code of 1954" and insert before the period at the end thereof "of such Code".

(37) In section 209(a)(1)(B) of the bill strike "termintes" and insert in lieu thereof "terminates".

(38) In section 209(a)(2) of the bill, strike out "of Labor" in the first sentence, and "of Labor or his delegate" in the second sentence.

(39) In section 210(a) of the bill—

(A) insert "of this subsection" after "the following provisions"; and

(B) insert "as" after "shall be applied" in paragraph 2.

(39A) In section 211(c)(1), strike out "section 204" and insert "sections 204 and 205".

(40) In section 211(c)(2)(A), strike out "a participant of in the form of an annuity for the life of the participant with a survivor annuity for the life of his spouse" and insert in lieu thereof "the participant".

(41) In section 211(d), strike out "(1)".

(42) In section 301(a) (5) and (6) of the bill strike the comma at the end and insert in lieu thereof a semicolon.

(43) In section 301(a)(7) and (8) of the bill strike the opening parenthesis before the semicolon at the end of such paragraph.

(44) In section 302(a)(1) of the bill strike the second sentence and insert in lieu thereof "A plan to which this part applies shall have satisfied the minimum funding standard for such plan for a plan year if as of the end of such plan year the plan does not have an accumulated funding deficiency."

(45) In section 302(c)(2)(B) of the bill strike "indefault" and insert in lieu thereof "in default".

(46) In section 302(c)(8) of the bill insert the article "a" before "plan" the first time it appears.

(47) In section 303(d) of the bill, strike out the parenthesis before "For", and strike out the parenthesis after the period at the end thereof.

(48) In section 306(c)(1) of the bill insert after "Secretary finds to be" the following: "collective bargaining agreements between employee organizations".

(48A) In section 306, insert at the end thereof the following:

(d) In the case of a plan maintained by a labor organization which is exempt from tax under section 501(c)(5) of the Internal Revenue Code of 1954 exclusively for the benefit of its employees and their beneficiaries, this part shall be applied by substituting for the term "December 31, 1975" in subsection (b), the earlier of—

(1) the date on which the second convention of such labor organization held after the date of the enactment of this Act ends, or

(2) December 31, 1980, but in no event shall a date earlier than the later of December 31, 1975, or the date determined under subsection (c) be substituted.

(49) In section 401(a)(2), strike out "a plan consisting of an" and insert in lieu thereof "any".

(50) Strike out section 403(b)(4) of the bill and insert the following:

(4) to a plan which the Secretary exempts from the requirement of subsection (a) and which is not subject to any of the following provisions of this Act:

(A) part 2 of this subtitle,

(B) part 3 of this subtitle, or

(C) title IV of this Act; or

(51) In section 403(c)(1), strike out "allocation of assets of terminated plans" and insert in lieu thereof "termination of insured plans".

(52) In section 403(c)(1)(C) of the bill strike "deductability" and insert in lieu thereof "deductibility".

(53) In section 403(c)(2)(C), strike out "disapproval" and insert in lieu thereof "disallowance".

(54) In section 404(c)(2) of the bill strike "participant"," and insert in lieu thereof "participant's".

(55) In the heading for section 405 of the bill, strike out "OF" and insert in lieu thereof "BY".

(56) In section 405(c) of the bill, strike out "such fiduciary" in paragraphs (1) and (2) and insert in lieu thereof "such other fiduciary".

(57) In section 405(b)(1)(B) of the bill, insert a comma before and after "authorized by the trust instrument".

(58) In section 405(c)(2)(A)(ii) of the bill, strike out "of" after "establishment" and insert in lieu thereof "or".

(59) In section 405(c)(3) of the bill strike "plan's" the second time it appears.

(60) In section 406(b)(2) of the bill insert "in" before "any".

(61) In section 407(a)(4)(A) strike "19679" and insert in lieu thereof "1979".

(62) In section 407(d)(3)(B) of the bill, strike out "the expiration of one year after the effective date of this part" and insert in lieu thereof "January 1, 1976".

(63) In section 407(d)(4) of the bill strike "the" the first time it appears and insert "The".

(64) In section 407(d)(4)(D) of the bill, strike out "such acquisition and retention complies" and insert in lieu thereof "the acquisition and retention of such property comply".

(65) In section 407(d)(5), strike out the semicolon after "stock".

(66) In section 408(b)(5) of the bill strike the dash after "State" and insert in lieu thereof a comma.

(67) In section 408(a)(5)(B) strike "parties-in interest" and insert in lieu thereof "parties in interest".

(68) In section 414(c)(5) of the bill strike the word "consideartion" and insert in lieu thereof "consideration".

(69) In section 502(b)(2) of the bill strike "benefit" in the second sentence and insert in lieu thereof "benefits".

(70) In section 502(d)(2) of the bill strike the article "a" and insert in lieu thereof "the".

(71) In section 510 of the bill insert a comma after "title" the first time it appears.

(72) In section 514(c)(1) of the bill, insert after the period the following: "A law of the United States applicable to the District of Columbia shall be treated as a State law rather than a law of the United States."

Sec. 2. The Clerk of the House of Representatives, in the enrollment of such bill, shall make the following corrections:

(1) In section 411(a) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, strike out "trus" and insert in lieu thereof "trust".

(2) In section 411(a)(3)(D) of the Internal Revenue Code of 1954, as added by section 1012(a) of the bill, strike out "manadatory" and insert in lieu thereof "mandatory".

(3) In section 411(a)(5)(D) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, after "subsection" insert a comma.

(4) In section 411(b)(1)(A) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, strike out the next to last sentence.

(5) In section 411(b)(1)(E) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, strike out "the term years of service" and insert in lieu thereof "the term 'years of service'".

(6) In section 411(b)(3)(E) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, after "subsection" insert a comma.

(7) In section 412(a) of the Internal Revenue Code of 1954, which is added by section 1013(a) of the bill, strike out "if at the end of" and insert in lieu thereof "if as of the end of".

(8) In section 4971(c)(3) of the Internal Revenue Code of 1954, which is added by section 1013(b) of the bill, strike out "means" and insert in lieu thereof "means,".

(9) In section 404(a)(1)(C) of the Internal Revenue Code of 1954, which is added by section 1013(c) of the bill, strike out "Alternate transfer of terms.—" and insert in lieu thereof "Certain collectively—bargained plans.—".

(10) In section 413(c)(6) of the Internal Revenue Code of 1954, which is added by section 1014 of the bill, strike out "limitation pro" and insert in lieu thereof "limitation".

(11) In the item contained in section 1016 (b)(2) of the bill relating to chapter 43 of the Internal Revenue Code of 1954, strike out "qualified" and insert in lieu thereof "qualified".

(12) In section 1017(c)(1)(A) of the bill, strike out "Usual application waived.—" and insert in lieu thereof "Waiver of application.—".

(13) In section 1017(b)(1)(D)(i) of the bill, strike out "with a survivor annuity for the life of his spouse".

(14) In section 1017(a)(2)(B) of the bill strike out "Interim law granting waiver of underfunding.—" and insert in lieu thereof "Waiver of underfunding.—".

(15) In section 1017 of the bill, at the end of subsection (c)(2) add the following subparagraph:

(C) Labor organization conventions.—In the case of a plan maintained by a labor organization, which is exempt from tax under section 501(c)(5) of the Internal Revenue Code of 1954, exclusively for the benefit of its employees and their beneficiaries, section 412 of such Code and other amendments made by this part to the extent such amendments relate to such section 412, shall be applied by substituting for the term "December 31, 1975" in subsection (b), the earlier of—

(i) the date on which the second convention of such labor organization held after the date of the enactment of this Act ends, or

(ii) December 31, 1980, but in no event shall a date earlier than the later of December 31, 1975, or the date determined under subparagraph (A) or (B) be substituted.

(16) In section 401(a)(14) of the Internal Revenue Code of 1954, which is added by section 1021 of the bill, strike out the matter appearing after subparagraph (C) of such section 401(a)(14) and insert in lieu thereof the same matter flush with the paragraph margin of such paragraph (14).

(17) In section 1021 of the bill, strike out subsection (g).

(18) In subsection 6057(g) of the Internal Revenue Code of 1954, which is added by section 1031(a) of the bill, strike out "to-administration" and insert in lieu thereof "to administration".

(19) In section 6652(e)(2) of the Internal Revenue Code of 1954, which is added by section 1031(b)(1) of the bill, strike out

"therefor (determined with" and insert in lieu thereof "therefor (determined without".

(20) In section 7476(b)(2) of the Internal Revenue Code of 1954, which is added by section 1041(a) of the bill, strike out "plead" and insert in lieu thereof "plead—".

(21) In the section caption of section 7802 of the Internal Revenue Code of 1954, which is added by section 1051(a) of the bill, after "ORGANIZATIONS" insert a closing parenthesis.

(22) In section 408(d)(3)(ii) of the Internal Revenue Code of 1954, which is added by section 2002(b) of the bill, strike out ", other than a plan under which the individual was an employee within the meaning of section 401(c)(1) at the time contributions were made on his behalf under the plan," and insert in lieu thereof "(other than a plan under which the individual was an employee within the meaning of section 401(c)(1) at the time contributions were made on his behalf under the plan)".

(23) In section 408(d)(5) of the Internal Revenue Code of 1954, which is added by section 2002(b) of the bill, strike out "a qualified" and insert in lieu thereof "an".

(24) In section 408(i) of the Internal Revenue Code of 1954, which is added by section 2002(b) of the bill, strike out "section 408(b)" and insert in lieu thereof "subsection (b)".

(25) In the last sentence of section 402(a)(5) of the Internal Revenue Code of 1954, which is added by section 2002(g)(5) of the bill, strike out "annuity plan of any" and insert in lieu thereof "annuity plan if any".

(26) In section 4975 (d)(3) (B) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, after "collateral" insert "which".

(27) In section 4975(d)(8) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill strike out:

"(8) any transaction between a plan and "(A) a common or collective trust fund" and insert in lieu thereof the following:

"(8) any transaction between a plan and a common or collective trust fund"

"(28) In the last sentence of section 4975 (d) of the Internal Revenue Code of 1954, as added by section 2003 of the bill, strike out "shareholder—employee" and insert in lieu thereof "shareholder-employee".

(29) In the last sentence of section 4975 (e)(2) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, strike out "The Secretary" and insert in lieu thereof "The Secretary or his delegate".

(30) In section 4975(e)(7)(A) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, strike out "401" and insert in lieu thereof "401(a)".

(31) In section 4975(f)(4) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, strike out "paragraphs (2), (11), and (12)," and insert in lieu thereof "paragraphs (2) and (10)".

(32) In section 4975(i) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, strike out "section 3002 of the Employment" and insert in lieu thereof "section 3003 of the Employee".

(33) In section 415(a)(2) of the Internal Revenue Code of 1954, as added by section 2004(a)(2) of the bill, strike out "405," and insert in lieu thereof "405(a),".

(34) In section 415(d)(1)(B) of the Internal Revenue Code of 1954, as added by section 2004(a)(2) of the bill, strike out "sub ection" and insert in lieu thereof "subsection".

(35) In section 2004(a)(3)(A) of the bill after "defined" insert "benefit".

(36) In section 2004(d)(2) of the bill, strike out the last sentence.

(37) In section 402(e)(4)(B) of the Internal Revenue Code of 1954, as amended by section 2005(a) of the bill, strike out "distributed" and insert in lieu thereof "distribution".

(38) In section 3001(c) of the bill strike out "paragraph (2)" and insert in lieu thereof "subsection (b)(2)".

(39) In title III of the bill, strike out section 3004(a) and insert in lieu thereof the following:

SEC. 3004. (a) Whenever in this Act or in any provision of law amended by this Act the Secretary of the Treasury and the Secretary of Labor are required to carry out provisions relating to the same subject matter (as determined by them) they shall consult with each other and shall develop rules, regulations, practices, and forms which, to the extent appropriate for the efficient administration of such provisions, are designed to reduce duplication of effort, duplication of reporting, conflicting or overlapping requirements, and the burden of compliance with such provisions by plan administrators, employers, and participants and beneficiaries.

(40) In section 3004(b) of the bill, strike out "with or without reimbursement".

(41) In section 3032(d)(8) of the bill strike out "hall" and insert in lieu thereof "shall".

(42) In section 4001(a)(2) of the bill strike out:

"(B) the second and third preceding plan years, equaling or exceeding 10 percent of all employer contributions paid to or under that plan for each such plan year;"

and insert in lieu thereof:

"(B) the second and third preceding plan years, equaling or exceeding 10 percent of all employer contributions made under that plan for each such year;".

(43) In section 4002(a)(3) of the bill strike out "charged by the corporation under section 4007" and insert in lieu thereof "established by the corporation under section 4006".

(44) In section (h)(2) strike out "nomination" and insert in lieu thereof "appointment".

(45) In section 4003 of the bill, after subsection (e)(5), insert the following new subsection:

(f) Any participant, beneficiary, plan administrator, or employee adversely affected by any action of the corporation, or by a receiver or trustee appointed by the corporation, with respect to a plan in which such participant, beneficiary, plan administrator or employer has an interest, may bring an action against the corporation, receiver, or trustee in the appropriate court. For purposes of this subsection the term "appropriate court" means the United States district court before which proceedings under section 4041 or 4042 of this title are being conducted, or if no such proceedings are being conducted the United States district court for the district in which the plan has its principal office, or the United States district court for the District of Columbia. The district courts of the United States have jurisdiction of actions brought under this subsection without regard to the amount in controversy.

(46) In section 4004(b)(1) of the bill strike out "determines that it would not be" and insert in lieu thereof "determines that such approval would not be".

(47) In section 4004(b)(2) of the bill, strike out "special".

(48) In section 4004(d) of the bill, strike out "by the corporation or the court, respectively." and insert in lieu thereof "by either the corporation or the court.".

(49) In section 4005(b)(1)(D) of the bill, strike out "collected under section 4067" and insert in lieu thereof "under subtitle D".

(50) In section 4006(a)(5) of the bill, strike out "enactment" and insert in lieu thereof "enactment".

(51) In section 4006(a)(6) of the bill, strike out "assest" and insert in lieu thereof "assets".

(52) In section 4022(b)(6)(A)(ii) of the bill, strike out "interests" and insert in lieu thereof "interest".

(53) In section 4042(d)(1)(B) of the bill, strike out "part 4 of subpart B" and insert in lieu thereof "part 4 of subtitle B".

(54) In section 4045(b)(1) of the bill, strike out "thet" and insert in lieu thereof "the".

(55) In the second sentence of section 4047 of the bill, strike out "plan administrator control" and insert in lieu thereof "plan administrator of control".

(56) In section 4061 of the bill, strike out "subtitle C" and insert in lieu thereof "subtitle B".

(57) In section 4062(d)(3) of the bill, strike out "merger or" and insert in lieu thereof "merger".

(58) In section 4063(c)(2) of the bill, after "withdrawal" insert a comma.

(59) In section 4063(c)(3)(C) of the bill, strike out "law" and insert in lieu thereof "plan".

(60) In section 4063(e) of the bill, strike out "corporations" and insert in lieu thereof "corporation".

(61) In section 4068 of the bill, strike out subsection (b) and insert in lieu thereof the following:

(b) The lien imposed by subsection (a) arises on the date of termination of a plan, and continues until the liability imposed under section 4062, 4063, or 4064 is satisfied or becomes unenforceable by reason of lapse of time.

(62) In section 404(g) of the Internal Revenue Code of 1954, as added by section 4081(a) of the bill, strike out "(G)" and insert in lieu thereof "(g)".

(63) In section 4082(b) of the bill, strike out the second sentence and insert in lieu thereof the following:

The corporation shall not pay benefits guaranteed under this title with respect to a plan described in the preceding sentence unless the corporation finds substantial evidence that the plan was terminated for a reasonable business purpose and not for the purpose of obtaining the payment of benefits by the corporation under this title or for the purpose of avoiding the liability which might be imposed under subtitle D if the plan terminated on or after the date of enactment of this Act.

Mr. ULLMAN (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, will the gentleman from Oregon give us some explanation of what the concurrent resolution does before we permit its consideration under unanimous consent?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I certainly will.

Mr. ULLMAN. This is the concurrent resolution that I spoke about earlier that deals primarily with technical corrections to the bill. This is a procedure that is used quite often on technical bills, but it also corrects the one substantive matter by removing from the conference report the language of section 1021(g) which was a matter that dealt with the integration between the private pension program and the social security system.

Now, this concurrent resolution will deal with that matter by removing it from the conference report.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from Oregon?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 3044, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. HAYS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns, with the House amendments thereto, insist on the House amendments and agree to the conference asked by the Senate.

The **SPEAKER.** Is there objection to the request of the gentleman from Ohio? The Chair hears none, and appoints the following conferees: Messrs. HAYS, THOMPSON of New Jersey, DENT, BRADEMAS, JONES of Tennessee, MOLLOHAN, MATHIS of Georgia, DICKINSON, DEVINE, WARE, and FRENZEL.

PRIVILEGED REPORT ON IMPEACHMENT

Mr. RODINO, from the Committee on the Judiciary, pursuant to H. Res. 803, submitted the following privileged report (Report No. 93-1305), which was referred to the House Calendar and ordered to be printed:

[93D CONGRESS, 2D SESSION, HOUSE OF REPRESENTATIVES, REPORT NO. 93-1305]

REPORT ON THE IMPEACHMENT OF RICHARD M. NIXON, PRESIDENT OF THE UNITED STATES

Mr. RODINO, from the Committee on the Judiciary, submitted the following report together with supplemental, additional, separate, dissenting, minority, individual, and concurring views:

The Committee on the Judiciary, to whom was referred the consideration of recommendations concerning the exercise of the constitutional power to impeach Richard M. Nixon, President of the United States, having considered the same, reports thereon pursuant to H. Res. 803 as follows and recommends that the House exercise its constitutional power to impeach Richard M. Nixon, President of the United States, and that articles of impeachment be exhibited to the Senate as follows:

RESOLUTION

Impeaching Richard M. Nixon, President of the United States, of high crimes and misdemeanors.

Resolved, That Richard M. Nixon, President of the United States, is impeached for high crimes and misdemeanors, and that the following articles of impeachment be exhibited to the Senate:

Articles of impeachment exhibited by the House of Representatives of the United States of America in the name of itself and of all of the people of the United States of America, against Richard M. Nixon, President of the United States of America, in maintenance and support of its impeachment against him for high crimes and misdemeanors.

Article I

In his conduct of the office of President of the United States, Richard M. Nixon, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has prevented, obstructed, and impeded the administration of justice, in that:

On June 17, 1972, and prior thereto, agents of the Committee for the Re-election of the President committed unlawful entry of the headquarters of the Democratic National Committee in Washington, District of Columbia, for the purpose of securing political intelligence. Subsequent thereto, Richard M. Nixon, using the powers of his high office, engaged personally and through his subordinates and agents, in a course of conduct or plan designed to delay, impede, and obstruct the investigation of such unlawful entry; to cover up, conceal and protect those responsible; and to conceal the existence and scope of other unlawful covert activities.

The means used to implement this course of conduct or plan included one or more of the following:

(1) making or causing to be made false or misleading statements to lawfully authorized investigative officers and employees of the United States;

(2) withholding relevant and material evidence or information from lawfully authorized investigative officers and employees of the United States.

(3) approving, condoning, acquiescing in, and counseling witnesses with respect to the giving of false or misleading statements to lawfully authorized investigative officers and employees of the United States and false or misleading testimony in duly instituted judicial and congressional proceedings;

(4) interfering or endeavoring to interfere with the conduct of investigations by the Department of Justice of the United States, the Federal Bureau of Investigation, the Office of Watergate Special Prosecution Force, and Congressional Committees;

(5) approving, condoning, and acquiescing in, the surreptitious payment of substantial sums of money for the purpose of obtaining the silence or influencing the testimony of witnesses, potential witnesses or individuals who participated in such unlawful entry and other illegal activities;

(6) endeavoring to misuse the Central Intelligence Agency, an agency of the United States;

(7) disseminating information received from officers to the Department of Justice of the United States to subjects of investigations conducted by lawfully authorized investigative officers and employees of the United States, for the purpose of aiding and assisting such subjects in their attempts to avoid criminal liability;

(8) making false or misleading public statements for the purpose of deceiving the people of the United States into believing that a thorough and complete investigation had been conducted with respect to allegations of misconduct on the part of personnel of the executive branch of the United States and personnel of the Committee for the Re-election of the President, and that there was no involvement of such personnel in such misconduct; or

(9) endeavoring to cause prospective defendants, and individuals duly tried and convicted, to expect favored treatment and consideration in return for their silence or false testimony, or rewarding individuals for their silence or false testimony.

In all of this, Richard M. Nixon has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

Wherefore Richard M. Nixon, by such conduct, warrants impeachment and trial, and removal from office.

Article II

Using the powers of the office of President of the United States, Richard M. Nixon, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in disregard of his constitutional duty to take care that the laws be faithfully executed, has repeatedly engaged in conduct violating the constitutional rights of citizens, impairing the due and proper administration of justice and the conduct of lawful inquiries, or contravening the laws governing agencies of the executive branch and the purposes of these agencies.

This conduct has included one or more of the following:

(1) He has, acting personally and through his subordinates and agents, endeavored to obtain from the Internal Revenue Service, in violation of the constitutional rights of citizens, confidential information contained in income tax returns for purposes not authorized by law, and to cause, in violation of the constitutional rights of citizens, income tax audits or other income tax investigations to be initiated or conducted in a discriminatory manner.

(2) He misused the Federal Bureau of Investigation, the Secret Service, and other executive personnel, in violation or disregard of the constitutional rights of citizens, by directing or authorizing such agencies or personnel to conduct or continue electronic surveillance or other investigations for purposes unrelated to national security, the enforcement of laws, or any other lawful function of his office; he did direct, authorize, or permit the use of information obtained thereby for purposes unrelated to national security, the enforcement of laws, or any other lawful function of his office; and he did direct the concealment of certain records made by the Federal Bureau of Investigation of electronic surveillance.

(3) He has, acting personally and through his subordinates and agents, in violation or disregard of the constitutional rights of citizens, authorized and permitted to be maintained a secret investigative unit within the office of the President, financed in part with money derived from campaign contributions, which unlawfully utilized the resources of the Central Intelligence Agency, engaged in covert and unlawful activities, and attempted to prejudice the constitutional right of an accused to a fair trial.

(4) He has failed to take care that the laws were faithfully executed by failing to act when he knew or had reason to know that his close subordinates endeavored to impede and frustrate lawful inquiries by duly constituted executive, judicial, and legislative entities concerning the unlawful entry into the headquarters of the Democratic National Committee, and the cover-up thereof, and concerning other unlawful activities, including those relating to the confirmation of

Richard Kleindienst as Attorney General of the United States, the electronic surveillance of private citizens, the break-in into the offices of Dr. Lewis Fielding, and the campaign financing practices of the Committee to Re-elect the President.

(5) In disregard of the rule of law, he knowingly misused the executive power by interfering with agencies of the executive branch, including the Federal Bureau of Investigation, the Criminal Division, and the Office of Watergate Special Prosecution Force, of the Department of Justice, and the Central Intelligence Agency, in violation of his duty to take care that the laws be faithfully executed.

In all of this, Richard M. Nixon has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

Wherefore Richard M. Nixon, by such conduct, warrants impeachment and trial, and removal from office.

Article III

In his conduct of the office of President of the United States, Richard M. Nixon, contrary to his oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has failed without lawful cause or excuse to produce papers and things as directed by duly authorized subpoenas issued by the Committee on the Judiciary of the House of Representatives on April 11, 1974, May 15, 1974, May 30, 1974, and June 24, 1974, and willfully disobeyed such subpoenas. The subpoenaed papers and things were deemed necessary by the Committee in order to resolve by direct evidence fundamental, factual questions relating to Presidential direction, knowledge, or approval of actions demonstrated by other evidence to be substantial grounds for impeachment of the President. In refusing to produce these papers and things, Richard M. Nixon, substituting his judgment as to what materials were necessary for the inquiry, interposed the powers of the Presidency against the lawful subpoenas of the House of Representatives, thereby assuming to himself functions and judgments necessary to the exercise of the sole power of impeachment vested by the Constitution in the House of Representatives.

In all of this, Richard M. Nixon has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice, and to the manifest injury of the people of the United States.

Wherefore Richard M. Nixon, by such conduct, warrants impeachment and trial, and removal from office.

CONTENTS

Committee Consideration.

The Organization of the White House and Its Relationship to the Committee to the Committee for the Re-Election of the President.

Article I:

Introduction.

Adoption of a Political Intelligence Plan Including the Use of Electronic Surveillance.

The Implementation of the Political Intelligence Plan.

President Nixon's Response to the Arrests.

Containment—July 1, 1972, to Election.

Payments.

Favored Treatment of Defendants and Prospective Defendants.

Deception and Concealment.

The President's Interference with the Department of Justice in March and April, 1973.

The President's Interference with the Senate Select Committee on Presidential Campaign Activities.

April 30, 1973 to the Present.

Conclusion.

Article II:

Introduction.

Paragraph 1.

Paragraph 2.

Paragraph 3.

Paragraph 4.

Paragraph 5.

Conclusion.

Article III:

Introduction.

The Committee Subpoenas and the President's Response.

Justification of the Committee's Subpoenas.

Untrustworthiness of Editor Transcripts Produced by the President.

The Claim of Executive Privilege.

Conclusion.

Other Matters:

Proposed Article on Concealment of Information About Bombing.

Operations in Cambodia.

Proposed Article on Emoluments and Tax Evasion.

Appendixes:

Appendix A—Analysis of the Technical Report on the 18½ Minute Gap.

Appendix B—Subpoenas Issued to President Richard M. Nixon by the Committee on the Judiciary and Justification Memoranda.

Supplemental, Additional, Separate, Dissenting, Minority, Individual and Concurring Views.

COMMITTEE CONSIDERATION

The Constitution provides in Article I, Section 2, Clause 5, that "the House of Representatives shall have the sole power of impeachment." Article II, Section 4 provides, "The President, Vice President and all civil officers of the United States shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors."

Resolutions to impeach President Richard M. Nixon were introduced by members of the House in the last session of Congress and referred to the Committee on the Judiciary. On November 15, 1973, the House adopted H. Res. 702 to provide additional funds for the Committee for purposes of considering these resolutions. On December 20, 1973, special counsel was employed to assist the Committee in its inquiry.

On February 6, 1974, the Committee recommended that the House explicitly authorize the Committee's investigation to determine whether the House should exercise its constitutional power to impeach President Nixon.

On February 6, 1974, the House of Representatives, by a vote of 410 to 4, adopted H. Res. 803. That resolution authorized and directed the Committee on the Judiciary "to investigate fully and completely whether sufficient grounds exist for the House of Representatives to exercise its constitutional power to impeach Richard M. Nixon, President of the United States of America. The Committee shall report to the House of Representatives such resolutions, articles of impeachment, or other recommendations as it deems proper."

As part of the resolution the Committee was granted the power of subpoena for its investigation. In its report to the House on H. Res. 803, the Committee had stated:

"The Committee's investigative authority is intended to be fully coextensive with the power of the House in an impeachment investigation—with respect to the persons who may be required to respond, the methods by which response may be required, and the types of information and materials required to be furnished and produced."

On February 21, 1974, the Committee received a report from its impeachment inquiry staff entitled, "Constitutional Grounds for Presidential Impeachment." The report reviewed the historical origins of impeachment, the intentions of the framers of the Constitution, and the American impeachment cases. The report also addressed the question whether grounds for impeachment, "high crimes and misdemeanors," must be crimes under the ordinary criminal statutes. The report concluded as follows:

"Impeachment is a constitutional remedy addressed to serious offenses against the system of government. The purpose of impeachment under the Constitution is indicated by the limited scope of the remedy (removal from office and possible disqualification from future office) and by the stated grounds for impeachment (treason, bribery and other high crimes and misdemeanors). It is not controlling whether treason and bribery are criminal. More important, they are constitutional wrongs that subvert the structure of government, or undermine the integrity of office and even the Constitution itself, and thus are 'high' offenses in the sense that word was used in English impeachments.

"The framers of our Constitution consciously adopted a particular phrase from the English practice to help define the constitutional grounds for removal. The content of the phrase 'high Crimes and Misdemeanors' for the framers is to be related to what the framers knew, on the whole, about the English practice—the broad sweep of English constitutional history and the vital role impeachment had played in the limitation of royal prerogative and the control of abuses of ministerial and judicial power.

"Impeachment was not a remote subject for the framers. Even as they labored in Philadelphia, the impeachment trial of Warren Hastings, Governor-General of India, was pending in London, a fact to which George Mason made explicit reference in the Convention. Whatever may be said on the merits of Hasting's conduct, the charges against him exemplified the central aspect of impeachment—the parliamentary effort to reach grave abuses of governmental power.

"The framers understood quite clearly that the constitutional system they were creating must include some ultimate check on the conduct of the executive, particularly as they came to reject the suggested plural executive. While insistent that balance between the executive and legislative branches be maintained so that the executive would not become the creature of the legislature, dismissible at its will, the framers also recognized that some means would be needed to deal with excesses by the executive. Impeachment was familiar to them. They understood its essential constitutional functions and perceived its adaptability to the American contest.

"While it may be argued that some articles of impeachment have charged conduct that constituted crime and thus that criminality is an essential ingredient, or that some have charged conduct that was not criminal and thus that criminality is not essential, the fact remains that in the English practice and in several of the American impeachments the criminality issue was not raised at all. The emphasis has been on the significant effects of the conduct—undermining the integrity of office, disregard of constitutional duties and oath of office, arrogation of power, abuse of the governmental process, adverse impact on the system of government. Clearly, these effects can be brought about in ways not anticipated by the criminal law. Criminal standards and criminal courts were established to control individual conduct. Impeachment was evolved by Parliament to cope with both the inadequacy of criminal standards and the impotence of courts to deal with the conduct of great public figures. It would be anomalous if the framers, having barred criminal sanctions from the impeachment remedy and limited it to removal and possible disqualification from office, intended to restrict the grounds for impeachment to conduct that was criminal.

"The longing for precise criteria is understandable; advance, precise definition of objective limits would seemingly serve both to direct future conduct and to inhibit arbitrary reaction to past conduct. In private affairs the objective is the control of personal behavior, in part through the punishment of misbehavior.

"In general, advance definition of standards respecting private conduct works reasonably well. However, where the issue is presidential compliance with the constitutional requirements and limitations on the presidency, the crucial factor is not the intrinsic quality of behavior but the significance of its effect upon our constitutional system or the functioning of our government.

"It is useful to note three major presidential duties of broad scope that are explicitly recited in the Constitution: 'to take Care that the Laws be faithfully executed,' to 'faithfully execute the Office of President of the United States' and to 'preserve, protect, and defend the Constitution of the United States' to the best of his ability. The first is directly imposed by the Constitution; the second and third are included in the constitutionally prescribed oath that the President is required to take before he enters upon the execution of his office and are, therefore, also expressly imposed by the Constitution.

"The duty to take care is affirmative. So is the duty faithfully to execute the office. A President must carry out the obligations of his office diligently and in good faith. The elective character and political role of a President make it difficult to define faithful exercise of his powers in the abstract. A President must make policy and exercise discretion. This discretion necessarily is broad, especially in emergency situations, but the constitutional duties of a President impose limitations on its exercise.

"The 'take care' duty emphasizes the responsibility of a President for the overall conduct of the executive branch, which the Constitution vests in him alone. He must take care that the executive is so organized and operated that this duty is performed.

"The duty of a President to 'preserve, protect, and defend the Constitution' to the best of his ability includes the duty not to abuse his powers or transgress their limits—not to violate the rights of citizens, such as those guaranteed by the Bill of Rights, and not to act in derogation of powers vested elsewhere by the Constitution.

"Not all presidential misconduct is sufficient to constitute grounds for impeachment. There is a further requirement—substantiality. In deciding whether this further requirement has been met, the facts must be considered as a whole in the context of the office, not in terms of separate or isolated events. Because impeachment of a President is a grave step for the nation, it is to be predicated only upon conduct seriously incompatible with either the constitutional form and principles of our government or the proper performance of constitutional duties of the presidential office."

On February 22, 1974, the full Committee on the Judiciary unanimously adopted a set of procedures governing confidentiality for the handling of material gathered in the course of its impeachment inquiry. The purpose and effect of these rules was that the Committee as a whole deferred, until the commencement of the initial presentation on May 9, its access to materials received by the impeachment inquiry staff. Only the Chairman and the Ranking Minority Member had access to, supervised and reviewed the assembly of evidentiary material and the preparation of transcripts of the President's recorded conversations.

In a status report to the Committee on March 1, 1974, the Inquiry staff reported on investigations in six principal areas:

"A. Allegations concerning domestic surveillance activities conducted by or at the direction of the White House.

"B. Allegations concerning intelligence activities conducted by or at the direction of the White House for the purpose of the Presidential election of 1972.

"C. Allegations concerning the Wategate break-in and related activities, including alleged efforts by persons in the White House and others to "cover up" such activities and others.

"D. Allegations concerning improprieties in connection with the personal finances of the President.

"E. Allegations concerning efforts by the White House to use agencies of the executive branch for political purposes, and alleged White House involvement with election campaign contributions.

"F. Allegations concerning other misconduct."

In anticipation of the presentation of evidentiary material by the Inquiry staff, the Committee on May 2, 1974, unanimously adopted a set of procedures for this presentation. These procedures were consistent with four general principles:

"*First,* the Committee would receive from the staff and consider initially all reliable material which tended to establish the facts in issue. At the time that the evidentiary proceedings began, the Committee would give the President the opportunity to have his counsel present and to receive such documents and materials as the staff presented to the Committee Members for their consideration.

"*Second,* during the presentation of this evidentiary material, whether in executive or in open session subject to the rules of the House, the Committee would give the President the opportunity to have his counsel present and to hear the presentation.

"*Third,* at the end of this presentation, the Committee would give the President the opportunity to have his counsel make his position known, either orally or in writing, with respect to the evidentiary material received by the Committee. At that time, President's counsel would be given the opportunity to recommend to the Committee names of witnesses to be called and to advise the Committee as to the witnesses' expected testimony.

"*Fourth,* if and when witnesses were called, the Committee would give the President the opportunity to have his counsel ask such questions of the witnesses as the Committee deemed appropriate."

From May 9, 1974 through June 21, 1974, the Committee considered in executive session approximately six hundred fifty "statements of information" and more than 7,200 pages of supporting evidentiary material presented by the inquiry staff. The statements of information and supporting evidentiary material, furnished to each Member of the Committee in 36 notebooks, presented material on several subjects of the inquiry; the Watergate break-in and its aftermath, ITT, dairy price supports, domestic surveillance, abuse of the IRS, and the activities of the Special Prosecutor. The staff also presented to the Committee written reports on President Nixon's income taxes, presidential impoundment of funds appropriated by Congress, and the bombing of Cambodia.

In each notebook, a statement of information relating to a particular phase of the investigation was immediately followed by supporting evidentiary material, which included copies of documents and testimony (much of it already on public record), transcripts of presidential conversations, and affidavits. A deliberate and scrupulous abstention from conclusions, even by implication, was observed.

The Committee heard recordings of nineteen presidential conversations and dictabelt recollections. The presidential conversations were neither paraphrased nor summarized by the inquiry staff. Thus, no inferences or conclusions were drawn for the Committee. During the course of the hearings, Members of the Committee listened to each recording and simultaneously followed transcripts prepared by the inquiry staff.

On June 27 and 28, 1974, Mr. James St. Clair Special Counsel to the President made a further presentation in a similar manner and form as the inquiry staff's initial presentation. The Committee voted to make public the initial presentation by the inquiry staff, including substantially all of the supporting materials presented at the hearings, as well as the President's response.

Between July 2, 1974, and July 17, 1974, after the inital presentation, the Committee heard testimony from nine witnesses, including all the witnesses proposed by the President's counsel. The witnesses were interrogated by counsel for the Committee, by Special counsel to the President pursuant to the rules of the Committee, and by Members of the Committee. The Committee then heard an oral summation by Mr. St. Clair and received a written brief in support of the President's position.

The Committee concluded its hearings on July 17, a week in advance of its public debate on whether or not to recommend to the House that it exercise its constitutional power of impeachment. In preparation for that debate the majority and minority members of the impeachment inquiry staff presented to the Committee "summaries of information."

On July 24, 25, 26, 27, 29, and 30, 1974, the Committee held its debate in open meetings, which were televised pursuant to H. Res. 1107, adopted by the House on July 22, 1974, permitting coverage of Committee meetings by electronic media. The Committee's meetings were conducted under procedures adopted on July 23, which provided both for general debate of no more than ten hours on a motion to recommend a resolution, together with articles of impeachment, impeaching Richard M. Nixon and for consideration of the articles after the conclusion of general debate. Each proposed article and additional articles were separately considered for amendment and immediately thereafter voted upon as amended for recommendation to the House. The procedures further provided:

"At conclusion of consideration of the articles for amendment and recommendation to the House, if any article has been agreed to, the original motion shall be considered as adopted and the Chairman shall report to the House said Resolution of impeachment together with such articles as have been agreed to or if articles are not agreed to, the Committee shall consider such resolutions or other recommendations as it deems proper."

On July 24, at the commencement of general debate, a resolution was offered including two articles of impeachment. On July 26, an amendment in the nature of a substitute was offered to Article I. In the course of the debate on this substitute, it was contended that the proposed article of impeachment was not sufficiently specific. Proponents of the substitute argued that it met the requirements of specificity under modern pleading practice in both criminal and civil litigation, which provide for notice pleading. They further argued that the President had notice of the charge, that his counsel had participated in the Committee's deliberations, and that the factual details would be provided in the Committee's report.

On July 27, the Committee agreed to the amendment in the nature of a substitute for Article I by a vote of 27 to 11. The Committee then adopted Article I, as amended, by a vote of 27 to 11. Article I, as adopted by the Committee charged that President Nixon, using the power of his high office, engaged, personally and through his subordinates and agents, in a course of conduct or plan designed to delay, impede, and obstruct the investigation of the unlawful entry into the headquarters of the Democratic National Committee in Washington, D.C., for the purpose of securing political intelligence; to cover up, conceal and protect those responsible; and to conceal the existence and scope of other unlawful covert activities.

On July 29, an amendment in the nature of a substitute was offered for Article II of the proposed resolution. After debate, the substitute was agreed to by a vote of 28 to 10. The Committee then adopted Article II, as amended, by a vote of 28 to 10. Article II, as amended, charged that President Nixon, using the power of the office of President of the United States, repeatedly engaged in conduct which violated the constitutional rights of citizens; which impaired the due and proper administration of justice and the conduct of lawful inquiries, or which contravened the laws governing agencies of the executive branch and the purposes of these agencies.

On July 30, an additional article was offered as an amendment to the resolution. After debate, this amendment was adopted by a vote of 21 to 17 and became Article III. Article III charged that President Nixon, by failing, without lawful cause or excuse and in willful disobedience of the subpoenas of the House, to produce papers and things that the Committee had subpoenaed in the course of its impeachment inquiry, assumed to himself functions and judgments necessary to the exercise of the constitutional power of impeachment vested in the House. The subpoenaed papers and things had been deemed necessary by the Committee in order to resolve, by direct evidence, fundamental, factual questions related to presidential direction, knowledge, or approval of actions demonstrated by other evidence to be substantial grounds for impeachment.

On July 30, the Committee considered an amendment to add a proposed Article, which charged that President Nixon authorized, ordered and ratified the concealment of information from the Congress and supplied to Congress false and misleading statements concerning the existence, scope and nature of American bombing operations in Cambodia. The proposed Article stated that these acts were in derogation of the powers of Congress to declare war, make appropriations, and raise and support armies. By a vote of 26 to 12, the amendment to add this Article was not agreed to.

Also on July 30, the Committee considered an amendment to add a proposed Article, charging that President Nixon knowingly and fraudulently failed to report income and claimed deductions that were not authorized by law on his Federal income tax returns for the years 1969 through 1972. In addition, the proposed Article charged that, in violation of Article II, Section 1 of the Constitution, President Nixon had unlawfully received emoluments, in excess of the compensation provided by law, in the form of government expenditures at his privately owned properties at San Clemente, California, and Key Biscayne, Florida. By a vote of 26 to 12, the amendment to add this article was not agreed to.

The Committee on the Judiciary based its decision to recommend that the House of Representatives exercise its constitutional power to impeach Richard M. Nixon, President of the United States, on evidence which is summarized in the following report.

THE ORGANIZATION OF THE WHITE HOUSE AND ITS RELATIONSHIP TO THE COMMITTEE FOR THE REELECTION OF THE PRESIDENT

I. Key associates of the President

On January 20, 1969, after taking his oath of office as President of the United States, Richard M. Nixon brought three key associates to the highest level of government, the office of the President. President Nixon appointed H. R. Haldeman White House Chief of Staff. He appointed John Ehrlichman Counsel to the President. He appointed John Mitchell Attorney General of the United States.

Haldeman's association with President Nixon began in 1956 when Haldeman was an advance man for then Vice President Nixon. In 1960 Haldeman was chief advance man and campaign tour manager for Richard Nixon's first Presidential campaign. In 1962 Haldeman managed Richard Nixon's unsuccessful campaign for Governor of California. In 1968 Haldeman was the chief of staff for the President's campaign. (Haldeman testimony, 7 SSC 2873)

The President and John Mitchell became law partners in New York City when their firms merged on January 1, 1967. In 1968 Mitchell was campaign director for the President's election campaign. (Mitchell testimony, 2 HJC 124–25, 192)

John Ehrlichman was recruited by Haldeman in late 1959 to work on President Nixon's 1960 campaign. During the 1960 Presidential campaign Ehrlichman took a leave of absence from his law firm to work as an advance man. Ehrlichman worked on Richard Nixon's 1962 campaign for Governor of California. Ehrlichman was the tour director of the President's 1968 Presidential campaign. (Ehrlichman testimony, 6 SSC 2514–15, 2522–24; Kalmbach testimony, 3 HJC 532)

II. White House personnel

From January 21, 1969, through May 19, 1973, H. R. Haldeman was President Nixon's chief of staff. He was in charge of administering White House operations. He worked directly with the President in the planning of the President's daily schedule, provided the President with the information he requested from the members of his staff and the members of his administration, and relayed instructions from the President to other officers and members of the executive branch of the Government. Haldeman directed the activities of the President's Appointments Secretary and the White House Staff Secretary. He received copies of memorandums and letters written by senior staff members and assistants. He established, subject to the approval of the President, the White House budget. He had no independent schedule. His schedule was that of the President. He was at the call of the President at all times. During the reelection campaign, the President's campaign organization reported to Haldeman. The President announced Haldeman's resignation on April 30, 1973.

The following White House employees and other agents of the President reported to Haldeman:

(1) Lawrence M. Higby was Haldeman's personal aide and his chief administrative assistant throughout Haldeman's tenure at the White House. He had worked previously for Haldeman in private business and in the 1968 Presidential campaign. Higby supervised the flow of persons, papers, telephone calls, and correspondence to Haldeman, acted in Haldeman's name, and traveled with him. After Haldeman's resignation, Higby transferred to the Office of Management and Budget.

(2) In March 1971, after working for Herbert Klein, then director of communications for the executive branch, **Gordon C.** Strachan became Haldeman's principal political assistant. Strachan performed political assignments for Haldeman. He supervised the White House polling operation and reported on the activities of the Republican National Committee and the Committee for the Re-Election of the President (CRP). He regularly prepared political matters memorandums for Haldeman on the status of the 1972 election campaign, and often carried out decisions Haldeman made on the basis of the information they contained. After the 1972 election, Strachan was appointed as general counsel of the U.S. Information Agency.

(3) In January 1969, Alexander P. Butterfield was appointed deputy assistant to the President. Beginning in January 1970, Butterfield's office adjoined the President's. He had responsibility for the President's daily schedule. He oversaw the administration of the White House, including the office of the staff secretary. He reported directly to Haldeman and functioned as Haldeman's deputy in handling the actual flow of people and papers in and out of the President's office. In March 1973, Butterfield was appointed Administrator of the Federal Aviation Administration.

(4) Dwight L. Chapin had known Haldeman previously and had worked for the President at his law firm for 2 years before the 1968 election. In January 1969, Chapin joined the White House staff as a special assistant to the President and acted as the President's appointments secretary. Chapin had general planning responsibility for the President's schedule and travel. He reported directly to Haldeman and, at times, to the President. Two years later, Chapin was appointed deputy assistant to the President. He left the White House and entered private business in February 1973.

(5) In January 1969, Stephen B. Bull joined the White House staff and worked under Chapin in the scheduling office. In February 1973, he was appointed a special assistant to the President and assumed additional responsibilities for implementing the President's daily schedule.

(6) On January 20, 1969, Hugh W. Sloan, Jr., became a staff assistant to the President. He worked under Chapin on the planning of the President's appointments and travel. He was also assigned certain special projects. Sloan left the White House in March 1971 to join the President's reelection campaign organization. He resigned as the treasurer of the Finance Committee to Re-Elect the President (FCRP) on July 11, 1972.

(7) In July 1970, John W. Dean was hired by Haldeman as counsel to the President. Dean had previously been an Associate Deputy Attorney General in the Justice Department. His duties in the White House included working with the Justice Department. The counsel's office advised the President on technical legal problems and prepared legal opinions on issues. Dean was also assigned by Haldeman to gather information on political matters of interest to the White House. Dean normally reported to Haldeman, but on certain domestic matters he reported to Ehrlichman. Dean resigned on April 30, 1973.

(8) In October 1970, Fred Fielding was hired as assistant to the counsel to the President. He became associate counsel in the

spring of 1971. He was Dean's "principal deputy." Fielding was appointed deputy counsel in early 1973, and resigned from the President's staff on January 11, 1974.

(9) In January 1969, Herbert G. Klein was appointed to the newly created position of director of communications for the executive branch. His office handled many of the White House public relations and media activities. He and his assistants in the office of communications reported to Haldeman. Klein resigned from the White House on July 1, 1973.

(10) On October 7, 1969, Jeb Stuart Magruder was appointed special assistant to the President to work on Haldeman's staff. Later in 1969 Magruder was also named deputy director of communications. He held both positions until he resigned in May 1971 to work in the President's reelection campaign organization; he later became deputy campaign director of CRP. Magruder's responsibility at the White House was public relations. He organized letter writing programs, encouraged media coverage, and formed private committees to support administration positions.

(11) In December 1970, Herbert L. Porter came to the White House with the understanding that he would work in the reelection campaign. After doing advance work for about a month, Porter was offered a job by Magruder on Klein's staff. From January until May 1971 he worked as a staff assistant in the communications office, where he did public relations work, including scheduling speakers. Porter assumed scheduling responsibilities for the predecessor organization of CRP in May 1971.

(12) On November 6, 1969, Charles W. Colson was named special counsel to the President, Colson initiated, planned, and executed many White House public relations and media efforts. He was in charge of White House relations with "special interest groups" and coordinated fund raising for administration projects. Colson also organized political support for the President's policies. Generally, he reported to Haldeman, but he reported directly to the President on certain matters. On March 10, 1973, Colson resigned from the White House. (Colson testimony, 3 HJC 184–85)

(13) In September 1969, Frederick C. LaRue was appointed a special consultant to the President. He served without pay. LaRue reported to Haldeman on the political projects he undertook for the White House. He resigned on February 15, 1972, to work in the President's reelection campaign and later became special assistant to CRP's campaign director.

(14) Herbert Kalmbach became the President's personal attorney in 1969. He had worked on President Nixon's 1962 campaign for Governor of California and had been associate finance chairman of the President's 1968 campaign. Kalmbach undertook various fund-raising assignments on behalf of the President from 1969 through 1972. Kalmbach was not employed by the White House, although he acted at Haldeman's direction. (Kalmbach testimony, 3 HJC 529–30, 594, 660, 664)

In January 1969, John D. Ehrlichman was appointed counsel to the President. He reported primarily to Haldeman. On November 4, 1969, he became assistant to the President for Domestic Affairs and the President's chief assistant in the White House for all domestic matters. He advised the President on policy and communicated Presidential decisions to departments and agencies. On July 1, 1970, the Domestic Council was established in the Executive Office of the President as a separate entity with its own staff and budget. Ehrlichman was appointed Executive Director. On January 20, 1973, Ehrlichman resigned this position and on January 21 joined Haldeman as one of the four principal assistants to the President. He worked in that capacity until May 19, 1973. On April 30, 1973, the President announced Ehrlichman's resignation from the White House.

The following were among the members of the White House staff under Ehrlichman's supervision:

(1) In January 1969, Egil Krogh came to the White House as a staff assistant to Ehrlichman. He was deputy counsel to the President from May 1969 until November 1969, when he was appointed deputy assistant to the President for Domestic Affairs. In July 1970, he assumed the additional position of Assistant Director of the Domestic Council. Krogh reported to Ehrlichman, except on a few matters where he reported directly to the President. Krogh's responsibilities in domestic affairs focused on law enforcement, including work with the Federal Bureau of Investigation, drug enforcement programs, and internal security matters. In July 1971, pursuant to instructions from the President, Krogh organized the White House special investigations unit (the "Plumbers"). His work with the unit continued until December 1971. In January 1973 Krogh was appointed Under Secretary of Transportation.

(2) In 1969, David Young came to the White House as an administrative assistant to Henry Kissinger in the National Security Council (NSC). He was Kissinger's appointments secretary. In January 1971, Young became a special assistant, NSC, in charge of classification and declassification of documents. In July 1971, he was transferred to Ehrlichman's staff and assigned to work with Krogh on the White House special investigations unit. Young continued as an assistant to Krogh until January 1973, when he was appointed to a staff position on the Domestic Council. He left the White House in March 1973.

(3) G. Gordon Liddy became a member of the White House special investigations unit in July 1971. His appointment was authorized by Ehrlichman and he was placed on the payroll of the Domestic Council. Liddy worked for Krogh until he resigned from the White House staff in mid-December 1971. He then became counsel to CRP and in March 1972 moved to a predecessor organization of FCRP. He was counsel to FCRP until June 28, 1972.

(4) In early July 1971, E. Howard Hunt started work as a White House consultant. He had been recommended by Colson and initially worked under Colson's supervision. In July 1971 Hunt was assigned with Ehrlichman's approval to the White House special investigations unit, where he worked under Krogh's direction. Hunt had spent 21 years with the Central Intelligence Agency.

(5) In late November 1968, Edward L. Morgan began working under Ehrlichman's supervision to coordinate some of the President's personal affairs. He worked as deputy counsel to the President, deputy assistant to the President for Domestic Affairs, and Assistant Director of the Domestic Council. Morgan left the White House in January 1973 and was appointed an Assistant Secretary of the Treasury.

(6) On April 8, 1969, John J. Caulfield, a former New York City police detective, was hired by Ehrlichman as a staff assistant to the counsel to the President. His duties were to act as liaison with Federal law enforcement agencies and to supervise White House investigations. Ehrlichman ordered the investigations Caulfield directed; later, when Dean became counsel to the President, Caulfield received assignments from both Ehrlichman and Dean. In March 1972 Caulfield left the White House to work for CRP. On April 28, 1972, he accepted a position in the Treasury Department. On July 1, 1972, Caulfield became the Acting Assistant Director for Enforcement of the Alcohol, Tobacco, and Firearms Division of the Internal Revenue Service.

(7) In July 1969, Anthony T. Ulasewiez, a retired New York City police detective, was authorized by Ehrlichman to work under Caulfield to carry out investigative tasks for the White House. Ulasewiez was not directly employed by the White House, but received investigative assignments through Caulfield, and reported to him. He was paid by Herbert Kalmbach, the President's personal lawyer, from July 1969 through 1972, and worked with Kalmbach from June 1972 through September 1972.

Rose Mary Woods has worked as President Nixon's personal secretary since 1951. She joined the White House staff as the President's personal secretary in January, 1969 and was promoted to executive assistant and personal secretary in June, 1973. (Rose Mary Woods testimony, *In re Grand Jury*, Misc. 47–73, November 8, 1973, 801, 812–13; Butterfield testimony, 1 HJC 63).

III. Other administration officials

On January 20, 1969 President Nixon appointed John Mitchell Attorney General of the United States. (Mitchell testimony, 2 HJC 124) In 1971 Mitchell began organizing the President's 1972 re-election campaign. Mitchell resigned as Attorney General on March 1, 1972, and officially became campaign director of the 1972 campaign on April 9, 1972. (Mitchell testimony, 2 HJC 124–25) Mitchell resigned as campaign director on July 1, 1972, but continued to act as a consultant to CRP throughout the campaign and after the election. (Mitchell testimony, 2 HJC 125)

In February, 1969, Richard Kleindienst joined the Nixon Administration as Deputy Attorney General. (Kleindienst testimony, 9 SSC 3560) On February 15, 1972 the President nominated Kleindienst to be Attorney General to succeed John Mitchell, who was leaving the Department of Justice to become head of CRP. (Book V, 606–08) Kleindienst was confirmed by the Senate on June 8, 1972. (Kleindienst testimony, 9 SSC 3560) On April 30, 1973 the President announced Kleindienst's resignation as Attorney General.

In November, 1970, President Nixon appointed Robert Mardian Assistant Attorney General in charge of Internal Security Division of the Department of Justice, Mardian had previously served in the Nixon Administration as General Counsel for the Department of Health, Education and Welfare. From May, 1972 until June, 1972 Mardian was a political coordinator at the Committee for the Reelection of the President. After June 17, 1972 Mardian acted as a counsel to CRP for Watergate matters. (Mardian testimony, 6 SSC 2346–47; 6 Presidential Documents, 1583).

Henry Petersen was a career employee of the Criminal Division of the Department of Justice. In January, 1972 the President appointed Petersen Assistant Attorney General in charge of the Criminal Division.

L. Patrick Gray was Acting Director of the Federal Bureau of Investigation from May 3, 1972 until he resigned that position on April 27, 1973. (Gray testimony, 9 SSC 3450, 3493) Gray had previously served as executive assistant to HEW Secretary Robert Finch, and in the Department of Justice as Assistant Attorney General, Civil Division. In February, 1972 the President nominated Gray to be Deputy Attorney General, but the nomination had not been acted upon by the Senate at the time of his appointment as acting Director of the FBI. (Gray testimony, 9 SSC 3473–75) On February 17, 1973 the President nominated Gray to be permanent Director of the FBI. On April 5, 1973 the President withdrew Mr. Gray's nomination. (9 Presidential Documents 335)

Richard Helms was the Director of the Central Intelligence Agency at the time

Richard Nixon became President. Helms had been with the Agency since its inception in 1947 and became its Director on June 30, 1966. Helms left the CIA on February 2, 1973 after being appointed by the President as Ambassador to Iran (Helms testimony, 8 SSC 3232)

Vernon Walters, a lieutenant general in the U.S. Army, was appointed by the President to be Deputy Director of the CIA after General Cushman left the Agency. Walters began to serve in this capacity on May 2, 1972. General Walters had served as interpreter and aide to Richard Nixon when he toured South America as Vice President. (Walters testimony, 9 SSC 3403—04)

Maurice Stans was a principal fundraiser in President Nixon's 1968 campaign. (HJC, Background—White House/CRP 5) President Nixon appointed Stans Secretary of Commerce effective January 21, 1969. Stans served as Commerce Secretary until February 15, 1972, when he resigned to become Chairman of the Finance Committee to Re-elect the President. (Stans testimony, 2 SSC 695)

IV. Operation of the President's staff

From January, 1970, until March, 1973, Alexander Butterfield was personal aide to the President. His office was next to the Oval Office of the President; his responsibilities were to insure the "smooth running of the President's official day." (Butterfield testimony, 1 HJC 9–10) He was in a uniquely well-suited position to know the manner in which the President's staff was organized and operated.

During his first term as President, according to testimony by Butterfield, President Nixon spent almost all of his working time with one of a handful of assistants: on all matters of policy, direction, politics, and strategy, with H. R. Haldeman; on most domestic matters, with John Ehrlichman; on political matters, with Charles Colson; and on foreign affairs, with Henry Kissinger. The vast majority of the President's time was spent with Haldeman, (Butterfield testimony, 1 HJC 14–16, 40) who, according to Butterfield, "was an extension of the President.":

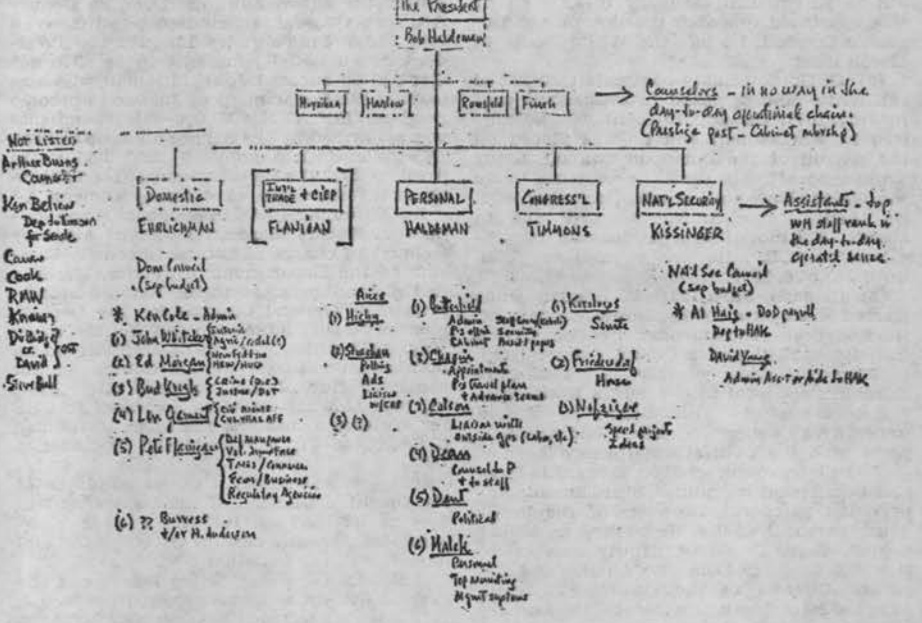
"He [Haldeman] was far and away the closest person to the President. There was never any competition with regard to Mr. Haldeman's role. . . . He was an extension of the President . . . ." (Butterfield testimony, 1 HJC 13)

"Haldeman was the alter ego. Haldeman was almost the other President. I can't emphasize that enough." (Butterfield testimony, 1 HJC 66)

In his public statement of March 12, 1973 refusing to permit members of his personal staff to honor requests for Congressional appearances, the President himself said:

"If the President is not subject to such questioning, it is equally appropriate that members of his staff not be so questioned, for their roles are in effect an extension of the Presidency." ("Presidential Statements," 3/12/73, 6)

In his testimony before the Committee, Butterfield drew an organizational chart of the White House staff showing the President's relationships to Haldeman and to other members of his staff. This diagram was made part of the record.



BUTTERFIELD EXHIBIT No. 1

The testimony of other witnesses before the Committee, John Dean, Charles Colson, and Herbert Kalmbach, corroborates Butterfield's description of how President Nixon conducted his office. There are some differences, notably Colson's testimony as to the direct relationship Colson had developed with the President by 1972. But Colson testified that Haldeman had a practice of asking to screen anything that went to the President and obtained from the few senior staff members who had access to the President copies of documents sent to the President. (Colson testimony, 3 HJC 412) Colson acknowledged that he himself was answerable to Haldeman. (Colson testimony, 3 HJC 468)

President Nixon preferred to receive information and reports from Haldeman and to communicate his decisions through him. Haldeman had no independent schedule. (Haldeman testimony, 7 SSC 2871) He ordinarily spent several hours a day with the President—a "good six to seven times as much time with the President as anyone else." (Butterfield testimony, 1 HJC 40) Except for daily press summaries, virtually all written material addressed to the President was screened and transmitted through Haldeman. (Butterfield testimony, 1 HJC 36–37) When the President made a decision, he authorized one of his aides, almost always Haldeman, to see that it was carried out.[1] (Butterfield testimony, 1 HJC 42) Butterfield testified:

"[The President] communicated by telephone with a great many people at night, in the evenings, and during the day. But his normal communications, oral and in writing, were just to Haldeman, Ehrlichman and Kissinger. It would be quite unusual for him to communicate with anyone else—perhaps a few times to Colson during that 1972 campaign year. But almost always with Haldeman, almost always with Haldeman." (Butterfield testimony, 1 HJC 66)

The President's procedure for implementing a policy decision is illustrated in his approval, in 1970, of the Huston Plan for domestic surveillance and intelligence gathering. The President created an ad hoc intelligence committee consisting of representatives of the National Security Agency, the Defense Intelligence Agency, the CIA and the FBI. After the committee prepared a report, Tom Charles Huston, a Presidential staff assistant and White House representative to the committee, sent the report and a covering memorandum to Haldeman. (Book VII, 438–44) Haldeman in turn brought it to the President's attention. The President decided to accept certain of Huston's recommendations. Haldeman sent a memorandum to Huston stating that the President had approved the recommendations and instructed Huston to prepare and distribute a formal Presidential decision memorandum. (Book VII, 447–48) Huston prepared and distributed the decision memorandum. (Book VII, 454–61)

Butterfield testified that Haldeman was an "implementer." All important information in Haldeman's possession was relayed to the President; the President made all decisions of consequence. Butterfield testified that it would have been "altogether out of character" for Haldeman to have decided anything more important than minor questions of staff management. He also testified:

"Mr. JENNER. Was there any occasion during all of the time that you were at the White House that there came to your attention that Haldeman ever did anything without the knowledge of the President?

"Mr. BUTTERFIELD. No, never.

"Mr. JENNER. Dealing with White House affairs?

"Mr. BUTTERFIELD. No; never, nothing unilaterally at all. He was essentially—I may have said this—but an implementer. Mr. Haldeman implemented the decisions of the President as did Mr. Ehrlichman but perhaps to a lesser extent. But Haldeman especially was an implementer, because the President ran his own personal affairs. He was not a decision maker. . . . I can hardly recall the decisions, any decisions that he made, unless that it was that the White House staff mess personnel would wear jackets or something along that line. He implemented the President's decision. The President was the decision-maker. The President was 100 percent in charge." (Butterfield testimony 1 HJC 69–70; see also Haldeman testimony, 7 SSC 2872)

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[1] Haldeman had his own staff. Lawrence Higby, Haldeman's personal aide and chief administrative assistant, supervised the flow of persons, papers, telephone calls and correspondence to Haldeman. Gordon Strachan served as Haldeman's principal political assistant; he regularly prepared Political Matters Memoranda for Haldeman on the status of the 1972 election campaign. His principal assignment was to follow up on the details of Presidential decisions communicated to him by chief of staff Haldeman. Dwight Chapin acted as the President's Appointments Secretary and reported directly to Haldeman on matters concerning the President's schedule and travel. Bruce Kehrli, the White House Staff Secretary, who oversaw the day-to-day flow of papers within the White House, worked under Haldeman and Butterfield. (Butterfield testimony, 1 HJC 14–16)

Mitchell's testimony was to the same effect in response to questions by Representative Thornton:

"Mr. THORNTON. Did you ever check to determine whether or not the information relayed to you through Mr. Haldeman was a correct reflection of the President's instructions?

"Mr. MITCHELL. There may have been occasions, Congressman, but I would have to say that in most all instances that I can recall, Mr. Haldeman's representations to me of the President's position were truthfully and fully stated.

"Mr. THORNTON. Did you ever check with the President to determine whether information you had passed toward him through Mr. Haldeman had been received by him?

"Mr. MITCHELL. No, I don't believe I did, but I think there again, the record of actions coming from such line of communication would indicate that they were fully and faithfully conveyed." (Mitchell testimony, 2 HJC 209–10)

V. The Re-election Campaign

Haldeman's responsibility extended to the President's re-election campaign. During the summer and fall of 1971, Haldeman personally reviewed and supervised plans for the development of the re-election committee and the assignment of staff to it. He established rules and procedures for the transfer of employees from the White House staff to the re-election committee, waiver of these rules required his personal approval. (Political Matters Memorandum, 12/6/71, 5 [2]) In March, 1971, Hugh Sloan and Harry Flemming, members of Haldeman's staff, left the White House to become the first members of the staff of a predecessor of the Committee for the Re-Election of the President (CRP). (Butterfield testimony, 1 HJC 25; HJC, Background—White House/CRP 5) In May, 1971, Jeb Magruder (hired by Haldeman for his staff and then transferred by Haldeman to White House Communications Director Herbert Klein's office) transferred from the White House to become the acting campaign director of the CRP. (HJC, Background—White House/CRP 3)

By April, 1972, seventeen of the twenty-three senior CRP staff members were former members of the Administration or the White House staff. (Butterfield testimony, 1 HJC 53; HJC, Background—White House/CRP 5)

John Mitchell claimed to have been in charge of day-to-day operations of the campaign committee by mid-1971. He remained as Attorney General until March 1, 1972. Haldeman reviewed the hiring of key personnel (Political Matters Memoranda, 8/13/71, 4; 9/18/71, 3–4; 1/18/72, 4, and 1/7/72 attachment; Book VI, 899); reviewed proposed budgets for CRP departments and divisions (Political Matters Memoranda, 2/16/72, 78; 9/18/72, 4); gave the final approval to CRP advertising and campaign materials (Political Matters Memoranda, 2/16/72, 4; 9/18/72, 5; Haldeman testimony, 7 SSC 2878); supervised the expenditure of funds for polling (Political Matters Memoranda, 2/1/72, 1; 5/16/72, 2; Haldeman testimony, 7 SSC 2878); and reviewed CRP regional operations in key states. (Political Matters Memoranda, 5/16/72, 7; 12/6/71, 1; 1/18/72, 2–4; 7/29/72, 3; 8/11/72, 6)

Moreover, Haldeman and other members of the White House staff were active in formulating campaign strategy. A "political group," consisting of Haldeman, Ehrlichman, Clark MacGregor, Bryce Harlow, Charles Colson, Mitchell, and Harry Dent, met regularly at the White House to discuss the highest level decisions on campaign tactics and domestic policy. (HJC, Background—White House/CRP 6)

In addition, White House personnel handled other areas of the campaign. A White House group headed by Colson frequently prepared CRP press releases and speeches to be made by supporters of the President. (Political Matters Memorandum, 5/16/72, 5–6, and attachment; 3/3/72 attachment) Counsel to the President John Dean handled such legal matters for CRP as establishing finance committees (Political Matters Memorandum, 2/1/72, 1); preparing the defense to a law suit (Political Matters Memorandum, 11/16/71, 5); and transferring the Republican Convention site from San Diego to Miami Beach. (Political Matters Memorandum, 5/16/72, 5)

A copy of each document submitted to the CRP campaign director (first Mitchell and then MacGregor) was normally given to Haldeman's assistant, Gordon Strachan, who summarized the documents for Haldeman in "Political Matters Memoranda." (Political Matters Memorandum, 3/3/72, 5) The memoranda covered the entire range of activities in the campaign. Butterfield testified that Strachan's memoranda "would not go to the President under normal circumstances," but Haldeman "would relay the information when he spoke to the President next." (Butterfield testimony, 1 HJC 111) After reviewing the memoranda, Haldeman would write approvals, disapprovals and notations to Strachan, his deputy, with specific instructions for actions to be taken. Haldeman left no doubt that he was issuing directions and speaking for the President.[3]

Strachan would then contact the appropriate CRP and White House personnel to carry out Haldeman's directions. (See Strachan's marginal notes, Political Matters Memoranda) Haldeman was regularly informed of even the most minor administrative decisions, including the rental of office space (Political Matters Memoranda, 9/29/72, 5; 11/16/71, 3; 12/16/71, 4); consideration of press requests for interviews with campaign staff (Political Matters Memoranda, 8/11/72, 6); and the development of CRP's field organizational plan. (Political Matters Memoranda, 2/1/72, 6; 7/29/72, 8) Haldeman met with Campaign Director Mitchell on a weekly basis to discuss such subjects as campaign financing, personnel and strategy.[4] (Mitchell testimony, 2 HJC 202) In February, 1972, Haldeman directed the $350,000 in campaign funds be placed under his control and Strachan picked up the cash from CRP prior to April 7, 1972. (Book 78, 84, 90)

The President was attentive to the operation of his re-election campaign. On April 30, 1973, the President said that in 1972, for the first time in his 27-year political career, he had left management of his campaign to others, concentrating instead on his duties as President. ("Presidential Statements," 4/30/73, 16) However, the transcript of a conversation on April 4, 1972, edited and released by the White House in June, 1974, shows that the President was fully aware of the detailed decisions of the campaign, and that he actively participated in them. For example, the President discussed with Haldeman and Mitchell details of a site for the 1972 convention: the President decided it would be changed to Miami Beach. The President also discussed the Wisconsin Democratic primary; the prospects for various Democratic Presidential candidates; a letter of support for the President from columnist William F. Buckley; the campaign of Representative Ashbrook for the Republican presidential nomination; various individuals and their duties in the President's re-election campaign; and the President's prospects and campaign organizations in Wisconsin, California, Illinois, Ohio, Pennsylvania, New York, New Jersey, Texas, Ohio, Michigan, Minnesota, Massachusetts and Vermont. (President's submission, Book I, 104–16) Similarly, the Political Matters Memoranda reveal that the President fully discussed campaign matters with Haldeman, Mitchell, Dent and Harlow. (Political Matters Memoranda, 10/27/71, 2; 6/6/72; 6/29/72; 9/18/72)

Butterfield testified that the President "made the big decisions," that "anything having to do with strategy would emanate from the President." (Butterfield testimony, 1 HJC 111) Butterfield testified that the Committee for the Re-election of the President "was pretty much an extension of the political White House." (Butterfield testimony, 1 HJC 52) The Political Matters Memoranda, transcripts of Presidential conversations, the structure of the campaign committee, and the mass of other evidence before the Committee fully corroborate this testimony.

On the basis of this evidence the Committee concluded that the President, acting primarily through Haldeman, controlled and directed the Committee for the Re-election of the President and its activities during the 1972 Presidential Campaign.

This conclusion is corroborated by evidence subsequently received by the Committee. In a White House edited transcript released August 5, 1974, reporting a conversation between the President and Haldeman on June 23, 1972, the President discussed detailed plans for the arrival and activities of his wife and daughters at the Republican National Convention, the use of media during the campaign, proposed photo opportunities for Republican and certain Democratic candidates with the President, campaign appearances by his daughters and a list of key fundraisers and supporters for the President to telephone. (WHT, June 23, 1972, 10:04–11:39 a.m., 19–30)

ARTICLE I

Introduction

Before entering on the execution of his office as President of the United States, Richard M. Nixon has twice taken, as required in Article II, Section 1, Clause 7 of the Constitution, the following oath:

"I do solemnly swear that I will faithfully execute the Office of the President of the United States, and will to the best of my ability, preserve, protect and defend the Constitution of the United States."

Under the Constitution, the Executive power is vested in the President. In Article II,

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[2] During 1971 and 1972 Strachan prepared 28 of these memoranda and sent them to Haldeman for review and decisions. The Committee has received 21 of these documents from the White House. Seven of the memoranda are published in the Statement of Information. The remainder currently are in the Committee's files.

[3] For example in item 14 of Magruder's Projects in a Political Matters Memorandum dated February 16, 1972, Strachan reported that Magruder and Colson were increasingly at odds about whether Muskie should be personally attacked for his war stand. Strachan reported that Magruder planned to seek authority from the Attorney General to be the only control with the spokesmen to the express exclusion of Colson. Haldeman replied, "This is *not* acceptable—Colson is acting under express instructions. Tell Magruder to talk to me if he has a problem. H" (Political Matters Memorandum, 2/16/72, 6; Book I, 89)

[4] Haldeman has testified that Mitchell also attended the regular morning White House staff meeting. (Haldeman testimony, 7 SSC 2878)

Section 3, the Constitution requires that the President "shall take care that the laws be faithfully executed."

On June 17, 1972, and prior thereto, agents of the Committee for the Re-Election of the President committed unlawful entry into the headquarters of the Democratic National Committee in Washington, D.C. for the purpose of securing political intelligence.

For more than two years, Richard M. Nixon continuously denied any personal or White House responsibility for the burglaries; he continuously denied any direction of or participation in a plan to cover up and conceal the identities of those who authorized the burglaries and the existence and scope of other unlawful and covert activities committed in the President's interest and on his behalf.

In the course of his public statements, from June 22, 1972, until August 5, 1974, the President repeated these denials which are detailed as follows:

On June 22, 1972, the President, in a news conference, said that his Press Secretary, Ronald Ziegler, had spoken "accurately" when Ziegler said of the Watergate break-in, "The White House has no involvement whatever in this particular incident."

On August 29, 1972, in a news conference, in responding to a question about the Watergate case, the President said:

"The other point that I should make is that these investigations, the investigation by the GAO, the investigation by the FBI, by the Department of Justice, have, at my direction had the total cooperation of the—not only the White House—but also of all agencies of the Government. In addition to that, within our own staff, under my direction, Counsel to the President, Mr. Dean, has conducted a complete investigation of all leads which might involve any present members of the White House Staff or anybody in the Government. I can say categorically that his investigation indicates that no one in the White House Staff, no one in this Administration, presently employed, was involved in this very bizarre incident.

". . . Before Mr. Mitchell left as campaign chairman he had employed a very good law firm with investigatory experience to look into the matter. Mr. MacGregor has continued that investigation and is continuing it now. I will say in that respect that anyone on the campaign committee, Mr. MacGregor has assured me, who does not cooperate with the investigation or anyone against whom charges are leveled where there is a prima facie case that those charges might indicate involvement will be discharged immediately. That, of course, will be true also of anybody in the Government. I think under these circumstances we are doing everything we can to take this incident and to investigate it and not to cover it up. . . . We have cooperated completely. We have indicated that we want all the facts brought out . . ."

On March 2, 1973, in a news conference, the President said:

"I will simply say with regard to the Watergate case what I have said previously, that the investigation conducted by Mr. Dean, the White House Counsel, in which, incidentally, he had access to the FBI records on this particular matter because I directed him to conduct this investigation, indicates that no one on the White House Staff, at the time he conducted the investigation—that was last July and August—was involved or had knowledge of the Watergate matter."

On March 12, 1973, the President, in a statement on executive privilege, said:

"Thus, executive privilege will not be invoked until the compelling need for its exercise has been clearly demonstrated and the request has been approved first by the Attorney General and then by the President."

On March 15, 1973, the President, in a news conference, said:

"We will cooperate; we will cooperate fully with the Senate, just as we did with the grand jury, as we did with the FBI, and as we did with the courts when they were conducting their investigations previously in what was called the Watergate matter."

On April 17, 1973, the President, in a press briefing, said:

"On March 21, [1973], as a result of serious charges which came to my attention, some of which were publicly reported, I began intensive new inquiries into this whole matter.

"As I have said before and I have said throughout the entire matter, all Government employees and especially White House Staff employees are expected fully to cooperate in this matter. I condemn any attempts to cover up in this case, no matter who is involved."

On April 30, 1973, the President, in an address to the nation, said that as soon as he learned about the June 17, 1972, break-in:

"I immediately ordered an investigation by appropriate government authorities. . . .

"As the investigations went forward, I repeatedly asked those conducting the investigation whether there was any reason to believe that members of my Administration were in any way involved. I received repeated assurances that there were not. Because of these continuing reassurances, because I believed the reports I was getting, because I had faith in the persons from whom I was getting them, I discounted the stories in the press that appeared to implicate members of my Administration or other officials of the campaign committee.

"Until March of this year, I remained convinced that the denials were true and that the charges of involvement by members of the White House Staff were false. The comments I made during this period, and the comments made by my Press Secretary in my behalf, were based on the information provided to us at that time we made those comments. However, new information then came to me which persuaded me that there was a real possibility that some of these charges were true, and suggesting further that there had been an effort to conceal the facts both from the public, from you, and from me . . ."

The President continued:

"I was determined that we should get to the bottom of the matter and that the truth should be fully brought out—no matter who was involved.

"As the new Attorney General, I have today named Elliot Richardson . . . I have given him absolute authority to make all decisions bearing upon the prosecution of the Watergate case and related matters . . . We must maintain the integrity of the White House . . . There can be no whitewash at the White House."

On May 9, 1973, the President, in remarks at a Republican fund-raising dinner, said:

"In the American political process, one of the most difficult tasks of all comes when charges are made against high officials in an Administration. That is a very great test of an Administration, and many times, in the history of our country, Administrations have failed to meet the test of investigating those charges that might be embarrassing to the Administration because they were made against high officials in an Administration.

"We have had such a situation. We have been confronted with it. We are dealing with it. And I will simply say to you tonight that this Nation, Republicans, Democrats, Independents, all Americans, can have confidence in the fact that the new nominee for Attorney General, Elliot Richardson, and the special prosecutor that he will appoint in this case, will have the total cooperation of the executive branch of this Government; they will get to the bottom of this thing; they will see to it that all of those who are guilty are prosecuted and are brought to justice. That is a pledge I make tonight and that I think the American people are entitled to. . . .

"I can assure you that we will get to the bottom of this very deplorable incident."

On May 22, 1973, the President, in an address to the nation, said:

"With regard to the specific regulations that have been made, I can and do state categorically:

"1. I had no prior knowledge of the Watergate operation.

"2. I took no part in, nor was I aware of, any subsequent efforts that may have been made to cover up Watergate.

"3. At no time did I authorize any offer of executive clemency for the Watergate defendants, nor did I know of any such offer.

"4. I did not know, until the time of my own investigation, of any effort to provide the Watergate defendants with funds.

"5. At no time did I attempt, or did I authorize orders to attempt, to implicate the CIA in the Watergate matter. . . .

"Within a few days . . . I was advised that there was a possibility of CIA involvement in some way. . . .

In addition, by this time, the name of Mr. Hunt had surfaced in connection with Watergate, and I was alerted to the fact that he had previously been a member of the Special Investigations Unit in the White House. Therefore, I was also concerned that the Watergate investigation might well lead to an inquiry into the activities of the Special Investigations Unit itself.

"In this area, I felt it was important to avoid disclosure of the details of the national security matters with which the group was concerned. I knew that once the existence of the group became known, it would lead inexorably to a discussion of these matters, some of which remain, even today, highly sensitive. . . .

"Therefore, I instructed Mr. Haldeman and Mr. Ehrlichman to ensure that the investigation of the break-in not expose either an unrelated covert operation of the CIA or the activities of the White House investigations unit—and to see that this was personally coordinated between General Walters, the Deputy Director of the CIA, and Mr. Gray of the FBI. It was certainly not my intent, nor my wish that the investigation of the Watergate break-in or of related acts be impeded in any way. . . .

"At no time did I authorize or know about any offer of executive clemency for the Watergate defendants. Neither did I know until the time of my own investigation of any efforts to provide them with funds. . . .

"With his selection of Archibald Cox—who served both President Kennedy and President Johnson as Solicitor General—as the special supervisory prosecutor for matters related to the case, Attorney General-designate Richardson has demonstrated his own determination to see the truth brought out. In this effort he has my full support. . . .

". . . [e]xecutive privilege will not be invoked as to any testimony concerning possible criminal conduct or discussions of possible criminal conduct, in the matters presently under investigation, including the Watergate affair and the alleged cover-up."

On July 23, 1973, in a letter he sent to Senator Ervin and made public, the President wrote:

"Accordingly, the tapes, which have been under my sole personal control, will remain so. . . .

"On May 22nd I described my knowledge of the Watergate matter and its aftermath in categorical and unambiguous terms that I know to be true."

On August 15, 1973, the President spoke to the nation over radio-television as follows:

"On May 22, I stated in very specific terms—and I state again to every one of you listening tonight these facts—I had no prior knowledge of the Watergate break-in; I neither took part in nor knew about any of the subsequent coverup activities . . .

"That was and that is the simple truth. . . .

"From the time when the break-in occurred, I pressed repeatedly to know the facts, and particularly whether there was any involvement of anyone in the White House. I considered two things essential:

"First, that the investigation should be thorough and aboveboard; and second, that if there were any higher involvement, we should get the facts out first. . . .

". . . Throughout the summer of 1972, I continued to press the question, and I continued to get the same answer: I was told again and again that there was no indication that any persons were involved other than the seven who were known to have planned and carried out the operation, and who were subsequently indicted and convicted. . . .

"On September 15, the day the seven were indicted, I met with John Dean, the White House Counsel. He gave me no reason whatever to believe that any others were guilty; I assumed that the indictments of only the seven by the grand jury confirmed the reports he had been giving to that effect throughout the summer. . . .

"It was not until March 21 of this year that I received new information from the White House Counsel that led me to conclude that the reports I had been getting for over 9 months were not true. On that day, I launched an intensive effort of my own to get the facts and to get the facts out. Whatever the facts might be, I wanted the White House to be the first to make them public. . . .

"I turned over all the information I had to the head of the department, Assistant Attorney General Henry Petersen, . . . I ordered all members of the Administration to testify fully before the grand jury.

"Far from trying to hide the facts, my effort throughout has been to discover the facts—and to lay those facts before the appropriate law enforcement authorities so that justice could be done and the guilty dealt with."

In the written statement which accompanied his August 15, 1973 address, the President said:

". . . I stated categorically that I had no prior knowledge of the Watergate operation and that I neither knew of nor took part in any subsequent efforts to cover it up. I also stated that I would not invoke executive privilege as to testimony by present and former members of my White House Staff with respect to possible criminal acts then under investigation. . . .

"Those indictments also seemed to me to confirm the validity of the reports that Mr. Dean had been providing to me, through other members of the White House Staff—and on which I had based my August 29 statement that no one then employed at the White House was involved. It was in that context that I met with Mr. Dean on September 15, and he gave me no reason at that meeting to believe any others were involved.

"Not only was I unaware of any coverup, but at that time, and until March 21, I was unaware that there was anything to cover up. . . .

". . . At that time [February and March, 1973], on a number of occasions, I urged my staff to get all the facts out, because I was confident that full disclosure of the facts would show that persons in the White House and at the Committee for the Re-election of the President were the victims of unjustified innuendos in the press.

". . . I was told then that funds had been raised for payments to the defendants with the knowledge and approval of persons both on the White House Staff and at the Re-election Committee. But I was only told that the money had been used for attorneys' fees and family support, not that it had been paid to procure silence from the recipients. I was also told that a member of my staff had talked to one of the defendants about clemency, but not that offers of clemency had been made. I was told that one of the defendants was currently attempting to blackmail the White House by demanding payment of $120,000 as the price of not talking about other activities, unrelated to Watergate in which he had engaged. These allegations were made in general terms, they were portrayed to me as being based in part on supposition, and they were largely unsupported in details or evidence.

"These allegations were very troubling, and they gave a new dimension to the Watergate matter. They also reinforced my determination that the full facts must be made available to the grand jury or to the Senate Committee. If anything illegal had happened, I wanted it to be dealt with appropriately according to the law. If anyone at the White House or high up in my campaign had been involved in wrongdoing of any kind, I wanted the White House to take the lead in making that known.

"When I received this disturbing information on March 21, I immediately began new inquiries into the case and an examination of the best means to give to the grand jury or Senate Committee what we then knew and what we might later learn. On March 21, I arranged to meet the following day with Messrs. Haldeman, Ehrlichman, Dean and Mitchell to discuss the appropriate method to get the facts out. On March 23, I sent Mr. Dean to Camp David, where he was instructed to write a complete report on all that he knew of the entire Watergate matter. . . . I instructed Mr. Ehrlichman to conduct an independent inquiry and bring all the facts to me. On April 14, Mr. Ehrlichman gave me his findings, and I directed that he report them to the Attorney General immediately. . . .

"My consistent position from the beginning has been to get out the facts about Watergate, not to cover them up.

"On May 22 I said that at no time did I authorize any offer of executive clemency for the Watergate defendants, nor did I know of any such offer. I reaffirm that statement.

". . . Even if others, from their own standpoint, may have been thinking about how to cover up an illegal act, from my standpoint I was concerned with how to uncover the illegal acts. It is my responsibility under the Constitution to see that the laws are faithfully executed, and in pursuing the facts about Watergate I was doing precisely that."

On August 22, 1973, the President, in a news conference, said:

"In June, I, of course, talked to Mr. MacGregor first of all, who was the new chairman of the committee. He told me that he would conduct a thorough investigation as far as his entire committee staff was concerned. . . .

"Mr. Dean, as White House Counsel, therefore sat in on the FBI interrogations of the members of the White House Staff because what I wanted to know was whether any member of the White House Staff was in any way involved. If he was involved, he would be fired. And when we met on September 15, and again throughout our discussions in the month of March, Mr. Dean insisted that there was not—and I use his words—'a scintilla of evidence' indicating that anyone on the White House Staff was involved in the planning of the Watergate break-in. . . .

". . . [I] should also point out that as far as my own activities were concerned, I was not leaving it just to them. I met at great length with Mr. Ehrlichman, Mr. Haldeman, Mr. Dean and Mr. Mitchell on the 22d. I discussed the whole matter with them. I kept pressing for the view that I had had throughout, that we must get this story out, get the truth out, whatever and whoever it is going to hurt. . . .

". . . Mr. Haldeman has testified to that, and his statement is accurate. Basically, what Mr. Dean was concerned about on March 21 was not so much the raising of money for the defendants, but the raising of money for the defendants for the purpose of keeping them still—in other words, so-called hush money. The one would be legal—in other words, raising a defense fund for any group, any individual, as you know, is perfectly legal and it is done all the time. But if you raise funds for the purpose of keeping an individual from talking, that is obstruction of justice. . . .

". . . And so, that was why I concluded, as Mr. Haldeman recalls perhaps, and did testify very effectively, one, when I said, 'John, it is wrong, it won't work. We can't give clemency and we have got to get this story out. And therefore, I direct you, and I direct Haldeman, and I direct Ehrlichman, and I direct Mitchell to get together tomorrow and then meet with me as to how we get this story out.' "

On September 5, 1973, in a news conference, the President said:

". . . As a matter of fact, the only time I listened to the tapes, to certain tapes—and I didn't listen to all of them, of course—was on June 4. There is nothing whatever in the tapes that is inconsistent with the statement that I made on May 22 or of the statement that I made to you ladies and gentlemen in answer to several questions, rather searching questions I might say, and very polite questions 2 weeks ago, for the most part, and finally nothing that differs whatever from the statement that I made on the 15th of August."

On October 26, 1973, in a news conference, the President said:

". . . [W]e have decided that next week the Acting Attorney General, Mr. Bork, will appoint a new special prosecutor for what is called the Watergate matter. The special prosecutor will have independence. He will have total cooperation from the executive branch, . . . And I can assure you ladies and gentlemen, and all of our listeners tonight, that I have no greater interest than to see that the new special prosecutor has the cooperation from the executive branch and the independence that he needs to bring about that conclusion."

On March 6, 1974, at a press conference, the President said:

"At all times it had been my goal to have a complete disclosure of this whole situation because, as you know, I have said there can be no cloud over the White House. I want that cloud removed. That is one of the reasons we have cooperated as we have with the Special Prosecutor. We will also cooperate with the Rodino committee."

The President also said that after a March 22, 1973, meeting with John Mitchell, H. R. Haldeman, John Ehrlichman and John Dean "the policy was one of full disclosure, and that was the decision that was made at the conclusion of the meeting."

On March 19, 1974, in a question-and-answer session before the National Association of Broadcasters in Houston, Texas, the President said:

". . . It should not have been covered up, and I have done the very best that I can over the past year to see that it is uncovered. I have cooperated completely with not only the grand jury but also with other investigative agencies and have waived executive privilege perhaps further than I should. . . ."

On April 29, 1974, the President, in a nationally broadcast address, said:

"I have asked for this time tonight in order to announce my answer to the House Judiciary Committee's subpoena for additional Watergate tapes, and to tell you something about the actions I shall be taking tomorrow—about what I hope they will mean to you and about the very difficult choices that were presented to me.

"These actions will at last, once and for all, show that what I knew and what I did with regard to the Watergate break-in and coverup were just as I have described them to you from the very beginning.

". . . For 9 months—until March 1973—I was assured by those charged with conducting and monitoring the investigations that no one in the White House was involved.

"In these folders that you see over here on my left are more than 1,200 pages of transcripts of private conversations I participated in between September 15, 1972, and April 27 of 1973, with my principal aides and associates with regard to Watergate. They include all the relevant portions of all the subpoenaed conversations that were recorded, that is, all portions that relate to the question of what I knew about Watergate or the coverup and what I did about it.

"In these transcripts, portions not relevant to my knowledge or actions with regard to Watergate are not included, but everything that is relevant is included—the rough as well as the smooth, the strategy sessions, the exploration of alternatives, the weighing of human and political costs.

"As far as what the President personally knew and did with regard to Watergate and the coverup is concerned, these materials—together with those already made available—will tell it all.

". . . in the context of the current impeachment climate, I believe all the American people, as well as their Representatives in Congress, are entitled to have not only the facts but also the evidence that demonstrates those facts.

"I want there to be no question remaining about the fact that the President has nothing to hide in this matter.

"The basic question at issue today is whether the President personally acted improperly in the Watergate matter. Month after month of rumor, insinuation, and charges by just one Watergate witness—John Dean—suggested that the President did act improperly.

"This sparked the demands for an impeachment inquiry. This is the question that must be answered. And this is the question that will be answered by these transcripts that I have ordered published tomorrow.

"His [John Dean's] revelations to me on March 21 were a sharp surprise, even though the report he gave to me was far from complete, especially since he did not reveal at that time the extent of his own criminal involvement.

"I was particularly concerned by his report that one of the Watergate defendants, Howard Hunt, was threatening blackmail unless he and his lawyer were immediately given $120,000 for legal fees and family support, and that he was attempting to blackmail the White House, not by threatening exposure on the Watergate matter, but by threatening to reveal activities that would expose extremely sensitive, highly secret national security matters that he had worked on before Watergate.

"I probed, questioned, tried to learn all Mr. Dean knew about who was involved, what was involved. I asked more than 150 questions of Mr. Dean in the course of that conversation. . . .

"Whatever the potential for misinterpretation there may be as a result of the different options that were discussed at different times during the meeting, my conclusion at the end of the meeting was clear. And my actions and reactions as demonstrated on the tapes that follow that date show clearly that I did not intend the further payments to Hunt or anyone else be made. These are some of the actions that I took in the weeks that followed in my effort to find the truth, to carry out my responsibilities to enforce the law.

"I made clear that there was to be no coverup. . . .

"To anyone who reads his way through this mass of materials I have provided, it will be totally abundantly clear that as far as the President's role with regard to Watergate is concerned, the entire story is there."

On May 22, 1974, in a letter, dated May 15, 1974, sent to Chairman Rodino, in response to two subpoenas of the House of Representatives, the President wrote:

". . . I submitted transcripts not only of all the recorded Presidential conversations that took place that were called for in the subpoena, but also a number of additional Presidential conversations that had not been subpoenaed. I did this so that the record of my knowledge and actions in the Watergate matter would be fully disclosed, once and for all. . . .

"The Committee has the full story of Watergate, in so far as it relates to Presidential knowledge and Presidential actions."

On July 27, 1974, the Committee on the Judiciary decided that since June 17, 1972, Richard M. Nixon, using the power of his high office, engaged, personally and through his subordinates and agents, in a course of conduct or plan designed to delay, impede and obstruct the investigation of the unlawful entry into the headquarters of the Democratic National Committee; cover-up; conceal; and protect those responsible and to conceal the existence and scope of the unlawful and covert activities.

This report is based on the evidence available to the Committee at the time of its decision. It contains clear and convincing evidence that the President caused action—not only by his own subordinates but by agencies of the United States, including the Department of Justice, the Federal Bureau of Investigation, and the Central Intelligence Agency—to cover up the Watergate break-in. This concealment required perjury, destruction of evidence, obstruction of justice—all of which are crimes. It included false and misleading public statements as part of a deliberate, contrived, continued deception of the American people.

On August 5, 1974, the President submitted to the Committee on the Judiciary three additional edited White House transcripts of Presidential conversations, which only confirms the clear and convincing evidence, that from the beginning, the President, knowingly directed the cover-up of the Watergate burglary.

The evidence on which the Committee based its decision on Article I is summarized in the following sections.

Adoption of a political intelligence plan including the use of electronic surveillance

I. Introduction

To conduct his 1972 re-election campaign, President Nixon authorized the establishment of the Committee for the Re-election of the President (CRP). (HJC, Background—White House/CRP 11)

On or about May 27 and June 17, 1972, agents of CRP broke into the Democratic National Committee (DNC) headquarters at the Watergate for the purpose of obtaining political intelligence for use in the President's campaign. They acted according to an approved program, which had specifically contemplated illegal electronic surveillance. Gordon Liddy was responsible for carrying out the program; E. Howard Hunt was his chief assistant. Liddy, a former FBI agent, had first worked for the Nixon administration in the Alcohol, Tobacco and Firearms Division of the Treasury Department. Hunt has been an employee of the CIA. Before they were transferred to CRP, both men had been employed in a secret White House unit, established by the President, that engaged in illegal covert activity under the supervision of Assistant to the President John Ehrlichman.

II. Prior Covert Activities

Beginning in May, 1969, the White House conducted covert intelligence gathering, not for reasons of national security, but for political purposes. In May, 1969, President Nixon ordered the FBI to engage in electronic surveillance of at least seventeen persons, including four newsmen and three White House subordinates whose jobs were unrelated to national security. (Book VII, 142–47, 153) Taps were maintained on the telephones of two employees of the National Security Council after they had left the government to work for a Democratic presidential candidate, although a review over a reasonable period would have shown neither was discussing classified materials. One tap remained for 18 months after Assistant FBI Director William Sullivan had specifically recommended its termination. (Book VII, 212–13, 220–21, 326)

Written summaries of the results of this surveillance were originally sent to the President, Haldeman, Kissinger and Ehrlichman; later, at the President's direction, they were sent only to Haldeman. (Book VII, 205, 370) It is undisputed that information forwarded by FBI Director Hoover to President Nixon was used by Haldeman in January, 1970, to take steps to deal with a proposed magazine article critical of the President's Vietnam policy. (Book VII, 360–68)

At the President's direction, the FBI records of surveillance were kept outside of normal FBI files. (Book VII, 182–90) In July, 1971, the President ordered that the records be moved from FBI headquarters. (Book VII, 767) In August, 1971, Assistant Attorney General Robert Mardian handed the records to an official at the Oval Office in the White House whom, in an FBI interview, he declined to name. (Book VII, 2063) Subsequently, Ehrlichman placed the surveillance records in his safe. On April 30, 1973, President Nixon ordered that the FBI records be removed from Ehrlichman's safe and placed among the President's papers. (Book VII, 782)

During the same period, White House personnel also engaged directly in illegal surveillance for political purposes. In 1969, Counsel to the President John Ehrlichman hired Anthony Ulasewicz, a retired police detective, to conduct investigations under the supervision of John Caulfield, a subordinate to Ehrlichman. (Book VII, 336–44) In June, 1969, Caulfield, at Ehrlichman's direction initiated a wiretap on the residence telephone of newspaper columnist Joseph Kraft. (Book VII, 314–15) Ehrlichman discussed this wiretap with the President. (Book VII, 323) During the next three years, Caulfield and Ulasewicz, under Ehrlichman's or Dean's direction, conducted a number of covert inquiries concerning political opponents of the President. (Book VII, 342, 346–47)

Following the publication of the Pentagon Papers in June, 1971, the President created a special investigations unit which engaged in covert and unlawful activities. (Book VII, 620–623, 651) This organization (dubbed "the Plumbers" by its members) was based in the White House, under the immediate supervision of John Ehrlichman. Howard Hunt and Gordon Liddy worked in the unit. (Book VII, 651) The Plumbers acquired from the FBI information about the Pentagon Papers investigation (Book VII, 952–53), twice required the CIA to prepare psychological profiles of Daniel Ellsberg (Book VII, 898–99, 1401–03), and formulated a plan to acquire derogatory information about Ellsberg to leak to the press for political purposes. (Book VII, 1126–28) In August, 1971, after obtaining Ehlrichman's approval for a covert operation, provided it was not traceable, Plumbers co-directors

Egil Krogh and David Young authorized Hunt and Liddy to undertake an operation to gain access to Ellsberg's psychiatric records. (Book VII, 1240–44) On September 3, 1971, a team consisting of Bernard Barker, Felipe DeDiego and Eugenio Martinez (all of whom subsequently participated in one of the Watergate break-ins), acting under the direction and immediate supervision of Hunt and Liddy, illegally broke into the office of Dr. Lewis Fielding, Ellsberg's psychiatrist. (Book VII, 1281–87)

The President's closest personal staff, particularly Ehrlichman and Colson, authorized Hunt to perform other covert activities for political purposes. With disguise and credentials obtained on Ehrlichman's authority from the CIA, Hunt interviewed Clifton DeMotte to obtain derogatory information about the Kennedys (Book VII, 853); and with diplomatic cables obtained on Young's authority from the State Department, Hunt fabricated cables purporting to implicate the Kennedy Administration in the assassination of Vietnamese President Diem. (Book VII, 1031–34, 1046–47) During 1971, Ehrlichman authorized Liddy to place an unspecified number of wiretaps on other persons. (Book VII, 828)

III. Development of Political Intelligence Capability

Preparations began in the White House to develop a political intelligence capability.

On August 10, 1971, Chief of Staff Haldeman gave instructions that Gordon Strachan, Patrick Buchanan, Dwight Chapin and Ron Walker should develop recommendations for "political intelligence and covert activities" in connection with the President's re-election campaign in 1972. (Political Matters Memorandum, 8/13/71, 2) At around the same time, White House staff assistant John Caulfield submitted to Counsel to the President John Dean a political intelligence proposal. It was called Operation Sandwedge, which was to include electronic surveillance operations and "black bag" capability. (Book VII, 1341, 1352–53)

Dean completed a planning study of Operation Sandwedge and other "covert" intelligence activities in early October, 1971, and discussed the proposal with Mitchell. (Book VII, 1349) After Attorney General Mitchell did not make the "hard decisions" about Sandwedge and other covert activities which were required to make the plan operational, Haldeman instructed Strachan to arrange a meeting between Mitchell and Haldeman. (Book VII, 1363–64)

Accordingly, in November, 1971, Haldeman and Mitchell met to discuss Sandwedge. (Political Matters Memorandum, 10/27/71, attachment) Magruder and Strachan were present. Strachan had prepared for Haldeman's use at this meeting a detailed agenda, called a talking paper, that noted that Sandwedge "has received an initial 50," and asked, "are we really developing the capability needed?" (Political Matters Memorandum, 10/27/71, attachment) The talking paper also listed topics for discussion between Haldeman and Mitchell when Magruder and Strachan were to be absent. One topic was: "Who should we designate to increase the surveillance of EMK [Senator Edward M. Kennedy] from periodic to constant?" and "Is there any other candidate or group, such as Common Cause, about whom we should obtain damaging information?" (Political Matters Memorandum, 10/27/71, attachment) In the copy of the October 27, 1971, talking paper provided by the White House to the Committee, the bottom of the page had been cut off, effectively deleting a portion of a paragraph that begins, "From Campaign funds I need 200–300 for surveillance. . . ." (Political Matters Memorandum, 10/27/71, attachment)

By November, 1971, Sandwedge had been rejected, Dean was told by Mitchell and Ehrlichman to find someone other than Caulfield to manage the campaign intelligence operation, Dean suggested Liddy. In explaining this to the President on March 21, 1973, Dean told the President that Liddy was a lawyer with an intelligence background with the FBI. Dean knew that Liddy had done some "extremely sensitive things for the White House while he had been at the White House, and he had apparently done them well uh going into Ellsberg's doctor's office," to which the President replied, "Oh yeah." Krogh had recommended Liddy as "a hell of a good man." (HJCT 81–82) Dean introduced Liddy to Mitchell, who believed him qualified to be counsel to CRP. (Mitchell testimony, 2 HJC 125). Thereafter, Liddy was transferred from the White House to CRP to put together an intelligence operation. (HCJT 82)

In Strachan's December 2, 1971 Political Matters Memorandum to Haldeman, Strachan noted that instead of Sandwedge, Liddy, "who has been working with Bud Krogh" (co-director of the Plumbers unit), would handle political intelligence as well as legal matters, and would work with Dean on the "political enemies" project. (Book I, 34) On December 8, 1971, Haldeman approved in writing Liddy's transfer to CRP. In spite of a policy that there were to be no salary increases for White House staff transferring to CRP, Haldeman authorized a salary increase of $4,000 for Liddy. (Book I, 49–50) Haldeman later acknowledged to the President that Operation Sandwedge had been "the grandfather" of the Liddy Plan. (WHT 526)

From this evidence it is clear that Haldeman and Mitchell had decided to set up a political intelligence gathering unit for the purpose of securing political intelligence on potential opponents of President Nixon.

IV. Liddy's Proposals

In late January, 1972, after consultation with Howard Hunt, his associate in the Plumbers unit, CRP Counsel Liddy proposed a $1 million intelligence program to Mitchell, Magruder and Dean at a meeting in Attorney General Mitchell's office. (Book I, 58–60; Hunt testimony, 9 SSC 3708) The proposal included mugging, kidnapping, prostitutes, and electronic surveillance. (Book I, 59) At the close of the meeting, Mitchell directed Liddy to prepare a revised and more realistic proposal. (Book I, 57, 60) Mitchell has denied this (Book I, 58), but the fact is that, in February, 1972, Liddy returned to Attorney General Mitchell's office with a $500,000 intelligence program, which he presented to Mitchell, Magruder and Dean. The plan specifically envisioned electronic surveillance of the DNC headquarters. (Book I, 66-67) Counsel to the President Dean reported this meeting to Haldeman. Dean expressed his opposition to a political intelligence operation that included illegal activities like burglary and wiretapping of the DNC. Although Haldeman told Dean he agreed that the White House should have nothing to do with such activities, Haldeman did not order that the proposal be abandoned. (Book I, 66, 73–75)

Sometime in February or March, 1972, Liddy and Hunt met with Special Counsel to the President Charles Colson at the White House. (Book I, 105, 110–11) Colson, who was a friend of Hunt's and had recommended him for employment by the White House after Colson had discussed the political possibilities of the Ellsberg case with the President in late June, 1971, was aware that Liddy and Hunt had taken part in the Plumbers operations, including the Fielding break-in. (Book I, 113; Colson testimony, 3 HJC 197–99, 205–06, 236–37) During this meeting, Colson called Magruder, the CRP chief of staff, and told him to resolve whatever it was Hunt and Liddy wanted to do and to be sure he had an opportunity to listen to their plans. (Book I, 105; Colson testimony, 3 HJC 244–49) Magruder has testified that Colson told him to "get off the stick" and get Liddy's plans approved, and that information was needed, particularly about Democratic National Committee Chairman Lawrence O'Brien. (Book I, 113)

V. Adoption of the Plan

On March 30, 1972, in Key Biscayne, Florida, the Liddy Plan was reviewed in a meeting among Mitchell, Magruder and Fred La Rue. (LaRue testimony, 1 HJC 180–83) They considered the proposal for electronic surveillance and, according to Magruder, approved its revised budget of either $250,000 or $300,000. (Book I, 116–20, 129, 148, 182) After the meeting, Magruder instructed his assistant, Robert Reisner, who was at CRP headquarters in Washington, to tell Liddy that his proposal had been approved. Reisner telephoned Liddy, who had become general counsel to the Finance Committee to Re-elect the President (FCRP), and conveyed Magruder's message that the plan had been approved and that Liddy was to get started in the next two weeks. (Book I, 49–50, 136–46)

In a Political Matters Memorandum dated March 31, 1972, Strachan told Haldeman that Magruder reported CRP now had a "sophisticated political intelligence gathering system including a budget of [$]300 [,000]." (Book I, 148, 150–53) A talking paper which Strachan had prepared for a meeting between Haldeman and Mitchell on April 4, 1972, included a question on the "adequacy of the political intelligence system." (Book I, 162–64)

Strachan has testified that three days after the June 17, 1972 Watergate break-in, Haldeman ordered him to destroy both the March 31, 1972 Political Matters Memorandum and the April 4, 1972 talking paper. (Book I, 165–66)

Although Liddy's involvement in the break-in was known by the President, Mitchell, and other high CRP and White House officials shortly after the break-in (WHT, June 23, 1972, 10:04–11:39 a.m., 6; Book II, 91, 93–97, 145–46), Liddy was not discharged as counsel to FCRP until eleven days afterward. (Book II, 478–82)

This, and evidence of cover-up activity after the break-in discussed in the following sections, along with the direct evidence regarding Haldeman's and Mitchell's planning activities prior to the break-in, support the conclusion that the Wategate break-in was pursuant to a program of unlawful electronic surveillance approved in advance by Mitchell, in which Haldeman concurred, and aimed at political opponents of the President for the political benefit of the President.

The implementation of the political intelligence plan

The implementation of the plan to gather political intelligence for use in the President's re-election campaign began in April, 1972. (Book I, 172–75) Prior to June, 1972, with the approval of John Mitchell, FCRP Treasurer Hugh Sloan disbursed approximately $199,000 in cash to Liddy.[1] (Book I, 178–79) Of this sum James McCord, CRP Security Director, spent approximately $65,000 on electronic monitoring equipment and for related purposes. (Book I, 190)

The first break-in at the Democratic National Committee (DNC) occurred on or about May 27, 1972. (Book I, 216–17) During the first or second week in June, 1972, Deputy Campaign Director Magruder received transcripts, on paper labeled "Gemstone," of conversations intercepted at the

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[1] Sloan testified that when he asked Stans the purpose for which the money would be spent, Stans, who had discussed the matter with Mitchell, said, "I do not want to know and you don't want to know." (Book I, 179)

DNC Headquarters. (Book I, 234–35) There is evidence that these transcripts were shown to Mitchell. (Book I, 235) Magruder's assistant, Robert Reisner, testified that Magruder once asked him to place a group of the Gemstone papers in the file labeled "Mr. Mitchell's file," the file used by Magruder in regular daily meetings with Mitchell. (Book I, 237–38) Magruder also received prints of documents photographed during the first entry into the DNC headquarters.[2] (Book I, 234)

The White House received reports obtained from the break-in and bugging. Magruder forwarded the information to Strachan in Haldeman's office. (Book I, 165–66, 168–69)

In his March 13, 1973 meeting with Dean, the President described the Watergate operation as "a dry hole, huh?" Dean responded, "That's right." (HJCT 72) Later in the same conversation, Dean said he thought there were "some people who saw the fruits of it," but added that that was "another story." Dean was talking about the criminal conspiracy to enter the DNC offices. (HJCT 74)

After the burglars first broke into and bugged the DNC headquarters, they began getting information, which was in turn relayed to Haldeman's office. At one point Haldeman gave instructions to change their political surveillance capabilities from Muskie to McGovern; he sent the instructions to Liddy through Strachan. Liddy started to make arrangements for the electronic surveillance of the McGovern operation. In a conversation on the morning of March 21, 1973, John Dean reported to the President:

DEAN. . . . The information was coming over here to Strachan. Some of it was given to Haldeman, uh, there is no doubt about it. Uh—

"PRESIDENT. Did he know what it was coming from?

"DEAN. I don't really know if he would.

"PRESIDENT. Not necessarily.

"DEAN. Not necessarily. That's not necessarily. Uh—

"PRESIDENT. Strachan knew what it was from.

"DEAN. Strachan knew what it was from. No doubt about it, and whether Strachan—I have never come to press these people on these points because it—

"PRESIDENT. Yeah.

"DEAN. It hurts them to, to give up that next inch, so I had to piece things together. All right, so Strachan was aware of receiving information, reporting to Bob. At one point Bob even gave instructions to change their capabilities from Muskie to McGovern, and had passed this back through Strachan to Magruder and, apparently to Liddy. And Liddy was starting to make arrangements to go in and bug the, uh, uh, McGovern operation. They had done prelim—

"PRESIDENT. They had never bugged Muskie, though, did they?

"DEAN. No, they hadn't but they had a, they had, uh, they'd——

"PRESIDENT. (Unintelligible)

"DEAN. . . . infiltrated it by a, a, they had——

"PRESIDENT. A secretary.[3]

"DEAN. A secretary and a chauffeur. Nothing illegal about that." (HJCT 85)

On April 14, 1973, Haldeman told the President that Strachan, at some time, had stopped reading the DNC wiretap reports, which had been made available to him.

"E The one copy that Magruder had had pictures of the kinds of papers that you'd find around with campaign headquarters. He sent a synopses of the pictures to Mitchell. He thought it was so bad he picked up the phone and called Liddy and chewed him out. He called 'em (expletive deleted)" "I [Magruder] told Strachan that the synopses were here. He may have come over and read them." And as I [Ehrlichman] pressed him on that he got less and less sure of that. He says, "I [Magruder] told him they were there."

"H Strachan says, 'I stopped reading the synopses, and they were—we had 'em here.'" (WHT 586)

On April 14, 1973, the President asked Haldeman what he would say if Magruder testified that the DNC wiretap reports had come to Haldeman's office. Haldeman responded, "This doesn't ever have to come out." (WHT 520–21)

Thus the Liddy Plan was implemented under Mitchell's direction with Haldeman's concurrence to provide political intelligence information for the President's benefit in his re-election campaign.

President Nixon's response to the arrests

I. Initial Response

At 2:00 a.m. on June 17, 1972, five of Liddy's men, including CRP Security Director McCord, made the second entry into the DNC offices. They were found there and arrested. (Book II, 72–74) They had on their persons fifteen $100 bills. In their hotel room police found additional $100 bills, a check drawn by Hunt, and a notebook that contained Hunt's White House telephone number. (Book II, 84–85) Hunt and Liddy were elsewhere, in the Watergate Hotel. Upon discovering the arrests of the others, they left. (Book II, 72–76) Hunt went to his office in the Executive Office Building (EOB), placed a briefcase containing electronic equipment in his safe and removed from the safe $10,000 in cash that Liddy had previously given to him to be used in case of need. Hunt gave the money that morning to Douglas Caddy, a Washington attorney. (Book II, 76–77)

At the time of the break-in, the President was in Key Biscayne with Haldeman and Presidential Press Secretary Ronald Ziegler. (Book II, 127)

John Mitchell, Robert Mardian, Jeb Magruder, and Fred LaRue, all top officials in CRP, were in Los Angeles working on the President's re-election campaign. On the morning of June 17, 1972, Liddy telephoned Magruder in California and asked him to call back on a secure phone. (Book II, 106)

At the time, Magruder was eating breakfast with LaRue. Before going to a pay telephone to return Liddy's long distance call, Magruder remarked to LaRue, "I think last night is when they were going into the DNC." Magruder then called Liddy who informed him of the break-in and the arrests of the burglars, including McCord, the CRP Security Director. (LaRue testimony, 1 HJC 185) Magruder immediately relayed Liddy's report to LaRue, who informed Mitchell. (Book II, 106)

When LaRue told Mitchell that McCord, the CRP Security Director, was one of the five persons arrested, Mitchell asked LaRue to get more information. (Book II, 108) Mardian was ordered to return to Washington. (LaRue testimony, 1 HJC 194) Mitchell's aides prepared a press release falsely stating that the arrested men had not been operating on behalf of or with the consent of CRP. (LaRue testimony, 1 HJC 188–90, 212–14) Mitchell made a decision to issue that press release that said:

"We have just learned from news reports that a man identified as employed by our campaign committee was one of five persons arrested at the Democratic National Committee headquarters in Washington, D.C. early Saturday morning.

"The person involved is the proprietor of a private security agency who was employed by our Committee months ago to assist with the installation of our security system.

"He has, as we understand it, a number of business clients and interests and we have no knowledge of those relationships.

"We want to emphasize that this man and the other people involved were not operating either in our behalf or with our consent.

"I am surprised and dismayed at these reports.

"At this time, we are experiencing our own security problems at the Committee for the Re-election of the President. Our problems are not as dramatic as the events of Saturday morning—but nonetheless of a serious nature to us. We do not know as of this moment whether our security problems are related to the events of Saturday morning at the Democratic headquarters or not.

"There is no place in our campaign or in the electoral process for this type of activity and we will not permit nor condone it." (LaRue Exhibit No. 2, 1 HJC 212; Mitchell testimony, 2 HJC 150–51)

On June 17, 1972, Mitchell also directed Liddy to contact Attorney General Kleindienst. (LaRue testimony, 1 EJC 187) Liddy met with Kleindienst at the Burning Tree Country Club near Washington, D.C., and told him that some of the people arrested were White House or CRP employees. Liddy told Kleindienst that Mitchell wanted a report on the break-in. Kleindienst refused to discuss the matter and ordered Liddy off the premises. (Book II, 108, 111–12)

On the afternoon of June 17, the Secret Service contacted John Ehrlichman, who was in Washington, to inform him that the District of Columbia police had found the White House telephone number of Howard Hunt in the burglars' hotel room. (Book II, 118, 494) Ehrlichman knew of Hunt's participation in the burglary of Ellsberg's psychiatrist's office and of other covert operations Hunt had performed for the White House. (Book VII, 728, 1220)[1]

Upon learning that evidence now linked Hunt with those arrested inside the DNC offices, Ehrlichman immediately called Colson, whom he knew to have been Hunt's sponsor at the White House. (Book II, 118; Book VII, 677) Colson, who had recommended Hunt for his White House position (Book VII, 676) knew of Hunt's previous covert activities undertaken with Ehrlichman's authorization: on September 9, 1971, shortly after a meeting with the President, Ehrlichman had told Colson of Hunt's and Liddy's break-in into Dr. Fielding's office and instructed him not to talk about the matter. (Colson testimony, 3 HJC 236) In March, 1972, Colson himself had instructed Hunt to interview Dita Beard in Denver, following publication of her memorandum about the settlement of ITT antitrust litigation. (Colson testimony, HJC 250–51)

On the afternoon of the Watergate break-in, Ehrlichman and Colson talked about how to handle records of Hunt's employment at the White House; and about Douglas Caddy, the lawyer Hunt had hired following the arrests. (Book II, 118–20; Colson testimony, 3 HJC 257–58)

In the late afternoon of June 17, 1972, the day of the Watergate break-in, Ehrlichman telephoned Ziegler in Key Biscayne and told him about the documents that linked Hunt

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[2] Shortly after the June 17, 1972, break-in, Reisner, at Magruder's direction, removed the Gemstone files and other politically compromising documents from the CRP files. These documents were delivered to Magruder who destroyed them. (Book I, 236, 239–40)

[3] In the edited White House transcript, it is Dean who first says "a secretary." (WHT 180)

[1] On July 7, 1971, when Hunt was first hired as a consultant to the White House, Ehrlichman called the CIA and said:

"I want to alert you that an old acquaintance, Howard Hunt, has been asked by the President to do some special consultant work on security problems. He may be contacting you sometime in the future for some assistance. I wanted you to know that he was in fact doing some things of the President. He is a long-time acquaintance with the people here. He may want some help on computer runs and other things. You should consider he has pretty much carte blanche." (Book II, 467)

to the Watergate burglars. (Book II, 188) It is not known what information Ziegler conveyed to the President. The next day, June 18, 1972, Ehrlichman placed another call to Key Biscayne, this time to Haldeman. He reported McCord's and Hunt's involvement in the break-in and the problems it created for CRP and the White House. (Book II, 130)

It is not known what information Haldeman passed on to the President. Haldeman knew that an investigation might reveal that Mitchell, with Haldeman's concurrence, had authorized a plan to place the President's political opponents under electronic surveillance; that funds for the operation were campaign funds supplied by CRP; and Ehrlichman knew that the participants in the Watergate break-in had previously engaged in illegal covert activities on behalf of the President, under Ehrlichman's supervision.

After this telephone conversation, Haldeman called Magruder in California and discussed the arrests. Haldeman directed Magruder to go to Washington to meet with Dean, Strachan and Sloan in order to determine exactly what had happened and the source of the money found on the arrested persons. (Book II, 126; Mitchell testimony, 2 HJC 153) Magruder told Mitchell of Haldeman's order, and the instruction that Mardian should return immediately to Washington was reversed. (LaRue testimony, 1 HJC 194) Later the same day Haldeman, in a telephone conversation with Colson, inquired about Hunt's employment status at the White House. (Colson testimony, 3 HJC 258–59)

On June 18, 1972, the President also called Colson from Key Biscayne. He told Colson he had been so angry about the involvement of McCord in the Watergate break-in that he had thrown an ash tray across the room. (Colson testimony, 3 HJC 259) [2]

That day, John Dean, counsel to the President, returned to California from a trip to the Far East. He was told by White House aide Fred Fielding to cancel his plans to stay in California, and to return to Washington which he did. (Book II, 144)

On June 18, President Nixon put John Ehrlichman in charge of the Wategate matter; Ehrlichman assigned Dean to work on it. (Book II, 132; "Presidential Statements," 8/22/73, 46; Dean testimony, 2 HJC 223–24) On June 19, Dean met with Liddy, who told Dean that the break-in was a CRP operation. Dean reported this conversation to Ehrlichman.[3] (Dean testimony, 3 HJC 224)

On June 19, 1972, Ehrlichman, Colson and Dean met. (Book II, 145–46; Colson testimony, 3 HJC 260–61, 66) Their discussion of the break-in concerned the fact that White House records did not reflect any termination of Hunt's status as a consultant; they also discussed the contents of Hunt's safe in the EOB. (Book II, 146, 190) Ehrlichman and Colson directed Dean to take possession of the contents of Hunt's safe. Ehrlichman ordered that Hunt's safe in the EOB be drilled open. This was done and its contents were delivered to Dean. (Book II, 190); Colson testimony, 3 HJC 264–65) The safe contained, among other things, State Department cables Hunt had fabricated; materials related to the Plumbers; McCord's briefcase filled with electronic equipment, which Hunt had placed in the safe immediately after the arrests; and two notebooks. (Book II, 76, 163, 425)

Late on June 19, 1972, Magruder, Mitchell, Mardian and LaRue, who had returned to Washington, met in Mitchell's apartment. Dean later joined the meeting. They discussed the break-in and the need for a statement from CRP denying any responsibility for the burglary. (Book II, 224; Mitchell testimony, 2 HJC 154–55, 159) Magruder was directed at that meeting to destroy documents related to the political surveillance operation. (LaRue testimony, 1 HJC 196–97; Book II, 225–26)

II. June 19, 1972–June 29, 1972

On June 19, 1972, at about noon, the President telephoned Colson. They talked for approximately one hour about the break-in. (Book II, 156, 158–59) Colson told the President that Administration officials in Washington were holding a meeting to determine how they should react. (Colson testimony, 3 HJC 264)

Later on June 19, 1972, the President and Haldeman returned from Key Biscayne. (Book II, 240)

The next morning, June 20, 1972, at 9:00 a.m., Haldeman met in Ehrlichman's office—which was located one floor above the Oval Office (Butterfield testimony, 1 HJC 24)—with Ehrlichman and Mitchell, both of whom knew that the DNC break-in was a CRP operation carried out under the direction of Liddy. (Book II, 108, 153, 240) Dean, who also knew that the DNC break-in was a CRP operation, and Attorney General Kleindienst (Book II, 112, 144) joined this meeting about 9:45 and 9:55 a.m. respectively. (Book II, 240) The previous day, Kleindienst had requested that Gray arrange for a briefing on the FBI investigation, because Kleindienst had to brief the President that day or the next. (Book II, 137) At the meeting, on the morning of June 20, Kleindienst, Haldeman, Ehrlichman, Mitchell and Dean discussed the Watergate break-in. (Book II, 240–41)

On that same morning at 9:00 a.m. the President arrived in his Oval Office. While this meeting on Watergate took place one floor above among the President's chief of staff, his chief domestic adviser, his counsel, his Attorney General, and his campaign director, the President remained alone in the Oval Office (with the exception of a three-minute meeting with Butterfield from 9:01 to 9:04 a.m.). The President left the Oval Office at 10:20 a.m., and went to his EOB office. (Book II, 243)

At his EOB office, the President met with Ehrlichman from 10:25 until 11:20 a.m. (Book II, 243) The President did not discuss Watergate with Ehrlichman, even though the President had given Ehrlichman the highest level responsibility for investigation of the Watergate matter. (*In re Grand Jury*, Misc. 47–73, order, 12/19/73; Book II, 238; "Presidential Statements," 8/22/73, 45–46)

Starting at 11:26 a.m., during a meeting which lasted one hour and 19 minutes, the President did discuss Watergate with Haldeman. Haldeman—who by this time had been fully briefed and who, according to Strachan, that day instructed Strachan to destroy documents related to the Liddy Plan and other compromising documents—met with the President. (Book II, 243, 265) At this meeting, the President issued certain directives about the Watergate break-in. (Book II, 249–50) A portion of the notes taken by Haldeman during the meeting read:

"be sure EOB office is thoroly ckd re bugs at all times—etc. what is our counter attack? PR offensive to top this . . . hit the opposition w/ their activities Pt out libertarians have created public callousness. Do they justify this less than stealing Pentagon papers, Anderson file etc. we shld be on the attack for diversion" (Book II, 246–48)

In July, 1973, the tape recording of this June 20, 1972 meeting between the President and Haldeman was subpoenaed by the Special Prosecutor. The subpoena was resisted by the President on the grounds of executive privilege (Book II, 258) but upheld by the Court of Appeals. (Book IX, 748, 750–54) On November 26, 1973, when the President's lawyer finally produced the recording, it contained an eighteen and one-half minute erasure. The erasure obliterated that portion of the conversation which, according to Haldeman's notes, referred to Watergate. (Book II, 249–50) The obliteration was, in fact, caused by repeated manual erasures, which were made on the tape recorder used by the President's personal secretary, Rose Mary Woods. (See Appendix A)

Although the President had six other conversations with Haldeman and Colson that day,[4] the President did not meet with his Attorney General Kleindienst, his FBI Director Gray or his Campaign Director Mitchell. (Book II, 243–44)

On the morning of June 20, 1972, Magruder, as instructed by Haldeman, met with Sloan and determined that the source of the money found on the persons arrested was the Finance Committee to Re-Elect the President (FCRP), an arm of CRP. (Book II, 126)

On June 20, 1972, in spite of the fact that he was aware of the CRP responsibility for the Watergate break-in, Mitchell issued a prepared statement denying any legal, moral or ethical accountability on the part of the CRP. (Book II, 303) That evening, the President telephoned Mitchell. They discussed the break-in. (Book II, 310) On July 23, 1973, the tape of that telephone call was subpoenaed by the Special Prosecutor. (Book IX, 415–16) On October 30, 1973, the President responded that the conversation had not been recorded. (Book IX, 836) The President did provide a dictabelt recording of his recollections of that day (Book II, 309), which included the following account of his conversation with Mitchell:

"Paragraph. I also talked to John Mitchell in—late in the day and tried to cheer him up a bit. He is terribly chagrined that, uh, the activities of anybody attached to his committee should, uh, have, uh, been handled in such a manner, and he said that he only regretted that he had not policed all the people more effectively on a—in his own organization—(42 second silence) (unintelligible)" (Book II, 310)

The President issued no order to discharge Gordon Liddy, Counsel to FCRP. Mitchell knew that Liddy was responsible for the burglary—he had authorized the Liddy Plan and had been told by Mardian and LaRue that Liddy had planned and participated in the break-in. (Book II, 280) Haldeman knew—he had approved Liddy's transfer to CRP for intelligence-gathering purposes (Book I, 49) and on June 20 had directed Strachan to destroy documents that contained discussions about the fruits of Liddy's activities. (Book II, 262–63) Dean knew—Liddy told him the whole story on June 19. (Book II, 145) Ehrlichman knew—Dean had told him on June 19 of Liddy's confession (Book II, 145–46) because as Ehrlichman later said:

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[2] Representative Thornton explained the significance of this occurrence during the general debate: ". . . [w]hat that outburst of anger also indicates, at least to me, was a revelation, as of that moment, at the start, that [the President's] own men were involved in a stupid and criminal act, which had the potential of terrible embarrassment to him." (HJC debates, July 25, 1974, TR. 288)

[3] Liddy nevertheless continued to serve as general counsel to FCRP until June 28, 1972, when he was discharged by Stans for refusing to be interviewed by the FBI. (Book II, 478–82)

[4] On May 15, 1974, the House Judiciary Committee subpoenaed the tape recordings and other materials related to conversations between the President and Haldeman on June 20, 1972 from 4:35 to 5:25 p.m.; from 7:52 to 7:59 p.m.; and from 8:42 to 8:50 p.m.; and between the President and Colson from 2:20 to 3:30 p.m.; from 8:04 to 8:21 p.m.; and from 11:33 p.m. to 12:05 a.m., June 21, 1972. The President refused to produce these recordings.

"Well, the only reason to tell me was not for me as me but because I was one of the two conduits that he [Dean] had to the Boss." (WHT 1172) Colson knew—Colson had telephoned Magruder prior to March 30 in the presence of Liddy and Hunt and urged Magruder to see to it that Liddy's political intelligence gathering proposal was considered.[5] Colson also knew of Hunt's role in the break-in. (Book I, 113; HJCT 84)

On June 22, 1972, the President—who had been with Haldeman in Key Biscayne when the news of the break-in first appeared; who had remained there with Haldeman on June 17, 18 and 19; who had discussed Watergate with Colson on June 19 and with Haldeman and Mitchell on June 20—held a news conference. He was asked if he had ordered any sort of investigation to determine the truth of the charges "that the people who bugged [DNC] headquarters had a direct link to the White House." The President replied:

"Mr. Ziegler and also Mr. Mitchell, speaking for the campaign committee, have responded to questions on this in great detail. They have stated my position and have also stated the facts accurately.

"This kind of activity, as Mr. Ziegler had indicated, has no place whatever in our electoral process, or in our governmental process. And, as Mr. Ziegler has stated, the White House has had no involvement whatever in this particular incident.

"As far as the matter now is concerned, it is under investigation, as it should be, by the proper legal authorities, by the District of Columbia police, and by the FBI, I will not comment on those matters, particularly since possible criminal charges are involved." (Book II, 352–53)

When the President issued this statement, he knew or should have known that Howard Hunt, Gordon Liddy and other CRP personnel were responsible for the burglary, and that some of these persons had previously engaged in covert activities, as members of the Plumbers unit, on the President's behalf.

By June 21, 1972, the decision had been made to prevent further Watergate disclosures and the President's closest subordinates and agents were beginning to carry out this decision. The President had placed Ehrlichman in charge. Ehrlichman had assigned Dean to monitor the FBI investigation. Ehrlichman called Gray and told him that Dean was conducting an inquiry into the Watergate matter for the White House. He instructed Gray to work closely with Dean. (Book II, 314)

The identification of Hunt as a suspect in the Watergate burglary created a risk that a direct link to the White House might be established. After discussions between Colson and White House Staff Secretary Bruce Kehrli, Ehrlichman and Colson decided that White House records should state that Hunt's status as a White House consultant had been terminated as of April 1, 1972.[6] (Book II, 168–69) On or about June 21, 1972, Colson's office forwarded to Kehrli a memorandum which was dated March 30, 1972 and which expressed a desire to assist Hunt on an annuity problem "and then totally drop him as a consultant so that 1701 [CRP] can pick up and use him." Within a week after June 19, 1972, Kehrli circled the reference to dropping Hunt as a consultant and wrote at the bottom of the memorandum: "OK—Drop as of April 1, 1972 BAK." Kehrli was also told by Colson to remove Hunt's name from the White House phone directory; on Kehrli's instructions, the name was removed. (Kehrli affidavit, 2–4; Colson testimony, 3 HJC 262–63; Book II, 184)

The money found on those arrested created for the President another risk of disclosure and another danger to his re-election campaign. The risk was that it could be traced back to the Campaign Committee—exposing the Committee's responsibility for the burglary and also exposing illegal corporate campaign contributions.

Because of this risk, Haldeman, on June 18, 1972, the day after the break-in, directed Magruder to return from California to Washington, and talk to Sloan, Dean and Strachan about the source of the money. (Book II, 126) Liddy, who was also aware of the risk, shredded the $100 bills in his possession immediately after the break-in. (Book II, 289)

The money was part of the sum of five campaign contribution checks totalling $114,000. Four of the five checks were drawn on a Mexican bank by Manuel Ogarrio, a Mexican attorney. The fifth check was signed by Kenneth Dahlberg, a Minnesota businessman. FCRP Treasurer Hugh Sloan had given the checks to Gordon Liddy sometime in April to convert into cash. Liddy in turn had given the checks to Bernard Barker, one of those later arrested at Watergate. Barker had deposited the checks in his Florida bank account. Barker gave the cash to Liddy, who transmitted it to Sloan. Later, when Sloan gave Liddy cash, he apparently gave him some of the same bills which Liddy had obtained for FCRP. (Book II, 96–97, 339, 370–71)

It is standard practice for banks to record the serial numbers of cash paid out in large transactions. Thus, the FBI probably could trace the $100 bills back to the bank that supplied the cash and to the five checks deposited in the bank account of Bernard Barker. (Book II, 339) Dahlberg and Ogarrio could tell the FBI that the checks bearing their names were delivered to the President's re-election campaign; Dahlberg had in fact handed his check personally to Stans. (Book II, 366–67) Ogarrio could also tell the FBI that he had covered his checks by charging a fee to Gulf Resources & Chemical Corporation.

The risk that the CRP link would be uncovered became imminent on June 21 and 22, 1972, when Gray informed Dean that the $100 bills had already been traced by the FBI to Barker's bank account in Florida, that Dahlberg and Ogarrio had been identified, and that the Bureau intended to interview them. (Book II, 339) On June 23, 1972, Dean reported to Haldeman the information given to him by Gray; Haldeman immediately reported to the President.[7] (Book II, 356)

At the time that the Committee on the Judiciary voted on Article I, it was undisputed that on June 23, 1972 the President directed Haldeman and Ehrlichman to meet with Helms and Walters, to express White House concern that the FBI investigation might expose unrelated covert CIA operations or the activities of the White House Special Investigations Unit, and to ask that Walters meet with Gray to communicate these concerns to him. (Book II, 358–59)[8]

On the afternoon of June 23, 1972, Ehrlichman and Haldeman met with Helms and Walters. (Book II, 356–57) Helms assured Haldeman that there was no CIA involvement in the Watergate break-in, and told him that he had given a similar assurance to acting FBI Director Gray. (Book II, 383–84) In reply, Haldeman said that the FBI investigation was leading to important people; and that it was the President's wish, because an FBI investigation in Mexico might uncover CIA activities or assets, that Walters suggest to Gray that it was not desirable to pursue the inquiry, especially into Mexico. (Book II, 380, 385–86) Ehrlichman said that the Mexican checks, traced to the Florida bank account, were mentioned as an example of the type of thing about which the President was concerned. (Book II, 392)

While the meeting among Haldeman, Ehrlichman, Helms and Walters was going on, Dean telephoned Gray and told him to expect a call from Walters. (Book II, 400) After the meeting, Walters told Gray that the FBI investigation should not be pursued into Mexico or beyond the five persons already in custody. (Book II, 402–04) Gray agreed to hold in abeyance the planned interview of Ogarrio, although he said the FBI would continue to try to locate and interview Dahlberg. (Book II, 400–01) On June 23, 1972, Stans asked Dahlberg to fly from Minneapolis to Washington and they met later that day at the CRP offices. (Book II, 368, 406–07)

On June 23, 1972 Walters determined that no CIA sources would be jeopardized by an FBI investigation in Mexico. (Book II, 410–11) On June 26, 1972, he so informed Dean, whom Ehrlichman had designated as liaison to the White House. (Book II, 411–12) On June 27, 1972, Helms notified Gray that the CIA had no interest in Ogarrio. (Book II, 447) Helms and Gray set up a meeting for the following day; Gray reported the meeting planned for June 28 to Dean. (Book II, 447, 453–54) In preparation for the meeting Helms had told the CIA employees who were to attend the meeting that the CIA still adhered to its request that the FBI not expand its investigation beyond those already arrested or directly under suspicion. (Book II, 459) On the morning of June 28, 1972, Ehrlichman telephoned Gray and instructed him to cancel his meeting with Helms, saying only that the meeting was not necessary. (Book II, 454) Gray called Helms and cancelled the meeting and Helms reported that the CIA had no interest in Dahlberg. At Helms' request Gray cancelled interviews of two CIA employees (Book II, 454, 459) who, in 1971, had furnished Hunt with information, with disguises and with alias identification cards in connection with his covert activities. (Book II, 460–66)

On June 28, 1972, Dean asked Walters whether the CIA could stop the FBI investigation at the five suspects already in custody. He pointed out that the FBI had leads to Dahlberg and Ogarrio. Walters said he could not think of a way the CIA could help the White House. (Book II, 440–41) On the evening of June 28, 1972, Dean called Gray and urged that, for reasons of national security, Ogarrio and Dahlberg not be interviewed.

On June 28, 1972, Dean and Ehrlichman gave to Gray those contents of Hunt's safe that had been withheld from FBI agents on the previous day, with the exception of two notebooks. (Book II, 503)

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[5] McCord, CRP security head who was arrested at the break-in and therefore exposed, was immediately discharged and Mitchell disclaimed CRP responsibility for his activities.

[6] Butterfield testified that shortly after the Watergate break-in he was told by Kehrli that Hunt was then a White House consultant, but that at Haldeman's direction Hunt was not listed on the employment rolls. (Butterfield testimony, 1 HJC 55–57) Kehrli states he does not recall this conversation. (Kehrli affidavit, 3) Colson has testified he told Kehrli on June 19, 1972 to make White House records reflect Hunt's termination as of March 31, 1972. (Colson testimony, 3 HJC 262–63)

[7] On May 15, 1974, the House Judiciary Committee subpoenaed the tape recordings and other materials related to this and other conversations between the President and Haldeman on June 23, 1972. The President did not produce these recordings prior to the conclusion of the Committee's inquiry.

[8] After the Committee voted on the recommended articles, the President released three edited transcripts of the June 23, 1972, conversations with Haldeman. Material from these transcripts appears at the end of this section.

On the morning of June 29, 1972, Gray retracted an order of the previous day to interview Ogarrio and instructed the FBI's Minneapolis Field Division to make no further attempts to interview Dahlberg. (Book II, 474–75)

III. Kalmbach Fund-Raising Assignment

These activities of Haldeman, Ehrlichman, Dean, Helms, Walters and Gray impeded the FBI's Watergate investigation. In addition, there were other problems. The defendants were in jail and needed money for bail, for attorneys' fees and for other support, Mitchell decided CRP could not provide bail, (Book III, 99) Dean asked Walters if the CIA would pay bail and support money, and was told it would not. (Book II, 433)

On June 28, 1972, Ehrlichman and Haldeman agreed that Dean should direct Kalmbach, the President's personal attorney and a long-time high-level fundraiser for the President, to handle the raising of money for the Watergate defendants. (Book III, 149–53, 277–79; Book IV, 536; WHT 493–96) That night, at Dean's request Kalmbach flew to Washington. (Book III, 152–54) The following morning he met with Dean and agreed to undertake the assignment. (Book III, 154–55; Kalmbach testimony, 3 HJC 535–37) On June 29, 1972, Kalmbach obtained $75,000 in cash from Stans. On the following day, Kalmbach delivered it to Anthony Ulasewicz, who had previously engaged in surveillance and other activities under Ehrlichman's direction. Ulasewicz was instructed to make clandestine payments for the benefit of those who had participated in the break-in. (Book III, 167–69; Book VII, 336–337; Kalmbach testimony, 3 HJC 538–41)

IV. Mitchell's Resignation as CRP Director

As of June 30, 1972, the risks of further disclosure with respect to the connection between the White House or CRP and the break-in were contained, at least temporarily. Cash was in hand to be distributed to the persons arrested; the cash found on the persons arrested had not yet been traced to CRP. By June 28, 1972, Gray had stopped the FBI's efforts to trace the money on those arrested. Neither Hunt nor Liddy had been charged with involvement in the break-in.

On June 30, 1972, the President met with Haldeman and Mitchell to discuss Mitchell's resignation as Director of CRP. (Book II, 515–16) Mitchell had approved Liddy's intelligence activities. (Book I, 116) Following Liddy's call to Magruder on the morning of June 17, 1972 (Book II, 106), Mitchell had been kept fully informed of developments. At the time of this June 30, 1972, meeting, Haldeman knew of CRP and White House involvement in the political intelligence gathering program and in the Watergate break-in itself. Since October 7, 1971, Haldeman knew that "Operation Sandwedge", which contemplated a "black bag" capability and electronic surveillance, was once under study by Attorney General Mitchell and John Dean. (Book VII, 1341–42, 1363–64) Haldeman knew that on December 2, 1971, Operation Sandwedge had been scrapped, and that Liddy had been hired "instead" by CRP to handle political intelligence. (Political Matters Memorandum, 12/2/71, 3) Haldeman knew that, in February, 1972, Liddy had made two presentations to Mitchell, Magruder and Dean, and that Liddy's plans had contemplated the use of electronic surveillance and illegal entries into such targeted facilities as the DNC headquarters. (Book I, 66) At the end of March, 1972, Haldeman knew that a sophisticated political intelligence gathering system with a budget of $300,000 had been approved by CRP. (Book I, 148) Haldeman knew that he had directed Liddy to change his "capabilities" from Muskie to McGovern. (Book I, 93) Haldeman knew, shortly after the break-in, that McCord and Hunt had been involved in CRP's intelligence gathering activities. (Book II, 130) On June 18, 1972, Haldeman knew of the possibility that the money found on the five persons arrested in the DNC offices was CRP money. (Book II, 126–27) On June 20, 1972, Haldeman knew that he had instructed his assistant Strachan to destroy documents. (Book II, 265) On June 23, 1972, Haldeman knew that the FBI had uncovered five checks totalling $114,000 and one bearing the names of Dahlberg and Ogarrio which had passed through the bank account of Watergate conspirator Bernard Barker. (Book II, 339–41) On June 23, 1972, Haldeman knew that he had instructed Walters to inform Gray that the FBI investigation should not be pursued into Mexico. On June 28, 1972, Haldeman knew that he and Ehrlichman had approved Dean's use of Kalmbach to raise and covertly distribute cash for those involved in Watergate. (Book III, 149–53, 277–79; Book IV, 536; WHT 493–96)

One of the subjects of the June 30, 1972, discussion among the President, Haldeman and Mitchell was Mitchell's resignation as head of CRP:

"HALDEMAN. Well, there maybe is another facet. The longer you wait the more risk each hour brings. You run the risk of more stuff, valid or invalid, surfacing on the Watergate caper—type of thing—

"MITCHELL. You couldn't possibly do it if you got into a—

"HALDEMAN.—the potential problem and then you are stuck—

"PRESIDENT. Yes, that's the other thing, if something does come out, but we won't—we hope nothing will. It may not. But there is always the risk.

"HALDEMAN. As of now there is no problem there. As, as of any moment in the future there is at least a potential problem.

"PRESIDENT. Well, I'd cut the loss fast. I'd cut it fast. If we're going to do it I'd cut it fast. That's my view, generally speaking. And I wouldn't—and I don't think, though, as a matter of fact, I don't think the story, if we, if you put it in human terms—I think the story is, you're positive rather than negative, because as I said as I was preparing to answer for this press conference, I just wrote it out, as I usually do, one way—terribly sensitive [unintelligible]. A hell of a lot of people will like that answer. They would. And it'd make anybody else who asked any other question on it look like a selfish son-of-a-bitch, which I thoroughly intended them to look like.

"* * * * *

"MITCHELL. [Unintelligible] Westchester Country Club with all the sympathy in the world.

"PRESIDENT. That's great. That's great.

"MITCHELL. [Unintelligible] don't let—

"HALDEMAN. You taking this route—people won't expect you to—be a surprise.

"PRESIDENT. No, if it's a surprise. Otherwise, you're right. It will be tied right to Watergate. [Unintelligible]—tighter if you wait too long, till it simmers down.

"HALDEMAN. You can't if other stuff develops on Watergate. The problem is, it's always potentially the same thing.

"PRESIDENT. Well if it does, don't just hard-line.

"HALDEMAN. [Unintelligible] That's right. In other words, it'd be hard to hard-line Mitchell's departure under—

"PRESIDENT. That's right. You can't do it. I just want it to be handled in a way Martha's not hurt.

"MITCHELL. Yeah, okay." (Book II, 515–16)

On July 1, 1972, Mitchell resigned as director of the President's re-election campaign organization. Mitchell wrote to the President that he could no longer remain as campaign manager "and still meet the one obligation which must come first: the happiness and welfare of my wife and daughter. They have patiently put up with my long absences for some four years, and the moment has come when I must devote more time to them." As the President had suggested on the previous day, the story was put in "human terms." (Book II, 514)

However the story was put, all the prior circumstances since June 17, 1972, provided substantial proof that President Nixon decided shortly after learning of the Watergate break-in that his subordinates should take action designed to delay, impede, and obstruct the investigation of the Watergate break-in, to cover-up, conceal and protect those responsible, and to conceal the existence and scope of other unlawful covert activities.

On August 5, 1974, President Nixon publicly released and delivered to the Committee on the Judiciary,[9] after the Committee had concluded its vote, edited transcripts of three of his conversations of June 23, 1972, with H. R. Haldeman. At their morning meeting, the President directed Haldeman to direct the CIA to impede the FBI investigation, which had begun to trace money in the possession of the burglars to CRP.

"H. Now, on the investigation, you know the Democratic break-in thing, we're back in the problem area because the FBI is not under control, because Gray doesn't exactly know how to control it and they have—their investigation is now leading into some productive areas—because they've been able to trace the money—not through the money itself—but through the bank sources—the banker. And, and it goes in some directions we don't want it to go. Ah, also there have been some things—like an informant came in off the street to the FBI in Miami who was a photographer or has a friend who is a photographer who developed some films through this guy Barker and the films had pictures of Democratic National Committee letterhead documents and things. So it's things like that that are filtering in. Mitchell came up with yesterday, and John Dean analyzed very carefully last night and concludes, concurs now with Mitchell's recommendation that the only way to solve this, and we're set up beautifully to do it, ah, in that and that—the only network that paid any attention to it last night was NBC—they did a massive story on the Cuban thing.

"P. That's right.

"H. That the way to handle this now is for us to have Walters call Pat Gray and just say, 'Stay to hell out of this—this is ah, business here we don't want you to go any further on it.' That's not an unusual development, and ah, that would take care of it.

"P. What about Pat Gray—you mean Pat Gray doesn't want to?

"H. Pat does want to. He doesn't know how to, and he doesn't have . . . any basis for doing it. Given this, he will then have the basis. He'll call Mark Felt in . . .

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[9] On August 5, 1974, James St. Clair, Special Counsel to the President, wrote John Doar, Special Counsel to the Judiciary Committee, as follows:

"At the direction of the President, I am forwarding to you herewith transcripts of three additional recorded Presidential conversations between the President and H. R. Haldeman on June 23, 1972, for submission to the members of the Committee on the Judiciary as a supplement to the President's *Submission of Recorded Presidential Conversations* dated April 30, 1974.

"These conversations first came to my attention a few days ago and I believe they are necessary to more accurately and completely describe the events involving the relationship between the FBI Watergate investigation and the CIA in 1972 than has been previously furnished the Committee.

"Copies of the Transcripts were immediately distributed to each member of the Committee."

"P. Yeah.

"H. He'll call him and say, "We've got the signal from across the river to put the hold on this." And that will fit rather well because the FBI agents who are working on the case, at this point, feel that's what it is. . . .

"H. And you seem to think the thing to do is get them to stop?

"P. Right, fine." (WHT, June 23, 1972, 10.04–11:39 a.m., 2–5)

The President asked Haldeman if Mitchell knew in advance about the Watergate burglaries. Haldeman said he thought so. The President then asked, "Is it Liddy?" (WHT, June 23, 1972, 10:04 to 11:39 a.m., 6) Since Haldeman had not mentioned Liddy and since the President had said he did not learn of the Fielding break-in (in which Liddy was involved) until March 17 of the following year, the question clearly indicates that the President must have known about Liddy before the conversation of June 23, 1972.

The President told Haldeman what to say to the CIA officials. He said to tell them that it involved Hunt and that it would be detrimental for them to go further.

In the early afternoon, the President repeated his instructions to Haldeman to have the CIA limit the investigation because Hunt knew too much.

"P O.K., just postpone (scratching noises) (unintelligible) Just say (unintelligible) very bad to have this fellow Hunt, ah, he knows too damned much, if he was involved—you happen to know that? If it gets out that this is all involved, the Cuban thing it would be a fiasco. It would make the CIA look bad, it's going to make Hunt look bad, and it is likely to blow the whole Bay of Pigs thing which we think would be very unfortunate—both for CIA, and for the country, at this time, and for American foreign policy. Just tell him to lay off. Don't you?" (WHT, June 23, 1972, 1:04–1:13 p.m., 1)

At 2:20 p.m. Haldeman reported to the President that Gray had suspicions that the break-in might be a CIA operation; that Walters "was very happy to be helpful" in limiting the FBI investigations; and that Walters would call Gray about it.

"H . . . He [Walters] said, he said we'll be very happy to be helpful [unintelligible] handle anything you want. I would like to know the reason for being helpful, and I made it clear to him he wasn't going to get explicit [unintelligible] generality, and he said fine. And Walters [unintelligible]. Walters is going to make a call to Gray. That's the way we put it and that's the way it was left." (WHT, June 23, 1972, 2:20–2:45 p.m., 2–3)

The President, on June 23, 1973, thus accepted Mitchell's recommendation, delivered by Haldeman, that the FBI investigation into Watergate be limited by a false claim of CIA involvement.

The President directed Haldeman to set this part of the coverup in motion, on the President's behalf:

"P . . . I'm not going to get that involved. I'm [unintelligible].

"H No, sir, we don't want you to.

"P You call them in." (WHT, June 23, 1972, 10:04–11:39 a.m., 7)

Containment—July 1, 1972, to election

I. Presidential Plan for Containment

From late June, 1972, until after the Presidential election in November, President Nixon through his close subordinates engaged in a plan of containment and concealment which prevented disclosures that might have resulted in the indictment of high CRP and White House officials; that might have exposed Hunt and Liddy's prior illegal covert activities for the White House; and that might have put the outcome of the November election in jeopardy. Two of the President's men, John Dean, Counsel to the President, a subordinate, and Herbert Kalmbach, personal attorney to the President, an agent, who had been assigned to carry out the cover-up, carried out their assignment. They did so with the full support of the power and authority of the President of the United States.

Tape recordings of Presidential conversations in the possession of the Committee establish that implementation of the plan prior to the election had the full approval of the President. On June 30, 1972, the President told Haldeman and Mitchell that there was a risk of further Watergate disclosures and that his desire was to "cut the loss." Haldeman said, "As of now there is no problem there"; but, "As, as of any moment in the future, there is, there is at least a potential problem." (Book II, 514) On September 15, 1972, after Dean had said that he could conceive of all kinds of unfortunate complications (Dean's term was "you can spin out horribles"), the President told him and Haldeman, "You really can't sit and worry yourself about it all the time, (thinking the worst may happen) . . . you just try to button it up as well as you can and hope for the best." (HJCT) 13–14) On the morning of March 21, 1973, Dean told the President regarding his investigation after the break-in, "I was under pretty clean instructions [laughs] not to really to investigate this, that this was something that just could have been disastrous on the election if it had—all hell had broken loose, and I worked on a theory of containment." The President replied, "Sure." (HJCT 88) During the same conversation, Dean said of the cover-up, "We were able to hold it for a long time." The President's reply was, "Yeah, I know." (HJCT 101–02) Dean said that some bad judgments, some necessary judgments had been made before the election, but that at the time, in view of the election, there was no way.

The President said, "We're all in on it."[1] (HJCT 104) The President told Dean, "[Y]ou had the right plan, let me say, I have no doubts about the right plan before the election.[2] And you handled it just right. You contained it. Now after the election we've got to have another plan, because we can't have, for four years, we can't have this thing—you're going to be eaten away. We can't do it." (HJCT 129–30) On the evening of March 21, 1973, the President told Colson that Dean was only doing what he had to do, what anyone would have done under the circumstances. (Colson testimony, 3 HJC 334) And on March 22, 1973, the President told Mitchell, "the whole theory has been containment, as you know, John." (HJCT 183)[3]

Much of the evidence for the period July 1, 1972 to March 21, 1973 concerns actions by the President's subordinates and agents. Of necessity, every President must rely on subordinates to carry out his instructions.

Whether or not the President knew about the details of the means used by his subordinates to carry out the cover up, evidence of these actions was relevant in determining the degree to which the President was responsible for them. The issue, whether his subordinates and agents were acting in accordance with his plan and on his behalf, generally turn in large part on circumstantial evidence. Since concealment, duplicity, dissembling and secrecy are fundamental elements of a successful cover-up of illegal activity, this is a case in part of circumstantial evidence. It is common that offenses of this type must be proved in this way.

As the cover up continued, more and more direct evidence accumulated to establish the President either actually knew what his men were doing, or ratified or condoned their actions.

II. Implementation of Containment Plan

Beginning in June, Kalmbach secured the funds required for payments to the Watergate defendants. The cash was paid clandestinely. By the middle of September, when he withdrew from any further assignment relating to making payments to the defendants, Kalmbach had delivered approximately $190,000 in cash to the defendants or their attorneys. (Book III, 378–79, 381; Kalmbach testimony, 3 HJC 557–58) Dean or LaRue consulted with Kalmbach on each of the deliveries. (Book III, 229; Kalmbach testimony, 3 HJC 542) Dean reported the payments to Haldeman and Ehrlichman. (Book III, 202) During the latter part of July, Kalmbach, who had been requested to seek sources of funds outside CRP, became concerned about the secrecy of the activity. Kalmbach sought and obtained assurances from Ehrlichman that Dean had the authority to pursue the payments project and that it was vital for Kalmbach to continue working on it. (Kalmbach testimony, 3 HJC 547–49; Book III, 268–69, 277)

Investigations by federal agencies were hampered by the President's key political associates. In June, 1972, Ehrlichman assigned Dean to monitor the FBI investigation for the White House. (Book II, 314–15; Dean testimony, 2 HJC 226–27) Dean obtained reports on the results of the FBI investigation and tried to enlist the CIA to narrow the scope of the FBI investigation. (Book II, 315, 392–95) Dean regularly obtained information from Gray and from FBI reports, which he showed to CRP officials and attorneys. (Book II, 558; O'Brien testimony, 1 HJC 167) He sat in on several FBI interviews of White House personnel—a procedure that Ehrlichman arranged with Gray. (Book II, 314–15) Thus, Dean was able to anticipate the leads the FBI would follow and coach those persons who had knowledge of the facts within CRP and the White House. (Book II, 484) Instead of having White House staff members Colson, Krogh, Young, Chapin and Strachan appear before the Watergate Grand Jury, Dean arranged with Assistant Attorney General Petersen to have their depositions taken outside the presence of the Grand Jury. (Book II, 565) On July 5, 1972, when Mitchell was interviewed by the FBI, he falsely denied knowledge of any information related to the break-in. Mitchell had been told by Mardian and LaRue of Liddy's involvement in the break-in, but he has testified that he was not, under any circumstances, volunteering information. (Book III, 240)

On July 19 and 20, 1972, Porter and Magruder falsely told FBI agents that the funds obtained by Liddy from CRP were for legal intelligence gathering activities. (Book III, 242–43, 247–48) At the Senate Select Committee on Presidential Campaign Activities (SSC) hearings, Porter testified that when Magruder asked him to lie to prevent embarrassment to the President, Haldeman and Mitchell, Magruder said that Porter's name had come up as a person who could be counted on, (Book III, 160) On August 10, 1972, Porter testified falsely before the Watergate Grand Jury as to the purpose for which CRP funds were disbursed to Liddy. (Book III, 293, 296) On August 18, 1972, Magruder, after rehearsing with Dean his false story about the Liddy money, testified falsely before the Watergate Grand Jury. (Book III, 300) On or about August 28, 1972, Krogh, Ehrlichman's assistant who had been a co-director of the Plumbers unit, testified falsely before the Watergate Grand Jury as to prior activities of Liddy and Hunt. (Book III, 312–15, 322–23, 324–25) He said that the only travel Hunt had ever done for the White House was a trip to Texas and that the only reason Liddy had ever traveled to California was to contact customs officials. Krogh knew that Hunt and Liddy had, in fact, traveled to California to break into Dr. Fielding's office. (Book VII, 1310–12) On September 12 or 13, 1972, Magruder met with Mitchell and Dean to plan a false story regarding the meetings among Mitchell, Magruder, Dean and Liddy in early 1972, in which political intelligence and electronic surveillance were discussed; Magruder thereafter testified falsely about the meetings before the Watergate Grand Jury. He said that one of the meetings listed in his calendar had been cancelled and that the purpose of the other was to discuss Liddy's duties as General Counsel. (Book III, 344, 351–52)

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[1] The words "We're all in on it" do not appear in the edited White House transcript. (WHT 207)

[2] In the edited White House transcript, the President said ". . . And then, once you decide on the right plan, you say, 'John,' you say, 'no doubts about the right plan before the election. You handled it right. You contained it.'" instead of the above quoted material. (WHT 248)

[3] This material does not appear in the edited White House transcript. (WHT 310)

The President decided that former Commerce Secretary, then Chairman of FCRP, Maurice Stans should not appear personally before the Grand Jury. He assigned Ehrlichman to see that Stans need not appear. (Book II, 567) In July, 1972, Stans asked Dean to make arrangements with Henry Petersen to have his deposition taken outside of the Grand Jury. Dean and then Ehrlichman contacted Petersen. Petersen insisted that Stans testify before the Grand Jury. Finally, Ehrlichman telephoned Kleindienst. Petersen subsequently agreed to take Stans' deposition in his office, in lieu of a scheduled Grand Jury appearance, (Book II, 565, 567–69, 571) in spite of the fact that Kleindienst told Ehrlichman that Ehrlichman was lucky Petersen had not filed an obstruction of justice complaint. (Book II, 564–65)

III. Gray's Warning

Shortly after July 1, 1972, the FBI had a break in the case. Alfred Baldwin, a CRP employee recruited by McCord, had monitored the intercepted conversations at the DNC. At the time of the break-in Baldwin was across the street from Watergate at the Howard Johnson Motel. He was not arrested. On July 5, Baldwin stepped forward and identified Hunt as one of the Watergate burglars. (Baldwin testimony, 1 SSC 389–90)

On the morning of July 6, 1972, Gray met with Walters. (Book II, 529) The two men discussed the danger to the President from the efforts by his White House staff to suppress the FBI investigation and interfere with the CIA. They discussed the need to raise the matter with the President. (Book II, 526–27, 528–29, 551) After Walters left, Gray called Clark MacGregor, the new chairman of CRP, who was with the Presidential party in California. (Book II, 551; Gray testimony, 9 SSC 3462)

Gray told MacGregor that both he and Walters were concerned about the misuse of the CIA and FBI by White House staff members. Gray asked MacGregor to inform the President that the FBI and CIA had been injured by the conduct of members of the White House staff and that the same persons were hurting the President.[4]

Thirty-seven minutes after Gray's conversation with MacGregor, Gray received a telephone call from the President. (Book II, 524, 544) The President began the conversation by saying how pleased he was with the way the FBI had handled an attempted skyjacking in San Francisco. (Book II, 550) Gray thanked the President. The President did not raise the subject of Watergate, nor the serious allegation Gray had just made to MacGregor. Gray then warned the President that both he and General Walters thought people on the President's staff were trying to "mortally wound" the President by manipulation of the FBI and CIA; Gray told the President that he had just spoken to MacGregor and "asked him to speak to you about this." In response to Gray's warnings the President said only: "Pat, you just continue to conduct your aggressive and thorough investigation."[5] The President asked no questions about what facts Gray had to support his serious charges; the President asked for no names. There is no evidence that the President pursued the matter. (Book II, 552–53; Gray testimony, 9 SSC 3462)

On July 8, 1972, two days after the President's telephone conversation with Gray, Ehrlichman and the President, while walking on a beach at San Clemente, discussed the possibility of clemency for the Watergate defendants. Ehrlichman has said that he told the President that "presidential pardons or something of that kind would inevitably be a question that he would have to confront by reason of the political aspect of this." (Book III, 182–83) The President's response, according to Ehrlichman and to the President's public statement, was that no one in the White House should "get into this whole area of clemency with anybody involved in this case and surely not make any assurances to anyone." (Book III, 189) At the time of this conversation, Ehrlichman knew that Liddy and Hunt and two of the Cubans arrested at the Watergate had been involved in the break-in of Ellsberg's psychiatrist's office. The President has said that he did not learn of that break-in until more than eight months later, on March 17, 1973. ("Presidential Statements," 8/15/73, 42)

IV. Presidential Statement of August 29, 1972

In August, 1972, the President discussed with Ehrlichman the issuance of public statements on Watergate. (Book II, 588) At that time Ehrlichman knew the details of CRP and White House involvement in the Watergate break-in (Book II, 152–53); Ehrlichman and Dean had concealed certain of the contents of Hunt's safe outside the normal channels of the law by delivering them personally to Acting FBI Director Gray with instructions that they never see the light of day. (Book II, 503) Ehrlichman had agreed to the use of Kalmbach to make secret payments to the defendants. Ehrlichman knew of the actual payments to the defendants. (Book III, 150–51, 269) And Ehrlichman knew of the President's instructions to use the CIA to narrow and thwart the FBI investigation. (Book II, 382–84)

On August 29, 1972, the President held a news conference. He discussed various pending investigative proceedings in connection with Watergate—including those of the FBI, the Department of Justice, the House Banking and Currency Committee and the GAO—in suggesting that the appointment of a special prosecutor would serve no useful purpose. He said:

"In addition to that, within our own staff, under my direction, Counsel to the President, Mr. Dean has conducted a complete investigation of all leads which might involve any present members of the White House Staff or anybody in the Government. I can say categorically that his investigation indicates that no one in the White House Staff, no one in this Administration, presently employed, was involved in this very bizarre incident."

With respect to the involvement of CRP, the President said:

"Before Mr. Mitchell left as campaign chairman he had employed a very good law firm with investigatory experience to look into the matter. Mr. MacGregor has continued that investigation and is continuing it now. I will say in that respect that anyone on the campaign committee, Mr. MacGregor has assured me, who does not cooperate with the investigation . . . will be discharged immediately." (Book II, 589)

With respect to his efforts, and those of his aides in the investigation, the President said:

"I think under these circumstances we are doing everything we can to take this incident and to investigate it and not to cover it up. What really hurts in matters of this sort is not the fact that they occur, because overzealous people in campaigns do things that are wrong. What really hurts is if you try to cover it up. I would say that here we are, with control of the agencies of the Government and presumably with control of the investigatory agencies of the Government with the exception of the GAO, which is independent. We have cooperated completely. We have indicated that we want all the facts brought out and that as far as any people who are guilty are concerned, they should be prosecuted." ("Presidential Statements," 8/29/72, 3)

In fact, Dean had conducted no investigation. He had been acting to narrow and frustrate investigation by the FBI. He had reached no conclusion that no one in the White House had been involved in Watergate. He had made no report of such an investigation. (Book II, 590–91) MacGregor had received only periodic briefings on matters related to Watergate. Their primary purpose was not to report on CRP involvement in the break-in, but to determine CRP's status in the pending civil suits initiated by the DNC. MacGregor has denied that he ever gave assurance to the President that anyone who did not cooperate with the investigation would be discharged. (MacGregor testimony, 12 SSC 4924)

The President and his staff had not "cooperated completely" with the investigatory agencies. The evidence, rather, shows clearly and convincingly that the President and his closest aides acted to obstruct and impede the investigations.

The President's statements on August 29 themselves were designed to delay, impede and obstruct the investigation of the Watergate break-in; to cover-up, conceal, and protect those responsible and to conceal the existence and scope of other unlawful covert activities.

V. September 15, 1972 Meeting

On September 15, 1972, Liddy, Hunt and the five persons arrested in the DNC Watergate offices on June 17 were indicted for burglary, unlawful entry for the purpose of intercepting oral and wire communications, and conspiracy, all felonies. No other CRP or White House officials were charged with or named as having been involved in the break-in. (Book III, 360–61)

On that same day, John Dean was summoned to see the President. (Dean testimony, 2 HJC 228) Prior to this meeting Dean had been in the President's presence only three times that year: for three minutes on April 13, 1972 when the President signed his tax return, for five minutes on May 1, 1972 when photos were taken in the Rose Garden for National Secretaries Week, and for twenty-three minutes on August 14, 1972 when the President and Mrs. Nixon executed legal documents. (Book III, 598–99)

At the time of this conversation, it is undisputed that the President knew, and had known since a few days after the break-in, that Howard Hunt's name had "surfaced" in connection with Watergate and that Hunt had previously been a member of the White House Special Investigations Unit. ("Presidential Statements," 5/22/73, 24) The

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[4] MacGregor has testified that Gray called him on the night of July 5, 1972, but that Gray did not give him any message to pass to the President or discuss interference with the FBI's Watergate investigation. (Book II, 533–34) On the other hand, Ehrlichman testified that the President mentioned to him that MacGregor had received a telephone call from Gray, had told the President about it and that the President had immediately called Gray. (Book II, 548)

[5] The President has stated that Gray warned that the matter of Watergate might lead higher. (Book II, 550, 553)

President had discussed Watergate with Haldeman and Mitchell, who were fully apprised of CRP and White House connections with the Watergate break-in. The President refused to comply with subpoenas from the Committee requiring tape recordings of six conversations between the President and Haldeman or Colson on June 20; it is undisputed that on June 20 he had instructed Haldeman to be on the attack for diversion. (Book II, 246) On June 20 he had been told by Mitchell with reference to Watergate that Mitchell regretted not keeping better control over the men. (Book II, 310) On June 23 he had instructed Haldeman to direct the CIA to request the FBI to curtail its investigation of the break-in. (WHT, June 23, 1972, 10:04–11:39 a.m., 3–7, 16–17) He had arranged, authorized and publicly advanced the misleading explanation for Mitchell's resignation from CRP on June 30. (Book II, 514–16) On July 6 he had received Gray's warning of White House interference with the FBI's Watergate investigation. (Book II, 524, 551–53) On July 8, more than two months before the return of indictments of Hunt and Liddy and six months before the trial, he had discussed executive clemency with Ehrlichman. (Book III, 182–83) He had arranged for Stans to testify before the prosecutors rather than the Grand Jury. (Book II, 567) On August 29 he had made an untrue public statement about Dean's "complete investigation" of the Watergate matter. (Book II, 589) These facts about the extent of the President's knowledge at the time of his September 15, 1972 meeting with Dean are undisputed.

Prior to Dean's arrival at the September 15, 1972 meeting, Haldeman told the President that Dean was "one of the quiet guys that gets a lot done," the type of person who "enables other people to gain ground while he's making sure that you don't fall through the holes." Haldeman continued, "Between times, he's doing, he's moving ruthlessly on the investigation of McGovern people, Kennedy stuff, and all that too." (HJCT 1) When Dean entered the room, the President asked him about the events of the day:

"PRESIDENT. Well, you had quite a day today, didn't you? You got, uh, Watergate, uh, on, the, way, huh?

"DEAN. Quite a three months.[6]

"HALDEMAN. How did it all end up?

"DEAN. Uh, I think we can say "Well" at this point. The, uh, the press is playing it just as we expect.

"HALDEMAN. Whitewash?

"DEAN. No, not yet; the, the story right now—

"PRESIDENT. It's a big story.

"DEAN. Yeah.

"PRESIDENT. [Unintelligible]

"HALDEMAN Five indicted—

"DEAN. Plus,

"HALDEMAN. They're building up the fact that one of—

"DEAN. plus two White House aides.

"HALDEMAN Plus, plus the White House former guy and all that. That's good. That, that takes the edge off whitewash really—which—that was the thing Mitchell kept saying that.

"PRESIDENT. Yeah.

"HALDEMAN. that to those in the country, Liddy and, uh, Hunt are big men.

"DEAN. That's right.

"PRESIDENT. Yeah. They're White House aides."[7] (HJCT 2)

The President asked how MacGregor handled himself. Dean responded that MacGregor had made a good statement about the Grand Jury indictment, and he had said it was time to realize that some apologies may be due. (HJCT 2) The President replied, "[J]ust remember all the trouble they gave us on this. We'll have a chance to get back at them one day." (HJCT 3)

Then the President, his Chief of Staff, and his Counsel talked about the pending civil litigation regarding the Watergate break-in, including Stans' libel action. Dean explained that the federal prosecutor of the Watergate defendants said that the civil cases made it difficult to draw criminal indictments because the prosecutors did not want to come out with indictments when civil cases tended to approach matters differently. (HJCT 6)

In the course of the September 15 meeting, the President talked briefly on the telephone with Clark MacGregor, telling him that Watergate "is just, uh, you know, one of those side issues and a month later everybody looks back and wonders what the hell the shouting was about." (HJCT 7) Then the conversation returned to the indictments handed down that day:

"DEAN. Three months ago I would have had trouble predicting where we'd be today. I think that I can say that fifty-four days from now that, uh, not a thing will come crashing down to our, our surprise.

* * * * *

"PRESIDENT. Well, the whole thing is a can of worms. As you know, a lot of this stuff went on. And, uh, and, uh, and the people who worked [unintelligible] awfully embarrassing. And, uh, and, the, uh, but the, but the way you, you've handled it, it seems to me, has been very skillful, because you—putting your fingers in the dikes every time that leaks have sprung here and sprung there. [Unintelligible] having people straighten the [unintelligible]. The Grand Jury is dismissed now?" (HJCT 7)

Dean spoke of problems that might lie ahead, remarking that some bitterness and internal dissension existed in CRP. (HJCT 9) The President stated:

"PRESIDENT. They should just, uh, just behave and, and, recognize this, this is, again, this is war. We're getting a few shots and it'll be over. And, we'll give them a few shots. It'll be over. Don't worry. [Unintelligible] I wouldn't want to be on the other side right now. Would you?" (HJCT 9)

In a discussion on ways to get even with those who had made an issue of Watergate, the President said, "I want the most, I want the most comprehensive notes on all of those that have tried to do us in. Because they didn't have to do it. . . . I mean if . . . they had a very close election everybody on the other side would understand this game. But now they are doing this quite deliberately and they are asking for it and they are going to get it." (HJCT 10)

Dean then turned to the Patman (House Banking and Currency Committee) hearings. He identified the hearings as another potential problem "now that the indictments are down." He was uncertain of success in "turning that off." (HJCT 11) The conversation continued:

"DEAN. . . . We've got a plan whereby Rothblatt and Bittman, who are counsel for the five men who were, or actually a total of seven that were indicted today, are going to go up and visit every member and say, 'If you commence hearings you are going to jeopardize the civil rights of these individuals in the worst way, and they'll never get a fair trial,' and the like, and try to talk to members on, on that level. Uh—

"PRESIDENT. Why not ask that they request to be heard by, by the Committee and explain it publicly?

"DEAN. How could they—They've planned that what they're going to say is, 'If you do commence with these hearings, we plan to publicly come up and say what you're doing to the rights of individuals.' Something to that effect.

"PRESIDENT. As a matter of fact they could even make a motion in court to get the thing dismissed."

And the discussion of the "plan" involving Rothblatt and Bittman, counsel for the Watergate burglars, continued further:

"HALDEMAN. Well, going the other way, the dismissal of the, of the, of the indictment—[8]

"PRESIDENT. How about trying to get the criminal cases, criminal charges dismissed on the grounds that there, well, you know—

"HALDEMAN. The civil rights type stuff." (HJCT 11–12)

Dean said that he was having civil rights groups contacted for the purpose of putting pressure on Patman and suggested that Stans see Congressman Ford and brief him on Stans' difficulties with the law suits. They could also look at the campaign spending reports of every member of the Patman Committee. (HJCT 12–13)

The three men spoke of how to influence the minority members of the Committee to oppose the hearings. Both Secretary Connally and Congressman Gerald Ford were mentioned as liaison people. (HJCT 12–13) The President continued to stress the importance of cutting off the Patman hearings, which Dean said was a forum over which they would have the least control.

"PRESIDENT. Gerry has really got to lead on this. He's got to be really be [unintelligible]

"HALDEMAN. Gerry should, damn it. This is exactly the thing he was talking about, that the reason they are staying in is so that they can

"PRESIDENT. That's right.

"HALDEMAN. run investigations.

"PRESIDENT. Well, the point is that they ought to raise hell about this, uh, this—these hearings are jeopardizing the—I don't know that they're, that the, the, the counsel calling on the members of the Committee will do much good. I was, I—it may be all right but—I was thinking that they really ought to blunderbuss in the public arena. It ought to be publicized.

"DEAN. Right.

"HALDEMAN. Good.

"DEAN. Right.

"PRESIDENT. That's what this is, public relations.

"DEAN. That's, that's all it is, particularly if Patman pulls the strings off, uh—[9] That's the last forum that, uh, uh, it looks like it could be a problem where you just have the least control the way it stands right now. Kennedy has also suggested he may call hearings of his Administrative Practices and Procedure Subcommittee. Uh, as, as this case has been all along, you can spin out horribles that, uh, you, you can conceive of, and so we just don't do that. I stopped doing that about, uh, two months ago.

"PRESIDENT. Yeah.

"DEAN. We just take one at a time and you deal with it based on—

"PRESIDENT. And you really can't just sit and worry yourself

"DEAN. No.

"PRESIDENT. about it all the time, thinking, "The worst may happen," but it may not. So you just try to button it up as well as you can and hope for the best. And,

"DEAN. Well if Bob—

"PRESIDENT. And remember that basically the damn thing is just one of those unfortunate things and, we're trying to cut our losses.

"DEAN. Well, certainly that's right and certainly it had no effect on you. That's the, the good thing.

"HALDEMAN. It really hasn't.

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[6] In the edited White House transcript the words "We tried" appear instead of "Quite a three months." (WHT 55)

[7] The words "Yeah. They're White House aides," do not appear in the edited White House transcript. (WHT 55)

[8] This passage does not appear in the edited White House transcript. (WHT 68)

[9] The passage beginning "It ought to be publicized . . ." and ending ". . . if Patman pulls the strings off, uh . . ." does not appear in the edited White House transcript. (WHT 69)

"PRESIDENT. [Unintelligible.]

"HALDEMAN. No, it hasn't. It has been kept away from the White House almost completely[10] and from the President totally. The only tie to the White House has been the Colson effort they keep trying to haul in." (HJCT 13–14)

There is no evidence to suggest that any member of the Patman Committee knew or should have known that the President was attempting to interfere with this congressional investigation. But that is not the point. The point is that the President attempted to block the investigation in order to avoid the risk of disclosure of who was responsible for the Watergate break-ins, illegal campaign contributions, unlawful use of campaign funds, and the illegal prior White House activities of Hunt and Liddy.

The President elaborated on how the plan must be carried out. He explained that a Congressman had to know that it came from the top but that the President could not talk to him himself. (HJCT 15–16)

"PRESIDENT. I think maybe that's the thing to do [unintelligible]. This is, this is big, big play. I'm getting into this thing.[11] So that he—he's got to know that it comes from the top.

"HALDEMAN. Yeah.

"PRESIDENT. That's what he's got to know.

"DEAN. Right.

"PRESIDENT. And if he [unintelligible] and we're not going to—I can't talk to him myself—and that he's got to get at this and screw this thing up while he can, right?

"DEAN. Well, if we let that slide up there with the Patman Committee[12] it'd be just, you know, just a tragedy to let Patman[13] have a field day up there.

"PRESIDENT. What's the first move? When does he call his wit—, witnesses?" (HJCT 16) Dean also reported that Congressman Garry Brown had written a letter to Kleindienst saying that the Committee hearings were going to jeopardize the criminal cases against the Watergate defendants. The President approved of this. Dean told the President, "we can keep them well briefed on the moves if they'll, if they'll move when we provide them with the strategy." (HJCT 16) Dean reported that they would use the Stans libel suit and the abuse of process suit to take depositions of DNC officials.

"HALDEMAN. We can take depositions on both of those?

"DEAN. Absolutely.

"PRESIDENT. Hell yes.

"HALDEMAN. [Laughs]." (HJCT 18)

After the September 15, 1972 meeting, and a consultation with Haldeman, Dean took the necessary steps to implement the President's decision to stop the Patman hearings. (Dean testimony, 3 SSC 960–62) He contacted Assistant Attorney General Henry Petersen and urged Petersen to respond to Congressman Brown's letter of September 8, 1972 to Kleindienst. Petersen wrote to Chairman Patman and stated that the proposed hearings could prejudice the rights of the seven Watergate defendants. (Dean testimony, 3 SSC 961, 1194–99) On October 2, 1972, the same day the Petersen letter was sent to the Committee, the Committee released the names of the persons it expected to call to testify during its hearings. The list included the names of Magruder, Sloan, Caulfield, Mitchell, Stans, Dean, Mardian, LaRue, Porter and MacGregor. (Dean testimony, 3 SSC 961, 1190–93) The next day, the House Committee on Banking and Currency voted 20 to 15 to withhold from its Chairman, Congressman Wright Patman, the power to issue subpoenas for the purpose of investigating the financing of the Watergate break-in. (Dean testimony, 3 SSC 962) Unknown to the Congress, the efforts of the President, through Dean, his counsel, had effectively cut off the investigation.

All of this was part of the President's plan to delay, impede, and obstruct the investigation of the Watergate break-in, to cover up, conceal and protect those responsible, and to conceal the existence and scope of other unlawful covert activities. Through the election the plan worked, but then it faced new threats, one of which was Hunt's demands for money. Although a program of payments had commenced shortly after the break-in, Hunt's demands escalated as his trial approached.

Payments

I. Payments Prior to Election

Before the Watergate break-in, Gordon Liddy had given Howard Hunt $10,000 to use in case of need. Hunt had placed the money in a safe in his EOB office. Immediately after the arrests at the Watergate, Hunt went to his office and withdrew the money. In the early morning hours following the break-in, Hunt delivered the money on behalf of those arrested to Douglas Caddy, an attorney who had agreed to represent the Watergate defendants. (Book II, 76–77)

On June 20 or 21, 1972, Liddy told LaRue and Mardian that promises of bail money, support and legal assistance had been made to the defendants, and that Hunt felt it was CRP's obligation to provide bail money to get the five men out of jail. Liddy also told LaRue and Mardian of his and Hunt's prior involvement in the Fielding break-in, and of Hunt's interview with Dita Beard, in the ITT matter. (LaRue testimony, 1 HJC 197; Book III, 91, 93–95) Mardian and LaRue reported to Mitchell on Liddy's request for money. (Book III, 98–99; Mitchell testimony, 4 SSC 1673) They also transmitted to Mitchell Liddy's statement that he, Hunt and two of those arrested had also participated in the Fielding break-in. (Book III, 98–99, 102) Mitchell told Mardian that no bail money would be forthcoming. (Book III, 99)

Between June 26 and 28, 1972, after discussions with Mitchell and Ehrlichman, Dean met twice with CIA Deputy Director Walters, to ask that the CIA provide bail and salaries for the arrested men. Walters rejected this request. (Book III, 125, 137–38)

On June 28, 1972, Haldeman and Ehrlichman directed Dean to contact Herbert Kalmbach, President Nixon's personal attorney and political fundraiser, to ask Kalmbach to raise funds for the Watergate defendants. (Book III, 149, 152; WHT 494–96) Kalmbach flew to Washington that night; the following morning he met with Dean (Book III, 152, 154–55) and LaRue (Book III, 176–77, 179–80) to discuss procedures for making payments. Kalmbach thereafter transferred to Anthony Ulasewicz campaign donations he had reecived in cash from CRP officials, Stans (Book III, 167) and LaRue, (Book III, 157–58) and from a private contributor. Kalmbach had told the private contributor that he could not reveal the use intended for the contribution. (Book III, 282–83, 286–87)

Between July 7, 1972 and September 19, 1972, Kalmbach directed Ulasewicz to make payments totalling $187,500 for the Watergate defendants. (Book III, 208–17, 259–60, 284–85, 378–79) Ulasewicz made the deliveries by sealing cash in unmarked envelopes and leaving the envelopes at various drops such as airport lockers. (Book III, 222–28) In communicating with each other, Ulasewicz, Kalmbach, LaRue and the recipients of the payments used aliases. (Book III, 173, 176–77, 225–26, 229) Soon Kalmbach became concerned about the covert assignment. On July 26, 1972, he met with Ehrlichman, who assured him that they, while the money payments were necessary and legally proper, they had to be kept secret. (Book III, 268–70)

In September, 1972, Kalmbach told Dean and LaRue that he could "do no more." Kalmbach transferred the remainder of the funds to LaRue, met with Dean and LaRue in Dean's office to report on the total payments, and then put his notes of the payments in Dean's ash tray and burned them. (Book III, 378–82)

II. Payments for Hunt Prior to March 21, 1973

Gordon Liddy and Howard Hunt were involved in both the Fielding and the Watergate break-ins. They knew the identity of White House and CRP officials who had authorized those activities. Liddy remained silent. From the outset, Hunt made demands for others and for himself. (Book III, 88–95) During the summer and fall of 1972, prior to the November election, Hunt received payments amounting to over $200,000 for other defendants and for himself. (Book III, 218–19, 223, 233, 383, 386–89)

Shortly after the November, 1972 election, Hunt telephoned Colson. (Book III, 411) Hunt told Colson that "commitments that were made to all of us at the onset have not been kept," and that ". . . the people who were paralyzed initially by this within the White House could now start to give some creative thinking to the affairs and some affirmative action for Christ sake." (Book III, 408) Hunt continued:

". . . we're protecting the guys who are really responsible, but now that's . . . and of course that's a continuing requirement, but at the same time, this is a two way street and as I said before, we think that now is the time when a move should be made and surely the cheapest commodity available is money." (Book III, 409)

Colson tape-recorded this conversation and gave it to Dean. (Book III, 417) Dean testified that he played the recording for Haldeman and Ehrlichman. On their instruction,[1] Dean flew to New York and played the recording for Mitchell. (Book III, 418–19) Mitchell confirmed this, describing the tape as a lot of self-serving statements by Colson, (Mitchell testimony, 2 HJC 134–35)

In late November, 1972, Dean reported to Haldeman the need for additional funds to pay the defendants. At that time, Haldeman had control of a cash fund of $328,000, the remainder of $350,000 in campaign funds which he had ordered placed under his control in February, 1972. (Book I, 78, 84), Strachan had picked up the cash from CRP and on April 7, 1972, on Haldeman's instructions, relayed through Strachan, Butterfield had delivered the cash to a personal friend of his for safekeeping. (Book I, 97; Butterfield testimony, 1 HJC 53–54) After Dean informed Haldeman of CRP's need for money for the Watergate defendants, Haldeman approved the transfer of the fund. (Book III, 430–35) In late November, 1972, Butterfield picked up the cash and delivered it to Strachan. (Butterfield testimony, 1 HJC 55) On Haldeman's orders, in December Strachan delivered between $40,000 and $70,000 to LaRue, who handled the cash with rubber gloves and refused to furnish Strachan with a receipt. Shortly thereafter, LaRue delivered $40,000 in cash to Hunt's attorney. (Book III, 436–48) In January, 1973, Hunt made additional demands for money. (Book III, 458) At Haldeman's direction,

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[10] The words "almost completely" do not appear in the edited White House transcript. (WHT 70)

[11] The words "I'm getting into this thing," do not appear in the edited White House transcript. (WHT 72)

[12] The words "with the Patman Committee" do not appear in the edited White House transcript. (WHT 72)

[13] In the edited White House transcript "Them" appears instead of "Patman." (WHT 72)

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[1] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this meeting among Dean, Haldeman and Erlichman. The President refused to produce this recording.

Strachan delivered the remainder of the funds to LaRue. As before, LaRue would not give him a receipt. (Book III, 437–41; LaRue testimony, 1 HJC 220–24)

Prior to March 21, 1973, LaRue disbursed $132,000 from the fund for the defendants, including $100,000 to Hunt's attorney, William Bittman. (Book III, 436–38, 500, 518–19; LaRue testimony, 1 HJC 203–04)

On February 28, 1973, the President acknowledged to Dean his knowledge of Kalmbach's role in providing money to Hunt. Dean told the President that the Senate Select Committee had subpoenaed Kalmbach's records, but that Kalmbach was "hunkered down" and "ready to handle it." The President replied that "it'll be hard for him, he—'cause it'll, it'll get out about Hunt."[2] (HJCT 43) The only connection between Kalmbach and Hunt was the clandestine payments.

On March 16, 1973, Hunt met with Colson's law partner, David Shapiro. (Book III, 925) Hunt told Shapiro that if certain financial commitments that had been made to him were broken the Republicans would lose the 1974 election, and probably the 1976 election as well; but if the commitments were met none of his men would "blow." Shapiro's memorandum of the meeting reads:

"Hunt stated that several persons should be terribly concerned were he to testify before the Ervin Committee (where he said he presently proposed to invoke the 5th Amendment). These persons he identified as John Dean, Bud Krogh, Pat Gray, John Mitchell and one or two others whom I can't remember (I did not take notes). Hunt said he knew he was risking the possibility of an obstruction of justice charge when he convinced those who pleaded guilty to do so, but is also convinced that if the commitments made to him are kept, no one in his 'operation' will 'blow.'" (Colson Exhibit No. 19, 3 HJC 327)

On March 19, 1973, Shapiro met with Colson and related the substance of his March 16 conversation with Hunt. Shapiro advised Colson not to tell anyone at the White House about Hunt's message because he might "unwittingly become a party to an obstruction of justice." (Colson testimony, 3 HJC 331) Colson, former Special Counsel to the President, and his close political associate and friend, said he had a telephone conversation with the President on March 19, but did not tell the President about this. (Colson testimony, 3 HJC 332)

On either March 16 or 19, 1973, Hunt told Paul O'Brien, an attorney for CRP, that he required $130,000 before being sentenced. Hunt said he had done "seamy things" for the White House and that if he were not paid he might have to reconsider his options. (Book III, 902–04, 906–07, 910–13; O'Brien testimony, 1 HJC 125) O'Brien conveyed Hunt's message to Dean. (Book III, 947) Dean told O'Brien that both of them were being used as conduits in an obstruction of justice, that he, Dean, was tired of being caught in the middle, and that he had no intention of being so used. (O'Brien testimony, 1 HJC 128) Dean added that he was out of the money business, that it was time to end it all and that it had gotten to the point where he could not live with it. (Dean testimony, 2 HJC 239) At 3:30 p.m. on March 20, 1973, Dean and Ehrlichman discussed Hunt's demand for money and the possibility that Hunt would reveal the activities of the Plumbers, and tell some seamy things about Ehrlichman, if the money were not paid. (Book III, 952–53, 963) Ehrlichman then left Dean in order to see the President. From 4:26 to 5:39 p.m. the President and Ehrlichman met.[3] Later that afternoon, Ehrlichman told Krogh, who had been co-chairman of the Plumbers, that Hunt was asking for a great deal of money, and that if it were not paid Hunt might blow the lid off and tell all he knew. (Book III, 960–62) On the same afternoon, Dean also discussed Hunt's demand with Krogh and with Richard Moore.[4] (Book III, 960, 966, 968)

On the evening of March 20, 1973, the President telephoned Dean.[5] (WHT 161) Dean told the President he had spoken with Ehrlichman that afternoon, before Ehrlichman met with the President. Dean said, "I think that one thing that we have to continue to do, and particularly right now, is to examine the broadest, broadest implications of this whole thing, and, you know, maybe about 30 minutes of just my recitation to you of facts so that you operate from the same facts that everybody else has." (WHT 163) The President agreed to meet with Dean the following morning. (WHT 164)

III. March 21, 1973, Morning Meeting

On the morning of March 21, 1973, Dean met with the President for almost two hours. (HJCT 79) Dean told the President about payments to the Watergate burglars. (HJCT 89–92, 94–95) He said that the payments had been made for purposes of "containment," (HJCT 88) that this activity constituted an obstruction of justice, and that, in addition to Dean, the President's Chief of Staff Haldeman, Domestic Advisor Ehrlichman, and Campaign Director Mitchell were all involved. (HJCT 90)

The President did not express either surprise or shock. He did not condemn the payments or the involvement of his closest aides. He did not direct that the activity be stopped. He did not report it to the proper investigative agencies. He showed concern about criminal liability of the White House personnel. He indicated familiarity with the payment scheme, and an awareness of some details—such as the use of a Cuban Committee:[6]

"Dean. Uh, Liddy said, said that, you know, if they all got counsel instantly and said that, you know, "We'll, we'll ride this thing out." All right, then they started making demands. "We've got to have attorneys' fees. Uh, we don't have any money ourselves, and if—you are asking us to take this through the election." All right, so arrangements were made through Mitchell, uh, initiating it, in discussions that—I was present—that these guys had to be taken care of. Their attorneys' fees had to be done. Kalmbach was brought in. Uh, Kalmbach raised some cash. Uh, they were obv—, uh, you know.

"President. They put that under the cover of a Cuban Committee or [unintelligible]

"Dean. Yeah, they, they had a Cuban Committee and they had—some of it was given to Hunt's lawyer, who in turn passed it out. This, you know, when Hunt's wife was flying to Chicago with ten thousand, she was actually, I understand after the fact now, was going to pass that money to, uh, one of the Cubans—to meet him in Chicago and pass it to somebody there.

"President. [Unintelligible]. Maybe—Well, whether it's maybe too late to do anything about it, but I would certainly keep that, [laughs] that cover for whatever it's worth.

"Dean. I'll—

"President. Keep the Committee.[7]

"Dean. Af—, after, well, that, that, that's

"President. [Unintelligible]

"Dean. the most troublesome post-thing, uh, because (1) Bob is involved in that; John is involved in that; I am involved in that; Mitchell is involved in that. And that's an obstruction of justice.

"President. In other words the fact that, uh, that you're, you're, you're taking care of witnesses.

"Dean. That's right. Uh,

"President. How was Bob involved?

"Dean. well, th—, they ran out of money over there. Bob had three hundred and fifty thousand dollars in a safe over here that was really set aside for polling purposes. Uh, and there was no other source of money, so they came over here and said, "You all have got to give us some money."

"President. Right.

"Dean. I had to go to Bob and say, "Bob, you know, you've got to have some—they need some money over there." He said, "What for?" And so I had to tell him what it was for 'cause he wasn't about to just send money over there willynilly. And, uh, John was involved in those discussions, and we decided, you know, that, you know, that there was no price too high to pay to let this thing blow up in front of the election.

"President. I think you should handle that one pretty fast.

"Dean. Oh, I think—

"President. That issue, I mean.

"Dean. I think we can.

"President. So that the three-fifty went back to him. All it did was—[8]

"Dean. That's right. I think we can too.

"President. Who else [unintelligible]?

"Dean. But, now, here, here's what's happening right now.

"President. Yeah." (HJCT 89–91)

Dean then turned to the crisis precipitated by Hunt's demands. Dean explained that these demands, and possibly others, could amount to a million dollars over the next two years. The President said that $1 million could be gotten and said it could be obtained in cash. The problem was exactly how to avoid disclosure of the source of the money and its use. The President considered various possibilities:

"Dean. . . . Now, where, where are the soft spots on this? Well, first of all, there's the, there's the problem of the continued blackmail

"President. Right.

"Dean. which will not only go on now, it'll go on when these people are in prison, and it will compound the obstruction of justice situation. It'll cost money. It's dangerous. Nobody, nothing—people around here are not pros at this sort of thing. This is the sort of thing Mafia people can do: washing money, getting clean money, and things like that, uh—we're—We just don't know about those things, because we're not used to, you know—we are not criminals and not used to dealing in that business. It's, uh, it's, uh—

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[2] The words "he—, cause it'll, it'll get out about Hunt" do not appear in the edited White House transcript. (WHT 106)

[3] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording.

[4] Dean has testified that he also spoke with LaRue on March 20 or March 21, prior to his morning meeting with the President or on both days. Dean testified that he told LaRue that he was out of the money business and would have nothing more to do with Hunt's money demands and that LaRue should call Mitchell to find out what to do about Hunt's demand. (Dean testimony, 2 HJC 250, 260–62) LaRue has testified that he had a telephone conversation with Dean regarding Hunt's demand on the morning of March 21, 1973. (LaRue testimony, 1 HJC 230)

[5] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[6] The President was familiar with the use of Thomas Pappas. Ehrlichman had suggested to LaRue that Pappas, a long-time supporter of the President, be contacted to see if he would be of any assistance in connection with raising the money. (Book III, 958) LaRue's use of Pappas was brought out in the March 21 conversation. The President said that he already knew about this. (HJCT 94) See p. 54 below.

[7] This line does not appear in the edited White House transcript. (WHT 187)

[8] This line does not appear in the edited White House transcript. (WHT 188)

"President. That's right.

"Dean. It's a tough thing to know how to do.

"President. Maybe we can't even do that.

* * * * *

"President. Let me say, there shouldn't be a lot of people running around getting money. We should set up a little—[9]

"Dean. Well, he's got one person doing it who I am sure is—

"President. Who is that?

"Dean. He's got Fred LaRue, uh, doing it. Now Fred started out going out trying to

"President. No.

"Dean. solicit money from all kinds of people. Now I learned about that, and I said,

"President. No.

"Dean. "My God."

"President. No.

"Dean. "It's just awful. Don't do it."

"President. Yeah.

"Dean. Uh, people are going to ask what the money is for. He's working—He's apparently talked to Tom Pappas.

"President. I know.

"Dean. And Pappas has, uh, agreed to come up with a sizeable amount, I gather, from, from

"President. Yeah.

"Dean. Mitchell.[10]

"President. Yeah. Well, what do you need, then? You need, uh, you don't need a million right away, but you need a million. Is that right?

"Dean. That's right.

"President. You need a million in cash, don't you? If you want to put that through, would you put that through, uh—this is thinking out loud here for a moment—would you put that through the Cuban Committee?

"Dean. Um, no.

"President. Or would you just do this through a [unintelligible] [11] that it's going to be, uh, well, it's cash money, and so forth. How, if that ever comes out, are you going to handle it? Is the Cuban Committee an obstruction of justice, if they want to help?

"Dean. Well, they've got a pr—, they've got priests, and they—

"President. Would you like to put, I mean, would that, would that give a little bit of a cover, for example?

"Dean. That would give some for the Cubans and possibly Hunt.

"President. Yeah.

"Dean. Uh, then you've got Liddy, and McCord is not, not accepting any money. So, he's, he is not a bought man right now.

"President. Okay." (HJCT 93–95)

This discussion primarily concerned payments over the long term. There remained the immediate demand by Hunt for approximately $120,000. The President said that Hunt's demands should be met. At the very least, he reasoned, the payment would buy time.

"President. Well, your, your major, your major guy to keep under control is Hunt.

"Dean. That's right.

"President. I think. Because he knows

"Dean. He knows so much.

"President. about a lot of other things.[12]

"Dean. He knows so much. Right. Uh, he could sink Chuck Colson. Apparently, apparently, he is quite distressed with Colson. He thinks Colson has abandoned him. Uh, Colson was to meet with him when he was out there, after, now he had left the White House. He met with him through his lawyer. Hunt raised the question: he wanted money. Colson's lawyer told him that Colson wasn't doing anything with money, and Hunt took offense with that immediately, that, uh, uh, that Colson had abandoned him. Uh—

"President. Don't you, just looking at the immediate problem, don't you have to have—handle Hunt's financial situation?

"Dean. I, I think that's,

"President. damn soon?

"Dean. that is, uh, I talked to Mitchell about that last night,

"President. Mitchell.

"Dean. and, and, uh, I told—

"President. Might as well. May have the rule you've got to keep the cap on the bottle that much,

"Dean. That's right; that's right.

"President. in order to have any options.

"Dean. That's right.

"President. Either that or let it all blow right now.

"Dean. Well that, you know, that's the, that's the question. Uh—

"President. Now, go ahead. The others. You've got Hunt; (HJCT 96)

* * * * *

"President. But at the moment, don't you agree that you'd better get the Hunt thing? I mean, that's worth it, at the moment.[13]

"Dean. That, that's worth buying time on, right.

"President. And that's buying time on, I agree." (HJCT 105)

The President instructed Dean to summon Haldeman, Ehrlichman, and Mitchell to meet for a discussion of a strategy to carve matters away from the President. The President then called Haldeman into the meeting. When Haldeman entered the Oval Office, the President repeated his authorization of immediate payment to Hunt. The President said, "His price is pretty high, but at least, uh, we should buy the time on that, uh, as I, as I pointed out to John." [14] (HJCT 109) The President instructed Dean and Haldeman to lie about the arrangements for payment to the defendants.

"President. As far as what happened up to this time, our cover there is just going to be the Cuban Committee did this for them up through the election.[15]

"Dean. Well, yeah. We can put that together. That isn't, of course, quite the way it happened, but, uh—

"President. I know, but it's the way it's going to have to happen." (HJCT 119)

The President then returned to Hunt's demand:

"President. That's why your, for your immediate thing you've got no choice with Hunt but the hundred and twenty or whatever it is. Right?

"Dean. That's right.

"President. Would you agree that that's a buy time thing, you better damn well get that done, but fast? [16]

"Dean. I think he ought to be given some signal, anyway, to, to—

"President. Yes.

"Dean. Yeah—You know.

"President. Well for Christ's sakes get it in a, in a way that, uh—Who's, who's going to talk to him? Colson? He's the one who's supposed to know him.

"Dean. Well, Colson doesn't have any money though. That's the thing. That's been our, one of the real problems. They have, uh, been unable to raise any money. A million dollars in cash, or, or the like has been a very difficult problem as we discussed before." (HJCT 121–22)

After discussing how Hunt could incriminate Mitchell, Ehrlichman and Krogh, the President again returned to Hunt's demand:

"President. That's right. Try to look around the track. We have no choice on Hunt but to try to keep him—

"Dean. Right now, we have no choice." (HJCT 125)

IV. March 21, 1973, Payments for Hunt

On the afternoon of March 21, 1973, the President met with Dean, Haldeman and Ehrlichman. (HJCT 131) The President asked what was being done about Hunt's demand. Dean said Mitchell and LaRue would be able to do something. The President remarked that it was going to be a "long road." (HJCT 133) That evening the President asked Colson what he thought about the million dollars Bittman had demanded. (Colson testimony, 3 HJC 334)

On March 21, 1973, Dean told LaRue by telephone that he was out of the money business and to talk to Mitchell. [17] LaRue telephoned Mitchell, who authorized the payment to Hunt. Late that evening, LaRue arranged the delivery of $75,000 to Bittman. (Book III, 1193–97, 1199–1201)

President Nixon, knowing that Hunt had made threats to break his silence in order to secure money, encouraged the payment to Hunt and took no steps to stop the payment from being made.

On the next day, March 22, 1973, Mitchell told Haldeman, Ehrlichman and Dean that Hunt was not a "problem any longer." (Book III, 1255–57, 1269) Later that day, Ehrlichman told Krogh that Hunt was stable and would not disclose matters. (Book III, 1278–79) That afternoon, the President met for more than 90 minutes with Mitchell, Haldeman, Ehrlichman and Dean. Hunt's demand for money was never discussed and the President did not attempt to determine whether anything had been done to deal with the problem that had occupied so much of his time the previous day. (HJCT 147–86)

On March 27, 1973, the President and Haldeman talked about payments to Hunt. "Hunt is at the Grand Jury today," Haldeman said. "We don't know how far he is going to go. The danger area for him is on the money, that he was given money. He is reported by O'Brien, who has been talking to his lawyer, Bittman, not to be as desperate today as he was yesterday but to still be on the brink, or at least shaky. What's made him shaky is that he's seen McCord bouncing out there and probably walking out scot free." (WHT 326–27) On April 16, 1973, the President and Dean again discussed the Hunt demand. Dean said that Mitchell had told him, Haldeman and Ehrlichman, on March 22, 1973, that the problem with Hunt had been solved. The President expressed his satisfaction it had been solved "at the Mitchell level." He also said, "I am planning to assume some culpability on that [unintelligible.]."[18] (HJCT 194–85)

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[9] "We should set up a little—" does not appear in the edited White House transcript. (WHT 194)

[10] This line does not appear in the edited White House transcript. (WHT 194)

[11] This line does not appear in the edited White House transcript. (WHT 195)

[12] In place of "Because he knows about a lot of other things," the edited White House transcript reads, "Does he know a lot?" (WHT 196)

[13] In place of, "I mean, that's worth it, at the moment," the edited White House transcript reads, ". . . that's where that—" (WHT 209)

[14] In place of, "we should buy the time on that" the edited White House transcript reads, "we can buy time on that." (WHT 215)

[15] Instead of ". . . our cover is just going to be . . . ," the edited White House transcript reads . . . these fellows . . . are covered on their situation, because. . . ." (WHT 231) produce this recording. The President submitted an edited transcript.

[16] Instead of ". . . buy time . . . ," the edited White House transcript reads, ". . . prime . . ." and leaves out "but fast." (WHT 234)

[17] Dean testified that his coversation with LaRue occurred prior to his morning meeting with the President on March 21, 1973. (Dean testimony, 2 HJC 250, 260) LaRue testified that to his best recollection, Dean's telephone call was in the morning. (LaRue testimony, 1 HJC 237)

On April 8, 1973, Dean, and on April 13, 1973, Magruder, began meeting with the prosecutors. (Book IV, 538, 610) On the afternoon of April 17, 1973, Haldeman pointed out to the President that one problem was that people would say the President should have told Dean on March 21, 1973, not that the blackmail was too costly, but that it was wrong.[19] (WHT 1035)

In mid-April, 1973, the President tried to diminish the significance of his March 21 conversation with Dean. He tried to make the payments appear innocent and within the law. On April 14, 1973, the President instructed Haldeman and Ehrlichman to agree on the story that payments were made, not "to obstruct justice," but to "help" the defendants.[20]

This evidence clearly establishes that pursuant to the President's plan of concealment, surreptitious payments of substantial sums of money were made to the Watergate defendants for the purpose of obtaining their silence and influencing their testimony. The evidence also clearly establishes that when the President learned that Hunt was going to talk unless paid a substantial sum of money, and that Mitchell and LaRue were in a position to do something about Hunt's demand he approved of the payment to Hunt rather than taking steps to stop it from being made.

Favored treatment of defendants and prospective defendants

I. Discussions of Clemency for Hunt

On July 8, 1972, while walking on a beach at San Clemente, the President and Ehrlichman discussed possible clemency for the Watergate defendants. Ehrlichman has said that he told the President that "presidential pardons or something of that kind inevitably would be a question that we have to confront by reason of the obvious political aspect of this." (Book III, 182–83) The President's response, according to Ehrlichman and the President's own public statement, was that no one in the White House should "get into this whole area of clemency with anybody involved in this case and surely not make any assurances to anyone." (Book III, 189, 195) At the time of this conversation, Ehrlichman knew that Liddy and Hunt and three of those arrested at the Watergate had been involved in the break-in of Ellsberg's psychiatrist's office. The President has said that he did not learn of that break-in until more than eight months later, on March 17, 1973.[1] (Book VIII, 1877)

On December 31, 1972, Hunt wrote to Charles Colson, Special Counsel to the President, complaining about his "abandonment by friends on whom I had good faith relied" and suggesting that he was close to breaking down. (Book III, 458) Hunt's trial was scheduled to begin on January 8, 1973. (*United States* v. *Liddy*, CR 1827–72, docket) Colson forwarded Hunt's letter to Dean with a note, "Now what the hell do I do." (Book III, 457)

On January 3, 1973, Colson, Dean and Ehrlichman discussed the need to reassure Hunt about the amount of time he would have to spend in jail. (Book III, 460; Colson Exhibit No. 17, 3 HJC 307) Subsequently, on April 14, 1973, Ehrlichman reported his conversation with Colson to the President. "[Colson] said, 'What can I tell [Hunt] about clemency.' And I said 'Under no circumstances should this ever be raised with the President.' "[2] (WHT 421)

Later on January 3, and again on the following day, Colson met with Bittman, Hunt's attorney. Bittman discussed Hunt's family problems since December 8, 1972, when Hunt's wife had died. He said that because of his children Hunt was very worried that Judge Sirica would give him a long jail sentence. (Bittman testimony, 2 HJC 20–24; Colson testimony, 3 HJC 302–04, 313–15; Colson Exhibit No. 17, 3 HJC 308) According to Colson, Bittman said he thought Hunt might be able to survive the prospect of a reasonable term, perhaps a year. Bittman also mentioned that he understood Dean and Mitchell had discussed plans for electronic surveillance prior to Watergate. (Colson Exhibit No. 17, 3 HJC 308–09) Colson assured Bittman of his friendship for Hunt, of his understanding of Hunt's need to be out of jail, and of his willingness to do whatever he could to assist Hunt. Colson has said:

"In addition, I may well have told Bittman that I had made 'people' aware that, if it were necessary, I was going to come back to the White House to speak for Hunt. Indeed, since I wanted to do all I could to comfort Hunt, it is most probable that I did say this. I do not know how Bittman evaluated my position and influence at the White House, but despite my insistence that I could do no more than try to help Hunt as a friend, Bittman might have inferred that if Hunt received an unreasonably long sentence, my willingness to go to bat for Hunt would result in Hunt's sentence being reduced by executive action of some sort." (Colson Exhibit No. 17, 3 HJC 311)

On January 3, 1973, Colson reported to Ehrlichman and Dean on his conversation with Bittman, and said he wanted to speak to the President regarding Hunt. (Colson Exhibit No. 17, 3 HJC 310; Book III, 461) Dean testified that Colson told him on January 5, 1973, that he had given assurances of clemency to Bittman and he had spoken with the President about clemency for Hunt. (Dean testimony, 2 HJC 286–87; Book III, 461) The President told Haldeman and Ehrlichman on April 14, 1973, that he had had a conversation with Colson about clemency for Hunt.[3]

On January 9, 1973, Hunt withdrew a motion, which he had filed on October 11, 1972, for the return of items that had been recovered from his EOB office and that had not been inventoried by the FBI. (*United States* v. *Liddy*, motion, January 9, 1973; Book II, 425) Among the documents encompassed by the motion were two notebooks that had been taken from Hunt's safe and kept by Dean. (Book II, 425; Dean testimony, 2 HJC 236) On December 22, 1972, Petersen had questioned Dean about the notebooks and told him he would be called as a witness in the hearing on Hunt's motion. (Petersen testimony, 3 HJC 75–76; Book II, 422–23, 425) In January, 1973, Dean shredded the notebooks. (Dean testimony, 2 HJC 287–88) Colson was also a potential witness. During Bittman's meeting with Colson on January 3, 1973, Bittman had discussed Colson's prospective testimony. (Bittman testimony, 2 HJC 21–22; Book III, 472–74) The withdrawal of the motion made it unnecessary for Dean and Colson to appear as witnesses. (Petersen testimony, 3 HJC 76) It also avoided the possible disclosure of such compromising documents in Hunt's safe as fabricated State Department cables and documents related to the Plumbers. Two days after the withdrawal of his motion, Hunt pleaded guilty to charges arising out of the Watergate break-in. (Book III, 484)

II. President's Recollection of Clemency Discussions

On February 28, March 21 and April 14, 1973, the President spoke of his recollection of a discussion of clemency for Hunt. On February 28, 1973, speaking to Dean about the Watergate defendants' expectations of clemency, the President asked, "What the hell do they expect, though? Do they expect that they will get clemency within a reasonable time?" Dean said that he thought they did. The President asked whether clemency could be granted "in six months." Dean replied that it could not because, "This thing may become so political." (HJCT 40) There was no specific mention of Colson's assurances to Hunt. The President did allude to Hunt's personal situation, and to the death of his wife. (HJCT 40)

On March 21, 1973, after Hunt had increased his demands for money (Book III, 968), Dean told the President that Caulfield had spoken about communication with McCord. Dean added, "as you know Colson has talked to, indirectly to Hunt about commutation." Dean said these "commitments" were problems because they were the sort of thing the Senate would be looking for, but that he did not think the Senate could find them. The President agreed that it would be "pretty hard as far as the witnesses are concerned." (HJCT 91)

After Haldeman joined the meeting, the President said, "You know Colson has gone around on this clemency thing with Hunt and the rest." Dean added, "Hunt is now talking in terms of being out by Christmas." The discussion continued:

"HALDEMAN. By Christmas of this year?

"DEAN. Yeah.

"HALDEMAN. See that, that really, that's very believable 'cause Colson,

"PRESIDENT. Do you think Colson could have told him—[4]

"HALDEMAN. Colson is an, is an—that's, that's your fatal flaw, really, in Chuck, is he is an operator in expediency, and he will pay at the time and where he is.

"PRESIDENT. Yeah.

"HALDEMAN. Whatever he has to, to accomplish what he's there to do.

"DEAN. Right." (HJCT 115–16)

The President acknowledged that he had discussed clemency for Hunt:

"Great sadness. The basis, as a matter of fact [clears throat] there was some discussion over there with somebody about, uh, Hunt's problems after his wife died and I said, of course, commutation could be considered on the basis of his wife, and that is the only discussion I ever had in that light." (HJCT 93) [5]

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[18] The edited White House transcript reads, "That assumes culpability on that, doesn't it?" (WHT 798)

[19] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[20] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[1] The President's awareness of Hunt's previous activity is shown in his instructions to Haldeman on June 23, 1972, with respect to the investigation:

"Of course, this Hunt, that will uncover a lot of things. You open that scab there's a hell of a lot of things and we just feel that it would be very detrimental to have this thing go any further." (WHT, June 23, 1972, 10:04–11:39 a.m., 6)

[2] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[3] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to the two conversations Charles Colson had with the President on January 5, 1973. The President refused to produce these recordings.

[4] This line does not appear in the edited White House transcript. (WHT 226)

On April 14, 1973, the President acknowledged that, contrary to Ehrlichman's direction, Colson had in fact raised with him the question of clemency in a tangential way. The President said: "As I remember a conversation this day was about five thirty or six o'clock that Colson only dropped it in sort of parenthetically, said I had a little problem today, talking about Hunt, and said I sought to reassure him, you know, and so forth. And I said, Well. Told me about Hunt's wife. I said it was a terrible thing and I said obviously we will do just, we will take that into consideration. That was the total of the conversation." [6] (WHT 419)

In the conversations on March 21 the President acknowledged his predicament on the issue of clemency for Hunt; the President feared that any action that seemed to Hunt a repudiation of assurance of clemency would lead Hunt to "blow the whistle." (HJCT 125) On the other hand, the President was aware that clemency for Hunt by Christmas, 1973, would be politically impossible because it would require direct and public action by the President. (HJCT 103–04, 115)

On the afternoon of March 21, 1973, when the President met with Haldeman, Ehrlichman and Dean, he continued to assess the risk Hunt posed to the cover-up. The President asked what should be done about Hunt. He agreed with Ehrlichman's answer that "Hunt's interests lie in getting a pardon if he can." The President said that "He's got to get that by Christmas time," [7] and Ehrlichman suggested that Hunt's "indirect contacts with John" about it "contemplate that, that, that's already understood."

"PRESIDENT. I know.

"HALDEMAN. That's right.

"EHRLICHMAN. They think that that's already understood.

"PRESIDENT. Yeah." (HJCT 133)

Although the President knew Hunt was relying on a belief he would get a pardon, the President did not authorize or intimate to anyone to tell Hunt that a pardon would not be possible.

In a meeting on March 27, 1973, with Haldeman, Ehrlichman and Ziegler, the President again discussed the issue of clemency for the Watergate defendants after the 1974 elections. The President considered appointing a "super panel" of distinguished citizens to study the Watergate case. Haldeman said that the idea had the advantage that it would drag out the investigation until after the 1974 elections, when the President could pardon everyone, and the "potential ultimate penalty anybody would get hit in this process could be about two years." [8] (WHT 338–42)

III. Mitchell, Magruder and Dean

The President considered clemency not only for the seven Watergate burglars, but also for three of his closest associates, Mitchell, Magruder and Dean, who were involved in the cover-up.

By the middle of April, 1973, the President knew that the cover-up was threatened by Magruder and Dean, who were talking to the prosecutors. (Book IV, 538–39, 610) On April 14, 1973, the President directed Haldeman and Ehrlichman to imply to Magruder, and also to Mitchell who had been implicated by Magruder, the President's assurances of clemency. The President carefully explained how he wanted Haldeman and Ehrlichman to handle these assurances.[9] (WHT 408–514)

The President instructed Ehrlichman to tell Mitchell and Magruder that the President did not regard it as in his interests for them to remain silent; that the President held great affection for them and their families. The President set the language for Ehrlichman to use to get the clemency across to Magruder:

"Lovely wife and all the rest, it just breaks your heart. And say this, this is a very painful message for me to bring—I've been asked to give you, but I must do it and it is that: Put it right out that way. Also, I would first put that in so that he knows I have personal affection. That's the way the so-called clemency's got to be handled. Do you see, John?" (WHT 503)

Ehrlichman said he understood. Haldeman told Ehrlichman to "[d]o the same thing with Mitchell," although the President also said that Mitchell would put on "the damnest defense" and never go to prison. (WHT 503) The President then asked Ehrlichman how to handle the "problem of clemency" for people like Hunt. Haldeman replied, "Well, you don't handle it at all. That's Colson's cause, that's where it comes from." (WHT 485) Ehrlichman immediately carried out the President's instructions.

Ehrlichman met with Mitchell at 1:40 p.m., April 14, 1973. (Book IV, 718) He reported to the President that he had spoken to Mitchell and that Mitchell "appreciated the message of the good feeling between you and him." The President responded, "He got that, huh?" [10] (WHT 524) The President added that there could be clemency at the proper time; but that they all knew that, for the moment, it was ridiculous to talk about it. (WHT 544)

As Ehrlichman left the Oval Office for his meeting with Magruder (Book IV, 801) the President said:

"P Be sure to convey my warm sentiments.

"E Right." (WHT 578)

On the evening of April 14, 1973, the President telephoned Ehrlichman. (Book IV, 854) They discussed how Ehrlichman might divert Dean from implicating Haldeman and Ehrlichman. Ehrlichman said he would see Dean the next day. The President told Ehrlichman to remind Dean indirectly that only one man, the President, had the power to pardon him, and keep him from disbarment as a lawyer, if things should go wrong:

"E I am going to try to get him around a bit. It is going to be delicate.

"P Get him around in what way?

"E Well to get off the passing buck business.

"P John that's—

"E It is a little touchy and I don't know how far I can go.

"P John, that is not going to help you. Look he has to look down the road to one point that there is only one man who could restore him to the ability to practice law in case things go wrong. He's got to have that in the back of his mind. . . . He's got to know what will happen. You don't tell him, but you know and I know that with him and Mitchell there isn't going to be any damn question, because they got a bad rap." [11] (WHT 663–64)

Later in the conversation the President directed Ehrlichman to tell Dean that the President thought Dean has "carried a tremendous load" and that the President's affection and loyalty remained undiminished. (WHT 667)

IV. April 16, 1973, Meeting

On April 16, 1973, after Dean had begun meeting with the prosecutors, the President and Dean discussed potential charges of obstruction of justice against members of the President's White House staff. (Book IV, 1143) The President tried to make the Hunt clemency assurance the responsibility solely of Mitchell. Dean, however, corrected him.

"DEAN. It's, uh, it's, uh, all the obstruction is technical stuff that mounts up.

"PRESIDENT. Yeah. Well, you take, for example, the clemency stuff. That's solely Mitchell, apparently, and Colson's talk with, uh, Bittman where he says, 'I'll do everything I can because as a, as a friend—'

"DEAN. No, that was with Ehrlichman.

"PRESIDENT. Huh?

"DEAN. That was Ehrlichman.

"PRESIDENT. Ehrlichman with who?

"DEAN. Ehrlichman and Colson and I sat up there, and Colson presented his story to Ehrlichman.

"PRESIDENT. I know.[12]

"DEAN. Regarding it and, and then John gave Chuck very clear instructions on going back and telling him that it, you know, 'Give him the inference he's got clemency but don't give him any commitment.'

"PRESIDENT. No commitment?

"DEAN. Right.

"PRESIDENT. Now that's all right. But first, if an individual, if it's no commitment—I've got a right to sit here—Take a fellow like Hunt or, uh, or, or a Cuban whose wife is sick and something—that's what clemency's about.

"DEAN. That's right.

"PRESIDENT. Correct?

"DEAN. That's right.

"PRESIDENT. But, uh, but John specifically said, 'No commitment,' did he? He—

"DEAN. Yeah.

"PRESIDENT. No commitment. Then, then Colson then went on to, apparently—

"DEAN. I don't know how Colson delivered it, uh—

"PRESIDENT. Apparently to Bittman—

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[5] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to a Presidential conversation about granting clemency to Hunt on the basis of his wife's death. The President refused to produce this recording.

[6] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation on April 14, 1973. The President refused to produce this recording. The President submitted an edited transcript. Colson testified before the Committee that he recalled his conversation with the President as follows: "I was going to say someday I may want to come talk to you about Hunt. Half way through that sentence the President interrupted and he said, he said oh, I just can't believe, Chuck, in the circumstances you have just described, with his wife in that shape and his kids, he said, I just can't believe that he will go to jail. He said I just can't believe any judge would do that. I just am sure he won't, and don't worry about it, and relax and don't let it get you down." (Colson testimony, 3 HJC 318)

[7] This statement was attributed to Dean in the edited White House transcript. (WHT 133)

[8] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[9] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[10] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[11] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[12] The President's "I know" does not appear in the edited White House transcript. (WHT 811)

"Dean. for—

"President. Bittman. Is that your understanding?

"Dean. Yes, but I don't know what his, you know, specific—

"President. Where did this business of the Christmas thing get out, John? What the hell was that?

"Dean. Well, that's, a, that's a—

"President. That must have been Mitchell, huh?

"Dean. No, that was Chuck, again, I think that, uh—

"President. That they all, that they'd all be out by Christmas?

"Dean. No, I think he said something to the effect that Christmas is the time that clemency generally occurs.

"President. Oh, yeah.

"Dean. Uh—

"President. Well, that doesn't—I, I, I don't think that is going to hurt him.

"Dean. No.

"President. Do you?

"Dean. No.

"President. 'Clemency,' he says—One [unintelligible] he's a friend of Hunt's. I'm just trying to put the best face on it. If it's the wrong—if it is—I've got to know.

"Dean. Well, one, one of the things I think you have to be very careful, and this is why Petersen will be very good, is, if you take a set of facts and let the prosecutors who have no—they'll be making, making no PR judgments.

"President. Yeah.

"Dean. But they'll give you the raw facts as they relate to the law, uh, and it's later you've got to decide, you know, what public fact will be put on it. In other words, they'll—If their."

Dean suggested that Petersen might be able to advise whether the attempt to silence Hunt by offering clemency was lawful. (HJCT 204–06)

In a meeting with Petersen, just three hours after this meeting with Dean (Book IV, 1230), the President asked whether the prosecutors had anything on Colson. Petersen said that there were allegations, but nothing specific.[15] (WHT 872–75) The President neither posed a hypothetical question to determine the legality of Colson's conduct, as Dean had suggested, nor informed Petersen of Colson's conversation with Bittman.

Thereafter, the President made repeated statements on the clemency issue to the public. On May 22, 1973, the President said:

"At no time did I authorize any offer of executive clemency for the Watergate defendants, nor did I know of any such offer." ("Presidential Statements," 5/22/73, 21)

On August 15, 1973, the President said:

"... under no circumstances could executive clemency be considered for those who participated in the Watergate break-in. I maintained that position throughout." ("Presidential Statements," 8/15/73, 42)

And on November 17, 1973, the President said:

"Two, that I never authorized the offer of clemency to anybody and; as a matter of fact, turned it down whenever it was suggested. It was not recommended by any member of my staff but it was, on occasion, suggested as a result of news reports that clemency might become a factor." ("Presidential Statements," 11/17/73, 64)

These statements are contradicted by the transcripts of the President's own words.

This evidence establishes that the President personally and through his subordinates and agents endeavored to cause prospective defendants and those duly tried and convicted, to expect favored treatment and consideration in return for their silence or false testimony.

Deception and concealment

I. False Representations, About Official Investigations

In his public statements, as part of the continuing cover-up the President repeatedly said that he had ordered, and even personally undertaken, thorough investigations of the Watergate matter, and that those investigations determined that no one from the White House was involved. The President said he had ordered three investigations by his immediate staff: two in August, 1972, and March, 1973, by Dean; and one in April, 1973, by Ehrlichman. He said his intention was to get to the bottom of the matter, and get the truth out. However, clear and convincing evidence indicates that this was not the case.

A. The August 1972 Dean investigation

On August 29, 1972, at a news conference, President Nixon said that in addition to investigations into Watergate by the Department of Justice, the FBI, the GAO and the Banking and Currency Committee, John Dean had conducted an investigation under the direction of the President:

"In addition to that, within our own staff, under my direction, Counsel to the President, Mr. Dean, has conducted a complete investigation of all leads which might involve any present members of the White House Staff or anybody in the Government. I can say categorically that his investigation indicates that no one in the White House Staff, no one in this Administration, presently employed, was involved in this very bizarre incident. . . .

"I think under these circumstances we are doing everything we can to take this incident and to investigate it and not to cover it up." ("Presidential Statements," 8/29/72, 3)

At the time President Nixon made those statements he knew that Dean had not made or reported any such investigation. According to White House records, the President had not met or spoken with Dean since before the break-in. Dean testified that he first heard of his "complete" investigation in the President's announcement. (Dean testimony, 2 HJC 252; Book II, 590–92) No independent evidence exists that such an investigation was ever completed or undertaken.

On September 15, 1972, more than two weeks after the August 29, 1972 press conference, the President and Dean first discussed Watergate. (Book II, 598; Dean testimony, 2 HJC 228) Before Dean entered the room, Haldeman told the President it had been "a good move . . . bringing Dean in;" that Dean, while "he'll never again gain any ground for us . . . enables other people to gain ground while he's making sure that you don't fall through the holes." (HJCT 1) When Dean joined the meeting, the President referred to the Watergate matter as a "can of worms," and congratulated Dean for "putting your fingers in the dikes every time that leaks have sprung there." (HJCT 7) The President also said, "So you just try to button it up as well as you can and hope for the best." (HJCT 13–14)

In his March 21, 1973, morning meeting with Dean the President confirmed that, in the summer of 1972, Dean was directed to help with the cover-up, not to conduct a "complete investigation."

"Dean. . . Now, [sighs], what, what has happened post-June 17? Well, it was, I was under pretty clear instructions [laughs] not to really to investigate this, that this was something that just could have been disastrous on the election if it had—all hell had broken loose, and I worked on a theory of containment

"President. Sure.

"Dean. to try to hold it right where it was.

"President. Right." (HJCT 88)

Later in the conversation, the President said "you had the right plan let me say, I have no doubts about the right plan before the election. And you handled it just right. You contained it." (HJCT 129)

B. The March 1973 Dean Report

In a public statement on August 15, 1973, President Nixon said: "On March 23, [1973], I sent Mr. Dean to Camp David, where he was instructed to write a complete report on all he knew of the entire Watergate matter." ("Presidential Statements" 8/15/73, 41–42)

The "report" that President Nixon had, in fact, requested Dean to make in March, 1973, was one intended to mislead official investigators and to conceal the President's complicity in the cover-up. In a March 20, 1973, telephone conversation,[1] the President told Dean to "make it very incomplete."

"P But you could say, 'I have this and this is that.' Fine. See what I am getting at is that, if apart from a statement to the Committee or anything else, if you could just make a statement to me that we can use. You know, for internal purposes and to answer questions, etc.

"D As we did when you, back in August, made the statement that—

"P That's right.

"D And all the things—

"P You've got to have something where it doesn't appear that I am doing this in, you know, just in a—saying to hell with the Congress and to hell with the people, we are not going to tell you anything because of Executive Privilege. That, they don't understand. But if you say, 'No, we are willing to cooperate,' and you've made a complete statement, but make it very incomplete. See, that is what I mean. I don't want a, too much in chapter and verse as you did in your letter,[2] I just want just a general—

"D An all around statement.

"P That's right. Try just something general. Like 'I have checked into this matter; I can categorically, based on my investigation, the following: Haldeman is not involved in this, that and the other thing. Mr. Colson did not do this; Mr. so and so did not do this. Mr. Blank did not do this.' Right down the line, taking the most glaring things. If there are any further questions, please let me know. See?

"D Uh, huh. I think we can do that." (WHT 167–68)

On the afternoon of March 21, 1973, after Dean had discussed with the President the involvement of White House staff in perjury (HJCT 81), payments to the defendants (HJCT 96), "promises" of executive clemency for Hunt (HJCT 103–04) and the potential criminal liability of Haldeman, Ehrlichman, Colson, Dean, Magruder, Mitchell, Strachan, Krogh and Chapin, (HJCT 88–89, 95–96, 100) the President met with Ehrlichman, Haldeman and Dean. The President repeated his instructions about the "report."

"President. . . . Uh, if you as the White House Counsel, John, uh, on direction—uh, I ask for a, a written report, which I think, uh, that—which is very general, understand. Understand, [laughs] I don't want to get all that God damned specific.[3] I'm thinking now in far more general terms, having in mind the fact that the problem with a specific report is that, uh, this proves this one and that one that one, and you just prove something that you didn't do at all. But if you make it rather general in terms of my—your investigation indicates that this man did not do it, this man did not do it, this man did do that. . . . (HJCT 136)

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[15] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[1] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[2] Dean had drafted a letter to Senator Eastland, Chairman of the Senate Judiciary Committee, in connection with hearings on the nomination of L. Patrick Gray to be Director of the FBI.

[3] The sentence "Understand, [laughs] I don't want to get all that God damned specific," does not appear in the White House transcript. (WHT 257)

Ehrlichman spoke of the advantage to the President of having a written report on which he could later rely if additional facts came out.

"Well, but doesn't it give, doesn't it permit the President to clean it out at such time as it does come up? By saying, "Indeed, I relied on it. And now this, this later thing turns up, and I don't condone that. And if I'd known about that before, obviously, I wouldn't have done it. And I'm going to move on it now." (HJCT 140)

On March 22, 1973, Ehrlichman repeated this point at a meeting of the President, Haldeman, Mitchell, and Dean:

> [A]ssuming that some corner of this thing comes unstuck at some time, you're then in a position to say, "Look, that document I published [Dean Report] is the document I relied on. . . .'" (HJCT 159)

The President also discussed using the Dean report if White House aides were called to testify before the Grand Jury or Senate Select Committee.

"President. Well, they go in—do both: Appear before the Grand Jury and the Committee?

"Dean. Sure.

"Ehlrichman. You have to bottom your defense, your position on the report.

"President. That's right.

"Ehrlichman. And the report says, 'Nobody was involved.'" (HJCT 172)

The President's public statements regarding a Dean "report" were in every case, as revealed by the transcripts, part of the continuing cover-up.

C. The Ehrlichman Report

At a press conference on September 5, 1973, President Nixon said that when he realized that John Dean would not be able to complete his report at Camp David, he assigned John Ehrlichman to conduct a "thorough investigation" to get all the facts out:

"The investigation, up to that time, had been conducted by Mr. Dean. . . . When he was unable to write a report, I turned to Mr. Ehrlichman. Mr. Ehrlichman did talk to the Attorney General . . . on . . . I think it was the 27th of March. The Attorney General was quite aware of that and Mr. Ehrlichman, in addition, questioned all of the major figures involved and reported to me on the 14th of April, and then, at my suggestion—direction, turned over his report to the Attorney General on the 15th of April. An investigation was conducted in the most thorough way." ("Presidential Statements," 9/5/73, 52)

The "report" Ehrlichman had been asked to prepare in April, 1973, was part of a "scenario" designed to prevent disclosure of the President's complicity in the cover-up and to explain the President's lack of response to Dean's information of March 21, 1973. The President also wanted the "report" to give him credit for disclosing facts about to be revealed by potential defendants (La Rue, Dean, Magruder) to the United States attorneys and the grand jury, in spite of his own attempts to prevent those disclosures. Since Dean had told the President on March 21, 1973, of Ehrlichman's complicity in an obstruction of justice, and of his potential criminal liability for the break-in at the office of Ellsberg's psychiatrist, (HJCT 90–92) the fact that the President appointed Ehrlichman to make an "investigation" is, in itself, evidence of the President's direction of, and complicity in, the cover-up.

By mid-April, 1973, Magruder and Dean were meeting with the United States attorneys. (Book IV, 538, 610) On April 14, 1973, the President met with Haldeman and Ehrlichman at 8:55 a.m.[4] (Book IV, 662) Ehrlichman told the President that Colson had reported that, since there was no longer any point in remaining silent, Hunt had decided to testify; and that Hunt's testimony would lead to the indictment of Magruder and Mitchell. (WHT 409–10) Ehrlichman suggested that the President could put pressure on Mitchell to accept full responsibility for the Watergate affair by telling Mitchell that Ehrlichman's "report", which was never prepared, already showed his guilt.

"E I'm essentially convinced that Mitchell will understand this thing.

"P Right.

"E And that if he goes in it redounds to the Administration's advantage. If he doesn't then we're—

"P How does it redound to our advantage?

"E That you have a report from me based on three weeks' work; that when you got it, you immediately acted to call Mitchell in as the provable wrongdoer, and you say, 'My God, I've got a report here. And it's clear from this report that you are guilty as hell. Now, John, for (expletive deleted) sake go on in there and do what you should. And let's get this thing cleared up and get it off the country's back and move on.' And—

"H Plus the other side of this is that that's the only way to beat it now." (WHT 439–40)

The President's hope was that this scheme to "nail" Mitchell, the "big fish" (WHT 670–71), the "big Enchilada" (WHT 347), would "take a lot of the fire out of this thing on the coverup" (WRT 756) and that, as Ehrlichman told the President, the prosecutors "would certainly be diverted." (WHT 457)

At 2:24 p.m. on April 14, the President met with Haldeman and Ehrlichman.[5] (Book IV, 779) Ehrlichman said that he saw no purpose in seeing Magruder. Haldeman added that "Magruder is already going to do what John is going to tell him to do. . . ." The President reminded Haldeman and Ehrlichman, however, that, "Our purpose, as I understood it—what I mean Bob, was for making a record." (WHT 537) Later in the conversation there was a discussion of what the scope of the Ehrlichman report should be:

"E Well, I didn't go into White House involvement. I assume that—

"P No. I (unintelligible)

"E That what you needed to know from me, and this would be what I would say, "What the President needed to know was the truth or falsity of charges that were leaking out with regard to—Committee for the Re-election personnel and any connections to the White House that might exist. That was the area of inquiry rather than whether anybody in the White House was involved."

"P (Unintelligible) trying to get you out there in a way that you didn't have to go into all that stuff, you see." (WHT 564–65)

Two days later, on April 16, 1973, after the President had learned the substance of Dean's disclosure to the prosecutors (Petersen testimony, 3 HJC 81–82), the President directed Ehrlichman to prepare "a scenario with regard to the President's role. . . ." "Otherwise," Ehrlichman said, "the Justice Department will, of course, crack this whole thing."[6] (WHT 782–83)

From 10:00 to 10:40 a.m. on April 16, the President met with Dean. (Book IV, 1143) The President asked Dean to think about how to handle things "[so] that the President is in front. . . ." Dean agreed to give the President some notes. The President said, "The record. Here's what I've done. Here's what I've done, and what you think the President ought to do and when—you see what I mean?" (HJCT 207)

In another meeting with Ehrlichman and Haldeman at 10:50 a.m.,[7] (Book IV, 1204) the President asked how the "scenario" had worked out. Haldeman replied:

"H Well, it works out very good. You became aware sometime ago that this thing did not parse out the way it was supposed to and that there were some discrepancies between what you had been told by Dean in the report that there was nobody in the White House involved, which may still be true.

"P Incidentally, I don't think it will gain us anything by dumping on the Dean Report as such.

"E No.

"P What I mean is I would say I was not satisfied that the Dean Report was complete and also I thought it was my obligation to go beyond that to people other than the White House.

"E Ron has an interesting point. Remember you had John Dean go to Camp David to write it up. He came down and said, 'I can't.'

"P Right.

"E That is the tip off and right then you started to move.

"P That's right. He said he could not write it.

"H Then you realized that there was more to this than you had been led to believe. (unintelligible)

"P How do I get credit for getting Magruder to the stand?

"E Well it is very simple. You took Dean off of the case right then.

"H Two weeks ago, the end of March.

"P That's right.

"E The end of March. Remember that letter you signed to me?

"P Uh, huh.

"E 30th of March.

"P I signed it. Yes.

"E Yes sir, and it says Dean is off of it. I want you to get into it. Find out what the facts are. Be prepared to—"

Ehrlichman suggested that the President say that after Dean was taken off, "we started digging into it," "[y]ou began to move," and that it all "culminated last week." The "culmination" was to be when Mitchell, Magruder and Strachan were "brought in."

"E In your decision that Mitchell should be brought down here; Magruder should be brought in; Strachan should be brought in.

"P Shall I say that we brought them all in?

"E I don't think you can. I don't think you can.

"H I wouldn't name them by name. Just say I brought a group of people in.

"E Personally come to the White House.

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[4] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

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"P I will not tell you who because I don't want to prejudice their rights before" (unintelligible)

Ehrlichman continued:

"E I had this report and I tried all day long to get the Attorney General who was at the golf course and got him as soon as he got home for—

"P Do we want to put this report out sometime?

"E I am not sure you do, as such.

"P I would say it was just a written report.

"E The thing that I have—

"P The thing they will ask is what have you got here?

"H It was not a formal report. It was a set of notes.

"P Handwritten notes?

"E Yeah. There are seven pages, or eight pages. Plus all my notes of my interviews." (WHT 820–25)

Ehrlichman later testified that he had not conducted an investigation. (Ehrlichman testimony, 7 SSC 2713–14) He delivered to the SSC some notes of interviews but nothing that could constitute a report. (Ehrlichman testimony, 7 SSC 2915–43) No letter from the President saying "Dean is off of it," as suggested in the "scenario" to the President on April 16, 1973, has ever been produced. There is no evidence that any such letter existed. Ehrlichman said he had interviewed Paul O'Brien on April 5, 1973 (Book IV, 509, 518); Kalmbach on April 6, 1973 (Book IV, 534, 536), Dean on April 8, 1973 (Book IV, 540); Strachan on April 12, 1973 (Book IV, 550–51); Colson on April 13, 1973 (Book IV, 595–96); Mitchell and Magruder on April 14, 1973 (Book IV, 718–19); and Strachan on April 5, 1973 (Book IV, 897; Ehrlichman testimony, 7 SSC 2727). The meeting with O'Brien was at O'Brien's request. O'Brien originally had requested a meeting with Haldeman to request that the civil suits by the DNC and common cause against CRP be settled and that O'Brien be permitted to confer with the Senate Select Committee. (O'Brien testimony, 1 HJC 132, 134–36; Book IV, 512) Ehrlichman's notes of the meeting contain the entries "Must close ranks—JNM [Mitchell] will tough it out" and "H must bring Jeb [Magruder] up short—shut up, stop seeing people." (Book IV, 527, 532), Ehrlichman's notes of his meeting with Kalmbach say that Kalmbach was worried about the effect that his testimony about raising money for the Watergate defendants would have upon his reputation and his family; and that Kalmbach thought Dean told him Ehrlichman and Haldeman had approved his raising these funds. (Kalmbach testimony, 3 HJC 564; Book IV, 536) The edited White House transcript of Ehrlichman's April 8, 1973, account to the President of his meeting with Dean and Haldeman shows that the meeting consisted of a discussion of strategy. (WHT 401–07)

The meeting with Strachan, which Haldeman attended, was about Strachan's concern that he had committed perjury in his grand jury testimony of the day before. (Book IV, 550–51) On April 12, 1973, the President asked Colson what he thought the President should do about Watergate. (Colson testimony, 3 HJC 341) The edited White House transcript of Ehrlichman's April 14, 1973, account of his meeting with Colson shows that the meeting consisted of a discussion of strategy.[8] (WHT 409–14) In his conversation of April 14, 1973, with Mitchell, Ehrlichman did not seek to elicit facts. (Book IV, 725–68) On April 14, 1973, after he was informed that Magruder was about to meet with the prosecutors, the President instructed Ehrlichman to meet with Magruder just "for making a record" for which the President hoped to get credit.[9] (WHT 537) Ehrlichman met with Strachan. (Book IV. 891–95. WHT 646–47)

Ehrlichman never mentioned his assignment to Acting FBI Director Gray. (Book IV, 1) Although they spoke at least twice in early April, Ehrlichman did not discuss his inquiry with Attorney General Kleindienst until April 14, 1973. (Book IV, 215) On April 14, 1973, when Ehrlichman did speak with Kleindienst, he said he had very little to add to what Magruder had already given the United States Attorney. (WHT 632) He said that Magruder had implicated people up and down in CRP. When Kleindienst asked whom Magruder had implicated besides Mitchell, Ehrlichman answered Dean, LaRue, Mardian and Porter. He did not mention Colson or Strachan. Ehrlichman's notes of his meeting with Magruder read "Strachan primary contact, copies of bud. [budget] talked to JSM [Magruder]"; "all nervous—Mag., Mitch, Strachan"; "Strachan informed—orally, Liddy's project. He had budget, '6 bugs @' etc". "Strachan saw synopses"; "CC [Colson] called—never said wiretap—projects"; "CC Needed info on L. O'Brien"; "CC—Had to get O'B." (Book IV, 803–09)

II. Perjury by White House and CRP Officials

To continue the cover-up, White House and CRP officials lied under oath. Some witnesses told untrue stories. Others untruthfully said they could not recall certain facts.[10]

The first distinct phase in which the President, his White House staff and CRP officials, including Porter and Mitchell, Strachan, and Magruder, made false and misleading statements to further the coverup was from June, 1972, to March, 1973. It is uncontested that on March 13 the President was informed of Strachan's perjury and on March 21 of Magruder's and Porter's perjury. Magruder's untruthful testimony provided an innocent explanation for the commitment of $250,000 of CRP money to the Liddy Plan. (Book III, 246–51, 298) Porter's untruthful testimony corroborated Magruder's story. (Book III, 236–41, 292–93) Strachan's false statements concealed the involvement of Haldeman and the White House in the Liddy Plan. (*United States* v. *Mitchell*, CR 74–110, indictment, 44–50, "Criminal Cases," 146–52; Book IV, 551)

The second phase of false statements to further the cover-up began near the end of March, 1973, with the reconvening of the Watergate Grand Jury.

Some of this testimony was given at the direction of the President. On March 21, 1973, the President told Dean and Haldeman "[j]ust be damned sure you say I don't . . . remember; I can't recall, I can't give any honest, an answer to that that I can recall. But that's it." [11]

There is no evidence that when the President learned of perjury, false statements or failure to recall, or other false statements, on the part of his staff, he condemned such conduct, instructed that it be stopped, dismissed the responsible members of his staff, or reported his discoveries to an appropriate authority. The evidence before the Committee shows, on the contrary, that the President directed this conduct, condoned it, approved it, rewarded it, and in some instances specifically instructed witnesses on how to mislead investigators.

1. Strachan: From the time of the break-in, Strachan, who was Haldeman's liaison with CRP (Butterfield testimony, 1 HJC 15), could link Haldeman with approval of the Liddy Plan. (Book I, 164–66) On March 13, 1973, Dean informed the President that Strachan had falsely denied White House involvement soon after the break-in, and that Strachan planned to stonewall again:

"DEAN. Well, Chapin didn't know anything about the Watergate, and——

"PRESIDENT. You don't think so?

"DEAN. No. Absolutely not.

"PRESIDENT. Did Strachan?

"DEAN. Yes.

"PRESIDENT. He knew?

"DEAN. Yes.

"PRESIDENT. About the Watergate?

"DEAN. Yes.

"PRESIDENT. Well, then, Bob knew.[12] He probably told Bob, then. He may not have. He may not have.

"DEAN. He was, he was judicious in what he, in what he relayed, and, uh, but Strachan is as tough as nails. I—

"PRESIDENT. What'll he say? Just go in and say he didn't know?

"DEAN. He'll go in and stonewall it and say, 'I don't know anything about what you are talking about.' He has already done it twice, as you know, in interviews.[13]

"PRESIDENT. Yeah, I guess he should, shouldn't he, in the interests of—Why? I suppose we can't call that justice, can we? We can't call it [unintelligible]

"DEAN. Well, it, it—

"PRESIDENT. The point is, how do you justify that?

"DEAN. It's a, it's a personal loyalty with him. He doesn't want it any other way. He didn't have to be told. He didn't have to be asked. It just is something that he found is the way he wanted to handle the situation.

"PRESIDENT. But he knew? He knew about Watergate? Strachan did?

"DEAN. Uh huh.

"PRESIDENT. I'll be damned. Well, that's the problem in Bob's case, isn't it. It's not Chapin then, but Strachan. 'Cause Strachan worked for him.

"DEAN. Uh huh. They would have one hell of a time proving that Strachan had knowledge of it, though.

"PRESIDENT. Who knew better? Magruder?

"DEAN. Well, Magruder and Liddy.

"PRESIDENT. Ah—I see. The other weak link for Bob is Magruder, too. He having hired him and so forth." (HJCT 70–71)

2. Magruder and Porter: An explanation was necessary for CRP's payment of $250,000 to Liddy. Magruder invented the story that the Liddy Plan contemplated only legitimate intelligence activities. (Book III, 298–99) He enlisted his assistant Porter to corroborate this untruthful testimony. (Book III, 292) Magruder worked on his false story with Dean and discussed it with Mitchell. (Book III, 299) Magruder and Porter lied to the FBI in July 1972, and committed perjury before the Grand Jury in August 1972, and at the trial of the Watergate defendants in January 1973. (Book III, 292–94, 506)

Whether or not the President knew of Magruder's perjury before March 21, 1973, there is no doubt that on that date Dean told the President that Magruder and Porter had committed perjury:

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[8] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[9] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[10] Ehrlichman and Chapin have been convicted of perjury. Krogh, Magruder, and Porter pleaded guilty to conspiracy charges which included their perjury among the overt acts. Mitchell, Haldeman and Strachan have been indicted for perjury and are awaiting trial. Haldeman, Ehrlichman and Mitchell testified, in response to questions, they could not recall 206, 136 and 255 times respectively, according to transcripts in the Committee's files.

[11] In the White House transcript, the President says, "But you can say I don't remember. You can say I can't recall. I can't give any answer to that that I can recall." (WHT 235)

[12] The words "Bob knew" do not appear in the edited White House transcript. (WHT 146)

[13] The word "as" does not appear in the edited White House transcript.

"President. Liddy told you he was planning—where'd he learn there was such a plan—from whom?

"Dean. Beg your pardon?

"President. Where did he learn of the plans to bug Larry O'Brien's suite?

"Dean. From Magruder, after the, long after the fact.

"President. Oh, Magruder, he knows.

"Dean. Yeah. Magruder is totally knowledgeable on the whole thing.

"President. Yeah.

"Dean. All right, now, we've gone through the trial. We've—I don't know if Mitchell has perjured himself in the Grand Jury or not, I've never—

"President. Who?

"Dean. Mitchell. I don't know how much knowledge he actually had. I know that Magruder has perjured himself in the Grand Jury. I know that Porter has perjured himself, uh, in the Grand Jury.

"President. Porter [unintelligible]

"Dean. He is one of Magruder's deputies.

"President. Yeah.

"Dean. Uh, that they set up this scenario which they ran by me. They said, 'How about this?' I said, 'I don't know. I, you know, if, if this is what you are going to hang on, fine.' Uh, that they—

"President. What did they say before the Grand Jury?

"Dean. They said, they said, as they said before the trial and the Grand Jury, that, that, uh, Liddy had come over as, as a counsel.

"President. Yeah.

"Dean. and we knew he had these capacities to,

"President. Yeah.

"Dean. you know.

"President. Yeah.

"Dean. to do legitimate intelligence. We had no idea what he was doing.

"President. Yeah.

"Dean. He was given an authorization of $250,000.

"President. Right.

"Dean. To collect information, because our surrogates were out on the road. They had no protection. We had information that there were going to be demonstrations against them, that, uh, uh, we had to have a plan to get information as to what liabilities they were going to be confronted with.

"President. Right.

"Dean. and Liddy was charged with doing this. We had no knowledge that he was going to bug the DNC. Uh—[14]

"President. Well, the point is, that's not true.

"Dean. That's right.

"President. Magruder did know that—

"Dean. Magruder specifically instructed him to go back in the DNC.

"President. He did?

"Dean. Yes.

"President. You know that? Yeah. I see. Okay." (HJCT 86-87)

The President did not act on this information, did not pursue it, did not convey it to the Department of Justice.

In January, 1973, Magruder, before testifying at the Watergate trial told Haldeman that he would commit perjury. (Book III, 515) On February 14, 1973, after the trial, Magruder met with Haldeman to discuss his future employment. (Book III, 566-67) On February 19, 1973, Dean prepared a talking paper for a meeting at which Haldeman would discuss with the President Magruder's possible appointment to an Administration job. (Book III, 570-71) Dean noted that Hugh Sloan, whom Magruder had unsuccessfully importuned to commit perjury, would testify against Magruder before the Senate if Magruder were appointed to any position for which Senate confirmation was required. (Book III, 561) The talking paper reads:

"(3) What to do with Magruder

"—Jeb want to return to White House (Bicentennial project).

"—May be vulnerable (Sloan) until Senate hearings are completed.

"—Jeb personally is prepared to withstand confirmation hearings" (Book III, 574-75)

After meeting with the President,[15] Haldeman told Magruder he could not have a White House job, but offered him the highest paying available position which did not require Senate confirmation: a $36,000 per year job in the Department of Commerce. (Book III, 567, 572-73, 577-78) Haldeman believed this was the kind of decision to be checked with the President. (Book III, 569) Magruder did not lose his position on March 21, 1973, when Dean told the President that Magruder had committed perjury. (HJCT 87; Book IV, 565, 1626) Magruder resigned on April 26, 1973, two weeks after he had come forward and confessed to the United States Attorney.

III. Statements To Cover Up the Cover-up

In late March, 1973, the President was told by his assistants that the cover-up was threatened from various directions. On March 21, 1973, there was Hunt's immediate demand, which the President believed could be satisfied in cash. (HJCT 118) But there was also Hunt's expectation of clemency, which Dean advised the President would be politically impossible to fulfill; the President agreed. (HJCT 103-04) On April 14, 1973, the President, Haldeman and Ehrlichman discussed their anxiety that Hunt had changed his mind and would talk to the prosecutors about payments and offers of clemency. (WHT 541-619) Another threat to the cover-up was McCord's letter to Judge Sirica and the decision to reconvene the Grand Jury. (Book IV, 220-24, 336) A third threat was posed by potential disclosures on the part of key subordinates involved in the Watergate cover-up. (HJCT 134)

Faced with a disintegrating situation, the President, after March 21, 1973, assumed an operational role in the detailed management of the cover-up. He knew of the previous untruthful testimony of his aides and of his own false public statements. He issued direct instruction for his subordinates to give false and misleading testimony. The President knew that his agents had instructed and were continuing to instruct witnesses on how to testify to protect the cover-up; the President himself so instructed witnesses. On April 15, 1973, the President learned from Ehrlichman that Mardian had worked with witnesses on false testimony for their appearances before the Grand Jury.

"P Well, is there anything wrong with that?

"E Yeah, well, there's something wrong with——

"P He was not their attorney is the problem?

"E Well, no, the problem—the problem is he asked them to say things that weren't true." (WHT 687-88)[16]

1. Magruder: On March 23, 1973, Judge Sirica read in open court a letter from James McCord charging that witnesses had committed perjury in his trial, and that more people than the seven original defendants were involved in Watergate. (Book IV, 220-24) In meetings with Haldeman and Ehrlichman, the President developed a strategy to implicate Mitchell and to conceal the complicity of the President and his closest White House aides. The President reasoned that, in exchange for a promise of immunity, Magruder would limit his disclosure to his own complicity and Mitchell's. At the March 27, 1973, meeting the President took part in the following discussion with Haldeman and Ehrlichman:

"H Let's go another one. So you promise Magruder that his present approach is (a) not true; I think you can probably persuade him of that; and (b) not desirable to take. So he then says, in despair, 'Heck, what do I do? Here's McCord out here accusing me. McCord has flatly accused me of perjury—He's flatly accused Dean of complicity.' Dean is going to go, and Magruder knows of the fact that Dean wasn't involved, so he knows that when Dean goes down, Dean can testify as an honest man.

* * * * *

"P What would you advise him [Magruder] to do?

"H I would advise him to go down and clean it up.

"P And I say I lied?

"H I would advise him to seek immunity and do it.

"P Do you think he can get immunity?

"H Absolutely.

"P Then what would he say?

"E He would say, 'I thought I was helping. It is obvious that there is no profit in this route. I did it on my own motive. Nobody asked me to do it. I just did it because I thought it was the best thing to do. Everybody stands on it. I was wrong to do it.' That's basically it.

"H Magruder's viewpoint that to be ruined that way which isn't really being ruined is infinitely preferable to going to jail. Going to jail for Jeb will be a very, very, very difficult job.

"E (unintelligible) he says he is a very unusual person. The question now is whether the U.S. Attorney will grant immunity under the circumstances.

"H Well he would if he thought he was going to get Mitchell.

"E Yeah, that's right.

"H The interesting thing would be to watch Mitchell's face at the time I recommend to Magruder that he go in and ask for immunity and confess.[17] "
(WHT 350-52)

On April 13, 1973 Magruder started talking to the prosecutors. (Book IV, 610-11) Haldeman's principal assistant, Lawrence Higby, called Magruder and confronted him with reports that he had implicated Haldeman in the Watergate break-in. (Book IV, 613-16) Higby recorded the conversation. He told Magruder that it was not in Magruder's long or short range interest to blame the White House. Higby said he could not believe Magruder would implicate Haldeman, who "has brought you here." (Book IV, 619, 624) Magruder said that Strachan had not specifically told him that Haldeman wanted the Liddy Plan approved. (Book IV, 625-27) On the morning of April 14, 1973, Haldeman reported this conversation to the President. Haldeman said that Higby had handled it skillfully and that the recording made by Higby "beats the socks off" Magruder if he ever "gets off the reservation." (WHT 415-16) The President had known as early as March 21, 1973, that he could not count on Magruder. (Book III, 1245–46; HJCT 120, 140–41)[18] On April 14, 1973, the President concurred when Ehrlichman described Magruder as an "emotional fellow ready to crack."[19] (WHT 417) The President instructed Ehrlichman to meet with Magruder for the purpose of making a record. (WHT 478, 500, 537) Later that day, Haldeman said in the presence of the President, that Magruder should be asked to repeat what he told Higby and that Ehrlichman should say, "Good."[20] (WHT 537)

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[14] In the edited White House transcript there is a question mark after this sentence.

[15] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President stated that no such recorded conversation could be located.

[16] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[17] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to the conversation. The President refused to produce this recording. The President submitted an edited transcript.

2. *Strachan:* If Magruder were to admit having committed perjury and were to cooperate fully with the United States Attorney, Strachan's prior knowledge of the DNC bugging would be revealed, and this would implicate Haldeman. At an afternoon meeting on April 14, 1973, the President and Haldeman discussed what Strachan's strategy before the Grand Jury should be.

"H I don't think Magruder knows about the aftermath.

"P Where does he [Magruder] get to Gordon Strachan?

"H He says he gets Gordon on—

"P Sending material to him—

* * * * *

"P He will testify that he sent materials to the White House?

"H If he is asked, he will, yes.

"P He'll be asked—is that something he will say he sent to the White House. What would Strachan say?

"H Strachan has no problem with that. He will say that after the fact there are materials that I can now surmise were what he is referring to but they were not at the time identified in any way as being the result of wiretaps and I did not know they were. They were amongst tons of stuff. Jeb makes the point. He said, I am sure Gordon never sent them to Bob because they were all trash. There was nothing in them. He said the tragedy of this whole thing is that it produced nothing.

"P Who else did he send reports to—Mitchell?

"H I don't know. The thing I got before was that he sent them either to—that one went to him and one went to Strachan.

"P What our problem there is if they claim that the reports came to the White House—basically to your office—what will you say then?

"H They can. This doesn't ever have to come out."[21] (WHT 520–21; see also WHT 537, 592)

Haldeman explained that even if the question were asked before the Grand Jury, Grand Jury proceedings are secret. (WHT 521) On the night of April 14, 1973, the President telephoned Haldeman. He told Haldeman that before Strachan appeared before the Grand Jury he should be told what Magruder had told the United States Attorneys. The President asked Haldeman if Strachan were smart enough to testify in a way that did not indicate that he knew what Magruder had said. The President also said that Strachan has to be prepared and that Ehrlichman should speak to Strachan and "put him through a little wringer."[22] The President said Ehrlichman should be the one to do it because he was conducting an investigation for the President. (WHT 639–41, 646–47) On the afternoon of April 16, 1973, Ehrlichman told the President that Strachan had stonewalled, that although the prosecutors "really worked him over" and "[d]espite considerable fencing, he refused to discuss the matter and was excused by the prosecutors."[23] (WHT 933)

3. *Haldeman:* On April 25, 1973, the President directed Haldeman to listen to the taped conversation of the March 21, 1973 morning meeting among the President, Dean and Haldeman. (Book IX, 108–11) Haldeman requested and received twenty-two tapes of Presidential conversations held in February, March and April, 1973. (Book IX, 114–15, 123–25) On the afternoon of April 25, 1973, Haldeman listened to the March 21 morning conversation, made twenty pages of detailed notes, and reported to the President on the contents of the tape. (Book IX, 116) The President ordered Haldeman to listen to the March 21 tape again. On April 26, 1973, Haldeman again listened to the March 21 tape and reported to the President. On April 26, 1973, the President and Haldeman met for approximately five hours, beginning at 3:59 p.m., and concluding at 9:03 p.m. (Book IX, 126)[24]

On June 4, 1973, the President told Alexander Haig and Ziegler that Haldeman could "handle" the March 21 conversation. (Book IX, 177–78, 193)

"PRESIDENT. . . . Well, as I told you, we do know we have one problem: It's that damn conversation of March twenty-first due to the fact that, uh, for the reasons [unintelligible]. But I think we can handle that.

"HAIG. I think we ca—, can. That's, that's the—

"PRESIDENT. Bob can handle it. He'll get up there and say that—Bob will say, 'I was there; the President said—'.

* * * * *

"PRESIDENT. Okay. The twenty-first and the twenty-second. Uh, uh, twenty—twenty-first. I've got to Bob already. The twenty-second [unintelligible].

"ZIEGLER. [Unintelligible]

"PRESIDENT. Well—no, if you can—I don't think you can. He's, he's got it all in our file and I don't—let's just forget it. I think after the twenty-first we forgot what the hell—What do you think?" (Book IX, 177–78, 193)

Haldeman subsequently testified before the SSC about the meeting of March 21, 1973, specifically citing the following statement:

"(a) That the President said, '[T]here is no problem in raising a million dollars, we can do that, but it would be wrong." (Book IX, 440)

"(b) That 'There was a reference to his [Dean's] feeling that Magruder had known about the Watergate planning and break-in ahead of it, in other words, that he was aware of what had gone on at Watergate. I don't believe that there was any reference to Magruder committing perjury.'" (Haldeman testimony, 8 SSC, 3144)

On August 22, 1973, the President said that Haldeman's testimony regarding the President's statements during the conversation was accurate. ("Presidential Statements," 8/22/73, 49)

4. Ehrlichman: On April 17, 1973, the President met with Haldeman and Ehrlichman and Secretary of State Rogers. (Book IV, 1423) After a brief discussion of Haldeman's and Ehrlichman's future,[25] the President spoke of his former personal attorney, Herbert Kalmbach, saying that it was "terribly important that poor Kalmbach get through this thing." (WHT 1201) The President asked if Dean had called Kalmbach about fundraising. Haldeman replied that Dean had. Ehrlichman said that Dean had told Kalmbach what the money was to be used for. The President suggested that Ehrlichman testify otherwise.

"E Dean told me that he told him what it was for. I don't believe him. Herb said that he just followed instructions, that he just went ahead and did it and sent the money back and—

"P They said they need it for?

"E I don't even know if they told him what for. It was an emergency and they needed this money and I don't know whether he can get away with that or if it's more specific than that.

"P You can corroborate then Herb on that one.

"E I can if Dean is the accuser. I can.

"P If Dean is the accuser, you can say that he told you on such and such a date that he did not tell Herb Kalmbach what the money was for." (WHT 1201)

5. Colson: On April 14, 1973, Ehrlichman reported to the President about his conversation with Magruder, in which Magruder had told Ehrlichman what he was telling the prosecutors. (WHT 582–87)[26] The President, concerned that Colson would be called before the Grand Jury (WHT 602), instructed Ehrlichman to warn Colson about what Magruder had told the prosecutors.

"P We'll see. We'll see. Do your other business, etc. John [Dean] too, I wonder if we shouldn't reconsider, if you shouldn't, I mean you have to consider this—rather than having Colson go in there completely blind, give him at least a touch up—or do you think that is too dangerous.

"E Say that again—I didn't quite hear it.

"P Colson—rather than just saying nothing to him, if it isn't just as well to say—look you should know that Magruder is going to testify, etc., or is that dangerous according to Kleindienst?

"E I'm not so sure. I have to call him anyway tomorrow. He has an urgent call in for me. Ah, I don't think I want to say anything at all to him about John. John, incidentally, I understand, was on CBS News and just hardlined them.

"P Oh, I agree on John.

"E Yeah.

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[18] In his dictated recollections on March 21, the President said Magruder would "bring Haldeman down" and was "a rather weak man, who had all the appearances of character, but who really lacks it when the, uh, chips are down." (Book III, 1245–46)

[19] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[20] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

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[22] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[23] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[24] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording.

[25] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[26] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

"P On Magruder that is what I meant.

"E Well, I can say something very brief. I don't need to indicate that he said anything to me.

"P Yeah, that you understand that he has talked. I mean, not to the Grand Jury but to—

"E Yeah, I think I could safely go that far.

"P And say that he should know that before he goes, and be prepared.

"E Friday—I will call him in the morning.

"P Let me put it this way: I do think we owe it to Chuck to at least—

"E Sure

"P So that he doesn't, I mean, go in there and well frankly on a perjury rap—

"E I understand. I don't think he is in any danger on that but—

"P Why wouldn't he be in any danger, because he's got his story and knows pretty well what he is going to say?

"E Yeah, I think he is pretty pat, but I will talk to him in the morning and give him a cautionary note anyway." (WHT 650-51).[27]

III. April 30, 1973 Statement

On April 30, 1973, the President addressed the nation about the Watergate investigation.

"Last June 17, while I was in Florida trying to get a few days rest after my visit to Moscow, I first learned from news reports of the Watergate break-in. I was appalled at this senseless, illegal action, and I was shocked to learn that employees of the Re-election Committee were apparently among those guilty. I immediately ordered an investigation by appropriate Government authorities. On September 15, as you will recall, indictments were brought against seven defendants in the case.

"As the investigations went forward, I repeatedly asked those conducting the investigation whether there was any reason to believe that members of my Administration were in any way involved. I received repeated assurances that there were not. Because of these continuing reassurances, because I believed the reports I was getting, because I had faith in the persons from whom I was getting them, I discounted the stories in the press that appeared to implicate members of my Administration or other officials of the campaign committee.

"Until March of this year, I remained convinced that the denials were true and that the charges of involvement by members of the White House staff were false. The comments I made during this period, and the comments made by my Press Secretary in my behalf, were based on the information provided to us at the time we made those comments. However, new information then came to me which persuaded me that there was a real possibility that some of these charges were true, and suggesting further that there had been an effort to conceal the facts both from the public, from you, and from me.

"As a result, on March 21, I personally assumed the responsibility for coordinating intensive new inquiries into the matter, and I personally ordered those conducting the investigations to get all the facts and to report them directly to me, right here in this office.

"I again ordered that all persons in the Government or at the Re-election Committee should cooperate fully with the FBI, the prosecutors, and the grand jury. I also ordered that anyone who refused to cooperate in telling the truth would be asked to resign from government service. And, with ground rules adopted that would preserve the basic constitutional separation of powers between the Congress and the Presidency, I directed that members of the White House Staff should appear and testify voluntarily under oath before the Senate committee which was investigating Watergate.

"I was determined that we should get to the bottom of the matter, and that the truth should be fully brought out—no matter who was involved." ("Presidential Statements," 4/30/73, 14–15)

This statement, like the President's statement on August 29, 1972, that "we are doing everything we can to investigate this incident and not cover up," was false. The evidence set forth in this section compelled the Committee to conclude that both before and after March 21, 1973, the cover-up was sustained by false public statements by the President assuring that the White House or CRP were not involved, as well as, by false statements and testimony by the President's close subordinates, which the President condoned and encouraged and in some instances directed, coached and personally helped to fabricate.

The President's interference with the Department of Justice investigation in March and April 1973

I. The New Plan After March 21, 1973

On the morning of March 21, 1973, Counsel to the President John Dean told the President that there was a "cancer" close to the Presidency, which Dean said, was growing daily. Dean warned that the White House was being blackmailed; and that even people who had not yet committed perjury would soon have to perjure themselves to protect other people. Dean said there was no assurance that the problems could be contained. (HJCT 81) He spoke of the adoption of the Liddy Plan. He said that in February, 1972, Liddy and Hunt had gone to Colson; that Colson had called Magruder and told him either to "fish or cut bait"; that Colson had "had a damn good idea" what Liddy and Hunt were talking about. Dean said Colson would deny it and probably get away with it unless Hunt talked. The President acknowledged the problem of criminal liability in the White House.

Dean said that when the Liddy Plan had gotten under way Strachan had started pushing Magruder for information. Magruder had taken that as a signal, and had told Mitchell that the White House was anxiously pushing the plan. Dean said that Haldeman had once instructed Liddy to change his "capability" from Muskie to McGovern. (HJCT 84–85)

Dean said that in June, 1972, when he had called Liddy to find out what happened, Liddy had told him that no one in the White House was involved. Liddy said he had been pushed without mercy by Magruder to get more information. Dean said that Magruder had said, "The White House is not happy with what we're getting." (HJCT 86)

Dean then spoke of the cover-up. Dean said that Magruder and Porter had prepared with him a false story about the purpose of the money spent on the Liddy Plan, and then perjured themselves before the Grand Jury. (HJCT 87) Dean said he had worked on a theory of "containment" and the President responded, "Sure." (HJCT 88) Dean said that Colson had told the FBI he had no knowledge concerning the break-in; and that Strachan had been coached before his FBI interview. Dean said Liddy had gone to Attorney General Kleindienst and asked him "to get my men out of jail," but that "this has never come up." (HJCT 89)

Dean spoke about payments to the defendants, who had made demands. He said that arrangements had been made through Mitchell to take care of the demands; that Kalmbach had been used and had raised some cash. The President interrupted by asking if that had been put under the cover of a Cuban Committee. He instructed Dean to keep "that cover for whatever it's worth." Dean said Haldeman, Ehrlichman, Mitchell and Dean were involved in the payments and "that's an obstruction of justice" (HJCT 90), but that they had all decided that there was no price too high to pay to keep the thing from blowing up before the election. When, after the election, they had still needed money, Dean said, Haldeman had released his $350,000 fund with full knowledge of the purpose for which it was to be used. (HJCT 90)

Dean spoke of clemency. He said that Colson had talked indirectly to Hunt about commutation and that these "promises" and "commitments" were problems. (HJCT 91) Dean reviewed other potential problems, "soft spots." One was the "continued blackmail," particularly by Hunt, who was now demanding $120,000. Dean said Hunt had threatened to put Ehrlichman in jail for his involvement in the Ellsberg break-in (HJCT 92), and that Hunt "could sink Chuck Colson." (HJCT 96). The President said that the major guy to keep under control was Hunt because he knew about a lot of other things. Another potential problem was the number of people who knew. Dean said that the Cubans Hunt used in the Watergate were the same Cubans used in the Ellsberg break-in. Dean said that the lawyers for the defendants knew, and that some wives knew. (HJCT 92–93) Dean said that Krogh had been forced to commit perjury and that he had been haunted by it (HJCT 95), and that Kalmbach might find himself in a prejury situation. (HJCT 97)

After Dean had said all this, the President suggested that it could come down to a criminal case against Haldeman, Dean, Mitchell and Ehrlichman. The President considered steps "to contain it again." (HJCT 100)

At that point Dean said he was not comfortable. The President said, "You used to feel comfortable." Dean said that they had been able "to hold it for a long time," and the President replied, "Yeah, I know." (HJCT 101–02) The President raised the possibility of asking for another grand jury. Dean said some people would have to go to jail and he was bothered about the obstruction of justice. The President said he thought that "could be cut off at the pass." He explained that sometimes "it's well to give them something and then they don't want the bigger fish." (HJCT 102–03)

The President and Dean continued to explore ways of avoiding criminal liability for anyone at the White House. Dean told the President that he had been a conduit for information on taking care of people who are guilty of crimes. (HJCT 102) The President said, "You mean the blackmail," and Dean said, "Right."

When Dean said that before the election there had been some bad judgments, some necessary judgments, but that, faced with the election, there was no way, the President agreed. (HJCT 104)

When the President and Dean returned to the subject of potential criminal liability—and talked about Ehrlichman's risk (HJCT 105), Dean said, "I don't have a plan of how to solve it but we should think in terms of how to cut our losses." (HJCT 105) The President instructed (1) to stabilize Hunt for the short term; and (2) to get Mitchell down to meet with Haldeman, Ehrlichman and Dean, to discuss the most dangerous problems for the President, *e.g.*, criminal liability of his close subordinates.

Dean told the President that the Grand Jury would reconvene during the next week, and that a lot of these people could be indicted. The President said that if they indicted Bob and the rest "you'd never recover from that" and it would be "better to fight it out instead." (HJCT 106)

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[27] On April 1, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

Then the President asked how soon a meeting with Mitchell could be arranged. Dean said that Bob and John had not wanted to talk to Mitchell. The President then called Haldeman into the meeting. (HJCT 107)

After Haldeman had entered the room, the President instructed him to call Mitchell to Washington to discuss with Haldeman, Ehrlichman and Dean ways of avoiding criminal liability for members of the White House staff. The President was concerned because, as he said, "Bob, let's face it, too many people know." (HJCT 109)

The President directed that Colson be kept out of the strategy meeting. "Colson must be damn sure I don't know anything," the President said. Then he added, in the face of all that Dean had just told him, "and I don't." (HJCT 110) The President's denial of knowledge which the transcript of the conversation itself establishes that he already possessed occurs repeatedly in the transcript of March 21, 1973:

"DEAN. Well, I know he [Colson] used, uh,

"PRESIDENT. Hunt to go out there?

"DEAN. Hunt.

"PRESIDENT. I knew about that.

"DEAN. Yeah.

"PRESIDENT. I did know about it. Uh, I knew that there was, there was something going on there.

"DEAN. Right.

"PRESIDENT. But I didn't know it was Hunt" (HJCT 100–01)

At the very beginning of Dean's account, on March 21, 1973, of what he knew of the Watergate break-in and cover-up, when Dean said, "I have the impression that you don't know everything I know," the President interrupted him with the words, "That's right." If the President did not already know what Dean was about to tell him, the reply is inexplicable.

There was a discussion of a new grand jury. The President said a grand jury would give a reason not to have to go before the Senate Select Committee (SSC) and it would look like the President was cooperating. Dean said the problem was that there was no control. (HJCT 120–24) At the end of the conversation, the President said it was necessary to have a new plan.[1]

As the President continued to discuss alternatives out of an impossible situation, the President directed Haldeman to have Mitchell come to the White House by the next day. Haldeman said the erosion was now going to the President, and "that is the thing we've got to turn off, at whatever the cost. We've got to figure out where to turn it off at the lowest cost we can, but at whatever costs it takes." (HPCT 130)

On the afternoon of March 21, 1973, the President again met with Haldeman, Ehrlichman and Dean to continue to discuss Watergate strategy. When the President again suggested the option of various witnesses going before the grand jury without immunity, Ehrlichman replied that such a course of action could lead to very drastic results, ". . . there are awful opportunities for indictment, and, uh So, uh, . . . you end up with people in and out of the White House indicted for various, for various offenses." (HJCT 131–32)

On the following day, March 22, 1973,[2] Mitchell came to Washington. The President, Mitchell, Haldeman, Ehrlichman and Dean met and discussed how to avoid criminal liability, how "to protect our people if we can." The President decided on a strategy of continued concealment which Ehrlichman called a "modified limited hang out." (HJCT 179) The President told Mitchell:

"PRESIDENT. Then he can go over there as soon [unintelligible] this. But, uh, the, uh, the one thing I don't want to do is to—Now let me make this clear. I, I, I thought it was, uh, very, uh, very cruel thing as it turned out—although at the time I had to tell [unintelligible]—what happened to Adams. I don't want it to happen with Watergate—the Watergate matter. I think he made a, made a mistake, but he shouldn't have been sacked, he shouldn't have been—And, uh, for that reason, I am perfectly willing to—I don't give a shit what happens. I want you all to stonewall it, let them plead the Fifth Amendment, cover-up or anything else, if it'll save it—save the plan. That's the whole point. On the other hand, uh, uh, I would prefer, as I said to you, that you do it the other way. And I would particularly prefer to do it that other way if it's going to come out that way anyway. And that my view, that, uh, with the number of jackass people that they've got that they can call, they're going to—The story they get out through leaks, charges, and so forth, and innuendos, will be a hell of a lot worse than the story they're going to get out by just letting it out there.

"MITCHELL. Well——

"PRESIDENT. I don't know. But that's, uh, you know, up to this point, the whole theory has been containment, as you know, John.

"MITCHELL. Yeah.

"PRESIDENT. And now, now we're shifting. As far as I'm concerned, actually from a personal standpoint, if you weren't making a personal sacrifice—it's unfair—Haldeman and Dean. That's what Eisenhower—that's all he cared about. He only cared about—Christ, 'Be sure he was clean.' Both in the fund thing and the Adams thing. But I don't look at it that way. And I just—That's the thing I am really concerned with. We're going to protect our people, if we can."[3] (HJCT 183)

In the course of that meeting the President telephoned Attorney General Kleindienst. (HJCT 153–54) He called not to give the Attorney General the information he had received as to the potential criminal liability of his associates, but to instruct Kleindienst to contact Senator Howard Baker, the ranking minority member of the SSC.[4] He asked Kleindienst to be "our Baker handholder," to "babysit him, starting in like, like in about ten minutes." (HJCT 154)

II. Substance of the New Plan

During the rest of March and throughout April the President assumed active command of the cover-up. He, himself, acted time and time again to protect his principal assistants who were the subjects of criminal and congressional Watergate investigations. On March 26, 1973, Watergate Grand Jury proceedings were reopened. (Book IV, 336) In April Magruder and Dean began talking to the prosecutors. During the same period, other political associates and White House subordinates were called before the SSC. The President realized that some disclosures were unavoidable but he tried to monitor, control and distribute information so that these investigations would not result in criminal liability for Haldeman and Ehrlichman, or other members of his personal staff.

III. McCord Letter

On March 23, 1973, Judge Sirica read in open court a letter written by James McCord. The letter charged that political pressures to plead guilty and remain silent had been applied to the defendants in the Watergate trial; that perjury had occurred during the trials and that others involved in the Watergate operation were not identified by those testifying. (Book IV, 221–25) On the afternoon of March 23, 1973, the President telephoned Acting FBI Director Gray (Book IV, 242) and told him that he knew the beating Gray was taking during his confirmation hearings and he believed it to be unfair. He reminded Gray that he had told him to conduct a "thorough and aggressive investigation." (Book IV, 245) He did not tell Gray any of the facts that he knew about the responsibility for the Watergate burglary and its subsequent cover-up nor did he tell his FBI Director what Dean had told him on March 21, 1973.

On the morning of March 26, 1973, the *Los Angeles Times* published a story that McCord had told investigators for the Senate Select Committee that Dean and Magruder had prior knowledge of the Watergate break-in. (Book IV, 313) On this morning Haldeman called Dean and asked him his reaction to an announcement that the President was requesting that Dean appear before the Grand Jury without immunity. Dean replied that he would have no problem appearing before the Grand Jury but told Haldeman that his testimony regarding the Liddy Plan meetings would conflict with Magruder's and that there were other areas of concern, including payments to the defendants, the $350,000 White House fund, the Hunt threat, and Colson's talk about helping Hunt. (Book IV, 317–18) Following this telephone call, the President met with Haldeman. The President then decided to drop his plan to announce that Dean would appear before the Grand Jury. (Book IV, 315, 318) Later that day, Ronald Ziegler, at the instruction of the President, announced publicly that the President had "absolute and total confidence in Dean." (Book IV, 325).

On March 27, 1973, the day after the Watergate Grand Jury was reconvened, the President met for two hours with Haldeman, Ehrlichman, and Ziegler.[5] The President directed Ehrlichman to tell Kleindienst that no White House personnel had prior knowledge of the break-in, but that a serious question had been raised about Mitchell. He also devised a scheme for Ehrlichman to request that Kleindienst pass on to Ehrlichman information from the Grand Jury, not on the basis of a request from the White House, but on the basis of an obligation Kleindienst owed to Mitchell:

"E I will see Kleindienst. That settled——

"P You'll see Kleindienst? When?

"E This afternoon at three o'clock.

"P Three o'clock, and then I think, when—huh?

"H Should I also see Kleindienst? Should I, or should John be the only one?

"P John, you do it.

"H That's what Mitchell was asking. Mitchell is very distressed that Kleindienst isn't stepping up to his job as the contact with the Committee, getting Baker programmed and all that (A), and (B) that he isn't getting—see Dean, Dean got turned off by the Grand Jury. Dean is not getting the information from Silbert on those things said at the Grand Jury. And Mitchell finds that absolutely incompetent and says it is Kleindienst's responsibility. He is supposed to be sending us——

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[1] The President's March 21 dictabelt conclusively shows that the President was not concerned with getting out the facts or that he had any doubts about what the true facts were. (There is a 59 second gap at the end of the President's dictation before he starts on another subject.)

[2] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to a conversation between the President and Haldeman from 9:00 to 10:35 a.m., March 22, 1973. The President refused to produce this recording. The President submitted a two and one-half page edited transcript.

[3] This entire passage does not appear in the the White House transcript.

[4] The President also spoke to Kleindienst on March 23 and March 25, 1973. There is no evidence that the President made disclosure to the Attorney General during the course of those conversations.

[5] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

"P Ask Kleindienst, John, put it on the basis that you're not asking nor in effect is the White House asking: that John Mitchell says you've got to have this information from the Grand Jury at this time and you owe it to him. Put it right on that basis, now, so that everybody can't then say the White House raised hell about this, because we are not raising hell. Kleindienst shouldn't—where are you going to see him there or here?

"E In my office.

"P Have a session with him about how much you want to tell him about everything.

"E Ah——

"P I think you've got to say, 'Look, Dick, let me tell you, Dean was not involved—had no prior knowledge—Haldeman had no prior knowledge: you Ehrlichman, had none; and Colson had none.' Now unless—all the papers writing about the President's men and if you have any information to the contrary you want to know. You've got to know it but you've got to say too that there is serious question here being raised about Mitchell. Right? That's about it isn't it?" (WHT 366–67)

Later in the meeting, the President said that Kleindienst was worried about furnishing "Grand Jury things" to the White House (WHT 370–71) and that Ehrlichman should tell Kleindienst that the President wanted Grand Jury information to determine whether any White House people were involved: "Not to protect anybody, but to find out what the hell they are saying." (WHT 371) The President then suggested that Ehrlichman request a daily flow of information: "What have you today? Get every day so that we can move one step ahead here. We want to move." (WHT 371)

Ehrlichman telephoned Kleindienst the next day. He relayed the President's message that White House staff members had no prior knowledge of the break-in, but that serious questions were being raised with regard to Mitchell. (Book IV, 413–15) Ehrlichman told Kleindienst that the President wanted to know any evidence or inference from evidence about Mitchell's involvement. (Book IV, 414) When Ehrlichman passed on to Kleindienst what he termed the "best information that the President had, and has. . . ." (Book IV, 413) He did not disclose the information that the President had received on March 21 from Dean; he had clearly not been instructed by the President to do so. (Book IV, 409–21; WHT 366–67) In fact, the clear implication of the President's instruction was to deny any White House involvement in the Watergate matter.

IV. Instructions to Ehrlichman Regarding Dean's Role

Late in the afternoon on April 14, 1973 Ehrlichman reported to the President on the substance of Magruder's interview that day with the prosecutors.[6] That evening the President discussed with Haldeman and Ehrlichman how to prepare Strachan and Colson for their appearances before the Grand Jury. (See Deception and Concealment.)

During a telephone conversation with Ehrlichman on the night of April 14, 1973, the President told Ehrlichman to attempt to persuade Dean, who the President knew was talking with the prosecutors, to continue to play an active role in the formulation of White House strategy regarding Watergate. The President directed Ehrlichman to approach Dean in the following manner:

"Well, you start with the proposition, Dean, the President thinks you have carried a tremendous load, and his affection and loyalty to you is just undiminished. ... And now, let's see where the hell we go. ... We can't get the President involved in this. His people, that is one thing. We don't want to cover up, but there are ways. And then he's got to say, for example? You start with him certainly on the business of obstruction of justice .... Look, John—we need a plan here. And so that LaRue, Mardian, and the others—I mean," (WHT 667)

Ehrlichman said that he was not sure that he could go that far with Dean, but the President responded, "No. He can make the plan up." Ehrlichman indicated that he would "sound it out." (WHT 667)

V. April 15, 1973 Meetings With Kleindienst and Petersen

From approximately 1:00 to 5:00 a.m. on the morning of April 15, 1973, the Watergate prosecutors met with Attorney General Kleindienst to apprise him of the new information they had received from Dean and Magruder. Later that day, the Attorney General met with the President in the President's EOB office from 1:12 to 2:22 p.m. (Book IV, 931) Kleindienst reported to the President on the evidence then in the possession of the prosecutors against Mitchell, Dean, Haldeman, Ehrlichman, Magruder, Colson and others. (WHT 696–746) Kleindienst has testified that the President appeared dumbfounded and upset when he was told that Administration officials were implicated in the Watergate matter. (Book IV, 926) The President did not tell Kleindienst that he had previously received this information from John Dean. (Book IV, 928)

The President asked about the evidence against Haldeman and Ehrlichman and took notes on Kleindienst's reply. (WHT 720–23; Book IV, 929) The President's notes on Kleindienst's reply included the following:

"E (Conditional Statements)

"Dean—

"Deep Six documents

"Get Hunt out of country

"Haldeman—

"Strachan—

"Will give testimony—H had papers indicating Liddy was in eavesdropping.

"$350,000—to LaRue.

* * * * *

"What will LaRue say he got the 350 for?

"Gray—documents" (Book IV, 929)

The President and his Attorney General also discussed payments to the defendants and the motive necessary to establish criminal liability. Kleindienst explained in detail to the President that the payment of money to witnesses or defendants for the purpose of keeping them silent was an obstruction of justice. (WHT 704–08)

Later that day, from 4:00 to 5:00 p.m., Petersen and Kleindienst met with the President in the President's EOB office.[7] (Book IV, 976) Petersen reported on the information the prosecutors had received from Dean and Magruder. (Book IV, 979–80) His report included: information respecting Mitchell's approval of the $300,000 budget for the Liddy "Gemstone" operation; the receipt by Strachan of budget information for "Gemstone" and summaries of intercepted conversations for delivery to Haldeman (Book IV, 993); the prosecutors' belief that if they could develop Strachan as a witness, "school was going to be out as far as Haldeman was concerned" (Book IV, 982); Ehrlichman's instructions, through Dean, that Hunt should leave the country; Ehrlichman's direction to Dean to "deep six" certain materials recovered from Hunt's EOB office (Book IV, 992); and Dean's delivery of certain politically embarrassing material from Hunt's EOB office to Acting FBI Director Gray personally (Petersen testimony, 3 HJC 82)

Petersen recommended that Haldeman and Ehrlichman be relieved of their responsibilities and that the President request their resignations. (Petersen testimony, 3 HJC 82) The President demurred. The President did not disclose to Petersen the factual information that Dean had discussed with the President on March 21, 1973. (Petersen testimony, 3 HJC 103, 153) He did not tell Petersen that Dean had confessed to obstructing justice and had charged Haldeman and Ehrlichman with complicity in that crime.

On April 15, 1973, after receiving Petersen's report, the President met twice with Haldeman and Ehrlichman in his EOB office that evening.[8] (Book IV, 1062) At the second meeting, the President discussed with Haldeman and Ehrlichman information he had received from the Attorney General and Assistant Attorney General Petersen that afternoon. Ehrlichman testified that during their meeting the President requested that he telephone Patrick Gray and discuss with him the issue of documents taken from Hunt's White House safe and given by Dean to Gray in Ehrlichman's presence in June 1972. During the course of this meeting, Ehrlichman did so. (Book IV, 1063–64, 1078)

VI. April 16, 1973, Meeting With Petersen

On April 16, 1973, from 1:39 to 3:25 p.m., the President met with Henry Petersen. (Book IV, 1230)[9] The President promised to treat as confidential any information disclosed to him by Petersen. The President emphasized that ". . . you're talking only to me . . . and there's not going to be anybody else on the White House staff. In other words, I am acting counsel and everything else." The President suggested that the only exception might be Dick Moore. (WHT 847) When Petersen expressed some reservation about information being disclosed to Moore, (WHT 847–48) the President said, ". . . let's just . . . better keep it with me then." (WHT 849)

At this meeting Petersen supplied the President with a memorandum the President had requested on the previous day summarizing the existing evidence that implicated Haldeman, Ehrlichman and Strachan. The memorandum indicated that the prosecutors had information (1) that Ehrlichman had told Dean to "deep six" certain materials and had issued an instruction that Liddy tell Hunt to leave the country; (2) that Strachan had received Gemstone information and summaries of intercepted conversations for delivery to Haldeman and that Haldeman had failed to issue instructions to discontinue the surveillance program; (3) that Strachan had refused to answer questions about the allegations involving Haldeman. (Book IV, 1225–26) Petersen also informed the President about the Grand Jury's not believing Magruder's testimony in the summer of 1972 (WHT 869–70); Gray's denial that he had received documents from Hunt's safe; the implication of Ehrlichman by his "deep six" statement (WHT 862); the limited nature and scope of Strachan's prior Grand Jury testimony (WHT 867); and Ehrlichman's request to the CIA for assistance to Hunt. (WHT 883–84)

Early in the meeting, the President described to Petersen what actions he had taken almost a month earlier on the Watergate matter. His account followed the "scenario" Ehrlichman had suggested that morning. (See Deception and Concealment.)

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[6] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President stated that the conversation was not recorded.

[7] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President stated that the conversation was not recorded.

[8] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to these conversations. The President stated that these conversations were not recorded.

[9] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

"—a month ago I got Dean in and said (inaudible) a report (inaudible) Camp David and write a report. The report was not frankly accurate. Well it was accurate but it was not full. And he tells me the reason it wasn't full, was that he didn't know. Whether that is true or not I don't know. Although it wasn't I'm told. But I am satisfied with it and I think I've read enough in the (inaudible) papers up here. So then I put Ehrlichman to work on it." (WHT 860)

What the President told Petersen was not true. The President did not tell Petersen that one reason Dean did not complete a full report was that his assignment was to write a misleading report—one that would minimize the involvement of White House personnel in the Watergate matter. (See Deception and Concealment.)

Later in this meeting on April 16, the President and Petersen discussed the possibility that if Strachan's and Dean's testimony established that Haldeman was informed of the Liddy Plan after the second planning meeting, Haldeman might be considered responsible for the break-in for his alleged failure to issue an order to stop the surveillance operation. (WHT 920–21) When Petersen told the President that the question of Haldeman's liability depended on who had authority to act with respect to budget proposals for the Liddy Plan (WHT 921), the President said:

"P. Haldeman (inaudible)

"HP. He did not have any authority?

"P. No, sir . . . none, none—all Mitchell—campaign funds. He had no authority whatever. I wouldn't let him (inaudible)." (WHT 922)

What the President said was at least misleading. The White House Political Matters Memoranda establish that Haldeman did possess and exercise authority over the use of campaign funds. (Political Matters Memoranda, 10/7/71, Book VII, 1359–61; 2/1/72, Book I, 78–79; 2/16/72, Book VI, 908–09; 5/16/72, 1–2; 9/18/72, 1, and attachment.)

At the opening of a meeting with Ehrlichman and Ziegler that began two minutes after Peterson's departure,[10] (Book IV, 1254) the President informed Ehrlichman that Peterson had told him that Gray had denied personally receiving documents from Hunt's safe. The President and Ehrlichman then discussed Ehrlichman's recollections of the facts related to this incident. (WHT 929–30) The President told Ehrlichman that he had discussed with Peterson the June 19, 1972 incidents in which Ehrlichman was alleged to have issued instructions to Hunt to leave the country and to Dean to "deep six" certain materials. (WHT 935) The President next reported to Ehrlichman that Peterson had told him that Magruder had not yet gotten a deal; and that Dean and his lawyers were threatening to try the Administration and the President if Dean did not get immunity. (WMT 938) The President relayed to Ehrlichman Peterson's views about Haldeman's vulnerability with respect to criminal liability. (WHT 938–41)

On the following day, Ehrlichman took steps to gather information about the events Dean had been discussing with the prosecutors. He telephoned Ken Clawson and questioned him about the events of the meeting on June 19, 1972 (Book IV, 1321–22); Clawson responded that "if you want me to be forthwith and straightforward with you I'll recollect anything that you want." Ehrlichman then recited Dean's allegations. (Book IV, 1322) Clawson told Ehrlichman that he did not recall the deep six instruction or the instruction for Hunt to leave the country. (Book IV, 1322–23)

On the same day, Ehrlichman telephoned Colson. He relayed to him the information that Dean had not been given immunity; that the "grapevine" had it that Colson would be summoned to the Grand Jury that day and would be asked about the meeting of June 19, 1972. (Book IV, 1326–29) Ehrlichman then gave Colson Dean's version of the events of that day. Colson said that he would deny Dean's allegation. (Book IV, 1327–29) Later in the call, Colson told Ehrlichman that, "There are a couple of things that you and I need to do to protect each other's flank here. . . . But—Listen, we'll talk about that." Ehrlichman responded, "All right . . . fair enough." (Book IV, 1329–30) As the call ended, Colson also made it clear that he felt they should act against Dean: "Let's get it, uh, clearly understood that that son-of-a-bitch doesn't get immunity. I want to nail him." Ehrlichman responded that he was doing his best, to which Colson added, "No. I want to nail him. I'll take immunity first." (Book IV, 1330)

VII. April 16, 1973, Telephone Conversation With Petersen

On April 16, 1973 from 8:58 to 9:14 p.m. the President spoke by telephone with Petersen.[11] (Book IV, 1306) He asked Petersen if there were any developments he "should know about," and he reassured Petersen that ". . . of course, as you know, anything you tell me, as I think I told you earlier, will not be passed on . . . [b]ecause I know the rules of the Grand Jury." (WHT 966) Petersen told the President that Fred LaRue had confessed to the prosecutors to participating in the crime of obstruction of justice; that he had attended a third planning meeting regarding the Liddy Plan with Mitchell (WHT 967); and that LaRue had told Mitchell it was all over. (WHT 968) Petersen described LaRue as "rather pitiful." (WHT 966)

Petersen then reported additional details regarding Ehrlichman's involvement: that Liddy had admitted to Dean on June 19, 1972 that he had been present at the Watergate break-in and Dean had then reported to Ehrlichman (WHT 968); and that Colson and Dean were together with Ehrlichman when Ehrlichman advised Hunt to get out of town. (WHT 969)

With respect to payments to the Watergate defendants, Petersen reported that he had been informed that Mitchell had requested that Dean approach Kalmbach to raise funds, and Dean had contacted Haldeman and Haldeman had authorized the use of Kalmbach. (WHT 969, 975–76) Petersen told the President that Kalmbach would be called before the Grand Jury regarding the details of the fund-raising operation. (WHT 969) They also discussed the prosecutors' interest in the details of the transfer from Haldeman to LaRue of the $350,000 White House fund that was used for payments to the defendants. (WHT 976)

On the following morning, April 17, 1973, the President met with Haldeman.[12] (Book IV, 1312) Early in the meeting, the President passed on the disclosures Dean had made to the prosecutors regarding Dean's meeting with Liddy on June 19, 1972. (WHT 982) The President also told Haldeman that the money issue was critical: "Another thing, if you could get John and yourself to sit down and do some hard thinking about what kind of strategy you are going to have with the money. You know what I mean." This comment is followed by a deletion of "material unrelated to President's action."[13] (WHT 983) Following the deletion, the transcript shows that the President instructed Haldeman to call Kalmbach to find out what Kalmbach was going to say Dean had told him regarding the purpose of the fund-raising. In addition, the President instructed Haldeman:

"Well, be sure that Kalmbach is at least aware of this, that LaRue has talked very freely. He is a broken man." (WHT 983)[14]

At 12:35 p.m. on April 17, 1973,[15] the President met with Haldeman, Ehrlichman and Ziegler. (Book IV, 1347) At this meeting, he again relayed information relating to the Watergate investigation. The President and Haldeman discussed Petersen's opinion, that while the prosecutors had a case on Ehrlichman, the Grand Jury testimony of Strachan and Kalmbach would be crucial to proof of Haldeman's criminal liability. The President returned to the problem presented by the funds paid to the defendants—the issue which Petersen had informed him was then being explored by the Grand Jury. The President encouraged Haldeman and Ehrlichman to deal with the problem: "Have you given any thought to what the line ought to be—I don't mean a lie—but a line, on raising the money for these defendants?" (WHT 994) He advised Haldeman that, "you see, you can't go in there and say I didn't know what in the hell he wanted the $250 for." (WHT 995)

Later in the meeting, the President discussed with Haldeman and Ehrlichman the man Petersen had identified as critical to the issue of Haldeman's liability, Gordon Strachan. The President said, "Strachan has got to be worked out," (WHT 1011–12) and then proceeded to discuss with Haldeman the facts about which Strachan could testify. At this point, the President told Haldeman that Petersen believed that Strachan had received material clearly identifiable as telephone tap information. (WHT 1012) After a brief discussion of the issue, the President closed this discussion by saying, ". . . I want you to know what he's [Petersen] told me." (WHT 1013)

VIII. April 17, 1973, Meeting With Petersen

Shortly after his meeting with Haldeman, Ehrlichman and Ziegler, the President met with Petersen from 2:46 to 3:49 p.m.[16] (Book

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[10] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[11] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[12] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. He submitted an edited transcript. The President did not interpose such a claim with respect of this portion of the conversation.

[13] In response to the Supreme Court decision in *United States* v. *Nixon*, the President produced in the District Court for examination by Judge Sirica a tape recording of this conversation. The decision permitted the President to interpose claims of privilege with respect to parts of the conversation not related to Watergate, but the President made no such claim with respect to this portion of the conversation.

[14] When the President was told at a later meeting on April 17 that Dean had told Ehrlichman that he had revealed to Kalmbach the purpose of the payments, he suggested that Ehrlichman could falsely state that Dean had told Ehrlichman he did not tell Kalmbach the purpose of the payments. (WHT 1201)

[15] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. He submitted an edited transcript.

[16] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording

IV, 1397) The President opened the discussion by asking if there were anything new that he should know; he also cautioned Petersen that he did not want to be told anything out of the Grand Jury, unless Petersen thought the President needed to know it. (WHT 1060) Later in the meeting, they discussed the status of Haldeman and Ehrlichman if Magruder were indicted. Petersen suggested the government might name everybody but Haldeman and Ehrlichman as unindicted co-conspirators in order "to give you time and room to maneuver with respect to the two of them." (WHT 1088)

Petersen reported that LaRue had broken down and cried like a baby when testifying about John Mitchell (WHT 1095); that in all probability there was not enough evidence to implicate Strachan as a principal, that at this point he was a fringe character (WHT 1091–92); that the case against Ehrlichman and Colson was more tangential that that against Haldeman (WHT 1081); and that Hunt had testified in the Grand Jury that Liddy had told him that "his principals" (who remained unidentified) had said Hunt should leave the country. (WHT 1083) Petersen also reported that Gray had admitted that Dean had turned over documents from Hunt's safe in Ehrlichman's presence (WHT 1097–98); and that Magruder was naming Haldeman and Ehrlichman not by first-hand knowledge, but by hearsay. (WHT 1105–06)

One minute after the end of this meeting with Petersen, the President met again with Haldeman, Ehrlichman and Ziegler.[17] (Book IV, 1413) The President relayed the information that Petersen had talked to Gray and that Gray admitted receiving and destroying the Hunt files. (WHT 1116) The President then told Haldeman and Ehrlichman about his conversation with Petersen regarding the possibility of their being named as unindicted co-conspirators in an indictment of Magruder. The President detailed the nature of this discussion:

"P Here's the situation, basically, (unintelligible) They're going to haul him [Magruder] in court, have him plead guilty, put a statement out because Sirica always questions the witnesses who plead guilty. They are going to make it as broad as they can and as narrow as they can at the same time. By being as broad as they can, they are going to say that he has named certain people and they are going to name a group of people that is nonindictable co-conspirators. They're going to include everybody on that list. I said, 'Is Dean going to be on that list?' He said, 'Yes.' He said, 'Frankly (unintelligible) not include Haldeman and Ehrlichman, which give you an option.' I said, 'Are you telling me that if Haldeman and Ehrlichman decide to take leave, that you will not then proceed with the prosecution.' 'No,' he said, 'I don't mean that.' He said, 'What I mean is that they are not going to appear on that list and that (unintelligible) Grand Jury and make case there (unintelligible). So there's the—

"E Well, whether we take leave or not doesn't affect the list that they read off.

"P Yes. Yes.

"E Oh, it does? Yes, it does. They will put us on the list if we don't take leave?

"P Yes, because otherwise, he says, he says Sirica is going to question Magruder and he's going to question (unintelligible) and it appears (unintelligible). If he does that, then it will appear that the Justice Department again is covering up." (WHT 1116–17)

Between April 17 and April 25, 1973, Petersen reported to the President that lie detector tests had been administered to Magruder and to Strachan. Strachan contradicted Magruder's testimony that Magruder had given Strachan the Liddy Plan budget and summaries of intercepted communications for delivery to Haldeman. Strachan failed his test; Magruder passed his; and Petersen advised the President of these facts. (Petersen testimony, 3 HJC 102) In spite of the fact that the President knew who was telling the truth, he did not help Assistant Attorney General Petersen form a judgment as to the credibility of Magruder or Strachan.

IX. Immunity for Dean

During the course of the Grand Jury investigation the President tried to persuade Petersen to refuse to grant immunity to Dean. On Apirl 15, 1973, Petersen told the President that Dean was attempting to provide enough evidence to secure immunity from prosecution. (Petersen testimony, 3 HJC 82) The President was aware that Dean possessed information that could implicate Haldeman, Ehrlichman, Colson, and possibly the President himself in the Watergate matter. On April 14, Dean told Haldeman and Ehrlichman that the prosecutors had told his lawyers that they were targets of the Grand Jury and that in Dean's opinion they could be indicted on obstruction of justice charges. (Book IV, 699–701) On the same day, the President said to Haldeman and Ehrlichman that they should find out about Dean: ". . . To find out—let me put it this way. You've got to find out what the hell he is going to say. (unintelligible) which is frightening to me, (unintelligible)" (WHT 540)

Under the immunity statutes, the power to obtain a court order of immunity is given to United States Attorneys acting with the approval of the Attorney General, the Deputy Attorney General or designated Assistant Attorney General. (18 U.S.C. § 6003) The President does not have the power to grant immunity. Although the President issued no order to Petersen about immunity for Dean, the President discouraged its use. Without immunity, Dean was less likely to testify.

After Petersen told the President that Dean was seeking immunity, the President closely followed the status of Dean's negotiations with the prosecutors. At a meeting with Petersen on April 16, 1973, the President asked about the deal with Dean.

Petersen told the President that while there was no deal with Dean, Dean's counsel wanted one. Petersen said he was considering granting immunity to Dean if he could provide evidence that could be used to convict higher-ups. (WHT 885–90) The President was told that Dean's negotiation tactics could present an important threat not only to Haldeman and Ehrlichman, but also to the President. (WHT 925–26)

On April 17, 1973, the President discussed with Haldeman the threat that Dean's efforts to secure immunity presented: "Dean is trying to tell enough to get immunity and that is frankly what it is Bob." Haldeman responded, "That is the real problem we've got. . . ."[18] (WHT 986–87) At a meeting later in the day, Ehrlichman relayed to the President Colson's recommendation that denying immunity to Dean would discourage him from providing harmful information to the prosecution. Ehrlichman stated further that:

"Colson argues that if he is not given immunity, then he has even more incentive to go light on his own malfactions and he will have to climb up and he will have to defend himself." (WHT 987–88)

Later in the meeting, the President acknowledged that "Petersen's the guy that can give immunity. . . ." and "Dean is the guy that he's got to use for the purpose of making the case." (WHT 993–94)

After discussing Colson's recommendation, the President, Haldeman and Ehrlichman considered the matters about which Dean might testify. They expressed concern that Dean could disclose facts relating to the Ellsberg break-in; "the ITT thing" (WHT 1029); and Dean's conversation with the President on March 21, 1973 regarding the payment to Hunt. (WHT 991, 1031–34) The meeting ended with the President deciding to get Petersen in to tell him that the President did not want anybody on the White House staff to be given immunity. (WHT 1951–52, 1056)

Later in the afternoon of April 17, 1973, the President met with Petersen. The President warned Petersen that any immunity grant to Dean would be interpreted as a "straight deal" (WHT 1078) on Petersen's part to conceal the fact that Petersen had provided Dean with Grand Jury information during the summer of 1972. The President stated that while he did not care whether Petersen immunized Strachan or other "second people" (WHT 1077), he did not want Petersen giving immunity to Dean. (WHT 1077–79). Near the end of the meeting, Petersen objected to the President's proposed public statement opposing grants of immunity to Administration officials, and reminded the President that he felt it was a terribly important tool for the prosecutors to have available. (WHT 1101–02)

Within an hour, the President issued a public announcement on Watergate, including the statement that the President felt that no individual holding a position of major importance in the Administration should be granted immunity. (Book IV, 1420)

Two days later the President met with the attorneys for Haldeman and Ehrlichman. (Book IV, 1513, 1515) The President described Dean as a "loose cannon" and told them that he had put out his statement on immunity because the prosecutors were at that point hung up on the question of giving immunity to Dean. (WHT 1239–40)

On April 18, 1973, the President called Petersen.[19] (Book IV, 1471) Petersen has testified that the President "was rather angry" (Book IV, 1474) and chewed Petersen out for having granted immunity to Dean. (Petersen testimony, 3 HJC 98, 176) Petersen denied that Dean had been granted immunity and told the President he would check with the prosecutors and call the President back.[20] In this second call, Petersen assured the President that Dean had not been given immunity. When Petersen reported this denial, the President said he had a tape to prove his contention. (Book IV, 1474–75; Petersen testimony, 3 HJC 97)

By the end of April, the prosecutor's negotiations with Dean for immunity were broken off, and Dean did not receive immunity from prosecution. (Petersen testimony, 3 HJC 117)

X. Other Contacts With Petersen Prior to April 27, 1973

From April 18, 1973 through April 30, 1973, the date of Haldeman's and Ehrlichman's resignations, the President continued his

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and other materials related to the conversation. The President refused to produce this recording. He submitted an edited transcript.

[17] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. He submitted an edited transcript.

[18] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. He submitted an edited transcript.

[19] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. He submitted an edited transcript. Petersen has testified that the edited transcript is not fully accurate. (Petersen testimony, 3 HJC 176–78)

[20] On April 30, 1974, the House Judiciary Committee subpoenaed the tap recording and other materials related to this conversation. The President denied that the conversation was recorded.

series of meetings and telephone calls with Petersen.[21] (Book IV, 1532–34)

During a telephone conversation on the evening of April 18, 1973, Petersen informed the President that the Department of Justice had received information that Hunt and Liddy had broken into the offices of Daniel Ellsberg's psychiatrist.[22] The President told Petersen that [23] that was a national security matter and that Petersen should stay away from it. (Book VII, 1959–61; 1956–66) The President did not disclose to Petersen on March 17, 1973 that Dean had told him that Hunt and Liddy had broken into Dr. Fielding's office (WHT 157–58); that on March 21, 1973 Dean had told him that Ehrlichman had potential criminal liability for the conspiracy to burglarize the Fielding office (HJCT 105); or that on the afternoon of March 21, 1973 Ehrlichman had told him that the Fielding break-in was an illegal search and seizure that might be sufficient at least for a mistrial in the Ellsberg prosecution. (HJCT 139; Petersen testimony, 3 HJC 153)

At many of the meetings with Petersen during this period the President continued to seek information on the progress of the Watergate investigation and on the evidence that was being accumulated against Haldeman and Ehrlichman. (Book IV, 1535–41) During this period, the President also met frequently with Haldeman and Ehrlichman.[24] (Book IV, 1469–70, 1558; Meetings and Conversations between the President and John Ehrlichman, April 18–29, 1973)

The President knew by this time that Haldeman was a prime suspect of the Grand Jury investigation. On April 15, 1973, Petersen had recommended to the President that Haldeman be dismissed because of his alleged involvement in various Watergate-related matters (Petersen testimony, 3 HPC 82); from that date Petersen had kept the President informed about the evidence against Haldeman. On April 17, 1973, Petersen also told the President that the evidence on Haldeman, Ehrlichman and Colson indicated that Haldeman was the most directly involved.[25] (WHT 1080) By April 25, 1973, the President was aware that the issue of the payments to the Watergate defendants and Haldeman's role in this and other matters were being investigated by the Grand Jury. (WHT 994–95)

On April 25, 1973, the President directed Haldeman to listen to the tape of the March 21 conversation with Dean. (Book IX, 108, 114) Dean had been speaking to the prosecutors during April; Haldeman in listening to the tapes would be able to prepare a strategy for meeting whatever disclosures Dean might make.

On April 25, 1973, pursuant to the President's direction, Haldeman requested and received twenty-two tapes of Presidential conversations during February, March and April 1973. (Book IX, 108, 114–15, 123) On the afternoon of April 25, 1973, Haldeman listened to the March 21, 1973 morning conversation. In listening to the recording of this meeting, Haldeman made twenty pages of detailed notes on its contents. (Book IX, 116) At 4:40 p.m. on April 25, 1973, Haldeman met with the President and reported to him on the contents of the tape. Book IV, 1558, 1562) The President instructed Haldeman to listen to the March 21 tape again. (Book IX, 118, 126)

The meeting between the President and Haldeman on April 25, 1973 ended at 5:35 p.m. (Book IV, 1558) Two minutes later, at 5:37 p.m., Petersen entered and met with the President for more than an hour. (Book IV, 1618) The President did not inform Petersen of the taping system, the contents of the March 21, 1973 tape, or of the fact that Haldeman had been directed to listen to it and had done so that very day. (Petersen testimony, 3 HJC 102)

On April 26, 1973, Haldeman again received the group of tapes, including the March 21 tape. (Book IV, 1560, 1563) He listened again to the March 21 tape and reported to the President. (Book IX, 119–21) On April 26, 1973, Haldeman and the President met for more than five hours.[26] (Book IX, 126) Haldeman's review and his meeting with the President also were not reported to Petersen.

XI. April 27, 1973, Meetings With Petersen

On April 27, 1973, the President met twice with Petersen. (Book IV, 1633) They discussed the Grand Jury investigation and the President's concern about rumors that Dean was implicating the President in the Watergate matter. (WHT 1257–93) Petersen assured the President that he had told the prosecutors that they had no mandate to investigate the President. (WHT 1259) In this context, and one day after discussing with Haldeman the contents of the March 21 tape, the President made the following statement to Petersen about his conversation with Dean about the payment to Hunt:

". . . let me tell you the only conversations we ever had with him, was that famous March 21st conversation I told you about, where he told me about Bittman coming to him. No, the Bittman request for $120,000 for Hunt. And I then finally began to get at them. I explored with him thoroughly. 'Now what the hell is this for?' He said, 'It's because he's blackmailing Ehrlichman.' Remember I said that's what it's about. And Hunt is going to recall the seamy side of it. And I asked him, 'Well how would you get it? How would you get it to them?' so forth. But my purpose was to find out what the hell had been going on before. And believe me, nothing was approved. I mean as far as I'm concerned—as far as I'm concerned turned it off totally." (WHT 1259)

At his second meeting with Petersen on April 27, 1973, the President provided Petersen with another version of the events occurring on March 21 and March 22, 1973:

"Dean. You will get Dean in there. Suppose he starts trying to impeach the President, the words of the President of the United States and says, 'Well, I have information to the effect that I once discussed with the President the question of how the possibility, of the problem,' of this damn Bittman stuff I spoke to you about last time. Henry, it won't stand up for five minutes because nothing was done, and fortunately I had Haldeman at that conversation and he was there and I said, 'Look, I tried to give you this, this, this, this, and this.' And I said, 'When you finally get it out, it won't work.' Because, I said, 'First, you can't get clemency to Hunt.' I mean, I was trying to get it out. To try to see what that Dean had been doing. I said, 'First you can't give him clemency.' Somebody has thrown out something to the effect that Dean reported that Hunt had an idea that he was going to get clemency around Christmas. I said, 'Are you kidding? You can't get clemency for Hunt. You couldn't even think about it until, you know, '75 or something like that.' Which you could, then because of the fact, that you could get to the—ah—But nevertheless, I said you couldn't give clemency. I said, 'The second point to remember is "How are you going to get the money for them?" If you could do it, I mean you are talking about a million dollars.' I asked him—well, I gave him several ways. I said, 'You couldn't put it through a Cuban Committee could you?' I asked him, because to me he was sounding so damned ridiculous. I said, 'Well under the circumstances," I said, "There isn't a damn thing we can do. I said, 'It looks to me like the problem is John Mitchell.' Mitchell came down the next day and we talked about executive privilege. Nothing else. Now, that's the total story. And—so Dean—I just want you to be sure that if Dean ever raises the thing, you've got the whole thing. You've got that whole thing. Now kick him straight—." (WHT 1278–79)

XII. Conclusion

After March 21, 1973, the President acted to avoid the indictment of Haldeman, Ehrlichman and others at the White House by concealing what he knew about their involvement in Watergate and the cover-up, by personally misleading Attorney General Kleindienst and Assistant Attorney General Petersen, by personally obtaining information from Petersen in order to convey that information to subjects of investigation, by personally planning false and misleading explanations for Haldeman and Ehrlichman, by personally urging Petersen not to grant immunity to Dean in order to make it more difficult for the Department of Justice to build a case against Haldeman and Ehrlichman, by personally directing the coaching of witnesses corruptly using information in preparing a defense strategy, and by personally instructing witnesses to give untrue testimony.

The President's interference with the Senate Select Committee on Presidential Campaign Activities

I. Introduction

The President's strategy in March and April, 1973, was not only directed at blocking the investigation by the Department of Justice, but also at narrowing and thwarting the hearings of the Senate Select Committee on Presidential Campaign Activities (SSC).

II. Policy Toward SSC Prior to March 21, 1973

On February 7, 1973, the SSC was established by unanimous vote of the Senate to investigate 1972 Presidential campaign fundraising practices, the Watergate break-in and the concealment of evidence relating to the break-in. (Book III, 522–25)

On February 10 and 11, 1973, Haldeman, Ehrlichman, Dean and Special Counsel to the President Richard Moore met at La Costa, California to discuss strategy to deal with the proposed SSC hearings. The President wanted to know what strategy should be adopted on executive privilege and other similar matters. The meetings lasted between 8 and 14 hours. (Book III, 536) The President decided that CRP rather than the White House would take primary responsibility for the defense on Watergate-related matters and that John Mitchell should be asked to coordinate activities. (Book III, 546) They discussed possible dilatory tactics with respect to the SSC hearings, such as monetary assistance to the attorneys for the Watergate defendants in seeking judicial delay of the hearings. They agreed Moore would go to New York to speak to Mitchell about the group's discussions and Mitchell's role in preparing for the hearings. (Book III, 539–40)

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[21] On May 30 and June 24, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to the April 19, 1973 conversation. The President refused to produce this recording.

[22] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President responded that the conversation was not recorded.

[23] Petersen testified "that could have referred either to knowledge of the break-in or to knowledge of the report to the prosecutors." (Petersen testimony, 3 HJC 163)

[24] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to 19 such conversations. The President refused to produce these recordings. (Book IX, 1060–64)

[25] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to the conversation. The President refused to produce this recording. He submitted an edited transcript.

[26] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recordings and other materials related to the conversations of April 25, 1973 and April 26, 1973. The President refused to produce these recordings. (Book IX, 1036, 1060–64)

On February 28, 1973, the Senate Judiciary Committee opened its hearings on the nomination of L. Patrick Gray to be FBI Director. The Gray hearings focused on the initial FBI investigation of Watergate and especially upon the actions of Gray and Dean. During the hearings, committee members discussed Dean's being called to explain his receipt and use of FBI files during the investigation.

Prior to February 27, 1973, and again in the first week of March, Dean explained to Ehrlichman that the President would not be able to assert executive privilege with respect to Dean because Dean had so little personal contact with him. (Book III, 598–604, 610–11) On February 27, the President met with Dean and directed him to assume responsibility for Watergate-related matters. (Book III, 600, 608) On February 28, 1973, the President instructed Dean that his staff would not testify before the SSC or the Senate Judiciary Committee, but would answer written interrogatories. The President directed Dean to tell Attorney General Kleindienst, who was to meet with Senator Ervin, about the President's policy as to executive privilege. The President said ". . . our position is written interrogatories, which they will never probably accept, but it may give us a position, I mean it'd be reasonable in the public mind." (HJCT 20) The President told Dean to tell Attorney General Kleindienst, "you keep it at your level; don't say the President told you to say. . . . [T]his is the position, Dick, you should take." (HJCT 26)

In a March 2, 1973 news conference the President stated that Dean's investigation showed that no member of the White House staff had knowledge of or was involved in Watergate. (Book III, 745) The President asserted executive privilege for Dean and said that he would not allow Dean to testify before any congressional committee. When asked if he would change that position in light of allegations of illegality and impropriety against Dean, the President said he would answer that question when the issue arose. The President also promised to provide a statement on executive privilege. (Book III, 746)

The President and Dean met nineteen times in March, at the President's request; they had not met at all in the months from December, 1972 to February 27, 1973, had never before met alone, and had been together on only nine occasions since January, 1972. (Book III, 969–75)

On March 6 and 7 the President and Dean discussed executive privilege guidelines that would cover former as well as present White House personnel. (Book III, 756, 761) On March 10 the President told Dean the statement on executive privilege should be released before Dean was called as a witness by the Senate Judiciary Committee so that it would not appear to be issued in response to the Gray hearings. (Book III, 786–87, 791)

On March 12, 1973, the President issued his policy statement on executive privilege. The statement said that executive privilege would not be used to prevent disclosure of embarrassing information and would be invoked only in "the most compelling circumstances where disclosure would harm the public interest . . . ." (Book III, 796)

On March 13, 1973, the President, Haldeman and Dean discussed listing Colson and Chapin, both of whom had left the White House, as private "consultants" to the President so that they could continue to claim executive privilege with respect to the future communications with the White House regarding Watergate:

"HALDEMAN. Say, did you raise the question with the President on, on, uh, Colson as a consultant?

"DEAN. No, I didn't.

"HALDEMAN. Was that somebody [unintelligible]?

"DEAN. It was—the thought was—

"PRESIDENT. [Unintelligible]

"DEAN. Well [unintelligible] it's a consultant without doing any consulting—Yeah.

"HALDEMAN. He wanted it [unintelligible]

"DEAN. He wants it for continued protection on, uh—

"HALDEMAN. Solely for the purpose of, of executive privilege protection. So that—

"DEAN. One of those things that's kept down in the personnel office, and nothing's done on it.

"PRESIDENT. What happens to Chapin?

"DEAN. Well, Chapin doesn't have quite the same problems appearing that Colson will.

"HALDEMAN. Yeah but—you have the same, you, you have the same problems as Chapin appearing versus Colson.

"PRESIDENT. Well, can't—That would be such an obvious fraud to have both of them as consultants, that that won't work. I think he's right. Uh, you'd have to leave Chapin—

"HALDEMAN. Well, you can't make Chapin a consultant, I—we've already said he's not.

"PRESIDENT. Yeah.

"DEAN. Yeah." (HJCT 47) [1]

Haldeman suggested that the consulting agreement be back dated to the previous Saturday, so that Colson's relationship with the President would be continuous. (HJCT 48)

On March 13, 1973, during his meeting with the President, Dean discussed his role in the cover-up (HJCT 50–51); the perjury of Strachan, Magruder, and Porter (HJCT 67, 71); Segretti's activities and their supervision by Chapin (HJCT 50, 74–75); Colson's relationship with Hunt (HJCT 70–71); and Kalmbach's fundraising and campaign contributions activities. (HJCT 50) On March 15, the President reiterated his refusal to allow Dean to testify at the Gray hearings, claiming there was "a double privilege, the lawyer-client relationship, as well as the Presidential privilege." (Book III, 899)

On March 20, 1973, the President asked Dean to prepare a general statement about the involvement of White House staff members in Watergate. The President wanted to refute charges that executive privilege was part of the cover-up. The President explained to Dean:

"You've got to have something where it doesn't appear that I am doing this in, you know, just in a—saying to hell with the Congress and to hell with the people, we are not going to tell you anything because of Executive Privilege. That, they don't understand. But if you say, 'No, we are willing to cooperate,' and you've made a complete statement, but make it very incomplete." (WHT 168; Book III, 987)

On the afternoon of March 21, 1973, the President held another extensive discussion of using the report to be drafted by Dean to mislead and divert the SSC's inquiry into the Watergate matter. (HJCT 132, 136–39, 143–44) The Dean report was to describe generally the White House investigation of Watergate and to minimize the involvement of White House personnel. (See Deception and Concealment, pp. F64–65.) At the afternoon meeting on March 21, Ehrlichman said that the Dean report might have the effect of reducing the scope of the SSC inquiry.

". . . the big danger in the Ervin hearings, as I see it, is that they will, they will run out, uh, leads into areas that, that it would be better not to have to get into. But, uh, if, uh, Baker, you know, under his direction—Uh, and if you could put out a basic document that would, uh, define a limited set of issues, uh, even if you, you don't try to concentrate on target, you just might have something. . . ." (HJCT 132)

III. Policy After March 21, 1973

On March 22, 1973, Mitchell came to Washington for a meeting with the President, Haldeman, Ehrlichman and Dean to develop a new strategy to keep criminal liability away from the President's closest subordinates, as well as to use executive privilege and the Dean report. (Book III, 1267–75) At the March 22 meeting there was a discussion of revised strategy that Ehrlichman called a "modified limited hang out." (HJCT 179) This combined providing the Dean report to the committee with a limited waiver of executive privilege to allow certain White House aides, specifically Colson, Haldeman and Ehrlichman, to appear before the SSC, preferably in private sessions. Mitchell argued, however, against permitting Dean to testify. (HJCT 16) Haldeman said that the President's previous position on executive privilege looked like "the only active step you've [the President] taken to cover up the Watergate all along," and that "the guy sitting at home who watches John Chancellor" wonders "What the hell's he covering up? If he's got no problem why doesn't he let them go and talk?" (HJCT 164–65)

After deciding to adopt a limited waiver of executive privilege as part of the "modified limited hang out" strategy, the President discussed ways to use executive privilege to negotiate with the committee for a compromise on conditions governing staff appearances and the bounds of the committee's investigation. Ehrlichman suggested turning the Dean report over to the committee as a quid pro quo for an agreement "on how witnesses will be treated up there." (HJCT 161) The report, if limited to the conclusion that no one in the White House was involved in Watergate, could also be used to support an argument for limiting the committee's inquiry. The President indicated that he wanted such a report forwarded to the SSC, and he indicated that the report could be billed as all the information the White House then possessed:

"This is everything we know, Mr. Senator. . . . This is everything we know; I know nothing more. This is the whole purpose, and that's that. If you need any further information, my, our counsel will furnish it, uh, that is not in here . . . ." (HJCT 181)

The President stressed the importance of testimony being taken in executive session so that the claim of executive privilege to a particular question would not create the unfavorable impression often associated with a Fifth Amendment plea. (HJCT 182)

On the evening of April 14, the President talked to Ehrlichman, who suggested that if Mitchell were indicted, Mitchell's lawyers would fight to delay the SSC. (WHT 655–57) The President suggested that would leave the committee "hanging for a while," and that if hearings were delayed it might be possible to "get off the damn executive privilege" and put the President "in the position of being as forthcoming as we can." (WHT 657–58)

On April 17, 1973, the President stated publicly that the White House and the SSC had decided on ground rules that would permit the appearance of White House aides in public session. (Book IV 1420) Shortly after the President acknowledged the certainty of appearances at public hearings by former and present aides, he asked Haldeman to listen to certain recordings of Presidential conversations to confirm what transpired during the President's March 21 meeting with Dean. (Book IV, 1567)

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[1] Colson testified that sometime around March 8 or 9, 1973, he discussed with Dean and Haldeman the possibility of being retained as a White House consultant. He further testified that he signed a consulting agreement either at the time he left the White House (March 10, 1973) or shortly thereafter. (Colson testimony, 3 HJC 322)

IV. Haldeman's testimony

The President was particularly concerned about the charges expected to be made against him by Dean. On April 25, 1973, Haldeman, at the President's direction, listened to the tape of the March 21, 1973 morning meeting among the President, Dean and Haldeman. (Book IV, 1567, 1569) He made twenty pages of notes from the tape and immediately reported to the President. During this meeting, the President decided that Haldeman should listen again to the March 21 tape to determine answers to certain points of doubt raised by the tape. Haldeman listened to the tape again and reported to the President. (Book IX, 109–21) On April 26, 1973, Haldeman and the President met for approximately five hours.[2] (Book IV, 1558)

On June 4, 1973, the President listened to tape recordings of certain of his conversations in February and March, 1973. (Book IX, 170–72) During the day the President spoke with Haig and Ziegler about their March 21 conversation. The President said:

"PRESIDENT. . . . Well, as I told you, we do know we have one problem: It's that damn conversation of March twenty-first due to the fact that, uh, for the reasons [unintelligible]. But I think we can handle that.

"HAIG. I think we ca—, can. That's that's the—

"PRESIDENT. Bob can handle it. He'll get up there and say that—Bob will say, 'I was there; the President said—'." (Book IX 177–78)

Haldeman appeared before the SSC on July 30, 31, and August 1, 1973. (Book IX, 434–35) He testified about the substance of the President's March 21 morning meeting with Dean. He testified

(a) That the President said, "[T]here is no problem in raising $1 million, we can do that, but it would be wrong." (Book IX, 436–37, 440)

(b) That "There was a reference to his [Dean's] feeling that Magruder had known about the Watergate planning and break-in ahead of it, in other words, that he was aware of what had gone on at Watergate. I don't believe that there was any reference to Magruder committing perjury." (Haldeman testimony, 8 SSC 3144)

Later, the President himself said that Haldeman had testified accurately.

V. Conclusion

President Nixon's attempts to cover up the facts of Watergate included an effort to narrow and divert the SSC's investigation. The President directed the preparation of an "incomplete" Dean report to mislead the committee and narrow its inquiry. He attempted to extend executive privilege to former aides and attempted to invoke the doctrine to prevent their testimony. After hearings began, false testimony was given to prevent the truth from emerging, testimony that the President himself confirmed.

April 30, 1973 to the President

I. Pledge of Cooperation

On April 30, 1973, the President accepted the resignations of Haldeman, Ehrlichman and Kleindienst. He requested and received the resignation of Dean. (Book IX, 132) In his public statement announcing these resignations, the President described Haldeman and Ehrlichman as two of the finest public servants it had been his privilege to know. (Book IX, 134) The President told the American people that he wanted them to know beyond a shadow of a doubt that during his term as President, justice would be pursued fairly, fully and impartially, no matter who was involved. The President pledged to the American people that he would do everything in his power to insure that the guilty were brought to justice. (Book IX, 135) The President said that he had given Attorney General designate Elliot Richardson absolute authority to make all decisions bearing upon the prosecution of the Watergate case, and related matters. (Book IX, 134–35) On May 9, 1973, the President reiterated that both his nominee for Attorney General and the Special Prosecutor that Richardson would appoint, in this case, would have the total cooperation of the executive branch of this government. (Book IX, 141)

On May 21, 1973, Richardson appeared with Special Prosecutor designate Archibald Cox before the Senate Judiciary Committee. In response to requests by Senators on the Committee for assurances with respect to the Special Prosecutor's authority, Richardson submitted to the Committee a statement of the duties, authority, and responsibilities the Special Prosecutor would have. The statement, which incorporated the views of Members of the Senate Committee, provided the Special Prosecutor with jurisdiction over offenses arising out of the unauthorized entry into the DNC headquarters at the Watergate, offenses arising out of the 1972 Presidential election, allegations involving the President, members of the White House staff or Presidential appointees and other matters which the Special Prosecutor consented to have assigned by the Attorney General. The guidelines also provided that the Special Prosecutor would have full authority for determining whether to contest the assertion of executive privilege, or any other testimonial privilege and that he would not be removed except for "extraordinary improprieties." The guidelines later were published as a formal Department of Justice regulation. (Book IX, 150)

On May 22, 1973, the President stated publicly that Richardson had demonstrated his own determination to see the truth brought out: "In this effort he had my full support." The President also said that executive privilege would not be invoked as to any testimony concerning possible criminal conduct or discussions of possible criminal conduct, in the matters presently under investigation, including the Watergate affair and the alleged cover-up. (Book IX, 153) In spite of these statements, On May 25, 1973, just before Richardson was sworn in as Attorney General, the President mentioned privately to Richardson that the waiver of executive privilege extended to testimony but not to documents. (Book IX, 157) This reservation had not been raised nor alluded to in any way during the Senate Judiciary Committee hearings on Richardson's nomination.

II. Refusal to provide documents

Beginning in April, 1973, documents necessary to the Watergate and related investigations were transferred to rooms in the EOB to which all investigators were denied access. (Book IX, 163, 258–59) On April 30, 1973, the day he resigned, Ehrlichman instructed David Young to make sure that all papers involving the Plumbers were put in the President's files, where all investigators would be denied access to them. Ehrlichman told Young that, before he left, Ehrlichman himself would be putting some papers in the President's files. (Book IX, 128–29) Other White House aides including Haldeman, Dean, Strachan, and Buchanan had their records transferred to the President's files as well.

On June 11 and June 21, 1973, the Special Prosecutor wrote to J. Fred Buzhardt, the President's Counsel, requesting an inventory of the files of Haldeman, Ehrlichman, Mitchell, LaRue, Liddy, Colson, Chapin, Strachan, Dean, Hunt, Krogh, and Young, and other files related to the Watergate investigation. Buzhardt informed Cox that the President would review the request and would decide upon it and other requests from the Special Prosecutor. After many weeks, Cox was told that the President had denied his request for an inventory. (Book IX, 258, 260–61) Those documents which were turned over to Cox were not delivered until after a long delay. Certain White House logs and diaries requested by Cox on June 13, 1973, were not delivered for more than five months. The White House file on ITT, originally requested on June 21, 1973, was not produced until August. (Book IX, 592–93, 884)

On August 23, 1973, Cox requested from the White House certain records concerning the Pentagon Papers and the Fielding break-in. (Book IX, 504–07) On October 4, 1973, Cox repeated the request. (Box IX, 508–10) On August 27, 1973, Cox requested White House records on the electronic surveillance of Joseph Kraft. (Book IX, 518) None of these documents was produced while Cox was Special Prosecutor. (Book IX, 302, 522)

In September, 1973, prior to his appearance before the Senate Select Committee and the Watergate Grand Jury, Special Assistant to the President Patrick Buchanan was instructed by White House counsel not to take certain documents from the White House, but to transfer them to the President's files, to which all investigators have been denied access. (Book IX, 600–02)

III. Concealment of the Taping System

Evidence bearing on the truth or falsity of allegations of criminal misconduct may be contained in recordings of conversations between the President and his staff. The President attempted to conceal the existence of these recordings. (Book IX, 179–80, 246) and, once their existence became known, refused to make them available to the Special Prosecutor. (Book IX, 408, 426) The President discharged Cox for insisting on the right to obtain them through judicial process.

Before the existence of the White House taping system was disclosed, Special Prosecutor Cox, was advised that the President had a tape of his April 15, 1973, meeting with John Dean. On June 11, 1973, Cox requested access to that tape. On June 16, Buzhardt, after speaking with the President about Cox's request, informed Cox that the tape in question was a dictabelt recording of the President's recollections of the events of April 15, 1973, and that it would not be produced. (Book IX, 246–47, 253) On June 20, 1973, Cox wrote to Buzhardt stating that, on April 18, 1973, when Henry Petersen was in charge of the Watergate investigation, the President had offered the tape to him. (Book IX, 244–45, 248–49) Buzhardt never told Cox that all conversations in the Oval Office, the President's EOB office, and from certain telephones were recorded.

On July 16, 1973, ten weeks after Cox's first request for the April 15 tape, Alexander Butterfield publicly disclosed before the Senate Select Committee the existence of the White House taping system. (Book IX, 380–81) Two days later, the President ordered the taping system disconnected, and custody of the tapes transferred from the Secret Service to a White House aide. (Book IX, 385–86) On July 18, 1973, Special Prosecutor Cox requested tapes of eight Presidential conversations. (Book IX, 389–92) On July 20, 1973, Cox wrote Buzhardt to ask that all necessary steps be taken to insure the integrity of the tapes, that custody of the tapes be limited and that access to them be documented. (Book IX, 394) On July 25, 1973, Buzhardt replied in writing:

"... I am glad to be able to assure you that the tapes you referred to therein are being preserved intact. The President has sole personal control of those tapes and they are being adequately protected under secure conditions."

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[2] On May 30, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to the conversations of April 25 and 26, 1973. The President refused to produce these recordings.

The President confirmed this in a letter to Senator Sam Ervin, on July 23, 1973. ("Presidential Statements," 7/23/73, 29)

IV. The Discharge of Special Prosecutor Cox

On July 23, 1973, when the President refused Cox's request for tapes, the Special Prosecutor issued a subpoena for recordings of nine Presidential conversations. (Book IX, 408–10, 414–16) On August 29, 1973, Judge Sirica ordered the production of these recordings for *in camera* review. (Book IX, 586) On October 12, 1973, the United States Court of Appeals dismissed the President's appeal and upheld Judge Sirica's order. (Book IX, 748)

Rather than comply with the court order, the President set in motion a chain of events that culminated one week later in the discharge of Cox. On October 17, 1973, at the President's direction, Attorney General Richardson relayed to Cox a White House proposal whereby, in lieu of the *in camera* inspection of the recordings required by the Court's decision, Senator John Stennis would verify White House transcripts of the tapes. (Book IX, 762, 766–67) Richardson told Cox that the question of other tapes and documents would be left open for later discussions. The next day, Cox replied that the President's proposal was not, in essence, unacceptable. (Book IX, 767) The President, through Special Counsel Charles Alan Wright, ordered Cox, as an added condition of the proposal, to refrain from going to court for additional tapes and presidential documents. (Book IX, 791–92, 795) Richardson wrote the President that while he had thought the initial proposal reasonable, he did not endorse the new condition. (Book IX, 812–13)

On the evening of October 19, 1973, the President issued a statement ordering Cox to agree to the proposal and to desist from issuing subpoenas for tapes and documents. (Book IX, 800) On October 20, 1973, Cox said that his responsibilities as Special Prosecutor compelled him to refuse to obey that order. (Archibald Cox Press Conference, October 20, 1973, 3–4, 6–7, 16–17) The President then instructed Richardson to discharge Cox. Richardson refused and resigned. When the President gave the same instruction to Deputy Attorney General Ruckelshaus, Ruckelshaus also refused and resigned. (Book IX, 817, 819) The President then directed Solicitor General Robert Bork to fire Cox, and Bork did so. Later that night, White House Press Secretary Ziegler announced that the office of Special Prosecutor had been abolished. (Book IX, 823–25)

There is evidence that the President's decision to discharge Cox was made several months before October 20, 1973. On June 27, 1973, the Special Prosecutor formally requested that the President furnish a detailed narrative statement covering the conversations and incidents described by Dean before the Senate Select Committee. Cox noted that the President had been named as someone with information about the involvement of a number of persons in a major conspiracy to obstruct justice. He suggested that the President attach copies of all relevant transcripts and other papers or memoranda to his narrative. (Book IX, 318–19) On July 3, 1973, General Alexander Haig, who had replaced Haldeman as the President's Chief of Staff, called Richardson, in connection with a news story that Cox was investigating expenditures at the Western White House at San Clemente, and told Richardson that it could not be part of the Special Prosecutor's responsibility to investigate the President and that the President might discharge Cox. (Book IX, 331) On July 23, 1973, Haig again complained about various activities of the Special Prosecutor. Haig said that the President wanted a "tight line drawn with no further mistakes," and that "if Cox does not agree, we will get rid of Cox." (Book IX, 331–32) On July 15, 1973, Buzhardt, responding to Cox's request of June 27, 1973, said that, at an appropriate time, the President intended publicly to address the subjects, being considered by the SSC, including Dean's testimony. In his public statement of August 15, 1973, the President said that the record before the SSC was lengthy, the facts complicated, the evidence confusing and that he had on May 22, 1973 issued a detailed statement addressing the charges that had been made against the President and that he would not deal with the various charges in detail. ("Presidential Statements," 8/15/73, 33) In an affidavit submitted to the House Judiciary Committee, Richardson has said that, when he met with the President in late September or early October 1973, "[a]fter we finished our discussion about Mr. Agnew, and as we were walking toward the door, the President said in substance, 'Now that we have disposed of that matter, we can go ahead and get rid of Cox.' " (Book IX, 159)

After the President discharged Cox, resolutions calling for the President's impeachment were introduced in the House. Bills calling for the creation of an independent investigatory agency were introduced in the House and Senate. (Cong. Record, October 23, 1973, H9356; Cong. Record, October 24, 1973, H9397; Cong. Record, October 23, 1973, S19439, S19443–44, S19454, H9354, H9355; and Cong. Record, October 24, 1973, H9396) Under tremendous public pressure the President surrendered to the court some subpoenaed tapes and offered explanations for the absence of others. (Book IX, 1230, 673, 677, 878) The President then authorized the appointment of another Special Prosecutor. (Book IX, 833)

V. Refusal to Cooperate with Special Prosecutor Jaworski

On October 26, 1973, the President announced he had decided that Acting Attorney General Bork would appoint a new Special Prosecutor. The President stated that the Special Prosecutor would have independence. He would have total cooperation from the executive branch. The President added that it was time for those who were guilty to be prosecuted, and for those who were innocent to be cleared. (Book IX, 883) On November 1, 1973, Acting Attorney General Robert Bork named Leon Jaworski Special Prosecutor. (Book IX, 847)

On February 14, 1974, Jaworski wrote to Chairman Eastland of the Senate Judiciary Committee that, on February 4, Special Counsel to the President James St. Clair had informed Jaworski that the President would not comply with the Special Prosecutor's outstanding requests. Jaworski also said that St. Clair had informed him that the President refused to reconsider this decision to terminate cooperation with the Watergate investigation and would not produce any tape recordings of Presidential conversations related to the Watergate break-in and cover-up. The President had also refused to cooperate with the investigation of political contributions by dairy interests or the investigation of the Plumbers. (Book IX, 936–38, 945)

VI. Tapes Litigation

On April 16, 1974, Jaworski, joined by defendants Colson and Mardian, moved that a trial subpoena be issued in *United States* v. *Mitchell* directing the President to produce tapes and documents relating to specific conversations between the President and the defendants and potential witnesses. On April 18, 1974, Judge Sirica granted the motion. (Book IX, 988–89) Judge Sirica denied the President's motion to quash the subpoena. The President appealed to the Court of Appeals. Because of the public importance of the issues presented and the need for their prompt resolution, the Supreme Court of the United States granted the Special Prosecutor's petition for certiorari before judgment. On July 24, 1974, the Court ordered the President to turn over the subpoenaed tapes and documents to Judge Sirica for an *in camera* inspection. The Court stated that neither the doctrine of separation of powers, nor the need for confidentiality of high level communications, without more, could sustain an absolute, unqualified presidential privilege of immunity from judicial process under all circumstances. The Court further stated that the President's generalized assertion of privilege must yield to the demonstrated, specific need for evidence in a pending criminal trial. (*United States* v. *Nixon*, "Criminal Cases," 162–63, 182, 189)

On May 28, 1974, Jaworski asked Judge Sirica to turn over to the Special Prosecutor a portion of the tape of a September 15, 1972 meeting among the President, Haldeman and Dean. Both Haldeman and Dean had tesified that the discussion concerned IRS treatment of opponents of the White House. (*In re Grand Jury*, Misc. 47–73, Affidavit, May 28, 1974) Judge Sirica ruled against the President's claim of privilege on June 12, 1974, and the President appealed. (*In re Grand Jury*, Misc. 47–73, Order, June 12, 1974, and Notice of Appeal, June 14, 1974) The appeal is pending. Judge Sirica denied the request of counsel for the Committee and the letter request of Chairman Rodino that Committee counsel be permitted to listen to the portions the September 15 tape in question and that the transcript of the conversation which he had ordered delivered to the Special Prosecutor also be delivered to the Committee.

VII. Altered and Missing Evidence

A. 18½ minute gap on June 20, 1972 tape

After the Court of Appeals, in *Nixon* v. *Sirica*, required the President to surrender the tapes that Cox had subpoenaed, the President informed Judge Sirica that some of the material was unavailable—specifically, that there was an 18½ minute gap on the June 20, 1972 conversation between Haldeman and the President, and that there was no April 15, 1973 tape of his conversation with John Dean and there was no June 20, 1972 tape of the telephone conversation between the President and Mitchell. (Book IX, 836, 869, 871)

On August 6, 1974, the President's special counsel St. Clair told Chief Judge Sirica that a conversation between the President and Charles Colson, also on June 20, 1972, had never existed.

The erased meeting between the President and Haldeman occurred approximately one hour after Haldeman had been briefed on Watergate by Ehrlichman, Mitchell, and Dean, all of whom knew of the White House and CRP involvement. Kleindienst, who arrived 55 minutes after that briefing meeting had begun, had been told by Liddy that those involved in the break-in were White House or CRP employees. Haldeman's notes show that Buzhardt has acknowledged that the only erased portion of the tape was the conversation dealing with Watergate. (Book II, 108, 112, 153, 237–38, 240–43, 246, 249–50) It is a fair inference that the erased conversation of June 20, 1972, contained evidence showing what the President knew of the involvement of his closest advisors shortly after the Watergate break-in.

There is no record that the tape in question was ever taken out of the tape vault until the weekend of September 28, 1973, when it was delivered by the President's Special Assistant Stephen Bull to the President's personal secretary Rose Mary Woods. (*In re Grand Jury*, Misc. 47–73, Exhibits 7, 7(a), 112 and 113) From October 1, 1973, when the Uher 5000 tape recorder was delivered to Miss Woods, until November 13–14, 1973, when the 18½ minute gap was discovered, the Uher 5000 tape recorder and the June 20, 1972 EOB tape were in the possession of Miss Woods, where the President also had access to them. (Rose Mary Woods testimony, *In re Grand*

Jury, Misc. 47–73, November 26, 1973, 1214-16; November 28, 1973, 1432–33)

On November 21, 1973, the Court and the Special Prosecutor were informed of the gap. (J. Fed. Buzhardt testimony, *In re Grand Jury*, Misc. 47–73, November 29, 1973, 1614–15, 1617) Judge Sirica appointed an advisory panel of experts nominated jointly by the President's Counsel and the Special Prosecutor to examine various tape recordings, including the June 20, 1972 EOB tape, and to report on their findings. (Book IX, 870–71) The panel unanimously concluded that: (i) the erasing and rerecording which produced the buzz on the tape were done on the original tape: (ii) the Uher 5000 recorder machine used by Rose Mary Woods probably produced the buzz; (iii) the erasures and buzz recordings were done in at least five to nine separate and contiguous segments and required hand operation of the controls of the Uher 5000 recorder; and (iv) the manually erased portion of the tape originally contained speech, which, because of the manual erasures and rerecordings, could not be covered. (An analysis of this report is set forth in Appendix A.)

B. April 15, 1973 tape and dictabelt

The President said that, because the tape on the recorder in the White House taping system at his Executive Office Building office ran out, the April 15, 1973 tape never existed. He has also said that the dictabelt of his recollections of the day (referred to by Buzhardt in his June 16, 1973 letter to Cox) could not be located.[2] (Book IX, 860) Among the conversations that would have been recorded on the evening of April 15, 1973 was a meeting between the President and Dean. Dean testified, prior to the disclosure of the taping system, that he thought the President might have recorded that conversation. His suspicion was aroused because the President asked leading questions, went to the corner of the room, and said in a low voice that he had been foolish to discuss Hunt's clemency with Colson and that he had been joking when he said one million dollars for the Watergate defendants could be raised. (Book IV, 1044–46)

On April 18, 1973, the President told Petersen, with reference to the substance of his April 15, 1973 meeting with Dean, that he had it on tape. (Book IV, 1474–75) On June 4, 1973, the President listened to tape recordings of certain of his conversations in February and March 1973. (Book IX, 170, 172) When his aide, Stephen Bull, asked which additional tapes he wanted, the President said:

"PRESIDENT. March twenty-first, I don't need April, I don't need April fifteen. I need the sixteenth. [Unintelligible] correct. There were two on April sixteenth. I just want the second [unintelligible.] You can skip the—April fifteen.

"BULL. And March twenty-first.

"PRESIDENT. March twenty-first, that's right, I have those." (Book IX, 183)

In the summer of 1973, during an interview with the Senate Select Committee staff, White House assistant Stephen Bull stated that in late June, 1973, Haig called him to request that the April 15 tape of the President's conversation with Dean be flown to the President at San Clemente. Bull said that since there were no further courier flights to San Clemente that night, Haig instructed Bull to arrange for the Secret Service to play the tape for Buzhardt, so that Buzhardt could brief the President by telephone on its contents. (Book IX, 298–99, 308–09) Later Bull testified at hearings regarding the missing Presidential tapes that he had only guessed at the date of the conversation, and that the President must have been referring to the tape of a March 20 telephone call.[3] (Book IX, 311–12)

C. June 20, 1972 dictabelt and March 21, 1973 cassette gaps

In addition to the erased June 20, 1972 tape and the missing April 15, 1973 tape and dictabelt, both of which were in the sole personal custody of the President, other dictabelts contain gaps. There is a 42-second gap in the dictabelt on which the President dictated his recollections of a June 20, 1972 conversation with Mitchell. (Book II, 310) There is a 57-second gap in a cassette on which the President dictated his recollections of his March 21, 1973 conversation with Dean. (Book III, 1249)

D. Other unrecorded conversations

After the Supreme Court's decision in *United States* v. *Nixon*, the President informed Judge Sirica that some of the subpoenaed conversations were not available. Specifically, the President stated that six subpoenaed telephone conversations were placed from or received in the residence portion of the White House on a telephone not connected to the recording system; that the tape ran out after the first fourteen minutes of the telephone conversation between the President and Colson from 7:53 to 8:24 p.m. on March 21, 1973; and that he had been unable to find tape recordings covering three subpoenaed meetings (*United States* v. *Mitchell*, Cr. No. 74–110. Analysis and Particularized Claims of Executive Privilege for Subpoenaed Recorded Presidential Conversations, August 6, 1974, 2; August 9, 1974, 2)

E. Inaccuracies in Presidential transcripts

On April 29, 1973, when the President announced that he was providing approximately 1,200 pages of transcripts of private conversations in which he participated to the House Judiciary Committee, he stated that these materials, together with those already made available, will tell it all—that they included all conversations or parts thereof all the portions that related to the question of what the President knew about Watergate or the cover-up and what he did about it. (Book IX, 993, 999)

The House Judiciary Committee has been able to compare eight of the edited White House transcripts with the transcripts prepared by its staff from the tapes which the President has turned over to the Committee and from tapes in the possession of Judge Sirica. ("Comparison of White House and Judiciary Committee Transcripts of Eight Recorded Presidential Conversations") The comparison shows significant omissions, misattributions of statements, additions, paraphrases, and other signs of editorial intervention in all eight transcripts. Presidential remarks are often entirely omitted from the White House version, or significantly reworded, or attributed to another speaker.

The House Judiciary Committee transcript of the March 22, 1973 conversation among the President, Haldeman, Ehrlichman, Mitchell and Dean shows that the participants continued to talk about Watergate following the point in the discussion at which the White House transcript ends. The White House transcript does not acknowledge this omission. In a portion of a discussion with Mitchell omitted from the White House version, the President said:

"I am perfectly willing to—I don't give a shit what happens. I want you all to stonewall it, let them plead the Fifth Amendment, cover-up or anything else, if it'll save it—save the plan. That's the whole point. On the other hand, uh, uh, I would prefer, as I said to you, that you do it the other way. And I would particularly prefer to do it that other way if it's going to come out that way anyway.

* * * * *

". . . [U]p to this point, the whole theory has been containment, as you know, John.

* * * * *

". . . That's the thing I am really concerned with. We're going to protect our people, if we can." (HJCT 183)

At another point in the Committee transcript of the March 22 conversation, the President talked about getting "on with the cover up plan." The Committee and White House versions of the passage in which that occurs is set forth below:

White House transcript, p. 290	*House Judiciary Committee transcript, p. 164*
PRESIDENT. If I am not mistaken, you thought we ought to draw a line here.	PRESIDENT. If I am not mistaken, you thought we ought to draw the line where we did [unintelligible].
* * * * *	* * * * *
P Well all John Mitchell is arguing then, is that now we use flexibility	PRESIDENT. But now—what—all that John Mitchell is arguing, then, is that now we, we use flexibility.
in order to get off the coverup line.	DEAN. That's correct. PRESIDENT. In order to get on with the coverup plan.

In the March 21, 1973 afternoon meeting among the President, Dean, Haldeman and Ehrlichman, the White House version of the transcript attributes to Dean a comment about clemency by the President.

White House transcript, p. 252	*House Judiciary Committee transcript, p. 133*
E Well, my view is that Hunt's interests lie in getting a pardon if he can. That ought to be somehow or another one of the options that he is most particularly concerned about. Now, his indirect contacts with John don't contemplate that at all—(inaudible)	EHRLICHMAN. Well, my, my view is that, that, uh, Hunt's interests lie in getting a pardon if he can. That ought to be, somehow or another, one of the options that he is most particularly concerned about. Uh, his his indirect contacts with John don't contemplate that at all. Well, maybe they, maybe they contemplate it—but they say there's going [unintelligible] PRESIDENT. I know.
* * * * *	* * * * *
D He's got to get that by Christmas, I understand. E That's right. . . .	PRESIDENT. I mean he's got to get that by Christmas time. DEAN. That's right. . . .

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[2] On November 12, 1973, the President announced that he would supply the tapes of two conversations with Dean on April 16, 1973 in lieu of the April 15 conversation. The President stated that the substance of the conversations on April 16 was similar to the matters discussed on April 15 as reflected in the President's notes of the meeting. ("Presidential Statements." 11/12/73, 61)

[3] Buzhardt has testified that the taped conversation he listened to in June was a telephone conversation between the President and Dean which took place on March 20, 1973. (Book IX, 297)

In response to the Committee's subpoena of a forty-five minute conversation between the President and Dean on March 17, 1973, the President supplied the Committee with a three-page transcript that deals only with Segretti and the Fielding break-in. (WHT 157–60) On June 4, 1973, however, the President described the March 17 conversation to Ziegler:

"[. . .] then he said—started talking about Magruder, you know: 'Jeb's good, but if he sees himself sinking he'll drag everything with him.'

* * * * *

". . . And he said that he'd seen [. . .] Liddy right after it happened. And he said, 'No one in the White House except possibly Strachan's involved with, or knew about it.' He said, 'Magruder had pushed him without mercy.'

". . . I said, 'You know, the thing here is that Magruder [. . .] put the heat on, and Sloan starts ——— on Haldeman.' I said, 'That couldn't be [. . .]' I said, 'We've, we've got to cut that off. We can't have that go to Haldeman.'

* * * * *

". . . And I said, well, looking to the future, I mean, here are the problems. We got this guy, this guy and this guy.' And I said, 'Magruder can be one, one guy—and that's going to bring it right up home.

"'That'll bring it right up to the, to the White House, to the President.' And I said, 'We've got to cut that back. That ought to be cut out.'" (Book IX, 209–11)[4]

In response to a subpoena of his telephone conversation on the afternoon of April 18, 1973, with Assistant Attorney General Henry Petersen, the President has provided the Committee with a five-page edited White House transcript. (WHT 1203–07) The transcript is not in accord with Petersen's recollection of that conversation. (Petersen testimony, 3 HJC 146) In response to a subpoena of the recording of a March 22, 1973, conversation, the President submitted an edited transcript, with the heading: "Appendix 8. Meeting: The President, Haldeman, Ehrlichman, Dean and Mitchell, EOB Office, March 22, 1973. (1:57–3:43 p.m.)" Although both White House logs and the transcript itself indicate that the conversation lasted until 3:43, the last line of the transcript begins "It is 3:16." The President's transcript does not acknowledge or account for this apparent omission of 27 minutes.

In response to a subpoena of the recording of an April 16, 1973, conversation with Ehrlichman and Petersen, the President submitted an edited transcript, which included an inadvertent repetition of a single conversation in two separate sections of the transcript. The two versions of the single conversation differ from one another in a manner which indicates not simple misunderstanding of sounds, but direct editorial intervention.

In response to a subpoena of the recording of a March 27, 1973, conversation with Haldeman, Ehrlichman and Ziegler, which lasted 140 minutes, the President submitted an edited transcript of 70 pages, with 8 deletions (of unspecified duration) characterized as "Material Unrelated to Presidential Action."

In response to a subpoena of the recording of an April 17, 1973, conversation with Haldeman, Ehrlichman and Ziegler, which lasted 45 minutes, the President submitted an edited transcript of 19 pages, with no acknowledged deletions.

These and other substantive, chronological and typographical anomalies and discrepancies, including inexplicable non-sequiturs, indicate that the edited White House version of the 35 Presidential conversations of which the Committee does not have its own transcripts are even less accurate than the eight conversations of which it does.

On August 5, 1974, the President released edited transcripts of three of his conversations of June 23, 1973, which the Committee had subpoenaed. The first conversation lasted 95 minutes; the President submitted a transcript of 34 pages, two of which were misnumbered; a section of the conversation was transcribed twice, verbatim. The second conversation lasted nine minutes. The President submitted an edited transcript of one page. These transcripts confirm the Committee's conclusion that the edited White House transcripts reflect extensive editorial intervention.

F. Ehrlichman's notes

On June 24, 1974, the Committee issued a subpoena for copies of certain of John Ehrlichman's notes, which were impounded in the White House. On July 12, 1974, the President said he would furnish those copies of Ehrlichman's notes which the President previously had turned over to Ehrlichman and the Special Prosecutor pursuant to a subpoena authorized by Judge Gesell and only after Judge Gesell had denied the President's motion to quash that subpoena.

On Monday, July 15, 1974, Mr. St. Clair, the President's counsel, delivered a package of materials to Mr. Doar, Special Counsel to the House Judiciary Committee. Mr. St. Clair also submitted a letter to Chairman Rodino dated July 12, 1974, in which it was stated that the materials furnished were "those parts of John Ehrlichman's notes . . . that were furnished to Mr. Ehrlichman pursuant to his subpoena."

At about the same time, Mr. St. Clair apparently had requested that the Office of the Special Prosecutor deliver to him a copy of the set of Ehrlichman notes of his meetings with the President that had been filed with the Court in response to the Ehrlichman subpoena, and furnished to the Special Prosecutor contemporaneously. Because of a misunderstanding on the part of the Special Prosecutor's office as to St. Clair's request, the Special Prosecutor delivered the set of notes to Doar rather than St. Clair, together with a forwarding letter to Doar, a copy of which was sent to St. Clair. Upon receipt of the letter, St. Clair requested Doar to return the notes, but later modified that request to seek a copy of what had been delivered to Doar.

A comparison of the Ehrlichman notes furnished to the Judiciary Committee by the President with the Ehrlichman notes received by the Judiciary Committee from the Special Prosecutor shows that substantial relevant portions were deleted by masking all or a portion of pages in the version supplied to the Committee. Notes covering eleven meetings between the President and Ehrlichman were not included in the materials furnished by the President to the Committee in response to its subpoena. The omissions were as follows: one meeting on June 19, 1971; three meetings on June 23, 1971; one meeting on June 29, 1971; two meetings on July 1, 1971; one meeting on July 2, 1971; one meeting on July 6, 1971; one meeting on August 12, 1971 and one meeting on January 5, 1972. The Special Prosecutor's submission contains Ehrlichman's notes as to each of those meetings. The notes cover some forty-two pages.

The first page of the Special Prosecutor's material contains an Ehrlichman handwritten identification and explanation of the eleven "shorthand symbols" employed by Ehrlichman in making his notes. Neither that page nor that explanatory material is included in the President's submission to the Judiciary Committee in response to the Committee's subpoena.

The Ehrlichman notes, as delivered by the Special Prosecutor but omitted in the submission by the President, contain information relating to the President's dealings with Mr. Ehrlichman and other close aides, cabinet officers and other officers of government directly and through aides. The materials contain precise directions to be carried out by Ehrlichman and others. Among deletions in the President's submission to the committee were references to the Ellsberg case pending before Judge Matthew Byrne and accounts of efforts, directed by the President, to discredit Ellsberg in the media while the case was pending.

Conclusion

After the Committee on the Judiciary had debated whether or not it should recommend Article I to the House of Representatives, 27 of the 38 Members of the Committee found that the evidence before it could only lead to one conclusion: that Richard M. Nixon, using the powers of his high office, engaged, personally and through his subordinates and agents, in a course of conduct or plan designed to delay, impede, and obstruct the investigation of the unlawful entry, on June 17, 1972, into the headquarters of the Democratic National Committee; to cover up, conceal and protect those responsible; and to conceal the existence and scope of other unlawful covert activities.

This finding is the only one that can explain the President's involvement in a pattern of undisputed acts that occurred after the break-in and that cannot otherwise be rationally explained.

1. The President's decision on June 20, 1972, not to meet with his Attorney General, his chief of staff, his counsel, his campaign director, and his assistant John Ehrlichman, whom he had put in charge of the investigation—when the subject of their meeting was the Watergate matter.

2. The erasure of that portion of the recording of the President's conversation with Haldeman, on June 20, 1972, which dealt with Watergate—when the President stated that the tapes had been under his "sole and personal control."

3. The President's public denial on June 22, 1972, of the involvement of members of the Committee for the Re-election of the President or of the White House staff in the Watergate burglary, in spite of having discussed Watergate, on or before June 22, 1972, with Haldeman, Colson, and Mitchell—all persons aware of that involvement.

4. The President's directive to Haldeman on June 23, 1972 to have the CIA request the FBI to curtail its Watergate investigation.

5. The President's refusal, on July 6, 1972, to inquire and inform himself what Patrick Gray, Acting Director of the FBI, meant by his warning that some of the President's aides were "trying to mortally wound" him.

6. The President's discussion with Ehrlichman on July 8, 1972, of clemency for the Watergate burglars, more than two months before the return of any indictments.

7. The President's public statement on August 29, 1972, a statement later shown to be untrue, that an investigation by John Dean "indicates that no one in the White House staff, no one in the Administration, presently employed, was involved in this very bizarre incident."

8. The President's statement to Dean on September 15, 1972, the day that the Watergate indictments were returned without naming high CRP and White House officials, that Dean had handled his work skillfully,

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[4] On July 31, 1974, the President submitted to Judge Sirica, pursuant to the Supreme Court's order in *United States* v. *Nixon*, particularized claims of executive privilege as to certain taped conversations that were ordered turned over to the Special Prosecution Force. There is no claim that any portion of the one hour and fifteen minute conversation is not relevant to the subject matter before the Court. (*United States* v. *Mitchell*, Cr. No. 74–110. Analysis and Particularized Claims of Executive Privilege for Subpoenaed Recorded Presidential Conversations, July 31, 1974, 1)

"putting your fingers in the dike every time that leaks have sprung here and sprung there," and that "you just try to button it up as well as you can and hope for the best."

9. The President's discussion with Colson in January, 1973 of clemency for Hunt.

10. The President's discussion with Dean on February 28, 1973, of Kalmbach's upcoming testimony before the Senate Select Committee, in which the President said that it would be hard for Kalmbach because "it'll get out about Hunt," and the deletion of that phrase from the edited White House transcript.

11. The President's appointment in March 1973, of Jeb Stuart Magruder to a high government position when Magruder had previously perjured himself before the Watergate Grand Jury in order to conceal CRP involvement.

12. The President's inaction in response to Dean's report of March 13, 1973, that Mitchell and Haldeman knew about Liddy's operation at CRP, that Sloan has a compulsion to "cleanse his soul by confession," that Stans and Kalmbach were trying to get him to "settle down," and that Strachan lied about his prior knowledge of Watergate out of personal loyalty; and the President's reply to Dean that Strachan was the problem "in Bob's case."

13. The President's discussion on March 13, 1973, of a plan to limit future Watergate investigations by making Colson a White House "consultant without doing any consulting," in order to bring him under the doctrine of executive privilege.

14. The omission of the discussion related to Watergate from the edited White House transcript, submitted to the Committee on the Judiciary, of the President's March 17, 1973, conversation with Dean, especially in light of the fact that the President had listened to the conversation on June 4, 1973.

15. The President's instruction to Dean on the evening of March 20, 1973, to make his report on Watergate "very incomplete," and his subsequent public statements misrepresenting the nature of that instruction.

16. The President's instruction to Haldeman on the morning of March 21, 1973, that Hunt's price was pretty high, but that they should buy the time on it.

17. The President's March 21st statement to Dean that he had "handled it just right," and "contained it;" and the deletion of the above comments from the edited White House transcripts.

18. The President's instruction to Dean on March 21, 1973, to state falsely that payments to the Watergate defendants had been made through a Cuban Committee.

19. The President's refusal to inform officials of the Department of Justice that on March 21, 1973, Dean had confessed to obstruction of justice and had said that Haldeman, Ehrlichman, and Mitchell were also involved in that crime.

20. The President's approval on March 22, 1973, of a shift in his position on executive privilege "in order to get on with the cover up plan," and the discrepancy, in that phrase, in the edited White House transcript.

21. The President's instruction to Ronald Ziegler on March 26, 1973, to state publicly that the President had "absolute and total confidence" in Dean.

22. The President's actions, in April, 1973, in conveying to Haldeman, Ehrlichman, Colson and Kalmbach information furnished to the President by Assistant Attorney General Petersen after the President had assured Petersen that he would not do so.

23. The President's discussions, in April, 1973, of the manner in which witnesses should give false and misleading statements.

24. The President's directions, in April, 1973, with respect to offering assurances of clemency to Mitchell, Magruder and Dean.

25. The President's lack of full disclosure and misleading statements to Assistant Attorney General Henry Petersen between April 15 and April 27, 1973, when Petersen reported directly to the President about the Watergate investigation.

26. The President's instruction to Ehrlichman on April 17, 1973, to give false testimony concerning Kalmbach's knowledge of the purpose of the payments to the Watergate defendants.

27. The President's decision to give Haldeman on April 25 and 26, 1973, access to tape recordings of Presidential conversations, after Assistant Attorney General Petersen had repeatedly warned the President that Haldeman was a suspect in the Watergate investigation.

28. The President's refusal to disclose the existence of the White House taping system.

29. The President's statement to Richardson on May 25, 1973, that his waiver of executive privilege, announced publicly on May 22, 1973, did not extend to documents.

30. The refusal of the President to cooperate with Special Prosecutor Cox; the President's instruction to Special Prosecutor Cox not to seek additional evidence in the courts and his firing of Cox when Cox refused to comply with that directive.

31. The submission by the President to the Committee on April 30, 1974, and the simultaneous release to the public of transcripts of 43 Presidential conversations and statements, which are characterized by omissions of words and passages, misattributions of statements, additions, paraphrases, distortions, non-sequiturs, deletions of sections as "Material Unrelated to Presidential Action," and other signs of editorial intervention; the President's authorization of his counsel to characterize these transcripts as "accurate;" and the President's public statement that the transcripts contained "the whole story" of the Watergate matter.

32. The President's refusal in April, May, and June 1974 to comply with the subpoenas of the Committee issued in connection with its impeachment inquiry.

In addition to this evidence, there was before the Committee the following evidence:

1. Beginning immediately after June 17, 1972, the involvement of each of the President's top aides and political associates, Haldeman, Mitchell, Ehrlichman, Colson, Dean, LaRue, Mardian, Magruder, in the Watergate coverup.

2. The clandestine payment by Kalmbach and LaRue of more than $400,000 to the Watergate defendants.

3. The attempts by Ehrlichman and Dean to interfere with the FBI investigation.

4. The perjury of Magruder, Porter, Mitchell, Krogh, Strachan, Haldeman and Ehrlichman.

Finally, there was before the Committee a record of public statements by the President between June 22, 1972, and June 9, 1974, deliberately contrived to deceive the courts, the Department of Justice, the Congress and the American people.

President Nixon's course of conduct following the Watergate break-in as described in Article I, caused action not only by his subordinates but by the agencies of the United States, including the Department of Justice, the FBI, and the CIA. It required perjury, destruction of evidence, obstruction of justice, all crimes. But, most important, it required deliberate, contrived, and continuing deception of the American people.

President Nixon's actions resulted in manifest injury to the confidence of the nation and great prejudice to the cause of law and justice, and was subversive of constitutional government. His actions were contrary to his trust as President and unmindful of the solemn duties of his high office. It was this serious violation of Richard M. Nixon's constitutional obligations as President, and not the fact that violations of Federal criminal statutes occurred, that lies at the heart of Article I.

The Committee finds, based upon clear and convincing evidence, that this conduct, detailed in the foregoing pages of this report, constitutes "high crimes and misdemeanors" as that term is used in Article II, Section 4 of the Constitution. Therefore, the Committee recommends that the House of Representatives exercise its constitutional power to impeach Richard M. Nixon.

* * *

On August 5, 1974, nine days after the Committee had voted on Article I, President Nixon released to the public and submitted to the Committee on the Judiciary three additional edited White House transcripts of Presidential conversations that took place on June 23, 1972, six days following the DNC break-in. Judge Sirica had that day released to the Special Prosecutor transcripts of those conversations pursuant to the mandate of the United States Supreme Court. The Committee had subpoenaed the tape recordings of those conversations, but the President had refused to honor the subpoena.

These transcripts conclusively confirm the finding that the Committee had already made, on the basis of clear and convincing evidence, that from shortly after the break-in on June 17, 1972, Richard M. Nixon, acting personally and through his subordinates and agents, made it his plan to and did direct his subordinates to engage in a course of conduct designed to delay, impede and obstruct investigation of the unlawful entry of the headquarters of the Democratic National Committee; to cover up, conceal and protect those responsible; and to conceal the existence and scope of other unlawful covert activities.

ARTICLE II

Introduction

On July 29 the Committee adopted Article II, as amended, by a vote of 28 to 10. The Article provides:

"Using the powers of the office of President of the United States, Richard M. Nixon, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in disregard of his constitutional duty to take care that the laws be faithfully executed, has repeatedly engaged in conduct violating the constitutional rights of citizens, impairing the due and proper administration of justice and the conduct of lawful inquiries, or contravening the laws governing agencies of the executive branch and the purposes of these agencies."

Article II charges that Richard M. Nixon, in violation of his constitutional duty to take care that the laws be faithfully executed and his oath of office as President, seriously abused powers that only a President possesses. He engaged in conduct that violated the constitutional rights of citizens, that interfered with investigations by federal authorities and congressional committees, and that contravened the laws governing agencies of the executive branch of the federal government. This conduct, undertaken for his own personal political advantage and not in furtherance of any valid national policy objective, is seriously incompatible with our system of constitutional government.[1]

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[1] In some of the instances in which Richard M. Nixon abused the powers of his office, his unlawful or improper objective was not achieved. But this does not make the abuse of power any less serious, nor diminish the applicability of the impeachment remedy. The principle was stated by Supreme Court Justice William Johnson in 1808: "If an

Five instances of abuse of the powers of the office of President are specifically listed in Article II. Each involves repeated misuse of the powers of the office, and each focuses on improprieties by the President that served no valid national policy objective. Each of them individually and all of them together support the ground of impeachment charged in Article II—that Richard M. Nixon, using the power of his office, repeatedly engaged in conduct violating the constitutional rights of citizens, impairing the due and proper administration of justice and the conduct of lawful inquiries, or contravening the laws governing agencies of the executive branch and the purposes of these agencies.

Richard M. Nixon violated the constitutional rights of citizens by directing or authorizing his subordinates to interfere with the impartial and nonpolitical administration of the internal revenue laws. He violated the constitutional rights of citizens by directing or authorizing unlawful electronic surveillance and investigations of citizens and the use of information obtained from the surveillance for his own political advantage. He violated the constitutional rights of citizens by permitting a secret investigative unit within the office of the President to engage in unlawful and covert activities for his political purposes. Once these and other unlawful and improper activities on his behalf were suspected, and after he knew or had reason to know that his close subordinates were interfering with lawful investigations into them, he failed to perform his duty to see that the criminal laws were enforced against these subordinates. And he used his executive power to interfere with the lawful operations of agencies of the executive branch, including the Department of Justice and the Central Intelligence Agency, in order to assist in these activities, as well as to conceal the truth about his misconduct and that of his subordinates and agents.

Article II, paragraph (1)

(1) He Has, Acting Personally and Through His Subordinates and Agents, Endeavored To Obtain From the Internal Revenue Service, in Violation of the Constitutional Rights of Citizens, Confidential Information Contained in Income Tax Returns for Purposes Not Authorized by Law, and To Cause, in Violation of the Constitutional Rights of Citizens, Income Tax Audits or Other Income Tax Investigations To Be Initiated or Conducted in a Discriminatory Manner

The Committee finds clear and convincing evidence that a course of conduct was carried out by Richard M. Nixon's close subordinates, with his knowledge, approval, and encouragement, to violate the constitutional rights of citizens—their right to privacy with respect to the use of confidential information acquired by the Internal Revenue Service; their right to have the tax laws of the United States applied with an even hand; and their right to engage in political activity in opposition to the President. This conduct involved an attempt to interfere with the lawful administration of the Internal Revenue Service and the proper conduct of tax inquiries by misusing confidential IRS information and the powers of investigation of the IRS for the political benefit of the President. In approving and encouraging this activity, he failed to take care that the laws be faithfully executed and violated his constitutional oath faithfully to execute the office of President and to preserve, protect, and defend the Constitution.

I. Wallace Investigation

On various occasions, President Nixon's subordinates acting under his authority and in order to serve his political interests sought and obtained information from the Internal Revenue Service about tax investigations of citizens. The first instance of which the Committee has evidence involves Governor George Wallace. In the spring of 1970, Wallace was running against Albert Brewer in the Alabama primary for the Democratic party's gubernatorial nomination. A Wallace defeat was considered helpful to the President because it would lessen Wallace's prospects in the 1972 presidential election. Four hundred thousand dollars in campaign funds remaining from the President's 1968 campaign was secretly contributed to the Brewer primary campaign. (Kalmbach testimony, 3 HJC 565, 664–66)

IRS information about Wallace was also used to try to defeat Wallace in the Alabama gubernatorial primary. In early 1970 Haldeman learned, apparently from an IRS sensitive case report,[1] about an investigation of George Wallace and his brother Gerald. Haldeman directed Clark Mollenhoff, special counsel to the President, to obtain a report of the IRS investigation. (Book VIII, 38) According to Mollenhoff:

"I initially questioned Mr. Haldeman's instruction, but upon his assurance that the report was to be obtained at the request of the President, I requested the report of IRS Commissioner [Randolph] Thrower." (Book VIII, 38)

Mollenhoff obtained the IRS report on the Wallace investigation from Commissioner Thrower. (Book VIII, 38, 41) On March 21, 1970, Mollenhoff delivered it to Haldeman on his assurance that it was for the President. (Book VIII, 36, 38)

Material contained in the report was later transmitted to columnist Jack Anderson. Portions of it adverse to George Wallace were published nationally on April 13, 1970, several weeks before the primary election. (Book VIII, 37, 39, 41)

After the publication, Commissioner Thrower and the Chief Counsel of the IRS met with Ehrlichman and Haldeman and discussed the seriousness of the leak and the fact that an unauthorized disclosure constituted a criminal act.[2] Haldeman and Ehrlichman assured Thower that they would take steps to prevent a recurrence. (Book VIII, 42)

II. Information and Audits

In the fall of 1971, John Dean's assistant, John Caulfield, sought and obtained information from the IRS on the financial status and charitable contributions of Lawrence Goldberg in order to assess Goldberg's suitability for a position at the Committee to Re-elect the President. (Book VIII, 138–42) Confidential IRS material was also obtained about a journalist investigating the affairs of a campaign fundraiser and about various prominent entertainers. (Book VIII, 156–60, 211)

At Haldeman's request, and under Dean's direction, attempts were made to have tax audits conducted on various other persons. There is no evidence that these audits were in fact undertaken. (Book VIII, 176–80)

III. O'Brien Investigation

During the spring or summer of 1972, John Ehrlichman learned from an IRS sensitive case report that an investigation of Howard Hughes' business interests was under way. The report reflected a connection between the Hughes matters being investigated and the personal finances of Democratic National Committee Chairman Lawrence O'Brien. (Book VII, 223–24) Ehrlichman sought and obtained information about O'Brien's tax returns from Assistant to the Commissioner Roger Barth. (Roger Barth testimony, SSC Executive Session, June 6, 1974, 3–6) Ehrlichman also told Treasury Secretary Shultz that the Internal Revenue Service should interview O'Brien. The IRS policy then in effect was that audits and interviews, absent statute of limitations and other compelling considerations, would not be conducted during an election year with respect to candidates or others in politically sensitive positions. (Book VII, 219–20) Since the 1972 election campaign was in progress, the IRS would not have interviewed O'Brien until after election day, November 7, but because of Ehrlichman's demands the IRS had a conference with O'Brien in mid-August. (Book VII, 219–21) According to Walters:

"IRS interviewed Mr. O'Brien on or about August 17, 1972. Mr. O'Brien was cooperative although the interview was limited timewise, and Mr. O'Brien suggested that any further interview be postponed until after the election. My recollection is that IRS furnished a copy of the Conference Report to Secretary Shultz. A short time thereafter, Secretary Shultz informed me that Mr. Ehrlichman was not satisfied and that he needed further information about the matter. I advised the Secretary that IRS had checked the filing of returns and the examination status of those returns (closed) and that there was nothing else IRS could do.

"On or about August 29, 1972, at the request of Secretary Shultz, I went to his office with Roger Barth so that we could conclude review of the O'Brien matter and dispose of it. Secretary Shultz, Mr. Barth and I discussed the matter and agreed that IRS could do no more. We then jointly telephoned Mr. Ehrlichman. Secretary Shultz informed Mr. Ehrlichman of that; I stated that IRS had verified that Mr. O'Brien had filed returns, that those returns reflected large amounts of income, that IRS already had examined and closed the returns, and that we (Shultz, Walters and Barth) all agreed that there was nothing further for IRS to do. Mr. Ehrlichman indicated disappointment, and said to me 'I'm goddamn tired of your foot dragging tactics.' I was offended and very upset but decided to make no response to that statement. Following the telephone conversation, I told Secretary Shultz that he could have my job any time he wanted it." (Book VIII, 234–35)

In early September, Ehrlichman telephoned Kalmbach and told him that O'Brien had IRS problems. He gave Kalmbach figures on O'Brien's allegedly unreported income and asked Kalmbach to plant the information with Las Vegas newspaperman Hank Greenspun, a friend of Kalmbach. Kalmbach refused to do so, despite subsequent requests by Ehrlichman and Mitchell. (Kalmbach testimony, 3 HJC 615–17)[3]

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officer attempt an act inconsistent with the duties of his station, it is presumed that the failure of the attempt would not exempt him from liability to impeachment. Should a President head a conspiracy for the usurpation of absolute power, it is hoped that no one will contend that defeating his machinations would restore him to innocence." *Gilchrist* v. *Collector of Charleston*, 10 F. Cas. 355, 365 (No. 5, 420) (C.C.D.S.C. 1808)

[1] Sensitive case reports are used by the IRS to inform the Secretary of the Treasury, the IRS Commissioner and, at their discretion, other Administration officials of the existence of proceedings or investigations involving prominent individuals.

[2] 26 U.S.C. § 7213 provides in part that it "shall be unlawful for any officer or employee of the United States to divulge . . . to any person the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return." This section makes such activity a misdemeanor and requires the discharge of the guilty officer or employee. The IRS considers data obtained in an IRS investigation to be income return information. IRS Reg. § 301.6103(a)–1(a)(3)(i)(b).

[3] According to an affidavit of SSC Minority Counsel Fred Thompson, he was informed by Special Counsel to the President J. Fred Buzhardt that John Dean reported to the President on the IRS investigation of O'Brien on

IV. McGovern Supporters

On September 11, 1972, Dean, at the direction of Ehrlichman, gave to IRS Commissioner Walters a list, which had been compiled by CRP campaign aide Murray Chotiner, of the names of 575 members of George McGovern's staff and contributors to his campaign. Dean asked that the IRS investigate or develop information about the people on the list. (Dean testimony, 2 HJC 229) According to Walters:

"Mr. Dean stated that he had not been asked by the President to have this done and that he did not know whether the President had asked that any of this activity be undertaken. Mr. Dean expressed the hope that the IRS could do this in such a manner that would 'not cause ripples.' He indicated that he was not yet under pressure with respect to this matter.

"I advised Mr. Dean that compliance with the request would be disastrous for the IRS and for the Administration and would make the Watergate affair look like a 'Sunday School picnic' . . . . I advised him that I would discuss the matter with Secretary Shultz, and that I would recommend to Secretary Shultz that we do nothing on the request." (Book VIII, 239)

Two days later, Walters and Shultz discussed the list and agreed to do nothing about Dean's request. (Book VIII, 275–76)

During his appearance before the Committee, Dean was asked by Representative Railsback about his instructions for giving the list of McGovern supporters to Walters:

"Mr. RAILSBACK. Were you instructed to tell Mr. Walters on September 11 that the President himself had not authorized [the request]?

"Mr. DEAN. I was instructed to not use the President's name, that is correct.

"Mr. RAILBACK. And who instructed you?

"Mr. DEAN. Well, that was very clear in my discussions with Mr. Ehrlichman." (Dean testimony, 2 HJC 301)

On September 15, 1972, the President and Haldeman met and discussed the activities of John Dean. Dean was about to join the meeting. Haldeman explained what Dean had been doing:

"HALDEMAN. Between times, [Dean's] doing, he's moving ruthlessly on the investigation of McGovern people, Kennedy stuff, and all that too. I just don't know how much progress he's making, cause I—

"PRESIDENT. The problem is that's kind of hard to find.

"HALDEMAN. Chuck, Chuck has gone through, you know, has worked on the list, and Dean's working the, the thing through IRS and, uh, in some cases, I think some other [unintelligible] things. He's—He turned out to be tougher than I thought he would, which is what

"PRESIDENT. Yeah." (HJCT)

After Dean joined the meeting, the President, Haldeman and Dean discussed using federal agencies to attack the President's political opponents. (HJCT 10, 15) They spoke of the reluctance of the IRS to follow up on White House complaints.[4] (Book VIII, 333) Dean testified before the Committee about this portion of the September 15, 1972, conversation:

"I am not sure how directly or specifically it came up, but there was a, indeed, a rather extended discussion with the President on the use of IRS. He made some rather specific comments to me, which in turn resulted in me going back to Mr. Walters again.

". . . [A]s I recall the conversation, we were talking about the problems of having IRS conduct audits, and I told him that we hadn't been very successful at this because Mr. Walters had told me that he just didn't want to do it. I did not—I did not push him. As far as I was concerned I was off the hook. I had done what I had been asked, and I related this to the President." (Dean testimony, 2 HJC 229)

Dean also testified that the President said that if Dean had any problem with Shultz or the IRS, Dean should tell the President, who would straighten it out. (Dean testimony, 2 HJC 229) Dean testified that it was his impression that the September 15 meeting was not the first time the President had been advised of the requested audits of McGovern supporters (Dean testimony, 2 HJC 301); and that, after September 15, he believed his authority with respect to approaches to the IRS came directly from the President. (Dean testimony, 2 HJC 250)

As a result of his conversation with the President, Dean again contacted Commissioner Walters on September 25, 1972. (Dean testimony, 2 HJC 229, 350) According to Commissioner Walters:

"[Dean] inquired as to what progress I had made with respect to the list. I told him that no progress had been made. He asked if it might be possible to develop information on fifty-sixty-seventy of the names. I again told him that, although I would consider the matter with Secretary Shultz, any activity of this type would be inviting disaster." (Book VIII, 354)

Walters again discussed the matter with Shultz and they decided to do nothing with respect to Dean's demand. (Book VIII, 280–85, 354)

V. IRS Sources

On March 13, 1973, the President, Haldeman and Dean discussed the President's "project to take the offensive" with respect to the Senate Watergate hearings. The President mentioned the difficulty of obtaining information about contributions to the McGovern campaign. The President asked Dean, "Do you need any IRS [unintelligible] stuff?" Dean answered:

"[T]here is no need at this hour for anything from IRS, and we have a couple of sources over there that I can go to. I don't have to fool around with Johnnie Walters or anybody, we can get right in and get what we need." (HJCT 50)

Article II, paragraph (2)

(2) He Misused the Federal Bureau of Investigation, the Secret Service, and Other Executive Personnel, in Violation or Disregard of the Constitutional Rights of Citizens, by Directing or Authorizing Such Agencies or Personnel To Conduct or Continue Electronic Surveillance or Other Investigations for Purposes Unrelated to National Security, the Enforcement of Laws, or Any Other Lawful Function of His Office; He Did Direct, Authorize, or Permit the Use of Information Obtained Thereby for Purposes Unrelated to National Security, the Enforcement of Laws, or Any Other Lawful Function of His Office; and He Did Direct the Concealment of Certain Records Made by the Federal Bureau of Investigation of Electronic Surveillance

The Committee finds clear and convincing evidence that Richard M. Nixon violated his constitutional oath and his constitutional duty to take care that the laws be faithfully executed by directing or authorizing executive agencies and personnel to institute or continue unlawful electronic surveillance and investigations, in violation or disregard of the constitutional rights of citizens. The surveillance and investigations served no lawful purpose of his office; they had no national security objective, although he falsely used a national security pretext to attempt to justify them. Information obtained from this surveillance was used by his subordinates, with his authorization or permission, for his political advantage; and the FBI records of electronic surveillance were concealed at his direction.

I. The FBI wiretaps

In the spring of 1969, the President authorized the FBI to install wiretaps on the home telephones of a number of government employees and newsmen.[1] (Book VII, 147) This decision was made about the time of the appearance of an article by William Beecher in *The New York Times* which disclosed the bombing of Cambodia by the United States Air Force. (Book VII, 148–49) It was not known whether Beecher's article was based on classified information leaked from the National Security Council (NSC). (Book VII, 143–45, 299–300)

The President's orders were transmitted to the FBI by Colonel Alexander Haig. Haig told FBI officials that the directive to install wiretaps came on the highest authority, instructed the FBI not to maintain regular records of the wiretaps in the indices kept by the FBI for all of its other wiretaps and assured the Bureau that these surveillances would be necessary for only a few days. (Book VII, 189–90) Between May 12 and June 4, 1969, FBI wiretaps were installed on the telephones of five NSC staff members, two newsmen and one employee of the Department of Defense. (Book VII, 204–05)

One of the five NSC employees whose telephones were tapped was Morton Halperin (designated "N" in the Committee's statement of information).[2] The wiretap of Halperin's telephone was installed on May 9, 1969.[3] (Memorandum from Director, FBI to Attorney General, June 24, 1974; letter from Deputy Attorney General Silberman to Senator J. W. Fulbright, June 18, 1974) On July 8, 1969, Assistant FBI Director William Sullivan, who had day-to-day responsibility for the wiretaps, reported to Hoover that "nothing" of significance from the standpoint of the leak in question "has come to light" from the Halperin tap. Sullivan told Hoover that he had suggested to Colonel Haig that some of this coverage be removed. (Book VII, 326) The Halperin wiretap, however, remained in place.

On September 19, 1969, Halperin resigned from the staff to the NSC; he remained an NSC consultant until May, 1970. At the beginning of 1970, he became a consultant to Senator Edmund Muskie. (Book VII, 212–13, 329–30) Although Halperin, for more than

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September 15, 1972. (Book VIII, 337–39) In a staff interview, Dean said he did not recall discussing O'Brien's taxes with the President. On June 12, 1974, Judge Sirica held that the conversation from 6:00 to 6:13 p.m. on September 15, 1972, is relevant to the Watergate Special Prosecutor's investigation of alleged abuse of the IRS and ordered that this portion of the tape be turned over to the Special Prosecutor. The President has appealed Judge Sirica's order. Judge Sirica ruled that he was without judicial power, because of restrictions in an earlier Court of Appeals mandate, *Nixon* v. *Sirica*, to deliver a copy of this tape or transcript to the Committee. On June 24, 1974, the Committee subpoenaed the tape recording and materials related to this 13-minute conversation from the President.

[4] This segment of the conversation was obtained accidentally when the September 15, 1972 tape was rerecorded for the Committee at the White House. On June 24, 1974, the Committee subpoenaed the tape recording and materials related to the conversation among the President, Haldeman and Dean from 6:00 to 6:13 p.m., and between the President and Haldeman from 4:43 to 5:27 p.m. The President refused to submit these recordings.

[1] Letter, President Nixon to Senate Foreign Relations Committee, 7/12/74.

[2] Halperin's identity was disclosed in documents filed in *Halperin* v. *Kissinger*. The other subjects of the tap are not identified by name in this report.

[3] The Attorney General did not sign the authorization for the wiretap until three days after the tap was installed. (Book VII, 192–93)

a year, had no access to national security information, and despite Sullivan's assurance to Hoover that the tap had revealed no leaks, there is no evidence of any check to find grounds for continuing the tap on Halperin; the tap was not removed until February 10, 1971. (Book VII, 331–33) Between May 12, 1969 and May 11, 1970, the President received 14 summary letter reports regarding the Halperin wiretap. In May, 1969, Assistant to the President Henry Kissinger received copies of these letters and three additional summaries. (Book VII, 372–73) After Halperin terminated his relationship with the NSC, summaries were sent only to Haldeman, who received, in all, eighteen summary letters regarding Halperin. (Book VII, 370) The summaries included reports on the political activities of Senator Muskie. (Book VII, 229)

Haig requested the wiretap of another consultant to Senator Muskie's campaign, who had been employed by the NSC. (Book VII, 197, 212–13) The wiretap was installed at the time that he announced his resignation from the NSC, which occurred in June, 1970. The tap lasted from May 13, 1970, until February 10, 1971, the same date Halperin's tap was removed. (Book VII, 205) The summaries from this wiretap were sent only to Haldeman; they included information on the Muskie political campaign; they contained no discussion of classified matters. (Book VII, 228)

On February 28, 1973, in a conversation with John Dean, the President revealed that he was aware that there had been wiretaps on Muskie aides. While discussing the wiretap program, he asked Dean, "Didn't Muskie do anything bad on there?" (HJCT 37) The word "there" referred to the taps.

The President's policy of using the FBI to conduct electronic surveillance for purposes unrelated to national security, or any other proper purpose, was also carried out in the placing of taps on three White House employees working solely on domestic matters. On July 23, 1969, Attorney General Mitchell directed the FBI to initiate a wiretap (and also 24 hour-a-day physical surveillance) on an assistant to Ehrlichman, then Counsel to the President. (Book VII, 269–70) Mitchell told the FBI that this surveillance was at the express direction of the President. (Book VII, 269) This assistant had responsibilities with regard to domestic matters only. The reports, which were sent to Ehrlichman, contained information only about personal matters and domestic politics. (Book VII, 280) On August 4, 1969, Haig directed the FBI to tap the telephone of a White House speech writer, who had been overheard (in the course of a previously initiated White House tap on a newsman) agreeing to furnish the newsman with background information on a speech by the President on revenue sharing and welfare reform. (Book VII, 267; FBI memorandum W. C. Sullivan to C. D. DeLoach, 8/1/69)

In December, 1970, at Haldeman's direction, the home phone of a third member of the White House staff, who was not involved in national security, was tapped. (Book VII, 205, 268) After the FBI had delivered the first two daily reports on this employee, who was the son-in-law of a prominent Republican, Lawrence Higby, Haldeman's principal aide, called the FBI and ordered that FBI tap reports include only pertinent material. Six later reports were limited to political activities of the White House employee's father-in-law, general political matters, and the White House employee's personal affairs.[4] (Book VII, 274, 282)

On September 10, 1969, Attorney General Mitchell directed the FBI to install a wiretap on a network television reporter and to place him under 24-hour-a-day surveillance. Mitchell said that the President had expressly ordered this surveillance, and that the President had studied the FBI file on the reporter. The FBI installed the wiretap, but persuaded Mitchell not to order physical surveillance. (Book VII, 243–44) On October 9, 1969, the FBI reported to the Attorney General that conversations overheard on the reporter's telephone related primarily to family matters or matters of employment. The reporter had no known connection with any classified material. Hoover requested that the tap be discontinued. The tap continued for another month. (Book VII, 205, 254, 257)

In October and December, 1970, Haldeman directed that the FBI tap the telephones of two White House employees, one of whom was an NSC employee whose previous telephone tap had been discontinued. (Book VII, 204, 207) Haldeman claimed no national security justification for the tap; he said the employee was "a bad apple." (Book VII, 198–99)

The President's program to use the FBI to tap White House employees and newsmen ended February 10, 1971, when FBI Director Hoover, who was about to testify before a subcommittee of the House Appropriations Committee, insisted that all the remaining taps be terminated.[5] From May, 1969, until February, 1971, the President caused the FBI to tap the telephones of at least 17 persons.[6] (Book VII, 204–05) None was reported to have made unauthorized disclosures. (Book VII, 233, 237)

At the time of these wiretaps it was the policy of the Department of Justice to review wiretaps every ninety days to determine whether probable cause existed for the wiretap to be continued on grounds of national security. The Department did not review any of the 17 taps.[7] (Book VII, 175, 178.) The taps violated other Department of Justice criteria for permitting wiretaps without obtaining judicial warrants.[8]

After the *Keith* decision, only the first three criteria (dealing with the foreign aspects of national security) have been taken into consideration. These criteria reflect the standards enunciated in 18 U.S.C. § 2511(3), as part of the Omnibus Crime Control and Safe Streets Act of 1968. In those cases where a determination is made that one or more of the appropriate standards is met, a written authorization or a reauthorization for a specified period not to exceed three months is executed by the Attorney General."

On December 29, 1969, Hoover sent to the President a wiretap summary disclosing that former Secretary of Defense Clark Clifford planned to write a magazine article critical of the President's Vietnam policy. (Book VII, 360–61) In response to that information, Haldeman directed Magruder to find methods of "pre-action," and wrote, ". . . the key now is to lay the ground work and be ready to go— as well as to take all possible preliminary steps." Haldeman directed Magruder, "Let's get going." (Book VII, 365, 368) Magruder showed the memo and letter to Butterfield and asked for advice. Butterfield wrote a memo suggesting how Magruder should proceed to undercut Clifford. (Book VII, 362–63) When Ehrlichman saw the letter from Hoover, he wrote Haldeman that the information about Clifford was "the kind of early warning we need more of." He said, "Your game planners are now in an excellent position to map anticipatory action." (Book VII, 366)

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[4] Secretary Kissinger testified that, while he was familiar with the name of the speech writer, he had never even heard of the assistant to Ehrlichman or the son-in-law of the politician. He said he did not know that any of these three taps was installed. (Book VII, 261–66)

[5] According to a report by Senators Sparkman and Case to the Senate Foreign Relations Committee on the 1969–71 wiretaps, William Ruckelshaus stated that it was Hoover's practice to discontinue wiretaps shortly before congressional appearances of his so that he could report minimum taps in effect if he were questioned. (Book VII, 569–70)

[6] The reports of the wiretaps were sent during 1969 and 1970 to the President (34), Kissinger (37) and Ehrlichman (15). From May 14, 1970, to February 11, 1971, at the President's direction, the reports were sent only to Haldeman. From July, 1969, until the termination of the wiretap on February 11, 1971, Haldeman received a total of 52 wiretap reports.

[7] The Justice Department's ninety-day review period stemmed from holdings by the Supreme Court which placed strict limits on the duration of wiretaps on a single showing of probable cause. In *Katz* v. *United States*, 389 U.S. 347 (1967), the Supreme Court held that wiretaps are governed by the Fourth Amendment, which protects the rights of citizens to be secure in their homes, papers, and effects against unreasonable searches and seizures. This Amendment generally requires that all searches be pursuant to warrant, with the exception of a narrow group of cases, confined to by very special circumstances. The Supreme Court has held that even in the case of wiretaps installed pursuant to warrants, the duration of those taps must be strictly limited. In *Berger* v. *New York*, 388 U.S. 41(1967), the Supreme Court considered a New York State wiretap statute that permitted taps pursuant to warrants for an initial period of sixty days. The Court held that this period was too long without a new showing of probable cause for the issuance of the warrant:

> [A]uthorization of eavesdropping for a two month period is the equivalent of a series of intrusions, searches and seizures pursuant to a single showing of probable cause . . . . Moreover, the statute permits, and there were authorized here, extensions of the original two-month period—presumably for two months each—on a mere showing that such extension is "in the public interest." . . . This we believe insufficient without a showing of probable cause for the continuance of the eavesdrop. (388 U.S. at 59)

Partly in response to the Supreme Court's decision in *Berger*, Congress enacted 18 U.S.C. § 2518(5) as a part of the Omnibus Crime Control Act and Safe Streets Act of 1968. That section provides that each wiretap authorization shall automatically terminate as soon as the objective of the authorization has been achieved, and that in no case may any authorization exceed 30 days. The courts have strictly applied the 30-day limit and have frequently limited the duration further on the basis of the Fourth Amendment. See, e.g., *United States* v. *Cafero*, 473 F. 2d 489 (3d Cir., 1973); *United States* v. *Focarile*, 340 F. Supp. 1033 (D. Md., 1972)

[8] In a report to Attorney General Richardson in 1973, Deputy Attorney General Olson stated:

". . . Up until the decision in the *Keith* case, [*United States* v. *United States District Court*, 407 U.S. 297 (1972)] it was necessary for the proposed surveillance to satisfy one or more of the following criteria:

(1) That it is necessary to protect the nation against actual or potential attack or any other hostile action of a foreign power.

(2) That if it is necessary to obtain foreign intelligence information deemed essential to the security of the United States.

(3) That it is necessary to protect national security information against foreign intelligence activities.

(4) That it is necessary to protect the United States against the overthrow of the Government by force or other unlawful means.

(5) That it is necessary to protect the United States against a clear or present danger to the structure or the existence of its Government.

In his public statement of May 22, 1973, the President said of the wiretaps:

"They produced important leads that made it possible to tighten the security of highly sensitive materials. I authorized this entire program. Each individual tap was undertaken in accordance with procedures legal at the time and in accord with longstanding precedent." ("Presidential Statements," May 22, 1973, 22)

Evidence before the Committee shows, on the contrary, that some of the taps were not legal, that they did not concern national security, but that they were installed for political purposes, in the President's interest and on his behalf. The President also privately admitted that the taps were very unproductive and were useless in determining the source of leaks. (HJCT 37).

II. Joseph Kraft Wiretap and Surveillance

In June, 1969, John Ehrlichman directed his assistant, John Caulfield, to use private employees to install a wiretap at the home of a newspaper columnist, Joseph Kraft. John Ragan, a security consultant to the Republican National Committee, installed the wiretap, which remained in place for one week. (Book VII, 314–18)

The President discussed the Kraft tap with Ehrlichman. Although Ehrlichman has testified that the wiretap was authorized for a national security purpose (Book VII, 323), there is no evidence of this in FBI records or in any other evidence before the Committee. The Attorney General did not sign an FBI authorization for the Kraft wiretap. It was not authorized by court order. (Book VII, 356)

After the tap was installed, Ehrlichman told Caulfield that the FBI had been persuaded to take over the surveillance of Kraft. In June, 1969, Assistant FBI Director Sullivan traveled to a foreign country where Kraft was staying and arranged for microphone coverage of Kraft's hotel room by local authorities. From November 5 to December 12, 1969, at the direction of Attorney General Mitchell, the FBI conducted spot physical surveillance of Kraft in Washington, D.C. In July and November, 1969, the FBI sent reports on the coverage of Kraft to Ehrlichman. (Book VII, 315, 356–57)

III. Daniel Schorr FBI Investigation

In August, 1971, Daniel Schorr, a television commentator for the Columbia Broadcasting System, was invited to the White House to meet with the President's staff assistants to discuss an unfavorable analysis he had made of a presidential speech. (Book VII, 1113) Shortly thereafter, Haldeman instructed his chief aide, Higby, to obtain an FBI background report on Schorr. (Book VII, 1120) The FBI conducted an extensive investigation of Schorr, interviewing twenty-five people in seven hours, including Schorr's friends and employers, and members of his family. (Book VII, 1113, 1115, 1120) When press reports revealed that the investigation had taken place, the President's aides fabricated and released to the press the explanation that Schorr was being considered for an appointment as an assistant to the Chairman of the Council on Environmental Quality. (Book VII, 1119) The President knew that Schorr had never been considered for any government position. The President approved the cover story. (Colson testimony, 3 HJC 238–39) Haldeman has testified that, although he could not remember why the investigation was requested, Schorr was not being considered for federal employment. (Book VII, 1120)

IV. The Donald Nixon Surveillance and Wiretap

In 1969, Haldeman and Ehrlichman asked the Central Intelligence Agency to conduct physical surveillance of Donald Nixon, the President's brother, who was moving to Las Vegas. Haldeman was reported to have feared that Donald Nixon would come into contact with criminal elements. (Report of CIA Inspector General and Deputy Director Robert Cushman, 6/29/73) The CIA, which has no jurisdiction to engage in domestic law enforcement or internal security activities, refused.[9]

In late 1970, the Secret Service[10] installed a wiretap on Donald Nixon's home telephone. The President has not claimed that the Secret Service was performing the function (which is within its jurisdiction) of protecting the President and his immediate family. The President said that the wiretap was installed to monitor conversations in which persons might try to cause his brother to exert "improper influence," particularly if such persons were in a foreign country. The President has said that his brother learned of the wiretap during its existence.[11] The Secret Service has no legal jurisdiction to wiretap for such purposes. (Book VII, 522)

V. The Huston Plan

On June 5, 1970, the President appointed an ad hoc committee of the Directors of the FBI, CIA, National Security Agency, and Defense Intelligence Agency to study domestic intelligence operations. (Book VII, 377) On June 25 the ad hoc committee submitted an analysis by the intelligence agencies of the nature and extent of threats to internal security from dissident groups and other sources, and set forth proposals for loosening existing legal restraints on domestic intelligence-gathering procedures. The report noted that the FBI objected to relaxation of these restraints. (Book VII, 384–431)

During the first week of July, 1970, Tom Charles Huston, a White House staff assistant, submitted the ad hoc committee's report and wrote a memorandum to Haldeman recommending that the President adopt its proposals. Surreptitious entries, electronic surveillance and covert mail covers (described in the Huston Memorandums as "surreptitious screening," including opening and examining first class mail) were among the proposals in the report. Huston acknowledged the illegality of the techniques, but sought to justify them. (Book VII, 438–42) His defense of "surreptitious entries" was as follows:

"Use of this technique is clearly illegal: It amounts to burglary. It is also highly risky and could result in great embarrassment if exposed. However, it is also the most fruitful tool and can produce the type of intelligence which cannot be obtained in any other fashion.

"The FBI, in Mr. Hoover's younger days, used to conduct such operations with great success and with no exposure." (Book VII, 440)

On July 14, 1970, Haldeman wrote to Huston, in a memorandum: "The recommendations you have proposed as a result of the review have been approved by the President." (Book VII, 447) Huston, on Haldeman's instructions, prepared and distributed a formal decision memorandum (Book VII, 499) advising the members of the ad hoc committee that the President ordered:

"[1.] *Electronic Surveillance and Penetrations.* The intelligence community is directed to intensify coverage of individuals and groups in the United States who pose a major threat to the internal security. . . .

"[2.] *Mail Coverage.* Restrictions on legal coverage are to be removed. Restrictions on covert coverage are to be relaxed to permit use of this technique on selected targets of priority foreign intelligence and internal security interest.

"[3.] *Surreptitious Entry.* Restraints on the use of surreptitious entry are to be removed. . . ." (Book VII, 454)

FBI Director Hoover and Attorney General Mitchell opposed the decision. (Book VII, 464) Mitchell informed the President and Haldeman of his opposition. (Book VII, 465) On July 27 or 28, 1970, on Haldeman's instructions, Huston recalled the decision memorandum.[12] (Book VII, 470–74)

VI. Concealment of Records of the 1969–1971 FBI Wiretaps

In conducting wiretaps, the FBI maintains a central file and indices of records of the taps so that the names of persons overheard are retrievable if production should be required during a criminal prosecution.[13] The FBI was expressly ordered by Haig not to maintain records of the wiretaps initiated under the President's 1969 authorization, and was told that it would be desirable to have the matter handled without going to the Department of Justice. (Book VII, 189) The FBI nevertheless maintained unindexed logs and records of these taps and kept them in the office of Assistant Director William Sullivan. (Book VII, 182–83, 186)

On June 13, 1971, *The New York Times* published the first of the Pentagon Papers. On June 28, 1971, Daniel Ellsberg was indicted in connection with their release. (Book VII, 593, 616–17) On July 2, the Internal Security Division of the Department of Justice, which had responsibility for the Ellsberg prosecution, asked the FBI to review its files to determine if Ellsberg had been overheard on any wiretaps. (Book VII, 686–87)

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[9] 50 U.S.C. § 403(d)(3) defines the jurisdiction of the CIA as follows:

(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: *Provided,* That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: *Provided further,* That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: *And provided further,* That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure."

[10] The Secret Service's jurisdiction is confined to enforcement of the laws against counterfeiting; to protect the physical safety of the President and his immediate family, and to related matters. (18 U.S.C. § 3056).

[11] Under 18 U.S.C. § 2511(2)(6), consensual wiretaps are lawful only when consent is obtained in advance of the installation of the tap.

[12] In addition to the options relating to relaxation of restraints on intelligence gathering methods, the Huston Plan recommended the formation of an Intelligence Evaluation Committee (IEC) to coordinate the work of the several intelligence agencies. The Huston Plan was a response only to domestic security threats, but the IEC was to include personnel from DIA, NSA and CIA as well as the FBI. Although the Huston Plan was recalled, the IEC was established in late 1970 and continued in effect through 1973. The agencies provided and evaluated intelligence information. The existence of the IEC was concealed under the cover of an existing unit called the Inter-Divisional Information Unit (IDIU). The cover was recommended by Dean in a memorandum to Mitchell on September 18, 1970. Dean described the IEC as both an operational and evaluation unit. (Book VII, 488–497) The IEC furnished the White House with information on all types of demonstrations that might have an impact on the President's reelection campaign. (Dean testimony, 2 HJC 347–48)

[13] Under the rule of *Alderman* v. *United States,* 394 U.S. 169 (1969), the Government is required to produce all materials generated by wiretaps for inspection by defendants in criminal cases.

Shortly after the Internal Security Division had requested the FBI check of its files, Sullivan informed Assistant Attorney General Robert Mardian, the head of the Internal Security Division, that Sullivan had custody of the files and logs of the 1969–71 wiretaps, that he expected to be forced out of the FBI by Director Hoover and that he wanted to turn the wiretap records over to Mardian. According to Mardian, Sullivan said he feared Hoover would use the wiretap material to pressure the President to retain him as Director of the FBI. (Book VII, 757, 766–67)

Mardian sought advice from Attorney General Mitchell and then, on July 11, 1971, was contacted by either Haldeman or Ehrlichman, who instructed him to fly to San Clemente to discuss the matter with the President. (Book VII, 758, 767) John Ehrlichman's notes of a July 10 meeting with the President include: "Re: Grand Jury[14]—Don't worry re tapes on discover—re WHs." Mardian arrived in San Clemente on July 11, 1971, and met with the President and Ehrlichman the next day. (Book VII, 806) The President directed Mardian to obtain the logs and files from Sullivan, to deliver them to the White House, and check with Kissinger, Haig and Haldeman to make sure all reports sent to them were accounted for. (Book VII, 2061) The FBI report of an interview of Mardian states:

"He [Mardian] said the following morning after his arrival in San Clemente, California, [i.e., on July 12] he went directly to the Western White House and spoke with the President of the United States, Mr. Nixon. He said he received at that time two instructions—one was to get the FBI material from Mr. W. C. Sullivan and deliver it to the White House, and the second was to check to see if all the material the White House had in Washington, D.C., matched the material supplied by Mr. Sullivan . . ." (Book VII, 2060–61)

In early August, after checking with Kissinger, Haig and Haldeman, as ordered by the President, Mardian delivered the wiretap files to someone in the Oval Office of the White House. He has refused to say to whom he actually delivered them. (Book VII, 2063) The FBI report of an interview of Mardian says:

"He [Mardian] said when he went to the White House he went directly to Dr. Kissinger's office. Dr. Kissinger and General Haig were present. . . .

"Mr. Mardian said that in Dr. Kissinger's and General Haig's presence he opened the bag and removed a group of papers from the bag 'clipped together' with a sheet of paper on top which had the chronological listing of summaries of wiretap information that had been previously furnished by the FBI to the White House. He said that he and Dr. Kissinger checked by date and satisfied themselves that Dr. Kissinger's material matched with the cover sheet which Mr. Mardian was using . . .

"He said that after he and Dr. Kissinger and General Haig were satisfied that the material in Dr. Henry Kissinger's office matched the itemized list, he walked into Mr. Haldeman's office. He said, again this point is not completely clear in his mind but he had the distinct impression that he left the check list with Mr. Haldeman to check against the summaries that Haldeman had in his possession in his own office.

"He said that as a result of Mr. Haldeman's check, as best he can recall, two of the summaries which were sent to the White House did not check against the list. He said his memory could be at fault and that, in effect, it could have been two that were in Dr. Kissinger's possession; however, he feels that the two missing summaries were missing from the summaries which Mr. Haldeman checked against the itemized list.

"After Mr. Haldeman completed his check, Mr. Mardian said he retrieved the bag with all its contents and walked into the Oval Room of the White House and left the bag. He was specifically asked to whom he gave the bag. He said he preferred not to answer because of the President's order concerning employees talking about national security information. Mr. Mardian was specifically asked 'Did you give the bag to Mr. Nixon, the President of the United States?' He sat back in his chair, shrugged his shoulders, hesitated and said, 'I cannot answer that question . . .'." (Book VII, 2062–63)

The President directed Ehrlichman to take possession of the files. Ehrlichman placed them in a filing cabinet in his office, where they remained until his resignation on April 30, 1973. Ehrlichman then removed the documents from his office and turned them over to the President as Presidential papers. (Book VII, 782)

The concealment of the logs, together with the decision not to have the 1969–71 wiretaps indexed, were among the factors ultimately leading to the dismissal of the Ellsberg case in the spring of 1973. On January 24, 1972, when Judge Byrne, the trial judge in the case, directed the prosecution to disclose any electronic surveillance or overhearing of Halperin or Ellsberg, the government prosecutor in charge of the case filed affidavits denying that there had been electronic surveillance or overhearing of Ellsberg. (Book VII, 1504–11) In fact, Halperin's telephone had been tapped for 21 months and Ellsberg had been overheard on the tap 15 times. (Book VII, 681)

On February 22 or 23, 1973, the White House press office learned of a forthcoming *Time* magazine article that would disclose the existence of wiretaps on newsmen and White House employees including Halperin. (Book VII, 1742) Disclosure of this tap would show that the Government's affidavits in the trial were false, and would enable Ellsberg and his attorneys to ascertain that, contrary to the government's affidavit, Ellsberg had been overheard on a wiretap. John Dean investigated the *Time* story by contacting Assistant FBI Director Mark Felt, Sullivan and Mardian. Each confirmed the existence of the wiretaps, and Mardian said that the files had been delivered to Ehrlichman. Ehrlichman told Dean that he had the files, but nevertheless directed Dean to have Presidential Press Secretary Ronald Ziegler publicly deny the *Time* story. (Book VII, 1743)

The *Time* article was published on February 26, 1973. It reported the existence of the FBI taps on newsmen and White House employees. The White House press office issued a denial. (Book VII, 1747–48) Two days later, on February 28, Dean reported to the President on the *Time* story and his meeting with Sullivan about the wiretaps. Dean told the President that the White House was stonewalling totally on the wiretap story. The President replied, "Oh, absolutely." (HJCT 36)

The following day, March 1, 1973, Acting FBI Director L. Patrick Gray publicly testified about the wiretaps. The Senate Judiciary Committee was holding hearings on Gray's nomination to be Director of the FBI. He testified that FBI records did not reveal any taps of newsmen or White House employees and that, as a result of the White House denial of their existence, he had not investigated the matter further. (Book VII, 1756) Gray testified that: (1) Mr. Hoover would not do something like this in the first place; (2) When Gray came into the Federal Bureau of Investigation on May 3, the very first thing that he had said was that he would not permit any wiretaps that were not in accordance with law; (3) If these acts [the wiretaps] had occurred, it was a felony; no question about it, certainly; (4) It was a crime; and (5) He did not check with the White House because the White House had already issued a denial. (Book VII, 1756–1759)

The White House continued to deny the existence of the wiretaps until May, 1973. During this period the continuing Ellsberg trial was the subject of the President's attention. On April 5, 1973, Ehrlichman, on behalf of the President, asked Judge Byrne if he were interested in the position of Director of the FBI. (Book VII, 1881–82) In addition, on April 18, 1973, in a telephone conversation,[15] Assistant Attorney General Henry Petersen told the President that he had received information that Hunt and Liddy and others were responsible for a break-in at the office of Dr. Ellsberg's psychiatrist. The President, according to Petersen, replied angrily that he knew about that. "Stay out of that. That's national security matter. Your mandate is Watergate." (Petersen testimony, 3 HJC 98) On April 25, 1973, Attorney General Kleindienst showed the President Justice Department memoranda, concerning the break-in of Dr. Ellsberg's psychiatrist.[16] Kleindienst insisted to the President that this information should be disclosed to the court in the Ellsberg case. The President authorized the disclosure. (Book VII, 1984)

On May 9, 1973, after another news article about the wiretaps, an FBI agent told Acting FBI Director William Ruckelshaus that he recalled hearing Ellsberg on a wiretap three years earlier. (Book VII, 2047–49) Ruckelshaus immediately reported this information to Assistant Attorney General Henry Petersen who forwarded it to Judge Byrne on May 10. Peterson also told Judge Byrne that the logs could not be located and that there were no records of the date, duration, or nature of the wiretap. (Book VII, 2051–54) Judge Byrne ordered an immediate investigation. On the same day, the FBI interviewed Mardian, who revealed that he had delivered the records to the White House. (Book VII, 2061–63) Ehrlichman could not be located until the following day. Two hours before Ehrlichman was interviewed, Judge Byrne dismissed all charges against Ellsberg and his co-defendant, on the basis of misconduct by the Government. He stressed the failure of the Government to produce the wiretap records as one ground for dismissal. (Book VII, 2079)

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[14] The Los Angeles Grand Jury that had indicted Ellsberg on June 28 continued in session, and eventually issued a superseding indictment. In addition, a Grand Jury in Boston was investigating the Pentagon Papers matter. Ehrlichman's notes of a meeting with the President on July 6, 1971 reflect a reference to the Boston Grand Jury. (Ehrlichman's notes, item 12, 39). On July 15, 1974, the House Judiciary Committee received a copy of certain of John Ehrlichman's handwritten notes taken during meetings with the President. The President had produced those notes pursuant to a subpoena issued in *United States* v. *Ehrlichman*, Cr. 74–110 (D. D.C.). They relate to discussions by the President about the Pentagon Papers disclosure and related matters. The 174 pages of notes received are contained in an appendix to the Committee's statement of information.

[15] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President stated that the telephone call was from Camp David and was not recorded.

[16] On June 24, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording.

Article II, Paragraph (3)

(3) He Has, Acting Personally and Through His Subordinates and Agents, in Violation or Disregard of the Constitutional Rights of Citizens, Authorized and Permitted To Be Maintained a Secret Investigative Unit Within the Office of the President, Financed in Part With Money Derived From Campaign Contributions, Which Unlawfully Utilized the Resources of the Central Intelligence Agency, Engaged in Covert and Unlawful Activities, and Attempted to Prejudice the Constitutional Right of an Accused to a Fair Trial

The Committee finds clear and convincing evidence that Richard M. Nixon established a secret investigation unit in the White House to engage in covert activities. This unit engaged in unlawful activities that violated the constitutional rights of citizens, including the fourth amendment right of Dr. Lewis Fielding and the right of Daniel Ellsberg to a fair trial. The unit used the resources of the CIA unlawfully to assist in its operations and used campaign contributions to partially finance its unlawful activities. Although Richard M. Nixon later asserted that the activities of the unit were undertaken for national security purposes, the Committee finds that its unlawful activities served no such objective. Richard M. Nixon, without regard for law, permitted the unit to engage in these unlawful activities, and by so doing violated his constitutional oath and his duty to take care that the laws be faithfully executed.

I. The Creation and Purposes of the Special Investigations Unit

The creation of the special investigations unit (the Plumbers) referred to in paragraph (3) of Article II resulted from the publication of the Pentagon Papers, portions of which first appeared in *The New York Times* on June 13, 1971. (Book VII, 593) The President viewed the publication of the Pentagon Papers primarily as a political opportunity rather than a threat to national security.

Ehrlichman's handwritten notes[1] of a meeting with the President on June 17, 1971, under the designation π (Ehrlichman's symbol for the President), read: "Win PR, not just court case." (Ehrlichman notes, Item 1, p. 3) The notes, taken four days after the Pentagon Papers were first published, indicate that Daniel Ellsberg had been identified as the source of the disclosure. Although the President's National Security Adviser, Henry Kissinger, was present at this June 17 meeting, Ehrlichman's notes do not reflect a discussion by Kissinger or anyone else of a fear that Ellsberg would disclose other classified material. (Ehrlichman notes, pp. 3–5)[2] Ehrlichman's notes of a meeting two days later state: "Win the case but the NB [important] thing is to get the public view right. Hang it all on LBJ." (Ehrlichman notes, p. 7).

On June 25, 1971, Colson wrote in a memorandum to Haldeman that it was important to keep the Pentagon Papers issue alive because of its value in evidencing the poor judgment of prior Democratic administrations, thus working to the disadvantage of most Democratic candidates. Colson's memorandum recommended encouraging Congressional hearings with respect to the Pentagon Papers because an analysis of the origins of U.S. involvement in Vietnam would hurt the Democrats.[3] (Book VII, 664–72) Once again there was no mention of any effect of the disclosure of the Pentagon Papers on national security.

Colson wrote:

"There is another opportunity in this whole episode. That is the prosecution of Ellsberg. It would indeed arouse the heartland which is at present not very excited over the whole issue.

* * * * *

"The Ellsberg case, if pressed hard by us, will of course keep the issue alive.

* * * * *

"In short, I think it is very clear that there are profound political implications, that this offers us opportunities in ways we perhaps did not initially appreciate, that we can turn what appeared to be an issue that would impair Presidential credibility into one that we can use by effective contrast to improve the credibility of this Administration; and further, that it is a tailor-made issue for causing deep and lasting divisions within the Democratic ranks.

"For this reason, I feel that we must not move precipitously or worry about tomorrow's headlines. We must keep our eye on the real target: to discredit the Democrats, to keep them fighting and to keep ourselves above it so that we do not appear to be either covering up or exploiting." (Book VII, 670, 671, 673)

This memorandum was delivered to the President; he discussed aspects of it with Colson on the day it was written. (Colson testimony, 3 HJC 197) On the morning of July 1, 1971, the President met with Haldeman and Colson and discussed the Ellsberg trial.[4] Ehrlichman joined the meeting a half hour after it began. His notes indicate that they were advised to read the chapter about Alger Hiss in the President's book, *"Six Crises,"* and quote the President as saying the Hiss case "was won in the press." (Ehrlichman notes, Item 6, p. 26) The notes then state: "Leak stuff out—this is the way we win." (Ehrlichman notes, Item 8, p. 27)[5]

Also on July 1, Colson telephoned Howard Hunt. The following exchange took place:

"C One question that occurs to me. This thing could go one of two ways. Ellsberg could be turned into a martyr of the new left (he probably will be anyway), or it could be another Alger Hiss case, where the guy is exposed, other people were operating with him, and this may be the way to really carry it out; we might be able to put this bastard into a helluva situation and discredit the new left.

"H It would [sic] a marvelous way if we could do it, but of course, you've got the *Times* and the *Post* and the *Monitor* and all sorts of things.

"C They've got to print the news, you know, if this thing really turns into a sensational case.

"H Well, you of course, you're in a much better spot to see how the Administration stands to gain from it and at this point, I would be willing to set aside my personal yen for vengeance to make sure that the Administration profits from this. Now it's turned out, I gather from noonday news reports, it's become apparent that JFK was the guy who slid us into this thing back in May or so of 1961.

"C Hell, you knew that from where you were.

"H I knew that, yes, but it had never surfaced before.

"C Let me ask you this, Howard, this question. Do you think with the right resources employed that this thing could be turned into a major public case against Ellsberg and co-conspirators?

"H Yes, I do, but you've established a qualification here that I don't know whether it can be met.

"C What's that?

"H Well, with the proper resources.

"C Well, I think the resources are there.

"H Well, I would say so absolutely.

"C Then your answer would be should go down the line to nail the guy cold?

"H Go down the line to nail the guy cold, yes . . ." (Book VII, 700–01)

Colson sent a transcript of this conversation to Haldeman on July 2. The transmittal memorandum noted that Hunt had information from his CIA involvement in the Bay of Pigs that would destroy President Kennedy. (Book VII, 699)

The President discussed the Ellsberg matter again with Haldeman, Ehrlichman, and Mitchell on July 6, 1971. Ehrlichman's notes include: "π [President] to JM: must be tried in the paper. Not Ellsberg (since already indicted). Get conspiracy smoked out thru the papers. Hiss and Bentley cracked that way." During the same conversation, Ehrlichman wrote: "π leak the (e) [evidence] of guilt." (Ehrlichman notes, Items 7, 15, p. 38, 40) Ehrlichman's notes of a meeting with the President on July 10, 1971, stated: "Goal—Do to McNam., Bundy, JFK elite the same destructive job that was done on Herbert Hoover years ago." (Ehrlichman notes, Item 12, p. 52)

II. Staffing the Plumbers

Around June 25, 1971, the President directed Colson, Haldeman and Ehrlichman to try to find a person, preferably from the White House staff, to assume responsibility for all aspects of the Pentagon Papers disclosure, including coordination of the ongoing investigations by other Federal agencies and the handling of the prospective congressional investigations. (Colson testimony, 3 HJC 198) Colson prepared a memorandum for Haldeman dated July 2, 1971, which named several candidates, including Hunt and Buchanan, a White House speech writer. (Book VII, 678) Colson also sent Haldeman a transcript of the telephone conversation between Colson and Hunt. (Book VII, 699–702)

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[1] On July 15, 1974, the House Judiciary Committee received a copy of certain of John Ehrlichman's handwritten notes taken during meetings with the President. Those notes were produced pursuant to a subpoena issued in *U.S.* v. *Ehrlichman*, CR 74–116 (D.D.C.) and relate to discussions by the President about the Pentagon Papers disclosures and related matters. The 174 pages of notes received are being printed by the Committee as a separate volume of evidence.

[2] Although there is evidence that a portion of the Pentagon Papers was delivered to the Soviet Embassy on June 17, 1971, this was later repudiated by Krogh and Young (Book VII, 633, 637, 1392) there is no evidence in Ehrlichman's notes that he discussed this matter with the President. There is evidence that Ellsberg was not suspected or investigated by the Plumbers for this delivery. (Colson testimony, 3 HJC 512) A memorandum from Krogh and Young to Ehrlichman dated November 1, 1971, stated that one of the problems with the Ellsberg prosecution was the fact that Ellsberg gave the papers to the press and not to a foreign power. (Book VII, 1392)

[3] Throughout the summer of 1971 and into September, Colson continued to encourage congressional hearings. (Book VII, 835–36, 841, 1066–69) Colson testified that it was the President's wish that hearings be held as a method of publicly airing the facts. (Colson testimony, 3 HJC 197–98) Ehrlichman's notes of meetings with the President also reflect several discussions of congressional hearings. (Ehrlichman notes, Items 5–7, p. 16, 18–21, 36–37, 56–57, 59) Hunt was instructed to select the politically damaging material from the Pentagon Papers. (Book VII, 1218) Hunt also fabricated State Department cables purporting to show President Kennedy as responsible for the assassination of Diem. These cables were shown to a Life magazine writer in connection with Colson's efforts in September, 1971 to publish a major expose of the Diem coup and to revitalize interest in a Congressional investigation of the origins of the Vietnam War. (Book VII, 1031, 1035–39, 1042–51, 1068–75)

[4] On June 24, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to the conversation among the President, Haldeman, Colson and Ehrlichman on July 1, 1971. The President refused to produce these materials, other than the edited Ehrlichman notes.

[5] On the afternoon of July 1, 1971, the President and Ehrlichman met with a national security study group regarding declassification of documents. The notes of that meeting contain the following references: "Espionage not involved in Ellsberg case" and "Don't think in terms of spies." (Ehrlichman notes, Items 29 and 30, p. 32–33).

Buchanan, the first choice of Haldeman and Ehrlichman, declined the offer. (Book VII, 704–06) On July 8, 1971, Buchanan, sent a memorandum to Ehrlichman setting out his contrary views on the Ellsberg project.

"Having considered the matter until the early hours, by view is that there are some dividends to be derived from Project Ellsberg [sic]—but none to justify the magnitude of the investment recommended.

"At the very best, let us assume we can demonstrate, after three months investigation, that Ellsburg [sic] stole the documents, worked hand-in-glove with ex-NSC types, collaborated with leftist writers Neil Sheehan and Fox Butterfield, got together a conspiracy to drop the documents at set times to left-wing papers, all timed to undercut McGovern-Hatfield opposition—what have we accomplished?

"What benefit would be derived to the President and his political fortunes in 1972—and what damage visited upon his major political adversaries on the other side of the aisle. . . .

"This is not to argue that the effort is not worth-while—but that simply we ought not to start investing major personnel resources in the kind of covert operation not likely to yield any major political dividends to the President." (Book VII, 708–09)

Hunt was hired, effective July 6, 1971, to work on the Pentagon Papers project. (Book VII, 715–16, 721) Colson had known Hunt socially for several years and was aware of his background with the CIA. (Book VII, 677)

Ehrlichman's notes of his meeting with the President on July 6, 1971, state: "π: put on a non[legal] team on the conspiracy?" (Ehrlichman's notes, Item 11, p. 39)

On July 7, 1971, after being introduced to Hunt by Colson, (Book VII, 718–19) Ehrlichman called CIA Deputy Director Robert Cushman and said:

"I want to alert you that an old acquaintance, Howard Hunt, has been asked by the President to do some special consultant work on security problems. He may be contacting you sometime in the future for some assistance. I wanted you to know that he was in fact doing some things for the President. He is a longtime acquaintance with the people here. He may want some help on computer runs and other things. You should consider he has pretty much carte blanche." (Book VII, 728)

This call was transcribed by Cushman's secretary. (Book VII, 729–31) The President and Ehrlichman met on July 9, 1971, and Ehrlichman's notes state: "Dave Young to a special project." (Ehrlichman's notes, Item 36, p. 48)

On July 12 in San Clemente the President met with Assistant Attorney General Mardian, chief of the Internal Security Division. According to Ehrlichman's affidavit in *United States* v. *Ehrlichman*, the President received a report on the status of the investigation of the Pentagon Papers. The President was not satisfied with the progress and insisted upon an early designation of a man to be in charge of the White House effort.[6] Ehrlichman summoned David Young and Egil Krogh to San Clemente, and on July 17, 1971, he assigned them to be cochairmen of a unit to coordinate the Ellsberg-Pentagon Papers investigations. (Book VII, 806–07)

Ehrlichman called Colson from San Clemente on the weekend of July 17 and asked Colson to assign Hunt to work for Krogh. On July 22, 1971, Hunt was assigned to the unit in a meeting with Colson and Krogh. (Colson testimony, 3 HJC 206–07) Gordon Liddy, who had prior investigative experience with the FBI and the Department of Treasury, was also hired to work with the unit. (Book VII, 816–20)

In a discussion with Krogh and Ehrlichman on July 24, 1971, the day after the publication of a story disclosing the American negotiating position in the Strategic Arms Limitation talks, the President said:

"This does affect the national security—this particular one. This isn't like the Pentagon Papers." (Book VII, 885)

III. Activities of the Plumbers

A. Publicly discrediting Ellsberg

After the establishment of the unit headed by Krogh and Young, the President assigned Colson the task of publicly disseminating derogatory material collected by the Plumbers. The President also assigned Colson the task of insuring that Congressional hearings were held as a method of bringing out information that would discredit Ellsberg. (Book VII, 830–42; Colson testimony, 3 HJC 197–98)

The President directed Colson to release information concerning alleged ties of Ellsberg's lawyer, Leonard Boudin, with the Communist Party (Book VII, 1139–41) and also to release personal information about Ellsberg himself. On June 3, 1974, Colson pleaded guilty to a criminal information that read in part:

"On or about June 28, 1971, and for a period of time thereafter, in the District of Columbia and elsewhere, Charles W. Colson, the Defendant, unlawfully, willfully and knowingly did corruptly endeavor to influence, obstruct and impede the due administration of justice in connection with the criminal trial of Daniel Ellsberg under indictment in the case of *United States* v. *Russo*, Criminal Case No. 9373, United States District Court, Central District of California, by devising and implementing a scheme to defame and destroy the public image and credibility of Daniel Ellsberg and those engaged in the legal defense of Daniel Ellsberg, with the intent to influence, obstruct, and impede the conduct and outcome of the criminal prosecution then being conducted in the United States District Court for the Central District of California." (Book VII, 918–23)

Concerning the President's role in these activities, Colson stated in court:

"[T]he President on numerous occasions urged me to disseminate damaging information about Daniel Ellsberg, including information about Ellsberg's attorney and others with whom Ellsberg had been in close contact. I endeavored to do so—and willingly." (Colson testimony, *United States* v. *Colson*, June 21, 1974, 5–6)

Colson testified before the House Judiciary Committee that his notes of a meeting with the President in mid-August reflect a discussion of material about Boudin and his alleged ties to the Communist Party. (Colson testimony, 3 HJC 223) Krogh and Young advised Ehrlichman by memorandum dated August 19, 1971, that the President was after Colson to get something out on Ellsberg and that Hunt was preparing an article about Boudin. (Book VII, 1127) On August 24, Ehrlichman forwarded the article to Colson, who gave it to a journalist. (Book VII, 1128–40, 1144)

B. Use of the CIA for technical assistance and psychological profile

The President authorized enlisting the aid of the CIA in the activities of the Plumbers. Ehrlichman's only contacts with the CIA were at the direction of the President. (Book VII, 734–38) This conclusion is based on Ehrlichman's sworn testimony and he also testified that he called CIA Deputy Director Cushman on July 7, 1971, and on behalf of the President requested assistance for Hunt.

Hunt began receiving assistance from the CIA on July 22, 1971 when he met with Cushman and requested alias identification and disguise materials. Although this assistance was beyond the statutory jurisdiction of the CIA,[7] the materials were provided to Hunt the next day. (Book VII, 844–58)

The CIA disguise and false identification were used by Hunt in (1) an interview of Clifton DeMotte who allegedly had information derogatory to Senator Kennedy and members of the Kennedy political group (Book VII, 853), (2) the reconnaissance and subsequent break-in of Dr. Fielding's office in Los Angeles, (3) the interview of ITT lobbyist Dita Beard in Denver in March 1972, and (4) the break-in of the Democratic National Committee Headquarters in June 1972. (House Armed Services Committee Report No. 93–25, October 29, 1973, 3) At Hunt's request the CIA also provided him with a tape recorder in a typewriter carrying case; (Book VII, 1226–27) and before Hunt and Liddy went to Los Angeles for their reconnaissance of the office of Ellsberg's psychiatrist the CIA provided Liddy with false identification, disguise material and a camera concealed in a tobacco pouch. Upon their return from Los Angeles, the CIA developed the film of the photographs of the psychiatrist's office. (Book VII, 1152–65)

Hunt also requested a CIA secretary, credit cards, and an office in New York City with a backstopped phone. The CIA refused these requests, and Cushman called Ehrlichman on August 27, 1971, and obtained Ehrlichman's permission not to fill Hunt's latest requests. (Book VII, 1226–27, 1231–38) An internal CIA memorandum stated that Hunt's requests drew the Agency further into the sensitive area of domestic operations against Americans. (Book VII, 1230)

In addition to this type of assistance, Young also requested a psychological profile of Ellsberg from the CIA. (Book VII, 898) Hunt, in a memorandum to Colson dated July 28, 1971, entitled *Neutralization of Ellsberg*, recommended the development of a psychological profile as part of a file of derogatory information. The memorandum stated that the file would be a basic tool essential in determining how to destroy Ellsberg's public image and credibility. (Book VII, 914) Hunt told the CIA psychiatrist that the profile would be useful in trying Ellsberg in the press. (Book VII, 1083–84, 1087)

The request for a psychological profile was made directly to Helms, the CIA Director. Young stressed to Helms the high level of White House interest in the project. (Book VII, 898–903) On August 12 he told the psychiatrist who directed its preparation that the President was aware of the study. (Book VII, 1083, 1090–93) The profile, the only one known to have ever been prepared by the CIA on an American civilian (Book VII, 899), had been delivered to the White House the previous day. (Book VII, 1008–09, 1011–19)

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[6] Ehrlichman's notes of July 12, 1971 meeting between the President and Mardian contain no reference to the President's dissatisfaction with the investigation or his insistence that someone should be placed in charge of a White House effort. (Ehrlichman notes, pp. 53–58) In fact, the notes state, "FBI going all out now." (Ehrlichman notes, Item 12, p. 57)

[7] The CIA's jurisdiction is limited by a provision in the National Security Act of 1947, as amended, which states: "[T]he agency shall have no police, subpoena, law-enforcement powers, or internal-security functions. . . ." 50 U.S.C. § 403(d)(3).

The Plumbers were not satisfied with the profile and on August 12, 1971, requested the CIA to prepare an expanded psychological profile on Ellsberg. CIA staff members believed that the profile was beyond the Agency's jurisdiction and had suspicions as to the use that might be made of it. (Book VII, 1408–11) The staff psychiatrist who directed the effort concluded that the purpose was to defame or manipulate Ellsberg. (Book VII, 1400–07)

Despite the reluctance of the CIA, a second profile was prepared by the Agency in early November, 1971. Helms directed that it be delivered to the White House. He sent a separate letter to David Young expressing the CIA's pleasure in being of assistance but impressing upon Young the importance of concealing the CIA's involvement. (Book VII, 1412–20)

C. The Fielding break-in

The July 28, 1971 memorandum from Hunt to Colson entitled *Neutralization of Ellsberg* recommended obtaining Ellsberg's psychiatric records from his former psychiatrist for use in destroying Ellsberg's image and credibility. (Book VII, 914) The Plumbers had been informed by the FBI that on July 20 and 26, 1971, the psychiatrist, Dr. Lewis Fielding, had refused to be interviewed. (Book VII, 975, 983, 987–90) On or about August 5, Krogh and Young complained to Ehrlichman that the FBI would not cooperate fully in the Ellsberg investigation. (Book VII, 983, 1000) Krogh recommended that Hunt and Liddy be sent to California to complete the Ellsberg investigation. (Book VII, 983–84) Ehrlichman has stated that between July 26 and August 5, 1971, he discussed with the President his conversations with Krogh, and the President told Ehrlichman that Krogh should do whatever he considered necessary. Ehrlichman passed this instruction on to Krogh. (Book VII, 1000–01) Ehrlichman has also testified that the President approved the recommendation that the unit become operational and approved a trip by Hunt and Liddy to California to get "some facts that Krogh felt he badly needed." (Book VII, 993, 997–98, 1001, 1166)

In April, 1973, the President reaffirmed the fact that he had authorized operations against Dr. Fielding. In a telephone conversation on April 18, 1973, Henry Petersen advised the President that the Justice Department had learned of the Fielding break-in. (Book VII, 1956–57) Ehrlichman has stated in an affidavit that he was present during the call and that immediately after the President hung up he told Ehrlichman that the break-in was in furtherance of national security and fully justified under the circumstances. (Book VII, 810) Colson testified before the Committee that on April 19, 1973, Ehrlichman told him about the Petersen call. Ehrlichman told Colson that the President had informed Petersen that the President approved the Ellsberg operation in advance after consultation with Hoover and that Petersen was to stay out of it. (Colson testimony, 3 HJC 237)

On August 11, 1971, Krogh and Young submitted a memorandum to Ehrlichman informing him of the delivery of the CIA psychological profile and of their dissatisfaction with it. (Book VII, 1023) The memorandum also said:

> "In this connection we would recommend that a covert operation be undertaken to examine all the files still held by Ellsberg's psychoanalyst covering the two-year period in which he was undergoing analysis."

Ehrlichman initiated the line "approve" and wrote, "if done under your assurance that it is not traceable." (Book VII, 1024)

Young sent a memorandum to Ehrlichman on August 26, 1971, entitled, *Status of Information Which Can Be Fed Into Congressional Investigation of Pentagon Papers Affair*. (Book VII, 1215) The memorandum asked how quickly the Administration wanted to bring about a change in Ellsberg's image and contained the following footnote:

"[I]t is important to point out that with the recent article on Ellsberg's lawyer, Boudin, we have already started on a negative press image for Ellsberg. If the present Hunt/Liddy Project #1 is successful, it will be absolutely essential to have an overall game plan developed for its use in conjunction with the Congressional investigation. In this connection, I believe that the point of Buchanan's memorandum on attacking Ellsberg through the press should be borne in mind; namely that the situation being attacked is too big to be undermined by planted leaks among the friendly press.

"If there is to be any damaging of Ellsberg's image and those associated with him, it will therefore be necessary to fold in the press planting with the Congressional investigation. I mentioned these points to Colson earlier this week, and his reply was that we should just leave it to him and he would take care of getting the information out. I believe, however, that in order to orchestrate this whole operation we have to be aware of precisely what Colson wants to do." (Book VII, 1219)

Hunt and Liddy, equipped with alias identification, disguise materials and a camera provided by the CIA, made a reconnaissance trip to California on August 25, 1971 to inspect Dr. Fielding's office. The CIA later developed the photographs taken there. (Book VII, 1152, 1157–60, 1165–67) Krogh and Young have testified that on or about August 30, 1971, after Hunt and Liddy reported that their reconnaissance satisfied them that an entry operation was feasible, they called Ehrlichman and told him that they believed an operation that could not be traceable to the White House was possible and that Ehrlichman gave his approval. (Book VII, 1240–44)

The break-in of Dr. Fielding's office was executed on September 3, 1971, by a team under the immediate and close direction of Hunt and Liddy. (Book VII, 1276, 1281–92) There is a conflict between the testimony of Dr. Fielding and the burglars as to whether the burglary yielded any information about Ellsberg. (Book VII, 1276, 1289–91, 1293–97)

The break-in violated Dr. Fielding's right under the Fourth Amendment of the Constitution to be secure in his person, house, papers and effects, against unreasonable searches and seizures. Krogh pleaded guilty to conspiracy to violate the civil rights of Dr. Fielding (18 U.S.C. § 241);[8] Ehrlichman, Liddy and two of the members of the team that performed the break-in were convicted on July 12, 1974 of conspiring to violate Dr. Fielding's civil rights.[8a] The President in his public statements has stated that the break-in was illegal, unauthorized and completely deplorable. ("Presidential Statements," 8/22/73, 47)

Hunt and Liddy reported the results of the operation against Dr. Fielding's office to Krogh and Young on the afternoon of September 7, 1971. (Book VII, 1302–06) Ehrlichman's logs show that at 10:45 on the morning of September 8, 1971, Krogh and Young met with Ehrlichman. (Book VII, 1336) Ehrlichman has testified that he discussed the break-in with Krogh and Young. (Book VII, 1334) At 3:26 on the afternoon of September 8, Ehrlichman met with the President. (Book VII, 1335) Ehrlichman informed Colson on September 9 that Hunt and Liddy had attempted to get Ellsberg's psychiatric records but failed. (Colson testimony, 3 HJC 236; (book VII, 1335) On September 10, 1971, Ehrlichman met with the President from 3:08 to 3:51 p.m.,[9] and then met with Krogh and Young at 4:00 p.m. The President called Colson immediately following his meeting with Ehrlichman on September 10. (Book VII, 1335, 1337)

D. Financing

Part of the financing for the Fielding break-in was arranged by Colson, who borrowed $5,000 in cash from Joseph Baroody, a Washington public relations man. Baroody brought the money to Krogh at the White House. (Book VII, 1266–67) Krogh, in turn, gave the money to Liddy on September 1, 1971, immediately before Liddy and Hunt left for Los Angeles. (Book VII, 1257–59) In order to repay Baroody, Colson called George Webster, a Washington attorney, and asked if there were any campaign committees available to receive a contribution. Webster advised Colson of the existence of a committee called "People United for Good Government." Colson solicited the Associated Milk Producers, Inc. to make a $5,000 contribution to that committee. Colson instructed Webster to cash the check and hold the money for Baroody, who later picked it up at Webster's office. (Book VII, 1269–74)

E. Other activities

The Plumbers were instructed to investigate the source of the July 23, 1971 disclosure in a newspaper article of the American negotiating position in the SALT talks. In a meeting with Ehrlichman and Krogh on July 24, 1971, the President instructed Krogh to conduct polygraph examinations of Defense Department and State Department personnel. (Book VII, 864–66, 868–70) The tape recording of that conversation suggests that the President believed that the disclosure affected national security because it interfered with current negotiations. (Book VII, 885) Krogh contacted the CIA and obtained personnel and equipment to conduct the polygraph examinations. (Book VII, 895) In an interview, Donald Stewart, a Defense Department investigator, stated that the FBI became involved in the investigation and that the source of the leak was not discovered.[10] William Beecher, the journalist who wrote the article, was subsequently appointed Deputy Assistant Secretary of Defense for Public Affairs. (Book VII, 891–92)

On December 13 and 14, 1971, articles by Jack Anderson appeared in *The Washington Post* disclosing the American position in the India-Pakistan War.[11] (Book VII, 1430–31) Krogh refused to authorize wiretaps in connection with this investigation and for that reason was removed from the unit. (Book VII, 1432) Young worked alone on this assignment. The Defense Department conducted the investigation and copies of investigative reports were sent to Young at the White House. (Book VII, 1422–29) The FBI placed wiretaps on persons suspected of the disclosure. (Book VII, 1438–40) During the course of the investigation it was discovered that Yeoman Charles Radford, one of the persons suspected, had been furnishing documents from Kissinger and the National Security Council to the Joint Chiefs of Staff. (Book VII, 1423-24, 1426)

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[8] *United States* v. *Krogh*, Information and Docket (Book VII, 1608–13).

[8a] Transcript of Proceedings, *United States* v. *Ehrlichman*, July 12, 1974.

[9] On June 24, 1974, the House Judiciary Committee subpoenaed the tape recordings and other materials related to these conversations between the President and Ehrlichman. The President refused to produce the recordings or other materials.

[10] In a memorandum to Ehrlichman dated August 13, 1971, Krogh and Young reported that the investigation of the SALT disclosure had unsatisfactory results. (President's Submission, Book IV, 134)

[11] Ehrlichman's notes of meetings with the President on December 23, 1971 and January 5, 1972 contain references to this incident (Ehrlichman's notes pp. 125–30). At one point the notes state, "We'll prosecute Anderson, et al after the election." (Ehrlichman's notes, Item 8, p. 129)

IV. Concealment of the Plumbers' Activities

Following the Watergate break-in the President initiated a policy of preventing federal investigations from uncovering the Plumbers' activities. The President said on May 22, 1973, that his concern that activities of the Plumbers might be exposed was one reason for ordering Haldeman and Ehrlichman to insure that the Watergate investigations did not lead to their disclosure. ("Presidential Statements," 5/22/73, 24) [12]

On March 17, 1973, John Dean reported to the President that Hunt and Liddy had broken into the office of Ellsberg's former psychiatrist.[13] (WHT 157-60) Neither Dean nor the President said that the break-in was related to national security.

On the morning of March 21, Dean and the President discussed Hunt's blackmail threat. Dean told the President that Hunt threatened to bring Ehrlichman to his knees and to put Ehrlichman and Krogh in jail for the seamy things Hunt did at their direction, including the Fielding break-in. Dean reviewed for the President the soft points including the fact that Hunt and Liddy knew that the authorization for the break-in came from the White House. The President said, "I don't know what the hell we did that for." Dean said, "I don't either." (HJCT 92) Dean advised the President that Ehrlichman was criminally liable for the conspiracy to burglarize the doctor's office. (HJCT 104-05) Dean started to tell the President about something in the files that would reveal the break-in and the President interrupted and said, "Oh, I saw that. The picture." [14] (HJCT 105) This was a reference to the photograph of Liddy in front of Dr. Fielding's office which the Justice Department had obtained from the CIA. Dean responded, "Yeah, the picture. That, see, that's not all that's buried. . . ." (HJCT 105)

Haldeman joined the meeting (HJCT 1081) and the conversation returned to a discussion of the Fielding break-in and how they could prevent its disclosure. A national security theory was developed:

"PRESIDENT. . . . You see, John is concerned, as you know, Bob, about, uh, Ehrlichman which, uh, worries me a great deal because it's, a, uh,[15] it—and it, and this is why the Hunt problem is so serious, uh, because, uh, it had nothing to do with the campaign.

"DEAN. Right, it, uh—

"PRESIDENT. Properly, it has to do with the Ellsberg thing. I don't know what the hell, uh—

"HALDEMAN. But why—

"PRESIDENT. Yeah. Why—I don't know.

"HALDEMAN. What I was going to say is—

"PRESIDENT. What is the answer on that? How do you keep that out? I don't know. Well, we can't keep it out if Hunt—if—You see the point is, it is irrelevant. Once it has gotten to this point—

"DEAN. You might, you might put it on a national security ground, basis, which it really, it was.

"HALDEMAN. It absolutely was.

"DEAN. And just say that, uh,

"PRESIDENT. Yeah.

"DEAN. That this is not, you know, this was—

"PRESIDENT. Not paid with CIA funds.

"DEAN. Uh—

"PRESIDENT. No, seriously. National security. We had to get information for national security grounds.

"DEAN. Well, then the question is, why didn't the CIA do it or why didn't the FBI do it?

"PRESIDENT. Because they were—We had to do it, we had to do it on a confidential basis.

"HALDEMAN. Because we were checking them?

"PRESIDENT. Neither could be trusted.

"HALDEMAN. Well, I think—

"PRESIDENT. That's the way I view it.

"HALDEMAN. That has never been proven. There was reason to question their—

"PRESIDENT. Yeah.

"HALDEMAN. position.

"PRESIDENT. You see really, with the Bundy thing and everything coming out, the whole thing was national security.

"DEAN. I think we can probably get, get by on that." (HJCT 112)

Dean told the President of Krogh's perjury in denying that he knew anything about Hunt and Liddy's travels. Dean said that Krogh was willing to take responsibility for authorizing the break-in. (HJCT 95) The President asked what would happen if they did not meet Hunt's demands and Hunt "blew the whistle." (HJCT 125)

"DEAN. Krogh, Krogh could go down in smoke. Uh—

"PRESIDENT. Because Krogh, uh—Where could anybody—But on the other hand, Krogh just says he, uh, uh, Krogh says this is a national security matter. Is that what he says? Yeah, he said that.

"DEAN. Yeah, but that won't sell, ultimately, in a criminal situation. It may be mitigating on sentences but it won't, uh, the main matter—

"HALDEMAN. Well, then that—

"PRESIDENT. That's right. Try to look around the track. We have no choice on Hunt but to try to keep him—" (HJCT 125)

In a meeting that afternoon Ehrlichman said that if he were questioned about the Fielding break-in he would say that Hunt was conducting an investigation on Ellsberg. He added, "Now, I suppose that lets Ellsberg out, that's an illegal search and seizure that may be sufficient at least for a mistrial. . . ." The President asked if the case was close to completion and Ehrlichman said, "Oh, it'll go on a while yet." Haldeman asked if Ellsberg would be entitled to a mistrial after a conviction and Ehrlichman said, "Yeah, sure." (HJCT 139) [16]

On March 27, 1973, the President and Ehrlichman discussed whether it would be necessary for Krogh to take responsibility for the Fielding break-in. Ehrlichman said he did not believe it would be necessary because if it came to light he would "put the national security tent over this whole operation." The President agreed with Ehrlichman's recommendation to "just hard line it." [17] (WHT 334-37)

In April, the President actively participated in an effort to conceal the break-in under a national security tent. In a conversation with Attorney General Kleindienst on April 15, 1973, the President told Kleindienst that the "deep six thing" related to some of Hunt's operations in the White House on national security matters and had nothing to do with Watergate.[18] (WHT 721-23) On April 16, Henry Petersen told the President that the Department of Justice had information that Hunt had received alias documentation and a camera from the CIA. The President told Petersen that such action was perfectly proper because Hunt was conducting an investigation in the national security area for the White House.[19] (WHT 883-84)

In a meeting on April 17, 1973, the President told Haldeman and Ehrlichman that he had instructed Dean not to discuss with the United States attorney certain areas, including the Fielding break-in, because they were national security and privileged. The President said that Dean had agreed. He also said that it would be necessary to instruct Petersen that these were matters of national security and were subject to executive privilege and that Petersen should be instructed to pass the word down to the prosecutors.[20] (WHT 1028-30)

On April 18, 1973, Henry Petersen called the President and advised him that the Justice Department had learned that Hunt and Liddy burglarized the office of Ellberg's psychiatrist.[21] The President told Petersen to stay out of it because it was national security and Petersen's mandate was Watergate. (Petersen testimony, 3 HJC 98; Book VII, 1956-66) The President issued this order although he had been told on March 21 that the Fielding break-in created criminal liability for Ehrlichman (HJCT 104-05); that national security would be mitigating upon the sentences but not a defense to the break-in (HJCT 125) and that it was an unreasonable search and seizure that would result in a dismissal of the Ellsberg case. (HJCT 139)

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[12] On August 5, 1974, the President made public transcripts of conversations with H. R. Haldeman on June 23, 1972. During the course of the meeting between the President and Haldeman at 10:04 a.m. on June 23 the President said,

"Of course, this Hunt, that will uncover a lot of things. You open that scab there's a hell of a lot of things and we just feel that it would be very detrimental to have this thing go any further. This involves these Cubans, Hunt, and a lot of hanky-panky that we have nothing to do with ourselves. Well, what the hell, did Mitchell know about this?"

[13] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript of four pages.

[14] In the edited White House transcript, the President says, "Oh, I thought of it." (WHT 208)

[15] ". . . worries me a great deal . . ." reads ". . . worries him a great deal . . ." in the edited White House transcript. (WHT 220)

[16] The President later directed John Ehrlichman to contact Judge Matthew Byrne, the presiding judge in the Ellsberg trial. On April 5 and 7, 1973 Ehrlichman met with Judge Byrne and informed him that the President was considering appointing Judge Byrne to the directorship of the FBI. At the meeting on April 5, 1973 at San Clemente the President also met briefly with Judge Byrne, (Book VII, 1874-75, 1893, 1895)

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[20] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President refused to produce this recording. The President submitted an edited transcript.

[21] On April 11, 1974, the House Judiciary Committee subpoenaed the tape recording and other materials related to this conversation. The President has stated that the telephone conversation was not recorded. Ehrlichman's notes of a meeting with the President on April 27, 1973 state "— [President] to HP [Henry Petersen] from CD Camp David re this—review of what was said—" the remainder of the notes have been masked (Ehrlichman notes, 159).

On April 25, 1973, Attorney General Kleindienst told the President that he knew of the Fielding break-in and recommended that the break-in be revealed to Judge Byrne, who was presiding at Ellsberg's trial. Kleindienst described the President as being upset at that meeting, but agreeing that the information about the break-in should be transmitted to Judge Byrne. (Book VII, 1984–85) On April 26, memoranda regarding the break-in were filed *in camera* with Judge Byrne. (Book VII, 1996) He later reconvened court and asked the government's position as to turning the materials over to the defendants. (Book VII, 1998–2004) The next morning Judge Byrne was informed that the Department of Justice did not want the contents of the *in camera* filing disclosed to the defense. Judge Byrne nevertheless ordered the information to be supplied to the defense and made a statement from the bench revealing the break-in and ordering an investigation. (Book VII, 2005–13)

On the afternoon of April 27, 1973, the President and Ehrlichman discussed the fact that the news of the Fielding break-in was public. The notes state, "[President] to HP [Henry Petersen] from CD [Camp David] re this—Review of what was said:" The remainder of the page was masked. (Ehrlichman notes, 159) Later that afternoon the President and Ehrlichman met and discussed the Fielding break-in. The notes of that meeting state, "Make an affidavit. Say they exceeded their auth[ority], a critical nat'l security pro[ject]. Then resign." (Ehrlichman's notes, Item 5, 172) This is a reference to Egil Krogh who later filed an affidavit in the Ellsberg trial and resigned. The notes further state, "In March learned things—Only when A/G [Attorney General] confirmed it, I acted instantly," (Ehrlichman notes, Item 7, 173) and "as soon as it came to my attn [attention] is NB [important] point Relayed instantly—to Calif.", and "ph [phone] call to HP [Henry Petersen] April 18—confused by a month." (Ehrlichman notes, Items 9, 10, 173) The notes of that meeting also state, "By all means get it to Prosec[utor] or Dean will hold it over your head." (Ehrlichman notes, Item 7, 1973) The final reference in the notes reads, "Did I know about it sooner? (nod by E-no sound) If so, it made no impression, ets." (Ehrlichman notes, Item 13, 174)

The President met with Henry Petersen on the evening of April 27, 1973. (Book IV, 1633) Petersen told the President of Dean's threat to tie in the President, not in Watergate but in other things. (WHT 1265)

"HP That was one of the reasons that was so important to disclose that because they could have hung that over our heads, you see and—

"P You remember my call from Camp David. I said, "Don't go into the national security stuff." I didn't mean—

"HP Oh, I understand.

"P 'cause I remember I think we discussed that silly damned thing. I had heard about it, just heard about. You told me that. That's it, you told me" (WHT 1266–67)

Ehrlichman met with Young on April 30, 1973. According to Young's testimony, Ehrlichman told him not to address the question of whether Ehrlichman had discussed the Fielding break-in with the President. (Book VII, 2029, 2034) On May 2, 1973, Ehrlichman had at least three telephone conversations with Krogh which Ehrlichman recorded. The first recorded conversation included the following discussion:

"E The feeling is that you ought to be relieved of any executive privilege obligation in order to make an affidavit and that you should try and make clear to [Acting Attorney General] Elliot [Richardson] today by phone or in person that it was not known to our principal down here until he was informed by the Justice Department. Now I don't know how you can say. You can say I told you that, I guess. But that's his story.

"K to our principal until he was informed (as in writing it down while repeating)

"E Right

"K And that would have been? Say this last weekend?

"E No, it would have been either late March or April, but Kleindienst would know. Because he got it from Kleindienst and Petersen apparently. Now he would like a call back through me after you have successfully reached Elliot. And he says that he's got to ask for your resignation. At the same time he thinks that probably you're going to have an easier time of it if perhaps over the weekend or something of that kind it could be affected" (Ehrlichman notes, 161)

In the third recorded telephone conversation, Krogh and Ehrlichman said,

"K You know, John he's [the President's] on thin ice himself.

"E On this national security thing?

"K Yeah. He's on darn thin ice and one of the things that is very clear—yesterday—after listening to him which I thought was an unpersuasive speech, and is that if it comes out that he was told about this, about the same time he was told about everything else assuming that he did not know long in advance and I think he did but that's something else again. And he has decided not to investigate it vigorously, he's in a helluva spot." (Ehrlichman notes, 168)

On May 11, 1973, Judge Byrne dismissed the criminal charges against Ellsberg and his co-defendant because of governmental misconduct, including the Fielding break-in. (Book VII, 2076–81)

Article II, paragraph (4)

(4) He Has Failed To Take Care That the Laws Were Faithfully Executed by Failing To Act When He Knew or Had Reason To Know That His Close Subordinates Endeavored To Impede and Frustrate Lawful Inquiries by Duly Constituted Executive, Judicial, and Legislative Entities Concerning the Unlawful Entry Into the Headquarters of the Democratic National Committee, and the Cover-up Thereof, and Concerning Other Unlawful Activities Including Those Relating to the Confirmation of Richard Kleindienst as Attorney General of the United States, the Electronic Surveillance of Private Citizens, the Break-in Into the Offices of Dr. Lewis Fielding, and the Campaign Financing Practices of the Committee To Re-elect the President.

The President's duty to take care that the laws be faithfully executed imposes an affirmative obligation upon him to take reasonable steps to insure that his close subordinates, who serve at his pleasure and rely on his authority in the conduct of their positions, do not interfere with the proper functioning of government. This obligation must be reasonably construed, especially in the context of a presidential impeachment. The President cannot personally attend to the faithful enforcement of each provision of the Federal criminal code against every violator, nor can he supervise the activities of even his closest subordinates in every particular.

The premise of Paragraph (4) is that the President, when he has actual knowledge or reason to know of activities by his close subordinates, conducted for his benefit and on his behalf, to obstruct investigations into wrongful and criminal conduct within his administration, is constitutionally obligated to take all necessary steps to stop these activities. In this connection, Representative McClory stated, "There is a clear violation of the President's responsibility when he permits multiple acts of wrongdoing by large numbers of those who surround him in possession of [great] responsibility and influence in the White House." (HJC Debates, July 29, 1974, TR. 816)

Richard M. Nixon has recognized this presidential responsibility. On March 21, 1973, John Dean told the President that he would be hurt the most by disclosures of what his subordinates had been doing with respect to Watergate. The President agreed: "First, because I am expected to know this, and I am supposed to, supposed to check these things." (HJCT 101) The Committee finds clear and convincing evidence that Richard M. Nixon failed to fulfill this responsibility and that he failed to exercise his authority when he should have done so in order to prevent his close subordinates from interfering with investigations into criminal or improper conduct carried on in his behalf.[1]

I. Electronic Surveillance and the Fielding Break-in—Obstruction of the Ellsberg Trial

The Committee found clear and convincing evidence that the President failed to act, contrary to his constitutional duty to take care that the laws be faithfully executed, with respect to activities by his close subordinates, for his benefit and on his behalf, which interfered with the Ellsberg trial. Among the activities of his subordinates (previously reviewed in connection with Paragraphs (2) and (3) of this Article) are the following:

1. Ehrlichman's concealment of the wiretap files and logs, which interfered with the Ellsberg trial.
2. Patrick Gray's misleading testimony before the Senate Judiciary Committee in its hearings on his nomination to be Director of the FBI, suggestion that there had been no FBI wiretaps of newsmen and White House personnel.
3. Concealment of the Fielding break-in, which interfered with the Ellsberg trial. The President was told of the break-in on March 17, 1973 by Dean and on March 21 by Ehrlichman, but he did not act on these disclosures. On April 18 he directed Petersen to stay away from the break-in on the pretext that it was a national security matter.

II. Obstruction of Watergate Inquiries

The Watergate break-in and cover-up involved the President's closest subordinates. It is clear that both the break-in and the cover-up were carried out for the President's benefit. On numerous occasions the President was told of their unlawful attempts and actions to impede and frustrate investigations aimed at uncovering the facts of the Watergate matter. The President repeatedly failed to remedy or prevent unlawful acts of obstruction by these subordinates. The instances are fully reviewed in connection with Article I. For example:

1. The President's failure to act to prevent obstruction of the investigation after Hal-

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[1] Like Article I, Paragraph (4) focuses on interference with the due administration of justice. However, Paragraph (4) differs from Article I in two important respects:

First, Article I charges that the President engaged in a course of conduct or plan to obstruct justice. By contrast, Paragraph (4) relates to obstruction of justice by the President's close subordinates for his benefit and a failure by the President to supervise these subordinates so as to stop their misconduct.

Second, Paragraph (4) reaches not only the Watergate cover-up, but also interference with lawful inquiries into other matters. Specifically, it reaches interference with lawful inquiries into the ITT settlement (the Kleindienst confirmation hearings), the Ellsberg trial (by concealing the wiretaps and by authorizing and then concealing the Fielding break-in), and lawful inquiries into illegal campaign financing practices of the Committee for the Re-Election of the President.

deman told him on June 30, 1972 that as of the moment there was no problem, but that there were risks for the future—informing the President of a policy of concealment and coverup.

2. The President's failure to respond to the warning by Acting FBI Director Gray on July 6, 1972, that the President's close subordinates were trying to mortally wound him.

3. The President's failure to act in response to Ehrlichman's raising the question on July 8, 1972, of executive clemency for those involved in Watergate, though Ehrlichman raised the issue two months before an indictment was returned and six months before trial.

4. The President's praise of John Dean on September 15, 1972, after Dean told him seven people had been indicted, including two former White House aides. The President told Dean that a lot of this stuff went on and that Dean had been very skillful, putting his fingers in the dikes every time leaks had sprung here and sprung there.

5. The President's failure to act on March 13, 1973, when Dean told him that Strachan had knowledge before June 17, 1972 of the electronic surveillance at the headquarters of the Democratic National Committee and that Strachan had stonewalled FBI investigations and would continue to do so in the future.

6. The President's failure to act on March 21, 1973, when Dean confessed his own involvement in obstructing the Watergate investigation and told the President that Haldeman, Ehrlichman and Mitchell had also been involved in the obstruction of justice and that Porter and Magruder had committed perjury.

7. The President's failure to act when Haldeman and Ehrlichman told him that they had known of the payments to Watergate defendants in the summer of 1972 and had referred Dean to Kalmbach to arrange these payments.

8. The President's failure to disclose the information he had about the obstruction of justice by his subordinates when he met with Kleindienst and Petersen on April 15, 1973, and with Petersen during the following weeks.

9. The President's failure to reveal information about the unlawful obstruction of justice by his subordinates that he learned of, by his own admission, on and after March 21, 1973.

10. The President's endeavor to conceal the existence of the White House taping system and his refusal to comply with requests by the Special Prosecutor for access to relevant and material tapes and documents.

11. The President's failure to report to the authorities Haldeman's false testimony about the March 21, 1973, conversation before the Senate Select Committee on Presidential Campaign Activities.

III. Obstruction of Inquiries Into Campaign Financing Practices and Use of Campaign Funds

The President learned in June and September, 1972, and in February, March and April, 1973, that the Committee for the Re-Election of the President had engaged in unlawful campaign financing practices and his aides were endeavoring to obstruct lawful investigations into these practices and the use of campaign funds. As demonstrated by the following examples, the President took no action to inform authorities of his subordinates' conduct:

1. The President failed to inform the authorities when Dean explained to the President on March 13, 1973, the method used by Allen and Ogarrio to make illegal campaign contributions.

2. The President failed to stop plans to interfere with the proposed hearings of the House Banking and Currency Committee (the Patman Committee) on campaign financing practices of the Committee to Re-elect the President, which Dean discussed with the President on September 15, 1972.

3. The President failed to report Herbert Kalmbach's use of $75,000 in campaign funds received from Stans and Haldeman's use of $350,000 in surplus cash campaign contributions to make payments or have payments made to Watergate defendants.

4. The campaign activities of Donald Segretti were the subject of specific inquiry by the Watergate Grand Jury and FBI in August, 1972, and again by the Watergate Grand Jury in April 1973. On February 28, March 2, 13, and 14, 1973, the President discussed with Dean the extent of White House involvement with Segretti, who had been recruited by Chapin and Strachan to disrupt campaigns of Democratic presidential candidates, had been paid $45,000 for salary and expenses by Kalmbach pursuant to Haldeman's authorization, and had committed repeated violations of federal campaign laws in fulfilling his assignment. On March 21, 1973, Dean warned the President that Chapin could be charged with a felony for violating the civil rights statute in connection with Segretti's activities. On April 14, 1973, the President, Haldeman and Ehrlichman discussed Haldeman's involvement with Segretti, the White House having been informed by Chapin that Haldeman's name had been mentioned in connection with the hiring of Segretti during Chapin's April 11 appearance before the Grand Jury.

IV. Kleindienst Confirmation Hearings

During the hearings before the Senate Committee on the Judiciary on Richard Kleindienst's nomination to be Attorney General in 1972, both Kleindienst and former Attorney General John Mitchell gave false testimony regarding the President's involvement in the ITT antitrust cases. Clearly, Kleindienst and Mitchell were protecting the President. The President followed Kleindienst's confirmation hearings closely, but took no steps to correct the false testimony and continued to endorse Kleindienst's appointment. Because the President's conduct in the Kleindienst matter has not previously been discussed in this Report, the facts are summarized here.

On February 15, 1972, the President nominated Deputy Attorney General Richard Kleindienst to succeed John Mitchell as Attorney General of the United States. Beginning on February 29, 1972, columns by Jack Anderson were published which alleged that a pledge by the International Telephone and Telegraph Corporation of financial support for the 1972 Republican National Convention was connected with the settlement by the Department of Justice of three antitrust suits against ITT, and that Mitchell and Kleindienst were involved. (Book V, 634–36, 640) Kleindienst requested that his confirmation hearings before the Senate Judiciary Committee, which had approved his nomination, be resumed to investigate the charges. On March 2, 1972, the Committee's hearings were reconvened. (Book V, 678–79)

During the course of the resumed Kleindienst confirmation hearings both Mitchell and Kleindienst repeatedly gave false testimony with respect to the role of the President in the ITT cases. On March 2, 1972, and again on the following day, Kleindienst testified that he had not received directions from the White House about the handling of the ITT cases. (Book V, 680, 732) In fact, on April 19, 1971, the President had ordered Kleindienst to drop an appeal in the ITT-Grinnel case.[2] (Book V, 312, 315–16) On March 3, 1972, when asked why an extension of time to appeal the *ITT-Grinnell* case was obtained, Kleindienst testified, "I do not recollect why that extension was asked." (Book V, 734) In fact, the extension had been obtained because of the President's order. Four days later, on March 7, 1972, Kleindienst read a prepared statement describing in detail circumstances surrounding the request for an extension. He did not mention the President's telephone call ordering that the appeal be dropped. (Book V, 753–54) Again on March 8, 1972, Kleindienst denied having received directions from the White House about the handling of the ITT cases. (Book V, 765)

On March 14, 1972, John Mitchell appeared before the Senate Judiciary Committee. (Book V, 772) Mitchell twice testified that there had been no communication between the President and him with respect to the ITT antitrust litigation or any other antitrust litigation. (Book V, 772–74) In fact, Mitchell had met with the President on April 21, 1971, and persuaded the President to rescind his order not to appeal the *ITT-Grinnell* case. (Book V, 372–76)

The President took a direct interest in the Kleindienst confirmation hearings. In early March, 1972, he established a White House task force to monitor the hearings. Colson kept the President informed on the work of the task force. (Colson testimony, HJC 381–82, 400; Book V, 765) On the evening of March 14, the day Mitchell testified falsely that he and the President had not communicated regarding the ITT litigation, the President had a telephone conversation with Mitchell. (Book V, 775)

On March 24, 1972, the President held his only press conference during the period of the resumed Kleindienst confirmation hearings. He said:

> "As far as the [Senate Judiciary Committee] hearings are concerned, there is nothing that has happened in the hearings to date that has in one way shaken my confidence in Mr. Kleindienst as an able, honest man, fully qualified to be Attorney General of the United States." (Book V, 801; 8 Presidential Documents 674)

During late March, 1972, the President was urged to withdraw the Kleindienst nomination by Colson and Clark MacGregor. The President on March 27, 1972, discussed with Colson, and on March 28, 1972, discussed with Colson, Haldeman and MacGregor, whether the Kleindienst nomination should be withdrawn. On March 29, 1972, Haldeman told Colson and MacGregor that the President was going to meet with Kleindienst to determine whether his nomination should be withdrawn. (Colson testimony, 3 HJC 384–85)

On the morning of March 30, 1972, Haldeman told White House aides Colson and MacGregor that the President had met with Kleindienst and talked with Mitchell by telephone the day before, and had decided not to withdraw Kleindienst's nomination. (Colson testimony, 3 HJC 392–95, 397; Book V, 805–09) Colson wrote a memorandum to Haldeman stating his opposition to continuing the Kleindienst nomination. (Book V, 803–05) His reasons included the possibility that documents Colson had reviewed would be revealed and reflect that the President had discussions with Mitchell about an ITT case in 1971, thereby contradicting statements made by Mitchell under oath during the Kleindienst hearings. The President said he would read the memorandum, and Colson testified that assuming normal White House practice was followed, the President received the memorandum. (Colson testimony, 3 HJC 397)

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[2] During the April 19 conversation the President brusquely ordered that the appeal be dropped and demanded that Antitrust Division Chief Richard McLaren be dismissed if this was not done. (Book V, 315–16) Colson has testified that in March, 1972, Haldeman, who did not witness the April 19, 1971 conversation, assured the President that he spoke to Kleindienst about policy and not about the ITT cases. (Colson testimony, 3 HJC 383)

On April 27, 1972, Kleindienst again testified that no one in the White House had called him and instructed him on the handling of the ITT cases. (Book V, 852) On June 8, 1972, Kleindienst's nomination was confirmed. (Book V, 903) At his swearing-in ceremonies on June 12, 1972, the President expressed his great confidence in Kleindienst's honesty, integrity and devotion to law. He said that the Senate confirmation proceedings had in no way reduced that confidence. (Book V, 904)

At no time did the President act to correct the false testimony of his Attorney General designate. Instead, he permitted Kleindienst's nomination to be confirmed and appointed him Attorney General. The Committee finds that the President knew or had reason to know that Kleindienst testified falsely before the Senate Judiciary Committee. This conclusion is supported by the facts that: (1) Colson's March 30, 1972, memorandum to Haldeman reported that certain documents contradicted Mitchell's sworn testimony with respect to, among other things, the President's involvement in the ITT cases; (2) the Kleindienst confirmation hearings received extensive press coverage; (3) a White House task force monitored the hearings and the President was kept informed of its work; (4) the President and senior members of his staff maintained a keen interest in the progress of the hearings; and (5) the President has failed to comply with the Committee's subpoena for tape recordings and other material related to Presidential conversations during the hearings.

Article II, paragraph (5)

(5) In Disregard of the Rule of Law, He Knowingly Misused the Executive Power by Interfering With Agencies of the Executive Branch, Including the Federal Bureau of Investigation, the Criminal Division, and the Office of Watergate Special Prosecution Force, of the Department of Justice, and the Central Intelligence Agency, in Violation of His Duty To Take Care That the Laws be Faithfully Executed

This Paragraph is based upon a fundamental constitutional principle governing the President's conduct in exercising his control over the agencies and institutions of the executive branch and discharging his responsibilities with respect to them. The principle is that he is accountable, through impeachment, for violating his constitutional duties by knowingly and repeatedly abusing the executive power, systematically and over a considerable period of time, in a manner that demonstrates a disregard of the rule of law, to direct agencies to engage in activities that are contrary to law or in derogation of their purposes and functions. In Paragraph (5) the principle is applied to the President's interference with and abuse of the Federal Bureau of Investigation, the Criminal Division of the Department of Justice, the Watergate Special Prosecution Force, the Central Intelligence Agency, and their officers and agents. The faithful administration of each of these agencies of government is vital to the protection of the rights of citizens and to the maintenance of their confidence in the integrity of their government. The Committee finds clear and convincing evidence that Richard M. Nixon knowingly disregarded laws and regulations and constitutional tenets that govern the administration of these agencies, and sought to have them serve his personal, political objectives.

In so doing, he violated his constitutional duty "to take Care that the Laws be faithfully executed," and his constitutional oath that he would faithfully execute the office of President and, to the best of his ability, preserve, protect and defend the Constitution.

Paragraph (5) addresses the President's abuse of the FBI and the CIA to aid in violations of the constitutional rights of citizens, conduct also covered in Paragraphs (2) and (3) of this Article. In addition, Paragraph (5) covers other abuse of these executive agencies contrary to law, specifically including the improper use of the executive power by Richard M. Nixon to impede and obstruct lawful investigations into criminal conduct involving close subordinates and agents within his administration.

Some of the evidence of misuse of executive agencies to obstruct investigations is also applicable to and supportive of a portion of Article I, which is addressed to the President's direction of and participation in a plan or course of conduct to interfere with lawful inquiries into the Watergate break-in and its aftermath. Although there are facts common to this Paragraph and parts of Article I, these facts are conceptually part of two different patterns of conduct—one of interference with lawful inquiries into the Watergate matter, the other of knowing abuse of executive agencies in disregard of the rule of law for personal political advantage. Unlike Article I, Paragraph (5) does not require proof that the interference was part of a plan or course of conduct conceived by the President and executed by his subordinates at his direction; it is sufficient for Paragraph (5) that the President acted knowingly. Moreover, Paragraph (5) focuses on the abuse by Richard M. Nixon of the powers of the Presidency to interfere with executive agencies. By contrast, Article I, which focuses upon the President's interference with lawful inquiries into the Watergate matter, encompasses a variety of means, not simply those involving the use of the President's power over executive agencies.

Among the important incidents supportive of Paragraph (5) (previously discussed in other portions of this report) are the following:

1. The President interfered with both the CIA and the FBI by directing his principal aides, Haldeman and Ehrlichman (and, through them, Dean), to have the CIA delay or prevent FBI investigation of the source of the funds recovered from those apprehended at the Watergate break-in, in order to prevent the FBI from discovering that those funds were political contributions obtained from the Committee to Re-elect the President and that CRP personnel were involved in devising and executing the break-in in furtherance of the President's re-election campaign, as well as from discovering other unlawful covert activities.

2. The President improperly used his office to interfere with the Department of Justice investigation of the Watergate break-in and cover-up by obtaining information from Assistant Attorney General Henry Petersen, which the President passed on to targets of the investigation, and by making false or misleading representations to Petersen, including his failure to disclose to Petersen his knowledge of criminal conduct as part of the cover-up.

3. The President interfered with the Office of the Watergate Special Prosecution Force by withholding and concealing evidence, and by discharging Special Prosecutor Cox and attempting to abolish the office of Special Prosecutor for the purpose of impeding and circumscribing its investigation and functions.

4. The President interfered with the proper functioning of the CIA by authorizing his subordinates to request CIA assistance for Howard Hunt and for the activities of the secret investigative unit in the office of the President (the Plumbers) directed at discrediting a defendant in a criminal trial and interfering with his right to a fair trial.

5. The President interfered with the proper functioning of the FBI by directing it to undertake unlawful surveillance of newsmen and White House personnel for his own political purposes, and by ordering that normal indices of the records of this surveillance not be maintained and later that the records be concealed at the White House. As a result of this concealment, the due and proper administration of justice was impeded and the criminal prosecution of Ellsberg, who had been on trial for many months, was dismissed on the grounds of governmental misconduct.

6. The President interfered with the Department of Justice when he instructed Petersen not to investigate the Fielding break-in on the pretext that it involved national security, when he knew the Fielding break-in was not a national security matter.

Conclusion

In recommending Article II to the House, the Committee finds clear and convincing evidence that Richard M. Nixon, contrary to his trust as President and unmindful of the solemn duties of his high office, has repeatedly used his power as President to violate the Constitution and the law of the land.

In so doing, he has failed in the obligation that every citizen has to live under the law. But he has done more, for it is the duty of the President not merely to live by the law but to see that law faithfully applied. Richard M. Nixon has repeatedly and willfully failed to perform that duty. He has failed to perfom it by authorizing and directing actions that violated or disregarded the rights of citizens and that corrupted and attempted to corrupt the lawful functioning of executive agencies. He has failed to perform it by condoning and ratifying, rather than acting to stop, actions by his subordinates that interfered with lawful investigations and impeded the enforcement of the laws.

Article II, section 3 of the Constitution requires that the President "shall take Care that the Laws be faithfully executed." Justice Felix Frankfurter described this provision as "the embracing function of the President";[1] President Benjamin Harrison called it "the central idea of the office." "[I]n a republic," Harrison wrote, "the thing to be executed is the law, not the will of the ruler as in despotic governments. The President cannot go beyond the law, and he cannot stop short of it."[2]

The conduct of Richard M. Nixon has constituted a repeated and continuing abuse of the powers of the Presidency in disregard of the fundamental principle of the rule of law in our system of government. This abuse of the powers of the President was carried out by Richard M. Nixon, acting personally and through his subordinates, for his own political advantage, not for any legitimate governmental purpose and without due consideration for the national good.

The rule of law needs no defense by the Committee. Reverence for the laws, said Abraham Lincoln, should "become the political religion of the nation."[3] Said Theodore Roosevelt, "No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it."[4]

It is a basic principle of our government that "we submit ourselves to rulers only if [they are] under rules."[5] "Decency, security, and liberty alike demand that government officials shall be subjected to the same rules of conduct that are commands to the citizen," wrote Justice Louis Brandeis.[6] The Supreme Court has said:

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[1] *Youngstown Sheet and Tube Co.* v. *Sawyer*, 343 U.S. 579, 610 (1952) (concurring opinion).

[2] B. Harrison, *This Country of Ours* 98-99 (1897).

[3] "Address Before the Young Men's Lyceum of Springfield, Illinois," January 27, 1837, in 1 *Complete Works of Abraham Lincoln* 43 (J. Nicolay and J. Hay eds., 1894).

[4] "Third Annual Message to Congress," December 7, 1903, in 9 *Messages and Papers of the Presidents* 6860 (J. Richardson ed. 1911).

[5] *Youngstown Sheet and Tube Co.* v. *Sawyer*, 343 U.S. 579, 646 (1952) (Jackson, J., concurring).

"No man in this country is so high that he is above the law. No officer of the law may set that law at defiance with impunity. All the officers of the government, from the highest to the lowest, are creatures of the law, and are bound to obey it.

"It is the only supreme power in our system of government, and every man who by accepting office participates in its functions is only the more strongly bound to submit to that supremacy, and to observe the limitations upon the exercise of the authority which it gives."[7]

Our nation owes its strength, its stability, and its endurance to this principle.

In asserting the supremacy of the rule of law among the principles of our government, the Committee is enunciating no new standard of Presidential conduct. The possibility that Presidents have violated this standard in the past does not diminish its current—and future—applicability. Repeated abuse of power by one who holds the highest public office requires prompt and decisive remedial action, for it is in the nature of abuses of power that if they go unchecked they will become overbearing, depriving the people and their representatives of the strength of will or the wherewithal to resist.

Our Constitution provides for a responsible Chief Executive, accountable for his acts. The framers hoped, in the words of Elbridge Gerry, that "the maxim would never be adopted here that the chief Magistrate could do no wrong."[8] They provided for a single executive because, as Alexander Hamilton wrote, "the executive power is more easily confined when it is one" and "there should be a single object for the . . . watchfulness of the people."[9]

The President, said James Wilson, one of the principal authors of the Constitution, "is the dignified, but accountable magistrate of a free and great people."[10] Wilson said, "The executive power is better to be trusted when it has no screen. . . . [W]e have a responsibility in the person of our President; . . . he cannot roll upon any other person the weight of his criminality. . . ."[11] As both Wilson and Hamilton pointed out, the President should not be able to hide behind his counsellors; he must ultimately be accountable for their acts on his behalf. James Iredell of North Carolina, a leading proponent of the proposed Constitution and later a Supreme Court Justice, said that the President "is of a very different nature from a monarch. He is to be . . . personally responsible for any abuse of the great trust reposed in him."[12]

In considering this Article the Committee has relied on evidence of acts directly attributable to Richard M. Nixon himself. He has repeatedly attempted to conceal his accountability for these acts and attempted to deceive and mislead the American people about his own responsibility. He governed behind closed doors, directing the operation of the executive branch through close subordinates, and sought to conceal his knowledge of what they did illegally on his behalf. Although the Committee finds it unnecessary in this case to take any position on whether the President should be held accountable, through exercise of the power of impeachment, for the actions of his immediate subordinates, undertaken on his behalf, when his personal authorization and knowledge of them cannot be proved, it is appropriate to call attention to the dangers inherent in the performance of the highest public office in the land in an air of secrecy and concealment.

The abuse of a President's powers poses a serious threat to the lawful and proper functioning of the government and the people's confidence in it. For just such Presidential misconduct the impeachment power was included in the Constitution. The impeachment provision, wrote Justice Joseph Story in 1833, "holds out a deep and immediate responsibility, as a check upon arbitrary power; and compels the chief magistrate, as well as the humblest citizen, to bend to the majesty of the law."[13] And Chancellor James Kent wrote in 1826:

"If . . . neither the sense of duty, the force of public opinion, nor the transitory nature of the seat, are sufficient to secure a faithful exercise of the executive trust, but the President will use the authority of his station to violate the Constitution or law of the land, the House of Representatives can arrest him in his career, by resorting to the power of impeachment."[14]

The Committee has concluded that, to perform its constitutional duty, it must approve this Article of Impeachment and recommend it to the House. If we had been unwilling to carry out the principle that all those who govern, including ourselves, are accountable to the law and the Constitution, we would have failed in our responsibility as representatives of the people, elected under the Constitution. If we had not been prepared to apply the principle of Presidential accountability embodied in the impeachment clause of the Constitution, but had instead condoned the conduct of Richard M. Nixon, then another President, perhaps with a different political philosophy, might have used this illegitimate power for further encroachments on the rights of citizens and further usurpations of the power of other branches of our government. By adopting this Article, the Committee seeks to prevent the recurrence of any such abuse of Presidential power.

The Committee finds that, in the performance of his duties as President, Richard M. Nixon on many occasions has acted to the detriment of justice, right, and the public good, in violation of his constitutional duty to see to the faithful execution of the laws. This conduct has demonstrated a contempt for the rule of law; it has posed a threat to our democratic republic. The Committee finds that this conduct constitutes "high crimes and misdemeanors" within the meaning of the Constitution, that it warrants his impeachment by the House, and that it requires that he be put to trial in the Senate.

ARTICLE III

Introduction

On February 6, 1974, the House of Representatives adopted H. Res. 803, authorizing and directing the Committee on the Judiciary to investigate whether sufficient grounds exist to impeach President Richard M. Nixon. This resolution authorized the Committee "to require . . . by subpoena or otherwise . . . production of such things . . . as deemed necessary to such investigation."

On February 25, 1974, Special Counsel to the Committee wrote to the President's counsel requesting tape recordings of designated presidential conversations and related documents. Some of these items had previously been provided by the President to the Special Prosecutor; others had not. In response to this request, the President agreed to produce only those materials he had previously given to the Special Prosecutor.

By subsequent letters and, ultimately, by service of eight subpoenas upon the President, the Committee sought:

(1) tape recordings, notes and other writings relating to 147 specified conversations;

(2) a list of the President's meetings and telephone conversations known as "daily diaries," for five special periods in 1971, 1972 and 1973;

(3) papers and memoranda relating to the Watergate break-in and its aftermath and to the activities of the White House special investigative unit (the Plumbers), prepared by, sent to, received by or at any time contained in the files of seven named former members of the President's staff; and

(4) copies of the President's daily news summaries, for a 3½ month period in 1972, that contain his handwritten notes pertaining to the hearings before the Senate Judiciary Committee on Richard Kleindienst's nomination to be Attorney General and matters involving ITT antitrust litigation.

The President was informed that the materials demanded by these eight subpoenas were necessary for the Committee's inquiry into the Watergate matter, domestic surveillance, the relationship between a governmental milk price support decision and campaign contributions by certain dairy cooperatives, the conduct of ITT antitrust litigation and alleged perjured testimony by administration officials during the Kleindienst confirmation hearings, and the alleged misuse of the Internal Revenue Service.

In response to these subpoenas the President produced:

(1) edited transcripts of all or part of 33 subpoenaed conversations and 6 conversations that had not been subpoenaed, all but one of which related to the Watergate matter;

(2) edited copies of notes made by John Ehrlichman during meetings with the President, which had been previously furnished to Ehrlichman and the Special Prosecutor in connection with the trial *United States* v. *Ehrlichman*, and

(3) copies of certain White House news summaries, containing no handwritten notes by the President.

The Committee did not receive a single tape recording of any of the 147 subpoenaed conversations. Nor, apart from the edited notes of Ehrlichman and the copies of news summaries, did the Committee receive any of the other papers or things sought by its subpoenas.

Shortly after the President's response, the Committee informed the President that his submissions were not considered compliance with its subpoenas and that his refusal to comply might be regarded as a ground for impeachment.

At the conclusion of its inquiry, the Committee approved by a vote of 21–17 the following Article of Impeachment:

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[6] *Olmstead* v. *United States,* 277 U.S. 438, 485 (1928) (dissenting opinion) Justice Brandeis went on to say: "In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. Crime is contagious. If the government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy. To declare that in the administration of the criminal law the end justifies the means—to declare that the government may commit crimes in order to secure the conviction of a private citizen—would bring a terrible retribution."

[7] *United States* v. *Lee,* 106 U.S. 196, 220 (1882).

[8] 1 *The Records of the Federal Convention* 66 (M. Farrand ed. 1911) (brackets in original omitted).

[9] *The Federalist* No. 70, at 460 (Modern Library ed.).

[10] Wilson, *Lectures on Law,* in 1 *The Works of James Wilson* 319 (R. McCloskey ed. 1967).

[11] 2 J. Elliot, *The Debates in the Several State Conventions on the Adoption of the Federal Constitution* 480 (reprint of 2d ed.)

[12] 4 *Id.* 74.

[13] 1 J. Story, *Commentaries on the Constitution of the United States* § 813 at 564 (3d ed. 1858).

[14] 1 J. Kent, *Commentaries on American Law* 289 (6th ed. 1848).

"ARTICLE III

"In his conduct of the office of President of the United States, Richard M. Nixon, contrary to his oath faithfully to execute the office of President of the United States, and to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has failed without lawful cause or excuse to produce papers and things as directed by duly authorized subpoenas issued by the Committee on the Judiciary of the House of Representatives on April 11, 1974, May 15, 1974, May 30, 1974, and June 24, 1974, and willfully disobeyed such subpoenas. The subpoenaed papers and things were deemed necessary by the committee in order to resolve by direct evidence fundamental, factual questions relating to presidential direction, knowledge or approval of actions demonstrated by other evidence to be substantial grounds for impeachment of the President. In refusing to produce these papers and things, Richard M. Nixon, substituting his judgment as to what materials were necessary for the inquiry, interposed the powers of the presidency against the lawful subpoenas of the House of Representatives, thereby assuming to himself functions and judgments necessary to the exercise of the sole power of impeachment vested by the Constitution in the House of Representatives.

"In all of this, Richard M. Nixon has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice, and to the manifest injury of the people of the United States.

"Wherefore, Richard M. Nixon by such conduct, warrants impeachment and trial, and removal from office."

The refusal of the President to comply with the subpoenas was an interference by him with the efforts of the Committee and the House of Representatives to fulfill their constitutional responsibilities. It was, as Article III states, an effort to interpose "the powers of the presidency against the lawful subpoenas of the House of Representatives, thereby assuming to himself functions and judgments necessary to this exercise of the sole power of impeachment vested by the Constitution in the House of Representatives."

Evidence of the President's refusal to comply with the Committee's subpoenas seeking evidence with respect to the Watergate matter could be introduced as proof of the allegations in paragraph 4 of Article I—which charges interference with investigations by Congressional Committees as one of the means used to obstruct justice in the Watergate matter. But the refusal by the President to comply with subpoenas issued after the Committee was satisfied there was other evidence pointing to the existence of impeachable offenses, is a grave interference with the efforts of the Committee and the House to fulfill their constitutional responsibilities, regardless of whether it is part of a course of conduct or plan to obstruct justice. Only Article III is concerned with enforcing general standards requiring Presidential compliance with subpoenas in impeachment inquiries.

The Committee has been able to conduct an investigation and determine that grounds for impeachment exist—even in the face of the President's refusal to comply. But this does not mean that the refusal was without practical import. The Committee had enough evidence to recommend the adoption of two other articles, but it does not and did not have at the time it deliberated and voted—despite the President's contentions to the contrary—the "full story." Had it received the evidence sought by the subpoenas, the Committee might have recommended articles structured differently or possibly ones covering other matters.[1] Article III states, the evidence sought was "deemed necessary by the Committee in order to resolve by direct evidence fundamental factual questions relating to presidential direction, knowledge or approval of actions demonstrated by other evidence to be substantial grounds for impeachment of the President." It is the defiance of the Committee's subpoenas under these circumstances that gave rise to the impeachable offense charged by Article III.

The President's statement on August 5, 1974, that he would transmit to the Senate certain material subpoenaed by the Committee, did not lessen the need for Article III. The President said on August 5 that he would supply to the Senate, for an impeachment trial, those portions of recordings of 64 conversations that Judge Sirica decides should be produced for the Special Prosecutor for use in the Watergate criminal trial. This assurance did not remove the interference with the exercise of their responsibilities by the Committee and the House charged in Article III.

Article III charges the President with interfering with the discharge of the Committee's responsibility to investigate fully and completely whether sufficient grounds exist to impeach him. The Committee's duty is different from the duty of a prosecutor, a grand jury, or a trial jury, whose task it is to determine whether specific criminal statutes have been violated. What may be relevant or necessary for the Watergate criminal trial would not necessarily coincide with what is relevant and necessary for this inquiry. And, in any event, it is for the Committee—not a trial judge in a criminal case—to determine what is relevant and necessary to the Committee's inquiry. Thus, even if the President had, on August 5, 1974, consented to deliver to the House the portions of the 64 recordings that Judge Sirica eventually found relevant and necessary to the Watergate criminal trial, the President's refusal to comply with the Committee's subpoenas would nonetheless constitute an interference with the duty of this Committee.

Similarly, the President's willingness to furnish to the Senate some material that was sought by the Committee's subpoenas does not remove the obstruction of the constitutional process. In the first place, the President's assurance related only to a portion of the material sought by the Committee. But more fundamentally, providing material to the Senate did not eliminate the interference with this Committee's responsibilities because the duty of the Committee differs also from that of the Senate. The responsibility of the Senate is to determine whether the evidence is sufficient to remove the President on the basis of specific articles of impeachment previously transmitted to it by the House. The duty of the Committee is to investigate first and then to recommend to the House whether there is sufficient evidence to transmit articles of impeachment to the Senate. In order for this Committee and the House to be able to perform their responsibilities, it is not sufficient for the President to meet the demands of other bodies seeking evidence for other purposes; the demands of the Committee and House must also be met.

Rather than removing the need for Article III, the events of August 5 underscore its importance. On that day, the President not only made the statement concerning transmittal of materials to the Senate, but also released edited transcripts of three conversations that took place on June 23, 1972 between himself and Haldeman. These conversations were requested by the Committee by letter dated April 19, 1974 and subpoenaed on May 15, 1974. The President, by letter dated May 22, 1974, refused to comply with the subpoena stating that "the Committee has the full story of Watergate, insofar as it relates to Presidential knowledge and Presidential actions."

There is no question that the three June 23, 1972 conversations bear significantly upon presidential knowledge and presidential actions. There is also no question that, prior to sending his May 22, 1974 letter defying the Committee's subpoena, the President listened to recordings of two of these conversations. Both of these facts were admitted in his August 5 statement. Yet the President did not make the June 23 conversations available until after the Committee had completed its deliberations, and then only as a consequence of the Supreme Court decision in *United States* v. *Nixon* directing that the conversations be produced for the Watergate criminal trial. The President's defiance of the Committee forced it to deliberate and make judgments on a record that the President now acknowledges was "incomplete." His actions demonstrate the need to ensure that a standard be established barring such conduct in impeachment inquiries. That is the function of Article III.

The Committee's subpoenas and the President's response

A. The February 25, 1974, Letter

On February 25, 1974, at the direction of the Committee's Chairman and Ranking Minority Member, Special Counsel John Doar wrote to the President's Special Counsel, James D. St. Clair. On behalf of the Committee, Mr. Doar requested (1) certain materials previously furnished by the President to the Special Prosecutor, including 19 tape recordings of presidential conversations and recollections, and (2) all tape recordings, notes and other writings relating to 42 specifically identified presidential conversations, which had not previously been provided to the Special Prosecutor.

No response to the Committee's request had been made by March 1, 1974. On that day the Federal grand jury investigating the Watergate matter delivered a report and supporting materials to Chief Judge John Sirica for submission to the Committee. These materials included 12 recordings of presidential conversations and recollections pertinent to the Watergate matter, together with related documentary materials. On March 6, 1974, Judge Sirica held a hearing to determine whether the Grand Jury report and supporting materials should be delivered to the Committee. Mr. St. Clair stated during this hearing, and confirmed by letter of the same date to Mr. Doar, that the President would furnish to the Committee all material he had previously furnished to the Special Prosecutor.

Between March 8 and March 22, the President delivered to the Committee the materials he had produced for the Special Prosecutor. These materials included the 12 recordings related to the Watergate matter, and 7 recordings relating to the ITT, dairy, and Plumbers matters. Also included were approximately 700 pages of documents pertaining to these areas.[1] On March 26, the grand jury report and accompanying materials were delivered to the Committee.

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[1] The Committee's inquiry into the relationship between the contributions by certain dairy cooperatives and the decision in 1971 to raise milk price supports is one instance in which the Committee was unable to make a final determination because of the President's noncompliance with its subpoenas. The evidence before the Committee provided some support for the suspicion that the President's conduct in this matter may have been grounds for his impeachment, but without the subpoenaed materials the Committee lacked the evidence to determine whether there was basis for such a charge.

[1] A number of the documents were duplicates.

After several meetings between Mr. Doar, the Minority Counsel, Albert Jenner, and Mr. St. Clair, Mr. Doar wrote Mr. St. Clair on April 4, reiterating the Committee's request for the 42 presidential conversations first specified in Mr. Doar's February 25 letter. On April 9, Mr. St. Clair responded that a review of the materials was underway which would probably be completed by the end of the Congressional Easter recess. Mr. St. Clair made no commitment to produce any material at the completion of the review. Accordingly, on April 11, 1974 the Committee, by a vote of 33 to 3, authorized the issuance of its first subpoena directed to the President.

B. The Four Watergate Subpoenas

(1) April 11, 1974

The subpoena authorized on April 11, 1974 demanded the production of all tapes, dictabelts or other electronic recordings and transcripts, memoranda, notes or other writings relating to 42 specified conversations. Six of these conversations took place in February and March 1973; the other 36 were in April. They involved the President and Haldeman, Ehrlichman, Dean, Kleindienst and Henry Petersen. The return date for the subpoena was originally April 25, but was extended to April 30 at the President's request. In a television address to the Nation on the evening of April 29, the President announced that he would deliver transcripts of certain conversations to the Committee rather than the tapes themselves.

The following day, the President released to the public and delivered to the Committee edited transcripts of 31 of the 42 subpoenaed conversations. The President said that five of the 11 other subpoenaed conversations had not been recorded because the tape had run out. These conversations had taken place on April 15, 1973 in the President's office in the Executive Office Building. Four of the eleven were telephone calls and the President said they were not recorded because they were made on a telephone not connected to the taping system. The President said that the two remaining conversations, those in February, 1973, which were specified by subject matter rather than by precise time or date, either did not take place or could not be located. In addition to the edited transcripts of 31 conversations, the President produced edited transcripts of seven conversations between March 27 and April 27, 1973 that had not been subpoenaed. The President was a participant in four of these conversations. The President did not produce any notes or other writings relating to the 42 conversations as required by the April 11 subpoena.

The President stated in his April 30 submission to the Committee that he would permit the Chairman and Ranking Minority Member—without staff assistance—to listen to the subpoenaed tapes at the White House for the purpose of verifying the edited transcripts. He also stated that he would respond under oath to written interrogatories and that he would be willing to meet with the Chairman and Ranking Minority Member at the White House and submit to questioning by them.

On May 1, Chairman Rodino stated to the Committee that the procedure suggested by the President for reviewing the subpoenaed tape recordings to determine the relevance and accuracy of the edited transcripts was not compliance with the Committee's subpoena. The Chairman explained:

"The subpoena issued by the Committee required materials covered by it to be delivered to the Committee in order that they be available for the Committee's deliberations. There was good reason for this. It is not simply a question of the accuracy of transcripts or even of the relevancy of omissions, although both factors are obviously critical. The procedures followed by the Committee must be such that all Committee members—each of whom has to exercise personal judgments on this matter of enormous importance to the nation—and ultimately all members of the House of Representatives, are satisfied that they have had full and fair opportunity to judge for themselves all the evidence. It is therefore mandatory that the Committee not depart from the ordinary and expected process in the way the President suggested, or in any other manner that might suggest the intrusion of secret accommodations, or raise new questions about the thoroughness, fairness and objectivity of the Committee's work."

That same day, the Committee, pursuant to a 20 to 18 vote, formally advised the President by letter that he had failed to comply with its subpoena.

(2) May 15, 1974

On May 9, the Committee's inquiry staff began its initial presentations on information on the Watergate matter. On May 15, after requests by letter dated April 19 for specified tapes and documents were not met, the Committee authorized the issuance of two additional subpoenas to the President. The first subpoena, approved by a vote of 37 to 1, demanded the production of tape recordings and materials relating to 11 presidential conversations referred to in the staff presentations to the Committee. These conversations occurred on April 4, 1972, June 20, 1972 and June 23, 1972 and involved the President and Haldeman, Mitchell and Colson. The second subpoena issued on May 15 sought lists (known as "daily diaries") of the President's meetings and telephone calls in four specified periods: April through July 1972; February through April 1973; July 12 through July 31, 1973; and October 1973.[2]

By a letter to Chairman Rodino dated May 22, the President declined to furnish any of the materials required by the Committee's two May 15 subpoenas. The President wrote:

"On April 30, 1974, in response to a subpoena of the House of Representatives dated April 11, 1974, I submitted transcripts not only of all the recorded Presidential conversations that took place that were called for in the subpoena, but also of a number of additional Presidential conversations that had not been subpoenaed. I did this so that the record of my knowledge and actions in the Watergate matter would be fully disclosed, once and for all.

"Even while my response to this original subpoena was being prepared, on April 19, 1974, my counsel received a request from the Judiciary Committee's counsel for the production of tapes of more than 140 additional Presidential conversations—of which 76 were alleged to relate to Watergate—together with a request for additional Presidential diaries for extended periods of time in 1972 and 1973.

"The subpoenas dated May 15 call for the tapes of the first 11 of the conversations that were requested on April 19, and for all of the diaries that were requested on April 19. My counsel has informed me that the intention of the Committee is to also issue a series of subpoenas covering all 76 of the conversations requested on April 19 that are thought to relate to Watergate. It is obvious that the subpoenaed diaries are intended to be used to identify even more Presidential conversations, as a basis for yet additional subpoenas.

"Thus, it is clear that the continued succession of demands for additional Presidential conversations has become a never-ending process, and that to continue providing these conversations in response to the constantly escalating requests would constitute such a massive invasion into the confidentiality of Presidential conversations that the institution of the Presidency itself would be fatally compromised.

"The Committee has the full story of Watergate, in so far as it relates to Presidential knowledge and Presidential actions. Production of these additional conversations would merely prolong the inquiry without yielding significant additional evidence. More fundamentally, continuing ad infinitum the process of yielding up additional conversations in response to an endless series of demands would fatally weaken this office not only in this Administration but for future Presidencies as well.

"Accordingly, I respectfully decline to produce the tapes of Presidential conversations and Presidential diaries referred to in your request of April 19, 1974, that are called for in part in the subpoenas dated May 15, 1974, and those allegedly dealing with Watergate that may be called for in such further subpoenas as may hereafter be issued."

(3) May 30, 1974

On May 30, at the conclusion of the staff's presentation on the Watergate affair, the Committee authorized the issuance of a fourth subpoena by a vote of 37 to 1. This subpoena called for tape recordings and other materials relating to 45 specified conversations between November 15, 1972 and June 4, 1973 involving the President and Haldeman, Ehrlichman, Colson, Dean, Petersen and the attorneys for Haldeman, and Ehrlichman. The subpoena also sought all papers relating to Watergate and its aftermath prepared by. sent to, received by or at any time contained in the files of five former White House employees—Haldeman, Ehrlichman, Colson, Dean, and Gordon Strachan.

Also on May 30, the Committee, by a vote of 28 to 10, approved the text of a response by Chairman Rodino to the President's letter of May 22. Chairman Rodino's response stated in part:

"The Committee on the Judiciary regards your refusal to comply with its lawful subpoenas as a grave matter. Under the Constitution it is not within the power of the President to conduct an inquiry into his own impeachment, to determine which evidence, and what version or portion of that evidence, is relevant and necessary to such an inquiry. These are matters which, under the Constitution, the House has the sole power to determine.

"In meeting their constitutional responsibility, Committee members will be free to consider whether your refusals warrant the drawing of adverse inferences concerning the substance of the materials, and whether your refusals in and of themselves might constitute a ground for impeachment."

On June 9, the President answered Chairman Rodino's May 30 letter. He wrote that his decision not to comply with any further Watergate subpoenas was based on the principle of the separation of powers. He also stated that:

"the voluminous body of materials that the Committee already has—and which I have voluntarily provided, partly in response to Committee requests and partly in an effort to round out the record—does give the full story of Watergate, insofar as it relates to Presidential knowledge and Presidential actions. The way to resolve whatever ambiguities the Committee may feel still exist is not to pursue the chimera of additional evidence from additional tapes, but rather to call live witnesses who can place the existing evidence in perspective, and subject them to cross-examination under oath. Simply multiplying the tapes and transcripts would extend the proceedings interminably, while adding nothing substantial to the evidence the Committee already has."

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[2] Each of the time periods included in the second May 30 subpoena was approved by separate votes. The period April through July 1972 (prior to and shortly after the Watergate break-in) was approved 36 to 2; February through April 1973 (during which the Watergate cover-up began to unravel) by a vote of 32 to 6; July 12 through July 31, 1973 (shortly before and after the disclosure of the White House taping system) by a vote of 29 to 9; and October 1973 (the month Special Prosecutor Cox was dismissed) by a vote of 32 to 6.

On June 10, Mr. St. Clair wrote Chairman Rodino with specific reference to the May 30 subpoena. He stated that the President would not furnish the materials called for in that subpoena.

C. The ITT, Domestic Surveillance, Dairy and IRS Subpoenas

By June 24, the staff had completed the initial presentation on the conduct of ITT antitrust litigation and the subsequent Kleindienst confirmation hearings, domestic surveillance, the alleged relationship between governmental decisions affecting the dairy industry and campaign contributions, and alleged misuse of the IRS. On that day, the Committee authorized the issuance of four subpoenas to the President requiring the production of evidence in each of these areas. Earlier requests by letter for this evidence had been denied.[3]

(1) The ITT Subpoena

The subpoena respecting the ITT matter and the Kleindienst confirmation hearings was authorized by a vote of 34 to 4. It required production of tape recordings and other materials relating to 19 specified conversations involving the President, Haldeman, Ehrlichman, Colson and Mitchell during the period March 6 through April 5, 1972. It also sought the President's daily news summaries for the period February 22 through June 9, 1972, containing his handwritten notations on items relating to the ITT matter and the Kleindienst confirmation hearings.

By letter dated July 12, 1974 from Mr. St. Clair to Chairman Rodino, the President declined to produce any recordings of conversations or materials related to the conversations. He agreed to and did produce copies of parts of White House news summaries, but not the original pages or copies containing his handwritten notes. Mr. St. Clair wrote that there were no notes by the President on his own copies "which related to Mr. Kleindienst's testimony that there was no White House pressure concerning the settlement of the ITT antitrust case." Mr. St. Clair advised the Chairman and Ranking Minority Members that they could verify this fact by examining the President's copy of the news summaries.

(2) The Domestic Surveillance Subpoena

The subpoena pertaining to the Committee's inquiry into domestic surveillance was authorized by voice vote. It required production of:

(1) recordings of 10 conversations during the period June 23, 1971 through April 25, 1973, in which the President and Haldeman, Colson, Ehrlichman, Petersen and Kleindienst participated;

(2) all memoranda, correspondence, papers and things relating to the White House special investigation unit (the "Plumbers") prepared by, sent to, received by or at any time contained in the files of Colson, Haldeman, Ehrlichman, Egil Krogh, and David Young, including all of Ehrlichman's handwritten notes produced by the White House pursuant to an order by Judge Gerhard Gesell in *United States* v. *Ehrlichman;* and

(3) Ehrlichman's handwritten notes of a meeting of July 12, 1971 among the President, Ehrlichman and Robert Mardian.

On July 12, 1974, the President declined to produce the 10 recordings or any of the other documents sought, except for those portions of Ehrlichman's notes that had previously been made available to Ehrlichman and the Special Prosecutor for the trial of *United States* v. *Ehrlichman.*

(3) The Dairy Subpoena

The subpoena respecting the dairy matter, authorized by a vote of 34 to 4, sought: (1) recordings and other materials relating to 18 conversations between March 19 through March 25, 1971, involving the President, Ehrlichman, Colson and John Connally; and (2) a list of Presidential meetings and telephone calls for that seven-day period. On July 12, 1974 the President declined to produce any recordings or other material sought by this subpoena.

(4) The IRS Subpoena

The subpoena in connection with the Committee's investigation into the alleged misuse of the IRS was authorized by a voice vote. It sought recordings of and materials related to two conversations involving the President, Haldeman and Dean on September 15, 1972. On July 12, 1974 the President declined to produce any of the recordings or materials sought by this subpoena.

D. Summary

In response to its initial request by letter of February 25, 1974, the Committee received from the President 19 tape recordings and documents relating to the Watergate, ITT, dairy, and Plumbers matters. All these recordings and documents had previously been furnished to the Special Prosecutor. Twelve of the recordings and related documents—those pertaining to the Watergate matter—were part of the Grand Jury submission to the Committee, which had been announced on March 1, 1974 before Mr. St. Clair responded to the Committee's February 25 letter. Thus, the 12 Watergate recordings and related materials would have been obtained by the Committee regardless of the President's response.

In response to eight subpoenas issued between April 11 and June 24, 1974 seeking recordings and materials relating to 147 conversations and various documents, the Committee received 33 edited transcripts of subpoenaed conversations,[4] edited notes previously turned over to the Special Prosecutor and Ehrlichman in connection with his trial, and news summaries without the President's notations. Apart from the recordings and documents, furnished to the Special Prosecutor, the Committee did not receive any tape recordings, or any notes, memoranda, or other writings relating to any Presidential conversations. The Committee did not receive any of the lists of the President's meetings and calls it subpoenaed, nor (apart from a portion of Ehrlichman's edited notes) any subpoenaed documents from the files of specified White House employees relating to the Watergate matters or the activities of the Plumbers.

Justification of the committee's subpoenas

Before the issuance of any subpoenas, the Impeachment Inquiry Staff submitted to the Committee detailed memoranda specifically justifying the request for each of the items sought. These memoranda accompanied each of the subpoenas, and are included in this report as Appendix B. They evidence the orderly procedures adhered to by the Committee. They also show the basis for the Committee's judgment as stated in Article III, that the "subpoenaed papers and things were . . . necessary . . . to resolve by direct evidence fundamental, factual questions relating to presidential direction, knowledge or approval of actions demonstrated by other evidence to be substantial grounds for impeachment of the President."

A. Watergate

The subpoenas issued on April 11, May 15 and May 30 covered 98 Watergate-related conversations. The Special Prosecutor subpoenaed 63 of these 98 conversations for use in the trial of *United States* v. *Mitchell* (the prosecution arising out of the Watergate cover-up). After the Special Prosecutor demonstrated to the District Court, and ultimately to the Supreme Court, that the material sought from the President was "essential to the justice of the [pending criminal] case,"[1] the President was ordered by the Supreme Court on July 24, 1974, to produce the tape recordings of those conversations for *in camera* inspection by the District Court.

The 98 conversations sought by the Committee may be divided into two periods: those that occurred on or prior to March 21, 1973, and those that took place after that date. The justifications for each group will be examined separately. But it should be emphasized that apart from one conversation that occurred on April 4, 1972 (among the President, Haldeman and Mitchell) the President has never claimed to the Committee that any of the 98 subpoenaed conversations is unrelated to the Watergate break-in and its aftermath.[2]

(1) Pre-March 21, 1973

The President repeatedly stated publicly that it was not until March 21, 1973 that facts were brought to his attention respecting the break-in and Watergate cover-up. ("Presidential Statements," 8/15/73, 49; 4/17/73, 12) To investigate this contention the Committee by subpoena sought recordings and other materials relating to 33 specified conversations that took place on or prior to March 21, 1973. In response, the President produced only edited transcripts of three conversations: a meeting on April 4, 1972, between the President, Haldeman and Mitchell; a telephone call on March 20, 1973, between the President and Dean; and a meeting on March 17, 1973, between the President and Dean (for which the President produced a 4-page edited portion of a 45-minute conversation). The President refused to produce any materials with respect to the other 30 subpoenaed conversations on or before March 21.

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[3] The President, in response to a letter dated April 19, 1974, from Mr. Doar to Mr. St. Clair requesting recordings and other materials relating to conversations for the Committee's inquiry into the ITT antitrust litigation and the Kleindienst confirmation hearings, did produce an edited transcript of a conversation on April 4, 1972 among the President, Haldeman and Mitchell. He did not produce any of the other materials sought by the April 19 letter.

[4] Since the delivery of the 31 edited transcripts on April 30, the President delivered to the Committee edited transcripts for all or part of two additional subpoenaed conversations: one, as previously indicated, which took place on April 4, 1972 (among the President, Haldeman and Mitchell), and the other, a 2½ page excerpt from a 1 hour and 24 minute conversation on March 22, 1973, between the President and Haldeman, which excerpt was given to the Committee on July 18, 1974, during Mr. St. Clair's closing argument. The total of 33 edited transcripts does not include the edited trnascripts delivered to the Committee on August 5, 1974, of three June 23, 1972, conversations between the President and Haldeman.

[1] *United States* v. *Nixon,* Slip opinion at 28 (July 24, 1974).

[2] The President, after the Supreme Court decision in *United States* v. *Nixon,* informed Judge Sirica when turning over conversations subpoenaed by the Special Prosecutor that a January 5, 1973 conversation between the President and Colson and a March 21, 1973 conversation between the President and Ehrlichman did not relate to Watergate. These two conversations were among the 98 subpoenaed by the Committee.

Among the Presidential conversations sought in the pre-March 21 period were 9 that occurred within six days following the break-in on June 17, 1972. Six of these conversations took place on June 20 and 23 with Haldeman; the other three were with Colson and occurred on June 20. During this period shortly after the break-in, the Watergate cover-up plan was first conceived and put into motion. These conversations bear upon the President's role in directing that cover-up.

June 20, 1972 was the first day that the President was in Washington following the Watergate break-in. (Book II, 156, 243) Haldeman, after being briefed on the Watergate matter by Kleindienst, Dean, Gray, Ehrlichman and others, (Book II, 240) reported to the President between 11:26 a.m. and 12:45 p.m. (Book II, 243) The portion of that discussion dealing with the Watergate break-in is unavailable because 18½ minutes of the tape recording of the conversation have been manually erased. (See Appendix A) Haldeman conferred with the President three additional times on June 20. The Committee subpoenaed those conversations. (Book II, 245) Colson also spoke with the President on June 20. (Book II, 243) Colson's three June 20 conversations with the President were also subpoenaed.

Three other subpoenaed conversations in the period shortly after the break-in took place on June 23, 1972. They were between the President and Haldeman. On that day the President instructed Haldeman and Ehrlichman to have the CIA ask the FBI to circumscribe the Watergate investigation. (Book II, 356–57, 359) The Committee subpoenaed the three June 23 conversations between the President and Haldeman because they were critical in resolving what the President knew when he ordered that the CIA be used to limit the FBI investigation and his reason for that order. The Committee was proved correct in assessing the need for the June 23 conversations when the President ultimately released transcripts of those conversations on August 5, 1974.[3]

Among the other subpoenaed conversations that occurred prior to March 21, 1973 were four discussions between the President and Colson in January and February, 1973. They are relevant to whether or not assurances of executive clemency to Howard Hunt were authorized by the President and to determine the President's knowledge of actions by White House and CRP personnel respecting the Watergate matter. The President's own statements, as reflected in the tape recording of the morning meeting with Dean of March 21, 1973 and the edited transcript of a conversation of April 14, 1973, and Colson's testimony before the Committee, demonstrate that discussions took place in January and February, 1973, between the President and Colson concerning these matters. (HJCT 93, 115–16; WHT 418–19; "Presidential Statements," 5/22/73, 21; Colson testimony, 3 HJC 317–18)

Additional conversations on or before March 21 that were subpoenaed are discussions in February, 1973, between the President and Haldeman concerning the possible appointment of Magruder to a government position at a time when Haldeman knew that Magruder had committed perjury, and between the President, Haldeman and Ehrlichman concerning the assignment of Dean to work directly with the President on Watergate.

Finally, the Committee subpoenaed recordings of meetings and calls between the President and Dean in February and March, 1973 in the course of which there were discussions of the Watergate matter; between the President and Haldeman and the President and Ehrlichman on March 20, the day Ehrlichman learned from Dean of Hunt's demands for $120,000 (Book III, 952–56), and between the President and Ehrlichman on the morning of March 21 immediately before the President's meeting with Dean at which Hunt's demand and the Watergate cover-up were discussed. These conversations bear directly upon the knowledge or lack of knowledge of, or action or inaction by, the President or any of his senior administration officials with respect to the investigation of the Watergate break-in.

(2) Post-March 21, 1973

The Committee sought 65 conversations in the period subsequent to March 21. Fifty-one of these conversations involved the President and his aides, Haldeman, Ehrlichman, Colson and Dean, and the attorneys for Haldeman and Ehrlichman. The other 14 conversations took place between the President and Justice Department officials, Henry Petersen and Richard Kleindienst. The bulk of the edited transcripts produced by the President—some 30 in number—are of Presidential conversations during this post-March 21 period.

It is evident from those edited transcripts that during this period there were repeated discussions of the Watergate matter among the President, Haldeman and Ehrlichman. They discussed the effect of statements being made by Dean, Magruder and others to the Watergate prosecutors, the facts being developed by the Justice Department, the course of action to be adopted in the face of the continuing Justice Department, Grand Jury and Senate Select Committee investigations, and the need to contact others and inform them of the results of the investigation so that they could be prepared when questioned.

Among the conversations subpoenaed in the post-March 21 period were six conversations on April 25 and 26 between the President and Haldeman; one of these lasted almost six hours. Although the President had repeatedly been informed by Henry Petersen that Haldeman was a prime subject of the Department of Justice's investigation, Haldeman, on April 25 and 26, at the President's direction, listened to the March 21 tape, made notes and reported to him. (Book IX, 116, 119–21; Book IV, 1560) Subsequently, on June 4, 1973, the President told Ronald Ziegler and Alexander Haig that, while the March 21 conversation was a problem, Haldeman could handle it. (Book IX, 177–78, 193) The President also spoke to Haldeman twice by telephone on June 4. (Book IX, 237–38) The Committee subpoenaed these telephone conversations.

Subsequently, in July, 1973, Haldeman testified about the March 21 meeting before the Senate Select Committee on Presidential Campaign Activities. (Book IX, 439–41) Two months after that testimony, the President (who had stated publicly that Haldeman testified accurately) was required to furnish the tape recording of the March 21 conversation to the Special Prosecutor. Haldeman was thereafter indicted for perjury respecting his testimony about that conversation.

The remaining group of post-March 21 conversations cover 14 discussions before the President and Kleindienst, and the President and Petersen. The edited transcripts produced by the President respecting a number of these conversations clearly indicate that they bear upon the extent to which the President informed the Justice Department officials of facts within his knowledge, including facts conveyed to him by Dean and others concerning the Watergate break-in and subsequent events. They are also relevant to determining the information that the President learned from Petersen and Kleindienst, and (when considered together with the President's conversations with Haldeman and Ehrlichman) the uses to which the President put that information. In sum, the 14 conversations were subpoenaed to help ascertain whether the President was seeking to discover the truth or to cover up for himself and his closest aides.

B. IRS

The subpoena issued on June 24, 1974 in connection with the Committee's investigation of alleged abuse of the IRS sought recordings and documents related to two conversations: one between the President and Haldeman on September 15, 1972, from 4:43 to 5:27 p.m., and another among the President, Dean and Haldeman on that same day from 6:00 to 6:13 p.m. The Committee had at that time a tape of a portion of a conversation on September 15 between the President and Haldeman from approximately 5:17 to 5:27 p.m.[4] and among the President, Dean and Haldeman from 5:27 to 6:00 p.m. Segments of the taped conversation that the Committee possesses an affidavit by Special Prosecutor Jaworski seeking the portion of the conversation from 6:00 to 6:13 p.m. on the ground that it relates to alleged abuse of the IRS, the decision of Judge Sirica (after listening to the conversation) ordering that it be turned over to the Special Prosecutor, and the testimony of John Dean before the Committee, (Dean testimony, 2 HJC 228–29; HJCT 1–18) all demonstrate that the two conversations sought by the Committee in its June 24 subpoena bear on the President's actions in connection with the use of the Internal Revenue Service to harass or obtain information about political enemies.

C. Domestic Surveillance

Five of the ten subpoenaed conversations in the domestic surveillance area relate to the issue of the President's knowledge of the break-in by the Plumbers into the office of Dr. Fielding. On September 7, 1971, shortly after the break-in, Egil Krogh and David Young, who headed the White House Plumbers unit, reported to Ehrlichman on the results of the break-in. (Book VII, 1310–17) The Committee subpoenaed three conversations between the President and Ehrlichman between September 7 and September 10, 1971—two of which occurred immediately before and after Ehrlichman's meetings with Krogh and Young at which the break-in was discussed.

The Committee also subpoenaed five conversations between the President and Colson that took place between June 23, and September 10, 1971. It was Colson who had arranged for the delivery of funds that were used to finance the break-in of Dr. Fielding's office. (Book VII, 1248–49) During this period the events also occurred that ultimately resulted in Colson's pleading guilty to having endeavored to obstruct justice in connection with the trial of Daniel Ellsberg. Colson has stated that he discussed with the President the release of derogatory information about Ellsberg and his attorney. ("Criminal Case," 22–23)

Finally, with respect to domestic surveillance, the Committee subpoenaed documents from the files of Haldeman, Ehrlichman, Colson, Krogh and Young relating to the origin and activities of the White House Plumbers unit. These documents were necessary for a thorough investigation by the Committee of domestic surveillance activities. The President refused to produce any of the documents from the files of his aides except for a portion of the edited Ehrlichman notes of meetings and conversations with the President which had previously been turned over to Ehrlichman and the Special Prosecutor for use in the trial in *United States* v. *Ehrlichman*.

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[3] The conversations between the President and Haldeman on June 23, 1972 lasted 95 minutes, 9 minutes and 25 minutes. The edited transcript released by the President for these conversations were 34 pages, 1 page and 11 pages, respectively.

[4] The White House staff in re-recording for the Committee a portion of a conversation among the President, Haldeman and Dean on September 15, 1972, from 5:27 to 6:00 p.m., inadvertently recorded approximately ten minutes of additional conversation between the President and Haldeman prior to 5:27 p.m. This additional ten minutes proved to be relevant to the Committee's inquiry into both the Watergate matter and alleged abuse of the IRS.

D. Dairy

In this area of its inquiry, the Committee was investigating the relationship between political contributions by certain dairy cooperatives and governmental decisions affecting the dairy industry. On March 12, 1971, the Secretary of Agriculture announced his decision not to raise milk price supports. (Book VI, 392–93) On March 25, 1971, that decision was reversed. (Book VI 768–69) The 18 conversations sought by the Committee's subpena of June 24, 1974, all occurred during the six-day period from March 19 to March 25, 1971. They were conversations: (1) between the President and Ehrlichman who, as the President's principal advisor in domestic affairs, participated in the White House review of the initial decision not to raise price supports (Book VII, 382, 628–71); (2) between the President and Secretary of the Treasury John Connally, who was present at discussions with the President respecting the milk price support issue;[5] and (3) between the President and Colson, who was one of the President's chief political advisors, the White House liaison with the dairy industry, and the person to whom the dairy industry initially made a $2,000,000 campaign pledge in 1970. (Book VI, 154–55)

The failure of the President to produce the recordings of these conversations—or even a listing of Presidential meetings and telephone calls between March 19 and March 25, 1971—seriously frustrated this area of the Committee's inquiry. Because of the President's defiance of its subpenas, the Committee was unable to make a determination as to the President's knowledge or lack of knowledge of, or involvement or lack of involvement in, alleged bribery in connection with the increase of milk price supports in, March 1971.

E. ITT and Kleindienst Confirmation Hearings

The Committee, as part of its inquiry, sought to determine the President's knowledge or lack of knowledge respecting alleged false testimony by John Mitchell and Richard Kleindienst about the ITT antitrust case during the hearings before the Senate Select Committee on Kleindienst's nomination to be Attorney General. These hearings took place in March and April, 1972.

The 19 conversations for which recordings and related materials were subpenaed by the Committee for this phase of its inquiry took place between March 6 and April 5, 1972, while the Kleindienst confirmation hearings were in progress. It is disputed that Kleindienst failed to fully and completely answer questions at the hearings; he has pleaded guilty to such a charge in the United States District Court for the District of Columbia. (Book V, 966–70) A major issue for the Committee was the President's knowledge of his conduct. The recordings which the Committee sought but did not obtain would have shed light on this question, for the conversations involve the President and Haldeman, Ehrlichman, Colson and Mitchell, all of whom played roles in connection with Kliendienst's confirmation hearings.

Untrustworthiness of edited transcripts produced by the President

In response to the Committee's eight subpenas for recordings and materials related to 147 conversations, the President has produced edited transcripts of 33 conversations. Upon examination, it was found that in numerous instances the transcripts were untrustworthy.

The Committee was able to determine the unreliability of the transcripts because, in addition to releasing edited transcripts of tape recordings that the Committee did not have, the President released to the public eight edited transcripts of tape recordings that the Committee did have: namely, recordings of conversations primarily between the President and John Dean on September 15, 1972, February 28, 1973, March 13, 1973, March 21, 1973 (two conversations), March 22, 1973, and April 16, 1973 (two conversations).

The Committee's Impeachment Inquiry Staff carefully prepared its own transcripts of each of these eight conversations. The Committee's transcripts were then compared with the edited transcripts of the eight conversations made public by the White House on April 30, 1974. The eight White House edited transcripts were inaccurate and incomplete in numerous respects.[11] Statements were omitted that were on the tape recordings; statements were added that were not on the recordings; statements were attributed to one speaker when they were made by another; statements were denominated as unintelligible when they were not; and statements were inaccurately transcribed, some in a manner that seriously misrepresented the substance and tone of the actual conversation.

A prime example is in the March 22, 1973 conversation among the President, Haldeman, Ehrlichman, Mitchell and Dean, in which approximately 20 minutes of conversation were omitted from the edited White House transcript without notice of a deletion. The omitted material included the following exchange:

"PRESIDENT. . . . But, uh, the, uh, the one thing I don't want to do is to—Now let me make this clear, I, I, I thought it was, uh, very, uh, very cruel thing as it turned out—although at the time I had to tell [unintelligible]—what happened to Adams. I don't want it to happen with Watergate—the Watergate matter. I think he made a, made a mistake, but he shouldn't have been sacked, he shouldn't have been—And, uh, for that reason, I am perfectly willing to—I don't give a shit what happens. I want you all to stonewall it, let them plead the Fifth Amendment, cover-up or anything else, if it'll save it—save the plan. That's the whole point. On the other hand, uh, uh, I would prefer, as I said to you, that you do it the other way. And I would particularly prefer to do it that other way if it's going to come out that way anyway. And that my view, that, uh, with the number of jackass people that they've got that they can call, they're going to—The story they get out through leaks, charges, and so forth, and innuendos, will be a hell of a lot worse than the story they're going to get out by just letting it out there.

"MITCHELL. Well—

"PRESIDENT. I don't know. But that's, uh, you know, up to this point, the whole theory has been containment, as you know, John.

"MITCHELL. Yeah.

"PRESIDENT. And now, now we're shifting. As far as I'm concerned, actually from a personal standpoint, if you weren't making a personal sacrifice—it's unfair—Haldeman and Dean. That's what Eisenhower—that's all he cared about. He only cared about—Christ, "Be sure he was clean." Both in the fund thing and the Adams thing. But I don't look at it that way. And I just—That's the thing I am really concerned with. We're going to protect our people, if we can." [HJCT 183]

There are other bases for distrusting the accuracy and completeness of the White House transcripts. The notation "Material Unrelated to Presidential Actions Deleted" appears at a number of places in the transcripts. No explanation has even been given to the Committee by the President or his counsel as to what this notation means or why this material was deleted. Some of the notations appear at places in the edited transcripts where, considering what precedes and follows the excision, it is difficult to believe that the omitted conversation is not relevant.

It can be demonstrated, that at least to some extent, this disbelief is warranted. As a result of the Supreme Court decision on July 24, 1974, in *United States* v. *Nixon*, the White House turned over to the District Court tapes of 20 conversations for which edited transcripts had been made public on April 30. Under the Supreme Court decision, the White House is entitled to interpose in the District Court claims of privilege with respect to any portions of the conversations not relevant to the Watergate matter. The White House did not interpose any claim of privilege with respect to at least seven instances in these 20 conversations where the notation "Material Unrelated to Presidential Actions Deleted" had been used in the edited transcripts delivered to the Committee.

Other evidence continues to emerge that the edited transcripts supplied by the President were incomplete and that portions of conversations were omitted. For example, as a result of the Supreme Court decision, the White House was compelled to inform Judge Sirica that the tape of an April 17, 1973 conversation between the President, Haldeman and Ehrlichman from 3:50 to 4:35 p.m. contained a gap of approximately 5 minutes. The edited transcript of that conversation delivered to the Committee contains no indication that there is any such gap.

The March 17, 1973 conversation between the President and John Dean (which was sought by the Committee in its April 11 subpoena) lasted approximately 45 minutes. The President on April 30, 1974 provided the Committee with a 4-page edited transcript relating only to the Fielding break-in. There was no discussion of the Watergate matter reflected in that transcript. However, a description of that March 17 conversation supplied in June, 1973, by J. Fred Buzhardt, a White House counsel, to minority staff members of the Senate Select Committee on Presidential Campaign Activities, reflected that there was extensive discussion of the Watergate matter during that conversation. Furthermore, the Committee has in its possession a June 4, 1973 tape recording that includes a conversation between the President and Ronald Ziegler. In the course of that conversation, the President—who had just listened to a tape of the March 17 conversation—described it to Ziegler. The President stated that on March 17, he discussed the Watergate matter with Dean and that after it was stated that Magruder had "put the heat on" and Sloan started blaming Haldeman, the President told Dean that "we've got to cut that off. We can't have that go to Haldeman."

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[5] On July 29, 1974, Connally was indicted for accepting money to influence the decision respecting milk price supports.

[11] The Committee's staff has prepared a detailed written comparison of the Committee's transcripts and the White House edited transcripts. That document has been published as a separate Committee print. It contains comparisons of 65 passages in the edited transcripts of the 8 conversations the President delivered to the Committee and released to the public on April 30, 1974 and the same passages as transcribed by the Committee's inquiry staff. It does not purport to reflect all the differences between the two sets of transcripts. It does demonstrate beyond question that in numerous instances the White House edited transcripts do not accurately portray the substance or the tone of the conversations.

Moreover, on July 31, 1974, a tape recording of the entire March 17, 1973 conversation was delivered to Judge Sirica as a result of the decision in *United States* v. *Nixon*. No claim of privilege was made by the White House with respect to any portion of that conversation. Thus, the White House has acknowledged that the major portions of that 45-minute conversation that are not reflected in the 4-page edited transcript supplied to the Committee on April 30, 1974, are in fact relevant to the Watergate matter. Yet, despite the Committee's April 11, 1974 subpoena, the President did not produce the remainder of the March 17 conversation.

There are other circumstances that raise questions about the reliability of the White House edited transcripts. For example, in response to a subpoena of the recording of a March 27, 1973, conversation with Haldeman, Ehrlichman and Ziegler which lasted 140 minutes, the President submitted an edited transcript of only 70 pages, with 8 deletions (of unspecified duration) characterized as "Material Unrelated to Presidential Actions." In response to a subpoena of the recording of an April 17, 1973, conversation with Haldeman, Ehrlichman and Ziegler, which lasted 45 minutes, the President submitted an edited transcript of only 19 pages, with no acknowledged deletions.

In sum, not only has the President failed to comply with the terms of the Committee's subpoenas—not only has the Committee failed to receive a single recording in response—but the minimal submission that the President has made, the 33 edited transcripts, has proven to be untrustworthy. These edited transcripts do not accurately and completely reflect the conversations that they purport to transcribe.

The claim of Executive privilege

As early as 1796, it was stated on the floor of the House that the power of impeachment "certainly implied a right to inspect every paper and transaction in any department, otherwise the power of impeachment could never be exercised with any effect."[2] H. Rep. No. 271, 27th Cong., 3d Sess., 4–6. Excerpts from this report are printed in 3 *Hind's Precedents of the House of Representatives*, § 1885 at 181–86 (1907) (hereinafter cited as *Hind's Precedents*).

Similarly, in *Kilbourn* v. *Thompson*, 103 U.S. 168, 190 (1881), the Supreme Court stated:

> The House of Representatives has the sole right to impeach officers of the government, and the Senate to try them. Where the question of such impeachment is before either body acting in its appropriate sphere on that subject, we see no reason to doubt the right to compel the attendance of witnesses and their answers to proper questions, in the same manner and by the use of the same means, that courts of justice can in like cases.

Throughout our history this power of inquiry has been recognized as essential to the impeachment power.

Before the current inquiry, sixty-nine Federal officials had been the subject of impeachment investigations. With the possible exception of one minor official who invoked the privilege against self-incrimination[3] not one of them challenged the power of the committee conducting the impeachment investigation to compel the production of evidence it deemed necessary.

In 1867 the Committee on the Judiciary conducted the initial inquiry concerning the impeachment of President Andrew Johnson. Hearings were held over a period of eleven months. Records were requested and obtained from a number of executive departments and from the Executive Mansion itself. Cabinet officers and Presidential aides were questioned in detail about cabinet meetings and private conversations with the President. The Committee examined the circumstances leading to a number of presidential decisions, including the prosecution of Jefferson Davis, presidential pardons, the issuance of executive orders, the conduct of Reconstruction and the vetoing of legislation.[4]

One witness in the hearings, Jeremiah Black, an adviser to President Johnson who later served as one of his counsel in his impeachment trial, did protest against being asked to disclose a conversation between himself and the President regarding the preparation of a veto message. Black recognized, however, that he was bound to disclose the conversation if the Committee pressed the issue (which it did) and he acknowledged that "a witness sworn to testify before any tribunal is bound in conscience to answer a question which that tribunal declares he ought to answer; that he is himself not the judge of what he ought to answer and what he ought not."[5] Black and other witnesses answered detailed questions on the opinions of the President, statements made by the President, and advice given to the President. There is no evidence that Johnson ever asserted any privilege to prevent disclosure of presidential conversations to the Committee, or failed to comply with any of the Committee's requests.[6]

This uniform historical practice has been acknowledged in the statements of various Presidents.[7] The clearest instance is that of James Polk. He protested a legislative investigation being conducted by a House committee, but, in his message to the House, Polk "cheerfully admitted" the right of the House to investigate the conduct of all government officers with a view to the exercise of its impeachment power. "In such a case," he wrote:

> "the safety of the Republic would be the supreme law, and the power of the House in the pursuit of this object would penetrate into the most secret recesses of the Executive Departments. It could command the attendance of any and every agent of the Government, and compel them to produce all papers, public or private, official or unofficial, and to testify on oath to all facts within their knowledge . . . . If the House of Representatives, as the grand inquest of the nation, should at any time have reason to believe that there has been malversation in office by an improper use of application of the public money by a public officer, and should think proper to institute an inquiry into the matter, all the archives and papers of the Executive Departments, public or private, would be subject to the inspection and control of a committee of their body and every facility in the power of the Executive be afforded to enable them to prosecute the investigation."[8]

It is against this historical background that President Nixon refused to comply with the Committee's subpoenas. He invoked a claim of "executive privilege" and said it was based on two grounds: (1) the need to preserve the separation of powers, and (2) the need to protect the confidentiality of Presidential conversations. In his letter of June 9, 1974 to Chairman Rodino, the President wrote that his refusal to comply with further Committee subpoenas was based in part on his study to "preserv[e] the principle of the separation of powers—and of the executive as a co-equal branch." And in his May 22, 1974 letter, the President wrote that providing recorded conversations in response to the Committee's subpoenas would constitute "such a massive invasion into the confidentiality of Presidential conversations that the institution of the Presidency itself would be fatally compromised."

A similar claim of executive privilege was advanced by the President in the criminal proceedings arising out of the Watergate cover-up. On October 12, 1973, the Court of Appeals for the District of Columbia in *Nixon* v. *Sirica* rejected that claim; the President decided not to seek Supreme Court review of that decision. On July 24, 1974, the Supreme Court in *United States* v. *Nixon* also rejected this claim. The Court unanimously held: (1) if the President invokes executive privilege as a bar to producing evidence in a criminal prosecution, it is ultimately for the courts and not the President to determine the application of that privilege; and (2) the generalized assertion of privilege would not prevail when weighed against the "legitimate needs of the judicial process."

Both of these holdings confirm the rejection by this Committee of the claim of executive privilege interposed by the President to its subpoenas.

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[2] *Annals of Congress* 601 (1796).

In 1848, in a dispute with President Tyler about the production of documents (which he ultimately provided), for a legislative investigation, a House Committee said:

"The House of Representatives has the sole power of impeachment. The President himself in the discharge of his most independent functions, is subject to the exercise of this power—a power which implied the right of inquiry on the part of the House to the fullest and most unlimited extent. . . . If the House possess the power to impeach, it must likewise possess all the incidents of that power—the power to compel the attendance of all witnesses and the production of all such papers as may be considered necessary to prove the charges on which the impeachment is founded. If it did not, the power of impeachment conferred upon it by the Constitution would be nugatory. It could not exercise it with effect."

[3] In 1879, a House committee reported articles of impeachment against George Seward, former consul general of Shanghai. One article alleged that Seward had concealed and refused to deliver certain records to the Committee. H. Rep. No. 134, 45th Cong., 3d Sess. (1879). The House adjourned without acting on this recommendation. Another committee of the House considered the separate question of whether Seward was in contempt of the House. It refused to recommend a contempt citation finding that he had validly invoked the privilege against self-incrimination. See H. Rep. No. 141, 45th Cong., 3d Sess. (1879); also printed in 3 *Hind's Precedents* § 1699 at 56–70.

[4] See, generally, Reports of Committees, Impeachment Investigation, 40th Cong., 1st Sess. 183–578 (1867).

[5] *Id.* at 27.

[6] There is evidence of President Johnson's views concerning the investigation, which relates to whether his personal bank records should be produced for the Committee. The cashier of the bank, who was reluctant to produce the records "upon the general principle of never imparting any information to outsiders in regard to the business of our customers," had told President Johnson of the request. The cashier reported to the Committee that the President made no objection to the production of the records:

"He smiled, and said he had no earthly objection to have any of his transactions looked into; that he had done nothing clandestinely, and desired me to show them anything I had relating to his transactions." *Id.* at 182–83.

[7] See, e.g., statements by Buchanan (5 Richardson, *Message and Papers of Presidents* 615 (1896) (hereinafter cited as *Richardson*)); Grant (7 *Richardson* at 362); Cleveland (*Id.* at 4694); and Theodore Roosevelt (*The Letters of Archie Butt, Military Aide to President Roosevelt* 305 (Abbot ed.)).

[8] H.R. Jour., 29th Cong., 1st Sess., 693 (1846); 4 *Richardson*, 434–35 (1896).

A. The Merits of the Claim

The Supreme Court in *United States* v. *Nixon* held that the interest in preserving separation of powers was not a sufficient basis for sustaining the claim of executive privilege when it was interposed as a basis for withholding relevant and necessary information from a criminal prosecution. The Court stated that the separation of powers must not be permitted to interfere with "the primary constitutional duty of the Judicial Branch to do justice in crimial prosecutions." The Court added that to permit such interference "would plainly conflict with the function of the courts under Art. III. In designing the structure of our Government and dividing and allocating the sovereign power among three coequal branches, the Framers of the Constitution sought to provide a comprehensive system, but the separate powers were not intended to operate with absolute independence." (Slip Opinion at 22) It is even clearer that the doctrine of separation of powers cannot justify the withholding of information from an impeachment inquiry. The very purpose of such an inquiry is to permit the legislative branch, acting on behalf of the people, to curb the excesses of another branch, in this instance the Executive.

The records of the Constitutional Convention establish that the impeachment process was considered by the Framers almost exclusively in terms of the removal of the executive; and that it was written into the Constitution despite repeated arguments by its opponents that it would violate the separation of powers and make the President overly dependent on Congress. Charles Pinckney asserted in the major debate on impeachment of the executive that, if the legislature had the power, they would hold impeachment "as a rod over the Executive and by that means effectually destroy his independence." Rufus King argued that impeachment by the legislature violated the separation of powers and would be "destructive of [the executive's] independence and of the principles of the Constitution." These arguments were decisively rejected by the Constitutional Convention, which voted eight states to two to make the executive impeachable by the legislature. This was done because, as George Mason stated, "No point is of more importance than that the right of impeachment should be continued."[9]

Alexander Hamilton confirmed that the doctrine of separation of powers was never intended to act as a limitation on the exercise of the impeachment power. He wrote in *The Federalist* that the "true meaning" of separation of powers is "entirely compatible with a partial intermixture" of departments for special purposes. This "partial intermixture," he wrote, "is even, in some cases, not only proper but necessary to the mutual defense of the several members of the government against each other." According to Hamilton, the "powers relating to impeachment" are such a case—"an essential check" in the hands of the legislature "upon the encroachment of the executive."[10]

President Nixon also stated that in invoking "executive privilege" he was relying on the need to protect the confidentiality of Presidential conversations. The Supreme Court in *United States* v. *Nixon* stated that despite the absence of an explicit reference in the Constitution to a presidential privilege of confidentiality, "to the extent this interest relates to the effective discharge of a President's powers, it is constitutionally based." (Slip Opinion at 26) Nonetheless, the Court concluded that:

> "[W]hen the ground for asserting privilege as to subpoenaed materials sought for use in a criminal trial is based only on the generalized interest in confidentiality, it cannot prevail over the fundamental demands of due process of law in the fair administration of criminal justice. The generalized assertion of privilege must yield to the demonstrated, specific need for evidence in a pending criminal trial." (Slip Opinion at 28).

In the Committee's impeachment inquiry the President has similarly asserted only a generalized interest in confidentiality, and the Committee (which has subpoenaed, among other items, the same conversations as the Special Prosecutor) has clearly and overwhelmingly demonstrated a specific need for the evidence sought. If a generalized Presidential interest in confidentiality cannot prevail over "the fundamental demand of due process of law in the fair administration of justice," neither can it be permitted to prevail over the fundamental need to obtain all the relevant facts in the impeachment process. Whatever the limits of legislative power in other contexts—and whatever need may otherwise exist for preserving the confidentiality of Presidential conversations—in the context of an impeachment proceeding the balance was struck in favor of the power of inquiry when the impeachment provision was written into the Constitution. And this is particularly true when, as in this case, the power to compel the production of evidence from the President was exercised by the Committee only after it had other evidence pointing to the existence of grounds for impeachment.

The President's statements that the institution of the Presidency is threatened when he is required to comply with a subpoena in an impeachment inquiry exaggerate both the likelihood of such an inquiry and the threat to confidentiality from it. Only two Presidents (including President Nixon) out of thirty-seven have ever been the subject of impeachment investigations. It can scarcely be contended that the far-reaching inquiry into the deliberations between President Andrew Johnson and his cabinet appointees and aides resulted in any impediment of the communications between Presidents and their advisors. There is no more reason to believe that this impeachment inquiry will have that effect.

For these reasons, the Committee concluded that the President's unprecedented claim of executive privilege in an impeachment inquiry was without merit.

B. The Inappropriateness of Seeking Judicial Enforcement of the Committee Subpoenas

The Committee concluded that it would be inappropriate to seek the aid of the courts to enforce its subpoenas against the President.[11] This conclusion is based on the constitutional provision vesting the power of impeachment solely in the House of Representatives and the express denial by the Framers of the Constitution of any role for the courts in the impeachment process.

The initial proposals considered by the Constitutional Convention in 1787 called for the national judiciary to try impeachments of national officers. Late in the Convention, this arrangement was altered, to provide for trial in the Senate. James Madison argued for trial by a tribunal of which the Supreme Court formed at least a part, contending that trial by the Senate, upon an impeachment by the House of Representatives, made the President "improperly dependent" on the legislature. Madison's position, however, was decisively rejected by the Convention.[12] In support of the Convention's decision to exclude the Supreme Court from the trial of impeachments, Justice Joseph Story wrote that political representatives, not judges, must control the impeachment process, both to assure its proper functioning and to protect the courts. He noted:

> "Whatever shall have a tendency to secure in tribunals of justice, a spirit of moderation and exclusive devotion to juridical duties is of inestimable value. What can more surely advance this object than the exemption of them from all participation in, and control over, the acts of political men in their official duties."[13]

The Committee's determination not to seek to involve the judiciary reflected not only an intent to preserve the constitutional structure, but also the high probability that the courts would decline to rule on the merits of the case because it is nonjusticiable—that is, not "the kind of controversy courts traditionally resolve."[14]

As the Supreme Court said, in *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137, 177 (1803), and most recently reaffirmed in *United States*

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[9] 2 *The Records of the Federal Convention* 63–69 (M. Farrand ed. 1911). The constitutional exception to the President's pardon power, that it should not extend to cases of impeachment, provides additional support for the argument that he cannot seek to impede the House in the exercise of its sole power to impeach. Justice Story wrote, "The power of impeachment will generally be applied to persons holding high office under the government; and it is of great consequence, that the President should not have the power of preventing a thorough investigation of their conduct, or of securing them against the disgrace of a public conviction by impeachment, if they should deserve it. The Constitution has, therefore, wisely interposed this check upon his power, so that he cannot, by any corrupt coalition with favorites, or dependents in high offices, screen them from punishment." 2 J. Story, *Commentaries on the Constitution of the United States* § 1051 at 363 (3rd ed. 1858) (hereinafter cited as *Story*). See also, 1 Kent, *Commentaries on American Law*, Lect. XIII at 184 (6th ed. 1848).

[10] "The Federalist," No. 66 at 429–30 (Modern Lib. ed.).

[11] The President has also expressly disclaimed any interest in involving the courts in the impeachment process. During the oral argument in *United States* v. *Nixon*, Mr. St. Clair, the President's attorney, stated that "under the Constitution, as we view it, only the legislature has the right to conduct impeachment proceedings. The courts have been, from the history involved and from the language of the provisions, excluded from that function." Oral Argument on Behalf of the President by James D. St. Clair, *United States* v. *Nixon*, Transcript at 49 (July 8, 1974).

[12] 2 *The Records of the Federal Convention*, 550–53 (M. Farrand ed. 1911).

[13] 1 *Story* § 764–66 at 532–33.

[14] *United States* v. *Nixon*, Slip Opinion at 12. It is also questionable whether the courts would have subject matter jurisdiction over a suit by the Committee to enforce its subpoenas against the President. Existing statutes governing the jurisdiction of the federal courts provide at most an uncertain basis for litigation of this type. The Senate Select Committee on Presidential Campaign Activities, which subpoenaed tape recordings from the President for its legislative inquiry, required special legislation providing jurisdiction for court adjudication of its subpoenas. Pub. L. No. 93–190 (1973); *Senate Select Committee* v. *Nixon*, 366 F. Supp. 51 (D.D.C. 1973). Thus, in order to seek a court adjudication of its subpoenas, the Committee might well have needed affirmative legislative action by the Senate, as well as the House—including, if necessary, a two-thirds vote of each to override a presidential veto. Furthermore, the constitutionality of such legislation could be questioned, since it might be thought to impinge upon the impeachment power vested solely in the House.

v. *Nixon,* Slip opinion at 18, "it is emphatically the province and the duty of the judicial department to say what the law is." In *Marbury* v. *Madison,* however, Chief Justice Marshall also said:

"The province of the court is, solely, to decide on the rights of individuals, not to inquire how the executive or executive officers perform duties in which they have a discretion. Questions in their nature political, or which are, by the constitution and laws, submitted to the executive, can never be made in this court." (5 U.S. (1 Cranch) at 170.)

The impeachment power is explicitly vested in the House of Representatives by the Constitution; its use necessarily involves the exercise of discretion by the House. While it is true that the courts may on occasion act as an umpire between Congress and the President, there are also many issues where the courts will decline to intervene because the question is one that has been constitutionally submitted to another branch.[15]

The applicable criteria of nonjusticiability—the "political question" doctrine—were stated by the Supreme Court in *Baker* v. *Carr,* 360 U.S. 186, 217 (1962):

"[A] textually demonstrable constitutional commitment of the issue to a coordinate political department; or a lack of judicially discoverable and manageable standards for resolving it, or the impossibility of deciding without an initial policy determination of a kind clearly for nonjudicial discretion; or the impossibility of a court's undertaking independent resolution without expressing lack of the respect due coordinate branches of the government; or an unusual need for unquestioning adherence to a political decision already made; or the potentiality of embarrassment from multifarious pronouncements by various departments on one question."

Litigation on the Committee's subpoenas would appear to be nonjusticiable on the basis of at least three of the criteria enumerated in *Baker* v. *Carr.* First, there is no question that there is a "textually demonstrable constitutional commitment of the issue"—the extent of the power of inquiry in an impeachment proceeding—to the House of Representatives. Second, if a court were to resolve the question independently, it could not escape "expressing lack of the respect due [a] coordinate [branch] of government." Third, there is a significant "potentiality of embarrassment from multifarious pronouncements by various departments on one question."

In deciding upon the validity of subpoenas in an impeachment inquiry, the court would necessarily have to determine whether the subpoenaed material was reasonably relevant to the inquiry. This, in turn, would lead it to pass, at least implicitly, on the scope of constitutional grounds for impeachment. While it may be argued that any judicial determination of the scope of impeachable offenses would not be binding upon either the House or the Senate in deciding whether to impeach or convict after trial, there is an obvious potential for conflict between "various departments on one question." Inevitably, there would be a serious impairment of the confidence of the people in the legitimacy of the impeachment process if the court's definition varied from those adopted by the House or the Senate in any significant respect.

The courts, moreover, do not have adequate means for enforcing a decision with respect to the validity of the subpoenas. The usual means of court enforcement, contempt, would be unavailing against a defiant President. The court would have to rely on impeachment to deal with noncompliance with its order requiring the President to surrender material in accordance with the subpoenas.

An asserted advantage of a court decision affirming the validity of the subpoenas is that it would be an independent determination by an entity with no interest in the proceedings. But the impeachment process itself provides an opportunity for such a determination—initially by the House in deciding whether to prosecute the Article of Impeachment, and, ultimately, by the Senate, the tribunal for an impeachment trial. Neither the Committee nor the House would be the final judge of the validity of the Committee's subpoenas. Whether noncompliance with the subpoenas is a ground for impeachment would ultimately be adjudicated in the Senate.

Unless noncompliance is a ground for impeachment, there is no practical way to compel the President to produce the evidence that is necessary for an impeachment inquiry into his conduct, nor any means of assuring that the extent of the House's power of inquiry in an impeachment proceeding may be adjudicated and clarified. In the unique case of subpoenas directed to an incumbent President, a House adjudication of contempt would be an empty and inappropriate formality.[16] As the Supreme Court said in *United States* v. *Nixon,* in refusing to require a contempt citation against the President before the matter could be appealed, "the typical contempt avenue . . . is peculiarly inappropriate due to the unique setting in which the question arises." (Slip opinion at 12) No typical contempt sanction could be applied to the President to coerce compliance. In the final analysis, reliance would have to be placed on the impeachment power.

Conclusion

The undisputed facts, historic precedent, and applicable legal principles support the Committee's recommendation of Article III. There can be no question that in refusing to comply with limited, narrowly drawn subpoenas—issued only after the Committee was satisfied that there was other evidence pointing to the existence of impeachable offenses—the President interfered with the exercise of the House's function as the "Grand Inquest of the Nation." Unless the defiance of the Committee's subpoenas under these circumstances is considered grounds for impeachment, it is difficult to conceive of any President acknowledging that he is obligated to supply the relevant evidence necessary for Congress to exercise its constitutional responsibility in an impeachment proceeding. If this were to occur, the impeachment power would be drained of its vitality. Article III, therefore, seeks to preserve the integrity of the impeachment process itself and the ability of Congress to act as the ultimate safeguard against improper presidential conduct.

OTHER MATTERS

Proposed article on concealment of information about bombing operations in Cambodia

On July 30, 1974, the Committee considered a proposed Article of Impeachment dealing with the unauthorized bombing of Cambodia and the concealment from the Congress of that bombing:

"In his conduct of the office of President of the United States, Richard M. Nixon, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in disregard of his constitutional duty to take care that the laws be faithfully executed, on and subsequent to March 17, 1969, authorized, ordered, and ratified the concealment from the Congress of the facts and the submission to the Congress of false and misleading statements concerning the existence, scope and nature of American bombing operations in Cambodia in derogation of the power of the Congress to declare war, to make appropriations and to raise and support armies, and by such conduct warrants impeachment and trial and removal from office."

The Committee, by a vote of 26–12, decided not to report the proposed Article to the House.

The article charged that the President had concealed the bombing in Cambodia from the Congress and that he had submitted, personally and through his aides, false and misleading statements to the Congress concerning that bombing. The investigation of those allegations centered upon the initial decision to bomb Cambodia; the type, scope, extent and nature of the bombing missions; the reporting and recording system used internally within the military and the Administration; and the statements made by Administration officials to Congress and to the public both during the military operation and after it had ceased.[1]

On February 11, 1969, the President received the initial request to institute the bombing from his military advisors. On March 17, 1969, after a series of National Security Council meetings, the President approved the request and directed that the operation be undertaken under tight security.

On March 18, 1969, the bombing of Cambodia commenced with B–52 strikes under the code name MENU OPERATION. These strikes continued until May 26, 1970, almost one month after the American incursion into Cambodia. The operational reports prepared after each mission stated that these strikes had taken place in South Vietnam rather than in Cambodia.

Between April 24 and May 24, 1970, American planes conducted tactical air strikes in Cambodia under the code name "regular" PATIO. No operational reports were made with respect to these strikes. Similarly, prior to June 30, 1970, an unspecified number of tactical air strikes occurred in various parts of Cambodia. Again no regular reports were prepared.

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[15] In *United States* v. *Nixon,* the Court recognized that powers vested in one branch of government cannot be shared with another: "[T]he 'judicial power of the United States' vested in the federal courts by Art. III, § 1 can no more be shared with the Executive Branch than the Chief Executive, for example, can share with the Judiciary the veto power, or the Congress share with the Judiciary the power to override a presidential veto." Slip opinion at 19.

[16] The President was put on notice of the possible consequences of his failure to comply with Committee subpoenas by letter from Chairman Rodino dated May 30, 1972 (approved by a vote of 28 to 10). And he responded at length—by letter dated June 9, 1974—setting forth his justifications for failing to comply. In addition, the President would have an opportunity to be heard in defense in the Senate trial before the imposition of any sanction (in the case of impeachment, removal from office upon conviction). This procedure fully meets the due process requirements for legislative contempt proceedings, which consist of "reasonable notice of a charge of an opportunity to be heard in defense before punishment. . . ." *Groppi* v. *Leslie,* 404 U.S. 496, 502 (1972).

[1] The detailed findings of the Inquiry Staff concerning the bombing of Cambodia are compiled in Book XI of the Statement of Information. The findings were based upon an examination of all available sources of material, including Congressional testimony, classified documents made available by Congressional Committees, and reports of public statements by the President, civilian and military officials of the Department of Defense, and State Department officials. Some classified documents were not made available to the Committee.

On May 14, 1970, a one day series of "special" PATIO sorties were conducted, operational reports stated that the strikes had occurred in Laos rather than Cambodia. The tactical air sorties with the code name "regular" FREEDOM DEAL were accurately reported as having occurred in Cambodia. A series of tactical air bombing missions in Cambodia called "special" FREEDOM DEAL occurred outside the boundaries designated for FREEDOM DEAL bombing, although the operational reports indicated otherwise.

On July 1, 1973, Congress enacted P.L. 93-50 and P.L. 93-52 providing for the cessation of all bombing in Cambodia by August 15, 1973. At that time the bombing had not been formally acknowledged by the President or his representatives.

Later, during the Senate Armed Services Committee hearings on the Cambodian bombing, military and Administration officials explained that the bombing was not publicized because of the delicate diplomatic and military situation in Southeast Asia prior to the American incursion into Cambodia. They stated that it was their understanding that Cambodia's ruler, Prince Sihanouk, had privately agreed to the bombing of Cambodia prior to his overthrow. It was further stated that certain Members of Congress had been informed of the military action and that this constituted sufficient notice to Congress of the President's military decision. Finally, the submission of false data to Congress was said to have resulted from the highly classified nature of the accurate bombing statistics.

The Committee considered the views of the supporters of this proposed Article of Impeachment that the President's conduct constituted ground for impeachment because the Constitution vests the power to make war in Congress and implicitly prohibits the Executive from waging an undeclared war. Stating that impeachment is a process of redefining the powers of the President, the supporters argued that the President, by issuing false and misleading statements, failed to provide Congress with complete and accurate information and thereby prevented Congress from responsibly exercising its powers to declare war, to raise and support armies, and to make appropriations. They stated that informing a few selected members of the Congress about the Cambodian bombing did not constitute the constitutionally required notice, particularly inasmuch as the President's contemporaneous public statements were contrary to the facts and the selected Members were committed to a course of action involving war that did not represent the views of a substantial portion of American citizens. The supporters also stated that Congress had not ratified the President's conduct through inaction or by its 1973 limitation on bombing because Congress did not know of the bombing until after it voted the authorization. Finally, they asserted that the technicalities or merits of the war in Southeast Asia, the acquiescence or protests of Prince Sihanouk, and the arguably similar conduct of past Presidents were irrelevant to the question of President Nixon's constitutional accountability in usurping Congress' war-making and appropriations powers.

The Committee did not agree to the article for a variety of reasons. The two principal arguments in opposition to it were that President Nixon was performing his constitutional duty in ordering the bombing and that Congress had been given sufficient notice of the bombing. Several Members stated that the President as Commander-in-Chief was acting to protect American troops and that other Presidents had engaged in similar military activities without prior Congressional consent.[2] Examining the bombing of Cambodia from the perspective of Congressional responsibility, the opponents of the Article concluded that, even if President Nixon usurped Congressional power, Congress shared the blame through acquiescence or ratification of his actions. They stated that the President had provided sufficient notice of the military actions to Congress by informing key Members. Finally, they said that the passage of the War Powers Resolution in 1973 mooted the question raised by the Article.

Proposed article on emoluments and tax evasion

On July 30, 1974, the Committee considered the following proposed Article:

"In his conduct of the office of President of the United States, Richard M. Nixon, in violation of his constitutional oath faithfully to execute the office of the President of the United States, and, to the best of his ability, preserve, protect and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, did receive emoluments from the United States in excess of the compensation provided by law pursuant to Article II, Section 1, of the Constitution, and did willfully attempt to evade the payment of a portion of Federal income taxes due and owing by him for the years 1969, 1970, 1971, and 1972, in that:

"(1) He, during the period for which he has been elected President, unlawfully received compensation in the form of government expenditures at and on his privately-owned properties located in or near San Clemente, California, and Key Biscayne, Florida.

"(2) He knowingly and fraudulently failed to report certain income and claimed deductions in the years 1969, 1970, 1971, and 1972 on his Federal income tax returns which were not authorized by law, including deductions for a gift of papers to the United States valued at approximately $576,000.

"In all of this, Richard M. Nixon has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States."

After debate, by a vote of 26 to 12, the Committee decided not to report the Article to the House.

This Article was based upon allegations in two areas. The expenditure of federal funds on the President's privately-owned properties at San Clemente, California, and Key Biscayne, Florida, was alleged to constitute a violation of Article II, Section 1, Clause 7, of the Constitution. That clause reads, "The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be increased nor diminished during the Period for which he shall have been elected, and he shall not receive within that Period any other Emolument from the United States, or any of them." The second allegation is that the President knowingly and fraudulently failed to report certain income and claimed certain improper deductions on his federal income tax returns.

A. Expenditure of Federal Funds on the President's Properties

Several investigations have been undertaken with regard to the amount and propriety of Federal expenditures at or near the President's properties in San Clemente, California and Key Biscayne, Florida. The House Committee on Government Operations found that a total of $17 million had been spent by the Federal Government in connection with the President's properties, including personnel costs, communication costs, and amounts expended on adjacent Federal facilities. (Book XII, 95) The staff of the Joint Committee on Internal Revenue Taxation found that the President realized more than $92,000 in personal income from government expenditures on his properties in the years 1969 through 1972. (Book XII, 95) The Internal Revenue Service concluded that the President realized more than $67,000 in personal income from government expenditures on his properties in those years. (Book XII, 95)

The federal expenditures at San Clemente which were found to be primarily for the President's personal benefit included payments for such items as a sewer system, a heating system, a fireplace exhaust fan, enlargement of den windows, refurbishing or construction of outbuildings, paving, and boundary and structural surveys. (Book XII, 101) Expenditures brought into question at Key Biscayne included expenditures for such items as the reconstruction of a shuffleboard court and the building of a fence and hedge system. (Book XII, 157) The Government also made significant expenditures for landscape construction and maintenance on both properties. (Book XII, 101, 157)

The proponents of this section of the Article argued that the President, personally and through his agents, supervised the planning and execution of non-protective government expenditures at his private homes for his personal enrichment. The opponents maintained that a majority of the questionable expenditures were made pursuant to a Secret Service request, that there was no direct evidence of the President's awareness at the time of the expenditures that payment for these items were made out of public rather than personal funds, and that this section of the Article did not rise to the level of an impeachable offense.

B. Internal Revenue Code Violations

In examining the President's income tax returns for the years 1969 through 1972, the Internal Revenue Service found that his reported income should have been increased by more than $230,000 and that deductions claimed in excess of $565,000 should be disallowed, for a total error in reported taxable income of more than $796,000. (Book X, 410-11) The staff of the Joint Committee on Internal Revenue Taxation determined that the President's improper deductions and unreported income for that period totaled more than $960,000. (Joint Committee Report, 7) Central to the tax section of the proposed Article was the charitable deduction claimed by the President for the years 1969-1972 for a gift of his private papers claimed to have been made to the Government in 1969 which was allegedly worth $576,000. (Book X, 348)

Both the IRS and the Joint Committee staff disallowed this deduction as not having been made on or before July 25, 1969, the last day on which a gift of such papers could entitle the donor to a tax deduction. (Joint Committee Report, 5; Book X, 410-11) While the papers allegedly donated were physically delivered to the National Archives on March 27, 1969, they were part of a larger mass of papers, and the selection of the papers given was not completed until March 27, 1970. (Book X, 11-12) The President's attorneys argued that in February 1969, the President told an aide that he wanted to make a gift (Book X, 464-65), but no contemporary record of this instruction was produced. A deed of gift, signed not by President Nixon but by a White House attorney who had no written authority to sign on behalf of the President (Book X, 129), was not delivered to the Archives until April 1970, although on its face it appears to have been executed on April 21, 1969. (Book X, 326) The IRS and Joint Committee staff investigations established that the deed was actually executed on April 10, 1970, and backdated to the 1969 date (before the deduction cut-off date of July 25, 1969). (Book X, 14–15) It was found that through the end of 1969, the National Archives, the donee, thought that no gift had been made. (Book X, 282, 284) Finally, even though the deed contained restrictions limiting access to the papers, the President's 1969 tax return stated that the gift was made without restrictions. (Joint Committee Report, A–297–98; Book X, 348)

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[2] Representative Seiberling also stated that because of the President's decision not to declassify certain materials, such evidence could not be made public or be discussed during the Committee's debate. Representative Seiberling said that this prevented the public use of certain documents which tied the President into acts of concealment. He stated that this was one of the reasons he opposed the Article. The classified materials which were not publicly disclosed are listed on pages 122-23 of Book XI of the "Statement of Information." (HJC Debates, 7/30/74, TR. 1225-26)

The IRS assessed a five percent negligence penalty against the President. (Book X, 409) An internal IRS memorandum recommending against the assertion of a fraud penalty stated that as of late March 1974 there was not sufficient evidence available to assert such a penalty. (Book X, 387) On April 2, 1974 IRS Commissioner Alexander wrote to Special Prosecutor Jaworski recommending a grand jury investigation into possible violations of law arising out of the preparation of the President's 1969 income tax return. Commissioner Alexander stated that the IRS was unable to complete its processing of the matter because of the lack of cooperation of some of the witnesses and because of many inconsistencies in the testimony of individuals to the IRS. (Book X, 404) The Joint Committee staff report did not address the question of fraud. (Joint Committee Report, 4)

The Joint Committee staff did submit questions to the President concerning the gift-of-papers deduction and other tax matters. (Book X, 416–22) The President did not answer the questions.

The proponents of this Article argued that the President knew that no gift of papers had been made by July 25, 1969, and that the deduction was improper. They noted that it was contrary to rational tax planning for such a large gift to be made so early in the year. They pointed to the President's personal involvement in a similar gift in 1968, and memoranda and incidents in 1969 which showed his interest in his personal financial affairs in general and the gift-of-papers deduction in particular. They referred to the opinion of an expert on criminal tax fraud matters that if this were the case of an ordinary taxpayer, the case would be referred to a grand jury for prosecution. It was argued that the President took advantage of his office in claiming this unlawful deduction, knowing that the tax return of a President would receive only cursory examination by the IRS.

The opponents of the tax fraud section stated that the President had not knowingly underpaid his taxes, but relied on attorneys and agents; that the IRS failure to assess a fraud penalty was dispositive; and that even if fraud were shown, the offense of tax evasion did not rise to the level of an impeachable offense. Some who voted against the Article were of the opinion that the evidence before the Committee did not satisfy the standard of "clear and convincing proof" which some Members thought applicable.

Some of the Members who opposed the proposed Article argued that there was no clear and convincing evidence that the President had committed tax fraud and stated that the President had not knowingly underpaid his taxes, but rather relied on attorneys and agents. Opponents of the proposed Article also asserted that an impeachment inquiry in the House and trial in the Senate are inappropriate forums to determine the President's culpability for tax fraud, and that this kind of offense can be properly redressed through the ordinary processes of the criminal law. Finally they argued that even if tax fraud were proved, it was not the type of abuse of power at which the remedy of impeachment is directed.

APPENDIXES

Appendix A. Analysis of the technical report on the 18½ minute gap

On November 21, 1973, Chief Judge Sirica was informed by the President's counsel that the tape of a June 20, 1972 conversation between the President and Haldeman contained an 18½ minute buzz which obliterated the recorded conversation. Subsequently, Judge Sirica asked a panel of six technical experts, previously appointed by the Judge and endorsed by the Special Prosecutor and the counsel for the President, to determine and report on the nature and cause of the obliteration of that tape recording that had been subpoenaed by the Watergate Grand Jury. (Book IX, 871) On January 15, 1974, the panel reported the conclusions of its study to Judge Sirica (Book IX, 926–28) and on May 31, 1974 the panel's final report on the EOB tape of June 20, 1972 was submitted to the Court. The key conclusions of the panel were:

(1) The Uher 5000 tape recorder used by the President's secretary, Rose Mary Woods, to transcribe tapes of Presidential conversations probably produced the 18½ minute erasure and buzz.

(2) The 18½ minutes of erasure and buzz were accomplished by at least five, and perhaps as many as nine, contiguous and separate operations.

(3) Erasure and recording of each segment of erasure and buzz required manual operation of keyboard controls on the Uher 5000 recorder. (May 1974 Tape Report, 35–36)

The Uher 5000 tape recorder, as is true of the Sony 800B tape recorder used to record the Presidential conversations, has two magnetic "heads," an erase head and a record head. (The record head performs both recording and playback functions.) When the "playback" button on the tape recorder is depressed, the erase head is inactive while the record head is activated to pick up electronic signals from the magnetic tape as the tape is drawn across it. The machine then translates the electronic signals into sound. When the "record" button is depressed, both the erase head and the record head are activated. The tape is drawn first over the erase head where the tape is cleansed of prior magnetic signals and then over the record head where new magnetic signals, representing the sounds being recorded, are imparted to the tape. To erase a tape, the "record" button is depressed but no new sounds are introduced into the recording machine; the tape passes over the erase head and is erased, and then over the activated but silent record head.

The Uher 5000 machine may be used in conjunction with a foot pedal. The pedal is capable only of moving the tape forward at recording speed or backward at the higher rewind speed. The foot pedal cannot, in effect, depress the "playback" or "record" button; it cannot activate or deactivate either the erase head or the record head. (Thomas Stockham testimony, *In re Grand Jury*, Misc. 47–73, 1/15/74, 16)

Whenever the record head is activated by depression of the "record" button, it leaves a distinctive "record-head-on" mark on the tape. (Richard Bolt testimony, *In re Grand Jury*, Misc. 47–73. 1/15/74, 2172) When the "record" button is released, and the erase and record heads are deactivated, the electronic pulses dying on those heads leave distinctive "erase-head-off" and "record-head-off" marks, respectively, on the tape. (Thomas Stockham testimony, *In re Grand Jury*, Misc. 47–73, 1/15/74, 12–13) The "record-head-on," "erase-head-off" and "record-head-off" marks vary from one type of machine to another, and may be used to help identify the machine on which tapes were recorded or erased.

The panel was able to identify five clear sets of "on" and "off" markings which enabled it to determine that erasure of 18½ minutes of the June 20 conversation was accomplished in at least five different segments. (Richard Bolt testimony, *In re Grand Jury*, Misc. 47–73, 1/15/74, 8)

When a segments of erasure is completed, and the machine is reversed and restarted, the "on" and "off" markings of previous erasures may themselves be erased. The panel found four additional markings that might have been part of segments of erasure where the matching "on" or "off" markings themselves had been erased; the panel could not be sure whether these marks were evidence of additional segments of erasure. (Thomas Stockham testimony, *In re Grand Jury*, Misc. 47–73, 1/15/74, 21–22)

The Advisory Panel conducted the following tests and analyses on the June 20 tape in reaching its conclusions:

1. Critical Listening

The panel played 67 minutes of the evidence tape, including the 18½ minute buzz, through high quality back-play equipment. Their expertise enabled them to identify and clarify significant acoustic phenomena on the tape. (May, 1974 Tape Report, 8)

2. Magnetic Marks

The tape was treated with a liquid that "developed" the tape, that is, rendered visible the magnetic patterns and markings on the tape, such as "record-head-on," "record-head-off," "erase-head-off," and "K–1–pulse" (see below) marks. (May, 1974 Tape Report, 8–11)

3. Wave Forms

When the electrical output of a recorded tape is fed into an oscilloscope, each signal on the tape produces a distinctive wave form. Wave form analysis enabled the panel to make a detailed study of the significant events on the June 20 tape. The panel scrutinized the wave forms of the events that occurred during the 18½ minute erasure and buzz, and found that the wave form analysis corroborated the conclusions drawn from examination of the magnetic marks. (May, 1974 Tape Report, 11–13)

4. Spectra of Speech and Buzz

Through spectral analysis (analyzing the component frequencies and amplitudes of sound signals), the panel was able to study the differences, similarities, and time of the signals. Through use of a chart of the spectral analysis of the 18½ minute buzz (a spectrogram), the panel was able to examine "windows" (tiny fragments) of original speech, to conclude that the 60 cycles per second power line hum was the source of the buzzing sound, and to corroborate the evidence of stops and starts indicated by the magnetic marks. (May, 1974 Tape Report, 13–16)

5. Phase Continuity and Speed Constancy

There is a discernible wave pattern in the power line hum on all recorded tape; this wave pattern will be of a continuous nature until the recording is stopped. Each uninterrupted portion is called a phase. The panel could determine where the recording mode has been stopped and restarted by noting the phase discontinuities. The phase discontinuities on the June 20 tape corroborated the "stop" and "start" conclusions drawn by the panel from their study of the magnetic marks and wave forms. (May, 1974 Tape Report, 16–18, 43)

6. Flutter Spectra

The mechanical irregularities in the rotating elements of every tape recorder are unique to that machine. These irregularities produce additional tones known as "flutter sidebands," distinct from the machine's original or "pure" tone.

The degree of "flutter" can be plotted, and this phenomenon will aid in the identification of a particular tape recorder.

The panel used this test to determine which machine was responsible for recording the 18½ minute buzz on the tape. (May, 1974 Tape Report, 18–20)

7. Search for Physical Splices

The panel studied the June 20 tape with an instrument (an accelerometer) that could measure and detect any variances in tape thickness. The panel concluded as a result of their studies that the tape contained no physical splices. (May, 1974 Tape Report, Technical Note 13.1)

8. The K–1 Switch

As further proof that the erasure was caused by manipulation of the keyboard, the panel studied evidence of K–1 pulses on the tape.

The K–1 switch is an internal mechanical switch. This switch only opens and closes as a result of pushing certain keys on the keyboard. It cannot be actuated by a malfunction in the electronics of the recorder. It cannot be actuated by the foot pedal. (May, 1974 Tape Report, 45) The switch opens and closes as a result of a physical latching and unlatching action that only occurs when one of the keys is pressed down manually. There are four keys that can close this switch: the recording key, the rewind key, the start key, and the forward key. (May, 1974 Tape Report, Technical Note 8.3)

K–1 switch activity is reflected on the tape by K–1 pulses. Because of the many other larger transient pulses that are generated by other electro-mechanical activity, K–1 pulses are difficult to discern. However, where a K–1 pulse is unambiguously identified, it is an unmistakable sign of manual activity of the keyboard. The expert panel was able to identify six distinct K–1 pulses. (May, 1974 Tape Report, Technical Notes 8.3–8.5)

Alternate hypotheses

A number of alternative hypotheses to the conclusions reached by the expert panel were considered and rejected by the panel in arriving at its conclusion, including the following:

Hypothesis No. 1

That the 18½ minute gap was produced on the June 20, 1972 tape at the same time that the tape was originally recorded. This hypothesis failed because the June 20, 1972 original tape was recorded on a Sony 800B tape recorder. The experts determined that the 18½ minute gap was produced by a Uher 5000 tape recorder. (May, 1974 Tape Report, Technical Notes 9.1–9.2)

Hypothesis No. 2

That the 18½ minute obliteration was caused by setting the Uher tape recorder in the record mode and operating it in fast rewind. This hypothesis was rejected because if the tape had been erased in rewind the obliterated section would have had an audible tone of 500 cycles when played back at its usual operating speed of 24 millimeters per second. However, the frequency that is on the 18½ minute gap is the normal 60-cycle frequency. This shows that the tape was erased at its standard operating speed of 24 millimeters per second. Additionally, if the 18½ minute buzz had been recorded in rewind, there would have been no record and erase-head-off marks left on the tape. More than 20 such marks were found in the obliterated section. (May, 1974 Tape Report, Technical Note 9.2)

Hypothesis No. 3

The tape was erased through the use of the foot pedal. This hypothesis was rejected because of the record and erase head signatures that were found on the tape; signatures that cannot be made by the foot pedal. Second, a distinctive set of magnetic marks is made by the Uher tape recorder when stopped and restarted by the foot pedal. None of these marks was found on the 18 minute buzz section. Furthermore, six K–1 pulses were found in the obliterated section. K–1 pulses also cannot be made by the foot pedal. (May, 1974 Tape Report, Technical Notes 9.2–9.3)

Hypothesis No. 4

The distinctive magnetic marks found on the 18½ minute gap came from a power supply failure within the Uher 5000 machine, *i.e.*, a defective diode caused the power supply to sputter on and off, thus putting the distinctive marks on the tape while the tape was still moving. The experts rejected this hypothesis because they were able to determine that the wave forms that would have been produced by this sort of activity were not present on the evidence tape. Furthermore, if this "sputter" activity had taken place, there would be no phase discontinuity following the record-head-on marks. The evidence tape shows phase discontinuity and erase head signatures associated with the record-head-on marks. Additionally, there are K–1 pulses found on the tape that could only be caused manually. (May, 1974 Tape Report, Technical Notes 9.3–9.5)

Hypothesis No. 5

Voltage irregularities on the AC power line working in conjunction with the failing diode of the bridge rectifier caused the distinctive magnetic marks. A voltage drop sufficient to put these marks in the tape would have caused a drop in motor speed with a resulting differential in tone frequency. There was no evidence of this on the evidence tape. Moreover, a drop in voltage could not cause the recording of K–1 pulses. (May, 1974 Tape Report, Technical Notes 9.6–9.8)

The Stanford Research Institute report of May 31, 1974

Dr. Michael Hecker of the Stanford Research Institute conducted experiments for the Special Counsel to the President with regard to the June 20, 1972 tape. It should be noted that while Dr. Hecker reviewed experiments and held a number of conferences with the expert panel, he never studied the June 20, 1972 tape directly. (SRI Report) Dr. Hecker reviewed the findings of the expert panel and stated that he agreed with the panel's approach and agreed with the panel's expertise. Dr. Hecker stated further that he was in substantial agreement with the panel's final report. (SRI Report 3) The Stanford Research Institute found evidence that there had been manual manipulation of the keyboard controls of the Uher 5000 tape recorder in order to cause some portions of the 18½ minute gap. The Stanford Research Institute studied and rejected all the alternative hypotheses that were considered by the panel. (SRI Report, 4)

Dr. Hecker was less willing to commit himself to a finding of at least five manual erasures than the expert panel had been. (Michael Hecker testimony, *In re Grand Jury*, Misc. 47–73, 5/13/74, 18–19; SRI Report, 3) The panel rejected the hypothesis that any of the magnetic marks suggesting manual operation could have been caused by a malfunctioning machine. (SRI Report, 3–4) Dr. Hecker was of the opinion that it was wrong to rule out conclusively the chance that the malfunctioning machine could have caused some of the indicia of manual operation. (SRI Report, 4; Michael Hecker testimony, *In re Grand Jury*, Misc. 47–73 5/13/74, 18–19) Dr. Hecker stated that because the machine had broken down once during testing; and after a defective diode bridge rectifier was replaced, the distinctive buzz could no longer be reproduced Dr. Hecker did not state that any of the indicia of manual operation were caused by the defect on the machine; he merely said that, in his opinion, this possibly could not be ruled out completely. (SRI Report, 4–5) However, Dr. Hecker remained convinced that some of the marks of the operations were caused by manual manipulation of the keyboard controls. Dr. Hecker stated that he was absolutely sure that three events associated with the 18½ minute gap were caused by manual operation of the keyboard controls and that he was practically certain that two other marks had been caused by manual operation of the keyboard controls. He testified on May 13, 1974 that he was willing to agree with the panel that at least five of the events on the 18½ minute buzz had been caused by manual operation of the machine. (Michael Hecker testimony, *In re Grand Jury*, Misc. 47–73, 5/13/74, 18–21)[1]

Appendix B. Subpoenas issued to President Richard M. Nixon by the Committee on the Judiciary and justification memoranda

[Copy]

By Authority of the House of Representatives of the Congress of the United States of America

To Benjamin Marshall, or his duly authorized representative:

You are hereby commanded to summon Richard M. Nixon, President of the United States of America, or any subordinate officer, official or employee with custody or control of the things described in the attached schedule, to be and appear before the Committee on the Judiciary of the House of Representatives of the United States, of which the Hon. Peter W. Rodino, Jr., is chairman, and to bring with him the things specified in the schedule attached hereto and made a part hereof, in their chamber in the city of Washington, on or before April 25, 1974, at the hour of 10:00 a.m. then and there to produce and deliver said things to said Committee, or their duly authorized representative, in connection with the Committee's investigation authorized and directed by H. Res. 803, adopted February 6, 1974.

Herein fail not, and make return of this summons.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 11th day of April 1974.

PETER W. RODINO, Jr.,
Chairman.

Attest:

W. PAT JENNINGS,
Clerk.

On behalf of Richard M. Nixon, President of the United States of America, I accept service on April 11, 1974, of the original subpoena, of which the foregoing is a copy.

JAMES D. ST. CLAIR,
Special Counsel to the President.

Schedule of Things Required To Be Produced Pursuant to Subpoena Dated April 11, 1974

All tapes, dictabelts or other electronic recordings, transcripts, memoranda, notes or other writings or things relating to the following conversations:

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[1] The Court received two reports obtained by Miss Woods' attorney that questioned the conclusions of the Panel, whose conclusions in substance had been confirmed by the Stanford Research Institute, expert for the counsel to the President. The Committee staff has obtained copies of these reports. The organizations submitting the reports are Home Service, Inc., a Magnavox sales and service center in Cleveland Heights, Ohio, dated May 24, 1974, and Dektor Counterintelligence and Security, Inc in Springfield, Virginia, dated May 30, 1974. Neither organization examined the evidence tape or Uher 5000 recorder, or reviewed the experiments with the expert panel.

1. Certain conversations between the President and Mr. Haldeman or Mr. Ehrlichman or Mr. Dean in February, March and April, 1973, as follows:

(a) Conversations between the President and Mr. Haldeman on or about February 20, 1973, that concern the possible appointment of Mr. Magruder to a government position;

(b) Conversations between the President, Mr. Haldeman and Mr. Ehrlichman on or about February 27, 1973, that concern the assignment of Mr. Dean to work directly with the President on Watergate and Watergate-related matters;

(c) Conversations between the President and Mr. Dean on March 17, 1973, from 1:25 to 2:10 p.m. and March 20, 1973, from 7:29 to 7:43 p.m.

(d) Conversations between the President and Mr. Ehrlichman on March 27, 1973 from 11:10 a.m. to 1:30 p.m., and on March 30, 1973, from 12:02 to 12:18 p.m.; and

(e) Conversations between the President and Mr. Haldeman and the President and Mr. Ehrlichman during the period April 14 through 17, 1973, as follows:

April 14

8:55 to 11:31 a.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

1:55 to 2:13 p.m.: Meeting between the President and Mr. Haldeman.

2:24 to 3:55 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

5:15 to 6:45 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

11:02 to 11:16 p.m.: Telephone conversation between the President and Mr. Haldeman.

11:22 to 11:53 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

April 15

10:35 to 11:15 a.m.: Meeting between the President and Mr. Ehrlichman.

2:24 to 3:30 p.m.: Meeting between the President and Mr. Ehrlichman.

3:27 to 3:44 p.m.: Telephone conversation between the President and Mr. Haldeman.

7:50 to 9:15 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

10:16 to 11:15 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

April 16

12:08 to 12:23 a.m.: Telephone conversation between the President and Mr. Haldeman.

8:18 to 8:22 a.m.: Telephone conversation between the President and Mr. Ehrlichman.

9:50 to 9:59 a.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

10:50 to 11:04 a.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

12:00 to 12:31 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

3:27 to 4:02 p.m.: Meeting between the President and Mr. Ehrlichman (Mr. Ziegler present from 3:35–4:04 p.m.).

9:27 to 9:49 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

April 17

9:47 to 9:59 a.m.: Meeting between the President and Mr. Haldeman.

12:35 to 2:30 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman (Mr. Zeigler present from 2:10–2:17 p.m.).

2:39 to 2:40 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

3:50 to 4:35 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

5:50 to 7:14 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman (Mr. Rogers present from 5:20–6:19 p.m.).

2. Conversations between the President and Mr. Kleindienst and the President and Mr. Petersen during the period from April 15 through 18, 1973, as follows:

April 15

10:13 to 10:15 a.m.: Telephone conversation between the President and Mr. Kleindienst.

1:12 to 2:22 p.m.: Meeting between the President and Mr. Kleindienst.

3:48 to 3:49 p.m.: Telephone conversation between the President and Mr. Kleindienst.

4:00 to 5:15 p.m.: Meeting among the President, Mr. Kleindienst and Mr. Petersen.

8:14 to 8:18 p.m.: Telephone conversation between the President and Mr. Petersen.

8:25 to 8:26 p.m.: Telephone conversation between the President and Mr. Petersen.

9:39 to 9:41 p.m.: Telephone conversation between the President and Mr. Petersen.

11:45 to 11:53 p.m.: Telephone conversation between the President and Mr. Petersen.

April 16

1:39 to 3:25 p.m.: Meeting between the President and Mr. Petersen (Mr. Zeigler present from 2:25–2:52 p.m.).

8:58 to 9:14 p.m.: Telephone conversation between the President and Mr. Petersen.

April 17

2:46 to 3:49 p.m.: Meeting between the President and Mr. Petersen.

April 18

2:50 to 2:56 p.m.: Telephone conversation between the President and Mr. Petersen.

6:28 to 6:37 p.m.: Telephone conversation between the President and Mr. Petersen.

Memorandum to Committee on the Judiciary Respecting Conversations Requested on February 25, 1974

The following sets forth the facts and bases underlying the requests for the conversations specified in the letter of February 25, 1974 from Mr. Doar to Mr. St. Clair:

(1) Conversations between the President and Mr. Haldeman on or about February 20, 1973, that concern the possible appointment of Mr. Magruder to a government position.

Jeb Magruder was deputy director of the Committee to Re-elect the President and participated in meetings at which plans for the electronic surveillance of the President's political opponents were discussed (Magruder, 2 SSC p. 787–790). Mr. Magruder has testified that he committed perjury before the grand jury investigating the break-in at the Democratic National Committee Headquarters and at the trial of the seven defendants in *United States* v. *Liddy, et al.* (Magruder, 2 SSC p. 805). Mr. Magruder has testified that he informed Mr. Haldeman in mid-January, 1973 that he was going to commit perjury during the trial (Magruder, 2 SSC p. 832). Mr. Haldeman does not recollect this discussion but does state that he met with Mr. Magruder on February 14, 1973 and on March 2, 1973 about Mr. Magruder's future (Haldeman, 7 SSC p. 2886–87).

Mr. Dean testified that in January and February of 1973 there were discussions about a job for Mr. Magruder (Dean, 3 SSC p. 990). Hugh Sloan, the former treasurer of the President's Campaign Finance Committee, testified he told Mr. Dean that if Mr. Magruder (who Sloan testified made efforts to persuade him to commit perjury) (Sloan, 2 SSC p. 543, 581, 583) were given an appointment requiring Senate confirmation, Mr. Sloan would voluntarily seek out the Senate Committee and testify against Mr. Magruder (Sloan, 2 SSC p. 591). Mr. Dean has further testified that on or about February 19, 1973 he was asked by Mr. Haldeman to prepare an agenda of topics which the President could use as a basis for a meeting with Mr. Haldeman (Dean, 3 SSC p. 987). That agenda raised as a topic the question of a White House position for Mr. Magruder. The agenda stated that Mr. Magruder "[m]ay be vulnerable (Sloan) until Senate Hearings are completed." (Exhibit 34–34, 3 SSC p. 1243) Mr. Dean has testified that on or about February 20, 1973, Mr. Haldeman met with the President to discuss the topics covered by the memorandum (Dean, 3 SSC p. 988).

Mr. Haldeman testified that at the time he received the agenda he had already told Magruder that a White House job would not be possible "but I think the point here was to check that decision with the President to be sure he concurred." (Haldeman, 7 SSC p. 2891). In March 1973, Mr. Magruder was appointed to a $36,000 a year government post which did not require Senate confirmation (Magruder, 2 SSC p. 831; Haldeman, 7 SSC p. 2887).

(2) Conversations between the President, Mr. Haldeman and Mr. Ehrlichman on or about February 27, 1973, that concern the assignment of Mr. Dean to work directly with the President on Watergate and Watergate-related matters.

Both Mr. Haldeman and Mr. Ehrlichman have testified that the President decided toward the end of February 1973, that Mr. Dean would work directly with the President on Watergate-related matters and that this decision was discussed with them (Ehrlichman, 7 SSC p. 2739; Haldeman, 7 SSC p. 2891). Mr. Dean has testified that when he met with the President on February 27, 1973, the President told him that Watergate "was taking too much time from Haldeman's and Ehrlichman's normal duties and . . . they were principals in the matter, and I, therefore, could be more objective than they." (Dean, 3 SSC p. 991)

(3) Conversations between the President and Mr. Dean on March 17, 1973, from 1:25 to 2:10 p.m. and March 20, 1973 from 7:29 to 7:43 p.m.

(a) March 17

The President has stated that he first learned at this meeting of the break-in of the office of Daniel Ellsberg's psychiatrist which the White House Special Investigation Unit committed in September 1971 (President's Statement August 15, 1973, Pres. Doc p. 993).

The White House has also stated that Mr. Dean told the President on this date that no White House aides were involved in the Watergate burglary except possibly Mr. Strachan and that the President suggested that Mr. Dean, Mr. Haldeman and Mr. Ehrlichman testify before the Senate Select Committee (Exhibit 70–A, 4 SSC p. 1798—Memorandum of Substance of Dean's Calls and Meetings With the President).

(b) March 20

The White House has said that in the course of this phone call from the President to Mr. Dean, Mr. Dean stated that there was not a "scintilla of evidence of White House involvement" in Watergate (Exhibit 70–A, 4 SSC p. 1798—Memorandum of Substance of Dean's Calls and Meetings with the President). President Nixon confirmed this statement (President's News Conference August 22, 1972, Pres. Doc. p. 1019). Mr. Dean has testified that during this call he scheduled a meeting with the President to discuss the facts of Watergate and the obstruction of the Watergate investigation (Dean, 3 SSC p. 997–98).

(4) Conversations between the President and Mr. Ehrlichman on March 27, 1973, from 11:10 a.m. to 1:30 p.m. and on March 30, 1973 from 12:02 to 12:18 p.m.

(a) March 27

Mr. Ehrlichman has testified that on March 27, 1973, he met with the President and discussed White House involvement in the break-in at the Democratic National

Committee Headquarters (Ehrlichman, 7 SSC p. 2747). Mr. Ehrlichman has testified that the President instructed him to inform Attorney General Kleindienst that the President had no information that Mr. Ehrlichman, Mr. Colson, Mr. Dean, Mr. Haldeman or any other White House staff had any prior knowledge of the Watergate burglary (Ehrlichman, 7 SSC p. 2748–49; Exhibit 99 p. 2944–45). Mr. Ehrlichman has also testified that the President asked him to inquire of the Attorney General about the procedures for granting immunity (Ehrlichman, 7 SSC p. 2750).

(b) March 30

The President has said that after Mr. Dean's disclosures of March 21 he ordered new investigations. (President's Statement April 17, 1973, Pres. Doc. p. 387; President's Statement April 30, 1973, Pres. Doc. p. 434; President's Statement August 15, 1973, Pres. Doc. p. 993). The President has stated that on this date the President asked Mr. Ehrlichman to take over that investigation from Mr. Dean (President's Statement August 15, 1973, Pres. Doc. p. 993; Ehrlichman, 7 SSC p. 2747).

(5) All conversations between the President and Mr. Haldeman and the President and Mr. Ehrlichman from April 14 through 17, 1973, inclusive.

(6) All conversations between the President and Mr. Kleindienst and the President and Mr. Petersen from April 15 through 18, 1973, inclusive.

(a) April 14, 1973

The President's records indicate that the following meetings and telephone conversations took place between the President and Mr. Haldeman and the President and Mr. Ehrlichman on April 14, 1973:

8:55 to 11:31 a.m.: Meeting between the President and Mr. Ehrlichman in the President's EOB office. (The President's daily diary shows that Mr. Haldeman was present from 9:00 to 11:30 a.m.).

1:55 to 2:13 p.m.: Meeting between the President and Mr. Haldeman.

2:24 to 3:55 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman in the Oval Office.

5:15 to 6:45 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman in the President's EOB office.

11:02 to 11:16 p.m.: Telephone conversation between the President and Mr. Haldeman.

11:22 to 11:53 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

The President has stated that it was on April 14 that Mr. Ehrlichman reported to him the results of the inquiry of the Watergate matter which the President, on March 30, 1973, ordered Mr. Ehrlichman to conduct (President's Statement August 15, 1973, Pres. Doc. p. 993). Mr. Ehrlichman testified that he informed the President that Messrs. Dean, Magruder and Mitchell were involved in the planning of the Watergate break-in (Ehrlichman, 7 SSC p. 2755, 2757–58, SSC Exhibit 98 at p. 2915–43). The President, according to Mr. Ehrlichman, ordered that the information be turned over to Mr. Kleindienst (Ehrlichman, 7 SSC p. 2758).

It was on April 14 that Mr. Magruder informed Mr. Ehrlichman that he was giving the prosecutors new information with respect to the Watergate break-in and its aftermath. (Magruder, 2 SSC p. 808); Ehrlichman, 7 SSC p. 2765–66). Mr. Ehrlichman and Mr. Haldeman knew that Mr. Dean already had been talking to the prosecutors and on April 14 Mr. Dean told them that Mr. Ehrlichman and Mr. Haldeman were targets of the grand jury investigation (Dean, 3 SSC p. 1014). Thus, when Mr. Ehrlichman telephoned Mr. Kleindienst on the evening of April 14 and was advised by the Attorney General to turn over all information to the Department of Justice to avoid being charged with obstruction of justice, Mr. Ehrlichman stated that "it doesn't really make any difference any more" since Mr. Dean and Mr. Magruder were talking to the prosecutors (Kleindienst, 9 SSC p. 3577).

(b) April 15, 1973

The President's records indicate that the following meetings and telephone conversations took place among the President, Mr. Haldeman, Mr. Ehrlichman, Mr. Kleindienst and Mr. Petersen:

10:13 to 10:15 a.m.: Telephone conversation between the President and Mr. Kleindienst.

10:35 to 11:15 a.m.: Meeting between the President and Mr. Ehrlichman.

1:12 to 2:22 p.m.: Meeting between the President and Mr. Kleindienst.

2:24 to 3:30 pm.: Meeting between the President and Mr. Ehrlichman.

3:27 to 3:44 p.m.: Telephone conversation between the President and Mr. Haldeman.

3:48 to 3:49 p.m.: Telephone conversation between the President and Mr. Kleindienst.

4:00 to 5:15 p.m.: Meeting among the President, Mr. Kleindienst and Mr. Petersen.

7:50 to 9:15 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

8:14 to 8:18 p.m.: Telephone conversation between the President and Mr. Petersen.

8:25 to 8:26 p.m.: Telephone conversation between the President and Mr. Petersen.

9:39 to 9:41 p.m.: Telephone conversation between the President and Mr. Petersen.

10:16 to 11:15 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

11:45 to 11:53 p.m.: Telephone conversation between the President and Mr. Petersen.

It was on April 15 that Mr. Kleindienst and Mr. Petersen directly brought to the attention of the President the new information which was being conveyed to the prosecutors by Mr. Dean and Mr. Magruder. (President's Statement August 15, 1973, Pres. Doc p. 993). April 15 was also the date on which the President, beginning at 9:17 p.m., had an important conversation with Mr. Dean that the President has stated was not recorded because the tape had run out (President's Statement November 12, 1973, Pres. Doc p. 1330; President's News Conference November 17, 1973, Pres. Doc p. 1346–47). According to Mr. Dean the President stated at that conversation that he was joking when he said earlier that it would be no problem to raise $1,000,000 (Dean, 3 SSC p. 1016). Following the conversation with Mr. Dean the President had a meeting with Mr. Ehrlichman and Mr. Haldeman at which Mr. Ehrlichman called Mr. Gray with respect to what happened to documents from Mr. Hunt's safe which were given to Mr. Gray in June 1972. Mr. Gray informed Mr. Ehrlichman that the documents were destroyed (Ehrlichman, 7 SSC p. 2675–76).

As the listing of conversations indicates, immediately following each of his various conversations with Mr. Kleindienst or Mr. Petersen, the President had conversations, some of which were quite lengthy, with Mr. Haldeman or Mr. Ehrlichman or both. It was on April 15 that Mr. Petersen suggested to the President that Mr. Haldeman and Mr. Ehrlichman be fired (Petersen, 9 SSC p. 3628–29). The President stated that he owed an obligation of fairness to Mr. Haldeman and Mr. Ehrlichman (Petersen, 9 SSC p. 3628).

(c) April 16, 1973

The President's records indicate that the following meetings and telephone conversations took place among the President, Mr. Haldeman, Mr. Ehrlichman, Mr. Kleindienst and Mr. Petersen:

12:08 to 12:23 a.m.: Telephone conversation between the President and Mr. Haldeman.

8:18 to 8:22 a.m.: Telephone conversation between the President and Mr. Ehrlichman.

9:50 to 9:59 a.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

10:50 to 11:04 a.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

12:00 to 12:31 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

1:39 to 3:25 p.m.: Meeting between the President and Mr. Petersen (Mr. Ziegler present from 2:25 to 2:52 p.m.)

3:27 to 4:02 p.m.: Meeting between the President and Mr. Ehrlichman (Mr. Ziegler present from 3:35 to 4:04 p.m.)

8:58 to 9:14 p.m.: Telephone conversation between the President and Mr. Petersen.

9:27 to 9:49 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

On April 16, according to Mr. Dean's testimony, the President asked Mr. Dean to sign a letter of resignation, but Mr. Dean said he would not resign unless Mr. Ehrlichman and Mr. Haldeman also resigned (Dean, 3 SSC p. 1017–1018). The President had further discussions with Mr. Petersen about the prosecutors' evidence of Mr. Haldeman and Mr. Ehrlichman's possible involvement in the Watergate matter and the possibility of granting immunity to Mr. Dean (Petersen, 9 SSC p. 3634; President's Statement April 17, 1973 Pres. Doc p. 387). Again, prior to and subsequent to his conversations with Mr. Dean and Mr. Petersen the President had a number of conversations with Mr. Ehrlichman and Mr. Haldeman.

(d) April 17, 1973

The President's records indicate that the following meetings and telephone conversations took place among the President, Mr. Haldeman, Mr. Ehrlichman, Mr. Kleindienst and Mr. Petersen:

9:47 to 9:59 a.m.: Meeting between the President and Mr. Haldeman.

12:35 to 2:30 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman (Mr. Ziegler present from 2:10 to 2:17 p.m.).

2:39 to 2:40 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

2:46 to 3:49 p.m.: Meeting between the President and Mr. Petersen.

3:50 to 4:35 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

5:50 to 7:14 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman (Mr. Rogers present from 5:20 to 6:19 p.m.).

On April 17 the President issued a statement that there were "major developments" in the Watergate case and "real progress has been made on finding the truth." The President also stated that "no individual holding, in the past or at present, a position of major importance in the administration should be given immunity from prosecution." (Pres. Doc. p. 387) Mr. Dean has testified that by the "no immunity" provision in the April 17 statement, the President was "quite obviously trying to affect any discussion I was having with the government regarding my testimony." Mr. Dean has stated that Mr. Garment, another Presidential Assistant, believed that the "no immunity" provision was inserted into the President's statement by Mr. Ehrlichman (Dean, 3 SSC p. 1020).

Also, on April 17, the pattern of the previous few days is repeated in that prior to and subsequent to conversations between the President and Mr. Petersen there are numerous conversations between the President and Mr. Haldeman and the President and Mr. Ehrlichman.

(e) April 18, 1973

The President's records indicate that the following meetings and telephone conversations took place between the President and Mr. Petersen:

2:50 to 2:56 p.m.: Telephone conversation between the President and Mr. Petersen.

6:28 to 6:37 p.m.: Telephone conversation between the President and Mr. Petersen.

On April 18, the President learned from Mr. Petersen that Mr. Dean had informed the prosecutors of the break-in by Messrs. Hunt and Liddy of the office of Dr. Fielding, Daniel Ellsberg's psychiatrist. (President's News Conference, August 22, 1973, Pres. Doc. p. 1020; Petersen, 9 SSC p. 3631). There was also a continuation of the discussion respecting possible immunity for Mr. Dean during which the President said he had a tape to prove that Mr. Dean had told the President he had received immunity (Petersen, 9 SSC p. 3630, 3654–56). With respect to the Fielding break-in the President has stated that he first learned of it on March 17, 1973, and that on April 18 he instructed Mr. Petersen to stay out of the matter because it involved national security.

* * * * *

In calling for the above conversations the Committee is seeking to determine:

Whether any of the conversations in any way bear upon the knowledge or lack of knowledge of, or action or inaction by the President and/or any of his senior administration officials with respect to, the investigation of the Watergate break-in by the Department of Justice, the Senate Select Committee, or any other legislative, judicial, executive or administrative body, including members of the White House staff;

Whether any of the conversations in any way bear upon the President's knowledge or lack of knowledge of, or participation or lack of participation in, the acts of obstruction of justice and conspiracy charged or otherwise referred to in the indictments returned on March 1 in the District Court for the District of Columbia in the case of *U.S.* v. *Haldeman, et al.*; and

Whether any of the conversations in any way bear upon the President's knowledge or lack of knowledge of, or participation or lack of participation in, the acts charged or otherwise referred to in the informations or indictments returned in the District Court for the District of Columbia in the cases of *U.S.* v. *Magruder, U.S.* v. *Dean, U.S.* v. *Chapin* and *U.S.* v. *Ehrlichman,* or other acts which may constitute illegal activities.

[Copy]

By Authority of the House of Representatives of the Congress of the United States of America

To Benjamin Marshall, or his duly authorized representative:

You are hereby commanded to summon Richard M. Nixon, President of the United States of America, or any subordinate officer, official or employee with custody or control of the things described in the attached schedule, to be and appear before the Committee on the Judiciary of the House of Representatives of the United States, of which the Hon. Peter W. Rodino, Jr. is chairman, and to bring with him the things specified in the schedule attached hereto and made a part hereof, in their chamber in the city of Washington, on or before May 22, 1974, at the hour of 10:00 A.M., then and there to produce and deliver said things to said Committee, or their duly authorized representative, in connection with the Committee's investigation authorized and directed by H. Res. 803, adopted February 6, 1974.

Herein fail not, and make return of this summons.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 15th day of May 1974.

Peter W. Rodino, Jr.,
Chairman.

Attest:

W. Pat Jennings,
Clerk.

On behalf of Richard M. Nixon, President of the United States of America, I accept service of the original subpoena, of which the foregoing is a copy.

Dated: May 15, 1974.

Received by:

James D. St. Clair,
Special Counsel to the President.

Schedule of Things Required To Be Produced Pursuant to Subpoena of the Committee on the Judiciary

The President's daily diaries (as reflected on U.S. Government Printing Office Form "1972 O–472–086" or any predecessor or successor forms) for the period April through July 1972, February through April 1973, July 12 through July 31, 1973 and October 1973.

[Copy]

By Authority of the House of Representatives of the Congress of the United States of America

To Benjamin Marshall, or his duly authorized representative:

You are hereby commanded to summon Richard M. Nixon, President of the United States of America, or any subordinate officer, official or employee with custody or control of the things described in the attached schedule, to be and appear before the Committee on the Judiciary of the House of Representatives of the United States, of which the Hon. Peter W. Rodino, Jr., is chairman, and to bring with him the things specified in the schedule attached hereto and made a part hereof, in their chamber in the city of Washington, on or before May 22, 1974, at the hour of 10:00 A.M. then and there to produce and deliver said things to said Committee, or their duly authorized representative, in connection with the Committee's investigation authorized and directed by H. Res. 803, adopted February 6, 1974.

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Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 15th day of May 1974.

Peter W. Rodino, Jr., *Chairman.*

On behalf of Richard M. Nixon, President of the United States of America, I accept service of the original subpoena, of which the foregoing is a copy.

Dated: May 15, 1974.

Received by:

James D. St. Clair,
Special Counsel to the President.

Schedule of Things Required To Be Produced Pursuant to Subpoena of the Committee on the Judiciary

All tapes, dictabelts, other electronic and mechanical recordings, and transcripts, memoranda, notes or other writings of things relating to the following conversations:

1. Meetings among the President, Mr. Haldeman and Mr. Mitchell on April 4, 1972 from 4:13 to 4:50 p.m. and between the President and Mr. Haldeman from 6:03 to 6:18 p.m.

2. Conversations on June 20, 1972 between the President and Mr. Haldeman, and the President and Mr. Colson, as follows:

2:20 to 3:30 p.m.: Meeting between the President and Mr. Colson.

4:35 to 5:25 p.m.: Meeting between the President and Mr. Haldeman.

7:52 to 7:59 p.m.: Telephone conversation between the President and Mr. Haldeman.

8:04 to 8:21 p.m.: Telephone conversation between the President and Mr. Colson.

8:42 to 8:50 p.m.: Telephone conversation between the President and Mr. Haldeman.

11:33 p.m. 6/20 to 12:05 a.m. 6/21.: Telephone conversation between the President and Mr. Colson.

3. Conversations on June 23, 1972 between the President and Mr. Haldeman, as follows:

10:04 to 10:39 a.m.: Meeting between the President and Mr. Haldeman (Mr. Ziegler present from 10:33–10:39 a.m.)

1:04 to 1:13 p.m.: Meeting between the President and Mr. Haldeman.

2:20 to 2:45 p.m.: Meeting between the President and Mr. Haldeman (Mr. Ziegler present from 2:40–2:43 p.m.)

Memorandum Setting Forth Facts and Bases Underlying April 19, 1974, Request for Presidential Conversations Necessary for Committee's Inquiry into Watergate and Aftermath

The following sets forth the facts and bases underlying the request contained in Mr. Doar's letter to Mr. St. Clair, dated April 19, 1974, for Presidential conversations necessary for the House Judiciary Committee's inquiry into Watergate and its aftermath. An asterisk following a specified conversation indicates that the Special Prosecutor has subpoenaed such conversation for the trial of the indictment in *United States* v. *Mitchell, et al.* filed on March 1, 1974 respecting Watergate and its aftermath.

(1) Meetings among the President, Mr. Haldeman, and Mr. Mitchell on April 4, 1972, from 4:13 to 4:50 p.m. and between the President and Mr. Haldeman from 6:03 to 6:18 p.m.*

Mr. Magruder has testified that on March 30, 1972 Mr. Mitchell approved Mr. Liddy's plan for electronic surveillance of the President's political opponents and an entry into the Democratic National Committee Headquarters in Washington. (Magruder, 2 SSC 794–95). Mr. Magruder called Mr. Strachan and indicated the project had been approved, and immediately thereafter, in early April, 1972, Mr. Strachan sent a memorandum to Mr. Haldeman which stated that a sophisticated political intelligence-gathering system for CRP had been approved with a budget of $300,000. (Magruder, 2 SSC 795; Strachan, 6 SSC 2441, 2452). Mr. Strachan has testified that he prepared a talking paper for a meeting between Mr. Haldeman and Mr. Mitchell which took place at 3:00 p.m. on April 4, 1972, and this talking paper included a reference to the sophisticated intelligence-gathering system. (Strachan, 6 SSC 2453–54). Mr. Haldeman has testified that the 3:00 p.m. meeting was "in conjunction with" the meeting commencing at 4:13 p.m. among the President, Mr. Mitchell and Mr. Haldeman during which matters relating to the political campaign and ITT were discussed. (Haldeman, 8 SSC 3180–81). Mr. Haldeman has testified that his notes of the meeting among the President, Mr. Haldeman and Mr. Mitchell do not indicate a discussion of intelligence. (Haldeman, 7 SSC 2881). Not long after the meeting among the President, Mr. Haldeman and Mr. Mitchell ended, the President met with Mr. Haldeman alone.

(2) Specified conversations on June 20, 1972, between the President and Mr. Haldeman, and the President and Mr. Colson.

The President's records set forth that the following meetings and telephone conversations took place between the President and Mr. Haldeman and the President and Mr. Colson on June 20, 1972:

2:20 to 3:30 p.m.*: Meeting between the President and Mr. Colson.

4:35 to 5:25 p.m.: Meeting between the President and Mr. Haldeman.

7:52 to 7:59 p.m.: Telephone conversation between the President and Mr. Haldeman.

8:04 to 8:21 p.m.*: Telephone conversation between the President and Mr. Colson.

8:42 to 8:50 p.m.: Telephone conversation between the President and Mr. Haldeman.

11:33 p.m., 6/20 * to 12:05 a.m.: Telephone conversation between the President and Mr. Colson.

At an earlier meeting on June 20 between Mr. Haldeman and the President (11:26–11:45

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* Conversations followed by an asterisk have been subpoenaed by the Watergate Special Prosecution Force.

a.m.), the Watergate matter was one of the items discussed. (Haldeman's Notes, Exhibit 61 *In Re Subpoena Duces Tecum* ("SDT"), Misc. No. 47-73). The tape of that conversation contained an 18 minute and 15 second hum which obliterated the conversation. Also on June 20, a meeting among Mr. Ehrlichman, Mr. Mitchell, Mr. Haldeman, Mr. Dean, and Mr. Kleindienst occurred to discuss the Watergate incident and investigation. (Ehrlichman, 7 SSC 2822; Haldeman, 8 SSC 3039-40). Mr. Strachan has testified that on this date, following Mr. Haldeman's instructions, he shredded the Political Matters Memorandum containing the reference to the plan for electronic surveillance formulated by Gordon Liddy. (Strachan, 6 SSC 2458, 2442). On the evening of June 20, 1972, the President spoke by telephone to Mr. Mitchell. A tape of this conversation was subpoenaed by the Special Prosecutor but was not produced as the President stated that it was not recorded. (President's Statement, November 12, 1973; Pres. Doc. 1329). The President's recorded recollection of this conversation was produced. Mr. Mitchell has testified that in this conversation he and the President discussed the Watergate break-in and Mr. Mitchell expressed regret that he had not kept better control over his men. (Mitchell, 4 SSC 1633). After this conversation with Mr. Mitchell, the President had the four telephone conversations specified with Mr. Haldeman and Mr. Colson.

(3) Specified conversations on June 23, 1972 between the President and Mr. Haldeman.

The President's records set forth that the following meetings took place between the President and Mr. Haldeman on June 23, 1972:

10:04 to 10:39 a.m.*: Meeting between the President and Mr. Haldeman (Mr. Ziegler present from 10:33 to 10:39 a.m.).

1:04 to 1:13 p.m.*: Meeting between the President and Mr. Haldeman.

2:20 to 2:45 p.m.*: Meeting between the President and Mr. Haldeman (Mr. Ziegler present from 2:40 to 2:43 p.m.)

Mr. Haldeman has testified that on the basis of information supplied by Mr. Dean to the effect that the FBI believed that the CIA might have been involved in the Watergate break-in, he raised the possibility of CIA involvement with the President on June 23, 1972. (Haldeman, 8 SSC 3040-41). Mr. Haldeman also testified that the President ordered Mr. Haldeman and Mr. Ehrlichman to meet with Mr. Helms and Mr. Walters at the CIA to determine the CIA's involvement and interest in the Watergate break-in and to request Mr. Walters to meet with Acting FBI Director Mr. Gray to insure that the FBI's investigation of the Watergate participants not be expanded into unrelated matters which could lead to disclosure of non-Watergate related covert CIA operations or other non-related national security activities that had been undertaken previously by some of the Watergate participants. (Haldeman, 7 SSC 2881-85). The President has stated that he instructed Mr. Haldeman and Mr. Ehrlichman to insure that the FBI investigation of the Watergate break-in did not expose either unrelated covert operations of the CIA or the activities of the White House Special Investigations Unit. (President's Statement, May 22, 1973, Pres. Doc. 696). Mr. Haldeman and Mr. Ehrlichman did meet with Mr. Helms and General Walters of the CIA on June 23, 1972, at 1:35 p.m. The three meetings specified above between the President and Mr. Haldeman preceded and followed the meeting among Mr. Haldeman, Mr. Ehrlichman and the representatives of the CIA. (Ehrlichman, 7 SSC 2712; Walters' Memorandum, SSC Exhibit 101, 7 SSC 2948; Haldeman, 8 SSC 3041). At 2:34 p.m., General Walters met with Mr. Gray of the FBI and stated that the FBI Watergate investigation should not be pursued into Mexico and should be tapered off at the five people arrested on June 17, 1972. (Walters' Memorandum of Meeting with Mr. Gray, SSC Exhibit 129, 9 SSC 3815; Gray 9 SSC 3452). Mr. Gray agreed to postpone two interviews involving funds in the bank account of Bernard Barker, one of the men arrested in the Democratic National Committee headquarters.

[Copy]

By Authority of the House of Representatives of the Congress of the United States of America

To Benjamin Marshall, or his duly authorized representative:

You are hereby commanded to summon Richard M. Nixon, President of the United States of America, or any subordinate officer, official or employee with custody or control of the things described in the attached schedule, to be and appear before the Committee on the Judiciary of the House of Representatives of the United States, of which the Hon. Peter W. Rodino, Jr. is chairman, and to bring with him the things specified in the schedule attached hereto and made a part hereof, in their chamber in the city of Washington, on or before June 10, 1974, at the hour of 10:00 A.M. then and there to produce and deliver said things to said Committee, or their duly authorized representative, in connection with the Committee's investigation authorized and directed by H. Res. 803, adopted February 6, 1974.

Herein fail not, and make return of this summons.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 30th day of May, 1974.

PETER W. RODINO, JR.,
Chairman.

Attest:

W. PAT JENNINGS,
Clerk.

On behalf of Richard M. Nixon, President of the United States of America, I accept service of the original subpoena, of which the foregoing is a copy.

Dated: 5/31, 1974.

Received by James D. St. Clair.
Special Counsel to the President.

Schedule of Things Required To Be Produced Pursuant to Subpoena of the Committee on the Judiciary

A. All tapes, dictabelts, other electronic and mechanical recordings, transcripts, memoranda, notes and other writings and things relating to the following conversations:

1. Meeting on the morning of November 15, 1972 among or between Mr. Haldeman, Mr. Ehrlichman and Mr. Dean in the President's office at Camp David.

2. Conversation in which the President participated after December 8, 1972 (the date Mr. Hunt's wife died) during which there was a discussion that a commutation of the sentence for Mr. Hunt could be considered on the basis of Mr. Hunt's wife's death.

3. Meeting and telephone conversation on January 5, 1973 between the President and Mr. Colson from 12:02 to 1:02 p.m. and from 7:38 to 7:58 p.m. respectively.

4. Meetings between the President and Mr. Colson on February 13, 1973 from 9:48 to 10:52 a.m. and on February 14, 1973 from 10:13 to 10:49 a.m.

5. Meeting between the President and Mr. Dean on February 27, 1973 from 3:55 to 4:20 p.m.

6. Conversations on March 1, 1973 between the President and Mr. Dean, as follows:

9:18 to 9:46 a.m.: Meeting between the President and Mr. Dean.

10:36 to 10:44 a.m.: Meeting between the President and Mr. Dean (Mr. Kissinger was present until 10:37 a.m.).

1:06 to 1:14 p.m.: Meeting between the President and Mr. Dean.

7. Meeting between the President and Mr. Dean on March 6, 1973 from 11:49 a.m. to 12:00 p.m.

8. Telephone conversations between the President and Mr. Colson on March 16, 1973, from 7:53 to 8:12 p.m., and on March 19, 1973, from 8:34 to 8:58 p.m.

9. Conversations on March 20, 1973 among or between the President, Mr. Haldeman and Mr. Ehrlichman, as follows:

10:47 a.m. to 12:10 p.m.: Meeting between the President and Mr. Haldeman (Mr. Ehrlichman present from 11:40 a.m.-12:10 p.m.).

4:26 to 5:39 p.m.: Meeting between the President and Mr. Ehrlichman.

6:00 to 7:10 p.m.: Meeting between the President and Mr. Haldeman.

10. Conversations on March 21, 1973 between the President and Mr. Ehrlichman and the President and Mr. Colson, as follows:

9:15 to 10:12 a.m.: Meeting between the President and Mr. Ehrlichman.

7:53 to 8:24 p.m.: Telephone conversation between the President and Mr. Colson.

11. Meeting between the President and Mr. Haldeman on March 22, 1973 from 9:11 to 10:35 a.m.

12. Telephone conversations between the President and Mr. Colson on April 12, 1973 from 7:31 to 7:48 p.m.

13. Two telephone conversations between Mr. Ehrlichman and Mr. Gray on April 15, 1973 between 10:16 and 11:15 p.m.

14. Telephone conversation between the President and Mr. Dean on April 17, 1973 from 9:19 to 9:25 a.m.

15. Conversations on April 18, 1973 among or between the President, Mr. Haldeman and Mr. Ehrlichman, as follows:

12:05 to 12:20 p.m.: Telephone conversation between the President and Mr. Haldeman.

3:05 to 3:23 p.m.: Meeting between the President and Mr. Ehrlichman.

6:30 to 8:05 p.m.: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

16. Conversations on April 19, 1973 among or between the President, Mr. Haldeman, Mr. Ehrlichman and Mr. Petersen as follows:

9:31 to 10:12 a.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

10:12 to 11:07 a.m.: Meeting between the President and Mr. Petersen.

1:03 to 1:30 p.m.: Meeting between the President and Mr. Ehrlichman.

5:15 to 5:45 p.m.: Meeting between the President and Mr. Ehrlichman.

9:37 to 9:53 p.m.: Telephone conversation between the President and Mr. Haldeman.

10:54 to 11:04 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

17. Conversations on April 20, 1973 among or between the President, Mr. Haldeman and Mr. Ehrlichman, as follows:

11:07 to 11:23 a.m.: Meeting between the President and Mr. Haldeman.

12:15 to 12:34 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman (Mr. Kissinger was present until 12:16 p.m.)

18. Conversations on April 25, 1973 among or between the President, Mr. Haldeman, Mr. Ehrlichman, Mr. Wilson and Mr. Strickler, as follows:

approximately 9:25 to approximately 10:45 a.m.: Meeting among the President, Mr. Wilson and Mr. Strickler.

11:06 a.m. to 1:55 p.m.: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

4:40 to 5:35 p.m.: Meeting between the President and Mr. Haldeman (Mr. Hart present from 5:30 to 5:32 p.m.)

6:57 to 7:14 p.m.: Telephone conversation between the President and Mr. Haldeman.

7:17 to 7:19 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

7:25 to 7:39 p.m.: Telephone conversation between the President and Mr. Ehrlichman.

7:46 to 7:53 p.m.: Telephone conversation between the President and Mr. Haldeman.

19. Conversations on April 26, 1973 among or between the President, Mr. Haldeman and Mr. Ehrlichman, as follows:

8:55 to 10:24 a.m.: Meeting between the President and Mr. Haldeman.

3:59 to 9:03 p.m.: Meeting between the President and Mr. Haldeman (Mr. Ehrlichman was present from 5:57 to 7:14 p.m.)

20. Telephone conversations on June 4, 1973 between the President and Mr. Haldeman from 10:05 to 10:20 p.m. and from 10:21 to 10:22 p.m.

B. All papers and things (including recordings) prepared by, sent to, received by or at any time contained in the files of, H. R. Haldeman, John D. Ehrlichman, Charles W. Colson, John Dean, III and Gordon Strachan to the extent that such papers or things relate or refer directly or indirectly to the break-in and electronic surveillance of the Democratic National Committee Headquarters in the Watergate office building during May and June of 1972 or the investigations of that break-in by the Department of Justice, the Senate Select Committee on Presidential Campaign Activities, or any other legislative, judicial, executive or administrative body, including members of the White House staff.

Memorandum Setting Forth Facts and Bases Underlying Proposed Subpoena for Presidential Conversations Necessary for the Committee's Inquiry into Watergate and Aftermath

The following sets forth the facts and bases underlying the proposed subpoena dated May 30, 1974 for Presidential conversations necessary for the House Judiciary Committee's inquiry into Watergate and its aftermath. An asterisk following a specified conversation indicates that the Special Prosecutor has subpoenaed such conversation for the trial of the indictment in *United States* v. *Mitchell, et al.,* filed on March 1, 1974, respecting Watergate and its aftermath.

(1) Meeting on the morning of November 15, 1972 among or between Mr. Haldeman, Mr. Ehrlichman and Mr. Dean in the President's office at Camp David.*

Dean testified that on November 15, he met at Camp David with Haldeman and Ehrlichman to inform them of the increased demands for money transmitted by Hunt's lawyer through O'Brien to the White House. At that meeting Dean played a tape of a conversation between Colson and Hunt during which Hunt made demands for money. (Dean, 3 SSC 969; Transcript, SSC Exhibit 152, 9 SSC 3888–91). Also at that meeting Dean testified that Ehrlichman and Haldeman said the President had decided that based on information linking Chapin with Segretti's campaign activities, Chapin would have to leave the White House staff (Dean, 3 SSC 966).

(2) Conversation in which the President participated after December 8, 1972 (the date Mr. Hunt's wife died) during which there was a discussion that a commutation of the sentence for Mr. Hunt could be considered on the basis of Mr. Hunt's wife's death.*

Materials presented to the Committee in executive session indicate that such a conversation took place.

(3) Meeting and telephone conversations on January 5, 1973 between the President and Mr. Colson from 12:02 to 1:02 p.m.* and from 7:38 to 7:58 p.m.* respectively.

On January 3, 1973 in a meeting among Ehrlichman, Colson and Dean, Dean has testified that Colson said he felt it was imperative that Hunt be given some assurances of executive clemency. Ehrlichman said, according to Dean, that he would speak to the President and that Colson should not talk to the President about this matter. Despite Ehrlichman's warning. Dean testified that on January 5, 1973, following a meeting among Ehrlichman, Colson and Dean, Colson told Dean that he did discuss the offer of executive clemency with the President (Dean, 3 SSC 973–74) Dean also testified that in March and April, 1973, the President stated that he previously had discussed with Colson the possibility of executive clemency for Hunt. (Dean, 3 SSC 995, 1017). Ehrlichman has testified that he met with Colson on January 3 and told him that under no circumstances should executive clemency be discussd (Ehrlichman, 7 SSC 2770–71; 2847–48).

(4) Meetings between the President and Mr. Colson on February 13, 1973, from 9:48 to 10:52 a.m.* and on February 14, 1973, from 10:13 to 10:49 a.m.*

Material in the possession of the Committee indicates that in mid-February 1973 Colson and the President discussed the Watergate matter. Also, in a newspaper interview Colson stated that during a February 14, 1973 meeting he told the President, "you've got to call Mitchell in and have him accept his responsibility" for the Watergate matter. The President replied, according to Colson, that while he wanted to resolve the Watergate matter, he was not willing to do so "at the expense of making an innocent person a scapegoat." (*New York Times,* interview with Mr. Colson, June 10, 1973)

(5) Meeting between the President and Mr. Dean on February 27, 1973, from 3:55 to 4:20 p.m.*

This is the first meeting of Dean with the President since September 15, 1972. Dean has testified that the President told him that Watergate "was taking up too much time from Haldeman's and Ehrlichman's normal duties and . . . they were principals in the matter, and I, therefore, could be more objective than they." Dean also testified that he told the President that he was not sure Watergate could be confined indefinitely, and the President told Dean "we would have to fight back." (Dean, 3 SSC 991–92). The White House has stated that executive privilege and the Senate Select Committee were discussed at this meeting. (Exhibit 70–A, 4 SSC 1796—Memorandum of substance of Dean's calls and meetings with the President).

(6) Specified Conversations on March 1, 1973, between the President and Mr. Dean.

The President's records indicate that the following meetings took place between the President and Dean on March 1, 1973:

9:18 to 9:46 a.m.: Meeting between the President and Mr. Dean.

10:36 to 10:44 a.m.: Meeting between the President and Mr. Dean.

1:06 to 1:14 p.m.: Meeting between the President and Mr. Dean.

Dean testified that on March 1 the President asked him questions about the ongoing confirmation hearings for Gray, and assured him that it was proper for Dean to have received FBI reports about the Watergate investigation. Dean testified the President told him that Gray should not turn over Watergate materials to the Senate Judiciary Committee. Dean told the President that he had met with William Sullivan, a former FBI official, and Sullivan had indicated that the FBI had been used for political purposes in past administrations; the President instructed Dean to get this information about FBI practices from Sullivan. Dean testified also that the President discussed executive privilege during these meetings. (Dean, 3 SSC 993–94). The White House has stated that on March 1 at a meeting with Dean the President prepared for his press conference on March 2, and it was decided that the answer to the question of why Dean was sitting in on FBI interviews during the Watergate investigation was that Dean was conducting an investigation for the President. The President asked Dean to write a report. (Exhibit 70–A, 4 SSC 1796—Memorandum of substance of Dean's calls and meetings with the President).

(7) Meeting between the President and Mr. Dean on March 6, 1973, from 11:49 a.m. to 12:00 p.m.

Dean has testified that at this meeting the President reminded Dean that he should report directly to him and not involve Haldeman and Ehrlichman in Watergate-related matters. (Dean, 3 SSC 994). The White House has stated that executive privilege guidelines were discussed at this meeting, and it was decided that executive privilege would cover former White House personnel as well as present personnel. (Exhibit 70–A, 4 SSC 1796—Memorandum of substance of Dean's calls and meetings with the President).

(8) Telephone conversations between the President and Mr. Colson on March 16, 1973, from 7:53 to 8:12 p.m. and on March 19, 1973, from 8:34 to 8:58 p.m.

On March 16, 1973, David Shapiro, Colson's law partner, met with Hunt. Hunt has testified that he had expected to meet with Colson and not Shapiro. During this meeting, Hunt told Shapiro that he needed money prior to his sentencing. Hunt felt that Shapiro should convey all Hunt had said to Colson. (Hunt, 9 SSC 3705–06). Material in the possession of the Committee indicates that Shapiro reported to Colson on his conversation with Hunt.

(9) Specified conversations on March 20, 1973, among or between the President, Mr. Haldeman and Mr. Ehrlichman.

The President's records set forth that the following meetings took place between the President, Haldeman and Ehrlichman on March 20, 1973:

10:47 a.m. to 12:10 p.m.*: Meeting between the President and Mr. Haldeman (Mr. Ehrlichman present from 11:40 a.m. to 12:10 p.m.).

4:26 to 5:30 p.m.: Meeting between the President and Mr. Ehrlichman.

6:00 to 7:10 p.m.*: Meeting between the President and Mr. Haldeman.

Materials presented to the Committee in executive session indicate that Haldeman spoke with the President about the Watergate matter on this date, the day prior to Dean's disclosures of White House involvement to the President on March 21, 1973. Also, Dean has testified that on or about March 20, 1973, he informed Ehrlichman of Hunt's threat to tell about the "seamy things" he had done for Ehrlichman unless he received additional money. (Dean, 3 SSC 999). Ehrlichman on March 20 became concerned that Hunt's blackmail attempt might lead to the exposure of the Special Investigations Unit. (Ehrlichman, 6 SSC 2565). Ehrlichman has testified that about this time he had a conversation with the President about the break-in at the office of Dr. Fielding. (Ehrlichman, 6 SSC 2551).

(10) Specified conversations on March 21, 1973, between the President and Mr. Ehrlichman and the President and Mr. Colson.

The President's records indicate that the following meetings and telephone conversations took place between the President and Ehrlichman, and the President and Colson on March 21, 1973:

9:15 to 10:12 a.m.*: Meeting between the President and Mr. Ehrlichman.

7:53 to 8:24 p.m.*: Telephone conversation between the President and Mr. Colson.

The 9:15 to 10:12 a.m. meeting with Ehrlichman immediately preceded the President's March 21 meeting with Dean (10:12–11:55 a.m.) at which time the President said he first learned of the money payments to the Watergate defendants and the attempt of one of the defendants to blackmail the White House. (President's Statement August 15, 1973, Pres. Doc. 992). As indicated above, it also came shortly after Ehrlichman learned of Hunt's alleged blackmail threat. The telephone conversation between the President and Colson is the first conversation between them after Dean's conversation with the President on March 21, 1973. Materials in the possession of the Committee indicate that Colson and the President discussed the Watergate matter in this conversation. This is also the date on which it is alleged that a delivery of $75,000 for the benefit of Hunt was made by LaRue. (*United States* v. *Mitchell, et al.*, Indictment, overt act 43),

(11) Meeting between the President and Mr. Haldeman on March 22, 1973 from 9:11 to 10:35 am.*

This meeting is Haldeman's first meeting with the President following the $75,000 payment which allegedly was made in the evening of March 21. It immediately precedes a morning meeting among Haldeman, Ehrlichman, Mitchell and Dean, at which Dean testified that Ehrlichman asked Mitchell if Hunt's money problem had been taken care of and Mitchell replied that it was no longer a problem. (Dean, 3 SSC 1000–01; Ehrlichman, 7 SSC 2853). Mitchell has denied making such a statement. (Mitchell, 4 SSC 1650). The second meeting is one of the overt acts alleged in the conspiracy indictment in *United States* v. *Mitchell, et al.*, (Indictment, overt act 44). The President has stated that he directed this second meeting to take place to determine "the best way to get the whole story out" about the Watergate matter. (President's News Conference, March 6, 1974, Pres. Doc. 293).

(12) Telephone conversation between the President and Mr. Colson on April 12, 1973, from 7:31 to 7:48 p.m.*

Materials in the possession of the Committee indicate that the President called Colson in Boston on April 12, said that he wanted to act promptly on Watergate and asked Colson to prepare a specific set of recommendations. This conversation is the last contact between Colson and the President prior to two meetings which Colson had with Ehrlichman on April 13, 1973 as part of Ehrlichman's inquiry, directed by the President, into the Watergate matter. Ehrlichman has testified that, at Colson's request, they met and Colson told him that Hunt, on April 16, would testify to the grand jury about the payments to the Watergate defendants and that McCord would testify about an attempt to break into the offices of Henry Greenspun, a Las Vegas newspaper publisher. Colson, according to Ehrlichman, said that he had some suggestions to convey to the President. (Ehrlichman, 7 SSC 2800–01; Ehrlichman's notes of this meeting, Exhibit 98, 7 SSC 2933–36).

(13) Two telephone conversations between Mr. Ehrlichman and Mr. Gray on April 15, 1973 between 10:16 and 11:15 p.m.

Ehrlichman has testified that while he was in the presence of the President he, at the President's request, telephoned Gray with respect to the documents that had been taken from Hunt's White House safe shortly after the Watergate break-in and given to Gray. During these conversations, Gray informed Ehrlichman that he had destroyed the documents and Ehrlichman transmitted this information immediately to the President. (Ehrlichman, 7 SSC 2675–76). Gray has confirmed that Ehrlichman made these two telephone calls. (Gray, 9 SSC 3470).

(14) Telephone conversation on April 17, 1973, between the President and Mr. Dean from 9:19 to 9:25 a.m.

On April 17, 1973, the President had a telephone conversation with John Dean. Dean has testified that during this conversation the President stated that he had decided not to request any resignations until after the grand jury took action and that he would issue a statement very shortly. (Dean, 3 SSC 1019).

(15) Specified conversations on April 18, 1973 among or between the President, Mr. Haldeman and Mr. Ehrlichman.

The President's records set forth that the following meeting and telephone conversations took place on April 18, 1973 among the President, Haldeman and Ehrlichman:

12:05 to 12:20 a.m.*; Telephone conversation between the President and Mr. Haldeman.

3:05 to 3:23 p.m.*: Meeting between the President and Mr. Ehrlichman.

6:30 to 8:05 p.m.*: Meeting among the President, Mr. Ehrlichman and Mr. Haldeman.

These conversations occurred the day after the President's statement on April 17, 1973, during which he stated that "there have been major developments in the [Watergate] case." (President's Statement, April 17, 1973, Pres. Doc. 387). During this period, various White House officials were being summoned to testify before the Watergate grand jury. In addition, shortly before his conversation with Ehrlichman, the President had a telephone conversation with Petersen and stated that Dean had told him that the prosecutors had given immunity to Dean and the President had a tape to prove this statement by Dean. Petersen denied that immunity had been granted. (Petersen, 9 SSC 3630, 3654–56). This was also the date on which the President learned that the prosecutors had been told of the break-in of the office of Daniel Ellsberg's psychiatrist by members of the White House Special Investigations Unit. (President's News Conference, August 22, 1973, Pres. Doc. 1020).

(16) Specified conversations on April 19, 1973, among or between the President, Mr. Haldeman, Mr. Petersen and Mr. Ehrlichman.

The President's records set forth that the following meeting and telephone conversations took place on April 19, 1973, among the President, Haldeman, Ehrlichman and Petersen:

9:31 to 10:12 a.m.*: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

10:12 to 11:07 a.m.*: Meeting between the President and Mr. Petersen.

1:03 to 1:30 p.m.*: Meeting between the President and Mr. Ehrlichman.

5:15 to 5:45 p.m.*: Meeting between the President and Mr. Ehrlichman.

9:37 to 9:53 p.m.*: Telephone conversation between the President and Mr. Haldeman.

10:54 to 11:04 p.m.*: Telephone conversation between the President and Mr. Ehrlichman.

In his meeting on April 19, 1973, the President and Petersen spoke about the Watergate investigation. Petersen gave the President a report on the progress of the investigation. The President met with Ehrlichman and Haldeman both immediately prior to the meeting with Petersen and subsequent to that meeting. Moore has testified that on April 19 he told the President that Dean had said that Ehrlichman would have a problem involving the *Ellsberg* case. (Moore, 5 SSC 1961). Dean, on this date, issued a public statement that he would not be made "a scapegoat" in response to the President's April 17 statement against granting immunity to high White House aides (Dean, 3 SSC 1020). In the evening from 8:26 to 9:32 p.m., the President had his first meeting with John Wilson and Frank Strickler, the attorneys who were retained to represent Haldeman and Ehrlichman in the Watergate matter. The President has produced an edited transcript of that conversation. Immediately thereafter, the President spoke by telephone with Haldeman and then with Ehrlichman.

(17) Specified conversations on April 20, 1973 among or between the President, Mr. Haldeman and Mr. Ehrlichman.

The President's records set forth that the following meetings and telephone conversations took place on April 20, 1973 involving the President, Haldeman and Ehrlichman:

11:07 to 11:23 a.m.*: Meeting between the President and Mr. Haldeman.

12:15 to 12:34 p.m.*: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

Materials in the possession of the Committee reflect that on April 20, 1973, Petersen again reported to the President on the progress of the investigation of the Watergate matters and discussed potential conflicts of testimony. Both immediately prior to and subsequent to the conversation between the President and Petersen, there are conversations between the President and Haldeman, with Ehrlichman being present at the second conversation.

(18) Specified conversations on April 25, 1973 among or between the President, Mr. Haldeman, Mr. Ehrlichman, Mr. Wilson and Mr. Strickler.

The President's record set forth that the following meetings and telephone conversations took place among the President, Haldeman, Ehrlichman, Wilson and Strickler on April 25, 1973:

Approximately 9:25 a.m. to approximately 10:45 a.m.: Meeting among the President, Mr. Wilson and Mr. Strickler.

11:06 a.m. to 1:55 p.m.*: Meeting among the President, Mr. Haldeman and Mr. Ehrlichman.

4:40 to 5:35 p.m.*: Meeting between the President and Mr. Haldeman (Mr. Hart present from 5:30 to 5:32 p.m.)

6:57 to 7:14 p.m.*: Telephone conversation between the President and Mr. Haldeman.

7:17 to 7:19 p.m.*: Telephone conversation between the President and Mr. Ehrlichman.

7:25 to 7:39 p.m.*: Telephone conversation between the President and Mr. Ehrlichman.

7:46 to 7:53 p.m.*: Telephone conversation between the President and Mr. Haldeman.

On the morning of April 25, after speaking by telephone with Petersen, the President met with Wilson and Strickler, the attorneys for Haldeman and Ehrlichman, and then had a lengthy meeting with Haldeman and Ehrlichman. Secret Service records indicate that at approximately the time this later meeting ended, Stephen Bull, a Presidential assistant, signed out 22 tapes of Presidential conversations. (Exhibit 7, *In Re SDT*, Misc. 47–73). Bull has testified that he turned over these tapes to Haldeman. (Bull, *In re SDT*, Tr. 343–45.) Haldeman has testified that he listened to the tape of the March 21, 1973 conversations between the President and Dean. (Haldeman, *In Re SDT*, Misc. 47–73, Tr. 927, 937–38.) The President has stated that Haldeman listened to this tape at the request of the President. (President's Statement, November 12, 1973, Pres. Doc. 1329.) Also on April 25, Petersen and Kleindienst asked the President to change his decision not to send the information about the Fielding break-in to Judge Byrne in the *Ellsberg* trial. The President did change his decision. (Kleindienst, 9 SSC 3574–75; Petersen, 9 SSC 3631–32; the President's Statement, August 15, 1973; Pres. Doc. 993; President's News Conference, August 22, 1973, Pres. Doc. 1020–21).

(19) Specified conversations on April 26, 1973 among or between the President, Mr. Haldeman and Mr. Ehrlichman.

The President's records set forth that the following meetings and telephone conversations took place on April 26, 1973, among the President, Haldeman, and Ehrlichman:

8:55 to 10:24 a.m.*: Meeting between the President and Mr. Haldeman.

3:59 to 9:03 p.m.*: Meeting between the President and Mr. Haldeman. (Mr. Ehrlichman was present from 5:57 to 7:14 p.m.).

According to Secret Service logs, on April 26, Bull took out a series of Presidential tapes which were returned on May 2, 1973. (Exhibit 7, *In Re SDT*, Misc. 47–73). Haldeman listened to the tape of March 21, 1973, again at the President's request. (Haldeman, *In Re SDT*, Tr. 937). A lengthy five hour and four minute meeting was held between the President and Haldeman at which Ehrlichman was present for one hour and seventeen minutes. During this meeting, the President called Kleindienst four times (having called him twice earlier in the day) and Petersen twice. Petersen has testified that on this date the President called him to ask if Gray should resign as Acting FBI Director. Gray had acknowledged that he had destroyed documents given to him by Dean in June 1972 from Hunt's White House safe. Petersen also testified that pursuant to the President's instructions, he asked Gray to meet with Kleindienst and him to discuss the situation. (Petersen, 9 SSC 3625). During the course of this meeting in Kleindienst's office, a telephone call was made to the President and the President was advised that Gray did not wish to resign. The President responded that Gray could remain as Acting FBI Director until the situation was analyzed. (Gray, 9 SSC 3591–92; Petersen, 9 SSC 3654; Kleindienst, 9 SSC 3598–99).

(20) Telephone conversations on June 4, 1973 between the President and Mr. Haldeman from 10:05 to 10:20 p.m.* and from 10:21 to 10:22 p.m.*

The President has stated that on June 4, 1973, he listened to tapes of his various conversations with Dean. (President's Statement, November 12, 1973, Pres. Doc. 1329). Haldeman had previously listened to tapes at the President's request. Material in the possession of the Committee indicates the likelihood of the President speaking to Haldeman about certain of the recorded conversations.

* * * * *

In calling for the above conversations, the Committee is seeking to determine:

Whether any of the conversations in any way bear upon the knowledge or lack of knowledge of, or action or inaction by the President and/or any of his senior administration officials with respect to, the investigation of the Watergate break-in by the Department of Justice, the Senate Select Committee, or any other legislative, judicial, executive or administrative body, including members of the White House staff;

Whether any of the conversations in any way bear upon the President's knowledge or lack of knowledge of, or participation or lack of participation in, the acts of obstruction of justice and conspiracy charged or otherwise referred to in the indictments returned on March 1 in the District Court for the District of Columbia in the case of *United States v. Mitchell*, et al., and

Whether any of the conversations in any way bear upon the President's knowledge or lack of knowledge of, or participation or lack of participation in, the acts charged or otherwise referred to in the informations or indictments returned in the District Court for the District of Columbia in the case of *United States v. Magruder; United States v. Dean; United States v. Chapin;* and *United States v. Ehrlichman, et al.*, or any other acts which may constitute illegal activities.

[Copy]

By Authority of the House of Representatives of the Congress of the United States of America

To Benjamin Marshall, or his duly authorized representative:

You are hereby commanded to summon Richard M. Nixon, President of the United States of America, or any subordinate officer, official or employee with custody or control of the things described in the attached schedule, to be and appear before the Committee on the Judiciary of the House of Representatives of the United States, of which the Hon. Peter W. Rodino, Jr. is chairman, and to bring with him the things specified in the schedule attached hereto and made a part hereof, in their chamber in the city of Washington, on or before July 2, 1974, at the hour of 10:00 A.M., then and there to produce and deliver said things to said Committee, or their duly authorized representative, in connection with the Committee's investigation authorized and directed by H. Res. 803, adopted February 6, 1974.

Herein fail not, and make return of this summons.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of June, 1974.

Peter W. Rodino, Jr., *Chairman.*

Attest: W. Pat Jennings, *Clerk.*

On behalf of Richard M. Nixon, President of the United States of America, I accept service of the original subpoena, of which the foregoing is a copy.

Dated: June 25, 1974.

Received: James D. St. Clair.

Special Counsel to the President.

Schedule of Things Required To Be Produced Pursuant to Subpoena of the Committee on the Judiciary

A. All tapes, dictabelts, other electronic and mechanical recordings, transcripts, memoranda, notes and other writings and things relating to the following conversations:

1. Conversations of the President with Mr. Haldeman and Mr. Ehrlichman, or either of them, between about 12:30 p.m. and about 1:28 p.m., and between about 5:15 p.m. and about 6:32 p.m., March 6, 1972.
2. Conversations between the President and Mr. Haldeman from about 1:40 p.m. to about 2:13 p.m., March 6, 1972.
3. Telephone conversation between the President and Mr. Colson from about 7:36 p.m. to about 8:02 p.m., March 6, 1972.
4. Telephone conversation between the President and Mr. Mitchell beginning about 6:05 p.m., March 14, 1972.
5. Conversation between the President and Mr. Colson from about 1:24 p.m. to about 3:40 p.m., March 18, 1972.
6. Conversations between the President and Mr. Haldeman on March 30, 1972, from about 9:38 a.m. to about 9:58 a.m., about 10:42 a.m. to about 11:10 a.m.; about 11:50 a.m. to about 12:15 p.m.; and about 5:32 p.m. to about 6:08 p.m.
7. Any conversation of the President with Mr. Haldeman and Mr. Colson, or either of them, between about 12:46 p.m. and about 2:32 p.m., March 30, 1972.
8. Any conversation of the President with Mr. Haldeman and Mr. Colson, or either of them, between about 5:32 p.m. and about 6:11 p.m., March 30, 1972.
9. Telephone conversation between the President and Mr. Colson between about 7:33 p.m. and about 7:45 p.m., March 30, 1972.
10. Conversations between the President and Mr. Haldeman from about 9:44 a.m. to about 10:06 a.m.; about 10:48 a.m. to about 11:45 a.m.; about 2:45 p.m. to about 3:00 p.m.; and 6:03 p.m. to about 6:18 p.m., April 4, 1972.
11. Telephone conversation between the President and Mr. Colson between about 10:46 a.m. and about 11:09 a.m., April 4, 1972.
12. Conversation between the President and Mr. Colson between about 11:45 a.m. and 12:23 p.m., April 5, 1972.

B. The President's copies of daily news summaries (and all his notes and memoranda with respect thereto) which were compiled by White House staff members during the period February 22, 1972 through June 9, 1972, inclusive, summarizing news reports by newspapers, periodicals, wire services, and the broadcast media, to the extent that such news summaries relate, directly or indirectly, to any of the following subjects: (a) the International Telephone and Telegraph Corporation (ITT) or any of its subsidiaries, directors, officers, or employees; (b) litigation or administrative investigations or proceedings, actual or proposed, against or otherwise respecting said corporation, or any subsidiary, director, officer or employee thereof; (c) the nomination of Richard G. Kleindienst to be Attorney General or any proposal, suggestion or consideration of whether to withdraw said nomination; or (d) the hearings before the Senate Judiciary Committee on the nomination of Richard G. Kleindienst to be Attorney General, including the testimony given during such hearings.

Memorandum Setting Forth Facts and Bases Underlying Proposed Subpoena for Recordings of Presidential Conversations and Other Things Necessary for the Committee's Inquiry Relating to ITT and the Kleindienst Confirmation Hearings

The following sets forth the facts and bases underlying the proposed subpoena dated June 24, 1974 for recordings of Presidential conversations and other things necessary for the House Judiciary Committee's inquiry into the ITT case and the hearings before the Senate Judiciary Committee on the nomination of Richard G. Kleindienst to be Attorney General.

In 1969, three antitrust suits were filed by the United States against the International Telephone and Telegraph Corporation (ITT), each seeking to prevent a corporate acquisition or to require a corporate divestiture. During 1970 and 1971, particularly in August of the former year and April of the latter, officials of ITT made numerous contacts with Administration officials for the purpose of attempting to persuade the Administration that the suits should be settled on a basis consistent with the interests of ITT. (Documents supplied to the Committee by the White House; Memo C. W. Colson to H. R. Haldeman, March 20, 1972, Senate Select Committee (SSC) Exhibit 121, 8 SSC 3372.)

Late in December, 1970, ITT won in the District Court one of the three suits, brought in connection with its acquisition of the Grinnell Corporation. The once-postponed deadline for the United States to file its appeal in the United States Supreme Court in the *ITT-Grinnell* case was April 20, 1971. (Petition of Government filed in Supreme Court on March 19, 1971, and granted by Mr. Justice Harlan on March 20, 1971.)

On April 19, 1971, the President, in the course of a meeting with John D. Ehrlichman and George P. Shultz, telephoned Deputy Attorney General Kleindienst and ordered that the appeal not be filed. The President has said that he took this action because in his opinion the further prosecution by Assistant Attorney General Richard McLaren of the suit was inconsistent with the the antitrust policy approved by the President in consultation with his senior economic advisers. During the meeting, the President expressed irritation with McLaren's failure to follow administration policy. (White House "White Paper," *The ITT Anti-Trust Decision,* January 8, 1974, p. 5.) On the following day, the Solicitor General's office obtained from the Supreme Court an extension of the time in which to file the *ITT-Grinnell* appeal. (White House "White Paper," *supra,* p. 5; Griswold testimony, Kleindienst Confirmation Hearings (KCH) 2 KCH 389; Application for Extension of Time filed in the Supreme Court.)

On April 21, 1971, the President met with Attorney General Mitchell. The Attorney General said that in his opinion it was inadvisable for the President to order no appeal in the *Grinnell* case, that there would be adverse repercussions in Congress, and that Solicitor General Griswold might resign. The President agreed to follow the Attorney General's advice. (White House "White Paper," *supra*, p. 5.)

Sometime during the spring of 1971, ITT-Sheraton, an ITT subsidiary, made a pledge to the San Diego Convention and Visitors Bureau in support of a bid by the City of San Diego to attract the 1972 Republican National Convention. (White House "White Paper," *supra*, p. 7.) Evidence indicates that sometime in May or June of 1971, Attorney General Mitchell became aware of the pledge. (Documents supplied to the Committee by the White House; Memo C. W. Colson to H. R. Haldeman, March 30, 1972, SSC Exhibit 121, 8 SSC 3372.)

During June, 1971, the Antitrust Division of the Justice Department decided to try to settle the three ITT antitrust cases. (McLaren, 2 KCH 111–112.) The final settlement was announced on July 31, 1971. (McLaren, 2 KCH 113.) Several authorities have stated that the settlement, calling for the largest antitrust-related corporate divestiture in history, was a good one from the government's standpoint. (See, *e.g.*, Griswold, 2 KCH 374.) It did, however, enable ITT to retain its Hartford Fire Insurance subsidiary, a matter of paramount importance to the company.

On February 15, 1972, the nomination of Richard G. Kleindienst to become Attorney General was forwarded by the President to the Senate for confirmation. (Weekly Compilation of Presidential Documents, Vol. 8, p. 440.) Mr. Kleindienst was to replace John Mitchell, who was leaving the Justice Department to head the Committee for the Reelection of the President. The Senate Judiciary Committee held hearings on this nomination and quickly agreed to recommend confirmation to the Senate. (Report of the Senate Judiciary Committee on the Nomination of Richard G. Kleindienst, 92d Cong., 2d Sess., Executive Rep. No. 92–19, February 29, 1972.)

Before the Senate could act, however, beginning on February 29, 1972, a series of three articles by Jack Anderson was published alleging a link between the ITT–Sheraton pledge and the antitrust settlements and purporting to involve Messrs. Mitchell and Kleindienst. (2 KCH 461–465.) Mr. Kleindienst immediately asked that the Senate Judiciary Committee hearings be reopened so that he could respond to the charges. (2 KCH 95.)

At about the same time, the Securities and Exchange Commission (SEC) demanded that ITT turn over to it documents believed by the SEC to be in the files of ITT's Washington, D.C. office. The documents included several which reflected ITT contacts with the Administration in 1970 and 1971 in connection with attempts to settle the antitrust cases. On March 2, 1972, the first day of the resumed Kleindienst nomination hearings, attorneys for ITT turned copies of one or more of these documents over to White House aide Wallace Johnson. The following week, others of these documents were also furnished to Johnson. Later, during March or April, copies of the documents were provided by ITT to the SEC.

During the course of the hearings, Mr. Kleindienst on several occasions denied having ever received any instructions from the White House with respect to antitrust suits. (2 KCH 157; 2 KCH 191; 2 KCH 353.) On Friday, March 3, 1972, Senator Kennedy asked Mr. Kleindienst about the extension of time to appeal the *Grinnell* case which had resulted from the President's April 19, 1971 telephone call to him. Mr. Kleindienst responded:

"Senator Kennedy, I do not recollect why that extension was asked." (2 KCH 204.)

The following Tuesday, March 7, 1972, Mr. Kleindienst, in a prepared statement, described the circumstances surrounding the request for an extension, omitting any mention of the President's order to drop the case. (2 KCH 249–250.)

On March 14 and March 15, 1972, John Mitchell appeared before the Senate Judiciary Committee. He testified that there had been no communication between the President and him with respect to the ITT antitrust litigation or any other antitrust litigation. (2 KCH 552; 2 KCH 571.)

In early March, a White House task force, including Messrs. Ehrlichman, Colson, Fielding, Johnson, Mardian and others, was established to keep track of the Kleindienst hearings, and its activities continued throughout the month. Members of the task force met from time to time with Messrs. Mitchell and Kleindienst. Mr. Fielding was given the responsibility of reviewing White House files to collect all documents which related to ITT.

On March 24, 1972, the President held his only press conference during this period. He said that: ". . . as far as the [Senate Judiciary Committee] hearings are concerned, there is nothing that has happened in the hearings to date that has in one way shaken my confidence in Mr. Kleindienst as an able, honest man, fully qualified to be Attorney General of the United States." (Weekly Compilation of Presidential Documents, Vol. 8, No. 8, pp. 673–674.)

He also said that, "In this Administration we moved on ITT. We are proud of that record." He said that administration action had prevented ITT from growing further and quoted Solicitor General Griswold as to the excellence of the ITT settlement. "We moved on [ITT] and moved effectively . . . Mr. McLaren is justifiably very proud of that record . . . [and he] should be." (*Id.* at p. 675.)

On the morning of March 30, 1972, Messrs. Colson, Haldeman and MacGregor met. That afternoon, Mr. Colson sent a memorandum to Mr. Haldeman indicating his disagreement with Mr. Haldeman's view, apparently presented at a meeting that morning, that the White House should continue to support Mr. Kleindienst's nomination. His reasons included the possibility that documents would be revealed suggesting that the President was involved in the ITT situation in 1971 and contradicting statements made by Mr. Mitchell under oath. (SSC Exhibit 121, 8 SSC 3372.)

On April 4, 1972, John Mitchell returned to his office after about two weeks in Florida. (Mitchell logs.) That afternoon, he met with the President and Mr. Haldeman at the White House and, according to Mr. Haldeman's testimony before the Senate Select Committee, they discussed the Kleindienst hearings. (7 SSC 2881.) The Committee has received from the President an edited transcript of the tape of this meeting.

On April 19, 1972, Ed Reinecke, Lt. Governor of California, testified that he had not told then Attorney General Mitchell about the ITT-Sheraton financial pledge until September, 1971. Clark MacGregor and Mr. Mardian had met with Mr. Reinecke the morning he testified. On April 3, 1974, Mr. Reinecke was indicted by a District of Columbia grand jury for perjury in connection with that testimony. (Indictment, April 3, 1974, *U.S.* v. *Reinecke,* Crim. No. 74–155.)

On April 27, 1972, the last day of the hearings, Mr. Kleindienst referred to his earlier testimony about communications with the White House and said:

"I tried to make it clear, Senator Fong, that in view of the posture I put myself in, in this case, I could have had several conversations but I would have had a vivid recollection if someone at the White House had called me up and said. 'Look, Kleindienst, this is the way we are going to handle that case.' People who know me, I don't think would talk to me that way, but if anybody did it would be a very sharp impact on my mind because I believe I know how I would have responded."

No such conversation occurred. (3 KCH 1682). The Committee needs to examine certain conversations during the period between February 29 and April 5, 1972, to aid in determining the participation or nonparticipation, knowledge or lack of knowledge of the President and his senior advisors with respect to testimony before the Senate in the Kleindienst hearings.

The specific conversations referred to in Part A of the schedule attached to the proposed subpoena are as follows:

A. Items 1, 2 and 3 of Part A refer to conversations between the President and Messrs. Haldeman, Ehrlichman or Colson on Monday, March 6, 1972. This was the day after the President returned from a weekend at Key Biscayne, and four days after the ITT document or documents had been delivered to White House aide Johnson. The Kleindienst hearings had resumed the previous Thursday and were continuing. On the same day Mr. Ehrlichman contacted the Chairman of the SEC to discuss ITT documents.

B. On the evening of March 14, 1972, the President and Mr. Mitchell had a telephone conversation. It was their only phone conversation during the month of March of which we are aware. This was the evening of the first day of Mr. Mitchell's testimony during which he twice denied ever having discussed antitrust litigation with the President. Materials respecting the conversation are requested in Item 4 of Part A of the schedule attached to the proposed subpoena.

C. According to Mr. Colson's calendar, he spent the morning of March 18, 1972, on "ITT" matters. He had three telephone conversations with Mr. Mitchell during the morning. That afternoon, the President and Mr. Colson met over two hours. The Kleindienst hearings were still continuing. Item 5 of Part A of the schedule attached to the proposed subpoena covers this conversation.

D. In a memorandum from Mr. Colson to Mr. Haldeman dated March 30, 1972 (Exhibit 121, 8 SSC 3372), Colson indicated that the subjects of discussion among senior White House aides on that date were the Kleindienst hearings, the possibility of withdrawing his nomination, documents relating to the Senate Judiciary Committee hearings, and testimony by Mr. Mitchell before the Committee. The President met with Mr. Haldeman and Mr. Colson on March 30. Haldeman during the course of two of his meetings with the President on March 30 talked by telephone with Kleindienst. Items 6, 7, 8 and 9 of Part A of the schedule attached to the proposed subpoena request materials respecting the March 30 conversations involving the President, Haldeman and Colson.

E. On April 4 and 5, 1972, the President had conversations with Mitchell, Haldeman and Colson. At about this time the President apparently made the decision not to withdraw the Kleindienst nomination. Items 10, 11 and 12 of Part A of the schedule attached to the proposed subpoena call for materials relating to these conversations.

Part B of the schedule attached to the proposed subpoena requests news summaries submitted to the President during the period of the hearings on the nomination of Kleindienst before the Senate Judiciary Committee and the debate by the Senate on that nomination. The summaries are compiled from various news media and submitted to the President daily. From time to time the President makes written comments and notations on these news summaries. The President's copies of these summaries would be probative of the President's knowledge or lack of knowledge of the testimony during, and events surrounding, the hearings and debates on the Kliendienst nomination.

[Copy]

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

To Benjamin Marshall, or his duly authorized representative:

You are hereby commanded to summon Richard M. Nixon, President of the United

States of America, or any subordinate officer, official or employee with custody or control of the things described in the attached schedule, to be and appear before the Committee on the Judiciary of the House of Representatives of the United States, of which the Hon. Peter W. Rodino, Jr. is chairman, and to bring with him the things specified in the schedule attached hereto and made a part hereof, in their chamber in the city of Washington, on or before July 2, 1974, at the hour of 10:00 a.m. then and there to produce and deliver said things to said Committee, or their duly authorized representative, in connection with the Committee's investigation authorized and directed by H. Res. 803, adopted February 6, 1974.

Herein fail not, and make return of this summons.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of June, 1974.

Attest:

Peter W. Rodino, Jr.,
Chairman.
W. Pat Jennings,
Clerk.

On behalf of Richard M. Nixon, President of the United States of America, I accept service of the original subpoena, of which the foregoing is a copy.

Dated: June 25, 1974.

Received: James W. St. Clair.

Special Counsel to the President.

Schedule of Things Required To Be Produced Pursuant to Subpoena of the Committee on the Judiciary

A. The President's daily diaries (as reflected on U.S. Government Printing Office Form "1969–0–332–068" or its successor forms) for the period March 19, 1971 to March 25, 1971, both inclusive.

B. All tapes, dictabelts, other electronic and mechanical recordings, transcripts, memoranda, notes and other writings and things relating to the following conversations:

1. Between the President and John Ehrlichman on March 19, 1971 from approximately 8:30 a.m. to approximately 11:00 a.m.; on March 23, 1971, beginning at approximately 12:00 noon and ending at approximately 1:07 p.m.; on March 25, 1971, beginning at approximately 8:30 a.m.; and on March 25, 1971, beginning at approximately 3:00 p.m.

2. Between the President and John B. Connally on March 20, 1971; March 22, 1971; and on March 23, 1971 from 5:35 p.m. to 5:38 p.m.

3. Between the President and Charles W. Colson on March 19, 1971; March 21, 1971; March 22, 1971 (four conversations); March 23, 1971; March 24, 1971 (three conversations); and March 25, 1971.

Memorandum Setting Forth Facts and Bases Underlying Proposed Subpoena for Recordings of Presidential Conversations and Other Things Necessary for the Committee's Inquiry Into the 1971 Milk Price Support Decision

The following sets forth certain of the facts and bases underlying the proposed subpoena for materials necessary for the Committee's inquiry into the President's 1971 decision to increase milk price supports. The Committee has received additional evidence with respect to this matter in executive session.

Part A of the schedule attached to the proposed subpoena lists:

The President's daily diaries (as reflected on U.S. Government Printing Office Form "1969–0–332–068" or its successor forms) for the period March 19, 1971, to March 25, 1971, both inclusive.

The President's daily diary is a log compiled by the Secret Service of the time and duration of the President's meetings and telephone conversations throughout the day. The daily diaries would enable the Committee to ascertain whether the President met or spoke with persons likely to be involved with contributions by the milk producer cooperatives during the period when the White House was considering whether to increase milk price supports above the level fixed by the Secretary of Agriculture.

Part B of the schedule attached to the proposed subpoena lists tapes and other things respecting the following specified presidential conversations:

(1) Between the President and John Ehrlichman on March 19, 1971, from approximately 8:30 a.m. to approximately 11:00 a.m.; on March 23, 1971, beginning at approximately 12:00 noon and ending at approximately 1:07 p.m.; on March 25, 1971, beginning at approximately 8:30 a.m.; and on March 25, 1971, beginning at approximately 3:00 p.m.

As the President's principal advisor on domestic affairs, Mr. Ehrlichman participated in the White House review of the Secretary of Agriculture's milk price support decision and the President's decision to increase the milk price support level.

The Committee has received a copy of Mr. Ehrlichman's office diary which indicates that Mr. Ehrlichman met with the President at the times specified above during the period March 19, 1971–March 25, 1971.

(2) Between the President and John B. Connally on March 22, 1971, and on March 23, 1971, from 5:35 p.m. to 5:38 p.m.

Beginning in February, 1971, AMPI representatives communicated with Secretary of the Treasury Connally to urge an increase in milk price supports. Secretary Connally discussed the milk price support issue with the President and participated in the decision to increase the milk price support level.

According to a White House compilation of meetings and telephone calls between the President and Connally, the President met or spoke with Connally on the dates and times indicated above.

(3) Between the President and Charles W. Colson on March 19, 1971; March 21, 1971; March 22, 1971 (four conversations); March 23, 1971; March 24, 1971 (three conversations); and March 25, 1971.

As the White House liaison with the milk producer cooperatives, Mr. Colson communicated frequently with AMPI representatives from 1970 through 1971 regarding political contributions to the President's re-election. Mr. Colson met with representatives of the milk producer cooperatives during the period the President determined to increase the milk price support level.

According to a White House compilation of meetings and telephone calls between the President and Colson, Colson met or spoke with the President on the dates indicated above.

[Copy]

By Authority of the House of Representatives of the Congress of the United States of America

To Benjamin Marshall, or his duly authorized representative:

You are hereby commanded to summon Richard M. Nixon, President of the United States of America, or any subordinate officer, official or employee with custody or control of the things described in the attached schedule, to be and appear before the Committee on the Judiciary of the House of Representatives of the United States, of which the Hon. Peter W. Rodino, Jr. is chairman, and to bring with him the things specified in the schedule attached hereto and made a part hereof, in their chamber in the city of Washington, on or before July 2, 1974, at the hour of 10:00 A.M. then and there to produce and deliver said things to said Committee, or their duly authorized representative, in connection with the Committee's investigation authorized and directed by H. Res. 803, adopted February 6, 1974.

Herein fail not, and make return of this summons.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of June, 1974.

Peter W. Rodino, Jr., *Chairman.*

On behalf of Richard M. Nixon, President of the United States of America, I accept service of the original subpoena, of which the foregoing is a copy.

Dated: June 25, 1974.

Received James D. St. Clair,
Special Counsel to the President.

Schedule of Things Required To Be Produced Pursuant to Subpoena of the Committee on the Judiciary

All tapes, dictabelts, other electronic and mechanical recordings, transcripts, memoranda, notes (including notes of H. R. Haldeman), and other writings and things relating to:

(1) A conversation on September 15, 1972, among the President, H. R. Haldeman and John Dean between approximately 6:00 and approximately 6:13 p.m.

(2) A conversation on September 15, 1972 between the President and H. R. Haldeman between 4:43 and 5:27 p.m. (Ronald Ziegler was present between 4:43 and 4:49 p.m.)

Memorandum Setting Forth Facts and Bases Underlying Proposed Subpoena for Recording of Presidential Conversations and Other Things Necessary for the Committee's Inquiry Into Alleged Abuse of IRS

The following sets forth the facts and bases underlying the proposed subpoena dated June 24, 1974 for recordings of Presidential conversations and other things necessary for the House Judiciary Committee's inquiry into alleged abuse of IRS.

(1) Conversation on September 15, 1972 among the President, H. R. Haldeman and John Dean, from approximately 6:00 p.m. to approximately 6:13 p.m.[1]

According to an affidavit of SSC Minority Counsel Fred Thompson, he was informed in or about early June 1973 by J. Fred Buzhardt, then Special Counsel for the President, that during the September 15, 1972 meeting Dean reported to the President on the IRS investigation of Larry O'Brien. (4 SSC 1794–96)

On May 28, 1974, the Watergate Special Prosecutor moved Judge Sirica for an order that the recording of this portion of the conversation of September 15, 1972, and the notes of Haldeman relating thereto, be turned over for presentation to the appropriate grand juries, on the basis that the recording is relevant to alleged White House attempts to abuse and politicize the IRS. According to the supporting affidavit of Special Prosecutor Leon Jaworski dated May 28, 1974, evidence assembled by his office substantiates allegations that in September 1972 the White House presented lists of "enemies" to the IRS with the direction that they be audited or otherwise harassed, and that in August and September 1972 the White House unlawfully attempted to have the IRS investigate Larry O'Brien. After listening to the tape of the September 15, 1972 conversation, Judge Sirica orally granted the motion of the Special Prosecutor on June 7, 1974. On June 12, 1974, the Court ordered that the recording of the conversation from 6:00 p.m. until approximately 6:13 p.m., and the notes taken during that conversation by H. R. Haldeman, be made available to the Special Prosecutor. The President, through his counsel, filed a notice of appeal of that order on June 14, 1974.

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[1] The Committee has in its possession a tape of that portion of the September 15, 1972 conversation among the President, Haldeman and Dean which took place between 5:27 p.m. and approximately 6:00 p.m. It also has in its possession a tape of a portion of a conversation between the President and Haldeman on September 15, 1972 from approximately 5:12 p.m. to 5:27 p.m.

Dean has testified before the SSC that during the meeting on September 15, 1972, with the President and Haldeman, they discussed using the IRS to attack their enemies. According to Dean's testimony, the President said that Democratic administrations used the IRS in the past and that after the election they would get people who would be responsive to White House requirements. Dean testified that at that point in the discussion Haldeman started taking notes. (3 SSC 958; 4 SSC 1479–80, 1535) Haldeman testified that there was discussion about the Democratic orientation of the IRS and the reluctance of the IRS to follow up on complaints of possible violations against people who were supporting opponents of the White House, and of cleaning house after the election. (7 SSC 2889)

In addition, other materials presented to the Committee in Executive Session further support the relevance of the recording of this conversation to the Committee's inquiry.

(2) Conversation on September 15, 1972, between the President and H. R. Haldeman between 4:43 and 5:27 p.m. (Ronald Ziegler was present between 4:43 and 4:49 p.m.)

On September 15, 1972 the indictment of the seven defendants in *United States* v. *Liddy*, charging violations with respect to the break-in at the Democratic National Committee headquarters was announced. The House Judiciary Committee has previously obtained a tape recording of the portion of this conversation from approximately 5:12 to 5:27 p.m. This portion of the conversation relates to the use of the Internal Revenue Service.

By Authority of the House of Representatives of the Congress of the United States of America

To Benjamin Marshall, or his duly authorized representative:

You are hereby commanded to summon Richard M. Nixon, President of the United States of America, or any subordinate officer, official, or employee with custody or control of the things described in the attached schedule, to be and appear before the Committee on the Judiciary of the House of Representatives of the United States, of which the Hon. Peter W. Rodino, Jr. is chairman, and to bring with him the things specified in the schedule attached hereto and made a part hereof, in their chamber in the city of Washington, on or before July 2, 1974, at the hour of 10:00 A.M. then and there produce and deliver said things to said Committee, or their duly authorized representative, in connection with the Committee's investigation authorized and directed by H. Res. 803, adopted February 6, 1974.

Herein fail not, and make return of this summons.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of June, 1974.

PETER W. RODINO, Jr.,
Chairman.

Attest: W. Pat Jennings, Clerk.

On behalf of Richard M. Nixon, President of the United States of America, I accept service of the original subpoena, of which the foregoing is a copy.

Dated: June 25, 1974.

JAMES D. ST. CLAIR,
Special Counsel to the President.

Schedule of Things Required To Be Produced Pursuant to Subpoena of the Judiciary

A. All tapes, dictabelts, other electronic and mechanical recordings, transcripts, memoranda, notes and other writings and things relating to the following conversations:

1. Meeting among the President, Charles Colson and H. R. Haldeman on June 23, 1971, between 11:39 a.m. to 12:41 p.m.
2. Meeting between the President and Charles Colson on June 28, 1971 between 6:50 and 7:25 p.m.
3. Meeting among the President, Charles Colson and H. R. Haldeman on July 1, 1971 between 10:28 and 11:49 a.m. (John Ehrlichman was present between 10:58 and 11:49 a.m. and Henry Kissinger was present between 11:22 and 11:24 a.m.)
4. Meetings between the President and John Ehrlichman on September 7, 1971 between 8:33 and 10:35 a.m.; on September 8, 1971 between 3:26 and 5:10 p.m.; and on September 10, 1971 between 3:03 and 3:51 p.m.
5. Meeting among the President, H. R. Haldeman and Charles Colson on September 7, 1971 between 10:37 a.m. and 12:00 p.m. and telephone conversation between the President and Charles Colson on September 10, 1971 between 3:53 and 4:17 p.m.
6. Meeting between the President and Henry Petersen on April 19, 1973 between 10:12 and 11:07 a.m.
7. Meeting between the President and Richard Kleindienst on April 25, 1973.

B. All memoranda, correspondence, papers and things prepared by, sent to, received by, or at any time contained in, the files of Charles Colson, H. R. Haldeman, John Ehrlichman, Egil Krogh and David Young, to the extent that such memoranda, correspondence, papers and things relate or refer directly or indirectly to the origin or to the activities of the White House Special Investigations Unit. These memoranda, correspondence, papers and things include, but are not limited to, all handwritten notes of John Ehrlichman produced by the White House on June 5 and June 6, 1974 pursuant to an order of Judge Gerhard Gesell in *United States* v. *Ehrlichman* (D.C.D.C. Cr. 74–116).

C. Handwritten notes of John Ehrlichman of a meeting on July 12, 1971 among the President, John Ehrlichman and Robert Mardian.

Memorandum Setting Forth Facts and Bases Underlying Proposed Subpoena for Recordings of Presidential Conversations and Other Things Necessary for the Committee's Inquiry Into Domestic Surveillance Activities

The following sets forth the facts and bases underlying the proposed subpoena dated June 24, 1974 for recordings of Presidential conversations and other things necessary for the House Judiciary Committee's inquiry into Domestic Surveillance activities and their aftermath.

Part A of the proposed subpoena regards tape recordings and other materials respecting the following specified conversations:

(1) Meeting among the President, Charles Colson and H. R. Haldeman on June 23, 1971, between 11:30 a.m. and 12:41 p.m.

The President met with Colson and Haldeman from 11:39 a.m. to 12:41 p.m. Two days later Colson sent to Haldeman a memorandum detailing the political gains to be derived from the prosecution of Daniel Ellsberg. Charles Colson submitted an affidavit in *United States* v. *Ehrlichman* (D.C. D.C. Cr. 74–116) dated April 29, 1974 in which Colson stated that in meetings during this period the President repeatedly emphasized the gravity of the leaks and his concern about Ellsberg.

(2) Meeting between the President and Charles Colson on June 28, 1971 between 6:50 and 7:25 p.m.

This is the first meeting between the President and Colson following Colson's June 25, 1971 memorandum. Daniel Ellsberg was indicted on this date and surrendered to federal authorities.

(3) Meeting among the President, Charles Colson and H. R. Haldeman on July 1, 1971 between 10:28 and 11:49 a.m. (John Ehrlichman was present between 10:58 and 11:49 a.m. and Henry Kissinger was present between 11:22 and 11:24 a.m.)

Colson's affidavit of April 29, 1974 filed in *United States* v. *Ehrlichman* states that in a meeting between the President, Haldeman and Colson the President issued directions to stop security leaks at all cost. This is also the day that Colson called Howard Hunt to discuss the Pentagon Papers and Daniel Ellsberg and in a memorandum forwarding a transcript of that conversation to Haldeman, Colson referred to a previous discussion between Haldeman and Colson.

(4) Meetings between the President and John Ehrlichman on September 7, 1971 between 8:33 and 10:35 a.m.; on September 8, 1971 between 3:26 and 5:10 p.m.; and on September 10, 1971 between 3:03 and 3:51 p.m.

According to the testimony of John Ehrlichman (John Ehrlichman testimony, Grand Jury, *People* v. *Ehrlichman*, June 8, 1973, 604) and his logs, these are the first meetings between the President and Ehrlichman following the Fielding break-in. On September 8, Ehrlichman met with Egil Krogh and David Young (who headed the Plumbers unit) at 10:45 a.m. and later in the day, between 3:26 and 5:10 p.m., met with the President. On September 10, Ehrlichman went directly from a meeting with the President between 3:03 and 3:51 p.m. to meet with Krogh and Young. (Meetings and conversations between the President and Ehrlichman, furnished by the White House and John Ehrlichman logs).

(5) Meeting among the President, H. R. Haldeman and Charles Colson on September 7, 1971 between 10:37 a.m. and 12:00 p.m. and telephone conversation between the President and Charles Colson on September 10, 1971 between 3:53 and 4:17 p.m.

According to the log of meetings and conversations between the President and Colson, and Charles Colson's log, these are the first meetings between the President and Colson following the Fielding break-in. The meeting on September 7, 1971 immediately followed a meeting between the President and Ehrlichman. On September 10, 1971 the President talked to Colson immediately following the President's meeting with Ehrlichman. Ehrlichman met at 4:00 p.m. with Krogh and Young and Colson met with Young at 8:00 p.m.

(6) Meeting between the President and Henry Petersen on April 19, 1973 between 10:12 and 11:07 a.m.

The President, by letter of April 29, 1974, forwarded to Judge Gerhard Gesell in *United States* v. *Ehrlichman* a transcript of this conversation between the President and Henry Petersen during which there was a discussion of the Fielding break-in. In his letter the President stated that if the Judge desired to hear the tape itself, arrangements could be made with the President's Counsel. Materials in the possession of the Committee indicate that the President discussed internal security considerations.

(7) Meeting between the President and Richard Kleindienst on April 25, 1973.

Richard Kleindienst has testified that he met with the President on April 25, 1973 at the White House to advise the President to send information about the Fielding break-in to Judge Byrne in the *Ellsberg* case. (Richard Kleindienst testimony, 9 SSC 3574–75, 3607). The President has stated that Kleindienst came to see him and the President instructed that the Justice Department memoranda relating to the break-in be filed with the Court in Los Angeles. (President Nixon's statement, May 22, 1973, 9 Pres. Docs. 696).

Part B of the subpoena requests the following materials:

All memoranda, correspondence, papers and things prepared by, sent to, received by or at any time contained in the files of Charles Colson, H. R. Haldeman, John Ehrlichman, Egil Krogh and David Young to the extent that such memoranda, correspondence, papers and things relate or refer directly or indirectly to the activities of the White House Special Investigations Unit. These memoranda, correspondence, papers and things include, but are not limited to:

(1) All handwritten notes of John Ehrlichman produced by the White House on June 5 and June 6, 1974 pursuant to an order of Judge Gerhard Gesell in *United States* v. *Ehrlichman* D.C.D.C. Cr. 74–116).

(2) Handwritten notes of John Ehrlichman of a meeting on July 12, 1971 among the President, John Ehrlichman and Robert Mardian.

Part B of the subpoena seeks materials in the files of specified White House staff members relating to the activities of the White House Special Investigations Unit; the White House staff members listed in Item B were involved in activities relating to the Special Investigations Unit.

Item B refers to the handwritten notes of John Ehrlichman with respect to certain specified meetings. They were produced by the White House on June 5 and June 6, 1974, pursuant to the Order of the Court and arrangements with the White House in *United States* v. *Ehrlichman* (D.C.D.C. Cr. 74–116) in which Ehrlichman is charged with perjury and other violations in connection with the Fielding break-in. In an affidavit dated June 12, 1974, Fred Buzhardt, Counsel to the President, acknowledged that these materials bore on the issues in that trial.

Item C refers to handwritten notes by John Ehrlichman of a meeting on July 12, 1971 among the President, Ehrlichman and Robert Mardian. Ehrlichman has requested these notes in connection with the forthcoming trial in *United States* v. *Ehrlichman*, but the White House has refused to produce them. An index supplied by the White House sets forth that the subject matter on these notes concerns "national security wiretaps." Robert Mardian has testified that on July 12, 1971 the President instructed him to pick up the logs and records of the 1969–71 wiretaps from William Sullivan of the FBI and deliver those documents to John Ehrlichman. (Mardian, 6 SSC 2405–08). Ehrlichman has testified that the President asked him to take custody of the wiretap records (Ehrlichman, 6 SSC 2534).

SUPPLEMENTAL, ADDITIONAL, SEPARATE, DISSENTING, MINORITY, INDIVIDUAL, AND CONCURRING VIEWS

Concurring views of Messrs. Railsback, Fish, Hogan, Butler, Cohen and Froehlich

For reasons we articulated in debate before the Judiciary Committee, the undersigned voted to recommend Articles I and II to the House. We agree in substance with this Report as it relates to those two articles. However, lest anyone infer that we agree without reservation to every point made, and given the lack of adequate time to prepare a detailed response to such points, suffice it to say that we do not necessarily agree that there is clear and convincing evidence to support every conclusion contained in the Report or that every fact referred to is necessary or relevant to support such articles.

TOM RAILSBACK,
HAMILTON FISH, Jr.
LAWRENCE J. HOGAN.
M. CALDWELL BUTLER.
WILLIAM S. COHEN.
HAROLD V. FROEHLICH.

Additional views of Messrs. Brooks, Kastenmeier, Edwards, Conyers, Eilberg, Seiberling, Danielson, Rangel, Ms. Jordan, Ms. Holtzman, and Mr. Mezvinsky

On two occasions, Richard M. Nixon has taken the oath set forth in the Constitution of the United States to which all Presidents must swear. In that oath Richard Nixon promised to "faithfully execute the Office of the President of the United States." He swore to "preserve, protect and defend the Constitution of the United States." He promised to "take care that the laws be faithfully executed."

In each of these areas Richard Nixon has violated his solemn obligation to the American people. The evidence is overwhelming that Richard Nixon has used the Office of President to gain political advantage, to retaliate against those who disagreed with him, and to acquire personal wealth. To achieve these objectives he chose a course designed to obstruct the administration of justice, to misuse the functions of agencies of the Federal government, and to abuse the powers of his office in a manner that threatened the sanctity of our democratic form of government and the constitutional rights and safeguards of every American citizen.

Richard Nixon obstructed the due administration of justice by covering up White House involvement in criminal activities. He attempted to prevent the Federal grand juries, Federal prosecutors, the Department of Justice and the Congress of the United States from fully investigating those criminal activities and taking appropriate action. He concurred in the perjury of witnesses, participated in the payment of money to purchase silence, refused to produce evidence, interfered with the Office of the Special Prosecutor and discharged the Special Prosecutor for pursuing the course of justice too forthrightly.

Richard Nixon attempted to use the Internal Revenue Service to harass his enemies and to favor his friends. He directed the Federal Bureau of Investigation and the Secret Service to engage in illegal wiretapping. He endeavored to use the Central Intelligence Agency to sidetrack the Federal Bureau of Investigation's investigation into the illegal entry of the National Headquarters of the Democratic National Committee. He authorized a domestic intelligence operation that would have suspended the constitutional rights of all Americans.

Richard Nixon has continually refused to cooperate with the Congress of the United States in the exercise of its constitutional responsibilities. He has concealed information legitimately subpoenaed by the Congress and its committees. He has supplied misleading information to the Congress and the American people; and he has knowingly permitted his aides and appointees to testify erroneously and dishonestly before various congressional committees.

For these activities the House Judiciary Committee has recommended three articles of impeachment against Richard M. Nixon. These articles are fully supported by the evidence presented to the Committee. They do not, however, include all of the offenses committed by Richard Nixon for which he might be impeached, tried and removed from office.

There is ample evidence that Richard Nixon has violated the Constitution and the laws of the United States in an effort to enrich himself at the cost of the American taxpayer.

Shortly after his election in 1968, Mr. Nixon purchased three private homes. He then prevailed upon agencies of the Federal government to spend thousands of dollars of public funds at those properties. Intensive investigations by the House Government Operations Committee, the General Accounting Office, the Joint Committee on Internal Revenue Taxation, and the U.S. Internal Revenue Service have concluded that many of these expenditures were for Mr. Nixon's personal benefit and served no proper government function.

To preclude the possibility that a President might, because of personal financial considerations, either misuse the office for his own benefit or be held hostage to a hostile Congress, the drafters of our Constitution provided:

"The President shall, at stated times, receive for his service, a compensation, which shall neither be increased nor diminished during the period for which he shall have been elected, and he shall not receive within that period any other emolument from the United States or any of them."

The meaning of this clause is both clear and certain. Alexander Hamilton, writing in the *Federalist Papers No. 73,* succinctly stated its purpose as follows:

"It is impossible to imagine any provision which would have been more eligible than this. The legislature, on the appointment of a President, is once for all to declare what shall be the compensation for his services during the time for which he shall have been elected. This done, they will have no power to alter it, either by increase or diminution, till a new period of service by a new election commences. . . . Neither the Union, nor any of its members, will be at liberty to give, nor will he be at liberty to receive, any other emolument than that which may have been determined by the first act."

During his term of office, Richard Nixon has received a stated compensation for his services as Chief Executive Officer of our government, including a salary of $200,000 each year and an annual expense account of $50,000. Clearly, the payment of thousands of dollars by the Federal government for new heating systems, remodeling den windows, a sewer line, boundary surveys, landscape maintenance, sprinkler systems, and a shuffle board court constitutes additional "emoluments."

In its audit of Mr. Nixon's income tax returns for 1969 through 1972, the Internal Revenue Service concluded that:

"In view of the taxpayer's relationship to the United States Government as its Chief Executive Officer, *the above items constitute additional compensation to him for the performance of his services for the Government.*"

In addition to receiving unlawful emoluments while in office, Mr. Nixon has attempted to evade the payment of his lawful taxes. There is substantial evidence that when Mr. Nixon signed his Federal income tax returns for 1969, 1970, 1971 and 1972, he knowingly attested to false information intending to defraud the American people of approximately one-half million dollars. On his tax returns for those years, he claimed an unlawful deduction for a charitable contribution of his pre-presidential papers when, in fact, no such gift had been made. He or his agents manufactured misleading and dishonest documents to support the deduction. As a result of attesting to false information, Mr. Nixon, for two consecutive years, reduced his tax liability to less than $1,000 on income of approximately one-quarter million dollars a year.

The Internal Revenue Service has also established that Mr. Nixon unlawfully reduced his taxes by failing to report certain income from the sale of properties in California, New York and Florida. The Senate Select Committee has documented Mr. Nixon's failure to report as income the receipt of $5,000 of campaign funds used to purchase platinum and diamond earrings for his wife's birthday present. The Senate Select Committee also determined that $45,000 was paid personally by C. G. Rebozo for improvements at Mr. Nixon's Key Biscayne vacation retreat at a time when Rebozo's personal financial records indicate that he did not have that much money available. Mr. Rebozo avoided being served with a subpoena for the information needed to determine the source of those funds by leaving the United States during the final days of the Senate Select Committee's existence.

The refusal of Mr. Nixon and his associates to cooperate with efforts to determine the legality of his tax returns led the Commissioner of Internal Revenue Service to refer the matter to the Special Prosecutor for presentation to a grand jury. The IRS Commissioner said:

"We have been unable to complete the processing of this matter in view of the lack of cooperation of some of the witnesses and because of many inconsistencies in the testimony of individuals presented to the Service. The use of grand jury process should aid in determining all of the facts in this matter. It is our opinion that a grand jury investigation of this matter is warranted, and because this investigation will involve presidential appointees, we believe it would be appropriate for it to be carried forward by your office."

The three articles of impeachment adopted by the House Judiciary Committee provide ample reason for exercise of the impeachment and removal power of Congress. In addition to these, however, the Committee should have adopted an article citing Mr. Nixon for violation of the emoluments provision of the Constitution and violation of the tax laws of the United States.

A number of Members of the Committee agreed that Mr. Nixon had "set a very sorry example," or that he "did knowingly underpay his taxes in the four years in question by taking unauthorized deductions," or that he was "guilty of bad judgment and gross negligence." Those Members, however, for reasons of their own, chose not to view such actions on the level of impeachable offenses. That, of course, is a matter for each Member to determine. For myself, I find that these offenses bring into focus, in a manner every American can understand, the nature and gravity of the abuses that permeate Mr. Nixon's conduct in office.

The integrity of the Office of President cannot be maintained by one who would convert public funds to his own private benefit and who would refuse to abide by the same laws that govern every American taxpayer. All doubt should be removed that any American, even if he be President, can disregard the laws and the Constitution of the United States with impunity.

Jack Brooks.
Robert W. Kastenmeier.
Don Edwards.
John Conyers, Jr.
Joshua Eilberg.
John F. Seiberling.
George E. Danielson.
Charles B. Rangel.
Barbara Jordan.
Elizabeth Holtzman.
Edward Mezvinsky.

Supplemental views of Mr. Edwards

I fully and without reservation concur with the majority views of this report. I add supplementary views only to emphasize that there is a profoundly important aspect to the grievous and sustained misconduct of Mr. Nixon that in my opinion constituted a grave threat to the liberties of the American people.

In his attempts to subvert the processes of representative government and the guarantees of the Bill of Rights, Mr. Nixon and his associates used repeatedly the justification he described as "national security".

It was a familiar theme, referred to by James Madison in a letter to Jefferson in 1786. "Perhaps it is a universal truth", wrote the author of the Bill of Rights, "that the loss of liberty at home is to be charged to the provisions against dangers, real or pretended, from abroad."

Sad episodes in our history reflect that we have not always paid heed to Madison's warning. During World War I U.S. Attorney General Palmer jailed thousands of innocent Americans for conduct and words clearly legal but, in Palmer's view, a threat to "national security". During World War II thousands of loyal Japanese-Americans were illegally incarcerated in concentration camps for the same specious reason. And the era of the Korean War was blighted by Senator Joseph McCarthy, the sedition convictions, and the cruel antics of the House Un-American Activities Committee, all in the name of "national security".

It was less than 4 months after his inauguration that Richard Nixon began to use the notion "dangers from abroad", or "national security" to assault rights of Americans which are protected by the Constitution.

In mid May, 1969, he ordered the first of 17 wiretaps of newsmen, broadcasters, government employees and private citizens. His justification for the first few was "national security", in his view endangered by newspaper accounts of the secret and illegal bombings of Cambodia. Some were instituted for no possible national security reasons and were continued until 1971 for personal and political purposes. No leaks of classified information were ever discovered by these wiretaps.

The majority view of this report relates in frightening detail how this pattern of conduct continued. The Watergate cover-up began with Nixon's direction to the F.B.I. through the C.I.A. to suspend its investigation because of "national security". The F.B.I. was told to "lay off" the Fielding burglary because of "national security". The White House secret police, *The Plumbers*, were established for "national security". The Huston Plan, authorizing the F.B.I. and other Federal agencies to engage in burglary, mail covers, wiretapping and other illegal activities was approved by President Nixon for "national security".

I found it immensely disturbing that the talented and distinguished counsel for Mr. Nixon in the impeachment inquiry supported the view that the mere invocation of the catch phrase "national security" justified illegal wiretaps and personal surveillances. Indeed, he told the Judiciary Committee that in his view a President should be impeached for *not* proceeding as Mr. Nixon did.

So, I am writing these supplementary views to emphasize the urgency of Madison's two-hundred year old warning. Congress, the press, and indeed all of the American people must be vigilant to the perils of the subversive notion that any public official, the President or a policeman, possesses a kind of inherent power to set aside the Constitution whenever he thinks the public interest, or "national security" warrants it. That notion is the essential postulate of tyranny.

Don Edwards.

Additional views of Mr. Conyers

The Judiciary Committee undertook this impeachment inquiry with a clear recognition of the gravity of its responsibility to the Congress and the Constitution. Our task was unique in modern history and complicated by the sheer weight of the evidence to be evaluated. But the process of impeachment is not, and was never intended to be, familiar, convenient, or comfortable. It was framed with the intention that it be used only as a last constitutional resort against the danger of executive tyranny. The Congress should not lightly interpose its judgment between the President and the people who elect him, but we cannot avoid our duty to protect the people from "a long train of Abuses and Usurpations."

Impeachment has been simply but most accurately described as the great guardian of the purity of the Constitution. As such, the end of impeachment—trial and removal from office—is wholly unlike the end of conviction for a criminal offense, which is punishment. In the latter case, a citizen is stripped of the liberties the Constitution grants him as a matter of right as the price he must pay for wronging society. A removed President, however, may not suffer such loss. He must surrender the powers of the office entrusted to him by the people for using them to undermine the freedoms he swore to protect; only then is he subject to the normal processes of criminal law. This duality puts the roles of the Congress as a constitutional tribunal and the more common tribunals in perspective: the former is to assess his offenses against the Constitution; the latter, his offenses against the laws that execute the Constitution and govern the people.

The articles of impeachment recommended by the Committee, although narrowly drawn, are fully consistent with our constitutional responsibility. There is clear and convincing proof that Richard Nixon violated his oath of office and committed high crimes and misdemeanors which jeopardized the liberties of the people. In calling him to account, we also re-establish the proper parameters of presidential conduct. It is essential, therefore, that the record of our inquiry be complete so that no future president may infer that we have implicitly sanctioned what we have not explicitly condemned.

President Nixon's determination to Vietnamize the Indochina war led him to conclude that the infiltration of men and supplies through Cambodia and Laos had to be interdicted. This could have been done by bombing North Vietnam, but at the cost of destroying the fragile Paris Peace talks, then in progress. His only recourse, given his assumptions, was to bomb the supply routes in Cambodia which led into South Vietnam. At the same time, he apparently realized that public disclosure of such bombing would create a firestorm of Congressional and public protest.

In a desperate attempt, therefore, to achieve what he euphemistically called "peace with honor," he committed the massive destructiveness of American air power to yet another country, and attempted futilely to conceal his actions from the Congress and the American people. When the Cambodian bombing was first reported, he did not respond with a full public disclosure. Instead, he authorized a program of wiretapping, not merely of reporters but of government officials as well.

In retrospect, the logic of the White House becomes clear: Vietnamization required the bombing of Cambodia, which in turn required secrecy at all costs. The pressures of concealment led in turn to a spirit of distrust within the administration which spread as the President and his aides became increasingly enmeshed in the snare of lies and half-truths they had themselves created. Having decided that the people and the Congress could not be trusted with the truth, Mr. Nixon's distrust was soon extended to his own foreign policy advisors and assistants.

The authorization and concealment of the Cambodian bombing, and the means he employed to prevent its disclosure, illustrated in the very first months of his administration that the President was prepared to do anything he considered necessary to achieve his objectives. To defend both the bombing and the subsequent wire-tapping, he invoked the concept of national security, a convenient rationalization to be used whenever the occasion demanded an explanation for some concealed governmental conduct. The imperial presidency of Richard Nixon came to rely on this claim as a cloak for clandestine activity, and as an excuse for consciously and repeatedly deceiving the Congress and the people.

The evidence presented to this Committee demonstrates that the President's invocations of national security were often used as a shield, motivated primarily by a desire to protect himself from personal and political embarrassment. He would have us believe that he could not disclose the existence of the Plumbers, or the break-in of Dr. Fielding's office, or the falsification of State Department cables, or even the Cambodian bombing itself, because to have done so would have jeopardized national security.

Once in the White House, Mr. Nixon turned on his critics with a vengeance, apparently not appreciating that others could strenuously disagree with him without being either subversive or revolutionary. He took full advantage of the FBI's willingness to invade people's private lives without legal justification and without regard to their civil liberties. This willingness was documented during Congressional Black Caucus hearings on governmental lawlessness in June, 1972, which revealed that the files of the FBI and the Secret Service are laden with unverified information, often inaccurate and slanderous, on thousands of citizens, particularly Blacks, who have had the temerity to speak out against racism, injustice, or the Indochina war. This surveillance of government critics by the FBI began, of course, before Mr. Nixon took office, but his administration gave renewed approval to some of the ugliest abuses of governmental power.

Obsessed by the notion that the disruptive activities of the Blacks and students who criticized him were receiving foreign support, he repeatedly demanded that the FBI and CIA conduct extensive investigations to verify this potential conspiracy. But, even with additional authority conferred on these agencies, their reports continually indicated that his fears were unfounded. The inability of the FBI and CIA to substantiate the President's conviction that many of his critics were engaged in subversion or international conspiracy led him to increasingly question their operational efficiency.

Hence, the President's approval of the Huston plan in July, 1970, represented nothing more than an extension of an already demonstrated willingness to harass and spy on his political opponents. Even if the Huston plan itself was subsequently tabled, its spirit lived on in the White House and soon took tangible form with attempts to use the Internal Revenue Service for discriminatory personal and political purposes, and with the activities of the Plumbers unit. The Plumbers put the essence of the Huston plan into practice and provided the President with his own secret intelligence force to investigate his critics and discredit them by any means possible, without even the most elementary regard for individual privacy or public morality.

With the assistance of the President's closest advisors, the Plumbers violated the charter of the Central Intelligence Agency by seeking CIA assistance to impugn the integrity of Senator Edward Kennedy, and to assess the administration's potential vulnerability from ITT's Dita Beard, whose confidential memo implied that a bribe had been offered to settle the ITT antitrust case. They sought to discredit the Democratic party by falsifying State Department cables to implicate President Kennedy in the assassination of South Vietnamese President Diem. They broke into the Los Angeles office of Dr. Fielding in an attempt to gain medical information that would defame Daniel Ellsberg and, through him, the critics of the President's war policies. In these ways, and perhaps in other ways still undisclosed, they violated every canon of morality and legality which stood between them and their goal of discrediting and undermining the President's "enemies."

These activities provide part of the basis for the charge in Article II that President Nixon seriously abused the powers of his office. They also demonstrate that the break-in and bugging of the Democratic National Committee, and the subsequent cover-up specified in Article I, were not inexplicable aberrations from a standing presidential policy of strict adherence to the law. Instead, in proper perspective, the Watergate break-in emerges as only one incident in a continuous course of conduct which had its origins in the first months following President Nixon's inauguration. The subsequent concealment was intended not merely to protect the White House from its complicity in the Watergate incident itself, but to avoid disclosure of the entire train of illegal and abusive conduct that characterized the Nixon presidency: obstruction of justice, perjury and subornation of perjury, offers of executive clemency, attempts to influence a federal judge, destruction of evidence, disclosure of secret grand jury proceedings, withholding information of criminal activity, impoundment of Congressional appropriations, willful tax evasion, possible bribery in connection with the ITT antitrust and milk price support decisions, and interference with the lawful activities of the CIA, FBI, IRS, Special Prosecutor, House Banking and Currency Committee, Senate Select Committee on Presidential Campaign Activities, and finally, the House Judiciary Committee. In these ways, the President sought to avert disclosure of a seamless web of illegality and impropriety.

That cover-up continued to the end, in that the President attempted to deceive the Congress and the American people by concealing and misrepresenting his knowledge and participation in these activities, and even while resigning, refusing to admit his complicity. Additionally, he withheld necessary information from the Special Prosecutors and fired Special Prosecutor Cox for his efforts to fully discharge his responsibilities. He refused to comply with the legal and proper subpoenas of the Judiciary Committee, as charged in Article III. He mutilated and destroyed evidence in his possession or caused that to happen, and did very nearly everything in his power to impede, delay, and obstruct the proper course of justice.

In my judgment, this course of presidential conduct, outlined above and specified in Articles I, II, and III, provide irrefutable evidence that Richard Nixon was not fit to enjoy the trust and authority which reposes in the Presidency of the United States.

But of at least equal importance is the uncontroverted evidence that Mr. Nixon authorized an illegal war against the sovereign nation of Cambodia, and sought to protect himself from criticism and possible repudiation by engaging in deliberate policies of concealment, deception, and misrepresentation.

On July 30, 1974, I proposed the following article of impeachment:

"In his conduct of the office of President of the United States, Richard M. Nixon, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in disregard of his constitutional duty to take care that the laws be faithfully executed, on and subsequent to March 17, 1969, authorized, ordered and ratified the concealment from the Congress of the facts and the submission to the Congress of false and misleading statements concerning the existence, scope and nature of American bombing operations in Cambodia in derogation of the power of the Congress to declare war, to make appropriations, and to raise and support armies, and by such conduct warrants impeachment and trial and removal from office."

Although this article was not recommended by the Committee, it is fully supported by the facts and the Constitution.

The President of the United States must exercise only those powers which are legally and constitutionally his to exercise, and, by his actions, he must demonstrate due respect for the democratic rights of the people and the constitutional responsibilities of the Congress. The manner in which the Cambodian bombing was initiated, conducted, and reported clearly exceeded the constitutional powers of the presidency, and presented indisputable evidence of impeachable conduct.

President Nixon unilaterally initiated and authorized a campaign of bombing against the neutral nation of Cambodia. For the next four years, he continually deceived the Congress and the American people as to when the bombing began and how far it extended. In so doing, he exceeded his constitutional power as commander-in-chief. He usurped the power of the Congress to declare war, and he expended monies for a purpose not authorized or approved by the Congress. In so doing, he also denied the people of the United States their right to be fully informed about the actions and policies of their elected officials.

It is important to note that the facts pertinent to the Cambodian bombing are not in question. On 11 February 1969, General Creighton Abrams, Commander of the United States Military Assistance Command Vietnam, recommended and requested authorization to conduct bombing strikes in Cambodia. Between 12 February and 17 March 1969, this request was considered by the President in meetings of the National Security Council. On 17 March 1969, President Nixon authorized the bombing of Cambodia.

The bombing began on 18 March 1969 and continued unabated until 15 August 1973. From 18 March 1969 to 1 May 1970, when the United States initiated ground combat operations in Cambodia, 3,695 B-52 sorties were conducted, during which a total of 105,837 tons of bombs were dropped on Cambodia. From the beginning to the end of the bombing campaign in August, 1973, more than 150,000 sorties dropped in excess of 500,000 tons of bombs in Cambodia.

The bombing operations took the form of three different operations, code named "Menu Operation", "Patio", and "Freedom Deal". Under the procedures instituted for reporting "Menu Operation" bombing missions, the regular operational reports prepared after each mission indicated that the strikes had taken place in South Vietnam rather than in Cambodia. Most "Patio" bombing missions were not reported at all; forty-eight "special" "Patio" strikes were reported as having occurred in Laos, rather than Cambodia. The "Freedom Deal" tactical air strikes began on 30 June 1970, the date on which the last contingent of American ground forces was withdrawn from Cambodia. These strikes were reported as having taken place in Cambodia, but in many cases, the targets of "Freedom Deal" strikes were not those which were authorized and reported.

Similarly, there is no dispute that the President made a decision to keep the bombing secret. When President Nixon approved the first bombing strikes in Cambodia, he directed General Earle Wheeler, Chairman of the Joint Chiefs of Staff, to inform General Abrams that the bombing operations were not to be discussed with any unauthorized person, even though this meant circumventing the normal chain of command which would otherwise have included the Secretary of the Army, the Vice Chief of Staff for the Air Force, and the Commander of the Seventh Air Force.

The President's policy of concealment deception, and misrepresentation was consistently reflected in his own public statements and in the Congressional testimony of his military and civilian subordinates.

In a nationally televised address on 14 May 1969, two months after the bombing in Cambodia began, the President stated, "I have tried to present the facts about Vietnam with complete honesty, and I shall continue to do so in my reports to the American people".

At a news conference on 8 December 1969, the President asserted that the people of the United States were entitled to know everything they could with regard to any involvement of the United States abroad.

At another news conference on 21 March 1970, President Nixon declared that the United States would continue to "respect Cambodia's neutrality".

On 30 April 1970, when the President announced the American invasion of Cambodia, he reviewed previous American policy toward Cambodia in the following terms:

"American policy since then has been to scrupulously respect the neutrality of the Cambodian people. We have maintained a skeleton diplomatic mission of fewer than 15 in Cambodia's capitol, and that only since last August. For the previous 4 years, from 1965 to 1969, we did not have any diplomatic mission whatever in Cambodia. And for the past 5 years, we have provided no military assistance whatever and no economic assistance to Cambodia.

"For 5 years, neither the United States nor South Vietnam has moved against these enemy sanctuaries because we did not wish to violate the territory of a neutral nation. Even after the Vietnamese Communists began to expand these sanctuaries 4 weeks ago, we counseled patience to our South Vietnamese allies and imposed restraints on our own commanders."

On 30 June, the President released a report entitled "The Cambodian Operation" which stated in part:

"For five years, North Vietnam has used Cambodian territory as a sanctuary from which to attack allied forces in South Vietnam. For five years, American and allied forces—to preserve the concept of Cambodian neutrality and to confine the conflict in Southeast Asia—refrained from moving against these sanctuaries."

The evidence is unmistakable, therefore, that President Nixon personally and directly lied to the American people by repeatedly concealing the fact that the United States had begun to bomb Cambodia in March, 1969.

The President's public assurances were complemented by the erroneous and misleading statements made to the Congress by his civilian and military subordinates. Such statements were made by the Chief of Staff of the Air Force, the Secretary of State, the Secretary of the Army, the Secretary of Defense, and the Secretary of the Air Force in testimony before the Senate Committee on Armed Services, the Senate Committee on Foreign Relations, the Senate Committee on Appropriations, and the House Committee on Appropriations.

For example, on 27 April 1970, Secretary of State Rogers testified before the Senate Foreign Relations Committee, declaring that, "Cambodia is one country where we can say with complete assurance that our hands are clean and our hearts are pure . . . Our best policy is to be as quiet as possible, to avoid any action which appears to violate the neutrality of Cambodia".

For example, on 16 April 1970, Secretary of the Army Resor testified before the Senate Appropriations Committee that there had been no "U.S. Military aid and no Army support for Cambodia" since January, 1964.

For example, on 31 March 1971, Secretary of the Air Force Seamans was requested by the Senate Armed Services Committee to submit a report on American bombing missions in Indochina. Seamans subsequently submitted a classified report which indicated that no bombing strikes had been conducted in Cambodia prior to 1 May 1970, even though bombing strikes had actually begun in March, 1969.

It was not until 16 July 1973 that Secretary of Defense Schlesinger was forced to confirm earlier disclosures to the Senate Armed Services Committee that the United States had bombed Cambodia, a sovereign and neutral nation, before May, 1970.

Richard Nixon authorized the bombing of Cambodia. In a series of subsequent public statements, he deliberately and intentionally lied to the American people. And in their testimony before duly authorized committees of the Congress, his civilian and military subordinates failed to testify fully and accurately. Whether his subordinates deceived the Congress intentionally or unintentionally, the fact remains that the President must have known that they testified inaccurately, and he made no attempt to correct the record.

By his secret bombing of Cambodia, President Nixon unquestionably exceeded his powers as commander-in-chief, for not even the most tortured interpretation of Article II, Section 2 could support a war begun and pursued in secrecy. He also violated Sections 7 and 8 of Article I, which give to the Congress the authority to make appropriations and declare war. For the "power of the purse" to have any meaning, the Congress must know how the money it appropriates is being spent. Yet there is no evidence of any request by this Administration for appropriations for any American military activity in Cambodia between March, 1969, and August, 1973. And by conducting a war without the knowledge of the Congress, President Nixon further eroded whatever remains of the constitutional power of the Congress to decide when and where the United States shall be at war. We cannot sanction such a policy of deliberate deception, intended to nullify the constitutional powers of the Congress to legislate for the people we represent.

By the same policies of secrecy and deception, Richard Nixon also violated a principal tenet of democratic government: that the President, like every other elected official, is accountable to the people. For how can the people hold their President to account if he deliberately and consistently lies to them? The people cannot judge if they do not know, and President Nixon did everything within his power to keep them in ignorance. In all good conscience, we must condemn his deception regarding Cambodia with the same fervor and outrage we condemn his deception regarding Watergate.

The difficult question is not whether the secret bombing of Cambodia constitutes impeachable conduct. That is too obvious to require further argument. Instead, the question we must ponder is why the Congress has not called the President to judgment. The painful answer is that condemning the Cambodian bombing would also have required us to indict previous administrations and to admit that the Congress has failed to fully meet its own constitutional obligations.

Whether intentionally or not, the Congress has participated in the degeneration of its power to declare war. Although a War Powers Act was passed recently, over the veto of President Nixon, no legislation is self-executing. Whatever its limitations and faults, this legislation, and the constitutional provisions on which it is based, will only have meaning to the extent that the Congress invests them with meaning. Instead of merely ratifying the decisions and recommendations of the executive branch, the Congress must demonstrate that it is once again prepared to play an active and constructice role in the formulation of foreign policy—in the creation of policies which will direct this nation toward war or peace.

If this is truly to be a representative government, then the people's representatives in Congress must no longer allow any one person to decide unilaterally when, where, and why Americans shall die violent deaths. The Congress may not be subject to impeachment, but it is subject to emasculation. We must directly confront the fact that the secret bombing of Cambodia is only the most recent and egregious illustration of the disintegration of the war powers of Congress, and that the Congress has participated in this process, wittingly or unwittingly. If, during this impeachment proceeding, we have failed to learn this lesson, then we deserve the obloquy not the gratitude, of the people of the United States. If we do not now fully dedicate ourselves to regaining every bit of constitutional ground we have surrendered, then—to paraphrase one of the President's men—we shall have lost our constitutional and moral compass.

It has frequently been argued during the past weeks that this Committee's inquiry and the President's subsequent resignation demonstrate that "the system works". But such satisfaction or complacency is misguided. We must recognize that we were presented with a seemingly endless series of public revelations and presidential actions which did more to undermine Mr. Nixon's position than any independent investigation undertaken by this Committee or its staff. Our inquiry has been the beneficiary of literally years of work by investigative reporters, the Special Prosecutor's office, and the Senate Select Committee on Presidential Campaign Activities. And most importantly, the President himself documented his words and actions through his secret taping system, without which our inquiry might never have even begun. The President himself did more than anyone or anything to insure his removal from office.

If the system has worked, it has worked by accident and good fortune. It would be gratifying to conclude that this House, charged with the sole power of impeachment, exercised vigilance and acted on its own initiative. However, we would be deluding ourselves if we did not admit that this inquiry was forced on us by an accumulation of disclosures which, finally and after unnecessary delays, could no longer be ignored.

Perhaps ironically, and certainly unintentionally, we have ourselves jeopardized the future of the impeachment process. Before this inquiry, the prospect of impeaching a president was disquieting because it had not been attempted in more than a century. Now with our inquiry as a precedent, future Congresses may recoil from ever again exercising this power. They may read the history of our work and conclude that impeachment can never again succeed unless another President demonstrates the same, almost uncanny ability to impeach himself. If this is our legacy, our future colleagues may well conclude that ours has been a pyrrhic victory, and that impeachment will never again justify the agony we have endured. It is imperative, therefore, that we speak to them clearly: impeachment is difficult and it is painful, but the courage to do what must be done is the price of remaining free.

John Conyers, Jr., M.C.

Separate comments of Mr. Waldie

Impeachment of a President should be undertaken not to punish a President, but to constitutionally redefine and to constitutionally limit the powers of the Presidency when those powers have been dangerously extended and abused.

It is therefore necessary to consider impeachment not in terms of its effects on Richard Nixon but in terms of its effects on the powers of future occupants of the Presidency.

Richard Nixon has committed impeachable offenses as alleged in Articles I, II, and III. Those offenses constitute serious constitutional abuses of power and warrant impeachment that we might redefine Presidential power in the future.

Clearly, Richard Nixon has sought to obstruct justice in his efforts to prevent his and his associates' roles in Watergate from surfacing.

In that effort, the President has used the great powers of his office to thwart and prevent lawful inquiry into Watergate both from the Judicial and from the Legislative Branches. He has used and abused, in this effort, agencies of the Executive Branch of Government including the CIA and the FBI. He has thereby sought to remove the Presidency from accountability to the institutions of law.

If we do not redefine Executive Power in this instance and by such redefinition, limit that power for future Presidents, we risk all future Presidents claiming immunity from accountability for unlawful conduct in the furtherance of political objectives.

Clearly, Richard Nixon has failed to faithfully execute his oath of office and has abused the powers of his office by authorizing illegal acts and dangerous intrusions into personal privacy to further political objectives.

Wiretapping to obtain information that was used to counter political opponents; illegal entry to obtain information to counter political opponents; secret police not accountable to any authority but the President and whose primary functions appears to have been to further political objectives of the President: the use of agencies of our Government such as the IRS to persecute political enemies and reward political friends; the pattern of excessive accumulation of power and of dangerous abuse of power is undeniable.

Impeachment for such activities is clearly warranted that we might redefine executive power and thereby limit it that future Presidents will not so abuse their powers—that future Presidents will understand theirs is a constitutionally limited office and an office as to which accountability is ever present.

Though the Legislative, Judicial, and Executive Branches are co-equal, that "equality" is non-existent when the Legislative Branch is inquiring into impeachable conduct of the Executive. In that limited instance, in the pursuit of that Constitutional obligation, the Legislative Branch is supreme and cannot be thwarted by claims of Executive privilege on the part of the Executive Branch.

Executive privilege is a doctrine dependent on Separation of Powers. Impeachment is a process that assumes an "intrusion" by the Legislative Branch into the Executive and thus the Separation of Powers upon which Executive privilege is premised is absent.

Failure of a President to respond to a lawfully authorized subpoena of the Legislative Branch pursuant to its impeachment authority, constitutes an impeachable offense.

If this President can ignore these subpoenas, all future Presidents will assuredly ignore all future subpoenas of any impeachment inquiry.

We must redefine this Executive power and by impeachment, limit it so future Presidents will ignore lawfully authorized subpoenas in the impeachment process at their own risk.

Finally, I believe we should have approved an Article of Impeachment dealing with the exercise of the War Power.

Though it is undeniable that abuse of the War Power did not begin with President Nixon, that in fact it was severely abused by President Johnson, the truth remains that Richard Nixon, too, seriously abused the War Power by concealing and misrepresenting the facts concerning the massive bombing of neutral Cambodia. A War Power whose exercise is dependent on the deception of the American People is a War Power that is seriously abused. And yet the ability to wage war in recent years has almost seemed dependent on a President deceiving the American People. It is increasingly clear that the Vietnam War was a result of lies and deception on a massive scale, not to confuse or mislead the enemy, but to confuse and mislead the American People, the source from which all powers of the President, including the War Power, must flow.

Therefore, if ever a power of the President desperately needed a Constitutional redefinition and thereby a Constitutional limitation, it is the War Power.

I regret we did not recommend an Article of Impeachment based on the conduct of the President in concealing and deceiving the American People with respect to the exercise of the War Power in the bombing of Cambodia. Failing to do so, we may have unintentionally ratified such conduct for future Presidents. And if we have done that, all the good we might have done in redefining and limiting Presidential power in other fields may be of little avail.

Subsequent to preparing these views, Richard Nixon, facing certain impeachment and conviction, resigned his office.

Gerald Ford, in his first address to Congress as President, described these events as a "National Nightmare."

The "nightmare," as Gerald Ford so aptly described it, is not yet over, but it is undeniable that it is receding. The final admission of complicity in obstruction of justice by Richard Nixon precipitated his forced resignation under the universal perception that his impeachment and conviction were certainties.

It was with mixed feelings that I viewed those events. I desired that the constitutional process of impeachment and trial be carried out that a full and complete record of what Mr. Nixon did to our country might be had. In the long run I believe such a course would have been in the best interest of the Country.

But it was clearly with a great feeling of relief that I saw Richard Nixon leave the Presidency; not relief at the disgrace and dishonor that accompanied his departure, but relief that the great power of that office would no longer be responsive to his whims or decisions.

And so, in the immediate future, the country is clearly well served by Mr. Nixon's departure and, perhaps, in the long term it will have been well served by his not being in position, even for a short time, to wield that massive power dangerously and irresponsibly.

But the certainty that the long run best interests of the Nation will be served only exists if we assure that the lessons of Richard Nixon's "nightmare" are fully understood.

Those lessons would essentially, I believe, distil down to the principle that no man, "be he President or pauper" is above the law.

Mr. Nixon never understood that. The Congress was slow in coming to its comprehension. The people never wavered or doubted in their instinctive belief in that principle.

That all in the future might comprehend that vital lesson, it is necessary that the full extent of Mr. Nixon's abuse of America—that a full record of the "nightmare" he visited upon us, be made.

The process whereby that will occur will include the Congress and the Report of the House Judiciary Committee—now—and additional reports as evidence accumulates. It will also include the Courts of our land. The full extent of Richard Nixon's participation in illegal activities will only unravel as accountability to the institutions of justice is accomplished. To deny that process by granting immunity to Mr. Nixon would materially detract from the necessity of a full exposition of the "nightmare."

It would also essentially deny the basic lesson that no man, "be he President or pauper," is above the law. We upheld that principle when we forced the resignation of President Richard Nixon under the certainty of impeachment and conviction. We would shatter that principle, so hard fought and dearly won, if we place Richard Nixon, citizen, above the law; beyond accountability for his conduct.

JEROME R. WALDIE.

Additional views of Messrs. Sarbanes and Seiberling, joined by Messers. Donohue, Eilberg, Mann, Danielson, Thornton, Smith and Hogan

While in the majority who voted against the proposed Article concerning President Nixon's concealment from Congress of the bombing of Cambodia, we certainly did not intend our vote to indicate approval of such conduct on his part. In fact, as some of us stated during the debate, we consider his action to have been a usurpation of Congress' power to declare war and to make appropriations.

The issue in the proposed article was the wrongful withholding of information from the Congress and the falsification of reports to the Congress. On March 17, 1969, President Nixon, without consulting or informing the Congress and in spite of the fact that Cambodia was a neutral country, authorized the bombing of Cambodia and ordered that information on these bombing operations be held in the closest secrecy. The President's orders led to the establishment by high ranking military officers of a dual reporting system for Cambodian bombing operations. This reporting system circumvented both the normal chains of command and information within the Defense Department and the normal channels of communication between the Executive Branch and appropriate Congressional committees. A result of this dual reporting system was that Congressional committees were deceived about the existence of American air operations against Cambodian territory prior to the April 1970 "incursion"; official reports were formally submitted to Congress indicating that there had been no such operations when in fact extensive bombing activities in Cambodia had taken place. The policy of the President with respect to the reporting of the bombing thereby deprived Congress of the ability to exercise its constitutional powers.

Despite the grave and deplorable implications of this policy, there are certain reasons why impeachment is not the appropriate remedy in this instance. Although neither the House of Representatives nor the Senate nor any Congressional committee was advised of the bombing prior to May 1970, when the clandestine air operations had been underway for 14 months, a few key members of the Congress in positions of responsibility had been informally advised of the bombing. Clearly, the informing by the Administration of a few, carefully selected individuals in the Congress is not the same as informing the Congress and cannot be considered proper or adequate notice. Nonetheless, the situation as to executive responsibility is clouded by the fact that certain members of the Congress were made aware of the bombing.

Furthermore, it appears likely that had the President formally consulted the Congress prior to April, 1970, the Congress would have acquiesced in the bombing policy. Although air operations were openly conducted over Cambodian territory from July, 1970 until mid-August, 1973, it should be noted that the Congress took no action, until June, 1973, to stop them. On the contrary, the Congress during this period repeatedly approved major authorizations and appropriations bills which provided authority for the continuation of these bombing operations. These considerations raise doubts about here invoking the impeachment remedy, although they in no sense justify the concealment from Congress of information about the bombing.

It is, moreover, difficult to separate in retrospect the Cambodian bombing operations either from the extensive American military involvement in Southeast Asia or from certain trends in recent years in the conduct of our Nation's foreign policy. Impeachment of a President should not be foreclosed in situations where Congress was forced by events to support a military venture initiated by a President acting in excess of his authority; indeed, such actions go to the very heart of the Constitutional allocation of powers and would require a serious impeachment inquiry. But where—as here—Congress over a considerable period of time had accepted and condoned Presidential encroachments on its powers, Congress' own inaction makes it questionable whether invoking the impeachment remedy in this instance is appropriate.

Finally, it is not necessary for Congress to take such action in this case in order to establish a proper precedent for the future. By enacting, over a Presidential veto, the War Powers Resolution of 1973 (PL 93-148) Congress has laid down specific guidelines requiring the President to report promptly to Congress whenever United States Armed Forces are introduced into hostilities or into the territory, airspace or waters of a foreign nation. Certainly any President who violated the provisions of that Law would invite Congressional action through the impeachment remedy to protect the Constitutional separation of powers against abuse by the Executive.

PAUL S. SARBANES,
JOHN F. SEIBERLING,
HAROLD D. DONOHUE,
JOSHUA EILBERG,
JAMES R. MANN,
GEORGE E. DANIELSON,
RAY THORNTON,
HENRY P. SMITH, III,
LAWRENCE J. HOGAN.

Additional views of Mr. Danielson

Impeachable Conduct

Precisely what constitutes impeachable conduct, or an impeachable offense, is the subject of endless debate. I concur in the definition included in the discourse contained in the Committee's report of February 21, 1974, set forth above. I submit, however, that there probably can be no single answer which is suitable for all cases and for all times and the term had best be defined in the context of the events and the times in which the controversy has arisen

I am convinced, however, that impeachable conduct need not be criminal conduct. It is enough to support impeachment that the conduct complained of be conduct which is grossly incompatible with the office held and which is subversive of that office and of our Constitutional system of government. With respect to a President of the United States it is clear, in my mind, that conduct which constitutes a substantial breach of his oath of office, is impeachable conduct.

Role of President's Counsel in Impeachment Inquiry

In the Nixon inquiry, the President's counsel participated actively and to a degree that is without precedent in our history. His participation was provided for by the rules adopted by the Committee at the outset of the inquiry, but was expanded considerably as the inquiry progressed, to the point where the President's counsel filled the role of an advocate for the President and was permitted to examine and cross-examine at length. In my opinion, this expanded role of the President's counsel was improvidently permitted, for it gravely threatened to transform the proceeding from its constitutional role of the "Grand Inquest of the Nation" to that of an adversary proceeding similar to a judicial trial. I would urge that in any future impeachment inquiries the role of the counsel of the person subject to the impeachment process not be extended beyond that of an observer and auditor. In the Nixon hearings, the extensive participation was permitted out of an overabundance of caution that the hearings be conducted with fairness and that due process be observed. Those goals were not only achieved, but surpassed, and because of excessive participation by President's counsel, both fairness and due process were threatened.

The Sufficiency of Pleading the Articles of Impeachment

A careful reading of the three articles of impeachment returned by the Committee clearly demonstrates that they are finely drawn and sufficient to meet fully any objections or demands as to whether the person impeached would be adequately informed of the charges against him. Impeachment is neither a civil nor a criminal judicial procedure. It is a parliamentary procedure. Impeachment is not governed by either civil or criminal procedural rules or rules of pleading. Nevertheless, both civil and criminal rules and procedures serve as useful analogies and guidelines in the preparation of articles of impeachment. In the Nixon inquiry, much debate centered on whether the articles contained sufficient specificity. That was a false issue. It is submitted that each of the articles returned by the Committee was drawn with sufficient specificity to inform the person accused fully of the charges placed against him, thus enabling him adequately to prepare his defense. In addition, the President was furnished, through his counsel, with a full and complete copy of every item of evidence in the possession of the Committee.

Alleged Immunity of Presidents from Criminal Prosecution

During the hearings, Members of the Committee commented in passing, on three occasions, that an incumbent President of the United States cannot be indicted and tried for a criminal charge until after he is impeached and removed from office.

Many Members of the Committee, including myself, do not agree with that statement. I am convinced that it has no basis in our Constitution, our statutes or the decisions of our courts.

The argument that the President is immune from criminal process is based upon a misreading of *Mississippi* v. *Johnson*, 71 U.S. (4 Wall.) 475. That case did not involve the question of whether or not a President was subject to judicial process for a criminal offense. It had to do with a request for an injunction against President Andrew Johnson to prevent him from executing a law. It is not authority for the contention that an incumbent President cannot be prosecuted for a criminal offense prior to impeachment.

The language of the Constitution which is sometimes misinterpreted as to the indictability of a President is Article I, Section 3, Clause 7, which proves that "Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law." There is nothing in that language providing an exemption from criminal prosecution for Presidents. The framers of the Constitution were mindful of exemptions, and knew how to provide for them. In fact, they did so in providing for a limited immunity from arrest for Senators and Representatives under Article I, Section 6 of the Constitution. They provided no exemption for the President.

The Constitutional remedy of impeachment is available against the President, Vice President, and all civil officers of the United States, which includes judges. In our history, there have been a number of instances when an incumbent judge or cabinet officer has been indicted, and even tried, judged and punished without first being impeached. Judge Kerner was a recent example of this process. It would strain common sense to hold that the words of the Constitution have one meaning for Presidents, but another meaning for other officials who are also subject to the impeachment process.

The Conduct Charged in Article II Constitutes Impeachable Conduct

As I argued in committee, in opposition to a point of order against Article II, on Monday, July 29, 1974, in my opinion, this is the most important article being considered by the committee.

The offenses charged in this Article II are truly high crimes and misdemeanors within the purest meaning of those words as established in Anglo-American parliamentary law over a period of now some 600 years. The offenses charged against the President in this article are uniquely Presidential offenses. No one else can commit them. Anyone, the most lowly citizen, can obstruct justice. Anyone, the most lowly citizen, can violate any of the laws in our criminal code. But only the President can violate the oath of office of the President. Only the President can abuse the powers of the Office of the President.

When our Founding Fathers put our Constitution together, it was no accident that they separated the powers and it was no accident that they included the impeachment clause. Against the backdrop of 400 years of English constitutional history they realized the need to have a device, a constitutional means, of removing from office a chief magistrate who had violated his solemn oath of office. And I respectfully submit that the impeachment clause of our Constitution which we use now for only the second time against a President, is that means.

These are high crimes and misdemeanors, in that they are crimes and offenses against the very structure of the state, against the system of government, the system that has brought to the American people and has preserved for the American people the freedoms and liberties which we so cherish. This is uniquely a Presidential offense and the most important subject of these hearings.

There are many conscientious, dedicated, Americans who harbored a feeling of fear and apprehension at this proceeding. Some of them believed that the inquiry should not be held because it might harm the Presidency. There is no reason for that fear.

Only the President can harm the Presidency. No one but the President can destroy the Presidency. It is our responsibility, acting under the impeachment clause to preserve and protect the Presidency as we preserve and protect every other part of our marvelous structure of government, and we do it through this impeachment process.

The American people want a government which they can honor and respect. They are entitled to a government which they can honor and respect. The American people want a President whom they can revere. They are entitled to a President whom they can revere.

I ask "Is not the violation of the solemn oath of office an impeachment offense?" It is not found in our criminal code. It is implicit in our Constitution. It is necessarily implicit in the Constitution for otherwise why would there be an oath of office?

Emoluments Received by the President

Article II, Section 1, Clause 6 of the U.S. Constitution forbids the receipt by the President, during his term of office, of "any other emolument from the United States,"—other than his fixed compensation.

"Emolument" is defined as "the profit arising from employment, usually in the form of compensation of perquisites."

The investigations by the House Committee on Government Operations, the General Accounting Office, the Internal Revenue Service, and the Joint Congressional Committee on Internal Revenue Taxation have all concluded that many of the expenditures on Mr. Nixon's private homes were for his personal benefit. They were paid for by agencies of the United States Government. I submit that, therefore, the money value of those expenditures constituted "other emolument from the United States" during Mr. Nixon's term of office, and are unconstitutional under the provisions of Article II, Section 1, Clause 6 of the Constitution. It follows that since they are unconstiutional, and *a fortiori*, unlawful, they cannot constitute "income" to Mr. Nixon received from the Federal government, and the problem is not disposed of by having the money value included as added "income" to Mr. Nixon with "income tax" paid thereon, for that would leave a "net after taxes", which itself would be an unconstitutional emolument.

There is no way under the U.S. Constitution that Mr. Nixon can receive and retain such emoluments. Therefore, it necessarily follows that he is holding the full money value of those expenditures as a constructive trustee for the United States, and that the matter cannot be resolved until he has paid the full money value thereof to the United States.

GEORGE E. DANIELSON.

Supplemental views of Mr. Drinan

Introduction

Contemporary commentators and future historians will have reason, it seems to me, to raise the most serious questions as to why the House Judiciary Committee did not more adequately investigate the deliberate and persistent cover-up by President Nixon of the clandestine bombing which he personally authorized over the neutral nation of Cambodia between March 18, 1969 and May 1, 1970. From the beginning of the impeachment inquiry I persistently raised with the members and with the staff of the Committee the possibility of an impeachable offense based upon the usurpation of the power of Congress as well as the deception of Congress involved in the Cambodian bombing and the subsequent falsification of military records submitted to the U.S. Senate.

Cambodian Issue Accorded Low Priority

The fact is that the House Judiciary Committee made its decision against the Cambodian bombing as an impeachable offense upon inadequate evidence. The concurring statement contained in this report by Congresswoman Holtzman, joined in by myself and several other members of the Committee, indicates that "the statistical information regarding [Cambodia] is incomplete because the inquiry staff declined to obtain it." Congresswoman Holtzman continues by stating that "unfortunately, the investigation in general of the secret Cambodian bombing was not pursued as fully by the staff as its seriousness required."

The fact of the matter is that not a single subpoena was issued in connection with the Cambodia question, not a single witness was summoned and no apparent attempt was made to compel the declassification of those documents essential to an investigation of the reasons why the air war in Cambodia was concealed from the American people until it was discovered quite by accident in July 1973.

I am not minimizing the seriousness and the gravity of the three articles of impeachment set forth and justified in this report. I have concurred in the judgment that all of them constitute impeachable offenses. At the same time it seems paradoxical that a bipartisan majority emerged for votes to impeach the President on the basis of strictly domestic offenses whereas a bipartisan majority did not emerge with respect to the presumably bipartisan role which the President fulfilled as Commander-in-Chief. Only history will be able to decide the reasons for this phenomenon. I feel compelled to state at this time, however, that I find it incongruous that a President be impeached for unlawful wiretapping but not for unlawful war making. Similarly, I find it disturbing that the Committee voted to impeach a President for concealing a burglary but not for concealing a massive bombing.

In the scant material in the Committee Report on the Cambodian question there is reference in a footnote to "the detailed findings of the Inquiry Staff concerning the bombing of Cambodia." Not everyone will agree that those findings are "detailed". The origins of those findings are described in this footnote as based on "all available sources of material". This contention is also open to question. A careful review of the written record of the debate in the Judiciary Committee on the Cambodian question indicates that many of the members did not have answers to the questions which in their judgment were essential to a decision on the impeachability of the President's conduct in ordering that information concerning bombing in Cambodia be withheld from Congress and the American people.

Members did not have that information because from the beginning of the impeachment inquiry the Cambodian question was given a very low priority. The members of the Judiciary Committee did not establish that low priority. Clearly the inherent seriousness of the matter could not justify the paucity of staff assigned to the Cambodian issue. Only history will be able to decide whether a Congress which funded a war in Indo-China even after it had repealed the Gulf of Tonkin Resolution in December, 1970, was so confused about its own role in the Vietnam War that it was unable or unwilling to delve into presidential conduct more shocking and more unbelievable than the conduct of any president in any war in all of American history.

The Proposed Article on Impeachment on Cambodia

The proposed article of impeachment which was rejected by the Judiciary Committee on July 30, 1974, by a vote of 26 to 12 reads as follows:

"In his conduct of the office of President of the United States, Richard M. Nixon, in violation of his constitutional oath faithfully to execute the office of President of the United States, and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in disregard of his constitutional duty to take care that the laws be faithfully executed, on and subsequent to March 17, 1969, authorized, ordered and ratified the concealment from the Congress of the facts and the submission to the Congress of false and misleading statements concerning the existence, scope and nature of American bombing operations in Cambodia in derogation of the power of the Congress to declare war, to make appropriations and to raise and support armies, and by such conduct warrants impeachment and trial and removal from office."

The gravamen of this proposed article of impeachment is not the bombing itself nor even the secrecy of the bombing, but, rather, its concealment from the Congress. The concealment was carried out in a course of conduct by President Nixon which was a clear usurpation of the right of Congress to declare war.

It is overwhelmingly clear that the Framers of the Constitution granted to Congress exclusively "the power of the sword", Alexander Hamilton pointed out that the Constitution provides that it is "the exclusive province of Congress, when the nation is at peace, to change that state into a state of war." Similarly in the *Federalist Papers,* James Madison states:

"The power to declare war, including the power of judging the causes of war is fully and exclusively vested in the legislature; but the Executive has no right, in any case, to decide that question, whether or not there is a cause of declaring war."

One need not approach the ultimate scope of congressional power in the area of declaring war in order to recognize the unconstitutional conduct of the President in carrying out a policy of deception from March, 1969 until July 16, 1973,—more than four years after the bombing commenced. That deception included a violation of Article I, Section 9 of the Constitution which declares that "a regular statement and account of the receipts and expenditures of all public money shall be published from time to time." One of the delegates to the Constitutional Convention, Colonel Mason, stated during the Virgina ratifying convention of 1787 that he could not conceive of any situation in which the receipts and expenditures of public money ought to be concealed. "The people," he affirmed, "had a right to know the expenditures of their money." The President violated both the letter and spirit of that constitutional mandate by misrepresenting the expenditure of 145 million dollars for the bombing of Cambodia as having been spent in South Vietnam.

The article of impeachment reproduced above refers directly and exclusively to the massive cover-up of the facts during and after the secret bombing raids of 3,695 B52's over Cambodia carried on over a period of 14 months. Although the evidence suggests that these bombings were not successful in eliminating the alleged sanctuaries of the North Vietnamese in Cambodia, one need not dispute the claimed merits of these bombings in order to condemn their concealment. The proposed article of impeachment based on the secret bombing in Cambodia takes no position on the war in Indo-China. The resolution was not designed to separate those who approved of the war from those who disapproved. Indeed one can hold that the 3700 B52 sorties actually saved American lives in South Vietnam and still recognize that the cover-up of these bombings is such a serious offense against Congress and the Constitution that it reaches the level of impeachability.

Proposed Justifications for Concealment

Those who would justify the withholding of information from the Congress and the country on the basis that the bombing of Cambodia was necessary to preserve the lives of American troops in South Vietnam cannot use that justification for the policy of deception which was continued until July 16, 1973,—more than four years after the bombing began. Indeed President Nixon never asserted any military justification for the secrecy and deception. The alleged justification of protecting Prince Sihanouk from embarrassment clearly ceased when Sihanouk was overthrown on March 18, 1970.

There was no military justification for maintaining secrecy about the Cambodian bombings. There was no diplomatic reason, at least after the overthrow of Sihanouk on March 18, 1970. The only reason for the deception of Congress and of the country was President Nixon's political objective of deceiving and quieting the anti-war movement. The President orchestrated a conspiracy to keep the lid on Cambodia until at least after the elections of November, 1972.

Those who would justify the deception of Congress on the grounds of national security contend that the alleged communication of the bombing in Cambodia to a handful of members of Congress satisfies the requirements of the Constitution. No one has ever revealed who communicated what information to the alleged 13 members of Congress who were reported to be advised about the secret bombing. In direct contradiction to the claim that some Members of Congress knew about the bombing, there stands the testimony of General Wheeler on July 30, 1973, before the Senate Armed Services Committee in which the general reported that President Nixon had ordered him personally never to disclose the bombing of Cambodia to any member of Congress.

The Unravelling of the Cover-Up

The calculated cover-up of Cambodia like the cover-up of Watergate, unravelled by accident. According to Senator Symington, the acting Chairman of the Armed Services Committee, during the hearings in July and August 1973, he and other members of Congress heard of the secret bombings of Cambodia because of the circumstances he describes in these words:

"I would like to point out that the knowledge of this whole bombing of B52's in Cambodia resulted from a foreign correspondent in a small airplane going from Phnom Penh to Saigon seeing the craters that the B52's had made in Cambodia. If it had not been for that, there would have been no knowledge of the subject on the part of the American people . . ."

This accidential unravelling of a calculated deception revealed the falsity of testimony given on a regular basis over a four year period by the highest military and civilian officials of the government. It is clear, moreover, that all of the persistent testimony on behalf of the cover-up of the bombing in Cambodia is directly traceable to the decree of the President that there should be absolute and abiding secrecy about the bombing in Cambodia. No other motivation except a presidential directive can explain the testimony of Secretary of the Army Stanley Resor on April 16, 1970, the testimony of General Earle Wheeler in May, 1970, and the report of Secretary of the Air Force Seamans in May, 1970, all of whom reported that no bombing strikes had occurred in Cambodia prior to May 1, 1970.

Unfortunately the staff of the House Judiciary Committee declined to investigate the unprecedented and indefensible falsification of military documents by Pentagon officials. All of the documents related to the 3,695 raids were altered to indicate that these attacks had occurred in South Vietnam rather than in Cambodia. Pentagon officials testified falsely to the Senate regularly and persistently. The Pentagon spokesman, Jerry Friedheim, distributed falsehoods to the press knowing them to be falsehoods. When confronted later, Mr. Friedheim said: "I knew at the time that it was wrong and I am sorry." The President never urged that Mr. Friedheim be fired and he was not. Mr. Friedheim's summary judgment of the long series of lies came to this: "We were not smart enough to foresee" that the secret bombing and falsification would inevitably be disclosed.

The President's Responsibility

No plausible explanation of this deception is sustainable except the conclusion that it originated in a Presidential command that no disclosure ever be made of the clandestine Cambodian bombings. When the falsification of records became known in July, 1973, Dr. Kissinger deplored it. General Wheeler, the former chairman of the Joint Chiefs of Staff, expressed horror at the falsification of records but stated that if the President had ordered him to falsify them, "I would have done it." If all of the lying was done originally to diminish domestic opposition to the war in Vietnam it was indefensible. If Prince Sihanouk had agreed to the bombing and the lies were to protect him from the wrath of his own people, the deception was still indefensible.

One can come only to a single and inescapable conclusion: the deception and falsification was ordered by the President so that he could pursue the bombing without objection from anyone in the Congress or in the country. Independent of whether one approves of that massive bombing, the conduct of President Nixon simply cannot be said to satisfy the requirement of the Constitution that Congress appropriate all funds necessary for the waging of war.

The unconstitutionality of the conduct of President Nixon was cogently stated by Senator Symington in these words:

"I have been on this committee, this is my 21st year. I knew nothing whatsoever about this (the secret bombing of Cambodia). I put up the money. Apparently nobody knew about this except two or three Senators at the most. If we are asked to appropriate money for one thing and it is used for another, regardless of its effectiveness, that puts us in a pretty difficult position.

"I personally think it is unconstitutional, because you dropped over a hundred thousand tons on this country, and I had no idea you dropped one ton, nor did other members of the committee except those chosen few, all of whom, I might add, supported the war, which I once did and later changed in 1967."

Senator Harold E. Hughes, reflecting on the persistent deception engaged in by Pentagon officials about the Cambodian bombing came to these conclusions in a speech on the Senate floor:

"I deeply believe that the peril to our free institutions created by these official practices of official deceit and secret warfare are more ominous than any problem confronting our country.

"No group within our society, however well-intentioned, can be permitted to make the momentous decision to wage secret warfare while officially deceiving the Congress and the public."

Conclusion

The Framers of the Constitution came together in Philadelphia from May to September in 1787 in order to create a government where no one ever again would have to enter into a armed rebellion to vindicate his right to be free of tyranny. The Framers of the Constitution deemed the ultimate tyranny to be war carried on illegally by the executive. Mr. Randolph of Virginia noted that the President would have great opportunities in the American system of abusing his power—particularly in time of war. In order to prevent the Executive from engaging the entire nation in war, the Framers of the Constitution carefully diffused that power among both bodies of the Congress. The authors of the Constitution, after an extensive debate, gave the power to "declare" war to Congress and the power to "make" that war to the Executive. The Framers of the Constitution devised the remedy of impeachment for those members of the executive branch of government who would bring the ultimate tyranny of war on the people of America without the Congress officially and formally declaring that war.

The manner in which President Nixon unilaterally conducted an air war in Cambodia and the subsequent course of conduct in which he covered up that period of massive bombing in a neutral country cannot be justified by the Constitution, by the relevant laws, or by any traditional relationship between the Congress and the President in a period of war. The fact is that President Nixon, in the concealment and cover-up of the war in Cambodia, violated the most fundamental right of the Congress and usurped the most basic constitutional privileges of the people of America. He committed offenses for which the remedy of impeachment is uniquely suited and for which that extraordinary remedy was placed in the Constitution. Nothing in the exalted powers of the President as Commander-in-Chief can justify the manner in which President Nixon treated the Congress and the country when he entered into a course of conduct that began in March, 1969, two months after he became President, and terminated in July, 1973, to the embarrassment of the Pentagon and the White House. The dark series of events during that period and the habitual deceptions of the American people by the President constitute conduct, as outlined in the proposed Article IV of Impeachment, which rivals, if not surpasses, the lawless activity set forth in the first three articles of impeachment as outlined in this report.

It is exceedingly regrettable that the unconscionable and unconstitutional conduct of Richard Nixon with respect to the neutral nation of Cambodia was not also deemed by the Committee to be an impeachable offense. I can only hope that future generations will not interpret this decision of the Judiciary Committee as implied consent and sanction of such conduct.

ROBERT F. DRINAN.

Separate and additional views of Mr. Rangel, concerning articles of impeachment against the President of the United States, Richard M. Nixon

Introduction

These separate and additional views are submitted in an effort to establish the historical record of the facts and circumstances surrounding the resignation of the 37th President of the United States. The 38 members of the Judiciary Committee have recorded their support for Article I of the three articles of impeachment voted by the Committee clearly established the existence of clear and convincing evidence of the President's involvement in impeachable crimes; had not the President resigned, it is clear that he would have been impeached by the House of Representatives and convicted in the Senate for his criminal activities.

This record needs to be established for the sake of historical accuracy in view of the fact that even on the day of his resignation President Nixon attempted to convey to the American people the impression that his resignation was caused by erosion of his political base as a result of some poor judgments he made during his term of office. The record, as set forth in the Committee report makes it abundantly clear that Richard M. Nixon violated his oath of office as President of the United States, that he committed impeachable crimes, and that on the available evidence he would have been impeached by the House of Representatives.

For only the second time in the one hundred and ninety-eight years of our Constitutional history the House of Representatives is presented with articles of impeachment against the President of the United States. After seven months of staff preparation, ten weeks of concentrated presentation of the evidence to the members of the Committee, and a week of debate, the Committee on the Judiciary by majority vote has recommended three articles of impeachment to the House. I voted in Committee for these three articles and associate myself with the majority report setting forth the recommended articles of impeachment and the evidence underlying them. I wish, however, to set forth my separate views supporting the articles of impeachment voted by the Committee and my dessenting views concerning the two articles of impeachment that were presented to the Committee, but rejected, and another possible article of impeachment that was not voted upon by the Committee.

Support of the Articles of Impeachment Voted by the Committee

The articles of impeachment which the Committee on the Judiciary presents to the House of Representatives charge Richard M. Nixon with the following high crimes and misdemeanors against the Presidency and against the people of the United States: obstruction of justice in his participation in an effort to impede the investigation of the Watergate burglary and related crimes; abuse of power and misuse of the Office of the Presidency to achieve political and personal gain; and contempt of the Congress by his refusal to cooperate with the Constitutionally based and lawfully mandated investigation of the Committee on the Judiciary. We are asking the members of the House of Representatives to examine the evidence and find, as we did, that these offenses are sufficiently proven to mandate the impeachment of the President and his trial in the Senate to determine whether he should be removed from office.

I also want to ask the members of the House to consider a responsibility which weighed upon us on the Committee on the Judiciary as we went through the great mass of evidence gathered by the impeachment inquiry staff—a responsibility to act to protect the Constitution, and with it our democratic system of government, from the type of usurpation of power which would have successfully occurred under this President if it had not been for the conscientious performance of his job by Frank Wills, a black, poorly paid night watchman at the Watergate on the night of June 17, 1972.

As a black American, I have been especially struck by the poetic justice of the discovery of the Watergate burglars by a black man. Black people were not considered by the Founding Fathers of this nation when they undertook to issue the Declaration of Independence in the name of freedom. Although a black man was among the first to fall in the American revolution and blacks fought alongside the revolutionary heroes for freedom, we were not included when citizenship was defined in the Constitution. We have spent the one hundred and ninety-eight year history of this nation trying to become covered by the guarantees of freedom and equality contained in the Constitution. Despite the ending of legal slavery with the Emancipation Proclamation, for which we had to wait eighty-seven years, black Americans have had to win their social and economic freedom in a revolutionary struggle which has characterized our American experience and which continues to the present day. It is only in the last two decades that black Americans have made significant progress in extending the coverage of Constitutional guarantees to us. We therefore value, perhaps to a greater extent than most Americans, the guarantees of freedom and equality expressed in the Constitution and the structure of government which provides, through democratic participation, for the will of the people to prevail.

The crimes to which Richard M. Nixon was a willing accessory threatened the system of law and justice, and for this alone they are impeachable offenses; but more fundamentally, this President has undermined the very basis of our government. If we do not impeach him for this, then we will be accessories to his crime and jointly responsible for raising the Presidency above the law.

What Richard Nixon has done is to substitute power for law, to define and attempt to impose a standard of amorality upon our government that gives full rein to the rich and powerful to prey upon the poor and weak. What Richard Nixon has done is to demean the importance of national security by using it as a handy alibi to protect common burglars. What Richard Nixon has done is attempt to stain the reputation of the agencies of our government by using them to obstruct justice, harass political enemies, illegally spy upon citizens, and cover-up crimes. What Richard Nixon has done is show contempt for the Congress by refusing to provide information necessary for the Constitutionally legitimate conduct of an inquiry into the question of impeachment by the Committee on the Judiciary of the House of Representatives. What Richard Nixon has done is threaten the Constitution by declaring himself and the Office of the Presidency beyond the reach of law, the Congress and the courts.

To a large extent he has succeeded. We have reached a state in our national life where responsible members of Congress argue that the President does not have to account for his actions to anyone or recognize any higher authority. Thus we stand on the brink of total subversion of our Constitutional government and dictatorship. A few weeks ago the Supreme Court of the United States ruled unanimously that the President's claim of executive privilege could not justify his refusal to provide the United States District Court for the District of Columbia and the Special Prosecutor with evidence necessary for the successful completion of the investigation and trial of charges of the involvement of White House and other high Administration officials in the Watergate cover-up. The contempt in which the law is held by Richard Nixon was never more evident than in his persistent refusal to state that he would abide by the decision of the Supreme Court. On the day of the decision the American people had to wait for hours for the announcement that the President would comply with the unanimous decision of the United States Supreme Court. Some of the President's defenders were even heard to praise the President for his decision to comply with the Supreme Court decision, as if Richard Nixon was not subject to the Supreme Court, and the law of the land, unless he wanted to be. If we do not act to impeach this President, will we still have a democracy?

We all have a large stake in preserving our democracy, but I maintain that those without power in our society, the black, the brown, the poor of all colors, have the largest stake—not because we have the most to lose, but because we have worked the hardest, and given the most, for what we have achieved. The framers of the Constitution perhaps never conceived that the Republic they created would be defended by the underprivileged, but this has happened in every war in which this nation has been involved. The sons of slaves have joined the sons of poor immigrants on the front lines in disproportionate numbers to defend our democracy. I went to Korea from the streets of Harlem and fought, although I had no understanding of what that so-called "police action" was all about. But I had sworn on oath to defend the Constitution, and I went and fought to do so. Richard M. Nixon swore that oath on two inauguration days, but he had dishonored it. We have all sworn that same oath and we must live up to it by voting the articles of impeachment of Richard M. Nixon voted by the Committee on the Judiciary.

Dissenting Views Concerning the Two Articles Presented to, but not Voted by the Committee

I do not believe, however, that we will have fulfilled our Constitutional duty if we vote impeachment solely on the basis of the three articles recommended by the Committee. The very nature of the impeachment process, we have recognized in the Judiciary Committee, infuses our decision on the grounds for impeachment with the weight of historical precedent. We are not merely making a judgment on the conduct of the Richard M. Nixon Presidency, we are making judgments that will determine the limits of Presidential, legislative, and judicial power. For this reason I supported the two articles of impeachment which were recommended to the Committee on the Judiciary, but which have not been recommended by the Committee to the House. These two articles, based upon the President's authorization of the secret bombing of Cambodia without the lawful direction of the Congress and the President's use of his office for his self-enrichment in derogation of the Constitutional provision forbidding the taking of emoluments, are as equally indicative of the President's contempt for the law as the three articles recommended by the Committee. The Presidential conduct to which these articles are addressed is as potentially destructive of the Constitution as the President's obstruction of justice, abuse of power and contempt of Congress even though the particular activity involved did not appear to offend as large a number of members of the Judiciary Committee as the activity addressed in the first three articles.

In the last twenty-five years we have become accustomed, it appears, to national involvement in undeclared war. The Korean police action, the invasion of Lebanon, the Bay of Pigs, the intervention in the Dominican Republic, and the Indochina war were all instances of American military involvement initiated by an American President without the Constitutionally required declaration of war by the Congress. In each of these instances the Congress acquiesced in the Presidential action, thus becoming a party to the erosion of the Congressional power to declare war. We in the Congress must share the blame for the taking on to the Presidency of a power to involve our nation militarily that is not contemplated by the Constitution. Yet the secret bombing of Cambodia authorized by President Nixon during 1969 and 1970 is different from these earlier examples of Presidential war making. Instead of the traditional notification of and consultation with Congressional leadership, President Nixon moved unilaterally to authorize the bombing of a neutral country. The evidence that has been presented of Congressional notification is not convincing. Selected members of the House and Senate were allegedly told that the bombing was going on, yet none of the men supposedly informed clearly remembers the notification. Whatever notice was given, it was certainly inadequate to provide the Congress as a whole with the information that was needed to articulate a judgment of the military and diplomatic wisdom of the President's action. The information was insufficient, and its dissemination so controlled, that it was impossible for a position in opposition to be developed. This is Presidential war making, and if we are to preserve the integrity of the Constitution's reservation of the war-making power to the Congress, if we are to prevent future Presidents from committing the lives of American youth to adventurous forays, we have a duty to seriously consider President Nixon's authorization of the secret bombing of Cambodia as an abuse of Presidential power constituting an impeachable offense.

Similarly, to check the potential excesses of future Presidents, the members of the House of Representatives should move to impeach Richard M. Nixon for willful taking of government property for his self-enrichment and his evasion of his lawful tax liability.

Article II, Section I, clause 7 of the Constitution provides that the President shall not receive "any . . . emolument from the United States" during his term of office other than a stated compensation for his services. This explicit Constitutional prohibition applies solely to the President. The Founding Fathers recognized the potential for self-enrichment in the Presidency and provided this language to prevent "powers delegated for the purpose of promoting the happiness of a community" from being "perverted to the advancement of the personal emoluments of the agents of the people".[1] From the wealth of evidence gathered by the investigation of the Government Operations Committee into unlawful expenditures of government funds on President Nixon's private properties at Key Biscayne, Florida and San Clemente, California and presented to the Committee on the Judiciary, an article of impeachment was drawn charging Richard M. Nixon with violating the emoluments clause of the Constitution by knowingly receiving the benefits of expenditures on this personal properties. Although the Judiciary Committee did not recommend this Article to the House, I urge its consideration by the full House.

Summarizing from the staff report on the evidence on the question of the President's violation of the emoluments clause, the evidence presented to the Committee on the Judiciary shows that since Richard M. Nixon became President the General Services Administration (GSA) has spent approximately $701,000 directly on his San Clemente property and $575,000 directly on his Key Biscayne property for capital expenses, equipment, and maintenance. The evidence before the Committee further establishes that substantial expenditures for improvements and maintenance services on the President's properties were made by GSA that are unrelated to the lawful duty of the GSA to make expenditures at the direction of the Secret Service for the installation of security devices and equipment on the private property of the President or others to protect the President. Some of these expenditures were made by the GSA at the direction of the President or his representatives, with no Secret Service request. Others were made after Secret Service requests, but included substantial amounts to meet aesthetic or personal preferences of the President and his family. Yet others, while they served security purposes, involved items that are normally paid for by a homeowner, such as the replacement of worn-out or obsolete equipment or fixtures and routine landscape maintenance. The staff of the Joint Committee on Internal Revenue Taxation concluded that more than $92,000 of expenditures on the President's properties was for his personal benefit and constitutel income to him (Joint Committee Report, p. 201). The Internal Revenue Service concluded that the President had realized $62,000 in such imputed income (HJC Tax Report, Appendix 10).

The evidence presented to the Committee on the Judiciary shows that President Nixon participated in an effort to evade his full income tax liability in 1969 by claiming a huge deduction for a gift of Presidential papers that was actually not made until after the date of final eligibility for claiming a deduction for such a gift.

On December 30, 1969 President Nixon signed the Tax Reform Act of 1969 into law. That Act included a provision eliminating the tax deduction for contributions of collection of private papers made to the government or to charitable organizations after July 25, 1969. On April 10, 1970 the President, who is an attorney who in the past has engaged in tax practice, signed his income tax return for 1969, claiming a deduction for the donation to the National Archives of pre-Presidential personal papers allegedly worth $576,000. The President and his attorney went over the return page by page and discussed the tax consequences of the gift of papers deduction. (Kalmbach testimony, 3 HJC 671) An appraisal valuing the donated papers at that amount and a sheet describing the gift were attached to the return. These documents, which constitute part of the return signed by the President assert that the gift had been made on March 27, 1969.

There can be no doubt, the impeachment inquiry staff report on this matter concludes, that the President knew that the Tax Reform Act required that, for the claim of deduction to be valid, a gift must be completed by July 25, 1969. It is also clear that the President knew that his return indicated that the gift had been made on March 27, 1969. The Internal Revenue Service has disallowed this deduction. The IRS found that, as a matter of fact, the gift of papers was not made on or before July 25, 1969. On the basis of its investigation, the IRS concluded that the President was negligent in the preparation of its taxes and assessed a negligence penalty of 5%. Because the IRS did not assess a civil penalty for fraud, those members of the Judiciary Committee who opposed this article during debate declared that the IRS had reached a definitive conclusion that no civil fraud was involved, thus exonerating the President. It is clear, however, that the IRS investigation of the President's negligence was less than complete out of that agency's deference to his office. The President was never interviewed, nor were others with important information concerning the preparation of the return such as John Ehrlichman. Thus the IRS was unable to make a determination on the question of fraud. Similarly, the Joint Committee on Internal Revenue Taxation's investigation of the 1969 return, after concluding that the gift of papers had not been made by July 25, 1969 as claimed in the report, stopped short of addressing the question of fraud out of deference to the Judiciary Committee's impeachment inquiry.

The Judiciary Committee's impeachment inquiry staff did address the question of criminal tax fraud in its investigation and, in my opinion, found evidence that the President did not file a false tax return for 1969 through mistake or negligence, but knowingly participated in a scheme to defraud the United States Government by claiming falsely that he had made his gift of papers prior to July 25, 1969, the date of expiration of the eligibility for valid tax deductions for such gifts.

The Judiciary Committee heard the expert testimony of Fred Folsom, a consultant to the Committee who for 24 years was an attorney in the Criminal Section of the Justice Department's Tax Division and chief of that section for 12 years. Considering all the circumstances surrounding the alleged gift of papers and its inclusion as a deduction on the President's 1969 return, including the lack of a satisfactory response from the taxpayer, it was the judgment of Folsom that in this case "the case of an ordinary taxpayer, on the facts as we know them in this instance, the case would be referred out for presentation to a Grand Jury for prosecution." (Folsom testimony, June 21, 1974, Tr. 1976).

It is clear to me from the evidence that President Nixon directed or knowingly received the benefit of improper expenditures on his San Clemente and Key Biscayne properties in violation of the law and the emoluments clause of the Constitution. It is equally clear that Richard Nixon had knowledge of and bears full responsibility for the willful evasion of his income tax obligation.

Richard M. Nixon did this while preaching economy in government and imposing devastating cuts on vital social programs in his budgets and through the impoundment of Congressionally appropriated funds. He enriched himself at the taxpayer's expense while children were going hungry and uncared for, the poor and elderly were being denied adequate housing, and growing hope was being turned into despair as Federal assistance to help people out of the bondage of poverty was being brutally terminated in the name of economy. Perhaps the greatest indictment against Richard Nixon that can be voted by the House is that by his actions he created a moral vacuum in the Office of the Presidency and turned that great office away from the service of the people toward the service of his own narrow, selfish interests.

Conclusion

As I stated in my opening statement in the Judiciary Committee's debate on the Articles of Impeachment which are now before the House, I do not approach the impeachment of Richard M. Nixon with a heavy heart. I regard the impeachment of this President, the impeachment of any President, as a grave Constitutional responsibility that cannot be taken lightly. I am saddened by the many personal tragedies that are the legacy of Watergate. A number of otherwise honorable and decent men let their hunger for power and their devotion to a leader overcome their integrity, judgment, and sense of responsibility to the law and the national interest. Because of this, their careers lie in ruin. Yet at the same time I am heartened, and my faith in the Constitution and in our democracy is strengthened by the now irrefutable proof that the Constitution is not a dead instrument, that truly no man is above the law, and that if a President acts unlawfully he can be impeached and sent to the Senate for a trial to determine whether he should be removed from office. I am encouraged that our Constitution works, for I am especially dependent upon its protection. I am encouraged that the American system permits a black nightwatchman and the son of an Italian immigrant family sitting as a District Court judge, each through applying the law, to be the instruments of uncovering the most extensive and highly placed corruption in our national history and the bringing to justice of the most powerful men in our society. I am encouraged that what the Judiciary Committee has done, and what the full House must now do, in voting Articles of Impeachment against Richard M. Nixon, will begin a process of restoring the faith of the American people in our government.

CHARLES B. RANGEL.

Additional views of Ms. Holtzman

In view of President Nixon's resignation on August 9, 1974, several footnotes should be added to the Judiciary Committee report.

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[1] III Elliott, *The Debates on the Adoption of the Federal Constitution*, 117 (reprint of 2d edition) (Randolph).

First, Richard Nixon's resignation was in response to the certainty of his impeachment, conviction and removal from office. The evidence was overwhelming.

Second, the Watergate break-in—which precipitated his downfall—was not an accident. It was the logical outgrowth of President Nixon's repeated condonation of wiretapping and break-ins for political purposes. That pattern of lawlessness began only four months after President Nixon first took office when he authorized a program of illegal wiretaps and permitted them to be used for political purposes. It continued with his adoption of the Huston Plan calling for routine use of criminal methods—wiretapping, break-ins and mail openings—for political intelligence gathering. It continued with his creation of an extra-legal investigations unit in the White House (the Plumbers) whose members engaged in covert political surveillance and an illegal break-in, later condoned by Richard Nixon, to obtain political information.

Given President Nixon's long-standing approval of unlawful action for political purposes in a non-campaign context, his men had every reason to believe that when the election campaign began they would be allowed, even expected, to resort to illegal methods to obtain political information—and they did. In this sense, at the very least, President Nixon authorized the Watergate break-in and was responsible for it.

Third, the Watergate break-in was not an isolated abuse of Richard Nixon's re-election campaign; it was but one element in a pervasive pattern of immoral, unethical and criminal conduct. Contempt for the electoral process spawned Segretti's activities (libelous campaign materials distributed on opponents' stationery), Sedan Chairs I and II (spies in opponents' campaigns), "black advance" operations (disruption of opponents' campaigns), illegal corporate contributions, and offers of ambassadorships and high milk price supports in return for political contributions.

Nor was President Nixon's abuse of his powers restricted to attacks on the Constitutional freedoms of the American citizens and his political opponents. He also systematically arrogated to himself the powers of Congress; he waged a secret war in the neutral country of Cambodia; he unlawfully impounded funds appropriated by Congress; he attempted to dismantle social programs mandated by law.

The conclusion is inescapable that Richard Nixon engaged personally in wrongful acts, allowed and encouraged his subordinates to do the same, and indeed stretched the Constitution beyond its breaking point, because he felt he would not have to answer for his conduct. Concealment, deception, and cover-up became a way of life in the Oval Office.

This impeachment proceeding—in the thoroughness, fairness and gravity of its approach, as well as the strength of its findings—stands as a warning to all future Presidents that they will be held accountable to their oaths of office. Nonetheless, it will be an empty warning unless the American public and the Congress continue to demand from their Presidents and other public officials respect for the Constitution, acknowledgment of the supremacy of law and commitment to decency and honesty.

ELIZABETH HOLTZMAN.

Dissenting views of Ms. Holtzman, joined by Messrs. Kastenmeier, Edwards, Hungate, Conyers, Waldie, Drinan, Rangel, Owens and Mezvinsky

Proposed Article IV: Secret Bombing of Cambodia

We believe that Richard Nixon committed a high crime and misdemeanor when, as President, he unilaterally ordered the bombing of Cambodia and deliberately concealed this bombing from Congress and the American public, through a series of false and deceptive statements, for more than four years. Proposed Article IV—which would impeach Mr. Nixon for these acts—is one of the most serious the Committee on the Judiciary considered during the course of its inquiry.

It is difficult to imagine Presidential misconduct more dangerously in violation of our constitutional form of government than Mr. Nixon's decision, secretly and unilaterally, to order the use of American military power against another nation, and to deceive and mislead the Congress about this action. By depriving Congress of its constitutional role in the war-making and appropriations processes, the President denied to the American people the most basic right of self-government: the right to participate, through their elected representatives, in the decisions that gravely affect their lives.

The framers of our Constitution were well aware of the horrors of war. They knew it could impoverish a country; they knew the toll it could take in death and ruined lives; they knew the destruction it could wreak. They were therefore careful to construct checks and balances so that a decision to go to war would never be made casually or lightly, without a national consensus. As Jefferson put it, to check the "dog of war," it was necessary to take the war-making power out of the hands of a single person, the President, and place it in the hands of Congress where a majority vote—arrived at after debate and deliberation—would be required.

The decision to make war has enormous human, economic and ethical implications. It is intolerable in a constitutional democracy to permit that decision to be made in secret by a President and to be hidden through deception from the law-making bodies and the public.

For that reason the Committee should have found that President Nixon, in waging a secret war in Cambodia, committed a high crime and misdemeanor.

The President's Role

The central facts with regard to Richard Nixon's role in the concealment of the bombing of Cambodia are undisputed.

On March 17, 1969—less than 2 months after he took office—President Nixon authorized a series of B–52 bombing strikes in Cambodia. The bombing began on March 18, and in the succeeding 14 months, 3,695 B–52 sorties were flown, dropping 105,837 tons of bombs, at a cost of more than 150 million dollars.

President Nixon's decision to conceal the Cambodia bombing operations from the Congress was an integral part of the decision to bomb, made at the same time. On several occasions thereafter he ordered the highest secrecy for the raids and forbade their disclosure.

In accordance with President Nixon's instructions, the top officials in his administration, including the Secretaries of Defense and State, two Chairmen of the Joint Chiefs of Staff and the Chief of Staff for the Air Force, made false and misleading statements to the Congress, even though their testimony was usually given under the cloak of top secret communications. In order to carry out President Nixon's directions, the Defense Department falsified its own classified records and submitted false reports to Congress based on these records.

President Nixon personally misrepresented to the Congress the facts concerning the bombing of Cambodia when, on February 25, 1971, he stated in his Foreign Policy Report to Congress:

"In Cambodia we pursued the policy of the previous administration until North Vietnamese actions after Prince Sihanouk was deposed made this impossible."

This policy of deception continued until July 16, 1973, more than four years after the bombing began.[1]

When the secret Cambodia bombing was finally, exposed, President Nixon told the American people, in his August, 1973, press conference, that the secrecy had been necessary. He thus ratified and approved the policy of concealment and deception, a policy which he had earlier ordered.

Purported Justification for Secrecy

The bombing of Cambodia was initiated only two months after Richard Nixon became President in 1969. The concealment of that bombing and deception of the Congress continued uninterrupted for more than *four* years—and persisted even after all American troops had been withdrawn from Vietnam and our prisoners had been returned.

President Nixon has attempted to justify this deceit on diplomatic grounds: that without the secrecy, Prince Sihanouk, the ruler of Cambodia, would have been compelled to abandon his position of "affirmative acquiescence" and publicly protest the bombing strikes. No military justification for the secrecy and deception has been asserted. The Viet-Cong and North Vietnamese knew they were being bombed. The only people who did not know about the bombing operations were Members of Congress and the American people.

Assuming, for the moment, that protecting Prince Sihanouk was a legitimate justification for the deception of Congress and the American people, that justification ceased when Sihanouk was overthrown on March 18, 1970. After that date there was no justification for secrecy or deception. Nonetheless, for three years *after* the fall of Sihanouk, Mr. Nixon persistently lied about the bombing.

Thus, on April 30, 1970 (two months after Sihanouk's overthrow and 13 months after the bombing had commenced), in announcing the invasion of Cambodia by American ground troops, President Nixon told the following lie to the American public in a televised address:

"American policy . . . has been to scrupulously respect the neutrality of the Cambodian people."

* * * * *

"For five years, neither the United States nor South Vietnam has moved against these enemy sanctuaries because we did not wish to violate the territory of a neutral nation."

Again, on June 30, 1970, President Nixon repeated the lie:

"For five years, American and allied forces—to preserve the concept of Cambodian neutrality and to confine the conflict in Southeast Asia—refrained from moving against those sanctuaries."

Because Prince Sihanouk was no longer in office at the time of these Presidential statements, there was no justification for these or subsequent falsehoods.

The fact that the deception went on for years after any purported justification ceased to exist substantially impeaches what little validity that justification may have had for the period prior to March 18, 1970, when Sihanouk was still ruler.[2]

In any event, no authority exists for the proposition that the explicit provisions of the Constitution regarding the war-making and appropriations powers of Congress may be overridden by a President in the interest of protecting a foreign prince.

Arguments Offered Against the Article

In the course of debate on this Article, many Members of the Judiciary Committee conceded that President Nixon's deception was improper. The majority of those who voted against the Article, however, appeared to do so for reasons not directly related to the offense charged. Rather, they referred in the debate to assertions that Congress had acquiesced in the bombing or would have if it had been disclosed, that some Members of Congress had been notified of the secret bombing, that former Presidents had acted similarly, and that the recently enacted War Powers Resolution somehow alleviated the problem of future offenses. Examination of these arguments, however, demonstrates that they do not provide a viable defense to impeachment under Article IV.

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[1] In fact, absent persistent efforts in the Senate to uncover the full truth about American military activities in Southeast Asia, the facts regarding American bombing operations in Cambodia might still be secret.

[2] The evidence concerning Sihanouk's alleged acquiescence in the bombing is inconclusive at best.

1. The President's defenders contended that Congress ratified the secret bombing operations in Cambodia through the passage of various appropriations measures.

In fact, there was *no* ratification of this bombing. Congress passed on the Indochina war for the last time on June 29, 1973, when it ordered an August 15th cut-off date for all bombing. The secret bombing of Cambodia did not become known until July 16th—two weeks later. There is no way which Congress could have ratified actions of which it was unaware.

2. Other Members opposed to Article IV argued that the disclosure of the Cambodia bombing operations to selected Members of Congress constituted sufficient notification to Congress and satisfied the Constitutional requirement.

This position is not supported by the facts or the law. According to the Department of Defense, President Nixon, and newspaper reports, thirteen Members of Congress were allegedly advised about the secret bombing. Of this number, three are deceased, three have denied being informed, and only four definitely recall being told. No record has been found of these briefings. There is no evidence that any Representative or Senator was fully informed of the nature, extent and purpose of the secret bombing or the reasons for its secrecy. In fact, the evidence suggests otherwise. Thus, Senator Stennis, Chairman of the Senate Armed Services Committee and the only Member who has spoken to the issue, specifically stated that he was given "no indication of the massiveness of the bombing."

It is significant, too, that whatever procedures for notification were used in this case, they were not those established and regularly followed for the handling of the most highly secret matters such as the CIA budget and its intelligence activities, nuclear research and new weapons development.[3]

In any event, selective notification to persons who supported President Nixon's war policy hardly satisfied the Constitutional requirement of Congressional participation in appropriations and war-making. That mandate of the Constitution—to require legislative debate and decision on grave matters such as the bombing of a neutral country—was frustrated by the concealment of the Cambodia bombing from the Congress regardless of the knowledge, or even consent, of a few members.

3. It was also argued that the Cambodia bombing aided President Nixon's efforts to end American involvement in the Vietnam War, and that, therefore, Congress would have approved it.

We do not question whether the Congress would have approved the bombing had it been informed. It might well have done so. On the other hand, Congress might have chosen to impose limitations on such actions, as it did with regard to American ground operations in Cambodia, and later, with regard to all other bombing in Cambodia.

The question is not what Congress would have decided had it not been deceived, but whether Mr. Nixon had the right to order that deception. He clearly did not.

4. Another argument advanced on behalf of President Nixon is that other Chief Executives, notably President Johnson, deceived the American people about the Vietnam War, and, thus, President Nixon should not be made to answer for wrongs that others have also committed.

The simple answer to this proposition is that the existence of prior misconduct does not justify its continuation or repetition, and that the unsanctioned wrongdoings of some do not justify the misdeeds of others. This Committee has firmly rejected the notion that because other Presidents may have abused their powers, the abuses of President Nixon are acceptable.

Moreover, the deception in prior administrations was not related to the very fact of U.S. involvement as in the case of Cambodia, but to the purposes and motives of the disclosed involvement. When the Congress is misled about the purpose of governmental conduct, it can, at least, review the facts independently and adopt or change that conduct. If, however, Congress is unaware of military action, it has no way to decide whether that action should be allowed to continue.

In addition, in this inquiry we are engaged in setting standards of conduct for Presidents. We should make it clear that Presidential lying and deception, in derogation of the Constitutional powers of Congress, are intolerable. James Iredell, one of the first Supreme Court Justices, made this point in the course of debate on the impeachment clause of the Constitution when he said:

"The President must certainly be punishable for giving false information to the Senate."

5. The final opposing argument advanced in the Committee debate was that the War Powers Resolution enacted by Congress in November, 1973, is a sufficient deterrent against repetition of such activity in the future and that, therefore, impeachment of President Nixon on this ground was unnecessary.

This argument is a thin reed. Do its proponents believe, analogously, that the fact Congress is considering a bill to increase the penalties for obstruction of justice bars impeachment of President Nixon under the obstruction count of Article I?

The War Powers Resolution cannot and does not provide any deterrent to secret decisions by a President to institute war in a neutral nation. If a President would violate the clear mandate of the Constitution, the passage of a mere statute reasserting those Constitutional proscriptions can add nothing further in the way of deterrence.

The sole remedy which Congress can employ to bring a President to account for usurpation of the war-making and appropriations powers is impeachment. Only the use of that power is an effective deterrent; and, failure to employ it, when necessary, sets a dangerous precedent.

Conclusion

In these proceedings we have sought to return to the fundamental limitations on Presidential power contained in the Constitution and to reassert the right of the people to self-government through their elected representatives within that Constitutional framework.

The Constitution does not permit the President to nullify the war-making and appropriations powers given to the Congress. Secrecy and deception which deny to the Congress its lawful role are destructive of the basic right of the American people to participate in their government's life-and-death decisions. Adoption of Article IV would give notice to all future Presidents that the American people and the Congress may not be excluded from those decisions.

By failing to recommend the impeachment of President Nixon for the deception of Congress and the American public as to an issue as grave as the systematic bombing of a neutral country, we implicitly accept the argument that any ends—even those a President believes are legitimate—justify unconstitutional means. We cannot permit a President to sidestep constitutional processes simply because he finds them cumbersome.

This Committee has refused to accept that argument elsewhere in the course of our inquiry; we should not do so here. It is inherent in any government committed to democracy that the representatives of the people must be permitted a voice in the great decisions of state, even if a President believes in good faith that the course of the democratic process itself will make it more difficult or even impossible to achieve the desired goal.

Elizabeth Holtzman, M.C.
Robert W. Kastenmeier, M.C.
Don Edwards, M.C.
William L. Hungate, M.C.
John Conyers, Jr., M.C.
Jerome R. Waldie, M.C.
Robert F. Drinan, M.C.
Charles B. Rangel, M.C.
Wayne Owens, M.C.
Edward Mezvinsky, M.C.

Additional separate views of Mr. Hungate

I have joined in the foregoing dissenting views on proposed Article IV because I think they lay down the guidelines to which the Congress should adhere, and the statement is generally consonant with my views. I do not mean to indicate that President Nixon is the first or only Chief Executive to exceed what I consider the appropriate boundaries of the war-making powers. Nor would I assert that the Congress has circumspectly met its responsibilities and opportunities to checkrein the Executive in his use of these powers.

When the question is directly presented to us, as here, the problem as I see it is that if we do not condemn it, we may be seen to have condoned it, and I fear the ultimate consequences of this to the Republic.

William L. Hungate.

Additional views of Mr. Owens

I concur with the majority views expressed in this Report and support the Judiciary Committee's recommendation to the House of Representatives that it vote to impeach the President and send him to trial in the Senate on the basis of the findings reflected in the three Articles of Impeachment.

These Articles of Impeachment are the product of eight months of deliberation and intense work by the Committee. During this period of time I have studied the evidence before the Committee very carefully. I have participated in every single presentation of evidence. I have listened to every single witness.

As a result of this study, I have concluded that impeachment of a president is a grave act, to be undertaken only in the most extreme of circumstances. In my view, impeachable conduct is presidential action which seriously violates the trust and responsibilities of that high Constitutional office. It need not be conduct prohibited by criminal statute, though it must be clearly offensive—that is, known to be wrong by the person who commits it at the time it was committed. It could be a substantial abuse of power, blatantly unethical conduct, or a flagrant violation of Constitutional duties. But it must not be a simple matter of disagreement over policies or politics. In the final analysis, it must be a violation of a principle of conduct which members of the House determine should be applied to all future presidents and established as a Constitutional precedent.

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[3] Under such procedures, secret matters are treated as "classified line items," hidden in the Federal budget, but accessible to the appropriate committees of Congress. These procedures would certainly have been adequate to meet whatever legitimate need for secrecy existed. For example, these procedures were used to report secret ground operations in Laos, begun under President Johnson, providing full disclosure to all the Members of the relevant House and Senate committees.

Each member of Congress must determine for himself whether the evidence is sufficient to call the President to account before the United States Senate, whose Constitutional role is that of the final judge. I believe that we *must* vote to impeach if we believe the evidence that the President committed an impeachable offense is clear and convincing and would support conviction of the President during a Senate trial.

Our Committee's task during these hearings has been made easier because we have had the benefit of the views of the President's attorney on the sufficiency and meaning of the evidence, and we have had a partial presentation of the President's legal and evidentiary defense both by Mr. St. Clair and by the acting minority counsel to the Committee. This assistance has been scholarly and helpful.

However, much of the relevant evidence has been wrongfully and unconstitutionally withheld from this Committee by the President, preventing it and the House of Representatives from making a judgment on all of the facts. To a very great extent, the President has chosen the evidence which we shall see. We thus can assume for purposes of this decision, that all of the evidence which is favorable to the President is now before us. We can also reasonably infer, as any civil court would instruct its jury, that the additional evidence we have sought has been denied because it is detrimental to the President's case.

On the basis of all the evidence, I am persuaded that the President has knowingly engaged in conduct which constitutes impeachable offenses under the requirements of the Constitution, and that he should now be called to account before the United States Senate.

I support each of the three Articles of Impeachment as agreed upon by the House Judiciary Committee.

Article I: The Watergate Coverup

I find the evidence convincing that the President knowingly and willfully directed and participated in a cover-up of the Watergate break-in. There is clear proof that the President made false statements to investigators; withheld evidence from the authorities; counseled witnesses to make false statements; interfered with the investigations of the FBI, the Justice Department, and the Special Prosecutor; approved the payment of money and attempted to offer clemency and other favorable treatment to buy the silence or procure false testimony of witnesses; tried to misuse the CIA to aid the cover-up; disseminated secret Grand Jury testimony to suspects; and made false statements to the Nation. I have listened to the tape recordings of the President's own words as he discussed the cover-up, and in particular, I have listened repeatedly to the tape of the morning of March 21, 1973. I do not find any ambiguity in the President's decision to allow payment of hush money to Howard Hunt.

Article II: Abuse of Power

The evidence in this area demonstrates that the President repeatedly abused the powers of his office, violated the Constitutional rights of citizens, misused government agencies, and broke his oath of office. He tried to use the Internal Revenue Service as a tool of partisan, political intimidation and punishment; he directed unlawful and illegitimate wiretapping and other secret surveillance to gather political intelligence, unrelated to any national security or law enforcement purposes; and he created the Plumbers Unit which engaged in covert, unlawful activities.

Article III: Refusal To Obey Lawful Subpoenas

The President's refusal to respond to our Committee's legal subpoenas constitutes, in itself, an obstruction of the impeachment process which, in my view, is an extremely grave Constitutional offense. The Committee subpoenaed only carefully justified and relevant evidence relating to serious charges of impeachable conduct for which there already existed substantial evidence. By so acting, the Committee accepted a conservative reading of its subpoena powers, which I think go far beyond those which we have tried to assert. The Committee has been forced to compile its case from bits and pieces of evidence extracted from other investigations and from tape recordings furnished by the District Court. The President's refusal to comply with House subpoenas would make a nullity of the impeachment power if the House were not to judge this offense impeachable.

The Committee rejected two additional Articles of Impeachment, the first of which I supported.

Article IV: The Cambodian War

The Constitution grants Congress the sole power to declare war. Congress must know from the Commander in Chief what actions the armed forces of our nation are taking, so that Congress can act, if it so chooses, to exercise this power. In spite of this clear constitutional duty given to Congress, the President directed that false reports be submitted to Congress over four years of bombing of Cambodia, while the Administration publicly and in reports to Congress, claimed it was not engaged in hostilities with that country. The purpose of this secrecy could only have been to hide the Cambodian bombing from the Congress and the American people, since our adversaries knew about it. I believe that such conscious misleading of Congress in order to prevent us from exercising our Constitutional responsibilities is an impeachable offense, which Congress must enforce if it is to regain its proper Constitutional role.

I fully realize that this matter involves the expansion of a war begun by Democratic Presidents, and at times one of those Presidents, Lyndon B. Johnson himself misled the Congress and the public about the course of that war. But past transgressions of this gravity, even if accepted or ratified by a Congress victimized by deceit, do not make a later repetition Constitutionally acceptable.

I believe the Committee should have supported this article of impeachment, in addition to the three voted by the Committee, to set a precedent for the future. In this time of growing nuclear capability around the world, Congress must make clear to future presidents that which we have tried to set forward this Congress with passage over the President's veto of the War Powers Act: No more wars of any nature must be started without the consent of the people's elected representatives, exactly as set forth in the Constitution.

Article V: The President's Taxes

The evidence before the Congress demonstrates that the President engaged in unethical, shabby, and disgraceful conduct by grossly underpaying his income taxes while in office. There is, however, no clear and convincing evidence available to the Committee to show the two elements necessary to make this offense impeachable.

To become an impeachable offense here, in my opinion, there must be clear proof of fraud by the President himself, coupled with clear indications that he used the power of his presidential office to avoid being audited by the IRS.

This test is not met by evidence available to us. Although I do not find that they rise to the level of impeachability, I do join other Americans in condemning these unconscionable acts which indicate serious violations of Richard Nixon's obligation as a taxpayer.

But there are other remedies for these abuses. Prosecution by the IRS for civil or criminal fraud are still available, even if President Nixon were allowed to serve out his full term. The unique power of impeachment is not needed here. The people of the United States have other remedies. The other impeachable offenses voted by the Committee have only one method of correction—the ultimate weapon of impeachment—which should be used only when it is the sole adequate response.

The report of this historic impeachment proceeding would not be complete without a record of how each member voted on the five proposed Articles of Impeachment. Because regular House procedures do not provide that such votes should be printed in the body of the report, I am here submitting that material to be printed as a part of my additional views.

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
93D CONGRESS
ROLL CALL

No. ---------- H. ---------- S. ---------- Date: July 27, 1974

Article I

Present	Committee	Ayes	Nays	Present	Ayes	Nays
	Mr. Donohue	X				
	Mr. Brooks	X				
	Mr. Kastenmeier	X				
	Mr. Edwards	X				
	Mr. Hungate	X				
	Mr. Conyers	X				
	Mr. Eilberg	X				
	Mr. Waldie	X				
	Mr. Flowers	X				
	Mr. Mann	X				
	Mr. Sarbanes	X				
	Mr. Seiberling	X				
	Mr. Danielson	X				
	Mr. Drinan	X				
	Mr. Rangel	X				
	Ms. Jordan	X				
	Mr. Thornton	X				
	Ms. Holtzman	X				
	Mr. Owens	X				
	Mr. Mezvinsky	X				
	Mr. Hutchinson		X			
	Mr. McClory		X			
	Mr. Smith		X			
	Mr. Sandman		X			
	Mr. Railsback	X				
	Mr. Wiggins		X			
	Mr. Dennis		X			
	Mr. Fish	X				
	Mr. Mayne		X			
	Mr. Hogan	X				
	Mr. Butler	X				
	Mr. Cohen	X				
	Mr. Lott		X			
	Mr. Froehlich	X				
	Mr. Moorhead		X			
	Mr. Maraziti		X			
	Mr. Latta		X			
	Mr. Rodino, Chairman	X				
	Total					

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
93D CONGRESS
ROLL CALL

No. .... Date: July 29, 1974
H. .... S. ....

Article II

Present	Committee	Ayes	Nays	Present	Ayes	Nays
	Mr. Donohue	X				
	Mr. Brooks	X				
	Mr. Kastenmeier	X				
	Mr. Edwards	X				
	Mr. Hungate	X				
	Mr. Conyers	X				
	Mr. Eilberg	X				
	Mr. Waldie	X				
	Mr. Flowers	X				
	Mr. Mann	X				
	Mr. Sarbanes	X				
	Mr. Seiberling	X				
	Mr. Danielson	X				
	Mr. Drinan	X				
	Mr. Rangel	X				
	Ms. Jordan	X				
	Mr. Thornton	X				
	Ms. Holtzman	X				
	Mr. Owens	X				
	Mr. Mezvinsky	X				
	Mr. Hutchinson		X			
	Mr. McClory	X				
	Mr. Smith		X			
	Mr. Sandman		X			
	Mr. Railsback	X				
	Mr. Wiggins		X			
	Mr. Dennis		X			
	Mr. Fish	X				
	Mr. Mayne		X			
	Mr. Hogan	X				
	Mr. Butler	X				
	Mr. Cohen	X				
	Mr. Lott		X			
	Mr. Froehlich	X				
	Mr. Moorhead		X			
	Mr. Maraziti		X			
	Mr. Latta		X			
	Mr. Rodino, Chairman	X				
	Total					

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
93D CONGRESS
ROLL CALL

No. .... Date: July 30, 1974
H. .... S. ....

Article III

Present	Committee	Ayes	Nays	Present	Ayes	Nays
	Mr. Donohue	X				
	Mr. Brooks	X				
	Mr. Kastenmeier	X				
	Mr. Edwards	X				
	Mr. Hungate	X				
	Mr. Conyers	X				
	Mr. Eilberg	X				
	Mr. Waldie	X				
	Mr. Flowers		X			
	Mr. Mann		X			
	Mr. Sarbanes	X				
	Mr. Seiberling	X				
	Mr. Danielson	X				
	Mr. Drinan	X				
	Mr. Rangel	X				
	Ms. Jordan	X				
	Mr. Thornton	X				
	Ms. Holtzman	X				
	Mr. Owens	X				
	Mr. Mezvinsky	X				
	Mr. Hutchinson		X			
	Mr. McClory	X				
	Mr. Smith		X			
	Mr. Sandman		X			
	Mr. Railsback		X			
	Mr. Wiggins		X			
	Mr. Dennis		X			
	Mr. Fish		X			
	Mr. Mayne		X			
	Mr. Hogan	X				
	Mr. Butler		X			
	Mr. Cohen		X			
	Mr. Lott		X			
	Mr. Froehlich		X			
	Mr. Moorhead		X			
	Mr. Maraziti		X			
	Mr. Latta		X			
	Mr. Rodino, Chairman	X				
	Total					

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
93D CONGRESS
ROLL CALL

No. .... Date: July 30, 1974
H. .... S. ....

Article IV

Present	Committee	Ayes	Nays	Present	Ayes	Nays
	Mr. Donohue		X			
	Mr. Brooks	X				
	Mr. Kastenmeier	X				
	Mr. Edwards	X				
	Mr. Hungate	X				
	Mr. Conyers	X				
	Mr. Eilberg		X			
	Mr. Waldie	X				
	Mr. Flowers		X			
	Mr. Mann		X			
	Mr. Sarbanes		X			
	Mr. Seiberling		X			
	Mr. Danielson		X			
	Mr. Drinan	X				
	Mr. Rangel	X				
	Ms. Jordan	X				
	Mr. Thornton		X			
	Ms. Holtzman	X				
	Mr. Owens	X				
	Mr. Mezvinsky	X				
	Mr. Hutchinson		X			
	Mr. McClory		X			
	Mr. Smith		X			
	Mr. Sandman		X			
	Mr. Railsback		X			
	Mr. Wiggins		X			
	Mr. Dennis		X			
	Mr. Fish		X			
	Mr. Mayne		X			
	Mr. Hogan		X			
	Mr. Butler		X			
	Mr. Cohen		X			
	Mr. Lott		X			
	Mr. Froehlich		X			
	Mr. Moorhead		X			
	Mr. Maraziti		X			
	Mr. Latta		X			
	Mr. Rodino, Chairman		X			
	Total					

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
93D CONGRESS
ROLL CALL

No. .... Date: July 30, 1974
H. .... S. ....

Article V

Present	Committee	Ayes	Nays	Present	Ayes	Nays
	Mr. Donohue		X			
	Mr. Brooks	X				
	Mr. Kastenmeier	X				
	Mr. Edwards	X				
	Mr. Hungate		X			
	Mr. Conyers	X				
	Mr. Eilberg	X				
	Mr. Waldie		X			
	Mr. Flowers		X			
	Mr. Mann		X			
	Mr. Sarbanes		X			
	Mr. Seiberling	X				
	Mr. Danielson	X				
	Mr. Drinan		X			
	Mr. Rangel	X				
	Ms. Jordan	X				
	Mr. Thornton		X			
	Ms. Holtzman	X				
	Mr. Owens		X			
	Mr. Mezvinsky	X				
	Mr. Hutchinson		X			
	Mr. McClory		X			
	Mr. Smith		X			
	Mr. Sandman		X			
	Mr. Railsback		X			
	Mr. Wiggins		X			
	Mr. Dennis		X			
	Mr. Fish		X			
	Mr. Mayne		X			
	Mr. Hogan		X			
	Mr. Butler		X			
	Mr. Cohen		X			
	Mr. Lott		X			
	Mr. Froehlich		X			
	Mr. Moorhead		X			
	Mr. Maraziti		X			
	Mr. Latta		X			
	Mr. Rodino, Chairman	X				
	Total					

Conclusion

The Committee's responsibility was perhaps more sobering and awesome than that faced by any Committee of Congress in the past century. I believe that the Committee fulfilled its responsibilities in a way that brought credit to the Congress and to our nation. The durability of our institutions of government has proven adequate to these difficult times. The Committee has moved to reinstate the rule of law as supreme, even in the Oval Office. Our democracy and our constitution have not only survived; they have been strengthened by this ordeal.

Millions of Americans were able to see the Committee during the final week of its deliberations. I had the honor of authoring the House Resolution which made this public participation possible. In an historical innovation, America saw, through television, a panel of serious, responsible, and nonpartisan Members of Congress wrestle with grave matters of evidence and reach sober judgments.

In the end, the Committee supported three Articles of Impeachment because of overwhelming, undeniable evidence of grave Presidential misfeasance adjusted to be impeachable in nature and gravity. For months prior to our televised proceedings, the Committee painstakingly examined the mass of evidence which was before it. This evidence was applied carefully and selectively, and there was great debate over what acts, if proven, were serious enough to warrant impeachment. The Committee acted with restraint, ultimately rejecting two Articles of Impeachment.

It was the overwhelming cumulative effect of the evidence, viewed in its entirely, which persuaded so many members of the Committee—both liberal and conservative, Republican and Democratic—that Articles of Impeachment were required. Any member of Congress, or any citizen who carefully examines this evidence would, I believe, support the Committee's actions.

I feel it incumbent to express my reservations concerning the decision to cite as supporting evidence in this report, transcripts of Presidential conversations which were released by President Nixon following completion of the Committee's deliberations. The Committee carefully reviewed a massive amount of materials for an intensive twelve-week period, and a large majority of the Committee found the evidence in support of three Articles of Impeachment to be clear and convincing. The members made their decisions based solely on this evidence, which was, in my view, overwhelming and conclusive. The Committee report should reflect these salient facts upon which the members based their judgment, and should not, in my opinion, show supporting evidence which the Committee did not have available at the time of decision.

The edited transcripts submitted by Mr. Nixon on August 5, 1974 had been subpoenaed by the Committee, and refused to us by him. They were highly incriminating and reinforced the Committee's decision and, in fact, were the catalyst for subsequent expressed support of Article I by the ten Committee members who had earlier voted against reporting that Article. But this new information should be segregated and appear as an addendum to the body of the report, not intermixed with the evidence which led to the Committee's action detailed in this report.

By acting so responsible and by submerging their political allegiances and fortunes for this difficult process, the members of the Committee have strengthened the Congress. By voting to impeach the President for conduct which violated our guarantees of liberty, the Committee has strengthened the Constitution and the Bill of Rights. And by creating clear precedents for future Presidential conduct, it will strengthen the Presidency.

Awesome as the impeachment and removal of a President can be, the framers of our Constitution provided for this power, expecting it to be used rarely, but to be used, nevertheless, when necessary to maintain the rule of law. There should be no fear if Congress finds the evidence sufficiently strong, that impeachment and conviction will damage the presidency. The framers created a government of laws, not a government of men. And impeachment is the only tool the Constitution provides to control a President who has refused to obey the laws or his Constitutional obligations.

I believe the significance of what this Committee has done will endure for many years to come. If our standards of impeachment had been too low or insubstantial, we would have seriously weakened the presidency and created a precedent for future use of the impeachment power when charges may be trivial or partisan. We have avoided this mistake. On the other hand, if we had rejected these Articles of Impeachment with this clear and convincing evidence of serious wrongdoing before us, no president would ever have been impeached, and the impeachment power, which the Constitution vested in Congress as the last resort to prevent serious abuses of power by a president, would be rendered impotent.

WAYNE OWENS.

Additional views of Mr. Mezvinsky, joined by Messrs. Brooks, Kastenmeier, Edwards, Conyers, Eilberg, Danielson, Rangel and Ms. Holtzman concerning income tax evasion by the President

We support the three Articles of Impeachment approved by the Committee for reporting to the House.

The Committee had before it clear and convincing proof that President Nixon committed the offenses described in those Articles. We believe that the Committee also was presented with clear and convincing proof that the President willfully evaded the payment of his federal income taxes. In fact, the proof was such that the Committee was told by a criminal tax fraud expert that on the evidence presented to the Committee, if the President were an ordinary taxpayer, the government would seek to send him to jail.

The President however, is not an ordinary taxpayer; his willful tax evasion affects the very integrity of our government. Such conduct calls for the constitutional remedy of impeachment.

The facts lead to no other conclusion.

The Internal Revenue Service ruled on April 2, 1974 that Mr. Nixon had underpaid his federal income taxes by nearly $420,000 during his first term in office. (Book X, 410–11) The IRS found that, on his tax returns for 1969 through 1972, the President had claimed over $565,000 in improper deductions and had failed to report more than $230,000 in taxable income, a total error in excess of $795,000 for those years.

The key to the gross underpayment of taxes was his unlawful claim of a charitable deduction for an alleged gift of his personal papers (stated to be worth $576,000)[1] to the National Archives in 1969. The IRS and the Joint Committee on Internal Revenue Taxation, which, at the President's request, also reviewed his taxes, found that deduction to be improper because:

(a) the gift was not made on or before July 25, 1969, the last date on which such gifts could be made to qualify for a tax deduction; and

(b) restrictions placed on the gift by President Nixon made the papers a gift of a "future interest" and therefore ineligible for tax benefits, even if the gift had been made prior to the change in the tax law.

On his tax return for 1969, the President stated that the gift was made "free and clear with no rights remaining in the taxpayer." (Book X, 348) In fact, the deed of gift retained for Mr. Nixon substantial rights in the papers.

On his tax return, the President also claimed that the gift was made before the July 25, 1969 cut-off date. (Book X, 348) The deed of gift transferring those papers stated on its face that it was executed on April 21, 1969. In fact, that deed was executed on April 10, 1970 and backdated to make it appear that it was signed a year earlier. (Book X, 14–15) The National Archives, the recipient of this alleged half-million dollar gift, did not know until April 1970 that the President's "1969" gift had been made. (Book X, 297)

Considering the solid documentary evidence of the illegality of the gift of papers deduction, which was the key element of the President's gross underpayment of his lawful taxes, the responsibility of the Committee was to determine whether the President was aware of—and either acquiesced or actively participated in—this attempt to defraud the government.

While the IRS assessed only a negligence penalty against the President, and not a fraud penalty, IRS Commissioner Donald Alexander recommended to the Special Prosecutor that he conduct a grand jury investigation into the matter of the President's 1969 tax return. Alexander noted that the lack of cooperation of some witnesses and inconsistencies in testimony prevented the IRS from completing its processing of the case. (Book X, 404)

When the Joint Committee staff issued its report on the President's taxes, it specifically noted that it had not attempted to determine the President's culpability for the irregularities on his tax returns. Instead, that question was referred to this Committee for resolution through the impeachment process.

The Joint Committee staff did formulate and send to President Nixon a series of questions concerning the President's knowledge and participation in the preparation of his tax returns. (Book X, 416–22) The President failed to respond to those questions during the Joint Committee investigation, and later ignored a request that he respond to the inquiries for the benefit of this Committee.

An analysis of the undisputed facts and circumstances makes it abundantly clear that the President knew that the gift of papers was not made on or before July 25, 1969 and did not legally qualify for the tax deductions he claimed on his tax returns.

Mr. Nixon is a lawyer who has prided himself on his knowledge of tax law. The $576,000 gift was by far the largest gift ever made by Mr. Nixon in his lifetime. It was more than twice his statutory annual income as President.

He was personally familiar with the procedures which had to be followed in order to make a valid gift of his papers so as to be entitled to the tax deduction. A much smaller gift of papers—amounting to approximately $80,000—was made by the President in December 1968. He was an active and interested participant at that time. He discussed the gift and its tax benefits with his attorneys, chose between alternate deeds of gift, and personally executed a deed which was cosigned by a representative of the GSA accepting the gift for the United States. The President also knew that the papers constituting the 1968 gift were selected prior to the end of 1968. (Book X, 41–61) Although the President claimed that less than 3 months later he made a gift six times as large, the record shows that none of these procedures was observed.

No contemporary written evidence has been produced to support the claim that the President intended on or before July 25, 1969 that a large gift be made or that he authorized anyone to sign a deed of gift on his behalf. Rather, the Committee was shown a February 1969 memorandum—which the President received and endorsed—contemplating not a large gift of papers which would use up all the President's charitable deductions for 1969 and the five succeeding years, but, instead, small periodic gifts of papers plus other charitable contributions. (Book X, 64–65)

Two June 1969 memoranda show that the President was an individual interested in the minute details of his tax deductions. Neither these memoranda nor any other writings in 1969 refer to a gift of papers so large as to eliminate all other charitable deductions for six years. (Book X, 177–79)

While the President's papers were delivered to the Archives on March 27, 1969, they were part of and intermingled with a much larger group of papers. The documentary evidence is overwhelming that the Archives did not consider that any of these papers had been given to the United States, but that it was routinely holding all of them in storage. The papers that ultimately were stated to constitute the "1969" gift were not finally selected until late March 1970. They were not even preliminary valued until early November 1969, and then only as part of the larger group of papers delivered for storage on March 27. The preliminary appraisal was promptly sent to the President on November 7, 1969 who acknowledged to the appraiser, Ralph Newman, on November 16 that he knew of the appraisal. (Book X, 190–98)

The backdated deed was executed on April 10, 1970, in the Executive Office Building by White House attorney Edward Morgan in the presence of Frank DeMarco, the President's tax attorney. (Book X, 319–27) A few hours later, DeMarco met with the President for the execution of the President's tax return. The Committee has heard testimony that the President went over his tax return with his attorneys page by page, and discussed the tax consequences of the gift of papers deduction. (Kalmbach testimony, 3 HJC 670–71)

Finally, logic compels the conclusion that the President knew he made no gift of papers in March 1969. This is true because unless one could know in March 1969 that there would be a July 25, 1969 cutoff date, it would be contrary to rational tax planning for the President: (a) to make a gift of papers in March 1969, which would eliminate the opportunity to take other charitable deductions for six years (especially when he appeared to approve a contrary plan a month before); and (b) to make a gift that early in the year, when many of his financial matters were unsettled, instead of waiting until the end of the year when his income and deductions could be accurately estimated.

The fact is that neither President Nixon nor anyone else could know in March 1969 of a July 25, 1969 cut-off date. Not until May 27, 1969 was there any indication that Congress might consider passing legislation eliminating the gift of papers deduction. And it was not until November 21, 1969 (when the Senate Finance Committee reported its bill to the Senate with a December 31, 1968 cut-off date) that it became a serious possibility that individuals might not have until the end of 1969 to make a gift of papers and take the deduction. On December 22, 1969, Congress finally fixed July 25, 1969 as the cut-off date for the gift of papers deduction. (Book X, 149–51)

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[1] During the audit of the President's returns for the years 1969 through 1972, the IRS had a private independent appraiser value the papers claimed by the President on his returns to be worth $576,000. The conclusion of the independent appraiser was that the papers were worth $270,000.

It is noteworthy that once officials outside of the White House began investigating the gift of papers deduction, the President's attorneys, DeMarco and Morgan, and his appraiser, Newman, began to tell conflicting versions of events which they had previously agreed upon. Also, documents central to the President's deduction (including a deed allegedly executed in 1969) were found to be missing, and others (such as the affidavit of appraisal which was part of the President's return) proved to be erroneous.

The President's failure to respond to the questions submitted to him by the Joint Committee staff adds an additional inculpatory circumstance to a record which points to intentional wrongdoing in connection with the gift of papers deduction.

The facts and circumstances noted above demonstrate that when President Nixon signed his tax return on April 10, 1970 he knew that he did not make a gift of papers on or before July 25, 1969 valued at $576,000. With respect to how any other taxpayer would be treated under these facts and circumstances, this Committee has heard the expert opinion of Fred Folsom, an attorney who spent 24 years in, and who for 12 years was Chief of, the Justice Department's criminal tax section. Mr. Folsom stated that "in the case of an ordinary taxpayer, on the facts as we know them in this instance, the case would be referred out for presentation to a Grand Jury for prosecution." (Folsom testimony, HJC 6/21/74, TR. 1976) To state it more bluntly, under these facts and circumstances, the government would seek to send any other taxpayer to jail.

The facts set forth above show that the Committee had before it evidence of tax evasion by the President which met the most stringent standards of proof. The use of tape recordings and similar documentary evidence to prove the charges set forth in the Articles recommended by the Committee perhaps led some to expect that type of evidence for all of the Articles. Most cases, however, whether criminal or civil, do not turn on the availability of tape recordings. They are decided on an evaluation of all the proven facts and circumstances and the logical inferences to be drawn from those facts and circumstances. Whatever the applicable standard of proof, the evidence presented to the Committee demonstrated that the President of the United States was guilty of willful income tax evasion for the years 1969 through 1972. He should have been impeached for such conduct.

Tax evasion as an impeachable offense

Some question whether willful tax evasion by a President should be considered an impeachable offense. The President, who is obligated by the Constitution to faithfully execute the laws, is perforce constrained to live within the statutes and regulations which govern all citizens. As with any other citizen, the President's evasion of taxes constituted a serious felony—which, even under the "criminality" standards urged on the Committee by the President, constitutes an impeachable offense. But because of his position, the President's acts went beyond criminal wrongdoing; they necessarily involved taking advantage of the power and prestige of the Presidency.

As Chief Executive, President Nixon could expect that his tax returns would not be subject to the same scrutiny as those of other taxpayers. The superficial examination of his 1971 and 1972 returns conducted in May, 1973, which caused the IRS to write the President commending him (instead of sending him a bill for the more than $180,000 by which he had underpaid his taxes for those two years) bears out this expectation of favoritism.

The President had a special obligation to scrutinize his own returns—especially when those returns showed that he was paying only a nominal amount of tax on a very high income. Rather than so doing, he took advantage of his office to avoid paying his proper taxes. Had his entire Presidency not been subjected to public scrutiny —for the reasons contained in Articles I and II—Mr. Nixon's tax evasion would have succeeded.

A President's noncompliance with the revenue laws does not merely deprive the Treasury of funds from one taxpayer; it affects the very foundation of our voluntary system of tax collection. Allowing such conduct to go unchecked threatens to damage seriously the ability of the government to efficiently raise from all the citizens of the Nation the funds necessary to govern our society. If a President commits willful tax evasion and is not brought to account by the Congress, then not only the tax system, but our entire structure of government risks corrosion. For this most fundamental reason we believe that the willful tax evasion by President Nixon should have been considered an impeachable offense by the Committee, and that the Article charging this offense should have been reported to the House.

EDWARD MEZVINSKY.
JACK BROOKS.
ROBERT W. KASTENMEIER.
DON EDWARDS.
JOHN CONYERS, JR.
JOSHUA EILBERG.
GEORGE E. DANIELSON.
CHARLES B. RANGEL.
ELIZABETH HOLTZMAN.

Additional views of Mr. McClory on Article III concurred in by Mr. Danielson and Mr. Fish

The power of impeachment is the Constitution's paramount power of self-preservation. This power is textually committed by the Constitution solely to the House of Representatives. The power to impeach includes within it the power to inquire. Without the corollary power to inquire, the power to impeach would be meaningless—and dangerous.

The power of impeachment is made necessary by the allocation of jurisdiction among three separate branches. The Arrticles of Confederation which reposed all powers in Congress found no need of an impeachment process. For there was no "other" branch whose excesses had to be checked by Congress. But the Constitution dispersed the powers among three separate branches to protect the liberties of the people and hold distant the spectre of tyranny. However, this protection against tyranny raised the question of how Congress could make the executive—who under the Constitution would have the greatest potential for tyranny—answer for wrongs committed against the people.

It was that question that led the framers to adapt the impeachment process to their new government. In addressing the question of possible Presidential misconduct at the Constitutional Convention, George Mason said: "No point is of more importance than that the right of impeachment should be continued." And in *The Federalist* No. 66, Alexander Hamilton made clear that the purpose of the impeachment process was to serve as "an essential check in the hands of [the legislature] upon the encroachments of the executive."

In the same passage and in others in *The Federalist*, it is explained that the doctrine of separation of powers is modified by the system of checks and balances. In explaining the "true meaning" of the doctrine of separation of powers, Madison states that "it is not possible to give each department an equal power of self defense. In republican government, the legislative authority necessarily predominates. The remedy for this inconveniency is to divide the legislature into different branches. . . ." *The Federalist*, No. 51.

Moreover, the doctrine of separation of powers does not mean that in a given instance no branch may have "control" over the acts of another; rather, all that is meant by the doctrine is that at no time may the whole power of one branch be exercised by another entity that possesses the whole power of a second branch. *The Federalist*, No. 47, (Madison).

Hamilton refers to Madison's explanation of the doctrine with approval and adds that in the context of the impeachment process the check on the arbitrary action of the House is the requirement of "concurrence of two-thirds of the Senate." *The Federalist*, No. 66. Thus, it is the Senate—not the President—that is the check on the House's power to impeach and its corollary power to inquire.

The doctrine of separation of powers does not mean that no branch can tell another branch what to do. Separation of powers is not the creation of three sovereign governments, but one government of three branches, each with an assigned role. Each branch within its assigned role may "control" another. Thus, for example, a President may "control" a judicial decision by granting a pardon, or he may "control" a legislative act by vetoing it.

The framers not only foresaw but intended that there exist a tension between branches. But the question in each case must be which branch has been, under the Constitution, assigned the role of checking and which branch has been deprived of its "self defense."

If the power of impeachment is assigned solely to the House and if its fundamental purpose is to check encroachments by the executive, it is clear that the separation of powers doctrine does not grant to the executive an institutional privilege which he may assert against either the power to impeach or the corollary power to inquire. For the framers to have granted such a defense to a President would have been a contradictory, irrational act.

The power of impeachment, as stated above, is the Constitution's paramount power of self-preservation. Thus, it has been recognized through our history by every President, every legislator, and every judge that has ever spoken on the question that the impeachment power was sufficient to require of everyone, including the President, all necessary evidence—recognized, that is, until the exigencies of the present inquiry have forced the incumbent President and his defenders to assert an institutional privilege against the House's power to inquire. This assertion is not only legally mistaken but, upon analysis, frivolous. Whatever success such an assertion may have appears attributable to the fact that it plays to commonly mistaken notions that no branch can tell another branch what to do—a notion which in the everyday workings of our government is regularly disproved.

The principle that is the subject of this discussion is clear and simple: the Constitution does not give to the House of Representatives, exercising its power to impeach, a power to ask while giving to the President—as President—an equal power to refuse. It is respectfully submitted that our Constitution makes more sense than that. The Constitution does not give to the President a privilege to refuse *by virtue of his office* when his use or abuse of that office is at issue.

When the trustee of the highest office in the land is called upon by the representatives of the people to make an accounting of his performance, his assertion that Presidents need not answer is contemptuous of his trust and of the people who have placed their trust in him.

In talking to my colleagues I am greatly disturbed that the issue in Article III is so misunderstood. All that Article III says is that Richard M. Nixon did not present a "lawful cause or excuse" for failing to comply with subpoenas for evidence critically necessary to an impeachment inquiry. The President's basic answer to the subpoenas was that Presidents do not have to comply with such subpoenas by virtue of the office and that if the power to impeach included within it the power to inquire, then no President ever again would be safe.

All that I ask of my colleagues is to think through the ramifications of the President's position. For me, I do not wish to have a Presidency that is safe from the power of the people's representatives to demand an accounting. And that is precisely what is at stake in Article III

In discussions with my colleagues I am frequently beset with many hypothetical questions—questions that have not occurred. I am asked whether the President could assert "national security" or "diplomatic secrecy" or some such excuse against impeachment inquiry subpoenas.

The only answer is that Article III does not treat those questions because the President offered no such excuses. We need not decide those questions at this time. Those special circumstances differ substantially from the excuse offered by this President that Presidents *as such* need not comply. And it is that excuse which Article III holds invalid.

To be complete, I must also note that other excuses were offered by the President, but they appear secondary to his basic assertion. In his letter of June 9, 1974, to Chairman Rodino, the President complained that our requests were "unlimited" and suggested that each branch must be immune from unlimited searches by other branches. That excuse is factually without foundation. The facts set forth in this Report make clear that our subpoenas were modest in scope and thoroughly justified.

Additionally, the President said in that letter that the Committee had "the full story of Watergate." That answer had two defects: first, it was not true; second, even if true, it was no answer to outstanding Committee requests for materials in other areas under investigation, such as ITT, the dairy contributions, and misuse of the Internal Revenue Service. When such materials were later subpoenaed, the President offered *no* excuse for his failure to comply. Presumably, we were to try to fashion one for him.

Finally, the President said that "the Executive must remain the final arbiter of demands on its confidentiality." However, it should be noted that no special circumstances were offered as an excuse. Rather, the President was asserting a flat privilege not to comply based on general operational needs of his office lest "the Presidency itself . . . be fatally compromised." He was asserting, in other words, an executive privilege against the House's power to inquire.

Such a privilege was asserted in *United States* v. *Nixon* against the functions of the judicial branch. The Supreme Court unanimously rejected such a flat privilege as one that would make our government unworkable and would impair the role of the courts. That conclusion applies with even stronger force in an impeachment proceeding against the President, the occurrence of which is so rare and the needs of which relate so fundamentally to the welfare of society itself.

Therefore, in sum, Richard M. Nixon has not offered any "lawful cause or excuse." His offer of excuses on behalf of future Presidents is untenable when he has, in truth, no valid excuse of his own.

It has been suggested we should interpolate an excuse on his behalf because he may have been reluctant to state it. That excuse is the constitutional privilege against self-incrimination which Richard M. Nixon possesses as private citizen. For purposes of Article III, it is sufficient to answer that he did not offer this excuse. But if he had, the Committee could have granted him "use" immunity and ordered him to produce the subpoenaed materials, and thereafter the House could have impeached him for high crimes or misdemeanors on the basis of the produced materials because removal from office is not a criminal sanction.

But it appears that for some of my colleagues laying out an impeachable offense on the basis of undisputed facts and clear law is not enough. For some unstated reasons unknown to me, special preconditions are postulated for Article III which were not applied to any other article.

First, it is argued that the presence of a disagreement over an important constitutional issue between the President and the Committee requires that we test our position in court before impeachment. What is incongruous is that this principle is applied only to Article III. Yet there are important constitutional questions relating to Article I and Article II over which the President and the Committee disagree. For example, do either Article I or Article II comply with due process requirements of fair notice of the charges? Why don't we go to court to find out? Is obstruction of justice an impeachable offense? The President's statement on August 5, 1974, appears to say no. So why don't we go to court to find out? Is misuse of executive agencies an impeachable offense? Since it is not an indictable offense, the President's position is no. So why don't we go to court to find out?

In deciding on *any* article of impeachment, one must determine the facts and whether those facts constitute impeachable conduct. The latter is always a construction of the phrase "treason, bribery, or other high crimes and misdemeanors," always a constitutional question. If all constitutional questions should be sent to a court first, not only Article III but all three of the Articles of Impeachment fall.

It is also suggested that simply because two branches have disagreed over their respective roles, the third branch should be called on to referee. But is this how our government works? If the Congress and the Supreme Court disagree on the constitutionality of a bill, does the President act as referee, or does the Court's view prevail because of its assigned role under the Constitution? If the Congress and the President disagree over whether our armed forces should act or continue to act against some foreign land and Congress cuts off appropriations, does the Supreme Court act as referee, or does the Congressional view prevail because of its assigned role under the Constitution? And when the President and the Supreme Court disagreed on the question of whether the President was obligated to produce subpoenaed material, did Congress act as referee, or did the Court's view prevail because of its assigned role under the Constitution?

In short, the asserted principle does not explain how our government actually works. The worth of this assertion can be analyzed by hypothecating an inquiry into the conduct of a Justice of the Supreme Court or of the entire Supreme Court wherein a "judicial privilege" is asserted against Congressional subpoenas. Would the President be the proper referee in that case? The question answers itself.

It should not go without comment that the Constitution grants no such "referee power" to any branch in any of its provisions. The only approximation of such a grant is the "case or controversy" jurisdiction of the judicial branch. And, as the Report demonstrates, the history of that phrase rejects any notion that the doors of the courts are open to resolve constitutional confrontations between the two other branches.

It is also commonly argued that no branch can decide its own role under the Constitution, citing a sentence to that effect from *The Federalist*, No. 49. Unfortunately, what is not explained is that the sentence is a paraphrase by Madison of an argument that Thomas Jefferson made on behalf of a provision written for a Virginia constitution which the framers rejected in drafting our Constitution. Jefferson argued that disputes between branches should be referred to the people, assembled in convention. Madison answered that this would be unworkable as a general proposition and that the best that could be done was to establish a system of checks and balances, *The Federalist*, No. 51. Under such a system, each branch is supreme within its assigned role. It is this truth to which *United States* v. *Nixon* is living testament.

So why didn't we go to court to be sure? (1) Because the federal district courts can only exercise jurisdiction granted by Congress and none has been granted to cover such a case. (2) Because both the President and the Committee agreed that such questions were not justiciable. (3) Because the House has the sole power of impeachment, which includes the duty of deciding whether certain facts constitute impeachable conduct. (4) Finally, because these constitutional questions are tried in a court specially set aside by the Constitution for this very purpose. It is the Senate, "the court of impeachment," and it exercises judicial power, as Hamilton made clear in *The Federalist*, No. 66. And, as is the case in all trials of Presidents, the Chief Justice of the United States presides.

Second, it is argued that the Committee should have initiated contempt proceedings as a precondition to recommending Article III to the House. However, it should be noted that Article III does not charge contempt. Article III does not charge the President merely with refusal to obey the subpoenas of a Congressional Committee. Rather it charges that the President violated the doctrine of separation of powers by arrogating to himself the functions of the House in an impeachment inquiry and thereby attempted to nullify the Constitution's ultimate check on what Hamilton referred to as the "misconduct of public men." Of course, the Committee itself does not charge but only recommends that the House make the charge, just as in a statutory contempt proceeding pursuant to 2 U.S.C. § 192. The difference is that in a contempt proceeding initiated by the House the defendant is heard in a district court whereas in an impeachment proceeding the respondent is heard in the Senate. But in terms of due process requirements, there is no difference. In neither case is a sanction imposed before the opportunity to be heard. If the House's voting impeachment were viewed as a sanction, then all three articles would fall equally. And the House could never impeach without previously conducting its own trial to determine the facts.

For those who still press that contempt proceedings should have been completed as a precondition to charging an impeachable offense, it should be noted that the Supreme Court in *United States* v. *Nixon*, when confronted with the question of whether contempt proceedings should have been initiated against the President as a procedural precondition for determining the obligatory character of the subpoenas, said that such a precondition would be inappropriate against a President since it would force an additional constitutional confrontation and delay resolution of the merits of the case. The same is true for us.

I trust that those who contend that contempt proceedings should have been completed as a precondition believe that it is legally possible to hold an incumbent President in contempt. If that is so, it would follow that an incumbent President may be indicted for other crimes as well. In which case, it might be asked why the Committee has not urged that charges against the President be filed by the Special Prosecutor as a precondition to recommending Article I.

Again, it seems peculiar that the doctrine of "failure to exhaust other remedies" should be raised against Article III alone. Moreover, those other remedies are, in fact, unavailable. As that doctrine is applied in courts of law, that fact makes the doctrine inapplicable.

Article III compares favorably with the other articles reported by the Committee. Its underlying facts are undisputed. It is the most specific and least duplicitous of the three articles. It is the only article wherein the President was put on notice before he acted that his conduct could result in impeachment. And as a matter of law, since the charge is that the President, in effect, attempted to nullify the constitutional procedure whereby he is made accountable for his conduct to the people he serves, there can be no higher crime against the people with the possible exception of treason.

Article III is no make-weight article. For posterity, it is the most important article. It preserves for future generations the power to hold their public servants accountable.

When we began this inquiry many months ago, no one would have denied that the House of Representatives had the power to impeach a President. In the absence of our recommendation of Article III, serious doubts about this power would have persisted. Indeed, this impeachment will have been made possible by circumstances extraneous to our inquiry. It was not our subpoena that brought to light the additional evidence on August 5, 1974. The same sadly can be said of much of the substantial evidence which we possess. Our subpoenas still stand unanswered. It was only by the coincidence of an investigation into the conduct of private citizens who formerly worked at the White House that evidence necessary to our inquiry into Presidential conduct fell into our hands. By experiencing that coincidence, have we acquitted ourselves of our responsibility to preserve for our grandchildren a workable government wherein even the highest remain accountable to the people through their representatives? Shall we protect the people's rights and prevent the crippling of the Constitution's essential check against unconstitutional government?

In recommending Article III to the House, the Committee has sought to answer these questions in the affirmative.

ROBERT MCCLORY.

We concur in full with the foregoing views on Article III.

GEORGE E. DANIELSON.
HAMILTON FISH, Jr.

Concurring views of Mr. Fish

And the President "shall take care . . ."

In reviewing the solemn proceeding in which we have been engaged, every Member of the Committee on the Judiciary, every other Member of Congress, and every other American must evaluate the evidence in the light of adherence to law, devotion to the Constitution and to the institutions of this land. Article II of the United States Constitution sets forth the power and the responsibilities of the President. It opens with majestic simplicity: "The executive Power shall be vested in a President of the United States of America." The standard of conduct required of all Presidents appears in Section 3 of that Article which commands that the President "shall take Care that the Laws be faithfully executed." Section I of the same Article requires that the President acknowledge the "take Care" duty when assuming office by affirming under oath that he will "preserve, protect and defend the Constitution of the United States."

The "take Care" clause "is a comprehensive description of the duty of the executive to watch with vigilance over all the public interests." *Field* v. *People,* 2 Scan. 79 (Ill. 1839) (quoting a contemporary treatise on American law). President Benjamin Harrison described the duty to "take Care that the Laws are faithfully executed" as "the central idea of the office." Justice Frankfurter observed that apart from the responsibility for conducting foreign affairs, "the embracing function of the President is that 'he shall take Care that the Laws be faithfully executed.'" The Supreme Court has made it clear that the "Laws" to which the "take Care" clause refers are not limited solely to "the . . . Acts of Congress or treaties of the United States;" rather, the "Laws" also include those "rights, duties and obligations growing out of the Constitution itself . . . and all the protections implied by the nature of the government under the Constitution." *In re Neagle,* 135 U.S. 1, 64 (1890).

The Impeachment Clause is the sole exception to the system of separation of governmental powers provided by the Constitution. It is the ultimate check on a President's abuse of the powers of his office. The duty to "take Care that the Laws be faithfully executed" circumscribes the President's authority with respect to overall conduct of the Executive Department and the administration of justice and is central to the exercise of the impeachment power.

The three Articles of Impeachment recommended to the full House of Representatives charge that the great powers of the presidential office have been seriously abused. In words repeated in the preamble to each Article it is charged that the President, "in violation of his constitutional oath faithfully to execute the office of President of the United States and to the best of his ability preserve, protect and defend the Constitution of the United States, and in violation (or 'disregard,' in Article II) of his constitutional duty to take care that the laws be faithfully executed," performed acts therein specified. All three Articles thus frame the issue in constitutional terms.

Much attention has been given, and properly, to the specific charges against the President; but there are also larger considerations involved. The issue for history is the constitutional standard by which this President, or any future President, shall be held to account for his own acts or omissions and those of his immediate subordinates.

The clear and understandable thrust of the "take Care" clause imposes on a President the affirmative duty to take care that the laws are carried out fully, fairly, and justly.

The "take Care" clause imposes on a President a personal obligation faithfully to honor, respect, obey and execute the laws. At the very least he is bound not to violate the law; not to order others to violate the law; and not to participate in the concealment of evidence respecting violations of law of which he is made aware. This is scarcely novel: the same could be said of any citizen, whether or not bound by oath of office. Unlike the misconduct of any ordinary citizen, of course, presidential actions which contravene an Act of Congress may raise fundamental constitutional issues involving the overreach of the President's powers, e.g., *Youngstown Sheet and Tube Co.* v. *Sawyer,* 343 U.S. 579 (1952) (steel seizure); *United States* v. *United States District Court,* 407 U.S. 297 (1917) (warrantless wiretapping); *United States* v. *Nixon,* ——— U.S. ——— (1974) (executive privilege). In such cases, since the President's action can be effectively tested in the courts, resort to the extraordinary remedy of impeachment is not necessary. Impeachment is appropriate only where the President's action involves an undermining of the integrity of office, an arrogation of power, a disregard of constitutional duties, or otherwise has a substantial adverse impact on the system of government.

The President's constitutional duties extend beyond his personal obligation. The "take Care" clause includes the President's superintendency of the vast bureaucracy of the executive branch, including all departments, agencies, commissions, and of course the immediate White House staff. The President's general obligation in this regard was described by Attorney General William Wirt in advice he gave in 1823 to President John Quincy Adams: "[The President] is not to perform the duty but to see that the officer assigned by law performs his duty faithfully—that is, honestly; not with perfect correctness of judgement, but honestly." 1 Ops. Atty. Gen. 624 (1823).

The President's duty to supervise his principal subordinates is further emphasized by other provisions of the Constitution. Considered in conjunction with the President's constitutional power to "require the opinion in writing, of the principal officer in each of the Executive Departments, upon any subject relating to the duties of their respective offices," Article II, Section 2, the "take Care" clause implies an affirmative duty to be informed about the conduct of executive officers. Likewise, when considered in the light of the President's power to appoint and remove executive officers, the intention of the Framers of the Constitution that there be a single, responsible executive, and the provision of Article II, Section 1 vesting the executive power solely in the President, the "take Care" clause imposes a duty to oversee the conduct of executive officers.

This general duty of supervision is necessarily subject to certain practical limitations. The President's constitutional duty does not require that he personally execute the laws. As Gouverneur Morris pointed out at the Constitutional Convention, "Without . . . ministers the Executive can do nothing of consequence." II *The Records of the Federal Convention* 54 (M. Farrand ed.). Clearly he cannot exercise direct supervision over any substantial segment of the executive branch. He should not be held responsible under the "take Care" clause for acts of individual wrongdoing by executive officers in the performance of their duties, in which he is not in any way involved. He and his party may have to respond to the electorate for instances of revealed corruption at any level of the executive establishment, but unless the corruption serves to subvert the system of government, impeachment is not warranted.

Under the "take Care" clause, however, the President may not knowingly countenance—let alone authorize or direct—serious unlawful conduct in an official capacity on the part of any agency or executive official within the executive establishment. Furthermore, whatever may be the responsibility of the President for the conduct of those executive officers in the various agencies of government, his responsibility for the conduct of his immediate subordinates in the White House is even more compelling. All members of the White House staff are selected by the President and are directly responsible to him alone. No member of the White House staff is subject to Senate scrutiny or approval on appointment; and of course discharge is also within the sole discretion of the President. It is not unreasonable to suggest that the closer the relationship to the President, the greater is his responsibility for the misconduct of a particular subordinate in the discharge of his duties.

Although the clause does not require day-to-day supervisory responsibility for each executive department or agency, neither does the size and complexity of the executive branch excuse the President's failure to take reasonable steps calculated to ensure that his subordinates have faithfully carried out his responsibility of faithful execution of the laws. The President must exercise due diligence in overseeing the acts of his immediate subordinates. He can neither mislead them by offering ambiguous instructions and then fail to police their actions, nor can he with impunity simply ignore available facts bearing on their wrongful official conduct. He must remain always alert for any hint or suggestion of improper official conduct on their part. If a President has knowledge that the laws are being violated or improperly executed, he is under a duty to take appropriate steps to remedy these wrongs. Among other things, he must bring the matter to the attention of authorized law enforcement officials. Furthermore, a President may not deliberately position or arrange to screen himself with intent to avoid such knowledge, or notice of such actions. And if a President permits or directly or indirectly stimulates a course of activity on the part of his immediate subordinates which amounts to serious abridgement of the "take Care" clause, he is accountable for that conduct in an impeachment proceeding directed against him, whether or not he had knowledge of its actual occurrence.

The failure of a President to discharge his duty by disregarding or knowingly tolerating official dishonesty in the executive department or the faithless execution of the laws by his subordinates or executive department officials, may well, as President Andrew Jackson stated, subject a President to the same liability as his subordinates—removal from office. 3 *Messages of the President* 1352.

The President, in short, may *not* use any department of the executive branch, or any person within the executive establishment, to subvert the Constitution or the laws, or to serve the President's personal or political advantage in an unlawful manner. This is what Article II of the Constitution is all about. It puts the President upon his oath to preserve, protect and defend the Constitution and to take care that the laws will be faithfully executed.

This is also what Impeachment Articles I and II are all about. Article I charges obstruction of justice by interfering with federal investigating agencies and concealing from them critical information. Paragraphs 1, 2 and 5 of Article II charge abuse of office by directing unlawful activities to be undertaken by the Internal Revenue Service, the Federal Bureau of Investigation, the Secret Service, the Criminal Division of the Department of Justice, the office of Watergate Special Prosecutor, and the Central Intelligence Agency. Paragraphs 3 and 4 charge other illegal acts of the President, done "personally and through his subordinates and agents," in subversion of the political process; in derogation of individual liberty; and in the development of a plan to prevent discovery of illegal activities. Furthermore, the offenses charged in Article II are peculiarly presidential offenses, for the President is in a unique position to subvert and abuse the federal investigative and law enforcement agencies. Under the Constitution the President may properly exercise broad discretionary powers to see that the Department of Justice and other agencies serve the needs of law enforcement, but those powers are circumscribed by his corresponding duty to uphold the integrity of the administration of justice. The President has special obligations in the even-handed enforcement of the criminal laws of the land. Article II charges at the very least a gross disregard for those special obligations, and a total dereliction of the duty to take care that the laws be faithfully executed.

HAMILTON FISH, Jr.

Minority views of Messrs. Hutchinson, Smith, Sandman, Wiggins, Dennis, Mayne, Lott, Moorhead, Maraziti and Latta

Preliminary Statement

A. General

It is true, as President Gerald R. Ford said in his inaugural remarks, that "our long national nightmare is over," at least in the sense that anxiety over the impact of a raging Watergate controversy on the ability of the country's Chief Executive to govern effectively, or even to remain in office, abruptly ended upon the resignation of Richard Nixon from the Presidency. That resignation also rendered moot, in our view, the sole question to which this Committee's impeachment inquiry was addressed, namely, whether sufficient grounds exist for the House of Representatives to exercise its constitutional power to impeach Mr. Nixon. We see no need for the Members of the House to take any action whatsoever with respect to the filing of this Committee Report, other than to read it and the individual and minority views included herein.

It is perhaps less *urgent*, but it is surely no less *necessary*, that we record our views respecting the more significant questions of law and fact which we perceive to be posed by the record compiled by the Committee in the course of its Impeachment Inquiry. This remains important, not because whatever we in the minority or our colleagues who constituted the Committee's majority on these issues now say about them will affect the tenure in office of any particular President, but because we have an obligation, both to our contemporaries and to posterity, not to perpetuate, unchallenged, certain theories of the evidence, and of law, which are propounded by the majority but which we believe to be erroneous.

It is essential that, as the emotional and intellectual tensions of the pre-resignation period subside, neither Members of the Committee nor other Americans so relax their efforts to analyze and understand the evidence accumulated by the Committee that they become indiscriminate in their approach to the various allegations of misconduct which we examined. Our gratitude for his having by his resignation spared the Nation additional agony should not obscure for history our judgment that Richard Nixon, as President, committed certain acts for which he should have been impeached and removed from office. Likewise, having effectively admitted guilt of one impeachable offense—obstruction of justice in connection with the Watergate investigation—Richard Nixon is not consequently to be presumed guilty of all other offenses with which he was charged by the majority of the Committee that approved recommending to the full House three Articles of Impeachment against him. Indeed, it remains our view that, for the most part, he was not guilty of those offenses and that history should so record.

Our views respecting the merits of each of the major allegations made by the majority of the Committee against President Nixon are set out more fully in the separate discussions of the three proposed Articles which follow. To summarize:

(1) With respect to proposed Article I, we believe that the charges of conspiracy to obstruct justice, and obstruction of justice, which are contained in the Article in essence, if not in terms, may be taken as substantially confessed by Mr. Nixon on August 5, 1974, and corroborated by ample other evidence in the record. Prior to Mr. Nixon's revelation of the contents of three conversations between him and his former Chief of Staff, H. R. Haldeman, that took place on June 23, 1972, we did not, and still do not, believe that the evidence of presidential involvement in the Watergate cover-up conspiracy, as developed at that time, was sufficient to warrant Members of the House, or dispassionate jurors in the Senate, in finding Mr. Nixon guilty of an impeachable offense beyond a reasonable doubt, which we believe to be the appropriate standard.

(2) With respect to proposed Article II, we find sufficient evidence to warrant a belief that isolated instances of unlawful conduct by presidential aides and subordinates did occur during the five-and-one-half years of the Nixon Administration, with varying degrees of direct personal knowledge or involvement of the President in these respective illegal episodes. We roundly condemn such abuses and unreservedly favor the invocation of existing legal sanctions, or the creation of new ones, where needed, to deter such reprehensible official conduct in the future, no matter in whose Administration, or by what brand or partisan, it might be perpetrated.

Nevertheless, we cannot join with those who claim to perceive an invidious, pervasive "pattern" of illegality in the conduct of official government business generally by President Nixon. In some instances, as noted below, we disagree with the majority's interpretation of the evidence regarding either the intrinsic illegality of the conduct studied or the linkage of Mr. Nixon personally to it. Moreover, even as to those acts which we would concur in characterizing as abusive and which the President appeared to direct or countenance, neither singly nor in the aggregate do they impress us as being offenses for which Richard Nixon, or any President, should be impeached or removed from office, when considered, *as they must be*, on their own footing, apart from the obstruction of justice charge under proposed Article I which we believe to be sustained by the evidence.

(3) Likewise, with respect to proposed Article III, we believe that this charge, standing alone, affords insufficient grounds for impeachment. Our concern here, as explicated in the discussion below, is that the Congressional subpoena power itself not be too easily abused as a means of achieving the impeachment and removal of a President against whom no other substantive impeachable offense has been proved by sufficient evidence derived from sources other than the President himself. We believe it is particularly important for the House to refrain from impeachment on the sole basis of noncompliance with subpoenas where, as here, colorable claims of privilege have been asserted in defense of non-production of the subpoenaed materials, and the validity of those claims has not been adjudicated in any established, lawful adversary proceeding before the House is called upon to decide whether to impeach a President on grounds of noncompliance with subpoenas issued by a Committee inquiring into the existence of sufficient grounds for impeachment.

Richard Nixon served his country in elective office for the better part of three decades and, in the main, he served it well. Each of the undersigned voted for him, worked for and with him in election campaigns, and supported the major portion of his legislative program during his tenure as President. Even at the risk of seeming paradoxical, since we were prepared to vote for his impeachment on proposed Article I had he not resigned his office, we hope that in the fullness of time it is his accomplishments—and they were many and significant—rather than the conduct to which this Report is addressed for which Richard Nixon is primarily remembered in history.

We know that it has been said, and perhaps some will continue to say, that Richard Nixon was "hounded from office" by his political opponents and media critics. We feel constrained to point out, however, that it was Richard Nixon who impeded the FBI's investigation of the Watergate affair by wrongfully attempting to implicate the Central Intelligence Agency; it was Richard Nixon, who created and preserved the evidence of that transgression and who, *knowing that it had been subpoenaed by this Committee and the Special Prosecutor*, concealed its terrible import, even from his own counsel, until he could do so no longer. And it was a unanimous Supreme Court of the United States which, in an opinion authored by the Chief Justice whom he appointed, ordered Richard Nixon to surrender that evidence to the Special Prosecutor, to further the ends of justice.

The tragedy that finally engulfed Richard Nixon had many facets. One was the very self-inflicted nature of the harm. It is striking that such an able, experienced and perceptive man, whose ability to grasp the global implications of events little noticed by others may well have been unsurpassed by any of his predecessors, should fail to comprehend the damage that accrued daily to himself, his Administration, and to the Nation, as day after day, month after month, he imprisoned the truth about his role in the Watergate cover-up so long and so tightly within the solitude of his Oval Office that it could not be unleashed without destroying his Presidency.

We submit these Minority Views in the hope that we might thereby help provide to our colleagues in the House, and to the public at large, a broader perspective than might otherwise be available on these events which have come to play such a surprisingly large part in all of our lives. Joined, we are confident, by our colleagues on the majority of the Committee who, through these past nine months, struggled as we did to find the truth, we conclude by expressing a final, earnest hope: that these observations and all that we have said and done during the course of this Inquiry will prove to have served, as they were intended to serve, the security, liberty and general welfare of the American people.

B. Meaning of "treason, bribery or other high crimes and misdemeanors"

The Constitution of the United States provides that the President "shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors." Upon impeachment and conviction, removal of the President from office is mandatory. The offenses for which a President may be impeached are limited to those enumerated in the Constitution, namely "Treason, Bribery, or other high Crimes and Misdemeanors." We do not believe that a President or any other civil officer of the United States government may constitutionally be impeached and convicted for errors in the administration of his office.

1. Adoption of "treason, bribery, or other high crimes and misdemeanors" at constitutional convention

The original version of the impeachment clause at the Constitutional Convention of 1787 had made "mal-practice or neglect of duty" the grounds for impeachment. On July 20, 1787, the Framers debated whether to retain this clause, and decided to do so.

Gouverneur Morris, who had moved to strike the impeachment clause altogether, began by arguing that it was unnecessary because the executive "can do no *criminal act* without Coadjutors who may be punished."[1] George Mason disagreed, arguing that "When great *crimes* were committed he [favored] punishing the principal as well as the Coadjutors."[2] Fearing recourse to assassinations, Benjamin Franklin favored impeachment "to provide in the Constitution for the regular *punishment* of the executive when his misconduct should deserve it, and for his honorable acquittal when he should be unjustly accused."[3] Gouverneur Morris then admitted that "corruption & some few other offenses" should be impeachable, but thought "the case ought to be enumerated & defined."[4]

Rufus King, a co-sponsor of the motion to strike the impeachment clause, pointed out that the executive, unlike the judiciary, did not hold his office during good behavior, but during a fixed, elective term; and accordingly ought not to be impeachable, like the judiciary, for "misbehaviour;" this would be "destructive of his independence and of the principles of the Constitution."[5] Edmund Randolph, however, made a strong statement in favor of retaining the impeachment clause:

> Guilt wherever found ought to be *punished*. The Executive will have great opportunitys of abusing his power, particularly in time of war when the military force, and in some respects the public money will be in his hands.
>
> . . . He is aware of the necessity of proceeding with a cautious hand, and of excluding as much as possible the influence of the Legislature from the business. He suggested for consideration . . . requiring some preliminary inquest of whether just grounds for impeachment existed.[6]

Benjamin Franklin again suggested the role of impeachment in releasing tensions, using an example from international affairs involving a secret plot to cause the failure of a rendezvous between the French and Dutch fleets—an example suggestive of treason.[7] Gouverneur Morris, his opinion now changed by the discussion, closed the debate on a note echoing the position of Randolph:

> "Our Executive . . . may be bribed by a greater interest to betray his trust; and no one would say that we ought to expose ourselves to the danger of seeing the first Magistrate in foreign pay without being able to guard against it by displacing him. . . . The Executive ought therefore to be impeachable for treachery; Corrupting his electors, and incapacity were other causes of impeachment. For the latter he should be punished not as a man, but as an officer, and punished only by degradation from his office. . . . When we make him amenable to Justice however we should take care to provide some mode that will not make him dependent on the Legislature.[8]

On the question, "Shall the Executive be removable on impeachments," the proposition then carried by a vote of eight states to two.[9]

A review of this debate hardly leaves the impression that the Framers intended the grounds for impeachment to be left to the discretion, even the "sound" discretion, of the legislature. On a fair reading, Madison's notes reveal the Framers' fear that the impeachment power would render the executive dependent on the legislature. The concrete examples used in the debate all refer not only to crimes,[10] but to extremely grave crimes. George Mason mentioned the possibility that the President would corrupt his own electors and then "repeat his guilt," and described grounds for impeachment as "the most extensive injustice." Franklin alluded to the beheading of Charles I, the possibility of assassination, and the example of the French and Dutch fleets, which connoted betrayal of a national interest. Madison mentioned the "perversion" of an "administration into a scheme of peculation or oppression,"[11] or the "betrayal" of the executive's "trust to foreign powers." Edmund Randolph mentioned the great opportunities for abuse of the executive power, "particularly in time of war when the military force, and in some respects the public money will be in his hands." He cautioned against "tumults & insurrections." Gouveneur Morris similarly contemplated that the executive might corrupt his own electors, or "be bribed by a greater interest to betray his trust"—just as the King of England had been bribed by Louis XIV—and felt he should therefore be impeachable for "treachery."

After the July 20 vote to retain the impeachment clause, the resolution containing it was referred to the Committee on Detail, which substituted "treason, bribery or corruption" for "mal-practice or neglect of duty." No surviving records explain the reasons for the change, but they are not difficult to understand, in light of the floor discussion just summarized. The change fairly captured the sense of the July 20 debate, in which the grounds for impeachment seem to have been such acts as would either cause danger to the very existence of the United States, or involve the purchase and sale of the "Chief of Magistracy," which would tend to the same result. It is *not* a fair summary of this debate—which is the only surviving discussion of any length by the Framers as to the grounds for impeachment—to say that the Framers were *principally* concerned with reaching a course of conduct, whether or not criminal, generally inconsistent with the proper and effective exercise of the office of the presidency. They were concerned with preserving the government from being overthrown by the treachery or corruption of one man. Even in the context of that purpose, they steadfastly reiterated the importance of putting a check on the legislature's use of power and refused to expand the narrow definition they had given to treason in the Constitution. They saw punishment as a significant purpose of impeachment. The changes in language made by the Committee on Detail can be taken to reflect a consensus of the debate that (1) impeachment would be the proper remedy where grave crimes had been committed, and (2) adherence to this standard would satisfy the widely recognized need for a check on potential excesses of the impeachment power itself.

The impeachment clause, as amended by the Committee on Detail to refer to "treason, bribery or corruption," was reported to the full Convention on August 6, 1787, as part of the draft constitution. Together with other sections, it was referred to the Committee of Eleven on August 31. This Committee further narrowed the grounds to "treason or bribery," while at the same time substituting trial by the Senate for trial by the Supreme Court, and requiring a two-thirds vote to convict. No surviving records explain the purpose of this change. The mention of "corruption" may have been thought redundant, in view of the provision for bribery. Or, corruption might have been regarded by the Committee as too broad, because not a well-defined crime. In any case, the change limited the grounds for impeachment to two clearly understood and enumerated crimes.

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[1] *The Records of the Federal Convention of 1787* (M. Farrand ed., 1911) 64 (emphasis added).

[2] *Id.*, at 64 (emphasis added).

[3] *Id.*, at 65 (emphasis added).

[4] *Id.*, (emphasis added).

[5] *Id.*, at 67.

[6] *Id.*, at 67 (emphasis added).

[7] *Id.*, at 68.

[8] *Id.*, at 68–69.

[9] *Id.*, at 69.

[10] The frequent use of the terms "punish," "punishment," and "guilt" in this debate indicates the tenor of the proceedings, and seems to have occasioned Morris' suggestion that the "offenses" cognizable in an impeachment proceeding be "enumerated & defined."

[11] "Peculation" and "oppression" were both technical words of law, and constituted indictable crimes at common law. D W. Blackstone *Commentaries on the Laws of England* (1771) 122 (peculation). 140 (oppression).

The revised clause, containing the grounds "treason and bribery," came before the full body again on "September 8, late in the Convention. George Mason moved to add to the enumerated grounds for impeachment. Madison's Journal reflects the following exchange:

Col. MASON. Why is the provision restrained to Treason & bribery only? Treason as defined in the Constitution will not reach many great and dangerous offenses. Hastings is not guilty of Treason. Attempts to subvert the Constitution may not be Treason as above defined—as bills of attainder which have saved the British Constitution are forbidden, it is the more necessary to extend: the power of impeachments. He movd. to add after 'bribery' 'or maladministration.' Mr. Gerry seconded him—

"Mr. MADISON. So vague a term will be equivalent to a tenure during pleasure of the Senate.

"Mr. GOVR. MORRIS. It will not be put in force & can do no harm—An election of every four years will prevent maladministration.

"Col. Mason withdrew 'maladministration' & substitutes 'other high crimes and misdemeanors' agst. the State." [12]

On the question thus altered, the motion of Colonel Mason passed by a vote of eight states to three.

Madison's notes reveal no debate as to the meaning of the phrase "other high Crimes and Misdemeanors." All that appears is that Mason was concerned with the narrowness of the definition of treason; that his purpose in proposing "maladministration" was to reach *great* and *dangerous* offenses; and that Madison felt that "maladministration," which was included as a ground for impeachment of public officials in the constitutions of six states, including his own,[13] would be too "vague" and would imperil the independence of the President.

It is our judgment, based upon this constitutional history, that the Framers of the United States Constitution intended that the President should be removable by the legislative branch only for serious misconduct dangerous to the system of government established by the Constitution. Absent the element of danger to the State, we believe the Delegates to the Federal Convention of 1787, in providing that the President should serve for a fixed elective term rather than during good behavior or popularity, struck the balance in favor of stability in the executive branch. We have never had a British parliamentary system in this country, and we have never adopted the device of a parliamentary vote of no-confidence in the chief executive. If it is thought desirable to adopt such a system of government, the proper way to do so is by amending our written Constitution—not by removing the President.

2. Are "high crimes and misdemeanors" non-criminal?

a. Language of the Constitution: The language of the Constitution indicates that impeachment can lie only for serious criminal offenses.

First, of course, treason and bribery were indictable offenses in 1787, as they are now. The words "crime" and "misdemeanor", as well, both had an accepted meaning in the English law of the day, and referred to criminal acts. Sir William Blackstone's *Commentaries on the Laws of England,* (1771), which enjoyed a wide circulation in the American colonies, defined the terms as follows:

"I. A crime, or misdemeanor is an act committed, or omitted, in violation of a public law, either forbidding or commanding it. This general definition comprehends both crimes and misdemeanors: which, properly speaking, are mere synonymous terms: though, in common usage, the word 'crimes' is made to denote such offenses as are of a deeper and more atrocious dye; while smaller faults, and omissions of less consequence, are comprised under the gentler name of 'misdemeanors' only." [14]

Thus, it appears that the word "misdemeanor" was used at the time Blackstone wrote, as it is today, to refer to less serious crimes.

Second, the use of the word "other" in the phrase "Treason, Bribery or other high Crimes and Misdemeanors" seems to indicate that high Crimes and Misdemeanors had something in common with Treason and Bribery—both of which are, of course, serious *criminal* offenses threatening the integrity of government.

Third, the extradition clause of the Articles of Confederation (1781), the governing instrument of the United States prior to the adoption of the Constitution, had provided for extradition from one state to another of any person charged with "treason, felony or *other* high misdemeanor." [15] If "high misdemeanor" had something in common with treason and felony in this clause, so as to warrant the use of the word "other," it is hard to see what it could have been except that all were regarded as serious crimes. Certainly it would not have been contemplated that a person could be extradited for an offense which was non-criminal.

Finally, the references to impeachment in the Constitution use the language of the criminal law. Removal from office follows "conviction," when the Senate has "tried" the impeachment. The party convicted is "nevertheless . . . liable and subject to Indictment, Trial, Judgment and Punishment, according to Law." The trial of all Crimes is by Jury, "except in cases in Impeachment." The President is given power to grant "Pardons for Offenses against the United States, except in Cases of Impeachment."

This constitutional usage, in its totality, strengthens the notion that the words "Crime" and "Misdemeanor" in the impeachment clause are to be understood in their ordinary sense, i.e., as importing criminality. At the very least, this terminology strongly suggests the criminal or quasi-criminal nature of the impeachment process.

b. English impeachment practice: It is sometimes argued that officers may be impeached for non-criminal conduct, because the origins of impeachment in England in the fourteenth and seventeenth centuries show that the procedure was not limited to criminal conduct in that country.

Early English impeachment practice, however, often involved a straight power struggle between the Parliament and the King. After parliamentary supremacy had been established, the practice was not so open-ended as it had been previously.[16] Blackstone wrote (between 1765 and 1769) that:

"[A]n impeachment before the Lords by the commons of Great Britain, in parliament, is a prosecution of *the already known and established law. . . .*" [17]

The development of English impeachment practice in the eighteenth century is illustrated by the result of the first major nineteenth century impeachment in that country—that of Lord Melville, Treasurer of the Navy, in 1805–1806. Melville was charged with wrongful use of public moneys. Before passing judgment, the House of Lords requested the formal opinion of the judges upon the following question:

"Whether it was lawful for the Treasurer of the Navy, before the passing of the Act 25 Geo. 3rd, c. 31, to apply any sum of money [imprested] to him for navy [sumpsimus] services to any other use whatsoever, public or private, without express authority for so doing; *and whether such application by such treasurer would have been a misdemeanor, or punishable by information or indictment?*" [18]

The judges replied:

"It was *not unlawful* for the Treasurer of the Navy before the Act 25 Geo. 3rd, c 31. . . . to apply any sum of money imprested to him for navy services, to other uses. . . . without express authority for so doing, *so as to constitute a misdemeanor punishable by information or indictment.*" [19]

Upon this ruling by the judges that Melville had committed no crime, he was acquitted. The case thus strongly suggests that the Lords in 1805 believed an impeachment conviction to require a "misdemeanor punishable by information or indictment." The case may be taken to cast doubt on the vitality of precedents from an earlier, more turbid political era and to point the way to the Framers' conception of a valid exercise of the impeachment power in the future. As a matter of policy, as well, it is an appropriate precedent to follow in the latter twentieth century.

The argument that the President should be impeachable for general misbehavior, because some English impeachments do not appear to have involved criminal charges, also takes too little account of the historical fact that the Framers, mindful of the turbulence of parliamentary uses of the impeachment power,[20] cut back on that power in several respects in adapting it to an American context. Congressional bills of attainder and *ex post facto* laws,[21] which had supplemented the impeachment power in England, were expressly forbidden. Treason was defined in the Constitution[22]—and defined narrowly—so that Congress acting alone could not change the definition, as Parliament had been able to do. The consequences of impeachment and conviction, which in England had frequently meant death, were limited to removal from office and disqualification to hold further federal office.[23] Whereas a majority vote of the Lords had sufficed for conviction,[24] in America a two-thirds vote of the Senate would be required.[25] Whereas Parliament had had the power to impeach private citizens, the American procedure could be directed only against civil officers of the national government.[26] The grounds for impeachment—unlike the grounds for impeachment in England—were stated in the Constitution.[27]

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[12] 2 Farrand 550.

[13] The six were Virginia ("maladministration, corruption, or other means by which the safety of the State may be endangered"), Delaware (same), North Carolina ("violating any part of the Constitution, maladministration, or corruption"), Pennsylvania "maladministration"), Massachusetts ("misconduct and maladministration"). We believe it is significant that with such models before them, the Framers elected to define the grounds for impeachment under the Federal Constitution in narrow and seemingly criminal terms.

[14] Blackstone 1, 5.

[15] Articles of Confederation, Art. IV (emphasis added): printed in *Documents Illustrative of the Formation of the Union of the American States,* 69th Cong., 1st Sess., H. Doc. No. 398 (1927), p. 28.

[16] For example, the House of Lords in the thirteenth century had not thought itself bound by the common law as used in the inferior courts, but it reversed that position in 1709, when it decided that cases of impeachment would thenceforth be tried "according to the Law of the Land." Feerick, *Impeaching Federal Judges: A study of the Constitutional Provisions,* 39 Fordham L. Rev. 1, 6, citing Hatsell, *Precedents of Proceedings in the House of Commons.*

[17] 4 Blackstone 256 (emphasis added).

[18] A. Simpson, *Federal Impeachments,* 64 Univ. Pa. L. Rev. 651, 685 (1916) (emphasis added).

[19] *Id.* at 685 (emphasis added): 29 *Howell's State Trials* 1468–1471.

[20] The most egregious example was probably the case of Lord Strafford, who after the result of his impeachment seemed in doubt in the House of Lords, was executed in 1641 pursuant to the parliamentary bill of attainder. The bill of attainder was repealed (too late for Strafford) by the Act 13 and 14 Charles II, ch. 29, which stated, "That he [Strafford] was condemned upon accumulative treason, none of the pretended crimes being treason apart; that he was adjudged guilty of constructive treason; that the bill was forced through both houses by mobs of armed and tumultuous persons." 4 Hatsell, *Precedents of Proceedings in the House of*

In the light of these modifications, it is misreading history to say that the Framers intended, by the mere approval of Mason's substitute amendment, to adopt *in toto* the British grounds for impeachment. Having carefully narrowed the definition of treason, for example, they could scarcely have intended that British treason precedents would guide ours.

c. American impeachment practice: The impeachment of President Andrew Johnson is the most important precedent for a consideration of what constitutes grounds for impeachment of a President, even if it has been historically regarded (and probably fairly so) as an excessively partisan exercise of the impeachment power.

The Johnson impeachment was the product of a fundamental and bitter split between the President and the Congress as to Reconstruction policy in the Southern states following the Civil War. Johnson's vetoes of legislation, his use of pardons, and his choice of appointees in the South all made it impossible for the Reconstruction Acts to be enforced in the manner which Congress not only desired, but thought urgently necessary.

On March 7, 1867, the House referred to the Judiciary Committee a resolution authorizing it

> to inquire into the *official conduct of* Andrew Johnson . . . and to report to this House whether, in their opinion, the said Andrew Johnson, while in said office, has been guilty of acts which were *designed or calculated to overthrow or corrupt the government of the United States* . . . : and whether the said Andrew Johnson has been guilty of any act, or has conspired with others to do acts, which, in contemplation of the Constitution, are high crimes and misdemeanors, requiring the interposition of the constitutional powers of this House.[28]

On November 25, 1867, the Committee reported to the full House a resolution recommending impeachment, by a vote of 5 to 4.[29] A minority of the Committee, led by Rep. James F. Wilson of Iowa, took the position that there could be no impeachment because the President had committed no crime:

> In approaching a conclusion, we do not fail to recognize two stand-points from which this case can be viewed—the legal and the political.
>
> . . . Judge him politically, we must condemn him. But the day of political impeachments would be a sad one for this country. Political unfitness and incapacity must be tried at the ballot-box, not in the high court of impeachment. A contrary rule might leave to Congress but little time for other business than the trial of impeachments.
>
> ". . . [C]rimes and misdemeanors are now demanding our attention. Do these, within the meaning of the Constitution, appear? Rest the case upon political offenses, and we are prepared to pronounce against the President, for such offenses are numerous and grave . . . [yet] we still affirm that the conclusion which we have arrived is correct."[30]

The resolution recommending impeachment was debated in the House on December 5 and 6, 1867, Rep. George S. Boutwell of Massachusetts speaking for the Committee majority in favor of impeachment, and Rep. Wilson speaking in the negative. Aside from characterization of undisputed facts discovered by the Committee, the only point debated was whether the commission of a crime was an essential element of impeachable conduct by the President. Rep. Boutwell began by saying, "If the theory of the law submitted by the minority of the committee be in the judgment of this House a true theory, then the majority have no case whatsoever."[31] "The country was disappointed, no doubt, in the report of the committee," he continued, "and very likely this House participated in the disappointment, that there was no specific heinous, novel offense charged upon and proved against the President of the United States."[32] And again, "It may not be possible, by specific charge, to arraign him for this great crime, but is he therefore to escape?"[33]

The House of Representatives answered this question the next day, when the majority resolution recommending, impeachment was defeated by a vote of 57 to 108.[34] The issue of impeachment was thus laid to rest for the time being.

Earlier in 1867, the Congress had passed the Tenure-of-Office Act,[35] which took away the President's authority to remove members of his own Cabinet, and provided that violation of the Act should be punishable by imprisonment of up to five years and a fine of up to ten thousand dollars and "shall be deemed a high misdemeanor"[36]—fair notice that Congress would consider violation of the statute an impeachable, as well as a criminal, offense. It was generally known that Johnson's policy toward Reconstruction was not shared by his Secretary of War, Edwin M. Stanton. Although Johnson believed the Tenure-of-Office Act to be unconstitutional, he had not infringed its provisions at the time the 1867 impeachment attempt against him failed by such a decisive margin.

Two and a half months later, however, Johnson removed Stanton from office, in apparent disregard of the Tenure-of-Office Act.[37] The response of Congress was immediate: Johnson was impeached three days later, on February 24, 1868, by a vote of 128 to 47—an even greater margin than that by which the first impeachment vote had failed.

The reversal is a dramatic demonstration that the House of Representatives believes it had to find the President guilty of a crime before impeaching him. The nine articles of impeachment which were adopted against Johnson, on March 2, 1868, all related to his removal of Secretary Stanton, allegedly in deliberate violation of the Tenure-of-Office Act, the Constitution, and certain other related statutes. The vote had failed less than three months before; and except for Stanton's removal and related matters, nothing in the new Articles charged Johnson with any act committed subsequent to the previous vote.[38]

The only other case of impeachment of an officer of the executive branch is that of Secretary of War William W. Belknap in 1876. All five articles alleged that Belknap "corruptly" accepted and received considerable sums of money in exchange for exercising his authority to appoint a certain person as a military post trader.[39] The facts alleged would have sufficed to constitute the crime of bribery. Belknap resigned before the adoption of the Articles and was subsequently indicted for the conduct alleged.

It may be acknowledged that in the impeachment of federal judges, as opposed to executive officers, the actual commission of a crime does not appear always to have been thought essential. However, the debates in the House[40] and opinions filed by Senators[41] have made it clear that in the impeachments of federal judges, Congress has placed great reliance upon the "good behavior" clause. The distinction between officers tenured during good behavior and elected officers, for purposes of grounds for impeachment, was stressed by Rufus King at the Constitutional Convention of 1787.[42] A judge's impeachment

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Commons 239 (1796). The execution of Strafford for "accumulative treason," whatever its role in the establishment of parliamentary power, illustrates the potential dangers of abandonment of a criminal standard. So too, perhaps, does the conviction of Judge Halsted Ritter in 1936 upon a seventh Article incorporating the substantive charges of the first six Articles. The opinion of Senator Austin, who voted Not Guilty on Article VII, urged that "six legal naughts cannot become a legal unit of general misbehavior," *Proceedings of the Senate in the Trial of Impeachment of Halsted L. Ritter,* 74th Cong., 2d sess., Sen. Doc. No. 200, p. 655.

[21] U.S. Const. art. I, sec. 9, cl. 3.

[22] *Id*. art. III, sec. 3.

[23] *Id*. art. I, sec. 3, cl. 7.

[24] Feerick, *Impeaching Federal Judges: A Study of the Constitutional Provisions,* 39 Fordham L. Rev. 1, 6 (1970)

[25] U.S. Const. art. I, sec. 3, cl. 6.

[26] *Id. art.* II, sec. 4.

[27] *Id.* art. II, sec. 4. The power of either House of Congress to expel a Member by a two-thrds vote, by contrast, contains no such limiting statements of grounds, *Id.* art. I, sec. 5, cl. 2.

[28] H. R. Rep. No. 7, 40th Cong., 1st Sess., p. 1 (emphasis added).

[29] *Id.,* at 59.

[30] *Id.,* at 105.

[31] *Cong. Globe,* 40th Cong., 2d Sess., Appendix, p. 55.

[32] *Id.,* at 60.

[33] *Id.,* at 61.

[34] *Id.,* at 68.

[35] Act of March 2, 1867, 14 *Stat. L.,* p. 430.

[36] *Id.,* sec. 6: U.S. *Rev. Stat.* (1878), p. 315.

[37] There was some question whether Stanton was actually covered by the Tenure-of-Office Act, but this technical issue did not receive thorough consideration at the time.

[38] The House later added a Tenth Article, charging Johnson with making an inflamatory speech impugning the authority of Congress. However, since that speech had been made on August 18, 1866, if the House had thought its delivery to have been an impeachable offense, it would have been at liberty to impeach the President on that ground when it voted in December of 1867.

The Tenth Article received the lowest margin of House approval of any of the Articles. *Cong. Globe,* 40th Cong., 2d Sess. 1641. The Senate never voted on it.

[39] 15 *Cong. Rec.* 2160 (1876). Commenting upon the possibility that a certain investigation might have been directed toward impeachment of an executive officer, the United States Supreme Court stated in *Kilbourn* v. *Thompson,* 103 U.S. 168, 193 (1881). "[T]he absence of any words implying suspicion of criminality repel the idea of such purpose, for the Secretary could only be impeached for 'high crimes and misdemeanors.' "

[40] See, *e.g.,* remarks of Rep. Sumners, 76 *Cong. Rec.* 4924 (Louderback case; "good behavior" tenure expressly contrasted with fixed term of President).

[41] See *e.g., Proceedings of the Senate in the Trial of Impeachment of Harold Louderback,* 73rd Cong., 1st Sess., pp. 837 (opinion of Senator Bailey), 841 (opinion of Senator Thomas).

[42] 2 Farrand 67. It was the more necessary to establish some system for the trial of "bad behavior" in judges, because the Framers had rejected the English system of removal

or conviction resting upon "general misbehavior,"[43] in whatever degree, cannot be an appropriate guide for the impeachment or conviction of an elected officer serving for a fixed term.

The impeachments of federal judges are also different from the case of a President for other reasons: (1) Some of the President's duties, *e.g.*, as chief of a political party, are sufficiently dissimilar to those of the judiciary that conduct perfectly appropriate for him, such as making a partisan political speech, would be grossly improper for a judge. An officer charged with the continual adjudication of disputes labors under a more stringent injunction against the appearance of partisanship than an officer directly charged with the formulation and negotiation of public policy in the political arena—a fact reflected in the adoption of Canons of Judicial Ethics. (2) The phrase "and all civil Officers" was not added until after the debates on the impeachment clause had taken place. The words "high crimes and misdemeanors" were added while the Framers were debating a clause concerned exclusively with the impeachment of the President. There was no discussion during the Convention as to what would constitute impeachable conduct for judges. (3) Finally, the removal of a President from office would obviously have a far greater impact upon the equilibrium of our system of government than the removal of a single federal judge.

d. The need for a standard: criminal intent: When the Framers included the power to impeach the President in our Constitution, they desired to "provide some mode that will not make him dependent on the Legislature."[44] To this end, they withheld from the Congress many of the powers enjoyed by Parliament in England; and they defined the grounds for impeachment in their written Constitution.[45] It is hardly conceivable that the Framers wished the new Congress to adopt as a starting point the record of all the excesses to which desperate struggles for power had driven Parliament, or to use the impeachment power freely whenever Congress might deem it desirable. The whole tenor of the Framers' discussions, the whole purpose of their many careful departures from English impeachment practice, was in the direction of limits and of standards.[46] An impeachment power exercised without extrinsic and objective standards would be tantamount to the use of bills of attainder and *ex post facto* laws, which are expressly forbidden by the Constitution and are contrary to the American spirit of justice.

It is beyond argument that a violation of the President's oath or a violation of his duty to take care that the laws be faithfully executed, must be impeachable conduct or there would be no means of enforcing the Constitution. However, this elementary proposition is inadequate to define the impeachment power. It remains to determine what kind of conduct constitutes a violation of the oath or the duty. Furthermore, reliance on the summary phrase, "violation of the Constitution," would not always be appropriate as a standard, because actions constituting an apparent violation of one provision of the Constitution may be justified or even required by other provisions of the Constitution.

There are types of misconduct by public officials—for example, ineptitude, or unintentional or "technical" violations of rules or statutes, or "maladministration"—which would not be criminal; nor could they be made criminal, consonant with the Constitution, because the element of criminal intent or *mens rea* would be lacking. Without a requirement of criminal acts or at least criminal intent, Congress would be free to impeach these officials. The loss of this freedom should not be mourned; such a use of the impeachment power was never intended by the Framers, is not supported by the language of our Constitution, and, if history is to guide us, would be seriously unwise as well.

As Alexander Simpson stated in his *Treatise on Federal Impeachment* (1916):

"The Senate must find an intent to do wrong. It is, of course, admitted that a party will be presumed to intend the natural and necessary results of his voluntary acts, but that is a presumption only, and it is not always inferable from the act done. So ancient is this principle, and so universal is its application, that it has long since ripened into the maxim, *Actus non facil reum, [nisi] mens sit rea*, and has come to be regarded as one of the fundamental legal principles of our system of jurisprudence." (p. 29).

The point was thus stated by James Iredell in the North Carolina ratifying convention: "I beg leave to observe that, when any man is impeached, it must be for an error of the heart, and not of the head. God forbid that a man, in any country in the world, should be liable to be punished for want of judgment. This is not the case here.[47]

C. The evidence before the Committee on the Judiciary: On August 5, 1974, the President released to the Committee and to the public the transcripts of three conversations between himself and H. R. Haldeman on June 23, 1972. Suffice it to say that these transcripts, together with the circumstances of their belated disclosure, foreclosed further debate with respect to the sufficiency of proof of the charges embodied in proposed Article I and led inevitably to the President's resignation three days later.

In the wake of these sudden and decisive events it may seem academic to discuss the character of the evidence which, prior to August 5, 1974, had been adduced in support of the allegations against the President. We are nevertheless constrained to make some general observations about that evidence, for two reasons. First, the disclosure of the June 23, 1972 transcripts, though dispositive of the case under proposed Article I, did not substantially affect the nature of the evidence in support of proposed Article II. Second, the fact that this disclosure cured the evidentiary defects earlier associated with proposed Article I must not be allowed to obscure the fact that a majority of the Members of the Committee had previously, and in our view wrongly, voted to recommend to the House the adoption of that Article on the basis of information then at their disposal.

1. Reliance on hearsay evidence

The "evidence" relied on in the committee report is based essentially on the Summary of Information prepared by the majority staff. The facts and inferences contained in this one-sided document were drawn selectively from Statements of Information also prepared by the inquiry staff. The Statements of Information comprise a compilation of documentary materials already produced by other proceedings and investigations, for the impeachment inquiry staff initiated surprisingly little investigative work of its own. The source most frequently cited in the Statements of Information is the record of the 1973 proceedings of the Senate Select Committee on Presidential Campaign Activities.

The testimony before that Committee by John Dean, H. R. Haldeman, John Ehrlichman, and John Mitchell, was not limited to the actions of the persons testifying, but concerned statements made to them by others, motives supposed by them to have been shared by others, assumptions regarding the purposes of others, opinions of the guilt or innocence, truthfulness or perjury, of others. The witnesses before the Senate Select Committee were not always in agreement as to what had happened.

In the face of the sharply conflicting testimony and hotly contested issues of fact, the Committee's staff, unfortunately in our view, relied upon the printed record of proceedings held in another forum, for another purpose. The Committee staff was not able to interview H. R. Haldeman, nor did he give testimony before this Committee. The Committee staff was not able to interview John Ehrlichman, nor did he give testimony before this Committee. Despite a public invitation to do so, the Chairman and Ranking Minority Member of the Committee did not interview the President of the United States under oath, nor, despite a public invitation to do so, did the Committee submit written interrogatories to the President to be answered under oath. The staff did, of course, interview a number of witnesses, such as John Dean, and nine of them gave testimony before this Committee.

Much has been made of the voluminousness of the "evidence" which was accumulated in support of impeachment, and upon which the majority of the Members of the Committee has relied in reporting out three proposed Articles of Impeachment. However, a fair examination of the character of that "evidence" reveals that it is comprised of layer upon layer of hearsay. We venture to say that ninety per cent of the "evidence" against the President would have been inadmissible in any court of law in the United States. We do not regard this as a legal quibble. Multiple hearsay evidence is inadmissible in our system of justice, not for some arcane and technical reason, but *because it is considered unreliable.*

Hearsay evidence is not subject to the test of cross-examination—described by the preeminent American scholar of the law of evidence as "beyond any doubt the greatest legal engine ever invented for the discovery of truth."[48] Our courts have been particularly

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of judges by address, provided by the Act of Settlement (1700), whereby the King could remove a judge upon a formal request by both Houses of Parliament.

[43] The charges upon which Judge Ritter was convicted in the Senate were characterized by the Chair, in overruling a point of order, as "general misbehavior." *Proceedings of the Senate in the Trial of Impeachment of Halsted L. Ritter*, 74th Cong., 2d Sess., Doc. No. 200, at p. 638.

[44] 2 Farrand 69 (remarks of Gouverneur Morris.)

[45] See above.

[46] A thoughtful historian has assessed the Chase impeachment as follows: "Its gravest aspect lay in the theory which the Republican leaders in the House had adopted, that impeachment was not a criminal proceeding but only a method of removal, the ground for which need not be a crime or misdemeanor as those terms were commonly understood." 1 Charles Warren. *The Supreme Court in United States History*, 293 (1922).

It has also been argued that impeachment of federal judges has been used as a partisan weapon in more recent cases. Ten Broek, *Partisan Politics and Federal Judgeship Impeachments Since 1903*, 23 Minn. L. Rev. 185 (1939); Thompson and Pollitt, *Impeachment of Federal Judges: An Historical Overview*, 49 N. Car. L. Rev. 37 (1970).

[47] 4 J. Elliot, Debates in the Several State Conventions on the Adoption of the Federal Constitution 125–126.

[48] 5 Wigmore, *Evidence*, § 1367. Dean Wigmore further states:

"For two centuries past, the policy of the Anglo-American system of Evidence has been to regard the necessity of testing by cross-examination as a vital feature of the law. The belief that no safe-guard for testing the value of human statements is comparable sensitive to government proceedings which affect an individual's employment, and have required that an individual be afforded an opportunity to cross-examine his accusers before such governmental action can be taken. In *Greene* v. *McElroy*, 360 U.S. 474 (1959), for example, the United States Supreme Court held that the Government could not revoke an individual's security clearance on the basis of written records of testimony and reports by persons whom the individual had no opportunity to cross-examine. This result was reached even though the individual had been able to take several appeals from the action complained of.

In *Greene* v. *McElroy* the Court explained the basis of its holding as follows:

"Certain principles have remained relatively immutable in our jurisprudence. One of these is that where governmental action seriously injures an individual, and the reasonableness of the action depends on fact findings, the evidence used to prove the Government's case must be disclosed to the individual so that he has an opportunity to show that it is untrue. While this is important in the case of documentary evidence, it is even more important where the evidence consists of the testimony of individuals whose memory might be faulty or who, in fact, might be perjurers or persons motivated by malice vindictiveness, intolerance, prejudice or jealousy. We have formalized these protections in the requirements of confrontation and cross-examination. They have ancient roots. . . . This court has been zealous to protect these rights from erosion. It has spoken out not only in criminal cases . . . but also in all types of cases where administrative and regulatory actions were under scrutiny." (360 U.S. at 496–97)

It might be argued that the rights of confrontation and cross-examination have less vitality in an impeachment proceeding than in other contexts, because the occupancy of public office is not an individual right of the respondent. But this is precisely the reason why the Committee's reliance on hearsay evidence, untested by cross-examination, is so disturbing. For it is not the personal rights of the President which were at stake, but rather the collective rights of the electorate which chose him to serve as the Chief Executive for a fixed term of four years.

To emphasize the importance of cross-examination and the deficiencies of hearsay evidence is not to say that the Committee should have declined to take cognizance of any evidence which could not meet the formal tests of admissibility. Surely it was appropriate for the impeachment inquiry to conduct a wide-ranging search for all information relevant to allegations of presidential misconduct. In this respect the Committee may be thought to resemble a grand jury, whose investigation is not circumscribed by narrow rules of admissibility. However, in fulfilling its role in the impeachment process the Committee should equally have been influenced by the House's potential prosecutorial function. In our view it would have been irresponsible to recommend to the House any Article of Impeachment grounded upon charges which could not be proved at trial, to whatever standard of proof and under whatever rules of evidence the Senate might reasonably be expected to apply. Because of the Committee's excessive reliance on hearsay and multiple hearsay evidence, we were obliged to conclude—like the subcommittee which investigated the conduct of Judge Emory Speer in 1914—"that the competent legal evidence at hand is not sufficient to procure a conviction at the hand of the Senate."[49]

Furthermore, even if liberal latitude were properly accorded by the House in considering certain types of inadmissible evidence, it does not follow that any other procedural or evidentiary rule need be relaxed. As the United States Supreme Court has stated, in describing the function and procedures of an administrative agency:

"The Commission is an administrative body and, even where it acts in a quasi-judicial capacity, is not limited by the strict rules, as to the admissibility of evidence, which prevail in suits between private parties. . . . But the more liberal practice in admitting testimony, the more imperative the obligations to preserve the essential rules . . . by which rights are asserted or defended. . . . All parties must be fully apprised of the evidence submitted or to be considered, and must be given opportunity to cross-examine witnesses, to inspect documents and to offer evidence in explanation or rebuttal. In no other way can a party maintain its rights or make its defense. In no other way can it test the sufficiency of the facts to support the findings."[50]

2. Reliance on adverse inferences

Again putting aside the President's disclosures on August 5, 1974, we would draw attention to a second defect of the approach which the majority of the Committee has taken with respect to the evidence. Seemingly recognizing that even if every fact asserted in hearsay evidence were taken to be true, the case against the President might still have failed, the majority relied further upon inferences from inadmissible evidence, and upon the legal doctrine known as the "adverse inference" rule.

The drawing of an inference is a process whereby a fact not directly established by the evidence is deduced as a logical consequence of some other fact, or state of facts, which is directly established by the evidence. The process is never mandatory; indeed, the same set of facts may give rise to conflicting inferences. However, an inference must lie within the range of reasonable probability, and some courts have held that it is the duty of the judge "to withdraw the case from the jury when the necessary inference is so tenuous that it rests merely upon speculation and conjecture."[51]

It has long been accepted in both civil and criminal cases that an inference may be drawn from a party's withholding or destruction of relevant evidence. The inference which may be drawn is that the unavailable evidence, if produced, would be adverse to the party who has not produced it. This rule is stated by Wigmore as follows:

"The opponent's spoliation (destruction) or suppressions of evidential facts . . . and particularly of a document . . . has always been conceded to be a circumstance against him, and in the case of a document, to be some evidence that its contents are as alleged by the first party. But that a rule of presumption can be predicated is doubtful."[52]

The operation of the adverse inference rule may be illustrated by the following language from a Supreme Court antitrust decision:

"The failure under the circumstances to call as witness those officers who did have authority to act for the distributors and who were in a position to know whether they had acted in pursuance of agreement is itself persuasive that their testimony, if given, would have been unfavorable to appellants."[53]

The operation of the adverse inference rule is subject to several restrictions. First, the party who has the burden of persuasion as to an issue cannot avail himself of the inference until he has produced sufficient evidence to shift the burden of going forward to his opponent.[54] Second, and adverse inference cannot arise against a person for failing to produce evidence which is merely corroborative or cumulative.[55] Third, the adverse inference rule cannot be applied where the evidence sought is the subject of a privilege.[56] or where the party has a constitutional right to withhold the evidence.[57]

As the statement of the adverse inference rule by Dean Wigmore indicates, the most familiar application of the rule is in a situation where one party to a suit demands a specific document from another party, and the other party refuses to produce it. Frequently, that document will have operative legal significance—e.g., in a contract dispute, or, in a criminal case, where the document sought might constitute a means or instrumentality of crime (written threat, attempt to bribe, etc.).

In Griffin v. *California*, 380 U.S. 609 (1965). a case involving the privilege against self-incrimination, the Supreme Court held that it was constitutionally forbidden for the prosecution to make any comment upon the failure of a defendant to take the stand, or for a judge to instruct a jury that such failure constitutes evidence of guilt.

The proposed Federal Rules of Evidence provide as follows:

Rule 513

Comment upon or inference from claim of privilege: Instruction

"(a) *Comment on inference not permitted*. The claim of a privilege. whether in the present proceeding or upon a prior occasion, is not a proper subject of comment by judge or counsel. No inference may be drawn therefrom.

". . . (c) *Jury instruction*. Upon request, any party against whom the jury might draw an adverse inference from a claim of privilege is entitled to an instruction that no inference may be drawn therefrom."

The Advisory Committee's Note to Rule 513 states.

"Destruction of the privilege by innuendo can and should be avoided. *Tallo* v. *United States*, 344 F. 2d 467 (1st Cir. 1965); *United States* v. *Tomaiolo*, 249 F. 2d 683 (2d Cir. 1957); *San Fratello* v. *United States*, 343 F. 2d 711 (5th Cir. 1965); *Courtney* v. *United States*, 390 F. 2d 521 (9th Cir. 1968)."

56 F.R.D. 183, 260–61 (1973). The proposed Rules are not yet effective, but Rule 513 is intended to be declarative of existing law.

In the present case, the Committee has issued subpoenas for tapes, transcripts, dictabelts, memoranda, or other writings or materials relating to 147 presidential conversations, as well as for the President's daily diaries for an aggregate period of many months, and for various other materials and documents. It is true that these subpoenas have been issued only after the Committee's staff submitted to the Committee memoranda justifying each set of requests, in terms of their necessity to the Committee's inquiry. But in most cases, what these justifications

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to that furnished by cross-examination, and the conviction that no statement (unless by special exception) should be used as testimony until it has been probed and submitted by that test, has found increasing strength in lengthening experience." (*Id.*)

[49] VI *Cannon Precedents of the House of Representatives* § 527.

[50] *Interstate Commerce Commission* v. *Louisville & Nashville R. Co.*, 227 U.S. 88, 93 (1913).

[51] *Wratchford* v. *S. J. Groves and Sons Co.*, 405 F. 2d 1061, 1066 (4th Cir. 1969).

[52] 9 Wigmore, *Evidence* (3d ed.) § 2524.

[53] *Interstate Circuit, Inc.* v. *United States*, 306 *U.S.* 208, 225–26 (1939).

[54] *Vanity Fair Paper Mills, Inc.* v. *Federal Trade Commission*, 311 *F. 2d* 480 (*2d Cir.* 1962.)

[55] *Gafford* v. *Trans-Texas Airways*, 299 F. 2d 60 (*5th Cir* 1962).

[56] *Wigmore. Evidence* (3d ed). § 291.

[57] *International Union* (*U.A.W.*) v. *National Labor Relations Board*, 459 F. 2d 1329 (D.C. Cir. 1972).

tend to show is that given the chronology of facts known to the Committee, the President was, at a certain point in time, in a position where he could receive certain information, or have discussions with his aides on certain topics. In other words, in many cases the Committee lacks any independent evidence as to the content of the conversations and other materials subpoenaed.

Despite this tenuous basis for the operation of the adverse inference rule, on May 30, 1974, the Committee informed the President by letter:

> "The Committee on the Judiciary regards your refusal to comply with its lawful subpoenas as a grave matter . . . Committee members will be free to consider whether your refusals warrant the drawing of adverse inferences concerning the substance of the materials."

Upon examination, however, this portentous statement does little to advance the analysis of the evidence. For even if it were proper to apply the adverse inference rule here, what inferences could plausibly be drawn? The inferences presumably would suggest that the material withheld was in some way damaging to the President; but there is no way of knowing why the material would be damaging. The President might have been reluctant to disclose conversations in which he had used abusive or indelicate language; or had engaged in frank discussions of his political opposition, or of his personal and family life; or had discussed campaign strategy and revealed an interest in raising a great deal of money for his re-election campaign. In short, there are a myriad of reasons why materials withheld from the Committee might have been embarrassing or harmful to the President if disclosed, without in any way constituting evidence of grounds for impeachment. In the absence of extrinsic evidence as to the particular content of a given presidential conversation or memorandum, the application of the adverse inference rule would be a futile exercise.

Finally, the justification for applying the adverse inference rule in the first instance is severely undercut, if not eliminated, by the presidential assertion of executive privilege. The President claimed that disclosure of the subpoenaed materials would destroy the confidentiality of the executive decision-making process—a reasonable and presumptively valid argument. The Committee might have challenged this argument in court, but instead voted 32 to 6 in late May 1974, not to seek the assistance of the federal judiciary in enforcing its subpoenas. The Committee also consistently declined to seek an "adjudication" of the validity of its demands upon the President for evidence, or potential evidence, by resort to formal contempt proceedings, whereby the President would have been afforded the opportunity to show cause before the full House why his invocation of executive privilege rendered non-contemptuous his failure to produce subpoenaed materials.

Having thus declined to take some action better calculated to secure the production of the evidence sought, if the Committee was entitled to it, the majority of the Committee can scarcely be heard to argue that the evidence is superfluous because its non-production gives rise to adverse inferences as to its contents.

D. Standard of Proof: The foregoing discussion of the character of the evidence which was adduced in support of impeachment would not be complete without reference to the standard of proof which that evidence was expected to satisfy.

In this context a threshold distinction must be drawn between the sufficiency of the allegation and the sufficiency of the proof. In deciding whether to vote for or against an article of impeachment, each Member of the Committee was obligated to make two separate judgments. First, it was necessary to consider whether a particular offense charged to the President, if proved, would constitute a ground for impeachment and removal. For example, certain Members intimated in debate that even if it were established to a certainty that the President had been guilty of tax fraud, this offense was too peripheral to the performance of his official duties to warrant removal from office. Second, where the charge was deemed sufficiently serious to justify removal, it was necessary to judge whether the evidence was compelling enough to "prove" the case. Prior to the disclosure of the June 23, 1972 conversations between the President and H. R. Haldeman, for instance, we believed that the evidence adduced in support of Article I did not constitute adequate proof of presidential involvement in the Watergate cover-up.

Neither the House nor the Committee on the Judiciary has ever undertaken to fix by rule the appropriate standard of proof for a vote of impeachment, nor would we advocate such a rule. The question is properly left to the discretion of individual Members. The discussion which follows is intended only to outline the process of reasoning which has persuaded us that the standard of proof must be no less rigorous than proof by "clear and convincing evidence."

1. Standard of proof for conviction by the Senate

Our jurisprudence has developed a number of formulaic phrases which comprise a spectrum of the various standards of proof applicable in different types of legal proceeding. A Member of the House might most easily resolve his dilemma by simply choosing one of these standards, basing his judgment on some perception of the impeachment process. For example, a Member might require a very strict standard, such as proof beyond a reasonable doubt, on the ground that the drastic step of impeaching a President should not be undertaken except on the most compelling proof of misconduct.

This approach, however, is insensitive to the express terms of the Constitution, which provides that "the House of Representatives shall have the sole Power of Impeachment"[58] but that "the Senate shall have the sole power to try all Impeachments."[59] The Members of the House might best give effect to this distinction by adopting a standard of proof which reflects the reservation of the ultimate decision of factual issues to the Senate. In other words, Members would be required to make a judgment as to whether the Senate could reasonably convict the respondent on the evidence before the House. That judgment would of course necessitate a prior judgment as to the appropriate standard of proof to be applied in the Senate.

Because the Senate proceeding *is* a trial, the inquiry may sensibly be narrowed to focus on trial-type standards of proof. In general, the courts recognize three types of burden of persuasion which must be borne by litigants in civil actions and in criminal prosecutions.[60] In most civil actions the party who has the burden of proof must adduce evidence which will sustain his claim by a "preponderance of the evidence." In a certain limited class of civil actions the facts must be proved by "clear and convincing evidence," which is a more exacting standard of proof than is "preponderance of the evidence." In criminal prosecutions the burden is on the prosecutor to prove all elements of the crime "beyond a reasonable doubt." These familiar formulas are not particularly susceptible to meaningful elaboration. One commentator has suggested that the three standards respectively denote proof that a fact is probably true; highly probably true; and almost certainly true.[61]

The Senate has never promulgated a rule fixing the standard of proof for conviction, but the overwhelming weight of opinion from past impeachment trials favors the criminal standard of proof beyond a reasonable doubt.[62] Similarly, during the pendency of the present impeachment inquiry at least three Senators have stated on the record that proof of guilt beyond a reasonable doubt would be required.[63]

This view finds strong support in the Constitution, whose provisions pertaining to impeachment are couched in the language of the criminal law. The respondent is to be "tried," and the trial of "all Crimes except . . . Impeachment" shall be by jury. The offenses cognizable in an impeachment trial are "Treason, Bribery, or other high Crimes and Misdemeanors." The Senators are asked to vote Guilty or Not Guilty on each article of impeachment, and if two-thirds vote Guilty the respondent is "convicted."

Even if it were admitted that the Senate impeachment proceeding is a criminal trial, and that the grounds for impeachment are limited to criminal offenses, the argument might still be made that the traditional criminal standard of proof should not necessarily apply. Adherents of this view point out that the requirement of a more exacting standard of proof in criminal cases was introduced to mitigate the rigors of the criminal code in Eighteenth Century England, where nearly all crimes were punishable by death.[64] The use of capital punishment has virtually disappeared; but though his life is no longer at stake, the criminal defendant still stands to be deprived of his liberty. The purpose of the rigorous standard of proof in criminal cases is to guard against the possibility that an innocent man might be wrongly convicted and subjected to this severe punitive sanction. By contrast, it is argued, the primary purpose of impeachment is not punitive but remedial. Since removal from office is not punishment, there is no reason to apply the strict criminal standard of proof.

This argument is refuted by reference to the intentions of the Framers, who clearly conceived of removal from office as a punishment.[65] Thus, Mason favored *"punishing* the principal" for "great crimes"; Franklin thought that the Constitution should provide for "the regular *punishment* of the executive"; Randolph stated that "guilt wherever found ought to be *punished*"; and Mason said that the executive should be "*punished* only by degradation from his office." No one who has witnessed the recent agony and humiliation of President Nixon can seriously doubt that removal from office is a punishment.[69]

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[58] U.S. Const., art. I, sec. 2, cl. 5.

[59] *Id.*, art. I, sec. 3, cl. 6.

[60] 9 Wigmore, *Evidence* (3 ed. 1940) §§ 2497, 2498; McCormick, *Evidence* (2d ed. 1972) § 339.

[61] McBaine, *Burden of Proof: Degrees of Belief*, 32 Calif. L. Rev. 244, 246–47 (1944); cited with approval in McCormick, *Evidence* (2d ed. 1972) § 339, n. 47.

[62] A typical example is the following excerpt from the memorandum opinion of Senator Pittman, filed in protest to the conviction of Judge Ritter in 1936:

"The Senate, sitting as a Court, is required to conduct its proceedings and reach its decision in accordance with the customs of our law. In all criminal cases the defendant comes into court enjoying the presumption of innocence, which presumption continues until he is proven guilty beyond a reasonable doubt." *Proceedings of the United States Senate in the Trial of Impeachment of Halsted L. Ritter* 642.

[63] See remarks of Senator Biden, 120 Cong. Rec. 10427 (April 10, 1974); Senator Stennis, *id.* 10839 (April 11, 1974); Senator Ervin, *id.* 10838 (April 11, 1974).

[64] May, *Some Rules of Evidence: Reasonable Doubt in Civil and Criminal Cases*, 10 Am. L. Rev. 642, 656 (1876).

[65] See pp. 7–12, *supra*. Article I, Section 3, Clause 7 of the Constitution, which provides that the party convicted at an impeachment trial "shall nevertheless be liable and sub-

Because of the fundamental similarity between an impeachment trial and an ordinary criminal trial therefore, the standard of proof beyond a reasonable doubt is appropriate in both proceedings. Moreover, the gravity of an impeachment trial and its potentially drastic consequences are additional reasons for requiring a rigorous standard of proof. This is especially true in the case of a presidential impeachment. Unlike a federal judge, an appointed officer who enjoys lifetime tenure during good behavior, the President is elected to office for a fixed term. The proper remedy for many instances of presidential misbehavior is the ballot box. The removal of a President by impeachment in mid-term, however, should not be too easy of accomplishment, for it contravenes the will of the electorate. In providing for a fixed four-year term, not subject to interim votes of No Confidence, the Framers indicated their preference for stability in the executive. That stability should not be jeopardized except on the strongest possible proof of presidential wrongdoing.

2. Standard or proof for impeachment by the House

In the light of the foregoing considerations, the temptation is great to insist that the standard of proof for impeachment by the House should also be proof beyond a reasonable doubt. It might be objected that if the House and the Senate were to adopt the same standard, the trial in the Senate would lose all of its significance since the House would have already adjudicated the case. This conclusion does not necessarily follow, however, because conviction in the Senate requires a two-thirds majority as against the simple majority of the House required for impeachment. Furthermore, as a logical proposition there is not intrinsic reason why the respondent should not be separately tried in each House and removed from office only after an effective vote in both—a procedure which would reflect the equal importance of the two Houses as in the exercise of their legislative functions.

The principal defect in applying the criminal standard of proof in both Houses of Congress is that this approach is not contemplated in the Constitution, which gives to the Senate the sole power to try all impeachments. If the vote on impeachment in the House required proof beyond a reasonable doubt, the House would effectively become the trier of fact. Instead, the Constitution intends that the House should frame the accusation but without adjudicating the ultimate guilt or innocence of the respondent.

The proper function of the House in an impeachment inquiry has often been described as analogous to the function of the grand jury. Both conduct an investigation which is not limited to evidence admissible at trial. Both are charged with determining whether that evidence warrants binding the case over for trial by another body, in which the standard of proof beyond a reasonable doubt is applied. In both cases the operative question is whether the trier of fact could reasonably convict the defendant.

The House differs from a grand jury, however, in that after returning the "indictment" it has an ongoing responsibility to bring the case to trial. In this respect the House more nearly resembles a public prosecutor. Like the grand jury, the prosecutor must also ask whether the trier of fact could reasonably convict. But his decision of whether or not to prosecute is typically founded on a greater mass of evidence than was available to the grand jury; and his perspective may involve an analysis of certain pragmatic factors, such as the availability or admissibility at trial of key testimony or evidence, with which the grand jury need not concern itself. These pragmatic factors must also affect the judgment of the House whether or not to impeach, particularly in a case like this one where so much of the evidence is multiple hearsay which might be ruled inadmissible at the Senate trial.

In order to justify bringing a case to trial, the prosecutor must personally believe in the guilt of the accused. It is not necessary, however, that he personally believe the accused to be guilty beyond a reasonable doubt; to impose such a requirement would in effect preempt the role of the trier of fact. Rather, the prosecutor should allow for the possibility that the trier of fact may find the evidence to be even more convincing than he does. Conversely, the prosecutor's mere belief that the accused is more likely guilty than not (i.e., proof by a preponderance of the evidence), would not be a sufficient basis on which to bring the case to trial. On balance, it appears that prosecution is warranted if the prosecutor believes that the guilt of the accused is demonstrated by clear and convincing evidence.

Without unduly overemphasizing the aptness of the analogy to a public prosecutor, we therefore take the position that a vote of impeachment is justified if, and only if, the charges embodied in the articles are proved by clear and convincing evidence. Our confidence in this proposition is enhanced by the fact that both the President's Special Counsel and the Special Counsel to the Committee independently reached the same conclusion.

Article I

Introduction

On February 25, 1974, the Federal grand jury that investigated the circumstances surrounding the June, 1972 unlawful entry into the Democratic National Committee headquarters in the Watergate Office Building voted to name Richard M. Nixon, President of the United States, as an unindicted member of the conspiracy to defraud the United States and to obstruct justice charged in Count One of the indictment that it subsequently returned in the case of *United States* v. *Mitchell et al.*, Cr. No. 74–110, United States District Court for the District of Columbia.[1]

Simultaneously with the issuance of that indictment, on March 1, 1974 the grand jury filed with the court a Report and Recommendation requesting that certain evidentiary materials bearing upon the President's involvement in the alleged conspiracy which the grand jury had accumulated in the course of its investigation be forwarded to this Committee for such consideration as we might deem proper. On March 26, 1974, by order of Chief Judge John J. Sirica, the Report and Recommendation and accompanying evidentiary materials were delivered to the Committee in accordance with the grand jury's request.

We view proposed Article I as the analogue of Count One of the indictment in *United States* v. *Mitchell et al.*, believing that it substantially charges President Nixon with conspiracy to obstruct justice, and obstruction of justice, in connection with the official investigation of the Watergate offenses.

We recognize that the majority of the Committee, as well as its Special Counsel, apparently do not consider it necessary or appropriate to charge impeachable offenses in terms of the violation of specific Federal criminal statutes, such as Title 18 U.S.C. § 371 (conspiracy), § 1001 (false statements to a government agency) or §§ 1503, 1505 and 1510 (obstruction of justice). The Special Counsel, indeed, has expressly disclaimed viewing the case as one of conspiracy, stating: "I don't believe that it is possible to have a conspiracy involving the President of the United States." (Summary of Information, 10)

We disagree. To the contrary, we believe the evidence warrants the conclusion that the President did conspire with a number of his aides and subordinates to delay, impede and obstruct the investigation of the Watergate affair by the Department of Justice. The Special Counsel's thesis that the President cannot be treated as a co-conspirator because "[y]ou don't have co-equals when you are dealing with the President of the United States" (Summary of Information, 11) seems to be not so much a proposition of law as a rhetorical device to bridge a number of gaps in the evidence relating to Presidential knowledge or direction of specific acts performed by his subordinates and associates, and thus to magnify Presidential culpability in the cover-up.

Simply as a matter of sound legal analysis, we think it more consonant with the Constitutional scheme[2] to determine Presidential *liability* for the acts of his subordinates in accordance with established rules of vicarious liability derived from the ordinary criminal law, and to assess the *seriousness* of Presidential misconduct on the basis of the evidence bearing upon his actual knowledge of, and involvement in, particular acts performed in furtherance of the aims of the conspiracy. It is not only of doubtful Constitutionality to resort to exotic theories of Presidentical accountability for the Watergate cover-up in order to arrive at a proper disposition of proposed Article I, but on the record before us it is patently unnecessary to do so.

Watergate and the President's "Policy"

In the Summary of Information which he presented to the Committee before our debate on proposed Articles of Impeachment, the Special Counsel dealt with the question of Presidential responsibility for the two unlawful entries and wiretapping of the Democratic National Committee headquarters in a manner which continues to disturb us:

"The evidence available to the Committee establishes that on May 27 and June 17, 1972, agents of CRP, acting pursuant to a political intelligence plan (which included use of illegal electronic surveillance), authorized in advance by John Mitchell, head

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ject to Indictment. Trial, Judgment and Punishment," is often cited as evidence that the Framers meant to distinguish removal from punishment. But the clause may also fairly be read to mean that after the respondent has been punished by removal from office, he remains subject to the *additional* punishment provided by the criminal laws.

[69] Representative Weaver's remarks during the debate over the impeachment of Judge English in 1926 have a poignant application to the present case:

"Why, gentlemen, it is true the punishment does not go to his life or his liberty or his property. It does not touch those things. It does not reach the physical man, but, gentlemen, it goes to the destruction of his soul, the very essence of the man . . ." 67 Cong. Rec. 6706 (1926).

[1] See Opinion of the Court in *United States* v. *Nixon*, No. 73–1766, Supreme Court of the United States, July 24, 1974, reprinted in "Criminal Cases," 163–64.

[2] See discussion of Article II, Paragraph (4), below.

of CRP and H. R. Haldeman, the President's chief of staff, broke into the DNC Headquarters at the Watergate for the purpose of effecting electronic surveillance; *and that this part of the President's policy of gathering political intelligence to be used as part of his campaign for re-election.*" (Summary of Information, 29; emphasis added)

We consider this to be a careless and unfair characterization of the weight of the evidence then before the Committee. The quoted paragraph assumes (1) that H. R. Haldeman authorized in advance a political intelligence plan that he knew contemplated the use of illegal electronic surveillance; (2) that he knew that implementation of that plan would or reasonably could involve the commission of unlawful entries; and (3) that, in approving such planned or foreseeable activities, Haldeman was carrying out the President's wishes. The point is made more explicit elsewhere on the same page of the Summary of Information: "It is a fair inference that Haldeman was implementing the President's policy with respect to the tactics he wanted used in his re-election campaign."

This sweeping allegation will not withstand close scrutiny in the light of the available evidence. In support of the statement last quoted above, the only purported citation of direct evidence that the President approved of illegal electronic surveillance and burglary as campaign techniques is as follows:

"The President endorsed the belief that in politics everybody bugs everybody else, and said that he could understand the desire for electronic surveillance, prior to the Democratic Convention." (House Judiciary Committee. "Transcripts of Eight Recorded Presidential Conversations," 4, hereinafter cited as HJCT.)

However, if one examines the material on page 4 of the Committee's publication "Transcripts of Eight Recorded Presidential Conversations," upon which the Special Counsel relies to support his allegation that the President evidenced, after the fact, approval of the kind of activities represented by the Watergate offenses, he quickly observes how very misplaced that reliance was.

The pertinent Presidential remarks were made during the course of a discussion among Dean, Haldeman and the President on September 15, 1972 concerning the apparent finding of a second "bug" in the offices of the Democratic National Committee. The statements by which the President supposedly "endorsed the belief that in politics everybody bugs everybody else" consist of the President's *quoting* Senator Barry Goldwater as saying that "everybody bugs everybody else" and the President himself responding:

"The PRESIDENT. Well, it's true. It happens to be totally true.

"DEAN. [Unintelligible.]

"The PRESIDENT. We were bugged in '68 on the plane and bugged in '62, uh, even running for Governor. God damnedest thing you ever saw." (HJCT, 4)

Thus, the President supported Senator Goldwater's view of the prevalence of "bugging" as a campaign practice by reference to instances in which he felt that *he*, Nixon, had been "bugged" by *his* political opponents. There was no reference to the President ever having approved the electronic surveillance of his own political opponents, nor was there any reference by any participant in the conversation to the commission of unlawful entries by partisans of any political persuasion.

In contrast to the "inference"—which we feel should more accurately be labelled as "suspicion"—that the President's wishes with regard to electronic surveillance were implemented by his close aides and associates, such as Haldeman and Mitchell, we cite our colleagues to the recently released transcripts of the earliest of three conversations between the President and Haldeman on June 23, 1972. However damaging this transcript may have been to the President for other reasons, it nevertheless supplies convincing evidence that the Watergate burglars were not acting in furtherance of any "policy" adopted by Richard Nixon.

Alone with Haldeman in the Oval Office, nearly a year before the existence of the White House taping system was publicly disclosed, the President's motive to speak less than candidly "for the record" would seem logically to have been minimal. The incriminating nature of what he *did* say on that occasion should suffice to prove that point. Yet in his dialogue with Haldeman, the President appears quite clearly to be chagrined and upset with those who "masterminded"—a malapropism?—the break-ins:

"The PRESIDENT. . . . Well what the hell, did Mitchell know about this?

"HALDEMAN. I think so. I don't think he knew the details, but I think he knew.

"The PRESIDENT. He didn't know how it was going to be handled through—with Dahlberg and the Texans and so forth? Well who was the asshole that did? Is it Liddy? Is that the fellow? He must be a little nuts?

"HALDEMAN. He is.

"The PRESIDENT. I mean he just isn't well screwed on is he? Is that the problem?

"HALDEMAN. No, but he was under pressure, apparently, to get more information, and as he got more pressure, he pushed the people harder to move harder—

"The PRESIDENT. Pressure from Mitchell?

"HALDEMAN. Apparently.

"The PRESIDENT. Oh, Mitchell. Mitchell was at the point (unintelligible).

"HALDEMAN. Yeah." (WHT, June 23, 1972, 10:09–11:39 a.m., 6)

Concededly, the Summary of Information was prepared before the release of the transcript from which the foregoing excerpt was taken, and we recognize that the view of the Special Counsel and the majority of the Committee regarding presidential responsibility for the unlawful entries and wiretapping of the Democratic National Committee headquarters may well have been modified as a result of this new evidence.

In all candor, however, we believe that the insubstantiality of the "Presidential policy" thesis was apparent long before President Nixon made his last, fateful disclosure of evidence.

The President's unfamiliarity with the various political intelligence schemes devised by some of his aides and associates was well illustrated, we think, by his response to Ehrlichman on April 14, 1973, after the latter told him in some detail how Mitchell blamed the White House for having originated the "grandfather" of the Watergate break-in plan, "Operation Sandwedge." The President replied simply, "What is Operation Sandwedge?" (WHT 526)

Evidence supporting the very linchpin of the thesis, that Haldeman knew or anticipated that illegal electronic surveillance and burglaries would be committed as part of the intelligence gathering program of the Committee to Re-elect the President, is sparse. The first evidence of Haldeman's knowledge of the general nature of the "Liddy Plan" arises from a conversation which he had with Dean in the spring of 1972, in which Dean told him essentially what Liddy had proposed to Mitchell. On that occasion, Haldeman agreed with Dean that Liddy's elaborate plan for muggings, buggings, prostitutes and the like was not necessary and that Dean should have no part of it. (Book I, 66) On March 21, 1973, Dean described this conversation to the President:

"The PRESIDENT. Who else was present? Besides you—

"DEAN. It was Magruder, Magruder.

"The PRESIDENT. Magruder.

"DEAN. uh, Mitchell, Liddy and myself. I came back right after the meeting and told Bob. I said, 'Bob, we've got a growing disaster on our hands if they're thinking this way,' and I said, 'The White House has got to stay out of this and I, frankly, am not going to be involved in it.' He said, 'I agree John.' And, I thought, at that point, the thing was turned off. That's the last I heard of it, when I thought it was turned off, because it was an absurd proposal.

"The PRESIDENT. Yeah." (HJCT, 83)

The extent of Haldeman's appreciation of the true nature of Liddy's political intelligence gathering program as it later evolved is also uncertain. On March 31, 1972 Gordon Strachan sent Haldeman a "political matters memorandum" relaying Magruder's report that CRP then had a "sophisticated political intelligence gathering system." Strachan illustrated the operation of the system with samples of reports from "Sedan Chair II" which could not fairly put the reader of the memorandum on notice that the commission of criminal offenses was contemplated by the intelligence-gathering operatives.[3] Further, it is not even established that Haldeman read or knew the contents of the entire memorandum when he first received it. Three days after the arrest of the Watergate burglars, when Strachan reminded Haldeman about the March 30th memorandum and showed it to him again, Haldeman acknowledged that he had probably read part of it when it was first given to him but denied that he had ever read the tab concerning "Sedan Chair II." Haldeman then did read the tab and remarked to Strachan, "Maybe I should have been reading these, these are quite interesting." (Book I, 165)

Although Strachan prepared a "talking paper" for Haldeman's meeting with Mitchell on April 4, 1972 which included a reference to the CRP political intelligence plan, Haldeman neither recalls nor denies having discussed the subject with Mitchell on that occasion. Immediately after the meeting for which the "talking paper" was prepared. Haldeman and Mitchell both met with the President. The White House has furnished the Committee with an edited transcript of a tape recording of that conversation, and it reflects no mention of the subject of political intelligence whatsoever.

At several points during their conversation on March 13, 1973 the President and Dean speculated about the extent of Haldeman's advance knowledge of the DNC entries or his knowledge of the wiretapping while it was in progress:

"The PRESIDENT. Ultimately, uh, Haldeman, uh, Haldeman's problem is Chapin, isn't it?

"DEAN. Bob's problem is, is circumstantial.

"The PRESIDENT. What I meant is, looking at the circumstantial. I don't know that [unintelligible]. On top of that, Bob had nothing—didn't know any of those people—like the Hunts, and all that bunch. Colson did. But, uh, Bob, Bob did know Chapin.

"DEAN. That's right.

"The PRESIDENT. Now, what—Now however the hell much Chapin knew I'll be God damned. I don't know.

"DEAN. Well, Chapin didn't know anything about the Watergate, and—

"The PRESIDENT. You don't think so?

"DEAN. No. Absolutely not.

"The PRESIDENT. Did Strachan?

"DEAN. Yes.

"The PRESIDENT. He knew?

"DEAN. Yes.

"The PRESIDENT. About the Watergate?

"DEAN. Yes.

"The PRESIDENT. Well, then, Bob knew. He probably told Bob, then. He may not have. He may not have.

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[3] "Sedan Chair II" was the code name of Michael McMinoway, who operated as an "undercover" political intelligence agent for CRP during the 1972 primary season.

"Dean. He was, he was judicious in what he, in what he relayed, and uh, but Strachan is as tough as nails. I—

"The President. What'll he say? Just go in and say he didn't know?

"Dean. He'll go in and stonewall it and say, 'I don't know anything about what you are talking about.' He has already done it twice, as you know, in interviews.

"The President. Yeah. I guess he should, shouldn't he, in the interests of—Why? I suppose we can't call that justice, can we? We can't call it [unintelligible].

"Dean. Well, it, it—

"The President. The point is, how do you justify that?

"Dean. It's a, it's a personal loyalty with him. He doesn't want it any other way. He didn't have to be told. He didn't have to be asked. It just is something that he found is the way he wanted to handle the situation.

"The President. But he knew? He knew about Watergate? Strachan did?

"Dean. Uh huh.

"The President. I'll be damned. Well, that's the problem in Bob's case, isn't it. It's not Chapin then, but Strachan. 'Cause Strachan worked for him.

"Dean. Uh huh. They would have one hell of a time proving that Strachan had knowledge of it, though." (HJCT, 70–71)

* * * * *

"Dean. . . . I think that Chuck had knowledge that something was going on over there. A lot of people around here had knowledge that something was going on over there. They didn't have any knowledge of the details of the specifics of, of the whole thing.

"The President. You know, that must, must be an indication, though, of the fact that, they had God damn poor pickings. Because naturally anybody, either Chuck or Bob, uh, was always reporting to me about what was going on. If they ever got any information they would certainly have told me that we got some information, but they never had a God damn [laughs] thing to report. What was the matter? Did they never get anything out of the damn thing?

"Dean. No. I don't think they ever got anything.

"The President. It was a dry hole, huh?

"Dean. That's right.

"The President. Jesus Christ.

"Dean. Well, they were just really getting started.

"The President. Yeah. Yeah. But, uh. Bob one time said something about the fact we got some information about this or that or the other, but, I, think it was about the Convention, what they were planning. I said [unintelligible]. So I assume that must have been MacGregor, I mean not MacGregor, but Segretti." (HJCT, 72)

* * * * *

"The President. Who is 'they'? The Press?

"Dean. The press—

"The President. The Democrats?

"Dean.—the Democrats, the intellectuals—

"The President. The Packwoods?

"Dean. Right. Right. 'They' would never buy it, uh, as far as (1) White House involvement in the Watergate which I think there is just none, uh, for that incident that occurred over in the Democratic National Committee Headquarters. People just, here, would—did not know that that was going to be done. I think there are some people who saw the fruits of it, but that's another story. I am talking about the criminal conspiracy to, to go in there. The other thing is that, uh, the Segretti thing. You hang that out, uh, they wouldn't believe that. They wouldn't believe that, that, uh, Chapin acted on his own to put his old friend, friend [unintelligible] Segretti in to be a Dick Tuck on somebody else's campaign. They would, they would have to paint it into something more sinister, something more involved, a part of a general plan." (HJCT, 74–75)

These passages indicate not only that, in Dean's mind, Haldeman's connection with the Wategate offenses was tenuous at most, but even more significantly, that Haldeman had apparently never told the President what he did or did not know prior to June 17, 1972 about Liddy's political espionage program.

On the morning of March 21, 1973, Dean reiterated his belief that Haldeman had no specific advance knowledge of the Watergate break-in:

"The President. Did Colson—had he talked to anybody here?

"Dean. No, I think this was an independent—

"The President. Did he talk to Haldeman?

"Dean. No. I don't think so. Now, but here's the other, the thing where the next thing comes in the chain. I think that Bob was assuming that they had something that was proper over there, some intelligence gathering operation that Liddy was operating. And through Strachan, uh, who was his tickler, uh, he started pushing them.

"The President. [Sighs] Yeah.

"Dean. To get something, to get some information and they took that as a signal—Magruder took that as a signal—to probably go to Mitchell and say, 'They are pushing us like crazy for this from the White House.' And so Mitchell probably puffed on his pipe and said, 'Go ahead,' and never really re—, reflected on what it was all about. So, they had some plan that obviously had, I gather, different targets they were going to go after. They were going to infiltrate, and bug, and do all this sort of thing to a lot of these targets. This is knowledge I have after the fact. [Coughs] And, apparently, they, uh, they, they had, they had after they had initially broken in and bugged the Democratic National Committee, they were getting information. The information was coming over here to Strachan. Some of it was given to Haldeman, uh, there is do doubt about it. Uh—

"The President. Did he know what it was coming from?

"Dean. I don't really know if he would.

"The President. Not necessarily.

"Dean. Not necessarily. That's not necessarily. Uh—

"The President. Strachan knew what it was from.

"Dean. Strachan knew what it was from. No doubt about it, and whether Strachan—I had never come to press these people on these points because it,

"The President. Yeah.

"Dean. It hurts them to, to give up that next inch, so I had to piece things together. All right, so Strachan was aware of receiving information, reporting to Bob. At one point Bob even gave instructions to change their capabilities from Muskie to McGovern, and had passed this back through Strachan to Magruder and, apparently, to Liddy. And Liddy was starting to make arrangements to go in and bug the, uh, uh, McGovern operation. They had done prelim—

"The President. They had never bugged Muskie, though, did they?

"Dean. No, they hadn't but they had a, they had, uh, they'd

"The President. [Unintelligible]

"Dean. . . . infiltrated by a, a, they had

"The President. A secretary.

"Dean. . . . a secretary and a chauffeur. Nothing illegal about that." (HJCT, 84–85)

* * * * *

"Dean. . . . and Liddy was charged with doing this. We had no knowledge that he was going to bug the DNC. Uh—

"The President. Well, the point is, that's not true.

"Dean. That's right.

"The President. Magruder did know that—

"Dean. Magruder specifically instructed him to go back in the DNC.

"The President. He did?

"Dean. Yes.

"The President. You know that? Yeah, I see. Okay.

"Dean. Uh, I honestly believe that no one over here knew that. I know, uh, as God is my maker. I had no knowledge that they were going to do this.

"The President. Bob didn't either [unintelligible]

"Dean. Uh. But—

"The President. They know you're not the issue. Bob, Bob, now—he wouldn't know.

"Dean. Bob—I don't believe specifically knew they were going in there.

"The President. I don't think so.

"Dean. I don't think he did. I think he knew there was a capacity to do this but he wouldn't, wasn't giving it specific direction.

"The President. Strachan, did he know?

"Dean. I think Strachan did know." (HJCT, 87–88)

Involvement of President in Cover-up

We will not belabor the abundant evidence tending to establish the *existence* of a conspiracy to obstruct and impede the official investigation of the Watergate break-in. We do question, however, any suggestion that the evidence shows Presidential knowledge and involvement from the very beginning. That beginning, as John Dean has testified, occurred literally within hours after the arrest of the burglars inside the Democratic National Committee headquarters:

"Mr. St. Clair. . . . Now, sir, I would like to go way back to the break-in at the DNC, if I may. You were actually in Hawaii, as I understand it?

"Mr. Dean. No sir, I was in Manila.

"Mr. St. Clair. In Manila. When you returned to the United States, I think you have testified that you became involved in the coverup almost from the very beginning, or words to that effect?

"Mr. Dean. That is correct.

"Mr. St. Clair. I think at one point, you said it just sort of happened, it grew like Topsy, or words to that effect?

"Mr. Dean. It made me wish I had stayed in Manila.

"Mr. St. Clair. I am sure in retrospect, that is so. But is it true that you testified that this was not any set policy of any kind, it just sort of grew, and you just sort of fell into it, or words to that effect?

"Mr. Dean. That is correct.

"Mr. St. Clair. All right. And that state of affairs commenced almost immediately upon your return to the United States?

"Mr. Dean. Correct." (Dean testimony, 2 HJC 282)

In his earlier testimony before the Senate Select Committee on Presidential Campaign Activities, Dean had described the inception of the cover-up in similar terms:

"Senator Montoya. When was the first real meeting to organize the coverup and who was present at that first meeting?

"Mr. Dean. I think that the coverup is somewhat similar to the planning of this whole thing that just sort of happened. I know that when I came back from out of the country there had already been significant events which had occurred. The coverup was already—it had begun and was, in fact, in place and was going." (Dean testimony, 3 SSC 1091)

* * * * *

"Mr. Dean. . . . When I came back to the office on the 18th and talked to Mr. Strachan, I realized that the coverup was already in effect, in being, and I realized that when Mr. Strachan told me of the documents that he had destroyed and Mr. Haldeman's instruction, that there certainly wasn't going to be a revelation of the White House involvement in the matter, I didn't at that point in time know the potentials of the White House involvement.

* * * * *

"Senator Gurney. Who set the policy on the coverup?

"Mr. Dean. I would say the policy was just—I do not think it was a policy set. There was just no alternative at that point in time.

"Senator Gurney. It sort of grew like Topsy, and you were a part of it, is that not right?

"Mr. Dean. That is correct.

"Senator Gurney. Now, since this thing started out with such a flurry and a spate of phone calls and meetings between everybody, did you advise the President of what was going on?

"Mr. Dean. Senator, the first time I ever talked to the President was on September 15." (Dean testimony, 4 SSC 1357)

Pointers in the Wrong Direction

Without in any way suggesting that the President himself was not fully and genuinely responsible for his decision to join the cover-up conspiracy no later than June 23, 1972, we must point out, admittedly only in slight mitigation, that when the President desperately needed sound advice from good men, he was surrounded by aides and advisers who were themselves inclined by the circumstances to give him the worst possible advice. Haldeman, Ehrlichman, Mitchell, Colson and Dean each had selfish, personal reasons for wanting the full story of Watergate concealed from official investigators, the general public, indeed, in varying degrees, from the President himself. In addition, they shared a misguided desire to shield the President, as much as possible, from the need to assume personal responsibility for such a sorry episode in the middle of his re-election drive.

Haldeman: Whatever Haldeman did or did not know about the precise nature of the Liddy Plan as it finally evolved (see discussion above), it was his job to oversee, through Gordon Strachan, on behalf of the White House the operations of the Committee for the Re-election of the President. At the very least, Haldeman had obviously failed to take adequate steps to control Liddy and his bizarre surveillance schemes, and this failure had made possible an incident of great potential embarrassment to the President, namely, the Watergate fiasco.

The majority relies heavily upon the testimony before the Committee of Alexander P. Butterfield, former Deputy Assistant to the President and aide to Haldeman, to lend credence to the proposition that anything Haldeman knew, the President knew. That very concept is, on its face, inconsistent with Haldeman's role as Chief of Staff, necessarily the filterer and organizer of the flow of information to the President. A more accurate description of the matter, it seems to us, would be "anything Haldeman thought the President ought to know, the President knew."

Moreover, the majority ignores testimony by former Special Counsel to the President Charles W. Colson which is more plausible and more clearly probative of the likelihood that Haldeman would have told the President all he knew about the Watergate break-in:

"Mr. Hogan. There has been some testimony before the committee about what got to the President through Haldeman. On the basis of your knowledge of White House operations, if Mr. Haldeman had made a mistake or fouled up on some activity, would he likely admit that and bring that to the President's attention, or would he likely try to isolate the President from that?

"Mr. Colson. Well, it's the kind of speculation that I really don't like to engage in. But, there were some other instances, and *I think Bob was very reluctant to admit he made a mistake to anyone. He's by nature the kind of guy who doesn't like to acknowledge any errors, and I think he would be unlikely to do so.*

"Mr. Hogan. Could you tell the committee what some of those, those instances were?

"Mr. Colson. Oh, I can remember some mistakes in scheduling and Bob said, don't, you know, this wasn't a mistake. We did it and don't go into this with the President. There were some things that I from time to time, that I knew he had made mistakes with. He asked me not to talk about it. Bob just didn't like to admit that kind of a thing. I don't think anybody does.

"Mr. Hogan. Well, is it conceivable then that he and other White House staff people might have been engaged in certain activities following the Watergate break-in that the President had no knowledge of?

"Mr. Colson. Well, let me give you an illustration that I gave to the staff, Mr. Hogan.

"We had a thing in the campaign called Chapman report, which was a very useless document. It would come 3 days after you had read the same stuff in the newspapers, and Murray Chotiner's galfriend who was a reporter was sending this back from the campaign. I asked Mr. Haldeman if I could receive copies of that and he said yes, but under one strict instruction. And I said what's that. And he said, you don't tell the President where the information comes from if you ever discuss it with him, and I said that this is silly, this stuff is not that hot to begin with, and he said, that's the condition, if you discuss the Chapman report with the President, you don't identify it as the Chapman report or identify from where it came from." (Colson testimony, 3 HJC 478; emphasis added)

In any event, from the dialogue between Haldeman and the President on the morning of June 23, 1972, quoted above, regarding the extent of John Mitchell's role in authorizing the Watergate folly, it is obvious that either (1) Haldeman did not actually know a great deal about the involvement of senior CRP officials in the instigation of the DNC break-ins and wiretapping, or else (2) he did not impart to the President on that occasion the full benefit of his knowledge on the subject.

Ehrlichman: On the day of the second Watergate entry, John Ehrlichman was the senior White House staff member in Washington, since Haldeman was in Key Biscayne with the President. That afternoon, Ehrlichman was informed by Secret Service Agent Boggs that the White House telephone number of Howard Hunt had been found among the effects of the Watergate burglars. (Book II, 118) Through Haldeman, the President placed Ehrlichman in charge of learning what had happened at the Watergate, and on June 19th, Ehrlichman turned the matter over to John Dean to look into the question of possible White House involvement. ("Presidential Statements," 8/22/73, 46: Book II, 150) That afternoon, Dean told Ehrlichman that Liddy had personally confirmed to Dean an earlier report by Magruder that the break-in had been a CRP operation which Liddy directed. (Book II, 144–45)

During 1971, Ehrlichman himself had been overall supervisor of the White House Special Investigations Unit—the "Plumbers"—of which both Hunt and Liddy were members. Ehrlichman had never told the President about the "Plumbers" September, 1971 burglary of the office of Dr. Lewis Fielding, Daniel Ellsberg's psychiatrist. (In fact, Ehrlichman never did tell the President about that; John Dean did, on March 17, 1973.) (WHT, 157–58) Thus, Ehrlichman would have been motivated to discourage official investigation of Hunt's and Liddy's previous activities, not only to preserve the secrecy of legitimate "Plumbers" national security investigations, but also to prevent the revelation of his and other White House staff members' roles in an enterprise of such questionable legality as the Fielding break-in, of which the President remained totally unaware for nine more months.

We readily acknowledge that one statement by the President on the morning of June 23, 1972 gives rise to the possibility—at the most it is no more than a suspicion—that the President may on that date have been aware of the Fielding break-in. The President remarked to Haldeman:

"The President. Of course, this Hunt, that will uncover a lot of things. You open that scab there's a hell of a lot of things and we just feel that it would be very detrimental to have this thing go any further. This involves these Cubans, Hunt, and a lot of hanky-panky that we have nothing to do with ourselves. . . ." (WHT, June 23, 1972, 10:09–11:39 a.m., 6)

It is more likely, however, that the President is simply "rehearsing" with Haldeman what kind of remark might be dropped with C.I.A. Director Helms or Deputy Director Walters to alert them to the potential for embarrassment to the Agency if Hunt's comings and goings were too closely scrutinized by the F.B.I. Even if the President was addressing a specific concern of his to Haldeman, the reference is obviously too vague and general to permit an inference that it was the Fielding break-in, rather than some other covert activity of Hunt as a member of the Special Investigations Unit, about which the President was concerned.

Mitchell: The weight of the evidence is that John Mitchell had indeed authorized Liddy to undertake some form of intelligence-gathering operation for CRP of which the Watergate break-ins and bugging were the disastrous upshot. Even if he did not, Mitchell acknowledges that after the break-in he learned of both Magruder's involvement as overseer of the Liddy operation and of certain so-called "White House horrors," but he did not tell the President about these things for fear that—

> "he would lower the boom on all of this matter and it would come back to hurt him and it would affect him in his re-election." (Mitchell testimony, 4 SSC 1666)

Upon learning of the arrest of the burglars in the Watergate office building, the thought of his own possible criminal liability as an accessory before the fact or co-conspirator to the Watergate offenses must have crossed Mitchell's mind; it could reasonably have influenced his actions as well. In any event, the President did not learn the truth about Watergate from his former Attorney General and political confidant who, among his other motives for concealment, may genuinely not have wished to put the President in a position of *having* to take some action by telling him how the Watergate crimes were instigated.

It is clear from all the transcripts of tape recorded presidential conversations available to the Committee that even by March of 1973, Mitchell had not acknowledged to the President his role in approving the "Liddy Plan." Specifically, the President's question to Haldeman in their morning conversation on June 23, 1972—"Well what the hell, did Mitchell know about this?"—should establish beyond doubt that Mitchell did not, during his telephone conversation with the President on the evening of June 20, 1972 (which was not recorded because the President placed the call from a residence telephone not connected to the recording system) tell the President that the Watergate burglars were carrying out an "official" CRP assignment.

Colson: Like Ehrlichman, Colson had reason to be concerned about where an exhaustive investigation of Hunt and Liddy might lead. Colson had recommended Hunt's hiring as a White House consultant the previous summer and had raised the money to pay for Hunt's and Liddy's 1971 Labor Day weekend excursion to California during which the Fielding break-in was committed. (Book VII, Part 3, 1248–49)

Moreover, in February of 1972, in response to a complaint from Hunt and Liddy, Colson called Magruder and, without specifically mentioning anything relating to wiretapping or espionage, urged him to "get off the stick and get the budget approved for Mr. Liddy's plans." (Book I, 105, 110–14) In the aftermath of the DNC arrests, Colson may well have worried about how his February call to Magruder might *appear* to the President, as well as to investigators, in view of his relationship with Hunt. Dean and the President considered the very point on March 21, 1973:

"Dean. . . . They came up with, apparently, another plan, uh, but they couldn't get it approved by anybody over there. So Liddy and Hunt apparently came to see Chuck Colson and Chuck Colson picked up the telephone and called Magruder and said, 'You all either fish or cut bait. Uh, this is absurd to have these guys over there and not using them, and if you're not going to use them, I may use them.' Things of this nature.

"The President. When was this?

"Dean. This was apparently in February of '72.

"The President. That could be—Colson know what they were talking about?

"Dean. I can only assume, because of his close relationship with

"The President. Hunt.

"Dean. Hunt, he had a damn good idea of what they were talking about, a damn good idea. He would probably deny it, deny it today and probably get away with denying it. But I, uh, I still—

"The President. Unless Hunt—

"Dean. Unless Hunt, uh, blows on him—

"The President. But then Hunt isn't enough. It takes two doesn't it?

"Dean. Probably. Probably. But Liddy was there also and if, if Liddy were to blow—

"The President. Then you've got a problem—I was saying as to the criminal liability in the

"Dean. Yeah.

"The President. White House. Okay.

"Dean. I will go back over that, and tell

"The President. Was that Colson?

"Dean. You where I think the, the soft spots are.

"The President. Colson—that, that, that Colson, uh, you think was the, uh, was the person who

"Dean. I think he.

"The President. pushed?

"Dean. I think he helped to get the push. get the thing off the dime. Now something else occurred, though—" (HPCT, 84)

* * * * *

"The President. The absurdity of the whole damned thing.

"Dean. But it—

"The President. bugging and so on. Well, let me say I am keenly aware of the fact that, uh. Colson, et al., and so forth, were doing their best to get information and so forth and so on. But they all knew very well they were supposed to comply with the law.

"Dean. That's right.

"The President. No question.

"Dean. Uh—

"The President. [Unintelligible] you think—you feel that really the man, the trigger man was Colson on this then?

"Dean. Well, no, he was one of s—, he was just in the chain. He was, he helped push the thing.

"The President. Called [unintelligible] and said, 'We've got a, we're got a good plan.' I don't know what the Christ he would be doing. Oh, I'll bet you. I know why. That was at the time of ITT. He was trying to get something going there because ITT, they were bugging us. I mean they were

"Dean. Right.

"The President. giving us hell.

"Dean. Well, I know, I know he used, uh,

"The President. Hunt to go out there?

"Dean. Hunt." (HJCT, 100)

Colson had better reason than most to know how the President would react to news that one of his own White House aides had played a part in spurring Liddy on. On Sunday, June 18th, the day after the Watergate arrests, the President had displayed his anger over the publicized involvement of McCord, the CRP security consultant:

"Mr. Jenner. All right. You had two conversations with him on that day?

"Mr. Colson. Yes, sir.

"Mr. Jenner. Were they in person or by telephone?

"Mr. Colson. The President was calling me from Key Biscayne both times.

"Mr. Jenner. Now, tell us to the best of your recollection that conversation, and any benchmark you might have to refresh your recollection.

"Mr. Colson. Well, I had no recollection of those two calls at all, but a former assistant of mine—

"Mr. Jenner. Please name him.

"Mr. Colson. Mr. Desmond Barker said that he came into my office on that Monday or Tuesday following the DNC break-in and that we were talking about it and I was describing to Mr. Barker, no relation to the Barker who was involved in the break-in. I was describing to Mr. Barker how incensed I was and how stupid I thought the whole thing was. And he asked me what the President's reaction was and I told him that the President had called me a couple of times on Sunday and he was so furious that he had thrown an ashtray across the room at Key Biscayne and thought it was the dumbest thing he had ever heard of and was just outraged over the fact that anybody even remotely connected with the campaign organization would have anything to do, anything to do with something like Watergate. At that point we knew, of course, from the newspaper accounts that Mr. McCord, whom I had never heard of before that day, nor had the President, we knew that Mr. McCord was one of those that had been caught at the Watergate and was a consultant or on the payroll in some way of the Republican National Committee and the Committee for the Re-Election.

"Mr. Jenner. You used the expression 'we knew.' Are you referring to knowing as of, knowing that fact or those facts respecting Mr. McCord as of June 18, 1972?

"Mr. Colson. I remember, I think I remember it being on the front page of the newspapers on Sunday morning." (Colson testimony, 3 HJC 259)

Dean: Dean had been instrumental in getting Gordon Liddy hired as General Counsel of the Committee to Re-Elect the President at a higher salary than he had been receiving as a member of the White House Domestic Counsel staff, contrary to an established CRP policy against such raises. (Book I, 50) Moreover, Dean had been involved in discussions pertaining to the abortive "Sandwedge" political intelligence plan during the latter half of 1971 (Book I, 44), had undertaken some relatively tame political intelligence himself at the request of Haldeman (Dean testimony, 2 HJC 221, 347–48), and had participated in meetings in Attorney General Mitchell's office on January 27 and February 4, 1972 at which Liddy had presented his proposals for an elaborate political intelligence operation—a fact known to Haldeman as well as to the other participants in the meetings. (Book I, 59–60) Mitchell, indeed, looked to Dean for assistance in developing a political intelligence capability after "Sandwedge" was scrapped. (Book I, 34)

Obviously, from Dean's standpoint, the less said to anyone who did not already know about his relationship with Liddy and his knowledge of the pre-Liddy and early Liddy political espionage plans, the better.

In any event, it is undisputed that Dean did not personally disclose to the President any information he had or suspicions he may have harbored concerning the involvement of White House or top CRP officials in the advance planning of the Watergate crimes until some time in March 1973.

Just how much Dean had to fear from complete disclosure of the facts surrounding the Watergate offenses remains to this day unclear. Honoring a claim of attorney-client privilege, the Committee chose not to explore the tantalizing remark made by William O. Bittman, former attorney for Howard Hunt, during his testimony before the Committee:

"Mr. Cohen. Now, as I recall your testimony earlier this morning, you had a conversation with Mr. Colson during which time you were discussing Mr. Hunt's safe or the safe of the U.S. Government in the Executive Office Building, and Colson told you to talk to Mr. Dean, as I recall, and correct me if I am wrong, and you said that you didn't want to talk to Dean because he was involved?

"Mr. Bittman. Yes, sir.

"Mr. Cohen. Now, when was that conversation that you had with Mr. Colson?

"Mr. Bittman. January 3, 1973.

"Mr. Cohen. What do you mean, Mr. Dean was involved in what?

"Mr. Bittman. In the initial Watergate planning and break-in.

"Mr. Cohen. And you knew this, I take it, as a result of your conversation with your client?

"Mr. Bittman. Well, based on the hearsay information of my client, Mr. Hunt never had any personal knowledge of anything. It is all hearsay." (Bittman testimony, 2 HJC 89–90)

Whether Hunt had reference only to Dean's presence at the two meetings in Mitchell's office when the Liddy plans was discussed, we may never know.

The President Enters the Conspiracy

Given the varied motives of these principal actors to suppress the facts in their own interests, as well as in what they jointly, but mistakenly, perceived to be the best interests of the President, it is wholly plausible that the cover-up conspiracy arose immediately and spontaneously as word of the arrest of McCord *et al.* spread, just as Dean suggested (see above). Since there is no logical need to hypothesize an all-knowing, all-powerful President at the center of the conspiracy from its beginning, organizing and directing the cover-up activities of each of his aides and subordinates (at least in general outline), in order adequately to explain the events that transpired in the first several days following the discovery of the burglars, we consider it our Constitutional mandate not to do so unless and until specific evidence convinces us that it is *at least* more probable than not that the President had become involved.

The edited transcripts of three conversations between the President and H. R. Haldeman on June 23, 1972 which were submitted to the Committee on August 5, 1974 provide, in our view, the first direct and persuasive evidence of Presidential knowledge and intent to participate in an ongoing conspiracy to obstruct justice in 1972.

In the morning conversation, after telling the President that the FBI had been able to trace the source of cash in the possession of Bernard Barker, one of the arrested burglars, Haldeman recommended as a solution:

"Haldeman. . . . Mitchell came up with yesterday, and John Dean analyzed very carefully last night and concludes, concurs now with Mitchell's recommendation that the only way to solve this, and we're set up beautifully to do it. . . .

* * * * *

"That the way to handle this now is for us to have [CIA Deputy Director L. Vernon] Walters call Pat Gray and just say, 'Stay to hell out of this—this ah, business here we don't want you to go any further on it.' That's not an unusual development, and ah, that would take care of it." ("Submission of Recorded Presidential Conversations to the Committee on the Judiciary of the House of Representatives by President Richard Nixon, August 5, 1974," hereinafter cited as WHT) (WHT, June 23, 1972, 10:09–11:39 a.m., 3)

The President inquired as to the source of the funds and was told that Minnesota industrialist Kenneth Dahlberg's $25,000 contribution check had gone directly to Barker. Then the following dialogue ensued:

"The President. It isn't from the Committee though, from Stans?

"Haldeman. Yeah. It is. It's directly traceable and there's some more through some Texas people that went to the Mexican bank which can also be traced to the Mexican bank—they'll get their names today.

"Haldeman.—And (pause)

"The President. Well, I mean, there's no way—I'm just thinking if they don't cooperate, what do they say? That they were approached by the Cubans. That's what Dahlberg has to say, the Texans too, that they—

"Haldeman. Well, if they will. But then we're relying on more and more people all the time. That's the problem and they'll stop if we could take this other route.

"The President. All right.

"Haldeman. And you seem to think the thing to do is get them to stop?

"The President. Right, fine.

"Haldeman. They say the only way to do that is from White House instructions. And it's got to be to Helms and to—ah, what's his name . . . ? Walters.

"The President. Walters.

"Haldeman. And the proposal would be that Ehrlichman and I call them in, and say, ah—

"The President. All right, fine. How do you call him in—I mean you just—well, we protected Helms from one hell of a lot of things.

"Haldeman. That's what Ehrlichman says." (*Id.*, 4–5)

While there are references to the belief of FBI agents investigating the break-in that the affair was a CIA operation, nowhere in the transcript does there appear any indication that either Haldeman or the President believed or suspected that the Democratic National Committee headquarters entry was in fact a CIA operation.

The President was clearly put on notice during the conversation that the break-in was both sponsored and financed by the Committee to Re-elect the President:

"The President. . . . Well what the hell, did Mitchell know about this?

"Haldeman. I think so. I don't think he knew the details, but I think he knew.

"The President. He didn't know how it was going to be handled though—with Dahlberg and the Texans and so forth? Well who was the asshole that did? Is it Liddy? Is that the fellow? He must be a little nuts!

"Haldeman. He is.

"The President. I mean he just isn't well screwed on is he? Is that the problem?

"Haldeman. No, but he was under pressure, apparently, to get more information, and as he got more pressure, he pushed the people harder to move harder—

"The President. Pressure from Mitchell?

"Haldeman. Apparently.

"The President. Oh, Mitchell. Mitchell was at the point (unintelligible).

"Haldeman. Yeah.

"The President. All right, fine. I understand it all. We won't second-guess Mitchell and the rest. Thank God it wasn't Colson." (*Id.*, 6–7)

The manner in which Haldeman broached the subject suggests that he and the President had discussed at least some aspect of the Watergate investigation previously:

"Haldeman. Now, on the investigation, you know the Democratic break-in thing, *we're back in the problem area* because the FBI is not under control, because Gray doesn't exactly know how to control it and they have—their investigation is now leading into some productive areas—because they've been able to trace the money—not through the money itself—but through the bank sources—the banker. And, it goes in some directions we don't want it to go." (*Id.* 2–3; emphasis added)

Even though the burglars had been in custody since their arrest six days earlier, Haldeman told the President that certain "things" had begun "filtering in" to the FBI:

"Haldeman. Ah, also there have been some things—like an informant came in off the street to the FBI in Miami who was a photographer or has a friend who is a photographer who developed some films through this guy Barker and the films had pictures of Democratic National Committee letterhead documents and things." (*Id.*, 3)

And the President himself, in the material quoted above, asked whether Liddy had been responsible for the arrangements. According to the evidence available to the Committee, Liddy's participation in the break-in had not been learned by the FBI on June 23rd, meaning that someone on the White House staff or in CRP who was knowledgeable as to the facts must have discussed the matter with the President prior to this conversation with Haldeman. Likewise, Haldeman's remark about the photographer/informant in Miami appears to presume knowledge on the part of the President that CRP agents had some opportunity to photograph DNC documents prior to the night of the arrests—a fact not known publicly or to official investigators until a few days later when Alfred Baldwin became an FBI informant.

Interpreting Events in Light of the June 23, 1972 Transcripts

We do not consider it nit-picking to suggest that, even with the benefit of the additional evidence produced by the President on August 5, 1974, some of the specific allegations made against him in the majority report are not well founded. It is still important—perhaps even more important, now that Mr. Nixon is not able to mount a formal defense to the Committee's accusations in an appropriate forum—for us to caution against the indiscriminate adoption of each and every adverse interpretation that could be placed upon specific presidential actions and statements, merely because the President has been shown to be culpable *to some extent* at an early stage of the cover-up.

False or Misleading Public Statements: Paragraph (8) of Article I, for example, charges President Nixon with "making false or misleading public statements" in order to deceive the public as to the adequacy of his investigation into allegations of misconduct on the part of White House and CRP personnel. While the paragraph itself does not specify which presidential statements material to the subject matter of the Committee's inquiry were false, or which of them were misleading, the Introduction to the discussion of evidence relating to proposed Article I found above in this Committee report does contain a list of sixteen public utterances and three comments made by the President in published writings, which, by virtue of their enumeration there, are allegedly false or misleading and part of a "pattern of concealment, deception and cover-up."

We are satisfied that most of these statements were actually false or misleading when made. In some cases, however, it remains to be seen whether the President knew of their false or misleading character when he made them.

June 22, 1972: The first example given is the President's statement in a news conference on June 22, 1972 that his Press Secretary, Ronald Ziegler, had spoken "accurately" when he had said of the Watergate break-in, "the White House has had no involvement whatever in this particular incident." There is, however, no evidence that prior to his making that statement facts had come to his attention, from any source, giving him reason to believe that the statement was untrue. We now know that on the following morning, June 23, 1972, the President appeared already to have received some information regarding Hunt and Liddy's role in the Watergate offense, but we are left only to speculate whether he received that information before or after his June 22 news conference, and whether he was given any reason to believe that the involvement of either Hunt or Liddy amounted to "White House involvement."

It should be noted that nothing in the White House edited transcripts of that conversation between Haldeman and the President on the morning of June 23, 1972 suggests that the President was told at that time, or was conscious of having been previously told, that anyone at the White House had been involved in the Watergate matter.

In the Conclusion of the Committee report's discussion of proposed Article I, the same presidential statement of June 22, 1972, appears to be listed as the third in a pattern of thirty "undisputed acts" in which the President was involved after the break-in which the majority asserts cannot be "rationally explained" except in terms of the President's guilt as charged in Article I. Curiously, at that point in the report it is alleged that the President publicly denied on June 22, 1972 that members of the Committee for the Re-election of the President were involved in the Watergate break-in. We have been unable to find any evidence in the record showing clearly that the President's denial of involvement was intended by him to extend beyond members of the White House staff.

While the President appeared to adopt, by general reference, the denials of either White House or official CRP involvement made earlier in the week by both Mitchell and Ziegler, the President's specific reference was more narrow:

". . . And, as Mr. Ziegler has stated, the White House has no involvement whatever in this particular incident." ("Presidential Statements," 6/22/72, 2)

In view of McCord's arrest inside the Watergate office building, surely any presidential statement asserting the non-involvement of CRP personnel would have to have been as carefully qualified as were the press releases made by Mitchell on June 18 and 20, 1972. (LaRue testimony, 1 HJC 212; Book II, 29)

August 29, 1972: The second false or misleading public statement listed in the Introduction to the Committee report on Article I is one about which there has been controversy since the Senate Select Committee conducted its public hearings into the Watergate affair in 1973, namely, the President's statement in his news conference of August 29, 1972 that—

". . . within our own staff, under my direction, Counsel to the President, Mr. Dean, has conducted a complete investigation of all leads which might involve any present member of the White House staff or anybody in the Government, I can say categorically that his investigation indicates that no one in the White House Staff, no one in this Administration, presently employed, was involved in this very bizarre incident." ("Presidential Statements," 8/29/72, 3)

The quoted statement refers, of course, to the so-called "Dean investigation" during the summer of 1972, which Dean himself has denied ever having conducted.

Soon after the arrest of the Watergate burglars, the President instructed Ehrlichman to investigate possible White House involvement in the incident. ("Presidential Statements." 8/2/73, 46) On June 19, 1972 Ehrlichman delegated this responsibility to Dean, who was Counsel to the President. (Book II, 114–46, 152) Colson testified that in August, 1972 Dean "was handling the Watergate matter and handling the investigation and acting as Counsel for all of us. . . ." (Colson testimony, 3 HJC 275) On June 21, 1972, Ehrlichman told Acting FBI Director Pat Gray that Dean would be handling an inquiry into Watergate for the White House. (Book II, 314) On the same day, Dean informed Gray that he would sit in on any F.B.I. interviews of White House staff personnel, and that he would do so in his official capacity as counsel to the President. (Book II, 314)

According to Attorney General Richard Kleindienst, Dean unsuccessfully requested permission from him to receive raw F.B.I. investigative reports, representing to Kleindienst and Assistant Attorney General Henry Petersen that he was dealing strictly with the President. (Kleindienst testimony, 9 SSC 3564, 3575–76) To induce Gray to permit him access to the raw F.B.I. files, Dean on at least two occasions assured Gray that he was reporting directly to the President on the Watergate matter. (Gray testimony, 9 SEC 3450–51, 3482)

Despite these representations to Kleindienst, Petersen and Gray, Dean in fact never saw the President during June or July of 1972, and he met with him only once, briefly and in a group, that August. (Book III, 598)

On the morning of April 16, 1973, Dean and the President met and discussed, among other things, the applicability of the attorney-client privilege to various activities of Dean on behalf of the President. In that connection, the subject of the 1972 "Dean investigation" came up:

"The President. Let me say, on this point, I would, uh, would not waive. You could say, 'I reported to the President.' Uh, that 'The President called me in.' I mean, 'The President has authorized me to say—He called me in, and, uh, and, uh, asked me—'

"Dean. Uh huh.

"The President. Uh, make that, that before, that when the event first occurred, you conducted an investigation and passed to the President the message: 'No White House personnel, according to your investigation, was involved.' You did do that, didn't you?

"Dean. I did that through Ehrlichman and Haldeman.

"The President. That's it. You did do that.

"Dean. If I'm under oath, now, I'm, I'm going to have to say I did that through Ehrlichman and Haldeman.

"The President. No. But I know you did that. I didn't see you.

"Dean. That's right." (HJCT 195)

The fact that Dean did not meet personally with the President to discuss the progress of his "investigation" casts no more doubt on whether, from the President's standpoint, he was actually conducting an investigation under the President's direction, than does the same absence of private, personal contact call into question whether during that period Dean was really serving as "Counsel to the President."

The sixth item on the list of thirty presidential acts set out in the Conclusion of the Committee report on proposed Article I is described as: "The President's public statement on August 29, 1972, *a statement later shown to be untrue*, that an investigation by John Dean 'indicates that no one in the White House staff, no one in the Administration, presently employed, was involved in this very bizarre incident.'" (Emphasis added.)

It is not clear precisely what the majority there alleges to have been untrue: the assertion that Dean had conducted an investigation? the implication that any such investigation was legitimate? the assertion that the investigation indicated that no one then employed at the White House or elsewhere in the Administration had been involved in the Watergate incident? or the fact that no one then employed at the White House or elsewhere in the Administration had actually been involved in the Watergate incident?

As late as April 16, 1973 Dean assured the President that no one at the White House had been involved in the original Watergate offenses:

"Dean. It's unfortunate that I, you know, I'm hoping that the ultimate resolution of this thing is that no one has any problems. And that's possible.

"The President. Legally.

"Dean. Legally.

"The President. That's right. Which I hope is your case, too. In other words, when I say no one, nobody at the White House staff—not you, not Colson, not Ehrlichman, not Haldeman, because God damn it—Let me, let me, let me summarize this specific point again, because I need to, uh, you know, they, we know there was no—on the Dean report. Ziegler has always said it was oral.

"Dean. That's right.

"The President. Right. But you remember when you came in, I asked you the specific question: 'Is anybody on the White House staff involved?' You told me 'No.'

"Dean. That's right. And I have no knowledge——

"The President. You still believe that?

"Dean. Yes sir, I do." (HJCT 192)

In view of the above dialogue, Dean's professed uncertainty in March, 1973 about Haldeman's knowledge of the Watergate operation prior to the arrests, and the tenor of the Nixon-Haldeman conversation on the morning of June 23, 1972, it should come as no surprise if Dean's investigation in the summer of 1972 had actually revealed no White House involvement in the DNC entries and wiretapping, in the sense apparently meant by both Dean and the President in their discussion on April 16, 1973, just quoted above. There would be no reason, of course, why Dean could not convey such a conclusion to the President "through channels" in August, 1972, just as there is no reason why the "channels" themselves could not exaggerate to the President the good faith and vigor with which the "Dean investigation" had been pursued, particularly if any of the "channels" had a motive to minimize the extent of Dean's own awareness, before or during the fact, of Liddy's Watergate operation.

If the President had no reason to doubt the truth of his August 29, 1972 statement *when he made it*, no subsequent revelations could vitiate its essential truthfulness for purposes of our inquiry.

Obviously, the statement at issue was still defective, but because it was misleading, not because the evidence demonstrates that it was false. Several weeks earlier, the President had been put squarely on notice by Haldeman that the highest officials in his re-election committee were probably behind the Watergate break-ins. It is *that* which the President chose not to acknowledge publicly in a press conference that took place two-and-one-half months before the 1972 Presidential election. His statement was probably substantially true, as far as it went, but it carefully avoided going far enough either to be untrue or to damage the President in the heat of his re-election campaign.

President Nixon's seeming obsession with the narrow question whether any of his White House aides had in some fashion been involved in the planning or execution of the actual entries and wiretapping of the Democratic National Committee headquarters, as contrasted with their obvious involvement in the cover-up of the CRP connection with the crimes, is paradoxical. It is both an aggravating and a mitigating factor, when considered for different purposes.

On the one hand, the President's "tunnel vision" on this question, if genuine, tends to negate the existence of a *mens rea* with respect to "covering up the cover-up." It may help explain the President's apparent slowness to appreciate the import of what Dean told him on the morning of March 21, 1973, about the details of the cover-up:

"Dean. . . . Uh, but some people are going to have to go to jail. That's the long and short of it, also.

"The President. Who? Let's talk about that.

"Dean. All right. Uh, I think I could, for one.

"The President. You go to jail?

"Dean. That's right.

"The President. Oh, hell no. I can't see how you can. But I—no.

"Dean. Well, because—

"The President. I can't see how, that—Let me say I can't see how a legal case could be made against you, J—, uh, John.

"Dean. It'd be, it'd be tough but, you know, uh,

"The President. Well.

"Dean. I can see people pointing fingers, you know, to get it out of their own, put me in the impossible position, disproving too many negatives.

"The President. Oh, no. Uh let me say I—not because you're here—But just looking at it from a cold legal standpoint: you are a lawyer, you were a counsel—you were doing what you were doing as a counsel, and you were not, uh,

"Dean. [Clears throat.]

"The President. doing anything like that. You mean—What would you go to jail on [unintelligible]?

"Dean. The obstruc—, the obstruction of justice.

"The President. The obstruction of justice?

"Dean. That's the only one that bothers me.

"The President. Well, I don't know. I think that one, I think that, I feel, could be cut off at the pass. Maybe the obstruction of justice—HJCT 102–103)

Even if the President failed to appreciate the gravity of the situation from the standpoint of individual criminal liabilities because, in part, he was looking at the crux of the matter in the wrong focus, we would concede that this, in itself, would suggest a certain insensitivity to the demands of his high office for the exposure, rather than the concealment, of serious misconduct on the part of his subordinates and close political associates acting to further his personal political interests.

Clemency

Paragraph (9) of proposed Article I alleges that the President sought to induce criminal defendants and convicts to remain silent about their knowledge of the criminal involvement of others, in exchange for the expectation of some favorable treatment or consideration which presumably the President would be in a position to grant. The Members of the Committee know full well, however, that the gist of this allegation is that the President offered or authorized the offering of executive clemency to those who were or might be convicted of the original Watergate offenses.

We earnestly submit that, taken as a whole, the evidence simply does not fairly permit the inference that the President ever offered or authorized the offer of clemency to any person in exchange for his silence or false testimony.

When the subject was first broached to him in July, 1972, the President firmly and categorically rejected even the idea of discussing it. Later, in January, 1973, in an unguarded moment the President did tell his Special Counsel, Charles Colson, who was seeking some assurance of help for his friend Howard Hunt, that clemency was a possibility only because of Hunt's tragic family circumstances. Then, on March 21, 1973, the President firmly and unhesitatingly rejected the possibility of offering clemency to Hunt in order to maintain his silence with regard to "seamy things" he had done for the White House. It does not appear from the evidence that the President ever considered the use of clemency as an enticement to the hapless Watergate defendants.

The first time clemency was discussed with the President by anyone in the White House was on or about July 8, 1972 when the President met with John Ehrlichman. (Book III, 181–97) In the course of a long, rambling discussion on the beach about different matters, Ehrlichman raised the point that, because of the political nature of the Watergate case, the question of presidential pardons would inevitably become a problem for the White House. After a brief discussion, the President expressed his "firm view" that he would never be in a position to grant these particular individuals any form of clemency. The two men agreed that clemency for the Watergate suspects was the kind of subject which should be excluded forever from the President's consideration. (Book III, 183)

As a result of his wife's death in an airplane crash on December 8, 1972, Howard Hunt decided to plead guilty. (Bittman testimony, 2 HJC 21) Hunt and Charles Colson were close personal friends. (Colson testimony, 3 HJC 275, 416–17) On December 31, 1972, Hunt wrote to Colson asking him to see Hunt's attorney, William Bittman. (Book III 458) Colson forwarded the letter to Dean, since Dean was responsible for Watergate matters within the White House, with a covering memo stating, "[n]ow, about what the hell do I do?" (Colson testimony, 3 HJC 457)

On January 3, 1973, Colson, Dean and Ehrlichman discussed Hunt's letter. (Book III, 460, 463–64, 466–68) Colson was anxious to assure Hunt of his continued friendship and willingness to help. Ehrlichman told Colson he could see Bittman, but that there could be no commitments regarding clemency. Ehrlichman restated the President's position of July 1972. (Book III, 463–64) Colson, however, wanted to see the President about clemency but Ehrlichman forbade it. (Book III, 460; WHT 419–21)

Dean has testified that Ehrlichman told him he would see the President on the matter and that the next day Ehrlichman told him that he had given Colson "an affirmative" regarding clemency for Hunt. (Book III, 460–61) Ehrlichman denies discussing anything concerning Hunt with the President at that time. (Book III, 464)

On both January 3 and 4, 1973, Colson met with Bittman. Bittman has testified:

"We went into much more detail [than on January 3], or I did, with respect to Howard Hunt's plea of guilty, and the fact that Howard Hunt was very concerned about his children when he would go to jail, and he was very concerned about the possibility of Judge Sirica giving him a substantial sentence.

"In view of the fact that his wife had been killed less than a month earlier, he was terrified with the prospect of receiving a substantial sentence. Mr. Colson indicated that he was a very close, dear friend of Howard Hunt, that if necessary he would take Howard Hunt's children into his own home, that in his opinion it would be outrageous if Judge Sirica would give him a substantial sentence because of his own health problems, his family's health problems and his service to the country, and because of the nature of the offense.

"And he told me to go back to Howard Hunt to indicate to him that he would always be a close friend of Howard Hunt's and that he would do anything whatsoever to assist Howard Hunt as a friend, whether he was in or out of the White House." (Bittman testimony, 2 HJC 23)

Bittman testified that he conveyed Hunt's desire to know whether Colson could help him if he received a substantial sentence. (Bittman testimony, 2 HJC 24) Colson has substantiated Bittman's testimony by his own testimony, affidavit to the Special Prosecutor and a memo of the conversations he wrote on January 5, 1973. (Book III, 469, 472–74; Colson testimony, 3 HJC 303–04) Colson has also stated:

"In addition, I may well have told Bittman that I had made 'people' aware that, if it were necessary. I was going to come back to the White House to speak for Hunt. Indeed, since I wanted to do all I could to comfort Hunt, it is most probable that I did say this. I do not know how Bittman evaluated my position and influence at the White House, but despite my insistence that I could do no more than try to help Hunt as a friend, Bittman might have inferred that if Hunt received an unreasonably long sentence, my willingness to go to bat for Hunt would result in Hunt's sentence being reduced by executive action of some sort." (Colson testimony, 3 HJC 311)

Dean has testified that after January 5th Colson told him that he had spoken to the President about clemency despite Ehrlichman's instructions. (Book III, 461) Colson, however, has testified that he discussed the matter with the President in late January. (Colson testimony, 3 HJC 311, 318)

Tapes or transcripts of recorded presidential conversations twice reflect mention by the President of a conversation with Colson about possible clemency for Hunt. On the morning of March 21, 1973 he told Dean:

". . . there was some discussion over there with somebody about, uh, Hunt's problems after his wife and I said, of course, commutation could be considered on the basis of his wife, and that is the only discussion I ever had in that light." (HJCT 93)

On April 14, the President told Haldeman and Ehrlichman:

". . . As I remember a conversation this day was about five thirty or six o'clock that Colson only dropped in in sort of parenthetically, said I had a little problem today, talking about Hunt, and said I sought to reassure him, you know, and so forth. And I said, well. Told me about Hunt's wife. I said obviously we will do just, we will take that into consideration. That was the total of the conversation." (WHT 419)

It seems beyond question that whatever assurances Colson may have made to Bittman, they were given before he had talked to the President. (Summary of Information, 78)

It is important to distinguish between what the President said to Colson and his knowledge, if any, of commitments already made by Colson before he talked to the President. There is no evidence that the President was aware of any specific assurances given by Colson until April 14, 1973. On February 28, the President inquired of Dean whether the defendants had any expectation of clemency:

"The President. *What the hell do they expect, though? Do they expect that they will get clemency within a reasonable time?*

"Dean. I think they do. [Unintelligible] going to do.

"The President. *What would you say? What would you advise on that?*

"Dean. Uh, I think it's one of those things we'll have to watch very closely. For example—

"The President. You couldn't do it, you couldn't do it, say in six months?

"Dean. No.

"The President. No.

"Dean. No, you couldn't. This thing may become so political as a result of these

"The President. Yeah.

"Dean. Hearings that it is, it, it, is more—

"The President. A vendetta?

"Dean. Yeah, it's a vendetta. This judge may, may go off the deep end in sentencing, and make it so absurd that, uh, it's clearly an injustice, uh—" (HJCT 40; emphasis added)

On March 21, 1973, the President showed awareness of Colson's having talked to Hunt about the possibility of clemency but not of what assurances had been made:

"The President. . . . But the second thing is, we're not going to be able to deliver on, on any kind of a, of a clemency thing. You know Colson has gone around on this clemency thing with Hunt and the rest.

"Dean. Hunt, Hunt is now talking in terms of being out by Christmas.

"Haldeman. This year?

"Dean. This year. Uh, he was told by O'Brien, who is my conveyor of doom back and forth.

"Haldeman. Yeah.

"Dean. uh, that, uh, hell, he'd be lucky if he were out a year from now, after the Ervin hearings were, uh, you know, over. He said, 'How in the Lord's name could you be commuted that quickly?' He said, 'Well, that's my commitment from Colson.'

"Haldeman. By Christmas of this year?

"Dean. Yeah.

"Haldeman. See that, that really, that's very believable 'cause Colson,

"The President. Do you think Colson could have told him—

"Haldeman. Colson is an, is an—that's, that's your fatal flaw, really, in Chuck, is he is an operator in expediency, and he will pay at the time and where he is

"The President. Yeah" (HJCT 115)

Finally, on April 14, 1973, Ehrlichman explained to the President his understanding of the events surrounding Colson's January meetings with Bittman:

"Ehrlichman. Well, I had, we had had a couple of conversations in my office—

"The President. With Colson?

"Ehrlichman. I had with Colson. Yeah.

"The President. Well how was, who was getting, was Bittman getting to Colson? Was that the point? Who—

"Ehrlichman. Hunt had written to Colson.

"The President. Oh?

"Ehrlichman. Hunt wrote Colson a very, I think a I've been abandoned kind of letter.

"The President. When was this, John?

"Ehrlichman. I am sorry—

"The President. After the election?

"Ehrlichman. Oh yes. Yeah.

"The President. Oh. And Colson, you knew about this letter?

"Ehrlichman. Colson came in to tell me about it. And he said, 'What shall I do?' And I said, 'Well, better talk to him.' I thought somebody had better talk to him, the guy is obviously very distraught.

"The President. Right.

"Ehrlichman. And has a feeling abandoned.

"The President. Right.

"Ehrlichman. And he said, 'What can I tell him about clemency or pardon.' And I said, 'You can't tell him anything about clemency or pardon.' And I said, 'Under no circumstances should this ever be raised with the President.'

"The President. (Unintelligible). Well, he raised it, I must say, in a tangential way. Now he denies that, as I understand it, that he said they'd be out by Christmas. He says—

"Ehrlichman. I've never talked to Chuck about that, have you?

"The President. What did he say he said? Well, I'll tell you what I, what Dean, or somebody, tells me he said he said. He said that he didn't. He just talked or saw Bittman casually—were off on (unintelligible) or something of that sort." (WHT 419–21)

Later that same day Haldeman and Ehrlichman discussed with the President the possible criminal liability of Colson for having offered Hunt clemency.

"EHRLICHMAN. My guess is that a fellow like Bittman [sic] has probably negotiated immunity for himself, and has—

"HALDEMAN. Dean strongly feels they wouldn't give it to him.

"The PRESIDENT. They would.

"HALDEMAN. Will not—

"EHRLICHMAN. He is going to tell them about a lot of conversations he had with a lot of people.

"The PRESIDENT. Bittman is?

"EHRLICHMAN. Yeah.

"The PRESIDENT. Do we know that?

"EHRLICHMAN. I don't know that but I know, for instance, that Bittman had a conversation with Colson that was a Watergate conversation. And I know what Colson says about it—that he was brilliant and adroit, avoided any—

"HALDEMAN. And he says Bittman's recollection of it would be exactly the same as Colson's—his recollection of the specific conversation—but he says Bittman may draw conclusions from it.

"The PRESIDENT. This is the clemency conversation? And his conclusion would be that he felt the President had offered clemency?

"HALDEMAN. No. His conclusion he, Colson, will have Hunt out by Christmas. He says you know what kind of pull I have at the White House. I will be able to to work that. That's what he would have thought. That by saying—

"The PRESIDENT. How does Colson handle that?

"EHRLICHMAN. He says he has a paper or a memo or something that says exactly what he said.

"The PRESIDENT. Just a minute.

"HALDEMAN. He wrote a memorandum of the conversation immediately after the conversation. That's all it is—his side of the story.

"The PRESIDENT. You don't think this would lead to an indictment of Colson do you?

"EHRLICHMAN. I don't know. Dean thinks everybody in the place is going to get indicted.

"HALDEMAN. They're all doing the same thing. Look, Dean said just looking at the worst possible side of the coin that you could make a list of everybody who in some way is technically indictable in the cover-up operation. And that list includes, in addition to Mitchell, Haldeman, Ehrlichman, Colson, Dean—

"The PRESIDENT. Because they all discussed it?

"HALDEMAN. Strachan, Kalmbach, Kalmbach's go-between, Kalmbach's source, LaRue, Mardian, O'Brien, Parkinson, Bittman, Hunt and you know just to keep wandering through the impossibles, maybe for everybody on that list to take a guilty plea and get immediate—what do you call it—

"EHRLICHMAN. Clemency.

"HALDEMAN. Clemency. That shows you the somewhat incredible way of some of John Dean's analytical thinking.

"EHRLICHMAN. No way.

"The PRESIDENT. It's a shame. There could be clemency in this case and at the proper time having in mind the extraordinary sentences of Magruder, etc. etc., *but you know damn well it is ridiculous to talk about clemency. They all knew that. Colson knew that. I mean when you talked to Colson and he talked to me.*" (WHT 542–44; emphasis added)

Two days later, on April 16, 1973, the President brought up the problem of the criminal liability of others for offering clemency and expressed a desire to know what had been offered and what the legal considerations thereof would be:

"The PRESIDENT. Yeah. Well, you take, for example, the clemency stuff. That's solely Mitchell, apparently, and Colson's talk with, uh, Bittman where he says, 'I'll do everything I can because as a, as a friend—'.[1]

"DEAN. No, that was with Ehrlichman.

"The PRESIDENT. Huh?

"DEAN. That was Ehrlichman.

"The PRESIDENT. Ehrlichman with who?

"DEAN. Ehrlichman and Colson and I sat up there, and Colson presented his story to Ehrlichman.

"The PRESIDENT. I know.

"DEAN. regarding it and, and then John gave Chuck very clear instructions on going back and telling him that it, you know. 'Give him the inference he's got clemency but don't give him any commitments.'

"The PRESIDENT. No commitment?

"DEAN. Right.

"The PRESIDENT. Now that's all right. But first, if an individual, *if it's no commitment—I've got a right to sit here—Take a fellow like Hunt, or, uh, or, or a Cuban whose wife is sick and something—that's what clemency's about.*

"DEAN. That's right.

"The PRESIDENT. Correct?

"DEAN. That's right.

"The PRESIDENT. But, uh, but John specifically said, 'No commitment,' did he? He—

"DEAN. Yeah.

"The PRESIDENT. No commitment. Then, then Colson then went on to, apparently—

"DEAN. I don't know how Colson delivered it, uh—

"The PRESIDENT. Apparently to Bittman—

"DEAN. for—

"The PRESIDENT. Bittman. Is that your understanding?

"DEAN. Yes, but I don't know what his, you know, specific—

"The PRESIDENT. Where did this business of the Christmas thing get out, John? What the hell was that?

"DEAN. Well, that's, a, that's a—

"The PRESIDENT. That must have been Mitchell, huh?

"DEAN. No, that was Chuck, again. I think that, uh—

"The PRESIDENT. That they all, that they'd all be out by Christmas?

"DEAN. No, I think he said something to the effect that Christmas is the time that clemency generally occurs.

"The PRESIDENT. Oh, yeah.

"DEAN. Uh—

"The PRESIDENT. Well, that doesn't—I, I, I don't think that is going to hurt him.

"DEAN. No.

"The PRESIDENT. Do you?

"DEAN. No.

"The PRESIDENT. *'Clemency' he says—One* [unintelligible] *he's a friend of Hunt's. I'm just trying to put the best face on it. If it's the wrong—if it is—I've got to know.*" (HJCT 204–05; emphasis added.)

In his March 21, 1973 morning conversations with Dean, after Dean had recited the facts of the cover-up as he saw them, the President brought up the subject of clemency and, after a brief discussion, decisively rejected the idea:

"The PRESIDENT. One problem: you've got a problem here. You have the problem of Hunt and, uh, his, uh, his clemency.

"DEAN. That's right. And you're going to have the clemency problem for the others. They all would expect to be out and that may put you in a position that's just

"The PRESIDENT. Right.

"DEAN. Untenable at some point. You know, the Watergate Hearings just over, Hunt now demanding clemency or he is going to blow. And politically, it'd be impossible for, you know, you to do it. You know, after everybody—

"The PRESIDENT. That's right.

"DEAN. I am not sure that you will ever be able to deliver on the clemency. It may be just too hot.

"The PRESIDENT. You can't do it till after the '74 elections, that's for sure. But even then

"DEAN. [clears throat]

"The PRESIDENT. your point is that even then you couldn't do it.

"DEAN. That's right. It may further involve you in a way you shouldn't be involved in this.

"The PRESIDENT. No it's wrong: that's for sure." (HJCT, 103–04.)

For our present purposes of course, it is wholly immaterial whether the President rejected the possibility of granting clemency because it was morally "wrong" or because it was "wrong" as a practical matter. The essential point is that once again the President appears quite firmly opposed to the granting of clemency; thereafter, he consistently put down any notion of awarding clemency to any of the Watergate defendants:

". . . we're not going to be able to give them clemency." (HJCT 107)

". . . we're not going to be able to deliver on, on any kind of clemency thing. (*Id* 115)

". . . you couldn't provide clemency. (*Id* 116)

"We can't provide clemency. (*Id.*)

". . . you know damn well it is ridiculous to talk about clemency." (WHT 544)

The allegation contained in Paragraph (9) is without substantial support in the evidence, whether viewed according to the state of the record when the Committee voted to recommend the adoption of Article I to the full House, or according to the state of the record as we file these views. Paragraph (9) is a bad charge; it should never have been lodged against President Nixon.

The March 21, 1973 Payment to Howard Hunt

When the June 1972 grand jury of the United States District Court for the District of Columbia returned its now famous indictment in the case of *United States* v. *Mitchell, et al* on March 1, 1974 there began a five-month period of intense public preoccupation with the events of a single day—March 21, 1973—such as has seldom been seen in the history of this country. This occurred because the content and sequence of the overt acts alleged to have been perpetrated in furtherance of the aims of the Watergate cover-up conspiracy charged in Count One of the indictment appeared to allege, in essence, that the final payment of "hush money" to Howard Hunt was set in motion by a direct order of the President, conveyed by Haldeman to Mitchell, then by Mitchell to LaRue, who actually saw to the execution of the order.

The central thrust of this allegation was reiterated when the same grand jury forwarded to this Committee its Report and Recommendation and supporting evidentiary materials relating to the possible involvement of the President in the criminal conspiracy charged in Count One of the Mitchell indictment.

When we voted in Committee against recommending to the House the adoption of proposed Article I we were already convinced that the President's criminal liability as a co-conspirator in the Watergate cover-up did not turn upon whether the payment of $75,000 made to Hunt on the evening of March 21, 1973 was the result of a direct Presidential order, as the Watergate grand jury apparently felt was the fact, or even upon whether the payment was one of "hush money." Rather, it seemed to us, the question of the President's *criminal liability* turned upon whether the President had, during his conversation with John Dean on the morning of the 21st, acted affirmatively and intentionally in some fashion to associate himself with the ongoing conspiracy.

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[1] Two days earlier, on April 14th, Ehrlichman had told the President that Colson and his attorney, David Shapiro, had said that Mitchell had promised Hunt a pardon. (WHT 412; see also WHT 485)

From the standpoint of Presidential *liability to impeachment,* we thought it to be relevant, but not controlling, whether the President had knowingly ordered the payment of "hush money" to Hunt, to "buy time" or for whatever purpose. Even this question was over-shadowed, in our estimate, by another, more critical one: if the President ever did become criminally liable for participating in the Watergate cover-up conspiracy, did he do so early in the course of the conspiracy, and was his role active and leading, or did he first join the conspiracy long after it was underway, such as in March of 1973, by virtue of his imprudent and unlawful response to having, to put it colloquially, the entire mess dumped suddenly in his lap as a result of the Dean disclosures of March 13 and 21, 1973.

While the President's revelation of new evidence on August 5, 1974 effectively resolved this latter question for us, as it seems to have done for the rest of the Nation as well, the enormous amount of public attention focused upon this issue during most of 1974 persuades us that it is still important that we set down our analysis of the evidence bearing upon the manner in which the final payment of CRP funds to Hunt came to be made. Our view of the evidence on this point differs substantially from that of the grand jury, as well as from that set out in the Committee report.

The majority of the Committee has, we believe, rendered a version of the facts relating to the March 21, 1973 payment to Hunt that flies in the face of a considerable amount of evidence in the record. One who reads the "Payments" section of the discussion of proposed Article I in the Committee report is led to believe that Dean met with the President and Haldeman on the morning of the 21st; that following that meeting Dean telephoned LaRue to arrange the making of the payment to Hunt; that LaRue and Mitchell then conferred by telephone, whereupon Mitchell authorized the payment to go forward; and that later that day LaRue effectuated the delivery of the money to Hunt.

We think this construction of the facts is mistaken. The evidence clearly shows that Dean talked to both LaRue and Mitchell before meeting with the President on the morning of March 21st, that arrangements for the delivery of the money were made independently of that meeting or any of its results, and that in all probability the delivery of the money to Hunt would have taken place even if Dean had not talked with the President that day.

On or about March 16, 1973, Howard Hunt met with Paul O'Brien, a CRP attorney. Hunt informed O'Brien that commitments had been made to him but not met; that he had done "seamy" things for the White House; and that, unless his commitments were met (including $130,000 for attorney's fees and support), he might be forced to review his options. (Book III, 902, 906, 915; Bittman testimony, 2 HJC 25). On March 16th, Hunt also met with Colson's attorney, David Shapiro. According to Colson, Hunt requested of Shapiro that Colson act as Hunt's liaison with the White House, but was told that this was impossible. (Book III, 924; Colson testimony, 3 HJC 323, 331).

Colson has testified that Shapiro informed him after Shapiro's meeting with Hunt that Colson should have no further contact with either Hunt or anyone in the White House concerning Hunt. Shapiro also told Colson that the situation in the White House was getting serious. Shapiro said, "for God's sake, the President has to get the facts. Who knows what's going on in that place. The fox may be guarding the chickens." Colson reminded Shapiro that Colson had earlier voiced to the President suspicions about Mitchell, but the President had responded that Mitchell swore he was innocent. Colson told Shapiro that it was impossible to know what advice the President was getting, or from whom he was getting it, and that Colson suspected the President would not know whom to believe. (Book III, 926)

O'Brien has testified that he went immediately from his meeting with Hunt to see Dean at his office in the Executive Office Building. (O'Brien testimony, 2 HJC 125–28; Dean testimony, 2 HJC 238–240)

Paul O'Brien's name appears on Dean's telephone logs for March 20, March 21, and March 23, 1973. Dean's logs for the period January 3 through April 30, 1973 reflect almost daily contact with both O'Brien and Mitchell until March 22, 1973, when contact with Mitchell dropped off sharply. (Dean testimony, 2 HJC 314–16; Dean logs, impeachment inquiry files) Dean has testified, and the White House appointment records verify, that O'Brien met with Dean on March 19th in the Executive Office Building. Because of the frequency of contacts between the two men, however, it is unclear whether this meeting was the one that O'Brien contended took place on Friday, March 16th, immediately following his meeting with Hunt.

Dean, in any event, testified that it was on the 19th that O'Brien conveyed to him Hunt's grim message suggesting that if commitments made to him were not kept, and that if money for his attorney's fees and family support was not forthcoming he might have to reconsider his options, in which case he might have some very "seamy" things to say about Ehrlichman. (Book III, 946–49) Dean testified that he told O'Brien that he was "out of the money business."

On March 20, 1973, Ehrlichman met with Dean at the White House. They discussed Hunt's demand for money, and the possibility that Hunt might reveal the "seamy" things he had done for Ehrlichman if the money was not forthcoming. Ehrlichman has said that he thought Hunt was referring to his previous activities as a member of the White House "Plumbers" unit when he mentioned "seamy" things. (Book III, 952–59) According to Dean, Ehrlichman said he wondered what Hunt meant and suggested that Dean discuss the matter with Mitchell. Ehrlichman, on the other hand, claims that he suggested Dean talk to Colson. (Book III, 955, 957)

That same afternoon Ehrlichman had a telephone conversation with Egil Krogh in which he told Krogh that Hunt was asking for a lot of money. Krogh has testified that Ehrlichman told him that Hunt might "blow the lid off" and that Mitchell was responsible for "the care and feeding of Howard Hunt." (Book III, 961–62)

Also on March 20th, Dean had a conversation with Richard Moore, a Special Counsel to the President, before they met with the President to discuss a draft of a proposed public statement relating to possible appearance of White House personnel before the Senate Select Committee. Dean told Moore that Hunt was demanding a large sum of money before his sentencing, then scheduled for that Friday, March 23rd, and that if the demand was not met, Hunt was threatening to say things that would be serious for the White House. (Book III, 966–68)

Dean has testified that after their meeting with the President that day he told Moore that he did not think the President understood all the facts involved in Watergate, and particularly the implications of those facts, and that he felt he had to lay the facts and implications out for the President. Moore, however, has testified that it was he who told Dean of his own feeling "that the President had no knowledge of the things that were worrying Dean" and that Dean should tell the President what he knew. The next day, according to Moore, Dean told him that he talked with the President and told him "everything," and that the President had been surprised. (Book III, 966–68)

Dean has testified that he and LaRue met in Dean's office on either the afternoon of March 20th or the morning of March 21st, and that he told LaRue of Hunt's latest demand for money. LaRue then asked Dean if he was planning to do anything about Hunt's demand, and Dean said no, he was out of the money business. LaRue asked Dean what he (LaRue) should do, and Dean suggested that he contact Mitchell. (Dean testimony, 2 HJC 250)

Whether this meeting occurred on the early morning of March 21st or on the previous afternoon, it is Dean's "best recollection" that it took place some time before Dean met with the President on the morning of the 21st. (Dean testimony, 2 HJC 260)

During the afternoon of the 20th, Dean was visited by Krogh who, as a result of his conversation with Ehrichman about Hunt, had become alarmed as to his potential liability for perjury in connection with his knowledge of the activities of Hunt and Liddy. Dean told Krogh about Hunt's demands and told him that the President was being ill-served, that something had to be done. (Dean testimony, 2 HJC 248)

On the evening of March 20, 1973, Dean talked with the President by telephone and in the course of the conversation he arranged to see the President the next day. (WHT 164)

Apparently Dean also spoke by telephone with John Mitchell at his home in New York that evening and told him of Hunt's demand for money. (Dean testimony, 2 HJC 258) During his conversation with the President the next morning, Dean described the conversation as follows:

"DEAN. . . . Apparently, Mitchell has talked to Pappas, and I called him last—John asked me to call him last night after our discussion and after you'd met with John to see where that was. And I, I said, 'Have you talked to, to Pappas?" He was at home, and Martha picked up the phone so it was all in code. 'Did you talk to to the Greek?' And he said, uh, 'Yes, I have.' and I said 'Is the Greek bearing gifts?' He said, 'Well, I want to call you tomorrow on that.' (HJCT 122)

Dean did not, however, tell the President at any point during this conversation that he had also already spoken with LaRue about the Hunt situation, even though by advising Mitchell of the problem and by urging LaRue to talk with Mitchell about it. Dean had already taken all the steps which would be necessary to set in motion a payment of cash to Hunt in response to his demand.

Notwithstanding the extensive discussion among Dean, Haldeman and the President on the morning of March 21st about the desirability of taking some action to "buy time" lest Hunt begin talking and eliminate all of the conspirators' "options," the content of the conversation taken as a whole and the subsequent behavior of the three participants in it suggests that the only firm conclusion that can be drawn regarding the President's attitude toward meeting Hunt's immediate demand is that *he considered it.*

While at several other points in the conversation the President appeared favorably disposed toward making a payment to Hunt as a temporary expedient, there are indications near the end of the conversation that the President had not actually settled on that course:

"The PRESIDENT. That's right. Try to look around the track. We have no choice on Hunt but to try to keep him—

"DEAN. Right now, we have no choice.

"The President. But, but my point is, do you ever have any choice on Hunt? That's the point.

"Dean. [Sighs]

"The President. No matter what we do here now, John,

"Dean. Well, if we—

"The President. Hunt eventually, if he isn't going to get commuted and so forth, he going to blow the whistle." (HJCT 125).

The conversation concludes on a distinctly indecisive note:

"The President. All right. Fine. And, uh, my point is that, uh, we can, uh, you may well come—I think it is good, frankly to consider these various options. And then, once you, once you decide on the plan—John—and you had the right plan, let me say, I have no doubts about the right plan before the election. And you handled it just right. You contained it. Now after the election we've got to have another plan, because we can't have, for four years, we can't have this thing—you're going to be eaten away. We can't do it." (HJCT 129–30)

The only evidence of contact between either Mitchell or LaRue and anyone at the White House following the morning conversation among Dean, Haldeman and the President is the telephone call placed to Mitchell by Haldeman at 12:30 p.m. During the morning conversation, the President had ordered that Mitchell be brought to Washington to meet with Haldeman, Ehrlichman and Dean to discuss alternative means of extricating the group from the cover-up:

"The President. . . . Second, you've got to get Mitchell down here. And you and Ehrlichman and Mitchell and let's—and—by tomorrow.

"Haldeman. Why don't we do that tonight?

"The President. I don't think you can get him that soon, can you?

"Haldeman. John?

"The President. It would be helpful if you could.

"Dean. I think it would be.

"The President. You need—

"Dean. Get him to come down this afternoon." (HJCT 129)

Haldeman has testified that his only purpose in calling Mitchell was to arrange for him to come to Washington. (Book III, 1121) Mitchell testified before this Committee that he has a definite recollection of Haldeman's having called him shortly after noon asking him to come to Washington. Moreover, he recalls that this conversation took place *after* he had talked with LaRue about whether Hunt's demand should be met. (Mitchell testimony, 2 HJC 179–87) In his June, 1973 testimony before the Senate Select Committee, Dean indicated that it came to his attention in some fashion that, after the morning meeting with the President broke up, Haldeman "called Mitchell and asked him to come down the next day for a meeting with the President on the Watergate matter." (3 SSC 1000)

During a conversation among Haldeman, Ehrlichman, Dean and the President in the late afternoon of March 21st, an ambiguous remark by Dean may give rise to a suspicion—but only a suspicion—that someone in the group there assembled had discussed the Hunt problem with either Mitchell or LaRue since Dean's morning meeting with the President:

"The President. So then now—so the point we have to, the bridge you have to cut, uh, cross there is, uh, which you've got to cross, I understand, quite soon, is whether, uh, we, uh, what you do about, uh, his present demand. Now, what, what, uh, what [unintelligble] about that?

"Dean. *Well, apparently Mitchell and*, and, uh, uh,

"Unidentified. LaRue.

"Dean. *LaRue are now aware of it*, so they know what he is feeling.

"The President. True [Unintelligible] do something.

"Dean. I, I have, *I have not talked with* either, I think they are in a position to do something, though." (HJCT 133; emphasis added)

Since that very morning Dean had told the President that he had talked with Mitchell the previous evening about Pappas and the money situation generally, it is reasonable to infer that Dean meant he had not talked with either Mitchell or LaRue since meeting with the President earlier that day. Dean's comment that Mitchell and LaRue "are *now* aware of it" suggests that someone other than Dean had talked with one of the two and told Dean about it, but the remark is still puzzling, since Dean had known when he talked with the President in the morning that both Mitchell and LaRue were well aware of the situation—Dean himself had informed both of them. The most likely explanation, then, it seems to us, is that Dean was covering the fact that he had earlier withheld from the President the fact that he had already spoken with both Mitchell and LaRue *specifically about meeting the Hunt demand* but had allowed the President to think that he was being presented with a problem which Dean had not yet taken concrete steps to address.

The evidence is highly persuasive that none of the participants in the March 21st morning conversation seems to have formed the impression that the President had affirmatively sought to insure that the payment to Hunt would be made. This in itself is probative of the fact that the President's role in arranging for the making of that payment was, at most, quite passive and certainly not instrumental.

In testifying before the Senate Select Committee in June of 1973, only three months after the events in question, Dean evidenced no belief that the President had authorized or directed "hush money" to be paid to Hunt. Nowhere in his lengthy testimony did he make such an allegation. To the contrary, although Dean seems erroneously to have recalled that some aspects of raising "hush money" over a long period of time were discussed with the President on March 13, 1973, Dean makes it clear throughout his SSC testimony that at the conclusion of his discussions of "hush money" with the President,

"the money matter was left very much hanging at that [March 13th] meeting. Nothing was resolved." (Dean testimony, 4 SSC 1423) ". . . The conversations then turned back to a question from the President regarding the money that was being paid to the defendants. He asked me how this was done. I told him I didn't know much about it other than the fact that the money was laundered so it could not be traced and then there were secret deliveries. I told him I was learning about things I had never known before, but the next time I would certainly be more knowledgeable. This comment got a laugh out of Haldeman [who did not, in fact, attend the March 13th meeting]. The meeting ended on this note and there was no further discussion of the matter and it was left hanging just as I have described it." (Dean testimony, 3 SSC 996)

Likewise, in his recitation of the content of his March 21, 1973 morning conversation with the President, Dean did not in any way suggest that a presidential decision to order or encourage the payment of "hush money" to Hunt or any other Watergate defendant had been made. (Dean testimony, 3 SSC 998–1000)

What perplexes us is this: if Hunt's demand for cash alarmed Dean enough to precipitate his going in to see the President and lay out the "full" story about the cover-up, is it reasonable to believe that he left that momentous meeting with the President without *knowing* what was to be done about Hunt's demand? Dean, of course, had a very personal interest in the maintenance of Hunt's silence, at least until the cover-up might be unravelled in some orderly, tolerable manner, because of Dean's own potential criminal liabilities which he so vividly described to the President during the course of their conversations on March 21st.

It is truly remarkable, therefore, that in the course of reading his veritable litany of charges levelled by him against President Nixon during five days of testimony before the Senate Select Committee Dean did not once allege that the President authorized, directed or even expressly approved the payment of $75,000 in "hush money" to Howard Hunt—unless, of course, the President took no such action and made no such decision.

According to remarks made during their conversation with Ehrlichman and Ziegler in the Oval Office on April 17, 1973, it appears that neither Haldeman nor the President had any recollection that the President had manifested on the morning of March 21st a desire that Hunt be paid:

"Haldeman. You explored in that conversation the possibility of whether such kinds of money could be raised. You said, 'Well, we ought to be able to raise—'

"The President. That's right.

"Haldeman. 'How much money is involved?' and he said, 'Well it could be a million dollars.' You said, 'That's ridiculous. You can't say a million. Maybe you say a million, it may be 2 or 10, and 11'

"The President. But then we got into the blackmail.

"Haldeman. You said, 'Once you start down the path with blackmail it's constant escalation.'

"The President. Yep. That's my only conversation with regard to that.

"Haldeman. They could jump and then say, 'Yes, well that was morally wrong. What you should have said is that blackmail is wrong not that it's too costly.' " (WHT 1034)

This last remark by Haldeman bespeaks a recollection that it was the amoral appearance of the President's reason for refusing to go along with the payment of "blackmail" which might pose a political or public relations problem, not that the President was vulnerable on the more serious count that he had actually approved the payment of "hush money" to Hunt. It should be noted, parenthetically, that there is no evidence that either Haldeman or the President had listened to a tape recording of the March 21st morning conversation as of the date on which Haldeman spoke the lines quoted above, April 17, 1973.

Indeed, as of March 22, 1973 there was evidence that the President had rejected, not approved, the payment of money to maintain Hunt's silence. The White House edited transcript of his conversation with Haldeman between 9:11 and 10:35 a.m. that day shows the President saying:

"Damn it—when people are in jail there is every right for people to raise money for them. (inaudible) and that's all there is to it. I don't think we ought to (inaudible)—there's got to be funds—I'm not being—*I don't mean to be blackmailed by Hunt—that goes too far*, but for taking care of these people that are in jail—my God they did this for—we are sorry for them—we did it out of compassion, yet I don't (inaudible) about that—people have contributed (inaudible) report on that damn thing—there's no report required (inaudible) what happens . . . ." (WHT, March 22, 1973; 9:11–10:35 a.m., 1–2; emphasis added)

WHITE HOUSE RELATIONSHIP WITH THE OFFICE OF THE WATERGATE SPECIAL PROSECUTOR

The President felt that putting a special prosecutor on the Watergate case would be a negative reflection on the efficacy and the integrity of the Department of Justice. (WHT

April 15, 1973, 712.) The President felt that the U.S. Attorney's Office was doing a fine job and he was inclined to let them stay in charge of the case, especially since a special prosecutor would have to familiarize himself with the facts.

"PRESIDENT. Oh, they're [Mitchell et al] all going to be indicted. Well, that's my point. I thought, I think if the course just goes like it is they're going to be indicted. You mean you'd [Kleindienst] have a special prosecutor immediately? Here's my point, if they're going to indict anyway that sort of—that shows that . . . the thing does work. . . . These guys are crowding in—Silbert and the rest—they aren't taking any program—we're not giving them any—

"I could call in Titus and Silbert I'd say, look—you are totally independent here and you ought to tear this case up. Now go to it. See my point is, you call in a special prosecutor . . . he's got to learn the whole damn thing. . . . (WHT 716–17).

"KLEINDIENST. No, the special prosecutor would not try the case, Mr. President. What he would do is substitute himself for the Attorney General. Silbert would try the case. What he would do would have overview with respect to what they were doing and participating in the prosecuting decisions that are made from time to time." (WHT 737)

The President did not initially envision a completely independent special prosecutor. The concept as explained by Kleindienst would be that of an independent overseer.

On April 15, 1973 the President told Haldeman he had concluded that he would have to have a special prosecutor. The President then explained to Haldeman his concept of a special prosecutor.

"PRESIDENT. This is not to prosecute the case. A special Prosecutor, to look at the indictments to see that the indictments run to everybody they need to run to, so that it isn't just the President's men, you see.

"HALDEMAN. In other words, he is above Silbert rather than replacing Silbert?

"PRESIDENT. Oh no. Silbert runs the case and that's all. But he is just in there for the purpose of examining all this to see that the indictment covers everybody." (Telephone conversation between the President and Haldeman, April 15, 1973, WHT 752–53)

On April 30, 1973 the President announced that Elliot Richardson would be the new Attorney General and would have absolute authority to make all decisions bearing upon the prosecution of the Watergate case. He also stated that Richardson would have the authority to name a *special supervising prosecutor* for matters arising out of the case. The President still regarded the special prosecutor to be in the role of a general supervising attorney who would provide a careful overview. (Book IX, 134–135)

On May 21, 1973 Richardson announced his selection of Archibald Cox as Special Prosecutor. (Book IX, 146) Richardson also presented the Senate Judiciary Committee with guidelines created by the Attorney General's Office, giving Cox a great degree of independence and an extensive jurisdiction. Cox became the Special Prosecutor officially on May 25, 1973. (Book IX 150) The President was caught by surprise. He was definitely not committed to the terms of that charter. Richardson has testified:

"[T]he President was not personally committed to the terms of the charter. He approved of it. At least he acquiesced in it. But he was not consulted in any way during the course of the development of the so-called guidelines under which Mr. Cox worked, and he was never in a position where he was called upon directly to say 'I personally stand back of and will adhere to these terms and conditions.'

"The second problem was that the charter itself could not and did not purport to guarantee access by the Special Prosecutor to Presidential papers, memoranda or notes and, of course, there was no reason at that point to foresee the potential availability or existence of tape recordings." (Richardson testimony 1 Special Prosecutor Hearings, 238)

Richardson never defined what he meant by the fact that the President acquiesced or approved of the charter. The clear inference is that the President only "acquiesced and approved" of Richardson's having the right to draw up a charter and to negotiate this charter with the Senate Judiciary Committee and with the new Special Prosecutor and not to the charter itself. (Special Prosecutor Hearings, 250)

On May 25, 1973 the President told Richardson that although he had waived executive privilege as to testimony referred to, he was not waiving executive privilege as to documentary evidence. (Book IX, 15) The President had specifically given Richardson authority for all decisions with regard to Watergate. However, the then Attorney General never informed Cox of President Nixon's stated intention not to waive executive privilege with regard to non-testimonial evidence, although Richardson had created the office of the Special Prosecutor and was Cox's superior. The President never communicated directly to Cox, but always through Richardson or some other intermediary. It can be inferred that the President believed that Cox was aware of his intention and could therefore only regard his constant requests for non-testimonial evidence as being subject to the President's discretion.

In an interview with the inquiry staff, Cox stated that it never occurred to him that the White House would make a distinction between testimony and documents. Cox stated specifically that "nobody in May" thought that executive privilege was limited to oral testimony. (Staff interview with Cox, May 10, 1974)

As Richardson was to testify later:

"Senator McCLELLAN. In other words, the right to executive privilege has not yet been waived?

"Mr. RICHARDSON. That is correct.

"Senator McCLELLAN. It is still reserved?

"Mr. RICHARDSON. It is still reserved. When I appeared here originally, and Mr. Cox appeared with me after he had been selected, neither of us thought . . . of asking in effect for a waiver of executive privilege by the President." (Special Prosecutor Hearings 243)

Cox accepted the position of Special Prosecutor on May 18, 1973. The staff which he immediately began to assemble included in the top positions a number of Democratic attorneys who had served in the Department of Justice during the Kennedy Administration. This caused great alarm at the White House and set a tone of White House mistrust and hostility toward the Special Prosecutor.

On June 19, 1973, Haig complained to Richardson about Cox. Haig stated "The President was upset about references to subpoenaing the President or indicting the President or what he interpreted as references to that general effect"; that "the Republicans were shocked by this, it was indicative of an unlimited hunting license to Cox, that the whole thing was blatantly partisan, or to that effect." (Richardson testimony, 2 Special Prosecutor Hearings, 405)

From June 25 through June 29, 1973 John Dean testified extensively about the Watergate affair and made many charges against the President. On June 27, 1973 Cox wrote J. Fred Buzhardt, the President's lawyer, and formally requested that the President furnish a detailed narrative answering the allegations mentioned in Dean's testimony before the Senate Select Committee. (Book IX, 314, 316, 318)

On or about July 3, the Los Angeles Times reported that the Special Prosecutor's office was investigating expenditures relating to the "Western White House" at San Clemente. The President was very upset about this and demanded to know if, in fact, he was being investigated. Cox later issued a statement that the Western White House was not under investigation by the Office of the Special Prosecutor. Haig complained to Richardson that it could not be part of the Special Prosecutor's charter directly to investigate the President of the United States. Haig commented that the President might fire Cox. (Book IX, 330)

On July 23, 1973 General Haig again contacted Richardson and complained that "the boss" was very "uptight" about Cox because the Office of the Special Prosecutor was seeking information from the IRS and the Secret Service including guidelines for electronic surveillance. The President apparently felt that the information which the Office of the Special Prosecutor was seeking from these agencies was overbroad, and Haig told Richardson, "if we have to have a confrontation we will have it." He added that the President wanted "a tight line drawn with no further mistakes" and that "if Cox does not agree we will get rid of Cox." Richardson communicated the President's displeasure to the Office of the Special Prosecutor and Cox agreed that the request for information contained in the letter sent by his office to the Treasury Department agenices had been overbroad. (Book IX, 404)

On August 22, at a hearing on the Grand Jury tapes subpoena of July 23, 1973 issued to the President, Charles Alan Wright argued that one of the reasons the President was not obliged to turn over the tapes was that of presidential privilege. He stated, "there are, in the United States today, 400 district judgeships authorized by law. A holding that the court has power to pass on a President's claim of privilege as to his most private papers and to compel him to give up those papers would be a precedent for all 400 of those district judges." (*In re Grand Jury*, Misc. No. 47–73, 5)

During this same hearing before Judge Sirica, Cox argued against the applicability of presidential privilege in the instant case:

"They tell us that the privilege is needed to keep secret conversations, in which corruption like the Teapot Dome might be planned, to hide a businessman's discussion with the President of violations of the Sherman Act, or to protect against charges of perjury a general who may bomb a country secretly with which we are at peace or who may then lie to a Senate committee and the general public, and discuss his perjury with the President." (*In re Grand Jury*, Misc. No. 47–73, 34–35)

Cox, in arguing that executive privilege must fall when there is an overriding reason to challenge it, states, "There is not merely accusation, but strong reason to believe that the integrity of the Executive offices has been corrupted, although the extent of the rot is not yet clear." (*Id.* 28) Cox stated that "the case is one that weighs heavily upon me. At some points I may have pressed the arguments too sharply in an effort to make the nature of the point. I certainly intended no disrespect to either the Presidency or to respondent." (*Id.* 48)

During this same hearing, Cox alluded to the President's power to dismiss both the case and the prosecutor.

"I think the executive can't have it both ways. If he wishes to leave the matter to the courts, then he must leave the matter to the courts to be decided in accordance with rules of law, and counsel should not bring in the back door the mention of this ultimate power to dismiss the case. If he wishes to dismiss the case, if he has the power, then he should exercise it and people know where the responsibility lies.

"But it is unfair to the court to put it in the position of saying, I think, we rule as a matter of law that these papers may be withheld, when in fact, what is influencing it is the executive ultimate power of dismissal. That, if I may venture without any disrespect, would seem to me to be almost a deceit which would undermine confidence in the processes of justice." (*In re Grand Jury,* Misc. No. 47–73. 52)

"The Court. One final question. Are you presently empowered to make the final decision or not to pursue further prosecutions in the Watergate matter, and, if so, are you committed to pursue such prosecutions, provided the evidence in your opinion warrants and a grand jury votes the indictment?

Mr. Cox. I am unquestionably committed to pursue it. And, as I understand it. I have the final authority by delegation from the Attorney General, who has the authority under the statutes. The only conceivable way to putting an end to it would be to exercise the power that the President interjects and exercises when he several times dismissed his Secretary of the Treasury until he got one who would proceed as he wished. But short of that, I think I have such authority, Your Honor. Yes, I certainly am so committed. (*Id.* 53–54)

In late September or early October, 1973 after one of the final meetings regarding the Agnew matter, the President stated to Richardson that now that they had disposed of this problem, they could go ahead and get rid of Cox. (Book IX, 332)

On October 12, 1973 the United States Court of Appeals for the District of Columbia ordered the President to turn over recordings for *in camera* inspection by Judge Sirica. (Book IX, 748)

On October 15, 1973 Richardson attended a meeting at the White House, which was not attended by the President, to discuss the tapes litigation and the appellate court decision. The President's aides discussed the possibility of producing a version of the tapes and then firing Cox. Richardson stated that this was unacceptable to him, and he then agreed to try to persuade Cox to accept the "Stennis proposal." (Book IX, 756, 757, 759, 762)

On October 17, 1973 Richardson submitted to Cox a proposal of the Stennis compromise which dealt only with the tapes covered by the subpoena. Richardson's explanation to Cox did not refer to Cox being unable to seek access to future documents. (Book IX, 766)

On October 18, 1973 Cox replied that he was not unalterably opposed to the essential idea of providing an impartial but nonjudicial means for reviewing the tapes, so that an accurate version thereof could be obtained. However, he did submit certain distinct comments on the proposal, among which was a provision that, should the transcripts prepared by "special masters" not be acceptable for use at trial, the relevant portions of the tapes must be furnished. This of course left the door open for the tapes themselves to come into evidence and in a sense nullified the ultimate objectives of the President's Stennis compromise. It was Cox who brought up the question of access to other documents by his comment No. 9: "The narrow scope of the proposal is a grave defect, because it would not serve the function of a court decision in establishing the Special Prosecutor's entitlement to other evidence. We have long-pending requests for many specific documents. The proposal also leaves half a law suit hanging (i.e., the subpoenaed papers). Some method of resolving these problems is required." (Book IX, 774)

On October 19, 1973 Cox wrote to the President's attorney, Charles Alan Wright, to say that he could not accept a number of proposals by the White House, notably that he agree not to subpoena any other White House tapes, papers or documents. Cox felt that to agree to waive his right to go to court would violate the promises which he had made to the Senate Judiciary Committee at the time of the confirmation of Attorney General Richardson. (Book IX, 791)

On October 19, 1973 Wright replied to Cox's letter of that same date, explaining that "categorically agreeing not to subpoena any other White House tape, paper or document" referred only to "private Presidential papers and meetings;" a category that Wright regarded as "much, much smaller than the great mass of White House documents with which the President has not personally been involved." Charles Alan Wright stated that in his professional opinion the Stennis compromise was "very reasonable—indeed an unprecedentedly generous—proposal that the Attorney General put to you in an effort, in the national interest, to resolve our disputes by mutual agreement at a time when the country would be particularly well served by such an agreement." (Book IX, 795)

On October 19, 1973 the President wrote to Richardson commanding him to direct the Special Prosecutor to make no further attempts by judicial process to obtain tapes, notes or memoranda or presidential conversations. The President had stated earlier in the letter that he reluctantly had agreed to a limited breach of presidential confidentiality (the Stennis proposal) "in order that our country might be spared the agony of further indecision and litigation about these tapes at a time when we are confronted with other issues of much greater moment to the country and the world." (Book IX, 798)

At this time the President was dealing with the Mideast crisis precipitated by the October War.

On October 20, 1973 Richardson wrote the President and stated, *inter alia,* that "of course you have every right as President to withdraw or modify any understanding on which I hold office under you." Richardson then went on to state that, although the President could tell the Attorney General what to do, he could not dictate to the Special Prosecutor, who in effect was a creature of the Attorney General's office; and that Richardson had made many promises to the Senate Judiciary Committee regarding the independence of the Special Prosecutor and had reaffirmed his "intention to assure the independence of the Special Prosecutor." Richardson described the Stennis compromise as "reasonable and constructive" and stated that he had done his best "to persuade Mr. Cox of the desirability of the solution of the issue." Richardson did balk at the concept of precluding Cox from seeking further access to presidential documents. (Book IX. 812)

On October 20, 1973 Cox held a press conference at 1:00 p.m. and asserted that "there was clearly *prima facie* evidence of serious wrongdoing on the part of high government officials." (Cox Press Conference, October 20, 1973, 3) In making his case public before the nation, Cox elaborated on his reasons for rejecting the Stennis proposal. He complained, "I would be instructed not to use the judicial process in order to obtain tapes or documents, memoranda relating to other Presidential conversations . . . and I think the instructions are inconsistent with pledges that were made to the United States Senate, and through the Senate to the American people before I was appointed and before Attorney General Richardson's nomination was confirmed." (*Id.,* 6–7) Cox catalogued all of the logs and documents he had requested, and explained how he had been frustrated by the White House. (*Id.,* 9–15) He stated his intention to continue his duties and to pursue the mandate of the court of appeals in seeking the tapes. (*Id.* 16) He intimated that he might seek an order to show cause why the President should not be held in contempt of court. (*Id.* 17)

On September 29, 1973 an article had been published by the noted constitutional scholar Alexander M. Bickel. The central point of the article was that Special Prosecutor Cox was "not only the President's adversary, he is also the President's subordinate". Bickel elaborated on this proposition as follows:

"Mr. Cox has no constitutional or otherwise legal existence except as he is a creature of the Attorney General who is a creature of the President. Both exercise on behalf of the President and subject to his direction the President's constitutional responsibility and authority to take care that the laws be faithfully executed. To the extent therefore that the president's adversary is Mr. Cox, the President is litigating with himself. . . . The President is in fact litigating with himself and has it in his lawful power to nullify the result of litigation in the end by collapsing his creature Mr. Cox into his creature Mr. Wright—if this is so, then this law suit is no law suit, it is an internal controversary between the President and one of his subordinates, which the President at the moment: but only for the moment, is unwilling to conclude by discharging Mr. Cox. . . . the Federal courts have no jurisdiction to hear such contrived controversies. They do not sit to resolve the executive's family quarrels. It is not their function to render advisory opinions. Hence, the case must be dismissed."

Bickel's point is that the President could destroy the lawsuit by discharging Cox. (New Republic, September 29, 1973, 13–14.) According to Cox, Charles Wright also initially assured the President that he did not have to surrender the tapes. Wright apparently maintained a strong position on this point until shortly before Cox was fired. (Cox interview, May 10, 1974)

On October 20, 1973, after the press conference of the Special Prosecutor, President Nixon discharged Cox and abolished the Office of the Special Prosecutor. (Book IX, 816, 818, 821–25)

In the eyes of the President and his advisors, he had made a monumental concession of executive privilege in acceding to the Stennis compromise. At that point in time, it was not at all clear that the President would ever have had to surrender the tapes. Charles Wright, Alexander Bickel and Archibald Cox, all eminent constitutional scholars, had indicated in diverse ways that the President could legally end present tapes litigation by discharging Special Prosecutor Cox. Instead, in acceding to the Stennis compromise President Nixon had agreed to what in his eyes was an unprecedented breach of presidential privilege. It was the President's opinion, as expressed in his press conference of October 26, 1973, that Cox had rejected the Stennis compromise, a compromise which President Nixon believed had been accepted by Attorney General Richardson, Senator Baker, Senator Ervin and others. This obstinacy on the part of Cox was regarded by the President as a severe breach of etiquette and loyalty at a time of grave national crisis (the Mideast situation), and the President felt that he could not govern effective with Cox as Special Prosecutor. There is strong reason to believe that President Nixon dismissed Cox as Special Prosecutor because he regarded Cox as a disaffected employee and disagreed with his methodology of prosecution.

There is absolutely no evidence that President Nixon discharged the Special Prosecutor in an attempt to obstruct justice.

In this testimony before the Senate Judiciary Committee during the Special Prosecutor Hearings, Richardson summed up the situation as follows:

"All I can testify to is what I know about what happened, and while there was this chronic sense of friction and strain arising out of the very existence of the Cox role, and that feeling erupted from time to time in some reaction, nevertheless, the ultimate firing of Cox is proximately related to the attempt to negotiate an arrangement whereby he would be shut off from further access to presidential documents and so on. You can, if you choose, draw inferences with respect to the history as a whole. I am saying to you that while that is a possible inference, then one could well conclude that these frustrations and irritations to a degree had been cumulative; nevertheless, I think it would be going beyond the evidence as I know it to conclude that the only explanation of all this was a determination to get rid of Cox going back to July as distinguished from a combination of concern with the exercise of his role, the character of his staff, impressions of that staff, coupled with the frustration arising out of the failure to get an agreement on what the President thought was a major concession." (2 Special Prosecutor Hearings, 420, 421)

On October 23, 1973 the President authorized Special Counsel Wright to inform Judge Sirica that the subpoenaed tapes would be turned over to the court. (Book IX, 828) On October 26, 1973, the President stated that the new Special Prosecutor would have total independence and cooperation from the executive branch. (Book IX, 833) The President immediately made provisions for a new Special Prosecutor less than one week after Cox had been dismissed. The Special Prosecutor's office continued to function at full strength and efficiency. On October 31, 1973 new Special Prosecutor Leon Jaworski met with General Haig and received assurances of complete independence both jurisdictionally and in the sense of being able to take the President to court. This independence was guaranteed to Jaworski personally by Haig after immediate consultation with the President. (Book IX, 838–843)

On November 19, 1973 Acting Attorney General Bork filed an amendment to the Special Prosecutor's charter which provided that the jurisdiction of a Special Prosecutor would not be limited, nor would the Special Prosecutor be fired unless the President first consulted with the Majority and Minority leaders in the Congress and the Chairman and Ranking Minority Members of the Judiciary Committees of the Senate and House of Representatives, and ascertained that their consensus was in accord with his proposed action. Jaworski was made aware of these assurances and commitments. (Book IX, 862–866)

On November 20, 1973, while testifying before the Senate Judiciary Committee during the Special Prosecutor Hearings Jaworski was questioned by Senator Hruska regarding the obtaining of evidence from the White House. Hruska was interested in Jaworski's concept of what presidential noncooperation might constitute. The following colloquy occurred:

Senator HRUSKA. So that by the charter, by your agreement and your discussions you are not to be denied access to the courts. Would you consider that at that point where General Haig would assert, on behalf of the President, a privileged character to public documents. . . . he was acting for or on behalf of the President beyond the law or above the law?

"Mr. JAWORSKI. No. 'If he has a right to take that position—I have to recognize that I am not infallible—it may be that I am in error. It may be that my construction of what our rights are is in error. This is why we have the right to go to court and let the court determine who is correct.

"Senator HRUSKA. So that it would be a difference in judgment on a particular document, or a particular line of documents, but it would not be construed at that point that the President or somebody on his behalf was proceeding in defiance of law?

"Mr. JAWORSKI. Certainly I agree with that. And I do not intend to leave any impression to the contrary." (2 Special Prosecutor Hearings, 600).

On January 31, 1974 Jaworski was quoted by the *Washington Star News* as having stated "So far I've gotten what I insisted we were entitled to" (referring to the materials he requested from the White House). (*Washington Star News*, January 13, 1974, p. 12.) On January 18, 1974 Jaworski appeared on the Today show, and the following exchange took place:

"INTERVIEWER. A few weeks ago you said the White House was being quite open and cooperative in furnishing you all the information that you wanted. Is this still the case? Do you have any reservations about the cooperation you are getting from the White House?

"JAWORSKI. I have none at this point because the things I have asked for have either been furnished or have not yet been refused. I'm not saying that everything has been found that I have asked for. That's another question. But I have not been refused the matters I have asked for. . . . Now, there are some requests outstanding." (January 18, 1974, *Today* show interview with Jaworski)

On February 4, Jaworski's public attitude changed a bit toward the President and he stated on Issues and Answers, "Any idea that this material has been spoon fed to me is an error . . . I've had to go after it . . . There was not one occasion when something was handed to me that I hadn't asked for." (*Washington Star News*, February 4, 1974)

On February 14, 1974 Jaworski sent a letter to Senator Eastland, Chairman of the Senate Judiciary Committee, stating that full compliance and cooperation regarding information from the White House had not been forthcoming. Jaworski itemized the disputed areas and stated that he was sending this letter in response to a promise he had made to the Committee during the Saxbe confirmation hearings that he would inform them of the cooperation he received from the White House. Jaworski stated that he had experienced difficulty getting materials of the Watergate investigation, the dairy industry investigation, and the Plumbers investigation. However, he stated that he had received a great amount of information from the White House and that the White House had allowed him to examine some files in the custody of the White House on various occasions. The Office of the Special Prosecutor was provided with documents from those files which were relevant to their investigations. Furthermore, the White House had provided the Office of the Special Prosecutor with four additional presidential conversations not subpoenaed and had allowed Jaworski access to six other conversations which were also not subpoenaed. Jaworski went on to state that in his opinion the grand jury would be able to return indictments without the benefit of some of the tapes requested of the White House. However, he stated that the materials sought and not turned over to date were "important to a complete and thorough investigation and may contain the evidence necessary for any future trials." (Jaworski's letter to the Senate Judiciary Committee of February 14, 1974, reprinted verbatim in the *New York Times*, February 15, 1974, 12; Book IX, 936)

On February 20, 1974 the Office of the Special Prosecutor sent a grand jury subpoena to President Nixon requesting, *inter alia*, communications containing recommendations to the President with respect to personnel selections and nominations, telephone logs, appointment calendars; and other documents pertaining to Mr. Maurice Stans. On May 31, 1974 the White House filed a formal claim of privilege to this subpoena and the matter is presently in litigation. (Book IX, 1045–1052)

On March 6, 1974 President Nixon announced at a press conference that in addition to the tapes which were subpoenaed by the Office of the Special Prosecutor on July 23, 1973, he had turned over eleven additional tapes bringing the total to 19 tapes that he had surrendered. The President stated further that he had turned over 700 documents, in addition to case loads of documents from five executive departments and two agencies, enough material to enable Jaworski to state that the Special Prosecutor and the grand jury had enough evidence for indictments. ("Presidential Statements," March 6, 1974, 71) On March 15, 1974 the Special Prosecutor served a grand jury subpoena on the White House calling for materials needed for investigation independent of both the Watergate cover-up and the Fielding breakin. On March 29, 1974 the White House agreed to comply with the subpoena. (Book IX, 970–72)

On April 1, 1974 Jaworski publicly stated that he owed his survival as Special Prosecutor to an agreement between himself and Richard Nixon. He is quoted as saying "When I took this job one of the things that the President and I agreed on was my right to sue and to get whatever testimony I needed, and he has respected that." (*Washington Post*, April 2, 1974, B3)

On April 12, 1974 Special Prosecutor Jaworski wrote Senator Percy and stated that he still needed evidentiary material from the White House in order adequately to prepare for trial and to provide the defendants with possible Jencks Act material. (Book IX, 984–985)

On April 18, 1974 Judge Sirica issued a trial subpoena requested by the Special Prosecutor for 64 presidential conversations. It is this subpoena which was the subject of the recent Supreme Court decision in *United States* v. *Nixon* (U.S. S. Ct. July 24, 1974) ("Criminal Cases," 159–92). The Court held in a unanimous 8–0 decision that under the particular circumstances of the case, the President's assertion of executive privilege on the ground of a generalized interest in confidentiality must yield to the demonstrated, specific need for evidence in a pending criminal trial. Accordingly, the President promptly complied with the Court's ruling by turning over to the district court all of the subpoenaed materials with the exception of nine tapes which were subsequently discovered not to exist.

In conclusion, the charge that the President deliberately obstructed the Office of the Special Prosecutor is principally grounded on two facts: his discharge of Special Prosecutor Cox, and his resistance to certain subpoenas issued on behalf of the Special Prosecutor. Both presidential actions, however, can be explained in terms of proper motives and need not give rise to any inference of an intention to obstruct justice.

A fair reading of the evidence suggests that the discharge of Cox was motivated at least in part by the President's perception of Cox as a long-term member of the "Kennedy clique", and therefore a political opponent whose impartiality was subject to question. Whether or not this perception was accurate is immaterial; the point remains that the President may have feared that he would not receive fair treatment from the Office of the Special Prosecutor while Cox was in charge. Significantly, the President was able to maintain a satisfactory relationship with Jaworski right to the end.

It is true that the President stoutly resisted compliance with certain subpoenas, notably the April 18, 1974 trial subpoena. His resistance was consistently premised on the ground of executive privilege, a doctrine whose general validity the Supreme Court reaffirmed in *United States* v. *Nixon* even while holding that in the instant case it was outweighed by the demands of due process in the fair administration of criminal justice. Indeed, the Court specifically remarked on the propriety of the President's course of action:

"If a president concludes that compliance with a subpoena would be injurious to the public interest he may properly, as was done here, invoke a claim of privilege on the return of the subpoena. (U.S. v. Nixon, slip opinion at 28)."

The same principle was enunciated over a hundred years ago by Representative James Beck of Kentucky, in the course of House debate during the impeachment of President Andrew Johnson:

"I maintain that the President of the United States is duty bound to test the legality of every law which he thinks interferes with his rights and powers as the Chief Magistrate of this nation. Whenever he has powers conferred upon him by the Constitution of the United States, and an act of Congress undertakes to deprive him of those powers or any of them, he would be false to his trust as the Chief Executive of this nation, false to the interests of the people whom he represents, if he did not by every means in his power seek to test the constitutionality of that law, and to take whatever steps were necessary and proper to have it tested by the highest tribunal in the land, and to ascertain whether he has a right under the Constitution to do what he claims the right to do, or whether Congress has the right to deprive him of the powers which he claims have been vested in him by the Constitution of the United States.

". . . The humblest citizen has the undoubted right to try judicially his constitutional rights." (Congressional Globe (1868), 1349–51)

"MISSING" OR INCOMPLETE TAPES

18½ Minute Gap

On September 29, 1973, Alexander Haig called Rose Mary Woods and informed her that the President's conversation with Haldeman on the June 20, 1972 tape was not covered by the subpoena. (Transcript, *In re Grand Jury* Misc. 47–73. Tr. 1231, 1938–40). Haig received this information from J. Fred Buzhardt, who confirms advising Haig and President Nixon that the Haldeman portions of the June 20 tape referred to in the subpoena were not required. (T 1470–71).

Should he discharge his personal secretary or any other employee when no charges have been placed?

President Nixon in his public address on April 29, 1974, has denied any knowledge of how the 18½ minute gap occurred. There has not been any direct evidence produced by anyone to show that the President ever listened to the original June 20th tape with the Uher 5000 machine. The only time the President listened to this tape, according to the evidence, is on September 29 at Camp David while Rose Mary Woods was using the 800B Sony machine.

On November 26, 1973, Rose Mary Woods testified that she did not transcribe the Haldeman portion of the conversation at Camp David and did not begin doing so until she returned to the White House because she did not believe it was required by the subpoena. (T 1228–30.) Since the Haldeman conversation was never fully transcribed because neither Miss Woods nor the President believed it was subpoenaed, there would have been no reason for it to have been delivered to the President or for him to have known what was on the Haldeman portion of the tape. Therefore, he would have had no reason to have ordered its destruction.

There is absolutely no evidence that President Nixon was ever in actual personal possession of the June 20 tape or the Uher 5000 tape recorder. Indeed, all the evidence is to the contrary. The tape and the recorder were stored in a safe in the office of Rose Mary Woods and Rose Mary Woods has testified that she is the only person with the combination to that safe.

The notes of H. R. Haldeman taken on June 20, 1972, in no way suggest that the President received incriminating knowledge regarding the Watergate break-in. The notes refer entirely to a possible public relations counter-offensive. Since President Nixon and H. R. Haldeman were both known to be conscious of public relations, this would have been a completely normal subject for them to have discussed in response to a potential problem during the presidential campaign. There is nothing in these notes to suggest that any illegal activity was discussed:

be sure EOB office is *thoroly* ckd re bugs at all times—etc.

what is our counter-attack?

PR offensive to tip this—

hit the opposition w/their activities

pt. out libertarians have created public [unreadable]

do they justify this less that

stealing Pentagon papers, Anderson file etc.?

we should be on the attack—for diversion—(Book II, 246.)

Judge Sirica conducted 15 days of hearings over a 3-month period in an effort to determine the cause and significance, if any, of this and other missing tape segments.

The Grand Jury supplemented an FBI probe of this matter and called numerous witnesses in its investigation of the tapes. To date, no indictment has resulted from this investigation.

Should the President be expected personally to solve the mystery of the 18½ minute gap when the Office of the Special Prosecutor, Judge Sirica, the FBI, and the Grand Jury have been unable thus far to do so?

Other "missing" tapes

There has been no evidence introduced to contradict the explanations given by the White House for the absence of the June 20, 1972 telephone call between the President and Mr. Mitchell and the nonrecording of the April 15, 1973, conversation between the President and John Dean.

The telephone call was made from a phone which was not equipped to record conversations. This phone was in the private residence of the White House. The presidential log shows that at the time the call was made, the President was in fact in the residential wing of the White House.

Technical experts have testified regarding the procedures for changing reels on the Executive Office Building tape recorder. They have testified that one reel was usually left on over weekends in order to avoid necessitating a Technical Division officer's coming in to change it: that, due to the unusually heavy traffic in the Executive Office Building over the particular weekend in question, this reel of tape ran out in the early afternoon, long before the conversation between Dean and the President.

Moreover, in oral argument, the Minority Counsel offered a detailed explanation for his view that Henry Petersen's report that a recording of the April 15th conversation between Dean and the President existed was mistaken. (Minority Memorandum on Facts and Law, Argument on Minority Counsel.)

There has been no testimony that the gaps on the June 20, 1972, dictabelt and on the March 21, 1973, cassette were caused by erasures, deliberate or accidental. These were personal recordings in which the President expressesd his private thoughts. He may simply have hesitated or paused during the recording process.

Article II

A. Legal Considerations

1. Duplicity

Five proposed Articles were considered by the Committee on the Judiciary. Four of these were structured according to a common-sense classification by factual subject matter: Watergate; noncompliance with subpoenas; Cambodian bombing; and personal finances. Article II, by contrast, is a catch-all repository for other miscellaneous and unrelated presidential offenses which were thought to have sufficient support among Committee Members to warrant inclusion. If this Article has any organizing principle at all, it is not a common factual basis but rather a common legal theory supposedly applicable to each specified offense.

The charge encompassed by Article II is that the President "repeatedly engaged in conduct" which constituted grounds for impeachment on one or more of the following three legal theories.

(1) "Violating the constitutional rights of citizens," or

(2) "Impairing the due and proper administration of justice and the conduct of lawful inquiries," or

(3) "Contravening the laws governing agencies of the executive branch and the purposes of these agencies."

The Article then states, "This conduct has included one or more of the following," whereupon five completely disparate types of activity are alleged:

(1) Attempt to misuse the Internal Revenue Service to harass political opponents.

(2) Warrantless wiretapping.

(3) Authorization and maintenance of the "Plumbers."

(4) Failure to prevent subordinates from impeding inquiries.

(5) Interference with agencies of executive branch.

Our opposition to the adoption of Article II should not be misunderstood as condonation of the presidential conduct alleged therein. On the contrary, we deplore in strongest terms the aspects of presidential wrongdoing to which the Article is addressed. However, we could not in conscience recommend that the House impeach and the Senate try the President on the basis of Article II in its form as proposed, because in our view the Article is duplicitous in both the ordinary and the legal senses of the word. In common usage, duplicity means belying one's true intentions by deceptive words; as a legal term of art, duplicity denotes the technical fault of uniting two or more offenses in the same count of an indictment.[1]

We submit that the implications of a vote for or against Article II are ambiguous and that the Committee debate did not resolve the ambiguities so as to enable the Members to vote intelligently. Indeed, this defect is symptomatic of a generic problem inherent in the process of drafting Articles of impeachment, and its significance for posterity may be far greater than the substantive merits of the particular charges embodied in Article II.

As a starting point for discussion, one might wonder why the five specifications of this Article were lumped together rather than being expressed in five separate Articles. The specifications are not bottomed in the same operative set of facts, nor were the presidential actions in question related to one another as part of a common scheme or plan. Of course, it could be argued that any separate actions taken by a President are elements of the overall administration of his office and are thus loosely related. As a realistic organizing principle, however, it does not aid analysis to combine such widely disparate events as the wiretapping of National Security Council staff members in 1969 and the testimony of Richard Kleindienst during his 1972 confirmation hearings. Nor does the Article even suggest that there is a factual subject-matter connection between the five specifications. It merely states that the President "repeatedly engaged" in certain "conduct."

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[1] In criminal law, an indictment is void for duplicity if it joins two or more separable charges in the same count, and the jury does not come to a unanimous verdict *as to each offense. United States* v. *Warner*, 400 F. 2d 130, 735 (8th Cir.) *cert. denied*, 4–0 U.S. 930 (1970): *United States* v. *Bachman*, 164 F. Supp. 898, 900 (D.D.C. 1958).

One must therefore look for an organizing principle in the three legal theories advanced in Article II. Parenthetically, it may be observed that if the Article had been restricted to the first three specifications (discriminatory use of the IRS; warrantless wiretapping; the Plumbers), a specific and possibly useful legal theory could have been established as a framework for analysis. These three alleged offenses all potentially involve violations of individual rights guaranteed under the First Amendment, the Fourth Amendment, or both. The fourth and fifth specifications, however, do not fit within that framework. Consequently the legal theories applicable to the charges had to be so broadened that they are not useful as an organizing principle. For example, it is hard to understand why the fourth specification (failure to prevent subordinates from impeding inquiries) is included in this Article at all, since it seems much more germane to Article I.

We submit that the recitation of legal theories, far from being an organizing principle, was in fact a disingenous rationalization added as an afterthought in an effort to bind together the five unrelated specifications. The real reason for collecting those specifications in a single Article was purely pragmatic. It was correctly perceived that each of the five charges, standing alone in a separate Article, might be unable to command a majority vote. The strategy was therefore adopted of grouping the various charges together under a single umbrella, in the hope that enough Members of the Committee, the House, and ultimately the Senate would be persuaded by one or another specification that the aggregate vote for Article II would be sufficient for impeachment and conviction. The superimposition of the three legal theories was a secondary strategem designed to make it more difficult for the Article to be split, by subsequent amendment, into separate Articles.

We do not take the position that the grouping of charges in a single Article is necessarily always invalid. To the contrary, it would make good sense if the alleged offenses together comprised a common scheme or plan, or even if they were united by a specific legal theory. Indeed, even if there were no logical reason at all for so grouping the charges (as is true of Article II), the Article might still be acceptable if its ambiguous aspects had been satisfactorily resolved. For the chief vice of this Article is that it is unclear from its language whether a Member should vote for its adoption if he believes any one of the five charges to be supported by the evidence; or whether he must believe in the sufficiency of all five; or whether it is enough if he believes in the sufficiency of more than half of the charges. The only clue is the sentence which states, "This conduct has included one or more of the following [five specifications]". This sentence implies that a Member may—indeed, must—vote to impeach or to convict if he believes in the sufficiency of a single specification, even though he believes that the accusations made under the other four specifications have not been proved, or do not even constitute grounds for impeachment. Thus Article II would have unfairly accumulated all guilty votes against the President, on whatever charge.[2] The President could have been removed from office even though no more than fourteen Senators believed him guilty of the acts charged in any one of the five specifications.

Nor could the President have defended himself against the ambiguous charges embodied in Article II. Inasmuch as five specifications are included in support of three legal theories, and all eight elements are phrased in the alternative, Article II actually contains no fewer than fifteen separate counts, any one of which might be deemed to constitute grounds for impeachment and removal. In addition, if the President were not informed which matters included in Article II were thought to constitute "high Crimes and Misdemeanors," he would have been deprived of his right under the Sixth Amendment to "be informed of the nature and cause of the accusation" against him.

This defect of Article II calls to mind the impeachment trial of Judge Halsted Ritter in 1936. Ritter was narrowly acquitted of specific charges of bribery and related offenses set forth in the first six Articles. He was convicted by an exact two-thirds majority, however, under Article VII. That article charged that because of the specific offenses embodied in the other six Articles, Ritter had "[brought] his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice . . ."[3] The propriety of convicting him on the basis of this vague charge, after he had been acquitted on all of the specific charges, will long be debated.[4] Suffice it to say that the putative defect of Article VII is entirely different from that of Article II in the present case, and the two should not be confused.

A more relevant precedent may be found in the House debates during the impeachment of Judge Charles Swayne in 1905. In that case the House had followed the earlier practice of voting first on the general question of whether or not to impeach, and then drafting the Articles. Swayne was impeached in December 1904, by a vote of 198–61, on the basis of five instances of misconduct.[5] During January 1905 these five grounds for impeachment were articulated in twelve Articles. In the course of debate prior to the adoption of the Articles, it was discovered that although the general proposition to impeach had commanded a majority, individual Members had reached that conclusion for different reasons. This gave rise to the embarrassing possibility that none of the Articles would be able to command a majority vote. Representative Parker regretted that the House had not voted on each charge separately before voting on impeachment:

"[W]here different crimes and misdemeanors were alleged it was the duty of the House to have voted whether each class of matter reported was impeachable before debating that resolution of impeachment, and that the committee was entitled to the vote of a majority on each branch, and that now for the first time the real question of impeachment has come before this House to be determined—not by five men on one charge, fifteen on another, and twenty on another coming in generally and saying that for one or another of the charges Judge Swayne should be impeached, but on each particular branch of the case."[6]

"When we were asked to vote upon ten charges at once, that there was something impeachable contained in one or another of those charges, we have already perhaps stultified ourselves in the mode of our procedure. . ."[7]

In order to extricate the House from its quandary, Representative Powers urged that the earlier vote to impeach should be construed to imply that a majority of the House felt that each of the separate charges had been proved;

"At that time the committee urged the impeachment upon five grounds, and those are the only grounds which are covered by the articles, . . . and we had assumed that when the House voted the impeachment they practically said that a probable cause was made out in these five subject-matters which were discussed before the House."[8]

Powers' retrospective theory was ultimately vindicated when the House approved all twelve Articles.

If this episode from the Swayne impeachment is accorded any precedential value in the present controversy over Article II, it might be argued by analogy that the Committee's vote to adopt that Article must be construed to imply that a majority believed that all five specifications had been proved. Because the Committee did not vote separately on each specification, however, it is impossible to know whether those Members who voted for Article II would be willing to accept that construction. If so, then one of our major objections to the Article would vanish. However, it would still be necessary to amend the Article by removing the sentence "This has included one or more of the following," and substituting language which would make it plain that no Member of the House or Senate could vote for the Article unless he was convinced of the independent sufficiency of each of the five specifications.

However, there remains another and more subtle objection to the lumping together of unrelated charges in Article II:

"There is indeed always a danger when several crimes are tied together, that the jury will use the evidence cumulatively; that is, that although so much as would be admissible upon any one of the charges might not have persuaded them of the accused's guilt, the sum of it will convince them as to all."[9]

It is thus not enough protection for an accused that the Senate may choose to vote separately upon each section of an omnibus article of impeachment: the prejudicial effect of grouping a diverse mass of factual material under one heading, some of it adduced to prove one proposition and another to prove a proposition entirely unrelated, would still remain.

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[2] The failure of the Committee to vote separately on each specification did a disservice not only to the President, but also to Members of the Committee. The undifferentiated vote for or against Article II obscured the Member's views with respect to particular specifications, and conveyed the impression that each Member was convinced by all five specifications or by none of them. Similarly, if the Senate had convicted the President under Article II without voting separately on each specification, it would be impossible to know upon what basis and for what offenses the President was removed from office.

[3] *Proceedings of the United States Senate in the Trial of Impeachment of Halsted L. Ritter,* 74th Cong., 2d Sess, at 637 (1936).

[4] In the impeachment of Judge Robert Archbald in 1912, Article XIII reiterated in general terms the charges specified in the other twelve Articles. Archbald's conviction under this omnibus charge was less controversial, however, because he had already been found guilty on several of the specific charges.

[5] The five grounds were: false certification of expenses; private use of railroad car in possession of receiver; failure to reside in judicial district; and two cases of maliciously punishing a lawyer for contempt of court. Like the five specifications in Article II, theses charges were quite unrelated to each other. Therefore it is not surprising that Members varied widely with respect to which charges they considered to make out a case for impeachment.

[6] 39 Cong. Rec. 810 (1905).

[7] *Id.* 813.

[8] *Id.* 810.

[9] *United States* v. *Lotsch,* 102 F. 2d 35, 36 (2d Cir.), *cert. denied,* 307 U.S. 622 (1939).

2. "Abuse of power" as a theory of impeachment of a president

Just as Article I is drawn from Section I of the Majority staff's Summary of Information, entitled "Watergate," so the allegations of Article II are drawn from Section II of the Summary of Information, entitled "Abuse of Presidential Power." Section II of the Summary of Information lists six Watergate-related and seven non-Watergate-related instances of alleged misuse of Presidential powers. According to the Summary of Information, "The issue in each of these areas is whether the President used the powers of his office in an illegal *or improper* manner to serve his personal, *political* or financial interests."[4] The sponsor of the proposed form of Article II which was adopted by the Committee stated during the Committee debate that the Article was not a criminal charge, but that it recognized the President was subject to a "higher standard" than the criminal law.[5] Another Member supporting Article II stated that it would apply to an undertaking "to do something legal for political or improper purposes."[6]

It is respectfully submitted that allegations of "abuse of power" fail to state a "high Crime and Misdemeanor" within the meaning of the Constitution. Abuses of power in general terms may have been the occasion for the exercise of the impeachment power in England in the Fourteenth and Seventeenth Centuries, during the great struggles for Parliamentary supremacy; but "abuse of power" is no more a high crime or misdemeanor in this country than "maladministration"—which was explicitly rejected by the Framers of our Constitution because it was too "vague."[7]

It is a far-reaching and dangerous proposition, that conduct *which is in violation of no known law,* but which is considered by a temporary majority of the Congress to be "improper" because undertaken for "political" purposes, can constitute grounds for impeachment. We wonder whether the Majority have fully considered the implications of this concept in terms of the liability to impeachment of an elected official, or a political appointee, or for that matter, by analogy, in terms of the liability of an elected Member of Congress to expulsion.

For Congress to impeach a President for an act which could not reasonably be known to be punishable when it was committed, however much Congress may disagree with that act, would meet the textbook definition of a bill of attainder or *ex post facto* law—both so hated by the Framers of our Constitution that they were prohibited not only to the Congress but also to the States. (U.S. Constitution, Article I, Section 9, clause 3; Article I, Section 10, clause 1.)

Have we slipped so far since the Eighteenth Century that we can no longer rely on our laws to tell us what is right and wrong? Why is it now, suddenly, necessary to go outside those laws? Blackstone wrote between 1765 and 1769:

"An impeachment before the Lords by the Common of Great Britain, in Parliament, is a *prosecution of the already known and established law.* . . . being a presentment to the most high and supreme court of criminal jurisdiction by most solemn grand inquest of the whole kingdom."[8]

Woddeson wrote in 1777:

"[Impeachments] are founded and proceed upon the *law in being.*"[9]

Joseph Story wrote in 1833, in this country:

"Impeachments are not framed to alter the law; but to carry it into more effectual execution."[10]

Why is it now necessary to impeach the President for conduct which is thought "improper"? We submit it is a violation of history and of our Constitution to do so.

Entirely apart from the requirement of "high Crimes and Misdemeanors" contained in the Impeachment Clause of the Constitution, demands of fundamental fairness are also imposed by the Due Process Clause of the Fifth Amendment, which provides, "No person shall . . . be deprived of life, liberty, or property, without due process of law." It is settled law that governmental action having an impact upon an individual's employment or employment prospects not only "property" interests, but also the individual's "liberty" as well.[11]

Under the due process clause, the vice of a formulation like "abuse of power" as the gravamen of allegedly impeachable offenses is its elasticity—it would be completely unmanageable as a standard even if the charge contained only one specification. It appears from the Summary of Information that to use power "improperly" for "political" purposes is an "abuse" of power, but what is the test for impropriety? Does an action, otherwise lawful or proper, become *per se* illegal or improper if it is motivated by a desire to discredit members of the opposition party, by a desire to conceal politically embarrassing information, by "political" considerations?

Like members of Congressional staffs, White House staff members are exempt from the prohibition on certain forms of political activity by federal employees imposed by the Hatch Act.[12] This fact ought to shed some light on the difficulty that Congress has perceived in the past in separating the political from the governmental functions of elected officials and those who serve directly under them. As approved by the Committee, moreover Article II leaves unclear the Committee's view as to whether the President's action, in order to be impeachable, must be motivated by a criminal intent, as argued above, by only an "improper" intent, or with particular reference to Paragraph (4), by any intent at all.

Finally, it is difficult to understand how content can be given to terms such as "abuse of power," or "improper" use of power, unless some attempt is made to determine the historical practice in prior Administrations in the areas described by Article II—efforts to prevent leaks of national security information, for example, or the general scope of activities conducted by the Central Intelligence Agency. No such meaningful comparisons were undertaken by either the Committee or its staff during this impeachment inquiry. If the Congress may remove an elected President for conduct which is violative of no known law, but is merely in its view "improper", and if the Congress refuses to consider what has been thought "proper" or "improper" in the past, but will address only the question of what now seems "improper" in the subjective view of a temporary majority of legislators, we will have traded in the Constitution for new Articles of Confederation. We will have established a government essentially by one branch, not three.

B. Historical Context

Proposed Article II represents an unwieldy agglomeration of alleged abuses of power by President Nixon: efforts to procure discriminatory income tax audits, warrantless wiretapping, covert activities of the "Plumbers", etc. In order to evaluate the gravity of these allegations, it is instructive to compare them with certain historical incidents illustrative of the alarming growth of executive power during the past forty years.

Frustrated by the intransigent opposition of the Supreme Court to his New Deal legislation in 1937, President Roosevelt attempted under color of the most transparently specious rationalization, to pack the court with additional Justices who would be more sympathetic to his political ideology. Later in his Administration the wartime emergency was invoked to justify the suspension of the constitutional rights of thousands of Japanese-Americans who were interned in detention camps. It was also Roosevelt who, in 1940, initiated the practice of warrantless "national security" wiretapping which has been carried on by each of his successors.

President Truman took the law into his own with his unconstitutional seizure of the nation's steel mills in 1952. His successors in office were responsible for the involvement of the United States in a protracted but undeclared war in Southeast Asia.

During his first year in office, President Kennedy also indulged in an irresponsible military adventure in Cuba. Later in his Administration, the Department of Justice was used, many feel, for the improper purpose of discriminatory harassment both of certain labor union leaders and of steel company executives who thwarted the President's economic policies.

This eclectic catalogue of arguable abuses of power by recent Presidents is not intended to suggest necessarily that there are precedents for each of the specific instances of misconduct charged against President Nixon in proposed Article II. If President Nixon was guilty of misconduct justifying removal from office, no one would argue that he should have been spared simply because previous Presidents were not impeached for their similar excesses. Rather, these historical incidents are mentioned only to illustrate a point which is all too easily lost in the current preoccupation with President Nixon's alleged offenses: no President who attempts to make full use of the lawful powers of his office is likely to complete his term without having committed, even in good faith, a constitutional violation. The President's duties and responsibilities frequently expose him to conflicting constitutional demands. In these situations he must choose either to act, knowing that any action may prove to involve a violation of the Constitution, or to refrain from acting, knowing that inaction—though technically not a violation of his oath of office—may be the worst policy of all.

To constitute an impeachable offense, therefore, it is not enough merely to show a presidential violation of the Constitution (or, in the jargon of proposed Article II, an "abuse of power" or failure to "take care that the laws be faithfully executed"). The critical question is whether the President's action was undertaken in good faith: whether he acted under color of law and in furtherance of his constitutional duties as he honestly saw them.

The phrase "national security" is presently in bad odor because of widespread intuition that it has been too often unnecessarily invoked as a talisman to justify otherwise indefensible exercises of executive power. Yet each of the presidential actions listed above, like many of those specified in proposed Article II, was undertaken for the avowed purpose of protecting the national security, in response to what the President perceived to be a legitimate military, economic or diplomatic imperative.

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[4] Summary of Information, p. 123 (emphasis added).

[5] HJC Debates, 7/29/74, TR. 809.

[6] HJC Debates, 7/29/74, TR. 1063.

[7] See discussion above.

[8] 4 W. Blackstone *Commentaries on the laws of England* (1771) 256–57. (Emphasis added.)

[9] 2 R. Woddeson *Laws of England* 611, 612. (Emphasis added.)

[10] 1 J. Story, *Commentaries on the Constitution* (3d ed. 1858) § 798.

[11] *Greene* v. *McElroy,* 360 U.S. 474, 496–97 (1959); *McNeill* v. *Butz,* 480 F.2d 314, 320 (4th Cir. 1973); *Perry* v. *Sindermann,* 408 U.S. 593 597, 601 (1972); *Willner* v. *Committee on Character and Fitness,* 373 U.S. 96, 103 (1963); *In re Ming,* 469 F.2d 1352 (7th Cir. 1972); *Bottcher* v. *State of Florida Dept. of Agric. and Consumer Services,* 361 F. Supp. 1123, 1129 (N. D. Fla., 1973); *Joint Anti-Fascist Refugee Committee* v. *McGrath,* 341 U.S. 123, 185 (1951) (Jackson, J., concurring).

[12] 5 U.S.C. § 7324(d)(1).

C. Factual Allegations

Paragraph (1)

This paragraph charges the President with having endeavored to violate the constitutional rights of citizens in relation to the official governmental activities of the Internal Revenue Service in two principal ways; by obtaining confidential information from income tax returns, and by instigating tax audits and investigations on a politically discriminatory basis.

Ineffectual attempts

This paragraph does not charge the President with actual misuse of the IRS. Indeed, no evidence before this Committee could support such a charge. Instead the President is charged with responsibility for the unsuccessful attempts by his subordinates to achieve allegedly improper or unlawful goals.

We think, however, that the majority gives too little thought to the potential implications in an impeachment proceeding of ineffectual efforts by presidential staff to execute presidential wishes. Because such efforts were unsuccessful, certainly the conclusion that the President was seriously intent on, or interested in the misuse of the IRS is negated. Given the plenary powers of a President to manage, direct and control the operations of the executive branch of government, if he had desired an illegitimate goal to be accomplished, it would have been accomplished. As in pulling or pushing on a string, the ability of a President to succeed in accomplishing some affirmative objective is quite different from his ability to prevent or correct subordinate conduct of which he is actually unaware.

The case of John Dean's September, 1972 attempt to initiate IRS audits of 575 people named on a list of McGovern staff and contributors illustrates the point. After John Dean had given IRS Commissioner Walters the list on September 11, 1972, and after Dean's alleged discussion with the President about the IRS on September 15, Dean did not make his second effort to influence IRS Commissioner Johnnie Walters to order the audits until September 25, ten days after his conversation with the President. The majority argues that Dean's second approach to Walters was a result of his conversation with the President. However, the record fails to disclose any evidence that the President at any time followed up the matter with Dean, either directly or through Haldeman or Ehrlichman.

To us, this raises at the very least a serious question as to the degree of the President's true interest in the matter, one aspect of his *mens rea*. Such a factor would be considered relevant in possible mitigation of punishment in an ordinary criminal proceeding. Since fitness for office is the ultimate question in all impeachment cases, the depth of the President's personal commitment to the achievement of some specific improper objective must likewise be held relevant to a determination of the *impeachability* of his conduct relative to such impropriety. The evidence of the President's interest and involvement in the "Enemies List" case is therefore exceedingly weak, and the majority is faced merely with John Dean's unsuccessful attempts to misuse the IRS.

There is, of course, no question that Dean's attempts were unsuccessful. The Joint Committee on Internal Revenue taxation conducted a detailed and thorough investigation of the whole matter of the enemies list. The conclusion of that Committee's staff was as follows:

"The staff has found absolutely no evidence that audits of people on the political opponents lists were on the average conducted more harshly than normal." (Joint Committee Report, 11)

Established practice or custom

We also believe that the Committee's inquiry pertaining to the allegations of this Paragraph was fatally flawed by our failure to develop substantial evidence concerning the routine practices of the IRS, over a period of years spanning several previous Administrations, with respect to the impingement of political or other "extraneous" considerations upon the interpretation and implementation of pertinent regulations and statutory provisions.

Since the point we now make is one easily misunderstood, it bears some elaboration. We do not suggest as a general proposition that the commission of clear-cut violations of law by any President can or should be excused on the sole ground that similar offenses can be shown to have been committed by his predecessors. We do suggest that where the presidential conduct embodied in some enactment of positive law, it is helpful, if not absolutely essential, to consider whether such conduct is rare or commonplace in attempting to place the conduct outside the parameters of permissible "use" of presidential power.

There is evidence in the record indicating that the operations of the IRS have not traditionally been held aloof from political considerations. For example, in his affidavit to this Committee former IRS Commissioner Randolph Thrower referred to the existence of a "Sensitive Case Report" which for years had been circulated within the Commissioner's staff and also delivered to the Secretary of the Treasury. Thrower stated:

"I understand that customarily the Secretary of the Treasury would advise the President of any matters in the sensitive case report about which the President, *by reason of his official duties and responsibilities,* should be advised." (Book VIII, 40; emphasis added)

The emphasized phrase, in context, strikes us as being patently euphemistic.

During 1972 it was IRS policy to postpone investigations involving sensitive cases until after the November elections whenever possible. (Book VIII, 233) John Ehrlichman testified in executive session before the Senate Select Committee that it was because he suspected IRS favoritism for Democratic National Chairman Lawrence O'Brien, as contrasted with the pre-election audit policy toward Republicans, that he tried to move the O'Brien audit along. (Book VIII, 224–25)

In the light of the foregoing indications that IRS policy policy-makers were traditionally sensitive to political considerations, we think the Committee was under an obligation to make inquiry into the customary or routine practices of the Service in situations comparable to those with which this Paragraph is concerned. Had the Committee found—and we categorically do not assert it to be the fact—that the specific instances of alleged attempted abuse of the IRS by White House personnel in this Administration typical conduct of presidential aides in other administrations, the House might perceive a need for appropriate remedial legislation to deal with the problem prospectively without concluding that the President should be *impeached* for failing to put a stop to practices that had sprung up during the tenure of his predecessors.

Repeated conduct

Article II charges that President Nixon "repeatedly engaged in conduct violating the constitutional rights of citizens." We must point out, therefore, that with respect to only one of the specific allegations made under this Paragraph—that involving the McGovern supporters list—is there any competent, credible evidence from which the Committee could infer that the President actually knew of the nature of his aides' dealings with the IRS. We reject the notion that one such instance in five-and-one-half years can fairly be viewed as "repeated" misconduct, rather than as a genuinely isolated incident. We concede that if the President were aware and approved of all of the questionable contacts of, say, Caulfield and Dean with IRS officials during the 1971–72 period, it would then be reasonable to argue that, through his subordinates and agents, the President had "repeatedly" sought to misuse the facilities of the IRS for purposes not sanctioned by Congress. As a matter of fact, however, we are satisfied that the evidence simply does not support any such conclusion.

The President's state of mind that government agencies had been neither "repeatedly" abused nor abused at all during his first term was strongly evidenced during his conversation with Dean and Haldeman on the late afternoon of September 15, 1972:

"The PRESIDENT. We, we have not used the power in this first four years, as you know.

"DEAN. That's right.

"The PRESIDENT. We have never used it. We haven't used the Bureau and we haven't used the Justice Department, but things are going to change now. And they're going to change, and, and they're going to get it right—

"DEAN. That's an exciting prospect.

"The PRESIDENT. It's got to be done. It's the only thing to do.

"HALDEMAN. We've got to.

"The PRESIDENT. Oh, oh, well, we've just been, we've been just God damn fools. For us to come into this election campaign and not do anything with regard to the Democratic senators who are running, and so forth. [Characterizations deleted] That'd be ridiculous. Absolutely ridiculous. It's not going, going to be that way any more, and, uh—

"HALDEMAN. Really, it's ironic, you know, because we've gone to such extremes to do every—You know, you, you and your damn regulations with—

"The PRESIDENT. Right.

"HALDEMAN. Everybody worries about,

"The PRESIDENT. That's right.

"HALDEMAN. about picking up a hotel bill or anything.

"DEAN. Well, I think, we can, I think, I think we can be proud of the White House staff. It really has,

"The PRESIDENT. That's right.

"DEAN. had no problems of that—

"The PRESIDENT. Well, that's right." (HJCT 10–11)

This statement by the President indicates to us that at that moment he was considering an effort to make the agencies more politically responsive than they had been. Musing over the question could not in itself constitute an impeachable offense, however, absent clear and convincing evidence of his effort to implement the idea in concrete terms.

We note also that in this comment the President did not refer specifically to the IRS.

a. Endeavoring to obtain confidential tax information

(i) *The President's authority to obtain information.*—While we believe the evidence shows no extensive presidential involvement in Dean's and Caulfield's activities with respect to the IRS, it should be noted that the President himself has an absolute right of access to tax returns and data of the Internal Revenue Service. Article II, Section 2 of the Constitution provides:

"The President . . . may require the Opinion, in writing, of the principal officer in each of the executive Departments, upon any subject relating to the Duties of their respective offices, ..."

More specifically, Section 6103(a) (1) of the Internal Revenue Code of 1954 provides:

"(a) PUBLIC RECORD AND INSPECTION.—

"(1) Returns made with respect to taxes imposed by chapters 1, 2, 3 and 6 upon which the tax had been determined by the Secretary or his delegate shall constitute public records: but, except as hereinafter provided in this section, they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary or his delegate and approved by the President."

An opinion dated April 22, 1970 from the Chief Counsel of the IRS to Commissioner Randolph W. Thrower stated:

". . . It is inconceivable that the President should be bound by rules and regulations [under Section 6103] in prescribing the circumstances or manner in which returns are to be disclosed to a member of his staff for his use. Since any such rules and regulations are subject to revision or modification by the Secretary at any time with the approval of the President, and the Secretary is the subordinate of the President appointed to serve at the pleasure of the President, it cannot be believed that he should be limited by the requirements of any such rules and regulations or that Congress so intended."

* * * * *

". . . To assume that a 'presidential request' must comply with such regulations assumes that the Secretatry of the Treasury or the Commissioner of Internal Revenue could frustrate a request of the President for returns—in the face of the fact that the statutory provision says that they should be open for inspection on his order.

"The statute as I interpret it, and as interpreted by my predecessors, is not the source of the right of the President to inspect returns, but merely sets forth the manner in which returns may be made available to other persons without Presidential order."

This opinion concludes as follows:

". . . Thus, there would seem to be no question about the President's right of access to these returns through a designated member of his staff. While . . . there is no legal requirement that such requests be written, the procedure you have followed requiring that all requests be detailed in writing is procedurally preferable to accepting oral requests." [1]

The general question of access to by a member of the President's staff apparently first arose in 1961 in regard to Carmine Bellino, who was then Special Consultant to President Kennedy. In a memorandum of March 23, 1961 to the General Counsel of the Department of the Treasury from then IRS Commissioner Mortimer M. Caplin, the following statement concerning the legality of Bellino's inspection of returns was set forth:

"On January 26, Mr. Bellino, Special Consultant to the President, called at my office and requested permission to inspect our files on ------------------ and others. Although we had no precedent to guide us, we decided that Mr. Bellino, in his capacity as a representative of the President, could inspect our files without a written request. This reflects the view that Section 6103 of the Code specifically provides that returns shall be open to inspection upon order of the President, and since Mr. Bellino's official capacity constitutes him the representative of the President, the action taken is regarded as conforming to law. Based on this deicsion, we permitted Mr. Bellino to inspect the files relating to ----------. Since that time we have also permitted him to inspect tax returns and related documents pertaining to other persons." [2]

Again in 1964 the office of the Chief Counsel of IRS concluded that the Warren Commission was entitled to access to IRS returns on the basis of Executive Order 11130, which generally indicated that all agencies and departments should furnish the Commission with such facilities, service, and cooperation as might be requested. The IRS opinion stated:

". . . [I] is axiomatic that in the exercise of power of his office the President is not required to personally take care of day to day details but may, in his discretion, delegate certain functions to others. . . . Manifestly, Sec. 6103(a) (1) could not have been designed to require the Secretary or his delegate and the President to prescribe and approve rules and regulations regarding a personal inspection of returns by the President. Such construction should apply equally to an inspection by the Commission acting for the President."

Thereafter a question arose as to whether the Warren Commission could publish the returns disclosed to it. This resulted in a request by Sheldon S. Cohen (then IRS Chief Counsel) to the Director of the Legislation and Regulations Division of IRS for his opinion as to whether the Commission had authority to inspect returns. The Legislation and Regulations Division advised Cohen by opinion of September 24, 1964 that it concurred in the January 6, 1964 opinion of the Enforcement Division, reiterating that:

". . . [T]he Commission is the 'alter ego' of the President, and since there is no restriction on the President's authority to inspect tax returns, likewise there is no restriction on the right of the Commission as his 'alter ego', to inspect tax returns within the scope of the Executive order.

In light of the strong stand the IRS has consistently taken regarding the right of access of the President and his authorized representatives to tax returns and other data of the service, it is obvious that there is no illegality or impropriety involved in the receipt of such information by authorized White House staff members *per se*. If the receipts were not authorized, of course, we would not view those actions by presidential subordinates as constituting grounds for impeachment of President Nixon.

(*ii*) *Gerald Wallace report*.—The Majority Report charges the President with responsibility for the unlawful disclosure to a Washington newsman of confidential IRS information concerning a 1970 tax investigation of the brother of Alabama Governor George Wallace.[3] It is conceded that the unauthorized disclosure occurred and that the information may have been disclosed by someone in the White House. Nevertheless, there is no competent credible evidence connecting the President to this "news leak."

The only suggestion of presidential involvement in this matter is a hearsay statement by the ex-White House employee who obtained the information from the IRS that Haldeman had said that the Wallace tax information was to be obtained at the request of the President. (Book VIII, 38). There is no evidence to indicate that the President was involved in the disclosure of the information to the newsman.

Even if the hearsay statement of the aide is credited, it is an established principle of IRS law and procedure that the disclosure of tax information to White House aides is proper. Both the White House staff member who obtained the information, and IRS Commissioner Randolph Thrower, who authorized releases of the information to him, have stated in affidavits given to this Committee that the disclosure of the information to the White House was legal and proper. (Book VIII, 38, 40)

There is no evidence that the President received the report. There is no evidence that the President knew of, approved, or had anything to do with the transmission of information to the newsman.

There is no evidence of any interference by anyone at the White House with the IRS investigation, or of any request with respect thereto by any White House staff member, certainly not by the President.

(*iii*) *Other tax information*.—The majority also charges the President with culpability for the acts of a member of John Dean's staff, John Caulfield, who, from time to time in 1971 and 1972 obtained confidential tax information about various individuals from the IRS and on occasion attempted to have audits conducted. There is no evidence that the President knew anything about the activities of Caulfield.

b. Endeavoring to instigate tax audits

(*i*) *Lawrence O'Brien*.—The evidence establishes that during the summer of 1972, John Ehrlichman attempted to get the IRS to investigate the possibility that Democratic National Committee Chairman Lawrence O'Brien had received large amounts of income which had not been reported properly. (Book VIII, 217–35) After IRS agents had interviewed O'Brien and his returns were found to be in order, Commissioner Walters and his assistant met with Shultz and agreed that the investigation should be closed, and they so informed Ehrlichman. No other action was taken in the O'Brien case by the IRS.

Evidence of presidential involvement in this episode is virtually nonexistent. An affidavit by the Minority Counsel to the Senate Select Committee states that he was told over the telephone by J. Fred Buzhardt, a White House Special Counsel, that during the meeting between the President and John Dean on September 15, 1972 Dean reported on the IRS investigation of O'Brien. It is on this third-hand hearsay alone that the Majority would connect the President to the case. However, when Dean was interviewed by this Committee's staff, he said that he had no recollection of having discussed the O'Brien tax audit with the President on that or any other occasion. Dean also stated that he would have had no reason to report on the O'Brien case since he was not involved in it and knew nothing of its details. (Dean interview, HJC files.) Thus, there is no competent evidence to connect the President to the O'Brien tax investigation.

(*ii*) *List of McGovern Supporters*.—The record before the Committee suggests that on September 11, 1972, John Dean gave IRS Commissioner Johnnie Walters a list of McGovern supporters and requested that the IRS begin tax investigations of the individuals named on the list. Pursuant to Ehrlichman's instructions, Dean told Walters that he had not been asked by the President to have this done and that he did not know whether the President had asked the action to be undertaken. (Book VIII, 240) Walters told Dean that compliance with the request would be disastrous. Two days later, Walters met with Shultz and they agreed they should not comply with Dean's request. Shultz told Walters to do nothing with respect to the list and Walters put it in his office safe. (Book VIII, 275–79)

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[1] Definitive opinion of K. Martin Worthy, Chief Counsel to Randolph W. Thrower. Commissioner, dated April 22, 1970.

[2] Compare this opinion with the conclusion reached in a legal opinion dated April 9, 1970, rendered to Mr. Lawrence F. O'Brien by former Commissioner Caplin, which appears in the [*Congressional Record*, April 16, 1970, S 5911–12].

[3] Under 26 U.S.C. § 7213, the unauthorized disclosure of tax information by any officer or employee of the United States is prohibited.

On September 15, 1972, the President and Haldeman were discussing Dean:

"HALDEMAN. Between times, he's doing, he's moving ruthlessly on the investigation of McGovern people, Kennedy staff, and all that too. I just don't know how much progress he's making, cause I—

"The PRESIDENT. The problem is that's kind of hard to find.

"HALDEMAN. Chuck, Chuck has gone through, you know, has worked on the list, and Dean's working the, the thing through IRS and, uh, in some cases, I think, some other [unintelligible] things. He's—He turned out to be tougher than I thought he would . . ." (HJCTI)

Shortly thereafter, Dean entered the room, and the conversation turned to a number of topics, chiefly matters related to the Watergate area. There is no mention of the IRS during the portion of the tape which was available to the Committee, but Dean has testified that during the last seventeen minutes of that meeting he, Haldeman and the President discussed the use of the IRS. (Dean testimony, 2 HJC 229) As Dean recalled the conversation, Dean told the President and Haldeman of his difficulty in getting Walters to commence audits, and the President complained that Shultz had not been sufficiently responsive to White House requirements. (Dean testimony, 2 HJC 229; Book VIII, 334–36)

Dean has testified that because of this conversation with the President, he [Dean] again contacted [ten days later] Walters, but Walters still refused to co-operate. (Dean testimony, 2 HJC 250)

In his testimony before this Committee, Dean was unable to recall precisely what he and the President discussed on September 15th regarding Dean's meeting with Commissioner Walters four days earlier:

"Mr. FISH. It was my understanding that this morning, in response to Mr. Doar, you said that at the time you met the President on the 15th, you told the President about your meeting with Mr. Walters and, as I had you down here, you say 'I related this to the President.'

"My question to you is, Did you relate to him the specifics of why you went to Mr. Walters and of the meeting with Mr. Walters?

"Mr. DEAN. *I cannot recall with specificity how much of that matter was raised.* I just have this vivid recollection of the discussion about Mr. Shultz' role and the fact that the IRS was not performing and I think that the best evidence of that is obviously the tape." (Dean testimony, 2 HJC 311; emphasis added)

Apparently, when Dean returned to see Commissioner Walters on September 25, 1972 he did not indicate to Walters that it was the President's wish that Dean make another attempt at getting the McGovern list audits underway, even though on other occasions Dean had represented himself to be acting under direct presidential supervision when that was not actually the case. (Kleindienst testimony, 9 SSC 3564, 3575–76) Even if Dean felt that he was this time genuinely following presidential instructions, he may have continued to heed Ehrlichman's earlier pointed admonition that he should not tell Walters that the President had anything to do with his visit.

(*iii*) *Segment of September 15, 1972 tape.*—On May 28, 1974 the Special Prosecutor moved the United States District Court for the District of Columbia to turn over to the appropriate grand jury the last seventeen minutes of the tape recording of the conversation among Haldeman, Dean and the President on September 15, 1972. The Special Prosecutor alleged, in support of his motion, that that portion of the recording—which Judge John J. Sirica had earlier withheld from the grand jury after sustaining a particularized claim of executive privilege by the President—was relevant to alleged White House efforts to abuse and politicize the IRS, including the unlawful attempt in August and September of 1972 to instigate an IRS investigation of Lawrence O'Brien.

On July 12, 1974 Judge Sirica granted the motion as to that portion of the conversation occurring between approximately 6:00 and 6:13 p.m., but his order was stayed pending appeal by the President. [So far as we are presently informed, the grand jury and the Special Prosecutor have not yet received this segment of the tape recording.] On June 24, 1974 this Committee issued a subpoena to the President for tapes, dictabelts, memoranda and other records of this portion of the conversation, but the President did not furnish any such materials to the Committee before leaving office.

Standing alone, Dean's testimony before this Committee that the President told him on September 15, 1972 to come back to the President if Dean had any problems with Shultz over the IRS audits, so that the President could "get it straightened out" (Dean testimony, 2 HJC 229) could, if true, be taken as evidence only of some "tough talk" among copartisans during an election campaign, taking place in the privacy of an office where such talk is cheap. The late Stewart Alsop once, with characteristic insight, commented upon the abundant evidence produced during the 1973 hearings of the Senate Select Committee that CRP and the White House were inhabited by a personality type which Alsop labelled—without benefit of the White House transcripts—the "phony tough:" people like Dean who were given to displays of bravado, arrogance and insensitivity to the rights of others because they seemed to feel that such attitudes were expected of them.[4]

The Haldeman comment to the President at the beginning of the recorded September 15th conversation—"Chuck. Chuck has gone through, you know, has worked on the list, and Dean's working the, the thing through IRS . . ." (HJCT 1)—provides evidence of Presidential knowledge that *some* political use of the IRS was contemplated by his aides, however, which simply cannot be ignored. Taken together, the Haldeman remark and the Dean testimony before this Committee make it reasonable to infer that the thirteen-minute segment of the September 15, 1972 tape recording which both we and the Special Prosecutor have been seeking to obtain from either the White House or Judge Sirica *may*, indeed, contain additional evidence damaging to Mr. Nixon.

We think, however, that the appropriate response of the Committee under these circumstances was not to accept the word of a witness—Dean—who has been demonstrated to be of doubtful credibility (See, for example, the evidence in Book III, 415–26, relating to Dean's possible perjury concerning his disposition of certain notebooks taken from Howard Hunt's White House safe on the evening of June 19, 1972.) Rather, we believe that the President should have been accorded a presumption of innocence as to each and every allegation against him and that, lacking evidence to corroborate Dean's assertion that the President had instructed him to go back to Commissioner Walters in an effort to get the McGovern list audits instituted, the Committee should not have voted to recommend impeachment on the basis of this allegation under Paragraph (1).

Our view, of course, is readily subject to change if additional relevant evidence, such as is suspected to be contained on the thirteen-minute September 15, 1972, tape segment, should come to light. Whether or not Dean's efforts to procure audits of the McGovern supporters violated positive law, they were reprehensible. If the President, did, in fact, countenance such activity on the part of his own White House counsel, it might then be appropriate for the House, and the American people, to consider him liable to censure, even if such conduct, as an isolated event, did not render the President liable to impeachment.

Paragraph (2)

The gravamen of the charge in Paragraph (2) is that the President misused the Federal Bureau of Investigation, the Secret Service, and other personnel from the executive branch, to carry out at his direction the unlawful electronic surveillance of citizens. Paragraph (2) refers in particular to the authorization, execution and concealment of the so-called 1969–71 wiretaps; the surveillance of Joseph Kraft in 1969; the surveillance of Donald Nixon in 1970; the investigation of Daniel Schorr in 1971; and the Huston plan. These incidents are individually analyzed below, except for the Schorr investigation which does not appear even colorably to have constituted an unlawful or otherwise improper action.

a. The 1969–71 wiretaps

The 1969–71 wiretapping program, and the applicable statutory and constitutional law, are treated at great length in the Minority Memorandum of Law and the Evidence. Because the facts of the case are presented in detail in that document,[5] no factual summary will be reiterated here. With respect to the allegation that 1969–71 wiretaps constituted grounds for impeachment, we believe that the following points have not received the attention they deserve.

(*i*) *"Leaks" as a Justification for Wiretapping.*—Not every leak of classified information, to be sure, represents a *bona fide* threat to the national security. The 1969–71 wiretapping program, though triggered by William Beecher's article of May 9, 1969 about the Cambodian bombing, was really a response to a whole series of news articles based on leaks during the spring of 1969. Kissinger has described the effect of these leaks as follows:

"During this period, policies were being considered which would establish the fundamental approach to major foreign policy issues such as the United States' strategic posture, Strategic Arms Limitation Talks (SALT), Vietnam and many other national security issues. Because of the sensitive nature of these matters, the secrecy of each was of vital importance and the success or failure of each program turned in many instances upon the maintenance of the necessary security. These leaks included discussions of National Security Council deliberations, intelligence information, negotiating positions and specific military operations. In several cases, significant consequences resulted from these premature releases of internal policy deliberations. In addition, the release of such classified information had obvious benefit for the potential enemies of this country. Of particular concern to the President were news leaks which occurred from early April until June 1969, involving Vietnam policy, strategic arms and the Okinawa reversion."[6]

The first leak was reflected in articles published in the *New York Times* on April 1 and April 6, 1969 indicating that the United States was considering unilateral withdrawal from Vietnam. Kissinger stated that these disclosures were "extremely damaging" in that they "raised a serious question as to our reliability and credibility as an ally" and "impaired our ability to carry on private discussions with the North Vietnamese."[7]

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[4] *Newsweek*, September 10, 1973, p. 94.

[5] Minority Memorandum on Facts and Law, "Abuse of Presidential Powers, Wiretaps."

[6] *Statement of Information Submitted on Behalf of President Nixon*, Book IV, 143–44.

[7] *Id.* 145.

The second leak was the basis for an article of May 1, 1969 in the *New York Times* reporting the five strategic options under study for the SALT negotiations; these options were published before they were considered by the NSC. Kissinger said that this disclosure was "of the most extreme gravity" because it revealed the apparent inability of U.S. intelligence to assess accurately the Soviet missile capability; and because it "raised serious questions as to the integrity of the USIB and created severe doubts about our ability to maintain security . . ."[8]

The third leak allegedly resulted in Beecher's May 9, 1969 article revealing the air strikes in Cambodia. This article had "obvious adverse diplomatic repercussions," according to Kissinger, and raised "a serious question in the mind of the President as to . . . whether in the future he could make critical foreign policy decisions on the basis of full and frank discussions."[9]

The fourth leak produced a *New York Times* article of June 3, 1969 reporting that the President had determined to remove nuclear weapons from Okinawa in the upcoming negotiations with Japan over the reversion of the island. This decision had not yet been formally communicated to Japan. Kissinger stated that this article compromised negotiating tactics, prejudiced the government's interests, and complicated our relations with Japan; and that it "clearly preempted any opportunity we might have had for obtaining a more favorable outcome" from the negotiations.[10]

The fifth leak was the foundation for articles on June 3 and 4, 1969 in the *Washington Evening Star* and the *New York Times* reporting the President's decision to begin withdrawing troops from Vietnam before this decision had been communicated to the South Vietnamese. Kissinger characterized these disclosures as "extremely damaging with respect to this Government's relationship and credibility with its allies."[11]

(*ii*) *Historical Precedent.*—The argument has been advanced that no reliance can be placed on the warrantless wiretapping carried on by the Department of Justice between 1940 and 1968, because these wiretaps were in violation of § 605 of the Federal Communications Act of 1934.[12] In a sense, though, whether or not the prior practice of the Department of Justice was technically legal is academic. The practice was continued uninterruptedly and virtually unchallenged for nearly thirty years, under five Presidents and their Attorneys General. Under these circumstances it would be too much to expect President Nixon to challenge the legality of the investigative technique he believed proper and necessary. Moreover, Title III of the Omnibus Crime Control and Safe Streets Act of 1968 had recently been enacted and on its face appeared to represent a relaxation of the earlier statutory prohibition of wiretapping.

(*iii*) *Title III.*—The majority opinion in the *Keith* case clearly rejects the proposition that a warrantless national security wiretap must first satisfy the criteria of 18 U.S.C. § 2511(3) and then be judged according to Fourth Amendment standards. Rather, when the President or the Attorney General deems electronic surveillance to be necessary for one of the reasons listed in § 2511(3), Title III no longer has any application at all. Nothing in Justice Powell's opinion suggests that judicial review is or should be available to inquire into the soundness of the President's determination.

> If we could accept the Government's characterization of § 2511(3) as a congressionally prescribed exception to the general requirement of a warrant, it would be necessary to consider the question of whether the surveillance in this case came within the exception. . . . But . . . we hold that the statute is not the measure of the executive authority asserted in this case. Rather, we must look to the constitutional powers of the President.[13]

Justice Powell quite properly assumed that the President would not abuse his power thus to withdraw from the ambit of Title III cases which bore no relation to national or domestic security; and if an abuse of this sort ever took place, the Fourth Amendment would render unconstitutional what the statute could not touch.

Nor can it be argued that § 2517 applies to warrantless wiretaps, and thus governs the uses which were made of the 1969–71 wiretaps. The phrase, "by any means authorized by this chapter" clearly does not contemplate warrantless wiretaps as an authorized means. It could be argued, of course, that even a warrantless wiretap was "authorized" by § 2511(3). That section also states, however, that "*nothing* contained in this chapter . . . shall limit the constitutional power of the President to take such measures as he deems necessary . . ." (emphasis supplied).

(*iv*) *Exception to Fourth Amendment Warrant Requirement.*—The decision of the Supreme Court in *Keith* does not apply to the 1969–71 wiretaps, because that case was not decided until 1972. During the period in question there was very little applicable case law to which the President could look for guidance. Indeed, as of May 1969 none of the lower courts had addressed the question whether the Fourth Amendment permitted an exception to the warrant requirement in wiretap cases involving national or domestic security.[14] The first case which dealt with this issue was *United States* v. *Brown*, 317 F. Supp. 531 (E.D. La. July 1970) *aff'd*, 484 F. 2d 418 (5th Cir. 1973), which upheld the validity of the warrantless wiretaps:

"The surveillance as here in question should be declared lawful on the ground that they were authorized by the President or the Attorney General for the purpose of national security."[15]

This proposition laid down in *Brown* has not been affected by subsequent decision except to the extent that *Keith* limited the scope of "national security" matters to those which have a "significant connection with a foreign power, its agents or agencies"[16]

Even if that limitation were retrospectively applied to the case of the 1969–71 wiretaps, they would meet the test of a "significant connection." For the effect of disclosure of classified information in the news media and its transmittal to some foreign power for subsequent use against this country is clearly equivalent to the effect of the operations of a foreign intelligence service. Whether the information is leaked to the newspapers or covertly transmitted to a foreign agent is immaterial, since the result is the same in both cases.

In any event, as of 1969–71 the *Keith* distinction between national and domestic security had not been authoritatively formulated. The wiretapping program initiated by the President may have raised constitutional issues, but in that event he deserved to have his actions tested in the Supreme Court. It would be an abuse of the impeachment power to impeach the President for a decision made in good faith, where circumstances of compelling urgency favored a program whose constitutionality was not questioned by clear authority.

Reliance on the principles which justify warrantless searches can be misleading if those principles are applied indiscriminately to the case of national security wiretaps. In the 1969–71 wiretaps there was admittedly no urgent immediacy, such as exists in a search incident to an arrest; the delay involved in obtaining a court order was not a factor in the President's decision. In view of the fact that the need for electronic surveillance arose because of leaks of confidential information by government officials, it is understandable that the President was anxious lest the effectiveness of the wiretapping program itself should be compromised by further leaks. His decision not to apply for court orders was therefore justified by his realistic fear that the purpose of the wiretaps would be frustrated unless their very existence was known only to a handful of trusted subordinates: Mitchell, Kissinger, Haldeman and his administrative assistant, Ehrlichman, Hoover and a few other top F.B.I. officers.

(*v*) *Reasonableness of the "Search": Probable Cause.—A* wiretap cannot be initiated, with or without a warrant unless there is "probable cause." In the ordinary criminal context this phrase means probable cause to believe that the suspect has committed, is committing, or is about to commit a crime. We would call attention to 18 U.S.C. § 793, entitled "Gathering, transmitting, or losing defense information." Section 793(d) provides heavy criminal penalties for anyone who, "lawfully having possession of . . . any . . . information relating to the national defense, which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates . . . the same to any person not entitled to receive it . . ." Section 793(e) refers to any one who, "having, unauthorized possession of . . . any . . . information relating to the national defense," etc. Daniel Ellsberg was indicted under both subsections, and both subsections are relevant here.

Furthermore, in the case of a search which is not undertaken for purposes of criminal prosecution, the probable cause requirement need not be the same as the criminal context:

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[8] *Id.* 171–72.

[9] *Id.* 165.

[10] *Id.* 182.

[11] *Id.* 159.

[12] However, the more modern view reaches a contrary interpretation of § 605 in cases which involve the national security, *United States* v. *Butenko*, 494 F. 2d 593 (3d Cir. 1974), for example, the court held that not only the interception but also the divulgence was permissible under § 605, where the wiretap was conducted in the foreign affairs field pursuant to Executive order, (494 F. 2d at 598). *Nardone* was distinguished because it involved the routine investigation of domestic criminals as opposed to foreign intelligence gathering. *Coplon*, a celebrated espionage case, was rejected as authority because the court in that case (Judge Learned Hand wrote the opinion) never addressed the precise question raised in *Butenko*. The court drew attention to the fact that there was virtually no discussion in Congress of such a situation under § 605.

[13] *United States* v. *United States District Court*, 407 U.S. 297, 308 (1972). As the court observed in *United States* v. *Butenko*, 494 F. 2d 593, 600 n. 25 (3d Cir. 1974):

With the passage of the Omnibus Crime Control and Safe Streets Act of 1968. It appears that the only limitations on the President's authority to engage in some forms of electronic surveillance are those set forth in the Constitution.

[14] *United States* v. *Stone*, 305 F. Supp. 75 (D.D.C. September 1969) and *United States* v. *Clay*, 430 F. 2d 165 (5th Cir. July 1970) are admittedly not on point because in both cases the wiretaps antedated *Katz*, so the Fourth Amendment was inapplicable.

[15] 317 F. Supp. at 535.

[16] *United States* v. *United States District Court*, 407 U.S. 297, 309 n. 3 (1972). Cf. *United States* v. *Butenko*, 318 F. Supp. 66 (D.N.J. 1970), *aff'd*, 494 F. 2d 593 (1974); *United States* v. *Hoffman*, 334 F. Supp. 504 (D.D.C. 1971); *United States* v. *Dellinger*, 472 F. 2d 340 (7th Cir. 1972); *Zweibon* v. *Mitchell*, 363 F. Supp. 936 (D.D.C. 1973).

> "The standard [of probable cause] may be modified when the government interest compels an intrusion based on something other than a reasonable belief of criminal activity."[17]

In the case of non-criminal administrative searches, for example, specific probable cause is often not determinable, and no warrants for this type of search could issue if the tradititional showing of probable cause were required.[18] Likewise, in the case of wiretaps initiated for the purpose of intelligence gathering rather than criminal prosecution, it is reasonable to take into account the function of the "search" in applying a standard of probable cause.

During the course of the 1969–71 wiretaps seventeen persons were placed under electronic surveillance. Seven of these persons were employees of the National Security Council (Halperin, B, O, C. I. L, and K); two were State Department officials (A and H); and one was at the Department of Defense (General Pursley). All ten had access to the classified information which was leaked, and it is therefore beyond argument that sufficient probable cause existed to justify the surveillance of these persons.

Four were newsmen, at least two of whom (Beecher and D) were known to have published newspaper articles, based on leaks, which were extremely damaging to the effectiveness of U.S. foreign policy initiatives. The other two newsmen (M and P) were known to have frequent contact with Soviet-bloc personnel; though perhaps not in itself a sufficient reason to justify wiretapping, this fact must be considered as an aggravating factor under the circumstances.

With respect to the three remaining persons who were wiretapped (White House staff members E, F, and J), it is true that none of them had direct access to classified foreign policy information. It is possible, however, that any one of these persons might have inadvertently come into possession of this type of information simply by virtue of their close contact with other White House personnel. For example, E was an aide to John Ehrlichman, one of the President's closest confidantes. In any event, even if there was not a sufficient showing of probable cause to justify wiretapping these three persons, the entire wiretapping program cannot be condemned simply because of an inadvertent and good faith error in judgment with respect to two or three of the seventeen persons who were placed under surveillance. It is appropriate to keep in mind that the decisions as to which persons should be wiretapped were made, for the most part, in the context of an emergency situation.

It should also be recalled that in each of the seventeen cases the decision to place a wiretap was reviewed by F.B.I. Director Hoover and specifically authorized by Attorney General Mitchell. Both of these men were better qualified than the President to judge the legality of a particular wiretap, and the President properly relied on them to warn him if there was not a sufficient legal basis for one of the surveillances.

(*vi*) *Reasonableness of the "Search": Duration of Wiretaps.*—There is no denying that the 1969–71 wiretaps, by and large, were maintained for longer periods of time than is customary in the case of ordinary criminal investigations. However, the wiretapping program was no ordinarily criminal investigation; it was undertaken in response to a serious and ongoing threat to the national security. When a Title III wiretap is used as a weapon against organized crime, because of the inherent nature of the activity being monitored the wiretap will usually achieve its objective or prove unsuccessful within a relatively short time. The opposite is apt to be true of intelligence surveillance, whose purpose is not simply to accumulate a critical mass of incriminating evidence sufficient to obtain an indictment. One of the major purposes of the 1969–71 wiretaps, in President Nixon's words was to "tighten the security of highly sensitive materials."[19] This is an objective which can never be completely achieved; rather it is a continuous process. Viewed in this light, the lengthy duration of the wiretaps may be regarded as a rational and justifiable means toward that end.

(*vii*) *Reasonableness of the "Search": Interception of Innocent Conversations.*—It may also be true that the 1969–71 wiretaps intercepted a number of conversations which turned out to be irrelevant or innocent. Again, this was not an ordinary criminal investigation. For example, a typical Title III wiretap might have to do with gambling or narcotics activities. In cases of that sort, it can be determined without great difficulty whether a particular conversation does or does not involve the criminal conduct under investigation. By contrast, a surveillance whose purpose is to gather intelligence must be attentive to many details of conversation which, on their face, have nothing to do with the subject of the "search". Subtle nuances of meaning or inflection which would not constitute admissible evidence at a criminal trial may provide vital clues toward the resolution of a national security problem.

Furthermore, even in criminal cases the courts have differed widely as to the seriousness of a failure to minimize the interception of irrelevant conversations. Some courts have held that it requires the exclusion of all the wiretap evidence, whether relevant or not;[20] other courts have excluded only the wrongfully seized conversations.[21] While the excessive interception of irrelevant conversations is unconstitutional under *Berger* v. *New York*, it may be doubted whether this abuse is of comparable gravity to the failure to obtain a warrant. In short, this defect of the 1969–71 wiretapping program is not sufficiently important to warrant the removal of a President from office.

(*viii*) *Use of Wiretap Information.*—Much has been made of the fact that in a handful of isolated instances the wiretaps yielded information which was of incidental political usefulness to the President. This has not been shown to be anything more than an accidental by-product of surveillance undertaken for a different and proper purpose, nor can such a showing be supported by the facts.

The wiretapping program has also been criticized because the identity of the source of the leaks was not discovered, and because no prosecutions or personnel actions were taken as a result of information generated by the wiretaps. But these conclusions do not necessarily follow from the facts, nor do they hold any significance even if true. The objective of the wiretapping program was not to provide the basis for criminal prosecutions nor even to bring about the removal of untrustworthy government employees, but rather to tighten the security of classified information. Three NSC staff members (Halperin, L, and O) resigned while they were under surveillance; one or more of these persons may have been the source of the leaks, in which case an objective of the wiretaps would have been accomplished without any visible governmental action.[22] Similarly, information yielded by the wiretaps may have resulted in the institution of new procedures designed to improve security; this result would not be highly visible either, but would nonetheless vindicate the usefulness of the surveillance.

It has been asserted that there could have been no proper purpose for wiretapping Halperin and L after May, 1970, since the government would not have been able after that date to take personnel action or to bring criminal prosecution against them. It is not necessarily true, however, that these ex-NSC employees could not have been prosecuted on the basis of evidence obtained through the warrantless wiretaps. If the wiretap was justifiable for the purpose of protecting classified information against foreign intelligence operations (if, for example, even after leaving the NSC Halperin and L still possessed certain secret information), then some courts have suggested that incriminating evidence obtained incidentally in the course of the surveillance is admissible at a criminal trial:

> "Since the primary purpose of these searches is to secure foreign intelligence information, a judge, when reviewing a particular search must, above all, be assured that this was in fact its primary purpose and that the accumulation of evidence of criminal activity was incidental."[23]

(*ix*) *Concealment of the Wiretap Records.*—The allegation that President Nixon ordered the records of the 1969–71 wiretaps not to be entered in the FBI indices is based on the following excerpt from an internal FBI memorandum of May 11, 1969:

> "Haig came to my office Saturday to advise me the request [for wiretaps on Halperin, Pursley, B. and O] was being made on the highest authority and involves a matter of most grave and serious consequence to our national security. He stressed that it is so sensitive it demands handling on a need-to-know basis, with no record maintained."[24]

As evidence of what the President may have ordered, this statement is hearsay upon hearsay. Furthermore, it is wholly ambiguous. First it is not clear whether "the highest authority," which may be understood to refer to the President, is meant to govern the second sentence as well as the first. Second, even if the President had directly ordered the FBI "to handle the case on a need-to-know basis, with no record maintained," this would not justify the conclusion that he intended the FBI to act in dereliction of its legal duty to maintain such wiretap indices as are necessary to supply logs of conversations to the courts in *Alderman* "taint" hearings. The President may not even have been aware of this duty, much less what specific procedures (the ELSUR index) were customarily employed by the FBI to discharge the duty. These are the responsibilities of the Director of the FBI, on whom the President properly relied to carry out his orders in an appropriate and legal manner.

The failure to maintain records of the wiretaps on the FBI indices, and the subsequent retrieval of all the 1969–71 wiretap records from the FBI, have been cited as evidence of the President's awareness that the wiretapping program might be illegal. This inference is rebutted, however, by a more compelling inference that the President's actions had an innocent motivation. Whatever his precise instructions to Haig may have been the President was understandably anxious to take all appropriate measures which would ensure that the existence of the wiretaps would not, through leaks, become known to the very persons on whom the surveillance had been placed. The recovery of the wiretap records from the FBI in July 1971 was motivated by the allegation of William Sullivan, Assistant to the Director, that Director Hoover intended to use those records for an improper purpose.[25] No doubt the President was skeptical about this allegation, but felt that no harm would be done by taking prophylactic action.

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[17] *United States* v. *Butenko*, 494 F. 2d 593, 606 (3d Cir. 1974).

[18] *E.g., Adams* v. *Williams*, 407 U.S. 143 (1972); *Camara* v. *Municipal Court*, 387 U.S. 523 (1967).

[19] *Statement of Information*, Book VII, 147.

[20] *E.g., United States* v. *Scott*, 331 F. Supp. 233 (D.D.C. 1971).

[21] *E.g., United States* v. *King*, 335 F. Supp. 523 (S.D. Cal. 1971).

[22] Indeed, there is substantial evidence that O did not voluntarily resign, but was dismissed. For example, in an intercepted conversation he mentioned that his employment on the NSC staff was being terminated because he had been seeing reporters. (*Statement of Information*, Book VII, ¶7.1, unpublished).

[23] *United States* v. *Butenko*, 494 F. 2d 593, 606 (3d Cir. 1974).

[24] Book VII, 189.

(*x*) *Termination of the Wiretaps.*—All of the wiretaps still in force, of which there were nine, were terminated on February 10, 1971. There is no apparent reason for this abrupt and total discontinuation of the wiretapping program. It may be noted, however, that in January 1971 two separate district courts held, for the first time, that there is no exception to the warrant requirement of the Fourth Amendment in the case of domestic security wiretaps.[26] Prior to *Smith* and *Sinclair*, the lower courts had uniformly upheld warrantless "national security" wiretapping, but the earlier cases had all involved wiretaps for the gathering of foreign intelligence so that there had been no need to draw the distinction between domestic and national security. If the President's opinion as to the legality of the wiretapping program had previously been influenced by the decisions of the lower courts, the termination of the wiretaps shortly after the decisions in *Smith* and *Sinclair* might be considered evidence of his willingness to abide by developing law in the area.

b. Wiretap and surveillance of Joseph Kraft

The surveillance of Washington newspaper columnist Joseph Kraft took four forms, each of which must be analyzed separately in order to determine whether any wrongful actions were taken, and if so, whether the President may properly be held responsible for them.

First, in June, 1969 John Ehrlichman directed his assistant, John Caulfield, to have a wiretap installed on the office telephone in Kraft's residence in Washington, D.C. (Book VII, 314). According to Ehrlichman, there was a national security justification for this wiretap (Book VII, 317, 323). Caulfield enlisted the aid of John Ragan, former Security Chief for the Republican National Committee, in installing the wiretap. The telephone was wiretapped for one week during which time Kraft was out of the country, so that none of his conversations was intercepted. (Book VII, 314–19, 324). At the end of that short period, Ehrlichman directed the removal of the wiretap for the reason that the operation was going to be turned over to the FBI. (Book VII, 315). Despite its short duration and unproductive yield, this wiretap might be argued to constitute a violation of Kraft's constitutional rights. The question is academic, however, since there is no evidence that the President authorized or even retrospectively approved the wiretap. Testifying before the Senate Select Committee, Ehrlichman stated only that he had at some point "discussed" the Kraft wiretap with the President. (Book VII, 323). There is no indication of presidential approval: indeed, Ehrlichman himself claimed not to have been aware that the wiretap actually took place. (Book VII, 323).

Second, after the discontinuation of the Caulfield wiretap, the FBI considered placing Kraft under electronic surveillance. No wiretap was ever installed on Kraft's telephone by the FBI, however, because the Attorney General never authorized it. (Book VII, 356; unpublished material from Book VII, ¶ 14.3, p. 2.)

Third, in June 1969 the FBI arranged to have a microphone installed in Kraft's hotel room in a European country. William Sullivan, Assistant to the Director of the FBI, *apparently* with the knowledge and consent of Director J. Edgar Hoover, traveled to the foreign country and supervised the installation of the microphone. (Book VII, 356; unpublished material from Book VII, ¶ 14.3, p. 1.) In this case the evidence does not even clearly establish that Hoover knew about and approved the surveillance, let alone that it was performed on the President's authority.

Fourth, from November 5 to December 12, 1969, the FBI placed Kraft under "spot physical surveillance" in Washington, D.C. This entailed no more than an agent following Kraft to report on his evening social activities. (Book VII. 356–57; unpublished material from Book VII, ¶ 14.3, pp. 2–3.) It may be doubted that this surveillance constituted a violation of law or of Kraft's constitutional rights (under the Fourth Amendment or any other provision of the Constitution). In any event, there is no evidence at all to suggest that the President authorized or approved this spot physical surveillance.

c. Wiretap and surveillance of Donald Nixon

In 1969 H. R. Haldeman and John Ehrlichman asked the Central Intelligence Agency to conduct physical surveillance of Donald Nixon, the President's brother, who was moving to Las Vegas and who, it was feared, might come into contact with criminal elements. (Report of CIA Inspector General and Deputy Director Robert Cushman, June 29, 1973.) The CIA refused, since it has no jurisdiction under 50 U.S.C. § 403(d)(3) to engage in domestic law enforcement activities.

In the latter part of 1970, Ehrlichman contacted his assistant John Caulfield and asked him to monitor a project which involved a wiretap which had been placed by the Secret Service on the telephone of Donald Nixon at his residence in Newport Beach, California. (Book VII, 508–09.) The apparent reason for this wiretap had to do with the fact that in 1969 Donald Nixon had visited the Dominican Republic where he had been a guest of President Balaguer; there is a suggestion that Mr. Nixon's traveling companions may have been "unsavory". (Book VII, 509–20.) The wiretap was conducted with the knowledge of Mr. Nixon, and was terminated after only three weeks. (Book VII, 510, 522.) During that period the Secret Service also kept Mr. Nixon under physical surveillance. (Book VII, 512–15.)

There are several reasons why the surveillance of Donald Nixon does not constitute an offense, let alone an offense for which the President should be removed from office. First, there is no evidence that the surveillance was ordered by the President or even known to him until after the fact. Second, the Secret Service is responsible for protecting the physical safety of the President and his immediate family. While the primary concern in the case of Donald Nixon may have been that his associations would cause embarrassment to him and therefore to the President, in view of the criminal elements and unsavory characters with whom he was thought to have had contact it is not unreasonable to suppose that the Secret Service was concerned as well for his physical safety. In this regard it is appropriate to concede to the Secret Service a certain latitude of discretion to err on the side of caution. Third, the surveillance was conducted with Donald Nixon's knowledge and consent. Technically, under 18 U.S.C. § 2511(2)(b) such consent must be obtained in advance of the installation of the wiretap; but since Mr. Nixon subsequently approved of the surveillance, it would be preposterous to suggest that the President should be removed from office because of this technicality.

d. The "Huston plan"

(*i*) *Facts.*—On June 5, 1970, the President held a meeting with FBI Director J. Edgar Hoover, Defense Intelligence Agency Director Donald Bennett, National Security Agency Director Noel Gayler, and Central Intelligence Agency Director Richard Helms. (Book VII, 375.) Also present were H. R. Haldeman, John Ehrlichman, and Presidential Staff Assistant Tom Huston. (Book VII, 375.) The President discussed the need for better domestic intelligence operations in light of an escalating level of bombings and other acts of domestic violence. (Book VII, 377.) The President asked the Intelligence Agency Directors for their recommendations on whether the government's intelligence services were being hampered by restraints on intelligence gathering methods. Huston has testified that it was the opinion of the Directors that they were in fact being hampered. (Book VII, 378.) The President appointed Hoover, General Bennett, Admiral Gayler, and Helms to be an ad hoc committee to study intelligence needs and cooperation among the Intelligence Agencies, and to make recommendations. Hoover was designated Chairman and Huston served as White House liaison. (Book VII, 377–78, 382.)

On June 25, 1970 this ad hoc committee completed its report, entitled "Special Report Interagency Committee on Intelligence (Ad Hoc)" (hereafter "Special Report").

The first page of the Special Report, immediately following the title page, bore the following notation:

"June 25, 1970.

This report, prepared for the President, is approved by all members of this committee and their signatures are affixed hereto.

/s/ J. EDGAR HOOVER,
Director, Federal Bureau of Investigation, Chairman.
/s/ RICHARD HELMS,
Director, Central Intelligence Agency.
/s/ LT. GENERAL D. V. BENNETT, USA.
Director, Defense Intelligence Agency.
/s/ VICE ADMIRAL NOEL GAYLER, USN,
Director, National Security Agency.

(Book VII, 385)

Part One of the Special Report, entitled "Summary of Internal Security Threat," was a lengthy threat assessment, including assessments of the current internal security threat of various domestic groups, of the intelligence services of communist countries, and of other revolutionary groups. (Book VII, 389–410)

Part Two, entitled "Restraints on Intelligence Collection," was a discussion of official restraints under which six types of United States intelligence collection procedures operated, and of the advantages and disadvantages of continuing or lifting such restraints. (Book VII, 411–29)

Part Three, entitled "Evaluation of Interagency Coordination," assessed the degree of coordination between the Intelligence Agencies and recommended means to improve it. (Book VII, 430–31)

Although the Special Report took no position with respect to the alternative decisions listed, it included statements in footnotes that the FBI objected to lifting the restraints discussed, except those on legal mail coverage (keeping a record of the return address of communications addressed to an individual) and National Security Agency communications intelligence. (Book VII, 416, 419, 421, 424, 427)

During the first week of July, 1970. Huston sent the Special Report, together with a memorandum entitled "Operational Restraints On Intelligence Collection," to Haldeman. In the memorandum Huston recommended that most, although not all, of the present procedures imposing restraints on intelligence collection activities should be changed. Huston's recommendation included the following:

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[25] Book VII, 757.

[26] *United States* v. *Smith*, 321 F. Supp. 424 (C.D. Cal. January 8, 1971); *United States* v. *Sinclair*, 321 F. Supp. 1074 (E.D. Mich. January 26, 1971). *Sinclair* was decided by Judge Keith and became popularly known as the *Keith* case.

"*Electronic Surveillances and Penetrations.*

"*Recommendation:*

"Present procedures should be changed to permit intensification of coverage of individuals and groups in the United States who pose a major threat to the internal security.

". . . *Mail Coverage.*

"*Recommendation:*

"Restrictions on legal coverage should be removed.

"ALSO, present restrictions on covert coverage should be relaxed on selected targets of priority foreign intelligence and internal security interest.

"*Rationale:* . . . Covert coverage is illegal and there are serious risks involved. However, the advantages to be derived from its use outweigh the risks. This technique is particularly valuable in identifying espionage agents and other contacts of foreign intelligence services.

". . . *Surreptitious Entry.*

"*Recommendation:*

"Present restrictions should be modified to permit procurement of vitally needed foreign cryptographic material.

"ALSO, present restrictions should be modified to permit selective use of this technique against other urgent and high priority internal security targets.

"*Rationale:*

"Use of this technique is clearly illegal: it amounts to burglary. It is also highly risky and could result in great embarrassment if exposed. However, it is also the most fruitful tool and can produce the type of intelligence which cannot be obtained in any other fashion.

"The FBI, in Mr. Hoover's younger days, used to conduct such operations with great success and with no exposure. The information secured was invaluable." (Book VII, 438–40)

On July 14, 1970, Haldeman sent a memorandum to Huston stating, "The recommendations you have proposed as a result of the review have been approved by the President. . . . The formal official memorandum should, of course, be prepared and that should be the device by which to carry it out." (Book VII, 447)

On July 23, 1970 Huston sent a "decision memorandum" entitled "Domestic Intelligence" to each of the Directors of the four Intelligence Agencies, informing them of the options approved by the President. (Book VII, 454)

Shortly after the decision memorandum of July 23, 1970 had been received by Mr. Hoover, Huston received a telephone call from Assistant FBI Director William Sullivan indicating that Hoover had been very upset by the decision memorandum, and that Hoover either had talked or intended to talk to the Attorney General to undertake steps to have the decisions reflected in the memorandum reversed. (Book VII, 470) On or before July 27, 1970, Director Hoover met with Attorney General Mitchell, who joined with Hoover in opposing the recommendations contained in the memorandum of July 23, 1970. (Book VII, 463)

Shortly after his telephone conversation with Sullivan, Huston received a call from Haldeman indicating that the Attorney General had talked to the President, or that Haldeman had talked to the Attorney General and then to the President, but that, in any event, Huston was instructed to recall the decision memorandum; that the President desired to reconsider the matter, and that Haldeman, Hoover, and the Attorney General would have a meeting in the near future to discuss the matter. (Book VII, 470)

Huston arranged for the recall of the document through the White House Situation Room. (Book VII, 470) Copies of the decision memorandum on "Domestic Intelligence" were returned by each of the four Intelligence Agencies to the White House Situation Room on or about July 28, 1970. (Book VII, 472, 474) Although Huston continued to press for adoption of his recommendations (Book VII, 480–85), the plans for lifting operational restraints on intelligence collection activities were not reinstituted.[27]

(*ii*) *Discussion.*—(a) With respect to electronic surveillance and penetrations, the Special Report of the Interagency Committee stated, "The President historically has had the authority to act in matters of national security. In addition, Title III of the Omnibus Crime Control and Safe Streets Act of 1968 provides a statutory basis." (Book VII, 415) The Special Report also stated that routine mail coverage was legal. (Book VII, 417) Other intelligence collection activities, such as development of campus sources, appeared to present political rather than legal questions.

However, with respect to both covert mail coverage and surreptitious entry, both the Interagency Committee's Special Report and the "Operational Restraints" memorandum prepared by Huston stated that such intelligence collection activities were illegal. (Book VII, 418, 420, 439 and 440) The President's approval of Huston's recommendations in these areas may consequently be viewed as approval of otherwise illegal actions by government agencies.

(b) The Special Report was prepared by a committee consisting of intelligence professionals from each of the four Intelligence Agencies. Although it did not make recommendations, it listed as options the relaxation or removal of restrictions on all categories of intelligence collection activities. The recommendations made by Huston in the "Operational Restraints" memorandum are taken verbatim from among the options listed by the Special Report of the Interagency Committee; they do not go beyond options listed by the Committee. The Special Report was approved by all members of the Committee, consisting of the Directors of the four Intelligence Agencies, and their signatures were affixed to the first page. This approval might have been taken by Haldeman or by the President to indicate that the options listed were not regarded as improper by the professional United States intelligence community, despite the footnoted objections of Mr. Hoover contained in the body of Part Two of the Special Report.

(c) The options of lifting restraints on intelligence gathering activities, listed in Part Two of the Special Report, were intended to be taken in the context of the threat assessment contained in Part One of the Special Report. There had been a substantial number of bombings and riots in the spring and summer of 1970. (Book VII, Part 1, p. 377) Part One stated that communist intelligence services possessed a capability for actively fomenting domestic unrest, although it also stated that there had been no substantial indications that this had yet occurred. (Book VII, 402)

(d) The recommendations by Huston contained in the memorandum entitled "Operational Restraints on Intelligence Collection" are cast in general terms, e.g., "present procedures should be changed" (electronic surveillance), or "relaxed" (mail coverage), or "modified" (surreptitious entry). (Book VII, 438–39) Much might have depended upon how the modifications might have been implemented.

(e) The President's approval in principal of modifying some operational restraints which had been in existence since 1966 was withdrawn within five days after the circulation of Huston's decision memorandum, which was the device for carrying out the recommendations. (Book VII, 447, 472, 474). There is no evidence before the Committee that any illegal mail coverage, surreptitious entry, or electronic surveillance or penetration was ever undertaken, during these five days, under the authority of the decision memorandum.

(f) It has occasionally been urged that the formation and operation of the "Plumbers" groups is evidence that the Huston Plan was not actually rescinded. This is untenable. The two matters were handled by entirely different groups of White House staff members and they arose a year apart. The problem to which the Huston Plan was directed was, essentially, domestic violence, whereas the "Plumbers" were concerned with news leaks and the theft of the Pentagon Papers. It strains the facts to find any connection between the two.

Paragraph (3)

Paragraph (3) of proposed Article II charges that President Nixon, "acting personally and through his subordinates and agents," authorized the maintenance of a "secret investigative unit" within the White House, which (1) unlawfully utilized the resources of the Central Intelligence Agency, (2) engaged in covert and unlawful activities, and (3) attempted to prejudice the constitutional right of an accused to a fair trial. Paragraph (3) also alleges that the Special Investigations Unit was financed in part with money derived from campaign contributions.

The language employed by the majority of the Committee to frame these charges stops short—but just barely—of echoing the near-hysterical cry of some that the President established in the White House a personal "secret police" force that gravely threatened the civil liberties of the entire population. We think it helps to place the matter in better perspective to note at the outset that the "secret investigative unit" mentioned in the Paragraph appears never to have numbered more than four persons at any one time; its members received no special training for their work; they carried no weapons; they made no arrests nor otherwise asserted any power or authority to engage in either general or localized law enforcement.

Any willful violation of an individual's civil liberties by government employees acting at the direction of the President, if proved, would be a matter of deep concern to us all, but we frankly feel that much of the discussion of the White House Special Investigations Unit is characterized by rank hyperbole. All of the evidence before the Committee bears out the truth of President Nixon's description of the group's mission:

"This was a small group at the White House whose principal purpose was to *stop security leaks* and to investigate other *sensitive security matters.*" (Book VII, 593; emphasis added)

Thus, the now popular nickname "Plumbers."

a. Establishment of Special Investigations Unit in June, 1971.—On June 13, 1971 the *New York Times* began publication of a top secret Defense Department study of American involvement in the Vietnam war—the so-called "Pentagon Papers," which had been removed from Defense Department files. (Book VII, 593) On July 23, 1971 the *New York Times* published details of the United States negotiating position on the Strategic Arms Limitations Talks. (Brief on Behalf of the President, 95)

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[27] In or before December, 1970, when John Dean had assumed responsibility for matters of domestic intelligence for internal security purposes, an Intelligence Evaluation Committee was created to improve coordination among the intelligence community and to prepare evaluations and estimates of domestic intelligence. (Book VII, 487, 497) This step may be seen as an outgrowth of the recommendations in Part Three of the Special Report, entitled "Evaluation of Interagency Coordination." (Book VII, 430–31)

These two unauthorized disclosures of sensitive government information in quick succession were not the first such instances to plague the President and his top foreign policy planners. Earlier in his first Administration on April 6, 1969, the President had directed that the possibility of unilateral troop withdrawals from Vietnam be studied. On April 6, 1969 the *New York Times* reported that the United States was considering a unilateral troop withdrawal from Vietnam. (Brief on Behalf of the President, 83) In early June of the same year, the United States Intelligence Board issued a report setting forth its estimates of the Soviet Union's strategic strength and possible first-strike capability. On June 18, 1969 the *New York Times* published this official estimate of the first-strike capabilities of the Soviet Union. (Brief on Behalf of the President, 85)

The evidence before the Committee establishes that the President was genuinely concerned about the leaks of national security that had occurred. During the first week following the publication of the Pentagon Papers by the *New York Times*, the President ordered an FBI investigation of the leaks, and ordered a security clearance review by each department and agency of the government having responsibility for the classification of information affecting the national defense. In addition, the President ordered that a legal action be instituted to prevent further publication of the Papers which ultimately resulted in the Supreme Court's 6 to 3 decision in the case of *New York Times* v. *United States*. Finally, he authorized the establishment of a small "special investigations" unit within the White House for the purpose of investigating and preventing leaks of national security information. (Brief on Behalf of the President, 91, and authorities cited; Book VII, 619–32)

In the two weeks following the publication of the Pentagon Papers, the President called a series of meetings with senior advisors to discuss the adverse effect of the publication of the Pentagon Papers upon national security and foreign policy. (Book VII, 619) The participants at these meetings discussed the possibility that Daniel Ellsberg, who had been identified as the person who stole the Pentagon Papers from the Defense Department, possessed additional sensitive information which he might disclose. (Book VII, 619) At one of the meetings, the Assistant Attorney General in charge of the Internal Security Division told the White House staff members present that some or all of the Pentagon Papers had been delivered to the Soviet Embassy on June 17, 1971. (Book VII, 619) At a meeting between the President, his National Security Advisor Henry Kissinger, and John Ehrlichman, Dr. Kissinger told the President that Ellsberg was a "fanatic" and that he had "knowledge of very critical defense secrets of current validity, such as nuclear deterring targeting." (Book VII, 621)

The President stated on a number of occasions closely following the publication of the Pentagon Papers that if the leaks continued, there could be no "credible U.S. foreign policy," and that the damage to the government and to the national security at a very sensitive time would be severe. (Book VII, 626) The President referred in these discussions to many of the sensitive matters which were then either being negotiated or considered by the Administration, *e.g.*, the Strategic Arms Limitations Talks, Soviet Détente, the Paris Peace Negotiations and his plan for ending the war in Vietnam. In addition, the President had already formed a desire to visit the Peoples Republic of China. (Book VII, 625)

With respect to the purpose of the Special Investigations Unit, it is the sworn testimony of Egil Krogh that on or about July 15, 1971, he was given oral instructions by Mr. John Ehrlichman "to begin a special national security project to coordinate a government effort to determine the causes, sources, and ramifications of the unauthorized disclosure of classified documents known as the Pentagon Papers." (Book VII, 796).

Under all the circumstances, we believe that if the President had not acted decisively against epidemic leaks of national security material, that would have been a breach of his responsibilities for the protection of the nation's security.

b. President's knowledge of the Ellsberg break-in.—The evidence before the Committee is that Egil Krogh and David Young received authorization from John Ehrlichman for Liddy and Hunt to fly to California over Labor Day weekend, 1971, to complete an investigation of Daniel Ellsberg. It is alleged that the trip to California was financed with funds solicited by Charles Colson from the dairy industry. Assuming that this was the case, there is no evidence whatsoever to indicate that the President was aware of any part of the transaction. In the memorandum on which John Ehrlichman initialed his approval the project was described as a "covert operation." Interestingly, Patrick Buchanan's memorandum to Ehrlichman dated July 8, 1971 stating that the political dividends would not justify the magnitude of the investigation recommended for "Project Ellsberg," referred to the investment of personnel resources in a "covert operation" over a *3-month period*, timed to undercut the McGovern-Hatfield opposition by linking the theft of the Pentagon Papers with "Ex-NSC types," "leftist writers" and "left-wing papers." (Book VII, 708–11; 1024) It seems unlikely that Mr. Buchanan was referring to a three-month burglary.

After the fact, Egil Krogh reported to Ehrlichman that there had been a break-in in California. The sworn testimony of Mr. Krogh is that Ehrlichman's response "was one of surprise, that he considered what had been done to be in excess of what he contemplated was going to be carried out." (Book VII, 1315) Ehrlichman, however, was recently convicted of conspiring with Krogh and others to violate the civil rights of Dr. Fielding.

The weight of the evidence before the Committee is that the President neither authorized the Fielding break-in nor was even aware of its occurrence until March 17, 1973. It is true that the President was deeply concerned about the leaks of national security information. Ehrlichman has testified that the President stated to him that Krogh "should, of course, do whatever he considered necessary to get to the bottom of the matter—to learn what Ellsberg's motives and potential further harmful action might be." (Book VII, 1001) We do not believe that this can reasonably be interpreted to mean that the President intended to authorize an unlawful act.

"The President has stated:

"Because of the extreme gravity of the situation, and not then knowing what additional national secrets Mr. Ellsberg might disclose, I did impress upon Mr. Krogh the vital importance to the national security of his assignment. I did not authorize and had no knowledge of any illegal means to be used to achieve this goal." ("Presidential Statements," 5/22/73, 23)

We think it is relevant here to consider the President's remarks made in a different but analogous context. During a conversation with John Dean on March 21, 1973 speaking of Colson's possible role in the Watergate matter the President said:

"The PRESIDENT. The absurdity of the whole damned thing.

"DEAN. But it—

"The PRESIDENT. bugging and so on. Well, let me say I am keenly aware of the fact that, uh. Colson et al., and so forth, were doing their best to get information and so forth and so on. But they all knew very well they were supposed to comply with the law." (HJCT 100)

The evidence is virtually undisputed that the President did not know in advance about the break-in at Dr. Fielding's office. Ehrlichman has testified that he did not inform President Nixon of the break-in after Ehrlichman learned of it from Krogh. (Book VII, 1334) Charles Colson testified before this Committee that not only did he not have any evidence that the President authorized the Fielding entry, but also that Ehrlichman had told Colson that he, Ehrlichman, had not discussed the Ellsberg entry with the President. (Colson testimony, 3 HJC 450) Ehrlichman allegedly made this statement to Colson in connection with preparing for his recent trial in the District of Columbia, and it would have been greatly to Ehrlichman's advantage, in establishing his defense on national security grounds, to disclose any discussions he had had with the President regarding the entry into Dr. Fielding's office which might tend to prove Presidential authorization of the "covert operation."

David Young has testified that he "had no discussions with the President about the . . . Ellsberg-Fielding matter." [David Young testimony; *United States* v. *Ehrlichman*, Cr. 74–116 (D.D.C. 1974), 1120–21; Brief on Behalf of the President, 99.]

The President's sworn answers to interrogatories submitted to him in connection with the Ehrlichman trial state that he first learned of the Ellsberg break-in on March 17, 1973. The White House edited transcript of the conversation between the President and Dean on March 17, 1973 reveals that Dean told the President that Hunt and Liddy had worked for Ehrlichman, stating "These fellows had to be some idiots as we've learned after the fact. They went out and went into Dr. Fielding's office and they had, they were geared up with all this CIA equipment—cameras and the like." The President stated:

"PRESIDENT. What in the world—what in the name of God was Ehrlichman having something (unintelligible) in the Ellsberg (unintelligible)?

"DEAN. They were trying—this was part of an operation that—in connection with the Pentagon papers. They were—the whole thing—they wanted to get Ellsberg's psychiatric records for some reason. I don't know.

"PRESIDENT. This is the first I ever heard of this." (WHT 158)

Upon hearing of the Fielding operation, and having knowledge of all the other unrelated national security work carried on by the Special Investigation Unit, the President was concerned that disclosure of the Fielding break-in would lead to exposure of all the Unit's efforts to determine the source of various national security leaks. The first reaction of the Justice Department was that it was not necessary to disclose the Fielding operation to the judge presiding over the Ellsberg trial since it appeared that the operation had not provided any information which could have tainted the evidence being offered by the government. Henry Petersen has testified as follows:

"And I consulted with Mr. Maroney, in whom I had confided, and with the chief of my appellate section to whom I put it in a hypothetical case as to whether or not the disclosure for this information was mandated by *Brady* v. *Maryland* [373 U.S. 83 (1963)], which, in effect, holds that material in the hands of the prosecution which touches on guilt or innocence needs to be disclosed.

"Mr. Maroney and some of his associates suggested that since this information did not go to guilt or innocence, that nothing had been obtained, and that since at most it would lead to a motion to suppress, which if granted would have meant there was nothing to suppress, we were under no obligation to disclose to the court." (Petersen testimony, 3 HJC 98)

Notwithstanding the view, these of Justice Department officials, when Petersen and Kleindienst concluded that the information should be transmitted to the judge trying the Ellsberg matter, as a matter of good practice, they so informed the President, the President agreed, and the information was disclosed to Judge Byrne on April 25, 1973.

In considering whether the President failed in a duty to inform law enforcement officials, either federal or state, about the Fielding break-in when he learned of it, we think the conduct of Assistant Attorney General Petersen is illuminating. When he was informed that the United States Attorneys for the District of Columbia had been told about the break-in by "an informant"—Dean—it appears that Petersen's sole concern was with the impact of this revelation upon the course of the Russo-Ellsberg trial then underway. In both his conversations with the President and those with associates within the Department of Justice, Petersen did not manifest a concern about disclosing the facts about the break-in to California authorities, or *about the conduct of an FBI investigation of the break-in.*

We think this was essentially the focus of the President's concern as well. While Ehrlichman had indicated to the President on March 22, 1973 that revelation of the Fielding break-in might result in a mistrial in the Ellsberg case, it is entirely possible that Ehrlichman, Dean or one of Dean's assistants in the office of the White House Counsel researched the question of the duty of the government to disclose unlawful government acts from which no evidence is gained. The same legal conclusion may have been reached and conveyed to the President as was reached within the Department of Justice, namely, that disclosure was probably not legally required. Unfortunately, our record is completely silent on whether the President asked for or received from any of his legal advisors (other than Henry Petersen) an opinion on the legal duty to disclose to Judge Byrne the fact of the Fielding break-in.

There are many reasons why it may not have occurred to Henry Petersen to suggest to the President that he advise the local California authorities of an apparent violation of state law. We think, however, that Petersen's concentration on the Russo-Ellsberg implications of the crime, rather than the need for a criminal investigation of it, is probative of what would constitute a reasonable reaction by the President himself upon learning of the break-in from Dean on March 17th. If it is urged by the majority that President Nixon is impeachable for what essentially was a misprision of federal and state felonies, the apparent parallel between the focus of the President's concern and that of Petersen would argue strongly against the existence of any *mens rea* on the part of the President when he remained silent about his knowledge of the offense.

c. *Alleged Public Relations Campaign to Discredit Ellsberg.*—The majority believes that the President's concern with the Ellsberg case was not with espionage or national security, but with politics and public relations. The Special Counsel has argued that the "primary purpose [of the 'Plumbers' was] to discredit Daniel Ellsberg for the President's political advantage." (Summary of Information, 133) As the Summary of Information indicates, John Ehrlichman's handwritten notes of a meeting with the President on July 6, 1971, three weeks after the publication of the Pentagon Papers, indicate that the President said to John Mitchell, "Get conspiracy smoked out through the papers. Hiss and Bently cracked that way." (Summary of Information, 130) However, the notes also state, '*No Ellsberg* (*since already indicted*)." (Ehrlichman notes, July 7, 1971, 39; emphasis added) It is thus clear that President Nixon did not contemplate a public relations campaign *against Dr. Ellsberg,* who was already under indictment.

The testimony of Charles Colson before this Committee was that the President never asked Colson to disseminate any information that was not true. (Colson testimony, 3 HJC 414). Colson also testified that he was assigned the responsibility of working with Congress in an effort to have a Congressional hearing on the problem of security leaks. (Colson testimony, 3 HJC 197–98)

Even if the President did wish to conduct a public relations campaign to smoke out the persons who were leaking national security information, it must be remembered that a public relations campaign is not illegal, Public relations campaigns, in fact, are not uncommon in either politics or government.

d. *Assistance given by the Central Intelligence Agency to the Special Investigations Unit.*—The majority argues that the President interfered with the lawful functioning of the Central Intelligence Agency by requiring it to provide assistance for the Special Investigations Unit (the "Plumbers").

Ehrlichman got in touch with CIA Deputy Director Cushman on July 6, 1971 notifying him that Hunt was working on security problems for the President and might be requesting assistance of Cushman. On July 22, 1971, Hunt requested Cushman to provide disguise material and alias identification which the CIA provided the next day. The complaint is that this action by the CIA violated a provision of a 1947 statute, which states that the CIA has no "internal security" functions. The CIA's jurisdiction extends to foreign matters only.

On any reasonable interpretation of the events of June and July, 1971 the involvement of the CIA was altogether proper. The top secret Defense Department study of American policy in the Vietnam War had been published on the front page of the New York Times on June 13, 1971. Robert C. Mardian, the Assistant Attorney General for Internal Security had told a meeting of White House staff members that a copy of this top secret document, which had been, in effect, stolen from the Defense Department files, had been delivered to the Soviet Embassy on June 17, 1971, The *New York Times* had published the details of the United States' negotiating position in the Strategic Arms Limitation Talks. Earlier leaks had led to newspaper publication of the Administration's decision to study the possibility of unilateral troop withdrawal from Vietnam, and publication of the United States' intelligence board's official assessment of the nuclear first-strike capacity of the Soviet Union. The President had been told by then his Chief National Security Advisor, Henry Kissinger, that Ellsberg had "knowledge of very critical defense secrets of current validity, such as nuclear deterrent targeting."

We find it simply beyond reason to argue that, in these circumstances, the leaks of national security information had no relation to foreign intelligence information or foreign affairs. The point is not whether Dr. Ellsberg was or was not an American citizen. The point is not whether Howard Hunt would travel abroad in connection with his assignments with the Special Investigations Unit—although he had certainly done so for the CIA in the past. The point is, that if top secret defense documents are published on page 1 of the *New York Times,* that constitutes an effective publication and delivery of the information to foreign intelligence sources. An action which jeopardizes the success of American policy in a foreign war or in talks with the Soviet Union to limit the spread of nuclear weapons, is clearly the proper concern of the Central Intelligence Agency. The President's action, which was limited to authorizing CIA assistance to a legitimate national security project, was entirely proper.

Paragraph (4)

Paragraph (4) of Article II charges that the President "has failed to take care that the laws were faithfully executed by failing to act when he knew or had reason to know that his close subordinates endeavored to impede and frustrate lawful inquiries. These inquiries concerned the Watergate break-in and cover-up, and "other unlawful activities" including those relating to electronic surveillance, the Fielding break-in, the campaign financing practices of the Committee to Re-elect the President, and the confirmation of Richard Kleindienst as Attorney General.

a. Legal theory

The theory upon which Paragraph (4) is based deserves careful examination. The President is charged with violation of the "take care" duty, and specifically with violation of his duty of supervision, in that he failed to exercise his authority when he should have done so in order to prevent his close subordinates from interfering with investigations into criminal or improper conduct.

(i) *The "take care" duty.*—Article I, Section 3 of the Constitution commands that the President "shall take care that the Laws be faithfully executed." Since he cannot execute the laws alone and unaided, he must rely on his subordinates; the vast bureaucracy of the executive branch, including all departments, agencies, commissions, and of course the immediate White House staff. As Gouverneur Morris pointed out at the Constitutional Convention, "Without . . . ministers the Executive can do nothing of consequence."[1]

The "take care" clause therefore imposes on the President the implied duty of supervising his subordinates in the discharge of their delegated responsibilities.

This supervisory responsibility is further emphasized by other provisions of the Constitution. For example, Article II, Section 2 authorizes the President to "require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any Subject relating to the Duties of their respective Offices." Read in conjunction with the "take care" clause, the provision implies an affirmative duty to be informed about the official conduct of executive officers. Article II, Section 1 vests the executive power exclusively in the President, which reflects the intention of the Framers that there be a single, responsible executive answerable for the conduct of his subordinates. The President's duty of supervision is also implicit in his power to appoint and remove executive officers.[2] Two years after adoption of the Constitution, James Madison argued in the First Congress that the President's power to remove subordinates would "subject him to impeachment himself, if he suffers them to perpetrate with impunity high crimes or misdemeanors against the United States, or neglect to superintend their conduct, so as to check their excesses."[3]

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[1] II *The Records of the Federal Convention* 54 (M. Farrand ed.).

[2] *Myers* v. *United States,* 272 U.S. 117 (1926).

[3] Annals of Congress 372–73 (1789). The reliability of this statement is called into question, however, by the fact that in the course of the same debate Madison stated that the President would be removable for "maladministration"—although this ground for impeachment had been explicitly rejected at the Federal Convention. *Id.* 498.

The general duty of supervision is necessarily subject, however, to significant practical limitations. First, with respect to the particular persons whom the President is expected to supervise, common sense dictates that he cannot exercise direct personal supervision over more than a fraction of the enormous executive establishment. He is immediately responsible for the official acts of the Cabinet Secretaries, the Joint Chiefs of Staff, the Attorney General, and his close subordinates on the White House staff. These officers are all hand-picked by the President and serve at his pleasure; members of the White House staff are not even subject to Senate approval on appointment. Beyond this inner circle, however, the President's supervisory responsibility is much more attenuated. He and his political party are accountable to the electorate for widespread official misconduct in the lower echelons of the executive branch, but this would not ordinarily be grounds for impeachment.

Second, with respect to the nature of the President's duty to supervise his immediate subordinates, no one would contend that he is strictly liable to removal on account of the actions of these subordinates. The responsibility to see to the execution of the laws has been interpreted by the Supreme Court to mean a general superintendence of administration, rather than day-to-day supervision with attention to every detail.[4] The President must exercise due diligence in overseeing the official conduct of his immediate subordinates. Mere negligence in failing to discover official misconduct, however, is not in our opinion sufficient to justify removal from office unless the President becomes so habitually and egregiously negligent in this regard that his failure to supervise his subordinates assumes the character of a willful abdication of responsibility.

Needless to say, the President may be removed for directing a subordinate to perform a serious illegal act; and this proposition would not be limited to his inner circle of immediate subordinates. By the same token, when he obtains actual knowledge of official misconduct he must make an appropriate response, which means that at the very least he must bring the matter to the attention of law enforcement officials. The difficult question arises in a situation where he did not in fact know, but arguably should have known, that an immediate subordinate had committed an unlawful act. We submit that the President should not be removed from office for the act of a subordinate, unless he took some step to make that act his own—by knowingly assisting or approving it, or knowingly failing to exercise his control over a subordinate to prevent the commission of the act. The requirement of *mens rea* is a basic principle of Anglo-American jurisprudence.[5] As a matter of common sense, it serves no purpose to impose sanctions on a person for that of which he has no knowledge. This simple proposition is abundantly supported by the hostility of our jurisprudence toward strict criminal liability and criminal liability for the acts of others.

For example, in *Burkhardt* v. *United States*, 13 F. 841, 842 (6th Cir. 1926), the court dismissed the indictment of a sheriff, one of whose deputies had participated in a criminal conspiracy. The court found the evidence insufficient to demonstrate that the defendant had knowledge of the criminal violations, and stated the applicable legal test to be as follows:

"... [L]ack of vigilance ... is not enough; there must also be proof of knowledge of facts, coupled with an intention to aid in the unlawful act by refraining from doing that which he was duty bound to do. These essential elements cannot be inferred from inaction alone."

To similar effect is *Jezewski* v. *United States*, 13 F. 2d 599, 603 (6th Cir. 1926), where convictions of public officials were upheld because the facts established that

"the refusal of these officers to perform their sworn duty *was not attributable to neglect and indifference only*, but rather that it was part and parcel of the plan of the conspiracy . . . and practically essential to its perpetuity and success." (Emphasis added).

The rule of these cases, which we believe sound, is that a public official may be found guilty of a criminal conspiracy whose object he has a duty to prevent, only if the evidence proves that he had actual knowledge of the crime but failed to enforce the law, with the result that the crime was promoted or furthered.

The legal theory underlying Paragraph (4) is potentially a dangerous principle, unless the President's supervisory responsibility is limited to cases where he actually knew that a subordinate had committed or was about to commit an unlawful act.[6] If he is also made liable in impeachment for subordinates' misconduct of which he "should have known", by what standard could his failure to discover be judged? We reiterate our strong conviction that the President should not be removed from office for failure to meet the standard of care of ordinary civil negligence (the "reasonable man" standard). But if that standard were applied, let it be observed that the President's acts or omissions would properly be judged with reference to a reasonable man *in his position*. The President labors under the most extraordinary pressures and responsibilities. Particularly in a time of complex problems in both domestic and foreign affairs, as an efficient administrator he must so delegate the mechanical details of his supervsiory function as to reserve to himself the greatest possible amount of time for making the decisions which he alone may make. In effecting that delegation, the President must place his trust somewhere; and who shall say that if he is deceived, he must be removed?

(ii) *Misprision of felony.*—In the context of Paragraph (4), the standard of conduct required of a President by the "take care" clause may reasonably be expressed in terms of the federal criminal offense of misprision of felony.

Title 18 U.S.C. § 4, entitled "Misprision of felony," provides:

"Whoever, having knowledge of the actual commission of a felony cognizable by a court of the United States conceals and does not as soon as possible make known the same to some judge or other person in civil or military authority under the United States, shall be fined not more than $500 or imprisoned not more than three years, or both."

The statutory offense of misprision of felony has four elements:

"To sustain a conviction . . . for misprison of felony it (is) incumbent upon the government to prove beyond a reasonable doubt

"(1) That . . . the principal had committed and completed the felony alleged prior to (the date of the alleged misprision);

"(2) That the defendant had full knowledge of that fact;

"(3) That he failed to notify the authoritiss; and

"(4) That he took (an) affirmative step to conceal the crime of the principal."[7]

(*a*) *Affirmative act of concealment.*—As the Supreme Court has pointed out, 18 U.S.C. § 4 "has been construed . . . to require both knowledge of a crime and some affirmative act of concealment or participation."[8] The basic reason for the affirmative act requirement is that to punish mere nondisclosure would impose an undue burden on the citizen:

"To suppose that Congress reached every failure to disclose a known federal crime, in this day of myriad federal tax statutes and regulatory laws, would impose a vast and unmeasurable obligation. It would do violence to the unspoken principle of the criminal law that 'as far as possible privacy should be respected.'" *United States* v. *Worcester*, 190 F. Supp. 548, 565–67 (D. Mass. 1960) (*dictum*) (Wyzanski, J.).

Another reason for the affirmative act requirement is to afford some basis for an inference of evil intent. It has been held that "the motive prompting the neglect of a misprision must be in some form evil as respects the administration of justice."[9]

In *State* v. *Michaud*, 114 A. 2d 352, 355 (Me., 1955) the court similarly suggested that the requirement of an affirmative act was necessary to prevent overbroad application of the statute:

"The act of concealment must be alleged. Otherwise, a person could be tried and erroneously convicted on slight evidence that was only to the effect that he was in the vicinity of where a felony was 'actually' committed, and from that improperly argue (sic) that he must have 'known,' and that he concealed because he knew and did 'not disclose.' He might not have seen. He might not have known or understood all the facts."

A dictum of Chief Justice Marshall also reflects the reluctance of the Judiciary to construe misprision statutes so as to punish bare nondisclosure of information:

"It may be the duty of a citizen to accuse every offender, and to proclaim every offense which comes to his knowledge; but the law which would punish him in every case, for not performing this duty, is too harsh for man." *Marbury* v. *Brooks*, 7 Wheat. 556, 575–76 (1822).

(b) *Degree of knowledge required.*—Several federal cases state that in order to support a conviction for misprision, it is necessary to prove that the defendant had "full knowledge" of the commission of the crime by the principal.[10] In *Commonwealth* v. *Lopes*, 318 Mass. 453, 458–59 (1945), the court intimated that mere "suspicion" that a felony had been committed could not render the defendant's silence criminal.

(c) *Duty of a President of the United States under the Misprision statute.*—The federal misprision statute requires that felonies be reported to "some judge or other person in civil or military authority under the United States." The President of the United States is the chief officer of the executive branch of the federal government.[11]

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[4] *Williams* v. *United States*, 1 How. (42 U.S.) 29 (1843).

[5] *E.g., Dennis* v. *United States*, 341 U.S. 494, 500 (1951), *reh. denied*, 342 U.S. 842 (1951). See discussion of the requirement of criminal intent as an element of "High Crimes and Misdemeanors;" Preliminary Statement.

[6] Of course, the President may not avoid actual knowledge by deliberately isolating himself from the normal channels of communication. Nor may he escape responsibility by deliberately issuing ambiguous instructions to his subordinates and then failing to police their actions.

[7] *Neal* v. *United States*, 102 F. 2d 643, 646 (8th Cir. 1939); *Lancey* v. *United States*, 356 F. 2d 407, 409 (9th Cir. 1966), *cert. den.* 385 U.S. 922; *United States* v. *King*, 402 F. 2d 694, 695 (9th Cir. 1968).

[8] *Branzburg* v. *Hayes*, 408 U.S. 665, 696 n. 36 (1972) (*dictum*); and see cases cited in note 6, *supra*.

[9] *State V. Wilson*, 80 Vt. 249, 67A. 533, 534 (1970). *Accord, Commonwealth* v. *Lopes*, 318 Mass. 453, 458, 61 N.E. 2d 849 (1945); *State* v. *Michaud*, 114 A. 2d 352, 357–58 (Me., 1955) (concurring opinion).

[10] *Neal* v. *United States*, 102 F. 2d 643, 646 (8th Cir. 1939); *Launcey* v. *United States*, 356 F. 2d 407, 409 (9th Cir. 1966), *cert. den.* 385 U.S. 922; *United States* v. *King*, 402 F. 2d 694, 695 (9th Cir. 1968).

[11] U.S. Const. art. II, sec. 2, cl. 1.

He is the commander in chief of the Army and Navy of the United States.[12]

In view of the unambiguous language of the statute, it is difficult to resist the conclusion that the President is a "person in civil or military authority under the United States," within the meaning of the statute.[13]

Under our Constitution, the President is situated differently from any other person of authority in the government. He appoints the Attorney General of the United States, and in this sense stands at the apex of the system of law enforcement.[14] The President commissions all officers of the United States.[15] The President can pardon any person for any felony, before or after the initiation of prosecution.[16] The President is responsible for the national security.[17] In view of all these constitutional duties and responsibilities, which may, after all, with each other in a given case, the President is properly entitled to balance considerations of national security and the public interest in the punishment of persons who infringe the provisions of a criminal statute.

b. Factual allegations

(*i*) *Concealment of electronic surveillance as an obstruction of the Ellsberg trial.*—During the period from May 1969 to February 1971, the FBI wiretapped the home telephone of Morton Halperin and thereby incidentally intercepted a number of conversations to which Daniel Ellsberg was a party. The subsequent failure of the Department of Justice to produce logs of these conversations at Ellsberg's trial was due to the fact that the FBI had not, in the case of the 1969–71 wiretaps, followed its usual procedure of entering records of the wiretapped conversations in a data retrieval bank (the ELSUR index).[18] This action does not constitute a ground for impeachment of President Nixon, for reasons which have been previously discussed.[19]

The principal reason is that while the President *may* have expressed to then Colonel Haig, in May 1969, a general desire that the wiretap program be handled by the FBI on a particularly confidential basis, there is no evidence at all that he specifically directed the FBI not to enter the wiretap records on the ELSUR index. First, there is no reason to suppose that the President was familiar with the responsibility of the FBI to produce wiretap logs at "taint" hearings, as required by *Alderman* v. *United States* (which had been decided by the Supreme Court only two months before). Second, even if the President was aware of the *Alderman* holding in May 1969, it seems very improbable that he would also have known precisely what procedure (the ELSUR index) had been established by the FBI to enable the Bureau to discharge its duty of furnishing wiretap logs. Third, even in the unlikely event that the President was familiar with the ELSUR index, there is no evidence that he intended—let alone directed—that in adopting special security procedures for the 1969–71 wiretaps, the FBI should go so far as to ignore its legal duty of maintaining records so that wiretap logs could be produced in court when necessary. A reasonable man in the President's position would surely have relied on the vast experience and discretion of FBI Director Hoover to ensure that appropriate and legal measures were taken to provide extra security for the wiretapping program.

If the failure of the Department of Justice to produce the wiretap logs at Ellsberg's trial was an obstruction of justice, therefore, the FBI itself should be held accountable—not the President. Furthermore, regardless of whether that failure was technically an obstruction of justice, its only effect was to cause Judge Byrne to dismiss the case against Ellsberg. Since the President could have ordered the prosecution of Ellsberg to be dropped anyway, as a valid exercise of prosecutorial discretion, the actual result hardly justifies his impeachment.

(*ii*) *Obstruction of Watergate inquiries.*—The belated disclosure of the June 23, 1972 conversations between the President and H. R. Haldeman made it clear for the first time that the President did indeed conspire to obstruct justice, and did obstruct justice, by impeding the lawful inquiries into the Watergate break-in and cover-up. Since this obstruction of justice represents the gravamen of the charge under Article I and has been treated at length in the discussion of that Article, it requires no further comment here.

(*iii*) *Obstruction of inquires into campaign financing practices and use of campaign funds.*—Paragraph (4) alleges that the President, after learning that his subordinates were trying to obstruct lawful investigations into allegedly illegal campaign financing practices of the Committee to Re-elect the President, failed to take action to inform the appropriate authorities of his subordinates' conduct. The Majority Report offers four examples in support of this proposition. We submit that in at least three of these cases, a further elaboration of the facts is necessary in order to reach an intelligent judgment as to whether the President is properly accused of wrongdoing.

First, it is charged that the President failed to inform the authorities after learning on March 13, 1973 from John Dean the method used by Allen and Ogarrio to make "illegal campaign contributions." In fact, on February 28, 1973, the President had told Dean that he expected the Watergate investigation to explore the financing transaction through Mexico; to which Dean had replied that it could be explained and that "When they get the facts, they are going to be disappointed." (HJCT 43). In the conversation on March 13, the President raised the question again: "What happened to this Texas guy that took his money back?" Dean replied that "All hell broke loose for Allen" because "The money apparently originally came out of a subsidiary . . . down in Mexico." Dean briefly described the problems Allen had but then went on to explain that the money was not used for the Watergate break-in. (HJCT 65) These conversations scarcely seem to corroborate the allegation that the President was made aware of illegal acts. Indeed, the characterization of the transactions in question as "illegal campaign contributions" is rather misleading in view of the fact that Allen had been called before a grand jury on September 7, 1972 in connection with these contributions, and no indictment had issued. (FBI memorandum from Mr. Bolz to Mr. Bates, September 15, 1972) As of March 1973, therefore, the President would have been justified in concluding that, insofar as the contributions had been subjected to judicial scrutiny, their legality had been vindicated. In any event, there was no reason for him to have brought to the attention of a prosecutor a matter which had been resolved six months earlier by a grand jury's refusal to indict.

Second, it is charged that the President failed to stop plans, of which he was informed on September 15, 1972, to interfere with proposed hearings of the House Banking and Currency Committee on campaign financing practices of the Committee to Re-elect the President. Whether or not this statement is technically correct, it omits pertinent information. The Chairman of the House Banking and Currency Committee, Representative Patman, announced in September, 1972 that his Committee intended to conduct an investigation into the campaign financing practices of CRP. In point of fact, Mr. Patman ordered the investigation on his own initiative, without first submitting the proposal to his Committee for a vote. Indeed, it is questionable whether the Banking Committee even had jurisdiction to inquire into campaign financing practices, and the Committee subsequently decided not to hold any hearings. With all due respect to Mr. Patman, we suggest that his rather precipitous action may have been motivated in part by political considerations—such as a desire to make public, before election day, the facts respecting CRP practices. While there is nothing at all improper about a political motive of this sort, neither does an attempt to impede such an investigation necessarily rise to the level of an obstruction of justice.

Third, we would draw attention to the conversation on the afternoon of March 21, 1973 between the President, Haldeman, and Ehrlichman. Ehrlichman stated that he thought that Strachan was "an accessory in . . . a undeclared campaign fund." Haldeman disputed this opinion, but Ehrlichman replied that the law included Strachan. The President was unconvinced and said, "well that was . . . undeclared for a while I think it was '70, '68." (This is clearly a reference to the funds under Kalmbach's control from 1969 to early 1972.) Ehrlichman agreed with the President but went on to indicate his belief that Strachan's control of unreported political funds after April 7, 1972 was a violation of law: "Yeah. But then it got back into the coffers and, uh, was used in this campaign." (HJCT 142). It would be fair to say that the participants in this conversation did not reach a consensus that Strachan had in fact violated the law. Furthermore, it was known that Strachan would soon be called to testify before the grand jury. Under these circumstances, the President might reasonably have believed that the demands of the orderly administration of justice did not require him to rush to the prosecutor with news of a possible violation of law, particularly when he was personally unconvinced that it was in fact a violation.

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[12] *Id.*

[13] In England, the offense of misprision could be avoided by making a report to the King. Concerning the punishment for concealment of felonies, Lord Coke wrote:

"From which punishment if any will save himself he must follow the advice of Bracton, to discover it to the King, or to some judge or magistrate that for the administration of justice supplieth his place, with all speed that he can."

3 *Inst. Cop.* 65.

[14] 28 U.S.C. § 503. The discretionary power exercised by a prosecuting attorney in initiation and discontinuance of a prosecution is universally recognized as being very extensive. The Federal courts have no power to control or compel the initiation of criminal proceedings, that being the prerogative and duty of the U.S. Attorney. *Smith* v. *United States*, 375 F. 2d 243, 247 (1967); *United States* v. *Brakow*, 60 F. Supp. 100 (1945); *United States* v. *Thompson*, 251 U.S. 407 (1920); 28 U.S.C.A. § 507. Mandamus will not lie to control the exercise of this prosecutorial discretion. *Confiscation Cases*, 74 U.S. (7 Wall.) 454 (1868): *Moses* v. *Katzenbach*, 359 F. 2d 234 (1965): *Goldberg* v. *Hoffman*, 225 F. 2d 464 (1955). A United States Attorney cannot be required or forced to sign an indictment. *United States* v. *Cox*, 342 F. 2d 167 (1965). The discretionary power of the attorney for the United States, in determining whether or not a prosecution shall be commenced or maintained, may well depend upon matters of policy wholly apart from the question of probable cause, *United States* v. *Cox*, *supra*.

[15] U.S. Const. art II, sec. 3.

[16] *Id.* art. II, sec. 2, cl. 1; *ex parte Grossman*, 267 U.S. 87, 118–20 (1925).

[17] U.S. Const. art. II, sec. 2, cl. 1.

[18] The function of the ELSUR index is to provide a cross-referencing system containing the names of all persons who are overheard in conversations intercepted by the FBI, so that if one of those persons should be indicted, the logs of his overhears can be quickly produced from the files. In July 1971 all logs, summaries and other records of the 1969–71 wiretaps were removed from the FBI to the White House, where they ended up in John Ehrlichman's safe. Thus, it might be argued that even if Ellsberg's name had been properly entered in the ELSUR index, the Department of Justice would still have been unable to produce the logs. In that event, however, knowledge of the fact that Ellsberg had been overheard would have directed the court's attention to the White House to explain why the logs had been removed from the FBI.

[19] See discussion of Article II, paragraph (2), *supra*.

(*iv*) *Kleindienst confirmation hearings.*—(a) *Facts.*—On February 15, 1972, the President nominated Deputy Attorney General Richard Kleindienst to be Attorney General of the United States to succeed John Mitchell, who was leaving the Department of Justice to participate in the President's re-election campaign.

The Senate Committee on the Judiciary held brief hearings on the nomination and quickly voted to recommend that the nomination be confirmed. (Book V, 605)

On February 29, 1972, Jack Anderson, a newspaper columnist, published the first of three articles alleging that three antitrust cases, commenced by the Department of Justice in 1969, had been settled favorably to the defendant, the International Telephone & Telegraph Corporation (ITT), in 1971 in return for a large financial contribution to the 1972 Republican National Convention in San Diego. Kleindienst immediately asked that the Senate Judiciary Hearings be reconvened in order that he might answer these allegations. (Book V, 633)

On March 2, 1972, pursuant to Kleindienst's request, the hearings reconvened. The purpose of the hearings was to determine what connection, if any, existed between the settlement of the ITT antitrust cases and the ITT convention contributions. In connection with the investigation, the Senate Committee on the Judiciary inquired into several areas including: (1) the extent of involvement of the White House in the filing, handling and settling of the ITT antitrust cases; (2) the circumstances under which the ITT convention pledge was obtained; and (3) the actions of the Department of Justice personnel in the ITT antitrust cases. (Book V, 677–904, *passim*)

Richard Kleindienst testified that he had never been interfered with by anyone at the White House in the exercise of his responsibilities in the ITT antitrust cases. (Book V, 677–80, 729–34, 755–58, 849–53) In fact, on April 19, 1971, the day before an appeal was due to be filed in the Supreme Court in the *ITT-Grinnell* case, the President telephoned Kleindienst and ordered that the appeal not be filed. (Book V, 311) In his Senate testimony, Kleindienst also described the circumstances of the decision to delay this appeal without mentioning the President's phone call. (Book V, 729–34, 751–54)

On May 16, 1974, Kleindienst pleaded guilty to an information charging a failure to answer accurately and fully questions pertinent to the Senate Judiciary Committee's inquiry, in violation of 2 U.S.C. § 192. (Book V, 965)

John N. Mitchell testified in part as to his involvement in the handling of the ITT antitrust cases. Mitchell testified that he had recused himself in the ITT cases. (Book V, 771) In fact, Mitchell had been involved in contacts with ITT officials concerning the cases during 1970 and had various discussions with White House staff members about the ITT antitrust cases. (Book V, 143) In his Senate testimony, Mitchell denied that he had ever discussed the ITT antitrust cases with the President, although he had discussed the *ITT-Grinnell* appeal with the President on April 21, 1971, two days after the President's order to Kleindienst. (Book V, 371–76; 771–75) In that discussion Mitchell had persuaded the President not to interfere with the appeal of *ITT-Grinnell* to the Supreme Court. (Book V, 371)

(b) Evidence relating to President's knowledge

The evidence of Presidential knowledge of this testimony given by Mr. Kleindienst and Mr. Mitchell in March and April, 1972 is circumstantial.

The President returned from China on the evening of February 28, 1972. After spending a few days in Key Biscayne the President began his first full day in the White House on Monday, March 6. (Book V, 141–42) Three days earlier, on March 3, Richard Kleindienst had testified about the circumstances surrounding the delay of the appeal of the *ITT-Grinnell* case a year earlier. (Book V, 729–34)

On Monday, March 6, the President met, and talked by telephone, with three of his top aides, Haldeman, Ehrlichman and Colson. (Book V, 735) Also on March 6, Richard Kleindienst's diary reflects the fact that he was at the White House for a Cabinet meeting with the President. (Richard Kleindienst diary, submitted to the Inquiry staff after the initial presentation to the Committee of information regarding the ITT matter.) The next day Kleindienst in a detailed statement to the Senate Committee described the events of April 19, 1971 without mentioning the President's order to him not to file the *ITT-Grinnell* appeal. (Book V, 751)

On March 14, 1972, John Mitchell appeared before the Senate Judiciary Committee and twice testified that there had been no communications between the President and with him with respect to the ITT antitrust litigation or any other antitrust litigation. That evening the President and Mr. Mitchell had their only telephone conversation during March of which the Committee staff is aware. (Book V. 771) Mr. Mitchell has denied in an unsworn interview with the inquiry staff that he discussed his testimony, or the testimony of any other witness before the Senate Committee with the President, with Mr. Kleindienst, or with any members of the President's staff.

According to Charles Colson's calendar, he spent the morning of March 18, 1972 on "ITT" matters. He had three telephone conversations with Mr. Mitchell during the morning. That afternoon the President and Colson met for over two hours.

On March 24, 1972, the President held his only press conference of this period. He said that:

". . . as far as the [Senate Judiciary Committee] hearings are concerned, there is nothing that has happened in the hearings to date that has in one way shaken my confidence in Mr. Kleindienst as an able, honest man, fully qualified to be Attorney General of the United States. (Book V, 801)

In this press conference, the President also said that, "we moved on it [ITT] and moved effectively. . . . Mr. McLaren is justifiably very proud of that record . . . [and he] should be." (Book V, 802) He said that Administration action had prevented ITT from growing further and quoted Solicitor General Griswold as to the excellence of the ITT settlement. (Book V, 799)

Charles Colson testified before the Committee as to a meeting during this time period that he attended with the President and Haldeman. Colson testified that the President recalled that he had made a telephone call to Kleindienst:

"Mr. COLSON. I recall one instance when the President was basically talking to Haldeman, but I was in the room and obviously the question of his involvement in the ITT settlement had somehow come up.

"Mr. JENNER. When you say his you are referring to who?

"Mr. COLSON. The President.

"Mr. JENNER. All right.

"Mr. COLSON. Because he said do you, he said to Haldeman, he said do you remember the time I called Kleindienst and got very agitated or very excited with Dick and did I discuss the ITT case or was I talking about policy. And Bob said no you were talking about policy, you weren't discussing the case.

"And the President said are you sure?

"And Haldeman said yes, either I was there while you called or Ehrlichman was there and heard your call and the President said, "thank God I didn't discuss the case.

"Mr. JENNER. Do you have a recollection with better certainty that this conversation you have now described took place during the span of the ITT-Kleindienst hearings?

"Mr. COLSON. Yes, I think it did. I can't imagine why it would come up at another time. I think it must have—I know it is the first time I ever knew the President talked to Kleindienst about this matter at all. And I don't think I learned about it until late in the month and I remember learning about it in that fashion, that the President was trying to recall what he had said to Kleindienst." (Colson testimony, 3 HJC 383)

Colson also testified that on March 27 and 28, 1972 he and Clark MacGregor met with the President and presented to him the reasons why they felt the nomination of Kleindienst should be withdrawn. Colson testified that he left that meeting feeling that the President was inclined to agree that the nomination should be withdrawn. (Colson testimony, 3 HJC 384–85)

On March 29, Colson and MacGregor met with H. R. Haldeman who informed them that the President was going to meet with Kleindienst that afternoon to determine whether or not Kleindienst would withdraw his name from consideration. (Colson testimony, 3 HJC 385) Colson also testified that on the morning of March 30, he and MacGregor met with Haldeman who described the President's meeting with Kleindienst in which Kleindienst convinced the President that the nomination should not be withdrawn. (Colson testimony, 3 HJC 386)

Colson took notes of his meeting with Haldeman and MacGregor (Colson Exhibit No. 22, 3 HJC 387–91) and later returned to his office to dictate a memorandum to Haldeman that argued that the nomination should be withdrawn. (Colson testimony, 3 HJC 393–97) His reasons included the fact that he had reviewed documents that would tend to contradict Mitchell's testimony to the Senate Committee. (Book V, 805–09) Later that day Colson met with the President and informed him that he had written such a memorandum. After meeting with the President, Colson sent the memorandum to H. R. Haldeman. Colson testified that by normal practice the memorandum would be given by Mr. Haldeman to the President. (Colson testimony, 3 HJC 397)

Mr. Mitchell has told the inquiry staff that, near the end of March, he recalls generally that he conveyed to the President, either directly, or through Mr. Haldeman, his view that the Kleindienst nomination should not be withdrawn but that he recalls no specific conversations.

On April 4, 1972 the President met four times with Haldeman and talked once by telephone with Colson. During the afternoon the President met with Haldeman and Mitchell and discussed, among other things, changing the convention site from San Diego to Miami. An edited transcript of this conversation has been supplied to the Committee. The transcript indicates no evidence of Presidential knowledge of the testimony of Kleindienst or Mitchell, and indeed shows that there was very little discussion of the hearings.

On June 8, 1972, Kleindienst was confirmed by the Senate. On June 12, 1972, Kleindienst was appointed to the office of the Attorney General, and was sworn in at a ceremony at the White House attended by the President. (Book V, 901)

During the period that the Kleindienst nomination was pending before the Senate, the press provided extensive coverage of the hearings, the debates and the final vote. (Book V, 855) This press coverage was reflected in the news summaries prepared daily by the White House staff for the President.

On January 8, 1974 the office of the White House Press Secretary issued a "White Paper" entitled, "The ITT Antitrust Decision," describing the President's role in the ITT antitrust cases and their settlement. The White Paper denied that the President had any involvement in the ITT settlement and denied that the settlement was made in exchange for an ITT convention pledge, but admitted the telephone call to Kleindienst. (Book V, 956)

(c) Was the testimony of Kleindienst or Mitchell perjury?

In the course of their testimony before the Senate Committee on the Judiciary, Kleindienst and Mitchell appear to have given incorrect or misleading testimony several times. Kleindienst apparently misled the Committee about the nature of his contacts with the White House in the filing, handling and settlement of the ITT antitrust cases. Mitchell apparently misled the Committee about his contact with the White House and with ITT officials regarding the ITT cases, and he further was evasive about his involvement in the Administration's decision to select San Diego as the site of the 1972 Republican National Convention. Certain statements by Kleindienst and Mitchell appear to be clearly incorrect. On March 7, 1972, Kleindienst described the reasons for the decision to delay the *ITT-Grinnell* appeal on April 19, 1971, without mentioning the President's telephone call of that day in which the President ordered the appeal to be dropped. On March 14, 1972, Mitchell stated that he never discussed the ITT antitrust cases with the President, whereas actually he had discussed the appeal with the President on April 21, 1971.[20]

A factual issue may be raised as to the intent of Mitchell in his misstatements. In his interview with the inquiry staff, for example, Mr. Mitchell indicated that what he meant when he denied talking to the President about the ITT cases was that he had never talked to the President about the *merits* of those cases. In such a case his testimony would not be perjury.

The alleged misstatements by Kleindienst concerning the *ITT-Grinnell* appeal to the Supreme Court in April 1971 are subject to the defense of "literal truth." For example, the lengthy statement which Kleindienst read to the Committee on March 7, 1972, omitting any mention of the President's telephone call, may be misleading but not in fact false. Kleindienst's statement related only actual events of April 19, minus the telephone call, and therefore it may be literally true but incomplete. Therefore, under the recent Supreme Court decision in *Branston v. United States,* 409 U.S. 352 (1973), in which the Court held that testimony that is literally true but arguably misleading by negative implication is not perjury, Kleindienst's remarks on March 7 would not constitute perjury.

The alleged misstatements of both Mitchell and Kleindienst were not perjurious because they were not material to the Senate Inquiry. The test of materiality is whether the testimony has a natural effect or tendency to influence, impede or dissuade the investigative body from pursuing its investigation.[21] The Senate Committee on the Judiciary was charged with evaluating the qualifications of Richard Kleindienst to be Attorney General. In the exercise of this constitutional responsibility the Senate Committee was investigating the connection between the ITT antitrust cases and the ITT convention pledge. The Senate Committee's investigation into the ITT scandal was focused properly only on the settlement of the ITT cases and the reasons for the settlement. Thus an alleged misstatement about an appeal in the *ITT-Grinnell* case would not be material to the Committee's inquiry.

It may be questioned, furthermore, whether disclosure of the President's telephone call to Kleindienst and the latter's successful resistance would have had any adverse impact upon the Committee's judgment as to Mr. Kleindienst's qualifications. In omitting to mention the telephone call Kleindienst also omitted to mention that his response to the call was to threaten to resign. In part because of that threat, the President rescinded his order two days later. Kleindienst's strong resistance to presidential intervention could only have reflected favorably on his integrity and qualifications for the office of Attorney General. In such a case it makes no sense to attempt to impeach a President because his nominee withheld information that would have markedly enhanced the nominee's chances of confirmation.

(d) Was the President aware of the false testimony of his subordinates?

To charge the President with knowledge that his close subordinates had endeavored to frustrate the Senate inquiry, two facts must be proven. First, it must be shown that the President had knowledge of the specific testimony of Kleindienst and Mitchell. Second, it must be shown that the President knew that testimony to be false.

The Majority Report offers several facts to prove that the President had knowledge of the testimony. First, the "extensive press coverage" of the Kleindienst hearings supposedly reflected in the President's daily news summaries is suggested as a source of information from which the President is presumed to have learned about the testimony. Second, the President had a telephone conversation with Mitchell on the evening of March 14, the day of Mitchell's allegedly perjured testimony. The inference is drawn that during this telephone call Mitchell informed the President of his testimony that day. Third, the President indicated in his March 24 press conference that he was familiar with the hearings and testimony of the witnesses. Because the President quoted the general statements about the ITT settlements by then Solicitor General Griswold, the majority charges the President with knowledge of the testimony of other witnesses about the appeal. Fourth, Colson testified to the Committee that Haldeman informed him on March 29 and 30 that the President intended to meet, and did in fact meet, with Kleindienst on the afternoon of March 29. It is inferred from this meeting that the President learned of and discussed Kleindienst's misleading testimony. Fifth, Colson's March 30 memorandum to Haldeman cites certain documents in White House files that contradicted Mitchell's testimony about his role in the settlement and tended to show that the President was involved in the ITT case in 1971. It is argued that if the President read this memorandum, he would have realized that evidence existed that contradicted the testimony of Mitchell about the *ITT-Grinnell* appeal.

Under close scrutiny, however, this evidence does not persuasively establish presidential knowledge. First, no direct evidence of actual presidential knowledge exists. Except for the President's general statement in his press conference of March 24, the evidence is entirely inferential. Nor does the press conference itself indicate specific knowledge of the actual testimony of either Kleindienst or Mitchell. Colson and other witnesses have informed the inquiry staff that the President does not prepare for news briefings by studying primary news sources. Instead he utilizes a briefing book prepared by his staff. There is no evidence before the Committee as to what the briefing book for the President's March 24 press conference contained, nor has the Committee requested production of this briefing book. An inference of presidential knowledge of testimony from the press conference is therefore wholly unwarranted.

Second, although the Majority Report attaches great significance to the "extensive press coverage," the specific testimony by Kleindienst concerning the appeal was actually *not* reported. The focus of the news media was on the allegations concerning the settlement of the ITT cases, not the appeal of the *ITT-Grinnell* case. Thus by reading the newspaper or the news summaries the President could not have learned of the critical testimony of either Kleindienst or Mitchell.

Third, although Haldeman may have told Colson that Kleindienst and the President met on the afternoon of March 29, Kleindienst has specifically denied this to the inquiry staff. Kleindienst said that he had no conversations with anyone at the White House during March, April and May of 1972. As uncorroborated hearsay, Colson's testimony is not entitled to much weight.

Fourth, although Colson's memo of March 30 does indicate that documents contradicted Mitchell's testimony, the testimony concerned the settlement and *not* the appeal. In any event, Colson testified that he does not know whether the President received or read the memo. In fact, Colson has testified to the Committee that he did not discuss with the President either his memo, the documents described therein, or the testimony of Mitchell or Kleindienst. Nor did the President ever indicate to Colson any awareness that Kleindienst had not told the truth to the Senate Committee. (Colson testimony, 3 HJC 401) Finally, Colson has said that he did not follow the testimony of any of the witnesses before the Senate Judiciary Committee. Because Colson was the White House Staff man in charge of the Kleindienst confirmation fight, if he never followed the testimony and never talked about the testimony with the President, it is difficult to see how the President could have learned of the testimony.

Even if the evidence established that the President was aware of the testimony of Kleindienst and Mitchell—which we believe it does not—the allegation of wrongdoing on the President's part further depends on proof that he also would have known the testimony to be false. This conclusion is urged by the majority because the President had participated in the events of April, 1971 about which Kleindienst and Mitchell testified falsely. But those events can hardly be said to have been of critical importance to the Nixon Presidency. The President's telephone call to Kleindienst on April 19, 1971 in which he ordered Kleindienst to drop the *ITT-Grinnell* appeal, lasted no more than three minutes. The President's discussion two days later with Mitchell about the appeal lasted less than five minutes. One is scarcely compelled to conclude that, after the passage of ten and a half months filled with events of the order of importance of his trip to China, the President would advert to and recall those comparatively trivial conversations.

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[20] To date, neither Kleindienst nor Mitchell has been prosecuted for perjury in connection with the ITT hearings. Kleindienst has pleaded to the lesser offense of failure to fully respond under 2 U.S.C. § 192. Mitchell has not been prosecuted for any act relating to the ITT/Kleindienst hearings.

[21] *United States* v. *Morgan,* 194 F. 2d 623 (2d Cir. 1952), *cert. denied,* 243 U.S. 965 (1952).

Moreover, the evidence supports the conclusion that in fact the President inaccurately recalled the substance of the telephone call to Kleindienst. Colson has testified that sometime in March, 1972, the President was assured by Haldeman that the call was not about the ITT case but rather was about the antitrust policies of McLaren. According to Colson, the President responded, ". . . thank God I didn't discuss the case." (Colson testimony, 3 HJC 383)

In conclusion, the evidence establishes that the testimony of Kleindienst and Mitchell, though perhaps misleading, was not perjurious, that the President was probably not aware of the substance of their testimony; and that even if he had been aware of it, he would not have recognized it as false. This fair reading of the evidence does not even make out a case of negligence against the President, let alone support the charge that he knowingly failed to take care that the laws be faithfully executed.

Paragraph (5)

Paragraph (5) charges that the President "knowingly misused the executive power by interfering" with the Federal Bureau of Investigation, the Criminal Division of the Department of Justice, the Watergate Special Prosecutor, and the Central Intelligence Agency. This charge is essentially a repetition of allegations which are encompassed by Article I, Paragraphs (4) and (6).

If the allegations in Article II, Paragraph (5) are regarded as having an independent significance apart from the Watergate conspiracy, then they are reduced to describing a few isolated incidents which do not, in our opinion, rise to the level of a ground for impeachment. Conversely, if the allegations *are* concerned with the Watergate conspiracy, then Paragraph (5) merely duplicates Article I and is redundant.

Article III

Article III charges that the President, "without lawful cause or excuse," failed to produce papers and things subpoenaed by the Committee on the Judiciary, which were deemed necessary by the Committee in order to resolve questions relating to Presidential knowledge or approval of certain actions "demonstrated by other evidence to be substantial grounds for impeachment of the President." Proponents of the Article urged that its adoption was necessary to establish, as a matter of law, that no President may resist a duly authorized impeachment inquiry by the House of Representatives. It was suggested in the Committee's debate on this Article that impeachment should be "automatic" if the President refuses to surrender evidence in a legitimate impeachment inquiry.[1]

We believe that adoption of Article III would have unnecessarily introduced an element of brittleness at the heart of our system of Constitutional checks and balances, and for this reason would have been unwise. Furthermore there may appear to be an element of unfairness, or even circularity, in removing a President from office for failure to cooperate in his own impeachment—for failure to furnish information to his accusers, as it were—particularly where other grounds for impeachment are thought to exist.

If this were nevertheless to be done, certainly it should be done only after a formal adjudication by the House of Representatives as to the relevance of the material sought, the adequacy of the President's response, and the applicability of any privilege or other "lawful cause or excuse" claimed by the President. Such is the time-honored procedure of the House, and to abandon it in this, of all cases, could only cause grave doubts as to the fairness of a vote to impeach on this ground.

Factual Background

The question of the limits of the President's obligation to waive claims of confidentiality and make available, to investigators and to the public, information and records pertaining to the work of the Executive Branch, has perplexed the Government for more than a year. On May 22, 1973, the President formally waived Executive privilege "as to any testimony concerning possible criminal conduct or discussions of possible criminal conduct in the matters presently under investigation, including the Watergate affair and the alleged coverup."[2] The Senate Select Committee on Presidential Campaign Activities issued subpoenas for various taped conversations and documentary materials, and eventually brought suit to enforce its subpoenas pursuant to specially enacted legislation conferring jurisdiction on the United States District Court for the District of Columbia. The President successfully resisted these demands for information, and prevailed in the suit brought against him.[3]

Also in 1973, the Federal grand jury investigating the Watergate matter issued its own subpoenas for tapes and other materials which it declared to be necessary to its investigation. Its subpoenas were eventually upheld in the courts,[4] and the President released the tapes in question.

More recently, the Office of the Watergate Special Prosecutor issued trial subpoenas for tapes and other documentary material, for use in the upcoming trials in the case of *United States* v. *Mitchell et al.*, now pending in the United States District Court for the District of Columbia.[5] The President's challenge to the validity of these subpoenas resulted in a recent decision of the United States Supreme Court, reaffirming the doctrine of Executive privilege but holding that, under the circumstances of that case, the President was obliged to turn over the material.[6] The President stated that he would comply with this decision, and accordingly surrendered the tapes in question to the Special Prosecutor in compliance with this decision.

The authority for the subpoenas issued by this Committee derives from the adoption, on February 6, 1974, of H. Res. 803, which conferred subpoena power on the Committee for the purposes of its impeachment inquiry.

We believe that the following matters have some bearing upon whether the President should be impeached because of his responses to the Committee's subpoenas:

On February 25, 1974, following initial discussions between the Special Counsel to this Committee, John Doar, and the Special Counsel to the President, James D. St. Clair, Mr. Doar wrote to Mr. St. Clair, stating in part as follows:

"We believe the next logical step is to have you outline for us how the White House files are indexed, how Presidential papers are indexed, and how Presidential conversations and memoranda are indexed. We are particularly interested in knowing how the files of Mr. Haldeman, Mr. Ehrlichman, Mr. Colson and Mr. Dean are indexed. If we could work out a way whereby members of the Inquiry staff may examine these files for the purpose of selecting materials which, in our opinion, are necessary for the investigation, I believe that the inquiry would be expedited."

On April 4, 1974, following further discussions, Mr. Doar sent another letter to Mr. St. Clair, stating in part as follows:

"Of course, if any of the conversations requested in our letter of February 25, concerns a subject entirely unrelated to the matters that I have outlined, the Committee would have no interest therein. In the final analysis, however, the Committee itself would have to make that determination. I am sure it would give careful initial consideration to your response in making its determination as to a particular conversation which you might believe to be totally unrelated to the matters that I have outlined."

On April 19, 1974 Mr. Doar wrote to Mr. St. Clair requesting, in part, the following material:

"All papers and things prepared by, sent to, received by, or at any time contained in the files of, H. R. Haldeman, John D. Ehrlichman, Charles W. Colson, John Dean 3d, Gordon C. Strachan, Egil Krogh, David Young, E. Howard Hunt, G. Gordon Liddy and John Caulfield to the extent that such papers or things relate or refer directly or indirectly to one or more of the following subjects:

"1. The break-in and electronic surveillance of the Democratic National Committee Headquarters in the Watergate office building during May and June of 1972, or the investigations of that break-in by the Department of Justice, the Senate Select Committee on Presidential Campaign Activities, or any other legislative, judicial, executive or administrative body, including members of the White House staff;

"2. The . . . Huston Plan;

"3. The activities of the White House Special Investigation Unit."

On April 11, May 15, May 30, and June 24, 1974, the Committee, after considering factual memoranda prepared by the Inquiry staff outlining the need for the materials sought, issued eight subpoenas for (i) tape recordings and other materials related to 147 Presidential conversations, 98 related to Watergate and 49 related to the dairy inquiry, the ITT matter, the domestic surveillance area, and the alleged misuse of the IRS; (ii) all documents in the files of Messrs. Haldeman, Ehrlichman, Colson, Dean and Strachan relating to the Watergate matter;[7] (iii) all documents from the files of Haldeman, Ehrlichman, Colson, Krogh and Young relating to the White House Special Investigations Unit; (iv) all Presidential daily diaries for the months of April, May, June and July, 1972, February, March, April, October, and part of July, 1973; and (v) certain other Presidential daily diaries and daily news summaries delivered to the President. Of the 147 conversations for which the Committee has subpoenaed tape recordings, dictabelts, memoranda and other related documents, it is known that 126 cover a period of approximately 90 hours (5,361 minutes). The duration of the remaining 21 conversations has not been ascertained by the Committee.

On March 6, 1974, the President's Special Counsel announced that the President would give to the Committee all material which he had previously submitted to the Watergate

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[1] HJC Debates, July 30, 1974. TR. 1105.

[2] "Presidential Statements," May 22, 1973, p. 25.

[3] *Senate Select Committee* v. *Nixon*, D.C. Cir. Civ. No. 74–1258 (May 23, 1974).

[4] *Nixon* v. *Sirica*, 487 F. 2d 700 (D.C. Cir. 1973).

[5] Cr. No. 74–110.

[6] *United States* v. *Nixon* (U.S.S.Ct., July 24, 1974).

[7] The subpoena of May 30, 1974 required the production of:

"All papers and things (including recordings) prepared by, sent to, received by or at any time contained in the files of H. R. Haldeman, John D. Ehrlichman, Charles W. Colson, John Dean III, and Gordon Strachan to the extent that such papers or things relate or refer directly or indirectly to the break-in and electronic surveillance of the Democratic National Committee Headquarters in the Watergate office building during May and June of 1972 or the investigations of that break-in by the Department of Justice, the Senate Select Committee on Presidential Campaign Activities, or any other legislative, judicial, executive or administrative body, including members of the White House staff."

Special Prosecutor, including nineteen tape recordings relating to Watergate, ITT, "Plumbers," and the dairy areas of the inquiry, and over 700 documents.[8]

On April 29, 1974, the President announced that he would submit to the Committee the transcripts of subpoenaed conversations dealing with Watergate, as well as transcripts of some other taped conversations dealing with Watergate which had not been subpoenaed. These transcripts were delivered to the Committee the next day in a document of 1,308 pages entitled, "Submission of Recorded Presidential Conversations to the Committee on the Judiciary of the House of Representatives by President Richard Nixon" hereinafter cited as WHT.[9]

On August 5, 1974, the President released to the Committee and to the public the transcripts of three conversations between himself and H. R. Haldeman on June 23, 1972, together with a formal statement. The President said:

"On April 29, in announcing my decision to make public the original set of White House transcripts, I stated that 'as far as what the President personally knew and did with regard to Watergate and the cover-up is concerned, these materials—together with those already made available—will tell it all.'

"Shortly after that, in May, I made a preliminary review of some of the 64 taped conversations subpoenaed by the Special Prosecutor.

"Among the conversations I listened to at that time were two of those of June 23. Although I recognized that these presented potential problems, I did not inform my staff or my Counsel of it, or those arguing my case, nor did I amend my submission to the Judiciary Committee in order to include and reflect it. At the time, I did not realize the extent of the implications which these conversations might now appear to have. As a result, those arguing my case, as well as those passing judgment on the case, did so with information that was incomplete and in some respects erroneous. This was a serious act of omission for which I take full responsibility and which I deeply regret.

"Since the Supreme Court's decision twelve days ago, I have ordered my Counsel to analyze the 64 tapes, and I have listened to a number of them myself. This process has made it clear that portions of the tapes of these June 23 conversations are at variance with certain of my previous statements. Therefore, I have ordered the transcripts made available immediately to the Judiciary Committee so that they can be reflected in the Committee's report, and included in the record to be considered by the House and Senate."

This submission was later supplemented by the delivery to the Committee of an edited transcript of a conversation which took place between the President, H. R. Haldeman and John Mitchell on April 11, 1972, for which tapes and other materials have been subpoenaed by the Committee.

Materials Turned Over to the Committee

In addition to the edited transcripts mentioned above, the White House submitted to the Committee the materials listed in the Committee's "Index to Investigative Files—Materials Received from the White House," given to the Members of the Committee on May 9, 1974. These materials included the following:

1. Handwritten Notes of the President and H. R. Haldeman (5 items)
2. Memoranda, Daily Diaries and Other Material. (11 items)
3. White House Political Matters Memoranda, 8/13/71–9/18/72, to H. R. Haldeman from Gordon Strachan. (21 items)
4. Documents regarding the Special Investigations Unit ("Plumbers"). (38 categories or items)
5. Documents regarding ITT. (73 categories or items)
6. Documents regarding the Dairy Industry. (20 categories or items)
7. Documents from the files of the Federal Home Loan Bank Board. (98 documents and 8 sets of documents)
8. Documents from the files of the Environmental Protection Agency. (12 files)
9. Documents from the files of the Interior Department. (5 files)
10. Tape recordings of Presidential conversations. (19 recordings)

The Committee was also subsequently furnished copies of certain of the President's daily news summaries and notes of John D. Ehrlichman previously supplied to the Special Prosecutor.

Arguments Advanced by the President

The unsigned memorandum accompanying the President's submission of edited White House transcripts to the Committee on April 30, 1974 stated:

"[The Committee's] subpoena called for the production of tapes and other materials relating to 42 presidential conversations. With respect to all but three of these conversations, the subpoena called for the production of the tapes and related materials without regard to the subject matter, or matters, dealt with in these conversations. In the President's view, such a broad scale subpoena is unwarranted. . . . As the President has repeatedly stated, he will not participate in the destruction of the office of the Presidency of the United States by permitting unlimited access to Presidential conversations and documents.

". . . In order that the Committee may be satisfied that he has in fact disclosed this pertinent material to the Committee, *the President has invited the Chairman and Ranking Minority Member to review the subpoenaed tapes to satisfy themselves that a full and complete disclosure of the pertinent contents of these tapes has, indeed, been made*. If, after such review they have any questions regarding his conduct, *the President has stated that he stands ready to respond under oath to written interrogatories and to meet with the Chairman and Ranking Minority Member of the Committee at the White House to discuss these matters if they so desire*." (Emphasis added.)

Prior to the Committee's issuance of the subpoena of May 15, the President's Special Counsel submitted "Responses on Behalf of the President to Requests of Special Staff" that a subpoena issue for tapes of Presidential conversations of April 4, 1972 and June 23, 1972. These Responses argued that the evidence then before the Committee demonstrated that these tapes were unnecessary to the Committee's inquiry, and that therefore subpoenas should not be issued for them "to satisfy curiosity or to seek confirmation of undisputed facts."

The letter of May 22, 1974, from the President to Chairman Rodino, referring to the two subpoenas dated May 15, 1974, stated:

". . . It is clear that the continued succession of demands for additional Presidential conversations has become a never-ending process, and that to continue providing these conversations in response to the constantly escalating requests would constitute such a massive invasion into the confidentiality of Presidential conversation that the institution of the Presidency itself would be fatally compromised.

". . . Continuing ad infinitum the process of yielding up additional conversations in response to an endless series of demands would fatally weaken this office not only in this administration but for future Presidencies as well.

"Accordingly, I respectfully decline to produce the [documents subpoenaed].

"However, I again remind you that if the Committee desires further information from me about any of these conversations or other matters related to its inquiry, *I stand ready to anwser, under oath, pertinent written interrogatories, and to be interviewed under oath by you and the ranking minority member at the White House*." (Emphasis added.)

The President's letter of June 9, 1974, to the Chairman of the Committee stated as follows:

"The question at issue is not who conducts the inquiry, but where the line is to be drawn on the apparently endlessly escalating spiral of demands for confidential Presidential tapes and documents. The Committee asserts that it should be the sole judge of Presidential confidentiality. I cannot accept such a doctrine. . . .

"What is commonly referred to now as 'executive privilege' is part and parcel of the basic doctrine of separation of powers—the establishment, by the Constitution, of three separate and co-equal branches of Government.

"While many functions of Government require the concurrence or interaction of two or more branches, each branch historically has been steadfast in maintaining its own independence by turning back attempts of the others, whenever made, to assert an authority to invade without consent, the privacy of its own deliberations.

". . . If the institution of an impeachment inquiry against the President were permitted to override all restraints of separation of powers, this would spell the end of the doctrine of the separation of powers; it would be an open invitation to future Congresses to use an impeachment inquiry, however frivolously, as a device to assert their own supremacy over the Executive, and to reduce executive confidentiality to a nullity.

"My refusal to comply with further subpoenas with respect to Watergate is based essentially on two considerations.

"First, preserving the principle of separation of powers—and the Executive as a coequal branch—requires that the Executive, no less than the Legislative or Judicial branches must be immune from unlimited search and seizure by the other co-equal branches.

"Second, the voluminous body of materials that the Committee already has—and which I have voluntarily provided, partly in response to Committee requests and partly in an effort to round out the record—does give the full story of Watergate, insofar as it relates to Presidential knowledge and Presidential actions.

". . . The Executive must remain the final arbiter of demands on its confidentiality, just as the Legislative and Judicial branches must remain the final arbiters of demands on their confidentiality."

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[8] The materials entitled "Facts Respecting Defense of Subpoenas," prepared by the Inquiry staff and submitted to the members of the Committee before the vote on Article III states that "the twelve Watergate tape recordings were already on their way to the Committee as part of the Grand Jury submission." (pp 2, 6) Actually, the hearing at which the President's Special Counsel announced that the material would be turned over was held by Judge John J. Sirica for the purpose of determining *whether* the Grand Jury submission would or would not be turned over to this Committee. It is only in retrospect that it appears that the materials "were already on their way" to this Committee; there is no reason to think that the hearing and decision by Judge Sirica were empty formalities, mere "window-dressing" to ratify a course of action already chosen by the Special Prosecutor.

[9] As to the adequacy of this submission for the Committee's purposes, see discussion under heading "Substantial Compliance" below.

Subpoena Power of the House of Representatives in an Impeachment Inquiry

Each House of Congress possesses an implied Constitutional power to compel the production of documents and the testimony of witnesses, as an aid to the intelligent exercise of its Constitutional functions. The power was first judicially recognized in the context of a legislative investigation,[10] but it applies "*a fortiori*, where [a House of Congress] is exercising a judicial function,"[11] such as impeachment.

The power of the Houses of Congress to compel the production of evidence, however, like all their other powers under our Constitution, is not unlimited.

Limits on the power

A. Subject Matter of Investigation: All Congressional powers of inquiry exist to be exercised not as ends in themselves, but only as a means of providing Congress information on which to found actions and decisions which it is charged by the Constitution to make.[13] Accordingly, the power cannot be exercised to compel the production of information which is not related to a decision or action entrusted to Congress by the Constitution. As the Supreme Court has stated:

"Congressional investigating Committees . . . are restricted to the missions delegated to them, i.e., to acquire certain data to be used by the House or the Senate in coping with a problem that falls within its . . . sphere. No witnesses can be compelled to make disclosures on matters outside that area. This is a jurisdictional concept of pertinency drawn from the nature of a Congressional Committee's source of authority."[12]

President Nixon consistently took the position that the Committee's subpoenas were overboard in failing to specify the subject matter of many conversations sought. This raised the issue of the relevance of the information sought to any proper subject matter of the Committee's inquiry.[14] Ordinarily the recipient of a subpoena *duces tecum* in a judicial proceeding may not himself judge the relevance of the subpoenaed materials to the subject matter of the case. It is equally true, however, that the decision as to relevance is not left solely to the party demanding production of the evidence. In a judicial proceeding the final determination of relevance is for the Court.

Even though the Committee never formally acknowledged its inquiry to be an adversary proceeding, the Committee's position was not strictly analogous to that of the Court in a judicial proceeding: the Committee was also the party seeking to compel the production of the material in question. Under these circumstances, if the Committee were to act as the final arbiter of the legality of its own demand, the result would seldom be in doubt.

1. Adjudication before full House of Representatives.—It is for the reason just stated that, when a witness before a Congressional Committee refuses to give testimony or produce documents, the Committee cannot itself hold the witness in contempt. Rather, the established procedure is for the witness to be given an opportunity to appear before the full House or Senate, as the case may be, and give reasons, if he can, why he should not be held in contempt. For example, he might argue that his refusal was justified, or excusable, or based on some mistake. The Supreme Court has held that this kind of notice and opportunity for hearing are constitutionally required, under the Fifth and Fourteenth Amendments, before a legislative body may punish a person for contempt of its prerogatives.[15]

It may be argued that the President had an opportunity to "show cause" before the Committee why his response was satisfactory. (The brief dated July 19, 1974, and submitted to the Committee on behalf of the President, did not address this issue, although it stated that the President's Special Counsel would welcome the opportunity to respond to any Committee requests for further submissions.) However, there was no opportunity to make this showing before the full House, as is the traditional practice.

Arguably the President's statement of August 5, 1974 (see above) and the transcripts of the three conversations of June 23, 1972, recently released make clear that, in fact, the President did withhold relevant evidence from the Committee, so that a hearing would have been unnecessary. However, we believe the answer is still the same; the merits of the question of compliance must be determined by the full House.

A confession of error by the President does not predetermine the result of a hearing before the House, nor foreclose the possibility that the House would decide the President did not stand in contempt. For one thing, even if the President's withholding of the June 23, 1972 conversations was in contempt of the House, it might have been found that the President had purged himself of contempt by turning over the transcripts on August 5, 1974. Alternatively, the House might have found, as the President's statement of August 5 suggested, that the President had not earlier realized the significance of the June 23 conversations, so that his withholding of them was originally based upon a mistake on his part.

If a Member of the House or Senate believed that the President withheld the tapes or transcripts of the June 23, 1972 conversations from the Judiciary Committee for the purpose of concealing his own involvement in a criminal conspiracy to obstruct justice in the Watergate matter, this would have been relevant to a determination of the President's guilt or innocence under proposed Article I, whether or not the withholding of the materials was technically lawful. As noted above, even an act lawful in itself but directed toward an unlawful end may be proved as an overt act in furtherance of a criminal conspiracy.[16]

It seems somewhat strained to rely upon a trial of the President in the Senate to "arbitrate" the initial dispute between the President and the House as to whether the Presidential response to all Committee subpoenas was satisfactory. Impeachment by the House is a sufficiently important step so that every reasonable effort should have been made to ensure the integrity and accuracy of the result reached in the House. Due process cannot be held in abeyance until Senate proceedings commence.

2. *Judicial Determination.*—Some of us* believe that the Committee failed to pursue the most obvious means of securing an adjudication of its entitlement to the subpoenaed materials, namely, the institution of a court action seeking a declaration of the validity of our subpoenas and an order to compel compliance with them.

Congress can authorize judicial enforcement of its subpoenas through appropriate legislation, and there is recent precedent for taking such a step. On October 17, 1973, Chief Judge John J. Sirica dismissed a suit brought against the President in the United States District Court for the District of Columbia by the Senate Select Committee on Presidential Campaign Activities to enforce that Committee's subpoenas for certain tape recordings then in the possession of the President, on the grounds that the court could find no jurisdictional statute supporting the action. Judge Sirica stated in his opinion:

"The Court has here been requested to invoke a jurisdiction which only Congress can grant but which Congress has heretofore withheld." *Senate Select Committee* v. *Nixon*, 366 F. Supp. 51 (D.C. D.C. 1973)

While the case was pending on appeal, Congress enacted S. 2641 (Pub. Law 93–160), conferring jurisdiction upon the United States District Court for the District of Columbia to entertain the committee's suit. S. 2641 was passed by the Senate by unanimous consent shortly after Judge Sirica's dismissal of the Senate Select Committee's suit. On November 13, 1973, Senator Sam Ervin wrote to Chairman Rodino requesting expedited consideration of S. 641 by this Committee. This request was granted, and the bill was passed by the full House less than three weeks later.

Now pending before the Committee is H.R. 13708, a bill similar in purpose and effect to S. 2641. Under this proposed legislation, the Committee would have authority to prosecute such civil actions as it might deem necessary to secure a declaration of the validity of its subpoenas to the President, or to seek judicial enforcement of them. H.R. 13708 also provides for expediting such proceedings in the courts.

It is plain that the Constitution does not expressly state whether the Congress has an absolute right to demand information of the President or the President has an absolute discretion to refuse to supply such information. Essentially this is a dispute about the scope of intersecting powers. In Federalist No. 49, Madison said: "One branch cannot finally decide the reach of its own power when the result is to curtail that claimed by another. Neither of the two departments can pretend to an exclusive or superior right of settling the boundaries between their respective powers."

In *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137 (1803), at 177, the Supreme Court stated that "It is emphatically the province and duty of the judicial department to say what the law is." Moreover, the Supreme Court proceeds from the premise that it has the authority to interpret claims with respect to powers alleged to derive from powers enumerated in the Constitution.[17]

In late May, 1974, the Committee voted 32 to 6 not to seek the assistance of the Federal judiciary in enforcing its subpoenas.

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[10] *McGrain* v. *Daugherty*, 273 U.S. 135, 174 (1927).

[11] *Barry* v. *United States ex rel. Cunningham*, 279 U.S. 587, 616 (1929). A House of Congress may punish a person for contempt either through its own process or through the judicial process established by 2 U.S.C. §§ 192–194.

[12] See *Marshall* v. *Gordon*, 243 U.S. 52, 547 (1927), indicating that even in an impeachment inquiry, the House would not have the power to punish for contempt of its prerogatives unless the exercise of that power were in aid of its impeachment function under the Constitution.

[13] *Watkins* v. *United States*, 354 U.S. 178, 187, 198, 206 (1957).

[14] The Committee is authorized under H. Res. 803 to compel the production of all items it deems "necessary" to its inquiry. The alternative of limiting the Committee's authority to securing items necessary and relevant, or reasonably calculated to lead to the production of relevance, was considered, but not adopted by the House.

[15] *Groppi* v. *Leslie*, 404 U.S. 496, 500 (1972). As the Supreme Court there noted, Congress had long followed these procedures as a matter of policy, in order to ensure fairness to witnesses and persons summoned to produce evidence, rather than as a matter of Constitutional command.

[16] *Braverman v. United States*, 317 U.S. 49, 53 (1942).

*Subsection 2, "Judicial Determination," sets out the views of Messrs. Smith, Railsback, Dennis, Mayne, Froehlich, Moorhead, Maraziti, Latta and Flowers; the remaining undersigned Members do not necessarily concur in the opinions expressed in this subsection.

[17] *United States* v. *Nixon*, (U.S.S.Ct, July 24, 1974), reprinted in "Criminal Cases," 180.)

We recognize that most of our colleagues who joined with us in opposing the adoption of Article III also opposed the Committee's seeking judicial assistance in enforcing our subpoenas.

Whatever may have been his true motives, in withholding any portion of the materials sought by the Committee, we do not believe that this or any President should be impeached for acts based on his colorable claim of important Constitutional rights, absent a prior judicial determination that such claim was ill-founded. Where, as here, the situation seemed literally to cry out for an arbiter, we believe that the Committee should have sought an early resolution of the Controversy by invoking the aid of the Federal judiciary, the branch of government which tradition and the Constitution have deemed the best suited to undertake the arbiter's role.

We recognize that some of our colleagues who joined with us in opposing the adoption of Article III also sided with the majority on May 30, 1974 when the Committee voted 32 to 6 not to seek the aid of the Federal judiciary in enforcing our subpoenas to the President. The issue before us now is different from that which confronted the Committee in May, however, for some Members then felt that it was already too late to begin the process of enacting necessary legislation and instituting litigation with any reasonable prospect of reaching a final adjudication of the matter in time for the Committee to conclude its inquiry with the dispatch that the people of the Nation had every right to demand of us.

Frankly, we presume that the President would have complied with any final judicial decree that he must honor our subpoenas, just as he had complied whenever the courts ordered him to surrender evidence subpoenaed by the Special Prosecutor, however damaging that evidence proved to be. If a favorable court ruling had been obtained early enough to produce additional evidence for the Committee's impeachment inquiry that was not otherwise available, then obviously the public interest in knowing the truth of the allegations being investigated by the Committee would have been better served.

On the other hand—and we consider this to be of vital importance—had the President chosen to disobey a final court order for the production of materials subpoenaed by this Committee, he would have thereby become liable to citation for contempt of court, itself a punishable offense. We are satisfied that any wilful disobedience of lawful judicial process which was duly adjudicated to be a contempt of the court would also have constituted an impeachable offense.

B. Privileges to Withhold Information: Despite the public interest in Congress securing of necessary information, sometimes our law recognizes a countervailing public interest in permitting a person who is subpoenaed to withhold information. For example, the Fifth Amendment privilege against self-incrimination has been held applicable in an impeachment inquiry.[18] Similarly, the privilege for confidential communications between attorney and client has been recognized and honored as a matter of policy by committees of Congress in both legislative and impeachment investigations.[19]

Presidential privilege

In the present case, the President claimed a privilege to withhold information based upon the need to maintain confidentiality between the President and his advisers, so as to promote the candid exchange of advice and views among them and ensure efficient and fully-informed decision-making at the Presidential level. The President argued that, despite a felt Congressional need for access to his conversations to support and assist a Congressional decision, it is essential that a President be able to maintain the privacy of those conversations, when he deems it essential, in order to preserve the unfettered character of his conversations with his aides, and hence the integrity of all the decisions which he makes as head of the co-equal Executive branch. Conversely, the Committee asserted the directly contrary proposition "that the sole power of impeachment" vests with it the sole authority to determine which documents shall be produced and which withheld. The result is a direct Constitutional clash.

In its recent decision in *United States* v. *Nixon,* holding that a Presidential claim of privilege did not, in the circumstances of that case, prevail over the Special Prosecutor's need for materials subpoenaed for criminal trials,[20] the Supreme Court of the United States nevertheless recognized "the valid need for protection of communications between high government officials and those who advise and assist them in the performance of their manifold duties," and stated that "the importance of this confidentiality is too plain to require further discussion." [21]

The Court's opinion also stated:

"Human experience teaches that those who expect public dissemination of their remarks may well temper candor with a concern for appearances and for their own interests to the detriment of the decision-making process. . . . The privilege can be said to derive from the supremacy of each branch within its own assigned area of constitutional duties" ('Statement of Information, Appendix II,' p. 181.)

"The expectation of a President as to the confidentiality of his conversations and correspondence, like the claim of confidentiality of judicial deliberations, for example, has all the values to which we accord deference for the privacy of all citizens and added to those values the necessity for protection of the public interest in candid, objective, and even blunt or harsh opinions in presidential decision-making. A President and those who assist him must be free to explore alternatives in the process of shaping policies and making decisions and to do so in a way many would be unwilling to express except privately. These are the considerations justifying a presumptive privilege for presidential communications. The privilege is fundamental to the operation of government and inextricably rooted in the separation of powers under the Constitution." "Criminal Cases," 184.)

". . . [A] President's communications and activities encompass a vastly wider range of sensitive material than would be true of any 'ordinary individual.' It is therefore necessary in the public interest to afford presidential confidentiality the greatest protection consistent with the fair administration of justice. The need for confidentiality even as to idle conversations with associates in which casual reference might be made concerning political leaders within the country or foreign statesmen is too obvious to call for further treatment." ("Criminal Cases," 191.)

It has been contended by some that there can never be a valid claim of privilege by a President in an impeachment inquiry, because impeachment is an exception to the separation of powers.[22] We believe, however, that the values referred to in the Supreme Court's opinion, quoted above, compel the rejection of a flat "no-privilege" rule for impeachment inquiries.

The fact that the power of "impeachment" is an exception to the separation of powers does not answer the question of how far the exception was meant to extend, and how far the impeachment power was meant to cut across Presidential powers (other than the underlying "power" to remain in office.) For example, in cases of impeachment the President loses his pardoning power—but the Framers thought it necessary to spell this out in the Constitution. (Article II, Section 2, clause 1) It seems highly plausible that the "exception" represented by the impeachment clause is limited to Congress' power to bring the President to trial in the Senate and to remove him from office if he is convicted, and that it does not extend to requiring him to spread his records before the Congress as a condition of his remaining in office.

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[18] In 1879, impeachment proceedings were brought against George Seward, Consul-General and Minister of the United States in China during the administration of President Hayes. The report of the House Judiciary Committee in that case stated:

"The Committee procured a subpoena . . . Mr. Seward appeared in obedience to the subpoena, but declined to be sworn as a witness in a case where crime was alleged against him, and where articles of impeachment might be found against him, claiming, through his counsel, his constitutional privilege of not being obliged to produce evidence in a case where crime was alleged against self.

". . . If these books of Mr. Seward's are his private books . . . or whether they contain records of his action as a public officer intermixed or otherwise with his private transactions, it is believed he cannot be compelled to produce them." H.R. Rep. No. 141, 45th Cong., 3d Sess. (1879).

Dean Wigmore also states that the Fifth Amendment is applicable in impeachment proceedings. 8 Wigmore, *Evidence* (McNaughton rev., 1961) § 2257, p. 357, citing *United States* v. *Collins,* 25 Fed. Cas. 545, 549 (No. 14, 837) (C.C.S.C. Ga. 1873); *Thruston* v. *Clark,* 107 Cal. 285, 40 P. 435 (1895); *Daugherty* v. *Nagel,* 28 Idaho 302, 154 P. 375 (1915); *Nye* v. *Daniels,* 75 Vt. 81, 53 Atl. 150 (1902).

[19] Impeachment inquiries: see *Proceedings of the House of Representatives* in the following impeachment investigations: Marshall, pp. 687, 688, 693 ("The Committee will enforce the rule, as long as counsel raises the question of privilege. Even if the counsel were disposed to testify about a privileged matter, the Committee would not permit him to do so.")

During the course of this Inquiry, the Committee chose to respect a claim of attorney-client privilege asserted on behalf of E. Howard Hunt by his former attorney, William O. Bittman. On the other hand, a claim asserted by John N. Mitchell with respect to proposed testimony by Paul L. O'Brien, counsel to the Committee for the Re-election of the President when Mr. Mitchell was its Director was not honored by this Committee during our hearings, for reasons which do not clearly appear from the record. See O'Brien testimony, 1 HJC 129–34.

[20] The Court stated, "We are not here concerned with the balance between . . . the confidentiality interest and Congressional demands for information." "Criminal Cases," 188, fn 19.

[21] "Criminal Cases," 181.

[22] It is probably for this reason that many past Presidents have stated that their power to withhold information from Congress would cease to apply in an impeachment proceeding. The statement of President Polk, that in an impeachment situation the House's power of inquiry "would penetrate into the most secret recesses of the Executive Departments," is perhaps the best known. It should be noted, however, that these statements by past Presidents arose in the context of Congressional investigations which were *not* impeachment inquiries. Often they represented a harmless nod in the direction of Congress' inquisitorial power, in the context of a Presidential refusal to turn over documents. It may therefore seem less appropriate to view these statements as settling the "law" of Presidential privilege in an impeachment situation. The limit of Congress' subpoena power was not an issue in the only prior Presidential impeachment investigations those involving Andrew Johnson in 1867 and 1868.

It may also be argued that the public interest in maintaining the confidentiality of the Presidential decision-making process, when the President deems it necessary to do so, supports a privilege independently of the separation of powers. Counsel to the President argued that the need for confidentiality is both broader and deeper than the Constitutional separation of the three branches. For those who hold this view, it may make little difference that the impeachment power represents an exception to the doctrine of separation of powers.

Some have urged that an incumbent President should obviously have no privilege in a proceeding designed to test his incumbency. It should be pointed out, though, that the President consistently bottomed his argument not upon his interest in the privacy of his own conversations, but upon the undesirability of a no-privilege rule which would apply to all Presidents, present and future. His argument, in other words, did not rest upon the fact of his incumbency, but upon the requirements of the Presidential decision-making process.

It is also asserted by some that the power of impeachment would be rendered completely nugatory if it did not include the power to compel the production of documents. (The power to compel the testimony of witnesses is not at issue, since the President waived Executive privilege as to the testimony of all White House personnel and offered to be interviewed and answer interrogatories under oath.[23]) The power of impeachment plainly was not rendered nugatory in the present case, however, even if its exercise was little assisted by the President, since the majority of the Committee believed it had already secured sufficient information to warrant a recommendation of impeachment of the President, even before his submission of additional edited transcripts on August 5, 1974.

The President never suggested that the Committee and the House could do nothing more than vote on the impeachment proposal. He denied not the power of Congress to conduct an inquiry, which this Committee has done in any event, but its power to compel production of Presidential documents as against a Presidential assertion that their production would not be in the public interest.

Finally, a flat no-privilege rule for impeachment investigations would almost necessarily foster unfortunate developments. The President raised the possibility, in his letter of June 9, 1974, that such a rule "would be an open invitation to future Congresses to use an impeachment inquiry, however frivolously, as a device to assert their own supremacy over the Executive, and to reduce Executive confidentiality to a nullity." (10 Presidential Documents, 592–93) While the mere possibility of abuse of a power of inquiry is no conclusive argument against its existence,[24] we are not concerned here with the existence of a power of inquiry but with the existence of a *limit* to that power. It "will not do to say that the argument is drawn from extremes. Constitutional provisions are based on the possibilities of extremes." [25]

The occasion for misuse of the impeachment power by unduly encroaching upon Executive confidentiality is not the greatest potential abuse which can be foreseen. An even more disturbing possibility would be the removal of a President for no other grievance than his refusal to comply with an impeachment committee's subpoena.[26]

Did the President's overall response to the inquiry demands for information *standing alone*, warrant his impeachment?—that is the question which Article III would have posed for the House.

Relations between Congressional investigating committees and the Executive have not always been so tranquil in our history as to indicate that the possibility of abuse of an "automatic impeachment" rule is fanciful.[27] One might well pause before encouraging a bare majority of any committee looking into a civil officer's performance to recommend that he stand trial for his office because it was not fully satisfied with the completeness of the information he produced. Yet if the rule is laid down that, as a matter of Constitutional law, a President can under no circumstances enjoy any privilege to withhold documents or testimony from a duly designated impeachment committee which considers such evidence "necessary" to the conduct of an impeachment inquiry, then the mere attempt to exert such a privilege would afford sufficient grounds for his removal—a sort of default judgment, in the most grave proceeding contemplated by our Constitution. Such a rule would severely and excessively weaken the office of the Presidency. Adherence to such a proposition reflects a dangerous rigidity in Constitutional interpretation seldom contemplated by the Framers.

Substantial Compliance

Much was made of the inadequacy of the White House edited transcripts as a substitute for the original tapes and other materials subpoenaed. It may be noted, however, that on October 18, 1973, Special Prosecutor Archibald Cox, in commenting upon a proposal by the Attorney General, stated that for the purposes of his and the grand jury's investigation he would be satisfied with transcripts of tapes of Presidential conversations, prepared without the participation of the Special Prosecutor's office, omitting national security material and material not pertinent, and paraphrasing material embarrassing to the President, if certain conditions were observed to guarantee the integrity and accuracy of the transcripts, including court appointment of Special Masters to undertake the work. (Book IX, 774)

It should also be noted that the Committee did not accept the offer of the President to have the Chairman and Ranking Minority Member of the Committee verify the accuracy of the transcripts submitted by the President to the Committee.

The Committee published a comparison of the White House edited transcripts with the transcripts prepared by the Inquiry staff. The "Materials Respecting Proposed Article III" submitted by the staff to the Members of the Committee before the vote on Article III was taken included a section entitled "Comparison: HJC Transcripts with White House Transcripts," containing 10 instances in which the Committee transcript and the White House transcript of the same conversation differ and the White House transcript appeared to omit matter unfavorable to the President, or to state it differently. These examples, however, were selected from hundreds of instances in which the Committee transcripts and the White House transcripts varied. Furthermore, the Committee transcripts represent the product of several months' continuous work by members of the Inquiry staff. Even so, members of the Committee who listened to the Committee's tapes during the 10-week initial evidentiary presentation will recall that some transcripts, notably those of March 21, p.m., and March 22, 1973, appeared to contain inaccuracies and misattributions when they were first heard by the Committee Members. Eventually, entirely new transcripts of these conversations were prepared by the Inquiry staff, in some cases many pages longer than the transcripts first prepared by the staff. Inquiry staff personnel have estimated unofficially that they listened to each minute of taped conversation at least sixty times in attempting to verify the words spoken.

The circumstances under which the White House transcripts were prepared, by way of contrast, are not known. Absent an awareness of the personnel and staff resources available to prepare the White House transcripts which were released on April 30, 1974, it may be an error to attribute the great number of omissions, apparent misattributions of statements, careless punctuation and the like, to any willful effort to obscure the meaning of the tapes. A more likely explanation seems to be the White House staff simply did not spend as much time in preparing its transcripts as the Inquiry staff did in preparing our own.

Conclusion

The adoption of proposed Article III by the full House would have set an unwise and potentially mischievous precedent. No President should be impeached for failing to comply with subpoenas issued by an impeachment inquiry Committee for materials which were subject to a colorable claim of Executive or other privilege, unless his noncompliance amounted to contempt of the House, adjudicated in the customary manner, after notice and opportunity for him to appear personally or by counsel before the House and show cause why his failure to comply was not contemptuous.

To those Members who may believe that in this case the claim of Executive privilege was asserted by the President in bad faith, at least as to some materials, we would reiterate our view that this alone should not have deprived the President of an opportunity to make his defense before the full House, like any putative contemnor. Even so, the House would not have been without recourse, inasmuch as a willful refusal to furnish relevant subpoenaed material based on a bad faith claim of privilege, if proved or admitted, would have been relevant to the obstruction of justice charge contained in Article I. It is in that context that we believe the President's response to the Committee's subpoenas should have been examined.

We, the undersigned Members of the Committee on the Judiciary, hereby subscribe to the "Minority Views" respecting Articles I, II and III of the proposed Bill of Impeachment ordered reported to the House on

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[23] The argument sometimes advanced that in waiving his privilege with respect to testimony, the President should be deemed to have waived it with respect to other forms of evidence of "related" Presidential conversations, appears not to have been taken as a serious point by the tribunals which have adjudicated the various demands for production of the White House tapes, for the question has been raised and briefed.

[24] *McGrain* v. *Daugherty*, 273 U.S. 135, 175 (1927).

[25] *General Oil Co.* v. *Crain*, 209 U.S. 211, 226–27 (1908).

[26] It should be borne in mind that the question whether a refusal to comply with a subpoena in itself constitutes an impeachable offense is distinct from the question whether a refusal to produce evidence can give rise to an "adverse inference" regarding other independent substantive charges.

[27] The relations between President Lincoln and the Committee on the Conduct of the War come to mind.

It has been suggested that the operation of Presidential privilege may be more limited during a trial in the Senate, when the issues have been narrowed, than during the initial stages of an inquiry by a House Committee, whose investigation will of necessity be more broad-ranging than that of the Senate. C. Black, *Impeachment: A Handbook* (1974) 22.

July 30, 1974, which views, together with a "Preliminary Statement," are to be filed with the Committee Report on said Bill of Impeachment:

Edward Hutchinson,
Henry P. Smith III,
Charles W. Sandman, Jr.
Charles E. Wiggins,
David W. Dennis,
Wiley Mayne,
Trent Lott,
Carlos J. Moorhead,
Joseph Maraziti,
Delbert L. Latta.

I concur in the views of the minority with respect to Articles I and III but not Article II.

Wiley Mayne.

We, the undersigned Members of the Committee on the Judiciary, hereby subscribe to the "Minority Views" respecting Article III of the proposed Bill of Impeachment ordered reported to the House on July 30, 1974, which views are to be filed with the Committee Report on said Bill of Impeachment:

Tom Railsback,
Walter Flowers,
M. Caldwell Butler,
Harold V. Froehlich.

Individual views of Mr. Hutchinson

I joined in the minority report of the ten Members of the Judiciary Committee who voted against all articles of impeachment and I subscribe to that report. I set forth here those considerations, persuasive to me, which led me to oppose impeachment of the President in the Committee and the subsequent developments which brought me to a decision that a case for impeachment had been made on one count.

General

Impeachment of a President is a drastic remedy and should be resorted to only in cases where the offenses committed by him are so grave as to make his continuance in office intolerable. Unlike criminal jurisprudence, where the sentencing judge has large discretion as to the punishment to be inflicted, the conviction of an impeached President removes him from office, nothing less. The charges against him should be so serious as to fit removal. The three articles of impeachment, when measured against this standard, fall short in all but a single count in my opinion.

I reject the proposition that the impeachment function of the House is nothing more than the indictment function of a grand jury, and that a Member who votes to impeach is merely sending the case to the Senate for trial. When the House votes a bill of impeachment, the House has the burden of proving its case. It becomes the prosecutor before the Senate. It represents that it believes the President is guilty of the offenses charged; that it has legally admissible evidence to prove that guilt; and that it believes the President should be removed from office because of those offenses. This is a much greater burden than that of a grand jury which represents only that there is probable cause to believe a particular offense was committed and that the indicted person committed it. The grand jury has no burden to maintain its cause before any court.

In my judgment, a Member who votes to impeach is recommending to the Senate the removal of the President from office, nothing less. In order to warrant such drastic action, the offenses charged should be serious and grievous violations by the President of his Constitutional duties. They should be described in the articles of impeachment with the particularity required in criminal law. The evidence supportive of each overt act charged should be proof of guilt beyond a reasonable doubt. That lowliest person in the land, charged with wrong-doing, is accorded no less.

If the strict standards of criminal jurisprudence are not required in cases of Presidential impeachment, the issue falls away from the high plane of law and becomes political. In a divided government, with the Congress in control by one political party and the President of another, impeachment becomes a threatening political tool, if one group of politicians can decide over another what is an abuse of power.

In weighing the evidence, if an inference or conclusion favorable to the President can be drawn as well as an inference or conclusion unfavorable to him, I believe the President should be given the benefit of the doubt.

In my judgment, not any of the three articles of impeachment are drawn with the particularity which is required to give the House information of the precise offenses charged and the overt acts claimed to be supportive of them; nor to give the President the notice which constitutional process accorded him, had he chosen to defend against those charges in the Senate.

Article I

The first article charges the President with conspiracy to obstruct justice: in the words of the article, that the President "engaged personally and through his close subordinates and agents in a course of conduct or plan designed to delay, impede and obstruct the investigation of (the Watergate break-in); to cover up, conceal and protect those responsible; and to conceal the existence and scope of other unlawful covert activities."

Until the August 5th release of conversations held between the President and Mr. Haldeman on June 23, 1972, there was no direct evidence of complicity by the President in the cover-up. The President said he knew nothing about any cover-up until his conversations with John Dean in mid-March, 1973; there was no direct evidence to the contrary and he was entitled to the benefit of the doubt.

It is now evident that the President knew as early as June 23, 1972, six days following the Watergate break-in, of a plan to obstruct the FBI investigation into that event, and that he authorized the plan. Here are the words spoken:

"Haldeman. Now, on the investigation, you know the Democratic break-in thing, we're back in the problem area because the FBI is not under control, because Gray doesn't exactly know how to control it and they have—their investigation is now leading into some productive areas—because they've been able to trace the money—not through the money itself—but through the bank sources—the banker. And it goes in some directions we don't want it to go. Also there have been some things—like an informant came in off the street to the FBI in Miami who was a photographer or has a friend who is a photographer who developed some films through this guy Barker and the films had pictures of Democratic National Committee letterhead documents and things. So it's things like that that are filtering in. Mitchell came up with yesterday, and John Dean analyzed very carefully last night and concludes, concurs now with Mitchell's recommendation that the only way to solve this, and we're set up beautifully to do it . . . is for us to have Walters call Pat Gray and just say, "Stay to hell out of this—this is business we don't want you to go any further on it." That's not an unusual development, and that would take care of it.

"President. What about Pat Gray—you mean Pat Gray doesn't want to?

"Haldeman. Pat does want to. He doesn't know how to, and he doesn't have any basis for doing it. Given this, he will have the basis. He'll call Mark Felt in and the two of them—and Mark Felt wants to cooperate because he's ambitious—he'll call him in and say: "We've got the signal from across the river to put the hold on this" and that will fit rather well because the FBI agents who are working on the case, at this point feel that's what it is.

"President. This is CIA? They've traced the money? Who'd they trace it to?

"Haldeman. Well, they've traced it to a name, but they haven't gotten to the guy yet.

"President. Would it be somebody here?

"Haldeman. Ken Dahlberg.

"President. Who the hell is Ken Dahlberg?

"Haldeman. He gave $25,000 in Minnesota and the check went directly to this guy Barker.

"President. It isn't from the Committee though, from Stans?

"Haldeman. Yeah, it is. It's directly traceable and there's some more through some Texas people that went to the Mexican bank—which can be traced to the Mexican bank—they'll get their names today.

"President. Well, I mean, there's no way—I'm just thinking if they don't cooperate what do they say? That they were approached by the Cubans. That's what Dahlberg has to say, the Texans too, that they——

"Haldeman. Well, if they will. But then we're relying on more and more people all the time. That's the problem and they'll stop it if we take this other route.

"President. All right.

"Haldeman. And you seem to think the thing to do is to get them to stop?

"President. Right. Fine."

The Watergate burglary occurred in the early hours of Saturday, June 17, 1972. The Committee to Re-elect the President was already organized and functioning. By the time the pieces of the Watergate event were put together the Democrats had nominated their candidates. If in July President Nixon had disclosed the excesses of the Committee to Re-elect and denounced their foolhardy and illegal performance, that's all there ever would have been to Watergate. Those who broke the law would have been punished in the Courts.

Even the evidence set forth above would not have greatly disturbed the Congress or the country had it been disclosed in the spring of 1973. The damage was done by the apparent policy of the President to withhold until he finally was forced to yield information which because of the timing of disclosure put him in the worst possible light.

But without the evidence of the June 23, 1972, conversation I was prepared to defend the President against the charge of obstructing justice on the basis that he had no knowledge of it until March 1973. At that time he moved to purge his administration of those involved in the conspiracy and had accomplished that by April 30. Until the disclosures of August 5, 1974, which set forth the June 23, 1972, conversations, proponents for impeachment pinned their case for complicity of the President in the cover-up largely on eight taped conversations between the President and John Dean et al, running from September 15, 1972, to April 16, 1973. The Committee published these conversations in a separate volume entitled *Transcripts of Eight Recorded Presidential Conversations*.

If one assumed that the President had knowledge of the conspiracy and was directing it, these conversations are damaging indeed to his claim of innocence. But if one assumed he didn't know, as he said he didn't, these conversations are filled with statements supportive of his cause. And without the evidence on the June 23, 1972, conversations I felt justified in making the assumption that he didn't know, giving him the benefit of doubt.

Through all of these conversations, the President's position was that there should be no withholding from a grand jury. He urged everyone in his administration who was implicated to testify freely and truthfully. He waived the doctrine of Executive privilege and even the attorney-client relation, before a grand jury.

In fact, it is clear that when the implications of the whole mess were laid out to him on March 21, 1973, he proposed that it all be presented to a grand jury. This would not be the position of a man engaged in a plan to obstruct justice. That he was dissuaded from that immediate course by his advisors, who were so engaged would not make him part of the conspiracy himself.

The President's position regarding the Senate Watergate Committee was different. He viewed that legislative investigating committee for what it was, a political attack against him and his administration. Resistance to the demands of the Senate committee was not an obstruction of justice, since that committee was no part of the system of justice. Its legitimate function was to inquire into the need for changes in statute law. The timing of its investigation, publicly exposing the scandal at the same time the grand jury was inquiring under the strictures of secrecy, probably delayed the work of the grand jury, and in the opinion of many people, constituted a political intrusion into an arena which should have been left to law enforcement agencies and the courts. The President may have viewed the Senate committee as a political move to embarrass him and his administration, and he reacted to it politically. Certainly his initial assertion of executive privilege, and his discussions with his aides as to how to deal with the Senate committee are not relevant to an obstruction of justice charge. Such discussions were had with a view to public relations and political response, not at all with a view to law enforcement and the administration of justice. Those conversations should be considered in that light.

The taped conversations clearly exhibit the President's instructions to his subordinates to talk freely with the prosecutors and to tell the truth, and to appear willingly before the grand jury.

In the face of his personal policy of cooperation with law enforcement agencies, and his expressions to his subordinates that they do likewise, why did the President resist delivery of taped conversations to the Special Prosecutor, even until the Supreme Court directed his compliance? Drawing an inference in the President's favor, perhaps he did not think of a taped conversation as essential evidence of that conversation, since the parties to them were available as witnesses. At the time of the conversations, most of the parties to them were unaware they were being recorded and they might not have spoken exactly as they did had they been so aware. Perhaps the President was concerned about the possible constitutional rights of those participants. Obviously, the taping system was not installed for evidentiary purposes, but for historical purposes, to enable the President to refresh his memory in writing his memoirs. Since the witnesses were available for questioning, the President did not think of the tapes as evidence; he thought of them as his personal papers. And, since he never thought of himself as a party in any wrong-doing, his personal papers, in his view, were not properly to be brought into question.

But even more importantly, the President felt that he was constitutionally bound to defend the doctrine of executive privilege, a doctrine as old as the Presidency itself. All of his predecessors had stubbornly defended their office against the intrusion of either the Congress or the Courts. The doctrine of executive privilege runs back to the administration of George Washington. It is based on the principle of the separation of powers between three co-equal branches of government; legislative, executive, and judicial. Just as this House asserts its privileges and will not answer the subpoena of any court without its consent, and would tolerate no order of any President directing any action by the House, so the President asserts the privileges of his office under the same constitutional right.

His reluctance in surrendering tapes must be viewed as an assertion by the President of constitutional privileges as against the other co-equal branches of government. It is based upon a claim of constitutional duty to preserve the character of his office in a struggle to keep that office co-equal. It cannot fairly be evidentiary of any attempt to obstruct justice, and no inferences of wrong-doing by the President can properly be drawn from that reluctance.

The conversation in the morning of March 21, 1973, must be commented upon under this article of impeachment. At that time Dean revealed to the President the full extent of the mess his subordinates had gotten themselves into. They had even stooped to yielding to Hunt's blackmail. During that conversation, the President fell into his practice of examining all of the options. The majority staff of the impeachment inquiry apparently concluded that the President came to two resolutions: That in the long run Hunt's demands were wrong and intolerable, but that Hunt's immediate demand for $120,000 must be met. The grand jury named the President an unindicted co-conspirator on the theory that following this conversation Haldeman called Mitchell at the President's suggestion, that Mitchell called LaRue, and that LaRue caused $75,000 to be delivered to Hunt's lawyer, Bittman, before that day was out.

But Dean says he talked with LaRue on that morning before he saw the President and LaRue corroborates this. Their conversation was that LaRue told Dean of Hunt's demands and that Dean said he was out of the money business. When LaRue asked what to do, Dean suggested that LaRue might call Mitchell. LaRue did call Mitchell in New York but told Mitchell only about the $75,000 Hunt needed for lawyer's fees, not about an additional $60,000 Hunt was demanding for family support during his incarceration. Mitchell apparently said that if it were for attorney's fees, he would probably pay it if he were LaRue, and LaRue did so.

The President had no input into the matter, and knew nothing about the payment until mid-April. So the hush money charge against the President has been demolished by the facts and the testimony of Mitchell and LaRue before the Committee.

There remains the question whether the evidence making the President part of a conspiracy to obstruct justice rises to the magnitude of an impeachable offense. In my opinion, standing by itself, it probably would not have provoked the House to exercise its impeachment powers. The timing of the disclosure, which for the first time tied the President to the conspiracy, was his undoing. Those who had been defending the President were left without a defense and without time to build a new defense. Under the circumstances impeachment became a certainty and resignation the only viable alternative.

Article II

This article accuses the President of abusing the powers of his office, in that he "has repeatedly engaged in conduct violating the constitutional rights of citizens, impairing the due and proper administration of justice and the conduct of lawful inquiries, or contravening the laws governing agencies in the Executive branch." During the inquiry this area was called agency practices. It was apparent that Watergate and its aftermath had been the events which provoked the inquiry, especially the dismissal of Special Prosecutor Archibald Cox by the Acting Attorney General at the orders of the President, and the searching for occasional excesses in the attempt to exercise power by the White House over the agencies of government was at the outset a mere adjunct. Yet, this article gained the largest affirmative vote of the three articles reported by the Judiciary Committee. In my opinion, Article II is as weak a basis for removing a President from office as is Article III.

Article II is a catch-all. Culling from tens of thousands of transactions between the White House and the agencies of the Executive branch a few isolated instances of conceived pressure described as abuses of power, and with no evidence of the President's personal involvement, the proponents allege repeated engagement, that is time after time, by the White House in such a course of action.

Would you remove a President from office because one of his subordinates asked for some income tax audits, which requests were denied out of hand by the Commissioner of Internal Revenue whom the President had appointed? Would you remove a President because on a single occasion another of his subordinates did succeed in obtaining income tax information on a political candidate's brother, which information was leaked to a newspaper columnist? Would you remove a President because some wiretaps were installed in the name of national security, at a time when such installations were clearly legal, and there were serious leaks in the confidentiality of negotiations with foreign nations?

Article II next charges that the President should be removed from office because the so-called plumbers unit was set up in the White House. How many times have modern Presidents set up operating units within the White House? If Congress thinks they ought not to do so, then Congress should forbid it by law, not impeach a President who does so with a great number of precedents behind him. But perhaps the evil here is not the creation of the unit, but rather the secret creation of an investigative unit. Was not the CIA secretly organized by another administration? And even today can a Member of Congress find out what that agency is doing or how it is funded, or what its budget is? A Member cannot. There is no evidence the President ever armed the plumbers with any pretended power to operate outside the law, and if the plumbers did that on one or more occasions, those guilty of breaking the laws should be held accountable, as they are, and not the President.

In considering this abuse of power article, whether it be the IRS, the FBI, the CIA or the Justice Department or any other agency of the government which might have been asked by the subordinates of the President for special action in the name of the President, the House should be reminded of what has gone on in other administrations. The House is entitled to a standard by which to measure this administration. In the absence of proof, I believe the public generally believes that most administrations have been about alike, and that this one is no different. If the inquiry had researched prior administrations it is a fair assumption such research would have turned upon several so-called abuses of power, perhaps as many on the average as are now alleged. That is why, in my judgment, it is manifestly unfair to attack the present President for these things.

Early in this impeachment inquiry the minority requested that a qualified individual be employed to undertake the research of how prior administrations dealt with agencies of government. But we were denied our request. We are thus without a standard of past performance to measure this one, and the abuse of power charge is therefore not fairly sustainable.

The proponents for impeachment rely on the conversation of September 15, 1972, to connect the President with the use of some agencies for political purposes. It must be remembered that the September 15 conversation was the mere talk, without action, of partisans in a political campaign. How many times in their experience have not Members talked to their campaign directors about the opposition? There is absolutely no evidence that anything ever came of any of the mere talk at that September 15 meeting.

Paragraph (4) of Article II alleges that the President has "failed to take care that the laws were faithfully executed" because of the unlawful activity carried on by his close subordinates, when he "had reason to know" of such activities.

The President's duty to take care that the laws be faithfully executed does not impose a liability upon him for the misdeeds of others, but to discharge them. Unquestionably, when serious charges were brought to his attention, he should be permitted a reasonable time in which to satisfy himself of the probability of the truth of them, and in this case the period of examination ran for about six weeks, during which he worked with the Criminal Division of the Department of Justice, and delayed the discharge of Dean at the request of the chief of the Criminal Division. This cannot be fairly said to amount to failure of his constitutional duty.

Article III

The idea that a President should be removed from office because he does not comply with a subpoena of a committee of the House, even if the precedent be limited to impeachment cases, is frightening. The committee issues its subpoena under the constitutional power of the House to impeach. The President refuses to comply with a subpoena because the constitutional separation of powers demands of him that he maintain the office of President as a co-equal with the House; that to yield to its mandate would make the office of President subservient to the House. How can the House determine that the President should be removed from office, when his failure to comply is based on a constitutional principle as strong as the one on which the House relies?

I opposed issuance of subpoenas by the Committee to the President because such subpoenas would be unenforceable; and because I do not believe the House can order presidential action any more than the President can order the House. The President and the House are co-equal in our system. Neither is above or below the other.

I think Article III does not state an impeachable offense.

Conclusion

History will deal more kindly with Richard Nixon than did his contemporaries. As the Watergate affair moves into the past it may be seen for what a little thing a President was forced to resign from office when compared with the accomplishments of his administration. A legal case of obstruction of justice was made against him. But instructions by other Presidents have undoubtedly altered the course of other investigations without controversy. The abuses of power charged against the President were probably no greater than have occurred in some other administrations. What to one man seems an abuse of power appears to another to be strong executive discretion. The President should not have been impeached under Article II. And I believe the House would have rejected Article III.

EDWARD HUTCHINSON.

Additional views of Mr. Railsback, joined by Messrs. Smith, Sandman, Dennis, Mayne, Butler, Froehlich, Moorhead, Maraziti and Latta, in opposition to Article III

Refusal to fully comply with a Congressional subpoena in and of itself without further action on the part of the Congress is not a ground upon which an impeachment can be based. The House has neither exhausted available remedies on this issue nor can the House in this instance be the ultimate judge of the scope of its own power.

Presently, Congress has two methods of enforcing compliance with its subpoenas. First, is its inherent common law authority and second, is its statutory authority under Title 2, United States Code 192–94. Both methods are forms of criminal contempt. Under its common law power, the House may conduct its own trial for contempt of Congress. By a majority vote, the House may find a person in contempt of Congress. A person adjudged in contempt under this procedure may under an order of the House, be subjected to one of the three enforcement procedures:

(1) containment in close custody by the Sergeant-at-Arms;

(2) commitment to a common jail in the District of Columbia; or

(3) commitment by the Sergeant-at-Arms to the guardroom of the Capitol Police.

Confinement under the common law procedure cannot extend beyond a particular Congress. In recent times the Congress has not chosen to utilize its common law power but has turned to its statutory provisions contained in Title 2, United States Code 192.

Under Title 2, United States Code 194, when a witness refuses to comply with an order of a Committee that fact is reported to the House of Representatives and if the House agrees by a majority vote the Speaker is required to certify to a U.S. Attorney the question of contempt. The U.S. Attorney will present the matter to a grand jury. If the grand jury should return an indictment, then there would have to be a regular criminal trial before a judge and jury. If the individual subpoenaed should be found guilty of the misdemeanor, it is mandatory under 2 United States Code 192 that the defendant be punished by a fine of not more than $1,000 nor less than $100 and that the defendant be imprisoned in a common jail for not more than 12 months nor less than one month.

A third method available to the Congress for enforcing compliance with its subpoenas would be through legislation. On November 9, 1973, the Other Body passed by unanimous consent S. 2641, conferring jurisdiction upon the District Court of the U.S. for the District of Columbia of civil actions brought by the Senate Select Committee to enforce or secure a declaration concerning the validity of any subpoena or ordered issued by it. Prior to its enactment, on October 17, 1973, an action of the Senate Select Committee to enforce its subpoenas requesting certain tape recordings which were in the possession of the President was dismissed by the U.S. District Court for the District of Columbia because the court found that there was no jurisdictional statute upon which the action could be based. Judge John J. Sirica stated in his opinion,

"The Court has here been requested to invoke a jurisdiction which only Congress can grant but which Congress has heretofore withheld" (*Senate Select Committee* v. *Nixon*, 366 Fed. Supp. 51)

On November 13, Senator Ervin sent a letter to Chairman Rodino requesting that S. 2641 be expedited by the House Judiciary Committee. In less than three weeks following Senator Ervin's letter the House enacted S. 2641. This Act became law December 18, 1973, without the President's signature (P. Law 93–190).

The Senate Select Committee investigating "Watergate" chose not to attempt an adjudication of the matter by resort to a contempt proceeding under Title 2, United States Code 192, or via congressional commonlaw powers which permit the Sergeant-at-Arms to forcibly secure attendance of the offending party. Either method, the Select Committee stated, "would be inappropriate and unseemly" when the offending party is the President.

Pending before the House Judiciary Committee is a bill similar to S. 2641, H.R. 13708. The purpose of H.R. 13708 is to confer upon the U.S. District Court for the District of Columbia jurisdiction over civil actions brought by the House Judiciary Committee to enforce any subpoena or order issued by it for the production of information relevant to the Committee's constitutional inquiry. Under this legislation the House Judiciary Committee would have authority to prosecute such civil actions to enforce or secure a declaration concerning the validity of such subpoenas. The Committee may be represented by such attorneys as it may designate in any action brought under the bill. H.R. 13708 also contains a provision that would expedite such civil proceedings through the courts.

Irving Younger in a study of separation of powers stated that:

"We should not forget that the Supreme Court has decided disputes between Congress and the President under its general power to hold the other two departments within the ambit of the Constitution." (20 U. Pitt. L. Rev. 755, 777 N. 100, 1959; Raoul Berger, "Executive Privilege" *Harvard Univ. Press*, 1974, p. 332)

Alexander M. Bickel, an eminent constitutional lawyer, also supported the Committee's use of the Courts to enforce its subpoenas. In his article that appeared in *The New Republic*, June 8, 1974, pp. 11–14, Mr. Bickel wrote that:

"There is no way open to Congress other than a lawsuit of actually getting its hands on the evidence it wants. . . . To be sure if it does not go to Court, and does not run the risk of a court's refusal to enforce a subpoena, the House might cite the President for contempt and base a separate Article of impeachment on his refusal to honor the subpoena. But these are gestures. The contempt citation by itself is pure gesture. An additional Article of impeachment based on it is a makeweight. It is difficult to imagine that the House would vote it without also approving other Articles, or that the Senate would convict on it without convicting on other Articles. So what is gained?"

The Supreme Court proceeds from the premise that it is the "ultimate interpreter of the Constitution" vested with the responsibility to decide "whether the action of another branch . . . exceeds whatever authority has been committed." (*United States* v. *Nixon*, decided July 24, 1974, Slip Opinion, Page 18: *Powell* v. *McCormack*, 395 U.S. 486 at 521). In *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137, 177 (1803), the Court stated that "It is emphatically the province and duty of the judicial department to say what the law is."

Whether the Congress has an absolute right to demand information or the President the absolute discretion to refuse such information is plainly not stated in the Constitution. Essentially this is a dispute about the scope of intersection powers. "One branch cannot finally decide the reach of its own power when the result is to curtail that claimed by another. Neither of the two departments, said Madison in Federalist No. 49, 'can pretend to an exclusive or superior right of settling the boundaries between their respective powers. Some arbiter, said Justice Jackson, is almost indispensable when power is . . . balanced between branches, as the legislative and executive . . . Each unit cannot be left to judge the limits of its own power . . .' " (Raoul Berger, "Executive Privilege" *Harvard Univ. Press*, (1947) pp. 330–31).

In late May, 1974, the Judiciary Committee by a vote of 32–6 chose not to seek the assistance of the courts in enforcing compliance with its subpoenas. The Committee also chose not to utilize its common law power or its contempt of Congress power under Title 2, United States Code 192–94. The President does have certain inherent constitutional rights and privileges. What the President's true motives are in withholding information only history may know but this President or any President should not be impeached for acts based on his assertion of certain constitutional rights. The Supreme Court is the ultimate judge of the boundaries of conflicting constitutional powers, not the Congress.

The enactment of Article III would seriously weaken the Presidency. Such enactment would be dangerous, and a pure exercise of raw legislative power. Article III should be rejected by the House of Representatives.

Thomas F. Railsback.
Henry P. Smith III.
Charles W. Sandman, Jr.
David W. Dennis.
Wiley Mayne.
M. Caldwell Butler.
Harold V. Froehlich.
Carlos J. Moorhead.
Joseph J. Maraziti.
Delbert Latta.

Additional views of Mr. Dennis

I concur generally in the Minority views which I have signed in company with my colleagues Messrs. Hutchinson, Smith, Sandman, Wiggins, Mayne, Lott, Moorhead, Maraziti, and Latta, and I commend particularly the discussion of the evidence contained in Part C of the Preliminary Statement of those Minority Views. I desire, however, to add some additional observations of my own, which I set out below.

I was one of the ten members of the Committee on the Judiciary who voted in the Committee against all three Articles of Impeachment.

While the revelation—after the Committee vote—of the taped conversation of June 23, 1972 between President Nixon and H.R. Haldeman, and the President's statement on that subject dated August 5, 1974, led me to change my view as to Article I, so that I would have voted for impeachment on that Article had it been put to a vote of the House, it is my view that my nine colleagues and I were correct on the state of the evidence and the record as it stood before the Judiciary Committee at the time of the Committee vote; and I remain of the opinion that we are still correct today in respect to our opposition to Articles II and III.

On July 25, 1974 I stated my views in formal debate in the Judiciary Committee. That statement still reflects, as well as I can do it in a brief compass, my general position as to Articles II and III (taking them in reverse order) and I therefore report here what I then said:

"Article III—Failure To Comply With Committee Subpoenas

"Turning first to the matter of failure to observe or to comply with the subpoenas of the Committee on the Judiciary;

"We have, of course, had a landmark decision of the Supreme Court of the United States just yesterday which decided, for the first time, that a generalized and unlimited executive privilege cannot be exercised to over-ride specific subpoenas issued by a Special Prosecuting Attorney in furtherance of the prosecution of a criminal case.

"This decision does not bear directly on nor, as a matter of law, does it enhance the power of this Committee to issue subpoenas in these impeachment proceedings against the President of the United States, because, very unfortunately, as I believe, this Committee has declined and refused to test and to determine its Constitutional powers in the Courts of this country, despite the well-known statement of Chief Justice Marshall in *Marbury* v. *Madison* that "it is emphatically the province and duty of the Judicial Department to say what the law is."

"I believe, however, that the power of this Committee in respect to the issuance of subpoenas in impeachment proceedings is at least equal to—and is, in all probability, the superior of—the power of the Special Prosecuting Attorney.

"This decision, therefore, although we are not a party to the litigation, and derive no actual rights therefrom, very well may—and in my judgment in all probability will—result in the furnishing to this Committee of additional relevant and highly material evidence which, up to this time, we do not have.

"It is my judgment that should it appear that such evidence will be available to us within a reasonably short period of time, then it will become our positive duty to delay a final vote in these important proceedings until we have examined this additional evidence.

"In assessing the President's past treatment of the subpoenas of this Committee, however, we have no right whatever to consider yesterday's decision of the United States Supreme Court because, in addition to the fact that we are not a party to the cause, this decision, of course, had not been handed down when our subpoenas were served, or when the President took his stand in respect thereto.

"At that point the President simply asserted what he stoutly maintained to be a Constitutional right—and which he is, in fact, still legally free to assert to be a Constitutional right so far as this Committee is concerned; and we, on the contrary, asserted a Constitutional right in opposition to the Presidential claim.

"Such a conflict is properly one for resolution by the Courts, and absent a binding and definitive decision between the parties by the Judicial branch, it escapes me on what ground it can properly be asserted that a claim of Constitutional right is, in any sense, an abuse of power."

It will be observed that I noted at that time that the Committee had *not* obtained—nor had it taken the obvious legal steps to obtain—*all the relevant evidence;* that it was probable, due to the decision of the Supreme Court in *United States* v. *Nixon*, that such evidence would shortly be forthcoming; and that I suggested that we should defer our final vote pending that event.

Ten days later that evidence—the tape of June 23, 1972 which made all the difference—was indeed produced.

As to *Article II*, on July 25, I spoke as follows:

"Turning to further alleged *abuses of power*, I look to the proposed articles which we have before us.

"In proposed Article II these abuses of power are alleged to be:

"1. *Illegal Surveillance*, but the 17 wiretaps chiefly complained of under this heading were all instituted before the *Keith* decision, and were not only presumptively legal at that time, but are probably legal in large part also today since many, if not all of them, had international aspects, a situation in which the need for a court order was specifically not passed upon in the *Keith* decision.

"2. Use of the executive power to *unlawfully* establish a special investigative unit '—to engage in *unlawful covert activities*—'. But it was *not* unlawful, so far as I am advised, to establish the plumbers' unit; and I suggest that proof is lacking that the President intended for it to, or authorized it to, engage in *unlawful* covert activities. In like manner it is certainly not established as a fact that the purpose of the Fielding burglary was "to obtain information to be used by Richard M. Nixon in public defamation of Daniel Ellsberg", nor is there any substantial evidence that the President knew of or authorized this burglary before it took place. In fact when Dean told the President about the Fielding break-in on March 17, 1973, the President said, "What in the world—what in the name of God was Ehrlichman having—in the Ellsberg . . . This is the first I ever heard of this."

"3. *Alleged Abuse of the IRS.* Without going into detail I suggest that the evidence here—so far as the President is concerned—is one of talk only, and not of action; that the independent attempted actions of Dean, Haldeman, and Ehrlichman were unsuccessful and ineffective; and that the only direct evidence of an alleged Presidential order (in the Wallace case) is a hearsay statement of Clark Mollenhoff that Mr. Haldeman *said* to him that the President requested him to obtain a report—which is, of course, not competent proof of anything.

"Other allegations of alleged misuse and abuse of the FBI and the CIA can, in the interests of time, be best considered under the heading of alleged obstruction of justice; and the matter of refusing to honor Judiciary Committee subpoenas has already been discussed."

I will add that I consider it improper to seek to multiply offenses by making the identical acts regarding the CIA and the FBI which establish the case under Article I, serve also as the basis for a separate offense called an "Abuse of Power" under Article II.

As to *Article I—Obstruction of Justice*, I then said, in part:

"Whether the President had a design to, or attempted to, interfere with or obstruct the Watergate investigation conducted by the FBI, by a phony attempt to enlist the possibility of CIA involvement, or whether he genuinely believed—due to the personnel concerned, the Mexican connection, and other circumstances—that there might well be a CIA or national security involvement, appears to me to be a debatable proposition."

It is, of course, the subsequently produced tape of the conversation of June 23, 1972 between Haldeman and the President which makes this proposition no longer debatable.

At that time, I also said:

"And where cover-up is considered we need to remember that, after all, the President became fully aware and took charge on March 21 and by April 30 Haldeman, Ehrlichman, Kleindienst and Dean had all left the government for good, and now are dealing as they should with the strictures of the criminal law."

The conversation of June 23, 1972 and the President's statement of August 5, 1974, of course, knock the props out from under this argument because we now know that President Nixon, so far from first becoming aware of the Watergate cover-up on March 21, 1973, was in fact actively and personally engaged therein from at least June 23, 1972, just six days after the Watergate break-in took place.

During our investigation of this case the Committee made no effort to call H. R. Haldeman or John Ehrlichman as witnesses (with some excuse due to their personal legal entanglements) and neither—without any clearly established excuse—did we make any effort to call E. Howard Hunt, the purported blackmailer to whom "hush money" is alleged to have been paid. As to this particular, and important, phase of the cover-up I said in my remarks to the Committee on July 25th:

"* * * the March 21 payment to Hunt was the last in a long series of such payments, engineered by Mitchell, Haldeman, Dean and Kalmbach, and later on LaRue, all so far as appears, without the President's knowledge or complicity. And as to the payment of March 21 the evidence appears to establish that it was set up and arranged for by conversations between Dean and LaRue and LaRue and Mitchell, *before* Dean talked to the President on the morning of the 21st of March. So that even if the President was willing, and even had he ordered it (as to which the proof falls short) it would appear that this payment was *in train* and would have gone forward, had Dean never talked to the President on March 21 at all."

And, while Presidential participation in the over-all cover-up plan is now conceded to be established, I see no reason, on the basis of the record, to change by statement as to this specific matter.

In addition—despite an invitation to do so—no effort was made to address either oral questions or written interrogations to President Nixon. These omissions as to the procurement of evidence all contributed—quite legitimately as I think—to my reluctance to resolve doubtful points against the President of the United States. The now self-revealed concealment of the facts on the President's part from all concerned, including not only the Committee but even his own Counsel, make no such doubts easier to resolve.

This case is an American tragedy, in which a fatal decision to conceal the facts, made early in the game and—so far as I can see—without any prior implication on the part of the President, led inexorably to one shift and stratagem after another, and finally to the shattering events of the recent past.

Other matters in the voluminous record, which are referred to and relied upon by the majority, show, in some cases, shoddy practices inconsistent with the better spirit of America, but fail, in my judgment, to establish by any clear and convincing proof the existence of an impeachable offense.

It is the Watergate cover-up which gave birth to this inquiry—and it is that and that alone which has finally been susceptible of proof.

This is proof not as to all of the alleged details, nor need we, nor do we, accept each adverse inference so glibly drawn by the majority. Over-all, adequate legal proof is now available to establish the offense, and on the record we can say of the evidence, in the words of Mercutio, "No, 'tis not so deep as a well, nor so wide as a church-door; but 'tis enough, 'twill serve . . ."

So be it.

We must follow the facts, and we must vindicate the law. But we must do this without vindictiveness; and we ought not further pursue or harass a man who, whatever his mistakes or his faults, has nevertheless served his country and all of humanity well, as probably the foremost international statesman and the most able architect of world order who has occupied the Presidency during our time.

David W. Dennis.

Additional and separate views of Mr. Mayne

I join in the minority views of my colleagues insofar as Articles I and III are concerned. I do not join the minority views as to Article II because I believe the admissions made by the President on August 5, 1974, when added to the evidence previously submitted to the Committee, make a case for impeachment under Paragraphs 1, 4 and 5 of that Article.

Article I

I support the result reached by my colleagues in the minority views discussion of Article I but wish to add the following additional views:

I voted against Article I on July 27, 1974, after carefully considering such evidence as was available to the Committee at that time. It was my conscientious best judgment that no direct evidence had been presented to prove the President was personally involved in the Watergate cover-up or any obstruction of justice in connection with it. I was particularly impressed by the testimony of witnesses who appeared to testify before our Committee in person on this subject. Some stated their strong conviction that the President was in no way involved in the cover-up. Others expressed a complete lack of information connecting him to it although they were in a position to know if he had been implicated. Only John Dean indicated an impression that the President had any knowledge of the cover-up prior to March 21, 1973. I did not feel his testimony and the inferences drawn from purely circumstantial evidence constituted the clear and convincing proof necessary to link the President personally to a high crime of misdemeanor sufficient to impeach under constitutional standards.

The state of the evidence changed completely on August 5, 1974, when the President made his statement admitting he knew at least as early as June 23, 1972, that the break-in was directed by employees of his reelection committee for political purposes. He not only withheld this important relevant information from the American people and the investigating authorities but obstructed the investigation by having his subordinates tell the FBI it should stop the investigation because it was exposing important undercover operations of the CIA.

The President also admitted on August 5 that he had continued to conceal these important facts to deceive and mislead the American people and our Committee right up until that date when he made the transcripts of three conversations with H. R. Haldeman on June 23, 1972, available to the public and the Committee. These transcripts and the presidential admissions contained in his two-page statement of August 5 supply the direct evidence of personal involvement of the President in the cover-up which had previously been lacking. They furnish clear and convincing evidence that the President committed an obstruction of justice sufficient to constitute grounds for impeachment under the Constitution. I would, therefore, vote in the full House to impeach on Article I.

Article II

I file views separate from those of my minority colleague for the following reasons:

1. I would vote in the House to impeach under Article II because I believe a case for impeachment has now been made under Paragraphs 1, 4 and 5 of that Article.

2. The minority views do not give sufficient treatment to the evidence in support of the grave allegations of Paragraph 1, Article II that the President tried to obtain income tax audits or other income tax investigations to be initiated or conducted in a discriminatory manner, i.e. to harass political opponents. During the debate I voted against an amendment to this Paragraph offered by the gentleman from California Mr. Wiggins which in my opinion would have seriously diluted the President's responsibility to prevent the improper use of the Internal Revenue Service for political purposes. The amendment would have stricken the words "acting personally and through his subordinates and agents" and added the following words "personally and through his subordinates and agents *acting with his knowledge or pursuant to his instructions*". (Italic added) page 819, Report of Proceedings.

I spoke in opposition to this amendment stating that I certainly did "not want to do anything to dilute or limit in any way whatever responsibility the President may have for the very outrageous attempts to use the Internal Revenue Service for political purposes." I further stated "I consider the evidence shows that the approaches that were made by Mr. Dean and Mr. Ehrlichman to Commissioner Randolph Thrower and Commissioner Johnnie Walters to be absolutely indefensible. Our tax collection system in this country is based on a voluntary contribution assessed and paid by people on a voluntary basis and it will certainly be destroyed if people can not have confidence that it is not being used to reward political friends and to harass political opponents.

"I think that not only does the President have a responsibility not to directly approve such indefensible action but he has a responsibility not to ratify it after it has occurred and has a responsibility over and above that to have enough idea of what is going on in his Administration to be very sure that this kind of political prostitution of the Internal Revenue Service does not occur. There is nothing in this record which to me is more disappointing or more cause for concern for the continuation of free government than the way in which the Internal Revenue Service was attempted to be used for this base purpose."

The minority views fail to give sufficient attention to the following significant evidence:

(a) The affidavit of former IRS Commissioner Johnnie Walters that on September 11, 1972, John W. Dean gave him a list of persons on the 1972 Presidential campaign staff of George McGovern and of contributors to that campaign and requested that IRS undertake examinations or investigations of those on the list. Mr. Walters replied this would be disastrous for the IRS and the Administration and he would recommend to Secretary of the Treasury Shultz that nothing be done on the request. On September 25, 1972, Mr. Dean telephoned Mr. Walters inquiring "as to what progress I had made with the list. I told him that no progress had been made. He asked if it might be possible to develop information on fifty–sixty–seventy of the names. I again told him, that although I would reconsider the matter with Secretary Shultz, any activity of this type would be inviting disaster." Mr. Walters' affidavit states that he discussed these requests with Secretary Shultz on September 13 and September 29 and on both occasions was told to do nothing with the list. At no time did he furnish any name from the list to anyone or request any IRS employee or official to take any action with respect to the list. ("Statement of Information," Book VIII, 238–240)

(b) The conversation between the President and Haldeman on September 15, 1972, four days after Dean had delivered the list to Walters. Dean's activities were discussed by the President and Haldeman in the following recorded conversation:

"Haldeman. Between times, he's doing, he's moving ruthlessly on the investigation of McGovern people, Kennedy stuff, and all that too. I just don't know how much progress he's making, 'cause I—

"President. The problem is that's kind of hard to find.

"Haldeman. Chuck. Chuck has gone through, you know, has worked on the list, and Dean's working the, the thing through IRS and, uh, in some cases, I think, some other (unintelligible) things." (HJCT 1)

(c) The following testimony by Dean describing his taking the list of McGovern contributors drawn by Murray Chotiner to Walters and discussing it subsequently with the President:

"Mr. Doar. What was the purpose of that meeting?

"Mr. Dean. I had then received the Chotiner list, and my assignment was to ask Mr. Walters if it was possible to have audits conducted on all or any of these people.

"Mr. Doar. Did you discuss your assignment with respect to the IRS with the President during your meeting on September 15?

"Mr. Dean. I am not sure how directly or specifically it came up, but there was a, indeed, a rather extended discussion with the President on the use of IRS. He made some rather specific comments to me, which in turn resulted in me going back to Mr. Walters again.

"Mr. Doar. When you say the use of IRS, what are you talking about?

"Mr. Dean. Well, as I recall the conversation, we were talking about the problems of having IRS conduct audits, and I told him that we hadn't been very successful at this because Mr. Walters had told me that he just didn't want to do it. I did—I did not push him. As far as I was concerned I was off the hook. I had done what I had been asked, and I related this to the President.

"And he said something to the effect, well, if Shultz thinks he's been put over there to be some sort of (expletive), he is mistaken, and if you have got any problems, you just come tell me, and I will get it straightened out. (HJCT 229)

"Mr. St. Clair. Well, on September 15, 1972, you did meet with the President?

"Mr. DEAN. Yes, I did.

"Mr. ST. CLAIR. And you say that during the course of that conversation, among other things, you discussed a list being prepared for submission to the IRS?

"Mr. DEAN. I am not sure we got into the so-called list of 500 at that time. It may well have come up. I recall general discussions by IRS and the fact that the President—telling the President that I had been less than successful in dealing with IRS and the President became quite annoyed at it. And then he got very explicit about his thinking about IRS being responsive to the White House." (Dean testimony, 2 HJC 285) The above affidavit and testimony clearly established that Dean and Haldeman were guilty of trying to use the IRS for illegal purposes and gave rise to strong inferences that the President was personally involved. In weighing whether a sufficient case had been made against the President under Article II, I had to consider the fact that Paragraph 1 alleging abuse of the Internal Revenue Service had unfortunately been lumped together with 4 other Paragraphs, which had little if any connection with each other and were supported by less proof than Paragraph 1. Paragraph 3 relative to a special investigative unit set up in the White House to identify and plug national security leaks struck me as especially weak. I could not accept the argument based on inferences alone that a President who had been advised by his closest foreign policy and national defense advisers that it was necessary to take decisive action to stop leaks which were threatening the security of the United States, could be subject to impeachment for taking such action, even though he did not implement it in the best way and it would have been much wiser to rely on the FBI which is the established agency responsible for National Security investigations. My argument in opposition to Paragraph 3 appears at pages 1016–1018 of the Report of Proceedings.

Faced with the choice of voting for a 5 paragraph Article in which there did not seem to me to be clear and convincing evidence sufficient to impeach on 4 of the 5 Paragraphs. I voted against Article II on July 29.

Thereafter the President's admissions of August 5 made available direct evidence sufficient to make a case for impeachment on Paragraphs 4 and 5. It is now clear that he did indeed fail to take care that the laws were faithfully executed and failed to exercise his authority to adequately supervise his close subordinates when he should have done so to prevent their obstructing and interfering with investigations into criminal or improper actions as stated in Paragraph 4.

When the presidential admissions of August 5, 1974, are viewed against the background of the evidence already considered by the Committee with reference to Paragraph 5, I must conclude that the President did in fact misuse his executive power in the manner in which he interfered with the Federal Bureau of Investigation, the Criminal Division of the Department of Justice and the Central Intelligence Agency.

His admissions of August 5 also further strengthen the evidence that he violated the constitutional rights of citizens as alleged in Paragraph 1 relating to abuse of the Internal Revenue Service.

Three of the 5 Paragraphs of Article II having now been proved by clear and convincing evidence I would vote to impeach on this Article in the full House.

Article III

I join in and support the minority views of my colleagues on Article III. No case for impeachment has been made on this Article.

WILEY MAYNE.

Additional views of Mr. Cohen on Article III

It is the opinion of this member that neither the President of the United States nor any other official of the United States can lawfully refuse to comply with subpoenas issued by the House Judiciary Committee relevant to issues raised in the course of an impeachment investigation. As the United States Supreme Court held in 1882, "All officers of the Government, from the highest to the lowest, are creatures of the law and are bound to obey it; no officer of the law may set that law at defiance with impunity."

In the case of subpoenas issued by this Committee in the course of its impeachment investigation, the powers of the Committee under the law are clear. The Constitution gives to the House of Representatives the sole power of impeachment. Acting under this provision, the House of Representatives, on February 6, 1974, adopted H. Res. 803. This resolution directed the House Judiciary Committee to consider the possible impeachment of Richard M. Nixon, President of the United States, and conferred subpoena power upon this Committee for purposes of its impeachment inquiry.

Acting under that power, the Committee subsequently voted more than 40 separate subpoenas for tapes, documents, and other materials relevant to its investigation. The President failed to comply with those subpoenas.

In his refusal to comply, the President repeatedly asserted that he was carrying out a Constitutional responsibility to uphold the separation of powers among the branches of government by protecting the confidentiality of communications within the executive branch. It has been suggested that the protection of confidential communications, which appears to have been used synonymously with executive privilege, may, as a doctrine, have taken on mythical proportions. (See Berger, *Executive Privilege: A Constitutional Myth*). But, while not necessarily rising to the level of a Constitutionally conceived and protected doctrine, executive privilege nonetheless serves a valuable purpose in protecting the confidentiality of the decision-making process in the executive branch. Indeed, the Supreme Court recently acknowledged importance of this privilege in its decision, The *United States* v. *Nixon*, (House Judiciary Committee "Statement of Information," Appendix II). Although holding that a Presidential claim of privilege did not, under the specific circumstances of that case, prevail over the Special Prosecutor's need for subpoenaed materials for criminal trials, the Court recognized "the valid need for protection of communications between high government officials and those who advise and assist them." Noting that "Human experience teaches that those who expect public dissemination of their remarks will temper candor with a concern for appearances . . . to the detriment of the decision-making process," the Court further asserted that "the importance of this confidentiality is too plain to require further discussion."

In voting to issue subpoenaes to the President, this Committee made no concession to the doctrine of executive privilege. It asserted the absolute right to subpoena whatever materials it deemed relevant to its inquiry. In short, the Committee's subpoenas, coupled with the President's refusal to comply, presented a constitutional confrontation: the President's judicially recognized interest in maintaining the confidentiality of private tapes, papers, and documents, stood in direct conflict with the Constitutional power of the Congress to compel the production of evidence for an impeachment proceeding.

Several courses of action were available to the Committee to resolve the confrontation. It could have sought a judicial review and determination of the scope and power of the Committee's process, or sought a citation of contempt before the full House of Representatives. In addition, in reaching a final decision on articles of impeachment the Committee could have drawn negative or adverse inferences from the President's refusal to comply with its subpoenas.

While I am not satisfied that it is essential or desirable to have the judicial branch pass final judgment on the merits of the respective positions of the President and the Committee, I believe the Supreme Court would have reached a result similar to that in *United States v. Nixon, supra*—namely, that the need of the Congress for subpoenaed materials for an impeachment inquiry would have prevailed over the President's claim of privilege.

Although I do not believe it was essential to seek a judicial resolution of the Judiciary Committee's powers, I do not suggest the Committee should be the final arbiter in disputes arising from the issuance of subpoenas. Under accepted Congressional procedure, when a witness before a Congressional Committee refuses to give testimony or produce documents, the Committee itself cannot hold the witness in contempt. Rather, the established procedure is for the witness to be given an opportunity to appeal before the full House or Senate, as the case may be, and give reasons, if he can, why he should not be held in contempt. For example, he might argue that his refusal was justified, or excusable, or based on some mistake. The Supreme Court has held that this kind of notice and opportunity for hearing are constitutionally required, under the Fifth and Fourteenth Amendments, before a legislative body may punish a person for contempt of its prerogatives. (Minority Views of Honorable Edward Hutchinson, et al., "Article III: President's Response to Committee Subpoenas.")

Before Presidential refusal to comply with Committee subpoenas can be raised to the level of an impeachable offense, the Committee, at a minimum, should wait until the House of Representatives has found the non-compliance to be willful, contemptuous, and illegitimate. Since the Committee did not pursue this course of action, it should not now seek to raise non-compliance to the level of a separate and independent impeachable act.

While the President's stated reasons for his refusal to comply with our Committee's subpoenas may have had a colorable claim or basis, the evidence before the Committee (even before the release of the June 23, 1972, transcript) was more than sufficient to find that the claim of executive privilege was illegitimately and improperly invoked, not to protect the Office of the President, but to protect a particular President from the disclosure of his personal participation in the obstruction of justice. Accordingly, the President's non-compliance with the subpoenas formed an integral part of Article I (and possibly Article II) and rests more soundly and solidly within that factual framework.

Concern for setting a precedent for history's review or need must take into account the need not to arrive at an unnecessary, and in my opinion, unwise conclusion, such as that set forth as Article III. Hopefully, the sword of impeachment will never have to be withdrawn from its scabbard again. But should events summon forth so drastic a constitutional weapon in future years, let the sword be wielded by the guardians of our Constitutional system with a sharp but not overhoned edge.

WILLIAM S. COHEN.

Additional views of Mr. Froehlich in opposition to Article III

Article III charges that Richard M. Nixon "failed without lawful cause or excuse to produce papers and things as directed by duly authorized subpoenas issued by the Committee on the Judiciary of the House of Representatives on April 11, 1974, May 15, 1974, May 30, 1974, and June 24, 1974, and willfully disobeyed such subpoenas." On July 30, 1974, the Committee voted to send this third article of impeachment to the full House for consideration. The vote was 21 to 17. Because I believe this article represents a wholly inadequate and improper basis upon which to impeach, try, and remove a President from office, I opposed the article in committee and now respectfully urge its rejection.

A

The Constitution of the United States, in Article I, Section 2, Clause 5, provides that "The House of Representatives . . . shall have the sole Power of Impeachment." This clause contains a clear, exclusive grant of power. Inherent in this grant of power is the authority to conduct a comprehensive inquiry into alleged grounds for impeachment and to employ all reasonable means, including subpoenas, to secure evidence for that inquiry.

There is no question that the House of Representatives is empowered to confer upon its "impeachment committee" an *expansive* subpoena power; and there is no question that the House properly conferred that power in this matter by approving House Resolution 803, on February 6, 1974.

It does not follow, however, that the Committee's power to secure evidence is unlimited. The impeachment power of the House, like every other power possessed by Congress, must be read together with at least some of the other provisions in the Constitution. If this were not the case, the Impeachment Committee could degenerate into a lawless inquisition, a kangaroo court, wholly at odds with our legal traditions.

Surely, the clause in the Constitution that gives the House of Representatives "the sole Power of Impeachment" does not imply that *any* procedure is acceptable in an impeachment inquiry.[1] Suppose, for instance, that in this inquiry the Committee had insisted that H. R. Haldeman appear to testify, despite his forewarning that he would assert his Fifth Amendment privilege against self-incrimination. Suppose, further, that if Mr. Haldeman failed to testify without a grant of immunity, he was confined to a room in the basement of the Rayburn Building and held there incommunicado without adequate sleep or nourishment in an effort to coerce his testimony. Is there any doubt that the House's "sole Power of Impeachment" does not carry with it the right to employ these kinds of improper tactics to secure evidence? Is there any doubt that a court could have intervened to protect Mr. Haldeman's constitutional rights, even in an impeachment inquiry?

It should be self-evident then that there are limitations upon the power of the House of Representatives, and its Impeachment Committee to secure evidence; and hence it becomes highly important to consider what those limitations are and how they are determined.

B

The Committee on the Judiciary issued a total of eight subpoenas to the President. Although the President supplied partial transcripts of many of the items requested in the first subpoena, he clearly failed to comply with the Committee's demands. But that is not the real issue. The real issue is whether the President failed to comply with the subpoenas *"without lawful cause or excuse"*, as charged in the Article. This issue was never litigated, and it was never settled, unless one assumes that the Committee has *unlimited, unreviewable* authority to demand and receive evidence from a witness in an impeachment inquiry.

Some Members asserted at the outset of these proceedings that the House did possess unlimited subpoena power. Against this background, President Nixon had a rational reason for resisting the Committee's demands. Almost any president would have resisted subpoenas issued under such sweeping claims of authority. To have complied fully with all eight subpoenas, without testing the subpoenas in relation to the Committee's constitutional authority, would have been to abandon privileges, and establish precedents that could radically alter the balance of power between the Executive and Legislative branches of government.

The argument is made that if President Nixon honestly believed that the Committee's subpoenas improperly encroached upon the province of the Executive, he would have moved to quash the subpoenas in court. To do that, however, the President would have had to argue that the courts possessed the jurisdiction to intervene in this dispute and to rule on his claim of executive privilege—a position that would have seriously undermined his legal posture in the then pending case of *United States* v. *Nixon*, U.S. (1974). It is entirely possible that had the circumstances been somewhat different, President Nixon would have gone to court in an effort to quash the subpoenas, for there appear to be a number of arguable bases upon which the subpoenas might successfully have been resisted.

Several Members of the Committee urged the Committee to seek court approval of the subpoenas. But this suggestion was rejected on May 30, 1974, by a vote of 32 to 6. At that same meeting, the Committee directed the Chairman to write the President, advising him that "it is not within the power of the President to conduct an inquiry into his own impeachment, to determine which evidence, and what version or portion of that evidence, is relevant and necessary to such an inquiry. These are matters which, under the Constitution, the House has the sole power to determine."

What this means is that the Committee claims the sole power to determine what evidence is relevant and what evidence is necessary in an impeachment inquiry. It asserts that the courts have no jurisdiction to review a Committee determination in this regard. Any objections raised by a witness to the scope or content of a subpoena *duces tecum* will be recognized, if at all, in the sole discretion of the Committee.[2] The witness has no option to *enforce* any of his normal 'rights" before a neutral court. The potential penalty for non-compliance with the Committee's demand for evidence is impeachment, and non-compliance with a Committee subpoena, *by itself*, is sufficient grounds for impeaching the President and removing him from office.

This is the real meaning of Article III, and this is why Article III is not only an improper basis for impeachment but also a dangerous precedent for our constitutional system. If the Committee had sought to enforce its subpoenas before a neutral arbiter and given the President the opportunity to litigate his objections to the Committee's demands, I would have no difficulty in supporting an article of impeachment based on non-compliance. But that did not happen. In these proceedings, the Committee rejected court review of its legal process. It refused to seek court enforcement, and it even declined to subpoena the exact same material from Judge John Sirica that it had previously subpoenaed from the President.[3] Under these circumstances, it would be a travesty of justice to impeach President Nixon on the basis of the third article voted by the Committee.

There appear to be a number of arguable bases upon which the Committee's eight subpoenas to the President might have been quashed or limited, had they been litigated in a court. A review of these bases is relevant to the question whether President Nixon failed to comply with the subpoenas "without lawful cause or excuse," and it is relevant in considering whether Article III, as it was developed, represents a legitimate and proper basis upon which to impeach, try, and remove a President of the United States.

1. Executive Privilege.—In *United States* v. *Nixon*—U.S.—(1974), the Supreme Court ruled on the nature of executive privilege, saying: "If a President concludes that compliance with a subpoena would be injurious to the public interest he may properly . . . invoke a claim of privilege on the return of the subpoena. Upon receiving a claim of privilege from the Chief Executive, it became the further duty of the District Court to treat the subpoenaed material as presumptively privileged and to require the Special Prosecutor to demonstrate that the presidential material was 'essential to the justice of the [pending criminal] case.' . . . Here . . . the Special Prosecutor . . . made a sufficient showing to rebut the presumption and [the Court] ordered an *in camera* examination of the subpoenaed material."

In the court's *in camera* review of subpoenaed presidential materials:

"Statements that meet the test of admissibility and relevance must be isolated; all other material must be excised."

". . . (T)he District Court has a very heavy responsibility to see to it that presidential conversations, which are either not relevant or not admissible, are accorded that high degree of respect due to the President of the United States."

"It is . . . necessary in the public interest to afford presidential confidentiality the greatest protection consistent with the fair administration of justice."

The Court's assessment of the claim of executive privilege is substantially different from the Committee's assessment. One Member of the Committee even declared: "I will state that I do not think we are compelled to set forth . . . reasons" for the evidence we subpoena. Clearly, the question whether executive privilege has any place in an impeachment inquiry is a substantial question, and it should not be decided arbitrarily by either of the two contending branches of government.

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[1] The principal thrust of the clause is to confine the power of impeachment to the House of Representatives. What this plainly means is that no other institution of government has the power to impeach: not the Senate, not the Judiciary, and not the President. For example, non-compliance with a Senate subpoena is not grounds for impeachment in the Senate, even if the subpoena is fully litigated and approved by the courts, *unless* the House of Representatives first cites such non-compliance in an article of impeachment.

[2] Compare *Tumey* v. *Ohio*, 273 U.S. 510 (1927). In this case a defendant accused of violating the Prohibition Act was tried and sentenced by a judge who benefited financially from his conviction. The Court, speaking through Chief Justice Taft, declared: ". . . [I]t certainly violates the Fourteenth Amendment, and deprives a defendant in a criminal case of due process, to subject his liberty or property to the judgment of a court the judge of which has a direct, personal, substantial, pecuniary interest in reaching a conclusion against him in his case," 273 U.S. at 523. The parallel in this situation is obvious. The Committee members would have a direct, personal, substantial, political interest in reaching conclusions adverse to the objectives raised by the subpoenaed party. It is hard to conceive a more clear cut, obvious conflict of interest.

[3] On June 24, 1974, the Committee tabled my motion to subpoena from United States District Judge John J. Sirica the exact same tape recording of a September 15, 1972, conversation between President Nixon, H. R. Haldeman, and John W. Dean that hours earlier it had subpoenaed from the President. The vote to table was 23 to 15. In response to questions, both John Doar and Albert Jenner agreed that the tape recording in question was "necessary and relevant" to the Committee's inquiry.

2. Fifth Amendment Right Against Self-Incrimination.—In United States v. Onassis, 125 F. Supp. 190 (D.C. 1954), the court, citing the Fifth Amendment, said that a person has cause to refuse the production of his personal papers whenever he thinks that the production might reasonably tend to incriminate him. "The sole question is whether the subpoenaed documents were Augenthaler's personal records. If so, then compulsory production certainly offended his constitutional rights. As was said in *Boyd* v. *United States*, 1886, 116 U.S. 616, 633. . . . it is impossible 'to perceive that the seizure of a man's private books and papers to be used in evidence against him is substantially different from compelling him to be a witness against himself.' " 125 F. Supp. at 206. If this is a correct statement of law, a court might well have suppressed incriminating tape recordings of the President's private conversations as well as his personal memoranda of his thoughts and actions.

3. Unreasonable Search and Seizure.—"The Constitution requires that the forced production of documents by subpoena be not unreasonable." *Application of Harry Alexander*, 8 F.R.D. 559, 560 (S.D.N.Y. 1949). Whether a particular subpoena duces tecum is "reasonable" is clearly a legal question that ought to be decided in each instance on the basis of the facts arising from the subpoena itself.

4. Attorney-Client Privilege.—In *Colton* v. *United States*, 306 F.2d 633, 637 (2d Cir. 1962), the court noted that the policy underlying the attorney-client privilege does not justify "any member of the bar from refusing to testify as to all transactions he may have had with any person whom he chooses to designate a 'client.' " *But*, "It is self-evident that individual documents and files may still be withheld insofar as they thus are or report confidential communications between Colton and his clients . . ." 306 F.2d at 639. That the President's private conversations with the White House Counsel were at least partly covered by the attorney-client privilege is not so outlandish a proposition that it can be dismissed out of hand.

5. Competent, Relevant, Material Evidence.—"Generally speaking, a subpoena duces tecum may be used to compel the production of any proper documentary evidence, such as books, papers, documents, accounts, and the like, which is desired for the proof of an alleged fact relevant to the issue before the Court or office issuing the subpoena, *provided that the evidence which it is thus sought to be obtained is competent, relevant, and material*." 97 C.J.S. § 25 Witnesses, at 381–382 (1957) (Emphasis supplied). Items demanded do not become competent, relevant, and material merely because they are included in a committee subpoena. If there is no test of the worthiness and relevance of the materials subpoenaed, then the subpoena power may be used to conduct a "fishing expedition" that could seriously breach the independence of the Executive Branch.

6. Discovery.—"A subpoena *duces tecum* may not be used for the purpose of discovery, either to ascertain the existence of documentary evidence, or to pry into the case of the prosecution." *United States* v. *Carter*, 15 F.R.D. 367, 369 (D.C. 1954). It can certainly be argued that some of the items demanded in the Committee's eight subpoenas were included therein principally as a means of discovering other evidence.

In view of the strength and number of arguments the President might have raised to quash or limit the Committee's subpoenas, it is not surprising that the Committee avoided court review. However, inasmuch as court review was not only avoided but also specifically rejected, it is unseemly for the Committee to insist that the President's noncompliance was "without lawful cause or excuse."

D

An impeachment inquiry—the Grand Inquest of the Nation—is an extraordinary political process. Though quasi-judicial in nature, impeachment is inevitably a political undertaking in which the leading actors are political figures. As a consequence, it is vitally important that impeachment proceedings be fair, both in fact and in appearance, so that they merit the confidence of the American people.

The impeachment of a President of the United States on the grounds stated in Article III is fundamentally unfair in fact and highly political in appearance. To impeach a President and thereby attempt to overturn the mandate of the American people on grounds as suspect and insubstantial as these, would, in any circumstances, engender distrust and jeopardize the legitimacy of the entire impeachment proceedings.

The House must assure the integrity of its impeachment process. But this does not mean that the House must uphold the Committee's action on Article III in order to preserve its constitutional prerogatives. The House always had and always will have the option of seeking enforcement of its subpoenas in court. Subpoenas from a House Committee in an impeachment inquiry are entitled to great respect, and we can safely assume that the courts would require the production of at least as much evidence as could be obtained by a party in a court proceeding.

For all these reasons, Article III should not be approved as grounds for impeaching the President of the United States.

HAROLD V. FROEHLICH.

Additional supplemental views of Mr. Latta

Article I charges Richard Nixon with obstruction of justice in connection with the Watergate affair. Obstruction of justice is a federal crime under Title 18 of the United States Code, Sections 1503 and 1510, punishable by a fine of not more than $5,000 or imprisonment for not more than five years, or both. On the sixth day of March, 1974, then President Nixon, in answer to a question at a news conference as to whether or not he considered an obstruction of justice to be an impeachable offense, replied, "the crime of obstruction of justice is a serious crime and would be an impeachable offense."

Paragraph 4 of Article I charges Richard Nixon with "interfering or endeavoring to interfere with the conduct of investigations by the Department of Justice of the United States, the Federal Bureau of Investigation, the Office of Watergate Special Prosecution Force, and Congressional Committees."

Paragraph 6 of Article I charges Richard Nixon with "endeavoring to misuse the Central Intelligence Agency, an agency of the United States."

On August 5, 1974, then President Nixon admitted that he had given certain incomplete and erroneous information to his staff, his attorney, and to the House Judiciary Committee and, thereupon, released transcripts showing that he in fact had used the Central Intelligence Agency to thwart the investigation by the Federal Bureau of Investigation of the Watergate break-in as early as six days after it had occurred, to wit, on June 23, 1972. By so doing, the then President was in effect admitting to the charges of obstruction of justice as contained in Paragraphs 4 and 6 of Article I. This admission coupled with Mr. Nixon's own statement of March 6, 1974, that an obstruction of justice would be an impeachable offense would have been sufficient evidence to cause me to vote affirmatively on these two Paragraphs. However, at the time the vote was taken in the Judiciary Committee on this matter, this evidence of direct presidential involvement had not been revealed and was not before us.

DELBERT L. LATTA.

ABBREVIATIONS

CIA: Central Intelligence Agency.

CRP: 3/71–9/71 Citizens for the Re-election of the President. 9/71–1973 Committee for the Re-election of the President.

DNC: Democratic National Committee.

FBI: Federal Bureau of Investigation.

FCRP: 10/71–2/72 Finance Committee for the Re-election of President Nixon. 2/72–4/72 Finance Committee for the Re-election of the President. 4/72–present Finance Committee to Re-elect the President.

GAO: General Accounting Office.

GSA: General Services Administration.

ICC: International Controls Corporation.

IRS: Internal Revenue Service.

ITT: International Telephone and Telegraph Corporation.

OMB: Office of Management and Budget.

OMBE: Office of Minority Business Enterprise (Department of Commerce).

RNC: Republican National Committee.

SEC: Securities and Exchange Commission.

SSC: Senate Select Committee on Presidential Campaign Activities.

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Book I: Events Prior to the Watergate Break-In December 2, 1971–June 17, 1972.

Book II: Events Following the Watergate Break-In June 17, 1972–February 9, 1973.

Book III: Events Following the Watergate Break-In June 20, 1972–March 22, 1973.

Book IV: Events Following the Watergate Break-In March 22, 1973–April 30, 1973.

Book V: Department of Justice/ITT Litigation-Richard Kleindienst Nomination Hearings.

Book VI: Political Contributions by Milk Producers Cooperatives: The 1971 Milk Price Support Decision.

Book VII: White House Surveillance Activities and Campaign Activities.

Book VIII: Internal Revenue Service.

Book IX: Watergate Special Prosecutors Judiciary Committee's Impeachment Inquiry April 30, 1973–July 1, 1974.

Book X: Tax Deduction for Gift of Papers (includes materials submitted on behalf of President Nixon).

Book XI: Bombing of Cambodia.

Book XII: Impoundment of Funds; Government Expenditures on President Nixon's Private Properties at San Clemente and Key Biscayne.

2. WHT 586: "Submission of Recorded Presidential Conversations to the Committee on the Judiciary of the House of Representatives by President Richard Nixon, April 30, 1974."

3. HJCT 85: House Judiciary Committee, "Transcripts of Eight Recorded Presidential Conversations."

4. Butterfield testimony, 1 HJC 9–10: House Judiciary Committee, "Testimony of Witnesses." Books 1–3.

5. Political Matters Memorandum, 12/6/71, 51: Series of memoranda prepared by Gordon Strachan for H. R. Haldeman in 1971 and 1972 and submitted to the House Judiciary Committee by President Nixon.

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8. President's Submission, Book I, 14–16: Counsel for the President, Statement of Information Submitted on Behalf of President Nixon, Books I–IV.

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9. Haldeman testimony, 7 SSC 2871: Senate Select Committee on Presidential Campaign Activities, Hearings. Books 1–15.

10. Gray logs, 6/21/72: L. Patrick Gray, Appointment Logs, received by the House Judiciary Committee from the Senate Select Committee on Presidential Campaign Activities.

11. Meeting and Conversations between the President and John Ehrlichman, 4/18/73: Document submitted to the House Judiciary Committee by President Nixon.

12. Report of conversation between CIA Inspector General and Robert Cushman, 6/29/73: Document received by the House Judiciary Committee from the CIA.

13. Ehrlichman notes: John Ehrlichman handwritten notes of meetings with the President, received by the House Judiciary Committee from the Watergate Special Prosecution Force.

14. Joint Committee Report, 94: Joint Committee on Internal Revenue Taxation, "Staff Report—Examination of President Nixon's Tax Returns for 1969 through 1972."

15. WHT, June 23, 1972, 10:04–11:39 a.m., 19–30: Edited transcripts of three recorded Presidential conversations submitted to the House Judiciary Committee by President Nixon on August 5, 1974.

16. "Criminal Cases," 17: House Judiciary Committee, "Papers in Criminal Cases Initiated by the Watergate Special Prosecution Force—June 27, 1973–August 2, 1974."

17. Kehrli affidavit, 3: Bruce Kehrli, Affidavit submitted to the House Judiciary Committee, July 25, 1974.

18. Roger Barth testimony, SSC Executive Session, June 6, 1974, 3–6: Senate Select Committee on Presidential Campaign Activities, Executive Session testimony, received by the House Judiciary Committee from the Senate Select Committee.

19. May 1974 Tape Report: "The EOB Tape of June 20, 1972: Report on a Technical Investigation Conducted for the U.S. District Court for the District of Columbia by the Advisory Panel on White House Tapes, May 31, 1974."

20. Stanford Research Institute (SRI) Report: "Review of a Report Submitted to the U.S. District Court for the District of Columbia Entitled 'The Tape of June 20, 1974, May 31, 1974.'"

21. HJC Debates, July 27, 1974, TR 288: House Judiciary Committee, Debates on Proposed Articles of Impeachment, July 24–30, 1974.

22. Memorandum from Director, FBI, to Attorney General, June 24, 1974: Documents received by the House Judiciary Committee from the FBI.

REPORT ON COMMITTEE ON THE JUDICIARY

Mr. O'NEILL. Mr. Speaker, I move to suspend the rules and agree to the House resolution (H. Res. 1333) taking notice of the actions of the House of Representatives and the Committee on the Judiciary on the investigation of impeachment grounds and the resignation of Richard M. Nixon, accepting the report of the committee, and commending the chairman and members of the committee.

The Clerk read as follows:

H. RES. 1333

Resolved, That the House of Representatives

(1) takes notice that

(a) the House of Representatives, by House Resolution 803, approved February 6, 1974, authorized and directed the Committee on the Judiciary to investigate fully and completely whether sufficient grounds existed for the House of Representatives to exercise its constitutional power to impeach Richard M. Nixon, President of the United States of America; and

(b) the Committee on the Judiciary, after conducting a full and complete investigation pursuant to House Resolution 803, voted on July 27, 29, and 30, 1974 to recommend Articles of impeachment against Richard M. Nixon, President of the United States of America; and

(c) Richard M. Nixon on August 9, 1974 resigned the Office of President of the United States of America;

(2) accepts the report submitted by the Committee on the Judiciary pursuant to House Resolution 803 (H. Rept. 93–1305) and authorizes and directs that the said report, together with supplemental, additional, separate, dissenting, minority, individual and concurring views, be printed in full in the Congressional Record and as a House Document; and

(3) commends the chairman and other members of the Committee on the Judiciary for their conscientious and capable efforts in carrying out the Committee's responsibilities under House Resolution 803.

The SPEAKER. Is a second demanded?

Mr. RHODES. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. O'NEILL) that the House suspend the rules and agree to the resolution, House Resolution 1333.

Mr. O'NEILL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 412, nays 3, not voting 19, as follows:

[Roll No. 505]

YEAS—412

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates

Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—3

Landgrebe
Montgomery
Passman

NOT VOTING—19

Anderson, Ill.
Aspin
Blatnik
Brasco
Davis, Ga.
Dorn
Gunter
Hanna
Hansen, Wash.
Hébert
Landrum
Latta
McSpadden
Nedzi
Podell
Rarick
Rooney, N.Y.
Stuckey
Van Deerlin

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

IMPEACHMENT INQUIRY REPORT

Mr. DEVINE. Mr. Speaker, in order to make it perfectly clear, the vote by which the House just accepted the report of the Committee on Judiciary was simply the formality of accepting it, and in no way suggests either approval or disapproval of the contents.

The procedural acceptance of the report was for the purpose of printing it in the RECORD, and no explanation or debate was possible, since at least 400 Members of the House had no knowledge as to its complete contents and recommendations.

I presume, Mr. Speaker, some Members may have further comments after having an opportunity to review the substantive material in the report. Suffice it to say at this time, a vote for the "acceptance" of the report should not in any way be construed as a vote for or against the recommendations in the report, nor for or against impeachment of the President of the United States.

Mr. WIGGINS. Mr. Speaker, I support the resolution and urge its adoption by the House.

There must be no misunderstanding concerning the purpose or intent of this resolution. It provides that the House of Representatives "accepts the report submitted by the Committee on the Judiciary" concerning the impeachment of Richard Nixon. The language just quoted can only mean that the report of the committee has been formally received by the House.

The word "accepts" is, admittedly, ambiguous in its meaning; but I am satisfied that its author and the House as a whole reject any implication that this resolution "approves" the committee report.

It must be remembered that the report itself has just been filed, is not yet printed, and has not been read by the Members of the House. The majority leader, the author of the resolution, would not call upon his colleagues to approve a report which they have not had an opportunity to study.

It must also be remembered that an approval of the resolution would be tantamount to adoption of the Articles of Impeachment by the House. No such intent should be impacted to the majority leader. I am satisfied that no person in responsibility would seek to place the House on record as impeaching a President of the United States without a full and formal debate on the proposed articles.

Finally, it must be remembered that the report which is to be "accepted" contains separate, supplemental, and minority views. Such conflicting views cannot be approved since they are contradictory; they can only be received.

With the understanding of the language of the resolution just expressed, which I believe to be the true intent of its author, I support its adoption.

Mr. DENNIS. Mr. Speaker, the Judiciary Committee has filed its report on the impeachment proceedings respecting President Nixon.

I signed the minority report and also filed individual views of my own, which set forth my views on this matter.

Today, August 20, 1974, the House has adopted a resolution in which it states that it "accepts" the report—including minority and individual views—which has been filed by the Judiciary Committee.

In voting for that resolution, as I did, I did so because, under its terms, the House surely "accepts"—that it receives and files—the report of the Judiciary Committee, and in no way approves of the same.

Obviously, there is much in the majority report of the Judiciary Committee which I do not approve, as is set forth in the minority views and in the individual views which I signed.

REQUEST FOR GENERAL LEAVE ON HOUSE RESOLUTION 1333

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would just like to observe that not one word was spoken in debate on the resolution just passed, no explanation was given of its terms, and not one word actually spoken will appear in the RECORD, and after this resolution will have been agreed to not one word will have been spoken in explanation of what is probably the last vote we will have on the issue of the impeachment of the former President. We were therefore supposed to vote blindly on a 500-page report that nobody has seen but the members of the Committee on the Judiciary.

This is a highly unusual procedure, and this Member objects to this procedure

Mr. O'NEILL. If the gentleman will yield, I would suggest that the gentleman take it up with the leadership on his side of the aisle.

Mr. BAUMAN. I think my protest applies to the leadership on both sides of the aisle.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

LEGISLATING IN THE DARK

Mr. BAUMAN. Mr. Speaker, I regret that the parliamentary situation during the consideration of House Resolution 1333 would not permit me or any other Members of the House to personally discuss the substance of the resolution or its meaning. I also regret that my objection to the unanimous consent request of the distinguished majority leader (Mr. O'NEILL) inconvenienced other Members of the House. Nevertheless, it is incredible to me that for whatever reason this resolution would be brought before the House under suspension of the rules without one word of explanation being offered as to its meaning.

I was particularly concerned regarding the language in the resolution which stated that the House of Representatives "accepts the report submitted by the Committee on the Judiciary." In view of the fact that no explanation of this phrase was given, I assume that the literal meaning of this language is that the House is presented this report and officially receives it by virtue of the resolution just passed. But the words could also be interpreted to mean that each and every Member who votes yes "approves" of the contents of this report. I personally voted "yes" only as a means of approving the receipt of this report by the House, and my vote does not indicate approval of its entire contents or the conclusions therein.

In view of the fact that no Members of the House except members of the Committee on the Judiciary had any chance to see this report, which has not even been printed under the rule, I felt constrained to raise this objection.

This is probably the last occasion on which the House will have a chance to vote regarding the issue of impeachment of the former President of the United States, Richard M. Nixon. The very least that we might have expected was a full discussion of the meaning of this report and that we did not receive.

PROVIDING FOR AN ADJOURNMENT FROM AUGUST 22 TO SEPTEMBER 11, 1974

Mr. O'NEILL. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 610) providing for an adjournment of the House from Thursday, August 22, 1974, to Wednesday, September 11, 1974, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 610

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, August 22, 1974, it stand adjourned until 12 o'clock noon on Wednesday, September 11, 1974, or until 12 o'clock noon on the second day after its Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT OF DEPLOYMENT OF U.S. FORCES IN NATO EUROPE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–271)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Armed Services and ordered to be printed:

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93–155), I am pleased to submit a report to Congress on our progress toward offsetting the balance of payments deficit resulting from the deployment of U.S. forces in NATO Europe.

President Nixon reported to the Congress on May 16, 1974 that the offset agreement concluded in April 1974 with the Federal Republic of Germany had a dollar value of approximately $2.22 billion over fiscal years 1974 and 1975. Of that amount, the fiscal year 1974 portion will total approximately $1.1 billion and will be directly applicable toward meeting the requirements of Section 812.

Since President Nixon's last report, the NATO Economic Directorate has concluded a study showing the payments for military-related items from the United States by allies other than the Federal Republic of Germany should amount to approximately $1 billion. When that amount is added to the fiscal year 1974 portion of the offset agreement with Germany, it becomes clear that the United States should be able to offset the $2.1 billion military foreign exchange expenditures resulting from the deployment of our forces in NATO Europe during fiscal year 1974. Accordingly, I can report to the Congress that the requirements of Section 812 should be met.

GERALD R. FORD.

THE WHITE HOUSE, *August 20, 1974.*

PERSONAL STATEMENT

Mr. MICHEL. Mr. Speaker, on Rollcall No. 504 on H.R. 2, the conference report on the pension reform bill, I was called to the telephone while the roll was being taken, and missed the rollcall vote. I would like the record to show that I would have voted aye.

DISTRICT OF COLUMBIA APPROPRIATIONS BILL, FISCAL YEAR 1975

Mr. NATCHER. Mr. Speaker, I call up the conference report on the bill (H.R. 15581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 15, 1974.)

Mr. NATCHER (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The gentleman from Kentucky (Mr. NATCHER) is recognized.

Mr. NATCHER. Mr. Speaker, this conference report provides for a total of $1,382,455,900 for fiscal year 1975, $663,273,900 of the total amount is District of Columbia funds. The amount of $303,709,500 of the total amount is Federal grants, which will be received by the District of Columbia and $5,103,500 represents the total for private grants and reimbursements to be received by the District of Columbia for fiscal year 1975. The Federal payment provided for in this conference is $221,200,000. The sum of $30,969,000 in revenue sharing funds will be received by the District of Columbia for fiscal year 1975.

In our Capital City we have about 746,000 people. The total of $1,382,455,900 is more than ample for fiscal year 1975. When you compare this amount with the amount expended by the 50 States in their annual budgets you will see that the District of Columbia receives considerably more per capita than nearly all of the States.

The amount contained in the House and Senate bill for the Federal payment was $221,200,000. This is $8,800,000 below the amount requested and $33,750,000 above the 1974 fiscal year amount.

The conference total is $481,100 below the House bill and $3,469,000 below the Senate bill. The total conference amount not including Federal and private grants is $40,451,100 below the amount requested in the budget. The total amount recommended in this conference report is $100,516,300 above the 1974 fiscal year amount.

The total amount for Federal loans provided for in this conference report is $152,600,000.

The conference report reflects the action of both Houses in currently funding expiring Federal programs for the Office of Planning and Management; Manpower Planning System, certain grants for the public library and funds for expiring Federal grants in the Adult Education Demonstration Center program here in our Nation's Capital.

Both Houses provided for a 10-percent salary increase for teachers, firemen and police, with the total sum of $18 million included in both bills. After the budget for fiscal year 1975 was passed in the House and after hearings were held in the Senate, a proposal was made to increase the salaries by 16 percent instead of 10 percent. The Mayor requested $18 million for a 10-percent increase and this was approved and the amount was placed in both bills. No request was made of our committee for a 16-percent increase during the budget hearings, and the deficit of $14 million is not provided for in this conference report. Suggestions were made that an additional one-shot Federal payment of $14 million should be approved to make up the deficit for salary increases. Mr. Speaker, of course this was refused. The budget submitted to the Congress was a political budget based on the premise that there was no increase in taxes on the part of the District Government, and the increases would come by way of a Federal payment and additional Federal grants and loans. The authorized Federal payment for fiscal year 1975 is $230 million. This is provided for under the home rule legislation. Prior to this time the total authorized Federal payment was $190 million.

Mr. Speaker, notwithstanding the fact that the District refused to increase taxes but still wanted additional programs and more money, we recommended a Federal payment of $221,200,000. This is $33,750,000 more than the amount that we approved for fiscal year 1974.

Mr. Speaker, about 67 percent of the increased costs requested for the operation of our city government in 1975 falls in the mandatory category.

We recommended and the House approved the restriction on the maximum number of positions authorized for any one month to the total of 39,619. This conference report provides for the funding of 38,467 employees.

The conference report provides for $35,379,000 for the fiscal year 1975 District of Columbia share for constructing the rapid transit system. Beginning in 1966 I inquired as to whether or not the 98-mile system authorized could be constructed for the authorized amount of $2.5 billion. The officials of the Washington Metropolitan Area Transit Authority informed me that there was no question but that the system could be constructed and would be within the amount authorized by law. At that time I stated that in my opinion this system would cost between $4 billion and $5 billion and each year since that time when the officials have appeared before our committee I have informed them that I still was of the opinion that the total cost would be between 4 and 5 billion. About 3 years ago, the officials in appearing before our committee finally said that the amount had gone up to $2,980,000,000 and that it was true that the system could not be constructed for the authorized amount. Again, Mr. Speaker, on August 8, 1974 the Metro officials raised their estimate for the cost of the 98-mile Metro rail system. The officials of the Washington Metropolitan Area Transit Authority then advised the Board that Metro's latest estimate is $3,970,000,000. This is $1.4 billion more than the original cost estimate.

Mr. Speaker, I have maintained from the very beginning that the people in the city of Washington and in the metropolitan area should be advised of all of the facts concerning the cost of the rapid rail transit system. In other words, Mr. Speaker, the officials should simply tell the truth. Now they say instead of telling the truth it is a matter of bad estimates and poor engineering. This sounds better to them than a statement to the effect that the truth has not been forthcoming down through the years concerning the total cost of this system.

Mr. Speaker, the total cost for constructing the 98-mile rapid transit system will be nearer the figure of $5 billion than $4 billion.

This conference report does not provide for the establishment of an Office of Business and Economic Development. The amount of $148,600 was requested for eight new positions for this purpose. When questioned, we could not ascertain just what type of new industries and industrial plants the District officials had in mind. This, of course, is not an industrial city and should never be placed in that category.

This conference report provides for general operating expenses for the various departments, agencies, and activities of $868,724,900. The amount includes $49,067,000 for debt service.

This conference report provides for $6 million for operating deficit for the Metro bus system. This amount now is predicted to go considerably higher and here again we have an instance of where a portion of our transportation system is in serious trouble. Certainly I did not agree that the system as operated under the District of Columbia Transit Co. was the best, but Mr. Speaker, the present day operation is certainly no better.

Mr. Speaker, this is a good conference report and we recommend it to the House.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1975 (H.R. 15581)—CONFERENCE SUMMARY

						Conference action compared with—			
Agency and item	New budget (obligational) authority, fiscal year 1974 [1]	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	New budget (obligational) authority, fiscal year 1974	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FEDERAL FUNDS									
Federal payment to the District of Columbia:									
General fund	$187,450,000	$230,000,000	$221,200,000	$221,200,000	$221,200,000	+$33,750,000	−$8,800,000		
Water fund	2,555,000	3,200,000	3,200,000	3,200,000	3,200,000	+645,000			
Sanitary sewage works fund	1,528,000	2,400,000	2,400,000	2,400,000	2,400,000	+872,000			
Total, Federal payment to the District of Columbia	191,533,000	235,600,000	226,800,000	226,800,000	226,800,000	+35,267,000	−8,800,000		
Loans to the District of Columbia for capital outlay:									
General fund	177,969,000	161,400 000	153,600,000	143,600,000	143,600,000	−34,369,000	−17,800,000	−$10,000,000	
Highway fund	11,900,000	9,000,000	9,000,000	9,000,000	9,000,000	−2,900,000			
Water fund	7,067,000					−7,067,000			
Sanitary sewage works fund	25,000,000					−25,000,000			
Metropolitan area sanitary sewage works fund	4,248,000					−4,248,000			
Total, loan appropriation to the District of Columbia	226,184,000	170,400,000	162,600,000	152,600,000	152,600,000	−73,584,000	−17,800,000	−10,000,000	
Grand total, new budget (obligational) authority, Federal funds	417,717,000	406,000,000	389,400,000	279,400,000	379,400,000	−38,317,000	−26,600,000	−10,000,000	
DISTRICT OF COLUMBIA FUNDS									
Operating expenses:									
General operating expenses	(75,696,000)	(83,258,000)	(76,878,000)	(78,078,400)	(77,524,400)	(+1,828,400)	(−5,733,600)	(+646,400)	(−$554,000)
Public safety	(211,105,000)	(212,748,000)	(211,529,000)	(207,527,000)	(207,226,200)	(−3,878,800)	(−5,521,800)	(−4,302,800)	(−300,800)
Education	(201,376,000)	(211,524,000)	(206,939,000)	(208,139,000)	(207,748,800)	(+6,372,800)	(−3,775,200)	(+809,800)	(−390,200)
Recreation	(15,040,000)	(14,940,000)	(14,852,000)	(14,902,000)	(14,902,000)	(−138,000)	(−38,000)	(+50,000)	
Human resources	(225,676,000)	(228,278,000)	(224,482,000)	(224,808,500)	(224,708,500)	(−967,500)	(−3,569,500)	(+226,500)	(−100,000)
Highways and traffic	(24,436,200)	(24,408,000)	(24,180,000)	(24,304,000)	(24,180,000)	(−256,200)	(−228,000)		(−124,000)
Environmental services	(48,187,000)	(49,147,000)	(48,258,000)	(50,347,000)	(50,347,000)	(+2,160,000)	(+1,200,000)	(+2,089,000)	
Personal services	(2)	(12,987,000)	(12,987,000)	(12,987,000)	(12,987,000)	(+12,987,000)			
Settlement of claims and suits	(222,000)	(34,000)	(34,000)	(34,000)	(34,000)	(−188,000)			
Total, operating expenses	(801,738,200)	(837,324,000)	(820,139,000)	(821,126,900)	(819,657,900)	(+17,919,700)	(−17,666,100)	(−481,100)	(−1,469,000)
Repayment of loans and interest	(39,633,000)	(49,067,000)	(49,067,000)	(49,067,000)	(49,067,000)	(+9,434,000)			
Capital outlay	(131,755,400)	(227,703,000)	(204,918,000)	(206,918,000)	(204,918,000)	(+73,162,600)	(−22,785,000)		(−2,000,000)
Grand total, District of Columbia funds	(973,126,600)	(1,114,094,000)	(1,074,124,000)	(1,077,111,900)	(1,073,642,900)	(+100,516,300)	(−40,451,100)	(−481,100)	(−3,469,000)

[1] Includes amounts in Second Supplemental Appropriations Act, 1974 (Public Law 93-305).

[2] Amount ($13,782,000) distributed to each appropriation above.

At this time I yield to my distinguished friend, the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. I thank the gentleman for yielding.

Is the $14 million sought for additional pay increases in the District of Columbia in this conference report?

Mr. NATCHER. This amount is not in the conference report, I would like to say to my distinguished friend, the gentleman from Iowa. As the gentleman will remember, in the regular bill for fiscal year 1975, the Mayor and the City Council requested $18 million for a 10-percent pay increase for the police, firemen and teachers. This was approved by the House. After the budget for fiscal year 1975 was approved and passed, then downtown someone decided that there should be an additional 6-percent increase in the salaries. This would total $14 million and this is the amount that the gentleman has pointed out to the House. This is not in the conference report.

At the time this matter was on the floor several weeks ago we stated at that time that we will not ask for this $14 million. There is $18 million for a 10-percent increase in the bill. This conference report includes no more than that amount for this purpose.

Mr. GROSS. I thank the gentleman.

I commend the committee of conference for not adding this money.

The gentleman may have given the figure but I would appreciate it if he would restate how much this conference report is above or below the bill as it was approved by the House.

Mr. NATCHER. This bill is $481,000 below the House figure and $3,469,000 below the Senate figure.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. NATCHER. Mr. Speaker, at this time I yield such time as he may consume to the distinguished gentleman from Indiana (Mr. Myers).

Mr. MYERS. Mr. Speaker, I rise in strong support of this conference report. As the distinguished chairman from Kentucky has already stated, the conference did a good job in improving the bill, both from the House version as well as the Senate version; but we should draw attention to the fact that this bill changes the financing of the District of Columbia rather substantially for the first time.

The conference report now contains $38,330,000 less than was authorized for the appropriation last year from Federal funds.

It does increase the responsibility of the District of Columbia to support itself, compared to last year's bill.

This conference report now requires that the District of Columbia funds will amount to $100,500,000 more than last year.

Much credit should go to the conferees and the chairman of the House conferees, the gentleman from Kentucky (Mr. Natcher), who acted as chairman in the conference with the other body.

Most of his well-organized proposals were accepted. I am happy to say, this conference took the least time of any I have served on. It must be said that the House position was retained in places where it really mattered. We saved the taxpayers of this country and we still came up with a good program for the District of Columbia.

Mr. Speaker, at this time I yield 5 minutes to the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Speaker, as a member of the subcommittee, also of the conference committee, I supported the measure as it went through the legislative process, but I did have some concern and I want to mention what that concern was.

I was concerned, and the record will reflect, that there was some padding of this budget, padding to be used later on for reprograming. I raised that point on a number of occasions. Despite my concern, I did support the bill and I did support the conference report; but Mr. Speaker, today I have just been made aware of another reprograming request that I think ought to be called to the attention of the Members of the House. It has strengthened my concern on these reprograming paddings to the extent I can no longer support this bill. I must vote no, if nothing more than to voice my objection to using reprograming as extensively as it is on the part of the District of Columbia government.

This is a reprograming request asking for $302,500, reprograming for the purpose of converting the heating plant at Lorton complex.

Mr. Speaker, I have no objection to that. I believe it is a necessary project, and worthwhile. My concern is where the money comes from. In a letter to the subcommittee chairman from the city government of the District of Columbia, they say:

> To fund this reprograming request, it is proposed that the $302,500 be transferred from project 22-141, the improvement to Youth Center No. 2.

They go on to say:

> Most of the work has been completed at Youth Center No. 2, and no other major improvements are anticipated.

Mr. Speaker, if that is the case, if most of the work has been completed at Youth Center No. 2 and no other major improvements are anticipated, why in the world was that $302,500 ever set aside for that purpose? As I said earlier, this strengthens my belief that considerable sums in this budget are padding for future reprograming requests. Mr. Speaker, I do not think that is being fair to the Congress. I think the District government ought to be more open with its budget requests.

For that reason, I will oppose this conference report.

Mr. DELLUMS. Mr. Speaker, as chairman of the Subcommittee on Education of the Committee on the District of Columbia, I urge adoption of the conference report on H.R. 15842, a bill to increase the rate of compensation for teachers in the District of Columbia public school system. Except for changing the effective date of the first increase from October 1, 1974, to September 1, 1974, the bill as passed by the House was adopted.

Basically, this bill provides for a two-step increase in the rate of compensation for teachers within the public school system as follows: 10 percent effective September 1, 1974, and an additional 3 percent effective January 1, 1975. This increase allows the school system to maintain its competitive edge in attracting qualified educational personnel to the District of Columbia public school system. With all education being in a state of flux, and with urban education being hit the hardest, I think the Congress should endeavor to provide the best educational services possible to school age citizens of the District of Columbia. I think a great step in the right direction will be taken with the adoption of the conference report.

Before closing my remarks, I would like to commend the gentleman from Michigan, Mr. Charles Diggs, chairman of the Committee on the District of Columbia for the diligent and dedicated work that he performed in guiding this legislation. For it is through this kind of effort that the citizens of the District of Columbia will be able to enjoy the fruits of citizenship, as do citizens of other jurisdictions.

Again, I urge adoption of the conference report.

Mr. NATCHER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 352, nays 58, not voting 24, as follows:

[Roll No. 506]

YEAS—352

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Badillo
Barrett
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hanley
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell

Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Sebelius
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—58

Archer
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Bray
Breaux
Burleson, Tex.
Camp
Clancy
Clawson, Del
Collier
Collins, Tex.
Conlan
Crane
Dickinson
Fisher
Flynt
Froehlich
Gross
Hammerschmidt
Hanrahan
Hinshaw
Huber
Jarman
King
Landgrebe
Lott
McCollister
Martin, N.C.
Mathis, Ga.
Mayne
Miller
Mizell
Moorhead, Calif.
Poage
Price, Tex.
Randall
Roberts
Robinson, Va.
Rousselot
Runnels
Ruth
Satterfield
Scherle
Schneebeli
Shuster
Spence
Steiger, Ariz.
Symms
Taylor, Mo.
Towell, Nev.
Treen
Waggonner
Wyman
Young, Fla.

NOT VOTING—24

Anderson, Ill.
Aspin
Brasco
Davis, Ga.
Dorn
Evins, Tenn.
Flood
Goldwater
Gunter
Hanna
Hansen, Wash.
Hébert
Landrum
Latta
McSpadden
Nedzi
Owens
Rarick
Rooney, N.Y.
Rosenthal
Seiberling
Steed
Stuckey
Van Deerlin

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Evins of Tennessee with Mr. Hanna.
Mr. Flood with Mrs. Hansen of Washington.
Mr. Rooney of New York with Mr. Owens.
Mr. Hébert with Mr. Dorn.
Mr. Nedzi with Mr. Anderson of Illinois.
Mr. Stuckey with Mr. Latta.
Mr. Van Deerlin with Mr. Goldwater.
Mr. Steed with Mr. Aspin.
Mr. Gunter with Mr. Seiberling.
Mr. McSpadden with Mr. Landrum.
Mr. Rosenthal with Mr. Rarick.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows: Senate amendment No. 5: Page 4, line 14: strike out "$211,529,000" and insert "$207,527,000."

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Natcher moves that the House recede from its disagreement to the amendment of the Senate numbered 5, and concur therein, with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$207,226,200."

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 9, line 17, insert: $3,100,000 may be used for (1) the construction of a fully enclosed swimming pool at the south end of the existing structures comprising the Woodrow Wilson High School, including appropriate landscaping of the structure enclosing such pool, (2) the construction of a single entrance to such pool from Fort Drive, and (3) the closing of the existing access road between Nebraska Avenue and Fort Drive at the south end of such high school, including appropriate landscaping at the present access road entrance to be closed; the use of such pool during periods other than regular school hours on regular school days and on days when school is not in regular session to be in accordance with the terms of a joint agreement between the District of Columbia Board of Education and the District of Columbia Department of Recreation, and on no day may the use of such pool extend beyond 9 p.m. and".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Natcher moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the two motions was laid on the table.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to, and that I be permitted to include a tabulation summarizing the action taken.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

NOMINATION OF NELSON A. ROCKEFELLER TO BE VICE PRESIDENT OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-257)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on the Judiciary and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of Section 2 of the Twenty-fifth Amendment to the Constitution of the United States, I hereby nominate Nelson A. Rockefeller, of New York, to be the Vice President of the United States.

Gerald R. Ford.

The White House, *August 20, 1974.*

DISTRICT OF COLUMBIA OMNIBUS BILL

Mr. DIGGS. Mr. Speaker, I call up the conference report on the bill (H.R. 15842) to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 15, 1974.)

Mr. DIGGS (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. Diggs) is recognized.

Mr. DIGGS. Mr. Speaker, the conference report contains the House provisions for increased compensation for policemen, firemen, and educational personnel, a 16-percent increase in salary for policemen and firemen effective the first of July and a 13 percent increase in salary for educational personnel effective in two steps, 10 percent of the first of September and the full 13 percent effective in January 1975.

Mr. Speaker, there are very few differences here between the House-passed version and the conference report, that it will not take but a moment to explain.

The conference report retains the House-passed financing plan which would require the local government to raise additional revenue or absorb the increases in compensation by either reprograming or reallocating funds from existing authorized funds. In other words, Mr. Speaker, the conference report does not contain an increase in Federal payment as recommended and passed by the Senate. The increases will be borne by the local government. The conference report also, Mr. Speaker, contains the House-passed provision relating to the revision and reform of real property tax administration in the District which will modernize and update the local capacity for that purpose.

The conference report also, Mr. Speaker, does not contain a Senate-passed provision that authorizes a 5-percent sales tax for parking in the District.

So we specifically stuck faithfully with the commitment that was made on this floor in the colloquy between myself and the distinguished chairman of the Appropriations Subcommittee (Mr. NATCHER). I believe this conference report reflects a sensible and reasonable approach to salary and taxation.

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman.

Mr. NATCHER. Mr. Speaker, I take this time to commend the gentleman from Michigan, the distinguished chairman of this committee, and the members of his committee on a job well done.

As the Members will recall, Mr. Speaker, several days ago this bill was on the floor of the House and at that time we discussed the proposed salary increases of policemen, teachers, and firemen. The distinguished gentleman, the chairman of the committee, knows full well that in the District of Columbia budget for fiscal year 1975 there is $18 million for a 10-percent increase in the salaries. The distinguished gentleman from Michigan approves of that increase. We do on our committee.

Mr. Speaker, I think they are entitled to this increase.

As far as the difference of $14 million that was suggested on the other side in a one-shot Federal payment, the distinguished gentleman from Michigan made the statement to the House that under no circumstances would he agree to it in the conference. That is the position he took, and I salute him.

Mr. Speaker, as one Member of the House I want to commend the gentleman and say to the Members of the House that the distinguished gentleman from Michigan is making a good chairman of his committee. He has a good staff, and he and his committee are doing a wonderful job for our Capital City.

Mr. DIGGS. I thank the gentleman from Kentucky for his generous references, wise counsel, and continued cooperation.

First, the conference report brings the salaries of the District of Columbia's policemen, firemen, and teachers abreast with today's inflated cost of living. This report retains the House- and Senate-passed provisions for an across-the-board increase of 16-percent in the compensation of policemen and firemen retroactive back to July 1 of this year. The previous salary increase for public safety personnel in our Nation's Capital was approved on August 29, 1972. Since that time, the Consumer Price Index in the Washington, D.C., metropolitan area has risen nearly 1 percent. Competitively, second to last with respect to minimum District of Columbia police privates are presently in last place and fire privates salaries, compared with those in the six surrounding local jurisdictions. This legislation will put them back in first place.

Teachers in the District of Columbia are subject to the same increases in the cost of living. The conference report again retains the House- and Senate-passed provisions raising the salaries of educational personnel by 10 percent on September 1, 1974, and a second increase of 3 percent will go into effect on January 1, 1975.

In line with granting salary increases, the legislation provides an orderly local procedure for review of future salary increases for these personnel. First, the conference report retains the House-passed provisions for an annual survey of salaries for local police, firemen, and teachers. Currently, and under home rule, District of Columbia classified employees automatically receive the same pay raises going to Federal classified employees, but no procedures exist for the timely review of these salaries for police, firemen, and education personnel. The legislation thus places these employees more nearly on a comparable basis with District classified employees. Second, the conference report builds on the House-passed provisions which establish a labor-management relations procedures for these employees. The report incorporates those sections of the Senate bill which utilize the Federal Mediation and Conciliation Service. The procedures thus included in this section are intended to conform substantially to the standard federally prescribed labor negotiation processes.

The third title of H.R. 15842 amends and places on a more equitable basis teachers' retirement annuities. The conference report retains the House and Senate passed provisions increasing annuities payable to retired teachers in the District of Columbia, raising the annuities of about 1500 retired teachers, many of whom are on fixed incomes and will be unable to keep pace with current economic conditions. The new level is equivalent to the minimum benefits available under social security—which is presently $93.80.

The third important function of this legislation is the revision and reform of real property tax administration in the District of Columbia to assure a more equitable sharing of this tax burden while at the same time raising sufficient local revenues to finance salary increases. The conference report retains provisions of H.R. 15842, which passed the House but were not included in the Senate-passed version to improve the administration of the real property tax through a program of annual assessments at full market value with adequate public information to assure understanding of this tax. The legislation will also establish a tax policy which promotes economic activity, diversity of land uses, and preservation of historic sites through deferral of tax payments and the granting of tax exemptions.

I would point out that after receiving expressions of concern from numerous government agencies and some members the conferees moved to delete the House-passed provision which would have taxed establishments leasing space in government buildings or on government land. The conferees also deleted the provision which would have extended the District's 5-percent sales tax to parking or storage space in garages or lots. This deletion, of course, does not effect the City Council's authority in this area. The conference report does retain the provision passed by both houses which deletes the 5-percent sales tax on admissions to cultural activities. This section should grant some much needed financial relief of these fine arts activities.

The fourth important aspect of this legislation is the authorization to the District of Columbia to raise local revenues to finance the salary increases provided for police, firemen, and teachers. As Members recall, the House bill included provisions, not in the Senate amendment, which authorized the local District of Columbia Council to meet salary expenses through increasing the rates of existing taxes including sales, use, cigarette, alcohol, and motor fuel taxes. Furthermore, the House bill authorized that the property tax rate for this year be established at an amount high enough to provide sufficient revenues to fund its employees' revised wage levels. The Senate bill simply authorized an additional special Federal payment of $14 million. I want to stress to Members today that the House provisions prevailed. This conference report does not authorize 1 cent more of additional Federal revenues to pay these costs. Rather the responsibility rests at the local government level to tap its own financial resources to meet this critical and valid expense.

Mr. Speaker, I believe this conference report reflects a sensible, reasonable approach to the salary, taxation, and revenue needs of the Nation's Capital. I move the adoption of the conference report on H.R. 15842.

Mr. NELSEN. Mr. Speaker, it will be noted in the report that virtually all of the Members signed the report.

On the point the gentleman from Kentucky (Mr. NATCHER) refers to, the House conferees did adhere to his admonitions made prior to conference and I think justly so.

I want to thank our chairman and the gentleman from Kentucky (Mr. NATCHER) for bearing down on the original proposal that came over from the other side. It had good results.

Finally, I wish to say that I have some concern with part 2, title I of this bill having to do with collective bargaining and binding arbitration and title IV having to do with real estate assessment reform. Much of this in my opinion should have been left for the locally elected District of Columbia Government when they take office in January. But, that was not the will of our committee on the conferees.

Mr. Speaker, I have no further request for time.

Mr. REES. Mr. Speaker, today the House is considering the conference report on H.R. 15842 which raises salaries for District of Columbia policemen, firemen, and teachers and which revises the property tax law in the District of Columbia. As chairman of the District of Columbia Subcommittee on Revenue and Financial Affairs responsible for considering much of this legislation, there are certain points which I would like to note for the legislative history of this bill.

First. Section 112 of the bill specifies the arbitration procedures to be followed in the event that negotiations for contract provisions or salary and related recommendations to the City Council do not reach an agreement. I am sure that it is the hope of all concerned with this legislation that good faith bargaining between the Mayor and the employee organizations will result in agreements without the need to resort to arbitration. The original House passed bill had provision for last best offer, total package arbitration on the grounds that this form of arbitration most encouraged serious bargaining—and such form could be ordered by FMCS under H.R. 15842. The arbitration provision was included at this time to assure interim procedures for resolving public safety disputes in the Nation's Capital where strikes are illegal and where other types of job action could have serious consequences for the smooth operation of the Federal Government. It should be noted, however, that when personnel procedures are reviewed by the District government under section 422 (3) of the home rule bill (P.L. 93–198), the procedures contained in H.R. 15842 could certainly be modified—subject to possible congressional veto. It should also be noted that the arbitration provision of H.R. 15842 is not binding on the City Council with respect to levels of compensation or other items requiring action by the City Council nor is it binding on the Congress should Congress wish to veto local government decisions or adopt alternative legislation.

Second. The provisions of section 430 authorizing the deduction of up to $3,000 of estimated market value for some or all single family property is effective as of July 1, 1974, and is intended to be available for application in fiscal year 1975—the first year that all property is assessed on an equalized basis. The effect of such a deduction to prevent a burden shift to single family property, especially property of a value most likely to be occupied by persons of low and moderate income, is shown in the attached tables. For fiscal year 1975, when the assessed value is 55 percent of estimated market value, the value of the deduction is 55 percent of $3,000.

Third. The provisions of several parts of title IV, especially subpart B—assessment and administration—take effect progressively from the date of enactment. It is intended that all provisions be effective for the 1976 fiscal year which in many cases involves activity beginning shortly after the date of enactment. Certain existing provisions of law are terminated as of June 30, 1975, to assure that there will be no gap created in the law. It is intended that where there is any conflict that the new provisions will be controlling for all matters concerning fiscal year 1976.

Certain of the rate setting procedures of subpart A—real property tax rate—are effective for the fiscal year 1975 tax. It should be noted that for 1975 the minimum yield provisions of section 461 supersedes section 412 to the extent necessary to secure adequate financing for the police, fire, and teachers pay bills. It is expected that the 30 days allotted to the Mayor to recommend a rate and the basic 30-day period available for the City Council to act will be sufficient time to adopt a rate for 1975 and to complete arrangements for financing the pay bills.

It should also be noted that the last "except" clause in section 478 is not intended in any way to modify any of the specific effective date provisions appearing in part 1 and subparts A through G or part 2.

Fourth. Several tables which relate to property tax provisions of title IV are attached:

TABLE 1.—ESTIMATED POTENTIAL REVENUE LOSS FROM CIRCUIT BREAKER PROVISION OF H.R. 15842, AS ADOPTED BY THE HOUSE

	Estimated maximum full year revenue cost if all persons claim benefits						Cost in fiscal year 1976 (thousands)	
	Owners[1]		Renters					
Household income class	Number	Average relief	Number	Average relief	Estimated total cost	Total number	85 percent of owners claim	75 percent of renters claim
Under	6,295	$168	36,845	$46	$2,764,177	43,140	$899	$1,271
$3,000 to $4,999	4,217	100	24,214	57	1,809,777	28,431	358	1,035
$5,000 o $6,999	2,107	72	13,133	34	598,856	15,240	129	335
Total	12,619	129	74,192	48	5,172,810	86,811	1,386	2,641
1976 cost							4,027	

[1] A 3,000 single family exemption is assumed for owners, the maximum authorized in H.R. 15842, as adopted. The circuit breaker applies to income tax law for calendar year 1975 (processed in April 1976) and, therefore, first affects revenue for fiscal year 1976.

Note: Data is estimated from the 1970 census and has not been adjusted for inflation (which raises value, rents, and incomes) nor for the income definition or eligibility criteria of H.R. 15842, as adopted.

Source: House District Subcommittee on Revenue and Financial Affairs, based on information provided by the District of Columbia Department of Finance and Revenue.

TABLE 2A.—TAX BURDEN SHIFT PROPOSED BY DISTRICT OF COLUMBIA GOVERNMENT FOR FISCAL YEAR 1975

[In percent]

Type of property	Proportion of burden originally projected for fiscal year 1975[1]	District of Columbia government plan, fiscal year 1975[2]	Proportion of burden shifted	Rate of change in proportion of tax burden
Single family:				
Owner	23.48	26.06	+2.58	+11
Renter	11.26	12.50	+1.24	+11
(Subtotal)[3]	(35.63)	(39.55)	(-3.92)	
Multifamily:				
Owner	.96	.90	−0.6	−6
Renter[2]	22.08	20.73	−1.35	−6
Commercial[3]	41.33	38.81	−2.52	−6
Total	100.00	99.99	−.01	

[1] Original projection was for 65 percent assessment for commercial property and 55 percent for residential property.

[2] Based on 55 percent of market assessments for all property.

[3] Includes vacant land.

Source: House District Subcommittee on Revenue and Financial Affiars, calculated from "Analysis of Fiscal Year 1975 Estimated Real Property Tax Base by Category of Property," District of Columbia Department of Finance and Revenue, January 1974.

TABLE 2B.—TAX BURDEN SHIFT IN H.R. 15842, AS ADOPTED BY THE HOUSE

[In percentage]

Type of property	Proportion of burden originally projected for fiscal year 1975 [2]	H.R. 15842, as adopted: Fiscal year 1975, single family exemption only [3]: Burden	Proportion of burden shifted	Fiscal year 1976, single family exemption plus circuit breaker [4]: Burden	Proportion of burden shifted
Single family:					
Owner	23.48	24.28	+0.80	23.82	+0.34
Renter	11.26	11.64	+.38	11.46	+.20
(Subtotal) [1]	(35.63)	(36.95)	(+1.32)	(36.34)	(+.71)
Multifamily:					
Owner	.96	.94	−.02	.89	−.07
Renter [1]	22.08	21.62	−.46	21.08	−1.00
Commercial	41.33	40.48	−.85	41.69	+.36
Total	100.00	99.99	−.01	100.00	0

[1] Includes vacant land.

[2] Original projection was for 65 percent assessment for commercial property and 55 percent for residential property.

[3] Exemption assumed is $3,000 (maximum possible under H.R. 15842) applied to 66,562 owner-occupied and 31,878 renter-occupied single family residential property.

[4] Circuit breaker revenue loss of $4,000,000 for 1976 is the equivalent of a loss in the tax base of approximately $200,000,000. The effect of the circuit breaker is estimated by subtracting the following component of $200,000,000 from the total assessed value of categories: Single family homeowners, $80,000,000; single family renters, $35,000,000; multifamily owners, $5,000,000; multifamily tenants, $80,000,000. It should be understood that, in fact, these amounts are rebates of taxes paid. In the case of rental property the owner pays the tax, and the tenant gets the rebate. Since the adjustment is to the 1975 tax base, the percentages for fiscal year 1976 are approximate.

Source: District Subcommittee on Revenue and Financial Affairs, based on the same information as table 2A, adjusted as stated in footnotes.

TABLE 2C.—TAX BURDEN SHIFT IN H.R. 15842, AS ADOPTED, COMPARED WITH DISTRICT OF COLUMBIA GOVERNMENT PLANS FOR FISCAL YEAR 1975

[In percent]

Type of property	Proportion of burden shifted under District of Columbia government plan	Proportion of burden shifted under H.R. 15842, as adopted: Single-family exemption (fiscal year 1975)	Exemption plus circuit breaker (fiscal year 1976)
Single family:			
Owner	+2.58	+0.80	+0.34
Renter	+1.24	+.38	+.20
(Subtotal)	(+3.92)	(+1.32)	(+.71)
Multifamily:			
Owner	−.06	−.02	−.07
Renter	−1.35	−.46	−1.00
Commercial	−2.52	−.85	+.36

Source: Tables 2A and SB.

TABLE 3.—YIELD FROM FROM DISTRICT OF COLUMBIA PROPERTY TAX IN FISCAL YEAR 1975 UNDER ALTERNATE ASSUMPTIONS

[Millions of dollars]

Type of property	1974 yield ($1.83 and $2.16) [1]	Original 1975 plan ($1.83 and $2.16)	Current District of Columbia plan [2]: $1.83	$2.00	$2.16	H.R. 15842, as adopted [3]: $1.83	$2.00	$2.16
Single family:								
Owners	32.2	34.3	34.5	37.6	40.6	30.8	33.3	36.3
Renters	15.7	16.4	16.5	18.0	19.4	14.7	16.1	17.3
(Subtotal) [4]	(49.1)	(52.0)	(52.2)	(57.0)	(61.6)	(46.8)	(51.1)	(55.2)
Multifamily [4]	32.0	33.4	28.5	31.2	33.7	26.5	29.1	31.5
Commercial [4]	57.2	60.4	51.2	55.9	60.4	51.2	55.9	60.4
Total	138.3	145.8	131.9	144.1	155.7	124.5	136.1	147.1

[1] The rate of taxation if $3.32 per $100 of assessed valuation which, when applied to single family property assessed at 55 percent of market value is the equivalent rate of $1.83 on full value, and which, when applied to multifamily and commercial property assessed at 65 percent, is the equivalent rate of $2.16 on full value.

[2] Assessment at 55 percent of full market value for all property.

[3] Includes maximum $3,000 exemption for single family property authorized in H.R. 15842, as adopted.

[4] Includes vacant land.

Source: House District Subcommittee on Revenue and Financial Affairs. 1974 yield is from table C of the District of Columbia Department of Finance and Revenue paper, "Real Estate Information Paper," released October 1973. Estimates of 1975 tax yield are calculated from the table, "Analysis of fiscal year 1975 Estimated Real Property Tax Base by Category of Property," District of Columbia Department of Finance and Revenue, January 1974.

TABLE 4.—EXAMPLES OF DISTRICT OF COLUMBIA PROPERTY TAXES PAID: FISCAL YEAR 1974 COMPARED WITH ALTERNATE ASSUMPTIONS FOR FISCAL YEAR 1975

[Tax in dollars]

Yield, rate, type, and estimated market value of property	1974 actual	Original estimate for 1975	Present plan for 1975 (no single family exemption): Amount	Amount	1975 under H.R. 15842 ($3,000 single family exemption): Amount	Amount
Yield from tax (millions)	138.00	146.00	132.00	146.00	132.00	146.00
Tax rate(s)	1.83/2.16	1.83/2.16	1.83	2.03	1.91	2.12
Single-family property:						
$20,000	366	366	366	406	324	360
$25,000	458	458	458	508	420	466
$35,000	640	640	640	710	611	678
$50,000	915	915	915	1,015	898	996
Apartment house: [1]						
$200,000	4,320	4,320	3,660	4,060	3,820	4,240
$2,000,000	43,200	43,200	36,600	40,600	38,200	42,400
Commercial:						
$500,000	10,800	10,800	9,150	10,150	9,550	10,600
$10,000,000	216,000	216,000	183,000	203,000	191,000	212,000

[1] Condominium and cooperative apartments are considered presently as apartment houses.

Source: House District Subcommittee on Revenue and Financial Affairs.

Mr. DIGGS. Mr. Speaker, I have no further request for time. I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members be permitted to revise and extend their remarks on the conference report on H.R. 15842, just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZING CLERK OF HOUSE TO MAKE CORRECTION IN ENROLLMENT OF H.R. 15842, DISTRICT OF COLUMBIA OMNIBUS BILL

Mr. DIGGS. Mr. Speaker, collaterally I ask unanimous consent for the immediate consideration of House Concurrent Resolution 611, which is purely to correct a printing error on page 18 of the conference report.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 611

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill (H.R. 15842) to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes, is directed to make the corrections described as follows:

In section 202(2), Teachers and School Officers Salary Schedule (which is effective on the first pay period beginning on or after January 1, 1975), strike out in class 15 "Group D—Doctors", and insert in lieu thereof "Group D, master's degree + 60 or doctor's".

The concurrent resolution was agreed to.

A motion to reconder was laid on the table.

CONFERENCE REPORT ON S. 3703, DISTRICT OF COLUMBIA CRIMINAL JUSTICE ACT

Mr. DIGGS. Mr. Speaker, I call up the conference report on the bill (S. 3703) to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 15, 1974.)

Mr. DIGGS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, this conference report is also faithful to the House-passed version except to include two additional categories of indigent defendants; namely, those who are mentally ill and those who are juvenile. Both of these new categories were mandated by the U.S. Supreme Court cases that came subsequent to the request or sponsorship of this measure from the local government.

The conference report also makes certain that the funds are local and not Federal funds and the conference report provides also, Mr. Speaker, a plan for 2 years rather than without any limitation as originally conceived of on the House side.

So, Mr. Speaker, I urge favorable consideration of the conference report.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDING ACT OF SEPTEMBER 26, 1966

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14402) to amend the act of September 26, 1966 (Public Law 89-606), as amended, to extend for 2 years the period during which the authorized numbers of the grades of lieutenant colonel and colonel in the Air Force are increased, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Strike out all after the enacting clause and insert:

That beginning with October 1, 1974, through September 30, 1976, the columns under the headings "For colonels" and "For lieutenant colonels" contained in the table in section 8202(a) of title 10, United States Code, are suspended. For such period such columns shall read as follows:

"For colonels	For lieutenant colonels
3,395	6,370
3,743	7,552
4,091	8,733
4,440	9,914
4,788	11,095
5,136	12,276
5,484	13,452
5,833	14,638
6,181	15,819
6,528	17,001
6,876	18,162
7,226	19,363
7,573	20,544
7,921	21,726".

Amend the title so as to read: "An Act to amend section 8202(a) of title 10, United States Code, to extend for two years the period during which the authorized number for the grades of lieutenant colonel and colonel in the Air Force are increased."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FEDERAL MASS TRANSPORTATION ACT OF 1974

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12859) to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12859) with Mr. SYMINGTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, August 15, 1974, it had agreed that section 2 of the substitute committee amendment ending on page 72 line 7, be considered as read and open to amendment at any point. Are there any further amendments to section 2?

AMENDMENT OFFERED BY MR. SHUSTER

Mr. SHUSTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHUSTER: Page 58, line 6, strike out "be" and insert in lieu thereof "not exceed".

Page 58, line 10, strike out "be" and insert in lieu thereof "not exceed".

Mr. SHUSTER. Mr. Chairman, the original committee bill had flexible language in it which provided that the Federal share would "not exceed" 75 percent construction and 50 percent for operating subsidies. This was changed in the committee such that the Federal share "shall be" 75 percent and 50 percent respectively.

Mr. Chairman, it is just wrong to have such rigidity built into this bill. It is wrong to force the Secretary of Transportation to have to make a choice between awarding 75 percent of the cost of the project or nothing. That is the whole choice which the Secretary will have under the language which is now in the bill, 75 percent or nothing.

There can be cases where in the judgment of the Secretary a project may be worthy of a 40 percent or a 50 percent Federal share, but under this language the Secretary cannot make that judgment. It has got to be 75 percent or zero.

In that case it would be zero. The city would get nothing.

There can also be cases in which a community—and get this—in which a community may need only 40 percent or 50 percent of the Federal share and yet under this legislation the Secretary would be forced to award 75 percent or nothing. Again it would probably be the city which would be the loser, because it would get nothing.

Or, there can be cases where there may be two good projects—two equally good projects—and not enough dollars to go around. If we are faced with this kind of situation, instead of the Secretary awarding 30 or 40 or 50 percent to one, he is put in the untenable position of having to award 75 percent to one city and zero percent to another city. This is just wrong. It is not good legislation, in my considered judgment.

I urge the committee to adopt the original language which was proposed in the committee bill, which provides that the Federal share payable for the construction of facilities and equipment for use in providing public mass transit service shall "not exceed" 75 percent of the cost of such project and likewise, similar language is provided for operating subsidies. I urge adoption of this amendment.

Mr. ROE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the committee, I have listened quite patiently—and I am sure the Members of the committee have—to the most adroit presentation made by our friend from Pennsylvania. He was talking about a number of things. He was basically talking about as to whether or not we are really going to make a commitment to transportation or not.

If we are going to get to the point where we now have given practically the prerogative to the Secretary of Transportation to make his determination on the operation of this program, we are coming back and saying that we are going to cut the bill down from $20 billion to some other figure. We have cut down and diluted severely—aborted, if you like—this key element of the bill, which is the 50 percent matching grant aspect of the subsidy. We are getting to the point that by the time this day—or night—is over, unless we reject these amendments, we are going to have no bill at all. It is a farce, upon the American people.

What we are talking about, what we are saying is that this committee, both the minority and the majority sides, stood up toe to toe, arm in arm against this amendment, against developing political control. We said that the Federal Government has to stop the nonsense; either it be committed to a transportation program and not be committed to a program. We walked arm in arm and agreed in the water quality legislative program that in order for it to be effective we would have to establish mandatory grants for each community, each city, so that they would be treated fairly and that we would not relate it to the vicissitudes of politics.

My good friends, my smiling, great colleagues from the minority side, agreed in fair play and unity to get a job done for America. This is the way to do it.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I would remind the gentleman, a fellow member of the Water Pollution Conference Committee, that it was in the conference committee that we inserted, in the closing day of the conference, the words "not to exceed" the level of funding authorized for each year.

Mr. ROE. That we are going to apply in the whole bill, and I subscribe to the statement of the gentleman from California, but the fact remains that we did say to the Secretary of EPA, "You have got to do it fairly and you have got to mandate the grants."

There was a reason for that. This was not something we picked out of the wind or the air. We said, "If people have legitimate programs to require these kinds of funds to pay to build the facility they should be accommodated."

This is what it was all about. How can we talk about a national commitment to the environment of the country and establish the principle of mandatory grants for which we give the right of basic formula over a 6-year period, and at the same time come back and say that we are doing our job on mass transportation? We are dewatering, denuding, deluding the legislation and a disservice to the people.

Mr. Chairman, I urge my colleagues to at least try to work with the communities, with the cities, and strongly oppose this amendment as not being in the best interests of the mass transit problems of the United States.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to oppose the amendment. I would like to point out to my colleagues that in dealing with mass transportation, it seems to me very strange that where we have already made a recommendation for Federal matching share, we now want to place it in the twilight area of uncertainty.

I am sure that the gentleman knows that under the Urban Mass Transportation Act which now exists, the Federal share is 80 percent and the non-Federal share or the local contribution is 20 percent.

The bill we now consider already cuts the Federal share to 75 percent and the local or non-Federal share is 25 percent as far as capital construction is concerned.

I refer the gentleman to another important transportation bill, and that is the Highway Act, where the Federal share again is 80 percent in some cases with 20 percent as the local share, and in some instances the Federal share is 90 percent and the local share is 10 percent.

Why, I wonder, does the gentleman wish, in an area which he admits, by the way, though we may have differences, is a very important area, in which there should be a partnership of Federal and non-Federal moneys, that we should suddenly place public mass transportation in a twilight zone of uncertainty?

The question I have asked is rhetorical. It does not require an answer, and the reason it is in a twilight zone is that, after all, we are talking about being able to purchase, to plan, to project, and to build.

We cannot do that if the gentleman's amendment were to succeed for we won't be placed in a situation in which there was the uncertainty of never knowing what the Federal share would be. Therefore, we would never really know how much we could depend upon in terms of what we would have to raise for the non-Federal share.

In effect, this is legislative impoundment because it would allow the Secretary to reduce the Federal share to any level, and without any valid reason. I think it gives too much discretion to the Secretary.

With respect to the second part of the gentleman's amendment, which refers to operating subsidies, we have already cut that. We have already seen to it, by a previous amendment, that the share shall be one-third Federal and two-thirds non-Federal.

I ask the gentleman, again rhetorically, is it not his intention to destroy this bill entirely? As it now stands a locality is going to have to provide two-thirds of the money for operating assistance while the Federal Government, only in this transportation bill, and in no other transportation bill, must provide only one-third? Nevertheless, the gentleman seeks to change the Federal Government requirement to "not to exceed one-third," so it could be one one-hundredth or one-tenth. Who knows?

We cannot build transportation in this way.

We have already cut the Federal share. We are imposing a greater responsibility on the localities, and I think this body, therefore, should reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The question was taken; and on a division (demanded by Mr. SHUSTER) there were—ayes 7, noes 34.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: On page 47, line 19, strike out the period, insert a comma and the following: "except that the Secretary shall not make grants under this subsection to any one urbanized area in any fiscal year in excess of ten per centum of the total amount authorized to carry out this subsection in that fiscal year."

Mr. WRIGHT. Mr. Chairman, this amendment would simply limit to not more than 10 percent of the total funds available under category C the amount that the Secretary might grant under that category to any one urbanized area.

A few days ago the gentleman from Texas (Mr. MILFORD) offered a similar amendment which would have applied to categories A and B. The House apparently felt that it was inappropriate with respect to category A inasmuch as there are only nine enumerated communities presently included in category A, although I believe it was the intention of the gentleman from Texas (Mr. MILFORD) that we should anticipate the possible future admission of additional communities.

The House probably felt that such a limitation was unnecessary with respect to category B, since category B's funds are distributed in any event to the States upon a population formula.

However, category C lends itself ideally to the application of such a restriction since category C contains 27 percent of all the moneys authorized in this bill and since the disbursement of this money is entirely discretionary with the Secretary of Transportation. Under category C as the bill presently is drafted, the Secretary presumably and at least conceivably could grant all of that money to one urbanized area of the 269 which are intended to be covered by this section.

Therefore, it seems logical to me that as a protection for all of those ubanized areas we at least ought to have this minimum restriction that in any given calendar year no more than 10 percent of those discretionary funds should be granted to any one urbanized area. This would afford some measure of protection for the other 268.

I do not believe that this is unrealistic. Certainly it would not be inconsistent with our previous actions. The UMTA legislation imposed a restriction of not more than 12 percent for any one State.

This would not be unduly restrictive to any community in my opinion, since 10 percent of the amounts authorized in the present bill for fiscal year 1975 would be $20 million, to which the Secretary would be held for any one community. For fiscal year 1976, it would simply prevent his giving any one community more than $67 million under category C, for fiscal year 1977 not more than $110 million, or for the entire fiscal period of 6 years he could not give more than $539 million from category C to any one of the 269 communities. Surely that is a substantial amount of money for any one community to receive, particularly since it would come in addition to the amounts guaranteed under category B.

So I think it is a reasonable restriction and one with which the Members surely should agree.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, what would the effect be if we estimated the population of, say, the most populous city that could take advantage of category C, which would be Los Angeles, I assume? Figuring it on a population basis, it may be 10 percent, but on a ridership basis it would be in excess of 10 percent, I assume?

Mr. WRIGHT. Mr. Chairman, the figures as to ridership are not available to me.

Mr. LUKEN. But on a population basis?

Mr. WRIGHT. On the question of population, I think Los Angeles would be as close as any other community to 10 percent, but I doubt that it would come to 10 percent of the entire urban population of the country.

In any event Los Angeles would be guaranteed its pro rata share on the population basis of its funds included in category B. Now, under category C there is no guarantee to any community, and there also is no restriction. Under the existing language it is with the Secretary of Transportation. He may give it all to one community or he may divide it equally among all the communities, or he may do whatever he wishes with all or any part of it.

Mr. LUKEN. Mr. Chairman, if the gentleman will yield further, would the gentleman agree that if Los Angeles has more than 10 percent of the population, it should have a proportionate division on category C?

Mr. WRIGHT. I would agree that under category B Los Angeles is entitled to whatever percentage of the urbanized population of the country it represents, and it will receive that under category B.

Mr. LUKEN. But that is a small percentage.

Mr. WRIGHT. Mr. Chairman, that would be earmarked for Los Angeles under category B. No other community would have access to it. Under category C, however, it seems to me that there ought to be some realistic restriction so as to prevent the Secretary at his whim from giving all the money or one-half the money or one-fourth the money to any one community, since there are 269 communities to be covered under that category.

Mr. LUKEN. Mr. Chairman, if the gentleman will yield further——

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MILFORD, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.)

Mr. MILFORD. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, I rise in support of the amendment offered by my colleague from Texas (Mr. WRIGHT).

Earlier, while this bill was being debated, I offered a similar amendment that would have applied to all categories.

As I have already pointed out that 54 percent of the money authorized in this bill goes to only nine cities containing only 18 percent of our population.

Therefore, I hope that we can at least fairly divide those funds authorized under category "C."

I urge support for this amendment.

Mr. ANDERSON of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Texas, Mr. WRIGHT.

Presently, I do not believe any of us have any actual knowledge of exactly how much Los Angeles, or any urbanized area would receive out of the category "C" money, but it is my understanding that on a population basis, if Los Angeles stays in the "B" and "C" categories, as they presently are, and does not choose to go up into the category "A", Los Angeles would be entitled to about 20 percent of the "B" money. One would think we should be entitled to, on a pro rata basis, at least that share if the Secretary felt that Los Angeles could justify that amount.

What this amendment would do would be to allow the "A", "B", and "D" money to go just like it is at the present time, but would limit money in category "C" to no more than 10 percent to my urbanized area.

As I see it, at the present time, this would work directly against the city of Los Angeles. I do not know whether it would work against any other cities that are in the "B" and "C" categories, but it would work against Los Angeles, and I think this is unfair since we have tried to work out a formula that would benefit both the big cities of this country which have rail systems like New York and Chicago, and also try to work out a formula that would benefit areas like Los Angeles, Detroit, and other cities that are going to build a system and do not have one at the present time.

This amendment would be a step in the wrong direction, since some of the "B" category cities, such as Los Angeles will need more than 10 percent of the "C" money if they are going to construct a fixed guideway system.

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield, I believe the gentleman is contending that Los Angeles does represent 10 percent of the whole urbanized population of the country. Is that correct?

Mr. ANDERSON of California. Los Angeles has over 10 percent of the urbanized area population of cities in category "B," but would receive at least 20 percent of the "C" money I was told.

Mr. WRIGHT. If that were true, I believe Los Angeles would be entitled to some $375 million under category B. This amendment would allow the Secretary to give up to $539 million more for the 6 years under category "C" if he desires, for a total of more than $900 million, almost a billion dollars. Does not the gentleman from California feel that should be enough for any one community?

Mr. ANDERSON of California. On a pro rata basis of people in the area, this would be a fair amount. It would also be on a population basis. Under this category there is discretion for the Secretary. There is a certain amount of money that could be used at his discretion so that if the particular community needed more funds—more than 10 percent in a particular year—the Secretary can have that authority. I do not think we should tie his hands. I do not think we should work against any one city. I think that this is the wrong approach.

I ask for a "no" vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas, Mr. WRIGHT.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WRIGHT. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I make the point of order that a quorum is not present, and I object to the vote on the ground that a quorum is not present.

The CHAIRMAN. The Chair will state to the gentleman from Texas that the gentleman cannot object to the vote on the ground that a quorum is not present in the Committee of the Whole.

Does the gentleman from Texas care to pursue his point of order that a quorum is not present?

PARLIAMENTARY INQUIRY

Mr. WRIGHT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. WRIGHT. Mr. Chairman, do I understand the ruling of the Chair to be that it is impossible to object to a vote on the ground of the absence of a quorum while in the Committee of the Whole House on the State of the Union?

The CHAIRMAN (Mr. SYMINGTON). The Chair will state that that is correct.

Mr. WRIGHT. In that case I withdraw my point of order.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 62, strike out line 2 and all that follows down through and including line 3 on page 63 and insert in lieu thereof the following:

"(a) Within one year of the date of enactment of this section, the Secretary shall, within the Office of the Secretary, develop, test, and prescribe a system for reporting urban mass transportation financial and operating data and information by uniform categories and a uniform system of accounts and records, and to insure factual accuracy, timeliness, and objectivity in identifying, collecting, and reporting such data and information. Such data and reporting system shall be in full operation within two years of the date of enactment of this section.

"(b) The Secretary is authorized to require annual, periodic, or special reports (1) from public or private properties which are engaged in the provision of intraurban area transport services, and (2) from local public bodies which are responsible for regulating or otherwise supervising such properties.

"(c) Periodic or special reports or information duly required by the Secretary under the provisions of this section shall be submitted under oath. In case of failure or refusal on the part of any property or local public body to keep accounts and records in the form and manner prescribed and to provide accurate and timely reports or information duly required by the Secretary, such property or public body shall be declared by the Secretary ineligible for any Federal financial assistance as provided under this Act. Such properties or local public bodies shall remain ineligible for such assistance until found to be in compliance with all requirements by the Secretary.

"(d)(1) The Secretary shall report to the Congress annually on the conduct of the functions under this section and the effectiveness of its data identification, collection, analysis, and reporting procedures, together with such recommendations for legislation as he may deem appropriate.

"(2) Except as otherwise provided by law, the Secretary shall make public all reports, orders, decisions, rules, and regulations issued by him on the status and performance of urban transport systems and services.

"(e) None of the provisions in this section shall be construed to authorize the Secretary to regulate in any manner the operation of any public mass transportation service or system, but nothing in this subsection shall be construed to negate the obligation of the Secretary to take such action as may be necessary to require compliance by the properties or local public bodies involved with duly authorized undertakings by the Secretary.

"(f) The Secretary is authorized to appoint, without regard to the civil service provisions of title 5, United States Code, such advisory committees as shall be appropriate for the purpose of consultation with and advice to the Secretary in performance of his functions. Members of such committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those authorized for individuals under section 9 of the Department of Transportation Act, and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(g) The activities of the Secretary under this section shall not be subject to the provisions of chapter 35 of title 44, United States Code.

Mr. FRENZEL. Mr. Chairman, the amendment which I have offered and which the committee has graciously allowed not to be read is quite a simple one.

Mr. Chairman, I appeared before the Committee on Public Works with the suggestion that we had insufficient data on which to base any kind of capital request or operating subsidies payment and found to my delight that the committee had already discovered that fact in its field hearings. The committee subsequently established a section requiring a data reporting system and a financial reporting system. The committee's system appears on page 62 of the printed bill.

I congratulate the committee on taking that step. I think it is absolutely essential. But, Mr. Chairman, I do not think the committee went far enough. The amendment which I am offering will change the timing of that data reporting section so that instead of making it effective within approximately 4 years as the committee does within its bill, under my amendment the data reporting system will become effective within 2 years.

Reading from the committee report, the committee says that only after we have this data, only after this is accomplished, "can there be reasonable possibility that the mass transportation system will be adequately conceived, and design priorities properly recognized, and public funds effectively used."

So the committee has agreed that until we have this system we cannot spend our money wisely, and yet under the committee bill two-thirds of the funds we are expending, $20 billion, will be expended before the reporting system is in place and working. Under my amendment it will not get in soon enough, but at least it will be 2 years sooner. And it will enable us to spend at least two-thirds of the moneys in a way that the committee deems wise and effective.

Mr. Chairman, it seems to me that if we are going to escalate our expenditures in this field of mass transit—and I hope we do, because I think the committee has basically brought us a good bill—we simply cannot delay accumulating the important information on which we must base these spending decisions. To spend two-thirds of $20 billion without knowing the basis for the expenditure is, in my judgment, unwise.

Mr. Chairman, there is one other part of my amendment which allows the Secretary to appoint advisory committees, that is, to go back to the American Transportation Association or other people active in the field as he deems appropriate. There is no requirement that he create those committees, in case some Members may be nervous about that. My amendment also requires that the Secretary report to the Congress annually on the conduct of the function under this section. There is no authorization in my amendment.

I repeat that I think it is terribly important that we know how we are spending this money and that we establish a data basis for spending decisions. I realize it may be inconvenient for the Department of Transportation to escalate its work in creating this data system and it may be difficult for some of our cities to conform to a data system. But if we expect to build a data system for the convenience of our cities, or for the convenience of the Department of Transportation, we make a mistake.

I think we had better get this data and set some hard deadlines so we start spending some money effectively for the convenience of the transit rider and the taxpayer.

If we do not approve my amendment we will be spending 2 years' worth of money in this bill literally in the dark.

Mr. Chairman, I hope the amendment will be accepted by the Committee.

Mr. JAMES V. STANTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota.

His amendment would strike out section 515 of the bill now pending before us. That section, in essence, requires the Secretary of Transportation to develop, test, and prescribe a reporting system to accumulate public mass transportation financial and operating information by uniform categories and a uniform system of accounts and records.

After July 1, 1978, the Secretary shall not make any grants for projects under this legislation unless the applicant for such grant, and any person or organization to receive benefits directly from that grant, are each subject to both the reporting system and the uniform system of accounts and records.

This is an essential section. It will lay the guidelines for future information to develop the program.

The committee, after due deliberation, has placed this section in this bill in this particular fashion. It did consider in essence the proposal the gentleman from Minnesota is now presenting to us and rejected it, because it felt the time limitation to develop the information was insufficient, and because it felt the extraneous matters the gentleman had added to this amendment was not essential to carry out the program, and would create undue administrative procedures, and a new advisory committee, and entangle this needed program in further redtape.

Mr. HARSHA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hesitate to oppose the amendment offered by the distinguished gentleman from Minnesota because he has made such a valuable contribution to the work of the committee.

As the distinguished gentleman from Ohio (Mr. JAMES V. STANTON) just said, the gentleman from Minnesota appeared before our committee and testified. He gave us the benefit of his considerable judgment in this area. It is because of his interest and dedication to the particular problem with which we are now dealing in this amendment that provisions are contained in the bill which he suggested. But I am concerned about the ability of the Office of the Secretary to develop the necessary tests and systems for reporting the great body of data and information we have so that we can make a reliable judgment on many of these projects and programs. To further encumber the Secretary's office with this amendment would add redtape which I think is unwarranted at this time.

So I am sorry, but I am constrained to oppose the amendment and urge my colleagues to vote it down.

Again I commend my colleague for the very valuable contribution he has made to this bill.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, how does the gentleman get around the statement made by the gentleman from Minnesota that 2 or 3 years' worth of this money will be wasted in effect because the money would be spent and the benefit of the study would not be of any value during that time?

Mr. HARSHA. If the gentleman will support my amendment later on to cut back the authorization, there will be considerable money cut from the bill so there will not be such a considerable amount of money available to be spent as is contemplated.

Mr. EDWARDS of Alabama. I will be glad to support the gentleman's amendment but it seems to me the gentleman from Minnesota raises the point that we will be in fact wasting a great deal of money or spending money at least not knowing what the results of the study will show and it seems to me if we will get that information in a couple of years we would be better off to wait.

I understand what the gentleman says, but it would put a tremendous burden on the Secretary of Transportation to do that.

Mr. HARSHA. In response to the gentleman, there is a great dearth of information on this whole subject of routes, uniformity, rates, and keeping records, et cetera. To assemble it will take time. We do not want it done in helter-skelter fashion. We want to develop a careful approach to information gathering, because it is so involved and so complicated. It will take a considerable amount of time. Regrettably, it will take a long time. But we would be remiss if we did not do it properly.

Mr. EDWARDS of Alabama. The gentleman believes 4 years is all that is necessary to do this?

Mr. HARSHA. I will keep after the Secretary of Transportation and urge him to expedite these reports and discuss the prescribed regulations as quickly as possible. But the gentleman must remember that we are dealing with a number of States, communities, and transit authorities that now have no accurate or uniform records. It is a voluminous task to accumulate this information.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding.

I want to say I understand it is a big job for the Department of Transportation. On the other hand, to take 4 years to do a job of trying to figure out who is riding and where they are riding seems to me to be extreme. If we are going to base our bill, and the expenditure of $20 billion, on the convenience of the Department of Transportation, we are doing the taxpayers, in my judgment, a great disservice. My amendment is designed to get DOT to speed up its time schedule. If DOT cannot do it, we can always defer it at a later time. But it seems to me we are granting needless delay without any good reason.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

The amendment was rejected.

AMENDMENT OFFERED BY MR. ROE

Mr. ROE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROE: Page 57, line 13, after the quotation marks and before the first word on such line insert the following: "(a)".

Page 57, after line 18, insert the following:

"(b) In any case where any department, agency, or instrumentality of the Federal, a State, or a local government requires, approves, acquiesces in, or otherwise provides for, directly or indirectly, the abandonment of any rail line, such abandonment shall be on the condition that the owner of such rail line shall give the State in which such rail line is located a reasonable opportunity, but no less than one year, to purchase and acquire the right, title and interest in such rail line, rights-of-way and related appurtenances at the fair market value for use for transportation and public utility purposes prior to its sale to any other person. The acquisition by the State of such rail line, rights-of-way and related appurtenances shall be a project for which a grant may be made under this chapter, and the Federal share of the cost of such a project shall be reimbursable to the State."

Mr. ROE. Mr. Chairman, I had hoped that on this bright sunny afternoon in August that we would be able to at least come to one amendment that we could all agree on and I am trusting this may be it. During the markup in committee we had discussed in depth section 510 on page 57 which related to the abandonment of rail lines and particularly railroad rights-of-way.

Now, the concern of the committee, at least from my observation and this Member's concern went toward the situation as the reorganization of the railroad system, eventually the Pennsylvania Railroad in the northern part of the Nation, where service in my State of New Jersey that reported on it, they recommended abandonment of 300 miles of railroad lines in the State of New Jersey in the reorganization of the Pennsylvania Railroad. We say this would be a tragedy, because the previous experience in our State, in the State of New York and in the State of Pennsylvania and other States in the Northeast where rail lines had been abandoned because they were not to be utilized for freight lines, and in some cases not to be utilized for commuter lines, these rail lines were lost to the public ownership.

In many, many, many instances, these rail lines and rights-of-way particularly would have to be bought back, to be pressed into service for the involvement of mass transportation facilities. I think it would be a terrible mistake for us not to refine and clarify the point at issue we are making, that in effect no one would be able to abandon a railroad right-of-way without first giving the State a 1-year period of time either to buy up that line or to divest itself of any interest. They would have to pay fair market value, the particular value of that facility as it would be.

My State of New Jersey, for example, this year has a $100 million bond issue referendum which is being presented to our people. Part of those funds will be allocated for the State to buy up any abandoned lines, or any railroad lines to be abandoned which can be utilized for future expansion and improvement of transit systems.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I am sure that the gentleman from New Jersey has done research on this to determine what the approximate cost to the Federal Government would be. Could the gentleman give us any idea as to what the actual cost for the funding of this amendment would be?

Mr. ROE. Mr. Chairman, I have done research with relation to the problem in my State. I would have no way of answering the gentleman for this reason: The adjudication, if you like, of the reorganization of the northeastern railroads has not even been completed.

The recommendation has been that 300 miles of line in my State would be abandoned, because the abandonment would be cheaper on the railway freight usage of that line. We already, in our master plan for the northeast transportation development in the State of New Jersey, know that part of this very same 300 miles will be absolutely essential for mass transit, so what we would be doing would be allowing ourselves to divest our interest in part of the railway right of way, as has happened in the Northeast, and have to spend hundreds of millions of dollars to revise it.

It is just crazy; it does not make any sense. I have no idea of the cost because it depends upon what the adjudication would be in the Supreme Court in this case. I do not think anybody could give the gentleman that figure at this time.

Mr. JAMES V. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Ohio.

Mr. JAMES V. STANTON. Mr. Chairman, I have great sympathy for the gentleman's amendment, but I believe there is a question of due process involved here. The question involved is whether this amendment is not a taking of property without due process.

Mr. ROE. No, no. From what my lawyers tell me, the amendment says specifically that after all proceses of the Federal Government are carried out and a line is determined by the Federal Government to be abandoned, then and in that instance the State has 1 year as a preemptory position to buy and acquire that line under fair market value as appraised, whenever that occurs.

If the State does not act within 1 year, then the ownership of that line or facility reverts back to the individual.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The question the amendment raises is a question as to whether or not the State has the right of eminent domain. That is already possessed by the States. That is the authority to exercise eminent domain. It would seem to me that the amendment offered by the gentleman from New Jersey——

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. JONES of Alabama. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Alabama is recognized for 5 minutes.

Mr. JONES of Alabama. There is a question of constitutionality here. I hope that this question is not presented to the committee on which to make a judicial determination.

Mr. ROE. Mr. Chairman, I would have to differ with the gentleman on that point of view. I do not think it does raise a question of constitutionality. I am totally aware of the fact that the State has eminent domain. I am aware of that, but I would like to point out to the gentleman that it seems to me that if the State can work in a direct way under this bill where it can acquire land that is being abandoned by a railroad, it ought not to be in a position where it cannot.

Mr. JONES of Alabama. The gentleman's amendment provides that they cannot get rid of those abandoned lines within 1 year.

That is the question. It puts a cloud on the title of the railroad to make what use they choose of their property.

Mr. ROE. If the gentleman will give me the opportunity to answer his question, if the U.S. Government, I call to the gentleman's attention, is going to put up $20 billion of the taxpayers' money to rebuild and reconstitute our railroads——

Mr. JONES of Alabama. Absolutely.

Mr. ROE. Mr. Chairman, will the gentleman allow me to finish? It seems to me that the State ought to have a reasonable length of time or a 1-year period in which to be able to acquire a right-of-way and not put the burden on the State to get that right-of-way when it is putting up hundreds of millions of dollars to sustain that very same railroad. Why should the State be in an adversary position?

Mr. JONES of Alabama. It already has that authority.

Mr. ROE. Not under eminent domain. That is exactly what the case is about right now, on an amicus curiae being filed in the Supreme Court, asking for an adjudication in the case of the Pennsylvania Railroad situation. Otherwise they could unilaterally divest themselves of that.

Mr. JAMES V. STANTON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I will be happy to yield to the gentleman from Ohio.

Mr. JAMES V. STANTON. There is no case that I know of whereby a private corporation that owns land can be restricted in this fashion.

Mr. ROE. Yes, there is. I beg to differ with the gentleman.

Mr. JAMES V. STANTON. Not by the State.

Mr. ROE. Yes, there is. There are basic fundamental park statutes under the New Jersey zoning, for example, where the planning board says that this piece of land will be set aside for a park, and one cannot take that land without the right of eminent domain. But one could say that the town will either acquire that property or will have no other interest under the constitutional law of the State of New Jersey.

Mr. JAMES V. STANTON. I understand that in a zoning matter, there can be a cloud on the title of property, and that is essentially what the gentleman from New Jersey is doing, but I do not believe that the Federal Government can come in and put a cloud on thousands and thousands of acres of property.

Mr. ROE. The Federal Government is not coming in and putting a cloud on thousands and thousands of acres of property.

Mr. JAMES V. STANTON. Yes, the gentleman is, and he is putting a cloud on the property owned by that corporation.

Mr. HARSHA. Mr. Chairman, will the gentleman from Alabama yield to me?

Mr. JONES of Alabama. Yes, I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, I want to join the gentleman from Alabama in expressing my opinion that this is a clear restriction on the use of the land. Obviously, it is a cloud on the title to the property. What happens if the State decides that it is not going to use this right-of-way for any purpose and just does not notify the corporation?

It can tie this land up for an entire year by doing nothing. There is nothing in the amendment which says one must either act affirmatively or negatively. It can just sit there and do nothing and still tie up the land for a whole year.

Mr. JONES of Alabama. I can appreciate what the gentleman from New Jersey is seeking to do, but what he does is to put a cloud on the title for 1 year, that dispossesses the owner of the railroad's right-of-way and prevents him from making proper disposition of his property at either a Federal level or a State level.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. ROE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. STUDDS

Mr. STUDDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STUDDS: On page 57, line 16, strike the word "within" and insert in lieu thereof the following: "in, to and from".

Mr. STUDDS. Mr. Chairman, I had originally co-authored, with the gentleman from New Jersey (Mr. ROE), the amended just offered, and I think we have to concede to the members of the committee who opposed it that it did need considerable improvement in drafting.

All of us are concerned about the loss of rail rights-of-way in this country.

The amendment which I now offer is, I hope my colleagues in the committee will agree, an innocuous one, one which simply restricts the potential loss of rights-of-way not only in urbanized areas but throughout the Nation.

Mr. JAMES V. STANTON. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Ohio.

Mr. JAMES V. STANTON. Mr. Chairman, the amendment concurs with the rest of the bill, and we have no objection to the acceptance of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Studds).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 2? If not, the Clerk will read.

The Clerk read as follows:

Sec. 3. (a) There is authorized to be appropriated to carry out subsection (a) of section 501 of title 23 of the United States Code not to exceed $1,450,000,000 for the fiscal year 1975, $1,870,000,000 for the fiscal year 1976, $2,040,000,000 for the fiscal year 1977, $1,910,000,000 for the fiscal year 1978, $1,790,000,000 for the fiscal year 1979, and $1,740,000,000 for the fiscal year 1980.

(b) There is authorized to be appropriated to carry out subsection (b) of section 501 of title 23 of the United States Code not to exceed $365,000,000 for the fiscal year 1975, $400,000,000 for the fiscal year 1976, $445,000,000 for the fiscal year 1977, $500,000,000 for the fiscal year 1978, $560,000,000 for the fiscal year 1979, and $610,000,000 for the fiscal year 1980.

(c) There is authorized to be appropriated to carry out subsection (c) of section 501 of title 23 of the United States Code not to exceed $205,000,000 for the fiscal year 1975, $670,000,000 for the fiscal year 1976, $1,100,000,000 for the fiscal year 1977, $1,155,000,000 for the fiscal year 1978, $1,200,000,000 for the fiscal year 1979, and $1,070,000,000 for the fiscal year 1980.

(d) There is authorized to be appropriated to carry out subsection (d) of section 501 of title 23 of the United States Code not to exceed $88,000,000 for the fiscal year 1975, $97,000,000 for the fiscal year 1976, $145,000,000 for the fiscal year 1977, $153,000,000 for the fiscal year 1978, $204,000,000 for the fiscal year 1979, and $233,000,000 for the fiscal year 1980.

(e) There is authorized to be appropriated to carry out section 503 of title 23 of the United States Code not to exceed $50,000,000 for the fiscal year 1975, $50,000,000 for the fiscal year 1976, $50,000,000 for the fiscal year 1977, $50,000,000 for the fiscal year 1978, $50,000,000 for the fiscal year 1979, and $50,000,000 for the fiscal year 1980.

(f) There is authorized to be appropriated to carry out section 516 of title 23 of the United States Code not to exceed $10,000,000 for the fiscal year 1975, $10,000,000 for the fiscal year 1976, $10,000,000 for the fiscal year 1977, $10,000,000 for the fiscal year 1978, $10,000,000 for the fiscal year 1979, and $10,000,000 for the fiscal year 1980.

Mr. JAMES V. STANTON. Mr. Chairman, I ask unanimous consent that section 3 be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Roberts: Page 72, line 10, strike out "$1,450,000,000" and insert in lieu thereof "$1,080,000,000".

Page 72, line 11, strike out "$1,870,000,000" and insert in lieu thereof "$1,477,000,000".

Page 72, line 12, strike out "$2,040,000,000" and insert in lieu thereof "$1,615,000,000".

Page 72, line 12, strike out "$1,910,000,000" and insert in lieu thereof "$1,510,000,000".

Page 72, line 13, strike out "$1,790,000,000" and insert in lieu thereof "$1,410,000,000".

Page 72, line 14, strike out "$1,740,000,000" and insert in lieu thereof "$1,420,000,000".

Page 72, line 17, strike out "$365,000,000" and insert in lieu thereof "$272,000,000".

Page 72, line 18, strike out "$400,000,000" and insert in lieu thereof "$317,000,000".

Page 72, line 18, strike out "$445,000,000" and insert in lieu thereof "$350,000,000".

Page 72, line 19, strike out "$500,000,000" and insert in lieu thereof "$395,000,000".

Page 72, line 20, strike out "$560,000,000" and insert in lieu thereof "$440,000,000".

Page 72, lines 20 and 21, strike out "$610,000,000" and insert in lieu thereof "$495,000,000".

Page 72, line 24, strike out "$205,000,000" and insert in lieu thereof "$152,000,000".

Page 73, line 1, strike out "$670,000,000" and insert in lieu thereof "$529,000,000".

Page 73, lines 1 and 2, strike out "$1,100,000,000" and insert in lieu thereof "$870,000,000".

Page 73, line 2, strike out "$1,155,000,000" and insert in lieu thereof "$915,000,000".

Page 73, line 3, strike out "$1,200,000,000" and insert in lieu thereof "$950,000,000".

Page 73, line 4, strike out "$1,070,000,000" and insert in lieu thereof "$875,000,000".

Page 73, line 7, strike out "$88,000,000" and insert in lieu thereof "$66,000,000".

Page 73, line 8, strike out "$97,000,000" and insert in lieu thereof "$77,000,000".

Page 73, line 8, strike out "$145,000,000" and insert in lieu thereof "$115,000,000".

Page 73, line 9, strike out "$153,000,000" and insert in lieu thereof "$120,000,000".

Page 73, line 10, strike out "$204,000,000" and insert in lieu thereof "$160,000,000".

Page 73, line 10, strike out "$233,000,000" and insert in lieu thereof "$190,000,000".

Mr. ROBERTS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROBERTS. Mr. Chairman, the amendment I offer at this time is a detailed year-by-year amendment to the costs by each of the categories A, B, C, D. The effect of the amendment is to reduce the total authorizations for these categories to $15.8 billion from the $20 billion in the reported bill. The spread of the costs over the years and in the categories is in the exact proportion as in the reported bill.

Therefore, all of the statements, especially by Mr. Wright, during the debate as to the percentage by category and the phasing of the program over the years to meet the immediate needs of the larger cities and the growing needs of the emerging cities still holds true under my amendment.

The purpose of the amendment is to meet the concern for inflation problems and effect what I believe is a fair and equitable compromise with the administration position. To reduce the program any lower than $15.8 billion would not be facing up to the problem.

I would like to point out that the amount authorized for the first year in this amendment for fiscal year 1975 is $1.57 billion. The amount contained in the Department of Transportation appropriation bill approved by this body yesterday for fiscal year 1975 for public mass transportation was $1.45 billion. I certainly can not see where that is going to set an inflationary trend particularly where this bill is intending to put the mass transit assistance program on solid ground and begin a long-term program for the country.

Further, this bill itself provides that the Secretary shall put this program into effect as soon as he determines appropriate or in 1 year, whichever comes first, after which he can no longer approve grants under the Urban Mass Transportation Act of 1974 as amended. This means that if the Secretary puts this act into operation immediately he can save the entire $3 billion authorized last year for urban mass transportation under title III of the 1973 Highway Act. This means the net new authorizations of this bill could be as low as $12.8 billion.

Anything less than proposed in this amendment is the equivalent of doing nothing.

I believe this amendment is reasonable. It does not do the complete job the committee wanted to do, but it is offered in the spirit of compromise.

I urge the Members of this body to adopt the amendment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I think that the amendment takes into account the primary necessaries under the various terms of the bill. We all would like to see a $20 billion bill, because we thought that was necessary, but due to the circumstances that have arisen on the treatment of our total fiscal problems and perplexities, it seems that we should make a reasonable concession to accommodate those who have fears about the total expenditures.

We do recognize that with respect to capital improvements, they will be somewhat delayed as compared to the immediate use of the money for maintenance and operation.

Mr. Chairman, it seems to me that this is a commendable arrangement and one which I hope the committee will support by accepting the amendment offered by the gentleman from Texas.

Mr. ROBERTS. Mr. Chairman, I hope the committee and all of my colleagues will agree to accept the amendment, and I ask for an affirmative vote.

AMENDMENT OFFERED BY MR. HARSHA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ROBERTS

Mr. HARSHA. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Harsha as a substitute for the amendment offered by Mr. Roberts: In lieu of the matter proposed to be stricken, strike out the following, and in lieu of the matter proposed to be inserted, insert the following:

Page 72, strike out lines 10 through 14, inclusive, and insert in lieu thereof the following:

United States Code not to exceed $760,000,000 for the fiscal year 1975, $815,000,000 for the fiscal year 1976, $900,000,000 for the fiscal year 1977, $1,045,000,000 for the fiscal year 1978, $1,150,000,000 for the fiscal year 1979, and $1,230,000,000 for the fiscal year 1980.

Page 72, strike lines 17 through 21, inclusive, and insert in lieu thereof the following:

States Code not to exceed $230,000,000 for the fiscal year 1975, $240,000,000 for the fiscal year 1976, $250,000,000 for the fiscal year 1977, $290,000,000 for the fiscal year 1978, $330,000,000 for the fiscal year 1979, and $360,000,000 for the fiscal year 1980.

Page 72, strike out line 24, and page 73, strike out lines 1 through 4, inclusive, and insert in lieu thereof the following:

States Code not to exceed $410,000,000 for the fiscal year 1975, $445,000,000 for the fiscal year 1976, $450,000,000 for the fiscal year 1977, $465,000,000 for the fiscal year 1978, $520,000,000 for the fiscal year 1979, and $610,000,000 for the fiscal year 1980.

Page 73, strike out lines 7 through 11, inclusive, and insert in lieu thereof the following:

Code not to exceed $45,000,000 for the fiscal year 1975, $50,000,000 for the fiscal year 1976, $80,000,000 for the fiscal year 1977, $90,000,000 for the fiscal year 1978, $115,000,000 for the fiscal year 1979, and $120,000,000 for the fiscal year 1980."

Mr. HARSHA (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARSHA. Mr. Chairman, this amendment would reduce the amendment offered by the gentleman from Texas (Mr. ROBERTS) from $15.8 billion to $11 billion.

Mr. DON H. CLAUSEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Ohio is recognized.

Mr. HARSHA. Mr. Chairman, we have had Chairman Burns of the Federal Reserve Board tell us that unless we control Federal spending in order to help check the rate of inflation our very political institutions will be in jeopardy.

We have had economist after economist tell us that runaway inflation will be ruinous unless checked.

This House 2 weeks ago passed by an overwhelming vote of 335 to 66 a resolution authorizing the Joint Committee on Economics to undertake as soon as possible—as soon as possible—an emergency study of the current state of the economy and of the problems relating thereto with special reference to inflation and including but not limited to such inflation-related problems as Federal spending.

Many Members took the floor on that occasion and deplored the fact that we had such horrendous inflation, as they have on many other occasions, and professed their profound determination to control it. Now we have an opportunity to stop discussing and start deducting.

The amendment offered by the gentleman from Texas certainly is a step in the right direction but it is only one small step when a giant stride is needed. We are still at the $20 billion level. The amendment offered by the gentleman would reduce the authorization in this bill to $ 15.8 billion. This is in addition to sums already available—$3 billion under the UMTA law, up to $2 billion under the interstate transfers authorized by the 1973 Highway Act, up to $800 million from urban transfers out of the highway trust fund, and the House-passed Amtrak bill which provided an additional $200 million in grants and $400 million in guaranteed loans—which by the way Amtrak is going we might as well call grants because the Members and I all know those loans are not going to be repaid.

Some of this money will go for intracity mass transit, so we are still dealing with figures in the neighborhood of about $20 billion. There certainly is nothing parsimonious about those sums. To the contrary, they are a sure-fire way to transport the economy into mass inflation and subsidize our own express ride into financial chaos.

According to the latest polls, 87 percent of the American people are concerned with inflation and the cost of living. That is the No. 1 issue with them. If we do not exercise some fiscal responsibility, the American voter is going to give us a rapid transfer to another vocation, come this November.

Now, some of us—and I want to direct my attention to my friends on the Committee on Appropriations—some of us will say this is an authorization bill and, therefore, not to worry about it. We will take care of it in the appropriation process.

Let me tell my friends, we have just transported you out of the appropriation business insofar as this bill is concerned. This bill provides for contract authority. What is more, even the Congressional Budget Act of 1974 does not apply to the contract authority authorized in this bill, because the Congressional Budget Control Act does not go into effect until about a year and 6 months from now and does not apply to any contract authority already in the law before the effective date of the applicable provision of the Budget Control Act.

Insofar as the members of the Budget Committee and the members of the Committee on Appropriations are concerned, this bill just transports them out of business.

President Ford, on Monday night, laid the predicate for a strong attack on inflation. He asked for our cooperation. The American taxpayer clamors for our cooperation. This figure of $15.8 billion, together with what is already available, is grossly inflationary and I can assure everyone here it will be vetoed. The only acceptable figure is set forth in my substitute of $11 billion.

Now, do you really want to create a mass transportation program that is responsive to the needs of both urban and rural America, and responsive to the pocketbook of the American taxpayer, or do you just want a political issue?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. HARSHA was allowed to proceed for 1 additional minute.)

Mr. HARSHA. I suggest that the better issue is slowing down inflation. The judgment lies in our hands. I urge that we adopt the fiscally responsible route and accept my substitute.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it cannot be said that this or any other authorization level is inflationary per se, just as it cannot be shown that budget cutting per se is anti-inflationary.

I started to discuss this issue the other day on the floor. We could argue this at great length, but the fact is that if we analyze the budgets and the issue of balanced budgets, we will find that at the time in the history of our country when we have the most balanced budget we have ever had, we nevertheless are experiencing the most inflationary period in our history.

President Ford's stated policy that the way to control inflation is to have a balanced budget and to cut down on Federal expenditures is open to question. In today's world, where international considerations play at least as great a role as domestic considerations in determining inflation rates, we certainly need to examine more carefully the alleged correlation between an unbalanced Federal budget and inflation. Recent experience demonstrates that there are substantial nonbudgetary reasons for the rising price level.

In the years between 1961 and 1965, for example, there were budget deficits ranging from $1.6 billion in 1964–65 to $7.1 billion in 1961–62. The price index advanced somewhat, but only 1 point in the year of greatest deficit and by nearly 2 points in the year of near balance; in 1969, there was a budget surplus of $3.2 billion and prices, instead of declining, rose by 5.6 points.

More recent years offer an even greater challenge to this alleged budgetary-inflation correlation. In 1973, with budgetary deficits reduced from $23.2 billion—the 1972 budget—to $14.3 billion, and with the deficit further reduced in 1974 to $3 billion, the inflation rate has not slowed down. Instead it has speeded up, rising from 4 percent in 1972 to 7.4 percent in 1973. By May 1974, the price index had risen by 13 points, more than in any previous postwar year. This has occurred in spite of the nearly balanced budget or possibly because of it.

Obviously, there are other factors at work which have contributed to the spiraling rate of inflation both here and throughout the world—the shortage of oil and petroleum products, the shortage of grain and other agricultural commodities, the dollar devaluation, and worldwide rising prices.

If we are going to make an effective, significant impact on our inflationary problem, we must find another approach that will not impose unnecessary sacrifices upon millions of low- and middle-income Americans.

How can we in good conscience cut funds from our mass transportation program or from any other socially productive program and, at the same time, sanction the spending of more than $90 billion on a defense budget that is riddled with fat. If we sincerely want to stimulate the economy, is it not far better to create jobs for millions of unemployed and provide much needed public services instead of creating new jobs in elite categories and products that serve only destructive purposes?

This mass transportation program will conserve energy and reduce consumption of fuel, whose rising prices are a major inflationary element. It will create jobs. It will stimulate the economy and, at least equally vital, it will provide essential services for those groups in our population who always end up getting the short end of the stick—people with low and moderate incomes who depend on mass transit to get to their jobs, the elderly and handicapped who rely on mass transportation to obtain health care and to get around.

So, the question as to whether or not, a cut in this bill will do something positive about inflation, is really not before us because it is not provable.

One thing that is demonstrable, however, is that there is a tremendous need for mass transportation assistance for capital and operating programs which this bill does accomplish.

It is interesting that a study of the urban mass transportation needs which was recently released by the Department of Transportation, as a result of Highway Act, section 138, shows those needs are over $23 billion. Our own committee findings were that our needs are $23 billion.

The UMTA obviously is in concurrence with this report since it requested a fiscal year 1975 appropriation of $2.2 billion for large, urban center capital construction alone on an 80 percent to 20 percent basis. When this request is matched against the act's 1975 authorization of $2.108 billion for capital and operation assistance for all urban areas, large and small, and for rural areas, on a lower Federal share basis, it becomes evident that the $20 billion in the bill now is considerably below the actual need level and is a compromise figure. Members of our committee on both sides recognized this need.

UMTA this year recommended an appropriation of $2.2 billion which it said it could easily justify. Included in this proposal was $300 million in new rail starts which OMB, pursuant to its stated rail bias, arbitrarily deleted. This included needed construction programs in Chicago, Buffalo, Boston, Cleveland, Denver, Honolulu, Minneapolis-St. Paul, New York City, northern New Jersey, San Juan, and the Oakland Airport extension on the BART system in California. In Denver and Buffalo bond issues had been passed and local money existed in expectation of receiving these Federal construction grants.

UMTA was forced to reduce its minimum $1.8 billion request further to $1,445,250,000. This is equivalent to $1.517 billion if multiplied by 5 percent in conformity with a 75 percent matching share.

In contrast, the 1975 authorization under the Roberts amendment would be $1.570 billion. Significantly, included in this amount is $66 million for rural areas which is not in the UMTA request as well as approximately $150 million for smaller cities that do not participate to any great extent under the UMTA program—72 percent of UMTA funds in the past has gone to the 9 cities in category A. Moreover, the $1.57 billion authorization includes an entirely new program—the operating subsidies program.

So actually, capital transit money in H.R. 12859, pursuant to the Roberts amendment, is less than the capital money in UMTA and is more evenly distributed to areas heretofore without such aid so as to make a new beginning in mass transit in this country.

This shows, then, that a level of $1.57 billion—the first year of a $15.8 billion program—is not inflationary as it is the same total level of funding imposed by OMB on UMTA, is much less than what is required and requested, and is for a much expanded program. In this regard, it is important to note that just last year the Congress overwhelmingly passed and the President signed into law a $3 billion increase in the UMTA program which contemplated a capital transit program of at least $1.5 billion per year on an 80–20 basis. The $1.57 billion program, then, is considerably less than that objective. Therefore, when Mr. ROBERTS from this committee stands up and pares down our $20 billion bill and makes it a $15.8 billion bill, he shows the height of fiscal responsibility as a Democrat who is agreeing with the OMB and its proposal as to what is appropriate for 1975.

Yet, despite that, we get a proposal that we should ignore what has now been approved by the OMB and we come in here today and say, "No, we have to cut it further."

We all want to do honor, apparently, to the President who says that we have to cut. Some people would like to cut elsewhere. Some people would like to cut the agricultural program; some people would like to cut the military program; some people would like to cut the educational program; some people would like to cut the housing program.

But cutting, per se, is not the answer to inflation. It is not the way of mature legislation. I suggest to the Members, furthermore, that in the $11 billion amendment a very interesting thing occurs.

It reduces the fiscal year 1975 level to $1.445 which is exactly the same as the UMTA request but actually less because of the new programs. What is especially unfortunate, however, is that it is not an across the board reduction but an extremely disproportionate one. Thus, the bulk of the reduction comes in the "A" category—from $1.45 million to $0.76 million—where it can be spent, whereas the "C" category is doubled—from $205 million to $410 million where it cannot be spent and since the "A" cities cannot apply for it There is also nearly a one-half reduction in category B which provides for 269 organized areas. The $20 billion and $15.8 billion bills, in themselves reductions, at least place the money in the proper proportions that it is needed. The Harsha amendment does not and thwarts not only the whole purpose of this bill, but the purpose of the UMTA Act.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Ms. ABZUG. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

Mr. SHUSTER. Mr. Chairman, I object.

Mr. HARSHA. Mr. Chairman, would the gentleman withdraw his objection?

Mr. SHUSTER. Mr. Chairman, I withdraw my objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. ABZUG. Mr. Chairman, the interesting thing—and I do not think any of us have considered this—between what was originally projected by both UMTA and OMB and the bill before us today, is that under the UMTA bill, there is no rural program.

Under our bill there is a rural program. Under the UMTA bill there is no provision of $150 million for small cities. Under our bill today there is. Therefore, if we are going to amend this bill which is already down to its barest minimum, and disproportionately cut it to $11 billion, we are going far beyond the line of duty to the OMB or to the administration because they have not asked us to do it.

Really, what this bill has that the UMTA bill does not have, and what the other proposals made by OMB did not contemplate, is operating assistance, which has already been proven here on this floor to be necessary, not only to the big cities, but to the rural areas, to the small cities, to people who are poor and elderly and handicapped, and to people who have to have this form of transportation to go to work.

Therefore, what we have here is something which cannot help but deprive people of the fundamental need that they have to go from place to place.

In addition, this bill has other important provisions. We save enormous amounts of energy, and energy shortage is a problem that will persist. We do something about fighting the pollution in our air. So if we want to do something about mass transportation, we must develop a program which can be meaningful to rural areas, to urban areas, and the suburban areas in this country.

When the gentleman proposes arbitrarily to bring the authorization level down to $11 billion, he tries to take the heart out of what was a very meaningful program developed by both sides of this committee, by urban, suburban, and rural members.

I would hope that we will defeat the $11 billion proposal and support the $15.8 billion proposal, although I still favor the $20 billion bill because that, indeed, is what our needs are.

Mr. HARSHA. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Ohio.

Mr. HARSHA. Under the $20 billion proposal, category A has 54 percent of the money available.

Ms. ABZUG. That is correct.

Mr. HARSHA. Under my amendment, category A has 53.7 percent of the money available.

Under the $20 billion proposal, category B has 14.4 percent. Under my proposal category B has 15.4 percent, and so on down the line.

The gentlewoman said that my amendment cut the heart out of the committee percentages, but mine are along the same lines as those of the committee and the original bill.

Ms. ABZUG. But the interesting thing is that we are talking about fiscal year 1975 and not the total authorizations in the 6-year bill, because we may come back again and change this in 1976 or when we reopen this for discussion.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

(By unanimous consent, Ms. ABZUG was allowed to proceed for 1 additional minute.)

Ms. ABZUG. Mr. Chairman, if the Members will notice, the total for the 6-year period is approximately the same percentage. But it is interesting to note that for 1975 this amendment would in fact, double the amount in category C to $410 million from $205 million, while the gentleman cut half the amount in category A from $1.45 billion to $760 million and almost half the amount in category B from $365 million to $230 million.

I am now trying to talk about fiscal year 1975. This is the time when we have a problem economically.

I am suggesting that the $15.8 billion proposal actually falls within the proposals of the Office of Management and Budget. It falls almost exactly within the provisions made for the transit budget by OMB for fiscal year 1975, and the gentleman's cut is an excessive cut which goes beyond what is even being required by that hard taskmaster, the OMB.

I know the gentleman would not want to be overzealous about that. I find it unfair that we should put all of that money into category C, which is discretionary, and may not be used when it is desperately needed in categories A and B, and in the rural areas.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the amendment offered by my friend, the gentleman from Ohio (Mr. HARSHA).

There is much to be said that I could agree with as far as the previous speaker's statement is concerned relating to the specific commitment we are making to mass transit for this country. But I would remind the Members of what the gentleman from Ohio (Mr. HARSHA) did state, for all practical purposes we are dealing with a $20 million commitment to mass transit when one adds up all the figures—between $8 and $9 billion authorized under other legislation added to this $11 billion Harsha amendment.

There can be very little argument that today the urban areas of our country find themselves with many service problems, not the least of which is provision of mobility without congestion, and mobility in the manner most efficient and economical for their particular set of unique characteristics. It is this last qualifier, efficiency and economy, to which I would like to address my remarks for a moment.

To anyone who has followed any of the great Federal grant programs, it soon becomes obvious that the dollars are not always distributed acording to need. Instead, political pressure and grantmanship serve as proxies in the allocation process. This process also occurs in the decisionmaking structure of local governments but in a slightly different manner.

In the case at hand, provision of mass transit, many urban areas base their decision for expensive, highly capital-intensive transit systems purely on the salability of that system to the local voters, and most importantly, on the availability of large amounts of money at the Federal level to construct that system.

I might add that now we are even considering additional money to operate those systems. In effect, I am asserting that these systems are being chosen for urban areas more for their "sex appeal" than for their transportation or economic value to the particular urban area.

An increase in the funding level, such as is called for in the bill before us, would only encourage local decisionmakers to opt for sophisticated systems and ignore other less expensive systems that might suffice to move people economically and efficiently.

Parenthetically, Mr. Chairman, I might draw to the attention of those Members who are on the floor listening to this debate the recent telecast on "60 Minutes" by CBS during this past week, where they pointed very vividly to the fact that many of the older proven transportation systems, if they were modified and updated, would serve the needs of the people more effectively and efficiently than some of the highly sophisticated systems being proposed. Each city has varying needs and variable transportation system plan objectives.

In effect, every large city will think it "needs" a rapid-rail/subway system to enter the ranks of America's cosmopolitan giants. Our economic situation cannot allow us to make such ill-considered and costly decisions, particularly at the national level. The decisionmaking, the program implementation and the responsibilities must be maintained at that unit or level of Government closest to where the people and the problems are actually located.

Mr. Chairman, I support the amendment offered by the gentleman from Ohio (Mr. HARSHA). The funding levels proposed promote fiscal restraint, recognition of need, and encouragement of sound transportation decisionmaking.

Mr. Chairman, I urge the committee to adopt this amendment by an overwhelming vote. If adopted it will enhance passage of the bill with a history-making landmark commitment to mass transit.

Mr. MILFORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Ohio (Mr. HARSHA).

This bill, as written, is a poor investment of taxpayer money and a boondoggle for nine big cities. In this bill, we are trying to spend several billions of dollars without knowing why, where, or how.

We have no national transportation plan—indeed, not even a national transportation policy. We have no reliable figures that will tell us who really needs help or how much. We do not know, for example, whether the money that will be poured into existing mass transit systems will be good investments or a total waste.

I would urge my colleagues to accept the substitute amendment. This amount will certainly be more than enough to bail out systems deficits. This will keep mass transit systems moving, keep systems expanding and will give this Government time to develop a responsible national transportation policy.

The argument, offered by the gentleman from Ohio, is very valid and very important. We simply do not have $15 billion. This bill means more deficit spending and, in turn, more inflation.

Mr. CLEVELAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

There is one aspect of the problem which I do not think has been discussed, and for the record I think it should be discussed. Earlier in the debate on this legislation I called attention to the minority and supplemental views in the report. I have an uneasy feeling that my exhortations that these be carefully read may have gone unheeded, but embedded in the minority views I think there is a very important group or set of facts.

We are talking here in terms of this proposal for mass transit, and it has this price tag of $20 billion.

The gentleman from Texas (Mr. Roberts) has suggested that $15 billion is enough, and the amendment offered by the gentleman from Ohio (Mr. Harsha) which I support brings it down to $11 billion.

Mr. Chairman, we are sort of debating this as if this is it for mass transit and this is all we are going to do or have done. Unfortunately—and people keep forgetting this; the fourth estate forgets it, the Members of the House forget it, and the general public forgets it—this is not all we are doing for mass transit.

So I will ask the Members to bear with me for just a moment while I remind them of some of the things we are already doing, some of the amounts that are already on the books. Now, for example, in the highway legislation last year we provided for interstate transfers.

That means that if you give up some interstate in a city it can be transferred over and used for mass transit. That is an estimated $2 billion.

Then in the bill we passed last year——

Mr. JAMES V. STANTON. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I will not yield to the gentleman from Ohio at this moment, because I do not believe I have enough time to make the point I am trying to make. If I have sufficient time I will yield to the gentleman later.

Mr. Chairman, in the legislation we passed last year we "raided" the highway trust fund and provided that up to $800 million annually could go for mass transit purposes. Projected over the life of the bill, that is an $800 million potential a year, and two times that is $1.6 billion. However, if you project that over the 6-year period that we are talking about in this bill then it would be $4.8 billion.

They also have on the books right now for the Urban Mass Transit Authority a cool $3 billion.

You know, this is getting to be sort of a sad story, people are talking as if this bill we are working on is the only thing we are going to do for mass transit. I have already itemized three big items. I have not even mentioned Amtrak but, for many people, Amtrak is a form of mass transit. I have not talked about revenue sharing, and in the nine major beneficiary cities under this bill, as I pointed out in the discussion last week, they get half a billion of revenue sharing. But they did not use it for mass transit, because maybe they did not think it was that important.

Congress gave it to them, or back to them, and they used it for other purposes.

These figures I have given the Members, they all do not cover the 6-year period, but they do come up to at least $7 billion. And, projecting the raid on the trust fund figures and other figures over 6 years, then it would be up over $10 billion.

So, that I think while we are discussing the amendment offered as a substitute by the gentleman from Ohio (Mr. Harsha) and we have all of this hand-wringing about gutting mass transit, we should remind ourselves we have at least four other programs on the books with at least $7 billion, and maybe as much as $11 billion already available for this purpose. I think this is an important point. It is the old sad story of piling up programs on programs. Piecemealing the taxpayers to death. Feeding inflation, fooling the public, and now I yield to the distinguished gentleman from Ohio (Mr. James V. Stanton).

Mr. JAMES V. STANTON. Mr. Chairman, I appreciate the gentleman from New Hampshire yielding to me.

The gentleman from New Hampshire indicated on the deletions from the Interstate System under the Highway Act trust fund there were $3 billion. Is that what the gentleman indicated in his remarks?

Mr. CLEVELAND. I think that I used the figure of $2 billion.

Mr. JAMES V. STANTON. Two billion dollars?

Mr. CLEVELAND. That is correct.

Mr. JAMES V. STANTON. Mr. Chairman, I have checked the records of the Department of Transportation since I offered that amendment in the committee, and the only application that has been submitted and approved was from the Boston area, and one small one from Philadelphia, for a total of around $400 million.

Mr. CLEVELAND. I was talking about availability of money for mass transit under other programs.

The gentleman from Ohio has really made a great point for me. I believe the gentleman has lent support to my point that we have already got other programs on the books. I am not saying it is all being spent, in fact, some of it will not be spent. So why pour more on top of what they could already spend?

Mr. JAMES V. STANTON. We are not talking about actual expenditures. The fact is, probably most of this will never be tapped.

Mr. CLEVELAND. That is probably true, because the demand is not there. I do not think the demand is there that some people are talking about.

Mr. GROSS. Mr. Chairman, if the gentleman will yield, they probably want the money so they can loan it back to the Federal Government, and collect 8 or 9 percent interest on it.

Mr. JAMES V. STANTON. They only do that in Iowa.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAMES V. STANTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. Harsha).

I find it very difficult to reconcile the gentleman's amendment with the very persuasive arguments that the gentleman himself has made in the past concerning various funding proposals for mass transit. The gentleman will recall that a majority of the members of the committee and a majority of the Members of this House voted with him on more than one occasion to oppose the administration's attempts to divert highway trust fund moneys for mass transit purposes. With great eloquence, the gentleman argued that there simply was not enough money in the highway trust fund to solve the needs for both mass transit and highways. The needs for both programs were so great, and so compelling, he argued, that separate programs should be established with adequate funding provided for each. And the House agreed with him.

However, now the gentleman offers an amendment that says the needs for mass transit perhaps are not really as compeling as he once said they were. I wonder if the gentleman is concerned about the inconsistency of his position.

Obviously, the gentleman's amendment is troublesome to this Member. The compelling needs for mass transportation in this country require a greater financial commitment than that proposed here. This body should recognize the magnitude of the problem, deal with the issue directly, and provide the funding necessary to move this program forward—$11 billion simply will not do the job that needs to be done.

I too share the gentleman's concern about the present state of the economy. We have to deal responsibly with this nagging problem of inflation. But let us be certain about the issue involved here.

The gentleman's amendment transcends the issue of fiscal responsibility and goes to the heart of the matter which is the issue of priorities for Government spending. Fiscal responsibility is not the issue when we cut this program to the bare bones and allow spending for other programs to go unchecked. The committee's proposal of $15.8 billion is a significant cutback from the $20 billion in the bill and the $26 billion actually needed over the next 6 years. We have cut a great deal out of this program, and we only ask that other programs be subjected to the same scrutiny.

I urge my colleagues to vote no on the gentleman's amendment.

Mr. MIZELL. Mr. Chairman, I rise to support the amendment being offered by the gentleman from Ohio (Mr. Harsha).

As is noted in the Committee on Public Works report on the Federal Mass Transportation Act of 1974 I joined with several of my colleagues in signing minority views on this legislation in an effort to demonstrate my concern over the $20 billion authorization in this bill.

This legislation as currently proposed would increase Federal spending at a time when our economy can least afford it.

President Ford's recent address to the joint session of Congress emphasized the necessary and urgent need for reduced Government spending to curb the tide of inflation. Yet, this proposed legislation of $20 billion, added to the mass transit amendments of the recently enacted Federal Aid Highway Act, could add as much as $25 billion in assistance to mass transit over the next 6 years. This compares to a total of $3 billion allocated to mass transit since the enactment of the 1964 Urban Transit Act.

I am concerned and well aware of the existing mass transit situation which presently faces our country. I am also equally aware of the economic situation our country faces, and overspending in this inflationary period will create havoc to our economy.

I urge that the proposed spending of $20 billion be scaled down to a more rational figure of $11 billion which will adequately serve this program, along with the added sums provided by the Highway Act of 1973, will provide an adequate transit funding program, while not adding to the woes of our economy.

Mr. ANDERSON of California. Mr. Chairman, I rise in opposition to the amendment to cut funding to $11 billion.

This amendment to cut the funding from $15.8 billion to $11 billion could be described as a "no progress" amendment.

By allocating only $11 billion over 6 years, you are going to maintain the status quo in mass transit. In other words, the systems will continue to decay, losing more and more riders, and causing even more people to forsake rapid transit in favor of the automobile.

And I can assure you, the automobile—consuming imported gasoline, at prices dictated by foreign oil countries—is a major, if not the major cause of inflation.

When the price of gasoline doubled, we started to have major economic problems, and if we continue to rely almost solely on the automobile for transportation, we will continue this inflationary spiral.

So, if you want to continue to send our money abroad by forcing more and more of us to buy more and more gasoline to fuel our cars; if you want to continue to be under the thumb of the oil potentates; if you want to continue to pay outrageous prices for gasoline—then vote for this amendment to cut funding for mass transit.

Further, Mr. Chairman, it has been alleged that this $15.8 billion program—spread over 6 years—is a "budget buster," and that it would "heap fuel on the fires of inflation."

And, I can assure you, I have no intention of voting for a measure which would be inflationary.

But, the bill before us is not inflationary. And to attest to that fact, let me quote from two telegrams that I have received from two well-known organizations.

First, from the Los Angeles Area Chamber of Commerce—an organization of businessmen who know economics and know that inflation must be curbed—they say:

> AUGUST 16, 1974.
>
> Congressman GLENN ANDERSON,
> *Washington, D.C.:*
>
> The Los Angeles area Chamber of Commerce strongly supports H.R. 12859 including both the operating and capitol sections. This legislation is required if we are to develop a balanced transportation system for the greater Los Angeles area. Your efforts in this regard are most appreciated.
>
> RICHARD E. SIMPSON,
> *Vice Chairman, Public Transportation Committee.*

And, second, from Mr. Thornton Bradshaw, the president of Atlantic Richfield Oil Co.—a man who has been an outspoken advocate of mass transit for some time:

> AUGUST 19, 1974.
>
> Congressman GLENN ANDERSON,
> *House of Representatives,*
> *Washington, D.C.:*
>
> We are strongly in favor of the passage of H.R. 12859 including both the operating and capital sections of the bill. Therefore, we request your wholehearted support of this legislation. We urge you to make our views known to the other members of the California delegation and to elicit their support as well.
>
> T. F. BRADSHAW,
> *President, Arco.*

These people—businessmen who know the impact of inflation on the economy—these people, who are in the forefront of the effort to curb inflation—favor this bill, and they urge us to adopt it.

I urge you to reject the argument that this bill is inflationary, and instead vote for this proposal as suggested by the Los Angeles Area Chamber of Commerce and by Mr. Bradshaw, the president of Arco.

I urge you to vote down this amendment to cut funding to $11 billion and instead adopt the committee proposal of $15.8 billion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HARSHA) as a substitute for the amendment offered by the gentleman from Texas (Mr. ROBERTS).

The question was taken; and the Chair announced that he was in doubt.

RECORDED VOTE

Mr. HARSHA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 257, noes 155, not voting 22, as follows:

[Roll No. 507]

AYES—257

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bevill
Blackburn
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Cotter
Crane
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Denholm
Dennis
Devine
Dickinson
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flowers
Flynt
Foley
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Goodling
Griffiths
Gross
Gubser
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hays
Heckler, Mass.
Henderson
Hicks
Hillis
Hinshaw
Holt
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kazen
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Litton
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKay
McKinney
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Melcher
Mezvinsky
Michel
Milford
Miller
Minshall, Ohio
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Murtha
Myers
Nelsen
Nichols
Obey
O'Brien
Parris
Pettis
Pickle
Poage
Powell, Ohio
Preyer
Price, Tex.
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Robinson, Va.
Robison, N.Y.
Rogers
Rose
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Ryan
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Ullman
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion
Zwach

NOES—155

Abzug
Adams
Addabbo
Anderson, Calif.
Annunzio
Badillo
Barrett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carey, N.Y.
Carney, Ohio
Chisholm
Clark
Clay
Collins, Ill.
Conyers
Corman
Coughlin
Cronin
Daniels, Dominick V.
Danielson
Delaney
Dellums
Dent
Derwinski
Dingell
Donohue
Dorn
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Fascell
Flood
Ford
Fraser
Fulton
Gaydos
Ginn
Grasso
Gray
Green, Pa.
Grover
Gude
Hanna
Harrington
Hechler, W. Va.
Heinz
Helstoski
Hogan
Holifield
Holtzman
Howard
Johnson, Calif.
Jones, Ala.
Karth
Kastenmeier
Kluczynski
Koch
Kyros
Leggett
Lehman
Lent
Long, La.
McFall
Macdonald
Madden
Maraziti
Matsunaga
Meeds
Metcalfe
Mills
Minish
Mink
Mitchell, Md.

Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nix
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pike
Podell
Price, Ill.
Pritchard
Rangel
Rees
Reid
Reuss
Riegle
Rinaldo
Roberts
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roybal
St Germain
Sandman
Sarbanes
Schroeder
Seiberling
Sisk
Slack
Stanton,
  J. William
Stanton,
  James V.
Stark
Steele
Stephens
Studds
Sullivan
Symington
Teague
Thompson, N.J.
Tiernan
Udall
Vander Veen
Vanik
Vigorito
Waldie
Whalen
Wilson,
  Charles H.,
  Calif.
Wolff
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—22

Anderson, Ill.
Aspin
Brasco
Davis, Ga.
Diggs
Froehlich
Green, Oreg.
Gunter
Hansen, Wash.
Hawkins
Hébert
Landrum
McSpadden
Mosher
Nedzi
Passman
Rarick
Rooney, N.Y.
Staggers
Stokes
Stuckey
Van Deerlin

So the amendment as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ROBERTS), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARSHA: Page 73, strike out lines 14 through 17, inclusive, and insert in lieu thereof the following: "ceed $30,000,000 for the fiscal year 1975, $30,000,000 for the fiscal year 1976, $30,000,000 for the fiscal year 1977, $30,000,000 for the fiscal year 1978, $30,000,000 for the fiscal year 1979, and $30,000,000 for the fiscal year 1980."

Mr. HARSHA. Mr. Chairman, this amendment simply uses the same approach which the committee used to provide the $50 million annual authorization for planning money over a 6-year period.

The committee bill provided for $50 million a year for 6 years for planning grants.

Mr. Chairman, the committee provided 1½ percent of the sums authorized for construction grants as the figure to authorize for planning grants.

Adopting that same approach, then the planning grants should be cut down to $30 million annually from $50 million, because 1½ percent of the sum authorized by the adoption of my substitute amendment averages out to the figure of $30 million a year, maintaining the committee approach to the provision for planning grants.

Mr. Chairman, I hope the committee will accept the amendment.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

I oppose the amendment.

The fact is that there has been a shortage of planning, and the major reason for this has been that there has been a lack of planning funds. Therefore, if the Congress is to make a major commitment for mass transit and encourage local initiative, which I think the gentleman from the other side of the aisle is interested in doing, planning funds are required.

This is a nationwide bill, and there is no great virtue in cutting for the sake of cutting. In this instance, the $50 million in the bill averages to only $1 million per State.

Mass transit, no matter what we vote in terms of the total figure in this bill, is still in need of new expertise.

This kind of authorization is essential, then, in order to have improvement in our planning, in our expertise, in our bringing together the kind of studies and understanding that we have just begun to encourage in mass transportation.

I urge the Members to defeat this amendment.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have just cut down, in good faith, a recommended reduction of 25 percent, additionally right down the middle to 50 percent of the original $20 billion proposal. We have cut almost $10 billion to be used for operating or construction or what not.

This amount of money here is relatively small, but extremely important, as the gentlewoman from New York pointed out. It cuts $50 million a year down to $30 million a year for planning.

There are 269 or 278 municipalities which in some degree will need planning. Let us set that down to even 200, for the purposes of simplifying the magnitude, 200 municipalities. The $30 million would amount to about an average of $150,000 per municipality for badly needed planning of a form or combination of systems which will best meet the area's needs.

More than anything else, to provide for as efficient, modern, up-to-date, and economical system as possible is foresight, intelligent planning, using the best of the engineering and the inventive genius and technological know-how that is available.

Therefore, Mr. Chairman, in view of the small amount of money involved, I do say that we should give the benefit of the doubt to these municipalities who need planning in the initial stage and who need this form of help right now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HARSHA).

The amendment was rejected.

Mr. FRASER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to just spend a minute to ask the chairman of the committee a question with respect to section 508 of this act.

Mr. Chairman, section 508(b) enables States to enter into agreements with appropriate local officials regarding the allocation of funds under this bill. It is my understanding that the designation of these appropriate local officials is a matter to be determined by the State. As the Chairman knows, in the Minneapolis-St. Paul area, we have a unique regional transportation arrangement. Our regional planning and coordinating agency, the metropolitan council, establishes transportation policy for our seven county metropolitan area. It, in turn, appoints the members of the metropolitan transit commission, the agency which operates the Twin Cities area transit system. Neither of these bodies is directly elected.

I want to make sure that section 508 would in no way inhibit the State of Minnesota from entering into agreements with these agencies to make use of funds available under this act.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Chairman, I will be pleased to respond to the gentleman, my dear friend from Minneapolis. It is a very necessary point.

In section 508(b), to which the gentleman refers, the term "State" or "appropriate local officials" has broad meanings. We paid special attention to several versions of that phraseology, trying to make it as broad and as uninhibited as possible, having in mind several specific instances, which included the instances of the State of Minnesota where the Governor appoints the members of the metropolitan council and the council, in turn, names the members of the transit commission.

So the section itself is intended to accomplish one purpose, and that is to allow the State to make whatever agreements might be required with the local officials, the word "local" referring to the appropriate local officials, without having these agreements reviewed or examined by the Secretary.

So this allows the State and those local officials to get together in whatever manner is befitting the legal structure in their own State.

Therefore, I would see no difficulty for the State in entering into agreement with either the metropolitan council or the metropolitan transit commission to which the gentleman makes reference.

Mr. FRASER. Mr. Chairman, I thank the chairman of the committee.

Mr. HOWARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. YOUNG of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Georgia.

Mr. YOUNG of Georgia. Mr. Chairman, I thank the gentleman from New Jersey.

I would like to thank the gentleman for conducting hearings on this bill, and I commend the committee for working out a splendid means of helping the mass transit needs of this Nation. I believe the committee looked into the Metropolitan Atlanta Rapid Transit Authority and agreed it had one of the most innovative and effective plans in our Nation.

Is it not correct that under the provisions of H.R. 12859, Atlanta is among the nine urbanized areas which would be eligible for funding under category A of the bill?

Mr. HOWARD. Mr. Chairman, the

gentleman is absolutely correct. The city of Atlanta is one of the nine urbanized areas which would be eligible.

Mr. YOUNG of Georgia. Mr. Chairman, is it not correct that under section 501 (a)3 of the bill that the public agencies across the Nation such as MARTA, which have been created under State or local laws and charged with the responsibility of financing, constructing, and operating mass transit services, qualify as designated recipients under the language of the bill?

Mr. HOWARD. Mr. Chairman, the gentleman is again correct. Of course, the State and local public leadership will designate the agency to operate it. Since MARTA has been created in the Atlanta area, that would be the agency.

Mr. YOUNG of Georgia. Mr. Chairman, is it not correct that a designated recipient under section 501(a)3, such as MARTA, would be responsible for the administration of its program and projects under section 505(B)?

Mr. HOWARD. Mr. Chairman, the gentleman is once again correct.

I would like to state that certainly the people of Atlanta can be proud of the work they have done in attempting to get ready for a Federal mass transit bill, and we talked the other day about what the local officials were doing and what kind of a sacrifice they have made.

Mr. HOWARD. I think the fact that the people in Atlanta have passed a referendum funding an additional 1-cent increase in their sales tax, that money to go toward a rapid transit system, certainly shows that the city of Atlanta is not only keeping up with but certainly is ahead of the majority of our Nation.

Mr. YOUNG of Georgia. Mr. Chairman, if the gentleman will yield further, I would like to also say that MARTA has increased the ridership in Atlanta about 60 percent. I think that the fact that people are now using the 15-cent fare to ride buses to work rather than to spend the money for gasoline and thus increasing the importation of oil, would actually be a contribution toward lowering inflation rather than increasing inflation, as was suggested by the previous amendment.

Mr. HOWARD. The gentleman from Georgia is correct. The city of Atlanta has proven that by keeping the price of public transportation low you can get the people out of their automobiles and into mass transit.

The CHAIRMAN. If there are no further amendments to section 3, the Clerk will read.

The Clerk read as follows:

SEC. 4. (a) The Urban Mass Transportation Administration within the Department of Transportation shall be known hereafter as the Federal Mass Transportation Administration, and the Urban Mass Transportation Administrator shall be known hereafter as the Federal Mass Transportation Administrator. Any reference in any law, map, regulation, document, record, or other paper of the United States to the Urban Mass Transportation Administration shall be held to be a reference to the Federal Mass Transportation Administration, and any reference to the Urban Mass Transportation Administrator shall be held to be a reference to the Federal Mass Transportation Administrator.

(b) The Secretary of Transportation shall designate the date he determines is feasible to commence the approval of construction grants under chapter 5 of title 23 of the United States Code. After the date so designated or one year after the date of enactment of chapter 5 of title 23 of the United States Code, whichever date first occurs, no new grant, loan, or other Federal financial assistance shall be approved, made, or otherwise extended under any provision of the Urban Mass Transportation Act of 1964.

SEC. 5. The time requirements in subsections (b) and (d) of section 501 and in section 503 of title 23, United States Code, shall not be applicable to the apportionment of sums authorized for the fiscal year ending June 30, 1975, in section 3 of this Act. The Secretary shall apportion such sums for such fiscal year as soon as practicable after the date of enactment of this Act.

SEC. 6. Section 127 of title 23, United States Code, is amended to read as follows:

"§ 127. Vehicle weight and width limitations—Interstate System

"(a) No funds authorized to be appropriated for any fiscal year under section 108(b) of the Federal-Aid Highway Act of 1956 shall be apportioned to any State within the boundaries of which the Interstate System may be lawfully used by a motor vehicle or combination of motor vehicles (including a truck tractor-semitrailer-full trailer combination or a truck-full trailer combination) having a weight or width exceeding—

"(1) any of the following:

"(A) single-axle weight: 20,000 pounds, including statutory enforcement tolerances;

"(B) tandem-axle weight: 34,000 pounds, including statutory enforcement tolerances;

"(C) group of axles weight, including statutory enforcement tolerances, on a group of two or more consecutive axles: the weight produced by application of the following formula:

$$W=500(LN/N-1+12N+36)$$

where W = overall weight on any group of two or more consecutive axles to the nearest 500 pounds, L = distance in feet between the extreme of any group of two or more consecutive axles, and N = number of axles in the group under consideration;

"(D) gross weight: 90,000 pounds, including statutory enforcement tolerances;

"(E) width: 96 inches; or

"(2) any greater corresponding maximum weight or width permitted for motor vehicles using the public highways of the State under laws or regulations established by appropriate State authority and in effect on—

"(A) in the case of weight (other than group of axles weight) or width, February 1, 1960, in the State of Hawaii; and July 1, 1956, in all other States; and

"(B) in the case of group of axles weight, January 1, 1974.

"(b) Notwithstanding subsection (a) of this section two consecutive sets of tandem axles may weigh 34,000 pounds each providing the overall distance between the first and last axles of such consecutive sets of tandem axles is 36 feet or more.

"(c) This section shall not be construed to deny apportionment to any State allowing the operation within such State of any vehicles or combinations thereof that could be lawfully operated within such State on July 1, 1956."

SEC. 7. The Secretary of Transportation shall enter into such arrangements as may be necessary to carry out a demonstration project in Hammond, Indiana, for the relocation of railroad lines for the purpose of eliminating highway railroad grade crossings. The Federal share payable on account of such project shall be that provided in section 120 of title 23, United States Code. There is authorized to be appropriated to carry out this section not to exceed $14,000,000, except that two-thirds of all funds expended under authority of this section in any fiscal year shall be appropriated out of the Highway Trust Fund.

SEC. 8. Section 323 of title 23, United States Code, is amended by striking out "after he has been tendered the full amount of the estimated just compensation as established by an approved appraisal of the fair market value of the subject real property, and by inserting in lieu thereof the following: "after he has been fully informed of his right to receive just compensation for the acquisition of his property,".

SEC. 9. Title 23 of the United States Code shall hereafter be entitled "Highways and Public Mass Transportation". Any law, regulation, map, document, record, or other paper of the United States in which such title is designated or referred to shall be held to designate or refer to such title as "Highways and Public Mass Transportation".

Mr. JONES of Alabama (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AMENDMENT OFFERED BY MR. KOCH

Mr. KOCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOCH: Page 75, strike out line 3 and all that follows down through and including line 3 on page 77.

Renumber succeeding sections accordingly.

Mr. KOCH. Mr. Chairman, this is a very simple amendment. All it does is to strike the provision in the bill which would increase the current permissible gross weights of trucks from 73,280 pounds to 90,000 pounds.

Mr. Chairman, all great committees occasionally make errors. This is one of the errors in this bill. I would like to have it stricken, and let me tell you why. Let me also tell you what is wrong with increasing the gross weight of these trucks—and let me also tell you that I am not talking about a provision that has a great deal of impact on the city of New York—I am talking about a provision that affects the urban, suburban and rural areas of this country, all across the country, you all will be affected by this provision.

What will happen if we proceed to permit these trucks to increase their size to such an extent?

There is a study which shows that there is twice the fatality rate as a result of increasing the size of trucks to the size permitted in this bill.

There is also testimony, testimony taken by the committee—and I have read much of the hearings by the Subcommittee on Transportation, which says that the cost to the localities as a result of the damage that will be done to the streets and the highways by these giant trucks will be between $50 million and $100 million a year.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I am happy to yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I would ask the gentleman from New York why the gentleman did not extend his amendment to also take into consideration the increase in the size of buses that are going to be required for mass transportation?

Mr. KOCH. The chairman of the subcommittee has asked me why it is I have not undertaken to correct any other provisions in this bill. It is because there is a limit to what I can do, and what I am trying to do is to correct this error.

Mr. JONES of Alabama. I agree with the gentleman's confession.

Mr. HARSHA. Mr. Chairman, will the gentleman yield ?

Mr. KOCH. I will be delighted to yield to the gentleman.

Mr. HARSHA. Mr. Chairman, I would ask the gentleman from New York has the gentleman used his considerable expertise with the State Legislature of New York in trying to get their truck weight and size standards lowered?

Mr. KOCH. If I may respond in this way, I know that this provision in the bill is opposed by the National Transportation Safety Board, the National Association of Counties, the American Automobile Association, and the National Association of Professional Engineers, and these are national organizations.

Why do they oppose it? They oppose the provision which increases the size of the weight of those trucks because of the safety factor, because of the damage that will occur to the highways, the cost that will be borne by the localities up to $100 million a year, which is not refunded in this bill, and because the existing bridges on the Interstate System were built for the current maximum loads and not those permitted in the bill.

I was not one of those who sat on this committee, but the committee hearings are available. If the Members read the record—and I would ask the Members on both sides of the aisle who are on that committee if it is not correct that in the record they will find that the Honorable Norbert Tiemann, Administrator of the Federal Highway Administration, stated the rough estimate of these costs, the costs of fixing those streets in the event we increase the tonnage, will be in the range of $50 to $100 million annually.

I ask the gentlemen to confirm whether or not Mr. John Reed, who is the Chairman of the National Transportation Safety Board, said—and this is testimony that he gave to them:

> It, therefore, remains the position of the Safety Board that any increase in size or weight of trucks on the Interstate Highway System should not be authorized until new vehicle standards in the areas previously discussed have been developed and promulgated by the DOT.

Those standards have not yet been promulgated.

I could go through this record and give the Members additional information as to why I wish to support this amendment and strike this provision, but my time has expired.

The **CHAIRMAN.** The time of the gentleman has expired.

Mr. HARSHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find it rather odd that the gentleman from New York is here endeavoring to deprive every other State of the right to raise its weight limitations on the Interstate System to a figure considerably below what is already authorized on the highways of New York. New York presently allows a single axle weight of 22,400 pounds, 2,400 pounds more than we are asking for in this amendment.

The State of New York has a tandem axle weight of 36,000 pounds, 2,000 pounds more than we authorized in this particular bill. In addition to that, there is a limitation in this provision in the bill of 90,000 pounds; yet on the throughway in New York, which is part of the Interstate System, one can drive a truck with a weight of 127,400 pounds. It seems to me a little inequitable to deny the rest of the States of this country the option, if they so desire—and that is all this amendment does—to raise their weight limits on interstate highways from 18,000 pounds to 20,000 pounds on a single axle, and from 32,000 pounds on a tandem axle to 34,000 pounds.

Let me point out to this committee that 33 States already have this weight limit of 34,000 pounds and 20,000 pounds respectively. They already have it in their law, and they are permitting trucks to use highways other than the interstate, highways that are constructed at far inferior standards than the interstate. It makes little sense to me to deny the use of the interstates which are built to standards to handle traffic of this weight. They are much more soundly engineered.

Let me point out to the committee that when we lowered the speed limit to 55 miles per hour, this necessitated the addition to the truck fleet of additional trucks to transport the same volume of goods that they were heretofore transporting in a lesser number of trucks traveling anywhere from 65 to 70 miles an hour. It also increased the consumption of fuel.

Although the proposed weight increases are small, they would enable the trucking industry to increase its load-carrying capacity on a typical 55-foot, 5-axle tractor semitrailer by approximately 5,000 pounds with a resulting fuel savings of 5.6 percent and a decrease in the number of trips by 7.8 percent.

At present, this typical vehicle makes one trip per day, and travels a total of 70,000 miles per year (269 miles per trip). This vehicle averages 260 trips per year. With a present payload maximum of 47,010 pounds, this vehicle carries 6,111 tons per year and consumes 16,660 gallons of diesel fuel (at .238 gallons per mile).

The proposed heavier vehicle would have a payload maximum of 51,730 pounds and could carry the same 6,111 tons in 236 trips, consuming 15,617 gallons of diesel fuel. Savings per truck per year—24 trips and 1,043 gallons of fuel.

In the case of a 65-foot, twin trailer combination, which is the typical vehicle in 30 States, the load-carrying capacity would be increased approximately 12,000 pounds with a resulting fuel savings of 12.2 percent and a decrease in the number of trips by 20.8 percent.

At present, this 65-foot, twin trailer combination makes one trip per day, and travels a total of 70,000 miles per year—269 miles per trip. The vehicle averages 260 trips per year. With a present payload maximum of 46,260 pounds, this vehicle carries 6,014 tons per year, and consumes 16,100 gallons of diesel fuel—at 0.230 gallon per mile.

The proposed heavier vehicle would have a payload maximum of 56,310 pounds and would carry the same 6,014 tons in 214 trips, consuming 14,679 gallons of diesel fuel. Savings per truck per year—46 trips and 1,421 gallons of fuel.

In addition to greater productivity and fuel savings, the trucking industry needs a weight increase to aid in countering the impact which the cutback in speed limits has had upon the industry's ability to move the Nation's commerce.

The lower speed limit means more trips to carry a given volume of freight between two points, necessitating the use of more vehicles and consequently, greater fuel consumption.

To compensate for this, the industry needs increased payload which can only come about through an increase in the present allowable gross weight limit. Unless this is accomplished, it is the shippers who will be inconvenienced because of the lack of equipment to adequately carry out the proper distribution. Ultimately, it is the public which will suffer.

Questions relating to the effect of the proposed increases upon highway safety are perhaps best answered by Secretary of Transportation Claude S. Brinegar. In recommending the weight increases to the Congress, Secretary Brinegar said:

> We believe that the weight increases we propose will have a minimal effect upon highway safety. The lowering of the speed limit to 55 reduces braking distance materially, far more than any increases in braking distance with existing equipment which might be attributed to greater axle loads. To the extent that increased truck productivity leads to fewer trucks on the road, it means less exposure to accidents.

The Secretary's views on safety have been amply buttressed in testimony before the Senate and House Public Works Committees. For example, James B. Gregory, Administrator of the National Highway Traffic Safety Administration, has stated that the accident rate per vehicle mile for trucks is about one-half the rate for cars.

Gregory told the Transportation Subcommittee of the Senate Public Works Committee that:

> Trucks are less likely than cars to become involved in single vehicle accidents and still less likely to become involved in multivehicle accidents.

Obviously, horsepower-to-weight ratios of trucks are altered when vehicle weight is increased. Lester P. Lamm, Executive Director of the Federal Highway Administration, effectively responded to questions on this issue. He said:

> A very sizable segment of the nation's truck fleet has been powered to maintain speeds in the area of 70 m.p.h. on the Interstate System. This power is now in excess of that presently needed to maintain a 55 m.p.h. cruise. Given this power reserve, or some

gearing changes, these vehicles can safely tolerate the proposed incremental load increases without deterioration of performance.

The practical economics of transportation dictated the need for the proposed newer weight standards even before the energy crisis. The existing limits are outdated, and are comparable to a requirement that the air carriers return to their fleets of DC-3's. The need today for increased weights is even greater and is of critical importance to the consuming public, shippers, and to the motor carrier industry.

The trucking industry's proposal for modest changes in the present Federal weight limits has been endorsed by the Department of Transportation, the Department of Agriculture, the American Association of State Highway and Transportation Officials, the National Industrial Traffic League, the American Farm Bureau Federation, the National Grange, the National Council of Farmers Cooperatives, the United Fresh Fruit and Vegetable Association, the American Frozen Food Institute, the California Grape and Tree Fruit Association, the Florida Growers and Shippers League, and the Texas Citrus and Vegetable Growers and Shippers Association.

One important fact concerning the industry's request should be kept in mind. The weight changes sought are permissive only. Each State legislature would have to approve the increases before they could go into effect should the Congress give its consent.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Chairman, the gentleman had me with him until he made that statement about the poor trucks. There is not a truck in this country which is obeying the 55-mile-an-hour limit. They will blow one off the road if one is going 50 miles an hour.

Mr. HARSHA. They do not obey the 55-mile-an-hour limit.

Mr. HAYS. They are all doing 65 to 75 miles an hour.

Mr. HARSHA. That is a matter of enforcement.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, does the gentleman not agree that some Members seem not to understand that this provision in the bill does not raise any limit anywhere?

Mr. HARSHA. Absolutely correct.

Mr. WRIGHT. What it does is to permit the States at their option to raise the limit on the Interstate Highways.

Mr. HARSHA. That is exactly correct.

Mr. WRIGHT. They can raise it to the limit that they permit on their lesser roads.

Mr. HARSHA. The gentleman is 100-percent accurate on that. Let me point out that of the 33 States that already permit that higher weight on their State roads, 17 of them are authorized to use the higher weights on the Interstate by virtue of the Federal act because we grandfathered them in. This measure is strictly permissive.

We impute something less than good sense to the State legislatures if we think this is going to cause a tremendous maintenance problem. Also it will actually remove trucks from the roads and become a safety factor in reducing exposure to trucks and thereby reducing accident rates.

I urge the defeat of the amendment.

Mr. CAREY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with regard to any special limitations in certain States on the size of trucks, and what one State allows, let me say as one who lives in the State of New York I am concerned about truck traffic in New York. I am concerned about the safety of those on the highways which have been built in New York. To cite one State as an example, and say because that State has gone to a high limit we should advocate that is questionable. The leadership at this level in this body should say we want to look at the limits of all this country in terms of what they should be consistent with traffic safety. To abdicate our responsibility and say whatever a State wants to legislate, if they want to go as high as New York, is all right with us is irresponsible. Maybe New York is too high at this moment. I believe it is. I do not think we should be saying leave it to the States because whatever they do is all right and they are responsible. I believe that we as a deliberate body ought to be responsible in controlling the Interstate System.

I believe the time has come to say how big the trucks should be. The alternative is to look at the rail system. When New York went to higher limits our rail system went into bankruptcy.

We need an integrated transit system in this country. Let us look down the road before we go to the super, super trucks. There is a responsibility in this body. Let us not abdicate it to the State legislatures.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. CAREY of New York. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I thank the gentleman for yielding.

The added provision would increase the load trucks can carry from the present 73,000 pounds to 90,000 pounds. We all know how much trouble trucks have now maintaining the speed limit when confronted with a hill. Consider the results of an additional 20,000-pound burden. More directly a threat to highway safety, heavier loads would exacerbate front tire failures, the second largest cause of truck accidents. Finally, truck braking systems, the No. 1 source of trucking calamities, would have to deal with an additional 20,000 pounds. The brakes on trucks fail too often with present loads. Imagine driving down a hill pursued by a 90,000-pound-plus truck going 60 miles an hour with shaky brakes. Driving could become a terror.

I hope my colleagues will join me in strong opposition to the provision allowing heavier loads on trucks.

Mr. CAREY of New York. I want to find someone who can find me an engineer who engineered that road system which was built 20 years ago for the kind and size of trucks we are contemplating in this bill. The roads were not built for this kind of truck, and that is an antisafety measure.

Mr. GUDE. The gentleman's point is well taken.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I would just like all the Members to think for a minute before they vote on this about what we are going to tell our constituents back home if we vote to raise these truck limits. Some of them are the worst law violators there are in this country. There is not one of them who obeys the 55-mile-an-hour limit. As a matter of fact, when the 55-mile-an-hour limit was voted by Congress the truckdrivers blockaded the highways in Ohio for 3 days.

You know, that was kind of funny, because the 55-mile-an-hour limit had been in Ohio for 30 years, 55 for trucks and 70 miles an hour on the Interstate for cars, and they blockaded the highway because the Federal Government passed a law which was the same as the State law, which they had never obeyed one time.

Now, I had a little run-in with the highway patrol in Ohio and they made a big deal out of it. They found me to be going 63 miles an hour. One night at a dinner the State highway safety director chided me—he spoke ahead of me, that was his mistake—he said, "I hope you don't get in any hurry. You don't have any opposition. There is no reason for you to hurry."

And I said, "Listen, Mr. Director, from now on I'm going to be driving 80 miles an hour and your highway patrol won't touch me, because the first week, I have a rotating agreement, the first week I'm going to be riding a roadway truck, the second week, I'm going to be riding a yellow truck and the third week I will be riding in a Greyhound bus and they all go 80 miles an hour and nobody has ever stopped them in Ohio."

You know that is true. It is true not only in Ohio, but it is true throughout the country.

I drive home a lot. I do not care what anybody says, when you come down the mountains on the Pennsylvania Turnpike and you are afraid to drive over 55 and the limit is 55, those trucks go around you like you are in reverse.

If you want to add 20,000 pounds to trucks that are already violating the speed limit by 20 miles an hour, you go right ahead, but you be prepared, because your constituents will know about it.

I gave this fellow a little lesson the other night. I said, "I want you to stand up and look at this audience. There are 500 people here." And I said, "If there is one licensed driver, Mr. Safety Director, in this audience who hasn't been blown off the road by a truck when they were going along at 55 miles an hour and a truck went around them, anybody that has not had that experience, hold up your hand."

You know, he looked and looked and he could not find a single hand.

I want you to know the people in the United States, and they are far superior in numbers to the truckdrivers, are aware of the fact that they are being discriminated against and that this particular item in the bill is further discrimination against the people who are really paying for these highways.

I think the gentleman's amendment ought to be passed and I think we ought to leave the truck weights where they are.

The CHAIRMAN. The question is on the amendment of the gentleman from New York (Mr. KOCH).

The question was taken; and the Chairman announced that he was in doubt.

RECORDED VOTE

Mr. KOCH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 252, noes 159, answered "present" 1, not voting 22, as follows:

[Roll No. 508]

AYES—252

Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N.C.
Annunzio
Arends
Ashley
Badillo
Bafalis
Barrett
Bell
Bennett
Biaggi
Biester
Bingham
Blackburn
Boland
Bolling
Brademas
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carey, N.Y.
Carter
Cederberg
Chappell
Chisholm
Clancy
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Conable
Conte
Corman
Coughlin
Culver
Daniels, Dominick V.
Danielson
Davis, Wis.
Delaney
Dellums
Dennis
Dent
Derwinski
Devine
Dingell
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Goldwater
Goodling
Grasso
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Harrington
Hastings
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Holifield
Holt
Holtzman
Horton
Huber
Hudnut
Hungate
Hunt
Hutchinson
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Kemp
Ketchum
King
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCormack
McDade
McEwen
McKinney
Macdonald
Madden
Mallary
Maraziti
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Metcalfe
Mezvinsky
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nelsen
Nix
Obey
O'Brien
O'Hara
Owens
Parris
Patman
Patten
Pepper
Perkins
Peyser
Pike
Poage
Podell
Preyer
Price, Ill.
Randall
Rangel
Rees
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Sarasin
Sarbanes
Scherle
Schroeder
Seiberling
Smith, Iowa
Smith, N.Y.
Snyder
Stark
Steele
Steiger, Wis.
Stratton
Stubblefield
Studds
Sullivan
Symington
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Treen
Udall
Vander Veen
Vanik
Veysey
Waldie
Walsh
Ware
Whitten
Widnall
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NOES—159

Abdnor
Alexander
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Baker
Bauman
Beard
Bergland
Bevill
Blatnik
Boggs
Bowen
Breaux
Brown, Mich.
Broyhill, Va.
Burke, Mass.
Burleson, Tex.
Butler
Camp
Carney, Ohio
Casey, Tex.
Chamberlain
Clark
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conlan
Cotter
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
de la Garza
Dellenback
Denholm
Dickinson
Donohue
Dorn
Downing
Duncan
Esch
Fisher
Flowers
Flynt
Ford
Frenzel
Froehlich
Ginn
Gonzalez
Gray
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harsha
Heckler, Mass.
Hinshaw
Hogan
Hosmer
Howard
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Karth
Kazen
Kluczynski
Landgrebe
Litton
Luken
McCloskey
McCollister
McFall
McKay
Madigan
Mahon
Mann
Martin, N.C.
Mathis, Ga.
Melcher
Michel
Milford
Mills
Minshall, Ohio
Moakley
Mollohan
Murphy, N.Y.
Myers
Nichols
O'Neill
Passman
Pettis
Pickle
Powell, Ohio
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Roberts
Robinson, Va.
Roe
Roncalio, Wyo.
Rose
Roy
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Satterfield
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Stephens
Symms
Talcott
Taylor, Mo.
Tiernan
Towell, Nev.
Traxler
Ullman
Vander Jagt
Vigorito
Waggonner
Wampler
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Winn
Wright
Wyatt
Young, Alaska
Young, S.C.
Zwach

ANSWERED "PRESENT"—1

Schneebeli

NOT VOTING—22

Anderson, Ill.
Aspin
Brasco
Conyers
Davis, Ga.
Diggs
Green, Oreg.
Gunter
Hanna
Hansen, Wash.
Hawkins
Hébert
Landrum
McSpadden
Nedzi
Rarick
Reid
Rooney, N.Y.
Stokes
Stuckey
Teague
Van Deerlin

So the amendment was agreed to.

The result of the vote was announced as above recorded.

ADDITION TO LEGISLATIVE PROGRAM

(By unanimous consent, Mr. O'NEILL was allowed to speak out of order.)

Mr. O'NEILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to announce that following the rollcall vote on H.R. 12859, the Federal Mass Transportation Act of 1974, the Speaker has agreed to recognize the gentleman from Texas (Mr. PATMAN) to move to suspend the rules and pass the Senate bill, S. 3919, to establish a Council on Wage and Price Stability, which is similar to the bill on inflation which the House passed yesterday.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 77, lines 4 to 15, strike out all of section 7, and renumber the sections that follow accordingly.

Mr. HARSHA. Mr. Chairman, I reserve a point of order against the amendment; since I do not have a copy of it I do not know what it involves.

The CHAIRMAN. The gentleman from Ohio reserves a point of order on the amendment.

Mr. GROSS. Mr. Chairman, the amendment is simple, and I doubt very much that a point of order would lie to any amendment to strike a provision out of this bill.

The gentleman from Ohio can, of course, pursue his point of order, if he so desires.

My amendment would strike section 7 of the bill and I will read it because it is short. It provides that—

> The Secretary of Transportation shall enter into such arrangements as may be necessary to carry out a demonstration project—

And I repeat, a demonstration project—

> in Hammond, Indiana, for the relocation of railroad lines for the purpose of eliminating highway railroad grade crossings. The Federal share payable on account of such project shall be that provided in section 120 of title 23, United States Code. There is authorized to be appropriated to carry out this section not to exceed $14,000,000, except that two-thirds of all funds expended under authority of this section in any fiscal year shall be appropriated out of the Highway Trust Fund.

Mr. Chairman, there are at least two things wrong with this provision in this bill. How it got here I do not know for it is not germane and it is protected by a point of order which, of course, was granted by the Committee on Rules. But, as I say, there are at least two things wrong with this deal.

In the first place, it is special privilege. It does for Hammond, Ind., something that is not for any other city or town in the country. In the second place, it is a raid on the highway trust fund and, as far as I know, the only one in this bill.

Is there anyone in this Chamber who believes that we need to spend $14 million to demonstrate how to eliminate railroad grade crossings or relocate railroad tracks? Does anybody think that this is necessary in this day and age? They have been relocating railroad tracks and eliminating grade crossings ever since they started to build railroads. There is no need for experts and demonstration projects for the elimination of grade crossings. The requirement is money.

The other day I asked for a show of hands of all those in this Chamber who have grade crossings in their districts that they would like to have eliminated. Many hands went up.

We all have grade crossings that ought to be eliminated in our districts, but we cannot get $14 million worth of special treatment and privilege.

I again say to the Members that this is special privilege and for what reason I do not know. Perhaps some members of the Committee or some other Members of the House can tell us why this one grade crossing elimination project is in the bill at a cost of $14,000,000.

It would be interesting to know the magic that brought about this most unusual provision in this bill.

I urge that my amendment be adopted.

Mr. MADDEN. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The Chair will inquire of the gentleman from Ohio (Mr. HARSHA) if the gentleman wishes to persist in his point of order?

Mr. HARSHA. Mr. Chairman, I withdraw my reservation of a point of order.

The CHAIRMAN. The gentleman from Ohio withdraws his reservation of a point of order.

(By unanimous consent, Mr. MADDEN was allowed to proceed for 3 additional minutes.)

The CHAIRMAN. The gentleman from Indiana is recognized for 8 minutes.

Mr. MADDEN. Mr. Chairman, for the information of my good friend, the gentleman from Iowa, Mr. GROSS, who asked for an explanation about this section, I remind him that this is a mass transit bill. If there is any spot in the United States that is a completely tied-up, congested traffic area, it is the Calumet region of Indiana.

Let me say that the Calumet region of Indiana is right on the threshold of all of the traffic in and out of Chicago. Tens of thousands of trucks, automobiles and buses go through my district daily and most of the traffic from Iowa both east and west. I will say to the gentleman from Iowa, we do not have the great protection the city of Chicago has with millions of city and State traffic money to clear up traffic congestion because we are across the State line, up in the northwest corner of Indiana.

I made the statement on the floor of the House about 15 or 20 years ago that I represented the No. 1 industrial area of any congressional district in the country, and our old friend now departed, the gentleman from Pennsylvania, Congressman Eberharter of Pittsburgh challenged me. He said, "You must have forgotten there is a town by the name of Pittsburgh."

I replied "No, I have not. How many congressional districts are there in Pittsburgh?"

He answered, "Five."

I then stated, "There is only one in the Calumet region of Indiana with three major steel mills, United States, Inland, Youngstown and several smaller steel plants, many oil refineries, dispersing stations, and about 50 to 75 other industries."

About 70 years ago they built railroads all through our area because that was the path into Chicago, and since that network of railroads has been built, four major industrial cities have grown up on the threshold of 5 million people in Chicago. Railroads that go through our district today have abandoned passenger trains but they have freight trains about 1½ to 2 miles long and they go about 10 miles an hour. They sometimes stop and clog the traffic for 15 or 20 minutes. There are over 65,000 steelworkers along the lakeshore, whose homes are only 10 miles away, and they have traffic congestion every morning and every evening going to and from work, sometimes bumper to bumper 3 miles long.

We read in the Washington newspapers about the 3-mile traffic congestion over here at the Baltimore Tunnel during weekends. We have 2- and 3-mile traffic every morning in my district of steel and industrial workers going to the mills and factories.

The Governor of Indiana is for this project and the State Highway Department in Indiana is for it. The chambers of commerce in northwest Indiana endorse this project. If there is anything connected with mass transit, this is it. There is not one area in the United States that can compare with the Calumet region of Indiana as far as traffic congestion is concerned.

As Congressman HAYS just stated, over in Ohio trucks may go 80 miles an hour, but we have trucks going through my district that will go almost that fast with the highways clogged with traffic. If there is any area, Mr. Chairman, that one can name in the Nation that is located for traffic congestion like we are located, I will buy him a goose for Christmas.

There are over 150 to 200 freight cars in some of these mammoth freight trains traveling through Hammond, Gary, East Chicago, and other adjoining towns.

If we can just have the location of one railroad changed, it will eliminate over 40 to 50 rail and road crossings. We have over 30,000 schoolchildren who are blocked the same as the workers and the commuters every morning, evening, and during the day by these mammoth freight trains. Some of the kids go in and out under the freight trains.

I might mention in closing that this Public Works Committee held hearings in Hammond about 3 months ago on this traffic project and heard testimony from public officials, chamber of commerce, business groups, the Indiana Highway Department, and many other witnesses.

There will not be any condemnation of property here in this track removal part of the bill which I am talking about.

We have had more gasoline wasted by these strings of commuters and lines of workers in their autos going to and from the industries, taking an hour for a trip which should take only 15 or 20 minutes—all on account of bumper-to-bumper traffic.

I am going to repeat the statement I made on the floor of this House a couple of months ago when Congressman GROSS talked against another mass transit bill. Two years ago I drove from Chicago to Omaha and I went through the Congressman's Iowa district and one could shoot a cannon up any highway and it would be a miracle if one hit an automobile or a truck. Two weeks ago when I was home I counted 25 trucks within my sight ahead of me and only about 8 or 10 automobiles and it took me an hour and a half to go 20 miles from my district into the Loop in Chicago. I know if the Congressman would only drive through my district instead of taking an airplane over it as he goes back and forth he would never get up and offer an amendment of this kind.

Mr. Chairman, this section 7 specifically sets out that "there is authorized to be appropriated to carry out this section $14 million, except that two-thirds of all funds expended under authority of this section in any fiscal year shall be appropriated out of the 'Highway Trust Fund'."

There is now and for some years back approximately $10 billion in that fund, so the cost of this project will not affect our current budget.

Mr. Chairman, I ask that the amendment offered by the gentleman from Iowa (Mr. GROSS) be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MADDEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 223, not voting 21, as follows:

[Roll No. 509]

AYES—190

Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Bauman
Beard
Bell
Biester
Blackburn
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Dennis
Devine
Dickinson
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evans, Colo.
Findley
Fish
Fisher
Flynt
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Gibbons
Gilman
Goldwater
Goodling
Grasso
Gross
Gubser
Gude
Guyer
Haley
Hastings
Heckler, Mass.
Heinz
Henderson

Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Lent
Litton
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McKinney
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mayne
Michel
Milford
Miller
Minshall, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mosher
Moss
Nelsen
Parris
Pettis
Peyser
Powell, Ohio
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo, N.Y.
Rose
Rousselot
Roy
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Sikes
Smith, N.Y.
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Treen
Vander Jagt
Veysey
Walsh
Wampler
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zwach

NOES—223

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Annunzio
Ashley
Badillo
Baker
Barrett
Bennett
Bergland
Bevill
Biaggi
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brooks
Brown, Calif.
Broyhill, Va.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carey, N.Y.
Carney, Ohio
Chappell
Chisholm
Clark
Clausen, Don H.
Clay
Cochran
Collins, Ill.
Conyers
Corman
Cotter
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Derwinski
Dingell
Donohue
Dorn
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Evins, Tenn.
Fascell
Flood
Flowers
Foley
Ford
Fraser
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Ginn
Gonzalez
Gray
Green, Pa.
Griffiths
Grover
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hays
Hechler, W. Va.
Helstoski
Hicks
Hillis
Holifield
Holtzman
Howard
Hudnut
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Landgrebe
Latta
Leggett
Lehman
Long, La.
Long, Md.
Luken
McEwen
McFall
McKay
Macdonald
Madden
Madigan
Mahon
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Mizell
Moakley
Mollohan
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Pickle
Pike
Podell
Preyer
Price, Ill.
Rangel
Rees
Reid
Reuss
Riegle
Roberts
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stephens
Stratton
Studds
Sullivan
Symington
Teague
Thompson, N.J.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zion

NOT VOTING—21

Anderson, Ill.
Aspin
Brasco
Collier
Davis, Ga.
Diggs
Green, Oreg.
Gunter
Hansen, Wash.
Hawkins
Hébert
Landrum
McSpadden
Nedzi
Poage
Rarick
Rooney, N.Y.
Steele
Stokes
Stuckey
Van Deerlin

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for the purpose of directing a question to the committee. I would like to ask the chairman of the committee or one of the gentlemen managing the bill a question with respect to the provision on page 65 of the bill.

Page 65, line 15, deals with the provision on charter buses and provides that no Federal financial assistance can be provided to an operator who is competing on charter bus service with private operators except under agreements that are approved by the Secretary which do not foreclose private operators from performing charter bus operations outside the area.

My question would relate to a situation where a financially assisted operator under this bill was the only operator in a municipality but was competing with those in other municipalities for charter bus operations outside of his regular service area and where his costs would be lower than the others to the extent he did not have to deadhead buses from the outside municipalities into the central city and then deadhead them back home again.

My question is: If the only differential in the rates were the result of his lower costs because of the lack of deadhead running, would it be considered that those lower rates would foreclose the private operator?

Mr. JAMES V. STANTON. Mr. Chairman, if the gentleman will yield, the answer is: No.

Mr. VANIK. Mr. Chairman, I would like to address several comments to H.R. 12859, the Federal Mass Transportation Act of 1974.

Mr. Chairman, this legislation has unfortunately come to be an "urban interests" versus "rural interests" controversy that I think does much disservice to the country. Although it is true that the direct beneficiaries of mass transit are those tens of millions of persons who live in or near our American cities, such a tunnel vision approach ignores the indirect but substantial benefits that accrue to nonurban-suburban Americans.

Can we put a price tag on the availability of gasoline or a decrease in its price because of reduced demand? What about environmental pollution; can we estimate the effects on rural land of increases in urban automobile pollutants? The list of indirect benefits to rural America is long.

Mr. Chairman, just as urban areas have gained a multitude of indirect benefits from national subsidization of programs such as the soil bank, price supports, agricultural loans, and conservation grants, rural areas stand to again from an effective national transportation policy.

I hope, Mr. Chairman, that all my colleagues, rural or urban, will not allow a geographical division to form that might serve to defeat a measure that is clearly in the national interest.

Mr. Chairman, I would like to make special mention of section 525 of H.R. 12859. Section 525 guarantees the right of all people, including the elderly or handicapped, to physical access to facilities and equipment financed by this act. The physically handicapped have too often been unintentionally excluded from public facilities that their tax dollars help purchase because doors were too narrow for wheelchairs or steps too high for the elderly or lame.

Although we have sought to pass laws that treat persons of all races and religions alike, we must act to assure that persons of all physical conditions also must be treated equally. Just as we have attempted to assure the civil rights of all races, we must assure handicapped Americans that they too have civil rights.

Mr. Chairman, I urge all my colleagues to vote for the bill.

Mr. LEHMAN. Mr. Chairman, because of previous commitments in my district, I was unable to participate in votes on two amendments to the Federal Mass Transportation Act last Thursday.

On rollcall No. 495, the Harsha amendment to make urbanized areas with a population of 2 million or more eligible under category A in the bill, I would have voted "no". The amendment was rejected 143 to 215.

On rollcall No. 496, the Shuster amendment to require the Secretary to evaluate the extent to which urban communities are attempting to discourage auto use and encourage mass transit use before approving projects, I would have voted "no". The amendment was rejected 155 to 174.

On Monday, August 19, I was present, but for unexplained reasons, was not recorded on rollcall No. 501, the authorization for the Youth Conservation Corps. I would have voted "yes" on the passage of this legislation.

Mr. ROSTENKOWSKI. Mr. Chairman, in bringing to the floor this comprehensive 6-year program for mass transportation, the Public Works Committee has demonstrated its commitment to the need for long-range planning in this field. As the committee has pointed out in its report, just as the fifties were the time of great highway development in our Nation, so must the 1970's be the time that we meet the challenge of mass transportation needs.

H.R. 12859 is the vehicle for solving the long-range need for mass transportation in the years ahead. The 6-year duration of the program will give cities and towns the opportunity to plan—an opportunity that is essential for the ex- requires. tensive commitment of resources that mass transportation by its very nature

While many have objected to the cost of this legislation and to the inclusion of operating subsidies in it, I believe that neither of these issues should be allowed to cloud the real issue before this body. That is—are we in the Congress going to go on record in favor of a program that will halt the congestion in our urban areas? Differences in cost and operating subsidies can later be resolved, although I personally believe that the committee's action in both respects was justified. The important thing is that the Federal Government must make the decision to step in and lead the tremendous undertaking that is necessary to get such an extensive program off the ground.

As in the case with any legislation of this magnitude, the Federal Mass Transportation Act of 1974 contains certain provisions which I believe should be changed. But, rather than further prolong the debate on this bill, I would simply like to note my objections to some of the provisions included in the definition of the categories involved, particularly Category A. For, while in my opinion, financially, this bill merits the support of every urban community, administratively in its present form, it ties the fate of local communities under it to the whims and wishes of the individual States. Public transportation is a local service, not a State service and this legislation should be amended to recognize this reality.

In particular, my main objections to the State control contained in this bill are as follows: States are given the power to submit applications for funding; no such power is given local governments. Local governments are given only limited control by being able to veto a project they oppose.

For category A funds, States, along with "responsible local officials" are to select the recipients. "Responsible local officials" has been defined by the Federal administrative regulations to be an agency selected by the Governors. Most important, the "recipients" are not given any prerogative to apply for funds, but rather to expend for approved projects; and thus the "designated recipient" would appear to be only an accounting function.

States and specifically the Governors determine how planning funds shall be allocated and the power to designate who shall be the designated metropolitan planning organization.

States are the only agencies allowed to administer the program, to develop and submit the plans and specifications for all projects and to be responsible for all construction.

Thus, it is clear that States would be given the ultimate control over all moneys flowing from this legislation to the local communities. This control of transit funding would in turn give States great influence over the economic, social, and environmental development of each city and town. To me such control of local decisions is inconsistent with the entire idea of local government. I hope that this legislation is revised before its final enactment in order to cure these weaknesses in a program that is so desperately needed by so many communities.

Mr. DULSKI. Mr. Chairman, passage of this bill is vitally important to the Niagara Frontier and to the orderly solutions to a number of problems in our congested city. The importance to my own area is echoed across the Nation.

It is widely recognized that Federal assistance to mass transit is imperative, and that we must commit the funds now; each year's delay compounds the cities' problems and increases the costs—our own cost estimates have nearly doubled in the past few years, and no relief from the inflationary spiral is in sight.

Our western New York delegation has worked with the Niagara Frontier Transportation Authority, the Urban Mass Transit Administration, the mayor, congressional committees, and local officials, and has strong community support to get our rapid rail project underway. We are under great pressure to support the full committee-recommended $20 billion funding, and no one would be more pleased than I to have it at that figure.

But I think we are going to have to be practical, and concede that there simply is no way at this time to commit the full amount. There is no point in passing a bill which is certain to be vetoed, and for which an override is unlikely. There is no point in adjourning this Congress with no Federal commitment to mass transit, when compromise will allow substantial assistance.

A major concern in our area has been whether UMTA funds will be approved for our Buffalo-Amherst project. We have had our ups and downs, but we are nearing the point of final consideration of capital grants for design and construction. Last May, there were indications of a change in policy by UMTA in mass transportation concepts, when a Seattle bus system plan was lauded to Buffalo officials. My distinguished western New York colleague, Representative JACK KEMP, and I promptly sought clarification on our mass transit project's status. Although he was given verbal assurances of the promising situation for approval of our project, I received the following letter, which was considerably more ambiguous:

DEPARTMENT OF TRANSPORTATION,
URBAN MASS TRANSPORTATION
ADMINISTRATION,
Washington, D.C.

Hon. T. J. DULSKI,
House of Representatives,
Washington, D.C.

DEAR MR. DULSKI: This is in response to your request for comments on a newspaper story in the Buffalo Courier Express concerning the availability of Federal funds for rail rapid transit investments.

For some time UMTA has faced a growing demand for Federal transit assistance. Recently that demand—evidenced by actual applications and our knowledge of plans in other communities—has necessitated an intensive reexamination of our guidelines and criteria for approving grants. At the present 80 percent Federal share, potential demand for construction of new fixed guideway transit systems and major extensions to existing systems appears to greatly exceed Federal funds that might reasonably be available over the foreseeable future.

Fair and equitable consideration of smaller sized grant applications and potential future applications, as well as prudent management of Federal resources, requires that UMTA define the kind of analysis it will require before considering grant assistance for major rapid transit system projects. We are particularly concerned that communities explore all alternatives, before embarking on a particular transit system. The Seattle bus system expansion mentioned in the newspaper story is the result of such a study of alternatives. This requirement does not preclude major rail investments; but I will be in a position to approve such projects only when I am satisfied that the requirement for a full consideration of alternatives has been met.

In the case of the Niagara Frontier Transportation Authority, recent studies, funded with UMTA Technical Study assistance, indicate a significant increase in the cost of the proposed rail transit line, from an original estimate of about $240 million to a current estimate of nearly $480 million. In light of this doubling in the cost of the proposed line, we have asked NFTA to update the alternatives analysis done several years ago. We have suggested this to insure that the assumptions which lead to the selection of the rail mode are still valid, and to ascertain whether the rapid transit line is economically justifiable at the updated cost of nearly $480 million. Jerry Premo, UMTA's Associate Administrator for Capital Assistance, has reviewed this approach on several occasions recently with Kenneth G. Knight, NFTA's General Manager for Metro Construction. Mr. Knight is in the process of initiating an updated analysis, to be carried out with UMTA technical study grant aid.

I am sure that you can appreciate the importance of this analysis, and the reasonableness of our request. Let me assure you again that, through this action, we are not rejecting the NFTA's plans. We look forward to continuing to work with the NFTA in the improvement of public transportation in the Buffalo region.

Sincerely,

FRANK C. HERRINGER.

Following this exchange, a meeting was held in Washington with Mr. Herringer, Buffalo and Erie County officials, and area Congressmen. We received assurances of Buffalo's eligibility, although there were no firm commitments of complete approval.

Community support was again expressed when NFTA held public hearings on the project in Buffalo late last month. I am inserting a copy of my statement on that occasion.

(Statement by Congressman THADDEUS J. DULSKI, July 24, 1974)

The needs of the City of Buffalo and its citizens have been of continuing concern to me for many years, as a resident of the city, as a member of the Common Council, and since 1959 as a member of Congress.

For the record, I am Thaddeus J. Dulski of Buffalo, elected to serve the 37th Congressional District in New York. My district takes in all of the proposed route of the Buffalo-Amherst Metro rail transit line which is located within the city limits.

Provision of mass transit for major urban areas is a matter which is properly occupying the attention of local, State and Federal governments. It is a big responsibility which requires the coordination and help of all three government levels.

Last week in Washington, we had a meeting with the administrator of the Urban Mass Transportation Administration. The subject was the Buffalo-Amherst rail transit proposal. Attending were area members of Congress, Buffalo Mayor Stanley Makowski, Erie County Executive Edward Regan, Chairman Chester Hardt of the Niagara Frontier Transportation Authority, their sides and representatives of various business and civic groups.

I was pleased with the results of this meeting to the extent that it brought together with the UMTA administrator all the interested parties in the Buffalo-Amherst project and through the discussion we were able to establish exactly where we stand.

There has been much work that has gone into the Buffalo-Amherst project, not only technical work, but also the vitally-related social and economic studies which are directly associated with this effort.

The administrator told us that the Buffalo-Amherst project is much farther along than many other proposals from across the country. He posed no direct criticism of our project, but he did emphasize, as he did in a letter to me earlier, that all projects are being subjected to intensive restudy on cost projections.

Such a restudy is either under way, or will be shortly, on our Buffalo-Amherst project. The technicians assure us that their earlier projections will stand up, that they are in the ball park. This is what the Federal agency wants to know.

I have been a consistent supporter of mass transit legislation in the Congress because I recognize that it is essential to the development and revitalization of our urban areas.

You have my assurance that I shall continue to do everything that I can to expedite favorable consideration of Federal funding for the Buffalo mass transit project. The broad public support, evidenced at last week's meeting in Washington, is essential to the realization of our common goals.

As a part of my statement, I am including the letter which the UMTA administrator, Frank C. Herringer, sent to me earlier this month with regard to the status of the Buffalo-Amherst rail transit project. I believe it will be helpful to have this letter as a part of the record since it spells out precisely the position of UMTA, as was reiterated by Mr. Herringer in his meeting with the Buffalo-area group.

We have been strongly encouraged in all of these contacts, but I do have some reservations about UMTA intent after the delays—particularly after the most recent holdup for a restudy on cost projections—and after the conflicting responses to our inquiries.

However, Congressman KEMP has stated that he now has "unqualified as-assurances from the Urban Mass Transportation Administration that the Buffalo-to-Amhert rapid transit project will not be endanged and instead can be fully and adequately funded by the 1981 target date for completion, even with the proposed cut in the proposed $20 billion authorization.

In view of these assurances, the current state of the economy, and the probability of a no-compromise-no-bill situation, I will support a reasonable cut in the authorization level.

Mr. FRENZEL. Mr. Chairman, the bill before us has the most noble purposes, but unfortunately it is a mixed bag of good and bad features despite those high purposes.

The good things are that the Public Works Committee is the right committee to give transit problems the best attention. The committee worked diligently and produced some excellent ideas.

Another good thing is that the bill allows local communities greater flexibility in determining their own capital needs up to a point. Capital requirements are an inferior priority to R. & D. needs, but vastly superior to subsidy needs.

Unfortunately there are a number of bad things about the bill.

Operating subsidies are lousy. They give incentives for obsolete, unattractive systems. The requirement for fixed rail to qualify for the best benefits is even lousier. It also provides an incentive for systems that may not be best for a locality, or may not be wanted by the community. The worst part of the bill is, of course, the wasting of the public sense for a "pork band" program for a powerful committee chairman.

Mr. Chairman, because the subsidy percentage has been reduced, and because the obviously inflationary and extravagant $20 billion amount was cut to $11 billion, and because the committee has worked hard to produce this new approach to transit problems, I will cast my vote for the bill in the hope that it will be made right before it reaches the President's desk.

The bill may deserve a no vote, but I will vote aye in the hope that the Senate and House Conference Committee will produce a bill that is not top heavy with subsidies, that it will not force local jurisdictions to use fixed rail facilities if they don't want them, and that will not spur inflation through extravagant spending.

Mr. JOHNSON of California. Mr. Chairman, H.R. 12859 as reported is one of the most important pieces of legislation the Committee on Public Works has ever brought to the floor of the House. Not only is it national in scope but it is comprehensive and deals with all aspects of public mass transportation.

One of the most important provisions of the bill is the requirement in section 513 to provide to the Congress biennially a detailed estimate of the 7-year capital and operating needs for public mass transportation in urbanized, small urban and rural areas. Such reports are required to assist the Congress in the formulation of future mass transportation programs.

The Secretary's report should include: First, total capital needs developed by States and local communities in accordance with the planning process under section 502 which are based upon long-range plans developed through the planning process; and second, total 7-year operating needs developed by the States and local communities in accordance with the planning process under section 502, along with estimates of income available for such needs—except Federal assistance—for the same period, and all expenses chargeable to such needs. Capital and operating needs for urbanized areas should be summarized by State, but urbanized areas should retain their separate identity in the report. Estimates of capital and operating needs for small urban and rural areas should be developed cooperatively by State and responsible local officials and aggregated by State in the report to Congress. The Secretary is required to report annually to Congress with respect to outstanding grants and other agreements entered into under this chapter of the Federal Mass Transportation Act of 1974.

The Secretary is required to develop project and program selection criteria. Such project and program selection criteria should be developed for the purpose of assessing the cost-effectiveness of transportation alternatives. Decisions regarding the allocation of funds among communities should be guided by judgment as well as analysis, if not prescribed by statute.

Although the requirement for the development of criteria is related principally to capital investment, the Secretary shall also develop criteria for approval of programs and projects for operating assistance.

Research in public mass transportation is an essential element to assure that every effort continues to be made in improving the efficiency in the design, construction, and operation of public mass transportation systems.

Section 514(a) authorizes the Secretary to engage in research, development and demonstration projects in all phases of public mass transportation. He may undertake such activities independently or by grant or contract, including working agreements with other Federal departments and agencies. In carrying on research the Secretary is authorized to make grants to public and private nonprofit institutions of higher learning and to carry on research and training in problems of public mass transportation.

Finally, I would like to call to your attention section 515 which requires the establishment of the uniform data and financial reporting systems. The effective planning, financing, and operation of public mass transportation systems both in urban and rural communities requires the availability at Federal, State, and local government levels, of comprehensive and uniform statistical and financial information.

Testimony before the committee disclosed a lack of accurate financial information as to capital and operating needs of mass transit systems, serious gaps in statistics covering such matters as ridership, transit use and effectiveness, and a lack of uniformity in defining and compiling information as to number and length of trips by those using public mass transportation facilities.

The committee believes that the prospective expansion in the role of the Federal Government in assisting the States in the financing and operation of public mass transportation requires that prompt steps be taken to correct deficiencies in statistical reporting and that all carriers receiving Federal grants be required to maintain uniform accounts and records. Only if this is accomplished can there be reasonable possibility that mass transportation systems will be adequately conceived and designed, priorities properly recognized, and public funds effectively used.

Section 515 requires that by January 10, 1977 the Secretary shall develop, test, and prescribe a reporting system to accumulate public mass transportation financial and operating information by uniform categories and to require a uniform system of accounts and records. Furthermore, the bill prohibits the Secretary, after July 1, 1978, from making any grant for either construction or operations unless the applicants for the grant are subject to both the reporting system and a uniform system of accounts and records.

The committee recognizes the difficulties in meeting the requirements of section 515 and the need by the Secretary of Transportation for full cooperation by the state and local governments, as well as Federal agencies. In some instances this will require a change in state law and local ordinances and major revision in accounting practices. This will have to be accomplished expeditiously to meet the July 1, 1978 deadline.

The committee is convinced that if the Nation is to meet the transportation needs of the 1970's and 1980's, a common framework must be established for the design and appraisal of the operating effectiveness of our public mass transportation systems. A uniform reporting system is an essential element in providing this framework.

Mr. Chairman, the committee bill is truly national in scope, treating the problems in the larger cities as well as problems in all other urban and rural areas across the country. We believe we have a good bill that works toward resolving our most urgent national mass transit problems. I urge my colleagues to join me in support of this bill.

Mr. LEGGETT. Mr. Chairman, I rise to speak in support of the Federal Mass Transportation Act of 1974. Our congested cities are crying for assistance. Unless we act now to make progress in the area of mass transit, congestion and pollution will continue unabated in our urban areas. This bill will help local transit systems improve service, thereby encouraging commuters to leave their cars, which should have a beneficial effect on the problems of congestion and pollution. It is of the utmost importance for us to enact this legislation as supported by the committee, for if we delay assisting local transit, the costs will be even greater.

The problem is threefold: Our cities have grown rapidly over the past 25 years. As they have grown, so has our dependence on the automobile. Second, public transportation systems have been unable to operate at a profit, and have therefore deteriorated. The committee report indicates that despite a decade of Federal assistance, the transit industry has operated at a $680 million deficit. Third, our reliance on the automobile has had serious ramifications on the quality of our air; transportation is the number one source of carbon monoxide, sulfur oxide, and hydrocarbons in the atmosphere. Development of mass transit systems should have a favorable impact in the area of air pollution.

Critics argue that spending $3.3 billion per year over the next 6 years is too much to spend on mass transit. It is also argued that the Federal Government should not assist local transit authorities with their operating costs; rather, that Federal assistance should be limited to assistance with capital investments. Although I agree with critics of this bill that we must move in the direction of a balanced budget, I disagree with them that this bill authorizes the expenditure of excessive sums. $10.8 billion is authorized for urban areas which have fixed guideway systems, or which begin implementing such systems. I do not believe that this sum is excessive. First, this entire sum is not to be expended on such systems, as some of this money would go to maintain and improve bus service in such areas, which include most of the largest urban areas in the country. Second, such systems are quite expensive. The Bay Area Rapid Transit (B.A.R.T.) cost over $1.9 billion to construct. The Metro system here in the Washington area will cost $2.98 billion according to a 1972 estimate. Currently, Atlanta, Baltimore, and Pittsburgh are beginning to construct such systems, with initial estimates being approximately $1.3 billion each. The costs are high, yet so are the benefits. First, these systems will help solve the air pollution problem by attracting commuters away from their cars; and, second, these systems are able to handle great numbers of passengers. This is most important since it is estimated that public transportation will carry 350 million passengers in the Washington area alone in 1990.

This bill authorizes $8.3 billion to be spent on transportation systems in 269 other urban areas. This sum would be used to improve transportation to some 65 million people. Again, the expense is great, but so is the need. Further, this bill authorizes $920 million to be spent for developing transit in nonurban areas. As a Congressman from a predominantly rural district, I am glad to see that the transit needs of small towns are also being recognized.

In short, the Mass Transportation Act recognizes the need to develop and maintain an effective mass transit system in this country. Implementation requires a massive effort and a sizable commitment of Federal funds. This Congress, more than any other in recent years, has recognized the need to balance the budget, during this period of inflation. We have trimmed many proposals which have included excessive appropriations, but we have also recognized that needed programs must receive adequate funding. This is such a program, and I urge my colleagues to support the Federal Mass Transportation Act of 1974, as supported by the Committee on Public Works.

I include the following:

AUTHORIZATIONS FOR CONSTRUCTION AND OPERATION OF TRANSIT SYSTEMS UNDER H.R. 12859—FEDERAL MASS TRANSPORTATION ACT OF 1974

Category A—$10.8 billion over 6 years: (New York, San Francisco-Oakland, Boston, Baltimore, Chicago, Cleveland, Atlanta, Pittsburgh, Philadelphia) also—cities which approve the building of a fixed guideway system:

Fiscal year 1975, $1.45 billion.
Fiscal year 1976, $1.87 billion.
Fiscal year 1977, $2.04 billion.
Fiscal year 1978, $1.91 billion.
Fiscal year 1979, $1.79 billion.
Fiscal year 1980, $1.74 billion.

Category B—$2.88 billion over 6 years (based on population) (all urban areas not in category A) urban areas equals 50,000 population:

Fiscal year 1975, $365 million.
Fiscal year 1976, $400 million.
Fiscal year 1977, $445 million.
Fiscal year 1978, $500 million.
Fiscal year 1979, $560 million.
Fiscal year 1980, $610 million.

Category C—$5.4 billion (Secretary's discretion, based on need, existing system, etc.) (all areas in Category B):

Fiscal year 1975, $205 million.
Fiscal year 1976, $670 million.
Fiscal year 1977, $1.1 billion.
Fiscal year 1978, $1.2 billion.
Fiscal year 1979, $1.2 billion.
Fiscal year 1980, $1.1 billion.

Category D—$920 million (less than 50,000 population):

Fiscal year 1975, $88 million.
Fiscal year 1976, $97 million.
Fiscal year 1977, $145 million.
Fiscal year 1978, $153 million.
Fiscal year 1979, $204 million.
Fiscal year 1980, $233 million.

Mr. EDWARDS of California. Mr. Chairman, I rise in support of H.R. 12859, the Federal Mass Transportation Act, which is badly needed and long overdue as a commitment by the Federal Government to urban mass transportation. I am proud to be a Representative of one of the fast growing areas of the country, the south San Francisco Bay area. The mass transportation needs and problems in my district are as great as they are anywhere, and the local governments are working actively on ways to lessen individual dependence on automobiles and to provide adequate public transportation. The complex program of construction grants and operating subsidies contained in H.R. 12859 will go a long way toward assisting these and other communities in providing adequate public transportation.

In Santa Clara County the newly formed Santa Clara County Transit District expects to have more than 200 buses in use by September. About half of these buses will be on fixed routes, and the rest will constitute one of the most sophisticated demand-response systems in the country. With this new service the Santa Clara County Transit District will be providing service to 97 percent of the county's urban area, and this is just a beginning.

In southern Alameda County the three cities of Fremont, Newark, and Union City are exploring ways to establish public bus transportation, and Fremont and Newark will be going to the voters in November for approval of this plan.

Federal assistance such as that provided in H.R. 12859 will do much to encourage the development of sound, responsible local transportation plans, and I urge all my colleagues to support this important legislation.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore, Mr. O'NEILL, having assumed the Chair, Mr. SYMINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill

(H.R. 12859) to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes, pursuant to House Resolution 1313, he reported the bill back to the House with an amendment adopted by the Committee of the Whole House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposerd to the bill?

Mr. GROSS. I am, Mr. Speaker, unqualifiedly.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill H.R. 12859 to the Committee on Public Works.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 324, nays 92, not voting 18, as follows:

[Roll No. 510]

YEAS—324

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Badillo
Baker
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Carey, N.Y.
Carney, Ohio
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Dickinson
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Pa.
Griffiths
Grover
Gubser
Gude
Haley
Hamilton
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Horton
Howard
Hudnut
Hungate
Hunt
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Leggett
Lehman
Lent
Litton
Long, La.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stephens
Stratton
Studds
Sullivan
Symington
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—92

Andrews, N.C.
Archer
Arends
Ashbrook
Bafalis
Bauman
Beard
Blackburn
Bray
Brooks
Brown, Mich.
Broyhill, N.C.
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Carter
Casey, Tex.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conlan
Crane
Daniel, Dan
Dennis
Devine
Duncan
Erlenborn
Evans, Colo.
Evins, Tenn.
Fisher
Flynt
Fountain
Goodling
Gross
Guyer
Hammerschmidt
Henderson
Holt
Hosmer
Huber
Hutchinson
Ichord
Jarman
Johnson, Colo.
Jones, N.C.
Ketchum
Landgrebe
Latta
Long, Md.
Lott
McEwen
Mahon
Martin, Nebr.
Mayne
Michel
Milford
Miller
Mizell
Montgomery
O'Brien
Passman
Powell, Ohio
Price, Tex.
Quillen
Robinson, Va.
Rousselot
Runnels
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Skubitz
Spence
Steed
Steelman
Steiger, Ariz.
Stubblefield
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Treen
Vander Jagt
Waggonner
Whitten
Wyman
Young, Alaska
Young, S.C.

NOT VOTING—18

Anderson, Ill.
Aspin
Brasco
Davis, Ga.
Green, Oreg.
Gunter
Hansen, Wash.
Hawkins
Hébert
Landrum
McSpadden
Nedzi
Rarick
Rooney, N.Y.
Steele
Stokes
Stuckey
Van Deerlin

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. McSpadden.

Mr. Hawkins with Mrs. Hansen of Washington.

Mr. Hébert with Mrs. Green of Oregon.

Mr. Landrum with Mr. Rarick.

Mr. Stokes with Mr. Aspin.

Mr. Nedzi with Mr. Gunter.

Mr. Van Deerlin with Mr. Davis of Georgia.

Mr. Stuckey with Mr. Anderson of Illinois.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend title 23, United States Code, to establish a Federal mass transportation program."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JAMES V. STANTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 12859.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONFERENCE REPORT ON H.R. 15323, AMENDING THE ATOMIC ENERGY ACT OF 1954

Mr. PRICE of Illinois submitted the following conference report and statement on the bill (H.R. 15323) to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93–1306)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15323) to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 7, 8, 9 and 10; and agree to the same.

MELVIN PRICE,
CHET HOLIFIELD,
JOHN YOUNG,
TENO RONCALIO,
MIKE MCCORMACK,
ORVAL HANSEN,
MANUEL LUJAN,
Managers on the Part of the House.
JOHN O. PASTORE,
STUART SYMINGTON,
ALAN BIBLE,
GEORGE D. AIKEN,
WALLACE F. BENNETT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15323) to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

AMENDMENTS NOS. 1 AND 2

The Senate amended the bill by changing the definition of "extraordinary nuclear occurrence" in subsection 11j, of the Atomic Energy Act of 1954, as amended, to include incidents involving source, special nuclear material, or byproduct material "illegally diverted from its intended place of confinement." The conferees agreed to eliminate this amendment because the feasibility and ramifications of such inclusion require detailed study. In particular the role of private insurance in relation to Governmental indemnity, as well as their relationship to safeguard regulations, requires further consideration. The conferees expect the Atomic Energy Commission to conduct a study of this problem and report to Congress with recommendations by early next year. The Joint Committee will then conduct hearings to determine what, if any, legislative changes are required.

The Senate recedes.

AMENDMENT NO. 3

The House bill extended the definition of nuclear incidents, as used in subsection 170 c. of the Atomic Energy Act, dealing with AEC licensees, to include occurrences outside the United States or any other nation (e.g. on the high seas) involving material licensed by the AEC which is used in connection with the operation of a licensed stationary production or utilization facility (floating nuclear power plant) and/or moves outside the territorial limits of the U.S. in transit from one AEC licensee to another.

The Senate amendment replaced the House provision with language extending the definition to include any extraordinary nuclear occurrence outside the U.S. or any other nation which involves material licensed by the AEC other than for import or export or for nuclear ship propulsion. The substantive effect of this provision is believed to be the same as the effect of the House language. However, the conference agreed to the House language because of the possibility that the Senate language might bring under the definition some unanticipated types of events.

The Senate recedes.

AMENDMENTS NOS. 4, 5, 6, 8 AND 9

The House bill provided for a 10-year extension of the Price-Anderson provisions of the Atomic Energy Act, to 1987, with an AEC study and report to Congress in 1983.

The Senate amendment provided for only a 5-year extension, to 1982, with the study and report due in 1979.

The conferees agreed to the Senate amendments. However, the conferees wish to stress that there are a number of features of the Price-Anderson Act which should be viewed as permanent. These include the mandatory insurance coverage, the no-fault provisions, the provisions for consolidation of claims in a single federal court and for advance payment of claims, the contractor indemnity provisions, and the mandatory retrospective premium system. These elements make up a pattern of public protection which must be continued. The provision for termination in 1982 should be viewed as a device to ensure that Congress will reassess the situation prior to that time and make revisions as required, rather than as a Congressional intent to bring to an end the federal regulation of nuclear liability insurance.

The House recedes.

AMENDMENT NO. 7

The House bill included language which prohibited any indemnification for nuclear incidents occurring in any nation other than the United States. The conferees agreed to the Senate amendment deleting this provision. The Atomic Energy Act already precludes any indemnification for licensed activities in other nations, and it was considered essential that the Commission retain its authority to indemnify its contractors for activities carried out in other nations for the benefit of the United States.

The House recedes.

AMENDMENT NO. 10

The House bill identified the study which must be completed before the bill's provisions go into effect as "The Reactor Safety Study, announced by the Atomic Energy Commission on June 27, 1973".

The Senate amendment corrected this to read "The Reactor Safety Study, entitled 'An Assessment of Accident Risks in U.S. Commercial Nuclear Power Plants,' AEC Report Number WASH–1400". The Senate amendment also added a provision enabling Congress to prevent the effectuation of this Act by a concurrent resolution passed within 30 days after submission of the Joint Committee's report to Congress on its evaluation of the AEC report WASH–1400.

The House recedes.

MELVIN PRICE,
CHET HOLIFIELD,
JOHN YOUNG,
TENO RONCALIO,
MIKE MCCORMACK,
ORVAL HANSEN,
MANUEL LUJAN,
Managers on the Part of the House.
JOHN O. PASTORE,
STUART SYMINGTON,
ALAN BIBLE,
GEORGE D. AIKEN,
WALLACE F. BENNETT,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. BRAY. Mr. Speaker, there was no opportunity for debate or a statement on House Resolution 803 which was voted on earlier today. My aye vote on that resolution was to accept the filing of the report submitted by the Committee on the Judiciary and in no way refers to the merits of the report.

AUTHORIZING THE ESTABLISHMENT OF A COUNCIL ON WAGE AND PRICE STABILITY

Mr. PATMAN. Mr. Speaker, I move to suspend the rules, and pass the Senate bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Council on Wage and Price Stability Act".

SEC. 2. (a) The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability (hereinafter referred to as the "Council").

(b) The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President.

(c) There shall be a Director of the Council who shall be appointed by the President. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5, United States Code. The Director of the Council shall perform such functions as the President or the Chairman of the Council may prescribe. The Deputy Director shall perform such functions as the Chairman or the Director of the Council may prescribe.

(d) The Director of the Council may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Council at rates not to exceed the highest rate for grade 15 of the General Schedule under section 5332 of title 5, United States Code. Except that the Director, with the approval of the Chairman may, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed five positions at the rates provided for grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council.

(e) The Director of the Council may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(f) The Director of the Council may, with their consent, utilize the services, personnel, equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

SEC. 3. (a) The Council shall—

(1) review and analyze industrial capacity; demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to

provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

SEC. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

(c) Disclosure by the Council of information obtained from a Federal, State, or local agency or department must be in accord with section 552 of title 5, United States Code, and all the applicable rules of practice and procedure of the agency or department from which the information was obtained.

(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known to the Council the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

SEC. 5. The Council shall report to the President, and through him to the Congress, from time to time, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

SEC. 6. There is hereby authorized to be appropriated not to exceed $1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this Act.

SEC. 7. The authority granted by this Act terminates on June 30, 1976.

The SPEAKER pro tempore (Mr. O'NEILL). Is a second demanded?

Mr. WIDNALL. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, I demand a second. Is the gentleman opposed to the bill?

Mr. WIDNALL. No, I am not opposed.

The SPEAKER pro tempore. Is the gentleman from Iowa opposed to the bill?

Mr. GROSS. Yes, Mr. Speaker, I am.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there are only two essential differences between the bill passed by the House yesterday, H.R. 16425 which would provide for the monitoring of the economy and a similar passed bill passed by the Senate yesterday, S. 3919.

These differences are as follows: First, the House-passed bill specifically provided for and named in the bill various offices which were to serve on the Cost of Living Task Force such as the Chairman of the Council of Economic Advisers, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, and others. Contrasted to this, the Senate-passed bill provides that task force shall consist of eight members appointed by the President and four adviser-members also appointed by the President.

Second, the House-passed bill provides for termination of authority of this act on June 30, 1976, whereas the Senate bill terminates authority on October 15, 1975.

As I stated initially, Mr. Speaker, these are the two essential differences between the House-passed and Senate-passed bills. In order to expedite this legislation and comply with the request of the President that he have authority to create a Cost of Living Task Force prior to the upcoming congressional recess it is my recommendation that the House accept the Senate-passed bill since the differences are only in form but not in substance.

Mr. WIDNALL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Speaker, I would like to support the gentleman from Texas in his request. This is a bill that was passed in substantially the same form as the House bill. There is no material difference, and there was an overwhelming margin in the House. I believe it was 379 to 23. In the Senate, the vote was 83 to 3.

Mr. Speaker, I hope we will not go on in debate on this, but that we can accept this as expeditiously as possible.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on March 5, 1974, the following colloquy took place:

> Mr. GROSS. Mr. Speaker, I move that the rules be suspended and the House proceed to the consideration of the resolution (H. Res. 807), disapproving pay increases.
>
> The SPEAKER. The Chair will state that the gentleman from Iowa has not consulted the Chair, and the Chair is not going to recognize the gentleman from Iowa for that purpose. The Chair would like to state further that the request of the gentleman from Iowa violates the Gross rule, whereby he has requested that notification of suspensions be given 24 hours in advance.
>
> Mr. GROSS. What kind of a rule is that?
>
> The SPEAKER. The Gross rule.

Now, Mr. Speaker, here we are today altering the Gross rule. There was no previous notification that this bill was to be called up today—not a day in advance, but a matter of perhaps an hour. This is a violation of the so-called Gross rule and with a vengeance.

At any rate, it seem the rules are construed to fit the occasion, or the subject matter. Now, what do we have here? Yesterday, we marched up the hill and approved H.R. 16425, the title of which was, "To provide for the monitoring of the economy, and for other purposes."

Now, we have before us a Senate bill on the same subject, S. 3919, and what is the title of that? "To authorize the establishment of a Council On Wage and Price Stability."

Yesterday, the House provided for a task force—a task force of 10 Cabinet members and other heads of Government agencies and departments, whoever they may be. Today, that language is stricken and we have a Council of eight members appointed by the President and four adviser members also appointed by the President. The Chairman of the Council shall be designated by the President.

There are a few other changes, but apparently the President, if he deems he wants to be the Chairman, can be the Chairman. As Chairman, he may appoint a director, and I understand the present President of the United States has stated that he would preside over this group, so I take it that he is going to be the Chairman.

Other provisions in yesterday's bill are changed, but today's Senate edition still provides for an almost unlimited number of supergrades and *other* well paid functionaries. The Director is to be a level 4, and so forth and so on. It was about 24 hours ago that we marched up the hill, then down, and now we are going back up the hill with another bill on the same subject.

I am not sure that I understand all that is in this new bill, and I doubt that more than two dozen Members of the House have seen the offering that is now before them. But there is one thing that has not changed. That is the $1,000,000 to be spent on this new Council. Not too long ago we voted $100,000 for the same purpose of looking into the inflation and economic situation that is wreaking havoc with the country.

Apparently the $100,000 is to be spent in a duplicative enterprise.

I do not understand why we must have this $1,000,000 Council with no power to fix wage, price, or rent controls.

The President already has at his disposal the advice of all his Cabinet members and heads of agencies. There is nothing to be added by this except another $1 million bill of expense which appears to me to be window dressing and inflationary.

Mr. PATMAN. Mr. Speaker, in reply to the distinguished gentleman from Iowa, this request is here because the new President of the United States, in addressing the joint session of Congress just a few nights ago—Monday night—made it. The only specific request for legislation he made is that before us right now. The fact is that he is our great new President and he makes this request, and I think we should comply with it. It is reasonable, it is right. If he wants it, we should give it to him.

It is the only request that he made, and I suggest and hope that the Members give him a unanimous vote of confidence.

Mr. GROSS. Mr. Speaker, I yield myself 1 minute in order to respond to the gentleman.

I am afraid he was not listening very carefully the other night or the other day to whatever event he referred to. The President also asked for a national health bill, did he not?

Mr. PATMAN. The gentleman's statement on that would be better than mine. I did not hear that part of it. I did not hear the speech on the legislation.

Mr. GROSS. If the gentleman heard one request for legislation, I would assume that he heard the other as well.

Mr. PATMAN. This was specific.

Mr. GROSS. I urge the defeat of this bill as being unnecessary and a waste of money.

The SPEAKER pro tempore (Mr. O'NEILL). The question is on the motion offered by the gentleman from Texas (Mr. PATMAN) that the House suspend the rules and pass the Senate bill (S. 3919).

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 369, nays 27, not voting 38, as follows:

[Roll No. 511]

YEAS—369

Abdnor
Adams
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Barrett
Bauman
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goodling
Grasso
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
King
Koch
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—27

Abzug
Baker
Beard
Bingham
Burton, John
Collins, Tex.
Conyers
Crane
Dickinson
Goldwater
Gonzalez
Gross
Harrington
Helstoski
Hunt
Kemp
Ketchum
Landgrebe
Mitchell, Md.
Moss
Rousselot
Schroeder
Stark
Steelman
Symms
Waldie
Young, Fla.

NOT VOTING—38

Alexander
Anderson, Ill.
Aspin
Brasco
Cederberg
Collier
Davis, Ga.
Diggs
Erlenborn
Flynt
Fulton
Gray
Green, Oreg.
Gunter
Hanna
Hansen, Wash.
Hawkins
Hébert
Kluczynski
Kuykendall
Landrum
McSpadden
Mills
Mollohan
Nedzi
Podell
Powell, Ohio
Rarick
Rooney, N.Y.
Smith, N.Y.
Staggers
Steele
Stuckey
Teague
Ullman
Van Deerlin
Wilson, Charles H., Calif.
Zwach

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Aspin.

Mr. Hawkins with Mrs. Hansen of Washington.

Mr. Rooney of New York with Mr. Davis of Georgia.

Mr. Landrum with Mr. Gray.

Mr. Nedzi with Mrs. Green of Oregon.

Mr. Van Deerlin with Mr. Diggs.

Mr. Stuckey with Mr. Mills.

Mr. McSpadden with Mr. Anderson of Illinois.

Mr. Gunter with Mr. Powell of Ohio.

Mr. Rarick with Mr. Zwach.

Mr. Alexander with Mr. Collier.

Mr. Flynt with Mr. Erlenborn.

Mr. Fulton with Mr. Cederberg.

Mr. Teague with Mr. Smith of New York.

Mr. Charles H. Wilson of California with Mr. Kuykendall.

Mr. Ullman with Mr. Hanna.

Mr. Kluczynski with Mr. Staggers.

Mr. Podell with Mr. Mollohan.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER pro tempore (Mr. O'NEILL). Is there objection to the request of the gentleman from Texas?

There was no objection.

FLOOD DISASTER PROTECTION

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLLOHAN. Mr. Speaker, the Flood Disaster Protection Act enacted last December is nothing more or less than land use legislation under the guise of federally subsidized flood insurance.

An otherwise good program to substitute insurance for emergency disaster relief has been made unacceptable by including in the law coercive sanctions upon those communities that elect not to participate. It is equally unfortunate that this legislation also imposes sanctions upon private citizens who live in flood-prone areas by denying them access to mortgage loans from commercial banks, credit unions, and savings and loan associations if their community does not participate.

I have been deeply concerned over the objectionable aspects of this law for more than 8 months. During this period, I have made an honest effort to give officials of the Federal Insurance Administration an opportunity to present this program to public leaders in my congressional district.

Despite the fact that I have no personal criticism to offer in regard to the performance of these FIA officials, I have come to the conclusion that this program is essentially unsalable.

I now have no alternative but to work for passage of a measure which will eliminate all sanctions from the law. The bill I am introducing today will make the Federal flood insurance program voluntary in every respect. It will also extend the deadline for entry into the program from June 30, 1975, to June 30, 1977.

I am confident that hundreds of communities throughout the Nation are still unaware of the adverse impact Public Law 93-234 will have on them. I am equally confident that in about 10 months there is going to be a widespread public reaction which will be felt by each of my colleagues whose districts include flood-prone areas.

I therefore urge every Member to give serious consideration to my proposed amendments to the Flood Disaster Protection Act and to support passage of this legislation.

THE ILLEGAL ALIEN PROBLEM

(Mr. WHITE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITE. Mr. Speaker, it was my very good fortune to have a student from the Army War College serve in my office for a 6-week period on an internship basis as part of the requirements for the completion of graduate studies he has undertaken. He is Col. William L. Wubbena, Jr., and he has just returned to his assignment in the Pentagon following his internship in my office. Colonel Wubbena did some excellent research work for me, particularly on the pressing question of illegal aliens. Just prior to the completion of his tour in my office, I asked him to summarize his thoughts on the matter to me in brief written form. Since Colonel Wubbena displayed such an excellent perception of this critical problem, I would like to share his thoughts with my colleagues. Following is his summary:

> The following paragraphs constitute a summary of my review of the illegal alien problem which you directed as my primary internship project.
>
> If we do not act soon, the problem of illegal alien traffic will reach overwhelming proportions. Those of us from border areas are more sensitive to the issue than most other Americans and feel overwhelmed already. But the difficulties have grown beyond border districts; they now affect all sections of the Nation. No matter where you live, available statistics indicate that very possibly somewhere nearby an illegal alien either occupies a job perhaps needed by a citizen, or receives welfare from our tax dollars.
>
> The plight of the illegal alien is often heart rendering. He is here because his own country cannot sustain him. The attraction is quite clear to a Mexican peon, for example, who can earn in the United States in one day more than a week's wages if at home (if a job were available). He will leave his family, suffer all sorts of privations and indignities to reach the U.S.—to exist in squalor, work for terribly low wages, and live in fear of arrest (often aggravated by an occasional unscrupulous employer who threatens in order to retain the alien in a form of bondage)—all for the promise of survival. The vast majority of these illegal aliens are good people; only a very few are not. It is natural to sympathize, then, with their situation and motivation.
>
> The fact remains that they are here and should not be. Worse, thousands more stream across our borders each month.
>
> The problem has many dimensions. The American worker deserves protection. On the other hand, employers require a labor force which may not be locally available, especially in seasonal industry. Government authorities need adequate means for control. Diplomatic cordiality should be preserved. The taxpayer must not bear undue burdens. All these components to the problem, and several others, interact so that a direct, simple solution is not possible. Corrective measures which assist one element quite often jeopardize another. This conflicting and discouraging situation is illustrated by the variety of legislative proposals now pending. Since no constructive bill has thus far emerged, your request for a fresh look was well timed.
>
> The fundamental cause lies in economic difficulties and compounding population pressure in other lands. These conditions are almost certain to persist at least until the end of this century. Until such time as foreign nations can provide an adequate standard of living for their populace, there will not be a complete resolution of our illegal alien difficulties. In the meantime, our efforts must concentrate on controlling and containing the traffic. Concurrently, we should streamline procedures for aliens to enter legally for employment, so long as American workers are not deprived of jobs.
>
> Three areas of concentration are required to improve the situation.
>
> First, all aliens entering the United States legally should be identified so that controls can be maintained. Without adequate identification, enforcement of immigration laws is impossible because officials cannot readily determine who is legal and who is not. The best form of identification would include a photograph, fingerprints, and such biographical and administrative information necessary for official checks. The issuance of such a card at time of entry would identify the alien as a legal entrant, with any employment or travel restrictions annotated on the card. All other aliens (not having the card) can then be presumed deportable. Admittedly, this identification procedure would be expensive. If the cost is considered prohibitive, an alternative would be to adapt the Social Security card to this purpose. Many aliens are receiving Social Security cards on a routine basis as a convenience to them. The cards could be made a requirement for our convenience and better enforcement.
>
> Next, a system is needed to provide employers in the United States the opportunity to recruit labor across the border. This can be done in many ways and still safeguard American workers. Your bill, H.R. 10446 provides a vehicle for this. Other proposals for contract labor have been offered also. The salient features of such a system provide for certification so that American labor will not be deprived of jobs, for contracts up to one year's duration, and for possible extensions. Your bill would allow extensions up to five years. Others prefer a one year extension. A compromise which would allow extensions for two or three years appears appropriate.
>
> The final area of concentration involves employer responsibility. If an employer has the opportunity to contract for alien labor, and if legal entrants are properly identified, it is reasonable and fair to expect the employer to uphold the law and not circumvent it. Those who hire illegal aliens would have no excuse. It is recommended that every employer in the United States be required to register his alien employees with the Immigration and Naturalization Service. This would provide enforcement officials a means to check. Those employers who hire illegal aliens should be required to repay the costs of deportation. This is a procedure which is fair to all, assists the government, and strikes hardest against the main target—the "sweat shops" in our metropolitan areas.
>
> One additional step should be taken to better control alien traffic. Many aliens along the border have been issued immigration visas based upon their intent to reside in the United States. However, they have become commuters who work in the U.S. but live across the border. This practice should be stopped. These aliens should be required, within a reasonable time, to establish and maintain a residence in the United States or forfeit their visas.
>
> An immediate benefit, once identification, contract labor, employer responsibility and overall better controls are in effect, will be the decrease in the welfare burden by the elimination of the ineligible recipient. Local officials will find it easier to cross-check applicants with the Immigration and Naturalization Service and thereby uncover fraudulent requests from deportable aliens.
>
> This entire issue points up the fact that ours is still the land of opportunity and is so recognized worldwide. To perpetuate that reputation, it is time to strengthen the opportunities for those who would enter the United States legally and by cracking down on those who enter illegally and who undermine our system.

NELSON ROCKEFELLER AN EXCELLENT CHOICE

(Mr. HANSEN of Idaho asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANSEN of Idaho. Mr. Speaker, I rise to applaud the decision announced by President Ford this morning to nominate Gov. Nelson Rockefeller as Vice President of the United States. I fully support and will vote to confirm the nomination.

This is a courageous and honest act, characteristic of the kind of administration that we have seen during President Ford's first few days in office. The President's purpose was not to achieve some kind of political, geographical or ideological balance. Rather, it was to bring into this high office the combination of talent and experience that will meet the demands for leadership during a very critical period in the history of our Republic. Nelson Rockefeller has a long and distinguished record of success and achievement. Among the many assets he will bring to the Vice Presidency are:

Extensive administrative experience in a wide range of roles, both in and out of government. Through his long and outstanding record as Governor of New York he has gained a knowledge and understanding of the role of the States in our Federal system and of the importance of maintaining the strength and vitality of State and local government.

Broad experience in international affairs. He is widely known and respected throughout the world for his service in government and the private sector which has contributed to economic development and improved international cooperation.

A knowledge of and strong belief in our private enterprise system and free market economy and of the role of investment capital and individual effort in assuring economic progress.

Unquestioned personal integrity and a long record of public service that is free of any hint of scandal or misconduct. He will lend further strength to the excellent beginning that President Ford has already made in rebuilding trust in Government and public officials.

These are qualities for which there is such a desperate need in the country today. Nelson Rockefeller will be an effective member of a strong team. His nomination as Vice President deserves to be promptly and overwhelmingly approved by Congress.

TOWARD A NORMALIZATION OF RELATIONS WITH CUBA

The **SPEAKER** pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from New York (Mr. Badillo) is recognized for 15 minutes.

Mr. BADILLO. Mr. Speaker, I was most encouraged by the President's comments last week when he declared that he intended to continue the "deepening dialog to define renewed relationships of equality and justice" with our friends in Latin America. I am hopeful that this statement will signal the development and active implementation of a U.S. policy for the Western Hemisphere as, up until the time of Secretary Kissinger's meeting with his Latin counterparts in Mexico City in February, there really had been none.

Incidentally, one very positive aspect of the nomination of Nelson A. Rockefeller for Vice President is that the former Governor from New York speaks Spanish fluently, has helped formulate Latin American policy in previous administrations and has maintained an active interest in Latin American problems during his tenure as Governor of New York State. If confirmed as Vice President, I believe Nelson A. Rockefeller would agree that a new Latin American policy is required.

A keystone of this new Latin American policy under a new and revitalized administration should be a close and careful reassessment of our relations with Cuba. Although this Nation has striven to arrive at détente with two former cold war nemeses, we persist in maintaining a hostile attitude toward the island nation of Cuba.

Basically, I believe our policy toward Cuba is simply out of step with the times. Current events and conditions certainly overshadow the premises upon which our Cuban policy is based and I believe it can be maintained that that nation no longer poses the threat which it may have presented over a decade ago. Not only is the embargo against Cuba outdated and unrealistic but it has failed to isolate Cuba and, while creating certain hardships for the Cuban people, it has not significantly damaged the Cuban economy.

The United States is supporting a policy which will gradually place us in isolation and needlessly exacerbate tensions which already exist between this country and our Latin American neighbors. A number of Western Hemisphere nations, such as Peru, Mexico, Argentina, Jamaica, Canada, Barbados, and Trinidad-Tobago, already maintain diplomatic and commercial relations with Cuba and a number of other Latin states are reassessing their current policies.

This is an issue which transcends partisan bounds. This spring, for example, our distinguished colleague from Ohio (Mr. Whalen) led a group of Republicans in urging executive and legislative action with a view toward eventually normalizing relations with Cuba. They proposed legislation which would move this Nation toward détente with Cuba.

Earlier this summer the highly respected and competent chief of staff of the Senate Foreign Relations Committee, Pat Holt, made an unofficial visit to Cuba and I urge our colleagues to read his very perceptive and timely report on this trip. In it he notes that the Cuban leadership is interested in seeking a rapprochement and eventual normalization of relations but the major stumbling block continues to be the U.S. insistence on an outmoded policy, primarily the maintenance of the trade embargo and other economic sanctions.

This spring I was pleased to join with my good friend from Massachusetts (Mr. Harrington) in sponsoring legislation to repeal various congressional acts which have imposed the economic sanctions against the Cuban Government, foremost of which is the Cuban Resolution of 1962, Public Law 87–733. At the time he introduced this measure Mr. Harrington very aptly observed that one of the major accomplishments of the U.S. embargo was the unification of the Cuban people behind Fidel Castro, thereby affording him the opportunity to use the United States as a scapegoat on which he could place the blame for his country's problems.

Further and forceful testimony that affirmative steps must be taken to redirect our Cuban policy was provided earlier this month by the distinguished chairman of the Senate Foreign Relations Committee, Mr. Fulbright. Chairman Fulbright offered legislation which would repeal three measures which effectively bar any attempt to normalize relations with Cuba—the Cuban Resolution; section 620(a) of the Foreign Assistance Act of 1961 which prohibits aid to Cuba and to other nations trading with Cuba; and, section 103(d) of the Agricultural Trade Development and Assistance Act of 1954 as it pertains to Cuba. I am pleased to introduce this measure in the House today.

Mr. Speaker, we have been afforded a unique opportunity in which the executive branch of Government is able to reassess policies, and reorder and redirect priorities. I believe this would be a most propitious time to thoroughly review and reexamine our Cuban policy, not only in terms of our relations with that island nation but in the broader perspective of our dealings with the other countries of Latin America and the third world. Our national security will not be endangered by such a move and a rigid and inflexible policy such as now exists simply does not serve our best interests. I am hopeful, therefore, that both the President and his administration as well as the appropriate committees of the Congress will take prompt and positive action on this issue and initiate steps which will soon reestablish diplomatic and economic relations with Cuba.

GENERAL LEAVE TO EXTEND

Mr. BADILLO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order today.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

IMMEDIATE MEASURES TO MORE EFFECTIVELY DEAL WITH THE UNDERLYING CAUSES OF INFLATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Nevada (Mr. Towell) is recognized for 15 minutes.

Mr. TOWELL of Nevada. Mr. Speaker, I rise today to urge this House to take immediate measures to more effectively deal with the underlying causes of inflation, and to more equitably and efficiently handle its effects until it is once again under control. Rapidly rising prices in every sector of the economy are frustrating our economic institutions and our economic system as a whole. The myth that we cannot have both high inflation and high unemployment has been shattered. For the first time in years economic indicators suggest that real economic output of the country has not only discontinued to grow but has actually fallen during the past two quarters.

In addition to inflation causing our economic system to suffer efficiency losses, it is also inducing serious distributional effects. Many individuals and businesses are suffering disproportionately from the effects of inflation. People on low- and fixed-incomes have been the most seriously affected while the housing industry has been the hardest hit in the business sector. We must not continue to ask selective individuals and economic sectors to bear an unfair share of the burden of inflation. To win the fight on inflation we must all share equally in the battle.

Mr. Speaker, there is no doubt the American people know that public enemy No. 1 is inflation, and I believe they will support the Congress in its efforts to control inflation if we show them we mean business. We must show the American people we are capable of leadership.

Unfortunately, much of today's inflation is beyond the control of Washington alone, and, indeed, it is a worldwide problem. Our food costs have risen dramatically—partly because of global crop failures. The Arab oil embargo and worldwide oil demands have added dramatically to the costs of our gasoline. The cost of much of our imported and exported raw materials has risen dramatically because of the worldwide economic boom.

But we can and must start to combat the total problem by setting down three basic goals.

BALANCE THE BUDGET

Presently, few Americans would advocate any overall increase in the role of the Federal Government. In fact, many would advocate just the opposite, suggesting that the Federal Government already plays too large a role in our national economy. But aside from any disagreement that may exist on what the role of the Federal Government should be, one thing is agreed upon—neither private individuals nor businesses want any increases in taxes. The individual is already frustrated to the point of exhaustion in attempting to make financial ends meet with increasing prices. The last thing that he wants is higher taxes. Businesses are desperate for the funds they seek to expand their facilities so that they may eliminate supply shortages and meet the constantly growing demand for their products, and any tax increase would take away what funds they have for investment.

As we all know, we have a deficit when our expenditures exceed our incomes. This generally means that we are spending more on the programs we legislate than the taxes we legislate can pay for. What happens when the tax revenue is gone? The answer is straightforward: The U.S. Treasury sells bonds and securities and the proceeds they obtain from this sale are used to pay for our extra programs. And the I O U's that the Treasury then holds become a part of our national debt. And since interest continues to accrue on these I O U's, the U.S. savings bonds and securities, they become larger and larger and the national debt becomes larger and larger.

But it is not this growth of the national debt that makes deficit spending inflationary. It is the Federal Reserve Board's necessary response to the increased competition in the credit market posed by the Treasury's entrance into the bond and securities market to finance the deficit that results in inflation. Before the Treasury chooses to enter the credit market, various financial institutions including banks, savings and loan institutions, corporations, small businesses, State and local governments, et cetera are engaged in open competition for the existing quantity of credit resources. Now, when the Treasury enters this market, unless the money supply is changed and the amount of these existing available credit resources is increased, then the funds that the Treasury obtains in the sale of its bonds and securities will be drawn away from these other financial institutions. What happens in this case, when these financial institutions, such as banks, corporations and local governments, et cetera, can no longer obtain the credit resources they need? The answer is simple: If they need the funds they will be willing to pay a higher rate of interest. Competition for the credit resources increases. As the Treasury enters the market, demand for existing credit resources increases and the price of these resources, as reflected by the interest rate, increases. This is the key. When the Treasury enters the credit market to sell its bonds and securities, interest rates are forced up. And traditionally, the Federal Reserve Board responds to this increase in the interest rate by increasing the money supply. It does so to drive the interest rate back down so all financial institutions can once again obtain the credit resources they need at the same rate of interest that prevailed before the Treasury began to sell its bonds and securities.

So far we have seen how deficit spending leads to the Treasury entering the credit market to sell U.S. bonds and securities. These sales in turn drive the interest rate up. In response to this increase in the interest rate, the Federal Reserve System increases the money supply so that interest rates settle back to their previous level. Thus, the crucial question now becomes: How is this increase in the money supply inflationary? Once again, the answer is straightforward. I will not seek to compare charts that relate historical changes in the money supply to historical observations of the inflation rates. Instead, let us look at what happens in real terms. If an economy is producing a given level of products and services and it has a certain amount of money to spend on that existing stock of goods and services, what will happen if you increase the money that can be spent? Individuals will have more to spend and as they compete with one another to purchase the limited available stock of goods and resources, prices will be bidded up. Inflation is the only possible consequence. Deficit spending, as explained, must result in inflation.

In summary, we know that whatever kind of disagreement may exist concerning the relative role the Federal Government should play in the national economy, it is clear that a tax increase is not desirable and that deficit spending is inflationary. To curb inflation then, we must balance the budget; and to balance the budget without a tax increase we must necessarily cut Government spending.

Mr. Speaker, the proper course of action is no longer unclear. We must trim our legislative programs and reduce Federal spending for fiscal year 1975. We must not lean back and wait for the administration of our new Budget Control Act.

Hesitation now will only cost us more inflation. Mr. Speaker, I urge every Member of this House to join me and others in trimming our Federal spending. It is ridiculous to continue to finance giveaway programs by raping the Nation with inflation. If the programs we legislate do not merit the tax increases necessary to finance them with a balanced budget, then certainly they are not worth the inflation that is forced upon every American to finance the program with a Federal deficit.

Mr. Speaker, I plea for some fiscal responsibility.

REFORM OUR CREDIT SYSTEM

The purpose of our credit system is to equitably and efficiently allocate the country's credit resources to those sectors where they are in greatest need. Unfortunately a number of outdated regulations are obstructing such a flow of credit. In no sector of the economy have we suffered a more remarkable institutional paralysis in the face of inflation than in our credit market. Banking institutions in many States have been literally crippled in their ability to make desperately needed loans. They have been constrained by antiquated usary laws which are completely unresponsive to important changes in the going interest rates. The housing industry has nearly dried up in the face of existing interest rates. Many savings and loan and mutual savings institutions are on the verge of disaster. Innovative and creative measures to compete for credit facilities such fight on inflation we must all share and the Chase Manhattan Holding Co., may well completely paralyze the savings and loans. Yet the kinds of arguments made in opposition to these two companies' proposals would never have been necessary if our credit system were properly reformed.

In this light I would like to urge the Members of this House, particularly those on the Banking and Currency Committee, to promptly consider the following four measures:

First. Encourage State action to renovate existing usary laws. Usary laws existing in many States do more to obstruct efficient and equitable credit flows than they do to protect the small borrower against loan sharks. By providing that usuary ceilings be set at the prime rate plus 6 percent, credit could flow freely and there would still be protection against interest abuse by loan sharks. The rate ceiling could be adjusted on the law books semiannually or annually.

Second. Remove ceiling on savings accounts and time deposits. Gradually phase out regulation Q. Such measures would allow savings and loan and mutual savings as well as commercial banks to freely compete for the capital funds they deserve. If the savings and loan institutions can pay high rates of interest on savings, they will be able to attract the funds necessary to feed the home mortgage market. Furthermore, removal of these interest rate ceilings would insure more equity in the savings market as small savers could then earn market rates of interest, a privilege which has traditionally been offered only to the large saver. In addition to the removal of this regulation increasing the efficiency and equity with which the credit market may operate, it may also encourage many individuals to save more and spend less. This cut in consumption would help to reduce demand and thereby reduce prices. And the increase in savings would provide more funds for investment, thereby facilitating business efforts to expand their facilities so that they can produce more of their goods and services to meet supply shortage and growing demands.

Third. Develop a program to subsidize home mortgages. Requiring one of the Federal Home Loan Associations to offer banks a 2- to 3-percent interest subsidy on home mortgages made to low- and moderate-income families is one possibility. There are two very strong arguments to be made for such a subsidy. First, the provision of adequate housing for all its families has long been a priority goal of the country. A small interest subsidy to facilitate the attainment of this goal is certainly justified.

Second, such a subsidy will increase national productivity in a way that the free market alone cannot. As we all know, nearly every homeowner spends a considerable amount of time maintaining and developing his home: painting, gardening, repairing, remodeling, adding on, and so forth. And he does so outside of his regular work hours and without paying himself a wage. The work he does at home does not show up in GNP. Nonetheless, it is a very productive effort, and if that same person lived in an apartment, someone else would have to be paid to do the same work that the homeowner does himself at his leisure. Thus, subsidizing home mortgages, by making it possible for more people to own homes, thereby increases productivity, as these new homeowners maintain and develop their homes.

Fourth. Review and revise regulations affecting foreign banks' actions that directly affect the money supply in this country. In order that we may curb inflation domestically, we need the capability to protect our monetary policy from the loose monetary actions of many foreign banks.

IMPROVE PRODUCTIVITY AND PROMOTE GENERAL ECONOMIC EFFICIENCY

First. Eliminate waste and duplication of services. On the private level we need to encourage every individual and every business to avoid waste and duplication of services. And, in addition to our doing the same on the governmental level, we should assume a leadership role in promoting such efficiency and furthermore in providing more information about what kinds of programs and services are available. Although our offices already serve in many ways in ombudsman-like capacities, this Congress should investigate the possibility of establishing one national service which would coordinate a free flow of any kind of unclassified information. We have thousands of commissions, conferences, forums, task forces, associations, groups, studies, and so forth, yet there is no central clearing ground for the findings of all these groups and studies. So often such work wastes away as it is both unknown and unavailable.

Second. Facilitate competition. Both Congress and the executive branch should assume a more active role in encouraging both the Federal Trade Commission and the Justice Department to exercise antitrust laws to break up monopoly. Three particular areas come immediately to mind. For the past several years, a large and seemingly unnecessary price spread has been developing between the actual price paid for beef cattle to the producer and the price the consumer ultimately pays. At the outset, it would appear that there are all too many monopolistic controls in this industry which should be studied.

In recent years major oil companies have put on an unprecedented squeeze on the small and independent oil refineries and oil distributing companies. And yet, very little if anything has been done to check the phenomenal power of the major oil companies.

Another major portion of our economy is controlled by the auto manufacturing industry which, in turn, is dominated quite clearly by one major manufacturer. If we are truly to have a competitive auto manufacturing industry, serious thought must be given to breaking up this single domination of this industry.

There are undoubtedly other areas for antitrust work, but these three should be given primary consideration.

Third. Urge the Department of Commerce to do an indepth study on the economic efficiency of our country's advertising industry. Wastes in this sector of the economy are not nonexistent. Regulations affecting advertising should be reviewed, amended and supplemented.

Fourth. Establish a new secondary education requirement in consumer and business law and economies. Both the myriad of business laws and the economy itself are sufficiently complicated that we should provide a means by which every citizen can attain a more thorough understanding of our economy.

Every young American graduating from high school should enter life not only with the basic understanding of reading, writing and arithmetic, but they must have at least a basic understanding of the one single factor which will most dominate their lives, and that is the use of money. Much of our financial problems today could have been eliminated if young, and for that matter, older Americans indeed understood banking, credit, and budgeting in their everyday lives.

Mr. Speaker, in concluding my remarks on the battle of inflation, I believe we should realize that the past actions of Congress to correct the problem have only been patchwork efforts, and we can no longer afford that type of legislation. We need an overall legislative position which will not only look at the areas I have previously mentioned but will study the following areas in depth.

The social security system must be given the necessary flexibility to insure that social security benefits are not eroded by inflation.

Two areas of tax reform must be considered at the same time. Retirement income credit tables must be adjusted to protect against inflation and the actual income tax brackets most Americans are in should be reformed to insure a fair tax rate on the real value of workers' incomes.

Furthermore, we must study seriously the possibility of providing funds for additional public service employment that would be triggered by a 6-percent unemployment rate. Workers would be paid at not more than a $5,000 to $6,000 annual rate. This provision would offer a means of protecting that sector of the population particularly hard hit by the high unemployment rates that may accompany any moderate deflationary process used to curb inflation. The program would keep many individuals off the unemployment compensation rolls during this period and at the same time would result in the completion of a number of valuable public service projects. The program would be automatically phased out when the national unemployment rate once again had fallen under the 6 percent level.

All of these ideas would no doubt be of little value if we did not at the same time completely review our foreign trade policies. We cannot develop as a nation in the world as it exists without trading with nations throughout the world, but neither can we survive if we give undue advantages to our trading partners.

Mr. Speaker, now is the time for bold leadership. Not all of the decisions we make will be correct in the light of future events, but to hesitate and do nothing would prove totally disastrous for the free enterprise system and the American way of life.

SUPPORT FOR H.R. 14897, YOUTH CONSERVATION CORPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. RUPPE) is recognized for 5 minutes.

Mr. RUPPE. Mr. Speaker, yesterday the House of Representatives passed H.R. 14897, the bill to expand and make permanent the Youth Conservation Corps. Unavoidable obligations in my district in Michigan made it impossible for me to be here for that discussion, but I would like to take a moment to voice my personal wholehearted support for that legislation.

I know firsthand the value provided by this program. In my district alone there are three camps, one run by the Department of the Interior, at the Seney Wildlife Refuge, and two run by the Forest Service, one in the Hiawatha National Forest and another at the Ottawa National Forest. Together these three camps provide 110 young men and women the opportunity to live and work in the outdoors and at the same time provide the country with a very real service by accomplishing much needed environmental work. This experimental program has allowed these young participants to interact with others from varying social and economic backgrounds thereby providing them with an invaluable living and learning experience. Also this has resulted in much needed employment during the summer months for many between the ages of 15 and 18 who might otherwise have had great difficulty finding temporary work.

Last year the Corps received over 100,000 applications. These were not from people looking for an "easy" summer. The work on the national and State parklands is not easy and it does not pay terribly well. But it gives many young people the opportunity to improve the environment they care so much about. The participants are strong individuals, both of body and of mind. Rather than just talking about what needs to be done, they are doing it.

Mr. Speaker, we sometimes think we have found legislative answers to pressing social problems. Some do not accomplish their purpose, and these should be rightly terminated. But the Youth Conservation Corps is one experiment that has worked and worked well for the betterment of us all. The House was correct in expanding and making permanent this very worthwhile program.

A PROMISING EXPERIMENT IN COMPREHENSIVE HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, in devising a national health care system we have a very difficult task at hand. Today I would like not only to present to you a health care philosophy and delivery system which is reasonable, well motivated, efficient, and relatively inexpensive, but which so far has found favorable acceptance in Sangamon County, Ill., and shows a great promise of viability and stability.

When the physicians of Sangamon County began to develop their health care plan 5 years ago, pressures on the existing health care system were very minimal and there was no threat to the existing status of medical practice. Thus, the plan developed by the Foundation for Medical Care of Central Illinois, as the plan is called, is not the result of the immediate threats and pressures which have recently developed, but of the genuine feeling of socioeconomic responsibility and the awareness of changes in our social structure and social demands.

The foundation is at this time one of the largest private health care organizations in central Illinois, providing care to nearly 10,000 individuals in Sangamon County and Menard County. It is probably the only large private organization in central Illinois which has been developed in a very comprehensive fashion, which has become operational, and has now provided reasonable services for an extended period of time without the use of 1 single cent of public funds.

The basic philosophy has been to provide good quality of medical care to all citizens in central Illinois at a reasonable cost. Underpinning the philosophy is the conviction that the system should be accessible to every citizen.

In addition, a mechanism has been established and maintained to assure quality medical care, and to assure patients free choice in selecting their physicians.

Third, patients receive the best value for their health care dollars.

Finally, there is good coordination of existing and projected community health services. In this way duplication and over-utilization of services is identified and eliminated.

To implement these principles, some time ago the organizers of the foundation approached all the major actual and potential providers of health care services within the community: First, their own peers in the Sangamon County Medical Society; second, the two community hospitals; third, the Southern Illinois University School of Medicine; fourth, the Central Illinois Health Planning Council; fifth, the Illinois Department of Insurance and the Illinois Department of Public Aid; and sixth, several insurance carriers.

A very comprehensive range of coverage was decided upon to give the patient a full range of medical services at predictable and budgetable cost. This would also enable the health care organization to establish a comprehensive information system, which in turn would lead to ongoing determination of quality and hence, quality control.

After preliminary investigation of the proposal, Blue Cross of Chicago and Horace Mann Educators of Springfield agreed to offer a comprehensive package, and to fund the organization.

Standard forms for reporting were designed by foundation physicians and are now in use by all of them. Those forms serve in lieu of insurance forms and have minimized the paperwork demanded of practicing physicians.

A group of 27 respected physicians from central Illinois perform peer review by specialty practice in an ongoing manner. The entire group meets monthly. During every meeting, new decisions regarding quality standards are made and placed on record. The foundation physicians are then notified of those rulings by newsletter so that they may adapt to the new rules or offer criticism.

The peer review group monitors fees for medical services, as well as quality.

Paramedical personnel—nurse coordinators—assist the peer review physicians with the foundation's hospitalized patients. They explain to the patients how the program works, follow up with regular visits, and bring potential problems to the attention of the peer review physicians. They also perform the necessary administrative and secretarial work at the foundation office.

In order to maximize the interest and commitment of the participating physicians and to create an atmosphere of trust between the providers and the public at large, the physicians have agreed to share the financial risk of this program by placing 20 percent of their fees into an escrow account—with the understanding that this money will be returned if the program breaks even—and will be lost if there is a cost overrun. The insurance carrier assumes the financial risk for excessive hospital costs. The consumer is thus guaranteed care, even if the system loses money. Contracts are renegotiable on an annual basis.

Ninety-seven percent of all physicians in Springfield are participating in this program, which assures patients a free choice of physicians and reflects local physicians' support.

Both hospitals participate, which assures the patient another measure of free choice.

Victor F. Trautmann, M.D., is president of the program. Virgil Marsh is the executive director.

How does it work?

The foundation has been in operation for 15 months. The insured consist primarily of the employees of the two Springfield hospitals, Memorial and St. John's; employees of Horace Mann Educators—a major Springfield-based insurance company; employees of the Health Improvement Association; and several other smaller groups.

Presently covered are nearly 10,000 people—representing about 10 percent of the Springfield metropolitan area.

Perhaps the strongest endorsement of the foundation is the fact that nearly all the families of physicians are insured.

The coverage is comprehensive. All costs from the first dollar are covered without limit for these types of health care—physicians' and surgeons' fees, office calls, hospitalization, intermediate and nursing home care, visiting nurse services, psychiatric inpatient care, and premature care. The first $100 in cost for drugs annually is paid by the insured, and all costs beyond that amount are paid by the foundation.

The foundation also pays 50 percent of all psychiatric outpatient care.

The premiums paid for this coverage are as follows: For an individual person, $19 to $20 per month; for a family, $59 to $61 per month. The variations reflect slight differences in the service fees charged by the insurance agencies.

He said that this program, expanded to national scope, could and doubtless would in time replace medicare and medicaid. He said the cost of the program for poor people would be met by the Government, but he would recommend that doctors, hospitals, and carriers share part of the cost of indigent coverage.

The Springfield example is one which other communities and the Federal Government could well emulate. In any case, it deserves careful examination as national health insurance is considered.

In my view, the foundation points the way to a practical comprehensive health system which preserves and strengthens the vital advantages of private medicine.

NOMINATION OF NELSON ROCKEFELLER AS VICE PRESIDENT SHOULD BE SPEEDILY ACTED ON BY CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MARTIN) is recognized for 5 minutes.

Mr. MARTIN of North Carolina. Mr. Speaker, President Ford's nomination of former Gov. Nelson Rockefeller as Vice President should be speedily acted on by the Congress. Hearings in both House and Senate are required and can be expedited consistent with our responsibility to assure ourselves of Mr. Rockefeller's fitness.

No one nominated for Vice President would have been everyone's first choice. Mr. Rockefeller's nomination is significant, because he was on virtually everyone's list of acceptable nominees. He has had a long career in politics and Government, serving in the State Department and HEW, and later as Governor of New York for 15 years. He has consistently won gubernatorial elections with spectacular bipartisan support. In a rather liberal State his record has been one of mainstream Republicanism. I am particularly impressed with his hard-nosed efforts to crush the traffic in narcotics in New York. The drug problem remains critical across the Nation and cannot be separated from the high level of crimes against life and property.

Mr. Rockefeller has made three bids for the Presidency. In so doing he has campaigned in almost every State, including North Carolina. His name is a household word. Coming from immense wealth, he has the common touch. He can and does reach out to the farmer and worker. The election returns in New York show that very well.

Mr. Rockefeller's long experience in State government will be an asset as we go forward with the goal of returning to the States the power that has been transferred to Washington over the years. You cannot be the Governor of a major State without having a strong belief in States rights.

The Vice-Presidential nominee is no newcomer to foreign policy and it should not be overlooked that he has maintained a high level of interest in Latin America, a region of the greatest strategic and economic importance to this country, and a region that has previously—and perhaps justifiably—felt it was neglected by us, because of our concerns elsewhere. He can repair our relations in this hemisphere better than anyone else I can imagine. And, as a very large footnote, I would note that it was Governor Rockefeller who brought Professor Kissinger into the national limelight.

When Mr. Rockefeller becomes Vice President we will, for the first time in our history, have at the head of the Nation a President and a Vice President not elected by the people. Neither man will ever have sought the office in which he will be serving. That may be a situation unique not only in our history, but in the history of all the republics in the world.

PANAMANIAN MOB ATTACK ON U.S. EMBASSY REQUIRES ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, on May 2, 1958, in a carefully organized raid into the U.S. Canal Zone, called Operation Sovereignty, Panamanian University students, accompanied by photographers, planted 72 Panama flags at various locations, including one in front of the canal administration building. Though those provocative incidents were witnessed by the Canal Zone police, no arrests were made for the breaches of the peace; and the trespassers were allowed to leave the zone without obstruction. The failure on the part of the United States to deal effectively with the situation, as was recognized at the time, served to encourage more forays into the zone.

On November 3, 1959, the 56th anniversary of Panamanian independence, there was an attempted mob invasion of the Canal Zone. Overwhelming the zone police, it required the assistance of the U.S. Army to protect the lives of our citizens and to repel the invaders. The Panama National Guard did not make a timely effort to suppress the disorders, which included a storming of the U.S. Embassy in Panama City and hauling down the U.S. flag. It was later learned that the Panamanian National Guard received orders not to appear.

Instead of meeting this crisis as it should have been, the President of the United States, in a mistaken gesture of friendship, on September 17, 1960, against the overwhelming opposition of the Congress, authorized the display of the Panama flag at one place in the Canal Zone as "visual evidence" of Panama's "titular sovereignty" over it. As predicted, this recognition was interpreted in Panama not as evidence of "titular sovereignty" but as admission by the United States of full sovereignty of Panama over the zone and on October 29, 1962, the Panama flag was hoisted at the administration building equal with that of the United States. Did those submissive moves placate the radicals on the isthmus? They did not. Instead, they served to encourage this significant statement on March 19, 1963, by Panamanian Minister of Finance, Gilberto Arias:

> In the future, with God's help, we will achieve our objective: that the Panama Canal be the property of Panamanians, under the full and absolute jurisdiction of the Republic of Panama, maintained by Panamanians, operated by Panamanians, sanitated by Panamanians, and protected by Panamanians. (Ho. Doc. No. 474, 89th Cong., p. 203.)

Less than a year later, on January 9, 1964, there were major attempted mob invasions of the Canal Zone, again requiring the U.S. Army to defend the lives of our citizens and the canal itself—House Document No. 474, 89th Congress, pages 305–344.

The latest information from the isthmus is that on August 14, 1974, a mob of screaming Panamanian youths rioted at the U.S. Embassy in protest against the United Fruit Co.'s decision to withhold the export of bananas—a company action forced by the imposition of a Panamanian export tax of $1 per box and resulting in some 75,000 workers losing their employment. During the riot the mob shattered windows of the Embassy, including those of the office of Ambassador William J. Jordan. Although the Embassy had promptly called upon the Panama Government for protection, the National Guard did not appear until after the riot, which had lasted about 1½ hours.

Mr. Speaker, in view of the record of disorders since 1958 on the isthmus, the time for further appeasement of violence should be over for, like submitting to blackmail, it can only lead to greater extortions. The only wise course for the United States to take is to recall our Ambassador to Panama and to terminate the present treaty negotiations.

Senator THURMOND has reported the incident fully in an address to the Senate. In order that the House of Representatives may have the essential facts as set forth by him readily available, I quote his address along with the news story as published in the Washington Post:

> [From the CONGRESSIONAL RECORD, Aug. 15, 1974]
>
> ### THE RIOT IN PANAMA CITY
>
> Mr. THURMOND. Mr. President, yesterday, the U.S. Embassy in Panama City was surrounded by a mob of screaming youths who broke many of its windows, burned an American flag, and created a general riot situation. The group reportedly was organized by the so-called FEP, the Federation of Students of Panama, in protest against the United Fruit Co.'s decision to withhold the export of bananas from their plantations in Panama. I understand that the Embassy called the Panamanian National Guard for assistance, but that the National Guard did not respond to the call until the mob had disbursed.
>
> There are a few more facts which have not appeared in the press. The first is that the decision of United Fruit not to export was caused by the arbitrary imposition of a $1 per box export tax by the Panamanian Government. United Fruit was unable to meet this tax, which is substantial in terms of the value involved and is above the margin of profit. The company is attempting either to negotiate the tax or to sell the plantations to Panama. Meanwhile, the banana employees are out of work—and banana exports are a substantial portion of the Panamanian economy.
>
> The second is that the FEP is the student arm of the PDP, a political party which is a front for the Communist Party of Panama. The FEP is the same group which created the 1964 flag incident which led to the violent organized riots of that period.
>
> Mr. President, this incident highlights the instability and volatility of the political situation in Panama. It is highly unusual that the National Guard did not respond to the aid of the Embassy, arriving only after the demonstration was over.
>
> I am informed that the rioting lasted nearly 1½ hours; the National Guard encampment is less than 10 minutes away. I find it strange that Gen. Omar Torrijos could not influence the Guardia to come more quickly.
>
> Nor can we overlook the fact that representatives of the Republic of Panama, including the Panamanian Ambassador to the United States, have incited anti-U.S. actions by publicly declaring that the situation is inflammatory, that it will be difficult to restrain Panamanian citizens much longer, and by making other threats of virtual blackmail against the United States.
>
> Mr. President, there are only two courses of action open to the United States. The first course is to gloss over the incident, accept a perfunctory official apology, and then continue full blast to make dangerous concession after dangerous concession in the negotiations over the Panama Canal. This is the course of action which will reward violence, tempt Panama to seek further extortion, and promote greater instability in our relationships not only in Panama but throughout Latin America.
>
> The other course of action is the wise and prudent course. That course of action calls for us to recall our Ambassador to Panama,

and to suspend the canal negotiations until such time as the Republic of Panama can demonstrate good faith and responsibility. The imposition of the banana export was an imprudent act which seriously disturbed the economy of Panama. At least 75,000 banana workers were thrown out of work, and the lack of pay checks has had a significant impact upon the whole economy. The imposition of a tax on exports is a highly rash act for any country that wishes to increase exports. The United States is faced with an erratic action by the Republic of Panama, an action that goes against the best interests of Panama and her people. The only thing that we can do in the face of such action is to do what is correct and proper.

Furthermore, the Republic of Panama should be informed that if the rhetorical threats against the United States by representatives of the government of Panama should continue, and that if another incident of this kind should occur, then diplomatic relations will be suspended immediately.

Mr. President, if Panama is erratic in her internal affairs, in things which directly affect the well-being of her own citizens, then how could we depend upon Panama to hold a steady and true course in the operation of the canal? The responsibility of maintaining and operating the canal is too great a responsibility for a small country. It is a responsibility that will eclipse that country's independence, and lead to dangerous instability. It would further increase the probability of the kind of erratic behavior that was seen yesterday. I think that any reasonable person will agree that we cannot concede our sovereignty in the Canal Zone. Nor can we even negotiate other issues until we have a responsible government in the Republic of Panama.

[From the Washington Post, Aug. 15, 1974.]

Panama Protest

Panama City.—About 300 students protesting an American company's suspension of banana exports from Panama burned a replica of the American flag and broke several windows at the U.S. embassy.

Howle Lane, an embassy spokesman, said the embassy requested Panamanian National Guard reinforcements when the demonstration began, but they didn't appear until it was over and the demonstrators had dispersed on their own.

U.S. Ambassador William Jorden, whose large office windows were shattered, was preparing a diplomatic protest, Lane said.

United Brands suspended banana shipments from Panama last month after a $1 export tax per 42-pound box was imposed.

HOUSE ACCEPTS IMPEACHMENT REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'Neill) is recognized for 30 minutes.

Mr. O'NEILL. Mr. Speaker, the resolution I called up today is the official culmination of 7 months work by the House Judiciary Committee and writes a final chapter in a momentous proceeding in the history of the House of Representatives.

It was February 1, 1974, that the House approved House Resolution 803, authorizing and directing the Committee on the Judiciary to investigate fully and completely whether sufficient grounds existed for the House to exercise its constitutional power to impeach former President Nixon.

Since that date the committee has labored vigorously and deliberately. In the begining there were many critics. Some said that the committee was proceeding too fast. Some said that the committee was proceeding too slow. Others said that the scope of the investigation was too narrow, and still others said that the scope of the investigation was too wide. There were even complaints that the Judiciary Committee should not be involved in the process in the first place. There were calls for a select or special committee to investigate, leaving the Judiciary Committee entirely out of the whole affair.

We all know now that we did the right thing. The Speaker's decision to follow established practice by referring the matter to the Judiciary Committee has certainly been vindicated.

And the members of the Committee on the Judiciary have certainly proved to us that the trust that we placed in them was justified.

The committee members had to start from scratch. They had to create rules of confidentiality and procedure for the handling of the most delicate evidence. They had to develop a method of hearing from the President's own counsel on the matter.

For 9 weeks the committee had to concentrate on the evidence that covered almost 7,000 pages. Then, they spent 2 full weeks taking testimony before going public in a supercharged period of American history.

The work of the committee members and the fine staff set a standard for all of us to follow.

We cannot praise too highly the work done by our distinguished colleague (Mr. Rodino) in conducting a proceeding that was eminently fair, obviously nonpartisan, and professionally conducted.

Now, Mr. Speaker, we know that Chairman Rodino is a man of personal honesty, perfect patience, and profound intelligence. We are just pleased, now, that all America knows these things, too. We are happy that all America was party to this most important chapter in American life, and that our citizens, young and old alike, could learn the lessons inherent in the proceedings.

The nationwide reaction to the proceedings has been a source of pride to all. By telegram, letter, and telephone, we in Congress have been deluged with expressions of support from the American people. They have said things such as, "you have preserved and proved the worth of the Constitution," "our faith in the system has been restored," and, "never has the House acted more responsibly."

Mr. Speaker, the other committees of the House perform similar feats, daily, of legislating in the public interest and too often are not given the proper credit and public adulation that we are seeing now.

But the difference here, is that the Committee on Judiciary has worked under the most pressurized of circumstances, deliberating before millions of Americans on the most serious of all issues.

Through the resolution I am offering at this time, we will print for the American people, the basis for the recommendation of impeachment from the Committee on the Judiciary. It will be placed in the Congressional Record for history, and I am confident that our future Americans will read it and agree that our great Judiciary Committee did a thorough, fair, and brilliant job.

Mr. Speaker, Fortune magazine said a year ago that:

> No foreign parliament today equals the U.S. Congress in organized competence, in responsiveness to the people, and in independence of the executive will.

I believe we have proved that accolade with our handling of the impeachment process.

We have proved the wisdom of our Founding Fathers, who devised this magnificent and complicated system of tripartite government that works through an intricate system of checks and balances.

The system was tested—and it works.

Mr. McCLORY. Mr. Speaker, I am confident that the resolution which has been presented here today by the distinguished majority leader of the House is well intentioned—and is designed to effectuate some kind of conclusion to the impeachment inquiry with which our committee—the House Judiciary Committee—was charged in House Resolution 803.

Mr. Speaker, it is correct to conclude that our work has been completed—that our investigation has been thorough, and, in my opinion, objective and responsible. It is with genuine pride that I look back on the extensive proceedings which were conducted under the authority of this House in pursuance of a constitutional responsibility which was invoked and substantially fulfilled.

Mr. Speaker, the comprehensive report which our committee has filed and which is to be printed in full in the Congressional Record and reproduced as a House document, contains a relatively accurate and complete statement of information insofar as was possible—considering the evidence which was made available to our committee. I think it is only fair to add that some statements of information might be subject to change if the committee had received additional testimony of witnesses—or if the documentary evidence requested in our subpenas had been furnished.

Mr. Speaker, the greatest differences in opinion occur with respect to the application of the law to the facts or information received by the committee. There was a substantial majority in support of each of the three articles of impeachment which were recommended by the committee. In addition, there were articles which were rejected because they had very little committee support. I question whether any single committee member wishes to adopt the report in the sense of reflecting his or her entire individual views—or that any single committee member wishes to indicate that the report has his or her full approval. In short, the report reflects a summary of the entire views of all of the committee members, the views of a majority, the additional views of a minority—and a great variety of concepts and opinions reflecting the individual and joint views on various aspects of the subject of impeachment as well as the interpretations of the evidence, the law, and the committee's constitutional responsibility.

Mr. Speaker, I would have preferred that the House would merely "receive" the report submitted by the committee. Indeed, that is precisely what the House is doing at this time. The report is being filed with and received by the House of Representatives. Nevertheless, I would add a personal view that this is an excellent report. It is informative, it is scholarly, it is comprehensive, and it reflects with substantial accuracy the individual and collective views of the members of the committee. In addition, the report is a most useful, historical document. It will serve as a guide to future Congresses. It establishes precedents where there were none before. It interprets the Constitution for the benefit of this and future generations. Finally, it should provide renewed confidence in this House and in this Nation in our basic law, the Constitution of the United States. The report establishes that even under the most trying circumstances, this great document can provide a sound and orderly mechanism for testing the propriety of official conduct even in the highest office of the land.

Mr. Speaker, I am proud to have participated in this proceeding and am pleased, indeed, to see the committee's report received today by the full House.

Mr. Speaker, let me add my special words of commendation to the chairman of the committee (Mr. Rodino), the ranking minority member (Mr. Hutchinson), and to all of my colleagues and the regular and special staffs of the committee who have labored long and hard to produce the document which the House is receiving today.

Mr. HECHLER of West Virginia. Mr. Speaker, the Nation is justly proud of the outstanding work accomplished by the House Committee on Judiciary in fulfilling its constitutional responsibilities. Under the very able leadership of the gentleman from New Jersey (Mr. Rodino), the Judiciary Committee labored long and hard to produce a thorough, balanced and objective report. The hearings televised to the Nation enabled the American people to see the House of Representatives in its finest hour, as Member after Member rose to the challenge of this sober responsibility.

Last October, after what popularly became known as the "Saturday Night Massacre," with the abrupt removal and resignation of Attorney General Elliot Richardson, Assistant Attorney General William D. Ruckelshaus, and Special Prosecutor Archibald Cox, I introduced House Resolution 631 on October 23, 1973, calling for the impeachment of the then President, Richard M. Nixon. The evidence assembled since that time has overwhelmingly supported the position which I took in the early introduction of an impeachment resolution. I firmly believed as early as last October that the developments surrounding the rapid fire firings and resignations clearly represented obstructions of justice which deserved trial by the U.S. Senate after impeachment by the House.

In a letter to his wife on November 2, 1800, President John Adams, after spending his first night in the White House, wrote to Mrs. Adams in words which are carved over the mantelpiece in the State Dining Room of the White House:

> I pray heaven to bestow the best of blessings on this house, and on all that shall hereafter inhabit it. May none but honest and wise men ever rule under this roof.

GENERAL LEAVE

Mr. ROSE. Mr. Speaker, I ask unanimous consent that all Members may be permitted 5 legislative days in which to extend their remarks and to include extraneous material on the special order today of the gentleman from Massachusetts (Mr. O'Neill).

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT TO H.R. 15977

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, when the House considers H.R. 15977, the Export-Import Bank Authorization, I expect to offer an amendment which will prohibit Export-Import Bank loans to air carriers which operate on routes in competition with domestic carriers.

It seems incredible that we should expect domestic carriers to purchase equipment at interest rates twice as high as those required by the Export-Import Bank on loans of foreign carriers competing on identical routes.

My amendment is as follows:

Amendment Offered by Mr. Vanik to H.R. 15977, As Reported

Page 4, immediately after line 22, insert the following new subsection:

(e) Section 2(b) of such Act is further amended by adding at the end thereof the following new paragraph:

"(9) The Bank shall not guarantee, insure, or extend credit for the purchase of American produced long-range jet aircraft if such aircraft will be used on international routes in direct competition with American air carriers."

THE CURRENT SITUATION IN CYPRUS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Holtzman) is recognized for 5 minutes.

Ms. HOLTZMAN. Mr. Speaker, I believe I speak for many of my colleagues and constituents in expressing my deep concern over the current situation in Cyprus. The dramatic deterioration of U.S. relations with Greece, tragically illustrated by the shooting of our Ambassador to Cyprus, and the resulting danger to the NATO alliance, pose a serious threat to world peace.

By its failure to take timely diplomatic initiatives, our Department of State bears a grave responsibility for the crisis. Why has Secretary Kissinger, with unaccustomed coyness, declined to go to Greece for talks with the Greek Government? Never before has the Secretary been reluctant to travel many thousands of miles in the interests of peace; now, when Greece has its first democratic government in many years—a government much in need of U.S. support and encouragement—Dr. Kissinger refuses to make this small effort.

This inaction has characterized U.S. policy from the beginning of the Cyprus crisis. Why did Dr. Kissinger not intervene with the Greek junta—the military dictatorship with which the United States maintained such a warm relationship—to prevent the overthrow of Archbishop Makarios? It was this coup which triggered the Turkish invasion of Cyprus. Why did Dr. Kissinger not use U.S. influence to discourage the Turkish military venture? It seems he made no real attempt to do so.

It would be a tragedy if, after years of countenancing a repressive military dictatorship in Greece on the grounds of NATO security, the United States by its inaction not only threatens the survival of Greece's fledgling democratic government, but also loses an old and valued ally.

I commend to the attention of my colleagues an editorial from the New York Times of August 15, 1974. The editorial contains not only an analysis of United States' failures with respect to the Cyprus situation, but offers constructive suggestions for U.S. policy. I can hope only that it is not too late to end our "tilt" toward Turkey, and to use the good offices of the United States to restore the precarious balance of power in the Mediterranean.

The editorial follows:

Imperatives for Cyprus

With the breakdown of peace talks in Geneva, Turkey's accelerated military drive on Cyprus and Greece's withdrawal of its forces from NATO, the full dimensions of the crisis in the Mediterranean have come abruptly into focus. The imminent dangers are of all-out war between Turkey and Greece and of collapse of NATO's southern flank, with ominous consequences for the entire eastern Mediterranean and the volatile Middle East.

It would be difficult to exaggerate the perils for many nations and millions of people in this situation, it is impossible to overemphasize the necessity for strong United States initiatives—whether advanced through the United Nations, NATO or unilaterally—to contain and defuse the crisis. Cruel fate has thrust this heavy burden on President Ford in his first week of office; but it is one he cannot shirk.

The President has made a good beginning by authorizing the State Department to deplore Turkey's "resort to the use of force" on Cyprus and to warn that all military aid to both Greece and Turkey will be cut off if they go to war. The United States cannot evade prime responsibility for stopping the violence not only because of its own position in the area, exercised both through NATO commands and the Sixth Fleet, but also because of the exceptionally close and influential ties this country has had with both Greece and Turkey ever since the launching of the Truman Doctrine programs of military and economic assistance in 1947.

In these decisive hours, the United States must assume prime responsibility for another reason as well: Washington bears a heavy share of the blame for the tragedy because its diplomatic efforts have been incredibly insensitive and ineffective—too little and invariably too late—through all of the period since the Athens-directed putsch against Archbishop Makarios ignited the crisis a month ago. Indeed, there are grounds for believing the United States had an opportunity to prevent the coup on Cyprus, but let it pass because of a long-held dislike and distrust of President Makarios and an unwillingness to offend the military rulers in Greece.

Once the coup had occurred, Washington might have persuaded Turkey to hold back on military intervention if Secretary of State Kissinger had given prompt, vigorous support in Britain's refusal to recognize the Cyprus regime headed by the sadistic Nikos Sampson and also to London's demand that Athens immediately recall the Greek officers who had directed the operation. As it was, Turkey concluded that Washington was ready to condone an action that clearly threatened the Turkish Cypriot minority and that might be simply a prelude to the forced union of Cyprus with Greece.

After the Turks did invade Cyprus the pressing need was to dissuade Ankara from embarking on a reckless military adventure aimed at achieving by force the partition of the island it had long sought. Here again, Washington's reaction was too mild and too late. What was required was the kind of tough, clear message that President Johnson sent to Premier Inonu, which prevented a Turkish invasion in 1964.

It is not too late for President Ford to talk bluntly to the Turks. Yesterday's statement deploring Turkey's military action goes part of the way toward answering charges of a Washington "tilt" toward Turkey in the conflict between the two NATO partners. What is needed is an emphatic follow-up to convince Premier Ecevit's Government and, above all, the Turkish military leaders that the United States really means to act.

DEATH AND TAXES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 5 minutes.

Mr. PODELL. Mr. Speaker, we are all born with the specters of death and taxes hanging over us. Though no one has ever escaped both of them completely, I suggest we can ease somewhat the burden these ogres impose on those who survive the death of a loved one.

For many of us, when death finally comes it is after a lengthy and expensive decline that has depleted our own resources and those of family and friends. Too often there is nothing, or next to nothing, left to pay for the final expenses and funeral arrangements.

It should not be that a person, hounded by the tax collector during his natural life, should have his relatives hounded by the tax collector after he has departed from this world. Nothing should be so inevitable that it haunts even after death.

I propose, Mr. Speaker, an amendment to the Internal Revenue Code to allow as deductible funeral expenses up to a maximum of $2,000 from income taxes in those cases where heads of households pay the reasonable costs normally associated with the preparation, funeral services, and burial of a family member.

My amendment is reasonable, in that it extends to all the consideration the Government now extends in certain cases. Allowances are now made for burial costs in the social security law, for veterans and their spouses. And, where funeral expenses are charged to an estate, those costs are deducted from the estate before Federal taxes are computed. The living should get the same break.

In my own district I know of case after case where a family's finances have been thoroughly depleted—and the wage earner is deeply in debt—when death comes after a long illness of a family member. Then, harassed on all sides by the costs of the tragedy, the wage earner finds that the costs of the legal necessities coincident with death are to be taken out of regular income and are not tax deductible.

Mr. Speaker, I propose that the right thing, the civilized thing, to do is to make the ordinary, and necessary costs of burial tax deductible in these cases. I ask that my colleagues join me in supporting this humanitarian amendment.

SENIOR CITIZENS HOUSING

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 5 minutes.

Mr. MINISH. Mr. Speaker, the present tragic and unprecedented inflation plaguing our Nation hits hardest at senior citizens, many of whom are forced to live on low, fixed incomes. Elderly Americans, without a doubt, are more cruelly and consistently victimized by runaway inflation than any other group. We in the Congress, I believe, must assign the highest priority to the needs and the problems of our older citizens.

Therefore, Mr. Speaker, as a Member of the 93d Congress, I was most pleased to have played a part in the development of the Housing and Community Development Act of 1974. This is a truly monumental and complex piece of legislation which was 4 years in the making. On its path toward enactment many desirable provisions had to be dropped and others had to be compromised, since that is the nature of the legislative process.

I am especially pleased and grateful to my colleagues, however, that one amendment I authored in the full committee to benefit the elderly has indeed survived all the legislative hurdles and will shortly become part of the law.

My amendment preserves the right of elderly low-rent public housing tenants to have 10 percent of their gross income exempted from any "income" calculations made by local public housing authorities for purposes of determining eligibility for admission and, most importantly, for determining the rentals to be charged after admission.

Without this amendment, many elderly citizens presently residing in low-rent public housing units would have found themselves faced with a rent increase at a time when runaway inflation already is consuming a larger and larger portion of their income and making it difficult, if not impossible to make ends meet.

My colleagues in the Congress are to be congratulated for their steadfast support for my amendment. Both I, and thousands of elderly citizens throughout the United States, are grateful.

I am also pleased to note, Mr. Speaker, that this legislation requires that localities, in submitting their community development plans to the Secretary of Housing and Urban Development, must give adequate attention to the housing needs of senior citizens. In fact, the conferees on this bill state that they believe not less than 20 percent of future housing be for the elderly. I hope that communities throughout the Nation will take heed of this provision so that we might reduce the large waiting lists of persons who desire to live in senior citizens housing.

Mr. Speaker, I pledge to continue to press for badly needed Federal action to assist senior citizens in housing and in other areas of need.

BENJAMIN COHEN ASKS FOR AN EXECUTIVE COUNCIL FOR THE PRESIDENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, in a lecture given May 23, 1974, at the University of California, Berkeley, Benjamin V. Cohen called for an Executive Council for the President to guard against the aberrant exercise of Presidential power. Because Mr. Cohen's remarks are just as valid today as they were last May, I include significant excerpts from them here:

EXCERPTS FROM LECTURE GIVEN BY BENJAMIN V. COHEN

Since the Vietnam War and the Watergate Affair, thoughtful Americans have been troubled by the growth of Presidential power and the danger of the improvident or tyrannical exercise of Presidential power. Certainly the Founding Fathers who had revolted against George III did not intend to give the President the prerogatives of the British Crown. Possibly they overrated the effectiveness of the checks and balances provided by the distribution of power among the three branches of government.

Certainly they envisaged a rather restricted view of executive power. When Mr. James Wilson of Pennsylvania moved in the Committee of the Whole that "a National Executive to consist of a single person, be instituted", there was a considerable pause, and Franklin observed that "it was a point of considerable importance" and urged the delegates to "deliver their sentiments on it".

Mr. Rutledge of Connecticut "was for vesting the Executive power in a single person, though he was not for giving him the power of war or peace".

Mr. Sherman of Connecticut "considered the Executive magistracy as nothing more than an institution for carrying the will of the Legislature into effect, that the person or persons ought to be appointed by and accountable to the Legislature only".

Mr. Wilson "preferred a single magistrate as giving most energy, dispatch and responsibility to the office. He did not consider the prerogatives of the British monarch as a proper guide in defining the Executive powers. Some of these prerogatives were of a Legislative nature. Among others, that of war and peace. The only powers he conceived strictly Executive were those of executing the laws, and appointing officers, not appertaining to and apopinted by the Legislature."

Mr. Gerry of Connecticut "favored the policy of annexing a Council to the Executive in order to give weight and inspire confidence."

Charles Randolph of Virginia "strenuously opposed a unity in the Executive magistracy. He regarded it as the foetus of monarchy."

Mr. Madison suggested that "before a choice should be made between a unity and plurality on the Executive", the extent of the Executive authority, whether administered by one or more persons should be fixed, as "a definition of their extent would assist the judgment in determining how far they might be safely entrusted to one officer." He thereupon proposed "that a national Executive ought to be instituted with power to carry into effect the national laws and to appoint to offices in cases not otherwise provided for and to execute such other powers not legislative or judicial in their nature, as may from time to time be delegated by the national legislature." (C. C. Tansill, ed. Documents Illustrative of the Formation of the Union of the American States, Washington 1927, pp. 131–133).

Before accepting a single executive, the delegates debated the wisdom of surrounding the President with a Council of State. Mr. Ellsworth of Connecticut suggested that "there ought to be one" and "it should be composed of the President of the Senate, the Chief Justice, and the ministers as they might be established for the departments of foreign and domestic affairs, war finance and marine, who should advise but not conclude the President."

Charles Pinkney of South Carolina opposed the idea of a Council. He thought "the President should be authorized to call for advice or not as he might choose. Give him an able Council and it will thwart him; a weak one and he will shelter himself under their sanction." But Col. Mason of Virginia stated that "in rejecting a Council to the President we were about to try an experiment on which the most despotic governments had never ventured. The Grand Signor himself had his Divan." He proposed "an Executive Council as a Council of State for the President . . . to consist of six members, two from the Eastern, two from the middle, and two from the Southern states, . . . to be appointed by the legislature or the Senate." Dr. Franklin warmly supported Mason's proposal observing: "We seemed too much to fear cabals in appointments by a number, and to have too much confidence in those of single persons. Experience showed that caprice, the intrigues of favorites and mistresses, etc. were nevertheless prevalent in monarchies . . . A Council would not be a check on a bad President, but be a relief to a good one." Mr. Dickenson of Delaware was for a Council, observing "it would be a singular thing if measures of the Executive were not to undergo some previous discussion before th President." (Tansill, ibid pp. 567, 595 and pp. 686, 687).

Before the final vote in favor of a single executive, Mr. Wilson asserted that "it [a single Executive] would not be obnoxious to the minds of the people, as they in their State governments were accustomed and reconciled to a single executive. Three executives might divide, so that two could not agree in one proposition—the consequence would be anarchy and confusion." Mr. Sherman agreed that "there ought to be one executive, but he ought to have a Council. Even the king of Great Britain has his privy council." When the question was put, a single executive was accepted by a vote of seven states to three (Tansill, ibid p. 752).

No vote was ever taken on the matter of the Council by the Convention. (Warren, The Making of the Constitution, 1928, p. 647, see also pp. 643–647.)

But the Founding Fathers could not have foreseen the far-reaching changes that were to occur in this country in the nineteenth and twentieth century which were to profoundly affect the balance of power between the President and the Congress, and the effectiveness of Congressional checks on Presidential power.

1. In area and in population, in agriculture and industry, in science and technology, the growth of this country since 1789 has been phenomenal and without parallel. The original Union of thirteen States along the Atlantic Seaboard, nurtured by freedom-loving pioneers from the Old World, has expanded across the Continent to the Pacific Ocean in the West, the Gulf of Mexico in the South and the Great Lakes in the North. The acceleration of transport and communication by post roads, railroads, and waterways, and by telegraph, telephone, radio and television, has greatly increased the volume of interstate and foreign commerce and the range of problems within the reach of federal power. In less than 200 years the United States has grown from a minor power in a new and undeveloped continent into a great and highly developed industrial nation, a world power with the responsibilities and burdens of a world power.

2. The unparalleled growth and expansion of the nation was accompanied by a corresponding growth and expansion of the federal executive establishment at home and abroad. The growth of cities which came with the industrial revolution accentuated the economic interdependence not only of farm and city but of nation and nation, and increased the number and complexity of the problems which required the attention of the federal establishment. Congress created new departments and agencies within the executive branch to deal with these. Increasingly Congress has found it necessary to delegate broad, discretionary powers to the executive branch to determine how some of these problems should be dealt with in light of changing facts and circumstances.

In view of the restricted conception of executive power James Madison, James Wilson and Roger Sherman expressed at the Constitutional Convention in 1787, it is not surprising that they did not foresee the extent to which Congress would find it necessary to repose great power in the executive—power which would alter profoundly the balance of power between the Congress and the President. Yet we must remember, as Chief Justice Marshall later observed, the Founding Fathers intended the Constitution they drafted "to endure for ages to come and to be adopted to the various crisis in human affairs", and they did not "attempt to provide by immutable rules for exigencies, which if foreseen at all, must have been seen dimly, and which can best be provided, as they occur." (McCulloch v. Maryland, 4 Wheaton 316, 414). One might conjecture that the reason, or one of the reasons, the matter of a Council of State was not pressed to a vote in the Constitutional Convention was that the delegates concluded that this was a matter which might be left to the judgment of future Congresses.

3. It is not easy to generalize on how the various Presidents up to World War II selected the members of their cabinet, and on how they used their cabinet members, collectively or individually. Frequently, they appointed to their cabinets persons of high standing and independent political power; sometimes they did not. Sometimes they consulted the cabinet or some members thereof collectively or individually on important national policies; sometimes they treated cabinet meetings as mere formalities to keep cabinet members informed of Presidential action. Indeed, as the membership of the cabinet expanded to include heads of agencies with cabinet rank, the cabinet became too large for confidential discussion and serious deliberation. During World War II, Roosevelt tended to share or delegate large sectors of his power to eminent personalities like Byrnes, Stimson, Hull, Ickes, Wallace and Hopkins—men with great political standing in their own right.

In later years, when the great World War II leaders had departed from the scene, the expanded power of the executive branch came to be concentrated and centralized in the President and the Office of the President. Cabinet members were less and less consulted about national policies outside their own departments. In recent times it has not been unusual for cabinet members to be directed rather than consulted even in regard to policies within their own departments. There has been a growing tendency for the President to gather about himself a small elite group of advisers and assistants, generally with little political experience or standing in their own right, personally devoted to the President, eager to help him but reluctant to press their objections to a suggested course of action once they sense that the President is favorably inclined towards it. This elite group is not subject to confirmation but is chosen because of their aptitude to work easily and on the same wave length with the President. They review and revise plans and programs submitted by the departments and agencies, and develop plans and programs of their own, for the President. When these are formally or informally approved by the President, they see that they are carried out by the departments and agencies.

In recent years there has been a great expansion in the White House staffs so that not only the President, but his elite corps, feels less need of advice from the heads of departments and their staffs. Orders flow down to cabinet members, but the flow of ideas and advice from cabinet members upward is greatly diminished.

As a result, there has been a marked decline in the power of the cabinet. Appointments to the cabinet have been down-graded and relatively few outstanding personalities with independent political stature have been appointed to cabinet posts. As a consequence, the President has retained the power to make important decisions which may profoundly affect the course of human events in this country and in the world without checking in advance his views with any responsible and informed group of persons of political stature and independence.

4. With the great expansion of the federal establishment, with the decline in the authority of the cabinet and centralization of executive power in the President, and with the increasing complexities of government problems, Congress has become increasingly dependent on the President for information, guidance and leadership in the performance of its legislative duties. The high degree of dependence of the Congress on Presidential leadership is a hard and inescapable reality. The President's constituency is the nation, not a district, not a state, not a party. He bears a continuing responsibility to the nation; he can speak with one voice; the members of Congress cannot.

Power in the Congress is diffused among its members, whose constituency is a state or a district. Leadership in the Congress is also diffused among competing centers of power; leaders must share their authority with the chairmen and ranking members of the important committees. Congressional reforms may alter the balance of power within the Congress, but Congressional power will continue to be diffused among competing centers of power. In a country as large and diversified as ours, Congressional leaders cannot impose any strict party discipline which would oblige members of either House to vote against the wishes and the interests of their constituents. Indeed, any attempt to introduce strict party discipline in the Congress would lead to the break up of our two party system and the formation of splinter parties based on ideological doctrine or regional interests.

Important legislation in the Congress usually requires some support from both parties. Differences within the two parties are often as great or greater than differences between the two parties. There seems to be a growing trend for significant legislative bills to be introduced and sponsored by members of both parties. A high degree of cooperation between the President and the Congress is of the utmost importance, whether or not the Congress be under the nominal control of the President's party.

For Congress functions well only with the leadership of a democratically responsible President—only with the leadership of a President who takes the Congress into his confidence, fully and honestly informing the Congress of the state of the nation and the nation's needs and problems, and seeking, not commanding, the support of an informed Congress and of an informed electorate.

It is important that the President be aware of and sensitive to the various viewpoints and interests represented in Congress. With this knowledge he can and should consider, before he takes a strong stand on a controversial issue, to what extent he can meet or reconcile various Congressional viewpoints and interests. He must also consider to what extent he must change and educate public opinion and change the initial negative reaction of members of Congress and their constituents in order to gain support for his position on vital issues. This is what Roosevelt did in the case of Lend-lease and what Truman did with the Marshall Plan.

But it is equally or more important that the Congress be fully aware and informed of the problems and concerns of the President before the President takes a definite, public position on matters requiring Congressional approval or authorization. Excessive secrecy too often conceals from the Congress and the American people facts and issues which deeply concern them, until after the President takes a public stand from which retreat is difficult. If the President waits to call for Congressional action until a national or international emergency is upon us, it is difficult for members of the Congress to reject the President's request however grave their reservations and however meager their knowledge and understanding of the facts. Thus was passed the Tonkin Bay resolution, the Eisenhower Doctrine and the resolutions on Taiwan, and Quemoy and Matsu.

When Congress does approve or authorize the exercise of emergency powers by the President, it cannot readily foresee, limit or define the occasions on which, or the extent to which, the President may exercise such powers. The President may consult Congressional leaders and committee chairmen, but their hurried briefings after the President has reached a decision is scarcely adequate to enable them to speak for themselves or to reflect the varied views of their colleagues.

The truth of the matter is that with rare exceptions members of Congress hesitate to press their judgment against the President's in times of sudden crises, particularly when they have not had time to study the issue and most particularly when they sense the possibility of a sharp conflict of opinion among their own constituents. Indeed, our interventionist policies in Vietnam in the early sixties stirred little controversy in the Congress or in the press. The conflict between Senator Mansfield's report warning against the participation of American troops in any military operation and the Taylor-Rostow report recommending covert military operations which might lead to overt operations—passed virtually unnoticed. Congress did not awaken to the consequences of the happenings in Vietnam until our covert activities had become overt. And even then, the movement in the Congress to stop the war did not pick up strength until our people began to feel the war's heavy toll, terrible agony and utter futility.

The more powers Congress gives to the President and the executive branch, the more important it is that the President recognize his continuing responsibility to the Congress and the people for the exercise of those powers not only at election time but between elections. . . .

Let us now consider what institutional changes might provide salutary restraints on the improvident and unwise exercise of Presidential power.

We are proud of our constitutional system and its extraordinary capacity for life and growth.

We are not likely to accept revolutionary changes which are basically incompatible with our constitutional system.

In seeking to find acceptable restraints on the aberrant exercise of Presidential power we would hope to strengthen, not weaken, Presidential leadership and Presidential responsibility. . . .

In our efforts to seek institutional controls to guard against the aberrant exercise of Presidential power we need not rely exclusively on any one institutional change or innovation. Whatever other steps Congress may take to limit the range or the exercise of Presidential powers, I would suggest that there is urgent need for Congressional legislation for a reorganization of the office of the President to provide means:

1. to improve and revitalize relations and communications between the President and the departments and agencies, and

2. to improve and revitalize relations and communications between the President and the Congress, and

3. to protect the President from the improvident and aberrant exercise of Presidential power and to facilitate and encourage the wise and prudent exercises of Presidential power.

Let us consider how the office of the President might be reorganized to accomplish these objectives.

To begin with we might suggest that Congress establish in the Office of the President a small Executive Council of not less than five or more than eight persons of highest public standing, with great but varied experience and outlook drawn from varied walks of life, to be nominated by the President and confirmed by the Senate. The Council must be kept small to encourage confidential discussion and serious deliberation. Its members should be persons of independent position and power widely respected in and out of the Congress. One or two members might come from the Congress, but they could not hold both jobs simultaneously as membership of the Executive Council should be a full time job. The terms of Council members might be indeterminate as it is with cabinet members or might be co-terminous with the life of the Congress to enable the President to reconstitute his Council to strengthen his leadership with the new Congress and the people.

The President before nominating Council members and the Senate before confirming them should be satisfied that they possess the high qualifications prescribed by the statute. They should be persons of the standing of a Stimson, Byrnes or Stevenson in their day and of persons of equal eminence in our day.

The Executive Council should constitute a small super-cabinet with authority to participate in the decision-making process before important or potentially important Presidential decisions and commitments are made, and before important or potentially important Presidential plans, programs and policies are finalized. Its members should have access to reports, memoranda and other information on any matter within the purview of the Council. They should have authority to request additional information regarding any such matter from responsible sources in the executive establishment, in the Congress or elsewhere.

These functions cannot be performed by a large cabinet composed of the heads of many departments and agencies with widely different and specialized interests. But department and agency heads, Congressional leaders and other persons with special knowledge should be invited to participate in the Council's deliberations when their participation would be helpful.

The Presidents, even the greatest of them, need unbiased judgment and moral support from persons they can regard as their peers. In Roosevelt's day I remember Speaker Rayburn, in his earthy way, would frequently remark that the trouble is that too many people when they see the President tell him what they think he would like to hear, not what he should know or what they really think. Obliging the President to consult an Executive Council such as I envisage would help him to hear what he should know before he acts. Such a Council would strengthen not diminish his position, since he and he alone would have the ultimate power of decision and the last word.

The members of the Executive Council, individually or collectively, should also have adequate authority within limits prescribed and guidelines set by the President to act for him in monitoring, approving, and in coordinating the policies and programs of various departments and agencies in order to keep them within and abreast of the Presidential guidelines. But the members of the Executive Council should scrupulously avoid involvement in the minutiae of departmental or agency operations. They should operate with very limited staffs of their own and avoid duplicating the staffs of the departments and agencies, although they should have authority to request permission of the heads of departments and agencies to borrow qualified persons for work on particular assignments.

Individual members of the Council might be assigned by the President to monitor and expedite the work of certain inter-departmental committees. Individual members should also be assigned to discuss the Administration's position on important legislative proposals with Congressional leaders and Congressional committees and to explore the possibility of reconciling differences and reaching a consensus.

The Executive Council is not intended to operate as a barrier between the President and the heads of departments and agencies or between the President and the Congress or any other persons in or out of government when the President has the time and inclination, but as a bridge facilitating meaningful communication between the President and the departments and agencies, and between the President and the Congress. The President's time for appointments with Congressional leaders, Committee chairmen and heads of departments and agencies is limited, and frequently does not encourage or permit a free or significant interchange of views. Congressional leaders and heads of departments and agencies may enjoy, at times, a far more meaningful relation with the President through the members of the Executive Council who can give much more time to acquiring an adequate understanding of their problems than an isolated and overburdened President.

Moreover, advance discussion with members of the Executive Council who are in close touch with the President should enhance the value of their occasional and intermittent meetings with the President; and in a real emergency, members of the Executive Council may be able to arrange a timely meeting with the President for them.

The creation of an Executive Council within the Executive Branch such as I have sketched should go far to institutionalize many of the practices and procedures President Roosevelt followed to guard against improvident action. Such a Council would adapt the idea of a Council of State, which had considerable support in the Constitutional Convention in 1787, to the exigencies of government in our times. Such a Council is not intended to diminish the strength or effectiveness of Presidential leadership. The President shares his burdens not his ultimate power of decision with the Council. A strong President, conscious of his democratic responsibilities should welcome the opportunity of testing the soundness and public acceptance of his plans before he acts. The Council, aided by its contacts with the Congress and the executive department and agencies, provides an excellent testing ground for this purpose. . . .

None of our Presidents, even our best Presidents, are supermen. They are human beings subject to human frailties. They have their off days, their blind spots, their periods of sickness and anxiety. Wilson suffered a physical breakdown before the end of his second term. Even Roosevelt's physical strength was ebbing as he entered his fourth term.

Our Presidents are not infrequently assailed by gnawing doubts about the perplexing and momentous decisions they must make. Kennedy had the gravest doubts about the Bay of Pigs but as a President recently elected by a close vote he hesitated to upset the elaborate preparations of the Eisenhower administration for its scheduled launching. I have suspected, rightly or wrongly, that Eisenhower himself had considerable doubts about the Bay of Pigs as well as some of his Indo-China policies.

Quiet consultation by our Presidents before they make their momentous decisions with a small Council of wise and respected persons may protect our Presidents, our nation and our world from much of the hazards of fateful decisions which ultimately must be made by one man.

U.N. SANCTIONS AGAINST RHODESIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, although the vote on S. 1868 was not held today, I would like to insert for the thoughtful consideration of my colleagues the following letter from Roy Wilkins, executive director, National Association for the Advancement of Colored People, outlining the strong support of that organization for restoration of U.S. compliance with U.N. sanctions against Rhodesia.

NAACP,
New York, N.Y., August 19, 1974.

Hon. Charles Diggs, Jr.,
Chairman, Subcommittee on Africa, Rayburn Building, Washington, D.C.

Dear Chairman Charles Diggs: This Tuesday, August 20, the House has an opportunity to remedy a move by Congress that we in the NAACP believe has done grave injury to the world's perception of America. A vote is scheduled to be taken on S. 1868, a bill that would reinstate our boycott of Rhodesian chrome. That boycott, as you know, was lifted by Congress in 1971, even though we were committed by our obligations to the United Nations to honor it. Portugal and South Africa are the only other countries that do not now observe this sanction.

What has lifting the boycott done for us? Very little in a positive way. The State Department says we do not need the chrome for reasons of national security and that we can readily obtain supplies of the ore from other sources. Our understanding is that we have 3.9 million tons of this ore in our stock piles. The harmful effects of our action are more substantial. Other nations, particularly the black African nations, can only view our action as a repudiation of all our fine pronouncement about the need of a guarantee for full equality for all the citizens of the world. For the UN imposed the sanctions against Rhodesia in 1966 at the request of Great Britain, as a means of persuading Rhodesia's white minority government to stop denying full representation to its black citizens. Our action has undermined that laudable effort.

On Tuesday, our past error can be corrected. The Senate has already approved S. 1868, We urge all congressmen to be present when the bill is taken up and to vote for it in order to lend the power of the United States to a UN sanction and to help bring democracy, peacefully, to Rhodesia.

Sincerely,

Roy Wilkins,
Executive Director.

CHANGES IN ALLOWANCES FOR MEMBERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Thompson) is recognized for 5 minutes.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 457, 92d Congress, provided the Committee on House Administration the authority to fix and adjust from time to time various allowances of Members of the House of Representatives. Pursuant to this authority the committee has issued order Nos. 13 and 14 as follows:

COMMITTEE ORDER NO. 13

Resolved, That in addition to postage stamps authorized to be furnished under any other provision of law, until otherwise provided by order of the Committee on House Administration, the Clerk of the House of Representatives shall for each regular session of Congress procure and furnish United States postage stamps to each Representative, the Resident Commissioner of Puerto Rico, and the Delegates from the District of Columbia, Guam, and the Virgin Islands in an amount not exceeding $230, and to each standing committee of the House of Representatives upon request of the chairman thereof, in an amount not exceeding $140. In addition to postage stamps authorized under any other provision of law, until otherwise provided by order of the Committee on House Administration, the Speaker, the majority and minority leaders, and the majority and minority whips of the House of Representatives shall each be allowed United States postage stamps in an amount not exceeding $205.

COMMITTEE ORDER NO. 14

Resolved, that until otherwise provided by order of the Committee on House Administration; the allowance for Stationery for each Member of the House of Representatives, Delegate, and Resident Commissioner, shall be $6,500 per regular session. Such payment shall be made to each Member, Delegate, and the Resident Commissioner serving as such on or after the date of adoption of this resolution.

MATSUNAGA BILL WILL PROMOTE HEALTH AMONG NEW IMMIGANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. Matsunaga) is recognized for 5 minutes.

Mr. MATSUNAGA. Mr. Speaker, America is still proud to be the bountiful land to which people from the whole world come to improve their lot in life. Their coming enriches us greatly by giving the United States the benefit of their diversity and reinjecting the hope of all immigrants, like that of our forebears, into America's vitality. The country invites immigrants, the country welcomes immigrants, the country benefits from having immigrants, and the cities pay for the special services which many immigrants require.

The special services to which I refer, though, are not costs in the true sense; really, they constitute an investment. This is an investment on behalf of the whole country, and it is a national responsibility.

Today I have introduced a bill, H.R. 16498, which will provide for Federal support to relieve cities overburdened by this investment. Furthermore, this is not simply a bill to transfer the costs of administering programs; it is one which encourages the development of better programs. These will be programs which will develop the necessary skills among our new residents to utilize the existing health service system. In this fashion, they will be protected from disease, become productive participants in our society more rapidly, and shelter all Americans from communicable disease. This is a need which calls out to be met, and in which I ask my colleagues to join to do so speedily.

I include at this point the text of my bill, which parallels one introduced in the Senate by my good friend and distinguished colleague from Hawaii, Senator Daniel K. Inouye:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alien Health Services Act of 1974".

Sec. 2. Section 325 of the Public Health Service Act (42 U.S.C. 252) is amended to read as follows:

"ALIEN HEALTH SERVICES

"Sec. 325. (a) The Secretary, in accordance with regulations prescribed by him and subject to administrative regulations of the Attorney General, shall provide physical and mental examinations of aliens as required by the laws regarding immigration. Such examinations may be within or outside the United States.

"(b) (1) The Secretary is authorized to make grants to public and private non-profit agencies, organizations, and institutions for the purposes of fostering and developing demonstration and evaluation programs for comprehensive health services for aliens residing in the United States by the establishment of—

"(A) health services demonstration and evaluation projects, and

"(B) counseling and educational programs on an individual, group, or family basis which are designed to increase awareness and effectively utilize available health resources.

"(2) No application for a grant under this subsection may be approved unless the Secretary determines that—

"(A) the State comprehensive planning agency designated under section 314 has approved such project,

"(B) such projects are community based and are integrated with a wide range of public and private agencies.

"(C) there are adequate safeguards for the protection of the confidential nature of the doctor-patient relationship.

"(D) there is provision for such accounting of financial controls as may be necessary to insure the proper disbursement of Federal funds, and

"(E) Federal funds made available under this subsection shall be used to supplement and not supplant the level of State, local, or other non-Federal assistance for projects which are eligible for funding under this subsection.

"(3) The Secretary in making grants under this subsection shall give a priority to those applicants which—

"(A) demonstrate a capability to provide services to a broad geographic area,

"(B) provide procedures to identify and eliminate barriers for the effective delivery of health services to aliens, and

"(C) represent areas having a population of not less than 50,000 individuals of whom not less than 5 percent are aliens.

"(4) There are authorized to be appropriated for the purpose of carrying out this subsection $50,000,000 for the fiscal year ending June 30, 1975, $70,000,000 for the fiscal year ending June 30, 1976, and $80,000,000 for the fiscal year ending June 30, 1977.

EXPANSION OF MILITARY AIRLIFT SYSTEM TO INCLUDE CIVIL AGENCIES OFFICIAL OVERSEAS TRAVELERS—SAVINGS: $24 MILLION YEARLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 5 minutes.

Mr. LEGGETT. Mr. Speaker over the years, the Armed Services Committee of which I am a member has held many hearings on the Government's military airlift capabilities including the Civil Reserve Air Fleet—commonly referred to as the "CRAF" program.

Historically, the military establishment has relied upon civil resources to provide the necessary support and augmentation of the professional combat forces in time of national emergency. The U.S. air transportation industry has been no exception. Through procurement policies which evolved as a result of the many hearings held by the Committee on Government Operations during the late 1950's and early 1960's and the armed services hearings of the late 1960s and early 1970s, the Military Airlift Command of the Department of Defense has obtained commitments of guaranteed airlift for Department of Defense use from each of the CRAF carriers in exchange for a fair award of Military Airlift Command contracts. Both segments of the U.S. air carrier industry—the scheduled carriers and the supplemental carriers—have participated fairly and fully in the CRAF program with the supplementals providing maximum support to the CRAF by their lead in procuring and making available the convertible jumbo jets needed to augment the military airlift fleet.

The CRAF program has worked well during the past 14 years at contract rates set by the Civil Aeronautics Board and based purely on the economic factors of cost reimbursement and proper profit allowances. But, Mr. Speaker, problems are now surfacing in the CRAF program. Many carriers, including the larger airlines such as American, Continental, Braniff and United, no longer actively participate in the MAC business—apparently because they believe the MAC contracts do not currently provide sufficient incentive to remain in the program. There are also strong indications that the special fares for DOD's overseas passengers traveling on regularly scheduled flights are slowly disappearing. These problems undoubtedly relate directly to the major reductions in the MAC commercial augmentation contracts as shown in the following table:

MAC COMMERCIAL AUGMENTATION

[In millions of dollars]

	Base	Additional	Tota
Fiscal year:			
1961	9.7	69.0	78.7
1962	69.6	72.4	142.0
1963	94.3	73.8	168.1
1964	106.4	38.9	145.3
1965	92.4	102.7	195.1
1966	119.4	198.2	317.6
1967	305.4	269.9	575.3
1968	441.3	130.6	571.9
1969	285.8	242.1	527.9
1970	340.8	108.2	449.0
1971	199.4	178.7	378.1
1972	150.1	235.8	385.9
1973	131.5	103.8	235.3
1974	107.0	33.6	140.6

This substantial reduction in the Government's business naturally is causing economic readjustment problems for the U.S. air carrier industry—scheduled airlines as well as the supplemental carriers. There is a way, however, in which the Government can strengthen its negotiating position with the air carrier industry, provide the incentive needed to "encourage" the carriers to actively participate in the CRAF program, and fairly distribute the Government's business among both the large scheduled and small supplemental carriers.

Under the chairmanship of the Honorable WILLIAM S. MOORHEAD, our distinguished colleague from Pennsylvania, the Foreign Operations and Government Information Subcommittee of the Committee on Government Operations has carefully studied the economy and efficiency of international air transportation by Government officials. Appropriate hearings were held and a report was unanimously adopted by the Committee on Government Operations on October 19, 1973.

The report rightfully shows that the Government is paying excessive fares to transport its civil agencies' overseas travelers and concludes by recommending that the military airlift system be expanded to include all the Government's overseas travelers. Obviously, consolidation of all the Government's air transportation business will substantially enhance the Government's negotiating position with the airlines and will also provide the means whereby the Government can fairly and equitably award a fair portion of its civil agencies' business to the "small business" carriers. Further, use of the mass transportation methods suggested in the Government operations report will undoubtedly result in substantial reductions in the Government's transportation bill. In fact, a cost comparison recently completed by the Foreign Operations and Government Information Subcommittee shows possible savings of some $24 million yearly for the American taxpayers.

Mr. Speaker, it is now time that we in the House and Senate gave full support to BILL MOORHEAD's chartered air shuttle proposal.

CIVIL SERVICE COMMISSION ERRATA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, during the past several months, I have had correspondence with the U.S. Civil Service Commission on whether the Federal Government should inquire of a job applicant whether or not he or she ever has been a member of the Communist Party. The correspondence is appended.

The current civil service practice is to ask whether the applicant is a member of an organization with the knowledge that that organization espouses the unlawful overthrow of the Government, and with specific intent to carry out that purpose.

I believe that for the Federal Government to continue to ask questions concerning Communist Party membership is not only violative of the first amendment but is also demeaning to our political process. I have no sympathy for the Communist Party, its methods, and its real goals. And I am not one of those who believes that its influence is so insignificant as not to warrant the concern of those of us who believe in the democratic system. But I also believe that so long as our electoral system permits membership in radical and undemocratic political parties, as it should, since this is the very essence and strength of democracy, we vulgarize and ultimately destroy the electoral process by permitting the Government to inquire into any lawful political affiliation. What must be emphasized is that it is not illegal to be a member of the Communist Party. And it is noteworthy that on June 4, 1974, the Attorney General abolished the list of subversive organizations.

I bring this correspondence to the attention of our colleagues with the thought that focusing public and congressional attention on the matter may cause a change in the regulations of the U.S. Civil Service. If that does not occur, this should be pursued legislatively. Of course any individual denied a position as a result of either a refusal on constitutional grounds to respond to the questionnaire, or because of his or her response, can and should initiate legal action.

The correspondence follows:

FEBRUARY 9, 1974.

Hon. EDWARD I. KOCH,
Member of Congress,
New York, N.Y.

DEAR CONGRESSMAN KOCH: I received an instruction sheet, copy of which is sent you herewith, from ——— who applied, this past summer, for a job in the National Parks Bureau.

It is really infuriating to discover that although the Courts have held that the Department of State has no right to demand information of one's political affiliation, the personnel office of the Department of Parks may still do so.

Would you check into this instruction sheet, and advise us?

Thank you.

Sincerely yours,

——— ———.

INSTRUCTION TO APPLICANTS WHO COMPLETE FEDERAL APPLICATION FORMS THAT CONTAIN QUESTIONS ABOUT LOYALTY

Effective November 12, 1973, questions 27 and 28 about loyalty on Standard Form 171, Personal Qualifications Statement, have been replaced by the following questions:

27. Are you now a member of the Communist Party, U.S.A., or any subdivision of the Communist Party, U.S.A.? Yes; no.

28. (a) Are you now, or within the last ten years have you been, a member of any organization, or group of persons, including but not limited to the Communist Party, U.S.A., or any subdivision of the Communist Party, U.S.A., which during the period of your membership you knew was advocating or teaching that the government of the United States or any political subdivision thereof should be overthrown or overturned by force, violence, or any unlawful means? Yes; no.

28. (b) If your answer to (a) is in the affirmative, did you, during the period of such membership, have the specific intent to further the aims of such organization or group of persons to overthrow or overturn the government of the United States or any state or any political subdivision thereof by force, violence, or any unlawful means? Yes; no.

28. (c) If your answer to 27 or 28(a) above is in the affirmative state the names of such organizations and the dates of your membership in each in item 37 or other space provided for detailed answers. (See below.)

The above questions also replace the questions about loyalty on all other Federal application forms over which the Civil Service Commission has jurisdiction.

Until new forms are available, you will be given Standard Form 171, or other application forms over which the Civil Service Commission has jurisdiction, and which contain the old questions about loyalty. When filling out one of these forms strike the loyalty questions (put lines through them) and use the answer spaces above to answer questions 27, 28(a) and 28(b) above. The anwer to questions 28(c), if any, should be written in the item 37 space or in other space provided for detailed answers on the SF 171.

See signature provision on reverse side of this form.

(Attach and file this form with the applicant's SF 171.)

ATTENTION—THIS STATEMENT MUST BE SIGNED

Read the following paragraph carefully before signing this Statement.

A false answer to any question on this form may be grounds for not employing you, or for dismissing you after you begin work, and may be punishable by fine or imprisonment (U.S. Code, Title 18, Sec. 1001). All statements are subject to investigation, including a check of your fingerprints, police records, and former employers. All the information you give will be considered in reviewing your Statement and is subject to investigation. A false answer to Items 27 and 28 could deprive you of your right to an annuity when you reach retirement age in addition to the penalties described above.

CERTIFICATION

I certify that all of the statements made in this Statement are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Signature (Sign in ink).

Date signed.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., February 25, 1974.
CIVIL SERVICE COMMISSION,
Congressional Liaison,
Washington, D.C.

DEAR SIRS: Please find enclosed the letter and related material which I have received from Ms. ——— regarding questions used on applications for employment with the National Park Service. It is my impression that there has been a great deal of legal decisions regarding this very subject.

I would appreciate it if you would look into this matter and advise me of your comments so that I may inform my constituent.

Thank you for your interest in this inquiry.

Sincerely,
EDWARD I. KOCH.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., May 11, 1974.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: I am in receipt of your letter of February 25, 1974, in which you enclosed a letter from Ms. ——— in which she inquired about certain questions used on application forms for employment with the National Park Service, and attached a copy of Form GC 51. You ask whether it is illegal to ask for political party identification, including the Communist Party, on application forms for employment, and request any court decisions on point.

Section 4.2 of Civil Service Commission Rule IV, Prohibition against racial, political, or religious discrimination, provides:

"No person employed in the executive branch of the Federal Government who has authority to take or recommend any personnel action with respect to any person who is an employee in the competitive service or any eligible or applicant for a position in the competitive service shall make any inquiry concerning the . . . political affiliation . . . of any such employee, eligible or applicant. All disclosures concerning such matters shall be ignored, *except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment.*" (Emphasis added.)

50 U.S.C. § 784 sets out such a prohibition as contemplated in Rule IV. It provides:

§ 784. Employment of members of Communist organizations—Failure to disclose membership; defense facilities; contribution of funds, services or advice by Government personnel,

(a) When there is in effect a final order of the Board determining any organization to be a Communist-action organization or a Communist-front organization, it shall be unlawful—

(1) For any member of such organization, with knowledge or notice of such final order of the Board—

(A) in seeking, accepting, or holding any nonelective office or employment under the United States, to conceal or fail to disclose the fact that he is a member of such organization; or

(B) to hold any nonelective office or employment under the United States;

The Subversive Activities Control Board had the responsibility for determining whether any organization is a Communist-action organization or a Communist-front organization upon application by the Attorney General under section 792(a) of Title 50. For example, in *Communist Party of the U.S.* v. *Subversive Activities Control Board,* [223 F. 2d 531 (1955), 96 U.S. App. D.C. 66, reversed on other grounds, 76 S. Ct. 663, 351 U.S. 115, 100 L.Ed. 1003], the Subversive Activities Control Board has made such a determination in respect to the Communist Party of the United States.

Recent decisions of the Supreme Court make it clear that mere membership in an organization that espouses the unlawful overthrow of the Government may not be inquired into, and that the only fact of relevance is membership with knowledge of the unlawful purpose of the organization, and with specific intent to carry out that purpose. See: *Law Students Research Council* v. *Wadmond,* 401 U.S. 154 (1971); *Baird* v. *State of Arizona,* 401 U.S. 1 (1971); and *In Re Stolar,* 401 U.S. 23 (1971). To effect changes in the loyalty questions (questions 27 and 28 on Standard Form 171 revised September 1971) reflecting the court decisions, the Civil Service Commission, with approval of the Justice Department as to their format, has revised questions 27 and 28 and issued them on Form GC–51, a copy of which Ms. ——— attached to her letter.

The revision of questions 27 and 28 on Standard Form 171 will also apply to similar loyalty questions on other application or appointment forms under the Civil Service Commission's jurisdiction, such as Standard Forms 173 and 50A, and any exceptions to those forms granted to agencies.

I hope the foregoing will be of some assistance to you in your response to Ms. ———.

Sincerely yours,
ANTHONY L. MONDELLO,
General Counsel.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 21, 1974.
Mr. ANTHONY L. MONDELLO,
General Counsel, U.S. Civil Service Commission, Washington, D.C.

DEAR MR. MONDELLO: Thank you for your letter of March 11th concerning certain questions used on application forms for employment with the United States government.

In reviewing your letter and the court decision it cites, I am at a loss to understand how Questions 27 and 28(a) on Form GC51 are legal. You cite recent Supreme Court decisions which, in your words, "make it clear that mere membership in an organization that espouses the unlawful overthrow of the Government may not be inquired into." And yet, you ask this question in #27. The "only fact of relevance is membership with knowledge of the unlawful purpose of the organization, *and* with specific intent to carry out that purpose" (emphasis added). From your letter it would seem that mere knowledge of the intent is still not sufficient to justify inquiry. This question 28(a) is not justified. Question **28 (b) and (c) might be justified on the** basis of your interpretation of the Supreme Court decisions if the inquiry were limited into whether the applicant not only belonged to an organization whose activities are unlawful and if the individual had "the specific intent to further the aims of such organization or group of persons to overthrow or overturn the government of the United States or any state or any political subdivision thereof by force, violence, or any unlawful means", and the name of the organization.

I should appreciate having your further comment on this.

Sincerely,
EDWARD I. KOCH.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 19, 1974.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in further response to your inquiry concerning questions used on application forms for employment with the Federal Government. You have stated that after reviewing our letter of March 11, 1974, and the court decisions it cites, you are still unable to understand how questions 27 and 28(a) on our Form GC are legal.

Question 27 asks:

"Are you now a member of the Communist Party, U.S.A., or any subdivision of the Communist Party, U.S.A.?"

Question 28(a) asks:

"Are you now, or within the last ten years have you been a member of any organization, or group of persons, including but not limited to the Communist Party, U.S.A., or any subdivision of the Communist Party, U.S.A., which during the period of your membership you knew was advocating or teaching that the Government of the United States or any political subdivision thereof should be overthrown or overturned by force, violence, or any unlawful means?"

In *Law Students Research Council* v. *Wadmond*, 401 U.S. 154, (1971), the Court at page 164 considered the following question asked of applicants for the New York Bar:

"26(a) Have you ever organized or helped to organize or become a member of any organization or group of persons which, during the period of your membership or association, you knew was advocating or teaching that the Government of the United States or any state or any political subdivision thereof shown be overthrown or overturned by force, violence, or any unlawful means?—If your answer is in the affirmative, state the facts below."

The Court concluded:

"Question 26 is precisely tailored to conform to the relevant decisions of this Court. Our cases establish that inquiry into associations of the kind referred to is permissible under the limitations carefully observed here."

Moreover, at page 166, footnote 19, the Court said:

"Division of Question 26 into two parts is wholly permissible under *Konigsberg* v. *State Bar*, [366 U.S. 36 (1961)], which approved asking whether an applicant had ever been a member of the Communist Party without asking in the same question whether the applicant shared its illegal goals."

While we concede that our question 28 (which corresponds closely to question 26 considered by the Court) is divided into three parts instead of two, we do not believe that the Court would view this as an impermissible departure from the format it approved in *Law Students Research Council* v. *Wadmond*.

The comment in my letter of March 11 that "mere membership in an organization that espouses the unlawful overthrow of the Government may not be inquired into" was designed to deal with matters dealt with in question 28 of the form you inquired into. As noted earlier in my letter, 50 U.S.C. § 784 sets out certain prohibitions regarding Federal employment. Question 27 inquires into the matter of whether the applicant is eligible for employment or is disqualified because of the terms of § 784. Thus question 27 is supported by the Commission's obligation to carry out the intent of Congress as reflected in § 784.

In addition, in *Law Students Research Council*, the Court said at pages 165–166:

"It is also well settled that Bar examiners may ask about Communist affiliations as a preliminary to further inquiry into the nature of the association and may exclude an applicant for refusal to answer."

In other words, we can ask about membership in the Communist Party both to carry out 50 U.S.C. § 784 and as a preliminary to further inquiry and that when asking about membership in organizations advocating the overthrow of the United States Government by force or violence, the inquiry must be confined to knowing membership.

We hope the foregoing explanation serves to reassure you that we are attempting to propound these questions in the form that recent court decisions have prescribed.

Sincerely yours,

ANTHONY L. MONDELLO,
General Counsel.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 24, 1974.
ROBERT E. HAMPTON,
Chairperson, U.S. Civil Service Commission, Washington, D.C.

DEAR MR. HAMPTON: The recent abolition by Attorney General Saxbe of the socalled Subversive Organizations list has focused attention on the practice by the Civil Service Commission or requiring applicants for government employment to list their organizational affiliations.

Presumably the Commission's justification for this requirement, when the list was in existence, was to check the applicant's listing of organizations against the Attorney General's list. Now that the list has been eliminated, even that dubious justification no longer exists.

There are, however, broader grounds for objecting to inquiries into individuals associations. The Commission itself, in its accompanying memorandum to the proposed revised suitability regulations—in discussing the disqualification of applicants or employees for "reasonable doubt as to the loyalty of the person involved to the Government of the United States"—admitted that "the courts will require the record to show the specific connection between the disloyal acts of the employee or applicant and the position employed in or applied for". More plainly stated, in the light of court decisions, the Commission should not conduct loyalty-security investigations for non-sensitive jobs.

The elimination of the Attorney General's list and the government's own recognition of the requirement for a job-related nexus call for the elimination of questions 27 and 28 from the standard application form for government employment as both useless and an unnecessary invasion of citizens' rights of association.

But objectionable as these questions are for applicants, even more objectionable are the procedures to which those already employed are subjected by the Commission's security program. The security program outlined in Executive Order 10450 has been held by the Supreme Court in *Cole* v. *Young* to be limited to sensitive jobs, that is, those affecting national security.

The Civil Service Commission has ignored the Supreme Court's limitation. For example, Standard Form 85 requires all employees who are going to work in non-sensitive positions to answer the following question:

"8. Organizations with which affiliated (past and present) other than religious or political organizations or which show religious or political affiliations (if none, so state)."

The form of the question suggests that the political organization exception refers only to organizations connected with political parties.

Since no other explanation is given, applicants may be required to list organizations such as the League of Women Voters, the American Legion, National Rifle Association, Americans for Democratic Action, John Birch Society, etc. None of these organizations is connected with a political party, but all of them take positions on legislation. The exception for "political affiliations" is meaningless in protecting the rights of individuals from inquiry into their political beliefs.

This question, and any other question requiring applicants or employees to reveal their organizational affiliations, is an arrogation to the Commission of powers not given to it by Congress and barred by the Supreme Court.

Six months ago the Civil Service Commission circulated proposed revised suitability criteria with a view to bringing the Commission's practices into line with recent court decisions that require that government applicants and employees not be disqualified because of non-job related criteria. These proposed criteria have not yet been formally adopted. Since the regulations are still in the process of formulation, and since the Attorney General's list has been abolished, now would be the opportune moment for the Commission to drop questions that inquire into the association of citizens; and to drop all suitability programs under which the Commission conducts background investigations about the political views and associations of non-sensitive personnel. Now would be the opportune moment for the Commission to begin confining itself to its authorized powers by conducting inquiries only into job-related conduct.

I would very much appreciate your letting me know what plans the Commission has to eliminate suitability regulations, procedures and questions about political associations which are no longer relevant and are in excess of its authority.

Sincerely yours,

EDWARD I. KOCH.

THE PLIGHT OF CHILEAN REFUGEES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the plight of Chilean refugees has been a matter of concern to me and other members of Congress since the overthrow of the Allende government last September. Three months ago, I wrote to the State Department inquiring whether parole arrangements have been instituted permitting the Attorney General and the State Department to waive certain immigration requirements for Chilean refugees seeking asylum in the United States. In July, I addressed a second letter to the State Department, requesting additional details concerning the granting of visas to Chilean refugees. The replies to my letters indicate that the United States has regrettably failed to meet the challenge with a compassionate response. Of the 150 applications for parole received by the United States, only 25 have been approved for resettlement in the United States. Applications for parole were only accepted from foreign refugees in Chile, not from actual Chilean citizens; apparently, the U.S. embassy in Santiago has not received any applications for asylum since September 11, 1973. What this means is that the United States' hostile attitude toward these refugees has permeated the refugees' consciousness so that they are turning to other countries for asylum. The United States bears some responsibility for the situation in Chile; and even if that were not so, our tradition of accepting refugees compels us to do far more than we are doing at present.

The correspondence follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., May 8, 1974.
Hon. HENRY KISSINGER,
Secretary, Department of State, Washington, D.C.

DEAR MR. SECRETARY: As you know, the question of Chilean refugees has been a matter of concern to the Congress since the overthrow of the Allende government. I understand that the United States has pursued a policy of allowing the immigration of Chilean refugees under a special "parole" arrangement permitting them to bypass certain immigration restrictions. I'd appreciate having the details of the operation of this policy. Have visas been granted all Chileans who establish that they are threatened with persecution by the government or do other factors affect the visa decision? For example, am I correct in thinking that a refugee who happens to be a Marxist would not be denied asylum on that basis alone? Any information you could provide on the criteria used in visa decisions under the parole arrangement would be helpful.

In addition, I am also interested in knowing how any Chilean refugees have applied for asylum in the United States since the coup, how many have been accepted, and how many have actually accepted the offer of asylum. Thank you in advance for your cooperation.

Sincerely,

Edward I. Koch.

Department of State,
Washington, D.C., June 4, 1974.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: The Secretary has asked me to reply to your letter of May 8, regarding the parole of Chilean refugees into the United States.

No group parole program was initiated for foreign refugees in Chile. What has been instituted is an individual parole program under which selected foreign nationals, certified by representatives in Chile of the United Nations High Commissioner for Refugees as bona fide refugees wishing permanent resettlement in the United States, are reviewed on a case-by-case basis to determine their eligibility. Although certain requirements, such as the necessity of labor certification, are waived under these procedures, all applicants must nevertheless be eligible under the security provisions of the Immigration and Nationality Act, including Section 212 (a) (27), (28), and (29) which deal with political associations and activities of persons being considered for entry into the United States.

The Department of State and our Embassy in Santiago are carefully monitoring this initiative. We have been in close contact both with the United Nations High Commissioner for Refugees and the International Committee of the Red Cross who are working on refugee matters in Chile. To date, we have processed approximately one hundred fifty applications, including dependents, of which some twenty-five were approved for parole into the United States and seventeen actually accepted resettlement here. The remainder were either ineligible under the security provisions of the Immigration and Nationality Act or were not deemed to be bona fide refugees.

The above explanation concerns foreign refugees in Chile. No program has been instituted for Chileans wishing to leave Chile for political reasons, other than as they might be dependents of foreign refugees processed under the above program. Thus, normal immigration procedures remain in effect for Chilean citizens who wish to immigrate to the United States.

I hope you will call on me if you believe we can be of further assistance.

Cordially,

Linwood Holton,
Assistant Secretary for Congressional Relations.

U.S. House of Representatives,
Washington, D.C., July 23, 1974.

Mr. Linwood Holton,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

Dear Mr. Holton. I have received your letter of June 4, 1974 regarding the parole of Chilean refugees into the United States. I would appreciate additional details concerning the granting of visas to Chilean refugees. In your letter, you state that a majority of the approximately one hundred fifty visa applications were denied because the applicants were either ineligible under the security provisions of the Immigration and Nationality Act or were not deemed to be bona fide refugees. What are the specific criteria used to determine bona fide refugee status and eligibility under the security provisions of the Immigration and Nationality Act? Secondly, in my letter of May 8, I asked how many Chilean refugees have applied for asylum in the U.S. since the coup, how many have been accepted, and how many have actually accepted the offer of asylum. Your letter supplies this information with respect to foreign nationals in Chile. I am still interested in this information with regard to Chilean citizens. I would also like to know if any special procedures are being instituted in the event that the number of Chilean citizens who wish to immigrate to the U.S. exceeds the number of available immigration visas.

Thank you in advance for your cooperation.

Sincerely,

Edward J. Koch.

Department of State,
Washington, D.C., Aug. 8, 1974.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: Thank you for your letter of July 23, 1974 regarding refugees from Chile.

With respect to the approximately 150 applications for parole into the United States under the program established for foreign refugees from Chile, the majority of these applicants were turned down either because of failure to establish that they were bonafide refugees, or because of ineligibility under the security provisions of the Immigration and Nationality Act. Many were unable to establish that they were bonafide refugees who faced a well-founded fear of persecution if they returned to their country of origin or remained in Chile. A large number of these were Eastern European emigrees who had come through the refugee camps in Western Europe during the 1950's and had accepted permanent resettlement in Chile. However, Eastern Europeans who applied for admittance under the Parole Program for foreign refugees from Chile had failed to obtain Chilean nationality during their stay in that country, which ranged from a minimum of 10 years up to 20 years. As they were not Chilean citizens these individuals were still technically refugees under the U.N. High Commissioner for Refugees' (UNHCR) mandate. As escapees from communism, we believed they could continue to live and work in Chile under an anti-communist government. Other applicants failed to establish that there was any threat to their life or freedom should they return to their non-Eastern European countries of origin.

With respect to those found ineligible under the security provisions of the Immigration and Nationality Act, all were found ineligible under either Sections 212(a) (27), (28), or (29). Section 212(a) (27) deals with those aliens who seek to enter the United States to engage in activities prejudicial to the public interest or who would endanger the safety or security of the United States. Section 212(a) (28) deals with political associations of aliens, generally communist or terrorist associations. Section 212(a) (29) deals generally with aliens whom a consular officer or the Attorney General has reason to believe would engage in activities prohibited by laws of the United States, activities directed toward the overthrow of the Government of the United States, or join organizations registered under the Subversive Activities Control Act of 1950.

With respect to your question regarding the number of applications for admittance to the United States by Chilean refugees since September 11, 1973, no Chilean nationals have applied for asylum at our Embassy in Santiago. However, we have received numerous applications for political asylum from Chileans in the United States since September 11. These applications fall into two groups: those requesting asylum from the Government of former President Allende and those who are requesting asylum from the present Government in Chile. I would presume that your question is directed toward the latter group. To date we have had some 20–30 serious requests for political asylum from the current Government of Chile. Some 10–12 of these have been turned down as being without foundation. In most of these cases the aliens requesting asylum were unable to demonstrate any factors which might subject them to persecution were they to return to Chile. In others, the aliens applied for asylum from both the Allende Government and the current Government of Chile. The remaining applications are under review and we are still attempting to determine the validity of the claims. No decisions have been made in these cases to date.

We do not believe there is any need to establish special procedures for Chilean citizens wishing to immigrate to the U.S. for political reasons who are unable to obtain visa numbers. While the number of applications for immigrant visas in Chile and the entire Western Hemisphere is such that there is an approximate two-year waiting period, it would not appear that this particular group is attempting to depart Chile for political reasons. However, at a later date, should it appear that there is a need to institute special procedures for Chileans wishing to immigrate to the U.S. for political reasons, we will certainly consider such a program.

I hope you will call on me if you believe we can be of further assistance.

Cordially,

Linwood Holton,
Assistant Secretary for Congressional Relations.

A GREAT HISTORIAN LOOKS AT THE LESSONS OF WATERGATE

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the issue of Time magazine dated August 19, 1974, contains an outstanding article by the distinguished American historian, Henry Steele Commager, in which he points out that the Watergate tragedy, and the investigations it produced, was not only a cleansing process, but also an educational process. His words of wisdom provide a keen perspective on the experience our countrymen and particularly we in Congress have just been through. Accordingly, I offer his article for printing in the Record following these remarks:

Learning From the Tragedy

(By Henry Steele Commager)

Watergate was a tragedy, but not an unmitigated one. Already it is clear that we have learned much from it; we can almost say that we have profited from it. Right now we look back at it with astonishment. How did we ever allow it to happen? In a few years we will look back on it with a certain pride because we did not in fact succumb to what happened, or allow ourselves to be overwhelmed or subverted by it. On the contrary, before the situation got hopelessly out of hand, we rallied our resources, rejected it and reversed it.

Watergate was—I use the term as a symbol—an attempt to subvert the Constitution, but the Constitution survived. It was an attempt by the President to put himself above the law, but in the end it was the law that imposed its magisterial authority upon the President. It was an attempt to nullify important guarantees in the Bill of Rights, but the guarantees survived and helped to keep alive those freedoms that in the end brought down the President. It was an attempt to break down the separation of powers, reduce the Congress to impotence and paralyze the machinery of justice, but the Congress discovered its sense of responsibility, and the courts maintained their independence. It was an attempt to cripple the political processes of our democracy and of our party system, but these recovered and proved themselves resilient and tenacious. It was an attempt to deceive the people through secrecy and fraud, but in the end Lincoln's aphorism about fooling all the people all the time was vindicated.

Thus, once again, as three times in our past when we faced great crises—the attempt by Aaron Burr to steal the election of 1800, the Civil War and the Great Depression—the Constitution and the political processes that it nourished proved themselves tough and enduring. Without disorder, confusion or even excessive bitterness, we have quietly forced Mr. Nixon out of office and quietly installed Mr. Ford. This is a revolution. In most countries of the globe it would be a violent revolution, but in the U.S. it is peaceful and legal. It is indeed constitutional revolution, for just as the founding fathers invented the constitutional convention as a legal method of altering or abolishing government and instituting a new one, they also devised the complex process of impeachment, resignation and succession as a constitutional method of removing a head of state and installing his successor.

Thus at every stage of Watergate and the "Grand Inquest" that followed, we have a vindication of the Constitution and of the political habits that have grown up under it. And this has brought with it a large measure of popular education in constitutionalism, in the meaning of separation of powers, in the central importance of the Bill of Rights and in the validity and resourcefulness of the democratic process. The purpose of impeachment is not only to remove from office a man who has betrayed the public trust. It is also to explore the nature of that public trust, and to make clear what it means to preserve, protect and defend the Constitution of the U.S.

Some questions that should have been settled remain, to be sure, unsettled: the question of presidential warmaking, for example, or of the reach of presidential privileges and immunities, or of the balance (if any) between the claims of national security and the guarantees of the Bill of Rights. It is by no means clear, however, that impeachment would have settled these questions, but it is highly probable that for all practical purposes they have been answered by public opinion. It is wildly improbable that President Ford or his successors in the foreseeable future will wage war on a neutral country, impound congressional appropriations, interfere with the processes of justice, openly flout the guarantees of freedom of speech and of the press or seek to establish a police state—all of which Mr. Nixon did. Impeachment by an informed public opinion has provided guidelines for the future as effective as those that might have emerged from the trauma of an impeachment trial.

The expulsion of Richard Nixon and the repudiation of his impudent claims to privilege, prerogatives and power will have a restorative effect on the whole body politic. It will go far to re-establish that equality and balance of the three departments of Government so central to the thinking of the founding fathers. The process has indeed already begun: the Congress declared its independence in its conduct of the abortive impeachment proceedings; the Court affirmed its independence with a unanimous vote on the validity of presidential subpoenas. We should add that the fourth estate—the press—proudly maintained its independence in the face of almost intolerable pressures, seductions and intimidations.

The removal of Mr. Nixon will go far to restore the integrity of the American political sytem. Though his whole adult life had been devoted to politics, he seemed to have no appreciation of the delicate and peculiar nature of the system or of the historic role of political parties in maintaining and working it. Instead, he was prepared to corrupt parties, corrupt the CIA, the FBI and the IRS, corrupt his own associates, corrupt the press, deceive the public and buy elections. But it was, in the long run, public outrage at the prostitution of politics for private and partisan purposes that destroyed Mr. Nixon's credibility and forced his resignation. If, in the future, ambitious politicians take this lesson to heart, democracy will function better because of Watergate.

Now that Watergate and Mr. Nixon are behind us. President Ford has set himself to bind up the wounds that they inflicted. With malice toward none, with charity for all, we must cooperate in this honorable task. Then we can return to a consideration of those great issues of domestic and world politics that we have sorely neglected, or allowed to go by default. Not only have the issues been neglected, but Watergate and all that it involved has tended greatly to magnify the importance of domestic as contrasted with global problems. It has, too, magnified purely political issues. These are issues that were in their very nature fortuitous, issues that should never have come up and were in themselves unworthly of the attention of a mature people: corruption, chicanery, mendacity, duplicity, ward politics and private spite.

That Americans tolerated these things for so long is a tribute to their good nature and their laxity, that in the end they saw the larger principles involved in and threatened by these petty issues is a tribute to their sophistication and maturity.

Now, under new leadership, we can turn our attention to those global problems that glare upon us so implacably, the exhaustion of natural resources of energy and of food: the imminent doubling of the world's population in the next half-century, the use and misuse of atomic power, and similar problems. At least we now have a better chance to consider these problems in an atmosphere of non-partisanship than we did while engaged in the elementary though essential task of saving our political and constitutional system. For too long, now, our center of gravity has been Washington. Now we must all realize that our center of gravity is the globe.

THE PROBLEM OF 1974: INFLATION

(Mr. FORSYTHE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

INTRODUCTION

Mr. FORSYTHE. Mr. Speaker, 1973 was the year inflation ravaged the American economic landscape. It was the year the cost of living increased 8.8 percent, the highest rate since 1947. It was the year interest rates soared and mortgage money disappeared; 1973 was also the year energy costs spiraled upward and food prices increased at a rate that left housewives gasping. Reeling from increased operating costs, small businessmen named inflation as their No. 1 problem.

In the year 1973 residents of the standard metropolitan statistical area of Philadelphia—which includes two-thirds of my district and which acts as the price pacesetter for the remaining one-third—saw prices rise 9.6 percent. According to the Bureau of Labor Statistics, the Philadelphia region had the sixth highest rate of inflation in the United States.

So far, 1974 has offered no relief from this burden. While prices across the Nation accelerated at an annual rate of 12.8 percent during the first half of 1974, costs within the Philadelphia metropolitan statistical area increased at an annual rate of 14.2 percent—a pace that was surpassed by only two other American cities.

This rate of inflation is unacceptable. It is unacceptable for the Nation and it is unacceptable to the residents of my district. Mr. Speaker, I rise to address the House with an analysis of the inflation problem and to discuss potential solutions. In sequence, I would like to examine, first, food prices; second, energy costs; third, market interest rates; fourth, Government spending; fifth, international price fixing; sixth, domestic wage and price controls; and seventh, industrial productivity. I have selected these areas because they are the ones having the greatest impact on the consumer in 1974.

Yesterday, at the President's request, I submitted this statement to his transition team, which is planning the economic summit conference, and today I met with the President to further discuss its contents. The President assured me of his determination to overcome the inflation problem confronting our Nation and said that he and his advisers were studying my report, which I would like to share with my colleagues at this time.

FOOD

Throughout 1973 and into 1974 food costs were leading the price rise. Among the factors contributing to this rapid increase are the fertilizer shortage, the inadequate supply of railroad boxcars to transport food products, the forces of supply and demand, and production inefficiency in the food marketing industry. There is, however, another major factor—the increase in the farm-retail price spread which resulted in extremely high profits for the food marketing industry. It is this element of the food price equation that I will examine first.

As you know, the farm-retail price spread is the difference between the price which the farmer receives for his product and the price at which the consumer buys that product. Thus, it represents the dollar amount the food marketing industry adds to the farm price of a commodity.

During the past year, while the price the farmer was paid for many products declined, the consumer price for these same products continued upward—despite the lower farm price. In the past few months, the picture at the farm level for meat producers in particular has become disastrous. Beef prices have, for example, decreased 9.9 percent since May 1973, and cattlemen are losing between $100 and $150 a head on cattle they sell to packers. Hog farmers, who have watched hog prices plummet 29.8 percent since May 1973, are losing an average of $22.50 a hog. Turkey farmers, who spend 45 cents to produce 1 pound of turkey have watched prices fall to the point that they are only being paid 33 cents a pound by the stores that buy their turkeys. Chicken producers face the same situation, as wholesale chicken has dropped from 40 cents to 32 cents since mid-March.

Despite this steady drop in meat prices at the farm level, retail meat prices have continued their upward march. The farm-retail spread for meat in 1974 was approximately 34 percent greater than in May 1973. For all foods, the May to May farm-retail spread increased 25.6 percent.

I submit that these spreads are too large and are unjustified by increased operating costs. In the following chart, I have divided the average food marketing bill, the price that is added to a product after it leaves the farm, into its cost components. I have also indicated the approximate price increase between May 1973 and May 1974 for each component for which data is available.

The chart follows:

Cost component	Marketing bill, percent fo total	Percent increase in price of component between May 1973 and May 1974
Labor	48	7.9
Packaging	12	8.0
Transportation (intercity)	8	[1] 13.0 [2] 8.0
Business taxes	4	([3])
Interest, repairs, etc	4	([3])
Depreciation	4	([3])
Rent	3	([3])
Advertising	3	([3])
Energy	3	23.0
Miscellaneous	11	([3])
Total	100	

[1] Rails.
[2] Trucks.
[3] Not available.

While these figures are only approximations, it is clear that for the major components of the food marketing bill—labor, packaging, and transportation—which account for 68 percent of this total bill—the cost of doing business has not increased enough to justify a 25.6 percent increase in the overall farm-retail spread. I recognize that energy costs have gone up about 23 percent, but I hasten to point out that energy costs represent only 3 percent of the marketing bill. Further, the other components of the marketing bill for which data is not available are not the type of expenses subject to the exorbitant price increases that would be necessary to justify a 25.6 percent increase in the farm-retail spread.

It is important to note at this point that the profits of the food marketing industry are reflected in the magnitude of the farm-retail price spread. Food retailers, for example, enjoyed a handsome 32 percent increase in profits during 1973. The following table shows the trend in food marketing profits for leading companies during 1973 and the upward trend in 1974 profits—an unward trend that has meant higher food prices for the consumer:

Firm	1973 profits (percent change from 1972)	1st half 1974 profits (percent change from 1st half 1973)
Retailers:		
Albertson's	30	[1] 24.9
Kroger	19	92.3
A & P	NC	[2] 330.5
Stop & Shop	96	[3] 72.4
Food Fair (Pantry Pride)	33	31.0
American Stores (Acme)	−70	94.0
Supermarkets General (Pathmark)	54	14.0
Penn Fruit	NC	NC
Star Supermarkets	41	92.4
Winn-Dixie Stores	14	[4] 24.8
Safeway	−5	32.7
Processors:		
Arizona-Colorado Land & Cattle	53	−16.0
American Beef Packers	288	[5] 43.6
Iowa Beef Packers	66	6.0
McCormick	39	21.8
Pillsbury	29	[6] 36.2
Green Giant	25	17.0
Amalgamated Sugar	34	[7] 138.3
Castle and Cook (Dole)	52	−13.1
Del Monte	35	40.0
Libby, McNeil & Libby	NC	[8] 719.0

[1] 13 weeks to May 4, 1974.
[2] 3 mo to May 25, 1974.
[3] 16 weeks to May 25, 1974.
[4] Year ending June 1, 1974.
[5] 6 mo to May 4, 1974.
[6] 3 mo to June 29, 1974.
[7] Year ending May 31, 1974.
[8] 3 mo ending March 30, 1974.

Note: NC=No change.

Year 1973 was a year to remember for the food marketing industry and 1974 promises to be even better—for everyone but the consumer. Don Paarlberg, the Chief Economist of the Department of Agriculture, commenting on the farm-retail price spread that has existed this year stated that profits in the food marketing industry "are larger than they were last year and larger than would be considered normal." In fact, estimates indicate that so far in 1974 food retailers and food processors are increasing their profits at an average annual rate of 50 percent and 12 percent respectively.

These figures have special significance for the Philadelphia area consumer who, during 1973, faced the fifth highest food inflation rate in the Nation and who, during the first quarter of 1974, watched as food prices spiraled 6.5 percent—faster than anywhere else in the country.

However, not all the increase in the consumer price of food can be explained by the farm-retail spread. Overall farm prices increased 4.2 percent between May 1973 and May 1974 and this too was reflected in the consumer price. Yet the farmer has also faced increased costs—costs which are in large measure reflected in the profits garnished by farm suppliers. The following chart indicates how some major farm supply firms have fared recently:

Firm	1973 profits, percent change from 1972	1st quarter 1974, percent change from 1st quarter 1973
Occidental Petroleum	305	716
Firestone Tire & Rubber	21	19
Stauffer Chemical	39	55
International Harvester	23	113
Pfizer	17	33

Mr. Speaker, I believe in the free enterprise system and in fair profits. But I do not believe there ever was, ever has been, or ever will be room for price gouging and profiteering at the consumer's expense.

In this regard it is reassuring to note that the Federal Trade Commission—FTC—has recently undertaken a comprehensive review of the food marketing industry to determine the relationship between food prices and the concentration of ownership. One year ago, when I spoke to the House about the need for action on food price inflation I called for an investigation of this type and I fully support it now. Consider the fact that while there are 32,000 food processing firms in the United States, 50 of them earned 61 percent of the profits in 1972. Four leading farm machinery firms hold 70 percent of the relevant market and the FTC staff has already estimated that in 1972 farmers were overcharged $251 million, because of the existence of monopoly power in the farm machinery industry. Ninety-one percent of all breakfast food is sold by four firms—General Mills, Kellogg, Quaker, and General Foods. Three firms—Dole, Del Monte, and United Brands—sell 85 percent of all bananas in this country. Gerber alone sells 60 percent of all baby food. Food retailing is also characterized by market concentration. Last month a Federal grand jury found the A. & P. supermarket chain guilty of conspiring to fix both wholesale and retail meat prices and now the FTC has announced that it intends to review food retail pricing policies in six U.S. cities. Unfortunately for my constituents, the Philadelphia region is not among the six. However, I have written the Chairman of the Federal Trade Commission urging that the Philadelphia metropolitan area, because of its high food inflation rate, be included in the current investigation.

It is clear that one of the key reasons for the increased price of food is the expanding profit margins of food processors and retailers. However, it is similarly clear from the above cost-component chart that the costs of doing business have also increased.

If these costs could be reduced, then so too could the price paid by the consumer. Labor costs, which account for 48 percent of the food marketing bill above the farm level, could indeed be reduced through productivity increases. For example, it has been fairly well established that centralized meat cutting would be more productive than cutting at the local or store level and would reduce meat marketing costs substantially. While some firms have adopted this practice, labor-management agreements still block the realization of its full potential throughout the meat market sector. The history of the food industry clearly demonstrates labor's willingness to work to increase productivity and I call on both labor and management to seize the initiative and implement this as well as other cost saving programs.

Packaging costs, the second largest item in the food marketing bill, have risen in large measure because solid fiber, corrugated shipping boxes, and grocery bags have been in short supply. Nevertheless, productivity improvements could be realized in the area. For example, more than 1,400 different container sizes are used by the fruit and vegetable industries alone; in contrast to European marketers who use four. Standardization would make fully automatic warehouses feasible and could result in savings of as much as $375 million a year to the consumer.

Intercity transportation, the third largest cost component in the food marketing bill, has been affected by higher fuel costs. However, I believe that overall agriculture transportation costs which amount to $6 billion a year could also be reduced—and in this sector the opportunity for direct congressional action to benefit the consumer is greater than in the labor and packaging areas.

Most agricultural commodities are transported via railroad and highway routes. However, during the past few years, the railroad industry has been unable to meet the demands of the agricultural sector for rail cars. The inevitable result is that artificial shortages develop and the law of supply and demand pushes the consumer price upward. Farmers cannot get fertilizer to increase production and consumers cannot get the produce once it is harvested and processed.

Illustrative of this dilemma is the fact that between 1960 and 1972, when grain production on U.S. farms was steadily increasing, the supply of grain carrying boxcars declined by 309,000, about 50 percent. Despite the addition of approximately 120,000 new and larger agricultural hopper cars the United States still is suffering a daily shortage of between 4,000 and 8,000 railroad cars.

The answer to this situation is not as apparent as it may seem. For example, inadequate unloading capacity at terminal points is a significant contributing factor to the daily shortage of railroad cars. During the month of January 1973 when, because of the Russian grain deal, a shortage of 18,000 cars a day existed, there were reported to be an average of 8,000 cars at various ports waiting to be unloaded into port elevators. At Houston, one elevator had over 1,700 loaded cars on hand but could only empty 150 per day.

Another basic problem in freight car availability is the time lost at switching terminals. At these terminals, usually located in or near a city, cars are brought into a yard and switched so that new trains can be made up. It is at these terminals that cars are received from and delivered to shippers. Unfortunately, many terminals are outmoded and located in conjested areas.

Thus, the construction of thousands of new rail cars is not the complete answer to the agriculture transportation problem. This conclusion is underlined by a recent study which suggests that during an average day only 12 percent of the Nation's rail cars are in linehaul movement, 40 percent are awaiting loading or unloading, and 48 percent are either awaiting movement from switching terminals or sitting idle. It has also been estimated if the Nation's railroads could achieve an increase in car utilization of only 10 percent it would have the same effect as the construction of 140,000 new cars—and clear steps can be taken to achieve this increased efficiency.

As the Congress proceeds in the effort to restructure the U.S. railroad system, it is essential that proper attention be given to the development of a national freight car information system. Such a system exists now only in its most rudimentary form. But a comprehensive tracking and information system will provide a much needed tool to reduce the time rail cars are standing idle. One year ago, I urged the Congress to pass legislation addressing this problem, but nothing has been done. Yet, this information system is only one part of the solution. It is also important that we give proper attention to the need to modernize switching terminals since the railroad system will only be as efficient as its weakest link.

However, as I have noted, one of the basic problems in freight car utilization is the inefficient functioning of the unloading operation. Depending on the type and destination of the cargo, the terminating operator—the person receiving the shipment—is given between 2 and 7 days to unload it. After this period, the terminating operator is charged a maximum of $10 a day for the first 2 days, and up to $20 a day for the next 2 days, and $30 a day thereafter. Thus, it is cheaper to keep a car out of use than to provide new or more efficient storage and unloading facilities. I believe that this minimum penalty fee, called the demurrage charge, which is established at the descretion of the Interstate Commerce Commission—ICC—constitutes a disincentive to efficient freight car utilization disincentive that encourages terminating operators to use freight cars as storage bins. This system of penalty fees should be completely revised. But, despite pressure from Members of Congress who believe as I do, the ICC has not taken appropriate action.

Due in large measure to the inefficiency of the Nation's rail system, trucks have been carrying an increased percentage of agricultural produce to market. Yet, trucking costs are unnecessarily high because of misguided Government regulations. Until recently, for example, the ICC requested truckers transporting cargo between two cities to pass through Federal inspection stations, called "gateways." Under this system, a trucker traveling between Boston and Atlanta was required to detour westward through the "gateway" city of Pittsburgh. Unfortunately, it was not until the onset of the energy crisis that the ICC agreed to abandon the gateway procedure—a procedure which lengthened truck routes and cost the consumer additional dollars.

Further, Congress could revise existing regulations which restrict backhaul by the trucking industry. It has been estimated that of the thousands of trucks on the Nation's highways, approximately 40 percent are running empty because of backhaul restrictions. If these empty trucks could be filled on their return trips it would result, according to some industry estimates, in a transportation savings of $250 million a year.

The actions I have proposed will mean a more efficient transportation system—a more efficient system that will reduce the price of one of the cost components of the food marketing bill, whether at the supermarket or the department store.

Food prices, however, not only reflect the costs of business and increased profit margins, they also respond to the laws of supply and demand.

Last year in an effort to increase the supply of food available to the consumer, I urged the Department of Agriculture to return to productive use the 55 million acres that were being withheld from production under the agricultural set-aside program. Though I am pleased the Department decided to release that land this year, I regret to inform my colleagues that while the farmer is being exhorted to plant to the fenceposts, he is being told by his suppliers that the fertilizer needed to achieve increased production will be in short supply. For the consumer, the fertilizer shortage is but one of a series of shortages that will affect the supply, and thus the price, of food.

The Department of Agriculture has estimated that the 1974 crop year demand for nitrogen, phosphate, and potash will be 12 percent, 9 percent, and 8 percent higher respectively than 1973 consumption levels. The Department estimates a 1-million-ton shortage of nitrogen fertilizer and a 700,000-ton shortage of phosphate. The Fertilizer Institute, however, believes the actual shortage will be closer to 3 million tons of nitrogen and 1.5 million tons for phosphate and I understand the National Council of Farm Cooperatives favors the Fertilizer Institute estimated.

But regardless of which estimate one accepts, the fact remains that a shortage exists—a shortage that has serious implications for the consumer. The deficit projected by the Fertilizer Institute could, for example, result in a loss of 22.5 million tons of grain production.

Mr. Speaker, a fertilizer shortage may exist, but solutions are available. In the short term, economic incentives must be present in the domestic market to offset export demand. For example, in return for decontrol of domestic fertilizer prices producers agreed earlier this year to curtail a significant portion of their export sales despite the fact that domestic prices are trailing world prices by about $100 a ton.

Second, because nitrogen fertilizer is produced from natural gas, domestic producers should be assured an adequate, uninterrupted supply of natural gas. To overcome the Department of Agriculture's projected shortage of fertilizer, the industry will need an additional 43 billion cubic feet of natural gas in 1974. To place this figure into perspective one must realize that the fertilizer industry each year consumes only 2 percent of our Nation's natural gas supply—470 billion cubic feet out of a total of 22 trillion cubic feet.

It is, however, unlikely that fertilizer plants will receive this additional supply largely because of the priority service allocation system which the Federal Power Commission—FPC—has adopted.

Under this allocation system, fertilizer producers with firm gas contracts have a No. 2 priority and, along with other industrial users, compete for natural gas after residential requirements are met. Unfortunately for the consumer, plants with interruptible contracts, which produce 22 percent of domestic fertilizer supply, fall into categories 6 to 9.

It is estimated that the FPC allocation system resulted in a loss of approximately 300,000 tons of fertilizer in 1973. It is also estimated that in 1974 the allocation system will cost the fertilizer industry 17.5 billion cubic feet of natural gas, or 41 percent of the amount needed to produce the extra fertilizer the Department of Agriculture says the farmers need.

I recognize that overall natural gas supplies are short. Nevertheless, to maintain the maximum possible production level in existing fertilizer plants, the FPC should review the priority system and elevate all fertilizer plant requirements to a No. 2 priority.

Further, to encourage the construction of additional plants to meet present and future demands, long-range gas contracts for proposed facilities regardless of their firm or interruptible nature should also be promised a No. 2 priority. Additionally, the FPC should review it's present price policies to insure that the investment capital necessary for the expansion of natural gas production is being provided.

Another difficulty lies in the domestic transportation sector. According to the Fertilizer Institute, we lack 500 boxcars and 1,100 hopper cars for the transportation of fertilizer now available for shipment to farmers. This fact further highlights the importance of points I have made previously.

A short-term measure of relief in the transportation area could be provided by a temporary suspension of the Jones Act to allow the shipment of fertilizer from Alaska in foreign vessels. I understand that the Federal Maritime Commission has this suggestion under review and I would urge prompt and favorable action to implement this temporary relief.

A review of the fertilizer shortage will undoubtedly lead some people to recommend export controls. However, my study of the implications of such a move has convinced me that export embargoes would be counterproductive.

First of all, the United States is highly dependent on the import of Canadian potash fertilizer since the United States has insufficient domestic potash supplies with which to make this fertilizer. If Canada retaliated for a U.S. export embargo of nitrogen and phosphate fertilizer we could lose well over one-half of our potash fertilizer supply.

Second, fertilizer import trade is not a drain on our balance of payments since our imports are nearly matched by our exports. During the last half of 1973 for example, we exported 3.7 million tons of fertilizer and imported 3.9 million tons.

Finally, an embargo by this country would prove a devastating blow to those underdeveloped nations who depend on the United States as a major fertilizer supplier. I, for one, cannot and will not support a policy that could consign thousands of people to starvation conditions. Embargoing the export of a commodity as important as fertilizer would, in view of the potential consequences, be unthinkable.

Thus, if the U.S. consumer is going to benefit from the increased food production made possible by the virtual end of the set-aside program, it is time that we address the above issues and turn our attention to increasing this Nation's natural gas and fertilizer production. Such an effort can only mean increased harvests and because of the laws of supply and demand, lower food prices for the consumer.

There are, however, other aspects of the supply and demand situation that we can do little about. For example, 2 years ago, there was a change in the water temperature off the coast of Peru that resulted in the virtual disappearance of the anchovy—a major source of animal feed. The vanishing of the anchovy caused the prices of soybeans and corn feed to almost triple. Since it takes 9 or 10 pounds of feed to add 1 pound of weight to cattle on the feedlots, the impact of the anchovy's disappearance on the final price paid by the consumer is obvious. Fortunately, in 1974, the ocean currents have changed course again, and the anchovy is beginning to return to the coastal waters of Peru.

Natural occurrences have always had an impact on food supplies and this year they will cause a variety of vegetable and fruit products to be in short supply on the supermarket shelves.

The New York State and West Virginia apple crop, for example, were hit by a freeze at blossoming time. The same freeze also took a huge toll of the cherry crop in those areas. Apple crops in the Midwest were cut back by cold weather and growers say the canning crop for the year will be only one-third to one quarter of last years.

Pea crops in Wisconsin, Minnesota, and Illinois were seriously damaged by root blight—the result of wet weather in the planting season followed by a hot, dry period. The sweet corn and tomato canning crops have suffered from similar natural disasters.

Vegetable canners expect an overall decrease in available supply because many farmers are planting higher priced corn and soybeans for animal feed, instead of planting vegetables.

Supplies of fresh vegetables, notably tomatoes, are expected to be lower this year. The May 1974 issue of the vegetable situation report published by the U.S. Department of Agriculture indicated that the planted acreage of 14 spring vegetables excluding onions, is 5 percent less than last year and projected output will be down about the same amount. The greater part of the acreage decrease is in Florida tomato plantings where one leading producer ceased production and sold his land for urban renewal purposes.

The latest crop production report of the Department of Agriculture indicates that because of the drought conditions prevailing throughout much of the Nation's farmland the total grain harvest forecasts are down 7 percent for the year, despite a substantial increase in planted acreage. Corn harvests are expected to fall 12 percent from last year, soybeans 16 percent, and animal feed grain 15 percent. Wheat is projected up 8 percent, although this is significantly lower than previously expected. Prices for these foodstuffs, as well as the price of meat—which reflects the costs of animal feeds—can only be expected to increase.

High milk cow feed prices, together with strong cow slaughter prices have resulted in a culling of the national dairy herd and a 3-percent drop in its size between March 1973 and March 1974. With a smaller herd, dairy farm production has dipped 4.5 percent since December 1972. Decreased supply, coupled with a relatively constant demand, has placed an upward pressure on dairy product prices.

As I discussed earlier, because meat producers are being offered prices by processers that are well below the farmer's costs of production, these farmers are suffering large financial losses. The result is that turkey poults and young chicks are being destroyed and the number of hogs and cattle placed on feed and marketed is declining. Again, decreased supply portends higher prices for the consumer.

Fish prices are also likely to continue their upward march. This phenomenon can be explained to some degree by the fact that in 1960 those Americans who farm the sea were taking 93 percent of our Atlantic offshore fish resources. By 1973, U.S. fishermen were only taking 50 percent of the total catch—50 percent of a catch that had been significantly reduced because of foreign overfishing. Decreased supply and increased demand is the all too familiar formula for higher prices.

But fish supply is something that Congress can affect by enacting legislation I sponsored to extend the U.S. territorial fishing zone to 200 miles. This would prevent foreign fishing fleets from overfishing our stocks at the expense of our fishermen and the consumer.

The increased number of crop shortages outlined above makes imperative rapid Senate approval of other legislation which I sponsored and which has already passed the House. This legislation, the Commodity Futures Trading Act, will protect the consumer from higher food prices caused by speculation in commodity exchanges.

Mr. Speaker, as you know, commodity futures trading involves the sale and purchase of contracts to deliver future farm products. Crops not yet harvested, or in some cases planted, are bought and sold for later delivery. The basic idea behind this kind of market activity is to provide some long range price stability and to give farmers, warehouse and elevator operators, and processors a means of "hedging" against future price fluctuation since the crop will be delivered at whatever price it was bought for, regardless of the market price at the time of delivery. But, when the futures markets do not operate in the prescribed manner—in the case of manipulation or excessive speculation—wider margins required at each level add to the price of the final product. Historically, erratic swings in prices have resulted in rises in retail costs. One much examined case of suspected manipulation of the egg futures market in Chicago was blamed for a 10 cent per dozen rise in the retail price of eggs.

Last summer, erratic trading in soybeans at the Chicago Board of Trade drove soybean futures prices to an all-time record of nearly $7 per bushel. The ramification of this speculation hit consumers in the form of rapidly rising prices for salad oils and meat products.

There is no question that the Commodity Futures Trading Act which establishes an independent commission to regulate futures trading will save the consumer from the higher prices caused by speculation.

It is likewise clear that the entire program of agriculture subsidies should be reviewed by the Congress. In my view, these subsidies, which grew out of another economic era, are now costing the consumer untold millions of dollars. The House's recent action terminating the sugar subsidy—a subsidy which cost the consumer $500 million—was a step in the right direction. But let us not stop here—let us commence a thorough review of our existing agriculture legislation.

The sugar subsidy represented a subsidy with an international dimension. However, there are other international problems over which the Congress has no control.

I refer to international price fixing for food items. For example, several weeks ago Costa Rica, El Salvator, and Mexico, with the apparent support of Brazil and Colombia, set up a multinational organization to regulate the price of coffee. Some of these nations are arguing for a suspension of coffee exports to world markets unless they are paid $73 per hundred pound sack—an increase of $8 over the present price. Seven other Central and South American nations, which together export 110 million boxes of bananas each year to North America, have threatened to stop selling bananas unless they are paid a bonus tax of $1 per box.

Mr. Speaker, the food price inflation of the past few years has raged with an intensity almost unmatched in American economic history. As is readily apparent, the causes are varied and the answers are not simplistic. But there are answers. And I say to this Congress, let us act now.

ENERGY

In the last few months of 1973, another item—energy—one that had traditionally been a rather small component of the Consumer Price Index—CPI—suddenly leaped to the forefront and combined with food prices, pushed the CPI to record heights. Energy costs since that time have continued to pace the increase in the cost of living.

Without debating the question whether or not an energy and gasoline crisis exists, a question which I have examined in previous statements, the fact remains that energy prices have skyrocketed and something must be done.

Clearly, we do not wish to have prices so low that the price of oil is below the cost of production. At the same time, the consumer must not be asked to pay prices which are artificially high—and would lead to windfall profits. Defining the difference between a reasonable profit which will encourage energy exploration and price gouging is not an easy task.

During my analysis of this Nation's energy situation I discovered two studies which addressed this issue. The striking thing about both studies is that they predict an energy crisis for this Nation and then proceeded to analyze what oil price would be necessary to provide the development capital needed to overcome the projected shortage.

The first study, completed in August 1972, by the Independent Petroleum Association of America—IPAA—projected a need for a per barrel price of $4.10 in 1975. Adjusted for inflation since 1972 that price would be $4.55 in today's dollars. In December of 1972, the National Petroleum Council—NPC—estimated that energy self-sufficiency in 1975 would cost the consumer $3.70 a barrel—$4.42 in 1974 prices.

Neither estimate is consistent with the present price of oil which is over $10 a barrel. During my study of the energy situation I confronted the representative of a major oil company with these two studies and was somewhat taken aback to hear him confide that despite claims by the oil industry lobby, the proposed rollback price ranging from $5.25 to $7.09 per barrel being debated by Congress was more than enough to stimulate exploration.

I then wrote 25 oil companies, independents as well as majors, asking how, in light of the NPC and IPAA studies, they could justify the present per barrel price of oil.

Most companies courteously explained that high prices were needed to provide the profits that could be used to finance new energy projects. However, a few chinks in the industry's solidarity did appear.

One company flatly agreed that the present price of oil exceeded that which was necessary to encourage exploration. A second company suggested the price of oil was artificially high and would have to drop in time. The lobbyist, who conceded this same point earlier, did not represent either of these companies.

Another company commented that the oil industry could not reasonably spend all the money it was earning because there just was not enough drilling and exploration equipment available. The implication to me was that the price of oil had long since passed the level that was necessary to send oil companies scrambling to explore for new reserves.

Still another company urged me to support a windfall profits tax. This company warned that unless Congress acted many companies would not reinvest their profits into energy research and development. These words were proven to be prophetic.

Based on my research, I could not justify the high per barrel price of oil that was pushing consumer energy costs through the roof. Thus, when Congress was considering legislation to roll back the price of oil to levels between $5.25 and $7.09 I supported these rollbacks—and I will continue to support a rollback.

But, if Congress is going to act to ease the consumer's burden in this area, Congress must act responsibly. During the debate on the energy bill a price rollback amendment was offered that exempted any wells producing 30,000 barrels a day or less. That was a loophole through which not just the kitchen sink but the entire neighborhood could be thrown. That loophole exempted over 80 percent of the oil industry from any price rollback. To have enacted such a "rollback" would have been a fraud. The American consumer needs relief from high-energy costs, but I will not vote for measures which substitute slogans for meaningful action.

I am also firm in my support of an energy windfall profits tax. The unpleasant truth of our present situation is that the price tag on energy self-sufficiency is about $255 billion and someone has to pay for that investment. What few Members of Congress want to say is that that someone is the public—whether in the role of the taxpayer or the consumer.

The question is not whether the public will pay for the investment. The question is how and at what price. It is for this reason that I support a windfall profits tax. I do not believe the oil companies should enrich themselves at the expense of the American consumer. If the Congress is not going to establish a Federal research corporation to search for oil, then we will have to depend on the oil companies and we should insure that these companies invest their profits in energy development.

I was pleased that many companies which responded to my inquiry indicated they did intend to reinvest every penny of their earnings into energy development—if not in oil drilling then in other energy research. Nevertheless, I still support a windfall profits tax. I remind you of the prophetic words of the one company which warned that others would not reinvest in energy research the profits they had earned at the public's expense.

Two examples of this truth come to mind instantly. Both Gulf Oil and Mobil Oil answered my inquiry by explaining that high prices and profits were necessary to finance energy research and development. Yet we now discover that Mobil Oil, whose profits increased 48 percent in 1973, has used $200 million of its earnings to purchase the Montgomery Ward department store chain and the Container Corp., a packaging giant. Gulf, which also recorded spectacular profits, tried to buy the CNA Insurance Co. and the Ringling Brothers Barnum and Bailey Circus.

Federal Energy Administrator John Sawhill, who had been defending oil industry profits as necessary to finance energy exploration, commented on Gulf's and Mobil's plans with what may be the understatement of 1974. Mr. Sawhill complained that the actions of these two oil giants "put me in a difficult position."

It is time to stop talking about an energy windfall profits tax. It is time to pass it. The initial legislation was long ago reported by the Ways and Means Committee, but I ask: when will the committee cease its delay and when will the leadership bring it to the floor so the House can vote on the bill? I submit that the time is now—and it has been now for months. Mr. Speaker, the American consumer is tired of paying for these delays.

Yet, instead of passing legislation to roll back oil prices and to tax windfall profits, Congress has enacted a bill that will add anywhere between 45 cents and $1.45 a barrel to the present cost of oil. This piece of handiwork is misnamed the "Energy Transportation Security Act" and requires that 20 percent of U.S. oil imports be carried in U.S.-flag vessels. By 1977, 30 percent of all imports must be transported in U.S. bottoms. The only problem is that the United States does not have a surplus of oil tankers and this legislation creates an instant, artificial shortage that will push oil prices upward. The beseiged consumer finds that instead of passing legislation to provide price relief, his Congress is busily enacting legislation that will cost the consumer an estimated $60 billion more by 1985.

Mr. Speaker, I reiterate, it is time for responsive and responsible action by this Congress.

INTEREST RATES

Price inflation for commodities, however, is not the only force assaulting the consumer's pocketbook. In recent months the American public has been shaken by a skyrocketing interest rate that would have seemed a nightmarish fantasy only 2 years ago. The most startling statistic: the "prime" rate that banks charged their most creditworthy customers has begun bumping the 12-percent mark, the highest ever.

Rarely, if ever, have interest rates risen so far so fast. The prime rate was 8.5 percent as recently as March of this year and below 5 percent in early 1972. This runaway spiral has gone far to dim two parts of the American dream: young couples with modest savings are finding it all but impossible to buy a home and would be entrepreneurs are unable to obtain the credit they need to start businesses of their own.

Yet even the official rate of 12 percent at most lending institutions underestimates the real cost. For example, many small businessmen without the credentials to get the prime rate are having to pay up to 15 or 16 percent—when loans are available.

There are several basic reasons for this. First, in determining the prime interest rate, lenders strive to achieve a "real" interest rate of 3 percent. The actual rate charged is 3 percent plus whatever lenders expect the rate of inflation to be. If lenders expect a 7 percent inflation rate they will charge a 10 percent interest rate. Thus, as overall inflation increases, so, too, do interest rates.

Second, businesses have stepped up their loan demands despite the slack in the economy. In fact, business loans at commercial banks expanded at an average rate of 22 percent in the first quarter of 1974 followed by a 23-percent rate in the second quarter. While some have sought funds to pay for new plants and equipment, many companies have borrowed to meet inflation-bloated operating costs.

Third, the Federal Reserve Board has decided against pumping enough money into the banking system to accommodate the exploding loan demand. The Board acted with the full knowledge that restraining the growth of the Nation's money supply would send interest rates soaring as the surging loan demand bumped up against the supply of lendable funds. The Board defends its decision by explaining that if money supplies expanded beyond 6 percent it would trigger another wave of general price inflation that would only send interest rates up further.

The final factor in the interest rate equation is Government. Government spending: Federal, State, and local, has increased over 50 percent in the last 5 years. Budget deficits have totaled a thumping $100 billion. In financing this deficit and in meeting the huge demand for credit by consumers and businessmen, tremendous pressures have been placed on our credit mechanisms.

If this is the problem, what then is the solution? In the first place, more banks could and should begin saying no to large companies that seek loans they do not really need, rather than pinching off credit to small businessmen and scrambling to come up with the money to satisfy the big borrowers.

Second, Congress should enact legislation to assist savings and loan associations, the primary source of supply for the Nation's mortgage money. These associations have been hard pressed to compete with commercial banks and Government bonds which, because of the way the market operates, are able to offer higher interest rates to potential depositors. The result is that fewer dollars are flowing into savings and loans and, in the face of heavy demands, mortgage money is either disappearing or costing significantly more.

To relieve this situation I introduced legislation that would exempt from taxes the first $1,000 of interest earned from deposits in savings and loans. Such a measure would better enable savings and loan associations to attract money that could be used to finance mortgages. This legislation which has the support of savings-and-loan associations and real-estate companies across the Nation still has not been acted on.

Another element of the solution is to bring Government spending under reasonable control. Fully 70 percent of the $100 billion Government deficit I spoke of has been in the Federal sector. It was for this reason that I strongly supported legislation to restructure the congressional budget procedure.

All too often in the past Congress has considered appropriations bills in piecemeal fashion, with no clear idea of what the total package was and with even less idea of how it related to available revenue. The new budget system which replaces this archaic procedure is one of the most significant pieces of legislation to emerge from the 93d Congress. Under the new system, Congress will first establish a budget ceiling and then consider all appropriations bills simultaneously, within the ceiling. In short, the new bill forces Congress to establish priorities by providing a uniform system in which available revenue can be compared with what is being appropriated.

The final element in the solution to soaring interest rates is to bring general inflation under control. While I have already discussed specific aspects of the inflation problem, I would, at this point, like to examine the impact of Federal spending on the cost of living.

GOVERNMENT SPENDING

While it is true that there is no simple explanation for the present dilemma of high inflation, it is likewise clear that excessive Government spending bears a direct relationship to the rate of inflation.

The pace at which the Federal budget and the Federal debt have grown is astounding. In 1962, the Federal budget passed the $100 billion mark. A scant 9 years later in 1971 was passed $200 billion. Now for 1975, we face a budget of $305 billion. The Federal debt has itself grown steadily from $270.8 billion in 1954 to an estimated $505.5 billion in 1974.

These huge Federal deficits have indeed affected spiraling prices and interest rates. When the Federal Government seeks to finance a deficit, it competes in the money markets, driving up interest rates. This occurs because massive Federal borrowing reduces the amount of money in circulation that would otherwise be available for lending. The reduced supply causes a higher cost—for money just as for other commodities.

Complicating this fundamental problem is the fact that Government-induced borrowing has been of such magnitude that the Federal Reserve, struggling to maintain liquidity under the load, has expanded credit. In the last 6 months, for example, the Nation's money supply has grown by 8.1 percent—not enough to prevent higher interest rates propelled by Government borrowing, but large enough to directly cause higher product prices.

In the recent past, the demand generated by these extra dollars has grown faster than production has expanded. The direct result is higher prices; that is inflation. Caught in a continual upsurge of prices, both businessmen and consumers plan for higher costs. Consumers speed up the purchase of durable goods to beat anticipated price increases and labor unions often demand higher wages to protect workers from the increased cost of living that they fully expect. This anticipatory and artificial demand places still greater pressure on prices.

Thus, excessive Federal deficit spending is reflected in, first, higher market interest rates; second, artifically induced demand; and third, an inflation psychology that only worsens the problem.

However, even though it is true that Federal deficit spending is directly related to the causes of inflation, I do not believe that it is the only culprit and, therefore, balancing the budget will not, by itself, end inflation.

In this regard, I was extremely interested to note that a recent internal study prepared by the Office of Management and Budget suggested that a $5 billion decrease in Federal spending would shave only one-tenth of 1 percent off the cost of living. In other words, to slow the rise in prices by 1 percent we would have to cut the Federal budget by $50 billion, or by 16 percent.

The correlation between Federal spending and the inflation rate in three periods, 1952–60, 1961–65, and 1966–74, is also a little surprising. During the first period, the 1950's, the budget was in balance or surplus 4 years and in deficit during 5 years. The largest surplus, $6 billion, shows up in 1955–56 and the largest deficit, $14 billion, in 1958–59. Despite this fluctuation of $20 billion, the yearly changes in the cost of living were relatively small. They amounted to from 1 to 3 points in years of surplus but to less than 1 point in years of greatest deficit. This suggests that the deficits themselves did not bring the higher prices.

The same hint emerges during the next 5 years 1961–65. There were deficits in each of these years—deficits ranging from $1.6 billion in 1964–65 to $7.1 billion in 1961–62. The Consumer Price Index advanced moderately during this period but again, interestingly, it advanced only 1 point in the year of greatest deficit and by merely 2 points in the year of near balance.

As the following chart indicates, the last 9 fiscal years of budget-inflation experience casts further doubt upon the relationship between the two.

	Deficit-surplus (fiscal year)[1]	Consumer Price Index, percent (calendar year)
Year:		
1966	−3.8	+2.7
1967	−8.7	+2.8
1968	−25.2	+4.2
1969	+3.2	+5.6
1970	−2.8	+6.5
1971	−23.0	+5.0
1972	−23.2	+4.0
1973	−14.3	+7.4
1974	−2.7	+8.8

[1] In billions of dollars.

The large deficit of $25 billion in 1968 may be considered responsible for the 4.2-percent price increase in that year but it should be noted that in the next year when the budget had a surplus of $3.2 billion instead of declining, prices rose by 5.6 percent. An even sharper contrast appears in the 1970–74 period.

I must caution my colleagues to recognize that the figures I have just cited do not represent an absolute correlation because the impact of a large deficit may not entirely be felt in the year it occurs. It most likely also affects later years. However, I believe that study of the Office of Management and Budget, as well as these statistics cast a reasonable doubt on the theory that the sole cause of rising prices is deficit spending. There is no question that it is a significant factor and that Federal spending must be controlled. But the old magic potion of the balanced budget will not, in my view, completely end the price spiral we are now experiencing.

THE INTERNATIONAL DIMENSION

Mr. Speaker, thus far I have discussed inflation primarily in terms of its domestic sources. However, as we seek solutions to spiraling prices we must not be blind to the international aspects of the problem, for within the reality of world economic interdependence are found some of the roots of our current situation.

The precise scope of this international dimension made a deep imprint on the national consciousness and on the national pocketbook when the world's oil producing nations used their cartel power to restrict production and raise prices. The unilateral action by the Organization of Oil Producing and Exporting Nations—OPEC—graphically demonstrated the tangled economic relationships and dependencies which exist between nations, and since the OPEC action, organizations of mercury, bauxite, and copper producers have met to see what they can do to emulate the oil producers' example.

A price setting arrangement between Algeria, Italy, and Spain forced the price of a 76-pound flask of mercury from a 1973 low of $260 to $350 this year. The fact that 2 weeks ago the price fell to $330 a flask is of little comfort to U.S. industry which imports 57 percent of its total mercury requirements.

The United States, which imports fully 70 percent of its bauxite requirements from Jamaica, the Dominican Republic, and Guyana, received a jolt last June when these nations agreed to raise the price of bauxite from $2.50 a ton to $11.72 a ton. Bauxite is the raw material from which aluminum is made and is a metal of major importance to the U.S. economy.

Already, the copper cartel, composed of the dominant non-North American producers—Chile, Peru, Zaire, and Zambia—have cooperated to raise the price of copper from 53 cents a pound to $1 a pound. And in July of this year, these nations agreed to further study how copper prices could be stabilized at an even higher level. While the United States imports only 17 percent of its copper needs at the present time, our dependence on imported copper is destined to grow.

Further, the United States which imports 100 percent of its tin ore from Bolivia and 61 percent of its tin alloy from Malaysia would be acutely susceptible to a price fixing action by these two nations which together control 70 percent of the world's tin exports.

Mr. Speaker, in an era of international economic interdependence, this exercise of cartel power by producer nations is propelling U.S. prices upward in two manners: First, through outright price fixing as has been the case with mercury, bauxite, and copper; and second, through reduced production, as in the case of the oil embargo, which creates artificial shortages that operate through the laws of supply and demand to increase prices. For the United States, which by 1985 could be dependent upon imports for 85 percent of its industrial raw materials, the exercise of international producer cartel power could represent an insurmountable obstacle to controlling inflation.

Unfortunately, at the present time, the United States lacks an effective mechanism for evaluating the nature and extent of existing and potential shortages in basic commodities.

The current system is an ad hoc, crisis activated one. While there are approximately 100 Federal departments, agencies, and advisory groups that deal with commodity and resource matters, there is no one agency with the responsibility for coordinating or even monitoring the efforts of this resource and commodity bureaucracy.

Though a coordinated information and planning effort would offer no advance warning of international cartel action, such as the oil embargo, potential supply problems could be identified and plans could be made to reduce our susceptibility to cartel production cutbacks.

As our recent experience with energy suggests, any strategy designed to increase supplies of commodities involves considerable time and effort to implement. Whether the solution is increased research and development, greater recycling, changes in tariff policies, investment tax credits, et cetera, the thrust is to prevent or alleviate future problems—not present ones. This single fact clearly points to the need for the Congress and the administration to implement a national materials policy to plan for the future.

It is also essential that to the maximum extent possible the Congress encourage additional domestic exploration for basic raw materials and the conservation and recycling of existing supplies.

It is also essential that the Congress and the administration reassess existing policy regarding the Nation's stockpiles of basic materials. The concept that these inventories of basic raw materials are only needed to assure our needs in time of war must be changed. The need is even greater to guard against blackmail by international cartels. To sell portions of these stockpiles because the Department of Defense has decided smaller stockpiles will meet our defense needs is wrong. To sell these stockpiles to meet Federal deficits is also wrong.

I concede that it would be difficult to have a large enough inventory of oil to have prevented the blackmail pricing by oil-producing actions. However, it is not difficult to inventory critical minerals to provide this protection. Wisely used, our stockpiles can prevent major disruptions of our production and prevent blackmail pricing.

WAGE AND PRICE CONTROLS

While it is true that international producer cartels have operated in a manner that has raised prices and created artificial shortages, it is likewise clear that not all the shortages that have plagued the American economy can be blamed on these producer cartels. Many of the shortages confronting this Nation can be attributed to the adverse impact of wage and price controls.

However, to fully understand the effect controls produced, one must understand the economic history of years preceding their imposition. During the business boom of 1955–57 when the future looked extremely bright, many industries overexpanded and in 1956, outlays for new plants and equipment increased 21 percent. But the boom turned into a recession in 1957 and 1958—a recession that was followed by another in 1960 and 1961. These back-to-back slumps increased the business community's determination not to repeat the error of the mid-1950's and little expansion capital was committed during the early 1960's.

In the meantime, Europe and Japan had replaced their war-shattered plants with modern ones and, with the aid of an overvalued U.S. dollar, moved aggressively into U.S. markets.

The import competition thus generated was severe, especially in the basic materials markets. This competition had the effect of keeping domestic business profits depressed and, with its reduced rate of return, U.S. industry was unable to attract the funds necessary to finance plant modernization and expansion. Further, the national commitment to a clean environment forced many industries to divert some of the expansion capital that did exist into equipment needed to meet pollution control standards.

In 1971, came the price freeze, followed by strict economic controls—controls which held prices and returns on investment to depressed levels. The net effect was to deny businessmen the ability and the incentive to commit investment capital. When the economy raced into a boom in 1972 and 1973, relatively little had been done for a decade to expand the Nation's industrial capacity and because of the economic controls, businessmen lacked the financial resources to expand to meet the new demand. As the Nation ran out of primary processing capacity, shortages developed in the succeeding stages of production and these pervasive shortages quickly manifested themselves in higher prices, as wholesale and retail consumers bid up the prices for the available supplies.

The extent of the distortion caused by the economic controls is evidenced by the fact that a February 1974 survey of the 2,300 members of the National Association of Manufacturers revealed that over 90 percent of the firms were experiencing difficulties in obtaining materials and supplies.

To those who argue for controls because the free market mechanism is imperfect as a result of the market power of business and labor, I say let us work to correct such faults rather than rely on a mechanism that is far more dangerous.

The history of wage and price controls clearly suggests that they are the wrong answer. Controls failed in ancient Babylon 4,000 years ago. In A.D. 301 the Roman Emperor Diocletian sought to regulate wages and the prices for over 800 items—and failed. The New England colonists repeated the folly of Diocletian in 1630, abandoning the effort a few short years later. During the War of Independence, Pennsylvania, Connecticut, and Massachusetts all sought to regulate prices through economic controls. The result was the same as it had been in eras past—shortages developed, driving prices upward. The lessons of history have been reaffirmed by the American experience in 1971–74.

PRODUCTIVITY

Mr. Speaker, economic controls are gone, but clouding the postcontrol landscape is the fact that industrial productivity has plummeted. Over the past three decades the average national increase in productivity has been 3 percent. Yet during the past few years the United States has experienced several years during which productivity gains were less than 3 percent. In 1967, U.S. productivity was 2.1 percent and in 1968, 2.9 percent. Yet by the end of 1969 productivity had fallen to a paltry 0.4 percent, climbing to only 1 percent the following year. In the years 1971–73, U.S. productivity rebounded to an average of 3.6 percent. Sadly, however, productivity has fallen in each of the last 5 quarters and so far in 1974 has not increased at all. U.S. productivity has actually been receding at a dismal rate of −2.1 percent in the first quarter and −2.2 percent in the second.

Yet, even the 3 percent average increase that generally characterized U.S. productivity gains since the 1940's pales when compared to the rates achieved in other nations. Since 1960 the average productivity increase in Japan was an astounding 10.7 percent. For Canada, it was 4.3 percent and for the nine leading industrial nations of Western Europe, taken together, it was 5.7 percent. The much lower gains in this Nation suggest one of the major reasons why U.S. industry is experiencing much stiffer foreign competition.

Reduced U.S. productivity, combined with industry's efforts to recover profits lost during the wage and price control era and with wage settlements averaging 9 percent as the American worker seeks to keep pace with prices, has placed a severe upward pressure on the cost of living.

Productivity, however, is a frustrating issue for there is not much that can be done about it quickly or directly. But there is one major contribution that the Congress can make—refuse to shelter inefficient industries from foreign competition through trade barriers and special subsidies.

Mr. Speaker, productivity is not an often discussed element in the inflation equation. Too often it is taken for granted. But, when productivity begins diminishing, or actually declines—as is the case this year, the effect is that more fuel is added to the fires of inflation.

CONCLUSION

It is clear that there is no single remedy to the problem of inflation. Our economy is too complex to respond to simplistic solutions. The specific sectors I have examined clearly demonstrate this point.

The general answer to the general problem rests in meeting consumer demands for goods and services with sufficient quantity to prevent demand-generated inflation. The general answer rests in restraining the costs of production from rising so fast as to generate excessive upward pressure on prices. To examine each specific sector of the economy would be a task that would consume more time than I have been allotted to speak today.

Yet, the outlines of the answer are clear. With approximately 93 percent of U.S. businesses reporting shortages of basic materials, and with both business and labor showing signs of playing "catch up" for earnings lost during the period of economic controls, our bywords must be restraint, conservation of resources, and productivity.

We must also move forward with the proposals I have presented.

PRESIDENT FORD ON AMNESTY

(Mr. BIESTER asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. BIESTER. Mr. Speaker, I commend President Ford on his announcement yesterday that he is initiating a thorough reconsideration of the Government's policy with regard to amnesty. This is a welcome indication that we can move forward in resolving a tragic situation which has long divided our Nation.

The President's announcement is an appropriate and timely initiative toward healing a deep scar left from the Vietnam war. In the new spirit of reconciliation and unity toward which our Nation is striving, let us lend our minds and hearts to the intelligent and reasoned public dialog of the means by which we might resolve this difficult problem.

In referring to deserters and draft dodgers, Mr. Ford expressed very well what many of us are feeling when he said:

> In my judgment, these young Americans should have a second chance to contribute their fair share to the rebuilding of peace among ourselves and with all nations. . . . I foresee their earned reentry into a new atmosphere of hope, hard work and mutual trust.

We are a great people with a large capacity for compassion, understanding, and forgiveness. We have demonstrated this with amnesty after past wars, and I am encouraged by the President's statement that he is willing to take an important first step in this direction.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. GREEN of Oregon for the remainder of this week, on account of conference—World Population—to which she has been appointed as a delegate.

Mr. ANDERSON of Illinois (at the request of Mr. ARENDS), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Mitchell of New York) to revise and extend their remarks and include extraneous material:)

Mr. Young of Illinois, for 10 minutes, today.

Mr. Robert W. Daniel, Jr., for 10 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Towell of Nevada, for 15 minutes, today.

Mr. Ruppe, for 5 minutes, today.

Mr. Findley, for 5 minutes, today.

Mr. Bauman, for 5 minutes, today.

Mr. Martin of North Carolina, for 5 minutes, today.

(The following Members (at the request of Mr. Rose), to revise and extend their remarks, and to include extraneous matter:)

Mr. Flood, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. O'Neill, for 30 minutes, today.

Mr. Vanik, for 10 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Phillip Burton, for 5 minutes, today.

Mr. Podell, for 5 minutes, today.

Mr. Minish, for 5 minutes, today.

Mr. Reuss, for 30 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Thompson of New Jersey, for 5 minutes, today.

Mr. Matsunaga, for 5 minutes, today.

Mr. Leggett, for 5 minutes, today.

Mr. Murtha, for 30 minutes, August 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Brotzman to follow the remarks of Mr. Schneebeli during consideration of the conference report on H.R. 2.

Mr. Devine, to revise and extend his remarks in the body of the Record following the vote on the report of the Committee on the Judiciary.

Mr. Wiggins, to follow the vote on House Resolution 1333.

Mr. Dennis, to follow the vote on House Resolution 1333.

Mr. Forsythe and to include extraneous material notwithstanding the fact that it exceeds 2 pages of the Congressional Record and is estimated by the Public Printer to cost $1,529.

Mr. Mizell, prior to vote on Harsha substitute amendment.

Mr. Anderson of California to revise and extend his remarks prior to the vote on the Harsha amendment.

Mr. Bray to extend his remarks just after vote on House Resolution 803.

Mr. Hechler of West Virginia, to extend his remarks on the report from the Committee on the Judiciary earlier today.

(The following Members (at the request of Mr. Mitchell of New York) and to include extraneous material:)

Mr. Hosmer in two instances.

Mr. Gilman in two instances.

Mr. Wyman in two instances.

Mr. Wydler.

Mr. Symms in three instances.

Mr. Brotzman.

Mr. Broyhill of Virginia.

Mr. Hanrahan in two instances.

Mr. Zwach.

Mr. Young of Illinois in two instances.

Mr. Crane.

Mr. Bray in two instances.

Mr. Lent in two instances.

Mr. Derwinski in two instances.

Mr. Robison of New York.

Mr. Bauman.

Mr. Whalen.

Mr. Gude.

Mr. Walsh.

Mr. McClory.

Mr. Landgrebe in two instances.

Mr. Cronin.

(The following Members (at the request of Mr. Rose) and to include extraneous matter:)

Mr. Gaydos in two instances.

Mr. Brademas in six instances.

Mr. Long of Maryland.

Mr. Rooney of New York.

Mr. Carney of Ohio.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Anderson of California in two instances.

Mr. Eilberg in two instances.

Mr. Stephens.

Mr. Clay.

Mr. Ginn.

Mr. Fraser.

Mr. Hamilton.

Mr. Dingell.

Ms. Holtzman.

Mr. Barrett.

Mr. Studds in two instances.

Mr. Carey of New York in two instances.

Mr. Roe.

Mr. Aspin.

Mr. Charles H. Wilson of California.

Mrs. Schroeder.

Mr. Ford.

Mr. Vanik.

Mr. Matsunaga in two instances.

Mr. Leggett in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2149. An act to amend title 10, United States Code, to provide certain benefits to members of the Coast Guard Reserve, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 3124. An act to increase the size of the Executive Protective Service; to the Committee on Public Works.

S. 3546. An act to extend for 1 year the time for entering into a contract under section 106 of the Water Resources Development Act of 1974; to the Committee on Public Works.

S. 3801. An act to authorize the Federal Farm Credit Board to fix the compensation of the Governor and the Deputy Governors of the Farm Credit Administration; to the Committee on Agriculture.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2510. An act to establish an Office of Federal Procurement Policy within the Office of Management and Budget, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on August 19, 1974, present to the President, for his approval, bills of the House of the following title:

H.R. 10044. An act to increase the amount authorized to be expended to provide facilities along the border for the enforcement of the customs and immigration laws;

H.R. 15791. An act to amend section 204 (g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes; and

H.R. 15936. An act to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency.

ADJOURNMENT

Mr. ROSE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 4 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 21, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2672. A letter from the president, United States Railway Association, transmitting a supplemental appropriation request for the Association for fiscal year 1975, pursuant to section 202(g)(2) of Public Law 93–236; to the Committee on Appropriations.

2673. A letter from the Acting Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various facilities projects proposed to be undertaken for the Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2674. A letter from the Chairman, National Mediation Board, transmitting the 39th Annual Report of the Board, including the report of the National Railroad Adjustment Board, covering fiscal year 1973, pursuant to section 4, Second, and section 3, First (w), respectively, of Public Law 442, 73d Congress; to the Committee on Interstate and Foreign Commerce.

2675. A letter from the Chairman, Federal Power Commission, transmitting a copy of volume III of the National Gas Survey, entitled "Technical Task Force Reports"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 737. Resolution to authorize certain investigations and studies by the Committee on House Administration (Rept. No. 93–1304). Referred to the House Calendar.

Mr. RODINO: Committee on the Judiciary. Report on the Impeachment of Richard M. Nixon, President of the United States (Rept. No. 93–1305). Referred to the House Calendar.

Mr. PRICE of Illinois: Committee on Conference. Conference report on H.R. 15323 (Rept. No. 93–1306). Ordered to be printed.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1336. Resolution providing for the consideration of H.R. 15928. A bill to amend the Federal Reserve Act, the Federal Deposit Insurance Act, and the Federal Home Loan Bank Act to provide for the regulation of the issuance and sale of debt obligations by parents of member banks, nonmember insured banks (including insured mutual savings banks), and savings and loan associations, and for other purposes (Rept. No. 93–1307). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 1337. Resolution waiving certain points of order against the conference report on S. 821. A bill to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes (Rept. No. 93–1308). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BADILLO:

H.R. 16479. A bill to repeal certain provisions of law relating to Cuba; to the Committee on Foreign Affairs.

By Mr. BERGLAND:

H.R. 16480. A bill to redetermine wheat, feed grain, and upland cotton allotments to more accurately reflect current cropping patterns; to the Committee on Agriculture.

By Mr. BROYHILL of Virgina:

H.R. 16481. A bill to amend section 5901 of title 5, United States Code, to increase the authorized maximum uniform allowance for Federal employees to $300 per annum; to the Committee on Post Office and Civil Service.

By Mrs. HOLT:

H.R. 16482. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

H.R. 16483. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

By Mr. MOLLOHAN:

H.R. 16484. A bill to repeal sections 102 and 202 of the Flood Disaster Protection Act of 1973 which make flood insurance coverage and community participation in the national flood insurance program prerequisites for approval of any financial assistance in a flood hazard area, and for other purposes; to the Committee on Banking and Currency.

By Mr. MOSS (for himself, Mr. Dingell, and Mr. Kyros):

H.R. 16485. A bill to amend section 201(c) of the Federal Aviation Act of 1958 to provide that matters requiring a decision by the Civil Aeronautics Board shall be acted upon by a quorum of not less than three members of the Board meeting jointly, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 16486. A bill to amend title II of the Social Security Act to make it clear that entitlement of an employee's survivor to an annuity under the Railroad Retirement Act of 1937, without any entitlement to a death payment under such act on account of such employee's death, will not prevent a lump-sum death payment from being made on such employee's wage record under the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. RONCALLO of New York (for himself and Mr. Patman):

H.R. 16487. A bill to prohibit certain conflicts of interest between financial institutions and corporations regulated by certain agencies of the United States; to the Committee on Banking and Currency.

By Mr. STEELMAN:

H.R. 16488. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. SYMMS:

H.R. 16489. A bill to amend the Funeral Transportation and Living Expense Benefits Act of 1974 (88 Stat. 53) to also provide memorial transportation and living expense benefits to the families of deceased servicemen classified as prisoners of war or as missing in action; to the Committee on Armed Services.

By Mr. TIERNAN (for himself, Mr. Bell, Mr. Brown of California, Mrs. Burke of California, Mr. Cohen, Mr. Conlan, Mr. Conte, Mr. Eilberg, Mr. Flood, Mrs. Grasso, Mr. Harrington, Mrs. Heckler of Massachusetts, Mrs. Holt, Mr. Murphy of New York, Mr. Nix, Mr. Podell, Mr. Rinaldo, Mr. Stark, Mr. Van Deerlin, Mr. Won Pat, and Mr. Yatron):

H.R. 16490. A bill to amend title 38 of the United States Code in order to provide financial assistance for the establishment and maintenance of State veterans' cemeteries; to the Committee on Veterans' Affairs.

By Mr. WALSH:

H.R. 16491. A bill to provide for payments in lieu of real property taxes, with respect to certain real property owned by the Federal Government; to the Committee on Interior and Insular Affairs.

By Mr. WALSH (for himself, Mr. Stokes, and Mr. Rangel):

H.R. 16492. A bill to provide for the issuance of a special postage stamp in commemoration of the life and work of Harriet Tubman; to the Committee on Post Office and Civil Service.

By Mr. DELLENBACK:

H.R. 16493. A bill to amend the rules of the House of Representatives with respect to the travel expenses of certain Members of the House of Representatives; to the Committee on Rules.

By Mr. EILBERG (for himself and Mr. Green of Pennsylvania):

H.R. 16494. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GUDE:

H.R. 16495. A bill to permit the use of the golf course facilities at the Naval Ordnance Laboratory by individuals not in the employ of the laboratory; to the Committee on Armed Services.

By Ms. HOLTZMAN:

H.R. 16496. A bill to establish the Sewall-Belmont House National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PODELL:

H.R. 16497. A bill to amend the Internal Revenue Code of 1954 to allow an individual a deduction for amounts paid by him for the funeral expenses of certain related decedents; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 16498. A bill to amend the Public Health Service Act to provide for the development of demonstration and evaluation programs to insure the delivery of adequate health services for persons who have recently migrated to the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMAN:

H.R. 16499. A bill for the relief of residents of Cyprus; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 16500. A bill to amend title 5, United States Code, to provide that Japanese-Americans who were placed in internment camps during World War II shall be credited for civil service retirement purposes with the time they spent in such camps; to the Committee on Post Office and Civil Service.

By Mr. EILBERG:

H.J. Res. 1113. Joint resolution proposing an amendment to the Constitution to provide for the prompt election of a Vice President in cases of a vacancy in the Office of Vice President by reason of the succession to the Office of President by a Vice President selected under the 25th amendment; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.J. Res. 1114. Joint resolution designating the American Rose as the National Floral Emblem of the United States of America; to the Committee on House Administration.

By Mr. du PONT (for himself, Mr. Symington, Mr. Mezvinsky, Mr. Breckinridge, Mr. Roybal, Mr. Roy, Mr. Charles Wilson of Texas, Mr. Benitz, Mrs. Heckler of Massachusetts, Mr. Pepper, Ms. Holtzman, Mr. Fraser, and Mr. Matsunaga):

H. Con. Res. 612. Concurrent resolution to express congressional support of the United Nations sponsored World Food Conference and World Population Conference taking place this year; to the Committee on Foreign Affairs.

By Mr. BRADEMAS (for himself, Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, Mr. Fuqua, Mr. Koch, Mr. Lehman, Mr. Drinan, Mr. Vander Veen, Mr. Gunter, Mr. Cotter, Mrs. Schroeder, and Mr. Carey of New York):

H. Res. 1334. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. SARBANES (for himself, Mr. Brademas, Mr. Kyros, Mr. Yatron, Mr. Bafalis, Mr. Bolling, Mr. Danielson, Mr. Bergland, Mr. Mezvinsky, Mr. Udall, Mr. Roncalio of Wyoming, Mrs. Mink, Mr. Howard, and Mr. Hechler of West Virginia):

H. Res. 1335. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mrs. MINK introduced a bill (H.R. 16501) for the relief of Ralph Lafi Alisa Toelupe, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

WHAT AN ERA IT HAS BEEN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. DERWINSKI. Mr. Speaker, there has been a great deal of editorial commentary from all sections of the country and segments of the news media on the events that led President Nixon to resign, its historic consequences, and the ascension of Gerald Ford to the Presidency.

One of the most penetrating commentaries on this subject was a column of August 14, by Lyn Daunoras, feature editor of the Southwest Suburban Times of Cook County, which discusses the events in a manner that could best be described as clearly from middle-America:

WHAT AN ERA IT HAS BEEN!

(By Lyn Daunoras)

We were watching Channel 9's "World At War" one Sunday night, and our son commented that we (his parents) were fortunate to have seen America at its peak, when we were the only country to have nuclear power and emerge from the great world conflict intact, safe and at an all-time economic high.

The implication was that America never again would reach those lofty scales again. We hope he's wrong, but what with giving nuclear power to Egypt, wheat to Russia, military aid to Viet Nam and Cambodia and money to whomever needs it (except to our own), we just may have turned our backs on a glorious past and toward a far more bleak future.

It wasn't long after that that we talked to Bob Michalek, an old friend, and he, too, brought up the tremendous amount of history in the making our generation has seen. When you add it all up, it really was a great era for progress and unusual events.

We saw radio come and go and the advent of television (for better or for worse). We also saw the introduction of wide-screen movies—in color, yet. Even smellavision.

There was the evolution of the railroad, the airplane and the automobile. Today's streamlined trains are a luxury (we remember going to New York once in an old ironhorse with backbreaking seats). The Wiley Posts, Amelia Earharts and Charles Lindberghs gave way to jet planes and, ultimately the rocket.

Whoever would have dreamed, as a child, that man would actually walk on the moon? Not Buck Rogers in fantasy, mind you, but Neil Armstrong in reality!

We suffered thru a great depression and the big war that was both the undoing of many great powers, including England, Germany and France, and the opening of the atomic age.

We wiped out the devastating effects of polio with the Salk vaccine.

There was the civil rights movement and the assassinations of their leader, the country's leader and a candidate for that office, as well as the attempted murder of still another candidate.

As though that wasn't enough violence, we even had murder by television as the slayer of the president was shown being shot to death in what was meant to be a quasi-historical moment as he was changing prisons.

Happily, we were spared the suicide by television of a Florida newscaster, but it must be recorded as an historical note nevertheless. Let's hope it's the only one of its kind.

We went thru the restless period of the Viet Nam war and the slaughter of more American boys in an action most people still do not understand today. With it, the campuses went up for grabs, including the tragic scene at Kent State.

There were anti-war demonstrations and finally the rejection of their country by thousands of boys who refused to fight in an "unjust, immoral war." They are still exiled and replacing them are residents of other countries, legal and illegal, who are holding demonstrations of their own for better conditions (which they didn't have at home or they wouldn't have left, but they didn't dare rebel there).

Add to all that the introduction of plastics and synthetics, nylon and man-made furs, radar ovens and coronations and summit meetings via satellite and you have one exiting era. Would you trade it?

And now, there is the resignation of a president. So many people say we can't possibly survive such an ordeal, but surely that is what people back in 1868 were saying when the states were mending the wounds of a terrible civil war, a president was assassinated and his successor impeached and absolved by only one vote.

If we could survive that, and go on to the great moments of American history that followed, we can also survive today's problems and who knows—we may benefit from them.

What we need is a restoration of faith, both in each other and in our leaders. Let's hope this changing, shifting scene will provide both.

Something has to do it.

THE NATIONAL FUEL AND ENERGY CONSERVATION ACT

HON. CHARLES W. SANDMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. SANDMAN. Mr. Speaker, on December 12, 1973, I initiated a request to the public and the various agencies of the Federal Government to provide me with any definitive information concerning patents or designs of engines which, if developed, could provide more miles of travel per gallon of fuel than currently operating internal combustion engines.

It is my belief that, with 25 percent of our national energy being expended for transportation, more fuel could be saved by producing engines that give twice as many miles of travel per gallon than by any other method. This is the primary goal of the National Fuel and Energy Conservation Act.

Of all the information I received, the indepth engineering analysis of the hydrotorque engine, submitted by Captain Leonard R. Kojm, U.S. Navy, Director of the Navy—Senate Liaison Office, holds the most promise for realizing meaningful reductions in energy needs for transportation. Of particular value is the capability of this engine to attain maximum fuel savings when operating at near optimum conditions during stop-and-go driving by automobiles, trucks and buses, in metropolitan areas. Such operations could also result in substantially reducing air pollution.

In addition to the indepth engineering analysis that had been completed prior to the information made known to me in December 1973, Captain Kojm has obtained four separate evaluations from within the U.S. Navy. These evaluations establish the hydrotorque engine to be undoubtedly a feasible system, which can satisfy certain U.S. Navy requirements.

At present, I am trying to arrange a joint effort between the U.S. Navy, the U.S. Department of the Interior, and the U.S. Environmental Protection Agency, to carry forward the development of the hydrotorque engine.

Certainly, the initiative and follow-through displayed by Capt. Leonard R. Kojm, U.S. Navy, in a manner that is not normally among his duties, brings real credit to the U.S. Naval Service. This contribution by the U.S. Navy can serve as an example for all departments of the Government to employ their resources and talents to assist in achieving the goals of the national fuel and energy conservation program and project independence 1980.

THE SITUATION IN CYPRUS

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. CRONIN. Mr. Speaker, I rise once again to make my feelings known on the situation in Cyprus. It is indeed unfortunate that the U.S. Ambassador was shot by a stray bullet at the U.S. Embassy at Nicosia yesterday.

It is my understanding from discussions with officials at the State Department that there was a very large demonstration in front of the American Embassy to show that the citizens of Cyprus felt strongly that they have been betrayed by their traditional ally, the United States, in their current dispute with Turkey. The end result of this demonstration is indeed unfortunate; however, I believe that unless our country takes positive action very soon many, many lives will be lost, and we will have a volatile situation that truly threatens world peace. To me the facts are rather clear. On the one hand, we have in Greece a nation that has been our ally since they have fought with us on the shores of Tripoli—an ally that has been a major contributor to our NATO forces—an ally that has housed our 6th Fleet and has provided the major source of support for our Mediterranean forces—an ally that has hundreds of thousands who have emigrated to the United States and who have made major contributions to every segment of our Government and economy.

Let's contrast this with the other nation—Turkey. Turkey's relationship with the United States and with the international community has been one of broken promises. The Turks have just recently broken the treaty with the United States to restrict the growth of poppies in Turkey. That action means that our youth will continue to be poisoned by heroin in the streets of our cities.

Turkey has in this century been guilty of genocide against the entire nation of Armenia. Turkey has also been guilty of genocide in recent years; for example, the Greek population in Turkey has gone from hundreds of thousands in the last decade to less than 5,000 today. I might add that during this same period, the number of Turkish residents in Greece has increased substantially and they live with more freedom in Greece than the few remaining Greeks live with in Turkey.

When the fighting erupted on the island of Cyprus, the United Nations quite properly tried to provide a peacekeeping force. After a cease-fire had been declared, once again the Turks broke their promise—broke the cease-fire, killed an untold number of Greek citizens on Cyprus and, in fact, shelled the United Nations peacekeeping force in their drive to capture more territory. At the present time, the Turks control one-third of the island of Cyprus but they control the most fertile land of the island and they control the biggest and best port. In fact, they control the major portion of the island's economy.

The United States has taken a position that favors Turkey. Whether we intended to do so or not is irrelevant. The fact that we did not intercede either diplomatically or through the threat of military force has allowed the Turks to progress. I cannot understand why we have done so much to help the Turks and hurt our traditional ally Greece when Turkey has absolutely no strategic value to us. Its missiles were obsolete in the early sixties when as part of the Cuban crisis, we were willing to trade off those missiles to Russia for a change in Cuban policy. Its radar surveillance is also antiquated. We have developed surveillance capacity that far exceeds any radar currently in Turkey and provides us with a broader area of surveillance in Russia. The issue of the Russian fleet is a false issue since Russian ships already use Turkish ports.

I have tried to explain, Mr. Speaker, the tremendous contributions of the Greek Government to the United States on the one hand versus the long list of broken promises, internationally detestable acts and lack of strategic value of Turkey on the other hand.

Mr. Speaker, this is one Member of Congress, and I am sure that I am far from being the only Member of Congress, who urgently implores this body and the executive branch of our Government to take positive action to indicate our continuing friendship with our Greek allies.

I am sure if we were able to vote on this subject today, the majority of the House of Representatives would indicate that they share my sentiments on the subject of Cyprus. The people of Greece are now reading and hearing only one side of the story. The people of Greece must be made aware that they still have friends in the Government of the United States, and the Government of the United States must take positive action in order to resolve this situation, to bring order out of chaos, and to provide a continuing base for world peace.

Mr. Speaker, I yield back the balance of my time.

CAPTIVE NATIONS AND DÉTENTE, THE 1974 CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. DERWINSKI. Mr. Speaker, for the past several weeks reports on the 1974 Captive Nations Week have been extensively published in the RECORD. They have included rallies, church services, news items, radio and TV accounts, editorials and commentaries, and proclamations from all sectors of our Nation. Considering the questionable effects of détente as presently pursued, this was no mere feat, and the National Captive Nations Committee, which is headed by Dr. Lev. E. Dobriansky of Georgetown University, is to be highly complimented for its coordinating efforts in realizing the purposes and aims of Public Law 86–90.

A very interesting and long column was devoted to the subject in the August 2 issue of the Washington Post. Written by Stephen S. Rosenfeld, the column was under the title of " 'Captive Nations' and Détente." I have asked Dr. Dobriansky to comment briefly on it for the edification of our Members and all Americans who can hardly perceive a structure of peace being built without fundamental consideration given to all the captive nations in Central Europe, within the Soviet Union, in Asia, and Cuba. I submit the Rosenfeld article, followed by Dr. Dobriansky's observations:

"CAPTIVE NATIONS" AND DÉTENTE

(By Stephen S. Rosenfeld)

"Captive Nations Week" came and went without much fuss last week. The particular kind of ethnic anti-Communism which the "captive nations" concept represents—the "captives" being the nations and nationality groups incorporated within the Soviet Union plus the East European States dominated by Moscow—has been pretty much eclipsed by détente.

Mr. Nixon has indicated firmly that it is not possible to try to improve relations with the Soviet government while at the same time trying openly to cultivate the nationalistic and even secessionist impulses of Moscow's constituent parts and allies.

Typically, the United States' annual ritual appeals for the "self determination" of the Baltic States, incorporated by Moscow as World War II began, ended as soon as President Nixon became a regular summiteer. At the last summit, Mr. Nixon agreed to establish a U.S. consulate in Kiev—a step regarded by the Kremlin and by Ukrainian Nationalists alike as a symbolic denial of Ukrainian nationhood. The two American radio stations broadcasting specifically to the "captive nations," Radio Liberty and Radio Free Europe, constantly wonder if they will survive the next summit.

Mr. Nixon's own "Captive Nation Proclamation" has become the faintest shadow of the original growling, anti-Russian, anti-communist resolution passed by Congress in 1959.

Yet the underlying issues do not easily go away. The "nations" themselves—some more, some less—remain undigested parts of the Soviet polity and the Soviet block. No sober analysis of the Soviet scene can ignore the tugs and pulls of, say, the Ukrainians and the Poles. Certainly the Kremlin takes these into the closest account in developing its own basic policies, from where it invests its money to where it stations its troops.

On the face of it, there is no apparent reason—except politics—why, say, Palestinians deserve a state of their own, as Moscow asserts, while a number of Soviet nationality groups, larger and with equal national credentials, are denied even the lesser goal of a genuine nationality group existence.

The connection of "human rights" to detente has been widely accepted in recent years, mostly in respect to Jews, intellectuals and dissenters inside the Soviet Union. And they pose no *territorial* challenge to the Kremlin. Their causes are certainly legitimate. But it is plain that at least part of the reason why their plight has become politicized is that each of these groups (they overlap) has a recognizable constituency within the United States.

In abstract terms, the cultural or national aspirations of the "captive nations" are hardly less legitimate. Yet their American spokesmen do not have the same political leverage.

The realities of American politics, then, have an effect on which people or peoples controlled by Moscow win active American concern. The realities of geopolitics also have an effect. Successive American Presidents have cultivated local nationalism in, first, Yugoslavia and, then Romania—Communist states which for their own reasons have chosen to assert a measure of independence from the Kremlin. The White House has done this for the purpose of strengthening the American hand in dealing with the Russians.

Like Yugoslavia, however, Romania, which sits off in the southwest corner of the Soviet Union, has by virtue of geography a degree of political maneuverability which is simply unavailable to a country like Czechoslovakia which directly connects the Soviet Union with Germany. This in turn affects the degree of encouragement which any responsible American President can proffer.

The fact remains that the United States has no comprehensive strategy to free "captive nations." On the contrary, detente and the discipline necessarily imposed by the nuclear responsibility of a great power rule out much more than tentative efforts to remove certain symptoms of their plight. This is painful; some small part of the pain could perhaps be relieved if the rest of us looked with more sympathy at the very human emotions which touch many Americans whose kinsmen lived hard lives under Communist rule, but it is unavoidable.

Here it is useful to recall the time when the U.S. did have such a comprehensive strategy. According to a credible, though officially denied account in "Operation Splinter Factor," a new book by British journalist Stewart Steven, Allen Dulles set out to liberate East Europe by destroying liberal nationalistic Communists in those countries, thus provoking a Stalinist repression that would ignite a successful popular revolt. This fantastic operation called "Splinter Factor," may indeed have contributed to Stalinist repression. It certainly did not free East Europe. A more cynical and disastrous policy is had to imagine. Its lessons linger.

COMMENTS BY DR. DOBRIANSKY

The article by Stephen S. Rosenfeld is well-written, significant and meaningful in many respects, but also somewhat inaccurate in a number of factual and interpretative ways. Mr. Rosenfeld is a thoughtful and top-notch editorial writer for *The Washington Post* and, despite some disagreements as to our views regarding the Soviet Union and our policy toward this empire-state, I have always held his perceptive writings in the highest esteem and with great respect. In satisfying Representative Derwinski's request, it is not my purpose to analyze in depth the numerous observations made by the writer, but rather, in compliance with the Congressman's request for terse comments to point out the following in the hope that the necessary, annual observance of Captive Nations Week will be viewed with balanced perspective and a more accurate command of some basic facts:

(1) Although the writer is correct in stating that Captive Nations Week has been eclipsed somewhat by détente, his depiction of the captive nations concept as representing some kind of ethnic anti-Communism" is misleading. Objectively, one can intepret the successive conquest and domination of nations by Moscow since 1920 in terms of our own Declaration of Independence. In 1959, the whole purpose of having Congress declare third week of July as Captive Nations Week was to relate it to our own Independence Day.

(2) Factually, despite the eclipse in part, the reports on the recent observance, not to mention those of previous years, clearly show the persevering interest of broad and diverse sections of our country in the fixed reality of the captive nations. For the past month cumulative evidence of this has appeared in the *Congressional Record*.

(3) Mr. Nixon's '74 proclamation of the week varies significantly from his previous ones and even contradicts the non-interference theme of his Annapolis address. Mr. Rosenfeld seems to sense this in his second paragraph. Later, true, his proclamation does not reflect fully the Captive Nations Week Resolution passed by Congress in '59, but to characterize the resolution as "growling" and "anti-Russian" smacks of extremism. To oppose Russian imperio-colonialism does not mean being "anti-Russian", and to impute to the document a "growling" nature calls for a careful reading of what David Lawrence and others described as an historic resolution. The evidence shows that it shook Khrushchev and his successors out of their political wits for many years. Our Executive lack of understanding of the resolution and its multiple psycho-political uses has, more than anything else, temporarily relieved the Kremlin of this chief worry. One major and sharp reversal at the hands of Moscow and the contents of the resolution will unquestionably come into full bloom of study again.

(4) The Nixon agreement to set up a U.S. consulate in Kiev, Ukraine is in my opinion a blunderous and ill-considered move. But, contrary to Rosenfeld's view, it is scarcely "a symbolic denial of Ukrainian nationhood." The nation, as expressed by close to 50 million people, will always be there. It is, however, a drain on the people's aspirations for national statehood, and this is the difference in concept.

(5) Mr. Rosenfeld's paragraphs from the fifth, commencing with "Yet the underlying issues do not easily go away," to the very end contain much food for thought and should be carefully weighed by our new Administration. His presentation is excellent. There is "no comprehensive strategy to free 'captive nations'." But there can be one, and this, basically, is what Captive Nations Week is all about. We won't have such a strategy if our leaders continue to be hampered by conceptual blinders and persist, contrary to all fact, in calling the Soviet Union a "nation" and the different populaces there "Soviet people." Certainly, sheer nation diplomacy won't provide this strategy. However, I'm thoroughly convinced that events will demand and necessitate it somewhere along the line.

Thus, aside from some of the inaccuracies in the article, Mr. Rosenfeld made a substantial contribution to our national thought about the captive nations and their relation to détente.

IN MEMORIAM: ALBERT M. DAVIS

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. ZABLOCKI. Mr. Speaker, the people of Milwaukee and Wisconsin were saddened by the news of the death of Albert M. Davis, a leading and beloved citizen of our community, while he was on an official visit to Sweden.

Al Davis was director of Milwaukee's International Institute, an organization devoted to the welfare of many ethnic minorities—of all nations, races, and creeds. Our city has been a better place in which to live because of his great skill at bringing together in common goals people of varying and sometimes hostile points of view.

We in Milwaukee believe that America is strengthened by the infusion of nationalities from abroad. Al Davis was a symbol of that belief and of the effort to help ethnic Americans shape lives of fulfillment and prosperity within the societal framework shaped by our Constitution.

Perhaps Mr. Davis' best known accomplishment—and one which gave him national recognition as an ethnic leader—was the annual Holiday Folk Fair.

Begun as a means of making the art and culture of various nationalities known to one another, the Folk Fair has become an annual event which draws thousands of persons from throughout the Middle West to view handicrafts, eat national delicacies and enjoy ethnic dances.

My wife, Blanche, joins me in expressing our deepest sympathy to Mrs. Davis and the Davis family upon their loss.

Mr. Speaker, at this point I should like to include in the RECORD an editorial from the Milwaukee Journal of August 14 on Mr. Davis, and his obituary from the Milwaukee Sentinel of August 13. The latter provides a description of the many activities which Mr. Davis engaged in to the benefit of our community and his fellow men.

The articles follow:

ALBERT M. DAVIS

Milwaukee's ethnic community, and all who appreciate the color and diversity it brings to the city, have lost a friend in the death of Albert M. Davis. Davis who died unexpectedly while traveling in Sweden, was executive director of the International Institute. A native Milwaukeean who, in a sense, became a citizen of the world, Davis was the backbone of the annual Holiday Folk Fair. His skill at bringing together diverse and sometimes hostile ethnic groups will be sorely missed. His concern for people, shown in 11 years of service on the Wisconsin Health and Social Services Board, made him a valued and respected citizen of the entire state. His untimely death creates a void.

INTERNATIONAL INSTITUTE CHIEF, DAVIS DIES

Funeral services are being arranged for Albert M. Davis, 52, executive director of the International Institute of Milwaukee County, Inc.

Davis died Friday in Stockholm, Sweden, of an unknown cause. Swedish officials said an autopsy was to be performed but it was believed he died of natural causes.

Davis, of 12315 Christine Dr., Wauwatosa, was in Sweden to attend an international folk festival.

A nationally known ethnic leader, Davis became head of the International Institute in 1958. The institute co-ordinates the annual Holiday Folk Fair of which Davis was also executive director.

Before taking the institute position, Davis was a welfare worker in the Milwaukee County Welfare Department and an aide to former Mayor Frank P. Zeidler.

He also had been the Democratic Party vice chairman for the 5th Congressional District.

Davis had been a member of the State Health and Social Services Board.

He also was a member of the National Association of Social Workers, The International Festival Association and the Ethnic Advisory Council.

Davis was a member of local posts of the American Legion and the Veterans of Foreign Wars. He also was a member of the Tripoli Temple.

He was graduated in 1948 from Marquette University and received a master's degree in social work from the University of Wisconsin—Madison in 1955.

He was a veteran of World War II.

Surviving are his wife, Maxine; two sons, Gary W., of Milwaukee, and Jay Lee, in the Army at Fort Benning, Ga.; his mother, Mrs. Agatha Jancovek, Milwaukee; four sisters, Mrs. Hans (Maxine) Krueger, Mrs. Wallace (Helen) Tupper, both of Milwaukee, and Mrs. Robert (Betty) Bethman, of Arlington, Tex., and one brother, Joseph Pagac, of Milwaukee.

The family suggested memorials be made to the International Institute. The Becker Ritter Elmbrook Funeral Home, 14075 W. North Ave., Brookfield, said Sunday that funeral arrangements were not yet complete.

In SUPPORT OF S. 1868

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. MITCHELL of Maryland. Mr. Speaker, I would like to insert for the thoughtful attention of my colleagues the following letter from I. W. Abel, President of the Industrial Union Department of the AFL–CIO, as well as the resolution of the National Association of Negro Business and Professional Women setting forth the strong support of both groups for S. 1868, a bill to restore U.S. compliance with U.N. sanctions against Rhodesia.

The material follows:

INDUSTRIAL UNION
DEPARTMENT, AFL–CIO,
Washington, D.C., August 19, 1974.

DEAR CONGRESSMAN: This Tuesday, August 20, the House is scheduled to vote on S. 1868, a bill to reimpose the boycott on Rhodesian chrome. The Industrial Union Department, AFL–CIO, supports that bill.

We do not need these imports either to

meet our needs for the metal or for reasons of national security. Chrome shipments from Rhodesia constitute only 11 per cent of our chrome purchases and if the embargo is reinstated, we can obtain ample supplies from other countries. We would have to import chrome from Rhodesia for 19 years at the present rate to reach the equivalent of the present government stockpile of the ore.

Rather than making jobs of American steel workers more secure, lifting the embargo has placed the jobs of American ferrochrome workers in jeopardy. For instead of exporting chrome ore, Rhodesia has been shipping processed high carbon ferrochrome to us and these imports have put the American ferrochrome industry in a very shaky position.

But there is more at stake here than jobs. Also involved is our obligation to the United Nations. The U.N. imposed sanctions against Rhodesia in protest of the white ruling minority's exploitation and oppression of the large majority black population. Surely we have a national moral obligation to stand with other justice-seeking countries and join with them in the boycott of Rhodesian chrome. We must demonstrate by our support of the boycott that we are prepared to accept the rule of international law.

We therefore urge you to be present when the bill comes up and to vote to rejoin the international effort to persuade Rhodesia to establish representative government for all of its citizens.

Sincerely,

I. W. ABEL,
President.

RESOLUTION OF NATIONAL ASSOCIATION OF NEGRO BUSINESS AND PROFESSIONAL WOMEN

Whereas, the 5½ million African people of Rhodesia are controlled by an illegal minority regime; and

Whereas, the United Nations has instituted a program of mandatory international economic sanction against the White Minority Rhodesia Regime, in order to exert pressures on the white regime to accept a settlement for majority rule; and

Whereas, the United States Government has allowed the importation of certain "strategic and critical materials" from Rhodesia since January 1972 in violation of a treaty obligation of the United States to comply with the United National Sanctions Program; and

Whereas, support of the United Nations Sanctions Program by the citizens and government of the U.S. will significantly support the struggle of the African people for majority rule and true independence of Zimbabwe (the African name for Rhodesia); and

Whereas, the Senate passed a bill on December 18, 1973, to restore full U.S. compliance with sanction against Rhodesia and the House Foreign Affairs Committee voted in support of this bill on June 27, 1974, and the bill is expected to come before the House of Representatives by August 25, 1974, Therefore be it

Resolved, that the National Association of Negro Buisness and Professional Women support S. 1868, the bill to renew U.S. Compliance with United Nations sanction against the White Minority Rhodesia Regime, and encourage members of the NANBPW to communicate this support to appropriate members of the House of Representatives;

That NANBPW forward their position to reestablish the boycott of Rhodesian Chrome to the Committee on Africa (110 Maryland Avenue, N.E.), and to Congressman Charles Diggs, Chairman, Sub-Committee of Africa;

That the NANBPW adopt and forward this resolution to LCCR, and that the NANBPW forward the adopted resolution to their members in each state;

That NANBPW request that their adopted resolution be placed on congressional record.

THE HONORABLE GERALD FORD, PRESIDENT OF THE UNITED STATES, ADDRESSES THE 75TH ANNUAL CONVENTION OF THE VETERANS OF FOREIGN WARS OF THE USA

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. TEAGUE. Mr. Speaker, it was my pleasure to be present today when the President of the United States, the honorable Gerald Ford addressed the 75th Annual Convention of the Veterans of Foreign Wars of the United States in Chicago, Ill.

I was extremely pleased to witness the tremendous reception this organization gave to the President that was similar to which he received when he made his maiden speech to a joint session of the Congress some 10 days ago.

His message to the assemblage was straight talk that had to be said and the veterans in attendance were glad to hear it. The theme of his speech was national unity, and I might remark here Mr. Speaker, when the President stated that he was a member of the Veterans of Foreign Wars and the American Legion; he later said to me that if he were eligible, he would also be a member of the Disabled American Veterans.

Mr. Speaker, it gives me great pride to include below, the text of the President's remarks to the VFW members at Chicago.

ADDRESS BY PRESIDENT FORD

Commander Ray Soden and fellow members of the Veterans of Foreign Wars:

I deeply appreciate your medal and citation on my first trip out of Washington as your President.

It is good to be back in Chicago, among people from all parts of the Nation, to take part in this great 75th annual VFW convention.

As a member of the Old Kent VFW Post 830, let me talk today about some of the work facing veterans—and all Americans—the issues of world peace and national unity.

Speaking of national unity, let me quickly point out that I also proudly belong to the American Legion and the AMVETS.

As President and a veteran, I want good relations with all veterans. We all wore the same nation's uniform and saluted the same flag. During my Administration, the door of my office will be open to veterans as it was in the Capitol.

Today, I am happy to announce my intention to send the Senate the nomination of my personal friend and former Congressional colleague, Dick Roudebush of Indiana, to be Administrator of the Veterans Administration. A past national commander of the VFW, Roudy has served well as Deputy Administrator of the VA. He is a man who gets things done.

The veteran is a human being and not just a "C" number to be processed by a computer system. The Government knew your name when you were called to service. This Administration is going to see to it that we still know your name and your problems. A veteran is a person, not just a digit in a computer system which often goofs.

I propose the VA take the best of our technology and the best of our human capabilities and combine them. As President, I want no arrogance or indifference to any individual—veteran or not. The Government's machinery exists to serve people and not to frustrate or humiliate them.

I don't like red tape or any other kind of tapes.

Our veterans hospitals, which will not lose their identity, must be the best that medical skill and dedication can create. V.A. hospitals have made many important breakthroughs in the past. One of America's great challenges is the older veteran. The V.A. medical and nursing care system for older people must become a showcase for the entire nation. We can work together to humanize the V.A.

But to achieve such progress, I intend to improve the management of the V.A. We must get the most from our tax dollars. While supporting the new Administrator in maximum efforts to make the best use of funds available, I want Roudy to take a hard new look at the V.A.'s structure.

The time has come to stop thinking of veterans in terms of different wars. Some may march at a different pace than others. But we all march to the same drummer in service to our Nation. I salute the men of many campaigns—of World War I, World War II, the Korean War, Vietnam.

I am glad to see the VFW at this convention install a veteran of the Korean War, John Stang, as its new national commander-in-chief. John was a high school student when I took off my uniform at the close of World War II.

As Minority Leader of the House and recently as Vice President, I stated my strong conviction that unconditional blanket amnesty for anyone who illegally evaded or fled military service is wrong. It *is* wrong.

Yet in my first words as President of all the people, I acknowledged a Power higher than the people, who commands not only righteousness but love, not only justice but mercy.

Unlike my last two predecessors, I did not enter this office facing the terrible decisions of a foreign war. But, like President Truman and President Lincoln before him, I found on my desk, where the buck stops, the urgent problem of how to bind up the Nation's wounds. And I aim to do that.

As a lawyer, I believe our American system of justice is fundamentally sound. As President, I will work within it.

As a former Naval Reservist I believe our system of military justice is fundamentally sound. As Commander-in-Chief, I will work within it.

As a former Congressman who championed it, I believe the concept of an all-volunteer armed force is fundamentally sound and will work much better than peacetime conscription.

Accordingly, in my first week at the White House Office, I directed the Attorney General of the United States and the Secretary of Defense to report personally to me, before September 1, on the status of some 50,000 of our country men convicted, charged, under investigation or still sought for violation of the Selective Services Act or the Uniform Code of Military Justice—offenses loosely describe as desertion and draft-dodging.

These two Cabinet members are to consult with other government officials concerned and communicate to me their unvarnished views and those of the full spectrum of American opinion on this controversial question, consolidating the known facts and legal precedents.

I will then decide how best to deal with the different kinds of cases. There are differences. Decisions of my Administration will make any future penalties fit the seriousness of the individual's mistake.

Only a fraction of such cases relate directly to Vietnam, from which the last American combatant was withdrawn over a year ago by President Nixon.

But all, in a sense, are casualties; still abroad or absent without leave from the real America.

I want them to come home, if they want to *work* their way back.

One of my last official duties as Vice President, perhaps the hardest, was to present posthumously 14 Congressional Medals of Honor to the parents, widows and children of fallen Vietnam heroes.

As I studied their records of supreme sacrifice, I kept thinking how young they were.

The few citizens of our country who, in my judgment, committed the supreme folly of shirking their duty at the expense of others, were also very young.

All wars are the glory and the agony of the young.

In my judgment, these young Americans should have a second chance to contribute their fair share to the rebuilding of peace among ourselves, and with all nations.

So I am throwing the weight of my Presidency into the scales of justice on the side of leniency. I foresee their earned re-entry into a new atmosphere of hope, hard work, and mutual trust.

I will act promptly, fairly and firmly, in the same spirit that guided Abraham Lincoln and Harry Truman. I reject amnesty and I reject revenge.

As men and women whose patriotism has been tested and proved, I want your help. I ask all Americans who ever asked for goodness and mercy in their lives, who ever sought foregiveness for trespasses, to join in rehabilitating all the casualties of all the tragic conflicts that are past.

We have struggled for years to overcome discrimination against younger Americans, against older Americans, against Americans of various races and religions, and against women. I will not tolerate any discrimination against veterans, especially those who served honorably in Vietnam.

I am deeply concerned about employment opportunities for Vietnam-era veterans. We have had some success in placing veterans in the age span of 20 to 34, but tough problems areas remain.

As of last month the rate of unemployment for veterans between 20 and 24 was nearly 10 percent. The rate of unemployment for these young veterans who are members of minority groups was 19 percent. And far too many disabled veterans are still without jobs.

This Administration puts a high priority on aiding the men who bore the brunt of battle. If we can send men thousands of miles from home to fight in rice paddies, certainly we can send them back to school and to better jobs at home.

I am considering the Veterans' Education Bill in this light. But your Government is constrained by another consideration. We are all soldiers in a war against brutal inflation. The Veterans' Education Bill may soon come to me for action. It comes when I am working hard, along with others from the Congress, labor, management and elsewhere, on a nonpartisan battle plan against excessive Government spending.

America is fighting for its economic life. I will not hesitate to use the veto to control inflationary excesses. But I am open to conciliation and compromise on the total amount authorized so that we can protect veteran trainees against the rising cost of living.

I commend not only the past services of veterans but also the continuing involvement of many of you in the National Guard and Reserve forces. With current manpower reductions in the active duty Army, Navy, Air Force, and Marine Corps, the Commander-in-Chief must place continuing reliance on the readiness of our National Guard and Reserves. I intend to put muscle behind this program.

Peace depends upon the strength and readiness of our defenses. I will support every sensible measure to enhance the moral and combat readiness of our armed forces.

The United States, our allies, and our friends must maintain strength and resolve. Potential adversaries watch the state of our readiness. I will offer them no temptations.

America is not the policeman of the world. But we continue to be the backbone of free world collective security.

Just as America will maintain its nuclear deterrent strength, we will never fall behind in negotiations to control—and hopefully reduce—this threat to mankind. A great nation is not only strong, but wise; not only principled, but purposeful. A fundamental purpose of our Nation must be to achieve peace through strength and meaningful negotiation.

Our goodwill must never be misconstrued as a lack of will. I know I can count on you and your families. Peace and security require preparedness and dedication.

You have experienced war at first hand. I want to make sure that Washington never sends another tragic telegram. The list of mourners is already too long. So is the list of those who still wait and wonder—the families of those missing in action. I will never forget them.

Together, we are going forward to tackle future problems—including the scourge of inflation which is today's domestic enemy number one. Our task is not easy. But I have faith in America. Through our system of democracy and free enterprise, the United States has achieved remarkable progress. We have shared our plenty with all mankind.

This is the same Nation that transcended inflations and recessions, slumps and booms, to move forward to ever higher levels of prosperity and productivity. This is the same Nation that emerged from the smoke of Pearl Harbor on December 7, 1941, to change its own destiny and the history of the world—and for the better.

During the few months I was Vice President, I traveled some 118,000 miles and visited 40 States. What I saw and heard gave me inspiration. It made me proud of my country. It sustains me now.

Our great Republic is nearly 200 years old, but in many ways we are just getting started. Most Americans have faith in the American system. Let us now work for an America in which all Americans can take even greater pride.

HISTORY HAS PROVEN SENATOR GEORGE McGOVERN WAS RIGHT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. BROWN of California. Mr. Speaker, in the aftermath of the resignation of Richard Nixon from the Presidency, I have noticed several articles that referred to the Presidential campaign of 1972 and the Democratic nominee for President, Senator George McGovern. I believe most commentators are basing their analysis of events on an image of the 1972 campaign that is not and never was the reality of that campaign. The image became the reality, and the same commentators who are perpetuating that image were at least partly responsible for forming the false images of both Richard Nixon and George McGovern in 1972.

To be specific, George McGovern was considered strident, extreme, leftist, elitist, and several other things that were not true during his campaign. He was not considered, at that time, as a man who spoke for or to the majority of the American people. Richard Nixon was able, by successful manipulation, to project an image of being the choice of the overwhelming majority of people in all aspects of policy and even character. The tactics used to accomplish this impressive feat have now been exposed. Yet the image of Senator McGovern remains distorted. I do not mean to say that the 1972 election would have had different results if the means used to win were not illegal and corrupt. I do mean that the choice was not presented in an open and fair manner to allow the American people an opportunity to make a fair and honest decision.

It is for this reason, Mr. Speaker, that I ask unanimous consent to have printed in the Record one of Senator McGovern's major campaign speeches which was given on nationwide television on October 25, 1972. Anyone who reads this speech will note that it is a very moderate, even mild description of the corruption that was rampant under former President Nixon. Senator McGovern did not dwell on that corruption, but instead emphasized what positive actions could be taken with an honest and dedicated public servant as President. Hopefully we will not allow such distortions as occurred in that campaign to ever happen again.

Senator McGovern's speech follows:

NATIONWIDE TELEVISION ADDRESS BY SENATOR GEORGE MCGOVERN

In earlier broadcasts, I have discussed the choices facing the American people on two critical issues—the war in Vietnam and the economy of America.

Tonight, I ask you to consider another issue that troubles the very soul of our country. The issue is integrity. For although we are concerned about our immediate needs, there is a deeper crisis in America—a crisis of the spirit.

As I have listened to the American people and tried to sense what was in their hearts, one message has come through consistently. It is that people are losing confidence in their leaders.

I saw that in the eyes of an elderly woman in Wisconsin, who told me she feels abandoned by her country.

I heard it in the angry voices of men and women on the assembly lines in Detroit, who asked me why so much of their wages go for taxes when some big interests pay no taxes at all.

I heard it from a badly wounded young Marine in Vietnam last year, who told me: "I will never trust the government again." Too many people have told me: "All politicians are crooked."

When I hear that, I fear for the American future. For our free system of government is founded on trust between those who elect and those who are elected. And when that bond weakens, a part of democracy dies.

Restoring that bond of trust may be the greatest challenge facing the next President of the United States.

A few weeks ago, I suggested to the students at Wheaton College in Illinois that the President of the United States has a responsibility greater than running the government. He must also serve as the moral leader of the nation. He can lift the moral vision of American and rekindle our sense of national purpose.

The present administration is failing that responsibility.

Consider, for example, the enforcement of our antitrust laws. They were written to protect consumers against too much economic power in too few hands. And they safeguard our free enterprise system, preserving independent business against excessive concentrations of power.

By swallowing up other companies, ITT has become one of the most powerful conglomerates in the country. When ITT wanted to take over still another corporation—one of the nation's largest insurance companies—the Antitrust Division of the Justice Department said that was too much. So, they prepared to go into court to stop that merger.

But while the case was being prepared, ITT offered several hundred thousand dollars to finance the Republican National Convention. And what happened then? The antitrust case against ITT was dropped and the company destroyed the evidence of collusion in a shredding machine. Abandonment of that case meant a billion dollar settlement for ITT, higher costs for you, and less freedom in our free enterprise system.

When Mr. Nixon decided to abandon his first economic policy because it was not working, he set up a commission that he promised would control the cost of living.

But the Combined Insurance Company of Chicago is not covered. The chairman of that company gave half a million dollars to Mr. Nixon's 1968 campaign, and he has said he plans to give a million dollars this year. Seven days after he had dinner at the White House, the Price Commission gave his company a special exemption from price controls.

Last year, dairy lobbyists were pressing hard for higher milk prices. The Secretary of Agriculture turned them down. But then, a longtime advisor of Mr. Nixon met in the White House with the dairy lobbyists. They contributed $322,000 to Mr. Nixon's campaign. And within a few days, the Secretary of Agriculture reversed his decision and decreed higher prices for milk.

In 1970, 38 older Americans in Ohio lost their lives in a nursing home fire. After careful investigation, authorities traced the cause of that disaster to a highly flammable carpet. The fire became a raging inferno before the people inside even had a chance to be saved. So, stronger carpet safety regulations were proposed, to see that nothing like that would ever happen again.

But there was another meeting in the White House—between executives of the carpet industry and top officials of the Republican campaign. They gave almost $95,000 for Mr. Nixon's re-election. And the carpet safety regulations were postponed.

These activities do not demonstrate the moral standards that I believe America wants and expects. What they represent is the immoral influence of big money on the public business.

Last year, the Congress decided to do something about that. We adopted a new law that says you have a right to know where the campaign money is coming from, so you can judge whether special favors are involved. We followed the advice of Justice Louis Brandeis: "Sunlight is the best of disinfectants."

Although that disclosure law did not go into effect until April of 1972, my campaign has revealed the name of every contributor since I first became a candidate in January of 1971.

But Mr. Nixon did just the opposite.

Before the disclosure law went into effect, he launched a massive drive to beat the system and to defeat your right to know. By the time of the disclosure deadline, he had collected at least $10 million from powerful supporters.

He has not revealed the name of a single contributor. And that is the secret $10 million fund you have heard about. Mr. Nixon is saying, in effect, that it's none of your business who is bankrolling his campaign.

You have a right to ask candidate Nixon: "Why are you afraid to name your contributors?"

If we knew the names on that secret list, we might have the answers to some other troubling questions about why our government has acted the way it has over the past four years.

Why is it that when there is a tax break, it always goes to those who need it least, and never to you?

Why is it that the inefficient managers of Lockheed got bailed out by a government loan, but nothing is done to save the thousands of small businessmen and family farmers who are going broke every year?

Why did this administration help the big grain exporters take advantage of the family farmers on the Russian wheat deal?

And why is it that this administration puts a lid on wages, but lets prices rise on everything you buy?

These are some of the most important decisions our government has made in the last four years. Each time, the special interests won and you lost.

Is it any wonder that confidence in the moral integrity of government is declining?

Mr. Nixon and I disagree on the proper relationship between money, power and people.

We disagree, as well, on the conduct of political campaigns.

Four months ago, five men wearing rubber gloves and carrying burglar's tools were arrested by the police inside the Democratic Party headquarters in Washington. They were there in the middle of the night to remove listening devices they had previously planted on the telephones. Any they were there to steal private files on Democratic senators, congressmen, and party officials. One of them had $114,000 in his bank account—money that came from the Nixon campaign fund.

And the Democratic headquarters was not their only target.

We now know that these men were part of a nationwide network of at least fifty agents hired by the Nixon campaign to create confusion and division among the Democratic candidates for President. Part of their job was to distort your impressions of those candidates—what kind of men they were, and what they stood for.

You may recall the incident in Manchester, New Hampshire, in this year's first primary, when Senator Muskie showed his outrage at the unfair things that were printed about him in that city's newspaper. Many people believe that event had a decisive impact on Senator Muskie's chance for the nomination.

The whole affair started with a letter, supposedly from a voter in Florida, accusing Senator Muskie of using insulting language. But that Florida voter was never found. And now we know why. The letter was a forgery. And it has been traced to a White House aide.

This same army of Republican sabotage agents released false statements to the press in the name of Democratic candidates. They tried to place listening devices in my campaign office. They attempted to throw campaign schedules into disarray. They forged letters. They followed our families. They even plotted a disruption of their own Republican convention in Miami Beach so they could blame it on the Democrats.

And all of this was paid for out of a secret $700,000 espionage fund kept in the safe of Mr. Nixon's finance chairman and controlled by John Mitchell, even while he was still Attorney General of the United States.

Not one of these facts has been refuted or explained. The only response has been to attack the reporters who searched out the truth.

During 18 years in politics, I have never seen such efforts to poison the political dialogue. These Republican politicians have fouled the political atmosphere for all of us who see public service as a high calling.

They do not seek to defeat the Democratic Party, they seek to destroy it.

And in the process, they would deny one of the most precious freedoms of all—your freedom to judge which candidate will better serve your interests and truly reflect your view of America.

If our free system is to survive, we must recall that just as you set standards of decency and fair dealing in your own lives, there are accepted limits on what is right in a political contest.

But on the few occasions when they even acknowledge these actions, administration officials use terms like "caper" and "prank." They want you to believe that all presidential candidates accept contributions with strings attached. They want you to believe that all politicians wiretap and sabotage and spy, and that they always have. That is simply not true.

Special favors and secret funds cannot be ignored.

The crime of burglary cannot be excused by calling it a "caper."

And $700,000 worth of political espionage is no "prank."

The men who have collected millions in secret money, who have passed out special favors, who have ordered political sabotage, who have invaded our offices in the dead of night—all of these men work for Mr. Nixon. Most of them he hired himself. And their power comes from him alone. They act on his behalf, and they all accept his orders.

Yet, Mr. Nixon has even promoted some of the officials implicated in the scandals.

And he has blocked any independent investigation. He refused to answer questions from either the press or the people. He stays hidden in the White House, hoping you will mistake silence for innocence.

In 1961, when the Bay of Pigs invasion turned into disaster, President Kennedy did not duck the issue. He accepted full responsibility for everything that went wrong.

When Harry Truman sat in the White House, he had a sign on his desk: "The buck stops here."

That is the kind of men they were. And that is the kind of responsible presidential leadership we must restore.

Our present leadership has not only failed that test, it has undermined the personal freedom of Americans and the constitutional framework of our government.

We have seen a demeaning of our judicial system with Supreme Court nominations that shocked the nation. Two of those appointments were rejected by the Senate. Two others were stopped short by the American Bar Association. But four of Mr. Nixon's appointments now sit on the Supreme Court. And another four years could easily permit him to dominate the entire court for the rest of this century.

Likewise, the Congress has been undermined by the encroachment of arbitrary Executive power. American forces were committed across the Cambodian frontier without so much as a telephone call to leaders of the Congress. Mr. Nixon said of Senator

Mansfield's resolution calling for an end to the war that the Administration would ignore any such expression by the Congress. Secret arrangements have been negotiated with foreign powers without the consent or even the knowledge of the Senate Foreign Relations Committee. The war making power which the founding fathers lodged in the Congress has been pre-empted by the Chief Executive. And this abuse of power was made all the more dangerous when a military commander went unpunished even after he conducted bombing raids without the approval of civilian authority.

The Executive abuse of power is further compounded by the shift of foreign policy decisions to the basement of the White House, where the President invokes Executive Privilege to prevent those aides who make foreign policy behind closed doors from being cross-examined by the people's representatives in the Congress.

And now we are confronted with Executive efforts to assume the constitutional responsibility of the Congress to decide how public funds should be expended. In the tradition of an emperor rather than a public servant, the President has said to the Congress: "Give me $250 billion, and I will decide what is best for the American people."

But this is not the whole story of the abuse of power by the Administration. The First Amendment, which protects the people's right to a free press, has been weakened by a savage effort to intimidate the press. For the first time in American history, newspapers have been ordered not to print information embarrassing to the government, and reporters have been told they must produce their private notes before grand juries.

The government has asserted the right to tap telephones without a court order; a strange new doctrine called "qualified martial law" was used at a Washington peace gathering to lock up 13,000 people—the innocent along with the guilty—all of this in plain defiance of the Constitution.

Other dangerous new practices, such as preventive detention, no-knock searches of our homes, and a requirement that telephone companies and landlords must assist in planting eavesdropping devices—all of these are unprecedented threats to our personal freedoms.

We want to think that our Department of Justice applies the law with an even hand. But conspiracy laws were used to prosecute nuns and priests involved in a war protest, whereas no action was taken when students were killed at Kent State or Jackson State.

We are confronted, in short, with both a moral and a constitutional crisis of unprecedented dimensions. Ambitious men come and go, but a free society might never recover from a sustained assault on its most basic institutions. And one can only ask, if this has happened in four years, to what lengths would the same leadership go in another four years once freed of the restraints of facing the people for re-election?

The next President will inherit this crisis and this legacy of distrust that has been accumulating over the last four years. It will take time to convince people that they can believe in their government once again. It is not easy to teach respect for law and order when the government itself has scorned the moral and constitutional foundation of law and order.

But it can be done. I believe that a President who keeps faith with the American people will, in time, revive that confidence.

The next President can summon the American people to a higher standard—but only if he sets a higher standard for himself.

He can persuade Americans to care about their fellow human beings—but only if he cares himself.

And the next President can rekindle our love of freedom but only if he loves freedom more than power.

The next President must understand that freedom is not indestructible. He must heed the warning of Benjamin Franklin, as he stepped out of Independence Hall on the day that America was born.

"What kind of government is it?" someone asked.

"A republic," he said, "if you can keep it."

Benjamin Franklin and the others present in Philadelphia that day had risked their lives to secure their liberty from an oppressive government. They were not about to hand it over to more oppression.

They understood what we must remember—that freedom lost is seldom restored.

And like those early patriots, we must stand as watchmen, guarding our liberty from the advance of overreaching political power, just as we would defend it from an advancing foreign army.

I believe we will keep our Republic. We will save the ideals we have cherished for nearly two hundred years.

I believe that because I have been out among the people campaigning.

And this is what I have learned.

The people are not left or right or center. Rather, they seek a way out of the wilderness.

They want a president who will restore their trust in government by trusting them—a leader who will neither distort the truth, nor loan away the government.

They ask for a president who will tell them, not just what they want to hear, but what they have a right to know.

They want a leadership that will return a basic sense of fairness to government—that will set not one standard for the powerful and one for those without power; but a single standard for us all.

They hunger for that clarifying vision of national purpose that only a president can provide—a president who will lift our eyes above the daily entanglements to a more distant horizon, to the time when, as Thomas Paine said: "No land on earth shall be as happy as America."

That is the kind of president I want to be.

A president who will ask the best of our people, so we can glow with a new love for America—and America can lift a new light before the world.

Then our children and their children after them will love this land, not merely because they were born here, but because of the great and good country that you and I together have made it.

Thank you and good night.

H.R. 15264, EXPORT ADMINISTRATION

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. LUKEN. Mr. Speaker, last week I came to the floor of this House—the people's House—with the conviction that I was going to do something for the consumer—the consumer in Cincinnati and the consumer throughout America. I was going to vote for alteration of the Export Administration Act which would protect the interests of our people. I was going to support a meaningful effort by the Banking and Currency Committee to insure that the great Russian grain robbery would never occur again.

H.R. 15264, as reported by the committee provided for strict regulation of the export of our scarce commodities and materials and, thus, protect the American consumer. The bill sought to establish a procedure whereby any businessman representing a substantial segment of an industry might petition his Government to request monitoring and/or controls of an exported commodity so as to prevent an inflationary impact on our economy. Additionally, advisory committees with the necessary technical competence would have been established to determine which goods should have controls applied.

Mr. Speaker, it is high time that the most immediately affected groups in our society should be allowed to participate more actively in determining what is economically sound for America. Our standard must cease being, what is best for big business. This the Committee on Banking seemed to realize, if the measure they offered the House yesterday is any basis for judgment. They provided us with a means of protecting our people and of abating, to some degree, the fires of inflation.

I was willing to take what was offered and build upon it. Personally, I was committed to supporting the amendment offered by the gentleman from New York (Mr. WOLFF). This proposal sought to give Congress and the American people the capacity to head off potential shortages of raw agricultural commodities. The amendment would have required the Secretary of Agriculture to look ahead and determine whether certain vital farm products, presently subject to the reporting provisions of the Agriculture Act of 1970, were likely to be in short supply during the crop year. Should a determination of "short supply" have been made, the Secretary would have been mandated to bring this information to the attention of the Congress, together with a plan of action.

This approach would not have in no way imposed controls. What the supports of this approach sought, was a responsible approach to our commodity supply. We wanted an advance warning system for the American people which would insure that the great grain robbery would never happen again.

But we and the consumer were denied this when the House voted for a simple extension of the Export Administration Act—a statute which did nothing to prevent the rape of the American taxpayer in the past. Refusing to be a party to a shame, I voted against H.R. 15264.

I refused to support a measure which was anticonsumer in effect—and I opposed the work of the narrowest of agricultural interests who, oppose their own interest.

No law at all is to be preferred to a statute which is pretense and does nothing to improve the lot of our people.

GETTING THE TRUTH OF WATERGATE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. BINGHAM. Mr. Speaker, the following is a letter I received from a

Roman Catholic priest in Pennsylvania, commenting on a report in the New York Times that I was pressing for further congressional action so that the American people may know the full story of Watergate and related matters:

AUGUST 11, 1974.

MR. BINGHAM: I am a R. Cath. priest from Pennsylvania. I have followed Watergate closely. I saw the enclosed article in Saturday's N.Y. Times.

May I congratulate you, applaud you, invoke God's blessings upon you for what you were reported to have said.

The truth, Mr. Bingham; we need the truth; we do not have the truth.

You don't need me to tell you, I am sure: But, if the record is not completed, Mr. Nixon will find a way to make himself justified and Congress, the press, the public—all fools. I don't say he has to go to jail but he has to say what happened under oath—otherwise "the system" did not work; the Constitution did not work fully.

Papers and Tapes Issues in Capital—Impoundment of Nixon Data in White House Is Urged by Some in Congress

(By Richard D. Lyons)

WASHINGTON, August 9.—On the heels of Richard M. Nixon's resignation, some members of Congress were uring impoundment of Presidential documents still in the White House. A few even demanded that the Watergate investigation be continued.

But Representative Peter W. Rodino, Jr. said after a morning discussion of whether his House Judiciary Committee should make another attempt to obtain the 147 subpoenaed Presidential tape recordings that "were not an investigative body."

"Our inquiry is at an end," the New Jersey Democrat said in expressing what seemed to be the feeling of the majority of the membership of both houses of Congress.

Yet the disposition and even ownership of the vast amount of Presidential records, some of which could be used as evidence in forthcoming trials, was a recurring question that remained unresolved.

As Representative Jonathan B. Bingham, Democrat of the Bronx, put it in a speech on the House floor:

"The tapes and documents must be produced—the full story of Watergate is not known."

Over 13,000 cubic feet of records, papers, and audio-visual materials dealing with the Nixon Administration are stored in the National Archives here. But an immense number of records still remain in the White House and neither Mr. Nixon nor his aides have told Dr. James B. Rhodes, the Archivist of the United States, what is to be done with them.

In a tradition dating back to George Washington, Presidential papers are considered the property of the outgoing chief executive to dispose of as he wishes.

A bill to make these and any other records generated by a Federal official the property of the public was introduced six month ago by Senator Birch Bayh, Democrat of Indiana, but little action has been taken on the proposal.

Mr. Nixon's papers are a special case since, unlike the documents of other past Presidents, these could shed light on Watergate-related investigations and possible prosecutions, including that of Mr. Nixon himself.

During a news conference at the White House this afternoon, J. F. terHorst, President Ford's press secretary, said the Nixon documents were under the supervision of James D. St. Clair, who will stay on as special counsel to Mr. Ford, as he was to Mr. Nixon.

"YET TO BE DETERMINED"

Larry Speaks, an aide to Mr. St. Clair, said in response to a question that "I really don't know who the papers and tapes belong to. This is something that has yet to be determined."

Senator John V. Tunney, Democrat of California, said he had drafted a resolution to have the White House files impounded. But Mr. Tunney said he had declined to introduce the resolution on finding out that Leon Jaworski, the special Watergate prosecutor, had that power.

John Barker, a spokesman for Mr. Jaworski, said "nothing has been done" about impounding the files, and left the impression that it was not considered necessary.

Agents of the Federal Bureau of Investigation were not ordered to the White House to protect the files, unlike last October when agents were ordered to the Justice Department to protect files when the then special Watergate prosecutor, Archibald Cox, was dismissed.

Some members of the House Judiciary Committee, but clearly not a majority, feel that the work of completing its impeachment report will not be over until the subpoenaed tapes and documents are handed over to be included in the final report, which is to be turned over to the House next week.

MISS HOLTZMAN'S VIEW

Representative Elizabeth Holtzman, Democrat of Brooklyn, said some committee members had "expressed the thought that the investigation should continue into what Hunt and Liddy were doing elsewhere."

Miss Holtzman said that the operations of E. Howard Hunt Jr. and G. Gordon Liddy, convicted Watergate conspirators and members of the so-called "plumbers" unit, set up to stop leaks of information, had focused mainly on the Watergate break-in itself and the break-in of the office of Daniel Ellsberg's former psychiatrist.

Another issue, she said, was whether the House should go on record as approving the final impeachment report, which would have the effect of underscoring Mr. Nixon's complicity in the Watergate scandal and allied impeachable offenses.

Mr. Rodino is seeking some way to have the House approve the report, but exactly how is undecided. He may seek a "sense of the House" type of resolution, which would state that the report represents the views of the whole House.

But support for further Congressional investigations and the enforcement of subpoenas against Mr. Nixon appears to be virtually dead in both houses.

But Mr. Bignham said, "Until the full story of Richard Nixon's involvement in the Watergate cover-up and abuse of Presidential powers is known history and the American people may forever suffer an incomplete understanding of these traumatic events and the lessons they must teach."

He said that "at a minimum" the subpoenaed tapes should be turned over to the Judiciary Committee and that Congress should act "to assure that all pertinent Presidential records are preserved and laid open." He continued:

"In addition, we should consider legislation requiring that all Presidential papers, documents, tapes, etc., be turned over to the National Archives so that they be made available to the Congress and the public. In this instance, the past practice of allowing departing presidents to take their papers with them and dispose of them as they wish should not be followed."

The bill introduced by Senator Bayh, S. 2951, would require "that all papers and documents dealing with official business that are generated by and for an elected Federal official be turned over to the National Archives within 180 days after the official leaves office."

The bill would establish that the papers are owned by the Federal Government, but it contains a provision that the National Archives can send the papers to a public library such as a Presidential library. There have been plans to build a Nixon library to house such papers, but its fate is undecided.

SOCIAL SECURITY—STILL A GOOD VALUE

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. YOUNG of Georgia. Mr. Speaker, approximately 40 newspapers across the Nation recently printed a series of articles criticizing the social security system.

A point-by-point rebuttal of that series has been written by Dr. Richard E. Johnson, professor or risk management and insurance at the University of Georgia. Dr. Johnson not only has impressive academic credentials; for almost 20 years he was employed by the life insurance industry in sales, sales management, and field training. He holds the professional insurance designations of certified life underwriter and certified property and casualty underwriter.

Those who read the critical series on social security—and especially those who are alarmed about the future of the program—will benefit by reading Professor Johnson's detailed reply, which I submit for the RECORD:

Social Security: Still a Good Value

(By Richard E. Johnson)

Newspaper readers around the country have recently been exposed to a series of articles condemning the social security program. These articles, written by a Chicago newspaper reporter, Warren Shore, are not only inaccurate and misleading, but an element of viciousness can almost be detected in the manner in which the reader is given isolated half-truths to the exclusion of all other pertinent information. One is prompted to question what motivated this bias.

For example, Mr. Shore writes of Jeff Alfred, who, at the age of 23, contributed $676 (matched by an equal amount by his employer) to the Social Security Administration as a tax on his earnings this year. He then comments that should Jeff die, less than $300 would be paid to his wife as the total settlement of his account. This seems inequitable, but let us look at another possible example of a young married couple. Bob Miller (age 23) is a successful salesman and earns $13,200 both this year and next. At the end of that period he is killed in an auto accident and leaves behind his wife, Mary, and twin children, age one. It is possible for Mary and the children to receive social security benefits in excess of $1,844,715. This total benefit would only be paid to the Millers if the children were disabled during childhood and continued so until age 65. (An ever greater benefit would be paid if they lived longer.) It is assumed in this calculation that a yearly increase of 3% in benefits is made to offset increased inflation. Thus, for a contribution of slightly over $1,500, Bob's family profited to the extent of $1.8 million. Even if neither child had been disabled, a benefit of $819 per month would have been paid immediately and this monthly benefit would have been increased as the cost of living increased. The mother would have received this until the children were 18 and they would have received almost this amount had they continued their education until age 22, the total benefit paid being about $280,000.

No one will defend the first part of this example as being reasonable or typical—

twins being disabled for life. It is, however, just as typical as many of the examples used by Shore in his series. Jeff Alred's widow would have had to have been childless to have received the benefit stated by Mr. Shore. Although this is possible, it does not represent the average family being covered by the Social Security Act. Instead of looking at either the "less than $300 pay-off" or the $1,800,000 benefit," let us instead look at the total program and investigate its purpose and what it has done for our society.

In the early 1930s many schemes were developed to solve the crisis of the depression. One of the most popular movements was known as the Townsend Plan. This plan guaranteed $200 per month for all citizens 60 years of age or older. The only obligation on the part of the recipient was to promise not to work and also to spend his $200 within 30 days. It was assumed that this great influx of dollars into our stagnant economy would lift us up by our bootstraps and solve our economic problems. The requirement that the retiree not work supposedly would guarantee work for many younger people who could not find employment.

Although the Townsend Plan never became law, the Social Security Act did become law and benefits were paid to retirees prior to World War II. Initially only retirement benefits were to be paid and those only if the insured individual did not work in employment covered by social security. The same philosophy fostered by the Townsend Act permeated the Social Security Act—"Create Jobs for the Young." As the program expanded and started providing survivor benefits to widows with children, the same philosophy was continued. If a mother with small children was widowed, her right to full benefits depended upon her terminating "covered" employment. Even at this time, however, the benefits paid on the children's behalf were still continued regardless of whether the mother worked or not.

Today, almost 40 years later, the Social Security Administration follows the same pattern laid out initially—"If a parent is lost to a family, the surviving children need a full-time survivor parent as a guardian." If this is no longer the belief or attitude of the population, then the approach can be modified, but not without cost. The present cost projections of the social security program (OASDHI) consider the fact that some participants will not claim their benefits, preferring to work rather than to receive a social security benefit. If the "retirement test" were eliminated for all groups, retirees and survivors, the estimated increased cost would be about $4 billion. The ultimate result would be an increase in the social security payroll tax.

Perhaps this is the proper time to look at the cost of the program. Mr. Shore, in his series, constantly compares the cost of commercial insurance with that provided under OASDHI. His major failing is that he constantly compares the cost or the tax for the whole social security program with the premium charged for isolated coverages by the commercial insurance industry. Your author would be one of the last to criticize marketing methods used by the commercial insurance industry. Having been a part of it for 20 years and having made my living teaching the intricacies of the discipline for the last 10, I still find it a most viable and necessary component of our society. But, it cannot compete with a social insurance program. Social insurance is mandatory, there are no acquisition expenses in the form of sales commissions and underwriting expenses. Everyone must join the OASDHI system and their tax added to the employer's tax is automatically forwarded to the government.

Due to the great savings generated by the efficiencies mentioned above, social security cash benefits are administered for about 2 percent of the total tax income. Since the tax monies in the trust funds earn 5.6 percent interest per year, over 103 percent of all social security tax revenue is available for benefit payments. An average of 98% of all social security tax revenue is actually paid out yearly in the form of benefits to its insureds or their dependents. The remaining 5 percent plus has been added to the trust fund in anticipation of further increases in the benefit formula.

For the individual to continue receiving these most favorable rates, the program must continue as a compulsory program. It cannot exist if voluntary choice of participation is extended the public. If free choice were implemented, two groups would discontinue the coverage—the wealthy and the very poor. The wealthy would discontinue the coverage because they really do not need it and because of the slight redistribution effect of the program (slightly higher benefits per dollar of tax for the lower income). The poor would discontinue because they realize that our society will not let them starve and will take care of them via the welfare route. Thus, the large group of middle income earners will not only pay for their own future security, but will also be obligated to pay most of the tab for the increased welfare costs.

How does the life insurance industry compare in terms of costs and benefits? On the average, about 85 percent of premium income is returned in the form of benefits. The balance is required for administration and acquisition costs. This is not a large charge in comparison with the rest of the insurance industry. For most segments of the industry, expenses vary between 25 and 45 percent of premium income. Thus, even though the life insurance industry is doing a great job in comparison to the rest of the insurance industry, the Social Security Administration is doing a phenomenal one, almost beyond belief for a governmental agency.

Perhaps one of the biggest problems confronting the individual is that of comparing costs and benefits of the social security program with those provided by the commercial insurance industry. The major benefits provided by the OASDHI program include:

Monthly retirement benefits to retired workers.

Monthly benefits to disabled workers.

Monthly benefits to husbands or wives of retired workers.

Monthly benefits to widows and widowers of covered workers.

Benefits to widowed mothers.

Benefits to disabled widows and widowers.

Benefits for children of retired workers.

Benefits to children of deceased workers.

Benefits to children of disabled workers.

Benefits to parents of workers.

The entire Medicare benefit program.

Since these benefits are so varied and complex, no insurance company will offer all or duplicate benefits. But even when cost or price comparisons are made with similar contracts, there is no commercial insurance company that can compete, price wise, with the Social Security Administration. Perhaps an example is called for. When Mr. Shore speaks of the term policy as being the equivalent of the survivor benefit being paid for children under the age of 18, he is incorrect. When a 20-year term policy is purchased from a life insurance company to protect against premature death during the critical period while his children are young, he receives protection for that period. If, however, he had additional children later in life, the original contract is only good if it is renewable. Even then, it will only be renewed at a substantially higher price. The Social Security Administration makes no demands upon the individual as to his age or the time in life when he has his children. The only requirement is that children exist at the time of death, whether this be when he is 25 or 65. How does one compare the premiums charged for these "similar" coverages? It is almost impossible for anyone, let alone the interested insured.

It is now time to answer some of Mr. Shore's charges. In his first article, he comments on the increase in social security taxes during the past 20 years. He mentions an 800 percent increase in the social security tax, while benefits were increased only 300 percent. His figures are faulty. He is correct in that the total tax receipts did, in fact, increase by 800 percent; but, the benefits paid during this same period increased by almost 1,000 percent. Benefits actually increased more than contributions, not less, as his article stated.

Mr. Shore also states that the tax rate of the social security program has discouraged savings. He stressed the fact that in 1942 savings were at a very high level while only 3 years later, in 1945, savings had started to drop. He neglects to mention that in 1942 about the only thing available for sale was a tank or a battleship while in 1945 Germany had already surrendered. It is very difficult to understand how he finds a casual relationship between the program as now constituted and lack of savings. Many people are not saving today because of a drop in value of the dollar due to inflation. It is not the fault of the social security program that the dollar has depreciated. It is to the credit of the program that it guards against the failure of the dollar by virtue of its inflationary hedge. (A benefit that increases in value to maintain a relatively constant relationship in purchasing power.) There is no evidence to indicate that larger tax rates or salary bases have caused reduced savings by the individual.

If one income group has profited more than others by the Social Security Act, it is probably the "great middle class." This is the group which would suffer most if required to provide for their aged parents and relatives. As stated previously, it is no major burden for the wealthy, and for the poor it is impossible. The group in the middle would be forced again to provide for their own, and also for those who found it impossible. When Mr. Shore criticizes the situation where the middle-aged worker must pay the bulk of his security cost during his working years, the question must be asked when does he expect the individual to pay these costs? If he waits until retirement, it is too late. Adequate preparation must be made in advance to guarantee that which our people have come to expect.

Mr. Shore also considers the plight of Mrs. Marion Poteka, whose husband died and, due to low earnings in his early years, had an average taxable income of only $6,600. He states that her benefit check for her two children and herself amounted to only $435 per month (incidentally, this is tax free). For this amount to have been correct, death would have had to occur prior to 1971. To illustrate the advantages of the "inflation hedge" provided in the Act, the benefit would have been $522 in 1972 and about $580 today. This benefit will continue to increase as the cost of living increases. Inasmuch as this income is tax free and inasmuch as there is no longer any expense involved in securing this income or in providing for deceased spouse, this should prove to be adequate income, assuming her husband took some steps to supplement it with other private insurance. The reduction in benefits as depicted in the article ($435 reduced to $220 when Mrs. Poteka went to work) is simply not true. If Mrs. Poteka works and earns the total $7,540 cited in the paper, she would still receive about $360 per month if death occurred prior to 1971 and about $480 if death occurred today.

For many years the insurance industry has tried to convince the public that a reasonable aim for retirement is one-half the gross income prior to retirement. It is assumed that the cost of going to work, living away from home, and paying income tax will take 25 to 35 percent of one's gross income. In addition, since a retiree no longer has the financial obligation of paying social security taxes, retirement insurance premiums or other pre-retirement expenses, this income level is usually deemed reasonable.

How is the Social Security Act meeting this challenge? Actually, the benefits promised are very close to that mark. A married insured who has earned an average of $8,000 per year which has been subject to social security taxation will be entitled to $558 per month or about $6,840 per year, probably more than this couple realized on the gross pay of $8,000 prior to retirement. Similarly, a married individual who averaged $6,000 under the Act would be paid $440 monthly or $5,388 per year. If either the retired worker or his spouse died, the survivor would continue to receive about $3,600 per year.

The beauty of the present program is that there is no need for the retiree to worry about inflation. Today an automatic provision of the Act increases benefits as the cost of living increases. No commercial insurance contract can provide that benefit. The closest approximation would be the variable annuity which is offered by some companies. This provides an inflation hedge if the value of common stock keeps pace with the cost of living. In recent years there has been almost no correlation between the cost of living and the value of common stocks. The Social Security Act removes this worry from our retired citizens.

Primarily due to faulty assumptions and incorrect data, Mr. Shore comes to the conclusion that the program is bad and that it is even bankrupt. There is no way that anyone could consider the social security program bankrupt. It is true that the trust funds do not have adequate funds on hand to pay all future obligations today, but then neither do most private pension plans. The trust funds contain in excess of 50 billion dollars, sufficient to pay approximately one year's obligations. During that period it will collect sufficient revenue to pay the following year's benefits. This has been the basic technique over most of the history of the program. Most people would be far more concerned over some governmental agency having 400 to 700 billion dollars to play with. Disregarding what this might have done to the economy (some suggest that even World War II would not have brought prosperity if burdened by a fully reserved social security trust) think what an enjoyable time our congressmen would have had in increasing the debt limit sufficiently to provide securities for the social security trust to invest in. Perhaps an excerpt from the 1971 Advisory Council on social security's report might make this clear. The advisory board, consisting of economists, businessmen, and at least one executive from a major life insurance company, stated in its report:

"The test of actuarial soundness for a social insurance system is whether the expected future income from contributions and interest or invested assets will be sufficient to meet anticipated expenditures for benefits and administrative costs over the valuation period. The concept of actuarial soundness as it applies to a compulsory social insurance system differs considerably from the concept as it applies to private insurance and private pension plans, although there are certain points of similarity, particularly with the latter. A private insurance company must have sufficient funds on hand so that it will be able to pay all existing obligations. Such funding, however, is not necessary for a national compulsory social insurance system and is frequently not provided for in private pension plans, which may or may not have funded all the liability for prior-service credits toward benefits.

"Because compulsory social insurance is assured of continuing income (new workers must come into the program), it does not have to build up the kind of reserves that are necessary at all times in an institution that cannot count on current income to meet current obligations. It is proper in a social insurance program to count both on receiving contributions from new entrants to the system and on paying benefits to future beneficiaries, as well as those now on the rolls."

Thus, social insurance need only maintain funds sufficient to serve as contingency reserves. The assets of the social security funds serve this purpose.

Throughout this paper, most of the space has been devoted to pointing out the errors and omissions in Mr. Shore's articles. It would be just as much in error for me not to admit the shortcomings of the Social Security Act as that for which I have criticized Mr. Shore. Nothing is all good or all bad. There are areas in the Social Security Act which need improvement and further study. It is true that the single person or the married couple without children receive far less in protection than the typical married couple with one or more children. By the same token, less benefit for dollar contributed is provided the married couples where both parties work and pay social security taxes. The problem of having retirement benefits reduced if the retiree continues receiving earned income is also worthy of consideration. Of the 22 million people eligible to receive retirement benefits, only 6.4% are having any amount of their benefit withheld due to the earnings test. Although more people might work if the earnings test did not exist, it is reasonable to assume that the number would not exceed a total of 10%. Although this does affect the people concerned, the resulting benefit for the other 90% and the effectiveness of accomplishing the basic aim of the program, that of taking older people out of the labor market, is not disputed.

The criticisms levied by Mr. Shore are not new. They have been with us in some fashion since the initial implementation of the Act. Committees are constantly studying the program, its projections, and possible changes. Recently, James B. Cardwell, Commissioner of Social Security, issued the report of the trustees of social security. This 1974 Trustee's Report shows a long-range actuarial deficit for the OASDI program of about 3% of taxable earnings over the next 75 years. Much of this projected deficit is caused by a change in life style of many of our younger married couples, and the resulting decrease in birth rates for the Nation. We are now approaching a "no-growth" birth rate and it is important to know what effect zero population growth might have on the future levels of social security income and outgo.

Although no major impact will be experienced until the 21st century, the entire area of financing will be the main subject of study by the new Advisory Council on Social Security. Their recommendations will be submitted to the Congress by the end of the year. Therefore, by the end of 1975, in all probability, Congress will have enacted legislation to help solve this problem of the 21st century.

Over the history of the Social Security Act, many changes have been made, faults corrected, and more changes will undoubtedly be made in the future. The solution to the problems faced by the Social Security Administration cannot be solved by Mr. Shore's suggestions. Should the government ever make the decision to follow the recommendations of Mr. Shore—discard payroll tax for social security and buy government bonds—the most incredible fiscal confusion imaginable would result. All of the benefits of the social approach to insurance would be lost and all of the problems of Federal bureaucracy would remain.

Social security today is paying $4.6 billion a month in benefits to 30 million people.

Ninety-one percent of the people age 65 and over are receiving social security benefits or age eligible to receive them.

Ninety-five percent of all children under age 18 and their mothers will receive benefits if the family breadwinner dies.

Eighty percent of the population between the ages of 21 and 64 are eligible for disability benefits in case of a severe and prolonged disability.

Anything which can and does provide so much for so many cannot be bad. To the contrary, no better plan has yet been offered to us. Certainly, Mr. Shore's suggestion is not a better alternative.

REPRESENTATIVE LaMAR BAKER SPEAKER AT CAPTIVE NATIONS WEEK MASS RALLY IN TAIPEI, JULY 18

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 19, 1974

Mr. DERWINSKI. Mr. Speaker, our distinguished colleague from Tennessee, the Honorable LaMar Baker addressed the World Anti-Communist League's mass rally in Taipei, Taiwan, during this year's observance of Captive Nations Week, July 14–20.

Congressman Baker was the guest of Dr. Ku Cheng-Kang, President of the China Chapter, Asian Peoples Anti-Communist League, and delivered his remarks on the occasion of the 15th annual observance of Captive Nations Week to hundreds of delegates attending the rally in Sun Yat-sen Memorial Hall in Taipei, July 18.

His remarks were well received there and deserve the attention of his colleagues in the Congress and others who are assisting in the struggle of captive nations to be free of the bondage of communism.

I have the honor of placing Congressman Baker's address in the Record for the attention of all Members:

Address of Hon. LaMar Baker

Mr. Chairman, distinguished friends and guests of free China: In joining with you to commemorate the fifteenth annual observance of Captive Nations Week, I feel a great honor and privilege. I bring you the greetings of the American people and I reflect their admiration for the Republic of China, free China, a fortress in the Western Pacific attesting to the eternal human spirit. The National Captive Nations Committee, USA, salutes your passionate determination, your ceaseless endeavors and your eternal courage.

We meet here today in recognition of those nations who, through no choice of their own, suffer under the bondage of communism. Despite long years of daily political indoctrination, directed at eradicating the dignity of the individual and the identity of the nation the captive people's retain their identity with their traditions and beliefs. After decades of subjugation, they resist. Through their struggle, we remain confident of the eventual triumph of liberty.

In these confused and uncertain times, many people fail to make the distinction between the Nation and the State. The natural response of men who live in democratic societies is too assume the Government speaks for the people. We know, however, the oppressed nations in the Communist world have the voice, but not the liberty, to speak. Therefore, the first purpose of Captive Nations Week is to keep the plight of these people fresh in our minds and to convey to others in the free world the enformity of their sacrifice and struggle.

The second intent of our observance can be best seen in the words of the late President John F. Kennedy, "This country must never recognize the situation behind the Iron Curtain as a permanent one, but must, by all peaceful means, keep alive the hopes of freedom of the people of the captive nations."

On this occasion, with these two purposes in mind, we should ask ourselves: Are we justified in our advocation of liberty? The answer must be a loud, resounding yes. Democracy has been so widely accepted not because it is a luxury, not because of some vague yearning for human rights, but because of its universal values. We do not regard it as an accident or a coincidence the fact those states which have endured the longest under conditions of wealth and stability are democratic, while totalitarian regimes have either degenerated or eked out a precarious existence while furthering the welfare of the people very little. As your scholar, Lin Yu-tang, aptly pointed out, "This is the lesson of Chinese history. The greatest tyrants always have the shortest dynasties."

You, the people of the Republic of China, know freedom is both a luxury and a responsibility. You deserve the accolades of free men everywhere for the leadership you have exercised and the burdens you have borne in the ongoing struggle to see the free world does not forget the dilemma of our captive brothers. Through your work in the World Anti-Communist League and your endeavors in rallying the conscience of the free world against the aggression of the Soviets and the mainland, you are the official voice of principled anti-communism. I stand here as a thankful representative of the American people with their message, "We have not forgotten: we shall never forget."

I wish to convey my esteem for one man who is truthfully recognized as one of the great leaders of the free world. For half a century, Chiang Kai-shek has fought defiantly for the achievement of freedom while standing as a citadel against the forces of tyranny. Ageless and ever watchful, the generalissimo continues to represent a symbol of victory in this period of cold peace.

In these troubled times, my presence at this observance of Captive Nations Week here in your republic holds great personal significance. As a Member of the United States House of Representatives, I strongly opposed Peking's admission to the United Nations, thus, in blatant violation of the organization's own charter, replacing the legal government of China. Officially, it is true, the United States Government maintained its long-standing policy of opposing the mainland's admission, but to no avail.

I do not need to tell you here of the true nature of the mainland government, of its destruction of the traditional friendship between the American and the Chinese people, or of its treatment of its own oppressed citizens. I and my fellow Americans remember, and will always remember, the mainland is the largest of all captive nations, and, thus, continues to be the most infamous dictatorship in mankind's history.

As the United States nears the 200th anniversary of freedom and independence, the American people recollect the words attributed to one of our Founding Fathers, Thomas Jefferson, words that bear an unceasing reminder of the hardships and sacrifices of our country's birth and continuance, "Eternal vigilance is the price of liberty."

America will remain alert and watchful, for we know the loss of liberty for our allies would mean the loss of liberty for ourselves.

One facet of our vigilance remains our firm commitment to the Republic of China. The spirit of the 1954 Sino-American Mutual Defense Treaty endures as a vibrant part of living history, pledging the United States to "Act to meet the common danger in accordance with constitutional processes."

Our philosophic principles and our historical traditions constitute on oath in assurance of your republic's independence. The maintainance of mutual diplomatic ties and ambassadorships affirm the American conviction in the legitimacy of your Government. Our ever increasing trade and investment ties proclaim American belief in the viability of your Nation as an autonomous entity.

The credit for your success must be attributed to the determination and industry of the free Chinese people. You have learned well the greatest lesson of history, the best insurance of freedom and independence is a stable and prosperous nation. Mankind's past has illuminated this principle; it is true of the Greeks, of the Dutch, of the English, of the Swiss, of the Americans, and of all peoples who have prized freedom and democracy most highly, and who have enjoyed them most securely.

Through the application of your energy and discipline, you have achieved phenomenal economic development. In 1973, your country became the United States' tenth most important trading partner. The volume of your foreign trade exceeded 8.3 billion dollars, approximating the record of the entire mainland. Last year was unprecedented in terms of growth, your gross national product rising above twelve per cent in terms of real development. I know the estimates for the present difficult year of transition have been somewhat lowered to seven per cent, but representing my country, whose productivity has declined in the last two years, I must say the American people would be prudent in taking a lesson from your value(s) of frugality and respect for labor within the free enterprise system.

Your harvest is plentiful. The confidence of the American business in your expansion grows daily, as seen in the recent opening of a new trading center in Taipei. As our economic interdependence tightens, we deem imperative the continued American support of the Republic of China's memberships in the International Monetary Fund and the International Bank for Reconstruction and Development as non-negotiable conditions of our international economic policy.

Yet, in your affluence, you have not faltered in the determination to share the rewards of freedom with our captive brothers. Here, today, you present the finest observance of Captive Nation's Week in the world, a true source of hope to those behind the pale of Communist tyranny.

To the people of the emerging nations of Africa and Asia, the Chinese achievement represents the most effective model of modernization in existence. The path to industrial society does not necessitate a choice between either liberty and poverty or a programmed society directed towards centrally planned quotas and progress, a myth the authoritarian proponents wish us to believe, Your experience confirms our conviction that free men, in an open society, will fully actualize their potential riches while assuring their birthright of liberty.

If our rally here today symbolizes the triumph of the Chinese people and promises hope to the oppressed nations, your strivings would be fulfilled. Above these goals, moreover, we are also here to offer a challenge to all the Communist regimes.

We challenge the Communists to compete with free men in every field of human endeavor.

We challenge the Communists to prevent the stagnation of their children's minds under the weight of a lifeless ideology.

We challenge the Communists to satisfy the natural desires of every man for dignity and equality.

We challenge the Communists to accept the sincere critiques of their own system by their leading literary and scientific voices, such as Solzhenitsyn and Sakharov, without committing those voices to arrest or exile.

In short, we challenge the Communists to accept the truth.

But we know the Communists will fail to respond to our challenge. As we know their defeat will mean freedom's victory.

When that day of defeat dawns, the emancipated peoples of the captive nations will join hands with the Chinese and American people, "one heart and soul, one mind, one goal," and mankind will enter into a new springtime of freedom.

Thank you.

THE PROBLEM ON CYPRUS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. EILBERG. Mr. Speaker, the current problem on Cyprus is a tragedy of classic proportions. This situation is especially deplorable because it might have been avoided by the actions of our own Government.

It is true that the atmosphere in the executive branch at the time the Turks invaded Cyprus did not lend itself to clear thinking and immediate action, but certainly there should have been more than a symbolic wringing of our hands and muted expressions of protest.

Now we are faced with a situation in which Turkish troops are marauding at will observing the truce only when it suits their purposes.

It has been said that our lack of action was based on an attempt to prevent the southern flank of NATO from being splintered. Unfortunately, that is just what is happening because of our inaction. The Turkish Government is openly bragging about its conquests—made possible by the arms supplied by us for the defensive purposes of NATO—and the Greek people, including those on Cyprus, are almost totally united in their hatred of the United States and Turkey. There is also serious talk in Greece about closing our military installations in that country and the complete withdrawal of Greece from NATO.

I do not know what the outcome will be, but I hope that the people in charge of our foreign policy will have finally learned that our so-called "leverage" is worth nothing at all unless it is used and used forcefully, and that our foreign policy must be one of alliances with people because Metternichian agreements with other governments mean nothing unless they have the wholehearted support of the people.

At this time, Mr. Speaker, I would like to enter into the Record a report on this tragedy by Peter J. Liacouras, dean and professor of law at the Temple University School of Law.

Dean Liacouras recently returned from a trip to the Mediterranean area and he was in Greece just after the coup on Cyprus ousted President Makarios and the period when the Turks began their invasion of the island, and the junta was removed from control of the country.

The report follows:

Unraveling a Byzantine Mystery: (Or, How To Lose an Ally by Really Trying)

(By Peter J. Liacouras)

Events in the southeastern Mediterranean seem to move quickly and unfathomably. To an outsider the situation may appear murkier or more complicated than it really is. Indeed, since my return from Greece two weeks ago, I have often been asked to help clarify the "Byzantine mystery" that has masqueraded as the "Cyprus issue." In attempting to strip away these marks, I submit that the situation reveals another illustration of "tunnel vision" foreign policy which if carefully analyzed and understood should signal a rethinking and re-direction of American foreign policy.

THE "GRAND STRATEGY," AND SOME "TUNNEL VISION"

Smiling or smirking intellectuals inside or outside of government have been pursuing, we told, a "grand strategy." The pertinent "grand strategy" here is the partitioning of Cyprus between the 80 per cent Cypriots of Greek ancestry and the 20 per cent Cypriot-Turks; then, that territory would be brought into the North Atlantic Treaty Organization and the United States would be rid of the independent Cyprus headed by "that bearded Castro of the Mediterranean," President Makarios. Through patience, winking and mere wrist-slapping in the face of Turkey's military invasion and forcible occupation of northern Cyprus, the "grand strategy," we are told, is about to be vindicated. And the United States has covered its tracks by only indirectly supporting Turkey and avoiding undue Greek wrath.

Such a grand strategy, I submit, is inconsistent with long-term U.S. interests. It has not worked. In fact, it offers a classic illustration of "tunnel vision," the inability to see to your right or left, above or below, or very far ahead. The "tunnel vision" in this case will likely result in a dismantling of N.A.T.O. bases, which were a prime reason for the "grand strategy" in the first place, and the probability that there will shortly be no firm U.S. ally in Greece, Cyprus or Turkey.

Let me explain each of these conclusions and then respectfully submit some practical recommendations to our new President Gerald R. Ford.

1. THERE WILL BE NO ALLY IN CYPRUS

As difficult as it has been for Cypriots of Greek and Turkish ancestry to live side by side over the past several centuries, there was, since 1960, at least the beginning of the development of a sense of community in the newly independent, united Cyprus. This very limited progress has been undone by the "grand strategy." U.S. policy should view all people—not as pawns—but as human beings whose common interest is to live in peace and freedom.

Allies are people, not simply real estate. This reality insures that there will be no U.S. ally or N.A.T.O. bases in Cyprus which consists of some 530,000 Cypriot-Greeks and 120,000 Cypriot-Turks. Shortly, there will be only a splintered and devastated nation with a shattered economy, and a desperate people ripe for guerrilla warfare, quick to understand who re-balkanized them.

2. THERE WILL BE NO ALLY IN GREECE

Widespread Greek resentment towards the U.S. government is now clear even to our policy makers. It was driven home to me again during my last visit. That visit coincided with the Turkish invasion of Cyprus on July 20, and the return of civilian rule to Greece four days later. On successive Sundays, the precise substance and tone of the same charges were leveled, in private conversations, by persons (lay and official) on the extreme left and extreme right, as well as those in the center of the Greek political spectrum. The depth of this anti-American feeling rivals its breadth.

The common points, which even the Caramanlis government is finally echoing, are:

(*a*) *The U.S.'s ally: the military junta; and the "political immaturity" of the Greeks*

For the past seven years, U.S. policy has demonstrated a contempt for the political maturity and independence of the Greeks. It is the nearly unanimous Greek view that the U.S. installed and in fact supported the ruthless and hated military dictatorship from 1967 to 1974. The junta was continually praised by senior U.S. and N.A.T.O. military officers during this period; Vice President Agnew in 1972 and Secretary of Commerce Maurice Stans in 1971 both went to Athens to extoll the colonel's regime as a model government and ally of stability and progress.

Ths "puppet regime" charge runs deep in every Greek. Many Americans were until recently too naive to believe that U.S. officials would actually place and keep on the C.I.A. payroll George Papadopoulos, the Greek colonel who led the 1967 coup and proclaimed himself as President, and his successor, Colonel Demetrios Ioannides, who led the palace coup in November of last year that overthrew Papadopoulos. Such official conduct is bad enough in unfriendly nations or those nations without the democratic legacy of Greece. But to Greeks who were told that NATO was for their protection, the military junta propped up by the U.S. was considered an attack on the very dignity of Greeks as civilized creatures as well as on the integrity of their homeland, the cradle of modern democracy.

Americans finally got the message loud and clear from the White House on August 1. On that day, "top officials of the Nixon Administration" reportedly instructed the C.I.A. and other American governmental officials "not to continue interfering in the internal affairs of Greece." The Greeks knew it all along!

The demise of the junta and the simultaneous return of exiled Prime Minister Constantine Caramanlis was received with total euphoria by the Greeks. Even if they had earlier missed the implications of seven years of disastrous policy, our smiling intellectuals should then have recognized the need for an abrupt change from past U.S. policy. They have not.

(b) *Cyprus: the U.S. activity just before and right after the overthrow of President Makarios*

The second point concerns the events just before and after the coup in Cyprus. For two weeks prior to the violent overthrow of his constitutional government in Cyprus, President Makarios publicly warned of a military coup to be staged by the Greek junta leader, Ioannides, and his Cypriot agents. Despite these warnings and the convincing evidence mustered by Makarios, the U.S. government did not dissuade Colonel Ioannides from embarking July 15 on this illegal and clumsy overthrow of the constitutional government of Cyprus. Although Greeks may not love Makarios, they nevertheless were shocked and angered. For, as they told me, "at least he was chosen and elected by the Cypriots, not foisted on them by the Americans."

To the Greeks, Ioannides—with tacit U.S. consent—was waging a war against his fellow countrymen, the Cypriot-Greeks, who wanted to preserve an independent Cyprus. This was virtual treason. And what did the U.S. government then do? Within 48 hours, it had all but recognized as acting President of Cyprus, Nikos Georgiades Sampson, the Ioannides front man who bragged of having personally killed scores of persons, British, Turks and Greeks. The horror with which even cynical Greeks viewed this implicit American support for Sampson will haunt us for a long time.

(*c*) *Cyprus: the Turkish invasion, the change of government in Greece and a growing Turkish-Greek confrontation*

On July 20, within five days of the coup and while the U.S. should have been condemning and stopping Ioannides in his wanton action against Cyprus, the Turkish armed forces launched their invasion.

The Turkish action at first may have been defensible. Certainly it was understandable and predicted. The Turks saw the heavy hand of Ioannides and knew the character of Sampson with his well-known goal of *enosis* (union) with Greece at any cost. The history of maltreatment by Turks of Greek minorities and by Greeks of Turkish minorities was also understood. These two factors and the domestic unpopularity of the Turkish government headed by Premier Bulent Ecevit, led Turkey to the irresistible temptation to clobber its old enemy, Greece, by invading Cyprus ostensibly to protect the Cypriot-Turkish minority.

Late on July 23, just three days after the Turkish invasion, however, the Ioannides regime in Greece was felled. It was ousted not by Americans but by the Greeks themselves who seized on the Cyprus issue and a possible confrontation with Turkey, which they wanted to avoid, as their excuses. The Greek people would not have fought in Cyprus for the traitorous and stupid military regime that they believed was forced on them by the U.S. government. Within hours of Ioannides' fall, Mr. Caramanlis returned from exile in Paris to head a civilian government of national unity. He insisted on and succeeded in having the incredible Sampson replaced by the constitutional successor to President Makarios, the House of Representatives' President Glafkos Clerides.

Here was another ripe opportunity for U.S. initiative. But American foreign policy again reflected the squint of "tunnel vision." Everyone knew that the Ioannides adventure in Cyprus reflected his and only a small clique's wild dreams and schemes, not the will of the Greek people. The new Caramanlis civilian government wanted no part of the Ioannides policy. But was also clear that no Greek government could accept undue national humiliation at the hands of Turkey.

At this point, the United States should have placed extraordinary pressure on Turkey to stop its military expansion in Cyprus. "After all," Greeks told me, "it was the American puppet Ioannides who, with implied U.S. approval, started this war which may now lead us to a direct confrontation with Turkey. Now that Ioannides is gone, the U.S. should intervene to stop Turkey." The Greeks realized that Turkey might attempt to exploit the domestic crisis in Greece, transforming what was the understandable early intervention into an attempt to alter the international status of Cyprus in violation of international law. Such a course would lead inexorably to a direct Greek-Turkish confrontation even if not on Cyprus itself.

Timely and effective action by the United States would have avoided the direct Greek-Turkish confrontation which we are now witnessing and which is resurrecting the fanatical hatred that these two peoples had developed towards one another over the centuries. Instead of taking the simple and proper course, American policy makers were content to request both Turkey and Greece, only one of which was then actually using the military force, to stop.

Turks and Greeks are sophisticated enough to understand the distinction between a slap on the wrist and the pressure resulting from the heel of a boot on your neck.

The mere U.S. slap on the Turkish wrist has continued to the present. We are consequently faced with the threat of general war, even if the Cyprus partition seems secure, between these two traditional enemies, Greece and Turkey, who are our N.A.T.O. allies and whose stability, we have been told again and again, is "indispensable for the protection of the southern flank of N.A.T.O." This is bad not only for N.A.T.O. and the U.S., but for all humanity. During the past two generations, Greece and Turkey have been developing a modicum of shared expectations about their common interest to live in peace. This real progress may have been irreparably damaged, thanks to our "tunnel vision" policy.

But there are other more direct effects on the U.S. and N.A.T.O.: (1) the "home porting" of U.S. destroyers and the planned "home porting" of U.S. aircraft carriers in Greece can be written off; (2) the N.A.T.O. air and missile bases in Crete and on the Greek mainland are now in grave jeopardy; (3) Prime Minister Caramanlis' decision of August 14 to withdraw temporarily all Greek military personnel from N.A.T.O. will be as difficult to reverse as it was popular to Greeks; (4) American business investments, especially those made during the past seven years of junta rule under secret terms which will now have to be revealed, are placed in danger of expropriation; (5) U.S.-Greek cultural and educational exchange programs will be re-examined and probably interrupted; and so on.

Tunnel vision ignores such "details." U.S. foreign policy should not. The fact of the matter is that while "two Greeks make three political parties," nothing unites them more than what they perceive to be contemptuous U.S. policy or Greek humiliation at the boot of the Turks. And nothing should have been more studiously avoided by U.S. "grand strategists" than the development of the reasonable belief by Greeks that the boots of Papadopoulos, Ioannides, Sampson and the Turks were all "made in America."

3. THERE WILL BE NO ALLY IN TURKEY

For years we have been told by the Pentagon that the real basis for American foreign policy in Greece and Turkey has been the need to protect the southeastern flank of N.A.T.O. through stable and friendly governments. That flank is now exposed.

Only someone operating on an opiate derivative would expect the Turks to fight for the United States or N.A.T.O. The Turks did not even fight on the side of the U.S. during the last World War. Turkey's go-it-alone policy in Cyprus in the face of unanimous European condemnation is not reassuring to our N.A.T.O. partners. But actual fighting is, apparently, not the sole function of N.A.T.O. Another function is to have U.S. military bases in Greece and Turkey to protect and oversee U.S. (N.A.T.O.) interests, and to launch strategic moves in the Mediterranean and the Middle East. Those Greek bases are now in real jeopardy. With Greece militarily out of N.A.T.O., Turkey is geographically more isolated. It will be riskier for the U.S. to put additional bases in Turkey. Moreover, the chutzpah exhibited by Turkey in the Cyprus and Greece confrontations combined with other Turkish interests (such as resumption of full-scale opium production) run counter to real U.S. interests. The U.S., accordingly, has lost leverage not only with Greeks and Cypriots but also with Turks. This combination will push Turkish leaders to step up cooperation with the Soviet Union and move toward a more neutral or aloof Turkish policy in N.A.T.O., U.S.S.R. and U.S. relations.

These developments have undoubtedly led to smiles, not smirks, on the face of Moscow policy makers.

RECOMMENDATIONS

What should the U.S. do now to reverse this trend against our long-term interests? There are some who, of course, will say "good riddance to N.A.T.O." Others will say that because Turkey is four times the size of Greece, it is four times as important to the United States. And still others will say that Greece is more important because it fought on the side of the U.S. in two world wars and is the ancestral home of some three million Americans. But such simplistic thinking aside, I would respectfully suggest that President Ford deal with the real causes of Greek alienation while simultaneously pursuing an even-handed foreign policy without compromising principle.

As grim as the situation may appear, our new President has the unique opportunity to break with the "grand strategy." He could take these straightforward, common-sense steps:

(1) Promise to the people of Greece that U.S. policy, whatever it has been in the past, will, in the future, leave to the Greeks, *in fact*, the form and choice of their government.

(2) And, as to Cyprus:

(a) Demand that Turkey immediately return to the "cease fire" lines established by the U.N. Security Council.

(b) Demand that all Greek and all Turkish military personnel leave Cyprus by a certain date.

(c) Guarantee, independently of and in conjunction with the U.N., the full protection and legitimate political autonomy of the Turkish minority within an independent and unified Cyprus led by the constitutional ruler, President Makarios, or his successor chosen by lawful means.

(d) Call on the U.N. Security Council to strengthen the mandate of the U.N. force so that it will have an active supervisory role in helping reunit the two ethnic communities on Cyprus; and

(e) Offer economic assistance to the beleaguered people of Cyprus.

August 18, 1974.

DOMESTIC DAIRY INDUSTRY IN TROUBLE

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. ZWACH. Mr. Speaker, our domestic dairy industry is in trouble. Dairymen around this country are being faced with imminent bankruptcy. A large number of producers are getting out of the dairy business, and you cannot blame them.

Minnesota is of course a leading dairy State. It provides a good example of what dairy producers are up against.

June was dairy month in Minnesota, but there was not much to celebrate. Milk production for June was the lowest in 22 years. Only 888 million pounds of milk were produced, down 29 million pounds from May figures. Cow inventory dropped to 888,000 or 24,000 fewer cows than in June 1973, and down 44,000 cows from June of 1972.

The sad part about it is that between mid-March and mid-June Minnesota dairy farmers experienced a 20 percent cut in the price they received for milk. Yet cost of production items such as feed, concentrate, and equipment, continue to cost more.

Parity figures for July reveal that dairy producers are receiving 76 percent of the amount they received in 1910–1914. Butterfat prices are only 46 percent of the amount farmers received in 1910–1914. Yet everyone knows cost-of-production items are not only 76 or 46 percent of what they were in 1910–1914, but more like 100, 200, or 300 percent!

With your permission, Mr. Speaker, I would like to submit for the RECORD at this time, a chart developed by USDA showing the increases in the cost-of-production items for American producers.

INDEX NUMBERS OF PRICES PAID BY FARMERS, INTEREST, TAXES AND WAGE RATES, JULY 1973 AND MAY 1974[1]

Index	July 1973 index number[2]	May 1974 Index number[2]	May 1974 Percent of July 1973
Production items:			
Feed	363	366	101
Feeder livestock	723	564	78
Motor supplies	220	281	128
Motor vehicles	672	734	109
Farm machinery	668	712	107
Building and fencing materials	630	707	112
Fertilizer	172	272	158
Farm supplies	328	375	114
Seed	369	548	148
Interest	790	974	123
Taxes	1, 431	1, 451	101
Wage rates	1, 321	1, 467	111
Production items, interest, taxes and wage rates	539	602	112

[1] Source: Monthly Agricultural Prices, SRS.
[2] 1910–14=100.

Mr. Speaker, milk may not presently be as expensive as Arab oil, but if present trends continue we will continue to lose producers, domestic prices will rise, and everyone loses, producers and consumers. By continuing the present policy of importing large amounts of foreign milk and dairy products, we are rapidly becoming dependent on other nations for our dairy supplies. Our dairy producers can outproduce anyone in the world, but they cannot and will not compete against foreign producers operating under less stringent sanitary standards and subsidized by major foreign governments.

THE OFFICE OF ECONOMIC OPPORTUNITY

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. CAREY of New York. Mr. Speaker, 10 years ago today we witnessed an important event in American life—the creation of the Office of Economic Opportunity—and with it, a commitment to ending poverty in this Nation.

Although the Office of Economic Opportunity has been dissolved, many of the important programs it helped create are still active, incorporated within other agencies, Head Start, VISTA, Legal Aid—all of these were developed within OEO and all remain as important projects.

The OEO had its shortcomings. However, it was beneficial because it helped to provide the poor with a voice in the Government.

On this important anniversary, I would hope that President Ford would let all disadvantaged in this country know that he will continue the war against poverty so that one day soon there will no longer be the hardships and misery that OEO fought to end. We in the legislative branch are committed to ending poverty—but without the aid of all branches of Government we will not solve these problems quickly enough.

RHODESIAN CHROME IS ESSENTIAL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. ASHBROOK. Mr. Speaker, metallurgical grade chromite is a vital material for our defense needs and our domestic economy. It is the only grade economically suitable for steelmaking applications.

Rhodesia has the largest supply of metallurgical chrome. Approximately two-thirds of the world reserves are found in that nation alone.

The bill before us today would repeal the Byrd amendment, cutting off our supply of chrome ore from Rhodesia. It would also leave the Soviet Union as virtually the only supplier of metallurgical chrome to the United States.

The likely result of our dependency on the Soviet Union is a sharp increase in price. During the period of the last embargo, from 1967 to 1971, the price of Soviet chrome ore doubled. If the sanctions are reenacted, American consumers would have to pay double or triple the Rhodesian price to buy chrome from the U.S.S.R. As they did in the past, the Soviets would exploit their monopoly position in the U.S. market to gouge American chrome users.

Such an action would have a devastating impact on America's specialty steel industry. Other nations that openly or covertly buy cheaper Rhodesian chrome would be able to produce steel products at a lower cost than in the United States. For example, chrome accounts for about 20 percent of the raw materials cost of stainless steel. If our foreign competitors have access to low cost, high quality chrome, and we are forced to pay premium prices to Russian suppliers, the American steel industry simply will not be able to compete against imported stainless steel. The United States specialty steel industry would be seriously harmed and thousands of jobs for American workers would be lost. We cannot afford this blow to our economy.

Nevertheless, some Members of the Congress contend that we must repeal the Byrd amendment because of a United Nations resolution imposing sanctions against Rhodesia. This arguement is incredible. The U.S. Congress, not the United Nations, legislates for the American people. The United States is not subservient to the dictates of any international organization.

At this point, Mr. Speaker, I would like to include two resolutions from the 17th Congressional District of Ohio opposing repeal of the Byrd amendment. The resolutions were adopted on February 11, 1974, by the Coshocton City Council and by the Coshocton Board of Commissioners.

The resolutions follow:

COSHOCTON COUNTY RESOLUTION

The Coshocton County Commissioners met in a regular session on Monday, February 11, 1974 and the following resolution was made on Journal 33, page 694 of the Commissioners' Journal:

Whereas, the United States must import virtually all of its requirements of many basic minerals, such as chromium, manganese, tungsten, cobalt, tantalum, and

Whereas, the United States must import more than a third of other basic minerals, such as titanium, nickel, colombium, iron ore, and

Whereas, these basic raw materials are essential to the American specialty steel industry and to the economic health and security of our nation, and

Whereas, it is evident that raw material shortages and inflationary prices are likely to increase both at home and abroad, and

Whereas, Universal-Cyclops Specialty Steel Division, Cyclops Corporation, is one of the largest employers and economic factors in the County of Coshocton, Ohio, and is dependent on these raw materials, without which specialty steels cannot be produced, and

Whereas, the County of Coshocton, Ohio will be adversely affected by potential unemployment, loss of taxes and other revenue, and in addition thereto, the government of Coshocton County has deep concern for the general welfare of the community, and

Whereas, it is believed that the United States Government must evaluate without delay, our position with respect to imported minerals, and take required action to assure adequate future supplies at stable prices, and

Whereas, it is believed that under the conditions described, current legislation identified as H.R. 8005, now before the House of Representatives, which would deliberately cut off our nation from two-thirds of the world's resources of chromium, should be rejected by vote of the House as clearly counterproductive to our national best interests.

Now therefore, be it resolved, and it is hereby resolved, on motion of Mr. McCoy and seconded by Mr. Turner and duly carried, that:

Our representative in the United States House of Representatives, the Honorable John Ashbrook, be notified concerning the subject matter of this resolution, furnished a copy of same, and be urged to take all necessary action and to cast his vote to assure the defeat of H.R. 8005, and to take such other measures as deemed prudent and advisable to develop governmental policies to assure future supplies of our strategic mineral requirements in future years.

Resolution adopted by the Board of Commissioners of the County of Coshocton, Ohio, at a meeting held on February 11, 1974.

CITY OF COSHOCTON, RESOLUTION NO. 4–74

Whereas, the United States must import virtually all of its requirements of many basic minerals, such as chromium, manganese, tungsten, cobalt, tantalum, and

Whereas, the United States must import more than a third of other basic minerals, such as titanium, nickel, columbium, iron ore, and

Whereas, these basic raw materials are essential to the American specialty steel industry and to the economic health and security of our nation, and

Whereas, it is evident that raw material shortages and inflationary prices are likely to increase both at home and abroad, and

Whereas, Universal-Cyclops Specialty Steel Division, Cyclops Corporation, is one of the largest employers and economic factors in the City of Coshocton, Ohio, and is dependent on these raw materials, without which specialty steels cannot be produced, and

Whereas, the City of Coshocton, Ohio will be adversely affected by potential unemployment, loss of taxes and other revenue, and in addition thereto, the government of Coshocton has deep concern for the general welfare of the community, and

Whereas, it is believed that the United States Government must evaluate without delay, our position with respect to imported minerals, and take required action to assure adequate future supplies at stable prices, and

Whereas, it is believed that under the conditions described, current legislation identified as H.R. 8005, now before the House of Representatives, which would deliberately cut off our nation from two-thirds of the world's resources of chromium, should be rejected by vote of the House as clearly counterproductive to our national best interests.

Now therefore, be it resolved, and it is hereby resolved, on motion of Mr. Daniel Moody and seconded by Mr. John Baker and duly carried, that:

Our representative in the United States House of Representatives, the Honorable John Ashbrook, be notified concerning the subject matter of this resolution, furnished a copy of same, and be urged to take all necessary action and to cast his vote to assure the defeat of H.R. 8005, and to take such other measures as deemed prudent and advisable to develop governmental policies to assure future supplies of our strategic mineral requirements in future years.

Resolution adopted by the Council of the City of Coshocton, Ohio, at a meeting held on February 11, 1974.

AMERICAN RED CROSS HONORS WILLIAM COLEMAN

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. CHARLES H. WILSON of California. Mr. Speaker, it was very gratifying to learn that one of my constituents, Mr. William Coleman of Lynwood, Calif., has been named to receive the Red Cross Certificate of Merit which is the highest award given by the Red Cross to an individual who saves or sustains a life by skills learned in a Red Cross volunteer training program.

Mr. Coleman, who had completed a Red Cross first aid course earlier this year, was at home on this fateful June 6th when he heard a vehicle crash outside his building. Upon rushing outdoors, he noted that the injured driver had been thrown from the automobile. Additionally, no apparent life signs were present.

But William Coleman, calm under pressure, immediately began mouth-to-mouth resuscitation until breathing was restored and the rescue squad arrived to take the victim to the hospital. There is no question but that Mr. Coleman's valiant action saved this man's life.

Sir Winston Churchill once said:

> Courage is rightly esteemed the first of human qualities because it is the quality which guarantees all others.

Certainly, by this act of heroism, William Coleman possesses that "first of human qualities."

TRIBUTE TO TOM BELL

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, Wyoming and the West is indebted to the investigative reporting and environmental concern of Tom Bell, editor of the High Country News of Lander, Wyo. Tom Bell and his High Country News have broadened environmental concern and awareness in Wyoming and the West immeasurably. His thoughtful newspaper and his courage and integrity in reporting issues as he saw them, without regard to what was popular sentiment, have had a tremendous and enduring impact on his readers.

Tom has chosen to leave Wyoming to start a new home back on the land in Oregon. Although he will continue to be involved with High Country News, we will miss having him in Wyoming. I have a deep respect for Tom. He has never hesitated to let me know in no uncertain terms when he has had disagreement with my actions or statements. When we have agreed, he has been a hard working, tireless ally. I am glad that he will continue to work for and be involved with causes for the environment and I extend every good wish to him and his family in their new home.

The following article from the August 11, 1974 Denver Post briefly relates Tom Bell's story and I insert it in the RECORD:

FAMILY WESTWARD-BOUND: LANDER LOSING SCRAPPY PUBLISHER TOM BELL

LANDER, Wyo.—Monday morning, Tom Bell and his family will climb into his pickup truck, head out on U.S. 287 and bid goodby to their Wyoming home.

The scrappy editor-publisher of the High Country News, the environmental biweekly that has awakened broad national concern for the land, its creatures and people is going back to the land.

The land is 40 acres Bell has acquired near Halfway, Ore. There he will farm and will work to put into practice many of the environmentally oriented ideas his newspaper has nurtured.

"It isn't easy," he said. "It's tough to pull up deep roots. I've lived here all my life . . . I'm a fourth-generation Wyomingite."

More than six years ago Bell began a stormy career as editor and publisher of Camping News Weekly, Inc. As the environmental movement began to hold more of his attention, he changed the paper's name to High Country News. When advertising came into conflict with the paper's editorial stands, he gave it up and tried to make the publication go on $10-a-year subscriptions and his own assets.

He pulled no punches in reporting aerial hunting of eagles, land and water deals, federal fencing policies that annually trap and slaughter thousands of antelope. He named names. He published pictures. He presented the facts, including many not generally known.

Bell related the on-the-land reality of state and federal land management policies, particularly regarding coal strip mining, clear-cutting, protection of rare and endangered birds and animals, air pollution and water development. Fact-filled articles on population growth, lack of land-use planning in the face of coal-spurred development and the future of the land after the coal has been dug found a growing audience.

Stockmen who'd been vigorously assailed by Bell for overgrazing and misuse of public lands for private benefit, ranchers who were portrayed as killers of the nation's emblem, the eagle and persecutors of the coyote, found Bell was on "their" side in protecting the land and water and Wyoming's agricultural heritage from coal strip mining.

The High Country News had a fertile field, for little environmental or nonestablishment news was found in most Wyoming newspapers.

"There's more Wyoming environmental news in The Denver Post or the papers in Billings (Mont.) and Salt Lake City than in all the Wyoming papers put together," the award-winning newpaperman once said.

Bell's outspoken crusade for environmental protection put the High Country News on the financial rocks in winter 1973. In an editorial, Bell wrote, "We have simply run out of resources. Barring a miracle, we have come to the end."

Reader response was quick and decisive. Within two weeks the paper appeared to be "saved," at least for the time being. Summer gifts, loans and additional subscriptions had put the paper on a solid operating base.

Does he feel he has let his friends and readers down by leaving?

"Today the paper is in as good a shape as it's ever been," Bell replied. "We've got $10,000 cash and that much in certificates of deposit.

"I don't feel badly at all about leaving it healthy like that. I don't think people who helped the paper will be let down a bit. We probably will have to go back to advertising, and there will be some new faces around," he said.

Bell will remain as publisher and will be involved in major policy decisions. The paper will be run by John Nice with the help of Bruce Hamilton. They are a pair of steady, hardworking staffers who share Bell's philosophy.

"We think pretty much the same," Bell said. "The paper is in good hands. I wouldn't have it any other way."

What led to his decision to leave?

Part of it is the Bell temperament of seeking new challenges. The decisive factor is Bell's perception of what's happening in America.

"I think we're heading into some pretty tough times. I'm concerned on how I'm going to take care of my family unless I get back on the land . . . how I'm going to feed and provide for 'em."

The back-to-the-land requirements were good soil, water, plenty of open space and a longer growing season that the 5,300-foot elevation near Lander provided. He found his place in eastern Oregon, only 17 miles from the environmental battleground of Hell's Canyon of the Snake River. The elevation is 2,200 feet.

TO USE SOLAR ENERGY

"We're going to be truck farming, have a greenhouse and try our hand at using solar energy on a practical basis. When I found out what it would cost to bring electricity in, I thought there's gotta be a better way for the small amount of electricity we'll use," he said.

A waterwheel, a methane generator and the sun are part of Bell's plans. Also, he hopes to "do some of the writing I've been putting off for the past 10 or 12 years."

So Monday, the Wind River Mountains towering above them, Tom and Muriel Bell and their three youngsters will head down the Oregon Trail, 1974.

AN OPEN LETTER TO RICHARD M. NIXON

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BAUMAN. Mr. Speaker, I include in the RECORD an open letter to the former President written by Mr. E. Ralph Hostetter, of North East, Md., one of the most prominent newspaper publishers in the State of Maryland. Mr. Hostetter is a former president of the Maryland-Delaware-District of Columbia Press Association as well as a former president of Maryland State Chamber of Commerce.

The article follows:

AN OPEN LETTER TO RICHARD M. NIXON

(By E. Ralph Hostetter)

DEAR MR. NIXON: We wish you well. You have survived two years of tribulations with great courage and composure, and it is our belief that history will accord you the eminence you have earned by your achievements in foreign policy.

Millions of Americans listened intently Thursday night and Friday morning as you delivered to us your final messages as President of the United States. We were impressed with your dignity and even serenity. We marveled at your lack of bitterness after enduring two years of incredible hell.

It is true that you committed grievous political errors that caused your downfall, but that is all behind us now, and a new president has an opportunity to build on your epic accomplishments for a future of world peace.

Your legacy to us includes the new president, Gerald R. Ford, and the nation should remember that you chose this sincere, honorable man of the people to succeed you. It is difficult to imagine a better choice.

But the purpose of this letter is not to praise President Ford, although we shall support him and pray for him, but to urgently invite your continuing participation in world affairs for the cause of peace.

In your farewell remarks to us, you set forth a philosophy that regards every loss as a new beginning, and you indicated your desire to remain active in public life.

We believe this nation still needs your immense knowledge and skill in foreign affairs. Indeed, no other American has such comprehensive mastery of this complex field.

You enabled us to withdraw from the Vietnam War, one of the greatest tragedies in American history, with honor and without defeat.

Your administration not only mediated an end to the 1973 Arab-Israeli War, but also established a basis for future peace in that region of ancient hatreds which have caused modern bloodshed.

You make brilliant moves, which still awe the world, to establish a structure for peace with the Soviet Union and the Peoples Republic of China.

In recent years, I have traveled on four continents and met with influential people in the great capitals of the world and you are admired everywhere.

You have a global constituency, and no other man has your stature as a world statesman. I believe that you and our country have an obligation to continue your participation in world affairs.

President Ford must not overlook the opportunity to employ your brilliance and the respect accorded you by the nations of the world, or perhaps one of the independent foundations could sponsor your role as an ambassador of peace.

You are now fortunate to be free of all domestic responsibilities and the pettiness of domestic politics. You are now free to pursue, with total commitment never before possible, the great deal of a generation of peace.

Despite the epic accomplishments in foreign affairs during your presidency, we all know that world peace still hangs by a delicate thread, and a man of your vision and global respect must somehow continue the work of strengthening peace.

I am requesting that copies of this letter be inserted in the Congressional Record, so that every member of Congress will have an opportunity to read it. I shall also send a copy to President Ford.

To you, Citizen Nixon, I offer my sincere gratitude for your years of public service and the hope that you may continue to serve our country.

E. RALPH HOSTETTER,
Publisher.

AMENDMENTS PROPOSED TO H.R. 13565—THE FEDERAL NONNUCLEAR ENERGY RESEARCH AND DEVELOPMENT ACT OF 1974

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. HOSMER. Mr. Speaker, pursuant to rule XXIII, clause 6, of the Rules of the House of Representatives, I am causing to be printed in the CONGRESSIONAL RECORD a series of amendments which I plan to offer to H.R. 13565, the Federal Nonnuclear Energy Research and Development Act of 1974, and/or any substitute offered therefore in whole, or in part.

H.R. 13565 is an attempt to establish a national program of research and development in nonnuclear energy sources. Paradoxically, the purposes of parameters of such a program are not adequately or clearly discernible from a reading of the legislation or the accompanying committee report. In fact, H.R. 13565 is a somewhat amateurish, unprofessional approach to a segment of a complex national energy situation.

H.R. 13565, as reported by the Committee on Interior and Insular Affairs, falls short of what is a minimally adequate measure either to stand alone or to compliment the Energy Reorganization Act of 1974, which establishes the Energy Research and Development Administration—ERDA. The ERDA structure which is about to be erected should be suitably complimented. It should not be encumbered by popular catchwords, flourishes, fetishes, or wishful thinking that are not clearly harmless and empty of potentially adverse consequences. The patent provisions are inartfully drafted and create a thicket that would ensnare ERDA and impede its programmatic advancement. In addition, there are several prescriptions in H.R. 13565 regarding the manner of pursuing energy research and development that would constitute serious impediments to the conduct of such programs, whether carried forward with or without the management of the new agency. H.R. 13565 incorporates several impediments of this nature that will doubtlessly lead to litigation, costly delays, and other problems.

It is a difficult task to try and improve an unprofessional product through amendments. Nevertheless, conscience dictates that such an effort be made and therefore I shall offer amendments to H.R. 13565 or any substitute with substantially similar content, as follows:

AMENDMENT NO. 1

Page 38, line 2. Strike out "SEC. 2." and insert a new "SEC. 2." to read as follows:

"SEC. 2. It is hereby declared to be the policy of the Congress to establish and vigorously conduct a National program of basic and applied research and energy development, including demonstrations of practical applications, encompassing all potentially beneficial energy sources and utilization technologies."

AMENDMENT NO. 2

Page 38, line 10, after the word "Act" and at page 38, line 13, after "amended," insert the following: "and other provisions of law".

AMENDMENT NO. 3

Page 39, line 17 through 20, strike subsection (6) of SEC. 2. (b), and renumber the ensuing subsections accordingly.

AMENDMENT NO. 4

Page 39, line 21, after the word "practicable" insert "and consistent with other responsibilities of the Administrator pursuant to this Act".

AMENDMENT NO. 5

Page 39, line 24, through line 3, page 40, strike subsection (8) of section 2(b) and renumber the remaining subsection accordingly.

AMENDMENT NO. 6

Page 40, line 4, strike out the words "to the degree feasible" and insert "to the degree determined by the Administrator to be feasible and advisable,".

AMENDMENT NO. 7

Page 40, lines 7 through 23, strike Sec. 2.(c).

AMENDMENT NO. 8

Page 40, line 24, strike out "Sec. 3." and insert a "Sec. 3." to read as follows:

"NATIONAL ENERGY RESEARCH AND DEVELOPMENT PROGRAM

SEC. 3. (a) The Administrator of the Energy Research and Development Administration, hereafter referred to as the "Administrator", shall—

(1) formulate a proposed ten-year national energy research and development program, including a description of the principal features, objectives, planned approaches, and projections pertaining to each energy source and category of utilization technology to be encompassed by the program; and, thereafter, develop annual addenda or revisions updating the adopted program in the light of progress or past results, contemplated changes, amended plans or projections, and extensions of the initial ten-year time frame;

(2) conduct a study, in consultation with other executive agencies having general jurisdictions or knowledge in regard to manpower studies or data, to determine the numbers and types of scientific, technical and other personnel necessary to carry out effectively the overall, long-range energy research and development effort in this country, including recommendations of actions necessary for the training of such personnel; and, thereafter develop annual addenda or revisions updating such findings; and

(3) submit the proposed program and addenda or revisions thereto provided for in subdivision (1) of this subsection, and the results of the study and the addenda or revisions provided for in subdivision (2) of this subsection, to appropriate congressional committees. The material provided for in subdivision (1) shall be submitted at least forty-five days in advance of implementation thereof.

(b) In formulating the program and developing the addenda or revisions provided for in subdivision (1) of subsection (a) of this section, and in implementing the adopted program, as revised from time to time, the Administrator shall comply with the provisions of this Act, the Energy Reorganization Act of 1974, and such other requirements as may be imposed by Congressional authorizations pursuant to section 8 or by other statutes.

(c) As used in this Act, the term "research and development" means (1) theoretical analyses, exploration, or experimentation, (2) the extension of investigative findings and theories of a scientific or technical nature, including the experimental production and testing of models, devices, equipment, materials and processes, and (3) demonstration of practical applications and of advances in commercial or industrial applications."

AMENDMENT NO. 9

Page 40, line 25, strike the word "possible" and insert "reasonably practical".

AMENDMENT NO. 10

Page 41, line 3, strike the word "primary".

AMENDMENT NO. 11

Page 41, lines 8 through 14, strike subsection (b) of Sec. 3. and redesignate the ensuing subsections accordingly.

AMEDMENT NO. 12

Page 41, line 15, through line 1, page 42, strike subsection (c) of SEC. 3. and redesignate the ensuing subsection accordingly.

AMENDMENT NO. 13

Page 42, line 19, strike out "SEC. 4," and insert a new "SEC. 4," to read as follows:

SCOPE OF RESEARCH AND DEVELOPMENT

SEC. 4. (a) In carrying out his responsibilities under the Energy Reorganization Act of 1974, the Administrator shall, among other things—

(1) vigorously conduct research and development activities in a wide range of energy technologies in order to insure adequate, reliable, economical, and environmentally acceptable energy sources and systems to support the essential needs of modern society;

(2) develop the technology and information base necessary to support development of the widest possible range of options available for future energy policy decisions;

(3) investigate the capability for and, in general, the option of energy self-sufficiency for the United States through the development of socially and environmentally acceptable methods for the utilization of domestic energy sources;

(4) intensively pursue research and development directed toward improvement in efficiency and reliability of means of energy production, conversion, storage, transmission and use in the reduction of energy waste, and in other energy conservation technology areas;

(5) assure that the national research and development program includes appropriate attention to the high desirability of advancing technologies in such areas as—

(i) recycling and reuse, including productive use of agricultural and animal wastes, garbage, sewage, and industrial materials and processes;

(ii) magnetohydrodynamics, fuel cells, gas turbines, and other improved means of generating energy;

(iii) inertial and other types of energy storage systems;

(iv) systems approaches to energy use in residential, commercial, and industrial sectors;

(v) energy conservation through improvements in home design, insulation techniques, and electrical equipment and processes;

(vi) transportation vehicles and systems, including improvements of and alternatives to the internal combustion engine, and the development of efficient means of public transportation;

(vii) solar energy systems, including residential and commercial heating, cooling, and combined heating and cooling systems, central power stations, and photovoltaic cells;

(viii) geothermal energy resources, including improved means of assessing such resources, developing hot dry rock, developing geopressured hot water, and extraction of useful materials;

(ix) coal resources, including improved means of extraction of surface and subsurface deposits, reclamation of mining sites, converting coal to gaseous, liquid, or other forms of clean energy sources, and utilizing coal and coal derivatives in an environmentally acceptable manner;

(x) oil and gas resources, including improved means of secondary and tertiary recovery, and of preventing and coping with marine oil spills;

(xi) extraction and utilization of hydrogen as a fuel source;

(xii) means of utilizing tidal and wind power;

(xiii) nuclear processes; and

(xiv) process heat and other energy-related processes.

(6) to the extent determined by the Administrator to be feasible and consistent with his responsibilities, provide for a program for the international exchange of energy-related technologies.

(b) Pursuant to the authority and directions of this Act, the Administrator shall transmit to the Congress—

(1) in the proposed program provided for in subdivision (1) of subsection (a) of section 3, the Administrator's recommendations for a vigorous Federal research and development strategy and priorities designed to achieve solutions to immediate and short-term (to the early 1980's) energy supply system and associated environmental problems, including specific anticipated actions and proposals for the most effective approach, through Federal assistance—

(i) to accelerate the demonstration of technologies for producing a low-sulfur fuel suitable for boiler use;

(ii) to accelerate the demonstration of technologies for producing substitutes for natural gas, including coal gasification; the Administrator shall particularly consider the desirability of inviting proposals from potential participants based upon Federal assistance and participation in the form of a joint Federal-industry corporation, and the Administrator's recommendations in this regard shall include a report on the desirability and viability of using this form of Federal assistance or participation;

(iii) to accelerate the demonstration of technologies for producing syncrude and liquid petroleum products from coal; the Administrator shall particularly consider the desirability of inviting proposals from potential participants based upon Federal assistance and participation through guaranteed prices or purchase of the products, and the Administrator's recommendations in this regard shall be accompanied by a report on the desirability and viability of using this form of Federal assistance or participation;

(iv) to accelerate the demonstration of advanced power cycles for the generation of electricity from coal, including technologies which employ the production of low British thermal unit gas from coal;

(v) to accelerate the demonstration of geothermal energy technologies;

(vi) (A) to accelerate the demonstration of the production of syncrude from oil shale, and (B) to assist the research and development of in situ methodologies for the production of syncrude from oil shale;

(vii) to demonstrate new and improved methods for the extraction of petroleum resources, including secondary and tertiary recovery of crude oil;

(viii) to demonstrate new and improved methods for the extraction of coal resources, including lignite, bituminous, and anthracite coal;

(ix) to demonstrate the economics and commercial viability of solar energy for residential and commercial energy supply applications;

(x) to accelerate the commercial demonstration of environmental control systems including particulate and sulfur oxides emission control systems, necessary for the timely implementation of air pollution standards and water pollution standards established pursuant to Federal or State law;

(xi) to investigate the use of tidal power for supplying electrical energy; and

(xii) to demonstrate new and innovative energy conservation technologies.

(2) In the proposed program provided for in subdivision (1) of subsection (a) of section 3, the Administrator's recommendations for a vigorous Federal research and development strategy and priorities designed to achieve solutions to middle-term (the early 1980's to 2000) energy supply system and associated environmental problems, including specific anticipated actions and proposals for the most effective approach, through Federal assistance—

(i) to improve the economics and cost-effectiveness of the technologies set forth in the research and development strategy recommended pursuant to subdivision (1);

(ii) to advance improvements in the methods and technologies for the transportation and storage of electric energy;

(iii) to demonstrate advanced power cycles for the generation of electricity which represent significant improvements in the efficiency of conversion of energy resources to electricity;

(iv) to demonstrate hot dry rock geothermal energy technologies;

(v) to demonstrate advanced solar energy technologies;

(vi) to determine the economics and commercial viability of the use of hydrogen as a primary energy source;

(vii) to demonstrate the use of fuel cells for central station electric power generation;

(viii) to determine the economics and commercial viability for producing synthetic energy supplies from agricultural products and wastes; and

(ix) to determine the economics and commercial viability of the production and use of methane gas as an energy source.

(3) Within one year following the submission of the proposed program provided for in subdivision (1) of subsection (a) of section 3, the Administrator's recommendations for a Federal research and development strategy and priorities designed to achieve solutions to long-term (beyond 2000) energy supply systems and associated environmental problems, including specific anticipated actions and proposals for the most effective approach, through Federal assistance—

(i) to further improve the economics and cost-effectiveness of the technologies set forth in the research and development strategy recommended pursuant to subdivisions (1) and (2); and

(ii) to advance the use of hydrogen as a primary energy source.

(4) In the proposed program provided for in subdivision (1) of subsection (a) of section 3, the Administrator's recommendations, for each of the time frames set forth in subdivisions (1), (2), and (3) of this subsection, respecting the research and development strategy for nuclear options pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974."

AMENDMENT NO. 14

Page 47, line 13, strike out "SEC. 5." and insert a new "SEC. 5." to read as follows:

FORMS OF FEDERAL ASSISTANCE

"SEC. 5. (a) In the conduct of research and development activities pursuant to the Energy Reorganization Act of 1974, the various forms of Federal assistance and participation may, among other things, include—

(1) joint Federal-industry corporations consistent with the provisions of subsection (b) of this section;

(2) Federal purchases or guaranteed price of the products of demonstration plants or activities under contractual arrangements for demonstration projects; and

(3) Federal loans under contractual arrangements for demonstration projects.

(b) MODEL CORPORATIONS.—Joint Federal-industry corporations proposed pursuant to this Act shall be subject to congressional authorization pursuant to section 12 and shall, except as otherwise so specifically authorized, conform to the following guidelines:

(1) Each such corporation is authorized to design, construct, operate, conduct, and maintain one or more experimental demonstration facilities, or other operations which will ascertain the technical, environmental and economic feasibility of a particular energy technology. In carrying out this function, the corporation shall be empowered, either directly or by contract, to utilize commercially available technologies, perform tests, or design, construct and operate pilot plants as may be necessary or incident to the design of a full-scale facility.

(2) Each corporation shall have—

(A) a Board of nine directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the Board to serve as Chairman. The Board shall be empowered to adopt and amend bylaws. Five members of the Board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and four members of the Board shall be appointed by the President on the basis of recommendations received by him from non-Federal entities including those proposing to enter into contractual arrangements to participate in the corporation's activities;

(B) a President and such other officers and employees as may be named and appointed by the Board (the rates of compensation of all officers and employees shall be fixed by the Board); and

(C) the usual power conferred upon corporations by the laws of the District of Columbia.

(3) An appropriate time interval shall be established for the term of Federal participation in the corporation at the expiration of which the Board of Directors, shall take such action as may be necessary to dissolve the corporation or otherwise terminate Federal participation and financial interests. In carrying out such dissolution, the Board of Directors shall dispose of all physical facilities of the corporation in such manner and subject to such terms and conditions as the Board determines are in the public interest, and a share of the appraised value of the corporate assets proportional to the Federal participation in the corporation, including the proceeds from the disposition of such facilities, on the date of is dissolution, after satisfaction of all its legal obligations, shall be made available to the United States and

deposited in the Treasury of the United States as miscellaneous receipts. All patent rights of the corporation shall, on such date of dissolution, be vested in the Administrator: *Provided*, That Federal participation may be terminated prior to the time established in the authorizing Act upon recommendation of the Board of Directors.

(4) Any commercially valuable product produced by demonstration facilities shall be disposed of in such manner and under such terms and conditions as the corporation shall prescribe. All revenues received by the corporation from the sale of such products shall be available to the corporation for use by it in defraying expenses incurred in connection with carrying out its functions under this Act.

(5) The estimated Federal share of the construction, operation, and maintenance cost over the life of each corporation shall be determined to facilitate the congressional authorization of the full amount at the time of establishment of the corporation.

(6) Each corporation shall comply with the specific patent and dissemination of information requirements provided for in the pertinent congressional authorization for the creation of the corporation.

(7) Prior to the establishment of any joint industry corporation pursuant to this Act, the Administrator shall submit to Congress a report setting forth in detail the consistency of the establishment of the corporation with the objectives of the Energy Reorganization Act of 1974 and this Act, and the proposed purpose and planned activities of the corporation."

AMENDMENT NO. 15

Page 48, line 15, strike out "guidelines:" and insert "guidelines except as otherwise authorized by Congress:"

AMENDMENT NO. 16

Page 54, line 14, strike section 7. and the caption thereof and redesignate the ensuing sections accordingly.

AMENDMENT NO. 17

Page 54, line 14, strike SEC. 7. and substitute the following therefor:

"SEC. 7. Within six months after the effective date of this Act, the Administrator shall report to the President and the Congress his views concerning the impact of applicable patent requirements and policies on the programs and missions of the Energy Research and Development Administration, and his recommendations respecting the necessity or advisability of revisions or additions to statutory requirements affecting patent policy."

Mr. Speaker, it is my understanding that the gentleman from Arizona (Mr. UDALL) intends to offer an amendment in the nature of a substitute to H.R. 13565. Since I have not had the opportunity to see the gentleman's amendment in the nature of a substitute in the form it is to be presented on the floor of the House of Representatives, it is difficult for those of us who have an interest in the legislation to be reasonably apprised and under stand the effect and significance of the gentleman's amendment in the nature of a substitute upon the committee reported bill. Therefore, in accordance with rule XXIII, clause 6, of the Rules of the House of Representatives, I shall propose a series of amendments to the gentleman's amendment in the nature of a substitute to H.R. 13565 which are the amendments I have above specified, and which, keyed to the August 9 committee print circulated by the gentleman from Arizona would apply to the print as follows:

Amendment No.	Page	Line
1	2	23
2	3	6 & 9
3	4	18
4	4	22
5	4	25
6	5	4
7	5	7
8	5	24
9	5	25
10	6	3
11	6	8
12	6	16
13	7	22
14	12	20
15	13	20
16	20	4
17	20	4

THE THREAT OF A "VETO-PROOF" CONGRESS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. CRANE. Mr. Speaker, there is little doubt that the goal of organized labor and a variety of other organizations is the achievement of a Congress dominated by a single party which would be in a position to override Presidential vetoes and provide for themselves, in effect, a blank check for legislative action.

Those who seek such a "veto-proof" Congress have a lengthy legislative agenda. Included in that agenda is the repeal of section 14(b) of the Taft-Hartley Act which would mean that any American worker could be compelled to join a labor union whether he wanted to or not.

Also on the legislative agenda of those who seek a "veto-proof" Congress is the unionization of Federal employees which would, almost immediately, destroy the Civil Service system, as well as revive inflationary spending programs, particularly the AFL–CIO's national health security plan which would bring socialized medicine to the United States.

Discussing the plans of organized labor to achieve a Congress which will do its will, Harold Gordon, of the U.S. Industrial Council, notes that—

> The voting public must be made aware of the danger if we are not to elect a Congress that will be totally unresponsive to the interests and opinions of the vast majority of the American people.

Recent polls cited by Mr. Gordon show that 68 percent of the American people oppose compulsory unionism and 70 percent feel that union leaders have too much power over our lives.

Mr. Gordon tells voters that—

> When your candidates for Senator or Representative try to talk to you about Watergate or inflation, don't be put off—ask them where they stand on the *real* issue of this election year: government of the people, by the people and for the people—or government of the unions, by the unions, and for the unions?

I wish to share with my colleagues the pamphlet by Harold C. Gordon entitled "The Threat of a 'Veto-Proof' Congress," published by the U.S. Industrial Council, and insert it into the RECORD at this time:

THE THREAT OF A "VETO-PROOF" CONGRESS

A representative government—or a union dictatorship? This is the crucial choice confronting American voters in this year's elections: Whether the 94th Congress will legislate for the good of the nation as a whole or for the exclusive benefit of organized labor.

No matter how hard some politicians may try to duck the issue—either by bemoaning inflation or wallowing in Watergate—the fact remains that union czar George Meany and his cohorts are openly calling for a "veto-proof" Congress and are prepared to spend the vast resources of Big Labor (including millions of dollars of compulsory union dues) to achieve their goal. If they succeed—if they are able to elect enough pro-union senators and representatives to give them a two-thirds majority in both houses—then they will have a Congress that will not only enact dozens of blatantly pro-union bills but will be able to override any attempt by the President to veto them. And this could mean disaster for the country at large.

For proof of this we need look no further than some of the bills which the union bosses have already managed to have introduced. If they get their "veto-proof" Congress we can almost certainly expect to see the passing of the following legislation:

The repeal of Section 14(b) of the Taft-Hartley Act: Long a major union objective, the repeal of 14(b) would eliminate state right-to-work laws. This would mean that any American worker could be compelled to join a union whether he wanted to or not.

The legalization of many union practices unfair under existing law: These would include the legalization of the secondary boycott, on-site construction picketing, and other unfair labor practices and also what one congressman has termed the "emasculation" of the Landrum-Griffin Act which places restraints on union leaders.

The unionization of federal employees: Under legislation now pending before Congress, federal employees could not only be organized into a union but could be compelled either to join the union or to pay the union a "representation fee." This, of course, would destroy the Civil Service System.

The revival of inflationary "Great Society" spending programs: The unions would certainly push for massive federal spending in a wide variety of areas and might very well secure passage of the AFL–CIO's "National Health Security" plan *which would bring about socialized medicine in the United States.*

The passage of crippling anti-business legislation: "veto-proof" Congress would give a tremendous boost to those senators and congressmen pushing for the virtual nationalization of American industry. *A sample of what this would mean is a proposed bill to set up an "Employment Relocation Administration" which would have power to determine if an employer could close down an unprofitable plant.*

The passage of unheard-of increases in labor benefits: Not only would we see still another increase in the minimum wage, but already legislation has been proposed to set federal standards for workman's compensation programs—standards which would not take local conditions into consideration.

Clearly, 1974 is a golden opportunity for the union chiefs. Although a recent poll indicates that 68 per cent of the American people oppose compulsory unionism and 70 per cent feel that union bosses have too much power over our lives, how many voters—in this year of Watergate and impeachment politics—are going to take a really close look at where their candidates stand on the issue of a "veto-proof" Congress?

The voting public must be made aware of the danger if we are not to elect a Congress that will be totally unresponsive to the interests and opinions of the vast majority of the American people.

So when your candidates for senator and representative try to talk to you about Watergate or inflation, don't be put off—ask them where they stand on the real issue of this election year: government of the people, by the people, and for the people—or government of the unions, by the unions, and for the unions?

SENIOR CITIZENS DESERVE THIS

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. HANRAHAN. Mr. Speaker, the social security system definitely needs revising. Many Congressmen and Senators, including myself, have introduced legislation to increase the amount of outside earnings a social security recipient may receive without any deductions from benefits. The present limit is $2,400; my bill would increase this limit to $7,500. I would like to insert the following article from the Economist for the interest of my colleagues:

Senior Citizens Deserve This

Senior Citizens clubs in the area are making an all-out effort to get behind legislation that would abolish the earnings limitation for social security recipients.

Currently, individuals receiving social security can earn up to $2,400 without penalty. Retired workers earning more than that forfeit $1 in social security payments for every $2 earned. However, individuals age 72 and over have unlimited earnings and still receive full social security payments.

We have commented in these columns on many occasions that this restriction is unfair and most everyone agrees that it is. However, its enactment will reduce government income to some extent so the bureaucracy opposes it. And—at least until now—the senior citizens have not been a strong enough pressure group to get the modification passed.

Now, we are happy to report, there is a bi-partisan effort underway in both the Senate and House to eliminate the earnings test. Sponsors of bills in the Senate include Senators Robert Byrd (D-W. Va.), Barry Goldwater (R-Ariz.), Edward Gurney (R-Fla.), Hubert Humphrey (R-Minn.) and Strom Thurmond (R-S.C.). The Humphrey proposal is part of a more comprehensive social security bill.

In the House 34 Democrats and 24 Republicans are co-sponsoring legislation that would remove the earnings test.

The Senior Citizens clubs are urging that letters supporting this legislation be addressed to the Senate Finance Committee, 2227 New Senate Office Building, Washington, D.C., 20510 and the House Ways and Means Committee, 1102 Longworth House Office Building, Washington, D.C., 20515. The only Illinois members on either of the committees are Rep. Daniel Rostenkowski, Democrat and Rep. Harold Collier, Republican.

We have never been able to figure why the earnings limitation was imposed. Perhaps it dates back to the depression era when jobs were scarce and the idea was to make room for more people on the employment rolls by retiring everyone possible and keeping them from competing for the jobs available. Even that doesn't make sense, however, for the social security system's complicated rules permit some workers, mostly those in the professions, to get around the $2,400 limit by lumping their income in certain periods.

Now in this period of galloping inflation, with costs far out-stripping any increase in pensions or social security benefits, the limitation is an extreme hardship on retired persons and should be removed at once.

We think the abolishment would also help to reduce a broadening class cleavage between senior citizens and the rest of the population.

We urge that these sentiments be communicated to the Senate and House committees and that Congress act promptly to remove a restriction that should never have been imposed in the first place.

NIXON SHOULD NOT BE GRANTED IMMUNITY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. CLAY. Mr. Speaker, since President Nixon's resignation there has been much discussion about granting him immunity from prosecution. A recent commentary which was aired on KSD–TV in St. Louis by one of its newscasters, Mary Spencer, discussed this issue.

I want to share Ms. Spencer's comments with my colleagues because I share her point of view. As she stated:

> If this is a nation of law, then justice demands that every man answer to the law, be he bootblack or President. This is not vengeance, this is simple justice . . . To complete the constitutional process, the investigation must continue, all revelations must be made public and, after the due process, justice done. The doctrine that no man is above the law still hangs in the balance: the job must be finished.

Following is Mary Spencer's commentary:

Mary Spencer's Commentary

August 11, 1974.

Those in Congress who—out of compassion—are suggesting immunity from prosecution for former President Nixon should weigh the President's own law-and-order statements, including this one: "law and order are code words for goodness and decency in America."

And, in opposing amnesty for draft evaders, President Nixon called for them to "pay the price". He said: "the price is a criminal penalty for disobeying the law of the U.S." These are Mr. Nixon's words.

If this is a nation of law, then justice demands that every man answer to the law, be he bootblack or President. This is not vengeance, this is simple justice.

There is no doubt that Mr. Nixon's resignation represents a triumph of the democratic process but it is only a first step. We can but note that, in his farewell speech, he adroitly substituted the words "errors in judgment" for criminal intent.

Of even graver concern was his statement that he simply lacked the political base in Congress to continue his fight for vindication. This scarcely has the ring of an admission of guilt . . . in fact, the very opposite.

No . . . to complete the constitutional process, the investigation must continue, all revelations must be made public and, after due process, justice done.

The doctrine that no man is above the law still hangs in the balance: the job must be finished.

ERIE COUNTY EXECUTIVE SCORES VACUUM IN FEDERAL URBAN/SUBURBAN POLICY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BADILLO. Mr. Speaker, I have announced earlier that I plan to offer an amendment to the committee reform bill to establish a standing Committee on Urban Affairs in the House. A major aim of my proposal is to involve Congress for the first time in a regional consideration of the problems of the Nation's urbanized areas, an approach found nowhere in the Government today.

In an article in yesterday's Washington Post, Erie County executive, Edward V. Regan, expresses his concern over the absence of Federal policy on urban/suburban matters, and he laments the fragmentation of Federal aid programs, duplication of services, and the inevitable waste and inefficiency resulting from this oversight. My own research shows that there are 104 congressional districts that are 50 to 100 percent urban, 131 that are 50 to 100 percent suburban, and another 65 that are more than 50 percent urban/suburban combined. Thus 300 of the 435 congressional districts must be considered predominantly urbanized, yet we have no committee or agency attempting to formulate coherent regional economic, environmental, or housing policies to reflect this reality.

Mr. Regan advocates the organization of a metropolitan lobby by the large urban counties and cities to remedy this deficiency, and I believe that his thought-provoking ideas deserve the attention of all my colleagues who are interested in modernizing the operations of the House. The article is here included in full:

A New Approach to Local Government

(By Edward V. Regan)

The counties of the nation are seriously hindered in doing their jobs by the lack of a single, rational federal policy addressed to the problems of modern urban/suburban—that is, regional—government. The federal government simply isn't sure which local governments are supposed to perform which functions. Consequently, federal monies are handed out haphazardly and problems are attacked from all directions at once, resulting in more sound and fury than progress.

Time and again we have gone to Washington to press for recognition of the county as the viable vehicle for regional government. It's been an uphill battle. We measure our success by how many times we can get the word "county" inserted in a bill along with the word "city." We're happy to have someone acknowledge our existence.

Cities don't have the problem of recognition. Whenever "urban" problems are mentioned, the discussion centers around the city and the mayor. Yet, the urban area has spread far beyond the city's boundaries. Urban problems are really metropolitan problems. In many areas, the voters have moved out to the suburbs and political clout has moved along with them.

The federal government talks about cities out of force of habit while it really has no idea which local governments are supposed to solve which problems. Indeed, it's reported that the Postal Service couldn't even find 4,000 of the 38,000 local governments which were to receive the first revenue-sharing checks.

The effectiveness of the Manpower Revenue Sharing program has been diminished by the same confusion. As the program is now structured, a prime sponsor is any government unit with a population of 100,000 or more. Erie County qualified under this standard, but so do three other governments within the county—the City of Buffalo and two suburban towns. The federal government was ready to deal with all four, creating the potential for competition for funds and the possibility of needless duplication of effort as well as handicapping efforts for areawide planning. Only great good will and cooperation spared Erie County such dismal results. Will other areas be as fortunate?

When I attended congressional hearings on the Allied Services Bill, Under Secretary of H.E.W. Frank Carlucci—when he talked about action at the local level—talked almost exclusively about cities, not acknowledging that, except for a few places like San Francisco, Boston, and New York where the city has totally taken over the county, it is the county which has the responsibility for the delivery of health and social services.

The lack of knowledge on the part of Washington administrators is not surprising. Local government is complicated. The great variety of governments which perform an even greater variety of tasks creates a truly maze-like situation. Because the federal government doesn't know who does what in this complicated system, it has been willing to help anybody do anything, with a not surprising result: what really needs to be done often doesn't get done.

The "solution" has been, not to explore and take advantage of the local governments already in existence, but to invent a multitude of special agencies, each funded to do their thing.

The proliferation of the new quasi-governments has been astounding. There are thousands of authorities performing special functions, and hundreds of area-wide planning agencies, councils of governments (COGs), and area groups organized under the Office of Management and Budget's bulletin "A–95" and charged with reviewing and commenting on applications for federal grants. These quasi-governments overlap and cut through the traditional local governments. In the resulting confusion, lines of authority are blurred and responsibility is diminished, with the net result that it is difficult to hold officials responsible for their actions and genuine grievances go unanswered.

Now the American Council on Intergovernmental Relations has come up with a plan to rationalize and institutionalize this new level of government. The ACIR—which is best described as a scholarly arm of the federal government designed to deal with local governments—has suggested that sub-state districts be created as the main funnels for federal aid to the local level and the main performers of A–95 functions.

The ACIR's recommendations should not be passed off as academic wool gathering. The 15-year history of ACIR shows that its recommendations become federal policy and federal law with monotonous regularity. The terminology of sub-state districts is already beginning to creep into bills before Congress.

These districts would be a third level of government between Washington and the people. But I don't think that any of us who are in constant contact with local political feeling could say that what the American people want is a new level of government.

I propose a program which will merge the cities' visibility with the countries' ability to get things done on an area-wide basis.

We should talk about the two-tier approach to local government: area government for area concerns and local community government for local community concerns. In other words, let the county do what it can do best and let the cities, towns, villages, townships, and boroughs—those governments which are the objects of loyalty and identification—do what their present structure and closeness to the people allow them to do best. Such a system makes possible economies of scale and preservation of a sense of community and of citizen involvement.

For instance, police training should be handled on a county basis, while control over police hiring and police policy remains with the local community government. The city would no longer need to spend great sums on training and could concentrate on increasing police services. The towns and villages would have a training program they could never afford individually. Why not have the federal government encourage two-tier, rather than the overlapping and duplication which now plagues local government?

We must focus on the cities' responsibilities. Under the two-tier approach, the cities can go to Washington and say: "This is our problem. We're responsible. Do this for us," rather than crying "Help! We're drowning." Similarly, the area government can ask for specific help. In this way clear constituencies are marshalled and clear voices are heard. In a democracy, there is no other way of getting things done.

Finally, the several dozen large urban counties and large cities which exercise county functions must form joint action coalitions in such fields as welfare reform and mass transportation, which are area concerns. Together we probably represent 50 per cent of the American people and much more than 50 per cent of those vitally involved in these concerns. Once we speak with one voice, the federal government will have to listen and begin to act.

This is basically a simple program, designed to create clear lines of responsibility and strong advocates in order to clear away the aimless confusion which has stifled the democratic process. If we try, perhaps we can make those adjustments and fine tunings which will improve metropolitan life and prevent a true crisis from endangering us all.

GREEK SOCIETY CONDEMNS SLAYING OF U.S. AMBASSADOR

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. CRONIN. Mr. Speaker, the following article appeared in the Boston Herald American this morning and I want to call it to the attention of my colleagues as an indication of the continuing moderation of the Greek people and their understanding and patience during this time of stress. The article points out the loyalty of the Greek people to the United States, and expresses their dismay at the violence of their compatriots on the Island of Cyprus:

GREEK SOCIETY CONDEMNS SLAYING OF U.S. AMBASSADOR

The American Hellenic Educational Progressive Ass'n (AHEPA), which is holding its 52nd annual convention in Boston this week, opened its formal sessions yesterday by deploring the murder in Cyprus of U.S. Ambassador Roger Davies.

Davies was shot down by Greek Cypriot demonstrators who attacked the U.S. Embassy.

In a telegram to President Gerald Ford and Sec. of State Henry Kissinger, AHEPA Supreme President William T. Tsaffaras said:

"The Order of AHEPA is shocked by and deeply mourns the death of Ambassador Roger Davies in Cyprus.

"As good and loyal Americans, we are distressed by such a regrettable event, and deplore it in the name of humanity."

Tsaffaras, of Chelmsford, last Friday said AHEPA had asked Ford and Kissinger and both houses of Congress to issue a statement urging withdrawal of Turkish invasion troops from Cyprus.

Approximately 15,000 delegates were in Boston for the convention, with headquarters at the Sheraton Boston and many sessions scheduled for Hynes Veterans Memorial Auditorium.

The three auxiliaries of the organization, the Daughters of Penelope, Sons of Pericles, and Maids of Athens, held business sessions yesterday at the Sheraton Boston and during the evening there was Greek music and dancing at the auditorium.

CHARLES MASTERPOLIS SAVES CHILD'S LIFE

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. GINN. Mr. Speaker, it has been brought to my attention that a citizen of Chatham County, Ga., who lives near the Savannah Beach area, is responsible for saving the life of a small child because of his swift action and as a result of his knowledge of appropriate first aid techniques.

I want to share the details of this event with my colleagues so that this timely act can be publicly recognized and so that all will be personally aware of the invaluable knowledge that our community service organizations can provide citizens.

Mr. Charles Masterpolis of Savannah Beach normally arrives home from work at the same time every day. However, on this particular day that could have easily marked a very tragic incident, Mr. Masterpolis' car battery died and it was necessary for the battery to be recharged by a jump cable. Not wanting to further weaken the battery, Mr. Masterpolis had the air-conditioning off and was driving with the windows down.

Because of the late evening hour, there was little traffic on Jones Avenue. While driving along, Mr. Masterpolis heard the screams of two women and immediately went to their aid. The women were holding a small child. The child was turning blue from lack of oxygen. Upon learning that the child had accidentally been hit by the women's car, he immediately began to administer mouth-to-mouth resuscitation. Shortly, the child began to breathe again. Mr. Masterpolis continued his efforts until local police arrived on the scene to transport the child to emergency units en route to the accident.

The attending physician later advised those involved in the incident that the child would recover largely as a result of Mr. Masterpolis' first aid efforts. Had Mr. Masterpolis not administered this life saving technique, this story may well have been a tragic one. In all probability, the emergency units would not have arrived in time.

Mr. Masterpolis felt that it was an act of God that he came upon the scene of the accident at the particular time he did. Had his car started promptly, he would have been home long before the accident occurred. Had he not had the car windows down, he feels it is unlikely that he would have heard the cries for help. Not one other car passed the scene during these critical moments. Mr. Masterpolis expressed his gratitude to the Red Cross for the course in life saving that he had taken. He plans to return for refresher courses because of his personal experience with the value of knowing these techniques.

I commend Mr. Masterpolis for his swift and deliberate action that saved the life of this child. Thankfully the child is once again enjoying life with his family, life that almost ended tragically.

I also commend the Red Cross for its efforts to teach concerned citizens such as Mr. Masterpolis how to save lives and to administer treatment to those in need of first aid attention.

COMPLETING THE RECORD

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. HANRAHAN. Mr. Speaker, the Nixon administration has now come to its end. We now are under the guidance of Jerry Ford; this is definitely in the best interests of our country. It was difficult for Mr. Nixon to give up the Presidency, but it was the only choice he had. For the interest of my colleagues, I wish to insert the following Chicago Tribune editorial:

Completing the Record

The 10 Republican members of the House Judiciary Committee who steadfastly backed Richard Nixon in the impeachment hearings have drafted a minority report acknowledging, in effect, that Mr. Nixon was guilty and that they were wrong. Their report is an important service to the country and to history.

The tapes made available since the committee hearings, the 10 say in their report, prove that Mr. Nixon was impeachable under the first of the three articles approved by the committee—the one charging obstruction of justice—"and that history should so record." This report will be presented to the House along with the majority report finding Mr. Nixon impeachable on three counts.

Now that Mr. Nixon has resigned, no further action is called for on the committee's reports—and this is precisely what makes the minority report necessary and important. This considered conclusion, reached reluctantly and unanimously by a group of Mr. Nixon's staunchest defenders, will do a great deal to minimize the doubts and bitterness that would have plagued the country if important men had continued to assert Mr. Nixon's innocence.

"We hope," the report said, "that it will not hereafter be said by many that Richard Nixon was 'hounded from office,' for that is not true.

"It was Richard Nixon, not his long-time critics, who impeded the FBI's investigation of the Watergate affair by wrongfully trying to implicate the CIA.

"It was Richard Nixon, not seasoned Nixon-baiters, who created and preserved the damning evidence of that transgression and who, knowing that it had been subpenaed by both the committee and the special prosecutor, concealed its terrible import until he could do so no longer."

The report clearly suggests, and history will have to agree, that there was a continuing effort on the part of "Nixon-baiters" to discredit Mr. Nixon. This effort began long before Watergate and before Mr. Nixon's election. As time passes and objective judgments can be made, it is likely that in many areas Mr. Nixon will be judged right and his attackers wrong. But whatever their initial motives, the critics proved right on Watergate. Many of us who supported Mr. Nixon in other respects had to conclude as the evidence accumulated [or was concealed], that he was unfit for office.

This evidence and the minority report prove beyond a shadow of doubt that Mr. Nixon would have been convicted in the Senate if he hadn't resigned.

Of course there are some who will continue to insist that Mr. Nixon was unjustly hounded from office, just as there are some who continue to insist that President Kennedy's assassination was the result of a conspiracy. They are entitled to their suspicions. But their numbers are bound to dwindle. They have no persuasive argument against the overwhelming evidence and the almost unanimous agreement of knowledgeable men and women of all political persuasions that although the Nixon administration ended sadly, it ended properly.

RADIO STATION KIVM COMMENDED FOR ITS SPORTS BROADCAST COVERAGE

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. MATSUNAGA. Mr. Speaker, radio station KIVM has recently been commended by the city council of the County of Kauai, Hawaii, for community service.

In its resolution, the council noted that KIVM has developed a particularly original approach to sports broadcasting—the Ali'i Sports Classic. KIVM also broadcasts Little League and Pop Warner sports events, thus publicizing the many wholesome recreational activities available to the youth of Kauai.

I would also like to commend Mr. Ken Harding, president and manager of KIVM and Gene Good, sports director, for expressing a special commitment to sports and to Hawaii's young people. With the thought that my colleagues will find it of interest, I am submitting a copy of the county council's tribute for inclusion in the Congressional Record.

County Council, County of Kauai, Resolution

Whereas, Radio Station K.I.V.M. has projected a great variety of community and sports radio service through their Ali'i Sports Classic; and

Whereas, such complete community service in sports will be a benefit for all the people of Kauai; and

Whereas, the broadcast of Little League, Pop Warner, tennis, and other sporting events will publicize our youth recreational activities; Now, therefore, be it

Resolved by the Council of the County of Kauai, That it take this means to congratulate Radio Station K.I.V.M. for their initiative in the broadcast field and wish them every success; be it further

Resolved That copies of this resolution be forwarded to Ken Harding, President and Manager of K.I.V.M., Gene Good, Sports Director, and to the officers of K.I.V.M.

STATEMENT BY REPRESENTATIVE BLACKBURN

HON. BEN B. BLACKBURN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BLACKBURN. Mr. Speaker, in reviewing the debate on Wednesday, August 14, in regard to H.R. 9989—and within the 5 legislative days for remarks—I believe I may have left unclear a point that was raised by the gentleman from Indiana (Mr. DENNIS). During the debate he asked whether section 106(b) of the bill, the antikickback section, could be construed as authorizing a civil suit brought by a homebuyer who believed that the charge made to him by a lawyer, banker, realtor, title insurance company or other person who provided a settlement service was in excess of the reasonable value of the services rendered. He pointed out that if this was the interpretation of the provision it would, in essence, be authorizing a form of judicial rate regulation since a court would have to determine the reasonable value of the services provided in every instance.

After rereading section 106 and the floor debate, I want to make it perfectly clear that in my opinion section 106 would not authorize that type of law suit. Section 106(b) provides that no person shall give or receive any portion, split or percentage of charge made for a settlement service except for services actually performed. The House Banking Committee report makes clear that this prohibition was intended to deal only with fee-splitting arrangements among participants in the settlement process, whereby an attorney, title company, lender or other person who provides a settlement service might give a portion, split or percentage of the fee he receives to someone else even though the person who gets the portion, split or percentage has not done any legitimate work.

When section 106(b) says that no person shall give a portion of the fee to anyone else except for services actually performed, it is clear that the word "person" does not refer to the homebuyer or seller himself who is purchasing a settlement service. If this were not true, then the homebuyer or seller might be liable for the criminal and civil penalties provided in subsection (d).

Thus, there should be no question that section 106 does not in any way authorize a civil suit nor subject an attorney or anyone else who provides settlement services to civil or criminal penalties if the homebuyer believes that the charge made to him is in excess of the reasonable value of the services rendered. What is subject to civil and criminal penalties is if the person rendering the settlement service gives or splits a portion of the fee he receives with someone else and the person receiving the payment provides no legitimate service in return.

MEDITATION DELIVERED AT FUNERAL OF JAMES R. HUGHES

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, this past June Virginia State Trooper James Hughes was tragically killed in an automobile accident while he was stopped giving assistance to a motorist. His death was a great loss to his fellow law enforcement officers and to all Virginians who have benefited from his fine service.

On request I am including in the Record a copy of the memorial services by Dr. W. L. Lumpkins of the South Norfolk Baptist Church.

Meditation Delivered at Funeral of James R. Hughes, June 5, 1974

God does not give assurance even to the elect against trouble, suffering, or loss. Too often, people have felt that Christianity was a miracle drug designed miraculously to make life easy without suffering and pain. The purpose of Christianity is not to enable us to avoid difficulty, but it is to produce a character adequate to meet difficulty when it comes. Christianity does not make life easy; rather it tries to make us great enough for life. It does not give us escape from life's burdens, but strength for meeting them when they are borne.

The cross of Christ plainly sets forth two facts: First, that in this world even the innocent are not exempt from suffering; and second, that there is a power able to surmount evil, to rise above tragedy. In the cross God suffered with us; in the cross we have an example of triumph over agony.

When Rev. Clark Poling was about to depart for overseas duty in World War II, he said to his father, "Dad, I don't want you to pray for my return. I have no premonition, but just don't pray for my return—just pray that I shall never be a coward; Dad, pray that I shall be adequate." The young chaplain proved himself indeed adequate. He was one of four chaplains to go down on the "Dorchester" which sank on February 5, 1943 in the iceberg waters of the North Atlantic as the result of enemy action. As his ship was sinking, he gave entire attention to saving the lives of others and even gave away his own life belt to save a fellow passenger. He became one of the war's great heroes of courage and Christian witness. His father, Dr. Daniel Poling, later writing of his son's death, said, "The only prayer he wanted was answered; he was adequate."

In my judgment, the young man whom we honor in this service and whose passing we mourn, was likewise adequate. He constantly reflected honor upon his upbringing. He was fortunate to have been born into a pastor's home and additionally fortunate to have been nurtured, guided and inspired by the love of a faithful church. Ultimately, however, he had to prove himself adequate for life's tests. This he did magnificently. He grew up loving to be helpful to others. He took delight in serving all kinds of people and particularly delighted in serving children and the weak. He was warmhearted and generous. Children loved him. His speech was clean and his habits well ordered. He willingly went beyond the call of duty, preferring others ahead of himself.

Where do we look for the secret of such a young man's life? One must look to his faith. Because he was a quiet man, there was nothing of ostentation about his religious faith. It was not necessary for him to be outspoken about his convictions; he lived by them.

His life was pathetically short by human standards. However, if we are wise, we will think of the significance of life not in terms of number of years but in terms of undergoing the divine discipline. Life is a school, and all our days we are learners. Some learn with painful slowness, others learn rapidly. Jimmy Hughes was a rapid learner. He hastened through school and graduated early. But who will deny that he did the work which the Lord gave him to do? He was adequate to his assignment.

Therefore we rejoice and give thanks to God for the privilege of having lived along with James Read Hughes. We are grateful for the home in which he was brought up and taught.

There are multitudes of testimonies concerning Jim's record of living up to the pledge he took as a Virginia State Police Trooper: "I pledge myself to perform my duties honestly and faithfully to the best of my ability and without fear, favor or prejudice. I shall aid those in danger or distress, and shall strive always to make my State and Country a safer place in which to live. I shall wage unceasing war against crime in all its forms and shall consider no sacrifice too great in the performance of my duty. I shall obey the laws of the United States of America and of the Commonwealth of Virginia, and shall support and defend their Constitutions against all enemies whomsoever, foreign and domestic. I shall always be loyal to and uphold the honor of my organization, my State, and my Country."

A message from the Governor of Virginia testifies to the Governor's regret at our great loss, and to the outstanding record and excellent reputation of Jimmy Hughes, the State Trooper, the citizen, and the native son.

PERSONAL STATEMENT

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BROTZMAN. Mr. Speaker, due to a death in the family, it was not possible for me to be in attendance on the floor of the House yesterday. Had I been here, however, I would have voted "yea" on the following rollcalls: No. 499, the bill to establish a Cost of Living Task Force; No. 500, the bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973; and No. 501, the bill to expand and make permanent the Youth Conservation Corps. I would also have voted "yea" on rollcall No. 502, the bill making appropriations for the Department of the Interior and related agencies for fiscal year 1975.

TO REPEAL DISHONOR

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. GUDE. Mr. Speaker, there appeared in today's New York Times an editorial which I believe deserves the attention of the House. The Times calls upon the House to repeal once and for all the Byrd amendment under which the United States has been importing chrome from South Africa for many months, in direct violation of our own votes in the United Nations imposing sanctions on such South African trade. The House will have the opportunity to move decisively on this question, and to come down hard on the side of equal rights for all peoples.

I believe strongly that the Byrd amendment should be repealed, and include at this point the text of the excellent editorial which I mentioned for my colleagues to consider:

To Repeal Dishonor

The House of Representatives has the opportunity today to remove a blot on the honor of the United States and of Congress at the same time that it strikes a blow for traditional American ideals; self-determination, government by majority, the rule of law and the bolstering of the United Nations. At issue is repeal of the infamous Byrd amendment under which this country has violated the sanctions for which it voted in the United Nations Security Council against the white racist regime in Rhodesia.

In the 34 months this amendment has been in effect, nearly every argument advanced for it has proved spurious. The most fraudulent—but the one that carried most weight with Congress—was the argument that it was necessary to breach the sanctions and resume imports of Rhodesian chrome to avoid dependence on the Soviet Union for supplies of this "strategic" material.

While this argument was being made, however, the Nixon Administration was asking Congress for authority to sell off 1.3 million tons of chrome ore from stockpiles swollen far beyond any conceivable defense need. The Government currently hopes to sell off another 3.9 million tons. Ironically, little Rhodesian chrome has been imported under the Byrd amendment; what has come in large quantities is ferrochrome alloy, produced in Rhodesian plants that pay substandard wages and are not subject to the expensive anti-pollution requirements enforced in this country.

The overriding arguments for repeal, however, are the moral and legal ones. Having pleaded incessantly for extension of the rule of law among nations, the United States cannot afford to be an international lawbreaker. Having urged self-determination for all dependent peoples, the United States cannot afford to be a prop for a white minority regime in a country where blacks make up 95 per cent of the population.

Once these issues became clear, the Senate voted decisively for repeal last December. If there is now equally clear understanding on the other side of the Capitol—and especially if President Ford will indicate his desire to get this country back on the side of international law—the result in the House cannot be in doubt.

TRIBUTE TO ERNEST AND ROSE SAMUELS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. LEHMAN. Mr. Speaker, 7 years ago Ernest Samuels and his wife Rose moved to Florida from New York after a long career in the commercial field. Like the many thousands of retirees they prepared to spend the remainder of their lives in well earned peace and tranquility. They purchased a condominium in North Miami Beach in a complex called Point East with 1,265 other families.

While other men contented themselves to spend their time relaxing around the pool side, Ernest Samuels, seeing the many problems besetting the residents of his condominium, dedicated his entire time and energy toward helping the more than 2,500 residents of the community achieve a better life and by his example made condominium living more enjoyable for all the residents of the State of Florida.

He created a most unique organization in his own complex. Recognizing that the condominium concept as laid down initially by some developers had many pitfalls, he organized his condominium and has himself been involved for 4 years in litigation to bring about a more equitable condition in the industry. He successfully fought through the legislative process to outlaw unfair management agreements which allowed a percentage fee based on the total expenses. A more you spend, the more you receive arrangement.

To serve unselfishly for the relief of others and seek solution to the many problems besetting condominiums, he organized the Condominium Executives Council of Florida, Inc., all this while managing actively his own large complex and devoting much of his free time toward helping other condominium executives similarly situated with advice on management and organizational problems.

As the leader of this group, he helped bring to the attention of the legislators 99-year recreational facility leases tied to the sale of the apartments, which include a right to lien the apartment for nonpayment of the rental. This organization has already achieved dramatic results in favor of future buyers of condominiums, through newly adopted laws by the Florida Legislature.

Ernest Samuels is an outstanding example of the volunteers in our society, whose unselfish work and services to humanity must be recognized.

Ernest Samuels is a dedicated volunteer as a fundraiser for Israel through the United Jewish Appeal, the Israeli bond drive, the United Funds of Dade County and the Jewish National Fund. He always accepts the chairmanship of these fundraising activities. As a result of his outstanding achievement on behalf of the Jewish National Fund a Point East Ernest and Rose Samuels Forest in the Governor Reubin O'D Askew Park in Israel was established. Forty-seven Point East residents took part in its dedication. The text of the news item as it appeared in the Jewish Floridian of July 12, 1974 is as follows:

> A most impressive pilgrimage, comprised of 47 delegates traveled to Kfar Hachorshim to dedicate the Point East Ernest and Rose Samuels Forest in the Governor Askew Park Forest. This memorable event will linger for a long time as a testimonial of love and respect to the great leader of Point East, Mr. Ernest Samuels, who has become a legend in his own time in this great condominium.
>
> Attending the ceremony from Miami Beach was Judge Zev. W. Kogan, President J.N.F. Southern Region, who came especially to pay tribute on this great occasion to Mr. & Mrs. Samuels, and to share with them and with the pilgrimage the joy of this great day. Representing the Keren Kayemeth was Mr. Tidhar of the American desk.

Judge Kogan wrote in the Community Reporter in August 1974 of the occasion:

> To see a great leader, the President of the Condominium Executives Council of Florida, head of 100,000 condominium owners, being honored in his lifetime by linking his name eternally with the Holy Land of Israel is a tribute few people realize. To understand its depth and meaning, suffice to say, for General Yitchak Rabin, now the Prime Minister of Israel, was honored after the six day war, by the people of Israel, by inscribing his name in the Golden Book of the Jewish National Fund. To have a Forest in one's lifetime is to be in the Company of the Queen of England, Prime Minister of Canada, Prime Minister of South Africa, Chaim Weizmann and Theodor Herzl. What a beautiful tribute to a great man.

THE TRAGIC DEATH OF AMBASSADOR RODGER P. DAVIES

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. SARBANES. Mr. Speaker, I want to join other Members of the House in expressing my outrage and profound sadness at the death earlier today of our Nation's distinguished Ambassador to Cyprus, Rodger P. Davies. President Ford spoke for all Americans when he said that he was "shocked and deeply saddened" at Ambassador Davies' killing. President Clerides of Cyprus correctly called the act an "atrocious crime," and the Prime Minister of the newly restored constitutional government of Greece, Mr. Karamanlis, condemned it as an "unholy action." Civilized men and women throughout the world can concur in these assessments of this senseless tragedy brought on by a despicable act of violence.

There is special tragedy in the fact that the victim of this vicious act was a man who served his country long and well in the cause of peace. Ambassador Davies spent his adult life—almost 30 years—in the diplomatic service of his country. He became Ambassador to Cyprus only recently, having previously served in Washington as Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs. Earlier he had served in a variety of demanding diplomatic posts, including assignments in Saudi Arabia, Syria, Lebanon, Israel, and Libya.

Ambassador Davies was a dedicated, skillful and effective professional, greatly admired and respected by his colleagues in the State Department and throughout government. He was a thoughtful and generous human being who will be greatly missed by his many friends in our own and in other countries. I extend my deepest sympathies to his children and the other members of his family.

INDUSTRIAL UNION DEPARTMENT, AFL-CIO, SUPPORTS S. 1868, RHODESIAN CHROME BILL

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. FRASER. Mr. Speaker, I. W. Abel, president of the Industrial Union Department of the AFL-CIO, has written to me in support of S. 1868. Mr. Abel is, of course, also president of the United Steelworkers of America.

S. 1868 will enable the United States to again observe the U.N. Security Council economic sanctions against Southern Rhodesia. Mr. Abel is a very persuasive advocate for the bill. I hope all Members read his letter before voting on this issue. The letter follows:

> INDUSTRIAL UNION DEPARTMENT,
> AFL-CIO,
> *Washington, D.C., August 19, 1974.*
>
> DEAR CONGRESSMAN: This Tuesday, August 20, the House is scheduled to vote on S. 1868, a bill to reimpose the boycott on Rhodesian chrome. The Industrial Union Department, AFL-CIO, supports that bill.
>
> We do not need these imports either to meet our needs for the metal or for reasons of national security. Chrome shipments from Rhodesia constitute only 11 per cent of our chrome purchases and if the embargo is reinstated, we can obtain ample supplies from other countries. We would have to import chrome from Rhodesia for 19 years at the present rate to reach the equivalent of the present government stockpile of the ore.
>
> Rather than making jobs of American steel workers more secure, lifting the embargo has placed the jobs of American ferrochrome workers in jeopardy. For instead of exporting chrome ore, Rhodesia has been shipping processed high carbon ferrochrome to us and these imports have put the American ferrochrome industry in a very shaky position.
>
> But there is more at stake here than jobs. Also involved is our obligation to the United Nations. The U.N. imposed sanctions against Rhodesia in protest of the white ruling minority's exploitation and oppression of the large majority black population. Surely we have a national moral obligation to stand with other justice-seeking countries and join with them in the boycott of Rhodesian chrome. We must demonstrate by our support of the boycott that we are prepared to accept the rule of international law.
>
> We therefore urge you to be present when the bill comes up and to vote to rejoin the international effort to persuade Rhodesia to establish representative government for all of its citizens.
>
> Sincerely,
>
> I. W. ABEL,
> *President.*

PENSION REFORM AT LAST

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. ASHBROOK. Mr. Speaker, I am proud to have played a role in enacting this legislation. It is the end product of long and careful congressional study. The House Education and Labor Committee on which I serve, investigated pension reform legislation for approximately 4 years before reporting out a bill.

Key features of the bill are the provisions requiring earlier vesting and stricter plan funding. This provides some reasonable assurance that workers will receive the pension benefits they have been promised. These requirements, along with plan termination insurance, will make the total loss of pension benefits a thing of the past. The benefits workers have earned and have counted on for their retirement years will be there.

Every basic pension plan will be required to meet the minimum requirements of three possible vesting standards: full vesting after 10 years of service; 25 percent vesting after 5 years, increasing yearly to 100 percent after 15 years; and 50 percent vesting when the sum of the employee's age plus his years on the job reaches 45, with 10 percent additional vesting for each of the following 5 years. These provisions on vesting will go into effect immediately for new plans and by January 1, 1976, for existing plans.

The limits on contributions for self-employed plans will be increased from $2,500 to $7,500. These amounts are tax deductible and earn tax-free income until they are distributed on retirement.

Mr. Speaker, this legislation will help assure millions of Americans a more fruitful retirement. I am proud to support its adoption:

PROTECTING THE INTEGRITY OF PRIVATE PENSION PLANS

A growing percentage of the American labor force is being covered by private pension plans. The expansion of these plans to uncovered workers should be encouraged. These private pensions have enabled many people to enjoy a more fruitful retirement.

At the present time more than 30 million Americans are covered by private pension plans. It is expected by 1980 that more than 42 million workers will be covered. Today more than $8 billion in benefits are paid to approximately 6 million retirees. Voluntary private pension plans are now making contributions to the retirement security of about 50 percent of the private nonfarm labor force. It is estimated that this figure will reach 60 percent by 1980.

With the growing number of plans, it is important that the rights of the workers covered be protected. It is also important that encouragement be given to the continued growth of plans and improvement of benefits. To further these ends, the House Education and Labor Committee on which I serve has been investigating pension reform legislation for the past four years. The bill that we have reported out of Committee (H.R. 2) is much superior to H.R. 4200 which has already been passed by the Senate.

A number of people who depend upon profit-sharing plans to help finance their retirement programs have rightfully been concerned about the effects that H.R. 4200 would have on their plans.

H.R. 4200 would seriously hurt the pension plans which use profit sharing proceeds. Sears, J. C. Penney, General Mills and many old companies have established excellent records in this area and should be encouraged rather than legislatively discouraged to continue these fine practices.

Protection of the rights of those workers presently covered is assured in H.R. 2. This bill requires vesting the accrued benefits of employees with significant periods of service with an employer. This bill also requires plans to meet minimum standards of funding. These two provisions by requiring stringent vesting and funding standards negate the need for plan termination insurance which unfortunately is also contained in the bill.

Although legislation can not eliminate all pension plan terminations, possible losses by any such termination would be drastically reduced by including provisions in the bill:

(a) To prevent dilution of benefit security in business acquisition and merger situations;

(b) To provide for partial plan terminations with the approval of the Secretary of Labor;

(c) To provide fund distribution priorities on termination so there will be a more equitable distribution of all assets;

(d) To prevent "raiding" of assets by participants who leave the plan.

I will continue to work to maintain the integrity of the private pension system. No bill passed by the Congress should have the effect of reducing those contributions or limiting the size of pensions that workers may obtain. Private pension plans are worthwhile. More and better plans should be encouraged to be developed.

YOUR MONEY'S WORTH: PENSION REFORM AT LAST—I

(By Sylvia Porter)

Within a matter of days, the historic 1974 pension reform bill will become law. After years of debate, seemingly endless complications and disheartening delays, the legislation finally has been hammered out. It may be signed by President Nixon, with all the appropriate flourishes, as early as mid-August, but surely no later than Labor Day.

The number of workers estimated to be directly affected ranges up to 35 million. And the many more millions of us who are not direct beneficiaries also will be indirectly touched.

The two most important provisions are:

VESTING

This is a new guarantee that you actually will get the pension benefits you have been promised and which you have earned by working a given number of years for an employer. Under the law, employers will have these three choices to offer you:

Full vesting (giving the employe all of his earned pension benefits) after 10 years on the job; 25 percent vesting after five years of service, increasing yearly to 100 percent after 15 years; 50 percent vesting as soon as the sum of your age and your years of service reaches 45, with 10 percent additional vesting for each of the following five years.

The vesting provision will become effective immediately for new pension plans started after the law is enacted. Existing plans must comply by Jan. 1, 1976, although some may comply voluntarily before that date.

Job-changing in our country is so prevalent that only a fraction of those covered by plans could in the past expect to collect earned pension credits if they changed jobs before, say, 10 or 15 years of service for a given employer. Millions, in fact, changed jobs so frequently that pension benefits never became vested and they never got a penny.

Under this new law, the span of time a worker must wait before being assured of receiving pension rights may well be shortened from, say, 20 years of service to 10 to 15, or for the first time, benefits will be legally guaranteed (vested).

PORTABILITY

This key provision regulates—although it does not guarantee—the terms under which you may take vested pension benefits from employer to employer when changing jobs.

Under the '74 law, you may have to take your accumulated vested pension benefits in the form of a lump sum of money—if your employer insists and the benefit is less than $1,750. Or you will be able to translate it into a self-employment individual plan. Or you can just blow it, as you might blow your severance pay. Or, if your previous employer agrees, you will have the alternative of leaving the responsibility of managing this slice of your pension to your previous employer.

Criticism already is crescendoing against the reform provisions. Among the key points made:

Many companies undoubtedly will avoid the high cost of complying with the new law simply by not setting up any pension plan—and the overall result could be a reduction in the number of private pension plans established for workers in the future.

The "rule of 45"—one of the choices on vesting—would encourage employers to hire younger employes and would discourage hiring of older workers, just because of the higher cost of vesting older workers under a company pension plan.

The law does not change the fact that, today, plan benefits are typically less than $100 a month. Thus, even with improved vesting, a typical worker may be vested in very little benefits even after satisfying a minimum of five years service.

There will be no protection against inflation's erosion of pension benefits in this law—although this may be among the first future amendments to the '74 legislation.

YOUR MONEY'S WORTH: PENSION REFORM AT LAST—II

(By Sylvia Porter)

The historic pension reform bill to go on our statute books within a matter of days will, for the first time, provide guarantees that you will actually get the private pension benefits which you have been promised and which you have earned.

Who are "you"? The following Q. and A. will identify "you."

Q. How many workers are covered by this reform bill?

A. While the figures are slippery, estimates run from 23 million to 35 million workers, or about one-third to one-half of our current work force. This total covers millions of self-employed who will be able to set up their own plans under significantly liberalized and more attractive regulations.

Among those not touched: Government workers already covered by federal, state or local plans; those covered by church plans; workers under age 25; workers changing jobs more frequently than every five years; and to some extent, casual and part-time workers.

Q. Will all existing pension plans be covered under the new law or only new plans?

A. All plans will have to comply, although the timetables for compliance vary according to the provision.

Q. Is there any minimum size for a plan to be covered?

A. No, no minimums.

Q. Will the new law force an employer or union to set up a pension plan?

A. No. But if and when they do, their plans will have to conform to the law's new rules.

Q. What coverage is extended to the self-employed?

A. The law will permit a self-employed person to join an approved self-employed retirement plan (Keogh) and to put into it up to 15 percent of his earned income or $7,500, whichever is less—as against the previous limits of up to 10 percent or $2,500 a year. The amounts set aside are deductible from income tax each year and earn income tax-free until they are distributed on retirement. More on this in future columns.

Q. Is there a minimum age for eligibility?

A. Yes. To be covered by the vesting provisions of the law, you must be at least 25 and also must have worked at least one year for a company offering a covered pension plan. If you are under 25 and have worked for a firm which has a plan, you must receive, when you turn 25, credit for at least three years of service.

Q. Am I protected from an employer firing me to avoid giving me my pension?

A. Yes. It is illegal to do this under the new law. And there are strict penalties for such action.

Q. What about survivors' benefits?

A. Plans must include both of the following two provisions to pass pension benefits along to the surviving spouse if a covered retired worker dies:

If you, an employe, die on or after retirement, your pension plan must provide that at least 50 percent of your pension benefits go to your surviving spouse—unless you specifically waive this provision in writing, prior to retirement; and if a plan provides for pension benefits on early retirement, you must be given the chance to convert these benefits into benefits for your surviving spouse. Today, only one in five workers is under a plan with automatic survivors' benefits which permit a surviving spouse to get benefits if the worker dies. Pensions for survivors are virtually non-existent in plans covering fewer than 1,000 workers.

However, if you have accumulated 10 to 15 years of pension benefits and die before retirement age, all of your earned benefits may go down with you; your spouse may get nothing.

Q. What about pensions for part-time workers?

A. There is minimal protection for part-time or occasional workers, a gap likely to hurt women workers hardest.

* * * * *

PENSION REFORM AT LAST—III

(By Sylvia Porter)

Until now, if your pension plan went bankrupt, it has been just too bad for you if the pension benefits on which you had been counting for your retirement years were wiped out. One estimate, based on a 1973 Treasury Department pension plan termination study, is that 750,000 workers whose pension benefits are vested (guaranteed) will not receive one cent during the next 20 years.

Until now, there have been no federal regulations protecting your pension plan against flagrant abuses by pension fund managers—such as the managers lending themselves, their relatives or friends fat sums at below-market interest rates.

Until now, there has not been enough money in at least one out of three pension funds to pay off future benefits already earned by the beneficiaries.

These are three key areas in which there will be major, vitally important reforms under the 1974 pension reform law. Here are key aspects put together by Michael Gordon, one of the lawyers who worked out final details of this historic reform.

All pension plans now in effect will become fully funded to meet all pension payments owed their work forces within 40 years. And all "normal" costs of administering a pension plan will have to be funded currently, under the new law.

As an illustration of what this means to you, if an employer started a pension fund today under the previous law, he would have had to put aside funds this year to pay pension benefits based on service performed in 1974 only—but not to cover pension credits accumulated by work performed by you over the past 10–20 years which may count toward your future pension benefits. The naive assumption has been that when your time came to retire, your employer would be able to find the necessary funds to pay your promised pension.

Under the 1974 law, employers now must not only fund pension credits for your current service but must also accumulate over the next 30–40 years enough to fund in full all past services. This new rule will mean that about one in three present plans will be forced to increase substantially the amount of its contributions to its pension plans. However, a majority of plans already are in compliance since they conform to accepted funding standards.

Any employer who fails to accumulate adequate funds and adhere to the new timetable will have to pay a stiff penalty tax.

The law will provide protection against irresponsible pension fund managers who have engaged in disastrous self-dealing, highly questionable investments in many areas, over-investment in a company's own stock.

Specifically, the law will ban insiders from influencing sales or other transactions involving the assets of a pension fund. It will prohibit the export of pension assets to other countries and limit investment in a company's stock to 10 percent of the fund's assets.

A new Federal agency, the Pension Benefit Guarantee Corp.—similar to the Federal Deposit Insurance Corp., which protects bank depositors in the event of a bank failure—is to be set up to protect you against abrupt cancellation of your pension benefits if your plan goes bankrupt. Trustees are to be the Secretaries of the Departments of Labor, Treasury and Commerce.

If a plan failed, the fund could pay up to $750 a month to each individual covered by the plan—just as the FDIC reimburses up to $20,000 in deposits to each depositor in a covered bank which has failed. All plans, regardless of size, must buy the plan termination insurance. Exceptions: government plans, church plans, and plans involving professional service corporations (e.g., groups of doctors) with fewer than 25 members.

As soon as the law goes on the books, all covered employers must pay a head tax of 50 cents to $1 into the insurance fund. For multiemployer plans, plan termination coverage won't begin until Jan. 1, 1978, but single employer plans receive coverage more quickly—perhaps as soon as the law is passed. Priority will be given to paying those already retired should their plans collapse.

REPORT ON IMPEACHMENT

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. LANDGREBE. Mr. Speaker, a resolution passed today concerning the Judiciary Committee report on impeachment. My invitation to second that resolution was rescinded. Had I had the opportunity to second that resolution I would have suggested changing the word "accepts" in paragraph 2 to "receives" and would have suggested eliminating all of paragraph 3.

REAL ESTATE SETTLEMENT PROCEDURES

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. STEPHENS. Mr. Speaker, during the debate on H.R. 9989, the Real Estate Settlement Procedures Act of 1974, last Wednesday, the gentlewoman from Missouri (Mrs. SULLIVAN) made some brief remarks which I listened to with a great deal of interest and attention. She also received unanimous consent to revise and extend her remarks for the record, a customary practice in the House of Representatives.

When I read Mrs. SULLIVAN's extended and revised comments in the CONGRESSIONAL RECORD for August 14, I found that in regard to two provisions of the bill, Mrs. SULLIVAN had attempted to create legislative history by stating that "in the absence of any statement to the contrary in this debate" or "in lieu of any statement to the contrary" the interpretation she was placing on the waiver provision of section 105 and the antikickback provision of section 106 was to be accepted by the House. Had these statements actually been made during the debate I most certainly would have set the record straight that her understanding was not shared by me as one of the authors of the bill nor by the Members of the House. Since I could not respond to Mrs. SULLIVAN's erroneous interpretations on Wednesday, and in view of the unanimous agreement reached at the end of the debate on Wednesday that the record would be held open for 5 days, I would like to set the record straight now.

First, in regard to the provision in section 105 of H.R. 9989 providing that a waiver of the advance disclosure requirement may be permitted under terms and conditions prescribed in regulations to be issued by the Secretary of Housing and Urban Development after consultation with the Federal Reserve Board, Mrs. SULLIVAN stated that the waiver regulations issued by the Federal Reserve Board under the Truth-in-Lending Act should be a "firm guide" for such regulations and that waivers should be allowed only in cases of "real hardship."

The only waiver that I am aware of in the Truth-in-Lending regulations is the provision permitting waivers of the right of rescission under 12 CFR § 226.8(e) in cases of "bona fide immediate personal financial emergency" of the borrower. I cannot agree that such a severe test should be applied in the case of waivers permitted from the advance disclosure requirements of section 105. The Congress in section 105(c) does not intend to tie the hands of HUD and the Federal Reserve Board in such a manner.

I agree with Mrs. SULLIVAN that these waivers should never be permitted to become the rule, rather than the exception, and that it is the interests of the homebuyer that ought to be the consideration in permitting such waivers. But I disagree that waivers should be limited only to instances of "real hardship" or "immediate personal financial emergency." The waiver provision of section 105(c) leaves to the discretion of HUD and the Federal Reserve Board the possibility of permitting a waiver where the convenience of the homebuyer would clearly be served even though it does not amount to "real hardship." For example, should the House-Senate conferees adopt the 15-day advance disclosure provision of the Senate-approved version of S. 3164, I see no reason why in a particular rural area a buyer would arbitrarily have to wait 15 days if he could otherwise go to settlement in just a few days from the time he decides to purchase a house or from the time he gets approval of his mortgage loan.

More important than the waiver provision, is the need to clarify the record regarding Mrs. SULLIVAN's unilateral and erroneous interpretation of section 106, the antikickback provision. During the Banking Committee markup of H.R. 9989, Mrs. SULLIVAN attempted to offer an amendment that would prohibit title insurance companies from paying commissions to attorneys. It was pointed out by a number of members of the committee that to the extent such commissions were paid for simply referring business, the payments were already proscribed by section 106 and to the extent that the commissions were paid for legitimate services actually rendered by the attorney in the issuance of the title insurance policy, the payments should not be proscribed. After lengthy discussion on this point, the amendment was withdrawn.

Although she apparently decided against reoffering this amendment on the House floor, Mrs. SULLIVAN has now attempted to achieve this objective by "interpreting" the language of section 106 as it was approved by the Banking Committee. I cannot permit this.

The language of section 106 and the accompanying section of the Banking Committee report (H.R. Rept. No. 93-1177, pp. 7-8) are absolutely clear that, contrary to Mrs. SULLIVAN's statements, the section does not prohibit the payment of title insurance commissions to attorneys who provide legal services in the transaction. Of course, if the payment is not for services actually rendered, the commission would be an illegal kickback. But simply because the attorney also provides legal services in the transaction, section 106 would not prohibit him from being compensated by the title insurance company for legitimate services actually rendered, as, for example, when he acts as the policy-issuing agent on behalf of the title company. Section 106(c) specifically states that:

> Nothing in the section "shall be construed s prohibiting the paymnt o a fee (i) to attorneys at law for services actually rendered or (ii) by a title company to its duly appointed agent for services actually performed in the issuance of a policy of title insurance.

Contrary to this clear statutory language, Mrs. SULLIVAN has attempted to place her interpretation on the section as prohibiting the type of payment that the section specifically permits.

While I am confident that no court would have given any weight to the construction placed upon section 106 by the gentlewoman from Missouri in her extended remarks, I have felt obliged to clarify this matter so that a legitimate industry practice will be placed beyond any shadow of a doubt.

CYPRUS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mrs. SCHROEDER. Mr. Speaker, last weekend, while thousands of Americans of Greek descent gathered in Washington to protest our Cyprus policy, I met in Denver with representatives of that city's Hellenic Community. It is impossible to exaggerate their dismay at the course our State Department has chosen—a course which has acquiesced without apparent protest in the Turkish military partition of this island.

No one asks for the other extreme, Greek hegemony, nor is there anything but shared revulsion for the mob action which resulted yesterday in the death of our Ambassador. What these loyal Americans want is simply that this country take a stand against international aggression; it is as incredible to me as to them that we have not.

A statement prepared by the Hellenic Community of Denver follows:

STATEMENT OF CONCERN

The United States of America, whether it likes it or not, is today a world leader and consequently it does have a unique opportunity to make its mark in history. In order to achieve this position, among other things, it cannot afford to play games in an expeditious kind of way but instead it should be firm and positive in its foreign relations, applying in its world policies the same kind of principles of democracy that are acceptable to and constitute the history and the moral fiber of this country.

It is most unfortunate that on the basis of reports appearing in the world press and news media the United States government, and in particular the State Department, has not applied in the Cyprus situation the principles that would be acceptable to the average American citizen. In particular, our government has not protested the invasion of Cyprus by Turkish military forces; the disobedience by Turkey of United Nation cease-fire resolutions; and, the commitment of atrocities by the Turkish forces such as the bombing of hospitals, napalming of civilians and raping of women. It appears to be in favor of a constitution in Cyprus which gives veto or equal powers to a minority but not granting equal vote and representation to each of its citizens. Such kind of a constitution would be totally unacceptable in this or any other free and democratic country. It has also forsaken Greece which historically has been a good friend and loyal ally of the United States. Such a kind of policy is not only unfair to all the citizens of Cyprus but permits each country of this world to believe that under appropriate circumstances it can conquer land from another country without punishment. This is not a characteristic of excellence in world leadership.

Therefore, we, the members of metropolitan Denver of Greek-ethnic descent, submit that our country and government adopt and proclaim the following principles:

1) An immediate and effective cease-fire in Cyprus.

2) Withdrawal of all Turkish and Greek military forces from Cyprus. (This is imperative in order to have a fruitful and successful negotiations in Geneva).

3) Immediate withdrawal of all military aid from Turkey or Greece if they do not withdraw their military forces from Cyprus.

4) A new constitution for all citizens of Cyprus based upon the American principle of democracy, voting privileges, individual rights, and equal representation.

Hellenic Community of Denver,
GEORGE A. KRIKOS,
CHRIS J. ELIOPULOS,
Co-Chairmen,
Justice for Cyprus Committee.

THE OIL COMPANIES ARE DOUBLETALKING

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. GAYDOS. Mr. Speaker, I presume that what is happening on the retail gasoline sales front in my part of Pennsylvania is taking place elsewhere in the country. The major oil companies are pushing their dealers to increase their sales.

Stations which cut back their hours during the shortage last winter now are being compelled to live up to contracts and stay open at nights and on Sundays. Otherwise, so I am informed, they are threatened with a loss of their franchises.

Meanwhile, self-service stations are increasing in number and, I assume, station jobs are being reduced. Four oil companies are involved in this type of operation in the Pittsburgh area and the competition among them, according to John Golightly, a Pittsburgh Post-Gazette staff writer, is "fierce."

Mr. Golightly quotes one company official as saying:

> Our business is selling gasoline and that's what we're trying to do—see if the self-service station will sell more gasoline.

This sort of station sells at a discount price made possible by the decrease in the wage cost of attendants. The customer fills his own tank and then settles up with a cashier. It is self-service lifted to the top degree.

But what of these sales boosting efforts and the oil companies current advertising campaigns based on the idea that we ought to conserve? Where does the truth lie? Should we buy more gasoline to please the companies or should we restrict our travel and our gasoline consumption in accordance with their public relations messages?

The motorist has good reason to be confused and also to doubt the other things which the oil companies have told him—that there is a serious shortage condition, that the present high prices at the pumps are justified, and that the agony he was put through last winter was warranted and the result of conditions then beyond the industry's control. I have kept in mind the figures given us on April 11 by Congressman FORSYTHE of New Jersey which showed that there was in fact more gasoline available during the "crisis" months of last February and March than there was in the previous year.

I might caution the oil companies that the time of doubletalk in this country is ended—that the American people having suffered the ultimate prevarications of Watergate are in no mind to take more of this kind of duplicity from anybody. Credibility is the new name of the game and it behooves the mighty petroleum industry to get with it. What could be more contradictory than to have the gasoline companies pressuring their dealers to increase sales while, at the same time, warning us to cut down on our gasoline use to avoid a new shortage?

If another shortage does come, the industry will be largely to blame. It will not be able to plead innocent as it did last winter because it is in the process now of convicting itself.

TO INCREASE THE AUTHORIZED MAXIMUM UNIFORM ALLOWANCE FOR FEDERAL EMPLOYEES TO $300 PER ANNUM

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, I am introducing legislation today to amend section 5901 of title 5, United States Code, to increase the authorized maximum uniform allowance for Federal employees from $125 to $300 per year per employee.

My intent in proposing this bill here today is to alleviate severe financial burdens now imposed on Federal employees who must purchase uniforms as a condition of their employment. In this regard, a typical Forest Service employee, and there are over 10,000 Forest Service employees who are required to wear some sort of uniform, can expect to pay up to $330 for his uniform and, if he is in a ski area, an additional $70. A firefighter's winter dress uniform, with two pairs of pants, now costs approximately $485. In 1955, the same uniform was available for about $65. A summer uniform consisting of a minimum of two shirts and two pairs of trousers adds another $36 to the employee's reimbursed expenses. Additionally, firefighters, although not required to do so by regulation, generally purchase about four casual uniforms at $11 per uniform as the dress uniform is unsuitable for work. Thus, it is readily apparent that the initial allowance of $125 will in no way cover the actual uniform costs.

In the Department of the Interior, I have been informed that a complete women's uniform, including hat, slacks, dresses, et cetera, costs about $286, not including shoes and handbag. For men, the cost goes up to about $402 or $277 above their uniform allowance. These are only two examples of the many categories of Federal employees who are unfairly required to dip into their own pockets to buy uniforms.

Besides the initial $125 each employee receives from his agency, in subsequent years the employee also receives a lesser amount for replacement and upkeep. A Forest Service employee, for example, gets up to $97 per year and a firefighter $80 per year. One of the underlying assumptions behind this maintenance allowance is that the employee will be able to recoup at least a part of his initial loss. This assumption, however, is fallacious. A Forest Service employee during fire season may well go through several field uniforms. A firefighter may have his damaged during a fire and a GSA guard during the performance of his duties. However, whether the employee recoups his loss or not, the maintenance allowance should not be used for this purpose. It is basically wrong to compel an agency to attempt to pay for a uniform in this fashion and for an employee to be compelled to acept a uniform allowance by subterfuge. It would be far better to forthrightly acknowledge the true cost of uniforms and to then establish a reasonable maintenance allowance.

Mr. Speaker, the maximum uniform allowance of $125 per year per employee was established in 1954 and has not been changed since then. It is quite clear that the 1954 standard is not adequate, and I strongly urge that this bill be enacted into law at the earliest possible date.

PRESIDENT FORD'S WIDE SUPPORT

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. GUDE. Mr. Speaker, President Ford has started off with a pledge to be open, to move on the problems of inflation, and to be a President of all the people.

His pledge, coming after a time of great upheaval, was welcomed by many, many Americans. One of the expressions reflecting the new President's wide support appeared in the Catholic Standard and I would like to call my colleagues' attention to it:

PRESIDENT FORD'S WIDE SUPPORT

In speaking to a joint session of the Congress Monday night, President Gerald R. Ford hit just the right tone. Obviously he was not in a position to outline in detail the programs he hopes to implement. It was more of an informal get-together type of talk. But he left no doubt that he has taken over the helm of state. Whatever the future brings, he is firmly, if not yet comfortably, in command of the situation.

The President's talk to the Congress, his cabinet, the assembled diplomats, and the American people was informal to the point of being casual at times. But this too was good. He radiated a warmth that was invigorating and gave his listeners a real shot in the arm. It was an excellent beginning for a man who faces an enormous task.

As the nation watched and listened to President Ford, it became obvious how taut we had become in the past year or more. This was clearly reflected in the faces and manner of many of the members of Congress who were singled out for brief shots on the TV cameras during his speech. But the spontaneous and generous applause so freely given indicated that the pressure was easing as the President spoke.

The process that brought President Ford to his high office has been a painful one for the nation as well as for him personally. It involves the unprecedented resignations of both the President and Vice President of the United States. But it points up the resiliency of the nation and its people. High-quality leadership has brought greatness to this nation. Other men have found their way into the White House through strange quirks of fate and without exception have measured up to the demands made upon them. We are confident that the same will be true of President Ford. The high degree of dedication with which he has served in public office for many years gives us this assurance.

We join with all Americans in asking God's blessing on our President in the days ahead. We also assure him of our good wishes and support in the awesome undertakings that lie before him. We are confident that America's best days are ahead.

HOW TO BECOME THE VICTIM OF A SOCIAL SECURITY RAISE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BINGHAM. Mr. Speaker, for years I have been urging my colleagues to correct a terrible inequity in our social security and other Federal pension laws which prevents tens of thousands of elderly people from receiving congressionally enacted cost-of-living increases. The August 16 New York Times printed a letter from one of these thousands who has been suffering because of this inequity, and I include it at the end of my remarks. It would be quite easy for the Congress to insist that no increases in social security can be counted in determining individual income for eligibility for other Federal benefits, an action which I have recommended to both the Ways and Means and Veterans Affairs Committees. I should think that all of us have heard of cases like the one outlined in this letter. How much longer must these unfortunate people have to wait for Congress to act?

The letter follows:

NYACK, N.Y.,
August 6, 1974.

To the Editor:

Thank you for your recent editorial on "Unsocial Security," for the article in The New York Times Magazine entitled "Catch 65" and for printing, on Aug. 5, the letter to the editor headed "Social Security Inequities."

May I add my protest against Congress for not assuring that recipients of Social Security and V.A. pensions would not be penalized because of the recent "cost-of-living" increases in Social Security.

Last year, I received $227 per month in Social Security and $31.76 each month from the V.A. as the widow of a World War I veteran, making a total of $258.76 a month for me to live on.

Then came the "cost-of-living" increases of April 1 and July 1, 1974. I now get a Social Security check for $252.30 each month.

On July 9 I was notified by the V.A. that my widow's pension had been terminated retroactive to Jan. 1, 1974, because my "expected income [for 1974] exceeds the limit provided by law." Therefore, I have $6.46 less in 1974 than I had in 1973—because of the "cost-of-living" increases in Social Security.

Also, the V.A. demands that I reimburse it for the checks it sent me for the first six months of the year.

If Congress had voted that increases in Social Security were not to effect reductions in V.A. pensions for widows and/or that the limitation on income allowances be raised adequately for V.A. pensioners, this miscarriage of intention would not have occurred.

Congress should rectify this oversight, "retroactive to Jan 1, 1974," so that we recent victims of this ironic inequity should not continue to suffer from "cost-of-living" raises in Social Security.

HALCYONE H. WHITTAKER.

AUBURN POLICE: TOPS IN NEW YORK STATE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. WALSH. Mr. Speaker, too often our police departments are only thought of in terms of the work they do in the area of crime. Very little attention is paid to their efforts in other areas such as traffic safety or public education.

In light of that attitude, I was pleased to note the recent awards ceremony conducted by the New York State Traffic Safety Council. The council was recognizing the special work of certain departments in the field of traffic safety.

What was even more pleasant was that the top award went to the Police Department of Auburn, N.Y. located in the 33d Congressional District. A recent article in the Auburn Citizen-Advertiser detailed the award:

> The Auburn Police Department was today named "Department of the Year" in the cities classification by the New York State Traffic Safety Council during the 74th annual conference of the New York State Association of Police Chiefs, being held this week in South Fallsburg.
>
> Auburn Police Chief John T. Costello, attending the conference, received the award this morning during ceremonies at the convention. The chief was presented with a bronze plaque by Julian D. Rivo, director of research and program development for the council. In addition, winning departments will receive a set of library books on traffic administration and police training.
>
> Other municipalities receiving awards were Buffalo, for its specialized traffic divisions, Goshen in the village category and Amhurst in the town groupings. Runners-up included Nassau County, City of Elmira, Village of Floral Park and the Town of Southampton.
>
> In addition to the safety awards made to the departments Donald F. Lang, regional director of the National Safety Council was presented with an award citing him for 10-years of service in screening the detailed reports submitted by communities.
>
> Three police chiefs were also honored by the Council for instituting special accident prevention campaigns in their communities in 1973. The first citation was awarded to Chief Joseph S. Dominelli, of Rotterdam for introducing business management techniques through more efficient utilization of management and equipment which contributed to a better highway safety environment in his community. The second award went to Police Chief Delbert E. Pembridge of Endicott, for the overall quality of accident prevention programs carried out in his community. Suffolk County Police Commissioner Eugene R. Kelley was commended for his department's contribution to the reduction of highway fatalities in his county during the Experimental Fatal Accident Reduction (FARE) program.
>
> The State Traffic Safety Council is a public-supported, non-profit organization dedicated to traffic safety.

AMENDMENT TO H.R. 15977, HALT EXIMBANK FAVORITISM TO FOREIGN-FLAG AIR CARRIERS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. DINGELL. Mr. Speaker, it is my intention to offer the following amendment to H.R. 15977, a bill to amend the Export-Import Bank Act of 1945, when the measure, as reported by the House Banking and Currency Committee, is before us on Wednesday, August 21:

> AN AMENDMENT OFFERED BY MR. DINGELL TO H.R. 15977, AS REPORTED
>
> Page 2, line 17, insert "(a)" immediately after "Sec. 2.", and immediately after line 21, insert the following new subsection:
>
> (b) Section 2(b)(1) of such Act is amended by inserting at the end of the second sentence thereof the following new sentence: "Guarantees, insurance, and credits made available to foreign air carriers for the acquisition of United States aircraft used in foreign air transportation shall be made available on no less favorable terms to United States air carriers for acquisition of such aircraft (including spare parts and equipment) used in competition with such foreign air carriers."

I wish to point out that Representative DALE MILFORD is joining me in sponsorship of this important amendment.

Mr. Speaker, my amendment would correct what I, and several other House Members, believe to be a serious inequity in the Export-Import Bank Act which allows foreign international air carriers to purchase U.S. aircraft at extremely favorable interest rates, as low as 6 and 7 percent, while U.S. international air carriers who compete on the same routes must buy the same aircraft at the going astronomical commercial prime interest rates ranging from 11 to 12 percent, and even higher in some instances.

I am in full support of competition among such air carriers but not when there is such favoritism shown to one group, in this case the foreign carriers. The Eximbank and the Congress, unfortunately, have allowed this policy to continue. Today, with excessive inflation hurting all concerns, our U.S. air carriers are being subject to most unfair financing while their foreign competitors enjoy lucrative financial arrangements which I believe we must stop. My amendment would accomplish this goal as it provides for equal treatment of U.S. air carriers in purchasing U.S. aircraft.

I am in support of the Congress' efforts to encourage the sale of U.S. aircraft to foreign air carriers but not under the loan and guarantee conditions prevailing today at the Eximbank.

Mr. Speaker, I wish to point out to the attention of our colleagues the "Supplemental Views of Representative HENRY REUSS," on page 13 of the House report 93-1261, to accompany the Eximbank bill, H.R. 15977, wherein Mr. REUSS states, in part,

> In some sectors, the (Exim) Bank has provided credit where there is clear evidence that credit was unnecessary. Long-range jet aircraft, an American monopoly, provide the most flagrant abuse of this kind. Foreign air carriers, which have little competitive choice but to buy American 747's, L-1011's and DC-10's, have been able to obtain credit from the Eximbank at rates which are unavailable to our domestic air carriers. A Treasury Staff Study over two years ago called for an end to this practice. There is no competition from foreign sources for our long range planes.

I urge support for my amendment to correct this Eximbank financing inequity.

PENSION REFORM

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. LENT. Mr. Speaker, I was pleased today to vote in support of the conference report on H.R. 2, the Employee Retirement Income Security Act of 1974. As a sponsor of comprehensive pension reform legislation in both the 92d and 93d Congresses, and a cosponsor of legislation identical to the Education and Labor Committee bill, I applaud the action of the conferees in reporting a bill before the Labor Day recess.

H.R. 2 will affect nearly every employee and self-employed person in the country. It will make the pension plans of thousands of companies not only safer, but more generous. Millions of people will find it easier than ever before to build their own retirement funds.

For the self-employed individual, the amount of tax-free money which can be set aside is increased dramatically up to $7,500.

Employees not covered by company pension plans can begin to set aside limited amounts of money, tax-free, for their own pension plans.

All private pension plans set up from this day forth must include all employees aged 25 or older with at least 1 year of service to the company. For all such employees, new standards for "vesting" of pension rights must be met. The three vesting alternatives are: First, 100 percent vesting at the end of 10 years of service; second, 25 percent vesting after 5 years of service, increasing 5 percent in each of the next 5 years and 10 percent for each year thereafter; and third, regardless of age, employees with 10 years covered service must be at least 50 percent vested, and there must be an additional 10 percent vesting for each year thereafter.

Mr. Speaker, for far too many years, we have seen thousands of individuals lose any right to share in their many years of hard labor because of inadequate pension plans. H.R. 2 goes a long way toward correcting these inadequacies. For the sakes of the millions and millions of individuals in the labor force, and their beneficiaries, I urge the adoption of the conference report.

"AREN'T WE SUPPOSED TO PROMOTE AND ENCOURAGE DEMOCRACY?"

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. CARNEY of Ohio. Mr. Speaker, recently I received a very thoughtful letter from one of my constituents who is currently with the Armed Forces stationed in Korea. In his letter, my constituent expresses concern over U.S. policy toward South Korea, particularly the absence of any serious effort by the United States to encourage respect for basic human, civil, and political rights in South Korea. He asks the question: "Aren't we supposed to promote and encourage democracy?"

Mr. Speaker, I, too, have become increasingly concerned about the billions of dollars we are providing in foreign aid to other countries with little or no regard for the way the governments of those countries treat their own people. Accordingly, I have joined a number of my colleagues in the Congress who have sent a statement of concern to Secretary of State Kissinger. America cannot survive as an island of democracy in a sea of totalitarianism. For this reason, I believe that a thorough reexamination of our Nation's foreign aid objectives is urgently needed. Mr. Speaker, I insert my constituent's letter and the letter which I and my colleagues are sending to the Secretary of State in the RECORD at this time:

AUGUST 13, 1974.

CHARLES J. CARNEY,
Representative in Congress,
Youngstown, Ohio.

MR. CONGRESSMAN: We didn't support Hitler, we didn't support Mussolini. Why do we support Park Chung Hee??? I am a service man stationed in the 2'd Inf. Div. at Camp Casey Korea and formerly resided on the West side of Youngstown. I attended Chaney High School where I've heard you speak several times. I've been in Korea for about 4 months now and am enjoying my tour here. This is a good place to serve your time and I have no desire to return to Stateside duty until my current tour terminates next spring. But one thing constantly plagues me, and that is the U.S. policy toward aid to Korea. I realize it would be foolish to cut off all economic aid to South Korea but I believe it's time to use a little "political leverage" on the current dictator of South Korea. The people here have no freedom at all. To voice discontent is to risk being thrown into prison as a communist instigator. The people here have no freedom of speech, press, the right to peaceful demonstration, and many of the basic freedoms we as Americans have fought for and value so much. Aren't we supposed to promote and encourage democracy? Last week a Catholic bishop was thrown in prison for criticising the Park regime. A spy from North Korea I suppose. It's common practice to imprison political opposition. Although they're no threat to Park as far as elections are concerned, since he abolished presidential elections several years ago.

Who can blame the students in Seoul to protest Parks government? Perhaps they are the bravest people here realizing the penalty they pay for disagreeing with dictatorship is excessively harsh. Maybe we should give them military and economic aid in the good American tradition of fighting for liberty and justice.

DRAFT—TO THE SECRETARY OF STATE

The undersigned have supported legislation in recent years providing economic and military assistance to other nations. We are troubled, however, about continued American assistance to a number of foreign governments which are increasingly indifferent to internationally recognized human rights and deal with their own people in an increasingly oppressive manner.

We recognize that a large number of countries are ruled by governments which restrict the full observance of political rights as we know them, including one-party and authoritarian states. It may not be realistic to expect strict observance of political, civil and other human rights by these governments while their political systems are still evolving. Nevertheless, even within such countries, the observance of certain fundamental human rights is practicable, including freedom from torture, arbitrary arrest and detention, and arbitrary curtailment of existing political rights.

In the absence of extraordinary circumstances, we do not believe that long-term U.S. foreign policy interests are served by maintaining supportive relationships with oppressive governments, especially in the military field, since military power is directly associated with the exercise of governmental control over the civilian population.

Unless U.S. foreign aid policies—especially military assistance policies—more accurately reflect the traditional commitment of the American people to promote human rights, we will find it increasingly difficult to justify support for foreign aid legislation to our constituents. We cannot, in good conscience, associate ourselves with policies which lack active concern about the fate of people living under oppressive governments. While it may be beyond our power to alleviate the plight of those people, we can refuse to be identified with their oppressors.

ADDITIONAL COSPONSORS OF HOUSE RESOLUTION 1319

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BRADEMAS. Mr. Speaker, I insert at this point in the RECORD the names of additional cosponsors of resolutions identical to House Resolution 1319 expressing the sense of the House of Representatives to halt all U.S. economic and military assistance sales to the Government of Turkey until all Turkish Armed Forces have been withdrawn from the Repubic of Cyprus.

These names are: Mr. KOCH, Mr. LEHMAN, Mr. DRINAN, Mr. VANDER VEEN, Mr. GUNTER, Mr. COTTER, Mr. CAREY, and Mrs. SCHROEDER.

Mr. Speaker, I have inserted the names of the other cosponsors to date of the resolution on page 29046 of the CONGRESSIONAL RECORD of August 19, 1974.

TRIBUTE TO RETIRING REPRESENTATIVE THADDEUS J. DULSKI

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. ROONEY of New York. Mr. Speaker, the recent surprise announcement by my good and longtime friend from Buffalo, N.Y., the Honorable THADDEUS J. DULSKI, that he will retire from the House of Representatives at the end of this Congress came as both a shock and a great disappointment to me as I am sure it did to all the Members of this House.

Throughout a long and very full and fruitful life, THAD DULSKI's commitment to public service has been complete. He has served his State and his country well in many different and challenging positions but always with a dedication and devotion to duty that has become his trademark. He has been truly a peoples' Congressman. And no wonder. Of Polish background he blended in himself the best that America and his ancestry had to offer the world. Thus, he proved to be a great Congressman, an outstanding legislator, and most important of all, a compassioned human being.

THAD DULSKI started his public service with the Treasury Department in 1940, served in World War II, and in 1951 joined the Price Stabilization Administration. He was elected to public office in 1953 as an at-large Buffalo City Councilman in 1957. In 1958, Mr. Speaker he was elected to Congress as a Democrat from an overwhelming Republican district. He has continued to represent that district for the past 16 years.

THAD DULSKI was of great help and assistance when we were trying to enact much of the meaningful legislation for Federal employees, particularly those in the FBI, the Immigration and Naturalization Service, and the Postal and Customs Services. Without his help, guidance, and assistance I doubt whether we would have been as successful as we have been in our responsibilities in this regard. He has my sincere gratitude and thanks for his help and especially for his personal friendship over the years. I am sure that there are many other Members of the House who feel the same.

Mr. Speaker, the Members of this House and all the people of the 37th Congressional District of New York will sorely miss the expertise and the devoted service that THAD DULSKI has given so freely over the years. I am sure that his will not be permanent retirement from public service and that he will continue in another field dedicated to the benefit of the city of Buffalo and the State of New York. I wish him Godspeed.

Mrs. Rooney joins me in wishing THAD DULSKI, his lovely wife and family a long, prosperous, and happy retirement from this body.

In conclusion, Mr. Speaker, I include the following article which appeared in the July 25, 1974, issue of the AM-POL Eagle, Buffalo, N.Y.:

DULSKI ANNOUNCES RETIREMENT AFTER 16 YEARS IN CONGRESS

Congressman Thaddeus J. Dulski shocked the political world last week by announcing that he would not seek re-election to a ninth consecutive term in the House of Representatives.

Congressman Dulski, 59, said simply in announcing his retirement that he feels he has done his job in Congress and that it's time to step aside.

"I have derived great satisfaction in serving and representing my constituents," Dulski said. "To them I give my heartfelt thanks for their support and efforts in my behalf."

"As a first generation Pole, I am proud of my heritage and I cherish the opportunity the people of my district have given me in electing me as their Congressman."

Congressman Dulski, Chairman of the House Post Office and Civil Service Committee, was first elected to his seat in the House in 1958 in close contest with Republican James O. Moore, Jr., currently a Supreme Court Justice.

"As the Chairman of a major House Committee since 1967, and with the prospect of having a choice of one of two Committee chairmanships in the next Congress, I feel I have reached the pinnacle in House leadership," Dulski said.

Prior to his congressional career, Dulski served as an at-large member of the Buffalo Common Council and as councilman from the old Walden, now Fillmore, District.

"One-third of my life has been spent in elective office as a legislator—the past 16 in the greatest legislative body in the world," he said.

An accountant, Dulski also served as an agent for the Internal Revenue Service from 1940–47. He is a veteran of the Second World War and a former special agent for the Federal Price Stabilization Administration.

Dulski was quick to point out however, that his retirement from Congress does not mean he is totally leaving the political picture.

"I wish to emphasize that I am not retiring from the political arena. I love people. I enjoy work and I welcome challenge," he said.

THE ROCKEFELLER NOMINATION

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. LENT. Mr. Speaker, I want to applaud President Ford's choice of former New York State Gov. Nelson Rockefeller as his Vice-Presidential nominee.

Nelson Rockefeller has had a long and distinguished career at both the Federal and State levels. During most of his 15 years as Governor of my State, I had the privilege of serving as a State Senator. In that time, I found him to be a bold, imaginative, and qualified leader of one of the most complex governmental units in the United States. I was gratified to find that he was understanding and sympathetic to the problems faced by my suburban constituents, but he had an equally deep understanding of the problems faced by rural and urban New Yorkers as well.

Mr. Speaker, I believe Nelson Rockefeller will do credit to the executive branch of Government, and I urge his swift confirmation by both Houses of Congress.

CONGRESSMAN MURTHA AUTHORS ARTICLE ON "DRAFT RESISTERS AND DESERTERS"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. GAYDOS. Mr. Speaker, favorable comments from citizens in my own congressional district recently directed my attention to an article written by my distinguished colleague, Congressman JOHN MURTHA.

As most of you are aware, Congressman MURTHA is the first Vietnam veteran elected to the U.S. Congress, and I believe that makes him particularly qualified to write on "Draft Resisters and Deserters" as he has for the American Legion magazine.

After reading the article in the July edition of the magazine, I spoke with Congressman MURTHA about it, and he tells me it has prompted hundreds of favorable letters and comments from throughout the Nation after reading it. I can certainly understand why.

Congressman MURTHA's comments are written with the strength and courage of a man who was there. He is a man who saw the issue of draft resisters and deserters in the Vietnam war from a vantage point that no one else in the Congress can provide.

For that reason, Mr. Speaker, it is with great pleasure that I submit a copy of that article for the RECORD. I would say, Mr. Speaker, that no matter where an individual stands on this emotional issue, he will benefit from reading Congressman MURTHA's article.

The article follows:

DRAFT RESISTERS AND DESERTERS

(By Congressman JOHN P. MURTHA)

I served in Vietnam in 1966–1967 with the First Marines, south of Da Nang. I witnessed many acts of bravery. I saw young men who compare with the finest men in the history of this country doing their duty to the best of their ability.

But I also witnessed frustration. I witnessed a tremendous feeling of insecurity and discouragement because of actions at home and because of the divisiveness of this war.

One tragic example vividly illustrates this frustration. A young Marine company commander in 1967 had finished a tour in the First Marines south of Da Nang. He was scheduled for rotation—but he volunteered to lead his company on one last operation.

During the operation he was wounded but carried on. While talking on the radio, his battalion commander heard a loud explosion and minutes later the young captain reported weakly that he'd have to give up his company because he'd just lost both his legs.

The next day I visited this young Marine who was awarded the Navy Cross for heroism. He told me he was going back and tell the people what a great job the young men in his company had been doing.

Obviously, the critics, whom he never mentioned, had hurt him deeply.

The reason that I tell his story is because I believe it's necessary for the American people to understand how difficult this was on the young men who fought. There's no question that many of them didn't believe the war was right.

They fought in mud up to their knees and in water up to their waists—they sweated and bled and died, and when they returned home some of them were embarrassed to wear their uniforms, some were ashamed to say they had fought in the jungles and swamps of Southeast Asia.

But they served their country, and the men who fought should be praised and lauded.

There's no question they feared dying. Many of them could have stayed home or gone to Canada. But they believed, as I did and still do, that in this great country we must trust our government to establish the right foreign policy for this country, and we're to follow that foreign policy, perhaps give our lives for it.

Some bills before Congress would grant a general amnesty to all those who dodged the draft or deserted, some would grant amnesty on the condition of honorable service to the country, and others oppose amnesty altogether.

Considering that Vietnam was an extremely unpopular war, America has every reason to be proud of its young people. During the Vietnam conflict, 1,800,000 young Americans were involuntarily inducted into the armed services. Millions more volunteered. More than 95% of these millions served the country honorably and well. Some 2,500,000 young Americans were told their country needed them in Vietnam, and they went. There were 46,226 of them who died; 303,654 who were wounded; 772 of them who were captured, and 1,088 of them who are still missing in action or are unaccounted for. If there is no other good that comes out of Vietnam, there is at least the certain knowledge that the overwhelming majority of young men in this country are as loyal as any who went before them in any previous war.

When we talk about draft evaders and deserters, therefore, we want to keep in mind that we are talking about a comparatively small number. We also want to remember that it has happened before. In all previous wars, as well as during Vietnam, there have been some who would not live up to the obligations of citizenship.

There have actually been about 9,000 trials for draft evasion relating to the Vietnam conflict. Of this number, 1,186 were acquitted and 7,932 were convicted. Only 134 are now in prison. The sentences have an average range of 18 to 37 months. There remain about 4,400 fugitive warrants issued on men known to have evaded the draft. According to the Department of Defense, no more than 17,000 men, including those who failed to register and therefore remain undetected, are involved in unsettled cases of draft evasion.

While no doubt some men refused to serve in Vietnam because of a genuine, conscientious objection to our involvement there, many more men fled to Canada or Europe simply because they were irresponsible and unwilling to take any risks for their country. Most of the men with genuine conscientious objections stood their ground here in their own country and, in many cases, went to jail to show they had the strength of their convictions. In my mind, those who fled simply took the easy way out, leaving others—others who were better citizens—to take their places in uniform.

It is important to point out that our country has recognized from the beginning the right of an individual to conscientious objection. While for a long time such objections were considered valid only on religious grounds, more recently the basis for objection has been expanded to include other ethical considerations. Even after a man has put on his uniform, he can still make application for status as a conscientious objector. During 1968, for example, when the conflict in Vietnam was at its peak, 1,387 servicemen applied for status as conscientious objectors. Of these applicants, 724—or more than 52%—received approval. In 1971, 4,381 applied. Of these, 2,765—or 63%—received approval. Clearly, then, the men facing the draft had alternatives available to them that were within the law even after they put on their uniforms.

For deserters, the problem is essentially the same. It boils down to a shirking of duty to the country. Of the 28,661 deserters at large, studies show that less than 3% would honestly calim conscientious objection as their reason for desertion. Less than 4% would claim they deserted because of an objection to the war. Nearly 20%—men who enlisted from other countries to gain U.S. citizenship—would say they got cold feet and were not sure they wanted American citizenship enough to fight for it. Another 10% are simply men who escaped from confinement for other crimes. The remainder would cite as their reasons family problems at home, inability to take the stresses of military life, and other such things.

Americans are not a cruel or vindictive people. If the draft evaders and deserters turn themselves in for trial, they will find no eye-for-an-eye vengeance being inflicted upon them. They will find instead a system of justice that emphasizes, whenever it can, clemency.

For me, and I believe for the people I represent, a grant of general amnesty is out of the question. If we have not paid our men in uniform enough, or not provided our veterans with enough postwar compensation, we have at least always honored them for their service to our country. I will not dishonor them—and their widows and families—by supporting general amnesty.

BILL TO UPDATE WHEAT, FEED GRAIN, AND UPLAND COTTON ALLOTMENTS

HON. BOB BERGLAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BERGLAND. Mr. Speaker, I am today introducing a bill to amend the Agriculture Act of 1973 by establishing 1971, 1972, and 1973 as the new base years for feed grains, wheat, and cotton.

One of the more serious defects of the Agriculture Act of 1973 was its failure to update feed grain bases, cotton, and wheat allotments. These are established for each farm and govern disaster relief payments and target price payments, if either are triggered.

The existing law establishes feed grain bases on the acreage devoted to these crops in 1959 and 1960 with some adjustments. Wheat and cotton allotments were established in the 1950's.

There have been literally millions of changes in farm ownership and management since these historical bases were established. The law should be amended to reflect these recent changes in planting practices.

Since the set-aside concept, embodied in the Farm Act of 1970, was implemented in 1971, we have seen substantial shifts in cropping patterns between whole regions. For example, the Corn Belt has increased its plantings of corn and reduced wheat while the wheat States have increased wheat acres and reduced feed grain production. This is as it should be, but with these changed cropping patterns, the problem of obsolete bases and allotments has arisen. The bill, which I have introduced today, is intended to remedy the inequities in the current allocation of bases and allotments, and stimulate the orderly expansion of various crops in areas where they can be grown the most efficiently.

HOW TO BIND UP THE NATION'S WOUNDS

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. ROBISON of New York. Mr. Speaker, on yesterday, during the course of his prepared remarks at the Chicago convention of the Veterans of Foreign Wars, President Gerald Ford inserted the following words relative to the troubling—and emotion-charged—issue of conditional amnesty.

They were good words; eloquently strung together into a theme presented by a still-new but strong and confident President to a Nation badly in need of a time within which to come to peace with itself after nearly a decade of strife and internal divisions.

There is a time for healing—and a time for reconciliation; a time, as President Ford said, "to bind up the Nation's wounds."

That time is now—and we must not let it slip from our grasp.

Mr. Speaker, as one who has sought to here encourage an objective, emotion-free discussion of the history of conditional amnesty, as reflected in the past actions of such leaders as Lincoln and Harry Truman, I have some idea of the backlash any such effort induces, or at least has induced in the recent climate of public opinion. So I congratulate President Ford for the forthrightness and courage displayed by him in bringing this issue forward for public examination and debate; it was an act fully in keeping with the role he has so recently but so admirably assumed—that of serving as "President of all the people."

And so I encourage all of my colleagues, whatever their prior persuasion or attitude on this project, to carefully read—and to take to heart—President Ford's words and thoughts, as now set forth:

> NOT ONLY JUSTICE, BUT MERCY
>
> In my first words as President of all the people, I acknowledged a power higher than the people, who commands not only righteousness but love, not only justice, but mercy.
>
> Unlike my last two predecessors I did not enter this office facing the terrible decisions of a foreign war. But like President Truman and President Lincoln before him, I found on my desk, where the buck stops, the urgent problem of how to bind up the nation's wounds. And I aim to do that.
>
> As a lawyer, I believe our American system of justice is fundamentally sound. As President, I will work within it. As a former naval reservist, I believe our system of military justice is fundamentally sound. As Commander-in-Chief, I will work within it.
>
> As a former congressman who championed it, I believe the concept of an all-volunteer armed force is fundamentally sound and will work much better than peacetime conscription.
>
> Accordingly, in (my) first week at the White House office I directed the Attorney General of the United States and the Secretary of Defense to report personally to me before Sept. 1 on the status of some 50,000 of our countrymen convicted, charged, under investigation or still sought for violations of the Selective Service Act or the Uniform Code of Military Justice—offenses loosely described as desertion and draft-dodging.
>
> These two Cabinet members are to consult with other government officials concerned and communicate to me their unvarnished views and those of the full spectrum of American opinion on this controversial question, consolidating the known facts and legal precedences.
>
> I will then decide how best to deal with the different kinds of cases. There are differences. Decisions of my administration will make any future penalties fit the seriousness of the individual's mistake.
>
> Only a fraction of such cases relate to Vietnam, from which the last American combatant was withdrawn over a year ago by President Nixon. But in all, in a sense, are casualties; still abroad or absent without leave from the real America.
>
> I want them to come home, if they want to work their way back.
>
> One of my last official duties as Vice President, perhaps the hardest, was to present posthumously 14 Congressional Medals of Honor to the parents, widows and children of fallen Vietnam heroes.
>
> As I studied their records of supreme sacrifice, I kept thinking how young they were. The few citizens of our country who, in my judgment, committed the supreme folly of shirking their duty at the expense of others were also very young.
>
> All wars are the glory and the agony of the young.
>
> In my judgment, these young Americans should have a second chance to contribute their fair share to the rebuilding of peace among ourselves and with all nations.
>
> So I am throwing the weight of my presidency into the scales of justice on the side of leniency. I foresee their earned re-entry into a new atmosphere of hope, hard work and mutual trust.
>
> I will act promptly, fairly and firmly in the same spirit that guided Abraham Lincoln and Harry Truman.
>
> I reject amnesty and I reject revenge.
>
> As men and women whose patriotism has been tested and proved, I want your help. I ask all Americans who have asked forgiveness and mercy in their lives, who ever sought forgiveness for trespasses, to join in rehabilitating all the casualties of all the tragic conflicts that are past.

GRATITUDE EXPRESSED TO MR. K. A. HAQUE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. WHALEN. Mr. Speaker, I am pleased to take this opportunity to formally and publicly express my gratitude to Mr. K. A. Haque for the work he has done for me while serving as an American Political Science Association intern in my office.

Mr. Haque will soon return to his home in Bangladesh, where he serves as the Deputy Secretary of the Bangladesh Parliament.

Bangladesh should be justly proud of

Mr. Haque. He truly was an ambassador of good will, epitomizing the finest elements of friendly interpersonal and international relations.

Mr. Haque's work was always of the highest caliber. I am especially indebted to him for his extensive research into the question of foreign investment in the United States, an important issue for this country as well as for the rest of the world. Barriers of language and culture that might have diluted the effectiveness of some did not hamper Mr. Haque. His command of the English language was excellent, and cultural differences posed no problem.

As important as Mr. Haque's research was to me, the real value of his intership was in his interaction with my office. My staff and I were able to learn from Mr. Haque about his country, and we were able to draw on his perceptions of international politics and economics. I hope that he was able to obtain a better understanding of how the Congress functions in this country.

Most important, Mr. Haque once again gave substance and meaning to the phrase, "brotherhood of man." We will miss him in our office, and we wish only the best for Mr. Haque and his country of Bangladesh.

EAST-WEST TRADE—WHAT ABOUT U.S. JOBS AND MARKETS?

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. HUBER. Mr. Speaker, the subject of East-West trade has been debated in terms of whether or not we are building up the economy of our potential adversary in war and I believe that we are. However, the proponents of East-West trade have always pointed out that we are exporting non-military items and are arranging credits for plants that can boost the standard of living of the Communists. But, no one, until recently, has described how these new factories may sell their products abroad and cut out markets for U.S. exports and thereby cost some Americans their jobs.

Therefore, I commend to the attention of my colleagues the article which follows these remarks. It is by Mr. Oscar E. Boline and appeared in the Christian Science Monitor on August 14, 1974.

The article follows:

CON: EUROPEAN BUSINESSES CHASED ONLY WILL-OF-THE-WISP PROFITS

(By Oscar E. Boline)

Over the past 20 years, many West European businessmen have heeded the will-o'-the-wisp call of East-West trade.

Soon they were bogged down in a mire of scanty profits, confusion, disappointment, and mounting costs. The glitter turned out to be mica, not real gold.

Now the United States is being tempted by the same promise of El Dorado. It too may well be quickly disillusioned.

Back in 1957, Nikita S. Khrushchev promised prosperity to all who would trade with the Soviet Union and its East European bloc. Every European country except Portugal responded eagerly, often pouring public funds into East-West trade promotion.

GENERALITIES PLENTIFUL

Agreements full of generalities about big deals and peace and friendship were signed. Trade promotion offices were opened in both East and West Europe. Technical-exchange agreements were signed and joint study groups formed.

At that time, 1958, world exports to the Soviet bloc were almost on a par with those to Norway and Sweden. That is ridiculously low considering the 350 million Soviet-bloc inhabitants and a mere 12 million in the two Scandinavian countries.

Even by 1972 the trade drive put exports to the bloc only slightly above those to Norway and Sweden.

INCREASES COMPARED

During the last five years exports to Norway and Sweden rose 74.23 percent, in step with the total world increase, while those to the Soviet bloc rose only 51.67 percent.

The West Europeans' expectation fell short because they overlooked the well-publicized economic plans and failed to study the aims of the bloc's Communist leaders. These plans rule out a two-way trade, such as West Europe sought and needed for growth.

Americans who look for two-way trade between the Soviet bloc and this country are headed for even greater disappointment than their European counterparts. The reason is, this country has few of the tariff and trade barriers West Europeans maintain to protect their industrial base. These barriers keep out any overflow of products produced by the cheap, controlled labor of the Soviet bloc.

PROFITS, NOT ECONOMY

On the other hand, for Americans content to look for figures showing trade expansion, with little or no regard for the adverse effects of East-West trade on Americans' jobs, Soviet-bloc trade will be just what their economist ordered.

The Communists made it clear, as current five-year plans and long-term plans were discussed and begun, that every effort would be made to improve domestic output and build a strong industrial base.

How? Western firms would bring multinational operations to the bloc. In these, the firms contribute their latest equipment, technology, markets, etc. The Soviet-bloc firms contribute the plants, cheap labor, and raw materials, the products to be sold almost exclusively in the West.

NO RAW MATERIALS

The Communist Party stressed that the bloc must not become an exporter of raw materials. The party does not support untrammeled trade. And free trade is taboo.

In essence the party expects to develop Eastern Europe into an industrial area in which Western firms can manufacture for Western markets, profiting from cheap controlled labor, fixed prices, and abundant raw materials.

To attract Western firms, six types of "cooperative agreements" have been devised. Each is based on the principle of manufacturing in the East a line, or components of a line, of products now manufactured in the West. The agreements range from simple commission work to joint ventures in third countries.

SMALL-SCALE INDUSTRIES

In 1972 I completed a study on these ventures, which by then had surpassed 600. For the most part they were small-scale operations such as making glassware, or relatively simple operations such as making fibers and labor-intensive apparel.

Most West European firms have been reluctant to accept the cooperative offers. A major reason is nationalistic ties and their governments' stress on preserving the industrial base.

In the mid-1960's Soviet-bloc planners told me they did not expect much from Europeans in developing large-scale industry. Instead they looked to the Americans. They cited the growing nonstate character of the American firms, claiming they look only for profit with no regard for the Amreican economy and social structure. Time, they insisted, was on their side.

LURES DANGLED

The distintegration of the dollar and rising Western European production costs are being used by the Soviet-bloc promoters to help attract American manufacturing.

There is an obstacle: the failure of Congress to grant to the Soviets, and some other bloc members, most-favored-nation (MFN) treatment on credit, trade, and tariffs.

The Soviets and other MFN proponents do not publicly state how really essential MFN is to the Soviets. Perhaps they feel a wave of U.S. domestic protectionism would wash away their hopes.

The Kiev tableware and hollowware plants under construction in the Soviet Union are a good example of the tactics being used to obtain MFN. The Soviet request for bank credits to buy American tools and dies to build the plants had the open support of top Washington trade officials. They enthusiastically pointed to this deal as one that would raise the standard of the Russian people, as if to say it would put knives and forks on the tables of Russia.

THE MARKET: U.S.

However, after the multimillion-dollar deal to equip several factories had been completed and financing arranged through U.S. banks the Soviet official who handles consumer-goods exports to the U.S. told me 100 percent of the output was earmarked for the U.S. domestic market. The first deliveries were scheduled for 1976.

Incidentally, the dies the Russians chose were for making traditional U.S. lines. Thus at bicentennial time, gift shops in this country may be selling Paul Reverse vases stamped "Made in the U.S.S.R." The sale will be greatly abetted if Congress grants MFN, as President Nixon has been urging.

The net result to the American economy: An already hard-pressed domestic industry will find it even more difficult to exist—ironically so, via tariff, credit, and financial concessions granted in the name of the American taxpayer.

JOHN EXTER TALK TO THE REPUBLICAN STEERING COMMITTEE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. SYMMS. Mr. Speaker, on June 19, 1974, the distinguished economist, John Exter, addressed a dinner meeting of the House and Senate Republican Steering Committees. Mr. Exter is a former director of the First City Bank in New York and a former Governor of the Federal Reserve Board. He is now a private consultant. For the benefit of my colleagues, who are concerned about our monetary crisis, I will read into the RECORD the text of Mr. Exter's speech in three parts; part 1 is as follows:

JOHN EXTER TALK TO THE REPUBLICAN STEERING COMMITTEE OF THE HOUSE OF REPRESENTATIVES, JUNE 19, 1974

Thank you very much, Bill. I did not come here tonight to cheer you up. I have a habit of calling a spade a spade, gold gold, and paper paper. There is no such phrase in my dictionary as paper gold. I try to call the shots as I see them.

So I am going to talk to you about the monetary system of the United States, indeed of the whole world, and I am going to tell you right away we are in trouble. To put it bluntly we are in the midst of a 20th Century attempt to substitute paper for specie. The word specie has always meant gold and silver coins, but silver has become relatively unimportant as a monetary commodity, while gold has become the supreme monetary commodity in the world. So this is really a 20th Century attempt to substitute paper for gold.

There have been many others, but this one surpasses all others in its audacity and in its scale. In its audacity because we have mounted it in the wake of universal failure of all others. In its scale because every other atempt was in a single country and in an individual currency; this one is world-wide, in all currencies, inflation everywhere. It has even embraced the International Monetary Fund, the institution set up after World War II to try to restore and preserve a stable exchange rate system based on the convertibility of paper money into gold at $35 an ounce. The Fund has violated its own purposes and permitted itself to become the vehicle for substituting paper gold (the special drawing right) for gold, the most preposterous attempt to substitute paper for gold the world has ever known.

How did this come about? Why has the attempt been made essentially in my generation? I think it is a result of the great depression. I lived through it so I remember it well. Many people thought we crucified ourselves on a cross of gold. Many economists concluded that we need never have had the great depression if only central banks had gone on and on printing more paper money. They had a particularly gruesome experience in Great Britain because in the late twenties and early thirties Britain had depression, unemployment and the dole. So in September, 1931, the British went off gold, floated the pound, and the country felt a great sense of relief. The word "gold" is a four letter word in Britain to this day and the gold standard idea is unpopular. The British certainly thought they had been crucified on a cross of gold.

Now I happen to differ with this opinion. I am a strong gold standard man, as you can tell by my initial remarks. I do not think the great depression was caused by the gold standard. It was caused rather by our failure to observe the discipline of the gold standard. The British fared particularly badly, mostly I think because when they went back on the gold standard after World War I they restored the pre-war value of the pound in 1925, a value that was unrealistic at that time, and then they accepted some gold standard discipline at that too high value. This doomed the country to more years of deflation and depression than it would have had with a more sensible exchange rate. Winston Churchill was Chancellor of the Exchequer and Montague Norman Governor of the Bank of England at the time.

I am not going to argue the causes of the great depression. We do not have time. The important point is that two schools of thought grew out of it. One was the school fathered by John Maynard Keynes who published his famous book, The General Theory, in 1936. Keynes and his followers have taught ever since that the gold standard was a barbarous relic, that it made no sense to dig gold out of the ground in South Africa and put it back into the ground in Fort Knox. We have not put much in lately; we have taken it out.

Keynes also assumed a closed economy, one without any transactions with the outside world. A more unrealistic and devastating assumption for sound economic thinking can hardly be imagined, especially for the middle of the 20th Century. No country is ever a closed economy. The assumption made the Keynesians primarily domestic economy thinkers. They only consider balance of payments problems afterwards and as something apart. In recent years they have told us to treat the balance of payments with benign neglect. So benign neglect is today's heritage of that 40-year old Keynesian assumption of a closed economy.

The Keynesians also had a very cavalier attitude toward debt. Debt was important to them because they taught that if there was unemployment government should run a budget deficit and create government paper IOUs to meet it. Then the Central Bank and the rest of the banking system should buy that government paper by creating still more paper IOUs of their own. In other words, Keynesians were paper money oriented. Paul Samuelson's Keynesian book says we have mover from commodity money to paper money in this generation.

Keynesians also urged strong government intervention in the economy through fiscal and monetary policy and still more interventions, if necessary a whole long string of them. They taught most of all that they knew so much about the economy that they could avoid another depression. There need never be another. When Walter Heller, a leading Keynesian, was Chairman of the Council of Economic Advisors he even talked about fine-tuning this great American economy of ours.

Another school of thought developed later in this country, the monetarists, led by Milton Friedman. He professes to be, and in many ways is, a non-interventionist. He thinks of himself as being in the tradition of Adam Smith, in favor of free markets, laissez-faire, non-intervention and so on, and in many areas of economic life he can advocate free market economics with extraordinary eloquence. But in money he's a different personality. He says money matters most, and I agree. But he favors strong intervention in money, whereas I regard it as the most pervasive, vicious, and mischievous of all government interventions in an economy. He defines money as paper, demand deposits and currency notes. That is his M-1, his M-2 and M-3 are paper, too.

Then he admonishes the Federal Reserve to increase his paper money at a certain rate, a rate that I call a magic rate, although I have never understood its magic. Oddly enough, he changes the rate from time to time, but I suppose his favorite rate would be about 3½%. He would even like you in the Congress to pass a law requiring the Fed to intervene in money and increase the paper money supply, as he defines it, at his magic rate. He then says if the Fed will intervene as he tells it to we will have continuous economic growth and, like the Keynesians, he says we need never have another depression.

When I ask him about the balance of payments consequences of this constant increase in money, he says, "Oh, I'm a non-interventionist. I would let the market take care of the balance of payment consequences. I would simply let the dollar float." So you see, like the Keynesians, he's a closed economy thinker. He would intervene strongly in domestic money, but in international money markets he would let the dollar float. Indeed, he admonishes all countries to let their currencies float.

Now a floating exchange-rate world is a no-pay world, one in which there is no way for one country to pay another, so it does not need gold. Friedman would even have the U.S. Treasury demonetize its gold, sell all of it over time to private people. So his attitude toward gold is very similar to that of the Keynesians.

His constant creation of paper money IOUs creates an enormous debt problem, but I do not think he has ever put his mind to it. I have not yet read anything in his writings about the debt people, although he once said to me in conversation, when he saw how worried I was about it, that Irving Fisher was worried about it, too. If you know something of economics, you will know that Friedman is in the tradition of Irving Fisher.

My charge is this. I do not think either the Keynesians or the Friedmanites have thought enough about what money is and what it does. Paul Samuelson, a leading Keynesian, at one point in his famous textbook says money has only two functions: a means of payment and a standard of value. In other words we pay it and quote prices in it. But it has another function. It is a store of value. It is the reward for our labors, for our thrift, for our enterprise, for our inventiveness, for the product of our lands, and of our capital, and go on. If we are going to work for that reward and we do all want to work for money, we want it to hold its value. And I am here to tell you tonight that the store-of-value function of money is the most important function, that if money does not hold its value it will cease over time to serve the means-of-payment and standard-of-value functions, and that money, to be a store of value, must be a commodity, a commodity that is both desirable and scarce. Scarcity is the keystone of store-of-value money. The commodity that has proved over the centuries, in fact for thousands of years, to be the best store-of-value money is gold. There is certainly no other commodity on the horizon today to rival it.

What about paper money? Paper in and of itself cannot be a store of value because it is far too abundant. Paper can only serve as a store of value if it is convertible, really convertible, on demand at a fixed price into some commodity that in and of itself is a good store of value. So paper can serve as a store of value only as long as you can get good store-of-value money for it at a fixed price. We have lived, all of us, even the youngest here, in a world in which people could, if their governments permitted them, get gold on demand at $35 an ounce. People could get gold freely at $35 an ounce until as recently as March, 1968, when the two-tier gold system was set up. Central banks could get gold at $35 an ounce until as recently as August 15, 1971, when President Nixon closed the gold window. So before that date every dollar, in fact every convertible currency in the world, said, "I owe you gold at $35 an ounce." Since that date every dollar says, "I do not owe anybody anything that is a good store of value at any price." In other words, every dollar, in fact every currency today, is an I-owe-you-nothing (IOU-nothing). We are in a world of IOU nothing currencies.

Our governments are even trying to substitute paper gold for gold. But the special drawing right, the SDR, does not even have an obligor, so is not even an I-owe-you-nothing. It is a "who owes you nothing?" and there is no fixed maturity date on it, so is a "who owes you nothing when?" Until now it has only paid an interest rate of 1½%. I submit to you that the market will never accept a who-owes-you-nothing-when? as a currency, and I doubt that the market will accept any money that is backed by who-owes-you-nothing-whens? So in my book the SDR is a non-starter. You need not bother your heads about it. It will never work. It is still-born.

Since August, 1971 then, we have been living basically in a world of floating exchange rates. If paper currencies are not convertible into gold, it is impossible to have fixed exchange rates among them because different countries create their paper money at different rates, some very fast, some more slowly. Of course, those who create their paper IOU-nothings, at the most rapid rate, will see them fall against other countries' IOU-nothings in the foreign exchange markets. There is now no ultimate way for one central bank to pay another. Gold is not used to make payments in the system any more. So the attempt at Smithsonian to try to re-establish fixed exchange rates without restoring the convertibility of paper currencies into gold was a giant exercise in futility. It could only last for a brief period of time. It actually lasted a little over a year. But we should have seen from the beginning that it could not last. Governments see it now and have at last given up all attempts to try to restore a fixed exchange rate world. I will predict for you tonight that even the remaining fixed exchange rates in the system such as those in the Common Market snake, will disappear. In other words, the snake is on its last legs, or I should say, on its last belly, and will die soon.

A floating exchange rate world, as I said is a no pay world, so it is a law of the jungle world, a dog eat dog world, and it is going to cause us an enormous amount of trouble. We have already seen it in the energy crisis. In a world of paper, if we have to buy resources from other countries, as we have to buy oil from the oil producing countries, they have no alternative but to take paper, our IOU-nothing paper, and they don't want to sell more and more of their ever more valuable oil for more and more of our ever more worthless paper.

Question: John, could I interrupt for just a second and have you explain floating exchange rates. That's a term that has been used much in the media. I mean it's a somewhat misunderstood term. Your expertise treats it as commonplace but could you explain in layman's terms what floating exchange rates mean?

Answer: A floating exchange rate system means that the IOU-nothings in each paper currency trade day by day at fluctuating market rates in the world's foreign exchange markets. In fact rates can fluctuate minute by minute each against all the others. There are no par values in gold, and no fixed exchange rates among currencies. As we have seen, these rates can change very drastically in short periods of time. About a year ago, for example, the yen was 260 to the dollar. By January it had gone down to 300 to the dollar, then it went back up to 275 to the dollar; and so it goes. This is a floating exchange rate. It bobs up and down.

Question: If a country has a big balance of payments deficit, the demand for that particular currency dictates the rate.

Answer: It is not the demand for that particular currency in this case as much as it is the supply of the currency. The reason the yen fell like that is that the Japanese increased the supply of the yen at an enormous rate.

Question: Is there not some internal discipline in the system?

Answer: No. The point is that the gold standard imposed the only really effective discipline on the system. Even before we closed the gold window the discipline had become very tenuous, but once we closed it all external discipline was removed.

When you talk about the balance of trade and the balance of payments you raise another point. I was going to skip over it, but I'll say it now. A clean float is a float in which the central bank does not intervene in foreign exchange markets to try to buy or sell any other currency against its own. If we really had a system of clean floats, all central banks would keep out of the foreign exchange markets completely. Then there would be no balance of payments surpluses or deficits because all international transactions among countries would be equated at these floating free market foreign exchange rates. There would never be any balance of payments surpluses or deficits.

Question: There wouldn't be devaluations either.

Answer: That is right. Strictly speaking a country cannot devalue except against gold. Loosely speaking, we do talk about devaluation against another currency, especially against the dollar because of its importance. Suppose Germany were trying to hold a fixed exchange rate against the dollar and then decided to change that rate. If it lowers it, it is a devaluation. If it raises it, it is an up valuation. In a floating exchange rate world there are no devaluations or up valuations. There is simply depreciation and appreciation of currencies in the market minute by minute of every trading day. That is the kind of world we are now in.

When Secretary Connally was in charge at the Treasury he did not want dirty floats. He was telling other countries not to have dirty floats because dirty floats at that time were preventing foreign currencies from rising against the dollar and Secretary Connally wanted them to rise. It was his way of pushing the dollar down. In a floating exchange world every country has an incentive to try to get its exchange rate down against the others because then it can sell more cars, or wheat, or whatever. By selling more a country can keep economic activity going at the expense of other countries. Today, for instance, when the mark is rising, Volkswagen is in trouble, so the German authorities dislike the appreciation of the German mark.

Today the situation is different. A lot of currencies are falling against the dollar: the lira, the yen, the pound sterling, and others, which we do not like. We have suddenly become interested in having dirty floats. We now want foreign central banks to intervene to prevent their currencies from falling against the dollar. So most floats today are dirty.

Floats can be dirty in two ways: a central bank can buy dollars to prevent its currency from rising, which Secretary Connally did not like, or it can sell dollars to prevent its currency from falling, which we now like. A country that has had dollars, like Italy, can prevent its lira from dropping by selling them. The Italians are prepared to defend the lira because a falling lira would raise lira prices of all imported goods and stimulate inflation which is already roaring away so fast that they do not want to stimulate it any more. Authorities in every country are beset by similar conflicting problems today. They do not know what to do.

But I did not intend to spend so much time on floating exchange rates.

I should like to get on to another subject, but first I shall just close this business about the all-important store-of-value function of money. Since August 15, 1971 there is no money in the world that is serving all three functions of money. National currencies are still being used as a means of payment and as a standard of value but they are serving worse each day as a store of value. Inflation has gripped all currencies, so all paper money is losing its value in the market places of the world at a very rapid rate. On the other hand, gold has lost the first two functions. Before August 15, 1971 it was the principal means of payment by central banks from country to country and was also the standard of value for the whole system since almost all currencies were tied to gold at $35 an ounce. Those two functions are gone. Gold is no longer a means of payment at all. It is sitting in the vaults of the central banks, driven out by Gresham's Law. According to that law—bad money drives out good—the good gold money has been driven out of circulation. Gold is, however, serving the most important function of money. It has become the supreme store-of-value money. People in the market places of the world are moving more and more out of paper into gold and have driven its price up and up, so that it is today about $155 an ounce, more than four times what it was on August 15, 1971. And I can tell you, if you are interested, it is going much higher than that. You ought to think of it this way: all paper money is really falling in value against gold. It isn't gold that is going up, it is paper that is going down, not just against gold but against most things in the market places of the world. The $42.22 official price is a nonsense, so gold is no longer a standard of value either.

There is another problem which the Keynesians and Friedmanites have overlooked: the debt problem, the most important one of all. Every piece of paper money is an IOU, whether it is a currency note, a demand deposit, a savings deposit, a treasury bill, or what have you. We live in a world of paper IOUs, but also we live in a world in which we are expected and required to pay our debts. If very many debtors, especially banks cannot pay, the whole system breaks down so there is a problem. Expanding paper money stimulates multiple expansion of debt to a point ultimately where debt cannot be paid.

I shall illustrate it this way. We started extraordinarily rapid expansion of debt in the dollar in the early sixties. I do not want to be political, but it began after President Kennedy was elected on the promise to get the country moving again. He took a lot of Keynesians to Washington with him and they urged expansionist policies, including deliberate expansion of paper money. There had been plenty of it before, but there was a distinct change in policy after 1961.

I shall try to simplify it. The government runs a budget deficit and prints, let us say, a billion dollars of U.S. government securities, U.S. government IOUs. Later the Federal Reserve buys the IOUs in the open market. The Federal Reserve takes the IOUs into its balance sheet as an asset and pays for them by creating a deposit liability, or IOU, on its books. So an increase in debt of the federal government by a billion dollars can bring an increase in the debt of the Federal Reserve System by a billion dollars. But it does not stop there. The billion dollars of Federal Reserve liabilities becomes excess reserves of the member banks of the Federal Reserve System. These member banks can then go out and acquire the paper IOUs of business and individuals. In other words they make loans. They can also make investments by buying federal or state and local government securities, more IOUs. And they simply create the deposits, or IOUs, on their books with which to buy these additional paper IOUs. So debt often rises without any act of saving.

Unfortunately, debt begins to grow far faster than the economy grows. It is simple economics that debt has to be serviced and repaid out of rising production and rising productivity. But we have now been living for many years with debt growing far faster than the gross national product (GNP) and the rate of interest rising far above the rate of increase in productivity. Accordingly, we created a volume of debt in the system much of which cannot be paid out of rising production and productivity. How then, until now, has it been paid? Why have there not been more failures, more defaults? We have had a Penn Central here and a Rolls Royce there, but no major debt liquidation. The reason is that we have gone on creating enough new debt to enable old debts to be repaid from the proceeds of the new. In other words, we are engaged in a massive operation of borrowing from Peter to pay Paul. This means the system must always find more and more Peters to do the lending, and the Peters, as time goes on, require bigger and bigger incentives to lend, which means higher and higher interest rates. The prime rate today is 11¼%, which only makes the debt problem worse. Debtors have to borrow not only to repay old debt but also to pay ever higher rates of interest on existing debt. So the growth of debt becomes explosive.

And there is still another factor that adds to the explosiveness. Creating debt creates purchasing power. If you go out and incur a mortgage debt to buy a house, or a car loan to buy a car, or if a company borrows from a bank or in the market to build a plant, or buy new equipment, or what have you, purchasing power grows in the system, especially if the borrowing is not out of current saving. We have in fact created purchasing power far beyond our capacity to satisfy that purchasing power, so prices and costs have gone up, which means inflation. So inflation adds to the demand for loans, or for new debt, because it may cost half again as much to buy a house today as it did ten years ago so you have to borrow half again as much. Inflation makes the growth of debt still more explosive. My old bank, First National City Bank, now has total footings, total assets and liabilities, growing at the rate of over a billion dollars a month. When I joined the bank total footings were only about $8 billion, the cumulative total of 150 years of growth and now they grow that much in 8 months. That's only one bank. But all big banks are growing at this explosive rate.

This attempt to substitute paper for specie is going to fail, and it will be the biggest failure in history, because it is the first worldwide attempt in history. It will fail because the system can go on creating these paper IOU-nothings, this paper debt only as long as people have confidence that the debt is going to be paid. But Disraeli said, "Confidence is suspicion asleep." Suspicion is not like a tiger in the jungle that awakens at the first snap of a twig. Instead it is like a room full of people like this, all of whom have been drugged for years and years with Keynesian and Friedmanite economics. You have been drugged. I was once drugged. We all eventually wake up, but only slowly, one by one. People are beginning to awaken now, but I have been amazed at how slowly. There have always been new Peters somewhere in the system, and there still are. In the years since President Nixon closed the gold window, for instance, I thought no one would buy more dollars. But foreign central bankers became Peters on a large scale and built up their holdings of dollars to over $80 billion. Who are the Peters today? The Arabs and other oil producers. They are now accumulating our dollar IOU-nothings by the billions. They have not yet awakened.

CONGRESSMAN WYDLER MAKES SPECIAL REPORT TO SENIOR CITIZENS OF THE FABULOUS FIFTH CONGRESSIONAL DISTRICT

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. WYDLER. Mr. Speaker, the senior citizens of my fabulous Fifth Congressional District are a large and important group. As a group, they show deep devotion to our Nation and a willingness to help us meet the problems we all face together.

I wish to make a special report to these outstanding older Americans which can be of help to them in knowing what the Congress and I are doing in their interest.

SSI BENEFITS

It is estimated that there are 1,700 older Americans in our fabulous Fifth Congressional District who are entitled to additional benefits under the Nation's supplemental security income program but who are, unfortunately, not aware of their rights. This program guarantees our senior citizens a monthly income, and I ask all older Americans receiving this report to cooperate in "SSI alert," now in progress in the county of Nassau. To qualify, the person must be age 65 or over, have a total monthly income—including social security—of less than $227 for an individual living alone and $315 for a married couple living in their own home or apartment. Recipients may also have a limited income from employment, own their own homes if valued below $25,000, own a car valued below $1,200, or own an insurance policy with a face value no more than $1,500. SSI recipients are automatically eligible for medicaid. Anyone 65 or over who thinks he is eligible or knows of someone who might be eligible should write me, here in Washington, and I will see that the matter is properly followed up.

NEW HOUSING BILL PROVIDES 75,000 UNITS OF HOUSING FOR THE ELDERLY

I am pleased to inform you that the House of Representatives passed, with my vote, a new housing bill. A special amendment was added, with my support, to provide 75,000 units of specially designed housing for the elderly and handicapped. The bill makes new housing money available to lend to nonprofit sponsors and should make clear the intent of Congress to see that more housing for the elderly is provided.

PART-TIME EMPLOYMENT MADE AVAILABLE

In June, the Department of Labor, in Washington, announced that New York State would receive $900,000 to provide part-time employment for older Americans. This program is part of the Older Americans Act which was passed by the Congress to help meet the special needs of our senior citizens.

WYDLER ANNOUNCES SUPPORT FOR ESTABLISHMENT OF PERMANENT COMMITTEE ON AGING

As a Member of Congress, I serve as the ranking member of the Special Studies Subcommittee of the House Committee on Government Operations. This subcommittee has the problems of the elderly as its major responsibility. We are now holding congressional hearings on these problems. We have done tremendous amounts of work in the past on making our nursing homes safer around the Nation.

I now believe the time has come, as we are considering congressional reorganization of the committee system, to establish a special permanent, nonlegislative House-Senate committee, which would be a Joint Congressional Committee on the Aging. This committee will concentrate on the needs of the elderly, which group remains the fastest growing segment of America's population. Such a committee can help to meet the present and future needs of our senior citizens.

WYDLER ESTABLISHES SENIOR CITIZEN INTERN PROGRAM

For years the Congress had an intern program which was limited to college-age persons. I have now established the Congressional Senior Citizen Intern program, which was introduced in my Fifth Congressional District this year. It is a "first" on Long Island and New York State. Its original intent was to recognize senior citizens in the promulgation of Federal legislation, and it has proved to be an outstandingly effective program, giving the senior citizens of my congressional district the opportunity to study first-hand, through local representatives, Federal legislation, and programs affecting the elderly. Because of its proven value, it is my intent to continue the program as an ongoing one in future years.

Mrs. Hazel Sandy, 394 Hawthorne Street, Uniondale, N.Y., and Col. Emanuel Singer, 1094 Fulton Street, Woodmere, N.Y., were selected to represent the senior citizens in my district and worked for a 2-week period in my congressional office in Washington during the month of May, which had been proclaimed by the President as Senior Citizen Month.

The two participants were selected from approximately two dozen nominees. The names were placed in nomination by local senior citizen clubs and organizaations, and the final selections were made by a committee consisting of Murrae Feingold, Older American Volunteers Committee chairman; Mrs. Adelaide Attard, Nassau County Department of Senior Citizen Affairs Commissioner; and Dr. Carol Lucas, Town of Hempstead Services for the Aging Director.

Colonel Singer and Mrs. Sandy were introduced to Long Island residents by television, on a 30-minute program on Channel 11, in a discussion focusing on problems relating to the elderly and the unique opportunities of the congressional senior citizen intern program, benefiting not only local residents but, more importantly, the senior citizen. Radio Station WOR also presented the interns to its listening audience, programs in which I personally participated, as did Congressman LESTER WOLFF who praised the intern program.

One of the highlights of the intern program was the opportunity the representatives were given to meet with the then Vice President, Gerald R. Ford, and personally discuss issues of importance to senior citizens. Meetings were also arranged for the interns to discuss issues of importance with the Senate Majority Leader MIKE MANSFIELD and the chairman of the House Ways and Means Committee, Congressman WILBUR MILLS, which committee is charged with the serious responsibility of social security legislation.

A full and well-rounded schedule had been previously arranged for the interns, with open discussion presentations by the executive branch of Government, including representatives from the Administration on Aging, Housing, and the Elderly, National Health Insurance and Medicare, Social Security, SSI, and Social Services.

A special White House tour and briefing were also included in the programing, as was a tour of the U.S. Capitol and the Department of State.

During their 2-week assignment in my congressional office, I had the opportunity to visit informally with Colonel Singer and Mrs. Sandy, at a private breakfast and a specially arranged luncheon in the Members' Dining Room, providing me the opportunity to personally and leisurely review issues paramount to senior citizens in my district, giving me a new capacity to view senior citizen problems in their true perspective.

Mrs. Sandy celebrated her birthday in the Nation's Capital, complete with a fully candled birthday cake, a happy occasion in which my staff and I joined. It was truly a very festive event and a particulraly memorable one for Mrs. Sandy.

Recognizing their effective participation in the intern program, I invited Colonel Singer and Mrs. Sandy to serve as senior citizen advisers on my Congressional Advisory Commission. The Commission is a small one, consisting of representatives of labor, business, education, conservation, science, and other areas, with whom I periodically and independently confer. They contribute substantially to my full understanding of specific problems and issues as they affect my congressional district. I am please by their acceptances and will greatly benefit as a result.

Colonel Singer and Mrs. Sandy submitted formal reports to me upon completion of their Capitol Hill assignment, and I believe their comments with respect to the congressional senior citizen intern program will be of interest to all senior citizens. They follow:

Report of Hazel Sandy

This report pertains to the Senior Citizen Interior Program conducted from April 29 to May 10, 1974, in Washington, D.C. This program relating to legislation of all the bills pertaining to Senior Citizens is the basis of my letter.

In my opinion, it is going to take many years to obtain all the objectives in these bills.

Having this Senior Citizen Intern Program, to me, is a very good idea as I have gotten a different perspective of what the government is doing and planning to do for the aged. It is a tremendous undertaking and it certainly will take time and money to give to the aged all the benefits they plan to give. By attending these meetings I have gotten a good idea how the legislation works and will try and convey these findings to the Senior Citizens.

SOCIAL SECURITY

In talking with Senior Citizens one of their great concerns is Social Security. They feel that every time it is raised they have deductions taken out, which means they do not receive a sizable increase or as much as they thought they would receive. With the supplementary program they are receiving a little more but not enough to insure better living. I know that the context of Social Security is changing all the time so there are different phases in the workings of the bill which have to be ironed out.

I understand that in Sen. Church's bill he advocates making Social Security independent and to be taken out of HEW I think this would be a good idea.

THE MEDICAL PROGRAM

This is one program I have heard a lot of comments on. With the deductible amount being raised to $60.00 and the increase in cost of medicine and doctors' fees continually rising, it has another bad effect on the Senior Citizen. One way to alleviate this would be to have the cost of medical coverage lowered. Also give deductions for medical needs covered by Medicare.

NATIONAL HEALTH INSURANCE

Insurance is another important factor of income spending. The cost of financing and administrating full National Health Insurance would be very high and the Government could not maintain the cost.

On the three major proposals for National Health Insurance, is there a possibility that they might take different portions of these bills and consolidate them? In learning of the contents of these bills, I think the Administration bill is the best, wherein the private insurance companies carry the insurance and the government subsidizes same.

SOCIALIZED MEDICINE

I heard a program on T.V. regarding Socialized Medicine in England. They discussed the program and stated that they were having problems pertaining to same. Each person has to pay $2.00 per week for this service. The doctors in the program receive approximately $13,000 per year. They went on to say that it is a very expensive program and that if the American Government (we have many more people to take care of than they have) went into socialized medicine it would be a very expensive undertaking and cost billions of dollars.

TAXES ON PROPERTY

People who own their own homes have a hard time paying taxes. Those persons having an income up to $5,000 have a tax deduction. It would be a help if they would raise the income on this program so that more people could benefit thereby.

ACTION PROGRAM

Here are a few of the services on Action. This program was set up by President Nixon. These are very worthy programs.

1. Foster Grandparents: Serve in a variety of settings: pediatric wards of hospitals, Institutions for mentally retarded, the physically handicapped correctional facilities, etc. Each grandparent is assigned two children and devotes two hours each day. The grandparent receives small benefits for this service.

2. RSVP: The Retired Senior Volunteer Program is a part of Action. You can contribute your time, experience, knowledge and interest to others in your community who need you.

3. Senior Companions: Congress passed a bill authorizing older people working for older people. They receive $1.60 per hour, tax free.

Would it be possible or feasible to put all programs pertaining to the aged in one package or under one department?

This report covers some of my thoughts and opinions on these Federal activities.

Report of Col. Emmanuel Singer

This report pertains to the reference title conducted in Washington, D.C., during early May 1974.

The observations, statements and questions of other participants in this symposium, the government designees assigned to render certain facts relating to legislation pertaining to senior citizens, is the basis for my opinion.

(1) It is my opinion that legislation related to the subject title cannot be put into active legislation for several years to come.

NATIONAL HEALTH INSURANCE

(2) National Health Insurance is the most important thought of senior citizens. Costs and care are the prime thought of our group, based upon discussions.

(3) If the three (3) bills now in discussion can be consolidated, that is, the workable good points of each bill incorporated into one bill, some headway will result.

(3) (a) The cost of financing and administrating full maintenance of the requirements of senior citizens would be astronomical and possibly cannot be a function of government.

(3) (b) All persons eligible to participate in the overall benefits derived from legislation of the nature involved should be subject to pay amounts of money at regular periods, depending upon their respective age and earned income. Also included in payments to the government must be monies received from investments, regardless of the fact that the income results from tax exempt sources.

(3) (c) In England, and Sweden, government-financed socialized medicine, as it is termed, is not entirely successful. People are taking unnecessary advantage of the service by visiting doctors and medical facilities for the most minor or imaginary ailments. I feel that this condition would not occur if the public participated in the costs and that certain precautions be taken to prevent unwarranted visits.

(3) (d) I believe that the best way of handling a National Health Insurance program is by a legislative bill which would provide for the government to subsidize private insurance companies.

(3) (e) At the present time, the sole source of reimbursement for medical services is Medicare. The sixty dollars which must be paid by the individual before he or she is eligible for collecting monies is rather high. This amount should be reduced.

(3) (f) Some attempt should be made to reduce the cost of medical services. This I feel will be very difficult because of the effect it will have on the doctor's income. I know that the average doctor in England only earns approximately $13,000 per year. This amount certainly is not adequate for physicians in this country.

(3) (g) I have reviewed, carefully, Publication RA413U.S.B., 74–87 ED entitled "National Health Insurance."

SOCIAL SECURITY

Regardless of the terminology, social security is an insurance policy in the form of annuity.

It provides a rather poor income for the low income individual, whereas the high income individual does not need its benefits. The middle strata, unless they have pension benefits are greatly affected.

I would recommend that those individuals who have large incomes, particularly those individuals with tax exempt incomes, be made to pay some amount towards increasing the source of monies for use in the lower echelon of income.

TAXATION—SENIOR CITIZENS

I believe that this area could be the most advantageous help for the senior citizen. It would be more acceptable to the general public in that it would eliminate or reduce payments to senior citizens.

(1) Give a greater tax allowance to those over 65 years of age.

(2) Reduce the allowance on Medicare.

(3) Eliminate through some means School taxes for those over 65 years of age.

(4) Reduce property taxes for those over 65 years of age.

(5) Give added deductions for medical needs not covered by Medicare.

(6) Reduce by a ticket arrangement the cost of transportation and tax charges.

(7) Reduce by a ticket the sales taxes.

I believe that if the area of taxes were reviewed that a considerable amount would be saved for use in other areas by the senior citizen.

LIAISON OFFICE IN WASHINGTON

I believe that if a Liaison Office was formed here in Washington to coordinate the activities of all branches of the government the cost and the efficiency of legislation pertaining to senior citizens would be more productive.

This report covers my thoughts pertaining to Federal activities. There are many points that can be taken on a lower level, such as transportation, etc.

I hope many of you will apply for this intern program next year. I would look forward to meeting you and working with you in our Nation's Capital.

ARRESTING SIMILARITIES CAN BE DRAWN BETWEEN THE EVENTS OF THE FIRST CONTINENTAL CONGRESS AND THOSE TO BE HELD IN PHILADELPHIA IN SEPTEMBER 1974

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BARRETT. Mr. Speaker, in this extraordinary year in contemporary American history an extraordinary historic event will take place during the first week in September in Philadelphia—an event destined to draw notice to sharp similarities between the contest of conscience that created this Nation 200 years ago and that which hangs in the balance today in Washington, D.C.

This year, on September 5 and 6 in Carpenters' Hall in Philadelphia, summoned at the invitation of Governor Milton J. Shapp of Pennsylvania, the incumbent Governors of the 13 American States which joined together as the original United States of America will convene in a latter-day Continental Congress. The purpose not only is to celebrate the 200th anniversary of the conception of this republic but also for the Governors to meet in joint executive session to discuss present-day problems and recommend action for their respective States and the Nation.

Though this convention of 1974 will be staged within the framework of a review and reenactment of events in our Nation's past and will boast of its share of pageantry, important, if not indeed, catalytic deliberative work is planned and promised as the most important aspect of the event.

Present at this historic event, each in company with three official delegates from his local, will be the Governors of Delaware, Pennsylvania, New Jersey, Georgia, Connecticut, Massachusetts, Maryland, South Carolina, New Hampshire, Virginia, New York, North Carolina, and Rhode Island.

DEBATE AND ORATORY EXPECTED

Considering the diversity of the constituencies they represent and the individual convictions each holds in his own right, the Governors are expected to engage in debate as intense and colorful as that which resounded through Carpenters' Hall 200 years ago in September and October 1774, the period of the First Continental Congress.

At that time Carpenters' Hall, the small but imposing edifice built in 1773 as the headquarters of America's first trade union, rang with sound and fury couched in the lyric and solemn phrases of such dedicated and articulate patriots as Patrick Henry, Samuel and John Adams of Massachusetts and 53 of their peers, including Col. George Washington, who made up that first assemblage.

This September equally moving orators and persuasive debators in modern politics will have a chance to raise their voices to advance democratic principles no less cherished or threatened in the space age than in 1774.

Though delegates to the Congress of 1774 arrived in Philadelphia afoot, on horseback, by coach and carriage and up the Delaware River by packet boat, the ideas and ideologies they advanced endure without staleness or tarnish in this day when delegates to the new continental congress will arrive by jet aircraft and helicopter and high-powered automobile.

PARALLELS TO BE DRAWN

In spite of such obvious technological changes which have taken place since 1774, current historians and interested laymen alike will find in the proposed proceedings of the new continental congress and in the men who will conduct it many parallels of political persuasion, ambition and achievement.

Certain parallels also can be drawn as to human vanities and deportment. Chroniclers of 1774 point out conservatives and faddists, "mods," in manner of dress among the early delegates, as well as other contradictions of excess and reservation in mannerisms and attitudes among the men who were local colonial leaders of the day. Divergence of dress and attitudes of lifestyle certainly are strongly apparent among the men who will gather in Philadelphia this September, though none is expected to arrive in the somber garb of the early Quaker.

EMOTIONAL CLIMATE SIMILAR

But the emotional climate of this country today and yesterday perhaps contains the most obvious parallels. The proceedings of 1774 took place amid international cries for definitive expressions of the rights of the individual versus his government such as Solzhenitsyn expresses today. Also abroad in the world of the First Continental Congress were deep concerns for economic stability and equity for the common man now echoed in 1974 in analyses of daily stock market and commodity market reports. There were, too, concerted demands for reform of corrupt practices in government and for the right of equal justice under the law—both issues only too urgent in today's society.

SIGNIFICANT REMARKS NOTED

These quotations from the floor of Carpenters' Hall in 1774 are significant:

> (Proposed out of Massachusetts in the so-called "Suffolk Resolves" this early version of a preamble to a constitution for Colonial America.)
>
> On the fortitude, the wisdom and exertions of this important day is suspended the fate of this new world, and of unborn millions. To us our venerable progenitors bequeathed the dearbrought inheritance of liberty, to our care and protection they consigned it, and the most sacred obligations are upon us to transmit the glorious purchase, unfettered by power, unclogged with shackles, to our innocent and beloved offspring.
>
> (Statements taken out of the context of "The Committee Report to the Inhabitants of The Province of Quebec.")
>
> There is no liberty, if the power of judging be not separated from the legislative and executive powers.
>
> Military men belong to a profession which *may be* useful but is *often* dangerous.
>
> The enjoyment of liberty, and even its support and preservation, consists in every man's being allowed to speak his thoughts, and lay open his sentiments.

RELIGIOUS RIGHTS CHALLENGED

Concern over prayer in public places and the individual's right to worship in the church of his choice also plagued the delegates to the First Continental Congress, divided as they were among Anglicans, Quakers, Congregationalists, Baptists, Dutch Reformed, and Presbyterians. Indeed this issue was among the first to divide the group of delegates when first they met in colonial session. This problem was resolved early, however, in a proposal made on the second day of convention when the agreed to open each daily session with a common prayer voiced by one clergyman.

SLAVERY A TOPIC IN 1774

Slavery also came within the first congressional ken, although some delegates owned slaves and privately espoused the practice. The issue found its way cautiously to debate and ratified resolution. This early entry in the cause of civil rights records official protest to slavery's proliferation.

> Slaves . . . After the first day of December next we will wholly discontinue the slave trade, and will neither be concerned in it ourselves, nor will we hire our vessels, nor sell our commodities or manufactures to those who are concerned in it.

INTERNATIONAL TRADE DEBATED

International trade and the many grievances the colonists held on this topic also are more than vaguely haunting in this day and age of unrest over grain agreements and embargoes and excises on fibers and oil, bauxite and bananas. The colonists predicted disaster for their entire economy if something was not done to reduce high costs of import and export and exorbitant levees. Rice. For 2 days, rice and indigo usurped the floor. Tea, of course, was another prime topic. Tar, pitch, turpentine, lumber, oil, potash, molasses, sugar, coffee—each had its day in debate, as, perhaps, a number of commodity products and attendant consumer problems may be raised in debate in this reconvened Continental Congress.

DELEGATES NOTED AS ORDINARY MEN

Hallowed though they may be—and rightly so—the men and events which forged and tempered this flinty Nation in its beginnings were often frail and ordinary, pursuing ordinary issues just as most politicians do today. The whole spectrum of the human comedy existed within them—even gossip and scandal—as historians attest.

John Adams missed his wife Abigail and often wrote to her several times a day. Others of the delegates found release from homeland ties of great social advantage and cavorted in City Tavern many evenings and danced with abandon at many a ball held in their honor while they were in Philadelphia.

Some were not above pettiness and jealousy, Joseph Galloway of Pennsylvania has been noted as a cunning but peevish politician, dismayed and quarrelsome about the selection of Carpenters' Hall instead of the more imposing Pennsylvania State House—Independence Hall—to house the First Continental Congress debates. Patrick Henry has been described as "ill-kempt and slovenly in dress" though "exalting" in speech.

America's forefathers were, after all, only human beings—merchants, lawyers, farmers, carpenters. As one united deliberative body, however, they effected superhuman effort and issued a clarion call for freedom of the individual that has reverberated for 200 years. The call is expected to be sounded afresh when the present heads of the States, dominions, and commonwealths of the original 13 colonies address themselves to modern legislature here next month reaffirming truths the delegates to the First Continental Congress held to be self-evident.

REEVALUATING THE NEED FOR THE VICE PRESIDENCY

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. LEGGETT. Mr. Speaker, the past 2 weeks have indeed been extraordinary times for the Nation and an unparalleled test of our constitutional strength and heritage. Without social and political upheaval, without the destruction of our laws and of our rights, we have witnessed and survived. without an election, the orderly change of our Head of Government. The power of the Office did not leave with the man, and we are able to continue to govern along the constitutional guidelines forged nearly 200 years ago.

We now have received the Presidents nomination of Nelson Rockefeller to be the third Vice President we have had in just 2 years. The 25th amendment may go down in history as either one of the Nation's more farsighted acts or an incredible coincidence in light of its heavy use in recent months.

Though the transfer of power has been smooth, a more relevant point to question now is the role of Vice President as a viable, publicly responsible, and necessary national position.

We have seen more than our share of Vice-Presidential demise the last 2 years. The hand-picked successor to, and chosen by, a Presidential nominee or a President has often been selected for political advantages and expediency, rather than the ability to govern and represent the people.

As we approach the Nation's 200th birthday, many people have called for a reexamination of our Constitution. In the interest and spirit of a healthy reevaluation of the principles and procedures governing our country, I would like to insert into the Record a proposal suggested by Mr. Felix Rodriguez in the Northern Californian Labor Journal—organized labor paper.

It is worthy of consideration as we reflect on the events of the last 2 years and the predominant traditions of history concerning the Vice Presidency. The article follows is food for thought on the eve of a new Vice President and our National Bicentennial.

The article follows:

Making of a President

(By Felix Rodriguez)

There have been few, if any vice presidents in the history of the United States who would have been elected president at the time they ran as running mates as vice presidential candidates. They were not necessarily popular choices to the total electorate and they were picked as running mates because, through geographical strength or charisma, they could help the party. The name of the vice presidential candidate was on the ballot but voters voted for him only because his name was with that of the presidential candidate. Yet, many little-known vice presidents have succeeded to what has become the most powerful job in the world.

This nation should not, mereby by constitutional mandate, be governed by an heir picked by a presidential candidate who believes his own best chance of getting elected is to select a particular stand-in, however qualified.

I have given this subject the serious thought it should receive from all of us. I believe there should be a constitutional amendment (it would take many months to enact) abolishing the office of vice president.

In the event a president is unable to govern, the House Speaker or the Secretary of State would serve as acting president (not permanently because a political appointee should not serve for the above stated reasons) nor the Supreme Court chief justice. The court should be free to settle any resulting matters that would arise.

Within a few days after the incapacity of the president, all members of both houses of Congress would meet in extraordinary session, with the Chief Justice presiding, to select a president to serve out the unexpired term. Nominees should be any elected official, preferably a member of either house of Congress. This would give the 435 members more voice than the 100 members of the Senate, but that would be preferable because House members are elected on the basis of population, rather than the two elected to the Senate from each state, regardless of its population.

The election of the president in the joint session of Congress would be run similar to that of picking presidential candidates in national party conventions. Any elected official meeting the minimum qualifications could be nominated. All would be on a Congressional ballot and voting would take place until a single nominee receives a majority of the 535 possible votes. Simple.

A NEW THOUGHT FOR THANKSGIVING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BROWN of California. Mr. Speaker, I am sure that my distinguished colleagues are aware of the existence of famine and resulting starvation in many parts of the world. We are continually trying to find ways to help through public and private organizations.

Dorothy Bingham, a friend and constituent, has drawn my attention to a proposal by Senator Hatfield that, if implemented, would bring relief to many of these starving people and make our country and our world a more united one.

The following article by Dan L. Thrapp, religious editor of the Los Angeles Times outlines this proposal and its benefits:

[From the Los Angeles Times, July 7, 1974]

Hatfield Asks Reversal of Thanksgiving

(By Dan L. Thrapp)

Thanksgiving, in this year of near-global famine, should be turned squarely around, in the view of Sen. Mark A. Hatfield (R.-Ore).

"Thanksgiving can be a time when Christians throughout the land join to express their thanksgiving for our plenty—not by a feast, but by a sacrificial outpouring and sharing of our plenty with the needy, just as the Pilgrims shared with the Indians, he said.

"As Christians, we can, by our word and our living example, call the nation to the task of sharing from its plenty with those who are in need."

The Oregon senator, who will be 52 next Friday, addressed the Conservative Baptist Assn. of America at its annual convention recently at St. Paul. He belongs to that organization.

Hatfield warned that evangelistic efforts are "futile" in trying to win a person who "spends his waking hours struggling for enough physical bread to avoid starvation."

"How can we dare share this message of Christ, the bread of life, without trying to fill his empty stomach with food?"

He said that "one of the tragedies of the church today, which surely grieves the Holy Spirit, is the unbiblical separation we have made between verbal witnessing to the Good News of Christ, and acting with his love to meet the needs of our fellow man.

"This is basically the schism between those who stress evangelism, as opposed to the 'social gospel.'

"You do not find such a division in the Scriptures; you do not see such distinctions in the life of Christ. This is a false dichotomy which we have created, and which we must allow God to destroy."

In addition to his suggestion for modifying the traditional Thanksgiving, in order to make it more Christian, Sen. Hatfield offered other specific suggestions of things that might be done to alleviate the world's misery of hunger.

"Every congregation could establish a specific budget amount, directed to meeting the needs of starving people in some particular point of the world.

"Christians can be asked to give a specific tithe just for the purpose of relieving hunger."

Further, he suggested, "we should consider a graduated tithe, which increases in its percentage according to the amount of one's income."

"We should renew the Christian discipline of fasting as a means for teaching us how to identify with those who hunger, and to deepen our life of prayer for those who suffer," he continued.

"We must analyze, in prayer before God, our own habits of food consumption.

"Specifically, we can drastically alter our consumption of meat, and the money we have we can give to alleviate world hunger. Some Christians may decide that part of their witness means being a vegetarian. Families can decide how to limit their consumption of beef, perhaps to only certain days, or as times of special celebration, or just on certain days of the week."

He said that "as Christians, we can by our word and living example, call the nation to the task of sharing from its plenty with those who are in need."

The senator said that the response of Christians must include being "made sensitive to the suffering of our fellow man," and allowing ourselves "to feel uncomfortable about our wealth, our life-style, our diet and all our subtle worship of affluence."

He contrasted the 1975 military budget of $90 billion with "all the funds proposed for the purpose of providing humanitarian and economic assistance to other nations and to disadvantaged people," which, he said, totaled $1.9 billion.

"There is no safety, and no security, for a nation with only 6% of the world's population, but using 40% of the world's resources unless that nation commits itself to the sacrificial service of the world's needs," Sen. Hatfield said.

"No armies can ultimately provide security for a few who want to cling to their wealth amongst a sea of those who are suffering and facing starvation and death.

"Hostility, hatred, and mindless violence is bred out of the deprivation and suffering of people. Desperate people do desperate acts against which there is no real security.

"True security is built through justice, and through the alleviation of human need."

The senator believed that "our responsibility as Christians is to call the nation to a rightful exercise of stewardship."

"The Bible makes it clear that a people will be judged on how they utilize the gifts given to them," he said. "We will be judged, then, on what we do with the abundance and wealth which are ours."

He said that America's riches can be used "for our own selfish and wasteful consumption or for the benefit of humanity."

Hatfield added that, "we must apply these perspectives to the secular political realms of decision-making."

Sen. Hatfield said that "how the rich and prosperous nations of the globe exercise their stewardship will determine in large measure the destiny and future of mankind."

The senator paid tribute to America's past efforts to relieve overseas distress and feed the hungry.

These, he said, "were motivated by a profound humanitarian and spiritually based commitment, which attempted to transcend political and ideological barriers."

When the future President Herbert Hoover with his relief work overrode criticisms that it was designed to help people in lands occupied by a potential enemy. Hoover replied:

"I did not believe that stunted bodies and deformed minds in the next generation were the foundation upon which to rebuild civilization," and the relief work went ahead anyway.

Christ's life, Sen. Hatfield believed, "beckons us to far more than mere charitable giving.

"He calls us to love, and to give in a way that changes the shape of our lives. That love led him to the Cross. And it will lead us, if we follow, to pour ourselves out for the sake of others. This is how the world can come to know Christ as Lord."

MORE INFORMATION ON OPERATION KEELHAUL FORTHCOMING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. ASHBROOK. Mr. Speaker, on August 11, the Washington Post carried an extensive article on Operation Keelhaul, the tragic forced repatriation during and after World War II of an estimated 2 million Russians to the Soviet Union by British and American forces. The author, Nicholas Bethell, will soon publish a book on this subject entitled "The Last Secret" which hopefully will throw additional light on this episode of our country's ill-fated policy which a number of us here in Congress have been calling to public attention for several years. The Post article by Bethell follows:

"THE LAST SECRET" OF WORLD WAR II

(By Nicholas Bethell)

At the end of March, [1945], the U.S. Army obtained permission to move 6,000 Russian prisoners, captured in German uniform, across England to Liverpool, where a ship was waiting to take them home. The British authorities were against the idea. A grave security risk was involved in the movement of so many desperate men. There were also legal difficulties since, according to the agreement with the Soviet Union, these were not prisoners of war but friendly nationals and there was no legal way in which they could be held under guard by British or American soliders. Still, the practical need to ship these men home outweighed such considerations and the scheme was allowed to proceed. It was agreed that [Brig. R.] Firebrace [liaison officer between the Soviet military mission in London and the War Office] would send 150 British-held Russians to join the ship also, all men who had declared in no uncertain terms their unwillingness to go home.

On March 28, Col. C. H. Tamplin, Firebrace's deputy, telephoned Patrick Dean [a legal adviser to the Foreign Office] with disturbing news: "Unfortunately one of the Russians whom we wanted to send back hanged himself at Scarsbrook Camp before the party set off for Liverpool, and another cut his throat on the quayside at Liverpool and will shortly be dead."

Col. Tamplin remembers boarding the ship and finding the dying man, crudely patched up, lying in the ship's cells. He wanted to have him taken to a hospital on shore, but the Soviet authorities insisted that he sail with the ship. The news moved Patrick Dean to write: "It is extremely distasteful that we have to send back to the Soviet Union persons who, whatever faults they may have committed in collaborating with the Germans, prefer to commit suicide here rather than go back to their own country." Nevertheless, he went on, the men had undoubtedly been Soviet citizens. Britain was bound by international agreement to send them back and would have to carry on doing it.

The voyage to Odessa was a disagreeable one, with much tension between the Soviet liaison officers and the British. Czeslaw Jesman, a British interpreter, reported that regular talks were given to the Soviet prisoners on board the Almanzora to prepare them for their return to Soviet reality. It was only under the strongest pressure, they were told, that the British had released them and allowed them to go home.

At Istanbul the ship stopped to pick up four Soviet citizens who had leaped into the Dardanelles during a previous voyage and who had in the meantime been held by Turkish police. When they reached their destination Maj. Shershun, the senior Soviet officer, spoke frankly to the British and admitted that the prisoners would probably all be sent to "educational labor camps." The problem was, he explained, that no one would be able to tell for certain who the prisoners had been in contact with, and who had or had not collaborated with the Germans.

The Almanzora reached Odessa on April 18 and that very day, while the Russians were being disembarked, Jesman heard two salvos of machine-gun fire coming from behind a large shack on the pier. A little later he had the chance to speak to one of the Soviet guards, who told him that two men had just been executed on the spot because they had been working for the British police and "had sold out to the capitalists." He reported the matter to the ship's master, Capt. Bannister, and to the senior British officer on board, Col. Boyle, but no official protest was made. The prisoners were now Soviet citizens on Soviet territory and their fate was no longer any of Britain's business.

But the most terrible incidents of all occurred on the British ship, Empire Pride, which left Liverpool on May 23. It was clear from the beginning that this was going to be a difficult voyage. Many of the Russians were ill because of the bad treatment they had received in Germany. A few were advanced cases of tuberculosis and not expected to survive the voyage. There were so many sick people that one whole deck had to be converted into a hospital ward. There were also several women in the group, most of them pregnant.

On board the ship there were two officers from Firebrace's team, James Martin and George Youmatoff, the latter a Canadian of Russian origin whose family had emigrated in 1920. There was also a Col. Miroshnichenko, from the Soviet military mission, and two of his officers. Trouble began as the 3,000 Russians were being embarked. Most of them were marched to the quayside in platoon formation. A few were stretcher cases and had to be carried on board. But there was also a group of about a dozen which was under heavy guard, two escorts for every prisoner. As this group was being marched towards the gangplank, one of the prisoners bent down, smashed against the ground his china tea-mug which they all still carried and proceeded to slash his throat with the jagged remains.

Martin and Youmatoff made arrangements to have the man rushed to hospital in Liverpool, but the Soviet officers intervened and insisted he be carried on board. His name was on the manifest, they said, and there could be no excuse for leaving him behind, especially as there was a fully-equipped medical team on the ship. A British doctor attended to the bleeding man and actually sewed up his throat then and there on the quayside. He was then taken on board and locked up in the ship's cells, even though these had just been painted bright green and the paint was still wet.

"The man was stripped of all his clothes and his hands were tied to a bunk. In spite of this he managed twice to break open the stitching and it was not until the medical officer had sedated him that we were able to bring him under control. The sight of that man and his cell, both heavily mottled with green paint and red blood, is one that I have never been able to forget."

On May 30, as the Empire Pride was passing Gibraltar, a man called Dachenko leaped into the sea and was spotted swimming steadily towards the African shore. The alarm was given and a search instituted, but without success. After a few minutes the captain said he thought there was no hope of finding the man in the darkness and the ship went on its way. The Straits of Gibraltar are nowhere less than eight miles wide and Youmatoff remembers that the shore seemed many miles away when the man jumped. A few days later in the Dardanelles a few other Russians leaped overboard. They were picked up by Turkish patrol boats, and one of them was returned on board, only to attempt suicide by slashing his arteries with a razor blade. He was then arrested and put in the cells.

The most disagreeable feature of the voyage was the behavior of the senior prisoner-of-war officer, Maj. Polyachenko, who every day came to Miroshnichenko and other military mission officers with the names of fellow prisoners who, he said, had collaborated with the Germans or committed other acts of disloyalty. A few of these, 31 in all, were immediately arrested and transferred to the cells, but Polyachenko was denouncing 15 or 20 a day and there was not room for all his victims. The rest, who Youmatoff thinks numbered between 200 and 300, were left at liberty unaware that their names were on the blacklist. The British officers watched this process with growing alarm and fear of what was going to happen when they reached Odessa.

The ship arrived on June 10 and at 6:30 that evening disembarkation began. Most of the prisoners walked off unescorted and without incident, but Youmatoff and Martin were shocked to see what little care was taken of the sick Russians. Youmatoff wrote in his report:

"The Soviet authorities refused to accept any of the stretcher cases as such and even the patients who were dying were made to walk off the ship carrying their own baggage. Two people only were carried off, one man with his right leg amputated and left one broken, the other unconscious. The prisoner who had attempted suicide was very roughly handled and his wound opened up and allowed to bleed. He was taken off the ship and marched behind a packing case on the dock. A shot was heard but nothing more was seen."

When the rest had been disembarked, between 10 and 11 o'clock, Youmatoff saw the 31 prisoners who were under close arrest being dragged off the ship and into a warehouse some 50 yards away. Youmatoff and Martin stayed on deck together watching. Fifteen minutes later they heard machine-gun fire coming from the warehouse. Youmatoff says, "We looked at each other and one of us said, 'Well, that's the end of that lot.' " Twenty minutes later a covered truck drove out of the warehouse and headed toward the town.

Having seen the way in which the men had been pulled off the ship, the shooting was no surprise to the two officers. They were, however, intrigued to note that Polyachenko, the informer and main contributor to the blacklist, had been taken and presumably killed with his victims. It was a classic technique, but a surprising twist of events which, in Youmatoff's words, "brightened an otherwise dark day."

It was now nearly midnight. The British officers and crew retired to bed. The next morning some of them were allowed to go ashore. After much discussion about passports and landing permits, Youmatoff and two of the Soviet officers got into a jeep on the quayside and set off to have breakfast at Odessa's London Hotel. A few yards from the ship, the jeep had to stop, the road being completely blocked by a heavy truck which, in spite of everybody's entreaties the driver refused to move. At this point Youmatoff realized that he was alongside the warehouse into which the 32 prisoners had been dragged the previous evening and from which we heard the shooting:

"I left the jeep and made my way to the nearest window which was about six feet from the ground. But thanks to all the mess there was no difficulty in finding a box light enough to move and large enough to give me the extra few inches required for a good look. I saw a long shed with concrete up to the level of the windows and at one end some large sliding doors. On the right side and near a smaller metal sliding door the concrete was badly chipped and pitted. The floor and indeed portions of the wall were stained with dark blotches."

After this, Youmatoff says, there remained no doubt in his mind that the 32 prisoners had been shot the previous evening. It was true that he had not actually seen the shooting, but the weight of evidence—the manhandling of the prisoners off the ship, the sound of machine-gun fire, the emergence of the covered truck, the chipped and stained state of the walls and floor—convinced the British officers that there had indeed been a massacre. For the captain of the Empire Pride this was the last straw. He declared that he would not accept the Soviet military mission officers for the return trip. The British officers had to repeat the old arguments many times, that there was an agreement on repatriation and that Soviet internal affairs were none of Britain's concern, before he finally agreed to allow them on board.

After these first ship movements there were many more such incidents, notably the roundup of some 20,000 Cossack soldiers with their wives and children by British troops in Austria's Drau Valley in May, 1945. By then, more American soldiers were becoming involved in the forced return of the Russians.

In Germany and other American-occupied areas a little more than two million had been handed over by the end of August. Rough and ready methods had been used to persuade the unwilling to go quietly, but amid the chaos of those early days of peace they made small impression on the press or public opinion. The movements of the Russians were mixed up with normal military mopping-up operations: corraling German prisoners, crushing those small groups that had refused to surrender, sorting out the SS men from the ordinary soldiers. After this was over and some semblance of order restored, no more than 20,000 acknowledged Soviet citizens remained in the American areas. Large numbers of others, no one knows how many, managed to escape the net and pass themselves off as non-Soviet.

The problem was that these 20,000 were the hard core of the resistance to returning home. Most of them had carried arms against the Red Army and knew they could expect no mercy from Stalin. But the international agreement was quite clear. They had to go back. Many British and American commanders sympathized with these men. After weeks of frustrating contact with their opposite numbers from the Red Army they were beginning to understand why so many people should have hated the Soviet government so much that they were ready to join with Germany. These commanders indeed helped many Russians to escape. But whatever their personal feelings, their orders were clear. They were obliged to give Soviet officers access to displaced person and prisoner-of-war camps in their areas, to help them identify Soviet citizens and then to repatriate them, by force if necessary.

One of the first operations took place at a camp near Kempten, a small town 70 miles southwest of Munich, which housed about a thousand Russian and Cossack prisoners who had fought on the German side, a few of them with [Gen. Andrei] Vlasov's Russian Liberation Army but most of them with [Lt. Gen. Helmut] von Pannwitz's Cossack Cavalry Corps. Some of them, for instance the Cossack Gen. Vyacheslav Naumenko, were old emigres and not Soviet citizens. The Americans had no intention of repatriating these. But several hundred had come from Russia only a year or two earlier. According to the Yalta agreement they would have to go.

The prisoners did their best to conceal their origins and show solidarity. Old as well as new emigres refused to cooperate with the mixed Soviet-American commission which endeavored during the first two months of peace to sort the "condemned men" from the rest. But eventually a more-or-less accurate list was compiled.

On June 22 the new emigres were ordered to parade in readiness for transfer to a camp near Munich. The idea of separation from the others terrified them out of their wits. It would only be a matter of days, they thought, before they were handed over to the Red Army. They explained their fears to the American authorities, making it clear that they would never go back to Russia, that they would rather the Americans shot them dead on the spot. Their pleas were heard and the decision taken on the local level to cancel the movement to Munich. Their relief knew no bounds.

The American commandant, Maj. Legrand, did not yet know of the Yalta agreement, but as soon as this was explained arrangements were made for another transport toward the Soviet zone, this time in full knowledge that there was likely to be violent resistance. But there was one serious problem which faced the American authorities. Many of the guards had come to know the Russians and Cossacks. They liked them and felt sympathy toward them.

On Aug. 11 the prisoners were told what was to happen. Some were resigned to their fate. They proceeded to act like condemned men before the day of execution. They took holy communion and made their wills. Others, about half of the 410 on the "condemned list," escaped from the camp that night and took refuge either in the woods nearby or with German families. But others were determined to resist. Around 7 on the morning of Aug. 12 several hundred of them, together with some old emigres who were pledged to assist, went to the camp church and began to sing the Orthodox liturgy.

As the morning progressed religious fervor grew among the prisoners. They finished the liturgy and stood in line to receive the sacraments, many in the belief that it would be for the last time. Then the interpreter came into the church and asked Vladimir Vostokov, one of the priests conducting the services, how much longer it was going to last. He told the interpreter that it would end in about 10 minutes. Shortly afterwards the senior Russian officer, Gen. Danilov, entered the church with an American officer. Silence fell and he began to read out the names of the 410 "condemned men" who would have to go back. He invited them to come out of the church and to climb into the trucks which waited outside, advising them not to make any fuss or do anything which would induce the American guards to resort to violence.

Vasili Boshchanovsky, another of the priests, describes what happened then: "Hardly had he finished the last name when the whole church burst into indescribable sobbing and weeping. Everyone was crying, old and young, men and women, and especially the children as they gazed up at their defenseless and inconsolable parents." The American officer immediately withdrew, ordering the guards to remain outside the church and await further instructions, and went to Maj. Legrand's office to report. After telephoning and receiving instructions, Legrand ordered the guards to leave. This they did, according to Cossack witnesses, with great delight, for they had spent three months with their charges and did not want to use violence against them.

For a short period the church remained unguarded and anyone who wished could probably have escaped. But nobody did, either because they were afraid of leaving the community, the only one they knew, or because they thought that now the guards had withdrawn the danger had passed.

Nikolai Nazarenko, today a leading anti-Communist activist and Naumenko's son-in-law, was present at the scene. According to him, as soon as the guards withdrew, Soviet repatriation officers and Soviet agents inside the UNRRA organization protested violently to Allied headquarters and extracted from them the order to resume the operation by different means. All sources agree that within half an hour of the guards' withdrawal a dozen trucks arrived at the church containing between a platoon's and a company's strength of military police.

This new force was of course trained to deal with rowdy scenes. Its men had no knowledge of the prisoners or their problems and saw no reason why they should refuse to obey American orders. Their commanding officer entered the church, spoke to Danilov and ordered the 410 on the list to leave. The result was the same as before: cries and screams of distress: The Russians and Cossacks shrank away from the American officer and bunched into the far corner of the church. The young men moved to the front of the crowd and tried to form a cordon to protect the women and children.

The American officer thereupon called his men into the church and ordered them to drag the prisoners out. Boschanovsky writes: "The soldiers dragged us by our arms and legs, pulled us by the hair and beards. Fists and rifle butts were freely used. Shots were fired. Those who fell to the ground were beaten and kicked. The church was filled with wailing and cries of despair." The altar was overthrown, icons torn off the walls and the floor littered with pieces of torn clothing, shoes, combs, buttons and other debris. In emigre literature it is these acts of sacrilege which are described most bitterly, which seem to have caused more outrage even than the physical violence.

Once outside, the prisoners were divided into two groups by the MPs with help of the Soviet repatriation officers and agents. They were checked against their documents, identified and dispatched, some to safety on the first floor of a nearby school, others towards the trucks. Nazarenko writes that some of the latter ran and managed to reach a wall which divided their camp from another camp which housed displaced persons from the Baltic countries who were safe from repatriation. The Balts climbed onto the wall and held out their hands to pull the Russians and Cossacks into their camp. The MPs rushed in to stop this, wielding their rifle butts and, according to Nazarenko, wounding 12 people, two seriously.

So many of the original 410 had run away the previous night or escaped during the actual operation that only about 90 of them were actually loaded and transferred to Kempten railway station. There they joined a further 90 Soviet citizens who had been grabbed from other camps nearby. All 180 were loaded into a freight train where they were to spend the night. Nazarenko writes that these men "from the very beginning closed their eyes to those Cossacks who, after nightfall, began to creep away one by one." The train moved off the next morning with only about 50 prisoners on board, some of whom also managed to escape "thanks to the mercy of the American guards."

This incident convinced senior American officers in Europe that it would be dangerous to continue the policy. Large numbers of American soldiers had disobeyed orders and allowed Russians to escape. To punish them was difficult, for their defense at a court martial would inevitably be to attack the agreement as inhumane. There would be publicity and public opinion would be outraged. The result would be to strain even further the alliance with the Soviet Union. On Aug. 24 the U.S. 7th Army requested further instruction from headquarters about forcible repatriation. The matter was thought important enough to be referred to Washington and in the meantime soldiers in the field were ordered to stop sending people back.

STUDDS QUESTIONNAIRE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. STUDDS. Mr. Speaker, I am deeply appreciative and very pleased that nearly 25,000 of my constituents in the 12th Congressional District took the time and effort to fill out my 40-question June questionnaire and return their views on the major problems facing the United States today.

More than 50 percent of the responses contained additional written comments on the issues of this uniquely challenging period in our history. This is a most remarkable and encouraging demonstration of people's concern.

I would like to share the results of this questionnaire with my colleagues and include it in the RECORD:

QUESTIONNAIRE

TAXES

1. Congress is considering comprehensive reform of the federal income tax structure. Which of the following is closer to your view?

a. The federal income tax is basically fair and reasonable and should not be tampered with at this time: 8 percent.

b. There are many loopholes in the federal tax law which favor the wealthy over middle and lower income Americans. These loopholes should be closed in the interest of fairness: 92 percent.

2. Which of the following is closer to your view with respect to a federal tax cut?

a. An overall tax cut is needed at this time in order to enable people to cope with inflation: 51 percent.

b. An overall tax cut would only add to the inflation we already have: 49 percent.

3. Local property taxes have become extremely burdensome, particularly for the elderly. If the financing of public education (currently in Massachusetts roughly 75 percent local, 20 percent state, 5 percent federal) could be shifted to one-third federal, one-third state, and only one-third local, property taxes could be significantly reduced. Would you favor such a shift if it could be done without jeopardizing local control of the schools?

a. Yes: 88 percent.

b. No: 12 percent.

4. Do you believe the oil industry ought to be required to pay a greater share of taxes—either by the imposition of an excess profits tax or through the elimination of special tax provisions such as the oil depletion allowance and the foreign tax credit?

a. Yes: 86 percent.

b. No: 14 percent.

5. Present law restricts earned income for those on Social Security to $2,400 a year. Do you favor:

a. Substantially increasing this limit? 49 percent.

b. Removing it altogether? 37 percent.

c. Leaving it as it is? 14 percent.

6. Do you favor a tax deduction to ease the financial burden of adoption?

a. Yes: 67 percent.

b. No: 33 percent.

ENERGY AND THE ENVIRONMENT

1. How great a hardship would you say the recent increase in energy prices (fuel oil, gasoline, electricity, gas) have caused you?

a. Very severe hardship, just can't afford to pay. 8 percent.

b. Severe hardship, can pay with difficulty. 44 percent.

c. Some hardship, can pay but don't want to. 44 percent.

d. No hardship, can pay with ease. 4 percent.

2. Do you believe the effective date of the new federal air pollution standards on automobile emissions should be delayed?

a. Yes. 48 percent.

b. No. 52 percent.

3. Do you favor relaxation of air quality standards to let power plants burn coal instead of oil?

a. Yes: 63 percent.

b. No: 37 percent.

4. Which of the following statements about the oil industry is closest to your view?

a. The oil industry should be restructured as a public utility. 45 percent.

b. The oil industry should be nationalized. 20 percent.

c. The government should leave the oil industry alone and let prices seek their natural level in the market place. 35 percent.

5. Do you favor construction of the Dickey-Lincoln public power project in Maine?

a. Yes: 38 percent.

b. No: 14 percent.

c. Not familiar with issues involved. 48 percent.

6. Which of the following statements is closer to your view?

a. More nuclear power plants should be built and put into operation as fast as possible. 47 percent.

b. Construction and operation of nuclear power plants should be slowed down until we are more certain of their safety. 53 percent.

7. Which of the following statements is closest to your opinion about the proposal to drill for oil off the coast of Massachusetts?

a. Drilling should not be allowed because of the risk to the environment. 11 percent.

b. Drilling should start as soon as possible whether or not to drill, 61 percent.

c. We need to get more information about the benefits and risks before we decide whether or not to drill. 61 percent.

8. Do you favor the location of an oil refinery:

a. In New England?

(1) Yes 85 percent.

(2) No 15 percent.

b. In your city or town?

(1) Yes 47 percent.

(2) No 53 percent.

9. Do you favor continuation of year round daylight saving time?

a. Yes 74 percent.

b. No 26 percent.

10. Do you favor retaining the 55 mile per hour speed limit?

a. Yes: 89 percent.

b. No: 11 percent.

INFLATION

1. Which of the following is closest to your view of the best way to deal with inflation?

a. Strict controls on all prices, profits and wages, 50 percent.

b. Selective controls on only a few key industries, 26 percent.

c. No controls at all, 24 percent.

2. Do you believe that exports of wheat and other scarce commodities should be limited in order to assure an adequate supply and a reasonable price in the United States?

a. Yes: 95 percent.

b. No: 5 percent.

3. Do you believe we should make a major effort to slow down the rapid increase in the national debt?

a. Yes: 97 percent.

b. No: 3 percent.

4. The three largest items in the federal

budget (excluding interest on the national debt), and (1) military spending, (2) social security, and (3) health programs. In which area would you most prefer to see federal spending reduced?

a. Military spending, 64 percent.

b. Social Security, 3 percent.

c. Health programs, 7 percent.

d. None of the above, 26 percent.

5. Roughly two-thirds of the military budget is spent to pay the higher salaries required to attract volunteers, now that the draft has ended. Which statement is closer to your view?

a. Because of the significantly higher cost of maintaining a volunteer army, we should drop the experiment and return to the draft, 38 percent.

b. We should keep the volunteer army, 62 percent.

YOUR GOVERNMENT

1. Which of the following is closest to your opinion about President Nixon?

a. The President is innocent—it is time to stop all investigations and get on to other things, 8 percent.

b. The President may be guilty of some wrong doing, but I want him to continue in office, 20 percent.

c. The House of Representatives should vote articles of impeachment and the Senate should conduct a formal trial to establish the innocence or guilt of President Nixon. 72 percent.

2. Many people favor public financing of campaigns for federal office in order to eliminate the influence of special interest groups and wealthy individuals who can afford large contributions. Others oppose this use of their tax money. Which of the following is closest to your view about financing campaigns for federal office?

a. Total public financing, with no private contributions allowed. 31 percent.

b. Partial public financing, with small private contributions allowed. 51 percent.

c. No public financing, continue to rely on private contributions only. 18 percent.

3. The most powerful Members of Congress—the chairmen of committees and subcommittees—are chosen by seniority, i.e., the one who has served the longest period of time is automatically chairman. Do you favor this seniority system?

a. Yes: 20 percent.

b. No: 80 percent.

4. I have now held three full rounds of open, public meetings in every town in our congressional district. Do you believe they are a useful way of maintaining communication between a congressman and his constituents?

a. Yes: 97 percent.

b. No: 3 percent.

5. Do you favor a salary increase for Members of Congress?

a. Yes: 22 percent.

b. No: 78 percent.

CONSTITUTIONAL AMENDMENTS

1. Do you favor amending the Constitution to limit the number of terms a person may serve in the House or Senate?

a. Yes: 46 percent.

b. No: 54 percent.

2. Do you favor amending the Constitution to place a maximum age limit on Members of Congress?

a. Yes: 67 percent.

b. No: 33 percent.

3. Do you favor amending the Constitution to prohibit abortions?

a. Yes: 23 percent.

b. No: 77 percent.

4. Do you favor amending the Constitution to abolish the electoral college and provide for direct popular election of the President?

a. Yes: 87 percent.

b. No: 13 percent.

5. Do you favor amending the Constitution to enable the District of Columbia to elect Senators and Representatives to the Congress as if it were a state?

a. Yes: 61 percent.

b. No: 39 percent.

TRANSPORTATION

1. If you work outside your home, do you usually get to work by:

a. Personal automobile? 86 percent.

b. Car pool? 6 percent.

c. Public transportation? 8 percent.

2. Do you favor the restoration of commuter rail service in our district?

a. Yes: 88 percent.

b. No: 12 percent.

3. America's railroads, particularly in the Northeast, are in difficulty. Would you favor:

a. Leaving the railroads entirely to private enterprise, even if this means the loss of most passenger service? 14 percent.

b. Significant federal subsidies to continue rail passenger service? 36 percent.

c. Nationalization of the railroads? 50 percent.

4. Do you favor an increased commitment by the Federal Government to help states improve public transportation, including commuter rail, bus, boat and subway service?

a. Yes: 85 percent.

b. No: 15 percent.

HEALTH AND EDUCATION

1. Which statement is closest to your view about national health insurance?

a. Congress should pass comprehensive national health insurance, covering all illnesses and all Americans. 61 percent.

b. Congress should confine itself to catastrophic national health insurance, covering only very serious illnesses. 20 percent.

c. Congress should enact the health insurance proposal of President Nixon which would have us continue to rely primarily on private insurance companies. 19 percent.

2. Do you favor increasing the benefits and extending the period of eligibility for veterans under the G.I. Bill?

a. Yes: 59 percent.

b. No: 41 percent.

OTHER

1. Senator Magnuson and I are sponsoring legislation to extend United States jurisdiction over fish to 200 miles from our coasts until an international agreement is reached. Do you favor this "200 mile limit" bill?

a. Yes: 97 percent.

b. No: 3 percent.

2. A few years ago Congress changed the date of several holidays, including Veterans Day to Monday to create three day weekends. Do you favor:

a. Keeping Veterans Day on Monday? 51 percent.

b. Changing Veterans Day back to November 11? 49 percent.

RESOLUTION ON IMPEACHMENT REPORT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. BINGHAM. Mr. Speaker, the resolution adopted today accepting the Judiciary Committee's report on its investigation of impeachment is a welcome document which has my full support. I share the pride of this body in the superb, painstaking work of the committee, and I welcome this opportunity for the full House to recognize formally the written results of the commitee's investigation and deliberation.

The report which we accept today justifies our faith in the strength and integrity of the American constitutional system. Richard Nixon's resignation was the equivalent of a removal of the President from his office by the Congress because of "high crimes and misdemeanors."

It was not, as Mr. Nixon claimed, a voluntary resignation; it was a resignation forced by the circumstances that Mr. Nixon had been informed the day before that he had no chance to escape impeachment and removal by the House and the Senate.

It is important to note that this resolution does nothing in and of itself to close the book on the corruption, obstruction of justice, and abuse of power by the Nixon administration. The resolution simply commends the committee for its work and accepts its report for printing both in the RECORD and as a publicly available House document. It does not direct the committee to consider the matter closed. Even so, I am sure many people, both in the Congress and across the country, will consider this action today to be the final chapter of the years long Watergate saga. Many people will now want to forget all about Watergate, to leave to the courts and the Special Prosecutor whatever tidying up needs to be done.

But we must not forget Watergate, as Mr. Nixon asked us to do. We still do not have all the facts pertinent to the charges of misconduct in office which all members of the House Judiciary Committee now feel represented impeachable offenses. It is extremely important that the American people know the full story—what happened—how did it happen—who was involved—and why it happened. The Nation had been relying on a full Senate trial to produce and assess all the evidence of impeachable offenses, and now that there will be no trial the House must complete the record itself.

I do not believe that our action today will put this matter quitely to rest. All the questions have not been answered, and the full story of Richard Nixon's involvement in Watergate and abuse of power is not yet known. History and the American people must have those answers or forever suffer an incomplete understanding of these traumatic events and the lessons they must teach.

To those whose political instincts make them cringe at the thought of further probing of Nixon administration misconduct, I must offer a reminder that in any event the Special Prosecutor will in all likelihood continue to investigate a variety of unresolved charges in the months ahead. Much that is not yet known will dribble out in perhaps sensational tidbits long after the Congress and the Nation have turned their attention to other, less painful things. I submit that the only way to resolve all the charges and issues of the Watergate era is for the Congress itself to complete the job.

At a minimum, the tapes and documents which the Judiciary Committee has subpenaed must be produced. If the Judiciary Committee does not wish to pursue the matter, then the Government Operations Committee could take up this responsibility.

The Congress must also take appropriate action to assure that all pertinent Presidential records are preserved, so that at some point the American people can know the full facts. In addition, we should pass legislation requiring that all Presidential papers, documents, tapes, et cetera, be turned over to the National Archives so that they be kept available to the Congress and the public. In this instance, the past practice of allowing departing Presidents to take their papers with them and dispose of them as they wish should not be followed.

VOTE AGAINST ROCKY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. SYMMS. Mr. Speaker, our new President named Nelson Rockefeller as his choice for Vice-President of the United States.

I am very disappointed in this choice for reasons of the former Governor's big spending, high tax record in the State of New York.

At a time when government caused inflation is the No. 1 enemy of the hard-working tax paying American and the fixed income retired Americans, it seems to me that Governor Rockefeller's record in New York of over-taxation, mismanagement, and excessive regulations indicate that the wrong critical choice was made. What alarms me most, Mr. Speaker, is Governor Rockefeller's philosophy of government which is one that leads to excessive centralization of power with a reduction of individual freedom.

Robert M. Bleiberg, editor of Barron's reviewed the record of Mr. Rockefeller as Governor of New York in the August 19, 1974, issue. The text of the Bleiberg editorial is as follows:

VOTE AGAINST ROCKY—NEW YORK'S GAIN SHOULD NOT BE THE NATION'S LOSS

(By Robert M. Bleiberg)

"An elder statesman, somebody once observed, is a politician who lives long enough." The bit of cynicism came to mind last week, when the consummate politician who has governed New York State for the past 15 years announced that he was changing horses—or races—in mid-stream. Henceforth, he said he plans to devote his time and energy—and several millions from the family fortune—to heading up, along with a second equally prestigious group, the newly organized National Commission on Critical Choices for Americans. From the State of New York, in short, to the state of the union. The press was properly respectful. 'Nelson A. Rockefeller,'. editorialized (or rhapsodized) The New York Times, 'has been a governor in the fine tradition . . . His years in Albany kept unbroken a bipartisan chain of distinction that began more than a half-century ago . . .' The Wall Street Journal paid tribute to his personal honesty. Even the Manchester Union-Leader, which once labeled Rocky the 'wifeswapper,' has mellowed; on hearing the news, the crusty publisher reportedly said: 'He's now a staid old married man.'

"Politics makes strange bedfellows, and a man's private life, in our book at any rate, has always been his own affair. Nor are we concerned with the curious kind of politics, where personal predilection and prejudice invariably come before principle or party, which Governor Rockefeller likes to play. Instead, as a publication which deals primarily with money matters, Barron's prefers to part company with the Governor on financial grounds. As we have said before, Nelson Rockefeller has spent the taxpayer's money as if it were his own. In the past five years both the state budget and the tax burden have mounted by more than half. New Yorkers remain far and away the most heavily taxed Americans, while the relative decline of the Empire State, political and economic alike, proceeds apace . . . 'Hello Dolly' was a great campaign song for LBJ. To judge by the record, Nelson Rockefeller ought to run with 'Brother Can You Spare a Dime?' "

The more things change, as the saying goes, the more they remain the same. Since the paragraphs cited above first appeared in print ("Critical Choice", Barron's, Dec. 17, 1973), only one part of the Rockefeller game plan has changed: the target of opportunity is the Vice Presidency, a post for which the same old theme songs ("Million-Dollar Baby," "Mr. Wonderful" and the like) evidently will serve very well. Nor has the former governor lacked for an approving chorus. On the contrary, one politico after another has jumped on Rocky's bankwagon, while the Fourth Estate again is eagerly beating the drums and sounding the bugle calls.

"Send for the Old Pro," blared The New York Times' William V. Shannon, who dubbed Rockefeller far and away the "best-qualified" man. Added Shannon: "He has served as Assistant Secretary of State for Latin America in the Roosevelt Administration, as Under Secretary of Health, Education and Welfare in the first Eisenhower Administration, and for 15 years as Governor of New York. As Governor, he introduced innovative programs, had the political courage to seek higher taxes and the political skill to persuade the Legislature to adopt them . . . and proved that he could run an administration that was free of scandal."

So far as we know, to be sure, Albany has spawned neither a Teapot Dome nor a Watergate. Nonetheless, as the months go by, it grows increasingly clear that what happened to the fortunes of New York State under Rockefeller's stewardship (if that is the word) constitutes an open scandal. In early 1970, to illustrate, Rocky named to head the state Public Service Commission one Joseph C. Swidler, veteran of TVA and long-time partisan of public power. As a consequence, rates of return on Empire State utilities in general, perennially inadequate, went from bad to worse, while last April hapless Consolidated Edison—in a move which has nearly blacked out the industry—was forced to omit a quarterly dividend, sell two generating plants and scrap its expansion plans.

A fortnight ago, even as the Rocky for Veep boom began, fresh evidence of his incapacity surfaced. The U.S. Census Bureau confirmed that in the past two years, largely through exodus, New York State has been losing population. And Albany's own Select Committee on the Economy, a blue-ribbon, bipartisan body, issued a devastating, if little publicized, report showing that since the mid-Fifties, New York State has suffered a major decline in manufacturing activity and loss of job opportunities, stemming in part from what business perceives as a hostile climate. Perhaps more than ever, the nation today faces a spate of Critical Choices. But as we have said before. Rocky isn't—or shouldn't be—one of them.

Surely not for the Administration of Gerald Ford, who last Monday assailed excessive government spending and spoke of putting the nation's economic house in order. From 1959 through fiscal 1974, which ended on March 31, New York State's budget increased from $1.9 billion to nearly $9 billion. Under Rockefeller, taxes were imposed or increased at least every other year: in 1959, 1963, 1965, 1966, 1968, 1969, 1971 and 1972. During Rocky's tenure in office, the maximum rates on the personal income tax more than doubled, from 7% to 15%. Over the same period, the state gasoline levy advanced from four to eight cents a gallon, the cigaret tax from three to 15 cents per pack. A 4% state sales tax went on the books. All told, in 15 years, the tax load nearly quintupled, to the point where, according to the Citizens Public Expenditure Survey Inc., taxpayers in New York State are the most overburdened in the land.

And perhaps the worst served—with public servants like Joseph C. Swidler, who recently resigned as Chairman of the state Public Service Commission. During his long bureaucratic career, Mr. Swidler was a leading light of TVA; under Presidents Kennedy and Johnson, he also guided the destinies of the Federal Power Commission, which, through wickedly shortsighted pricing policies, created the nationwide scarcity of natural gas and paved the way for the energy crisis. As head of New York's Public Service Commission, Mr. Swidler—as the fate of Consolidated Edison convincingly demonstrates—proved equally disastrous. In 1973, the company has testified, rising costs and scanty rate increases, granted only after long delay, left it with the lowest return on equity of any U.S. Public utility.

Three months later, Con Ed, for the first time in 81 years, omitted its dividend, a move which, despite a subsequent partial resumption, has sent utility shares plunging to a 17-year low and severely hurt the industry's ability to finance its expansion. Mr. Swidler, as noted, has resigned from the PSC, but not to go into well-earned retirement. Hardly. Instead, he has accepted a post as Director of the Institute for Public Policy Alternatives, a part of the State University of New York. He also is serving on Rocky's Commission on Critical Choices for Americans.

One critical choice faced by most people is where to live and work: on both essential counts, the State of New York increasingly has become an also-ran. In the two years ended July 1, 1973, the Census Bureau recently disclosed, the Empire State lost nearly 120,000 inhabitants (102,000 in the latest twelve-month period alone). That's more than five times as much as the other losers combined, and the trend is picking up speed. As to employment, the picture—to judge by the findings of the Select Committee on the State's Economy—is equally bleak. Since 1958. New York's share of the nation's manufacturing has declined from 11.2% to 9.2%—in recent years, for the first time in history, its share of total U.S. factory employment fell below its share of the U.S. population. Since the mid-'Fifties, added the Committee, this sector of the state's economy has plunged more than 20%, leading to a loss of over 400,000 jobs. Out-migration and plant relocation mount apace. "The situation is drastic."

Nor are reasons far to seek. While the Committee cites several, including lack of industrial space, labor attitudes and out-of-state incentives, it points a clear-cut finger of blame at the deteriorating business climate. In explaining their reasons for leaving, corporate spokesman repeatedly cited such adverse factors as unemployment insurance for strikers and the high tax burden on middle-income and upper-bracket executives (which, by the way, the Committee would like to see lowered). Since Rocky's departure, the state's legislature has made several sensible moves—repealing the so-called card-board tax, doubling the investment tax credit and amending the state sales tax to broaden further the manufacturing exemption. If campaign speeches are any guide, whoever captures the governor's mansion come November, whether Republican or Democrat, will try to keep the legislative pendulum swinging the right way. New York State, in sum, already has gained by Rockefeller's departure. Its gain should not be the nation's loss.

SENATE—*Wednesday, August 21, 1974*

The Senate met at 9:30 a.m. and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, who has watched over this Nation in the times past, we pray that our deliberations on this high hill of the Nation's life, may begin, continue, and end in Thee. May we enter the day's work through the gateway of prayer and then worship while we work.

Correct our faulty perspectives by the view of broader horizons. Spare us from fondling past evils and from lugging ancient failures into the future. Let Thy refining fire sweep through the Nation, forgiving our sins, healing our brokenness, and cleansing the roots of our national life.

We beseech Thee, O God, to lead our leaders, teach our teachers, guide our legislators, inspire our Chief Executive. Give us a part in the rebuilding of the Nation on the sure foundation of God and righteousness, that we may be a bastion of moral and spiritual power and a beacon of light for the coming of Thy kingdom of justice and peace.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 21, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. NUNN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, August 20, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MATTERS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to Calendar Nos. 1057 and 1059.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will state the first bill by title.

AUTHORIZATION TO TRANSFER CERTAIN LANDS IN THE STATE OF COLORADO FOR INCLUSION IN THE ARAPAHO NATIONAL FOREST

The Senate proceeded to consider the bill (S. 3615) to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo., which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, in line 6, strike out the words "and directed" so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to insure consolidation of lands in the Arapaho National Forest, Colorado, and to afford the opportunity for better management of those lands, the Secretary of the Interior is hereby authorized to transfer certain lands under his jurisdiction and adjacent to the existing boundary of said national forest to the Secretary of Agriculture. Pursuant to this Act, the exterior boundaries of the Arapaho National Forest, Colorado, shall be extended to include all of the lands not presently within such boundaries lying in township 3 south, range 78 west, township 4 south, range 78 west, township 2 south, range 79 west, township 3 south, range 79 west, and township 2 south, range 80 west, sections 7 through 18, and sections 20 through 28, all of the sixth principal meridian.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REMOVAL OF CLOUD ON TITLE OF CERTAIN LANDS IN THE STATE OF NEVADA

The Senate proceeded to consider the bill (S. 3518) to remove the cloud on title with respect to certain lands in the State of Nevada which had been reported from the Committee on Interior and Insular Affairs with amendments on page 1, in line 7, after the word "under" insert the words "section 7".

On page 1, in line 9, after "(13 Stat. 30)," strike out the following language: "and which were contained on 'Clear Lists' transmitted to the State of Nevada by the Department of the Interior,".

On page 2, in line 4, after the word "issue" insert "to the State of Nevada". so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, all right, title, and interest of the United States in and to all lands which the State of Nevada, prior to the date of the enactment of the Act of June 16, 1880 (21 Stat. 287), sold and patented on the basis of the grant to it under section 7 of the Act of March 21, 1964 (Nevada Enabling Act) (13 Stat. 30), shall be deemed to have been vested in the State of Nevada as of the time such lands were so sold and patented.

SEC. 2. The Secretary of the Interior is authorized to issue to the State of Nevada such documents or other instruments as may be necessary to carry out the purposes of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calender.

The Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

FEDERAL ENERGY ADMINISTRATION

The second assistant legislative clerk read the nomination of Roger West Sant, of California, to be an Assistant Administrator of the Federal Energy Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

VICE-PRESIDENT-DESIGNATE NELSON A. ROCKEFELLER

Mr. HUGH SCOTT. Mr. President, it is very gratifying that the designation by President Ford of former Gov. Nelson A. Rockefeller of New York to be Vice President has met with such broad general approval.

His unquestioned ability to attract talent to various enterprises can be greatly useful to the Federal Government. His familiarity with the processes of government is of enormous benefit to all of us. He was for long the most respected of all the Governors of the Union. He has a common touch, an unusual characteristic for one who is also blessed with such affluence, but who has met the demands of affluence by recognition of broad civic duty, of intense interest and compassion, and a determination carried out throughout his life to help those who are less advantaged.

As one who recommended his selection as my first choice, and said so publicly, I am very pleased, indeed, that we will all have the benefit of this fine man's ability. So I commend the choice.

I am a member of the Committee on Rules and Administration which will begin hearings, I am sure, as soon as the FBI report is available. I would assume that the House Judiciary Committee will also act promptly. I think it is necessary to act as expeditiously as we can in both houses so that no one may charge us with any ulterior motives whatsoever, because I think none exists; and I hope we can dispose of any such feeling that there is any desire for delay on the part of any person.

I, myself, shall do my best to help expedite consideration of the nomination for confirmation.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. Mansfield). Under the previous order the Senator from Oklahoma (Mr. Bartlett) is recognized for not to exceed 15 minutes.

FPC NATIONAL RATE DECISION

Mr. BARTLETT. Mr. President, the recent action of the Federal Power Commission in setting a single, national rate of 42 cents per million cubic feet for interstate sales of natural gas is not the answer to our Nation's growing natural gas shortage. This action is not in the interest of the consumer, because it will not stimulate enough exploration to provide adequate supplies of this clean-burning fuel.

The Commission's action is nothing more than a repeat of the price fixing mechanism that has proved to be a failure for 20 years. It will neither spur needed exploration and development of new natural gas reserves, nor slow down the increasing shortages and curtailments of natural gas for interstate shipment throughout the Nation. In short, it does not solve our natural gas dilemma.

If the interstate prices would be held only 1 or 2 cents below the intrastate prices—which are now in the 65 cents per million cubic feet to $1 per million cubic foot range—there still would be no significant commitments to the interstate market. The intrastate market would outbid interstate pipelines for the available supplies of natural gas. Presently, with the recent FPC set price of 42 cents, the interstate supplies are living on borrowed time.

On the supply side, exploratory drilling for gas has declined 50 percent over the last two decades. Reserves have decreased steadily to where they are today—at their lowest level since the late 1950's. Supplies in the lower 48 States have dropped from a 23-year supply in 1956 to an 8-year supply in 1973.

The FPC action, setting a national ceiling of 42 cents per million cubic feet with a 1 cent per year escalation, falls far short of the needed incentive to increase supplies—it is like trying to thread a needle blindfolded.

An MIT study shows that even if the new gas price was 42.7 cents per million cubic feet in 1975 with a 3.1 cents per million cubic feet annual increase, the natural gas shortage would still be 10.8 trillion cubic feet in 1980—current demand is 23.3 trillion cubic feet—more than one-third our total energy requirement.

The study further showed that with a new contract field price of 64.6 cents per million cubic feet in 1975 and a 5.1 cents per million cubic feet annual increase the natural gas shortage would disappear by 1980.

The need for natural gas currently is nearly 2 trillion cubic feet greater than available supplies. John Nassikas, Chairman of the Federal Power Commission, recently announced in hearings before the Senate Subcommittee on Agriculture that curtailments of natural gas supplies will be 81 percent greater—totaling 0.768 trillion cubic feet—in the winter of 1974–75 than they were in the previous winter. Nearly all States' utilities are facing from small to severe curtailments this winter.

The impact of these sharply increased cutbacks in natural gas supplies will affect the economies of many areas of the country and the jobs of thousands of workers. We need look no further away than Maryland. In hearings conducted by our distinguished colleague from Maryland, Senator Beall, the record was made clear that curtailment of natural gas supplies for industrial users could put thousands of employees out of work this winter.

Examples of possible unemployment caused by companies facing curtailments are numerous.

For instance, South Jersey Gas Co., supplied by Transco, is presently receiving 27 percent below contract entitlement because of curtailments. For the winter these curtailments could rise to as high as 60 percent over a 90-day period—that is for a normal winter. The 19 plants supplied by South Jersey employ approximately 25,000 people who face unemployment for as long as 3 months.

Stauffer Chemical Co., which itself employs only 500–600 people in its Delaware plant, supplies a customer with critical CS_2—carbon disulfide—who in turn produces approximately 50 percent of the Nation's rayon and employs approximately 40,000 people. Also, the cellophane industry depends upon the Delaware plant for 50 percent of its CS_2.

Philadelphia Electric Co. is now facing 11.96 percent curtailments with the prospect of 34 percent curtailments by the spring of 1975.

Piedmont Natural Gas, which serves North and South Carolina, is anticipating that delivery this winter will be 27 percent below contract entitlement from its major supplier. Five or six of its largest industrial customers with "firm" requirements will probably be curtailed 3 or 4 days during the winter.

Alcoa Aluminium Co. has said that 10,000 jobs are threatened by natural gas curtailments and stated further:

> We feel every effort should be made to increase the supply of natural gas. To accomplish this the sale of interstate gas should be deregulated at the wellhead.

A review of the Commission's announcement of the uniform national rate provides me with no confidence that the 20-year downward trend in natural gas reserves and upward trend in natural gas shortages and curtailments will be reversed. My lack of confidence is sustained by a number of statements made by Commission members themselves at the time the decision was announced.

First, the Commission admitted that it could not predict or quantify how much new supplies would be brought to market by the adoption of the uniform rate scheme. In effect, the Commission is saying that continued natural gas price fixing will not redress the widening natural gas supply/demand gap.

Second, the Commission said, in determining the national rate, that it considered a number of related factors including intrastate market prices. The Commission members clearly know that intrastate natural gas prices range as high as $1 per thousand cubic feet or more. The continued wide disparity between the price fixed interstate rate and the free market intrastate price will certainly do nothing to funnel greatly needed large volumes of additional natural gas to the interstate market.

Third, one of the Commissioners who voted with the majority apparently did so only because he felt any action was better than the hodgepodge price mechanism existing up to now. He stated, however, that:

> The legacy of wellhead rate regulation, initiated during a time of plentiful supplies in a "buyer's market" and now completely unresponsive to shortages, has been worsening chronic gas supply.

Indeed, he called the prescribed rate "mischief."

Fourth, another Commissioner who concurred with the majority decision, also seemed to have had deep reservations about the wisdom of his actions. His views, too, are worth quoting. He said:

> The decision . . . may be incompatible with our goal of securing long term supplies for a long range problem, and inhibits development of a methodology of adequately pricing new gas.

And he added that—

> The price determined for gas from wells drilled after January 1, 1973, may be inadequate to encourage reinvestment of the funds so generated.

In fact, the FPC national ceiling is not truly cost based. The Commission has ignored the capital cost of dry holes and Federal income tax in its determinations of adequate return on capital, that is, the costs used to determine the national area rate are understated.

Ironically, and inconsistently, the FPC does allow pipelines to employ full cost accounting which provides for a return on dry holes for pipeline production. This places independent producers at a competitive disadvantage compared to integrated operations.

Consider the following example: Two exploration and development operations, one owned by a pipeline and the other by an independent producer, are underway in the same gas field in the vicinity of a pipeline. The same amount of capital for these operations must be raised and invested by the producer as by the pipeline. Following expenditure of this capital in the world drilling operations, the producer and the pipeline achieve the same degree of drilling success and incur the same cost per thousand cubic feet for their efforts.

The pipeline's imputed "rate" for this gas is figured on a full-cost-accounting basis which will include a return to the pipeline on the total cost prudently incurred in its exploration and development effort. The producer, on the other hand, must sell his gas to the pipeline at a price no higher than the area rate. If that rate includes no component for return on dry hole costs, the independent producer earns only 60 percent of the return earned by the pipeline on its own production. Therefore, the Federal Power Commission decision is discriminatory and reduces competition.

Finally and perhaps the most telling of the Commission's statements announcing the uniform national rate actually flies in the face of its decision. The Commission admitted that:

> The "cost" of new gas supplies "is an imprecise and elusive quantity."

And, yet the Commission, by mandate of the Congress and the courts, must continue to chase this "imprecise and elusive" goal, because of the fallacious belief that the subjective judgment of Government regulators is superior to the objective forces of the marketplace.

It is apparent that John Nassikas, Chairman, and the other members of the FPC responsible for current natural gas pricing are most knowledgeable of all aspects of domestic natural gas.

They candidly predict sharp curtailments of natural gas to industry and other users this winter—they know this means a serious loss of jobs when unemployment is already anticipated to be high.

They know their actions on the price of natural gas will lead to greater curtailments of natural gas and unemployment in the following year—and the next year—and so on as long as they continue their unworkable system.

They admit privately and publicly that their pricing programs have not and will not work. They know that a possible coal strike and possible oil refinery strikes this winter could create an energy crisis of panic proportions.

They know the only answer to the worsening natural gas shortage lies with domestic natural gas and not synthetics, imports, other conventional fuels or alternate sources of energy.

They know that a free market for new natural gas will in time, and it will take time, produce sufficient natural gas for the interstate market.

They know that until there is a price for new natural gas that is equivalent to the free market intrastate price for new natural gas that they and Congress, public servants to a great nation, are unequivocal hypocrites.

Significant support for some form of deregulation has been emerging from the major users of natural gas and from gas utilities. The American Gas Association, which represents most of the gas utilities in the country; the New England Gas Association, which represents 42 utilities and more than 200 supporting companies; the Connecticut Natural Gas Co.; the Columbia Gas System, the largest group of gas utilities in the country; the American Textile Manufacture's Institute; the Manufacturing Chemists Association; the Indiana Gas Co.; the Department of Agriculture; and the Fertilizer Institute have expressed support for some form of deregulation.

Congress must address itself soon to this critical situation. We can best do this by moving, precisely, toward adopting legislation now before us to deregulate—once and for all—the interstate wellhead price of this most needed, clean burning and convenient source of energy.

Congress must act now—Congress must deregulate natural gas so the free market forces of thousands of transactions will establish a fair market price and a sufficient supply.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HARTKE). Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond the hour of 10 a.m., with statements therein limited to 3 minutes.

TOBACCO MARKETING QUOTA PROVISIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1058, H.R. 6485, which has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The second assistant legislative clerk read the bill by title, as follows:

> A bill (H.R. 6485) to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ORDER TO PRINT H.R. 11510, ENERGY REORGANIZATION ACT OF 1974, AS PASSED

Mr. RIBICOFF. Mr. President, I ask unanimous consent that H.R. 11510, the Energy Reorganization Act of 1974, be printed as passed by the Senate on August 15, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 9:33 a.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed without amendment the bill (S. 3919) to authorize the establishment of a Council on Wage and Price Stability.

The message also announced that the House has passed the bill (S. 3320) to extend the appropriation authorization for reporting of weather modification activities, with an amendment, in which it requests the concurrence of the Senate.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 609. A concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 2; and

H. Con. Res. 611. A concurrent resolution directing the Clerk of the House of Representatives in the enrollment of H.R. 15842 to make certain corrections.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 15205. An act to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes; and

H.R. 16102. An act to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974 through the last Sunday in February 1975.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker has affixed his signature to the following enrolled bill and joint resolutions:

H.R. 15581. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes;

S.J. Res. 66. A joint resolution to authorize the erection of a monument to the dead of the First Infantry Division, U.S. Forces in Vietnam;

S.J. Res. 220. A joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 222. A joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 221. A joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution.

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore.

At 1:48 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker has affixed his signature to the following enrolled bills and joint resolution:

H.R. 3620. An act to establish the Great Dismal Swamp National Wildlife Refuge;

H.R. 16027. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and

H.J. Res. 1105. A joint resolution designating August 26, 1974, as "Woman's Equality Day".

The enrolled bills and joint resolution was subsequently signed by the President pro tempore.

CONFERENCE REPORTS

At 4:05 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11864) to provide for the early commercial demonstration of the technology of solar heating by the National Aeronautics and Space Administration and the Department of Housing and Urban Development, in cooperation with the National Bureau of Standards, the National Science Foundation, the General Services Administration, and other Federal agencies, and for the early development and commercial demonstration of technology for combined solar heating and cooling.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14920) to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

HOUSE BILL REFERRED

The bill (H.R. 16102) to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974 through the last Sunday in February 1975 was read twice by its title and referred to the Committee on Commerce.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The **ACTING PRESIDENT** pro tempore (Mr. NUNN) laid before the Senate the following letters, which were referred as indicated:

PROPOSED AMENDMENTS TO THE BUDGET, 1975, FOR THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (S. DOC. 93-103)

A communication from the President of the United States, transmitting proposed amendments to the request for appropriations transmitted in the budget for the fiscal year 1975 in the amount of $537,355,000 for the Department of Health, Education, and Welfare (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

SALE OF WHEAT TO EGYPT

A letter from the Assistant Secretary of State for Congressional Relations, reporting, pursuant to law, on a proposed sale of wheat to Egypt (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

REPORT OF THE DEPARTMENT OF THE NAVY

A letter from the Deputy Chief of Naval Material of the Department of the Navy transmitting, pursuant to law, a report of research and development procurement actions of $50,000 and over covering the period July 1, 1973, through June 30, 1974 (with an accompanying report). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE ARMY

A letter from the Secretary of the Army transmitting a draft of proposed legislation to permit the assignment of members of the armed forces who have completed basic training and training in a military specialty as is prescribed by the Secretary concerned to overseas areas free from hostile fire, and to permit the release of Reserve component enlistees from their initial active duty for training upon completion of basic training and training in a military specialty as is prescribed by the Secretary concerned (with accompanying papers). Referred to the Committee on Armed Services.

REPORT OF THE COST ACCOUNTING STANDARDS BOARD

A letter from the Chairman of the Cost Accounting Standards Board transmitting, pursuant to law, a progress report for the year ending June 30, 1974 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE NATIONAL MARINE FISHERIES SERVICE

A letter from the Secretary of Commerce transmitting, pursuant to law, the report of the National Marine Fisheries Service for the calendar year 1973 (with an accompanying report). Referred to the Committee on Commerce.

PROPOSED LEGISLATION BY THE DEPARTMENT OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to provide for standard time during the winter of 1974–75, and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

TAXICAB SERVICE AND REGULATION IN THE DISTRICT OF COLUMBIA

A letter from the Chairman of the Transportation Committee of the City Council of Washington, D.C., reporting, pursuant to law, on a study of the adequacy of taxicab service and regulation in the District of Columbia. Referred to the Committee on the District of Columbia.

REPORT OF THE FEDERAL ENERGY ADMINISTRATION

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report entitled "Progress Report on the Retailing of Gasoline" (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

REPORTS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, reports concerning visa petitions which have been approved (with accompanying papers). Referred to the Committee on the Judiciary.

PROPOSED FACILITIES IN FORT LAUDERDALE, FLA.

A letter from the Administrator of General Services transmitting, pursuant to law, a prospectus regarding the acquisition of space in a building proposed to be constructed in Fort Lauderdale, Florida (with accompanying papers). Referred to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 1939. A bill to prohibit pyramid sales transactions, and for other purposes (Rept. No. 93–1114).

By Mr. ERVIN, from the Committee on Government Operations:

S. Res. 389. An original resolution authorizing supplemental expenditures by the Committee on Government Operations (Rept. No. 93–1115) (Referred to the Committee on Rules and Administration.)

By Mr. METCALF, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1134. A bill to provide the Secretary of the Interior with authority to promote the conservation and orderly development of the hard mineral resources of the deep seabed, pending adoption of an international regime therefor (Rept. No. 93–1116).

Mr. METCALF. Mr. President, I am today filing the unanimous report of the Senate Committee on Interior and Insular Affairs on an amendment in the nature of a substitute for S. 1134, the Deep Seabed Hard Minerals Act.

The legislation is designed to promote the conservation and orderly development of the manganese nodule resources of the deep seabed by those subject to the jurisdiction of the United States.

It is interim legislation, which expressly provides that it will be superseded by the terms of any international agreement binding on the United States. Negotiations toward such an agreement are continuing at the Third United Nations Conference on the Law of the Sea.

Mr. President, we have recently had one example of what happens when foreign suppliers of an essential commodity band together to increase their economic and political clout. In the case of oil, the United States relies on imports for an increasing fraction of our needs. Now it is about one-third. We are in a far more vulnerable position on other minerals, such as those needed to make steel. Of these, we import most, if not all. Their cost is astronomical. In 1973, the estimated U.S. deficit in the balance of payments for minerals and processed materials of mineral origin was $8 billion.

At the same time, we have a source of mineral supply at the bottom of the ocean. And we are at least reasonably sure we know how to get it—and process it—with due regard to the other uses of the ocean.

The bill has three basic provisions.

First, U.S. nationals would have to obtain licenses from the Secretary of the Interior before they could engage in exploration for or commercial recovery of manganese nodules on the deep seabed. Licenses would limit the area to be mined by any one company and would contain provisions to protect the marine environment. There is no other existing basis for such licensing under either international law or Federal statute.

Second, the legislation recognizes the need for an international legal system for all the uses of the oceans, including ocean mining. No licenses would be issued under the bill once a new treaty becomes binding on the United States. This bill provides an orderly transition from the present situation of no regulation of ocean mining to U.S. regulation of its nationals who conduct ocean mining and then to a new international system which could result if a Law of the Sea treaty is agreed upon, ratified and enters into force.

Third, the bill would stabilize the presently uncertain investment climate in the ocean mining industry caused by the fact that the United States has indicated its willingness to agree to change the present international law which permits unrestricted deep seabed mineral development. Prospective ocean miners are faced with the possibility that new internationally agreed upon terms and conditions may be imposed on them in the near future which would deny access by private industry to manganese nodule deposits entirely. Delay in investment could result in loss of American industry's current technological advantage and increased dependence on foreign sources of minerals.

I commend to my colleagues this report and this legislation on a subject vital to the United States. The committee will defer plans for action on this legislation until we have heard from those who have so capably represented the United States at the Law of the Sea Conference in Caracas. This hearing is scheduled for September 17.

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 6395. An act to designate certain lands in the Okefenokee National Wildlife Refuge, Georgia, as wilderness (Rept. No. 93–1'17).

By Mr. BARTLETT, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2888. A bill to convey certain land of the United States to the Inter-Tribal Council, Inc., Miami, Oklahoma (Rept. No. 93–1118).

By Mr. CANNON, from the Committee on Rules and Administration, without amendments:

S. Res. 360. A resolution authorizing supplemental expenditures by the Special Committee on Aging for inquiries and investigations (Rept. No. 93–1119).

By Mr. McINTYRE, from the Committee on Banking, Housing and Urban Affairs, with amendments:

S. 3838. A bill to authorize the regulation of obligations issued by financial institution holding companies, and for other purposes (together with additional views) (Rept. No. 93–1120).

By Mr. INOUYE, from the Committee on Commerce:

S. 3942. An original bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel in the United States (Rept. No. 93–1121).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 358. A resolution authorizing supplemental expenditures by the Committee on the Judiciary for an inquiry and investigation relating to citizens' interests (Rept. No. 93–1122).

S. Res. 365. A resolution relating to the printing of legislative proceedings with respect to the death of former Senator Wayne L. Morse (Rept. No. 93–1123).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and refered as indicated:

By Mr. MONTOYA (for himself and Mr. WEICKER):

S. 3935. A bill to amend the Internal Revenue Code of 1954 to prohibit disclosure of tax returns without consent of the taxpayer, and for other purposes. Referred to the Committee on Finance.

By Mr. BUCKLEY (for himself, Mr. HARRY F. BYRD, JR., Mr. CURTIS, Mr. PROXMIRE, Mr. PACKWOOD, Mr. ROTH, Mr. GOLDWATER, Mr. GURNEY, Mr. HELMS, Mr. THURMOND, and Mr. BROCK):

S. 3936. A bill to authorize the President to reduce Federal expenditures for fiscal year 1975 to $295,000,000,000. Referred to the Committee on Government Operations.

By Mr. TAFT:

S. 3937. A bill to require that States, which receive Federal payments with respect to any State welfare program, consent to suit in the Federal courts in actions brought against the State by claimants for the aid or assistance provided under such program. Referred to the Committee on the Judiciary.

By Mr. TUNNEY:

S. 3938. A bill to amend the Federal Trade Commission Act to provide for the disclosure of annual operating costs of new buildings and for other purposes. Referred to the Committee on Commerce.

By Mr. GOLDWATER (for himself and Mr. TOWER):

S. 3939. A bill to amend section 1401(e) of title 10, United States Code, to preclude a military member from receiving less retired pay by continued active service. Referred to the Committee on Armed Services.

By Mr. HASKELL:

S. 3940. A bill for the relief of Nestor Manuel Lara-Otoya. Referred to the Committee on the Judiciary.

By Mr. DOMENICI (for himself, Mr. HUMPHREY, Mr. SCHWEIKER, Mr. METZENBAUM, and Mr. MOSS):

S. 3941. A bill to amend title XVIII of the Social Security Act to provide for the coverage, under the Supplementary Medical Insurance Benefits program established by part B of such title, of one routine physical checkup each year and for preventive care for individuals insured under such program. Referred to the Committee on Finance.

By Mr. INOUYE, from the Committee on Commerce:

S. 3942. An original bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel in the United States. Ordered placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MONTOYA (for himself and Mr. WEICKER):

S. 3935. A bill to amend the Internal Revenue Code of 1954 to prohibit disclosure of tax returns without consent to the taxpayer, and for other purposes. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, we Americans take great pride in the strength and power of our leaders and of our Government.

There is one American, however, who seldom is honored by commentators or speakers, although his importance is really far greater than that of any other leader, no matter how wise or successful. That American, so often ignored, is the American taxpayer.

Without him nothing in Government would work, no defense would be possible against our enemies, no government programs would operate, no congressional salaries could be paid, no White House advisors would be hired, no foreign aid would be possible and the dreams and hopes of most of the free world would wither away.

Without the American taxpayer, American Government would not exist at all and we would, indeed, live in the jungle of anarchy.

Throughout our history as a Nation, this one great American—the taxpayer—has stood firm behind every forward step we have taken. His—and her—dedication to duty, patience, and faith in our institutions of government, have made possible the development and growth of this Nation. It is significant that through all the years of that service to the Nation and the world, and with a minimum of credit and approval, the American taxpayer has for the most part, assessed himself—that is, he has figured what tax he owes, filed whatever forms have been designed for him, and paid his tax bill voluntarily when it was due.

However, a growing number of American taxpayers are beginning to question the fairness and decency with which their own tax system operates. I believe that it is essential for this Congress to move quickly to stop the erosion of trust which that questioning represents. Today, Senator WEICKER and I are introducing legislation which we hope will remove some of those questions and stop that erosion of trust. I appreciate the support of Senator LOWELL WEICKER in joining me in proposing this legislation, and in preparing other corrective legislation in this area of government concern.

In the past 2 years my Appropriations Subcommittee has heard lengthy testimony concerning the administration of our tax laws. As I have said in my reports to the Senate on those hearings, I have been astounded and deeply concerned by the anger, despair and cynicism which many citizens now express about the IRS and its field operations, procedures, and attitudes.

There is, of course, always some complaint about the size of taxes themselves, about loopholes or about inequities. However, the surprising element which surfaced in our hearings was the fact that most of those who came to Washington to testify before us were angry about what they saw as an invasion of privacy, a lack of fairness and courtesy in procedures or the ignoring of due process in disputes between the tax payer and IRS.

Clearly, most taxpayers are still firmly supportive of the tax system. In addition, I believe that the IRS, its current Commissioner, and many IRS employees want to do a good job and want to improve tax service and taxpayer confidence. In some instances, IRS itself has requested changes in the law in order to enable them to provide better service or to better protect citizens from invasions of privacy.

However, it is also clear that for an increasing number of taxpayers, there is a need for immediate changes in the law in order to protect both rights and privacy, in order to provide tax assistance information with greater efficiency, and in order to allow for better public information about the tax system.

The legislation which Senator WEICKER and I are proposing would protect the taxpayer's right to privacy by making it mandatory that he be notified in writing of any request for information reported on his tax returns, and by requiring that he give his consent before release of that information. This regulation would apply to all persons or agencies of Government with the exception of IRS itself, the Department of Justice in a criminal case, or the Joint Committee on Internal Revenue taxation. These are the only agencies which routinely have need of tax report information and they already operate under strict regulations concerning the confidentiality of such information.

This proposed legislation would make the unauthorized delivery or receipt of tax information a felony, with a fine of up to $10,000 and/or imprisonment of up to 5 years.

The taxpayer would, Mr. President, be assured that information reported by him on his tax return was, and would remain, confidential. That seems an extraordinary simple protection for this Congress to offer the American taxpayer, and it is one I am sure my colleagues will support. I believe that speedy passage would go a long way toward returning trust in the IRS to taxpayers.

By Mr. BUCKLEY (for himself, Mr. HARRY F. BYRD, JR., Mr. CURTIS, Mr. PROXMIRE, Mr. PACKWOOD, Mr. ROTH, Mr. GOLDWATER, Mr. GURNEY, Mr. HELMS, Mr. THURMOND, and Mr. BROCK):

S. 3936. A bill to authorize the President to reduce Federal expenditures for fiscal year 1975 to $295,000,000,000. Referred to the Committee on Government Operations.

Mr. BUCKLEY. Mr. President, the President, the Congress, and the American people are in full agreement that the most important domestic task before us today is to bring inflation under control. Attempts to help the aged, provide for the poor, or to expand housing are frustrated at the outset by the prospect of continuing inflation at current rates. Moreover, the disincentive to saving caused by inflationary expectations compounds the problems of finding the capital necessary to expand prodution to meet demand.

There is now a broad consensus that continued Federal deficits are the primary cause of the current inflation, and that the most important anti-inflationary step that can be taken by the Federal Government at the present time is to make a substantial cut in expenditures projected for fiscal year 1975. The Chairman of the Federal Reserve Board, Dr. Burns, has recommended that expenditures be kept to $295 billion. This is the same ceiling proposed by Senator PROXMIRE in an amendment to the depository insurance bill that was adopted by a vote of 74 to 12 on June 13.

Since 1969, the Nation's economic system has been forced to pay the price of the Great Society's extravagances of the 1960's. From the founding of our country, no Congress has succeeded in spending $100 billion in a single fiscal year until 1962. In only 9 years—1971—the Congress succeeded in breaking the 200-billion-dollar mark. It has taken only 4 more years—fiscal year 1975—for projected Government spending to exceed $300 billion.

In the process of this spending, an enormous deficit of more than $110 billion has been incurred since 1969; and it has been the financing of this deficit that has been the primary contributor to the current high rate of inflation. As a practical matter, a substantial part of this deficit has been financed by the Treasury by borrowing in the ordinary private capital markets—the same capital markets in which homeowners compete for mortgage money, small businessmen compete for equity-capital, major business firms finance their long term growth, and State and local governments finance their basic capital improvements. By being forced to borrow in such huge volumes, the Federal Government has absorbed most of the new funds which would normally be available to private individuals, businesses, and State and local governments. As a result, the normal private users of the capital markets have been forced to seek funds on a short-term basis until sufficient funds are available in the capital markets to meet their needs. Most of these organizations seeking funds have had to borrow them on a short-term basis from commercial banks.

The Federal Reserve System has been faced with a dilemma: if they accommodated the borrowers in the commercial banking system by increasing the money supply, they would almost certainly fuel inflation at ever higher rates 9 to 12 months hence. If they did not provide the funds to the commercial banks to meet this loan demand, business would face a severe Government-induced "crunch" because of an inability to finance their activities. The only solution to this immediate problem is to reduce the aggregate Federal deficit, and consequently Federal borrowings.

There is a broad consensus in support of the proposition that the most effective way of meeting our most urgent domestic problems is to establish an immediate goal of reducing expenditures in the current fiscal year to $295 billion. The question that remains to be resolved is how the necessary reductions are to be achieved.

Unfortunately, we are too far along in this legislative year for the kind of review of appropriations that would enable the Congress to make, in enough instances, the ultimate decision as to where the cuts should be made. Yet if the goal of $295 billion is to be achieved, the budgetary request of $305 billion will have to be cut by a significant margin. Whereas there is reason to believe that the growing concern over ever-expanding Federal expenditures may result in meaningful cutbacks in appropriation bills that have not yet been acted upon, as a practical matter there is little prospect of sending those already acted upon back to the shop.

If it is to keep faith with the public and with itself, the Congress has no choice but to delegate the necessary cutting authority to the Executive. This can be done in a manner that does not provide the Executive with the eqivalent of a line veto.

It is with this in mind that I send to the desk, for appropriate referral, a bill that will authorize the President to hold total Federal expenditures during fiscal year 1975 to $295 billion, provided:

First, expenditures for any given program will not be reduced by more than 15 percent below budgeted requests; and

Second, expenditures will not be reduced for any program funded by an appropriation bill the total expenditures of which are at 95 percent or less of budget requests, except after 30 days written notice to each House of the Congress identifying the program where such further reducitons are intended to be made, and detailing the reasons therefore. In such event, either House of the Congress may disallow or modify the proposed reduction by a majority vote of its Members.

The effect of this bill will be to reserve to the Congress the right to determine where the necessary cuts are to be made with respect to programs covered by those appropriation bills where a special effort was made to achieve anti-inflationary reductions in spending. In other words, the President would not be allowed to substitute his judgment for that of the Congress where the amount of a given appropriation bill reflects a 5-percent cut or more over anticipated spending.

This approach to fiscal responsibility is not unprecedented. In fact, in October of 1972, each House adopted legislation providing the President with comparable powers to hold spending to the level of $248 billion, but were unable to agree as to the details of the authority to be delegated. The President, in the absence of specific directions from the Congress, proceeded to achieve a significant reduction in expenditures through pocket vetoes and impoundments. The latter course of action, however, has been outlawed by the recently enacted budget reform bill, which makes the adoption of the measure we introduced today that much more essential if we are to do something practical and immediate to bring Federal expenditures under responsible control.

Having said this, I would be less than candid if I failed to observe that in my judgment it will be difficult for the Executive to make responsible reductions in spending sufficient to achieve the goal of a $295 billion ceiling because the Congress has seen fit to allow so large a proportion of the Federal budget to escape the discipline of annual appropriations. I speak of the items now described as "uncontrollable expenditures," items that now amount to more than 70 percent of the 1975 budget. As a practical matter, therefore, most of the cuts that would be required to achieve the $295 billion goal would have to come from less than one-third of the budget, although the schedule of payments, as in general revenue sharing, could be stretched out over a longer period. This fact underscores the urgent need for the Congress to reexamine each of the uncontrollable items in an attempt to regain fiscal control over as many of them as possible; and it should also serve notice to the Congress that new "uncontrollables" ought not to be created, whatever the immediate pressures to do so.

I urge my colleagues to act quickly on this legislation. It is responsible, it is essential. We have done more than enough talking about our intention to do something meaningful to curb inflation. This is our opportunity to translate rhetoric into action. It is, in fact, the only effective action that is available to us if we intend to do something about inflation now, and not 1 year from now when our newly established budgetary machinery comes into full effect.

I submit, also, that adoption by the Congress of this legislation, and action by the Executive under its authority will do more than anything else to persuade the American public that we are in fact taking responsible action to restore stability to the dollar.

Mr. ROTH. Mr. President, I am today joining Senators BUCKLEY, BYRD, CURTIS, PROXMIRE, and others Senators in introducing a bill to authorize the President to reduce fiscal year 1975 Federal expenditures to $295 billion. This bill will authorize the President to cut Federal spending by approximately $10 billion to achieve a balanced budget, subject to adequate safeguards.

An immediate cut in Federal spending is essential if inflation is to be brought under control. The deficit spending we have experienced for 14 out of the last 15 years has siphoned money away from commercial, mortgage, and small business loans, driven interest rates up to record levels, and fueled the fires of inflation.

In 1960, the Federal Government was spending $92 billion. In 1965, the figure had grown to $118 billion. By 1971, the Government was spending over $211 billion, and this year's budget is over $305 billion. Unless we take action now to hold spending down to $295 billion, next year's budget could be as high as $350 billion.

The massive increase in Federal spending in the last 15 years has resulted in the creation of more and more Federal programs that are considered both beneficial and necessary. The programs sounded good, our constituents back home liked them, and we voted more and more funds each year.

But this massive increase in Federal spending has also been responsible for today's inflation. And we can either continue spending at these deficit levels and fuel further inflation, or we can make some hard choices, reduce spending and restrain inflation.

President Ford has pledged to make a reduction in Federal spending his No. 1 priority. Many of my distinguished colleagues in the Senate have spoken out time after time on the need to control Federal spending.

If Members of Congress are serious about cutting Federal spending and reducing inflation, we must take coordinated action now.

By Mr. TAFT:

S. 3937. A bill to require that States, which receive Federal payments with respect to any State welfare program, consent to suit in the Federal courts in actions brought against the State by claimants for the aid or assistance provided under such program. Referred to the Committee on the Judiciary.

Mr. TAFT. Mr. President, today I am introducing legislation designed to close a legal loophole which leaves intended beneficiaries of State administered, federally funded assistance programs helpless to recover benefits denied by States in clear violation of Federal laws.

This legislation is made necessary by an unfortunate 5 to 4 Supreme Court decision rendered last March 25, in which the Court ruled that the 11th amendment to the Constitution bars Federal courts from ordering State officials to pay retroactive program benefits even if it recognizes that the State officials acted unlawfully in withholding these benefits. The Court said that Federal courts would have the power only to order the State officials to comply with Federal law in the future.

The case was brought as a class action by John Jordan, an elderly Chicago beneficiary of aid to the aged, who wished to protect himself and others receiving aid from delays in the provision of assistance which were held to be illegal by the district court—a ruling which was not contested by higher courts. His case was predicated on the simple concept assumed valid, in my judgment by the vast majority of us, that a State which participates voluntarily in federally funded programs certainly must abide by Federal laws and regulations governing the administration of the program.

The 11th amendment literally prevents suits against States in Federal courts by foreign citizens or citizens of other States. Mr. Justice Brennan expressed his belief that it is not applicable to suits against a State by citizens of the same State, as in Jordan. Furthermore, the Court's decision was an express overruling of recent decisions in which it has held for other reasons that courts could order States to pay retroactive benefits withheld in violation of Federal law.

These decisions were based on the proposition that "when a State leaves a sphere that is exclusively its own and enters into activities subject to congressional regulation, it subjects itself to that regulation as fully as if it were a private person or corporation." *Parden* v. *Terminal R. Co.*, 377 U.S. 184, at 196.

Such rulings, coupled with reinforcing statutes—as noted in Mr Justice Douglas' dissent to Jordan, which I will have printed at the end of my remarks—and the voluntary nature of State participation in these federally funded programs, led Mr. Justice Douglas, Mr. Justice Marshall, and Mr. Justice Blackmun to conclude that by agreeing to participate in the aid to the aged program, States automatically waive whatever immunity they might otherwise have from Federal court orders requiring retroactive payment of benefits.

The effects of the Supreme Court decision on the operation of the Federal assistance programs affected could, unfortunately, be extremely serious. As Mr. Justice Marshall and Mr. Justice Blackmun noted, no remedy other than the Court's power to order retroactive payment of benefits can effectively deter States from the strong temptation to cut welfare budgets by circumventing the stringent requirements of Federal law. Unless this loophole is closed, State bureaucrats will be able to violate Federal regulations freely, without fear that effective action will be taken against their State.

The Court's argument in the Jordan case rested largely on the premise that because Congress did not specifically require the State to waive its immunity to suit in Federal court as a condition for participation in the aid for the aged program and the State did not take specific voluntary action to do so, the State retained that immunity. My bill would restore the legal rights of affected program beneficiaries, by requiring States to waive immunity to suit as a condition for future Federal financial participation in State administered assistance programs. These programs would include aid for dependent children, medicaid, and food stamps.

I am hopeful that Congress will act quickly and favorably on this measure. In my view, the issue has nothing to do with congressional support or lack thereof for specific provisions of the assistance programs. Rather, my bill is necessary to insure that once the Congress has decided what those laws are, the citizens we have decided to assist will have appropriate recourse against States which do not comply with those laws.

I ask unanimous consent that an April 3, 1974, Washington Post editorial on this subject be printed in the Record at this point. Because of the importance of the Supreme Court's decision to my bill, I also ask unanimous consent that the slip opinion be printed in the Record. Furthermore, I ask unanimous consent that following those materials, the text of my bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

WELFARE AND THE COURTS

John Jordan, an elderly Chicago indigent, made a simple assumption about equitable justice in the United States and went to court to test it. Last week Mr. Jordan learned that his assumption was wrong. What he assumed is that if a state is conducting a program that involves federal funds, and if the state violates the federal regulations under which the program was established by Congress, then those who are entitled to the benefits of the program are also entitled to sue the state officials and receive the benefits that had been withheld.

What the Supreme Court said in the case, *Edelman v. Jordan*, is that the 11th Amendment to the Constitution bars the federal courts from ordering state officials to pay retroactive benefits, even if it recognizes that the state officials acted unlawfully in withholding the benefits. The Court said it could order the state officials to behave legally in the future, but it could not order the state to pay back benefits.

Mr. Jordan was eligible for benefits under the Assistance to the Aged, Blind and Disabled program. He applied for them, only to discover that Illinois had a regulation that resulted in long delays before such benefits were paid. The federal regulations called for payment to Mr. Jordan within 30 days. Mr. Jordan was told he would have to wait much longer. And so he sued. His class action was intended to do more than recover the $195.00 he would have received if Illinois had obeyed the federal regulations. He wanted to protect the interests of others in the state who had also been victimized by the delays.

Mr. Jordan won in the federal district court and in the Seventh Circuit of the U.S. Court of Appeals. At the Circuit Court level, Illinois asserted its rights under the 11th Amendment, which has been held to bar suits in federal courts brought by residents against their states. The amendment, adopted in 1798, was originally designed to prevent the federal courts from being able to enforce the claims of foreigners against individual states. It has since become a tricky current in the law and has produced a variety of conflicting holdings.

The Supreme Court's most recent interpretation in *Jordan* is that residents of states who are eligible for aid from federally assisted programs cannot sue the state officials in federal court for violating the regulations laid down by federal agencies or by Congress. The Court held that it could enjoin the state officials from future violation of the regulations, but it could not grant the back benefits that had been denied. The Seventh Circuit held that Illinois waited too long to assert its 11th Amendment right, but the Supreme Court ruled that the 11th Amendment is such a grave bar against federal jurisdiction in such cases that it had to be entertained, no matter how late the hour at which it was involked.

The implications of this case for the public welfare system are serious. If welfare agencies can withhold funds until the courts tell them to stop, many welfare lawyers fear that delay in the processing of applications could well become the rule rather than the exception. The reason for demanding restitution of lost benefits in the Jordan case is to prevent state bureaucrats from discouraging welfare applicants by putting them through long processes. The federal regulations requiring that applications be processed within 30 days for the elderly indigent, the blind and the disabled were intended to guard against just such bureaucratic delay. The Supreme Court has now removed the federal courts from their equity role in such matters.

The court has said that unless a state consents to such a suit in federal court, the court cannot award back benefits. The court rested its decision on the absence of any specific language in the law requiring states to give up their immunity against such suits as a condition of participation in the program. Since the courts no longer have the power to protect recipients, and since the Congress has left the bureaucrats so large a loophole, it is the Congress that must make its intent clearer.

We are here concerned with the interests of the poorest of our citizens who are elderly, disabled or blind. To leave them at the mercy of the agencies that have already demonstrated their lack of concern is unfair and cannot have been the intent of Congress. What is required now is an amendment of the Social Security Act that would take a simple step to right a wrong. Congress can require that any state that participates in a federal welfare program must waive its immunity against suit under the 11th Amendment. Otherwise, an illegally operated program can continue to be in violation until it is enjoined. And at that, its officials will feel no pressure to do anything other than to begin operating legally from the point at which an injunction has been issued.

The reason for the welfare program is to assist those who are unable to help themselves. It is designed to grant "minimal subsistence" in cases of indigence, infirmity or disability. We give to the John Jordans of this country just enough to stay alive. We require the states to do a simple thing—assist them promptly when they are in need. Since the Supreme Court in *Edleman v. Jordan* has removed the courts from their traditional equity function in welfare cases, the Congress should act to protect the least among us.

EDELMAN, DIRECTOR, DEPARTMENT OF PUBLIC AID OF ILLINOIS V. JORDAN

SYLLABUS

Certiorari to the United States Court of Appeals for the Seventh Circuit; No. 72-1410. Argued December 12, 1973—Decided March 25, 1974)

Respondent brought this class action for injunctive and declaratory relief against the Illinois officials administering the federal-state programs of Aid to the Aged, Blind, and Disabled (AABD), which are funded equally by the State and Federal Governments, contending that they were violating federal law and denying equal protection of the laws by following state regulations that did not comply with the federal time limits within which participating States had to process and make grants with respect to AABD applications. The District Court by a permanent injunction required compliance with the federal time limits and also ordered the state officials to release and remit AABD benefits wrongfully withheld to all persons found eligible who had applied therefor between July 1, 1968, the date of the federal regulations, and April 16, 1971, the date of the Court's preliminary injunction. The Court of Appeals affirmed, rejecting the state officials' contentions that the Eleventh Amendment barred the award of the retroactive benefits and that the judgment of inconsistency between federal regulations and state porvisions could be given only prospective effect. *Held*: The Eleventh Amendment of the Constitution bars that portion of the District Court's decree that ordered retroactive payment of benefits. Pp. 7-26.

(a) A suit by private parties seeking to impose a liability payable from public funds in the state treasury is foreclosed by the Amendment if the State does not consent to suit. P. 11.

(b) The Court of Appeals erred in holding that *Ex parte Young*, 209 U.S. 123, which awarded only prospective relief, did not preclude the retroactive monetary award here on the ground that it was an "equitable restitution," since that award, though on its face directed against the state official individually, as a practical matter could be satisfied only from the general revenues of the State and was indistinguishable from an award of damages against the State. *Ford Motor Co.* v. *Department of Treasury,* 323 U.S. 459, followed. *Shapiro* v. *Thompson,* 394 U.S. 168; *State Dept. of Health and Rehabilitation Services* v. *Zarate,* 407 U.S. 918; *Sterrett* v. *Mothers' & Children's Rights Organization,* 409 U.S. 809; *Wyman* v. *Bowens,* 397 U.S. 49, disapproved to extent that their holdings do not comport with the holding in the instant case on the Eleventh Amendment issue. Pp. 12–20.

(c) The State of Illinois did not waive its Eleventh Amendment immunity and consent to the bringing of respondent's suit by participating in the federal AABD program. *Parden* v. *Terminal R. Co.,* 377 U.S. 184, and *Petty* v. *Tennessee-Missouri Bridge Comm'n,* 359 U.S. 275, distinguished. Nor does the mere fact that a State participates in a program partially funded by the Federal Government manifest consent by the State to be sued in federal courts. Pp. 20–22.

(d) The Court of Appeals properly considered the Eleventh Amendment defense, which the state officials did not assert in the District Court, since that defense partakes of the nature of a jurisdictional bar. *Ford Motor Co.* v. *Department of Treasury, supra.* Pp. 24–25.

472 F. 2d 985, reversed and remanded.

Rehnquist, J., delivered the opinion of the Court, in which Burger, C. J., and Stewart, White, and Powell, JJ., joined. Douglas and Brennan, JJ., filed dissenting opinions. Marshall, J., filed a dissenting opinion in which Blackmun, J., joined.

EDELMAN VERSUS JORDAN

Mr. Justice Rehnquist delivered the opinion of the Court.

Respondent John Jordan filed a complaint in the United States District Court for the Northern District of Illinois, individually and as a representative of a class, seeking declaratory and injunctive relief against two former directors of the Illinois Department of Public Aid, the director of the Cook County Department of Public Aid, and the comptroller of Cook County. Respondent alleged that these state officials were administering the federal-state programs of Aid to the Aged, Blind and Disabled (AABD) in a manner inconsistent with various federal regulations and with the Fourteenth Amendment to the Constitution.[1]

AABD is one of the categorical aid programs administered by the Illinois Department of Public Aid pursuant to the Illinois Public Aid Code, Ill. Rev. Stat. c. 23, §§ 3–1 through 3–12 (1971). Under the Social Security Act, the program is funded equally by the State and the Federal Government. 42 U.S.C. § 1381–1385 (1969 ed.).[2] The Department of Health, Education, and Welfare (HEW), which administers these payments for the Federal Government, issued regulations prescribing maximum permissible time standards within which States participating in the program must process AABD applications. Those regulations, originally issued in 1968, required, at the time of the institution of this suit, that eligibility determinations must be made by the States within 30 days of receipt of applications for aid to the aged and blind, and within 45 days of receipt of applications for aid to the disabled. For those persons found eligible, the assistance check was required to be received by them within the applicable time period. 45 CFR § 206.10(a) (3).[3]

During the period in which the federal regulations went into effect, Illinois public aid officials were administering the benefits pursuant to their own regulations as provided in the Categorical Assistance Manual of the Illinois Department of Public Aid.[4] Respondent's complaint charged that the Illinois defendants, operating under those regulations, were improperly authorizing grants to commence only with the month in which an application was approved and not including prior eligibility months for which an applicant was entitled to aid under federal law. The complaint also alleged that the Illinois defendants were not processing the applications within the applicable time requirements of the federal regulations; specifically, respondent alleged that his own application for disability benefits was not acted on by the Illinois Department of Public Aid for almost four months. Such actions of the Illinois officials were alleged to violate federal law and deny the equal protection of the laws. Respondent's prayer requested declaratory and injunctive relief, and specifically requested "a permanent injunction enjoining the defendants to award to the entire class of plaintiffs all AABD benefits wrongfully withheld."

In its judgment of March 15, 1972, the District Court declared § 4004 of the Illinois Manual to be invalid insofar as it was inconsistent with the federal regulations found in 45 CFR § 206.10(a) (3), and granted a permanent injunction requiring compliance with the federal time limits for processing and paying AABD applicants. The District Court, in paragraph 5 of its judgment, also ordered the state officials to "release and remit AABD benefits wrongfully withheld to all applicants for AABD in the State of Illinois who applied between July 1, 1968 [the date of the federal regulations] and April 16, 197[1] [the date of the preliminary injunction issued by the District Court] and were found eligible . . . ."[5]

On appeal to the United States Court of Appeals for the Seventh Circuit, the Illinois' officials contended, *inter alia,* that the eleventh Amendment barred the award of retroactive benefits, that the judgment of inconsistency between the federal regulations and the provisions of the Illinois Categorical Assistance Manual could be given prospective effect only, and that the federal regulations in question were inconsistent with the Social Security Act itself. The Court of Appeals rejected these contentions and affirmed the judgment of the District Court. *Jordan* v. *Weaver,* 472 F. 2d 985 (1973).[6] Because of an apparent conflict on the Eleventh Amendment issue with the decision of the Court of Appeals for the Second Circuit in *Rothstein* v. *Wyman,* 467 F. 2d 226 (1972), we granted the petition for certiorari filed by petitioner Joel Edelman, who is the present Director of the Illinois Department of Public Aid, and successor to the former directors sued below. *Sub nom.* 412 U.S. 937 (1973). The petition for certiorari raised the same contentions urged by the petitioner in the Court of Appeals.[7] Because we believe the Court of Appeals erred in its disposition of the Eleventh Amendment claim, we reverse that portion of the Court of Appeals decision which affirmed the District Court's order that retroactive benefits be paid by the Illinois state officials.[8]

The historical basis of the Eleventh Amendment has been oft-stated, and it represents one of the more dramatic examples of this Court's effort to derive meaning from the document given to the Nation by the Framers nearly 200 years ago. A leading historian of the Court tells us:

> "The right of the Federal Judiciary to summon a State as defendant and to adjudicate its rights and liabilities had been the subject of deep apprehension and of active debate at the time of the adoption of the Constitution; but the existence of any such right had been disclaimed by many of the most eminent advocates of the new Federal Government, and it was largely owing to their successful dissipation of the fear of the existence of such Federal power that the Constitution was finally adopted." 1 C. Warren, The Supreme Court in United States History 91 (Rev. ed. 1957).

Despite such disclaimers,[9] the very first suit entered in this Court at its February Term in 1791 was brought against the State of Maryland by a firm of Dutch bankers as creditors. *Ibid.; Vanstophorst* v. *Maryland.* The subsequent year brought the institution of additional suits against other States, and caused considerable alarm and consternation in the country.

The issue was squarely presented to the Court in a suit brought at the August 1792 Term by two citizens of South Carolina, executors of a British creditor, against the State of Georgia. After a year's postponement for preparation on the part of the State of Georgia, the Court, after argument, rendered in February 1793, its short-lived decision in *Chisholm* v. *Georgia,* 2 U.S. (2 Dall.) 419 (1793). The decision in that case, that a State was liable to suit by a citizen of another State or of a foreign country, literally shocked the Nation. Sentiment for passage of a constitutional amendment to override the decision rapidly gained momentum, and five years after *Chisholm* the Eleventh Amendment was ratified by the final State necessary for passage. As ratified in 1798, and unchanged since, the Amendment provides:

> "The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State."

While the Amendment by its terms does not bar suits against a State by its own citizens, this Court has consistently held that an unconsenting State is immune from suits brought in federal courts by her own citizens as well as by citizens of another State. *Hans* v. *Louisiana,* 134 U.S. 1 (1890); *Duhne* v. *New Jersey,* 251 U.S. 311 (1920); *Great Northern Life Insurance Co.* v. *Read,* 322 U.S. 47 (1945); *Parden* v. *Terminal R. Co.,* 377 U.S. 184 (1964); *Employees* v. *Department of Public Health and Welfare,* 411 U.S. 279 (1973). It is also well established that even though a State is not named a party to the action, the suit may nonetheless be barred by the Eleventh Amendment. In *Ford Motor Co.* v. *Department of Treasury,* 323 U.S. 459 (1945), the Court said:

> "[W]hen the action is in essence one for the recovery of money from the state, the state is the real, substantial party in interest and is entitled to invoke its sovereign immunity from suit even though individual officials are nominal defendants." *Id.,* at 464.

Thus the rule has evolved that a suit by private parties seeking to impose a liability which must be paid from public funds in the state treasury is barred by the Eleventh Amendment. *Great Northern Life Insurance Co.* v. *Read, supra; Kennecott Copper Corp.* v. *State Tax Comm'n,* 327 U.S. 573 (1946).

The Court of Appeals in this case, while recognizing that the *Hans* line of cases permitted the State to raise the Eleventh Amendment as a defense to suit by its own citizens, nevertheless concluded that the Amendment did not bar the award of retroactive payments to statutory benefits found to have been wrongfully withheld. The Court of Appeals held that the above cited cases, when read in light of the Court's landmark decision in *Ex parte Young,* 209 U.S. 123 (1908), do not preclude the grant of such a monetary award in the nature of equitable restitution.

Petitioner concedes that *Ex parte Young, supra,* is no bar to that part of the District Court's judgment that prospectively enjoined petitioner's predecessors from failing to process applications within the time limits established by the federal regulations. Petitioner argues, however, that *Ex parte Young* does not extend so far as to permit a

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Footnotes at end of article.

suit which seeks the award of an accrued monetary liability which must be met from the general revenues of a State, absent consent or waiver by the State of its Eleventh Amendment immunity, and that therefore the award of retroactive benefits by the District Court was improper.

Ex parte Young was a watershed case in which this Court held that the Eleventh Amendment did not bar an action in the federal courts seeking to enjoin the Attorney General of Minnesota from enforcing a statute claimed to violate the Fourteenth Amendment of the United States Constitution. This holding has permitted the Civil War Amendments to the Constitution to serve as a sword, rather than merely as a shield, for those whom they were designed to protect. But the relief awarded in *Ex parte Young* was prospective only; the Attorney General of Minnesota was enjoined to conform his future conduct of that office to the requirement of the Fourteenth Amendment. Such relief is analogous to that awarded by the District Court in the prospective portion of its order under review in this case.

But the retroactive portion of the District Court's order here, which requires the payment of a very substantial amount of money which that court held should have been paid, but was not, stands on quite a different footing. These funds will obviously not be paid out of the pocket of petitioner Edelman. Addressing himself to a similar situation in *Rothstein* v. *Wyman*, 467 F. 2d 226 (CA2 1972), cert. denied, 411 U.S. 921 (1973), Judge McGowan[10] observed for the court:

"It is not pretended that these payments are to come from the personal resources of these appellants. Appellees expressly contemplate that they will, rather, involve substantial expenditures from the public funds of the state . . .

"It is one thing to tell the Commissioner of Social Services that he must comply with the federal standards for the future if the state is to have the benefit of federal funds in the programs he administers. It is quite another thing to order the Commissioner to use state funds to make reparation for the past. The latter would appear to us to fall afoul of the Eleventh Amendment if that basic constitutional provision is to be conceived of as having any present force." *Id.*, at 236–237 (footnotes omitted).

We agree with Judge McGowan's observations. The funds to satisfy the award in this case must inevitably come from the general revenues of the State of Illinois, and thus the award against the State itself, *Ford Motor Co.* v. *Department of Treasury, supra,* than it does the prospective injunctive relief awarded in *Ex parte Young*.

The Court of Appeals, in upholding the award in this case, held that it was permissible because it was in the form of "equitable restitution" instead of damages, and therefore capable of being tailored in such a way as to minimize disruptions of the state program of categorical assistance. But we must judge the award actually made in this case, and not one which might have been differently tailored in a different case, and we must judge it in the context of the important constitutional principle embodied in the Eleventh Amendment.[11]

We do not read *Ex parte Young* or subsequent holdings of this Court to indicate that any form of relief may be awarded against a state officer, no matter how closely it may in practice resemble a money judgment payable out of the state treasury, so long as the relief may be labeled "equitable" in nature. The Court's opinion in *Ex parte Young* hewed to no such line. Its citation of *Hagood* v. *Southern*, 117 U.S. 52 (1886), and *In re Ayers*, 123 U.S. 443 (1887), which were both actions against state officers for specific performance of a contract to which the State was a party, demonstrate that equitable relief may be barred by the Eleventh Amendment.

As in most areas of the law, the difference between the type of relief barred by the Eleventh Amendment and that permitted under *Ex parte Young* will not in many instances be that between day and night. The injunction issued in *Ex parte Young* was not totally without effect on the State's revenues, since the state law which the Attorney General was enjoined from enforcing provided substantial monetary penalties against railroads which did not conform to its provisions. Later cases from this Court have authorized equitable relief which has probably had greater impact on state treasuries than did that awarded in *Ex parte Young*. In *Graham* v. *Richardson*, 403 U.S. 365 (1971), Arizona and Pennsylvania welfare officials were prohibited from denying welfare benefits to otherwise qualified recipients who were aliens. In *Goldberg* v. *Kelly*, 397 U.S. 254 (1970), New York City welfare officials were enjoined from following New York State procedures which authorized the termination of benefits paid to welfare recipients without prior hearing.[12] But the fiscal consequences to state treasuries in these cases were the necessary result of compliance with decrees which by their terms were prospective in nature. State officials, in order to shape their official conduct to the mandate of the Court's decrees, would more likely have to spend money from the state treasury than if they had been left free to pursue their previous course of conduct. Such an ancillary effect on the state treasury is a permissible and often an inevitable consequence of the principle announced in *Ex parte Young, supra.*

But that portion of the District Court's decree which petitioners challenge on Eleventh Amendment grounds goes much further than any of the cases cited. It requires payment of state funds, not as a necessary consequence of compliance in the future with a substantive federal question determination, but as a form of compensation to those whose applications were processed on the slower time schedule at a time when petitioners were under no court-imposed obligation to conform to a different standard. While the Court of Appeals described this retroactive award of monetary relief as a form of "equitable restitution," it is in practical effect indistinguishable in many aspects from an award of damages against the State. It will to a virtual certainty be paid from state funds, and not from the pocket of the individual state official who was the defendant in the action. It is measured in terms of a monetary loss resulting from a past breach of a legal duty on the part of the defendant state officials.

Were we to uphold this portion of the District Court's decree, we would be obligated to overrule the Court's holding in *Ford Motor Co.* v. *Department of Treasury, supra.* There a taxpayer, who had, under protest, paid taxes to the State of Indiana, sought a refund of those taxes from the Indiana state officials who were charged with their collection. The taxpayer claimed that the tax had been imposed in violation of the United States Constitution. The term "equitable restitution" would seem even more applicable to the relief sought in that case, since the taxpayer had at one time had the money, and paid it over to the State pursuant to an allegedly unconstitutional tax exaction. Yet this Court has no hesitation in holding that the taxpayer's action was a suit against the State, and barred by the Eleventh Amendment. We reach a similar conclusion with respect to the retroactive portion of the relief awarded by the District Court in this case.

The Court of Appeals expressed the view that its conclusion on the Eleventh Amendment issue was supported by this Court's holding in *Department of Employment* v. *United States*, 385 U.S. 355 (1966). There the United States was held entitled to sue the Colorado Department of Employment in the United States District Court for refund of unemployment compensation taxes paid under protest by the American National Red Cross, an instrumentality of the United States. The discussion of the State's Eleventh Amendment claim is confined to the following sentence in the opinion:

"With respect to appellants' contention that the State of Colorado has not consented to suit in a Federal forum even where the plaintiff is the United States, see *Monaco* v. *Mississippi*, 292 U.S. 313 (1934), and *Ex parte Young*, 209 U.S. 123 (1908)." 385 U.S., at 358.

Monaco v. *Mississippi, supra,* reaffirmed the principle that the Eleventh Amendment was no bar to a suit by the United States against a State. 292 U.S., at 329. In view of Mr. Chief Justice Hughes' vigorous reaffirmation in *Monaco* of the principles of the Eleventh Amendment and sovereign immunity, we think it unlikely that the Court in *Department of Employment* v. *United States*, in citing *Ex parte Young* as well as *Monaco*, intended to foreshadow a departure from the rule to which we adhere today.

Three fairly recent District Court judgments requiring state directors of public aid to make the type of retroactive payment involved here have been summarily affirmed by this Court notwithstanding the Eleventh Amendment contentions made by state officers who were appealing from the District Court judgment.[13] *Shapiro* v. *Thompson*, 394 U.S. 168 (1969), is the only instance in which the Eleventh Amendment objection to such retroactive relief was actually presented to this Court in a case which was orally argued. The three-judge District Court in that case had ordered the retroactive payment of welfare benefits found by that court to have been unlawfully withheld because of residency requirements held violative of equal protection. *Thompson* v. *Shapiro*, 270 F. Supp. 331, 338, n. 5 (Conn. 1967). This Court, while affirming the judgment, did not in its opinion refer to or substantively treat the Eleventh Amendment argument. Nor, of course, did the summary dispositions of the three District Court cases contain any substantive discussion of this or any other issues raised by the parties.

This case, therefore, is the first opportunity the Court has taken to fully explore and treat the Eleventh Amendment aspects of such relief in a written opinion. *Shapiro* v. *Thompson* and these three summary affirmances obviously are of precedental value in support of the contention that the Eleventh Amendment does not bar the relief awarded by the District Court in this case. Equally obviously they are not of the same precedental value as would be an opinion of this Court treating the question on the merits. Since we deal with a constitutional question, we are less constrained by the principle of *stare decisis* than we are in other areas of the law.[14] Having now had an opportunity to more fully consider the Eleventh Amendment issue after briefing and argument, we disapprove the Eleventh Amendment holdings of those cases to the extent that they are inconsistent with our holding today.

The Court of Appeals held in the alternative that even if the Eleventh Amendment be deemed a bar to the retroactive relief awarded respondent in this case, the State of Illinois had waived its Eleventh Amendment immunity and consented to the bringing of such a suit by participating in the federal AABD program. The Court of Appeals relied upon our holdings in *Parden* v. *Terminal R. Co.*, 337 U. S. 184 (1964), and *Petty* v. *Tennessee-Missouri Bridge Comm'n*, 359 U. S. 275 (1959), and on the dissenting opinion of

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Footnotes at end of article.

Judge Bright in *Employees of Department of Public Health and Welfare* v. *Department of Public Health and Welfare,* 452 F. 2. 820, 827 (CA8 1971). While the holding in the latter case was ultimately affirmed by this Court in *Employees* v. *Department of Public Health and Welfare,* 411 U. S. 279 (1973), we do not think that the answer to the waiver question turns on the distinction between *Parden, supra,* and *Employees, supra.* Both *Parden* and *Employees* involved a congressional enactment which by its terms authorized suit by designated plaintiffs against a general class of defendants which literally included States or state instrumentalities. Similarly, *Petty* v. *Tennessee-Missouri Bridge Comm'n, supra,* involved congressional approval, pursuant to the Compact Clause, of a compact between Tennessee and Missouri, which provided that each compacting State would have the power "to contract, to sue, and be sued in its own name." The question of waiver or consent under the Eleventh Amendment was found in those cases to turn on whether Congress had intended to abrogate the immunity in question, and whether the State by its participation in the program authorized by Congress had in effect consented to the abrogation of that immunity.

But in this case the threshold fact of congressional authorization to sue a class of defendants which literally includes States is wholly absent. Thus respondent is not only precluded from relying on this Court's holding in *Employees,* but on this Court's holdings in *Parden* and *Petty* as well.[15]

The Court of Appeals held that as a matter of federal law Illinois had "constructively consented" to this suit by participating in the federal AABD program and agreeing to administer federal and state funds in compliance with federal law. Constructive consent is not a doctrine commonly associated with the surrender of constitutional rights, and we see no place for it here. In deciding whether a State has waived its constitutional protection under the Eleventh Amendment, we will find waiver only where stated "by the most express language or by such overwhelming implications from the text as will leave no room for any other reasonable construction." *Murray* v. *Wilson Distilling Co.,* 213 U.S. 151, 171 (1909). We see no reason to retreat from the Court's statement in *Great Northern Insurance Co.* v. *Reed,* 322 U.S. 47, 54 (1945) (footnote omitted):

"[W]hen we are dealing with the sovereign exemption from judicial interference in the vital filed of financial administration a clear declaration of the state's intention to submit its fiscal problems to other courts than those of its own creation must be found."

The mere fact that a State participates in a program through which the Federal Government provides assistance for the operation by the State of a system of public aid is not sufficient to establish consent on the part of the State to be sued in the federal courts. And while this Court has, in cases such *J. I. Case Co.* v. *Borak,* 377 U. S. 426 (1964), authorized suits by one private party against another in order to effectuate a statutory purpose, it has never done so in the context of the Eleventh Amendment and a state defendant. Since *Employees, supra,* where Congress had expressly authorized suits against a general class of defendants and the only thing left to implication was whether the described class of defendants included States, was decided adversely to the putative plaintiffs on the waiver question, surely this respondent must also fail on that issue. The only language in the Social Security Act which purports to provide a federal sanction against a State which does not comply with federal requirements for the distribution of federal monies is found in 42 U. S. C. § 1384, which provides for termination of future allocations of federal funds when a participating State fails to conform with federal law.[16] This provision by its terms does not authorize suit against anyone, and standing alone, falls far short of a waiver by a participating State of its Eleventh Amendment immunity.

Our Brother Marshall argues in dissent, and the Court of Appeals held, that although the Social Security Act itself does not create a private cause of action, the cause of action created by 42 U.S.C. § 1983, coupled with the enactment of the AABD program, and the issuance by HEW of regulations which require the States to make corrective payments after successful "fair hearings" and provide for federal matching funds to satisfy federal court orders of retroactive payments, indicate that Congress intended a cause of action for public aid recipients such as respondent.[17] It is of course true that *Rosado* v. *Wyman,* 397 U.S. 397 (1970), held that suits in federal court under § 1983 are proper to secure compliance with the provisions of the Social Security Act on the part of participating States.[18] But it has not heretofore been suggested that § 1983 was intended to create a waiver of a State's Eleventh Amendment immunity merely because an action could be brought under that section against state officers, rather than against the State itself. Though a § 1983 action may be instituted by public aid recipients such as respondent, a federal court's remedial power, consistent with the Eleventh Amendment, is necessarily limited to prospective injunctive relief, *Ex parte Young, supra,* and may not include a retroactive award which requires the payment of funds from the state treasury, *Ford Motor Co.* v. *Department of Treasury, supra.*

Respondent urges that since the various Illinois officials sued in the District Court failed to raise the Eleventh Amendment as a defense to the relief sought by respondents, petitioner is therefore barred[19] from raising the Eleventh Amendment defense in the Court of Appeals or in this Court. The Court of Appeals apparently felt the defense was properly presented, and dealt with it on the merits. We approve of this resolution, since it has been well-settled since the decision in *Ford Motor Co.* v. *Department of Treasury, supra,* that the Eleventh Amendment defense sufficiently partakes of the nature of a jurisdictional bar so that it need not be raised in the trial court:

"[The Attorney General of Indiana] appeared in the federal District Court and the Circuit Court of Appeals and defended the suit on the merits. The objection to petitioner's suit as a violation of the Eleventh Amendment was first made and argued by Indiana in this Court. This was in time, however. The Eleventh Amendment declares a policy and sets forth an explicit limitation on federal judicial power of such compelling force that this Court will consider the issue arising under this Amendment in this case even though urged for the first time in this Court." 323 U.S., at 466–467.

For the foregoing reasons we decide that the Court of Appeals was wrong in holding that the Eleventh Amendment did not constitute a bar to that portion of the District Court decree which ordered retroactive payments of benefits found to have been wrongfully withheld. The judgment of the Court of Appeals is therefore reversed and the cause remanded for further proceedings consistent with this opinion.

So ordered.

FOOTNOTES

[1] In his complaint in the District Court, respondent claimed that the Illinois Department of Public Aid was not complying with federal regulations in its processing of public aid applications, and also that its refusal to process and allow respondent's claim for a period of four months, while processing and alowing the claims of those similarly situated, violated the Equal Protection Clause of the Fourteenth Amendment. Respondent asserted that the District Court could exercise jurisdiction over the cause by virtue of 28 U.S.C. §§ 1331 and 1343(3) and (4). Though not briefed by the parties before this Court, we think that under our decision in *Hagans* v. *Lavine,* No. 72–6476. —— U.S. —— (1974), the equal protection claim cannot be said to be "wholly insubstantial," and that therefore the District Court was correct in exercising pendent jurisdiction over the statutory claim.

[2] Effective January 1, 1974, the AABD program has been replaced. See 42 U.S.C. § 1381 *et seq.* (Supp. 1973).

[3] CFR § 206.10(a)(3) (1973) provides in pertinent part: "(a) *State plan requirements.* A State plan . . . must provide that. . . .

"(3) A decision will be made promptly on applications, pursuant to reasonable State-established time standards not in excess of 45 days for [aid to aged and blind] and 60 days [for aid to the disabled]. Under this requirement, the applicant is informed of the agency's time standard in acting on applications which covers the time from date of application to the date that the assistance check, or notification of denial of assistance or change of award, or the eligibility decision with respect to medical assistance, is mailed to the applicant or recipient."

When originally issued in 1968 the regulation provided that the applications for aid to the aged and blind be processed within 30 days and that aid to the disabled be processed within 45 days of reciept. They also provided that the person determined to be eligible must *receive* his assistance check within the applicable time period. The amendment to 60 days for aid to the disabled occurred in 1971, as did the change to require mailing instead of receipt of the assistance check within the applicable time period; effective Oct. 15, 1973, the time for processing aged and blind applications became 45 days.

In addition, 45 CFR § 206.10(a)(6) provides in pertinent part:

"(6) Entitlement will begin as specified in the State plan, which (i) for financial assistance must be no later than the date of authorization of payment. . . ."

[4] The Illinois regulations, found in the Illinois Categorica Assistance Manual of the Illinois Department of Public Aid, provide in pertinent parts:

"4004.1

"Except for [disability] cases which have a time standard of 45 days, the time standard for disposition of applications is 30 days from the date of application to the date the applicants are determined eligible and the effective date of their first assistance or are determined ineligible and receive a notice of denial of assistance. . . .

"8255. Initial Awards

"Initial awards may be new grants, reinstatements, or certain types of resumptions. They can be effective for the month in which Form FO–550 is signed but for no prior period except [under conditions not relevant to this case].

"8255.1 New Grants

"A new grant in the first grant authorized after an application has been accepted in a case which has not previously received assistance under the same assistance program. It may be authorized for the month in which Form FO–550 is signed but not for any prior period unless it meets [exceptions not relevant to this case]."

[5] Paragraph 5 of the District Court's judgment provided:

"That the defendant EDWARD T. WEAVER, Director, Illinois Department of Public Aid, his agents, including all of the County Departments of Public Aid in the State of Illinois, and employees, and all persons in active concert and participation with them, are hereby enjoined to release and remit AABD benefits wrongfully withheld to all applicants for AABD in the State of Illinois who applied between July 1, 1968 and April 16, 1972 [*sic*] [should read "1971"], and were determined eligible, as follows:

"(a) For those aged and blind applicants whose first full AABD check was not mailed within thirty days from the date of application, AABD assistance for the period beginning with the thirtieth day from the date of application to the date the applicant's entitlement to AABD became effective;

"(b) (i) For those disabled applicants who applied between July 1, 1968 and December 31, 1970, whose first full AABD check was not mailed within forty-five days from the date of application, AABD assistance for the period beginning with the forty-fifth day from the date of application to the date the applicant's entitlement became effective;

"(ii) For those disabled applicants who applied between January 1, 1971 and April 16, 1971, whose first full AABD check was not mailed within sixty days from the date of application, AABD assistance for the period beginning with the sixtieth day from the date of application to the date the applicant's entitlement became effective.

"These AABD benefits shall be mailed to those persons currently receiving AABD within eight months with an explanatory letter having been first approved by plaintiff's attorney. Any AABD benefits received pursuant to this paragraph shall not be deemed income or resources under Article III of the Illinois Public Aid Code.

"For those persons not presently receiving AABD:

"(a) A certified letter (return receipt requested), said letter having been first approved by plaintiffs' attorney, shall be sent to the last known address of the person, informing him in concise and easily understandable terms that he is entitled to a specified amount of AABD benefits wrongfully withheld, and that he may claim such amount by contacting the County Department of Public Aid at a specified address, within 45 days from the receipt of said letter.

"(b) If the County Department of Public Aid does not receive a claim for the AABD benefits within 45 days from the date of actual notice to the person, the right to said AABD benefits shall be forfeited and the file shall be closed. Persons who do not receive actual notice do not forfeit their rights to AABD benefits wrongfully withheld under this provision."

Paragraph 6 of the District Court's judgment provided:

"Within 15 days from the date of this decree, defendant Edward T. Weaver, Director, Illinois Department of Public Aid, shall submit a detailed statement as to the method of effectuating the relief required by paragraph 5, *supra*, of this Decree. Any disputes between the parties as to whether the the procedures and steps outlined by the defendant Weaver will fulfill the requirements of this Decree will be resolved by the Court."

On July 19, 1973, the author of this opinion stayed until further order of this Court these two paragraphs of the District Court's judgment. 414 U.S. 1301 (1973).

[6] Respondent appealed from the District Court's judgment insofar as it held him not entitled to receive benefits from the date of his applications (as opposed to the date of authorization of benefits as provided by the federal regulations) and insofar as it failed to award punitive damages. The Court of Appeals upheld the District Court's decision against respondent on those points and they are not at issue here. 472 F. 2d, at 997–999.

[7] Citing *Chevron Oil Co.* v. *Huson*, 404 U. S. 97 (1971), petitioner also contends in this Court that the Court of Appeals erred in refusing to give the District Court's judgment prospective effect only. Brief for the Petitioner, at p. 37, incorporating arguments made in petitioner's petition for Certiorari, at pp. 18–22. The Court of Appeals concluded that this ground was "not presented to the district judge before entry of judgment, so that it comes too late." 472 F. 2d, at 995. The Court of Appeals went on, however, to conclude that "[e]ven if the ground had been timely presented, defendant's contention would be meritless." *Ibid*. Noting that one of three tests established by our decision in *Huson* for determining the retroactivity of court decisions was that "the decision to be applied non-retroactively *must* establish a new principle of law, either by overruling clear past precedent on which litigants may have relied . . . or [have decided] an issue of first impression whose resolution was not clearly foreshadowed . . . .", *Chevron Oil Co.* v. *Huson, supra*, 404 U. S., at 106, the Court of Appeals found that the petitioner had not satisfied this test, since the "federal time requirements for processing applications and paying eligible AABD applicants were made effective July 1, 1968, and defendants were well aware of these mandatory maximum permissible time standards." 474 F. 2d, at 996.

In light of our disposition of this case on the Eleventh Amendment issue we see no reason to address this contention.

[8] 42 U.S.C. § 1382(a) (8) provides in pertinent part:

"(a) Contents.

"A State plan for aid to the aged, blind, or disabled, or for aid to the aged, blind, or disabled and medical assistance for the aged, must—

"(8) provide that all individuals wishing to make application for aid or assistance under the plan shall have opportunity to do so, and that such aid or assistance shall be furnished with reasonable promptness to all eligible individuals."

HEW, pursuant to authority granted to it by 42 U.S.C. § 1302, has promulgated regulations, see n. 3, *supra*, which require that decisions be made promptly on applications within 45 days for the aged and blind and within 60 days for the disabled, and that initiation of payments to the eligible be made within the same periods. Petitioner renews in this Court the contention made in the Court of Appeals that these time limitations in the regulations are inconsistent with the statute and therefore an unlawful abuse of the rulemaking authority. Brief for the petitioner, at p. 37, incorporating arguments made in petitioner's Petition for Certiorari, at pp. 22–28. Specifically, petitioner argues that the "establishment of arbitrary [forty-five] and sixty day maximums in the HEW regulations for determination of eligibility and initiation of payments without taking into consideration the efficient administration of the Act by the State agencies is inconsistent with the 'reasonable promptness' requirement and must therefore be declared unlawful. . . ." Petition for Certiorari, at p. 23. The Court of Appeals rejected this contention, holding that "these requirements, binding on state welfare officials, are an appropriate intepretation of the Congressional mandate of 'reasonable promptness.'" 472 F. 2d, at 996. We agree with the Court of Appeals.

[9] While the debates of the Constitutional Convention itself do not disclose a discussion of the question, the prevailing view at the time of the ratification of the Constitution was stated by various of the Framers in the writings and debates of the period. Examples of these views have been assembled by Mr. Chief Justice Hughes: ". . . Madison, in the Virginia Convention, answering objections to the ratification of the Constitution, clearly stated his view as to the purpose and effect of the provision conferring jurisdiction over controversies between States of the Union and foreign States. That purpose was suitably to provide for adjudication in such cases if consent should be given but not otherwise. Madison said: 'The next case provides for disputes between a foreign state and one of our states, should such a case ever arise; and between a citizen and a foreign citizen or subject. I do not conceive that any controversy can ever be decided, in these courts, between an American state and a foreign state, without the consent of the parties. If they consent, provision is here made.' 3 Elliot's Debates, 533.

"Marshall, in the same Convention, expressed a similar view. Replying to an objection as to the admissibility of a suit by a foreign state, Marshall said: 'He objects, in the next place, to its jurisdiction in controversies between a state and a foreign state. Suppose, says he, in such a suit, a foreign state is cast; will she be bound by the decision? If a foreign state brought a suit against the commonwealth of Virginia, would she not be barred from the claim if the federal judiciary thought it unjust? The previous consent of the parties is necessary; and, as the federal judiciary will decide, each party will acquiesce.' 3 Elliot's Debates, 557.

"Hamilton, in The Federalist, No. 81, made the following emphatic statement of the general principle of immunity: 'It is inherent in the nature of sovereignty not to be amenable to the suit of an individual *without its consent*. This is the general sense and the general practice of mankind; and the exemption, as one of the attributes of sovereignty, is now enjoyed by the government of every State in the Union. Unless therefore, there is a surrender of this immunity in the plan of the convention, it will remain with the States, and the danger intimated must be merely ideal. The circumstances which are necessary to produce an alienation of State sovereignty were discussed in considering the article of taxation and need not be repeated here. A recurrence to the principles there established will satisfy us that there is no color to pretend that the State governments would by the adoption of that plan be divested of the privilege of paying their own debts in their own way, free from every constraint but that which flows from the obligations of good faith. The contracts between a nation and individuals are only binding on the conscience of the sovereign, and have no pretensions to a compulsive force. They confer no right of action independent of the sovereign will. To what purpose would it be to authorize suits against States for the debts they owe? How could recoveries be enforced? It is evident it could not be done without waging war against the contracting State; and to ascribe to the federal courts by mere implication, and in destruction of a preexisting right of the State governments, a power which would involve such a consequence would be altogether forced and unwarrantable.'" *Monaco* v. *Mississippi*, 292 U.S. 313, 323–325 (1934) (footnotes omitted).

[10] Of the Court of Appeals for the District of Columbia Circuit, sitting by designation on the Court of Appeals for the Second Circuit.

[11] It may be true, as stated by our Brother Douglas in dissent, that "[m]ost welfare decisions by the federal courts have a financial impact on the States." *Post*, at p. —. But we cannot agree that such a financial impact is the same where a federal court applies *Ex parte Young* to grant prospective declaratory and injunctive relief, as opposed to an order of retroactive payments as was made in the instant case. It is not necessarily true that "[w]hether the decree is prospective only or requires payments for the weeks or months wrongfully skipped over by state officials, the nature of the impact on the state treasury is precisely the same." Opinion of Mr. Justice Douglas, *post*, at p. —. This argument neglects the fact that where the State has a definable allocation to be used in the payment of public aid benefits, and pursues

a certain course of action such as the processing of applications within certain time periods as did Illinois here, the subsequent ordering by a federal court of retroactive payments to correct delays in such processing will invariably mean there is less money available for payments for the continuing obligations of the public aid system.

As stated by Judge McGowan in *Rothstein* v. *Wyman*, 467 F. 2d 226, 235 (CA2 1972):

"The second federal policy which might arguably be furthered by retroactive payments is the fundamental goal of congressional welfare legislation—the satisfaction of the ascertained needs of impovished persons. Federal standards are designed to ensure that those needs are equitably met; and there may perhaps be cases in which the *prompt* payment of funds wrongfully withheld will serve that end. As time goes by, however, retroactive payments become compensatory rather than remedial; the coincidence between previously ascertained and existing needs becomes less clear."

[12] The Court of Appeals considered the Court's decision in *Griffin* v. *School Board*, 377 U.S. 218 (1964), to be of like import. But as may be seen from *Griffin's* citation of *Lincoln County* v. *Luning*, 133 U.S. 529 (1890), a county does not occupy the same position as a State for purposes of the Eleventh Amendment. See also *Moor* v. *County of Alameda*, 411 U.S. 633 (1973). The fact that the county policies executed by the county officials in *Griffin* were subject to the commands of the Fourteenth Amendment, but the county was not able to invoke the protection of the Eleventh Amendment, is no more than a recognition of the long established rule that while county action is generally state action for purposes of the Fourteenth Amendment, a county defendant is not necessarily a state defendant for purposes of the Eleventh Amendment.

[13] Brief for the Respondent, at pp. 15–18. Decisions of this Court in which we summarily affirmed a decision of a lower federal court which ordered the payment of retroactive awards and in which the jurisdictional statement filed in this Court raised the Eleventh Amendment defense include: *State Dep't of Health and Rehabilitative Services* v. *Zarate*, 407 U.S. 918 (1972), aff'g 347 F. Supp. 1004 (SD Fla. 1971); *Sterrett* v. *Mothers and Children's Rights Organization*, 409 U.S. 809 (1972), aff'g unreported order and judgment of N.D. Ind. 1972, on remand from *Carpenter* v. *Sterrett*, 405 U.S. 971 (1971); *Gaddis* v. *Wyman*, 304 F. Supp. 717 (SDNY 1968) (order at CCH Pov. L. Rptr. Transfer Binder ¶ 10,506), aff'd *per curiam sub nom. Wyman* v. *Bowens*, 397 U.S. 49 (1969).

[14] In the words of Mr. Justice Brandeis: "*Stare decisis* is usually the wise policy, because in most matters it is more important that the applicable rule of law be settled than that it be settled right. . . . This is commonly true even where the error is a matter of serious concern, provided correction can be had by legislation. But in cases involving the Federal Constitution, where correction through legislative action is practically impossible, this Court has often overruled its earlier decisions. The Court bows to the lessons of experience and the force of better reasoning, recognizing that the process of trial and error, so fruitful in the physical sciences, is appropriate also in the judicial function." *Burnet* v. *Colorado Oil & Gas Co.*, 285 U.S. 393, 406–408 (1932) (dissenting opinion) (footnotes omitted).

[15] Respondents urge that the traditionally broad power of a federal court sitting as a court of equity to fashion appropriate remedies as are necessary to effect congressional purposes requires that the District Court's award of retroactive benefits be upheld. Respondent places principal reliance on our prior decisions in *Porter* v. *Warner Holding Co.*, 328 U.S. 295 (1946), and *Mitchell* v. *DeMario Jewelry*, 361 U.S. 288 (1960). Both cases dealt with the power of a federal court to grant equitable relief for violations of federal law; the decision in *Mitchell* indicated that a federal court could provide equitable relief "complete . . . in light of the statutory purposes." 361 U.S., at 291–292. Since neither of these cases involved a suit against a State or a state official, they did not purport to decide the availability of equitable relief consistent with the Eleventh Amendment.

[16] HEW sought passage of a bill in the 91st Congress, H.R. 16311, 91st Cong., 2d Sess., c. 169–170 (1970), which would have given it authority to require retroactive payments to eligible persons denied such benefits. The bill failed to pass the House of Representatives.

[17] 45 CFR § 205.10(b) (2) and (3) provide:

"(b) *Federal financial participation*. Federal financial participation is available for the following items:

"(2) Payments of assistance made to carry out hearing decisions, or to take corrective action after an appeal but prior to hearing, or to extend the benefit of a hearing decision or court order to others in the same situation as those directly affected by the decision or order. Such payments may be retroactive in accordance with applicable Federal policies on corrective payments.

"(3) Payments of assistance within the scope of Federally aided public assistance programs made in accordance with a court order."

The Court of Appeals felt that § 1983, the enactment of the AABD program and the issuance by HEW of the above regulation, indicated that Congress intended to include within the Social Security Act the remedy of "effective judicial review" and "the remedy of restoration of benefits withheld in violation of federal law." 472 F. 2d. at 994–995 & n. 15. But the adoption of regulations by HEW to permit the use of federal funds in the satisfaction of judicial awards is not determinative of the constitutional issues here presented.

[18] Mr. Justice Marshall, and both the Court of Appeals and the respondent herein, refer to language in *Rosado* v. *Wyman*, 397 U. S., at 420, to the effect that Congress in legislating the Social Security Act has not "closed the avenue of effective judicial review to those individuals most directly affected by the administration of its program." The Court in *Rosado* was concerned with the compatibility of a provision of New York law which decreased benefits to some eligible public aid recipients and amendments to the federal act which required cost-of-living increases. The case did not purport to decide the Eleventh Amendment issue we resolve today. In finding the New York law inconsistent with the federal law, Mr. Justice Harlan stated:

"New York is, of course, in no way prohibited from using only *state* funds according to whatever plan it chooses, providing it violates no provision of the Constitution. It follows, however, from our conclusion that New York's program is incompatible with § 402(a)(23), that petitioners are entitled to declaratory relief and an appropriate injunction against the payment of *federal* monies according to the new schedules, should the State not develop a conforming plan within a reasonable period of time.

"We have considered and rejected the argument that a federal court is without power to review state welfare provisions or prohibit the use of federal funds by the States in view of the fact that Congress has lodged in the Department of HEW the power to cut off federal funds for noncompliance with statutory requirements. We are most reluctant to assume Congress has closed the avenue of effective judicial review to those individuals most directly affected by the administration of its program. . . . We adhere to *King* v. *Smith*, 392 U. S. 309 (1968), which implicitly rejected the argument that the statutory provisions for HEW review of plans should be read to curtail judicial relief and held Alabama's 'substitute father' regulation to be inconsistent with the federal statute. While *King* did not avert specifically to the remedial problem, the unarticulated premise was that the State had alternative choices of assuming the additional cost of paying benefits to families with substitute fathers or not using federal funds to pay welfare benefits according to a plan that was inconsistent with federal requirements." 397 U. S., at 420–421.

Respondent urges that this language is "tantamount to a finding that Congress conditioned the participation of a state in the categorical assistance program on the forfeiture of immunity from suit in a federal forum . . . irrespective of the relief sought, [since] the intent of Congress remains constant." Brief for the Respondent, at p. 42–43. Petitioner contends that this language, coupled with the fact that the Court in *Rosado* remanded the case to the District Court to "afford New York an opportunity to revise its program . . . or, should New York choose [not to revise its program], issue its order restraining the further use of federal monies pursuant to the present statute," 397 U.S., at 421–422, indicates that the Court felt that retroactive relief was not a permissible remedy. Brief for the Petitioner, at pp. 17–20. We do not regard *Rosado* as controlling either way since the Court was not faced with a district court judgment ordering retroactive payments nor with a challenge based on the Eleventh Amendment.

[19] Respondent urges that the State of Illinois has abolished its common-law sovereign immunity in its state courts, and appears to argue that suit in a federal court against the State may thus be maintained. Brief for the Respondent, at p. 23. Petitioner contends that sovereign immunity has not been abolished in Illinois as to this type of case. Brief for the Petitioner, at pp. 31–36. Whether Illinois permits such a suit to be brought against the State in its own courts is not determinative of whether Illinois has relinquished its Eleventh Amendment immunity from suit in the federal courts. *Chandler* v. *Dix*, 194 U.S. 590, 591–592 (1904).

EDELMAN VERSUS JORDAN

Mr. Justice Douglas, dissenting.

Congress provided in 42 U.S.C. § 1983 that:

"Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress."

In this class action respondent sought to enforce against state aid officials of Illinois a provision of the Social Security Act, 42 U.S.C. §§ 1381–1385, known as Aid to the Aged, Blind, or Disabled (AABD).[1] The complaint alleges violations of the Equal Protection Clause of the Fourteenth Amendment and also violations of the Social Security Act. Hence § 1983 is satisfied *in haec verba*, for a deprivation of "rights" which are "secured by the Constitution and laws" is alleged. The Court of Appeals, though ruling that the alleged constitutional violations had not occurred, sustained federal jurisdiction because federal "rights" were violated. The main issue tendered us is whether that ruling of the Court of Appeals is consistent with the Eleventh Amendment.[2]

Once the federal court had jurisdiction over the case, the fact that it ruled adversely to the claimant on the constitutional claim did not deprive it of its pendent jurisdic-

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Footnotes at end of article.

tion over the statutory claim. *United States* v. *Georgia Pub. Serv. Comm'n*, 371 U.S. 285, 287–288.

In *Ex parte Young*, 209 U.S. 123, a suit by stockholders of a railroad was brought in a federal court against state officials to enjoin the imposition of confiscatory rates on the railroad in violation of the Fourteenth Amendment. The Eleventh Amendment was interposed as a defense. The Court rejected the defense saying that state officials with authority to enforce state laws—"who threaten and are about to commence proceedings, either of a civil or criminal nature, to enforce against parties affected an unconstitutional act, violating the Federal Constitution, may be enjoined by a Federal court of equity from such action." *Id.*, at 156. The Court went on to say that a state official seeking to enforce in the name of a State an unconstitutional act "comes into conflict with the superior authority of that Constitution, and he is in that case stripped of his official or representative character and is subjected in his person to the consequence of his individual conduct. The State has no power to impart to him any immunity from responsibility to the supreme authority of the United States." *Id.*, at 159–160.

As the complaint in the instant case alleges violations by officials of Illinois of the Equal Protection Clause of the Fourteenth Amendment, it seems that the case is governed by *Ex parte Young* so far as injunctive relief is concerned. The main thrust of the argument is that the instant case asks for relief which is granted would affect the treasury of the State.

Most welfare decisions by federal courts have a financial impact on the States. Under the existing federal-state cooperative system, a state desiring to participate, submits a "state plan" to HEW for approval; once HEW approves the plan the State is locked into the cooperative scheme until it withdraws,[3] all as described in *King* v. *Smith*, 392 U. S. 309, 316 *et seq*. The welfare cases coming here have involved ultimately the financial responsibility of the State to beneficiaries claiming they were deprived of federal rights. *King* v. *Smith* required payment to children even though their mother was cohabitating with a man who could not pass muster as a "parent." *Rosado* v. *Wyman*, 397 U. S. 397, held that under this state-federal co-operative program a State could not reduce its standard of need in conflict with the federal standard. It is true that *Rosado* did not involve retroactive payments as are involved here. But the distinction is not relevant or material because the result in every welfare case coming here is to increase or reduce the financial responsibility of the participating State. In on case when the responsibility of the State is increased to meet the lawful demand of the beneficiary, is there any levy on state funds. Whether the decree is prospective only or requires payments for the weeks or months wrongfully skipped over by the state officials, the nature of the impact on the state treasury is precisely the same.

We have granted relief in other welfare cases which included retroactive assistance or payments. In *State Dept.* v. *Zarate*, 407 U. S. 918, the sole issue presented to us[4] was whether the Eleventh Amendment barred a judgment against state officers for retroactive welfare assistance benefits or payments. That had been ordered by the lower court and we summarily affirmed, only Mr. Justice White voting to note probable jurisdiction. We also summarily affirmed the judgment in *Sterrett* v. *Mother's Rights Org.*, 409 U.S. 809, where one of the two questions[5] was whether payment of benefits retroactively violated the Eleventh Amendment. In *Wyman* v. *Bowens*, 397 U.S. 49, we affirmed a judgment where payments were awarded in spite of the argument that the order was an incursion on the Eleventh Amendment.[6] In *Shapiro* v. *Thompson*, 394 U. S. 618, we affirmed a judgment which ordered payment of benefits wrongfully withheld;[7] and while we did not specifically refer to the point, the lower court had expressly rejected the Eleventh Amendment argument.[8]

As stated in *Gaither* v. *Sterrett*, 346 F. Supp. 1095, 1099, whose judgment we affirmed,[9] 409 U. S. 809, the court said:

> "[T]his court would note that if defendants' position regarding the jurisdictional bar of the Eleventh Amendment is correct, a great number of federal district court judgments are void, and the Supreme Court has affirmed many of these void judgments."

The Seventh Circuit Court of Appeals is in line with that view; the opposed view of *Rothstein* v. *Wyman*, 467 F. 2d 226, from the Second Circuit Court of Appeals is out of harmony with the established law.

What is asked by the instant case is minor compared to the relief granted in *Griffin* v. *School Board*, 377 U.S. 218. In that case we authorized entry of an order putting an end to a segregated school system. We held, *inter alia*, "the District Court may, if necessary to prevent further racial discrimination, require the Supervisors to exercise the power that is theirs to levy taxes to raise funds adequate to reopen, operate, and maintain without racial discrimination a public school system in Prince Edward County like that operated in other counties in Virginia." *Id.*, at 233. We so held against vigorous contentions of the state officials that the Eleventh Amendment protected the State; and in reply we cited *Lincoln County* v. *Luning*, 133 U.S. 529, and *Kennecott Copper Corp.* v. *State Tax Comm'n*, 327 U.S. 573, 579, to support the proposition that "actions against a county can be maintained in United States courts in order to vindicate federally guaranteed rights." *Ibid.*

Griffin is sought to be distinguished on the ground that a "county" is not the "state" for purposes of the Eleventh Amendment. But constitutionally the county in *Griffin* was exercising state policy as are the counties here, because otherwise the claim of denial of equal protection would be of no avail.

Counties are citizens of their State for purposes of diversity of citizenship. *Bullard* v. *City of Cisco*, 290 U.S. 179; *Moor* v. *County of Alameda*, 411 U.S. 693, 718–719. And they are not States for purposes of 28 U.S.C. § 1251 (a) which gives this Court original and exclusive jurisdiction of: "(1) All controversies between two or more states. . . ." *Illinois* v. *City of Milwaukee*, 406 U.S. 91, 98. But, being citizens of their State, suits against them by another State are in our original but not exclusive jurisdiction under 28 U.S.C. § 1251(b)(3). *Ibid.* Yet, as agencies of the State whether in carrying out educational policies or otherwise, they are the State, as *Griffin* held, for purposes of the Fourteenth Amendment. And *Griffin*, like the present case, dealt only with liability to citizens for state policy and state action.

Yet petitioner asserts that money damages may not be awarded against state offenses as such a judgment will expend itself on the state treasury. But we are unable to say that Illinois on entering the federal-state welfare program waived her immunity to suit for injunctions but did not waive her immunity for compensatory awards which remedy her willful defaults of obligations undertaken when she joined the co-operative venture.

It is said however, that the Eleventh Amendment is concerned not with immunity of States from suit but with the jurisdiction of the federal courts to entertain the suit. The Eleventh Amendment does not speak of "jurisdiction"; it withholds the "judicial power" of federal courts "to any suit in law or equity . . . against one of the United States. . . ." If that "judicial power," or "jurisdiction" if one prefers that concept, may not be exercised even in "any suit in . . . equity" then *Ex parte Young* should be overruled. But there is none eager to take the step. Where a State has consented to join a federal-state co-operative project, it is realistic to conclude that the State has agreed to assume its obligations under that legislation. There is nothing in the Eleventh Amendment to suggest a difference between suits at law and suits in equity, for it treats the two without distinction. If common sense has any role to play in constitutional adjudication, once there is a waiver for immunity it must be true that it is complete so far as effective operation of the state-federal joint welfare program is concerned.

We have not always been unanimous in concluding when a State has waived its immunity. In *Parden* v. *Terminal R. Co.*, 377 U.S. 184, where Alabama was sued by some of its citizens for injuries suffered in the interstate operation of an Alabama railroad, the State defended on the grounds of the Eleventh Amendment. The Court held that Alabama was liable as a carrier under the Federal Employees Liability Act, saying,

> "Our conclusion is simply that Alabama, when it began operation of an interstate railroad approximately 20 years after enactment of the FELA, necessarily consented to such suit as was authorized by that Act," *id.*, at 192.

The Court added:

> "Our conclusion that this suit may be maintained is in accord with the common sense of this Nation's federalism. A State's immunity from suit by an individual without its consent has been fully recognized by the Eleventh Amendment and by subsequent decisions of this Court. But when a State leaves the sphere that is exclusively its own and enters into activities subject to congressional regulation, it subjects itself to that regulation as fully as if it were a private person or corporation." *Id.*, at 196.

As the Court of Appeals in the instant case concluded, Illinois by entering into the joint federal-state welfare plan just as surely "left the sphere that is exclusively its own." 377 U.S., at 196.

It is argued that participation in the program of federal financial assistance is not sufficient to establish consent on the part of the State to be sued in federal courts. But it is not merely participation which supports a finding of Eleventh Amendment waiver, but participation in light of the existing state of the law as exhibited in such decisions as *Shapiro* v. *Thompson*, 394 U.S. 618, which affirmed judgments ordering retroactive payments. Today's holding that the Eleventh Amendment forbids court-ordered retroactive payments, as the Court recognizes, necessitates an express overruling of several of our recent decisions. But it was against the background of those decisions that Illinois continued its participation in the federal program, and it can hardly be claimed that such participation was in ignorance of the possibility of court-ordered retroactive payments. The decision to participate against that background of precedent can only be viewed as a waiver of immunity from such judgments.

I would affirm this judgment.

FOOTNOTES

[1] Effective January 1, 1974, the AABD program was replaced by a similar program. See 42 U.S.C. §§ 801–805 (1973 Supp.). The program in Illinois is administered by the Department of Public Aid. Ill. Rev. Stat. c. 23, §§ 3-1 to 3-12 (1971). The program is funded 50% by the State and 50% by the Federal Government, 42 U.S.C. §§ 303–306, 1201–1206, 1351–1355, 1381–1385.

[2] Amendment XI—The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State,

or by Citizens or Subjects of any Foreign State.

As the Court, speaking through Mr. Justice Brennan, said in *Parden* v. *Terminal R. Co.*, 377 U.S. 184, 186: "Although the Eleventh Amendment is not in terms applicable here, since petitioners are citizens of Alabama, this Court has recognized that an unconsenting State is immune from federal-court suits brought by its own citizens as well as by citizens of another State. *Hans* v. *Louisiana*, 134 U.S. 1; *Duhne* v. New Jersey, 251 U.S. 311; *Great Northern Life Ins. Co* v. *Read*, 322 U.S. 47, 51; *Fitts* v. *McGhee*, 172 U.S. 516, 524. See also *Monaco* v. *Mississippi*, 292 U.S. 313."

[3] The Social Security Act states what a "state plan" must provide. At the time this suit was brought, 42 U.S.C. § 1382(a) provided: "A state plan for aid to the aged, blind, or disabled and medical assistance for the aged, must . . . .

"(5) provide (A) such methods of administration . . . as are found by the Secretary to be necessary for the proper and efficient operation of the plan . . .;

"(8) provide that all individuals wishing to make application for aid or assistance under the plan shall have opportunity to do so, and that such aid or assistance shall be furnished with reasonable promptness to all eligible individuals;

"(13) include reasonable standards, consistent with the objectives of this subchapter for determining eligibility for and the extent of aid or assistance under the plan."

Nearly identical provisions are now found at 42 U.S.C. § 802(a) (1973 Supp.)

The Secretary of HEW issued mandatory federal time standard regulations. Handbook Public Assistance Administration, Pt. IV, §§ 2200(b)(3), 2300(b)(5); 45 CFR § 206.10 (a)(3). Illinois adopted a 30-day standard for aged and blind applicants (Ill. Categ. Assistance Manual § 4004.1) as contrasted to HEW's 60-day period, § 2200, *supra*. It is that conflict which exposes the merits of the controversy.

[4] The lower court's opinion is found in 347 F. Supp. 1004.

[5] The jurisdictional statement had as its second question the following:

"Whether a federal court is precluded by the Eleventh Amendment to the United States Constitution from ordering a state agency to pay money from the state treasury and from further ordering the state agency to perform certain specified acts which would otherwise be in the discretion of the agency."

[6] The lower court's opinion is found in 304 F. Supp. 717. Retroactive payments were challenged in question 2 of the jurisdictional statement.

[7] The lower court's opinion is found in 270 F. Supp. 331.

[8] *Id.*, at 338 n. 5. The award of money damages was alleged to be a violation of the Eleventh Amendment in Part V of the jurisdictional statement.

[9] The jurisdictional statement in the Sterrett case explicitly urged that the decree below violated the Eleventh Amendment since it would expand itself in the public treasury—the second question in the jurisdictional statement.

[10] We settled in *Rosado* v. *Wyman*, 397 U.S. 397, the question whether the grant of authority under the Social Security Act to HEW to cut of federal funds for noncompliance with statutory requirements provides the exclusive procedure and remedy for violations of the Act. We said, "We are most reluctant to assume Congress has closed the avenue of effective judicial review to those individuals most directly affected by the administration of its program." *Id.*, at 420.

EDELMAN VERSUS JORDAN

Mr. Justice Marshall, with whom Mr. Justice Blackmun joins, dissenting.

The Social Security Act's categorical assistance programs, including the Aid to the Aged, Blind, and Disabled (AABD) program involved here, are fundamentally different from most federal legislation. Unlike the Fair Labor Standards Act involved in last Term's decision in *Employees* v. *Department of Public Health & Welfare*, 411 U.S. 279 (1973), or the FELA at issue in *Parden* v. *Terminal Railway*, 377 U.S. 184 (1964), the Social Security Act does not impose federal standards and liability upon all who engage in certain regulated activities, including often-unwilling state agencies. Instead, the Act seeks to induce state participation in the federal welfare programs by offering federal matching funds in exchange for the State's voluntary assumption of the Act's requirements. I find this basic distinction crucial: It leads me to conclude that by participation in the programs, the States waive whatever immunity they might otherwise have from federal court orders requiring retroactive payment of welfare benefits.[1]

In its contacts with the Social Security Act's assistance programs in recent years, the Court has frequently described the Act as a "scheme of cooperative federalism." See, *e.g.*, *King* v. *Smith*, 392 U.S. 309, 316 (1968); *Jefferson* v. *Hackney*, 406 U.S. 535, 542 (1972). While this phrase captures a number of the unique characteristics of these programs, for present purposes it serves to emphasize that the State's decision to participate in the programs is a voluntary one. In deciding to participate, however, the States necessarily give up their freedom to operate assistance programs for the needy as they see fit, and bind themselves to conform their programs to the requirements of the federal statute and regulations. As the Court explained in *King* v. *Smith*, *supra*, 392 U.S., at 316–317 (citations omitted):

"States are not required to participate in these programs, but those which desire to take advantage of the substantial federal funds available for distribution to needy children [or needy aged, blind or disabled] are required to submit an AFDC [or AABD] plan for the approval of the Secretary of Health, Education, and Welfare (HEW). The plan must conform with several requirements of the Social Security Act and with rules and regulations promulgated by HEW."

So here, Illinois has elected to participate in the AABD program, and has received and expended substantial federal funds in the years at issue. It has thereby obligated itself to comply with federal law, including the requirement of 42 U.S.C. § 1382(a)(8) (1970) that "such aid or assistance shall be furnished with reasonable promptness to all eligible individuals." In *Townsend* v. *Swank*, 404 U.S. 282, 286 (1971), we held that participating States must strictly comply with the requirement that aid be furnished "to all eligible individuals," and that the States have no power to impose additional eligibility requirements which exclude persons eligible for assistance under federal standards. Today's decision, *ante*, at 7–8 n. 8, properly emphasizes that participating States must also comply strictly with the "reasonable promptness" requirement and the more detailed regulations adding content to it.

In agreeing to comply with the requirements of the Social Security Act and HEW regulations, I believe that Illinois has also agreed to subject itself to suit in the federal courts to enforce these obligations. I recognize, of course, that the Social Security Act does not itself provide for a cause of action to enforce its obligations. As the Court points out the only sanction expressly provided in the Act for a participating State's failure to comply with federal requirements is the cutoff of federal funding by the Secretary of HEW. 42 U.S.C. § 1384 (1970).

But a cause of action is clearly provided by 42 U.S.C. § 1983 (1970), which in terms authorizes suits to redress deprivations of rights secured by the "laws" of the United States. And we have already rejected the argument that Congress intended the funding cutoff to be the sole remedy for noncompliance with federal requirements. In *Rosado* v. Wyman, 397 U.S. 397, 420–423 (1970), we held that suits in federal court under § 1983 were proper to enforce the provisions of the Social Security Act against participating States. Mr. Justice Harlan, writing for the Court, examined the legislative history and found "not the slightest indication" that Congress intended to prohibit suits in federal court to enforce compliance with federal standards. *Id.*, at 422.

I believe that Congress also intended the full panoply of traditional judicial remedies to be available to the federal courts in these § 1983 suits. There is surely no indication of any congressional intent to restrict the courts' equitable jurisdiction. Yet the Court has held that "[u]nless a statute in so many words, or by a necessary and inescapable inference, restricts the court's jurisdiction in equity, the full scope of that jurisdiction is to be recognized and applied." *Porter* v. *Warner Holding Co.*, 328 U.S. 395, 398 (1946). "When Congress entrusts to an equity court the enforcement of prohibitions contained in a regulatory enactment, it must be taken to have acted cognizant of the historic power of equity to provide complete relief in light of the statutory purposes." *Mitchell* v. *DeMario Jewelry, Inc.*, 361 U.S. 288, 291–292 (1960).

In particular, I am firmly convinced that Congress intended the restitution of wrongfully withheld assistance payments to be a remedy available to the federal courts in these suits. Benefits under the categorical assistance programs "are a matter of statutory entitlement for persons qualified to receive them." *Goldberg* v. *Kelly*, 397 U.S. 254, 262 (1970). Retroactive payment of benefits secures for recipients this entitlement which was withheld in violation of federal law. Equally important, the courts' power to order retroactive payments is an essential remedy to insure future state compliance with federal requirements. See *Porter* v. *Wagner Holding Co.*, *supra*, 328 U.S., at 400. No other remedy can effectively deter States from the strong temptation to cut welfare budgets by circumventing the stringent requirements of federal law. The funding cutoff is a drastic sanction, one which HEW has proven unwilling or unable to employ to compel strict compliance with the Act and regulations. See *Rosado v. Wyman*, *supra*, 397 U.S., at 426 (Douglas, J., concurring). Moreover, the cutoff operates only prospectively: It in no way deters the States from even a flagrant violation of the Act's requirements for as long as HEW does not discover the violation and threaten to take such action.

Absent any remedy which may act with retroactive effect, state welfare officials have everything to gain and nothing to lose by failing to comply with the congressional mandate that assistance be paid with reasonable promptness to all eligible individuals. This is not idle speculation without basis in practical experience. In this very case, for example, Illinois officials have knowingly violated since 1968 a federal regulation on the strength of an argument as to its invalidity which even the majority deems unworthy of discussion. *Ante*, at 7–8 n. 8. Without a retroactive payment remedy, we are indeed faced with the spectre of a state, perhaps calculatingly, defying federal law and thereby depriving welfare recipients of the financial assistance Congress thought it was giving them." *Jordan* v. *Weaver*, 472 F. 2d 985, 995 (CA7 1972). Like the Court of Appeals, I cannot believe that Congress could possibly have intended any such result.

Such indicia of congressional intent as can

Footnotes at end of article.

be gleaned from the statute confirm that Congress intended to authorize retroactive payment of assistance benefits unlawfully withheld. Availability of such payments is implicit in the "fair hearing" requirement, 42 U.S.C. § 1382(a)(4) (1970), which permits welfare recipients to challenge the denial of assistance. The regulations which *require* States to make corrective payments retroactively in the event of a successful fair hearing challenge, 45 CFR § 205.10(a)(18) (1974), merely confirm the obvious statutory intent. HEW regulations also authorize federal matching funds for retroactive assistance payments made pursuant to court order, 45 CFR §§ 205.10 (b)(2), (b)(3) (1974). We should not lightly disregard this explicit recognition by the agency charged with administration of the statute that such a remedy was authorized by Congress. See *Griggs* v. *Duke Power Co.*, 401 U.S. 424, 433–434 (1971).

Illinois chose to participate in the AABD program with its eyes wide open. Drawn by the lure of federal funds, it voluntarily obligated itself to comply with the Social Security Act and HEW regulations, with full knowledge that Congress had authorized assistance recipients to go into federal court to enforce these obligations and to recover benefits wrongfully denied. Any doubts on this score must surely have been removed by our decisions in *Rosado* v. *Wyman, supra*, and *Shapiro* v. *Thompson*, 394 U.S. 618 (1969), where we affirmed a district court retroactive payment order. I cannot avoid the conclusion that, by virtue of its knowing and voluntary decision to nevertheless participate in the program, the State necessarily consented to subject itself to these suits. I have no quarrel with the Court's view that waiver of constitutional rights should not lightly be inferred. But I simply cannot believe that the State could have entered into this essentially contractual agreement with the Federal Government without recognizing that it was subjecting itself to the full scope of the § 1983 remedy provided by Congress to enforce the terms of the agreement.

Of course, § 1983 suits are nominally brought against state officers, rather than the State itself, and do not ordinarily raise Eleventh Amendment problems in view of this Court's decision in *Ex parte Young*, 209 U.S. 123 (1908). But to the extent that the relief authorized by Congress in an action under § 1983 may be open to Eleventh Amendment objections,[2] these objections are waived when the State agrees to comply with federal requirements enforceable in such an action. I do not find persuasive the Court's reliance in this case on the fact that "congressional authorization to sue a class of defendants which literally includes States" is absent. *Ante*, at 21. While true, this fact is irrelevant here, for this is simply not a case "literally" against the State. While the Court successfully knocks down the strawman it has thus set up, it never comes to grips with the undeniable fact that Congress has "literally" authorized this suit within the terms of § 1983. Since there is every reason to believe that Congress intended the full panoply of judicial remedies to be available in § 1983 equitable actions to enforce the Social Security Act, I think the conclusion is inescapable that Congress authorized and the State consented to § 1983 actions in which the relief might otherwise be questioned on Eleventh Amendment grounds.

My conclusion that the State has waived its Eleventh Amendment objections to court ordered retroactive assistance payments is fully consistent with last Term's decision in *Employees* v. *Department of Public Health and Welfare*, 411 U.S. 279 (1973). As I emphasized in my concurring opinion, there was no voluntary action by the State in *Employees* which could reasonably be construed as evidencing its consent to suit in a federal forum.

"The State was fully engaged in the operation of the affected hospitals and schools at the time of the 1966 amendments. To suggest that the State had the choice of either ceasing operation of these vital public services or 'consenting' to federal suit suffices, I believe, to demonstrate that the State had no true choice at all and thereby that the State did not voluntarily consent to the exercise of federal jurisdiction . . . ." *Id.*, at 296.

A finding of waiver here is also consistent with the reasoning of the majority of *Employees*, which relied on a distinction between "governmental" and "proprietary" functions of state government. *Id.* at 284–285. This distinction apparently recognizes that if sovereign immunity is to be at all meaningful, the Court must be reluctant to hold a State to have waived its immunity simply by acting in its sovereign capacity—*i.e.*, by merely performing its "governmental" functions. On the other hand, in launching a profitmaking enterprise, "a State leaves the sphere that is exclusively its own," *Parden* v. *Terminal Railway, supra*, 377 U.S., at 196, and a voluntary waiver of sovereign immunity can more easily be found. While conducting an assistance program for the needy is surely a "governmental" function, the State here has done far more than operate its own program in its sovereign capacity. It has voluntarily subordinated its sovereignty in this matter to that of the Federal Government, and agreed to comply with the conditions imposed by Congress upon the expenditure of federal funds. In entering this federal-state cooperative program, the State again "leaves the sphere that is exclusively its own," and similarly may more readily be found to have voluntarily waived its immunity.

Indeed, this is the lesson to be drawn from this Court's decision in *Petty* v. *Tennessee-Missouri Bridge Comm'n*, 359 U.S. 275 (1959), where the Court found that the States had waived the sovereign immunity of the Commission by joining in an interstate compact subject to the approval of Congress. The Court in *Petty* emphasized that it was "called upon to interpret not unilateral state action but the terms of a consensual agreement" between the States and Congress, *id.*, at 279, and held that the States who join such a consensual agreement, "by accepting it and acting under it assume the conditions that Congress under the Constitution attached." *Id.*, at 281–282. Although the congressional intent regarding the sue-and-be-sued clause was by no means certain, the Court held that the surrounding conditions made it clear that the States accepting it waived their sovereign immunity, *id.*, at 280, especially since this interpretation was necessary to keep the compact "a living interstate agreement which performs high functions in our federalism." *Id.*, at 279.

I find the approach in *Petty* controlling here. As even the dissent in that case recognized, *id.*, at 285 (Frankfurter, J., dissenting), Congress undoubtedly has the power to insist upon a waiver of sovereign immunity as a condition of its consent to such a federal-state agreement. Since I am satisfied that Congress has in fact done so here, at least to the extent that the federal courts may do "complete rather than truncated justice," *Porter* v. *Warner Holding Co., supra*, 328 U.S., at 398, in § 1983 actions authorized by Congress against state welfare authorities, I respectfully dissent.

FOOTNOTES

[1] In view of my conclusion on this issue, I find it unnecessary to consider whether the Court correctly treats this suit as one against the State rather than as a suit against a state officer permissible under the rationale of *Ex parte Young*, 209 U.S. 123 (1908).

[2] It should be noted that there has been no determination in this case that state action is unconstitutional under the Fourteenth Amendment. Thus, the Court necessarily does not decide whether the States' Eleventh Amendment sovereign immunity may have been limited by the later enactment of the Fourteenth Amendment to the extent that such a limitation is necessary to effectuate the purposes of that Amendment, an argument advanced by an *amicus* in this case. In view of my conclusion that any sovereign immunity which may exist has been waived, I also need not reach this issue.

EDELMAN VERSUS JORDAN

[March 25, 1974]

MR. JUSTICE BRENNAN, dissenting.

This suit is brought by Illinois citizens against Illinois officials. In that circumstance, Illinois may not invoke the Eleventh Amendment, since that Amendment bars only federal court suits against States by citizens of other States. Rather, the question is whether Illinois may avail itself of the nonconstitutional but ancient doctrine of sovereign immunity as a bar to responents' claim for retroactive AABD payments. In my view Illinois may not assert sovereign immunity for the reason I expressed in dissent in *Employees* v. *Department of Public Health and Welfare*, 411 U.S. 279, 298, (1973): the States surrendered that immunity in Hamilton's words, "in the plan of the Convention," that formed the Union, at least insofar as the States granted Congress specifically enumerated powers. See *id.*, at 319 n. 7; *Parden* v. *Terminal Railway*, 377 U.S. 184 (1964). Congressional authority to enact the Social Security Act, of which AABD is a part, 42 U.S.C. §§ 1381–1385, is to be found in Art. I, § 8, cl. 1, one of the enumerated powers granted Congress by the States in the Constitution. I remain of the opinion that "because of its surrender, no immunity exists that can be the subject of a congressional declaration or a voluntary waiver," 411 U.S., at 300, and thus have no occasion to inquire whether or not Congress authorized an action for AABD retroactive benefits, or whether or not Illinois voluntarily waived the immunity by its continued participation in the program against the background of precedent which sustained judgment ordering retroactive payments.

I would affirm the judgment of the Court of Appeals.

S. 3937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in addition to any other requirement imposed by law as a condition of Federal financial participation in any State welfare program (as defined in subsection (c)), there is hereby imposed the requirement that the State give its consent (thereby waiving any immunity to suit conferred upon the State by Amendment XI of the Constitution) to the exercise of the judicial power of the United States in any suit brought against the State by or on behalf of any claimant (or class of claimants) for the aid or assistance provided under such program.

(b) The acceptance, on or after the effective date of this Act, by a State of any Federal payment made to the State for or with respect to any State welfare program (or with respect to any expenditures incurred under such program) shall constitute, with respect to suits brought against the State by or on behalf of claimants for aid or assistance provided under such program, the consent to suit described in subsection (a).

(c) the term "State welfare program" means a program which is instituted and operated by the State for the purpose of providing to needy and individuals and families aid or assistance (whether in terms of money payments, services, or other benefits), and under which individuals and families meeting the conditions for the receipt of such aid or assistance are legally entitled thereto.

(d) The provisions of this Act shall become effective on the first day of the first calendar quarter which commences more than 60 days after the date of enactment of this Act; except that nothing in this Act shall be construed to require consent to suit by any State with respect to any claim for aid or assistance for any period prior to the effective date of this Act.

By Mr. TUNNEY:

S. 3938. A bill to amend the Federal Trade Commission Act to provide for the disclosure of annual operating costs of new buildings and for other purposes. Referred to the Committee on Commerce.

THE TRUTH IN ENERGY ACT OF 1974

Mr. TUNNEY. Mr. President, the energy crisis is not over. Although the end of the Arab oil embargo has temporarily eased the problem, we should never forget that the Arab States can turn off the spigots whenever it suits their advantage.

Already the American consumer is faced with skyrocketing energy costs. In mid-1973, for example, prior to major increases in energy prices, the average family in this country spent about 7 percent of its annual income of $743 per year on energy. Considering the 50 percent increase in the cost of petroleum products, this figure has now probably increased to over $1,000. Therefore, the American consumer is being bludgeoned first by energy shortages and now by ever-increasing energy goals.

I am convinced that one of the most effective ways to meet this double challenge is to commit overselves to an imaginative and far-reaching policy to foster energy conservation.

An important element of a national energy conservation program is to inform consumers of the energy consumption and associated financial implications of their purchase decisions, and to provide engineers and manufacturers with incentives to develop energy efficient products and systems.

Last spring, as a first step in this effort I introduced S. 1327, the Truth in Energy Act of 1973. It required that major household appliances have annual average operating costs disclosed on their labels. This legislation, along with a similar provision requiring operating cost labeling for automobiles, passed the Senate last December as part of S. 2176, the National Fuels and Energy Conservation Act.

Mr. President, today, in order to extend the principle of energy cost disclosure, I am introducing for appropriate reference, S. 3938, the Truth in Energy Act of 1974. This bill will require that individuals be informed of the estimated annual operating costs of new homes and buildings which they are purchasing and leasing. It also establishes a demonstration program involving retrofitting of existing Federal buildings with energy conservation equipment.

This legislation can quickly save this Nation additional millions of barrels of oil a year by creating incentives for the development of energy efficient buildings. Energy efficient buildings can also save consumers billions of dollars that would otherwise be wasted on unnecessarily inflated fuel bills.

Heating and cooling of residential and commercial buildings accounts for 20 percent of the energy consumed in this country. According to a recent report by the American Institute of Architects, energy conservation practices can reduce energy consumption in new buildings by as much as 35 to 50 percent in comparison to present levels. Furthermore, the report states that these savings can be attained using existing technology and without sacrificing needed amenities or services.

There is a vast potential for energy savings in the more than 2 million houses which are constructed in the United States each year—not to speak of the enormous number of factories and commercial buildings.

The average builder is often not motivated to construct buildings that are energy efficient. In fact, as our hearings and extensive discussions with experts in the field have demonstrated, many builders presently attempt to minimize the initial purchase price of a building through such means as skimping on insulation, providing inadequate weather stripping, or by installing inexpensive but inefficient heating and cooling equipment. Consequently, too many Americans are finding that their so-called bargain "dream home" turns out to be an energy gobbling nightmare.

Once the builder is required to disclose estimates of annual heating and cooling costs to prospective purchasers and lessees of new buildings, there will be an enormous incentive to develop energy efficient buildings whose low operating costs will greatly increase marketability.

Careful investigations have disclosed that reliable estimates of operating cost can be made readily available to the consumer. Within the past few years, the Bureau of Standards, private consulting firms, and heating and air-conditioning equipment manufacturers, have developed computer programs that permit the accurate determination of the energy requirements of buildings. Provisions have been made in this bill for the development and promulgation of uniformly acceptable methods for the designers of the heating and cooling systems to calculate and disclose the estimated annual operating costs to the owner of the building, who in turn would then be responsible for disclosing them to potential customers.

Prospective purchasers and lessess of building will then have adequate information on the long term costs of the building, and can balance such costs against the initial purchase price before deciding which building represents the wisest investment.

I am confident that once the consumer is given adequate information, the forces of the marketplace will create the conditions for the rapid adoption of energy conservation techniques in building construction.

Finally, Mr. President I believe that the U.S. Government, which manages more than 10,000 buildings, should begin to take a leadership role by retrofitting Federal buildings to demonstrate available energy conservation methods. The buildings should be selected in order to offer a wide range of circumstances and opportunities for implementation of energy conservation measures which can be justified on a lifecycle cost basis. Over and over again the American public has been exhorted to be energy conscious; it is now time that the Federal Government demonstrates its own commitment by beginning to rectify energy wasting practices in Federal buildings.

Mr. President, I ask unanimous consent that the text of S. 3938 be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Truth in Energy Act of 1974".

TITLE I—TRUTH IN ENERGY

Sec. 101. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by—

(1) striking out section 18 thereof in its entirety;

(2) amending section 1 thereof by inserting at the beginning of the first sentence thereof the following "(b)";

(3) inserting a new section 1(a) thereof as follows:

"(a) This Act may be cited as the 'Federal Trade Commission Act'."; and

(4) adding at the end thereof the following new sections:

"Sec. 18. Findings and Purpose.—(a) The Congress finds and declares that—

"(1) The Nation is facing an energy shortage of acute proportions in the decade following the date of enactment of this section. The problem has already manifested itself in different geographical areas in the form of power blackouts and brownouts, school closings because of a scarcity of fuel, and shortages of gasoline for automobiles and fuel for farm equipment.

"(2) A significant easing of the energy problem can be achieved by elimination of wasteful uses of energy, promotion of more effective uses of energy, and education of consumers as to the importance of conserving energy.

"(3) Climate conditioning systems use significant quantities of energy. Substantial reductions are possible in the energy consumption of many of these systems if more attention is paid to energy usage in their design and in their use by consumers.

"(4) Many owners and lessees of buildings equipped with climate conditioning systems do not know nor can they readily discover prior to purchase or lease how much each such system will cost each year to operate (in terms of energy charges) nor are they able to compare, in terms of operating cost, competing systems using different energy sources.

"(b) Since informed consumers are essential to the fair working of the free enterprise system and to the maintenance of balance between the supply of and the demand for energy, it is hereby declared to be the intent of Congress to assure, through a uniform national system, noncompliance with which shall be an unfair or deceptive act or practice, meaningful disclosure of the estimated annual operating cost of climate conditioning systems, so that consumers can readily compare them and thereby avoid purchasing or leasing buildings equipped with climate conditioning systems which unnecessarily waste energy.

"Sec. 19. Definitions.—As used in sections 18 through 23 of this Act—

"(1) 'Building' means any physical enclosure or portion thereof which is designed for use or used for residential, commercial, industrial, governmental, or public accommodation purposes, including mobile homes, and which is provided or designed to be provided with a climate conditioning system.

"(2) 'Climate conditioning system' means any system which is designed to be installed or is installed in a previously unoccupied building for the purpose of artifically controlling temperature or humidity levels within such building or portion thereof. Such systems include electric resistance heating systems and systems composed of a number of components (such as piping, ducting, furnaces, boilers, fans, heaters, compressors, pumps, controls, and working fluids, such as air, other gases, water, steam, oils, and refrigerants) which are not designed for or are incapable of controlling temperature or humidity levels within such building until and unless they are connected or combined together.

"(3) 'Estimated annual operating cost' means, with respect to a climate conditioning system, the estimated cost of electricity or fuel needed for normal usage during a calendar year as determined in accordance with the provisions of section 20 of this Act.

"(4) 'Fuel' means butane, coal, diesel oil, fuel oil, gasoline, natural gas, propane, or steam obtained from a central source; or any other substance which, when utilized, is capable of powering a climate conditioning system.

"(5) 'Lease' means the act or agreement by which (A) a person conveys a building or portion thereof for a period of at least one year to a second party (lessee); and (B) a second party (lessee) agrees to pay the costs incurred for electricity, fuel, or both in the course of operating such building or portion thereof during such period.

"(6) 'Supplier' means any engineer or contractor who is designing a climate conditioning system for use in a previously unoccupied building.

"Sec. 20. Estimates of Annual Operating Costs.—

"(a) Within 18 months after the date of enactment of this section, in a proceeding pursuant to section 553 of title 5, United States Code, the Commission, after consultation with the National Bureau of Standards, shall establish:

"(1) Model calculation procedures for use by suppliers in determining the estimated annual operating costs of climate conditioning systems.

"(2) Procedures for suppliers to disclose such estimates to their clients.

"(b) In developing such procedures, the Commission shall consult with appropriate professional engineering societies, and organizations representing the climate conditioning and building industries so as to allow the best possible utilization by the Commission of appropriate existing procedures and professional expertise. The procedures developed under subsection (a) shall be distributed or otherwise made available by the Commission at reasonable cost to all applicable suppliers and other interested persons.

"Sec. 21. Disclosure.—(a) Beginning 6 months after the date of adoption of procedures for determining and disclosing annual operating costs in accordance with section 20 of this Act, it shall be unlawful for any person to sell or lease, or to offer for sale or lease, any previously unoccupied building for which a climate conditioning system has been designed subsequent to the adoption of such procedures; unless the estimated annual operating cost of such system is disclosed by the person prior to any such sale or lease. Such disclosure shall appear on the same contract, estimate, proposal, or any other place on which the purchase price or rental cost of such building is stated, in accordance with rules established by the Commission.

"(b) It shall be unlawful for any supplier to fail to comply with any requirement imposed by any rule or regulation issued under this section or section 20 of this Act.

"(c) Nothing in this section shall be construed to give rise to a cause of action for recission of any contract or for damages, unless the supplier or person fraudulently or knowingly gave the client, or purchaser, or lessee false information on estimated annual operating costs, and such client or purchaser reasonably relied thereon to his substantial detriment in entering upon such contract.

"(d) Nothing in this section shall be deemed to prohibit a supplier or person from representing orally or in writing that the estimated annual operating costs required to be disclosed by this section are based on average patterns of usage and should not be construed as a precise calculation of annual operating costs to be experienced by an individual client, purchaser, or lessee.

"Sec. 22. (a) Prohibited Acts and Enforcement.—(a) Violation of any disclosure provision of section 20 or 21 of this Act shall constitute an unfair or deceptive act or practice under section 5 of this Act and shall be subject to proceedings thereunder.

"(b) The district courts of the United States shall have jurisdiction without regard to the amount in controversy or the citizenship of the parties to restrain any violation of section 20 or 21 of this Act. Such actions may be brought by the Commission in any district court of the United States for a judicial district in which the defendant resides, is found, or transacts business or in which the alleged violation occurred. In any such action, process may be served in any judicial district in which a defendant resides or is found.

"(c) (1) Any person may commence a civil action on his own behalf against (A) any person who is alleged to be in violation of any provision of section 20 or 21 of this Act or any regulation thereunder; or (B) the Commission where there is an alleged failure of the Commission to perform any act or duty under such sections which is not discretionary. The district courts of the United States shall have jurisdiction without regard to amount in controversy or citizenship of the parties to grant mandatory or prohibitive injunctive relief or interim equitable relief to enforce such provisions with respect to any person or to order the Commission to perform any such act or duty. Such court, in issuing any final order in an action brought under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such an award is appropriate. No action may be commenced under this subsection prior to 60 days after the plaintiff has given notice of the alleged violation to the appropriate person and the Commission.

"(2) In any action under this subsection, the Commission, if not a party, may intervene as a matter of right.

"(3) Nothing in this subsection shall restrict any right which any person or class of persons may have under any other statute or at common law to seek enforcement of any provision of sections 18 through 23 of this Act or regulation thereunder or any other relief.

"Sec. 23. Report and Authorization.—(a) On July 1 of the year following the year in which this Act is enacted and every year thereafter as part of its annual report, the Commission shall report to the Congress and to the President on the progress made in carrying out the purposes of sections 18 through 23 of this Act.

"(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of sections 18 through 23 of this Act, not to exceed $2,000,000 for the fiscal years 1975, 1976, and 1977."

TITLE II—RENOVATION AND RETROFITTING OF EXISTING FEDERAL BUILDINGS

Sec. 201. (a) Within ninety days after the enactment of this Act, the Administrator of the General Services Administration, in consultation with the Director of the National Bureau of Standards, and the Administrator of the Federal Energy Administration, shall establish procedures for identifying existing buildings as candidates for renovation and retrofitting with energy conservation equipment and systems for the purpose of decreasing the cost of supplying such buildings with energy for climate-conditioning, water heating, lighting, and other major uses of energy.

(b) On the basis of the procedures established under subsection (a), the Administrator of the General Services Administration shall, within six months after the date of enactment of this Act, select no fewer than ten federally owned buildings as candidates for renovation and retrofitting with energy conservation equipment and systems. The buildings shall be selected so as to offer a wide range of circumstances and opportunities for implementation of energy conservation measures which can be justified on a life-cycle cost basis.

(c) The Administrator of the General Services Administration, within six months after the date of enactment of this Act, shall solicit proposals for renovation and retrofitting each building identified in subsection (b) of this section with energy conservation equipment and systems. On the basis of the proposals received in response to his solicitation, the Administrator of the General Services Administration, is authorized to award contracts for the design and installation of energy conservation equipment and systems in any or all of the Federally owned buildings identified in subsection (b) of this section.

Sec. 202. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, not to exceed $3,000,000 for the fiscal year ending June 30, 1975, and $3,000,000 for the fiscal year ending June 30, 1976.

By Mr. GOLDWATER (for himself and Mr. Tower):

S. 3939. A bill to amend section 1401(e) of title 10, United States Code, to preclude a military member from receiving less retired pay by continued active service. Referred to the Committee on Armed Services.

Mr. GOLDWATER. Mr. President, the bill I am introducing today will preclude those military personnel who retire after October 1, 1974, from receiving less retired pay than those who retire prior to that date. The potential disparity arises, because military retired pay increases are tied to the Consumer Price Index, whereas, pay raises for active duty military personnel are tied to civil service pay increases.

Because of the extraordinary inflation rate our economy has been experiencing, legitimate CPI adjustments to military retired pay have created the situation where a military member retiring after October 1, 1974, can receive less than a member of the same grade retiring before that time. Surely it is an inequity for a service member to expect to receive less retired pay for remaining on active duty.

Mr. President, the legislation I am preparing will correct the situation, and a similar bill, H.R. 16130, has been introduced in the House by Mr. WILLIAM ARMSTRONG of Colorado.

Mr. President, I ask unanimous consent that the complete text of the bill be printed at this point.

There being no objection, the bill was ordered to pe printed in the RECORD, as follows:

S. 3939

Be it enacted by the Senate and House of of Representatives of the United States of America in Congress assembled, That the text of section 1401a(e) of title 10, United States Code, is amended to read as follows:

"(e) Notwithstanding any other provision of this section, the adjusted monthly retired or retainer pay of a member or former member of an armed force who becomes entitled to that pay on or after January 1, 1971, may not be less than the monthly retired or retainer pay to which a member or former member of an armed force of the same grade, position, years of service for pay, years of service for retired or retainer pay purposes, and percent of disability, if any, who became so entitled before him, but after January 1, 1971, is entitled as a result of increases under this section."

SEC. 2. This Act is effective as of January 1, 1971.

By Mr. DOMENICI (for himself, Mr. HUMPHREY, Mr. SCHWEIKER, Mr. METZENBAUM, and Mr. MOSS):

S. 3941. A bill to amend title XVIII of the Social Security Act to provide for the coverage, under the supplementary medical insurance benefits program established by part B of such title, of one routine physical checkup each year and for preventive care for individuals insured under such program. Referred to the Committee on Finance.

PENNYWISE: DOLLAR FOOLISH

Mr. DOMENICI. Mr. President, today I am offering a bill which I believe can make a major contribution to improving the health status of persons over age 65 and certain disabled persons, and at the same time has the potential of reducing the total cost of care for these population groups. The proposal I am offering would amend the medicare program to authorize payment for one comprehensive physical examination per year for each person enrolled in the supplementary medical insurance program—part B—of Medicare.

The need for this legislation became obvious during general hearings before the Special Committee on Aging, Subcommittee on Health, which I conducted in my own State of New Mexico on May 25, 1974. Later, on July 25 and 26, more specific hearings were conducted before the same subcommittee regarding the findings of the Abbott-Northwestern Hospital in Minneapolis, Minn. Hospital officials recently became aware of many seniors' inability to pay even the most minimal health expense on their fixed retirement incomes. While health officials knew cost constraints were keeping the aged from health care, they were ignorant of the problem's magnitude until they tried a unique experiment. It was decided the hospital would accept medicare payments as total payment for all health care provided. The senior citizen would not have to pay a dime.

An astounding 239-patient load per week replaced the usual 20- to 30-patient load. The number of registered patients grew from less than 1,000 enrolled to almost 10,000. The hospital staff was shocked with the advanced state of many diseases. The patients, many of them retired professionals, could not afford medicare treatment, even with medicare benefits. These people were waiting until they could no longer ignore their disease.

The hospital officials found that medicare would not pay for any physical examination which was not directly related to the illnesses complained about by the patient. So, although patients who were complaining of headaches were found through the course of examination and lab tests to have terminal cancer of the stomach, the tests could not be paid for by medicare because the patient had not yet complained of stomach pains. I submit that by the time a patient complains of stomach pains and is later found to have cancer, it would most likely be too late—and subsequently very costly.

This provision under present medicare regulations, I believe exemplifies that old adage, "penny-wise; dollar-foolish."

Dr. Thomas Werges from Abbott-Northwestern, stated the problem in his testimony before the subcommittee:

> Medicare encourages only episodic (crisis intervention) medical care. This is not only not beneficial barriers to prevent him from seeking medical aid unless he has a medical crisis, the cost of his medical care will increase dramatically.
>
> The significant example that I can use here is high blood pressure. Hypertension is one of the significant public heatlh problems in this country today, not only in just the geriatric age group. By waiting until target organ damage has occurred, such as stroke or heart attack, the results are disastrous. The early detection and treatment of hypertension significantly reduced the mortality and the morbidity from vascular disease. And, as an additional benefit, it reduces the cost of health care.

Dr. Werges felt early preventive care to be imperative for cancer, malnutrition, emphysema, and vascular problems, diseases most affecting the elderly—both from the patient standpoint, and from the cost analysis.

The facts show that medicare provides health insurance protection for virtually all persons age 65 or older. Persons who meet the age requirement but who are otherwise not entitled to coverage may voluntarily obtain hospital insurance protection by paying the full actuarial cost of such coverage. Also beginning in fiscal 1974, about 1½ million disabled workers at any age, and certain disabled dependents are also included in medicare.

In total about 23 million aged and disabled Americans are protected against the potentially devastating effects of the high cost of serious illness.

Medicare covers both institutional and physician costs. But, in particular, the program provides generous benefits for persons requiring hospitalization. Coverage is provided for 90 days of inpatient hospital care, for each "spell of illness" and if additional time is needed, a "lifetime reserve" of 60 hospital days may be drawn upon. A deductible of $84 currently applied to each hospital admission and cost sharing percentages are applied after the 60th day of care. In 1973, medicare paid for 61 percent of all hospital costs incurred by persons over 65. Other public programs, notably medicaid, reimbursed for an additional 20 percent of hospital costs for the elderly. In dollar terms, medicare expenditures totaled $6.4 billion to pay for care to almost 7 million persons requiring hospitalization. Medicaid expended an additional billion dollars for hospital care for the aged.

Medicare also covers a broad range of diagnostic and remedial services provided by physicians and other health care practitioners if the tests are directly related to an actual complaint of the patient. In 1973, medicare expended almost $2.5 billion in benefit payments to or on behalf of 10½ million beneficiaries.

Mr. President, I have reviewed these statistics indicating a gigantic expenditure of Federal dollars, an expenditure which is projected to reach $13.4 billion in 1975, to make one basic point: This entire amount has been and is being expended to provide assistance to aged persons once they are very ill. No funds are spent to prevent illness or for early detection of disease. The ounce of prevention rhetoric has not found its way into the medicare program.

Mr. President, it is not possible to estimate how much suffering could be avoided, how much pain could be alleviated, how much money could be saving if we invested a fraction of the medicare dollar into preventive care.

My proposal to authorize payment for one comprehensive physical examination per year for each medicare beneficiary can result in early detection of illness and potentially crippling disease. While it will initially increase the demands on physician manpower, preventive care of this sort will soon result in reduced medical demands. We can anticipate an improvement in the general health status of the population with it a lessening in expensive hospital care.

Some have objected to an annual physical examination for the elderly on the basis that it will result in unnecessary use of medical services. I maintain, Mr. President, that the present system of providing benefits only when people are seriously ill results in an avoidable use of medical services.

On both humanitarian and fiscal grounds my proposal is both sound and prudent. I urge its early enactment.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2481

At the request of Mr. Chiles, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 2481, a bill to amend the Accounting and Auditing Act of 1950 to provide for the audit of certain Federal agencies by the Comptroller General.

S. 3143

At the request of Mr. Church, the Senator from South Carolina (Mr. Hollings), the Senator from Washington (Mr. Magnuson), the Senator from Oregon (Mr. Hatfield), the Senator from New Jersey (Mr. Case), the Senator from Nevada (Mr. Cannon), the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from Michigan (Mr. Hart), the Senator from Ohio (Mr. Metzenbaum), the Senator from Wisconsin (Mr. Nelson), the Senator from North Dakota (Mr. Young), the Senator from Maryland (Mr. Mathias), the Senator from Alabama (Mr. Allen), and the Senator from Washington (Mr. Jackson) were added as cosponsors of S. 3143, a bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the Administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes.

S. 3641

Mr. MONTOYA. Mr. President, S. 3641, a bill to extend for a period of 2 years the Public Works and Economic Development Act of 1965, as amended, was passed by the Senate earlier this month on August 2. Final action has not yet been taken by the House.

Inadvertently, the name of Senator Moss was not included as one of the sponsors of the reported version of the bill, despite the fact that he was an early cosponsor. I very much regret this omission, and I ask unanimous consent that the name of Senator Moss be included as a cosponsor of S. 3641.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 3775

At the request of Mr. Buckley, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 3775, a bill to create a Consumer Price Index for the Aged.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 110

At the request of Mr. Kennedy, the Senator from Delaware (Mr. Biden) was added as a cosponsor of Senate Concurrent Resolution 110, relating to the situation in Cyprus.

SENATE RESOLUTION 389—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS

(Referred to the Committee on Rules and Administration.)

Mr. ERVIN, from the Committee on Government Operations, reported the following resolution:

S. Res. 389

Resolved, That Senate Resolution 269, 93d Congress, agreed to March 1, 1974, is amended as follows:

(1) In section 3 strike out "$2,099,000" and insert in lieu thereof "$2,184,000".

(2) In section 4(a) strike out "$1,036,000" and insert in lieu thereof "$1,121,000".

(3) In section 10 strike out "$2,119,000" and insert in lieu thereof "$2,204,000".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1613

At the request of Mr. Hollings, the Senator from Louisiana (Mr. Johnston) was added as a cosponsor of amendment No. 1613, concerning men missing in action in Indochina, intended to be proposed to the bill (S. 3471) to authorize certain construction at military installations, and for other purposes.

AMENDMENT NO. 1768

Mr. TAFT. Mr. President, during the debate on my amendment (No. 1768) to terminate year-round daylight saving time, on August 15, I neglected to mention that the Senator from South Carolina (Mr. Hollings) had asked to become a cosponsor of this amendment.

I ask unanimous consent that the Record show that the Senator was a cosponsor of my amendment No. 1768 to S. 2744.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1836

At the request of Mr. Eagleton, the Senator from Delaware (Mr. Biden) was added as a cosponsor of amendment No. 1836, intended to be proposed to the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

ADDITIONAL STATEMENTS

THE WORLD FOOD PROBLEM

Mr. HUMPHREY. Mr. President, I wish to call your attention to an August 19, New York Times article, "Tackling the World Food Program," by Senator George McGovern.

This article summarizes a great deal of what has happened recently in the world food arena. It holds out the hope that the new administration will take a fresh look at our agricultural policies.

Senator McGovern also correctly looks to the World Food Conference as a great opportunity to deal with the whole complex of food problems which we face.

Our Government must be prepared to show some leadership and determination if this conference is to be a success. I hope that we are willing to face the food crisis even though our own crop estimates are down.

I wish to commend Senator McGovern on his forthrightness and leadership in this area.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Tackling the World Food Problem

(By George McGovern)

Washington.—We have a new President and it is a time for new beginnings. It is an opportunity to grapple with the great problems that confront our nation and the world.

In his inaugural speech, President Ford identified inflation as the nation's most urgent problem.

Every American farmer and consumer knows all too well that the cost of producing and marketing food has been skyrocketing. Furthermore, this food problem is one that is not confined within our borders, it is a problem affecting every human on earth.

High food-production costs and consumer prices in the United States inevitably signal food shortages, hunger and even starvation in other, less affluent parts of the globe.

We all remember the food price panic just a year ago. Among its causes were a worldwide crop reduction arising from the changing weather, discovery that critical fertilizers were in short supply and finding that surplus food had practically disappeared after the large grain sale to the Soviet Union.

The most dramatic visible evidence of the crisis is the tragic situation in West Africa, where millions are already severely undernourished and hundreds of thousands have died, and in South Asia, where floods and drought have created a critical food shortage.

We had hoped that this feeling of crisis and panic would ease this year as our own and other nations' bumper crops came in. In this country alone, we have put fifty million acres back into wheat and corn production in the last two years. Earlier this year, crop prospects looked excellent as farmers sowed in record numbers.

Now, however, hope is turning to fear again. As some weather experts had predicted, the American farm belt is experiencing its worst drought since the nineteen-thirties.

Predictions of feed grain crops have already dropped from an original 6.7-billion bushels to 4.9 billion or less. If yields in other major grain-producing nations such as Argentina, Canada and the Soviet Union are also down, the world is in serious trouble.

At the very least, these developments mean continued high food prices. But high food prices do not help the farmer because of his own high production costs, particularly the cost of fertilizer, fuel and machinery, which are wiping out potential profits, and in the cattle industry wiping out producers altogether.

For all of these reasons, the United States and the world community need to develop a new set of national and international policies that promote maximum food production at the lowest possible cost to provide ample nutrition for mankind.

Secretary of State Kissinger, last year in his maiden speech to the United Nations, proposed a world food conference to be held in Rome this November. This conference represents an opportunity to make major progress.

I have proposed outlines of a program for our Government to take to Rome. Called "Plowshares for Peace," the proposal consists of the following components:

First is the need for agricultural research. Without the kind of basic research already being carried on by men such as Norman Borlaug, the American Nobel laureate and father of the so-called Green Revolution, millions more of the world's population would be starving today. We also need to intensify our research into weather prediction and weather control to anticipate or prevent periodic drought and floods.

Second, equally important, is the assurance of adequate supplies of those key elements without which crops cannot grow—land, water, fuel and fertilizer. The United States and the world need a large new investment in fertilizer factories over the next two decades to enable food production to keep pace with population growth.

Third, we need to increase technological assistance in the harvesting, storing, processing and distributing of crops to assure maximum use and minimum waste—assistance that American farmers' cooperative associations and American industry are uniquely qualified to render.

Fourth, there must be established a minimum emergency foood reserve on a worldwide basis, isolated from commercial marketing, to be used solely for famine relief.

Richard M. Nixon and Secretary Kissinger raised the world food issue at the Moscow summit meeting. As a result, the Soviet Union is seriously considering officially joining the United Nations Food and Agriculture Organization—a major step forward in the possible development of a world food program.

I hope that President Ford will continue this initiative by making the Rome conference an opportunity to deal in a fundamental way with the food and inflation problems.

There is a natural community of interest on these two great problems. The United States and the other grain-exporting nations have the technology and food to carry out a "Plowshares for Peace" program. The Arab world has the oil and investment capital to finance vitally needed fertilizer capacity and to help support food-research and famine-relief programs. The less-developed countries, which need this agricultural assistance desperately, have many of the scarce raw materials that make possible the advanced technology of the United States, Western Europe and Japan.

This is the potential negotiating environment of the conference. But a major leadership effort is required of the United States to take full advantage of that environment.

TALMADGE REACTION TO THE HEARINGS ON REDUCED CROP ESTIMATES

Mr. HUMPHREY. Mr. President, on August 15, the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices held hearings on the reduced crop projections for this year.

My colleague and the chairman of the full Agricultural and Forestry Committee, Senator HERMAN TALMADGE, commented very appropriately on the testimony of the USDA at those hearings.

Senator TALMADGE suggested that he hoped that the Department was right in stating that no contingency plans were needed, but he also urged implementation of section 802 of the Agriculture and Consumer Protection Act of 1973 in order to maintain a continuous appraisal of our export sales. This would include notification of pending sales before contracts are signed.

I have long advocated more careful monitoring of worldwide crop information. This is especially important in a tight crop year as we have now.

Mr. President, I also wish to bring to your attention a letter which I sent to President Ford recommending that he order the President's Committee on Food—established by Executive Order No. 11781 on June 18, 1974—or some broader based group, to undertake an immediate study of the critical crop situation.

We need to bring high-level attention to our national food and agricultural policy.

Mr. President, I ask unanimous consent that the statement of Senator TALMADGE and my letter to the President be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DISASTER FOR LIVESTOCK INDUSTRY, SKYROCKETING PRICES FOR CONSUMERS POSSIBLE IF USDA FAILS TO ACT

(By Senator HERMAN TALMADGE)

Mr. President, the testimony yesterday of the Department of Agriculture at the emergency hearings of the Subcommittee on Stabilization of Prices, called in response to the distressing level of crop projections in the August 1 Crop Report, was very optimistic.

Clearly, the effort was directed at dispelling the wide-felt concern over impending shortages and sharp price increases.

In essence, the Department view is that no major problems exist, as both domestic demand and export demand is expected to moderate.

The rationale is simply that world food and feed production is up, that the expected higher prices will naturally dampen demand, the economic situation abroad is curtailing demand for U.S. products and in fact the U.S. supply situation is not all that bad.

Because of this, the Department says it has no contingency plan if shortages should develop except to let the market be self-determinate.

I appreciate the economic realities and relationships cited by the Department. However, in looking at the testimony of the Department and of other witnesses, it is evident that a large number of uncertainties have gone into their assessment. There is uncertainty about crop production in Canada, Bangladesh, Pakistan, India, the USSR and China—or basically, in the world.

An early frost in the U.S. could be devastating because of the later than usual planting of corn and soybeans this year. And at this time it is not clear just how much export demand there will be for the scarce supplies of U.S. feed grains, soybeans and wheat.

However, what is clear is that prices of feed and food in the U.S. are going to rise. This is going to put additional pressure on already burdened livestock producers.

As more and more livestock producers find the cost-price squeeze too tight, they will necessarily cease production. This will mean, very quickly, smaller supplies of broilers, eggs, turkeys and pork. In the long run, it will mean less dairy products and beef. This translates into higher consumer prices very shortly.

The idea that contraction of herds will yield larger supplies of meat in the short run, and thus provide relief to consumers, is like burning your house to keep warm in January—you freeze in February.

The potential impact on dairy and beef producers would be long-term as the recovery cycle for this enterprises stretches over several years. And if livestock producers are forced out of business, the high prices and good markets for feed grains and soybeans will quickly disappear, leaving our crop farmers in economic distress.

It is very clear that our economy cannot afford many more surprises like the August 1 Crop Report. I agree with the Department of Agriculture when they say we should have learned a lesson from the soybean embargo last year. The lesson is that you shouldn't wait until the horse is stolen before you lock the barn door.

If we ignore current danger signals, we could very well find our food and feedstocks are inadequate for domestic needs because they have been contracted by foreign buyers or have in fact sailed away.

This morning's Wall Street Journal indicates that the Japanese are sufficiently alarmed over the expected shortages of the U.S. corn crop that they are right now buying up all of the corn they will need until the 1975 harvest. They are moving quickly to protect their livestock producers.

If the Russians or other nations make similar demands on the U.S. grainery, the results will be catastrophic to the U.S. economy.

For these reasons, I appeal to the Secretary of Agriculture, to implement the export surveillance and reporting provisions in the Agriculture and Consumer Protection Act of 1973.

Section 802 of the Act states, "All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales or agricultural commodities and at such times as he may request."

The Secretary must order all exporters of feed grains to immediately report any pending export sales and this must be before the contracts are signed. By using this process, a more realistic and continuous appraisal of foreign shipments can be maintained. It will also assure against undue or unwarranted purchases by any foreign buyer. It will also protect our free enterprise, competitive market system against a concerned assault by a foreign centralizd or government supported buying agent.

No one is less desirous of government intervention in the marketplace than I am. But when events beyond the control of men create a situation that could spell disaster for a large portion of our livestock complex and add fuel to the inflationary fires plaguing our economy, it is irresponsible for government to ignore the stark facts of reality.

Mr. President, I like Secretary Butz personally, although we have many differences on policy. I hope for his sake, as well as the sake of the American people, that he is right. He and his spokesmen have told us we have nothing to worry about. They have stated that there is no need for any kind of additional action, and that the Department of Agriculture does not even have any contingency plans for meeting possible drastic shortages in the supply of feed for our livestock producers.

I hope the Secretary and his men are

right. For if they are wrong, the American people will rebel. If the average American wage earner, who can no longer afford the choice cuts of beef for his dinner table, finds that he can't afford milk, eggs, broilers, and bacon because we have shipped our grain overseas, they will explode.

The President will never be able to explain to the American people that we refused to control exports because it is in our long-term economic best interest. To satisfy the American people and save his own political career, the President will be forced to clean house in the Department of Agriculture.

Mr. President, as a result of the Russian grain fiasco, the Congress provided the Department of Agriculture with the tools to protect our domestic food supply. I hope that, for the good of all of us, these tools will be used.

Committee on
Agriculture and Forestry,
Washington, D.C., August 20, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: While I know the burdens and challenges facing you as a new President are both numerous and enormous, I nonetheless must beg your indulgence and attention to what I consider a most serious and important matter of both national and international consequence, namely, the current and future food and agricultural situation.

Current estimates for carryover of 1973 wheat, feed grains and soybeans and 1974 production of these crops suggest serious implications for American consumers, less-developed countries, and commercial foreign buyers of these commodities this coming marketing year. Even if current estimates of 1974 production of these commodities prove correct, liquidations of poultry, hog, beef and dairy cow numbers can be expected. The same will be true with respect to some reduction in commercial exports, with no estimate likely of adverse impact on foreign humanitarian requirements currently possible. And I must remind you, that none of the U.S. 1974 corn crop, soybean crop or Canadian wheat crop are in farmers' bins as yet. Given the fact that substantial portions of these crops, due mainly to late plantings, will be very likely subject to further loss by early or even normal freeze dates, current production estimates for 1974 issued by USDA must be interpreted with great caution.

The eventual impact of supply levels of these farm commodities during the 1974–75 marketing year on poultry and livestock producers—and then later, on American consumers and taxpayers—in terms of higher prices, could run between $10 and $20 billion in additional costs in 1975, that is, assuming no action is taken to insure adequate allocation of available supply of these commodities this next year to the U.S. market, less-developed countries and foreign commercial buyers. To rely solely upon market forces and prices as a rationing system under these circumstances could be disastrous, not only in feeding the fires of inflation here in the U.S. and in other industrialized nations, but also to many millions of people in the world that may very well die or suffer severe malnutrition in the absence of our sharing some of our food supply with them—however short it might be!

I am not advocating any easy, or simple solutions to this national and international dilemma, such as immediate imposition of export controls. However, I do wish to respectfully request that you either order the President's Committee on Food (established by Executive Order 11781 on June 18, 1974, by President Nixon) or establish some sort of comparable group which might be broader based than the Committee on Food, to conduct an immediate study of this entire situation, under a limited time-frame. *All* aspects of this situation must be carefully evaluated—and very soon—so that a balanced, rational national policy on food and agriculture can be formulated that is consistent both with our responsibilities to American farm producers and consumers and our international obligations as they relate both to commercial buyers and the needy of the world.

Of course, in addition to the formulation of a national policy to effectively deal with the immediate situation ahead of us, we also, in my judgment, must reevaluate and revise our nation's long range goals relating to food and agricultural policy. I would hope we are learning something from current and recent experiences in this regard and are now prepared to reflect those learning experiences in reformulating our nation's future food and agriculture policy.

I pledge my utmost cooperation in any effort that you or your Administration may undertake regarding this critically important matter.

With every best wish.

Sincerely,

Hubert H. Humphrey.

DEPRESSION IN THE DAIRY INDUSTRY

Mr. HUMPHREY. Mr. President, the dairy industry of this country is hurting financially from severely reduced prices while the costs of production continue to go up.

The Minneapolis Tribune on August 18 included an article, "Hard Times in Dairyland," which outlines the current problems.

Unfortunately, although this problem has become widely known, the Department of Agriculture appears unwilling to tackle the problem. Although the Department has provided assurances that milk prices will go up, prices have continued to go down. Further price declines are expected, and more farmers will leave dairy farming.

This is a serious problem. The Department of Agriculture previously increased imports because our own production was viewed as not being sufficient to meet our needs.

What we need is an increase in the floor price of milk so that farmers can stay in business. This is far preferable to relying on imports.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Hard Times in Dairyland

(By Marylin Becerra)

Jim Lefebvre has 60 Holstein cows that produce an average of 2,200 pounds of milk—that's roughly 506 of those half-gallon containers—every day.

Last February he was making about $1.57 profit for every 100 pounds of milk he produced, or about $34.54 a day. In June he was losing 13 cents on every 100 pounds, or about $2.86 a day.

That's because in February he was getting $8.50 per 100 pounds. By June the price he was paid had dropped to $6.80. And as that came down, costs for everything from feed to baling twine went up.

Lefebvre figures it costs him $6.93 to produce every 100 pounds of milk. That's $3.93 in feed (including hay and silage, corn, oats, soybean meal, beet pulp, linseed oil meal, molasses, salt and a few other things); $4 an hour for labor (he and three of his sons spend an average of 10 hours a day caring for the herd) or $2 in labor costs for every 100 pounds of milk produced; and $1 in costs for such other things as veterinarian fees, repairs, taxes and depreciation.

The $6.93 is what it actually cost Lefebvre to produce 100 pounds of milk in February and he can document it. He gets out the book that contains a computerized analysis of his herd—each cow's production, the amount of feed each eats at what cost and a host of other information.

He hasn't gotten the computerized breakdown for June yet, so the 13-cent loss per 100 pounds Lefebvre is talking about is based on February costs. Realistically, Lefebvre knows his costs were up in June and so his June loss was actually much more grim than he's making it.

But Lefebvre is an optimist.

The present situation is not good, he says. It is the worst high low-cost price squeeze he's been in since he and Rita, his wife, came back from military service to his dad's farm, near Elk River, Minn., in 1958. He has culled his herd harder than usual this year—the cows that are not producing enough milk for the amount of grain they eat are cut out of the herd and sold—usually at a loss.

But Lefebvre is an optimist.

He thinks the drop in price is a result of several things—an influx of imported cheese products, consumer reaction to the higher prices of milk products earlier this year, and the natural fact that there are more cows producing more milk in April, May and June. He thinks the situation will improve this fall.

Carl Backes, Sauk Rapids, Minn., has a herd of Guernseys He's been producing Grade A milk for more than 25 years. It hasn't been an easy life. He played football at the University of Minnesota for two years before he was drafted during World War II and came away from the experience with what he calls "water on the knees—football knees" that dosn't allow him to kneel and bend with ease. So 25 years ago he built himself what was to become the prototype of the modern milking parlor. The cows stand on an elevated platform at about waist-height—so he doesn't have to bend.

But he's sent three children to college—with some help from his wife, Dorothy, who has taught school for many years. Their youngest son, Rick, is in high school and last week he was at football practice so Backes talked while he cleaned up the barn alone.

Backes says his last milk check was down 25 percent from what it had been in March. The basic price paid for 100 pounds of manufacturing milk dropped from $8.15 in March to $6.29 in July.

"I figure I've lost $1,300 for the last couple of months . . . Since I've been in it, this is about the rottenist deal we've had. Why should we have to suffer losses like that? I tell you, we're being sacrificed. We're being crucified."

Backes doesn't like the federal milk-marketing order system—complex set of rules that govern the prices paid to dairy farmers across the country for milk processed for drinking. Those premium prices are based on the average price paid in Minnesota and Wisconsin for manufacturing milk—that used to make cheeses, butter and other milk products.

It's a complex system and Backes believes it is unjust. For one thing, because so much milk is produced here, only a small percentage of the total is consumed as liquid milk. The rest is made into creams, cottage cheese, ice cream, yogurt, butter, cheeses. And milk used for those manufactured products commands a lower price.

But what happens is that this region becomes the milk reservoir for the rest of the nation. Florida dairy farmers, for example, barely are able to produce enough milk for their state residents to drink. So Minnesota and Wisconsin dairy farmers end up supplying Florida and many other places with most of the manufacturing milk products they eat. At the same time Florida dairymen are all getting the premium prices paid for milk that is consumed as a liquid.

In fact, dairymen in the Miami milk-marketing order area—there are 62 areas in the country—get paid the highest premium of all, $3.15 above the monthly average price paid in Minnesota and Wisconsin for manufacturing milk. For example, the June Minnesota-Wisconsin Price was $6.31. The Miami-area dairymen will receive in their August checks (because of a two-month lag) $6.31 plus $3.15 for every 100 pounds of milk they produce. Dairy farmers in the Minneapolis-St. Paul milk marketing area, however, will receive $6.31 plus this area's premium of $1.06, the lowest premium paid in the country.

Of course, the argument is—and Backes admits that it's at least partly true—that the cost of producing 100 pounds of milk in Florida is much higher than it is here where, because of climate and geography, farmers are able to grow most of the feed for their herds. And, of course, the cost of transporting Minnesota-Wisconsin products to other markets means that higher prices in those markets are essential.

But as far as Backes is concerned, one man could turn what he sees as a disaster into something at least less painful. That man is U.S. Secretary of Agriculture Earl Butz.

Jon Wefald, Minnesota Commission of Agriculture, joins Backes in that contention. On Aug. 8 Wefald wrote Butz a letter which said the state already has lost an estimated 1,500 dairy farmers this year and "thousands more among the remaining 35,000 will be forced out of business before the end of the year if positive and immediate federal action is not taken to guarantee the dairy farmer the recovery of his costs and a fair return on his investment and management."

At least a $2 increase in the federal milk-market order is required immediately, Wefald said in the letter.

Wefald said he estimated the 1,500 figure on a couple of things: figures from several of the milk producers' associations on numbers of farmers who had left the business, early indications from the U.S. Crop and Livestock Reporting Service that a larger number of dairy farmers are leaving the business this year than ever before, and on the number of letters and phone calls he has received on the subject since early this year.

The number of dairy farms has been declining in the state for years, just as the consumption of milk has fallen steadily for decades. But Wefald believes that the current drop in prices is causing a larger than usual exodus. That's important for the entire state, Wefald says, because dairying produces one-fourth of Minnesota's gross farm income and agriculture is the state's biggest industry—accounting for about 40 percent of the state's economy.

There appears to be all kinds of villains in this recent price drop.

But one almost everyone agrees on is the effect that a large increase in dairy imports had on the domestic industry—or, as Backes puts it: "The trouble is, Butz imported so cotton-pickin' much cheese."

Wefald, gleaning information from various agricultural publications, says dairy imports rose 168 percent for the first five months of 1974 over the same period last year. Cheese imports increased by 108 percent and imports of cheddar cheese, in particular, of which Minnesota is the nation's second-largest volume producer, showed an increase during the first five months of 1,635 percent over the same five months of 1973, according to Wefald.

There even are feelings that the American dairy industry is being sacrificed so that large amounts of our grain can be exported.

The assistant milk marketing administrator for the Minneapolis-St. Paul area, Aaron Reeves, acknowledges that the imports had an effect on the domestic prices, but he and some others in the industry believe that imports were increased because consumers stopped buying as many dairy products when the prices climbed last fall and winter. And when meat prices declined earlier this year, people began eating more meat and less cheese again.

That combined with the normal increase in milk production in late spring sent the prices down, Reeves said.

But he believes prices have bottomed out and that the August Minnesota-Wisconsin base price for manufacturing milk, to be announced Sept. 5, will be up 15 to 20 cents over the July low of $6.29.

Backes is not so sure.

He believes Watergate and the tainted dairy funds given to politicians from both parties has kept everyone in Washington from wanting anything to do with the dairy business. Backes says he didn't know anything about those contributions and doesn't know a single dairy farmer who had any knowledge of it.

"Hell, that's injustice. Why should all of us suffer, why should the whole dairy industry suffer when we didn't know anything about it."

Backes says if nothing else works, he'll go to Washington and try to talk directly to President Gerald Ford.

SOYBEAN RESEARCH

Mr. HUMPHREY. Mr. President, the August Soybean Digest included an informative article "Researchers Face Unique Yield Barriers."

The article describes current efforts to learn more about soybeans in order to expand production yields.

One lesson of the story is that the soybean is different than most other crops in that it appears to adjust the number of pods to the number of plants. For example, a large plant population will result in fewer branches and fewer pods per plant. The yield may actually be about the same whether one plants 140,000 plants or 200,000 plants per acre.

The major research concern continues to be the secret of nitrogen fixation and how to increase the absorption of nitrogen by the soybean plant.

One effort in this area is a program to increase the carbon dioxide around the plant, thereby enabling the plants to "fix" additional nitrogen. This effort appears to hold real promise.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Researchers Face Unique Yield Barriers

Answer the following true or false:

1. Soybean yield=plans per acre×pods per plant×seeds per pod×weight per seed.

2. If you change one of the equation's yield factors, you change the yield level.

The first statement is true. But every time you change one of the yield factors, the goofy soybean plant can change another factor in the opposite direction, and the yield may remain the same.

Soybean plants have an amazing ability to compensate, conclude scientists who are now taking a lot more intensive look at the soybean since more research funds have become available through checkoffs and government grants. While this ability to compensate may help prevent extremely low yields, it also presents researchers with a so-called yield barrier.

"We've still got an awful lot to learn about this crop," says Dave Johnson, University of Missouri soybean physiologist. "It's so different from any of the other major world crops. For this reason, a great deal of emphasis is placed on soybean physiology and genetics. We must start from the very beginning in our soybean research programs because we cannot use the information we learned about other crops. We are slowly finding out how soybeans grow and how they differ from other crops."

While plant populations are very important for high corn yields, soybeans have a tremendous population range which doesn't affect yield levels, Johnson says. If you have a very low plant population, soybeans will produce more branches and increase the total number of pods per plant. At low populations, each plant can produce up to 400 or 500 pods. But as plant population increases, soybeans reduce the number of branches and reduce the number of pods per plant. And the yield remains about the same.

Last year Missouri agronomists had a plot of soybeans with 11,000 plants per acre equally spaced and harvested by hand. Nearby were soybeans planted at the rate they recommend to farmers—about 140,000 plants per acre. Both plots yielded about 50 bu/a. Other researchers in tests with over 200,000 plants per acre also didn't change yields with higher populations.

Johnson warns that farmers naturally don't have quite that wide a range with plant populations. First, planters aren't accurate enough to give an even distribution of plants. Secondly, combines won't go low enough to pick up the many pods that are lying on the ground due to branching in low populations and lodging in high populations.

Neither chemicals to increase the number of pods per plant by 50% nor picking off half the plant's pods change yields either, researchers have found. With fewer pods, the soybean plant increases the number of seeds per pod and seed size, ending up with the same yield as those with more pods per plant but fewer and smaller seeds, Johnson explains.

In other studies, Iowa researchers have stripped off up to 50% of the leaves without changing yields, and Illinois scientists took off a number of branches with no effect on yields. While soybeans produce about twice as much leaf area as corn, only half of this leaf area is needed, Johnson says.

Based on these past studies, Missouri researchers reasoned that they should be able to take off all the bottom branches, leaves and pods and not reduce yields. But the amount of soybeans harvested by the farmer would increase about 8%, the amount many studies show is left in soybean fields because pods are too low for combines to pick up.

For the past two years, Missouri researchers have taken off everything on the bottom 6 in., 9 in. and 12 in. of the plants three times during the season—first of July (early flowering), mid-July and end of July (start of bean development). As expected, there was no yield difference compared to unstripped plants, reports Johnson. Apparently, they could have stripped the plants even higher because there wasn't any difference in yield between the three heights.

Raising pod height may be accomplished two ways. One method is by developing a plant which genetically sets its pods higher. As yet, there have been no breakthroughs in this area. The other possibility is using a directed contact spray which would kill everything on the bottom of the plant at whatever height is decided.

If that chemical were an herbicide, Johnson says, growers would get a dual advantage: They'd raise the height of the pods and also kill late-season weeds. Along with Maurice Gebhardt, Agricultural Research Service ag engineer, Johnson tested three chemicals. Monsanto's Roundup, which has not yet received clearance, showed the most promise. This chemical could be put on about the same time as the last cultivation, Johnson notes.

"But there are still some things to be worked out yet," Johnson adds. "It is more likely to sell where they have weed control problems. Whether it's going to be economical to put on a chemical just to raise pod height, I don't know."

The most important compensating aspect of the soybean plant is the interaction of the nitrogen (N) fixation and N uptake systems. "This is getting more research attention right now than anything else," Johnson says. "We would have to say there is no evidence to show that N is the limiting factor in increasing yields. Yet, we do not understand how N fixation and N uptake from the soil furnish all the N required for high-yielding soybeans."

Soybeans use more N than any other major crop, yet N applications have given few yield gains and even some decreases. The seed contains about 4 lb. of N/bu with another 2 lb. of N in the unharvested root, stem and leaves.

The following is a comparison of the amount of N used per acre by soybean and corn crops:

Nitrogen (pounds)	Soybeans (bushels)	Corn (bushels)
125	25	125
300	50	250
400	75	350
600	100	500

In contrast to other major crops, soybeans obtain their nitrogen from two sources. They utilize N from the soil as do other crops. In addition, they form a beneficial or symbiotic relationship with Rhizobia bacteria which form root nodules and fix N from the air.

"N fixation is the single most important factor which distinguishes soybeans from all other major crops," Johnson says. "Most plants which carry on fixation are forages, but they're an entirely different type of crop because the entire green plant is harvested instead of just the seed."

N research is receiving so much attention because of its importance during bean development stage. But at that stage both N fixation and N uptake systems are tapering off. Maximum N uptake occurs at full bloom and drops off relatively fast in the latter part of the growing season, says plant physiologist James E. Harper at the U.S. Regional Soybean Laboratory, Urbana, Ill. Up to the time of flowering, the soybean plant fixes very little N. After flowering, it increases N fixation quite rapidly in an exponential curve—that is, doubling total N fixed every week until half to two-thirds through pod fill (about 70 to 80 days of age). Then it loses its exponential phase and the bacteria start slowing down. But the plant continues to develop its seed and still needs N.

Major yield increases in other crops—hybrid corn, rice and dwarf wheat, for example—were due to finding more N responsive varieties. But these crops take about one-fourth as much N/bu as soybeans. It would seem reasonable that soybean yields could be increased by getting more N into the plant, says Ralph Hardy, E. I. duPont researcher.

Scientists first considered N fertilization. Illinois researchers recently summarized 133 experiments and found only three that showed a yield response from nitrogen. And in those three, the extra yield didn't pay for the extra N.

Even applying the N late in the season during the critical pod-filling stage didn't help. No matter how much N is applied, when it's applied or how deep it's applied, N fertilization hasn't brought an increase in soybean yields, Johnson says.

The more N fertilizer that's applied, the less N that's fixed. Again, the soybean plant compensates. "All you're doing is playing games with the N fixation system," Hardy explains. "The outcome is a trade-off between N fertilization and N fixation."

Research aimed at overcoming this nonproductive trade-off includes searches for forms of N fertilizer that do not inhibit N fixation, soybean varieties that respond to N fertilizer, rhizobial strains whose N fixation is insensitive to N fertilizer, and cultural practices that give a yield response to N fertilizer.

"I don't think N is the first limitation (on yields)," says Harper after extensive research on N fixation and N uptake from the soil. "It looks like photosynthesis is going to be our first limitation. Until we do something about the photosynthetic rates, we may be at a standstill as far as N goes.

Scientists know that the bacteria in plant's roots are kept alive by sugars supplied by the plant. The soybean makes these sugars with energy from the sun by absorbing carbon dioxide from the air through its leaves—the process of photosynthesis. But as the plant matures, researchers theorize that more of the sugars go to the developing seeds and less to the bacteria. Thus, N production slows as the bacteria are denied food.

This led du Pont researchers Hardy and U. D. Havelka to conclude that the availability of sugars was limiting N fixation. Two years ago they took soybeans growing in normal field conditions and surrounded them with walls of plastic, leaving the top open to keep heating and lighting conditions the same. From 40 days of age until maturity, Hardy explains, they increased the carbon dioxide around the soybean plants from the normal 300 parts per million (ppm) to between 800 and 1,200 ppm. They roughly tripled the amount of carbon dioxide available to the plant. Within 6 hours of increasing the carbon dioxide around the plant, the nitrogen fixing activity of the plant doubled.

"What this is telling us is that there are more 'machines' down there in the N fixing 'factories' but they weren't getting enough energy," Hardy says. "The carbon dioxide enriched plants fixed more N in one week (87 days to 94 days of age) than the normal plants did in one season. This phenomenal increase in N fixation resulted from doubling the size of the nodules and running the factories twice as fast."

Their results: N fixation increased from 80 to 100 lb/a to 425 lb/a. N uptake from the soil decreased from 225 lb/a to 75 to 100 lb/a. The net result was more than 500 lb/a of N—approaching amount required for a yield of 100 bu/a. More than 80% of the N came from N fixation and less than 20% from soil N, nearly the reverse of normal.

"This is the first example out in the field where anyone has been able to markedly increase total N in the soybean plant," Hardy claims. "This almost doubled N input and nearly doubled yields. The percentage of protein in the bean was not altered."

Hardy believes that the du Pont research shows that the N input in the soybean plant is really not an N problem but a carbon problem. He goes on to explain that soybeans are much less efficient converters of carbon dioxide to sugars than many other crops like corn. All the carbon dioxide corn takes in is converted to sugar. However, soybeans convert only part of the carbon dioxide taken in to sugar, physiologists explain. The rest is kicked back into the atmosphere, an inefficient process scientists call photorespiration.

Since it is not economically practical to enrich soybean fields with carbon dioxide, chemical companies are looking for a growth regulator which would make the soybean plant a more efficient converter of carbon dioxide.

At the same time, plant breeders are trying to develop nonphotorespiring soybean plants by applying radiation and other mutagenic agents to seeds. If they succeed, soybean yields could theoretically increase by 40%–50%.

Because of the interest in nitrogen fixation and nitrogen uptake from the soil in relation to supply, movement and distribution of carbohydrates, the American Soybean Assn. Research Foundation is funding such a research project at the University of Missouri. Walter Russell is conducting the tests in several parts.

In one part of the research, Russell grafted two different maturing stems on the same root system. While the earlier maturing top is in the green soybean stage, the later maturing top should still be supplying carbohydrates to the roots, keeping the bacteria fixing N, Russell explains. Other parts of his ASA-funded research include supplying light to the lower part of the canopy, shading the plants and studying the effects of different cultural practices on N fixation and N uptake systems.

"It takes energy to do either of these N processes," Russell explains. "We're trying to find out whether the two systems are compatible or if it's the plant's carbohydrate distribution system which is inhibiting N fixation."

It's unlikely that these research projects will pay off for several years. But researchers are optimistic. With the increasing importance of soybeans, more researchers with more funds are studying this complex soybean plant. The pace of soybean research has lagged behind the quadrupling of acreage since 1950. While soybean yields have increased only 6 bu/a since then, corn yields have nearly doubled. Many feel the same type of increase is possible with soybeans.

A SECOND CHANCE

Mr. HUGH SCOTT. Mr. President, I was extremely pleased to hear President Ford's remarks yesterday about amnesty for Vietnam draft evaders. I have long advocated conditional amnesty on a case-by-case basis, including performance of constructive civic service, as the reasonable and just way to treat these 50,000 offenders. Each case is different, each case therefore should be treated individually. Those who have violated military or civil law are of course subject to those processes.

The New York Times yesterday had an excellent editorial. I commend it to the attention of my colleagues and ask that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Second Chance

In his wise and compassionate statement on the much-debated subject of amnesty for Vietnam draft evaders, President Ford has demonstrated his fidelity to the principle that the rule of law applies to all Americans but that its application necessitates no conflict between the noble aims of mercy and justice. He took the opportunity to say what he did in the lion's den—the annual convention of the Veterans of Foreign Wars, which has heretofore taken a hard line on amnesty—and emerged unscathed and newly respected.

By sending forth a generous instead of an unforgiving signal to Congress and the armed forces which, as President, he commands, Mr. Ford has opened the way for new legislation and new thinking in the country. Speaking as veteran, lawyer and champion of a strong military establishment, he gave tacit approval to the resolution passed last week by the American Bar Association that would allow individual draft resisters to earn immunity from prosecution.

He has asked the Attorney General and the Secretary of Defense to provide the facts, first of all, on the status of some 50,000 offenders—whom he compassionately called "our countrymen"—accused of violating the Selective Service Act or the Uniform Code of Military Justice. These men would not be lumped together as "draft dodgers" or "deserters" but treated as individuals, their cases studied within the framework of legal precedents.

For these men the President seeks "a second chance." His view is that they should be regarded not as enemies but as "casualties" and allowed to work their way back home to America. The Ford approach, without going all the way toward amnesty, would remove the attitude of revenge by law; and that is the beginning of justice.

President Ford cited two Presidents—Abraham Lincoln and Harry S. Truman—as his guides. He omitted his immediate predecessor. The Civil War and World War II Presidents both demonstrated a spirit of generosity toward deserters and issued many pardons. President Lincoln did so while the war still raged; President Truman created a postwar amnesty board that judged draft evaders and deserters on a case-by-case basis.

As Congress and the country seize the nettle of amnesty, they will have President Ford's own bold words to guide them: "I am throwing the weight of my Presidency into the scales of justice on the side of leniency.

DÉTENTE AND THE FUTURE

Mr. CHURCH. Mr. President, the national debate on détente between the United States and the Soviet Union has begun. Last week, my able and distinguished friend from Rhode Island (Mr. Pell) wrote an article for the New York Times on this vital subject. He urged that—

> In seeking détente, the United States should use whatever bargaining levers it has to assure our military security and to press for recognition of the human values and liberties we treasure. But we must be careful that we do not overload the circuits and instead of bringing light to the world; plunge it toward darkness.

Senator Pell concluded that—

> It would be disastrous if we were turned from the present opportunities for détente.

I agree with this assessment.

I ask unanimous consent that Senator Pell's essay, "Détente and the Future," be printed in the Record.

There being no objection, the essay was ordered to be printed in the Record, as follows:

Détente and the Future

(By Claiborne Pell)

Washington.—Given a choice between détente with the Soviet Union or a return to the eyeball-to-eyeball confrontations of the frigid cold-war period, most Americans, I suspect, would choose a realistic easing of tensions between the supporters.

And, as a matter of fact, the progress toward détente initiated by Richard M. Nixon and vigorously executed by Secretary of State Kissinger has had until recently very broad support among the American people. Now, however, détente is in trouble.

The efforts to reach mutually beneficial agreements with the Russians on arms control and trade are under attack from all sides within the United States.

Conservatives criticize détente because of their profound disapproval of Communism and their equally profound distrust of the long-range intentions of the Soviet Union.

Liberals, while not opposing détente, insist on a coupling of agreements on arms controls or trade with liberalization of Soviet society.

Our military leadership and their supporters in industry and the Congress oppose détente because they believe that only overwhelming military superiority—and damn the cost—can provide security for our country.

The national leadership of much of organized labor is cool to détente, reflecting a traditional anti-Communist stance in foreign affairs as well as a union membership with heavy stakes in defense-oriented industry.

And the American Jewish leadership's view of detente is strongly shaded by its concern over the persecution of Soviet Jews and the role of the Soviet Union in the Middle East.

Each of these segments of our society has some measure of legitimacy for its concern. However, in combination, these segments form a very formidable alliance encompassing a major part of the most articulate and influential opinion-forming groups in the nation. And there is a very real possibility that, in combination, this alliance could turn our country from the path of détente.

I consider myself a liberal with moderate fiscal views, a supporter of labor, an admirer of Israel and the contribution to our national weal of our American Jewish community, and one who values basic human rights.

But I also have a long view of history, and I believe it would be disastrous if we were turned from the present opportunities for détente.

History does not stand still, but moves in currents and directions. And if the movement toward détente is halted, history will take a new direction, probably toward confrontation and conflict.

The tragedy is that most of the segments now joining in the alliance against détente do not want to see such a change in the direction of history. Each wants only to attach a condition to détente, apparently without realizing that the cumulative weight of the conditions could sink the ship.

The result would be what very few of the critics of détente want: an escalation of the arms race, a tightening of repression within the Soviet Union, a resurgence of the basic Soviet anti-Semitism, and an end to all voluntary emigration from the Soviet Union.

I am under no illusions as to any sun and light behind the Iron Curtain.

But at least people there are alive and leading reasonably normal lives. It is not the bleak scorched area it could be in a World War III.

It is so easy to forget the improvements of the last ten years. Prominent opponents of Soviet policies are now exiled instead of being killed or jailed.

It is understandable that the American Jewish community is concerned about the ill-treatment of many Jews who wish to emigrate, particularly in light of the Soviet history of pogroms and anti-Semitism. But the Russians have in fact responded to world pressure and some 30,000 Jews are being permitted to leave Russia each year. The extent to which the Russians have responded can be seen in the fact that Jewish emigration from the Soviet Union represents 85 per cent of all persons permitted to emigrate, while Jews continue less than one per cent of the population.

Finally, I think we should remember that Nikita S. Khrushchev was removed from power primarily because his advocacy of détente with the West was opposed by Soviet conservatives and the Soviet military. Now Leonid I. Brezhnev has staked his political life on détente. If he, too, falls because of his advocacy, it will be many a decade before another Soviet leader will risk his reputation, his prestige and his power in pursuit of better relations with the West.

In seeking détente, the United States should use whatever bargaining levers it has to assure our military security and to press for recognition of the human values and liberties we treasure. But we must be careful that we do not overload the circuits and instead of bringing light to the world, plunge it toward darkness.

PETITION TO CONGRESS ON BEHALF OF AMERICAN MIA'S

Mr. GOLDWATER. Mr. President, the American people have not forgotten the remaining U.S. personnel who are listed as missing in action in Indochina.

Only this month, I received a petition signed by more than 200 Arizonans living in or near Winslow, a city of approximately 8,000 persons. These citizens demand that their Government take strong and immediate action to obtain information about our MIA's.

My constituents put their finger upon the No. 1 problem involved, which is the recalcitrant attitude of the Communists, by suggesting that a congressional delegation be formed to visit Hanoi to press for further information. They know it is the North Vietnamese and Vietcong who have turned down American requests to enter Communist-controlled territory to conduct searches at probable crash or gravesites.

They also know of the tragic and cold-blooded attack by Communists on the last unarmed American MIA search team that investigated a crashsite in South Vietnam in December of last year.

Mr. President, I agree with the signers of this petition that our Government must continue to press for a full accounting of each and every one of the remaining U.S. MIA's. These citizens have asked if I would bring their petition to the attention of all of Congress by placing it in the CONGRESSIONAL RECORD, and I am pleased to ask unanimous consent for the petition and the names of its signers to be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

PETITION

To the Congress of the United States:

We as American Citizens demand you give your immediate attention to form a Congressional Delegation to visit Hanoi to obtain information about American Servicemen still listed as MIA's:

Robert Fair, R. C. Morgan, Archie Epling, D. S. Pike, Gladys Pike, Nadine J. Conder, Sharon Singleterry, Kay C. Guttersen, William R. Ledbetter, Janet Peterson, Janice Lancaster, Robert V. Perez, Christeena Harper, and Mary Tackett.

Linda Singleterry, Lynn M. Rice, Vicki L. Azeas, Teresa Sena, Katrin Nelson, Audie Whitney, Karl T. Frey, Emily J. Frey, Lorille Chambers, Dennis Echler, Sally Patterson, Carolyn Becraft, and Peter M. Becraft.

Charlotte Gipson, C. G. Gipson, Mrs. C. D. Gipson, Judy D. Cox, Sally Hudson, Mabel Feagins, Kelly Henson, Loudene Dove, Lynette Dove, Danny Dove, Chas E. Stegmeir, Bam Guttersen, L. C. Hansoe, Sharon Polk, Bonita White, Sheila Polk, Rena White, Deura Polk, Valerie Bryson, Della White, Joe White, and Lori Carrell.

Mrs. Carol Epling, Beth Gehringer, June Curnutte, Keith Curnutte, J. T. Curnutte, Helen White, George H. Morley, Mrs. F. P. Guter, Mrs Alan Whitney, Marie L. Rutherford, Kris Rodgers, Judy Ann Simmons, E. P. Jackson, Charles I. Mathes, Inna Bardslay, Patti Ansell, Louis Gill, Thomas James Benho, Chas. S. Allen, Jr., J. C. Fogleman, Sue Hancock, Edna Mae Robinson, Lea H. Koenig, Mary May Bailey, Margaret S. Iler, Robert R. Pennington, Cecilia D. Benefield, and Barbara La Gait.

Ruth B. Kalisz, Charlotte L. Buss, Rosemary Kutch, Brian Patet, George T. Kahn, Kathey Chacou, L. P. Fulton, O'Dette Fulton, Gloria M. Moore, Morgan H. Denet, Esther E. Kislingbury, Diane Todd, Jack Power, Vivian H. S. Power, Fontella Randall, Walter Cox, Ballard Henri, Stella Wilt, Jerry Wiggins, Heidi Ewart, and Jill Scholten.

Shirley Owens, Mary C. Boggan, Geralyn Owens, W. W. Boggan, Jack E. Dove, Joe Hoffman, Susan Boles, Mr. and Mrs. Florentino Paigas, Donald D. Johnson, Kathleen A. Johnson, Yvonne Howeth, Vivian Shurley, Kenneth D. Hillston, Larry Graff, James O. Babe, Cinda Sawyer, LeRoy Sawyer, and Sadie Sawyer.

Janet Peterson, Mabel Clarksen, Donna Davis, John Serrano, Rob Flatnik, David Harrah, Deborah Rippey, Robert Ford, David Stevens, Gayle Livingston, Lauri Leaverton, Leslie D. Purpana, Jannette V. Harrison, Lester E. Harrison, Debbie Bonnete, Kathi Bonnet, Kathy Williams, Jim Williams, Robin Ettinger, and Douglas Epling.

Glenn Howell, Patricia LaBart, Vivian J. Hopkins, I. L. Curtis, Mary L. Ellis, Mary Wyatt, Micke Todd, Patricia Kent, John L. Russell, Norma Lassiter, Chris Kissling, Helen Kessling, Cheis Hanson, R. A. Kent, Shawn W. Peterson, Keith Beauchene, and Jack Dale.

Coral Dawson, Richard White, Bonnie Blinn, Mary Lewis, ——— ———, Dan Lott, Andy Keeler, Rhonda Williams, Bernadette Armend, Bill Mollring, Claudia M. Scholten, Donald Blanchard, Blance Aston, Paul Aston, Nan Witte, John Witte, Darlene Barnes, Lynne Hoeeta, Tammy Bryan, Ardrea Schmoebeckere, Terry Mrytle Jay Lox, and Kathie Walker.

Sharoh J. Belper, Doris J. Hedges, Leola Tellman, Lyle R. Healg, Jammes F. Gary, Betty J. Stewart, George Patrick Dean, Nancy Iannelli, Nina Iannelli, Mike Cataldi, David Bennett, Mari Hammon, Robin Y. Rivet, George Jiffins, Jerry Jelly Elli, Eric Wyles, Katheen Reyes, J. A. Anne Snelson, and Tricia Dunn.

Michael J. Williams, Richard Weld, David Hameolf, Cathy Vinsel, Rob Kimmel, James Spurlock, Lynn Love, Loyd Thacker, Gary L. Eddy, Joseph Josephy, Stephen W. Lambert, David Hopper, and Diana Curnutte.

INDEPENDENT GASOLINE MARKETERS EXPRESS CONCERN OVER OIL INDUSTRY CONCENTRATION

Mr. McINTYRE. Mr. President, as chairman of the Subcommittee on Government Regulation of the Senate Select Committee on Small Business, I have recently held several days of hearings on the profits of our Nation's oil industry, the energy industries' need for capital, and the effect on small business. During these hearings, the subcommittee received testimony from the Independent Gasoline Marketers Council on the acquisition and operation by integrated oil companies of gasoline marketing facilities and the impact of this activity on competition. While it is obvious that the energy sector of the economy must commit substantial resources to the development of domestic energy supplies, the Congress must assure that in meeting our energy needs, competition is preserved and encouraged.

Mr. President, I request unanimous consent that the statement presented on behalf of the Independent Gasoline Marketers Council before the Subcommittee on Government Regulation be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. KEN CATMULL ON BEHALF OF INDEPENDENT GASOLINE MARKETERS COUNCIL BEFORE THE SUBCOMMITTEE ON GOVERNMENT REGULATION, SENATE SMALL BUSINESS COMMITTEE, AUGUST 20, 1974

Mr. Chairman and members of the committee, I appreciate the opportunity to appear here today on behalf of the Independent Gasoline Marketers Council. My name is Ken Catmull and I am Vice President of Autotronic Systems, Inc. of Houston, Texas. I am accompanied by Mr. T. J. Oden who is the Executive Director of I.G.M.C.

Before commencing my testimony, I would like to briefly state that, as the name Independent Gasoline Marketers Council implies, we are a Council composed solely of nonbranded independent marketers of gasoline. As defined by Congress in the Emergency Petroleum Allocation Act of 1973, the term nonbranded independent marketer means:

"A person who is engaged in the marketing or distributing of refined petroleum products, but who (A) is not a refiner, (B) is not a person who controls, is controlled by, is under common control with, or is affiliated with a refiner (other than by means of a supply contract), and (C) is not a branded independent marketer."

As Congress clearly stated, we are independently owned and operated companies, whose only relationship with any large integrated oil company is in the purchase of gasoline for distribution and resale through our own company outlets. We do not operate under any integrated company's trade name and we are, in fact, the primary competitors, at the retail level, of our substantially larger integrated rivals.

In order to maintain competition with our larger rivals we as businessmen must have access to certain essential tools. These tools are required whether the business entity is the most dominant firm within a given industry or the smallest. Every retail business must have a product to sell.

Gasoline supply problems, which began to develop in the Fall of 1972 and deteriorated progressively throughout 1973, were disastrous to nonbrand independent marketers. The impact that these shortages had on competition in the marketing segment of the industry resulted in the passage in November of last year of the Emergency Petroleum Allocation Act of 1973.

Recent press reports indicating that the Administration supports early removal of of petroleum product allocations causes substantial concern for nonbranded independent marketers. It is the position of the Council that precipitous action by the Federal Energy Administration with regard to removing or altering mandatory gasoline allocation procedures will have a serious detrimental effect on the consumer and on the competitive situation within the marketing segment of the oil industry.

Problems connected with obtaining adequate supplies of gasoline are compounded by the price that independent nonbranded marketers, are forced to pay for obtainable supplies. Members of the Council have found that it is increasingly more difficult to compete in the marketing of gasoline because of the fact that price increases to nonbranded independent marketers have been disproportionately higher than average price increases to all marketers. The Independent Gasoline Marketers Council has established a comparative wholesale price movement analysis which shows that price increases in 1974, when compared to 1972 base period costs are now substantially higher than rival branded marketers. While costs for all marketers of gasoline have increased on an average of 122% since the 1972 base period, nonbranded independent marketers costs for gasoline have increased by 137%. This pricing problem is compounded when it is taken into consideration that branded marketers also received the benefit of nationwide brand name advertising and major company credit card services. One of the primary benefits to the consumer and to competition within the marketing segment has been the competitive pricing policy of nonbranded gasoline marketers.

It has been the true independent in the oil industry that has generally been the innovator and the developer. The ability of nonbranded independent marketers to lower operating costs and to establish and maintain efficient marketing systems has resulted in competition in the market place that has been of real benefit to the consumer. Because of efficient and innovative marketing methods we have historically been able to offer gasoline to the consuming public at prices below that charged by our major brand rivals. If we can obtain adequate supplies of product, we can continue to be the competitive pacesetter and pricing policeman for the consumer in the marketing segment of the oil industry.

Among those issues that Congress must ultimately resolve is the function and role of our energy industry in total, and particularly the petroleum segment of that industry. The oil industry has undergone a total transformation within the last few years. Petroleum product shortages were first encountered in this decade because of insufficient refining capacity and failure to utilize existing capacity. This took place at a time when we were also experiencing substantial increases in demand. In October of last year Arab member countries of the Organization of Petroleum Exporting Countries imposed an embargo that further curtailed our ability to meet our energy needs. The embargo must be considered not only as a political act but also as an economic decision jointly reached by a cartel controlling the basic world supplies of crude oil. Through joint action OPEC successfully increased world crude oil prices fourfold over previous prices and it is still unclear as to whether or not we will experience even further increases.

The question is how do we as a country respond to the new changed circumstances. There are two prime issues:

(1) the energy needs of the United States and its people; and

(2) the ability of the private energy sector to meet those needs.

Oil is the life blood of any industrialized society and under our free enterprise system we have relied on private industry to meet this demand. This raises several questions can a reliable source of energy be handled solely by a number of individual private companies whose basic purpose is to make a profit?

Can we as a nation rely completely on the profit incentive to have our energy needs met? Will the cost of supplies to meet these needs become so overburdening as to substantially curtail our present standard of living?

There is no need to cite the recently published second quarter earnings of the major integrated oil companies. Suffice it to say, that most of the multinational integrated companies have continued to experience several quarters of high profits, most approximately double their 1973 figures. The argument for these high profits is the tremendous capital need of the individual companies to meet our energy needs, and I don't believe that any one can doubt that this need is real and is enormous. Most recent estimates show at a minimum that at least $60 billion a year must be invested in energy between now and 1985 with as much as $400 billion for the remainder of this decade alone. The extent to which the oil industry as a whole directs its resources into new domestic production and refining operations is of crucial importance. At stake here is not only a tremendous drain of our financial resources but also a public policy question of the extent to which the United States wants to have its economic well being determined by forces beyond our own national control. Recent estimates by the Commerce Department indicate that oil imports will cost $25 billion this year alone. The consuming public is calling for some sign of assurance that the increased prices that they are being called upon to pay will result in positive long range benefits.

Several months ago the Administration announced an ambitions new program regarding energy resources and entitled this undertaking as "Project Independence". The initial plan was to develop within our own borders self-sufficiency in energy resources. In the last few weeks however, the Federal Energy Administration has stated that Project Independence in effect will be Project Semi-Independence. FEA has stated that during the rest of this century the United States must continue to look to overseas sources for substantial quantities of crude oil. It is interesting to note that within a few days after FEA's announcement, the Oil Minister of Saudi Arabia, Sheik Yamani warned that the Arab oil producing cartel stands ready to reimpose an embargo on the United States, if the Arabs feel that our political position in the Middle East is not compatible with their goals. The embargo that we experienced last winter is a clear warning of the danger inherent in an increased reliance on other countries for our energy needs. During the height of the embargo, crude oil imports into the United States were cut by approximately 1.5 million barrels a day representing less than 10% of total crude oil demand of 16.5 million barrels a day. But yet this reduction placed an enormous strain on our economy and the American people. Immediate attention must be given to the degree to which the United States can increase its own available energy resources and the oil industry must meet this challenge.

When viewed within the context of this country's energy needs, the recent announcement by Mobil Oil Corporation of its intent to acquire Marcor, the parent company of Montgomery Ward, arises a host of unanswered questions. The American economic system encourages independent decision making by individual corporations. There are serious reservations to this general rule however. Public policy goals quite often override individual corporate decisions particularly when a well established public need is shown. The announced intent by Mobil to acquire Marco immediately raises the question as to whether it is in the best interest of this country to have the oil industry divert its resources away from energy production at this particular time. To the members of I.G.M.C. another question comes immediately to mind. What is the impact on competition when a major integrated producer, refiner, transporter, and marketer of oil products acquires a new company with major market penetration in the retail sector that can become a direct conduit for the sale of this company's gasoline and other petroleum products? The acquisition of Marcor by Mobil Oil Corporation extends the basic structure for the total and complete control of crude oil and refined products from the wellhead to the consumer.

This acquisition is also another example of the impact of the ability to accumulate capital in the oil industry. The sheer size of a company such as Mobil provides the leverage necessary to acquire a corporation whose assets include Montgomery Ward and the Container Corporation of America. It is interesting to note that this acquisition actually commenced last year when Mobil purchased almost 1.25 million shares of Marcor stock representing approximately 4.5% of the total shares of Marcor common stock outstanding. One of the arguments that Mobil has publicly made in support of this acquisition is the fact that members of Congress and other public figures have been critical of the oil industry and are threatening to inhibit this industry in one way or another. As a Council representing nonbranded independent marketers, we too share a concern for our industry's image with the public. The question remains, however, as to the total impact of this acquisition on our nation's ability to meet our energy requirements and its impact on competition in the marketing segment.

In recent years a number of large integrated oil companies have established new marketing operations using marketing names not generally identifiable with their companies' operations. This new phenomenon in the marketing segment has been referred to as secondary branding. These marketing outlets are totally owned and operated by the parent company such as Alert owned by the Exxon Corporation. It is partly because of this type of activity and its obvious impact on market control that Congress passed the Emergency Petroleum Allocation Act of 1973. The continued existence of this Act is crucial to the independent marketers of gasoline and other petroleum products. The major oil companies are strongly aligned against this act arguing that it distorts the competitive process in the oil industry. But this Act staved off the immediate and dramatic annihilation of the nonbranded marketers.

We, as nonbranded independent gasoline marketers, feel that there are two public policy questions that must be answered in connection with the announced proposed Mobil-Marcor merger. First, is it in our best national interest, at this particular point in time, to have major energy companies divert much needed capital into non-energy related areas and, secondly, is it in the best interest of the consumer and competition to have the nation's fourth largest oil company further expand into marketing. As independent nonbranded gasoline marketers we strongly oppose the continuing efforts of the major integrated oil companies to completely dominate and control all levels of the industry from production to marketing. Obviously as gasoline marketers we have a vested interest in our ability to compete, but we also feel that it is not in the consumers best interest for the oil industry to become completely dominated and controlled by a small number of giant companies. What competition remains in gasoline marketing should be preserved and if steps are not taken to do so quickly, Congress may well be forced to face much more difficult issues regarding the structure of this industry in the not too distant future.

MINERS' MEMORIAL MONUMENT

Mr. McCLURE. Mr. President, over 2 years ago after the terrible tragedy which claimed the lives of 91 men at the Sunshine Mine, shock waves surged across the country. While the country took note and then returned to its business, the families of these men had to continue to live with the tragedy and its result.

The memorial statue which they commissioned is not a grim reminder of an evil day so much as a living tribute to tough, strong men and their way of life. It reminds the youth of our country that there are men who go out daily with some risk to their lives to provide for their children's futures and their country's strength.

Strength and skill as well as dedication and courage are the backbone of the hardrock miner's character. If our country ever runs out of such men, it will fall upon evil days indeed. These were men proud of their skills and the knowledge that their work was necessary to their Nation.

In an effort to memorialize the 91 who were lost, and to pay tribute to mining as a way of life, those left behind—the Sunshine Widows—came up with the idea of constructing an appropriate memorial. The idea grew and donations rolled in. Finally, on May 2, the Miners' Memorial Monument was dedicated.

I ask unanimous consent that an article of the Kellogg Evening News be printed in the Record.

The dedication of the memorial was a fitting tribute to the men who lost their lives—and to those who have and will spend their lives in the mines, and to their families. But the dedication expressed another tribute which should not go unmarked. It was a tribute to a man whose name will not be inscribed on the monument to be read by future generations, but whose acts have given him a special place in the hearts of those families who lost men in the disaster. That man is Marvin Chase. Others may find it surprising that the Sunshine Widows asked the manager of the company to represent them at the ceremony. The people of Kellogg will understand. As one of the widows put it, Marvin Chase, the manager of the Sunshine Mining Co.,

> Performed many acts of unobtrusive helpfulness and kindness . . . too many to enumerate.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Kellogg (Idaho) News,
Apr. 29, 1974]

Sunshine Widows Ask Mine Chief Represent Them

The Sunshine Widows' Group has asked Marvin Chase, manager of Sunshine Mining Company, by letter "to represent the mining industry at the dedication of the Miners' Memorial Monument on May 2," and to represent the widows on the platform.

"We are asking you now to do something more for us on that day. We have decided that we want you to represent our group on the platform that day—decided it unanimously. No one from our group will be on the platform."

"In the course of this project of ours we have learned about so many acts of unobtrusive helpfulness and kindness on your part—too many to enumerate. So many times you have smoothed out the way for us. We feel it in our hearts—for the heart knows—what we cannot express. Ever so many people have contributed their talents, their know-how, their money, and their efforts to the realization of this impossible dream that we initiated and we cannot thank them all adequately, either."

"One of our group said that each of us has lost at least one dear to us—a loss that broke a heart—but you lost ninety-one, and that is a burden that lies heavy on your heart. So, on the platform on that day, will you represent all of us and in our name, give this memorial statue to the valley. We are grateful to so many for the uncountable acts of love and kindness that carried us through those days in May of searing pain."

The letter was signed by Edna Davenport, Eileen Pena, Doris Sargent, Elizabeth Rais, Mary Ellen Wilson and Elizabeth Fee.

NATIONAL HEALTH INSURANCE—IDAHO LOOKS AT THE PROBLEMS

Mr. CHURCH. Mr. President, after studying the concept of national health insurance as advanced by several legislative proposals currently pending before Congress, the Idaho Governor's Advisory Council on Comprehensive Health Planning has made recommendations regarding principles which they feel should be incorporated in any proposed system of national health insurance.

I know my colleagues representing rural areas recognize, as I do, that access to quality health care involves not only monetary concerns, but geographical as well. In line with this, the Idaho Council has endorsed the innovation uses of all available health manpower along with incentives toward increasing the quantity and quality of all health practitioners.

The points adopted by the Governor's Advisory Council are certainly worthy of consideration by Congress, and I ask unanimous consent that the text of this position paper be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

Text

The Governor's Advisory Council on Comprehensive Health Planning has thoroughly studied the "National Health Insurance Concept" over a period of eighteen months. In addition to analyzing the many, many proposals introduced in both the 91st and 92nd Congresses, the Governor's Advisory Council prepared its own "background paper" of analysis and comparison of the proposals introduced in the 92nd Congress prior to April 15, 1972. The Council has also examined and evaluated all of the subsequent proposals.

In January, 1972 the Council arranged and held the Governor's Conference on National Health Insurance Proposals. The Conference was attended by more than forty representatives of both state and national health and consumer organizations. The Council heard eight hours of oral testimony from representatives of nineteen organizations and received eighteen pieces of written testimony. The Proceedings of the Governor's Conference on National Health Insurance Proposals was published, widely distributed, and additional testimony from the readers of the Proceedings was solicited.

The regular quarterly meeting of the Governor's Advisory Council held on February 24–25, 1972 had, as the major item agenda, an in-depth discussion of the national health insurance concept and the many and varied proposals.

During its three and one-half year history the Governor's Advisory Council on Comprehensive Health Planning has addressed itself to the study and the recommendation of solutions to the problems of the facilities, services, and manpower components of the health care system in Idaho which, while peculiarly indigenous to Idaho, are also typical of rural areas in much of the vast land mass of these United States.

The spirit and the substance of many of these individual recommendations evidence the Council's consistent conviction that "change" should be advocated only when predicated on deliberative, reasoned judgment. This statement regarding the national health insurance concept is based on the deliberative, reasoned judgment of the Governor's Advisory Council on Comprehensive Health Planning.

The purpose of this statement is to convey the deliberative, reasoned judgment of the people of Idaho, as represented on the Governor's Advisory Council on Comprehensive Health Planning, to the elected representatives of the people who, as members of the Congress, are best able to express the will of the people of Idaho relative to the national health insurance concept.

FUNDAMENTAL BELIEF

It is a fundamental belief of the Governor's Advisory Council on Comprehensive Health Planning that a national health program should not be simplistic and based only on a massive infusion of public funds. The special problems of health care delivery to rural areas, as well as to the urban ghetto and even to many middle income citizens are so deep-rooted and so complex that they cannot be solved only with money.

RECOMMENDED PRINCIPLES

The Governor's Advisory Council urges that each of the elected members of the Idaho Congressional Delegation be advised that the Governor's Advisory Council on Comprehensive Health Planning recommends that consideration of the various national health insurance proposals should incorporate the following principles:

The Governor's Advisory Council accepts two major premises:

It accepts the premise that everyone in the nation should have access to the full range of preventive, curative, and rehabilitative health services regardless of the ability to pay for the services.

It accepts the premise that the accessibility of health services to the individual consumer is inextricably interrelated with the availability of skilled health manpower and, therefore, any system of national health insurance must necessarily act to promote the increased development of both traditional and new health disciplines; it must necessarily act to provide financial, as well as other incentives, to increase the quantity and the quality of all health practitioners; it must necessarily act to encourage the innovative uses of all available health manpower.

Based on these premises, legislation creating a national health service system should also incorporate the following principles:

1. The system should insure that the consumer has a free choice from among the available providers of health service.
2. The system should assure that the private health insurance system can continue to function, on the one hand, as a counterbalance againts bureaucratic meddling and political interference, and, on the other hand, to provide the dynamic mechanisms to encourage innovation in the provision of health care services.
3. The system should provide for a mix of revenue sources which is neither regressive nor inequitable to any sector of the economy of the population.
4. The system should assure that the administration of the system will be both reasonable and just, and will have enough flexibility to be able to respond to the desires of the providers and consumers of the health services through the continuing and dynamic comprehensive health planning process.

THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA

Mr. STEVENS. Mr. President, from August 3 through August 6 I was in Caracas, Venezuela, where I attended the Third United Nations Conference on the Law of the Sea as adviser to the U.S. delegation. With me in Caracas were my good friends, the Senator from Maine (Mr. Muskie) and the Senator from Rhode Island (Mr. Pell). At the time of our visit the 10-week conference was in its seventh week and main trends in the conference proceedings were already becoming apparent. I had an opportunity to discuss these trends at some length with leaders of the United States and foreign delegations and with representatives of the U.S. fishing industry participating in the conference. Most of those with whom I spoke were very aware of the possibility of action by the U.S. Congress on matters directly related to Law of the Sea issues—particularly of a bill which I am cosponsoring, S. 1988, which would extend as an emergency measure our fisheries management zone from 12 to 200 miles.

I would like to take this opportunity to share with you some observations concerning the conference proceedings which I made while in Caracas and my subsequent assessment of how we in the Congress must act in response to the present Law of the Sea situation. I am more concerned now, than I was before going to Caracas, with the crisis threatening this Nation's fisheries, and am more convinced than ever that it is crucial to the overall best interests of the United States that Congress take immediate action to extend our fisheries management zone to 200 miles.

As you know the Caracas conference is of unprecedented size with 149 nations participating. It has before it a task of unprecedented magnitude for an international conference. The more than 80 ocean-related issues comprising the official agenda are of enormous political, strategic, and economic implication to the international community. As a Senator from the State possessing more than half the coastline of the United States, I fully share the enthusiasm of conference delegates for their goal of establishing a fair system of international law defining nations' rights to use and lay claims to the world's oceans. However, we must clearly recognize the limitations of such a large conference to move with adequate promptness on an issue requiring immediate attention and resolution.

When in 1971, the General Assembly of the United Nations passed a resolution calling for a major conference on the Law of the Sea, it did so in anticipation of a rapid global intensification of use of the high seas for commerce, resource exploitation, military activities, and scientific research. The General Assembly recognized the desirability of preventing this intensification from occurring in anything but a peaceful manner. The success of the Law of the Sea Conference is dependent upon the degree to which it can anticipate potential ocean-related problems and confrontations and resolve them by an equitable and agreeable statement of law before injury occurs. I think it is fair to say that for most issues under consideration by the delegates in Caracas there is time for deliberation—even if the promulgation of a comprehensive Law of the Sea Treaty is delayed for another 1 to 4 years or longer as most Caracas observers are now predicting.

However, in the fisheries issue we have already run out of time. A rapid international intensification of effort in fishing has been underway worldwide for more than 10 years. While most resources of the high seas have barely been touched commercially, the exploitation of fisheries has been pushed to and even beyond the practical limit in many regions of the ocean. At least 11 commercially valuable species of fish are already depleted or are threatened with depletion off the coasts of the United States alone. Most of these species have for some years been covered by some sort of international fisheries agreement. From an average annual catch of 700 million pounds in the period from 1952 to 1960, the U.S. catch off the New England coast was cut 40 percent to 418 million pounds in 1969, while foreign catch increased from an annual 7 million pounds to over 1.2 billion pounds in 1969.

As an example of conditions on the west coast, in 1963 the United States and Canada put out 104 halibut boats in the Bering Sea, catching 11 million pounds of halibut. In 1973 the 7 surviving halibut boats caught a total of 167,000 pounds of halibut. In the same period the Japanese increased their trawl catch 500 percent and in 1973 caught an estimated 11 million pounds of halibut incidental to the target catches. In my home State of Alaska, Bristol Bay was this year declared a State and national disaster area because of the depletion of salmon runs upon which the economy of the area depends.

It was heartening for me to learn several weeks ago through State Department cables that widespread agreement had developed in Caracas in favor of a 200-mile economic zone. The State Department joined this growing international concensus in a major policy shift announced on July 11 in the Law of the Sea Conference Plenary by Ambassador John R. Stevenson, leader of the U.S. delegation. Ambassador Stevenson proposed a 200-mile economic zone giving the coastal nation exclusive rights to all seabed resources and preferential rights to fisheries resources, meaning that while the coastal nation would have full sovereignty over seabed resources, foreign fishermen would be guaranteed the right to fish underfished coastal stocks up to their scientifically determined maximum sustainable yield. International navigation and overflight would remain unhampered.

In the limited realm of fisheries S. 1988 closely resembles the State Department proposal. It attempts to minimize economic hardship caused traditional foreign fishermen of U.S. coastal stocks by stricter conservation and management regulations. The State Department proposal is viewed as one of the most moderate proposals now under consideration in Caracas. Other economic zone proposals enjoying major support call for coastal State sovereignty over all resources within 200 miles of shore, while the most extreme proposals advocate a 200-mile territorial sea. The only nation of major significance to expressly oppose any kind of extended economic zone is Japan which would like to see the ocean beyond the present 12-mile contiguous zone remain high seas.

Of great concern to me is the fact that although there now exists almost universal agreement that the coastal nation has the right to conserve and protect its fisheries within 200 miles of shore, implementation of this agreement must wait until all of the 80 issues under consideration in Caracas have been resolved and incorporated into a single comprehensive Law of the Sea Treaty. Many of these issues presently arouse considerable controversy. Ambassador Stevenson in his July 11 speech emphatically stated that the U.S. delegation would accept nothing less than a single comprehensive treaty—this position is shared by a number of foreign delegations.

Such a position may seem logical in the conference chamber and unquestionably contributes to greater security for the negotiator. But it does nothing to answer the difficult reality we are facing. It would be cruel irony if the mechanics of the Law of the Sea Conference contributed to a continued lawlessness on the seas such that fish stocks are destroyed while the world is working to preserve them. A global consensus in their favor will do our fishermen little good if their livelihood is nonetheless destroyed.

The dominant theme at the dinner and two luncheons with foreign delegates arranged for Senators **Muskie**, **Pell**, and myself by the U.S. delegation in Caracas was that one must not expect too much of international negotiation. We were told: "It takes time to build international law." This point was explained to me at length by members of the Japanese and Russian delegations. As a U.S. Senator I was counseled against taking action to extend our fisheries management authority.

I continue to believe that international law governing the oceans is attainable and eminently worthwhile, particularly law preserving world fisheries. But if the present lack of concern for basic conservation principles on the seas persists among some foreign fish operators for the indefinite amount of time necessary to conclude the law of the sea negotiations then we may be left very little of value to preserve. Enactment of S. 1988 by the United States will not be prejudicial to the successful formulation of a law of the sea treaty. On the contrary, S. 1988 conforms to world trends. As a fisheries conservation measure S. 1988 is a fair fisheries proposal which demand of foreign fishermen only that they accept the conservation measures we impose ourselves. I am confident that, given the consensus now evident in Caracas, any eventual law of the sea treaty will affirm or strengthen the fisheries protection established through S. 1988.

There has been no moratorium on international fishing within 200 miles off our shores in deference to the deliberations in Caracas and the world consensus evident there. It does indeed take time to formulate international law and the nations fishing our coastal and anadromous stocks to the point of depletion are apparently quite content to delay. We must act firmly and demonstrate openly that we will not abandon our commitment, enunciated in Senate Concurrent Resolution 11, to preserve U.S. fisheries. Strength, rather than weakness on this issue cannot but serve this Nation's overall interests and, in addition, remove an important incentive for delay in the law of the sea negotiations. I return from Caracas with the conviction that we must act to extend our fisheries management authority to 200 miles. The U.S. Congress is now the only organization capable of taking measures to insure the survival of U.S. fisheries.

Thank you, Mr. President.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the International Convention on the Prevention and Punishment of the Crime of Genocide may not redirect the flow of international relations. For the accord appears to impose a demand for selfless action upon its signatories. And relations between world leaders and diplomats have historically—and too often necessarily—been based wholly upon strict self or national interests.

But the convention will impose a new constraint upon that traditional perspective. By defining genocide as an international crime and obligating the parties to the accord to action against perpetrators of this offense, the convention erects a significant moral barrier against this horrible abuse of power. The price of this defense is not high. In creating this collective protection from genocide the nations of the world need only surrender their freedom to plan and impose programs of mass extermination.

This constraint will be fully effective, however, only when it has the support of the major world powers. To date more than 75 countries have ratified the genocide convention. Regrettably, the United States is not among that number.

Without American support the genocide convention is only an empty gesture toward international moral cooperation, toward any change in the moral blindness that has characterized the interaction between nations. More importantly, our failure to approve the treaty is an unflattering reflection upon our own ethical vision. Mr. President, it is long past time we set aside our concern with petty legalisms and move toward immediate reconsideration and ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide.

COMMUNITY SERVICES ACT— A DANGEROUS BILL

Mr. McCLURE. Mr. President, one of my constituents, Mrs. Harriet P. Crank, of Bridge, Idaho, has brought to my attention a statement which she and some of her neighbors have prepared after reading the Community Services Act. I am pleased to learn that my constituents are aware of this dangerous bill, and I am particularly grateful to Mrs. Crank for bringing this petition to my attention.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

PETITION

DEAR SENATOR McCLURE: We are very much alarmed by the Child & Family Services Act now coming up before the House and Senate.

For this reason we want to invoke our right to petition that was saved for us by John Quincy Adams. So we are enclosing a Petition to the Senate, and ask that you present it for us.

We would very much like to have it included in the business of the day and to appear in the CONGRESSIONAL RECORD.

Your very truly,

Mrs. Henrietta Kelley, Rachel Wunder, Lewis L. Young, Jenny Young, Ray Kelley, Alva E. Wunder, Patty Kelley, Loverna Gerrard, Mary Long, LaVetta Plocher, John Gincard, and L. D. Baker.

Carl E. Richardson, Lyon Plocher, Royce O. Tolman, Glenn W. Long, Donald C. Kelley, Dolores Baker, LaRae Tolman, Karen Fearnside, Alta Fowler, and Ellen Kelley.

PETITION

Definitely, but definitely, seeking to go beyond the will of the people and their elected representatives, the Community Services Act, HR 14449, passed by the House of Representatives (331–53) is the climactic expression of congressmen who vote on bills they have neither read nor studied, and have been pressured into okaying.

Contradicting itself many times, the 180 page Act has provisions for asking the governor of a state and the elected officials of counties, cities and towns, if Community Services may enter, but it also has definite provisions for by-passing any or all of these officials if they say "No!" Similarly it by-passes the people in an election. If the people of an area vote against it, the Director is empowered to enter the area anyway and establish Community Services.

Opening an incredibly big pork barrel, so ultimately disgraceful is the intent of the Act, it has unscruplous auditing features written into it. It says salaries paid to bureaucratic employees of organizations subsidized under the Act, "Shall not be counted as Administrative."

Authorizing more than $1.5 billion for Headstart, the Act covers almost everything in the life of a low income family. It would supplement the family's food, provide medical and legal services, loan up to $3,500 for 15 years at not less than 1% interest for a down payment on a new home or to fix up an old one, make loans to low-income business men of up to $50,000 on the same terms, direct vocational and pre-vocational education, sports of most kinds, child development, day care, and a host of other goodies including money for demonstrations that were not illegal. The Director would even be empowered to enter the bedroom with medical supplies and assistance for 'family planning.' On one page the Act says, "Use of Family Planning Services . . . shall not be prerequisite to receipt of service from or participation in other programs under this Act," but on another page it says, "The Director is authorized to suspend further payments . . . whenever he determines there has been material failure to comply."

Senator Curtis, of Nebraska, writing in the CONGRESSIONAL RECORD, says many members of the House voted for H.R. 14449 because they felt they had to "in order to survive politically." He says special poverty groups have spent a year organizing "to protect their private claims on the public purse" and that this lobby has permeated nearly every Congressional district. Citing their OEO (Office of Economic Opportunity) funding, Curtis says they have "ridden to battle armed with literally millions of dollars of public funds to advance their cause."

Speaking of the Act's provisions to "support local government and include their social values and political objectives into every community," Senator Curtis says if this bill passes the Senate, "We might as well abolish Congress, abolish state and local government, and simply turn over the authority which we hold in trust from the people to the faceless bureaucrats who many feel already run America.

FIGHTING "AGEISM" IN EMPLOYMENT

Mr. CHURCH. Mr. President, in the last several months there have been some heartening signs of progress in combating age discrimination in employment. In April, the Fair Labor Standards Amendments of 1974 became law and extended the protection of the Age Discrimination in Employment Act to employees of Federal, State, and local governments. Coverage of private employers was also amended to include those with 20 and more employees compared to the former stipulation of 25 or more. I was pleased to have sponsored these amendments.

In May, Standard Oil of California agreed to a settlement of $2 million in the largest age discrimination award ever. In June, the Labor Department filed a complaint against two railroad companies seeking $20 million on behalf of some 300 present and former employees in the largest suit ever filed. This suit is particularly important in that it challenges a mandatory retirement age of 62.

These events are recounted in a perceptive article by Sylvia Porter, "U.S. Wars on 'Ageism,'" in which she applauds the "new, no-nonsense crackdown." On the other hand, she points out that while thousands of workers did get some help under the law, there are many, many more who did not. She estimates:

> The number of U.S. workers being hit by this form of discrimination is surely in the millions, not the thousands, and the amount of money forfeited by these victims is surely in the billions, not the millions.

I agree wholeheartedly with Miss Porter, and while I, too, applaud the Labor Department's recent actions, I wonder why the enforcement of the Age Discrimination in Employment Act is continually starved for funds. The Congress at the outset authorized $3 million for enforcement of the act. This was recently raised to $5 million because of the extension of coverage. Yet the Labor Department has asked for only $1,755,000 for funding in fiscal 1975—a funding level which would support enforcement activities at the 1972 level.

I am disturbed that the Department does not back its increased responsibilities to enforce age discrimination in its many guises with requests for adequate funding. Also disturbing is the length of time required to investigate cases. In the Standard Oil suit, some of the employees were discharged as long ago as December 1970. In the case of another individual with a legitimate complaint which was brought to my attention, the Department took almost a year and a half to decide that it would not file suit. Certainly part of this delay is the lack of adequate investigative manpower.

The fiscal 1975 Labor budget is now being considered by a subcommittee of the Senate Committee on Appropriations and I have asked Chairman WARREN MAGNUSON to consider additional funding for these activities.

Funds spent in this way would not be inflationary but would instead save public money otherwise needed for unemployment and welfare payments. The savings in human resources is immeasurable.

Mr. President, I ask unanimous consent that the article by Sylvia Porter be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. WARS ON "AGEISM"

(By Sylvia Porter)

The opening salvo has been fired at last in a new, no-nonsense crackdown against our most rampant and devastating form of job discrimination—"Ageism."

Just two months ago (May 15) the giant Standard Oil Co. of California agreed in an historic settlement of a case brought by the Labor Department to award $2 million in back pay to 160 older employes the company had illegally discharged between December 1970 and Dec. 31, 1973, because of their age. The company also agreed to rehire 120 of these workers.

The settlement made history because it was by far the largest ever made under the little known 1967 Age Discrimination in Employment Act.

One month later, the Labor Department filed a $20 million suit against two of the nation's leading railroads—the Baltimore & Ohio and the Chesapeake & Ohio—on the basis that the railroads had illegally fired, demoted or denied work to no fewer than 300 employees between 40 and 65 in violation of the age discrimination law.

The Chessie suit made history not only because of its size in dollars but also because it challenged, for the first time in the law's history, the company's mandatory retirement age of 62.

Should the workers involved be awarded the full $20 million by the Baltimore Federal District Court, it would mean an average settlement of more than $66,000 for each worker

Should the ban on the mandatory retirement age of 62 be upheld by this court, the implication would be that virtually every corporation now pegging retirement at this age would be legally vulnerable.

These suits, says Labor Department attorney William Kilberg, are merely a hint of what's to come. Under the law, including an important round of new amendments signed into law by President Nixon along with the minimum wage amendments on April 8:

Private employers with 20 or more employes may not discriminate against workers between 40 and 65 because of their age unless age is a "bona fide occupational qualification"—as, say, for baby clothes model.

The ban applies not only to hiring; it also applies to hiring, promotion, awarding fringe benefits, other job practices.

Job ads may not discriminate against older workers (e.g., by specifying a "young person," "teenagers," "recent college grads") and discrimination by employment agencies and unions also is banned.

Coverage under the Age Discrimination Act is extended to nearly 14 million federal, state and local government employes. In addition, the yearly budget authorization by Congress for enforcement of this law was increased from $3 million to $5 million.

Before you raise even a feeble cheer, however, let it be understood that the liberalizations and the new aggressive stance by the Labor Department enforcers have been painfully long in coming.

In an enormous number of workplaces, a person who is over 40 is designated as an "older worker." Age discrimination in job recruiting and job ads remains pervasive.

While in fiscal 1973, thousands of workers did get some help from the Labor Department Wage & Hour Division in keeping or regaining job privileges which had been illegally denied them, the number of U.S. workers being hit by this form of discrimination is surely in the millions, not the thousands, and the amount of money forfeited by these victims is surely in the billions, not the millions.

On top of this illegal discrimination, the older worker in the United States (and there are 37 million between the ages of 40 and 65) is being squeezed by today's murderous inflation. And this squeeze is not only on current incomes but also on carefully accumulated nest eggs and pensions.

The spectre of rising unemployment at a time when today's queasy economy could quite easily tilt downward rather than rebound is far more serious to the older than to the younger worker.

SHORTAGE OF NATURAL GAS

Mr. ROTH. Mr. President, in his speech to the Congress and the Nation on August 12, 1974, President Gerald R. Ford set the tone for a new spirit of cooperation between Congress and the executive. President Ford's call for "action, not words" was a long-overdue plea for constructive leadership in the resolution of the great problems facing this Nation. His commitment to cooperative action between Congress and the executive was an important first step toward the development of effective solutions to the Nation's problems.

I was particularly pleased by the President's endorsement of a Cost of Living Task Force and a proposed economic conference of members of Congress and the executive branch, and leaders of labor, industry, and agriculture to deal with the vexing problems of inflation. For the past 5 months I have been urging my colleagues in this Chamber to establish such an anti-inflation commission composed of representatives of all segments of the economy.

As the President noted in his address, "inflation is public enemy No. 1," and we must make every effort to bring it under control. The renewed spirit of cooperative problem-solving he outlined will make the finding and implementing of solutions to our most pressing problems immeasurably easier.

I do not believe that coordinated problem-solving should stop with inflation. There are other important issues facing this Nation, and we should take intelligent and decisive action to resolve them. These problems could also be approached through the use of task forces to recommend solutions to the President and Congress. The task forces would not only recommend policy alternatives to resolve timely issues, but they would also help to cement the divisions that now exist between various factions of Government, industry, and the public. Accordingly, last week I wrote to President Ford urging him to establish a task force to address the increasingly critical shortage of natural gas.

Today, natural gas represents 38 percent of all energy consumed in the United States. It serves 43 percent of the country's industry and 150 million Americans in their homes.

Since 1968, Americans have been consuming natural gas at about twice the rate of its discovery. As a result, there has been a continuing decline in our natural gas supplies. Only a decade ago this country had an 18-year supply of natural gas. Today the proved reserves are less than a 10-year supply. At the same time our reserves were being depleted, we have had an unprecedented and unforeseen growth in demand, which has exacerbated further the growing stress on our limited natural gas supply. In the past year, this problem has reached critical proportions.

In June 1974, the chairman of the Federal Power Commission—FPC—stated that there was "growing evidence of a deepening and potentially crippling" natural gas shortage. The Federal Power Commission has pointed out that some areas of the United States face critical natural gas shortages next winter and spring, particularly the Atlantic coast. The FPC predicts curtailments of firm natural gas supplies for 1974–75 will increase by 80 percent over last winter; the shortage is anticipated to reach 1.8 trillion cubic feet. In addition, the curtailment of interruptible users over the same period is anticipated to increase by 60 percent to 0.2 trillion cubic feet. Thus, the natural gas supply deficit is expected to reach 2 trillion cubic feet, which is nearly 10 percent of total natural gas demand.

The future outlook, if present policies are continued, is even more startling. By 1980 the shortage is expected to reach 9 trillion cubic feet and by 1990 it will be 17 trillion cubic feet. The severe economic dislocations in the next decade are all too apparent if reserves are not increased substantially by new discoveries.

The reality of the shortage of natural gas is unquestioned. The question is should the shortage have occurred in the first place and can it be overcome in the future?

Gas industry estimates indicate that there is an abundant supply of natural gas to be tapped which could satisfy both our immediate needs and those for the foreseeable future. According to these estimates, the quantity of natural gas known to be recoverable on the basis of available technology and current geological and engineering data as of December 1972 was 266.1 trillion cubic feet in the United States, including Alaska. At that time, estimates of "potential" natural gas supplies; that is, gas not yet in proved reserves, ranged from 1,146 trillion cubic feet to as high as 6,600 trillion cubic feet. The low estimate of "potential" reserves is significant when it is noted that it is over 50 times this country's 1972 consumption. It is for this reason that the natural gas shortage has been said to result not from an inadequate domestic resource base, but rather from a lack of incentive to explore for and develop new resources.

Since 1954, when the Supreme Court extended the authority of the Federal Power Commission over the sales of natural gas producers where the gas is sold for resale in interstate commerce, a controversy has raged between producers and consumers. The producers have charged that the price of natural gas has been kept artificially low, creating disincentives and causing shortages. On the other hand, consumers believe that regulation is essential to prevent exorbitant pricing with no assurance of additional supplies. The result has been a legislative roadblock for 20 years.

In my letter to the President, I called attention to a number of other problems associated with the shortage of natural gas that require congressional direction. While the shortage can only be corrected by additions to the proved reserves, a time-consuming process, the threatened curtailments of natural gas to the nearly 3 million commercial and industrial users require a different type solution—how to use the available supplies in the most equitable manner. It is important to note that these curtailments will manifest themselves in varying degrees in various regions of the country, depending upon the supply posture of specific pipeline companies.

The impact these shortages will have is vividly demonstrated by Delaware's problem. The Transcontinental Gas Pipe Line Corp., which services the First State, anticipates that curtailments will vary between 23 and 33 percent over the next year. This curtailment could have a profound economic impact. For example, Delmarva Power & Light Co., the local distributor, reports it will have to curtail power to industrial customers with a total employment of over 16,000 people and an annual payroll in excess of $180 million.

Delaware is not alone in facing this problem. If the Federal Power Commission's predictions are correct—and we have no reason to believe they are not—similar shortages will begin to affect individuals and industries throughout the East, Midwest, and Southeast.

The obvious solution is to rely on the independent and executive agencies to deal with the anticipated shortage. Unfortunately, the Federal Power Commission, the Federal Energy Administration, and other agencies do not have the necessary powers to deal with the imminent shortages. In response to this situation, on June 19, 1974, I introduced S. 3677 to authorize the Federal Power Commission to allocate scarce supplies of natural gas.

As we all know, it takes more than the introduction of legislation to solve problems. Notwithstanding the introduction of more than 1,500 bills in the 93d Congress, literally hundreds of hearings and many extensive investigations, legislative progress on energy problems has not been impressive. Five major energy bills have been enacted by the 93d Congress, only one of which will add to the supply of natural gas.

Additional legislation, while it is important, is not the final answer. What we need is a national consensus on national problems. In my opinion, the best way to get this consensus is through well-conceived programs developed by task forces comprised of knowledgeable representatives of the Congress, the executive, business, labor, consumer groups, and other interested citizens.

Therefore, I have requested the President to establish such a task force to recommend a program for resolving the myriad of problems associated with the natural gas shortage. I would envision this task force to consist of 10 to 15 persons to examine both short- and long-term problems in natural gas supply. Congressional representation should be two from each House, one from each political party. The task force would have a life of 90 days, and would have available to it the talents and resources of all branches of Government.

The task force would be instructed to provide the President and the Congress with a pragmatic program with sufficient appeal to permit its timely implementation. Upon request by the President, I am confident that task force members would subjugate their personal interests for the national good; and would, through an openminded consideration of the issues and alternatives, hammer out a consensus that could be supported by the majority of the concerned parties.

Mr. President, the past few months have been extremely difficult ones for all Americans. The constitutional crisis brought on by Watergate has tested the very foundations of American Government. That crisis is now behind us. It is time to undertake a new spirit of cooperation in the resolution of the critical problems facing this country. I feel that task forces of the kind I am recommending on the natural gas shortage would be an effective way to develop meaningful solutions to our major national problems.

I expect to propose other task forces to President Ford and my colleagues in the Congress in the next few days.

Mr. President, I ask unanimous consent that a copy of my letter to President Ford be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 16, 1974.

Hon. GERALD R. FORD,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Your speech to the Joint Session of Congress on August 12, 1974, was an inspiration to all Americans. Your call for "action, not words" was a long-overdue plea for constructive leadership in the resolution of the great problems facing this nation. I was also gratified to hear you urge cooperative action between the Congress and the Executive in the solution of important problems.

Your endorsement of a Cost of Living Task Force and a proposed economic conference of Members of Congress, the Executive Branch, and leaders from labor, industry, and agriculture was a positive step toward dealing with inflation. For the past five months I have been urging the Congress to establish such an anti-inflation commission composed of representatives of all segments of the economy.

As you aptly stated, "inflation is public enemy number one" and we must make every effort to bring it under control. I do not believe that coordinated problem-solving should stop with inflation. There are other important issues facing this nation, and we should take intelligent and decisive action to resolve them. I would urge you to give serious consideration to the establishment of other task forces on problems critical to America's future. One area which should receive immediate attention is the shortage of natural gas supplies.

The Federal Power Commission (FPC) recently pointed out that many areas of the United States face critical natural gas shortages next winter and spring. The FPC predicts curtailments of firm natural gas supplies for 1971–1975 will increase by 80 percent over last winter; the total natural gas supply deficit is expected to reach 2 trillion cubic feet, which is nearly 10 percent of the total interstate natural gas demand.

By 1980, the shortage is expected to increase to 9 trillion cubic feet and by 1990 to 17 trillion cubic feet if present policies are continued. The economic and social implications of these shortages are profound.

A wide range of industries and public services depend on natural gas. In fact, natural gas supplies one-third of the nation's total energy requirements. With alternative fuels also in short supply, the number of options available to gas users is limited. Thus, many plants have already announced preliminary plans to layoff thousands of employees if supplies become scarce. This action will be duplicated nationwide, and will become more serious in the future, unless we take steps now to improve our response to this critical issue.

Answers must be found to the legislative deadlock that has thwarted the development of natural gas policies that would expand the supply of gas and minimize the impact of the shortage of this national resource. Inability to find a solution to the country's energy problems is certainly not due to inadequate attention by Congress. Countless hearings by more than 30 Senate, House, and Joint Committees and over 1,500 bills in the 93rd Congress attest to this. Yet, only one measure (the Alaskan pipeline bill) has been enacted that will provide additional oil and gas.

The controversy that has existed in Congress for 20 years between those who seek deregulation of wellhead natural gas prices and those who believe regulation of prices is inviolate is typical of the hard problems to be addressed. Other complex issues requiring decisions are:

Should the end uses of gas be restricted to protect higher-priority users?

Should available supplies of natural gas be allocated to minimize economic disruptions?

Should the jurisdiction of the Federal Power Commission extend to intrastate operations?

Are the estimates of available gas reserves reliable?

Should millions be expended to manufacture synthetic gas or import liquified natural gas?

In my opinion, a program acceptable to both the Executive and Legislative Branches that will best meet the needs of our country can most effectively be formulated in the shortest time by a task force for natural gas. Therefore, I urge you to establish such a task force. I would envision this task force to consist of ten to fifteen persons from Congress (two from each House), the Executive Branch, private industry, labor, consumer groups, and other interested citizens. The task force would have a life of 90 days, and would make recommendations for realistic solutions to both short- and long-term natural gas problems.

The task force would be instructed to provide you and the Congress with a pragmatic program with sufficient appeal to be implemented readily. At your request, I am content the task force members will subjugate their personal interests for the national good, and will, through an open-minded consideration of the issues and alternatives, hammer out a consensus that can be supported by the majority of the concerned parties.

Over the past eight years, it has been my distinct pleasure to serve with you in both the House of Representatives and the United States Senate. I look forward to working with you on the important problems facing the United States, including inflation and the natural gas shortage. To this end, I shall suggest, in the next few days, the establishment of additional task forces to examine major national problems.

Sincerely,

William V. Roth, Jr.,
U.S. Senate.

LEARNING CAPACITIES AND CONTINUING EDUCATION FOR OLDER AMERICANS

Mr. CRANSTON. Mr. President, I invite the attention of my colleagues to the text of remarks by Stephen Horn, president of California State University at Long Beach before the Senior Citizens League, Inc., in Seal Beach, Calif.

President Horn is interested in helping older people achieve the full potential of their later years and considers that recent studies reveal some important facts about the capacities for continuing growth in older persons. He points out the following: tests show that with stimulus the brain potentially can perform at its maximum capacity through age 90. Senility, these same studies show, is a conditioned response, especially prevalent in a society such as ours which has been politically, socially, and educationally preoccupied with youth. Learning does not decline significantly with age; the ability to learn at ages 50 and 60 is about equal to that at age 16.

President Horn believes that from ages 25 to 55—during one's working career—there ought to be a recurring pattern of formal educational training, as well as educational opportunities for the retired person who wants to take advantage of increased leisure time for personal enrichment and continued self-development. Several imaginative educational programs have already been initiated in U.S. colleges and universities to meet these needs, including such programs at California State University, Long Beach, as a counseling course, a preretirement training workshop, a self-paced program in evaluation and strengthening study skills and learning processes for those wishing to reenter a college, an activity course in theater appreciation, photography, and others. But there is nothing in this country yet to compare with the "Third Age College," a new division of the University of Toulouse in France, where the pace and curriculum is specially geared to those over 60.

The expansion and development of such continuing educational opportunities is seen by President Horn as an important item on our national agenda for the 1970's.

I ask unanimous consent that the full text of his remarks be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

HE WHO LEARNS LONGEST LIVES BEST AND PROBABLY LAUGHS A LOT MORE, TOO

(By Stephen Horn)

Carlos Chavez, Mexico's leading conductor and composer and our artist-in-residence at California State University, Long Beach for the past six weeks, was born in 1899. He witnessed the first flight of the airplane and the walk on the moon and probably has been privy to a host of other similar historical comparisons which make him in his own being an integral part of the history of the past three quarters of a century. He was a friend of Stravinsky, colleague of Schoenberg, and many other musical greats, and he came into our University this past month and a half and inspired students and faculty alike by his continuing creativity, his enthusiasm, his genius, and his humanness. For the first time in his long musical career, he conducted a symphonic band. He lectured in Spanish on Mexican folk music. He was the occasion for our first bilingual press release. He ran our Dean of Fine Arts, who is 43—but aging fast—ragged. My 32-year-old executive assistant, who escorted him for an afternoon's excursion to Disneyland, says he is everything in a man she has ever looked for. Now that is not what I call growing old.

Two weeks ago, Robert Maynard Hutchins, former President and Chancellor of the University of Chicago, founder and since 1959 head of the Center for the Study of Democratic Institutions in Santa Barbara, came to our campus as guest of honor and principal speaker for the dedication of the University's new Graduate Center. He, also, was born in 1899. He still speaks with the clarity and incisiveness and wit and relevance which have characterized his past 51 years as a noted educator and intellectual, and, which have for all those years made people reexamine their values in the light of his. He is tall, trim, with a dignified, imposing bearing. Now that is what I call "Dynamic Maturity".

What is it these men—(and it is just coincidence that it is two men relevant to this topic that were recently on our campus, ladies. I could name many women with similar qualities. We all remember the energy of Eleanor Roosevelt and have seen that of Golda Meir). What is it these individuals have in common? An active, still-curious and creative mind, a love of life and learning, a certain humility, and experience in living that puts the world in perspective and inspires those around them.

Obviously, and unfortunately or fortunately as one might view it, we are not all going to be a Chavez, a Hutchins, a Mae West, a Grandma Moses, an Alice Roosevelt Longworth. But we are all going to get one year older each year, and I think it is of some relevance, therefore, to know that tests show with stimulus the brain can potentially perform to a maximum through age 90. Senility, these same studies show, is a conditioned response, especially prevalent in a society such as ours which has been politically, socially, and educationally preoccupied with youth. Senility is not an inevitable result of human growth. Much of it, I suspect, is unnecessary. Learning ability does not decline significantly with age; the ability to learn at ages 50 and 60 is about equal to that at age 16.

Why, then, are not all retired people as eager to learn as freshmen arriving at college in the fall? Why are those over 52 not enrolled in college courses by the dozen? Why are so-called "rest" homes doing such a booming business? These are important questions; there are important answers and there are a number of reasons, and many of them involve a reexamination of the whole concept of higher education and the role of the public university such as California State University, Long Beach.

Retired people vary in their abilities as do other age groups; not all have the native ability for college level education but many have. This is actually an area where those retired persons who are capable of success in college—and a survey of some 2,000 retirees in California shows that more than 30% fall into this category—can provide a valuable community service in learning to aid and communicate with those, who are peers in age, but who lack formal education or commensurate experience, and who do not have basic learning skills. This group tends to withdraw, and their isolation leads to more rapid mental and physical deterioration.

However, even among those individuals suited for college education there are certain myths and traditions that work against the motivation necessary to continue the educational process: the idea that older persons cannot learn (the old-dog/no new-tricks syndrome), or the idea that the elderly have poor memories are myths. Many older adults suffer from insecurities and fears of not being able to fit into or adapt to what they see as youth-dominated educational activity. This image would not last long were it more widely known that our oldest freshman enrolled as a student in Comparative Literature in the fall of 1973, at the age of 81. Actually we have 87 students at the University between the ages of 60 and 81, and 476 between the ages of 50 and 59.

One of the greatest deterrents, however, has been what a member of our own faculty calls "an absence of scholarly recognition of the older American". The fact that the needs of the older individual have been ignored in educational planning and the fact that higher education—its programs and courses—has been traditionally viewed as belonging to the exclusive realm of the 18–22 year old, mainly living on campus or within easy access to campus, are evidence that the typical university is not geared to the educational needs, and formats, and delivery systems required by the adult student and especially by the senior adult citizen. Most such individuals have never been made aware of the opportunities and potentialities before them, or if they are aware they have been deterred from participation by a number of obstacles such as the increasing cost of education at a time when relatively fixed incomes such as Social Security are not rising as fast, as the cost of living. In competition with the basic necessities of food, clothing and shelter, education in many instances simply had to take the lower priority.

For the adult citizen, the choice between the necessities of life and education can no longer be tolerated. From its founding, the United States has made a growing commitment to the values of an educated citizenry, and, particularly in California where education has been provided at public expense. Now, that citizenry *lives* longer. As a result of improved medical technology and better living standards between 1950 and 1970, the over 65 population increased at more than twice the rate of the under-45s. Today some 20 million elderly individuals make up 10% of the total population. One in every 10 Americans is in this catgeory. At the present rate of increase, approximately half the population will be over 50 years of age by the year 2000, and the trend is toward earlier and earlier retirement. In addition, California has one of the largest concentrations of older Americans in the nation. By 1985, when the population will have passed the 25 million mark, California will have more than 2 million persons 65 years of age and over.

The consequences of this trend are twofold, and when aggravated by inflation, indicates an inescapable responsibility on the part of the entire educational system in this state. One consequence I will call, for want of a better term, social isolation. For those who are more affluent, with Social Security and private retirement funds, there is a move toward planned retirement communities such as this one where persons under 52, in this case, are excluded. On the other end of the income scale, we see the same exclusiveness but in what has been less attractively labelled the "geriatric ghettos" of the inner cities. Actually, the income statistics are not encouraging; the over-65 community is the only group in which the number of poor is rising.

Such isolation, especially among the less fortunate, often leads to a loneliness which contributes to the symptoms of senility and expedites fulfillment of that condition. Our current rate of inflation, however, is increasingly pulling the elderly all along the economic continuum bolt upright and fighting mad. They are more concerned than ever before for their own rights—in economics, in education, in social affairs, in housing, in credit, and in a number of other areas. And because of their rising numbers, their stronger sense of community, and the general trend among groups in the nation today who see themselves oppressed, there is an increasing tendency to establish an identity and insist on their civil rights. Older Americans are organizing again for the first time in more than 40 years. Our older citizens have not been more active politically since Dr. Francis E. Townsend, retired and living in Long Beach, issued the "Townsend Plan" to care for the elderly during the Depression. There are now more than 300 national organizations representing the interests of the old; they are calling upon the elderly to become issue-oriented. These organizations are becoming more and more militant. The most militant was established as the Gray Panthers several years ago. It now numbers some 2,000 members (15% of which are under 65) and it vows to fight "again"—discrimination based on age. The American Association of Retired Persons, headquartered in Long Beach, claims 6.5 million members and a substantial growth rate each month. In two years the National Council of Senior Citizens has grown from some 1.7 million members to 3.5 million. There are the National Council on the Aging which has some 1400 organizational affiliates and the California Legislative Council for Older Americans with about 50,000 members.

Politicians who have seemingly been preoccupied with youth cannot continue to ignore the older American. Educators, happily, have been a little less slow to recognize and to respond to the increasing demand of the adult population for educational programs relevant to their needs, for as our traditional enrollment has declined we have had to become more sensitive to new and potential constituencies. More important, as an educator, I, and others like me, have recognized that in an age of ever-increasing complexity of social and technological systems, it is more essential than ever before to provide an education through which the individual can come to grips with his or her own values, with those of his or her society, and with those of the broader world beyond—to provide a steadily broadening base on which a person can continue to learn and to grow as an individual, regardless of age.

This kind of educational commitment knows no bounds in terms of age or previous level of formal schooling. It is an approach which seeks to spread formal education over a person's entire lifetime. From ages 25 to 55, there ought to be a recurrent pattern of formal educational training during a work career in the United States as there is, by government subsidy (of the family as well as the individual) in several European countries. This serves to maintain a current and productive work force by keeping the individual up to date in terms of technological skills and theoretical understanding and by providing retraining for workers whose jobs are endangered by technological change. How much better it is to re-educate individuals during their working years before they are forced to pick up unemployment checks of limited duration which provide little hope and no opportunity upon which to build a new career. But there are also important spin-offs from this approach which should be carried beyond the working years into the retirement years. These include reducing the gap between the educated young and the older generation, preserving the ability to learn, resisting the rigidities of advancing age, and maintaining social awareness.

This re-entry education, as I call it, is applicable to the older worker who may be handicapped by obsolete skills, by a lower level of formal education than younger colleagues, or by a lack of self-confidence. Re-entry education is also extremely relevant to the retired person, who may be as young as 55, who wants to take advantage of increased leisure time for personal enrichment and continued self-development, and who has interests that range from current events, politics, foreign languages, and music and art appreciation, to the fine and applied arts and crafts. Re-entry education is relevant also to the individual who chooses to become involved, either on a volunteer, part-time, or even full-time basis in some community service such as day care centers, recreation, therapy or health care, or working with handicapped children or other older adults; this individual may well find that to embark on what actually may be a new career requires formal retraining. Re-entry education is relevant to the person who was caught in youth by the Depression and who finally sees an opportunity to earn the degree which has been too long denied. Re-entry education is relevant to the individual facing retirement on a limited budget who finds himself or herself needing to know about finances, investments, income tax, health, estate planning, consumer education, nutrition, health and physical fitness, insurance, car repair, legal services, employment discrimination, and housing improvement. Re-entry education is, in short, relevant to you all.

Today, an increasingly significant portion of higher education is either taking place outside traditional institutions or in non-traditional modes, such as the on-campus Weekend College at California State University, Long Beach which is designed to attract adults who have not had a college education or those who want to reeducate themselves in new areas. This program, which we expect to offer again next fall, is an interdisciplinary approach with basic courses such as "Explorations in Cultural Creativity" that give students an exposure to a variety of disciplines in a matter of months rather than the years which the traditional university pace on a course-by-course basis would require. In addition special weekend intensive workshops are offered off campus through continuing education. Courses are being developed in areas such as Allied Health training which will be offered through the California Instructional TV Consortium. An External Degree movement is developing which will permit individuals to utilize special courses designed for their needs as well as to draw on existing courses which are already in the regular curriculum of different campuses. When fully developed the external degree program will lead to various baccalaureate and master's degrees.

The campuses of America, and especially those public institutions of higher learning in California, are no longer the traditional medieval fortresses behind whose walls all educational activity must occur. They cannot afford to be isolated. With development of the continuing education or off-campus mode, there are limitless possibilities and opportunities for educational institutions such as ours to work with particular groups to develop programs tailored to special needs such as yours.

This process will be speeded up as evolving constituencies, including senior adults, place new demands on universities and colleges to meet their cultural, social, recreational, and occupational needs. This means providing educational experiences which will allow a chance for self-expression and involvement in the mainstream of society.

It will be up to institutions such as California State University, Long Beach, to provide you with those opportunities, but that will take some learning and readjustment on our part, for the older citizen definitely has different needs than the constituencies we have been more accustomed to serving. We will, for example, have to explore ways of providing credit for learning by experience, ways to simplify admissions and the stop-out and re-entry process, and ways to establish campus classes offered with the option of no credit or grade. Perhaps a special "audit" status should be established such as at Ohio State University's "Program 65" which does not require examination or papers from its participants. There is no flunking. Learning is free and for its own sake, but those enrolled have all the library and recreational privileges of any other student. We will need personnel who are able to advise the older adult on academic programs and even job planning and placement. We will need faculty who can conduct classes in a way that will take note of and utilize the experience of the older students, allowing them to be active participants in the class, rather than passive listeners in a lecture. We may well look to the expertise that exists within the very ranks of the population we are seeking to serve, for their services as teachers, special lecturers, and counselors.

Imagine what a fascinating learning process it will be for both faculty and younger "oldsters" in campus classes, people who fought in the First World War, lived through the Prohibition era, danced the Charleston, and who can offer a very special personal perspective to the textbook treatment of various aspects of the twentieth century. More than that, it will provide a channel for social interaction of such value and of such critical and mutual benefit to young and old alike, that I think it important enough from a sheerly educational viewpoint—in addition to the social and the economic perspectives I noted earlier—to facilitate this process by offering these educational opportunities to those over 65 free of all charge. I have formally proposed this to the Vice Chancellor for Academic Affairs of the California State University and Colleges system and hope the idea will be received favorably and rapidly by the Legislature. I am also hopeful that both labor and management will recognize their responsibility through the collective bargaining contract to fund educational opportunities for worker, spouse, and family during the working years as well as the retirement years.

There are already a number of precedents for facilitating the re-entry of older adults into the educational process. The "Third Age College", for example, is a new division of the University of Toulouse in France where the pace and curriculum is specially geared to those over 60. The United States has nothing to match this, but there are more modest programs springing up around the country. A small number of institutions already offer tuition-free education to older Americans, but one of the most imaginative approaches seems to be at Western Washington State's Fairhaven College which has experimented with what has been titled "multigenerational living." At Fairhaven, individuals ranging from 60 to 80 pay modest fees to live in dormitories on campus that also house day care centers for preschoolers. While auditing classes and attending lectures and concerts, these new students also help out in the centers, providing not only services but also guidance and perspective for their younger campus neighbors.

While at this moment we do not have the flexibility or resources for an undertaking of that magnitude, we do have the capability now to provide instruction—either right here at Leisure World, or for example, at public libraries or other community facilities which provide easy access to all senior adults. Although I would clearly prefer to be able to offer such services free, thereby insuring equal access to all older adults, this approach is not at present legally or economically possible. The Learning Assistance Center on our campus can prepare specific self-paced educational programs in many subject areas on cassettes which can be used at your leisure with any standard tape recorder. This same method can also be used to upgrade or refresh fundamental learning skills.

A number of new programs designed for senior citizens are being planned in the Office of Continuing Education. These will include a counseling course, a pre-retirement training workshop, a self-paced program in evaluation and strengthening study skills and learning processes for those wishing to re-enter a college or university, an activity course in theatre appreciation, photography and others. However, in developing new programs for retired and semi-retired persons, the University's Continuing Education program is desirous of serving your needs and interests and would like to work with you or your representatives in developing both short-term courses of your choosing as well as a systematic long-range plan which could involve a combination of concurrent enrollment in university offerings, extension programs housed in convenient locations, non-credit workshops, external degree programs, seminars, and institutes. Such a program would be limited only by its academic and fiscal viability as well as your aspirations, desires, and dreams. Through contact with the various organizations which I mentioned earlier, or the Leisure World Corporation, special classes can be arranged to meet your needs and demands, and I look forward to greater cooperation between this community and our campus community in the days ahead.

I am encouraged to know, as I think you will be, of the current effort underway to develop a one-year comprehensive statewide plan for eductaional programs to serve the needs of California's elderly citizens and to provide a five-year statewide plan of effective education and supportive services in the area of aging. This grant is the first statewide coordination of the three public segments of higher education in California—the University of California, the California State University and Colleges system, and the Community Colleges. It is specifically designed to make older citizens in the state more aware of existing educational opportunities and to recommend new areas in which programs and services need to be developed. Working together with the private colleges and appropriate agencies and organizations, such as the Institute of Lifelong Learning in Long Beach, this study of educational and research needs will hopefully result in a systematic method of meeting the desires of the older adult—and increasing their awareness of the opporunity for continued education.

An exciting program is already underway on our campus—the Pioneer Project—established by the Asian Studies Center. Under this program Japanese-American students go back to their grandparents or greatgrandparents at home and record oral histories and gather old photographs, thereby gaining a greater sense of awareness and appreciation of their cultural heritage, a more personal sense of history, perhaps even a greater appreciation of older people. At the same time, through this kind of communication and inquiry, the elder has possibly bridged what may have been a formidable cultural and communications gap with the grandchild, the younger generation, "over-Americanized" youth, and in the process the grandparent may have gained a renewed sense of self-respect and self-*worth*, because someone has demonstrated interset in such experiences and knowledge. This program has potential as a model which can be applied to other groups of older people who tend to be isolated, suffering acutely and decaying rapidly as a result of inability to cope with the social dislocation of the fast-moving twentieth century.

Lastly, I want to return to a point I mentioned very early in my remarks—the potential role individuals such as you and the population of other Leisure World communities might play, with further specialized education, to aid those of your age group who are less fortunate economically, often living in the inner city, often alone, and frequently from an educationally deprived ethnic minority background. All the formalized educational programs in the world are not enough to instill the kind of spirit and motivation and caring I have been talking about. There is, I think, a specific and currently unfilled need for people who not only understand the special problems of the elderly, but who, more importantly, can establish a meaningful rapport with them. You could aid, for example, in teaching groups of the needy elderly (many of whom do not even have the funds to ride to free museums or to attend free classes were they so motivated) how to establish laundry, food, or transportation cooperatives or provide the methods of accomplishing the hundreds of other things that would improve living. You might be able to serve as a demonstration and inspiration of what they can do for themselves. You would also be providing a critical and now missing link between the educational institution and the elderly persons who are now simply surviving, rather than living with the dignity due them.

Statistically, we know that contemporary Americans are living longer, potentially they have a more productive life than their predecessors, yet they are often failing in an era of great mobility where the rapid pace of undreamed of events can lead to a sense of frustration and shattered self-image. We also know that the older population is the fastest segment in the nation. These trends contain the elements of personal frustration and social disaster. They also contain an opportunity for advancement and influence that has been unimaginable in the past. That choice is ours and it must rank high on our national agenda for the 70's.

It is time we revised our concept of "old" to "long-living" and accented not the declining powers of aging but the rising knowledge and experience which results from a long life.

THE PETROLEUM INDUSTRY

Mr. HRUSKA. Mr. President, the junior Senator from Oklahoma (Mr. Bartlett) is one of the better informed members of the Senate on the subject of energy, and especially with reference to the history, structure, and functioning of the petroleum industry.

The Senator served as State legislator and later as Governor of a State which has vast activity and volume of petroleum in all of its aspects.

These official activities have served as a firm and practical foundation for the authority with which he speaks on the subject. And those experiences as legislator and Governor were followed during later years and when he came to the Senate by additional study and action as a member of the Committee on Interior and Insular Affairs.

Recently, he testified before the Subcommittee on Antitrust and Monopoly on which I serve.

The subcommittee hearings had for their subject the structure of the petroleum industry, the degree of concentration and competition which exist in it, the interrelationship of its component parts, such as exploration, development, production, pipelines, refining, distribution, and so forth.

Several bills are pending in the subcommittee relating to industrial reorganization generally of some of the Nation's basic industrial corporations, including those in the petroleum industry; and also some bills relating to divestiture of larger petroleum companies of some of the component segments of their activities.

The text of Senator Bartlett's testimony indicates a very complete understanding of the issues and the problems in the legislation as well as in the energy field. He very ably analyzed both the bills and the issues and commented upon them in very knowledgeable fashion.

Mr. President, I ask unanimous consent that in order that my colleagues and other readers of the Record may gain a better understanding of this complex subject that Senator Bartlett's statement together with attachments thereto be printed in the Record.

There being no objection, the statement and attachments were ordered to be printed in the Record, as follows:

Remarks Before the Subcommittee on Antitrust and Monopoly by Senator Dewey F. Bartlett

I would like to thank the Committee for allowing me to appear today and give my views on the consequences of restructuring the petroleum industry.

This is the first time that I have had the opportunity to share the testimony given before the Senate Interior Special Subcommittee on Integrated Oil Operations during the ten days of hearings between November 28, 1973, and February 28th of this year. The basic purpose of those hearings was to determine whether the market behavior of the petroleum industry is characteristic of genuine competition or of oligopolistic collusion.

Those hearings afforded all of the members of the Special Subcommittee an opportunity to gain a better understanding of the energy industry and the operations therein. By increasing our collective understanding, Congress, in my opinion, can better develop energy policies which will not only ameliorate the current energy situation but provide long term guidance toward achieving relative self-sufficiency in energy.

All of us would agree, even though we might have different methods of solution, that the real energy problem is one of insufficient domestic energy supplies to meet the growing demands of a modern society. The obvious solution to our dilemma is to increase the supplies of energy available. But how we do that, is the question.

The general public has been shocked by shortages, Americans have enjoyed the highest per-capita energy consumption in the world. The energy shortage, unfortunately, is not contrived—for if it were contrived—it would be easy to solve. There have been many unfounded charges leaning towards sensationalism to take advantage of an emotional public ear.

But the energy shortage is the inevitable and direct result of 20 years of inept government controls—in particular the regulation of the wellhead price of natural gas sold in the interstate market and the import quota program. We have been selling our energy reserves off the shelf at less than replacement cost—now the cupboards are becoming bare.

Congress, thus far has been running on a treadmill—a lot of visible exercise but with no real constructive movement.

The chief obstacle that has impeded Congress' action on constructive measures that would increase the supplies of energy for the consumers of the United States is an unfounded fear by many members of Congress that there is a lack of competition within the petroleum industry.

Congress will take no significant action until its fears are removed and the public becomes more knowledgeable and the security blankets of Federal control are given up.

Regulation, such as the emergency allocation program and price controls on crude oil and natural gas, serve only to exacerbate the energy shortage.

The current shortage of energy is not a result of the structure of the industry.

The Chairman has conceded that the energy industry does not show up as concentrated when measured by normal concentration ratios. However, in the release announcing these hearings the Senator from Michigan said, "That most major decisions—on exploration, development, and delivery of crude end product—are in some fashion joint decisions among major companies." You gentlemen of the Committee should be much more aware than I that current antitrust law provides that companies cannot act jointly in a noncompetitive way. I must say that the hearings before our subcommittee provided no evidence of "joint decisions among major companies" for the purposes of reducing competition.

For the Record, Mr. Chairman, I would request that a table listing manufacturing industries in which the four firm concentration ratios exceeded 60% be inserted at this time. The list includes motor vehicles, steel, computing and related machines, aircraft, tires, cigarettes, and approximately 30 other industries. I should note at this point that domestic crude oil concentration is only about 31%. Crude and gasoline refining capacity about 33% and gasoline marketing about 31%. These concentration figures are less than half of most of the industries on the list I have submitted.

The Chairman has indicated that of particular interest during this set of hearings will be the "competitive impact of the major's dominance over crude production and pipeline ownership."

I cannot agree that the majors dominate crude production when approximately 3½ million barrels per day of the approximately 9 million barrels per day of domestic production is produced by independents. There are 10,000 independent oilmen in the United States. There are approximately 90 firms which produce over 1,000 barrels a day. Over 80% of the wells drilled domestically are drilled by independents. The majors hardly seem to dominate crude production.

As for pipeline ownership, the Chairman knows that pipelines must be common carriers and are subject to Interstate Commerce Commission regulation. Therefore, independents are guaranteed access to pipelines upon the making of a reasonable request to any shipper. Producing states also have regulatory bodies to protect correlative rights of independent producers.

I might add, that a great many of our pipelines would not have been built if the owners of proven but undeveloped reserves had not had the incentive to build the pipeline in order to develop their reserves and get them to a market.

I would hope that the Chairman intends to invite representatives of independent producers to testify concerning their access to pipelines. We had testimony in the Special Subcommittee on Integrated Oil Operations from independent producers that access to crude gathering systems was not a problem.

The Chairman has correctly observed that "one of the most crucial problems in this industry today is the shortage of refining capacity." And I am pleased that the Chairman also recognized that "there are a number of independent refiners—and others—who would build or expand refineries—if they could get crude." But, I would be quick to add two observations: (1) The shortage of domestic crude oil production has been caused by government policies and can be solved only by changing those policies. (2) Insufficient crude oil production has not been the only obstacle to many independents wanting to build refineries. Several independents such as Steuart Petroleum and Crown Central have tried to obtain approval to build refineries using imported crude oil on the East Coast and have been rebuffed by local and or state governments mainly for unfounded fears of environmental degradation.

Finally, I would like to talk a little about the long run profitability of the industry. The long run goal of an oligopolist or monopolist is profitability that is higher than normal.

If the petroleum industry is an oligopoly, it is a poor one, because over the last ten years, according to the First City National Bank in New York, the average rate of return was 11.8% as compared to 12.2% for all manufacturing. This is an important fact. According to most economists, to be an oligopoly or monopoly there must be market power. Market power shows up as economic profit. If the petroleum industry were an oligopoly then we would see increasing profitability in that period of time. We do not see that. Indeed, we find that from the period 1961 to 1971 six of the eight major petroleum companies earned less on stockholders' equity than the average of 125 industrialists. The eight major petroleum companies, in fact, were more profitable from the period 1951 to 1961 than they were in the more recent period from 1961 to 1971.

Aside from the theoretical arguments about whether or not the petroleum industry is competitive it is the responsibility of this committee and Congress to protect the public interest by considering the practical implications of changing the structure of the industry. Divestiture would restrict future investment and be counterproductive to the overall effort to increase domestic energy supplies. Our dependence on unstable and high priced foreign imports would increase further.

Divestiture of integrated oil operations would have an adverse effect on both the cost and supply of energy for domestic consumers.

Integration in the oil industry has occurred because of the opportunity for cost savings i.e., more efficient operation that would not otherwise occur. Cost economies are achieved by maintaining a continuous flow of oil throughout the integrated network and thereby eliminating some storage costs that otherwise would be necessary.

In testimony submitted to our Subcommittee one major company said that vertical integration enabled it to meet special supply and distribution problems arriving from its commitment to supply customers in all 50 states. This company said, "Without vertical integration they could not meet the supply problems of fulfilling their commitments in all parts of the country."

Major integrated companies supply not just a few stations strategically located in one area, but instead service many stations, both city and rural, in all parts of the country, many of which are at great distances from "the end of the pipeline."

Divestiture would have an immediate and chaotic effect on the supply of petroleum products. Long-established supply networks would be destroyed. It would be virtually impossible for any oil company to make contractual commitments when the entire future structure of the oil industry is in question. Long-term planning an investment is difficult, if not impossible, in an atmosphere of uncertainty created by any serious threat of divestiture. So I plead with my colleagues to get on with their business and make a decision, one way or the other, so that the petroleum industry can get on with its business of solving our energy shortage.

Mr. Chairman, in my opinion, the most important action that Congress can take toward solving this nation's energy shortage is to deregulate the price of natural gas at the wellhead.

Mr. Chairman, I request that a paper by Stephen Breyer and Paul W. MacAvoy entitled, "The Natural Gas Shortage and the Regulation of Natural Gas Producers" be made a part of the hearing record at the end of my remarks.

A former advisor to Democrat presidential candidate George McGovern, MIT economist Paul MacAvoy, has also argued that even if the concentration in the gas industry were higher than the rest of the manufacturing industry (which it is not), entry into the gas industry is so free that the largest producers would not be able to systematically charge higher than competitive prices. In pointing to the so-called noncompetitive behavior of the natural gas industry, critics of deregulation look to the large field price increases of natural gas in the fifties. However as MacAvoy has shown:

"During the early fifties the presence of only one pipeline in many gas fields effectively allowed the setting of monopoly buyers' (monopsony) prices for new gas contracts, thus often depressing the field price below the competitive level. During the next few years, several pipelines sought new reserves in oil field regions where previously there had been a single buyer. This new entry of buyers raised the field prices to a competitive level from the previously depressed monopsonitic level. In short, competition—not market power—accounted for much of the price spiral that has been claimed to show the need for regulation."

In summary, it is my conclusion after listening to ten days of thorough hearings by the subcommittee on Integrated Oil Operations and from personal experience that the petroleum industry is effectively competitive at all levels, especially at the producing level, and if the federal government would modify its policies that have proven ineffective and counterproductive, the free market would function to solicit additional supplies of energy for the consumers of the United States at a reasonable cost.

The solution to the shortage is not divestiture or restructuring of the petroleum industry. The solution is to change current government policies that have caused the shortages.

The solution is to increase domestic refining capacity and crude oil production and natural gas production. This will require a commitment by Congress that it has thus far been unwilling to make.

ATTACHMENT A

	Top 4	Top 8	Top 20
Oil industry concentration:			
Domestic crude oil production (1969)	31.09	50.54	70.21
Crude and gasoline refining capacity (1970)	32.93	58.07	86.25
Gasoline marketing (1970)	30.72	55.01	79.05

MANUFACTURING INDUSTRIES IN WHICH 4-FIRM CONCENTRATION RATIOS EXCEEDED 60 PERCENT IN 1966

SIC code	Industry	Concentration ratios 4-firm	Concentration ratios 8-firm
3717	Motor vehicles	79	83
	Steel:		
33121	Coke oven and blast furnace	68	76
	Steel ingot and semifinished shapes	70	84
33124	Hot rolled bars, shapes, etc	63	74
33126	Steel pipe and tubes	61	--------
3571	Computing and related machines	63	78
3721	Aircraft	67	88
3011	Tires and inner tubes	71	90
3861	Photographic equipment	67	79
3352	Aluminum rolling	65	78
2111	Cigarettes	81	100
3411	Metal cans	71	83
2841	Soap and other detergents	72	80
2824	Organic fibers	85	95
3632	Household refrigerators	72	93
2032	Canned specialties	63	79
3661	Telephone apparatus	94	97
2141	Tobacco stemming	69	91
3694	Engine electrical equipment	72	81
2052	Biscuit crackers	59	68
2647	Sanitary paper products	64	80
3612	Transformers	66	80
2087	Flavorings	63	--------
3633	Household laundry equipment	79	95
3229	Pressed and blown glass products	72	85
2823	Cellulose man-made fibers	85	100
3511	Steam engines and turbines	87	98
3672	Cathode ray tubes	89	--------
2812	Alkalies and chlorine	63	88
2046	Corn milling	67	90
2043	Cereal preparations	87	--------
3741	Locomotives	98	99
3211	Flat glass	96	99
3691	Storage batteries	60	80
2816	Inorganic pigments	64	83
2063	Beet sugar	68	97
2813	Industrial gases	72	88
8372	Typewriters	79	99
3313	Electrometallurgical	74	91

THE NATURAL GAS SHORTAGE AND THE REGULATION OF NATURAL GAS PRODUCERS †

(By Stephen Breyer * and Paul W. MacAvoy **)

(NOTE.—In an attack upon the current natural gas shortage, President Nixon has recently urged an end to much of the Federal Power Commission's regulation on the price of natural gas at the wellhead. From the perspectives of both the lawyer and the economist, Professors Breyer and MacAvoy lend support to a policy change in this direction. They show that regulation of gas wellhead prices raises problems substantially different from the regulation of traditional public utilities. They argue that the policies the Commission has pursued were almost inevitably bound to result in wellhead prices below the market level that would call forth supplies sufficient to meet demand, and through econometric analysis, they demonstrate the extent to which the Commission's pricing practices produced the shortage. While the Commission's policies were aimed at helping home consumers, data gathered by the authors indicate that regulation has brought about precisely the opposite result. The Commission's experience may well cast light on the wisdom of adopting regulatory techniques to redistribute income when serious economic efficiency losses are likely to arise.)

In 1954, somewhat to the Federal Power Commission's (FPC's) surprise, the Supreme Court held in *Phillips Petroleum Company* v. *Wisconsin* [1] that the Commission had authority to regulate the prices at which natural gas field producers sold gas to interstate pipeline companies.[2] In the past decade, the FPC has devoted much of its energy and about 30 percent of its budget to such regulation [3] and has been remarkably effective in holding down producers' selling prices.[4] Whether this regulation has benefited the nation or even the consumers it was designed to help, however, is another matter. It is the purpose of this article to evaluate the results of the Court's decision [5] and the FPC's ensuing regulatory effort. Such an evaluation is especially timely because President Nixon has recently proposed the discontinuance of much wellhead price regulation.[6]

Natural gas now supplies more than a third of America's energy needs [7] and exists in the ground in sufficient quantities to forestall any danger in the foreseeable future of its extinction as a natural resource.[8] Nevertheless, there is now, in the early 1970's, no lack of evidence that the United States is in the throes of a serious natural gas shortage.[9] This article will show that that shortage is a direct result of FPC regulation of producers' prices and that the shortage has been disproportionately borne by home consumers. Moreover, the article will show that the losses arising from the shortage have been so great that they cannot rationally be worth the pursuit of whatever valid purposes might be served by lower user prices. To explain how this state of affairs has come about, we shall explore the objectives of producer price regulation and the methods used by the FPC to achieve them. We shall then describe the results that FPC regulation has brought about. We shall conclude that the harms regulation has produced so far outweigh the benefits of lower price that gas price regulation at the wellhead should be substantially abandoned.

The article has another, more general purpose. It is becoming increasingly common to think of price and profit regulation as designed to achieve not simply economic efficiency, but also a more nearly equal income distribution.[10] Of course, these two objectives often peacefully coexist: to limit a monopolist's prices increases output and also redistributes income, probably towards equality. Sometimes, however, these goals directly conflict: to hold prices below the competitive level may lead to a more equal income distribution, but it may also wastefully create excess demand. When faced with such a conflict, some may argue that the "income distribution" objective should be favored over "economic efficiency."

This seemingly has been the view of the FPC in regulating producer gas prices. We shall argue, however, that the FPC's efforts to hold prices down for the residential gas consumer have not helped him; in fact, they have simply led to a gas shortage that has hurt him more. If redistribution of income is a proper regulatory goal, the FPC has failed to achieve it. Our discussion of the reasons for this failure shows the extreme practical difficulties that face an agency trying to use prices to pursue such a goal. And these practical difficulties should explain our grave doubts about whether generally such a goal is proper when serious efficiency losses are at stake.

Before turning to an assessment of FPC regulation of gas producer prices, a brief description of the field market for natural gas may be helpful.[11] Most producers search for gas by drilling wells on leased land. The gas is brought to the surface where it is sometimes "refined," producing liquid byproducts which can be sold separately. The gas itself may be sold directly to intrastate users and distributors, but most is sold to interstate pipeline companies.[12] These transmission companies transport the gas from the field and resell it either directly to industrial users or to distributing companies, which in turn resell to industry or to home consumers. Before World War II, gas was discovered and exploited mainly as a byproduct of the search for oil [13] and was sold at prices that had only to pay the ascertainable separate costs of gas production.[14] However, the growth of pipelines capable of bringing gas from fields in Texas, Oklahoma, and Louisiana to coastal markets increased the demand for gas to the point where today less than 25 percent of all gas produced comes from oil wells; most comes from wells that produce only gas, found in the search for gas itself.[15]

I. THE OBJECTIVES OF PRODUCER PRICE REGULATION

In order to evaluate the FPC's policy of regulating natural gas prices at the wellhead, it is necessary first to determine what the objectives of such a policy could be. There are two conceptually distinct purposes that regulation of gas producers might serve: reduction of market power and redistribution of income. That neither the Commission nor the courts have made much effort to distinguish between these purposes makes the task of evaluating regulation more difficult.

A. Control of market power

Control of market power constitutes the traditional economic rationale for regulation. Stated in simple and direct fashion, where one firm, or possibly a small group of firms, produces the entire output of an industry, the industry's output tends to be less—and profits more—than that which would be provided by competitive suppliers. This is so because the monopoly (or oligopoly) firm will restrict its output in order to increase the market price of its products—so as to add to net revenues via a higher price-cost margin more than is lost by restricting output. The government may seek to reduce prices and increase output by attacking market power directly through antitrust actions designed to create competition in the industry. If, however, such a policy is too costly because economies of scale make production by more firms less efficient, the government may try to combat market power by regulation of industry prices. In either instance, a major motivating force of the government's initiatives is to achieve efficient resource allocation; the objectives in setting lower prices at the margin are to reduce profits and to expand output, allowing buyers willing to pay the cost of extra units of goods to receive those goods.

Such a market power theory was advanced by supporters of gas producer regulation. They asserted that gas production was concentrated in the hands of a few producing companies—so few that the largest producers could raise the price of gas to the interstate pipelines above the level that competition would otherwise dictate.[16] Unless market power at the wellhead was checked, pipeline regulation would not be wholly effective in protecting consumers from noncompetitive prices; consumers would still have to pay monopoly wellhead prices for gas, since these prices would be passed through to retail distributors as "costs" of the pipelines. In the words of the Supreme Court,[17] "the rates charged [by producers] may have a direct and substantial effect on the price paid by the ultimate consumers. Protection of consumers against exploitation at the hands of natural-gas companies was the primary aim of the Natural Gas Act."

Thus, the argument ran, the FPC should determine the price at which gas would be sold under competitive production conditions and should forbid producers to sell at higher prices.

However, while the question of market power played an important role in the early history of the debate over producer regulation, it has become less significant in more recent years as accumulated evidence has

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Footnotes at end of article.

created a strong presumption that gas producers do not possess monopolistic or oligopolistic market power. As the U.S. Court of Appeals for the Fifth Circuit has recently said,[18] "[T]here seems to be general agreement that the [field] market is at least structurally competitive." Federal Power Commission statistics show that in the early 1960's the largest gas producer accounted for less than 10 percent, and the 15 largest for less than 50 percent, of national production.[19] Nor in general has production in more narrow geographic markets been highly concentrated; in the Permian Basin, for example, the five largest producers have accounted for somewhat less than 50 percent of production.[20] This degree of production concentration in the narrow market has been characterized as "lower than that in 75–85 percent of industries in manufactured products."[21] And, even if concentration were higher here than elsewhere, it has been shown that entry into the industry is so free that the largest producers would not be able systematically to charge higher than competitive prices.[22]

One rejoinder to this evidence of structural competitiveness is that ownership of *production* is not really relevant to the price of natural gas at the wellhead. Rather, the market relevant for field prices is that in the sale to pipelines of *rights* to take gas from *new reserves*. Petroleum companies sell gas under long term contracts which commit to pipelines 10 to 20 years worth of production from new reserves.[23] While such a contract typically contains a specified initial price, many used to have a "most favored nation" clause under which the actual price to be paid for the gas produced at any given time was pegged to the pipeline's then newest, most expensive contract.[24] Thus, once a production contract was signed, only the *level* of production was "locked in"; the *price* for gas produced under the contract would depend on the market for the sale and dedication of new reserves. Proponents of regulation have argued that ownership of uncommitted reserves was so concentrated that a few petroleum companies were able to raise the specified prices in new contracts by controlling the supply of available natural gas reserves.[25] These higher prices were then passed through by triggering "favored nation" clauses in existing contracts, resulting in comparable prices for gas produced from previously dedicated reserves.

This argument, however, has little basis in fact. The available evidence[26] shows, for example, that the four largest production companies provided only 37–44 percent of new reserve sales in the West Texas-New Mexico producing area, 26–28 percent in the Texas Gulf region, and less than 32 percent in the Midcontinent region—all in the 1950–54 period just before the *Phillips* decision. These levels of concentration on the supply side of the market for new reserves were all less than half the concentration on the demand side, accounted for by the four largest pipeline buyers in each of these regions. Power to control new contract prices probably did not exist on either side of the market, but if the scales tipped at all, then surely the balance lay with the pipeline companies rather than with the producers.

Of course one can still argue that despite its apparently competitive structure, the producing segment of the industry has *behaved* noncompetitively. Certain proponents of producer regulation[27] have pointed to the rapid rise in the field price of natural gas between 1950 and 1958[28] as evidence of such noncompetitive performance. But economic studies of the markets for new contracts suggest that anticompetitive producer behavior did not cause this price increase.[29] During the early 1950's the presence of only one pipeline in many gas fields effectively allowed the setting of monopoly buyers' (monopsony) prices for new gas contracts, thus often depressing the field price below the competitive level. During the next few years, several pipelines sought new reserves in old field regions where previously there had been a such a single buyer. This new entry of buyers raised the field prices to a competitive level from the previously depressed monopsonistic level. In short, competition—not market power—accounted for much of the price spiral that has been claimed to show the need for regulation.

A further argument offered by those asserting the need to control the market power of gas producers was that producer competition was ineffective in bringing about competitive prices because the producers' customers—the pipelines—did not have enough incentive to bargain for low prices.[30] Since pipeline final sales prices were (and are) regulated on the basis of costs plus a fixed profit on capital, it was argued that the pipelines failed to resist producer price increases and simply passed them on as "costs" to be paid by the consumer.

This argument is theoretically suspect, however, for strict regulatory supervision should make the pipelines worry about whether they will be able to pass along producer price increases, and weak regulatory supervision might allow them to keep any extra profits they earn through hard bargaining with producers—at least until "regulatory lag" catches up with them. In either case they should wish to keep producers' prices low. More important, given some limit on price increases set by some combination of consumer demand and regulatory awareness, pipelines should prefer to keep fuel costs (on which they earn no return) low in favor of enhancement of capital costs (on which they earn a return).[31] Furthermore, the evidence available suggests that pipelines in fact bargained for minimum prices. In the 1950's pipelines pushed field prices below competitive levels wherever possible. When low prices threatened to drive producers out of exploration and development, the pipelines themselves went into the exploration business rather than allowing producers to raise their prices. The transmission companies selectively produced higher-cost gas while paying monopsony prices for the low-cost gas from petroleum companies, thus keeping payment of excess returns to producers to the minimum.[32] In sum, empirical study provides little evidence to support the theory that unregulated field prices were noncompetitive.[33]

If the view that unregulated producer markets were in fact competitive is correct, then to regulate as if firms had market power would in principle only cause trouble. The FPC, with the monopoly rationale in mind, would reduce prices below the level found in the unregulated market. But, since unregulated market prices were already the product of competition, any regulation would set prices below the competitive level. A lower than competitive price would stimulate demand, leading some buyers to use natural gas even though the economy could provide for their needs with other fuels at lower real costs. The lower price would also reduce the incentive of suppliers to provide new reserves and production, for the regulated price would not allow sufficient returns to producers at the margin. In short, the regulation-required price reduction would increase the quantity demanded and decrease the quantity supplied, thus causing a shortage.

B. Regulation to reduce rents and windfalls

Under certain special circumstances one might want to regulate prices even in a competitive market. One would do so not to correct resource misallocations, but in order to redistribute income.[34] In principle, price in a competitive market will equal the cost of producing marginal output—the last units that can be sold. Some producers can sell at that market price intramarginal units that are far less costly to produce, perhaps because the producer has special skill, knowledge, or expertise, or controls a resource that cannot easily be duplicated. Such producers realize "rents" or excess returns, and the objective of regulation in such circumstances would be to transfer to consumers some of the income that low-cost producers would otherwise receive. It has been claimed that these rents are exceptionally high in the oil and gas industries, so that price control systems should be devised that would deprive producers of these excess returns and give them to consumers in the form of lower prices.[35]

Although no one has measured the amount of rent that gas producers would earn without regulation, there are reasons to believe that rents would be large compared to those earned in other industries. First, gas is a wasting resource, and its presence in the ground in commercial quantities is uncertain until exploration and development are complete. At that point, the value or price of gas is in theory set by the cost of marginal additional exploration and development (at least when demand for gas is increasing sharply as it has been in the last two decades[36]). The difference between this cost of marginal additional exploration and development and the exploration and development costs of, let us say, the "lucky" producer who may have paid little for his land may constitute a considerable windfall. Of course, windfalls of this sort go in part to landowners who do not themselves produce gas but who have the ownership rights to the ultimate scarce resource (the location or site of the in-ground reserves). Strict control of producer prices, however, would prevent producers from paying these windfalls over to the landholders. Second, the cost of finding and developing gas reserves has increased considerably over the past two decades.[37] Thus, gas found and sold to pipelines 15 years ago in reserve commitments, but still not delivered, would have lower overall production costs than new reserves; such "old gas" may have even been found accidentally as part of the search for oil.[38] If production prices for this "old gas" were set at currently prevailing long term marginal exploration and development costs, its owners would receive appreciable windfalls or rents.

To eliminate these windfalls without interfering with the amount of gas produced, regulation would have to hold down the price charged to pipelines for intramarginal volumes of gas while allowing marginal units to be sold at a price equal to long term exploration and development costs. In effect, regulation would set different prices for different units of supply. Of course, such regulation would produce excess demand for the lower-priced intramarginal units received by the pipelines. To "clear" such excess demand by having the pipelines auction off these volumes would simply give windfall rents to the pipelines taking the highest bids. Rationing, on the other hand, might pass the windfall along to the retail distributor and presumably ultimately to the consumer.

This "tier" type of regulation is unusual, but not unheard of. Differential regulated prices are most commonly found in housing; rent control may hold down the price of existing housing while allowing the price of new housing units to rise so as not to discourage new building and to clear the market of demand for new rental units. But it is extraordinarily difficult to bring about the transfer of excess profits without affecting output. With regard to regulation of gas field prices, this requires extensive knowledge of the location and shape of the supply curve for both established production and new reserves. Moreover, if the reduced prices for intramarginal gas bring about the expected increase in the quantity demanded,

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Footnotes at end of article.

then the excess demand has to be limited by recourse to such rationing devices as classifying users and designating one or more classes as "inferior" for purposes of allocating the lower-priced gas. To make such classification without reference to users' "willingness to pay," as measured by prices bid by users for the low-cost gas, is difficult, to say the least. In short, tier price regulation requires extraordinary sensitivity to changes in supply in order to react with necessary price changes, and, even in the best of conditions, it requires also a complicated rationing procedure.

Neither the Federal Power Commission nor the courts have clearly distinguished the two separate regulatory objectives of controlling market power and transferring rents to consumers, and often write as if they were trying to achieve both of them at once. Still, in view of the lack of empirical support for the "monopoly power" theory, we shall assume that regulating producers' market power is not a sensible regulatory goal. In fact, the Commission's writings in the past few years suggest that it has not pursued this goal with much fervor and indicate that the concern for income distribution predominates. For one thing, the Commission [39] and the courts [40] have expressed the belief or fear that efforts to limit price have reduced, rather than increased, the supply of new reserves and the actual level of gas production. Lowering prices from "monopoly" to "competitive" levels should have had just the opposite effect. The Commission's continued efforts to regulate, while holding this belief, suggest that it no longer sees itself as basically trying to control monopoly power. For another thing, the Commission has set two price levels in the area rate proceedings [41]—higher prices on "new" gas, and lower price on "old" gas.[42] Its doing so, while at the same time expressing the hope that the new gas price would be high enough to cover the costs of producing new supplies,[43] indicates that limiting producer rents and windfalls is the more important concern underlying more recent regulations.[44] We shall assume that this is what the Commission has ultimately been trying to do.

II. ALTERNATIVE METHODS OF REGULATING FIELD PRICES

After the Supreme Court's decision in *Phillips Petroleum Co. v. Wisconsin*,[45] the Federal Power Commission began to struggle with the problem of *how* to regulate.[46] The first approach was to treat producers as individual public utilities and to set limits on each producer's prices individually according to his "costs of service." After this approach proved unwieldy, the Commission set area-wide ceiling prices, allowing all individual producers within each gas production area to charge no more than the area ceiling.

A. Regulating producers individually

In attempting to regulate each gas producer, the Commission followed the same procedure it used to set prices for each gas pipeline. It sought the producer's "costs of service" and allowed prices sufficient for the company to recover these costs, but no more. This approach seemed to promise that no producing company would earn more than a reasonable return on its capital; producers with unusually low costs would not receive windfalls, but, instead, would have to charge their customers lower prices. This method of regulation also seemed to avoid the risk of a serious gas shortage. If costs increased producers could raise their prices, and, as long as there was demand for the higher-cost (and higher-priced) reserves, regulation would not inhibit production.

However, this summary description of individual producer regulation hides enormous problems. Although individual producer regulation allowed producers with different costs to sell at different prices, it provided no way to determine which gas users should get the more expensive gas and which the cheaper. And, even setting aside the difficulty of rationing the lower-priced gas, regulation of individual producers proved unwieldy because of the immense administrative burden it placed on the Commission. Most important, there were basic conceptual deficiencies in the regulatory method. Cost-of-service regulation was based on the assumption that it was possible to obtain detailed, accurate information about producer costs. It presumed that the cost of finding gas could be determined from accounting records, as can the costs of, say, gas pipelines, electricity generating companies, and telephone companies. Moreover, in searching for a proper rate of return on investment, the Commission assumed that gas produers' cost of capital could be rationally determined. But, as the Commission discovered, determining the costs of gas production and a proper rate of return to gas producers raises issues far less easy to resolve here—issues which require considerably more use of the regulator's subjective judgment—than in the case of traditional public utilities.

The difficulties the Commission experienced with individual producer regulation are typically attributed to management failure. The administrative burden placed on the Commission arose from the vast number of natural gas producers. In 1954 there were more than 4,500 producers,[47] and by 1962 they had submitted more than 2,900 applications for increased prices.[48] The individual price or "rate" case approach to regulation required finding which of the joint costs of oil and gas exploration and development attributable to gas alone, a judgment about the fairness of a particular rate of return on investment, and a determination of the proper amount of investment (or "rate base") for each of the 2,900 applications. To accomplish these tasks would have taken an interminable amount of time. The first producer rate case undertaken—the *Phillips* case itself—took 82 hearing days, with testimony filling 10,626 pages and a record including 235 exhibits.[49] Although later cases might have been handled more quickly, differences from case to case in both levels of costs and degrees of risk (and therefore in allowable rates of return) were such as to require some individual attention to each application. By 1960, the Commission had completed only 10 of these cases.[50] The backlog led the Landis Commission, appointed by President Kennedy to study the regulatory agencies, to conclude that "[t]he Federal Power Commission without question represents the outstanding example in the federal government of the breakdown of the administrative process." [51]

Management failure alone, however, does not account for the Commission's difficulties, for the problems of individual producer regulation went much deeper. Even if the Commission had had ten times the staff, it would have encountered severe conceptual difficulties in trying to separate the costs of oil and gas production and in setting a proper rate of return.

Finding the cost of natural gas posed several extraordinary difficulties which arose from the fact that gas is often produced in conjunction with petroleum liquids. Money spent by petroleum companies on *exploration* leads to the discovery of some gas wells, some oil wells that produce gas too, some pure oil wells, and many dry holes. Expenditures on *separate development* of gas fields often yield gas together with petroleum liquids, and expenditures on *gas refining* produce both "dry" gas and saleable liquid. Expenditures such as these, which yield two products but which are equally necessary to produce either one, complicate a regulatory process based on costs because there is no logical way to decide whether, or to what extent, a specific dollar outlay should be considered part of the "cost of gas production," or part of the "cost of liquid production."

This problem of joint cost allocation is distinctly a regulatory one. Without price controls and under competitive conditions, producers would recover marginal joint costs from the sale of gas and oil, with the relative amounts recouped from each varying from firm to firm.[52] If a regulatory agency controlled *both* oil and gas production, it might try to reproduce these competitive market results simply by requiring that the combined revenues from the sale of the two products be equal to their combined costs, including, of course, return to capital. Any combination of prices that would do no more than return total costs would meet this requirement.[53] The distinct regulatory problem in controlling field market prices for gas, however, was that liquid prices were not regulated by the FPC. Therefore, in order for the Commission to eliminate excess returns on gas production, it would have had either to find the "exact" costs of one of the joint products—something logically impossible to do—or to regulate indirectly the earnings on the unregulated sales of liquids—something it could not legally do.[54]

The Commission's efforts to overcome the joint cost problem in gas production in fact simply involved the application in various combinations of several traditional methods for allocating joint costs for accounting purposes.[55] But these methods only created the illusion that the joint costs of gas and oil production were separable and bore no particular relation to the problem of determining costs for rate setting. One method allocated joint costs according to the ratio of the separable cost of producing a barrel of oil to the separable cost of producing a thousand cubic feet (Mcf) of gas.[56] A second method allocated joint costs in proportion to the number of heating units (BTU's) contained respectively in the oil and gas produced.[57] A third method recognized that BTU's of oil and gas might not be of equal value in the marketplace, and therefore multiplied the BTU's by a factor representing relative value.[58]

None of the three procedures could yield either the long term costs of future gas production or the historical costs of past exploration and development. As methodology, they simply carried on a charade of implying separable costs when costs were joint and inseparable. In fact, if producers, in the absence of regulation, tended to recover most joint costs from oil revenues, and priced gas close to its ascertainable separate costs, the Commission's techniques, in allocating large shares of joint costs to gas, would force it to conclude that gas prices were too low. This fact may help to explain why the Commission held in the 10 pre-1960 individual producer rate cases that it completed that producers' proposed prices would not generate enough revenue to cover costs.[59] In short, as Justice Jackson said in a slightly different context: [60]

> "The case before us demonstrates the lack of rational relationship between conventional rate-base formulas and natural gas production". . . .[61]

A second theoretical problem which the Commission had to confront in attempting to regulate gas producers individually was that of determining a proper rate of return for each of them. While such determinations are usually difficult, here the difficulties were of more than usual magnitude. For one thing, there was no simple process for choosing industries with comparable risks. To be sure, producing gas is probably riskier than running a telephone company; but is it as risky as mining copper or making steel? Arguably, the cost of capital can be determined directly by watching share prices

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Footnotes at end of article.

fluctuate on an exchange (or, possibly, comparable risk can be measured in this way [62]); but few producers sold shares on exchanges, and those that did were obviously the larger firms which produced both gas and oil. Nor was it possible to determine costs of capital by looking to producers' debt, because gas producers had issued insignificant amounts of debt securities.[63] Finally, because of different degrees of expertise and different quality of land options, risks varied tremendously among gas producers themselves. To determine the rate of return needed to cover producers' opportunity costs of capital would have therefore required many highly subjective judgmental decisions about thousands of different producers. These problems were compounded by the fact that capital costs accounted for a high portion of total production costs,[64] and thus posed a problem at least as serious as allocation of joint costs for individual producer regulation.

The problems of determining the costs of production and the proper rate of return continued to plague the Commission as it turned to an administratively simpler regulatory method. And the Commission also continued to be plagued by the need to ration low-priced gas—as is any agency that tries to regulate competitive markets by setting different producer prices for sales of the same product at the same place and time.

B. Setting area rates

After regulation of individual producer prices proved unwieldy, the Commission embarked upon a policy of setting area-wide ceiling prices, allowing all individual producers within a given gas production area to charge up to, but not above, the area ceiling. In 1960, the major gas producing regions were divided into five geographical areas,[65] and hearings were begun to determine the legally binding ceiling prices for each. Because of statutory limitations on Commission authority,[66] the area rate proceedings could set limits on prices only prospectively, *i.e.*, from the time an area rate proceeding was completed. Therefore, to control producer prices during the many years that the proceedings would be in progress, the Commission worked out a legally complex, though operationally simple, procedure which set "interim ceiling prices" at the 1959–60 levels for new contracts.[67] During the 1960's rate proceedings were completed only for the Permian Basin and Southern Louisiana areas.[68] In these and the remaining production areas, contracts for new reserves were written throughout much of the entire decade as if economic conditions had not changed since the late 1950's.

In its area rate proceedings, the Commission sought to determine for each area two separate price ceilings: one for "new" gas from gas wells (new gas-well gas), and a second, lower ceiling that applied both to "old" gas from gas wells (old gas-well gas) and to all gas from oil wells. This two-tier area pricing system was designed to provide a fairly simple way to transfer rents from producers to consumers without seriously discouraging gas production and without imposing upon the Commission the administrative burdens of the multitier system of regulating producers individually. In embarking upon this new regulatory approach, the Commission assumed that gas found in conjunction with oil and old gas-well gas found several years before an area proceeding cost less to produce than new gas-well gas. It also assumed that the lower prices for old gas-well gas and gas found in conjunction with oil would not discourage their production, given that their supply was relatively fixed. Thus, lower prices for the old gas- and oil-well was would deprive producers of rents from the sale of these supplies to the benefit of the consumer, while higher prices for new gas-well gas would, at the same time, encourage enough additional gas production to meet total consumer demands.

Despite its apparent logic and simplicity, however, the two-tier pricing system contained potentially serious flaws. First, given that excess demand would be generated for the cheaper "old gas,[69] the FPC had to devise a way of rationing the available supply which would give it to those potential users who valued it most highly.[70] Home users, for example, value gas highly for cooking and heat, while industrial users may be nearly indifferent to the choice among gas, coal, and petroleum. An auction system, by allocating the old gas on the basis of willingness to pay, would insure that it went to those who placed the highest value upon it. But an auction system would quickly drive the price of the "old" gas up to "new" gas price levels. In fact, the methods of rationing chosen by the Commission—allocating the cheaper gas on an historical basis (old customers before new ones) [71] or on the basis of an FPC determination that some *end* uses of gas were "inferior" to others [72]—do not seem to reflect an attempt to make careful distinctions among users according to their potential willingness to pay higher prices for the low-priced gas. These choices are important, since preferences made by the allocation system according to economically inefficient criteria are likely to spill over and affect other areas of economic activity; for example, insofar as historically-based differential prices at the wellhead are reflected in different pipeline resale prices, they may distort competition among industrial customers (*e.g.*, two chemical companies paying different prices for identical gas) or choices as to plant location.

Second, the competitive conditions of the unregulated gas production market suggest the strong possibility that, in a two-tier system where prices at both levels were set by regulatory action, the price of the higher tier would be set too low.[73] If so, then exploration and development of new gas would be discouraged, and there would be excess demand for the new gas as well as the old.[74] Here, again, if regulation-induced shortages occurred, additional economic inefficiencies would arise from any allocation system based other than on users' willingness to pay.

Third, this potential for economic harm from the two-tier system created by the inevitable excess demand for the lower-priced product and the probable regulation-induced shortage of the higher-priced product, was compounded by jurisdictional limitations on the FPC's power to regulate field market prices. Although the Commission could regulate producers' interstate sales, it could not regulate the prices at which they sold gas intrastate in the production region.[75] Intrastate sales were made primarily to industrial purchasers [76] who would seemingly be relatively indifferent as among various fuel sources available at equal prices. In times of shortage, the gas that these industries purchased would likely be diverted from retail distributors willing but unable under regulation to pay a higher price. Thus, both the certain scarce supply of old gas and the potential scarce supply of new gas likely would be disproportionately given over to certain industrial users by default, since other users who valued the gas more highly would not be allowed to bid up its price.

While the Commission may have intended the price of new gas to be set at market-clearing levels, the methods it used for setting new gas area prices made it highly likely that a significant gas shortage would arise by virtue of the new gas price—the "high" price—being set below the long term costs of natural gas production.[77] The basic method first used by the Commission to find a ceiling price for new gas-well gas was to determine by survey for given base years the recent cost of finding and producing new gas.[78] In both of the area rate cases completed in the 1960's, the final new gas price ceilings established on the basis of these estimates of recent costs turned out to be roughly equal to the interim prices set in the early 1960's.[79]

Given this recent cost survey method of setting the final ceiling prices, their similarity to the old interim prices is not at all surprising (even though one might have expected costs to rise during the 1960's), for the interim price ceilings themselves strongly biased the effort to determine the recent cost of new production. Producers unable to sell gas at more than the interim price levels most likely developed only those reserves having marginal costs lower than such prices. Companies with higher costs would not be producing, while those with cheap, lucky finds would still be in business. Thus it is not surprising that the recent costs of new reserves were slightly lower than the Commission's interim price ceilings. Taken together, the interim ceiling and later cost survey constituted simply two elements of a self-fulfilling prophecy; using recent costs to set future prices may, in reality, have been using interim prices to set permanent ones. In short, given the interim ceiling, a survey of the costs of producing new gas in the early 1960's could not tell the Commission with any assurance what price would be needed to elicit additional production for growing demand in the late 1960's and early 1970's.

Quite apart from the existence of interim ceilings, the probability that regulation would induce a natural gas shortage was increased by the specific calculation the Commission made to determine the recent costs of new gas production. If the Commission were not to discourage future production, it should have been certain that the ceiling prices it was setting were as high as prospective development and extraction costs. One indicator of such prospective outlays would be the cost curve derived from the historical marginal production costs in each drilling region of a production area during the test years. Even these historical marginal costs would of course understate future production outlays, because of increases in drilling and other expenses. But the Commission further compounded the possibility of understating prospective development and extraction outlays by *averaging* the marginal costs of recent production across all the drilling regions of a production area. Given a wasting resource from a fixed stock of uncertain size, it is highly probable that the costs of producing the very final units of recent output were greater than the average costs of finding and developing new reserves during the test years.[80] The higher-cost producers most likely included not only the unlucky or less skillful, but also those forced to search farther afield or deeper underground after having exhausted their more promising leaseholds. Averaging their costs in with the new gas production costs of the more fortunate or unusually skillful producers would understate the likely costs of future new gas production and would therefore increase the probability that exploration and development of marginal reserves would not take place.

The Commission tried to take these problems into account by adding an "allowance for growth" to the historical average costs of finding new gas. In the *Permian Basin* proceedings, for example, the Commission added 1.11 cents per Mcf to the ceiling price in recognition that producing enough new gas in the future to meet growing demands would probably require the exploitation of more expensive reserve sources.[81] But it did not determine the size of this premium by analyzing producers' probable marginal costs. Rather, an expert appearing for the gas distributing companies presented this figure as a judgmental observation, and experts for the gas producing companies in turn concluded judgmentally that the proper figure was 2.15 cents per Mcf.[82] The Commission

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simply chose between these two judgments, and, by acceptance of the distributors' estimate of the proper growth allowance, made it likely that the Commission's choice would be on the low side. To be sure, trying to determine the marginal costs of future gas production would have to involve *some* guesswork. But the need to guess inevitably introduces the risk of error—error difficult to correct once prices are set. The Commission's determination of the proper "allowance for growth" did not reflect any guidelines of its own concerning the impact of such factors as increases in drilling costs, decreases in the probability of finding gas, and changes in the rate of return needed to attract speculative capital into future gas production. Of course, as indicated earlier, these matters are highly speculative. It is therefore perhaps understandable that a Commission interested in regulating producers' prices would, when given only the alternative of accepting the producers' own figures, accept the growth figure offered by those interested in keeping producers' prices low.[83] But, nevertheless, the Commission's acceptance of the distributors' estimate of the premiums needed to encourage marginal production, along with its own calculation of the historical average costs of new production, created a considerable risk that the "new gas" price would be too low and would engender a gas shortage of some scope.

Faced with the extraordinary difficulty of determining the costs of "new gas" at levels of production that would clear the market and with a new-found shortage of gas production in the late 1960's, the Commission has more recently shown greater reliance on a process of direct negotiations to set area prices. In the original *Southern Louisiana* case, representatives of the producers, distributors, and other customers bargained out a "settlement" which was presented to the Commission for approval. The Commission [84] and the appeals court [85] took the negotiation under advisement, however, along with a great deal of information on historical costs, and decided to set price ceilings slightly below the settlement figures. When the gas shortage in the late 1960's led the Commission to reopen the *Southern Louisiana* proceedings, once again the parties negotiated a settlement. This time the Commission adopted the settlement figures as its own, holding that they constituted reasonable ceiling prices.[86]

To be sure, one undeniable advantage of setting prices through such negotiation is administrative simplicity. The Commission need not spend as much time gathering evidence, the number of warring parties is reduced, and it is less likely that a disappointed party will convince a court to overturn a Commission decision. But to set ceiling prices in reliance upon industry settlements comes close to abandoning the Commission's espoused regulatory goals—whether they be to control market power or to eliminate windfall profits—and comes even closer to admitting an inability to achieve them. Negotiation among interested parties can hardly control monopoly power, for it bears little resemblance to the bargaining among buyers and sellers that takes place in a competitive market. Rather than competing individually for purchases or sales, the parties bargain in blocs—the buyers together in one bloc bargaining with producers in the other bloc. Whether the negotiated price ends up higher than, lower than, or equal to the competitive market price will vary depending on the skill of particular bargainers and the bargaining atmosphere surrounding the negotiation. The parties are likely to be constrained in the bargaining by their knowledge that the Commission and the courts must approve the result and may produce little more than what they perceive their regulators as wanting.[87] For these same reasons, negotiation is unlikely to provide "accurate" two-tier prices in an effort to drive out producer rents.

In sum, the difficulty of designing a two-tier system for regulating field prices for natural gas made it unlikely from the outset that the Commission would set the "high" price for new gas at a market-clearing level if that was what it intended to do. However, it is also possible that the Commission in fact *wanted* to set the "high," new gas price below competitive rates. Much new gas-well gas production as well as old gas- and oil-well gas production probably returns rents to its producers.[88] If the Commission wanted to return these rents to users, while setting a *single* area price for all new gas-well gas, it *had* to set the price below the marginal cost of new production in that area. The Commission may have felt that any necessarily resulting shortage would not be serious and would be worth the benefits of lower prices to consumers who could obtain the gas that would be made available. If this was the Commission's reasoning, though, it did not expressly state it. Moreover, even if Commission policy could be attributed to such a purpose, the wisdom of that policy would still depend upon the precise extent and impact of the gas shortage created by it. It is to that question that we now turn.

III. THE EXTENT AND IMPACT OF THE NATURAL GAS SHORTAGE

The expectation that FPC regulation of gas production was likely to produce a substantial gas shortage has been proven accurate by subsequent events. Thus, pipeline buyers have reported to the Commission instances during the summer and winter of 1971–72 in which their contracts obliged them to deliver gas but they lacked the necessary supply.[89] The FPC staff has shown deliveries falling short of gas demanded by 3.6 percent in 1971 and by 5.1 percent in 1972, and has predicted that production will fall short of demand by 12.1 percent in 1975.[90] Moreover, those feeling the pinch have tended to blame FPC regulations for the shortage.[91] And the FPC has not only acknowledged the existence of a substantial shortage,[92] but has also suggested that regulated prices are a cause.[93]

Production "shortfalls" alone, however, do not accurately describe the extent of the gas shortage, because gas is purchased by and sold to pipeline companies before the time of its actual production. Gas delivered during any given year is "backed up" by considerable volumes of reserves which are originally committed in long term contracts to pipeline companies demanding a guarantee as to future supplies. Obviously, pipelines will demand more than a few years of reserve backup, for only with a fairly long term supply guarantee is establishing a pipeline worthwhile. More importantly, retail distributors and industrial consumers normally demand that pipelines themselves guarantee a specific rate of delivery over time and therefore demand substantial reserve backing as security against default by the pipelines on their promised deliveries.[94] Thus, an inability of transmission companies to acquire sufficient supplies to meet contract delivery requirements in any given year should signal the earlier existence of a deficiency in the volume of backup reserves committed at the time the original production contracts were undertaken. If this view is correct, a shortage in production levels in the 1970's would have been prefaced by a deficiency of reserve commitments made to back up new production undertaken in the early and mid-1960's. The extent of this predicted reserve shortage in the 1960's should be measurable as the difference between an "optimal" level of reserves which would have been demanded by pipeline companies to back up new production undertaken in that period and the level of reserves actually supplied by regulated producers and acquired by the pipelines.

Rough calculations previously made by one of these authors in fact show the shortage of reserve inventory of natural gas during the 1960's to have been substantial.[95] This conclusion was reached by first determining an approximate "optimal" volume of gas reserves, in terms of years of backup supply, which would be dedicated to secure new production commitments undertaken in any single year. The FPC has considered the proper amount of reserves to be 20 times initial production, so that regulated pipeline demands for new reserves have been based on "the assumption that each new market commitment is backed by a 20 year gas supply."[96] Similarly, pipelines' actual demands for reserves from 1957 to 1954—before the Commission had much influence on the field markets—were on an average equivalent to a 20-year backup of production, with the lowest backing in any single year equal to 14.5 times new production.[97] It was therefore concluded that, on the most conservative of assumptions, a simple, rough estimate of demands for reserve inventory under ceiling prices could be obtained by multiplying total new production—including all new contracts plus any renewals of expiring contracts—by 14.5 to obtain the "lowest" demands for reserve backing in the unregulated market. Alternatively, on more liberal assumptions, total new production could be multiplied by the FPC's suggested reserve ratio. These calculations were done for the years 1964 through 1968 to determine the volume of natural gas which would have been demanded by pipelines as reserves to back up new production under "optimal" conditions for that period. These high and low "optimal" volumes were then compared to the actual new-reserve-to-new-production ratio for the same years. Taking the 5-year period as a whole, it was found that the total demand for reserves was 1.5 to 2.2 times higher than the actual reserves acquired under FPC price ceilings; therefore, *excess* demand for reserves was 50 percent to 120 percent of realized levels of commitments.

In an attempt to determine whether this reserve shortage was the result of field price regulation, we shall construct a model of supply and demand for new reserves, based upon market clearing conditions in the 1950's. These conditions will then be extrapolated into the 1960's in order to predict what supply and demand behavior would have been like during that decade under competitive conditions and whether FPC ceiling prices were too low to clear the market.[98] Then we shall proceed to determine who received gas and who suffered the shortage. It will be shown that, in fact, as suggested earlier the home consumer suffered the brunt of an FPC-created reserve shortage, while the unregulated industrial consumer received a disproportionate share of the gas that was available.[99]

A. A supply and demand analysis of the insufficiency of FPC ceiling prices

The proposed model of supply and demand in the field markets for natural gas in the 1960's tries to assess more accurately the extent to which field price regulation caused the gas shortage. The model tests the fairly plausible view that, without regulation, field prices for natural gas would have increased substantially, producing correlative increases in the supply of and decreases in the demand for natural gas reserves. These higher prices would have called forth enough new supply to fill at least part of what has been shown to be the excess demand for reserve inventories. And, by more carefully rationing the available supply, the higher prices would have eliminated whatever additional excess demand would have still remained.

Footnotes at end of article.

The proposed model applies to gas which is supplied by pipeline to the East Coast and Midwest.[100] To test the model's accuracy, we first construct supply and demand schedules to characterize unregulated market behavior in the latter half of the 1950's and use these schedules to predict market-clearing prices in that period. This is done by fitting 1950's data to the proposed supply and demand relations to predict the amount of reserves added in year "t" in producing district "j" ($\triangle_{tj}R_{tj}$) and the average new contract price at the same time and place (P_{tj}). The values of $\triangle R_{tj}$ and P_{tj} that "clear" this supply-demand system for the 1950's describe with considerable accuracy both the actual prices at which natural gas was sold and the actual amount of new reserves added in the test areas during that period. The model is then applied to the 1960's by inserting 1961–68 data into the supply and demand equations and then solving the system for market-clearing values $\triangle R^*_{tj}$ and P^*_{tj}. The model's values for the 1960's are then compared to the actual reserves added and prices existing during that period. The comparison shows regulated prices to be less than P^*_{tj} and actual reserves supplied to be less than one-third of $\triangle R^*_{tj}$. Most of the difference can be attributed to the FPC's regulatory efforts.

1. The Supply Equations.—As previously indicated, the supply of natural gas is measured both by the volume of new reserves *and* by the level of production added from new contracts each year.[101] Looking first at the supply functions for new gas reserves, the volume of new reserves discovered and developed in any given year depends on geological and technical factors, as well as economic ones. Thus, the supply equations of the proposed model relate observable data to the supply of new reserves on the following assumptions.

First, the volume of gas added to known reserves in a district depends quite plainly on the extent of hydrocarbon deposits in that district; gas discovery, in other words, cannot occur where the deposits are not present. Because of the relative permanence of geological characteristics, the most concrete determinant of general hydrocarbon availability in a district is the long term pattern of reserve discoveries there. Thus, it may be said that the supply of new reserves in year "t" in district 'j" ($\triangle R_{tj}$) is a function (f) of the geological characteristics of district 'j" itself. This relationship can be expressed by the equation $\triangle R_{tj}=f(j)$.[102]

The second condition of new reserve supply is that inputs are required—principally drilling inputs—to bring unknown hydrocarbons to the point of being producible reserves. The only available data on such inputs are the number of gas development wells sunk in the 1950's and 1960's, by drilling district. To be sure, such data are not indicative of all necessary inputs, but the wells do reflect the amount of capital invested in a hydrocarbon field and do provide producers with additional knowledge of surrounding geological conditions. Thus, the supply of new reserves in year "t" in district "j" ($\triangle R_{tj}$) is also a function of the number of development wells sunk in the same time and place (W_{tj}). In sum, the equation $\triangle R_{tj}=f(j, W_{tj})$ can be taken to indicate, even if somewhat imperfectly, a number of important "engineering" factors in the supply of new reserves.

Third, the supply of newly discovered reserves also depends upon economic factors. This relationship can be most immediately seen as a condition of the number of development wells sunk in a drilling district. Thus, as prices for new gas reserves increase, it can be expected that more gas drilling will occur, and this additional drilling of regions likely to contain gas will increase the amount of new gas reserves discovered. If average new reserve contract prices in year "t" in district "j" (P_{tj}) are good surrogates for the prices forecast by the drilling companies before development begins, then the amount of actual drilling (W_{tj}) will be a function of these prices. In addition, as noted previously, gas reserves may be discovered incidentally in the search for oil.[103] Oil price increases are likely to produce more drilling in areas likely to contain hydrocarbon deposits, and such drilling may produce gas, as well as oil, finds. Therefore, the number of development wells sunk (W_{tj}) may be said to be also a function of the level of the crude oil price throughout the Southwest (op_t). Thus, the response of drilling activity, and indirectly of new reserve supply,[104] to economic factors can be expressed by the equation $W_{tj}=f(P_{tj}, op_t)$.

Finally, the analysis of drilling, as well as that of reserves, should recognize that geological factors, as represented by the long term pattern of drilling in a region, are important. Thus, the drilling equation we have developed thus far, $W_t=f(P_{tj}, op_t)$, should include the geological characteristic j as well.

In sum, the supply functions for new gas reserves in each drilling region "j" supplying the East Coast and Midwest markets in year "t" within the late 1950's can be taken to be:

$$\triangle R_{tj}=f(j, W_{jt}),\text{ where}$$
$$W_{tj}=f(P_{tj}, op_t, j).$$

Turning to the supply of new production, as opposed to new reserves, the proposed model is based on the assumption that the quantity of additional production from new contracts signed in year "t" for gas in district "j" (ΔQ_{tj}) depends upon three factors. First, the quantity of additional production obviously is a function of the volume of newly discovered reserves at the same time and place ($\triangle R_{tj}$). Second, production depends upon the cost of production itself. These costs may be roughly represented by the current rate of interest (i_t), since the interest rate may be assumed to be a measure of capital costs for drilling. As these costs increase, the production rate out of new reserves should decrease. Third, the quantity of additional production from new contracts signed each year is a function of short term consumer demand for immediate gas delivery. One of the factors influencing short term consumer demand can be represented by the all fuels retail price index (fp_t). This index will indicate not only whether the price of substitute fuels is rising, thereby making gas more desirable, but perhaps also whether personal consumption of fuel generally is on the rise, increasing the demand for gas as one among a number of alternative fuel sources. In short, additional gas production from new purchase contracts signed each year ($\triangle Q_{tj}$) is taken roughly to be a function of the availability of new reserves ($\triangle R_{tj}$), production costs (i_t), and consumer demand (fp_t), and can be represented by the equation $\triangle Q_{tj}=f(\triangle R_{tj}, i_t, fp_t)$.

2. *The Demand Equation.*—Demand or "willingness to pay" is represented by the prices bid by pipelines to purchase new gas reserves. These bids are determined primarily by pipeline costs and the pipelines' opportunities for resale. Thus, the proposed model is based on the assumption that average new contract prices for gas reserves of district "j" in year "t" (P_{tj}) depend upon pipeline costs and the demand for gas in final consumer markets.

The price a pipeline is willing to offer for newly discovered gas is in part a function of the pipeline's transport costs. These costs depend both upon the volume of new reserves discovered in a district and the distance between the field and the point of resale to retail distributors. As the volume of new reserve discoveries in a district ($\triangle R_{tj}$) increases, companies will be able to install larger scale gathering lines, thereby reducing unit transport costs. On the other hand, costs will rise as the number of miles between the field and the point of resale to retail distributors (M_j) increases.[105] Thus, the relation between field prices in district "j" in year "t" (P_{tj}) and pipeline transport costs can be expressed by the equation $P_{tj}=f(\Delta R_{tj}, M_j)$.

A more important determinant of the price pipelines will bid, however, is final consumer demand. As pointed out earlier,[106] the index of all fuel retail prices (fp_t) provides a rough measure of such user demand for gas; the prices which pipelines are willing to pay for producer gas are likely to increase directly with increases in this index. On the other hand, user demand will be limited by the total size of the final user market, and measurement of demand can be made more accurate by considering the extent of this market. The size of the market can be initially estimated by the capital stock of all gas-burning furnaces in the country (K_t). Moreover, since there are limits to the level of resales by pipeline companies, the prices which these companies are willing to pay in in any year will depend on the sum total of *all* new reserves that year ($\Sigma\triangle R_{tj}$). Thus, as the capital stock of gas burning furnaces (K_t) increases, so will the likely price bid by the pipelines; but as total new reserves offered in any year ($\Sigma\triangle R_{tj}$) increases, the likely price bid will decrease. Therefore, the relation between average new contract prices (P_{tj}) and the demand and size of final markets can be expressed by the equation $P_{tj}=f(fp_t, \Sigma\triangle R_{tj}, K_t)$.

In sum, putting together both the cost and user demand determinants of the prices pipelines are willing to pay, the proposed demand relation (for the same regions and time periods as for the supply functions) is: $P_{tj}=f(\triangle R_{tj}, M_j, fp_t, \Sigma\triangle R_{tj}, K_t)$.

3. *Application of the Model to the Field Market for Gas.*—The four equations of the proposed model together make up an equilibrium system that describes well the actual prices and supplies of new reserves in the late 1950's. Data from the period 1955–60 were used to fit "least squares" equations[107] to the structural relations explained above for new reserves ($\triangle R_{tj}$), wells sunk (W_{tj}), new production ($\triangle Q_{tj}$), and average contract price (P_{tj}).[108] The closeness with which the fitted equations describe reality is indicated by the accuracy with which equilibrium in the four-equation system reproduced the actual volumes of new reserves supplied and prices paid during the period.[109] The difference between the "simulated" (four equation equilibrium) price and the actual annual average price in any given year was at most 1.6 cents per Mcf and the average difference over the entire 6-year period was only 0.7 cent per Mcf.[110] Similarly, while the volumes of actual new reserves exceeded simulated new reserves by approximately 3 trillion cubic feet in both 1955 and 1957, the average difference over the 6-year period was less than ½ trillion cubic feet (or less than 0.7 percent of total new additions to actual reserves).[111] The model thus suggests that markets "cleared"—or operated at equilibrium—in the 1950's before producer price regulation.[112]

In order to test whether the gas shortage in the following decade developed from price controls, the model was then applied to the 1960's. The four equations were used, along with 1961–68 figures for the "outside" or exogenous variables,[113] to find the values for $\triangle R^*_{tj}$, $\triangle Q^*_{tj}$, W^*_{tj}, and P^*_{tj} which "solve" the equations—*i.e.*, the values which "clear" the gas market as if there were no price ceilings. These "unregulated" values are compared with the actual values in Table I.

Footnotes at end of article.

TABLE I.—PRICES AND PRODUCTION OF GAS FOR THE EAST COAST AND THE MIDWEST, 1961-68

Year	Average price (cents per thousand cubic feet)		New production (billion cubic feet)		New reserves (billion cubic feet)	
	Actual	Simulated	Actual	Simulated	Actual	Simulated
1961	17.7	20.0	292	817	5,567	12,480
1962	19.0	21.1	230	755	5,805	12,858
1963	16.5	22.4	447	688	4,884	13,077
1964	16.7	22.9	200	814	5,512	13,221
1965	17.4	24.1	348	750	6,015	13,621
1966	17.2	25.5	347	627	4,204	14,147
1967	17.4	26.7	575	520	3,693	15,026
1968	18.0	27.8	434	548	951	15,572
8 yrs	17.5	23.8	2,873	5,519	36,631	110,002

The simulated or "unregulated" prices that would have cleared the reserve market were on the average 6 cents per Mcf higher than ceiling prices for the entire period, and more than 7 cents higher for the period following 1962, when the full effect of price ceilings seems to have taken hold in the test region. On the supply side, the higher prices—if they had been allowed—would have provided considerable incentive to add to the volume of new reserves. The level of simulated new reserves is more than three times the level of actual new reserves over both periods. Another indication of the impact of clearing prices on supply appears in the difference between actual and simulated new production. Actual new production is approximately one-half of simulated new production over the 8-year period. Given that higher unregulated prices would have brought forth a much higher level of new reserves, this higher level of simulated new production is not surprising. On the demand side, the higher simulated (market-clearing) price would have significantly reduced the amount of reserves sought. To be sure, the amounts which would actually have been demanded at various prices are not known, since only the new reserves both demanded *and* supplied are shown by the annual simulations. But that excess reserve demand would have been reduced is indicated by the fact that the total demand for new reserves proved to be elastic with respect to price.[114] Total new reserve demand was reduced by approximately 10 trillion cubic feet for each cent of price increase.[115]

As it was, a serious reserve shortage developed in the 1960's, which at that time revealed itself in the pipelines' reduction of their new-reserve-to-new-production ratio. This reduction in the security of service, shared by all those connected to interstate pipelines, was translated in the early 1970's into a more tangible actual production shortage; pipelines had to curtail deliveries in 1971 and 1972 because they could not take gas from their reserves fast enough to meet their contract commitments. This production shortage has been plainly visible. It followed directly from the earlier reserve shortage which in turn was a creature of FPC regulatory policy.

B. The impact of the shortage

At the same time that field price regulation has meant lower gas prices, it has also brought about a reserve—and now a production—shortage. Determining who has been helped and who has been hurt by this FPC regulatory policy is necessary in order to assess whether the lower prices were "worth" the shortage. Information is not yet available to allow a definitive finding on this issue. Nevertheless, there is enough evidence inferentially to support the view that the result of FPC policy in the 1960's was to deplete the gas reserves of interstate home consumers in favor of the demands of intrastate industrial customers to whom sales were unregulated.

First, the regulated pipelines—those selling interstate for resale to distributors for most home customers—did not obtain their proportionate share of new gas reserves in the late 1960's. In 1965 these lines possessed more than 70 percent of the nation's reserves. But between 1965 and 1971, the interstate pipelines obtained less than half the volume of the new reserves developed, and the overall percentage of reserves possessed by them fell to 67 percent.[116]

Second, as Table II shows, what variation there was in the division of total annual gas production between residential and industrial users indicates that over the course of the 1960's proportionately more went to industrial users. The percentage of gas sold by pipelines and distributors to residential users declined 1.6 percentage points between 1962 and 1968.[117] This decline was caused in large measure by a substantial increase in industrial sales by unregulated intrastate pipelines and by producers themselves. Between 1962 and 1968, total industrial consumption of natural gas increased 43.5 percent, while intrastate pipelines and distributors increased their industrial sales by almost 62 percent.[118] Moreover, of the increase in industrial consumption, more than half can be attributed to sales by intrastate pipelines and distributors, while less than 13 percent is accounted for by direct industrial sales of the interstate pipelines. The remaining 37 percent of the increase was the result of direct sales by the producers.

TABLE II.—NATURAL GAS SALES TO ULTIMATE USERS[1]

Class of service or seller	1962		1968		
	Quantity (million Mcf)[2]	Percent of total	Quantity (million Mcf)[2]	Percent of total	Percent increase
Sales by all pipelines and distributors:					
Residential and commercial	4,320	44.5	5,966	42.9	+38.2
Industrial and other	5,396	55.5	7,925	57.1	+46.9
Total	9,716	100.0	13,891	100.0	+43.0
Sales to industrial and other nonresidential consumers:					
Direct sales by interstate pipelines[3]	2,129	23.2	2,641	20.0	+24.0
Intrastate pipelines and distributors (estimate)[4]	3,267	35.5	5,284	40.0	+61.7
Producers[5]	3,809	41.3	5,284	40.0	+38.7
Total U.S. industrial consumption	9,205	100.0	13,209	100.0	+43.5

[1] Much of the data in the table is derived from American Gas Association, "Gas Facts 1971", at 82, 119 (1972).

[2] This figure was converted from million therms to million Mcf based on 1,031 Btu's per cubic foot of natural gas.

[3] See Federal Power Commission, "Statistics of Interstate Natural Gas Pipeline Companies 1962, at XXII (1963); Federal Power Commission, "Statistics of Interstate Natural Gas Pipeline Companies, 1968," at XV (1969).

[4] These figures are derived by subtracting "Direct sales by interstate pipelines" from the figures for "Industrial and other" sales by all pipelines and distributors.

[5] These figures are derived by subtracting "Direct sales by industrial and other" sales by all pipelines and distributors from the figures for "Total U.S. industrial consumption."

Third, that the reserve shortage hit most seriously the residential buyer supplied by a regulated pipeline becomes still more evident when certain particular gas regions are examined. The Permian Basin in West Texas, for example, accounted for about 2.5 percent of total U.S. gas reserves in the early 1960's. In the late 1960's, additional discoveries raised this figure to about 10.5 percent.[119] Six large interstate pipelines, two intrastate pipelines, and many direct industrial buyers bid for the new reserves.[120] From 1966 onwards, the intrastate lines and the direct industrial buyers obtained almost all of the uncommitted volumes available. In fact, interstate pipelines, which accounted for 80 percent of production from the new reserves in this area in 1966, accounted for only 9 percent in the first half of 1970.[121] The reason for the interstate pipelines' decline in reserve holdings is not difficult to find. Prices offered by intrastate buyers for the new gas in this area rose from 17 cents per Mcf in 1966 to 20.3 cents per Mcf in 1970, and toward the end of 1970, the intrastate pipelines bought more than 200 billion cubic feet of reserves at initial delivery prices of 26.5 cents per Mcf.[122] At the same time, prices paid by interstate pipelines could not exceed the regulatory ceiling and therefore remained between 16 and 17 cents per Mcf. The inescapable conclusion is that the interstate pipelines were simply outbid.

In sum, as a result of regulation in the 1960's buyers for interstate consumption obtained fewer reserves than they wished. For the most part, those buyers were pipelines ultimately serving primarily residential consumers. The short reserve supplies were bid away from these buyers by intrastate gas users. This was a predictable result of FPC two-tier regulation of field gas markets in light of the Commission's jurisdictional limitations.

IV. THE COSTS OF REGULATION

Showing that ceiling prices created a substantial gas shortage and that this shortage was disproportionately borne by residential gas consumers is not enough by itself to condemn FPC regulatory policy. At the same time that FPC regulation of field markets created a shortage, it also reduced prices 6 cents per Mcf below what we have simulated market-clearing prices to be during the 1960's. To calculate the gains to consumers who actually received gas as a result of this regulatory policy, one might simply multiply average annual production of regulated gas from, say, 1962–68 (about 11 trillion cubic feet),[123] by 6 cents per Mcf and claim that regulation saved those consumers who received gas about $660 million annually. Of course, such a calculation contains heroic assumptions and oversimplifications. For one thing, it assumes that every cent of price reduction at the wellhead was passed through to ultimate consumers; in light of the fact that sales by retail distributors are intrastate and therefore subject only to state regulation, the assumption may not be valid.[124] For another thing, had producers received a higher price, at least some of their additional revenues would have been taxed away and, therefore, indirectly returned to consumers anyway. Nonetheless, even assuming that the entire 6 cents per Mcf was returned to consumers who actually received gas, we still doubt that this benefit outweighed the losses arising from regulation, even from the point of view of the consumer class itself.

In order to calculate the costs of wellhead price regulation to gas users, it must first be established that the behavior of pipelines in the field market is representative of consumers' interests. Table I[125] showed that the additional 6 cents per Mcf which pipelines would have paid for gas produced under unregulated conditions would have purchased a joint product: *both* additional production *and* additional reserves. These hypothesized purchases of additional supply by pipeline companies likely represent what the pipelines conceived to be final consumer demands for additional current deliveries and for additional insurance of future deliveries. Obviously, pipelines would not overstate demands for current production, since they clearly have no interest in purchasing gas which they cannot resell. Similarly, it is difficult to see why pipelines would deliberately over-

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Footnotes at end of article.

state demand for reserves, given that the costs of dedicated reserves are not included in their rate base and demanding excessive reserves would increase contract prices and therefore ultimately reduce sales to consumers.[126]

If this assumption of the representative quality of the pipelines' field market demands is correct, then the cash returned to gas users by virtue of FPC regulation was probably less than the cash consumers were willing to give up for additional deliveries and reserve backing. First, the gains to those paying lower prices for gas they actually received must be offset by the losses to others who had to do without gas and find other sources of energy. Residential and commercial users unable to receive gas because distributors lacked supply—usually those consumers in new or growing population centers—were forced to use less desirable, or more expensive, fuels such as oil or electricity. The cost, in real terms, to these consumers of using such alternative energy sources can be roughly measured by the amount which they were willing to pay for additional gas. Therefore, the loss they suffered from regulation is the difference between what they *were willing to pay* for gas rather than go without it and *what they would have actually paid* under equilibrium conditions for the market-clearing level of gas deliveries. If this difference or "premium" which consumers suffering the shortage were willing to pay was on *average* 6 cents per Mcf, then the losses of those doing without gas were as great as the gains of others receiving gas at 6 cents per Mcf below market-clearing prices; this is so because the hypothesized *shortage* of new production (the difference between simulated and actual production out of new reserves in Table I) was approximately as large as *actual* new production.[127] In fact, it appears from the supply and demand model that consumers suffering that shortage would by 1967 or 1968 have been willing to pay an average premium of 6 cents per Mcf rather than do without gas entirely.[128] Therefore, the losses from the shortage (equal to what consumers in the aggregate were willing to pay to recover lost gas production) simply made too many consumers worse off to allow the conclusion to be drawn that reduction in prices was worth the shortage it created.[129]

Second, the argument that consumers who actually received gas obtained a 6 cents per Mcf saving as a result of FPC regulation is itself fallacious, because these consumers were, in fact, purchasing *less*—an inferior product—than they would have under unregulated conditions. As we have shown, the price which consumers pay for deliveries, when translated into the price pipelines pay for production at the wellhead, purchases not only current production, but also a reserve backing which provides a certain level of insurance of future deliveries. Since FPC price ceilings brought forth only a third of the new reserves which would have been developed under market-clearing conditions, those consumers who received gas at lower prices *gave up* a substantial amount of their guarantee of future service. To be sure, this loss was not observable by these consumers, since it took the form only of reduced backing for production which they were currently receiving. Nevertheless, it is likely that these reserves were worth a considerable amount to them. The man who makes a large investment in gas appliances, for example, obviously wants an assurance that he will not have to switch to oil or electricity for many years, if at all. Reserves promise him this and also provide him with security from possible temporary interruptions of service. On conservative assumptions, these buyers, as represented by the pipelines, wanted at least 14.5 years of reserve backup to provide them with a sufficient production guarantee.[130] Under unregulated conditions, this insurance would have been obtained by them; under FPC price ceilings, it was not.[131] The 6 additional cents per Mcf which consumers receiving gas would have had to pay in an unregulated market was, from the perspective of their interests, at least in part a premium for insurance which FPC price ceilings did not provide. For every 6 cents in cash which FPC regulation saved these consumers on actual deliveries, it took away reserves which they might well have desired at least as much as the money. In short, the extent to which FPC regulation actually helped even those receiving gas at lower prices is problematical; it simply gave them a short term windfall at the cost of long term insecurity.

These losses to both those who did not obtain gas and those who did, moreover, are not all the costs of the FPC's regulatory policy. For example, further costs probably resulted from the displacement of industry. Some industrial firms for whom energy costs were a large part of total costs moved to the producing states solely to obtain natural gas not available on the interstate market due to FPC price ceilings. Moreover, further distortion arose from competitors' paying different prices for their fuel sources, either because one had an intrastate gas supplier, or because of FPC policies for rationing the cheaper "old" gas. And the economic and administrative costs of litigation and delay from the price proceedings themselves have been substantial as well.[132]

Despite these strong indications of the failure of FPC regulation of field gas prices, some consumers' groups have argued that the Commission should deal with the problems that have arisen from its present regulatory efforts by introducing still more regulation. The Commission might, for example, seek to expand its jurisdiction over intrastate sales to end the "leakage of supply" to intrastate industrial users and then establish "end use" controls, specially allocating gas to particular individuals or classes of customers.[133] Such an approach, however, would not solve the problems raised here. Not only would it fail to reduce the aggregate shortage of gas, but it would require the Commission to determine on a larger scale than it now does which end uses of gas are "superior" and which "inferior." Such a task is difficult, to say the least, and there is little reason to believe that a Commission that was unable to set area prices in the field without creating massive shortages would find a "proper" solution to the still more complex problem of rationing on a grand scale. Once prices were abandoned as a measure of value, the number of claimants for special preferences, citing a variety of economic and social imperatives, would become large indeed. In all probability, the Commission would have to continue its past practices and simply arrange for a series of compromises among these various claimants. Such compromises would inevitably lead to continued excess demand for gas and to shortages in which, if the future resembles the past, those intended to benefit from gas regulation would still be injured.

Neither would it be completely satisfactory for the Commission to follow a partial policy of income redistribution by trying to squeeze rents only from old gas- and oil-well gas production while leaving new gas-well gas production unregulated.[134] To be sure, there would be little danger of shortage if the Commission set ceiling prices only on the production of gas *now* classified as "old," since there is *ex hypothesi* a fixed supply of these hydrocarbons. But such regulation would accomplish merely a temporary, minimal transfer of rents, because the supply of this "old" gas will run out in the next few years. In order to accomplish this temporary income transfer, the Commission would still have to solve the problems of determining the costs of producing old gas and of rationing the cheaper supplies. The administrative burden of solving these problems might not be worth the income redistribution which such a policy would bring about. On the other hand, if the Commission embarked upon a *permanent* policy of regulating "old" gas prices by continuously reclassifying further supplies as "old," it would not only have to develop a dynamic standard to separate "old" from "new" gas, but it would also be confronted with all the problems of the present regulatory system. Producers seeing that the prices of their new supplies would *eventually* be subject to ceilings would be likely to take these future price regulations into account. Therefore, while the prices of new reserves would not be directly regulated, further exploration and development would still be discouraged, and thus a shortage would still arise.

The alternative that we favor is eliminating field price regulation designed to transfer producer rents. If income is to be redistributed, rents can be transferred from producers to consumers without regulation. For example, tax policy can be used to accomplish the same objectives. Indeed, much of the alleged justification for the depletion allowance [135] in this area—the need to encourage exploration and development—would seemingly vanish if producer prices were set competitively. In contrast to the tax system, area price ceilings cannot help but be an indiscriminate method of income redistribution. While it takes *some* income from those producers realizing excess profits, its impact falls most heavily on those producers without excess profits—those right at the margin, perhaps forcing them out of the market entirely. In contrast, redistribution through taxation aims more directly at those producers with excessive incomes. While we are aware that redistribution through tax policy has many problems of its own, we doubt that they could be as serious as those that have accompanied the effort to control field prices. In short, it is difficult to see the virtue of a price control system, particularly when, as was proven during the 1960's, it is likely that those consumers the system is designed to benefit will not be benefited at all. With the example of producer price regulation in mind, one might well question the advisability of using microeconomic methods—such as regulation of the firm—solely to accomplish macroeconomic objectives—such as income redistribution.

To be sure, elimination of regulation intended to redistribute income would effectively mean deregulation of much of the field market for natural gas, since the market structure of most, if not all, producing regions is decentralized and competitive. Deregulation of this sort, however, would not deprive the Commission of all power over producer rates in those regions where producers do possess monopoly power. At the same time that the Commission would allow prices in competitive regions to approach market-clearing levels, it could selectively regulate prices in those few producer regions where market power turns out to be present by using the prices in the competitive areas as benchmarks.

Of course, one potential obstacle to this proposed regulatory policy is that a court might hold that for the Commission to allow market forces to determine producer prices would be inconsistent with the mandate of the Natural Gas Act to regulate "sale[s] in interstate commerce of natural gas. . . ."[136] To be sure, in the *CATCO* case,[137] the Court held that the Commission could not license a producer to sell gas without conditioning the license on the producer's promise to charge a reasonable price. But the Court's decision in that case was predicated on the inadequacy of the Com-

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mission's findings respecting the need to issue an unconditional license, and on the harms to consumers which would attend the inordinate delay before the Commission on its own could determine a just and reasonable rate. Certainly, the case cannot be taken as precedent for disturbing Commission judgment that market forces can ordinarily be relied upon to set just and reasonable rates and that any attempt to interfere with market forces to transfer rents would do the consumer more harm than good. A decision to "deregulate" producer prices as proposed would be a determination that selective rather than pervasive interference with field market transactions was the most appropriate way to regulate this portion of the natural gas industry. Such a determination would seemingly comply with the fundamental purposes of the Natural Gas Act, and, being based upon 15 years of experience with different methods of regulation, it would almost certainly be supported by substantial evidence.[138] Nothing in the *Phillips Petroleum* decision[139] *requires* the FPC to set prices; the decision simply gives the Commission jurisdiction to do so. As the U.S. Court of Appeals for the Fifth Circuit has recently stated:[140]

"[T]he decisions of the Supreme Court definitely indicate the Commission has a responsibility to take the steps necessary to assure that wellhead prices are in the public interest. The Commission does not have to employ the area rate method or for that matter regulate prices directly at all, but it has chosen to fulfill its duty in that manner here."

In sum, the arguments against the present system of gas field market regulation are compelling. Price control is not needed to check monopoly power, and efforts to control rents require impossible calculations of producer costs and lead to arbitrary allocation of cheap gas supplies. In practice, regulation has led to a virtually inevitable gas shortage. It has brought about a variety of economically wasteful results, and it has ended up by hurting those whom it was designed to benefit. Thus, less, not more, regulation is required.

FOOTNOTES

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[1] 347 U.S. 672 (1954).

[2] Prior to this decision, FPC regulation of the natural gas industry extended only to the regulation of prices for the transporting of gas across state lines for the purposes of resale.

[3] MacAvoy, *The Effectiveness of the Federal Power Commission*, I Bell J. of Econ. & Management Sci. 271, 303 n. 22 (1970).

[4] *See* Table I, p. 975 *infra*.

[5] Although in debates over the wisdom of FPC regulatory policy the *Phillips* decision itself is often violently attacked, the Court's logic in that case was not wholly unreasonable, though neither was it totally satisfying. Whether the FPC should have jurisdiction over producer prices is not clear from the statutory language of the Natural Gas Act, 15 U.S.C. §§ 717–717w (1970). The Act states that [t]he provisions of this chapter shall apply to . . . the sale in interstate commerce of natural gas for resale . . . but shall not apply to . . . the production or gathering of natural gas.

15 U.S.C. § 717b (1970). To be sure, a field producer's sale to an interstate pipeline is "a sale in interstate commerce for resale." But whether the exemption for "production and gathering" applies to the physical production and gathering operations only *or* to those operations and also the *sale* of what what is gathered, is not clear.

While the legislative history of the Act has little to say about producer regulation, what is said seems to support the Court's decision. The House of Representatives Committee Report states that the words "production or gathering" are "not actually necessary, as the matters specified therein could not be said fairly to be covered by the language affirmatively stating the jurisdiction of the Commission. . . ." H.R. Rep. No. 709, 75th Cong., 1st Sess. 3 (1937). *See generally* Note, *Legislative History of the Natural Gas Act*, 44 Geo. L.J. 695 (1956). This statement suggests that Congress did not mean to exempt from regulation sales by producers to pipelines, for such sales surely could be said "to be covered by the language affirmatively stating the jurisdiction of the Commission" over sales for resale in interstate commerce. Moreover, although the FPC consistently refused before 1954 to regulate producers, at their urging Congress passed a bill granting a clear producer exemption—a bill that President Truman vetoed. Thus the producers, the Congress, and the President arguably acted as if the producers might be regulated by existing law. For an excellent discussion of this point, and of producer price regulation generally, see Kitch, *Regulation in the Field Market for Natural Gas by the Federa,l Power Commission*, 11 J. Law & Econ. 243, 254–55 (1968).

Despite this support for the Court's position, however, the *Phillips* decision can be criticized. The Court did not examine, more than superficially, the economic purposes that producer regulation might serve. Without such an examination, the Court could not tell what sense producer regulation made economically or whether it was consistent with a general regulatory policy which provides for the supervision of the prices of monopoly (or oligophy) gas transmission companies and of monopoly retail gas distributing companies. If producer regulation is not consistent with this general regulatory policy, then to assume a congressional intent to regulate producers in the face of ambiguous statutory language and a near-silent legislative history was not warranted, and produced bad law. To what extent the Court in 1954 could have been aware of the facts and arguments concerning the economic rationale for regulation, we leave to the reader to judge.

[6] N.Y. Times, April 19, 1973, at 1, col. 1; *see* note 134 *infra*.

[7] Southern Louisiana Area Rate Cases v. FPC, 428 F. 2d 407, 418 n. 10 (5th Cir.), *cert. denied*, 400 U.S. 950 (1970).

[8] Recent estimates place potential reserves in the U.S. at 1,227 trillion cubic feet in addition to the present proven reserve inventory of 275.1 trillion cubic feet. Federal Power Commission, 1970 Annual Report 52 (1971). Of course, much of the potential reserves exists in high-risk, high-cost areas. *Id.* at 52. But these figures for potential resources do not include the possibility of expansion by way of technological advances in obtaining gas from coal and in stimulating low-productivity gas reservoirs through the use of nuclear power. *Id.* at 53–54.

[9] *See* pp. 965–66.

[10] *See, e.g.*, Posner, *Taxation by Regulation*, 2 Bell J. of Econ. & Management Sci. 22 (1971).

[11] For general background on the production of natural gas, see J. Kornfeld, Natural Gas Economics (1950); S. Pirson, Oil Reservoir Engineering (1959); L. Uren, Petroleum Production Engineering (1934).

[12] *See* Table II, p. 978 *infra*.

[13] *See* P. MacAvoy, Price Formation in Natural Gas Fields chs. 5–7 (1962) [hereinafter cited as Price Formation].

[14] *See* pp. 954–57 *infra*.

[15] *See* C. Hawkins, The Field Price Regulation of Natural Gas 221 (1969) [hereinafter cited as Hawkins].

[16] *See, e.g.*, Douglas, *The Case for the Consumer of Natural Gas*, 44 Geo. L.J. 566, 589 (1955) ("Competition is limited by the domination of supply and reserves by a very few major companies . . . .").

[17] Phillips Petroleum Co. v. Wisconsin, 347 U.S. 672, 685 (1954).

[18] Southern Lousiaina Area Rate Cases, 428 F.2d 407, 416, n.10 (5th Cir.), *cert. denied*, 400 U.S. 950 (1970).

[19] Hawkins, 248.

[20] Permian Basin Area Rate Proceeding, 34 F.P.C. 159, 182 n.17 (1956), *aff'd in part and rev'd in part sub nom.* Skelly Oil Co. v. FPC. 375 F.2d (10th Cir. 1967), *aff'd in part and rev'd in part sub nom.* Permian Basin Area Rate Cases, 390 U.S. 747 (1968) (approving FPC decision in its entirety).

[21] P. MacAvoy, The Crisis of the Regulatory Commissions 156 (1970), quoting Champlin Oil & Refining Co., Docket No. G–9277, at 458 (FPC 1969) (testimony of Professor M.A. Adelman).

[22] *See* McKie, *Market Structure and Uncertainty in Oil and Gas Exploration*, 74 Quarterly J. of Econ. 453 (1960).

[23] *See* Hawkins 227; pp. 966–67 *infra*.

[24] *See* Price Formation 29–31.

[25] *Cf.* Champlin Oil & Refining Co., Docket No. G–9277, at 489 (FPC 1969) (testimony of Professor A. E. Kahn).

[26] *See* Price Formation 93–242.

[27] *See, e.g.*, Dirlam, *Natural Gas: Cost, Conservation, and Pricing*, 48 American Econ. Rev. 491 (No. 2, 1958); Douglas, *supra* note 16; Kahn, *Economic Issues in Regulating the Field Price of Natural Gas*, 50 American Econ. Rev. 506 (No. 2, 1960).

[28] Hawkins 223 (prices at the wellhead increased 83% during this period).

[29] *See* Price Formation 243–73.

[30] *See, e.g.*, Douglas, *supra* note 16; Spritzer, *Changing Elements in the Natural Gas Picture: Implications for the Regulatory Scheme*, in Regulation of the Natural Gas Producing Industry 118 (K. Brown ed. 1972).

[31] On this point, most of the economic theories of the regulated firm agree. *See, e.g.*, Averch & Johnson, *Behavior of the Firm Under Regulatory Constraint*, 52 American Econ. Rev. 1052 (No. I, 1962). *See also* Baumol & Klevorick, *Input Choices and Rate-of-Return Regulation: An Overveiw of the Discussion*, I Bell J. of Econ. Management Sci. 162 (1970).

[32] *See* Price Formation 93–145.

[33] Those favoring regulation have also pointed to producer profits as evidence of market power. To be sure, profits would appear to have been higher here than in some industries. Economic experts appearing for the distributing companies in the Permian Basin Area proceedings reported average returns on capital between 12 and 18% for oil and gas companies at a time when the average return in manufacturing was less than 8%. But such comparisons are not enough to suggest the presence of monopoly pricing, due to three special features of returns in the gas producing industry. First, without regulation, marginal producers must earn a return on their capital at least equal to what they could earn by investing elsewhere. But lower costs on more fortunate discoveries in a world of uncertainty might earn much more, and this "rent" earned by unusually efficient or fortunate producers would create an upward bias in industry average profit rates. Such "rent" is more likely to be prevalent in natural gas production than in most other industries because of the characteristics of discovery of an uncertain resource. *See* p. 950 *infra*. Second, the Permian Basin figures reflect profits only of firms still in business, not of those that have failed. The uncertainty in exploring and developing gas suggests that risks of failure have been unusually high. *See* Hawkins 222

(showing high percentage of exploratory wells which have been dry). Thus, measuring industry returns on the basis of those that are able to remain in it results in an upward bias. Third, profit figures in the Permian Basin proceedings overstated the true return to capital because of the accounting procedures used. The rate of return estimates were calculated simply by dividing total profits that producers reported they had received by the total capital that they reported they had invested. However, this method does not account for the extensive time lag in the industry before an investment begins to earn a return. The accounting return on a dollar invested must be far lower in real terms here than elsewhere simply because payment begins 5 years rather than 1 year, after the investment is made; the simple accounting profit rate must be adjusted to take the long lag between exploration and production into account. Producer witnesses in the Permian Basin case estimated that an "apparent yield" of 16 to 18% was due to the lag in production, equivalent to a "true yield" of about 10% Thus, not much can be concluded about market power from the profit figures alone.

[34] Of course, regulation designed to allocate resources efficiently and regulation directed at income redistribution are necessarily mutually exclusive policies. *See* p. 943 *supra*.

[35] *See, e.g.,* Kahn, *supra* note 27.

[36] *See* Tables I and II, pp. 975, 978 *infra*. *See also* HAWKINS 220.

[37] Rising trends in costs of inputs and falling trends in productivity per unit of drilling are reported in NATIONAL PETROLEUM COUNCIL, U.S. ENERGY OUTLOOK ch. 6 (2d Interim Report 1971).

[38] *See* p. 944 *supra*.

[39] *See* Southern Louisiana Area Rate Proceeding, 46 F.P.C. 86, 110–11 (1971).

[40] *See* Southern Louisiana Area Rate Cases v. FPC, 428 F.2d 407, 426 (5th Cir.), *cert. denied,* 400 U.S. 950 (1970).

[41] *See* pp. 958–59 *infra*.

[42] This pattern appeared in the first complete area rate decision. Permian Basin Area Rate Proceeding, 34 F.P.C. 159 (1956), *aff'd in part and rev'd in part sub nom.* Skelly Oil Co. v. FPC, 375 F.2d 6 (roth Cir. 1967), *affd in part and rev'd in part sub. nom.* Permian Basin Area Rate Cases, 390 U.S. 747 (1968) (approving FPC decision in its entirety).

[43] *See* 34 F.P.C. at 188.

[44] Additionally, economists favoring regulation upon whom the Commission has closely relied have often rested their case upon a belief that the supply of gas is inelastic—that price has little effect on outputs. *See, e.g.,* Kahn, *supra* note 27, at 508–09. If regulation-induced price changes would not affect output, then the only reason to set price ceilings would be to transfer rents.

[45] 347 U.S. 672 (1954).

[46] Soon after the *Phillips* decision, Congress passed a bill exempting field sales of natural gas from regulation. The bill was vetoed, however, by President Eisenhower, not because he favored regulation, but because he disapproved of certain producer lobbying tactics. *See* Kitch, *supra* note 5, at 256.

[47] HAWKINS 37.

[48] *Id.*

[49] *Id.* at 26.

[50] *Id.* at 78.

[51] SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE OF THE SENATE COMM. ON THE JUDICIARY, 86TH CONG., 2D SESS., REPORT ON THE REGULATORY AGENCIES TO THE PRESIDENT-ELECT 54 (Comm. Print 1960) (Landis report).

[52] Assume that to find and to produce a certain volume of gas and oil from a marginal well costs a certain producer $100,000. Assume further that of this cost, $70,000 is joint, $20,000 represents the ascertainable separate cost of extracting oil, and $10,000 the separate cost of extracting gas. The producer will develop this well and sell both gas and oil provided he can sell the oil for at least $20,000, the gas for at least $10,000, and the two together for at least $100,000. But he will not care whether the extra $70,000 comes entirely from gas sales, entirely from oil sales, or from some combination of the two. The source of the $70,000 will depend upon the relative strength of the demands of gas buyers and oil buyers for the producer's supplies—a factor which will depend upon supply and demand in each industry. *See, e.g.,* I. A. KAHN, THE ECONOMICS OF REGULATION 79–83 (1970).

[53] Thus, the agency regulating the producer described in note 52, *supra,* would permit the well owner to recover $100,000, allowing him to set whatever combination of gas and oil prices would be necessary to obtain the revenue. Similarly, the regulator would allow the owner of an intermarginal well with, say, joint costs of $40,000, separate gas costs of $5,000, and separate oil costs of $10,000 to set whatever prices would obtain a total of $55,000. Since in the latter case total production could be sold for $100,000 in an unregulated market, the producer would lose $45,000 in rent, and gas and oil consumers *together* would pay $45,000 less than the free market price.

[54] The problem of trying to regulate one industry without regulating the other becomes clear if one considers the following procedure. Suppose the Commission were to require producers to submit prices that covered the costs of producing gas only, but which included (1) the ascertainable separate costs of gas extraction, plus (2) joint costs only insofar as they would not be covered by revenues received from the sale of petroleum. Thus, for example, a firm with joint costs of $70,000, separate oil costs of $20,000, and separate gas costs of $10,000, would be allowed to earn up to $80,000 from gas sales which would be calculated as the sum of $10,000 plus the difference between oil revenues (less $20,000 for covering *separate* oil costs) and $70,000. For every dollar less that it earned from oil sales, the company would be allowed to earn a dollar more from gas sales.

Considering the Commission's inability to regulate liquid sales, such a system for regulating gas production prices would have obvious drawbacks. First, it would require information on petroleum sales of the sort that is required of regulated sales. To ask the company to provide estimates of future oil prices would be to ask for exceptionally costly and uncertain information. Second, the Commission would have to regulate the price of oil eventually if it were to squeeze rents out of gas production. Under such a system, the producer would be indifferent as to whether he earned a dollar of rent from an oil or a gas sale. It is possible that he would try to cover as many of the well's costs as possible from gas sales, for if the Commission forced him to charge a lower gas price, he would not know whether he could cover a well's remaining joint costs from oil sales until the oil was sold, perhaps sometime in the future. He must therefore decide to maintain gas prices that included rents and reduce his oil prices, as a strategy to increase total sales or, perhaps, in order to allocate his low-priced oil arbitrarily on the basis of personal favors or otherwise.

[55] *See generally* HAWKINS 44–74.

[56] If, for example, it costs $1.50 to produce a barrel of oil and $0.15 to produce an Mcf of gas, joint costs would be allocated according to the ratio: 10 × the number of barrels of oil/number of Mcf's of gas.

[57] Under this method, if a barrel of oil yielded one million BTU's and an Mcf of gas yielded ½ million, then a company's joint costs would be allocated according to the ratio: 2 × number of barrels of oil/ number of Mcf's of gas.

[58] Thus, if an oil BTU was worth four times a gas BTU, the ratio for allocating joint costs would be: 4 × number of barrels of oil/number of Mcf's of gas.

Note that this is a potentially circular method since "costs" are partly tied to existing prices. *See* HAWKINS: 46–47.

[59] *See* HAWKINS 78.

[60] FPC v. Hope Natural Gas C., 320 U.S. 591, 645 (1944).

[61] Since the number of joint wells has diminished to the point where gas output from them accounts for only about 25% of total gas production, *see* p. 944 *supra,* the problem of allocating joint costs became somewhat less important in the 1960's than it was in the 1950's. Nonetheless, joint expenditures were and are still sufficiently important to make a pricing system that allocates them via these accounting methods an exercise in the arbitrary.

[62] *See generally* W. SHARPE, PORTFOLIO AND CAPITAL MARKETS (1970).

[63] Because of special tax incentives, much new investment by gas production companies is financed out of internally generated funds. *See, e.g.,* INT. REV. CODE of 1954, §§ 611–13 (depletion allowance).

[64] *See* NATIONAL PETROLEUM COUNCIL, U.S. ENERGY OUTLOOK 115 (1972) (showing exploration, development, and overhead costs to be $6.4 billion of $8.9 billion total outlay).

[65] The five areas were (1) The Permian Basin (Texas and part of New Mexico); (2) Southern Louisiana (including the offshore area in the Gulf of Mexico); (3) Hugoton-Anadarko (part of Oklahoma and Kansas); (4) Texas Gulf Coast; and (5) Other Southwest (Mississippi, Arkansas, and parts of Alabama, Texas, and Oklahoma).

[66] 15 U.S.C. § 717d (1970).

[67] With regard to increases in existing contracts, proposed price increases would take effect subject to an obligation of the producer to refund any excess above the "reasonable rate" which the area rate proceeding was eventually to find. Thus, producers tended not to ask for increases above the interim ceiling rate. With regard to new supply contracts, the Commission used its licensing power over producer entry, 15 U.S.C. § 717 (1970), to withhold certificates allowing production to begin unless the producer agreed to sell the gas at the interim ceilings proposed by the Commission as (provisionally) reasonable. While the Commission did not rigidly adhere to these interim guidelines, its object was to hold new gas prices "in line" with those charged in the late 1950's and in 1960. *See generally* FPC, Statement of General Policy, No. 61–1, 24, F.P.C. 818 (1960).

[68] Permian Basin Area Rate Proceeding, 34 F.P.C. 159 (1965), *aff'd in part and rev'd in part sub nom.* Skelly Oil Co. v. FPC, 375 F.2d 6 (10th Cir. 1967), *aff'd in part and rev'd in part sub nom.* Permian Basin Area Rate Cases, 390 U.S. 747 (1968) (approving FPC decision in its entirety); Southern Louisiana Area Rate Proceeding, 40 F.P.C. 530 (1968), *aff'd,* Southern Louisiana Area Rate Case, 428 F.2d 407 (5th Cir.), *cert. denied,* 400 U.S. 950 (1970). The latter case was reopened to raise the ceiling by 25%. Southern Louisiana Area Rate Proceeding, 46 F.P.C. 86 (1971); *see* p. 964 *infra*.

[69] See p. 951 *supra*.

[70] The English have solved this problem by making the gas distributor a single nationalized company, with both monopoly and monopsony power. It can thus offer differential prices to producers based upon their production costs, including prices equal to marginal costs for producers at the margin. It can then ration the cheaper gas by selling to those consumers who bid the most. To be sure, the nationalized distribution company earns large rents, but these rents are simply transferred over to the treasury. *See generally* Dam, *The Pricing of North Sea Gas in Britain,* 13 J. LAW & ECON. 11 (1970). Of course, allowing private pipeline or distributing

companies in the United States to ration the cheaper "old" gas on the basis of consumers' willingness to pay would be undesirable, since producer rents would then be transferred to these private companies, rather than to consumers.

[71] The FPC has generally chosen to increase the reserve backing of existing pipeline customers when given the choice of certifying new pipeline construction with only marginal backing.

[72] *See, e.g.*, FPC v. Transcontinental Gas Pipe Line Corp., 365 U.S. 1 (1961) (upholding FPC decision to deny delivery of gas to utility company for use under boilers in place of coal, partially on ground that this was an "inferior" use); p. 984 *infra*.

[73] *See* pp. 948–49 *supra*.

[74] A deficiency in the supply of the new gas might still occur even if the Commission regulated the old gas only, so long as producers suspected that there would be *future* designations as "old" gas now "new." *See* pp. 984–85 *infra*.

[75] 15 U.S.C. § 717b (1970).

[76] *See* p. 997 & note 118 *infra*.

[77] Note that the discussion here is limited to the Commission's determination of prices for new *gas-well* gas, and that since no joint cost problem would be involved, it was unlikely the Commission would find the market price too low, as was the case in the former individual producer proceedings. *See* p. 957 *supra*.

[78] Thus in the Permian Basin Area Rate Proceeding, 34 F.P.C. 159 (1965), *aff'd in part and rev'd in part sub nom.* Skelly Oil Co. v. FPC, 375 F.2d 6 (10th Cir. 1967), *aff'd in part and rev'd in part sub nom.* Permian Basin Area Rate Cases, 390 U.S. 747 (1968) (approving FPC decision in its entirety), the Commission staff surveyed both major and minor producers to discover their annual total costs for producing new gas for the base year of 1960. Experts employed by the producers, and some employed by retail distributors, made similar surveys. Together they produced a range of estimates of exploration and development costs for each of several different years. See Hawkins 91–107. Similarly, in the Southern Louisiana Area Rate Proceeding, 40 F.P.C. 530 (1968), *aff'd*, Southern Louisiana Area Rate Cases v. FPC, 428 F.2d 407 (5th Cir.), *cert denied*, 400 U.S. 950 (1970), such analyses were undertaken for the base year 1963.

[79] In Permian Basin Area Rate Proceeding, 34 F.P.C. 159 (1965), the Commission set a new gas ceiling price of approximately 16.5¢ per Mcf. In Southern Louisiana Area Rate proceeding, 40 F.P.C. 530 (1968), it set a new gas ceiling price of 20.0¢ per Mcf. The interim ceilings had been 16.0¢ and 21.0¢ respectively.

[80] *See generally* P. Bradley, The Costs of Petroleum (1968).

[81] Permian Basin Area Rate Proceeding, 34 F.P.C. 159, 194 (1965).

[82] *See* Hawkins 106–07.

[83] *Cf.* p. 948 *supra*.

[84] Southern Louisiana Area Rate Proceeding, 40 F.P.C. 530, 543 (1968).

[85] Southern Louisiana Area Rate Cases v. FPC, 428 F.2d 407, 419 (5th Cir.), *cert. denied*, 400 U.S. 950 (1970).

[86] Southern Louisiana Area Rate Proceeding, 46 F.P.C. 86, 110 (1971); *see* Hugoton-Anadarko Area Rate Proceeding, 44 F.P.C. 761, 769–72 (1970) (ceiling price based on settlement). *But see* Texas Gulf Coast Area Rate Proceedings, 45 F.P.C. 674 (1971) (ceiling price based on independent FPC determination).

[87] Thus, for example, in the first *Southern Louisiana* case, the industry probably surmised that the Commission was unlikely to approve any price out of line with past prices or that departed too radically from average historical new gas production costs. It is therefore not surprising that the settlement offered in that case came very close to the "interim" ceiling price. *See* Southern Louisiana Rrea Rate Proceeding, 40 F.P.C. 530, 630 (1968). Once the Commission reopened the proceeding, however, and thereby indicated its willingness to raise the ceiling price to alleviate the gas shortage, the settlement offer produced a price 20–25% higher than the price previously allowed. Southern Louisiana Area Rate Proceeding, 46 F.P.C. 86, 110 (1971).

[88] *See* p. 950 *supra*.

[89] *See Proceedings on Curtailment of Gas Deliveries of Interstate Pipelines Before the Federal Power Commission* (1972).

[90] Federal Power Commission, Bureau of Natural Gas, National Gas Supply and Demand 1971–1990, at 123 (1972).

[91] *See* MacAvoy, *The Regulation-Induced Shortage of Natural Gas*, 14 J. Law & Econ. 167, 169–70 (1971) [hereinafter cited as *Regulation-Induced Shortage*].

[92] *See* Natural Gas Supply and Demand, *supra* note 90, at xi; Federal Power Commission, Bureau of Natural Gas, The Gas Supplies of Interstate Natural Gas Pipeline Companies 1968, at 34–39 (1970).

[93] *See* Southern Louisiana Area Rate Proceeding, 46 F.P.C. 86, 110–11 (1971).

[94] In theory at least, this demand for reserves should be reflected in higher contract prices to the pipelines, because a longer waiting period for production imposes higher costs on the supplier. This cost increase was not reflected in significantly higher prices on longer term contracts, however, during the period just before area rate regulation. *See* Price Formation 262–65.

[95] *Regulation-Induced Shortage* 171–75.

[96] Federal Power Commission, A Staff Report on National Gas Supply and Demand 18 (1969). Note that 20 years of reserve backing will support only 12 years of delivery at the full initial production rate, because the rate of delivery out of a reserve must fall as gas pressure falls. *See* Hawkins 42.

[97] *Regulation-Induced Shortage* 172.

[98] Obviously, the proposed model is fallible due to the many problems involved in acquiring data—problems that the Commission itself faced in trying to set prices. Yet we believe that such models should be used by policymakers as evidence that is probative, though not conclusive, of which policies ought to be followed.

[99] Ed.—Professor MacAvoy has previously published a supply and demand model intended to measure the extent to which field price regulation has caused the natural gas shortage. MacAvoy, *The Regulation-Induced Shortage of Natural Gas*, 14 J. Law & Econ. 167 (1971). Since that time, his thoughts on the subject have somewhat modified, and the model presented herein is a considerably revised and updated version of that previously published and yields different results.

For those familiar with Professor MacAvoy's earlier model, the revised version presented here specifically differs in the following respects. First, the long term pattern of reserve discoveries and wells sunk in a drilling region is taken to be a better indicator of the geological conditions of that region than is the pattern of discoveries and drilling the year before the test year. Second, the level of the crude oil price index replaces that of the all fuels price retail price index as a condition of drilling activity. Third, the capital stock of gas burning furnaces is taken to be a closer measurement of the size of the final market for natural gas than changes in per capita income and population.

In addition, the data used to examine the relative effects of the gas shortage on industrial and residential users has been developed more fully and separates intrastate from interstate production insofar as it is possible to do so.

[100] The test field market is delimited by the pipelines taking gas for resale along the East Coast and in the Middle Atlantic states. The area roughly comprises Texas Railroad Commission Districts 1–7 and 10, Louisiana, Kansas, and Oklahoma.

[101] *See* p. 966 *supra*.

[102] The actual values of "j" are determined for purposes of the supply and demand equations by treating it as a "dummy" variable. *See* note 109 *infra*.

[103] *See* p. 944 *supra*.

[104] The effect of these economic factors on new reserve supply arises, of course, because ΔR_{tj} is partly a function of W_{tj}.

[105] A diagrammatic exposition of this argument is presented in Price Formation 37–41.

[106] P. 971 *supra*.

[107] A "least squares" equation is a common statistical method which minimizes the sum of the squared differences between the actual observations and the estimates provided by the fitted equation.

[108] The market-clearing solutions for the endogenous variables ΔR_{tj}, ΔQ_{tj}, W_{tj}, and P_{tj} depend on the outside or "exogenous" variables j, op_t $\Delta \Sigma R_{tj}$, K_t, fp_t, M_j, and i_t. Data series for each of these variables were constructed for the preregulatory period in the eleven drilling regions that provided gas on contracts to pipelines serving the East Coast and Midwest. The data used in the calculations were all obtained from publicly available sources. For the variables ΔR_{tj}, ΔQ_{tj}, W_{tj}, P_{tj}, fp_t, M_j, and i_t, the sources used are summarized in *Regulation Induced Shortage* 197–99. Data for the variables K_t and op_t were obtained from U.S. Dep't of Commerce, Current Business Statistics, as accumulated over the period 1954–68. For the method of estimating the value of the "dummy" variable j, see note 109 *infra*.

These data were used to fit the supply and demand relations by first stage least squares equations for each of the endogenous variables separately given the exogenous variables, and then the fitted values ΔR_{tj}, ΔQ_{tj}, W_{tj}, and P_{tj} from the first stage were used to find the second stage least squares supply and demand equations. The fitted supply and demand equations were therefore four least squares regressions, one for the supply of new reserves, the second for the supply of wells, the third for new production, and the last for the demand for new reserves.

[109] The equations for the number of wells sunk and for the supply of new reserves for the 1955–60 period were as follows:

$$W_{tj} = -648.60 + \underset{(1.73)}{11.46\,\hat{P}_{tj}} + \underset{(1.75)}{175.52\,op_t} + \sum_{1}^{10} a_i J_i; \quad R^2 = 0.734$$

$$\Delta R_{tj} = -5.41 + \underset{(0.98)}{2.45\,\hat{W}_{tj}} + \sum_{1}^{10} b_i J_i; \quad R^2 = 0.831$$

The sets of variables $\Sigma a_i j_i$ and $\Sigma b_i j_i$ are district dummy variables taking the value "one" for observations from district j and "zero" otherwise. This method of treatment of the geological differences between districts follows from F. Fisher, Supply Costs in the U.S. Petroleum Industry (1964).

As these equations show, there were positive cumulative effects from well drilling, new gas contract prices, and the crude oil retail price index. The elasticity of reserve supply with respect to new contract gas prices was estimated to be equal to 0.51 at the average 1956 price and level of new reserves, so that a 10% price increase would lead to a general 5.1% increase in discovery of new reserves.

The equation for additional production was as follows:

$$\Delta Q_{tj} = -34.33 + \underset{(2.89)}{0.015\,\Delta\hat{R}_{tj}} - \underset{(-2.27)}{27.49\,i_t} + \underset{(2.75)}{11.37\,fp_t};$$

$$R^2 = 0.693$$

This shows a positive production-reserve relation, a negative production-interest relation, and a positive production-fuel price relation. The elasticity of production with respect to reserves was approximately 0.40, and was quasi-statistically significant. The elasticity with respect to interest rates was negative, and with respect to the fuel price index was positive. Both coefficients were quasi-significant and had the expected effect on production: the higher the capital (i_t), the lower the production rate; and the higher the price of alternative fuels (fp_t), the higher the gas production rate.

The demand equation was also estimated in the second stage of two stage least squares as follows:

$$P_{tj}=12.22+\underset{(8.43)}{0.0012\,\Delta R_{tj}}-\underset{(-1.12)}{0.00094\,\Sigma\Delta R_{tj}}-\underset{(-1.95)}{0.0013\,M_j}$$
$$+\underset{(0.99)}{0.088\,fp_t}+\underset{(5.02)}{0.00083\,K_t;}\qquad R^2=0.616$$

As the equation shows, there were positive coefficients for three variables and negative coefficients for two variables. The elasticity of gas prices with respect to the fuels price index was +0.02, and with respect to the "size" of the resale market (K_t) was +0.05. These values are low, indicating small responsiveness of bid prices to change in the values of these variables. However, the elasticity of demand was substantial; a small change in prices P_{tj} brought forth large changes in total new reserves demanded ($\Sigma\Delta R_{tj}$) so that this elasticity equalled at least —1.6. The other elasticities—for variables ΔR_{tj} and M_j differentiating the drilling regions—were as expected from the economics of pipeline costs and demand.

[110] The results for each of the test years in the late 1950's are as follows:

Average Price (cents per Mcf)

	Actual	*Simulated*
1955	15.5	16.6
1956	17.0	17.9
1957	18.1	18.4
1958	19.3	18.8
1959	19.1	19.7
1960	18.4	20.0
6-year	17.9	18.6

[111] The actual additions to reserves, and the simulated "unregulated" additions in the 1955–60 period, are as follows:

Reserves (billions cu. ft.)

	Actual	*Simulated*
1955	7,354	10,678
1956	14,439	10,935
1957	15,236	12,361
1958	13,604	12,578
1959	11,239	12,381
1960	10,036	12,481
6-year	71,908	71,414

The tendency seems to have been for more new reserves to have actually been provided in the earlier years than simulated by the model. This tendency was reversed in the later years. Anticipation of the approaching price controls—with consequent reductions in supply—could have had much to do with this trend.

[112] Three other equation sets were fitted to the data as well. One set used the pattern of reserve discoveries and drilling the year before the test year as an indictator of geological conditions; thus, lagged values of the dependent variables, *i.e.*, $R_{t-1,\,j}$ and $W_{t-1,\,j}$, were used in place of the district "dummy" variable "j." *See* note 109 *supra*. A second set was fitted in the logarithms of all variables, and the third was fitted in the logarithms of the demand variables only. Of the four systems, the one reported in the text and the previous footnotes simulates best the 1955–60 experience in reserves, production, and prices.

[113] *See* note 108 *supra*.

[114] *See* note 109 *supra*.

[115] It is interesting to use the data in Table I to try to compare roughly the extent of reserve backing for actual and simulated new production in the test region. Taking the 8-year period as a whole, simulated additional production is 5% of simulated new reserves, and during the period 1963–68, it is 5.2% of new reserves. This would seem to indicate approximately between 19 and 20 years reserve backing for new production under "unregulated" conditions. See pp. 996–67 *supra*.

However, this calculation really overstates the extent of reserve backing supplied to guarantee new production, because the production figures provided by the model are for *additional* production only—*i.e.*, the quantity of production in excess of production the previous year. The figures do not include the extent of new production in the test years which would have been supplied under "unregulated" conditions to *replace* production contracts expiring in those years. It has been previously estimated that such replacement demands equal 1/14 of *total* production in any one year, based upon the depletion rate of new reserves in 1947. *See Regulation-Induced Shortage* 173–74 & n. 15. Figures for the total production in the test region under "unregulated" conditions are not provided by the model, and therefore replacement production cannot be calculated from the data in Table I. To be sure, inclusion of replacement production would reduce the reserve-to-production ratio below the level of 20 years reserve backing for new production. But, since the model predicts conditions which would "clear" the "unregulated" market, the higher simulated prices would have reduced demand for new reserve backing down to the level of that supplied. And, given higher prices, replacement production is unlikely to be so high as to take reserve backing under "unregulated" conditions outside the range of 14.5 to 20 years considered "optimal" to guarantee future service. *See* pp. 966–67 *supra*.

The *actual* reserve backup provided for new production in the test years was far lower. For the 8-year period as a whole, actual *additional* productions was backed up by 12.8 years of reserves, and during the period 1963–68, reserve backup was only 10.7 years. Because of the necessity eventually to reduce the rate of production out of a reserve as a result of falling pressures, *see* note 96 *supra*, this means that reserves supplied during the latter period would support only about 6.4 years of production at the initial rate. And, of course, if the new-reserve-to-new-production ratio were decreased to reflect new *replacement* production, this figure would be even lower.

[116] *Hearings on Natural Gas Policy Issues Before the Senate Comm. on Interior & Insular Affairs*, 92d Cong., Sess., pt. I, at 192, 268, 270 (1972) Statement of FPC Chairman Nassikas).

[117] *See* P. BALESTRA, THE DEMAND FOR NATURAL GAS IN THE UNITED STATES: A DYNAMIC APPROACH FOR THE PRESIDENTIAL AND COMMERCIAL MARKET (1967). Balestra describes the period referred to in text as that in which gas sales were "reallocated" between classes of customers. He describes 1950–57 as an "innovating" period in which pipelines were built and service begun and 1957–62 as a "maturing" period in which more gas was sold to the same customers.

[118] The substantial increase in the category "Distributors and Intrastate Pipelines" came primarily from sales by unregulated transmission companies. This is demonstrated by data gathered by the authors which show that sales by regulated pipelines to distributors for resale to industry increased at a rate only slightly greater than the rate of increase for "Total U.S. Industrial Consumption." By compiling the interstate pipelines' Form 2 Reports to the FPC, state totals for all pipeline sales were obtained. The percentage of sales to industry in each state was obtained from BUREAU of MINES, ANNUAL REPORTS ON GAS CONSUMPTION and applied to those state totals to produce the figures, by state, for pipeline sales to distributors for industry. These sales increased by 50% from 1962 to 1968, significantly below the 62% increase registered for total industrial sales by "Intrastate Pipelines and Distributors" given in Table II.

[119] *See* AMERICAN PETROLEUM INSTITUTE, AMERICAN GAS ASSOCIATION, PROVED RESERVES OF OIL AND NATURAL GAS IN THE U.S. (Annual Volumes 1965–70).

[120] PRICE FORMATION ch. 5.

[121] *Hearings, supra* note 116, at 295, 298 (testimony of J. C. Swidler, Chairman, N.Y. Public Service Commission).

[122] Reply Submittal of the Office of Economics, Federal Power Commission, Initial Rates for Future Sales of Natural Gas for All Areas, Docket No. R–389A, at 12, 19 (Oct. 1970).

[123] *Hearings,* supra note 116, at 163, 192, 270 (Statement of FPC Chairman Nassikas).

[124] *Cf.* HAWKINS 212.

[125] *See* p. 975 *supra*.

[126] *See* p. 948 *supra*.

[127] The discussion in text describes in layman's terms what the economist calls "consumers' surplus." Consumers' surplus is defined as the excess over the price paid which consumers are willing to pay for a given amount of a product rather than do without it. *See e.g.*, G. STIGLER, THE THEORY OF PRICE 78 (3d ed. 1966). When a market is at equilibrium, the market-clearing price equals what consumers are willing to pay for the last or marginal unit of output. Since consumers would normally be willing to pay more for intramarginal units of output, the equilibrium price affords them a savings or "surplus" on these intramarginal units. This savings which gas consumers suffering the shortage would have had under unregulated conditions is a measure of the cost to them of the FPC policy. It can be represented diagrammatically as follows on p. 982, note 127 *infra*.

At the level of production supplied under price ceilings (Q_{fpc}), consumers, as represented by the pipelines, were willing to pay a price for gas not only above the FPC ceiling (P_{fpc}), but considerably above the market-clearing price (P_{market}) as well. Moreover, for each unit of additional production up to market-clearing levels (Q_{market}), consumers were willing to pay more than the market-clearing price. Thus, the area of the triangle ABF is equal to the difference between what consumers doing without gas were willing to pay for additional production ($Q_{market}—Q_{fpc}$) and what they would have actually had to pay for it under market-clearing conditions (equivalent to the rectangle BFHG). This surplus which consumers who actually did without gas would have obtained under hypothesized market-clearing conditions represents the losses to them from FPC price ceilings.

These losses to consumers doing without gas can be compared to the gains by consumers who obtained new gas production. These gains are represented by the area of the rectangle CBED. This area is the difference between the market-clearing and FPC price ($P_{market}-P_{fpc}$) multiplied by the quantity of new gas production they received (Q_{fpc}). Thus, if the area of triangle ABF is at least equal to the area of rectangle CBED, then the gains to those who received gas were offset by the losses by those who had to do without.

[128] In other words, the length of line AB was, in fact, at least twice the length of line BE by the last years of the test period. Since the shortage of new production by 1967–68 exceeded the actual supply of new production, line BF was greater than line CB. Thus, the area of the triangle ABF was at least equal to the area of the rectangle CBED.

[129] Of course, this is somewhat of an overstatement, since the model shows consumer losses being at least equal to consumer gains only with regard to *additional* production during the test years. In reality, the 6 cents

per Mcf reduction in price brought about by FPC ceilings was a gain realized by consumers on other gas as well—*i.e.*, the amount produced under old contracts which would have sold for higher prices when "favored nation" clauses were triggered. *See* p. 946 *supra.* This amount is unknown.

[130] *See* p. 967 *supra.*

[131] *See* note 115 *supra.*

[132] *See, e.g.*, Gerwig, *Natural Gas Production: A Study of Costs of Regulation,* 5 J. LAW & ECON. 69 (1962).

[133] *See Hearings, supra* note 116, at 302 (testimony of J. C. Swidler).

[134] President Nixon's recent proposal, *see* p. 942 *supra,* seems to contemplate adoption of this alternative.

[135] INT. REV. CODE of 1954, §§ 611–14.

[136] 15 U.S.C. § 717(b) (1970); *see* note 5 *supra.*

[137] Atlantic Refining Co. v. Public Service Comm'n of New York, 360 U.S. 378 (1954).

[138] Courts will normally review administrative decisions to see if they are in compliance with law and are supported by substantial evidence on the whole record. *See* Universal Camera Corp. v. NLRB, 340 U.S. 474 (1951).

[139] *See* p. 941 and note 5 *supra.*

[140] Southern Louisiana Area Rate Cases, 428 F. 2d 407, 416 n.9 (5th Cir.), *cert. denied,* 400 U.S. 950 (1970). *See also* Permian Basin Area Rate Cases, 390 U.S. 747, 766–67 (1968) (one who would overturn FPC finding of fact bears heavy burden of proof); Wisconsin v. FPC, 373 U.S. 294, 309 (1963) ("[i]t has repeatedly been stated that no single method need be followed by the Commission in considering the justness and reasonableness of rates"); FPC v. Hope Natural Gas Co., 320 U.S. 591, (1944) ("Under the statutory standard of 'just and reasonable' it is the result reached not the method employed which is controlling.")

SUPPORTERS OF INDEPENDENT SOCIAL SECURITY ADMINISTRATION CONTINUE TO GROW

Mr. CHURCH. Mr. President, in March I introduced legislation to establish an independent, nonpolitical Social Security Administration outside the Department of Health, Education, and Welfare.

This bill, S. 3143, would also ban the mailing of political announcements with social security checks and would separate the transactions of the social security trust funds from the unified budget.

Representative MILLS, the chairman of the House Ways and Means Committee, has also introduced companion legislation, H.R. 13411.

Both of these measures have generated widespread support from Members of Congress and leading organizations in the field of aging, including the National Retired Teachers Association-American Association of Retired Persons, the National Council of Senior Citizens, the National Association of Retired Federal Employees, and others.

Recently the AFL–CIO gave impressive support to the provisions in S. 3143 and H.R. 13411.

Their resolution, which was adopted by the AFL–CIO Executive Council on August 6, provides a powerful case for early and favorable action on this legislation.

Mr. President, I command the AFL–CIO Executive Council resolution in support of an independent Social Security Administration to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON INDEPENDENT SOCIAL SECURITY ADMINISTRATION

The social security system is one of the nation's most successful legislative achievements. In one way or another, social security affects the lives of almost every American family.

The program collects contributions from 100 million workers, covers nearly 200 million Americans, and disburses $4.3 billion a month in cash benefits to 30 million beneficiaries—one out of every seven Americans. More than 90 percent of all people 65 or older are eligible for social security benefits and 80 percent of the men and women aged 21–64 would receive benefits in the event a family breadwinner incurred a severe long-term disability. Ninety-five percent of mothers and dependent children are eligible for benefits if the father of the family dies.

For older Americans, the social security program is the foundation on which their economic security rests. Social security benefits represent over half the income of two-thirds of aged single beneficiaries and one-half of elderly couple beneficiaries. They account for almost the total income of nearly one-third of the single elderly beneficiaries and 15 percent of older couples.

The importance of this program to the nation makes it imperative that the financial integrity and nonpolitical administration of the system be assured. Actions by the Nixon Administration demonstrate how the program can be manipulated to achieve objectives unrelated to the legitimate and intended purposes of the social security program.

Several times President Nixon has brazenly claimed credit for social security increases by including notices sent out with social security checks identifying himself with benefit increases he either opposed or tried to severely limit. Recently the Secretary of Health, Education and Welfare refused to accept one of the AFL–CIO's nominees for the Advisory Council on Social Security solely because of his political activities. No official or political party should be allowed to exploit the program in this partisan manner.

Since 1969, the financial transactions of the social security system have been included within a unified budget which combines regular federal income and expenditures with the largely self-financed social security program. Social security trust funds, including the relatively small amount derived from general revenue, may be used only for the payment of social security benefits and administrative expenses. However, inclusion of the trust funds in the unified budget leads to confusion in the public mind as to whether these funds are used exclusively for social security programs and how well protected are the social security rights of covered individuals.

Furthermore, the inclusion of social security trust funds within the unified budget distorts decisions concerning both social security and non-social security programs. One direct result has been the misleading use of social security trust fund money as a means of reducing the federal budget deficit. Balancing trust fund income against non-social security expenditures makes the unified budget deficit look smaller. Even worse, needed improvements in social security benefits are opposed not on their merits but because they might reduce trust funds and, consequently, increase the overall budget deficit.

In 1973, the Administration proposed to reduce Medicare benefits for the elderly by increasing the coinsurance amounts they must pay under the program. Cutting benefits without making compensating improvements results in a surplus in the Medicare trust fund and thereby reduces the deficit in the unified budget. This fiscal sleight of hand was, reflected in the Administration's budget recommendation but fortunately was rejected by the Congress. The AFL–CIO does not believe that the elderly, one of the poorest groups in the nation, should bear the burden of clever bookkeeping to make any Administration's budget look better.

Social security claims built up by past earnings and contributions are not a proper matter for year-to-year budgetary decisions. The government must rigorously discharge its responsibility as trustees for those who have built up rights under the system. The program must be kept free from political influence or manipulation geared to the ups and downs of the regular budget.

To help assure the nonpolitical nature of the Social Security Program, an independent, nonpolitical Social Security Administration should be established outside the Department of Health, Education and Welfare. This kind of independent role need not change most of the interrelationships between the Social Security Administration and other governmental units. For example, there wouldn't be any change in ultimate congressional control over the Social Security Program. Furthermore, establishment of an independent Social Security Administration need in no way inhibit general revenue financing to meet a significant proportion of social security costs. In this connection, the AFL–CIO reaffirms its support for increasing general revenue financing of social security until at least one-third of the cost is funded in this manner.

In order to achieve these objectives, the AFL–CIO urges Congress to enact legislation which would:

Establish an independent, nonpolitical Social Security Administration separate from the Department of Health, Education and Welfare. The Social Security Administration should be under the direction of a 5-man governing board, including duly designated representatives of management and labor, appointed by the President with the advice and consent of the Senate and with no more than three members from any one political party.

Prohibit the mailing of announcements with social security checks which make reference to any elected officer of the United States.

Strengthen public confidence in the social security system by excluding social security trust funds from the unified budget.

LABOR-HEW APPROPRIATIONS

Mr. BELLMON. Mr. President, on June 28, 1974, the House of Representatives approved by a vote of 201 to 191 an amendment to the Labor-HEW appropriations bill, H.R. 15580, to prohibit the payment of Federal salaries to inspect firms employing 25 or fewer persons to enforce compliance with the Occupational Safety and Health Act of 1970. I commend the House for taking this long overdue action.

However, Mr. President, it is my understanding that during consideration of this bill by the Senate Labor-HEW Appropriations Subcommittee this provision exempting the small businessman from the requirements of OSHA for 1 fiscal year was deleted from the bill. It is for this reason that I am introducing an amendment to H.R. 15580 identical to the language adopted earlier by the House.

This amendment simply states:

> None of the funds appropriated by this Act shall be expended to pay the salaries of any

employees of the Federal Government who inspect firms employing twenty-five or fewer persons to enforce compliance with the Occupational Safety and Health Act of 1970.

Mr. President, as a member of the Appropriations Committee, it is my present intention to call up this amendment when H.R. 15580 is considered by the full committee and once again during Senate floor deliberations in the event the Appropriations Committee fails to adopt this language as a part of the bill. Congress has the opportunity by enacting this proposal to provide temporary but much-needed relief for the small employer.

Permanent legislation is needed to provide an exemption for the small businessman and onsite consultative services. By adopting this language we will buy the necessary time and provide the stimulus for the appropriate committees in both the House and Senate to fully consider and bring forth this needed reform of the Occupational Safety and Health Act. It is the small businessman who has suffered gravest injustices under this act. The small businessman acting in good faith simply does not have the expert staff, legal counsel, and specialists at his disposal to digest and fully implement the mass of Federal regulations which have been promulgated pursuant to OSHA.

Although action has been initiated in many States to assist the small businessman in this area by providing consulting services, the truth is that even though 26 States have approved a State agency enforcement of OSHA and 21 States have approved onsite consultative services within their State, only 5 of the 21 States have implemented their plan. In addition, the law simply does not allow onsite consultation and inspection in a majority of the States where the Federal Government is the enforcement agency.

The urgent need for enactment of this proposal is quite clear when one examines the often burdensome and unwarranted interference caused by the current administration of OSHA. The Occupational Safety and Health Act has caused severe and serious hardships on many small businesses and farming operations throughout the Nation. This is certainly the case in my home State of Oklahoma. My office, like those of many other Senators, has literally been deluged with protests from a variety of individual employers, associations, and organizations who have become acutely aware of the oppressive effects of this law. Among those adversely affected in Oklahoma by the implementation of unnecessary regulations are grain and seed companies, cotton oil companies, farm machinery, equipment and implement dealers, hardware stores, lumber yards, steel constructors, mechanical contractors, moving and storage firms, farmers cooperative associations and many others.

Quite simply the implementation of OSHA regulations have gone too far in imposing requirements upon small businessmen. It is clear that enforcement of this law by the Department of Labor has been totally unrealistic and without regard for the crippling consequences it has produced. It represents the imposition of an additional cost on farmers and small businessmen. Unless changed, it will literally force many out of business and add further to unemployment.

Those in charge of administering the program appear in many cases to be more anxious to punish than to make information available in an understandable and useable form and thus gain cooperation. But the basic fault lies within the law itself. Basic changes need to be made. It is with this concept and understanding of the implementation of the Occupational Safety and Health Act that I am introducing this amendment which is realistic and badly needed.

By exempting the small businessman with fewer than 25 employees, the Congress will help alleviate the financial plight which presently exists in rural America.

Quite simply, the cost of compliance with OSHA regulations is simply too high. Although adequate safety standards must be provided, the Department of Labor has gone too far in implementing burdensome regulations which create an undue economic burden and interference with the operation of the small businessman.

This kind of cost for businessmen can mean the difference between financial solvency and bankruptcy for literally hundreds of enterprises. We are all interested in the safety of the worker but we should also be interested in the unemployment which exists in rural America.

It is for these reasons that I urge my colleagues to join with me to secure passage of this amendment.

Mr. President, I ask unanimous consent that the text of my amendment be printed in full in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

At an appropriate place in the bill, insert the following:

"None of the funds appropriated by this Act shall be expended to pay the salaries of any employees of the Federal Government who inspect firms employing twenty-five or fewer persons to enforce compliance with the Occupational Safety and Health Act of 1970."

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

Mr. WILLIAMS. Mr. President, for some weeks now the Subcommittee on Labor has been conducting hearings on the implementation of the Occupational Safety and Health Act of 1970.

One of the most controversial issues at these hearings has been the extent to which the economic impact should be considered in promulgating particular safety or health standards. The illogic of trying to put a price tag on workers' lives is very eloquently stated in an editorial from the National Observer of August 24 and I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

WHERE'S THE PROFIT IN SAFETY?

(By August Gribbin)

We Americans have an amazing capacity for callousness. It shows in various ways.

A reporter sees the crassness up close when, for example, a mine company executive forgets he's being interviewed and rails against his workers, "the bastards" who successfully campaign for "exorbitantly costly"—and life-saving—mine-safety measures, and when an auto-company vice president curses safety advocates for causing expensive changes in cars although, he sneers, "it's the damned consumers' crazy driving that causes accidents."

But everyone can glimpse insensitivity when, for example:

Newsmen invade privacy or err in facts through laziness.

Physicians refuse to take tough, but needed, voluntary measures to excise medical abuses and also fight to prevent Government from doing it.

Health insurers (who generally support Federally imposed medical reforms) denounce Government health plans that presumably would aid medically neglected citizens.

Cattlemen continue to provide beef fattened on DES, a growth-stimulating food additive that's been denounced as a cause of cancer in humans.

Plastics makers battle against Government limitations on the use of vinyl chloride, a gas and raw material that many scientists insist causes liver cancer and death. The gas directly threatens 7,000 factory workers plus a large but unknown number of other workers and residents in factory neighborhoods.

Ultimately there's a single reason why so many of us resist drastic reforms even though they may save lives: It's money.

Changing for the sake of safety can slash profit margins incredibly. And when big industries—and several industries simultaneously—suffer reduced profits, gigantic numbers of us face economic peril.

The plastics people argue against reducing the threat of vinyl chloride, for instance, because that might mean not using the chemical for a while. A ban could remove some 2.2 million jobs and cost the nation $90 billion in yearly production, they warn.

If so, that's sobering. Certainly no one wants his standard of living or his job threatened. But can anyone justify clinging to either at the expense of others' lives? Wouldn't that mean putting a money value on presumably priceless human life?

Of course it would. But some safety specialists say that we must do that in these complex times. To think otherwise is simplistic, they say.

Well, they're mistaken. There are alternatives we haven't discerned and won't see unless we change our attitudes.

We might begin, for instance, by accepting the obvious as reality. We've "progressed" to a new age in which our past technological cleverness presents and will continue to produce safety problems that we're responsible for and must solve. We must *want* to save lives and cleanse our surroundings somewhat as the handyman who has done a great job building wants to tidy up the basement, nasty though the chore may be.

Next, we might adjust to the truth that remedying our manufactured problems probably will force on us a lowered standard of living. Businesses and their backers probably will get smaller profits and shrunken dividends. Accept it.

Industrialists, scientists, and technologists might adopt an attitude that many seem to be fighting, the attitude that new profit potential may lie in developing technologies for safety, for purifying our environment, and for retraining individuals so they'll be able to adapt quickly to new, different jobs when old ones disappear in the possible crunch.

Regardless of costs, industries must test their products for safety before marketing and continually safety test manufacturing processes too.

Finally, we might consider all this as straining for the quality of mercy. That's civilized. In fact somebody said mercy's "twice blest." Maybe there's some profit in it.

THE PRESERVATION OF RAILROAD STATIONS

Mr. BEALL. Mr. President, the Saturday, August 10, 1974, edition of the Washington Post carried an editorial entitled "Railroad Station Renaissance." This editorial outlined the need for Federal legislation to encourage the preservation of our historically and architecturally significant rail passenger terminals. I ask unanimous consent, Mr. President, that the text of this editorial be printed in the Record at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

RAILROAD STATION RENAISSANCE

Railroad trains, which put this nation on the track to wealth and industrial power, made a habit of stopping at some of our finest buildings. A new function called for new, and often inventive, forms. As a result, our railroad stations brought us exciting architecture that reflected the self-confident arrogance of the railroad age. They are an unexcelled expression of American culture, ranging from romantic little whistlestops, like the 101 year-old railway station in Rockville, to imposing palaces, like Washington's Union Station, rivaling the great monuments of ancient Rome in opulence and splendor.

The rustic Rockville station, which still serves commuters, has just been placed on the National Register of Historic Places and thus has been saved from almost certain destruction by its new competitor, Metro. There is hope that federal funds will help move the old station out of Metro's construction path. Union Station is being converted into a National Visitors' Center, a much-needed service for which the building is eminently suitable. The railroad station in Lincoln, Nebr., was turned into a bank. The handsome Mount Royal railroad station in Baltimore now serves the Maryland Institute's College of Art as a school, gallery and library. The Chattanooga, Tenn., railroad terminal, of "Chattanooga Choo Choo" fame, is being converted into a unique downtown shopping and entertainment center whose stores and restaurants recapture the Victorian splendor and elegance of the old station. The adjacent Choo Choo Hilton houses its guests in restored Pullman cars. Indianapolis hopes to turn its Union Station into a similar attraction.

But these are exceptions. With at least half of the 40,000 railroad stations built in this country already destroyed, these triumphs of American architecture are an endangered species. Our remaining railroad stations, along with the railroads themselves, are victims of tragic and cruel neglect. Although the railroad companies are officially trying to encourage, rather than discourage passenger travel of late, they still show little interest in maintaining their stations. Many are in disgraceful condition, sordid and delinquent symbols of the inner city mess.

We therefore welcome a bill recently introduced by Rep. Frank Thompson Jr. (D-N.J.), that would authorize the National Endowment for the Humanities to help municipalities purchase old railroad stations and turn them to new use. A recent workshop at Indianapolis, sponsored by the National Endowment for the Arts and other organizations, brought local government officials, urban renewers, bankers, developers, railroad officials and preservationists together. The workshop produced many good ideas as well as much technical know-how. The idea we liked best, however, was offered by Lawrence O. Houston Jr. of the Department of Housing and Urban Development. Mr. Houston voiced some impatience with "breezy ideas for saving facades" and "sex change surgery" that converts railroad stations into shopping centers for scented candles and souvenir coffee mugs. "The best way to save railroad stations," he said, "is to expand rail service" and make railroad travel again a matter of pleasure and convenience.

Mr. BEALL. Mr. President, on August 8, 1974, the Senate passed an amendment to the Rail Passenger Service Act which will, if enacted, establish a major new Federal program designed to preserve and rehabilitate railroad stations. In fact, the Magnuson-Hartke-Beall amendment authorizes a far more comprehensive program than H.R. 2446, which was the legislation referred to in the editorial.

Mr. President, on August 12, 1974, I wrote a letter to the editor of the Washington Post outlining the objectives of the Senate-passed amendment and I ask unanimous consent that a copy of this letter be printed in the Record at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., August 12, 1974.

Dear Sir: I have read with considerable interest your recent editorial entitled "Railroad Station Renaissance."

It may be of interest to your readers to know that the Senate approved an amendment to the Rail Passenger Service Act on August 8, 1974. This amendment, which I cosponsored and actively supported establishes a far reaching program of preserving and "reusing" historically and architecturally significant railroad stations. In fact, this amendment which was adopted by the Senate is far more comprehensive than the legislation to which you referred in your editorial.

The Magnuson-Hartke-Beall Amendment authorizes the Secretary of Transportation to provide financial, technical and advisory assistance to efforts to restore rail passenger terminals. The Department of Transportation can preserve stations "that have a reasonable likelihood of being converted" to other uses. The third objective of this amendment would stimulate State and local governments and private individuals or organizations to develop plans for converting passenger terminals into civic, cultural and/or intermodal transportation centers.

This area has a number of stations which constitute an important part of our National heritage. The Mt. Clare Station in Baltimore was the first railroad station in the U.S. Union Station, Point of Rocks, Mt. Royal, and Rockville Railroad Station are just a few of important local terminals which are or should be preserved. If legislation such as this had been enacted several years ago, the Queen City Hotel in Cumberland, the Relay Station near Baltimore, and other historic landmarks such as these could have been saved from demolition. I concluded my floor statement on this amendment by saying "I believe that the era of the 'no return' society has fortunately come to an end. Our resources are finite and our Government must provide leadership in recycling buildings as well as other resources."

With best wishes, I am

Sincerely yours,

J. Glenn Beall, Jr.

SENATORS GRUENING AND MORSE: A LEGACY OF CONSCIENCE AND COURAGE

Mr. CHURCH. Mr. President, within the space of but a few weeks, the Nation has been robbed of two voices of courage and conscience: Voices that echoed through the Halls in years past calling upon America to stand fast to her constitutional heritage.

I speak, of course, of our late colleagues, Wayne Morse and Ernest Gruening.

Both are now gone. But both leave behind a legacy that will live as long as the Republic. These men were giants.

Mr. President, in the most recent issue of the newsletter of the National Committee for an Effective Congress, there appears a tribute to Senators Gruening and Morse.

I think it appropriate that this tribute be shared by my colleagues, and I ask unanimous consent that it be printed in the Record.

There being no objection, the tribute was ordered to be printed in the Record, as follows:

GRUENING AND MORSE: A LEGACY OF CONSCIENCE AND COURAGE

On August 8th, ten years ago, Ernest Gruening and Wayne Morse stood together, the only Senators to vote against the Gulf of Tonkin resolution. Both insisted that the resolution was unconstitutional, because it was "a predated declaration of war power" reserved to Congress.

Gruening had been supported by NCEC in each of his Senate elections, but in 1968 he was defeated in a primary upset. He had nurtured and led the Alaskan territory into the Union through 14 years of tireless lobbying. "Go north, young man," was his motto. His life, so well described by his autobiography, *"Many Battles,"* covered four-score and seven years of intrepid crusading. Physician, editor, author, administrator, and Senator, he was constantly focused on the human condition. Eskimos, Indians, Puerto Rican Nationalists, anti-Franco Spaniards, all reached for him as their champion.

Amazingly, his incisive mind never tired. Only his body failed to keep pace, and on June 26 he died. But almost to the end he was involved, battling for conservation, for population control, for an effective Congress. A few weeks before his death he phoned NCEC's Washington office to say he would be sending his regular contribution and wanted to discuss the Committee's campaign choices in the coming election. He believed that the congressional outcome this year would set the presidential stage for 1976.

Like his friend Wayne Morse, it has been said of him that all too often he was right too soon. The greatest tribute to Ernest Gruening is that history is confirming his judgments and his warnings.

A novelist once wrote that every Frenchman has two home towns, his own and Paris. In that sense, every American had his own Senators—and Wayne Morse. He was a national senator, transcending party, the Senate's inner club, and all so-called pragmatists. That is why the NCEC supported him, worked with him, argued with him, loved him.

He did not live in the "changeless center," as his colleagues found out when he compelled them to act on civil rights, on education, on facing up to their responsibilities. He made them move by relentlessly driving himself. He was the tiger of the Senate. He was known as "the five o'clock shadow" because each day he would unfailingly take the floor late in the afternoon, delaying adjournment for hours, to denounce the latest attempt to give away federal land or to castigate an agency for flouting congressional intent. The President of the United States felt his stinging rebukes for cutting the corners of the Constitution on Vietnam.

He held with Edmund Burke that a representative's first loyalty must be to his own judgment, so he took counsel with his conscience and had the courage to act on it. There was no alloy in his moral metal. As a Republican, he worked to draft Eisenhower in 1952 but left the GOP over the platform and the choice of the running mate, Richard Nixon. Years ago, a dismayed Dixie Senator discovered Morse eating with a Negro friend in the senator's private dining room, and said, "At least, Wayne, you practice what you preach."

Morse's instinct for the jugular was infallible, as five Presidents, Clare Booth Luce, and a host of pompous politicians found out. He was cantankerous, but also he was a superb parliamentarian and legislator, producing a body of fundamental law for education, labor and civil rights.

How does one compress all that this one man did, worked for, and tried to do for an effective Congress in a few lines? He seemed to have the attribute that is lacking in today's politics, something that is missing in today's Senate. What was it that made him so uniquely creative and effective? Was it the fire in the belly, the sharpness of the tongue, the quickness of the mind, the willingness of the heart? How does one say that is missing from today's Senate in a couple of words?

Wayne Morse.

HOW NOT TO FIGHT INFLATION

Mr. **WEICKER.** Mr. President, I support the President's determination to fight public enemy No. 1—the double-digit inflation that is ravaging our economy.

However, I remain strongly opposed to the establishment of a new Council on Wage and Price Stability within the Executive Office of the President.

Earlier this year, as a member of the Senate Banking Committee, I worked to decontrol our economy completely. Can we so easily forget our agonizing experience with wage and price controls? Can we also forget that only a few months ago we debated and dropped a proposal to create a new monitoring agency to oversee wage and price actions throughout the economy?

I can't forget nor has my position changed in these few months. The new Council on Wage and Price Stability, a monitoring board requested by the President and approved by both Houses of Congress, is an unfortunate and misguided move in the fight against inflation that at best will accomplish nothing and at worst will backfire in its efforts to restore the confidence of the public and the stability of wages and prices.

Mr. President, Mr. C. Jackson Grayson, Jr., dean of the School of Business Administration of Southern Methodist University, and former chairman of the Price Commission during phase 2 of recent economic controls, has written an important article entitled "A Strong 'No' to Price Monitoring," appearing in today's Wall Street Journal. In part, Dean Grayson predicts these near-term results of the new wage-price monitoring agency:

> The agency will increase (falsely) expectations that the solution to inflation is closer. It will do little to stop inflation. In fact, it will increase some wages and prices and will prevent decreases.

Mr. President, I ask unanimous consent that the entire text of Dean Grayson's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A STRONG "NO" TO PRICE MONITORING

(By C. Jackson Grayson, Jr.)

There seems little doubt that the proposed wage-price monitoring agency will pass Congress easily, be signed, and in operation in a matter of weeks.

The near-term results: The agency will increase (falsely) expectations that the solution to inflation is closer. It will do little to stop inflation. In fact, it will increase some wages and prices and will prevent decreases. It will possess power. It will take action.

The longer-term results: It will be harmful to the operation of the competitive market system. It will increase the odds of future mandatory wage-price controls. It will assist a growing movement toward national economic planning.

All of that? After all, the agency is just a "monitoring" group. It will have no subpoena power, no mandatory powers, and a budget of only $1 million. To improve collective bargaining and encourage price restraint, it will simply "review and analyze capacity, demand and supply . . . work with labor and management in sectors having economic problems . . . improve wage and price data bases . . . monitor the economy as a whole." Who could be against that?

Very few. The bill is going through Congress with amazing speed. Business, labor, the administration, and Congress on both sides of the aisle are either for it, neutral, resigned to it as a tranquilizing political expedient, or accepting it as a lesser of evils. On the surface, it seems innocuous and even logical.

But, based on my experiences as chairman of the Price Commission, I want to point out some political, institutional and economic realities and issue some warnings about the agency. I don't think it will be as benign or cosmetic as many think it will be. What you see isn't what you'll get.

POWER AND PRESSURE

First of all, don't be deluded because the agency won't have powers to subpoena records or veto price-wage increases. It will have tremendous power in the form of jawboning, or as they say in Britain, "ear-stroking." The persuaders come in gentle and not-so-gentle forms of pressure. Public hearings can be hinted at or called. Public condemnation can be expressed in the media. Officials can be called to the White House for a public or private "dressing down." Requests can be made to congressional committees to hold investigations. Administrative action can be threatened in other agencies: export controls, import relaxation, delay of decisions, procurement changes and stockpile releases. News conferences can be held; speeches can be put in congressional hands.

Deplorable in the American sense of fair play, these tactics have all been used in varying degrees by past administrations. The effect is to heighten antagonism between the public and private sector, with the public increasingly led to believe that union leaders are all greedy and that businessmen are all price gougers. It doesn't take a government agency to initiate these tactics, but they will be more organized, more frequent and more visible with the agency in existence.

And make no mistake about it, this agency will take action. A common assumption is that this is only a monitoring, not an action agency. Not true! "Action" doesn't have to mean a direct order. The agency can influence other agencies to do that. Moreover, monitoring and reporting is not passive any more than a chaperone with a camera in her hand saying to a couple, "Go right ahead. Don't mind me." What is, and what is not, reported creates public opinion and action.

Reporters will camp on the agency's doorstep: "What about this wage increase in the XYZ industry?" "What about these high profits?" "Are you going to recommend export controls?" "Why not?"

It's a fact of political life that action will be forced on the agency because it exists. Even if the problems weren't apparent, such an agency would find some. You can find problems anywhere, any time, in any labor or business organization, and particularly with a bright energetic staff that won't sit around. It will be a new agency with excitement that will attract good economists and lawyers, who will regard it as their duty to hit somebody, somehow. Many of these people will be "control-oriented," with little direct business or labor experience and unsympathetic to the competitive market system. They will urge action.

It will raise false expectations. And when it proves unable to check rising corn prices, or steel prices or coal miners' wages, public disillusionment will follow, with the cry increasing for more immediate, even stronger measures. Then it will be said that the agency must be given additional powers to enable it to "do its job." Authority for the 1971–74 controls came from a simple amendment by Congressman Reuss to another piece of legislation. No one expected this to turn into 33 months of mandatory controls. But political pressures forced the action.

It isn't good economics. Controls seldom are.

The agency has to go after the larger individual wage and price increases. But not every large wage and price increase is wrong, or inflationary. The increase may represent demand and supply shifts. Yet political pressure on the agency force it to act, with the same distorting result that mandatory controls generate. Shortages and investment in capacity may actually worsen, not improve.

The mere creation of the agency, moreover, will ratchet up some wages and prices for fear of coming mandatory controls. I know from direct experience that this has already occurred as a result of the discussions these past few weeks. Soon "guidelines" are likely to emerge. Business and labor will infer what is regarded by the agency as being within the government tolerance zone. It certainly won't be 5.5% or 2.5%, those famous figures from the past; new percentage yard markers will be created. And, as with direct controls these will be taken not only as ceilings but also as floors.

The agency will tend to operate in the short-run. Its expiration date of June 30, 1975 cries for action now. And generally short-run action is bad economics, which is part of the reason we are where we are now.

If general inflation has not cooled significantly by next spring, there will be even more of a desire to "do something," and then the "something" must be stronger, not weaker. To say it can't happen is to ignore the fact that we dropped controls—and the proposal for continuing the Cost of Living Council as a monitoring agency—only four months ago. And here we are again.

Clearly, my belief is that the agency should not be created at all. But at this point, holding this conviction is about as effective as spitting into the wind. Therefore, my recommendations concern alternations, either before or after passage of the bill, plus some alternatives.

First, don't give this agency any additional powers, now or in the future. If this occurs, we will clearly be on the road to direct wage-price controls.

Second, don't put heavy reliance on this agency to fight inflation. The danger is that existence of this stopgap agency will reduce pressure to engage in tough, fundamental decisions. Reducing the federal budget, for example, is a basic way to fight inflation. But it will be tough going when Congress and the Executive get down to specifics. Any reduced pressure or zeal because of the existence of this agency would be a real loss.

Public statements notwithstanding, the public will tend to hold this agency accountable for every wage or price increase, and for every jump in the consumer or wholesale price index. The Price Commission surely was, and the proposed names for this agency—"Cost of Living Task Force" or "Council on Price and Wage Stability"—invite similar responsibility.

LOCATING THE AGENCY

Third, reconsider the location of the agency. It is now destined for the Executive Office of the President. I recommend instead that it be a quasi-independent agency, reporting directly to Congress (as does the GAO), or to both the Congress and the Executive Branch (as does the ICC,. Location within the Executive Branch exclusively will constrain its activities and effectiveness for two reasons:

—Every time this agency involves itself in a wage or price increase, the prestige and power of the Oval Office is somewhat at stake. If the agency loses a battle, say in forestalling a labor settlement or in not reducing a well-publicized price increase (as happened recently with President Ford and GM), the President stands to lose. Either the agency will tackle only those cases it is sure it can win, or the President will be forced to get the mandatory authority to back it up.

—The agency should analyze and report on practices, laws, and procedures that contribute to inflation, not only in the private sector but also in the public sector. If the agency is based solely in the Executive Branch, it is not likely to recommend any action contrary to the administration's position, nor to criticize the Executive Branch for failure to act. For the same reasons, I think it would not be well placed in the Council of Economic Advisers, also a part of the Office of the President. If it reported to Congress exclusively, the same problem exists, although it is lessened because of the mixed constituencies.

My preferred solution would be to report to both groups. Thus it might take on the character and respect that is accorded the independent British Institute of Economic Affairs, but with access to government resources.

As a final shot, let me propose two alternatives to a separate agency, that might be adopted now or later.

Let the President formally assign this responsibility for coordinating economic policy directly to his Cabinet, most of whom are members of the proposed agency anyway. The Cabinet needs revival anyway as a national management team. Make the Vice President the counsellor to the President for economic affairs, and put him in charge of this function so that he would have the clout to influence economic policies across the entire Executive Branch.

Also, begin work now to revive the proposed Department of Economic Affairs. There is often fragmented and inconsistent economic policy making and a lack of accountability. The new department would gather together various branches now residing in Transportation, Commerce, Labor and others. This would require coordinated effort from both the Executive Branch and Congress to overcome established patterns and vested interests.

RINGING AN ALARM BELL

In summary, I do not argue my position as a blind, free-market ideologue, nor on the principle of nongovernmental interference in the marketplace. Government does have a role in our economic system. In fact, I am very much encouraged by the economic philosophy expressed by President Ford in his address to Congress and by the recent budget control procedures instituted by Congress.

I am ringing an alarm bell on this particular issue because I know from my personal experiences that the proposed monitoring agency can be misinterpreted, misused and can prevent us from fighting inflation at the point where the real battles need to be fought.

The real control over this economy in the long run must not be invested in Congress, the Executive Branch or any monitoring agencies, commissions or planning boards. It must rest in business and labor and the public in the private sector with two of the most powerful inflation fighting tools ever designed by man—competition and productivity.

(Mr. Grayson was chairman of the Price Commission during Phase 2. He is dean of the School of Business Administration of Southern Methodist University and author of the recently published "Confessions of a Price Controller.")

THE CHALLENGES OF COMMUNITY DEVELOPMENT

Mr. TUNNEY. Mr. President, in its July 1974 issue, Western City magazine, the official municipal magazine of the West, carried a series of articles discussing the important challenges of community development, and how three communities in California are working to meet them.

In one of the articles, Mr. Elder Gunter, city manager of Stockton, Calif., describes how that community has sought to put to best use the various forms of Federal community development assistance it receives.

In order to solve the problems of a community—or a nation for that matter—it is incumbent to understand fully those problems, their sources, extent, and means to go about relieving them.

Stockton is taking the lead with the creation of its Stockton neighborhood analysis program (SNAP), which is designed, as Mr. Gunter writes, to provide city management—

> With a valuable tool which will provide reliable up-to-date information to assist in making realistic and meaningful decisions, an essential requirement in meeting the challenges of the future.

In order to acquaint the Senate with this innovative local program, I ask unanimous consent to have the above-mentioned article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STOCKTON, CALIF.

(By Elder Gunter)

The passage of General Revenue Sharing was met with enthusiasm by Stockton, Calif. city officials for they were well aware of the potential of these funds for their own departmental programs and operations. They soon realized that it was not an easy task to plan for the best uses for these funds. How does one go about prioritizing the apples and oranges of public services? Each of the operating departments had legitimate program needs which had to be addressed by the city manager during the development of his program for spending general revenue sharing funds.

In order to understand the full sequence of events regarding Stockton's preparation for community development, one must go back to the spring of 1972. It was during that time Stockton was invited by the San Francisco Area Office of HUD to participate in the second round of Annual Arrangement Agreements. It was suggested, during early negotiations, that the city manager's office should direct some of its attention towards increasing its planning and management capability with respect to grants. The author recommended that an individual be hired for the purpose of developing a management oriented coordination and review system for the 60 separate grants being administered by the city. The recommendation was approved and on June 1, 1972 a five-year veteran from HUD with community development experience was hired as the administrative assistant for community development.

Fiscal 1972–73 was the year of limited funds and moratoriums which, consequently, resulted in the inability of HUD to fulfill their financial commitments under the Annual Arrangement Agreement. Both HUD and the city agreed that the experience was very worthwhile and it would place us in a better position to plan, coordinate, and manage our own grant funds in a more responsible manner.

Through the advice and recommendations of the assistant for community development, the author developed a Ten-Year Community and Neighborhood Improvement Program. This was the first attempt to coordinate planning and programming of financial resources into an integrated community and neighborhood budget. On a map, 11 areas were marked so as to identify those neighborhoods in need of some type of renewal or rehabilitation activity. Priority consideration was given to those five neighborhoods that were identified in the Community Improvement Report which was adopted by the city council a year before. The remaining six neighborhoods were identified with the assistance of the department heads.

A program budget was submitted to the citizen's committee for consideration prior to the review by the planning commission and final approval by the city council. The document was generally planned for the expenditure of all anticipated grant funds, including general revenue sharing funds, that could be expected to come to Stockton from state and federal sources, coupled with corresponding programs. A subsequent evaluation some months later led to the belief that it was unnecessary to have a separate capital improvement program budget document and a separate grant program budget document.

A few months ago Stockton began to reassess the real goals and objectives of the city and their relationship to community development activities. Since the theory behind general revenue sharing funding and community development is that local government will make their own funding decision, Stockton wasted no time in beginning its preparations. Our office is now attempting to determine a fair and equitable method for distribution of non-categorical grant funds which would be directed toward the implementation of the city's identified community development objectives. The study identifies those areas which need to be given attention in a priority funding plan. Our immediate concerns relate to the high and persistent unemployment rate; gradual physical deterioration of some neighborhoods and the development of the marina and channel area.

We are also working toward a coordinated review and comment on all program dollars flowing into the city from federal or state agencies. Comments would be related to a city-wide human resources plan for the provision of social service activities. Early negotiations with the San Francisco Federal Regional Council is encouraging and suggest that Stockton, before too long, will be evaluating the physical, as well as the social problem areas of the city in a coordinative plan. The effective coordination of these grants will be realized through a computer program designed to provide the city manager's office with the information necessary for the effective planning, management, and budgeting for physical and human resource programs and projects.

Stockton also developed a Neighborhood Analysis Program (SNAP) in order to provide a data base for in-depth understanding of the problems and conditions of the community's various neighborhoods. First stage of the program was the completion of a "condition" file for the entire community organized around major elements such as crime, housing, health, income, education, land uses and employment. Operational records from various public service systems (crime reports, welfare caseloads, school attendance, etc.) form the basic data for analysis, and computer processing applications have been developed on a cooperative basis with the agencies involved. To date, comprehensive reports on crime, income, education, welfare and housing have been published. Reports on land use, employment and health are in various stages of completion.

The actual neighborhood analysis process will begin upon completion of the series. Each of the basic reports will then be related to one another at the neighborhood level. Defining the complex interplay of factors that affect a particular neighborhood will clarify policy alternatives and increase the likelihood of a coordinated approach in future community development programs of all kinds. Stockton is creating a system of urban analysis which will allow it to allocate its monies according to systematic definition of community needs and thus truly direct its future. We are confident that utilization of the SNAP process will provide management with a valuable tool which will provide reliable up-to-date information to assist in making realistic and meaningful decisions, an essential requirement in meeting the challenges of the future.

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

Mr. BUCKLEY. Mr. President, almost unnoticed in the events of the past 2 months have been developments in Europe concerning the Conference on Security and Cooperation in Europe. The degree of security in Europe has important implications not merely for Europeans but for U.S. citizens as well. For over two decades, the frontline of the U.S. defense has not been the Atlantic Ocean, but the Elbe River. While we have been preoccupied with domestic politics, the outcome of the CSCE is of great interest to Europeans. There is some evidence to suggest that the Soviets may be taking advantage of the U.S. preoccupation with domestic politics to maneuver diplomacy for their own advantage. The opposition party in Germany, the Christian Democratic Union, has produced a very useful and comprehensive analysis of the debate on CSCE within the Federal Republic of Germany. I ask unanimous consent that this statement be printed in the RECORD so that those concerned with this problem here can have the advantage of understanding the issues in CSCE from a European perspective.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BONN, *July 5, 1974.*

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE)

The "Conference on Security and Cooperation in Europe" has entered a decisive stage during its second round: The participants are debating and editing the final documents. The Soviet Union is pressing for convocation of a final Conference in this month, in the shape of a "summit" of heads of state and government.

Information available suggests that also some of the major Western nations may be persuaded into agreeing to a premature conclusion of the Conference on the basis of questionable compromises which would unilaterally impair European, and in particular German interests.

The CDU/CSU Caucus, therefore, considers it imperative that the German Federal Government present comprehensive information to the German public on the content and scope of this important Conference, thus paving the way for an indispensable political public debate which has been missing so far, probably also due to the confidential nature of negotiations.

The CDU/CSU caucus bases an assessment of the negotiating results achieved so far as well as of the prospects of this Conference primarily on the following criteria:

If the Conference is to genuinely promote security and cooperation in Europe, it will have to serve a lasting mutual understanding and unimpeded coexistence between the people and nations of Europe. Not a negative delineation, but a positive development of intra-European and intra-German relations must be purpose and objective of the Conference. We expect that the results of the Conference will directly benefit all people in both Western and Eastern Europe. In this connection, we call to mind the statement by the former Minister for Foreign Affairs, Walter Scheel, of July 3, 1973 in Helsinki, where he said: "People want to feel the fruits of detente in their every-day lives, they want at long last to grasp them with their hands".

True security and cooperation in Europe are not guaranteed as long as there are people and nations on our continent who are still deprived of their basic liberties, but in particular of the right to freedom and self-determination.

This criterion is of special importance to the German people. That means:

The CSCE must not harden the externally imposed division of Germany and the unnatural separation of its people. On the contrary, it must pave the way for an alleviation of the heavy burdens of this separation and allow all Germans to regain possession of human rights. That is in accordance with the political aim of the Federal Republic of Germany, namely "to work towards a state of peace in Europe in which the German people can regain its unity in free self-determination" (Letter on Germany Unity, which was transmitted to the parties to the German-Soviet and intra-German treaties and which has legal force).

The CSCE must not loosen the degree of integration of the free part of Europe achieved so far, nor must it aggravate or obstruct its development into a European federation.

The CSCE must not perpetuate Soviet hegemony over Central and Eastern Europe. On the contrary, it has to meet the hopes and claims of European people and nations living within the present Soviet power sphere to guaranteed human rights and basic liberties.

We therefore ask the Federal Government:

1. (a) What are the Conference objectives and present negotiating positions regarding the essential political issues on the part of the Federal Government, our Allies (EC, NATO), the other Western nations?

1. (b) What changes evolved in the course of negotiations?

1. (c) What are the experiences of the Federal Government concerning cooperation of the European Community—member states and Commission—during the preparation and conduct of the Conference, and what conclusions is the government drawing from these experiences for the future shaping of European Political Cooperation (EPC)?

1. (d) What are the government's experiences regarding cooperation of the European Community with the other Alliance members, in particular the United States, during the preparation and conduct of the Conference, and what conclusions is it drawing from these experiences for the future shaping of European-American partnership?

Reasons:

The common intellectual and political values of European culture and history, the manifold economic and social ties in the free part of Europe and its progressing efforts for unification and security constitute logical and—as the CSCE has fortunately proven so far—actual foundations of a worldwide community of interests of the free nations and states in Europe.

German politics in this connection is charged with the special task to ensure that the German interests—that means, the interests of the entire German people which the Federal Republic of Germany always has to take into consideration—remain imbedded in European interests. In these endeavors the foundations of a policy enabling a solution of the German question, have to be maintained and strengthened. That includes in particular the connection between the German legal position and the rights and duties of the Three Western Powers in correspondence with the treaty on Germany of 1952/54.

The Federal Government as the first Western state pledged to the Soviet Union in a binding declaration of intent in Moscow in August 1970 to do all in its power for the preparation and successful conduct of the CSCE. It is up to the government to explain what the purpose is of this originally Soviet initiative, later endorsed by the German government, and what it will do to maintain the community of interests with Western Europe and North America—which is of vital importance to Germany—at that Conference.

2. (a) What are the CSCE objectives and present negotiating position of the Soviet Union and—if deviating—of the GDR and the other Warsaw Pact states?

2. (b) Did the Conference rounds in Helsinki and Geneva so far reveal any changes in the Soviet Union's former objectives?

Reasons:

Since 1954—despite some variations—Moscow seems to be aiming at the following objectives in pursuit of the Conference project:

Consolidation of Soviet domination of Central and Eastern Europe, either by express international recognition, or a solemn confirmation of the territorial and political status quo on the part of the west, the political implications of which equal such recognition by international law.

Solemn multilateral sanctioning of the European status quo, in particular on the basis of the final division of Germany which would eliminate the modus-vivendi character of the bilateral Eastern treaties with Moscow, Warsaw, and Prague as well as preclude a final solution of the German question, which the intra-German treaty keeps open.

Exploitation of West Europe's economic and technological potential, in order to replenish expanding Eastern shortages and to overcome bottlenecks in the supply and buildup of Warsaw Pact infrastructure.

Greater exertion of influence on Europe by means of a permanent all-European consultation and control body to be set up by the Conference as well as by means of an all-European collective security system which would gradually replace the existing alliances.

Paralyzing of West European unification and of West Europe's partnership with North America by means of advocating the alternative of an "all-Europe" under Soviet leadership.

Gradual removal of the allegedly "alien-territory" presence of the United States from West Europe by means of creating a European system which is to make American presence appear as bothersome and obsolete to a growing number of Americans and Europeans in the years to come.

3. What is to be the quality of international law and the political quality of the final documents of the Conference according to the will of the Federal Government and according to the will of the other Western participating states?

Reasons:

According to the recommendations worked out by the first phase of the Conference (in Helsinki) which were adopted by the Foreign Ministers of the participating states on July 3, 1973, the commissions of the second Conference phase (in Geneva) were charged with the "preparation of drafts for recommendations, resolutions, declarations and other final documents".

These documents concern the three Agenda Items and related issues, formulated in the recommendations of Helsinki:

1. "Questions of security in Europe" (basket I)

(a) Principles governing relations between CSCE participating states

(b) Confidence-building measures in the military area

2. "Cooperation in the fields of economics, science, and technology as well as environment" (basket II)

(a) Trade

(b) Industrial cooperation and projects of common interest

(c) Science and technology

(d) Environment

(e) Cooperation in other fields

3. "Cooperation in humanitarian and other issues" (basket III)

(a) Human contacts

(b) Information

(c) Cooperation and exchange in the field of culture

(d) Cooperation and exchange in the field of education.

Furthermore, the coordinating committee of the second Conference phase is to examine follow-up measures to implement the decisions of the Conference. These measures include the "permanent all-European security body demanded by the Soviet Union".

The political and international law qualities of the final documents to be worked out with regard to the above areas are of decisive importance for the implications of the CSCE for the development in Europe. The German public has a legitimate claim to be informed in time as to whether and to what exent the German government and the other Western governments are willing to enter into political and/or legal commitments within the CSCE framework and what degree these commitments are to be accorded with respect to the above individual areas.

4. (a) What are the political and international law qualities to be accorded to the final documents according to Soviet intentions and—if deviating—to those of the governments of the other Communist states?

4. (b) Does the Soviet Union continue to aim at according above all the "principles guiding relations between the CSCE participating states" a binding international quality or a political-diplomatic importance of such impact as to permit the emergence of a regional international law confined to Europe?

Reasons:

The USSR has in the past attempted to use the CSCE in order to change the principles of general international law which are bindingly laid down in the UN Charter and in the "Declaration on the Principles of International Law Regarding Friendly Relations and Cooperation Between States" by changing the order of principles and turning parts of them into separate issues, by unilateral interpretation of the conceptional substance of the principles according to Soviet objectives.

Such an alteration of substance would impose the West outlines of a regional international law—influenced by "Socialist international law"—which would contradict the principles of general international law.

On the other hand, the Soviet Union claims priority of the so-called "Socialist international law" over the general international law, e.g. priority of the principles: "Proletarian-Socialist Internationalism; limited sovereignty of Socialist states."

Over the principles of general international law, such as sovereign equality, nonintervention, territorial integrity, self-determination, renunciation of force and others.

These attempts are best exemplified by the Soviet formulation of an absolute principle of the "inviolability of borders" (cf. question No. 6).

5. (a) What has the Federal Government done to maintain the Western interpretation of the treaties with Moscow, Warsaw, Prague and the inner-German treaty vis-a-vis the CSCE policies of the Soviet Union which is now trying to enforce Eastern interpretation of these treaties on a multilateral level?

5. (b) What has the Federal Government done to draw attention of Allied and friendly states at the Conference to the paramount importance of a reliable guarantee of the modus-vivendi nature of the treaties for the fundamental interests of the divided German people?

Reasons:

The Federal Government in concluding the Moscow and the inner-German treaties through the "Letter on German Unity" and the German Bundestag in passing the treaties of Moscow and Warsaw through its Joint Resolution of May 15, 1972—which has received the seal of international law as a notified document of the Federal Republic of Germany—have stated as the authentic and binding German interpretation of the treaties that the treaties constitute a modus vivendi which keeps open the German question as well as the final establishment of the borders pending an arrangement for all of Germany via a peace treaty. In this context the Federal Government has underlined that the treaty on Germany and the related declarations continue to have unrestricted validity. The Federal Government emphasized before the parliament that the treaties serve the aim of promoting solidarity and unity of the German people in a process of increasing detente during the transition period pending a peace treaty encompassing all of Germany.

The Soviet Union and its allies, on the other hand, increasingly propagate their contention—in particular at the CSCE—that the principle of the "inviolability of borders" is an absolute principle, i.e. that it is neither inferior to another principle, such as that of self-determination or renunciation of force, nor that it may be restricted by exceptions in favor of an agreed peaceful change of borders. If this illegal claim were to prevail, it would practically mean immutability of the present territorial and political status quo in Europe as well as international legitimization of realities existing in the Soviet sphere of influence which were achieved by violence as a consequence of the War.

6. How does the Federal Government in this context assess the fact that the Communist press "PRAWDA" in a breach of confidentiality of the Geneva talks, on April 23, 1974 published the following formula—which the 35 CSCE nations had allegedly agreed on as a tentative and confidential formula—on the "principle of inviolability of borders":

"The participating states consider all bilateral borders as well as those of all European states as inviolable. Therefore, they will refrain from any assaults on these borders now and in the future. Accordingly, they will also refrain from any claims or actions aimed at conquering and usurping part or all of the territory of any participating state".

Reasons:

This Soviet indiscretion is aimed at committing the participating states to this formula.

In contrast to the Moscow treaty, our specific legal positions and political concerns are not secured by legal provisos in this multilateral declaration.

Therefore, the above formulation would undermine the German legal provisos contained in the "Letter on German Unity" and in the Joint Resolution of the German Bundestag of May 17, 1972.

Any assertion of the right to self-determination of the entire German people after passage of this principle by the CSCE could be attacked as an "assault" on the GDR or as a "claim" or "action", "which is aimed at conquering or usurping part or all of the entire territory (of the GDR)".

The special meaning of this enforcement of an absolute and unrestricted principle of inviolability of borders—celebrated as a decisive victory by the entire Eastern bloc—which could not even be subjected to the principle of renunciation of force, results from numerous comments of the party-controlled mass media of the Warsaw Pact countries.

7. (a) How does the Federal Government now intend to ensure that the interpretation of the treaties of Moscow, Warsaw, Prague and of the inner-German Basic Treaty which keeps the German question open and permits every German government to pursue a policy aimed at maintaining national unity and restituting the unity of the state of Germany without committing a breach of contract, will not be undermined by an absolute and unrestricted formulation of the principle of the "inviolability of borders"?

7. (b) How does the Federal Government intend to ensure in particular that the proviso effect of essential internally binding documents which according to our authentic interpretation are inextricably tied up with the terms of settlement of the bilateral treaties concluded with Moscow, Warsaw and the other part of Germany and which were of vital importance for the approval by our legislative bodies as regards their compatibility with the basic law, the treaties on Germany of 1952/54 as well as with the rights and responsibilities of the Four Powers for Germany as a whole and Berlin, will not be impaired by this contrasting principle enforced by the Soviet Union?

7. (c) How does the Federal Government furthermore intend to ensure that its policy of maintaining and strengthening Berlin's indissoluble ties with the Federal Republic of Germany which the basic law commands and the Four Power Accord on Berlin permits, as well as the German legal position on the status of Berlin which is in keeping with the basic law and has been reconfirmed by the verdict of the German Federal Constitutional Court on the Basic Treaty, dated July 31, 1973, cannot be attacked in the future as a violation of the quoted multilateral principle of "inviolability of borders"—according to Soviet formulation?

Reasons:

Together with the other Western nations the Federal Government—after the Western proposal submitted by France had been dropped—accepted this Soviet formula at the beginning of April in 1974. The absolute and unrestricted formulation of the principle of inviolability of borders could term any peaceful change in the German question, including the Berlin issue, as incompatible with international law and thus preclude it. The accompanying documents on the FRG's Eastern treaties and the inner-German treaty, i.e., the two "Letters on German Unity" of August 12, 1970 (Moscow treaty) and December 22, 1972 (inner-German Basic Treaty); the Joint Resolution by the German Bundestag, dated May 17, 1972; the relevant note exchanges between the Three Western Powers and the Federal Republic of Germany; the relevant declarations by the Federal Government and the notes by the Three Western Powers on the occasion of the accession by both Germany states to the UN; the authentic interpretation of the Basic Treaty and of the provisions of the basic law pertaining to Germany, contained in the opinion by the Federal Constitutional Court, dated July 31, 1973 are indispensible for a policy pertaining to all of Germany, as provided by the basic law. They constitute the legal instruments to guarantee peaceful change and peaceful progress in direction of full self-determination of the German people.

According to Soviet objectives these very legal positions are to be devalued by an absolute principle of "inviolability of borders", meaning their immutability.

As an immediate consequence of this Soviet formulation of the principle of "inviolability of borders" the East could already attack the German position on the legal status of Berlin—which is in keeping with the basic law and has been reconfirmed by the Federal Constitutional Court—as a violation of this principle reconfirmed by the European states.

8. Has it been ascertained that the principle of international law on the admissibility of peaceful change

(a) will occupy a position in accordance with its positive meaning for inner-German and inner-European detente in the catalogue of principles guiding relations between European states

(b) will be maintained undoubtedly in connection with the principles of renunciation of force and self-determination of peoples

(c) is not subjected to the Soviet interpretation of the principle of "sovereignty of states"?

Reasons:

Soviet policy vis-a-vis the other Warsaw Pact members and vis-a-vis Germany precludes any progress towards a solution of the German question in the sense of the right to self-determination of the German people. While invoking priority of self-determination over the demands for "sovereignty" and "territorial integrity" in the Third World, the Soviet Union employs a reverse tactic in Europe, where it accords priority to the principles of "sovereignty" and "territorial integrity" over that of self-determination.

Soviet attempts to permit mention of the principle of admissibility of peaceful change at best in connection with the principle of sovereignty or territorial integrity, also aim at a legal and political devaluation of this principle. The declaration on the right of sovereign states to unify (cf. memorandum on the treaty of Moscow, page 14, Bundestag publication No. VI/3156) which was made by Soviet Foreign Minister Andrey Gromyko at the conclusion of the treaty of Moscow and quoted by the Federal Parliament during the parliamentary ratification debate, merely contains a matter of course under the terms of international law, but does in our view of the supra-national nature of human rights and self-determination and the resulting claims not correspond with our policy on Germany.

9. (a) Which suggestions concerning enforcement of the principles mentioned in the catalogue of "basket I" have been introduced into the negotiations or been endorsed by the Federal Government or by Allied governments, by non-allied states, by the states of the Warsaw Pact?

9. (b) How is the Swiss proposal of a compulsory arbitration body to settle international differences assessed by the Federal Government, by Allied states, by non-allied states, by the states of the Warsaw Pact?

Reasons:

Enforcement of the principles on the coexistence of European states suggested for solemn confirmation at the CSCE is of vital importance above all to smaller and medium-size European states which depend on the law as a weapon of the weaker.

The Federal Government is requested to report what steps have been taken by it and by other governments at the CSCE to create reliable guarantees against a repetition of interventions by foreign powers to the detriment of national sovereignty and national self-determination of other states and peoples or guarantees against illegal intimidation, pressure, threat or blackmail of any kind.

What precautions were furthermore suggested at the CSCE by the Federal Government, the Allied governments, the non-allied states and—possibly—states of the Warsaw Pact against the Soviet claim of priority of principles of the "Socialist international law", such as the "Proletarian-Socialist Internationalism" and the resulting commitment to "brotherly assistance to defend Socialist achievement and the Socialist camp", over the principles of general international law?

The Swiss proposal for the peaceful settlement of conflicts corresponds with our constitutional decision in favor of immediate validity of the general rules of international law in the Federal Republic of Germany (article 25 of the basic law) and with our political commitment to the progressive principles of order of West European integration. The Federal Government is therefore requested to present its view on this proposal and—if possible—its efforts to promote it.

10. (a) What has the Federal Government done to point out in Geneva that genuine detente and cooperation in Europe presuppose that the human rights are guaranteed in all states of Europe?

(b) What has the Federal Government done to point out at Geneva that preservation of the priority of human rights in the intepretation and application of the principle of sovereignty, above all in the relationship between the two states in Germany, is in the interest of the entire West and of a lasting guarantee of peace?

(c) Has it been ascertained that the conception of the free part of Europe of the principle of human rights prevailing in these states, will be fully adhered to in the Geneva negotiations on the catalogue of principles (basket I) and on the guarantee of freedom of people, ideas, and information (basket III)?

Reasons:

One of the main difficulties to reach common measures for a detente between the two parts of Europe at the Conference lies in the basic difference of opinion concerning human rights and basic liberties between the liberal Western approach and the Soviet Marxism-Leninism approach.

From the liberal point of view human rights are inborn rights of every individual and are superior to state authority. They directly commit any state authority. To the extent that restrictions are indispensible in the interest of common well-being, these must be enacted by law and must not impair the essential substance of human rights.

According to the legal position of Communist states dominated by Soviet-Marxism-Leninism, human rights are nothing but relative prerogatives granted by the absolute state whose authority is superior to the individual. They do thus not directly commit the state.

These states therefore do not consider themselves committed to direct adoption of the human rights as they are laid down in declarations, resolutions and accords of the United Nations under the terms of international law, into their national constitutions. Transferral of international law to national law is subject to the will of the states.

According to the outlook of Marxism-Leninism on the rights of the individual there are also no prepositive standards of individual freedom and dignity, but only those of class fight. The human being is bearer of such rights not as an individual in his concrete reality, but merely as a member of the class.

They are granted to him only to the extent that they serve him to fulfill his function in society; individual human rights as well as self-determination of peoples are subjected to the laws and requirements of social development, i.e. class fight on the national and international level or—to put it differently—of world revolution.

11. (a) How does the Federal Government intend to enforce the West's main demand for guarantee of human rights for all Europeans, in particular free movement of people, ideas, and information, at the CSCE?

(b) How does the Federal Government ensure together with the Western Allies that the concrete agreements on the free movement of people, ideas, and information will not be restricted again in basket III—as the Communists are demanding—for example through one general or several preambles which subject these agreements to the principle of a "sovereignty" internally conceived and practiced as an absolute sovereignty and of the reference to "non-interference", and "Observation of national legislation and customs" derived from that conception of "sovereignty"?

(c) Is the Federal Government willing to approve a seemingly positive conclusion of the Conference even on the basis of unsatisfactory resutls regarding the guarantee of human rights for all Europeans, in particular the right to freedom of information?

Reasons:

Confidentiality of negotiations at Geneva must not mean that the public continues to be kept in the dark on the political negotiating guidelines. At CSCE the Communist states insist on subjecting concrete measures which they concede in the operational agreements of "basket III" in favor of certain extensions of the human and basic right, especially in favor of greater freedom for people, information, and ideas, to national legislation as well as to the "customs" of their nations where their own orbit of power is concerned. If the Warsaw Pact gets its way with its additional provisos—either in a general preamble to "basket III" or in separate preambles to the individual agreements—the concrete agreements reached in favor of the people, could be eroded and undermined at any time.

It is the Federal Government's duty to tell the German public whether it is willing to do its part in consistently representing the main Western demand for more freedom and human rights, in particular for the freedom of opinion, conscience, and religion, for greater freedom of people and freer movement of information and ideas beyond the borders, as an essential condition for detente between East and West and as an essential preconditions for security and peaceful cooperation between people and nations.

That does not only apply to the relationship between the states and nations of both parts of Europe, for us Germans that applies in particular to the inner-German relationship.

The Federal Government is requested to make clear whether it is willing to introduce this general criterion into the Conference negotiations and to demand its concrete application to Germany.

The Federal Government is asked to state whether it is willing to accept without protest Communist reference to their sovereignty and the principle of non-interference, if these references are employed against human rights and self-determination of the peoples.

The Federal Government is requested to explain how it intends above all to counter the policy of increased delineation by the GDR, since that government, too, is fighting the demand for greater freedom of people, information, and ideas by cynical references to its "sovereignty". These explanations expected from the government are important also because the Communist regimes are at the same time permitted to meddle in the internal affairs of the Federal Republic of Germany by means of foreign-dominated Communist parties and other organizations through references to their unilateral principle of "peaceful coexistence".

12. (a) Which concrete proposals has the Federal Government submitted or endorsed in order to promote realization of human rights in all of Europe and in particular in Germany and for all Germans?

(b) Is the Federal Government—if it has not already done so—willing to bring up the topic of permanent and institutionalized human rights violations at the inner-German and in the GDR at the Conference?

Reasons:

At the present state of negotiations in Geneva the public is entitled to concrete information on the negotiating results and pending issues of discussion directly concerning people and nations.

More freedom, human rights and self-determination for the people and nations in Europe must be the objective and criterion for a Western detente policy which is committed to the values of European culture.

This constitutes a special commitment for the politics of the Federal Republic of Germany due to its constitutional obligations, its freedom-oriented principles and its responsibilities towards its national history.

The German public is above all entitled to be informed whether and in which manner the Federal Government has introduced the German question not only into the catalogue of principles of "basket I" regarding its political and legal status, but also into "basket III" in regard to its human rights aspects.

13. (a) What are the notions and concrete proposals concerning the "confidence-building measures in the military area" (basket I,2) of the Federal Government, of our Allies, of the non-allied states, and of the states of the Warsaw Pact?

(b) How does the Federal Government together with its Allies intend to approach the connection between political and military security?

(c) Does the Federal Government endorse the view that there is a connection between negotiations on the CSCE on the one hand and those on MBFR and other military East-West discussions on the other with regard to their time-frame and substance?

Reasons:

The final recommendations of the first CSCE stage (in Helsinki) provide that during the second state commissions will prepare recommendations on confidence-building measures—CBM—, such as "advance notification of major military maneuvers" and "exchange of observers at military maneuvers upon invitation of mutually acceptable conditions".

These proposals are to be presented to the full Conference at a later date.

In addition, the questions of advance warning of major military movements are to be examined and the conclusions to be submitted to the full Conference.

The Federal Government is requested to report on the various suggestions and on the present state of negotiations concerning these issues. Items of particular importance are the notions on the geographic area to be covered by these measures, the time-frame of the advance warnings, the size of troop movements to be announced, the addressees of these notifications, and the degree of commitment of such agreements.

USSR and US resistance to the notification of major military movements raises the question about their motives. It should be considered that such measures are not merely meant to make mutual actions transparent and decrease the distrust between the two military alliances. After the experiences of the invasion of forces of the CSSR, GRD, Poland, Hungary and Bulgaria in the CSSR of August 1968, these warnings are to help protect the smaller countries of the Warsaw Pact against Soviet interventions.

Furthermore, the Federal Government is asked to report whether, and if so, which proposals were introduced into the negotiations that exceed the above Helsinki recommendations.

Finally, the Federal Government is requested to state whether in its opinion there are reasons for a connection between the CSCE and MBFR talks and other military negotiations (like SALT) with regard to their time-frame as well as their content. In particular it should explain whether in the absence of an outcome of the MBFR talks the negotiating results of the CSCE achieved so far already justify any mention of progress in favor of the interdependent and interrelated military and political security in Europe.

In this connection, the government is requested to disclose whether the disproportionally increased armament and deployment of Warsaw Pact forces in the GDR, CSSR and Hungary has been discussed at the Conference.

14. (a) Does the Federal Government consider as necessary and feasible comprehensive economic skeleton accords or agreements with East European states at the CSCE which are outside of the areas of competence transferred to the European Community? If so, what could be their content?

(b) If the agreements being worked out within the frame of "basket II" should be concluded, what precedent or other effect would they have on the European Community's full competence on foreign trade matters effective January 1, 1975?

(c) Is the Federal Government willing to resist any further restriction of the area of application of the GATT in its relations with East European states? Does the Federal Government think it possible that all East European states might be persuaded to join the GATT? Has the question been considered as an Agenda Item within "basket II"?

(d) Have members of the COMECON shown their willingness at the Conference to adjust their foreign-economic policies to the international standard?

(e) Does the Federal Government share the view that in addition to the existing all-European means of communication in the ECE, further institutionalized contacts should be established? If so, why?

(f) Will the Federal Government use its influence in the European Community to the effect that granting of most favored nation status to the Soviet Union by the European Community is contingent upon prior Soviet accession to worldwide cooperation in trade and traffic (GATT, CIV/CIM, IATA and others) or upon unequivocal and lasting political concessions in favor of human rights and self-determination?

Reasons:

The areas suggested for "basket II" in the recommendations of Helsinki should be examined with a view to the question whether and to what extent possible "all-European" agreements affect the areas of competence of the existing community institutions and treaties and the further development of these treaties which have priority for the West. In particular it should be examined whether the CSCE agreements on trade and industrial cooperation affect the European Community's full foreign trade competence, effective January 1, 1975, and whether they would impede the required common coordination of the consultative agreements.

Furthermore, the Federal Government should explain to the public its basic attitude on the problem of whether it will approve cooperation within the frame of "basket II" without return favors, or whether it will base its approval of Western concessions on full acceptance of the achieved standard of worldwide cooperation on the part of the Warsaw Pact states or/and on Eastern concessions in the area of the other two "baskets".

The Federal Government is requested to state whether it is willing to introduce the issue of free emigration of Germans from the Soviet Union and East Europe within the framework of a joint initiative of the entire West, in imitation of the Jackson Amendment to the US trade bill in the US Congress.

15. (a) How does the Federal Government assess Soviet demands for the establishment of a permanent all-European consultation and control body?

(b) Does the federal government consider the transferral of CSCE follow-up missions to already existing international organizations (such as the ECE) and/or special commissions as feasible?

Reasons:

One of the main objectives of the Soviet Union at the CSCE was and is the creation of a permanent all-European consultation and control commission, which is to assume administrative tasks as an executive body between further meetings of the full Conference.

This body would give the Soviet Union a say ("droit de regard") in West European developments, while it and its Allies would reject any counter-influence by the West in its own sphere of influence by invoking its exaggerated conception of sovereignty of the "Socialist international law". Besides, this all-European body could have negative implications for the process of West European integration and the expansion of our Atlantic partnership which must have priority.

16. (a) Does the Federal Government consider the present negotiating results sufficient to warrant convocation of a final Conference for the signature of the final documents before the Conference goes into summer recess?

Reasons:

The final meeting in the shape of a summit conference of heads of state and government which the Soviet Union would like to see take place as early as July of this year, would greatly underline consolidation of the territorial and political status quo in Central and Eastern Europe which the Soviets largely achieved under the third principle (of the ten principles guiding relations between European states). Western consent to a date and rank for this final conference would, therefore, only be justified on the basis of satisfactory return favors by the East to promote human rights and self-determination and in favor of a permeability of borders in Europe, i.e. in favor of a progressive liberalization in Central and Eastern Europe.

> The negative experiences made with self-imposed time and success pressures in its negotiations with the Soviet Union should warn the Federal Government against a premature summit conference on the basis of dubious compromise and imbalanced favors.
>
> We call to mind what the former Foreign Minister Walter Scheel declared at the Foreign Ministers meeting on July 3, 1973 in Helsinki during the first CSCE stage:
>
> "If in the course of discussions it should become clear that our notions of reality are still too divergent, then I believe it would be a question of honesty to state this clearly. It would not be the end of the detente process either. It would mean only that conditions are not yet ripe to achieve the ambitious goal which we have set for this Conference. We could then continue with our efforts to develop common rules and to include cooperation and communications. We would have to continue these efforts in our bilateral relations. We might perhaps even get together again for a multilateral effort at a later date. But we should tell the European and world public clearly that we need some more time. We would then, to speak with Metternich, have to "hedge behind time and make patience our weapon".
>
> (KARL) CARSTENS, (RICHARD) STUCKLEN
> and the CDU/CSU Caucus.

CONCLUSIONS FROM HEARINGS ON SUPPLIES AND PRICES OF INDUSTRIAL RAW MATERIALS

Mr. BENTSEN. Mr. President, I wish to report to the Senate today on the main points brought out at the recent hearings of the Joint Economic Committee's Subcommittee on Economic Growth on the adequacy of raw material supplies.

These hearings, which took place the week of July 22, went into various subjects. They include: First, short-run supply and price prospects for various materials, especially metals; second, the likelihood of monopoly pricing in these markets by foreign producers, with special reference to the aluminum situation; third, means of deterring and defending against exploitative pricing; and fourth, the question of the longer run physical adequacy of mineral supplies.

Materials prices on world markets have dropped sharply in the past several months. In the words of Assistant Secretary of State Thomas Enders, in testimony at the hearings—

> In competitive markets the steam has gone out of the commodity boom. Fiber prices are down 16 percent since the beginning of the year; rubber prices are down almost 40 percent . . . and non-ferrous metals, more erratic in movement, are down even more sharply. . . . The major reason for the turnaround is the relative weakness in world industrial production.

For copper, tin, and aluminum, this decline was influenced by huge sales from the U.S. stockpile, although it is difficult to estimate how great this influence was.

U.S. domestic prices remained far below world prices during much of the period because of price controls. Although U.S. prices have risen sharply in the 3½ months since controls ended, the decline in world prices has permitted them to adjust to market levels without the huge leaps that otherwise would have occurred. This process of adjustment is still proceeding, as we have seen in the recent price boosts for steel and aluminum.

As the latest wholesale and consumer price releases confirm, moreover, the prospect of stabilization in raw materials prices does little to limit the cost-push impact of earlier increases in raw materials still working their way through the economy.

CARTELS

It was the consensus of most witnesses that new cartels are unlikely to be highly effective in nonfuel minerals, despite what we have seen with oil and aluminum. If they should succeed in escalating certain material prices, all witnesses agreed that their effectiveness would be limited to a relatively short period of time.

The main reasons for this are the inevitable diversity of commercial interests among cartel members, the high likelihood of new supplies within a few years from outside the cartel, and the relative ease of substitution for most such materials. As indicated below, for instance, several widely available materials can be substituted for bauxite at about the present price. The various ferroalloys can be substituted for each other to some extent. In some materials, such as cobalt, tungsten, manganese, and zinc, the U.S. strategic stockpile is large relative to our consumption. In others, the major foreign suppliers seem unlikely to combine for common purposes because of political diversity. All witnesses agreed, moreover, that even substantial increases in mineral prices would never have the dramatic impact on the U.S. economy that the rise in energy prices has had.

Mr. William Eberle, Director of the Council on International Economic Policy, emphasized his belief that inordinate price increases are not in the long-run best interest of the materials-exporting countries themselves. Dr. James Theberge, of the Georgetown Center for Strategic and International Studies, noted, however, that:

> We are in an era of more assertive Third World nationalism, and this is radically altering producer-foreign investor relations in favor of the developing mineral producers. . . . They are politicizing trade problems, however, much we may deplore it. The international trading system is under strain because countries increasingly are using trade for political ends.

Dr. James Burrows, a commodities specialist for Charles River Associates, pointed out that cartels motivated by economic gain would never impose a total embargo against any buyer but instead would curtail overall output to a level calculated to exact an optimal price.

I was pleased to see an able discussion of the present outlook for raw materials cartels by Dan Morgan in the Washington Post. The article, entitled "Cartel Threat Seen Easing," is based in part on the findings of our hearings. I ask unanimous consent to print the article in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

THE ALUMINUM MARKET

Mr. BENTSEN. Mr. President, among the most significant testimony of the hearings was that by representatives of the aluminum industry that technology for making aluminum from U.S. domestic raw materials now appears to be competitive with aluminum from bauxite. The latter material is almost entirely imported. Bauxite taxes have been increased by one major producing country, Jamaica, by an amount that more than doubles the price of this raw material and adds 8 to 10 percent to the ultimate cost of producing aluminum metal. This move may be followed by other exporting countries.

Mr. C. W. Parry, ALCOA's manager for corporate planning, gave the subcommittee the following testimony on this subject:

> There are two sources of alumina in the United States which are of primary interest at the present time to ALCOA. The first of these is a mineral called anorthosite. We have purchased 8,000 acres in Wyoming containing an extremely large reserve of this mineral, anorthosite. This one reserve alone has enough aluminum content in it to supply the present world aluminum industry for 75 years . . . for all intents and purposes the amount of anorthosite in the United States is essentially inexhaustible.
>
> We made a very strong research commitment over the past months to the processes which are necessary for the commercial exploitation of alumina from this mineral. We have been operating a pilot plant at our East St. Louis laboratory for several months now. And this pilot study should be finished by the end of 1974. . . . We could at that time move on, as we expect to, to commercial development of this particular ore.
>
> (Another) source of alumina (aluminum oxide) in the United States is coal waste piles, or co-called "culm" piles, from coal mining activities. . . . One of the greatest difficulties that we are finding in this is to locate the coal pile deposits in a geographical concentration sufficient to justify the establishment of a separation plant. . . . I expect that this will also be finished toward the end of this year or early next year.
>
> . . . We have not yet reached the stage where our cost estimates can be considered firm. We are, however, far enough along to get some very strong indications that alumina produced from several of these sources would be competitive with alumina from Jamaican bauxite under the new tax condition.

I think this is a very significant development that illustrates the consequences likely to ensue from exorbitant tax increases by foreign producer governments or cartels. In response to my questioning, Mr. Parry indicated that it probably would take 2 to 3 years to finalize the design parameters of the new processes and to complete construction of a commercial scale plant.

It is also significant that this view of the feasibility of nonbauxite raw materials was confirmed by a witness representing a joint venture with no investment stake in foreign bauxite mining. Dr. Duane Bloom of Earth Sciences, Inc. testified that his firm in conjunction with two aluminum smelters and fabricators—the Southwire and National Steel Corporations—is in the advanced stage of arrangements for a large-scale plant to begin making alumina from alunite by 1978.

Dr. Bloom gave us the following testimony:

> . . . in 1969, when this venture was begun there were no known deposits (of alunite) in the United States meeting our needs. Apparently for this reason, Report No. 278 of

> the National Materials Advisory Board . . . in 1970 concluded that alunite has "little potential of being a major raw material of aluminum in this country." In the year that statement was made, the NG alunite deposits were discovered 60 miles northwest of Cedar City, Utah.
>
> Drilling and trenching on the property has proven in excess of 100 million tons of ore grading between 35 and 40 percent alunite. In addition, another 600 million tons of similar grade ore has been placed in the probable category on this property. It appears that the initial plant planned for this deposit, 500,000 tons of alumina per year, could be expanded by a factor of 10, and using ore from this area, could operate for about 20 to 30 years, supply nearly one-sixth of all the aluminum used in the United States during that period.

Mr. Parry stated that Alcoa's decision to proceed with nonbauxite alumina production was determined by the new Jamaica bauxite tax. Dr. Bloom indicated his belief, however, that the alunite process would be economic even with lower bauxite prices, in part because it produces large volumes of potash fertilizer as a byproduct.

As a footnote to the Jamaican action on bauxite, it has come to my attention that a communique by Jamaican Prime Minister Manley and Mexican President Echevarria, issued at the close of Echevarria's visit to Jamaica on August 2, announced their intention to establish a multinational aluminum corporation to produce alumina, aluminum metal, fabricated products in the two countries and possibly other nations in and around the Caribbean.

U.S. POLICY ON COMMODITY TRADE

A number of witnesses addressed the question of augmenting the accepted rules of international trade to govern access to raw materials supplies and of using other diplomatic means to avert behavior disruptive to the world economy.

Ambassador Eberle's testimony outlined a new approach to trade negotiations:

> . . . we must focus hard to see that we have a trading system that . . . has rules and guidelines that will keep many of these trade problems out of the political process.
>
> I think it is useful in looking at these possibilities to start with the GATT, which spells out existing international trade rules . . . (on) export quotas and export duties as it does on the import side . . .
>
> One approach which could closely parallel that used successfully to reduce import barriers would be to exchange a commitment by country A not to restrict, or to limit restrictions on exports which are of interest to country B for a commitment by country B of a reciprocal nature. . .
>
> We could even start out by having discussions on binding the export taxes as you do tariffs. Or you could negotiate on exceptions and then bind all other export taxes to zero. . .
>
> We have found other countries quite interested in exploring these concepts with us. . . Now, these exchanges of commitments need not be restricted to measures at the borders but could cover other policy measures governments take to affect conditions of supply or exportable raw materials. . .
>
> . . . the second track that I referred to is designed to avoid or to facilitate the resolution of conflicts that can arise. . . There should be guidelines on what you do generally, and then if you cannot agree, we would hope that there would be some kind of a consultation and procedure that you must go through. . .

Other witnesses pointed out that various instruments could be used to direct both domestic and foreign investments so as to diversify raw materials sources. Secretary Enders testified that the main available instruments to guide overseas investment are Exim credits and OPIC guarantees. At home, the Government can facilitate many aspects of materials development. At this stage, in his view, subsidies and tariff protection for domestic investment do not appear desirable.

There is general agreement, I believe, that we should at least examine the desirability of recasting the authorization for stockpiles of strategic and critical materials to include the objective of averting economic disruption that might ensue from supply curtailments or cartel pricing. At present, the law does not recognize this objective, although such considerations have been an element in stockpile decisions at times.

In considering this issue, however, there are many issues of fact that must be clarified. For instance, what commodities would be stockpiled for this purpose? How much should be stockpiled? What are the costs and the alternative methods of protecting our economy from such shocks? Under what guidelines would stockpile authorities intervene in the market? Should they attempt to stabilize cyclical market fluctuations or only to intervene to resist outright monopoly power? How effective can we expect such an operation to be?

Gen. Leslie Bray, Director of the Office of Preparedness, testified that his staff is studying some of these questions on economic stockpiling. He emphasized that present law does not permit stockpile manipulations exclusively for this purpose. He pointed out as a matter of interest, however, that the Japanese Ministry of International Trade and Industry announced in late July that Japan plans to build up a stockpile of nonferrous metals to prevent economic disruption.

IS THE WORLD RUNNING SHORT OF RESOURCES?

All witnesses before the hearings agreed that mankind is in no danger of running out of resource reserves within the foreseeable future. It may be somewhat more expensive in the future to satisfy our materials needs in ways consistent with environmental protection, but the witnesses felt that the supply of minerals is likely to be quite responsive to higher prices within a period of a few years. Recent supply shortages were attributed more to political disruptions, as in the case of copper from Chile and Zambia, and to inadequate smelting and processing capacity, as in the cases of steel and zinc, than to real scarcity of minerals in the ground.

As stated by Mr. Robert N. Pratt, president of the Kennecott Sales Corp., of Kennecott Copper,

> Our nation is blessed with abundant reserves despite dire forecasts one encounters from time to time. The Paley Report of 1952 predicted that the U.S. would be out of copper in this decade. The 1971 Club of Rome study has predicted the same disaster on a worldwide scale in this century.
>
> The fact is, the U.S. has been increasingly self-sufficient in copper over the years despite important growth in demand and decreasing ore grades . . . Continuing technological advances in our industry have made this possible. . . .
>
> The U.S. copper industry has announced plans to expand capacity by about 25 percent during the next four years, and still further expansion is under consideration. This outlook does not include entirely new mining technologies such undersea mining and in-situ mining which we and others are studying and which offer the opportunity to tap vast additional resources.

Similar arguments were made with regard to other minerals by Dr. Burrows of Charles River Associates, whose testimony, incidentally, includes detailed market analyses for a wide range of individual materials.

With regard to undersea mining, Mr. Pratt stated in response to questioning that, so far as technology is concerned, it could begin immediately on a commercial basis. It was the view of Dr. John Morgan, Deputy Director of the Bureau of Mines, however, that many problems remain with commercial application of this technology because of difficulties yet to be solved in operating in deep water far from shore and in separating and refining the various valuable constituents of the undersea nodules.

In one final comment on the question of minerals scarcity and higher minerals prices, it is estimated that America's use of nonfuel, nonagricultural minerals in raw form now constitutes about 3 percent of the total value of our GNP. Dr. Burrows estimated that the impact of minerals prices on the overall national price level would be slightly more than proportional to this ratio. In other words, if all minerals prices should even double across the board, the price index would increase by only 4 or 5 percent. All witnesses concurred that any such price increase would bring forth much greater supplies.

CONCLUSION

In general, therefore, the hearings tended to deflate alarmism that has been generated in some quarters concerning the imminent formation of many new cartels. They indicated that further rapid price escalation for nonagricultural raw materials is not likely in the near future, although it could resume in the future when business conditions improve and markets again become tight. The hearings discounted the thesis that resource exhaustion is close at hand.

Let no one infer, however, that I am providing grounds for complacency or inaction. The fact that problems are not unmanageable does not imply that improvements in policy are not badly needed. It is undoubtedly time to take deliberate steps to improve our security of access to foreign supplies, to make clear that the United States will defend itself against inordinate prices for imported raw materials, and to proceed with new impetus on a balanced policy of resource development at home.

EXHIBIT 1

[From the Washington Post, Aug. 12, 1974]

CARTEL'S THREAT SEEN EASING

(By Dan Morgan)

Ten months after the oil nations closed ranks to impose unprecedented price increases, government experts have concluded that other potential mineral and commodity cartels could not squeeze the United States very hard for very long.

The generally optimistic assessment has been reached even though senior officials recently acknowledged before a congressional panel that there is not much American aluminum companies can do about Jamaica's decision last June to sharply boost export taxes on bauxite.

The effect of Jamaica's action was to raise the price of bauxite imported from there from $2.50 to $11.72 a ton.

Assistant Secretary of State Thomas O. Enders told a subcommittee of Congress's Joint Economic Committee that two other countries, the Dominican Republic and Guyana, have been "inspired by Jamaica's action and have announced their intention to follow suit.

The three countries account for about 70 per cent of U.S. bauxite imports. The U.S. produces less than 15 per cent of its own requirements of aluminum ores. If passed on, the levies are expected to increase the price of aluminum in this country by about 10 per cent.

"In the near term, the aluminum companies are locked in," Enders told the subcommittee headed by Sen. Lloyd M. Bentsen (D. Tex.). "They have little choice but to pay the higher levies because of the cost of disrupting established supply patterns during the current period of strong demand, their structural dependence on Jamaican-type bauxite and their investments in Jamaica."

Officials concede that the difficulties with the Caribbean bauxite producers show that a few small, less-developed countries can pose economic problems for the United States, over the short term.

However, they add that there are marked differences between the oil cartel and the bauxite producers.

U.S. representatives have quietly been telling leaders of Third World countries that they will lose more than they will gain in the long run if they try to emulate the example of the Organization of Petroleum Exporting Countries (OPEC).

The great danger now, U.S. officials contend, is that Third World nations, carried away by the OPEC euphoria, will enter an economic poker game with the United States and the industrial world, without holding any of the strong cards of the oil nations.

At the congressional hearings, William D. Eberle, director of the White House Council on International Economic Policy, declared that mineral cartels "are not likely to constitute a serious threat in areas other than oil."

In the case of bauxite, the Caribbean producers hold some short term advantages because of the dependence of U.S. aluminum companies on the cheap supplies there.

However, industry and government officials told the Subcommittee that the world has abundant supplies of bauxite, located in many countries. Substitutes which can be used in manufacturing aluminum, such as grey clays in the United States, are available.

Steel and plastic materials can also substitute for aluminum in construction.

"If the tax is continued, future aluminum investment flows will shift to non-Caribbean areas," Enders said.

In the panicky aftermath of last year's oil price increases by OPEC, some economists predicted that the world would see the pattern repeated quickly in other vital resources.

The OPEC actions were widely hailed by many Third World leaders as strong blows against old fashioned economic colonialism of multinational corporations steered from the United States and other industrial countries. Raw material prices, they noted, had failed to keep pace with the price increases of finished products.

Since then, organizations of coffee, mercury and copper producers have met to see what they could do to emulate the OPEC example.

A price-setting arrangement between Algeria, Italy and Spain forced the price of a 76-pound flask of mercury from a 1973 low of $260, to $350 this year. But the price has since begun to drop again and hit $330 two weeks ago.

Several weeks ago, Costa Rica, El Salvador and Mexico, with apparent support from Brazil and Colombia, set up a multinational organization, Cafe Suaves Centrales, to regulate the price and supply of coffee. According to press reports, the organization is counting on financial support from Venezuela, which will take in an estimated $10 billion in oil revenues this year. If OPEC member Venezuela agrees, loans from it would be used to finance a "buffer" stockpile of coffee which could be held off the market to force prices up to acceptable levels.

Coordination between the coffee growing countries until now has been erratic, so that there is presently surplus on the world market. U.S. officials say that "there has been strong evidence" already that Brazil, Colombia and El Salvador have been buying back some of their own coffee on the international market in New York City, to push prices back up.

These examples of producer cooperation have been far outstripped by rhetoric of Third World leaders.

On July 11, Mexican President Luis Echeverria called for a common front of all Third World countries to obtain better raw material prices.

According to U.S. economic experts, the success of any board system of price controls and restrictions on supplies would require heavy financing, to maintain reserves and continue production while stockpiles build up.

In April, Peruvian Minister of Mines Jorge Fernandez Maldonado called for a "convergence" of OPEC with the copper producing organization CIPEC, to which Peru, Chile, Zaire and Zambia belong.

Maldonado spoke of exchanging guarantees of oil for a CIPEC promise to satisfy the oil nations' mineral needs. He also urged a "Mutual defense of oil and copper resources" against speculative markets in the West.

So far, however, the OPEC nations have offered only encouraging rhetoric and token financial support to Third World countries which are reeling under the impact of petroleum price increases.

American officials say that the oil producers seem reluctant to risk any of their new wealth underwriting mineral cartels, although this could change as their income from petroleum sales piles up.

Economists do not all agree with the current assessment of White House, Treasury Department and State Department experts that new cartels would be too diffuse, too economically weak, and too politically diverse to forge well-disciplined organizations.

In a much-quoted article in Foreign Policy magazine, C. Fred Bergston maintained this year that Western nations had vastly underrated the danger of many OPEC-like organizations forming in different parts of the world, and waging economic warfare that would disrupt the established order.

"We are seeing the politicization of international minerals," said James D. Theberge, of the Center for Strategic and International Studies.

"Third world countries are organizing into economic blocs and are trying to establish an economic front. The administration is rather complacent about it."

Theberge told Bentsen's subcommittee, however, that economists "are right to entertain strong skepticism about the long-term prospect of mineral cartels by Third World producers—despite the dramatic success of OPEC."

Meeting in Lusaka, Zambia, a month ago, the copper organization CIPEC was unable to agree on any action to stabilize copper prices and establish a floor price. Instead, a decision was made to study how copper producers could control trading of the mineral at the London metal exchange.

The United States now imports only 17 per cent of its copper needs, and experts say it has sufficient domestic reserves to become self-sufficient.

In addition, the United States now has strong economic leverage over CIPEC-member Chile, whose military backed regime is counting heavily on loans and aid to bail it out of deep financial difficulty left over from the former Marxist regime of the late Salvador Allende.

Experts also note that restricting production of raw materials, unlike restricting petroleum pumping, can cause unemployment.

In and out of government, experts differ over the vulnerability of the United States to some sudden restrictions on foreign imports of raw materials.

The United States imports more than three quarters of its requirements of chrome, manganese, tin, mercury, nickel and half a dozen other minerals. However, Enders told the Subcommittee that more than two-thirds of U.S. imports of major non-fuel raw materials come from Canada, Australia and South Africa all of which are considered reliable suppliers.

Nevertheless, officials in Washington are deeply uneasy about short term economic disruptions that could occur if some new, worldwide system isn't worked out to satisfy the requirements of both consumer and supplier nations.

"We could be wrong," said one official, recalling widespread doubts, only a few years ago that the oil countries would unite.

Economic warfare between rich and poor nations would add to inflation in the industrial world. Ultimately, it could be self-defeating for Third World countries which need foreign investment and financial support.

In Geneva, U.S. officials have been urging members of the General Agreement on Tariffs and Trade (GATT) to accept some plan which would guarantee access to raw materials in return for a fairer, stable price for the resources.

The White House's international economic chief, Eberle, told Congress that "the political dimension of this issue" should not be neglected.

"Arbitrary actions affecting another country's supply of raw materials, and the counter actions these invite, can seriously damage political and security relations between countries."

Eberle called for a new system to even out the "peaks and valleys" in the world's economy caused by shortages and surpluses which produce price summits and dips.

One approach, he said, would be for countries to exchange commitments not to limit exports of commodities each consider essential.

"To put it crassly, the world economic system has got to work on mutual blackmail," said an official. "If you give me this, I'll give you that."

The pros and cons of an "economic stockpile" are also being weighed in Congress. Such a stockpile could be sold off in pressure to raw material cartels' restricting exports or production.

However, policy makers lean away from this idea now because of its cost, and because of its tendency to fix artificial prices.

Enders also noted in his congressional testimony that putting 50,000 tons of tin on the market this year hasn't prevented a price increase of more than 100 per cent.

Policy makers also make clear that the United States still has powerful economic weapons of its own to use a mineral front.

"If we were not able to reach a mutually acceptable accommodation . . . we would have no choice but to seriously examine the contingencies for retaliation in other areas of our economic relationship," Eberle said.

SUPPORT FOR JURY JOB PROTECTION BILL

Mr. SCHWEIKER. Mr. President, yesterday, I indicated that a number of Pennsylvania newspapers have endorsed the concept of providing job protection for persons serving on State and Federal juries.

My bill, S. 3776, would eliminate the kinds of abuses which occurred in the Mitchell-Stans trial, and with the Watergate grand juries, where job threats, or actual firings, adversely affected citizens engaged in jury duty.

The newspaper editorials in Pennsylvania make the point that I stressed, that job protection for jurors, performing civic responsibilities, is a matter of fundamental fairness, and must be a matter of law.

I ask unanimous consent that three additional editorials supporting my jury job protection bill be printed in the Record following these remarks.

We must be encouraging, not discouraging, good citizenship, and the fairest possible jury trial system in our judiciary, and I will continue to press for quick action on my bill.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Harrisburg (Pa.) Evening News, July 23, 1974]

A JUROR SAFEGUARD

Sen. Schweiker's bill to protect the jobs of people serving on jury duty is an eminently reasonable proposal. If there's anything disturbing about the measure, it's the fact that legal safeguards should be necessary.

But they are. The senator cited job losses by people serving in the Mitchell-Stans trial and on Watergate grand juries as "only the most publicized examples" of individuals suffering economic reprisals for fulfilling their citizenship responsibilities.

It's bad enough that too many people, young and old, try to avoid jury duty on one pretext or another. Justice, after all, requires not only good judges on the bench and good attorneys for prosecution and defense, but good people from all walks of life willing to serve on juries so they can be broadly representative of the community. In his first inaugural address, Thomas Jefferson called trial by jury one of the principles that "form the bright constellation which has gone before us."

For many, jury duty can mean both inconvenience and financial loss. But such service is one of the ways we Americans pay our dues for the system we enjoy. Certainly, those performing their duty shouldn't be subjected to the more serious economic disruption represented by the loss of a job. Employers should understand the broader public interest being served and be willing to put up with temporary loss of their employes.

The Schweiker bill would extend to jurors the same sort of protection military draftees have been granted in the past. That's only fair. In a sense, jurors also have been drafted to protect our way of life. Members of Congress should have few reservations about rallying around the principle contained in this legislation.

[From the Lansdale (Pa.) North Penn Reporter, Aug. 7, 1974]

JURORS AND JOBS

Sen. Richard Schweiker has introduced a bill guaranteeing job protection for persons serving on juries, whether state or federal.

The senator noted that two Watergate grand jurors were fired outright and two others were asked to be executed so they wouldn't lose their jobs. Besides that, Schweiker said, two jurors in the trial of Maurice Stans and John Mitchell were fired by their employers.

"These," says Schweiker, "are only the most publicized of the ever-growing problem of persons being economically penalized simply for trying to be a good citizen."

As Schweiker says, there is no adequate job protection now for jurors. His bill to correct this sorry state of affairs is patterned after the re-employment protection granted to persons called to military service.

"Jury duty is vital to our system," Schweiker sums up. "The jury is an institution that not only protects the legal rights of defendants, but also puts into practice our commitment to government by the people.

"Jurors risk discharge by their employers as soon as they accept jury duty. And the juror who is not permitted to return to his job does not have adequate legal remedies. If we permit the price of this civic participation to be loss of employment, we should not be surprised that citizens shirk involvement in government or that public confidence in government continues to decline."

It could hardly be phrased better. It is contemptible for an employer to fire a person simply because that person accepted jury duty. Yet it happens all too often, even in our own region. Long ago we should have blown the whistle on these narrow-minded bosses.

[From the Somerset (Pa.) American, July 25, 1974]

JURY PROTECTION

A law which provides for financial protection of workers while serving on jury duty has been needed for a long time. Now, it looks as if one will be passed.

Such a bill, guaranteeing job protection for those who serve on state and federal juries, has been proposed by Senator Richard Schweiker.

He pointed out that two members of the Watergate grand jury were fired outright and two others asked to be relieved of jury duty in order to protect their jobs. Two jurors in the Mitchell-Stans trial also were fired.

Jury duty is an obligation of all citizens. Those called should not hesitate to serve and their employers should not hesitate to cooperate in making it possible for them to serve.

As Senator Schweiker has pointed out, many persons trying to be good citizens by serving willingly when called for jury duty are often economically penalized.

And, this is not right.

The Senator has proposed a bill patterned after the reemployment protection granted to people called into military service.

The Schweiker proposal is one which should have the support of the Congress.

THE CALIFORNIA POLITICAL REFORM ACT OF 1974

Mr. TUNNEY. Mr. President, one of the most important matters before us this year has been reform of the election process. I was very pleased that the Senate passed a strong election reform bill last April, including public financing. This measure is now in House-Senate conference.

But the movement for reform of the electoral process has not been limited to Washington. On June 4, 1974, California voters expressed overwhelming support for political reform by casting over 3 million votes—a 2 to 1 margin—in support of proposition 9, the Political Reform Act of 1974. The act was put before the voters by a coalition of public-interest groups and individuals, including People's Lobby, Common Cause, and the League of Women Voters.

The initiative process, through which proposition 9 was brought before the voters of California, has been an active and progressive force in California. Just 2 years before, California voters enacted proposition 20 which provided the first comprehensive coastal protection and planning in the Nation.

In light of the great interest in proposition 9, and the political reform movement, I would like to share with my colleagues a summary of the provisions of proposition 9 compiled by the California Journal, and an article from the Los Angeles Times outlining the genesis of the act. I hope the success of proposition 9 in California, and of the campaign reform bill in the Congress, will usher in a new era of openness and grassroots responsiveness on the part of politicians.

Mr. President, I ask unanimous consent to have the above-mentioned materials printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the California Journal, November 1973]

SUMMARY OF KEY PROVISIONS OF POLITICAL REFORM INITIATIVE

Campaign receipts and expenditures. In every campaign for elective office, at all levels of government, reports of all contributions and expenditures must be filed if at least $500 is raised or spent. The reports are due at specified times:

Candidates and committees must report 40 and 12 days before the vote and 65 days after.

Proponents of ballot measures must report 65 days after qualifying their measure.

Committees supporting or opposing ballot measures must report 35 and 7 days before the election and 70 days after.

Elected officials must report every six months while in office.

These reports must identify all contributors of $50 or more by name, address, occupation and employer's name, the amount given each time and cumulatively. Persons receiving $50 or more and the services they render must also be identified.

Campaign committees must file statements with the Secretary of State. These must include their affiliation, treasurer and principal officers, and the name and office sought by each candidate and title of each measure they support or oppose.

Fair Political Practices Commission. A five-member appointive board, no more than three of whose members can be from the same party, is created to enforce the initiative's provisions and is given a $1 million annual appropriation. The Governor appoints two members, not of the same political party, and the Attorney General, Secretary of State and Controller appoint one member each.

The commission is to investigate charges of possible violations of the Political Reform Act on the part of agencies, public officials and candidates. It can subpoena records and witnesses, issue cease-and-desist orders, and levy fines up to $2,000.

Campaign spending limits. How much can be spent in statewide campaigns is based upon the number of citizens of voting age in the state as of January of the year preceding the election. Using the 1973 estimate of 14 million voting-age persons, the spending limits are:

Governor—7 cents per voting-age citizen ($980,000) in the primary and 9 cents in the general election ($1,260,000).

Lieutenant Governor, Secretary of State, Attorney General, Controller, Treasurer, Superintendent of Public Instruction—3 cents per voting-age citizen ($420,000) in the primary and again in the general.

Incumbents seeking reelection to statewide office—10 percent less than their challengers' limits.

Party state central committees and affiliated bodies—4 cents a voting-age citizen ($420,000).

Independent committees—$10,000 maximum.

Initiative qualification—No more than 25 cents times the number of signatures required can be spent ($81,376) to qualify statewide measures such as this.

Ballot-measure campaigns—Expenditure limits over $10,000 will be set by the Fair Political Practices Commission. Expenditures for both sides cannot exceed the lesser of the following: 8 cents times the voting-age population ($1,120,000) or $500,000 more than the amount approved by the commission to be spent by one side.

Conflict-of-interest. Public officials must disclose financial holdings that present "a potential conflict with their official responsibilities", and are disqualified from making public decisions in areas of conflict.

Elected state offices, boards of supervisors, city councils, the chief administrative and elected officers of cities and counties, and candidates for election to any of these offices are covered. Disclosure must be made before assuming office, periodically while serving, and on leaving office. The statements include:

Any investments worth at least $1,000, indicating whether their value exceeds $10,000 or $100,000.

Any interests in which at least 50 percent is held.

Income totaling $205 or more in 12 months, indicating if it exceeded $1,000 or $10,000; any gifts valued at $25 or more, with the name, address and a general description of each source.

Income from businesses, if more than $1,000 was received for legal or brokerage services, or $10,000 for other businesses.

All state and local agencies must adopt a conflict-of-interest code that contains:

A list of jobs vulnerable to conflict-of-interest considerations.

The circumstances under which an official must be disqualified from acting.

Ballot pamphlet. The ballot pamphlet sent to voters before each election is revised to include more information in a more readable format. The text of all proposed measures and the existing laws to be repealed are to be included, along with arguments and rebuttals for and against, and an analysis prepared by the nonpartisan Legislative Analyst.

Incumbency. The fact of holding the office being contested is not a factor in determining the order of placing candidates' names on the ballot. Once an elected state officer files a declaration of candidacy, all mass mailings at public expense must cease.

Lobbyist regulation. Lobbyists must register with the Secretary of State. (They now register with a joint committee of the Legisnature.) Lobbyists cannot make contributions and gifts exceeding $10 monthly. They must open separate accounts to handle lobbying funds.

All payments received for their activities must be reported periodically; these reports also include deposits and expenditures in the lobbying account, expenditures of $500 or more in one year made to any business in which a public official or candidate holds interest. The legislative or administrative decisions the lobbyist sought to influence must also be reported.

Those who hire lobbyists or who spend at least $250 a month to influence legislative or administrative decisions must report expenses over $25, gifts to officials, candidates or members of their families, business transactions exceeding $1,000 with firms in which an official or candidate has ownership, the date and amount of political contributions.

Auditing. The Franchise Tax Board audits and investigates reports filed by lobbyists.

[From the Los Angeles Times, June 21, 1974]

Proposition 9—Its Birth Pangs Nearly Killed It

(By Al Martinez)

Proposition 9, the political reform initiative that swept to a landslide victory June 4, was born—and almost died—in the heat of conflict generated by its authors.

An uneasy coalition of Common Cause and People's Lobby came close to collapse several times during the critical months that the measure was being drafted.

There were charges of doublecross, the threat of a lawsuit by Common Cause against People's Lobby, the possibility of a counterinitiative and an almost comic race to see who would file the document first.

In most instances, a representative from the office of Secretary of State Edmund Brown Jr. acted as peacemaker in what seemed at times a futile attempt to resolve the differences between the two political activist organizations.

Said one source: "They got along about as well as the Arabs and the Jews."

People's Lobby believed Common Cause was using the reform measure to strengthen its own position in California, and Common Cause was convinced that the leaders of People's Lobby could not be trusted.

People's Lobby accused Common Cause of dragging its feet, and Common Cause charged that People's Lobby's haste was detrimental to the initiative.

By the time the campaign was over, both organizations were weary of each other, and there is doubt that they will ever work together again.

Despite the overwhelming success of Proposition 9—a better than 2–1 triumph—some of the bitterness between the two groups most responsible for the victory lingers on.

The genesis of the initiative, regarded by many as one of the finest political reform documents in the nation, is difficult to trace because the three major participants claim credit for its inception.

Common Cause, People's Lobby and Brown's office had all worked in the area of political reform, and all trace the roots of the initiative to that work.

But probably it was People's Lobby, specialists in the initiative process, that moved first by drafting a tough measure based largely on a successful Washington state reform initiative.

It was on that basis that Brown suggested a meeting between representatives of his office and the two activist organizations. The meeting was held early in 1973.

The portent for future problems emerged almost instantly. Common Cause, fearing that Brown would "capture" the initiative for political purposes, wanted him to dissociate himself from it.

People's Lobby, suspecting that Common Cause might try to renege on its support, demanded an immediate public announcement of the incipient coalition, and threatened to walk out of the first meeting unless the announcement was agreed upon.

"It was a difference in styles between the two organizations," says Dan Lowenstein a deputy secretary of state who acted as peacemaker throughout the troubled negotiations.

"People's Lobby wanted to move in two weeks and Common Cause wanted to move in three years. Also, it was a power struggle, and there were jealousies."

Even Ken Smith, state director for Common Cause, who worried that People's Lobby was moving too fast, later realized the value of their drive:

"By jumping, Ed and Joyce Koupal (founders and leaders of People's Lobby) provided assurance that something would happen, and galvanized everyone to act. The Koupals were on the move.

"We knew we had to deal with them or they'd have an initiative of their own, and it might lose. If it lost, it might never appear again. This had to be the year."

Mrs. Koupal laid down the law:

"When we commit time and effort, we don't fool around. We feared Common Cause might back out. We didn't want to be delayed beyond the point where we could get the initiative on the ballot and had to say to Common Cause, 'With or without you, we're moving.' "

"I knew there was animosity between the two groups and that it would be difficult keeping them together," Lowenstein said of that first meeting.

"They were reluctant to work together but realized the value of a coalition."

June 1, 1973, was established as target date for the first draft of the initiative and Aug. 1 for the final draft. Both deadlines were met.

Then a major schism developed on the issue of limiting campaign spending.

"The Koupals felt the only way to clean up politics was to spend no money in elections," Smith said. "That was a joke. We wanted liberal limitations, otherwise you'd create an incumbency party."

Mrs. Koupal denies that People's Lobby wanted to eliminate campaign spending.

"The truth is," she said, "Common Cause wanted no limitations on spending. We almost split up over that. They were adamant on that score and we were adamant in our position. Limitations were important to us."

Common Cause, Mrs. Koupal claims, wanted campaign spending in a separate public financing proposal "because it's sexy and would sell the voters. We wanted it just the way it passed."

At this point, Smith said, Common Cause began considering the possibility of pulling out of the coalition and even fighting the Koupal initiative "if it were not a tolerable document. Later we became comfortable with the provision."

A series of meetings were held during the spring of 1973 on two levels. One involved drafting the document, which was done largely by Lowenstein and Robert Stern, elections counsel in Brown's office, and Bob Girard, a Stanton law professor with Common Cause.

The second level of meetings, which involved the Koupals, Smith and others, tried to determine how their union would function and how money for the campaign would be raised.

Lowenstein played a part in these sessions also, and both sides credit him with being the major element in holding the spring coalition together.

"The Common Cause people," Mrs. Koupal said, "often blew up and said, 'You can't do this' and 'You can't do that,' but we would simply say 'We're doing it, it's ours.' "

Meanwhile, the question of when to hold the first press conference to announce a drive for the reform initiative was still being discussed. At issue was who would make the initial announcement.

Smith remembers:

"We wanted Martin Stone (state chairman of Common Cause) and the Koupals wanted John Gardner (national chairman of Common Cause)—apparently to assure our commitment.

"We said no to Gardner and the Koupals stood up and said, 'That's it, we're out.' Lowenstein kept saying, 'Wait . . .' "

Both sides finally agreed that Brown, Stone and Mrs. Koupal would jointly make the initial announcement.

That problem solved, the pace of the campaign remained an issue of contention.

"The Koupals kept wanting to move, we wanted it slowed down," Smith said. "Our strategy was to push out the meetings to assure drafting time. A good document was the issue to us.

"We felt that if Brown ran off with it, he'd at least run off with a good document."

"The reason Common Cause was delaying," Mrs. Koupal insists, "was they were trying to put together a legislative package. They were making deals behind our back to get out of the initiative and get their stuff moving through the Legislature."

Lowenstein agrees that Common Cause may have been using the initiative to jam its own bills through the Legislature.

"But," he added, "we weren't worried they would pull out of the coalition because we knew they wouldn't get their stuff through."

Meanwhile, another problem had developed when a new Common Cause board took over and, according to Lowenstein, "wanted to reject every People's Lobby item in the initiative. You're going along and, boom, that happens."

Stern, of Brown's office, tried to address the board but, even though he is a member of Common Cause, was denied permission.

Brown intervened and stressed the necessity for moving forward.

"We are all dedicated to the substance of the proposal," he told them. "We have our differences but they are minor to the importance of this initiative."

"There was a great feeling of Common Cause that they wanted to lead this thing," Lowenstein said. "Jerry (Brown) knew they were worried about his presence so he agreed not to be a proponent on the measure, even though he had been assured he would be."

Smith recalls it this way:

"When our full board organized they worried about Common Cause being in bed with Jerry Brown. They got very tense. We tried to tell them that yes, Brown was going to run for governor, but he was still interested in reform.

"Also, several of our board members were concerned the Koupals might muddy up the initiative with nonsense. They respected the Koupals' ability to qualify an initiative but didn't like them shooting off their months."

This problem, too, finally was resolved. The board went along with its staff recommendation to stay with the coalition.

Then another difficulty arose. Lowenstein talks about it:

"Ed (Koupal) telephoned me one day and said he wanted an incumbency section in the initiative. I said no. He said, 'OK, we're out of the coalition.'

"Ten minutes later I called him back and said, 'Al right, it's in—but don't use up all your chips.'

"Ed is a horse trader. When he threatens to walk out he's just bargaining. It was irritating but effective. Usually Ed walked out out of the room but Joyce was still there."

Lowenstein thought that People's Lobby was vital to the success of the initiative:

"Common Cause had the least role in the substance of Proposition 9. But even now Common Cause gets most of the credit. It isn't fair."

Meanwhile, at the drafting sessions, Lowenstein, Stern and Girard hammered the document together. Lowenstein did the lion's share of the work.

"We were always at loggerheads," he said. "We'd argue over this and argue over that—mostly on technical points. An 'and' or a 'but' could make a sweeping difference in what the law was.

"Girard could raise points and stick to them. It made it unpleasant because we were both stubborn, but it was vitally important."

People's Lobby had no representation in drafting of the initiative.

"We stood out of the way," Mrs. Koupal said, "to allow the thing to get written. With our attorneys involved, there might have been more delay. Our concern was getting it together. We didn't want it obstructed.

"As it turned out, Lowenstein and Stern wrote the initiative and Girard nitpicked."

Lowenstein stresses, however, that the input of People's Lobby into the document was of utmost importance.

Mrs. Koupal agrees: "We got everything we wanted, a document that was bigger than Common Cause wanted, stronger than Brown wanted and just perfect for People's Lobby."

The final document was circulated. Changes were made and improvements added. The next step was for three proponents to file the measure with the attorney general's office.

Again the coalition was placed in jeopardy—but this time by a comedy of mistrust.

Everyone had a next-to-last draft of the document. The final draft was being retyped in Brown's office. As it was being retyped, Dick Gregory, the lobbyist for People's Lobby, and Rob Smith, legislative director for Common Cause, were waiting outside.

"At this point," Lowenstein said, "No one trusted anyone else. Gregory and Rob Smith were hanging around but wouldn't say why. I told Jerry something funny was going on and he said not to give the final draft to anyone until we found out what."

Lowenstein was right. People's Lobby feared Common Cause would file first and alone, thereby gaining a measure of control over the initiative's final wording, the right to select other legal proponents and the right to file the subsequent petitions necessary to qualify the initiative for the ballot.

Common Cause was afraid People's Lobby had the same thing in mind.

Says Ken Smith: "We began to feel we had to turn the damned thing in or the Koupals would, and they might turn in anything. Anyone with $200 could file.

"We wanted to control the document and bring in the Koupals later as proponents. Rob Smith had a check in his pocket and was ready to go.

"We argued about it and finally agreed to trust the Koupals. The same day we were talking about it, Gregory filed."

What Gregory filed for People's Lobby was an incomplete document, with the knowledge that there was time to amend later.

When Rob Smith heard of the filing—too late—"he considered a foot race with Gregory to beat him to the door," Ken Smith said.

"My first reaction," Smith added, "was I knew it! Now the Koupals could do anything and there was no way of telling what the hell they'd do. I was ———."

"None of us trusted Common Cause by that time," Mrs. Koupal said. "They are naive and inexperienced. I could visualize horrendous negotiations after the filing.

"It was our job to gather the petitions later, and it was important to have control of it. It had nothing to do with credit."

The Koupals were in Philadelphia to appear on a television show the day of the filing.

In a telephone conversation with Gregory, Mrs. Koupal said she was afraid People's Lobby was about to be double-crossed by Common Cause.

"I told Dick if it looked as though they were going to file, he should file first. He decided Rob Smith was about to file, so he took the necessary action."

That night, Mrs. Koupal recalls, Mike Walsh—who had become chief negotiator for Common Cause—telephoned to charge that People's Lobby had double-crossed them.

"I told him not to worry about it, it wasn't that serious. If they hadn't been playing so many games, Dick never would have filed."

Lowenstein thinks the main concern of the Koupals was to retain the right to file the petitions later—that if Common Cause had preempted the right they might not have filed because they were still working on a legislative program.

He adds:

"Both People's Lobby and Common Cause felt silly about it later. They knew it was foolish. The proper proponents were added and it all worked out.

"Jerry talked to Walsh and the Koupals and utilized their guilt feelings to put it all together. He's the only one who could have saved it at the time. The whole thing might have fallen apart right then."

For a while, Common Cause considered a second initiative and discussed a lawsuit against the Koupals "for their capture of the document."

But, then, Ken Smith said, "we decided that even if we had to eat crow we'd try to repair things. That was the only thing that made sense."

The Koupals, for their part, accepted Walsh as a proponent ("They disliked him least," Smith sourly said) along with Richard Spohn, a Nader's Raider, and Roger Diamond, a People's Lobby attorney.

"Common Cause really thought, 'Here it is, it's all over, everything's ruined,' but we knew better," Mrs. Koupal said. "Had we wanted to mess anyone up we had our chance then. We could have told them to go to hell.

"Actually, the coalition operated as a fantastic team. Fighting makes you learn your subject and made the document so viable and beautiful. They can crab all they want about our nonexpertise but we knew what we were doing."

"At the time," Ken Smith said, "everything seemed so serious. Now it seems funny. But we knew we were playing for high stakes and we had to be tough.

"I've got to say, all things aside, that it was one of the best grass-roots campaigns ever run.

"People's Lobby is really not an organization but two people with a lot of true believers who follow. We felt from the start that we could not work with them, but that we had to—because they could qualify the initiative.

"We also believed that aside from their rhetoric, the Koupals had an honest belief in political reform. They are a monument to what can be done with a low budget and a lot of work."

"At the beginning," Lowenstein said, "we wanted People's Lobby for their knowledge of the initiative process and Common Cause for respectability.

"We went into this thing wondering if People's Lobby were a bunch of kooks. But as time went on we swung from being close to Common Cause to becoming closer to the Koupals. Ed and Joyce are much more sophisticated than the Common Cause staff."

Tom Quinn, then a deputy secretary of state and now Brown's campaign manager in the race for governor, adds:

"The success of Proposition 9 was a microcosm of how our system works. It began in the streets and emerged as a classic document.

"Who could believe that Koupals, in their funny little house, could help shape the destiny of this state?"

SENATOR BYRD OF VIRGINIA

Mr. McCLURE. Mr. President, these have been turbulent times recently and many Americans might be surprised to learn that the work of the Congress has gone on in spite of each day's new events. In this regard, it is somewhat reassuring to find that not all of what has taken place in Congress has gone unnoticed.

I am thinking of the senior Senator from Virginia (Mr. Harry F. Byrd, Jr.) and the impressive speech he delivered on fiscal policy in this Chamber on August 5, 1974. Anthony Harrigan wrote a column about the Senator's remarks, noting in particular how desperately President Ford is going to need men like Senator Byrd to work with if we are going to bring inflation under control. Certainly, no other family in America has a greater history of promoting sound economic policies than the Byrds of Virginia. I ask unanimous consent that the Harrigan column be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

MR. FORD AND INFLATION

(By Anthony Harrigan)

President Gerald Ford's primary and greatest concern necessarily will be with inflation. He made this clear within minutes of taking the oath as President. He, like most Americans, realizes that inflation is tearing at the fabric of our national life.

Fortunately, the new President is on record as describing himself as "a conservative on fiscal policy." If ever there were need for a conservative fiscal policy, it is now. But one can be sure that the President will face formidable opposition if he insists on the measures which are necessary for the survival of the American economy.

The union-liberal alliance in the Congress wants to add more fuel to the fires of inflation. The unions are pressing hard for inflationary contract settlements. They are seeking to unionize public employees—at higher cost to the taxpayers. They want an expansion of expensive federal programs. All this spells more inflation.

President Ford has said he will consult with congressional leaders and listen to their advice. If he is looking for an expert on the inflation threat, he need look no farther than the U.S. Senate and to U.S. Sen. Harry F. Byrd Jr. of Virginia. Like his late father before him, Sen. Byrd is the Senate's watchdog over government spending.

In a tremendously impressive speech delivered Aug. 5, Sen. Byrd spelled out the causes of inflation and the way to deal with it. "Massive deficits in the federal budget," he said, "are the chief cause of inflation. . . . The huge deficits which the government has been running have pushed the national debt up to $475 billion. It will pass the half-trillion mark in less than a year."

Sen. Byrd cited the great frequency and soaring cost of federal borrowing. "Certainly," he noted, "it made $71 billion unavailable to most of the private sector, and it played a major role in forcing the prime interest rate up to 12 per cent." Government borrowing, he made plain, makes it extremely difficult for the average citizen to get funds to buy a house or a company to acquire money for expansion.

One of the roads out of the inflationary morass is expansion of manufacturing facilities which can turn out more goods at lower prices. But business finds money for expansion expensive and hard to get. With government spending on the rise, prices go up. And up. And up.

Yet the liberal-union coalition in power in Congress continues to urge more federal spending. Sen. Byrd pointed out that the Senate has just "raised spending for agriculture, consumer protection and the environment by 29 per cent."

He also observed that the bill included "an increase of one billion dollars (from $3 billion to $4 billion) for food stamps, a program which has increased a hundredfold in cost since its inception in 1966."

Is it any wonder, therefore, that food prices are going up and that American families find themselves in a severe bind?

Despite America's grave fiscal problems, the U.S. government continues to give billions of dollars to handout hungry foreign countries. Sen. Byrd insisted in his talk that "One prime area for reduction in the budget is foreign aid." This now totals about $10 billion a year. The giveaways are scattered through a variety of money bills.

At a time of rampant inflation and massive deficits, it is outrageous that the Congress should approve huge outlays for foreign nations. For example, this year the Congress approved a new contribution of $1.5 billion by the United States for the International Development Assn. The next time Mr. Average Citizen attempts to borrow money for a home improvement loan, he should think about that handout to foreign countries that already have squandered $135 billion in U.S. funds since the end of World War II.

One can be sure that the advocates of domestic giveaways and the internationalist share-the-wealth types will attempt to bring pressure on President Ford. It is very important, therefore, that ordinary citizens let the new President and their Congressmen know that fiscal conservatism must be the order of the day. And, of course, it is vital that the voters help President Ford fight inflation by electing more fiscal conservatives in the Fall elections.

CAMPAIGN REFORM

Mr. CHURCH. Mr. President, as we all know, Congress is still considering legislation to reform our campaign procedures. Both the Senate and the House of Representatives have passed campaign reform bills, and we will be considering a conference report soon.

Earlier this year, our colleague from Delaware (Mr. Biden) wrote a major article on the question of public financing of elections for the Northwestern University Law Review.

In this article, Senator Biden makes an argument in favor of public financing of political campaigns which bears directly on the legislation now pending in Congress. It is a provocative article, and one which should be read by both proponents and opponents of public financing.

I ask unanimous consent, Mr. President, that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Northwestern University Law Review, March-April 1974]

PUBLIC FINANCING OF ELECTIONS: LEGISLATIVE PROPOSALS AND CONSTITUTIONAL QUESTIONS

(By Joseph R. Biden, Jr.)

During my campaign for the United States Senate in 1972, I paid a visit to certain leaders of a labor union whose members worked in the aircraft industry, and who intended to contribute $5,000 to the campaigns of various Senate candidates. It was an honest and open procedure, and payment was by check. They asked what my chances of winning were, and I explained for perhaps the hundredth time of the campaign why I thought I would win. I want to emphasize that no one asked me to promise my vote on any particular issue, but they did ask, "Well, Joe, had you been in the ninety-second Congress, how would you have voted on the SST? [1] And while you are at it, how would you have voted on bailing out Lockheed?" [2] A candidate does not have to be very sophisticated to know the correct answers to such questions posed by labor leaders.

Later in the campaign, when I began to show strength in the polls and it looked as though I might win, thirteen multimillionaire Republicans from my state invited me to cocktails. The spokesman for the group said, "Well, Joe, let us get right to it. You are a young man, and it looks as if you may win this damn thing, and it appears that we underestimated you. Now, Joe, we would like to ask you a few questions. We know that everybody running for public office feels compelled to talk about tax reform, and we know that you have been talking tax reform, particularly capital gains and gains for millionaires by consequence of unearned income." Then one man leaned over, patted me on the knee in a fatherly fashion, and said—as if to say it was just among us—"Joe, you really don't mean what you say about capital gains, do you?" Again, I knew what the right answer to that question was worth $20,000 in contributions.

I did not give the "correct" answers in either instance, and accordingly, I received no money. But it is no secret that, in similar situations, other candidates have not hesitated to answer "correctly," feeling that it is better to win their elections even while compromising certain principles, than to lose with all their principles remaining intact.[3] Certainly few politicians would choose to be included in a second edition of *Profiles in Courage* at the expense of a long and productive political life. To say the least, a political system which requires such a choice deserves serious re-examination. On the basis of such an inquiry, I have concluded that the present system of campaign financing should be reformed, and a system of public financing of elections consistent with constitutional mandates adopted.[4]

POLITICAL DARWINISM: THE POOR GET POORER AND THE RICH GET ELECTED

There are three principal reasons why existing campaign financing practices should be reformed. First, an electoral system supported solely by private contributions affords certain wealthy individuals or special interest groups the potential for exerting a disproportionate influence over both the electoral mechanism and the policy-making processes of the government. Second, the concept of American democracy presumes that all citizens, regardless of personal wealth, have equal access to the political process.[5] Under the present system of financing, however, the individual of moderate means lacks the financial resources necessary to mount an effective campaign and, therefore, is precluded from attaining elective public office. Third, our current method of financing campaigns tends to "lock-in" incumbents by making it extremely difficult for a challenger to mount a successful campaign.[6]

The source of most of our present problems is the high cost of running for election. In 1972, for example, the average reported expenses for candidates winning closely contested elections [7] to the House of Representatives was more than $100,000.[8] In elections

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with no incumbent running, the House candidates spent an average of $89,000 [9] while their counterparts in Senate elections spent an average of over $450,000.[10] On the other hand, candidates running against incumbents were generally outspent by a margin of two-to-one.[11] These averages, however, tell only part of the story. Certain individual campaigns cost as much as $320,000 for the House of Repuresentatives and $2,300,000 for the Senate.[12] Furthermore, the most expensive House campaigns were run by those candidates who managed to unseat an incumbent. The ten victors over incumbents in 1972 spent an average of $125,000, compared to $86,000 for their opponents.[13] Because of a deficiency in the reporting requirements of the Federal Election Campaign Act of 1971,[14] the exact amount spent in the presidential campaign of 1972 is not known. It has been reliably estimated, however, that President Richard M. Nixon's campaign cost approximately $46 million and Senator George McGovern's $36 million.[15]

Not only are campaign expenses high, but they are increasing at an alarming rate.[16] To the general public this trend may seem disturbing; to a potential candidate, it poses an often insurmountable financial barrier. Without great personal wealth,[17] there is only one way for a candidate to be able to run a competitive race, and that is through donations. Although other reasons motivate an individual to donate money to a political campaign,[18] all too often a contribution is made with the hope of gaining influence with the candidate should he win the election.[19] As Representative John Anderson, an Illinois Republican, has said: [20]

"[T]he cliches and the nice rationalizations of the defenders of the status quo aside, the fact is that the wealthy and the special interests do not simply contribute to campaigns; they invest in candidates and in officeholders."

Such donations are necessarily tainted: minimally they succeed in gaining access to the office holder; [21] at worst, they "buy" his vote.[22] Even if funds are donated without a suspect motivation, the public perceives these transactions, especially the very large ones,[23] as constituting a sale rather than a gift.[24] Whether such a view is justified or not, the resulting lack of confidence that arises concerning public officials is, to say the least, distressing,[25] and reason enough to reform the law in this area.

Special interest group contributions also cause problems for elected candidates. An office holder is frequently forced to choose between the suspicion which results from voting in accord with the position of his major contributors and the prospect of losing financial support from those contributors by failing to do so.[26] The legislator's dilemma may be particularly acute when to vote his convictions would appear to generate a conflict of interest because of certain campaign donations.[27] Furthermore, an interest group tends to have selfish concerns about government; its interest is not necessarily consistent with the public welfare. Frequently, various interest groups contributing funds to campaigns of public officials have conflicting interests among themselves, and some type of "balance of power" is struck. Rarely, however, do any of these groups represent the ordinary citizen,[28] who all too often is ignored in the councils of government. Even if every segment of the public could be represented by its own interest group contributing funds to various candidates, I hardly think it desirable to have a "government by auction."

A second reason for reform is to allow a wider range of individuals to participate as effective candidates. Under our current system of private financing, candidates, typically, are wealthy individuals.[29] The explanation for this fact is simple: generally only the wealthy are able to amass, either through personal resources or contributions from friends, the vast sums of money needed to finance an effective campaign for public office. Many a candidate has had to mortgage his house to finance his campaign,[30] or at least to keep his campaign going until private donations were received.[31] Moreover, all too often money flows to those who have it; in other words, unless a candidate is able to finance his campaign himself, nobody else will be willing to finance it for him. For example, Representative Bertram Podell has said: [32]

"When I ran for Congress the first question asked me was whether I could finance my own campaign. If I had said, "No, I cannot," I would not have been a candidate. When you mention candidates for public office, you are only mentioning men of affluence."

The existing system of campaign financing discriminates not only against the person of modest means, but also against other classes of people such as non-whites [33] and women.[34] In part, this is explained by the fact that these two groups have little access to wealth.

A third reason for reforming our system of campaign financing is that in our time incumbent members of Congress are virtually assured of re-election. Since 1954, well over ninety percent of all incumbents seeking reelection to the Congress has been victorious.[35] Furthermore, those who have gained reelection generally do so without a great struggle. Typically, only about fifty of the four hundred thirty-five elections for the House of Representatives are seriously contested,[36] while in the remainder, the race is a rather one-sided affair.

Of course, it is to be emphasized that many reason unrelated to the financing of campaigns help explain why incumbents are so successful in gaining re-election.[37] For example, incumbents are generally better known than their opponents and during their terms of office can usually gain the attention of the news media through press conferences, announcements and other official ceremonies. In addition, they have the benefit of their office and large staffs, paid for at government expense, and the ability to create goodwill through such tasks as cutting government red tape on behalf of constituents. Also most legislators quite properly avail themselves of the "franking" privilege by sending constituents news letters which during an election campaign serve as a free source of name identification and thereby accentuate the disparity in power between an incumbent and his opponent. In re-election campaigns, these benefits have been estimated to give each incumbent a minimum financial advantage of $16,000 over his challenger.[38]

Moreover, one of the incumbent's foremost advantages over his opponent is his ability to raise funds. During the 1972 congressional campaigns, incumbents generally out-raised and out-spent their opponents by a margin of two-to-one.[39] The reasons for this disturbing statistic are not difficult to discern. In the eyes of many contributors a campaign contribution is effective only if made to a winner and, judging from prior preformance, an incumbent is the most likely to win—again. In the words of Democratic Senator William Proxmire of Wisconsin: [40]

"The point is that the incumbent gets the big contribution because the people who are making contributions want to make them to the winners and not to the losers."

The effect of this resulting financial imbalance is devastating on the challenger, who generally must spend at least as much money as the incumbent, if not more, to have any hope of victory. To gain at least a chance of winning, a challenger is obliged to raise a sizable amount of money early in a campaign, but he often cannot raise the money because he has such a slim chance of winning a competitive race.[41] The result under the current system is a vicious and often fatal circle. Furthermore, the challenger must spend valuable time even late in the campaign to solicit contributions, time that could be better spent seeking votes. On the other hand, the incumbent, being virtually assured sufficient funds, can devote his full attention to the hustings. The importance of this factor was acknowledged in a joint statement issued by a bipartisan group of fifty-five unsuccessful candidates for the House of Representatives in 1972, released through the Center for Public Financing of Elections: [42]

"We found that incumbents uniformly outraised and outspent us by substantial margins. We found that while we were putting our own savings on the line, and begging and borrowing from family and friends, many incumbents had easy access to large pools of special interest money from Washington and elsewhere. . . .

"Some people have expressed concern that public funding would unfairly help the incumbents. As recent candidates, we know that simply is not true. The challenger could never be at a greater disadvantage than he or she now is."

This financial imbalance and the resulting competitive disadvantage has prompted an official of Common Cause to remark that the United States no longer has a two-party system under the Republicans and Democrats; it has a one-party system under the Incumbents.[43]

Thus, the problems inherent in our current system of private campaign financing are clear. It provides a selected few individuals—generally distinguished by their wealth—a disproportionate say in the workings of government. It excludes all but those with great wealth or access to it from any hope of achieving elective office. Furthermore, by giving incumbents virtual life terms, it destroys the competitive political system upon which our government is supposedly based. Finally, the present system places what amounts to an often intolerable burden on the candidate. As Democratic Senator Hubert Humphrey of Minnesota has said: [44]

"I have been in a number of campaigns, and I enjoy the campaigns. I like them. But the most demeaning, disgusting, depressing and disenchanting part of politics is related to campaign financing."

Put rather simply, there must be a better way.

WHAT KIND OF REFORM WILL WORK?

Although the need to change the present system is apparent, the formula for doing so is not so obvious. Many preliminary questions must be considered before deciding upon what type of campaign financing reform should be enacted.[45] The difficulties involved in adopting a fair and workable system are reflected in the large numbers of bills which have been introduced in Congress. Recently, the Senate passed the Federal Election Campaign Act Amendments of 1974,[46] a bill that provided for the public financing of federal elections. Prior to passage of this bill numerous others dealing with election reform had been introduced in both the Senate [47] and the House of Representatives.[48] In addition, President Nixon has put forward his own proposals for campaign financing reform.[49] Before discussing the specific provisions of these proposals, it will be useful to outline the existing laws regulating campaign financing.

Disclosure, Check-Offs, and Media Limitations

The two most recent major enactments dealing with campaign financing are the Presidential Election Campaign Fund Act,[50] also known as the Dollar Check-Off Act, and the Federal Election Campaign Act of 1971.[51] The main provisions of the Campaign Act of 1971 concern media spending, funding of

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one's own campaign, and disclosure of political contributions.

Under the Act, candidates in the general election for a federal office are limited to media expenditures of ten cents for every person of voting age in the district, or $50,000, whichever is greater.[52] No more than sixty percent of this money may be used for advertising through the electronic media.[53] The Act also limits the amount which a broadcasting station may charge a candidate for a political advertisement to the lowest unit charge of the station for a commercial advertisement of the same class and amount of time broadcast during the same period of the day.[54] Candidates in a presidential primary have a ceiling on expenditures for radio or television time similar to that of an individual running for the Senate from that state.[55] These limitations had the effect in 1972 of limiting candidates for the Senate from, for example, Wyoming to the minimum of $50,000 in total media expenditures, while candidates from California would have been limited to $1,394,000.[56] In addition, the Act limits the amount which a candidate or a member of his immediate family [57] can contribute to this own campaign. Candidates for the Presidency and the Vice-Presidency are limited to expenditures of $50,000 out of family funds; candidates for the Senate are limited to $35,000; and candidates for the House of Representatives are confined to a contribution not in excess of $25,000 from family resources.[58] Finally, the Act is best known for its disclosure requirements. Candidates are required periodically [59] to make reports of all receipts and expenditures, including the names and addresses of all contributors of more than $100 and all persons to whom expenditures of over $100 have been made.[60] Political committees, defined as organizations which make expenditures or accept contributions of over $1,000 in a calendar year,[61] are also covered by these requirements.[62] These reports are made to the Secretary of the Senate by Senate candidates, to the Clerk of the House of Representatives by House candidates, and to the Comptroller General by presidential and vice-presidential candidates.[63] In addition, reports must be filed with the Secretary of State of the state in which the candidate seeks election, or in the case of presidential and vice-presidential candidates, of each state in which an expenditure is made.[64] These disclosure requirements made available reliable information on campaign financing for the 1972 elections, for the first time in American history, at least after the April 7th deadline.[65]

The Dollar Check-Off Act represents the first real breakthrough in history in the area of public funding of campaigns. Under this Act, every taxpayer may designate one dollar, or two dollars in the case of a joint return, to be deposited in a Presidential Election Campaign Fund.[66] The money in the Fund is to be used to cover the campaign expenses of presidential general elections. The candidates of major parties—those which received twenty-five percent of the popular vote in the previous election [67]—are, if they so choose, entitled to receive fifteen cents for every person of voting age in the country to be used to finance their campaigns, provided that they meet a number of conditions.[68] First, they must not exceed in expenditures the amount of their share of the public fund and must accept no private contributions; [69] second, they must keep certain financial records for inspection by the Comptroller General.[70] A candidate of a minor party—defined as one whose candidate received between five percent and twenty-five percent of the popular vote in the preceding presidential election [71]—may be funded in the same proportion to the major party subsidy as its previous popular vote bears to the average popular vote of the major parties.[72] A minor party accepting federal funding, unlike a major party, would be allowed to accept private contributions, but only up to the limit of major party funding.[73] A party which received less than five percent of the total popular vote in the previous election is termed a "new party," [74] and is eligible to receive retroactive federal funding if it receives at least five percent of the vote in the current election. If this condition is met, the party's subsidy is calculated by the same formula as the subsidy of a minor party, except that figures for the current election are used.[75] The new party formula may also be used by minor parties, subject to offset for whatever funds it received under the minor party formula.[76]

In its first year of operation, only slightly over three percent of the taxpayers availed themselves of the check-off privilege.[77] A major reason for the disappointing participation in the program was that the check-off was included on a separate form in the income tax materials and was not only difficult to find, but also was not described in understandable language.[78] Many citizens were unaware of its existence and unaware that the dollar donation did not increase their personal tax liability.[79] Thus, the check-off's failure in the initial year of operation did not necessarily indicate a lack of public interest in public campaign financing. Fortunately, in 1974 the check-off box is being placed at line eight of page one on both the long and short tax form. It should be both conspicious to and understandable by the taxpayer.[80]

REFORM PROPOSALS

Cannon bill

In April, 1974, the Senate passed and sent to the House the Federal Election Campaign Act Amendments of 1974,[81] a bill which provides for the federal financing of campaigns for federal office. In addition the bill imposes limitations on overall campaign expenditures and contributions to a candidate.[82] The funding is optional and extends to both primary and general elections. The proposal provides for matching grants in the primary elections, based on contributions of $250 or less for President and $100 or less for Senator or Representative.[83] Primary condidates would be allowed to spend eight cents times the voting age population, except that candidates for Senator and Representatives from one-district states would be allowed to spend at least $125,000, and candidates for Representative from all other states at least $90,000.[84] Candidates in presidential primaries would be allowed to spend twice the amount allowed Senate candidates from that state.[85]

Major party candidates [86] who opt for public funding could receive in the general election a subsidy equal to the full amount of the expenditure limitations.[87] For all federal candidates the spending limit is twelve cents per voting age person, except that candidates for Senator or Representative in one-district states are allowed at least $175,000 and all other candidates for Representative at least $90,000.[88] Minor party candidates [89] would be allowed funding based on past or current performance.[90] All other candidates would be allowed retroactive funding based on current performance.[91] To make monitoring of spending easier, candidates would be required to establish a central committee and campaign depositories, through which all money must be channelled.[92] The system is to be supervised by an independent commission.[93]

Contributions to a candidate are limited to $3,000 by an individual and $6,000 by a committee or organization. No individual may donate more than $25,000 in total contributions in a year. Other provisions of the bill would amend the equal time provision of the Communications Act of 1934,[95] provide for financial disclosure for all federal office-holders and candidates,[96] and change the date and time of federal elections.[97]

The Cannon bill represents only one approach to the question of public financing of elections. Numerous alternatives to it have been suggested in other recent proposals. Since the bill must be passed by the House and signed by the President before it becomes law, an examination of these other proposals is useful. For example, the House could pass legislation that differs from the Cannon bill, and incorporates provisions taken from these other proposals. Also, even if the House enacts the Cannon bill, the President could veto it; in which case one of these presently dormant bills could be revived. Finally a discussion of the atlernative proposals provides a useful framework for analysis of the policy questions relating to public financing of elections.

The Nixon Proposal

On March 8, 1974, President Richard M. Nixon delivered a message to the Congress setting forth his proposal with respect to campaign financing.[98] In the President's view "the single most important action to reform financing should be broader public disclosure." [99] To this end Mr. Nixon proposes that all candidates in federal elections be required to designate one committee to handle all campaign funds, and that indirect private contributions through organizations be severely limited.[100] In addition, to augment the reform implemented by the disclosure requirements, the President recommends that there be limits placed on individual contributions to campaigns.[101] The President, however, specifically opposes both ceilings on total campaign spending by a candidate and the public financing of elections.[102]

The Hart bill

The Congressional Election Finance Bill of 1973 [103] proposed by Senator Hart is one of the leading congressional bills providing for public financing of elections. Covering nomination and election to Congress but not to the presidency, [104] the bill is most notable for its requirement of a threshold showing of support to qualify a candidate for public funding. A candidate of a major party, [105] if he chooses to participate in the optional program, must post a security deposit of twenty percent of the subsidy which he is entitled to receive.[106] The security deposit, composed of small contributions, [107] will be refunded to the contributors if the candidate receives a minimum percentage of the vote in the election.[108] If the candidate fails to receive an even smaller percentage of votes, he must repay the entire subsidy to the government.[109]

The amount of the subsidy is sufficient to run a relatively strong campaign.[110] Minor party candidates are eligible to receive a smaller subsidy.[111] In addition, a candidate may supplement the subsidy to which he is entitled with money raised from small private contributions.[112] Those candidates who elect not to receive public fundings are not limited either in spending or in contributions.[113]

The Kennedy-Scott bill

The Federal Election Campaign Act [114] introduced by Senators Kennedy and Scott, passed the Senate in late 1973 as a rider to a debt-ceiling bill, but was not enacted into law at that time.[115] It would extend the Dollar Check-Off Act [116] to congressional general elections but not to primaries, and would increase the amount of the check-off from one dollar to two dollars, or to four dollars on a joint return.[117] Private contributions would be prohibited by the Kennedy-Scott Bill in all federal general elections, but again not in the primaries.[118] The amount of the subsidy would tend to maintain present spending levels.[119]

The Stevenson-Mathias bill

The Federal Election Finance Act of 1973,[120] introduced by Senators Stevenson and Mathias, relies heavily on private financing and provides for public financing in all federal general elections, but not in primaries.[121] The subsidy is optional, but the bill provides

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an overall spending ceiling on all primary and general election campaigns somewhat higher than that contained in the Campaign Amendments Bill of 1973.[122] On the other hand, the provisions of the two bills limiting private contributions are similar.[123] Candidates may receive up to one-third the maximum spending amount from the public treasury [124] and may qualify for funding in one of two ways, past performance and submission of petition signatures.[125]

The Mondale-Schweiker bill

The Mondale-Schweiker Bill, also known as the Presidential Campaign Financing Act of 1973,[126] provides public financing for presidential candidates only. It utilizes a variation of the Dollar Check-Off Act [127] for purposes of the general election and a system of matching grants in the pre-nomination campaign. Each dollar designated by the taxpayer will be matched by the treasury in the general election[128] with candidates able to supplement the subsidy with private funds.[129] For pre-nomination campaigns, the fund matches small contributions once the candidate has amassed a "trigger fund."[130] The proposal contains relatively generous spending and contribution ceilings.[131]

The Cranston bill

The Clean Election Financing Act of 1973,[132] introduced by Senator Cranston, provides for a financing system in all federal elections which depends to a very great extent on public subsidies. The program is to be funded on a variation of the Dollar Check-Off Act," [133] and grants matching payments in the primaries and flat subsidies in the general elections. Individual private contributions are severely limited," [134] whereas spending ceilings are generous.[135] To qualify for subsidies in pre-nomination campaigns, candidates must raise a "trigger fund" from small contributions;[136] they are then entitled to receive matching payments in the proportion of four dollars for every one dollar raised from private contributions of limited amounts.[137] In general election campaigns, the system provides a grant to major party candidates of eighty percent of the spending limit.[138] Candidates of other than major parties receive smaller subsidies.[139]

The Clark bill

The Comprehensive Election Reform Act of 1974,[140] introduced by Senator Clark, would virtually eliminate the role of private financing in all federal primary and general elections while providing for generous public subsidies based on the Check-Off Act to both candidates and political parties. Under the proposal, primary candidates would qualify for funding by submitting petition signatures.[141] In general elections, major party candidates would be given full funding, and minor party and independent candidates partial funding based on past or current performance.[142] Private money would be prohibited except in petition drives and minor party and independent campaigns.[143] The subsidy would be subject to repayment according to the candidate's electoral performance.[144]

The Anderson-Udall bill

The Clean Election Act of 1973,[145] introduced in the House by Representatives Anderson and Udall, is another matching payment proposal and is perhaps most notable for its provision for free broadcasting time for candidates. The campaign subsidy is provided in all federal primary and general election campaigns.[146] The proposal is unique among the bills in that, in presidential general election campaigns, funding is to be made to party committees rather than to the candidates themselves,[147] the idea being to allow party committees to play a key role in the campaigns of presidential nominees. Once a candidate or committee has amassed a small "trigger fund," [148] the first $50 of each contribution [149] is matched by the government, until a certain level of subsidy is reached.[150]

Under the proposal for free broadcasting time—to be called "Voter's Time"—federal candidates in general elections may qualify for a certain number of prime time blocks of television time to be aired, in most cases, simultaneously [151] over all stations in the district. Each broadcast must include a substantial live appearance of the candidate and be of a format designed to promote rational political discussion, to illuminate campaign issues, and to give the audience insight into the abilities and personal qualities of the candidate.[152]

THE BIDEN PROPOSAL

The Cannon Bill, as recently passed by the Senate, is a significant step towards the enactment of a plan of publicly financed elections. For this reason I voted in favor of its passage. However, in the process of formulating my own thoughts on the issue of campaign financing, I find that I differ from the Cannon Bill in certain respects. The following is a discussion of what I would propose ideally as a plan for public financing.

Briefly, my proposal would cover both nomination and general elections for all federal offices. It would provide federal subsidies to candidates for nomination based both on petition signatures and on security deposits from small contributions. For general elections it would provide funding for major party candidates, with funding up to the major party amount for other candidates based not on past performance, but on petition signatures or security deposits. Public funding would be adequate to run a competitive race. In addition, subsidies in kind would be given. Small private contributions would be allowed, but cash contributions of $50 or more would be prohibited as well as large contributions from a candidate's personal or family funds. In an effort to offset constitutional objections that expenditure limitations are an infringement on the first amendment, total campaign spending would be limited at either a high level or not at all. To enforce the plan, an independent elections commission would be created. Most importantly, candidates would be required to maintain one central "checkpoint" to monitor all financial transactions.

Which Elections to Cover?

The deficiencies of our present method of financing campaigns are found throughout the entire electoral system. Correspondingly, they should be corrected everywhere. Although the problem of presidential campaign financing is perhaps most visible, reform is also needed with regard to congressional campaigns. The Hart [153] and Mondale-Schweiker [154] bills cover only congressional or presidential campaigns respectively and thus leave the completion of the reform process until a later date. Nevertheless, it seems necessary to cover all levels of the federal election process simultaneously. If, for example, large sums of private money were precluded only from presidential campaigns, they might move to congressional campaigns. Reform of presidential campaign financing at the expense of creating more severe problems for congressional campaigns is no reform at all.

The above problem also arises in connection with any attempt to provide public financing for general election campaigns, while leaving primaries and primary run-offs unregulated. It has been suggested that any public financing system which attempts to include primaries within its coverage has a minimal chance of enactment.[155] If the Congress is serious about reform of the political process, however, primaries should not be ignored. Private money statutorily excluded from the general election may be used to influence the primaries and the evil of its presence at that level of an election is no less real than in the general election itself. In fact, in certain circumstances large contributions may be more influential in the primary than in the general election.[156] Thus, any system of campaign financing which would be both workable and fair would necessarily have to cover primary *and* general elections for all federal elections.

Are subsidies necessary?

Some have commented that the Federal Election Campaign Act of 1971 [157] should be given an opportunity to demonstrate its effectiveness before further reform is attempted,[158] or that appropriate limitations on contributions and expenditures should be adequate to cure the current evils.[159] It would seem clear, however, that neither of these two partial reforms is sufficient to correct the widespread shortcomings of current campaign practices.

The disclosure requirements of the 1971 Act, it is argued, were not given a chance to prove themselves in the 1972 elections because of the April 7 loophole.[160] If operative for the entire campaign process, the argument continues, the requirements would be effective and render subsidies unnecessary, because large private contributions cannot stand "the light of day." The public reaction to a candidate receiving special interest contributions and to interest groups making large contributions will be so adverse that both parties will stop the practice. Both fact and logic, however, would seem to demonstrate the remoteness of that possibility. First, although substantial 1972 contributions were made before April 7 to avoid the reporting requirement, most candidates, especially those for Congress, appeared to obey both the spirit and the letter of the law and reported large amounts of interest group contributions.[161] Nevertheless, no large scale public reaction to these contributions occurred. There has, of course, been a great public reaction since the 1972 election to allegations of misconduct involving large presidential campaign contributions. The aim of campaign finance reform, however, is to prevent not just the undue influence of a $400,000 presidential contribution but also of a $5,000 congressional contribution.

The problem of insufficient campaign funds is also the drawback of a statutory system dependent solely on limitations on contributions and spending. If contributions by interest groups were sharply limited, many candidates, especially those challenging incumbents, might suffer from a serious lack of funds. Such a system without the addition of public funding would be likely to "lock-in" incumbents to a greater extent than they are at present. Challengers, especially those without access to wealthy individuals as a source of funds, would be likely to have greater difficulty than incumbents in raising adequate small contributions to compensate for the loss of large contributions. This result would be intensified if low limitations on overall spending were enacted. Incumbents already can secure re-election with little effort; we hardly need to make it easier for them. Thus, the need for public subsidies is demonstrated.

A mixed public and private system

The answer to the problem of creating a campaign finance system which diminishes the influence of interest groups without "locking-in" incumbents would seem to be a scheme of public subsidies supplemented, for constitutional reasons,[162] by small private contributions. The full subsidy should be sufficient to allow a candidate to run a reasonable race, but additional provisions should be made, particularly in the primaries, for partial funding, at least until a candidate is able to take his campaign to the public and thereby obtain sufficient support to qualify for the full amount of public funds.

My proposal would not be based on matching grants for a number of reasons. Matching

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grant proposals provide money for those who already have sufficient financing under the present system, but makes it difficult for precisely those candidates whom the system should be designed to help—the non-wealthy individual. Incumbents, for example, would not find it difficult to raise the funds necessary to receive similar sums from the treasury. A matching grant of $50 as provided for in the Anderson-Udall Bill [163] or $100 as provided for in the Cranston Bill [164] may not sound like a very large amount to raise when compared with some of the huge contributions publicized recently,[165] but it is clearly beyond the capacities of most Americans. If candidates were permitted to use public money only after they had demonstrated strength by raising private money, the well-to-do would maintain their present stranglehold on the supply of public offices.[166] Furthermore, by magnifying the difference in private money raised by the candidates, matching grants place the non-wealthy individual at a "self-perpetuating disadvantage." [167] Every extra dollar raised by an incumbent or a wealthy candidate over his opponent actually becomes two dollars to use to influence the electorate and to raise more money. The less affluent candidate would thus find it increasingly difficult to catch up. A system of matching grants combined with small private contributions would, in short, satisfy one of the three goals of campaign reform—that of curtailing the influence of special interest money—but not the other two. Non-wealthy individuals with no access to the wealthy would still be shut off from running for public office and incumbents would still retain a tremendous advantage over challengers.[168]

The system which I would prefer to see enacted would allow less wealthy individuals greater financial access to the political arena. The full-funding amount would be, for the Senate and the Presidency, ten cents per voting age person in the district in the primary—including the entire pre-nomination period in the case of the Presidency—and fifteen cents per voting age person in the general election. The minimum subsidy would be $100,000 and $150,000 in Senate primary and general elections. Candidates for the House of Representatives would be eligible to receive a full-funding amount of twenty cents per voting age person in the primary and twenty-five cents in the general election, with a minimum full subsidy of $40,000 and $50,000 respectively. A House candidate from a one-district state would, however, receive the subsidy which a Senate candidate from that state would receive because the constituencies and thus the needs of the candidates are the same. Candidates in primary run-off elections would be given half the total subsidy which they had received in the primary.

The amounts would be sufficient to enable a candidate to take his case before the voters. A candidate for the presidential nomination could receive up to $14,000,000 and could spend that amount in any way which he chose to win the nomination; he would not be restricted to spending his subsidy in primaries, but could use it in state or local conventions or at the national convention. A presidential nominee who qualified for the full-funding amount would receive about $21,000,000.[169] The full-funding amount for a candidate for the Senate from, for example, Minnesota would be about $250,000 in the primary and $375,000 in the general election.[170] The amounts for a Senate candidate from Ohio would be $720,000 and $1,080,000 and for New York $1,280,000 and $1,900,000.[171] A congressional candidate from a typical district with 300,000 residents of voting age would receive up to the full subsidy of $60,000 in the primary and $75,000 in the general election.

In primary elections, funding would be qualified in two ways. The first would be a variation of the Hart Bill's security deposit.[172] As in the Hart Bill, a candidate for the House or Senate would have to raise twenty percent of the full amount of the primary subsidy in contributions of $250 or less.[173] He would then qualify to receive the full subsidy. Also, as in the Hart Bill, if the candidate received ten percent of the vote or more, the security deposit would be refunded to his contributors; otherwise, unless he withdrew from the primary more than one month before the election, it would be forfeited. Unlike the Hart Bill, under my proposal a candidate would not be forced to repay the amount of his subsidy if he received few votes in the election. It hardly seems to be good policy to permit a candidate to risk placing himself in debt for years because he might lose the election. One of the goals of campaign reform is to induce more people to enter the political process. To frighten people away because of a large penalty for failure is inconsistent with that goal.

The security deposit method of qualification would also be available for candidates for the presidential nomination. Because of the great amount of money involved, however, the security deposit would be five percent of the full subsidy, or, for the current population, $700,000 in contributions of $500 or less. The amount would be refunded to the contributors if the candidate attained a minimal level of success, in particular if he received the nomination or if he was one of the top three finishers, in total votes, on the first ballot at his party's convention.

One drawback to the security deposit system is that it would tend to give public money to those already capable of raising a substantial amount of private funds. Nevertheless, the reason for requiring candidates to qualify for public subsidies is to prevent frivolous candidates with no hope of victory from receiving money. It certainly cannot be said that a candidate for the Presidency who is able to raise $700,000 from contributions of $500 or less is a frivolous one. Similarly, an individual able to raise $9,000 from contributions of $250 or less is likely to run a competitive race for the House of Representatives.

Nevertheless, candidates should not be limited to the security deposit method of qualifying for public funds. First, the security deposit would, in practice, be limited to those who have access to substantial amounts of private money. Qualified potential officeholders are not found solely among the rich, but the security deposit system would tend to attract candidates from this group exclusively. Second, since the security deposit is an "all or nothing" device, with no provision for partial funding, it places a premium on immediate celebrity.

Therefore, there should be an alternative method of qualifying for federal funding, namely petition signatures. A candidate for any federal office should, if he submits signatures of ten percent of the registered voters in his potential constituency, receive the full subsidy.[174] Under this system, he would also qualify for partial funding. For each ten percent of the signatures required for full-funding which a candidate submits, he should receive ten percent of the full-funding amount. In other words, if a candidate submitted signatures equaling one percent of the registered voters in his potential constituency, this would amount to ten percent of the amount required for full-funding and he would be entitled to receive ten percent of the full-funding amount. He could then begin his campaign and try to sell the public on his candidacy. If his candidacy "caught hold," he would be able to obtain more signatures and thus receive more money from the government. This method would be especially appealing to potential presidential candidates. An individual could submit the minimal amount of signatures and receive enough money to enter a few primaries. If he did well there, he should be able to obtain additional signatures, sufficient to take his candidacy to primaries in other states. This "snowball" effect might propel to victory a candidate who might otherwise not be able to enter the race at all. In this way candidates would be given the opportunity to prove themselves, and the public would receive the benefit of an influx of new and, in all likelihood, talented individuals into the political process.

In general elections, candidates of major parties—which would be defined, as in present law,[175] as those whose candidates received in the previous election twenty-five percent of the votes for that office—would receive the full subsidy without having to submit signatures or file a security deposit. The danger is present that his proposal would become an "immorality law" for the Democratic and Republican parties because their continual existence would be virtually assured by a guaranteed source of funds for their candidates. Nevertheless, it seems almost certain that their candidates would qualify for full-funding if required to do so. For them to obtain signatures or contributions for a security deposit would amount to mere busywork.

Independent candidates and those of non-major parties, on the other hand, would be required, as in primary campaigns, either to file a security deposit or to submit signatures in order to qualify for public funding. The pending proposals base minor party qualification for funding either on performance in the previous election or, by means of retroactive funding, on the party's performance in the current election, whichever formula generates the greater subsidy. This method, however, has several drawbacks. To base funding on past performance [176] makes it difficult for a new party to become established. A party can rarely become *successful* without money, yet the parties are not eligible to receive money *unless* they have proven relatively successful in the past. The other proposals generally provide for retroactive funding *after* the election for parties which have done well without it. By its very nature, therefore, this subsidy comes after the money could be of any help to fledgling political parties. Retroactive funding is really a reward for past performance, whereas public funding should be a vehicle for achieving future success.

One objection concerning public financing of general election campaigns is that to finance the campaign of the opponent of an entrenched incumbent is a waste of the taxpayer's money.[177] The opponent has very little chance of winning anyway, the argument goes, so it serves no purpose to give him money.

Furthermore, according to this reasoning, it is wasteful to give money to the incumbent since he can obtain private financing so easily. It seems to me, however, that our electoral system could be improved only by promoting vigorous contests between incumbents and challengers. Perhaps incumbents would still win the vast majority of their elections; nevertheless, with an adequately financed opponent they would not be as assured of victory as they are under the present system of financing campaigns.[178] This increased competition would force incumbents to be more responsive to the interests of their constituents, for they would be truly accountable to the electorate at the next election. As one political scientist has observed: [179]

> "Elections have become the first and most important article in our unwritten constitutional arrangements. They give people a direct check upon officials. But elections—like the separation of powers—depend entirely upon the counterposing of ambitions of men. Here candidates provide the necessary competition.

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"Their campaigns alert the people to the on-coming election; advance their personal qualifications and program [sic]; and supply a searching scrutiny of the opposition record. Only with this kind of vigorous competition are elections meaningful. Without it, they present the people no real choices and are as irrelevant to self-government as the staged elections in authoritarian countries."

The argument that incumbents should **not** receive money from the government because they are able to raise sufficient private funds overlooks one of the major goals which campaign financing reform is designed to achieve. The object of the proposal is not simply to enable poor people or non-incumbents to run for office, but also to diminish the domination of politics by special interests. To achieve that goal, the reliance of incumbents on large private contributions must be ended.

Payments in kind

In addition to subsidy payments, the government could provide candidates with services, namely reduced postage rates and free broadcasting time. If these proposals are adopted, campaign expenses would decrease and the amount of the cash subsidy could be decreased accordingly. Although I have serious doubts, on a constitutional level, concerning the proposal, the idea of giving candidates free access to the broadcast media has received great attention and has been endorsed by a number of organizations.[180] Television and radio are perhaps the most effective as well as possibly the most expensive means which a candidate has available for reaching the voters. Campaign advertising through these media have been the subject of increasing criticism because of the "slick" techniques used.[181] In fact, most of the criticism directed against the "Madison Avenue" approach to campaigning has been a result of the use of television, particularly "spot advertising" of a minute or less. A proposal such as the Anderson-Udall Bill's "Voter's Time." [182] which provides for free television use in large blocks of time, would go far toward mitigating these problems. By making free time available to all candidates,[183] the use by well-financed campaigns of what has become known as a "media blitz" would be eliminated. At the same time, because the Anderson-Udall Bill provides for campaign broadcasts to be aired over all stations simultaneously, it removes a traditional drawback of long political programs—the tendency of viewers to watch competing entertainment programs instead.[184]

Candidates could also be provided gratuitious services with respect to their use of the mails. Rather than prohibit the use of the "frank" for mass mailing of newsletters during campaigns, as one bill provides.[185] Congress should extend the "frank" to all candidates for federal office for perhaps two free mailings of campaign materials.[186] Without the full use of the "frank" during campaign periods, incumbents are still able before the campaign period to use the "frank" at least indirectly for re-election purposes by means of both mass mailings and personal letters. Fairness therefore dictates that challengers be allowed to use the "frank" as well. Such a measure would also help decrease campaign costs.

Because of the tendency by voters to ignore campaign mailings as "junk-mail," a sounder proposal would be to issue a "Voter's Pamphlet would be less expensive than individual Washington [187] and Oregon.[188] This pamphlet would be published by the government and mailed to all registered voters. Space would be made available to each candidate for a picture and a statement setting forth his personal background and program. The pamphlet," as is already done by the states of mailings, and because it contains information about all candidates, less likely to be discarded without reading. The pamphlet would probably be the best means available to provide voters with information about the various issues and to make intelligent decisions about the candidates. A "Voter's Pamphlet" proposal was made on the floor of the Senate in 1973 in the form of an amendment to a bill. Regrettably the amendment was withdrawn because it had not been studied in committee.[189] It is hoped, however, that such a proposal will be adopted in the future.[190]

Limitations on contributions

The most direct method of curtailing the influence of large contributions on the political process is simply to limit them outright. Because of constitutional considerations,[191] it seems unlikely that contributions can be prohibited entirely. Nevertheless, a reasonable limitation could satisfy the constitutional standard by maintaining an outlet for citizen expression of candidate preference. The $3,000 limitation adopted in the Cannon Bill, [192] however, seems too high to achieve the desired purpose. Many contributions made by special interest groups presently are not above $3,000.[193] An incumbent's campaign for the House of Representatives might cost $75,000, and in such a campaign $3,000 is a significant figure. A limitation of $500 on contributions by individuals or political committees to any campaign or political committee with an overall limitation of $2,500 on all such contributions in a calendar year, would appear more likely to eliminate the undue influence of special interests in the electoral process.

Such a limitation would also be large enough to satisfy constitutional requirements.[194] The limitation on contributions by a candidate or his family to his own campaign, however, should not be quite so small. There are certain "start-up" expenditures involved in any campaign, particularly to qualify for public funding. A limitation of $3,000 from personal and family funds would seem to be sufficiently high for a candidate to begin his campaign and sufficiently low to prevent wealthy candidates from buying their way into office.

Limitation on Expenditures

Although the increasing cost of campaigning has been cause for public concern, the beneficiary of a low limitation on total campaign spending will not be the public, but rather incumbents, who do not need to spend as much money on the campaigns as do their challengers.[195] The Senate-passed Cannon Bill in particular works to the advantage of incumbents,[196] with its $90,000 limitation for House campaigns.[197] The average expenses of all challengers who defeated an incumbent Representative in 1972 exceeded that figure by $35,000.[198] Chances are that, had the $90,000 limitation been in effect in 1972, those defeated incumbents would still be serving in the Congress.

Three posible reasons can be advanced for enacting some limitation on overall expenditures. First, it would prevent an affluent candidate from being able to finance a lavish campaign. Second, it would prevent wealthy contributors from doing the same on behalf of favored candidates. And third, it would prevent the use of sophisticated and expensive advertising techniques which sell candidates to the public as if they were laundry detergents. The first two of these goals, however, are achieved more directly by limitations on contributions.

Furthermore, although the present use of certain advertising techniques is disturbing, as well as debasing, it is not nearly as disturbing as the prospect of providing life terms for incumbent office holders which might occur if a fairly low overall expenditure limitation was enacted into law. Moreover, limitations on contributions would provide a rough check on spending. Limited to $500 per contributor, candidates would not easily procure the funds to allow excessive spending.

Nevertheless, campaign expenditures should be limited, at least to some degree, for two reasons. It would assure that expenditures do not get completely out of hand and it would prevent candidates with access to the wealthy from amassing a large number of $500 contributions. For these purposes an appropriate limitation would be $200,000 each for primary and general election campaigns for the House of Representatives and twenty cents and twenty-five cents per voting age person in pre-nomination and general election campaigns respectively for both the Senate and the Presidency.

The best way to enforce these limitations would be to require each campaign to designate one central "checkpoint" through which all receipts and expenditures would be channeled. Similarly, each campaign would be required to maintain one designated bank account, which would be the sole repository of campaign funds. After the campaign—and, perhaps, at periodic intervals during the campaign—a candidate would be required to make public this account together with all its deposits and withdrawals. Since all campaign expenditures could be withdrawn from this account, the amount of withdrawals could not exceed the limitation on spending. To prevent candidates from evading this requirement there would have to be a prohibition on all large cash transactions—for example, above $50.

Supervision

The 1971 Campaign Act provides for a tripartite system of supervision, with disclosure reports required to be made to three enforcing congressional officers, the Secretary of the Senate, the Clerk of the House of Representatives, and the Comptroller General.[199] In addition, reports must be made to the Secretary of State of the state in which the campaign is being conducted.[200] This system was generally effective in the last national elections; [201] nevertheless, the full-time and vigorous enforcement necessary to carry out campaign reform requires an independent supervisory commission.

In reforming the electoral process one of the major goals is restoring public confidence in the political system. Thus, any enactment must have the appearance of genuine reform. The major drawback of the present enforcement system is that supervision by employees of those who are to be supervised, no matter how effective it may in fact be gives the appearance of only a half-hearted effort at reform. Not only is there an inherent conflict of interest between the supervisory duties of those to whom reports are presently to be made and their position as employees of party leaders and candidates in their own right, but also it is doubtful that they have the staffs or resources necessary to enforce a public financing system.[202]

The system proposed by the Campaign Amendments Bill [203] is an improvement on the present system. It provides for a bipartisan commission composed of members appointed by a process in which the President, congressional leaders of both parties, and Congress itself participate. This commission would have complete enforcement powers including that of initiating criminal proceedings. It has the advantage of being dominated neither by one branch of government, nor by one political party.

An intriguing suggestion has been made by an academician to draw the members of the commission from the ranks of retired judges.[204] The proposal has the advantage of assuring the public that the commission members would be independent. It could be combined with an attractive proposal made by the Director of the Office of Federal Elections of the General Accounting Office that the commission members serve part-time

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and be supported by a large professional staff and a "strong executive director." [205] Talented individuals might be more attracted to serve in a part-time position rather than in a full-time capacity.[206] In addition,the commission should be given, along with its powers to initiate criminal proceedings, the power to initiate civil proceedings and the power to exact civil penalties.[207]

A provision for a commission was originally part of the 1971 Campaign Act, but was removed because of opposition by the House of Representatives.[208] The same fate should not await any bill enacted in the future. Unless Congress wishes to give the impression that it is converting the present statutory campaign finance system, which is "more loophole than law," [209] into one in which violations are difficult to enforce, a strong, independent campaign commission must be created.

Summary

In a fashion similar to the Cannon Bill, recently passed by the Senate, the system which I have outlined here would go a long way towards eradicating the major evils inherent in the current method of financing campaigns. By limiting contributions and by limiting spending, a curb would be imposed on the power of special-interest groups.

The public subsidy would enable more people from diverse economic backgrounds to run for office and would help challengers to run more vigorous campaigns against incumbents. The fulfillment of these last two goals would be served in particular under my proposal by the provisions authorizing an alternative method of qualifying for funding simply by presenting petition signatures, since it would enable individuals without significant access to wealth to run for office and would allow them to receive increasing amounts of partial funding as the campaign progressed.

A CONSTITUTIONAL DEFENSE

Federal regulation of campaign financing poses several potential problems from a constitutional standpoint. Specifically, two general issues are raised by the legislation recommended both by this article and by the other proposals already introduced into the Congress. The first is whether Congress has the constitutional authority to enact such legislation, and the second is whether this type of legislation violates constitutional rights of a candidate or members of the electorate.[210]

Constitutional authority for regulation of elections

With respect to the regulation of congressional elections, the authority of Congress is derived from article I, section 4 of the Constitution, which states: "The times, places and manner of holding elections for Senators and Representatives, shall be prescribed in each state by the Legislature thereof; but the Congress may at any time by law make or alter such regulations. . . ." [211] A program which combines federal subsidies with limitations on contributions and expenditures would appear to deal with the "manner" of holding elections and, therefore, to be a proper exercise of congressional authority. This view is supported by a broad interpretation given the phrase "times, places and manner" by the Supreme Court in *Smiley v. Holm*,[212] in which it stated: [213]

"[T]hese comprehensive words embrace authority to provide a complete code for congressional elections, not only as to times and places, but in relation to notices, registration, supervision of voting, protection of voters, prevention of fraud and corrupt practices, counting of votes, duties of inspectors and canvassers, and making and publication of election returns; in short, to enact the numerous requirements as to procedure and safeguards which experience shows are necessary in order to enforce the fundamental right involved."

The *Smiley* Court further ruled that article I, section 4 gave the Congress "a general supervisory power over the whole subject" [214] of congressional elections. It seems apparent, therefore, that, at least with respect to congressional elections, Congress has the authority to regulate federal campaign spending.[215]

The congressional power to impose similar legislation on a presidential campaign presents a more difficult question. The Constitution provides that it is the state which "shall appoint, in such manner as the legislature thereof may direct," its presidential electors.[216] Indeed Congress' express authority extends only to "the time of choosing the Electors, and the day on which they shall give their votes." [217] The propositions, however, that the states possessed exclusive authority over the "manner" of presidential elections was put to rest in *Burroughs and Cannon v. United States*.[218] That case involved a constitutional challenge to a section of the Corrupt Practices Act of 1925,[219] which required that any political committee accepting contributions or making expenditures for the purpose of influencing the election of presidential electors file statements containing the name and address of each contributor. In sustaining the constitutional validity of the statute, the Court expressly rejected the argument that congressional authority in this area was limited merely to setting the date for selection of electors and the date on which those electors were to cast their votes.[220] The Court added that Congress has the power on policy grounds to enact substantive legislation affecting the conduct of elections: [221]

"The importance of [a presidential] election and the vital character of its relationship to and effect upon the welfare and safety of the whole people cannot be too strongly stated. To say that Congress is without power to pass appropriate legislation to safeguard such an election from improper use of money to influence the result is to deny to the nation in a vital particular the power of self protection. Congress, undoubtedly, possesses that power, as it possesses every other power essential to preserve the departments and institutions of the general government from impairment or destruction whether threatened by force or by corruption."

Admittedly, *Burroughs* might be limited on its facts to controversies concerning disclosure laws. In that case, however, the petitioner's constitutional objection was that the statute allowed Congress to invade an area under the *exclusive* authority of the states. Since the Court overruled this objection with respect to a filing requirement, it seems reasonable that an objection to Congress' power to enact a program of federally subsidized elections would similarly be overruled. This conclusion is supported by the broad language employed by the Court in the *Burroughs* opinion. In holding that Congress possessed the power "to pass appropriate legislation to safeguard [a presidential election] from the improper use of money to influence the result,"[222] the Court apparently left room for legislation combining government subsidies with limitations on contributions and compaign spending.[223]

A final question with regard to congressional authority to enact one of the proposed reform bills is whether Congress has the power to regulate campaign primaries. Although the Court had discussed the question previously,[224] the first decision on the issue of whether the constitutional grant of power to regulate "the manner of holding elections" [225] extended to primary elections was rendered in *United States* v. *Classic*.[226] An eight-man majority in that case held: [227]

"[T]he authority of Congress, given in § 4, includes the authority to regulate primaries when, as in this case, they are a step in the exercise by the people of their choice of representatives in congress."

Although a victory in the primary in that jurisdiction was tantamount to victory in the general election, that fact was not crucial to the decision of the Court. Moreover, in subsequent cases, the primary has been held to be a part of the general election process without the presence of any such special circumstances.[228]

The constitutional provisions dealing with the regulation of elections have, as these cases demonstrate, been broadly construed. As a result, Congress possesses far-reaching authority to enact measures necessary to protect the integrity of the electoral process. The scope of the authority extends beyond the comparatively explicit constitutional delegation with respect to congressional elections and includes presidential and primary elections. Given the policy motivation for enactment, passage of the proposed program of federal subsidies combined with contributions and spending limits is clearly within the constitutional authority of the Congress.

Limitation on contributions

A number of commentators have expressed doubt concerning the constitutionality of limitations on the size of campaign contributions.[229] Indeed, supporters of public financing themselves have expressed concern in this area. These doubts are based on the belief that a contribution to a political campaign is a means of political expression, and since free political expression is protected by the first amendment,[230] political expression in the form of a campaign contribution is similarly protected. Under this view, the act of contributing is characterized as symbolic speech.

As a threshhold consideration, two factors must be taken into account here. First, it is not at all clear that the act of making unlimited contributions to a political campaign is protected as "speech" under the first amendment. Second, assuming that the act is so protected, the state interest in preserving the integrity of the electoral and governmental processes from the corruptive influence of large contributors might be found to be sufficiently compelling to justify an incidental infringement on first amendments rights.

The first amendment clearly protects more than purely verbal communications.[231] It may well be, however, that courts will not regard a campaign contribution as protected symbolic speech. When pure speech is joined with verbal acts which are not necessary to the communication, the state may regulate that mode of expression.[232] Certainly, a limitation on contributions does not abridge free speech on its face because "there is nothing necessarily expressive about" contributing to a political campaign.[233] Nevertheless, the argument could be made that in particular cases campaign contributions were expressive. The judiciary may, however, hold that the physical act of delivering unlimited is not essential to political expression and that a campaign donation is thus not protected symbolic speech.

To the extent that the right to make unlimited contributions is protected by the first amendment, it is my belief that some limitation on contributions would be constitutionally valid because of the compelling state interest in protecting the electoral and governmental process from the undue influence of excessively large contributions.[234] This view was taken by Mr. Justice Douglas, dissenting in *United States v. United Auto Workers*,[235] a case in which the majority specifically declined to address itself to the question of whether a prohibition on labor union campaign contributions [236] was constitutionally valid. Justice Douglas, joined in his dissent by Mr. Chief Justice Warren and Mr. Justice Black, emphatically stated that the

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Footnotes at end of article.

absolute prohibition on campaign contributions constituted "a broadside assault on the freedom of political expression guaranteed by the First Amendment."[237] He was careful to note, however, that:[238]

"[I]f Congress is of the opinion that large contributions by labor unions to candidates for office and to political parties have had an undue influence upon the conduct of elections, it can prohibit such contributions."

Thus Mr. Justice Douglas, the jealous protector of first amendment freedoms, adopted the position that large political contributions are not protected under the Constitution to the extent that they exert an undue influence upon the election process.

Justice Douglas' remarks suggest that the constitutionality of limitations on campaign contributions depends upon the particular level of limitation imposed. While Justice Douglas deemed invalid an absolute prohibition on contributions, he recognized that at some point the size of contributions can be restricted because of the very real likelihood of undue influence on the political process. In light of the presumption of constitutionality afforded a congressional act, it would appear, therefore, that a limit on contributions would be held unconstitutional only if it were shown that the limitation was manifestly below the level at which there could be a reasonable fear of improper influence on the recipient candidate.[239]

The level at which restrictions are imposed is a matter largely overlooked by those who would argue that limits on political contributions are unconstitutional. These critics treat a limitation in amount as if it were an absolute prohibition on contributions. The error in so doing is illustrated by *Kovacs* v. *Cooper*,[240] a case which is relevant if a campaign contribution is viewed as symbolic speech. In *Kovacs* the Court[241] upheld against a first amendment challenge an ordinance which forbade the use on public streets of a sound truck emitting "loud and raucous noises." It was noted that an "absolute prohibition within municipal limits of all sound amplification, even though reasonably regulated in place, time and volume, is . . . probably unconstitutional . . . ."[242] The ordinance, however, was upheld because its prohibition applied only to "loud and raucous" noises. Thus, while the absolute prohibition would be unconstitutional, a limitation on the permissible physical volume of the regulated communicative conduct was held valid. In applying this rationale to the issue of campaign contributions, Professor Freund has stated:[243]

"We are dealing here not so much with the right of personal expression or even association, but with dollars and decibels. And just as the volume of sound may be limited by law, so the volume of dollars may be limited without violating the First Amendment."

It might be argued that an overall limit on contributions would be an absolute prohibition on contributions as to those who seek to contribute after the ceiling has been reached. If this situation were to pose a serious obstacle to the passage of the proposed limitations, Congress could enact a program of pro-rata contribution refunds.

Under such a program all who so desired could contribute up to the limit imposed on the individual contribution. If the sum of these contributions exceeded the overall limit on contributions received, the excess could be refunded to all contributors on a pro-rata basis of the size of their original contributions. For example, if total contributions exceeded the overall limit by twenty-five percent, someone who had contributed $80 would receive a refund of twenty-five percent of his contributions, i.e., $20. To avoid the administrative burden of mailing refund checks to each contributor, the amount to be refunded would be turned over to the Internal Revenue Service and would be credited against the contributor's income tax in the following year.

The Supreme Court has held that:[244] "when 'speech' and 'non-speech' elements are combined in the same course of conduct, a sufficiently important governmental interest in regulating the non-speech element can justify incidental limitations on First Amendment freedoms."

In attempting to define the elements of this "sufficiently important governmental interest," the Court in *United States* v. *Oregon* stated:[245]

"[W]e think it clear that a government regulation is sufficiently justified if it is within the constitutional power of the Government; if it furthers an important or substantial governmental interest; if the governmental interest is unrelated to the suppression of free expression; and if the incidental restriction on alleged First Amendment freedoms is no greater than is essential to the furtherance of that interest."

In view of this standard the proposed limitations on campaign contributions are constitutionally valid. With regard to the first element of the test, it has been previously shown that Congress has power under the Constitution to regulate congressional and presidential elections both at the primary and at the general election levels:[246]

The second element is also satisfied since the limitation on contributions is designed to advance substantial government interests: the independence of elected officials from large contributors and the prevention of fraud and corruption in the electoral process. These interests are sufficiently important to satisfy the *O'Brien* test. In *Ex parte Yarbrough*[247] the Court stated:[248]

"If the government is anything more than a mere aggregation of delegated agents of other States and governments, each of which is superior to the general government, it must have the power to protect the elections on which is existence depends from violence *and corruption.*

"If it has not this power it is left helpless before the two great natural and historical elements of all republics, open violence and *insidious corruption.*"

And in another case the Court said:[249]

"To say that Congress is without power to pass appropriate legislation to safeguard [a presidential and vice-presidential] election from the improper use of money to influence the result is to deny to the nation in a vital particular the power of self protection."

The third element of this test is that "the governmental inerest is unrelated to the suppression of free expression."[250] Since the governmental interest in regulating campaign contributions is to preserve the integrity of the election process and the independence of elected officials, this condition would clearly appear to be satisfied, especially in view of the rationale of the *O'Brien* decision. In that case the defendant contended that a statute which prohibited the knowing destruction of a draft card was unconstitutional as to him because the act of burning his draft card was "symbolic speech" protected under the first amendment. The Court upheld the statute and thereby acknowledged that the governmental interest involved was "unrelated to the suppression of free expression." Such a conclusion was justified since the statute did not seek to prohibit communication of the defendant's antiwar beliefs but only to assure the effective operation of the Selective Service by prohibiting the act of draft card burning.

In much the same way the proposed limitations on campaign contributions seek not to prohibit communication of political beliefs, but only to assure the effective operation of the electoral process and to prevent corruption on the part of elected officials. Furthermore, the Court in *O'Brien* attempted to clarify this third element by citing *Stromberg v. California.*[251] In *Stromberg* the Supreme Court struck down a statute which punished those who expressed their "opposition to organized government" by displaying "any flag, badge, banner or device." Under this statute, therefore, a banner or badge could have been prohibited based solely on the written contents contained thereon. The statute did not seek to prohibit the act of displaying a banner nor the act of displaying a banner for the purpose of expressing any abstract idea; it sought to prohibit the expression of a particular idea or belief. Put another way, the conduct was lawful but for the particular idea it sought to express. The majority in *O'Brien* indicated that a *Stromberg*-type statute could not be sustained because it "was aimed at suppressing communication" and, therefore, violative of the third element of the *O'Brien* balancing test.

The case of limitation on contributions is clearly distinguishable from *Stromberg*. An excessive contribution is unlawful under my proposal regardless of the particular political idea or belief which the contributor seeks to express by his act of contributing money. In *Stromberg* the act was illegal only if it were performed for the purpose of expressing an opposition to government. This type of prohibition clearly suppresses expression and is distinguishable from a ceiling on political contributions where only the act of excessive contributions is suppressed without regard to the idea sought to be expressed by that act. It appears, therefore, that the proposed limitation on contributions satisfies the third element of the *O'Brien* test.

Finally, it must be shown that the alleged incidental infringement on first amendment rights is no greater than is necessary to achieve the governmental interest. Critics of limitations have suggested that alternative remedies could insulate the electoral process from undue influence of unlimited contributions without the arguable infringement on free expression. Suggested alternatives include free broadcast time or franking privilege and tax incentives for contributions. While such measures might solve some of the problems of the current system, none would work to improve all problems as would public financing coupled with limitations on contributions. As long as there are limitations neither on expenditures nor on contributions, a candidate can be expected to spend up to and beyond the limits of the funds which he is able to raise. As a result, any right to mail campaign circulars for free or to receive free radio and television time will not reduce the pressure on the candidate, once elected, to repay in one form or another "debts" owed to major campaign contributors. Clearly, the limitation on contributions is essential to the elimination of this potential for undue influence. Furthermore, this final element of the *O'Brien* test is perhaps not quite as rigorous as are the other elements. Elsewhere, the Supreme Court has stated:[252]

"The power of Congress to protect the election of President and Vice President from corruption being clear, the choice of means to that end presents a question primarily addressed to the judgment of Congress. If it can be seen that the means adopted are really calculated to attain the end, the degree of their necessity, the extent to which they conduce to the end, the closeness of the relationship between the means adopted and the end to be attained, are matters for congressional determination alone."

A judgment by Congress, therefore, that limitation on contributions constitutes the only effective remedy is likely to be given great deference by the Court.

Another line of precedent lends support to

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the conclusion that the right to contribute to a campaign may be outweighed by the strong policy considerations inherent in any congressional act designed to limit the right to contribute. These cases deal with the Hatch Act's[253] prohibition of political activity by public employees. In *United Public Workers v. Mitchell*[254] the Supreme Court sustained the validity of a provision of the Act which prevented employees of the executive branch from taking an "active part in political campaigns."[255] The Court justified this total prohibition of political activity by balancing it against the determination by Congress of the "material threat to the democratic system"[256] posed by partisan activity on the part of government employees. *Oklahoma v. Civil Service Commission*,[257] a case decided the same day, upheld a similar ban imposed on state officials whose work was financed in part by a federal agency.[258]

Mitchell was recently reaffirmed by the Court in *United States Civil Service Commission v. National Association of Letter Carriers*.[259] The Court balanced against the infringement of first amendment rights a number of factors which also apply to limitations on contributions: effective and fair operation of the government, protection of the role of elections in representative government, and—a factor not mentioned in the cases discussed thus far—maintenance of public confidence in the government by avoiding the appearance of corruption.[260]

Significantly, these cases upheld a complete ban on all political activity, except the right to vote, on the part of government employees. Such a prohibition was held justified to prevent undue influence on government workers. The proposal made by this article for campaign financing reform would constitute only a partial prohibition on a specific type of political activity—contributions of money. It is designed to prevent undue influences, not on government employees working in a non-political part of the government,[261] but on elected officials. Since the Hatch Act has withstood the constitutional challenge, it seems only reasonable to conclude that limitations on campaign contributions will do so as well.[262]

Limitation on Expenditures

Legislation restricting the amount of a particular campaign contribution may be accompanied by limitations on campaign expenditures. Without the restrictions on expenditures candidates with access to large numbers of wealthy individuals might, despite the limitations on contributions, be able to amass a large campaign treasury from many individual $1,000 contributions. Thus, non-wealthy candidates, without significant contacts among the wealthy, would still be essentially shut off in many instances from effectively seeking elective office. Political offices would remain within the reach of the affluent or those associated with them.[263] To avoid such a result it seems necessary to implement the proposed limitations on campaign expenditures.[264]

Limits on expenditures, however, have encountered many of the same constitutional questions raised by limits on contributions.[265] Since campaign expenditures are viewed as indispensible to mass communication of political ideas, it has been suggested that such expenditures constitute speech plus conduct and are protected under the first amendment.[266] The validity of this suggestion hinges on many of the same factors discussed in relation to whether limitations on contributions would be constitutionally permissible.[267]

Accordingly, the first issue is whether the act of making unlimited campaign expenditures is protected under the Constitution. Unquestionably, campaign expenditures are indispensable to effective political speech, probably more so than contributions. If contributions are limited, the candidate can nevertheless effectively communicate his political message to the voters through expenditure of his own personal resources. Once a limit on expenditures is enacted, however, and that limit is reached by a candidate, the prohibition on *effective* political speech by that candidate is absolute. As a result, one could likely make a stronger argument for a constitutional right to unlimited campaign expenditures than could be made for unlimited campaign contributions. This fact alone, however, does not guarantee the right to make unlimited campaign expenditures. Again the sound truck cases are applicable. In *Saia v. New York*[268] the Su-Supreme Court concluded that amplified speech was deserving of first amendment protection since "loud-speakers are today indispensable instruments of effective public speech."[269] Less than a year later, however, the Court allowed a local government to accommodate the public interest in privacy by upholding a reasonable limitation on amplified speech.[270] The rule to be taken from these cases is that where a sufficiently important governmental interest exists as a justification, a reasonable limitation on the use of an instrumentality indispensible to effective public speech may be enacted.

Application of this rule to limits on campaign expenditures again necessitates the balancing test analysis of *O'Brien*.[271] The constitutional authority of the Congress to regulate campaign expenditures is derived from the same source as is the authority to regulate contributions.[272]

The countervailing governmental interest present in this instance is that both the wealthy and the not-so-wealthy, or those without access to the wealthy, share an equal opportunity to participate in the electoral process. The importance of this objective was emphasized in *Kramer* v. *Union School District*,[273] in which the Court declared that "unjustified discrimination in determining who may participate in political affairs . . . undermines the legitimacy of representative government."[274] Elsewhere, the Court has stated, "wealth, like race, creed, or color, is not germane to one's ability to participate intelligently in the electoral process."[275]

It seems clear therefore, that the governmental interest of fostering equal political opportunity for both those with vast as well as those with meager resources is "important or substantial." With regard to the third requirement of the *O'Brien* test, the governmental interest in equal political opportunity is "unrelated to the suppression of free expression."[276] Any doubt on this point is resolved in favor of limitation on expenditures by the sound truck cases. Finally, without limits on expenditures the candidate who has access to vast financial resources can overwhelm his poorer opponent. Although a ceiling on contributions would prevent an elected official from being unduly influenced by a single large contributor, without a limit on total spending a number of individuals with similar interests could together contribute a large sum of money to a candidate; the same evil of undue influence on elected officials would then be present. Moreover, because of the natural tendency of candidates to spend all available funds, this problem would persist even where a program of federal subsidies would assure a certain level of funds to all qualified candidates. It is apparent, therefore, that a persuasive argument can be made for expenditure limits on the basis of a balancing test analysis.

A second constitutional criticism of campaign spending limits focuses on undue interference with the right of the voter to receive information relevant to his electoral decisions. It is well established that the freedom of speech and press necessarily protects an individual's right to receive information and ideas.[277] Two cases dealing with this right have been cited in support of the position that spending limits are constitutionally invalid.[278] In *Red Lion Broadcasting Co.* v. *FCC*,[279] the petitioner challenged the Federal Communication Commission's "fairness doctrine"[280] on the ground that it denied the petitioner its right to free speech by dictating in certain cases which material would be broadcast. The essence of the petitioner's argument was that the broadcaster enjoyed the same constitutional right of free speech as the individual. In upholding the "fairness doctrine" the Court emphasized that the public's right to receive diverse social and political ideas overrode the broadcaster's right to free speech by radio.[281] In *Mills* v. *Alabama*[282] the Court found invalid a statute prohibiting solicitation of votes on election day. The Alabama Supreme Court had sustained the statute on the ground that it protected the public from the confusion of unverified, last-minute political charges. In striking down this statute, the Court in *Mills* has been heralded as sustaining the public's right to receive political information in situations in which that information might be unverifiable. It should be noted, however, that the reasoning of the Court in *Mills* was based on the right of a newspaper to publish an editorial not on the right of the public to read it.

On the basis of this precedent it has been argued that limits on campaign spending abridge the individual's constitutional right to receive political information. Under this view the ceiling on spending is regarded as a restriction upon the ability of the candidate to convey information to the public and is, therefore, unconstitutional.[283]

In my opinion the effect of the proposed spending limits will be precisely the opposite. Instead of reducing the flow of political information to the voting public, these ceilings will help assure a balanced flow of diverse viewpoints. Without spending limits those candidates having unlimited financial resources are able to dominate the flow of political information to the public. They do this by monopolizing the most effective channels of communication. For example, there is only a limited supply of prime time television advertising slots. If these are all taken by a wealthy candidate who can in essence outbid all other candidates, those political viewpoints that are less than extravagantly financed will be denied this highly effective means of presenting their case to the electorate.[284] Limiting expenditures, however, helps to promote "free trade in ideas"[285] and "provides hopes for access to the political process by the weaker minority interests. . . ."[286] The proposed federal campaign subsidies would make this hope a reality. Thus, the ceilings would protect the flow of political information to the public by preventing the well-financed candidates from overwhelming by sheer volume of spending the communications of other candidates. In this manner the public would be exposed to a greater diversity of viewpoints. Such a result seems highly consistent with the constitutional right of the public to receive information and ideas.[287]

Admittedly, the validity of any limitation might hinge upon the level of restriction. A limit could be set so low as to deny all candidates the chance to present their cases effectively to the electorate. Such legislation would be difficult to justify. Thus, the limitations should be set at a relatively high level, but low enough to prevent the heavily financed candidate from "so overloading the channels of communication as to render his opponent's right to speak virtually worthless."[288] The limitations contained in my proposal set forth in this article would seem to meet that test.[289] Once Congress has set such limits, its judgment in setting the level of

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Footnotes at end of article.

limitation so as to maximize the flow of political information should be given great deference by the Court.[290]

A final challenge to the constitutionality of spending limits is the contention that such limits favor the incumbent because of the public familiarity which he has acquired prior to the campaign. The argument here is that the only way in which the relatively unknown challenger can overcome the "recognition gap" between himself and the well known incumbent is by outspending the incumbent on media campaigning. Under this rationale a limit on spending is thought to preclude the challenger from any chance to close this "recognition gap."[291]

Proponents of this view cite *Williams* v. *Rhodes*[292] authority for their position. In that case the American Independent Party and the Socialist Labor Party challenged the constitutionality of an Ohio law which required a new political party to obtain petitions signed by qualified electors totaling fifteen percent of the number of the votes in the last gubernatorial election to be placed on the presidential ballot. On the other hand, the Democratic and Republican parties retained their positions on the ballot merely by polling ten percent of the votes in the last gubernatorial election, and were not required to obtain signature petitions.[293] The State of Ohio sought to justify the restriction on the ground that it promoted political stability, and that by minimizing the number of new parties placed on the ballot, it would protect voters from "a choice so confusing that the popular will could be frustrated."[294] The Court, however, found that the effect of this election law was to "make it virtually impossible for any party to qualify on the ballot except the Republican and Democratic Parties."[295] Having concluded that the State had failed to demonstrate any "compelling interest" to justify these restrictions, the Court held them to be a violation of both first amendment and equal protection rights.[296]

Williams calls into question the constitutionality of any election law which tends to lock in the Democrat-Republican, two-party system. Some have argued that limits on expenditures prevent smaller parties from closing the "recognition gap" by effectively denying them the opportunity to outspend the two major parties. On this basis it is urged that the spending limits fall within the prohibition of *Williams*.[297]

The restrictions overturned in *Williams*, however, are clearly distinguishable from the spending limitations contained in my proposal. In the first place, the burden of the spending limits will fall equally on all parties and on all candidates. The unequal burden of the regulation in *Williams* was obvious. This distinction, however, is unlikely to settle the issue since critics of campaign spending limits view the equal burden of the limits as the factor which will most tend to solidify the presently dominant position of the two major parties.[298] A stronger distinction lies in the existence of a more compelling state interest in the case of campaign spending limits. The state interest articulated in *Williams*, namely to protect the electorate from undue confusion, sounds suspiciously like the state interest rejected in *Mills*.[299] On the other hand, the limits on campaign spending are imposed to further a state interest which has on many occasions been upheld: an equal opportunity to participate in the electoral process regardless of ability to pay.

The principle announced in the *Williams* case does not prohibit every measure which restricts the right of a new party to appear on the ballot, but merely holds that in that particular case the regulation was unreasonably restrictive. Restrictions deemed reasonable by the Court have been upheld subsequently. In *Jenness v. Fortson*[300] a Georgia law was challenged which provided that a candidate for elective public office who did not win a political party's primary election could have his name printed on the ballot at the general election only by filing a nominating petition signed by at least five percent of the number of registered voters who voted at the last general election for that particular office.

The Court unanimously upheld the Georgia statute and distinguished it from *Williams v. Rhodes* primarily on the ground that Georgia's election laws, unlike Ohio's, do not operate to freeze the political status quo."[301] The proposed campaign spending limits would likewise not freeze the existing political status quo, which can be characterized as the domination of politics by those with access to vast financial resources. Furthermore, by providing qualified minor party candidates with funds, the program of subsidies would serve to encourage them actively to challenge the dominance of the major parties and might enable them to become more competitive. Such an effect seems entirely consistent with *Williams* and *Jenness*.

As with limitations on contributions, the conclusion here is that reasonable limitations on campaign spending are constitutionally valid. Because campaign expenditures are essential to effective political speech, it appears that such expenditures are protected under the first amendment. The protection of these expenditures does not, however, guarantee to the candidate the right to make unlimited expenditures when a compelling state interest requires limitation. Equal political opportunity for wealthy classes and prevention of undue influence on elected officials are, as demonstrated, sufficiently compelling interests to justify spending limits. Furthermore, instead of infringing on the voting public's right to receive information, the limits can be set so as to enhance that right by assuring that political information flows to the public from viewpoints which might otherwise be drowned out by the more heavily endowed interests. Finally, rather than freezing the status quo," the limitation on expenditures when combined with the proposed subsidy will enable minor party candidates to challenge the major party candidates with unprecedented vigor. On this basis it seems clear that the spending limits are constitutionally valid.[302]

Contribution disclosure requirements[303]

To enforce the limitation on campaign contributions it will remain necessary, as the law now provides,[304] for a candidate to disclose the amount and donor of all political contributions received. While this disclosure requirement raises several constitutional questions, it seems clear upon analysis that such a requirement is constitutionally permissible.

The first question relates to what might be called the first amendment right to anonymity.[305] The rationale supporting this "right" is that, where, because of fear of embarrassment or reprisal a disclosure requirement stifles an individual's freedom of association or speech, the requirement is constitutionally invalid. This doctrine was developed in a series of cases which overturned statutes requiring disclosure of NAACP membership lists.[306] These cases originated in southern communities at a time of violent hostility to civil rights groups. Under these circumstances the fear of reprisals was sufficiently acute that disclosure of membership lists would have severely threatened rights of association. The right of anonymity was also upheld in *Talley v. California*,[307] in which the Court invalidated an ordinance prohibiting the distribution of a handbill which did not have printed on its face the name and address of the person responsible for its printing and distribution. The Court concluded that the ordinance would discourage the expression of unpopular ideas and thereby restrict the freedom of speech. On the other hand, where the government interest was deemed to be sufficiently compelling, disclosure of membership lists have been upheld in spite of the infringement on the right of association.[308]

On the basis of the *Talley* precedent it has been contended that campaign disclosure laws might impose an unconstitutional burden on the freedom of political expression. For example, a resident in a predominantly Republican neighborhood might be discouraged from contributing to a Democratic candidate for fear that disclosure would subject him to social ridicule. The constitutionality of disclosure requirements, however, seems to be established in *Burroughs and Cannon v. United States*.[309] *In* that case the Court upheld the constitutionality of the Federal Corrupt Practices Act of 1925 on the ground that disclosure requirements "would tend to prevent the corrupt use of money to affect elections."[310] It should be noted, however, that the first amendment arguments dealing with the right to anonymity was not raised in *Burroughs*.[311]

Any lingering doubt as to the first amendment constitutionality of campaign disclosure requirements was erased by *United States v. Harriss*.[312] In *Harriss* the Court employed the rationale of *Burroughs* in upholding the constitutionality of a statute which required a lobbyist to disclose the source and amount of any contributions made to him. The majority in *Harriss* declared:[313]

> "Congress has . . . merely provided for a modicum of information from those who for hire attempt to influence legislation. . . . It wants only to know who is being hired, who is putting up the money, and how much. It acted in the same spirit and for a similar purpose in passing the Federal Corrupt Practices Act—to maintain the integrity of a basic governmental process."

The first amendment arguments were offered and specifically rejected in *Harriss*.[314] On the basis of *Burroughs and Harriss*, therefore, it seems clear that campaign disclosure requirements do not offend the first amendment.

The second constitutional question raised by the proposed disclosure requirements involves the privilege against self-incrimination. Given that the contributor must report his contribution and that he can be held criminally liable for making a contribution which exceeds the limitation, it would appear that he is compelled to incriminate himself by compliance with the disclosure requirement.[315] This view seems to be supported in *Marchetti v. United States*[316] and *Grosso v. United States*.[317] In each of these cases a statute requiring anyone engaged in specified gambling practices to register and to pay a special tax on gambling activities was held invalid on the ground that compliance would have the unmistakable result of incriminating the registrant.

It is significant to our inquiry that the majority in *Marchetti* made a special point to distinguish and reaffirm *United States v. Sullivan*.[318] In *Sullivan* the taxpayer, a bootlegger, was convicted for failing to file an income tax return despite his claim that filing a return would have necessitated his admission of violations of the National Prohibition Act. The Court in *Sullivan* concluded that the taxpayer could have answered most of the questions on the return without making incriminating disclosures and indicated that he could lawfully withhold answers only with respect to those questions which elicited incriminating answers. *Marchetti* distinguished *Sullivan* on the ground that "every portion of these [gambling] requirements had the direct and unmistakble consequence of incriminating the petitioner,"[319] thereby rendering inapplicable the solution of partial compliance suggested in

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Footnotes at end of article.

Sullivan. The basis for this distinction is that in the case of the income tax return the questions "were neutral on their face and directed at the public at large," [320] while the gambling disclosure requirements were directed at a "highly selective group inherently suspect of criminal activities." [321] In the latter case the disclosure requirement violates the privilege against self-incrimination while in the former it does not.

In applying this test to the campaign contribution disclosure requirements, it seems clear that there is no violation of the privilege. The requirement is neutral on its face and is directed not at some suspect group but at the general public. Furthermore, anyone who makes an illegal contribution can still be required to report all legal contributions he makes. Since the non-incriminating data is severable from the incriminating, the contribution disclosure requirement is analogous to the *Sullivan* case and distinguished from *Marchetti* where selective compliance was impossible without violation of the privilege. On the basis of this distinction the contribution disclosure requirement would not violate the fifth amendment privilege against self-incrimination.

CONCLUSION

Public financing proposals have provoked strong remonstrances from critics, one of the most effective of whom is Representative Bill Frenzel. Mr. Frenzel has charged, among other things, that public financing will have a number of drastic effects on our political system.[322] He believes that, by placing an over-all spending limit on campaigns while inadequately funding them through public subsidies, the re-election of incumbents will be made easier, the influence of political parties will be diminished by direct subsidies for individual candidates and abuse through discriminatory application of the law may result from increased bureaucratic control over our electoral process. Furthermore, taxpayers, in Frenzel's view, will object to government funds provided to candidates whom they oppose. Election for local offices will also be affected by public financing of federal campaigns, Frenzel contends, with one of two consequences: either private money, unable to find an outlet in congressional and presidential campaigns, will flood state and local campaigns; or the entire source of private money will dry up, leaving local candidates unable to fund their own campaigns.

Moreover, special interest groups will concentrate on the non-electoral sources of their power to maintain their control over governmental decision-making, such as increased lobbying efforts. Finally, in Frenzel's view, private financing is not a bad system. Private money, he contends, is not necessarily tainted, and controlled by appropriate limitations it provides an effective "market test" for candidates.

Many of these are valid criticisms. Some of them, such as the possibility of advantage for incumbents, are met through my proposal. Others, such as the possibility of abuse of bureaucratic control, can be prevented by appropriate statutory standards for administration of the system. On balance, however, the advantages of public financing seem to outweigh the potential drawbacks. Although some taxpayers may object to the funding of candidates whom they oppose, it seems better that the public subsidize them rather than allowing special interests to do so. Furthermore, the loss of the "market test" provided by private contributions will be more than offset by its replacement with a system in which the true market test, one in which all citizens participate equally, is that of the election itself.

It is important to recognize that public financing is not a cureall for all the ills besetting our present political system. In particular we cannot expect to see the influence of special interest groups vanish with the enactment of a system of public campaign subsidies. Nevertheless, by eliminating an important source of special interest power, an adequate campaign finance law will go a long way toward reducing the disproportionate political strength of these groups. Similarly, public financing by itself may not provide equal access to elected public office for all those capable and desirous of serving; nor is it alone likely to place incumbents and their challengers on an equal footing. Public financing of elections will, however, constitute a sizeable step in those directions, and that prospect alone should be sufficient reason for its enactment.

FOOTNOTES

[1] Yates Amendment to H.J. Res. 468, 92d Cong., 1st Sess., 117 CONG. REC. 7023–24 (1971); First Senate Committee Amendment to H.J. Res. 468, 117 CONG. REC. 7828–29 (1971).

[2] Emergency Loan Guarantee Act, 15 U.S.C. §§ 1841–52 (1971).

[3] Senator Walter F. Mondale has said, "I think any candid study of American politics shows that that temptation [to receive contributions from the special interests] is almost irresistible." *Hearings on S. 1103, S. 1954 and S. 2417 Before the Subcomm. on Privileges and Elections of the Senate Comm. on Rules and Administration*, 93d Cong., 1st Sess. 29 (1973) [hereinafter cited as *Hearings on S. 1103*]. The pressure, of course, is not always inflicted by the contributor on the candidate. Sometimes the candidate, using the fear of future recriminations as a weapon, pressures the contributor. *See, e.g., id.* at 30 (press release from American Airlines).

[4] It is perhaps presumptuous to speak of "proposing" an idea which, if it were a person, would be of retirement age. Public financing of presidential campaigns was proposed by President Theodore Roosevelt in his State of the Union Message in 1907. 42 Cong. Rec. 78 (1907). President Roosevelt conceded that he was "well aware that it will take some time for people so to familiarize themselves with such a proposal as to be willing to consider its adoption." *Id.*

[5] *Cf.* the observations of Alexis de Tocqueville in 1835 that wealthy men were ill-disposed to seek public office and that the public was less-inclined to elect them. A. de Tocqueville, Democracy in America 182–84, 188–89 (1966 ed.).

[6] A third reason commonly heard for reform is the high cost of the campaigns themselves. Nevertheless, as will be shown, a severe limit on campaign spending would seriously tend to hamper efforts of challengers to unseat incumbents. *See* notes 195–98 and accompanying text *infra*.

[7] An election in which the winning candidate received less than 55% of the vote.

[8] *Hearings on S. 1103, supra* note 3, at 96 (Common Cause study). The exact figure was $107,378. These figures from the Common Cause study represent the first comprehensive spending figures on congressional races ever made public.

[9] *Id.* The Republican candidates averaged $88,375 while the Democratic candidates averaged $89,430.

[10] *Id.* at 97. The Republican candidates averaged $465,264 while the Democratic candidates averaged $496,297.

[11] *Id.* at 96–97.

[12] *Id.* at 102, 105. Moreover, Senate elections were held in neither of the two most populous states, California and New York, where campaigns would tend to be the most expensive.

[13] *Id.* at 105. This trend was not apparent in campaigns for election to the Senate. Two of the five candidates who defeated incumbents spent less than their opponents. *Id.* at 110-11. This difference has been attributed to the greater amount of media attention a Senate race receives as compared to a House race. Thus the need for a Senate challenger to spend money to create name identification is lessened. *Id.* at 142. (remarks of Rep. Bill Frenzel).

[14] 2 U.S.C. § 431 (note) (Supp. II, 1972) [hereinafter cited as Campaign Act of 1971]. The Act did not go into effect until April 7, 1972; thus, many of the expenditures in the presidential campaign went unreported.

[15] *Hearings on S. 23, S. 343, S. 372, S. 1098, S. 1189, S. 1303, S. 1355, & S.J. Res. 110 Before Senate Subcomm. on Privileges and Elections and Senate Comm. on Rules and Administration*, 93d Cong., 1st Sess. 268 (1973) (remarks of Fred Wertheimer, Director, Legislative Activities, Common Cause) [hereinafter cited as *Hearings on S. 372*]. Estimates of the size of President Nixon's campaign fund have ranged as high as $60 million. Reichley, *Let's Reform Campaign Financing—But Let's Do It Right*. Fortune, December, 1973, at 95, 97.

[16] For example the campaigns of victorious Senate candidates in 1972 cost an average of over $500,000. *Hearings on S. 1103, supra* note 3, at 108. The corresponding figure ten years before was perhaps $200,000. Congressional Quarterly Service, Guide to the Congress of the United States, 471–72 (1971).

[18] *See* D. Dunn, Financing Political Campaigns 17 (1972) [hereinafter cited as Dunn]. For example, a common reason for the giving of a campaign contribution appears to be "social." A contributor may desire nothing more than to be able to "show off" a United States Senator as a guest at one of his parties.

[19] *See id.*

[20] *Hearings on S. 1103, supra* note 3, at 323 (remarks of Rep. John Anderson).

[21] Dunn, *supra* note 18, at 17.

[22] Instances of vote-buying through the device of campaign contributions are necessarily hard to document. Nevertheless, in the words of one veteran officeholder, "whether we want to admit it or not, some contributors have at least felt they 'owned' us on certain occasions." *Hearings on S. 1103, supra* note 3, at 86 (remarks of Sen. Frank E. Moss).

[23] In 1972, 18 individuals contributed almost $7.5 million to the Committee to Re-elect the President. This was more than the entire amount spent by President Lyndon B. Johnson in his campaign eight years earlier. *Id.* at 66 (remarks of Sen. Adlai E. Stevenson III). One individual alone donated $2 million, almost all of it before the Campaign Act's reporting requirements went into effect. 33 Cong. Q. Wkly Rept. 2382 (Sept. 1, 1973).

[24] This impression is strengthened by the character of many of the contributors. Large contributions have been given by interest groups—organizations of individuals having in common a specialized occupational interest in one aspect of government, for example, businessmen all dealing in the same industry. For a list of 1972 contributions to congressional and presidential candidates of selected interest groups, see 31 Cong. Q. Wkly Rep't 571–88 (March 17, 1973).

[25] *Hearings on S. 1103, supra* note 3, at 34 (remarks of Sen. Hugh Scott).

[26] *Id.* Senator Scott also quoted an expression of former New York Mayor Fiorello LaGuardia: "The most important quality an office-holder can have is monumental ingratitude." *Id.*

[27] *See Hearings on S. 372, supra* note 17, at 207 (remarks of Sen. James Abourezk concerning controversial amendments to a recent farm bill and the donations he received from dairy farmers).

[28] One exception is Common Cause.

[29] In recent years there have been a few noble examples of wealthy candidates, previously politically unknown, gaining electoral victories because of extraordinarily well-financed campaigns. *See* Congressional Quarterly Service, Guide to the Congress of the United States 475–76 (1971). There is no reason for a publicly unknown individual

not to be encouraged to seek public service, and an expensive campaign may be a necessity for such a person to carry his message to the public. Unfortunately, however, if one is neither well-known nor wealthy, his candidacy is often doomed from the start.

[30] Including the author. *See also Hearings on S. 1103, supra* note 3, at 176 (statement of losing candidates for the House of Representatives).

[31] Senator Floyd Haskell recounted his experience in running for the Senate in 1972:

> In my case in Colorado, the primary was September 12. That gave me less than 60 days to raise money for the general election. It was necessary to make a commitment the day after the primary for TV productions. If I had not had some money in the bank, I could not have done that and I would not be here today.

Hearings on S. 1103, supra note 3, at 69.

[32] 27 Cong. Q. Wkly Rep't 2434 (December 5, 1969).

[33] *Hearings on S. 1103, supra* note 3, at 254 (remarks of Rep. Barbara Jordan).

[34] *Id.* at 159–61 (remarks of Frances Tarlton Farenthold, chairwoman of the National Women's Political Caucus).

[35] *See* Twentieth Century Task Force on Financing Congressional Campaigns, Electing Congress: The Financial Dilemma 6–7 (1970) [hereinafter cited as Electing Congress]; Congressional Quarterly, Inc., Almanac 1073, 1080 (1970); *Hearings on S. 1103, supra* note 3, at 105, 110–11 (Common Cause study).

[36] *Hearings on S. 1103, supra* note 3, at 144 (statement of Rep. Bill Frenzel).

[37] *See, e.g.*, Electing Congress, *supra* note 35, at 26.

[38] Rosenbloom, *A Background Paper,* in Electing Congress 36.

[39] *Hearings on S. 1103, supra* note 3, at 95–96, 101 (Common Cause study). My campaign was an exception. *See* note 13 and accompanying text *supra.*

[40] 119 Cong. Rec. 14794 (daily ed. July 26, 1973).

[41] *See* note 35 and accompanying text *supra.*

[42] *Hearings on S. 1103, supra* note 3, at 176. Another graphic comment was made by Norma B. Handloff, unsuccessful candidate for the House of Representatives from Delaware:

> By election day my husband and I had acquired debts that we shall spend the rest of our lives paying off. . . . To those [who talk to me about running "next time"] I have only one possible answer: What kind of a nut do you think I am?

Id. at 178.

[43] *Id.* at 97.

[44] 119 Cong. Rec. 14985 (daily ed. July 28, 1973).

[45] For example: is disclosure of contributions and spending enough? How much should contributions be limited, if at all? Should contributions by committees and organizations be limited? Should overall campaign spending be limited? How could these limits be enforced? Should presidential and congressional campaigns be financed by the public? If so, to what extent? Should contributions be limited to money or should they also include services? How should third party and independent candidates qualify for funding? Should primary candidates be financed? If so, how can this policy be carried out without opening the floodgates to frivolous candidates? Should the government finance candidates in "one-party districts" to the same extent candidates are funded in more competitive districts? Finally, would any such system be constitutional?

[46] S. 3044, 93d Cong., 2d Sess. (1974), introduced by Senator Cannon, passed, 120 Cong. Rec. 5853 (daily ed. Apr. 11, 1974).

[47] Congressional Election Finance Act of 1973, S. 1103, 93d Cong., 1st Sess. (1973) [hereinafter cited as Hart Bill]; Federal Election Finance Act of 1973, S. 1954, 93d Cong., 1st Sess. (1973) [hereinafter cited as Stevenson-Mathias Bill]; Clean Election Financing Act of 1973, S. 2417, 93d Cong., 1st Sess. (1973) [hereinafter cited as Cranston Bill]; Presidential Campaign Financing Act of 1973, S. 2238, 93d Cong., 1st Sess. (1973) [hereinafter cited as Mondale-Schweiker Bill]; Federal Election Campaign Fund Act, S. 2297, 93d Cong., 1st Sess. (1973) [hereinafter cited as Kennedy-Scott Bill]; Comprehensive Election Reform Act of 1974, S. 2943, 93d Cong., 2d Sess. (1974) [hereinafter cited as Clark Bill].

[48] Clean Elections Act of 1973, H.R. 7612, 93d Cong., 1st Sess. (1973) [hereinafter cited as Anderson-Udall Bill].

[49] 119 Cong. Rec. 3211 (daily ed. March 8, 1974) (message from the President).

[50] Int. Rev. Code of 1954 §§ 6096 (a), 9001–13, 9021 (1972).

[51] 2 U.S.C. §§ 431–42, 451–54; 18 U.S.C. §§ 591, 600, 608, 610–11; 47 U.S.C. §§ 312, 315, 801–05 (Supp. II, 1972). This legislation repealed the earlier largely ineffective limitations on campaign spending and contributions of the Hatch Political Activity Act. 18 U.S.C. §§ 608, 609 (1970). The Act prohibited campaign contributions exceeding $5,000 per year, 18 U.S.C. § 608 (1970); and the receipt and expenditure by any national political committee of more than three million dollars per year, *id.* § 609; and contributions by national banks, corporations and labor unions to federal election campaigns, *id.* § 610. These limitations were to be enforced by disclosure provisions of the Federal Corrupt Practices Act which directed every campaign committee to account for all its receipts and expenditures, 2 U.S.C. § 242 (1970); and to report such data to a clerk of one of the houses of Congress within thirty days after the election, *id.* § 248.

Enforcement of these early limitations on spending and contributions, however, was quite ineffective. The three million dollar limit on receipts and expenditures by any national political committee was avoided by the formation of numerous independent committees that did not conform to the strict definition of "political committee" found at 18 U.S.C. § 591 (1970). The enforcement problems were compounded by the fact that the expenditure ceilings did not apply to primaries, that contributions received by political committees without the candidate's knowledge were exempt from reporting requirements, that there was no required form for a candidate's financial statements and that complete discretion was given congressional clerks in reporting spending violations. 2 U.S.C. §§ 244–46 (1970).

[52] Campaign Act of 1971 § 104(a)(1), 47 U.S.C. § 803(a)(1) (Supp. II, 1972). The statute does not cover primary or run-off elections. The amount is to be increased as the cost of living increases. Campaign Act of 1971 § 104(a)(4), 47 U.S.C. § 803(a)(4) (Supp. II, 1972).

In order to enforce these limitations regulations have been passed pursuant to the Act that require the media before accepting advertisements in support of a candidate to obtain certification from that candidate that the payment of the charge for such advertisement will not violate the applicable expenditure limitation. 11 C.F.R. § 4.4(a) (1973).

[53] Campaign Act of 1971 § 104(a)(1)(B), 47 U.S.C. § 803(a)(1)(B) (Supp. II, 1972).

[54] Campaign Act of 1971 § 103(a)(1), 47 U.S.C. § 315(b) (Supp. II, 1972).

[55] Campaign Act of 1971 § 104(a)(3)(A), 47 U.S.C. § 803(a)(3)(A) (Supp. II, 1972).

[56] S. Rep. 93–170, 93d Cong., 1st Sess. 40–41 (1973).

[57] Immediate family was defined as "a candidate's spouse, and any child, parent, grandparent, brother, or sister of the candidate, and the spouses of such persons." Campaign Act of 1971 § 203, 18 U.S.C. § 608(a)(2) (Supp. II, 1972).

[58] Campaign Act of 1971 § 203, 18 U.S.C. § 608(a)(1) (Supp. II, 1972).

[59] The reports must be filed on March 1, June 1 and September 1 during the election year, and also five and 15 days before the election and January 31 after the election. Any contribution of $5,000 received after the last reporting date before the election must be reported within 48 hours of its receipt. Campaign Act of 1971 § 304(a), 2 U.S.C. § 434(a) (Supp. II, 1972).

[60] Campaign Act of 1971 § 304(b), 2 U.S.C. § 434(b) (Supp. II, 1972).

[61] Campaign Act of 1971 § 301(d), 2 U.S.C. § 431(d) (Supp. II, 1972).

[62] Campaign Act of 1971 § 304(a), 2 U.S.C. § 434(a) (Supp. II, 1972).

[63] Campaign Act of 1971 § 301(g), 2 U.S.C. § 431(g) (Supp. II, 1972), 304(a), 2 U.S.C. § 434(a) (Supp. II, 1972).

[64] Campaign Act of 1971 § 309, 2 U.S.C. § 439 (Supp. II, 1972).

[65] *See* notes 7–15 and accompanying text *supra.* The Act did not go into effect until April 7, 1972; thus all contributions and expenditures made before that date were exempt from its requirements, Campaign Act of 1971 § 406, 2 U.S.C. § 431 (note) (Supp. II, 1972).

[66] Int. Rev. Code of 1954. § 6096.

[67] *Id.* § 9002(6).

[68] *Id.* § 9004(a)(1).

[69] *Id.* § 9003(b). It should be noted that if the amount available to the candidate from the fund is less than the amount he is entitled to, he may make up the difference in private contributions.

[70] *Id.* § 9003(a).

[71] *Id.* § 9002(7).

[72] *Id.* §9004(a)(2)(A). In other words, if party A received forty-five percent of the vote, party B thirty-five percent and party C twenty percent, parties A and B would be major parties and party C a minor party. If parties A and B decided to accept federal funding in the next presidential election they would receive the full subsidy of fifteen cents for every voting age citizen in the United States. Since in our example we have assumed that the average vote received by A and B was forty percent, or twice party C's vote of twenty percent, party C would be eligible to receive half the full subsidy.

[73] *Id.* § 9003(c)(2).

[74] *Id.* § 9002(8).

[75] *Id.* § 9004(a)(3).

[76] *Id.*

[77] *Hearings on S. 372, supra* note 15, at 170 (remarks of Sen. Edward M. Kennedy).

[78] *Id.*

[79] *Id.*

[80] Internal Revenue Service Form 1040, 1040A (1974). In March, the three member Delaware delegation (Senator Roth, Representative duPont and I) at my instigation wrote more than 1600 employers in the state and all local union heads urging them to publicize the check-off provision among their employees.

[81] S. 3044, 93d Cong., 2d Sess. (1974) (introduced by Senator Cannon), passed, 120 Cong. Rec. 5853 (daily ed. April 11, 1974).

[82] This is the second bill passed by the Senate in less than a year that imposes such limitations on campaign spending and contributions. In July 1973, the Senate passed and sent to the House of Representatives the Federal Election Campaign Act Amendments of 1973. S. 372, 93d Cong., 1st Sess. (1973). Since that time the bill has remained in committee in the House.

With regard to spending limitations, the 1973 Campaign Amendments Bill requires that spending by Senate and House candidates in states where there is only one congressional district be limited in primary elections to either ten cents for every individual of voting age in the state or $125,000, whichever is greater. House candidates in other states would be limited to ten cents per voting age individual in the respective congressional district or $90,000, whichever is greater. For general elections, the limit would be fifteen cents per person of voting age or $175,000 for candidates for the Senate or House of Representatives in a state with one congressional district, and $90,000 for other congressional candidates, whichever is greater. S. 372, 93d Cong., 1st Sess. § 20(a) (1973) (to create 18 U.S.C. § 614). Candidates running in a primary for the presidential nomination and candidates for the Presidency itself are allowed to spend in each state the amount which a candidate for Senate might spend for the nomination or in the general election respectively. In addition, expenditures for a vice-presidential candidate count toward the totals of his presidential running mate.

The 1973 Campaign Amendments Bill also imposes limits on contributions. *Id.* § 20(a) (to create 18 U.S.C. § 615). Individuals and independent political committees are restricted to total contributions not exceeding $3,000 for any presidential candidate or for any congressional primary or general election. In addition, an individual is prohibited from making total contributions to all candidates and political committees of more than $25,000 per year. The bill would also increase the limitations on the amount which a candidate could spend out of personal or family funds to finance his campaign to $100,000 for a candidate for President or Vice President, $70,000 for candidate for the Senate, and $50,000 for candidate for the House of Representatives. *Id.* § 18(a) (1).

Every candidate would be required to have one central campaign committee through which all donations and contributions must be channeled. A presidential candidate would be allowed one central committee in each state, as well as one overall national committee. Each candidate would also have to designate one bank as a campaign depository to receive all deposits and to make all payments. *Id* § 9(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create §§ 310, 311). To supervise the law, the bill sets up a Federal Election Commission, similar to that in the Cannon Bill.

In addition, this bill would repeal the "equal time" requirement of the Communication Act of 1934, 47 U.S.C. §315(a) (1970), prohibit the use of the "frank" for mass mailings of congressional newsletters within two months of an election, S. 372, 93d Cong., 1st Sess. § 11 (1973), limit the amounts which citizens could contribute to campaigns and which candidates could spend, and require campaigns to follow certain procedures. For example, a candidate must designate one committee as his central campaign committee through which all financial reports must be channelled. *Id.* § 9(a) (to amend Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 310). A candidate must also designate one checking account to receive all contributions and from which all expenditures must be made. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 311).

[83] S. 3044, 93d Cong., 2d Sess. § 101 (1974) (to create § 503(a) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)). In order to avoid the funding of frivolous candidacies candidates would be required to raise a "trigger fund" before qualifying for the subsidy. The "trigger fund" would amount to: $10,000 for House candidates; twenty percent of the maximum spending allowance or $125,000, whichever is lesser, for senatorial candidates; and $250,000 with not less than $5,000 being received from residents of at least twenty states, for Presidential candidates. *Id.* § 101 (to create § 502 (c) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[84] *Id* § 101 (to create § 504(a) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)). Candidates who elect not to accept public funding are subject to the same limitations. *Id.* § 304(a) (to create 18 U.S.C. § 614(a) (1)).

[85] *Id.* § 101 (to create § 504(a) (2) (A) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)). These limits would be increased in line with the cost of living. *Id.* § 101 (to create § 504(f) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[86] Defined as a party whose candidate in the previous election for that office received at least 25 percent or more or finished in second place while receiving at least 15 percent of the vote. *Id.* § 101 (to create § 501(g) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[87] *Id.* § 101 (to create § 503(b) (1) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[88] *Id.* § 101 (to create § 504(b) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[89] A minority party candidate is one whose candidate received between five and twenty-five percent of the vote in the previous election for that office. *Id.* § 101 (to create § 501 (a) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[90] A minor party candidate would be allowed the amount which bears the same ratio to the major party amount as the candidate's vote (or the vote of the candidate for that party) in the last election bears to the average major party vote. In addition, a candidate who ran for party A in the previous election and received between five and 25 percent of the vote is eligible to receive funding according to this formula even if he switches from party A to party B in the next election. If this candidate does switch to party B, party A nevertheless remains eligible for funding on the basis of his performance as a party A candidate in the previous election. *Id.* § 101 (to create § 503(b) (2) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)). If, after the election, the above formula as applied to the current election would yield a greater amount, the candidate is entitled to retroactive funding in the amount of the difference. *Id.* § 101 (to create § 503(b) (4) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[91] A candidate of a party which is neither "major" nor "minor" who receives five percent of the vote is funded in the amount which bears the same ratio to the major party amount as his vote bears to the average major party vote. *Id.* § 101 (to create § 503(b) (4) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[92] *Id.* § 207(a) (to create §§ 310, 311 of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)).

[93] *Id.* § 207(a) (to create § 308 of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)). The Commission is to consist of the Comptroller General and a bipartisan group of seven other members appointed by the President with the advice and consent of the Senate for staggered seven-year terms. Two of the members are to be appointed from different parties from a list of individuals recommended by the President pro tempore of the Senate with the consultation of the Senate majority and minority leaders. Two of the members are to be members of different parties appointed from a group recommended by the Speaker of the House of Representatives with the consultation of the majority and minority leaders of the House. Of the remaining three members no more than two are to be members of the same parties. *Id.*

The Commission is to be given a wide range of powers, including the power to compel testimony and production of documentary evidence, to initiate civil and criminal proceedings, and to assess civil penalties of up to $10,000. In enforcing these sections the Commission is to take precedence over the Justice Department.

[94] *Id.* § 304 (to create 18 U.S.C. § 615(a) (1), (a) (2) and (d) (1)). In addition, contributions by foreigners are prohibited. *Id.* § 304 (to create 18 U.S.C. § 615(a) (2) (A) (i)). Candidates may not receive from personal or family funds in excess of $50,000 in the case of presidential or vice-presidential candidates, $35,000 in the case of candidates for Senator and $25,000 in the case of candidates for Representative. *Id.* § 302(a) (1).

[95] 47 U.S.C. § 315(a) (1970). The "equal time" requirement compels broadcasting stations which provide air time to a candidate to afford equal broadcast opportunities to his opponents. The effect of this provision of the present law is to prevent stations, particularly in those elections where a great number of minor party candidates are running, from providing free air time to major party candidates. It would be amended to require licensees to provide opponents, in federal elections other than for President or Vice-President, five minutes. *Id.* § 201.

[96] *Id.* § 401.

[97] The first Wednesday after the first Monday in November of all even numbered years would become a national holiday, federal Election Day. *Id.* § 502. All polls in the country in federal elections would close simultaneously at 11 p.m. Eastern Standard Time. *Id.* § 501.

[98] 119 Cong. Rec. 3211 (daily ed. March 8, 1974) (message from the President). The proposal has not been introduced in the form of a bill at this writing.

Other portions of this same presidential message deal with campaign practices, campaign duration, and encouragement of candidate participation. The President proposes that there be enacted federal criminal statutes regulating deceptive campaign practices, such as issuing fraudulent public opinion poll results, placing misleading advertisements in the media, or misrepresenting a Congressman's voting record. In addition, activities involving the use of organized demonstrators to impede entry at a political rally, and practices such as stuffing ballot boxes and rigging voting machines, would become federal offenses. Mr. Nixon recommends that presidential campaigns be shortened by having the primaries and state conventions held no earlier than May of the election year, and urging that the national nominating conventions be delayed until the month of September. The President also urged the Congress to consider possible action to limit the benefits of incumbency such as the 'frank" and large staffs which enhance re-election efforts, and the repeal of the "equal time" provision of the Communications Act of 1934, 47 U.S.C. § 315(a) (1970). Finally the President called for legislation making a libel remedy for public figures more readily available. *Id.* at 3213–14.

[99] *Id.* at 3212.

[100] *Id.* Every donation to the candidate's central committee would have to be tied directly to the original individual donor, except donations by a national political party organization. The exception, of course, is designed to allow individuals to make general donations to a political party without specifying a candidate. *Id.*

[101] Individual contributions to House or Senate campaigns in primary or general elections would be limited to $3,000, and contributions to pre-nomination or general election campaigns for the presidency would be limited to $15,000. Non-monetary campaign contributions, such as the use of a private airplane or paid campaign workers are prohibited when donated by any organization

other than a major political party. If these "in kind" contributions are given by an individual, they are to be covered by the same ceiling applicable to cash contributions. In addition, all loans to political committees are to be prohibited, as are contributions from foreign citizens. The program is to be supervised by a bipartisan Federal Elections Commission. *Id.* at 3212–13.

[102] *Id.* at 3212–13. Mr. Nixon feels as I do, *see* notes 195–98 and accompanying text *infra*, that low spending limitations may unduly hamper the efforts of candidates challenging incumbents.

The major reason for the President's opposition to campaign subsidies seems to be the idea that taxpayers should not be forced to support candidates they oppose. In addition, he makes the point that public financing will not increase but diminish the ability of prospective candidates to enter the political arena:

> [I]f we outlaw private contributions, we will close the only avenue to active participation in politics for many citizens who may be unable to participate in any other way. Such legislation would diminish, not increase, citizen participation and would sap the vitality of both national parties by placing them on the federal dole.

Id. at 3213. Many public financing proposals, however, including the one suggested by this article, *see* notes 191–94 and accompanying text *infra*, do not prohibit private contributions.

[103] S. 1103, 93d Cong., 1st Sess. (1973). The program is to be carried out by the Congressional Elections Finance Board. *Id.* §§ 5, 6.

[104] *Id.* § 2(1).

[105] A major party is defined as one whose candidate received at least twenty-five percent of the vote for that office in the preceding election. *Id.* § 3(9)(A). In addition, an independent candidate who received twenty-five percent of the vote in the previous election qualifies as a "major party." *Id.* § 3(9)(B).

[106] *Id.* § 7(a)(2).

[107] The contributions may not exceed $250. *Id.* § 12(a)(1).

[108] The percentage is ten percent. Otherwise, the security deposit is forfeited. *Id.* § 7(a)(1)(B).

[109] The percentage is five percent. *Id.* § 7(a)(1)(C).

[110] A candidate of a major party is eligible to receive the greater of ten cents for every voting age person in the state or $75,000 in Senate primary elections and fifteen cents or $150,000 for the general election. *Id.* § 10(a). Major party candidates for Representative may receive fourteen cents for each voting age resident of the district for a primary election and twenty cents for a general election. *Id.* § 10(b)(1). A candidate for Representative in a district representing an entire state, however, is eligible to receive the same amount as the candidate for Senator from that state. *Id.* § 10(b)(2). It should be noted that unless a candidate elects to receive public funding for a primary election (or unless he does not participate in a primary) he is ineligible to receive funding in a general election. *Id.* § 7(c). If a candidate runs unopposed in the primary, he receives one-third the full subsidy. *Id.* § 8(d).

[111] A minor party is defined as one whose candidate received between ten and twenty-five percent of the vote for the previous election. *Id.* § 3(10)(A). An independent candidate who received between five and twenty-five percent of the vote in the previous election also qualifies as a "minor party." *Id.* § 3(10)(B). A minor party candidate may, if he so elects, receive the greater of one-fifth the major party subsidy or the amount which bears the same ratio to the major party subsidy as his vote total in the previous election bears to the vote received by the major party candidate who received the fewest votes. *Id.* § 10(c)(1). A minor party candidate must, of course, post a security deposit of twenty percent of the subsidy. In no event, however, is the security deposit to be less than $3,000. *Id.* § 7(a)(2). Any other candidate may receive the greater of one-tenth the major party subsidy or an amount calculated by the same formula used to calculate the alternative subsidy for minor party candidates. *Id.* § 10(c)(2). Non-major party candidates can make up in private contributions the difference between their subsidies and the total spending allowance of major party candidates who elect to receive public financing. *Id.* § 11(d). If they receive twenty-five percent of the vote in the current election they are to have their expenses reimbursed to the limit of the major party subsidy. *Id.* § 10(d). In addition, a candidate who is neither from a major or a minor party who receives ten percent of the vote may have his expenses reimbursed to the limit of the minor party subsidy. *Id.* § 10(d).

[112] In senatorial primary campaigns, the limit for private funding is the greater of two cents per voting age resident or whatever sum is needed to reach $100,000 for total campaign funds; in general election campaigns, the limit is five cents or whatever is needed to reach $200,000. *Id.* § 11(b). In elections for the House of Representatives the limit is three cents per voting age person in the primary and five cents in the general election. *Id.* § 11(c). No private contribution may exceed $250. *Id.* § 12(a).

[113] *Id.*

[114] S. 2297, 93d Cong., 1st Sess. (1973).

[115] *See* 31 Cong. Wkly. Rep't. 3177 (Dec. 3, 1973).

[116] *See* notes 66–80 and accompanying text *supra*.

[117] S. 2297, 93d Cong., 1st Sess. § 2(a) (1973). The program is to be supervised by the Comptroller General.

[118] *Id.* (to amend Int. Rev. Code of 1954, § 9012(b)). In addition, individuals not authorized by a candidate may not spend more than $1,000 on behalf of a candidate eligible for public funds. *Id.* (to amend Int. Rev. Code of 1954, § 9012(f)).

[119] *Id.* (to amend Int. Rev. Code of 1954, § 9004(a)(1)). The bill follows the same basic formula as the Check-Off Act in allocating funds between major and minor parties. *See* text accompanying notes 67–76 *supra*. As is provided for in presidential campaigns, major party senatorial candidates are to receive fiften cents per voting age person, with a $175,000 minimum. *Id.* In elections for the House of Representatives, a major party candidate is to receive the greater of $90,000 or the average major party expenditure in that district for the past two elections. *Id.* Congress is to appropriate funds to make up any deficits after the operation of the check-off. *Id.* (to amend Int. Rev. Code of 1954, § 9006(a)).

[120] S. 1954, 93d Cong., 1st Sess. (1973).

[121] *Id.* § 1(c) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 303(a), present § 303 to be renumbered as § 311).

[122] *See* note 82 *supra*. For presidential candidates there is a limit of fifteen cents per each person of voting age within a state first for the primaries and if the candidate receives the nomination then for the general election. In no event, however, shall a candidate be required to spend less than $175,000 per state in presidential primaries. S. 1954, 93d Cong., 1st Sess. § (c) (1973) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 308(a), (b), present § 308 to be renumbered at § 316). For senatorial primaries and elections the limit is the greater of twenty cents per voting age person or $175,000 and for the House twenty-five cents or $90,000, except for House candidates running in states with one district where the limit is twenty-five cents of $175,000. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 308(d), (e) present § 308 to be renumbered as § 316).

[123] *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 309, present § 309 to be renumbered as § 317). *See* note 82 *supra*. Individual and committee contributions to a single candidate are limited to $3,000 per campaign in the aggregate for both the primary and general election. No limit is made on total donations to all candidates by a contributor. *Id.*

[124] Major party candidates would receive one-third the maximum spending allowance from the public treasury. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 304(a), present § 304 to be renumbered as § 312). The minor party subsidy is calculated by the same formula as in the Hart Bill, *see* note 111 *supra*, except that the *average* major party vote in the previous election is used in place of the *lowest* major party vote. In addition, if a non-major party candidate performs like a major party candidate in the election, he is to be reimbursed his expenses to the limit of the major party candidate's subsidy. A similar reimbursement is provided for in the case of a candidate who before the election qualifies as coming from neither a major nor minor party, but in the particular election performs well enough to meet the requirements of a minor party candidate. Otherwise, such a candidate receives no subsidy funds. S. 1954, 93d Cong., 1st Sess. § 1(c) (1973) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 304, present § 304 to be renumbered as § 312).

[125] The two methods of qualification are implicit in the definitions of major and minor parties. A major party is one whose candidate received twenty-five percent of the vote in the previous election for that office or, in the case of Senate and House candidates, if a party's candidate did not attain the requisite twenty-five percent figure, the party will still be considered a major one if it received twenty-five percent of the vote in that state's previous gubernatorial election. In addition, if a candidate presents to the supervisory commission petitions containing signatures of eight percent of the voting age population of the district, or, in the case of a presidential election, eight percent of the voting age population of half the states, such a candidate would be treated as a major party candidate. A minor party is one which received ten percent of the vote in the previous election or presents signatures of four percent of the voting age population. A presidential candidate would have to present signatures of five percent of the voting population from half the states, ten percent from one-third of the states, or fifteen percent from one-fourth of the states, to qualify as a minor-party candidate. *Id.* § 1(b)(6). In addition, to be eligible for funding a candidate must furnish a security deposit of one-fifth the amount which he is entitled to receive, but in no event less than $3,000. *Id.* § 1(c) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 305(a)(2), present § 305 to be renumbered as § 312). Each candidate must also designate one central campaign committee to make all required reports and receive all subsidies. *Id.* § 1(d).

[126] S. 2238, 93d Cong., 1st Sess. § 4 (1973).

[127] *See* notes 66–80 and accompanying text *supra*. S. 2238, 93d Cong., 1st Sess. § 4 (1973). The bill attempts to remedy the situation which occurred in 1973, when many people were unaware of the check-off provision, by directing the Secretary of the Treasury to publicize it through the use of poster, media publicity, and the like. *Id.*

[128] *Id.*

[129] *Id.* § 7 (to amend Int. Rev. Code of 1954, § 9012(b)).

[130] The first $100 of every private contribution is to be matched by the government, so long as total payments do not exceed five

cents for every voting age person in the United States. *Id.* § 8 (to create Int. Rev. Code of 1954, §§ 9034(a), 9035(a)(2)). To be eligible for payments a candidate must raise $100,000 in contributions of $100 or less during the fourteen months preceeding his party's convention. As soon as he does so, this money is matched. *Id.* (to create Int. Rev. Code of 1954, § 9035(b)).

[131] Candidates may not spend more than $30,000,000 in the general election campaign, *id.* § 6, nor more than $15,000,000 in the prenomination campaign. *Id.* § 8 (to create Int. Rev. Code of 1954, § 9037(a)). Contributions to presidential candidates are limited to $3,000 per candidate per year by an individual and $25,000 by a registered political committee. *Id.* § 10. The bill also limits cash transactions to $100, *id.* § 9 (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 310, present § 310 to be renumbered as § 313), and repeals the "equal time" requirement for presidential and vice-presidential candidates. *Id.* § 11.

[132] S. 2417, 93d Cong., 1st Sess. (1973). The program is to be supervised by a bipartisan commission. *Id.* § 2 (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 502).

[133] *See* notes 66–80 and accompanying text *supra*. Under this bill the amount of the check-off is to be increased from one dollar to two dollars and four dollars for a joint return. In addition, instead of indicating that he wishes to participate, as the program works now, the taxpayer is to "check-off" if he desires not to participate. S. 2417, 93d Cong., 1st Sess. § 4 (1973).

[134] No private contributions may exceed $250. *Id.* § 2 (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972) to create § 507(a)). No matching payment at all is awarded for any aggregate contribution of over $100 from one contributor. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 505(b)(2)). In primary elections, candidates may not receive from all sources total contributions which do not qualify for matching funds in excess of $100,000 for President, $10,000 for Senator and $5,000 for Representative. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 507(b)(2)). A candidate is also limited to $250 from personal funds. Family funds are not included in this limitation. *Id.* § 3.

[135] Primary candidates are limited to the following total expenditures: for Senator or President the greater of fifteen cents for every voting age person in the State or $250,000, for Representative, $150,000, or $200,000 if the candidate's state has only one congressional district. *Id.* § 2 (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 506(b)). The spending limits for general elections are, for Senator or President, the greater of $250,000 or twenty cents for each voting age person in the state, and, for Representative, $150,000. The limit for candidates for the House of Representatives in states with one Congressional district is, however, $200,000. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 506(a)).

[136] The trigger fund is $2,500 for candidates for the House of Representatives, $5,000 for the Senate and $50,000 for the Presidency. A candidate for the Presidency must raise $50,000 no matter how many primaries he enters. A candidate for the Senate from a state with only one congressional district need only raise $2,500. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 504(c)).

[137] *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 505(b)(1)).

[138] *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 505(a)(1)). The definitions of major, minor and new parties are the same as those in the Campaign Act of 1971. Int. Rev. Code of 1954, §§ 9002(6), (7), & (8).

[139] Minor and new party candidates are awarded twenty-five percent of the maximum expenditure, with provision for retroactive major party payments if they receive at least twenty-five percent of the vote. In the latter case, they must return all private contributions which exceed twenty percent of the maximum expenditure. *Id.* (to create § 505(a)(2) of the Campaign Act of 1971).

[140] S. 2943, 93d Cong., 2d Sess. (1974).

[141] *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 504(d)). A candidate for Representative must file petitions 210 days before the primary election with the supervisory commission containing signatures of more than two percent of the voting age population of the district. Candidates for President, Vice-President, Senator, or Representative in a state which is entitled to only one representative must file petitions containing signatures of more than one percent of the voting age population of the state in which the primary election is being conducted.

Primary candidates are to receive an amount equal to the entire spending limit. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 505(a)). The spending limit for candidates for representative is twenty-five cents for each voting age person. For President, Senator, or Representative in a state with only one congressional district the limit is fifteen cents for each voting age person of $175,000, whichever is greater. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 506(a)(1) and (b)(1)). Where a convention or caucus is held in place of a primary, candidates are limited to ten percent of the amount to which they would otherwise be entitled. *Id.* § 3(a) (to amend the Campaign Act of 1971, to create § 506(c)(3)). All expenditures incurred by any candidate or political party are to be paid by the supervisory commission directly to the person contracting with the candidate or party. *Id.* § 3(a) (to amend the Campaign Act of 1971, to create § 509(d)(1)).

[142] A candidate in the general election for Representative may receive thirty cents for every voting age person in the district. A candidate for Senator or Representative in a state with one congressional district is to be subsidized twenty cents for each voting age person in the United States or $250,000, which ever is greater. Presidential candidates are to be allotted twenty cents for each voting age person in the country. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 506(a)(2) and (b)(2)). Minor party and independent candidates are to be funded according to whichever of two formulae yields the greater amount. Under the first formula, such a candidate is to receive the amount which bears the same ratio to the major party amount as the vote received by the minor party candidate in the previous election bears to the average major party vote. Under the second formula the current election is used in place of the previous election. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 505(b)(1)(B) and (b)(2)(B)).

A major party is defined as one whose candidate in the previous election for that office received at least twenty-five percent of the vote or finished first or second. A minor party is any other party. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 501(7) and (8)). A minor party or independent candidate is treated as a major party candidate if he was the candidate of a major party in the previous election for that office, finished first or second in total votes in the previous selection, or received more than twenty-five percent of the vote in the previous election. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 505(c)).

Political parties are entitled to payment for expenditures incurred in voter registration efforts, get-out-the-vote drives and nominating conventions. These expenditures are limited during a presidential election year to twenty percent of the amount to which the party's presidential candidate is entitled and during any other year to fifteen percent of the presidential allotment. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 505(d)).

[143] *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 507(a)). Minor parties and minor party candidates may accept contributions of $100 or less until the major party entitlement is reached. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 507(b), (c), (d), and (e)). Candidates are allowed to use private contributions in connection with primary election petition drives. In such efforts, a candidate for Representative may spend two cents for each voting age person in the district. Candidates for President, Senator, or Representative in a one-district state may spend one cent for each voting age person or $7,500, whichever is greater. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 508(a)). Each contributor is limited to overall contributions of $1,000 a year, with contributions to be made directly to the commission. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 507 (g) and (h)). Candidates themselves are limited to $1,000 out of personal or family funds. *Id* § 5. The public subsidies are to be financed out the Dollar Check-Off Act, *see* notes 66–80 *supra*, with the amount paid to the campaign fund to be increased to two dollars or four dollars for a joint return. The taxpayer is to "check-off" if he wishes not to participate. *Id.* § 8(a) (to amend Int. Rev. Code of 1954, § 6096(a)).

[144] A major candidate must repay the subsidy if he fails to receive fifteen percent of the votes in the primary or of the delegate votes in the nominating convention or if he fails to receive twenty-five percent of the vote in the general election. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 510(a)(3)). In addition, a candidate who withdraws more than forty-five days before the primary or thirty days before the general election and before receiving twenty-five percent of the subsidy must repay half the amount received. *Id.* § 3(a) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 510(d)).

Other provisions of the Clark bill would repeal for federal elections the equal time requirement of the Communications Act of 1934, 47 U.S.C. § 315(a) (1970), *Id.* § 6(a), and would eliminate the franking privilege. The Frank would not be allowed within ninety days of a federal election. In its place, all federal candidates would be allowed to mail campaign material at a reduced rate. *Id.* § 4.

[145] H.R. 7612, 93d Cong., 1st Sess. (1973).

[146] *Id.* § 201 (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 402(a), present § 402(a) to be renumbered at § 502).

[147] *Id.* Party congressional campaign committees, as well as congressional nominees themselves are also eligible to receive funding.

[148] The fund must come from contributions of $50 or less. A candidate for the House of Representatives must raise $1,000 and a candidate for the Senate $5,000. Both national party committees and candidates for presidential or vice-presidential nominations must raise a fund of $15,000. *Id.* (to amend the Campaign Act of 1971, compiled at 86

Stat. 3 (1972), to create § 403, present § 403 to be renumbered as § 503).

[149] Individual contributions are limited to $2,500 for a presidential campaign and $1,000 for a congressional one. Contributions to or by political committees are limited to $2,500. *Id.* § 301 (to create 18 U.S.C. § 608 (c), (d), present subsection (c) to be redesignated as (f)).

[150] Total payments from the government fund are limited to ten cents per eligible voter for congressional candidates and candidates for presidential or vice-presidential nomination, and to $15,000,000 for a national party committee and its affiliated congressional campaign committees. *Id.* § 201 (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 403(a)(2), present § 403 to be renumbered as § 503).

[151] *Id.* § 501 (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 603 (c), (d)(1), and (f)(1)). Eligibility for "Voter's Time" depends on the status of a candidate's party. Any party whose candidate finished first or second in either of the last two elections for that office is a "major party." A "third party" is one whose candidate received fifteen percent of the vote in the previous election for that office. A "minor party" for the purposes of presidential elections is one whose candidate appears on the ballot in more than thirty states or, in the case of Senate but not House elections, received over five percent of the vote in the previous election for that office or presents petitions containing signatures of registered voters equal to five percent of the total vote for Senator in the previous election, including signatures from each congressional district in the state equal to at least two percent of the vote in that district. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 602). Under the proposal, presidential candidates of major parties would receive five half-hour blocks of air time with each block to be broadcast simultaneously over all stations and networks in the country. Each third party candidate for President would receive two such half-hour blocks, and each minor party candidate one such block. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 603(a)(1)).

In Senate elections, each candidate would receive three half-hour blocks of time, each block of time to be broadcast simultaneously by every station in the state and, where part of the state is served only by out-of-state stations, by those stations. Each third party Senate candidate is to receive one half-hour block, and each minor party candidate one fifteen-minute block. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 603(a)(2) and (d)(2)).

Major party candidates for the House of Representatives are to receive two half-hour blocks and minor party candidates one fifteen-minute block. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 603(a)(3)). These broadcasts are to be aired over one station, if that station is the only one which substantially serves the district. If more than one station substantially serves the district they are to broadcast the "Voter's Time" simultaneously unless any of them substantially serves a part or whole of an adjoining district not substantially served by another station. In districts where no station is located, the broadcasts are to be carried on a nearby station. In large metropolitan areas where two or more stations serve a number of districts, the Federal Communications System is to allocate broadcasts over the stations, with all broadcasts to be aired simultaneously, provided no broadcasts of competing candidates are aired at the same time. *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 603(f)).

[152] *Id.* (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 603 (h)).

[153] S. 1103, 93d Cong., 1st Sess. (1973). *See* notes 103–13 and accompanying text *supra.*

[154] S. 2238, 93d Cong., 1st Sess. (1973). *See* notes 126–31 and accompanying text *supra.*

[155] *Hearings on S. 1103, supra* note 3, at 39 (remarks of Sen. Hugh Scott).

[156] In order to see how effective large private primary contributions could be, you need only ask any successful politician what particular financial help he valued above any he has received in his career. Almost always the answer will come back that the money that helped him most was the early primary contribution in his very first race. The refrain is certainly familiar to all of us here. "So and so has become one of my closest friends. He helped me back when I really needed it. In those days nobody had ever heard of me and I couldn't raise a dime," is the way most candidates would put it.

Id. at 71 (remarks of Sen. James Abourezk).

[157] 86 Stat. 3 (1972).

[158] *See Hearings on S. 372, supra* note 15, at 81, 93–94 (remarks of Sen. Claiborne Pell).

[159] *Hearings on S. 1103, supra* note 3, at 142–45 (remarks of Rep. Bill Frenzel).

[160] *See* note 65 and accompanying text *supra.*

[161] *See* note 24 *supra.*

[162] *See* notes 240–43 and accompanying text *infra.*

[163] H.R. 7612, 93d Cong., 1st Sess. § 201 (1973) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 402 (a), present § 402 to be renumbered as § 502). *See* notes 145–52 and accompanying text *supra.*

[164] S. 2417, 93d Cong., 1st Sess. § 2(a) (1973) (to amend the Campaign Act of 1971, compiled at 86 Stat. 3 (1972), to create § 505 (b)). *See* notes 132–39 and accompanying text *supra.*

[165] One contributor reportedly donated approximately $2,000,000 in the presidential campaign alone. Reichley, *supra* note 15, at 96.

[166] *Cf.* Comment of Sen. Adlai E. Stevenson III that a matching grant system "runs counter to the purpose of reducing or eliminating private moneys in politics." *Hearings on S. 1103, supra* note 3, at 64.

[167] *Id.* at 259 (remarks of Sen. Philip A. Hart).

[168] One writer in a business magazine favored a matching grant system because "businessmen as a group [would] still be able to gain some extra leverage within the political system." Reichley, *supra* note 15, at 162. It is for precisely this reason that a matching grant system should not be adopted. Neither businessmen nor anybody else should be able to buy any more political leverage than they already possess as interested and concerned citizens.

[169] *See* S. Rep. No. 93–170, 93d Cong., 1st Sess. 40 (1973).

[170] *Id.*

[171] *Id.*

[172] S. 1103, 93d Cong., 1st Sess. § 7(a)(2) (1973). *See* notes 105–09 and accompanying text *supra.*

[173] Individuals could actually contribute up to $500 to a candidate under my proposal but only the first $250 could be used for the security deposit. *See* notes 191–94 and accompanying text *infra.*

[174] The signatures would be submitted to the supervisory commission which would have the task of verifying them. *See* notes 199–209 and accompanying text *infra.* This process would be potentially difficult and contain the risk of fraud. One method of preventing this possibility which has been suggested is that each registered voter receive a computer card, one each for the offices of President, Senator, and Representative, which he would give to the candidate instead of signing his name on a petition.

[175] Int. Rev. Code of 1954, § 9002(6).

[176] *E.g.*, S. 1103 § 10(c)(1)(B).

[177] *Hearings on S. 1103, supra* note 3, at 144 (remarks of Rep. Bill Frenzel).

[178] Members of the House might have to neglect their duties as congressmen, at least during the second year of their terms, to run for re-election. During this time Congress might come to a standstill. For this reason, the proposal made by, among others, President Richard M. Nixon to amend the Constitution to provide for a four year term of office for representatives should receive careful consideration. 119 Cong. Rec. 3698 (daily ed. May 16, 1973).

[179] *Hearings on S. 1103, supra* note 3, at 188 (remarks of David Admany, Professor of Political Science, University of Wisconsin).

[180] This idea has been endorsed by the National Committee for an Effective Congress, *Hearings on S. 1103, supra* note 3, at 202; the AFL–CIO, *id.* at 347; the Communications Workers of America, *id.* at 359; and Common Cause, *id.* at 140. In addition, a Twentieth Century Fund study recommended providing candidates with air time at reduced rates. Electing Congress, *supra* note 35, at 21.

[181] *See generally* The Twentieth Century Fund, Voter's Time (1969).

[182] H.R. 7612, 93d Cong., 1st Sess. § 501 (1973). *See* notes 151–52 and accompanying text *supra.*

[183] The Anderson-Udall Bill provides for payment by the government to the television station for "Voter's Time."

[184] *See* Dunn, *supra* note 18, at 38–39.

[185] S. 372, 93d Cong., 1st Sess. § 11 (1973). *See* note 82 *supra.*

[186] *See* Electing Congress, *Supra* note 35, at 26; *Hearings on S. 1103, supra* note 3, at 202–03 (remarks of Russell Hemenway, National Director, National Committee for an Effective Congress); *Id.* at 347 (remarks of Andrew J. Biemiller, Director, Department of Legislation, AFL–CIO).

[187] Wash. Rev. Code Ann. § 29.81 (West Supp. 1972).

[188] Ore Rev. Stat. § 255 (1971).

[189] 119 Cong. Rec. 14859–60 (daily ed. July 27, 1973).

[190] This proposal was also recommended in Electing Congress, *supra* note 35, at 23.

[191] *See* notes 240–43 and accompanying text *infra.*

[192] S. 3044, 93d Cong., 2d Sess. § 304(a) (to create 18 U.S.C. § 615(a)(1) (1974)).

[193] *See* note 24 *supra.*

[194] *See* notes 240–43 and accompanying text *infra.*

[195] *See* Electing Congress, *supra* note 35, at 18.

[196] During debate over a similar limitation in the Campaign Amendments Bill of 1973 the following colloquy took place on the Senate floor between Senator John Pastore and Senator Marlowe Cook:

> Mr. Pastore. Is it not a fact that the lower you make the amount [for overall spending] the more you make it an incumbent's bill?
>
> Mr. Cook. That is what bothers me.
>
> Mr. Pastore. That is just the point.

119 Cong. Rec. 14985 (daily ed. July 28, 1973).

[197] S. 3044, 93d Cong., 2d Sess. § 101 (to create § 504(b) of the Campaign Act of 1971, compiled at 86 Stat. 3 (1972)). The $900,000 limitation applies if it is greater than an amount equal to twelve cents times the number of voting age persons. In most cases it will be greater.

[198] *See* text accompanying note 13 *supra.*

[199] Campaign Act of 1971 §§ 301, 304, 2 U.S.C. §§ 431(g), 434 (Supp. II, 1972), *formerly*, ch. 368, title III, 43 Stat. 1070 (1925).

[200] *Id.* § 309.

[201] *See generally Hearings on S. 372, supra* note 15, at 33–65 (remarks of Francis R. Valeo, Secretary of the Senate); *Id.* 66–73 (remarks of Phillip S. Hughes, Director, Office of Federal Elections, General Accounting Office).

[202] *See* ELECTING CONGRESS, *supra* note 35, at 19, 48–49.

[203] S. 3044, '93d Cong., 2d Sess. § 207(a) (1974). *See* note 93 and accompanying text *supra.*

[204] *Hearings on S. 1103, supra* note 3, at 228–29 (remarks of Joel L. Fleishman, Director, Institute of Policy Sciences & Public Affairs, and Associate Professor of Law, Duke University).

[205] *Id.* at 283 (remarks of Phillip S. Hughes).

[206] We believe men and women who have demonstrated their ability and integrity would be more easily persuaded to serve part-time, rather than full-time, especially given the intermittent nature of elections.

Id.

[207] *See Hearings on S. 372, supra* note 15, at 91 (remarks of Fred Wertheimer, Director of Legislative Activities for Common Cause).

[208] *Id.* at 190 (remarks of Chairman Pell).

[209] 112 Cong. Rec. 11951 (1966) (message of Pres. Lyndon B. Johnson).

[210] For a discussion of the constitutional questions raised by regulation of election campaign practices see *Hearings on S. 372, supra* note 15, at 356; Court & Harris, *Free Speech Implications of Campaign Expenditure Ceilings,* 7 Harv. Civ. Rights-Civ. Lib. L. Rev. 214 (1972); Ferman, *Congressional Controls on Campaign Financing: An Expansion or Contraction of the First Amendment?,* 22 Am. U.L. Rev. 1 (1972); Fleishman, *Public Financing of Election Campaigns: Constitutional Constraints on Steps Toward Equality of Political Influence of Citizens,* 52 N.C.L. Rev. 349 (1973); Fleishman, *Freedom of Speech and Equality of Political Opportunity: The Constitutionality of the Federal Election Camapign Act of 1971,* 51 N.C.L. Rev. 389 (1973); Redish, *Campaign Spending Laws and the First Amendment,* 46 N.Y.U.L. Rev. 900 (1971); Rosenthal, *Campaign Financing and the Constitution,* 9 Harv. J. Legis. 359 (1972).

[211] U.S. Const. art. I, § 4.

[212] 285 U.S. 355 (1932).

[213] *Id.* at 366.

[214] *Id.* at 367.

[215] The expansive definition of "manner" was first employed by the Court in *Ex parte Siebold,* 100 U.S. 371 (1879) ("manner" held to include authority to provide for election marshalls to supervise congressional elections) and *Ex parte Yarbrough,* 110 U.S. 651 (1884) (sustaining a congressional act which protected voters from intimidation, threat, force or hindrance with respect to exercise of right to vote).

For a discussion of alternative theories concerning the authority of Congress to regulate congressional elections, see Rosenthal, *supra* note 210, at 364–65.

[216] U.S. Const., art. II, § 1, cl. 4.

[217] U.S. Const., art II, § 1, cl 2.

[218] 290 U.S. 534 (1934).

[219] 2 U.S.C. §§ 241 *et. seq.* (1970).

[220] 290 U.S. at 544.

[221] *Id.* at 545.

[222] *Id.*

[223] The view that Congress has broad authority to regulate presidential elections is supported by Mr. Justice Black in Oregon v. Mitchell, 400 U.S. 112 (1970). In an opinion announcing the judgment of the Court and expressing his own view of the cases, Justice Black stated:

> I would hold, as have a long line of decisions in this Court, that Congress has ultimate supervisory power over congressional elections. Similarly, it is the prerogative of Congress to oversee the conduct of presidential and vice-presidential elections and to set the qualifications for voters for electors for those offices. It cannot be seriously contended that Congress has less power over the conduct of presidential elections than it has over congressional elections.

Id. at 124 [footnotes omitted].

[224] In Newberry v. United States, 256 U.S. 232 (1921), the Court split four to four on the issue of whether Congress had the constitutional power to regulate primaries, with the ninth Justice reserving the question and holding that, since the statute involved was enacted prior to the adoption of the seventeenth amendment, it did not cover senatorial primaries. His reasoning was apparently that before the passage of the seventeenth amendment senatorial primaries were merely advisory and not binding on the state legislatures, and thus they were not elections within the meaning of article I, § 4. *See* United States v. Classic, 313 U.S. 299, 317 (1941). In addition, United States v. Gradwell, 243 U.S. 476, 489 (1917), discussed but reserved the question of Congress' constitutional power to regulate primaries.

[225] U.S. Const. art. 1, § 4.

[226] 313 U.S. 299 (1941).

[227] *Id.* at 317.

[228] Terry v. Adams, 345 U.S. 461 (1935); Smith v. Allwright, 321 U.S. 649 (1944); Rice v. Elmore, 165 F.2d 387 (4th Cir. 1947), *cert. denied,* 333 U.S .875 (1948).

[229] Ferman, *supra* note 210, at 9–12; Lobel, *Federal Control of Campaign Contributions,* 51 MINN. L. REV. 1, 24 (1966); Rosenthal, *supra* note 210, at 372.

[230] De Jonge v. Oregon, 299 U.S. 353 (1937).

[231] *See, e.g.,* West Virginia Bd. of Educ. v. Barnette, 319 U.S. (1943); Stromberg v. California, 283 U.S. 359 (1931).

[232] Cox v. Louisiana, 379 U.S. 536 (1965); *cf.* California v. La Rue, 409 U.S. 109, 117 (1973).

[233] United States v. O'Brien, 391 U.S. 367, 375 (1968).

[234] An argument advanced by Common Cause on behalf of limitations on contributions has been that they effectuate the constitutional policy of "one person, one vote." Gray v. Sanders, 372 U.S. 368, 381 (1963). *See Hearings on S. 372, supra* note 15, at 364 (Memorandum from Common Cause on the Constitutionality of Contribution and Expenditure Limitations). This argument is not that limitations on contributions are constitutionally mandated, for presumably the element of state action is absent; rather, the argument seems to be that the limitations help assure equality of voting power and that this policy goal outweighs the incidental infringement on first amendment rights. The policy basis of the argument seems to be supported to some extent by language in Columbia Broadcasting Sys. v. Democratic Nat'l Comm., 412 U.S. 94 (1973), a case holding that broadcasting stations were not required by the first amendment—assuming governmental action—to accept editorial advertisements. The Court stated:

> [T]he public interest in providing access to the marketplace of "ideas and experiences" would scarcely be served by a system so heavily weighted in favor of the financially affluent, or those with access to wealth. . . . Even under a first-come-first-served system . . . the views of the affluent could well prevail over those of others, since they would have it within their power to purchase time more frequently. Moreover, there is the substantial danger . . . that the time allotted for editorial advertising could be monopolized by those of one political persuasion.

Id. at 123. Nevertheless, as a policy justification for incidental infringement of first amendment rights, effectuation of the principle of one person, one vote seems questionable. No matter how much money is spent in a political campaign, each voter retains his equal voice at the ballot box. Thus, the case involving limitations on contributions is not similar in all respects to cases involving malapportioned legislative districts, Reynolds v. Sims, 377 U.S. 533 (1964), or unit voting districts, Gray v. Sanders, 372 U.S. 368 (1963), nor is it like the imposition of financial burdens on the right to vote. Harper v. Virginia Bd. of Elections, 383 U.S. 663 (1966). In fact, this policy basis seems valid only if it is assumed that the principle of one person, one vote is a reflection of a larger constitutional policy of equal political input or "one person, one unit of political power"—an assumption that is dubious at best. For example, aside from financial considerations, some individuals have greater influence over the outcome of elections than others by virtue of their positions as publishers of newspapers, or as leaders of organizations, or even by virtue of their ability as speechwriters or orators. Still, the power of certain people to influence the votes of others most certainly does not violate the policy of one person, one vote.

Fleishman, in his article *Public Financing of Election Campaigns: Constitutional Constraints on Steps Toward Equality of Political Influence of Citizens, supra* note 210, makes the further argument that the current system of private financing of elections is a violation of the federal equal protection requirement incorporated into the due process clause of the fifth amendment, and thus that the courts have an affirmative obligation to require public financing of elections. *Id.* at 352–68. Mr. Fleishman appears to reason that private financing discriminates against the non-wealthy in three ways: first, as Common Cause also argues, it violates the principles of one person, one vote; second, it deprives potential candidates of the right to compete equally for elective office; and third, it denies citizens of the opportunity to vote for non-wealthy candidates. Fleishman translates this discrimination into a denial of equal protection of the laws by asserting, without support of case citation, that there is no "state action" requirement contained in the equal protection guaranty. He adds that, even if the fifth amendment is deemed to require some sort of governmental participation before a finding of unconstitutionality may be made, the requirement is met for two reasons: first, state action is present because of government regulation of campaign financing; and second, Congress by permitting private contributions participates in the present discriminatory system of financing.

There are several problems with Fleishman's analysis. It is highly doubtful that the court would either make the novel ruling that state action is not required for purposes of equal protection or find that it is present in private financing of elections. Although government compulsion of private discrimination constitutes a violation of equal protection, Adickes v. S. H. Kress and Co., 398 U.S. 144, 170 (1970), the element of state action is absent when the government, as it does in campaign financing, merely regulates private conduct. Moose Lodge No. 107 v. Irvis, 407 U.S. 163 (1972). In that case, for example, the granting by the state of a liquor license to a private club even when combined with a number of regulations such as the keeping of financial records did not constitute state action. Fleishman's argument that discriminatory campaign financing is an act of the state because of state permission to finance campaigns would seem to mandate a finding of state action in any case where the government is able to but does not prohibit private action; this argument is dubious at best. *See* Lucas v. Wisconsin Elec. Power Co., 466 F.2d 638 (7th Cir. 1972), *cert. denied,* 409 U.S. 1114 (1973). Moreover, it is questionable whether private financing, even were state action present, would constitute an unconstitutionally discriminatory practice. Of Fleishman's three reasons supporting such a finding of unconstitutionality, the one based on the principle of one man, one vote has been discussed *supra*. The argument that private financing prevents citizens from voting for non-wealthy candidates is founded on the assumption that non-wealthy individuals are prevented from running for office because of private financing. In truth, they are merely prevented from waging effective campaigns. Private financing does not prevent individuals from voting for non-wealthy candidates, but merely from voting for viable non-wealthy candidates, and it is highly questionable whether there is a constitutionally protected right to vote for a *winning* candidate. On the other hand the argument that private financing discriminates between candidates on the basis of wealth may have some validity, but only if it be assumed that the right to run a viable campaign is a constitutionally protected right. Thus far the Court has not held that the right to wage a serious campaign—as opposed to the right to a place on the ballot—is a fundamental interest. *See* Bullock v. Carter 405 U.S. 134, 142–44 (1972). Finally, there is the problem of what kind of relief the Court could fashion to remedy the discriminatory system of private financing—a problem which Fleishman, to be sure, acknowledges.

[235] 352 U.S. 567 (1957).

[236] 18 U.S.C. § 10 (1970).

[237] 352 U.S. at 598.

[238] *Id.* at 598 n. 2 (emphasis added).

[239] Rosenthal, *supra* note 210, at 373.

[240] 336 U.S. 77 (1949).

[241] Although there was no majority rationale in *Kovacs*, its holding and reasoning were approved by the Court in Red Lion Broadcasting Co. v. FCC, 395 U.S. 367, 386–87 (1969).

[242] 336 U.S. at 81–82.

[243] Commentary of Professor Freund, of the Harvard Law School, in Rosenthal, Federal Regulation of Campaign Finance: Some Constitutional Questions (1971) included in *Hearings on S. 372, supra* note 15, at 357.

[244] United States v. O'Brien, 391 U.S. 367, 376 (1968). *See* Sherbert v. Verner, 374 U.S. 398, 406 (1963); NAACP v. Button, 371 U.S. 415, 438 (1963); Bates v. Little Rock, 361 U.S. 516, 524 (1960).

[245] 391 U.S. 367, 377 (1968).

[246] *See* text accompanying notes 211–28 *supra*.

[247] 110 U.S. 651 (1884).

[248] *Id.* at 657–58 (emphasis added).

[249] Burroughs & Cannon v. United States, 290 U.S. 534, 545 (1934).

[250] 391 U.S. at 377.

[251] 283 U.S. 359 (1931).

[252] Burroughs & Cannon v. United States, 290 U.S. 534, 547–48 (1934).

[253] 5 U.S.C. §§ 1303, 1502, 3333, 7311, 7324, 7325, 7327; and 18 U.S.C. §§ 594, 595, 598, 600, 601, 604, 605, 1918 (1970).

[254] 330 U.S. 75 (1947).

[255] *Codified at* 5 U.S.C. § 7324(a)(2) (1970).

[256] 330 U.S. at 99.

[257] 330 U.S. 127 (1947).

[258] Two previous Supreme Court cases dealt with similar issues. In *Ex parte* Curtis, 106 U.S. 371 (1882), the defendant was convicted of violating the predecessor of the Hatch Act which prevented subordinate government employees from receiving money from other government employees. The Court upheld this statute on the ground that the need to "promote efficiency and integrity in the discharge of official duties," justified the prohibition on political contributions. *Id.* at 373. The Court held that the statute was within the legislative power of Congress and that it did not restrict any political privileges of government employees. It "simply for[bade] their receiving [money] from or giving [money] to each other." *Id.* at 372. It should be noted that even Justice Bradley, who dissented on the grounds that the statute was an infringement of government employees' freedom of speech and assembly, observed, "The legislature may make laws ever so stringent to prevent the corrupt use of money in an election, or in political matters generally . . . ." ***Id.* at 378. In United States** v. Wurzbach, 280 U.S. 396 (1930), the respondent was indicted on charges of having violated an act under which members of Congress were prohibited from receiving contributions for "any political purpose whatever" from any federal employee. The respondent, a member of the House of Representatives, was alleged to have received contributions from United States employees to promote his nomination in a party primary. The Court, per Justice Holmes, dismissed in one sentence the respondent's argument that the act was unconstitutional because of its interference with the rights of a citizen to make a political contribution. *Id.* at 399.

[259] 413 U.S. 548 (1973). A few courts had taken exception to the validity of *Mitchell*. *See* Hobbs v. Thompson, 448 F.2d 456, 472 (5th Cir. 1971); Mancuso v. Taft, 341 F. Supp. 574, 581 (D.R.I. 1972).

[260] 413 U.S. at 564–65.

[261] The employee in *Mitchell* was a roller in the government mint, with no contact with the public.

[262] It should be noted here that the Supreme Court on three occasions has dealt with the absolute prohibition on labor union contributions to federal political campaigns under 18 U.S.C. § 610 (1970). Pipefitter's Local 562 v. United States, 407 U.S. 385 (1972); United States v. UAW, 352 U.S. 567 (1957); *cf.* United States v. CIO, 335 U.S. 106 (1948). Each time, however, the Court failed to address itself specifically to the issue of whether such a prohibition was constitutionally valid.

There is also a ban on corporate contributions which is contained in the same section of the United States Code, 18 U.S.C. § 610 (1970), as the restriction on labor union contributions, but it has never been construed in a Supreme Court case. As a result of the Campaign Act of 1971, the Court may never reach this issue because the Act makes legal accumulation of "voluntary" labor union and corporate funds for the purpose of political contributions. 18 U.S.C. § 610 (Supp. II, 1972).

[263] Some would say that politics has already become a plaything of the wealthy. *See* F. Lundberg, The Rich and the Super-Rich 584–678 (Bantam ed. 1968).

[264] For a discussion of similar issues see Ferman, *supra* note 210, at 24.

[265] Since the existing campaign spending limits have been largely unenforced, there is very little case law dealing with the constitutionality of such regulations. Indeed, State v. Kohler, 200 Wis. 518, 288 N.W. 895 (1930) is the only case reported which addresses itself to this question. The Wisconsin Supreme Court upheld the validity of such ceilings in that case. The court declared:

"It is a matter of common knowledge that men of limited financial resources aspire to public office. It is equally well known that successful candidacy often requires them to put themselves under obligation to those who contribute financial support. If such a candidate is successful, these obligations may be carried over so that they color and sometimes control official action. The evident purpose of the act is to free the candidates from the temptation to accept support on such terms and to place candidates during this period upon a basis of equality so far as their personal ambitions are concerned, permitting them, however, to make an appeal on behalf of the principles for which they stand, so that such support as may voluntarily be tendered to the candidacy of a person will be a support of principles rather than a personal claim upon the candidate's consideration should he be elected. . . . It may be replied that the act seeks to throw democracy back upon itself, and so induce spontaneous political action in place of that which is produced by powerful political and group organizations."

Id. at 565–66, 228 N.W. at 912.

[266] Court & Harris, *supra* note 210, at 220; Ferman, *supra* note 210, at 13.

[267] *See* text accompanying notes 229–62 *supra*.

[268] 334 U.S. 558 (1948).

[269] *Id.* at 561.

[270] Kovacs v. Cooper, 336 U.S. 77 (1949). *See* text accompanying notes 240–42 *supra*.

[271] *See* notes 244–52 and accompanying text *supra*.

[272] *See* notes 244–45 and accompanying text *supra*.

[273] 395 U.S. 621 (1969).

[274] *Id.* at 626.

[275] Harper v. Virginia Bd. of Elections, 383 U.S. 663, 668 (1966).

[276] United States v. O'Brien, 391 U.S. 367, 377 (1968).

[277] Stanley v. Georgia, 394 U.S. 557, 564 (1969).

[278] *See* Redish, *supra* note 210, at 908.

[279] 395 U.S. 367 (1969).

[280] The "fairness doctrine" is the term used to describe the requirement imposed by the Federal Communications Commission on radio and television broadcasters that discussion of public issues be broadcast and that each side of those issue be given fair coverage. The "fairness doctrine" is separate from the statutory provision § 315(a) of the Communications Act of 1934, *as amended*, 47 U.S.C. § 315(a) (1970), which requires that equal time be allotted all qualified candidates for public office.

[281] 395 U.S. at 390.

[282] 384 U.S. 214 (1966).

[283] *See* Redish, *supra* note 210, at 910–11.

[284] At first glance, limitations on spending may seem to be no different for purposes of the right to receive information from the law struck down in *Mills*. Even assuming that the Court in *Mills* was concerned with the right to receive information, see text accompanying note 282 *supra*, there are several distinguishing factors. In *Mills* the prohibition was absolute; in order to protect the public from some potentially false and unrebuttable charges, all election day editorials were banned. Limitations on spending, on the other hand, prohibit individuals from spending money on a campaign only after a certain point—indeed, under the system recommended by this article, after a point which is more than adequate to run an effective campaign. *See* text accompanying notes 195–98 *supra*. The limitations are designed not to protect the public from the evils of potentially false, unrebuttable speech, but from the corruptive influence which it is felt is present in all excessively financed campaigns. Furthermore, the limitations are designed not to stifle speech, but rather to perfect the right to receive campaign information from all sides—to assure that the few hours a member of the public has to devote to politics are not dominated by the din emanating from one or two campaigns. This idea of perfecting competition in the "marketplace of 'ideas and experiences'" received the approval of the Supreme Court in a somewhat different context in *Columbia Broadcasting Sys. v. Democratic Nat'l Comm.*, 412 U.S. 94, 123 (1973), a case holding that the first amendment did not require broadcasters to sell air time for editorial advertisements in part because of the public interest in receiving a balanced viewpoint on public issues. *See* note 234 *supra; cf.* Justice Stewart's concurring opinion, 412 U.S. at 133.

[285] Abrams v. United States, 250 U.S. 616, 630 (1919) (Holmes, J., dissenting).

[286] Ferman, *supra* note 210, at 24.

[287] It is interesting to note here that the governmental interest in limiting expenditures (i.e., to open the channels of political process and expression to the weaker minor-

ity viewpoints is derived from the same constitutional source as the first amendment rights which have been viewed as the countervailing interest in this balancing test. In the more typical case the constitutional interest is balanced against an interest which derives from the police or health and safety powers of the state, examples being the interest in keeping sidewalks open for pedestrians or in maintaining the efficiency of the Selective Service System. When both interests are constitutionally derived the balancing test will merely weigh the extent to which the regulation serves each first amendment interest. *See* Ferman, *supra* note 210, at 25; Redish, *supra* note 210, at 907.

[288] Rosenthal, *supra* note 210, at 389.

[289] *See* notes 195–98 and accompanying text *supra*.

[290] *See* text accompanying note 252 *supra*.

[291] *See* Fleischman, *Freedom of Speech and Equality of Political Opportunity: The Constitutionality of the Federal Election Campaign Act of 1971, supra* note 210, at 468; Redish, *supra* note 210, at 917–20.

[292] 393 U.S. 23 (1968).

[293] For additional burdens Ohio law places on those seeking to establish a new party *see id.* at 25 n. 1.

[294] *Id.* at 33.

[295] *Id.* at 25.

[296] *Id.* at 30, 34.

[297] *See* Fleishman, *Freedom of Speech and Equality of Political Opportunity: The Constitutionality of the Federal Election Campaign Act of 1971, supra* note 210, at 468; Redish, *supra* note 210, at 919.

[298] *Id.*

[299] *See* text accompanying note 282 *supra*.

[300] 403 U.S. 431 (1971).

[301] *Id.* at 438.

[302] In order to enforce these spending limitations the proposals generally provide that a candidate must certify that a given expenditure will not violate the applicable limitation on spending. Before accepting any campaign expenditure, therefore, a newspaper or radio station must obtain such certification from the candidate's central campaign finance committee. In this manner, however, the candidate is given the veto power over campaign expenditures an independent party might want to make in his behalf. Recently, a federal district court held this type of requirement to be an unconstitutional prior restraint of free speech. ACLU v. Jennings, 366 F. Supp. 1041 (D.D.C. 1973). If this holding is ultimately sustained, it will require implementing an alternative method for enforcement of spending limitations. In that case one possible solution would be to require affidavits of all those making expenditures on behalf of a candidate stating that they are making such expenditures independently of the candidate and not through his central finance committee. In this manner the level of expenditures attributable to the candidate himself could be monitored without the prior restraint of free speech.

[303] For a discussion of the constitutionality of campaign disclosure laws, see Note, *The Constitutionality of Financial Disclosure Laws*, 59 Cornell L. Rev. 345 (1974).

[304] 2 U.S.C. §§ 431 *et seq.* (Supp. II, 1972). *See* notes 59–65 and accompanying text *supra*.

[305] This is the term used by Redish, *supra* note 210, at 925.

[306] Louisiana *ex rel.* Gremillion v. NAACP, 366 U.S. 293 (1961); Shelton v. Tucker, 364 U.S. 479 (1960); Bates v. City of Little Rock, 361 U.S. 516 (1960); NAACP v. Alabama *ex rel.* Patterson, 357 U.S. 449 (1958).

[307] 362 U.S. 60 (1960).

[308] *See, e.g.,* Rabinowitz v. Kennedy, 376 U.S. 605 (1964) (registration of foreign agents); Communist Party of the United States v. Subversive Activities Control Bd., 367 U.S. 1 (1961) (registration of Communist Party members and officials). *See also* Pilcher v. Jennings, 347 F. Supp. 1061 (S.D.N.Y. 1972) where the court dismissed a constitutional challenge to the financial disclosure provisions of the Campaign Act of 1971. 2 U.S.C. §§ 431–41 (Supp. II, 1972). *See* notes 59–65 and accompanying text *supra*. The complaint was dismissed for failure to allege any specific deprivations of first amendment rights.

[309] 290 U.S. 534 (1934).

[310] *Id.* at 548.

[311] The narrow constitutional holding of *Burroughs* was that Congress had authority under the Constitution to regulate presidential and vice-presidential elections. The regulation which was the subject of the constitutional challenge to the power of Congress to regulate presidential elections was a disclosure requirement.

[312] 347 U.S. 612 (1954).

[313] *Id.* at 625 (citations omitted).

[314] *Id.* at 625–26.

[315] The Supreme Court has stated that:

> By its very nature, the privilege [against compulsory self-incrimination] is an intimate and personal one. . . . The Constitution explicitly prohibits compelling an accused to bear witness "against himself": it necessarily does not proscribe incriminating statements elicited from another.

Couch v. United States, 409 U.S. 322, 327, 328 (1973).

Since enforcement authorities would acquire knowledge of an illegally large contribution only though the candidate's campaign finance reports, there may well be no self-incrimination questions here because of the personal nature of the privilege. The following textual discussion, however, takes the position that there is a self-incrimination question and demonstrates that even if there is, the disclosure requirements here do not violate the privilege.

[316] 390 U.S. 39 (1968).

[317] 390 U.S. 62 (1968).

[318] 274 U.S. 259 (1927).

[319] 390 U.S. at 49.

[320] Albertson v. Subversive Activity Control Bd., 382 U.S. 70, 79 (1965).

[321] *Id.*

[322] Hearings on S. 1103, *supra* note 3, at 141–58.

INFLATION: ANALYSIS AND CURE

Mr. TALMADGE. Mr. President, I and other Members of the Senate concerned about the economy have been denouncing the irresponsibility of Federal spending policies that have allowed virtually limitless spending regardless of the limits of revenue.

The idea that government could, or even should, be all things to all people is at last being exploded into the fragments of fiscal insanity that it is. The people of the country are, I believe, ready to sacrifice in the short run in order to maintain the economy and our form of government in the long run.

There may well be the need for individual Americans, as well as their Federal bureaucracy, to do some belt tightening. Faced with the example set in Washington, too many families have adopted the practice of living on credit. This private financial folly, like excessive government spending, has got to be halted.

I was given an analysis of inflation cures by Mr. William A. Trotter, Jr., a businessman from Augusta, Ga. It is a very concise view of what I believe to be the mandatory economic course for us to follow immediately. I ask unanimous consent that it be printed in the Record, as follows:

There being no objection, the analysis was ordered to be printed in the Record, as follows:

The Problem—Inflation Analysis and Cure

(By William A. Trotter, Jr.)

The commonly accepted definition of inflation is "too much money chasing too few goods". If this is true, there are only two ways of attacking this problem. The first is reducing the amount of money and the second is increasing the production of goods. Both of these corrections have to be applied at the consumer level. Applying the first correction (reducing the supply of money) at the banking level does not solve the problem but actually increases it. To see that this is true, let's look at what this policy has done for us in recent years.

In 1969 when inflation seemed to be getting out of hand, the Federal Reserve Board and the U.S. Treasury instituted a program of tight and expensive money. This had the adverse effect and the rate of inflation actually increased. It was discontinued and the rate of inflation dropped back to a normal 4 to 5 percent per year. In 1973 the inflation rate of 5% per year was deemed intolerable and so again a tight and expensive money policy was instituted. Again it had the adverse effect and the rate of inflation rapidly increased. As it increased, the money managers decided that more drastic action was needed and so they made money scarcer and more expensive. The rate of inflation is now at an annual rate of over 12%. The administration is now trying to get it back to 9% by year end. This policy didn't work in 1969 and it did not work in 1973 or 1974 for the following reasons.

Tight and expensive money which costs the banks from 7½ to 10% and even 12%, has to be loaned at rates which will pay them a profit in addition to their cost of operation. This greatly discourages businesses and factories from expanding since the resultant high cost of amortizing the plant would increase the cost of their products beyond a price at which they can sell them. Two other things happen. When the plants do not expand, new jobs are not created and the unemployment rate goes up. Also, less goods are produced to meet an ever increasing demand and this forces prices to rise.

High cost of money is as of itself very inflationary. There are three major elements in production; labor, capital, and management. It is readily understood that when the cost of labor goes up and higher wages must be paid the resultant price must be passed on to the consumer in the form of an increased cost of the product. Why then is it so hard to understand that you cannot increase the cost of money without increasing the cost of every single thing produced since money is one of the three basic items of production.

To increase the cost of money actually has little effect on consumer demand. The consumers are accustomed to paying service charges or interest rates of 1½% per month. The banks and financial institutions, because of the high price they have to pay for the money, advertise extensively in all of the media for the consumer loans trying to persuade all of the people to buy whatever they want at the moment and pay for it later on. The banks have to favor consumer loans in order to make a profit. This means that in times of expensive money, the buying American public which is not accustomed to denying itself anything, still buys, still can get the financing that they need at prices they are used to paying, and their competition to buy the reduced supply of products available pushes the prices upward.

To correct inflation then, the problem must be attacked in two ways. The first is that the amount of goods available must be increased. This is done by making money less expensive not more expensive. The second is by reducing the demand for the products. This cannot be done in our time of affluence by promoting the buy now-pay later technique. It can only be done by controlling consumer credit. Inflation must be attacked at the consumer level because it is a disease of retail products and prices primarily.

I suggest that three steps must be taken if inflation is to be cured. First, the government must learn to live within its budget. Deficit financing at the government level is one of the most inflationary forces. The American people, through their representatives in Congress, must learn that they cannot spend money that they do not have. To do so merely reduces the value of the money that they do have and their purchasing power remains approximately the same. We must pay the price, we simply pay it in a different way. I believe that the American public is now well ready to make some sacrifices of expenditures at the national level to stop the erosion of their paycheck.

The second step is to reduce the cost of money and free money for productive use. This will encourage businesses to expand, homes to be built, farmers to plant more land, and bring all of our productive forces into play. The expansion of industry will create jobs and will increase the supply of goods available. This will be deflationary.

The third correction is to institute a credit regulation on consumer financing which would require a minimum of ⅓ down payment on the purchase of any item. This was done, I recall, in the 50's and I believe was called Regulation W. It was very effective at that time in reducing the effective consumer demand. The only way to make the American public trim their buying and postpone their purchases is to require a down payment. They will not deny themselves as long as the means for obtaining their wants is readily available. A reduced effective demand for products will allow our production facilities to catch up and stop the frenzied competition for the goods and services which are in short supply. This will be again deflationary.

Now a prediction of what will happen if these steps are not taken is in order. Historically small businesses and many of the large ones have programmed 87% of the sales price for cost of raw materials, labor, management, overhead, taxes, and any other production costs. The remaining 13% was allocated to cost of money and profit for the investors. At a typical cost of money or return on investment capital of 8%, 5% was left for profit which was a very minimal amount. With the prime rate at 12¼%, most small businesses can't raise prices to meet this increase because the increased prices do not even cover the increased cost of production by virtue of the inflated cost of labor and raw materials. Small businesses and large alike are heading for great difficulty unless the cost of money is drastically cut. It simply is not profitable to stay in business today. The price of money must be paid first as a basic cost of doing business whether it is return on invested capital of the owners or whether it is borrowed from a financial institution.

As these businesses fail, people are going to be put out of work. This increases the welfare rolls and expenditure of the Federal Government while removing from the revenue of the government a major source of income. If the business community of our nation gets into financial difficulty, the owners are hurt, the workers are hurt, and government at all levels is hurt. Our country is geared to run on the free enterpise system and this system must be maintained if we are to preserve our form of government.

One of the best examples can be seen in the home building industry. The going rate on construction loans for the purpose of building homes in our area is now 15–18% including the fees. There is no way that a home builder can produce a house at the increased cost of labor and materials and sell it for a price that will return to him more than 12–15% over and above his direct cost not including construction financing. Builders are therefore going out of business every day and the trend is increasing week by week.

This is greatly hurting the American people because the most optimistic estimates show that this year we are going to be approximately 1,200,000 units short when you consider the number of units needed as a result of demolitions and new family formations and the number of units built. This shortage is increasing every year. This is forcing the price of homes to rise so rapidly that within a very few years no one but the very rich can afford to own their own home. They can't afford to rent either because the price of new rental units has gone up in the same proportion as the price of single family homes. This will take away from the American people a major incentive for the free enterprise system—the desire and ability to own their own piece of this great country. In addition, when homes are not produced, carpets, draperies, furniture, appliances and many other related items are not sold. No single business affects the entire economy as greatly as home building. Home building is grinding to a stop. What will start it again? The freeing of money so that construction loans can be secured at reasonable rates (under 10%) will allow a small profit for the home builder and reduce the amount that he will have to add to the price of his home in order to market it. It is imperative to the health of the entire nation and every person in it that interest rates be reduced. It is not a matter of choice—it is a matter of pure survival

HOW THE WORLD ECONOMY GOT INTO THIS MESS

Mr. KENNEDY. Mr. President, the economic difficulties we have been facing in the United States are not limited to this country. All the world's market economies—and even some nonmarket ones—are being shaken to the roots by sweeping changes in economic relations within and among states. Inflation is rampant, as the cost of food and fuel rockets upward, and as domestic economies face the export of this inflation from country to country. The international monetary system is in disrepair; patterns of trade are disrupted; and the world's developing countries suffer most of all from economic crisis.

So far, no Lord Keynes has emerged to give us a coherent explanation of what is happening, as he did during the great depression three decades ago. Yet the need for understanding—and for action—is as great now as it was then.

Recently, Mr. Leonard Silk, of the New York Times, wrote an insightful article on the woes of the world's economy, and presented his own program for action—New York Times Magazine, July 28, 1974. I commend it to the attention of my colleagues, and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

How the World Economy Got Into This Mess

(By Leonard Silk)

The world has been slow to realize that we are living this year in the shadow of one of the greatest economic catastrophes of modern history. But now that the man in the street has become aware of what is happening, he, not knowing the why and wherefore, is as full today of what may prove excessive fears as, previously, when the trouble was first coming on, he was lacking in what would have been a reasonable anxiety. He begins to doubt the future. Is he now awakening from a pleasant dream to face the darkness of facts? Or dropping off into a nightmare which will pass away?

John Maynard Keynes wrote those words in 1930—and the nightmare proved to be all too real. Today, the world economy is again threatened with breakdown and disintegration. Monetary disorder afflicts the entire non-Communist world. Nations coming up against the interlocked threats of trade and payments deficits, inflation, energy shortages and unemployment are growing increasingly nationalistic in their policies. It was beggar-my-neighbor nationalism that brought on the debacle last time, for in the end the nationalism turned demonic and aggressive in Germany and Japan. Such an outcome seems unthinkable today—as it did in 1931. The time has come to review recent economic history, whose chief lesson seems to be that we are again facing a choice between economic chaos and a difficult, unprecedented, peacetime collaboration among major Governments.

History does not repeat itself precisely. One of the great differences today from the world of which Keynes was writing in 1930 is the revolution in national economic policy fathered by Keynes himself—the use of government spending, tax cuts, budget deficits and the pumping of money into an economy to prevent deep depression. Every government, prodded by powerful political forces, has been using the Keynesian medicine for keeping employment at a high level.

An unwanted consequence has been a quickening of inflation, the worst in a generation. Throughout the industrialized world, including the United States and Canada, Western Europe and Japan, consumer prices rose by an average of 12 per cent in the 12 months ending in May, 1974. In Britain the rise was 15 per cent. in Italy 16 per cent. Japan has been boiling along at an annual rate of 23 per cent. One can find far worse rates in some of the developing countries—40 per cent in the Philippines, 47 per cent in Indonesia, 63 per cent in Taiwan and a horrendous 709 per cent in revolution-racked Chile.

In the United States, consumer prices climbed by 10.7 per cent in the 12 months ending last May. But the climb in American consumer prices accelerated to an annual rate of 12.6 per cent in the first half of this year, and wholesale prices shot up at an 18.2 per cent annual rate. Chairman Arthur F. Burns of the Federal Reserve Board warned that "if long continued, inflation at anything like the present rate would threaten the very foundation of our society."

A doomsday mood has been stealing into the thinking of a great many people—stockbrokers, small investors, gold speculators and many ordinary people watching the value of their savings, pensions and insurance policies erode. Even among sophisticated economic observers, worries have been growing that the inflation could end in a crash. Ashby Bladen, a senior financial executive of the Guardian Life Insurance Company, says: "A return to either price stability or financial stability without an intervening crash appears to me to be practically impossible. . . . And the longer the crash is postponed by continuing the inflationary process of excessive credit expansion, the worse it will be when it does come."

The threat of a crash is worldwide, and has been seriously exacerbated by the enormous deficits being incurred by oil-importing nations as a result of the quadrupling of oil prices after the Arab-Israeli war last fall. David Rockefeller, chairman of the Chase Manhattan Bank, has been warning that the existing financial system may be unable to stand the strain of the sudden transfer of tens of billions of dollars a year from oil-importing to oil-exporting nations. The International Institute for Strategic Studies in London regards the use of the oil weapon by the Arabs, Iranians and other members of the international oil cartel as the greatest immediate threat to world economic and political stability. The rich, industrial countries are threatened, and so are the oil-poor developing nations, such as India, Bangladesh and Pakistan.

How did the world economy get into this pickle? Can we get out of it? I believe that it will take extraordinary measures by the United States and other nations, working together—as they failed to do in the nineteen-twenties and thirties until the roof finally fell in.

A way must be found to achieve the kind of international cooperation that made possible the reconstruction of the world economy after World War II, the most devastating in history. But the United States can no longer call the tune or provide the bulk of resources to resolve the current crisis as it did after the Second World War. "It is no exaggeration," says Dr. H. Johannes Witteveen, the Dutch economist who serves as managing director of the International Monetary Fund, "to say that the world presently faces the most difficult combination of economic policy decisions since the reconstruction period following World War II."

That brilliant job of resuscitation is now taken for granted, but can anyone who in those days saw the grim shattered cities of Europe and Asia, the disease and famine, the desperate mood and the corruption of the people forget it? In the decades after the war, the world economy experienced the greatest upsurge of growth in all history. World trade revived, and the world monetary system was rebuilt as the United States deliberately incurred deficits in its balance of payments to feed dollars and gold out to the world. In effect, the United States was acting like the big winner in a poker game who knows that unless the poker chips are redistributed, the game is over. Those deliberately incurred American deficits made the best of sense, both for the United States and for the rest of the world. The concept of an interdependent world economy was no mere intellectual abstraction, but the basis for shared prosperity and growth.

The reconstructed world monetary system was founded on the strength of the American economy, on the strength of the dollar and on the deficits in the United States balance of payments. Therein lay a serious contradiction: A strong dollar and chronic deficits in the United States balance of payments would in time prove to be incompatible; either the dollar would weaken or the American deficits would have to be ended. There was a further contradiction: If the American deficits ended, the flow of dollars that was providing the monetary reserves for world economic expansion would also cease.

In fact, when the United States decided in the late nineteen-fifties that the reconstruction period was over, it turned out to be extremely hard to end the deficits. One reason was that the United States was reluctant to give up its role as leader of the non-Communist world. The 20th century had acquired the billing, at least in the United States, as "the American century." Both the Korean and Vietnam wars signified American determination to carry the "free-world's burdens"—the equivalent of Britain's "whiteman's burden" a century earlier.

America's persistent payments deficits were not due solely to its military actions and economic aid programs. Of growing importance, as the deficits went on year after year, was the overvaluation of the United States dollar in relation to gold and to other currencies. This hurt American exports and made imports, as well as travel and foreign investment, cheaper for Americans. So the migration of American business overseas went on apace, with corporations using abundant and overvalued dollars to buy up foreign assets, start branches and subsidiaries abroad, hire foreign labor and use other foreign resources to increase their worldwide profits.

Foreigners, in the midst of the dollar prosperity, were schizoid about the trend. Many, especially those in close partnership with the Americans, welcomed the growth that United States capital, technology and managerial know-how helped bring. But there was increasing concern in Europe about the inflation that the dollar inflow was also helping to breed. And there was growing opposition to the "American challenge" of economic and political dominance—and about the recklessness of American military policy. Vietnam particularly strained the political bonds between the United States and its European allies. It also sealed the doom of the postwar world monetary system that had been built on a strong dollar and fixed exchange rates between the dollar, gold and all other currencies. For Vietnam accelerated the outflow of dollars from the United States and, even more damaging, increased domestic inflation. President Lyndon B. Johnson unleashed inflation at home by his unwillingness to ask Congress either for a tax increase to pay for the Vietnam war or to cut his Great Society programs to make rom for the war in the Federal budget.

President Nixon inherited the inflation—and eventually made it worse. After a year of trying to stop it by tight money alone, Mr. Nixon brought the country a recession. Finding rising unemployment politically intolerable—especially with the 1972 Congressional elections looming—he switched to a highly expansive fiscal and monetary policy aimed at restoring full employment. For political reasons, he announced—few politicians had ever made it so explicit—"I am now a Keynesian."

Under Nixonian management, the U.S. balance-of-payments deficit worsened. Dollars poured out of the country, and on Aug. 15, 1971, as part of the "New Economic Policy," Mr. Nixon slammed shut the gold window, refusing to pay out any more gold to foreign claimants in exchange for their surplus dollars. Nevertheless, overvalued dollars continued to gush out as expectations of what would once have been unthinkable—a dollar devaluation—grew. Finally, on Dec. 18, 1971, at an extraordinary monetary conference at the Smithsonian Institution in Washington, held amid the trappings and relics of the greatest achievements of American technology, the dollar was devalued by 8 per cent.

The object of the Smithsonian conference, from the American standpoint, was to devalue the dollar enough to produce equilibrium, or, if possible, a big surplus, in the American balance of payments. This would, it was hoped, restore American economic power and prestige; it would also save the "dollar standard," with the United States as kingpin of the world monetary system. For this reason the Nixon Administration was, somewhat paradoxically, eager not to "devalue the dollar" officially, but to make other Governments upvalue their currencies.

Logically, there would seem to be no difference between devaluing one currency and upvaluing others in relation to it—and indeed there is virtually none. However, there was one important difference. The dollar had been regarded as the fixed star of the world monetary system, the star around which all the other national currencies revolved. For the dollar to change its own value—to be devalued in relation to other currencies and to gold—would symbolize a radical change in the conception of the world monetary order, like the Copernican revolution in which the earth was no longer seen as the unchanging center of the universe.

After the Smithsonian devaluation of the dollar, no matter how much the Americans might insist that the dollar was still the fixed center of the world monetary system, the skeptics would go on saying, like Galileo, "But it does move." And in fact, after the Smithsonian agreement, United States officials themselves gradually accepted the new concept of a movable dollar.

The Smithsonian agreement—the "greatest monetary agreement in the history of the world," Mr. Nixon called it—was supposed to be a one-shot realignment of exchange rates that would preserve the fixed-exchange-rate system created by Bretton Woods, N. H., in 1944. However, the Smithsonian agreement failed to hit on a rate structure that would restore monetary stability. With inflation raging at differential rates, that was doubtless impossible. The Nixon Administration, in any case, made virtually no effort to defend the Smithsonian exchange rates. It practiced the doctrine of "benign neglect," smug in the belief that foreigners had no alternative to taking in more dollars unless they would be willing to further increase the value of their own currencies, which the United States still wanted them to do.

The impact of devaluation on inflation caught Washington and most economists by surprise. American economists tend to minimize the importance of foreign trade to the United States, since exports or imports constitute less than 5 per cent of this country's gross national product. But the dollar devaluation, combined with expansive fiscal and monetary policy, intensified inflationary pressures which price controls could barely suppress. Devaluation spurred domestic inflation in the United States, certainly in the short run, by raising the dollar prices here of internationally traded goods, not only those of imports entering the United States but also, and more important, those of all exportable American goods as well. Many American products suddenly looked like a terrific bargain to foreigners, and they rushed to buy—beef in Chicago, oil in Baton Rouge and paintings at Sotheby Parke-Bernet Galleries in New York. The impact on prices was dramatic. As Randall Hinshaw of Claremont Graduate School has found, the effect of devaluation was immediate on primary products, such as food and raw materials, but more gradual on the prices of manufactured goods such as automobiles and tractors, especially under then existing price controls. However, as the prices of such basic internationally traded raw-material "inputs" as iron and steel, copper, aluminum, zinc, lead and plastics have risen, so have the prices of autos, tractors and other manufactured goods. And when price controls were lifted, the prices of industrial goods soared.

Ironically, the devaluation of the dollar initially had a perverse effect on the United States balance of trade and payments. Economists had expected some lag, but it lasted longer than it was supposed to. Indeed, the dollar outflow quickened. The reason was the devaluation increased the dollar price of imports more than it reduced the *volume* of imports, especially as the American economy was expanding more rapidly and sucking in more imports. Simultaneously, devaluation cut the dollar price of American exports, causing foreign demand for cheaper American goods to boom; but the United States imposed export controls on soybeans and other agricultural goods, restricting the rise of its earnings abroad. Even more important, booming demand at home restricted the growth of United States exports. Hence the American trade position worsened in 1972, and dollars continued to flow overseas to cover the payments gap. The basic United States blunder was to think it could run a devaluation of the dollar without first slowing the economy. It did just the reverse—coupling devaluation with strong fiscal and monetary stimulus.

The fixed-exchange-rate system could not survive the continuing dollar outflow. In early 1973, there was a second dollar devaluation, amounting to 10 per cent, following a dramatic around-the-world flight by Under Secretary of the Treasury Paul Volcker. But instead of calming the foreign-exchange markets, it roiled them further. And in late February and early March, dollars began to flood into West Germany because the mark looked like the safest port in a storm. The German central bank took in over $3,-billion a day, paying out marks to all comers in a vain attempt to keep the mark's exchange rate from rising. After dishing out more than $10-billion worth of marks, German monetary officials finally grew frightened of inflation and threw in the sponge. They stopped defending the fixed exchange rate between the dollar and the mark; so the mark floated upward, and the dollar floated downward.

The Bretton Woods fixed-rate system was dead; the whole world monetary system was afloat But inflation was anything but dead.

The loss of respect for the dollar, the key currency of the world monetary system, brought on a flight from all currencies into anything precious and scarce that would hold its value in a time of monetary crisis—gold, silver, platinum and many other commodities. Overnight, it seemed as though the Club of Rome's long-range forecasts of the exhaustion of world resources were coming true in a rush, with soaring prices the fever gauge of commodity shortages.

Accidents of nature fed the commodity inflation. One of the weirdest was the disappearance of anchovies off the coast of Peru. Why this happened is still unclear. One theory is that the cause was the 1972–73 invasion of a warm-water current called El Niño, which upset the ecology of the cold-water Humboldt Current, drastically reducing the supply of plankton and other nutrients in which the anchovies feed. Most marine biologists doubt this, pointing out that El Niño comes roughly every seven years—it had last arrived in 1957 and 1962—but had not earlier seriously damaged the anchovy stock. Did an influx of predators eat the spawn? Were the young fish blown into hostile waters? Nobody really knows. Whatever the explanation, as Morgan Guaranty Bank economists correctly stressed, Peru's anchovy catch fell from more than 10 million tons to 2 million tons in 1973, wiping out a critical part of the world's fishmeal supply, which is used to feed livestock.

Bad growing weather for cereals, the failure of much of the Soviet crop, the massive Soviet-American wheat deal—a key element in détente—exacerbated the commodity inflation. But the over-all inflationary trend was no fluke. All nations were in a simultaneous boom, and world demand was outrunning supply. The perception of rising prices was transmogrified, as inevitably happens when an inflation lasts long enough, into a public perception that paper money is losing value and is not worth holding. Speculators rushed from currencies into commodities. By October of 1973, world commodity prices had more than doubled from the start of the year. And then, with the outbreak of the Yom Kippur war in the Middle East, the Arabs launched their oil weapon against the West.

World commodity inflation had given the oil producers both the motivation and the opportunity to boost their prices sky high. The rising cost of imports to the Arabs, Iranians and other oil-producing states, the rapidly growing demand for oil, thanks to the simultaneous boom in all the major industrial countries, the disappearance of American buffer stocks of oil—all these factors gave the Organization of Petroleum Exporting Countries, which includes Saudi Arabia, Kuwait, Abu Dhabi, Iran, Libya, Iraq, Algeria, Qatar, Indonesia, Venezuela, Nigeria and Ecuador, the golden opportunity for a financial killing.

The Arab oil embargo, designed to induce the Western powers to force Israel to yield to Arab demands, cut the world oil supply at the critical moment, threw the Western allies into disarray in a mad scramble for oil and paved the way for the fourfold increase in oil prices. The price in the Persian Gulf was jacked up from about $2.10 a barrel to $8 a barrel. That meant the greatest single financial coup in history—a $70-billion haul by the oil producers in a single year. In 1975, their extra take will amount to $90-billion. And, if oil prices hold, they will be taking in over $100-billion a year—year after year. The World Bank estimates that by 1980 the oil-producing countries' holdings of liquid surplus capital will total $400-billion. This would mean that just six years from now they will hold at least 70 per cent of the world's total monetary reserves.

The fantastic transfer of money to the oil-producing states has created an unprecedented shock for the world economy. That shock is, paradoxically, both inflationary and contractionary. The huge increase in oil prices and payments worsens inflation in the United States, Japan and Western Europe by increasing both living costs and costs of production. It puts powerful pressure, both direct and indirect, upon the industrial and the developing countries to increase their export prices, in order to cover their oil deficits. To be sure, high prices are bringing out more oil and curbing demand. There is now, therefore, some downward pressure on prices. The crucial issue is whether the international oil cartel will hang together, even if this means cutting production to hold up prices.

At the same time, the enormous transfer of funds to the oil producers can choke off consumption and productive investment in the West. The build-up of Arab holdings, and the huge deficits that are their counterpart, could cause a breakdown in the world monetary system.

Prof. Richard Cooper of Yale says it is as though the Shah of Iran, the King of Saudi Arabia and the others had levied an annual tax amounting to $70-billion a year upon the rest of the world. Such a tax increase, as modern economic theory teaches us, will have a contractionary effect on national economies unless the money collected is put back into the economies from which it is collected in the form of expenditures on consumer goods or capital goods. If the major share of "oil taxes" collected by foreign Governments is not respent or reinvested in production, it will choke off output and income in the oil-importing countries. Some nations—those that are the best investment bets—will receive major shares of the oil money back; that is likely to be true of the United States and West Germany. Others, less creditworthy, will suffer huge deficits; that is already true of Italy, and it could be true of many others. The nations of the West could fall into economic warfare, each fighting to reduce its own deficit, and blocking imports or depreciating its currency to do so. Competitive deflation could bring on a world depression. The most agonizing peril faces the poor, developing countries, whose markets would contract drastically.

For those nations caught with the worst deficits, there will be severe risks of defaults on their foreign obligations. This is precisely the Italian situation now. In the past two years, the Italians have borrowed more than $10-billion in the so-called Eurocurrency market, taking funds from syndicates of private lenders on the credit of Italian state-owned utilities and other Government agencies. With the Italian balance-of-payments deficit running at a rate of more than $1-billion a month, Italy is having trouble raising more money abroad. Its gold reserves would barely last a year. If the Italians—and a few other governments with heavy balance-of-payments deficits—should default on their debts, some of the biggest and seemingly strongest private financial institutions all over the world would lose hundreds of millions of dollars, and the entire world financial system would be in jeopardy.

Once again, as in 1929–31, the world is facing the danger of a liquidity crisis, which, simply put, is the inability of financial institutions or governments to meet their current debts. Such a crisis, if it hit two or more countries simultaneously, could race like greased lightning through the entire world financial system. That was what happened in 1931 when the Austrian *Creditanstalt* failed. It was the breakdown of the world monetary system in 1931 that turned the sharp 1929–30 recession into the worst depression in history. Not even Keynes expected the nightmare that began in 1931. It is this kind of international catastrophe we must prevent now.

But how? There are many ways to do it, but the above account of how we got where we are today suggests the main elements essential to a solution:

First, the United States, Western Europe and Japan must recognize that they are all in the same boat, and must either work together or they will sink together.

The United States cannot dictate to the others; it does not have the power to do so, and it would only defeat its own purposes if it tried. What is needed now is genuinely shared leadership and the forging of a spirit comparable to that achieved in wartime—and to the reconstruction of the world after the last war.

Second, this cooperation must immediately take the form of preventing any single country, or its major financial institutions, from going under.

One of the reasons we in the United States are not already suffering from a major domestic financial panic is that our central bank, the Federal Reserve System, has been prepared to rescue any major financial institution that gets into serious trouble, as it has done this year in the case of the Franklin National Bank of New York. Internationally, we do not yet have a "lender of last resort." Some national central banks have met in Basel, Switzerland, to work out plans for rescuing endangered financial institutions, though not all central banks have joined the effort and it is not yet clear how far those participating are ready to go. The nations of the Western world and Japan should either create an international lending agency of last resort, or transform the International Monetary Fund into a true world central bank that can rescue major financial institutions and nations themselves from financial collapse.

Third, the world monetary system must be restored to equilibrium.

The most important single step toward that end would be a significant reduction in the price of oil, which would reduce the imbalance of payments between the oil-importing and oil-exporting countries. The oil-importing countries should develop a broad strategy to bring down the price, a strategy that should include: an effective conservation program to reduce the demand for oil; an accelerated program to develop other energy technologies; a warning that, if necessary, the United States and its allies are prepared to withhold trade and the managerial and technological skills the oil-exporting countries want for their own economic development; and a refusal by this country and its allies to provide arms if the oil-producing states persist in threatening Western economic stability.

But if the oil-producing countries are willing to work with the West for world stability and their own development, the United States and its partners should extend the hand of friendship to them. It should facilitate expansion of their trade and foreign investment, the "recycling" of oil dollars.

Fourth, the Western nations must avoid like the plague the beggar-by-neighbor policies that helped destroy world trade in the thirties.

Such policies broke the world into hostile trading blocs, including the nations that joined in Nazi Germany's barter and rigged-exchange rate deals and Japan's Asian Co-Prosperity Sphere. The Western nations must reinforce their liberal trading policies, banning both import and export controls. They must hold their markets open to one another and seek particularly to create markets for the surplus and distress goods of nations that get into severe balance-of-payments trouble.

The nations should also forswear resorting to competitive devaluations of their currencies aimed at gaining a trading advantage over one another. They must coordinate their fiscal and monetary policies to avoid competitive deflations that could bring on world depression. The Organization for Economic Cooperation and Development (O.E.C.D.) provides a forum for the joint review of national policies; this process should be strengthened to ensure that world employment and trade are mutually sustained.

While the world monetary system remains chaotic, it would be madness to try to repeg exchanges rates; floating rates have reduced the massive money flows from one currency to another that propagated world inflation. In time, the reduction of those money flows should help to bring world inflation under control and enable exchange rates to stabilize. But the nations must work toward stability; a "great leap forward"—or backward—could be disastrous.

Fifth, nations must resolve to check their domestic inflations, controlling the excess claims of special-interest groups that are its root cause.

Inflation, while communicated internationally, originates basically from domestic sources. This is one reason why rates of inflation vary so much from country to country. There is no monetary formula or technical solution that will provide Governments with the political courage and the economic skills to reduce the excessive demands that propel domestic inflation. Governments must resist the multitude of special-interest pressures that distort or waste resources—as in the multibillion-dollar military programs which exacerbate inflation and, even more ominously, increase the danger of arms races and war itself.

Under the sway of Keynesian economic theory, inflation has been regarded by most contemporary economists as a "technical" problem resulting from a gap between the excess demand for all goods and services and what the economy is capable of producing at existing prices. The basic remedy has been to close that inflationary gap by reducing total demand, whether by tax increases, cuts in Government spending or by making less money and credit available to the private economy.

It has become clear that the problem of stopping inflation is not technical but *political* in the large, systemic sense. Inflation is a consequence of the way massive, organizational, pressure-group economies operate. The military-industrial complex is only the most celebrated example of the special interests which capture a huge share of national resources and give less productivity in exchange. Other groups that have won special benefits and protection from Government—whether in the form of subsidies, huge appropriations, tax breaks, tariffs, import quotas or other rules limiting foreign industry, the maritime industry, civil aviation, the highway-building industry and its supporters, dairy producers, wheat farmers, cattlemen, steel producers and textile producers. Labor unions fight for a growing share of the national pie partly by backing the demands for special favors and protection of the industries that employ them and partly by waging side-contests with managements for a bigger slice of the take.

The pressure-group economy not only breeds inflation but biases national choices on *what* is produced and by whom, and how income is distributed. Political power shapes the national use of resources and has a major influence on who gets what. This may be the major long-run lesson of that political fiasco whose code name is Watergate.

An effective program against inflation must be one that faces up to the necessity of curbing the power of the special interests and removing their corrupting influence on Government or, the other side of the coin, curbing the efforts of Government officials to invite bribes in exchange for favors as a means of consolidating political power in a corporate state. The old-style, laissez-faire capitalism is dead. Yet the mixed economy—that is, the mixture of Government and private interests that has replaced it—needs better methods of harmonizing competing group pressures in a noninflationary way and of guiding the economy to serve broad social needs such as protection of the environment, development of crucially needed energy, and provision of medical care, education and other vital services.

Specifically, this nation and other capitalist democracies need an incomes policy, a means of regulating the growing income claims of contending groups, together with their access to money and credit through the banking system. In periods of monetary tightness and very high interest such as the present, the inequities of only general controls on money and credit become obvious, as the most powerful financial groups drain funds away from the least powerful.

Similarly, this nation and many others need more effective and democratic ways of planning their long-run social and economic development. Increasing the supply of resources, human and material, and in the proportions needed, is essential to curbing inflation in a way that will not require periodic bouts of recession, depression and high unemployment.

In an increasingly integrated world economy, such programs need to be international and not merely national in scope. Yet the time for supranational government is not yet. The fundamental decisions needed to get the world through the current economic crisis, which could become a world political crisis as well, still must be taken at the national level. Is such an effort to restore world economic order politically feasible and realistic? It had better be. The potential tragedy of the moment is that all the Governments of the major democracies are in a weakened state—weakened in large degree by the socially and politically debilitating effect of inflation itself. And the crisis of leadership and moral authority is perhaps greatest of all in the United States, on which any coordinated action program among the Atlantic nations and Japan must still depend. We know what we must do; the issue now is whether we have the will and the unity to do it.

KIDNEY DISEASE PROGRAM—VI: 1 YEAR OF OPERATION

Mr. HARTKE. Mr. President, on July 1, the end-stage chronic renal disease program under medicare passed a milestone of 1 year of operation. That program, which was created as the result of an amendment sponsored by the distinguished chairman of the Finance Committee (Mr. LONG) and myself, is designed to provide financial assistance to people of all ages suffering from chronic kidney disease. These are people who need dialysis, a mechanical blood cleansing process that replaces the function of diseased kidneys, or who are suitable for kidney transplantation. With a year's operation of the program behind us, this is a good time to examine its effectiveness.

In October of 1972, the Social Security Amendments of 1972 became law, Public Law 92–603. This legislation included an amendment, section 299–I, to provide medicare benefits to all eligible patients with end-stage renal disease—ESRD. Unfortunately, the past 20 months have highlighted the weaknesses of the Federal bureaucracy in dealing with a relatively small health insurance program serving a small number of patients. By the same token, we in Congress have much to learn from the kidney disease program because it also highlights the difficulty which we have in coping with the bureaucratic process within the Department of Health, Education, and Welfare in order to assure that the laws are faithfully executed.

Since the ESRD provisions were part of the Social Security Amendments of 1972, and benefits are financed through the social security trust fund, the program was initially assigned to the Bureau of Health Insurance—BHI—within the Social Security Administration. BHI is essentially an insurance indemnification agency, well experienced in claims processing, money disbursements, and the like. In the fall of 1972, it was clear that BHI lacked the medical expertise necessary to devise a sophisticated program with such elements as medical review boards, limitations on facilities, minimum utilization rates, and quality of care assurances.

As a result, the medical profession arm of HEW, the Office of the Assistant Secretary for Health, Dr. Charles C. Edwards, asserted its position that it possessed the expertise in health planning and medical care and therefore was a logical choice for the responsibility to design and implement the ESRD program. The Secretary of HEW was persuaded by this argument and assigned the major policy role in the kidney program to the Assistant Secretary for Health.

It should be noted that, at the time, the Office of the Assistant Secretary for Health was in the midst of a reorganizational upheaval, and there was no clear choice of an agency or bureau within that Office for the ESRD program. Policy was thus developed by Dr. Edwards' personal staff in the Office of Policy Development and Planning. However, because that staff lacked experience with kidney disease, several questionable policy decisions were made, causing much adverse reaction from the medical professional community.

As the new organizational lines for agencies within the Office of the Assistant Secretary for Health became more clearly defined, the Bureau of Quality Assurance was created within the Health Services Administration—all of which were under the Assistant Secretary—to implement the Professional Standards Review Organizations which had also been created by other provisions of the Social Security Amendments of 1972. Because several elements of the kidney program were similar to PSRO functions, the Bureau of Quality Assurance actively sought to put that program under its umbrella. When assigned that program, the Bureau of Quality Assurance also had no staff experienced with kidney disease. BQA then obtained three staff members with experience in the kidney disease field who were detailed from other agencies. These personnel were assigned 10 months after the passage of Public Law 92–603. They came into an atmosphere clouded with bureaucratic infighting involving the Bureau of Health Insurance, the Bureau of Quality Assurance, and the Office of Policy Development and Planning, coupled with the preoccupation within the Bureau of Quality Assurance with PSRO's.

The most immediate result of this bureaucratic and alphabetical jungle was delay. Simple policy decisions often took more than 8 weeks for low level approval, with higher level approval often taking twice as long. In fact, HEW's policy statement which outlined its criteria for operation of the program was first drafted in November of 1973, but did not get approved until April of 1974.

Since July 1, 1973, the ESRD program has functioned under interim guidelines which were drafted in the days immediately preceding the beginning operating date of the program. There is general agreement that the interim program had several flaws which created confusion and aroused opposition among patients, doctors, hospital, and intermediaries. There was no effort made to publish the guidelines in the Federal Register or to make them available for public comment prior to putting them into effect. This procedure leaves significant questions as to the legal basis for the interim program. This is further complicated by the fact that the assignment of the ESRD program to the Bureau of Quality Assurance was never made part of a formal delegation of authority from the Secretary of HEW. This may have had the effect of nullifying BQA's authority to draft and implement the program since the statutory authority for ESRD appeared to be with the Bureau of Health Insurance under its general medicare responsibilities.

While all the wrangling was taking place within the Office of the Assistant Secretary of Health, the Bureau of Health Insurance, within the Social Security Administration, was beginning to realize the importance of the ESRD program as a prototype for any kind of catastrophic or national health insurance program. This realized, coupled with the growing interest within Congress to remove the Social Security Administration from HEW caused BHI to reassert its role in ESRD.

In April of this year, the Bureau of Quality Assurance belatedly announced the broad policy issues on which the ESRD program will be based. It is administering the program under the interim guidelines established by the Office of Policy Development and Planning and has set a timetable for the publication of final regulations in early 1975. So far, minimum utilization rates have not been established, nor have medical review boards been established. Both are required by law. Considering all of the hurdles which the program still has to overcome, it is unlikely that it will be in full swing until late 1975—3 years after Congress passed the legislation.

As national attention focuses on health care, the kidney program underscores the need for Congress to deal effectively with the HEW bureaucracy in order to assure that the laws are faithfully executed. Such diverse topics as national health insurance, health planning agencies, and medical manpower are under active consideration by Congress at this time, but these subjects fall within different committee jurisdictions. If we allow the narrow strictures of committee jurisdiction to cloud our view of this subject, there can be no coherent approach to the national health insurance debate.

We can avoid this pitfall by creating an ad hoc Committee on National Health Insurance to consist of members of the Finance, Labor and Public Welfare, Veterans, and Appropriations Committees, or of the appropriate subcommittees of those committees, to begin joint consideration of national health insurance and provide the Senate with a coherent report on the need for it and the administrative problems which may arise. That is the only way we can take a coherent approach to one of the most important subjects to come before Congress in this half of the 20th century.

The ad hoc committee would make it possible for the various committees with an interest in national health insurance to share information and evaluations of proposed legislation. In the long run, it will also help Congress to oversee the Federal health bureaucracy more effectively.

Mr. President, the end-stage renal disease program is but one example of the failure of the executive branch to implement the law in a proper and timely fashion and of the difficulties which Congress has in performing its oversight function. I intend to do all that I can to make the ESRD program work, but I hope that we all can learn from its mistakes before they are repeated on a massive scale in any national health insurance program we adopt.

ILLINOIS FINDS ERTS VALUABLE

Mr. MOSS. Mr. President, while no line agency in Illinois yet uses ERTS imagery, the Center for Advanced Computation—CAC—at the University of Illinois is finding ERTS data to be a valuable input to an experimental land use mapping computer system being developed at the center.

Mr. President, I ask unanimous consent that the letter I have received from the Honorable Hal Hovey, director, bureau of the budget, State of Illinois, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SPRINGFIELD, ILL., *July 24, 1974.*

Mr. FRANK MOSS,
Chairman, Committee on Aeronautical and Space Sciences, Washington, D.C.

DEAR CHAIRMAN MOSS: In response to your letter of June 24 to Governor Walker regarding the merits of establishing an operational ERTS system, please be advised that at present no line agency within the state uses ERTS imagery. However, the Center for Advanced Computation (CAC) at the University of Illinois is finding ERTS data to be a valuable input to an experimental land use mapping computer system being developed at the Center.

Sincerely,

HAL HOVEY,
Director, Bureau of the Budget.

SENATOR MANSFIELD

Mr. BAKER. Mr. President, during the past week, the Senate has noted with pleasure and with pride the historic record of service established by the distinguished majority leader, Senator MANSFIELD.

The Senator from Montana has reacted with characteristic modesty, but it is clear to all who know him that the many tributes have been richly deserved and the many honors have been rightly earned. In setting a new record of tenure, he has carried out his responsibilities with competence and with civility. Each Member of the Senate has personally benefited from his counsel, his consideration, and his cooperation. The people of Montana and, indeed, all the citizens of our land, have been well represented by MIKE MANSFIELD.

It is, I believe, no coincidence that this former professor has become a textbook model of an effective Senate leader. His approach to leadership and life has been hallmarked by rationality and respect for others. His fairness has been especially appreciated by those of us on the Republican side of the aisle. As a result of conversations with my father-in-law, the late Senator Everett Dirksen, I became intimately aware of this quality even before I came to the Senate.

Senator MANSFIELD and Senator Dirksen worked quietly and effectively in moving and scheduling the business of the Senate, just as Senator MANSFIELD and Senator SCOTT do today. This gave a special meaning to the term "joint leadership." In a very subtle manner that is close to the essence of good leadership, they molded and framed the results of what we recognize as the landmark legislative achievements of the past decade.

Senator MANSFIELD's continued leadership, his guidance and good judgment, will be just as important as we face the challenges of the years ahead.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has now expired.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the Senate will now resume consideration of H.R. 16243, which the clerk will report.

The second assistant legislative clerk read as follows:

> A bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Wisconsin (Mr. PROXMIRE), No. 1810. The time on this amendment is divided equally between and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Arkansas (Mr. MCCLELLAN). The vote on the amendment is to occur at 11 a.m. today.

Mr. PROXMIRE. I yield myself such time as I may require.

MILITARY AID TO SOUTH VIETNAM

Mr. President, I want to make clear what this amendment does and does not do.

First, it would establish a ceiling on expenditures for U.S. military assistance to Vietnam at the level accepted by the Senate Appropriations Committee last year—that is, 1973, for the 1974 budget.

During consideration of the fiscal year 1974 defense appropriations bill, the full Appropriations Committee reduced military assistance funding to $650 million. About $100 million of this was for Laos.

Since money for Laos is no longer contained in this bill—its in the foreign aid bill—the equivalent figure for Vietnam military assistance as reported out by the Appropriations Committee last year was $550 million.

That is the same level as my amendment would establish. It is not a drastic amendment or a radical amendment or an amendment that would leave Vietnam high and dry. It would give them the same amount the Senate recommended last year.

There is another set of figures we will hear about during this debate. The administration asked for $1.6 billion last year. We ended up giving them a ceiling of $1.126 billion. This happened when the lower figure of $650 million on the Senate side was compromised with a larger House figure.

I do not want to mislead anyone. That was the final figure approved after the conference last year.

But the fact remains that the only time that the Senate voted on the individual item of military assistance to Vietnam last year during the appropriations debate, the Senate accepted $100 million for Laos and $550 million for Vietnam. That was the Senate position. That is what we took into conference. That is what my amendment would restore for the fiscal year 1975 bill—the same amount of $550 million.

Yes, this amendment would be a reduction from what the Pentagon ended up with last year. No, this amendment would not be a reduction from what the Appropriations Committee recommended and the full Senate accepted last year. It would be holding the line at the same level.

UNITED STATES GIVES MORE AID

Last night, Senator KENNEDY perceptively pointed out what U.S. diplomats have been saying about the purpose of U.S. military aid to Vietnam. The purpose, it was stated by U.S. Ambassador Graham Martin, was to keep support for each side in balance. That means that the support the United States would give South Vietnam and the support the Soviet Union and the People's Republic of China would give North Vietnam would be kept in balance.

Has this been the case? We have the definitive figures from the Defense Intelligence Agency to put that into perspective. The estimates by the reputable DIA indicate that except for an increase in aid in 1972, military assistance by the People's Republic of China and the U.S.S.R. to North Vietnam has been declining yearly.

In 1973, the U.S.S.R. gave $175 million in military aid to North Vietnam, and the People's Republic of China gave $115 million, for a total of $290 million. If those figures are not correct, I think we should know the source before impugning them. They come from the Defense Intelligence Agency. They may be wrong. If there are better figures, let us have them, and let us find out why the Defense Intelligence Agency is not telling us the truth.

That same year, the United States spent a total of $5.3 billion in Southeast Asia.

Over the longer period of 1966 to 1973, the Defense Intelligence Agency statistics show that the United States spent 29 times as much in Indochina as the Soviets and PRC combined. This amounts to $2.57 billion from the U.S.S.R. and $1.08 billion from the PRC.

The United States, on the other hand, spent $107 billion in the same period including $10.4 billion in direct military aid. And that figure for U.S. expenditures probably is far on the conservative side. It may be closer to $140 or $150 billion when everything is included related to those expenditures.

Mr. President, who are we kidding? That is not balancing military aid by any stretch of the imagination. If it is, the U.S.S.R. and PRC are getting the better end of the deal. Ask any taxpayer if a military standoff with expenditures 29 times as large on one side as the other is an economic or military victory.

Every year we hear the same cries of doom. If the bill does not contain $700 million, Vietnam will go down the drain. If the bill does not contain $1 billion, Vietnam will go down the drain. If the bill does not contain $1.5 billion, Vietnam will go down the drain.

The latest to issue such an alarmist appeal was the State Department. They said that if we do not appropriate $1 billion, it will weaken the South Vietnamese to the point that they cannot defend themselves, and Hanoi might be tempted to launch another 1972 type offensive.

Well, the Senate and House Appropriations Committee have already violated that rule. According to the State Department, South Vietnam should now be going down the drain.

I cite this letter from the State Department as evidence that the point of doom is whatever the current budget request is. Does anyone find that unusual? To ask for less than the administration requests for anything is to invite disaster. Whatever they ask for is bare bones. Whatever we try to cut is endangering security and inviting disaster. Such is the state of rethoric and the art of jawboning the Congress.

We heard yesterday that to approve the Proxmire amendment is to predetermine that South Vietnam will have to abandon large segments of the country.

And yet both the Frelinghuysen report from the House Foreign Affairs Committee and the testimony of Gen. William B. Caldwell before the Senate Armed Services Committee earlier this year indicates that the Saigon regime has increased its population control by 6 percent since the ceasefire and its control over hamlets by 770.

At one time I thought that the ceasefire established in 1973 meant that both sides were to occupy only the territory where they were at the time.

That is what article 3, section B, of the Paris agreement says:

> The Armed Forces of the two South Vietnamese parties shall remain in place.

But that is not what has happened. Both sides have continually violated the ceasefire agreements. Until this time, the government forces seem to have gotten the upper hand in terms of hamlets controlled.

We will also hear that once Vietnam goes Communist, because we cut $150 million from their budget, then Thailand will go Communist, and Burma, and Cambodia and the rest of Southeast Asia.

That is the old domino theory. But I would like to add a new twist to the old theory. It goes like this:

If the Senate does not reduce unnecessary military spending—the largest controllable item in the Federal budget, then inflation will continue to rage, Americans will be able to purchase less, confidence in Government will continue to fall, industry will reduce production, the money market will fail, and we will have economic chaos beyond our wildest dreams. That is a real domino theory to ponder and it is a lot closer to home.

Mr. President, it would be one thing if we knew that the U.S. dollar given to Vietnam went for an efficient and effective purpose. Some support for Vietnam is necessary, we all recognize.

But what happens to our dollars now?

Any man here who has talked with those who have been in Vietnam can give a ready answer to that question. The U.S. dollars go into the pockets of the corrupt bureaucracy in Vietnam. Black market operations abound. Here are some pictures of black market goods taken from U.S. depots and PX's. You can recognize goods from Sears, Lipton tea, fans, coolers, radios, hi-fi's, electric saws, grinders, scales, thermos, blankets, tennis rackets. Anything you can buy or steal from a PX, a U.S. Government warehouse, or a U.S. supply depot can be found on this black market.

And the person who pays for it is Uncle Sam and the taxpayers of this Nation.

We know about the thousands of "ghost" soldiers added to military payrolls—that is, nonexistent soldiers, soldiers that do not exist, but added to military payrolls—for which the United States pays about 40 percent of the salaries and the corrupt officers and officials reap enormous profits and benefits from it. That has been documented.

South Vietnam's 92 generals have only recently been ordered to cut their personal staffs of chauffeurs, bodyguards, and servants from 36 to 11 each. They have also been told that they must make do with two rather than four motor vehicles. That is where U.S. tax dollars have gone. Think of it. Only 11 chauffeurs and servants each.

Why should the American taxpayer be required to provide that kind of fat and waste and extravagance to South Vietnam in a time of inflation, when we are all being hit as hard as we are?

Evidence has also been uncovered recently that a number of new American A-37's worth $500,000 each—are being dismantled and sold for scrap on the black market in Saigon. A police raid on an illegal scrap operation yielded the wings of 15 planes as well as substantial amounts of other U.S. made military equipment which were being readied for foreign export.

We ship it to them. They tear it down and export it out of the country for a profit. That is where U.S. dollars go.

Obviously, Mr. President, in wartime, we know there is waste. In wartime, we know there is extravagance and, often, corruption. But what we can do about it is to cut the amount available. This is the one action we can take. We cannot administer this program. But we can make the amount available so limited that it will be used for the purposes they have to use it for and should use it for, to defend their country.

Mr. President, there is $150 million that will be used for graft and corruption in this bill if there is a penny. The only thing worse than a dollar spent abroad when we need it here at home is a dollar spent abroad and utterly wasted in corruption.

Mr. President, we are supposed to be keeping South Vietnam strong and free. Unfortunately somewhere along the line the American concept of "free" has been dropped from that phrase.

The distinguished Senator from Rhode Island (Mr. PASTORE), spoke on this yesterday and pointed out the fact that President Kennedy, in that great address he made to the country when he was inaugurated, said that we would meet any burden, no matter how heavy it might be, in the cause of freedom. We believe in freedom. We will help freedom. The question is whether we are helping freedom when we provide this kind of assistance to the South Vietnamese military government that has the track record it has.

I admit it is better than a Communist regime by far, and I admit that we should do everything we can to prevent a Communist regime. But I say we do not do that when we provide such abundant funds that they can have this kind of luxurious, wasteful, expensive, extravagant operation.

I trust that no one here will say that South Vietnam is a democracy where freedom of speech flourishes and dissent is the building block of compromise and moderation.

We are not building democracy in Vietnam. That may well be impossible. The roots of that society are not easily grafted with the American model of democracy and freedom.

So why do we hide under the charade that in some way we are preserving peace and freedom for the people of South Vietnam?

We are supporting South Vietnam for geopolitical purposes. That support should continue for geopolitical purposes. But there is a limit to everything and the American people have met the limit with huge sums of money for the regime in South Vietnam.

The $550 million is enough. It would have built hundreds of hospitals in the United States, provided mass transit for tens of thousands, begun research on new medical cures for the diseases of our people, provided a maintenance income for our poor or even built five new Senate office buildings if you will pardon the reference to our own boondoggle.

Mr. President, it would also provide tens of thousands of houses at a time when housing is so urgently needed and when unemployment in the construction trades is so high.

Enough is enough. Let us draw the line at $550 million and tell the South Vietnamese that their defense rests first on the will of their own people; that they will stand or fall in the long run not by the amount of U.S. aid but in the competition between efficiency and lassitude, good government and corruption, freedom and repression, land reform and oligarchy.

Such has it always been in that region of the world.

Mr. President, I reserve the remainder of my time.

Mr. GOLDWATER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I yield the distinguished Senator from Arizona 5 minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, we have heard the figure 8 to 1 on this floor quite often in the last few days, and I think this RECORD should be made clear. This is a report I put in the RECORD on July 10 of this year:

> Evidence presented in these reports also put the lie to the preposterous new myth that the United States is providing eight to twenty nine times the amount of military aid to South Vietnam as the Soviet Union and China are providing to North Vietnam. Comparing apples with apples, that is hardware with hardware, Communist military aid to North Vietnam is only slightly less, if that, than the comparable level of United States military aid to South Vietnam.
>
> Congressional critics of United States support for South Vietnam would compare estimates of hardware aid alone, such as weapons and ammunitions, by the Communists, with the total program of our aid to the South which includes not just the cost of hardware, but the cost of rations, clothing, transportation from the United States, training, and so forth. These same critics would calculate our program over the period *prior* to the conclusion of the Cease-Fire Agreement, a period when the war was still in full progress, while ignoring Communist shipments *since* the Cease-Fire which, as these reports have revealed, enabled North Vietnam to send illegally over 50,000 soldiers, 1,000 artillery and anti-aircraft pieces, 400 tanks and enormous stockpiles of ammunition to its invading forces in South Vietnam.

Looking again at this ratio of 8 to 1, the latest figures that I have, made available to me by the Department of State on August 2 of this year, however, and using our best estimate based on hardware costs alone, indicate that in 1973, we outspent the Russions and the Chinese at most by a ratio of just over 4 to 3—about $400 million for us as compared to about $290 million for them.

I think, in all due respect to my friend from Wisconsin, he should have this clear, that we not only supply hardware, munitions, and so forth, used for war, but we are building hospitals, we are supplying medical aid, we are supplying food, we are paying for transportation, we are paying for the training of Vietnamese troops, pilots, and so forth, in this country. So let us get this straight in the RECORD: We are doing for South Vietnam far, far more than just shipping them aircraft, tanks, and the hardware of war, and it is not accurate to compare the total costs of all these programs with the cost of Communist hardware aid alone.

Mr. President, I ask unanimous consent that this report from the State Department be made a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMPARISON OF U.S. MILITARY AID TO SOUTH VIETNAM WITH COMMUNIST AID TO NORTH VIETNAM

Recently released intelligence estimates of Chinese and Soviet military aid to North Viet-Nam have been compared to the cost of our military aid to South Viet-Nam under the MASF (Military Assistance, Service Funded) program, to indicate that we are vastly outspending the Chinese and Soviets in Viet-Nam. Such comparisons are grossly misleading. This is because the estimates of aid to the North include only military hardware costs, while the MASF figures cover the total costs of the program, i.e., not just the cost of the hardware but also the costs of rations, clothing, spare parts, gasoline, maintenance, transportation from the U.S., transmitting, procurement, etc.

It is impossible to be precise in comparing Sino-Soviet aid to the North with our aid to the South because of the necessarily incompletely and fragmentary nature of our intelligence information as well as various costing and accounting difficulties. However, our best estimate, based on hardware costs only, indicate that in 1973 we outspent the Russians and Chinese by a ratio of just over four to three (about $400 million for us as compared to $290 million for them).

There are several reasons why we have to spend somewhat more money to help the South Vietnamese defend their country than the Chinese and Russians spend to help North Viet-Nam invade it, but the most fundamental reason is that it is more expensive to guard a bank than to rob it. Thus the South Vietnamese defense forces are necessarily larger and more costly to maintain than the Communist forces, because they must defend virtually all of their country—the cities and towns, the roads and railroads, the rice fields and factories—and they must defend it all of the time; while the Communist main forces are free to mass and attack at times and places of their choosing. With a considerably smaller and less expensive force structure, therefore, the Communists can often bring superior arms to bear on any given battlefield in South Viet-Nam.

It has been suggested that regardless of the relative value of U.S. military aid to the South and Sino-Soviet aid to the North, U.S. intelligence estimates indicate that in 1973 the Norh received slightly less than half what it received in 1972, and consequently our aid to the South should be cut correspondingly. In fact, it already has been—in FY 1973 it amounted to $2.3 billion, and dropped to $1.0 billion in FY 1974. This latter level has not been sufficient for us to replace South Vietnamese losses at the one-for-one rate permitted by the Paris Agreement.

Moreover, Sino-Soviet military aid over the years has allowed the North to build up massive stockpiles of equipment and munitions in the South and adjacent base areas in Laos and Cambodia. We estimate these stockpiles could support an expanded North Vietnamese military campaign in the South for about 18 months, even without further replenishment. On the other hand, we have never built up such stockpiles for the South Vietnamese, maintaining only about a two-month inventory of most categories of ammunition and other expendables. Consequently, reductions in our aid to the South have a much more immediate impact than Sino-Soviet reductions in aid to the North.

Finally, basic to U.S. combat doctrine, which we successfully imparted to the South Vietnamese, is the concept of achieving maximum effect with minimal loss of personnel. This requires high equipment utilization and expenditure of ordnance, as compared to the North Vietnamese concept of relatively higher expenditure of manpower. The South Vietnamese (and American) way of waging war costs more money, but it saves lives. Cuts in U.S. assistance and consequent shortages in some military items have already resulted in a relatively higher South Vietnamese casualty rate, and further cuts in our aid would produce an even greater casualty rate.

Mr. PROXMIRE. Will the Senator yield?

Mr. GOLDWATER. Mr. President, I have only a few minutes. The Senator will have to yield on his time.

Mr. PROXMIRE. If the Senator will yield on my time, I ask that I have some time so that I may discuss it briefly with the Senator from Arizona.

I think that the Senator from Arizona makes an excellent point. The fact is that a great deal of what we give is not used for hardware for tough, military purposes. It should be. We have an economic aid program, too. The Committee on Foreign Relations has recommended half a billion dollars, $500 million, of economic aid. This $550 million should be confined to the sinews of war—the ammunition, the tanks, the planes, and so forth.

Mr. GOLDWATER. But it is not.

Mr. PROXMIRE. Well, if the Pentagon is not doing that, all we can do is provide the funds.

Mr. GOLDWATER. I just gave the Senator some figures, and it runs about $400 million, not $550 million.

I suggest to the Senator from Wisconsin that he amend his amendment to knock out all aid to South Vietnam if we are going to chop a little bit off of it and do the damage I think it will do. And I am not one who is generally interested in giving money away. I have never voted for foreign aid on this floor in my life, and I never will.

But I do not want to see Southeast Asia go down the drain, and I think it will unless we continue to give them aid. If the Senator wants to knock the whole thing out, I think it would be interesting to see how this body feels about that. I think the Senator might as well knock the whole thing out as remove $150 million. It has already been cut.

Mr. PROXMIRE. May I just say to the Senator from Arizona that we are proposing that we provide the same amount we provided last year. Under the circumstances, it seems to this Senator that that should be enough, in view of the fact that the Soviet Union and the People's Republic of China have, on the basis of documentation, sharply reduced the amount which they provided last year.

I reserve the remainder of my time.

Mr. GOLDWATER. Mr. President, I have said all I wanted to say on this subject. I just do not want to hear the figure 8 to 1 bandied around on this floor any more, because that is not exactly correct. We are talking about apples, oranges, bananas, hospital supplies, schools, and everything else, not just the hardware of war.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I yield the distinguished Senator from North Dakota 5 minutes.

Mr. YOUNG. Mr. President, as one who was opposed to getting into the Vietnam war in the first place—it never made sense to me—it is unusual for me to be defending military assistance to South Vietnam. I know that many of the sponsors of big cuts now thought this war was a great adventure about 10 years ago; but after we lost more than 50,000 lives, the thousands who are missing, over 300,000 casualties, and over $150 billion in expenditures, I think it wise that we give some money to salvage something out of this great loss to this Nation.

The President's budget estimate for this purpose submitted by the Bureau of the Budget was $1.4 billion. The Armed Services Committee—and their authorization bill passed both Houses of Congress—called for $1 billion. We have now cut it down to $700 million. I agree with the Senator from Arizona that if we are going to cut it further, we might just as well cut it all out.

We have a new dimension in our foreign policy now, in Secretary Kissinger. I think he has done more for peace in the world than any other man in the history of the United States. He believes that our foreign assistance is a part of his bipartisan foreign policy, and to that extent I am willing to change some of my thoughts of the past and give some foreign assistance, if he believes it necessary, as he does.

Mr. President, I would like to read a letter addressed to Chairman McCLELLAN of the Senate Appropriations Committee, received this morning, signed, in behalf of Secretary Kissinger, by Robert S. Ingersoll, Assistant Secretary. It reads as follows:

AUGUST 20, 1974.

DEAR MR. CHAIRMAN: Secretary Kissinger, who is out of town, has authorized *me to* send you the following statement concernthe Defense Assistance for Viet-Nam (DAV) funding appropriation that may be discussed in the Senate August 21:

"I understand there may be moves to reduce further the amount to be appropriated for Defense Assistance for Viet-Nam.

"As I stated in my letter to you of August 12, cuts already made in our military assistance, combined with the rapid inflation which has eroded the value of that assistance, have brought the South Vietnamese armed forces to a level of austerity which, if reduced further, might affect their ability to defend their country against continuing Communist military pressure. Even the full $1.0 billion which the Congress has authorized for Viet-Nam military aid would be dangerously austere, particularly in view of the increased North Vietnamese military pressure in recent months. At the $700 million level currently under discussion, I fear that the North Vietnamese will be strongly tempted to increase their pressure still more, and the South Vietnamese will be in danger of running out of military necessities for defending themselves well before the end of the fiscal year. Still further cuts would clearly vitiate our policy of supporting the conditions which made the Paris Agreement possible and would call into question the reassurances President Ford and I have been giving of the continuity and constancy of American foreign policy.

"As I also stated in my August 12 letter, the best hope for a genuine negotiated settlement and eventual reconciliation in Viet-Nam is to maintain the balance of forces which has permitted the progress made thus far. I continue to believe that it is extremely important in furthering progress toward the goals of American foreign policy of the past five years that no further cuts be made in our assistance to South Viet-Nam.

Best Regards,

ROBERT S. INGERSOLL.

Mr. President, I have great confidence in Secretary Kissinger. I think he is one of the most popular men in America today. I believe he is using good judgment; and, as I stated before, he has done more for peace in the world than any other man in the history of this Nation. If he so strongly advocates this $700 million, I am willing to go along.

The PRESIDING OFFICER (Mr. HATHAWAY). Who yields time?

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator very much for yielding to me.

I have not been able to attend the debate this morning, except to hear the statement made by the Senator from North Dakota, and I wish to emphasize that I endorse every word of what the Senator from North Dakota has said about the beginning of this war and the continuing of it, and it being part of the foreign policy. That is certainly something we cannot just turn away from, throw down and go off and leave.

I have no complaints as to anyone's position on this bill, of wanting a reduction and wanting to save money. We all do. But those of us who have carried a good part of the load here concerning this year, and legislating on it, have been some of the ones who warned against going in there in the first place; but we stood firmer not to be run out of there, not to be chased out or leave, either, with our POW's left behind.

What the Senator has said about Mr. Kissinger is every bit true. But I want to say that no man has served, under the circumstances, in a finer way than did former President Nixon, when he had the courage and he took all the beating over the head politically and otherwise about withdrawing from this war under conditions where we were not going to be defeated, and under conditions where we were not going to leave until our POW's came with us. So I commend him for that again.

Now, on this matter: In this bill—may we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Our committee has been dealing with this matter for several years, military aid to South Vietnam, as an exception to the general rule that the Foreign Relations Committee deals with it. We were the ones, in our committee, who first put a ceiling on this amount of $2.5 billion.

Then we brought that down as much as circumstances would allow. This year, now, there is written into the authorization bill a requirement, in hard law, requiring that this money be used under circumstances that require standard accounting methods, whereby the General Accounting Office can go in and chase down every single dollar that may be used in this way. That is an innovation. It is something new, and I think that we are going to have a far better chance to make a real test out of this matter, as to how much they may need, barring one extraordinary thing that no one can foretell, and that one thing is, How hard is North Vietnam going to press this matter for a decision?

In extremity, I judge almost everyone here would be willing to appropriate more money if needed to keep these people, the South Vietnamese, from being exterminated or virtually enslaved.

So I have said this in conference, that no one can actually say how much we will need, but just to get the ordinary things, artillery shells, ammunition, rifles, small arms, and items of that kind, is going to require about just as much as we have in the bill anyway.

It will not buy a lot of planes and tanks and a whole lot of things of that kind. If it has to be had, we have to consider this in a supplemental bill. We had an understanding in the Appropriations Committee that we would make these reductions, and if there was an emergency arose and the administration asked for it, we would consider the facts as they developed then, just to furnish the elementals.

I hear all these stories about the artillery shells being stolen and sold for scrap. We have not had any of that that could be traced down with any authenticity. I do not know, I suppose we have a little stealing going on, thefts here and there, we usually do have, but that is certainly incidental.

The main matter here is—and I am not happy about it, I have never been enthusiastic about a whole lot of foreign aid—are we going to let this ally of ours, which is what we were calling them 2 or 3 years ago, die on the vine and be annihilated as a government and taken over by the Vietnamese Communists with us just standing by? Are we going to give them the minimum—now that is all it is in this bill, a minimum—that will keep them alive militarily, militarily under the ordinary, and they are having heavy lines of battle now, the enemy is closer to Saigon, the capital, than they have ever been.

Coming back to this question, are we going to keep them alive militarily?

I believe an old diehard like I am, to a degree, on military aid to every country in the world, and particularly with the background I have outlined, does not want to see that happen, not repudiate those 54,000 men killed over there and these thousands of others that were wounded, maimed, and their lives partly ruined. We do not want to repudiate them.

Just on that basis alone, I would stand strongly for the minimum.

Now, next year this matter is going to be handled by the——

The PRESIDING OFFICER (Mr. McIntyre). The Senator's 5 minutes have expired.

Mr. STENNIS. One more minute.

Next year this matter is going to be handled by the Foreign Relations Committee along with all the other foreign aid matters and they will have an excellent chance to take a look and straighten out anything that is the matter with this program.

I think we have cleaned it up very much ourselves, but if we just let them sink into the mire and be defeated or exterminated, it will be too late.

I thank the Senator very much.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I ask unanimous consent that my staff member, Mr. John Napier, may be on the floor during the debate on this bill and on H.R. 12628, including the voting on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Mr. Bill Kennedy, of the appropriations staff, may have the privilege of the floor during future debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. McCLELLAN. I thank the Chair.

Mr. President, it certainly is not with any great enthusiasm or with any real pleasure that I undertake to defend the action of the Appropriations Committee in this instance in placing the amount of this appropriation at $700 million, the same as that by the House.

I say, it is not any pleasure, because I am placed in a different role from any I have experienced in the past. Some who are very enthusiastic about this amendment have possibly over the years supported large sums of foreign aid spending. I have opposed these measures. I have not voted for foreign spending for a foreign aid bill since 1954, and it is not with any degree of satisfaction at all that I support any amount, not one nickel, for Vietnam or for Southeast Asia.

But it is not what I would personally like to do or would not like to do. We have a question here on what is the duty and the responsibility of our country to do under the present circumstances.

When we made the settlement in Vietnam that enabled us to bring our boys home, we called it peace with honor. I do not know, in my judgment—it was not a complete peace nor was it with complete honor, but it did result in the saving of thousands and thousands in American boys' lives. Recognizing that fact I am confident that we made some obligation, I do not think this will be denied, that we made some obligation to help Vietnam militarily, and economically, in the hope and expectation that possibly she could defend herself.

That was the whole theory, let us get out and we will give them help, so that they can defend themselves.

We got out and our boys are home, we are not fighting, we are not dying over there any more. I want to say that at $700 million a year it is a small amount to get our boys home if that is all it is going to cost us.

For that reason, I am going along and supporting this provision again this year.

Now, if we are going to absolutely stop it, let us say so. Let the authorization committee say so. Do not bring out any more authorization for it and let us give them notice a year in advance that we are not going to do it.

We have cut them this year just over 50 percent—51 percent of what amount the administration requested. We are giving them about the same amount they received last year.

I want to add, we are not giving them as much assistance in goods, material, ammunition, and supplies as we gave them last year, because $700 million this year will not buy the same amount of ammunition, it will not buy the same amount of gasoline, it will not buy the same amount of clothing, it will not buy the same amount of food, it will not buy the same amount of hospitalization, the same medical care, so we are cutting them down.

We are not advancing them more than last year. We are gradually cutting them down.

We ought to do one of two things, make up our mind as national policy we are going to stop it altogether, or we ought to do a little to help them sustain themselves. Particularly, that is true, as it has been pointed out here this morning, with the enemy now within 16 miles of the capital city.

I do not doubt that there is corruption. I do not doubt there are many things wrong. There were many things wrong with a whole lot of other countries and governments, and we kept financing them. We have financed dictatorships.

Where we have already invested 50,000 American lives, plus 300,000 other casualties, that is our treasure.

I do not know whether we ever belonged there in the first place. My belief was when we went in there we should have gone in to win, and we did not.

I think our policy has been wrong from the beginning, but now we want out. Our boys are not dying, and after we induced them to agree to the terms of the peace with the understanding that we would give them some military aid, I think, Mr. President, we have some obligation to do it.

Now, let me point out, and I say I do not relish this, but here is a letter I received this morning from the Secretary of Defense.

Mr. President, I ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 21, 1974.

Hon. JOHN L. MCCLELLAN,
Chairman, Department of Defense Subcommittee, Committee on Appropriations, U.S. Senate

DEAR MR. CHAIRMAN: I am concerned about a further reduction in the FY 1975 level of support to South Vietnam below the $700 million recommended by both the House and Senate Appropriations Committees. A reduction below the $700 million level would lead to a serious crippling of the South Vietnamese capability to defend themselves, would have a demoralizing effect on them, and could be taken by the enemy as an invitation to increase hostilities. There is no assurance, for example, that we will be able to provide adequate levels of ammunition stocks since the stated requirement for ammunition and essential operating costs alone exceed the $700 million.

As you know, the Department of Defense originally requested funds in the amount of $1.450 billion. As a result of recommendations of the House and Senate Armed Services Committees, Congress previously provided an authorization of $1.000 billion for this purpose. Notwithstanding the level authorized, both the House and Senate Committees on Appropriations have recommended a funding level of $700 million. Congress also denied the use of about $300 million in unobligated balances from FY 1974 and prior programs. This further compounds the impact of cuts in the FY 1975 request. To avoid the loss of all prospects for a negotiated settlement, I urge your support against further reductions in the program of military assistance for South Vietnam.

Sincerely,

J. R. SCHLESINGER.

Mr. McCLELLAN. Mr. President, I will read a sentence from it:

> A reduction below the $700 million level would lead to a serious crippling of the South Vietnamese capability to defend themselves, would have a demoralizing effect on them, and could be taken by the enemy as an invitation to increase hostilities.

I do not know that this allegation is true, but I know it is quite probable. I do know they mean to control that country some day, if they can.

It is perfectly obvious to me, and I do not think anybody can deny it. It is just a question of how much more obligation we feel to try to help these people defend themselves.

Another portion of the letter reads:

> Congress also denied the use of about $300 million in unobligated balances from FY 1974 and prior programs. This further compounds the impact of cuts in the FY 1975 request. To avoid the loss of all prospects for a negotiated settlement, I urge your support against further reductions in the program of military assistance for South Vietnam.

Mr. President, I am going to support it this year, the amount that is in the bill, the amount that the House has approved. But I am making reservations, and I do not hesitate to say so. I think the appropriate committees, the Armed Services Committee and the Foreign Relations Committee, ought to look into it very closely. We ought to make a policy that we are going to stand by and live by, and not have this problem every time an appropriations bill comes up. Let us determine what we are going to do, and then do it. We ought to give them notice that within a year's time, or some such time, we are not going to provide any further assistance. If we are going to provide help this year, we should give them notice that within a year's time, or some such time, we are not going to provide any further assistance. If we are going to provide help this year, we should give them enough funds to try to make certain that it will sustain them until we reach that point next year for a final decision.

Mr. President, I do not relish supporting this matter at all. I do not like it. I do not like it a bit. I have not liked it, any of it, in the last 20 years. But we do have a problem here, and we have an obligation, as I see it, at this moment to try to help these people to protect themselves; try to prevent their being overrun and conquered, and their government and their freedom destroyed.

The **PRESIDING OFFICER**. Who yields time? The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

I am practically through. I do not think we need to spend further time on this.

Mr. President, I think we ought to recognize some of the facts.

Fact No. 1 is what this amendment does is propose that we provide in military assistance for South Vietnam exactly the same as the Senate voted last year, $550 million, not a reduction from what we recommended last year. Last year we did settle for a higher figure. We went to conference. This year we will go to conference and we would presumably settle for some kind of a compromise figure. I am simply recommending that we provide the same amount as last year.

No. 2, in spite of all the argument and all the rhetoric, the fact is that the best evidence we have from the Defense Intelligence Agency is that the People's Republic of China and the Soviet Union have sharply reduced the amount that they have been giving to North Vietnam.

The statistics are very clear. They cut the amount they gave in 1972 by more than one-half what it was. Their figures show that we are providing 8 times as much money to South Vietnam as the major Communist countries are providing North Vietnam.

The Senator from Arizona disputes that, and argues that we include in our military figures not only hard goods but many other things.

I say that is the discretion of the Defense Department. If they want to confine it to planes, tanks, ammunition, rifles, and so forth, good. That is what they should do.

Mr. President, in addition to these points, I would like to discuss the argument that has been made that there has been exaggeration of the corruption in South Vietnam. General Thieu's own paper, the most conservative paper in Saigon, and the paper that supports the administration, was responsible for the evidence that uncovered the fact that a number of new American A-37's worth $500,000 each were being dismantled and sold for scrap on the black market in Saigon.

Furthermore, there is the fact the police raid on an illegal scrap operation yielded the wings of 15 planes as well as substantial amounts of other U.S.-made equipment which was being readied for foreign export.

I realize that corruption does take place under these circumstances. But the one action—the one action—Congress can take to reduce that is to limit the amount of funds available. This is the only way we can put real pressure on the Thieu administration to make sure that this kind of corruption does not take place in the future. As long as they have an abundance of hundreds of millions of dollars, it is predictible that this type of corruption is going to recur.

One further point, Mr. President: It has been said that if we do not provide the full amount the Appropriations Committee has recommended and the Secretary of Defense says he has to have, South Vietnam is going to go down the drain.

This is very hard to accept in view of the findings of congressional committees and the testimony of Gen. William Caldwell. The Frelinghuysen report, for example, and the testimony of General Caldwell before the Senate Armed Services Committee this year, showed that the Saigon regime has increased its population control by 6 percent since the ceasefire and its control over hamlets by 770. This is not what happens when a regime is in dire straits. It is improving its position.

So on every score, from the standpoint of the balancing of the amount of aid on the other side, which has been set by our officials as the principal purpose of our military aid, we are giving more. No matter whether you accept my statistics or the statistics of the Senator from Arizona, that is the case. We are giving more, substantially more. If my amendment is accepted we would still give more than the Communist countries are giving.

There is not any question that we can help put pressure on reducing corruption if we reduce the amount of money available.

There also seems to be little question that, when you look at the facts, the South Vietnamese are not about to go under if we provide a limited reduction in the amount of military assistance. They have been doing well and they will continue to do all right.

Mr. President, I do not know if the Senator from Arkansas has any request for any further time.

Does the Senator from Arkansas wish to yield back his time or have a quorum call with the time taken from both sides?

Mr. McCLELLAN. I will yield 1 minute to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator for yielding.

Mr. President, just for the record, back when we had this matter up for consideration in the Armed Services Committee on Thursday, May 23, 1974, as chairman I issued a press statement calling upon the Department of Defense for a closer surveillance, and so forth, with reference to this program. My recollection is I wrote the Secretary of Defense a letter to that effect, but I have been unable to locate the letter. As a substitute, I will use the press release to describe it.

I ask unanimous consent that a copy of this press release to improve surveillance over the matter be inserted in the RECORD at this point.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

NEWS RELEASE OF SENATOR JOHN C. STENNIS

Senator John C. Stennis, Chairman of the Senate Armed Services Committee, requested today that "a highly competent individual of top reputation" be assigned to take full charge of the billion-dollar program of military aid to South Vietnam.

Senator Stennis made the request in a statement directed to the Defense Department and the White House. He stressed that a top administrator should have full-time responsibility for the program under the general direction of the Secretary of Defense.

The text of the Senator's statement:

"In recent weeks the Senate Committee on Armed Services has devoted much time to the program of military aid for South Vietnam. That program was originally designed to finance a shooting war in which U.S. troops, South Vietnamese, and others were engaged.

"The after-the-fact accounting procedures which may have been necessary for full-scale fighting with allies are wholly inappropriate for providing aid to a single nation—South Vietnam. I think this program must be tightened up and put on a sound basis, and I am asking the Defense Department and the White House to do that.

"In the pending Military Procurement Authorization Bill, the Senate Armed Services Committee has provided a new accounting format for military aid to South Vietnam. In place of the merged accounting arrangement known as Military Assistance Service Funded, MASF, our Committee has set up for this assistance a separate appropriations account which, in contrast to the present arrangement, would be subject to the same auditing and review procedures as any other appropriations account. Among other things, it would be subject to audit by the General Accounting Office. Obligations would require approval by the Secretary and would be charged immediately against the ceiling set by Congress.

"To administer this new program, I think a highly competent individual of top reputation should be assigned to take full charge and supervise operations here and in South Vietnam.

"I understand that the program will be the general responsibility of the Secretary of Defense and the Assistant Secretary for International Security Affairs, but I want a top-man assigned full-time to this job.

"I favor a reasonable amount of military aid for South Vietnam in the wake of our withdrawal. I am sure, however, that the Program must be put on a new basis which reflects the present situation."

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. If both sides yield back their time——

Mr. McCLELLAN. Has the Senator from Wisconsin yielded back his time?

Mr. PROXMIRE. I yield back, unless the Senator from Arizona wishes to ask a question.

Mr. GOLDWATER. If both sides yield back their time, does the vote occur at 11 o'clock or now?

The PRESIDING OFFICER. The unanimous-consent agreement was for the vote to occur at 11 o'clock. That is the time the vote will occur.

Mr. GOLDWATER. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I am willing to yield back the remainder of my time.

Mr. PROXMIRE. I had a request from the Senator from Missouri to speak briefly. I will yield to the Senator from Missouri for 2 minutes.

Mr. SYMINGTON. Mr. President, yesterday, I gave reasons why I was going to support the Proxmire amendment. This morning I found that due to a rather intricate formula in the Corps of Engineers, a very important and essential dam for my State, slightly north of Kansas City, has been rejected. I also found that an important dam in Southwest Missouri, where the amount of money being asked was $75,000—$75,000—was rejected. The total project to go to completion would be $18 million.

I have respect for those who believe that we have an obligation to the South Vietnamese. But the longer I am in this body the more I believe that our basic obligation is to the people of the United States, many of whom are poor, many of whom need their water developed, many of whom wonder why it is so necessary for us to spend all these billions upon billions of dollars in foreign countries when they cannot get the opportunity to have the Congress approve a few thousand dollars or in some cases a few million dollars to improve their own quality of life.

I thank the Senator for yielding to me.

Mr. PROXMIRE. May I say to the Senator from Missouri I think he raises one of the most important points of all, one that has been neglected this morning in the debate.

The Senator from Rhode Island discussed it yesterday very eloquently. It is a fact that this inflationary year, when we have to do everything to hold down every nickel of spending we possibly can, when we are denying assistance for health, for education, for well being, for housing, for transportation, for so many purposes that we need—and the House just yesterday made an extremely sharp reduction in the mass transit bill—here is one area of assistance to South Vietnam where a modest reduction back to the level we recommended last year, it seems to me, is in order.

Mr. SYMINGTON. Mr. President, I thank the Senator for his remarks.

May I say that I have been in South Vietnam many times—in 1961, in 1965, in 1966, in 1967, and in 1972—and every time I went there I became more and more convinced that the sooner we got out of South Vietnam, and stopped pouring these billions of dollars down the rathole of that country, the better off it would be for the people of this country.

Mr. PROXMIRE. Mr. President, I thank the Senator.

Mr. HUGHES. Mr. President, I am pleased to join in supporting the amendment of the distinguished Senator from Wisconsin (Mr. PROXMIRE), for I believe that military assistance to South Vietnam can and should be reduced further.

As a result of a compromise in the Senate Armed Services Committee, I supported that committee's recommendation of a $900 million ceiling for this MASF program. As I said at the time, however, I hoped and expected that the Appropriations Committee would examine these requests on the basis of later evidence in order to consider further sensible reductions.

That committee has already seen fit to reduce the funding to $700 million. I believe that recent evidence also justifies a further cut—to the $550 million figure proposed in this amendment.

One of the most significant recent studies of this program was conducted by staff members of the Foreign Relations Committee, whose report was published just 3 weeks ago.

That report makes these major findings:

U.S. officials who study North Vietnam most closely agree that a major Communist attack is unlikely this year and perhaps even next year.

While overall North Vietnamese and PRG military strength has increased about 30,000 men since the Paris Agreements were signed, Saigon has added over 50,000 men.

Both sides have continued military operations to consolidate their respective positions, but Saigon has expanded its control by 6 to 15 percent.

U.S. officials acknowledge that the mass of military equipment poured into

South Vietnam just before the cease-fire has not been well utilized.

And although officials in Washington continue to worry about alleged ammunition shortages in view of congressional cutbacks in MASF, the Foreign Relations Committee staff members report that "no mention of such shortages was made to us in briefings or discussions in Vietnam."

In fact, U.S. officials have no reliable means of verifying expenditures of ammunition by the South Vietnamese.

In view of these facts, I do not see why we should continue to fund this program at nearly last year's level. A $550 million program would be much more in keeping with our desire to phaseout of this huge monetary commitment to Saigon and also to encourage the transition from a military to a political struggle.

After all, the South Vietnamese are far from defenseless. They have the fifth largest armed force in the world, and one of the largest and best equipped air forces. Even this $550 million in military aid will be more than double what North Vietnam received last year from its allies.

The military machine we have built in South Vietnam is also an instrument for repression and the locus of waste and corruption. By continuing massive aid to the Thieu regime, we are in fact undermining the chances for peace or democratic government in South Vietnam.

Cutting military aid to $550 million now is a responsible and a moral action.

Every time one of these requests is debated in the Congress, there seems to be a flood of scare stories from Saigon. We heard dire predictions last winter, when we denied the request for $266 million in the supplemental. We heard more in June, when we cut the request to $900 million. Now we hear them again.

What we do not hear is that plaintive cry for peace, for an end to the violence, which comes from the innocent people caught in the crossfire of the contending armies.

These farmers and orphans and urban squatters do not care who sits in the presidential palace, or who collects the taxes. Or if they do care, they have never been given a free choice or a free vote to express their preference.

The United States, by its own actions, cannot impose peace where there is no will for peace. But we can reduce our own involvement in perpetuating this long and tragic conflict.

This amendment contributes to that worthy goal, and I shall gladly support it.

Mr. McCLELLAN. Mr. President, I yield 2 minutes to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, we do have many pressing domestic problems here, and there are many important Government programs that need to be funded and funded adequately. But this does not obviate the fact that we have a world responsibility. We have to think in terms of the role of the United States in trying to promote a climate in this world in which we can achieve peace and security, a climate in which people can aspire to self-determination and have some reasonable hope of realizing that aspiration. If we do not promote that climate in this world, I think we are going to inflict damage on the security of the United States.

Domestic problems are important. But it is also important that we create the kind of climate in this world in which we can preoccupy ourselves with domestic problems and not with international problems. To walk away from Vietnam and turn Vietnam over to Hanoi—and that is precisely what we would do if the amendment of the Senator from Wisconsin were adopted—would be a dereliction of our responsibility. It would mean that we are saying that 50,000 American have died in vain. It would mean that the Paris agreement, which was so painfully put together, would be treated as a scrap of paper, because we would leave the South Vietnamese without the capacity to defend themselves. Already, in violation of the Paris agreement, the North Vietnamese have built up their forces to the greatest strength ever in South Vietnam.

I do not see how we can, in good conscience, abandon these people to what will be a major offensive and a certain blood bath should we fail to supply them with the military equipment they need.

Mr. PROXMIRE. Mr. President, I say to the Senator from Texas that I am not proposing that we get out of Vietnam. Perhaps I should, but I am not. I am proposing that we allow $550 million, an enormous amount, for military assistance to Vietnam, in addition to the extra $500 million that the Committee on Foreign Relations has recommended we provide in economic aid for South Vietnam. This is more aid than we provide to any other country in the world, more than we provide to all of South America. This is not abandoning our world responsibilities at all.

Further, in terms of the Paris agreement, the fact is that the Soviet Union and the People's Republic of China have reduced their assistance far more than we have—as a matter of fact, far more than we would even if we adopted my amendment.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield 1 minute to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I appreciate the cooperation of the able Senator from Wisconsin in permitting me to present a matter to the Senate.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT AUTHORIZATIONS EXTENSION

Mr. RANDOLPH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 14883.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. RANDOLPH. I move that the Senate further insist upon its amendment.

The motion was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield 1 minute to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I would just remind the Senate that the President of the United States feels very strongly about this appropriation. The Secretary of Defense has written a letter, a copy of which is on the desk of each Senator, showing the importance of this appropriation. The Secretary of State has made a statement strongly favoring this appropriation.

I remind Senators, too, that this amount of $700 million is only four-fifths of 1 percent of the defense budget. Originally, the Defense Department requested $1.45 billion. That was cut to $1 billion in conference with the Senate and the House. The Senate Appropriations Committee has now cut it to $700 million.

Mr. President, if we go below that amount, we are jeopardizing the freedom of the people of South Vietnam. Furthermore, we will not be keeping our commitment there, which was the promise to those people of a talk for a tank, a gun for a gun, so that they can fight their own war and retain their freedom.

I hope that this amendment will be defeated.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. McCLELLAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. GOLDWATER. Mr. President, would it be in order at this time for me to call up my amendment to the Proxmire amendment?

The PRESIDING OFFICER. The amendment would be in order.

Mr. GOLDWATER. I call up my amendment, Mr. President, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 2, of amendment No. 1810, in lieu of "$550,000,000" insert "0".

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I yield.

Mr. STENNIS. I did not hear the last word in the proposed amendment.

Mr. GOLDWATER. The word is "zero."

The PRESIDING OFFICER. The clerk will state the amendment again.

The assistant legislative clerk read as follows:

> On page 1, line 2 of amendment No. 1810, in lieu of "$550,000,000" insert "0".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona (Mr. Goldwater) to the amendment of the Senator from Wisconsin (Mr. Proxmire). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. Case) and the Senator from New York (Mr. Javits) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) would vote "nay."

The result was announced—yeas 21, nays 71, as follows:

[No. 373 Leg.]

YEAS—21

Abourezk
Biden
Burdick
Church
Cranston
Eagleton
Fulbright
Hart
Hartke
Haskell
Hatfield
Hughes
Mansfield
Muskie
Pell
Ribicoff
Schweiker
Scott, William L.
Symington
Tunney
Weicker

NAYS—71

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Long
Magnuson
Mathias
McClellan
McClure
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Proxmire
Randolph
Roth
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Williams
Young

NOT VOTING—8

Case
Gravel
Javits
Kennedy
McGee
McGovern
Percy
Sparkman

So the amendment was rejected.

The PRESIDING OFFICER (Mr. Montoya). The question now recurs on agreeing to the amendment of the Senator from Wisconsin (Mr. Proxmire). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. JOHNSTON (after having voted in the negative). Mr. President, on this vote I have a pair with the senior Senator from Massachusetts (Mr. Kennedy). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. Case) and the Senator from New York (Mr. Javits) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) and the Senator from Illinois (Mr. Percy) would each vote "nay."

The result was announced—yeas 44, nays 47, as follows:

[No. 374 Leg.]

YEAS—44

Abourezk
Bayh
Bible
Biden
Brooke
Burdick
Cannon
Church
Clark
Cook
Cranston
Eagleton
Fulbright
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Inouye
Magnuson
Mansfield
Mathias
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, William L.
Stevenson
Symington
Tunney
Weicker
Williams

NAYS—47

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Humphrey
Jackson
Long
McClellan
McClure
McIntyre
Nunn
Pearson
Roth
Scott, Hugh
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Johnston, against.

NOT VOTING—8

Case
Gravel
Javits
Kennedy
McGee
McGovern
Percy
Sparkman

So Mr. Proxmire's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATIONS—TIME LIMITATION AGREEMENT ON NELSON-ERVIN AMENDMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for a 1-hour limitation on the Nelson-Ervin amendment which will be offered to the State Department appropriation bill. This has been cleared with the manager of the bill.

I wish to ask if the distinguished ranking Republican would agree, as has the distinguished ranking Republican of the subcommittee.

Mr. YOUNG. I have no objection.

Mr. MANSFIELD. And the chairman of the subcommittee.

Mr. PASTORE. I have no objection.

Mr. HRUSKA. I have no objection.

The PRESIDING OFFICER. There being no objection, it is so ordered.

J. ALLEN FREAR BUILDING

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1064, S. 3815.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 3815) to designate the Federal office building located in Dover, Del., as the "J. Allen Frear Building" which had been reported from the Committee on Public Works with an amendment on page 1, in line 5, strike out the words "the late" so as to make the bill read:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Federal office building located in Dover, Delaware, is designated as the "J. Allen Frear Building", in honor of Senator J. Allen Frear.
>
> Sec. 2. Any reference to such building in any law, rule, document, map, or other record of the United States is deemed to be a reference to such building by the name designated for such building by the first section of this Act.

Mr. ROTH. Mr. President, I thank my colleague from Delaware for his support of this bill to name the new Federal office building in Dover, Del., the J. Allen Frear Building. I have spoken on this matter on two previous occasions, so my remarks shall be brief.

Mr. Chairman, I believe that Federal buildings should be more than concrete and steel—they should embody and complement the community in which they stand. Federal buildings can do this by bearing as their name the name of a distinguished member of the local community. In Dover, Del., such a man is former U.S. Senator J. Allen Frear.

J. Allen Frear's entry in the Biographical Directory of the American Congress reads as follows:

> Frear, Joseph Allen, Jr., a Senator from Delaware; born on a farm near Rising Sun, Kent County, Del., March 7, 1903; attended the Rising Sun rural school and Caesar Rodney High School; graduated from the University of Delaware in 1924; president and

owner of a retail business in Dover, Del.; Commissioner of Delaware State College 1936–1941 and Delaware Old Age Welfare Commission 1938–1948; director, Federal Land Bank Board, Baltimore, Maryland 1938–1947, being chairman of the board the last two years; director of the Farmer's Bank of Dover and the Baltimore Trust Co., of Camden, Del.; president of Kent General Hospital, Dover, Del., 1947–1951; during World War II served in the United States Army as a major, with overseas service in the European Theater of Operations with the Military Government, 1944–1946; delegate to Democratic National Conventions in 1948, 1952, and 1956; elected as a Democrat to the United States Senate in 1948 for the term commencing January 3, 1949; reelected in 1954 for the term ending January 3, 1961; unsuccessful candidate for reelection in 1960; appointed to the Securities and Exchange Commission on March 15, 1961, resigned in October 1963; elected a vice president of the Wilmington Trust Co., in Delaware, 1963; is a resident of Dover, Delaware.

This entry is enough to tell us that former Senator Frear has led a worthwhile life of community service, that he has done much for the people of Delaware. But it does little to point out the essential humanity of this man—his perception, his warmth, and his good sense; the qualities that have earned him friendship as well as respect, and deserve note.

Mr. President, in a time when suspicion is widespread that many in public office are not worthy of trust, it is important that we honor those who have lived a public life that is worthy of trust. For that reason I sponsor and urge my colleagues to support S. 3185, to designate the Federal office building located in Dover, Del., as the J. Allen Frear Building.

Mr. President, shortly after I first suggested that the Federal office building in Dover be named for former Senator Frear, an article appeared in the Delaware State News supporting that idea. I ask unanimous consent that it be inserted in the Record at this time.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From The Delaware State News, July 9, 1974]

Naming of Fed Building for Frear Is Good Idea

(By Harry C. McSherry)

A proposed action that was met with pleasure by all persons learning about it was the one to name the new Dover federal office building in honor of former U.S. Sen. Allen J. Frear of Dover.

The fact that the former Senator is a prominent Democrat apparently did not deter U.S. Sen. William V. Roth, a Republican, from suggesting it and, further, indicating he planned to confer with the proper Senate Committee concerning the matter.

As a supporter of civic matters, either in public, or privately, the former Senator has been acknowledged in the front ranks of affairs locally for a long term of years.

His pleasant manner has brought him an untold number of friends and has likewise aided his efforts in many activities.

It is needless to say the local public will be greatly pleasured should the proposal of Senator Roth be successful.

Mr. BIDEN. Mr. President, I have cosponsored S. 3815, a bill to designate the new Federal Office Building in Dover, Del., as the "J. Allen Frear Building."

At the request of Senator Roth, I have had the bill reported out of the Public Works Committee of which I am a member. The Public Works Committee in its report stated that,

> The committee believes that it would be most appropriate to name the New Federal Office Building in Dover the "J. Allen Frear Building."

J. Allen Frear served as the U.S. Senator from Delaware for two terms from 1949 to 1961. Senator Frear has dedicated his entire life to public service. A person of the highest moral integrity, Senator Frear has conducted himself in both elected office and his many public service activities, in a fair, impartial, nonpartisan manner. He has always placed the interests of the Nation and the people of the State of Delaware before self or party.

The best indication of this is demonstrated by the fact that my Republican colleague from Delaware first came up with the idea to name this building after Senator Frear, a Democrat.

I, therefore, in recognition of his outstanding record of public service, urge your support of S. 3815 when it comes before the Senate for consideration.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VETERANS EDUCATION AND REHABILITATION AMENDMENTS OF 1974—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I submit a report of the committee of conference on H.R. 12628, and ask for its immediate consideration.

The **PRESIDING OFFICER.** The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The **PRESIDING OFFICER.** Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of August 19, 1974, at pp. 29015–29040.)

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of not to exceed 5 minutes on the consideration of the conference report.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I rise to urge the Senate to adopt the conference report to H.R. 12628, the Vietnam Era Readjustment Assistance Act of 1974. The conference report before you has reconciled the differences between the Senate and the House versions and has been agreed to unanimously by the Senate and House conferees. Mr. President, this bill is not all that we had hoped for but by and large it does contain the vast majority of the provisions passed by the Senate on June 19 of this year.

The one item which occasioned the greatest opposition from both the administration and from the House conferees was the partial tuition assistance provision which would have provided up to $720 a school year in additional educational allowances. While the tuition provision was dropped from this compromise bill, the conferees have agreed to a provision directing the Veterans' Administration to carry out a thorough study and to report to Congress and the President within 12 months on the opportunities for abuse and administrative difficulties arising from a tuition assistance program if one were to be enacted. Various interested organizations and agencies are to be consulted and their views solicited as part of the study process. The study would draw its context from the findings of abuses in connection with the World War II GI bill program and from an investigation of these problems as presently being experienced under the GI bill tuition assistance programs such as chapter 31, vocational rehabilitation, correspondence courses, flight training and PREP, and would include recommendations by the Veterans' Administration as to legislative or administrative ways in which any such abuses and difficulties could be prevented and mitigated under present or future programs.

Mr. President, I believe such a study would be valuable and may put to rest some of the persistent fears that exist with respect to any tuition assistance program. I must be candid and admit that I am disappointed that this provision was not agreed to, because it remains my contention that the concern over possible abuses in the GI bill program does not rest so much in the level or manner of payment as it does either with the quality of services offered by some institutions presently eligible to participate in the VA program or with deceptive, erroneous, or misleading advertising sales or enrollment practices by them. I am thus gratified that new and important controls added by the Senate which should mitigate against those abuses have been retained in the compromise version. Perhaps with the prospective study by the Veterans' Administration and the operation of these new controls added by the Senate, we will be able to approach the issue of tuition with increased knowledge, decreased concern and reduced emotion.

Mr. President, there have been some suggestions that this bill is inflationary and that more "compromise" is needed. I believe this suggestion is not in accord with the facts and ignores the extensive amount of compromise which has occurred already. The Senate by receding on the partial tuition assistance allowance has agreed in effect to a net reduction in the original Senate bill approved by a vote of 91 to 0 of almost $500 million. I believe any objective observer will agree that this represents a substantial compromise on the part of the Senate.

Second, the 22.7-percent increase clearly does not outpace the inflation which has been and continues to be experienced by our younger veterans. Since the effective date of Public Law 92-540 in 1972 the increase in the basic cost of living alone has reached almost 19 percent as of today and can easily be expected to reach 23 percent by the end of this year. But even this fails to take into account that increases in the consumer price index have consistently been outpaced by increases in the cost of education. It should be remembered that the educational assistance allowance scheduled to be increased by 22.7 percent is meant to cover both subsistence costs and educational costs. Thus I believe that the increases that we have provided in the compromise agreement are responsible and thoroughly warranted measured by any standard including our justifiable concern over inflation and the impact of governmental expenditures on it. I am hopeful that President Ford will realize that this is a responsible and necessary measure, because I am convinced that Congress and the American people view it as such.

Mr. President, the American people became increasingly disenchanted with President Ford's predecessor, whose actions were so often at variance with his words. Veterans particularly noted the disparity between President Nixon's rhetorical praise for those who sacrificed for their country and his actions which so often belied that praise. Perhaps most shocking to our Nation's veterans was the pocket veto of two important veterans' measures in 1972—the first such vetoes in over 30 years. Of course, both bills were overwhelmingly passed in the following Congress and signed into law, but the distress created by those vetoes was lasting.

I am most hopeful that President Ford will take the opportunity to demonstrate his genuine concern for those who sacrificed for their country by signing the bill promptly when it is presented to him. Some schools have already begun and the overwhelming majority will begin shortly. It is important that this legislation be signed now so that veterans can get on with the task of educating themselves and becoming more productive citizens.

Mr. President, before I briefly summarize the provisions of the conference report, I want to take this opportunity to express my deep gratitude and appreciation to each member of the committee, which I am privileged to chair, for their hard work, their dedication, and their typically bipartisan approach to this bill which has characterized their efforts with respect to all veterans legislation which has been considered by the committee. The Senator from Georgia (Mr. TALMADGE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Iowa (Mr. HUGHES), the Senator from California (Mr. CRANSTON), the Senator from Wyoming (Mr. HANSEN), the Senator from South Carolina (Mr. THURMOND), the Senator from Vermont (Mr. STAFFORD), and the Senator from Idaho (Mr. MCCLURE) have all worked hard on this bill and have contributed to the final product which you see before you.

I particularly want to commend them for the unity they displayed in our conference with the House.

GENERAL SUMMARY OF THE PROVISIONS OF THE VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1974

Mr. President, there are five titles in the Vietnam Era Veterans Readjustment Assistance Act of 1974 as agreed to in conference. Briefly summarized, they are as follows:

TITLE I

Title I amends title 38 as follows:

First, increases the rates for the monthly educational assistance allowance by 22.7 percent fo religible veterans under chapters 31 and 34 and for eligible wives, widows, and children training under chapter 35. The monthly allowance for a single veteran with no dependents is increased from $220 to $270. A married veteran's allowance is increased from $261 to $321 monthly. The allowance for a married veteran with a child is increased from $298 to $366 a month with provision for $22 for each additional dependent.

Second, increases by 22.7 percent the monthly training assistance allowance payable to eligible veterans or persons pursuing a full-time program of apprenticeship or other on-job training program. The initial monthly allowance for a single veteran with no dependents is increased from $160 to $196.

Third, liberalizes eligibility requirements for disabled Vietnam veterans to train under the vocational rehabilitation provisions of chapter 31 to equalize them with those in effect for veterans of World War II and the post-Korean conflict.

Fourth, clarifies and liberalizes the circumstances under which disabled veterans training under the vocation rehabilitation provisions of chapter 31 may qualify for individualized tutorial assistance.

TITLE II

Title II amends title 38 as follows:

First, permits the initial 6 months of active duty training by Reserve and National Guard members to be counted toward entitlement for educational assistance under chapter 34, if the Reserve or Guard members subsequently serve on active duty for a consecutive 12 months or more.

Second, extends the maximum entitlement of educational benefits to veterans from 36 to 45 months.

Third, clarifies and strengthens certain administrative provisions of the veterans VA educational assistance programs to prevent and mitigate against abuses by providing that courses with vocational objectives must demonstrate that at least 50 percent of the course graduates obtained employment in the occupational category for which the course was designed to provide training.

Fourth, provides that the Administrator shall not approve enrollment of an eligible veteran or person in any course which utilizes significant avocational and recreational themes in its advertising, or in any proprietary below-college level course in which more than 85 percent of the eligible students are wholly or partially subsidized by the Veterans' Administration.

Fifth, clarifies and strengthens certain administrative provisions of the VA educational assistance program to prevent abuses.

Sixth, authorizes up to 6 months of refresher training for veterans eligible under the current GI bill to update knowledge and skills in light of the technological advances occurring in their fields of employment during and since the period of their active military service.

Seventh, liberalizes the veteran-student service programs by raising the maximum work-study allowance from $250 to $625—increasing the maximum number of hours a veteran may work from 100 to 250 hours—and removing any statutory ceiling on the number of veterans who can participate in the program.

Eighth, liberalizes the tutorial assistance program by extending the maximum assistance period from 9 to 12 months and increasing the monthly tutorial allowance from $50 to $60.

Ninth, liberalizes permissible absences for courses not leading to standard college degrees by excluding customary vacation period established by institutions in connection with Federal or State legal holidays.

Tenth, permits any joint apprenticeship training committee which acts as a annual reporting fee of $3 for each eligible veteran or person enrolled in VA educational programs in return for furnishing the VA with the reports or certificates of enrollment, attendance, and terminations of such eligible veterans.

Eleventh, increases by 22.7 percent the educational allowance payable to eligible veterans or persons who are enrolled in PREP, flight training, or pursuing a program of education by correspondence.

Twelfth, provides that occupational-vocational courses not leading to a standard college degree but offered on a clock-hour basis may in the alternative be measured on a credit-hour basis, provided that there is a minimum 22 hours of attendance per week.

Thirteenth, provides that the Administrator shall not approve the enrollment of any eligible veteran or person in any course offered by an institution which utilizes erroneous, deceptive, or misleading advertising, sales, or enrollment practices of any type.

Fourteenth, directs the Administrator to measure and evaluate all programs authorized by title 38 with respect to their effectiveness, impact, and structure and mechanisms for the delivery of services, and to collect, collate, and analyze, on a continuing basis, full data regarding the operation of all such programs and to make available to the public and the Congress on a regular basis such information and the results of his findings.

Fifteenth, increases the allowance payable to the Administrator for administrative expenses incurred by the State approving agencies in administering educational benefits under title 38.

Sixteenth, clarifies and strengthens the Administrator's functions and responsibilities under the VA outreach program to include greater use of telephone facilities and peer-group contact.

Seventeenth, establishes a veterans representative program to station a full-time VA employee at each educational institution where at least 500 veterans are enrolled to serve as a liaison between the VA and the school and to identify and resolve various problems with respect to the educational assistance program.

Eighteenth, directs the Administrator of Veterans' Affairs to seek to achieve maximum feasible effective coordination and interrelationship of services among all Federal programs and activities affecting veterans, and to seek to achieve the maximum coordination of their programs with the programs carried out by the Veterans' Administration.

TITLE III

Title III amends title 38 as follows:

Authorizes supplementary assistance to veterans or eligible wives, widows, and children by direct loans to such individuals from the Veterans' Administration—utilizing the National Service Life Insurance Trust Fund—of up to $1,000 a school year to cover educational costs not otherwise provided for in title 38 or other Federal loan or grant programs.

TITLE IV

Title IV amends title 38 as follows:

First, extends chapter 41 benefits of job counseling, training, and placement services to wives and widows eligible under chapter 35.

Second, expands and strengthens the administrative controls which the Secretary of Labor is directed to establish in order to insure that eligible veterans, wives, and widows are promptly placed in a satisfactory job or job training or receive some other specific form of employment assistance; also requires the Secretary of Labor to establish standards for determining compliance by State public employment service agencies with the provisions of chapters 41 and 42.

Third, clarifies and strengthens existing law requiring that Federal contractors take actions in addition to job listing in order to insure affirmative action to employ and advance in employment qualified disabled and Vietnam era veterans.

Fourth, provides that it is the policy of the United States to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled and Vietnam era veterans, and provides for special Federal appointment authority and other mechanisms to carry out that policy.

Fifth, provides for clarification and recodification into title 38 of existing law on veterans' reemployment rights, and further extends those rights to veterans who were employed by States or their political subdivisions.

TITLE V

Title V provides:

All amendments become effective on the date of enactment except that the rate increase will be effective September 1, 1974, and the new loan program will be effective November 1, 1974. Veterans or dependents eligible for a loan on or after November 1, 1974, shall be entitled to a loan amount reflective of the full amount of their tuition and all other costs of attendance which they incur for the academic year beginning on or about September 1, 1974.

Mr. President, I also ask unanimous consent that the joint explanatory statement of the committee on conference which explains the compromise bill be inserted in the RECORD at this point.

There being no objection the material was ordered to be printed as follows:

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text and made a title amendment.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment and with a title amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I. VOCATIONAL REHABILITATION AND EDUCATIONAL, AND TRAINING ASSISTANCE ALLOWANCE RATE ADJUSTMENTS

Both the House bill and the Senate amendment liberalize eligibility requirements for disabled Vietnam era and post-Korean conflict veterans to receive training under the vocational rehabilitation program in chapter 31 so as to provide all post-Korean conflict veterans equal treatment for purposes of these benefits with veterans of service during World War II and the Korean conflict. The conference agreement provides for this liberalization of chapter 31 benefits—made available to any veteran with a 10-percent compensable service-connected disability or higher—for any veteran of World War II service or later service.

The House bill provides for increasing the rates of monthly educational assistance and training allowances by 13.6 percent for eligible veterans and dependents under chapters 34 and 35 and a comparable percentage increase for the vocational rehabilitation subsistence allowance under chapter 31 for service-connected disabled veterans. (This would increase the monthly educational assistance allowance for a single veteran with no dependents from $220 to $250 for full-time institutional study.) The Senate amendment provides for an increase in these rates of 18.2 percent and includes as an integral part of the rate increase package a partial tuition assistance allowance program, under which an additional allowance of up to $720 per school year would be paid to eligible veterans and persons under chapters 34 and 35, the VA paying according to the following formula: 80 percent of a school's yearly tuition charges up to $1,000 after excluding the first $100 of tuition. (The basic monthly educational assistance allowance for a single veteran with no dependents under the Senate amendments is increased from $220 to $260 for full-time institutional study plus the tuition assistance allowance entitlement, as appropriate, which would average out to approximately $31 more per average veteran per month—a total educational assistance average payment of $291 per month.)

The conference agreement provides for an increase in the monthly educational assistance, training, and vocational rehabilitation subsistence allowances of 22.7 percent, an increase for the single veteran with no dependents of from $220 to $270 for full-time institutional study. The conference did not approve the tuition assistance allowance portion of the Senate amendment, after the most extensive and careful consideration. The conferees instead substituted a provision (section 105) directing the Veterans' Administration to carry out a thorough study, and to report to the Congress and the President within 12 months, on the opportunities for abuse and administrative difficulties arising from a tuition assistance program if one were to be enacted. Various interested organizations and agencies would be consulted and their views solicited as part of the study process. The study would draw its context from the findings of abuses in connection with the World War II GI bill program and from an investigation of these problems as presently being experienced under GI bill tuition assistance programs such as chapter 31 vocational rehabilitation, correspondence courses, flight training, and PREP, and would include recommendations by the Veterans' Administration as to legislative or administrative ways in which any such abuses and difficulties could be prevented or mitigated under present or future programs.

TITLE II. EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

The Senate amendment clarifies and liberalizes the circumstances under which service-connected disabled veterans training under the vocational rehabilitation program in chapter 31 may qualify for individualized tutorial assistance. The House bill contains no comparable provision. The House recedes.

Both the House bill and the Senate amendment, by an amendment to the section 1661 (a) entitlement provision, permit the initial six months of active duty training by Reserve and National Guard members to be counted for entitlement for educational assistance under chapter 34 if such members subsequently serve on active duty for 12 or more consecutive months. The conference agreement provides for this new eligibility by amending the definition of "active duty" in section 1652(a)(3) in order to provide greater clarity.

The Senate amendment extends the maximum entitlement to educational assistance for eligible veterans and eligible dependents from 36 to 45 months. The House bill contains no comparable provision. The House recedes.

Both the House bill and the Senate amendment extend to 10 years the current 8-year delimiting date for veterans and chapter 35 eligible dependents to complete their programs of education (and exclude in computing such delimiting date the period of time that such veteran-civilians were held as prisoners of war during the Vietnam conflict). The conference agreement does not contain such a provision since the conferees decided during the course of their deliberations to separate this agreed-upon item and proceeded to pass S. 3705 in early July, which has now been enacted into law as Public Law 93-337 (July 10, 1974).

The Senate Amendment clarifies and strengthens certain administrative provisions governing the chapters 34 and 35 educational assistance program in order to prevent and mitigate against abuses by requiring that courses with vocational objectives must demonstrate a 50-percent placement record over the receding two-year period in the specific occupational category for which the course was designed to provide training; by prohibiting enrollment in courses which utilize significant avocational or recreational themes in their advertising; and by providing that not more than 85 percent of eligible students enrolled in proprietary below-college level courses may be wholly or partially subsidized by the Veterans' Administration or the institution. The House Bill contains no comparable provisions. The conference agreement includes these provisions, clarifying that the 50-percent placement requirement does not apply where it is clear that the individual graduate is not available for employment or trained during active duty. Situations in which a graduate could be regarded as not available for employment would include a graduate who becomes disabled, is continuing schooling, is pregnant, or undergoes a change in marital status which compels the graduate to forego a new career. In addition, a graduate who unreasonably refuses to cooperate by seeking employment should not be counted in determining whether the placement percentage has been attained. Such a lack of cooperation can include unreasonable demands as to job location, remuneration, or working conditions. (The "reasonableness" of graduate cooperation should be tested, in part, against normal expectations created by the nature of the training offered by the institution and the advertising, sales, or enrollment practices which it utilizes.)

In addition, the conferees have agreed to add a parenthetical provision so as to exclude from the computation of the 50-percent placement requirement those numbers of persons who receive their vocational training while on active duty military service. The purpose of this modification is merely to avoid imposing an unreasonable requirement on such vocational institutions to follow such servicemen throughout their period of military service—which might be a matter of several years—in order to determine whether appropriate job placement had been secured following release from active duty. On the other hand, the conferees do not intend by this modification to manifest any less concern about the quality of training which active duty servicemen obtain under the GI bill, and the conferees continue to expect, as expressed in connection with consideration of Public Law 92-540 in 1972, that the base education officers and education program of the Defense Department will generally continue adequately to counsel active duty servicemen and to monitor closely the utilization by such servicemen of their GI bill entitlements.

The conference agreement also deletes the word "specific" in modification of the term "occupational category." This deletion was agreed to in order to permit the Veterans' Administration somewhat more latitude in writing regulations to carry out this requirement. The conference has been made aware that use of the Dictionary of Titles is in some cases obsolete or unduly restrictive. Accordingly, as defined by VA regulations, closely related employment obtained by course graduates could also qualify in determining placement figures. In providing for this flexibility, however, the conferees stress that it is still their intention that this requirement be interpreted in light of the very specific discussion and examples contained in the Senate committee report (No. 93-907) on pages 64 through 72.

The conferees are aware of the inherent difficulties in locating all course graduates and intend that a statistically valid and reliable sample approved and verified by the Veterans' Administration will satisfy the requirement of this section without necessitating that the institution secure information about each course graduate. The conferees would also anticipate that, in implementing the placement requirement under this section, the Veterans' Administration will allow schools a reasonable period of time to collect and submit the required data.

Both the House bill and the Senate amendment authorize up to six months of refresher training for veterans with current GI bill eligibility in order to update knowledge and skills in light of the technological advances occurring in their fields of employment during and since the period of their active military service; however, the House bill permitted such refresher training to be initiated not later than 6 months after the veteran's discharge. The House recedes.

Both the House bill and the Senate amendment liberalize the veteran-student services program by raising the maximum work-study allowance (the House bill from $250 to $500 and the Senate amendment to $625), commensurately increasing the maximum number of hours a veteran-student may work (the House bill from 100 to 200 hours and the Senate amendment to 250 hours), and removing any statutory ceiling on the number of veterans permitted to participate in this program. The Senate amendment also limited to $250 the amount of the work-study educational assistance allowance which may be paid to a participating veteran in advance. The House recedes.

The Senate amendment liberalizes the tutorial assistance program by extending the maximum assistance period from 9 to 12 months and increasing the maximum monthly tutorial assistance allowance from $50 to $60. The House bill contains no comparable provision. The House recedes.

The Senate amendment liberalizes permissible absences from courses not leading to a standard college degree by excluding customary vacation period established by institutions in connection with Federal or State legal holidays. The House bill contains no comparable provision. The House recedes.

In this connection, the conferees note that in numerous places in the bill, the Senate amendment and the conference report have deleted the words "below the college level" and inserted in lieu thereof "leading to a standard college degree". The House conferees have agreed to these stylistic changes only with the very explicit understanding, which is also shared by the Senate conferees, that this change in terminology makes no substantive alteration in the scope and applicability of all of the sections being so modified.

Both the House bill and the Senate amendment extend to eligible dependents under chapter 35 eligibility for farm cooperative training under the same terms and conditions as apply to eligible veterans under chapter 34. The conference agreement contains this provision.

The Senate amendment increases the allowance payable by the Administrator for the administrative expenses incurred by State approving agencies and administering educational benefits under title 38. The House bill contains no comparable provision. The House recedes.

Both the House bill and the Senate amendment permit any joint apprenticeship training committee which acts as a training establishment to receive the annual reporting fee of $3 for each eligible veteran or person enrolled in educational assistance programs in return for furnishing the VA with required reports and certificates of enrollment, attendance, and terminations regarding such eligible veterans. The conference agreement includes this provision.

Both the House bill and the Senate amendment permit an educational institution offering courses not leading to a standard college degree to measure such courses on a quarter- or semester-hour basis provided certain specific measurements of the academic, laboratory, and shop portions of such courses meet minimum requirements. The House bill adds a proviso that in no event shall such course be considered a full-time course when less than 25 hours of attendance per week is required; the Senate amendment reduces this minimum requirement to 18 hours. The conference agreement provides that 22 hours of attendance per week shall be required.

The Senate amendment repeals the current 48-month limitation on any person training under more than one VA educational assistance program. The House bill contains no comparable provision. The Senate recedes.

The Senate amendment provides that the Administrator shall not approve the enrollment of any eligible veteran or dependent in any course offered by an institution which utilizes erroneous, deceptive, or misleading advertising, sales, or enrollment practices of any type and provides that a final cease and desist order entered by the Federal Trade Commission shall be conclusive as to disapproval of such a course for GI bill enrollment purposes. The House bill contains no comparable provision. The conference agreement contains the Senate provision without the above described FTC-order-conclusiveness provision.

The Senate amendment provides for a new subchapter under which the Administrator is directed to measure and evaluate all programs authorized by title 38 with respect to their effectiveness, impact, and structure and mechanisms for service delivery, and to collect, collate, and analyze on a continuing basis, full data regarding the operation of all such programs and to make available to the public the results of his findings. The House bill contains no comparable provision. The conference agreement embodies the essence of the Senate provision, although somewhat revising and condensing the language in order to provide for greater focus and more specificity.

The conferees wish to stress that in condensing the new section 219 (evaluation and data collection), as added in section 213 of the conference report, the requirement in subsection (c) of the original Senate provision, that, whenever feasible, the Administrator should arrange to obtain the specific views of program beneficiaries and program participants with respect to evaluations of such programs, was deleted as unnecessary. The conferees believe that the Administrator already possesses inherent authority to do this, and that it would be desirable for him to exercise that authority. The conferees also believe that the most effective evaluations are those conducted by fully independent personnel.

The Senate amendment clarifies and strengthens the Administrator's functions and responsibilities under the VA outreach program provisions to include a greater use of telephone and mobile facilities and peer-group contact, as well as providing for certain stress on bilingual services in certain areas and providing explicit contract authority with respect to certain outreach activities. The House bill contains no comparable provision. The conference agreement contains the Senate provisions, except that it eliminates the requirement that contract authority be exercised for outreach activities, and any statutory specification of mobile facilities.

The conferees do not intend by the deletion of specific statutory reference to the use of "mobile" facilities to indicate in any way their disapproval of or lack of support for the appropriate use of such facilities as mobile vans and wish to stress, moreover, their belief that these vans, which hitherto have generally been employed only in rural areas, could serve as useful a purpose in urban areas with high population concentrations.

The Senate amendment establishes a veterans representative (Vet Rep) program to provide for a full-time VA employee at, or in connection with, each educational institution where at least 500 GI bill trainees are enrolled, to serve as a liaison between the VA and the institution and to identify and resolve various problems with respect to VA benefits, especially educational assistance, for veterans attending each such insitution. The House bill contains no comparable provision. The House recedes.

In adopting this provision, the conferees were keenly aware of the concerns which have been expressed to members of both bodies about the implementation of this program which has already been undertaken administratively by the VA, and of the assurances received from the Office of Management and Budget, the White House, and the VA with respect to the intended operation of this program. Of specific concern is the understanding, most recently embodied in the Senate Appropriations Committee report (No. 93–1056) on H.R. 15572, the Fiscal Year 1975 HUD-Space-Science-Veterans Appropriations Act, that VA regional offices, with the concurrence of the Chief Benefits Director, will have considerable flexibility in the assignment of these new Vet Reps in terms of particular campus needs. This same flexibility is provided for in the conference report. In those instances where a Vet Rep can perform more effectively in terms of carrying out the special responsibilities of liaison with the campus veterans, assignment of the Vet Reps to regional offices should be carried out in order to improve the capacity of those offices to provide effective services. At the same time, the conferees wish to call attenion to the conference report provision which is intended to avoid any situation in which an educational institution might be in any way compelled to accept such an on-campus assignment by the VA (new section 243(a)(4) provides that the "inappropriateness of assignment of veterans' representatives to a particular educational institution" shall be grounds for reallocation of such Vet Reps to other educational institutions or to the regional office). The conferees expect that such assignment matters will be resolved amicably in close consultation and coordination with individual institutions, GI bill trainees at such institutions, and other interested parties.

The Senate amendment establishes an Inter-Agency Advisory Committee on Veterans Services to be composed of the heads of various Federal departments and agencies (with the Administrator as Chairman) to promote maximum feasible effectiveness and coordination of and interrelationship among all Federal programs affecting veterans and dependents, and to make recommendations to the President and the Congress regarding the annual budget and the development, coordination, and improvement of Federal programs and laws affecting veterans and their dependents. The House bill contains no comparable provision. The conference agreement provides that the Administrator shall seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all Federal programs and activities affecting veterans and seek to achieve the maximum coordination of their programs with the programs carried out by the Veterans' Administration. The conferees expect the Administrator to specify in his annual report the results of this new process.

TITLE III. VETERANS AND DEPENDENTS EDUCATION LOAN PROGRAM

The Senate amendment authorizes supplementary assistance to veterans and eligible dependents by direct loans to them from the VA (utilizing the National Service Life Insurance Trust Fund) of up to $2,000 a year to cover educational costs not otherwise provided for in title 38 or other Federal loan or grant programs. The House bill contains no comparable provision. The conference agreement provides for such a supplementary loan program, reducing the maximum yearly loan to $1,000, increasing the maximum amount of the loan fee which the Administrator may charge for such loans, directing the Administrator to collect any delinquent amounts in loan principal and interest payments in the same manner as any other debt due the United States, and directing the Administrator to report to the Congress annually on the default experience at each institution. The conferees are concerned that excessive default rates at certain institutions might jeopardize the success of the program, and both Committees will closely monitor default experience and expect the Administrator to do so as well. In this connection, the conferees direct the Administrator to utilize his new authority under new section 1796, added to title 38 by section 212 of the conference report, with respect to deceptive and misleading advertising, to take affirmative steps to prevent any questionable sales or enrollment practices utilizing advertising about the availability of the new loan program as a promotional technique. The Administrator should, in this regard and as part of fulfilling his notification requirement under section 502 of the conference report, promulgate in regulations a model loan description which shall be used by institutions in their advertising if they wish to refer to the loan availability.

TITLE IV. VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

The Senate amendment extends chapter 41 benefits (job counselling, training, and placement services) to wives and widows eligible for educational assistance benefits under chapter 35. The House bill contains no comparable provision. The House recedes.

The Senate amendment expands and strengthens the administrative controls which the Secretary of Labor is directed to establish under chapter 41 in order to ensure that eligible veterans, wives, and widows are promptly placed in a satisfactory job or job training opportunity or receive some other specific form of employment assistance, and requires the Secretary to publish standards for determining compliance by State Public Employment Service agencies with the provisions of chapters 41 and 42. The House bill contains no comparable provision. The House recedes.

The Senate amendment clarifies and strengthens existing law requiring that Federal contractors and all of their subcontractors take particular actions in addition to job listing in order to give "special emphasis" to the employment of qualified service-connected disabled and Vietnam era veterans. The House bill contains no comparable provision. The conference agreement provides further clarification in this provision by making clear the intention of the Congress that affirmative action is to be taken by all Federal contractors and all of their subcontractors with respect to their employment practices in order to promote the greatest possible employment and advancement in employment of qualified service-connected disabled veterans and veterans of the Vietnam era. It is the conferees' objective in making this clarification to ensure that the goals of the program, as spelled out above, will be achieved according to an orderly and effective timetable, backed up by an effective compliance mechanism. The provision in the conference report is thus substantially identical in language and intended scope with the provisions of section 503 of the Rehabilitation Act of 1973 (Public Law 93–112).

The Senate amendment includes a provision stating that it is the policy of the United States to promote maximum employment and job advancement opportunities within the Federal Government for qualified service-connected disabled and Vietnam era veterans, and providing for special Federal appointment authority and other mechanisms to carry out such policy. The House bill contains no comparable provision. The House recedes.

The Senate amendment provides for the codification into title 38 of existing law on veterans' reemployment rights, and further extends such rights to veterans who were employed by States or their political subdivisions. The House bill contains no comparable provision. The House recedes.

TITLE V. EFFECTIVE DATES

The House bill makes all amendments effective on the date of enactment except for rate increases which are to be effective on the first day of the second calendar month which begins after the date of enactment. The Senate amendment makes the provisions in titles II and IV of the Senate amendment effective on the date of enactment (improvements in GI bill provisions and in employment assistance), the new loan program in title III effective on September 1, 1974, and the rate increases and other provisions of title I effective on July 1, 1974. The conference agreement makes all amendments effective on the date of enactment except that the rate increase will be effective September 1, 1974, and the new loan program will be effective November 1, 1974 (except that veterans or dependents eligible for such loan entitlement on or after November 1, 1974, shall be entitled to a loan amount reflective of the full amount of their tuition and all other costs of attendance which they incurred for the academic year beginning on or about September 1, 1974).

TITLE AMENDMENT

The Senate amendment amends the title of the bill to reflect the provisions in the Senate amendment. The conference agreement amends the title to reflect the provisions in the conference report.

Mr. HARTKE. Mr. President, beyond the joint explanatory statement I believe that a few additional remarks are in order.

PARTIAL TUITION ASSISTANCE ALLOWANCE

Mr. President, as I remarked earlier I believe the concept of a partial tuition assistance allowance to be quite important and I would hope that a truly good faith study would be promptly implemented by the Veterans' Administration. The interest in this program continues to be quite intense and I ask unanimous consent that the letter I recently received cosigned by 27 senators be made a part of the hearing record. There being no objection the letter was ordered printed as follows:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 19, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your efforts in drafting a conference report on the Vietnam Era Veterans Readjustment Assistance Act of 1974 are to be congratulated. The provisions of this legislation as approved by the Conferees will go a long way toward bringing veterans educational benefits in line with today's needs.

We are concerned, however, over the decision not to include in the final bill the partial tuition assistance allowance which was an essential element in the Senate version of this legislation and which was approved unanimously by your Committee and the entire Senate.

Your Committee's report on S. 2784 stated, "The creation of a partial tuition assistance allowance (is) necessary as part of an effort to deal effectively with the G.I. bill educational assistance comparability problem." We believe that need still exists.

The effectiveness of the improved benefit as approved by the Conferees will continue to vary dependent upon the availability of low-cost, readily accessible, public, post-secondary schools. Despite the increased benefits in the conference bill, some form of variable tuition payments is needed to ameliorate the differences in educational costs incurred by veterans residing in different states with different systems of public education and to restore equity among these veterans.

We understand the need to gain quick Congressional and Presidential approval of improved educational benefits legislation so that plans for the fall can be made by the veteran. The intransigence of some members of the House conference stands in the way of a timely implementation of a tuition grant program. Therefore, we will support the conference report on the Senate floor.

We would recommend that, during the fall, your Committee continue to work with the Veterans Administration to design a tuition grant program that will protect against potential abuses and that will provide equity to all veterans regardless of their state of resistence. We recognize and appreciate your own strong commitment to this objective. Given that this issue has already been examined in depth and received broad bipartisan support, we are certain that a tuition bill can be reported to the floor of the Senate and considered early in the 94th Congress.

Sincerely,
George McGovern,
Charles McC. Mathias, Jr.,
William D. Hathaway,
Mike Mansfield,
Majority Leader.
John O. Pastore,
Edward W. Brooke,
Daniel K. Inouye,
Bob Dole,
Walter F. Mondale,
Hugh Scott,
Thomas F. Eagleton,
Hubert H. Humphrey,
James Abourezk,
John Tunney,
Dick Clark,
Abe Ribicoff,
Harrison A. Williams,
Edmund S. Muskie,
Robert Taft, Jr.,
Quentin Burdick,
Philip A. Hart,
Frank Church,
Ted Moss,
Dick Schweiker,
Clifford P. Case,
Howard M. Metzenbaum,
Jacob K. Javits,
United States Senators.

VETERANS' LOAN PROGRAM

Mr. HARKE. Mr. President, I am particularly pleased that the bill before you contains the new veterans' and dependents education loan program which authorizes supplemental assistance to veterans and eligible dependents by direct loans to them from the Veterans' Administration of up to $1,000 a year to cover educational costs not otherwise provided for in title 38 or other Federal loan or grant programs. It is fitting I think that these loans are to be made from the $7 billion National Service Life Insurance Trust Fund which consists entirely of paid-in Government life insurance premiums by our Nation's veteran population. It is a good example of one generation of veterans lending a helping hand to a succeeding generation.

Mr. President, I believe this program is needed particularly with the partial tuition assistance allowance omitted from the final bill. As my colleagues will recall, I authored a similar loan program in 1972 which unanimously passed the Senate but was not included in the compromise version of the Vietnam Era Veterans Readjustment Assistance Act of 1972, enacted as Public Law 92–540. The compromise version of the Vietnam Era Veterans Readjustment Assistance Act of 1974 however does include the loan provision although the conference agreement limits the total amount a veteran could borrow in any school year to $1,000 rather than the $2,000 as originally passed by the Senate.

While I believe that the higher $2,000 figure was and is warranted for those veterans choosing to attend the higher cost institutions, there was some reluctance on the part of the House conferees to authorize such a figure without first having an opportunity to view the loan program in operation. I am most hopeful however that House members will favorably consider increasing the amount once the program has demonstrated that it can operate successfully, and the need for the higher amount can be justified.

The conference agreement provides that the loan program shall become effective on November 1, thus giving the Veterans' Administration some time to set up the new program. Once in process however the veterans or dependents eligible for such loan entitlement on or at November 1, shall be entitled to a loan amount reflective of the full amount of their tuition and all other costs of attendance which they occurred for the academic year beginning on or near September 1.

Mr. President, I urge that the Senate adopt the conference report.

CONTROLS AGAINST ABUSES

Mr. President, as you know since becoming chairman of the Senate Committee on Veterans' Affairs I have been most concerned about the quality of education received by veterans enrolled in courses with vocational objectives as well as with the advertising sales enrollment practices of some schools whose courses are approved by GI bill benefits.

Amendments I authored in 1972 as part of Public Law 92–540 were helpful in establishing more equitable refund policies for those who drop out before completing as well as establishing a 10-day cooling off period followed by a formal reaffirmation in order to give veterans an opportunity—away from high pressure salesmen—to reflect on whether or not they in fact wished to enroll in a given school or course of education.

I believe the amendments which I authored this year requiring a 50-percent placement course graduates as well as the prohibition against erroneous, deceptive or misleading advertising sales or enrollment practices are equally important. I will not dwell at length on the amendments which have been accepted by the conferees because their intent and scope have been clearly defined in the Senate report, but it should be observed that there is perhaps no more important investment a person can make than the investment he makes in his education, for this is an investment in his future. As such it is not unreasonable to expect that the performance of a school should match its promises either expressed or implied. And for schools with a vocational objective, attainment of appropriate and satisfactory employment is perhaps the most important indicator of whether a school is performing as it should. I wish to emphasize that many schools are performing an outstanding job and I do not wish the amendments adopted here today to be considered as a reflection on them. We are only concerned with those schools who do not deliver what they either directly or indirectly promise they will.

These amendments are intended to aid the veteran and the Senate committee will be monitoring the program closely in the coming months to see that it does. If the operation of these provisions is in fact detrimental to the well-being of the veteran I believe Congress will be responsive in making whatever adjustments are necessary.

Finally, I also wish to note that the proposed trade regulation rules for private vocational home study schools recently announced by the Federal Trade Commission complements the actions taken by Congress in Public Law 92–540 and the bill which we are considering today.

This rule would require a pro rata refund provision and a 10-day cooling off reaffirmation provision closely similar to those adopted in the Vietnam Era Veterans Readjustment Assistance Act of 1972.

In addition the rule would require that prospective students be provided with information which may aid them in making an informed and intelligent decision as to whether or not to enroll in a school. This should provide additional protection for veterans training under the GI bill as well as other prospective students. The proposal rule would require that all employment and earning claims be substantiated by the school's actual experience in placing these graduates and enrollees in jobs; and further, that the school furnish the prospective student with a disclosure statement which contains the dropout rate and the number and percentage of enrollees and graduates who got a job as a result of the school's training. I believe the intent of these provisions is consistent with what we have done and are continuing to do to aid and protect veterans and dependents training under the GI bill. I would ask unanimous consent that the text of the proposed rule be inserted in the Record at this point.

There being no objection the rule was ordered printed as follows:

Advertising, Disclosure, Cooling Off and Refund Requirements Concerning Proprietary Vocational and Home Study Schools

[Notice of Public Hearings and Opportunity to Submit Data, Views or Arguments Regarding Proposed Trade Regulation Rule]

Notice is hereby given that the Federal Trade Commission, pursuant to the Federal Trade Commission Act, as amended, 15 U.S.C. 41, *et seq.*, the provisions of Part 1, Subpart B of the Commission's Procedures and Rules of practice, CFR, 1.11 *et seq.*, and Section 553 of Subchapter II, Chapter 5, Title 5, U.S. Code (Administrative Procedure), has initiated a proceeding for the promulgation of a Trade Regulation Rule concerning proprietary vocational and home study schools.

Accordingly, the Commission proposes the following Trade Regulation Rule:

Section I. Definitions.

For the purposes of this Rule, the following definitions shall apply:

(a) *Seller*. (1) Any individual, firm, corporation, association or organization engaged in the operation of a privately owned school, studio, institute, office or other facility which offers residence or correspondence courses of study, training, or instruction purporting to prepare or qualify individuals for employment or training in any occupation, trade, or in work requiring mechanical, technical, business, trade, artistic, supervisory, clerical or other skills or purporting to enable a person to improve his skills in any of the above designated categories.

(2) Nothing in this Rule shall be construed to affect in any way those engaged in the operation of not-for-profit residence or correspondence, public or private institutions of higher education which offer students at least a two year program of accredited college level instruction which is generally acceptable for credit toward a bachelor's degree.

(b) *Buyer*. Any individual who purchases any correspondence or residence course of study, training, or instruction from any seller purporting to prepare or qualify individuals for employment or training in any occupation, trade, or work requiring mechanical, technical, business, trade, artistic, supervisory, clerical or other skills or purporting to enable a person to improve his skills in any of the above designated categories.

(c) *Total contract price*. The total price paid or to be paid by the buyer for the property or services including any and all equipment; ancillary services, such as but not limited to, charges for room and board which are the subject of the contract; and any finance charges determined in accordance with the Federal Reserve Regulation Z (12 CFR 226.4).

(d) *Course*. The term "course" means, but is not limited to education, training, or instruction consisting of a series of lessons or classes sold collectively, including lessons or classes which consist of several parts and are coordinated, arranged, or packaged to constitute a curriculum or program of instruction and sold collectively.

(e) *Combination course*. Any course that consists of both correspondence lessons and residence classes shall be treated as a residence course for the purpose of applying the advertising and disclosure requirements of this Rule.

(f) *Enrollee*. A buyer who has affirmed his enrollment contract, whether or not he completes his course of study.

(g) *Failure to complete a course of study*. Includes any enrollee who drops out, is expelled, fails for academic reasons or does not complete a course within the time that is scheduled for that course's completion, including any enrollee who takes a leave of absence.

(h) *New course*. Any course of study which has substantially different course content and occupational objectives from any course of study previously offered by seller and which has been offered for a period of time less than three (3) months after the graduation of one class, if offered by a residence school, or less than three (3) months after the completion of one fiscal year, if offered by a correspondence school.

(i) *New school*. Any school that has been in operation for a period of time less than three (3) months after the graduation of one class if a residence school or less than three (3) months after the completion of one fiscal year, if a correspondence school.

Section II. The Rule.

In connection with the sale or promotion of any course of instruction by a proprietary home study or residence vocational school in commerce, as "commerce" is defined in the Federal Trade Commission Act, it is an unfair method of competition and an unfair or deceptive act or practice for any such seller to fail to comply with the following requirements:

(a) *Employment and earnings claims*. (1) No written or broadcasted claim, direct or indirect, whether disseminated through the media, mails, or in any other manner shall be made with respect to:

(i) The general conditions or employment demand in any employment market now or at any time in the future; and

(ii) The amount of salary or earnings generally available to persons employed in any occupation.

(2) Unless it is substantiated according to the standards and confined to the format prescribed herein, no written or broadcasted claim, direct or indirect, disseminated through the media, mails, or in any other manner, shall be made with respect to:

(i) The specific employment opportunities available or demand for buyers who purchase seller's course of study; and

(ii) The specific amount of salary or earnings available to buyers who purchase seller's course of study.

(3) Written or broadcasted claims subject to the exception in paragraph (a)(2) above shall be limited to claims substantiated by the seller's actual knowledge of his buyers' experiences in obtaining placement at specific salary levels in the employment positions for which seller's course of study prepares buyers. Actual knowledge shall be verified, at a minimum, by a list including the following information for each enrolled person who meets the requirements of paragraph (a)(4) below.

(i) his name, address and telephone number;

(ii) the name, address and telephone number of the firm or employer who hired each enrollee;

(iii) the name or title of the job position obtained;

(iv) the date on which the job position was obtained;

(v) his monthly or annual salary.

(4) Employment and earnings claims covered by paragraph (a)(2) above shall be confined to the following statements and no others, for each course for which such claims are made and if any one permitted statement is made, it shall be accompanied by the others;

(i) For correspondence courses of study, a statement of the total number of buyers whose enrollment terminated during the school's last fiscal year and who obtained positions of employment within three (3) months of leaving the school in job positions for which seller's course of study prepared them; a statement of the monthly or yearly range of salaries obtained by such buyers; a statement of the percentage ratio of such buyers by salary ranges to the total number of buyers who were enrolled in the seller's course during the last fiscal year; and a statement of the percentage ratio of such buyers who graduated, by salary ranges, to the total number of graduates *who* graduated from seller's course during the last fiscal year. For purposes of this subparagraph (i), the last fiscal year shall be the most recent fiscal year that terminated at least three (3) months before the claim is made.

(ii) For the residence courses of study, a statement of the total number of buyers whose enrollment terminated during the period that begins with the entrance and ends with the graduation of the school's most recent graduating class and who obtained positions of employment within three (3) months of leaving the school in job positions for which seller's course of study prepared them; a statement of the monthly or yearly range of salaries earned by such buyers; a statement of the percentage ratio of such buyers by salary ranges to the total number of buyers who were enrolled in the seller's course during the period that begins with the entrance and ends with the graduation of the school's most recent graduating class; and a statement of the percentage ratio of such buyers who graduated, by salary ranges, to the total number of graduates who graduated from seller's course during the period that begins with the entrance and ends with the graduation of the school's most recent graduating class. However, these statements must be based on the experiences of enrollees who resided at the time of their enrollment in the metropolitan area or State where the statements are made. For purposes of this subparagraph (ii) the most recent graduating class shall be that class which graduated at least three (3) months before the claim is made.

Provided however, That where an employment or earnings claim covered by this paragraph (a) is made, the written or broadcasted claim must be presented so that each of the permitted statements appears in the same portion of the written or broadcasted claim and each is made in precisely the same form and with the same emphasis, including, but not limited to, the same size type or print, as all other statements covered by this paragraph (a).

(5) The foregoing (paragraph (a)(1) to (4)) shall not apply to any new course of instruction offered by seller or a course of study offered by seller at a new school.

In lieu thereof seller shall confine any advertisement or any representation covered by paragraph (a) to actual job commitments made in writing by businesses and other prospective employers, wherein such prospective employers indicate that they will offer a specific number of jobs at specific salaries to buyers who complete seller's course of study.

Provided further, That seller's advertisements and representations shall be limited to the following statements:

This school has not been in operation long enough or this course of study has not been offered long enough to indicate how many enrolled students will obtain employment in positions for which this course trains them. However, [number] employers have indicated that they will make available [number] jobs to students who complete this course of study. [Number] jobs represent [%] of our expected total enrollees which will be [number].

(b) Affirmative disclosure of drop-out rate and placement record.[1] After buyer has signed an enrollment contract seller shall make the following disclosures to buyer in the manner and method prescribed by paragraph (c) below:

(i) the total number of buyers who fail

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[1] See Appendices A and B for illustrations of Disclosure and Affirmation Forms for Correspondence and Residence Schools.

to complete the full course of study for the seller's most recent graduating class[2] if a residence school or the seller's most recent fiscal year[3] if a correspondence school.

(ii) the percentage of buyers who fail to complete the full course of study, expressed as the percentage ratio of the number of buyers who fail to complete the full course of study as defined in paragraph (b) (1) (i) above to the total number of buyers who enrolled in that course of study for the seller's most recent graduating class[2] if a residence school or seller's most recent fiscal year[3] if a correspondence school.

(2) If seller has made any oral, written or broadcasted earnings or employment representations to buyer then, after buyer has signed the enrollment contract, seller shall make the following disclosures to buyer in the manner and method prescribed by paragraph (c) below:

(i) For correspondence courses of study a statement of the total number of buyers whose enrollment terminated during the school's last fiscal year and who obtained positions of employment within three (3) months of leaving the school in job positions for which seller's course of study prepared them; a statement of the monthly or yearly range of salaries obtained by such buyers; a statement of the percentage ratio of such buyers, by salary ranges, to the total number of buyers who were enrolled in seller's course during the last fiscal year; and a statement of the percentage ratio of such buyers who graduated, by salary ranges, to the total number of buyers who graduated from seller's course during the last fiscal year. For purposes of this subparagraph (i) the last fiscal year shall be the most recent fiscal year that terminated at least three (3) months before the claim is made.

(ii) For residence courses of study a statement of the total number of buyers whose enrollment terminated during the period that begins with the entrance and ends with the graduation of the school's most recent graduating class and who obtained positions of employment within three (3) months of leaving the school in job positions for which seller's course of study prepared them; a statement of the monthly or yearly range of salaries obtained by such buyers; a statement of the percentage ratio of such buyers, by salary ranges, to the total number of buyers who were enrolled in seller's course during the period that begins with the entrance and ends with the graduation of the school's most recent graduating class; and a statement of the percentage ratio of such buyers who graduated, by salary ranges, to the total number of buyers who graduated from seller's course during the period that begins with the entrance and ends with the graduation of the school's most recent graduating class. However, this disclosure must be based on the experiences of enrollees who resided at the time of their enrollment in the metropolitan area or State where the disclosure is being made. For purposes of this subparagraph (ii) the most recent graduating class shall be that class which graduated at least three (3) months before the claim is made.

(3) For each of the disclosures covered by paragraph (b) above, seller shall maintain complete records as provided in paragraph (a) (3) above.

(c) *Method of making disclosure of drop-out rate and placement record.*[4] (1) After buyer signs an enrollment contract, seller shall mail to buyer, by certified mail, return receipt requested, a written form, in duplicate, containing the following information, and none other, except the Affirmation Statement required by paragraph (e) below, in bold face type of at least ten (10) points for each course of study offered to the buyer.

Disclosure and affirmation form for drop-out and placement record for [course] for period [date] to [date].

(1) Total enrollments [number].

(2) Total who failed to complete the course [number]. (as provided in paragraph (b) (1) (i) above.)

(3) Percentage who failed to complete the course [%] (as provided in paragraph (b) (1) (ii) above.)

(Seller shall use number (4) below if no oral, written or broadcasted earnings or employment representations have been made. If seller has made oral, written or broadcasted earnings or employment representations to buyer, seller shall use numbers (5), (6), (7), (8), and (9) below).

(4) This school has no information on the number or percentage of its students who obtain jobs in the occupation for which we train them. Consequently, this school and its representatives have no basis on which to make any representations or claims about job opportunities available to students who take [name of course]. Prospective students are advised that enrollment in this course should not be considered vocational training that will result in employment in job positions for which this course offers instruction.

or,

(5) Total number of students who obtained employment in the position for which this course of study trained them [number]. (as provided in paragraph (b) (2) above.)

(6) Percentage of students who obtained employment in the position for which this course of study trained them [%]. (as provided in paragraph (b) (2) above.)

(7) Number and percentage of total enrollees who obtained employment in the following salary ranges [expressed in $100 increments for monthly salaries or $1000 increments for yearly salaries]. [Dollars] to [dollars] per [month or year]: [Number] students which is [%] of total enrolles. (as provided in paragraph (b) (2) above.)

(8) Percentage of graduates who obtained employment in the position for which this course of study trained them [%]. (as provided in paragraph (b) (2) above.)

(9) Number and percentage of graduates who obtained employment in the following salary ranges [expressed in $100 increments for monthly salaries or $1000 increments for yearly salaries]. [Dollars] to [dollars] per [month or year]: [Number] students which is [%] of total graduates. (as provided in paragraph (b) (2) above.)

(2) Where seller has instituted a new course of instruction or where seller has established a new school, the seller's disclosure as required by paragraph (b) of this Rule shall contain the following information, and none other, except the Affirmation Statement required by paragraph (e) below, in bold face type of at least ten (10) points:

IMPORTANT INFORMATION

This school has not been in operation long enough or this course of study has not been offered long enough to indicate how many enrolled students will complete their course of study or to indicate how many students who take this course of study will obtain employment in positions for which this course trains them.

Except that where the seller has received actual written job commitments from businesses and other prospective employers, seller may add the following statement to the disclosure required above:

However, [number] employers have indicated that they will make available [number] jobs to students who complete this course of study. [Number] jobs represent [%] percent of our expected total enrollees which will be [number].

(d) *Ten day affirmation and cooling-off period.*[5] An enrollment contract between a seller and buyer will not be effective unless the buyer affirms that enrollment contract by signing and returning to seller the Disclosure and Affirmation Form specified in paragraph (e) below within ten (10) days of his receipt of that Form. If the buyer fails to affirm the enrollment contract within the ten (10) day period, seller shall consider the contract null and void, and within ten (10) business days of the expiration of the affirmation period, shall refund all monies paid by the buyer and cancel and return to buyer any evidence of indebtedness.

(e) *Disclosure and operation of ten (10) day cooling-off period.*[6] (1) After receiving from the buyer his signed enrollment contract, seller shall mail to buyer, by certified mail return receipt requested, a one page form, in duplicate, that contains the placement and drop out disclosures required by paragraphs (b) (1) and (2), above, in the form required by paragraph (c), above; and at the bottom of the same form the following unsigned Affirmation Statement printed in bold face type of at least ten (10) points:

NOTICE TO THE BUYER:

The enrollment contract that you signed with [name of school] on [date] to enroll in [name of course] is not effective or valid unless you first sign this statement and return it to the above named school within ten (10) days from the time that you received this statement. You are free to cancel your enrollment and receive a full refund of any monies you have paid to the school by not signing or mailing this statement within ten (10) days. At the expiration of this ten (10) day period the school has ten (10) business days to send you your refund (if any) and to cancel and return to you any evidence of indebtedness that you signed.

However, if you do want to enroll in the above named school, you should sign your name below and mail this statement to the school within ten (10) days. Keep the duplicate copy for your own records.

(Date) and (signature).

(2) The Disclosure and Affirmation Form shall not contain any information or representations other than the drop out and placement disclosures provided by paragraphs (b) (1) and (2), above, and the Affirmation Statement in (1) above. Seller shall not send any document or material to buyer other than the Disclosure and Affirmation Form during the ten (10) day affirmation and cooling-off period that commences with buyer's receipt of the Disclosure and Affirmation Form.

(3) Sellers who are subject to the provisions of this Rule are exempted from compliance with the Federal Trade Commission's Trade Regulation Rule concerning a Cooling-Off Period for Door-to-Door Sales effective June 7, 1974.

(f) *Refund upon cancellation.* (1) Upon cancellation of an affirmed contract the seller shall not receive, demand or retain more than a pro rata portion of the total contract price, plus a registration fee of five percent (5%) of the total contract price but not to exceed twenty-five dollars ($25).

(2) The pro rata refund shall be determined by dividing the number of classes at-

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[2] As most recent graduating class is defined in paragraph (a) (4) (ii).

[3] As most recent fiscal year is defined in paragraph (a) (4) (i).

[4] See Appendices A and B for illustrations of Disclosure and Affirmation Forms for Correspondence and Residence Schools.

[5] See Appendices A and B for illustrations of Disclosure and Affirmation Forms for Correspondence and Residence Schools.

[6] See Appendices A and B for illustrations of Disclosure and Affirmation Forms for Correspondence and Residence Schools.

tended by buyer or held up to the time of buyer's cancellation or, for correspondence courses, the number of correspondence lessons submitted by the buyer prior to cancellation, by the total number of classes or lessons contained in the course, and then by multiplying the total contract price by the result thereof. This amount shall constitute the buyer's total obligation. The difference between this amount and the amount the buyer has already paid the seller shall constitute either the buyer's refund or the amount of the buyer's remaining obligation to the seller.

(3) Within ten (10) business days of the date of notification of cancellation, the seller must provide the buyer with his correct refund payment, if any, and must cancel that portion of the buyer's indebtedness that exceeds the amount due the seller under the refund formula of this Rule.

(g) *Disclosure of cancellation and refund.* (1) The seller shall furnish the buyer with a fully completed copy of the buyer's enrollment contract and in close proximity to the space reserved in the contract for the buyer's signature, and in bold face type of at least ten (10) points, include the following statement:

Notice to the buyer: Do not sign this contract before reading the provisions under the caption "cancellation and refund".

(2) For correspondence courses of study, the seller shall include in the contract in bold face type of at least ten (10) points the following provision:

CANCELLATION AND REFUND

You are free to cancel this contract at any time. You will have to pay only for lessons submitted to the school plus a registration fee of five percent (5%) of the total contract price, not to exceed twenty-five dollars ($25).

You may cancel the contract by mailing or delivering to the school a signed and dated copy of the "notice of cancellation" sent to you by the school or by mailing or delivering to the school your own written letter of cancellation. Cancellation will be effective on the date of mailng or delivery. You may also cancel by failing to submit a lesson for ninety (90) days.

The amount you will have to pay for the lessons submitted will be determined by dividing the number of lessons submitted up to the time of your cancellation by the total number of lessons contained in the course. If, prior to cancellation, you have paid more than this amount plus the registration fee, the excess will be refunded to you within ten (10) business days.

(3) For residence courses of study, the seller shall include in the contract in bold face type of at least ten (10) points the following provision:

CANCELLATION AND REFUND

You are free to cancel this contract at any time. You will have to pay only for those classes the school has held prior to your cancellation plus a registration fee of five percent (5%) of the total contract price, not to exceed twenty-five dollars ($25).

You may cancel the contract by mailing or delivering to the school a signed and dated copy of the "notice of cancellation" sent to you by the school or by mailing or delivering to the school your own written letter of cancellation. Cancellation will be effective on the date of mailing or delivery. You may also cancel by not attending scheduled classes nor in any other manner utilizing the school's facilities for thirty (30) days.

The amount you will have to pay for those classes the school has held will be determined by dividing those classes held up to the time of your cancellation by the total number of classes contained in the course. If, prior to cancellation, you have paid more than this amount plus the registration fee, the excess will be refunded to you within ten (10) business days.

(4) For a combination correspondence and residence course of study, the seller shall include in the contract in bold face type of at least ten (10) points the following provisions:

CANCELLATION AND REFUND

You are free to cancel this contract at any time. You will have to pay only for those correspondence lessons you submitted to the school and those residence classes held by the school prior to your cancellation plus a registration fee of five percent (5%) of the total contract price, not to exceed twenty-five dollars ($25).

You may cancel the contract by mailing or delivering to the school a signed and dated copy of the "notice of cancellation" sent to you by the school or by mailing or delivering to the school your own written letter of cancellation. Cancellation will be effective on the date of mailing or delivery. You may also cancel by failing to submit a correspondence lesson for ninety (90) days or by not attending scheduled classes nor in any other manner utilizing the school's facilities for thirty (30) days.

The amount you will have to pay for the lessons submitted and the classes held will be determined by dividing those correspondence lessons submitted and those residence classes held up to the time of your cancellation by the total number of correspondence lessons and residence classes contained in the course. If, prior to cancellation, you have paid more than this amount plus the registration fee, the excess will be refunded to you within ten (10) business days.

(h) *Method of cancellation.* (1) After buyer has signed and affirmed an enrollment contract, seller shall furnish buyer with a postage pre-paid card, plus duplicate card, addressed to seller and captioned:

Notice of cancellation.

I hereby cancel this contract

(Date) (Buyer's Signature).

The buyer's cancellation is effective on the date that the buyer mails or delivers to the seller a signed and dated copy of the above described cancellation notice or any other written notice or, in the alternative;

(2) The buyer's cancellation is effective on the date that buyer gives the seller constructive notice of his intention to cancel his contract by failing to attend residence classes or failing to utilize residence instructional facilities for such a period of time, of 30 days or less, that the seller should reasonably conclude that the buyer has cancelled the contract; or for correspondence courses of instruction, by failing to submit a lesson for any period of 90 days.

(i) *Packaged courses and/or services.* Where seller offers a course of instruction involving two or more segments, and sells them together as a unit at a single price, then seller shall add the segments together and use the entire period in calculating buyer's refund, even if one or more of the segments is offered as "free". Where seller offers a course of instruction consisting of both correspondence lessons and residence classes, the total number of lessons and classes shall be added together for the purpose of calculating the refund.

APPENDIX A

Disclosure and affirmation form (for correspondence schools that have made earnings or employment representations.)

(Name of school).

Drop out and placement record for air conditioning and refrigeration course for the period January 1, 1973 to December 31, 1973.

1. Total enrollees, 1500.

2. Total who failed to complete the course, 1050.

3. Percentage who failed to complete the course, 70%.

4. Total number of students who obtained employment in the position for which this course of study prepared them, 60.

5. Percentage of students who obtained employment in the position for which this course of study prepared them, 4% of total enrollees.

6. Percentage of graduates who obtained employment in the position for which this course of study trained them, 11% of graduates.

7. Number and percentage of total enrollees and graduates who obtained employment in the following salary ranges:

$5,000-$5,999 per year: 30 students which is 2% of total enrollees and 7% of total graduates.

$6,000-$6,999 per year: 30 students which is 2% of total enrollees and 7% of total graduates.

Notice to the buyer:

The enrollment contract that you signed with (*name of school*) on (*date*) to enroll in (*name of course*) is not effective or valid unless you first sign this statement and return it to the above named school within ten (10) days from the time that you received this statement. You are free to cancel your enrollment and receive a full refund of any monies you have paid to the school by not signing or mailing this statement within ten (10) days. At the expiration of this ten (10) day period the school has ten (10) business days to send you your refund (if any) and to cancel and return to you any evidence of indebtedness that you signed. However, if you do want to enroll in the above named school, you should sign your name below and mail this statement to the school within ten (10) days. Keep the duplicate copy for your own records.

(Date) (signature).

APPENDIX

Disclosure and affirmation form (for residence schools that have made earnings or employment representations)

(Name of school.)

Drop out and placement record for computer programing course for the last graduating class (January 2, 1973 to June 29, 1973).

1. Total enrollees, 200.

2. Total who failed to complete the course, 150.

3. Percentage who failed to complete the course, 75%.

4. Total number of students who obtained employment positions for which this course of study prepared them, 20.

5. Percentage of students who obtained employment in the positions for which this course of study prepared them, 10% of total enrollees.

6. Percentage of graduates who obtained employment in the position for which this course of study trained them, 35% of graduates.

7. Number and percentage of total enrollees and graduates who obtained employment in the following salary ranges:

$5,000-$5,999 per year: 10 students which is 5% of total enrollees and 17% of total graduates.

$6,000-$6,999 per year: 10 students which is 5% of total enrollees and 17% of total graduates.

Notice to the buyer:

The enrollment contract you signed with (name of school) on (date) to enroll in (name of course) is not effective or valid unless you first sign this statement and return it to the above named school within ten (10) days from the time that you received this statement. You are free to cancel your enrollment and receive a full refund of any monies you have paid to the school by not signing or mailing this statement within ten (10) days. At the expiration of this ten (10) day period the school has ten (10) business days to send you your refund (if any) and to cancel and return to you any evidence of indebtedness that you signed. However, if you do want to enroll in the above named school, you should sign your name below and mail this statement to the school within ten (10) days. Keep the duplicate copy for your own records.

(Date) (signature).

EMPLOYMENT ASSISTANCE FOR VIETNAM VETS

Mr. President, I was particularly heartened to hear that President Ford, in his address to the Veterans of Foreign Wars in Chicago last Monday, acknowledged serious unemployment problems that continue to exist particularly among our younger veterans. This was in marked contrast to his predecessor who for over a year and a half has been insisting that the problem was over, so President Ford's candor in Chicago was most welcome. I am therefore pleased that there are significant provisions in the Vietnam Era Veterans Readjustment Assistance Act of 1974 which further strengthen and clarify provisions in Public Law 92-540, designed to aid unemployed and disabled Vietnam era veterans. The strengthening of the employment provisions added by the Senate amendments and accepted by the conference should, if properly implemented, go a long way to provide the sort of affirmative action to aid veterans which the Senate and Congress has intended for some time.

INCREASE IN ELIGIBILITY FROM 36 TO 45 MONTHS

Mr. President, although the increase in eligibility from 36 to 45 months is not particularly costly, having a first-year cost of only approximately $55.5 million, I believe it is a particularly valuable provision. Because of the previously low levels of the GI benefits many veterans have been unable to take a full course load thus making it impossible for them to obtain an undergraduate degree within the normal 4 years. This additional year of eligibility will enable those veterans to complete their education and obtain their degree. If the amount of mail my office has been receiving is indicative of the importance of this provision, there are many veterans who are in this position and could use the additional entitlement. Of course other veterans will be able to use this entitlement for a year of graduate study if necessary. I believe this is also consistent with our philosophy of enabling veterans to become economically competitive in our society. Additional education beyond the baccalaureate degree is becoming more important with each passing day and in many ways it has become as important for the veteran of today as the simple baccalaureate degree was for the veteran of World War II over 30 years ago.

Mr. HARTKE. Mr. President, we are going to ask for only a voice vote on this conference report.

This is done following discussion with the ranking minority Members. At this time I think that a record vote might prolong debate upon this matter, and in our judgment it is better to go ahead and proceed with a voice vote with the understanding that we can proceed much more expeditiously.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

Mr. HANSEN. Mr. President, the distinguished floor manager of the bill and, I think, most of us on my side have agreed upon the procedure that he has indicated here this morning.

I would be less than fair to the President if I were to fail to observe that with the cascading of innumerable issues upon him, he has not had as much of an opportunity as he might have wished to have been able to make input on this bill.

But, nevertheless, I am in complete agreement with the procedure that has been suggested by the distinguished Senator from Indiana.

Mr. THURMOND. Mr. President, I rise in support of the conference report on H.R. 12628.

While this bill is not a panacea for all of the problems of our young veterans, I am convinced that, on the whole, it is a good bill and merits the full support of the Senate.

Unfortunately the student-veterans, like all others in our present day society, are caught up in the spiraling effects of inflation. While this bill provides an approximate 23 percent across-the-board increase in the subsistence allowance, it represents no windfall to the veteran. Much of this projected increase has already been diminished by the decreasing buying power of the dollar. It is therefore prudent at this time, I believe, to admonish the student-veterans that this increase will not mean extra money in their pocket. It will only go toward helping them to keep abreast of the rising cost of living.

Mr. President, while on the one hand this bill represents an approximate $50 increase per month in the fulltime student's subsistence rate, it also represents a tremendous outlay in Federal dollars. The initial first-year cost, when calculated with the 2-year extension of the delimiting date already signed into law, is in excess of $1½ billion.

The outlay of these additional funds, and their effect on the economy, concern me. Mr. President, we are truly engaged in a war against inflation. The crux of this battle lies in not incurring new debts through increased spending or in the creation of new obligations. The GI bill is, however, an old and overdue debt, whose payment we are just now making.

Mr. President, the cost of this bill should not be minimized, but neither should the dividends of past expenditures on the GI bill.

An analysis of the economic return of the GI bill substantiates this fact.

In 1965, the Department of Labor and the Department of Commerce analyzed the incomes of veterans and nonveterans in the same age groups. Approximately 10 million World War II and Korean conflict veterans enrolled for education or training under the GI bill. The total cost to the Government was $19 billion.

The income of the veteran who received GI bill assistance averaged from $1,000 to $1,500 a year more than those who did not. On this basis, it was estimated that the trained and educated veterans generated additional income taxes in excess of $1 billion per year for over 20 years. This represented a $20-billion return in the taxes alone on the $19 billion cost of the program.

Additionally, the skill levels of those who participated in the program were raised significantly. Around 45 percent of the World War II veterans, 29 percent of the Korean conflict veterans, and 8 percent of the Vietnam era veterans had less than a high school education when they entered training under the GI bill.

Since World War II, the GI bill has provided an impressive part of the Nation's professional and skilled manpower. The number of jobs added to the national productive capability is revealing: 523,000 in engineering; 350,000 in education; 365,000 in the life sciences, physical sciences, and health sciences; over 1 million in business, commerce, and law; and almost 4 million in skilled trades, crafts, and industrial pursuits.

In each instance, the veteran has not been the only beneficiary. Society as a whole has benefited from the training and educational pursuits of veterans under the GI bill. It has paid for itself many times over.

Mr. President, while the cost of this program ranges to $1.5 billion during the coming year, I am convinced it is in the best interest of both the Nation and the veteran to recommend its early enactment. I am convinced that the American people will reap the benefits of the authorization of these funds today. These funds represent not merely an outlay, but an investment in the future of our country.

The American people reposed a great trust in the young men who served us on the field of battle. These young men met the demands which were put before them with the courage and stamina consistent with what the American people expect of their soldiers.

Mr. President, the House has accepted the great majority of the Senate amendments. I take great pride in the progress represented by other provisions in the bill. Greater employment benefits and reemployment advantages, changes in the vocational rehabilitation program, and programs to provide on-campus assistance to student-veterans, are all included in this bill.

The tuition assistance proposal which was included in the Senate bill is not included in the final version. It was deleted in conference after extensive consideration.

The conferees substituted a provision which directs the Veterans' Administration to carry out a thorough and intensive study on the opportunities for abuses and the administrative difficulties which would be encountered if a tuition assistance program were to be enacted. Further, the conferees have requested:

> Recommendations by the Veterans' Administration as to legislative or administrative ways in which any such abuses and

difficulties could be prevented or mitigated under present or future programs.

Mr. President, I look forward to the findings of the VA study, and anticipate that further legislative proposals for tuition assistance can and will be drafted to obviate the difficulties which the VA study might expose.

On the whole, Mr. President, this bill is a good one. I urge the Senate to adopt it.

Finally, Mr. President, I would like to pay tribute to the chairman of the conference, Senator HARTKE, who did an outstanding job. His willingness to listen to opposing views and to guide the conference was commendable.

Also, I want to express my thanks to the ranking minority member, Senator HANSEN, who always does an outstanding job. The distinguished Senator from Wyoming knows the problems of our veterans, and is always willing to go the extra mile in an effort to resolve them.

Other members of the committee, on both the majority and the minority side, have worked diligently on this bill.

It is indeed a pleasure to work with the distinguished Senators on the committee. Each one is dedicated to the best interest of the veteran and the country. As much can be said for the conferees on the part of the House. The Senate Veterans' Affairs Committee did a fine job on this bill.

Mr. President, I am pleased to join with the other conferees in urging the adoption of the conference report.

Mr. McCLURE. Mr. President, I rise in support of the conference report on H.R. 12628, the Vietnam Era Veterans' Readjustment Act of 1974.

To be candid, I believe this could be a better bill in several respects. But I have signed the conference report with the feeling that after more than 2 months of negotiations, this bill represents the most equitable compromise we could achieve for our veterans at this time.

I am not at all happy that the tuition provisions contained in the Senate bill were dropped from the final conference version. Over the last 25 years, the increasing cost of education has exceeded the cost of living threefold. Yet, rather than meet those costs directly, we have been limited to a cost-of-living increase coupled with an educational loan program. Do not misunderstand me. The assistance increase and loan program are a substantial step forward in our efforts to assure that sufficient educational benefits are within the reach of all veterans wanting to take advantage of them. But a partial tuition grant would have met directly the one factor which prevents veterans from having comparable educational opportunities—high and varying educational costs.

Combined with the present high cost of tuition are the family responsibilities nearly one-half of our Vietnam veteran trainees have. Even in relatively low-cost education States, as is Idaho, many of these veterans find it impossible to attend school either full time or continuously. Yet we have not provided a tuition grant to help with their transitional training period.

Historically, the intent of the GI bill has been to provide a readjustment benefit which would allow a veteran who took full advantage thereof to complete a vocational or 4-year college program. However, the high cost of education coupled with family responsibilities and an inflationary economy, the loss of credits involved in transferring from one institution or educational objective to another, and the previous low benefits have all combined to make it unlikely that many Vietnam-era veterans will complete their basic educational objectives in 4 years.

For these individuals who are compelled to forego full-time educational training or cannot complete such in 4 years, we have added another 9 months of entitlement eligibility. Thus we have guaranteed all veterans sufficient time in which to attain a standard college degree or vocational objective.

I do have strong reservations, however, about the language providing for such a 9-month benefits entitlement increase. Without restrictive language as to use of eligibility I fear we are unwittingly exceeding the clear historical purpose of the GI bill. To be blunt, that purpose is not to provide a veteran with advanced degrees. The clear congressional intent has been to help the veteran with basic educational attainment. I firmly believe that 36 months is adequate for those veterans who have no educational difficulties or who are seeking advanced educational attainment.

Mr. President, I also have strong reservations about the probable cost of an unrestricted 9-month entitlement increase. The VA estimates first-year costs of this program will be $55 million, decreasing to about $20 million in succeeding years. I fear, however, that succeeding years' costs will actually be closer to $40 million.

I also have reservations, Mr. President, concerning the method of determining educational benefits entitlement. Basically, a veteran is entitled to 1½ months of benefits for each 1 month of active duty served. After serving 18 months, he automatically becomes entitled to the maximum educational benefits of 36 months. This entitlement system fits the 2-year draft, with its usual 1-year Vietnam tour. But under the proposed 45-month maximum entitlement, a new peacetime veteran who has had no threat of the draft or Vietnam over him will be entitled to nearly 3 months of benefits for each 1 month of peacetime active duty. For those who served in time of war or involuntary servitude, such an increase is valid—so far as is needed to obtain a basic degree or vocational objective. But if the GI bill is to be continued for peacetime veterans, total entitlement should be based on no more than 1½ months per 1 month of active duty up to the proposed maximum entitlement.

A valuable provision in this bill is one to place VA representatives on college campuses to aid veterans there in resolving problems relating to VA benefits. Recently, we received a letter from President Dallin H. Oaks, of Brigham Young University in Provo, Utah, indicating his concern that the bill might be construed as imposing these Federal employees upon religiously connected private institutions against their will. We have, therefore, expressed in the conference report that our intention is to avoid any situation in which an educational institution might in any way be compelled to accept such a campus assignment by the VA. We expect that such assignment matters will be resolved amicably by consultation and coordination between the institutions and the regional VA offices.

Mr. President, I ask unanimous consent that President Oaks' letter be included at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLURE. Mr. President, I believe the other provisions in this bill provide a good basis from which to assess the criteria of comparability. In my view, this bill provides comparable benefits to those of World War II and Korea. It is a step forward in our efforts to assure that sufficient educational benefits are within the reach of all veterans who wish to take advantage of them.

Mr. President, I urge my colleagues to adopt this measure.

EXHIBIT 1

BRIGHAM YOUNG UNIVERSITY,
Provo, Utah, July 23, 1974.

Re S. 2784—Vietnam Era Veterans' Readjustment Assistance Act of 1974.

Hon. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

GENTLEMEN: I am writing you on behalf of religiously connected private universities to express the concern we have related to the above mentioned legislation. Since this matter is about to be considered by the Conference Committee, I strongly urge that the Conference Committee include a clarifying statement in its report to avoid a possible misunderstanding outlined below.

We are afraid that Section 243 of the bill, providing for Veterans' representatives on college campuses, might be construed and applied in such a way as to invade the traditional separation of church and state and the privacy of private educational institutions. Our own institution provides, through its staff, all of the counsel, advice and assistance which the veterans need on campus. We have a very harmonious relationship with the Veterans Administration and there is no apparent need for additional persons to be placed on our campus at the expense of the United States.

On the other hand, Section 243 (a) (one) provides that the administrator of the Veterans Administration "shall assign" certain personnel to college campuses except in circumstances outlined in clause (four) of Section 243. We feel that the words "shall assign" might be interpreted or applied to require the administrator to inject or impose a representative on a private religiously connected institution which does not desire and does not need such a representative. We have real concerns about having government employees assigned to and housed on the campus of a college or university that has traditionally worked to preserve its independence and separation from government programs.

In Senate Report 93–907, at page 96, the Senate Committee recognized that the director of the appropriate VA Regional office based upon demonstrated lack of need, or in consideration of other factors indicating inappropriateness of assignment of veterans' representative to a particular educational institution, may provide for other use of the veterans' representative. Apparently, therefore, it is not the real intent of Congress that the representative be forced upon a private religiously connected educational institution against its wishes. However, as indicated, the legislative history may not now be entirely free from doubt in view of the words "shall assign" mentioned above.

This matter could be clarified by an appropriate insertion in your Conference Report that it is not the intention of the Congress that the veterans' representative be imposed upon a religiously connected private institution against its will. We urge that your report so state.

We are sympathetic with the objectives of seeing that veterans are given all necessary assistance to permit efficient and effective use of their benefits. On the other hand, on campuses such as our own where the veterans are getting all required assistance, it would be much preferred if the available resources were used in another way to assist the Veterans Administration in carrying out its program. If this were done, efficiency would be improved and the government would not be invading the privacy of religiously connected private educational institutions.

If we can be of any assistance to you in clarifying this matter, please do not hesitate to call on our Washington representative, Mr. Robert W. Barker, telephone 833-9800.

Sincerely,

DALLIN H. OAKS.

VETERANS EDUCATION BILL

Mr. DOLE. Mr. President, the final passage of the Vietnam veterans education bill is the culmination of many months of effort by the junior Senator from Kansas and his colleagues.

SIMILARITIES NOTED

For 39 cosponsors of a veterans education bill I originally helped introduce last year, this legislation is especially significant. It contains several provisions similar to those in the bill we introduced last year. The 23-percent increase in monthly assistance is an example of one of those similar provisions.

HIGHER ASSISTANCE RATES

The low assistance rates in the early stages of the Vietnam-era GI bill are an important reason to increase the tuition and subsistence payments along the lines proposed in this bill. Many of these men and women who could not afford further schooling earlier now have families and financial commitments. Increasing financial assistance will provide these and also those with marginal jobs the means to get advanced training to improve their career potential.

The figures from Kansas show that Vietnam veterans need a higher level of financial assistance. Tuition and fees at public universities in Kansas range from $390 to $544. With an assistance rate of $1,980 for single veterans in a 9-month academic year, each veteran must make up a difference of $600 to $1,500 each year, according to the individual's curriculum and living expenses. The situation is even more difficult for veterans with dependents. VA assistance falls short by $1,300 to $3,000 or more every year. The differences between VA assistance and school expenses are difficult or impossible to make up in part-time or summer jobs for many veterans.

ENTITLEMENT AND WORK-STUDY PROGRAM

Two other provisions similar to the bill I helped introduce are extension of entitlement from 36 to 45 months and reduction of limitations on the work-study program. The first measure will be of great benefit to veterans in obtaining the more sophisticated and longer education programs being offered today. With all professions becoming more technical, the length of training necessary to be proficient is constantly growing. I believe the extension of entitlement from 36 to 45 months will be beneficial to the country as a whole.

Reduced limitations on the work-study program should be of benefit in allowing veteran-students to help themselves. The wages they earn there will help defray the school expenses they must meet. In addition, the manpower veteran-students contribute to the VA should help improve the services provided by that organization.

This bill contains several other provisions which should be helpful to Vietnam-era and other veterans. Of particular significance are the provisions to provide for education loans to veterans to improve reemployment benefits.

VETO RUMORS

There have been numerous reports in the press recently about a possible veto of this bill. The Senator from Kansas would hope these rumors will be proven untrue.

Fiscal responsibility is of critical importance; however, I am in concurrence with the majority of Congress in viewing benefits for Vietnam veterans as an investment in America's future. It is an investment that will more than repay by far our initial investment. We will benefit directly from increased tax revenues and more productive employment coming from better trained veterans. This measure should benefit the entire Nation—and veterans as well. It is clear, in my view, that an improvement in veterans' education benefits is greatly needed before the beginning of this school year.

TUITION PAYMENTS

The decision not to include partial tuition assistance allowance in this final version of the bill is of great concern to me. It was an essential element in the Senate version of this legislation and was approved unanimously by the Veterans' Affairs Committee and the entire Senate. It is my recommendation that, during the fall, the Senate Veterans' Affairs Committee continue to work with the Veterans' Administration to design a tuition grant program that will protect against potential abuses and that will provide equity to all veterans regardless of their State of residence. Given that this issue has already been examined in depth and received broad bipartisan support, I am hopeful that a tuition bill can be reported to the floor of the Senate and considered early in the 94th Congress.

The importance of and need for getting improved education assistance to veterans for this school year is paramount. It would be self-defeating to delay this bill longer in an effort to obtain tuition payments. However, the experiences of nearly three decades ago should not be permitted to breed blind fear and opposition to the development of a meaningful tuition payments provision with adequate safeguards to prevent abuses.

I believe the Vietnam-era veterans education bill we are considering today will be beneficial to all the veterans eligible for assistance under it. I give my wholehearted support to this measure and am pleased to have cosponsored it.

Mr. CRANSTON. Mr. President, I rise to give my full support, and to urge my colleagues in the Senate to approve the pending measure, the Vietnam Era Veterans Readjustment Assistance Act of 1974 (H.R. 12628), as reported from the committee on conference.

INTRODUCTION

Mr. President, as the principal coauthor of the reported bill with the distinguished chairman of the Committee on Veterans' Affairs, the Senator from Indiana (Mr. HARTKE), I believe the bill we are considering today will provide the most comprehensive extension of benefits of any veterans' measure considered in the Congress in the last several years. It is a fine bill, the provisions of which will go far in dealing with the widest possible range of education, training, and employment programs and problems for the veterans and his or her family. Although one major compromise had to be made during deliberations with the House, I am confident that the bill we have reported from conference is the best possible bill we could achieve and will come very close to providing a true measure of comparability of GI bill educational assistance for Vietnam-era veterans with the level of benefits provided after World War II and the Korean conflict.

Mr. President, I am fully aware of the importance of both compromise and cooperation—two of the four "c's" our new President stressed in his recent address to a joint session of Congress. I believe this bill is a symbol of such compromise and cooperation, not only between the House and the Senate Veterans' Affairs Committees, but also between the Congress and the executive branch. The major point of contention—the Senate's tuition assistance program—was objected to strongly by President Nixon in a July 30, 1974, letter to Chairman HARTKE. That provision costing $585 million the first full year, has been dropped, thereby reducing the overall cost of the conference report by $490 million in view of the $270 rate figure.

I strongly support this spirit of compromise and cooperation, and I will do my best to further it.

But the time has come, Mr. President, for definitive action, not just words connoting the arrival of an era of good feeling. Vietnam-era veterans have waited too long for a benevolent executive branch to seek for them the benefits they earned by their military service. They have watched too often as their promised benefit increases have been compromised away in lieu of such excessive military hardware as the SAM-D or the CVN-70, or overseas troop support. Further compromises are unacceptable now. The hour has come for a decision—a decision concerning our national priorities.

Mr. President, I am totally in agreement with President Ford's desire to cut the budget, to reduce Federal spending. I have been deeply concerned and involved in efforts to cut wasteful Government spending since coming to the Senate. Combating inflation and attempting to right our economy-gone-awry by reducing veterans' benefits, however, is, in my opinion, not responsible budgeting.

There is no question, Mr. President, that one of the first responsibilities of a democratic society is the maintenance of a stable economy—an economy which will provide all citizens with a fair opportunity to find work and earn a decent living. I have no argument with this, and I congratulate President Ford for his determination to achieve this goal.

This cannot be done, however, by asking young veterans to continue to make double and triple sacrifices. They have already given up 2 years or more to military service, often risking their lives and limbs. Yet, in the name of combating inflation, the past administration has steadily resisted congressional efforts to get additional funds for badly needed programs for veterans. Most young veterans have thus encountered difficulty in completing or even beginning their educations; many cannot find jobs, and some cannot get adequate medical care for their disabilities.

Mr. President, in November 1970, as chairman of the Veterans' Affairs Subcommittee of the Labor and Public Welfare Committee, I chaired hearings on unemployment and readjustment problems among young veterans. I stated then that there was great irony, as well as tragedy, in the economic recession and high unemployment.

The Vietnam war had been a major cause of our runaway inflation, and the Nixon administration instituted a number of fiscal year monetary policies to stop that inflation. All those policies succeeded in doing was depressing the economy and increasing unemployment. Most paradoxically, among the principal victims of unemployment were the young servicemen returning from the very war that brought about the inflation—and the administration's recessionist policies—in the first place.

Mr. President, in the spirit of the justice and conciliation sought by the new administration, we must correct this great injustice. Providing equitable benefits and services, employment opportunities, and quality medical care to our Nation's veterans is a cost of war that we can no more avoid than the costs of bombs and bullets, airplanes, and tanks—the necessities of waging war. Providing the funds necessary to afford veterans this just readjustment assistance is a cost of war we must and will pay. And we must do so willingly, not begrudgingly.

Mr. President, there is no room for compromise in this regard. The men and women who served in Vietnam cooperated when they were asked to serve their country. They did not ask about the cost. I believe it is our moral obligation to reconcile the sacrifices they made by insuring Vietnam-era veterans of adequate readjustment assistance.

I would point out, Mr. President, that not only is this a cost of war which we are morally obliged to pay, but the amounts involved in the conference report represent sound fiscal policy, as well. This morning, at the inaugural hearings of the Senate Committee on the Budget, on which I am privileged to serve under the distinguished leadership of the Senator from Maine (Mr. MUSKIE), we heard testimony from two impressive but rather conflicting authorities: Honorable Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System; and Prof. Walter W. Heller of the University of Minnesota, former Chairman of the Council of Economic Advisers. Much of their testimony focused on whether or not there was a need for significant cuts in the fiscal year 1975 budget for Federal Government spending. These gentlemen differed with regard to this point, at least insofar as the magnitude of such proposed cuts.

They did not differ, however, on one very salient point. Chairman Burns stated that along with the need for the Congress and the executive branch to make certain substantial cuts in the Federal budget which he was advocating, there must be compensatory increases in Federal spending for certain programs too. I will quote the word he used. He said we must "ameliorate" the impact which inflation has already had on certain groups in our society.

Professor Heller, who probably would define this group of inflation victims more broadly than Chairman Burns, made the same point and termed such "amelioration" as "reparations" for the sacrifices and hardship which these groups of individuals have experienced at the hands of our devastating inflation rate.

That, Mr. President, is really what this conference report is all about: restoring the purchasing power, in terms of education and subsistence of GI bill educational assistance and training allowances. This purchasing power already has been badly eroded and eaten up by the ravaging inflation of the 18 months since the last GI bill increase. Anyone who has tried to pay for an education in 1974 with the same amount of money needed to purchase an education in 1972, obviously knows that the 22.7-percent increase in the conference report is fully justified.

So, Mr. President, I point out that in essence what we have here is a reparation in the war on inflation which we owe to our Vietnam-era veterans in terms of their right to adequate education and training benefits, to facilitate their readjustment.

Mr. President, during the 5½ years in which I have been deeply involved in matters affecting our Nation's veterans, particularly Vietnam-era veterans, I have learned to expect, as a matter of course, threats of Presidential vetoes of legislation providing for badly needed increases in benefits to veterans, or administration recommendations of pitifully small budgetary increases in veterans' benefit programs.

I was encouraged, therefore, with aspects of President Ford's address to the Veterans of Foreign Wars—VFW—convention on Monday, August 19, 1974. Particularly noteworthy, I think, was his expression of concern for the appalling rate of joblessness among young veterans and minority veterans, as well as his demand for the highest quality of care in VA hospitals and humane treatment for every veteran. These are concerns I share and long have been working to deal with. In the past, however, my concerns have fallen on deaf ears. The Nixon administration was long on rhetoric with regard to helping veterans, but short on action. President Ford's apparent awareness of the importance of these matters gives me hope that he will also recognize the great need to enact into law all the provisions on H.R. 12628, as reported from conference.

Mr. President, the reported bill is a tribute to the skill, dedication, and perseverance of the distinguished Senator from Indiana. Through his leadership, Chairman HARTKE has brought all members of the Veterans' Committee together behind this very broad, comprehensive measure. It has been a great privilege for me to collaborate with him in producing this very broad-based measure, and I want personally to thank him for all his cooperation and that of the committee staff and congratulate him for having produced such a truly beneficial and important measure.

SUMMARY AND DISCUSSION OF MAJOR PROVISIONS OF REPORTED BILL

Mr. President, in my remarks during Senate consideration and approval of the bill reported from the Senate Committee on Veterans' Affairs, H.R. 12628, as amended, this past June 19, 1974, I discussed, in detail, the many comprehensive provisions of the bill. At this time, I would like to focus on the major provisions of the bill reported from the committee on conference on Monday, August 19, 1974.

INCREASE IN RATES

Mr. President, in the committee bill as introduced, the basic monthly educational assistance allowance rate was set at $270 in an attempt to restore comparability with World War II GI bill rates. This rate was based on the $250 level which had been adopted unanimously, both in committee and in the Senate, in 1972, which our calculations showed were necessary to achieve GI bill benefit comparability at that time. This $250 figure was then adjusted by the cost-of-living increase—CPI—from fall 1972 to late fall 1973, when S. 2784 was introduced—December 6, 1973—which required about an 8-percent increase over this $250 figure. This basic GI bill rate was lowered to $260 per month in order to allow for the tuition assistance allowance program provision added to the bill in committee. The partial tuition assistance allowance program was considered, by the committee, to be an integral part of the rate increase package. The two together were a substitute for the original 22.7-percent rate increase included in S. 2784, as introduced last December 6.

In view of the House conferees' insistence that the tuition assistance provision be dropped from the bill, I am pleased that we were successful in insisting that the 23-percent increase in rates be restored.

NINE ADDITIONAL MONTHS OF GI BILL ELIGIBILITY

Mr. President, during Senate committee consideration of S. 2784, I proposed an amendment to increase the total GI bill entitlement period by 9 months, from the present 36-month period to 45 months. I am especially gratified that this amendment accepted by the committee is retained in the conference report, as I believe it improves significantly the overall educational assistance program. Many veterans, who must take reduced credit loads in order to work to supplement their incomes, will be insured of the additional months of educational assistance they may need to complete their education, as a result of this provision.

Mr. President, the GI bill educational assistance program was originally designed to assist veterans in their readjustment to civilian life. Particularly, during this period when an undergraduate degree is absolutely necessary to achieve minimum competitiveness in today's job market, the GI bill should at least provide a fair opportunity for all veterans to obtain a bachelor's degree.

However, the high cost of education, the loss of credits involved in transferring from a 2-year college to a 4-year college, and the lack of adequate GI bill benefits until very recently, have combined to make it difficult, if not impossible, for many veterans to complete baccalaureate degree requirements within 4 school years.

Further, Mr. President, VA statistics indicate that 48.8 percent of all GI bill trainees have dependents. Many of these veterans are forced to take reduced workloads in school in order to take jobs to support their families. The American Association of Community and Junior Colleges noted in testimony before the committee that "most veterans averaged only 12 credit-hours for an average semester." Under current law, veterans can receive full monthly benefits for 12 credit-hours of study. But as the National Association of Concerned Veterans—NACV—pointed out, 12 credit-hours per semester adds up to 96 credit-hours after 4 school years, or 24 credit-hours short of the 120 required for graduation. On a quarter system, 4 years of the minimum requirement will accumulate 144 or 36 credits short of the 180 necessary for graduation.

Additionally, many lower cost public institutions, where most veterans turn for their education, are overcrowded. As a result, it is often difficult for veterans to gain admission to required courses. According to a recent survey, it took 690 veterans an average of 5 years to complete their degrees at the California State University at Fullerton and the University of California at Irvine.

Mr. President, a final consideration is reflected in a recent report by the Carnegie Institute on Higher Education, which points out that educational requirements imposed by employers, State licensing agencies, and professional certification boards demand increasing periods of higher education. In plain terms, what a bachelor's degree would qualify a veteran for in 1948 or 1955 in terms of salary and job responsibility may very well require a master's degree in 1974. Although the extension of monthly entitlement from 36 to 45 months is primarily intended as a means to insure that all veterans may obtain at least an undergraduate degree, I believe this provision will do much to enhance the ability of many veterans to be economically and educationally competitive with their nonveteran peers.

PROGRAM EVALUATION AND COLLECTION OF STATISTICAL DATA

The Senate-passed version of H.R. 12628, as amended, provided for a new subchapter under which, for the first time, the Administrator of Veterans' Affairs would be required to provide for independent measurement and evaluation of the impact and effectiveness of all programs authorized under title 38, and their mechanisms for service delivery, and to collect, collate, and analyze on a continuing basis, full data regarding the operation of all such programs. The Administrator would be required to make available to the public the results of his findings.

Presently, Mr. President, the VA's evaluation activities are sporadic and limited. The evaluation provisions in the new section 219 contained in the Senate-passed bill—in subsections (a) through (f)—are based directly on the evaluation provisions in sections 401 and 402 of the Rehabilitation Act of 1973—Public Law 93-112, of which I was a principal author with Senators RANDOLPH and STAFFORD, who are also members of the Veterans' Affairs Committee, and who collaborated along with Senator HARTKE and me on this provision in the Senate-passed bill. Interim regulations regarding these Rehabilitation Act provisions were published in the Federal Register on July 2, 1974.

Since the House-passed bill contained no comparable provision, I am most pleased that the conference agreement embodies the essence of the Senate provision, although somewhat revising and condensing the language in order to provide for greater focus and more specificity.

In the joint explanatory statement, however, the conferees stressed that in condensing the new section 219—evaluation and data collection—as added in section 213 of the conference report, the requirement that, whenever feasible, the Administrator should arrange to obtain the specific views of program beneficiaries and program participants with respect to evaluations of such programs, was deleted as unnecessary. The conferees further stressed their belief that the Administrator already possesses the authority to do this, and that it would be desirable for him to exercise that authority, in addition to providing for evaluations conducted by fully independent personnel rather than those directly responsible for program operation and administration.

PROGRAM

STATUTORY AUTHORITY FOR VA'S VET REP

Mr. President, another provision I authored in the Senate-passed bill, establishing a veterans representative—Vet Rep—program, was accepted by the Conference Committee. This program will provide for a full-time VA employee at, or in connection with, each educational institution where at least 500 GI bill trainees are enrolled, who will serve as a liaison between the VA and the institution and identify and resolve various problems with respect to VA benefits, especially educational assistance, for veterans attending each such institution.

Mr. President, Senators may recall that on May 31, 1974, the White House released a formal announcement concerning the Veterans' Administration's new man-on-the-campus program. Earlier in May, the Veterans' Administration had briefed the Congress on its plans to implement this program designed to improve service relationships with veterans, their dependents, and veterans' service organizations. The man-on-the-campus, or Vet Rep program involves placing VA counselors on college and university campuses to identify and resolve VA educational assistance allowance problems.

Mr. President, in the weeks that followed the original VA announcement of these plans, there was considerable confusion, and much concern expressed by those persons already involved in campus veterans' programs. Specifically, Veterans cost-of-instruction—VCI—program campus coordinators, who are responsible for planning, implementing, and directing the full-time offices of veterans affairs established under a provision I authored in the Education Amendments of 1972, Public Law 92-318, feared their programs were about to be taken over by the VA. The VCI program was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish the kinds of special programs and services necessary to assist many veterans in readjusting to an academic setting.

VCI programs achieved a high level of success in their first year of operation despite the fact that in many cases VCI coordinators were unable to plan and develop special programs because they were forced to devote far too much of their time to the task of assisting veterans with VA-related problems, especially late arrival of GI bill checks. VCI coordinators were, in many cases, simply acting as a liaison between the veteran and the VA in the veteran's frustrating battle to receive VA educational benefits.

Unfortunately, Mr. President, the VA's early plans and job descriptions for the Vet Reps appeared suspiciously duplicative of the responsibilities already being met by VCI coordinators. VA memos concerning the Vet Rep program contained terms such as "outreach" and "peer counseling"—activities specifically required by law of VCI programs. Aggravating the situation was the fact that the VA, in the weeks just after announcing the program, made no attempt to consult VCI coordinators or to include them in any of the initial planning and implementation of this program, a program which directly would affect these already existing programs.

This understandably led to much hostility on the part of VCI coordinators and other campus veterans representatives across the Nation. My staff worked closely, during this period, with the Veterans' Administration, the Civil Service Commission, the Office of Management and Budget, and the White House to work out details of the program, and to insure that the concerns of VCI coordinators would be taken fully into consideration before plans for the program were finalized.

In connection with the Vet Rep provision, in the conference report, the joint explanatory statement offers the following explanation:

In adopting this provision, the conferees were keenly aware of the concerns which have been expressed to members of both bodies about the implementation of this program which has already been undertaken administratively by the VA, and of the assurances received from the Office of Management and Budget, the White House, and the VA with respect to the intended operation of this program. Of specific concern is the understanding, most recently embodied in the Senate Appropriations Committee report (No. 93–1056) on H.R. 15572, the fiscal year 1975 HUD-Space-Science-Veterans' Appropriations Act, that VA regional offices, with the concurrence of the Chief Benefits Director, will have considerable flexibility in the assignment of these new Vet Reps in terms of particular campus needs. This same flexibility is provided for in the conference report. In those instances where a Vet Rep can perform more effectively in terms of carrying out the special responsibilities of liaison with the campus veterans, assignment of the Vet Reps to regional offices should be carried out in order to improve the capacity of those offices to provide effective services. At the same time, the conferees wish to call attention to the conference report provision which is intended to avoid any situation in which an educational institution might be in any way compelled to accept such an on-campus assignment by the VA—new section 243(a)(4) provides that the "inappropriateness of assignment of veterans' representatives to a particular educational institution" shall be grounds for reallocation of such Vet Reps to other educational institutions or to the regional office. The conferees expect that such assignment matters will be resolved amicably in close consultation and coordination with individual institutions, GI bill trainees at such institutions, and other interested parties.

VETERANS' OUTREACH

Mr. President, in 1970 and 1972 I authored and coauthored with Senator HARTKE, respectively, major new programs to provide special assistance to high school dropout veterans. These were the predischarge education program—PREP—the special tutorial assistance program, the refresher, deficiency on-campus program, and the veterans outreach services program in 1970 in Public Law 91–219; and expansions and improvements of those programs and the addition of the veterans-student-services program in Public Law 92–540.

Unfortunately, the implementation of these programs by the Veterans' Administration has continued to be less than adequate and less than enthusiastic. There is a substantial need for improvement in the scope of the VA's outreach program and the methods which it employs to reach out to returning veterans, particularly educationally disadvantaged veterans, to attempt to encourage them to use their GI bill eligibility to receive education and training. I find the figures in a study by the General Accounting Office, in terms of the lack of actual knowledge on the part of returning veterans about their benefits, to be very discouraging and to be evidence of a very haphazard implementation by the Veterans' Administration since we inaugurated the program in 1970.

Mr. President, in the conference report we have adopted the Senate provisions to increase the tutorial assistance allowance from $50 to $60 a month and the number of months of tutorial assistance entitlement during which such allowance may be paid from 9 to 12 months. As I indicated above, I originally authored this provision, in the 1970 GI bill amendments, Public Law 91–219, to provide tutorial assistance to veterans in academic difficulty.

In addition, the veteran-student services program which we placed into law in Public Law 92–540, and which I originally proposed in 1970 in the Senate-passed S. 3657, and again in 1971 in S. 740 with Senator HARTKE, would also be improved and expanded by provision in the conference report. When we originally passed this program in the Senate in 1972—as well as in 1970—there was no limitation on the number of veterans who could participate in this work-study program. However, in 1972, in working out the provisions which became Public Law 92–540, we agreed with the House to try this program out on the basis of about 16,000 so-called work/study agreements, effectuated through the limitation to 800 man-years of work contained in section 1685 of the present law. We also agreed to limit the number of hours that any veteran could work to 100 hours per academic year.

Given the experience with this new program and comments we have received from various VA regional offices and others, the conferees agreed to the Senate provision to expand the program so as to permit up to 250 hours of work for each individual veteran over an academic year and to remove the limit on the number of veterans who can participate during any one fiscal year.

We see this program as a major way for the VA to improve and expand outreach efforts, pursuant to the new directions and authorities made by other amendments in the Conference report, especially on college campuses under the supervision of the new veterans' representatives, provided for in section 214(4) of the Conference report, and also strongly believe that the program, as indicated in the provisions of the present law itself, should be directed far more to providing work/study veterans to carry out certain functions in connection with the VA medical program—a statutory function which has been virtually totally overlooked by the Veterans' Administration in its implementation of the present program.

PROVISION OF EMPLOYMENT ASSISTANCE TO VIETNAM-ERA AND SERVICE-CONNECTED DISABLED VETERANS

Mr. President, in 1972 in title V of Public Law 92–540, we enacted the Veterans Employment and Readjustment Act of 1972, which was derived directly from the provisions of S. 2091 which Senator HARTKE and I had introduced in June of 1971. Given our experience with the implementation of the various provisions added to title 38 in 1972 in chapters 41 and 42, Senator HARTKE and I proposed a series of strengthening amendments, which have been retained in the conference report.

First, Veterans Employment Service job counseling, training, and placement services would be expanded to serve wives and widows who are eligible for chapter 35 GI bill assistance.

Second, the Secretary of Labor is directed to establish stronger, expanded administrative controls under chapter 41 in order to insure that eligible veterans, wives, and widows are promptly placed in a satisfactory job or job training opportunity or receive some other specific form of employment assistance. The Secretary is also required to publish standards for determining compliance by State Public Employment Service agencies with the provisions of chapters 41 and 42.

Mr. President, the need for such mandatory specificity regarding this annual report was made very clear to us by the ridiculous three-page annual report concerning the implementation of existing chapter 41 provisions submitted—4 months after it was due—by the Secretary of Labor, and by the failure of the Secretary to carry out the chapter 42 "special emphasis" program.

Third, with regard to the chapter 42 "special emphasis" program the conference report clarifies and strengthens existing law by requiring that Federal contractors and all of their subcontractors take particular actions in addition to job listing in order to give "special emphasis" to the employment of qualified service-connected disabled and Vietnam-era veterans. The conference agreement provides further clarification in this provision by making clear the intention of the Congress that all Federal contractors and all subcontractors under Federal contracts—not just prime subcontractors—are to take affirmative action in their employment practices in an effort to promote the greatest possible employment and advancement in employment of qualified service-connected and disabled veterans and veterans of the Vietnam era.

Mr. President, this provision is essentially a clarification and a refinement of the existing provision in section 2012 of title 38. The language of the modified provision was worked out in close consultation with the Department of Labor;

the Department seems committed to doing better in terms of hiring veterans. The existing provision, given the Department's very restrictive interpretation in the regulations governing this section, has clearly not been carried out as Congress had intended.

Unemployment continues to be a substantial problem among young veterans, of whom more than 9.5 percent are presently unemployed. The unemployment rate for young minority group veterans was 19.5 percent for the second quarter of 1974, more than twice as high as that of other young nonminority group veterans, and on the west coast, 30,000 veterans in the 20- to 24-age bracket were out of work during the second quarter of 1974, with an unemployment rate of almost 12 percent. Nationwide, the July unemployment rate for young Vietnam-era veterans is 9.6 percent, with 130,000 young veterans out of work.

Thus, we felt it necessary, not only to try to provide greater focus to the efforts of the Veterans Employment Service, but also to provide the Department of Labor with greater statutory specificity with respect to its efforts to promote employment of Vietnam-era veterans and service-connected disabled veterans in the private sector.

Mr. President, in clarifying this provision, it was the conferees' objective to insure that the goals of the program, as spelled out above, would be achieved according to an orderly and effective timetable, backed up by an effective compliance mechanism. The provision in the conference report is thus substantially identical in language and intended scope with the provisions of section 503 of the Rehabilitation Act of 1973 (Public Law 93-112), a law I coauthored with Senators RANDOLPH and STAFFORD, who also serve with me on the Veterans' Affairs Committee, and who collaborated with me in the revised section 2012 in the conference report.

Fourth, the conference report also includes a provision I authored with Senator HARTKE stating that it is the policy of the United States to promote maximum employment and job advancement opportunities within the Federal Government for qualified service-connected disabled and Vietnam-era veterans, and providing for special Federal appointment authority and other mechanisms to carry out such policy.

Fifth, the conference report provides for the codification into title 38 of existing law on veterans' reemployment rights, and further extends such rights to veterans who were employed by States or their political subdivisions.

EDUCATION LOAN PROGRAM

Mr. President, the conference report contains, with some modification, the Senate provisions proposing a new education loan program for eligible veterans and chapter 35 eligible dependents, which was in the Senate amendment. This is very similar to the measure Senator HARTKE and I had proposed originally in 1972 in S. 2161 and which the Senate had passed at that time. Unfortunately, in our consultations with the House on that legislation we were unable to convince them of the necessity for that program. I am pleased that we were able to do so this time.

Mr. President, the new loan program should provide the wherewithal for veterans in high- and higher-cost institutions to receive loans to cover their tuition and other expenses at low interest rates and with the principal and interest payments deferred until after they have completed their education. This loan program now represents our efforts to enact some program to deal with the variable tuition costs among universities and colleges and particularly the education costs as they vary from State to State depending upon the availability of lower-cost public education.

Mr. President, I think the fact that the VA estimates that approximately 136,000 veterans would receive these loans—permitted up to $1,000 per academic year in the revision in the conference report—in the first full year of operation of the new program is probably the most telling argument showing the need for such a program. This very high rate of projected use for the first year of such a new program clearly demonstrates the difficulty which GI bill trainees are experiencing in obtaining regular education loans even under the program of federally insured loans under the Higher Education Act of 1965.

The new loan program certainly should fill this gap by providing a substantial benefit for veterans and eligible dependents who cannot obtain Higher Education Act federally-insured loans.

INTERAGENCY ADVISORY COMMITTEE ON VETERANS SERVICES

Mr. President, the conference agreement—in a new section 220 added to title 38—provides that the Administrator shall seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all Federal programs and activities affecting veterans, in addition to the maximum coordination of their programs with the programs carried out by the Veterans' Administration. The conferees expect the Administrator to specify in his annual report the results of this new process.

This provision gives the Administrator for the first time a central role and responsibility in coordinating and stimulating all Federal programs affecting veterans. It is hoped that this responsibility will insure far more efficient implementation of these programs designed to help veterans. This was the purpose of the original provision I authored in the Senate amendment to establish an Inter-Agency Advisory Committee on Veterans Services, a structure which the House conferees found unnecessary to achieve these goals.

CONCLUSION

Mr. President, in closing, I again want to express my congratulations to Senator HARTKE and the other members of the Veterans' Affairs Committee for having worked so hard to produce what I consider to be such a significant and far-reaching measure. I am equally grateful to the leadership in the other body for their accommodating spirit, dedication to veterans, and hard work. The House committee staff did a fine job throughout, as did our staff on this side.

This bill when enacted will help literally millions of veterans, particularly Vietnam-era veterans, and dependents in our Nation. As I have said many times in the past, what these veterans really are asking for is no more than they deserve and are entitled to—that is, simple justice and equity, and comparability in benefits with what their fathers and brothers received after their service in prior wars.

I would like to stress, once again, Mr. President, that this conference report is a symbol of compromise and cooperation. We must not ask Vietnam veterans to wait for further compromises. They have waited long enough.

I strongly urge a unanimous vote of approval by my colleagues for this vital and comprehensive measure.

THE VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT OF 1974

Mr. CLARK. Mr. President, inflation has been officially recognized as this country's No. 1 domestic problem. Our Vietnam veterans, however, have been well aware of that problem for several years.

Thousands of these veterans have written, telephoned, and testified that the current GI bill is insufficient to cover the cost of continually rising tuition rates and today's inflated living expenses. The Vietnam-Era Veterans' Readjustment Assistance Act of 1974 should go a long way toward rectifying that situation. That is why I support it, and recommend its passage by the full Senate.

This legislation would provide Vietnam-era veterans with a 23-percent increase in educational benefits—the biggest increase since World War II. Economists predict that by the beginning of the 1974-75 school term, the cost of living will be 18 percent higher than it was 2 years ago—when the Congress approved the last hike in the monthly educational assistance allowance.

Under the bill, benefits would be increased for single veterans from $220 a month to $270; for married veterans from $261 a month to $321; and for a married veteran with one child from $298 to $366 a month. Veterans also would receive $22 monthly for each additional dependent compared to the previous $18.

This legislation would extend a veteran's eligibility for educational benefits from 36 months to 45 months—a total of 5 school years. This provision complements another bill, recently signed into law, which increases from 8 to 10 years the time in which a veteran is able to utilize the GI bill once he or she leaves military service.

Unfortunately, a Senate provision to provide partial tuition assistance of up to $720 a year was not acceptable to the House of Representatives. This provision would have restored equity among veterans residing in different States with divergent systems of public education, and it would have been an important step forward. The Senate bill provided specific controls to offset the possibility of abuse that characterized the post-World War II tuition program. Nevertheless, some Members of the Congress adamantly opposed this provision, and it was not included in this piece of legislation.

I am hopeful that a tuition program for veterans will be approved by both Houses of Congress in the future because I am convinced that only this kind of tuition assistance will allow Vietnam-era veterans to get the educational benefits that were available to World War II veterans. A bill will be introduced in the next session of Congress to accomplish this goal, and it will have my full support.

Given these reservations, I believe that this compromise legislation is excellent, and I will vote for its approval, with the full confidence that it will be speedily approved by the Congress and signed into law by the President.

Vietnam veterans served their country during a period in history when it was not always easy to serve. They more than deserve the benefits contained in this bill.

Mr. RANDOLPH. Mr. President, it is a privilege to cosponsor and support the Vietnam-Era Veterans' Readjustment Assistance Act of 1974. The conference report on this measure should be adopted and I am hopeful President Ford will sign it into law to assist our men and women who were involved in the longest and most controversial war in this Nation's history.

The able and distinguished chairman of our Committee on Veterans' Affairs (Mr. HARTKE) has outlined the details of the vital measure and the basis for our conference agreement. I will comment only briefly on the reemployment rights provisions which I introduced on April 18, of last year, and which have been incorporated into this bill. These provisions extend reemployment rights to veterans employed by State and local governments prior to entering the service. Those who held jobs with the Federal Government or private industry will be assured that their job rights are protected. This has not been the case with those veterans who previously held jobs as schoolteachers, policemen, firemen and other State, county and city employment.

Some State and local jurisdictions have demonstrated an unwillingness to rehire such veterans. Or if they do, they seem unwilling to grant them seniority or other benefits which would have accrued to them had they not served their country in the military. For 1973 over 600,000 veterans were discharged from military service. More than 50 percent were employed prior to entering service.

This legislation leaves no doubt for State and local government employers that Congress feels all veterans should receive equitable treatment in the matter of reemployment rights.

Also section 2023 of the bill provides that Postal Service employees retain the right to appeal veterans' reemployment rights to the Civil Service Commission. Because of past precedents it is the committee's position that the Postal Service Commission be considered a Federal agency for the purpose of veterans' reemployment rights.

The reemployment provisions reaffirm that legal proceedings shall be governed by equity principles of law, specifically by barring the application of State statutes of limitations. The equity doctrine of laches will accomplish the application of any time-barred defense in cases under this law. This very important amendment made necessary by several court decisions which misconstrued the 1940 act by erroneously applying State statutes of limitations to reemployment actions, makes explicit Congress' original intent that laches is the governing doctrine in determining whether such actions are time barred.

Mr. President, the coverage of State and local employees under this bill is not legally retroactive. However, it is my strong hope and the committee's intent that those veterans employed by State and local governments, who were separated from military service prior to enactment of this measure, will be accorded the same rights and protection as returning veteran employees covered under this bill.

In addition to the effective coverage of this bill, the broad mandate of the reemployment rights section should give the Department of Labor, through its Office of Veterans' Reemployment Rights, to the fullest extent possible, the right to assist State and local employees who are not actually covered under the bill to attain their reemployment rights.

I am aware of a case currently pending in Wheeling, W. Va., in which the 1-year statute of limitation has been asserted in an action by a disabled veteran to gain reemployment rights. The veteran contacted the Department of Labor within 1 year of the denial of reinstatement to employment. However, due to efforts by the Department of Labor and the U.S. attorney in investigating, negotiating, and preparing the case, suit was not filed until approximately 2 years after the denial of reinstatement. If a 1-year statute of limitation is allowed to bar this reemployment action—which I understand to be one of great significance insofar as the rights of disabled veterans are concerned—I believe a great injustice will be done not only to this veteran but to the veterans' reemployment rights as a whole. The enactment of reemployment rights will preclude such an injustice.

The **PRESIDING OFFICER.** The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HANSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

AMENDMENT NO. 1811

Mr. PROXMIRE. Mr. President, I call up my amendment, No. 1811.

The **PRESIDING OFFICER.** The clerk will report.

The assistant legislative clerk read as follows:

> At an appropriate place in the Act, insert a new section as follows:
>
> SEC. —. None of the funds, appropriated by this Act may be used to support more than two hundred and eighteen enlisted aides in the United States Armed Forces.

Mr. HARTKE. Mr. President, I wish to pay a special compliment to the members of the committee who worked so diligently on this matter with us. It took a lot of hours and time. There could be no committee which would respond more affirmatively and cooperatively than this committee has on this very important legislation.

The staff members have worked long hours, over weekends and nights, to make it possible for the veterans to have their opportunities for the future.

In particular, Mr. President, I would like to commend the staff director, Frank J. Brizzi, and the general counsel, Guy H. McMichael III, for their invaluable assistance. Professional staff members, Mary Whalen, John Szabo, and Larry Chernikoff, were also of valuable assistance in obtaining the final product we have today. We are also fortunate in our committee that we are able to work closely with the minority staff and I particularly want to single out the minority counsel, Tyler Craig, and professional staff members, John Napier and Jim Fields, for their work on the bill.

Mr. PROXMIRE obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes, I yield to the Senator.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I shall be very brief.

Mr. President, there should be no need for this amendment today. Of all the issues brought before the Senate during debates on the military bills the last 2 years, the question of military servants has been resolved in the clearest possible manner.

On two occasions this body has voted to restrict the number of military servants to 218. In 1973, we voted the 218 ceiling by a margin of 78 to 4. Just this year, we again voted to restrict the number to 218 by a 74-to-4 margin.

SENATE POSITION IS CLEAR

What could be clearer? What could be more precise? How could there be any confusion on this point by the Department of Defense? The message is plain.

We have told the Defense Department to cut back on their servant program, to find other alternatives because time is running out.

And yet, even given these overwhelming votes, we still have 675 servants in the service of 450 generals and admirals worldwide. Two years of Senate votes have been frustrated in the conference committee.

Mr. President, the amendment I offer today is exactly the same as the amendment worked out by the distinguished Senator from Mississippi (Mr. STENNIS), chairman of the Armed Services Committee, during the procurement bill debate. At that time, the chairman, the Senator from Georgia (Mr. NUNN) and the Senator from Wisconsin agreed to a compromise amendment which would limit the number of servants to 218. That ceiling was passed in a 74-to-4 vote.

The fact is that we have far more servants than that, we have about 675 servants in the military and I am very hopeful that we can have reconsideration of this.

Of course, that was on the authorizing bill and the bill before us today appropriates funds for the Department of Defense.

Here too, the precedent is clear and convincing. Last year, the Senate Appropriations Committee provided only enough funds to cover the support for 218 servants in the Senate bill.

The record then is without qualification. The Senate's position is that no more than 218 military servants be allowed for the generals and admirals.

Amendment No. 1811 will return us to that position.

If we do not return to that stance, the effect will be to institutionalize the present number of military servants at 675—a figure the Senate has rejected time and time again.

Mr. President we are faced with this issue again this year because the overwhelming Senate position on military servants has been dropped in conference after conference with the House. There have been four conferences with the House the last 2 years on the two major military bills. At each time, the Senate conferees have given way to the House position for more military servants.

During the conference on the fiscal year 1975 military procurement bill, the Senate conferees did not even retain a numerical limitation. They took in a vote of 74 to 4 for 218 servants and they came out with no ceiling, a report, and a commitment to hold hearings.

Now, I understand how the conference process works. There is give and take. There is compromise. That is normal. But for 2 years, it has been all give by the Senate and all take by the House on this issue. I could understand this if there were close votes in the Senate. But that has not been the case. The vote has been overwhelming.

WHO ARE THE SERVANTS?

Mr. President, who are these men I refer to as servants in uniform?

What are the facts? Are these men really servants?

The answer is an emphatic "yes." According to scientific interviews conducted by the General Accounting Office, these men prepare food, serve meals, clean quarters, perform gardening on the grounds of the quarters, provide maintenance on the rent-free homes of the generals and admirals, bar-tend for official and private parties, do the grocery shopping, run errands, and chauffeur the officers around.

In the Navy, they spend an average of 4 hours a day preparing and serving meals in the homes of the admirals and 3.1 hours cleaning their homes. In the Air Force they spend 2.4 hours preparing and serving meals and 4 hours cleaning quarters. The comparable figures for the Army are 2.5 and 4.2.

Twenty-eight percent of the representative sample of servants interviewed said they were required to do the laundry of the officers' dependents. Twelve percent reported being required to prepare lunch for the officers' dependents even though the officer was not home and did not eat at the same time.

The GAO concluded that the tasks performed by these men are those normally associated with domestic servants.

They are servants—plain and simple. About that there can be no dispute.

As with any servant, they come in handy when entertaining is required. A full 100 percent of the Navy and Marine Corps officers reporting to the GAO said they used their servants for official entertaining—meaning as bartenders, for clean up and food preparation; 97 percent of the Army generals and 91 percent of the Air Force generals reported using servants for the same purpose.

But official entertaining is not the only requirement for a personal servant. They must also serve drinks and clean up at unofficial parties put on by the brass—private parties for their personal friends.

They use military men and American tax dollars for private parties that have no official function. Seventy-eight percent of the Army generals, 83 percent of the Navy admirals, 82 percent of the Air Force generals and 57 percent of the Marine Corps generals reporting to the GAO said they used their servants for unofficial private parties. In other words, if they were having a few friends over for a drink or entertaining relatives from out of town, their personal military servants do the work. They purchase the food at cutrate commissary prices, serve the beverages and food and clean up afterwards. All courtesy of the American taxpayer.

The average number of parties of each officer is 4.5 a month or a little over 1 per week for which their personal servants are called upon to work. Not a bad life.

What about the men involved? Who are they and where did they come from?

We have often heard that these men are volunteers. It is in the regulations that these men be volunteers. Unfortunately, this simply is not true. The GAO interviewed about 25 percent of all the military servants in the continental United States. Contrary to the Pentagon argument about being volunteers, it was found that over 12 percent of these men were assigned to their jobs. They did not volunteer. They were assigned to be servants.

WHO HAS SERVANTS?

Right now there are 675 servants in the service of 450 generals and admirals. All members of the Joint Chiefs of Staff have five servants each. Five men personally assigned to them to care for their every need. Five human beings receiving on the average of between $7,000 and $8,000 per year. This means that every member of the Joint Chiefs has the personal use of about $40,000 of manpower for his personal convenience and that of his family.

Thirteen other Army generals, 8 admirals, 1 Marine Corps general and 14 Air Force generals all receive 3 servants each courtesy of the American taxpayer.

The unfortunate remaining officers of the 450 have to make do with one or two servants with the exception of the Superintendent of the Naval Academy who gets four for some reason.

These servants are attached almost permanently to an individual officer. They go where he goes. They serve where he serves. They are an integral part of his family. If they complain about their working conditions, they can be informally disciplined, as many have been, by sending them to do undesirable jobs or by refusing promotions. I presented evidence of one such case during the procurement bill debate.

Of the 675 servants, 189 are based in the Washington, D.C. area. Washington is the capital of the military servants because so much of the military brass is based here.

Outside of Washington, we have military servants for our brass in Italy, England, Belgium, Taiwan, Japan, Germany, Korea, Brazil, the Canal Zone, Okinawa, Turkey, Thailand, Guam, Spain, and Holland.

JUSTIFYING SERVANTS

How does the Pentagon justify these military servants? Let us go into each justification and I will demonstrate just how sterile, just how unbelievable the rationale is.

The Pentagon makes the argument that military servants are necessary because generals and admirals have duties affecting the welfare of thousands of men and women in uniform. They are said to be responsible for billions of dollars in materials and Government funds. Therefore, these men should not be required to take care of their own laundry, cars, food, or homes.

Mr. President, for those who would defend the use of military servants under this justification, I would ask do not Senators and Congressmen have similar responsibilities? Does not the Secretary of Defense or the Secretary of the Air Force, Army or Navy have responsibilities as great as any of our generals and admirals? What about the Justices on the Supreme Court?

Do mayors of this Nation's cities have large civic responsibilities? Do they not look after the welfare of millions and handle billions of dollars in Government funds?

And do they have servants provided to

them at the expense of the beleagured American taxpayer? No, not one.

Perhaps the supporters of the military servant program would be willing to introduce legislation to authorize military servants for every taxpayer who has large responsibilities and handles great sums of money.

The Pentagon also states that military servants are needed because these high ranking officers work long hours.

Now I ask you: Are generals and admirals the only people that work long hours in this country? Do other citizens have to come home from a long day's work and do their own chores? Of course they do.

The brass would also have us believe that they need servants because of all the parties they have to put on. Think of that argument for a moment. Our mighty military machine demands servants because it has so many parties to give.

What kind of defense force do we have on our hands? What war are we preparing to win on the party circuit?

Granted, sometimes official entertainment is required, but let that come on a case by case basis from a manpower pool instead of having full time personal servants.

The GAO found that generals and admirals want servants because they claim their wives have to attend social and military functions and take part in civic duties and charity work and therefore, they cannot do the housework.

What makes military wives so special? Military wives are not the only women in this country that have social obligations and take part in civic and charity work. And yet other American women either manage to do their own housework or pay for it out of the family budget. At the same time their tax dollars go for free servants for the brass. Is that fair?

The most recent argument in favor of military servants is that these unfortunate generals and admirals have the bad luck to be living in free housing—large homes provided by the Government. These spacious and sometimes quiet elegant homes need constant upkeep, the Pentagon states now. Although the Pentagon is arguing this point, only 8 percent of the generals and admirals replying to the GAO mentioned this issue. Obviously, there is a lack of communication here, or maybe just some good public relations work.

What other reasons have been given for justifying military servants? Some generals have said they were bachelors and needed the help because they had no wives. Some said they had to host women's groups. Some said they were the only high ranking officer in the area. Some said they had to promote good community relations. Imagine that—promoting community relations by using taxpayers' money for their own personal servants.

During the Civil War, we had an easy answer to this military servant problem. Title 12, section 594 of chapter 200 stated that when an officer used another soldier as a servant he had to reimburse the Government for the full wages and allowances of that soldier. That was a good law. It is too bad that it was taken off the books. We should have it now. Then we would see how many generals and admirals really needed personal servants.

Well, Mr. President, the time has come for this body to come again to a vote on the military servant issue.

Perhaps this is a small question in terms of money. After all, the total cost involved is only about $5.4 million or so. But in terms of policy, in terms of human dignity, in terms of what we say about the American way of life by our actions, in view of economy, and considering the effect on civil rights, this vote carries a significance far beyond its immediate impact.

If we want a strong military, an efficient and economy minded military; if we want to show the world the true value of the American sense of justice and equality, then the Senate should once again send a message across the Potomac that it is time that military servants be eliminated.

I have discussed this with the distinguished chairman of the Appropriations Committee and I understand he is sympathetic and would be willing to consider taking this to conference. I have also talked with the distinguished Armed Services Committee chairman, Senator STENNIS, and the ranking Republican member of the Committee on Appropriations, the Senator from North Dakota (Mr. YOUNG), and as I understand it, it is acceptable to go to conference with this amendment.

Mr. McCLELLAN. Mr. President, I have no strong feelings on this proposed amendment, since the Senate has voted at one time to substantially reduce, and I am perfectly willing if there is no objection, to take it to conference.

I am not sure what the attitude of the House will be, but I am willing to take it to conference and present it as the Senate's position.

Mr. STENNIS. Will the Senator yield to me?

Mr. McCLELLAN. Yes, I yield.

Mr. STENNIS. I have only a brief statement.

Mr. President, when the authorization bill was before us, and the Senator from Wisconsin is correct, we had an understanding and kind of a compromise figure of 218.

Now, I want to assure the Senate that we went to conference, with all deference to everyone, and we tried very hard to get some kind of a figure adopted in this conference. We made propositions far above the 218, but finally did not get anything.

But I want to doubly assure everyone that we spent almost an entire afternoon on it and about an hour of another afternoon. Frankly, I think that is enough for 1 year.

But we did not get any agreement. Last year there had been an agreement worked out on this high figure—that did not go into effect until September 1974, and I think that is one reason why the House conferees were so adamant—that had an agreement by the conferees a year before to a certain plan, and it had not gone into effect and had not been tried.

I frankly think an $81 billion bill is not an earth-shaking issue. I say that with all respect to my friend. I think in taking it to conference the chances are that it will be highly unsuccessful. I want to be frank about that part now.

But it is a matter he has worked on, and with credit to the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

The amendment was agreed to.

Mr. HATHAWAY. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 42, line 4, beginning with the word "*Provided,*" strike out all down through the colon in line 7.

Mr. HATHAWAY. Mr. President, this amendment, which is cosponsored by the distinguished Senator from Rhode Island (Mr. PASTORE), would strike from the defense appropriation bill the provision that no funds shall be used for the payment of a price differential on contracts made for the purpose of relieving economic dislocation.

This has greatly inhibited the program. I have discussed it with the chairman of the committee and I believe that it is acceptable.

This language in the bill has come to be known as the Maybank amendment. It was named for Senator Burnet R. Maybank, who offered the amendment in 1953. Its restrictive language has the effect of severely limiting the Government's program of aiding areas of high unemployment through the award of contracts under the labor surplus area procurement program.

The Maybank amendment was first inserted in the defense appropriation bill over 20 years ago to prevent negotiations of contracts at premium prices with firms in labor-distressed areas. At that time the New England textile industry was moving south, and in an effort to keep some of the textile industry in New England, the Defense Department was inclined to award contracts at a higher price to New England mills than to southern mills.

During that period southern mills were able, because of lower labor costs, to bid much lower on contracts than the New England mills were. The Maybank amendment was intended to prevent the Secretary of Defense from awarding a contract to a New England textile mill at a higher price than he would award the same contract to a southern textile mill, in order to keep the New England mills where they were.

The problem that existed then has now taken care of itself. Most of the textile mills have moved south and very few are left in the New England area. Even though the problem, which the amendment addressed itself to, has been taken care of, the prohibitory language has been included in the Defense Appropriations Act year after year for more than 20 years.

In my opinion, the Maybank amendment is an idea whose time has passed. It has outlived its usefulness, and we should reconsider the purpose of this provision in the light of present economic conditions.

Although the language of the Maybank amendment does not specifically state that it applies to the labor surplus area procurement program, as authorized in Defense Manpower Policy No. 4, it has been interpreted by the procuring agencies, as well as the Comptroller General, to apply to that program.

The labor surplus area program was initiated in 1952 to encourage full utilization of existing production facilities and workers in preference to creating new plants or moving workers. By channeling Government contracts into areas of high unemployment, the program helps preserve management and employee skills, maintains productive facilities, improves utilization of the Nation's total manpower, and helps assure timely delivery of required goods and services.

There are three categories of labor surplus areas under the program: First, areas of substantial unemployment, second, areas of sustained unemployment, and third, areas of concentrated unemployment or underemployment.

Under the program, certain Government contracts are set aside for bidding by firms in labor surplus areas. In other words, in such a set-aside, only firms located in areas of high unemployment may bid on the contracts. At that point the problem arises with the application of the Maybank amendment. The prohibitory language of the amendment requires the guarantee that any contract which is awarded as a result of preference procedures to firms that qualify for labor-surplus-area assistance must be awarded at the lowest possible price.

To meet this required guarantee of the lowest possible price, every procurement set-aside for labor surplus area firms must be split. One part of the procurement is open for unlimited competitive bidding by any firm interested in bidding on the contract. The other part is set aside for exclusive award to labor surplus area firms.

Once the price has been established for the part of the procurement that is open to competitive bidding throughout the country, that is the price the Government will pay for the remaining part of the procurement made available for firms in labor-surplus areas.

This complicated procedure greatly restricts the labor-surplus-area program by making only partial set-asides rather than total set-asides available to labor-surplus-area firms.

The amendment I offer today would delete from the Defense Appropriation Act the recurring restrictive language of the Maybank amendment and assure that labor surplus areas get a greater share of Defense Department contracts by allowing total set-asides for labor-surplus-area firms rather than partial set-asides.

In fiscal year 1973 civilian and defense procuring agencies total contract expenditures amounted to $45 billion. Only 0.4 percent, or $195.7 million, was awarded under the labor surplus area program.

Several witnesses testifying before the Government Procurement Subcommittee of the Small Business Committee on this program last year agreed that, without the Maybank amendment restricting the program, labor surplus area procurement would surely expand.

In 1952, when the labor surplus area program was initiated, unemployment was 3 percent. From the most current data, for July of this year, it is 5.3 percent. Unemployment today is more grave than it was when this program was initiated. Expanding the labor surplus area program would be one means of combatting this unemployment problem, but unfortunately the restriction imposed by the Maybank amendment against total set-asides for labor surplus area firms is one of the reasons the program is not more effective. I think it is time to look at the program in terms of giving it new life and direction.

With the deletion of the restrictive language of the Maybank amendment from the defense appropriations bill, procuring agencies would have the right to set aside totally an appropriate procurement for firms which qualify under the labor surplus area program. They would no longer be required to go through the complicated process of splitting the procurement.

This does not mean that the Defense Department would be allowed to confine bidding to a particular labor surplus area in, say, New England, or California, or in any other specific geographical area of the country. It would mean that firms in any labor surplus area would have an opportunity to bid, so there would be bidders on the contract all the way from Maine to Hawaii.

The program does not favor any particular section of the country. Classified sections of concentrated unemployment or underemployment include parts or all of 421 cities, 677 counties, in all states, 31 Indian reservations, and the Commonwealth of Puerto Rico.

Firms in labor surplus areas are fully competitive businesses.

The facts do not indicate that contracts awarded under a total labor surplus area set aside, now prohibited by the Maybank amendment, would be at substantially higher prices. In a total set-aside, that would allow only labor surplus area qualified firms to bid, those qualified firms from all over the country would be competing among themselves and their prices would necessarily be competitive. If in the opinion of procurement officials the lowest bid is considered excessive, compared with current prices in the marketplace, then the Government could, and indeed it should, cancel the set-aside and readvertise the procurement without restriction.

A high percentage of the contracts awarded under the labor surplus area program go to small businesses. It is a valuable means of placing more contracts with small business and there can be no more worthy goal than that. By helping small businesses to grow, we are investing in their long-term growth, with attendant new job opportunities.

The cost of the program is very reasonable. During hearings held by the Government Procurement Subcommittee, a witness from the Department of Labor testified that the cost per placement of a person under this program is only $40, as compared with $1,000 to several thousand dollars per individual placement under other job preparation and training programs.

Operation of the program under the encumbrance of the Maybank amendment also makes the program more costly. The requirement that no price differential is to be paid necessitates the splitting of the procurement into two or more contract awards. This increases the time, work, and resulting expense to the procuring agencies. Instead of one contract award there are two or more contracts to award, two or more contract performances to administer and close out and more contractors to pay. These additional measures necessarily add to the cost of administering the contract. Costs are also increased by the Government's not being able to take advantage of greater quantity discounts which would be available if the procurement were not split.

The restrictive language of the Maybank amendment is highly detrimental to the labor surplus area program. In my opinion this obstacle, which is no longer relevant to the evil it was designed to avoid, should be removed.

The labor surplus area program holds out promise for relief of our unemployment problem. It should not be fettered with an outdated restriction which prevents it from fully operating to supply an ever-growing need. In the interest of aiding business, particularly small business, and adding stimulus to a much needed program, I urge my colleagues to join with me in striking from the Defense appropriations bill the restrictive language of the Maybank amendment.

Mr. McCLELLAN. Mr. President, I have considered this matter. It has been in the law for a long time. It would appear now that it is more or less obsolete, and no longer needed. I have agreed to take it to conference. Unless the House has some strong position about it, I would have no objection to its passage.

If there is no objection on the part of anyone, I will agree to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine. (Putting the question.)

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. McINTYRE. Mr. President, I call up my amendment now at the desk to the pending bill, H.R. 16243, making appropriations to the Department of Defense for fiscal year 1975.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. McINTYRE. Mr. President, I ask unanimous consent that we dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McIntyre's amendment is as follows:

On page 25, lines 9 and 10, strike out "$1,749,152,000" and insert in lieu thereof "$1,796,152,000".

On page 25, lines 17 and 18, strike out "$2,979,612,000" and insert in lieu thereof "$3,005,712,000".

On page 26, lines 2 and 3, strike out "$3,144,460,000" and insert in lieu thereof "$3,165,460,000".

Mr. McINTYRE. Mr. President, the distinguished Senator from Arizona (Mr. Goldwater) is a cosponsor of this amendment.

The purpose of my amendment, Mr. President, is to restore $94.1 million of the $933.2 million reduction recommended by the Committee on Appropriations in the research, development, test, and evaluation appropriations. But before addressing the specifics of my amendment, I want to congratulate the chairman of the Committee on Appropriations on having accomplished the most difficult task of making a substantial reduction in the Department of Defense budget. This task, to say the least, is most difficult.

I must add, too, at this time, that I wish to congratulate the able manager of this bill for the manner in which he has put the appropriation bills into such good shape as we have them at this moment. It has been due not only to the fine work of the Appropriations Committee but, undoubtedly, to the leadership of the able and distinguished Senator from Arkansas.

Our most serious problem today is inflation and the economy. In this we are all agreed. The need to reduce Federal spending, and to restrain the overflow of dollars into military as well as domestic programs is acute. However, we must be extremely careful to avoid being stampeded in this process. Arbitrary budget cutting can be more detrimental to the overall well-being of our Nation than even the erosive effects of inflation. What value is a sound economy if the price is to weaken our present and future national security? The vultures circle over a weakened and fluttering bird, but scatter to avoid a strong and vigil eagle.

And this, Mr. President, brings me to the substance of my amendment. As chairman of the Research and Development Subcommittee of the Armed Services Committee for the past 6 years, I have come to understand some very basic facts. And this did not happen overnight. Each and every year the Department of Defense, from the Secretary of Defense and the Chairman of the Joint Chiefs of Staff down, every principal witness, has emphasized the need to maintain a strong technology base to insure the continued qualitative superiority of our weapons to meet any future challenge by any enemy. The former Director of Defense Research and Engineering, Dr. John Foster, was the most outspoken and emphatic proponent of this basic truism. I was pleased to hear his successor, Dr. Malcolm Currie, state this premise with equal conviction and force. And the Research and Development Subcommittee has consistently upheld this principle, although at the same time recommending substantial reductions in specific programs for which the justifications were found lacking.

But, Mr. President, the recommendations of the Appropriations Committee have, with all due respect to its fine membership, in my opinion, been too severe in the technology area of the research and development program. In fact, even the overall reduction recommended in the R.D.T. & E. program is disproportionate to the overall reduction in the Defense budget. Let us examine the facts.

The committee recommends a decrease of $5.5 billion, or 6.4 percent, in the $87.1 billion requested for the fiscal year 1975 Defense budget. Within this total, the research and development appropriations are reduced by $933.2 million, which is 10 percent of the $9.3 billion requested for R. & D. Therefore the R. & D. appropriations are being cut by 50 percent more than the overall reduction in the Defense budget. In gross terms, even this disparity could be argued. But, the situation is even more acute in the technology programs which are a substantial part of the research and development program. For the benefit of my colleagues who may not be familiar with the details of research and development, let me explain that the technology program covers the basic inventive work which is done by Defense industry, including the thousands of companies of all sizes from the major aerospace corporations down to the smallest research companies which employ a handful of scientists and engineers.

The technology program does not include the major weapon system, the airplanes, missiles, tanks, and ships which appear in our daily publications. It includes the thousands of individual efforts being supported in industry, in our military laboratories, in private laboratories, in our educational and other institutions which lead to advances in the building blocks that are put together to form the most modern weapons that can be fashioned.

Today's transistors, for example, are the product of yesterday's technology. Tomorrow's breakthrough in fluid dynamics of fluidics could revolutionize missile-control systems of the future. Laser technology, which may change the nature of warfare, has had a dramatic spinoff in the medical field and is used in surgery every day to save eyesight.

The problem with technology, Mr. President, is that it is not only perishable and fragile, but more importantly it has tenure. Technology is not a sometime thing which can be turned on and off like a faucet. It is a living, breathing aggregation of our most talented scientific, technical, and engineering minds who are relentless in their pursuit of solutions to technical problems, and in the furtherance of man's knowledge.

They must be supported at affordable and realistic levels on a sustaining basis so that their vital work will not be interrupted. Surely, they do not all succeed, but mistakes and failures are the essence of this trial and error technical world. A major cut of 10.4 percent in this ongoing work technology, as would be imposed by the Appropriations Committee recommendations, would have a critical effect on thousands of individual basic and applied research tasks. It would force the wholesale termination of numerous small contracts throughout the country and set the pursuit of technology back for many years to come.

These losses could not be recovered even if increased amounts of funds were provided in future years. Effective teams of scientists and engineers would be disrupted in their work and their talents dispersed as they were forced to seek employment elsewhere.

Before addressing the specific details of the technology program, Mr. President, let me take a moment to clarify an important point about the overall research and development program amounts.

The R. & D. request for fiscal year 1975 amounts to $9.3 billion. Superficially, this seems to be $1.2 billion higher than was appropriated originally for fiscal year 1974. However, in fact, only $494 million, or less than half, was for increased work. The larger portion, or $740 million, includes $515 million for inflation which may prove to be inadequate, and $225 million for items transferred from other appropriations.

To give an example of that, the component improvement programs, like airplane engines, were removed from procurement requests and included in R. & D. requests.

Therefore, only $494 million could be reduced without bringing the fiscal year 1975 program below that for fiscal year 1974.

Measured against the requested real increase of $494 million, the reductions already made in the authorization act and by the House on the appropriations bill aggregate $532.4 million which brings the fiscal year 1975 appropriation $38 million below the fiscal year 1974 level in real effort.

The recommendations of the Senate Appropriations Committee would reduce this by another $400.8 million. In terms of real buying power on a basis comparable with fiscal year 1974, this would bring the fiscal year 1975 program down to $438 million below the 1974 level. As Secretary Schlesinger stated last Sunday when he was interviewed on television, this large reduction in research and development is mortgaging the future of the United States.

Mr. President, my amendment would restore $94.1 million of the $167.8 million reduced by the committee in its action on the technology programs. This will involve 38 individual programs for the Army, Navy, and Air Force out of 102 individual technology programs reduced by the committee.

I request unanimous consent to have a complete list of these 38 programs and amounts, which add up to the $94.1 million covered by my amendment, inserted in the Record at the conclusion of my remarks. These 38 items and amounts represent the highest priority technology programs which have been provided informally at my request by the Department of Defense.

(See exhibit 1.)

Mr. McINTYRE. I have not addressed the separate issues relating to other major program reductions recommended by the committee.

Instead, I have concentrated on the technology program which I consider to be of very great importance and which does not have a broad based and effective constituency. This should not be interpreted as prejudicing my strong support for some of the other major R. & D. programs reduced by the committee. The Department of Defense will reclaim these to the conferees of the House and Senate when they meet to resolve differences in the bill.

There is a need to elaborate and emphasize the point I have made regarding the lack of an effective constituency for the technology program. There are literally thousands of small research and development companies spread through every one of our 50 States. These are the spawning grounds and incubators where most American technical genius breeds. This is where our basic scientific and technical problems meet their greatest challenge, where our most competent independent minds translate visions and dreams into the dramatic technical breakthroughs which have made the United States the most advanced industrial and military nation in the world; and more importantly, which will keep us in that position only as long as we continue to provide the necessary financial resources. These small companies are coupled closely with our technical universities and colleges. Together, they cover the whole field of technology.

Yet, this critical, fertile source of our technology generally lacks the political, corporate, or bureaucratic influence to compete with the powerful combinations that develop in support of major weapon systems.

The irony, Mr. President, is that hundreds of millions of dollars have been wasted over the years on major weapon system developments because of unwarranted duplication, oversophistication of design, overstatement of performance requirements, and gold plating, because of corporate and bureaucratic momentum. Yet basic R. & D., our critical technological base, is a political orphan.

The restoration of $100 million for technology will prevent the serious interruption and termination of the vital work done by thousands of small contractors, colleges and universities, and other institutions. This is a simple voice, I would hope that others would join me in expressing their strong support for the technology program.

I should take this opportunity to express my disappointment that the committee did not delete or reduce the $77 million strategic initiatives package which was the subject of an amendment that I introduced during the debate on the authorization bill. My amendment was vigorously debated and was defeated by a small margin. The Nation would be far better off if these three programs had been denied and the $77 million applied instead to technology.

In conclusion, it may interest the Members to know that Dr. Currie heads a new team of Assistant Secretaries for Research and Development of the three services who are facing their first full year of managing the defense research and development program. The cut recommended by the committee will handicap their efforts and could undermine the organization and program which they were appointed to manage. Let us give them a fair chance. Restoration of the technology cuts would be a strong vote of confidence.

Mr. President, the distinguished chairman of the Appropriations Committee, my good friend, the able and senior Senator from Arkansas, has advised me that he shares my concern regarding this large reduction in the technology program, and that the substance of my amendment will be a matter of special consideration during the conference with the House.

EXHIBIT 1

FISCAL YEAR 1975 R.D.T. & E.

[In millions of dollars]

Program element and title	Request	Reduction	Restoration
ARMY			
62202A—Acft Avionics Tech	6.5	1.3	1.3
63209A—Air Mobility Spt	7.5	4.8	4.8
62303A—Missile Technology	25.5	3.9	3.9
63307A—Msl Effectiv Eval	16.1	2.7	2.7
63403A—Navstar Global Pos Sys	4.0	1.0	1.0
64619A—Mine Systems	15.8	3.0	3.0
31011A—Crypto Activs	(1)	2.8	2.8
33401A—ComSec Equip	(1)	.9	.9
63707A—Comms Development	7.9	4.6	4.6
63711A—Electronic Warfare	(1)	5.3	2.3
64711A—Electronic Warfare	(1)	3.2	3.2
64712A—Jt C3P	6.0	2.9	2.9
64713A—Combat Feed, Cloth & Equip	4.4	.9	.9
64723A—Svl, Tgt Acqn & Nt Obs Sys	15.5	2.4	2.4
65707A—Spt OT&E Cmbt Equip	2.9	1.9	1.9
65709A—Eval of Foreign Components	9.5	5.1	5.1
64209A—A/C Survivability Equip	7.2	3.3	3.3
Total, Army			47.0
NAVY			
65152N—Stds & Anal Spt,N	10.1	.7	.7
65154N—Center for Nav Anal, N	6.9	1.7	1.7
64258N—Aerial Tgt SysDevelop	14.6	5.3	5.3
63358N—Weaponizing (Prototype)	6.2	3.0	3.0
63553N—Surface ASW	13.4	4.7	4.7
33131N—Spt. of MEECN	3.1	1.5	1.5
62762N—Electronic Device Tech	13.0	1.1	1.1
62765N—Energy & Environ Prot Tech	9.1	3.7	1.7
63713N—Ocean Engr Tech Dev	9.9	1.3	1.3
63720N—Education & Training	6.9	1.0	1.0
63791N—Reliab & Maintainability	1.0	.4	.4
65866N—Navy Telecom Sys Arch Spt	4.2	3.7	3.7
Total, Navy			26.1
AIR FORCE			
65101F—AF Project RAND	8.7	2.1	2.1
62201F—Aerospace Flt Dynamics	38.1	4.5	3.0
62203F—Aerospace Propul	34.0	2.0	2.0
62204F—Aerospace Avionics	51.1	4.0	2.0
63428F—Space Survl Tech	21.9	6.1	4.1
63431F—Adv Space Comms	24.7	3.0	3.0
62602F—Conventional Munitions	16.7	1.4	1.4
63605F—Adv Radiation Tech	(1)	11.5	2.0
63728F—Adv Computer Tech	3.0	1.4	1.4
Total, Air Force			21.0

[1] Classified.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, Senator McIntyre is to be commended for the amendment he is offering and I wish to be added as a cosponsor.

I am glad to know that the distinguished chairman of the Committee on Appropriations will give these important R. & D. programs special consideration during the conference. However, I would prefer that the amendment be accepted here rather than only be considered in conference. Nevertheless, I am confident my friend from Arkansas is fully aware of the importance of these programs.

I would like to say, Mr. President, that I believe we are making a mistake when we cut basic R. & D. technology programs. There is danger in destroying the technology base that will produce those programs that will be essential to our future defense needs. That, in essence, is what we do when we cut the basic technology area.

About a month ago I wrote to the Secretary of Defense expressing my concern that the Department of Defense was possibly not adequately funding the basic technology area in research and development. I am pleased to report that the Deputy Secretary of Defense agreed with my concern and indicated that special attention was always given to this vital area. Therefore, Mr. President, I wish to stress to my colleagues that reductions in this area can well be false economies that will impact upon our future defense capabilities.

Mr. President, I ask unanimous consent that the exchange of correspondence I referred to be printed in the Record at this point.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

The Secretary of Defense,
Washington, D.C., August 7, 1974.

Hon. Barry Goldwater,
U.S. Senate,
Washington, D.C.

Dear Barry: I would like to thank you for your letter of June 26, 1974, expressing your concern about the erosion of Defense-sponsored basic science and engineering. I welcome the opportunity to indicate that I share your concern and to outline steps that we are taking to reverse this trend.

Your perceptions are generally correct. The level of effort in the Defense research science (6.1) program elements has decreased in the past decade. However, your choice of 1969 as a base year tends to make the situation appear even worse than it is. The following table summarizes the DoD research funding for several key years and shows that research has been approximately level-funded over the past decade. 1969 was an exception in that additional funding was provided for the "THEMIS" program to create centers of technical excellence at a number of universities.

DEFENSE RESEARCH SCIENCE

[In millions of dollars]

	Fiscal year—				
	1964	1969	1970	1974	1975
Army	64	73	65	68	62
Navy	104	116	104	103	105
Air Force	73	91	81	73	73
Defense agencies	34	45	44	35	39
Total	275	325	293	279	280

Note: All figures are rounded.

Of course, as you perceive, level funding means that the level of effort in terms of number of researchers supported has been decreasing due to inflation. In order to reverse this trend, I directed some time ago that the funding level of the Defense research sciences program elements be increased in FY 76 to provide a three percent increase in level of effort. The intent was to increase the funding to compensate for inflation and add an additional three percent real increase. Our action in stopping the erosion of the technical base efforts reflects the conviction that changes in the management of the technology base over the last few years have resulted in streamlining and tightening the program to the point where there is no room for further compression without elimination or reduction of quality efforts in potentially important areas. My action in providing a modest increase in FY 76 and my intention to continue this trend in the out years reflects my belief that the country must have an adequate base of long-term research.

Unfortunately, it now appears that internal readjustments in the overall DoD FY 76 RDT&E budget, necessitated by inflationary pressures, will result in an inability to compensate for the anticipated inflation-induced losses in the 6.1 category and, at the same time, provide a 3% increase in level of effort. In the event that circumstances should change prior to submission of the FY 76 Budget to the Congress, I will endeavor to carry out my original plan.

As you have also perceived, the principal reduction in effort has been levied on the contract research programs in the universities and industry. The following table, taken from the National Science Foundation's *Federal Funds for Research, Development and Other Scientific Activities* indicates the extent of the increase in the in-house (intramural) research activities.

[Dollar amounts in millions]

	Fiscal year—			
	1964	1969	1970	1974
DOD total	$260	$277	$247	$274
Intramural	82	90	96	116
Percent intramural	32	33	39	42

This shift in balance has not been the result of a conscious effort to reduce our involvement with the university and industrial community. To the contrary, we subscribe completely to the philosophy that the talents and attitudes of our colleagues in the university community and in industry are vital to a well-balanced research program. The change in balance has been largely a reflection of the difficulties attendant to reducing the size of the in-house establishment.

To that end, I have commissioned the creation of a plan for reorganizing our DoD laboratory structure, including reduction, consolidation and improvement of our laboratories and their management. The Director of Defense Research and Engineering is currently directing a tri-Service effort in this direction. We recognize from previous studies that the means for accomplishing these ends will be difficult and will require diligent effort on the part of DoD and the support of Congress. We believe, however, that the step is long overdue and is necessary to revitalize our R&D process. Once the details of this plan have been worked out, we will be pleased to discuss them with you to receive the benefit of your comments and solicit your support.

We have underway, or are initiating, a number of additional efforts to attempt to revitalize our relationships with the scientific community, especially with the universities. I am quite concerned that a whole generation of younger faculty members have come on the scene during a time when interaction with DoD was not popular. Thus, while we continue to fund university research, we are gradually learning to have a true interaction with the academic community like that which characterized our relationships in the 50's and 60's. We are considering some programs which would allow us to get younger faculty members more involved in the Defense community and will keep you apprised of our progress.

Sincerely,

BILL CLEMENTS,
Deputy.

U.S. SENATE,
Washington, D.C., June 26, 1974.

Hon. JAMES SCHLESINGER,
Secretary of Defense, Department of Defense,
Washington, D.C.

DEAR JIM: When you took office, I have the feeling that, you were as disturbed as I was and am now, over the recent history of our investment strategy in defense research. I give two reasons: first, I sense that the steady erosion of Defense-sponsored basic science and engineering may have already affected our future; second, I must conclude that the continued endorsements of research and technology from Defense officials over the past five years have been largely lip service.

Jim, my understanding of scientific matters is necessarily somewhat limited. But as one who has devoted most of his public life to matters of national security, I must conclude that our past investments in defense research have been remarkably productive. It is my understanding that research of the 1930's revolutionized military affairs through research leading to nuclear weapons, radar, sonar, the jet engine, and modern aircraft and submarine structures; that defense research of the 1940's led to solid state electronics, rocket engines, digital computers, and supersonic aircraft; that defense research of 1950's revolutionized microwave systems, structural materials, aircraft propulsion and space and missile capabilities; that defense research of the 1960's has given us the laser, vital reconnaissance and surveillance systems, fantastic electronic capabilities, and the striking capability associated with precision weapon delivery. I am aware of these contributions of defense research partly because you and your predecessors have told me of them.

We in the Congress have in the main recognized the validity of Defense requests for RDT&E. This recognition is evidenced by the increase in the Defense RDT&E appropriation from $7,730 million in FY 69 to $8,333 million in FY 74. Yet, over this same five-year period despite all of the progress and fine testimony provided to us, Defense research science (6.1) has dropped from $330 million to $276 million. I do not believe that the intent of the Congress in adopting the so-called "Mansfield Amendment" of a few years ago was to force the Department of Defense to de-emphasize research. The intent rather was to bring about a more substantive relationship of defense research to military objectives, and testimony has indicated that this objective had been accomplished.

But beyond questioning the wisdom of the reductions in defense research as a whole, I simply cannot understand why virtually the entire reduction in Defense research science has been taken in the contract and grant programs. For example, of the $54 million reduction in Defense research over the past five years, $39 million appears to have been taken in the readily identifiable extramural research offices alone. In addition, there are rumors of plans to "consolidate and reduce" these offices and their programs, which would appear to further accentuate this extramural reduction.

While some of the advances over the past forty years were born in Defense in-house laboratories, most came from research in university and industrial research laboratories. It is not clear whether the present shift toward a predominantly in-house Department of Defense research program is intentional or the result of following the course of least resistance in the absence of policy. It may not be important, for the results are the same; the Defense Department is turning inward.

The data on which I base my concern are incomplete. I would appreciate more explicit information on trends in both the total investment and the breakout between in-house and contracted Defense research science programs. I would also appreciate statements of the rationale for research strategy decisions over the past five years, of Defense policy on in-house versus extramural research performers, and your intentions for future defense research levels in relation to overall defense RDT&E.

With best wishes,

BARRY GOLDWATER.

Mr. McINTYRE. Mr. President, I express my appreciation to the distinguished Senator from Arizona for his remarks. He serves with me on the R. & D. Subcommittee and is an able performer, does his homework, and is of great assistance. It is pleasing to me to know that he recognizes that what I am saying about this technology base is true.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield.

Mr. SYMINGTON. Mr. President, I wish to ask what the budget for research and development was last year, as approved by the Senate.

Mr. McINTYRE. Approximately $8.1 billion was in the appropriations bill.

Mr. SYMINGTON. And what is the figure recommended by the administration this year?

Mr. McINTYRE. Recommended by the administration? It was $9.3 billion.

Mr. SYMINGTON. What was the figure authorized by the Senator's subcommittee?

Mr. McINTYRE. $8.9 billion, a reduction of approximately $400 million.

Mr. SYMINGTON. What is the figure that the Appropriations Committee has approved?

Mr. McINTYRE. $8.4 billion.

Mr. SYMINGTON. I thank the Senator.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I have a great deal of feeling for the amendment which the Senator from New Hampshire has offered. I do not know of anything more important than research and development, to develop new and more sophisticated modern weapons of war.

We have always been behind most countries in the development of modern weapons of war. This was particularly true at the start of World War I and World War II, and even in the Mideast war.

Our committee was faced with the problem of having to cut at least $5 billion. This is one of the more difficult items for me to vote to cut.

Another amendment will be offered

later today to cut still another billion dollars from this bill. That amendment will receive a large number of votes. If that amendment is agreed to, research and development probably will have to be cut still more.

While I have great sympathy for the position taken by the Senator from New Hampshire, I hope he does not persist in his amendment. This item will be in conference.

Mr. **DOMENICI.** Mr. President, will the Senator yield?

Mr. **McINTYRE.** I yield.

Mr. **DOMENICI.** Mr. President, I, too, want to thank the distinguished Senator for his amendment and for the ideas he has expressed so eloquently on the floor of the Senate.

I do not want my support for the amendment to be misunderstood. I also wholeheartedly support the efforts of the chairman of the committee. I did not think we could cut the budget for the military as much as he has proposed, but I can say that I will support the proposal he has brought to the floor of the Senate.

I have joined frequently in trying to get the overall budget cut, and I am prepared to say that we should cut the military, also.

So I commend the chairman for the $5.1 billion or $5.2 billion cut. I think it is going to be difficult to live with it, but I believe that the Senator from New Hampshire raises a very good issue. Research and development just cannot be turned off and on like a water faucet. It is a continuous stream, and the stream is made up of all kinds of ingredients that fall apart when you turn the spigot off.

I think that by zeroing in on those R. & D. projects that have a great deal of basic science in them, the Senator has zeroed in on the water stream that has the kind of ingredients that will literally fall apart if the faucet is turned off.

It is so easy to cut projects that we will not see the effects of until tomorrow morning. But America's military strength—indeed, its economic supremacy—is predicated upon applied science; that is, its technological supremacy. That is the same in the military as it is in our economic supremacy.

I compliment the Senator for reminding us that indeed, this sounds like a small amount of money. It seems it is the small projects on which we are saying, let us wait and let them just disappear. When we try to put them back on stream, I submit that the lagged time and, indeed, great human talent, will not be put back together for the same price.

The technology that we are seeing today is the combined result of possibly 20 years of R. & D. and the kind of programs you are asking that we maintain. So I compliment the distinguished Senator, and I ask unanimous consent that I be added as a cosponsor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **DOMENICI.** Mr. President, I rise today to associate myself with the remarks of the Senator from New Hampshire.

I am convinced that we must have a vigorous research and development program to maintain a necessary margin of technological superiority. There can be no doubt that the achievement of technological superiority has been a primary instrument of Soviet national policy for more than 20 years.

I am not an advocate of technological superiority just to be "No. 1." My advocacy of this principle is based on the fact that this Nation will never be able to produce and maintain military forces levels of the magnitude of our potential adversaries. In short, we are at a disadvantage in terms of quantity and we must have a quality advantage through technological superiority to offset this quantity disadvantage.

In these times of competing needs for limited resources, there is an understandable tendency to make the cuts where the effects are least visible. Unfortunately, the benefits of Defense research and development programs fall into this category of great susceptibility.

However, I believe money appropriated for research and development is an investment in the future. The military strength we enjoy today is the product of research conducted as long as two decades ago. If we are to maintain this posture in decades to come, we must contribute to an ongoing effort for research and development. A reduction in appropriations in this important area today will undoubtedly affect the posture of peace in the next decade and perhaps in the next century.

Mr. **McINTYRE.** I thank the Senator from New Mexico. His support of this amendment is very much appreciated. For his information and for the information of my colleagues generally, what we are talking about here is what we call, for example, in the authorization the 6.2 program, exploratory development and some advanced development.

I thank the Senator. I now yield to the distinguished floor manager of the bill.

Mr. **McCLELLAN.** Mr. President, I am not at all unsympathetic with this amendment. I say to my colleagues that when we undertake to cut $5 billion from this bill, the cuts have to come from somewhere. They are not all easy. Occasionally, I find something that I might disagree with, that I think is a waste or unnecessary, or not an adequate weapon, or we are spending too much here or there. But it is not easy.

We went thoroughly through these technology requests. We reviewed them. And, Mr. President, there are 340 continuing programs which have a total request in the budget for $4,066,000,000.

We only made some reductions, and they are slight, comparatively, in 102 of these onging programs—102 from 340. In other words, 238 of them we did not touch.

The budget request for that we made these reductions in the bill that has passed the House is $1.6 billion.

There is, in my judgment, an excessive number of these programs. Much of this work is duplicative in nature, some of it lacking in priority in terms of pressing military requirements, some duplication of effort may be unavoidable. However, the existing level of duplication based on basic technology is unwarranted and we cannot afford it.

Let me say this to my distinguished friend from New Hampshire. I am under no illusions at all that this will be sustained in conference. I am sure that the Senate will have to yield, and maybe should yield, in some instances. But this points to the Defense Department to take a look at these programs and come in here and point out to us that they are not duplicative, that they are important, and that we should not make some of these cuts.

We shall have an opportunity to get that information, and we shall go to the House, go to the conference with it, and where there is definite need that can be demonstrated, I just say for myself—and I think that would be true of my colleagues, who will likely be in on the conference—we shall certainly yield. There is no desire on the part of any of us, any more than on that of the distinguished Senator from New Hampshire or from New Mexico, to cripple these programs.

But, Senators, they do need a look-see. In the situation we are in today, we need to make every dollar we can spend count and get results, productive results. That is what we are doing here. If we go through this bill, as we did, and try to do some cutting here, make a little sacrifice here or somewhere else, we shall finally come up with a more balanced budget. But if we make the habit of returning some of these things, then we are going to be faced with an across-the-board slash.

This way, we can evaluate a bill and put the money where it will do the most good. I am hopeful that my colleagues understand that, that this is the attitude with which we are trying to approach it. With that understanding, I hope we will be permitted to take this to the conference and work out, on the basis of merit and on the basis of proper priority, where cuts can be made and where they should not be made in so many of these programs.

I am glad to yield the floor to the distinguished Senator from Mississippi. I hope our position is sound. It is not going against him. It is just that there are so many of them that a good look-see at them, I think, would be advisable.

Mr. **STENNIS.** Mr. President, I want first to—I do not have the floor, as I understand it.

Mr. **McCLELLAN.** Oh, yes, you have the floor.

Mr. **STENNIS.** First, I want to say to the chairman of the committee, the Senator from Arkansas, that I think I fully understand his position about this item for research and development, particularly the basic research or the technology, or whatever we wish to call it. He has a highly commendable attitude about wanting to get into it, and also, there will be an open, free conference on it for further examination with the willingness to make proper adjustments.

I have talked with the Senator from North Dakota, who has the same attitude about this. In fact, if he had not had that attitude, I would have felt compelled to offer an amendment with reference to this identical item.

This brings me to the point of the splendid work that the Senator from New Hampshire has done for the last several years in getting into the very heart, the very innards, of this entire $9 billion research and development program. That includes a lot of costs for tests and evaluation and development, which is prototype planes, for instance. But he also went into it, in a microscopic way, the first time it had ever been done in the Senate—at least started about 5 years ago—in a detailed way, into this basic technical research. He recommended very definite reductions, I believe about $400 million in the Senate bill, and the Senate committee adopted that recommendation.

But, of course, in conference, it is understood that our system of government demands a spirit of give and take and compromise that is called for. In conference, we had to give up a part of that reduction that had been made by the Senate Committee and the Senate. The House conferees did the same.

Then, on top of that, the Committee on Appropriations figures are imposed. First, the House made some reductions, and then the Senate made a further reduction.

In my judgment, those figures ought to be reconsidered by the legislative process, and that next step is the conference committee. Far more can be done their than can here on the floor, on this particular subject. It is virtually impossible to handle it to the satisfaction of the membership, here on the floor.

So I commend the Senator from New Hampshire for his attitude.

I want to especially thank him for the splendid work in this field that he has carried on, with highly competent staff assistance. As a matter of fact, years ago when I was handling the appropriation bill one year for the late great Senator Russell, I was challenged on these very items, and did not know enough about them to properly explain them. That was what I had on my mind, when I became chairman, in asking the Senator from New Hampshire to get into this subject matter, where he has done such a wonderful job, and has strengthened, not weakened but strengthened these programs, I am sure with less money.

Some of our friends in the Pentagon honestly think that the legislative branch should not even look at these items. That is the extreme view; as Senators know, the scientists think they are the only ones who understand all the ramifications. But, before I get to rambling myself, I want to come back to the proposition that the Senator's amendment is certainly worthy of consideration. I think that he, the Senator from Arkansas, and the Senator from North Dakota are following the best course in getting at the very innards of this thing, by presenting it in the way he is doing.

As a prospective conferee—I am not a candidate for conferee, but as a prospective conferee I would certainly be working toward the end which he has in mind, which is consistent with the efforts of the subcommittee and the full committee.

The committee reduced the research, development appropriation requests by $400.8 million. Combined with the House cut of $144.3 million, and the authorization cut of $388.1, this makes a total reduction of $933.2 million. This is about 10 percent of the $9.3 billion requested and approaches the 12.6-percent reduction in the procurement area.

While I am in full accord with the committee recommendations on the bill, I want to emphasize that I support the need for a strong research and development base. We need a solid technology program to guarantee that our future weapons will be the most modern and able to defeat those of any potential enemy.

Let me expand for a moment on this part of the program. The budget request for technology, which primarily covers the research, exploratory development, and advanced development areas, was $3.482 billion. This was reduced by $176.8 million in the authorization act, and an additional $26.9 million by the House action on the appropriations bill. The Senate Appropriations Committee recommendation would cut this by another $157.4 million, making a combined reduction of $361.1 million or 10.4 percent.

Several important programs which were reduced by the House were restored by the committee. These include $20 million for the Navy VFAX low-cost fighter and $23 million for the site defense program to increase it to the $123 million authorized.

I will continue to support a strong research and development program so that our future weapons will be the most advanced, and second to none.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. McCLELLAN. I am sure that the Senator will be a conferee, and I would say further to the authors of the amendment that if they have any specific project where they feel that a reduction should simply not be made, I would be glad, as manager of the bill and representing the Senate in the conference, to have any specific information that the Senators wish to submit. I do not want to be arbitrary at all, and where there is real merit, we could very well yield to the House conferees on the point. But we do want something substantial. We need that, and should have it.

Mr. McINTYRE. Mr. President, for the information of the Senator from Arkansas—first, before concluding my remarks, I would like to thank the distinguished chairman of the Armed Services Committee, who has been such a great leader of that committee and so fair in the handling of all of our problems. I thank him for his kind remarks, and hope that, as a conferee, he will be able to assist in these areas I am trying to point out.

I state to the distinguished Senator from Arkansas that included in my remarks, and thus in the RECORD, are 38 separate programs of the 340 the Senator mentioned, that I consider to be of high priority.

Mr. McCLELLAN. Would that be 38 out of the 102 where we actually cut?

Mr. McINTYRE. Yes. These are the high priority programs that I think deserve special consideration, and I hope some of them can be restored.

Did I correctly understand the Sentor was willing to accept the amendment and take it to conference?

Mr. McCLELAN. I could hardly accept it, because it would be an increase. If we accepted the amendment, we would not be in conference on it.

I have said I will take the Senator's amendment to conference, not accepting it as a part of the bill, because then I would not have anything in conference, but I want to do in conference what I have assured the Senator I will do, and I will have at my right-hand side for assistance, of course, the distinguished chairman of the Armed Services Committee, who is deeply concerned, as is the Senator from New Hampshire.

In the meantime, before I conclude I certainly want to thank the distinguished Senator from New Hampshire and the distinguished Senator from New Mexico for their kind references to the efforts we have been making in the Appropriations Committee to do our job and to meet the situation that confronts us today concerning the necessity of scrutinizing the expenditures in the military and other areas of government cost, and trying to reduce them and hold them down so as to reduce, and eliminate if we can, any deficit in our expenditures.

Mr. McINTYRE. Mr. President, with the assurance and the understanding remarks of the distinguished Senator from Arkansas, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment.

AMENDMENT NO. 1834

Mr. MUSKIE. Mr. President, on behalf of myself and the distinguished Presiding Officer of the Senate (Mr. HATHAWAY), I call up amendment No. 1834, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

At an appropriate place in the Act, insert a new section as follows:

SEC. . None of the funds appropriated by this Act, may be used for the development of the Conus Over-The-Horizon (OTH) radar system during the period beginning with the date of enactment of this Act and ending May 31, 1975.

Mr. MUSKIE. Mr. President, this amendment, which I have discussed with the distinguished manager of the bill, has a simple and limited purpose: that of obtaining sufficient time to resolve a number of questions which have been raised concerning the proposed site of the receiver antenna for the over-the-horizon-backscatter radar system in Washington County, Maine.

For several years, the U.S. Air Force

has been investigating possible sites in Maine for the radar system. However, it was not until June 25 of this year—after Senate passage of the military procurement authorization bill—that the Air Force announced the selection of a "preferred" transmitter site in western Maine and a receiver site in eastern Maine.

The receiver site, involving 1,000 acres of valuable farmland, has generated the most concern among Maine citizens. The land in question produces 6 percent of Maine's total blueberry crop, with an estimated annual cash value of $347,000.

As a result, Maine citizens and State officials seek adequate opportunity both to point out to the Air Force the adverse economic impact of the selected site and to solicit from the Air Force information as to the availability and cost of alternative sites which would still meet the technical requirements of the system.

Public hearings on the Draft Environmental Impact Statement have been scheduled for September and the Air Force has encouraged public comment. At the same time, however, there are indications that development of the proposed site is proceeding apace. Therefore, the hearings may not provide an adequate opportunity for Maine citizens to convince the Air Force of the importance of the land in question to our economy. The purchase of land options on some tracts involved in the system are scheduled to take place prior to the hearing. Also, potential contractors were requested on July 25 to submit detailed proposals and cost estimates on site development.

This amendment is intended simply to limit any further action on site acquisition and development of the prototype receiver until additional information on the matter of site selection is obtained. It is not our intent to prevent the Air Force from proceeding with development of the radar technology and other research activities associated with the OTH system.

I believe the delay I am urging is reasonable and will assure that Members of Congress and the citizens of Maine will have ample opportunity to resolve the questions which have been raised.

We are currently holding discussions with the Air Force, and I am hopeful today's vote—evidence of the sensitivity of the Senate to the problems concerning the proposed receiver site for the OTH system—will generate the kind of cooperative spirit which we need to have in order to resolve the problems.

I ask unanimous consent to have printed in the Record at this point some recent correspondence I have had with the Air Force concerning this matter.

There being no objection, the letters were ordered to be printed in the Record, as follows:

August 13, 1974.

Maj. Gen. M. L. Boswell,
Director, Legislative Liaison, Department of the Air Force, Washington, D.C.

Dear General Boswell: On August 9, Colonel Horace Wood briefed my staff on the Administration's plans to build a prototype Over-The-Horizon-Backscatter (OTH-B) radar system in the State of Maine. In the course of the briefing, several questions were raised which Colonel Wood suggested would best be answered in writing for the record.

Specifically, the following questions were raised about which I would like to know the Air Force's thinking: How does the OTH-B improve the current DEW line? How likely is it that an operational OTH-B would be able to detect the kind of subsonic missiles that an adversary might employ? How does the planned development of an OTH-B system relate to the Executive's projected reductions in the Air National Guard? What consideration was given to the economic impact of constructing the OTH-B on the State of Maine and, specifically on Washington County? Finally, what criteria were used for choosing the receiver site in Township 19, as opposed to another nearby site with less adverse economic impact?

Since the Congress is currently considering the FY '75 Military Procurement Appropriations Bill, I would appreciate the favor of an early reply.

Sincerely,

Edmund S. Muskie,
U.S. Senator.

Department of the Air Force,
Washington, D.C., August 21, 1974.

Hon. Edmund S. Muskie,
U.S. Senate.

Dear Senator Muskie: This is in response to your letter of August 12, 1974, requesting the Air Force view on several questions concerning the Over-the-Horizon Backscatter (OTH-B) Radar Program.

Specific answers to your questions are contained in the attachment. In addition, a copy of the Revised Draft Environmental Impact Statement filed with the Council on Environmental Quality on July 30, 1974, is forwarded for your information. It is important to note that the location of the transmitter and receiver stations will not become finalized until after Federal and State agencies and the public have had an opportunity to comment on the Draft Statement. They may submit their comments to the Special Assistant for Environmental Quality, Office of the Secretary of the Air Force, or at one of the open hearings scheduled for September 11, 12, and 13. The deadline for comments is September 23.

After all comments are considered, we will prepare and issue a Final Environmental Impact Statement setting forth our decisions. No action can be taken to implement the decision until 30 days after release of the Final Statement.

If we can be of further assistance in this matter, please do not hesitate to contact us.

Sincerely,

Robert B. Tanguy,
Brigadier General, USAF, Dep. Dir. Legislative Liaison.

OVER-THE-HORIZON BACKSCATTER (OTH-B) RADAR PROGRAM

1. Question: How does the OTH-B improve the current DEW Line?

Answer: The present Air Force program and long-range plans call for two OTH-B radars, one sited in the Northeast in the State of Maine and one sited in the Northwest portion of the Continental United States (CONUS). When operational these two sites will preclude an end run of the DEW Line in the north. The initial phase is to design and develop a limited coverage prototype and conduct a test and evaluation for one year for the purpose of validating system concepts and definitizing performance and costs before building the operational sites.

2. Question: How likely is it that an operational OTH-B would be able to detect the kind of subsonic missiles that an adversary might employ?

Answer: Although it is possible for an OTH-B radar to detect the missiles to which you refer, the primary mission of the CONUS OTH-B system is aircraft detection. The distinguishing characteristics of an OTH-B radar is its ability to use the ionosphere to reflect the high frequency (HF) signals around the earth's curvature, typically on the order of 4,000 kilometers. This capability provides a potential to provide a quantum improvement in the range at which aircraft can be detected, and at all altitudes down to the earth's surface. It will be possible, therefore, with an operational OTH-B radar to detect and provide warning of an adversary aircraft before they penetrate to the range necessary to launch their subsonic missiles.

3. Question: How does the planned development of an OTH-B system relate to the Executive's projected reductions in the Air National Guard?

Answer: The long-range surveillance and tactical warning which is possible with the OTH-B system is more vital than ever in view of the projected reductions in the Air National Guard Interceptor Force and our ability to react and intercept potentially hostile aircraft entering our sovereign airspace. The OTH-B system will significantly increase the warning time available to alert National Command Authorities such that appropriate action can be taken to determine the identity and purpose of the intruder.

4. Question: What consideration was given to the economic impact of constructing the OTH-B on the State of Maine and, specifically, on Washington County?

Answer: Consideration of site locations during the concept formulation phase was based primarily on technical and operational criteria. Once the State of Maine was considered optimum under these criteria, extensive consideration of the economic impact in the local areas within the State was factored into the final site selection. Recommendations were solicited and received from the State of Maine Land Development officials on possible site locations, and the preferred site takes into consideration the availability of land and the economic conditions.

5. Question: What criteria were used for choosing the receiver site in Township 19, as opposed to another nearby site with less adverse economic impact?

Answer: The detailed criteria used for choosing the receiver site are contained in the Revised Draft Environmental Statement and include minimum Radio Frequency Interference (RFI distances), economic impact, population densities, existing soil and foliage densities, topography, and other associated impacts and costs. The selected site in Township 19 was considered optimum in this case. Surveys in the areas around the Township 19 site determined that the topography was less than technically desirable due to orientation and size. Construction in the possible surrounding areas would, therefore, necessitate extensive land mass relocation and grading with much higher costs and environmental impact.

Mr. MUSKIE. I appreciate the patience of the distinguished floor manager of the bill, the Senator from Arkansas (Mr. McClellan), in giving consideration to this amendment.

Mr. McCLELLAN. Mr. President, if the Senator will yield, as I understand, we are not taking the money out of the bill, we are simply providing for no expenditure until some of these problems can be further considered and hopefully worked out.

Mr. MUSKIE. The Senator is correct.

Mr. McCLELLAN. It is not killing the project, but it is trying to make an accommodation so that there can be a spirit of cooperation and good will as a part of the procedure. Does that state it substantially?

Mr. MUSKIE. That states it precisely, may I say to the Senator. We have no interest in blocking the project. We are just concerned with the particular aspect of it that I have described.

Mr. McCLELLAN. If my distinguished colleague, the Senator from North Dakota (Mr. Young), has no objection on his side of the aisle, I see no objection to the amendment, and I would be willing to accept it and take it to conference.

Mr. YOUNG. I have no objection. In fact, I think the Senator from Maine makes a good case.

Mr. MUSKIE. May I express my appreciation to both of my colleagues.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISTRICT OF COLUMBIA CRIMINAL JUSTICE ACT—CONFERENCE REPORT

Mr. EAGLETON. Mr. President, I submit a report of the committee of conference on S. 3703, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3703) to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia and for other purposes, having met, after full and free conference, have agreed to recommend and do recommended to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of August 15, 1974, at pp. 28395–28397.)

Mr. EAGLETON. Mr. President, I move the adoption of the conference report on S. 3703.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. Nunn) laid before the Senate a message from the President of the United States submitting the nomination of William R. Crawford, Jr., of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus, which was referred to the Committee on Foreign Relations.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

Mr. EAGLETON. Mr. President, what is the pending order of business?

The PRESIDING OFFICER. H.R. 16243.

Mr. EAGLETON. Mr. President, I call up my amendment No. 1836.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

> On page 50, between lines 20 and 21, insert a new section as follows:
>
> Sec. 848. No funds in excess of $81,000,000,000 may be appropriated pursuant to this Act.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the distinguished junior Senator from Delaware (Mr. Biden) be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, the amendment I propose today to the defense appropriations bill is motivated by two important considerations: First, that waste and mismanagement due to several years of overspending have diminished rather than expanded the effectiveness of our conventional forces; second, that the severe inflation facing our economy today and in the foreseeable future necessitates a real reduction in budgetary outlays for fiscal year 1975 and beyond.

The distinguished chairman of the Appropriations Committee knows that I greatly admire the work he has done on this bill. But despite the reductions that have been made, the defense budget continues to grow disproportionately while the American people have less to show for it.

Last year, General Brown, now chairman of the Joint Chiefs of Staff warned:

> We are going to be out of business if we don't find ways to cut costs.

But the $82.1 billion budget we consider today is permeated with wasteful programs which add nothing to the national security. And, as such, it is a disincentive in the search for managerial innovation in the important areas of weapons procurement and manpower utilization.

Each year we hear the symptoms of mismanagement—cost overruns, weapons failures in combat, reductions in quantities of arms due to excessive costs, burgeoning headquarters personnel, and excessive numbers of support forces. It is no longer possible to argue that more money will give us a stronger national defense. And there is no time more appropriate than during this period of rampant inflation to establish a budget ceiling which will encourage change.

It is my firm belief that there is no more intelligent and creative group in these United States than the men and women of our military services. When you add the managers and employees of the largest corporations in America, you have a force which is indeed formidable. But in recent years that force has been misdirected by a budgetary process which encourages deceit and punishes innovation. And Congress must share the blame.

During the 5 years I have served in this body, I can think of only one defense debate—excluding Vietnam—which provided congressional and public exposure of the issues equal to their importance. That was the ABM debate. Senator McIntyre's excellent efforts on Trident and counterforce notwithstanding, we have generally failed in providing an adequate forum for debate on some of the most crucial issues of our time. And the defense bill has grown heavy under the burden of unnecessary weapons and programs.

We have also failed to scrutinize the defense budget because too often such spending is considered worthwhile in "Grand Rapids" and a "wasteful boondoggle in Oklahoma," as it was so aptly put by President Ford in a slightly different context.

But I am optimistic. I do not believe that parochialism need doom Congress to a perpetual inability to reduce or eliminate specific items in the defense budget. Today, however, we must recognize the obvious political reality and act accordingly. We must seek ways to consider this budget on a national scale and reduce it to its proper level.

Though there is always a measurable limit to our economy's ability to support both defense needs and consumer demand, a strong defense and a healthy economy are not mutually exclusive goals. Both are vital to our national well-being and both should entail national sacrifice. It is our job to find the lines beyond which we cannot venture—at the upper extremity lest we stimulate more inflation—and at the lower extremity lest we weaken our defense posture.

It is my firm conviction that an $81 billion ceiling on new budgetary authority is more than adequate to maintain the effectiveness of our military forces. My only concern is that it may still be too high to help in the battle against inflation.

In that regard, it is important to understand that, due to the peculiar nature of defense spending, any savings we can effect in this budget will be particularly helpful in countering inflation in the current fiscal year and beyond. In the jargon of the economist, defense spending is "inherently inflationary" due to its "nonproductive demand generating nature." In plain English, defense expenditures translate into consumer demand, but for every dollar that goes into defense production, there is one less potential dollar for the production of consumer goods. The increase in consumer demand resulting from defense spending and the simultaneous reduction in supply create a classic inflationary environment.

Furthermore, other than increasing consumer demand, defense spending has a limited impact on economic growth. Private spending—or even nonmilitary public spending—can create capital goods which can add to the total productive capability of the economy and also create more jobs. Goods produced for military purposes have no such return.

It is not my intention to base my entire case today on economic theory. I recognize that any theory has a countertheory, especially in the field of economics. But I do believe it is necessary to characterize the nature of the Federal spending my amendment seeks to reduce.

President Ford has reaffirmed his predecessor's goal of reducing outlays in fiscal 1975 below the $305 billion originally requested. Congress, for its part, has also resolved to cut the budget; $5 billion is the goal most frequently cited, although the Senate has twice gone on record as favoring a $10 billion cut. But according to the most recent budgetary scorekeeping report, appropriations bills and other legislative spending measures enacted as of August 2 place us $1.1 billion over the administration's request.

Of the $305 billion Federal budget, only $84 billion are in the controllable category; that is, items not already designated for payment by other legislative measures. Of that $84 billion, $58 billion, or 70 percent, is attributable to defense spending. There, if we cannot establish an $81 billion ceiling on this appropriations bill, I think it will make it more difficult for us to tell our constituents that Congress is going to cut the Federal budget.

I have heard no one proclaim that the fight against inflation is a 1-year battle. In this regard, a reduction in this budget will help in curbing budgetary outlays in later years as well, since much of the procurement and research money we will appropriate will not be spent in this fiscal year.

As I said earlier, we have overspent for defense in the recent past. There is no better illustration of that assertion than to examine the unexpended balances on hand at the end of the past 4 fiscal years. This amount has risen steadily from $31 billion in fiscal 1972 to an estimated $44.1 billion at the end of fiscal 1975.

This means that, increasingly, goods and services for which the Defense Department has contracted are being delivered at a slower pace than appropriated money is being poured into the system. We are appropriating more money than the delivery system can keep up with. While there will always be unexpended balances, they should remain steady or decrease, except in wartime. The current trend is causing a serious distortion which my amendment would help rectify.

In his book, "The Politics of the Budgetary Process," Aaron Wildavsky said the most successful tactic in assuring the financial growth of a bureaucracy was the technique of "incrementalism." In other words, an agency should ask Congress for just a little more than it wants even while it wants a little more than it needs. In the past 2 years the Defense Department has probably caused Mr. Wildavsky to want to rewrite his book.

Soon after the fiscal 1974 budget was approved, DOD asked for a supplemental appropriation of $6.2 billion. The very day they asked for the $6.2 billion as a supplemental the Pentagon submitted its fiscal year 1975 request calling for an $11.4 billion increase. But even that request did not stand. Budget amendments were received in the spring which raised the fiscal year 1975 request to $87.1 billion. Thus, if the fiscal year 1974 supplemental is included, the total increase requested by the Defense Department since the fiscal year 1974 budget was enacted on December 20, 1973, is $19 billion.

In action to date Congress has reduced those requests by only $6.5 billion—this includes a $1.5 billion reduction of the fiscal year 1974 supplemental and the reduction of $5 billion approved by the Senate Appropriations Committee. It seems clear that the Defense Department's mastery over the politics of the budgetary process is unsurpassed.

Now, as we debate an amendment which would allow an increase in the defense budget of $6.8 billion over the amount appropriated last year we hear calls of alarm from those who would rather ignore the total DOD request—the supplementals, the budget amendments, the special aid for the Middle East war—and the admission that at least $1.5 billion in outlays was put into the budget for economic purposes rather than defense purposes.

This budget is a model for the technique of "incrementalism." It is still more than the Pentagon wants, to say nothing of what it really needs.

Mr. President, as I said at the outset, it is my hope than an $81 billion budget would encourage positive managerial change within the Defense Department. This year I had the opportunity to examine one of the more current managerial innovations at Defense, the so-called "design-to-cost" program. It was adopted with great fanfare in 1969 at the insistence of then Deputy Defense Secretary David Packard.

On January 28, 1974, approximately 5 years after Mr. Packard made "design-to-cost" an official DOD policy, I asked about the current status of the program. I wanted to know the cost goals that had been set for each weapons system.

I was amazed to find that the vast majority of systems were not yet under the program 5 years after David Packard had put it into place. Indeed, my letter forced the military services to sit down for the first time to determine how and whether weapons programs would come under a "design-to-cost" requirement.

"Design-to-cost" is a good program, but there is simply no incentive to care about cost goals when there are so many tax dollars to be spent.

David Packard posed a general cure for the problems which afflict our Defense Establishment when he said:

> We are going to have to stop this problem of people playing games with each other. Games that will destroy us, if we do not bring them to a halt.

The "game playing" to which Mr. Packard referred is the most debilitating symptom of our failure to bring efficiency to defense. Unfortunately, the budgetary process itself may inspire the most destructive tendencies.

For example, military planners understand that the public seeks dramatic, not marginal, improvements in the performance of a particular weapon. Imaginations, therefore, work overtime in establishing performance goals that are frequently unattainable, often unnecessary and sometimes downright impractical.

Next, it is felt necessary to understate costs. In this the military services have ready allies. Contractors abound who are willing to bid low to buy in. And when the Pentagon comes before Congress to certify the low cost of a new system, it does so with the support of industry.

The military planner also understands that it is difficult to sell long-range projects. Consequently, a schedule is drawn up which shows quick progression from milestone to milestone. Scarce margin is left for error and the pressure to deliver often leaves little time for adequate preproduction testing.

The direct consequence of this excessive concurrency in weapons development is the cost overrun. We have all heard the incredible toll these overruns take. In 1972, according to GAO, 77 major systems had accumulated overruns totaling $28.7 billion. This year a GAO study of 55 major systems revealed overruns of $26.3 billion.

There is simply no getting around it, from the contractor to the military project officer to the Secretarys of Army, Navy, and Air Force, the message is clear: cutting costs is not the way to get ahead. It is time that Congress sent a new message to the decisionmakers at the Defense Department.

Mr. President, I have said repeatedly today that the budget that we are considering contains waste—that $81 billion is more than adequate to maintain the effectiveness of our forces. While I am sure the vast majority of American people would agree that the defense budget does contain waste, I would not expect any Member of this body to support a ceiling on military expenditures that could not be supported by specific suggestions of areas where reductions can be made. Congress has a constitutional responsibility to assure that our military forces are properly equipped to maintain our security.

I would also concede that in enumerating areas where further reductions could be made, my judgment is not infallible. I will, therefore, discuss reductions totaling twice as much as are necessary to achieve the $81 billion ceiling. Certainly, the defense experts on whose recommendations I will base my suggestions must be correct at least half the time.

Mr. President, we will begin discussing several different weapon systems and Defense Department programs, the sum aggregate of which will be close to double what I am recommending insofar as a cut in this year's budget is concerned.

In addition, I have attempted to steer away from programs and systems which I believe have been subjected to the debate and decision of this body. Systems such as the Trident submarine, the B-1 bomber, counterforce and programs such as MASF aid to South Vietnam most certainly require our continued surveillance, but they will not be part of my list of potential savings.

If I may, Mr. President, I will now go into an item-by-item analysis of where I think substantial cuts can be made in this budget.

MILITARY PERSONNEL

Mr. President, I will begin my discussion of potential reductions in the manpower area.

The committee has made a noteworthy step in dealing with the problem of excess forces stationed overseas. A withdrawal of 25,000 troops is to be completed by March 31, 1975. This requirement combined with the reduction in total end strength of 24,211 could mean that the Department of Defense will make major dollar savings from the overseas withdrawals.

On the other hand, the Senate Armed Services Committee in their report on the authorization bill outlined many areas where additional personnel costs could be saved, primarily in the area of support functions. Altogether, they recommended a total reduction of 49,000, some 25,000 more than the reduction now before us. Since the Armed Services Committee emphasized cuts in support personnel and the Appropriations Committee dealt primarily with overseas forces, I believe the work of both committees could be combined to justify a larger savings to the taxpayer.

It is clear, for example that an additional 25,000 personnel could be deactivated with no perceivable effect on national security. If one-half of the direct costs—$12,500 per person—can be saved this fiscal year, the net reduction would be at least $156,250,000. With this additional reduction, the end strength level would approximate that recommended by the Senate Armed Services Committee. I would add that the full potential of such a reduction would be $300 million.

I will draw upon the report of the Senate Armed Services Committee on the authorization bill, S. 3000, which described cuts totaling 31,560, to delineate the 25,000 reduction I feel is feasible:

First. Reduce the active duty manpower request for the Air Force an additional 5,500. The Air Force has decided that any increases in strategic airlift manning—C-5A and C-141 aircraft—should be achieved through Reserve components. An earlier reduction of 2,810 for this purpose was mandated in the fiscal year 1975 authorizing legislation already enacted into law.

Second. Cut active duty levels by 10,850, to achieve a 7-percent reduction in military personnel assigned to training functions. Overall, the proportion of staffs, overhead and support personnel compared to student load in the Department of Defense is extremely high. For example, using both military and civilian staff and overhead personnel, the Senate Armed Services Committee found an unacceptable ratio of students per staff in each of the services. Mr. President, I ask unanimous consent that the Armed Services Committee study of this problem, taken from the committee report on S. 3000, be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

STUDENT PER STAFF RATIOS

Students per staff:	
Army	1.6 to 1
Navy	1.5 to 1
Marine Corps	1.8 to 1
Air Force	1.6 to 1
Total DOD	1.6 to 1

If training base support personnel were included in the above ratios, it would reduce the overall Defense Department ratio to almost one instructor or staff man for every student. That is much more than other school systems in the country. For comparison, student to staff ratios for several kinds of non-Defense schools are shown below:

Students per staff:	
Public high schools	18.9 to 1
Public post high school vocational schools	From 4.6 to 2 to 70.4 to 1
Private post high school vocational schools	From 28.6 to 6 to 123.7 to 1
Colleges	15.0 to 1
Local school system	15.0 to 1

The committee is aware of the fact that military training differs substantially from the training and education in the civilian sector. It is also aware of the accounting differences that make exact comparisons difficult. However, the difference in staffing is so wide, the committee believes that much more can be done to tighten down on staffs and overhead for training. As a minimum, the committee feels that the following avenues should be vigorously pursued to achieve reductions in training manpower and expects a report on actions taken in each area prior to the FY 1976 manpower request.

Reduction of the levels of staffing in training activities.

Consolidation of schools and courses to eliminate duplication within each service and between Defense components.

Use of educational technology to substitute equipment for training personnel.

Use of improved systems for on-the-job training instead of formal individual training.

Reduction in the scope of career development education as opposed to job related skill development.

Mr. EAGLETON. Mr. President, I am pleased to yield to the distinguished acting majority leader, the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I merely wish to ask whether or not it would be agreeable to enter into a time limitation on this amendment.

Mr. EAGLETON. I would propose the following, Mr. President: I do not think I will use the time I am going to propose, but I did talk to some other Senators who want to speak on this subject. In order to protect them, I would propose 4 hours to a side on this amendment. I realize that I probably will not use that much time and, knowing the Senator from Arkansas, I am almost positive he will not use that much.

Mr. McCLELLAN. Mr. President, in my earlier discussions with the Senator from Missouri, I thought he meant 4 hours equally divided.

Mr. EAGLETON. No, sir, I did not.

Mr. McCLELLAN. Four hours to each side?

Mr. EAGLETON. The problem is that other Senators who are cosponsors want to speak, and this would give me the widest latitude in protecting them. I do not think we will use that much time, and I will be eager to yield back time.

Mr. McCLELLAN. I suggest, then, that we do not have an agreement on time, that we talk until we are through, and I will expedite it on this side. I would like to complete action on the bill today.

Mr. EAGLETON. I think we will, but I am trying to consider those Senators who are not in the Chamber and who want to speak on the subject.

Mr. McCLELLAN. Eight hours from now will be about 9 o'clock tonight. I hope we can do a little better than that.

Mr. EAGLETON. I plan to move expeditiously, I say to the Senator.

Mr. McCLELLAN. I suggest that we wait a while, to see how the debate progresses. I would like to dispose of the bill late this afternoon.

I have no intention, I may say, of speaking anywhere near 4 hours. I probably will speak 15 or 20 minutes myself, and a few other Senators may wish to speak. I think we could take an hour on this side. I would be willing to accept a 3-hour limitation and give 2 hours to the Senator from Missouri and take 1 hour on our side. I am just trying to expedite the matter and shorten the proceeding, and not deny anyone the right to be heard.

Mr. ROBERT C. BYRD. My question was for the purpose of hoping to expedite the matter. If we entered into an agreement that there would be 4 hours to a side, Senators would not be obliged to take that much time. They could yield back such time as they wish, and that would be an outside limitation. Without an agreement, the debate could go on throughout the day and into tomorrow.

Mr. McCLELLAN. I would like to vote on it today.

Mr. EAGLETON. I can assure the Senator that this amendment will be voted on today, well before sundown.

Mr. ROBERT C. BYRD. Will the Senators agree to this proposal: that the Senator from Missouri have not to exceed 4 hours and that the Senator from Arkansas have——

Mr. McCLELLAND. Not to exceed 2 hours.

Mr. ROBERT C. BYRD. And the Senator from Arkansas have not to exceed 2 hours on the amendment?

Mr. EAGLETON. That is fine with me.

Mr. McCLELLAN. I will agree to that.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senators.

Mr. EAGLETON. I thank the distinguished Senator from West Virginia.

Mr. President, I had completed item 2 of my discussion, and I shall continue.

Third. Cut 12,750 or 5 percent of the 255,000 active duty personnel requested for base operating support. This support includes many varied functions involved in operating bases for active duty and reserve military and civilian personnel and their dependents. It includes such items as the operation of commissaries, laundries, and theaters, the providing of base transportation, supply and food services, building and road maintenance and construction, providing utilities, fire and public services and running the base headquarters and administrative actitvities.

Since fiscal year 1973, the Department of Defense has announced 463 base closures or realinement actions that have eliminated 69,400 military and civilian jobs. However, these reductions are not reflected in the DOD manpower request for base support personnel. In fact, the DOD request included an increase of 5,000 in military personnel above fiscal year 1974 levels for base support.

Fourth. Cut 2,460 or 3 percent of the 82,000 military personnel requested for medical support. According to the Armed Services Committee report—

> These personnel are for "fixed site" medical facilities such as hospitals and include all the various kinds of people from doctors to administrative clerks who operate these facilities. This category does not include the medical personnel and units that directly support Army and Marine divisions. Navy ships or Air Force direct support clinics and dispensaries. Although the overall number of military personnel has declined and the Defense Department reported a decrease in medical workload (i.e. patients), the DoD request included an overall increase in the number of medical support personnel and in the ratio of medical support personnel to military manpower.

The committee went on to make the following recommendations:

> The committee felt that the number and proportion of medical support personnel in the military services should not be increased. The committee has no intention of decreasing medical care, but there are compelling reasons to hold up increases in medical support personnel at this time.
>
> First, a major study of Health Personnel is underway with participation of Defense, HEW and the Office of Management and Budget. This study, which is to be completed in late 1974, will examine the requirements for medical personnel and is seeking to find ways of making Defense health care delivery more efficient. The reduction would hold medical support at current levels until the study is completed.
>
> Second, medical personnel are difficult to recruit and retain in an all-volunteer situation. The reduction would deny increases in medical support until the recruiting situation is clearer and there is more experience with the medical bonus.
>
> Third, defense medical costs have been increasing rapidly. "Fixed site" medical support costs, including civilian salaries, totaled $1.6 billion in FY 1960 compared with $2.8 billion in FY 1975. These medical costs on a per man basis have risen from $470 per man in FY 1970 to $1,280 per man in FY 1975—up 2.7 times.

Mr. President, it is clear that the Armed Services Committee has made responsible recommendations in this important area which, if adopted, will bring considerable savings to the taxpayer. Perhaps even more import the recommendations will go far in trimming the fat of excessive support personnel from our conventional forces.

CIVILIAN PERSONNEL

Mr. President, another area of the Defense budget with excellent potential for substantial savings this year is in reductions of Department of Defense civilian personnel. I would propose reductions from the committee-approved level of civilian manpower which would result in a savings of approximately $153 million.

The committee has approved funding for 995,000 direct hire civilians who are employed to perform military functions administered by the Department of Defense. The Committee on Armed Services, under the distinguished leadership of Senator STENNIS, earlier proposed funding 982,727 civilian personnel. This would be a reduction of 12,273 below the Appropriations Committee level and 4 percent under the Pentagon request.

I endorse Senator STENNIS' proposal, the reduction proposed by the Armed Services Committee, and feel that this further trimming of civilian personnel levels is easily justified by the inflationary pressures on our economy. Furthermore, Mr. President, a reduction of an additional 12,273 civilian personnel can be accomplished without laying off a single employee of the Defense Department. In fact, the 4-percent cut in the Pentagon request for civilian manpower was, as the Senate Armed Services Committee report on the fiscal year 1975 authorization bill stated, "largely a denial of increases of civilians in the Defense Department request."

DOD employed 994,000 civilians on January 1, 1974, according to the Armed Services Committee report. That is equivalent, I might say, to the population of the two largest cities in my State, St. Louis and Kansas City. That is how many civilians the Department of Defense employed on January 1, 1974.

The Armed Services Committee, therefore, simply rejected the increase of 33,000 civilians and recommended a further 11,600 reduction from the January 1, 1974, level. This further reduction of 11,600 could be accomplished, the Armed Services Committee report went on, "by not filling new job vacancies and by normal attrition, rather than by any layoffs."

The report further stated:

> The Defense Department reported that about 215,000 new civilians would have to be hired just to keep the number of civilians in FY 1975 about equal to the number in FY 1974. A reduction of less than 10 percent of the new hires would more than accomplish that part of the Committee reduction that would reduce strength below actual on-board levels.

Mr. President, civilian manpower is a significant portion of the Pentagon's annual budget that has been largely overlooked. Yet 17.4 percent of total Defense Department outlays for fiscal year 1975 were slated for the civilian personnel payroll according to Defense Secretary James Schlesinger's fiscal year 1975 posture statement. That meant that $14.9 billion in outlays was planned for civilian pay alone.

This figure is incredible when it is considered that we are not talking about paying for military personnel to fight in combat, but rather another part of the massive support elements needed, ostensibly to keep the troops prepared for fighting. Senate and House Armed Services and Appropriations committees have commented at one time or another in the last few years about the large combat-to-support ratio which is such a costly burden in the military budget. Yet the support category referred to in this poor teeth-to-tail ratio does not even include almost one million civilians.

Indeed, while many point to the skyrocketing manpower costs in today's Defense Department budgets, which reach about 55 percent of the Pentagon's budget, it is frequently not realized that 17.4 percent of the 55.4 percent manpower costs go for civilians. The stark statistics are provided in Dr. Schlesinger's posture statement. I ask unanimous consent that the table used in that statement to show the pay costs for DOD manpower categories be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED PAY COSTS FOR DOD MANPOWER IN FISCAL YEAR 1975

Category	Fiscal year 1975 outlays	Percent of DOD outlays
Civilian personnel payroll	$14,929,000,000	17.4
Military personnel payroll	19,030,000,000	22.2
Military special pay and allowances	6,655,000,000	7.8
Family housing	878,000,000	1.0
Military retired pay	6,011,000,000	7.0
Total manpower outlays	47,504,000,000	55.4

Mr. EAGLETON. Mr. President, it is clear that DOD employs a massive number of employees costing a large amount of money. In fact, while the Defense Department employs almost a million civilians, the Department of Health, Education, and Welfare, frequently cited as an example of an overgrown bureaucracy, employed 142,159 employees as of June 1974 or, I hasten to add, Mr. President, about one-eighth as many civilian employees as DOD.

The Monthly Report on Federal Personnel and Pay of the Joint Committee on Reduction of Federal Expenditures' statistics as of June 1974, demonstrates that, excluding the quasi-Federal Postal Service, the Defense Department employs about as many civilians as do all other Federal agencies combined.

The Senate Armed Services Committee report also pointed to many categories of civilians which are not included in the number authorized by that committee. They include:

First, employees performing civil functions administered by DOD, the largest of which is the Corps of Engineers civil works activities. This category includes about 29,000 employees in fiscal year 1975.

Second, indirect-hire employees who are hired by host nations in support of U.S. troops stationed abroad. There are about 103,000 persons included in this category.

Third, employees in special employment programs for students and disadvantaged youth, such as the stay-in-school campaign and the temporary summer aid program. The number in this program varies from about 22,000 at the end of fiscal year 1973 to a summer peak of 40,000 employees.

Fourth, employees of the National Security Agency who are excluded because their employment statistics are classified.

Fifth, schoolteachers in the Department of Defense Overseas School System who are not included because they serve on a 9-month basis and are not on the DOD payroll at the end of the fiscal year. There are approximately 8,000 schoolteachers in this category.

Sixth, employees paid from nonappropriated funds—including those working at base exchanges, commissaries, and clubs. There are an estimated 150,000 personnel in this category.

All these exceptions, some of which have to be paid for by the taxpayers and some of whom are paid for through internally generated funds, bring the total worldwide Defense Department force to well over 1.3 million people. A reduction of a mere 12,273 seems insignificant in comparison.

There are 1.3 million civilians working worldwide for the Defense Department. If memory serves me correctly, this is a number of people greater than about 20 of the States of the Union.

I just added the name of the distinguished Senator from Delaware (Mr. BIDEN) as a cosponsor to this amendment. I am not sure as to the precise population of Delaware, but I suspect that it is under a half million. I know Delaware has one House Member. The number of civilian personnel, worldwide, for DOD is then greater, I think, than the total of about 20 States in the Union. Thus, in terms of what Senators represent in terms of States, I should say that DOD's work is already so well represented here, they should have about 30 Members of Congress assigned to them, based on their population.

The distinguished chairman of the Armed Services Committee, Senator STENNIS, has more than once expressed his dissatisfaction with the number of civilians requested by the Pentagon. In his opening comments at the manpower authorization hearings for fiscal year 1975 on March 21, 1974, Senator STENNIS said:

> I am concerned that the Defense requests before us today include a substantial increase in civilian personnel, some 30,000 and a nearly stand-pat situation in the military strengths requested. It looks as though the taxpayer is not getting much economic benefit from any improvements in Defense efficiency. It seems to me he ought to get some.

Last year the House Appropriations Committee expressed a similar unhappiness with Defense Department civilian manpower levels. In its report on the fiscal year 1974 Defense Department appropriations bill, the committee, chaired by Representative MAHON, stated:

> For the past few years the Committee has been concerned about the high number of civilians being employed by the Defense Department. It has been unsatisfied with the extent of reductions.

The House Appropriations Committee report also gave several reasons why civilians jobs should be cut:

> 1. The ceasefire in Vietnam and the withdrawal of U.S. combat forces from Indochina.
>
> 2. The reduction in the number of military personnel and equipment.
>
> 3. The proposed closing of some military installations.
>
> 4. New production techniques and mechanization which should take over some of the civilian workload.

That committee, the Mahon committee, called for action to bring about decreases in its report on the fiscal year 1975 appropriations bill when it pointed out that for fiscal year 1974:

> The Congress made a reduction of about 15,900 positions as an indication of its interest to encourage the Department to carefully monitor and control its civilian employment practices. The Department, however, did not make the reductions recommended but, in lieu thereof, submitted a supplemental budget request in civilian positions of about 19,000. Thus the Department requested about 35,000 more civilian positions than the Congress approved.

In short, Mr. President, it is clear that substantial reductions can be made in the civilian personnel area. I am recommending a cut of only 12,273 personnel to the level approved by the Senate Armed Services Committee with the attendant savings of about $153 million. Yet it is clear from the evidence presented by various congressional committees and distinguished military experts, that we can make even further reductions from that which I propose. My proposal will, I repeat, lead to no layoffs nor will it harm U.S. security interests.

AWACS

In the weapons system area, I will begin with a program I have followed closely for almost 3 years—the airborne warning and control system—AWACS. The savings I believe can be derived in this area are typical of the subsequent recommendations I will make. They are savings designed to slow down the development of a weapons program to assure that it is properly tested before it is procured. As I will explain in detail, the risk we take in moving ahead too fast on the AWACS program is not simply that the system may end up not working well. It is that AWACS may not work at all in performing its primary mission.

AWACS, an overland look-down radar and tracking system housed in a modified Boeing 707, was originally assigned the primary task of strategic air defense.

In February 1970, a revision to a DOD development concept paper added a secondary role—tactical command and control. But that secondary role was not given serious consideration until August 1973, when Secretary Schlesinger assigned the tactical NATO role as the new primary mission. At about the same time, he deemphasized the air defense mission stating in his March 1974 posture statement that:

> A CONUS air defense system structure primarily for peacetime surveillance (the current air defense mission) would not require an AWACS force.

In November 1973 the Defense Systems Acquisition Review Council met to decide the future course for the AWACS program. A main concern of the participants was the fact that the aircraft scheduled for procurement with fiscal year 1975 funds were to be built in the strategic, or core, configuration—the configuration suitable for the obsolete air defense role. They were, in short, stuck with a configuration that was to perform the function that no longer existed.

A letter from the Chairman of the Review Council, Deputy Secretary William Clements, to the Secretary of the Air Force pointed out the need for major changes to achieve a design capable of performing the much more complicated tactical job—the job recently created for AWACS.

> It is evident that a more capable configuration than the core is essential to support general purpose tactical forces. The effective integration of command and control in joint operations requires additional (intelligence) equipment . . . identification (devices), communications, data transfer, command and control and a measure of self defense.

Secretary Clements then directed the Air Force to conduct extensive tests to determine what the tactical configuration should be. That configuration has yet to be defined, and could not possibly have validated until operational tests have been performed. This rather obvious point was made in a highly critical GAO report on AWACS sent to me in March 1974.

In testimony before the Armed Services Committee, GAO defense analysts even more explicitly described the problems of designing the new version of AWACS:

> The change in the primary mission emphasis from strategic to tactical requires that more and better equipment of all types, computers, processors, displays, and particularly communications equipment, be on board the aircraft. Thus, the question exists as to whether all of the needed systems can be installed in the aircraft, can be integrated so as to function properly together, can interface with a large number of command and control systems now being operated in Europe by U.S. and NATO ally forces, and whether the system will have the needed tracking and communication capacity to accomplish its mission.

The GAO went on to recommend that Congress "defer funding for production models of the AWACS until the Air Force verifies and demonstrates through tests that a viable and useful tactical configuration can be developed." There is good reason for that recommendation for caution, for there are grave doubts that AWACS will ever be viable in the tactical environment of Europe.

When a GAO technical consultant prepared mathematical calculations showing that AWACS could be completely blacked out by ground-based jammers from within 200 miles of the Iron Curtain, the Air Force protested that the calculations were based on a more limited capability than the AWACS radar actually possessed. But these calculations were based on the official specifications for the radar given to the contractors.

Now, we have a study performed by the Air Force itself which shows clearly that AWACS can be jammed with inexpensive and unsophisticated jammers which could virtually render the $80 million plane useless.

In analyzing this Air Force study, the GAO took the Air Force's "bombs-over-target" effectiveness estimates for AWA CS and concluded that because self-screening jamming could be used against the system, the unenhanced version—the version we will buy with fiscal year 1975 dollars— contributed "nothing to the air defense of Europe." The GAO did point out that the Air Force has suggested two techniques for at least minimizing the impact of the jamming threat, but also states that:

> Neither of the two techniques for overcoming self-screening jamming has been demonstrated in tests nor evaluated as to effectiveness.

It is important to understand the difference between the mission originally conceived for AWACS and its present task. Whereas in the air defense role AWACS would have only to detect and track a wing of slow-moving turbo-prop bombers flying toward the United States over large expanses of ocean and wasteland, in the tactical role AWACS will confront literally thousands of tracks of fast-moving fighter aircraft. These aircraft will have to be detected and sorted out by AWACS' computers and then tracked as intercepts are attemped.

In the air defense role AWACS has no ground?based jamming threat to consider and there are no fighter aircraft to pose a threat to its survivability. AWACS would naturally be a high priority target for the numerous enemy aircraft we will confront in a European air battle and, according to GAO, if these aircraft were equipped with jamming devices, AWACS would have a "nearly zero probability of surviving."

The principal mission for AWACS is in the European theater, and yet our NATO allies have not decided whether they will purchase the system. NATO is currently studying the question of whether to buy AWACS and no decision will be made by our allies until the end of the calendar year 1975.

I will not speculate on the eventual decision NATO might make but I do not believe that we would be fulfilling our obligation to the taxpayer if we funded the procurement of AWACS before we know whether and how many systems NATO will buy.

Perhaps, the most compelling reason to delay procurement of AWACS in fiscal 1975 is the recommendation by the Senate Armed Services Committee that an independent group of radar experts study whether AWACS will ever be capable of performing its primary mission against ground-based jamming. This group will provide the Secretary of Defense and Congress with a full report on this most vital question.

It seems obvious that no money should be appropriated for procurement of AWACS until we know whether NATO feels AWACS is worth the invstement and whether the system will ever be capable of performing in Europe. It is clear that a reduction of procurement funds would help to avoid an excessive amount of concurrency—and the resultant overruns in later years—and, at the same time, save $311.1 million approved by the committee for procurement of 4 aircraft and initial spares.

SITE DEFENSE

Now, Mr. President, I move on to the next system I will use as an illustration to prove wherein the budget can be prudently, and safely cut without sacrificing one iota of national security—site defense.

One might have assumed that the ABM issue died with the signing of the ABM treaty.

Mr. President, General MacArthur said "old soldiers never die, they just fade away." Well, weapons systems, Mr. President, never die and, believe me, they never fade away; no, sir. So we still have an ABM kicking around, and it is called site defense.

Site defense is being developed as an upgrade for the Safeguard system around our ICBM site at Grand Forks, N. Dak. While it cannot be deployed, it is said that it is needed as a "hedge" against a possible Soviet abrogation of the ABM Treaty.

But in July of this year that treaty looked stronger than ever as the United States and Russia agreed to protocol limiting each side to only one ABM site.

I have to digress there, Mr. President, and reminisce, if I may, about a former colleague of ours in the Senate who, I think, had as intriguing a way of putting things as anybody I have ever known. That was the former distinguished Senator from Minnesota, Gene McCarthy. He was in the Senate the first 2 years I was here. I was here in 1969 and 1970, and he was completing his term in the Senate at that time.

If the Members will recall, he took a trip to the Soviet Union. He was not only a Senator but had been a candidate for the Presidency of the United States, so he went to Moscow and he met with the Soviet leaders. I think he met with Brezhnev and Kosygin.

He told me of the conversation that he had with one of those Russian leaders, I think I can share that conversation with the Senate. I do not think he would mind.

He said that—let us assume it was Breshnev—Breshnev asked him, "Why are you people building the ABM?"

McCarthy, in that wonderful way of his, answered very quickly, "We are building it, Mr. Chairman, because it does not work."

Now, the Russian, not being used to the McCarthyesque, sense of humor, said, "We do not understand. Why are you building a system that you know does not work?"

"Ah, ha," said McCarthy, "if we build a system that does not work you will build a system that does not work because you want to be just as good as we are, and both of us could keep very, very busy building systems that do not work in the public interest."

I just add that as an irrelevant footnote. But since it is so irrelevant, it is a true testimonial to ABM, which is a living irrelevancy; and it is a true testimonial to site defense which is an irrelevancy superimposed on top of an initial irrelevancy.

Even without that tangible reflection of support for the strategic doctrine of limiting defensive missiles, it is generally conceded that neither we nor the Russians want to throw money down the drain on defensive systems that are generally obsolete when deployed due to advances made in offensive weaponry—the Gene McCarthy theory of planning notwithstanding.

For the purpose of this discussion, however, I will assume a worst case—that we do need a "hedge" against the rather remote possibility that the ABM Treaty will one day be no more. What should that "hedge" be comprised of? Should we build a system which could be made obsolete by the latest Soviet technology? Or should we continue to research in the area of defensive strategies . . . to perfect the difficult task of "hitting a bullet with a bullet?"

Until recently, the site defense program called for the development of a prototype demonstration model which would have been ready for deployment under original plans, in 1977, when the 5-year ABM Treaty expires. According to the Senate Armed Services Committee report on the authorization bill, site defense is composed of "a state-of-the art phased array radar, a third generation commercial data processor and related software, and a modified Safeguard Spring interceptor missile, called Sprint II."

As is clear from that description, the components of site defense are not unique. But the program did have one unique quality which distinguished it from the other ABM programs in which we are engaged. It was to have been a prototype program. Site defense would tie the various ABM components together for testing. General Leber, the head of all the Army's ABM programs, described the principal need for site defense this way:

> It is system technology. It is not component technology. The component technology is done over in the advanced technology program.

But the conference report on the military procurement bill completely transformed the site defense program. That report states that "the primary objective of the site defense program should be development of subsystems and components to advance the technology in such elements as sensors, missiles, and software." The report goes on to state that site defense should no longer be "directed toward a prototype demonstration. . . ." Site defense, in short, is now the same component technology "done over in the advanced technology program."

It is also now a totally redundant program for which there is no further use. The work on ABM component technology is being done under the advanced ballistic missile defense research program, for which $91 million has been approved in this budget. That is more than enough to spend for a "hedge" against an unlikely occurrence.

The Armed Services Committee have, therefore, answered our question—it is not worthwhile to build a system which could be obsolete when it is deployed. As General Leber said in discussing the rapid technological progress being made in the ABM field:

> Site Defense isn't the end of this thing. Five years from now they will look back on it and say that it is ancient.

Although I have attempted to avoid recommending the elimination of programs, I believe site defense is an obvious waste of title V R. & D. funds. We do not need a redundant program and we do not need a system which, if built, would be "ancient" when deployed. The demise of site defense would represent a savings to the taxpayer of approximately $103 million, leaving $20 million for termination costs.

Moving on to yet another system, which I have discussed a bit already, Safeguard.

SAFEGUARD

If site defense would have been ancient 5 years hence, its intended predecessor, the Safeguard system is already in that category. Safeguard sits, uncompleted, around our ICBM site at Grand Forks, N. Dak.

It is limited, under the ABM Treaty, to 100 missiles which are intended to protect our ICBM's.

But recent studies, including a classified GAO analysis, show that our ICBM's do not need protection. Soviet missile accuracy is not sufficient now, nor will it be in the future, to threaten our land-based missiles. These missiles are, of course, deployed in hardened silos.

If, in the future, the Soviets develop their MIRV system, an ABM system comprised of only 100 missiles would be easily overwhelmed. When the Soviet MIRV becomes a reality—assuming that, in the meantime, we do not reach a warhead-limitation agreement—then we should consider what measures we should take to protect our land-based deterrent. If we decide at that time that an ABM is needed—and I personally would oppose such a choice—then we will be able to design a system to meet the current threat.

But the most compelling reason of all to eliminate funds for Safeguard in this year's budget, is the decision by the Pentagon itself to mothball the system soon after it becomes fully operational later this year. That such a decision has been made was recently confirmed by a Defense Department spokesman.

Now, think of it, Mr. President, in the Pentagon they want more money, a little over $135 million, to complete a system that they have already decided to mothball.

Instead of allowing funds to complete Safeguard and maintain it for a full year, I would give the Army exactly what it needs to put the system in mothballs. The savings here, therefore, would be $80 million, leaving $55.8 million to phase out the program.

I repeat for emphasis, Mr. President, what I am doing with these systems is trying to show by adding the dollar amounts, that would be able to safely cut the budget in excess of over $2 billion. But I am not even, as I said earlier, asking for $2 billion. I might be half wrong, so I cut it in half to about $1 billion.

SAM-D

The SAM–D program has received the careful attention of Senator BAYH and the General Accounting Office. Senator BAYH has made a very responsible recommendation to slow down this program to keep it out of the engineering development phase before it is tested. But the token $11 million cut made in this bill will not accomplish that purpose.

SAM–D, which is a medium altitude surface-to-air missile system designed to replace the Nike-Hercules and improved Hawk for air defense purposes, has experienced a unit cost growth of almost 400 percent.

Mr. President, I emphasize, a unit cost growth of almost 400 percent.

The program is at least 76 months behind schedule and the unit cost is almost eight times as much as that of the improved Hawk, the system it is designed to replace.

Prior to January 1974, the SAM–D was a full-scale engineering development program. The Defense Department had overlooked its own fly-before-buy guidelines in allowing the program to proceed to this stage even though crucial elements of the technology, most notably the TVM—target via missile—guidance system and the warhead fuse, had never been adequately tested. Secretary Schlesinger recognized this serious concurrency problem and on January 10, 1974, he ordered that the program be reoriented so that the testing would be completed at an earlier stage. Although the Secretary's decision was intended to reduce the concurrency problem, the program experienced no fundamental change except in its scheduling. Fully half of the fiscal year 1975 funds—$58.5 million—are to be spent for engineering development of tactical versions of the system. Thus, while a decision was made to reduce concurrency, that decision has not been fully implemented.

The sole justification for the SAM–D as articulated by the Army and OSD has been its requirement to defend the 7th Army forces stationed in Europe against conventional attack by high-performance Soviet-built aircraft. Perhaps the most telling comment on the cost-effectiveness of SAM–D has been the flat refusal of every NATO country—with the exception of Germany—to even indicate an interest in purchasing the system.

Although Germany has indicated a potential interest in acquiring the system once it is fully developed, there has been no attempt to gain financial participation on the part of that country in the developmental stages. Just as in the case of AWACS, our NATO allies are apparently willing to allow the United States to bear the expense of developing a system designed to defend Europe.

A full-scale cost-effectiveness analysis of SAM–D was undertaken this past year by OSD in conjunction with the General Accounting Office. This study was delivered to Congress on April 15, 1974. Its major conclusion is that we are unnecessarily duplicating air defense weapons systems at high cost. In its comments on the study April 29, 1974, the GAO noted.

> Cost effectiveness of the SAM–D or its variants apparently cannot be proven based on realistic assumption . . . It would appear that even if the SAM–D technology works and even if the threat materializes, the SAM–D will probably not be necessary if F–15's are available.

It is important to note that although the OSD study assumed that the technology testing program would be successful and would not increase costs—an unlikely assumption—it also concluded that two wings of F–15's could reduce the successful penetration by the enemy in the NATO area to close to zero.

In recent developments, the Army has programed $10 million out of fiscal year 1975 funds for research on a backup guidance system. This most certainly cannot be read as reflecting confidence in the proposed TVM guidance system. Furthermore, the $10 million will be spent on exploring the feasibility of one of the two types of guidance techniques now employed in current—state-of-the-art—systems. This would indicate that the case for SAM–D superiority over present systems—based on its TVM technology—is on most uncertain ground.

It would appear that little more than the Army's prestige in having a new missile in development is keeping SAM–D alive.

It is the same sad story, Mr. President, of not letting a system die which should have had a laudable death years ago. Why cannot a weapon system go to the grave with decency? Why must it linger on and on, eternally, long after it has outlived even an imagined useful role? But SAM–D goes on and on.

While I suspect this program will be terminated or completely revised in the near future, I will not make such a recommendation at this time. Instead, I would propose to save $60 million above the reduction recommended by the committee. This $60 million is earmarked for continued engineering development. This action would return the program to the advanced development stage until the TVM guidance system is tested, as Senator BAYH has so many times and so wisely suggested.

SHIPBUILDING PROGRAMS

Mr. President, as I have pointed out in each of the past 4 fiscal years the Defense Department's unexpended balance at the end of the year has increased, indicating that the funds being appropriated for the Defense Department are beginning to exceed the Department's ability to spend them. This is especially true in the shipbuilding business where orders for new ships have overwhelmed the delivery system. In addition, the inflationary impact of these programs on the economy is substantial. Both of these conditions make it essential that we examine with great care several ship construction programs.

The three major private shipyards are Litton Industries in Pascagoula, Miss., Newport News Shipbuilding and Drydock in Newport News, Va., and the Electric Boat Division of General Dynamics in Groton, Conn. These 3 yards are presently building 63 of the 66 ships which the Navy has under construction and they have all the work that they can handle. Several factors contribute to this situation. Private yards have experienced a large increase in commercial ship construction and are presently working at a higher percentage of capacity than they have experienced in several years. Many yards also find commercial contracts more attractive than Navy contracts because the commercial specifications and quality standards are somewhat lower than the Navy's. Commercial ships are easier to build, are being ordered in large batches, leading to long profitable production runs while Navy ships—especially auxiliaries such as the destroyer tender and fleet oiler requested in the present budget—are built a few at a time. As a result, they are less profitable and less desirable from the point of view of the contractors. And as we all know, dealing with the Government bureaucracy is somewhat more difficult than dealing with private buyers, except when you get to that thing called "bail out." But we are not to that point yet with ships.

Many ships now under construction are experiencing substantial delays. The DD-963 is one of those and appropriating funds for seven more ships this year will simply add to those delays.

It would be less inflationary if we appropriated for three instead of seven of these ships. By doing so some $264 million could be saved this year. The appropriation for the four additional destroyers could be deferred until next year.

Litton's Pascagoula yards have had serious labor problems. Due to inadequate labor supply as well as technical problems with a new yard and new methods, Litton's programs have experienced delays and cost increases. At present, according to the most recent figures available, the last of the DD-63's will be delayed some 18 months. The cost of each ship has increased from $86 million per unit to $108 million. By slowing the rate of procurement we can ease the pressures on Litton and give them time to get the bugs out of their construction techniques so that the remaining ships built will be of higher quality.

The impact of this proposal on the capabilities of the fleet would be minimal. The U.S. Navy is already ahead of the Soviet Navy in numbers of ocean escorts—destroyers, frigates, and other escorts—and will continue to be in 1980 even if we stretch out the procurement of these destroyers. The Navy has some 191 destroyers, frigates, and escorts, compared to 188 for the Soviets. In addition, our destroyer-type ships are generally larger than the Soviet's and some of ours are nuclear powered while the Soviets have no nuclear powered surface ships.

The current budget also calls for appropriating $502.5 million to build three in a series of 36 SSN-688 Los Angeles class nuclear attack submarines. However, it would be more prudent to appropriate funds for two instead of three this year at a savings of some $167.5 million. Again, the shipyard situation has a direct bearing on this program. Five of these submarines are being built at Newport News and the other 18 at Groton, Conn. Both of these yards are backed up with considerable work. Newport News, in addition to building the five SSN-688 submarines is also building two other submarines of a different class, four nuclear frigates, and two CVAN's—nuclear powered attack carriers. The first of these two carriers will be delivered more than 3 years late. This is partly the result of a severe manpower shortage which will surely be made worse by making further demands for additional ships.

This problem can be eased by slowing the pace of procurement somewhat. As Admiral Frank Price of the Chief of Naval Operations Office recently pointed out, reducing the SSN construction rate allows industry to "catch up on their present contracts and to be able to proceed with nuclear attack submarines and Trident at the same time." If funds for only two of these submarines are appropriated this year the United States will have 90 attack submarines in 1981 rather than 91. The difference in one submarine will not have a significant impact on the fleet's capabilities.

In considering this proposal, we should take a close look at comparative United States and Soviet capabilities in this area. The United States at present has 61 nuclear attack submarines in commission plus 27 under construction and funded for a total of 88. The Soviets have approximately 35 nuclear attack submarines and 40 nuclear powered submarines with cruise missiles. The Soviet's overall submarine force has been declining in recent years and will continue to do so, despite the growth of its nuclear submarine force toward the maximum allowable under SALT.

A large part of the existing Soviet submarine force consists of approximately 153 obsolescent diesel attack subs which will very likely be retired in coming years. In addition, experts such as Admiral Rickover and Admiral Moorer have repeatedly told us that U.S. submarines are qualitatively superior to their Soviet counterparts. Admiral Moorer has pointed out that the 688 class is both quieter and has better sonar than the best of the Soviet Union's attack submarines.

It should be pointed out that the SSN-688 is very large and displaces almost 7,000 tons. This is larger than many World War II type cruisers presently in the Soviet Navy. The Navy has said it would be desirable to develop and build a new class of smaller and less expensive nuclear attack submarines than the 688 class, which presently costs about $200 million per ship. It might be wise, in light of current national economic problems, to build fewer 688-class submarines and urge the Navy to move ahead more quickly in developing a smaller and less expensive submarine.

The Navy has requested some $81 million to build a fleet oiler—AO. This would be the first of a class of 10 ships which together with other support ships are projected to cost a total of approximately $2 billion. The purpose of these ships is to deliver fuel to operating ships at sea. Currently, the Navy has 27 fleet oilers, or 1 for every 8 major surface combatants. It is my view that these funds should be deleted from this year's appropriation and deferred for at least 1 year.

There are several considerations which I think justify this position. First, it should be kept in mind that the oiler is an auxiliary—not a combat ship. Thus, while some of the existing oilers are old, retaining them in sevice for 1 or 2 more years will not reduce significantly the combat efficiency of the fleet. At the same time, many of the existing 27 oilers are among the newest, largest, and most modern replenishment ships in the world. Furthermore, the new class that the Navy wants to build will have about the same capacity as present AO's. Thus, they will not add significantly to the Navy's capabilities. The Navy also has nine oilers under construction in the "build for charter" program.

We should also keep in mind that the role of the oiler in providing fuel for Navy ships is declining as more and more ships become nuclear powered. For example, the Navy will soon have 3 nuclear powered aircraft carriers in operation and a total of 14 nuclear ships by 1980. This, of course, reduces the need for oilers.

Finally, the shipyard crunch is important here. Ships such as the oilers seem to be the least popular to build by private shipyards. The Navy has two submarine tenders and one destroyer tender for which funds were appropriated in prior years—fiscal year 1972, 1973—that are not yet under contract because of lack of interest by the shipbuilding industry.

The House Appropriations Committee report should be paid special attention in this regard. The committee concluded that the request for funding an oiler was premature by a year and urged that the amount be denied without prejudice until the Navy has determined the extent of interest by the shipbuilding industry in building this ship and at what cost.

We should keep in mind that if past experience is any indication, even if we appropriate funds for this ship for fiscal year 1975, it may be 1 or 2 years before a contractor is found to build it.

As was suggested by the House Appropriations Committee, the Navy should first determine the interest in the shipbuilding industry and then return for funding.

Mr. President, the appropriations bill calls for the funding of a new destroyer tender—AD—at a cost of $116.7 million. The initial Senate authorization bill excluded all funds for the AD. The Senate Armed Services Committee report justified this action, stating that:

> The Committee recommends denial of $116.7 million for one destroyer tender. Three tenders approved by Congress in FY 1972 and 1973 are not yet under contract, and until such time as these ships are under con-

tract and the costs and schedules are known, authorization of additional tenders will not be authorized.

The House prevailed, however, and the tender was put back in by the conference committee.

The purpose of a destroyer tender is to provide minor repairs and services for destroyer-type ships at forward bases. The U.S. Navy has and plans to maintain about 200 destroyers and related types of ships which are serviced by destroyer tenders.

The Navy currently has 12 tenders, or 1 tender for every 16 destroyer-type ships. The existing 12 tenders are more than enough to provide for those regularly stationed overseas with the 6th and 7th Fleets. The majority of tenders are stationed at naval bases here in the United States.

A 1-year deferment in the construction of a new tender would not affect the readiness of the destroyer force. Minor repairs or services required can be supplied by the existing 12 tenders, augmented if necessary by naval shipyards and shore-based facilities.

Thus, Mr. President, the total savings in the shipbuilding area—the area most responsible for the rise in unexpended military balances—would total $629.2 million. Again the slowdowns and the delays I have recommended would enhance rather than hinder our military effectiveness.

M60A1 TANK

Another reduction which is budgetarily feasible and which will not undermine national security, concerns the rate of production of the M60A1 tank to the original rate of production planned by the Department of Defense. In hearings before the Senate Committee on Armed Services this year, Secretary Schlesinger said that the Defense Department originally planned to increase the rate of production of the M60A1 to 515 per year through fiscal 1976, but that "the lessons learned from the recent Middle East war" have made the Defense Department increase the production of M60A1's to 667 per year over the next few years.

Using the Middle East war for justification of increased tank production is very misleading. Tanks sent to Israel are sold through MAP, which does not affect the bill we are currently considering. Also, Israel pays us back for the tanks it purchases. In the fiscal 1974 supplemental, the Defense Department was given the funds required for enabling attainment of the planned buildup in production rate. Thus, the fiscal year 1975 request will not affect in any way our aid to Israel.

The Pentagon is using the Middle East war as the reason for accelerating the modernization of M60A1's for the Army and the Marine Corps. In fact, the Marine Corps plans to end their modernization program in fiscal 1976. The Defense Department has given Congress no real reason why these modernization programs have been accelerated, and why the original rate of production is no longer feasible.

According to the House report on the authorization bill "fiscal year 1975 M60A1 procurement requests have been based on the maximum rates of production that the assembly lines can deliver, particularly since there is only one remaining willing supplier-subcontractor of the traversing turret." I do not believe it makes sense to approve a maximum rate of production that only one supplier-subcontractor is willing to produce, and might have trouble meeting.

I propose that we restore the original rate of production—a cutback of 150 tanks for fiscal 1975. We would not be halting the production line; we would not be cutting off new production lines; and we would not be violating contracts. We would simply be slowing down the rate of production, which in turn would guarantee that the rate of production is met. The savings to the American taxpayer would be $50 million in fiscal 1975. This is a prudent reduction which does not go beyond the original request of the Department of Defense.

CH–47C CARGO TRANSPORT HELICOPTER

The Senate Committee on Appropriations recommended restoration of $41.4 million for the procurement of 19 CH–47C cargo transport helicopters. This seems to be questionable funding item in light of the fact that the House Appropriations Committee recommended denial of these funds. This is what the House committee said about the CH–47C request:

> The Army requested $41,400,000 for 19 CH–47C Chinook cargo helicopters. This would represent a last buy of this helicopter. The Army has initiated a three-year research and development program to improve the maintainability, reliability, survivability and safety of the CH–47A/B models of this helicopter, while reducing operating costs. In some respects, they will be an improvement over the CH–47C model. The asset position of these helicopters is such that these 19 CH–47C helicopters need not be bought. The Committee recommends the funds be denied and the Army wait until the CH–47A/B helicopters are improved before buying additional ones, if this becomes necessary.

I very much agree with Chairman MAHON's statement. The need for the CH–47C seems minimal, especially in light of ongoing research to build a better version. This purchase could easily be eliminated without endangering national security and with substantial savings for the Nation.

WAR RESERVE STOCKS

On to yet another subject, Mr. President. I shall not dwell too long on this, because I believe that at a later point in this debate, Senator KENNEDY of Massachusetts may offer a specific amendment on this point. But I should like to speak very briefly to what are called war reserve stocks.

In 1973 the Department of Defense initiated a new program which was called war reserve stocks for Allies; $23 million was budgeted for these stocks in fiscal year 1973—which is not so terribly much in 1973, and for the Pentagon, $23 million is just about their daily paper clip account. But that amount has grown to the request we have before us today, which is approximately $529.6 million.

It should be noted that this program is not for our NATO allies, but was created to help support certain Asian allies—allies such as South Vietnam, Thailand, and Cambodia. These stocks are in addition to our own inventory needs, but because they remain in U.S. inventories unless and until they are needed by our allies, the program was not considered a military assistance program or a military assistance service funded program. But by whatever name is contrived by the Pentagon, it is clear that this is a backdoor military aid program.

The Senate passed an amendment offered by Senator KENNEDY on June 6, 1974, to the military procurement bill, to bar the supply of stockpiled war materials or equipments to any Asian country unless specifically authorized by Congress. Sadly, the amendment was dropped in conference, but the Senate is on record as disapproving the war reserve stock concept.

It is not easy to find the appropriation for the war reserve stock program in the budget since the $529.6 million that has been approved by the committee is hidden among various accounts in the procurement section of the bill. In fact, the committee has been able to ascertain the exact amounts in each account only after great effort. I think that the reason for this is obvious: such a program would not survive an up or down vote in the Congress. I hope we shall have a chance to prove that with Senator KENNEDY's amendment.

Although I will personally vote to completely abolish this program, I will not assign a savings of $529.6 million—the total for War Reserve Stocks in the budget—because a more conservative approach has been taken by certain members of the House Committee on Appropriations. These members have suggested deleting the ammunition portion of the stocks which, because they have a limited shelf life, would require continued replenishment. Such a requirement would involve an endless commitment of money. I would therefore suggest leaving $180 million in this program so that certain obsolete tanks and aircraft could be maintained. Thus, the potential savings to the taxpayer would be at least $350 million.

The most conservative saving that I can point out to you would be $350 million. If it were up to me, I would vote to do away with the whole $529, but I am trying to come up with a very conservative estimate.

It should be obvious after this lengthy discussion—may I digress, Mr. President. It has not been my purpose, it is not my purpose to debate this amendment at undue length. We have already agreed to a time limit. I am not a filibusterer, either by talent or persuasion. But I felt it was necessary to discuss at some not inordinate length certain facets of this budget.

As I said at the outset, we purposely omitted those matters that have been discussed previously, whether it be the Trident or the B–1. We tried to get down to some programs that first, the Committee on Armed Services itself had already frowned upon, or that the House Committee on Armed Services or the House Committee on Appropriations disapproved of, even programs that the military itself was not too satisfied with.

But I have only recommended two programs for elimination, the two that are so patently redundant and unnecessary that they should be eliminated; to wit, site defense and Safeguard—and I have left money in the budget for termination costs. In the personnel category, wherein I am supported very strongly by Senator STENNIS and his committee, I have simply taken the recommendations of the Senate Committee on Armed Services, a committee which I believe is eminently qualified to discuss such matters. Likewise, the slowdown in SSN–688 procurement and the delay of one year in purchasing a tanker and a tender, are programs designated by the Senate Committee on Armed Services for the reductions I have suggested.

So I am really in accord with Senator STENNIS again on all of those.

The elimination of the last buy of CH–47C helicopters was strongly recommended by Chairman MAHON of the House Committee on Appropriations due to the on-going development of a more modern version. I feel that my suggestions to slow down the AWACS and SAM–D programs will help in eliminating excessive concurrency and assist in avoiding cost overruns in later years. The reserve stocks program is a form of backdoor foreign aid which the Senate has previously gone on record as opposing.

Therefore, we get to the bottom line, Mr. President. The total savings to the taxpayer in the areas I have discussed up to now would come to just over $2 billion. This, of course, is twice as much as is necessary to bring the committee bill down to the $81 billion level. If my colleagues cannot accept all of my suggestions, I would hope that they could accept half.

The cut I am recommending in my amendment, joined by many distinguished cosponsors, is $1.1 billion. I feel we have been able to demonstrate a $2.1 billion cut.

Well, perhaps they can say I am half wrong. If I am half wrong in every item that I have saved, then it still comes down to just about my amendment, $1.1 billion. If I am half right, if you want to approach it from the viewpoint of the positive, then it still comes down to $1.1 billion. So, half right or half wrong, the figure that we recommend in this budget is minimal.

Obviously, the list of suggested savings that I have put forth is not exhaustive. Such programs as Phalanx, the surface effect ship, the sea control ship, the heavy lift helicopter, the CH–53E helicopter and the patrol frigate have all been severely criticized by the General Accounting Office in reports sent to Congress. I am sure that a careful examination of these programs would find areas where immediate savings could be made that would help us to avoid cost overruns in the future.

As I stated at the outset, I have not included programs such as the B–1, Trident and counterforce, which have been focused upon extensively by Congress.

Finally, it is important to note that the Secretary of Defense need not accept my suggestions if my amendment is enacted. He would have the discretion to reduce programs which he felt were of low priority. I would venture a guess, however, that many of the programs the Secretary of Defense would choose would be among those which have been discussed in my speech today.

Mr. President, for years Congress provided little or no check on the military budget. But we have seen an important reversal of that attitude of unquestioning submissiveness. Much of the credit for that important turnaround goes to the distinguished chairman of the Appropriations Committee (Mr. MCCLELLAN). He has made the tough decisions concerning this bill and he has made them with courage and determination. While I obviously feel strongly that further reductions can be made, my suggestions are based on the firm foundation of Senator MCCLELLAN's work.

Today we have more reason than ever before to assure that there is no fat . . . that there is no waste in this budget. Indeed, we must assure that there is no waste in the entire Federal budget, and I have voted consistently to reduce that budget to assure that it does not feed the fires of inflation—to be sure that, if belt-tightening is required within the American economy, that the Federal budget will be an example to all sectors. The Defense Department cannot be excluded from the general effort to reduce the Federal budget—and it need not be excluded. Reductions on the level I have recommended today would not endanger the security of the United States one iota.

Mr. President, I am hopeful that my discussion today will not be interpreted as "just another gratuitous slap at the military." For it is not intended as such. I have great admiration for the men and women who are assigned the awesome task of defending our Nation. Those Defense Department officials who have urged Congress to reject my amendment are doing so because they sincerely believe that it is in the best interests of the Nation.

But the Nation cannot continue down the path toward internal economic destruction as it strives to defend itself against external forces. Whether my amendment is successful or not today, I call upon the military and civilian employees of the Defense Department to use their exceptional talent to effect managerial change to cut costs. I urge those individuals to respect the American tax dollar and to spend it only when a tangible benefit to our national defense can be derived.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. EAGLETON. I am pleased to yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I rise for two purposes: First of all, to commend the distinguished Senator from Missouri for an exemplary statement, an outstanding service in the area of defense expenditures. I think it is possibly one of the most thorough and well-documented statements that has ever been presented in the Senate.

The Senator from Missouri was kind enough to make his statement available to Senators earlier so we had a chance to see what he is going to say. I, for one, am grateful for the monumental work he has undertaken, and I would like him to know that I should like to be associated directly with his endeavors.

I think this is one of the more important developments in the area of defense expenditures during my long experience in the Senate. I thank the Senator, and commend him on behalf of the American people, who know that we have to make some defense expenditure cuts that will enable us to bring the budget under control, and at the same time not imperil our security.

The Senator's statement was made without malice, without being derogatory, and without any effort to abuse the military; and I think we are all indebted to the Senator from Missouri.

Mr. EAGLETON. I thank the Senator. Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Minnesota be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, we are rapidly approaching the hour of 2:30. May I ask the distinguished majority leader what his wishes are? I yield to the majority leader on my time.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF A COMMITTEE TO ESCORT THE PRESIDENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair be authorized to appoint a committee to escort the President of the United States into the Chamber.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). Without objection, it is so ordered.

The Chair appoints the following Members of the Senate to escort the President of the United States into the Chamber: Senators MANSFIELD, ROBERT C. BYRD, MOSS, BIBLE, FULBRIGHT, ERVIN, METZENBAUM, HUGHES, HUGH SCOTT, GRIFFIN, COTTON, BENNETT, TOWER, BROCK, AIKEN, and GURNEY.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR CURTIS, AND FOR THE SENATE TO TAKE A RECESS AT 2:35 P.M.

Mr. MANSFIELD. I ask unanimous consent that the Senator from Nebraska (Mr. CURTIS) be permitted to proceed not beyond the hour of 2:35 p.m., at which time the Senate will stand in recess.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Nebraska is recognized.

SUMMIT CONFERENCE ON INFLATION

Mr. CURTIS. Mr. President, on August 19 I addressed the following letter to the President of the United States:

DEAR MR. PRESIDENT: The vast majority of Americans approve of the plan to have a Summit Conference on Inflation. It is believed that the placing of facts concerning the various segments of our economy out on the table will assist in arriving at sound solutions.

No segment of our economy has a greater stake in retarding and ultimately stopping inflation than does agriculture. We urge that those in chrage of this summit meeting develop fully the case in reference to the increased costs imposed upon the farmers. These relate to everything the farmer must have in order to carry on the production of food and fiber for our economy. We would mention such things as tractors, trucks, other machinery, repair parts, tractor and truck fuel, fertilizer, pesticides, land taxes, payroll taxes, seed, the requirements relating to safety, health, sanitation and pollution, freight, labor, fencing, and the countless other items of cost which our farmers face.

We are aware that all of our citizens are experiencing the harsh treatment that inflation brings. We are aware of the public sentiment against rising prices including the protest that is voiced against the cost of food in the marketplace. It is important and necessary that the full facts be adequately demonstrated to the public and that misinformation be avoided and corrected. If this is not done, many well-intentioned citizens will arrive at an erroneous decision in reference to food costs. It is an open opportunity for the demagogue. It is the costs added after the food leaves the farm which make food expensive.

We call attention to the disastrous, unwise and unfair policies of the government some months back in placing a ceiling on beef without across-the-board ceilings and control on everything. This did not lead to a mere loss of profits. It spelled disaster to many people. It drove some out of business. It wiped out the assets of some. It dislocated the orderly production, feeding and marketing of cattle resulting in surpluses, shortages, scarcity, disastrously low prices and, later, higher prices to the consumer. This action was taken without any justifiable economic reason. It was opposed by all who are knowledgeable in agriculture. It was stubbornly kept on too long. We submit that unwise and unfair actions which cannot be justified economically should not be taken for political purposes.

We suggest that those who select the participants and plan the agenda for the Summit Conference on Inflation see to it that all the facts are presented; that the full story is given to the American consumers concerning the non-farm cost that contributes to the cost of food in the marketplace; that the whole story in reference to the increase in the costs that farmers must pay be vividly placed before the American public; that the facts in reference to the percentage of the income of the American consumer which is spent for food both historically and currently be presented, and that these figures be compared to the other nations of the world; and that the facts in relation to the price increases of non-food cost-of-living items be fully developed and compared.

We believe that American farmers have a greater stake in the fight against inflation than any other segment of our economy because of agriculture's inability to pass on added costs. American agriculture wants knowledgeable people to chart a course for fighting inflation—people who have the capacity and the will to examine all facts and the courage to apply real solutions.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

Mr. CURTIS (continuing).

We commend you for the steps that you are taking and we are sure that there are many individuals in the field of agriculture who can make a distinct contribution for the good of our entire economy.

With kindest personal regards, I am

Respectfully yours,

And it is signed by the junior Senator from Nebraska.

Mr. President, I yield back the remainder of my time.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess awaiting the call of the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 2:32 p.m., the Senate took a recess.

The Senate reconvened at 2:38 p.m. when called to order by the President pro tempore.

VISIT TO THE SENATE BY THE PRESIDENT OF THE UNITED STATES

At 2:39 p.m., the President of the United States entered the Chamber accompanied by Senators MANSFIELD, ROBERT C. BYRD, MOSS, BIBLE, FULBRIGHT, ERVIN, METZENBAUM, HUGHES, HUGH SCOTT, GRIFFIN, COTTON, BENNETT, TOWER, BROCK, AIKEN, and GURNEY.

The PRESIDENT pro tempore. It is my distinct pleasure and privilege, on behalf of the Senate, to welcome the President of the United States to the Senate. The President will now address the Senate.

[Applause.]

ADDRESS BY PRESIDENT FORD

The PRESIDENT. Mr. President, Senator MANSFIELD, Senator SCOTT, Members of the United States Senate, I wanted to stop by today just to say hello to those with whom I had an opportunity to get better acquainted and to officially inaugurate Pennsylvania Avenue as a two-way street. [Applause.]

It is wonderful to be back in a Chamber where so much of America's history for almost 200 years has been written and, I say without any hesitation, one of the greatest experiences of my life was the privilege of presiding here, though for a relatively short period of time. [Applause.]

Although my tenure was quite short, I think it was long enough to convince me that the U.S. Senate is one of the greatest legislative bodies in the history of mankind. [Applause.]

I think in the days and months ahead all of us must draw upon the great traditions of the Senate. Our job, both in the legislative as well as in the executive branch, is to restore the people's faith in the history and tradition of our American Government. No single man and no single woman can possibly do this all alone. It is a job for all of us working together to achieve.

As Governor Rockefeller said yesterday, we must deal with some very hard and somewhat harsh realities. We are not always going to be on the same side. It would not be America if we were. I do not think that really matters. It only matters if we end up by being on the best side for America from one State to another. [Applause.]

I would be very, very remiss if I did not express my appreciation for the Senate and the House going more than halfway on several measures of major importance in the last week or so.

I speak here specifically of the Cost of Living Council proposal, some actions taken on appropriation matters, the action on housing, the action on pension legislation, and the legislation affecting education.

I think what has taken place and transpired in these various proposals is indicative that we can march toward the center in achieving some good results for our country as a whole.

Now, I do not intend to talk specifically about any prospective legislation. I think I would probably be out of order, and I certainly shall respect the rules or traditions of the Senate in that regard.

As we go ahead, we must look not only at our problems at home, but also at our problems abroad.

I believe we have a good team in the executive branch of the Government, and I can assure you that that team will be working with this team, the House and the Senate, in the months ahead.

Thank you very much.

[Applause, Senators rising.]

The PRESIDENT pro tempore announced that Senators would assemble to greet the President.

Thereupon, the President was greeted by Senators in the well of the Senate Chamber.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDENT pro tempore. The Senate will come to order. Let us have order.

The Senator from Missouri is recognized.

Mr. EAGLETON. While Senators are still on the floor, I ask for the yeas and nays on the pending amendment.

The PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, I will momentarily yield the floor to Senators JACKSON and BROOKE for a colloquy on a related subject.

Before yielding, Mr. President, I must confess my senatorial naivete. As I was concluding my remarks and saw——

Mr. STENNIS. Mr. President, may we have order?

Mr. EAGLETON. I thank the Senator from Mississippi.

The PRESIDENT pro tempore. The Senate will come to order. Senators will take their seats.

Mr. EAGLETON. As I was concluding my prepared remarks, I noticed that the visitor galleries started to fill up and the press galleries started to fill up. I thought that the "word of wisdom" had gone forth in this citadel of deliberative intelligence and that the press and thousands of people were coming to hear "the word." [Laughter.]

My aide quickly corrected my erroneous judgment and whispered to me, "President Ford is coming to speak to the Senate."

In further explanation of my naivete, I then thought that President Ford had perhaps heard "the word" and was coming to make a public endorsement of my amendment. But, sadly, he did not.

As I marched down to shake hands with our fine, new President, accompanied by Senator HATHAWAY—and not too far away was Senator NELSON—I mumbled to Senator HATHAWAY and said:

> Is it too late too ask unanimous consent to change the vote that three of us made last year?

But, since Senator LONG is on the floor and he objects to all such unanimous-consent requests, I shall make no such request.

Yes, there were three who voted "No" on the nomination of Gerald Ford to be Vice President. We did so for such reasons as each of us felt appropriate at that time. I, as one of the three, pray to God that my judgment passed at that time was wrong. History will determine the future course of this country. History will determine the wisdom, or lack thereof, of my vote.

I have been mightily impressed by what I have seen of and heard from our 38th President.

If my judgment was wrong last year, then so be it.

I think I speak the sentiments of all Senators who are here today when I say that we have been deeply touched not only by what the President said to us, but by the fact that he came to this Chamber to say it to us, face to face.

I am an honored individual, indeed, to have been here today.

I now yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I yield first to the distinguished Senator from Massachusetts (Mr. BROOKE).

Mr. BROOKE. Mr. President, it is not my intention to take a great deal of the Senate's time in discussing the "strategic initiatives" advocated by Secretary Schlesinger. At the initiative of the distinguished junior Senator from New Hampshire the Senate, in closed session, discussed this issue in some depth during debate on the fiscal year 1975 defense authorization bill.

Nor is it my intention to propose the deletion of funding in this appropriation bill for several strategic programs—the terminally guided MARV, guidance improvements for Minuteman III and the MARK 12A warhead and reentry vehicle—which I believe to be premature reactions to admittedly disturbing developments in Soviet strategic programs. Given the evident belief by large majorities in both Houses that the United States should proceed with research and development in these areas, such an amendment would be futile.

I term these funding proposals premature because I have yet to find convincing reasons, either in deterrence theory or by examination of the linkages between technological possibilities and our strategic policies, to believe that the initiatives proposed by Secretary Schlesinger will result either now or in the future in an enhancement of our national security through increased stabilization of the deterrent relationship between ourselves and the Soviet Union. This objective must be the criterion by which we judge any proposed alterations in our strategic posture.

The most disturbing aspect of the proposed "strategic initiatives" is the possibility that they foreshadow deployment programs that will eventually undermine the stability of the superpower deterrent relationship. Such stability is predicated, to a great extent, on the assumption that neither side will have an incentive to strike first in a crisis situation. However, a marriage of significant accuracy improvements with increased yield that results in one or both sides achieving a significant silo-busting capability will inevitably increase the incentives to strike first in extreme crisis situations. As a noted British strategist has written:

> Especially at a moment of acute political anxiety, the existence of that capability, whatever the intention behind it, is bound to force a nervous adversary to consider whether he can afford not to strike first, lest he allow himself to be at least partially disarmed.

This would be especially true if one of the adversaries maintained the major portion of his strategic inventory in fixed land-based missiles as is the case with the Soviet Union. On the other hand, the pressures on a power emphasizing the sea-based deterrent, such as the United States, will be less intense because less of its strategic inventory will be threatened by an effective silo-busting capability. Nevertheless, it too would likely experience increased pressures to consider a first strike under certain conditions.

I am also troubled by the implicit assumption in the Secretary's proposals that nuclear war can be waged at various levels of intensity and that escalation from one level to another can be controlled. Fortunately, we have no practical experience by which to judge whether or not this is the case.

More importantly, I fear that deterrence may be weakened by emphasis on planning for war scenarios having escalatory nuclear exchanges as a prime focus. This creates the impression that sooner or later the nuclear threshold will be breached and it is only prudent to plan for that eventuality. Such fatalism, unfortunately, may prove self-fulfilling to the degree that it inspires alterations in our strategic posture that decrease the inhibitions regarding use of nuclear weapons. The "strategic initiatives" suggested by Secretary Schlesinger threaten to be such alterations.

The assumption that proposals to exploit technical possibilities in the accuracy-yield combination will influence the Soviet Union to adopt policies more conducive to the U.S. position on a permanent limitation on offensive strategic systems is also open to question. Many respected analysts of Soviet military policy seriously question whether Soviet planners will give much heed to such a blunt signal. The more likely reaction in the Kremlin will be to continue development of MIRVed delivery vehicles while stepping up efforts to achieve a Soviet form of efficient accuracy-yield combination. I seriously doubt that we can substantially affect the tempo of Soviet strategic developments through initiatives that appear to be a direct challenge to the survivability of their own strategic forces.

It is also disturbing that many readily accept the view that research and development on these "strategic programs" is only a first step in a process that can easily be arrested at any time. In theory this may be the case. However, past practice leads me to believe that the temptation to deploy such capabilities once they are fully developed will likely prove irresistible regardless of whether or not world conditions or our own self-interests justify such deployment.

MIRV deployment is a case in point. Had a moratorium on MIRV testing been achieved and had the United States shown some unilateral restraint in MIRV deployment, concern over the possible evolving Soviet MIRV threat to our land-based ICBM's would have been much less today and there would be far less reason to give serious attention to the initiatives advocated by Secretary Schlesinger.

The perceptual affect of these research and development decisions may be far more pervasive than is commonly thought. Once the U.S. research and development phase has been completed on these programs, a prudent security planner in the Kremlin may feel compelled to assume deployment will take place regardless of congressional actions. One can count missiles and staging platforms but it is impossible to verify, short of on-site inspection, whether or not yield and accuracy improvements have been deployed. Hence, the Soviet Union will likely feel pressured to fashion its strategic policies and weapons to take account of assumed deployment of U.S. silo-busting capabilities regardless of whether or not such deployment actually takes place. This, in turn, may stimulate many of the destabilizing tendencies I have already mentioned.

In pointing out the real or potential

negative implications of these "strategic initiatives," I do not mean to imply that I am unconcerned about the threat posed to our security by the dynamic nature of ongoing Soviet strategic programs. It would be dangerous and injurious to U.S. security and world stability if we allowed ourselves to become strategically inferior in any significant respect to the Soviet Union.

I share Secretary Schlesinger's view that we must take the steps necessary to insure that this does not happen. However, I do not believe that the course of action proposed by the Secretary is the only or necessarily the best alternative open to us.

Other strategic alternatives do exist. Indeed, the United States has an active strategic program, disregarding the counterforce initiatives, that will deny the Soviet Union any miltary advantage should it continue its strategic missile buildup to a point where it threatens to achieve a significant disarming capability against our fixed land-based strategic forces. One needs only point to the Trident or B–1 programs as well as the active investigation of various modes for mobile ICBM's to substantiate this assertion.

It is my belief that in the next few years, as the debate over the U.S. strategic posture continues, the Congress and the Executive should thoroughly explore alternative strategic approaches emphasizing the ability to deny the Soviet Union any benefits it might attempt to achieve through seeking a disarming capability vis-a-vis any of our strategic forces. At the same time we should eschew any similar attempt to deploy a disarming capability against fixed land-based missiles or other strategic systems of the U.S.S.R.

Through continued efforts to achieve success in the SALT negotiations and through a strategic policy that seeks to avoid offensive first-strike threats to any of the components of the Soviet Union's deterrent forces while denying a similar disarming capability to the Kremlin vis-a-vis any segments of our strategic Triad, we can best hope for the establishment of greater security for ourselves and others and for a lessening of the dangers of the nuclear age. This should be our overriding goal and should guide decisions involving the modification or development of U.S. strategic nuclear weaponry.

Mr. President, the committee report quotes Secretary Schlesinger to the effect that a principal feature of U.S. strategic policy should be,

> The avoidance of any combination of forces that could be taken as an effort to acquire the ability to execute a first-strike disarming attack against the USSR.

Hopefully, we all support that view. However, to talk of a "first-strike disarming attack" in such general terms ignores the possibility that one could seek a disarming capability against a certain portion of an adversary's nuclear arsenal, such as fixed land-based missiles, and still maintain that the "combination of forces" sought for deployment would not give one the ability to execute a first-strike disarming attack against the U.S.S.R.

In order to forestall any misconceptions in this regard, the report also states that the committee construes the Secretary's statement to mean that the United States will not seek to deploy a first-strike disarming capability against fixed land-based or other strategic systems of the U.S.S.R. I interpret this to mean that it should continue to be U.S. policy to eschew any attempts to achieve an accuracy-yield combination on our missiles that would provide us with an efficient silo-busting capability that could be construed by a reasonable opponent as an effort to achieve a disarming capability vis-a-vis his fixed land-based missiles. Does the Senator from Washington agree with my interpretation?

Mr. JACKSON. The question, as I understand the matter posed by the distinguished Senator from Massachusetts, essentially refers to the statement in the report of the Committee on Armed Services quoting Secretary Schlesinger as follows:

> A principal feature of United States strategic policy should be the avoidance of any combination of forces that could be taken as an effort to acquire the ability to execute a first-strike disarming attack against the U.S.S.R.

The Appropriations Committee goes on to construe this to refer to "such a deployed capability against fixed land-based or other strategic systems of the U.S.S.R."

I take it that the Senator's question essentially is, Do I agree with this construction of Secretary Schlesinger's remarks?

The answer is, "yes." It is not the strategic policy of the United States to deploy systems that could execute a first strike attack against land-based or other strategic forces of the U.S.S.R. It should be pointed out, however, that the strategic policy of the United States should not be limited to the single option of attacking the civilian population of the Soviet Union. The report of the Senate Armed Services Committee, with which the Appropriations Committee associated itself, is clear on that point.

Taking both the growth of Soviet forces and future developments at SALT into account, we should be working to design a strategic policy that will provide for enhanced flexibility in our strategic forces.

Continuing research and development along the lines of the strategic initiatives advocated by Secretaries Schlesinger and Kissinger is an essential part of that effort, and I am glad that the Committee on Armed Services and the Committee on Appropriations have recognized that fact and supported those programs.

Mr. BROOKE. Mr. President, in my conversations with the Senator from Washington he stated that the "strategic initiatives" proposed by Secretary Schlesinger were research and development initiatives only. He stressed that a clear distinction must be made between research and development efforts and production-deployment decisions. I fully agree with this view. However, at some point in the future pressures are likely to occur for deployment of the accuracy-yield capabilities that are likely to be developed through the proposed "strategic initiatives" programs. In contemplation of these pressures, I wonder if the Senator from Washington has any views regarding what, if any, conditions would justify deployment of an accuracy-yield capability that would provide the United States with an efficient silo-busting capability, "efficient" referring to a 2-to-1 or 1-to-1 ratio of warhead to silo destruction.

Mr. JACKSON. To state it another way, as I understand the Senator's question, under what circumstances would I favor moving from the research and development of a missile with a significant silo-killing capability to the actual deployment of such a weapon?

First, let me say that there can be no hard and fast answer to that question. But I think it is useful to discuss the factors that would go into any decision to deploy missile systems capable of destroying Soviet silos on a 1-to-1 basis. These factors are, first, the future growth of Soviet forces. If the Soviets exploit their throw-weight advantage by deploying a significant number of accurate MIRVs or additional missiles, they could acquire the capability to destroy a large fraction of our land-based forces utilizing only a small fraction of theirs.

This would place the United States at an unacceptable disadvantage, and in my judgment we would require a capability to destroy their reserve forces as an essential part of any American retaliatory attack.

The second factor relates to future developments at SALT.

We need to achieve a SALT II agreement based on essential equivalence. Such an agreement is unlikely to include limitations on accuracy, since there is no way to verify accuracy. I do not believe that we could have a stable SALT II agreement over the long run if the technological quality of our forces were allowed to deteriorate in comparison with Soviet forces.

We must assume that the Soviets will continue to improve their technology and that we will, therefore, have to continue to improve ours. With a SALT II agreement that provides for reductions to a level of equality, we might be able to defer indefinitely the deployment of extremely high accuracy-high yield missiles. Without such a SALT agreement, we might not. It is simply too soon, I think, at this point in history to come to a final conclusion.

Mr. BROOKE. Then, as I understand it, we are in agreement on the distinction between research and development efforts and production and deployment decisions? There seems to be no question of that point.

Mr. JACKSON. That is right. We have made a clearcut distinction in this appropriation bill, together with the authorization bill, Mr. President, between research and development on the one side and actual deployment and production.

Mr. BROOKE. What we are doing in this appropriations bill is merely research and development, is that not correct?

Mr. JACKSON. The Senator is correct.

Mr. BROOKE. And prior to any time we move to production and deployment decisions, we will again have to assess the posture of the U.S.S.R. as far as its strategic posture is concerned and determine what the proper course of action should be to maintain our own security.

Mr. JACKSON. That is correct.

Mr. President, I ask unanimous consent to place in the RECORD that section of the report of the Committee on Armed Services dealing with the authorization bill, pertaining to aspects of the bill concerning the strategic initiatives, research and development. I do that, Mr. President, because we have, of course, the language of the report of the appropriations bill before us, but we do not have this item.

There being no objection, the section of the report was ordered to be printed in the RECORD, as follows:

ASPECTS OF BILL OF SPECIAL INTEREST

STRATEGIC INITIATIVES—RESEARCH AND DEVELOPMENT

Defense Department proposal

Both in his testimony before the committee and his posture statement, Secretary Schlesinger presented a thoughtful, comprehensive analysis of U.S. strategic policy. One of Secretary Schlesinger's major themes was the importance of strategic flexibility. While pointing out the importance of the assured destruction mission, Secretary Schlesinger highlighted its limitations, stressing, in particular, that the President must have a full range of strategic options to cover a variety of contingencies. The Secretary argued strongly that the United States must not limit its strategic objectives to the threat to destroy millions of innocent civilians as the sole—or even the principal—response to potential Soviet actions.

To provide for a necessary range of options, Secretary Schlesinger announced a new emphasis in targeting policy. As outlined to the committee, this emphasis in targeting doctrine does not represent a major departure from past U.S. policy. Indeed it is consistent with the committee's longstanding conviction that the United States must have the capability to destroy a variety of selected targets, military and civilian, if and when necessary.

In addition, several new R&D programs have been proposed in an effort to develop a broader range of strategic options. The following programs have been proposed:

Navy:

Submarine Launched Cruise Missile

Terminally Guided Maneuvering Reentry Vehicle

Air Force:

Air Launched Cruise Missile

Mobile Intercontinental Ballistic Missile

Improved Yield for Minuteman

Improved Accuracy for Minuteman

Increased Number of Minuteman Reentry Vehicles

According to Secretary Schlesinger, these specific R&D programs in large measure represent hedges against the potential growth and development of Soviet strategic forces as well as the outcome of SALT II.

Finally, Secretary Schlesinger reported to the committee on the relentless momentum of Soviet strategic weapons development. As Secretary Schlesinger declared in his posture statement, "In summary, the new Soviet ICBM program represents a truly massive effort—four new missiles, new bus-type dispensing systems, new MIRVed payloads, new guidance, new-type silos, new launch techniques, and probably new warheads." The breadth and depth of the new Soviet missile development is both surprising and disturbing.

Committee action

In assessing the strategic initiatives proposed by the Defense Department, the committee shares a fundamental commitment to the principles of deterrence and to the maintenance of a U.S.–U.S.S.R. strategic balance based upon parity. Although making some minor dollar reductions, the committee felt that the new strategic initiatives were necessary to maintain and implement these principles and should be supported.

By its action the committee seeks to insure that the necessary resources are available to the United States in order to maintain its technological margin in the face of Soviet strategic advancements. Under the provisions of the interim agreement on strategic weapons, Soviet strategic missile forces are numerically superior to our own. Moreover, they deploy three times the missle throw weight of the comparable U.S. forces. A vigorous program of research and development on the part of the United States is essential to our effort to maintain the stability of the strategic balance.

The committee believes that the strategic programs recommended to be authorized for fiscal year 1975 are a particularly appropriate means of maintaining the technological margin of our strategic missile forces in a period of rapid Soviet technological development. The programs are not primarily designed to make numerical additions to our existing strategic forces. On the contrary, the major thrust of these research and development programs is to upgrade our existing forces so as to enable them to be used with greater discrimination and with less unintended damage over a broader range of selected options.

Finally, the committee wishes to reaffirm, as it has in the past, its hope for a successful and stabilizing follow-on agreement at the SALT negotiations.

The nature and extent of the deployments that these strategic initiatives will enable us to make will inevitably reflect the outcome of present and future negotiations at SALT as well as the evolution of Soviet strategic forces. It is worth pointing out that the new strategic programs now underway in the Soviet Union, which have given rise to great concern within the committee, have all come to light since the conclusion of the ABM treaty and the Interim Agreement on Offensive Weapons. In authorizing these programs, the committee intends to demonstrate, with unmistakable force and clarity, its resolve never to allow the Soviets to obtain strategic superiority. These new R&D programs create the most compelling incentive for Soviet restraint in the technological exploitation of its numerically superior strategic forces and for a genuine effort to conclude a stabilizing SALT II agreement.

The improved accuracy-yield issue

The primary focus in the deliberations on strategic initiatives was on the issue of whether it was in the best interests of the United States to improve the accuracy and yield of U.S. missiles. The $77 million request was as follows: Improved Guidance to increase the accuracy of the Minuteman force, Maneuvering Reentry Vehicle (MaRV) with terminal guidance for increased accuracy of the Trident missile, and Mark 12A to increase the yield of the Minuteman force.

The committee voted to support the proposed accuracy-yield program for a variety of reasons. There were, however, as discussed below, four principal points upon which a broad consensus was achieved.

First, the committee has long been concerned to sustain the technological excellence of our strategic forces and, wherever possible, to improve the efficiency of those forces. Improving the accuracy of our strategic forces enables us to broaden the range of options available to the President and to minimize the collateral damage associated with a retaliatory strike in the event that deterrence fails. Moreover, improved accuracy enhances the values of our existing strategic forces by permitting one strategic launch vehicle to accomplish a strategic mission that might, with less accurate weapons, require several such weapons.

Given the growth and development of Soviet strategic forces, a deterrent posture based principally on the threat to retaliate against Soviet civilians, knowing that such a strike would almost certainly lead to the destruction of millions of American civilians, is less and less credible. Development of the technology required for a range of more discriminating—and more credible—responses is, in the judgment of the committee, simple prudence.

Second, a purposeful failure to improve the accuracy and yield of our strategic warheads would be a gratuitous self-constraint. Since the growth of Soviet strategic forces, especially that reported to the committee by Secretary Schlesinger, appears to be accelerating such a unilateral constraint on our part would give the Soviets the strategic initiative.

Third, several members emphasized that the development of these yield and accuracy improvements would not be a commitment to deployment. At a relatively modest cost, these developments provide an important hedge against future as well as developing Soviet programs in addition to preserving flexibility.

Fourth, the committee was extremely sensitive to the importance of negotiating from a position of strength in the complex SALT deliberations. In reviewing SALT I it was noted that favorable Congressional action on the ABM program enabled us to do precisely that. The Secretary of Defense will advise the committee of any developments affecting Soviet strategic capabilities, including the conclusion of further agreements at SALT, that may bear on the committee's assessment of the strategic initiatives authorized in this bill.

The committee would also like to stress that these improvements are not intended to provide the United States with a first-strike capability. The committee agrees with Secretary Schlesinger that a principal feature of United States policy should be, "The avoidance of any combination of forces that could be taken as an effort to acquire the ability to execute a first-strike disarming attack against the USSR."

Conclusion

In summary, the committee considers that maintaining technological superiority in strategic weapons, even more so than in other areas of weaponry, is critical to the future deterrent posture of the United States. The line of demarcation between research and development and production is clearly defined. The Soviets have thus far made it clear that research and development is in no way constrained by the agreements reached at SALT I. In fact, their own rate of development nearly underlines this point. Thus, the committee recommends supporting the strategic initiatives proposed by the Defense Department.

Mr. EAGLETON. I ask the distinguished Senator from Washington how long his colloquy with the junior Senator from Masachusetts will go on?

Mr. BROOKE. We have concluded our colloquy. I wanted the opportunity to discuss with the Senator from Washington his views as far as the question of a first-strike capability is concerned.

Presidential statements and those of the Secretary of Defense confirm that it is U.S. policy not to seek a first-strike capability. I want to be sure that it is understood that in appropriating this money for R. & D. on increased accuracy and yield, we are not changing our strategic doctrine. I think the Senator from Washington has agreed that this does not represent a change in the strategic doctrine of the United States.

Mr. JACKSON. The Senator is correct. I want to compliment the distinguished Senator from Massachusetts for his able assistance in our joint effort to agree on report language in the bill which is before the Senate. That language does have the informal concurrence, as I understand it, of the Secretary of Defense, speaking for the administration.

Likewise, the language in the report in connection with the Defense authorization bill for the current fiscal year, which I previously referred to, represents, to my knowledge, a view that is concurred in by the Secretary of Defense, speaking for the administration.

Mr. BROOKE. Mr. President, I had the intent, first, of offering in the Defense Appropriations Subcommittee and then, failing there, in the Committee on Appropriations and, failing there, on the floor of the Senate, an amendment which would have deleted the approximately $77 million for R. & D. on accuracy and field improvements. I feel strongly that these programs may be interpreted as a sign that we might be moving in a direction of seeking a first-strike capability at least against fixed land-based strategic systems.

After discussion with the distinguished chairman of the Senate Committee on Appropriations and subsequently with the distinguished junior Senator from Washington, report language was worked out which clearly indicates that such is not the intent of the Committee on Appropriations in recommending these funds. Moreover, from the quoted remarks of the Secretary of Defense, I assume it is the intent of the administration not to seek a first-strike capability against either fixed land-based or other strategic systems of the U.S.S.R. Moreover, I assume there is no change between the intent of former President Richard Nixon, and President Gerald Ford in this regard.

I am very grateful to the distinguished Senator from Washington for joining in this colloquy and for working together with me on the report language which is provided in the report of their Committee on Appropriations.

Mr. JACKSON. I thank the Senator. Let me just conclude by repeating the report language, quoting Secretary Schlesinger:

> A principal feature of United States strategic policy should be, "The avoidance of any combination of forces that could be taken as an effort to acquire the ability to execute a first-strike disarming attack against the USSR."

I think that speaks for itself, and I believe that my distinguished colleague from Massachusetts agrees that the combination of the statement of the Secretary of Defense, the statement of the Committee on Appropriations, and the statement of the Committee on Armed Services, in the reports of those bills, conforms to his understanding and my understanding.

I thank the Senator for his very helpful dialog here.

Mr. BROOKE. I thank the Senator.

Mr. JACKSON. The dialog has been one that I hope will dissipate the confusion.

Mr. BROOKE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD four articles pertaining to this subject matter.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Scientific American, May 1974]

NUCLEAR STRATEGY AND NUCLEAR WEAPONS

(By Barry Carter)

"Should a President, in the event of a nuclear attack, be left with the single option of ordering the mass destruction of enemy civilians, in the face of the certainty that it would be followed by the mass slaughter of Americans? Should the concept of assured destruction be narrowly defined and should it be the only measure of our ability to deter the variety of threats we may face?"

The questions asked in the preceding quotation, taken from President Nixon's first foreign-policy report in 1970, have been cited repeatedly in the past few months by Administration spokesmen in an effort to explain and justify some significant changes that are being made in U.S. policy regarding its strategic military forces. The new strategy, spelled out most clearly in Secretary of Defense James R. Schlesinger's annual report for the fiscal year 1975, released in March seeks "to provide the President with a wider set of much more selective targeting options," and hence greater "flexibility," in choosing an appropriate response to "any kind of nuclear attack."

As the opening quotation illustrates, much of the official rhetoric concerning this new development in U.S. strategic policy has been more misleading than illuminating. To criticize the "assured destruction" doctrine of the past decade or so as planning only for massive retaliation against Russian cities ignores the fact (belatedly acknowledged by Schlesinger) that U.S. strategic forces have for years had the capability, both in weapons and in planning, for a "flexible response." More important, the broad hypothetical issues invoked by such public statements have tended to obscure the more immediate real issues presented by this Administration's recent actions.

The real issues are serious ones. The primary operational question at present is whether or not the U.S. should develop missiles with an improved capability for attacking "hardened" targets in the U.S.S.R. The main rationale offered for developing such an improved "counterforce" capability (so called because it is aimed at an opponent's military forces) is that it is "impermissible" for the U.S. not to "match" certain Russian counterforce developments. There is also the suggestion that these missiles would minimize "unintended collateral damage."

The preceding question in turn raises the subtler issue of how the active promotion of such programs for improved counterforce capabilities affects the stability of the strategic nuclear deterent and hence the likelihood that there will be a nuclear war. Before one can address these two issues one must understand why public debate should properly focus on such questions and not (at this time anyway) on the kind of questions posed in President Nixon's 1970 remarks.

In the late 1950's and early 1960's U.S. strategic policy went through a series of transformations. By 1962 American military planners recognized that the U.S. would have many more missiles than the U.S.S.R. could have for several years and in fact many more missiles than were required to devastate every major city in the U.S.S.R. A counterforce strategy therefore held out the attractive option of limiting damage to U.S. cities by destroying a substantial part of the Russian strategic forces. In language that sounds remarkably familiar today, Secretary of Defense Robert S. McNamara said in a speech in Ann Arbor, Mich.: "The United States has come to the conclusion that, to the extent feasible, basic military strategy in a possible general nuclear war should be approached in much the same way that more conventional military operations have been regarded in the past. That is to say, principal military objectives, in the event of a nuclear war stemming from a major attack on the alliance, should be the destruction of the enemy's military forces, not of his civilian population."

The Russians, however, continued to deploy land-based intercontinental ballistic missiles (ICBM's) and submarine-launched ballistic missiles (SLBM's). As a result, even if the U.S. sought to limit damage to itself by the partial destruction of the Russian strategic forces, there would still be more than enough Russian forces left to kill tens of millions of Americans. Recognizing this fact, McNamara increasingly emphasized by the mid-1960's the concept of "assured destruction," which he said in 1968 meant the "ability, even after absorbing a well-coordinated surprise first strike, to inflict unacceptable damage on the attacker." This criterion he defined explicitly: "In the case of the Soviet Union, I would judge that a capability on our part to destroy, say, one-fifth to one-fourth of her population and one-half of her industrial capacity would serve as an effective deterrent."

Few concepts have been as maligned or misunderstood as that of assured destruction. Critics label it genocide or use the acronym of "mutual assured destruction" to call it MAD. In fact, the concept seems well designed to serve two purposes. First, by planning the size of U.S. forces on the basis of the "worst case" scenario of an all-out Russian surprise attack, it ensures that the U.S. possesses the ultimate threat: to be able to wipe out the U.S.S.R. or any attacker in retaliation. Second, since the destruction criterion is reasonably precise, the concept provides a useful basis for limiting strategic-weapons procurement and for evaluating arms-control proposals.

While retaining the assured-destruction concept, McNamara and his successsor, Clark Clifford, supervised the development of the wide array of weapons that constitutes today's U.S. strategic arsenal. Both the numbers and the characteristics of many of these weapons were consistent with the assured-destruction concept, partly because the U.S. possesses a "triad" of strategic offensive forces and partly because of the hedge against the "highest expected threat." The triad approach seeks to maintain a major retaliatory capability in each component of our strategic offensive forces: ICBM's, SLBM's and long-range bombers. Justified on the grounds that each component presents a different problem for an attacker, difficult and costly problems for his defense and a hedge against unexpected failures in one or both of the other components, the net result of the triad approach is to provide in the aggregate a high degree of confidence that the assured-destruction mission could be carried out.

The hedge against the highest expected threat, as projected in the National Intelligence Estimates, meant that weapons would be developed and sometimes procured as a cushion against Russian developments that, although not considered likely, were possible. The predictable result was that the U.S. came to possess much more powerful forces than were shown by subsequent events to be required for assured destruction. For example, one of the main justifications offered for developing multiple independently targeted reentry vehicles (MIRV's) was to hedge against a greater-than-expected Russian deployment of an anti-ballistic-missile (ABM) system on the theory that increasing the number of incoming warheads would enable the U.S. offense to penetrate the Russian defense more easily.

Of course, some of the development and procurement decisions also reflected inevitable political and bureaucratic pressures. For example, faced with pressures from the military and from Congress, McNamara apparently thought he could not ask for fewer than 1,000 Minuteman ICBM's

Finally, the proponents of the assured-destruction concept in the latter half of the 1960's quietly subscribed to secondary strategic objectives, in particular the desire to retain some ability to respond flexibly in the case of an actual attack. If the U.S. were subjected to a "limited" nuclear attack—possibly with a small number of missiles or because of an accident launch—most thought the President should have a range of options from which to choose. This factor helps to explain why, for example, the Minuteman II warhead, which was first deployed in 1966, could be programed for up to eight alternative targets, and why there was flexibility in the actual targeting plans.

As a result the U.S. ended up with strategic-war capabilities considerably greater than the assured-destruction concept required. That this situation was rarely acknowledged publicly was a serious mistake, the results of which we are now reaping in public misunderstanding of the policies of the past and, more important, in the sometimes surprising ignorance about the present capabilities of the U.S. strategic forces. The simple fact, which cannot be stressed too strongly, is that the U.S. strategic forces are now capable of carrying out a large array of alternative missions, far in excess of assured destruction.

To begin with, assured destruction does not require many forces. Assuming zero or low Russian ABM levels (a reasonable assumption given the 1972 Moscow Treaty limiting ABM systems), the delivered warheads of 220 Minuteman III ICBM's could kill about 21 percent of the Russian population from immediate effects alone and destroy about 72 percent of the Russian industrial capacity. The delivered warheads from 170 Poseidon missiles (which is fewer than the total carried by 12 submarines) could cause a similar level of damage [*see illustration on page 24*]. Projections of bomber survivability vary greatly, but most experts would estimate that enough B–52's could reach their targets to satisfy easily the traditional assured-destruction criterion.

The total of U.S. strategic forces is, of course, much larger. There are at present 1,054 ICBM's, of which 1,000 are Minuteman missiles and 54 are the older, larger Titans. Of the Minuteman missiles 550 have been or are in the process of being converted to the Minuteman III, which can carry up to three warheads. These MIRV's are estimated to have an accuracy of 1,500 feet or less (expressed in terms of "circular error probable," which means that 50 percent of the warheads are expected to fall within a radius of 1,500 feet of the target). The explosive power, or yield, of each warhead is equivalent to between 170 and 200 kilotons of TNT, or at least 11 times the size of the 15-kiloton bomb dropped on Hiroshima. Rapid retargeting of the Minuteman III will be possible soon with the advent of new computer-software systems, such as the Command Data Buffer system. (All estimates of the numbers and characteristics of U.S. forces used in this article are taken from the statements of U.S. officials, from publications of the International Institute of Strategic Studies and from other reliable publications.)

In addition the U.S. arsensal includes 656 SLBM's, 496 of which are scheduled to become Poseidon missiles. The Poseidon can carry up to 14 MIRV's, but it is usually deployed with 10. Although accuracy might be reduced by uncertainties about the submarine's location, it still is probably less than 3,000 feet. Moreover, even though each warhead is smaller than Minuteman's, there are many more of them and each is still about three times the size of the Hiroshima bomb. Like the Minuteman III warheads, the Poseidon warheads can be retargeted quickly.

Bombers are often viewed as the stepchild of the U.S. strategic triad. The approximately 400 B–52's and 65 FB 111's are unaccountably ignored in many comparative tables of American and Russian strategic forces, notably in President Nixon's first three foreign-policy reports. This is surprising given the fact that an estimated 40 percent of the U.S. budget for strategic offensive forces is spent on bombers. Moreover, from the standpoint of nuclear strikes the per-sortie attrition rate of about 3 percent suffered by the B–52's in their attacks on heavily defended Hanoi demonstrated high survivability. Indeed, most places in the U.S.S.R. would not be as heavily defended as Hanoi, the B–52's would not be making the more vulnerable high-altitude attacks they made there and the bombers would use nuclear warheads to silence air-defense batteries. Each B–52 carries between four and 24 nuclear weapons, the load being a variable mix of gravity bombs and air-to-surface missiles. The bombs can be in the megaton range (that is, equal to 1,000 kilotons) and can be delivered with very high accuracy.

(This accounting of the U.S. strategic forces does not include the extensive U.S. "tactical" nuclear forces, many of which could attack targets in the U.S.S.R. In addition to the more than 7,000 tactical nuclear weapons in Europe, many such weapons are deployed in Asia and on forward-deployed ships in the Atlantic and the Pacific.)

In short, the U.S. already has a considerable potential for "limited" strategic strikes. Exactly how much capability depends on the critical assumption of who strikes first and how, as well as on one's assumptions about the nature of the Russian threat. In any case three important factors should be remembered about potential targets in the U.S.S.R.:

1. There are many nonmilitary, industrial targets outside urban centers that would require only one or two nuclear warheads each; such targets include manufacturing plants, power plants and the two construction yards for missile submarines.

2. Except for "hardened" targets, most military targets could be destroyed by only one or two warheads each; such targets include air-defense sites, military airfields, major army bases and submarine bases.

3. Even for hard targets such as missile silos, nuclear-weapons storage facilities and command posts, the use of small numbers of warheads will create a high probability of destruction. For instance, three Minuteman III warheads delivered against three Russian missile silos with a "hardness" about the same as that of the U.S. silos when they were first built would have approximately an 80 percent chance of destroying one silo, whereas seven Minuteman III warheads would have a similar 80 percent probability of knocking out one silo three times as hard. Presumably many Russian missile silos have a hardness in this range.

As a result, even with existing missiles a limited strike by the U.S. that employed 100 missiles or fewer could do substantial damage to the U.S.S.R. and could knock out some Russian ICBM's.

In calculating the sufficiency of our strategic forces, one should not forget the Chinese. For any conceivable "crisis scenario" the total expenditure of U.S. warheads against China could easily come from the present surplus exceeding the weapons needed for the assured-destruction mission against the U.S.S.R. Not only could the U.S. destroy most of the nascent Chinese nuclear forces, but also it has been estimated that a few warheads detonated over 50 Chinese urban centers would destroy half of the urban population (more than 50 million people), more than half of the industrial capacity and most of the key governmental, technical and managerial personnel. Indeed, against fixed targets such as cities the U.S. could use its B–52's, which could return to their bases for other missions.

Not only does the U.S. have this multifaceted capability but also its nuclear strategy has always included plans for attacks other than massive ones on Russian cities. This conclusion is logically inescapable when one realizes that the U.S. has had thousands of strategic warheads since the mid-1960's, has about 7,500 now and is expected to have almost 10,000 by 1977. There are only about 200 major cities in the U.S.S.R. Either the U.S. has aimed a superfluously large number of warheads at each major city or it has planned for other targets all along. Any doubts on this score were resolved by Secretary Schlesinger's statement in March that "our war plans have always included military targets."

President Nixon has made it very clear from the early days of his Administration that he wanted changes in U.S. strategic policy. Neither he nor any other high official, including Secretary Schlesinger, has ever rejected the assured-destruction concept. Rather they have defined assured destruction narrowly to mean only massive retaliation against cities and have said that more options are needed. To date the Nixon Administration has really presented two different sets of what "more" is needed. First there were the "sufficiency criteria," which were publicized in the period from 1970 to 1972. This past year has seen the emergence of a new set of criteria.

The sufficiency criteria, which President Nixon first hinted at in 1970, were spelled out by Secretary of Defense Melvin R. Laird in 1971. They are:

1. Maintaining an adequate second-strike capability to deter an all-out surprise attack on our strategic forces."

2. "Providing no incentive for the Soviet Union to strike the United States first in a crisis."

3. "Preventing the Soviet Union from gaining the ability to cause considerably greater urban/industrial destruction than the United States could inflict on the Soviets in a nuclear war."

4. "Defending against damage from small attacks or accidental launches."

These four criteria have been explained further, including the fact that the deterrence is for the benefit of U.S. allies as well as the U.S.

The publication of the sufficiency criteria at least moved the public debate off the misleading view that U.S. policies and forces only envisioned massive retaliation against cities, but beyond that there is little new in the criteria. This is partly because they were never clearly explained; accordingly they remained more Delphic than definitive.

The first criterion is simply a basic statement of the assured-destruction concept. The third is a result of the assured-destruction assumption at meaningful levels of destruction; beyond the ability of either side to inflict 75 million fatalities and between

50 and 75 percent industrial damage—levels that would finish either country as a viable society—relative differences in the ability to inflict urban or industrial damage seem insignificant. Besides, much higher levels of destruction can only be achieved with considerable difficulty, since either country soon reaches a point of rapidly diminishing returns in terms of urban or industrial destruction per additional warhead.

The fourth criterion was clearly justification for the Safeguard ABM system. Without getting into the debate over such issues as whether or not the advantages of damage limitation against small attacks or accidental launches outweighs the disadvantage of the Russians' misinterpreting the purposes of any ABM deployment, suffice it to say that the Administration as early as May, 1971, was committed to insignificant ABM levels in the ongoing Strategic Arms Limitation Talks (SALT). The fourth criterion thus became "inoperative."

That leaves the second criterion. It clearly enunciates a desirable objective in strategic policy: to avoid strategic forces or actions that would be destabilizing in a crisis. Although this objective was not explicit before, it was inherent in the assured-destruction objective of providing highly survivable forces that would thereby reduce the incentive for a first strike. The second sufficiency criterion fails to delineate what more, if anything, was needed.

The criteria are silent about the kinds of option other than assured destruction that the President was so concerned about. Moreover, should the U.S. react to protect its allies (still undefined) in the same way that it would to protect its own territory? And what are U.S. strategic objectives with regard to China? In short, except for the flirtation with the ABM possibility, the sufficiency criteria only hinted at new strategic policies rather than establishing them.

Instead of trying to amend the sufficiency criteria, the Administration decided about a year ago simply to scrap them and to start anew in redefining strategic policies. This time Secretary Schlesinger has been the principal spokesman. After some of his press conferences late in 1973 and early in 1974 led to confusion among journalists and other observers as to what the new policies encompassed, the appearance of Schlesinger's annual report in March clarified the issues considerably. At one place in that report the "Principal Features of the Proposed Posture" (a posture Schlesinger clearly likes to refer to as "essential equivalence") are listed:

1. "a capability sufficiently large, diversified, and survivable so that it will provide us at all times with high confidence of riding out even a massive surprise attack and of penetrating enemy defenses, and with the ability to withhold an assured destruction reserve for an extended period of time."

2. "sufficient warning to ensure the survival of our heavy bombers together with the bomb alarm systems and command-control capabilities required by our National Command Authorities to direct the employment of the strategic forces in a controlled, selective, and restrained fashion."

3. "the forces to execute a wide range of options in response to potential actions by an enemy, including a capability for precise attacks on both soft and hard targets, while at the same time minimizing unintended collateral damage."

4. "the avoidance of any combination of forces that could be taken as an effort to acquire the ability to execute a first-strike disarming attack against the USSR."

5. "an offensive capability of such size and composition that all will perceive it as in overall balance with the strategic forces of any potential opponent."

6. "offensive and defensive capabilities and programs that conform with the provisions of current arms control agreements and at the same time facilitate the conclusion of more permanent treaties to control and, if possible, reduce the main nuclear arsenals."

These factors plus the accompanying text in the report provide the best available insight into the proposed new policies. The first factor, combined with the second's requirement of bomber survivability, constitutes essentially a restatement of the assured-destruction concept. It needs no further elaboration here except to note that assured destruction does not require immediate response; indeed, the emphasis on a "second strike" capability and on the survivability of U.S. forces reflects the goal of having time in which to consider what the appropriate response should be.

Skipping briefly to the fourth, fifth and sixth factors, they raise a host of diverse issues—touching on all offensive and defensive strategic programs. There is not sufficient space to treat them comprehensively here; instead the focus will be on their impact on the Administration's concepts of strategic flexibility and limited nuclear war.

The third factor and the balance of the second address the questions of flexibility and limited strategic war directly. The underlying questions can best be summarized as follows: (1) Should the U.S. have a number of response options? (2) Should the U.S. develop missiles with improved counterforce capabilities? (3) Should the U.S. actively promote the idea of improving counterforce capabilities for fighting, if necessary, a limited nuclear war? Since the first question is essentially noncontroversial, the remaining two define the immediate issues.

Schlesinger reports that most of the targeting options in the past have involved "relatively massive responses." He wants to provide the President with a "wider set of much more selective targeting options." There is general agreement among strategic analysts that the U.S. should have a variety of response options other than massive retaliation against cities. These options could be useful, for example, in deterring a limited strategic attack. As Paul C. Warnke, a former Assistant Secretary of Defense, has put it: "There can . . . be little objection to the concept that our targeting plans should be sufficiently flexible to provide the President with a variety of options in the event of a nuclear attack." Warnke believes "we might be better positioned to deter a less than all-out Soviet attack if we have the refinement of command and control to push only one or a few buttons rather than the entire console . . . to respond with less than our Sunday punch."

This broad consensus includes those options that draw on the capabilities of present forces and those already well along in development. As we have seen, our present forces already have the accuracy-yield combinations to be used effectively to destroy almost anything except hard targets. Even against such hard targets as ICBM silos these forces could destroy large numbers of targets, but they would not do it "efficiently."

Schlesinger makes it clear, however, that he wants more than flexibility, that he wants counterforce options that require new or improved weapons. The incremental options are ones "minimizing unintended collateral damage" and providing a hard-target kill capability that "matches" that of the Russians. To be able to achieve these options Schlesinger seeks programs to develop missiles with improved counterforce capabilities.

The proposed defense budget for the fiscal year 1975 includes a number of such programs. The programs appear to fall into two categories.

First, there are the short-term programs, the ones that involve relatively minor changes and for which initial deployment might easily begin by the late 1970's. The major programs in this category include procurement of more Minuteman III missiles; refinement of the existing guidance system of the Minuteman III to increase accuracy (probably from 1,500 feet down to 700 feet or less); a higher-yield warhead for the Minuteman III identical in configuration with the existing warhead, and a general program to improve and measure the accuracy of SLBM's. The proposed budget also includes funds to flight-test a Minuteman III with a larger number of smaller reentry vehicles. Whether this program will increase counterforce capabiltes or not depends on the accuracy and yield of the new warheads.

Second, there are two major long-term programs. Both will require considerable development time, and initial deployment would seem unlikely before 1980. Advanced development will be initiated for a terminally guided "maneuverable reentry vehicle" (MARV) for possible "retrofit" into both ICBM's and SLBM's. Although a MARV warhead has been programmed for some time for the advanced Trident I SLBM, it is not to be terminally guided, being designed for evasion of ABM interceptors rather than for improved accuracy. A new terminally guided MARV, however, will presumably have an accuracy of a few hundred feet. This would give even warheads the size of the Poseidon's a very effective hard-target kill capability.

Further research and development is needed to decide exactly how the new MARV will work. By definition, after the MARV has separated from the "bus," or postboost vehicle, that holds all a missile's warheads, it can maneuver almost up to impact in order to correct its flight path. The corrections could be accomplished in two ways. The most likely development is the homing MARV, what some call the true MARV. A sensor in the warhead would acquire an image or images of the target or of prominent terrain features nearby (or perhaps would simply acquire an "altitude profile" of the terrain along its flight path). An on-board matching device would match this information with a map stored in its memory. The warhead's flight path would then be corrected either by gas jets or by aerodynamic vanes.

An alternative approach is to use an inertial guidance system in the warhead as well as in the bus. Since the reentry vehicle often separates from the bus early in its flight, an on-board guidance system would allow much later changes in trajectory. The information on position would come, however, from the system's gyroscopes, from stars or even from satellites and not from the target area itself. As a result this approach in theory would probably not be as accurate as the homing approach.

The second long-term program is the development of an entirely new ICBM for the 1980's. This missile, which may even be an air-mobile missile, would include a new guidance system (presumably a terminally guided MARV), which Schlesinger says would give it "a very good capability against hard targets."

How reasonable or necessary is it to develop missiles with improved counterforce capabilities in order to minimize collateral damage or to match the Russians' hard-target kill capability?

It is particularly difficult to understand how these missiles will minimize collateral damage. The warheads Secretary Schlesinger is proposing will probably have at least the yield of the present Minuteman III and Poseidon warheads. Such warheads would cause extensive damage over a wide area. For example, a "small" 100-kiloton bomb exploding in the air over a target would cause substantial fatalities and damage from immediate effects alone over a circle with a radius of 2.5 miles. Since the possible improvement in accuracy for the Minuteman, for example, is at most about 1,000 feet even in the long run, the number of civilian fatalities will hardly be reduced significantly if a warhead at least three to 11 times the size of the Hiroshima bomb lands a few hundred feet closer to the intended target.

A substantially smaller warhead that still provides an improved hard-target kill capability is unlikely to be ready for deployment until the 1980's, since a very accurate terminally guided MARV is needed to allow a significant "trade-off" between lower yield and higher accuracy. Furthermore, the value of much smaller warheads in saving lives must be put in perspective.

First, the way to minimize fatalities, if nuclear weapons must be used, is careful target selection, in other words aiming at targets distant from urban centers. Air-defense sites or air bases in the Arctic and isolated army posts or industrial sites are good examples. For a very limited exchange the differences in fatality levels from an attack on such targets with warheads of, say, 50 kilotons as against five kilotons would not be significant.

Second, if there is a large-scale nuclear exchange, then there simply is no way of keeping civilian damage at a low level. The effects not only of immediate blast but also of radioactivtiy would kill millions.

Third, in an actual nuclear exchange the successful continuation of a U.S. policy aimed at miniminzing civilian casualties depends in large part on what the Russians do, and the Russians have never seemed much attracted to this objective. Their strategic warheads have always been large. Even though they necessarily reduced the size of individual warheads on their ICBM's in order to deploy MIRV's on them, some if not all of the warheads are still in the megaton range.

Schlesinger's main justification for the new counterforce programs is that the U.S. to match that of the U.S.S.R. This seems a questionable refinement of the broader theme of "essential equivalence." Schlesinger has on occasion defined essential equivalance to suggest overall balance. For example, he recently testified: "We do not have to have a match for everything in their arsenal. They do not have to have a match for everything in our arsenal."

Whether or not such an overall balance exists today and for the foreseeable future is a question that deserves public debate; a good case can be made for the affirmative. Most important, both the U.S. and the U.S.S.R. have a high-confidence ability to carry out a wide variety of retaliatory options. In terms of static indicators the Russians do have more missiles and greater missile "throw weight." The U.S., however, has more bombers, more warheads (now and for the rest of the decade) and about equal throw weight (if bombers are included in the calculations). In terms of qualitative factors U.S. missile submarines are much quieter and hence harder to find than the Russian ones, and U.S. bombers are more modern. Finally, to maintain or even enhance some of its capabilities, the U.S. already has a number of strategic programs well along: the conversion of older missiles to larger Minuteman III and Poseidon missiles, the B–1 bomber and the Trident submarine with its advanced missiles.

Schlesinger, however, avoids the complex question of whether the general U.S.-U.S.S.R. strategic picture is one of overall balance—of essential equivalence. Rather, he selectively focuses on relative counterforce capabilities against ICBM silos (Selective vision is not exactly a new tactic in military analysis. The "missile gap" of 1960 is a classic case; the heated debate over the number of U.S. ICBM's compared with the number of Russian ICBM's ignored the massive U.S. bomber force. Schlesinger's selective vision is even blurred within its own field. Although the Russians are clearly developing new missiles and MIRV's, they apparently have not pursued the accuracy aspect of a counterforce strategy with much zeal. As General George S. Brown, the chief of staff of the Air Force, recently remarked about the new Russian programs, "MIRVing alone won't [take out the Minuteman force]. Accuracy is the other key element and we haven't seen evidence of accuracy improvement in their work which we would expect to see."

Is there some reason why the U.S. and the U.S.S.R. should have essential equivalence in the capability to destroy missile silos? The arguments against this course of action seem persuasive. There is no benefit in terms of traditional strategic analysis in being able to kill efficiently very large numbers of the other side's silos. As we have established, the U.S. can already destroy some silos, although at a cost of a few U.S. missiles each. Inefficient, limited destruction of silos should suffice for the war scenarios that some envision, in which the U.S. feels it necessary to destroy silos as a way of showing its "resolve." Killing many more silos would not minimize damage to the U.S.; everyone agrees that the U.S. cannot expect to destroy a large enough fraction of the silos or other strategic offensive forces of the U.S.S.R. to limit damage to this country in any meaningful way.

Finally a critical assumption underlying the preceding discussion is that the silos will have missiles in them when they are destroyed. In fact, the flight time of a Minuteman missile to the Russian missile fields is about 30 minutes. If the Russians were to deploy early-warning satellites, they could detect almost instantaneously the launch of U.S. missiles, which means that the U.S.S.R. could probably have the option of launching many, if not all, of its missiles before the U.S. warheads arrived. Using U.S. warheads against empty silos in empty fields seems a particularly questionable policy.

The full cost of these new programs is unclear. Much depends on the size of the deployments and the extensiveness of the modifications. A useful benchmark is the Minuteman III program; the conversion of 550 older Minuteman missiles into Minuteman III's will cost between $5 billion and $6 billion. Although the costs of some of the new counterforce programs might be comparatively small, the total cost of all the new programs would greatly exceed the Minuteman III costs.

Added to the questions about the analytical reason for the new counterforce programs and the inevitable costs must be the distinct possibility that these programs will be destabilizing and will make arms limitations more difficult to negotiate.

Assuming a crisis situation, a substantial U.S. counterforce capability against Russian ICBM's is more likely to create an incentive for the U.S.S.R. to adopt a hair-trigger, launch-on-warning posture; the Russian leadership would fear that the U.S. might attack first in an attempt to limit damage to itself. These fears would make it even more likely for the U.S.S.R. to attack first in a crisis in order to destroy some of the U.S. ICBM's that had become more tempting targets as a result of the new U.S. counterforce programs.

Schlesinger deplores this instability (as in his fourth feature, cited above, of the new posture), but he and other high officials say that the new U.S. programs are not extensive enough to create such Russian fears. The conceivable accuracy and yield improvements on 1,000 Minuteman missiles, however, even without the terminally guided MARV, could give the U.S. the capability, on paper at least, of destroying between 80 and 90 percent of the Russian ICBM force. The deployment of the MARV or the use of improved SLBM's against the Russian missiles would push that percentage even higher.

The Russian leadership, moreover, might be more conservative than the U.S. leadership in assessing Russian strengths and weaknesses. This conservatism would be based at least partly on the fact that, unlike the balanced reliance in the U.S. on all three elements of the strategic triad, in the U.S.S.R. ICBM's are the primary component of the strategic offensive forces. The U.S.S.R. is allowed up to 1,618 ICBM's under the SALT I Interim Agreement (compared with 1,054 for the U.S.), and the Russians are actively developing four new ICBM's. Moreover, these missiles are under the command of the Strategic Rocket Forces, which since it was created in about 1960 has been one of the most important branches, if not the most important one, of the Russian military. Unlike the U.S. Air Force, which has responsibility not only for ICBM's but also for bombers and many tactical forces, the primary responsibility of the Strategic Rocket Forces is the Russian ICBM force; consequently this organization has every incentive to enhance its role in strategic planning. The Long Range Aviation command, which has responsibility for the Russian bombers, has never had the bureaucratic strength of the Strategic Rocket Forces, and the Russian navy has responsibility for a number of other forces besides missile submarines.

The strategic-planning emphases of the U.S. and the U.S.S.R. differ particularly on the subject of bombers. At present the U.S. has more than 450 intercontinental bombers, about a fourth of which are kept on "ready alert" at a large number of air bases (so that they can avoid being destroyed even in case of surprise attack). The Russians have about 140 long-range bombers. These are qualitatively inferior even to the B–36 bombers deployed by the U.S. in the 1950's, are not kept at as high readiness and are located at just a few air bases. Although a new Russian bomber (named the Backfire by the Pentagon) is just beginning production, it seems primarily intended for targets on the periphery of the U.S.S.R. In any case it is not certain how many Backfires will be built, and the plane appears to lack the critical range and low-altitude capabilities of the B–52's.

As for SLBM's, the U.S.S.R. is building new missile submarines and is allowed more boats and SLBM's than the U.S. under the terms of the SALT agreements. In contrast to the active U.S. MIRV programs for both ICBM's and SLBM's and the new Russian MIRV programs for ICBM's, however, the Russians have not begun testing multiple warheads on their new SLBM. The U.S.S.R., moreover, usually keeps only five or six missile submarines on patrol at any one time, compared with 40 percent of the 41 U.S. boats. In sum, the U.S.S.R. does not seem to give missile submarines the same priority in strategic planning as the U.S.

Schlesinger essentially hinges his denial that first-strike fears by the U.S.S.R. would be enhanced by the planned U.S. improvement in its capabilities against ICBM's on the relative invulnerability of the Russian missile submarines. Compared with the U.S. missile submarines, however, the Russian boats are noisier—an important qualitative disadvantage—and must operate in ocean areas where it is easier for the U.S. to locate and detect them. In addition the U.S. has under way a large, aggressive antisubmarine-warfare program for tactical and strategic uses. It has been reliably estimated that U.S. expenditures in the fiscal year 1972 for antisubmarine warfare were $2.5 billion and that by 1974 they would rise to more than $4 billion. The Russian leaders might well fear, at some future crisis point, that the U.S. had developed a significant antisubmarine-warfare capability, making Schlesinger's suggested ultimate reliance on their missile submarines less than completely reassuring.

One "crisis scenario" that is often concocted to show the danger of the growing Russian counterforce capability against Minuteman and to justify developing improved U.S. counterforce capabilities is an attack or threat of attack by the U.S.S.R. against U.S. ICBM's. The scenario envisions the following chain of events: (1) a real or threatened Russian attack against Minuteman; (2) a realization by the U.S. leadership that it is left or will be left with no more than a capacity to attack Russian cities; (3) major concessions or even surrender by the U.S.

This scenario has an obviously fantastic quality. Even if the internal logic of the scenario were accepted, it still does not justify improving U.S. counterforce capabilities. It does not matter whether the U.S. missiles destroyed are highly accurate or not. What matters is what other U.S. forces can do if these missiles are destroyed. Indeed, as we have seen, by presenting an increased threat to the U.S.S.R., U.S. development of highly accurate missiles might actually make the Russians more likely to attack, thus making the scenario less implausible.

More important, the underlying logic of the scenario is simply wrong, as should be evident to both the U.S. and the Russian leadership. First, the Russians would have to consider that Minuteman might be launched against Russian targets in the 30-minute warning time between the launch of the Russian ICBM's and their arrival at the Minuteman silos. Second, even if a surprised or reasonably cautious U.S. leadership did not launch on warning, a few Minutemen would survive even the most careful attack. Also surviving would be at least the bombers on alert and most if not all of the U.S. missile submarines in the water. (If the attack occurred after an initial crisis period, more bombers than usual would be on alert and more submarines would be in the water.) These combined forces would provide the U.S. with the capacity to carry out a number of limited strikes while still retaining an assured-destruction hedge.

Finally, some U.S. retaliation would seem very likely to the Russian leadership since tens of millions of Americans would be killed in any "Minuteman only" attack. In attacks against silos the bombs are set to explode as close to the ground as possible, thereby picking up much dirt and debris. The fallout from the explosion of thousands of megatons of nuclear weapons over the Minuteman fields would be tremendous, and winds would carry the lethal contamination over many major U.S. cities. Such calculations of fallout do not even include the possibility of a few Russion warheads going off course and directly hitting populated areas, nor the collateral damage by Russian attacks against other targets, such as bomber bases, many of which are near cities.

Even not assuming a crisis, the consequence of these new U.S. counterforce developments might be to push the U.S.S.R. toward accelerating or expanding programs, or starting new ones. The arms race is not as mechanically "action-reaction" as some have suggested, but a substantial new U.S. capability against the primary strategic offensive force of the U.S.S.R. will surely fuel justifications within the Russian bureaucracy for some kind of reaction. This should be particularly true when U.S. antisubmarine-warfare programs, noted above, are also considered.

If the U.S. counterforce programs are allowed to continue beyond the rhetoric of announcing them, these programs would operate to undercut any progress at SALT. Of course, if announcing these programs is just a short-term ploy designed to strengthen the U.S. bargaining position for the impending SALT II agreements, then little real harm will result. There is no evidence, however, that top Administration officials intend to turn these programs off quickly. And even if there are such intentions, new weapons programs tend to gain a momentum of their own once they are announced. High-level officials become publicly committed to rationales for them, rationales that include more than the systems' just being "bargaining chips." Bureaucracies are created with a vested interest in the continuation and expansion of these programs. Moreover, improvements in accuracy and yield would be particularly difficult to limit explicitly in SALT, making it harder to rationalize publicly any subsequent termination of the program.

Accuracy improvements are generally accepted as being among the most difficult weapons characteristics to limit in an arms-control agreement, because of problems of both definition and verification. Drafting a workable, direct limit on accuracy seems impossible, since the counterforce potential of a warhead depends on the accuracy-yield combination. Moreover, a simple numerical limit on accuracy would not be verifiable. A photograph of a silo or even the missile gives little clue to the kind of small but important differences in accuracy that are being considered here. Closer examination through on-site inspection, even if such inspection could be negotiated, would be insufficient. On-site inspection could indicate whether the warhead was a terminally guided MARV, but this would not establish any particular accuracy. Moreover, on-site inspection includes a heroic assumption that the latest warheads are on the missile and not stored nearby in an area excluded from the on-site inspection provisions.

Surveillance of Russian missile-testing may give some indication of accuracy. The indication, however, is indirect and not conclusive. Test data tells one about the ballistic coefficient (or pointedness) of the warhead, its reentry speed and similar information, all of which helps in estimating accuracy. An outside observer, however, can never be sure what the actual target is. Similarly, course corrections by the warhead would indicate a maneuvering capability but not necessarily terminal guidance or particularly high accuracies.

An indirect way to limit or impede accuracy improvements through SALT would be by placing a strict limit on the number of missile tests. This would make it more difficult to develop advanced guidance techniques and to test them often enough so that the military would have confidence in them. The low limits necessary seem nonnegotiable, however, since they represent a direct challenge to all new strategic programs. Even without accuracy improvements the Pentagon will want to do extensive research and development and operational testing of the new Trident missile and further operational testing of the Minuteman and Poseidon missiles. Similarly, the Russians will want to flight-test extensively their four new ICBM's and their new SLBM as well as their existing arsenal of missiles.

Limits in SALT on the yield of warheads might be more possible, but they would be of uncertain significance. The two sides could limit yield by an agreement that warheads not be larger than a given yield or a given weight. The effect of any such limitation could be circumvented, however, by increasing the number of warheads and by increasing their accuracy. Moreover, it would be difficult to verify the exact yield of a warhead. Even elaborate on-site inspection would not ensure that "advanced" warheads were not hidden nearby. Surveillance of flight tests only gives an estimate of the size of the warhead, and yield per pound of warhead can be varied by warhead design and the richness of the nuclear "fuel" used.

In short, the practical difficulties of fashioning limitations in SALT on the type of counterforce improvements now planned by the U.S. make such limitations unlikely and will instead presumably create strong pressures in the U.S.S.R. to expand old programs or to start new ones that either match or compensate for the U.S. programs. This in turn can only work against other limitations on strategic arms.

Allied concerns about the credibility of the U.S. deterrent are another reason offered for developing missiles with improved counterforce capabilities. Occasionally a specific scenario—a Russian attack in central Europe—is given as a justification for such improvements. Neither the scenario nor the more general invocation of allied claims is persuasive.

The European scenario supposedly demonstrates that the U.S. needs the ability to respond with nuclear weapons in order to show its resolve and to destroy some of the attacking Russian forces. There are, however, already sizable U.S. forces in Europe that could accomplish both of those objectives. Even if the U.S. decided to employ strategic weapons, existing U.S. forces could carry out a wide variety of selective attacks.

As for the broader claims of allied concerns, Morton Halperin, an authority on nuclear strategy, has remarked: "The credibility of the U.S. deterrent to an Ally is primarily a result of the overall U.S.-Ally relationship, which includes economic and political considerations as well as military. To the extent that Allied leaders evaluate U.S. military capabilities, they look especially to the U.S. conventional and nuclear forces in that particular theater of operations. Fine distinctions in the U.S.-Soviet strategic balance or in U.S. strategic policy are unimportant to Allied leaders. Among those Allied analysts who care, opinion is probably split between those who *favor* the U.S. possessing an efficient silo-kill capability and those who do not."

Among the European strategic analysts who oppose such deployments is Ian Smart, formerly assistant director of the London-based International Institute of Strategic Studies. Smart writes: "Producing and deploying much more accurate strategic missiles . . . is to be regretted and even feared since . . . it can only reduce the stability of the strategic balance in any period of acute tension." At least part of this European concern can be attributed to the fact that, in a strategic exchange, the industrialized European countries are very likely targets—if only because of the U.S. forces deployed in or near those countries.

Finally, even assuming that the allies (or even the American people) accord considerable political significance to fine distinctions in the "strategic balance," Schlesinger's proposed counterface improvements are not very helpful politics. The supposedly important distinctions are usually visible ones such as the number of delivery vehicles, the number of warheads or the throw weight. Schlesinger's accuracy and yield improvements do not affect these indicators, except possibly in the counterproductive way of reducting the number of warheads in order to allow larger ones.

On balance, then, there seem to be strong arguments against developing missiles with improved counterforce capabilities. Collateral damage can best be minimized by shifting targets, not improving accuracies by a few hundred feet. The ability to destroy efficiently large numbers of missile silos in order to "match the Russians" seems not only unnecessary and expensive but also destabilizing. SALT might well be undercut and the supposed concerns of our allies about the U.S. deterrent are not answered by such programs.

As one gets caught up in considering nuclear-war scenarios and nuclear-weapons capabilities there is a dangerous tendency to forget that the primary objective of nuclear strategy is to avoid nuclear wars, not to fight them.

Given the destructive power of nuclear weapons and the world's lack of experience in using them, crossing the "nuclear threshold" would be a profoundly destabilizing event. It is a delusion to believe one country could employ nuclear weapons, even on a limited scale, and have a high degree of confidence that the response by another nuclear power would be predictable and proportionate. The particular first use might be estimated by the opposing country's observers to be greater than it actually was, or the use might have created more damage than expected (for example through greater-than-expected fallout). The opposing country might not have readily available weapons of the same yield or similar targeting options and decide to escalate. The political reaction in the opposing country might lead to escalation. In short, the possible causes for matters getting out of hand are endless.

To make deterrence work, a country must carefully consider its public attitude toward nuclear war and cautiously select its retaliatory options. This does not mean that the U.S. should have only the single strategic option of massive retaliation against cities. This country already has ample capabilities for lesser options, and it seems appropriate to have the flexibility, at a minimum, for possible responses to accidental or limited launches.

The Nixon Administration, however, is going beyond this. It is seeking the additional capability to attack efficiently large numbers of Russian missile silos. Not only might this counterforce option be destabilizing in itself but also the Administration's promotion of the option and its general public advocacy of a counterforce strategy might have a pervasive, if subtle, tendency to reduce the inhibitions against the use of nuclear weapons—in effect, to lower the "nuclear threshold." New bureaucracies, with vested interests in the hardware and rationales of a counterforce strategy, are created. In trying to gain public approval of new policies and programs, leaders find themselves taking more simplistic positions than the uncertainty of nuclear warfare warrants. In this climate some of the risks of nuclear war are downplayed. Unrealistically precise calculations suggest that limited nuclear war can be kept limited and even result in positive gains.

There are some disturbing parallels here to the vogue of limited conventional war in the early 1960's. In pushing for changes in conventional strategy and new procurement, advocates of limited conventional war ignored some of the pitfalls and costs of such a strategy. The searing national experience of the war in Vietnam was needed to demonstrate these oversights.

Exactly where the line should be drawn on "selective targeting options" is not at all clear. It seems most inadvisable, however, to take the gamble of developing missiles with improved counterforce capabilities, whether this is to match a specific Russian capability or for any other reason.

Opponents of U.S. counterforce improvements, nonetheless, must recognize certain practical limits to their arguments. Even if Congress declines to fund the new and accelerated development programs Schlesinger is proposing, continued U.S. testing of strategic missiles and various researchand-development efforts already under way inevitably will lead to some improvements in missile accuracy. (As Schlesinger has pointed out, some refinements in existing guidance systems will occur almost as a matter of course—through better software programs, greater purity in rocket fuel, better measurement of the earth's gravitational field and numerous other factors. The development of a terminally guided MARV, something further beyond the state of the art, requires more of a conscious bureaucratic decision to proceed.) Besides U.S. advances, moreover, Russian counterforce improvements are likely to continue, raising serious questions about Russian intentions.

Faced with these likely developments, the solution is still not to follow the Schlesinger approach. Rather, the solution should be to seek actively to negotiate for limits on MIRV's and for the reduction of vulnerable strategic forces.

Limits on MIRV's would be designed to slow the perceived threat to U.S. ICBM's, a Russian threat that many consider destabilizing. In return for the U.S. slowing certain of its strategic programs, for example, the U.S.S.R. might agree to limits on the deployment of the SSX–18, the "follow on" missile to the large SS–9. This would push at least a few years further into the future the time when analysts would estimate that only a particular level of Minuteman could survive a Russian counterforce attack.

Negotiating missile reductions represents another approach: to limit not only the threatening forces but also the threatened ones. This approach would essentially mean bilateral reductions in ICBM's, presumably in a way that would retire the more threatening ICBM's, so that the remaining ICBM's would be less vulnerable. Some asymmetrical reductions might also be considered. For instance, the U.S. could reduce its ICBM's, whereas the U.S.S.R. (having less to fear in the short run about the vulnerability of its ICBM's) could reduce some ICBM's plus other forces.

Reductions in the land-based missiles of both sides would reduce the importance of this strategic strike force. It would thereby undercut the rationale for an expensive contest of matching counterforce improvements. More important, it would reduce the greatest potential source of instability in a crisis. Both countries would have less incentive to adopt an unstable, launch-on-warning posture or to launch an attack out of fear of a preemptive strike.

The reductions approach has received support recently from such diverse sources as the Federation of American Scientists and Fred C. Iklé, director of the Arms Control and Disarmament Agency. It was even accorded the status of a possibility in Schlesinger's recent annual report.

Rather than focusing on how to match the U.S.S.R. in a particular capability when such matching does not bode well for either country, the strategic debate in the U.S. in the coming months should focus on MIRV limits, force reductions and other measures designed to minimize the chances of nuclear war and to decelerate the arms race.

[From the F.A.S. Public Interest Report, February 1974]

COUNTERFORCE 10 YEARS LATER: PLUS CA CHANGE

On January 10, 1974, Secretary of Defense Schlesinger revealed a quiet change in U.S. central war strategy. (See box, page 3). He announced that, several months before, he had begun the process of improving the accuracy of U.S. missiles, that we were now targeting Soviet military targets, and that we were preparing to fight less than all-out nuclear wars. This was a fundamental and far-reaching decision reversing a position which had previously been debated for more than a decade under the heading of "deterrence" versus "counterforce".

Several questions arise. First, why was the decision taken in secret when it is of such importance, and when it seems to contradict policy statements made by President Nixon, Senator John Stennis and others, only a few years ago.

Second, the decision is partly justified on grounds involving the SALT Agreements limiting missile numbers, but the decision is clearly *not* to be negotiable at SALT.

Third, will the decision encourage limited nuclear war both by acknowledging that we are prepared to fight a controlled nuclear war if initiated by the other side, and by making our own preparations for initiating one? Thus, will the decision enhance or undermine U.S. safety?

Fourth, will the decision make future SALT agreements more or less difficult? In what direction is the arms race now heading?

COUNTERFORCE VERSUS DETERRENCE

In the early fifties, the United States thought of nuclear war as a prolonged (sixty day) campaign of exhaustion. Both cities and military targets were to be devastated. Later, the United States gradually realized that its preponderance of strategic weapons should be aimed initially at the time-urgent targets that could retaliate against us—a counterforce strategy evolved. Still later, during the missile gap period, the United States was preoccupied with defending itself against counterforce threat-possibilities to its bombers, threats that never materialized.

But by 1962, it was evident that the United States would have far more missiles than the Soviet Union for several years—and more missiles than were necessary to strike Soviet cities. The excess of missiles had been purchased for esentially political reasons—Secretary McNamara did not feel that he could come into Congress with a request for fewer than 1,000 although it was conceded, inside the Administration, that 400 would do for military reasons. (By 1965, the United States had a four-to-one lead over the Russians at about 1,000 to 250, in land-based missiles). In 1962, Secretary McNamara said, in a famous speech at Ann Arbor:

"The U.S. has come to the conclusion that to the extent feasible, basic military strategy in a possible general nuclear war should be approached in much the same way that more conventional military operations have been regarded in the past. That is to say, principal military objectives, in the event of a nuclear war stemming from a major attack on the Alliance, should be the destruction of the enemy's military forces, not of his civilian population".

The rationale for this decision was not particularly strong. If we were not going to strike first, it was asked, would we not be aiming at only empty holes? DOD said the Soviets might have a "reload capacity". In fact, DOD was assuming, as usual, that the war would begin in Europe with a Soviet aggressive act and that the United States might well strike first on the nuclear level. Underlying the arguments and the rhetoric was an excess of missiles for which there simply were not enough civilian targets. Supply produced its own demand.

As the Soviet Union built submarines, Secretary McNamara moved away from this pronouncement. His rhetoric became that of "deterrence" rather than "counterforce". Undoubtedly, U.S. missiles remained targeted upon Soviet missiles. But the Soviet missile force was growing beyond the ability of the U.S. force to keep up—at least on a missile for missile basis. In the sixties, counterforce became a generally discredited term.

In the research institutes, however, there was a solution: MIRV. It could make each missile count for several. Thus it could make possible a continued economical effort to target many Soviet missiles. Secretary McNamara would not purchase MIRV for this (counterforce) purpose. But he would, and did, buy it to overwhelm any possible Soviet ABM. In this regard, it was the perfect penetration aid, requiring that each "decoy" be destroyed because each was a warhead.

This kept MIRV alive. And much was said about it being defensive only. It was argued that the small (2–10 times Hiroshima) size precluded use against enemy missile silos only. For President Nixon's assertions in this regard, see box above.

In fact, however, it was considered inevitable among the more sophisticated observers that the Defense Department could not be prevented from putting high accuracy on these small warheads. There were too many temptations. At that point, DOD would have a really potent counterforce threat.

We had the potential for 3,000 200-kiloton warheads on our 1,000 Minuteman missiles (three such warheads on each). And we had programmed 5,000 warheads on 31 Polaris submarines (16 missiles with 10 warheads each on each submarine of 50 kilotons each.)

The warheads were relatively small but, in such calculations, accuracy is much more useful than yield. An eightfold diminution in yield (megatonnage, payload capability) can be compensated for by a doubling of accuracy. Thus a giant Soviet missile with 25 megatons and ½ mile accuracy is only as effective as a U.S. one-megaton missile with 1/6th mile accuracy. The United States did indeed lead the Soviet Union in accuracy by a factor of two to three. And these accuracies were getting to the point where even with the smallest programmed Hiroshima-type bombs, hardened missile silos could be threatened.

Furthermore, as with Secretary McNamara, when there are too many warheads to target on civilian targets, what can one do or say to prevent the Defense Department from targeting military targets? And once this is conceded, what can one do to prevent the missile targeting from being done with high accuracy? Thus did cynics argue.

People did try. Senator Edward W. Brooke wrote a long series of letters to President Nixon and Secretary of Defense Laird. The responses were favorable in tone but equivocal read literally. The heart of the often repeated response was:

"We have not developed, and are not developing a weapon system having, or which could reasonably be construed as having, a first strike potential."

In addition, the President denied that he was funding a *specific* program for improving accuracy to which Air Force General Ryan had referred with pleasure and anticipation as providing "hard-target" killers. But this was all. The evident loophole ("reasonably be construed") is now being exploited.

Our own MIRV was first tested in August, 1968. By 1970, it was being deployed. It was evident to the same experienced observers that this deployment meant the beginning of the vulnerability of our own land-based force. The Soviet Union would never be stopped from catching up. On August 17, 1973 when the Soviet Union had finally and belatedly tested a MIRV, *five years late*, Secretary of Defense Schlesinger responded to a question about the chances for MIRV controls by saying:

"I think that the minimal point that one can make is that the Soviets are unwilling not to demonstrate a technology that the Americans have demonstrated. The imagery is something that presumably is not particularly appealing in the Kremlin."

If only we had argued this way in 1968 we might have tried harder to negotiate.

Now that our own MIRV is deployed, and the ABM danger has evaporated in a SALT Agreement precluding ABM, the question naturally and predictably arises in the Defense Department of completing the process—putting on the high accuracy.

The rationale being used is partly foreshadowed and partly new. In the foreshadow part, Secretary Schlesinger argues that the strategic situation is now so stable that a counterforce strategy cannot be considered a "first-strike" potential. After all, the Russians have submarines.

Presumably he does not argue that the Soviet Union will like it. When Secretary McNamara made his speech, Marshall Sokolovskii said "McNamara's statement shows concrete and practical evidence of preparation of a preventive war" (Red Star, July 19, 1962). And when the Defense Department, in 1969, projected similar Soviet capabilities against our land-based force, Secretary Laird said there was no question they were preparing a "first-strike" threat.

Secretary Schlesinger's new argument is based on asserting that the Soviet Union might, in 1980, have a counterforce capability itself if it learns what we know *now*.

"If the Soviets were able to develop these improved technologies presently available to the United States in the forms of guidance, MIRVs, warhead technology, at some point around 1980 or beyond they would be in a position in which they had a major counterforce option against the United States and we would lack a similar option" (January 10, 1973).

He goes on to say that this capability might be used in a novel way. The counterforce option he has in mind is selective, or reasonably all-out, attacks on U.S. land military targets notwithstanding the existence of a secure sea-based force. In effect, he fears that the increasingly stable nuclear balance might permit limited strategic attacks that avoided cities. The U.S. might then be faced with an ultimatum to avoid retaliation lest the Soviet attacks further escalate to cities. Presumably, the Soviet purpose would be a show of force.

These limited attack possibilities are not only feared by Secretary Schlesinger. They are also *welcomed*, as a way of solving a strategic dilemma in Europe. In arguing for flexibility before the Senate Armed Services Committee on June 18, 1973, Secretary Schlesinger said, in support of the plausibility of such attacks,

". . . or to take another example, the United States' pledge to come to the aid of the NATO alliance, which would mean that we would be forced if we had to rely exclusively on the assured destruction options, to destroy Soviet cities and in consequence of this have destruction of American cities". He would prefer limited strategic attacks instead. Indeed, such demonstration attacks on a very limited basis—are said to be programmed already in the event of war in Europe.

It seems evident that these apocalyptic considerations are sufficiently important and interesting to the body politic that they should have had much greater airing. As late as two years ago, Senator John Stennis, Chairman of the Armed Services Committee, was arguing in support of the Defense Department against putting high accuracy on our MIRVed warheads:

"DOD AND SENATOR STENNIS OPPOSED COUNTERFORCE IN 1971

"On October 5, 1971, Senator James L. Buckley (Conservative—Republican, N.Y.) proposed amendment No. 448 to the Military Procurement Authorization and asked that "not less than $12,000,000 shall be available only for the purpose of carrying out work in connection with providing counterforce capability for the Minuteman III system."

"Scattered excerpts from the debate follow:

"Senator Buckley: The amendments I have offered will not provide us with a first-strike capability for two reasons.

"First of all, these are designed only to modify the warheads within existing missiles. We simply do not have enough missiles to mount enough warheads. For a first-strike effort, with the improved accuracy, we should need in excess of 12,000 warheads if we were ever to try a first strike against the Soviet Union . . . [Editor's note: 8,000 are now programmed on missiles alone].

"Second, it should be kept in mind that there are innumerable situations where flexibility is urgently desired. Let us assume that either from the Soviet Union or from some other country there are indications that they acquired the capability for a first strike capacity. Let us assume that their first strike knocks most or all of our strategic weapons. We would then have our submarine and additional weapons. We would then face the choice of aiming those at the civilian population of the enemy, thereby destroying tens of millions of human beings in the Soviet Union or trying to defend ourselves by directing our missiles at a second strike against the remaining weapons held by the enemy.

"Senator Stennis: The explanation of this amendment includes the word "counterforce". Those familiar with these terms know that essentially means a first-strike capability. We have stayed within the terms of deterrence, deterrence, deterrence. That is what we are talking about at the SALT talks.

* * * * *

"Here is what [the Defense Department says] in their position paper on proposed Amendments No. 448 and 449.

" 'The Defense Department cannot support the proposed amendments. It is the position of the United States to *not* develop a weapon system whose deployment could reasonably be construed by the Soviets as having a first-strike capability. Such a deployment might provide an incentive for the Soviets to strike first.'

* * * * *

"I stand squarely on that ground. It is not often that the Department of Defense comes out against an amendment that would put more money in a bill.

". . . we do not need this type of improvements in payload and guidance now, the type of improvements that are proposed, in order to have the option of attacking military targets other than cities. Our accuracy is already sufficiently good to enable us to attack any kind of target we want, and to avoid collateral damage to cities. The only reason to undertake the type of program the amendment suggests is to be able to destroy enemy missiles in their silos before they are launched. This means a U.S. strike first, unless the adversary should be so stupid as to partially attack us, and leave many of his ICBM's in their silos for us to attack in a second strike." (See pages 35059, 35062, 35064 of Congressional Record, Senate, October 5, 1971).

COUNTERFORCE AND SALT

The counterforce decision is put forward by the Secretary as if it had much to do with SALT—in fact, however, it is non-negotiable. He does emphasize that we cannot permit the other side to have a relatively credible counterforce capability if we lack the same" (January 10). And he emphasizes that the other side might have the capability by 1980 in the form of 7,000 one-megaton warheads. (The U.S. will soon have more than that number of warheads, and, as noted, with the accuracies anticipated these will be quite adequate for target-killing. Indeed, for limited strikes one wants *less* collateral damage; a force of smaller warheads would be better.)

But he notes that the targeting strategy change "has taken place" and that it is "quite distinct" from our SALT position (January 10, 1974 backgrounder). In this sense, the current furor about SALT and the Interim Agreement is an irrelevant smokescreen. Even if the SALT Agreement had provided for forces of quite equal size, the Secretary would presumably have wanted this same targeting doctrine and the same accuracy. Why?

It is true that the Secretary puts great emphasis, as do military men, on the political consequences of letting the other side get more than our side possesses in some dimension of armament. It is assumed in such statements that the side with the most megatonnage might be able to frighten the other. (Why the side with the most warheads or accuracy—our side—might not be able to gain the upper hand is never clear.)

Indeed, no measure is sufficient to make much difference. The fact is, and the literature of "limited strategic attacks" reveals it, that shows of force or resolve in a contest where neither side can disarm the other have to do with psychology rather than with weaponry. If one is "chicken" no amount of additional megatonnage will help. If one is bold, and willing to take risks to coerce the other side, no weapon inferiority need matter as long as a secure retaliatory force is maintained.

These facts are much blurred in the declarations of the Secretary of Defense, which are further tied to SALT negotiating strategy. He notes with repeated emphasis:

"We must maintain essential equivalence between the forces available to the Soviet Union and the forces available to the United States. There should be no question in the minds of the Soviets as we negotiate with them of our willingness to achieve that essential equivalence" (January 10).

Even as SALT strategy, this can be questioned. Why should there be "no doubt"? Might we not, just as well, argue that there should be "no doubt" in Soviet minds that the U.S. was not going to try to keep up with the nuclear Jones mindlessly? Obviously, much turns on the felt political relevance of militarily irrelevant force imbalances. Unfortunately, on-going SALT negotiations tend to exacerbate concern about imbalances that would otherwise be seen to be politically irrelevant as well.

EVOLUTION OF NIXON ADMINISTRATION DOCTRINE

The link between strategic weapons and resolve has long preoccupied this Administration. The link began to be emphasized in the 1970 State of the World Message where the Administration began to take pot-shots at the existing strategic posture. It criticized the theory of "assured destruction" as one which believed:

"Deterrence was guaranteed if we were sure we could destroy a significant percentage of Soviet population and industry after the worst conceivable Soviet attack on our strategic forces".

It suggested that the previous Administration believed that, if this criterion were satisfied, "restraint in the build-up of strategic weapons was indicated regardless of Soviet actions."

The Administration called for "strategic sufficiency" which, despite its name, was designed to require more weapons than "assured destruction" under a somewhat cooler label than the discredited "strategic superiority".

There was not—as there had been in the late fifties—concern that the Soviet Union might be able to disarm us. Significantly, the 1970 State of the World expressed concern about the "Soviet threat to *the sufficiency of our deterrent;* the 1971 statement talked of the possibility that the Soviet Union might seek forces that could destroy *"vital elements* of our retaliatory capability" (italics added).

Indeed, the 1970 statement indicated that the overriding purpose of our strategic posture was *political:* "to deny other countries the ability to impose their will on the United States and its allies under the weight of strategic military superiority".

In both the 1970 and 1971 statements, the Administration emphasized that it must not be "limited to the indiscriminate mass destruction of enemy civilians as the sole possible response to challenge" (1971). (It also mentioned, without much conviction, that "sufficiency also means numbers, characteristics and deployments of our forces which the Soviet Union cannot reasonably interpret as being intended to threaten a disarming attack".)

In 1972, the President re-emphasized what he had said in 1971:

"In its broadest political sense, sufficiency means the maintenance of forces adequate to prevent us and our allies from being coerced. *Thus the relationship between our strategic forces and those of the Soviet Union must be such that our ability and resolve to protect our vital security interests will not be underetsimated*" (italics added).

In short, the Administration had shifted the standard for strategic forces from a measurable strategic goal to a goal that was open-ended, depending ultimately on its own sense of psychological vulnerability. It was concerned that its sense of "resolve not be underestimated". But in a balance of terror, as noted, no amount of additional weapons can be certain of satisfying that criterion. Thus, sufficiency, defined this way, was an open ended invitation to weapons procurement.

In short, the decision to change our central war strategy was really quite independent of SALT. It grew out of the Administration's unwillingness to fall behind by any measure, no matter how militarily irrelevant the measure. It grew out of the double standard with which the Administration strategists cannot help but measure what constitutes "essential equivalence". And it grew out of the excessive number of warheads which we have programmed—an excessive number that forces the Administration to targeting and accuracy decisions for Parkinsonian reasons. The problem is simple: *weapons in search of a target.*

COUNTERFORCE AND THE LIKELIHOOD OF WAR

The United States is now legitimizing the notion of limited strategic attacks. In preparing for the possibility ourselves, and in talking of the fear that the Soviet Union might engage in this possibility, we are improving the prospects for limited nuclear war. This assertion can hardly be doubted. It takes "two to play" controlled war and if the other side is clearly not prepared, one would be foolish to try. By advertising our consciousness of the possibility, we are moving a giant step closer to having the Russians try out the ultimatums that we previously shrugged off as an impossible joke. This is not good.

Furthermore, if we plan limited nuclear attacks and talk about it enough, to this extent, we might try such a strategy. This is a dangerous course. The Russians are less likely than we to have invested in, and to be able to rely upon, the command and control that is necessary to play limited nuclear war. They, more likely than we, would just salvo their weapons or not fire at all. If counterforce targeting means kidding ourselves about these facts, then the security of the United States will be undermined by it.

Finally, the Secretary does not plan to purchase just the forces necessary to strike a few Soviet targets as a show of force: this ability we have already had for many years. He plans to purchase high accuracy and install it on the Minuteman and Poseidon MIRVs. The result will be an enormous boost in the capability of our forces to attack all of Soviet land-based missiles.

DOD thinks that by not specifying exactly what military targets they are planning to aim at, they can confuse the issue. But once higher accuracy is purchased, it will provide enough capability to attack all of the Soviet retaliatory weapons—obviously these will then be the ones aimed at. And high accuracy is needed for nothing else.

SALT AND COUNTERFORCE

The Interim Agreement limits the number of silos in which the two sides can place their missiles. Thus it pins down the targets at which counterforce weapons would be aimed. How long will the two sides be willing to abide by the agreements limiting missile force numbers if these forces become vulnerable?

Growth in missile forces is probably not the answer to their dilemma, of course. New forms of missile deployment would have to be arranged. With each side gaining several thousand target-killing warheads, multiplying the existing forces in number will not seem cost-effective. After all, it is cheaper to buy an attacking new warhead than an entirely new defensive missile.

One answer, of course, is the one FAS provides. Throw away the land-based missiles and they will cease to be aimed at each other, with the benefits described on pages 1 and 2.

It should be noted, however, that this solution will not prevent the targeting of other less important military targets. Nor will it prevent shows of force, limited nuclear war (or limited strategic attacks) or whatever. These could still be carried out by submarine based missiles.

What our solution will provide, however, is a very small difference between the results of striking first and of striking second—in this sense it will increase the stability of the nuclear balance by providing the smallest possible incentive to strike first in a major way.

In the absence of such a solution, there will presumably be land-based missiles in other modes: mobile-based or based in silos under mountains and so on. Nothing could be more ridiculous at this stage of the arms race. But in light of the history summarized in this Report, no arms race procurement possibility can be ruled out as too bizarre.

Rise and Fall of Nuclear Surprise Attack

Consider the decline of the nuclear surprise-attack scenario. It began in the late fifties when exaggerated estimates of Soviet missile production suggested the USSR would have missiles while the U.S. still had only bombers.

Scenario (1958–61): The USSR launches large numbers of missiles at U.S. bombers on their bomber bases, destroying the deterrent.

Problems: The attack is hard to effect because the bomber bases in question were all over the world; to hit them at the same instant meant launching the attacking missiles at different times, thereby providing some warning. Also, U.S. had nuclear weapons in Europe and on carriers. (Especially important, the Soviets did not in fact ever have the missiles on which the attack is premised.)

But, at least, the USSR attack made sense on paper and in concept.

By the mid-sixties the situation was much different. The United States had 1,000 land-based (Minuteman) intercontinental missiles and a fleet of 41 ballistic-missile-firing (Polaris) submarines, with 16 missiles each, more than half on station at any one time. The Soviet attack scenario became at least ten times less plausible. Here it is.

Scenario: (mid to late sixties): The USSR launches missiles attacking not only U.S. bombers but 1,000 U.S. missiles as well. In order to cope with the retaliatory strike from our Polaris submarines, the USSR plans to shoot down hundreds of such missiles with an antiballistic missile system.

Problems: No sane military or civilian planner in any country would rely upon a ballistic missile defense to shoot down hundreds of missiles. For this reason, this attack did not make sense, even on paper. (Further, the Soviet Union did not have a ballistic missile defense. Still further, the Soviet Union did not have the capacity to destroy even the U.S. land-based targets.)

Notice especially, how much harder this is to believe than the earlier scenario. This plan may make conceptual sense but it does not make practical sense.

In recent years the scenario *further* declined:

Surprise Attack Scenario: (1969–71): The Soviets launch large numbers of missiles against our land-based missiles and bombers.

Problem: No solution whatsoever is provided for neutralizing our sea-based deterrent. The scenario is badly incomplete.

Notice that, by this time, the Soviet Union can not even be assumed to have a ballistic missile defense. By 1972, there is even a SALT agreement precluding all but two (strategically irrelevant) missile defense sites. As a result, the surprise attack scenario for this period is simply incomplete—on paper or in concept. In short, by 1970, there was no surprise attack scenario based on current Soviet forces or any proclaimed extrapolation of them!

The result was a new political addition to the scenario:

Surprise Attack Scenario (1973—): The Soviet Union launches large numbers of missiles against U.S. land-based missiles and then issues an ultimatum against U.S. responses with sea-based ballistic missiles.

Problems: The attack on our land-based forces does not significantly change the deterrent situation. Why then would the Soviets risk it?

Our sea-based forces could respond against any Soviet targets they wish, issuing a counter ultimatum—that full scale attacks on U.S. cities would result in a full scale attack on Soviet cities.

Soviet attacks on our land-based forces would inevitably cause widespread fallout and many millions of casualties. No Soviet planner could assume that we would carefully and restrainedly calculate after that. Nor could he be sure that we could distinguish this attack from an all-out attack. Nor could he be sure that we could restrain our sea-based forces with suitable communications once the crisis began for our airborne bombers.

The entire scenario is bizarre—enormous risks for no point. The enemy disarms his land-based missiles in order to disarm our land-based missiles (with the sole advantage that they are disarmed over our territory rather than over his). Each side retains a deterrent as before, based on sea-based missiles.

One can only imagine that the Joint Chiefs have been smoking pot. The most incisive way to see the flaw in this scenario is to imagine that, some months before the attack, the United States had unilaterally dismantled all of its land-based forces. What would be the significance then of this scenario? We would have removed the targets for the attack but would have retained a totally adequate strategic deterrent.

STATUS OF THE FAMOUS FOUR CRITERIA

In 1971, the Administration allowed as it had four secret criteria for determining what strategic forces it needed and how to negotiate. For those who are insufficiently cynical about such things, it is revealing to see how little attention is paid to them.

By 1972 and 1973, these criteria were public. By now they seem to have been all but abandoned. Of course, the first criterion is still with us: "Maintaining an adequate second-strike capability to deter an all-out surprise attack on our strategic forces."

But the fourth criterion "Defending against damage from small attack or accidental launches" was given up when the SALT agreement prohibiting a thin ABM over the entire country was reached.

The third criterion was:

"Preventing the Soviet Union from gaining the ability to cause considerably greater urban/industrial destruction than the United States could inflict on the Soviets in a nuclear war".

Without doubt the destructive capabilities of each side have reached the point where any differences are irrelevant. But the Administration itself signed an Interim agreement at SALT which did provide the Soviet Union with much greater payload capability.

Finally, the last criterion is very much at issue today:

"Providing no incentive for the Soviet Union to strike the United States first in a crisis".

The only method for doing this today is to get rid of land-based missiles. Indeed, destruction of U.S. Minuteman missiles—whether done unilaterally or as part of a bilateral reduction—would dramatically reduce the difference between a U.S. retaliatory blow before or after a Soviet attack. Thus it would precisely fulfill the criterion above by providing no Soviet incentive to strike first.

[From Arms Control Today, January 1974]

FLEXIBILITY: THE IMMINENT DEBATE

In his 1970 "State of the World" message President Nixon asked, "Should a President, in the event of a nuclear attack, be left with the single option of ordering the mass destruction of enemy civilians, in the face of the certainty that it would be followed by the mass slaughter of Americans?" While it was obvious that the President believed that he needed greater flexibility in the employment of nuclear weapons, the specific implications of this remark for American nuclear strategy and strategic weapon programs were unclear at the time, and remained so for the next four years. Now, it is expected that the missing details at last will be spelled out in the President's 1974 "State of the World" message and in Defense Secretary Schlesinger's defense budget report.

Congress and the American people would do well to scrutinize these documents closely because it is very likely they will raise fundamental questions for the nation concerning what type of nuclear doctrine it should adopt. Furthermore, the choice of nuclear doctrines will have obvious consequences for American political relations, arms control efforts, and weapon procurement policies. Most importantly, the issue will not be whether the U.S. *should or should not* adopt greater strategic flexibility in the employment of its nuclear weapons, as some would imply, but rather *what kinds of actions* in the name of strategic flexibility would most contribute to American security—and what kinds would most detract from it.

While "strategic flexibility" is a concept which does not lend itself readily to definition, former Defense Secretary Richardson explained it last year in congressional testimony as "having the plans, procedures, forces, and command and control capabilities necessary to enable the United States to select and carry out the response appropriate to the nature and level of the provocation." Even more recently, Defense Secretary Schlesinger stated that a change in the "targeting strategy" of the American strategic forces had taken place and therefore the U.S. now has "targeting options which are more selective and which do not necessarily involve major mass destruction on the other side."

These statements imply—erroneously—that the previous American doctrine of "assured destruction" lacked the capacity for flexibile options. The implication that new types and numbers of strategic weapons are required is similarly groundless. In a recent article in *Foreign Affairs* Wolfgang K. H. Panofsky pointed out that there is no inherent technical reason that prevents existing American retaliatory forces from being employed in a limited manner. Similarly, as Schlesinger himself recently reaffirmed, the U.S. does have strategic weapons which could be used in a "limited counter-force role." Furthermore, the U.S. has maintained such a capability for some time: Alain C. Enthoven and K. Wayne Smith in their 1971 work, *How Much Is Enough?* noted that even with the "assured destruction" doctrine, American strategic weapons could be used to perform "limited and controlled retaliation."

What neither the U.S. nor the Soviet Union has today is an *efficient* counterforce capability against *hard targets* or *hardened missile silos*. This type of counterforce capability would be comprised of a substantial number of nuclear weapons, each with a high probability of destroying a hardened missile silo. For example, the U.S. could presently destroy some of the Soviet missile silos with a high degree of confidence, but only "inefficiently"—by means of targeting 3 or 4 Minuteman missiles on each Soviet silo. With an "efficient" counterforce capability the number of missiles required to be targeted at each silo might be reduced to the more favorable ratio of one or two Minuteman missiles per Soviet missile silo.

In sum, the doctrine of mutual assured destruction (MAD) characterized as inflexible by President Nixon and other critics is not inflexible at all.

Several events during the first term of the Nixon Administration have fundamentally increased the degree of strategic flexibility available to the U.S. and should not be overlooked. For one thing, the ABM Treaty has significantly enhanced the ability to respond at a low level since every small attack does not have to overwhelm the adversary's defenses. In addition, noteworthy advances in command and control capabilities can now make available to the President an unlimited number of strategic targeting options for the American missile forces. One example of this is the current deployment of a computerized retargeting system which vastly reduces the amount of time required to change the target selections of each missile. Therefore, it is clear that not only did the previous American forces contain a substantial degree of flexibility, but present American forces have acquired even more in recent years. If the present nuclear force structure is already inherently flexible, then what further capabilities could the President and Defense Department desire? Although it is likely that certain improvements could be made in U.S. command and control capabilities to increase flexibility, the only step which remains to be taken in the area of counterforce capabilities is the development of an efficient "silo-killing" counterforce capability. While at the present time the Nixon Administration has not explicitly stated that the development of such a capability is an American strategic objective, Secretary Schlesinger in recent weeks has implied that the capability to destroy Soviet military targets, including missile silos, would be one way of enhancing American "strategic flexibility." The forthcoming foreign policy message and defense report are expected to provide the details.

In our view the development of such a capability would be not only unwarranted but also dangerous. Moving to a counterforce doctrine would also represent a major policy shift since in the past President Nixon and other top officials have frequently assured the Congress and American public that the U.S. would neither develop a counterforce capability nor any weapons "which the Soviets could construe as having a first-strike potential." While it is possible to argue that "technically" a hard-target counterforce capability does not constitute a *disarming* first-strike potential since both sides will maintain relatively invulnerable sea-based missiles and bombers, the fact remains that both nations will *perceive* such a capability as an attempt to achieve such a capability and therefore highly provocative, regardless of what is "technically" correct. It is difficult to believe that those Americans who for years have been most concerned about the vulnerability of the U.S. ICBM force to a Soviet MIRV attack will not be able to comprehend that even a "limited" U.S. counterforce potential can generate uncertainties in Soviet eyes about our intentions, create instabilities in the strategic balance, and foster suspicions between the two nations. What are Soviets doing right now?

The acquisition of such counterforce capabilities would increase the likelihood of nuclear war and the potential for crisis instability. The likelihood of nuclear war will be increased since a counterforce doctrine and related capabilities will make nuclear weapons seem more "useable" in addition to making their attractiveness as a viable policy option superficially greater. Crisis stability will be decreased since with hard-target counterforce capabilities and vulnerable land-based forces each side will perceive in a crisis situation the incentive of even a limited first-strike upon its adversary's missile force. The attractiveness of counterforce targets in a second-strike attack could never equal those of a first-strike attack. Consequently, an incentive will exist for the side which seizes the initiative to strike first. Yet, any benefits gained from such a first-strike attack would be only short-sighted and illusory since each nation will still retain more than enough nuclear weapons to ultimately destroy the cities of the other. In addition, the development of a hard-target counterforce capability will only promote further strategic arms competition between the U.S. and Soviet Union, while impeding progress in arms control efforts such as the SALT II negotiations and the Comprehensive Test Ban.

In light of the disadvantages of such a capability, the United States should make the basic choice to increase strategic flexibility through further improvements in command and control capabilities rather than by the development of a provocative hard-target counterforce capability.

Finally, the ultimate solution to the problem of an increasingly vulnerable land-based missile force will be found, not in the development of more efficient "silo-killing" weapons but rather in the negotiation of mutual limitations on MIRV flight-testing and deployment as a preface to the eventual reduction of the land-based missiles on both sides.—*John C. Baker.*

[From the Economist, Mar. 2, 1974]

THE SCHLESINGER GAMBLE

After the energy conference, Nato: Mr. Kissinger has scored another point in America's relations with Europe. He has been arguing that the United States and its European allies need a better method of regular consultation. Now, from next month, the political heads of 14 foreign ministries—everybody in Nato, including France, except Iceland—will meet frequently with the Nato permanent council. This provides a new level of consultation, between the twice-yearly meetings of ministers and the stodgy gatherings of the permanent council meeting alone. The change is needed: the recent publication of the American defence budget is a vivid reminder not only of the preeminence of the United States in matters of defence but also of the two-way dependence with its allies.

The new items in the American defence budget, plus some major changes in emphasis, have set the United States off in a fresh direction. This budget is very much the creature of the new Secretary of Defence, Mr. Schlesinger. The hallmark is flexibility. He wants to have several possibilities for response in any situation. Not only does he want the power to fight a conventional war, he wants a rich variety of nuclear options as well, so that even nuclear action can be tailored to the shape of any particular crisis.

There are three distinct results of this budget; all are, or ought to be, highly controversial, and not looked upon simply as this year's ration for the American military establishment. First, the bad news for America's European allies is that Mr. Schlesinger's nuclear flexibility is apparently to be achieved at the expense of some kinds of conventional forces. Although widely billed as America's biggest defence budget since the second world war, it is actually smaller in real money terms than any since 1951. It does not directly reduce the American forces in Europe, but it does cut about 20,000 men out of the armed services as a whole. If this kind of budget becomes routine over the next few years it will certainly generate pressures of its own for reductions in Europe; a sizeable part of the Defence Department could find itself allied with the isolationists in Congress.

The second result of this budget will be to make the current round of Strategic Arms Limitation Talks (Salt) much more difficult. The negotiators are confronted with America's proposal to produce lots of different new weapons. There are now not only bombers and land-based and submarine-carried missiles (and numbers of warheads) to be considered. There is a new quiet missile submarine, smaller than the 24-missile Trident; there are missiles with maneuverable warheads; there are also, in one of the sharpest budget increases, new cruise missiles which can be launched from submarines or aircraft. None of these new weapons is here yet; most are years away. But the American defence budget, with its tradition of revealing nearly everything about American plans, is itself a major instrument in arms politics. And this one, with its bewildering array of strategic possibilities, cannot fail to make Salt-2 a very complex operation indeed.

The third result of this budget may be a sharp acceleration of the arms race. The Americans' nuclear strategy has passed through several distinct stages. There was President Eisenhower's "more bang for the buck", which was massive nuclear retaliation for any attack by the Soviet army. This was followed by flexible response, which has never seemed entirely convincing because Nato has never been willing to provide enough troops to hold off a Soviet attack for more than a few days. Then the advent of anti-ballistic missiles (ABMs) threatened to break the nuclear balance. The Salt-1 agreement tried to put the lid back on this box by limiting the numbers of ABMs. But in retrospect Salt-1 may have been a hollow triumph; certainly the tacit agreement by both sides to deploy only one of their two allowed ABM systems was due in large part to the realisation that offensive technology is moving faster than defence. The new American budget pushes this technology a stage further with all its hints of new attacking weapons to come. The nuclear arena is, once again, the centre of the American-Russian competition.

SEE WHAT WE CAN DO

Of course, the American budget is not the only factor which threatens to destabilise things. The Russians have built a lot more missiles over the past few years than the Americans have, and have lately tested several new long-range missiles; they have also developed multiple independently-targetable re-entry vehicles before western intelligence predicted they would. Mr. Schlesinger's announcement that some American warheads are being re-targeted on to Russian missile sites is part of the response to that. (It is also the result of the increased number of Poseidon missiles in America's inventory. With Poseidon's multiple warheads, there are so many warheads available that they are literally running out of city targets.) The budget is another part.

So this year's American defense proposal—which is all the budget is at this point—may simply be a historical milestone in a process that began several years ago. There is a strong argument that the nuclear flexibility this budget represents can be used to make war less likely. And if the budget brings home to the Russians the breathtaking range of possibilities available to the technological power of the United States, Mr. Brezhnev may decide to make Salt-2 the great breakthrough to cooling off the cold war which most of the world hopes it will be. But if Salt-2 fails, 1974 will have introduced the idea of a flexible nuclear response and could be the beginning of an extremely expensive round in the arms race.

Mr. KENNEDY. Mr. President, I would like to associate myself with the remarks of my distinguished colleague from Massachusetts. I believe there is a strong case against developing an increased capacity to destroy Soviet land-based missiles.

First, it is an illusion to believe that the United States can develop a capability for limited nuclear war that will significantly reduce casualties in a war with the Soviet Union. Even if both sides directed highly accurate weapons against exclusively military targets, the associated civilian damage would be immense, both from direct blast effects and from fallout. Casualties would still be in the millions on both sides.

To be sure, it is important for the United States to have many options in its nuclear strategy. Yet we have had these options for many years, including the targeting of many of our weapons against Soviet military sites. Having options might, indeed, increase the chances of stopping a nuclear war—especially one that started by accident. But we would only fool ourselves if we believed that these options—or the new programs we are considering—would in a nuclear war prevent death and destruction the like of which has never been seen on this planet.

Second, we must consider the risks of destabilizing the balance of mutual assured destruction between the two superpowers. It may be that hard analysis would indicate that even a U.S. ability to destroy the Soviet Union's land-based missiles would not provoke them to launch a preemptive attack against us, and that we would not be provoked to launch a preemptive attack if the Soviet Union could destroy our Minuteman and Titan missiles. There are simply too many nuclear weapons on both sides that would still get through—bombers, weapons based at sea, and land-based missiles not effectively destroyed—for either power to escape massive destruction in any nuclear war. Such a war would remain an act of insanity, and would most likely end civilized life in our two countries and elsewhere.

Yet even if the possibility of a successful attack against land-based missiles alone would be unlikely to provoke a nuclear war based on cold logic, we must still consider the imponderables—the psychological factors that so often govern men's actions. Any country whose land-based missiles were vulnerable to destruction in a first strike would be likely to consider adopting a strategy of "launch on warning," thus returning us to the hair-trigger days of the 1950's. This strategy might be adopted out of fear—

wrongly in my judgment—even though other weapons systems remained invulnerable. Yet no national leader—either here or in the Soviet Union—should once again be faced with the awful responsibility of potentially deciding on nuclear war in the few precious minutes between the word of an impending attack and its occurrence. No leader should be placed at the mercy of fallible machines to tell him whether or not an attack has actually been launched.

Each superpower has gained from the sure knowledge that a devastating nuclear response is possible, what ever the other side does first. In no way should we undermine that strategic and psychological assurance—which underpins the current relaxation of tensions between the superpowers. And we should demand that the Soviet Union take no action that would do likewise.

Third, I concur with Senator BROOKE that it would be very difficult for the Soviet Union to distinguish between developments we make in the yield, accuracy, and maneuverability of U.S. warheads, in order to destroy Soviet land-based missiles; and the actual deployment of these weapons. Unlike deployed missiles, themselves, these new warheads cannot easily be counted—if at all. Hence, once development is completed, the Russians will never be entirely sure that we have not deployed them. They will very likely act as though we had done so, just as our military planners believe that later in the 1970's they will have to count on a full deployment of Soviet MIRV's, whether or not Moscow actually decides to follow this course.

The time for restraint, therefore, is now, before new doubts are raised in the minds of Soviet planners about our intentions, and before they use these doubts to argue for the building of yet more Soviet nuclear weapons.

Finally and most important, I believe we must assess very carefully the effect of these new developments on the prospects for reaching a firm agreement at the SALT II talks—an agreement in the interests of both sides. To be sure, we must be prepared to meet any Soviet challenge to our ability to respond effectively to any Soviet nuclear attack. To be sure, we must be mindful of the relative balance of nuclear forces on both sides for psychological reasons. We must seek a substantial overall equality, in both quantitative and qualitative terms, between the nuclear forces of both sides. We must seek by every means to gain Soviet restraint in the arms race—restraint particularly in the possible deployment of new, large missiles which the Soviet Union has been testing.

Yet it is important at this critical stage of arms negotiations for the United States to take no action that is likely to stimulate further Soviet nuclear weapons deployments. For if we do so, we will only play into the hands of the Soviet marshals, against those officials of the Soviet government who may genuinely seek an end to the nuclear arms race.

Following my trip to the Soviet Union last April, I am firmly convinced that it is possible to reach an effective SALT II agreement, provided that both sides are prepared to exercise restraint. And I am even more convinced that the time to do so is now. Secretary Kissinger himself has stressed the problem of coping with a rapidly-approaching nuclear environment in which there are thousands and thousands of nuclear weapons on both sides, of every conceivable type and characteristic. It will not be easy to cope with the growth of nuclear technology in any event; but it will be immensely more difficult if either side goes forward with new deployments or develops new capabilities that are read by the other side as implying new deployments.

These new U.S. hard-targeting programs would take several years to develop, and would not improve our ability to survive a Soviet first strike and respond effectively. But if that is true, then we have nothing to lose and everything to gain by waiting—waiting to see whether a small measure of U.S. restraint will lead to the Soviet restraint that we earnestly seek in deployment of new, large missiles.

In light of the limited accomplishments in arms control at the last summit—a failure to make any substantial progress—and in light of the imperative need to move forward at SALT II, I believe that we should not muddy the diplomatic waters. We should hold off on these programs, and challenge the Soviet Union to hold off on its new deployments.

Mr. President, it is for these reasons that I join with Senator BROOKE in opposing these new research and development programs.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the pending amendment, No. 1836, be temporarily laid aside and that I be permitted to yield the floor to the distinguished Senator from Massachusetts (Mr. KENNEDY) so that he may call up his amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Will the Senator yield briefly?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the final vote on the pending business occur at 4:45 this afternoon.

Mr. EAGLETON. Is that on the pending amendment?

Mr. MANSFIELD. The pending business, the bill.

The PRESIDING OFFICER (Mr. HELMS). Does the Senator also ask that rule XII be waived?

Mr. MANSFIELD. Yes.

Mr. GRIFFIN. What about the vote on the Eagleton amendment?

Mr. MANSFIELD. That is on controlled time. I do not anticipate that the opponents will consume anywhere near the 2 hours that have been allotted.

Mr. KENNEDY. Mr. President, reserving the right to object, I have an amendment I would like to be able to offer. I have discussed it briefly with the Senator from Arkansas. He has indicated a willingness to take it to conference.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. I want to make sure that we will have an opportunity to consider the amendment and discuss it briefly. I am not interested in an extended period of debate.

Mr. McCLELLAN. Mr. President, I was not in the Chamber a moment ago. What is the request?

Mr. MANSFIELD. That the vote on passage occur at 4:45.

Mr. McCLELLAN. I have no objection, I am perfectly willing.

What is the question of the Senator from Massachusetts?

Mr. KENNEDY. It is with respect to my amendment, which we discussed. I understood that we were going to have a brief exchange.

Mr. McCLELLAN. I indicated to the Senator that I would be willing to take the amendment to conference, so that we would not unnecessarily take up a lot of time arguing it and discussing it. If the Senator is willing to do that, I think we can proceed.

Mr. KENNEDY. The distinguished senior Senator from Missouri has been extremely interested in this matter, and I am wondering whether I could have an opportunity to talk with him briefly, and then if the majority leader would propound such an agreement, I am sure there would be no objection.

Mr. EAGLETON. I can say, on behalf of my colleague, that he would be amenable to the unanimous-consent request.

Mr. MANSFIELD. Does the Senator want a quorum call?

Mr. KENNEDY. Yes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I wish to repeat my earlier unanimous-consent request that the vote on final passage occur at the hour of 4:45 p.m. and that rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW, AND FOR SCHEDULE OF BUSINESS

Mr. MANSFIELD. Mr. President, if this bill is disposed of tonight, I ask unanimous consent that the Senate convene at 9 a.m. tomorrow; that there be an appropriate period for the recognition of special orders and the joint leadership, with a brief morning hour; and that the vote on passage of the State, Justice, and Commerce appropriation bill, which will be the pending business, occur not later than 3 p.m. tomorrow, with rule XII waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

AMENDMENT NO. 1835

Mr. KENNEDY. Mr. President, I call up my amendment No. 1835.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY's amendment (No. 1835) is as follows:

> On page 50, line 21, insert a new section as follows:
>
> SEC. .(a) No funds appropriated for the use of the Department of Defense by this or any other Act in fiscal year 1975 may be used for the purpose of stockpiling war materials or equipment for use by any Asian country except to the extent authorized by title VII of this Act or by the Foreign Assistance Act of 1961 or the Foreign Military Sales Act.
>
> (b) Any materials or equipment stockpiled by the Department of Defense on the date of enactment of this Act for future use by any Asian country may not be transferred to any such country except to the extent such transfer is specifically authorized by law.

Mr. KENNEDY. Mr. President, this is an amendment that deals with the war reserve stocks for allies. The amendment was initially accepted by the Senate last June, as part of the Defense Authorization bill, but it was dropped in conference because of the opposition of the House conferees. Hopefully, they will have a different attitude this time in conference.

Specifically, Mr. President, this amendment will prohibit $529 million from being used for war reserve stocks for allies. This ambiguous account is reportedly used to obtain weapons and ammunition on a contingent basis for the support of forces in the event of a future war involving South Vietnam, South Korea, or Thailand.

This new funding account, quietly built up in the last 2 fiscal years, has not gone through the authorizing committees of the Congress. It is a back-door means of bolstering increased procurements by the Defense Department.

When the disguised account was discovered by Senator FULBRIGHT last spring, the Defense Department explained it as being used for supporting these three allies—South Vietnam, South Korea, and Thailand. At the same time, the Defense Department stated that the equipment remained in stockpiles controlled by the United States. However, the Department would not state that, in the event of hostilities, congressional authorization was required before these weapons could be turned over to other countries.

In fact, when the General Accounting Office reported its findings to the Senate Foreign Relations Committee last month, the Defense Department objected to the GAO's use of the word "authorization" as being required prior to the transfer of stockpiled items to these Asian allies. The Department argued instead that only "consultation" with the Congress was required.

I find this appropriation objectionable on two counts. First, it could mean that congressionally established ceilings—on aid to Vietnam, for example—could become meaningless if the Defense Department can circumvent those ceilings by commingling U.S. and allied reserve stockpiles, and thereby escape congressional control over their distribution. Second, it means that we are being asked—at a time of difficult economic circumstances—to boost our own Defense budget for the purpose of meeting the future military needs of South Vietnam, South Korea, and Thailand. Clearly, this major item should be considered as part of the foreign aid request, not as a disguised account in the DOD appropriations bill.

The Defense Department now argues that much of the new equipment purchased by this account goes directly to the U.S. active military forces and the U.S. Reserves. If that is the purpose of these funds, then they should not be categorized as "war reserve stocks for allies."

Moreover, the GAO has informed me that there is a circle at work: Even if some of these weapons go to U.S. troops in the field, the weapons that are replaced go to the Reserves and/or to the stockpile. Then, once in the stockpile, there is a clear tendency for the supplies to be declared excess and turned over to South Vietnam, South Korea, and Thailand. Thus, the will of Congress can be thwarted by the backdoor.

The process is misleading in another way. For example, in fiscal year 1973, the Defense Department listed $24.3 million in excess stocks as going to South Vietnam, $6.4 million as going to Thailand, and $8.3 million as going to South Korea. But those figures are what the DOD calls actual value, not the acquisition cost of the supplies. The GAO found that the Department of Defense was listing those weapons at 8.9 percent of their acquisition cost. Thus, the acquisition of weapons declared excess and turned over to those countries in fiscal year 1973 was approximately $390 million. In fiscal year 1974, the acquisition cost of equipment declared excess and turned over to those three countries was approximately $620 million. And in fiscal year 1975, the Defense Department plans, according to the GAO, to turn over to those three countries weapons and equipment whose acquisition cost is approximately $738 million.

I see no reason for the U.S. Congress to approve $529 million in an account listed as war reserves for allies and designated for South Vietnam, South Korea, and Thailand, at the same time that the Department of Defense contemplates turning over excess items costing an estimated $738 million to those countries.

If there are stockpile needs that are not being met for U.S. active duty forces, let the Defense Department ask specifically for that equipment as it usually does in its normal procurement requests. If this is a legitimate foreign military aid request, then let it be properly considered under the foreign aid bill.

Mr. President, it is also important to note what this amendment does not do:

First, it does not affect in any way the Department's service-funded program of aid to South Vietnam. The committee has recommended $700 million for that fund.

Second, it does not affect in any way the level of assistance which may eventually be approved by the Congress under the authority of the Foreign Assistance Act or the Foreign Military Sales Act—$300 million has been requested for South Korea and Thailand under those programs. This amendment is unrelated to congressional approval or rejection of those requests.

Finally this amendment does not affect the approximately half-billion dollars worth of stocks which have already been set aside for these Asian allies in the past 2 fiscal years. But it does put a halt to adding another half-billion dollars worth of weapons to that stockpile this year, until the purposes of the stockpile are more clearly explained to Congress, and the implications of such foreign aid have been properly deliberated.

Mr. President, I have grave doubts whether such foreign aid should be authorized at all. Certainly, it should not be done without the consent of Congress. But primarily, I wish to stress that such foreign aid does not belong in this bill. This is a budget bill to provide funds for the operation and maintenance of the Department of Defense. Foreign assistance appropriations should not be mixed with appropriations for the U.S. armed services.

The only foreign assistance fund appropriated along with funds for the services in this bill is the assistance for South Vietnam. All other foreign assistance is authorized in the Foreign Aid bill, under the military assistance program. This is true even of the $2.2 billion in military assistance authorized for Israel last year.

The Armed Services Committee report on the Defense authorization bill strongly emphasizes the same point:

> As it did last year, the Committee is again recommending reductions of the items included for war reserves for allies. The Committee does not agree that these items should be procured for storage for allies in a title that is intended for the procurement of items for U.S. forces.

In this year of the war powers bill and economic belt-tightening, Congress cannot avoid its responsibility to guarantee that such programs are fully justified in terms of foreign assistance, and that there are proper controls over transferral of these weapons. We have had enough of Presidential wars.

Mr. President, I ask unanimous consent that the recent study prepared on this subject by the General Accounting Office may be printed in the RECORD at this point.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE STOCKPILING OF WAR RESERVE MATERIALS FOR USE BY UNITED STATES ALLIES

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: This report is in response to a May 6, 1974, letter requesting information on the stockpiling of war reserve materials by the Department of Defense (DOD) for possible future use by Asian allies.

Our study concentrated on the scope of the program, the statutory authority being relied on by DOD for stockpiling these materials, and the authority under which they could be turned over to any of the allied forces. Our work was performed at DOD in Washington, D.C.

Because of the short time allowed to meet the Committee's needs, we have been unable to verify the information provided by DOD or to obtain a legal analysis of the propriety of the program. However, we have included our views and interpretations and believe this report will be helpful during the upcoming foreign assistance authorization hearings.

We have not submited the report to DOD for its official position; however, we have discussed the observations with DOD officials and have considered their views.

SCOPE OF THE PROGRAM

According to a DOD directive, the total quantity of a defense item authorized for peacetime acquisition includes the quantity estimated (1) to equip and sustain U.S.-approved force levels in peacetime and in wartime for periods specified in planning documents, (2) to equip and sustain allied forces by satisfying approved requirements of the Military Assistance Program, the approved requirements of the Foreign Military Sales Program, and approved wartime requirements for those allies specified in current program planning documents, and (3) to provide support for other U.S. Government departments and agencies. The term used to describe the above procurement requirement is approved force acquisition objective.

This objective includes a quantity to be stockpiled abroad and in the United States for future national emergencies—war reserves. These reserves are intended to sustain operations until production can be expanded to match combat consumption.

DOD believes that the war reserves are essential to rapidly deployable combat forces so that the United States has the future capability to respond and be supported in combat for whatever period the national interest requires.

We determined from DOD planning and programing documents that the approved force levels used to plan future requirements included the estimated number of allied forces that might need logistics support in future Asian hostilities. Estimated allied requirements add to but do not replace U.S. requirements.

DOD stocks of munitions and equipment have traditionally been available for transfer to allies pursuant to appropriate military assistance legislation, as well as for use by U.S. Forces. Specific identification of war reserve stocks for possible future transfer to allies in DOD budget documentation planning began with the development of the fiscal year 1972 Defense program. Some available assets were allocated for this purpose in fiscal year 1973. However, funds were not requested in budget submissions to the Congress until fiscal year 1974.

Items held in reserve that are planned for potential allied use are not segregated from other reserve stocks, and almost all the same kinds of items are also required as war reserves for U.S. Forces. If necessary, the war reserves for allied forces could be used to support U.S. Forces.

DOD considers that war reserve stocks for allies are not yet committed or authorized for transfer to any nation. They are for "allies" in theory only and, according to DOD officials, will remain U.S. property until the President, with appropriate congressional consultation determines that such stocks should be released to a specific ally. DOD officials said that the portion of the total war reserve stocks designated for future allied use is based on an arbitrary decision and it is the total (United States and allied) war reserve requirement that has validity.

DOD planners for fiscal year 1973 allocated $23 million of its reserve assets toward the total allied requirement; for fiscal year 1974, $494 million was allocated. For fiscal year 1975, $529 million of the total procurement request has been proposed for application toward allied requirements. Some of each of the following types of items are proposed to be procured from the fiscal year 1975 funds.

Army

Small arms ammunition.
Artillery ammunition.
Tank recovery vehicles.[1]
Portable radar sets.[1]
Minor miscellaneous items.
Spares and repair parts.
Mortar ammunition.
Tanks.[1]
Machine guns.
Rocket launchers.[1]
Landing boats.[1]

Air Force

Air-to-ground munitions.
Tanks, racks, adapters, and pylons.

LEGAL AUTHORITY CITED BY DOD FOR STOCKPILING AND TRANSFERRING STOCKS

We were told by officials of the Office of General Counsel, DOD, that DOD's legal authority to both stockpile war reserve assets and transfer these assets to allies is contained in:

The annual DOD authorization and appropriation acts;

The Foreign Assistance Act of 1961, as amended; and

The Foreign Military Sales Act, as amended.

No specific sections of these acts were cited.

AUTHORITY FOR STOCKPILING AND TRANSFERRING STOCKS—GAO VIEWS

Time did not permit us to perform a search for all possible means available to stockpile war reserves and to transfer these stocks. However, our brief look at the legislation mentioned by DOD disclosed that the general authority to procure U.S. defense material is contained in the annual DOD authorization and appropriation acts. This authority does not provide for the procurement of war reserves but rather for specific defense items (for example, Procurement of Ammunition, Army). Nevertheless, through backup data submitted with appropriation requests and the testimony of witnesses, the congressional committees responsible for DOD authorizations and appropriations were aware of DOD's program of stockpiling for possible future allied use. Thus, the legislative history of the annual DOD authorization and appropriation acts suggests that the committees intended to authorize this stockpiling.

However, the congressional committees responsible for authorizing military grant and sales assistance to foreign allies apparently were not aware of the stockpiling program.

We were informed that the Senate Foreign Relations Committee was unaware of the planned stockpiling, even though transfers to allies (as well as the transfer of any defense articles to foreign governments, except Vietnam) would go through programs under the jurisdiction of the Committee.

Authority to transfer procured defense stocks is separate from the authority to stockpile war reserves. Authorizations relating to transfers are contained in various sections of the Foreign Assistance Act of 1961, as amended; the Foreign Military Sales Act, as amended; the Foreign Military Sales Act Amendments, 1971, as amended; and the annual DOD authorization and appropriation acts (Military Assistance Service Funded). Some of the pertinent sections of these acts are discussed below. (See app. I through III.)

Foreign Assistance Act—Military assistance

Section 503(a) of the Foreign Assistance Act of 1961, as amended, gives the President the authority to provide military assistance to friendly countries and international organizations. In fiscal year 1974, the Congress authorized the President to spend either through loans or grants up to $512.5 million for this assistance, although actual appropriations amounted to $450 million.

Section 503(c) provided that, when defense articles are loaned to foreign countries or international organizations, under section 503(a), the military assistance appropriation will be charged only for out-of-pocket expenses and depreciation. In our report to the Chairman, Committee on Foreign Relations, in March 1973,[1] we indicated that previously DOD had leased defense articles on the basis of different law (10 U.S.C. 2667).

This law authorizes leasing of nonexcess defense articles when it is in the public interest or will promote national defense. However, the law has no relation to foreign assistance and was enacted to authorize the leasing of defense plants and production equipment to private commercial interests. In our report, we specified that articles were leased under law (10 U.S.C. 2667) at no cost to foreign governments or international organizations and that it appeared the use of this provision circumvented the Foreign Assistance Act of 1961, as amended. Our view was that such loans or leases constituted military assistance and should be subject to restraints imposed by the act.

Additionally, under section 506(a), if the President determines it is in the security interests of the United States, he may order up to $250 million in defense articles from stocks—in addition to the $450 million appropriated—and reimbursement will be provided in subsequent appropriations available for military assistance. He exercised this authority during fiscal year 1974 by authorizing the transfer of up to $200 million in defense articles to provide additional military assistance to Cambodia.

Under section 614(a), the President also may authorize assistance, in an amount not to exceed $250 million, without regard to any provisions of the act. However, the President may only use funds already appropriated under other sections of the act. During fiscal year 1974, the President exercised his authority under section 614(a) five times for purposes of military assistance. The total amount authorized by the President was $133.4 million.

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[1] All new procurement of these items will go directly to U.S. Army active and reserve units. The older pieces of equipment displaced by the new procurement will go into the war reserve stockpile that could be used to replace U.S. or (with proper authorization) allied combat losses in some future conflict. Therefore, this procurement, although labeled as allied reserve, modernizes the U.S. Army Force structure while increasing the total assets available as war reserves.

[1] "Use of Excess Defense Articles and Other Resources to Supplement the Military Assistance Program," B-163742, Mar. 21, 1973.

These and other related sections of the act are shown in appendix I.

Foreign Military Sales Act

Although the Congress placed a ceiling on the total credit sales and guarantees under sections 23 and 24 of the Foreign Military Sales Act (see app. II), no similar restrictions are placed on cash sales under sections 21 and 22 of the act. Thus, an unlimited quantity of defense stocks could be sold under sections 21 and 22. During fiscal year 1974, DOD estimates that credit sales will amount to $730 million, the authorized ceiling, and cash sales will amount to approximately $7.2 billion.

Military assistance service funded authority

The provisions in annual DOD authorization and appropriation acts (see app. III) give DOD authority to use its appropriated funds to transfer any defense articles, including war reserve material, to support South Vietnamese forces, subject to the $1.126 billion ceiling.

Foreign Military Sales Act amendments—Excess Defense articles

Excess defense articles are items in excess of DOD-approved force requirement level. The authority to transfer excess defense articles is contained in section 8 of the Foreign Military Sales Act Amendments, 1971, as amended. (See app. II.)

In our report to your Committee in March 1973, we indicated that excess defense articles were generated through modernizations of forces and changes in authorizations of articles to equip and sustain the approved forces. The decision as to what portion of the DOD inventory will constitute the approved force requirement level and what assets may be transferred as excess defense articles rests entirely with DOD. Excess articles are continuously available in vast quantities and have been used in military assistance programs since the inception of foreign aid. Use of excess articles to supplement the regularly funded military assistance program has increased since 1968 because of reduced military assistance appropriations.

At the time of our earlier review, "value" was defined as not less than one-third of the amount the United States paid when the articles were acquired (acquisition cost). Since then, the law has been changed and value is now defined only as actual value plus the cost of repairing, rehabilitating, or modifying the article, which could range from as low as salvage value to as high as acquisition cost. A recent sampling by DOD showed the actual value of excess articles averaged only 8.9 percent of acquisition cost, considerably less than the one-third minimum required under previous legislation.

Orders for excess defense articles are to be considered expenditures of military assistance funds. However, those articles generated abroad are charged to the appropriation only if the aggregate actual value during any fiscal year exceeds $150 million. Under the old definition of value this would equal about $450 million (3 x $150 million) in excess articles, based on acquisition cost. Now, however, if DOD decides to use the 8.9 percent (1/11) figure as actual value, approximately $1.65 billion (11 x $150 million) in excess articles, based on acquisition cost, could be granted to foreign countries without charge to the military assistance appropriation. This is over three times more than the value of excess defense articles granted through the military assistance program during any single previous year.

The proposed Foreign Assistance Act of 1974 would further liberalize the use of excess items. Our analysis of the proposed act showed that the theoretical ceiling of $1.65 billion could be increased to $4.4 billion. We believe that consideration should be given to providing more congressional control over excess defense articles.

The stockpiling of defense assets for potential use by allies adds another level to the DOD procurement base. We previously mentioned that new Army procurement will modernize U.S. active and reserve units and the older articles being replaced will make up the war reserve stockpile. It is conceivable that once these U.S. Forces have been modernized, DOD will modernize the war reserve, and thus make large quantities of defense assets excess and available for transfer to foreign governments, including those for which the stockpile was originally intended.

More importantly, however, is the fact that DOD has the authority to decide what portion of the DOD inventory will make up the approved force requirement level. Since the war reserve for allies represents a portion of the total war reserve in excess of U.S. approved force requirements, DOD can now stockpile older items that would immediately become excess upon replacement. If a future emergency arises overseas, DOD could reduce the approved force requirement level and immediately make the war reserve for allies available as excess for transfer to whichever country may need them. All this could be accomplished without adversely affecting the total U.S. approved force requirements.

CONCLUSION

In conclusion, we feel that the President and DOD at the present time have considerable statutory authority to transfer reserve materials to allies if they are needed. It should be pointed out that the authority to transfer U.S. defense stocks under these provisions applies to any defense item in the inventory, whether planned for future use by allies or U.S. Forces.

The broad authority is especially prevalent in the area of excess defense articles. Under present authority DOD is permitted to transfer vast quantities of excess items to foreign governments with little or no charge to any future increase in available excess items (1) because of the modernization of forces and/or the reduction in the approved force requirement level and (2) because of the proposed liberalization of the no-cost transfer ceiling, the Committee may wish to consider tighter controls over the quantity of excess articles that can be transferred to foreign governments. This may include retaining section 8 of the Foreign Military Sales Act Amendments of 1971, but modifying it (1) to establish actual value at not less than 33⅓ percent of acquisition value and (2) to require that excess programs be stated in congressional presentation documents in terms of acquisition cost.

We recognize that there is legislation pending on the DOD procurement authorization bill that would forbid the stockpiling of defense assets for possible future use by allied forces. Although passage would eliminate the war reserve for allies, it would not strengthen control over excess defense articles.

We plan no further distribution of this report unless you agree or publicly announce its contents.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

EXCERPTS FROM FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

MILITARY ASSISTANCE

Section 503—General Authority—(a) The President is authorized to furnish military assistance on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

(1) acquiring from any source and providing (by loan or grant) any defense article or defense service; or

(2) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature.

(b) In addition to such other terms and conditions as the President may determine pursuant to subsection (a), defense articles may be loaned thereunder only if—

(1) there is a bona fide reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;

(2) there is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period, unless the loan is then renewed;

(3) the loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;

(4) the agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance under subsection (c); and

(5) arrangements are made with the agency making the loan to be reimbursed in the event such article is lost or destroyed while on loan, such reimbursement being made first out of any funds available to carry out this chapter and based on the depreciated value of the article at the time of loss or destruction.

(c) (1) In the case of any loan of a defense article or defense service made under this section there shall be a charge to the appropriation for military assistance for any fiscal year while the article or service is on loan in an amount based on—

(A) the out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and

(B) the depreciation which occurs during such year while such article is on loan.

(2) The provisions of this subsection shall not apply—

(A) to any particular defense article or defense service which the United States Government agreed prior to the date of enactment of this subsection to lend; and

(B) to any defense article or defense service, or portion thereof acquired with funds appropriated for military assistance under this Act.

Section 504—Authorization—(a) There is authorized to be appropriated to the President to carry out the purpose of this part not to exceed $512,500,000 for the fiscal year 1974: *Provided*, That funds made available for assistance under this chapter (other than training in the United States) shall not be used to furnish assistance to more than thirty-one countries in any fiscal year: *Provided further*, That none of the funds appropriated pursuant to this subsection shall be used to furnish sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, to any underdeveloped country, unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress. Amounts appropriated under this subsection are authorized to remain available until expended. Amounts appropriated under this subsection shall be available for cost-sharing expenses of United States participation in the military headquarters and related agencies program.

Section 506— Special Authority—(a) During the fiscal year 1974, the President may, if he determines it to be in the security interests of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II [military assistance], subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in the fiscal year 1974 shall not exceed $250,000,000. (b) The

Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under subsection (a) of this section. Appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for such orders are hereby authorized.

GENERAL PROVISIONS

Section 610. Transfer Between Accounts.—(a) Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I [Overseas Private Investment Corporation]) may be transferred to, and consolidated with, the funds made available for any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision. * * *

Section 614. Special Authorities.—(a) The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 506 in a total amount not to exceed $250,000,000 and the use of not to exceed $100,000,000 of foreign currencies accruing under this Act or any other law without regard to the requirements of the Act, any law relating to receipts and credits accruing to the United States, any Act appropriating funds for use under this Act, or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year. The limitation contained in the preceding sentence shall not apply to any country which is a victim of active Communist or Communist-supported aggression.

(c) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts. The President shall promptly and fully inform the Speaker of the House of Representatives and the chairman and ranking minority member of the Committee on Foreign Relations of the Senate of each use of funds under this subsection.

Section 652. Limitation Upon Exercise of Special Authority.—The President shall not exercise any special authority granted to him under section 506(a), 610(a), or 614(a) of this Act unless the President, prior to the date he intends to exercise any such authority, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.

Section 653. Change in Allocation of Foreign Assistance.—(a) Not later than thirty days after the enactment of any law appropriating funds to carry out any provision of this Act (other than section 451 [Contingency Fund] or 637 [Administrative Expenses]), the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under the law, by category of assistance, that the United States Government intends to provide to each. Notwithstanding any other provision of law, the United States Government shall not provide to any foreign country or international organization any funds under that law which exceeds by 10 per centum the amount of military grant assistance or security supporting assistance, as the case may be, which the President notified the Congress that the United States Government intended to provide that country or organization under that law, unless the President (1) determines that it is in the security interests of the United States that such country or organization receive funds in excess of the amount included in such notification for that country or organization, and (2) reports to Congress, at least ten days prior to the date on which such excess funds are to be provided to that country or organization, each such determination, including the name of the country or organization to receive funds in excess of such per centum, the amount of funds in excess of the per centum which are to be provided, and the justification for providing the additional assistance.

(b) The provisions of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provisions of section 614(a) of this Act.

APPENDIX II—EXCERPTS FROM FOREIGN MILITARY SALES ACT AMENDMENTS, 1971 AS AMENDED

EXCESS DEFENSE ARTICLES

Section 8. (a) Subject to the provisions of subsection (b), the value of any excess defense article granted to a foreign country or international organization by any department, agency, or independent establishment of the United States Government (other than the Agency for International Development) shall be considered to be an expenditure made from funds appropriated under the Foreign Assistance Act of 1961 for military assistance. Unless such department, agency, or establishment certified to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof shall (less amounts to be transferred under section 632(d) [Reimbursement Among Agencies] of the Foreign Assistance Act of 1961) (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is cancelled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) to the military assistance appropriation for the current fiscal year upon cancellation of the order. Such sum shall be transferred to the military assistance appropriation for the current fiscal year upon delivery of such article if at the time of delivery the stock status of the article is determined, in accordance with section 644 (g) and (m) [definitions of "excess defense articles" and "value"] of the Foreign Assistance Act of 1961, to be nonexcess.

(b) In the case of excess defense articles which are generated abroad, the provisions of subsection (a) shall apply during any fiscal year only to the extent that the aggregate value of excess defense articles ordered during that year exceeds $150,000,000.

(c) For purposes of this section, the term "value" has the same meaning as given it in section 644(m) of the Foreign Assistance Act of 1961.

(d) The President shall promptly and fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each decision to furnish on a grant basis to any country excess defense articles which are major weapons systems to the extent such major weapons system was not included in the presentation material previously submitted to the Congress. Additionally, the President shall also submit a quarterly report to the Congress listing by country the total value of all deliveries of excess defense articles, disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery.

(e) Except for excess defense articles granted under part II of the Foreign Assistance Act of 1961, the provisions of this section shall not apply to any excess defense article granted to South Vietnam prior to July 1, 1972.

CASH AND CREDIT SALES

Section 21. Cash Sales From Stock.—The President may sell defense articles from the stocks of the Department of Defense and defense services of the Department of Defense to any friendly country or international organization if such country or international organization agrees to pay not less than the value thereof in United States dollars. Payment shall be made in advance or, as determined by the President to be in the best interests of the United States, within a reasonable period not to exceed one hundred and twenty days after the delivery of the defense articles or the rendering of the defense services.

Section 22. Procurement for Cash Sales.—(a) Except as otherwise provided in this section, the President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale for United States dollars to any foreign country or international organization if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

(b) The President may, when he determines it to be in the national interest, accept a dependable undertaking of a foreign country or international organization with respect to any such sale, to make full payment within 120 days after delivery of the defense articles or the rendering of the defense services. Appropriations available to the Department of Defense may be used to meet the payments required by the contracts for the procurement of defense articles and defense services and shall be reimbursed by the amounts subsequently received from the country or international organization to whom articles or services are sold.

Section 23. Credit Sales.—The President is hereby authorized to finance procurements of defense articles and defense services by friendly countries and international organizations on terms of repayment to the United States Government of not less than the value thereof in United States dollars within a period not to exceed ten years after the delivery of the defense articles or the rendering of the defense services.

Section 24. Guaranties.—(a) The President may guarantee any individual, corporation, partnership, or other juridical entity doing business in the United States (excluding United States Government agencies) against political and credit risks of nonpayment arising out of their financing of credit sales of defense articles and defense services to friendly countries and international organizations. Fees shall be charged for such guaranties.

(b) The President may sell to any individual, corporation, partnership, or other juridical entity (excluding United States Government agencies) promissory notes issued by friendly countries and international organizations as evidence of their obligations to make repayments to the United States on account of credit sales financed under section 23, and may guarantee payment thereof.

(c) Funds made available to carry out this Act shall be obligated in an amount equal to 25 per centum of the principal amount of contractual liability related to any guaranty issued under this section, and all the funds so obligated shall constitute a single reserve for the payment of claims under such guaranties. Any funds so obligated which are deobligated from time to time during any current fiscal year as being in excess of the amount necessary to maintain a fractional reserve of 25 per centum of the principal amount of contractual liability under outstanding guaranties shall be transferred to the general fund of the Treasury. Any guaranties issued hereunder shall be backed by the full faith and credit of the United States.

Section 31. Authorization and Aggregate Ceiling of Foreign Military Sales Credits.—(a) There is hereby authorized to be appropriated to the President to carry out this Act not to exceed $325,000,000 for the fiscal year 1974. Unobligated balances of funds made available pursuant to this section are hereby authorized to be continued available by appropriations legislation to carry out this Act.

(b) The aggregate total of credits, or participations in credits, extended pursuant to this Act and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed $730,000,000 for the fiscal year 1974, of which amount not less than $300,000,000 shall be available to Israel only.

APPENDIX III.—EXCERPTS FROM DOD AUTHORIZATION AND APPROPRIATION ACTS

DOD APPROPRIATION AUTHORIZATION ACT, 1974

Section 801. Subsection (a) (1) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended to read as follows:

"(a) (1) Not to exceed $1,126,000,000 of the funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (A) Vietnamese and other free world forces in support of Vietnamese forces, (B) local forces in Laos; and for related costs, during the fiscal year 1974 on such terms and conditions as the Secretary of Defense may determine. None of the funds appropriated to or for the use of the Armed Forces of the United States may be used for the purpose of paying any overseas allowance, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States (under section 310 of title 37, United States Code) serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970. Nothing in clause (A) of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos: *Provided*, That nothing contained in this section shall be construed to prohibit support of actions required to insure the safe and orderly withdrawal or disengagement of United States forces from Southeast Asia, or to aid in the release of Americans held as prisoners of war."

DOD APPROPRIATION ACT, 1974

Section 737. (a) Not to exceed $1,126,000,000 of the appropriations available to the Department of Defense during the current fiscal year shall be available for their stated purposes to support (1) Vietnamese and other free world forces in support of Vietnamese forces; (2) local forces in Laos; and for related costs on such terms and conditions as the Secretary of Defense may determine: *Provided*, That none of the funds appropriated by this Act may be used for the purpose of paying any overseas allowance, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States under section 310 of title 37, United States Code, serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970; *Provided further*, that nothing in clause (1) of the first sentence of this subsection shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos. *Provided further*, That nothing contained in this section shall be construed to prohibit support of actions required to insure the safe and orderly withdrawal or disengagement of United States forces from Southeast Asia, or to aid in the release of Americans held as prisoners of war.

(b) Within thirty days after the end of each quarter, the Secretary of Defense shall render to Congress a report with respect to the estimated value by purpose, by country, of support furnished from such appropriations.

Mr. KENNEDY. I appreciate the consideration of this amendment by my colleague and friend from Arkansas, and I hope that he will be willing to take the amendment to conference and fight for it there.

Mr. McCLELLAN. Mr. President, I have discussed this amendment with its distinguished author, the Senator from Massachusetts (Mr. KENNEDY). I have considered it first in the light of the fact that apparently it is legislation on an appropriation bill; that was my first reaction to it, and I think that is true, and it might be subject to a point of order.

However, this same language, as I understand it, has been considered by the authorization committee and was reported out and passed here in the Senate—no, it was a floor amendment agreed to in the Senate earlier this year, to the authorization bill; am I correct?

Mr. KENNEDY. The Senator is correct.

Mr. McCLELLAN. Therefore, the Senate having acted upon it legislatively, I feel inclined, as I have said—and I do not find any objection to it from those with whom I have conferred—to go ahead and accept the amendment and let it go to conference and see what we can do with it there.

I have no objection to the objectives and purposes of the amendment, if it can be accepted. It is an attempt to get control and keep control of expenditures and of materials and supplies that we may be appropriating for and trying to give away as assistance, and we have not made a provision in this bill with respect to even the sale of weapons, and so forth, to other countries, to try to get better control of that so we will know what is going on, and requiring reports.

So I have no objection, unless there is objection on the part of some other member of the committee—and I hear none—to accepting the amendment and doing the best we can with it.

Mr. KENNEDY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

AMENDMENT NO. 1836

Mr. EAGLETON. Mr. President, I ask unanimous consent that the Senate revert once again to the consideration of amendment No. 1836.

The PRESIDING OFFICER (Mr. HELMS). The Chair will advise the Senator that that is automatic.

Mr. EAGLETON. Mr. President, I yield 10 minutes to the distinguished junior Senator from Illinois.

Mr. STEVENSON. Mr. President, I want, first of all, to commend the junior Senator from Missouri for the extraordinary effort with which he has invested this amendment, and for bringing it to the floor of the Senate, and I also commend the chairman of the Appropriations Committee for his work and the work of that committee. It has done a good job of cutting excessive spending from the defense budget, though it has not, Mr. President, in my judgment, gone far enough.

When it comes to national survival, we all agree that such sums as are necessary for national security must be raised and spent. The tragedy is that we stumble through our debates about national defense with no reliable definition of national security and no reliable standard for determining what is necessary.

An adequate definition of national security includes not just military hardware and personnel, but the confidence of the American people in their Government; the confidence of the world in our country for enlightened leadership; a healthy domestic and world economy, and the conditions of a good life at home.

In order to rationally determine military policy, we need a coherent foreign policy. It is asking too much of the Congress and the military to forge a rational defense and military strategy if they do not have a clearly defined and articulated foreign policy.

We do not have such a foreign policy. What we have had, instead in recent years, are promises, slogans, contradictory gestures, and personal diplomacy.

An opening by the U.S. Government to the People's Republic of China, was appropriate and long overdue. But President Nixon's Peking visit was handled in a way—by secret arrangements and shock announcements—that demoralized our Allies in Asia and undermined our position in the United Nations with respect to Taiwan. And when the U.N. accepted the logic of his action, President Nixon chastised the U.N.

President Nixon's visit this year to the Soviet Union was at best unnecessary. None of the heralded arms limitation agreements materialized. And in order to make some gesture of success for global television, President Nixon signed a limited nuclear test-ban treaty which implies that the United States and the Soviet Union are not very serious about stopping nuclear proliferation. This comes at a time when worldwide interest in obtaining nuclear reactors is rapidly accelerating. The visit—and the administration's continuing conduct—suggest American indifference to the repression of personal freedom in the U.S.S.R.

What the United States has gained from these exercises in Presidential diplomacy remains to be seen and, whatever it is, it could have been achieved without President participation and without the shocks we suffered in East Asia, South Asia, and Europe, as a result of our bilaterial maneuverings. Presidential posturing is no substitute for a prudent and thoughtful worldwide foreign policy which recognizes the world's pluralism and the Nation's multitude of interests in all its parts.

Drift and weakness in foreign relations and economic policy have direct and dangerous results in defense policy.

The notion persists that world power and influence and national security are directly related to the size of the defense budget. As mistakes of foreign policy, or more accurately the absence of a principled foreign policy, produce from Southeast Asia to Eurasia U.S. weakness, the pressure increases to spend more money on the military—and so the wheel takes another turn.

Military spending by itself does not bring us added security in the world. Each increased expenditure usually brings a response from the other side, leaving us by and large in the same relative position, but always poorer and a little closer to the flash point.

The notion also persists that increased defense spending can stimulate a troubled economy. The idea that domestic problems might be solved simply and quickly by throwing dollars at them finds no advocates. Yet, the same notion drives us to compulsive expenditures for weapons, military personnel, and power.

Military spending does not stimulate the economy. It is an unhappy fact that excessive military spending contributes heavily to inflation. It diverts resources from productive uses—housing, health, energy, transportation, education—to nonproductive uses. Unlike most forms of Government spending, defense spending increases demand, without increasing supply.

Other nations, notably West Germany and Japan, rose from the ashes of World War II to become our principal competitors in the world marketplace by spending little on the military—much on their economies. Now, our heavily weighted economy is crumbling. It is experiencing inflation and recession. Consumer prices are increasing at a rate of 12.6 percent, while wholesale prices increased in July at an incredible annual rate of 44 percent. Unemployment in July was 5.3 percent and rising. And productivity increased only 1 percent last quarter.

The economic consequences of runaway military spending—inflation, the diversion of funds from demonstrable needs, declining productivity, unemployment—are as destructive to the national security as an inadequate defense budget.

It is wrong to argue, as President Ford does, that inflation can be halted by cutting in the domestic sector but not in the defense sector of the budget. Some Government spending in time is deflationary. Initiatives in health, housing, energy, and transportation could increase productivity and supply demand. Agricultural production can be increased in part at Government expense—to meet growing demands for food at home and abroad with deflationary consequences. President Ford, like his predecessor, appears to have his priorities mixed up. If he offers more of the same, the Nation will suffer more of the same.

The defense appropriations bill for fiscal year 1974 as reported by the Appropriations Committee provides funds for the Department of Defense over and above those necessary for an adequate military posture. Reductions can be made without impairing the ability of the military forces of the United States to carry out those missions essential to our national security.

The bill would provide $82,079,358,000 in new appropriations and transfers. On December 20, 1973, the House and Senate agreed to the conference report on the fiscal year 1974 Department of Defense appropriations bill providing a total of $74,218,230,000. It was signed into law by the President on January 2, 1974.

On February 4, 1974, about 1 month later, the President transmitted to Congress a fiscal year 1975 defense budget totaling $85,582,297,000. This represented an increase of $11,364,067,000, a 15-percent increase over the amount provided by Congress 1 month before. At the same time, the President transmitted a fiscal year 1974 defense supplemental request of $6,200,421,000, made up of $3,412,741,000 for a so-called readiness requirement due to the Middle East crisis and $2,787,680,000 for pay increases. On May 30 and June 24, 1974, the President transmitted budget amendments totaling $1,475,200,000 for fuel price increases and certain personnel benefits, increasing the fiscal year 1975 Defense budget to a new total of $87,057,497,000. Thus, between February and June 1974, Congress was requested to consider a total increase of $19,039,688,000 for the Defense Department.

To date, the Congress has by law reduced this increase by a mere $4,873,032,000. The House recently passed a military appropriations bill of $83.4 billion for a further reduction of $3.7 billion. And the Senate Appropriations Committee has reported out a military appropriations bill with an additional reduction of $1.4 billion. Yet, we still have left an increase of $11 billion.

This increase in defense appropriations comes when the United States is militarily powerful and not at war. The involvement in Southeast Asia has been wound down—yet the spending winds up.

When President Nixon signed the military procurement authorization bill into law on August 5, he said that he was not completely satisfied with the bill because "A number of provisions authorize spending for unneeded equipment and could thus inflate defense spending unnecessarily in a time when we all should recognize the need to avoid waste."

This amendment to the defense appropriations bill will establish a ceiling on new budgetary authority of $81 billion, and help eliminate some of the wastes to which the President referred.

Next year the new Budget Committee will establish ceilings such as the one we are recommending. This method is also used by the Office of Management and Budget within the executive branch to establish priorities for the Federal budget. It is an approach which has been used extensively in the past to control and delimit the categories of the Federal budget, and now has been adopted by the Congress for the future.

The Nixon administration asked that the Federal budget be reduced by $5 billion in outlays to help control inflation. President Ford has indicated that he would seek reductions in Federal spending, and some predict that he will ask for greater cuts. A reduction in outlays of $5 billion would require a reduction in budgetary authority of $11 to $12 billion. If this goal is to be reached, the proportionate reduction in the defense budget would be in the $6 to $7 billion range. The $81 billion ceiling we propose is on the high side of such a formulation.

If Congress is serious about reducing the Federal budget as a means of controlling inflation, it cannot overlook the fact that 70 percent of the controllable portion of that budget is attributable to the military and due to the nonproductive, demand-generating nature of defense spending, reductions made in the defense appropriations bill, dollar for dollar, will be more effective in countering inflation than any other cuts.

Congress has appropriated more money over the past 4 years than the delivery system—the defense industry—can keep up with. This is illustrated by the steady increase in unexpended balances—money obligated but not spent—over the past 4 fiscal years. In effect, the delivery of goods and services cannot keep up with the orders placed for them. An $81 billion ceiling on this year's budget can help rectify this unhealthy distortion of the appropriations process.

Mr. President, the Senate Appropriations Committee should be commended for the diligent job it has done in examining the defense budget. It has, after months of work, reported out a bill which cuts over $5 billion from the administration request.

However, the committee has not pared away all the waste and fat in the defense budget, nor will this amendment. But it would encourage the Defense Department to give the highest priority to real defense needs and to curtail those programs not essential for the defense of the Nation.

An $81 billion ceiling on expenditures will encourage managerial innovations in weapons procurement and manpower utilization—a more efficient use of the defense dollar.

The United States is today the strongest military power in the world. Despite the tendency of the military to poormouth U.S. defense capability at budget time, the United States retains important advantages over the Soviet Union militarily—as well it should. The United States is about 5 years ahead of the Soviet Union in the development of MIRV's, multiple warheads which can be aimed at separate targets. The United States has more than twice as many nuclear warheads as the Russians and will have this superiority well into the 1980's no matter what the Russians do. The naval balance of power still favors the United States, a status which the Soviet Union is not likely to be able to change in the near future.

For all my misgivings about Soviet Union intensions, the United States is militarily strong enough to cut an additional $1 billion from the defense budget without adversely affecting our real military strength.

This amendment will encourage the Defense Department to give the Nation what it needs—a lean, highly disciplined, well-equipped professional military force.

Mr. President, an $81 billion ceiling is not an arbitrary figure. A few examples of possible budget cuts suffice to demonstrate how the Defense Department could comply—comfortably.

First. Military assistance to Vietnam: Our policy in Indochina, with all its contradictions, has already cost the United States dearly in blood, dollars economic vitality, self-confidence, and world influence. We should phase out our military assistance to South Vietnam's autocratic regime as quickly as possible. By providing large sums of money to the Thieu government, we are prolonging an Americanized war.

The administration asked for $1.45 billion in new appropriations for military aid to South Vietnam; the Appropriations Committee has recommended $700 million. An additional $150 million can reasonably be cut from military assistance to Vietnam in order to accelerate the phaseout of military aid. Without aid, the Vietnamese will fight it out on the ground where the war will be won or lost—or they will make peace.

Second. Airborne warning and control system—AWACS: The Air Force asked for $550 million to initiate production of 12 aircraft and $220 million to continue development of AWACS technology. The Appropriations Committee has recommended $311.2 million for procurement of four aircraft and advance procurement of parts and the $220 million for research.

AWACS was originally being developed to provide air defense in the United States against a Soviet bomber attack. The military belatedly recognized that a bomber threat to the United States no longer existed. But instead of giving up AWACS, it shifted it from a strategic to a tactical mission.

The General Accounting Office—GAO—has reported that the change in primary mission should have caused a slowdown in the AWACS production schedule.

The main radar component of AWACS must be redesigned. And it is possible that AWACS can be jammed by enemy ground-based units. Further studies are necessary. They could show that AWACS will not be capable of performing its new primary mission. Under these circumstances, research should proceed, but the $311.2 million in procurement funds could be cut this year.

Third. Site defense: The site defense system cannot be deployed under the ABM treaty and the conference report on the military procurement bill instructs the Army to forgo development of a prototype demonstration model and instead use the money authorized for research and development.

ABM technological research is already being done under the advanced ballistic missile defense system program. A total of $91.4 million is being spent on this ABM hedge in addition to the $5 billion already spent.

Since site defense is a totally redundant program, it could be cut by $103 million leaving $20 million to phase out.

Fourth. Safeguard: This is our operational ABM.

The Defense Department intends to use $120 million to complete the Safeguard base at Grand Forks, N. Dak., which will be put in mothballs 6 months after it becomes operative. The United States cannot afford to build bases and then close them 6 months later. We cannot recoup the $5 billion spent on the ABM system, but we can safely save this $120 million for the U.S. taxpayer.

Fifth. War reserve stocks for allies:

This program is not for our NATO allies, but for certain Asian allies. These war reserve stocks are in addition to our own inventories. But because they remain in U.S. inventories until shipped to our Asian allies in the event of war, the program is not considered a military assistance program.

This program increases U.S. war stock inventories beyond their authorized level and circumvents congressional scrutiny over foreign military assistance programs; $350 million could be cut from the $529.6 million 1975 budget and an investigation made by the GAO to determine whether the entire program should be deleted from the Defense budget.

Sixth. Cruise missile: The Navy has asked for $45 million to continue its development of a strategic cruise missile—a sea-launched, low-flying, jet propelled missile.

The United States has currently deployed 41 submarines with 656 Poseidon and Polaris missiles. It is spending billions of dollars to develop the Trident submarine missile system. The U.S. Navy does not need another missile system. Redundancy in weapon systems is pure waste.

The committee has recommended an appropriation of $30.9 million for the Navy's cruise missile program. This research and development program can be terminated to save the U.S. taxpayer $30.9 million.

Seventh. SSN-688 attack submarine: The Navy has requested $502.5 million for procurement of three SSN-668 attack submarines and the committee has recommended this appropriation.

Twenty-three of these submarines have already been funded and now the Navy is designing a smaller and less costly attack submarine. The SSN-688 program could be slowed down to allow the procurement of a more cost-effective submarine. As recommended by the Armed Services Committee, only two boats instead of three should be built in fiscal year 1975 for a savings of $100 million.

Eighth. The Armed Services Committee also recommended a delay in purchasing a fourth AD-destroyer tender. This would save $116.7 million. The three tenders approved in fiscal years 1972 and 1973 are not yet even under contract. Where the Pentagon has not yet even begun to consider additional funds for the same program until such time as the cost and schedules are known and the funds needed.

Nineth. The House Appropriations Committee recommended the elimination of $41.4 million for 19 more CH-47C helicopters.

The Army has initiated a 3-year program to improve the maintainability, reliability, survivability, and safety of a similar cargo helicopter, the CH-47A/B model; it can do without these 19 helicopters this year. An approved and more cost-effective model may soon be available.

Tenth. DD-963 Spruance class destroyer: The committee has accepted the Navy's request of $655.4 million for the procurement of the last seven ships of the 30-ship program.

This program could be streched out by slowing down procurement to three instead of seven ships for a savings of $264 million.

The unit cost of this oversized and rapidly obsolescing destroyer is nearing $100 million. At the very least, the program should be decelerated until the overrun and technical problems are resolved.

Eleventh. Tanks: The Middle East war raises serious questions about the role of the tank in modern warfare where effective antitank missiles are used. The Pentagon response has been to accelerate procurement of M60 tanks—$237 million—and to revive the main battle tank—XM-1—killed by Congress in 1971. The committee has cut the Army's request and recommends $172.6 million for procurement of the M60 combat tank and $65 million for development of a new main battle tank. Additional tanks are needed, but not so many.

Development of super tanks is hardly

justified. The appropriation for tanks could be reduced $50 million in fiscal year 1975.

These 11 items represent a possible additional savings in the defense budget of more than $1.5 billion.

The PRESIDING OFFICER. Let us have order in the Senate.

Mr. STEVENSON. They do not include overdue manpower reductions or cuts in strategic programs such as the B-1 bomber, Trident submarine and counterforce programs which have been the focus of considerable controversy.

From $300 million to $1 billion could be saved in the defense budget if manpower levels are designed to produce a lean and professional Military Establishment. As recommended by the Appropriations Committee, the Department of Defense manpower levels as of June 30, 1975, will be 2,128,000 active duty military personnel and 985,000 civilians.

As of March 1974, the United States maintained approximately 465,000 land-based troops overseas—300,000 in Western Europe and related areas and about 165,000 in Asia. These overseas troops are the costliest component of our general purpose forces.

I am cautious about unilaterally withdrawing substantial U.S. combat forces from Western Europe with negotiations for mutual and balanced force reductions underway. On the other hand, I am skeptical about the need to maintain 165,000 troops in Asia.

Even after the end of direct U.S. military involvement in the fighting in Southeast Asia and 22 years after the Korean conflict ended, we maintain 35,000 in Thailand, 57,000 in Japan, 38,000 in Korea, and 5,000 in Taiwan. Many of these forces can be reduced without adversely affecting our defense posture and the remaining troops and our 7th Fleet could continue to provide stabilizing evidence of continued American interest in Asia. Withdrawal and demobilization of 100,000 U.S. military personnel in Asia would yield savings of approximately $300 million.

There are now more commissioned and noncommissioned officers than seamen and privates in the Armed Forces. We have more colonels, captains, generals, and admirals than we had in 1945 when the military had 12.1 million men under arms.

If the abundance of officers reflected the requirements of sophisticated 20th century warfare, no one could complain. But the Pentagon ranks now also include over 7,000 civilian employees who earn between $27,000 and $39,000. The military is plainly topheavy. And about 66 percent of the defense budget goes into paying and supporting defense personnel.

Another way to save money is to cut personnel levels substantially. A cut of about 66,000 personnel as proposed by the Appropriations Committee is too modest. The deadwood must be dropped out, overall levels reduced, the number of high ranking officers and civilian personnel cut, and the wage and fringe benefits of the military—such as uniformed servants, helicopters serving as limosines and unearned flight pay—must be cut to levels comparable to those in civilian life.

Nowhere are the twin dangers of economic folly and military explosion more forbidding and dangerous than in the field of strategic weapons policy.

To the extent that the United States now has any strategic policy, the policy is—quite rightly—to sustain an adequate nuclear deterrent.

Currently, the United States has 1,054 deployed Minutemen and Titan missiles, 41 submarines with 656 Poseidon and Polaris missiles and a force of B-52 bombers capable of delivering twice as many nuclear bombs as the Russians. These survivable strategic systems can destroy the Soviet Union several times over. Once would be enough.

Unfortunately, the debate is too often muddled by bargaining chip theories, and by strategic arms limitation agreements which, by limiting numbers only, accelerate the qualitative arms race. The policy is also clouded at times by rank nationalism, carefully timed leaks about real or contrived Soviet buildups and interservice rivalry.

For all my misgivings about Soviet intentions, I find it difficult to accept the notion that the United States can decelerate the arms race by accelerating it.

Even though we currently have a massive and modern strategic system, this year's defense appropriation contains hundreds of millions of dollars for new strategic systems and improvements in the deployed systems many of which are redundant. For example, there is about $300 million for counterforce programs. Advanced counterforce weapons would introduce a dangerous element into the strategic equation. If construed by the Soviets to threaten their entire land-based missile deterrent, the counterforce program could provide a strong impetus to the arms race.

President Ford has called upon the Soviet Union to join the United States "in an intensified effort to negotiate an equitable limitation of strategic arms." Certainly some, if not all of the counterforce money, could be cut from this year's defense budget. If we start a counterforce program now, as in the case of many weapons systems, once they are started, it will be virtually impossible to stop. Ultimately, such programs can cost the U.S. taxpayer billions of dollars and then, as with the ABM which cost $5 billion, never be deployed.

Other considerations aside, which makes more military sense? To invest $1 billion each in a few large new submarines, their missiles, and the enormous new bases they would require, only to gain marginally greater range and silence? Or to spend less money on more smaller submarines which would increase the number of target points a potential enemy would have to find? To invest $61.5 million on a deep penetration bomber when bombers are increasingly vulnerable to sophisticated air-defense systems? Or to build a less expensive plane which could stand off the coast of a potential enemy and shoot a cruise missile into the target?

This year's defense appropriation includes $400 million for the B-1 bomber and $1.363.8 billion for the Trident submarine program.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. EAGLETON. Mr. President, I yield 3 more minutes to the distinguished junior Senator from Illinois.

Mr. STEVENSON. Both of these programs could be pruned. The B-1 bomber program research could at least be slowed for a savings of about $40 million, and about $800 million could be cut from the Trident program by procuring one boat instead of two per year, and then by developing the less expensive, more cost-effective Narwhal.

The President wants to give SALT II a chance. We ought to give our negotiators a chance before lurching ahead once again. We ought also to give other nations less of an incentive to catch up in the deadly race to join the nuclear club.

As the Senator from Missouri has shown, this billion dollar cut can be made with the knowledge that our military forces will still have the ability to deter aggression and, if necessary, to protect our national interests. What is more, the Defense Department has a fund of over $10 billion of unobligated and unexpended funds which it can reprogram with congressional approval for high priority programs without increasing the budget we finally approve.

Mr. President, we dare not sacrifice national security by appropriating funds for excessive and wasteful military weapons and personnel. Our national security is neither measured nor insured alone by tanks, planes, missiles, warships, and armed men, but by the fundamental strength, unity, and confidence of our people in our institutions, economy, and society. We do not protect, but instead endanger, that security with excessive military spending. As President Eisenhower said:

> Every addition to defense expenditures does not automatically increase military security. Because security is based upon moral and economic, as well as military strength, a point can be reached at which additional funds for arms, far from bolstering security, weaken it.

The United States has passed that point. We, indeed the world, simply cannot afford this madness any longer.

To reestablish American priorities and American principles, I join with the Senator from Missouri (Mr. EAGLETON) in urging the adoption of this amendment to establish a $81 billion ceiling on the Defense budget.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I thank the distinguished Senator from Illinois. I am pleased to yield 4 minutes to the distinguished Senator from Massachusetts (Mr. KENNEDY).

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am a cosponsor of the Eagleton amendment, and I am extremely hopeful that it will be acted upon favorably in the Senate this afternoon.

I think that all of us who have reviewed the very commendable work of the Appropriations Committee in cutting back some of these requests are heartened by its actions. But I think that the proposal of the Senator from Missouri is sound, first of all, from a security point of view, and that is our overriding concern and our overriding interest. It is also sound from a fiscal responsibility point of view.

In effect, with the passage of the Eagleton amendment, we will have increased the Defense appropriation more than 10 percent from what it was last year, which is basically the increase in the cost of living, plus approximately $1 billion.

We are talking about an increase of this nature, Mr. President, in spite of the fact that we have seen the end of the war in Southeast Asia, in spite of a very important and commendable step toward normalization of relations with the People's Republic of China, and in spite of the commendable efforts of the administration in trying to reduce tensions in East-West relations and in signing agreements on strategic weapons.

These are three extremely important and significant developments that have taken place in recent years. Yet in spite of these three important developments, we find that the defense spending has continued up and up and up.

I think all Americans listened to the President of the United States the other evening when he urged Congress to cut back approximately $5 billion in Federal spending.

As the Members of this body know, the areas where we can cut back primarily center on military budget. The military budget contains approximately 70 percent of the controllable items, while the remaining 30 percent lies in the areas of health, education, housing, and other people's programs.

If we are talking about trying to tighten our belts, then I believe that it is only appropriate for us to find ways in which there can be some cuts in Defense appropriations. The Senator from Missouri has outlined a variety of different ways in which the figure of $81 billion can be reached. He is reflecting the good sense and the aims of many entrepreneurs and leaders of corporations in this country: when they are given a budget they live within it, and make choices between various alternatives. In like manner, the administration should choose among competing weapons systems and make decisions based upon the national interest.

Leaders in the Defense Department are the experts and can make the judgments, rather than our debating the merits of weapons system after weapons system, as we have done in the past.

The eminent good sense of this approach will leave it up to the professionals in the Defense Department in judging how cuts best can be made.

I think that through a review of bidding practices, contract practices, and special arrangements made by Pentagon officials with major companies and corporations, the Defense Department can easily find ways in which this appropriations figure can be reduced to the $81 billion provided for in the amendment of the Senator from Missouri.

We can reduce manpower, centering on the support manpower built up in recent years.

All we have to do is look at the ratio of support to combat manpower, to see the possibility for reduction in the former. We can look at the number of supergrades in the military. Often we hear complaints about the number of high-salaried people working in education, health, and other areas. But as the Senator from Missouri knows, we have more supergrades—generals, admirals, and colonels—leading Armed Forces of 3 million people today than we had leading the world's greatest military force, 12 million people, at the conclusion of the Second World War.

These cuts can be made, and certainly not in the combat arms and in the essential areas of national defense. But they can be made in a variety of areas: procurement, research, and manpower.

So I commend the Senator from Missouri. I think he has put forward a responsible position for the Senate this afternoon. It is in the interest of the security of this country, and in the interest of those concerned about fiscal responsibility.

I commend him, and I hope the Senate will support his efforts this afternoon.

I see a number of appropriate areas where significant reductions can be made:

First, in the area of manpower, we can achieve significant reductions in appropriations by a modest lowering of the levels of manpower.

By merely adding an additional 75,000 end-year cut in Active Military Forces, by adding an 18,000 end-year cut in civilian forces, and by cutting the end-year level of reserves by 44,000, we can achieve a savings of appropriations of $650 million in actual pay and in reduced operations and maintenance. In future years, this would represent a $1.2 billion cut.

It should be noted that the Senate Armed Services Committee itself recently reported a bill with a 49,000-man reduction in Active Military Forces and recommendations for additional cuts of 11,000 in noncombat forces abroad.

The appropriations bill merely provides for a 24,000-man reduction. In addition, the Secretary of Defense has testified that there is a slow draw-down of our forces planned in Thailand and South Korea.

The Armed Services Committee has also questioned the 225,000 level of military base support personnel.

In these areas as well as in other noncombat support areas, reductions could be made by the Secretary.

The suggested civilian manpower reduction of 18,000 includes a recognition that the Senate Armed Services Committee proposed a 44,600 cut in civilian manpower, compared to the Appropriations Committee recommendation of 32,000.

The proposed reduction of reserves reflects the actual request of the Secretary of Defense, which was increased by the authorizing committees.

An additional $529 million also could be cut by the Secretary by terminating the "war reserve stocks for allies" account in which weapons and ammunition are obtained on a contingent basis for the support of foreign forces in South Vietnam, South Korea, and Thailand.

This reserve stock funding account has not gone through the foreign relations and armed services authorizing committees.

It is a back-door means of bolstering the actual procurement by the Defense Department.

When it was discovered by Senator FULBRIGHT, the Defense Department explained it as being used for supporting these three allies—South Vietnam, South Korea and Thailand.

At the same time, the Defense Department stated that the equipment remained in stockpiles controlled by the United States.

However, the Department would not state that congressional authorization would be required before these weapons could be turned over to allies.

In fact, when the GAO responded to the requests of the Senate Foreign Relations Committee with a report, the Defense Department objected to the GAO's use of the word "authorization" as being required prior to the transfer of stockpiled items to these Asian allies, arguing instead that only "consultation" with the Congress was required.

I find this position objectionable on two counts.

First, it could mean that congressionally established ceilings—on aid to Vietnam for example—could be meaningless if the Defense Department believes that it can turn this equipment over to Vietnam without further congressional authorization.

Second, it means that we are being asked—at a time of difficult economic circumstances—to boost the defense budget for the purpose of planning for South Vietnam, South Korea, and Thailand's future military aid needs. I say, this subject should be considered as part of the overall foreign aid request.

Subsequently, the Defense Department has argued that much of this new equipment goes directly to the U.S. Active Military Forces and the U.S. Reserves.

If that is the purpose of this reserve, then it should not be funded under this category.

But, the GAO has informed me that there is a circle at work, in which even if some of these weapons go to U.S. troops in the field, the weapons they are replacing go to the Reserve Forces or to the stockpile.

In recent years, there have been substantial increases in the item, "war reserves for allies."

In fiscal year 1973, the Defense Department set aside $25 million.

In fiscal year 1974, the figure jumped to $494 million.

And in fiscal year 1975, the current figure is $529 million.

These figures are based on the acquisition cost of suplies placed in the stockpile.

Once in the stockpile, there is a strong tendency for these supplies to be declared excess and turned over to South Vietnam, South Korea and Thailand.

Thus, in fiscal year 1973, the Defense Department listed $24.3 million in excess materials going to South Vietnam, $6.4 million going to Thailand, and $8.3 million going to South Korea.

But those figures are what the DOD calls actual value, not their acquisition cost.

The GAO found that the Department of Defense was listing those weapons at only 8.9 percent of their acquisition cost.

Thus, the acquisition cost of the weapons declared excess and turned over to those countries in fiscal year 1973 was in fact approximately $390 million.

In fiscal year 1974, the acquisition cost of the equipment declared excess and turned over to those three countries was approximately $620 million.

And in fiscal year 1975, the Department plans, according to GAO, to turn over to those three countries weapons and equipment whose acquisition cost is approximately $738 million.

I see no reason for the U.S. Congress to approve $529 million for the current fiscal year, in an account listed as war reserve stocks for allies and designated for South Vietnam, South Korea, and Thailand, at the same time that the Department of Defense plans to turn over items costing an estimated $738 million to those countries.

In addition, there are other areas where cuts are desirable in the overall Defense appropriations. I would note that the Senate Armed Services Committee has recommended that only two nuclear attack submarines be authorized this year, rather than three. The committee felt that there would be no negative impact on our security, since 23 of these vessels have been funded but have not yet been delivered; and for a substantial portion of them, the construction stage has not yet begun. A reduction of one attack submarine would mean a reduction of $334 million.

Similarly, the Armed Services Committee has recommended a deletion of the request for a destroyer tender, noting that three other tenders have been funded in prior years, yet contracts have not yet been awarded. In the committee's view, prudence suggests deleting the $116.7 million request from the appropriations bill now before us.

Another area of procurement where reductions can be made is in the F–14, where current appropriations of over $600 million are planned, for the purchase of 50 F–14's. This plane has been a subject of considerable controversy and questionable utility; and work is now underway on lighter weight replacements. Cutting in half the order of 50 planes to 25 would permit a savings of $300 million from this year's appropriations bill. It also should be noted that purchase of 80 F–14's by Iran will insure that the production line for these planes will not be measurably affected by a decision to reduce the U.S. level of procurement this year to 25 planes.

The Appropriations Committee also added, in the area of the ABM, an additional $38.8 million over the House funding for continued research and development on the new site defense system and the older "Safeguard" system. With the United States-Soviet agreement to limit each country to one ABM, I see no need for funding two ABM's, and surely not for adding money beyond what was voted by the House.

Finally, I would suggest that the Secretary could effectively reduce the $700 million level of assistance for Vietnam by an additional $150 million, to reduce the so-called MASF program for South Vietnam to a level well below the Senate's fiscal year 1974 funding.

In sum, these are specific areas, totaling nearly $2 billion, from which I believe reductions could be selected by the Secretary in order to reduce the level of Defense appropriations by $1.1 billion, thereby meeting the $81 billion ceiling, without affecting our national security in the slightest.

I would also emphasize to my colleagues that additional reductions are also possible in other areas—for instance, by slowing slightly a number of major ongoing programs: The Trident, which has appropriations this year of $1.6 billion; the B–1 bomber, with appropriations of $449 million; the Minuteman III conversions, with appropriations of $597 million; and the 7 DD–963 destroyers, with appropriations of $457 million.

In examining the Department of Defense appropriations bill, I believe that the items I have listed are susceptible to reduction without affecting our security. They would easily permit a reduction to meet an $81 billion ceiling, and they would help to ease the current economic situation by reducing the excessive inflationary pressure of Government spending. We have not mandated specific reductions as part of our amendment, because we believe the Secretary should have the authority to make the final determinations within the ceiling.

Nevertheless, this list of potential reductions is persuasive evidence that an $81 billion ceiling is not only well within the reach of Congress, but also within our basic national interest.

Suggested cuts totaling $1.9 billion

[In millions]

Total reductions:	
Manpower and operations and maintenance	$650.0
MASF—Vietnam	150.0
F–14—reduce buy from 50 to 25	300.0
SSN 688 Nuclear attack submarines—reduce buy from 3 to 2	167.0
Site Defense—reduce to level of House appropriation	23.0
Safeguard—reduce R. & D. funds to level of House appropriation	15.8
War reserve stocks for Allies	529.0
Destroyer Tender—delay buy, as recommended by Armed Services Committee	116.7
Total	1,951.5

Mr. YOUNG. Will the Senator yield?

Mr. McCLELLAN. I yield to the distinguished Senator from North Dakota such time as he desires.

Mr. YOUNG. Mr. President, this defense budget has already been cut $5.5 billion, the deepest cut that has ever been made on a regular defense appropriation bill in my time in the Senate, and that is nearly 30 years.

If we had cut it $10 billion, there would have been the same amendments offered to decrease it, with much the same arguments.

I would like to take exception to one of the many proposals, and they are all based on inaccuracy or misinformation, on the long statement of the Senator from Missouri (Mr. EAGLETON) under Safeguard.

I wish to quote, and this is in respect to the Safeguard:

> But recent studies, including a classified GAO analysis, show that our ICBM's do not need protection. Soviet missile accuracy is not sufficient now, nor will it be in the future, to threaten our land-based missiles. These missiles are, of course, deployed in hardened silos.

Mr. President, we have six Minutemen missile wings and not one of them has hardened silos. They are in the process now of hardening the Minutemen silos in one wing in Wyoming and one wing in North Dakota.

I read further:

> But the most compelling reason of all to eliminate funds for Safeguard in this year's budget, is the decision by the Pentagon itself to mothball the system soon after it becomes fully operational later this year. That such a decision has been made was recently confirmed by a Defense Department spokesman.

I do not know who that spokesman was. He is not identified.

Before I go further, Mr. President, let me read from a letter from the Department of Defense.

I ask unanimous consent that the entire letter be placed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., August 9, 1974.

Hon. MILTON R. YOUNG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR YOUNG: Secretary Schlesinger has advised me of your conversation with him and your interest in the information that appeared in the Congressional Record and in the Press concerning DoD plans for the Safeguard site.

There are no DoD plans to close down the site. The Safeguard site is an important element of our strategic defensive posture at which we do not now plan to assume any status characterized by the word "mothballing." We are, as you know, giving continuing attention to taking every possible measure to reduce costs within the Department of Defense. One of the options being preserved would be to reduce somewhat—many months hence—the level of operation of portions of the Safeguard site. Final decision to execute this option could only be made if the future international situation and the status of the arms control negotiations warranted such a change in status. In any case, there are no plans—tentative or otherwise—to make such a change prior to fiscal year 1977.

The FY 75 Defense Program includes funds for R&D and operation of the Safeguard site. This program will permit us to acquire the essential operational experience necessary to support future R&D. The program also will assure that this Safeguard site can be operated to provide the protection it uniquely affords. Our planning of strategic forces necessarily includes assumptions on the degree of strategic warning that we might receive prior to a severe crisis. When it is possible to make the appropriate assumptions about strategic warning and when we have acquired the necessary operational experience it will then be possible to consider whether this site could be safely maintained at a reduced level of operational readiness.

I hope that this information will clarify some of the misconceptions that could easily have arisen from material recently available on this subject.

Sincerely,

JOHN M. MAURY.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., August 7, 1974.

Memorandum for:

- Major General John A. Wickham, Jr., Military Assistant to the Secretary of Defense.
- Major General Raymond B. Furlong, Principal Deputy Assistant Secretary (LA).
- Colonel Robert L. Burke, Director for Defense Information.
- Mr. Charles Hinkle, Director for Security Review.

I have responded as follows to this question from Les Gelb of the New York Times:

Q: Has there been a decision to mothball the Safeguard site?

A: There is a decision to protect an option to phase down portions of the Safeguard site in an orderly way in the outyears beyond FY 1976 resulting in a reduced readiness status. Obviously this option might not be exercised and the planning could change depending on the international situation and the status of arms control negotiations. Full operation of the site in the period before FY 1977 will provide us with essential R&D information and operational experience and will insure the capability to restore the site to full readiness in a timely manner if it should in fact be placed in a reduced status. The decision to protect this option to reduce readiness in the out-years has been fully discussed with the Congress throughout the year including the Secretary's classified Defense Report of last March.

JERRY W. FRIEDHEIM.

Mr. YOUNG. This letter is dated August 9, addressed to me:

DEAR SENATOR YOUNG: Secretary Schlesinger has advised me of your conversation with him and your interest in the information that appeared in the Congressional Record and in the Press concerning DoD plans for the Safeguard site.

There are no DoD plans to close down the site. The Safeguard site is an important element of our strategic defensive posture at which we do not now plan to assume any status characterized by the word "mothballing".

That story also appeared in the New York Times, that we are going to mothball the ABM site. That statement is utterly false.

Mr. President, I now read the last paragraph of the Eagleton statement:

Instead of allowing funds to complete Safeguard and maintain it for a full year, I would give the Army exactly what it needs to put the system in mothballs. The savings here, therefore, would be $80 million, leaving $40 million to phase out the program.

Mr. President, since the Safeguard program was first started by President Johnson, we spent approximately $6 billion in research and development, and testing, and about $300 million on the site in Montana, which we abandoned, and about $805 to $810 million on the site in North Dakota.

It would take $60 million to complete the ABM site in North Dakota.

Would it not make sense, Mr. President, to complete the site after over $800 million has been spent on it when it only requires $60 million more to complete it?

One thing they have been able to develop through this ABM project is a radar that is five times as strong as any other radar we have deployed any place in the world. That is one of the results.

Mr. President, this is only one of what I believe to be many errors and inaccuracies contained in the Senator EAGLETON statement.

May I say again, what a horrible mistake it would be after spending $6 billion on this Safeguard system to abandon the one site we have about completed, where it would only take $60 million more to complete it. The Russians have one site and they are going on improving theirs day by day.

The PRESIDING OFFICER. Who yields time? The Senator from Missouri is recognized.

Mr. EAGLETON. Very briefly, Mr. President, the Defense Department spokesman I failed to mention by name is Jerry Friedheim.

I ask unanimous consent to have printed in the RECORD at this point an article from the New York Times of August 8, 1974, by Leslie H. Gelb, which deals with mothballing the Safeguard and contains the quote from Mr. Friedheim.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOUSE VOTES MISSILE SITE PLANNED FOR 6 MONTHS' USE

(By Leslie H. Gelb)

WASHINGTON, Aug. 7.—The House of Representatives voted $135-million yesterday for the completion of a missile defense site that the Pentagon plans to place in mothballs six months after it becomes operative, according to a number of Congressmen and Administration officials.

The impending mothballing could not be stated in the floor debate on the defense appropriations bill because the Pentagon has kept the information classified.

Most members of the House Defense Appropriations subcommittee who were aware of the mothball plans, nevertheless, recommended passage of the measure. Their arguments were that some research lessons might be learned and that $5 billion had already been spent on the project.

Representative Robert N. Giaimo, Democrat of Connecticut, offered an amendment to reduce funds for the project by about $85 million.

URGINGS IGNORED

He and a number of his colleagues urged their fellow Congressmen during the debate on the amendment to go over to the floor managers' tables and read the page in the classified record that described the mothballing plans. Only a handful went over to look at the text. The amendment was defeated, 182 to 219.

"Assistant Secretary of Defense Jerry W. Friedheim acknowledged in a telephone interview that "the decision has been made to protect the option to phase down some parts of the defense missile site" after 1975.

He added that the decision would "save money" and "give us the option to come back with the site" in an emergency.

Other Pentagon officials, however, maintained that it would take about three months to get the site working again once it had been phased down as planned.

Mr. Friedheim did not explain why the mothballing plans needed to be classified.

The House passed yesterday a Defense Department appropriations bill of nearly $84 billion, some $3.6-billion less than the Administration had requested. This figure does not include an additional $6-billion for other military programs such as foreign military aid, civil defense and development of nuclear warheads done by the Atomic Energy Commission.

WEAPONS PROGRAMS PROTECTED

The bill will allow the Pentagon to proceed with almost all of its planned new weapons programs.

At the same time, however, Representative George H. Mahon, Democrat of Texas and chairman of the Appropriations Committee, warned the Pentagon not to ask Congress for more money because of inflated costs. In recent years, the Pentagon has sought supplements after its budget had been approved and was expected to do so again this year.

The House also passed two key amendments contrary to the positions of its own Appropriations Committee and to the Administration.

MISSILE SITES LIMITED

By 233 to 157, the House voted to cut military aid to South Vietnam to $700-million, or $300-million below the committee recommendation and $900-million under the Admin-

* * * * *

By a vote of 214 to 186, the House also killed Administration plans to begin the production of a binary system for the delivery of nerve gas. Binary nerve gas production had been proposed by the Pentagon to match Soviet developments in gas warfare and opposed by the Arms Control and Disarmament Agency as an obstacle to negotiations under way in Geneva to ban chemical weapons.

The background to the vote on the missile defense site was frequently cited by Mr. Giaimo and others to justify their opposition to the measure.

In 1972, the United States and the Soviet Union signed a treaty limiting each side to two antiballistic missile sites. During the Moscow summit several weeks ago, both sides further agreed to a one site limit for each.

In between these two agreements, the Pentagon decided to begin research and development on a new type of missile defense system known as "site defense." The technology of the systems limited by Soviet American treaties. The House yesterday approved $100-million for the new site defense program.

On April 25, 1974, Gen. Walter P. Leber, the chief of the Safeguard defensive missile system that is limited by the Soviet-American accords, informed the House Defense Appropriations Subcommittee in classified testimony of the following Pentagon plans:

1975 COMPLETION

If Washington and Moscow agreed to limit the Safeguard system to one site, Washington would choose Grand Forks, N.D., the site nearest completion.

With the $135-million requested in the new budget, the Grand Forks site would be completed some time in 1975.

Since this one site would be without strategic significance, the Pentagon would keep it in operation for about six months for research, then phase it down to a low state of readiness.

Pentagon plans remain as stated then by General Leber. His testimony is what Mr. Giaimo and others were referring to in the House debate yesterday.

Mr. Giaino's amendment would have budgeted only enough funds to close out the

Grand Forks site. He and others argued the following: The research benefits to be gained by completing the Grand Forks site could not be used elsewhere since by treaty the United States is limited to one site and could not be transferred to the new site defense system since the two technologies are so different.

Speaking in favor of completing the program, Representative Robert L. F. Sikes, Democrat of Florida, said: "If we stop now, we will have nothing to show. For $5-billion we have nothing to show—nothing."

In a telephone interview, Mr. Mahon stressed that it was important for the United States to possess the technology "used by our troops in our country," since the Soviet retain an operational site near Moscow.

The Senate Appropriations Committee has not yet taken action on this matter or on the Defense Department appropriations bill.

Mr. EAGLETON. May I say to my friend from North Dakota, it seems like 5 years ago or so when we were debating ABM and Safeguard. We need not repeat 5 years of history, nor the enormity of debate, which consumed many, many days. We take diametrically opposite viewpoints as to the advantages of Safeguard.

I predict to my good friend from North Dakota that the biggest thing North Dakota will get out of Safeguard will be a State park. In terms of its utilitarian qualities, its defense utilization, it is worthless.

I presume I might view it in a somewhat different context were it in my home State, although I fought like the devil to keep it out of my State of Missouri when they threatened to propose it for Sedalia, Mo. They wanted to Safeguard us to death with a nonoperable, useless, wasteful system.

The Pentagon did me a perverse favor when they said it would no longer go to Missouri, as a threat of punishment. I accepted their decision and I have obtained more political mileage out of it than if they had put it there.

Nevertheless, it is in North Dakota, and I presume it will stay there.

I can assure the distinguished Senator from North Dakota it is going to be mothballed and will not be used. It does not make any difference. It could not have been used anyway.

Mr. YOUNG. Will the Senator yield?

Mr. EAGLETON. Yes.

Mr. YOUNG. It was not a request of mine nor the people of North Dakota that the ABM site be placed in North Dakota. There are two big air bases in our State, about 300 Minutemen, and the ABM. If North Dakota seceded from the Union, we would be the third biggest nuclear power in the world. We did not ask for these installations. It was a Defense decision that placed them there. We did not object to it. Our people thought if the country needed them for national security they would accept them.

Mr. EAGLETON. I thank the Senator from North Dakota.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield to the Senator from Mississippi such time as he may desire.

Mr. STENNIS. Mr. President, I thank the Senator very much.

Mr. President, I think everyone should really follow the route this bill has taken: the authorization part, to start with, by a committee of the Senate and by a committee of the House, and then a conference committee meeting between each on the authorization bill which went over the entire matter for weeks—I think 5 weeks over a period of time. Then come back for a moment to the history of this matter.

The original budget was considered most exhaustively by our committee. As pointed out this morning by the Senator from New Hampshire, research and development was carefully considered, and considerable reductions were made.

The same thing happened with reference to procurement.

Reference has been made to ships. There was one group where the chief control ship was finally eliminated altogether. They are going to take a new start somewhere in that field. That was a legislative act.

We brought a bill to the floor of the Senate for authorization.

Consider the manpower, aid to South Vietnam, the civilian manpower, plus the military procurement, plus the R. & D. We took out, in round numbers, between $2.5 billion and $3 billion. That is including the manpower and the foreign aid.

We went to conference. We did not have that much of a saving, but we had well over $1.5 billion.

This went to the House of Representatives where they have a staff that works year in and year out. They came back with a lot of very valuable information that led to reductions in this bill.

The Senate Committee, under the guidance and leadership of these two Senators, the Senator from Arkansas and the Senator from North Dakota, worked further on the bill.

Do not think this is trivial work. I know the Senator from Missouri does not think so because he did some good work once on a tank, and I commend him publicly and privately. So he is a worker, too.

Do not think that these men are not workers. They and their staff—and the rest of us helped them some—really put a fine-tooth comb all the way through this matter. Let us not say to the people of America that we are just throwing away money, putting it in for this and putting it in for that.

There has been more time taken up and lost on these bills, arguing about beagle hounds and items of that kind, than there has been of these real weapons. The members of the committee have been through it from bottom to top. They have come up with some recommendations that are really down to the bone. I do not think they have cut any muscle, but they have got down pretty close to it.

This amendment, with all deference to our friend from Missouri, would lock this committee in by this vote, putting a ceiling on this of $81 billion. That means that we go through the formality of appointing conferees and they will go to represent the Senate at the conference. That means they will have to go into the conference and say to the House conferees, "We cannot go above $81 billion because of the Eagleton amendment, and that means the House will have to yield to us on everything."

Their bill calls for about $83 billion. So we would be $2 billion under them to start with. We could not go above $81 billion. Then we have to bring back a bill that is not below the lowest figure of the two nor above the highest figure of the two.

It just means we would be locked in and that is all we could do or say. We would very quickly get an answer.

Mr. President, I shall discuss in some detail the extent to which the Defense budget has already been reduced under our congressional process—that is what happened during the authorizing process to which a large portion of the budget is subject, and what has happened in the appropriation process, which has overall jurisdiction over the entire Defense budget. The Senate will see that this request, as it now stands, which has been reduced from $87 billion to $81.5 billion, has undergone a most intensive review by four committees.

RESULTS OF AUTHORIZATION REVIEW

As the Senate knows, appropriations cannot be made for substantial portions of the Defense budget until the appropriation has been authorized. This requirement covers the procurement of all major military hardware, all research and development, the fiscal year end-strengths for military and civilian personnel in the Department of Defense, and military assistance for South Vietnam.

Those portions of the Defense budget not subject to authorization include the entire O. & M. account, portions of the personnel account, parts of the procurement account, and various other sundry items.

Mr. President, the Senate version of the authorization bill reduced the Defense budget by $3 billion, 244.7 million. These cuts were as follows: Procurement, $1 billion, 110.1 million—8 percent—R. & D. $372.6 million—4 percent—the 49,000 military cut and the 44,600 civilian personnel cut would have resulted in savings of approximately $1.2 billion annually; military assistance for South Vietnam cut $550 million—38 percent—from the request of $1 billion, 450 million. The Senate committee cuts, Mr. President, were not increased or decreased on the Senate floor.

RESULTS OF CONFERENCE ON THE AUTHORIZATION BILL

In conference, Mr. President, a portion of these cuts were restored. However, the record should reflect that the final authorization act reduced the Defense budget by a total of $2 billion, 135.2 million from the request. The major reductions were as follows: Procurement cut $810.9 million—5.9 percent—R. &. D. $388.1 million—4.2 percent—personnel $488 million; Vietnam assistance cut $450 million—31 percent.

FURTHER REDUCTIONS IN TWO APPROPRIATION COMMITTEES

The overall cut, Mr. President, made by the House Appropriations Committee in the defense budget was slightly over $4 billion.

SENATE APPROPRIATIONS ACTIONS

Mr. President, proceeding with the same comparisons the Senate made further reduction in the overall budget which totaled $5.5 billion. This includes further reductions in the procurement, R. & D. and personnel accounts. The Vietnam assistance, which as the Senate may recall, was reduced an additional $300 million in the House, remains at that figure in the Senate, which, as we know, is now $700 million from a total request of $1 billion, 450 million.

FINAL COMMENT

Mr. President, these figures speak for themselves. This is one of the tightest Defense budgets we have had in years. It still permits a strong national defense, but, at the same time, there have been far greater cuts in this budget than any I have known in the Congress so far this session.

Mr. EAGLETON. Will the Senator yield for a question on that point?

Mr. STENNIS. Yes.

Mr. EAGLETON. This cut is to be made in the discretion of the Secretary of Defense, if you came back to the floor of the Senate with an $81.5 billion bill, hypothetically. He could so do, in my opinion, with the discretion lying with the Secretary of Defense, were he to cut off that extra $0.5 million figure.

Mr. STENNIS. You did not let me finish my story. I was going to say what would happen in the conference.

You would not get any kind of an offer back on any kind of negotiation or anything else. Their own self-respect would make them say, "We are not going to yield to the Senate on that figure, and we are not going to lose our time in arguing about it. We are not going to have a conference, if you are going to stand on that amendment."

So, of course, the Senate would have to yield on that amendment before you could get down to any kind of negotiations. Do not say it would not happen that way, please, unless you have been through the thing I am talking about.

Mr. McCLELLAN. Will the Senator yield?

Mr. STENNIS. Yes, I yield.

Mr. McCLELLAN. As this amendment is worded, I think it means whatever we appropriate, the appropriation, the overall total, must be that. It does not cut any item in the bill.

It does not increase any item in the bill as it is now. It simply puts on a ceiling. If I interpret it correctly—and I think that is the interpretation placed on it by the author—it means that we would abrogate our power and authority and responsibility to appropriate, but we would delegate that power to the Secretary of Defense. I do not believe that is the best way to do it.

Mr. STENNIS. I do not think so.

Mr. McCLELLAN. I do not know where he would cut. He might not cut in the places that the distinguished Senator from Missouri has suggested that cuts would be made.

Mr. STENNIS. The House is not going to agree to anything like that. We might just as well recognize that now. The conferees would have to yield or come back for further action of some kind, under the parliamentary procedure.

We have to be practical and realistic. We are prepared to defend this bill. It is not a product of any one person's arbitrary idea. It is a product of the judgment of those of us who have been working on it, particularly led by the two Senators to whom I have referred.

We are not going to get anywhere with the House conferees by going in there with a mandate. With respect to any particular item that has to be voted on, it may be too late now to offer an amendment. But any particular weapon or any particular amount was subject to attack, or any particular item could have been left out.

Mr. EAGLETON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. EAGLETON. I do not have a particular amendment in mind, but I should like to ask the distinguished Senator from Mississippi, the chairman of the Armed Services Committee, what he thinks about the wisdom of cutting additional civilian personnel from the Defense Department payroll? I quoted at great length an excellent report by the Senator's committee about the lavish civilian personnel quotas of the Defense Department. I ask the Senator what his current attitude is with respect to that?

Mr. STENNIS. My attitude is rather well reflected in the bill as it exists.

I do not recall the figures at this time, but 30,000 additional places were requested, and the Senate Armed Services Committee turned down virtually all of them, plus some more. I cannot recall the exact figure, but it was about 39,000 which could have been taken care of by attrition. That was compromised somewhat in the conference with the House on authorizations. The House Appropriations Committee then took that authorization as the top figure and reduced it somewhat. The McClellan subcommittee reduced it more, and it now stands at about 32,000, as I recall. That is not only the best judgment I have; it is the composite judgment of many of us who have worked on this subject.

We held extensive hearings on this matter, and we are already holding some hearings on manpower for next year. The military manpower has been gone over in the same fashion. We recommended a reduction to which the House did not agree.

Mr. President, that is about the only contribution I can make. There has never been a bill that has been considered and reconsidered and evaluated and measured and weighed and examined and analyzed, with a composite made, any more than this one. In fact, I believe that this bill has had more treatment along that line than at any time since I have been on the Armed Services Committee.

As I have said, we have already started working on next year's bill, because I believe the membership is pretty well satisfied with this one, the way it is now.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, we are awaiting the senior Senator from Missouri, and I am ready to close on my amendment.

I yield the floor.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to speak in opposition to the Eagleton amendment.

I remind Senators that the President of the United States, in the 1975 budget estimate, sent a request asking for $87 billion. Congress has considered this request in the pending bill. The House Armed Services Committee went into it in detail and fine-combed it. The Senate Armed Services Committee went into it in detail and gave it thorough consideration. The House Appropriations Committee has given it thorough consideration, and they have come up with a bill of $83 billion. The Senate cut that. The decrease recommended by the Senate is $1.5 billion. In other words, they cut it to $81.5 billion, a reduction of $5.2 billion from the original administration request.

Mr. President, how much more can we cut it? The idea of just saying that we want to cut off a billion dollars sounds good. It is nice to go back home and say that we voted for an amendment to save a billion. But where is it being saved? It is being saved from the only thing that can keep America free.

In this time in history, when Communist dictators are trying to devour the world, when they have 36 percent of the world's population and want to take the rest of it, how are we going to keep this country free? How are we going to defend the free world, unless we keep strong militarily?

The only language the Communists know is power. In order to have power, we must have a strong defense program. We cannot have a strong defense program if we are going to cut into the very sinew of a defense bill that has been considered by 4 committees, which they have reduced and reduced, and it cannot be reduced any more without peril to this country. I hope the Senate will think over this matter well and realize that it is important to keep this country strong.

Under the amendment that the distinguished Senator from Missouri is advocating, key decisions would be transferred from Congress to the Department of Defense. That is the very thing we are trying to get away from. We have said that the executive branch has too much power, that we have to bring it back to Congress. But under this type of amendment the Defense Department is going to make the decisions that we should make, and the members of these committees have tried to make these decisions in a sound manner. If the committee has made some errors—and no doubt we have made some; nobody is perfect—it can be corrected in conference. But just to take a meat ax and cut a billion dollars from the defense of this country does not make sense to me.

I repeat that the survival of this Nation, the survival of this Government, the survival of freedom in this country, depends on the military strength of this country.

I remind the distinguished Senator from Missouri and my colleagues that we read in this morning's newspapers about our President trying to negotiate a multilateral reduction. If we reduce unilaterally, we are taking away from the President the strength he needs. We are depriving him of the sinews he needs to say to the Communists, "We want to reduce, but we want you to reduce, too." But if only we are going to reduce, we cannot expect negotiations to be successful.

We cannot expect to go into conferences and to reach agreements that are beneficial to this country and for the welfare of this Nation.

The **PRESIDING OFFICER**. The Senator's 5 minutes have expired. Who yields time?

Mr. THURMOND. Mr. President, I wish to say in closing that I hope the Senate will defeat this amendment.

Mr. EAGLETON. Mr. President, to conclude the presentation of the proponents of amendment No. 1836, I am very pleased to yield to my distinguished colleague from Missouri.

No one in the Senate, Mr. President, with all due respect to the fine Senators on the floor and those who have been on the floor today, no other Member of this body has had the awareness of and the knowledge of matters relating to military affairs—to the armed services—to the national security of this country, than my senior colleague. His experience in the executive and legislative branches of the Government—in the Defense Department and on the Armed Services Committee—makes his advice and counsel most valuable.

Thus, although normally, the sponsor of the amendment would close on it, I am eager to adopt such thoughts as my distinguished colleague will say in support at this time.

Mr. SYMINGTON. Mr. President, first, I deeply appreciate the very kind remarks by my able and distinguished colleague from my own State. I know he knows how grateful I am for what he has just said.

Mr. President, yesterday, on the floor of the House, in answer to President Ford's request on Monday night for the cooperation of the Congress in reducing the Federal budget in effort to combat inflation, by a vote of 257 to 155 the mass transportation bill was slashed from $20 billion to $11 billion.

The categories in this bill were cut on the basis of a certain percentage and not, to the best of my understanding of the debate, justified on a program-by-program basis. In other words, this was an across-the-board cut of almost 50 percent.

Why cannot the same criteria be applied to the Defense Appropriation bill? Why not an across-the-board cut of some 8 percent for the sake of efficiency and the state of our national economy?

I support the amendment proposed by my colleague from Missouri and commend him for his thoroughness in researching the various items in the Defense bill which he believes should be reduced below the level recommended by the committee.

I congratulate him on the detail with which he went into it in his effort. But, in this time of rampant inflation, is it really necessary for us to go into such detail in recommending a less than 2-percent reduction in an $87 billion Defense budget—less than 10 percent if you include the $5 billion reduction recommended by the committee.

Why is an 8-percent reduction in our defense bill so much more unacceptable when it comes to fighting inflation than an almost 50-percent reduction in the mass transportation program?

Anybody who has large cities in his State knows only too well the growing problem of the strangling of our cities because of the lack of such transportation. It is for those reasons that I believe that mass transportation is desperately needed to move forward as rapidly as possible.

Time after time I have heard many of my colleagues say that we should not interfere in this or that program in the Defense budget because the Congress does not really understand these programs as well as the civilians and military in the Pentagon and they are the ones who should make the decisions about our defense posture.

Well, if they are the experts, then let them decide where to spend the money; but let the Congress assume its responsibility to the American taxpayer to try to stem the rising tide of inflation by telling the Pentagon that they have only so much to spend. This would be the business-like approach to the problem.

This is the way the problem was approached by the President who probably knew more about the Pentagon than any President, General Eisenhower.

As I have said before, a sound economy with a sound dollar is as important to national security as weapons systems, especially in that some of the latter are clearly questionable.

I find incredible the argument that a modest reduction in the Defense budget, in this year of double-digit inflation, would make the United States a "second-rate power."

For these reasons, I plan to vote for the amendment presented by my distinguished colleague now before the Senate, and would hope that all my colleagues who are truly interested in reducing inflation will do likewise.

The **PRESIDING OFFICER**. Who yields time?

Mr. McCLELLAN. Mr. President, I have listened to much of the discussion this afternoon on this amendment. At times, I was otherwise occupied and did not, therefore, hear all of the argument that has been made. But, Mr. President, there is no need for a lot of argument. The issue here is pretty simple. The question is, do you want to have appropriations by line item, duly examined and approved by the regularly constituted committee of this body, which has a mandate to do just that, and then to report its findings and recommendations to this body? That is our system. That is the way we should proceed.

The opportunity to have proceeded in that way was available to the distinguished author of this amendment, who is a member of the Committee on Appropriations. As I examine his remarks this afternoon, I find he has suggested 12 specific large areas, where he thinks reductions could be made and should have been made, and within those suggestions, there are smaller items, I am sure. I have not examined it in all detail.

I suggest to you, Mr. President, and to my colleagues that if these areas are susceptible of cuts, they should be cut as proposed in his remarks, but not as in the amendment before us. The logical thing, the proper thing, and the best thing that could have been done would have been to present to the Committee on Appropriations the specific amendments to make the cuts at the places where the remarks of the Senator today now suggest.

Some of them may be good and some of them may have been accepted or may have been modified and accepted. I do not know. But I do know, Mr. President, that when we delegate to the Defense Department the authority to spend $81 billion any way it wants to, or delegate the authority and mandate it to cut a billion dollars from whatever we appropriate here, we are abrogating our responsibility.

I do not think it is very becoming of us to do that, and I do not want us to do that. I want us to keep this system whereby we hear evidence on these appropriations, on the budget, and on the proposed appropriations, and weigh them. And then, after discussion and judicious consideration, make a decision and submit a recommendation. That recommendation will not always be wise, will not always be the best. But I submit, Mr. President, that it is a far better system, and that far fewer errors in judgment and actions will occur by coming through that process than by simply submitting on the floor of the Senate a provision which states:

> No funds in excess of $81 billion may be appropriated pursuant to this act.

Well, there is more than that in the bill. What does this cut? What does it affect, if it simply places a ceiling without approving any specific item in the bill?

Mr. President, it is a blank check, a delegation of power to the Defense Department to spend $81 billion any way they want it. I do not agree that they should have the final say. Often we defer to their judgment. I have before, and will in the future continue to defer where I am sure they are better informed and better advised than I. But I want to reserve the right, and I want the Senate to reserve the right, to examine the budget, pinpoint items, and say, "For this item, for this plane, for this submarine, for that much ammunition, for that much provisions, for that much fuel, you can spend so much and no more."

That is the way it should be done. That is the only way, Mr. President, that Congress can keep control of the purse strings of this Nation. If we are going to delegate to department heads the power to dispense and dispose of a total appropriation without specific directions as to how it can be spent, we are moving in a dangerous direction.

I do not know; perhaps some of these cuts could be made. But I say this amendment does not make a single cut where our distinguished friend says they perhaps could be made and should be made. Not a single cut such as he proposes is made by this amendment. He says they could be made there, but they are not made. It would be doing the thing in an irresponsible way. In my judgment, if the Senate thought that we had appropriated too much money, and that the committee's recommendations were unsound, the proper procedure would be to recommit this bill with instructions to the Appropriations Committee to bring in a bill not to exceed $81 billion in appropriations.

That is the right way to do it. That is the right way, Mr. President; then we could weigh these things. But I submit that the $5 billion cut that we have already made is not modest and it is not insignificant unless, Mr. President, we are entering into a process of disarmament, of reducing our military strength to where we will be a second-rate power.

I know no Member of this body wants that. Not a Member of this body, on a vote that clearly presented that issue, would vote to make America a second-rate power.

But let me point out something to my colleagues. We have in the past, on two occasions immediately preceding World Wars, been unprepared. Those wars may have occurred because we were not adequately prepared. Under existing conditions, with the technology and the stage of scientific advance at that time, we had the opportunity to get ready and to meet the enemy.

Mr. President, we do not have time on our side any more. There is enough power harnessed today, in the hands of one potential enemy, that if unleased could destroy this Nation, unless we stay prepared to immediately inflict comparable damage to our adversary. And when the day comes that that adversary feels that by a first strike they could destroy this Nation, I do not want us to be unprepared.

I do not know what it will take. No one knows today. But I do know if we are not careful—and I have been concerned about this question, Mr. President; as I recommended this $5 billion cut I have been concerned about it. Are we sending a signal that may be interpreted as an indication of our retreat from meeting the challenge that is posed?

I hope not. I do not know what next year will bring forth. I will tell you what I think it could mean. I think that as we go out with this bill of $5 billion less than requested, we could make it a signal, and determine from the response whether there is any genuine, true purpose on the part of our potential adversaries to negotiate in good faith for disarmament. This could be a suggestion that, "Yes, we are ready to start negotiating disarmaments with you."

We will know pretty soon whether there is any reaction of that kind to this action we are taking voluntarily. If that reaction in response to this cut does not come, it may later be well to look more carefully into the extent to which we are crippling our defense potential.

I do not want to talk any longer. Senators have their minds made up. Either they are going to vote to handle the appropriation as in the amendment, or vote to stand by the rules and the system that guarantees the opportunity to inspect, to examine, to inquire about, and then to make judgments. But if we do it by this amendment, we lose that power and that prerogative, and I think it is irresponsible.

Yes, Mr. President, I would like to reduce this bill. I would like to wipe it off the books. I wish the condition of civilization today would permit us to do that.

But, Mr. President, we are living in a world of reality, not fantasy. The dangers are real. They are not imaginary. And I would like to leave this thought with my colleagues as I conclude, Mr. President; I am not sure that we have not already cut too much. I can find many places we can still cut. I could put a list of them into the RECORD. Here are a dozen places where we could cut, but it would mean starting down the road to disarmament, and I do not think we can afford that. Let me say this, Mr. President, in conclusion:

The turbulence and instability of international affairs, the capability of potential aggressors to wage wars of conquest instantaneously with unprecedented weapons of catastrophic destructive force and power, and the ever-present and calamitous danger these tragic and realistic conditions present, clearly and irrefutably preempt us from disarming and from reducing our military arsenal to a level that will relegate our Nation to a second-rate power.

It is imperative that we support and maintain a defense posture of deterrent proportions. To do less is to incur unacceptable risk—it is to invite provocations and impositions, and possibly an assault—a challenge to war.

The price of keeping a deterrent strength—of preparedness—comes high I know. But it prevents war and insures peace; it is more than worth the cost and the sacrifices it entails.

We hear a lot today about priorities in Federal spending. We are compelled to measure and compare the relative importance and need of proposed appropriations, and that is what we have undertaken to do, Mr. President.

But I would remind my colleagues that as the highest priority for any of us as individuals is the preservation of life itself, so is it with our Nation. We must be ever ready, able, and willing to provide adequate defense for its security and survival.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. McCLELLAN. Mr. President, I do not know how much time I have left, but I yield myself 1 more minute.

The PRESIDING OFFICER. Does the Senator have more time remaining?

Mr. EAGLETON. Mr. President, I yield the Senator such time as he may desire.

Mr. McCLELLAN. No.

Mr. EAGLETON. I am prepared to yield back the remainder of my time. I am prepared to yield to any Senator on either side or one who is neutral.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. I understand the vote on the final passage of the bill must occur at 4:45, is that correct?

The PRESIDING OFFICER. That is the previous order; that is correct.

Mr. STEVENS. Mr. President, I would like to raise a question concerning one of the comments in the reports on this defense appropriations bill. When the matter was before our full Appropriations Committee, I briefly discussed the subject with our distinguished chairman, the Senator from Arkansas (Mr. McCLELLAN), and with the chairman of the Armed Services Committee, the Senator from Mississippi (Mr. STENNIS).

There is a reference in the report to propose reductions in headquarters staff. In the past few months, I have discussed with my good friend, Senator STENNIS, the problem regarding the Alaska Command. I have also written to him to convey my views concerning the future of the Alaska Command.

We have had seven Unified Commands and the Alaska Command has represented less than 5 percent of the personnel involved in the headquarters of these commands. In 1970, the Blue Ribbon Defense Panel recommended to the Department of Defense that the Alaska Command be disestablished. At that time, I protested this action to the Department of Defense, and after review of the problem the Under Secretary of Defense, David Packard, disagreed with the Blue Ribbon Defense Panel and determined that the Alaska Command would remain intact, although there was a substantial reduction in the number of personnel at the Alaska Command headquarters.

Now we have been informed of a similar recommendation that is designed to disestablish the Alaska Command.

In my recent letter to Senator STENNIS, I pointed out that the situation in Alaska is not the same as exists in the other 49 States. We are not only separated from the continental United States, we have an extremely close proximity to the U.S.S.R. In Alaska there is a mixture of forces and commands that have vital roles in our national defense. We have the Air Force, the Army, the Coast Guard and the Strategic Air Command. In addition, there are separate functions such as the Navy Research Laboratory, the Test Command and a large National Guard. The Alaska Command has mobilized the facilities for joint training for all of these components and for the joint utilization of facilities and equipment, not only of the military but of other functions of the Federal Government which are directly related to defense, such as the Alaska Railroad.

We are not only the last frontier, our Alaska terrain represents one-fifth of the land mass of the United States. When our State became a part of the Union, President Eisenhower was so convinced of the strategic defense implications of northwestern Alaska that he requested, and Congress approved, section 10 of the Alaska Statehood Act, which provides special powers to the President of the United States quite similar to those involved in martial law to be exercised in the event the President determines it is necessary in the interest of national security.

Additionally, the Alaska Command has served the Nation extremely well in times of national disasters in Alaska such as the great Good Friday earthquake of 1964 and the disastrous Fairbanks flood in 1967, at which times it was the Alaska Command that provided the nucleus for coordination of all Federal activities.

I feel very strongly that the Alaska Command is necessary to maintain the unity and the responsiveness necessary for defense forces in times of peace and in times of crisis in the event of war. We know that Alaska would probably be isolated in the event of a major war, and in any event we feel the planning for the defense of Alaska that is not done in Alaska cannot recognize the unique and developing problems in our great State.

Above all, Alaskans feel that if the Alaska Command is disestablished, our military forces will be supervised by what amounts to middle management—and in the event of a crisis requiring augmentation of our forces, there would not only be the necessity to augment the troop strength but there would also be the necessity of imposing on our defense structure a top management team that would be unfamiilar with the circumstances.

Working with the Alaska Command and its Advisory Council, I have explained to the Department of Defense an Alaskan proposal for the consolidation of the component headquarters while at the same time maintaining the Alaska Command. The advantages of this proposal are many: first, it would meet the request of our congressional committees for manpower savings in headquarters personnel; second, it would provide for the best possible coordination of the military effort in Alaska under the circumstances; third, by maintaining a unified command the responsibility for defense activities is in clear focus and would thus permit a closer relationship with our State and local communities; fourth, by preserving the Unified Command the true function of a command headquarters would be maintained along with the direct responsibility to the national level for activities in our State which, as I said, is one-fifth of the size of the rest of the United States.

The coordination plan set forth by Alaskans, including the military in Alaska, could effect a savings in excess of the manpower savings that would be realized if the Alaska Command was disestablished.

This is not an idle problem so far as I am concerned. Since I have come to the Senate I have attempted to support those bills—both authorization and appropriations—which I felt would maintain an effective defense establishment within our financial capability. And I have done this while watching the Alaska Command reduced 21 percent since 1970. I believe it could be shown that there are fewer military personnel in Alaska today than there were before Pearl Harbor—and while I completely support the concept of détente, it is to me a concept that will succeed only if our Nation maintains its strength.

I have, as I have informed our two distinguished chairmen, been in contact with the Department of Defense again concerning the proposal to disestablish the Alaska Command. I have the distinct impression that the Department of Defense feels that it must respond to indications from the Congres, and particularly from the Senate, which the Department of Defense believes require the disestablishment of the unified commands. And in doing so it is ignoring the advice that has come from the individual services and the unified command structure in Alaska concerning the necessity for the maintenance of this unified command in Alaska.

In effect, I have the distinct impression that there are portions of the Department of Defense which believe that the proposed action to disestablish our Alaska Command shows a responsiveness to the Senate. I have conferred with the Secretary of Defense, Mr. Schlesinger, regarding my feelings concerning this matter, and he has agreed to visit Alaska and meet with the Alaska Command and Alaskans concerning this problem prior to acting on the recommendation to disestablish Alcom.

What I now fear is that the references in the report on this appropriations bill could be interpreted to add to the "pressures" that some people in the Department of Defense feel they have already received from the Senate—they could be interpreted as an approval, or at least a request, for additional action to disestablish headquarters. I sought the support and guidance of my good friend, the Senator from Mississippi (Mr. STENNIS) in the past and now I seek not only his advice and counsel, but also that of the distinguished chairman of the Appropriations Committee (Mr. MCCLELLAN). And with this recitation of the background and my feelings on the problem, I would like to inquire: Is there anything in this report which could be interpreted by the Department of Defense as a request or direction to proceed with the disestablishment of the Alaska Command?

Second, would the two distinguished chairmen comment for the record we are making here on the proposal to consolidate the headquarters of the individual components of the Alaska Command, while at the same time maintaining the Unified Command. As I previously stated, I am informed that the personnel reduction involved in that consolidation could be equal to or greater than the personnel savings involved in the disestablishment of the Alaska Command. And I would seek the assistance of my two colleagues and great friends in attempting to convince the Department of Defense that the previous requests from the Senate pertain to the elimination of unnecessary command structures—with the goal of achieving manpower savings, but that the Senate has not and does not seek the disestablishment of command structures which are necessary to carry out the plans for the defense of our Nation.

Alaskans are most proud of their unique relationship in the Nation today—we soon will be providing a substantial portion of our Nation's energy resources and our potential for producing strategic metals and minerals is even greater. But we are not unaware of the fact that Alaska with its remoteness from the South 48 and its proximity to Asia is in a unique geographical location. Our location offers strategic advantages to our Nation, but at the same time it presents an apparent weak spot in our defense—and we believe that the defense posture for our military forces in Alaska must maintain defense and readiness that was not present in Alaska at the beginning of World War II. To Alaskans the Alaska Command is the symbol of preparedness—take it away and I think our State will lose confidence in the commitment of the Nation as a whole to maintain our ability to defend Alaska.

I would be happy to have the comments of my good friends on these questions at this point if they would care to respond to my remarks.

Mr. McCLELLAN. Mr. President, I have been advised that the Department of Defense is currently reviewing the unified command plan and in all likelihood will recommend that changes and realinements be made. The review is expected to be completed in about 6 months and is a part of the Defense Department's program to reduce headquarters staffs and increase combat manpower in the Armed Forces.

I believe that revisions to the unified command plan that will reduce headquarters staffs are feasible; however, the actions described on page 34 of the committee report, under the title "Achieving Savings in Support and Headquarters Personnel" are not intended to approve any specific changes that may be proposed by the Department upon completion of its review. The committee will carefully examine the proposed changes to the unified command plan. I can assure the Senator that the committee does not seek, and will oppose the disestablishment of command structures which are necessary to carry out our national defense.

Mr. STENNIS. Mr. President, my response to the Senator from Alaska is as follows:

I am inserting in the RECORD a copy of a letter from me to the Secretary of Defense dated October 24, 1973. In that letter I urged reductions in the manpower levels at headquarters.

In that letter, nor in any other letter, nor orally or otherwise, have I ever recommended the disestablishment of a military command. That is a judgment for the military and the Department of Defense to make.

I ask unanimous consent that the letters may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 24, 1973.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: As you know, one of the amendments recently considered on the Senate Floor in connection with the FY 1974 Military Procurement Authorization Bill was a proposal by Senator Proxmire which would have required as a matter of law certain reductions in the headquarters and headquarters staff. These reductions were suggested in the Committee Report as illustrative of reductions which could be made in support and headquarters activities. The Committee Report indicated that over 10,000 positions might possibly be saved in this area.

The amendment was defeated and I opposed the adoption of the amendment. I would not want my vote as well as that of many Senators to be mis-interpreted as meaning that no reductions in headquarters personnel are desirable or possible. The reason for opposing this amendment was based on the Committee position that while substantial cuts should be made, the Secretary of Defense should apportion the cuts and have the latitude to make the cuts wherever he deemed best, as part of his management responsibilities. The Committee Report cited the headquarters activities among a number of others as being illustrative of areas where reductions might well be made in noncombat activities.

I realize that many times the Congress makes what might be termed as "gestures" in support of manpower reductions but these are never made mandatory as a matter of hard law. The Services understandably do not take these actions too seriously if they are not specifically required by law.

The point I can not too strongly emphasize in this letter is that if the Department of Defense does not make rather substantial reduction in the one million men in headquarters and support activities in the coming months, you can be sure that the Armed Services Commitee will be compelled to take more stringent action next year in order to achieve some results. I recognize that over the years headquarters and support activities, especially NATO, have become institutionalized and there is great resistance in reducing un-needed or marginal functions. This results in a tendency on the part of the Services to make any mandated reductions in combat activities.

I am sympathetic to the severe problems you face in achieving meaningful reductions in this area. I write this letter to put the Services on notice of the Committee's intention next year, so far as I am concerned, if demonstrable results are not otherwise achieved.

Sincerely,

JOHN C. STENNIS.

DECEMBER 3, 1973.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: In my letter of October 24 I strongly emphasized the fact that if the Department of Defense does not make substantial reductions of manpower in headquarters and support activities in the coming months, the Armed Services Committee will be compelled to take more stringent action next year to achieve some results.

I understand that you have a study underway on the impact of 10, 20 or 30 per cent reductions in the headquarters staffs of the Services and Defense Agencies. However, I am very concerned, based on my understanding, that this study will not be completed in time to reduce the FY 75 budget and manpower request. Studies are needed but are not enough. As I said in my earlier letter, demonstrable results must be achieved.

I intend to closely watch progress on this matter. I would like you to provide me a monthly report of actual, on-board manpower for each Service and Agency broken down by the mission and support categories of this statutory Manpower Requirements Report. That strength would be compared with previous months and years, as well as the planned end-year strength. Differences from the previous months actual strength should be explained in terms of the specific headquarters, organizations and units that are affected. I would appreciate receiving the report on the 15th of each month for the prior month beginning on December 15 for the month of November.

Thanking you for your attention on what I know is a problem to you—the field of personnel, I am

Most Cordially yours,

JOHN C. STENNIS.

THE SECRETARY OF DEFENSE,
Washington, D.C., December 24, 1973.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I agree with the view expressed in your letter of December 3 that demonstrable results must be achieved soon in terms of headquarters manpower reductions. The headquarters review I have directed will achieve such results. Moreover, our emphasis on the elimination and consolidation of functions and headquarters will permit significant manpower savings without damage to essential command and management functions. While this approach requires more thoughtful study, it is preferable to arbitrary across-the-board reductions. I plan to use the resources released by reductions in command structures to improve combat capability.

As we reach key decisions on the various parts of the headquarters structure, I have asked the Assistant Secretary of Defense (Manpower and Reserve Affairs) to keep you personally informed. Although the full study will not be completed in time for inclusion in the President's FY 1975 budget and manpower request, our testimony before your Committee next spring will cover the results achieved by that time. These results can therefore be reflected in the FY 1975 manpower program.

I would appreciate it if we might consider reporting format alternatives to that specified in your letter. The Services do not routinely report strength information in the Annual Report manpower categories. Thus while an occasional special report can be prepared, regular reports do pose greater difficulty which I would like to explain more fully. Therefore, I have asked Mr. Brehm to discuss the problem with your staff and suggest alternatives which will meet your needs and are within our current reporting capability.

With warmest regards.

Sincerely,

J. R. SCHLESINGER.

The PRESIDING OFFICER. Does the Senator from Missouri yield back the remainder of his time?

Mr. EAGLETON. I am happy to yield such time to the Senator from Virginia as he may desire.

Mr. HARRY F. BYRD, JR. I wish to ask the chairman of the Appropriations Committee this question. As I understand it, the Appropriations Committee started out with a budget request from the administration of, in round figures, $87 billion.

Mr. McCLELLAN. It was $85 billion-something to begin with, but we got an amended request that brought it up to $87 billion-plus.

Mr. HARRY F. BYRD, JR. So with the amended request the Department of Defense sought a total appropriation of $87 billion-plus.

Mr. McCLELLAN. Yes.

Mr. HARRY F. BYRD, JR. And after the Appropriations Committee went over the matter carefully it now recommends to the Senate a reduction of some $5½ billion from that request.

Mr. McCLELLAN. $5½ billion in new obligational authority; that is what they asked to spend, that is what they asked, $87.57 billion in obligational authority requested, and we have reduced it to $82.7 billion, I believe.

Mr. HARRY F. BYRD, JR. So the committee brings in a proposal which represents a reduction from the request by the Department of Defense and the administration of some $5.5 billion.

Mr. McCLELLAN. Between $5 billion and $5.5 billion in round numbers in total authority.

Mr. HARRY F. BYRD, JR. Yes.

Mr. McCLELLAN. And over $5 billion in actual reduction in funds.

Mr. HARRY F. BYRD, JR. The Senator from Virginia has developed figures on defense appropriations.

Mr. McCLELLAN. Sir?

Mr. HARRY F. BYRD, JR. The Senator from Virginia has developed some figures on defense appropriations going back to 1960 which, at the appropriate time, I will ask to be inserted in the RECORD.

For the moment, however, I want to just point out several figures. In 1960, the Department of Defense appropriation was $39 billion, in round numbers. In fiscal 1975, if the Appropriations Committee's proposal is approved, it will be $82 billion, so that is an increase of a little more than double during that time.

But now, if one compares that—and that is a substantial increase—with the appropriations for HEW, we find that in 1960 the total HEW appropriations were $4 billion. They are now $36 billion—last year, 1974, they were $36 billion, a ninefold increase during that period.

If we take another date, if we take fiscal 1969, we find that the Department of Defense appropriations were $77 billion. That compares with $82 billion which the Appropriations Committee recommends to the Senate, or an increase of about 6 percent during that period of time.

Now, if we take the HEW appropriations we find that in 1969 the figure was $16 billion, and it is now $36 billion for 1974, more than double.

Under the able leadership of the senior Senator from Arkansas, the Appropriations Committee has done an outstanding job in attempting to get defense expenditures under control and to eliminate many questionable items from the request made by the Department of Defense.

I doubt if any other piece of legislation has been brought before the Senate which carried a reduction as high as $5.5 billion.

I support the reductions in military

appropriations recommended by the committee.

I commend the able Senator from Arkansas.

I ask unanimous consent that a table showing appropriations for Defense and HEW be inserted at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

HEW and Defense appropriations, fiscal years 1960 through 1975 (figures rounded)

[In billions]

	DOD	HEW
1960	$39	$4
1961	40	4
1962	47	5
1963	48	5
1964	48	6
1965	48	7
1966	59	10
1967	70	13
1968	74	15
1969	77	16
1970	74	17
1971	71	22
1972	75	27
1973	78	32
1974	78	36
1975	82	35

Source: Office of Management and Budget except 1974 and 1975 are Senate Appropriation Committee.

Mr. McCLELLAN. Mr. President, will the Senator yield for just a moment?

Mr. HARRY F. BYRD, JR. I yield.

Mr. McCLELLAN. I would like to state, as I did in my initial and opening remarks on this bill, I pointed out that in 1950 outlays for national defense were about 50 percent of the Federal budget. In 1960 they were 40 percent. In 1970 they dropped to 30 percent, and this year they will be 29 percent. So we are constantly going down. That is true with respect to the gross national product, and so forth.

We are constantly going down; whereas the Senator mentioned some of the other things, social security has gone up 283 percent during that time; health services, including medicare and medicaid, increased from $496 million to $22.4 billion. So the great increase in the cost of Government is not attributable to the rise in military spending. We are doing everything we can to hold it down.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. EAGLETON. Mr. President, I ask unanimous consent that amendment No. 1836 be temporarily set aside for not to exceed 3 minutes so that I may yield to the Senator from Maryland and so that he may bring up a related subject and dispose of the same within the hour of 4:45.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maryland.

Mr. MATHIAS. I wish to call up an amendment which I have sent to the desk.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk proceeded to read the amendment.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The amendment is as follows:

On page 22, line 20, strike the period after "1977" and insert in lieu thereof a colon and the following: "*Provided*, That not more than $90,100,000 of the funds provided herein may be expended for the procurement of the A-7D aircraft, and $128,000,000 of the funds provided herein shall be available only for the procurement of the A-10 aircraft."

Mr. MATHIAS. I am offering this amendment on behalf of my distinguished colleague from Maryland (Mr. BEALL) and both of the distinguished Senators from New York (Mr. JAVITS and Mr. BUCKLEY).

It is an amendment which seeks to bring some equity into the appropriations provided for the procurement of military aircraft and, particularly, to bring about some equity between a new aircraft, the A-10 which has been specifically requested by the Defense Department, and what is proposed to spend on a much older and less useful aircraft, the A-7 that has not been requested by the Defense Department.

I offer for the RECORD, and ask unanimous consent to have printed, a comparison of the amounts which are provided in the bill for the different airplanes and a table showing the amounts if cuts are distributed proportionately.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

[Dollar amounts in millions]

	Authorization and house levels	Senate committee level	Cut (percentage)
A-10	$159.2	$118.0	25.9
B-1	455.0	399.9	12.1
F-15	757.0	691.0	8.7
A-7D	100.1	100.1	0
Total	1,471.3	1,309.0	11

If all the above aircraft systems shared equally (by percentage i.e., 11% cuts each) the burden of procurement cuts, the following appropriation levels would result:

[In millions]

A-10 (up 20.1% from committee recommendation)	$141.7
B-1 (up 1.25% from committee recommendation)	404.9
F-15 (down 2.5% from committee recommendation)	673.7
A-7D (down 11% from committee recommendation)	89.1
Total	+1,309

From the above comparisons, it is clear that both the B-1 and F-15 come reasonably close to suffering an appropriate proportional share of the procurement cuts for aircraft systems. On the other hand, the A-10 would have to be increased substantially (20% higher than the Committee recommended) and the A-7D reduced substantially (11% below the Committee's recommendation) if true parity is to be achieved.

Mr. MATHIAS. I yield to my colleague from Maryland.

Mr. BEALL. I thank my colleague from Maryland for yielding.

I rise in support of his amendment. I think he has made an excellent point that we should pay some attention in this debate to the requests from the Department of Defense.

I would suggest as this bill goes to conference, the conferees will recognize that if there are going to be cuts they should be shared equitably among all the producers of airplanes.

Mr. President, I would like to join my distinguished colleague, Mr. MATHIAS, in expressing my strong disapproval of the recommended reductions in the A-10 program. I understand and fully support the committee's desire to cut the fiscal year 1975 budget. I believe, however, that all segments of the Federal budget must share an equal burden in our effort to overcome the serious double digit inflation which continues to threaten the economic health of our Nation.

But, Mr. President, I do not believe that the A-10 program should be slashed 25.9 percent while other programs of dubious value and effectiveness, such as the A-7D, continue to receive full funding. The A-7 was a good aircraft, in its day, but I believe the time has come for us to move forward to the newer, more versital A-10. The Chief of Staff of the Air Force has stated that the A-10 will help form the core of the force structure for the Tactical Air Command in the next decade.

There are two additional points I would like to make in this debate:

First. Now that the A-10 has been extensively flight-tested, it is far more economical to produce the aircraft in large numbers. The committee cutback would reduce the number of aircraft produced in fiscal year 1975 from 30 to 20, thus increasing the per unit cost.

Second. During his testimony before the House Appropriation Committee, Defense Secretary Schlesinger strongly objected to Congress "thrusting" money on the Pentagon for projects it has not requested such as the A-7. In fact, the administration has not requested funding for the A-7 program for the last several years.

Mr. President, I support a strong national defense because I believe that it contributes to our national security as well as world peace. If we expect to get efficient use out of our defense dollar we must stop wasting them on outdated equipment and purchase instead modern-effective weapons that will make the free world more secure.

Mr. MATHIAS. Mr. President, I would ask if the managers will give us some light on this subject.

Mr. McCLELLAN. I understand what the Senator really wants to do is not to increase appropriation, but transfer some item, the item on the A-10, take how many million out of that?

Mr. MATHIAS. Ten million.

Mr. McCLELLAN. Ten million out of that and place it on another plane, the A-7?

Mr. MATHIAS. From the A-7 to the A-10.

Mr. McCLELLAN. From the A-7 to the A-10.

Well, I do not know, Mr. President, this is a matter that should be considered, of course, by the full committee.

I would say this, as the Senator knows, frequently the Department of Defense asks for reprograming, and if it finds that it needs more on the plane the Senator is interested in and submits a reprograming request to the Appropriations Committee, all I can say for this one is that it will be given most careful consideration.

We do not always approve every request they make, but if there is justification for it and they feel this plane ought to have more impetus, needs more appropriation, and it could take it from the other without injustice, I would not have any objection.

Mr. MATHIAS. Mr. President, since that is exactly the situation, since there was a large budget request for the A-10, I would assume our chairman is telling us that in conference he would take a similar view of that situation.

Mr. McCLELLAN. Certainly, I have an open mind on it. The Senator will understand we will try.

You see what has happened here today, we tried to find places to reduce this budget.

I have said many times, I do not see that where we made the cuts necessarily was always the best, but we did our best. If the Department of Defense would come and show us that within the appropriations made, it needed or would be wiser to spend some of the money here than there where we appropriated, within bounds, I would consider it.

Mr. MATHIAS. I have already discussed this question with the distinguished Senator from North Dakota, the ranking minority member, and I know how he would feel in conference.

Mr. YOUNG. Well, the A-10 is an excellent plane, it competes with the A-9, in the flyout test it won.

I think this will be in conference and I am sure I will give it sympathetic consideration.

I do not think we made a perfect job saying how much money should be spent for each plane, but this will be in conference.

Mr. BUCKLEY. Mr. President, I believe the decision to reduce funding for the A-10 program is a serious mistake, for the following reasons:

First. The importance for effective close air support was demonstrated by the experience of the October war in the Middle East. Only a truly survivable aircraft—one of high performance at low altitudes will suit modern requirements.

Second. The A-10 was explicitly designed to suit this need. Its excellence has been demonstrated in an exhaustive series of tests.

Third. The Air Force has a well-documented, urgent need to replace the World War II vintage, propeller-driven aircraft such as the A-1, with modern aircraft needed to provide infantrymen with adequate protection under modern battlefield conditions. This means we must speed the production of the A-10.

The proposed reduction in outlays for the A-10 this year would result in an improvident delay in the deployment of this plane in the quantities necessary to maintain a high level of effectivenes.

I join the Senator from Maryland in urging restoration of adequate funding.

Mr. TAFT. Mr. President, in Senator MATHIAS' comments, he has noted the importance of the A-10 program.

In the Armed Services Committee, we gave the A-10 a thorough and complete evaluation. We asked for the results of the A-10/A-7D fly-off. These were presented, with the A-10 clearly winning the fly-off for the close air support mission.

Gentlemen, I will not attempt to address the need for the A-7D in the Air National Guard, but I would like to assure you that in the A-10 this country is developing an outstanding aircraft to meet an important mission.

In this country, few systems have been developed that so closely met all their requirements within the prescribed costs. All the contracts are in place to keep these costs and schedules under control on both the aircraft system and the supporting ammunition. Let us not disrupt that by starting, stopping, and delaying a well-run program that fills an important need in our Nation.

Mr. JAVITS. Mr. President, I fully subscribe to the comments of Senators MATHIAS and BEALL. I fully support the action of the Appropriations Committee to reduce by an overall 5.1 percent this year's appropriation for the Defense budget; however, I believe where reductions are made for solely budgetary reasons and where a specific weapons system has amply demonstrated its ability to perform the assigned mission in a cost effective manner, such weapons systems should not be unduly reduced.

The specific case here is the A-10 program, the prime contract for which is being carried out by Fairchild Industries. The A-10 has won, hands down, two fly offs, has experienced no cost overruns and is a weapons system that, as amply proved from the lessons learned in the most recent war in the Middle East, will be an essential element of the tactical air force when it enters the Air Force's active inventory. In addition, the introduction of this aircraft into the active inventory will enable the release of modern aircraft that are much needed into the Air Force Reserve and the Air National Guard.

The Appropriations Committee reduced this program's procurement by 10 aircraft or $41.2 million, which is a percentage of roughly 25 percent. This percentage is considerably above any reduction in certain other Air Force aircraft programs, and in my judgment, in a case such as the A-10 program which is not experiencing development problems or cost overruns, it would be a far more even-handed approach to reduce the program on a percentage similar to other programs. I hope that the conferees appointed for this bill will take this into consideration and make the reductions equitable. Such action, of course, would not involve the adding of more money to the total bill before us.

Mr. MATHIAS. Mr. President, in view of the sentiments expressed by the distinguished managers of the bill, I would withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. EAGLETON. I yield back the remainder of my time.

Mr. McCLELLAN. I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I ask that the pending business be laid aside for an amendment which I have at the desk.

The PRESIDING OFFICER. The clerk will report it.

The assistant legislative clerk read as follows:

On page 14, line 16, strike out "$265,700,000" and insert in lieu thereof "$309,300,000".

Mr. TOWER. Very briefly, Mr. President, this amendment——

The PRESIDING OFFICER. The Chair will observe that there is no time remaining.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be extended for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. By way of explanation, Mr. President, this simply does two things. It replaces the helicopter given to the South Vietnamese, places them in the Army inventory, and keeps the production line open, because there is no other existing line, and it enables us to continue sales and competition.

Mr. McCLELLAN. It was not our intention to close down any assembly line, but we did this year. Last year we put in money for the airplane to keep that line going. This year we did not put it in.

I just cannot go along with that this year because there is no budget for it and we have cut and cut.

But out of deference to the situation here, I am advised that it will require, and that the Department of Defense wants, $18.5 million in order to keep this production line open and keep it going.

On that understanding, I am willing to accept the amendment and take it to conference.

Mr. TOWER. I accept that assurance.

Mr. McCLELLAN. If the amendment is modified to $18.5 million.

Mr. TOWER. I accept the modification suggested by the Senator.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Texas (Mr. TOWER).

The amendment was agreed to.

Mr. HUGHES. Mr. President, I am happy to join my colleagues in supporting this amendment by the distinguished Senator from Missouri (Mr. EAGLETON).

Clearly, Government spending has to be reduced if we are to combat inflation with actions and not merely words. And this battle cannot be won unless the good soldiers in the Pentagon do their part.

The people of Iowa and, I believe,

across the Nation, overwhelmingly favor cuts in military spending.

Economic good sense requires it.

And careful attention to the facts of America's military strength makes it possible.

As a member of the Senate Armed Services Committee, I am well aware of numerous examples of waste, inefficiency, and overkill in this Defense budget. Important cuts have already been made during the authorization and appropriation process. Regrettably, other reductions which I favored were put to a vote and failed to receive majority support.

Those matters are not at issue now. Whether or not we can agree on specific line item reductions, we can certainly agree that there is still a billion dollars worth of flexibilty or padding in this budget.

Under this amendment, the Secretary of Defense would have to make the hard choices, avoided until now, on which additional activities are only marginal, which programs can be slowed down or deferred until later.

Even with an $81 billion ceiling, we could still have sufficient capability to deter any attack. Our arsenal of strategic nuclear weapons remains three times that of the Soviet Union. Our nuclear submarines remain invulnerable. We will continue to build and buy the most modern weapons—although we have a disturbing tendency to sacrifce quantity for only marginally better quality.

None of this muscle would be cut if we had an $81 billion ceiilng. Instead, the Pentagon would have to do what every other agency of Government is doing, and what every hard-pressed American family is doing.

The American economy is caught in the vise-grip of inflation and recession. The remedy for inflation is reduced spending; to overcome the recession, we need job creation.

Defense spending makes both of these problems worse, for it produces goods which consumers cannot buy and it adds less than other Government spending to increased employment and productive capacity. Most economists agree that more jobs would be created, and our economy put on a sounder base in the future, by directing spending away from the military and into more socially useful programs such as education, housing, and health.

As Yale Prof. Bruce Russett concluded after studying the relation of Defense spending to the economy over the past 30 years:

> An extra dollar for defense in any one year has, on the average, reduced investment by 29 cents and the level of output in the economy has been permanently diminished by the order of six or seven cents per year for each defense dollar.

If invested, he points out, that dollar would have produced 25 percent more in additional production, in perpetuity.

After all, the strength of America does not rest in its weapons alone. Our national security also depends upon the health and well-being of our people, the vitality of our economy, the preservation of our freedoms, and the removal of the vast inequities which deny quality living to large segments of our population.

We have been so obsessed by the threat of external attack that we have ignored or neglected the clear signs of our internal stagnation and decay. Families which are struggling to pay skyrocketing bills for food, clothing, housing, and education are nevertheless taxed hundreds of dollars each year to prepare for hypothetical contingencies in dozens of countries around the globe.

We have become prisoners of fear, rather than hopeful workers for a truly peaceful world.

Our defense planners have gone largely unchallenged, and the end result has been a military-technological-budgetary spiral that takes more from our pocketbooks and gives us less real security in the long run.

We can take up this challenge. We can demand a more prudent Defense budget which preserves our military strength without weakening the society to be defended.

The amendment before us now gives us another opportunity to move toward this goal.

Mr. MUSKIE. Mr. President, the problem of rising Federal expenditures is no where more dramatically presented than in the budget for national defense. A strong American Defense Establishment has proved necessary to the safety of our people, and the preservation of world peace. But principles of fiscal prudence demand that in defense, as in all other areas of Federal spending, unnecessary Federal expenditures be cut from the budget.

My distinguished colleague from Missouri, Senator EAGLETON, has proposed that the level of defense funding in the appropriations bill pending before us today be restricted to $81 billion. His proposal would set the level of defense spending $1.2 billion below the $82.1 billion recommended by the Senate Committee on Appropriations. It would still allow an increase of $3.1 billion from the level of appropriations in the last fiscal year.

Whether or not a defense spending level of $81 billion is sound depends on two kinds of considerations—whether or not that gross figure reflects an appropriate allocation of national resources compared with other Federal programs, and whether or not the specific reductions in defense activities which would have resulted from the funding level are justified. I believe that the case has been made for the $81 billion funding level on both these grounds.

From the standpoint of total national priorities, the prudent reduction proposed by Senator EAGLETON makes sense.

Of the $140 billion of this year's fiscal budget which is controllable by the regular appropriations process, well over half will go to national defense. National security is certainly a high-priority need, but there are others. Just as we must be prepared to pare down spending for social programs to an appropriate level within the total budget amount, we must be prepared to make tough budgetary choices in the area of defense. A reduction of defense funding to $81 billion would still allocate 27 percent of the entire Federal budget, and 57 percent of controllable funding, to this purpose.

And with respect to specific cuts, I believe that the careful analysis of the defense budget reveals that additional saving from the level recommended by the Senate Appropriations Committee can be justified.

The underlying case for a substantial defense spending reduction has already been made by the Appropriations Committee in its current recommendations to the Senate. That committee, and its Subcommittee on Defense, both chaired by the able Senator from Arkansas (Mr. McCLELLAN) have made a compelling argument for the $5 billion reduction it proposes from the level of the budget request.

In presenting this amendment calling for the $81 billion level, however, Senator EAGLETON has argued that additional, specific cuts are justified. He points out, for instance, that the $1.2 billion reduction in defense spending could be accomplished by cuts that can be attributed to 10 specific defense programs. This analysis concludes, in fact, that over $2 billion in additional savings can be achieved—more than enough to meet the $81 billion ceiling. I do not agree with Senator EAGLETON on all these proposals.

But, earlier this year, on May 30, 1974, I had occasion to prepare my own analysis of the Defense budget in preparation for a debate sponsored by the American Enterprise Institute on defense spending. At that time, I concluded that significant additional reductions amounting to at least $5 billion would not be unreasonable, and would certainly not be unsafe to our national interests. Among the examples I cited at that time were cuts in manpower costs; cuts in spending for conventional weapons for general purpose forces; through elimination of "gold plating" weapons with expensive and unnecessary "extras," and increased emphasis on less expensive weapons systems; cuts in strategic weapons spending, including costly programs for development of the B-1 bomber and counterforce capability of our long-range missiles; and cuts in wasteful foreign military assistance. I ask unanimous consent, Mr. President, that the statement I made to the American Enterprise Institute on May 30, containing this analysis, be printed in the RECORD at the conclusion of my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Our consideration of appropriations bills this year, and my endorsement of an $81 billion defense spending level proposed in this amendment, must of necessity be made without the benefit of the budget review process. That newly established process will be based on detailed analysis of the individual components of the budget, and comprehensive study of the effects of specific ceiling levels on the ability of the Government to meet its responsibilities to the American people. The budget review process now being implemented, which will be fully effective for the fiscal year 1977 budget, will be based on a year-long, and continuing analysis that will provide us with the information to allow us to make judgments about whether specific budget cuts are appropriate and effective.

A "ceiling" approach to budget cuts, without the background of that analysis, must be based on a careful balance of the information we do have available now. The most important component of our existing budget decisionmaking process is the work of the Appropriations Committee. But the report of the Appropriations Committee, of course, should not be the last word in the Senate on the spending level we approve. It is perfectly appropriate that the committee's proposals should be open to review, and subject to revision or approval by the Senate as a whole. In the debate on this defense appropriations bill, and the amendment proposed by Senator EAGLETON, I believe a case has been made for a deeper defense budget cut than that committee recommends.

EXHIBIT 1

MAY 30, 1974.

STATEMENT BY SENATOR EDMUND S. MUSKIE

Earlier this year, I spoke at the U.S. Naval Academy on the subject of our foreign policy. My thesis was that the United States is on the verge of a new coherence in its foreign policy, a new sense of direction and common purpose, and a restoration of the bipartisan tradition in America's foreign relations.

This restored bipartisanship, I argued, is based on a broad popular consensus on four fundamental principles of American foreign policy: first, that an isolationist policy is not a viable option for America; second, that the general direction of détente with the Soviet Union and China is an important American interest; third, that our alliances with Europe and Japan are still vital, notwithstanding progress toward détente, and should be emphasized; and fourth, that our policies must reflect the growing interdependence between the developed and underdeveloped world.

A foreign policy based on these principles requires that America be strong militarily. I believe in a strong national defense. The issue in this debate is not whether America should be strong or weak—rather, it is whether the Congress can make any significant cuts in the Administration's defense spending request for fiscal year 1975 without undermining our security interests or our foreign policy objectives. I am prepared to argue that it can.

The President's total budget request for FY 1975 is $304.4 billion. Of that, $141.8 billion is controllable by Congress through the regular appropriations process. Of this portion of the budget which Congress can control, well over half goes to national defense. That is a sizeable amount. Fiscal conservatives who have spoken eloquently on the tendency of government to overspend—and of modern bureaucracies to develop their own entrenched interests—should surely look with some skepticism at a defense budget of this magnitude.

Economists may disagree among themselves on how large the federal budget should be in a particular year—whether we should have a budgetary surplus or deficit, and how large the balance or shortfall should be. But within any given budget ceiling, we politicians cannot look to economists to tell us how to order our budgetary priorities. That is an obligation we have as representatives of the people, and how we make decisions on budgetary priorities affects not only our own political futures but, far more important, the future well-being of the entire nation.

It is the job of the President to propose a distribution of federal priorities, and it is the responsibility of the Congress actually to make the hard choices. The Congress, through the appropriations process, must decide how much to spend on defense; how much federal assistance to give to state and local governments; how much assistance should go to health, transportation, education, or environmental improvement.

Congress has the responsibility to make spending decisions which reflect the needs of the people. The nation's security is certainly a high-priority need, but there are others: federal funding for education is now only $7.5 billion; funding for drug abuse enforcement and prevention is only $750 million; for community development and housing, only $6.4 billion; for pollution control, only $700 million; for energy research, only $2.1 billion. Compare these figures to the Administration's defense budget of $92.6 billion.

In ordering our budget priorities, the Congress must be prepared to trim back in one category in order to increase spending in another. My own view is that significant cuts can be made in the President's proposed defense budget for FY 1975 which would free up several billion dollars of additional resources for helping to reduce the present tax burden, for reallocating to other areas of the federal budget, or possibly for both.

There is a pernicious view among those who habitually oppose cuts in defense spending reflected in the oft-heard slogan "Where national security is concerned, money is no object." This is a fine-sounding platitude, but the fact is that our total resources are always limited and must be allocated among many competing needs in our society. The nation has always compromised on national defense—even in wartime.

So tough budgetary choices must inevitably be made in defense, as in all areas of federal expenditure. While no President or Congress wishes to shortchange the defense effort, the unavoidable fact is that our society has other needs besides military power. Former Defense Secretary Robert McNamara expressed it well when he said some years ago: "I do not mean to suggest that we can measure national security in terms of dollars—you cannot price what is inherently priceless.

But if we are to avoid talking in generalities, we must talk about dollars. For policy decisions must sooner or later be expressed in the form of budget decisions on where to spend and how much."

THE PRESIDENT'S BUDGET FOR FISCAL YEAR 1975

The Nixon Administration has proposed to Congress the largest peacetime military budget in our history. The total request for the Department of Defense is $92.6 billion. To this figure, one can legitimately add the military budget within the AEC—for nuclear weapons programs and the like—which amounts to over $3 billion, and some additional funds used by other agencies for defense-related purposes. For purposes of this debate, however, I will use the Defense Department's own figure of $92.6 billion as the total request for FY 1975.

This spending request is an increase of about $10 billion over last year's request: a $10 billion increase notwithstanding the fact that we have withdrawn from Vietnam—the costliest war in our history; notwithstanding the fact that we have an arms control agreement with the Soviet Union and that we have entered into a new era of negotiation; and notwithstanding the fact that the Nixon Doctrine calls for a much less interventionist foreign policy than we have had in the past.

Only recently President Nixon sent to the Congress a message, accompanying the Report of his Council of Economic Advisers, in which he said: "Too much government spending is the spark that most often sets off inflationary explosions. . . . We must work together to cut where we safely can. We must so discipline our present decisions that they do not commit us to excessive spending in the future." What I propose is that we apply the President's tests to the defense budget.

Secretary Schlesinger testified before the Senate Armed Services Committee in February that this year's defense budget request in real terms "means doing no more than holding our own as compared to 1974." The basis for this remark is that the difference between the FY 1975 request of $92.6 billion and the FY 1974 budget of $87.1 billion—an increase of $5.5 billion—is barely enough to cover pay and price increases. Technically, the Defense Department's figures are correct—except that there has been some dubious manipulations of the statistical data.

The figure used by the Defense Department as representing the 1974 defense budget includes two items which really do not make sense for comparative purposes with respect to the FY 1975 request. The first of these is last year's $2.2 billion emergency aid to Israel. This figure is not a direct part of U.S. defense costs, and the Defense Department has already announced that Israel will be expected to pay back $1.2 billion of this arms aid. As a one-shot aid effort, these funds should be subtracted from the FY 1974 defense figure so as to provide a fairer comparison to the FY 1975 request which includes no such amount for Israel.

The second statistical manipulation which serves to inflate the FY 1974 budget is the retroactive inclusion of $2.1 billion contained in the Supplemental Appropriations request for purposes of buying new capability. Normally, Supplementals are reserved for such things as emergencies or cost overruns. Out of the total Supplemental request of $6.2 billion for defense, several billion dollars can legitimately be considered part of the FY 1974 budget—including, for example, a $3.4 billion figure for pay increases. But $2.1 billion of the Supplemental request is intended to increase inventory items such as ammunition and other supplies, increase airlift capability, accelerate production of the Trident submarine and, in Secretary Schlesinger's words, to "buy certain high-value weapons and equipment which are now in short supply in our Services." These funds clearly represent an increase in real defense resources and should require a new authorization. This kind of request is normally submitted in the regular budget as a new proposal, rather than in a Supplemental.

Despite the attempted distortion, the FY 1975 request is still higher in absolute terms than any peacetime military budget in our history. The Administration has attempted to create the impression that this increase results largely from military pay and the cost of the volunteer force. But compared to FY 1974, other areas of the budget have been increased even more: procurement is up 23.4 percent; research, development, test and evaluation is up 15.9 percent; and operation and maintenance is up 13.7 percent. By contrast, the costs for active duty military personnel have increased only 6.5 percent. If the volunteer force were terminated, no more than $750 million would be saved.

Finally, I should point out that Secretary of Defense Schlesinger stated last February before the House Defense Appropriations Subcommittee that outlays for defense "might have been a billion or a billion-and-a-half dollars less in 1975" were it not for the fact that additional spending was deemed necessary to stimulate the economy. I do not believe that increased defense spending—which is not essential to our security—is the wisest fiscal tool for stimulating our economy. This is so for several reasons: First, military spending is generally slower in impact than increasing other programs because of built-in lags necessary for cost-effective contracting. Second, countercyclical spending is less desirable through the Defense Department than through other agencies, because it cannot be targeted to particular geographic depressed areas as effectively. Third, military spending goes largely to industries employing skilled, well-paid workers, whereas unemployment is most severe among unskilled, low-income people. Fourth, military spending as a stimulus to the economy is particularly wasteful, because instead of creating social capital and providing services vitally needed in our states, cities and rural communities, it creates only superfluous military hardware.

When economic circumstances require a stimulus, a more effective and fairer way to pump demand into the economy would be to put extra spending power directly into the hands of working people who are hardest hit by both recession and inflation. This could be done through expanded and extended unemployment compensation benefits, public employment programs in hard-hit localities, a temporary reduction of the social security withholding rate or a reduction in income taxes in the lowest brackets.

WHERE CUTS CAN BE MADE

The format of this debate will not permit a detailed analysis of the defense budget or a systematic presentation of budget alternatives. There are a number of public policy organizations which have done excellent work in this field—and their proposed cuts range as high as $15 billion. I believe that reductions amounting to at least five billion dollars are not unreasonable—and certainly not unsafe.

Let me give some specific examples. First, in the area of manpower costs, which amount to over 55% of the total defense budget: The number of men in uniform has been dropping in recent years, in line with our withdrawal from Vietnam, the growing strength of our allies, and our new determination to avoid military involvement in regions which are not vital to American interests.

Still, far too many military personnel are involved in performing direct or indirect support tasks such as administration, logistics, training, or maintenance. Some of these support troops should be reduced.

Moreover, the U.S. should make significant reductions in the number of troops stationed abroad—bringing these men home and demobilizing them. The United States at present has 480,000 men in foreign countries—300,000 in Europe and 180,000 in the Western Pacific and Asia. We have 36,000 men in Thailand, for no apparent purpose other than possible reinvolvement in Indochina. We have a full division in South Korea, 24 years after the outbreak of the Korean War, even though the South Korean Army already outnumbers the North Korean Army by two-to-one. Our troops in Europe can be pared down as well as our allies assume a greater share of the burden for their own conventional defense. A 25% reduction in U.S. forces overseas would hardly signal an isolationist policy.

This year, the Administration is asking for a further increase in the number of civilian positions in the Defense Department even though there are already over 1.1 million such employees—nearly one civilian for every two in uniform. Excluding the Postal Service, the Department of Defense has roughly as many civilians as all other federal agencies combined.

The Senate Armed Services Committee has already recommended a two percent cut in military manpower and a four percent cut in the civilian bureaucracy this year. I would recommend additional manpower cuts beyond this, emphasizing reductions in support troops and civilian bureaucrats, saving our taxpayers well over two billion dollars in payroll and attendant operation and maintenance costs.

Moreover, it is time that something be done about "grade creep" in the military. Surely it is not essential to our nation's security to have more field grade and flag officers to command a force of 2.2 million men today then we had in 1945 to command a force of 12.1 million. Nor is our security enhanced by having 400,000 more sergeants than there are privates in the Army, Navy and Air Force. The Marine Corps doesn't have this problem—it has twice as many second lieutenants as lieutenant colonels and 23,000 more privates than sergeants. If our Armed Services had the same grade structure today as they did in 1964, we would save about $700 million annually.

Second, in the area of conventional weapons systems for our General Purpose Forces: Here, defense planners have gradually moved toward what is called a high-low mix—certain very expensive, maximum-capability weapons systems complemented by less expensive and less-capable alternatives. I welcome the trend toward less expensive alternatives at the lower end of the mix. Past procurement trends have been too spendthrift, favoring new weapons systems equipped with all the most advanced technologies regardless of expense, even when gains in performance were marginal.

For example, new fighters like the F–14 cost 15–25 times what the jets of the Korean War cost. Even taking into account inflation, a Korean War sabrejet would cost about $690,000 today—which happens to be about the same price as the average total cost of the new Phoenix air-to-air missile being placed on the F–14 fighter. This tendency to goldplate new weapons systems out of proportion to real military necessity must be controlled.

Substantial savings—ranging from one to four billion dollars—could be realized by stretching out procurement of more expensive weapons systems at the higher end of the mix and by emphasizing the lower end of the mix where possible. Examples of expensive weapons systems for which procurement should be stretched out include the SSN–688 nuclear attack submarine and the DD–963 destroyer. Systems which might be cancelled altogether include AWACS, the Navy's F–14 aircraft program and the Phoenix missile being developed for it, and the Army's renewed proposal for the Main Battle Tank (XM–1)—which the Congress wisely killed in 1971. Examples of weapons systems at the lower end of the mix which should be emphasized are the patrol frigate, the sea control ship and the VFX "austere" carrier aircraft proposal.

While the Pentagon has made much of the alleged decline of our conventional forces since the mid-sixties the truth is that our "peacetime" force for the seventies though quantitatively somewhat smaller is qualitatively far more powerful than in the mid-sixties. We maintain essentially the same number of tactical air wings. The Navy has the same number of attack carriers and three times as many attack submarines.

The small decrease in the number of ground divisions from $19\frac{1}{3}$ to 16 during the last ten years has reflected deactivation of forces remaining from the earlier Berlin buildup and abandonment of plans to fight $2\frac{1}{2}$ land wars simultaneously in Asia and Europe. Given this perspective, the cries of alarm about the alleged decline of our conventional power should be viewed with skepticism.

Third, I believe that cuts can be made in the budget for strategic weapons systems. I recognize that strategic forces account for only about 20 percent of the U.S. defense budget. But we are engaged in negotiations with the Soviet Union designed to stabilize and hopefully to achieve reductions in strategic nuclear weapons systems. We need not accelerate our own weapons development at this time on the theory that this would strengthen our position at the negotiating table.

I am not suggesting unilateral reductions in the strategic defense budget which might undermine an overall equality between ourselves and the Soviet Union. I support a limited Trident submarine program—although the pace of its development should not be geared to producing bargaining chips in the SALT negotiations. I also support the Navy's request for funds to develop a smaller submarine to succeed our present Polaris/Poseidon force. Our undersea deterrent is the backbone of our strategic nuclear forces.

But I have serious doubts about the directions being taken in our strategic bomber programs. The B–1 bomber is a typical example of a goldplated weapon system in financial difficulty. The unit cost of these planes has been rising steadily—now amounting to over $60 million per plane. I am concerned as to whether its ability to penetrate enemy airspace might be outpaced by advances in air defense technology before the aircraft is ready for development. My own preference would be for the Air Force to develop a less expensive stand-off bomber capable of firing its missiles from a position outside of enemy territory. Cancellation of the B–1 bomber program would save $500 million this year.

I also have serious questions about the Administration's relatively modest request for development funds to improve the counterforce capabilities of our strategic missile forces. These funds are to implement Secretary Schlesinger's new strategy, involving improvements or changes in the targeting, the command and control, the accuracy, and the yield of U.S. strategic nuclear weapons.

The military reason for this change is the assumed need to fill a perceived "gap" at the lower end of the spectrum of strategic nuclear deterrence. Along with this, there is the requirement, often mentioned by President Nixon, to multiply the options available to national leaders in the event deterrence fails. Both of these requirements can be satisfied, we are told, by the institution of greater flexibility in our targeting capability and in our hardware. With more rapid retargeting, with greater terminal accuracy, and with greater warhead yield, national leaders will obtain the ability to fight controlled or limited nuclear war by concentrating, if deterrence fails, on so-called military targets in a tit-for-tat fashion. This capacity, it is said, will also enhance the psychology or credibility of deterrence.

On the political side, a paradiplomatic function is claimed for the recommended changes in U.S. strategic forces. Their advent is expected to disabuse Soviet leaders of any notions that they may have that their new missile programs (the SS–X–16, SS–X–17, SS–X–18, and SS–X–19) will gain them a commanding lead in strategic weapons, assuming that this is their perception or motivation in this matter. If the Soviets see our willingness to commit our long lead in technology to the arms race, so the scenario runs, they will give up their own programs and negotiate more productively in the strategic arms limitation talks. Further, it is anticipated, this U.S. posture will reassure our friends and allies, convincing them that they can continue to rely on the American nuclear umbrella despite Soviet buildups.

I feel certain that there are few, if any, members of Congress who doubt the desirability of improving our command and control systems and our retargeting capacity. What causes concern are improvements in accuracy and yield, especially simultaneous improvements in these areas. Here I would like to recall the previous and emphatic statements of this Administration, both

President Nixon and former Secretary Laird, that the U.S. would resist any initiative that gave even "the appearance" of going for a first-strike or "silo-smashing" nuclear force, because it would be destabilizing and provocative. Accuracy and yield improvements, of course, give precisely this appearance. Thus, it is crucial that we know what now prompts this dramatic reversal in national policy.

A question also arises as to what price the U.S. will have to pay to get the increments of security which yield and terminal accuracy improvements are said to give us.

What are the system-life costs of these programs? Can we be sure that we are really getting a greater degree of safety and security for our money? Or are we in fact buying programs which will increase the risk of nuclear war rather than diminish it?

The initial cost of following Secretary Schlesinger's recommendations for providing such options—new warheads, new guidance systems, and advanced work on a new ICBM—is not large in relation to other defense costs. The Senate Armed Services Committee has approved $77 million for research and development in three programs: $32 million for accuracy improvements of the Minuteman; $25 million to increase the yield of Minuteman warheads; and $20 million for MARV (maneuverable reentry vehicles). But these relatively modest funds could be the opening wedge for programs which in time could cost billions. I believe we should scrutinize this proposal carefully before appropriating these funds this year.

Finally, there is the Administration's request for military assistance funds for foreign countries—amounting to nearly $3 billion. I believe that at least $1 billion can be cut from that figure, with more than half coming out of the Administration's $1.45 billion request for Vietnam. The American people have been led to believe that our involvement in Southeast Asia is at an end, and yet our continued assistance to South Vietnam, Cambodia and Laos is extraordinary. It is time that we ask tough questions concerning the relationship between all military assistance and our real foreign policy objectives.

To summarize, I believe that some cuts can be safely made in these four areas of the Administration's defense spending request for FY 1975: manpower, conventional weapons, strategic weapons, and military assistance. Such reductions can be made, in my view, without jeopardizing our national security or our overall foreign policy objectives.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment of the Senator from Missouri (Mr. EAGLETON).

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Alabama (Mr. SPARKMAN) are are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) and the Senator from New Jersey (Mr. CASE) are necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) and the Senator from Illinois (Mr. PERCY) would each vote "nay."

The result was announced—yeas 37, nays 55, as follows:

[No. 375 Leg.]

YEAS—37

Abourezk
Bayh
Biden
Burdick
Church
Clark
Cranston
Eagleton
Fulbright
Hart
Haskell
Hatfield
Hathaway
Hughes
Humphrey
Javits
Kennedy
Mansfield
Mathias
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Packwood
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Stafford
Stevenson
Symington
Tunney
Williams

NAYS—55

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Bible
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Johnston
Long
Magnuson
McClellan
McClure
McIntyre
Montoya
Nunn
Pastore
Pearson
Scott, Hugh
Scott, William L.
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—8

Bennett
Case
Gravel
Hartke
McGee
McGovern
Percy
Sparkman

So Mr. EAGLETON's amendment was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. McCLELLAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, it is certainly no secret that the U.S. economy is the major problem facing our Nation. Furthermore, it is certainly no secret that the U.S. economy is a complex mechanism, with many parts, some of which are currently sending out contradictory signals.

We appear trapped in an economic morass, unable to find our way out of an Alice-in-Wonderland atmosphere which provides only more mazes and more confusion.

I believe, along with others, that no one policy, no single action can resolve our problems and alone restore our economy to stability and prosperity. For that reason, I recently joined with four of my colleagues in proposing a domestic summit conference on the economy—a conference which would design a set of recommendations, a policy package, to deal with the various needs in our economy. Such a conference—and such an integral approach to our problems—is, I believe, imperative, and I am pleased that President Ford has decided to hold such a summit and that preparations, some of which were announced yesterday, are underway.

That conference is however, some weeks off, and during those weeks the Senate will have not only the opportunity, but also the responsibility to examine closely one aspect of our economy—Federal spending. During those weeks the Senate will be considering a number of appropriations bills for fiscal 1975—including the two largest bills—the defense appropriation before us now and the Labor-Health, Education, and Welfare bill to come after the impending recess.

While the Senate has indicated support for a $295 billion ceiling on fiscal 1975 appropriations—which represents a reduction of some $10 billion in the budget request—recent tabulations suggest we are approximately $1 billion over the budget as a result of actions already taken and yet to come are the two major funding bills—the two bills which must be considered the principal potential obstacles to spending reductions. This is where a true test comes. This is where Congress can either demonstrate its ability to come to grips with budgetary matters or reveal its inability to make hard choices, to determine priorities among the proposals before us.

I believe we have a good chance of proving our ability. The budget request for defense was over $87 billion—more than one-fourth of the entire budget request. The House reduced this to $82.9 billion and the Senate Appropriations Committee to $81.5 billion—some $5.5 billion below the budget request.

I believe the entire Appropriations Committee and especially its distinguished chairman, the Senator from Arkansas, who also heads the Defense subcomittee, are to be highly commended. Not only have they tackled the difficult job of reducing Federal spending but they also tackled it in one of the two most difficult budget-cutting areas.

Furthermore, they have cut in a responsible and reasonable manner. In recent weeks, a number of efforts to reduce spending on an across-the-board basis have been made. I have been associated with these efforts. Some have characterized this as a meat-ax approach, and that characterization is, to some extent, true. When applied to a single bill, it fails to differentiate among those programs which can withstand reductions and those that will be severely damaged by them. When applied to a number of bills it fails to differentiate among those that have been subjected to close scrutiny and frugal considerations and those which have not. Yet, in many cases, when reductions must be made, such an approach is the only tool available, the only means of achieving one's desired ends.

We can, however, I believe, be pleased that we do not have to apply such an approach to the defense appropriations bill. This bill deals with the security of our country—the responsibility which rests at the heart of this and every other government in the world. It involves programs and strategies which must be examined and evaluated one by one. Fortunately, that is what has been done in this case.

The subcommittee and the committee took some significant actions which are likely to affect not only this appropriations bill but a number of defense appropriations bills in years to come.

It went straight to the core of a major cost item—U.S. troops stationed overseas. I, for one, do not believe we can bring every American troop home from abroad and I recognize the very serious consequences of undermining the European troop reduction talks or the status quo in Europe. At the same time, I am cognizant of the very high financial cost imposed by the maintenance of forces abroad and the apparent lack of a comprehensive plan for determining the number of troops which are needed there. I share the committee's conclusion that reductions can take place and I believe the proposed 25,000 reduction by March 31, 1975, is a good initial step.

I also share the committee's concern over the proliferation and seeming duplication of missiles. The committee request for detailed information on the various missiles before the next budget is presented and before the next fiscal year begins should provide a fruitful area for examination and should lead to efficiency and economy in the development and procurement of weapons.

Elimination of the duplication of test facilities also bears further investigation.

Finally, the departments of government—and not only Defense—will have to learn—as the American consumer is doing—to consider the impact of inflation. Inflation has far-reaching consequences and we must seek to evaluate it in a consistent way, as the committee report mandates.

For these reasons—the substantial reductions made in committee, the concerns expressed in the committee report, and the indication that additional, more detailed examination of costly defense items will be forthcoming—I have decided to support the committee recommendation. This is not to suggest that it would be impossible to squeeze out another dollar here and there or that the committee should relax its future efforts to curtail spending. But, this position is taken in recognition of the outstanding work which has been done and in the hope of more of the same to come.

The defense appropriations bill involves many programs, many policies. It involves our concepts of parity and nuclear strategy and our efforts to save the world, including ourselves, from a horrendous destruction. It involves our conventional forces who must protect us from any who might seek to intimidate or influence us with nonnuclear military power. It involves our efforts to insure open seas both for our protection and our economic well-being.

We cannot afford to misunderstand or underestimate these needs. But neither can we afford idle and inefficient expenditures. The secret is finding the proper balance. I believe the pending bill moves in the right direction and offers even greater hope for the years to come.

Mr. NELSON. Mr. President, I would like to ask the distinguished chairman of the Defense Appropriations Subcommittee, Mr. McCLELLAN, a question concerning the report language dealing with military sales to foreign countries, which appears on pages 15 and 16 of the defense appropriations bill report.

The report language emphasizes the "political and economic impact of foreign military sales of the United States and recipient foreign countries." The committee expressed particular concern "that long-term security interests of the United States might be jeopardized by large cash sales of sophisticated weapons systems in areas of potential conflict." The report continued:

> Recent arms sales to the Middle East, Greece, and Turkey have created severe political, military, and economic repercussions on both the United States and the international community. These conflicts, weaken detente, threaten superpower confrontation, and have profound economic consequences.

Most importantly, the Defense Appropriations Committee concluded that—

> At present, Congress has little meaningful statutory control over cash sales which are the largest category of foreign military sales.

The committee henceforth will require:

> Prior notification of future cash sales of military equipment to foreign governments which exceed $25 million; provide for the introduction of new weapon systems to the inventory of foreign armed forces; or when cumulative military cash sales to any foreign government exceed $50 million in any fiscal year.

Mr. President, as you know significant portions of this reporting procedure parallels language of my amendment to the Foreign Military Sales Act which passed the Senate last year, but which was removed in conference along with the majority of the Senate provisions.

While I commend the distinguished chairman for recognizing the potential consequences of these massive sales of arms and for establishing this mechanism whereby the Department of Defense will report to the Senate Defense Appropriations Committee, I still believe that significant features of the Nelson admendment still should be put into law. I intend to reoffer my amendment, but I believe that the appropriate legislation to amend is the Foreign Assistance Act, which will be debated after the Labor Day recess, and not the defense appropriations bill.

Mr. McCLELLAN. I want to thank the distinguished Senator from the State of Wisconsin (Mr. NELSON) for his kind words.

The language in the report requiring the Defense Department to give prior notice of certain future cash sales of military equipment to foreign governments merely evidences our concern over the impact of these transactions. The committee felt that it would be desirable to have this information on hand as another factor in making determinations about production and procurement of military weapons. It is certainly not our intention to preempt this field.

I commend the distinguished Senator from Wisconsin for his efforts in this area and want to assure him that the committee does not in any way mean to preclude his amendment to the Foreign Military Sales Act.

Mr. DOLE. Mr. President, the Department of Defense appropriation bill we are considering today has been cut by $5½ billion, or 6.3 percent, from the budget request. The level of spending reported in the Senate bill of $82 billion reflects a "bare bones" expenditure for defense and should be effective in combating inflation. Since inflation is one of the greatest problems in our country today, I feel this appropriation bill is a great step forward in resolving that problem.

EARLY EFFORT

Several weeks ago, the junior Senator from Kansas initiated, led, and participated in several efforts to reduce appropriation bills to hold down Federal spending. Since those efforts began, the Senate has passed the conference reports or Senate versions of five appropriation bills reflecting a reduction of more than $1 billion from the budget request. During that time, the Senate Appropriation Committee has made an effort to determine our essential priorities and make even greater cuts in Federal spending.

The Senate Appropriation Committee is to be highly commended for their determined efforts to hold down Federal spending and inflation. Their reduction of the defense appropriation bill by $5½ billion is exemplary. The efforts of the committee will go a long way toward holding down inflation. Because of the committee's efforts in holding defense expenditures to the bare minimum, we are now faced with a whole new picture.

The cut made on the DOD appropriation bill is nearly five times as much as made on all the other appropriation bills put together. It is more than half of the total reduction being sought in the Federal budget this year. At the same time, I would not vote for further increases in the spending under this defense budget.

DEFENSE IS VITAL

Since the Senate Appropriation Committee has reduced spending to the bare minimum level, we should at the same time resist further reductions in the level of spending. As the President recently stated before both Houses of Congress, nothing is more important in this Nation than our national defense. As the President pointed out, we must not recede from our position of parity with the Soviet Union in military strength to a position of No. 2. A recent survey showed that the vast majority of the people in Kansas and across the country are directly opposed to a No. 2 position in military strength.

The $5½ billion cut by the Senate Appropriation Committee reduces defense spending to the bare minimum. Because of this, I must oppose the amendment offered by the Senator from Missouri (Mr. EAGLETON) to cut the defense budget by another $1 billion. Such a further reduction would weaken our defense posture dangerously and, in all likelihood, would put us in a No. 2 position of military strength in the world. Another $1 billion cut from the defense budget would threaten our national defense posture. It would also increase the probability of the outbreak of conflicts all around the world. The interest of peace in the world is very great for the United States. We must avoid reducing our defense posture to the point where our own peace and the peace of the world is in danger.

SPECIAL EXPENSES FOR DEFENSE

The inflation factor for defense expenditures is especially high. Fuel costs for the Department of Defense have been especially acute in driving up defense expenditures. Yet it is obvious that our military vehicles and aircraft cannot function without fuel.

There have been numerous pay increases in the military which have also driven up defense expenditures. Military pay has been made comparable with civilian pay. This measure was passed by Congress and has contributed greatly to rising defense expenditures.

The Senator from Missouri (Mr. Eagleton) has indicated that he is disturbed that we are getting much less defense for much more money. While I share the Senator's concern in this matter, I maintain that the way to get more defense for our money is not to take away the money. The way to improve the cost efficiency in our Defense Establishment is for the Congress to take a greater role in the oversight of our defense programs. We must take greater care in establishing priorities for spending to insure that wasteful programs are stopped.

But, Mr. President, we cannot achieve a better and more cost efficient defense by taking away too much money. We are already at a bare minimum spending level and to cut the budget further is inviting disaster.

REDUCTIONS ALREADY MADE

In recent years, numerous cutbacks in our Defense Establishment have already been made. It is my position that we should not maintain an excessively large Defense Establishment. However, it is my position and the position of the people of Kansas and the Nation that we must maintain an adequate defense posture.

From 1968 to 1974, the number of personnel was reduced from 3.6 million to 2.1 million in the Department of Defense. In the same period, the Soviet Union has increased its military strength from 3 million to 3.8 million men. This year, we are planning a 32,000-man reduction in the number of civilian personnel.

In the budget reported to the Senate by the Appropriation Committee, our research and development program in defense has already been reduced to "bare bones." The R. & D. program in defense has been the key to maintaining our military superiority. The $1 billion reduction proposed by the Senator from Missouri would further reduce our military R. & D. program. Considering the reductions already made, such a cut could be disastrous.

Mr. President, again I support the Senate Appropriation Committee in their efforts in reducing defense expenditures to a bare minimum. I support their efforts and feel that they have been adequate. The Senator would hope that further reductions can be avoided and that an increase from the Senate defense appropriation can be avoided as well in the conference committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on the vote on passage of the bill.

The PRESIDING OFFICER (Mr. Johnston). Is there objection? The Chair hears none, and it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Michigan (Mr. Hart), the Senator from Indiana (Mr. Hartke), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Bennett) and the Senator from New Jersey (Mr. Case) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) and the Senator from Illinois (Mr. Percy) would each vote "yea."

The result was announced—yeas 86, nays 5, as follows:

[No. 376 Leg.]

YEAS—86

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—5

Abourezk
Fulbright
Hatfield
Hughes
Mansfield

NOT VOTING—9

Bennett
Case
Gravel
Hart
Hartke
McGee
McGovern
Percy
Sparkman

So the bill (H.R. 16243) was passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate further insist on its amendments and request a further conference with the House of Representatives on the disagreeing votes of the two Houses thereon; and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the presiding officer appointed Mr. McClellan, Mr. Stennis, Mr. Pastore, Mr. Magnuson, Mr. Mansfield, Mr. Symington, Mr. Young, Mr. Hruska, Mr. Cotton, and Mr. Case conferees on the part of the Senate.

ENROLLED BILL AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on August 20, 1974, he presented to the President of the United States the enrolled bill (S. 2510) to establish an Office of Federal Procurement Policy within the Office of Management and Budget, and for other purposes; and today, August 21, 1974, he presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 66. A joint resolution to authorize the erection of a monument to the dead of the First Infantry Division, U.S. forces in Vietnam;

S.J. Res. 220. A joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 221. A joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 222. A joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution.

THE 1980 WINTER OLYMPICS

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 72.

The PRESIDING OFFICER (Mr. Johnston) laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 72) extending an invitation to the International Olympic Committee to hold the 1980 winter Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation and support of the Congress of the United States, which was on page 2, line 12, after "tradition" insert:

Provided, That Olympic activities and plans in all respects fit within the present laws and adopted State plans, rules, and regulations respecting the entirety of the Adirondack Park; and be it further

Resolved, That Congress shall not support, financially or otherwise, any activities or plans which are in conflict with the letter or spirit of those laws, plans, rules and regulations, or which would require any modification of them.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

AMTRAK IMPROVEMENT ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 15427.

The PRESIDING OFFICER (Mr. JOHNSTON) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two House thereon.

Mr. MANSFIELD. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. HARTKE, Mr. TUNNEY, Mr. PEARSON, and Mr. BEALL conferees on the part of the Senate.

YOUTH CONSERVATION CORPS

Mr. MANSFIELD. Mr. President, in behalf of the Senator from Washington (Mr. JACKSON), I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1871.

The PRESIDING OFFICER (Mr. JOHNSTON) laid before the Senate the amendment of the House of Representatives to the bill (S. 1871) to amend the Youth Conservation Corps Act of 1972 (Public Law 92-597, 86 Stat. 1319) to expand and make permanent the Youth Conservation Corps, and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That the Act of August 13, 1970 (84 Stat. 794) is amended to read as follows:

"POLICY AND PURPOSE

SECTION 1. The Congress finds that the Youth Conservation Corps has demonstrated a high degree of success as a pilot program wherein American youth, representing all segments of society, have benefited by gainful employment in the healthful outdoor atmosphere of the national park system, the national forest system, other public land and water areas of the United States and by their employment have developed, enhanced, and maintained the natural resources of the United States, and whereas in so doing the youth have gained an understanding and appreciation of the Nation's environment and heritage equal to one full academic year of study, it is accordingly the purpose of this Act to expand and make permanent the Youth Conservation Corps and thereby further the development and maintenance of the natural resources by America's youth, and in so doing to prepare them for the ultimate responsibility of maintaining and managing these resources for the American people.

"YOUTH CONSERVATION CORPS

"SEC. 2. (a) To carry out the purposes of this Act, there is established in the Department of the Interior and the Department of Agriculture a Youth Conservation Corps (hereinafter referred to as the 'Corps'). The Corps shall consist of young men and women who are permanent residents of the United States, its territories, possessions, trust territories, or Commonwealth of Puerto Rico who have attained age fifteen but have not attained age nineteen, and whom the Secretary of the Interior or the Secretary of Agriculture may employ without regard to the civil service or classification laws, rules, or regulations, for the purpose of developing, preserving, or maintaining the lands and waters of the United States.

"(b) The Corps shall be open to youth from all parts of the country of both sexes and youth of all social, economic, and racial classifications with all Corps members receiving compensation consistent with work accomplished, and with no person being employed as a member of the Corps for a term in excess of ninety days during any single year.

"SECRETARIAL DUTIES AND FUNCTIONS

"SEC. 3. (a) In carrying out this Act, the Secretary of the Interior and the Secretary of Agriculture shall—

"(1) determine the areas under their administrative jurisdictions which are appropriate for carrying out the programs using employees of the Corps;

"(2) determine with other Federal agencies the areas under the administrative jurisdiction of these agencies which are appropriate for carrying out programs using members of the Corps, and determine and select appropriate work and education programs and projects for participation by members of the Corps;

"(3) determine the rates of pay, hours, and other conditions of employment in the Corps, except that all members of the Corps shall not be deemed to be Federal employees other than for the purpose of chapter 171 of title 28, United States Code, and chapter 81 of title 5, United States Code;

"(4) provide for such transportation, lodging, subsistence, and other services and equipment as they may deem necessary or appropriate for the needs of members of the Corps in their duties;

"(5) promulgate regulation to insure the safety, health, and welfare of the Corps members; and

"(6) provide to the extent possible, that permanent or semi-permanent facilities used as Corps camps be made available to local schools, school districts, State junior colleges and universities, and other education institutions for use as environmental/ecological education camps during periods of nonuse by the Corps program.

Costs for operations maintenance, and staffing of Corps camp facilities during periods of use by non-Corps programs as well as any liability for personal injury or property damage stemming from such use shall be the responsibility of the entity or organization using the facility and shall not be a responsibility of the Secretaries or the Corps.

"(b) Existing but unoccupied Federal facilities and surplus or unused equipment (or both), of all types including military facilities and equipment, shall be utilized for the purposes of the Corps, where appropriate and with the approval of the Federal agency involved. To minimize transportation costs, Corps members shall be employed on conservation projects as near to their places of residence as is feasible.

"(c) The Secretary of the Interior and the Secretary of Agriculture may contract with any public agency or organization or any private nonprofit agency or organization which has been in existence for at least five years for the operation of any Youth Conservation Corps project.

"GRANT PROGRAM FOR STATE PROJECTS

"SEC. 4. (a) The Secretary of the Interior and the Secretary of Agriculture shall jointly establish a program under which grants shall be made to States to assist them in meeting the cost of projects for the employment of young men and women to develop, preserve, and maintain nonFederal public lands and waters within the States. For purposes of this section, the term 'States' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

"(b) (1) No grant may be made under this section unless an application therefor has been submitted to, and approved by the Secretary of the Interior and the Secretary of Agriculture. Such application shall be in such form, and submitted in such manner, as the Secretaries shall jointly by regulation prescribe, and shall contain—

"(A) assurances satisfactory to the Secretaries that individuals employed under the project for which the application is submitted shall (i) have attained the age of fifteen but not attained the age of nineteen, (ii) be permanent residents of the United States or its territories, possessions, or the Trust Territory of the Pacific Islands, (iii) be employed without regard to the personnel laws, rules, and regulations applicable to fulltime employees of the applicant, (iv) be employed for a period of not more than ninety days in any calendar year, and (v) be employed without regard to their sex or social, economic, or racial classification; and

"(B) such other information as the Secretaries may jointly by regulation prescribe.

"(2) The Secretaries may approve applications which they determine (A) to meet the requirements of paragraph (1) and (B) are for projects which will further the development, preservation, or maintenance of non-Federal public lands or waters within the jurisdiction of the applicant.

"(c) (1) The amount of any grant under this section shall be determined jointly by the Secretaries, except that no grant for any project may exceed 80 per centum of the cost (as determined by the Secretaries) of such project.

"(2) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretaries find necessary.

"(d) Thirty per centum of the sums appropriated under section 6 for any fiscal year shall be made available for grants under this section for such fiscal year.

"SECRETARIAL REPORTS

"SEC. 5. The Secretary of the Interior and Secretary of Agriculture shall annually prepare a joint report detailing the activities carried out under this Act and providing recommendations. Each report for a program year shall be submitted concurrently to the President and the Congress not later than April 1 following the close of that program year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. There are authorized to be appropriated amounts not to exceed $60,000,000 for each fiscal year, which amounts shall be made available to the Secretary of the Interior and the Secretary of Agriculture to carry out the purposes of this Act. Notwithstanding any other provision of law, funds appropriated for any fiscal year to carry out this Act shall remain available for obligation and expenditure until the end of the fiscal year following the fiscal year for which appropriated.".

Mr. MANSFIELD. Mr. President, the House has amended S. 1871 by decreasing the amount authorized to be appropriated for each fiscal year for the funding of the Youth Conservation Corps from $100 million, as contained in the Senate bill, to $60 million. This is the only substantive difference between the House and Senate versions of this legislation.

Mr. President, while this is a substantial decrease in the annual authorization level to make permanent this important program which has been providing meaningful outdoor employment for our young people, the Interior and Insular Affairs Committee, of which I have the honor to be chairman, will have ample opportunity to oversee closely what the future needs of this program might be. Therefore, I feel that the House amendment should be accepted so that this successful project can be continued and made permanent.

I move that the Senate concur in the amendment of the House of Representatives to S. 1871.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

DUTY APPLICABLE TO CRUDE FEATHERS AND DOWNS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1018.

The **PRESIDING OFFICER** (Mr. JOHNSTON). The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 11452) to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes.

The **PRESIDING OFFICER.** Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

Mr. CURTIS. Mr. President, I send to the desk an amendment and ask that it be reported.

The **PRESIDING OFFICER.** First, we must dispose of the committee amendments. The clerk will state the first committee amendment.

The second assistant legislative clerk read as follows:

On page 2, in the table, strike out "12/31/79" in the two places where it occurs and insert in lieu thereof "12/31/77."

On page 2, in line 1, strike out "(a)".

On page 2, beginning with line 5, strike out—

(b) For purposes of any authority that may be delegated to the President to proclaim such continuance of existing duty free treatment as he determines to be required or appropriate to carry out a trade agreement with foreign countries or instrumentalities thereof, the duty-free treatment provided by items 903.70 and 903.80 of the Appendix to the Tariff Schedules of the United States shall be considered as existing duty-free treatment.

The **PRESIDING OFFICER.** The question is on agreeing to the first committee amendment.

The amendment was agreed to.

The **PRESIDING OFFICER.** The clerk will state the second committee amendment.

The second assistant legislative clerk read as follows:

On page 2, beginning with line 13, insert—

SEC. 3. (a) Section 542(b) of the Internal Revenue Code of 1954 (relating to corporations filing consolidated returns) is amended by adding at the end thereof the following new paragraph:

"(5) CERTAIN DIVIDEND INCOME RECEIVED FROM A NONINCLUDABLE LIFE INSURANCE COMPANY.—In the case of an affiliated group of corporations filing or required to file a consolidated return under section 1501 for any taxable year, there shall be excluded from consolidated personal holding company income and consolidated adjusted ordinary gross income for purposes of this part dividends received by a member of the affiliated group from a life insurance company taxable under section 802 that is not a member of the affiliated group solely by reason of the application of paragraph (2) of subsection (b) of section 1504.".

(b) The amendment made by this section shall apply to taxable years beginning after December 31, 1973.

The **PRESIDING OFFICER.** The question is on agreeing to the second committee amendment.

The amendment was agreed to.

The **PRESIDING OFFICER.** The clerk will state the amendment of the Senator from Nebraska.

Mr. CURTIS. Mr. President, should my chairman wish to be recognized, I shall defer the offering of the amendment.

Mr. LONG. Mr. President, this amendment that the Senator from Nebraska proposes would postpone until January 1, 1976, the requirement in present law that the Federal employee health program be properly coordinated with the medicare program. I am advised by our staff that this is necessary in order to provide the time necessary to make these two insurance programs work together effectively. The Senator may wish to say something further, but I have no objection to the amendment, and I think it is necessary.

Mr. CURTIS. Mr. President, I now ask that the amendment be stated.

The second assistant legislative clerk read as follows:

At the end of the bill, insert the following:

SEC. . (a) Section 1862(c) of the Social Security Act is amended by striking out "January 1, 1975" and inserting in lieu thereof "January 1, 1976".

(b) The Civil Service Commission and the Secretary of Health, Education, and Welfare shall submit to the Committee on Post Office and Civil Service and the Committee on Ways and Means of the House of Representatives, and to the Committee on Post Office and Civil Service and the Committee on Finance of the Senate, on or before March 1, 1975, a report on the steps which have been taken and the steps which are planned, to enable the Secretary of Health, Education, and Welfare to make the determination and certification referred to in section 1862(c) of the Social Security Act. If such report is not submitted to such committees on or before March 1, 1975, the date specified in such section (as amended by the first section) shall be deemed to be July 1, 1975, rather than January 1, 1976.

Mr. CURTIS. Mr. President, this amendment would postpone for 1 year, from January 1, 1975, to January 1, 1976, the requirement in present law that the Federal employee health program be properly coordinated with the medicare program. It is similar to a provision approved by the Senate Finance Committee and full Senate as part of H.R. 3153 in December of last year.

This amendment is necessary in order to avoid an even larger increase in premiums for Federal employee health programs than is already likely for next year. This extension is made necessary by the lack of action on the part of the Civil Service Commission and the Department of Health, Education, and Welfare to modify the Federal employee program so that it works in conjunction with medicare.

At present Federal employees and Federal retirees who are also eligible for medicare find that they cannot effectively get both benefits. In simple terms, the Federal Government, unlike all other employers, has not coordinated its program to medicare.

This amendment would also require that the Civil Service Commission and the Secretary of Health, Education, and Welfare submit a report to the proper committee in the Congress by March 1, 1975, on the steps then being taken to accomplish coordinated treatment for Federal workers. A similar amendment has been offered in the House by Representative JOEL BROYHILL.

Mr. President, I move the adoption of the amendment.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was agreed to.

Mr. BAYH. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. BAYH's amendment is as follows:

Insert the following at the appropriate point in the bill:

SEC. . Part IV of chapter 11B of the Internal Revenue Code of 1954 (relating to deductions from the gross estate) is amended by adding at the end thereof the following new section:

"SEC. 2057. INTERESTS IN FAMILY FARMING OPERATIONS.

"(a) GENERAL RULE.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the lesser of (1) $200,000, and (2) the value of the decedent's interest in a family farming operation continually owned by him or his spouse during the five years prior to the date of his death and which passes or has passed to an individual or individuals related to him or his spouse.

"(b) SUBSEQUENT DISQUALIFICATION RESULTS IN DEFICIENCY.—The difference between the tax actually paid under this chapter on the transfer of the estate and the tax which would have been paid on that transfer had the interest in a family farming operation not given rise to the deduction allowed by paragraph (a) shall be a deficiency in the payment of the tax assessed under this chapter on that estate unless, for at least 5 years after the decedent's death—

"(1) the interest which gave rise to the deduction is retained by the individual or individuals to whom such interest passed, and

"(2) the individual or any of the individuals to whom the interest passed resides on such farm, and

"(3) such farm continues to qualify as a family farming operation.

"(c) DEATH OF SUBSEQUENT HOLDER.—In the case of the subsequent death of an individual to whom the interest in a family farming operation has passed, his successor shall be considered in his place for purposes of paragraph (b).

"(d) DEFINITIONS.—

"(1) FAMILY FARMING OPERATION.—A 'family farming operation' is a farm:

"(A) actively engaged in raising agricultural crops or livestock 'for profit', within the meaning of section 183, and

"(B) over which the owner or one of the owners exercises substantial personal control and supervision.

"(2) RELATIONS.—An individual is 'related' to the decedent or his spouse if he is that person's father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister."

Mr. BAYH. Mr. President, I am offering this amendment together with the distinguished Senator from New York (Mr. JAVITS) and the distinguished Senator from New Jersey (Mr. WILLIAMS).

This amendment is designed to deal with the problem of the disturbing decline in the number of farms and of families living on the farm. This amendment would exclude the first $200,000 in the value of the family farm from the taxable estate of those farmers who have managed their own farms during their lives and have willed it to relatives who plan to carry on this tradition.

Under the amendment, all such family farms must be actively used to raise agricultural crops or livestock for profit rather than as a hobby. To be specific, in order to qualify for the exemption, the decedent must have owned the farm for at least 5 years and must have exercised substantial management and control over the farm before he died. Those who inherit must not only continue to exercise substantial management and control over the farm, but also must maintain ownership and live on the farm for at least 5 years. In the event that a farm is willed to several children, all inheritors are covered by the amendment if one of them meets the residency and management qualifications set forth.

I want to emphasize that this proposal is not envisioned as a tax break for all farmers, but rather as a device to assist those farmers who are not likely to have sufficient liquid capital to meet the estate taxes. Presently, farmers usually have to sell part of their land to raise enough money to pay estate taxes; after one or two generations, so much of the farmland has been sold off that there is no longer a viable economic unit—particularly in these days when the average size of a farm is increasing, not decreasing. The result has been the increased ownership of land by corporations despite the fact that research studies by USDA relating cost per unit to size have generally shown that all of the economies of size can be achieved by modern and fully mechanized one-man and two-man farms.

As everyone concerned about the rise of corporate farming knows, the individual farmer has been having a progressively harder time making ends meet. Fifty years ago there were about 32 million Americans—more than 30 percent of the entire population—living on the farm; today there are only about 9 million Americans—slightly more than 4 percent of our population—still on the farm. This number is decreasing steadily.

Moreover, it is the small farmer, the family farmer, who is being forced off the farm into our already overcrowded cities. In fact, every day about 300 family farms in this country have to be abandoned by their owners because they are no longer viable. Cumulatively, a million family-sized farms were consolidated out of existence in the 1950's and another million in the 1960's.

The reasons for the demise of the family farmer are evident. While food prices in this country have gone up along with everything else, the farmer often has not shared in this increase. Food price increases have gone to retailers and middlemen, but too many farmers have seen their share of the retail food dollar remain constant, and at times, decline. At the same time, while the average American nonfarm worker labors an average of only 37 hours a week, the average farmer works 50 hours a week and earns less for his time. Farmers receive an average of only 5.4 percent return on their investment whereas there is a 10 to 12 percent average return on investment in industry.

One of the greatest problems faced by farm families is the estate tax—a tax which is uniquely burdensome for farmers because it is usually based on the inflated value of the land as a real estate parcel rather than on its fair value as a farming operation. Children who have spent years working the farm with their parents are suddenly confronted with a large tax when the owner of their operation dies. For a small farmer, estate taxes are particularly severe because most of his assets are generally nonliquid: His farm, his farmhouse, his livestock, his crops, and equipment comprise the bulk of his assets and they are all essential to the profitable operation of the farm. Nonfarmers, if only because their return on investment is usually greater, normally have a greater percentage of liquid assets with which they can meet estate taxes.

To illustrate the problem faced by family farmers, let us take the hypothetical case of a Mr. Jones, Jr., who is left a 300-acre farm valued at $700 an acre, plus farm equipment, crops, and farmhouse, for a total valuation of $280,000. At the prevailing tax rate, he would have to pay $56,700 in Federal estate taxes. An average small farmer, Mr. Jones, makes only about $10,000 a year from his farm; the income is already stretched thin to cover new farm equipment and family expenses. Assuming that Mr. Jones does not have large savings, he would be forced either to take out a mortgage on the farm—if it is not already mortgaged—or sell part of his land in order to pay the estate tax on his father's farm. Either way, he would decrease by a considerable margin the already small profit he is able to make from the farm. Furthermore, the burden of estate taxes could very possibly be so great that Mr. Jones, Jr., might find out that he can no longer make enough money on the farm to support his family. Thus he would be forced to sell the farm and look for work elsewhere.

Unless we want to see a continuating decline in the number of family farmers, and an eventual domination of the farm industry by large corporate farms, it is essential to help small farmers meet what are now unbearably high estate taxes.

Mr. President, there are two probable criticisms of this bill which I would like to address: First, small businesses would probably ask for similar tax breaks; and second, the cost could be high.

In response to the first consideration, I am certainly aware that small family businesses often have as difficult a time making ends meet as small family farms do, and that they need encouragement if they are to prosper. However, it seems to me that family farms differ from family businesses in significant respects which entitle farms to separate consideration with reference to estate taxes. The rapid technological changes, marginal profits, and the need for capital in farming encourage forced saving and reinvestment by all family members. Since farm households are relatively more self-sufficient than urban households and since the cost of rural living is generally lower than that of urban living, members of the family often are not remunerated for their contributions to the farm; rather, all wages and profits are pooled and reinvested in more land, new machinery or better fertilizer and seed.

Members of the younger generation may be taxed on money which otherwise might have come to them in the form of a salary. Combined with the fact that most profits are plowed back into the farm is the fact that the return on investment is generally lower in farming—5.4 percent—than in business—10 to 12 percent. Thus, farmers tend to have less liquid capital saved with which to pay estate taxes.

Farmers also suffer most dramatically from the fact that their estates are taxed at the real estate value of the land, rather than on the basis of the farming value of the land. The current shortage of land is pushing up real estate values both for the farmer and for the small businessman located in a city; however, a far greater proportion of a farm's assets are tied up in land. The farmer who finds that suburban sprawl is forcing up the value of his main asset simply cannot absorb the increased costs of that particular item.

The second main argument against my proposal is likely to be one of cost. The

Department of the Treasury has estimated that the revenue loss would be about $200 million annually. Unfortunately, I do not know the nature of their calculations leading to this estimate. However, the department of agricultural economics at Purdue University has provided a second tentative estimate of an annual revenue loss falling somewhere between $50 and $100 million—and probably closer to $50 million than to the higher figure. The amendment would not affect the existing $60,000 exemption from the estate tax nor the marital deduction.

All Americans—whether rural, urban, or suburban should recognize that the growth of corporate farms at the expense of the family farmer is a threat to the rural way of life as well as to the consumer's pocketbook. Literally thousands of farmers have been driven off the land into the cities. Good, hard-working people with dignity developed from years of self-sufficiency have suddenly found themselves lost in big cities. The irony of all this is that there is no evidence that these giant corporate farms offer any productive advantages. Rather it is the highly efficient family farmer who remains the secret behind the vast productive capacity of American agriculture. I would hope that the Senate would take a major step toward preserving this uniquely American institution and act favorably on this amendment.

Mr. President, I can think of nothing that will make a greater contribution to assuring the independence of the family farmer than this kind of program. I have discussed the amendment with the distinguished chairman of the Finance Committee, the Senator from Louisiana (Mr. Long), and I understand he has no objection to the amendment, but I will let him speak for himself.

Mr. LONG. Mr. President, the Senator seeks to achieve the laudable objective of saving the family farm, which is disappearing as a part of the American scene. It would be well for something to be done along this line. I do not know whether the House would be willing to agree to this amendment or whether the President would sign the bill if it is agreed to. But, it seems to me, that we ought to endeavor to do something to prevent the family farm from vanishing from the American scene completely, as it may, should the present trend continue.

I have no objection to the amendment. I would be willing to take it to conference and see if we can persuade the House to agree to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment (putting the question).

The amendment was agreed to.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is Shall it pass (putting the question.)?

The bill (H.R. 11452) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION ACT, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1062, H.R. 15404, with the understanding that no action thereon will be taken today.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent when the Senate completes its business today it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent after the two leaders or their designees have been recognized under the standing order on tomorrow there be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 5 minutes each; and at the conclusion of which the Senate will resume consideration of Calendar No. 1062, the bill making appropriations for State, Justice, and Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the disposition of the appropriation bill for State, Justice, and Commerce tomorrow, the Senate then proceed to the consideration of the conference report on pensions.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEMORIAL TRIBUTES TO SENATOR KARL MUNDT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. McGovern and Mr. Abourezk I ask unanimous consent that all memorial tributes to Senator Karl Mundt appear in one place in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE NATURAL GAS PIPELINE SAFETY ACT OF 1968—H.R. 15205

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 15205.

The PRESIDING OFFICER laid before the Senate H.R. 15205, an act to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and for other purposes, which was read twice by title.

The PRESIDING OFFICER. The Senate will proceed with its immediate consideration.

If there are no amendments to be offered, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

ORDER TO HOLD BILL AT DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 16425, monitoring the economy, remain at the desk until the conclusion of business tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 o'clock tomorrow and, after the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes; at the conclusion of which period the Senate will proceed to the consideration of H.R. 15404, an act making appropriations for the Departments of State, Justice and Commerce, the Judiciary and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

Rollcall votes are expected on amendments to that bill and on final passage thereof.

On the disposition of the appropriation bill, the Senate will take up the conference report on pension reform. There will be a rollcall vote on the adoption of that conference report. Other bills cleared for action on the Calendar, if there be such, will be taken up and acted upon. Other conference reports, being privileged, may also be called up. So there will be rollcall votes tomorrow.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and, at 5:41 p.m., the Senate adjourned until tomorrow, Thursday, August 22, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate August 21, 1974:

DEPARTMENT OF STATE

William R. Crawford, Jr., of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 21, 1974:

FEDERAL ENERGY ADMINISTRATION

Roger West Sant, of California, to be an Assistant Administrator of the Federal Energy Administration.

DEPARTMENT OF STATE

Jack B. Kubisch, of Michigan, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece, vice Henry J. Tasca, resigning.

Richard L. Sneider, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE COAST GUARD

Coast Guard nominations beginning Christian T. Bonher, to be lieutenant junior grade, and ending Charles O. Gill, to be chief warrant officer, W-2, which nominations were received by the Senate, and appeared in the CONGRESSIONAL RECORD on July 31, 1974.

HOUSE OF REPRESENTATIVES—*Wednesday, August 21, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Fear not, O land; be glad and rejoice; for the Lord will do great things.—Joel 2: 21.

Almighty God, by whose grace we were created, by whose strength we are sustained, and by whose love we are redeemed, we pray Thee to illumine our minds with Thy truth, to fill our hearts with Thy love, and to direct us in our endeavors for the highest good of our Nation that justice, peace, and good will may prevail in the hearts of people everywhere.

Strengthen the foundations of our national life that we and our people may be steadfast in faith, joyful in hope, great in moral living, high in spiritual power, and devoted to the welfare of all.

Thus may we be great enough and good enough and genuine enough for this challenging age in which we live; through Jesus Christ, our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 6485. An act to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938; and

H.J. Res. 1105. Joint resolution designating August 26, 1974, as "Women's Equality Day."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14920) entitled "An act to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15581) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agreed to the amendment of the House to the amendment of the Senate numbered 5, to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16027) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 9, 15, 16, 17, 20, 25, 27, 29, 34, and 50 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12628) entitled "An act to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11510. An act to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11510) entitled "An act to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ERVIN, Mr. JACKSON, Mr. MUSKIE, Mr. RIBICOFF, Mr. METCALF, Mr. PERCY, Mr. JAVITS, Mr. GURNEY, and Mr. ROTH to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3270. An act to amend the Defense Production Act of 1950, as amended.

With amendments in which concurrence of the House is requested.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14883) entitled "An act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes."

H.R. 12628—VETERANS' EDUCATION AND TRAINING AMENDMENTS

(Mr. DORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORN. Mr. Speaker, I am convinced from personal observation of the past few days that President Ford will veto the Veterans' Education and Training Amendments which are in the final stages of consideration in Congress. The President has made it clear that he supports a strong education and training program for Vietnam veterans and will support legislation which will provide a rate increase commensurate with changes in the Consumer Price Index.

I am sure the President has reservations about some of the Senate amendments and I share these reservations, as do several of my colleagues on the conference. The Senate added 28 amendments to the House-passed bill. In an effort to reach a compromise, the House conferees reluctantly agreed to several provisions which in my opinion lack merit. We were successful in persuading the Senate to drop the controversial half-billion-dollar tuition-subsidy scheme, but there was retained in the bill a loan program using funds from the National Service Life Insurance Trust Fund. This proposal has been strongly opposed by the Veterans' Administration and the Department of the Treasury. I personally have not seen convincing evidence that the student-loan programs operated by the Office of Education are not sufficient to meet veterans' needs, and I am not convinced that a duplicate program administered by VA is necessary.

The cost-of-living increase which the President has indicated he will approve will provide a basic rate of $260 a month for the single veteran, with commensurate increases for other classes of veterans. This will represent a $40 per month increase for veteran trainees.

Even though I am convinced that the President will veto this legislation in an effort to moderate its high cost, I feel certain that the President will cooperate with us in speedily enacting legislation which will cover the legitimate needs of Vietnam veterans.

SENATOR MIKE MANSFIELD: A GREAT MAJORITY LEADER OF THE U.S. SENATE

(Mr. de la GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. de la GARZA. Mr. Speaker, a great statesman has just achieved the record as majority leader for the U.S. Senate—an enviable record—one he has set with dignity and understanding. The senior Senator from Montana—affectionately known to all as Mike Mansfield—can truly be called a dedicated U.S. Senator.

I have been privileged to serve with him at the United States-Mexico Interparliamentary meetings for many years. Our neighbor to the South accorded him the ultimate in respect and affection and has honored him by presenting him with Mexico's highest civilian award, "The Aztec Eagle."

As all of us know, he is a man of the people—a man—rare in this hectic time—who listens, yes, he listens to all who seek his counsel. He is not impatient with the burdens of leadership, nor arrogant with its powers.

Mike Mansfield is a perfect gentleman—a true and loyal friend to all who have the privilege of knowing him.

As long as the U.S. Senate has men like Mike Mansfield in charge, the Nation is in good hands.

NELSON ROCKEFELLER—A WISE SELECTION FOR VICE PRESIDENT

(Mr. BELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BELL. Mr. Speaker, I want to add my words of praise to our President and great leader, Jerry Ford, for his wise selection of Nelson Rockefeller as his nominee for Vice President of the United States.

Mr. Rockefeller, in addition to great expertise and knowledge in government, brings a broadened base to our Republican Party.

Now with a few more—unfortunate—yes, I mean very unfortunate happenings—such as that which took place in Kansas City a few days ago—the GOP with its sails fully unfurled and rudder steady on course, can achieve its golden quest—control of the Congress of the United States.

KARL E. MUNDT

(Mr. ABDNOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ABDNOR. Mr. Speaker, this past weekend South Dakota and the United States lost one of its great legislative leaders in the death of former U.S. Senator Karl E. Mundt. Beginning a career in government in these halls in 1938, he served here 10 years, then was elected to the other body where he conducted his office with great distinction until felled by a stroke. Today he is being buried in his hometown of Madison, S. Dak.

After coming to Congress he began a fight against communism and for the preservation of American freedom that was to last the rest of his life. He was deeply concerned about the grave threats to our American system of government and dedicated his tenure to its staunch defense.

Part of his vision in preserving our American way of life was communicating it to other nations, not only through the Voice of America, but also through direct communications with our friends. He was a staunch advocate of and participant in the North Atlantic Treaty Organization's association of parliamentarians. Even more important was his early stress on the necessity to curtail nuclear weapons through international agreements as one of the cornerstones for building peace in the world.

A premier orator in the Halls of Congress known for its declamation, both as Congressman and as Senator, Karl Mundt attained great distinction, not only in his own right, but for the State of South Dakota which he served long and well. Although his fine career was cut short by a tragic stroke, his ability, his dedication, his statesmanship and his leadership will long be remembered as exemplary in the field of government and politics.

VACATION OF SPECIAL ORDER

Mr. WYDLER. Mr. Speaker, I ask unanimous consent to vacate the previous special order I had obtained for August 23.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. LATTA. Mr. Speaker, yesterday, when House Resolution 1333 was voted on, I was in my district with the Secretary of Agriculture. Had I been present I would have voted "aye".

CUT OFF OF MILITARY AID TO TURKEY

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I regret that the Foreign Affairs Committee was today obliged to suspend its markup sessions of the Foreign Assistance Authorization bill until after the upcoming recess without any discussion of the possibility of cutting off military assistance to Turkey so long as it continues its armed aggression in Cyprus.

I find it most unfortunate that the administration did not make clear to Turkey that the flow of military assistance to that country from the United States would cease if Turkey undertook to try to impose its will in the Cyprus crisis by force of arms. But it did not, and the situation has now gravely deteriorated.

As one member of the Foreign Affairs Committee, I believe that the Congress should insist on a suspension of aid to Turkey until and unless agreement is reached among the parties involved with respect to the presence of Turkish forces on Cyprus and I believe many members of the committee and of the House feel the same way.

For the committee to have adopted—or at least to have discussed—such an amendment would have provided a valuable signal to the people of Greece that there is substantial support for the Greek position and a signal to the Government of Turkey that its policy of using brute force to achieve its objectives, while going through the motions of negotiating, is seen as unacceptable.

AUTHORIZING THE SPEAKER TO DECLARE RECESS TODAY TO GREET PRESIDENT GERALD R. FORD

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, the House will be highly honored later this afternoon by a visit by the President of the United States. In view of that fact, Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare a recess subject to the call of the Chair at the appropriate time this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON H.R. 11864, SOLAR HEATING AND COOLING DEMONSTRATION ACT OF 1974

Mr. TEAGUE. Mr. Speaker, I call up the conference report on the bill (H.R. 11864), the Solar Heating and Cooling Demonstration Act of 1974, to provide for the early development and commercial demonstration of the technology of solar heating and combined solar heating and cooling systems, and ask unanimous consent that the statement of managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For a conference report and statement, see proceedings of the House of August 12, 1974.)

Mr. TEAGUE (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Texas.

Mr. TEAGUE. Mr. Speaker, the committee of conference has resolved the differences between the House and Senate passed versions of H.R. 11864, the Solar Heating and Cooling Demonstration Act of 1974. The bill passed the House on February 13, 1974, and passed the Senate on May 21, 1974.

There were 16 items in disagreement during the conference, including the amount to be authorized for this bill. The House receded on four items, the Senate receded on four items, and compromise was reached on eight items.

With regard to the amount to be authorized to carry out the purposes of this act, the committee of conference agreed to $5 million each for NASA and HUD in fiscal year 1975, and $50 million to be appropriated to unspecified agencies over the period fiscal year, 1976 through 1979.

H.R. 11864 had its origins in the Science and Astronautics Committee's Subcommittee on Energy. It was the first of three major energy bills considered by the committee this year. The second was the Geothermal Energy Research, Development, and Demonstration Act of 1974, which was reported from conference on August 8. The third, the Solar Energy Research, Development, and Demonstration Act of 1974, was unanimously reported out by the full committee on August 15.

H.R. 11864 received an overwhelming endorsement from the House of Representatives earlier in the year when it was cosponsored by 187 Members and sent to the Senate by a record vote of 253 to 2. The conferees have retained the crucial provisions of the House bill, and have strengthened them by incorporating the most salient of the Senate amendments. I believe that the resulting conference compromise is a strong and timely piece of legislation and I join with the other House conferees in their unanimous support of the conference report. On Monday, August 12, the Senate approved this conference report by unanimous consent.

In a moment, I will yield the floor to the distinguished Chairman of the Subcommittee on Energy, MIKE MCCORMACK, who will discuss in detail the provisions of H.R. 11864 as approved by the committee of conference. But first, I would like to say a few words regarding the importance of this bill.

As you know, solar energy is among the most attractive of our energy resources. It is a clean, plentiful, and renewable source of energy. Furthermore, our supply of solar energy cannot be taxed, expropriated, or interrupted by any foreign power.

The bill which we are considering today will greatly facilitate the widespread use of solar energy for heating and cooling in millions of American homes. It will demonstrate the economic practicality of solar heating and cooling systems by private manufacturers. Enactment of H.R. 11864 will be a very meaningful step toward easing the energy shortage and reducing America's dependence on the fossil fuels of foreign nations.

I stand in strong support of H.R. 11864 and urge each of you to join our Senate counterparts in sending this bill to the President for his signature.

I include the following:

CONFERENCE COMPROMISES ON H.R. 11864

There were 16 items in disagreement during the conference. Of this number, the House receded on 4 and the Senate receded on 4. A compromise was reached with regard to the remaining 8 items.

SECTION 1. SHORT TITLE

"Solar Heating and Cooling Demonstration Act of 1974". House and Senate versions identical.

SECTION 2. FINDINGS AND POLICY

Adopts all 8 House findings and adds three Senate findings.

Adopts House policy provision, deleting reference to use of "current technology."

SECTION 3. DEFINITIONS

Adopts House definitions of "solar heating", "solar heating and cooling", and "residential dwellings".

Adopts Senate definitions of "Administrator" (of NASA), "Secretary" (of HUD), and "Director" (of NSF).

SECTION 4. CONDUCT OF ACTIVITIES IN SOLAR HEATING AND COOLING TECHNOLOGIES BY NASA

Adopts House provision, deleting "basic and applied" from NASA's research program.

SECTION 5. DEVELOPMENT AND DEMONSTRATION OF SOLAR HEATING SYSTEMS TO BE USED IN RESIDENTIAL DWELLINGS

Conference version effects a compromise between House and Senate versions. Establishes a fully integrated joint administrative structure within which NASA and HUD will carry out the demonstration project.

SECTION 6. DEVELOPMENT AND DEMONSTRATION OF COMBINED SOLAR HEATING AND COOLING SYSTEMS TO BE USED IN RESIDENTIAL DWELLINGS

Conference version effects essentially the same compromise for Section 6 as for Section 5. Provides for joint administration of demonstration by NASA and HUD.

SECTION 7. COMPREHENSIVE PROGRAM DEFINITION

Added in conference to circumvent difficulties forseen by the Conferees in certain provisions of the House or the Senate bill.

Notably, the House definition of "substantial numbers" and the Senate provision for Federal financing of 75% of the cost to a private homeowner of installing solar heating and cooling systems have been eliminated through addition of this section.

SECTION 8. TEST PROCEDURES AND DEFINITIVE PERFORMANCE CRITERIA

To resolve the differences between the House and Senate versions regarding the time periods allowed for formulation of performance criteria, the Conference version provides for formulation of interim performance criteria pending formulation of permanent criteria.

SECTION 9. DEVELOPMENT AND DEMONSTRATION OF SOLAR HEATING AND COMBINED SOLAR HEATING AND COOLING SYSTEMS FOR COMMERCIAL BUILDINGS

Conference version adopts the Senate provision with an amendment including apartment buildings in the demonstration project. NASA, in consultation with other Federal agencies, will conduct this portion of the demonstration project.

SECTION 10. SOLAR HEATING AND COOLING RESEARCH BY NATIONAL SCIENCE FOUNDATION

Conference bill adopts the Senate provision with amendments providing for conduct of applied research by NSF and for reports to NASA and HUD conveying the results of NSF research.

SECTION 11. COORDINATION, MONITORING, AND LAISION

Adopts the Senate provision with an amendment integrating the requirement for coordination with appropriate technical and professional societies and with industry representatives in the development of performance criteria and test procedures.

SECTION 12. DISSEMINATION OF INFORMATION AND OTHER ACTIONS TO PROMOTE PRACTICAL USE OF SOLAR HEATING AND COOLING TECHNOLOGIES

Both the House and Senate versions provided for dissemination of information in a similar fashion. The conference provision integrates the House and Senate provisions.

SECTION 13. LIMITING ON FEDERALLY ASSISTED OR FEDERALLY CONSTRUCTED HOUSING

Adopts the House provision with an amendment to except any floor area limitation which might inhibit the demonstration program.

SECTION 14. ENCOURAGEMENT AND PROTECTION OF SMALL BUSINESS

The House bill and the Senate amendment included essentially similar provisions with respect to the encouragement and protection of small business. The conference substitute adopts the Senate amendment, virtually identical with the House bill.

SECTION 15. PRIORITIES

Adopts the Senate provision directing the Secretary of HUD to set priorities in accordance with specified criteria.

SECTION 16. REGULATIONS

Adopts the House provision directing the Administrator of NASA, in consultation with the appropriate agency heads, to prescribe regulations for implementation of the provisions of the Act.

SECTION 17. USE OF PUBLICLY ASSISTED HOUSING

The Senate amendment provided for the Secretary of HUD to make appropriate use of publicly assisted housing in the demonstrations. The House bill did not contain a comparable provision. The conference substitute adopts the Senate amendment.

SECTION 18. TRANSFER OF FUNCTIONS

Adopts in substance the House provision for transfer of NASA and NSF functions to ERDA.

SECTION 19. AUTHORIZATION OF APPROPRIATIONS

Authorizes $5 million each for HUD and NASA in FY 1975 and $50 million total for the next four fiscal years.

This section represents a compromise between House and Senate bills.

Mr. **WYDLER**. Mr. Speaker, will the gentleman yield?

Mr. **TEAGUE**. I yield to the gentleman from New York.

Mr. **WYDLER**. Mr. Speaker, this conference report is an excellent one. It has been signed by all the conferees. I urge the Members of the House to accept it.

Mr. **SYMMS**. Mr. Speaker, energy from the Sun represents a largely untapped resource which has the potential of filling a number of our energy needs for centuries to come. If only 5 percent of our home heating and cooling needs could be met from this source we could save an increasingly precious 600,000 barrels of oil per day.

Mr. Speaker, if the experience of the past is any guide, the introduction of not one but three Federal bureaucracies into this new and hopeful field may have the effect of slowing down progress and stifling creativity—and at considerable expense to the taxpayers.

There is no real reason why the creative forces of American free enterprise cannot tackle the problem of developing and marketing solar energy at a reasonable cost to the consumer. The basic technology already exists, much of it as a byproduct of the space program, so there are no overwhelming technological obstacles.

Furthermore, there seems to be a popular belief that no new scientific or technological breakthrough can be achieved without massive Government funding. We forget that the world's greatest technological progress has occurred through the American free enterprise system. The steam engine, the electric light and the airplane were all products of enterprising inventors operating without large Government subsidies. There is no reason to believe that this same creative spirit cannot develop new energy sources—if only it were allowed to do so. When the Federal Government supplies all of the funds for research and development in a given area it almost always permanently controls the availability and the marketing of whatever end products result. Already, this fear of total control with the possibility of complete nationalization of energy production has spurred the utility and oil companies to invest substantial funds into research and development efforts on such things as controlled nuclear fusion and geothermal energy.

Of course, in certain cases where very large initial capital investments are required it is proper for the Federal Government to help out indirectly as it has done in the past through tax incentives.

Mr. Speaker, finally, another reason I oppose an all-out congressional effort for solar energy is that solar energy is suitable only as an auxiliary energy source. Our real energy problems will be better solved by the development of controlled nuclear fusion and magnetohydrodynamic energy production. Both of these methods are highly efficient and nearly pollution free. Thus, they are more worthy of such all-out efforts.

Mr. **MOSHER**. Mr. Speaker, I would like to compliment the House conferees for their dedication in analyzing and synthesizing the various viewpoints reflected in the House and Senate versions of H.R. 11864. The call to marshall our Federal resources in order to demonstrate the viability of solar heating and cooling is one which requires a delicate matching of technical expertise, human talent, and commercial insight. The task is aggravated when the answers to individual aspects of the problem lie in different Federal agencies. I believe the conference bill contains an optimum blend of the best which each concerned Federal entity has to offer.

The bill aims to provide the wherewithal to demonstrate the practicality of solar heating within 3 years and the practicality of solar heating and cooling within 5 years. The effort, by its very nature, is a combination of innovative technology and building designs. The conferees' recognition of this dual nature prompted vesting the responsibility for this program in Federal entities which represent both these features.

In particular, the National Aeronautics and Space Administration—NASA—was known to have a strong background in understanding solar technology from the space program. NASA also has familiarity in managing detailed and extensive projects. Therefore, NASA was chosen as the appropriate Federal agency to spearhead this phase of the program. The second phase requires the installation and demonstration of solar systems in dwellings and buildings. This requirement made it fitting to vest the latter responsibilities in the Department of Housing and Urban Development. The conferees believe this joint responsibility is realistic and necessary.

The nature of this program requires that suitable solar equipment be designed and procured before it can be installed and demonstrated. The NASA–HUD venture is thus time-phased with NASA playing a key role early in the program while HUD's activity will peak later. Nevertheless, the conferees recognized that early coordination and cooperation between both NASA and HUD is essential to insure a successful outcome. To promote this harmony the conference bill provides for early HUD participation in establishing interim performance criteria for solar heating systems. These criteria will be used by NASA in procuring solar equipment. In this respect the House adopts the Senate's provisions.

In addition the Committee of Conference adopts a new provision requiring the joint submission by NASA and HUD of a comprehensive program definition plan for implementing the goals of this bill. HUD is given authority to set program priorities in conformity with set standards. The standards include: geographic dispersal of demonstrations, projected costs of commercial production and maintenance, and encouragement of projects with State and local governments on a cost-sharing basis. The conference thereby adopts the Senate amendment as to the appropriate agency in which to vest the designation of priorities.

The conference bill calls for solar systems to be demonstrated in a "substantial number" of dwellings in diverse geophysical areas chosen by HUD. This is meant to provide realistic data so that valid extrapolations of performance may be made. The conferees felt it inappropriate to bind HUD with a set number of demonstration sites. Likewise, the bill does not preclude HUD from procuring and installing solar equipment other than that provided by NASA under legislative authority otherwise available to HUD.

The conference bill emphasizes that consideration be given to all types of structures: residential dwellings, apartment buildings, office buildings, factories and other facilities. It also stresses the desirability of encouraging participation by small business in the program.

The competence of the National Science Foundation—NSF—and the National Bureau of Standards—NBS—is recognized in the bill. The NSF is directed to perform relevant research in support of the program. The conference bill adopts a Senate amendment directing the Director of the NSF to apprise the Secretary of Housing and Urban Development of the results of such research. NBS is intended to participate with HUD in shaping the interim performance criteria. It will also monitor and evaluate the data collected from installed solar systems.

The conference bill authorizes $5 million for NASA and $5 million for HUD for fiscal year 1975. It goes on to authorize $50 million for fiscal years 1976, 1977, 1978 and 1979. Thus the total authorization is $60 million.

Mr. Speaker, the Solar Heating and Cooling Demonstration Act is meant to be a streamlined response to the urgent national priority for alternative energy sources. Solar energy is not a new energy source as such, but its successful harnessing can make a significant contribution to our energy inventory. I believe it will hasten the day of America's self-sufficiency in energy. The conference bill establishes a concise program with well-reasoned guidelines to spur the advances necessary for implementing solar heating and cooling. I urge my colleagues to join me in supporting it.

Mr. McCORMACK. Mr. Speaker, as reported by the committee of conference, H.R. 11864 provides for the demonstration within a 3-year period of the practical use of solar heating technology and for the development and demonstration within a 5-year period of the practical use of combined solar heating and cooling technology.

In essence, the bill establishes a two-stage demonstration program to be carried out under the joint administration of the National Aeronautics and Space Administration—NASA—and the Department of Housing and Urban Development—HUD. During the first stage, the Administrator of National Aeronautics and Space Administration, in consultation with the Secretary of Housing and Urban Development, will contract for the development and manufacture of solar heating and combined solar heating and cooling systems for residential and commercial use. During the second stage, the Secretary of Housing and Urban Development will supervise the installation, monitoring, and dissemination of data and information regarding the systems procured under stage 1.

The exact numbers of solar systems and buildings to be involved in this demonstration program will be determined jointly by HUD and NASA. The conferees have agreed, however, that in general the program will utilize a number of different systems, building types, and geographic regions sufficient to provide realistic data on the overall practicality of solar heating and cooling.

I want to emphasize three points regarding this legislation:

First, this bill is aimed at demonstrating practicality and marketability of solar heating and combined solar heating and cooling systems. None of the equipment or buildings utilized in this project will be of a "one of a kind" nature. All of the solar systems and the buildings in which these systems are to be installed will lend themselves to large-scale production by private corporations.

Second, the demonstration project established under this legislation is not merely a program for the Federal bureaucracy. The involvement of HUD and NASA will end at the close of the 5-year demonstration program. Once it has demonstrated that there is a market for solar heating and cooling systems, the Federal Government will yield to private enterprise.

Third, at several points in this demonstration project, every effort will be made to include the private sector. The bill provides that the designs for solar systems and buildings utilized in this demonstration will be selected on the basis of design competitions open to all qualified individuals and firms. Furthermore, the bill contains a special provision to encourage and protect the participation of small businesses in the demonstration project.

Mr. Speaker, I feel that the version of H.R. 11864 agreed to by the committee of conference is a strong bill. Its provisions are adequate to realize the objectives of the original House version which the House passed by the overwhelming vote of 253 to 2. The changes which were adopted in conference have served to clarify and to strengthen the bill which we sent to the Senate in February.

The conferees have essentially agreed to two substantive changes in the original House version of H.R. 11864.

First, whereas the original House version delineated in a rather "cut and dried" fashion the responsibilities and duties delegated under the bill to HUD and NASA, the conference version establishes a joint administrative structure in which the Secretary of Housing and Urban Development and the Administrator of the National Aeronautics and Space Administration must consult with each other before discharging their major responsibilities. The result of this change is to create a more fully integrated program which fosters a spirit of greater cooperation between HUD and NASA.

Second, the conferees agreed to a compromise regarding authorization for HUD and NASA during the 5-year demonstration period. HUD and NASA will be authorized $5 million each for the remainder of fiscal 1975, these sums to remain available until expended. An additional $50 million is authorized to implement the provisions of the bill for the next 4 fiscal years. The conference version leaves the proportion of the remaining $50 million to be appropriated for HUD or NASA in any given fiscal year to be resolved in negotiations between the respective heads of these organizations.

In addition to the two changes which I have just explained, the conferees have adopted two amendments which I feel significantly strengthen the bill.

First, the bill now contains a provision requiring the Secretary of Housing and Urban Development and the Administrator of the National Aeronautics and Space Administration to prepare a comprehensive program definition outlining how they will conduct the demonstration program established by the bill. This program definition will be transmitted to the President and to both Houses of Congress within 120 days of enactment of this legislation.

Second, the conferees have adopted a provision directing the Secretary of Housing and Urban Development to make appropriate use of publicly assisted housing, particularly low-rent housing, in demonstrating solar heating and combined solar heating and cooling systems. I feel that this provision represents a meaningful step toward assuring that the benefits of solar energy are made available to all Americans, regardless of their economic situation.

Mr. Speaker, in concluding, I would like to say that the bill which we have before us today reflects the efforts of a large number of people. It has had the benefit of expert testimony presented to the Subcommittee on Energy by 39 qualified individuals and organizations active in the field of solar energy research. It has received additional input from five Senate committees and from the staffs of several Federal agencies. It has received the unanimous support of the Senate and is consistent with administration energy policies.

I join with my fellow conferees in expressing our unanimous support of the conference report on H.R. 11864, the Solar Heating and Cooling Demonstration Act of 1974.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 402, nays 4, not voting 28, as follows:

[Roll No. 512]

YEAS—402

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis

Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grasso
Gray
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—4

Crane
Gross
Landgrebe
Symms

NOT VOTING—28

Aspin
Brasco
Burke, Calif.
Carey, N.Y.
Clark
Conlan
Davis, Ga.
Dellums
Findley
Goldwater
Green, Oreg.
Gunter
Hanna
Hansen, Wash.
Hébert
Landrum
McSpadden
Montgomery
Nedzi
Podell
Rangel
Rarick
Roncalio, Wyo.
Rooney, N.Y.
Stanton, James V.
Steele
Stuckey
Van Deerlin

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Aspin.

Mr. Landrum with Mr. Stuckey.

Mr. Rooney of New York with Mrs. Burke of California.

Mr. Gunter with Mr. Roncallo of New York.

Mr. Carey of New York with Mr. McSpadden.

Mr. James V. Stanton with Mr. Montgomery.

Mr. Van Deerlin with Mrs. Green of Oregon.

Mr. Clark with Mr. Conlan.

Mr. Dellums with Mrs. Hansen of Washington.

Mr. Nedzi with Mr. Goldwater.

Mr. Podell with Mr. Findley.

Mr. Rangel with Mr. Hanna.

Mr. Rarick with Mr. Davis of Georgia.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 11864 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT, AUGUST 29, 1974, TO FILE REPORT ON H.R. 15301, RAILROAD RETIREMENT ACT AMENDMENTS

Mr. STAGGERS. Mr Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight, August 29, 1974, to file a report on H.R. 15301, Railroad Retirement Act amendments.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. ABDNOR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable Karl E. Mundt.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

CONFERENCE REPORT ON H.R. 14920, GEOTHERMAL ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 14920) to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 19, 1974.)

Mr. TEAGUE (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the committee of conference has resolved the differences between the House and Senate passed version of H.R. 14920, the Geothermal Energy Research, Development and Demonstration Act of 1974. This bill passed the House on July 10, 1974 and the Senate on July 11.

Of the 15 items in disagreement during the conference, the House receded on four and the Senate receded on three. Compromise was reached on the remaining eight items.

H.R. 14920 is the second of three major energy bills considered by the Committee on Science and Astronautics this year. The first was the Solar Heating and Cooling Demonstration Act of 1974. The third—the Solar Energy Research, Development and Demonstration Act of 1974—was reported from the committee on August 15.

As adopted by the committee of conference, H.R. 14920 provides for a Federal program to bring presently unused geothermal energy resources to commercial demonstration by the end of this decade. Conducted under the direction of a six-member geothermal energy coordination and management project this demonstration program is designed to provide valuable information on the feasibility and practicality of generating electricity from hot dry rock, geopressured zones and hot water convective systems.

The conference version of H.R. 14920 is very similar to the original House version which passed the House on July 10 by a vote of 404 to 3. The amendments adopted by the conferees have served to strengthen this legislation by providing for a better program definition and for closer cooperation between the Federal Government and private enterprise. I believe that the bill adopted by the committee of conference is adequate to achieve the objectives of the original House bill and I join with the other House conferees in their unanimous support for the conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I will be glad to yield.

Mr. GROSS. Are the amendments germane to the bill?

Mr. TEAGUE. Mr. Speaker, the amendments are germane. There is an advisory agency made up of representatives of a number of agencies. The conference named one additional person and provision is made to name a chairman. That is the only difference in the bill.

Mr. GROSS. I thank the gentleman.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Speaker, the minority also supports this conference report and urges its adoption by the House.

Mr. MOSHER. Mr. Speaker, the conference bill which we submit today is virtually identical to the bill originally passed by this Chamber. The few adjustments that have been made in conference are more cosmetic than substantive.

The Geothermal Energy Research, Development, and Demonstration Act establishes a framework for pursuing the successful exploitation of the energy trapped below the Earth's crust. The bill provides a means for coordinating the Federal geothermal effort. Such coordination is essential if the national effort is to be a team effort. To accomplish this goal the bill establishes a geothermal energy coordination and management project. The project will be responsible for managing and coordinating the national geothermal program. It will be composed of representatives from concerned Federal agencies. Two changes were made in conference. First, the project was expanded from five to six members. The new member will be a person appointed by the President. Second, the designation of the Administrator of the Federal Energy Administration—FEA—as a member of the project was changed to an Assistant Administrator of Federal Energy Administration. The conference bill retains the House direction that the President may select the chairman of the project from among its six members.

Another important feature of the bill is the provision for NASA to undertake a comprehensive program definition at the earliest possible opportunity. This will result in a game plan which will guide future action. It should maximize productivity and minimize duplication. This program definition provision is exclusively a House originated section. It has no Senate counterpart.

The heart of the Federal geothermal effort is divided into three phases: Resource inventory and assessment program; research and development; and demonstration. The resource inventory and assessment phase will locate, evaluate, and catalog our geothermal resources. This information will be available to those wishing to pursue geothermal energy projects. The House bill vested the responsibility for this assessment phase in the project while the Senate bill explicity designated the Secretary of the Department of the Interior—DOI—to undertake it. The House conferees agreed to the Senate designation since the DOI together with the U.S. Geological Survey has the required capability to perform the exploratory type work which this phase demands.

The research and development phase seeks to overcome the remaining technical barriers impeding the widespread utilization of geothermal energy. The conference substitute is the same as the House bill, except that it adopts Senate provisions authorizing a broader scope of investigation. The House bill confined its research to technology directly related to geothermal energy. The Senate counterpart gives the project greater latitude to pursue technologies having an impact beyond just geothermal energy. This increased flexibility is prudent.

The efforts of the first two phases will culminate in the demonstration phase. This phase will demonstrate the commercial viability of geothermal energy as a power source. It will include the design, construction, and operation of both pilot and full-scale geothermal demonstration plants. The plants will be located in different geographic areas and employ various geothermal technologies. This diversity will show that geothermal energy is suitable for widespread use.

The agency conducting a demonstration project shall dispose of any electric energy and other byproducts. Such disposal will be achieved by sale to the maximum extent. It is not intended that geothermal demonstration projects compete with or displace existing local utilities. In order to avoid any such conflict the conference bill adopts a Senate provision calling for the project to enter into cooperative agreements whenever possible with non-Federal entities for the joint operation of demonstration projects. The conference bill also provides for additional congressional oversight in this area by requiring specific legislative authority before the project could proceed with demonstration projects where the Federal share would be more than $10 million.

The bill's remaining provisions cover the support of geothermal-oriented education; loan guarantees for qualified borrowers wishing to pursue geothermal energy programs; and protection of the environment. Each of these features is essentially the same as appeared in the House bill.

Mr. Speaker, I believe the Geothermal Energy Research, Development, and Demonstration Act is a sound legislative initiative. The answer to our Nation's energy problem lies in fostering and integrating many new technologies into a comprehensive energy package. Geothermal energy can play a valuable role as one part of this total response. I urge my colleagues to join me in supporting it.

Mr. GOLDWATER. Mr. Speaker, the conference bill before us embodies all of the features which appeared in the House bill. While some minor adjustments were made in conference, they are minimal.

The impact of the Geothermal Energy Research, Development, and Demonstration Act cannot be overemphasized in view of our national energy shortage. This bill will provide the means whereby our Nation can harness the natural heat energy of the Earth. This energy is not vulnerable to arbitrary stoppages and has no known adverse environmental effects.

The only commercially developed geothermal plant in operation in the United States today is located in the State of California. I refer, of course, to "the Geysers." The U.S. Geological Survey estimates that there exists vast geothermal fields throughout southern California and many other areas of our country with equally high potential. This bill will accelerate the process of transforming that potential into electricity. In so doing we will be following the pioneering work originally spearheaded by the farsighted citizens of California.

The Geothermal Energy Research, Development, and Demonstration Act sets up a game plan to achieve these results in an expeditious yet systematic manner. The Federal geothermal effort is divided into three parts: Resource inventory and assessment; research and development; and demonstration. The assessment phase will focus on locating and cataloging our geothermal reserves. The research phase will foster work aimed at solving the remaining technical barriers obstructing geothermal energy's full utilization. The demonstration phase will incorporate the results of the first two phases by designing, constructing, and operating geothermal energy plants. This will be the programs ultimate goal—the successful demonstration of the viability of geothermal energy as a commercial source of energy.

The bill also seeks to foster participation by private enterprise at an early stage by providing for a loan guarantee program. The Federal Government will underwrite loans made to qualified borrowers for the purpose of pursuing geothermal energy development. This feature is a reasonable means for spurring the private sector to join the effort.

We recognize the importance of establishing an overall direction early in the program. NASA is directed to conduct a definition effort at the beginning of the program in order to identify priorities. This will insure that the

Federal program will make optimum use of its resources. The current sense of urgency over our energy problems should not overshadow the necessity of prudent budgetary planning. The program definition feature will allow us to make the best use of the taxpayer's money.

Mr. Speaker, I believe that the Geothermal Energy Research, Development, and Demonstration Act will play a valuable role in correcting our energy shortage. It sets the stage for dividends which we will collect for many years. I deem myself privileged to have participated in shaping the bill. All of my colleagues can be confident that their support of this bill will stand as a tribute to their farsightedness.

Mr. McCORMACK. Mr. Speaker, it is proper to note that this legislation would not have been possible if it were not for the foresight and leadership of the chairman of the full committee, my good friend from Texas, Olin Teague. His understanding of the role of energy and the need for alternate energy sources was shown when he formed the subcommittee I have the honor of chairing. Only with his support, have we been able to consider, report, and pass such important pieces of legislation as this Geothermal Energy Research, Development, and Demonstration Act and the Solar Energy Heating and Cooling Act.

Mr. Speaker, H.R. 14920, the Geothermal Energy Research, Development, and Demonstration Act takes the present splintered and undefined Federal effort in geothermal energy and coordinates a unified program through the Atomic Energy Commission, the National Science Foundation, and the Department of the Interior. Included in the management project will be the National Aeronautics and Space Administration and the Federal Energy Administration. The chairman will be appointed by the President. This management project will have authority to manage and fund all geothermal energy research, development, and demonstration activities.

This concept was accepted by the Senate in conference committee except for the fact that the President will appoint one additional member to the management project and he will designate who the chairman shall be.

In the House version, the Administrator of the National Aeronautics Space Administration is directed to carry out a comprehensive program definition for a national effort in bringing geothermal energy to commercial development stage.

This program definition is retained in the conference bill. In addition, specific emphasis is to be given to a resource inventory and assessment program to be formulated in conjunction with the program definition and to be carried on by the U.S. Geological Survey.

This program definition is intended to be a major determinate of the programs initiated and carried out by the management project. In H.R. 14920, as it passed the House, three important elements were to be considered within the management project's programs. These were resource assessment and evaluation, research and development, and demonstration. All three of these have been retained.

In conference with the Senate, two changes were made in Research and Development and Demonstration program. Authority is granted to carry on research when that research goes outside the field of geothermal energy to the point where the research can be published for utilization by others, and, in addition, under the demonstration program, additional emphasis is given for the need for cooperative ventures with non-Federal organizations such as public and private utilities, and municipalities in the construction and operation of viable geothermal demonstration plants. It was our conclusion in conference that we would hasten the day of development and acceptance of geothermal energy as an alternate energy resource, if we would, from early in the program, involve the ultimate users of such an energy source. We have given Congress an added control in that any demonstration project in which the estimated costs to the Federal Government is greater than $10 million, Congress must review that project and specifically authorize it before it can be carried out.

A fourth and equally important program envisioned under H.R. 14920, was the Government loan guarantee program. This program is intended to accelerate geothermal energy development by private enterprise. For the most part the House and Senate versions regarding the loan program were identical. I might point out that a difference in House and Senate report language was clarified in the conference report by noting that the size of any loan guarantee will not be greater than $25 million for any single project nor greater than $50 million for any single borrower.

In conclusion, I might add that we had a most amicable conference with our counterparts in the Senate, because we had a fundamental agreement that geothermal energy was important enough to the country that a coordinated and increased Federal effort in that field is needed and needed now.

The bill will establish congressional concern and leadership in providing this country a viable and realistic project independence. I wish to join with my fellow conferees in expressing our unanimous support of the conference report on H.R. 14920, the Geothermal Energy Research Development and Demonstration Act of 1974.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON S. 821, JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the Senate bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAWKINS. Mr. Speaker, I ask uncoordinated approach to the problems of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, is the gentleman planning to explain the conference report?

Mr. HAWKINS. Yes, I am.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 19, 1974.)

Mr. HAWKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama.

Mr. STEIGER of Wisconsin. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Wisconsin reserves the right to object.

Mr. STEIGER of Wisconsin. Mr. Speaker, under my reservation is a question, if I wish to lodge a point of order against a portion of the conference report is it appropriate to do so now?

The SPEAKER. Is the gentleman making a parliamentary inquiry?

Mr. STEIGER of Wisconsin. I reserved the right to object prior to the request to dispense with further reading of the conference report to inquire when a point of order can be lodged.

The SPEAKER. The Chair will state that a point of order should have been made prior to the reading of the joint statement. The point of order will now come too late.

Mr. STEIGER of Wisconsin. I thank the Speaker. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAWKINS. Mr. Speaker, I am delighted to report that the managers on the part of the House were able to resolve their differences with our Senate colleagues on the House amendment to the bill (S. 821) to provide a comprehensive, coordinated approach to the problems of juvenile delinquency and for other purposes.

The managers recommend a conference substitute bill for adoption. It is the product of many hours of labor on the part of our distinguished colleagues, Ms. Chisholm, and Messrs. Perkins, Quie, and Steiger. In addition, we were supported by the able efforts of committee staff members, Bill Cable, Marty LaVor, Bob Williams, and Al Johnson.

The conference substitute is an independent bill, contrary to the Senate bill which amended the Omnibus Crime Control and Safe Streets Act. It incorporates many of the provisions of the House amendment as well as several provisions of the Senate bill over which the Committee on Education and Labor lacked jurisdiction. It includes several conforming amendments which bring the Omnibus Crime Control and Safe Streets Act into conformity with the Juvenile Justice and Delinquency Prevention Act of 1974. It is a source of deep gratification for me to state that these amendments are incorporated into the substitute bill with the support and endorsement of our distinguished colleagues, Mr. Rodino and Mr. Conyers on the Committee on the Judiciary.

The bill establishes an Office of Juvenile Justice and Delinquency Prevention within the Deparmtent of Justice, Law Enforcement Assistance Administration, headed by an Assistant Administrator who would be appointed by the President with the advice and consent of the Senate. I might note, Mr. Speaker, that the managers on behalf of the House did not accept this provision easily. It was necessary to do so in order to secure the passage of the bill and thereby insure the delivery of much-needed services to the youth of this Nation. We intend to maintain vigilant oversight in the implementation of this provision.

The bill requires that States, in order to receive funds, must submit a plan which provides for the development of advanced techniques in the treatment and prevention of delinquency under the administration of State planning agencies. The membership of these SPA's is broadened to include the participation of individuals and organizations which are experienced in the treatment and prevention of juvenile delinquency. It is our intent that this important provision will be implemented by each State within 30 days of the enactment of this bill, barring extraordinary circumstances.

In addition to providing funding through the States, the bill also provides for up to one-half of all program assistance through special emphasis prevention and treatment grants in which the Administrator is authorized to directly fund worthwhile local programs.

The bill further establishes a Coordinating Council on Juvenile Justice and Delinquency Prevention and a National Advisory Council on Juvenile Justice and Delinquency Prevention.

It provides a Runaway Youth Act to be administered by the Department of Health, Education, and Welfare and extend the Juvenile Delinquency Prevention Act of 1972, also within the Department of Health, Education, and Welfare for 1 additional year for transitional and phaseout purposes only.

Finally the bill provides certain basic rights to juveniles within Federal jurisdiction and establishes a National Institute for Juvenile Justice and Delinquency Prevention within the Office and a National Institute of Corrections within the Federal Bureau of Prisons.

The conference substitute authorizes an annual appropriation of $75,000,000 for fiscal year 1975, $125,000,000 for fiscal year 1976, and $150,000,000 for fiscal year 1977. In addition, $10,000,000 is authorized for the Runaway Youth Act for each fiscal years 1975, 1976, and 1977 and $500,000 for the reporting requirement of that act during fiscal year 1975. Such sums as may be necessary are authorized for the Coordinating Council.

Mr. Speaker, I cannot overemphasize the sense of satisfaction which the membership of this House may feel with the passage of this bill. Along with our able and distinguished colleagues in the Senate, Hon. Birch, M. Bayh, Hon. Roman Hruska, Hon. Marlow Cook and others, we have worked long and diligently to secure its consideration. Our differences, although numerous, were resolved in the spirit of give and take, compromise, and respect for differing opinions. I urge the membership to swiftly and favorably consider this bill.

Mr. BELL. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from California.

Mr. BELL. I thank the gentleman for yielding. I want to commend the gentleman for his leadership on this bill and in this conference, and I want to say that I rise in support of this conference report.

Mr. QUIE. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin (Mr. Steiger).

Mr. STEIGER of Wisconsin. Mr. Speaker, it is with some reluctance that I rise this afternoon to indicate my opposition to the adoption of the conference report.

I do not do so lightly, and I do not do so without the full recognition and understanding of the fact that it is necessary, in my view, for there to be an increased effort in the field of juvenile delinquency. However, the conference report, as it comes back to the House this afternoon in the form of S. 821, is both, in terms of substance and of fundamental approach, grossly wrong. I would want the House to recognize the fact that the House conferees capitulated without even a whimper to the other body in accepting the Law Enforcement Assistance Administration as the agency responsible for juvenile delinquency. As a matter of fact, Mr. Speaker, there was not even, may I say respectfully to my fellow conferees, one motion to sustain the House position which by a vote of 2-to-1 rejected LEAA and kept this in HEW.

I think the House ought to know and should be mindful of the fact that there are very real differences in the concept and approach as between LEAA and HEW. The rational of those supporting this bill is that no bill might come. But at what price in terms of approach are we to pay by surrender?

By adopting the conference report this afternoon, the Congress of the United States—and were it to be signed, and I hope it is not, by the President of the United States—effectively eliminates any effort by the Department of Health, Education, and Welfare to undertake the kind of effort to prohibit and prevent people from becoming involved in the juvenile justice system. We are, in effect, saying that those involved in juvenile justice today, the police departments, the parole officers, the judges, will become the end-all and be-all in juvenile delinquency prevention and control. These groups have an important role to play but so do many others like the educational community who will not have the chance they should if we pass this bill.

I think it is wrong. I think the approach is wrong. I think the agency is wrong, and I think the conference report is wrong.

I deeply regret that I find myself in this position, but let me, if I can, go through and suggest to the Members of the House that, No. 1, we ought to understand that the conference committee was not a conference commitee at all. It was, in fact, a series of negotiations between the staff of the other body and the staff of this body, in which the conferees met and got a sheet of paper which said that the staff recommends this, the staff recommends that, and the staff recommends this, and the staff recommends something else.

I have yet to see a conference in which the members of the conference had so little to do. All we had to do was ratify what the staff had to say.

As a matter of fact, if it had not been for the gentleman from Minnesota (Mr. Quie), the conferees would have done nothing. He got them to agree to one minor modification regarding the National Institute of Corrections in the Bureau of Prisons in the Department of Justice.

If one goes through the conference report, Mr. Speaker, there are a number of areas that the House might well consider in terms of making a judgment as to whether or not we think the conference report ought to be sustained.

No. 1, the bill, as it comes back to us, does not accept the House version in terms of not specifying that there be certain GS-18 or other level officers available for the administration of the act. The House did not include that kind of specific provision relating to supergrade positions in the Federal Government.

Second, the House bill provided that 75 percent of the funds were to be spent through local governments. The other body provided 50 percent. The conference report is 66⅔ percent, and I think that is wrong.

Third, the House amendment required that the local chief executive provide for the supervision of local programs by designating a local supervisory board. The conference substitute did not provide that, but, rather, adopted the other body's language which drops this provision.

The Senate bill required that within 2 years, juvenile status offenders are to be placed in shelter facilities. The delinquents are not to be detained or incarcerated with adults, and it provided that a monitoring system should be developed to comply with these provisions.

The House provision simply encouraged these concepts.

The conference substitute adopts the Senate provision.

Mr. Speaker, I might say, in all honesty, that the Committee on Education and Labor has no experience at all in this field and yet this bill mandates far-reaching measures.

The Senate bill provided for specific protection to be afforded employees affected by the act.

May I say, Mr. Speaker, that I want to call the attention of the Members of the House to those provisions that relate to the placement and protection of employees affected.

The conference substitute adopted almost in toto the Senate provision which details explicitly what is to happen to employees who might be affected as a result of the adoption of this act. I think those provisions are overly long in terms of the way they go about it. I think they did damage to the House approach in providing fair and equitable treatment.

In effect we are saying to those at the local and State level that "You cannot do anything to an affected employee unless it is approved by the Administrator of LEAA." You can make no change in State or local employees without Federal approval.

The Senate bill, by an amendment offered by Senator Buckley and adopted, prohibited the use of potentially dangerous behavior modification treatment modalities on nonadjudicated youth without parental consent. The conference substitute does not contain that provision, and I think that, if for no other reason, is sufficient reason to reject the conference report.

LEAA has been infamous, may I say, Mr. Speaker, in terms of its approach in using the behavior modification techniques, with or without parental consent. The dropping of that protection for juveniles and parents, I think, is a serious mistake.

There is one last point that I would point out to the Members, and that is that we will find replete in the conference report a series of provisions which have to do with the creation of a National Advisory Council for the Bureau of Prisons and the National Institute for Delinquency Prevention, and we have advisory council upon advisory council, all of which are without relation to each other.

Thus, Mr. Speaker, I must say explicitly and directly that I am disturbed and disappointed by the action of the conferees. I think the bill is in imperfect shape. It ought to be rejected and we ought to go back to the drawing board in order to find a better way to do our business.

This will not upgrade, modernize, or enhance our efforts in the field of juvenile delinquency, and by eliminating HEW we have done serious damage to our efforts to prevent people from becoming delinquents instead of simply seeing them wound up in the juvenile justice system as it is now.

Mr. Speaker, I hope the conference report will be rejected.

Mr. QUIE. Mr. Speaker, I yield myself 5 minutes.

Mr. SPEAKER, I am proud to bring the agreed-upon conference bill back to the House for its consideration. I believe that it is stronger and better than either of the original House or Senate passed bills were before we went to conference.

My reasons for this view are that the conferees adopted the Senate provision making the Law Enforcement Assistance Administration the lead Federal agency for coordination of all juvenile justice and delinquency prevention programs, while, at the same time, retaining all of the key features of the House bill.

When the House originally considered H.R. 15276, I offered an amendment which would have substituted LEAA for HEW as the administering agency for the juvenile justice and delinquency prevention program. I urged this amendment because of an objective review and comparison of the two agencies which established conclusively that HEW had proved itself capable of providing the leadership needed to fight the juvenile delinquency problem on a coordinated national level.

I argued that for LEAA because it has been extensively involved in juvenile delinquency programing. It has provided leadership in the Federal juvenile delinquency area through the Federal Interdepartmental Council to coordinate all Federal juvenile delinquency programs.

Since 1968, LEAA, with its larger resources and dynamic organization, has committed millions of dollars in program funds for delinquency prevention and control. In fiscal 1972 LEAA allocated almost $140 million for juvenile delinquency programs. The 1973 amendment to the Omnibus Crime Control and Safe Streets Act required for the first time that State plans include a comprehensive program for the improvement of juvenile justice.

As a result of the 1973 amendments, LEAA has established new juvenile delinquency initiatives including establishment of a juvenile justice division in its office of national priority programs and National Institute of Law Enforcement and Criminal Justice and the establishment of a juvenile delinquency initiative as a major new focus for fiscal years 1974, 1975, and 1976.

LEAA presently has a viable network of 55 State planning agencies equipped to immediately develop and implement comprehensive programs to prevent and reduce juvenile delinquency. LEAA's administration is prepared to fully implement this act so that it will be operational in the shortest possible time.

In placing this program in LEAA the Congress is recognizing that the problems of juvenile delinquency cannot be treated separate and apart from the criminal and juvenile justice system. Indeed, the juvenile justice system should be viewed as a continuum of responses, both inside and outside the formal system of police, courts, and corrections, which are made to juvenile crime in an attempt to prevent and reduce its occurrence. The overall goal of this effort is to assist youth in becoming useful and productive members of our society.

To give you some idea of the basic differences between LEAA and HEW I would like to share the contents of some correspondence with you on one particular aspect of this legislation. It pertains to the National Institute for the Continuing Studies for the Prevention of Juvenile Delinquency that was proposed in the House bill. On June 26, at a time when the subcommittee was considering this legislation, both agencies were asked to explain what they were already doing with respect to the provisions of title III, what they would do if the provisions became law, how long would it take to establish the program, and how much money would they put into it. On June 27, the next day, I received the following memo from LEAA:

[U.S. Government Memorandum]

June 27, 1974.

To: Stephen Boyle, Director, Congressional Liaison Office.

Through: John M. Greacen, Deputy Director, NILEJ.

From: James C. Howell, Director, Juvenile Delinquency Division.

Subject: Correspondence between H.R. 15276 Provisions (Title III) Regarding the Institute for Continuing Studies of the Prevention of Juvenile Delinquency and Current/Planned Activities of the Juvenile Delinquency Division of the National Institute of Law Enforcement and Criminal Justice.

A. WHAT IS LEAA ALREADY DOING WITH RESPECT TO THE PROVISIONS OF H.R. 15276 (TITLE III)?

Sec. 302, Provisions 1–12.

The Juvenile Delinquency Division of the National Institute of Law Enforcement and Criminal Justice (NILECJ) currently performs all 12 functions provided under Sec. 302, excepting numbers 6, 7, 10 and 11.

The Juvenile Delinquency Division currently:

(1) serves as an information bank by collecting and synthesizing data and information concerning all aspects of juvenile delinquency;

(2) serves in a limited capacity as a clearinghouse and information center for the preparation, publication, and dissemination of information regarding juvenile delinquency (in collaboration with the National

Criminal Justice Reference Service and the National Criminal Justice Information and Statistics Service, both of which are within LEAA);

(3) disseminates pertinent data and studies (excluding a periodic journal) to individuals, agencies, and organizations concerned with the prevention and treatment of juvenile delinquency;

(4) prepares in cooperation with educational institutions, Federal, State, and local agencies and other organizations studies with respect to the prevention and treatment of juvenile delinquency;

(5) devises and conducts seminars and workshops for researchers (but not practitioners although we have the authority to do so) involved in the juvenile delinquency area;

(8) conducts, encourages, and coordinates research and evaluation on juvenile delinquency;

(9) encourages the development of demonstration projects in new and innovative techniques and methods to prevent and treat juvenile delinquency; and

(12) disseminates the results of such evaluations and research and demonstration activities to persons actively working in the field of juvenile delinquency.

With regard to provisions 6, 7, 10, and 11:

(6) and (7): While the Juvenile Delinquency Division does not presently conduct training programs for persons connected with the prevention and treatment of juvenile delinquency, or provide technical training assistance, these functions could be provided within two months of the passage of the legislation.

(10) and (11): The Juvenile Delinquency Division could be prepared to provide for evaluation of all programs assisted under this Act and also for other specific Federal, State, or local juvenile delinquency programs, within two months of the passage of this legislation. The Division already provides for evaluation of programs assisted by other units of LEAA.

B. WHAT ARE THE CURRENT PLANS FOR THE JUVENILE DELINQUENCY DIVISION OF NILECJ?

The LEAA has identified juvenile delinquency as a national priority for FY 1975. The Institute's preliminary work plan for its Juvenile Delinquency Division is attached. It calls for a minimum of $3 million for research on juvenile delinquency for FY 1975. However, this plan is being revised to place even greater emphasis on the prevention and control of delinquency. The Director of NILECJ has earmarked up to $6 million for this effort for FY 1975.

The above amounts refer to program funds and do not include personnel and housekeeping costs.

C. WHAT IS THE TIME FRAME FOR LEAA IMPLEMENTATION OF TITLE III?

In order to implement the provisions under Title III, it is only a matter of intensifying present recruitment and program efforts. LEAA could have the new Institute running in stride within two months of passage of this Act.

Please note that there is also in existence a National Institute of Corrections, operating under the sponsorship of LEAA and the Federal Bureau of Prisons. The Institute conducts research and evaluation of both juvenile and adult corrections, and carries on an extensive training program. Some of the functions contemplated for the proposed Institute for the Continuing Study of Prevention of Juvenile Delinquency relating to juvenile detention and corrections are presently being performed. Other contemplated functions could be readily incorporated into the ongoing program. In fiscal year 1974 LEAA funded the National Institute of Corrections to the extent of $2 million. The N.I.C. has asked LEAA to set aside $4 million for fiscal year 1975.

JUVENILE DELINQUENCY

1.111: Identify the relationships between specific types of delinquent behavior and personal, social, and community variables by 1980, $535,000.

1.1205: Develop and evaluate model juvenile delinquency prevention programs dealing with education, employment, health needs, recreational needs, and youth advocacy by 1979, $977,000.

1.211: Determine the relative effectiveness of various alternatives to juvenile incarceration currently utilized in juvenile rehabilitation by 1977, $100,000.

1.2200: Develop, implement, and evaluate standards for Juvenile Justice System operations by 1980, $288,000.

1.2201: Determine procedures and programs for diverting juveniles from the juvenile justice system by 1979, $500,000.

1.2202: Develop, implement, and evaluate an optimal state level organizational structure for a state juveline justice system by 1981, $600,000.

Mr. QUIE. On June 30, the day before the bill was to be taken up by the House, after it had gone through subcommittee and full committee, I still had not heard from HEW. Once HEW was asked the questions so I might use the information during the floor during debate. Just before the bill was taken up on the floor HEW's office of Legislation transmitted some information via telephone but stated that it was "unconfirmed and that they would not be able to get a specific answer in writing for a few days." I waited and waited but I did not receive any response from HEW. Finally, on July 17, I wrote to Secretary Weinberger asking him to specifically respond to the questions that I had asked on June 26. Moving "with all deliberate speed," HEW's response finally was sent to me on August 8. The following is a copy of that response:

HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., August 8, 1974.

Hon. ALBERT H. QUIE,
House of Representatives,
Washington, D.C.

DEAR MR. QUIE: Thank you for your letter of July 17 relative to the proposed Institute for the Continuing Studies for the Prevention of Juvenile Delinquency contained in H.R. 15276. Following are the questions you raised and our response to them:

Questions 1 and 2: If H.R. 15276 was enacted into law, how long would it take to fully staff and make the Institute completely operational, and how many personnel would be required to staff such Institute?

Answer: It would take six to eight months to fully staff the Institute. Thirty professionals plus support staff would be required. Faculty and consultative services would be handled on a contractural basis. H.R. 15276 limits the authorized funding for Title III to 10 percent of the appropriation for any fiscal year, Sec. 601(C).

Question 3: Considering that the present budget for the OYD is $10 million and the Department's request for FY 1975 is $15.9 million, I am led to believe that a major portion of the $5.9 million increase will be spent on runaway youth programs. Specifically how much money will the Department commit to the new Institute in FY 1975, and specifically where would the Institute funds come from? I have questions like: Would the monies be transferred from other agencies in the Department? If so, which agencies? Will the Department ask for a supplemental appropriation to fund the Institute?

Answer: (The FY 1975 budget for the Office of Youth Development contains $15 million, not $15.9 million). The funding mechanism for the Institute in FY 1975 has not yet been determined. Such determination will be made only after the bill is enacted into law.

Question 4: According to the Office of Legislation, the Department is now engaged in some activities mandated for the new Institute. Would you please specifically describe those functions being carried out by the Department? Which agencies in the Department have responsibility for carrying out these functions and under which legislative authorities do they conduct them?

Answer: (1). The Office of Youth Development in the Office of Human Development, Office of the Secretary, administers the 1972 Juvenile Delinquency Prevention Act, P.L. 92–381. This office provides leadership in planning, developing and coordinating programs that furnish services to youth in danger of becoming delinquent. Emphasis is on community-based facilities for youth, training of personnel involved in such services and the provision of technical assistance in such field.

(2). The Office of Education, under Title I, Elementary and Secondary Education Act of 1965, as amended, Title I, P.L. 89–50, provides educational programs in State administered institutions serving neglected or delinquent children.

Teacher Corps grants enable correctional schools and universities to jointly develop special training programs to prepare educational personnel to work effectively with delinquent and socially maladjusted youth.

(3). *NIMH Center for Studies of Crime and Delinquency,* 42 U.S.C. 241, 242(a), 2681 et seq., develops needed behavioral and social science knowledge on problem behavior. The scope of the Center's efforts encompasses a wide range of issues in delinquency, crimes, law and mental health, and individual violent behavior.

Question 5: Finally, if the legislation as passed by the House was signed into law, would all of these functions now administered throughout the Department be officially transferred to the new Institute and come under the direct and complete control of the Institute's Director or would they be left in the operating agencies and not under the Director's control?

Answer: Any identifiable juvenile delinquency function administered throughout the Department would be officially transferred to the new Institute, under the control of the Institute Director.

I trust that this information will be of assistance and appreciate your interest in our program.

Sincerely,

CAP. WEINBERGER,
Secretary.

Mr. QUIE. As you can see by simply comparing the specific response from LEAA which explains clearly what they would do in this one area if the bill was passed and signed into law, coupled with HEW's inadequate answer, which was received only after continuous requests, I think the case for LEAA can be clearly understood by anyone who takes the time to be objective.

Mr. Speaker, prevention and treatment of juvenile crime are part and parcel of the cure for the illness of crime that threatens to debilitate our Nation. This bill, I believe, will bring about coordination of all Federal efforts in the agency best able and equipped to address the total juvenile delinquency problem.

At this point I would like to discuss other key provisions which the House conferees were successful in obtaining.

I must point out for those who keep track of what happens in conferences that the Senate receded to the House 24 times, the House receded to the Senate 28 times and on 9 occasions dropped or compromised provisions in a way neither really receded.

The conferees accepted verbatim the House title establishing a Federal assistance program to deal with the problems of runaway youths and their families. This program is to be administered by the Department of Health, Education, and Welfare. The House conferees insisted that HEW be responsible for the program in order to avoid labeling of such youth as delinquent or predelinquent youth merely because they choose this means of dealing with their problems.

The House provisions for including alcohol abuse in the definition of "juvenile delinquency program," in the listing of advanced techniques to prevent juvenile delinquency, and among special emphasis programs and grants were adopted.

The reporting requirements of the House bill were adopted in total. These include the President's report to Congress on actions taken or anticipated with respect to the recommendations of the Administrator, the addition reporting requirements for each of the first 3 years, and the requirement that Federal agencies submit juvenile delinquency development statements analyzing the extent to which their program conforms with and furthers Federal juvenile delinquency prevention and treatment goals and policies.

The conferees also adopted the House provision for a Coordinating Council on Juvenile Justice and Delinquency Prevention as a substitute for the Senate's Interdepartmental Council. A separate appropriation authorization was agreed to as provided in the House bill. This, I believe, will give the council the independence and strength necessary to affectively perform its coordination function.

Other items adopted were as follows. The House provision for programs aimed at retention of youth in elementary and secondary schools and the House requirement that assistance be made available on an equitable basis to physically handicapped youth was adopted. The 50 percent limitation on the use of funds for construction of community-based facilities, as provided by the House, was also adopted.

The House conferees were successful in having most of the substance of the National Institute for Juvenile Justice and Delinquency Prevention adopted as provided in the House bill including all of the functions and powers of the Institute enumerated in our bill.

On balance, I believe that the House conferees were successful in obtaining many substantial and important concessions from the Senate conferees. Many of the instances in which the House did recede were simply in order to effectuate the role of LEAA as the lead Federal agency. The conference bill fully reflects the essential administrative provisions so carefully developed by the Committee on Education and Labor in order to create a fully effective and comprehensive Federal program to combat the problem of juvenile delinquency. I urge all my colleagues to join me in support of this conference report.

Mr. HAWKINS. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I rise in support of the conference report and I personally feel that the conference agreement we have brought back to this Chamber is the best that we could work out. Undoubtedly, several people have felt that the Department of Health, Education, and Welfare should still administer the juvenile delinquency program. If we recall, in 1962, when we first enacted the program, we set up a small program in the Department. Unfortunately for the size of the problem with which this legislation deals it is still an extremely small program as presently we are only spending approximately $10 million in the Department of Health, Education, and Welfare on juvenile delinquency. In the conference report we do not transfer it abruptly to the Law Enforcement Administration Section of the Department of Justice. We provide a 1-year phase-in.

I think all of the Members in this Chamber are aware that the Law Enforcement Administrative Agency in the Department of Justice, administers a much larger program of approximately $100 million for juvenile justice.

To my way of thinking, better coordination of all programs directed at juvenile delinquency problems is possible under the conference agreement.

Mr. Speaker, this administrative transfer is a step that I have expressed strong reservations about taking in the past but in order to adequately meet most effectively the needs of juveniles there has to be a strong central agency to administer all juvenile delinquency programs. This is the basis upon which the conferees were able to resolve this House-Senate difference. Because of this change in administrative responsibility the Committee on Education and Labor, through it subcommittee on Equal Opportunities, will pursue an active and vigorous course of oversight to insure that the programs operated under this act are carried out in a fashion that best meets the needs of juveniles and is consistent with the intent of the act.

Mr. Speaker, I want at this time to express my sincere appreciation to the chairman of the subcommittee, our colleague, GUS HAWKINS, and to all the members of his subcommittee who have worked so long and hard and without whose efforts we would not have this legislation before us today.

One of the most important disputes in the conference was decided in favor of the House conferees. The Senate conferees lead by the Judiciary Committee chairman very strongly insisted on a provision in their bill that surplus property be made available to the Department of Justice for various purposes throughout the country. The House conferees felt that this might jeopardize the schools of the country in obtaining essential surplus property and since the Committee on Government Operations, headed by the gentleman from California (Mr. HOLIFIELD) and Mr. BROOKS, is making a study of this important subject matter, we refused to go along with the Senate. We took time out in our conference sessions to hold a special conference with these Members of the Committee on Government Operations and with the Senators involved to make sure we could convince the Senate to yield.

The Senate conferees were convinced that because the House Committee on Government Operations is currently taking up a general review of the subject of excess and surplus property they agreed to delete this provision pending the conclusion of the committee's review. During this review it is assumed that the General Services Administration will liberally construe the regulations to best meet the needs of law enforcement agencies throughout the country.

So when the gentleman from Wisconsin states we went over there and capitulated, I hardly agree with that statement.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from California.

Mr. HOLIFIELD. I thank the gentleman for yielding.

On behalf of the full Committee on Government Operations, I want to express our appreciation for the courtesy which the gentleman's committee has shown our committee. The disposal of surplus property was set up by legislation from our committee back in 1949. I was the author of the bill, and we have set up a formula that has worked well for the people of America.

Everybody wants to get a piece of that surplus property, and if we divided it amongst everybody who wanted to have some of the surplus property, we would not have much for anybody. We are giving it mostly to education and to recreation and for hospitalization purposes. The gentleman is aware of that. We had conferences personally together. I think that the compromise that was arrived at was fair, and I believe that Members of the other body felt that it was a fair compromise, because the gentleman from Texas (Mr. BROOKS) who will be chairman next year, has already scheduled complete hearings on the subject of excess property and surplus property.

The logic of our presentation and the cooperation of the gentleman and his conferees allowed us to postpone this action until a thorough review can be completed.

Mr. PERKINS. Mr. Speaker, I urge that all Members in the House support the conference report.

Mr. HAWKINS. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I commend the distinguished gentleman from California (Mr. HAWKINS) and also his able chairman, the gentleman from Kentucky (Mr. PERKINS), as well as all members of the Education and Labor Committee for laboring as long and diligently and dedicatedly as they have to bring this bill to the floor of the House and I also commend them for the labor they employed in trying to bring a good bill back to this body.

However, I do want to express my keen disappointment that the committee found it necessary to concede to the position of the other body and provide for the administration of this program by the LEAA rather than by the Department of Health, Education, and Welfare. As we all know, about 50 percent of the serious crime of this country is committed by people, mostly boys, under 18 years of age. Almost any chief of police or law enforcement officer will tell us that 9 out of 10 of those young people who get into the commission of serious crimes are school dropouts. So if we could do something effective to prevent school dropouts and prevent young people from getting into the criminal group in this country, we could not only reduce crime very materially but also save a great many bright and promising young lives.

The place to deal most effectively with preventing school dropouts is in the school system of this country. The distinguished gentleman from Kentucky, the chairman of the Committee on Education and Labor, in response to a question of mine when the elementary and secondary education bill was before us for consideration said there were three sections in that bill from which money can be derived to aid in preventing school dropouts in the country. That is why I thought, as did the committee itself, that it was better to have this measure administered by the Department of Health, Education, and Welfare so that Department could coordinate all the various programs dealing with education and the like in trying to prevent young people from falling into careers of crime.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Speaker, the gentleman is absolutely correct. The largest proportion of this surplus property is going to the educational institutions throughout the country. In most cases, as in the State of California, the State board of education allocates the property to the various school districts. This is, as the gentleman said, where we attack crime at the teenage level, and this is what is being done.

It would be nice if we had enough surplus property to give to every organization that is well motivated in America, but we do not have enough to do that. There are only certain kinds of materials which are available for certain purposes. Once we screen all the agencies of the Government and give the agencies of the Government a chance to get something which has been declared excess by the Department and there is something left, that is when the formula takes over to give most of it to education and then secondarily there will be an allocation for hospitals in the health field, and that is why it is in the Department of Health, Education, and Welfare. They are the ones who will handle 80 percent or 90 percent of this material. Then the rest of it is allocated for other purposes, for one purpose or another. A little of it goes to civil defense. Then administratively it is going into areas such as the McAlester prison for instance where it will help the law enforcement people there.

But to give all the counties, something like 3,700 or 3,800 counties which would become claimants under the bill proposed by the other body, to give them this material would have nullified the whole purpose of the judicious use of surplus property.

Mr. PEPPER. Mr. Speaker, I thank the gentleman. I am pleased to have that information.

I say only in conclusion that I would support this conference report because we want to have a bill. But hope upon the structure of this bill which I hope will be adopted by the House, we can build in the future a program to save the youth of this country from crime and delinquency and that we will adapt the administration of the program to the agency best suited to provide the sort of assistance needed for the young people of this country.

Mr. QUIE. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. Bell).

Mr. BELL. Mr. Speaker, as I have previously stated, I believe that juvenile delinquency is one of the most serious issues facing our Nation today.

This problem is one that affects each and every one of us—either directly, or through the resulting financial burden inflicted on society.

We cannot escape or ignore juvenile delinquency therefore, we must meet it head on.

Today, we are considering the conference report to the Juvenile Justice and Delinquency Prevention Act of 1974.

I continue to believe that the programs for prevention and rehabilitation of juvenile delinquents would best be administered by HEW.

And there is much that Mr. Steiger said with which I agree.

The conferees, however, have agreed to abide by the Senate and place such programs under the auspices of LEAA, the Law Enforcement Assistance Administration in the Department of Justice.

Although I strongly favor HEW as being the lead agency in the field of juvenile delinquency prevention, I will support the conference report.

I believe that we must begin now to implement the many programs and policies put forth in this measure.

Today is already too late.

I urge my colleagues to join me in supporting this necessary and vital measure.

Mr. HAWKINS. Mr. Speaker, I yield 3 minutes to the distinguished majority leader (Mr. O'Neill).

(By unanimous consent Mr. O'Neill was allowed to speak out of order.)

Mr. O'NEILL. Mr. Speaker, I take this time so I may direct my remarks to the gentleman from Maryland (Mr. Bauman).

Yesterday, Mr. Speaker, by mutual consent of the leadership on both sides of the aisle and by the members of the Judiciary Committee, I offered to this House a resolution. At the completion of the resolution, Mr. Speaker, I asked that all Members may have 5 legislative days in which to extend their remarks and it was objected to, Mr. Speaker, by the gentleman from Maryland (Mr. Bauman). He gave a reason at that particular time.

I told him that I thought he should have cleared it with the leadership on his own side of the aisle; but nevertheless, Mr. Speaker, when all the Members had left last night, the gentleman came to the well and asked unanimous consent of the then Speaker of the House who was sitting there, if he may insert his remarks in the Record, with unanimous consent, following the remarks where he had objected.

So, Mr. Speaker, in today's Record on page 29362 you will find the remarks of Mr. Bauman. You will not find the remarks of Mr. McClory, one of the people who had asked me to do this. You will not find the remarks of other members of the Judiciary Committee, who were prepared at that time to put their remarks in the Record; but you will find the remarks of Mr. Bauman and Mr. Bauman alone.

Mr. BAUMAN. Mr. Speaker, I demand that the gentleman's words be taken down.

The SPEAKER. The gentleman demands that the words be taken down.

The Clerk will report the words objected to.

Mr. O'NEILL. Mr. Speaker, I understand that the gentleman has asked my remarks to be taken down, which is the custom of the House.

I believe my remarks to be true. I know the gentleman is correct in his asking the words be taken down. Consequently, I would have to say that the Chair would have to rule my remarks out of order.

I so await the ruling.

Mr. BAUMAN. Mr. Speaker, does the gentleman ask unanimous consent to withdraw his remarks?

The SPEAKER. The Chair did not understand that.

Mr. BAUMAN. Does he not have to request that, or does not the Chair have to rule?

The SPEAKER. The Chair will rule when the Clerk reports the words taken down.

Mr. BAUMAN. Then, I demand the regular order.

The SPEAKER. Regular order is underway.

The Clerk will report the words.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

> Mr. O'Neill. Mr. Speaker, I take this time so I may direct my remarks to the gentleman from Maryland (Mr. Bauman).
>
> Yesterday, by mutual consent of the leadership on both sides of the aisle and by the Members of the Judiciary Committee, I offered to this House a resolution. At the completion of the resolution, Mr. Speaker, I asked that all Members may have 5 legislative days in which to extend their remarks and it was

objected to, Mr. Speaker, by the gentleman from Maryland (Mr. BAUMAN). He gave a reason at that particular time.

I told him that I thought he should have cleared it with the leadership on his own side of the aisle; but nevertheless, Mr. Speaker, when all the Members had left last night, the gentleman came to the well and asked unanimous consent of the then Speaker of the House who was sitting there, if he may insert his remarks in the Record, with unanimous consent, following the remarks where he had objected. So, Mr. Speaker, in today's Record on page 29362 you will find the remarks of Mr. BAUMAN. You will not find the remarks of Mr. MCCLORY, one of the people who had asked me to do this. You will not find the remarks of other Members of the Judiciary Committee, who were prepared at that time to put their remarks in the record; but you will find the remarks of Mr. BAUMAN and Mr. BAUMAN alone.

I just want to say that I think in my opinion it was a cheap, sneaky, sly way to operate.

The SPEAKER. The words in the last sentence are not parliamentary. Without objection, the offending words will be stricken from the RECORD.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would only like to say to the gentleman from Massachusetts and to the House that as for the gentleman from Massachusetts, I can understand his concern about my objection yesterday. It was the only possible way in which I or any other Member could have actually spoken on the resolution pending.

If he will look at the page numbers he cited, he will find subsequent to that, that the gentleman from Ohio (Mr. DEVINE), the gentleman from Indiana (Mr. DENNIS), and the gentleman from California (Mr. WIGGINS), all in my presence asked permission and did extend their remarks. And, of course, the gentleman from Massachusetts got 5 legislative days to extend on his special order. I did not object to any of these requests.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield on that point?

The SPEAKER. The gentleman from Massachusetts cannot proceed at this point.

Mr. BAUMAN. And, Mr. Speaker, a number of other Members did extend their remarks, and I did not object.

The SPEAKER. Is there objection?

Mr. HAYS. Mr. Speaker, reserving the right to object, and I think I will object, because I have some kind of a feeling that when you are right and tell the truth around here, there is no use of having the words stricken out. Nobody else got to put anything in the RECORD, and the gentleman did object.

Mr. BAUMAN. Mr. Speaker, I am going to demand the gentleman's words be taken down, if you are speaking of my telling the truth in the House.

Mr. HAYS. Maybe I will have your words taken down. If you call me a liar, I will have them taken down.

Mr. BAUMAN. Mr. Speaker, I do not yield for any further discussion.

Mr. HAYS. Mr. Speaker, I do object and ask the words be taken down.

The SPEAKER. The regular order is going to be followed. The Chair is going to conclude this matter and will insist that all Members remain in order while this matter is being disposed of.

MOTION OFFERED BY MR. SISK

Mr. SISK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SISK moves that the words of the gentleman from Massachusetts, Mr. O'NEILL, be stricken from the RECORD.

Mr. SISK. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

Mr. RAILSBACK. Mr. Speaker, I would like to join in supporting the conference report on S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974. The legislation presents a comprehensive program for a coordinated Federal attack on the most serious aspect of crime in our country today—youth involvement. I especially want to commend the conferees for their hard work and leadership in this crucial area.

We are all aware of the terrible consequences this Nation suffers as a result of the ever-increasing crime rate—the price we pay is tragic both in human and economic terms.

Juveniles are not only responsible for a disproportionate share of crime year after year, but, over the past 5 years, juvenile involvement in violent crime has increased by 60 percent.

Furthermore, the young criminal of today is quite likely to be the adult offender of tomorrow. Offenders under age 20 are rearrested more frequently than any other age group.

In the last decade, the Federal Government has accepted increasing responsibility in the fight against crime. Unfortunately, however, delinquency programs have remained largely a disappointment. They were certainly the "step-child" when it came to appropriations. And, spread through a myriad of agencies and programs, they suffered further from a lack of organization.

S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974, addresses these problems with the establishment of a new structure for the coordination of all Federal activities relating to juvenile delinquency. In addition, there is provision for substantial appropriations for a viable and effective effort. The bill gives primary responsibility to the Department of Justice for the coordination of all Federal delinquency programs; establishes a generous grant program for assistance to States and localities in their delinquency efforts; provides for a national training and information center for persons dealing with delinquents; sets up a specific program for projects relating to runaway youth; and provides for an independent council to oversee and evaluate the Federal juvenile delinquency effort.

I am particularly pleased S. 821 includes the language of my bill, H.R. 45, to establish a National Institute for Juvenile Justice and Delinquency Prevention. I have long been convinced of the need for a training and information center, and, early my first term in Congress, I introduced legislation to create such an institute. It has been a long time in the coming, but I am very grateful to all those who worked with me for so many years on this legislation. Senators BAYH and PERCY introduced the bill on the Senate side, and Congressmen PETE BIESTER and ABNER MIKVA were the other original House sponsors. Most recently, Congressmen BILL STEIGER and AUGUSTUS HAWKINS have been instrumental in having my language included in their comprehensive bill. For me and the more than 100 cosponsors of H.R. 45, this is truly a great day.

We know there is information on programs and techniques available, but it is of little use unless it can be communicated to those responsible for initiating and implementing programs in the States and localities.

The Institute proposed in S. 821 would solve the communications problem in two ways. Primarily it would provide short-term training of professionals and lay people involved in the prevention and control of youth crime. To assist in developing training programs at the State and local levels, technical training teams would also be available from the Institute.

Additionally, the Institute would collect, prepare, and disseminate information, acting as the national clearinghouse for delinquency source material. For the first time, persons dealing with juveniles would have ready access to the most modern and proven-effective techniques and programs.

Mr. Speaker, there are other important aspects of this bill that make it innovative and comprehensive—aspects which members of the committee have pointed out. I just wanted to say again how pleased I am the Institute is included in S. 821, and reaffirm my belief that the legislation properly addresses some of the problems we have faced in the past in the area of juvenile justice, and establishes a sound basis for an effective future effort. I would hope the House will pass the conference report on S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974, and send the legislation on to the White House for signature. Our young people need this effort.

Mr. HAWKINS. Mr. Speaker, I have no further requests for time.

Mr. QUIE. Mr. Speaker, I have no further requests for time on this side.

Mr. HAWKINS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

House Resolution 1337 was laid on the table.

GRANTING SUBPENA POWER TO THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 737 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 737

Resolved, That (a) the Committee on House Administration, acting as a whole or by subcommittee, is authorized to conduct full and complete investigations and studies and make inquiries concerning any or all of the subject matter within its jurisdiction as set forth in clause 9 of rule XI of the Rules of the House of Representatives. However, the committee shall not undertake any investigation or study of any subject which is being investigated or studied for the same purpose by any other committee of the House.

(b) For the purpose of making such investigations and studies, the committee or any subcommittee thereof is authorized to sit and act, subject to clause 31 of rule XI of the Rules of the House of Representatives. during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether the House is meeting, has recessed, or has adjourned, and to hold such hearings and require, by supena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee, or any member designated by him, may administer oaths to any witness.

The SPEAKER. The gentleman from California (Mr. Sisk) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson) pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution authorizes the Committee on House Administration to conduct investigations and studies, and make inquiries concerning any or all of the subject matter within its jurisdiction under the Rules of the House.

The resolution also allows the Committee on House Administration to hold hearings and to require by subpena, if needed, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers and documents as it deems necessary.

Mr. Speaker, this actually is a procedure where the Committee on House Administration, through giving it power of subpena, can conduct and to order such investigations and studies as may possibly be needed in connection with the upcoming election.

I hope that the resolution will be adopted.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of House Resolution 737 is to authorize the Committee on House Administration to investigate matters within its jurisdiction, and to provide subpena power to House Administration to carry out these investigations. The effect of the resolution is limited to the 93d Congress.

House Resolution 737 was introduced on December 5, 1973, but the Committee on House Administration did not ask that the resolution be reported out until now.

Mr. Speaker, in the past, there was a Special Elections Committee which handled election disputes and had subpena power. That function was transferred to the Committee on House Administration and therefore the committee needs subpena power to carry out its work.

Mr. Speaker, I recommend adoption of the resolution.

Mr. Speaker, I have no further requests for time and I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF STATE APPROPRIATIONS AUTHORIZATION ACT OF 1974

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, and on behalf of my colleague, the gentleman from Illinois, Mr. MURPHY, I call up House Resolution 1311 and asked for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1311

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16168) to authorize appropriations for the Department of State, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 16168, the Committee on Foreign Affairs shall be discharged from the further consideration of the bill S. 3473, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof as one amendment in the nature of a substitute the texts of the bills H.R. 16168 and H.R. 15046 as passed by the House.

The SPEAKER. The gentleman from California (Mr. Sisk) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1311 provides for an open rule with 1 hour of general debate on H.R. 16168, a bill to authorize appropriations for the Department of State for the fiscal year 1975.

House Resolution 1311 provides that after the passage of H.R. 16168, the Committee on Foreign Affairs shall be discharged from the further consideration of the bill S. 3473, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 3473 and insert in lieu thereof as one amendment in the nature of a substitute the texts of the bills H.R. 16168 and H.R. 15046 as passed by the House.

H.R. 16168 provides authorizations for the categories of Administration of Foreign Affairs; International organizations and conferences; International commissions; Educational exchange; Migration and refugee assistance; Salary increases for State Department employees and Soviet Jewish Refugees in Israel. The total authorization in the bill is $744,191,000.

Mr. Speaker, I urge the adoption of House Resolution 1311 in order that we may discuss, debate and pass H.R. 16168.

Mr. Speaker, I reserve the balance of my time.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule, House Resolution 1311 provides 1 hour of general debate on H.R. 16168, the State Department Authorization. The bill will be open to all germane amendments. Mr. Speaker, there is one unusual provision in this rule. The Senate bill, S. 3473, includes both the USIA and the State Department authorizations. In order to expedite going to conference on these bills, this rule provides that after completion of action on the State Department bill in the House, it will be in order to insert, as one amendment in the nature of a substitute, the texts of the bills, H.R. 16168, State Department authorization, and H.R. 15046, USIA authorization, in the Senate bill.

This will mean that the conferees will have before them not only the Senate authorization for State Department and USIA, but also the House authorizations for both the State Department and USIA.

The purpose of this bill, H.R. 16168, is to authorize $744,191,000 for the State Department for fiscal 1975. The USIA authorization passed the House on August 1, 1974.

Mr. Speaker, I recommend adoption of the rule.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I would like to ask the gentleman from California if this is not the bill to which the other body added a section that would require an entire treaty to be written before the Navy could do anything about establishing a fueling station at the island of Diego Garcia in the Indian Ocean?

Mr. DEL CLAWSON. I am happy to yield to the gentleman from Ohio who can answer that question.

Mr. HAYS. Mr. Speaker, I will say to the gentleman this is the bill, but of course when we go to conference that will be something else again.

Mr. STRATTON. Mr. Speaker, if the gentleman will yield further, is it possible some member of the House Committee on Foreign Affairs might try to attach that same kind of amendment to the bill here?

Mr. DEL CLAWSON. I yield again to the gentleman from Ohio.

Mr. HAYS. Mr. Speaker, nobody has notified this Member who will be managing the bill of any such amendment, but there is of course no way in which I can read the mind of the total membership to find out what is going to be offered in the way of an amendment. I do not believe, I will say, that such an amendment will be offered.

Mr. DEL CLAWSON. Mr. Speaker, if I may respond to the gentleman from New York, this is an open rule which will permit amendments to be offered from the floor.

Mr. STRATTON. Mr. Speaker, recalling some of the amendments that have been offered in the past, I think the best advice perhaps is to be prepared anyway. I thank the gentleman for yielding.

Mr. DEL CLAWSON. Mr. Speaker, I thank the gentleman.

I have no further request for time.

I urge adoption of the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HAYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16168) to authorize appropriations for the Department of State, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. HAYS).

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Texas (Mr. ECKHARDT) as Chairman of the Committee of the Whole and requests the gentleman from Illinois (Mr. PRICE) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 16168, with Mr. PRICE of Illinois (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Ohio (Mr. HAYS) will be recognized for 30 minutes and the gentleman from Wisconsin (Mr. THOMSON) will be recognized for 30 minutes.

The Chairman recognizes the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, some may wonder why the authorization bill for the Department of State is only reaching the House today. Let me say that it was the plan of the subcommittee to have Secretary of State Kissinger as the opening witness at our hearings. The Secretary agreed to come. But each time a date was set a crisis of some kind intervened and forced postponement of his appearance. It was with reluctance that we finally decided to proceed without the benefit of his testimony.

Let me give the committee the good news first. After considering each of the items requested by the Executive and adjustments that the subcommittee made, the bill carries authorizations of $744,191,000—a reduction of $59,839,000 from the Executive proposal.

The fiscal sums in this bill are on a traditional line-item basis. I will highlight the amounts with a short explanation of each.

The first item is for salaries and expenses for which we recommend $360,785,000, a reduction of $15,350,000 from the request. This is the principal operating account of the Department for its personnel in Washington and abroad. The United States has 129 embassies, 76 consulates general, 50 consulates, 1 liaison office, and 1 embassy branch office. To man those posts we have 3,689 Americans abroad and employ more than 5,200 foreign nationals. In Washington there are almost 5,000 employees.

I hear complaints on occasion from Members of this body as well as from private citizens that the State Department has too many people overseas. The fact is that less than 18 percent of our official personnel overseas are employed by the Department of State. The rest represent other agencies of the Government. Successive Presidents have made efforts to reduce our personnel abroad and have had some success. I think more personnel from other agencies can be brought home. In all fairness, the Department of State should not be blamed for swollen numbers.

This item as presented to the committee included $15.6 million for the second annual payment of a total of 30 such payments to the Foreign Service retirement fund. This is the amount estimated by the actuary that is needed to take care of the increased unfunded liability of the Foreign Service retirement fund arising from the transfer of AID foreign service personnel from the Civil Service retirement system to the Foreign Service retirement system. As I told the House last spring when we had the State Department supplemental authorization, the transfer benefits AID personnel, not Department of State personnel and should properly be charged against the AID appropriations. In addition to reducing this item by $15.6 million we have included a section that specifically prohibits the use of any funds elsewhere in this bill from being used to pay this charge.

There is a growing concern that our Ambassador to the United Nations and other senior officials assigned to that post may be the victims of acts of violence. For that reason we provided that $250,000 could be used to assure the necessary protective services for them.

For international organizations and conferences we recommend an authorization of $229,604,000. This is one item on which we are holding the line fairly well. Two years ago my subcommittee began a strenuous effort to reduce the assessed contributions of the United States for a number of these international organizations. I think our efforts have been successful. Reductions to a 25-percent level have been achieved in a number of them. Because some of them are on a multi-year budget cycle we authorize an exception for them this year in section 4 of the bill. Next year I would expect that there would be no need for any exceptions.

In the case of international commissions we lopped off $94,575,000 that was intended for various works along the Colorado River to reduce the saline content of its waters flowing into Mexico. This item will be handled in separate legislation and there is no need for it in the State Department authorization bill.

The Executive requested almost $65 million for educational exchange programs. These programs are one of the most effective means of increasing international understanding. When you stop to think of the billions we appropriate for weapons, this item seems infinitesimal. My subcommittee thought we ought to make a modest effort to step up exchange programs and so we recommend an authorization of $75 million.

The bill also carries an authorization of $40 million for assistance to Israel for the resettlement of Soviet Jews in that country. The money is intended for assistance to Israel; not third countries including the United States. During the past 2 years Congress has appropriated $86.5 million for this humanitarian purpose.

The subcommittee added a new provision of law that authorizes the Secretary of State to make an exgratia payment of 1 year's salary to dependent survivors of Foreign Service personnel who die overseas as a result of terrorist activities or accidents in line of duty. We regard this as a small compensation to the immediate survivors of the victims. Since January 1, 1973, the effective date, there have been eight such deaths. In the interval since the subcommittee considered this matter, the number of deaths rose from six to eight. The most recent was early this week. The salaries amount to about $175,000. I think there will be no doubt as to death arising from acts of terrorism. In the case of accidents in line of duty we mean just that. Drunken driving or other acts that encourage self-destruction do not meet the criteria we intend to establish. It should be noted too that death as a result of a disease contracted abroad does not qualify for the payment to the survivors. It is a tightly drafted provision.

Finally, the Executive requested an open-ended authorization for any salary increases that may be made this year. We rejected that and required a specific sum. The Executive came up with $11.5 million which we included.

There was also a request for an authorization of 5 percent beyond the figures carried in the bill to meet "urgent requirements" that may arise after enactment. We turned that down completely.

Mr. Chairman, I think members of the committee can be reassured that this is a carefully considered measure. Throughout the year my subcommittee looks into various activities of the Department of State and if we think some further investigation should be pursued, we do it. I urge the Members to support H.R. 16168.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Florida.

Mr. PEPPER. Would this bill cover the case of Ambassador Davies?

Mr. HAYS. May I say to the gentleman it will, because we made it retroactive and it will cover that case.

Mr. PEPPER. I commend the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman from Ohio yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. GROSS. I believe the gentleman said this authorization is $59 million below the budget figure.

Mr. HAYS. Yes.

Mr. GROSS. But it is still, if my figures are correct, still $48 million, almost $49 million more than was expended for the same general purposes last year; is that not correct?

Mr. HAYS. To the best of my recollection, that is approximately correct.

Mr. GROSS. I do not believe I was in the committee when this bill was voted out. Therefore, I hope the gentleman will tell us, now or later, why the increase and where the money will go.

Mr. HAYS. I think it is fair to say to the gentleman from Iowa that a good deal of the increase is caused by the inflation. The Federal Government, as the gentleman knows, has given one increase this year to Federal employees, and another one is proposed in October of 5½ percent. Those two items are in there, as well as the fact that there have been increased costs for personnel abroad as well as for goods and services that must be bought.

We went through this exercise last year. I think the gentleman and I both agree upon the fact that it is caused by the devaluation of the dollar. I have deplored that as much as the gentleman from Iowa, but it is the effect which applies.

The facts of the matter are that an Embassy employee in Bonn, Germany, can get about 60 percent less in marks for his dollar as he could get a year ago. They got a salary cut of about 40 percent and they could not exist or live there on that. That explains in large measure the reason for the increase.

Mr. GROSS. I thank the gentleman.

Mr. THOMSON of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to join with the gentleman from Ohio, the chairman of the Subcommittee on State Department Organization and Foreign Operations, in calling for support of H.R. 16168.

While the Chairman has already reviewed the details of the bill, I would like to comment briefly upon some of the changes from a year ago. The increase in the category for administration of foreign affairs reflects mandatory overseas wage and price expenses resulting from inflation.

The amount for international organizations and conferences is slightly under last year's appropriation as a result of a reduction to 25 percent in the U.S. contribution to the United Nations and most of its specialized agencies.

We agreed that the educational exchange program of the Department of State would be strengthened financially so that the Department could expand its efforts in this area, working with private, voluntary organizations and individuals.

We also provided an authorization not to exceed $11.5 million for salaries and related costs resulting from any pay increases that may take place during fiscal year 1975.

The bill provides $40 million to assist Israel in the resettlement of Soviet Jews in that country. This is an increase of $3.5 million over the funds appropriated a year ago.

Mr. Chairman, the committee has carefully examined the requirements of the Department of State in arriving at the amounts recommended in this bill, and I urge its approval.

Mr. HAYS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Bingham).

Mr. BINGHAM. Mr. Chairman, I am gratified that section 2(c) of H.R. 16168, the State Department Authorization Act for fiscal year 1975, authorizes $40 million for the resettlement of Soviet Jewish refugees in Israel. Senator Edmund Muskie and I were the principal sponsors of the original authorizing legislation for this highly successful program in 1972. Our legislation was incorporated as section 101(b) of Public Law 92-352, and an additional authorization was enacted in 1973. The provisions in the bill before us today will allow the Department of State to continue to provide this important humanitarian assistance for these new citizens of Israel.

There should be no doubt that these funds are desperately needed by the Israeli Government. The flow of refugees emigrating from Russia to Israel, though lower than last year, has continued in 1974 at a rate of more than 1,500 a month. There is every indication that marked increases in the rate of Jewish emigration from the U.S.S.R. are quite possible in the immediate future as a result of intense negotiations between the Congress, President Ford, and the Soviet Government in connection with the trade bill. It is estimated that more than 150,000 Soviet Jews have applied for exit visas. A relaxation of restrictions on emigration and harassment of those who apply could result in a sharp upturn in the number of emigrants which Israel will have to resettle, and I share the hopes of people all over the world that this will happen.

The costs of resettlement are staggering. In 1973, Israel received 54,700 immigrants, more than 60 percent of whom were from the Soviet Union, at an estimated resettlement cost of $550 million. Obviously the U.S. Government is only contributing a modest portion of that amount, but our assistance is extremely important. The Israeli people are making remarkable, unparalleled efforts to meet these costs themselves, while at the same time recovering from the costly Yom Kippur War. The nation's total production is taxed at a rate of 62 percent, and defense expenditures absorb approximately 46 percent of the gross national product. Clearly, Israel needs as much assistance as we can afford to provide.

During my visits to Israel, I have seen the results of the refugee resettlement program and can testify to the value of this great humanitarian program. These funds are used for transportation costs of refugees coming to Israel, for the construction and operation of absorption centers and medical facilities, the construction of housing, and a variety of training and education programs which enable refugees to adapt quickly and take useful places in Israeli life. I urge my colleagues to support the legislation before us which will help this important work to continue.

Mr. HAYS. Mr. Chairman, I have no further requests for time. I reserve the balance of my time.

Mr. THOMSON of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from Delaware (Mr. du Pont).

Mr. du PONT. Mr. Chairman, I thank the gentleman from Wisconsin for yielding. I would like to take just a moment to address myself to a subject I have spoken of a number of times before, and that is the question of publication of Members' travel expenses in the Congressional Record.

As some Members may recall, I made some comments on the floor earlier, and had intended to offer an amendment to this bill to require the publication of Members' travel expenses in the Record. However, on the advice of the Parliamentarian, I determined that such an amendment would not be germane to this bill. Therefore, I am unable to offer it.

I also discovered that it is not germane to the foreign assistance bill, and so we are not going to be able to offer it there.

It now appears that in order to get our objective accomplished, we are going to have to offer a separate bill, take it through committee, and that is the only way that we are going to be able to proceed.

I did want to take a moment today, however, to talk about this issue. I think it important that the people in the country have available to them this information, and we will be offering specific legislation to correct the problem that was raised by the elimination of this requirement a year ago.

Mr. HAYS. Mr. Chairman, I yield myself 1 minute.

I just want to say, in response to the gentleman from Delaware, that legislation has just gone into effect which requires that within 60 days after the convening of a new session of Congress each year, each chairman of each committee shall get together all of the facts and figures about the money spent by his committee members and employees in foreign travel, both in foreign currency and U.S. dollars, and file it as a single document, giving the expenditures of each member and employee with the Clerk of the House or with the Secretary of the Senate, as the case may be, where it will be available for public inspection, which, in fact, makes it available for anybody who wants to look at it and available to any newspaperman. It will be all together in one place. If they see fit to publish them in the newspapers, they can do so.

Mr. Chairman, I have no further requests for time.

Mr. NIX. Mr. Chairman, I rise in support of the bill, H.R. 16168. I want to draw particular attention to section 3 of the bill, which establishes death gratuities of 1 year's salary for the surviving dependents of our diplomats who died from injuries sustained in the line of duty.

The recent violent death of Ambassador Rodger Davies in Cyprus adds another name to the growing list of U.S. diplomats who have given their lives in the performance of their duty. Only a few weeks ago Mexican police discovered the body of John Patterson, a young diplomat, born and raised in Philadelphia, who was kidnaped and murdered while serving as our vice-consul in Hermosillo.

I am sure that the Committee on Foreign Affairs will continue its study of the problem of terrorist attacks on our diplomats. I want to commend the gentleman from Ohio (Mr. HAYS) and the members of his subcommittee for including the gratuity provision in this bill. It will not solve the problem of terrorism, but it will at least honor the brave men who have given their lives in our service and provide assistance for their families.

Mr. DRINAN. Mr. Chairman, the sufferings of emigrants echo loudly through the darkened halls of human misery. These countless millions, seeking to escape political, economic, or religious oppression at home, uproot themselves to find freedom and solace in other lands. Leaving friends and relatives behind, they seek happier times and a newer life on distant shores.

These citizens of the world deserve and need our help. In their search for a different and better life, we must extend our hand of friendship to relieve the anxieties and fears of their temporary dislocation. The inevitable processes of transition and adjustment drain emotional and material reserves. They place a severe strain as well on the resources of the receiving country.

We have before us today a bill which would authorize funds for easing the problems caused by emigration. The Department of State Appropriations Authorization Act of 1974, H.R. 16168, would provide such relief in two sections. First, it would grant almost $10 million for migration and refugee assistance around the world. This general fund is made available to the Special Assistant to the Secretary for Refugee and Migration Affairs. It would allow the assistance to be used both on a multilateral and unilateral basis.

A second provision would authorize up to $40 million designated to relieve the special emigration problems caused by the exit of Soviet Jews. Since most of these emigres are relocating to Israel, the bulk of the money would go to that beleaguered nation. Although my own bill, H.R. 14158, introduced on April 10, would have authorized an amount not to exceed $50 million for these purposes, I believe the figure set by our committee is adequate for fiscal year 1975.

We should recall that Jewish emigration from Russia to Israel dropped off dramatically in the first half of 1974. In 1973 the average monthly arrivals of Jews in Israel was 2,800. In the first months of 1974, the arrival rate fell 33 percent to 1,800. The backlog of applications by Jews to leave the Soviet Union is over 135,000.

I should note parenthetically that hopefully the Trade Reform Act will soon become law, with its Jackson-Vanik amendment denying most-favored-nation treatment and export credits to any nation which restricts emigration. Passage of this bill authorizing funds to alleviate refugee problems is another milestone on the road to final passage for Jackson-Vanik, and ultimately freedom for Soviet Jewry.

If, in the course of the year, the Soviet Union liberalizes its emigration policies, and if additional moneys are needed in light of changed circumstances, Congress can always increase the authorization ceiling. The funding level in this bill will go a long way to smooth the disruptions of resettlement.

It should never be forgotten that we are, after all, a Nation of immigrants. We know at close hand the difficulties which attend the absorption of "the homeless tempest tossed." To turn away from them now would be to deny our own heritage. I urge my colleagues to vote in favor of this bill.

Mr. THOMSON of Wisconsin. Mr. Chairman, I have no further requests for time.

The CHAIRMAN pro tempore. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of State Appropriations Authorization Act of 1974".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 2. (a) There are authorized to be appropriated for the Department of State for the fiscal year 1975, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for the "Administration of Foreign Affairs", $360,785,000, of which $250,000 are authorized to be appropriated for the purpose of providing protection for the representatives of the United States to the United Nations appointed by the President under section 2 of the United Nations Participation Act of 1945, including Delegates and Alternate Delegates to any session of the General Assembly of the United Nations;

(2) for "International Organizations and Conferences", $229,604,000;

(3) for "International Commissions", $17,832,000;

(4) for "Educational Exchange", $75,000,000; and

(5) for "Migration and Refuge Assistance", $9,470,000.

(b) In addition to amounts authorized by subsection (a) of this section, there are authorized to be appropriated for the Department of State for the fiscal year 1975 not to exceed $11,500,000 for increases in salary, pay, retirement, or other employee benefits authorized by law.

(c) In addition to amounts otherwise authorized, there are authorized to be appropriated to the Secretary of State for the fiscal year 1975 not to exceed $40,000,000 to carry out the provisions of section 101(b) of the Foreign Relations Authorization Act of 1972, relating to Russian refugee assistance.

(d) Appropriations made under subsections (a) and (b) of this section are authorized to remain available until expended.

DEATH GRATUITIES FOR CERTAIN FOREIGN SERVICE PERSONNEL

SEC. 3. The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (70 Stat. 890), is amended by inserting immediately before section 15 (22 U.S.C. 2680) the following new section:

"SEC. 14. (a) Subject to the provisions of this section and under such regulations as the Secretary of State may prescribe, the Secretary is authorized to provide for payment of a gratuity to the surviving dependents of any Foreign Service employee who dies as a result of injuries sustained in the performance of duty outside the United States in an amount equal to one year's salary at the time of death. Appropriations for this purpose are authorized to be made to the account for salaries and expenses of the employing agency. Any death gratuity payment made under this section shall be held to have been a gift and shall be in addition to any other benefit payable from any source.

"(b) A death gratuity payment shall be made under this section only if the survivor entitled to payment under subsection (c) is entitled to elect monthly compensation under section 8133 of title 5, United States Code, because the death resulted from an injury (excluding a disease proximately caused by the employment) sustained in the performance of duty, without regard to whether such survivor elects to waive compensation under such section 8133.

"(c) A death gratuity payment under this section shall be made as follows:

"(1) First, to the widow or widower.

"(2) Second, to the child, or children in equal shares, if there is no widow or widower.

"(3) Third, to the dependent parent, or dependent parents in equal shares, if there is no widow, widower, or child.

If there is no survivor entitled to payment under this subsection, no payment shall be made.

"(d) As used in this section—

"(1) the term 'Foreign Service employee' means a chief of mission, Foreign Service officer, Foreign Service information officer, Foreign Service Reserve officer of limited or unlimited tenure, or a Foreign Service staff officer or employee;

"(2) each of the terms 'widow,' 'widower', 'child', and 'parent' shall have the same meaning given each such term by section 8101 of title 5, United States Code.

"(3) the term 'United States' means the several States and the District of Columbia.

"(e) The provisions of this section shall apply with respect to deaths occurring on and after January 1, 1973.".

LIMITATION ON PAYMENTS

SEC. 4. There are authorized to be appropriated funds for payment prior to January 1, 1975, of United States expenses of membership in the United Nations Educational, Scientific, and Cultural Organization, the International Civil Aviation Organization, and the World Health Organization notwithstanding that such payments are in excess of 25 per centum of the total annual assessment of such organizations.

PROHIBITION ON USE OF FUNDS

SEC. 5. No part of any funds appropriated under this Act shall be used to make any payment to the Foreign Service Retirement and Disability Fund to meet any unfunded liability of such fund created by the inclusion of officers and employees of the Agency for International Development in the Foreign Service Retirement and Disability System.

Mr. HAYS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, a few moments ago I addressed a question to the distinguished gentleman from Ohio with respect to the increase in this authorization of almost $49 million over last year.

Subsequent to that, there was some colloquy on the House floor, and evidently a substantial amount of the increase over last year goes to Israel in the form of an outright grant of $40 million for refugees from Russia.

Mr. HAYS. Let me say this, if the gentleman will yield.

Mr. GROSS. Yes, I yield to the gentleman.

Mr. HAYS. There is a slight increase over what they got. When we had a figure similar to this in the bill last year, it was compromised in conference, and I believe $36.5 million was the figure. The figure in this bill is $40 million.

It may well be compromised in conference, but if it stays at $40 million, it is an increase of $3.5 million.

The Senate authorization bill carries $50 million, I think.

Mr. GROSS. I would understand it if the gentleman did not have a figure in mind at the moment, but does he recall the total figure this Government gives to the United Nations and through other channels for the support of refugees in Palestine? I wonder what we expend on the several hundred thousand refugees who have been there for years.

Mr. HAYS. As to this year I can tell the gentleman. I do not remember the figures year by year. They have been large, as the gentleman knows. Last year it was about $15 million.

Mr. GROSS. $15 million?

Mr. HAYS. That is right.

Mr. GROSS. And for just 1 year, $40 million would be provided in this bill for a comparatively few refugees in Israel. That is hard to believe.

Mr. HAYS. Well, Mr. Chairman, these people are refugees, as the gentleman knows, who are being permitted to exit from the Soviet Union. They have nowhere else to go, they have nothing to start on, and it has put a great burden on the State of Israel.

As the gentleman knows, there is a great deal of sentiment in this country in this regard, as evidenced by the refusal of the other body to proceed with the most-favored-nation treaty with the Soviets. Because of that situation, the Soviet Government has relaxed its policies, and this has created a big burden for the State of Israel.

Mr. GROSS. Of course, Mr. Chairman, my concern is for the millions upon millions and the billions of dollars that are being spent on this one country, to the exclusion of a lot of other people who may need help in one regard or another.

I find it hard to assimilate the fact that $40 million is going out of the pockets of the U.S. taxpayers for that purpose.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 16168) to authorize appropriations for the Department of State, and for other purposes, pursuant to House Resolution 1311, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. KETCHUM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 330, nays 43, not voting 61, as follows:

[Roll No. 513]

YEAS—330

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashley
Barrett
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Butler
Carney, Ohio
Carter
Cederberg
Chamberlain
Chappell
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flowers
Foley
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Gray
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Harrington
Harsha
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Melcher
Metcalfe
Mezvinsky
Milford
Mills
Minish
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Pettis
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quillen
Railsback
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarbanes
Scherle
Seiberling
Shipley
Sikes
Sisk
Slack
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska

Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—43

Anderson, Calif.
Ashbrook
Bafalis
Baker
Bauman
Beard
Burlison, Mo.
Byron
Camp
Clancy
Collier
Collins, Tex.
Conlan
Conyers
Crane
Flynt
Froehlich
Ginn
Goodling
Gross
Ichord
Johnson, Colo.
Ketchum
Lott
Lujan
Miller
Price, Tex.
Randall
Robinson, Va.
Rousselot
Runnels
Satterfield
Schneebeli
Schroeder
Sebelius
Shoup
Shuster
Skubitz
Steiger, Ariz.
Symms
Treen
Young, Fla.
Young, S.C.

NOT VOTING—61

Andrews, N.C.
Annunzio
Aspin
Badillo
Bell
Brademas
Brasco
Burton, Phillip
Carey, N.Y.
Casey, Tex.
Chisholm
Clay
Conte
Daniels, Dominick V.
Davis, Ga.
Dent
Esch
Findley
Flood
Ford
Forsythe
Grasso
Green, Oreg.
Gunter
Hansen, Idaho
Hansen, Wash.
Hastings
Hawkins
Hébert
Holifield
Holt
Huber
Kemp
Landgrebe
Landrum
Lehman
McSpadden
Mathis, Ga.
Mazzoli
Meeds
Michel
Mink
Montgomery
Nedzi
Perkins
Peyser
Podell
Quie
Rarick
Riegle
Rooney, N.Y.
Sarasin
Shriver
Smith, Iowa
Stanton, James V.
Steele
Steiger, Wis.
Stuckey
Teague
Thompson, N.J.
Van Deerlin

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Podell.

Mr. Rooney of New York with Mr. Rarick.

Mr. James V. Stanton with Mr. Aspin.

Mr. Thompson of New Jersey with Mrs. Holt.

Mr. Teague with Mr. Riegle.

Mr. Dominick V. Daniels with Mr. Smith of Iowa.

Mr. Brademas with Mr. Casey of Texas.

Mrs. Grasso with Mr. Bell.

Mr. Dent with Mr. Andrews of North Carolina.

Mr. Flood with Mrs. Green of Oregon.

Mr. Landrum with Mrs. Hansen of Washington.

Mr. Stuckey with Mr. Kemp.

Mr. Van Deerlin with Mr. Quie.

Mr. Nedzi with Mr. Sarasin.

Mr. Gunter with Mr. Conte.

Mr. Montgomery with Mr. Esch.

Mr. Phillip Burton with Mr. Huber.

Mr. Carey of New York with Mr. Steiger of Wisconsin.

Mrs. Chisholm with Mr. Holifield.

Mr. Ford with Mr. Shriver.

Mr. Lehman with Mr. Peyser.

Mr. Mathis of Georgia with Mr. Davis of Georgia.

Mr. Meeds with Mr. Forsythe.

Mrs. Mink with Mr. Hansen of Idaho.

Mr. Clay with Mr. Perkins.

Mr. Badillo with Mr. Michel

Mr. Annunzio with Mr. Landgrebe.

Mr. Mazzoli with Mr. Steele.

Mr. McSpadden with Mr. Findley.

Mr. Hawkins with Mr. Hastings.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1311, the Committee on Foreign Affairs is discharged from the further consideration of the Senate bill (S. 3473) to authorize appropriations for the Department of State and the U.S. Information Agency, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. HAYS

Mr. HAYS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HAYS moves to strike out all after the enacting clause of the bill S. 3473 and insert in lieu thereof as one amendment in the nature of a substitute the texts of the bills H.R. 16168 and H.R. 15046, as passed, as follows:

That this Act may be cited as the "Department of State and United States Information Agency Appropriations Authorization Act of 1974".

AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF STATE

SEC. 2. (a) There are authorized to be appropriated for the Department of State for the fiscal year 1975, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for the "Administration of Foreign Affairs", $360,785,000, of which $250,000 are authorized to be appropriated for the purpose of providing protection for the representatives of the United States to the United Nations appointed by the President under section 2 of the United Nations Participation Act of 1945, including Delegates and Alternate Delegates to any session of the General Assembly of the United Nations;

(2) for "International Organizations and Conferences", $229,604,000;

(3) for "International Commissions", $17,832,000;

(4) for "Educational Exchange", $75,000,000; and

(5) for "Migration and Refugee Assistance", $9,470,000.

(b) In addition to amounts authorized by subsection (a) of this section, there are authorized to be appropriated for the Department of State for the fiscal year 1975 not to exceed $11,500,000 for increases in salary, pay, retirement, or other employee benefits authorized by law.

(c) In addition to amounts otherwise authorized, there are authorized to be appropriated to the Secretary of State for the fiscal year 1975 not to exceed $40,000,000 to carry out the provisions of section 101(b) of the Foreign Relations Authorization Act of 1972, relating to Russian refugee assistance.

(d) Appropriations made under subsections (a) and (b) of this section are authorized to remain available until expended.

DEATH GRATUITIES FOR CERTAIN FOREIGN SERVICE PERSONNEL

SEC. 3. The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (70 Stat. 890), is amended by inserting immediately before section 15 (22 U.S.C. 2680) the following new section:

"SEC. 14. (a) Subject to the provisions of this section and under such regulations as the Secretary of State may prescribe, the Secretary is authorized to provide for payment of a gratuity to the surviving dependents of any Foreign Service employee who dies as a result of injuries sustained in the performance of duty outside the United States in an amount equal to one year's salary at the time of death. Appropriations for this purpose are authorized to be made to the account for salaries and expenses of the employing agency. Any death gratuity payment made under this section shall be held to have been a gift and shall be in addition to any other benefit payable from any source.

"(b) A death gratuity payment shall be made under this section only if the survivor entitled to payment under subsection (c) is entitled to elect monthly compensation under section 8133 of title 5, United States Code, because the death resulted from an injury (excluding a disease proximately caused by the employment) sustained in the performance of duty, without regard to whether such survivor elects to waive compensation under such section 8133.

"(c) A death gratuity payment under this section shall be made as follows:

"(1) First, to the widow or widower.

"(2) Second, to the child, or children in equal shares, if there is no widow or widower.

"(3) Third, to the dependent parent, or dependent parents in equal shares, if there is no widow, widower, or child.

If there is no survivor entitled to payment under this subsection, no payment shall be made.

"(d) As used in this section—

"(1) the term 'Foreign Service employee' means a chief of mission, Foreign Service officer, Foreign Service information officer, Foreign Service Reserve officer of limited or unlimited tenure, or a Foreign Service staff officer or employee;

"(2) each of the terms 'widow', 'widower', 'child', and 'parent' shall have the same meaning given each such term by section 8101 of title 5, United States Code.

"(3) the term 'United States' means the several States and the District of Columbia.

"(e) The provisions of this section shall apply with respect to deaths occurring on and after January 1, 1973.".

LIMITATION ON PAYMENTS

SEC. 4. There are authorized to be appropriated funds for payment prior to January 1, 1975, of United States expenses of membership in the United Nations Educational Scientific, and Cultural Organization, the International Civil Aviation Organization, and the World Health Organization notwithstanding that such payments are in excess of 25 per centum of the total annual assessment of such organizations.

PROHIBITION ON USE OF FUNDS

SEC. 5. No part of any funds appropriated under this Act shall be used to make any payment to the Foreign Service Retirement and Disability Fund to meet any unfunded liability of such fund created by the inclusion of officers and employees of the Agency for International Development in the Foreign Service Retirement and Disability System.

AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES INFORMATION AGENCY

SEC. 6. (a) There are authorized to be appropriated for the United States Information Agency for fiscal year 1975, to carry out international informational activities and programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 8 of 1953, and other purposes authorized by law, the following amounts:

(1) $228,368,000 for "Salaries and Expenses" and "Salaries and Expenses (special foreign currency program)," except that so much of such amount as may be appropriated for "Salaries and Expenses (special foreign currency program)" may be appropriated without fiscal year limitation;

(2) $6,770,000 for "Special international exhibitions"; and

(3) $4,400,000 for "Acquisition and construction of radio facilities".

Amounts appropriated under paragraphs (2) and (3) of this subsection are authorized to remain available until expended.

(b) In addition to amounts authorized by subsection (a) of this section, there are authorized to be appropriated without fiscal year limitation for the United States Information Agency for the fiscal year 1975 not to exceed $4,200,000 for increases in salary, pay, retirement, or other employee benefits authorized by law.

ANNUAL UNITED STATES INFORMATION AGENCY REPORTS TO CONGRESS

SEC. 7. Section 1008 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1439) is amended to read as follows:

"REPORTS TO CONGRESS

"SEC. 1008. The Secretary shall submit to the Congress annual reports of expenditures made and activities carried on under authority of this Act, inclusive of appraisals and measurements, where feasible, as to the effectiveness of the several programs in each country where conducted.".

PRIOR AUTHORIZATION BY CONGRESS

SEC. 8. Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) is amended by adding at the end thereof the following new subsection:

"(e) The provisions of this section shall not apply to, or affect in any manner, permanent appropriations, trust funds, and other similar accounts administered by the United States Information Agency as authorized by law.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

The House bills (H.R. 16168) and (H.R. 15046) were laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HAYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the State Department authorization bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 15977, AMENDING THE EXPORT-IMPORT BANK ACT OF 1945

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1305 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1305

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) will be recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. QUILLEN) and I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1305 provides for an open rule with 1 hour of general debate on H.R. 15977, a bill to amend the Export-Import Act of 1945.

H.R. 15977 repeals provisions of the Export-Import Bank Act which excluded the receipts and disbursements of the Bank from the totals of the budget of the U.S. Government and exempted them from annual expenditure and net lending—budget outlays—limitations of the budget. The bill also provides that the Bank shall not guarantee, insure, or extend credit to Turkey until the President reports to the Congress that Turkey is cooperating with the United States in the curtailment of heroin traffic.

H.R. 15977 amends the act to increase the aggregate amount of loans, guarantees and insurance which the Bank may have outstanding at any one time from the present limit of $20 billion to $25 billion. The bill also extends the power of the Bank to exercise its functions until June 30, 1978.

It is the intention of H.R. 15977 that the Export-Import Bank should vary its rates, terms and other conditions in ways which will help to maximize the future growth of U.S. exports and to strengthen the U.S. industrial base through these sales in foreign markets.

Mr. Speaker, I urge the adoption of House Resolution 1305 in order that we may discuss, debate and pass H.R. 15977.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Florida (Mr. PEPPER) has explained the provisions of House Resolution 1305, to provide discussion on the extension of the Export-Import Bank Act of 1945.

Mr. Speaker, there are certain restrictions contained in this measure when it is debated on the floor of the House that have not heretofore been in the act. Whatever our feelings might be on the bill itself, Mr. Speaker, I see no objection to the rule and I urge the passage of the rule.

I have no requests for time.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 15487 AUTHORIZING A STUDY OF FOREIGN DIRECT AND PORTFOLIO INVESTMENT IN THE UNITED STATES

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1296 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES 1296

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15487) to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 15487, the Committee on Foreign Affairs shall be discharged from the further consideration of the bill S. 2840, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 15487 as passed by the House.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1296 provides for an open rule with 1 hour of general debate on H.R. 15487, the Foreign Investment Study Act of 1974.

House Resolution 1296 provides that after the passage of H.R. 15487, the Committee on Foreign Affairs shall be discharged from the further consideration of the bill S. 2840, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 2840 and insert in lieu thereof the provisions contained in H.R. 15487 as passed by the House.

H.R. 15487 directs the Secretaries of Commerce and Treasury to undertake a comprehensive collection and analysis of data on foreign direct and portfolio investment in the United States. The purpose of the study is to increase the understanding of the implications of such investments both within the U.S. Government and among the public and thus help lay the foundation for a national policy concerning foreign investments in the United States.

H.R. 15487 authorizes an appropriation of $3 million to be expended without fiscal year limitation.

Mr. Speaker, the Committee on Foreign Affairs reported the bill without opposition. I urge the adoption of House Resolution 1296 in order that we may discuss, debate and pass H.R. 15487.

Mr. LATTA. Mr. Speaker, as explained, House Resolution 1296 is the rule which provides for the consideration of H.R.

15487, the Foreign Investment Study Act of 1974. The rule provides for an open rule with 1 hour of general debate. In order to facilitate going to conference, the rule makes it in order to insert the House-passed language in the Senate bill.

The purpose of this bill is to secure factual information with which to determine the implications of foreign investment in the United States.

Section 10 of the bill directs the Secretaries of Commerce and Treasury to submit an interim report to the Congress 18 months after enactment of this act and a final report not later than 2½ years after enactment.

The bill authorizes no more than $3 million to be appropriated until expended.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING THE EXPORT-IMPORT BANK ACT OF 1945

Mr. ASHLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. ASHLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15977, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHLEY) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Export-Import Bank Act of 1945 is the charter for the Export-Import Bank. The purpose of the Bank, pursuant to this statute, is to aid in financing and to facilitate exports and imports between the United States and foreign countries. As a practical matter, its entire activity is devoted to supporting exports. The Congress has specified that it is national policy to foster the expansion of exports which contribute to the promotion and maintenance of our employment and real income and the increased development of our production resources. To this end, the act directs the bank to provide programs which are competitive with those offered by Government agencies of the other principal exporting countries.

The Congress has passed legislation extending the life of the Bank through September 30. H.R. 15977 would extend the charter of the Bank to June 30, 1978. The bill would further provide for an increase in the overall lending authority of the Bank from $20 billion to $25 billion. This increase is an amount sufficient to maintain a pace of growth in the activity of the Bank at current levels for a period of 2 years. This would afford the Congress the opportunity for a review of the activities of the Bank within a short time.

Another principal feature of the legislation is an amendment prohibiting any loan of more than $50 million to a Communist country unless the Bank has submitted to Congress a statement explaining the proposed transaction at least 30 legislative days prior to the transaction's final approval. This is designed to assure that the Congress will have time to review the policy implications of such proposed transactions and to take such action as it may deem appropriate.

The committee bill also takes specific cognizance of the interest, concern, and intent of the Congress with respect to the problems of persons seeking to emigrate from the Soviet Union. You will recall, Mr. Chairman, that the House expressed itself in this matter in the Trade Reform Act of 1973, H.R. 10710, which passed the House in the first session. To carry the intent of the so-called Jackson-Vanik amendment, H.R. 15977 prohibits the participation by the Soviet Union in any U.S. Government credit or guarantee program while the trade bill is pending before the Senate.

The full committee adopted two other amendments of substantial significance with respect to the activities of the Bank. One committee amendment, adopted by a vote of 17 to 15, would repeal provisions of the Export-Import Bank Act which exclude the receipts and disbursements of the Bank from the totals of the unified budget.

This is an amendment which I will oppose. The provision was adopted without hearings or extensive discussion or deliberation on the consequences of its enactment. The Bank was excluded from the budget as the result of legislation adopted by the Congress in 1971 by an overwhelming margin after thorough hearings and deliberation by the Subcommittee on International Trade and with the full support of my colleague, Mr. REUSS, the sponsor of the amendment, to now include the Bank in the unified budget.

Let me point out that the Congressional Budget and Impoundment Act passed just over a month ago calls for a full evaluation by the new budget committees of the complicated issues and many considerations which surround this matter. Therefore, I urge you to oppose adoption of the committee amendment.

The second committee amendment of consequence is one which would provide that the Bank shall not guarantee, insure, or extend credit to Turkey until the President reports to the Congress that Turkey is cooperating with the United States in the curtailment of heroin traffic. It is the view of the committee that the amendment will impress the Turkish Government with the American resolve in this matter.

Mr. Chairman, Eximbank is a self-sustaining, profitmaking organization. It is not to be confused with economic assistance organizations which require appropriated funds. Eximbank does not ask the Congress for any appropriated funds. An investment of $1 billion by the Treasury in Eximbank back in 1945 has been the sole Federal contribution to this institution. The Bank funds its lending with repayments of principal and interest on outstanding loans, earnings from fees, short-term borrowings from the Treasury at current Treasury rates, proceeds from the Bank's debentures sold in the private market at prevailing interest rates, and from its capital and reserves. In fiscal year 1974 the Bank earned net income of $107 million and paid a $50 million dividend to the Treasury. Total payments to the Treasury now amount to $906 million.

Mr. Chairman, in fiscal year 1974 the Export-Import Bank supported more than $12 billion of our export sales to 125 countries. These sales sustain nearly 800,000 full-time U.S. jobs and do so without requiring a single dollar of appropriated funds. All of the Bank's loan proceeds go directly to Ameircan employers selling American products and generating American payrolls.

The Bank has responded to the concerns expressed by the Subcommittee on International Trade and has modified its programs to meet changing foreign and domestic economic conditions. The Bank now maintains a flexible interest rate policy with a rate ranging from 7 percent to 8½ percent, with the rate for each specific loan dependent upon the needs and circumstances surrounding the particular transaction. Approximately 44 percent of the Bank's authority is being applied in the form of direct credits. Where the Bank is involved in direct lending, its participation ranges, with rare exception, between 30 percent and 45 percent of the transaction, in order to make the upmost use of its resources and to be responsive to the congressional requirement that it stimulate and support maximum private participation in export lending.

Mr. Chairman, the programs of the Export-Import Bank should be maintained under close review, as the legislation and the committee report provide. The Bank also needs to be sustained without undue impediments if we are to achieve the export growth which will be necessary to assure that we can pay for vital raw material imports without eroding the value of the dollar.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the gentleman stated that the Export-Import Bank raised the interest rate from its former 6 percent to its rate now of 7 percent, which is a flexible rate, up to 8½ percent.

About 2 years ago I had a colloquy with the distinguished gentleman from Texas (Mr. PATMAN), the chairman of the full committee, in which I pointed out that American domestic airlines were being subjected to very unfair competitive disadvantages by the Export-Import Bank in their competition with international airlines such as Lufthansa and BOAC, which could buy 747's, for example, at an interest rate of 6 percent while Pan American and TWA were compelled to go out in the open market and pay as much as 11½ percent.

Did the subcommittee or the full committee deal with this problem in any respect?

Mr. ASHLEY. Of course they did. In our lengthy hearings this matter was gone into at some detail, and it was the decision of the subcommittee and the full committee not to try to dilute the purpose by extending to domestic carriers the same concessionary interest rates offered by the Export-Import Bank to foreign buyers of United States aircraft. However, we felt that there may well need to be a remedy for such domestic carriers beyond the scope of the subcommittee's jurisdiction.

I might add that the gentleman from Missouri is somewhat off in his figures as to the difference between what foreign airline purchasers and the domestic carriers are required to pay. Although the Ex-Im Bank works with the concessional lending credit, so that if the rate now is 8.5 percent at which the Ex-Im Bank is lending for this particular type of transaction, that is not what the foreign purchaser is obligated to pay. The Ex-Im Bank only loans from 30 percent to 45 percent of the total transaction, and then a bank or consortium of banks provide the other portion of the credit at prime rate plus ½ percent to 2 percent plus. So it is a mix of these two rates that result in an interest rate of between a gross of 9 percent and a little over 10 percent. That is still lower, to be sure, than what is generally available to our domestic carriers. However, the terms in contrast to rates, are generally less favorable for the export sales. The resulting cash flows are little different.

Mr. ICHORD. I would agree that the mix would be somewhat higher, but I would point out that 3 years ago Pan-Am sold bonds at par bearing interest at 11⅛ and 11¼ percent to buy 747 planes, and I am sure that if those airlines were to sell bonds today they would have to pay somewhere in the neighborhood of 13 or 14 percent in order to buy the airplanes.

Mr. HANNA. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. HANNA. Mr. Chairman, the gentleman is aware, as well as I am, I am sure, that in respect to the interest rates that there is another aspect of it that has not been well appreciated by those not carefully following the actions of the Export-Import Bank. And I would say to the gentleman in the well that in the instance of sales to nonmarketing economies it has been my observation, and I am sure the gentleman in the well has observed this, too, that in those transactions, and in the negotiations of those transactions, the price sometimes absorbs part of the interest because there is a legal situation in a given country as to how much they might pay. Therefore many of these deals are put together in a way in which the total interest rate is absorbed in the negotiations in some other aspect of the deal.

Mr. ASHLEY. The total selling price and the financing of such deals, including a concessional interest rate, are part of a package, and it is a total package. The main thing is whether or not the American deal is competitive with the foreign deal.

Mr. HANNA. That is what I am saying. I think this is something that the Members of the House have to appreciate. When we look at just one aspect of a package we can get a distorted view as to exactly what part interest plays in a full finance package. Such view does not show appreciation for what the competition in total requires that we do.

Mr. ASHLEY. The gentleman is absolutely right.

Mr. WIDNALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before the House today is legislation which is vital to the competitiveness of American products in foreign markets and vital to American employment and instrumental in moderating the deficit in our balance of trade. The bill, H.R. 15977, would extend the life of the Export-Import Bank by 4 years and increase the overall lending authority of the Bank from $20 billion to $25 billion.

To a significant extent, the success of American exporters depends on the quality of financing which they can offer to foreign customers. The Eximbank has provided direct loans to importers of American goods and services, has guaranteed loans made by private banks to importers, and—in cooperation with the Foreign Credit Insurance Association—has insured export receivables against loss from the failure of the importer to pay. The Bank has sought to make its services competitive with those of the official export credit agencies of other industrialized nations. If the Bank's services were not competitive, American exporters would frequently lose customers to foreign exporters who could offer considerably more attractive financing.

To understand why the services of the Eximbank are so essential, one must fully comprehend the sorry state of our balance of trade and how important an improvement in that balance is. In recent years, as we all know, imports have grown more rapidly than exports. The United States registered the first deficit of this century in its balance of trade in 1971. Yet another, larger deficit was incurred in 1972. Although the United States enjoyed a surplus in its balance of trade last year, a deficit of at least $4 billion is predicted for 1974. The chief reason for this is well known—the excessive and extortionate rise in the price of oil.

Why is an improvement in our trade balance so important? There are two reasons. The first, and the most obvious, is that exportation stimulates the economy, promoting high levels of employment and real income and encouraging the development of productive resources. The second reason is that, if our deficit is prolonged, the dollar will weaken in foreign-exchange markets. We may not be able to prevent the dollar from depreciating, and thus the prices of most imports into the United States—including raw materials such as oil—will rise. Domestic inflation will be thereby exacerbated. Therefore, for the sake of the strength of our domestic economy, and for the sake of the international strength of the dollar, we must do all that we can to encourage the export of services and finished goods. One way by which to do this is to allow the Eximbank to continue to provide competitive financial services.

Because other industrialized nations also have huge oil deficits which they will try to offset at least partially by increasing their exports, the competition for export markets is now quite intense. As a result, many other official export credit agencies are offering financial services which are superior to those of the Eximbank. These agencies provide much more financial support to their exporters, charging considerably lower interest rates to borrowing importers. Some countries offer services which the United States does not usually provide—such as combinations of loans and foreign aid, bilateral arrangements for large credits on special terms, and trade agreements between governments to provide support beyond ordinary international financing practice. The Eximbank should seek to minimize the competition in Government-supported export financing, and—indeed—H.R. 15977 directs it to do so. However, when there is competition, the Eximbank must be allowed to meet it. To cripple or kill the Eximbank would be disastrous—disastrous to our balance of trade and disastrous to the many American exporters who depend on the services of the Bank.

This is vital legislation, and I urge its adoption.

I yield 5 minutes to the gentleman from Pennsylvania (Mr. JOHNSON).

Mr. JOHNSON of Pennsylvania. Mr. Chairman, the late President Franklin D. Roosevelt was the initiator of the Export-Import Bank 40 years ago. He set it up by an Executive order with minimum funding and without congressional approval.

Why did he deem this Bank necessary? Because we had just recognized the Soviet Union diplomatically, and the purpose of the Bank was to stimulate trade with the Soviets.

However, Stalin apparently did not want our trade and the Bank was allowed to die.

In 1945, with the passage of the Export-Import Act, however, the Bank was revived again to stimulate Russian trade. After World War II, our relations with Russia deteriorated badly and we engaged in direct aid to poorer nations, and the Bank again went into a decline.

This low profile continued through the 1960's when the Bank made small loans only to companies doing business with underdeveloped countries. For instance, for fiscal year 1969, the Bank was involved in total annual commitments of around $2.5 billion, about half of it on direct loans, even though its lending power was $13.5 billion.

Starting with the 1970's, our balance of payments position began to deteriorate and there were massive outflows of U.S. capital. The administration therefore turned to the Eximbank as a means of stimulating exports.

The Bank increased its commitment for fiscal year 1970 to $4 billion, and fiscal year 1971 to $5.4 billion. Congress raised its lending power that year to $20 billion. With this stimulant, the Bank's commitments in 1972 rose to $7.2 billion, and in 1973 to $8.5 billion.

Only 1.7 percent of the Bank's credits have been made to the Soviet Union. The Bank charges 7 percent to 8½ percent interest on its loans. This compares with Japan, which charges 5½ percent and Britain 6 percent, even though their prevailing interest rates are higher than ours. By reason of the fact that the Bank long ago borrowed its money on which to operate, its present weighted average cost of money is 6.8 percent. The Bank has operated at a nice profit.

Since 1945, it has paid $906 million in dividends to the Treasury, and has a surplus of $1.5 billion. During the past year, it has been responsible for $12.9 billion in export trade, which is translated into 738,000 full-time jobs.

Only 1.7 percent of the Bank's credits have been made to the Soviet Union. The Bank's commitment to the U.S.S.R. is $289 million, and about $600 million to other Communist countries. Europe and Japan have $9 billion worth.

One of the apparent criticisms of the Bank is this participation in Communist loans, and the possibility of an expansion of this business.

Détente means different things to different people. To the American businessman, it implies the hope of a new frontier. To the U.S. Government, it means "normalization" of commercial relations with the Soviet Union and Communist China. We all rejoiced when former President Nixon made that dramatic trip to Red China, and thereby opened the door to that nation. And his two trips to Russia inspired everyone and rekindled hopes for peace in the world.

The administration has dreams of $120 billion in trade with Soviet Russia alone. Only time will tell whether the Iron Curtain will be lowered, as we all would like to see. It seems to me that we are either going to have détente with other nations, or we will have to resort to a "fortress American" policy, which would be unfortunate. I personally have faith in Bill Casey as he endeavors to carry out administration policy in this new era of Soviet-Chinese relations.

There is another reason why we must expand our export trade at once. It has been estimated that higher oil prices will increase outflows by $15 billion in the current year. Think of the frightful effect this will have on our balance of payments position. Other nations in the same revenue boat will be fighting for exports, too. Without Eximbank support, U.S. sellers cannot compete with foreign government-supported export sales in today's market.

We have been told that the underdeveloped nations, the Arabs and most Communist countries would prefer to trade with the United States. Let us make it possible today.

Mr. ASHLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. PASSMAN).

Mr. PASSMAN. Mr. Chairman, I rise in support of this bill which has for its purpose to renew the charter of the Export-Import Bank of the United States. I can support this legislation enthusiastically simply because I have had an opportunity for 21 years to review the operation of the Export-Import Bank and I can say that in my considered judgment the Export-Import Bank is one of the finest Federal agencies we have.

The Export-Import Bank makes money for the American worker, the American manufacturer, and the American taxpayer instead of spending it. It provides many major benefits to the U.S. economy without any appropriation of tax money.

The operation of this unique Federal agency affects the daily lives of tens of thousands of our fellow Americans. I have the feeling that too little is known about what the Bank is, what it does, and what it means for all of us. Eximbank has come in for some criticism lately based upon a few loans relating primarily to one country. So, I think it is doubly important, especially at this time, for all Americans to know the facts about this agency.

The purpose and role of the Eximbank is to help American businessmen and workers sell American products and services to customers overseas and to get paid for these sales in dollars here in the United States.

Having said this, the next question is, why do we need a U.S. Government agency to help American businesses sell abroad when presumably this country has the greatest industrial base and economic potential in the world?

The reason is very simple, Mr. Speaker. Like everything here in the United States today, when a man wants to sell something abroad he has got to have a good, competitive product and he has got to offer credit to his customer or there is "no dice" on the sale. Now we think we have good products to sell from this country and, in fact, in many instances we have the best. But we do not have a monopoly on the world market, and let us get that absolutely clear right here and now. Why? Because other industrialized countries of the world, which our country helped to rebuild after their total devastation in World War II, are now in there producing and competing with us in almost every market in the world. And they are competing not only with their products but also with their credit, and this credit is backed and supplied by the governments of those countries. So, Mr. Chairman, here we have the situation where our great country, with an open heart and hand, provided billions of dollars to rebuild the economies of our allies, and even our former enemies, and now we are faced with the cold, hard competition from their sellers. This, of course, is no surprise and is necessary to a dynamic trading world, but it also requires our country to back up American businessmen with the same types of support for their world sales as is provided by foreign governments to their competitors. This is the reason and justification for the existence of the Export-Import Bank.

In fact, Mr. Chairman, the official export credit agencies of England, Germany, France, Italy, and Japan are providing eight times as much financial support in total to their exporters than is our country through Eximbank. Notwithstanding all the talk we have heard in some quarters around here lately about this Bank's low interest rate, Eximbank today is on the high end of the scale compared to these other countries, some of which provide rates as low as 5½ percent, cover a greater proportion of the financing—compared to Eximbank's maximum in loans of 45 percent—and even crank in some foreign aid funds on a deal which is important enough to them for political reasons. Preliminary figures indicate that Western Europe and Japan, with a combined economy roughly the size of our own, covered about $68 billion of actual export shipments through their official agencies last year compared to about $7 billion of U.S. shipments covered by Eximbank. It requires a certain percentage as a cash payment and charges fees and interest for these services. In all instances, it requires repayment of the loans, whether made by the Bank itself or by private lenders guaranteed by the Bank, to be made in U.S. dollars right here in the United States. Most important, the loans must be related to American products, produced in the United States, and exported from this country. So the funds cannot be spent in the borrower's country or in a third country. In fact, no Eximbank dollars ever leave the United States because although the Bank extends its loan to the foreign buyer of the U.S. goods, it disburses its funds to the U.S. suppliers when the goods are shipped.

Now, how does Eximbank's operations translate into benefits to the U.S. economy and the taxpayer?

Let me cite a few more facts—facts, my friends, not hypotheses or allegations. Since this body approved the last extension and increase in authority for Eximbank in 1971, the Bank has supported some $33 billion—yes, billion—in export sales of American goods and services. This means over 1,800,000 man-years of work right here in our U.S. communities. In just the last fiscal year, Eximbank supported nearly $13 billion in sales to foreign buyers in some 125 countries, which has accounted for, or will in future production, nearly 800,000 full-time American jobs. In the history of the Bank, the export sales it has helped to consummate have accounted for over $16 billion in tax revenues to the Federal Government alone and have provided over $5 billion in profits to U.S. businesses.

Mr. Chairman, this agency has got to be one of the best buys going for the American taxpayer. This is particularly so when you consider the billions of appropriated American tax dollars that this country has lent, spent, and given away through our so-called foreign aid programs and to prop up all of the international lending institutions where we have absolutely no assurance that the funds will be used to buy American goods and in fact, by and large, they are not. To take but two examples, from 1970 through 1972 the Inter-American Development Bank spent roughly 24 percent of their funds for U.S. procurement, while the Asian Development Bank spent about 11 percent here. In contrast, 100 percent of the Eximbank dollars, plus the private funds that match Eximbank's funds, are spent right here in the United States. Furthermore, these international development institutions as well as our foreign aid program operate largely through appropriated tax funds, whereas Eximbank does not use any appropriated funds in its operations. Members will recall, for example, that this Congress recently approved another $1.5 billion addition to the International Development Association, the self-loan window of the World Bank, which will come from taxpayer funds. Now I realize that these institutions have a somewhat different purpose than Eximbank, but when we are talking about allocation of this country's resources it certainly seems to me, Mr. Chairman, that there can be no question that we are getting top-dollar value in the Export-Import Bank.

I would like to emphasize here a very important point of which some Members may not be aware. There is a provision in the bill which we are considering. It would reverse the decision we made in 1971 not to have Eximbank included along with all other government operations in the unified budget. This was primarily because the particular accounting rules used in the budget just did not fit the operations of the Eximbank. The subject is going to be reconsidered after a full study before the Budget Committee. But the bill pending now contains language which would put Exim right back into the budget. Apparently, because of the fear that without this amendment Eximbank will operate without any congressional controls. Let me tell you that we are not and have not been giving this agency carte blanche to go out tomorrow and commit the U.S. Government for $25 billion to the Russians or anyone else. Although Eximbank does not operate with appropriated funds, its annual budget is submitted to, reviewed, and approved by the Congress each year in the same manner as annual budgets of other Federal agencies. Each year Eximbank submits to the President, who in turn submits to the Congress in his budget, the amounts of its authority which the Bank expects to commit in that particular year. This budget program is the subject of thorough hearings before the Subcommittee on Foreign Operations, which I have the honor of chairing, where we discuss not only what the Bank expects to do in the future but what they have done during the previous year.

The Appropriations Committee then recommends to the House in the annual foreign assistance and related programs appropriations bill several limitations on how this Bank can utilize their commitment authorities for the next fiscal year. First, we put in an overall limitation on their new program activity, that is, the amount that they can commit under all of their programs. Second, within that overall limitation, we limit the amount that they can do in equipment and services loans, that is their regular loan programs. Finally, we limit their administrative and entertainment expenses. So the rate at which this agency will be able to commit the additional authority requested here today will be set annually by the Congress. Their programs, activities, and commitment levels will continue to be subject to annual review and approval by this Congress.

Now for an agency that has never—I repeat, never—in its 40-year history required one cent of appropriated funds from the American taxpayer, I think this agency has an unparalleled record of support for the American economy and the taxpayer. Not only does the Bank not require any appropriated funds, it in fact makes a profit on its operations of over $100 million annually, from which it pays funds into—yes, into, not out of—the U.S. Treasury. From its profits over the years, this agency has paid $906 million in dividends into the Treasury and has accumulated retained earnings, which it uses in its operations, of $1.5 billion. All of this profit belongs to the taxpayers. Furthermore, it has sustained this profit record while at the same time helping to support some $76 billion in sales of American goods and services, which provide jobs right here in the United States, profits to American industry, and tax revenues.

Please keep in mind that the Eximbank does not finance giveaway programs. It only finances sound loans that will be repaid in dollars even with a profit on the interest when averaged out.

Mr. Chairman, I hope this bill passes overwhelmingly.

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

The Chair is advised that the President is presently in the Senate, and will be coming to the House Chamber shortly.

The Chairman appoints the gentleman from Massachusetts (Mr. O'NEILL), the gentleman from California (Mr. McFALL), the gentleman from Arizona (Mr. RHODES), and the gentleman from Illinois (Mr. ARENDS) to escort the President of the United States into the Chamber.

During the recess which the Chair is about to declare, only those persons having the privileges of the floor of the House will be permitted in the Chamber.

RECESS

The SPEAKER. The House will now stand in recess subject to the call of the Chair. The bells will be rung 15 minutes before the House meets again.

Accordingly (at 2 o'clock and 59 minutes p.m.), the House stood in recess subject to the call of the Chair.

DURING THE RECESS

The SPEAKER. The House will be in order.

The Chair advises that he believes the President will choose to speak from the well where he will feel more at home. I think the President intends to greet Members in the well after he makes his remarks. We are not going by the 5-minute rule. If it is to be a 1-minute speech, it will be a long 1 minute.

Mr. GROSS. Mr. Speaker, I have a motion to strike the enacting clause if he needs one.

The SPEAKER. I think the gentleman from Iowa had better give that to the President.

The Chair will receive a message.

The DOORKEEPER. Mr. Speaker, the President of the United States.

VISIT BY THE PRESIDENT OF THE UNITED STATES

At 3 o'clock and 6 minutes p.m., the President of the United States, preceded by the Doorkeeper (Hon. William M. Miller) and accompanied by the committee of escort, entered the Hall of the House of Representatives and stood in the well.

[Applause, the Members rising.]

The **SPEAKER**. My distinguished colleagues, past and present, it is a great privilege personally to welcome back to the well of the House, and to recognize for such time as he may consume, a most distinguished and beloved former colleague, and a friend of every Member in this Chamber. I repeat that it is an honor and a high personal privilege to present the President of the United States.

[Applause, the Members rising.]

The **PRESIDENT OF THE UNITED STATES**. Mr. Speaker and my former colleagues of the House of Representatives: You do not know how much it means to me to come back and see all of you and to be so warmly welcomed. It makes one's political life a great, great experience to know that, after all of the disagreements we have had and all of the problems we have worked on, there are friends such as you. It is a thing that in my opinion makes politics worthwhile. I am proud of politics, and I am most grateful for my friends.

Mr. Speaker, I was glad to see that the Rules of the House of Representatives have been changed. I was expecting, knowing that the House was considering a bill from the Committee on Banking and Currency, that I would have to go to my old friend, the chairman of the Committee on Banking and Currency, and get a couple of minutes.

But let me say after 10 days of the honeymoon, Mr. Speaker—and I recall the old adage, "out of sight, out of mind"—I just wanted to drop by my old home to say "hello."

Mr. Speaker, as most of you know, my wife, Betty, and I packed up our belongings and moved across the Potomac earlier this week. We were reminded of what Harry Truman said when he moved out of the White House in 1953:

> If I had known how much packing I would have to do, I would have run again.

I did better than Harry did. I went to Chicago.

It is a beautiful house down there, as all of you know, not only beautiful in appearance inside and out, but it has great, great traditions.

But, Mr. Speaker, let me say that our—and when I say "our" I mean my wife, Betty, and the family and myself—our affections for the White House will never surpass our love for the House of Representatives and for the fine men and women who work here.

You have all been extremely generous in your support, extremely generous in your good will, and you have been extremely generous in your advice. But it has all been good, and I hope you keep the flow going.

I said on the other side of the Capitol in the other body, a few moments ago, that I was making a few remarks as an inauguration of Pennsylvania Avenue as a two-way street.

I have asked your help in the past when I was in the House, and I am going to ask it now. This is a standard procedure for Presidents, but I am not making, I hope and trust, a pro forma gesture when I ask your help in the remaining days of the Congress. You know and I know that I do not believe in gestures. I never have and I never will. So when I ask your help, I mean it.

I want to reiterate, the help I have sought in the last 10 days has been responded to in a beautiful way, and, Mr. Speaker, your leadership in this has made it much, much easier for me, and for that I am deeply grateful.

Together we have got a big job ahead, and I emphasize "we" on the basis of togetherness, for if we do work together as we have in recent days, we can get the job done.

I want to express my appreciation for the response that has come already in the Cost of Living Council monitoring legislation; the action taken in reference to some of our spending problems; the action taken in housing, in education, and in pension reform. These are all landmark pieces of legislation. This is a good achievement for the Congress, and this is legislation that I am proud of and privileged to sign as President of the United States.

I will be coming back when you return from your much-deserved recess, and I will be coming back to ask your help in the future. I think we can continue to work together, and if we do, it will be the best for the country, and the best for you, and certainly the best for me.

I have noted in my contacts throughout the country that the public wants us to work together, and we can prove that such togetherness will be beneficial.

Let me conclude by simply saying that I think we have a good team in the executive branch, and it can work as a team with a good team on Capitol Hill, the House and the Senate. With that kind of partnership, a good team in the legislative and a good team in the executive, America cannot help but move ahead for the betterment of all.

Thank you very much.

[Applause, the Members rising.]

The **PRESIDENT OF THE UNITED STATES**. Mr. Speaker, I would be very glad and honored to shake hands with Members who would like to. I would like to wish them the very, very best, as they leave on a long-overdue and richly deserved recess.

Mr. Speaker, I will start from my left.

(Members formed in a line to the left of the President and were greeted personally as they passed before him.)

(At 3 o'clock and 47 minutes p.m., the President accompanied by the committee of escort retired from the Hall of the House of Representatives.)

The **SPEAKER**. The Chair announces that the House will reconvene at 5 minutes past 4.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4 o'clock and 5 minutes p.m.

PERMISSION TO PRINT PROCEEDINGS HAD DURING RECESS IN CONGRESSIONAL RECORD

Mr. **McFALL**. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDING THE EXPORT-IMPORT BANK ACT OF 1945

Mr. **PATMAN**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

The **SPEAKER**. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 15977, with Mr. PRICE of Illinois in the chair.

The **CHAIRMAN**. When the Committee rose, the gentleman from Ohio (Mr. ASHLEY), had 11 minutes remaining; and the gentleman from New Jersey (Mr. WIDNALL) had 19 minutes remaining.

The Chair recognizes the gentleman from New Jersey.

Mr. **WIDNALL**. Mr. Chairman, at this time I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. **FRENZEL**. Mr. Chairman, I rise in support of H.R. 15977, a bill to extend the authority of the Export-Import Bank. At a time when the United States is headed for its third balance-of-payments deficit in 4 years, this advocate for export expansion is an essential part of our economic policy.

America's oil bill will probably be around $25 billion this year. Without the financing assistance of the Export-Import Bank, we could find our balance-of-payments deficit hitting between $5 and $7 billion. We need the Bank if we are going to reduce the impact of that deficit.

Eximbank is not an "expensive deal for the taxpayers." It is a self-sustaining, profitmaking organization. It does not ask Congress for any appropriated funds. Yet, in fiscal 1974, Eximbank supported nearly $13 billion of U.S. export sales which sustain nearly 800,000 full-time U.S. jobs and produce subcontractor and supplier orders in all parts of America. While making that contribution to the American economy, the Bank has collected enough interest and fees to pay the Treasury $906 million in dividends, build a reserve of $1.5 billion, pay for the money it borrows and carry an organization of 400 people to promote U.S. economic interests worldwide. That is one of the best deals the American taxpayer has ever had.

Mr. Chairman, the International Trade Subcommittee held lengthy hearings on this legislation, and reported out what I believe is a good bill. It does contain some provisions which I am less than happy about, but it also includes some necessary improvements in the Export-Import Bank Act which I support. It is not simply a straight extension, but a bill which tries to give the Bank the ability to do its job better, and at the same time give the Congress ample opportunity to scrutinize the Bank's operations. The committee has extended the Bank's authority to operate for 4 years, until 1978, but it provided only enough loan authority, $25 billion, to last the Bank for 2 years, so that the committee will have a formal opportunity to review the Bank's activities.

Some of the other provisions in the committee bill are:

Instructs the Bank to cooperate with the export banks of other nations to minimize Government support of export financing.

Clarifies the authority of the President with respect to determinations on trading with Communist nations.

Requires the Bank to report to Congress 30 days prior to approval all transactions with Communist nations which exceed $50 million.

Prohibits bank financing of any program with the U.S.S.R. until the Senate resolves the dispute over the trade bill.

Prohibits the extension of any credit to Turkey until the President reports to Congress that Turkey is cooperating in the curtailment of heroin traffic.

The bill also places the Bank back under the budget. I do not like that provision, and will support the move to strike it from the bill. The Bank does not cost the taxpayers any money, as some of the budget amendment proponents contend. It actually makes a profit, a rare occurrence for a Government agency these days. Last year it turned over $50 million to the U.S. Treasury, and it has almost paid off the original $1 billion investment by the taxpayers.

Mr. Chairman, many opponents of this bill and of the Bank have alleged that the Bank helps to subsidize the export of U.S. jobs. I do not find that to be the case. In fact, Eximbank helps to maintain jobs for about 800,000 people in this country by helping to keep the export goods which these people produce competitive in world markets. The Department of Economic Development, in my home State of Minnesota, estimates that approximately 97,000 Minnesotans are employed as a result of international sales. The financing assistance of Eximbank, used extensively in Minnesota, helps keep many of these people steadily employed.

Eliminating the Eximbank would almost certainly make our products less competitive in world markets. American goods are generally of the best quality, and we retain many of our markets because of that quality. But we have serious competition for quality goods from many other nations. And when quality is more or less equal, the purchasers of these products start comparing the financing available. Members of the House should realize that other nations have their own export banks which offer very favorable interest rates.

[In percent]

France	5.95– 6.95
Germany	9.00–11.50
Italy	6.00– 7.50
Japan	6.25– 8.75
United Kingdom	6.40– 9.00

Our present Eximbank rate is between 6 and 8.50 percent.

In short, Mr. Chairman, our American companies will have to continue to compete with other nations over the quality of products, but without the assistance of the Eximbank, they will never be able to compete with the financing terms.

I think the extension of the Bank's authority is essential if we are to maintain our share of the world markets. And I urge my colleagues to support the bill.

Mr. WIDNALL. Mr. Chairman, at this time I yield 2 minutes to the gentleman from Kansas (Mr. SHRIVER).

Mr. SHRIVER. Mr. Chairman, I rise in support of this legislation to extend the life of the Export-Import Bank for 4 years and to increase its loan, guarantee and insurance authority.

Those of us who are concerned about jobs, the balance of payments situation, and the ability of American firms to sell their products abroad recognize the necessity of support from the Export-Import Bank.

The largest part of U.S. exports can—and should—proceed without any support from the Export-Import Bank. This has always been the case. Bank support is critical, however, in enabling U.S. manufacturers to compete for foreign orders when foreign suppliers are receiving extensive financial support from their governments, and in mobilizing and combining with private capital to enable American manufacturers to compete for projects which, because of their size or amortization period cannot be financed with private capital alone.

Mr. Chairman, I am aware of the concerns, and sympathize with them, of those who today will attempt to rectify the inequities in the act which permits foreign international air carriers to purchase long-range U.S. jet aircraft under more favorable financing terms than available to U.S. international air carriers.

However, we must guard against a patchwork exercise through the amending process that would benefit a few but penalize and perhaps bring financial disaster to many industries.

The general aviation industry, for example, so important to our national economy and the economy of the State of Kansas, in the past 10 years has exported over 25,000 general aviation aircraft, a milestone that was reached last April.

The industry, incidentally, has been a consistent major factor in contributing to a favorable balance of payments in U.S. international trade. For example, in the first 6 months of 1974, 2,272 aircraft valued at $138.2 million were shipped to international markets, compared to 1,639 units valued at $96.2 million for the same period in 1973—a 44-percent increase in dollar value.

It is of interest to note that for every one aircraft-imported into the United States, 23 are exported.

These accomplishments in the face of foreign competition which by the way receive considerable direct Government subsidy or are owned by the Government outright, are attributable to effective U.S. marketing and technological superiority. The Export-Import Bank has played an important and necessary role in the industry export achievements by providing loan insurance guarantees and other forms of financing for about 40 percent of the sales over the years.

Recently, one of the general aviation manufacturers in my Fourth Congressional District in Kansas informed me that 40 percent of its total production goes out of the United States—and 20 percent of that is financed through the Export-Import Bank.

The significance of the Export-Import Bank to the continued growth of general aviation exports cannot be overemphasized.

I would point out that the nature of the Bank's participation in financing general aviation export sales is in the form of financial guarantee of loans, and not direct loanmaking. Under the financial guarantee program, the Export-Import Bank unconditionally guarantees repayment by a borrower up to 100 percent of the outstanding principal due on such loans, plus interest on any loan made by a U.S. financial institution to a buyer in another country for the purchase of U.S. goods and services. This is cooperative financing with other U.S. financial institutions and the record to date clearly indicates this program to be a profitable program of the Bank at no cost to the American taxpayer.

Mr. Chairman, the general aviation industry of the United States has, on a continuous basis, contributed to the positive side of the balance of payments in U.S. trade. With the increasing cost of oil imports and raw materials essential to the economy of our country, it is singularly important that the Congress take no action to inhibit or hamper the exports of those industries who by strength of their salesmanship and the superiority of their product, supported by the Export-Import Bank, return American dollars from their overseas depositories.

Mr. ASHLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, members of the committee, I would like to bring out some figures which I think will shock all of us if we are concerned with the balance of payments deficits that we face in this country, and which will exist in other countries that are in direct competition with us for world markets.

The U.S. bill for imported oil last year was $8 billion. The bill for imported oil this year is estimated to be $21 billion. The projected bill for imported oil in the year 1980 is $33 billion, an increase of $8 billion to $21 billion by this year just for the United States. The only way we can pick this deficit up is either to attract foreign investment into the United States or increase our exports.

Let me give the Members some figures for Western Europe.

If we are in competition with any area of this world in the export market, it is with Western Europe. In 1973 the oil imported into Western Europe was $20 billion, and in the year 1974, this year, that oil bill will more than double, $55 billion.

What does that mean? It means that while the United States has to go from $8 billion to $20 billion, we are still in pretty good shape because we produce about 70 percent of our own oil. However, the pressure is going to be on Western Europe which, other than in the North Sea area, does not have its own oil.

There is going to be downward pressure on the value of their currency, as there is right now. Take the dollar, for example. It is stronger than it has been in over a year because oil pricing has less effect on us than other industrialized countries. Therefore, the only way Western Europe and Japan, the other industrialized countries, can effectively compete is to compete in the export market, to bring in hard currency to pay for their petroleum.

Two ways of competing are, to devaluate one's currency so that the cost of the goods one exports is cheaper, or, to give more concessionary rates for financing of exports. I suspect that this is just what Western Europe will do, and this is what Japan will do.

If at any time in the history of the Eximbank, the Eximbank were absolutely necessary for the economy of this country, it is now. This is the worst time to cripple the Eximbank and to cripple the potential of the United States to export products.

There has been a great deal of discussion in the debate about the problem of exporting airplanes. We do have a situation where we have concessionary rates that probably average out to about 9 or 10 percent to export our airplanes to foreign competitors. Pan American has to pay the top rate, and they do not have concessionary rates.

There has been talk of restricting the export of airplanes by eliminating concessionary rates.

Let me give you some figures from a southern California airplane company. In 1974, this year, 82 percent of the airplanes manufactured in Long Beach will be exported. If there were not concessionary rates, with the competitive situation we have against the A-300 European airbus, there would be a good chance that McDonnell Douglas orders would be drastically cut down because of the inability to find sufficient money at sufficient rate of interest to finance the airplane.

This would have a direct effect on our domestic airline industry because McDonnell Douglas would have to reduce their production run of airplanes and, therefore, the unit price of airplanes being purchased by domestic airlines would go up. The projection of McDonnell Douglas is that the price would increase up to 45 percent per unit if the export market was substantially cut.

The Members can see, therefore, that we would be cutting off our nose to spite our face by restricting the Eximbank in their financing of U.S. airplanes abroad.

Remember, right now the United States can build better airplanes and better technical products than any country in the world, but a lot of other countries are catching up. The only way that we can stay ahead is to develop that broad international market.

If we amend the Eximbank bill in any way to affect the lending ability of the Bank, to affect the rates that the Bank might charge, I think we would be hurting ourselves in our ability to maintain a positive balance of payments in our trade account.

Therefore, Mr. Chairman, I would urge all of those here to support the basic committee bill, with the exception of the Ashley amendment, which should be approved.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, there are a few things that should be brought into perspective about the Export-Import Bank of the United States that I do not think have been brought out here today.

First of all, we are being told in effect that if the Export-Import Bank were not functioning, our exports from the United States would fall quite drastically. For myself, I think such fears are greatly exaggerated.

The reason we are able to sell as much as we do sell in foreign markets is because we have better products. We are selling airplanes to the British, to the Germans, and to the Japanese because we have better airplanes than any that are being manufactured anywhere else. To the extent we subsidize these sales by concessional interest rates, we are undermining the competitiveness of American air carriers to the extent that they do not have the same concessional interest rates.

There is one thing that I think has brought the Bank under considerable criticism recently—and I think justifiably so—and that is the generous loans to the Soviet Union. It takes no great genius to understand why we are making such great transfers and sales to the Soviet Union. We are financing these transfers of equipment to the extent of 90 percent when you combine U.S. private and Eximbank financing. We are financing these at concessional interest rates.

Why should the Soviet Union not take advantage of these purchases? With inflation as it is now taking place in the world, the Soviets will be paying us back about 50 cents on the dollar by the end of the financing period. They would be extremely foolish if they did not take advantage of the latest in American technology and American capital goods with these concessional loans at these concessional interest rates.

There is one other observation that is presented to the floor quite often which I do not think is completely candid, and that is this: "Well, this does not cost the taxpayers anything. It is a moneymaking institution."

What we must keep in mind is this: First of all, the Bank was financed with $1 billion directly from the Federal Treasury. The Bank does not pay any interest on that. I think they pay a 5 percent dividend on that $1 billion. The Bank has retained earnings in the amount of $1.5 billion, which costs them nothing.

The Bank uses those funds and mingles them with the funds they borrowed later on the open market. And remember this: That when the Bank does use those funds and mingles them with funds borrowed on the open market, it is competing with our homeowners, it is competing with our businessmen, and it is competing with any institution or person in America who wants to borrow money.

However, when this Bank goes into the open market, it has an advantage that our homeowners do not have and that our businessmen do not have. This Bank's obligations are backed up by the full faith and credit of the U.S. Government. So this enables this institution to borrow money at lower interest rates than any one of us or any one of our constituents whom we represent could obtain when borrowing money.

Mr. Chairman, none of us want to severely handicap or cripple the Export-Import Bank, but I do think we must keep in mind that the Eximbank and its borrowings have an impact on our own internal capital markets. It effectively raises the interest rates that our people, that our constituents will pay on their loans, because it is an unfair competitor in the market when it borrows money.

What I am suggesting—and this is one of the provisions I am going to suggest later on in the amending process—is that the Bank's loans bear an interest rate equivalent to the commercial rate which is then being offered by the biggest banks in America. When we speak of the prime rate, that is not a realistic figure as far as the average consumer or the average businessman we are talking about is concerned. They cannot borrow money at the prime rate.

I am still willing to concede the Bank a concessional interest rate in its loans to foreign borrowers. However, I am saying the Export-Import Bank of the United States is setting the scale that the rest of the world follows in these international transactions, and when the Bank sets the scale extremely low or unrealistically low, we force the British, the Japanese, and the Germans down to the equivalent low rate.

I think we should force the bank to charge something more realistic than the concessional interest rate it is charging on those loans, at a time when capital is in short supply throughout all of the Western world.

Second, I intend to offer an amendment later on in the amending process which would truly open the markets of the Iron Curtain bloc countries.

If we want to use the Export-Import Bank as an instrument for increasing trade, we should see to it that trade goes to the people of the Iron Curtain bloc countries, and not just to the leaders and their subordinate agencies in those Iron Curtain bloc countries.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I will not take the full 5 minutes. I intend at the appropriate time in the House to make a unanimous consent request that the letter of August 9, 1974, from Mr. Casey of the Export-Import Bank be included in the RECORD at this point.

The letter referred to is as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 9, 1974.

DEAR MR. BROWN: The purpose of this letter is to put before you facts and considerations that deserve to be taken into account in extending the charter and authorization of the Export-Import Bank.

You will recall how the $6 billion trade deficit for 1972 so greatly concerned us, how it led to successive devaluations of the dollar and how this, in turn, contributed greatly to the inflation which now besets us. We were able to convert this $6 billion deficit into a small surplus for 1973. The quadrupling in the price of imported oil and the sharp increase in the price of raw materials will convert that surplus into another substantial deficit. Other nations are under even greater pressure and, as they see their reserves falling, they are restricting imports and pushing exports harder to pay for the higher imported oil costs. In short, our export needs have increased heavily at the same time that our exporters must work harder to find overseas customers and compete harder for their business.

In the fiscal year just ended, Eximbank financed $12.9 billion in U.S. export sales. Today, we need a rising level of exports to avoid the impetus to further inflation which will surely come if new deficits result in a cheaper dollar, increased import costs and the ability of foreign currencies to compete more advantageously with American consumers for the supplies available in our domestic market. Our best hope for enough additional exports to close this trade gap lies in the high price, high technology goods and services which require the kind of financing Exim provides.

Today, we are confronted, on the one hand, with abnormally high interest rates at banks and, on the other hand, with the need to compete with financing at interest rates running as low as 5½% which counterparts of Eximbank, maintained by the governments of other industrialized countries, provide to their exporters. To carry out our mandate from Congress to back up U.S. exporters with financing competitive to that which foreign governments provide, while responding to the higher cost of money, we are working along two lines.

On one track, we have raised our interest rate and reduced the portion of the export price we finance in order to keep the Bank viable and move our terms as close to market rates as possible within the constraints of foreign competition. On the other track, we are now carrying on negotiations with the members of the Common Market and Japan looking towards a gentlemen's agreement which would limit competition in interest rates.

Recently, most of our loans have been held to 30% of the export price rather than the 45% which had been the practice for the last several years. As our cost of borrowed money exceeded 6% for the first time in the latter part of '73, we increased our interest rate to 7%. Then, as our average cost of borrowed money rose to 7% in May 1973, we changed from a fixed 7% interest rate to a band between 7% and 8½%. Since then, most of our loans have been at 8%. A few days ago, we increased our guarantee fees from ½% to a range between ¾ and 1½%.

Despite this unprecedented increase in Eximbank's rates, there is concern about the spread between our interest rate and commercial rates. We have been the leaders in raising the rates in the export financing league but it would be damaging both to our export trade and our ability to negotiate a limit on interest competition if, unilaterally, we moved too far too fast. The fact is that a large slice of world trade is financed below market interest rates. A good many U.S. businesses are borrowing at the lower rates available from Eximbank's competitors when they purchase foreign equipment.

That spread between Eximbank's rates and the commercial bank rates is not as great as it seems. Other countries are financing 75 to 85% of their exporters' selling price at interest rates averaging around 6½% to 7%. The actual interest rate paid for comparable financing today by the typical borrower from Eximbank is not 8% but over 10%. He pays 8% to Eximbank for a loan covering 30% of the export price and 12% to a bank for the remaining 55% of an 85% financing. This results in a blended rate of 10.55%.

How then, do we compete? On interest rates, we are only able to moderate the disadvantage our businessmen carry in international competition. Official export financing provided by Europe and Japan runs seven to eight times as much as ours in the aggregate. We do compete effectively in two areas. First, by providing insurance and guarantees we help generate enough bank and supplier credit to handle short and medium term payments for our exporters. Second, by flexibility in our loan maturities and by the use of our guarantees we enlist private capital to develop workable financing packages for high price exports and expensive projects which utilize U.S. equipment and technology. This is uniquely necessary and especially important to our export trade and balance of payments. It is these exports that use our special skills, give us high returns with a minimum drain on our resources and support the high skill, high pay employment which is so important to us. Capital to finance these projects would frequently not be available at all without Eximbank participation. Thus, while we barely manage to stay in the ball game in interest costs, our real importance is in assuring the sheer availability of financing and the flexibility of terms necessary to maintain our leadership in the big projects (power, natural resources, transportation, communications) and in high technology products (jets, nuclear reactors). This leadership is increasingly vital to our ability to develop and pay for the resources we need and to the competitiveness, productivity and ability to allocate costs over the world market which is so important to meeting our needs and fighting inflation at home.

Today shortages of fuel, minerals, food and fibers are worldwide. American equipment and technology applied to natural resources around the world can combat shortages and moderate prices. The financing required for the engineering and equipment, the power and transportation it will take to accomplish this end can only be generated with the help of financial catalysts like Eximbank.

The billions flowing to oil rich countries must be put to productive use. This will also require financial catalysts. Congress recently revitalized one of these catalysts by authorizing the contribution of $1.5 billion to IDA which made loans of about $1.1 billion last year. Other catalysts are the World Bank which lent about $3.2 billion last year and AID which in 1973 authorized about $2 billion in loans and grants. In its last fiscal year Exim authorized $4.6 billion in loans and facilitated another $4.2 billion of private financing through its insurance and guarantee programs.

Eximbank is able to do this without any appropriations of tax money because it has made good use of the $1 billion the Treasury invested at Congressional direction 30 years ago and the guarantee authority which the Congress has provided. We still have the Treasury's $1 billion. Since then, we have collected enough interest and fees to pay the Treasury $906 million in dividends, cover losses, build a reserve of $1.5 billion, pay for the money we borrow and carry an organization of 400 people to promote U.S. economic interests, world wide. We get the money we need to finance exports from repayments of loans made out of our capital and reserves, borrowings from the Treasury at the interest rates it pays and from the sale of the Bank's debentures to the private market at prevailing interest rates.

We watch the employment impact of our financing very carefully. Today, the U.S. exports 12% of its production and this accounts for more than three million jobs. The great bulk of our financing supports the export of power plants, mining equipment, locomotives trucks and other products which clearly provide jobs in the United States and produce either raw materials we need or power and transportation which is not exported from foreign countries. Over the last 3½ years 12% of the Bank's authorization supported exports of equipment used to increase productive capacity in foreign countries.

Where we can't prove that production will not come back to the United States and displace U.S. exports, we only finance when we can assure ourselves that European and Japanese manufacturers are ready and able to provide the equipment and financing if we don't. When the project will proceed with or without us we are prepared to provide the financing so that the jobs and the business associated with the machinery will go to the U.S. Other countries are committed to use their labor and materials. Just because productive equipment and methodology is so widely available around the world, we must maintain our markets abroad for the sophisticated, high technology items which both support the higher paid jobs and the balance of payments revenue on which a sound U.S. economy depends.

There are two procedural proposals which concern us. One would place Eximbank under the Budget. Three years ago when this was considered extensively by the Congress, there was an overwhelming vote to take Exim out of the Budget. This was because Exim requires no appropriations and budgetary accounting treats disbursements on a loan as expenditures and ignores the asset, an obligation which will be repaid with interest which is acquired. This results in a phoney deficit. Next year, this unreal method of budget accounting would produce an unreal deficit of $1.5 billion for the Bank. This phoney deficit will confuse policy in a period like the present where the fight against inflation from government spending calls for holding down the deficit and the fight against inflation from trade deficits and dollar devaluation calls for increased exports. If and when Eximbank is brought under the Budget, the archaic budgetary accounting should be changed to reflect the fact that Eximbank disbursements are an income producing investment and not a current expense like a payroll, grant or subsidy, or even a capital expenditure to acquire a depreciating asset needing costly maintenance like a battleship.

The Budget issue is a complicated one. It should not be decided in a precipitous manner. Rather, it should be studied carefully by the Budget Committee of both Houses as provided in the recently enacted Budget Control Act of 1974. Nothing will be lost by careful and deliberate study of the pros and cons of including in the Budget Eximbank, the Rural Electrification Administration and other agencies. Congress will continue to exert effective control over the level of the Bank's activities by placing an annual limitation on its lending after careful review by the Appropriations Committees.

Another kind of procedural provision which may be proposed would require Congressional review of individual financing transactions. This would be bad for the Bank, bad for our exporters and bad for our position in the world. It could convert each of the larger financing transactions into a potential political cause celebre. U.S. exporters would give their foreign competitors another chance to snatch the sale away. Sovereign nations all over the world will not be willing to have their projects become the subject of debate and possible rejection by the legislature of another country. To avoid this prospect many deals will go directly to another industrialized country ready and anxious to supply and finance satisfactory equipment.

Eximbank participates in larger projects with its counterparts from other countries. For example there is a thermal power station in Israel with $75 million in U.S. items and $54 million from Canada, a petrochemical project in Brazil with U.S. costs of $50 million and French costs of $49.7 million, a refinery with U.S. costs of $55 million, British costs of $50 million and Canadian costs of $78 million, a power plant in Korea with U.S. costs of $68 million and British costs of $80 million. In all the cases there would be no great problem in reducing or eliminating the U.S. participation and increasing the other participation or bringing in a new participant.

Syndications of private banks frequently round out the necessary financing. If Eximbank is unable to commit firmly and promptly it will no longer be a desirable participant in these large projects.

There must be another way to provide for necessary Congressional oversight. Congress can certainly fix the objectives, the scope and the scale of Exim's operations. Eximbank will certainly follow the policies set by the Congress. This can be assured by adapting the directives now established in Exim's authorizing legislation, by broadening the scope of the report we now file twice a year on meeting credit competition and by the annual limitation on Exim's loans established by the Appropriations Committees and approved by the Congress. Congress in the revised Export Administration Act and in amendments to the Atomic Energy Act of 1954 has strengthened controls over exports of products in short supply and our transfers of technology. Eximbank does not finance anything which has not been approved for export. The bill reported out of the House Banking Committee reflecting these considerations is much to be preferred to more sweeping and cumbersome provisions which may be proposed.

In conclusion let me assure you that with the extended authority and continued flexibility requested, Eximbank's directors and staff will continue to strive diligently to implement the mandate of the Congress and to the benefit of U.S. workers, exporters, producers and consumers.

Sincerely yours,

WILLIAM J. CASEY.

Mr. Chairman, I think this letter probably more eloquently, articulately and validly expresses the position of the Export-Import Bank than I personally could do here today.

With reference, however, to the remarks of the gentleman from Georgia, I should just like to point out to my colleagues that all of the arguments they are hearing today were heard in our committee. Our committee dealt with those arguments, and I think we dealt with them in a more deliberative way than we could possibly deal with them today.

With the exception of one amendment which the committee adopted, one which I will oppose and the gentleman from Ohio (Mr. ASHLEY) will oppose, I believe the bill should pass as reported from the committee.

With regard to other remarks of the gentleman from Georgia (Mr. BLACKBURN), the gentleman knows very well that the Export-Import Bank does not finance 100 percent of the transactions it is involved in, but 30 to 45 percent of the amount of such transactions. The balance of the transaction is consummated by utilization of other commercial financial institutions at the going market rate, so that the effective rate of the total transaction with respect to the borrower or with respect to the one with whom the Export-Import Bank is dealing, the effective rate to that company or to that firm, or that transactee, if I might call it such, with the Export-Import Bank, is very close to the commercial rate in this country whereas our foreign financial institutions comparable to the Export-Import Bank are lending and involving themselves in financing up to 75 percent or even more, of the total amount of the transactions in which they engage.

As a consequence, the effective rate to those dealing with these other foreign Export-Import Bank counterparts is a much lower rate.

It was this body, about 2 years ago, at the request and urging of the gentleman from Ohio (Mr. ASHLEY) and myself, that the Export-Import Bank became more competitive in its financial and export transactions so as to help out in the balance of payments situation, because we felt the Export-Import Bank was not being as competitive as it should be with its foreign counterparts—and I think that decision was right at that time—and was passed by this body. Also what we have said in the committee report with respect to the Export-Import Bank adjusting its rates charged in accordance with the desirability of the transaction as viewed in the national interest, is appropriate. I would urge for all of the reasons that are set forth in the committee report that the bill as reported from the committee be adopted with, as I say, the exception of that one amendment which the gentleman from Ohio (Mr. ASHLEY) and I both oppose.

Mr. WIDNALL. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. ASHLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. HANNA).

Mr. HANNA. Mr. Chairman, we have heard a great deal presented here, some con, most of it pro, about this bill and the purposes which it seeks to serve. I can say to the Members that what we are talking about here is something that is very vital to the United States. That vital something is the 4 to 4½ percent of our national product which characteristically over the years has been in international trade.

Now as we have moved into a more competitive situation, it has been increasingly difficult for us to maintain that constant 4½ percent. This is the lowest by far, the lowest percentage of gross national product from any industrial country that is predicated on international trade, and the only reason we are able to keep it in that low percentage has been the vitality of our own internal economy, but that economy is beginning to be hard pressed to maintain the 96 percent of our GNP and still be able to leave us in a healthy condition in terms of our balance of trade.

I predict to the Members that there is no way that the United States of America can continue to be healthy unless we press more closely to 7 and 8 percent of our GNP as a part of international trade. If we think we can do this without the assistance of institutions, then we do not have an eye on the history of international trade as it has come about and developed in this modern time in those countries which are our competitors.

There are institutional links in other countries far stronger, far more effective than any that we have had. The United States of America, since the days of the old Yankee Clipper, felt they did not have to turn an eye to international trade and very few people were engaged in it and very few people were interested in it. Those days are coming back. The Yankee trader must arise again because without that as an ingredient of the future, the strength of the United States will wane, and I am sure that there is no Member in this House who cares to have that happen.

The bill that the committee proposes to the Members is supportive of that very important institution and tries to strengthen it in a very small and modest way, far too modest, I am afraid, because the increases that we have given the Bank will hardly cover the increases that have come about in prices, so that the volume of trade I am afraid will not advance as it should. Certainly we should do nothing—and I emphasize "nothing" to impede the operations of this Bank in trying to carry out the very important purpose to which it is dedicated.

I can understand the feelings of those who want to do something about showing concern for high interest rates. I join with them in that concern. I would like to join them in the effort, but, believe me, we cannot address ourselves to anything constructive about interest rates in the United States by trying to change the effectiveness, the competitiveness of the Export-Import Bank. The interest rates they charge are now higher than those that are available to their competitors, and we should not burden them any further than they have been willing to burden themselves.

Also, as I pointed out in the colloquy with my friend, the gentleman from Ohio (Mr. Ashley), every package in finance is a complete package, of which interest is only one of the aspects of the financial package. There will be a price that will be negotiated, give and take, depending on the interest rates that are presented. There will be carrying charges and other incidentals in that package which will increase or decrease, depending on what the interest is. Interest is only one of the components in the total financial package.

So do not think we can grab hold of this thing to any effectiveness in terms of our own views.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Michigan. I think there is one other point that should be made before we go into the amending process. I know many of the Members have some concern about international relations and our contacts and intercourse with nonmarket countries. The Bank is not the kind of institution that should be thrust into the foreign relations field in respect to some of the things Members would like to try to achieve. There have to be other instruments we use for this.

I suggest if we are interested in trade we should keep our eye on trade and not think we are not going to get a free lunch. If we put burdens on somebody else, they will put burdens on us. We in the United States cannot at this point accept any more burdens on our foreign trade. Quite the contrary, we have to do more to support it and increase it and help it.

I hope the Members will pass this bill as sent to us by the committee and turn down amendments offered by others than the committee.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Conable).

Mr. CONABLE. Mr. Chairman, in considering the measure before us here today—legislation to extend and increase authority of the Export-Import Bank—I think it is essential to look at the impact of the Bank's operations on U.S. domestic employment.

In the fiscal year just ended Eximbank supported nearly $13 billion in U.S. export sales through its insurance, guarantee, direct credit and other programs out of the $70 billion plus of U.S. exports. Although aggregate employment estimates are difficult to make, it is calculated that these exports directly supported by Eximbank's programs keep about 800,000 Americans employed.

The impact of exports is more clearly seen by specific examples—a plant in Anaheim, Calif., employing 9,000 people exports 16 percent of its production. A producer of printing presses and machinery in Rhode Island has 900 employees and exports 50 percent of its output. Time precludes my extending this list of examples, but I can safely say that the cases I have cited have counterparts in virtually every part of the United States.

Few Americans seem to realize the extent to which exports do create jobs. Many persons who actually are producing for export do not even know it. For example, those making component parts for equipment to be assembled elsewhere may have no way of knowing the final destination of their product. The same holds true for farmers. Grain producers of the Middle West have only recently become fully aware of the effect that foreign sales can have on their well-being.

The exporting family also includes countless thousands working on the periphery of export production, such as those providing community services at export-impacted plant locations. It also includes transport companies which move exports; banks, insurance companies, and other professional firms which service exports; and even the merchants in communities where exports help meet local payrolls.

Some of the largest manufacturing plants in the United States, such as producers of farm machinery, locomotive parts, steel mill and refinery equipment, ship from 20 to 40 percent, and in a few cases even more, of their entire output to foreign customers.

In short, the relationship of exports to employment is a more pervasive and complex one than often is appreciated.

A basic requirement of exporting is credit financing. In the money crunch caused by inflated prices generally, and by the heavy diversion of the world's currency reserves to pay quadrupled oil prices, credit has become the controlling factor in more and more export transactions. The pay-as-you-earn incentive provided much of the thrust to the recent boom in world trade, and is now intensified by prevailing tight money conditions.

There is another source of heavy demand on credit. In order to offset the higher cost of oil imports all industrialized nations are competing harder for export business. This is often done through official export agencies which support the credit needs of their countries' exporters. In this competition, the United States has its Export-Import Bank; but unlike many foreign counterparts, Eximbank operates on a self-supporting, self-financing basis, paying its way through its interest, fee, and other earnings. The Bank requires no year-by-year appropriations of taxpayers' money.

Despite its contribution to exports—and through these to employment—Eximbank has been criticized by those who fear that when it finances the export of productive American equipment the Bank is exporting American jobs.

In the first place only a limited number of Eximbank transactions involve exports of goods that contribute directly to productive capacity. Most Eximbank-supported exports are for projects such as powerplants or communications networks, or involve products such as earth-moving equipment, locomotives, trucks, and so forth, which are not exported from the purchasing country. Another large share includes products which at most can have only a marginal competitive impact on U.S. jobs. The remainder—which over the past 3½ years has accounted for only 12 percent of Eximbank authorizations—did involve equipment exports used to increase productive capacity in foreign countries.

The Eximbank analyzed 57 loans authorized in 1973 which financed exports of productive equipment and found that many of these transactions involved such installations as cement plants and fertilizer plants where the resulting foreign production would neither displace existing U.S. exports to the purchasing country nor compete with U.S. exports in any third-country market. Moreover, it was found that the buyers could have obtained technology equivalent to ours for their particular purposes from competitors in other countries.

There were some cases where it would be difficult to prove that none of the production would ever come back to the United States, or that none of it would displace or compete with future U.S. exports. But Eximbank did find, in every such case, that European and Japanese manufacturers were ready and able to provide competitive equipment on competitive terms that could have been used effectively to get the purchaser's local labor and materials into production. The equipment business would have gone somewhere else and the impact on the United States would, if anything, be compounded by the loss of the initial export sale too.

I believe that exports are important to employment here at home and that the Export-Import Bank plays a critical role in maintaining and expanding U.S. exports and thus contributes to employment.

I ure support of Eximbank and passage of H.R. 15977.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Roncallo).

Mr. RONCALLO of New York. Mr. Chairman, I support this bill. I would like to be associated with the words of the gentleman from California (Mr. Hanna).

Mr. ANDERSON of California. Mr.

Chairman, I rise in support of this vital piece of legislation which extends and modifies the authority of the Export-Import Bank for 4 years.

Since its creation in 1945, this self-sustaining institution has made vast contributions to the American economy. By following a policy to foster the expansion of U.S. goods and services, Eximbank has significantly contributed to the promotion and maintenance of a high level of employment while facilitating trade between the United States and foreign countries.

In 1974, Eximbank supported nearly $13 billion of U.S. export sales, sustained nearly 800,000 full-time jobs, and earned for the U.S. taxpayers $50 million in dividends for the U.S. Treasury.

In California, international trade represents one of our most dynamic growth sectors. The projected $8.4 billion in foreign sales in 1974 will account for the employment of nearly 7 percent of California's labor force.

Mr. Chairman, it is essential to California and to the Nation to maintain the important international trade segment of our economy. Therefore, we must provide the necessary incentive to keep our U.S. products competitive on the world market. A strong, flexible Export-Import Bank is critical to the success of U.S. exporting efforts.

May I urge my colleagues to join me in voting for this timely piece of legislation.

Mr. ZABLOCKI. Mr. Chairman, I rise to speak in favor of the Export-Import Bank and the bill which has been introduced to extend its life and increase its lending authority. Throughout its 40-year existence, Eximbank has made a significant contribution to the U.S. economy by supporting over $76 billion in U.S. export sales to foreign countries. These exports have resulted in jobs for U.S. workers, have produced revenues for all levels of Government, and have enabled us to earn the foreign exchange required to pay for needed imports. Eximbank has thereby contributed to the high standard of living we enjoy in this country and has assisted in maintaining the strength of our industrial sector in the world economy.

Eximbank has accomplished these achievements without expending taxpayers' funds and with an excellent repayment record on its loans. The Bank was funded originally with a $1 billion capital investment from the Treasury. Over $900 million in dividends has now been paid to the Treasury out of the Bank's profits. Over the years, Eximbank has lost only 2 cents on every $100 of loans. This record is far better than the bad debt ratios of large U.S. commercial banks and is a reflection of the sound banking practices followed by the Bank's Directors.

An issue relating to congressional control will be raised by the amendment introduced by the gentleman from Missouri (Mr. ICHORD). I particularly want to express my views on this provision to impose prior congressional approval or disapproval of individual Eximbank loan transactions. Congress already exercises control over Eximbank's activities through the annual review of all operations conducted by the Appropriations Committees of both Houses and through periodic reviews of the Bank's charter such as we are currently undertaking. Neither we as individual Congressmen nor our staffs have the necessary time or the technical banking expertise to determine whether a particular project is financially, economically, and technically sound. Congress should set the policy limitations on loans, and leave individual loan decisions to the Bank's Board of Directors who are charged with the responsibility for making this type of examination and decision.

I am particularly concerned about the foreign relations aspects of granting the Congress the authority to approve or disapprove individual transactions. The congressional debate of an important loan to a foreign country and the possibility of rejection could strain our relations with that country. The uncertainty of an individual Eximbank loan could cause the project to be snatched by a foreign competitor ready and anxious to supply and finance satisfactory equipment. No other industrial country requires legislative review of individual export transactions.

By imposing such a requirement on Eximbank, we would be placing our exporters at a serious disadvantage vis-a-vis their competitors. We would be jeopardizing important export sales into which American firms may have put months, even years of effort as well as substantial sums of money to prepare a successful bid. We could be unknowingly damaging intergovernmental relationships.

Further, Mr. Chairman, we would be severely constraining the ability of the Eximbank to participate with its counter parts in other countries in large scale projects, such as thermal power stations and petrochemical complexes; projects, which frequently require the financial participation of financial institutions, private and government, of a number of countries. If the Bank were not able to commit firmly and promptly, U.S. participation in these multi-country projects would become far less possible.

What purpose, then, would a congressional veto serve? I believe that banking decisions should be left to Eximbank's Board of Directors and we should restrict our oversight of Eximbank's activities to the traditional and existing channels. Eximbank has served the American people well in the past and we should continue to give it the flexibility to perform effectively in the future.

I strongly urge my colleagues to vote against the amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export-Import Bank Act of 1945 (12 U.S.C. 635 and following) is amended as follows:

(a) Section 2(a)(1) of such Act is amended by inserting in the third sentence immediately after the words "other evidences of indebtedness;" the words "to insure, coinsure, and reinsure;".

(b) Section 2(a)(1) of such Act is further amended by inserting immediately after the word "Government." the following new sentence: "The Bank is authorized to publish or arrange for the publication of any documents, reports, contracts, or other material necessary in connection with or in furtherance of its objects and purposes without regard to the provisions of section 87 of the Act of January 12, 1895 (28 Stat. 622), and section 11 of the Act of March 1, 1919 (40 Stat. 1270; 44 U.S.C. 501)."

(c) The third sentence of section 2(a)(1) of such Act is amended by inserting "to retain legal counsel to represent it in any legal or arbitral proceeding in any foreign country;" immediately after "jurisdiction;".

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, strike out lines 7 through 9 and insert in lieu thereof the following: section 501 of title 44 of the United States Code."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 13, insert a semicolon after "jurisdiction" and before the quotation marks.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the third committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, immediately following line 13, insert the following new subsection:

(d) Section 2(a)(2) of such Act is repealed. Section 2(a)(1) is amended by striking out "(1)".

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. CONTE. Will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I rise in support of this bill to extend the life of the Export-Import Bank. I believe that it is essential to the economy of our country, and particularly to the position of the United States in the world economy, that we extend the authorization for the Eximbank.

Eximbank is not a burden on the American taxpayer. It is a self-sustaining, profitmaking organization. Over the span of the Bank's life, it has paid dividends totalling some $856 million into the U.S. Treasury.

Some critics of the Bank say that it gives an unfair subsidy to participating companies, by loaning money at rates below what most lenders will offer. To that charge, I say that all a company has to do is look overseas for its materials and equipment, and it will find a host of other countries eager to offer subsidized interest rates for imported goods. The Eximbank is making American goods competitive with goods manufactured overseas, thus contributing to our balance of trade and also helping our economy by stimulating American exports.

In fiscal year 1974, Eximbank supported nearly $13 billion of U.S. export sales which sustain nearly 800,000 full-time U.S. jobs and produce subcontractor and supplier orders in all parts of the country. The program of the Eximbank is especially valuable to the small business, a special interest of mine as ranking Republican on the Select Committee on Small business. By their nature, the terms and conditions of the medium-term guarantee, insurance, and relending programs of the Eximbank are especially attractive to the smaller businesses of this country.

These small businesses are able to compete in international markets only because of the Eximbank. Of course the giants like United States Steel and Westinghouse can go into the private credit markets to finance their exports.

But the small businesses in my district, like the Clark Aiken Co. of Lee, the Hunter Machine Co., of North Adams, the Kidder Stacy Co., of Agawam, the Lenox Machine Co., and Worthington, CEI, Inc., of West Springfield, simply do not have the resources to compete internationally against the foreign-subsidized giants. All of the companies which I have mentioned are able to participate in world trade through Eximbank financing, thereby contributing to employment and the economic life of that part of Massachusetts, about 95 percent of American business is classified as small business. I believe that it is vital to continue subsidized exports through the Eximbank to maintain the competitive quality of American, and particularly small business exports on the world market.

The Eximbank also contributes favorably to our balance-of-trade position. Especially now, when we are paying through the nose for our petroleum imports, we should support the efforts of the Eximbank to mitigate the adverse impact on our trade account of the increased expenditures for petroleum imports.

Mr. ASHLEY. Mr. Chairman, the issue raised by this committee amendment is whether there is presently a justification for including the Export-Import Bank's operation in the unified budget. Let me emphasize that the bill is currently excluded from the budget under a law which we enacted in 1971. That action was taken by a lopsided vote after thorough hearings and deliberations by the Subcommittee on International Trade of the Committee on Banking and Currency and both bodies of the Congress. We again acted to exclude the Bank's operations from the unified budget just over a month ago when the Congressional Budget and Impoundment Act was debated and acted upon.

At that time we focused on whether some six off-budget agencies, including the Eximbank, should be included in the budget. The conferees determined that such action should not be taken until further study of the matter. Section 606 of the Budget Act is very specific on this point. It states:

> The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis those provisions of law which exempt agencies of the Federal Government, or any of their activities or outlays, from inclusion in the Budget of the United States Government transmitted by the President under Section 201 of the Budget and Accounting Act, 1921. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.

Inasmuch as, Mr. Chairman, we have established by very recent action of budget committees on both sides of Congress, in view of this language it would certainly strike me that these budget committees should be allowed to carry out their mandate to study and report back to the Congress whether or not these off-budget agencies should or should not be included in the budget.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Missouri.

Mr. BOLLING. I would like to strongly endorse the statements of the gentleman from Ohio. As the gentleman from Ohio may remember, we worked on that Budget and Impoundment Control bill. The provision he just read is a key element in the ability of the conferees to be unanimous. I think it is terribly important that the Budget Committee be allowed in this case, as in the other cases, to look into all the various areas and ramifications involved in shifting in a quixotic fashion one item or another of the six from off-budget to on-budget. It seems to me very important that the gentleman's position prevails.

Mr. ASHLEY. I certainly thank the gentleman from Missouri for his important contribution.

Mr. Chairman, it is being suggested that the Treasury Department now supports the view that the transactions of the Bank should be a part of the unified budget. This manifestly is contrary to the fact. Secretary Simon as recently as this morning has stated unequivocally that it is his view that the language of the Budget Act should be followed and that the Bank's operations should be excluded pending further study and recommendation by the House and the Senate Budget Committees.

Let me make several additional points, Mr. Chairman. First of all, to place the bank within the budget under current budgetary accounting procedures would mislead the American public and the Congress by impacting the budget with a deficit of approximately $1.5 billion annually, even though the Bank makes no use whatever of appropriated funds.

The reason for this is that disbursements by the Bank pursuant to loan agreements would be treated the same way as expenditures of appropriated funds, but would not be offset by either the promissory notes which the Bank receives from its borrowers—and which past experience shows are collectible assets—or by receipt of the funds obtained by the Bank from the sale of its debentures in private money markets. This would result in pressures on the Bank to reduce its operations in the real world of international trade so that the unreal deficit could be diminished, which simply makes no sense.

Finally, Mr. Chairman, the sponsor of the committee amendment, the gentleman from Wisconsin (Mr. REUSS) bases part of his argument for inclusion of the Bank on the assertion that "the Eximbank is a creature of Congress which has operated outside the surveillance of Congress."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. ASHLEY was allowed to proceed for an additional 2 minutes.)

Mr. ASHLEY. Again, Mr. Chairman, this is manifestly contrary to fact. Specific annual authorizations and expense ceilings are recommended each year by the Appropriations Committees of both Houses and acted upon by Congress in the Foreign Assistance and Related Programs Appropriations Act.

After the action by Congress in the Foreign Assistance and Related Programs Appropriation Act, an estimate of the impact on the budget if the Export-Import Bank were to be included was made available to the committee members at that time. We also know that overall limitation on the Bank's activities are recommended by the Banking Committees of both Houses and approved by the Congress in the Bank's enabling legislation. Obviously, this provides considerable opportunity for additional oversight review.

It should be pointed out, too, that annually the bank justifies required activity levels for the fiscal year to the Office of Management and Budget and to the Congress. These levels are part of the Bank's annual budget. They are printed in the budget of the U.S. Government, and—in accordance with the provisions of the Government Corporation Control Act—the President transmits each year to the Congress the budget for program activities and administrative expenses of the Bank.

So, perfectly clearly, Mr. Chairman, there can be no argument that inclusion of the Bank in the budget is needed in order to accommodate perfectly legitimate, well nigh, congressional oversight. This manifestly is not the situation, and it is not needed.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to my colleague from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, the gentleman referred to the fact that the last time this came before the committee was July 8, 1971. I wish to point out to the membership present that this Bank was removed from the budget by a 249 to 112 vote.

Further, if the gentleman will yield further, it is significant that just a couple of minutes ago, we heard from our former minority leader, who in 1971 spoke strongly to remove the Bank from the budget.

In that respect, he simply said:

> Mr. GERALD R. FORD. I happened to be on the subcommittee of the Committee on Appropriations for a number of years that had jurisdiction over the Export-Import Bank's budget. At that time we did not have the unified budget. That subcommittee regularly reviewed the Export-Import Bank operations. For an experimental reason we put the Export-Import Bank operations under the unified budget. I have not seen the Export-Import Bank improve its operations because it has been under the unified budget. As a matter of fact it has been handicapped in the functioning and the responsibility of the Export-Import Bank because it has been forced to operate under the unified budget. Let us go back to the way we had it when it operated well and where I think it can operate better in the future than it has in the last 2 or 3 years.

Mr. ASHLEY. Mr. Chairman, I think the gentleman raises a good point. If the minority leader felt about the issue as he did at that time, I can only observe that his presence a few minutes ago as President might well suggest that he feels the same about it today.

Mr. ICHORD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-seven Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and four Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

Mr. REUSS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment that is in the bill now. An effort is being made to strike it out. The bill puts the Export-Import Bank back in the budget where it ought to be. From the beginning of time, back in the 1930's, until 1971, the Export-Import Bank was in the budget, and Congress very properly exerted annual control over it.

Then with, I have to confess, myself voting for it; we voted in 1971 to take it out of the budget. What happened? The Export-Import Bank's lending immediately jumped by $5 billion in the first year; it doubled over what it had been in 1970, or tripled over what it had been in 1969.

What are some of the export transactions that have been made under unsupervised Export-Import Bank subsidization.

One category has been that of scarce materials. Cotton goods which we need in this country have been shipped under Export-Import Bank subsidized 5- and 6-percent loans to countries like Japan, which do not need subsidies. Oil drilling equipment, which is terribly short in this country, almost unavailable in Texas, Oklahoma, and elsewhere where it is needed, has been shipped over to oil-rich Iran at 7-percent interest rates, so that they can dig more oil not to ship to us.

What is wrong with our housing industry? The housing industry is flat on its back because no credit is available to it. Where is the credit going? Much of it is unnecessary in financing such countries as West Germany, France, Japan, which are all overflowing with reserves and do not need it.

What about jobs? Suppose you work for Pan-Am, or TWA, or Northwest Airlines, and you are a stewardess, or a pilot, or a maintenance worker, and you find that the Export-Import Bank has been financing the sale of U.S. wide-body jets, unique in the world—there is no competitor to them—to Lufthansa or Japan Air Lines, or Air France in France, at 6- and 7-percent interest rates, but the American companies, such as Pan-Am, have to pay the going rate of 12 or 13 percent interest on their loans on such planes. Naturally those companies are in trouble, and jobs are jeopardized.

All we ask is that Export-Import Bank be put back in the budget. It will cause no embarrassment, but it will give the appropriate committees an opportunity to look over their activities year after year instead of giving them, as we are, if this clause is stricken from the bill, a free ride for 4 years without the necessity of coming under annual scrutiny as to what they are doing, and on how much their expenditures take out of the total spending budget.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, as I am sure the gentleman in the well will recall that I supported his position in the committee. Subsequently I had been named to the House Budget Committee. The question has come up on whether or not we ought to take this kind of action prior to the time the House Budget Committee is really fully operative.

Would the gentleman respond to a situation which poses a dilemma for me right now?

Mr. REUSS. I hope what I am about to say will enable the distinguished gentleman from Maryland, who was my candidate for the Budget Committee, and of whom I expect great things, and the gentleman from Ohio, Mr. ASHLEY, who seems to be in a dubious frame of mind about the committee bill, and of whom I expect great things as well, as two new budgeteers to let the House work its will today.

Let us put the Export-Import Bank back in the budget, and if the Budget Committee, in its wisdom, as it gets along with its job in the years to come, feels that there is any reason to take it out and blindfold ourselves, come before us, give us the arguments, and we will listen to them carefully. We will weigh their arguments, and I hope reject them.

Mr. MITCHELL of Maryland. I thank the gentleman for his comments.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the committee amendment.

Mr. Chairman, as has been said, the House voted by a 2-to-1 majority to take the Export-Import Bank out of the budget in 1971. Currently our Budget Committee, our fledgling Budget Committee, is supposed to be charged with determining whether it belongs in or belongs out. I think that the committee acted unwisely in accepting the Reuss amendment, and it did so, I think this committee should be advised, by a very narrow vote, I think, of 17 to 15 in the committee.

The effect of this amendment, if it becomes law, will be to impact the Federal budget with about $1½ billion annual deficit. Let me say right now that that deficit does not require one nickel of Federal appropriations, so what we will have is some kind of a bogus deficit that we will be working against.

It is my hope, and the hope of many people in this Congress, that we are eventually going to balance the budget. It is my hope and my personal intention that that occur not later than the next fiscal year. If we are going to have to attack straw figures in the budget such as will be included if we accept the Eximbank back into the budget, that cause of budget balancing will be hopeless, and the spenders will have won their argument because they will say it is impossible to balance the budget. Give us a chance to balance that budget, and defeat the committee amendment.

Mr. HANNA. Mr. Chairman, move to strike the requisite number of words and I rise in opposition to the committee amendment.

Mr. Chairman, I only want to point out that there is a possibility that the Members might be misled by the eloquence of the presentation of my good friend, the gentleman from Wisconsin, but the truth of the matter here is that we are talking about an institution in which the United States has made an investment. That investment has run along without any servicing. The Bank has been making money. It has been a good investment. It has returned 5 percent on the investment.

Somebody raised the question that we ought to look at that with horror. I hope that gentleman has some of the stock that has been in my portfolio. I should ceiving 5 percent from all of my invest- have been delighted to have been re- ments. I think we need to realize that that is what we are talking about here. Why should we carry the profitable loan portfolio of the Bank in our budget?

Are we now blindfolded? That is the second question. How many of us have felt blindfolded since 1971?

We have the annual report of the Bank in the report that the President submitted to Congress. Let me remind the Members that a specific annual authorization and ceiling has been recommended each year by the Committee on Appropriations of both the House and the Senate, acted upon by the Congress in the Foreign Assistance and Related Program Appropriation Act. That is still active, so what are we talking about here?

We can look over any part of the operation in the report and we have control over the operation and expenses, over the management expenses of the Bank. It is a good, sound investment, and a healthy institution. We made a good judgment when we took it out of the budget. Let us stay with that sound judgment.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

There are a few things that I think need to be pointed out. First of all, the vote in the committee was 17 to 15. I very actively oppose this amendment, and I was one of those who was not there to oppose it in committee and I am sure there were others like me who were not there or this issue would not be facing us this afternoon.

I would seek the forgiveness of my colleagues that this situation has occurred and I can only say in my defense that I was in another committee when the vote was taken on this question.

The second thing to consider is who is supporting this amendment other than the gentleman from Wisconsin? Do the Appropriations Committee members support it? Do we hear them say, "Yes, we want to bring this into the budget?" No, to the contrary. If there is any Appropriations Committee feeling toward this amendment, I think it probably is we should abide by the Budget Committee's determination and withhold the movement of any of these entities that are outside the budget until they can all be considered under the Budget Control Act.

The gentleman from Ohio (Mr. ASHLEY) referred to that earlier.

Then third, I think it should be pointed out, as it has been by the gentleman from Ohio and the gentleman from California, that the Eximbank's loan commitments are committed during a fiscal year and are within limits approved by the Office of Management and Budget and Congress. But the disbursements of loans are often made several years later. Once the Export-Import Bank makes a loan commitment, it must honor that commitment by making disbursements to U.S. exporters when they ship the goods abroad. If the Export-Import Bank loan disbursements are treated as budgetary expenditures, the budgetary requirements would impose restraints upon commitments legally entered into years previously.

I think that the arguments in support of the committee amendment are weak, it should never have been adopted in the first place in the committee, and I am sure it will not be adopted now.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I am very pleased to see the gentleman brought out the problem of forward loan commitments. Many of these Export-Import Bank loans are very complicated packages dealing with 5 or 10 manufacturers for a specific project overseas. Some of these projects for example could take 5 to 10 years and, therefore, we would have a very complicated series of disbursements over the life of the loans. If we get into the budget we will have a jam up on a loan-by-loan yearly budgetary squeeze and we can find many of these projects would be jeopardized.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for his comments.

I think there is not an exporter or businessman around or a member of a labor organization that does not recognize the importance of the Export-Import Bank to the economy of this country. I do not think we want to put that Bank that does so much for the economy of this country into an on-again, off-again basis as might be the case if it were subjected to the budget constraints the amendment calls for.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, in order that there can be no misunderstanding, we have received correspondence from the A.F. of L. this morning saying they are in support of the amendment offered by the gentleman from Wisconsin (Mr. REUSS) and they say very specifically the least we can do is we should keep the Bank in the budget.

Those loans should be made with the needs of America in mind and we should not play favorites and that should be forbidden.

The gentleman is suggesting they take the opposite view. So let us let the RECORD show organized labor is in favor of the amendment.

Mr. BROWN of Michigan. If the gentleman will let me be heard, I suggested they support the Export-Import Bank and its activities. I said it should not be an on-again, off-again basis as it might be under the budget. I did not say the A.F. of L. or any other organization was supporting the defeat of the Reuss amendment. That was not my suggestion.

Mr. DENT. I thank the gentleman.

Mr. BROWN of Michigan. The gentleman knows or should know I take the position that the position he has cited on behalf of labor is not a correct position.

I think the gentleman has stated the position of organized labor with respect to the Reuss amendment and I trust he will be able to garner some, but few, votes for it.

Mr. DENT. The statement the gentleman just made, we find little in the Eximbank to deserve its continued support, despite the rhetoric of the Eximbank. There is little there that we can be proud of.

Let me quote the rest of his letter:

> Specifically, we urge the rejection of an amendment that will take the Exim Bank out of the budget processes of the federal government. The special exclusion of the bank in the past has served to isolate it from the oversight operations of Congress. Certainly any low-interest rate, multi-billion dollar lending operation deserves close annual scrutiny in the budget.
>
> The U.S. Treasury in a recently disclosed study declared that the loans for U.S. commercial jet aircraft failed to increase exports and have not helped employment in the U.S. aircraft industry. In fact, they hurt the U.S. balance of payments. The Treasury termed these loans a needless subsidy. To extend the same loan provisions to U.S. airlines would only compound the disaster. Foreign purchasers of U.S.-made aircraft can well afford the commercial borrowing rate. The amendment should be defeated and the Exim Bank should be required to refer foreign aircraft purchasers to normal commercial lending channels.
>
> Overall, we find little in the Exim Bank to deserve its continued support. Despite the rhetoric of the Exim Bank representatives and that of the multinational firms, who have little stake in this nation, American workers are not benefiting from the Exim Bank's lending policies.
>
> Therefore, at least, the Bank should be kept in the budget; its loans be made with the needs of America in mind, and loan favoritism to all airlines should be forbidden.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I seem to note that a great many comments have been made about keeping the Eximbank in the budget. Very clearly, the Eximbank is not in the budget, we removed it in 1971. I really am somewhat surprised when my colleague and close friend, the gentleman from Wisconsin, in 1971 stated that he thought we should remove it from the budget and that he would vote for this because exports were extremely necessary.

Well, I would suggest that today exports are probably far more necessary with the dollar problems we have and with the petroleum dollar problem we are going to have in the future.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I would be delighted to yield.

Mr. REUSS. Something important has happened since 1971 and that was the fact that since March 1973, the dollar has floated. Therefore, the mad drive we all had on the dollar, including the gentleman from Wisconsin, for more exports has subsided. Now we have to consider the balance of benefits and that is why the change and I would hope others would see it.

Mr. McKINNEY. I would suggest that the mad drive we had for dollars in those days is nothing compared to the mad drive that we will have to offset the billions, probably over $500 billion, that we will be pouring out of this country and

Eurodollar pouring out of Western Europe to buy the petroleum to make our industries go.

But, members of the committee, I would like to say, there have been so many misconceptions expressed about the Eximbank that I question whether I have enough understanding of the English language or that I know what the people have been talking about in this House. We have heard statements such as the Eximbank spends billions and takes back peanuts. I have been in the legislature on the State level and I know about this governmental concept.

I suggest the Eximbank has developed an earning power which is close to a $100 million a year and I suggest President Ford and the Congress would not be confronted with the diabolical mess we have with inflation if the rest of our governmental agencies were even breaking even.

Then; I am told there is no control on the part of Congress. The annual budget message is printed in the RECORD and transmitted by the President to the Congress every year. The budget administrative program is separated, so we can clearly tell what it is doing with its money and that it is not running away with the taxpayers' dollars. Specific annual authorization ceilings are needed and given by the Congress so the bank can operate. Overall limitations are put on the various operations.

Now, the other story I hear is that the Bank has made 5-percent loans to Iran to give them oil drilling equipment. If somebody will give me proof in writing and prove they have done that, then I will accept it; but they have not done it.

Then we hear that in the last year we have been giving 5-percent loans to the Iron Curtain countries. The real fact is that the average rate is 8½ percent.

We know the Bank is the one hope we have when it comes to competing in equipment and goods that the rest of the world has to sell.

We had a debate on the floor of this House not too long ago where we said we are ging to limit the sale of atomic powerplants and yet we are going to be the only people that limit their sale with sanctions; we require safeguards, whereas France, England and probably India would be delighted to let them go at any terms.

There are a great many nations that make trucks that would like to sell them. There are a great many nations that make locomotives that would like to sell them. There are a great many nations that make planes and would like to sell, in particular the A–300 British-French air bus consortium is going to give us a real run for our money.

If we do not have the weapon of credit, the very original idea of the dynamic American market in our country; if we do not have that weapon of credit to deal with the rest of the world, we are going to reduce those markets and reduce our balance of trade. Quite frankly, I think we will go down the tube, because we have got to maintain the balance of payments if we are going to be a valid world power.

Mr. DENT. Mr. Chairman, I move to strike the necessary number of words.

My fellow Members, one of the great advantages of forcing the Bank through the budgetary system would be to give us somewhere near a reliable report. I have never seen one report which coincides with another report on the loans, terms, dates or anything else.

Let us take the Kama River Plant. On March 1973, it is listed as having a U.S. contract value of 342 millions of dollars, with the Eximbank loan participation of $153,950,000. Now, we just go to the next report from the Eximbank—and no report from subcommittees, oversight committees or anything else to the contrary—and now we find the Kama River Plant on March 21, 1973, 15 days later, the loan value is $86 million and the export sale is $225 million.

The truth of the matter is that for the first time, in violation of every concept of the Eximbank, the first time we were forced to put the money that we loaned into the Amtorg Bank, the Russian central bank, rather than in the hands of the depository in the United States to pay the American producers of the goods and products we shipped over to Russia. We have had to put the money in their central bank.

Again, we know it is a violation of the act for the Eximbank to finance purchase of domestic labor or domestic properties or line sites.

Yet, what have we done in Yugoslavia? In Yugoslavia, in a steel mill we will hear more about as it comes on line, with its products flowing into the United States because they will be able to get that hated word "chrome," where we will not, we have financed site location plant preparation and the wages of Yugoslav labor.

This Eximbank was organized in the fall of 1934, effective in 1935. It was organized for one specific purpose only. It was organized to take advantage of a then détente—which we call détente today—but it was a Bill Bullitt springboard into Russian goodwill. We decided to let this country finance for the foreign exchange starved Russian country—to finance for them exactly what we financed for the whole world.

That was under a Democratic administration. It took 40 years and a Republican administration to make the very first loan under that particular law to Russia. There is some suspicion that these loans are illegal. They say to me, "We do not loan any money to Russia, do we?"

I know we get a report. If it went through the budget, we would know—we would know that we have authorized equipment for a great iron foundry. American participation is the total, $30 million.

Take dry manufacturing equipment, $1,261,000. Then take the tableware and dishware plant. Where do the Members think that tableware is going to end up, on the tables of the GI's in the United States?

It is $6,893,000. There is not one tableware plant in the United States, and all the tableware plants in the United States put together have not been able to expand or to update their manufacturing processes to the tune of one-third of that amount of money in the last 20 years.

Surely, I am interested, and I have an amendment coming up. What am I interested in? I am not interested in closing the borders of the United States to competition. However, I am interested in closing the borders to that kind of competition that steals American jobs.

Mr. BLACKBURN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

Mr. Chairman, and Members of the Committee, what we are really discussing here is the question of whether or not Government involvement in the economy should be reflected in the budget.

If we appropriate money for the Eximbank, the Treasury would obviously have to go out and borrow the money because there are no surplus funds available for the Treasury to donate to the Eximbank.

What we are really wrestling with now is the question of whether or not we are going to be honest as to the true impact Government borrowing is having on our domestic capital markets. The truth of the mater is that the Eximbank is an agency of the Federal Government. No one argues that it is not. It is a basic fact that it issues debt obligations on the open market.

When constituents, whether they be businessmen or whether they be homeowners, go out to borrow money for their homes or for the building of their factories or the improvement of their plants, they have to compete with the full faith and credit of the U.S. Treasury.

If we are going to send a Federal instrumentality out into the capital markets to borrow money, no matter for what purpose, whether it be for homes or what have you, it should be responsive to the U.S. Congress. The committee amendment makes it responsive and responsible to the U.S. Congress by making its borrowings a part of the Federal budget.

We are just deluding ourselves when we say it should not be a part of the Federal budget. If we are assuming the obligation of underwriting all of the borrowings of this organization, why should we not also exercise realistic control over those borrowings?

Members of the House, we have heard many, many times the cry to bring our Federal budget under control and about the backdoor spending programs that we have created over the years that put many, many areas of our Federal budget out of our real control.

Whom are we kidding when we say that these borrowings really do not have any impact on our capital markets or interest rates at home? We are kidding only ourselves, and we are trying to kid the American taxpayers. We may succeed in deluding ourselves, but I can assure the Members that the homeowners and home buyers of America and the businessmen of America recognize that they have unfair competition from a Federal agency.

I think it is only reasonable that we bring that agency under control of the budget so that we can respond to our constituencies when they ask how that bank is operating and for what purposes its money is being loaned.

More importantly, we should be honest by remembering that that Bank's operations have an impact on our Federal obligations by reason of our borrowings and through the capital markets.

Mr. Chairman, I would urge an acceptance of the committee amendment.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I will be happy to yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I want to concur with and join in the remarks of the distinguished gentleman from Georgia. I support the language in the bill committee.

I think the borrowing of the Eximbank have a direct effect on everyone's interest rate throughout this country, and the borrowings of the Eximbank have a direct effect on inflation.

I think the contingent liabilities of this country are out of control, and I think they have to be monitored. The only way they can be monitored is to subject the banks to the regular budget process, and I certainly hope the committee language will be sustained.

Mr. BLACKBURN. Mr. Chairman, I thank the gentleman for his remarks.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Iowa.

Mr. GROSS. I associate myself with the gentleman's remarks. I see no reason why there should not be some budgetary control of this operation.

Mr. BLACKBURN. What is really happening here is that we are being asked to admit that we made a mistake in 1971. Surely; I am not afraid to make that admission, and I urge my colleagues to make the same admission.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the committee amendment.

Mr. Chairman, I rise in opposition to efforts by this committee to include the activities of the Export-Import Bank in the Federal budget. I believe that such an inclusion would be both unwise and unwarranted at this time.

In 1971, Congress removed Eximbank from the budget by an overwhelming vote because the Bank does not use appropriated funds. Furthermore, the expenditures of the Eximbank result in and are offset by obligations payable to the bank—assets which have been proven over the years to be 99.98 percent collectable. Eximbank not only operates without appropriated funds, but has in fact paid a total of $906 million in dividends to the U.S. Treasury. To place Eximbank within the budget under current budgetary acounting procedures misleads the American public by attributing to the budget a deficit of approximately $1.5 billion annually, even though no appropriated funds are used.

Mr. Chairman, during the recent hearings of the respective Banking Committees on this bill, there was no study or investigation of the impact or ramifications of placing Eximbank back into the budget. I believe that to do so now would be precipitous action at its worst.

If the Bank were put back into the budget, it would be forced to raise funds by selling assets in the private market. Past experience would indicate that this would cost the Government from 1 to 2 percent more in interest costs than is incurred through direct borrowings.

The fact that Eximbank is outside of the budget in no way weakens congressional control over the level of Eximbank's activities. Specific annual authorizations and expense ceilings are recommended each year by the Appropriations Committees of both Houses and acted on by Congress in the Foreign Assistance and Related Programs Appropriations Act.

Mr. Chairman, I have sat on the Subcommittee of Appropriations for Foreign Operations for 16 years, save 2. We have had the Eximbank before us, and we have asked them questions. We have them there all day long. I am sure those hearings will be open, and that the gentleman from Louisiana (Mr. PASSMAN), will allow any Member of the Congress to come in and sit in those hearings and ask any questions of the Eximbank.

Mr. Chairman, the overall limitations on the Bank's activities during its statutory life are recommended by the Banking Committees of both Houses and approved by the Congress in the banks enabling legislation.

Perhaps the strongest reason for keeping the Bank out of the budget at this time is that the Budget Committee which has just recently been formed is about to undertake a full evaluation of the many issues and considerations which surround this matter. I believe that we should wait until the Budget Committee has completed its study and presented its recommendations on this matter before taking action on this matter.

One of the reasons we formed the Budget Committee was that our usual piecemeal approach to budgeting and appropriations resulted in excessive spending. I think that we should recognize that adoption of the committee amendment to return the Eximbank to the budget is exactly that sort of piecemeal action which we were trying to forestall.

I urge that Eximbank be kept out of the budget and this committee amendment defeated.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I wish to join with the gentleman in expressing opposition to this amendment. I have great respect for both the gentleman who is its author and his expertise in this area of international finance. However, it seems to me that he ignores completely the distorting impact that the inclusion of the operations of the bank in the annual Federal budget would have; that that budget would then in effect reflect an additional $1½ billion deficit in the Federal budget, ignoring completely the fact that those expenditures are going to be, as the gentleman just suggested, collectible over a period of years to the tune of better than 99.98 percent.

So it is not really budget reform or budget control at all; it is budget distortion.

At least as the gentleman has said, let us wait until we have had the recommendations of our own Budget Committee before we rush into the adoption of an amendment which does not, as I understand it, even have the benefit of hearings within the House Committee on Banking and Currency.

I join the gentleman in opposition to the amendment.

Mr. ASHLEY. Mr. Chairman, I wonder if we can get some idea as to a limitation of time.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair will recognize all Members who were standing at the time the motion was agreed to for three-quarters of a minute each.

The Chair recognizes the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, I rise in support of the committee amendment. I would like to say that this situation is very similar to the one we had with OPIC, the Overseas Private Investment Corporation, which is considered under the budget.

There is no reason why the Export-Import Bank does not belong in the same category.

Mr. Chairman, I ask unanimous consent that I be permitted to yield the balance of my time to the gentleman from Wisconsin (Mr. REUSS).

The CHAIRMAN. The Chair will state that the time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Iowa (Mr. GROSS).

(By unanimous consent, Mr. GROSS yielded his time to Mr. ROUSSELOT).

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I just want to comment on the statement made by my good colleague, the gentleman from Massachusetts (Mr. CONTE). Actually if we reject the committee amendment it will accomplish exactly the opposite. The committee amendment will prevent a piecemeal approach to this whole problem of the budget. That is why the gentleman from Wisconsin (Mr. REUSS) objected to eliminating the committee amendment, because we wanted to include this agency with many others. To say it is piecemeal is wrong; it would be piecemeal if we leave out the committee amendment. So the gentleman could not be more inaccurate, in my judgment.

And with respect to my good friend and colleague, the gentleman from Illinois (Mr. Anderson), we have lots of long-term commitments in other agencies budgets. The social security system is one such agency, and we have many others. Nobody ever comes in and suggests we do not want to put that in the unified budget, because we have too many long-term commitments in such an agency; that argument just does not hold up. This should be included with all other agencies in the unified budget. What is wrong with it? If this Congress says we want to reassume the responsibility for knowing what the total budget is of this country, then we should reassume that responsibility and support the committee amendment and vote down the position of my good colleague, the gentleman from Ohio (Mr. Ashley).

(By unanimous consent, Messrs. Vanik and Dent yielded their time to Mr. Reuss.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Chairman, I rise in support of the committee amendment. I will vote for the bill to continue the Export-Import Bank's operations, because it has done an outstanding job over the years, but I can see no reason why its operations should not be included in the unified budget. It is a creature of Congress, and it operates by sufferance of the Congress. I think all receipts and disbursements of all U.S. agencies should be included in the unified budget so as to facilitate closer scrutiny by the Congress. This amendment is not a question of encouraging the second guessing of the operations of the Export-Import Bank by Congress.

The purpose of this amendment is to determine the impact of Eximbank operations on our economy. We have included the Highway Trust Fund in the unified budget, the Social Security Trust Fund is now included in the unified budget and I think to determine the inflationary impact of Export-Import Bank operations, the Bureau of the Budget and our own new Budget Committee ought to have a chance to see what effect its loans might have on our economy. I really can see no harm in this amendment, and it might do some good to have the Export-Import Bank report to Congress on a continuing basis.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Chairman, a vote aye, a vote in favor of the committee amendment, means that one so voting wants to see that the Ex-Im Bank is in the Budget, available for annual scrutiny. I think that is where it ought to be.

It was suggested a moment ago that what Ex-Im Bank does is to make loans, and that the money ultimately comes back. So it does, but that is no reason for exempting it from the budget.

Aid makes loans, and that is included. Foreign military loans are made. They are included in the budget.

Just take Ex-Im for fiscal year 1973, during that little period when it was exempt from the budget. In that year it dispersed almost $2 billion of loans and received less than $1.3 billion back in repayments. The difference, more than $600 million, is a deficit. That is a drain on our national store of credit, and it hurts housing. That is a contributor to our inflation.

It seems to me we cannot take a sensible overall look at spending in this country unless we include things like the Ex-Im Bank. It is a modest committee amendment. I hope it will be supported.

(By unanimous consent, Messrs. Conte and Frenzel yielded their time to Mr. Brown of Michigan.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan 'Mr. Brown).

Mr. BROWN of Michigan. Mr. Chairman, I think it is terribly important that we keep in mind what is before us. This is a committee amendment; a committee amendment which was offered by the gentleman from Wisconsin (Mr. Reuss) in committee and was adopted on a close vote. Those of us who oppose the committee amendment are urging the Members to vote "no" at this time since the question is on adoption of the committee amendment.

Not only do many of us on the committee urge such vote, the representatives of the Budget Committee urge a "no" vote; representatives of the Committee on Appropriations, as the Members have heard here today, urge a "no" vote; President Ford, when he was a colleague of ours in this body, urged a "no" vote, and I am sure his position is still the same. I would predict to my colleagues that when the vote is taken on this amendment, a majority of the Committee on Banking and Currency will vote "no" on this amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

How did this amendment get in the bill if not by a regular vote of the committee?

Mr. BROWN of Michigan. I think the gentleman should have been listening when I was in the well a short time ago and said it was adopted on a 17-to-15 vote in the absence of several members of the committee, including this member, who would have voted against the amendment. That is how it got in there, and I would suggest it is not truly a committee amendment, but an amendment which was adopted by less than even a majority of the full committee.

Mr. Chairman, I urge a "no" vote on the amendment.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I simply repeat the last time that this came before the House, it took the Bank out of the budget by a 249-to-112 vote. Mr. Chairman, I have the names here of anybody who wants to see how he voted the last time. I assume everybody will vote the same this time.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Chairman, the entire Congress twice has voted to exclude the operations of the Eximbank from the totals of the unified budget. It did so in 1971, and it did so just a little more than a month ago in this year 1974. Contrasted to this action of the full House of Representatives, indeed, the entire Congress, we find that in the full committee, not the Subcommittee on International Trade, but in the full committee, there were 17 votes to restore the operations of the Bank under the unified budget.

The question is a simple one. Are we going to rely upon the wisdom of these 17 Members who acted without any deliberation or are we going to follow the wisdom of the House on two previous occasions?

The CHAIRMAN. All time has expired.

The question is on the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BROWN of Michigan. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 202, not voting 41, as follows:

[Roll No. 514]

AYES—191

Abzug
Addabbo
Anderson,
  Calif.
Archer
Armstrong
Ashbrook
Badillo
Bafalis
Bauman
Beard
Bennett
Bevill
Biaggi
Bingham
Blackburn
Boland
Bowen
Bray
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Chappell
Chisholm
Clancy
Clawson, Del
Clay
Cochran
Collins, Ill.
Conlan
Conyers
Crane
Daniel, Dan
Daniel, Robert
  W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
Delaney
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dingell
Drinan
Duncan
Eckhardt
Edwards, Calif.
Fish
Flood
Flowers
Flynt
Fountain
Fraser
Froehlich
Gaydos
Gibbons
Gilman
Goldwater
Gonzalez
Goodling
Gross
Hanley
Hanrahan
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hinshaw
Holt
Holtzman
Howard
Huber
Hudnut
Hungate
Ichord
Jarman
Johnson, Calif.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
Lagomarsino
Landgrebe
Lehman
Litton
Long, Md.
Lott
Luken
McCollister
McKay
Macdonald
Mahon
Mann
Maraziti
Martin, N.C.
Matsunaga
Mazzoli
Melcher
Metcalfe
Mezvinsky
Miller
Minish
Mitchell, Md.
Mollohan
Montgomery
Moorhead,
  Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nichols
O'Hara
Parris
Patman
Pike
Price, Ill.
Randall
Rangel
Reuss

Riegle
Rinaldo
Robinson, Va.
Rodino
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roush
Rousselot
Roy
Runnels
Ryan
Sarbanes
Satterfield
Scherle
Schroeder
Seiberling
Shipley
Skubitz
Slack
Smith, Iowa
Snyder
Staggers
Stark
Steed
Steelman
Steiger, Ariz.
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Traxler
Udall
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Wampler
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wylie
Yates
Yatron
Young, S.C.
Zwach

NOES—202

Abdnor
Adams
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Arends
Ashley
Barrett
Bell
Bergland
Biester
Blatnik
Boggs
Bolling
Brademas
Breaux
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Butler
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Clark
Clausen, Don H.
Cleveland
Cohen
Collier
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
de la Garza
Dellenback
Dickinson
Dorn
Downing
Dulski
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fisher
Foley
Forsythe
Frelinghuysen
Frenzel
Frey
Fuqua
Gettys
Giaimo
Ginn
Grasso
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanna
Hansen, Idaho
Harrington
Harsha
Hastings
Hays
Heinz
Hicks
Hillis
Horton
Hosmer
Hunt
Hutchinson
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
King
Kluczynski
Kuykendall
Kyros
Latta
Lent
Long, La.
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKinney
Madden
Madigan
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Mayne
Meeds
Michel
Milford
Mills
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Moorhead, Pa.
Mosher
Myers
Nelsen
Nix
Obey
O'Brien
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Pickle
Poage
Powell, Ohio
Preyer
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Roberts
Robison, N.Y.
Roe
Roncallo, N.Y.
Rostenkowski
Roybal
Ruppe
Ruth
Sandman
Sarasin
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Sikes
Sisk
Smith, N.Y.
Spence
Stanton, J. William
Stanton, James V.
Steiger, Wis.
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Ullman
Vander Jagt
Veysey
Waggonner
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NOT VOTING—41

Annunzio
Aspin
Baker
Brasco
Carey, N.Y.
Davis, Ga.
Diggs
Donohue
Eilberg
Evins, Tenn.
Ford
Fulton
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gunter
Hansen, Wash.
Hébert
Hogan
Holifield
Jones, Ala.
Koch
Landrum
Leggett
McSpadden
Mallary
Nedzi
Peyser
Podell
Price, Tex.
Rarick
Reid
Rooney, N.Y.
St Germain
Steele
Stephens
Stuckey
Teague
Van Deerlin
Wyman

So the committee amendment was rejected.

The result of the vote was announced was above recorded.

The CHAIRMAN. If there are no further amendments to section 1, the Clerk will read.

The Clerk read as follows:

> SEC. 2. Immediately after the second sentence of section 2(b)(1) of such Act insert the following new sentence: "The Bank shall, in cooperation with the export financing instrumentalities of other governments, seek to minimize competition in Government-supported export financing.".

AMENDMENT OFFERED BY MR. DENT

Mr. DENT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DENT:
>
> Section 2 of the bill H.R. 15977 is amended by inserting immediately following line 21 on page 2 the following new subsection:
>
> (b) The last sentence of section 2(b)(1) of such Act is amended by striking out all after the third semicolon and inserting in lieu thereof the following: "and that the Board of Directors shall not authorize loans, guarantees, or insurance which would substantially and adversely affect the competitive position of any United States industry in foreign or domestic markets, the employment of labor within the United States, or the availability of materials which are in short supply in the United States."

Mr. DENT. Mr. Chairman, this amendment specifically puts the following provision in this act:

> And that the Board of Directors shall not authorize loans, guarantees, or insurance which would substantially and adversely affect the competitive position of any United States industry in foreign or domestic markets, the employment of labor within the United States, or the availability of materials which are in short supply in the United States.

I have heard so many times about how this bill or this act creates American jobs and gives us favorable balances of trade. Exactly the opposite is true, for if the assertion were true, we would not have 68 million reaching into the public treasury or the public trough, as it were, directly and indirectly.

We have more individuals today unemployed, because they are drawing social security, than ever before, more who are drawing straight out-and-out welfare, more who are receiving private pensions, making up the total of 68 million Americans that Mr. Hoover did not have the benefit of. In Mr. Hoover's day, every person who could breathe was counted as unemployed.

Right now, today and every day that we lend money to build a competitive production facility somewhere in the world, we are destroying American jobs. Every time we ship materials out of this country, we decrease our productiveness and our production, because we have short supplies of materials needed for production, and we are creating unemployment.

Right now, today, I defy any Member of this Congress to take a list of 10 ordinary items used around the house, both for consumption and for daily use of some kind, and walk into one single store and fill that order for the 10 products he is looking for. We have never been so devoid of shelf products in our lives before.

Why? We talk about our great new need for productivity. How are we going to have productivity when we do not have the plants to produce products?

Right now, today, we are going to lose millions of pounds of produce that cannot be canned or put up for the winter use of families or of the American merchandising industry, because we have no containers, because we cannot get lids to seal the containers.

Why? Productivity? We have not the facilities to produce. We cannot produce today the needs of 210 million people, because we have closed production facilities.

The only entity that profits from the Ex-Im Bank is the conglomerate entity internationally based. Ordinary little plants out in small communities are as far away from getting any kind of help with this kind of loan as they would be if that particular industry was not even in existence.

Mr. Chairman, this amendment does not force the bank to do anything. It is offered just to measure the impact of productivity and financing production facilities in a competitive line of production.

Mr. Chairman, I will live to see the day, if God is willing, when the minds of these Members will not be working in the past.

I thank the gentleman for trying to secure order, but you know and I know that you cannot make people listen when they do not want to hear. They do not want to hear, because they know that everything I say is backed up by the history of this legislation. It is backed up by the simple facts that are there for everyone to see.

You measure it by what? You measure it by the shortages in your stores across the country.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DENT was allowed to proceed for 2 additional minutes.)

Mr. DENT. Mr. Chairman, you measure it by the number of your citizens in your own localities who are unemployed. You measure it by the fakery that has been thrown out to the American people that this helps balance the payments. If it does, how then, since we began this bill, have we dropped from a nation that was owed $37 billion by foreign countries to a position where we now owe foreign countries $108 billion? How can you lose money if you are making money? And why are we now under the threat of foreign countries buying up all of our national and natural resources, buying up our banks, buying up our distribution centers, buying up our truck lines? Why? Because they have the dollar that they bought for 64 to 66 cents, and they are spending it here at an American dollar rate of $1. And so they are buying everything up they can. With what? With money they got from us.

If you want another illustration, here is one:

We have loaned Iran through the Export-Import Bank $2,876,000,000. Iran just loaned Great Britain $2 billion. You can bet that they got more than the 6 percent that we received from Iran.

What did they give it to them for? For pipe factories, thermonuclear powerplants, all of the things that we now need in America. You cannot go into any community and build anything with American made products.

Mr. Chairman, for the last several months, the existence and purpose of the Export-Import Bank have been extensively debated and examined. At a time when domestic interest rates are at a record high, the mere mention of money available at 6 to 8 percent interest is enough to turn the most casual head. Further clarification finds that in an effort to maintain the competitiveness of U.S. exporters abroad and to insure a fair share of the world market for the U.S. exporter, such money is available only to those foreign entities who buy American goods. On the face of it, that is a sound purpose. To my way of thinking, in a constantly changing economic world, where most governments heavily subsidize their industries much more so than we in the United States do, it is important that the Federal Government protect U.S. industries and workers. You have heard me time and again support Federal protection of industries and workers heavily affected by our trade policies, particularly by excessive imports, urging you to recognize the fact, as most of you do here today, that there are occasions when assistance and protection of American industry, whether regulatory or monetary, is warranted.

Whether protecting the competitive position of U.S. industries and workers affected by exports, or protecting the competitive position of U.S. industries and workers affected by imports, the issue remains the same. Yet, many of my colleagues who support the continued existence of the Export-Import Bank, have consistently characterized the efforts by those of us concerned with the effects of a trade policy that allows excessive import penetration on domestic production capabilities as "protectionist," and joined against us, insisting that "free trade" was the only rational course, and to offer protection to industries and workers affected by excessive imports would interfere with free market forces. Yet, here we are today, anticipating passage of a bill, whose purpose is to protect the competitive position of American industry in world markets.

My position relative to insuring the continued competitiveness of U.S. industries has not changed. My reservations with the Eximbank do not stem from its purpose, but rather from the effects of its transactions on smaller domestic industries, those companies which are not multinationals, and the workers employed by these businesses. Additionally, I am concerned that Eximbank does not make effective use of its resources, often extending credit without reasonable justification. Indeed, as early as February 1973, the General Accounting Office recognized that the Bank fell short in very serious areas, and recommended that the following actions be taken:

First. Eximbank should develop a system to provide management with information to determine essentiality of its financing.

Second. Eximbank should develop a system to determine countries and products in greatest need of Eximbank financing.

I include the following:

EXHIBIT E—PART 1

EXPORT-IMPORT BANK OF THE UNITED STATES—APPROVED CREDITS, U.S.S.R.

Buyer	Item	U.S. contract value (thousands)	Exim loan	Approved
1. Mashinoimport	Submersible electric pumps	$25,937	$11,672	Feb. 21, 1973
2. Stankoimport, Techmashimport	Plant to produce tableware and dishware	6,893	3,102	Mar. 5, 1973
3. Avtopromimport, Metallurgimport, Stankoimport	Kama River truck plant	342,120	153,950 [1]	Mar. 5, 1973
4. Technopromimport	250 circular knitting machines	5,620	2,529	Sept. 6, 1973
5. Stankoimport	2d tableware	21,833	9,825	Nov. 26, 1973
6. Stankoimport	2 assembly lines for manufacturing pistons	12,902	5,806	Do.
7. Mashinoimport	38 gas reinjection compressors	26,252	11,813	Dec. 20, 1973
8. Mettalurgimport	Iron ore pellet plant	36,000	16,200	Do.
9. Stankoimport	Machining friction drums	5,580	2,511	Do.
10. Stankoimport	Transfer line for manufacturing pistons	15,722	7,075	Do.
11. Techmashimport	Acetic acid plant	44,515	20,032	Feb. 21, 1974
12. Ufa Motor Works	Transfer line for machine flywheels	7,458	3,356	Feb. 28, 1974
13. Traktoroexport	Canal building equipment	6,600	2,970	Mar. 22, 1974
14. Stankoimport	Valve making machinery	4,700	2,115	Do.
15. U.S.S.R. Chamber of Commerce and industry and Moscow city council	International trade center	80,000	36,000	Do.
Total		642,132	288,956	

[1] Credit increased.

Note: In addition to the above are the following guarantees in the form of preshipment covers to U.S. exporters: Number—10; amount—$116,932.

UPDATE OF APPROVED CREDITS TO SOVIET UNION FROM EXIM BANK

Buyer	Item	U.S. value (thousands)	Exim loan	Approved
Techmashimport-Promsyrioimport	Ammonia plant	$400,000	180,000	May 21, 1974
Pending credit applications:				
Stankoimport	Transfer lines for crankshaft half bearings	41,000	18,453	Jan. 10, 1974
Pending preliminary commitments: (No action taken, not yet approved)				
1. Ministry of geology	Yakutsk exploration phase/development of natural gas	110,000	49,500	
2. Mashinoimport	Oil pipeline pressure regulators	10,000	4,500	
3. Metallurgimport	Tractor factory	50,000	22,500	

APPENDIX I

PRODUCTION FACILITIES SUBSIDIZED

Country	Release date [1]	Loan	Export sale	Purpose	Terms	Other financing
U.S.S.R	10/1/73	$2,529,000	$5,620,000	250 circular knitting machines from Rockwell Int'l of Pittsburgh to produce fabrics for shoes, play toys and lining.	6%—14 semiannual installments starting 2/10/75	Bankers Trust, N.Y.—45% and Bank for Foreign Trade of USSR—10%.
Yugoslavia	10/1/73	47,600	56,000	Feasibility study and engineering services for a 500 MW thermal power station (Chas. T. Main Int'l of Boston).	6%—4 semiannual installments beginning 11/5/76	Energioinvest of Sarajevo guaranteed by Privredna Banka.

APPENDIX I—Continued

PRODUCTION FACILITIES SUBSIDIZED—Continued

Country	Release date[1]	Loan	Export sale	Purpose	Terms	Other financing
Poland	7/26/73	$22,320,000	$49,600,000	2 meat processing plants—A. Epstein Companies, Inc.	6%—20 semiannual installments beginning 2/10/76.	Morgan Guaranty Trust, N.Y. 45%—Bank Handlowy w Warszawie, S.A. 10%—guarantee for Ex-Im Polish People's Republic.
Poland	7/11/73	1,094,850	2,433,000	Cyber 72-14 computer system from Control Data Corp.	6%—10 semiannual installments beginning 10/5/73.	Security Pacific National Bank of Los Angeles—45% Bank Handlowy w Warszawie, S.A. 10%—guarantee by Government of Poland.
USSR	3/21/73	86,450,000	225,000,000	Kama River Truck Plant (equipment to produce trucks and engines).	6%—24 semiannual installments beginning 10/10/77.	Chase Manhattan 45%—no guarantee from Eximbank Vneshtorgbank—10%.
	3/21/73	3,101,912	6,893,138	Tableware and dishware plant	6%—14 semiannual installments beginning 3/10/76.	Wells Fargo Bank—45% no guarantee from Eximbank Vneshtorgbank—10%.
	3/21/73	[2] 11,671,650	25,937,000	500 electric pumping units	6%—14 semiannual installments beginning 8/5/74.	Consortium headed by French American Banking Corp.—no guarantee—45% Vneshtorgbank—10%
Poland	8/29/73	13,500,000	30,000,000	Equipment for Gray Iron Foundry	6%—20 semiannual installments beginning 2/15/76.	Morgan Guaranty syndicate—45%—Handlowy W Warszawie S.A.—10%.
		567,000	1,261,000	Tape drive manufacturing equipment	6%—semiannual installments (10) beginning 5/1/74.	United Bank of California 10% by borrower.
Poland	9/24/73	2,680,740	5,957,200	State Foreign Trade Enterprise to purchase weaving looms to produce cotton fabrics supplied by Rockwell Int'l of Pittsburgh.	6%—14 semiannual installments beginning 11/5/74.	Another U.S. source—45% 10% Varimex. Guaranteed by the Polish Government.
Yugoslavia	9/24/73	1,350,000	3,000,000	Oil production equipment (from division of Youngstown Sheet & Tube Company.	6%—10 annual installments beginning 5/5/75.	45% Continental Bank Internationa. of New York—Borrower will make cash payment or $300,000.
Poland	2/22/73	8,910,000	19,800,000	2 meat processing plants	6%—20 semiannual installments beginning 8/10/73.	First National Bank of Chicago 45%—Bank Handlowy w Warszawie, S.A. 10%.
Yugoslavia	3/14/73	5,208,000	11,574,000	Equipment for television network	6%—20 semiannual installments	Bank of America—45% guaranteed by Ex-Im Bank—10% from Yugoslavia trading companies.
Poland	4/5/73	1,989,000	4,420,000	Steel rolling mill	6%—17 semiannual installments beginning 6/15/75.	$1,989,000 Chase Manhattan Bank—10% Bank Handlowy w Warszawie, S.A.
Romania	5/31/73	823,500	1,800,000	Synthetic rubber plant	6%—10 semiannual installments beginning 2/5/76.	$823,500 Morgan Guaranty Trust Co. of New York 10% guaranteed from ROMCHIM (Romanian State Enterprise for Foreign Trade).
Romania	6/18/73	1,763,875	4,600,000	Nuclear plant research center	6%—14 semiannual installments beginning 7/31/76.	U.S. supplier Gulf Energy and Environmental Systems Co. of San Diego 8.9% ROMENERGO 15% First National City Bank (AEC will provide enriched UF6 to GEES).
Romania	5/9/73	12,957,750	29,000,000	Tire plant (radial etc. 1 million capacity) Gen'l Tire technology, design plant layout, engineering procurement, personnel training.	6%—20 semiannual installments beginning 8/10/76.	45% Other sources 10% ROMC HIM guaranteed by the Romanian Bank for Foreign Trade.
Yugoslavia	10/12/73	2,687,000	5,950,000	Fiberboard plant	6%—16 semiannual installments beginning 3/10/76.	45% French American Banking Corp. 10% Krivaja.
Poland	6/11/73	696,600	1,548,000	Components for crawler tractors (Int'l Harvester).	6%—semiannual 10 installments beginning 8/5/74.	Morgan Guaranty Trust Co.
Poland	5/8/73	2,610,000	5,800,000	Furnaces for a steel plant in Poland—9 vacuum annealing furnaces for 50,000 ton per year silicon steel production.	6%—17 semiannual installments beginning 2/10/76.	Continental Illinois National Bank and Trust Co. of Chicago 45% Bank Handlowy w Warszawie S.A. 10%.
Yugoslavia	5/25/72	217,500	255,000	Feasibility study for an integrated steel plant.	6%—4 semiannual installments beginning 2/15/73.	Koppers Company, Inc. Pittsburgh will put up $12,000—Borrower $25,500.
Romania	9/15/72	1,191,809	3,178,164	Offshore drilling platform equipment	6%—10 semiannual installments beginning 1/15/76.	Manufacturers Hanover Trust Company 37.5% Impexmin of Bucharest 10%.
Yugoslavia	12/4/72	11,250,000	25,000,000	Bor mining complex	6%—10 semiannual installments beginning 2/15/79.	45% Girard Trust Bank of Philadelphia Rudarski-Topionicarski Basen Bor (R.T.B. Bor) 10%.

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[1] Information on these tables are examples from Eximbank press releases. All details are not included in each case. Some indications of various types of loans, credit guarantees and repayment guarantees have been noted. Eximbank loan usually provides 45% of U.S. cost at 6%. Eximbank may guarantee other U.S. financial support. Repayment is often guaranteed by foreign country particularly USSR and Bloc Countries.

[2] Authorized.

Country	Release date[1]	Export sale	Amount of loan	Purpose	Terms	Other finance	Multinational
Brazil	6/7/73	$2,700,000	$1,237,000	Expand pulp and paper mill	6%—14 semiannual installments beginning 11/10/75.	10% from borrower and Eximbank guaranteed First National City Bank loan $1,237,000.	Champion Int'l Corp. and 92% owned Champion Papel e Celulose, S.A.
Brazil	4/4/73	1,705,000	726,250	Equipment and services for polystyrene plant.	6%—12 semiannual installments beginning 8/10/74 repayment guaranteed by Dow Chemical.	10% from borrower and 45% from Bank of America. Repayment guaranteed by Dow Chemical.	Dow Chemical, U.S. and Dow Quimica subsidiary of Dow Chemical of Midland, Mich.
Mexico	3/26/73	20,000,000	9,000,000	Equipment, material, and services for terephthalate plant.	6%—16 semiannual installments beginning 11/10/75.	$9 million guarantee, from group headed by FNCB.	Petrocel—(Hercules Inc. "plans to hold a 40% interest in Petrocel").
Malaysia	3/28/73	3,500,000	1,575,000	Goods and services for a tube and tire factory.	6%—10 semiannual installments beginning 8/10/74.	10% Goodyear; guarantee of $1,575,000 from Morgan Guaranty Trust.	Goodyear Malaysia Berhad 51% owned by Goodyear Tire and Rubber.
Brazil	1/4/73	10,000,000	4,500,000	Goods and services for fertilizer plant.	6%—16 semiannual installments beginning 8/10/75.	10% COPEBRAS of Sao Paulo—Eximbank guaranteed loan of $4,500,000.	COPEBRAS is 70% owned by Cities Service Company.
Taiwan	7/10/72	3,900,000	1,250,000	Goods and services for polyethylene plant.	6%—5 semiannual installments beginning 11/15/76.	10% and USI Far East Eximbank guarantee of $1,250,000 from FNCB.	USI Far East is 80% owned subsidiary of National Distillers and Chemical Corp.
Holland	5/22/72	725,000	261,000	Help finance acquisition of U.S. movie ("The Great Northfield Minnesota Raid").	6%—4 semi-annual installments beginning 7/15/73.	10% MCA Int'l N.V. and Eximbank financial guarantee of $26,000 loan from Bank of America.	MCA International—a Dutch incorporated subsidiary of MCA, Inc.
Mexico	9/29/72	3,368,493	1,516,000	Goods and service for expansion of tire plant in Mexico.	6%—24 quarterly installments beginning 3/31/75.	10% General PoPo $1,516,000 Chase Manhattan Bank.	General Popo (1932 established majority owned Mexican subsidiary of General Tire and Rubber, Akron, Ohio).
Venezuela	3/14/73	3,200,000	1,440,000	Equipment & services for expansion of tire plant in Venezuela.	6%—10 semi-annual installments beginning 3/10/74.	10% C. A. Goodyear de Venezuela $1,440,000 loan from First Nat'l Bank of Boston.	Goodyear Tire and Rubber. Co. of Akron, Ohio Goodyear de Venezuela.

Footnotes at end of table.

Country	Release date[1]	Export sale	Amount of loan	Purpose	Terms	Other finance	Multinational
Brazil	5/25/73	$1,600,000	$705,000	Automotive valve making equipment.	6%—10 semi-annual installments beginning 9/5/74.	10% Eaton S.A. of Brazil Expected loan of $705,000 from First National City Bank.	Eaton S. A. of Brazil and Eaton Corp. of Cleveland Ohio.

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[2] Authorized.

Country	Release[1] date	Loan	Export sales	Purpose	Terms	Other financing
Taiwan	7/20/73	$576,725	$1,357,000	Textile manufacturing equipment	6%—10 semiannual installments beginning 11/10/74.	Eximbank Guarantee of loan for $576,725 from private U.S. sources. Repayment of all loans guaranteed by China Unit Trust and Investment Corp.
Singapore	9/10/73	642,000	1,400,000	2 electric arc furnaces and related equipment and services for iron and steel mills.	6%—14 semiannual installments beginning 5/20/75.	Loan of $642,000 from Bank of America 10% from borrower.
Turkey	8/29/73	3,690,550	8,600,000	Textile manufacturing equipment	6%—14 semiannual installments beginning 11/10/75.	Eximbank Financial guarantee of $2,222,550 North Carolina National Bank Borrower will make cash payment of balance of U.S. costs—$493,900.
Malaysia	8/10/73	1,204,000	2,800,000	1,008 automatic looms, related materials and services (textile).	6%—14 semiannual installments beginning 11/10/74.	$1,204,000 Chase Manhattan Bank of Kuala Lumpur Pentex Sendirian Berhad (Penang, Malaysia), $425,000.

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[2] Authorized.

Mr. ASHLEY. Mr. Chairman, I do this reluctantly, but the hour is late, the Members are tired and, although I do not even like to suggest cutting off debate, I would like to get a consensus of how many Members might want to speak on this amendment.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto close at 20 minutes after 6.

The motion was agreed to.

The CHAIRMAN. The Chair will recognize the Members who were standing at the time the motion was agreed to for 1 minute each.

(By unanimous consent, Mr. ASHLEY yielded his time to Mr. REUSS.)

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I rise in favor of the amendment. For the purpose of making legislative history, I would yield to the gentleman from Pennsylvania. I have complained repeatedly about the Exim bank making loans to Lufthansa, BOAC, and other international airlines at 6 percent, while Pan American, TWA, our own domestic airlines had to borrow money at as much as 12 percent. It would appear to me that such loans do adversely affect American airlines.

Would such loans to Lufthansa and other foreign airlines be covered by the gentleman's amendment and be prohibited?

Mr. DENT. I thank the gentleman for asking that question.

The U.S. Treasury in a recently disclosed study declared that the loans for U.S. commercial jet aircraft under the Exim bank failed to increase exports and did not help employment in the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I rise in opposition to the amendment.

I call the attention of the Members to language in the amendment which I feel is so loosely and poorly drafted that it could effectively keep the Eximbank from financing even the import of petroleum products.

It would be an invitation to law suits and hobble, rather than promote trade expansion.

(By unanimous consent, Mr. HANNA yielded his time to Mr. REES.)

(By unanimous consent, Mr. JOHNSON of Pennsylvania yielded his time to Mr. BROWN of Michigan.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, before I came to Congress, I was an exporter, and I used to export American-made goods to other countries. I never used the Eximbank, because I was kind of one of these nickel-and-dime exporters, but I thought I was doing some good for this economy when I was exporting. I thought I was helping to create jobs, especially in California where I had my office.

What this amendment does, I really do not know because of its overbroad language. Let me read to the Members though what the law is today. This is the policy statement in the present Export-Import Bank Act of 1945:

> It is the policy of the United States to foster expansion of exports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income to the increased development and productive resources of the United States.

That is just what the Eximbank does. It finances exports of American products to other countries. Many times people say, "Well, you are exporting jobs," because we find we cannot compete in most of the world. As a result, this country has concentrated in and become the greatest technical-resource country in the world today, because we have gone into the field of aerospace; we have gone into the field of computers; we have gone into the field of advanced science technology, and this is what we sell abroad.

As I said before, our oil import bill is rising from $8 billion last year to $20 billion this year, and we had better export. We had better realize that unless we export and keep the market healthy, unless we keep our industries going at full capacity, like the aircraft companies in my district such as Douglas and Lockheed, we are not going to survive in an international competitive market.

This amendment as it is is very vague. It might well adversely affect industry in the United States. It hurts our competitive position. I do not see how any board of directors, with the language offered by the gentleman from Pennsylvania, could make a rational decision on any project loan of the Eximbank.

Mr. Chairman, I would urge this committee to vote no on the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, I rise in opposition to the amendment. I wish to point out to the members of the committee that I do not think the gentleman from Pennsylvania really meant it when he said the Eximbank loans go only to the big cities and to the big companies. I do not know about Pennsylvania but I know in my own congressional district there are small companies and I could name companies with 50 to 75 employees which do business through the Eximbank. There is a town of Wickliffe in the district of the gentleman from Ohio (Mr. VANIK) and there are small companies in my district that do business with the Bank.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, what product do they make?

Mr. J. WILLIAM STANTON. Mr. Chairman, one company make meters and the other makes a product which goes into a hospital and the other makes veneer equipment.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the amendment. In 1971 this committee and this House put into the law the requirement that the Board of Directors had to take into account the possible adverse effects on the U.S. economy. Under that direction, I think the Board has acted responsibly and that is a direction with which they are familiar.

But the language in the Dent amendment requires somehow that these people who are essentially bankers will now be obliged to make some kind of study of availability of materials in short supply in the United States. That is a job for another agency and a determination for other people to make. It will unnecessarily confuse the act, and the Bank, and will disrupt bank operations when its purpose is to create and support American jobs. The Bank supports 800,000 American jobs in this country.

The amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, one thing we must keep in mind is that the Eximbank is not the only lending institution in the world. There are many other counterparts throughout the world. The Germans have one and the French have one and the Japanese have one. Every nation has an Eximbank of sorts. And every one of those institutions lends money in the financing of exports at better rates and better terms than does the Eximbank.

A recent survey of the Eximbank credits for goods which contribute to the productive capacity of foreign countries reveals that such credits were made largely to buyers which would have proceeded with the project in any event but would have purchased the goods from non-U.S. sources.

So what the Dent amendment would propose to do, would be totally ineffective in denying to the nation involved, the productive activity, would basically only be punitive to our exporters, and, would have no impact upon the competitive position of those products in our economy domestic or foreign.

Also some of the products financed or assisted by the Eximbank are projects such as power projects and things of that nature which would have an indirect effect upon agriculture, for instance. I think the gentleman from Pennsylvania would agree that agriculture is an industry. This means we are not going to help developing countries or anybody else through the Eximbank financing because it would, as the amendment says, adversely affect the competitive position of U.S. industry in foreign or domestic markets.

It is obvious the amendment is not sound. It is obvious the amendment should be defeated.

The CHAIRMAN. All time on the amendment has expired.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. DENT).

The amendment was rejected.

AMENDMENT OFFERED BY MR. BLACKBURN

Mr. BLACKBURN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLACKBURN: Page 2, line 17, after "SEC. 2." add (1).

After line 21, add: "(2) Section 2(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) (A) The Bank shall not provide guarantees, insurance, and extensions of credit at rates of interest which are less than one percentage point below the prime commercial rate as determined pursuant to subparagraph (B).

"(B) (i) For purposes of this paragraph, the prime commercial rate is the average rate of interest at which the five largest commercial banks in the United States lend funds to their best corporate customers, as computed and recomputed by the Bank at least weekly.

"(ii) The Bank is authorized and directed to determine, within 30 days after the date of enactment of this paragraph and at one year intervals thereafter, the five largest commercial banks in the United States as measured by the total amount of all time, savings, and demand deposits held in each bank.

Mr. BLACKBURN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BLACKBURN. Mr. Chairman, the purpose of my amendment is to require the Bank to loan money at an interest rate equal to not less than 1 percent below the prime commercial rate of interest. What we are dealing with when we are talking about the Bank's assets is the question of whether or not we are going to get the highest and best return. It is a question whether or not a commodity, a resource of this country, is going to draw its highest and best rate of return. This includes the assets of the Bank the cash assets of the Bank, and let us keep in mind it holds $1.5 billion upon which it now pays no interest to anyone, the U.S. Treasury or anyone else. As long as that money is being loaned out at a rate less than the prime commercial rate, we are subsidizing the exporters of this country. I do not believe we have to subsidize them to the extent we are at the present time.

I think my amendment, which would require the Bank to charge an interest rate of 1 percent less than the prime commercial rate in existence at the time of the loan, and I have established a method whereby the Bank can determine that the prime commercial rate is the average charged by the five largest banks in the country.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Ohio.

Mr. ASHLEY. Because the interest rate may be less than the going interest rate does not mean it is a subsidized rate. There can be a concessionary rate that is not a subsidized rate and that is the situation with the Eximbank. Does the gentleman agree with that?

Mr. BLACKBURN. No. I do not agree. Let me address myself to the question the gentleman raised. If the bank was receiving a commercial rate of interest on its assets of money, there would be that much more money flowing into the United States Treasury; so to the extent we are not receiving as much from the Bank's assets as we would under a prime rate, the Treasury is losing money and the taxpayers are losing money, because any income we receive from the Treasury is going to be to our benefit.

Mr. ASHLEY. But that is a concessionary rate. The gentleman has just described a concessionary, not a subsidized rate.

Mr. BLACKBURN. I agree. It is costing the United States to offer a concessionary rate. When the taxpayers of the country are having to pay 9 and 10 percent interest on money borrowed for their homes and then we are loaning money to foreign governments, including the Soviet Union, at 7 percent, that is wrong.

If we are going to subsidize the continued existence of this corporation, we ought to be able to say to the taxpayers that we are making money and charging a realistic interest on the loan.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from California.

Mr. ROUSSELOT. In other words, what the gentleman is trying to do is protect our consumers at home who have to go to the banks and pay pretty substantial rates of interest. All the gentleman is asking is that when these guarantees of loans are made by the Eximbank, that it be 1 percent less than the prime rate, which is way below the market rate. Is that not true?

Mr. BLACKBURN. I agree with the gentleman. That is a good point. In other words, the prime rate is not one at which any of us or our constituents can borrow money. That is substantially a fictitious rate that should be available to big borrowers, not to small consumers.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Missouri.

Mr. ICHORD. The amendment should also permit the Eximbank to pay a larger dividend back to the Treasury; is that not so?

Mr. BLACKBURN. That is exactly right.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding to me.

Is it not true that most commercial establishments in this country today are paying quite a bit above the prime rate, so that the gentleman is talking about a substantially lower rate in most cases for our export business under the Eximbank, and it is still an extremely reasonable rate for all exports?

Mr. BLACKBURN. This is very much a concessional rate for our exporters.

Mr. HANNA. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from California.

Mr. HANNA. Mr. Chairman, I think the gentleman is a very active member of the committee and is very well informed. He has always struck me with his brilliance and his understanding.

He certainly would concede that there is a difference between the interest rates for long term loans. It seems to me the gentleman also knows that most of the loans of the bank are long term loans. and what he is suggesting is that we ought to tie these loans into the prime rate, which is short turnover money rate. I do not think that will work.

AMENDMENT OFFERED BY MR. DERWINSKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. BLACKBURN

Mr. DERWINSKI. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

> Amendment offered by Mr. DERWINSKI as a substitute for the amendment offered by Mr. BLACKBURN:
>
> Line 17, Section 2 should be redesignated as "Section 2(a)".
>
> Insert immediately after the end of Section 2(a) the following:
>
> "(b) Section 2(b)(1) of such Act is further amended by inserting in the eighth sentence after the words 'It is further the policy of the United States that' the following: 'loans made by the Bank shall bear interest at rates determined by the Board of Directors of the Bank, taking into consideration the average cost of money to the Bank and the necessity of maintaining its earning power and reserves as well as the Bank's mandate to support United States exports at rates and on terms and conditions which are competitive with exports of other countries; that"

Mr. DERWINSKI. Mr. Chairman, I would like to offer an amendment in the nature of a substitute for the amendment of the gentleman from Georgia. My amendment would require Eximbank to take into account its average cost of borrowed money in setting interest rates on its loans as well as the need to meet the financial competition of its foreign counterparts.

We all recognize that the current high prime rate is a relatively recent development. But let me review the past. From 1965 to May 1973 the prime rate was mainly in the range of 5 to 6 percent with one or two periods between 7 and 8½ percent. From January 1964 to August 1966 Eximbank's lending rate was 5½ percent and then moved up to 6 percent which prevailed until February of this year. For 10 of the last 14 years and as recently as last year, Eximbank was charging as much or more than the prime rate. Since May 1973 the prime rate has risen to today's record level. Current rates are abnormally high and hopefully will not persist. It would seem to me to be most unwise for Eximbank to introduce into its own lending rate structure the uncertainty and volatility demonstrated by prime rate movements in the last year and a half.

While the record of the Bank over the years shows that it has adjusted its rates in the light of prevailing conditions it seems appropriate at this time to clearly set and legislate the policy guidance to the Board of Directors on the interest rates charged by the Bank. Until June 1973 the Bank's lending rate has been equal to or above its average cost of borrowed money. In response to an increase in its average cost above 6 percent it raised its rate from 6 to 7 percent in February 1974. Its cost of borrowed money remained below 7 percent until May. In July the Board of Directors of the Bank adopted a policy of charging rates on a case-by-case basis within a band ranging from 7 to 8½ percent per annum, most of which have been fixed at 8 percent. Eximbank must hold its interest rates as low as is reasonable and possible to keep American exporters competitive, particularly since it finances only 30 to 45 percent of the total U.S. cost of transaction. Under U.S. practice the balance comes from commercial sources at market rates which today may run as high as 13 percent. When this is blended with an Eximbank loan, the interest cost to the borrower ranges roughly between 9 and 11 percent per annum. Many foreign countries offer their exporters financing at rates as low as 6 and 7 percent per annum on 80 to 90 percent of the total cost of a transaction.

Over the years the Bank has been able to compete successfully with foreign competition and still pay an annual $50 million dividend to the Treasury. In setting its interest rate I believe the Board of Directors of the Bank should keep its eye on both its cost of money and the desirability of maintaining the Bank's earning power and accumulating appropriate reserves. Any rigid requirement that it tie its interest rate to the prime rate would deprive the Bank and our exporters of the ability to compete and this would spell disaster for our businessmen in the export sector of our economy—now in excess of $70 billion a year—create hardship for hundreds of thousands of American workers employed by them and sap the strength of our dollar.

In proposing this amendment it should be obvious that I do not want to detract from the Bank's obligation to endeavor to keep American exports competitive with exports of other countries. But I do want to settle that it is the clear policy of Congress that the Directors in setting the Bank's interest rate should consider and balance both its cost of money and the competitive financing offered by other countries. We do not want sound exports lost to foreign government-supported competition, but at the same time we want the Bank to avoid unnecessary low interest rates. My amendment will require the Board of Directors of the Bank to take into account all of the relevant factors in setting its interest rates and meeting the competition. The Bank has advised me that it does not object to this amendment.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I have had an opportunity to look over the amendment and discuss it with the gentleman. It would change and somewhat modify the language expressing a portion of the policy of the Eximbank. I think it does this in a constructive way. I think it is perhaps a clarification, and I would be pleased to support the gentleman's amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. ROUSSELOT. Is not the basic language in the gentleman's amendment just to put the Bank where it is now?

Mr. DERWINSKI. Not really.

Mr. ROUSSELOT. Tell me how there is much difference.

Mr. DERWINSKI. At the present time the Bank is operating under a policy in which they use a case-by-case basis to adjust rates. What my amendment basically requires is that they take into account the present high rates, and also take into account the competitive problem.

Let me remind the gentleman that regardless of the liberal terms or rate or the funding under the Eximbank policies, remember that it is only 30 to 45 percent the total cost of the U.S. firm transaction.

So our exporter does have to deal with a commercial bank. He has to pay that higher prime rate. What we are allowing is that the Eximbank take into account the average so that they can be properly competitive on behalf of the American firms concerned with, let us say, their Japanese counterparts who have Japanese exports support.

Mr. ROUSSELOT. Do they not do that now?

Mr. DERWINSKI. They do it basically now by policy, but we are mandating that they do this, and we are mandating this average rate, which they need not follow.

Mr. ROUSSELOT. Therefore, the gentleman would change the Blackburn amendment back to the present policy?

Mr. DERWINSKI. No. What it does is to take away some of the stringency that the Blackburn amendment has.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I appreciate the gentleman's yielding. I agree with the gentleman. This is a good amendment and is an improvement over the present policy.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I would just like to clarify a point since the gentleman has talked about an average rate.

I do not think the gentleman intends, by his amendment, to tell the bank to not look at transactions from the standpoint of the desirability of those transactions to our economy. In other words, with respect to some transactions there may be high competition in the exports. Many nations desire to export the product. In that case it is clear that the bank will have to charge a lower rate so as to be able to be competitive. At the same time, there are transactions where American exporters are the primary or possibly only exporters. In that case, we would expect the bank to charge a higher rate, reflecting the lack of competition insofar as that particular export is concerned; is that not correct?

Mr. DERWINSKI. That is correct, but the legitimate competitive interest rate in every case would be applicable, and of course, that would be so in the case of a higher rate where we are in a better position from the standpoint of the availability of that export, as compared with a lower rate where we do not have the availability of that export.

Mr. BLACKBURN. Mr. Chairman, I rise in opposition to the Derwinski substitute amendment.

I would like to address a question to the author of the amendment in the well. I would like to ask the gentleman who proposed the amendment.

Mr. DERWINSKI. The amendment was proposed by a Director of the Bank who consulted with me.

Mr. BLACKBURN. Therefore, the amendment that has been proposed was proposed by a Director of the Bank who does not want their policy being interfered with by the Congress?

Mr. DERWINSKI. Not at all.

I would think that if I was a Director of the Bank, the last thing I would want is to have my hands tied arbitrarily, any more than the President of the United States would want his hands completely tied by the Congress. Since we are in a honeymoon period, we are giving the new President more flexibility than his predecessor. Therefore, in keeping with this spirit, we do not want to cripple an agency in which our dear President has a great interest.

Mr. BLACKBURN. I think the gentleman knows and the members of the committee should be aware that the Eximbank of the United States really sets the level of interest for the borrowings of their counterparts around the world. We set the standard, and the rest of them follow. Capital is at a shortage now throughout the world. What my amendment will do, in the absence of the amendment of the gentleman in the well, will be to insure that the rate being charged by the Bank is a more realistic and more nearly a commercial rate on their lendings.

I think my amendment is a thoroughly reasonable one. It is still 1 percent less than the prime rate. I think that is all we can ask the public to accept.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the Derwinski amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I usually do not get anywhere near this kind of support in my own committee, and if this amendment is agreed to, I might just join the Committee on Banking and Currency.

Mr. FRENZEL. Mr. Chairman, I can tell the gentleman that we need him desperately on that committee.

Mr. Chairman, the Derwinski amendment provides a substantial difference from what is in the law now. The law says that the Bank will lend on rates and terms and conditions which are competitive with Government-supported rates and terms and other conditions available by our principal competitors in export markets.

Those rates range anywhere from 5½ percent on up.

If the Bank were to make its policy based on foreign competition, the rate would be very low. The Derwinski amendment would at least force the Bank to look at commercial rates, and thus escalate its own rates.

On the other hand, the Blackburn amendment would certainly prohibit the Bank from making useful loans because the rate of interest would be too high. The Bank's only alternative would be to raise its percentage of the total loan to make a competitive overall rate. Instead of lending its money on an average of 40 percent of the total deal, the Bank would have to lend up to 100 percent of the deal. It would use up the funds we are now making available, and the Bank would come back to us again for greater funding.

Mr. Chairman, it is absolutely essential that we vote up the Derwinski amendment and reject the Blackburn amendment.

Mr. HANNA. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. HANNA. Mr. Chairman, I will ask the gentleman this:

Is it not true that if they make long-term loans on short-term conditions, they would not be making very many loans?

Mr. FRENZEL. There is no question about it.

Mr. HANNA. And if they would not make any of those loans, the bank would not be earning any money. That is the story of the Blackburn amendment.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his remarks.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask the gentleman from Ohio (Mr. Ashley), who is managing the bill, this question:

What portion of multinational corporate transactions is financed by the Export-Import Bank at reduced interest rates?

In other words, there was cited in the committee report an instance of a transaction in which there was a shipment of some materials from General Motors here in the United States to General Motors in Brazil which was financed by the Export-Import Bank. I understand that would have been at a lower interest rate.

I would like to know what percentage of the Export-Import Bank's operations involved the export of American equipment from an American corporation to its subsidiaries overseas, at low interest rates.

Mr. ASHLEY. Mr. Chairman, if the gentlewoman will yield, I will be pleased to respond.

During fiscal year 1973 Eximbank's loans to finance sales from a U.S. company to a wholly owned foreign subsidiary amounted to less than one-half of 1 percent of total loan authorizations. Eximbank's loans to finance sales from a U.S. company to an unrelated U.S. firm amounted to 1.8 percent of the total authorized loans.

Ms. HOLTZMAN. Mr. Chairman, can the gentleman tell me what the dollar amount is, rather than the percentage amount?

Mr. ASHLEY. Mr. Chairman, if the gentlewoman will yield, I can state that the overall coverage of the Bank was in the neighborhood, as I recollect, of $10.5 billion.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Derwinski) as a substitute for the amendment offered by the gentleman from Georgia (Mr. Blackburn).

The substitute amendment for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Blackburn), as amended.

The amendment, as amended, was agreed to.

Mr. ASHLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point, and Mr. Chairman, on the basis of that, I am going to move——

Mr. DINGELL. Mr. Chairman, I rise to make a point of order. There is a unanimous-consent request before the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. DINGELL. Mr. Chairman, reserving the right to object, I would like to hear the balance of what the gentleman has to say.

Mr. ASHLEY. Mr. Chairman, it is my understanding there are three amendments at the desk, and my motion would be that debate on those three amendments, and all amendments thereto, conclude at 10 minutes after 7.

Mr. Chairman, I am going to amend the motion that I am proposing to offer to read that all debate on the bill and all amendments thereto conclude at 10 minutes after 7.

The CHAIRMAN. The Chair would inquire of the gentleman from Ohio does the gentleman from Ohio make a unanimous-consent request that the bill be considered as read, printed in the Record, and open to amendment at any point?

Mr. ASHLEY. I do, Mr. Chairman. I ask unanimous consent that the remainder of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. HOWARD. Mr. Chairman, reserving the right to object—and I shall not object to this unanimous-consent request—but I take this method of gaining the time so as to indicate that in the motion the gentleman from Ohio is going to make giving 30 minutes to consider three amendments, that should there be a rollcall on any one of the amendments it would leave virtually no time to have any discussion on the other remaining amendments.

Mr. ASHLEY. I presume it would not include a rollcall.

Mr. HOWARD. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The remainder of the bill is as follows:

SEC. 3. (a) Section 2(b)(2) of such Act is amended by striking out "in the case of any transaction which the President determines would be in the national interest if he reports that determination to the Senate and House of Representatives within thirty days after making the same" and insert in lieu thereof the following: "in the case of transactions which the President determines would be in the national interest if he reports that determination with respect to a particular country to Congress within thirty days after final approval of the first such transaction".

(b) Section 2(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) No loan, guarantee, or insurance or combination thereof made to a Communist country or agent or national thereof in an amount which equals or exceeds $50,000,000 shall be finally approved by the Board of Directors of the Bank unless the Bank has submitted to the Congress with respect to such loan, guarantee, or insurance or combination thereof, a statement explaining the transaction at least thirty legislative days prior to the date of final approval. Such statement shall contain the following:

"(A) A brief description of the purposes of the transaction, the identity of the party or parties requesting Bank financing, the nature of the goods or services to be exported, and the use for which the goods or services are to be exported; and

"(B) A full explanation of the necessity for Bank financing of the transaction, the amount of the financing to be provided by the Bank, the rate at which such financing will be made available, and the period over which such financing will be repaid."

(c) Section 2(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(7) Pending consideration and action by the Senate upon the bill H.R. 10710, as introduced in the first session of this Congress, cited as the 'Trade Reform Act of 1973', and as amended and passed by the House, no loan, guarantee, insurance, or credit shall be extended by the Bank to the Union of Soviet Socialist Republics, and the Union of Soviet Socialist Republics shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly."

SEC. 4. Section 2(c)(1) of such Act is amended to read as follows:

"(1) The Bank is authorized and empowered to charge against the limitations imposed by section 7 of this Act, not less than 25 per centum of the related contractual liability which the Bank incurs for guarantees, insurance, coinsurance, and reinsurance against political and credit risks of loss. The aggregate amount of guarantees, insurance, coinsurance, and reinsurance which may be charged on this fractional basis pursuant to this section shall not exceed $20,000,000,000 outstanding at any one time. Fees and premiums shall be charged in connection with such contracts commensurate, in the judgment of the Bank, with risks covered."

SEC. 5. Section 7 of such Act is amended by striking out "$20,000,000,000" and inserting in lieu thereof "$25,000,000,000".

SEC. 6. Section 8 of such Act is amended by striking out "July 30, 1974" and inserting in lieu thereof "June 30, 1978".

SEC. 7. Section 5202 of the Revised Statutes (12 U.S.C. 82) is amended by adding at the end thereof the following:

"Twelfth. Liabilities incurred in borrowing from the Export-Import Bank of the United States.".

Mr. ASHLEY. Mr. Chairman, I now move that all debate on the bill and all amendments thereto close at 10 minutes after 7.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, beginning in line 9, strike out", guarantee, or insurance or combination thereof".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, beginning in line 14, strike out" guarantee, or insurance or combination thereof,".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 25, strike out "the rate at" and all that follows down through line 2 on page 4 and insert in lieu thereof the following: *and* the approximate rate and repayment terms at which such financing will be made available."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: On page 4, immediately following line 16, insert the following new subsection:

(d) Section 2(b) of such Act is further amended by adding at the end thereof the following new paragraph:

(8) The Bank shall not guarantee, insure or extend credit to Turkey or an agency or national thereof until the President reports to the Congress that Turkey is cooperating with the United States in the curtailment of heroin traffic."

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. REES

Mr. REES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES: Page 4, line 7, after "(7), strike out "pending consideration and action by the Senate upon the bill H.R. 10710, as introduced in the first session of this Congress, cited as the "Trade Reform Act of 1973", and as amended and passed by the House" and insert "Until such time as the bill H.R. 10710, cited as the Trade Reform Act of 1973, is approved by the Congress and signed into law by the President".

(By unanimous consent, Messrs. BELL, WOLFF, VANIK, and YATES yielded their time to Mr. REES.)

Mr. REES. Mr. Chairman, this amendment is on page 4. In the committee we drafted an amendment which incorporated the Vanik-Jackson proposal that was approved by this House, dealing with Soviet policy in regard to Jewish citizens of that country who wished to emigrate to Israel and other countries. There was a drafting problem in the language, and all this amendment does is to clarify the language, stating that until such time as the bill, H.R. 10710, cited as the Trade Reform Act of 1973, is approved by the Congress and signed into law by the President, there shall be no loans or guarantees to the Soviet Union.

It is my understanding that now negotiations are going on between Members of Congress and the administration and the Soviet Union to work out this problem, so I think this language is good. It ties it into the trade bill.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the gentleman's amendment. It is a considerable improvement over the language of the original bill, and it provides all of the protection that we thought was necessary in our amendment. I certainly hope the Members of the House will adopt this amendment.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

Mr. Chairman, we will be happy to accept the amendment, and we commend the gentleman for offering it.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I thank the gentleman for yielding.

Mr. Chairman, the minority has had an opportunity to examine this; we approve it; and we accept it.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman here for working this out.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

The gentleman showed us this amendment. Many of us who were sympathetic with the position he offered were pleased when he, Mr. YATES, and Mr. BELL, came up with this suggestion. I think it is a good compromise, and I support the gentleman's amendment.

Mr. REES. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. VANIK. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. Rees). It is a considerable improvement over the original language in the bill. It would bar credits to the Soviet Union unless the Trade Reform Act of 1973 is signed into law. As the Members will recall, the trade reform bill bars credits to nonmarket economy nations which have discriminatory immigration policies.

It concentrates the issue of emigration policy in the trade bill and prevents credits unless the issue of emigration discrimination is satisfactorily resolved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Rees).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Dingell: Page 2, line 17, insert "(a)" immediately after "Sec. 2.", and immediately after line 21, insert the following new subsection:
>
> (b) Section 2(b)(1) of such Act is amended by inserting at the end of the second sentence thereof the following new sentence: "Guarantees, insurance, and credits made available to foreign air carriers for the acquisition of United States aircraft used in foreign air transportation shall be made available on no less favorable terms to United States air carriers for acquisition of such aircraft (including spare parts and equipment) used in competition with such foreign air carriers."

Mr. DINGELL. Mr. Chairman, I note for the benefit of the Chair this amendment was published in the Record last night, on August 20, 1974, at page 29449.

The CHAIRMAN. Is the gentleman requesting the whole 5 minutes?

Mr. DINGELL. I do request my full 5 minutes.

The CHAIRMAN. The gentleman from Michigan (Mr. Dingell) is recognized.

Mr. DAVIS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my good friend, the gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Chairman, I rise in support of this amendment. It is only fair and it is only equitable that we in America should be able to compete equitably all over this world in the air transportation field.

(By unanimous consent, Mr. Davis of South Carolina yielded his time to Mr. Moss.)

Mr. DINGELL. Mr. Chairman, I have an amendment at the desk to the bill, H.R. 15977, as reported, to amend the Export-Import Bank Act of 1945.

The amendment states that—

> Guarantees, insurance, and credits made available to foreign air carriers for the acquisition of United States aircraft used in foreign air transportation shall be made available on no less favorable terms to United States Air Carriers for acquisition of such aircraft (including spare parts and equipment) used in competition with such foreign air carriers.

This new and necessary lanugage to H.R. 15977 would be inserted on page 2 of the bill at line 21, creating a new subsection.

Mr. Chairman, our colleague, Congressman Dale Milford, of Texas, joins me in sponsoring this amendment. I welcome his support and that of several other House Members whom I know, based on their remarks during recent previous debates centering on the extension legislation for the Export-Import Bank, would also be ready to vote for our amendment.

The amendment corrects the serious inequity in the Export-Import Bank Act which currently allows foreign international air carriers to purchase U.S. aircraft at extremely favorable interest rates, as low as 6 and 7 percent, while U.S. international air carriers which compete on the same routes must buy the same aircraft at the going astronomical commercial prime interest rates ranging from 11 to 12 percent, and even higher in some instances.

I am in full support of competition among such air carriers but not when there is such favoritism shown to one group, in this case the foreign carriers. The Eximbank and the Congress, unfortunately, have allowed this policy to continue. Today, with excessive inflation hurting all concerns, our U.S. air carriers are being subjected to most unfair financing while their foreign competitors enjoy lucrative financial arrangements which I believe we must stop. The amendment would accomplish this goal as it provides for equal treatment of U.S. air carriers in purchasing U.S. aircraft.

I am in support of the Congress efforts to encourage the sale of U.S. aircraft to foreign air carriers, but not under the loan and guarantee conditions prevailing today at the Eximbank.

Mr. Chairman, I wish to point out to the attention of our colleagues the "Supplemental Views of Representative Henry Reuss," on page 13 of the House Report 93–1261, to accompany the Eximbank bill, H.R. 15977, wherein Mr. Reuss states, in part:

> In some sectors, the (Exim) Bank has provided credit where there is clear evidence that credit was unnecessary. Long-range jet aircraft, an American monopoly, provide the most flagrant abuse of this kind. Foreign air carriers, which have little competitive choice but to buy American 747's, L–1011's, and DC–10's, have been able to obtain credit from the Eximbank at rates which are unavailable to our domestic air carriers. A Treasury Staff Study over two years ago called for an end to this practice. There is no competition from foreign sources for our long range planes.

Mr. Chairman, we have the opportunity here today with our amendment to remedy the glaring, inequitable situation which is slowly strangling our U.S.-flag carriers and slowly—but surely—giving foreign flag carriers a dominant position in major U.S. cities.

The inequity is, and we must call it what it is, a direct subsidy provided by this Government's Eximbank, which last year provided almost 30 percent of its total financing to foreign-flag airlines—permitting them to finance as much as 45 percent of the purchase price of aircraft at 6 percent interest. While our Eximbank is "lending a helping hand" to such underdeveloped countries as Japan, Germany, Great Britain, our U.S.-flag airlines are trying to compete with the same aircraft and equipment over identical routes. Small wonder that KLM could afford to put 11 flights a week into Chicago, for example.

I do not know whether or not my Illinois colleagues are aware that because of Eximbank subsidies, foreign airlines now totally dominate the Chicago international air transportation market. Today they have a stranglehold on the air service to one of the most important U.S. cities—with over 82 percent of the air traffic being carried on foreign-flag airlines. Only one U.S. carrier now operates between Chicago and Europe—TWA.

You might say, "So what, what difference does it make as long as a city has plenty of service?"

I say it makes a world of difference. If the trend continues, our major U.S. cities could be totally dependent on foreign-flag airlines for service outside the United States. Foreign flags could dictate schedules, frequency, service, and rates.

The creeping danger of foreign airline domination would also result in the slow death of our international carriers. Right now one of our most prestigious international airlines, Pan Am, is being squeezed. This can be translated very simply into something very meaningful to all of us—jobs. Unemployment. Pan Am has over 30,000 employees, TWA has 37,000. Many of these people are located in our major cities. The loss of these jobs, the replacement of American employees with foreign employees may give our cities a cosmopolite atmosphere, but does little to help those individuals get replaced.

I certainly do not want my airline constituents writing to me—asking why their company is being driven to the wall, why the U.S. Government supports and subsidizes foreign airlines—and even excessive foreign employment in the United States.

This is not to say that foreign airlines are not welcome. They are—but we must maintain a balance between the U.S.-flag carriers and foreign flags—not giving preferential treatment to our foreign competitors. This is not equitable; yet this is the state of the present situation.

Let us now correct the creeping domination of foreign airlines into our U.S. air transportation system. Let us give our beleaguered international-flag carriers an opportunity to compete on an equitable footing with foreign flags—especially in our own backyard. Let us give our U.S. airlines and their employees an equal chance in the marketplace, whether it be Chicago, Detroit, New York, Dallas, or Los Angeles. An equal chance could mean a job. We should and we must protect our Nation's valued air transport industry and our interest in controlling our Nation's air transport destiny.

I hope you will vote with us to provide our U.S.-flag carriers the opportunity to acquire the same aircraft financing provided our foreign airline competitors. It is only right.

Mr. Chairman, I have further comments regarding the plight of U.S. international air carriers. The Civil Aeronautics Board has prepared a document entitled, "Restrictive Practices Used by Foreign Countries To Favor Their National Air Carriers." This document, of August 1973, remains pertinent today and was rather widely referred to during hearings and consideration this summer in the Subcommittee on Transportation and Aeronautics of the House Interstate and Foreign Commerce Committee on legislation dealing with discriminatory and unfair competitive practices in international air transportation. This bill, H.R. 14266, introduced by Mr. STAGGERS, chairman of the House Interstate and Foreign Commerce Committee, and related measures, remain on the committee calendar for action.

It was during the course of hearings that the CAB report and its findings pointed out severe problems being encountered by our U.S. international air carriers, problems of out and out discrimination against our air carriers foisted upon them by foreign countries and foreign-flag carriers which enjoy subsidies from their countries' government.

My colleagues should read the various points of the CAB report which show numerous cases of such foreign discriminations against U.S. international air carriers which must compete with foreign-flag air carriers, subsidized by both the U.S. Eximbank and by their own countries while our air carriers go it alone.

I am advocating equality in what is a unique industry.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, where under the gentleman's amendment would the American carriers get their loans?

Mr. DINGELL. From the Export-Import Bank.

Mr. JOHNSON of Colorado. Is that a legal procedure?

Mr. DINGELL. Mr. Chairman, I cannot yield any further. The simple fact is that this amendment treats American-flag carriers fairly. It says they get their money at the same cost.

I suspect that my good friends on the Committee on Banking and Currency might say, well, there have never been loans made to American corporations. That is not true. Loans are regularly made by the Export-Import Bank to American corporations.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Does the gentleman seek his 5 minutes under the rules? It would have to be taken without the time limitation.

Mr. ASHLEY. Mr. Chairman, I will not do that. I will take 50 seconds on this and urge the committee to vote this amendment down. This amendment is absolutely contrary to the charter of the Export-Import Bank. The purpose of this Bank is to facilitate exports, not to bail out the domestic carriers or other sectors of our domestic economy. If we mean to be true to our Export-Import Bank policy and its charter, this amendment must be voted down.

This is not to say there should not be a remedy for the TWA or for Pan American Airlines or whoever is in trouble domestically; but the remedy is not through the Export-Import Bank. This Bank must be maintained true to its purpose, as it has been for some 30 years, to facilitate American exports.

If it is necessary, as was the case with Lockheed and the Penn Central Railroad to direct attention to the problems of domestic carriers, then let us do it in separate legislation, because that is the rational way to do it.

PARLIAMENTARY INQUIRY

Mr. J. WILLIAM STANTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. J. WILLIAM STANTON. Mr. Chairman, is not somebody on the minority side entitled to 5 minutes in opposition to the amendment?

The CHAIRMAN. Any Member who rises in opposition and claims the 5 minutes at the time.

Mr. J. WILLIAM STANTON. At the time?

The CHAIRMAN. At the time.

Mr. J. WILLIAM STANTON. Then I will use my 1 minute in opposition to the amendment.

I think we should point out to the Membership that this amendment was brought up in the committee by our good friend, the gentleman from Pennsylvania (Mr. JOHNSON). He makes a little apology in that he got only one vote in the committee when this was brought up.

Mr. Chairman, it has been pointed out that we cannot finance domestic loans out of the Export-Import Bank. It would be the same thing for buses. It would be the same thing for automobiles. We decided within the committee this would be, indeed, opening up a Pandora's box. I urge defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Chairman, there is nothing in the Export-Import Bank that says that loans may not be made to domestic borrowers, not one word. There are instances where such loans have been approved. I will give one specific case, the Westgate California Corp. had such a loan approval.

I think we should recognize that the new status for the newest nation is its own airline, usually financed through the Export-Import Bank at rates one-half or better those required to be paid by our domestic carriers.

Make no mistake, American-flag carriers are in serious financial difficulties. They are being forced to compete under the most unequal of conditions. The rates they pay are 13 or 14 percent and that is not taking into consideration compensating balances. The gentlemen of the committee know that the compensating balance to raise the actual effective rate of interest must be considerably above that which is quoted. I think this amendment must be adopted.

Mr. STAGGERS. Mr. Chairman, I heard the words, this bill is, "Not to bail out anyone," but I do believe that the amendment brings equity to a troubled industry in our land. To me, it is like putting two prizefighters into a ring and tying the hands of one of them behind his back and saying, "You two fight," when we say we are going to help out industries in some other country and not to help those in our own land that are in trouble.

We have two airlines in America today which are in deep trouble, and to pass an act which does not do anything for them is wrong. Sooner or later, if they do not have some economic support, we are going to have to go in with millions and billions of dollars and bail them out.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, if the committee which has been so ably chaired by the gentleman has jurisdiction over this field, I should think it might be looking at some permanent, long-term solution instead of opening up the Eximbank.

Mr. STAGGERS. We have held hearings on their problems, but we have an opportunity right now to solve those problems.

PREFERENTIAL MOTION OFFERED BY MR. MILFORD

Mr. MILFORD. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. MILFORD moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. MILFORD. Mr. Chairman, my colleagues, I apologize for having to go to this procedure. I know others are waiting to speak, but the matter we have before us is important. It is vital, as a matter of fact, for two of our international carriers.

There have been some arguments brought against this that we need more time to discuss this problem, and I am sorry they placed a gag rule on us, but let me cover some things that I know the Members honestly have on their minds.

Mr. Chairman, some say that "If we allow the airlines access to Eximbank, many other industries will want the same treatment. There will be no end to it."

There is only one other industry that could even remotely be considered comparable to the international airlines, that is the maritime industry. Fortunately, the Congress had the foresight nearly 40 years ago to recognize the need to equalize the capital costs experienced by our ocean carriers versus the foreign-flag carriers. The Merchant Marine Act of 1935 provides U.S.-flag operators with a construction differential for ships built in the United States. The Congress knew that the U.S. operators would be unable to compete with foreign operators using substantially cheaper foreign built vessels unless some relief was given.

Of course, there are other capital goods being exported with financing provided by Eximbank. They however, will not be producers of services, but goods and products. If the cost of such machinery is lower, this may be taken into account through tariff mechanisms which will prevent the U.S. prices from being artificially undercut.

There is no tariff relief available for the airlines. Not only must they compete with government owned and controlled foreign airlines who have substantially lower wage scales than our airlines must pay, they must also contend with the lower costs their foreign competitors have as a result of very favorable Eximbank financing rates. I suggest that there is no American industry in a comparable position.

"Some say that, Eximbank is not the proper place for this kind of subsidy."

I say that this is not a subsidy. It is necessary to rectify a U.S. Government sponsored discrimination against a U.S. industry. To seek correction of this discrimination, by setting up another agency, when Eximbank is already equipped to hande it makes no sense. Why create a new bureaucracy to deal with a discrimination fostered by another bureaucracy? The way to deal with the problem is at its source. Modify Eximbank to allow for aircraft acquisition by U.S. international carriers through Eximbank at rates and terms offered to foreign carriers. This solves the problem, without impairing Eximbank's charter to promote export thus aiding U.S. manufacturers and our balance of payments.

Mr. Chairman, as you and my colleagues may remember, I have argued against subsidies for industries since I came to Congress.

That is a valid argument for me and my constituents.

However I believe it is time to probe the cause of one major industry seeking subsidies.

It seems that the Congress of the United States has been responsible for placing this one industry in such a position that leaves the industry no choice, other than to seek help.

That, my friends, is our American international air carriers operating their foreign routes.

According to the rules under which we chartered the Eximbank, we have seriously hampered the ability of our U.S. airlines to compete with foreign airlines on overseas routes.

First, everyone must recognize that competition is hampered because our flag carriers must compete with airline companies that are owned and operated by foreign governments. These foreign carriers are totally subsidized.

But the real crippling action comes when our Export-Import Bank finances the sale of commercial carriers to these same foreign nations at a lower interest rate than our competing American carriers can obtain.

My distinguished colleague from Michigan has presented a good case for this amendment.

This amendment can restore fair competition between U.S. and foreign carriers in the overseas air travel market.

The purpose of the low-interest loans to foreign carriers, from the Eximbank, is a good one. These help pave the way for increased trade—the sale of our IC-10's, 707's and 747's to other nations. These sales provide millions of jobs in all of our districts.

Obviously this helps us in our goal toward a balance of payments. More important, Exim loans protect and maintain our superior aerospace technology.

But while we are helping the aircraft manufacturing industry—we must not cripple our international airlines, owned and operated by private enterprise in the United States.

The difference in interest rates—6 or 7 percent for foreign countries; 11 to 12 percent, or even more, for our own carriers competing on the same routes—is hardly equitable.

The amendment offered today would make these interest rates the same.

In turn—the competing edge of foreign air travel would be restored.

Our carriers—owned by private enterprise, would be freed of their handicap.

They could purchase these fine planes at the same price as Japan, West Germany, the Netherlands, Belgium, and other foreign countries.

This amendment would bring down the cost-per-seat factors for our international carriers. This could help them meet the other demands such as higher labor prices.

Although I was well aware of the necessity to quit hamstringing American companies and favoring those overseas—I checked with other people involved.

Let me assure you that I received an overwhelming response to "go ahead" from domestic airlines in my district. Another affirmative response came from the labor unions—not just the unions who have personnel involved in air travel—but those with machinists—the people in the manufacturing end of the air travel business.

These people realize that if Pan Am, or TWA, or other overseas carriers collapse—then so do their jobs.

We have six of our foreign air carriers involved here—that means 138,975 people or jobs, and $2.7 billion income, much of it hanging on the vote we cast today.

I urge you to vote for the amendment giving the same interest rates to our foreign carriers as we do to KLM.

What we are simply saying is that this law sets up this discriminate practice, so why not correct it within this law? In this, we are asking for no special place for our own air carriers, just equality; nothing more. We are asking it only where they are competing directly with foreign owned carriers.

Mr. MILFORD. Mr. Chairman, I ask unanimous consent to withdraw by preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. FRENZEL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. HANNA. Mr. Chairman, I rise in opposition to the preferential motion.

I feel very badly that this caper has come in to infringe upon anybody else's time. However, it does make very clear what it is we are trying to solve here in a way as to which there is no sensible solution.

The concerns that have been expressed here are really legitimate concerns, but they cannot be solved in the manner in which the gentlemen who are proposing these amendments seek to solve them.

Let me point out how dramatically this is expressed here. The basic, principal purpose of this act, the Eximbank, is to facilitate trade. Therefore, the loans that are made, although they are made many times to people who are citizens—in fact, most of the money is lent to our own citizens, but only if they are in the export trade—demonstrate that the gentleman from California gave us something that is absolutely irrelevant. The loans have to facilitate trade.

If there is a problem here, it should be addressed to the Committee on Interstate and Foreign Commerce, and we should ask the question and find out what the sense of the Congress is as to whether or not we should subsidize our airlines.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman from California for yielding.

I join him in expressing opposition to the amendment offered by the gentleman from Michigan (Mr. DINGELL).

Granted, the hour is late; it is now past 7 in the evening, but we surely must not lose sight of the fact that this is a bill to extend the authorization for the Export-Import Bank. We are not trying to convert that institution into another Reconstruction Finance Corporation, and to say that is not to deny that Pan American and other airlines are in desperate financial trouble. However, to seek to use this legislation as a vehicle to solve their financial woes would totally distort the aim of the committee bill.

I have one concluding thought that I want to leave with the Members: Many Members of this body constantly receive letters from constituents at home complaining about the lack of efficiency of Government agencies. I have yet to receive a letter complaining about a lack of operating efficiency by the Export-Import Bank. Here we are dealing with the life or death of one Government agency that since 1934 has operated successfully. It is returning a profit. It is operating without appropriated funds, and yet at this hour of the evening we are trying to mangle that organization by adopting amendments of this kind.

Mr. Chairman, I hope that the House will join me and join the gentleman from California in rejecting that kind of amendment.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I appreciate the gentleman's yielding. The fact is there was a point of order or talk about it in committee, specifically, section 2(a), paragraph 1, of the Bank charter reads:

> There is hereby created a corporation with the name of the Export-Import Bank of the United States, which shall be an agency of the United States of America. The objects and purposes of the Bank shall be to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

I want to point out that we have had good advice from the members of the Committee on Interstate and Foreign Commerce, including the chairman, on how to solve their problems through our Eximbank. The Export-Import Bank is not the place to handle the problems that they have set out to solve. We do agree that it is a problem. It is one which I hope the Committee on Interstate and Foreign Commerce will address itself to.

Another deficiency of the amendment is that it does not add any more authorization money. Therefore, if we pass the amendment, there is no way the Bank could discharge well either its real responsibilities, or those which the gentleman from Michigan (Mr. DINGELL) seeks to unload on it.

The amendment must be defeated.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

I would like to also point out that the rate differential between what is paid on Eximbank financial transactions and that paid on loans from normal commercial sources has been grossly distorted. The Eximbank only finances 30 to 45 percent of the loan, the rest of the loan must be financed in the commercial market. The effect of that loan causes the effective rate of interest on the total transaction to be substantially above that on the Eximbank loan.

How many financial carriers want to borrow money on the terms applicable of the Eximbank loans? I suggest they prefer the more liberalized terms of usual commercial loans with a longer period for repayment thereby lessening their cash flow problem.

Exim financing of domestic carriers would be beneficial, but I do not think the deal would be half as good for these carriers as it might appear to be.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Texas (Mr. MILFORD).

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. DINGELL. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to the bill?

The clock has now reached 7:10, the time set for the limitation of debate.

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ICHORD: On page 3, strike out lines 7 through 25, lines 1 through 4 on page 4, and insert in lieu thereof the following:
>
> "(6) The Bank shall not extend credit, or participate in any extension of credit in connection with the purchase or lease of any product by a Communist country, or any national or agency thereof, or by a foreign country or any agency or national thereof if such product is, to the knowledge of the Bank, principally for use in, or sale or lease to such Communist country, unless and until the Bank has submitted to each House of Congress a statement in explanation of any such transaction and such transaction is not disapproved by a resolution of disapproval adopted by either House of Congress within thirty legislative days after the date on which the Bank has submitted such statement. Such statement shall contain the following:
>
> "(A) A brief description of the purposes of the transaction, the identity of the party or parties requesting Bank financing, the nature of the goods or services to be exported, and the use for which the goods or services are to be exported; and
>
> "(B) A full explanation of the necessity for Bank Financing of the transaction, the amount of the financing to be provided by the Bank, and the approximate rate and repayment terms at which such financing will be made available.
>
> The procedure on introduction, reference, and disposition of any resolution of disapproval by either House of Congress shall, as adapted to the purposes hereof, be as provided in section 908 through 913 of title 5, United States Code."

Mr. ICHORD. Mr. Chairman, one of the major cries raised throughout the country is that the Congress of the United States has surrendered its responsibilities to the executive branch. There is a great deal of truth in this charge. It is time for the Congress to reassert its constitutional role of overseeing the programs we authorize and fund with the taxpayer's money. The bureaucracy has fallen into the comfortable position of paying little or no attention to the will and wishes of Congress except when they come to us for a new program, the extension of an old program or the appropriation of more money. The House has taken a major step toward reasserting its congressional responsibilities by reserving to either House of Congress the right to disapprove Presidential determinations in connection with the administration of the Trade Reform Act of 1973.

The Export-Import Bank has made it absolutely clear that it will pay no attention to the will of Congress unless we tie them down by law. They have approved loans of $350 million to the Soviet Union since the Mills-Vanik amendment was passed by the House by a vote of 318–80. A sense of the House resolution with 226 cosponsors instructing them to hold up any further loans to the Soviet Union pending Senate action on H.R. 10710 was ignored.

The amendment which I offer to section 3(b) will simply reserve the right to either House of the Congress to disapprove any proposed loan to a Communist country. The right of the President to make the "national interest" determination is preserved as in present law. The Bank would simply be required to report each proposed loan to Congress and if in 30 legislative days neither House of Congress has taken action to disapprove, then the Bank may consummate the transaction which it has proposed. The procedure for congressional disapproval would be that contained in the Executive Reorganization Act, sections 908 through 913 of title 5, United States Code. This procedure provides that once any committee has failed to act on a resolution of disapproval in 20 calendar days, any Member of Congress can call it up for a vote.

I respectfully ask for the adoption of the amendment.

Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 5 minutes to explain the amendment.

Mr. FRENZEL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 178, noes 215, not voting 41, as follows:

[Roll No. 515]

AYES—178

Addabbo
Andrews, N.C.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard
Bennett
Bevill
Biaggi
Blackburn
Bray
Breckinridge
Brinkley
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Casey, Tex.
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Denholm
Dent
Derwinski
Devine
Dickinson
Dingell
Dorn
Downing
Duncan
Fascell
Fish
Flood
Flowers
Flynt
Fountain
Frey
Froehlich
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Gross
Grover
Guyer
Haley
Hammerschmidt
Hanrahan
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Henderson
Hillis
Hinshaw
Holt
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Ketchum
King
Lagomarsino
Landgrebe
Latta
Lehman

Long, Md.
Lott
Lujan
McDade
Macdonald
Madigan
Mann
Maraziti
Martin, N.C.
Mathis, Ga.
Mazzoli
Michel
Milford
Miller
Mills
Minish
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Murphy, N.Y.
Murtha
Myers
Natcher
Nichols
O'Hara
Owens
Parris
Pepper
Pickle
Pike
Poage
Powell, Ohio
Price, Tex.
Randall
Rinaldo
Roberts
Robinson, Va.
Roe
Rogers
Roncallo, N.Y.
Rose
Roush
Rousselot
Runnels
Ruth
Satterfield
Scherle
Shipley
Shoup
Sikes
Siack
Snyder
Spence
Staggers
Steelman
Steiger, Ariz.
Stratton
Stubblefield
Symms
Taylor, Mo.
Taylor, N.C.
Thornton
Towell, Nev.
Traxler
Treen
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wilson, Charles H., Calif.
Wolff
Wright
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, S.C.
Zion

NOES—215

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Arends
Ashley
Badillo
Barrett
Bell
Bergland
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carter
Cederberg
Chamberlain
Chisholm
Clark
Clay
Cohen
Collier
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Findley
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Fulton
Gettys
Giaimo
Gibbons
Goodling
Grasso
Green, Pa.
Gude
Hamilton
Hanley
Hanna
Hansen, Idaho
Harrington
Heinz
Helstoski
Hicks
Holtzman
Horton
Hosmer
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jordan
Karth
Kastenmeier
Kluczynski
Kyros
Lent
Litton
Long, La.
Luken
McClory
McCloskey
McCollister
McCormack
McEwen
McFall
McKay
McKinney
Madden
Mahon
Mallary
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Mink
Minshall, Ohio
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Nelsen
Nix
Obey
O'Brien
O'Neill
Passman
Patman
Patten
Perkins
Pettis
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Shuster
Sisk
Skubitz
Smith, Iowa
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stokes
Studds
Sullivan
Symington
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Ware
Whalen
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wyatt
Wydler
Wylie
Yates
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NOT VOTING—41

Annunzio
Aspin
Baker
Brasco
Carey, N.Y.
Conyers
Davis, Ga.
Diggs
Donohue
Eilberg
Evans, Colo.
Evins, Tenn
Fisher
Gray
Green, Oreg.
Griffiths
Gubser
Gunter
Hansen, Wash.
Hawkins
Hébert
Hogan
Holifield
Jones, Ala.
Koch
Kuykendall
Landrum
Leggett
McSpadden
Nedzi
Peyser
Podell
Quillen
Rarick
Reid
Rooney, N.Y.
Steele
Stephens
Stuckey
Teague
Van Deerlin

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOWARD: On page 4, after line 22, insert the following:

"(9) The Bank shall not guarantee, insure, or extend credit to Yugoslavia or an agency or national thereof at any time while there has been established to the Bank that Yugoslavia or an agency or national thereof are in default of performance of a contract made with the United States or any agency or national or business organization thereof."

Mr. HOWARD. Mr. Chairman, our Nation is reeling from one economic blow after another, including a rate of inflation that, at last report, had reached 11.5 percent. Recently, my attention was called to the existence of a new, disagreeable commercial practice abroad that can only fuel the inflationary fires here. There may be a polite word for it, but in this country we call it reneging.

I am disturbed by evidence that some of our trading partners simply refuse to live up to their contracts because commodity prices rose in the interval between the sale and actual shipment. Everyone knows there are risks inherent in international commerce, but I, for one, do not think the blatant failure to perform on a contract made with heretofore reputable foreign mills and traders should be one of them.

In some instances, the failure to perform is by foreign suppliers who produce the commodities in facilities financed at least in part by the Export-Import Bank. In other words, when that seller reneges, he does so at the hands of the American businessman who has helped subsidize the factory in the first place.

Mr. Chairman, I think the time is now at hand when we must make it clear that the Congress will not tolerate such shoddy practices. One way to achieve this is to limit the generosity of the Eximbank. Why should a foreign client continue to be accorded "prime rate treatment" after becoming a poor commercial risk and refusing to live up to a bona fide contract?

There is no reason why the bank should continue to make loans to a foreign borrower who has reneged on commercial obligations. Cutting him off at the pocket, so to speak, is often the only remedy available to the United States.

I urge that the Export-Import Bank put defaulters on notice with respect to the subsidized loans they now enjoy, since that is obviously the most direct way to gain contractual compliance. After all, we have the words of the Bank's president himself, who recently warned in one of his speeches that loan applications exceed the funds available. And why not, at 7 percent, when U.S. business is being charged more than 11.5 percent? I think the time has come when the Bank can tell those who importune it that the loan window is closed to anyone who reneges.

Thank you.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. HOWARD).

The amendment was rejected.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes, pursuant to House Resolution 1305, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SCHERLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 330, nays 67, not voting 37, as follows:

[Roll No. 516]

YEAS—330

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashley
Badillo
Barrett
Beard
Bell
Bergland
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, Phillip
Butler
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Derwinski
Diggs
Dorn
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Fascell
Findley
Fish
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel

Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Hamilton
Hanley
Hanna
Hansen, Idaho
Harrington
Hastings
Hays
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Horton
Hosmer
Hudnut
Hutchinson
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Kyros
Lagomarsino
Latta
Lehman
Lent
Long, La.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Sebelius
Seiberling
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NAYS—67

Ashbrook
Bafalis
Bauman
Bennett
Bevill
Biaggi
Bray
Burke, Fla.
Burlison, Mo.
Burton, John
Byron
Camp
Carney, Ohio
Chappell
Clancy
Conlan
Crane
Daniel, Dan
Denholm
Dent
Devine
Dickinson
Dingell
Duncan
Froehlich
Ginn
Gross
Haley
Hammerschmidt
Hanrahan
Harsha
Hechler, W. Va.
Holtzman
Howard
Huber
Hungate
Hunt
Ichord
Jarman
Kuykendall
Landgrebe
Litton
Long, Md.
Lott
Luken
Maraziti
Mathis, Ga.
Melcher
Montgomery
Moss
Myers
Powell, Ohio
Randall
Robinson, Va.
Satterfield
Scherle
Schroeder
Shipley
Snyder
Symms
Taylor, Mo.
Towell, Nev.
Wampler
Wilson, Charles H., Calif.
Young, Alaska
Young, Fla.
Zion

NOT VOTING—37

Annunzio
Aspin
Baker
Brasco
Carey, N.Y.
Conyers
Davis, Ga.
Donohue
Eilberg
Evans, Colo.
Evins, Tenn.
Fisher
Green, Oreg.
Griffiths
Gunter
Hansen, Wash.
Hawkins
Hébert
Hogan
Holifield
Jones, Ala.
Koch
Landrum
Leggett
McSpadden
Nedzi
Peyser
Podell
Quillen
Rarick
Reid
Rooney, N.Y.
Steele
Stephens
Stuckey
Teague
Van Deerlin

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Conyers against.

Until further notice:

Mr. Hébert with Mr. Holifield.
Mr. Eilberg with Mr. Davis of Georgia.
Mr. Koch with Mr. Aspin.
Mr. Rooney of New York with Mr. Fisher.
Mr. Podell with Mr. Stuckey.
Mr. Donohue with Mr. Rarick.
Mr. Landrum with Mrs. Griffiths.
Mr. Nedzi with Mr. McSpadden.
Mr. Evins of Tennessee with Mrs. Green of Oregon.
Mr. Stephens with Mr. Baker.
Mr. Teague with Mr. Carey of New York.
Mr. Leggett with Mr. Hogan.
Mr. Van Deerlin with Mr. Peyser.
Mr. Evans of Colorado with Mr. Quillen.
Mr. Gunter with Mr. Steele.
Mr. Hawkins with Mr. Reid.
Mr. Jones of Alabama with Mrs. Hansen of Washington.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 355

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 355) to amend the National Traffic and Motor Vehicle Safety Act of 1966 to promote safety by providing that defects and failures to comply with motor vehicle safety standards shall be remedied without charge to the owner, and for other purposes, with the House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, MOSS, STUCKEY, DEVINE, and BROYHILL of North Carolina.

PERMISSION FOR MANAGERS TO FILE A CONFERENCE REPORT ON H.R. 15572

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill H.R. 15572, the Department of Housing and Urban Development, Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Bill for 1975.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 93–1310)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15572) "making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 8, 10, 11, 20, 30, 34, 35, 38, 41, 60, and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 9, 14, 22, 26, 27, 42, 43, 46, 48, 49, 50, 55, and 57, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,233,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$197,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$123,375,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$65,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,130,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,413,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,425,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,626,000"; and the Senate agree to the same.

Amendment numbered 18: That the House

recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,928,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$28,563,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$258,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$140,155,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$77,020,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$1,940,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$661,500,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert "more nor less"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert: "more nor less"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$65,150,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert "more nor less"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,500,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$45,000,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$420,000,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$223,925,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$43,796,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,050,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 28, 29, 32, 44, 47, 51, 58, and 59.

EDWARD P. BOLAND,
JOE L. EVINS,
GEORGE E. SHIPLEY,
J. EDWARD ROUSH,
ROBERT O. TIERNAN,
BILL CHAPPELL (except as to No. 4),
ROBERT N. GIAIMO,
GEORGE H. MAHON,
BURT L. TALCOTT,
JOSEPH M. MCDADE,
WILLIAM J. SCHERLE,
EARL B. RUTH,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

WILLIAM PROXMIRE,
JOHN O. PASTORE,
JOHN C. STENNIS,
BIRCH BAYH,
LAWTON CHILES,
JOHN L. MCCLELLAN,
FRANK E. MOSS,
CHARLES MCC. MATHIAS, Jr.,
CLIFFORD P. CASE,
HIRAM L. FONG,
EDWARD W. BROOKE,
TED STEVENS,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report:

TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 1: Appropriates $13,233,000 for salaries and expenses, housing production and mortgage credit programs, instead of $14,340,000 as proposed by the House and $12,125,000 as proposed by the Senate.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to provide that no administrative funds may be used for the administration of the section 23 leasing program, unless the unused balance of contract authority under the section 236 program, or any replacement program, is also made available for commitment concurrent with any contract authority under the section 23 program, instead of the language proposed by the Senate.

The committee of conference is agreed that the action of the conferees is not meant to impede the section 23 program. The intent is to permit the department to utilize available resources, at the earliest date, to fill the need for low income housing to the extent other programs will not meet those needs.

The Secretary is expected to approve commitments of such available funds for new projects for the purpose contemplated by the Congress in enacting the Housing and Community Development Act of 1974, as indicated in the joint explanatory statement of the committee of conference accompanying S. 3066.

The conferees are also agreed that the provisions relating to operating cost subsidies in the new section 236 program authorized by the Housing and Community Development Act of 1974 shall not apply to the unused balances of outstanding contract authority that may be committed for new projects pursuant to this act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 3: Appropriates $2,300,000,000 for housing payments as proposed by the Senate, instead of $2,425,000,000 as proposed by the House.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment to insert language earmarking not less than $450,000,000 for the payment of operating subsidies to local housing authorities. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The committee of conference agrees with the language contained in the Senate report stating that the Housing Act of 1937 as amended by the Congress in 1970 allows payment of limited operating funds by housing authorities to support public housing tenant organizations. The committee of conference expects that operating subsidies appropriated in this act will be used to promote improved communication between tenants and management in public housing. Insofar as operating subsidies are used in this manner, the conferees expect the Secretary of HUD to exercise adequate budgetary and accountability safeguards to be imposed by local housing authorities or tenant organizations to insure that these funds will be used in a constructive manner.

Amendment No. 5: Appropriates $23,400,000 for salaries and expenses, housing management programs as proposed by the House, instead of $21,825,000 as proposed by the Senate.

Amendment No. 6: Appropriates $197,000,000 for urban renewal programs, instead of $200,000,000 as proposed by the House and $194,000,000 as proposed by the Senate.

Amendment No. 7: Appropriates $123,375,000 for model cities programs, instead of $125,000,000 as proposed by the House and $121,250,000 as proposed by the Senate.

Amendment No. 8: Restores language proposed by the House to earmark $1,000,000 for rehabilitation and redevelopment of the DeKalb County, Tennessee, model cities area devastated by recent tornado damage.

Amendment No. 9: Deletes language proposed by the House to appropriate $70,000,000 for the rehabilitation loan fund, as proposed by the Senate.

Amendment No. 10: Appropriates $100,000,000 for comprehensive planning grants as proposed by the House, instead of $106,700,000 as proposed by the Senate.

Amendment No. 11: Appropriates $39,000,000 for salaries and expenses, community planning and development programs as proposed by the House, instead of $37,830,000 as proposed by the Senate.

Amendment No. 12: Appropriates $65,000,000 for research and technology, instead of $60,000,000 as proposed by the House and $67,900,000 as proposed by the Senate.

Amendment No. 13: Appropriates $6,130,000 for salaries and expenses, policy development and research, instead of $5,000,000 as proposed by the House and $6,130,400 as proposed by the Senate.

Amendment No. 14: Appropriates $11,543,000 for fair housing and equal opportunity as proposed by the Senate, instead of $10,900,000 as proposed by the House.

Amendment No. 15: Appropriates $5,413,000 for general departmental management, instead of $5,580,000 as proposed by the House and $5,412,600 as proposed by the Senate.

Amendment No. 16: Appropriates $3,425,000 for salaries and expenses, Office of General Counsel, instead of $3,530,000 as proposed by the House and $3,424,100 as proposed by the Senate.

Amendment No. 17: Appropriates $6,626,000 for salaries and expenses, Office of Inspector General, instead of $6,830,000 as proposed by the House and $6,625,100 as proposed by the Senate.

Amendment No. 18: Appropriates $18,928,000 for administration and staff services, instead of $19,513,000 as proposed by the House and $18,927,610 as proposed by the Senate.

Amendment No. 19: Appropriates $28,563,000 for regional management and services, instead of $29,446,000 as proposed by the House and $28,562,620 as proposed by the Senate.

TITLE II—SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES

American Battle Monuments Commission

Amendment No. 20: Appropriates $4,512,000 for salaries and expenses as proposed by the House instead of $4,376,640 as proposed by the Senate.

Cemeterial Expenses, Army

Amendment No. 21: Appropriates $258,000 for salaries and expenses, instead of $265,000 as proposed by the House and $257,050 as proposed by the Senate.

National Aeronautics and Space Administration

Amendment No. 22: Appropriates $2,326,580,000 for research and development as proposed by the Senate, instead of $2,327,380,000 as proposed by the House. The committee of conference is agreed that not to exceed $3,000,000 may be used for further planning for a Large Space Telescope, provided that consideration is given to substantial participation of other nations in a less expensive project to be launched at a later date. The committee of conference is also agreed that SEASAT may proceed within the funds made available under this appropriation.

Amendment No. 23: Appropriates $140,155,000 for construction of facilities, instead of $135,670,000 as proposed by the House and $140,155,300 as proposed by the Senate.

Amendment No. 24: Designates $77,020,000 for space shuttle facilities, instead of $75,080,000 as proposed by the House and $79,020,000 as proposed by the Senate.

Amendment No. 25: Inserts language proposed by the Senate, and earmarks $1,940, 000 for initiating construction of an Orbiter Horizontal Flight Test Facility, instead of $3,940,000 as proposed by the Senate. The committee of conference is agreed that NASA is not to proceed with the hangar project until the Air Force and NASA agree on the total shuttle facilities plan required at Edwards.

Amendment Nos. 26 and 27: Retain language as proposed by the Senate earmarking $4,880,000 for an addition to the Systems Development Laboratory.

The committee of conference urges the National Aeronautics and Space Administration to realign its activities among various installations so that there may be greater utilization of existing space before any new construction is undertaken.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer to recede and concur in the Senate amendment with an amendment transferring up to one-quarter of one percent of the funds between the research and development appropriation and the research and program management appropriation. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

National Science Foundation

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment authorizing not to exceed $5,000 for official reception and representation expenses.

Amendment No. 30: Earmarks not to exceed $35,900,000 for program development and management as proposed by the House, instead of $36,500,000 as proposed by the Senate.

Amendment No. 31: Appropriates $661,500,000 for salaries and expenses, instead of $666,800,000 as proposed by the House and $654,750,000 as proposed by the Senate.

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment making funds available until June 30, 1976, instead of making funds available until expended as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendments Nos. 33, 34, and 35: Earmark not more nor less than $13,200,000 only for graduate student support, instead of not less than $13,200,000 as proposed by the House and not more than $12,700,000 as proposed by the Senate.

Amendments Nos. 36, 37, and 38: Earmark not more nor less than $65,150,000 only for science education improvement, instead of not less than $68,900,000 as proposed by the House and not more than $61,400,000 as proposed by the Senate.

Amendments Nos. 39, 40, and 41: Earmark not more nor less than $5,500,000 only for institutional improvement for science, instead of not less than $8,000,000 as proposed by the House and not more than $3,000,000 as proposed by the Senate.

Amendment No. 42: Earmarks not more than $50,000,000 for Research Applied to National Needs as proposed by the Senate, instead of $40,000,000 as proposed by the House.

Amendment No. 43: Appropriates $4,850,000 in foreign currencies for scientific activities as proposed by the Senate, instead of $5,000,000 as proposed by the House.

Securities and Exchange Commission

Amendment No. 44: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate limiting travel expenses to not to exceed $1,200,000.

Selective Service System

Amendment No. 45: Appropriates $45,000,000 for salaries and expenses, instead of $46,463,000 as proposed by the House and $37,345,000 as proposed by the Senate.

Veterans Administration

Amendment No. 46: Appropriates $7,283,000,000 for compensation and pensions as proposed by the Senate, instead of $6,716,200,000 as proposed by the House.

Amendment No. 47: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to appropriate $8,750,000 for veterans insurance and indemnities.

Amendment No. 48: Appropriates $3,187,644,000 for medical care as proposed by the Senate, instead of $3,190,044,000 as proposed by the House.

Amendment No. 49: Appropriates $89,000,000 for medical and prosthetic research as proposed by the Senate, instead of $86,770,000 as proposed by the House.

Amendment No. 50: Deletes language proposed by the House to appropriate $30,000,000 for assistance for health manpower training institutions as proposed by the Senate.

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing not to exceed $2,500 for official reception and representation expenses.

Amendment No. 52: Appropriates $420,000,000 for general operating expenses, instead of $388,130,000 as proposed by the House and $428,842,000 as proposed by the Senate.

Amendment No. 53: Appropriates $223,925,000 for construction, major projects, instead of $230,850,000 as proposed by the House and $223,924,500 as proposed by the Senate.

Amendment No. 54: Appropriates $43,796,000 for construction, minor projects, instead of $45,150,000 as proposed by the House and $43,795,500 as proposed by the Senate.

Amendment No. 55: Appropriates $9,700,000 for grants for construction of State extended care facilities as proposed by the Senate, instead of $10,000,000 as proposed by the House.

Amendment No. 56: Appropriates $2,050,000 for grants to the Republic of the Philippines, instead of $2,100,000 as proposed by the House and $2,037,000 as proposed by the Senate.

Amendment No. 57: Appropriates $97,000 for the vocational rehabilitation revolving fund as proposed by the Senate, instead of $100,000 as proposed by the House.

TITLE III—CORPORATIONS

Federal Home Loan Bank Board

Amendment No. 58: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing not to exceed $1,000 for official reception and representation expenses.

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to provide necessary authority for the Board to assess charges and receive advances from other agencies and expand the dollar limitation for its proposed new headquarters building.

TITLE IV—GENERAL PROVISIONS

Amendment No. 60: Deletes language proposed by the Senate relating to the use of passenger motor vehicles.

Amendment No. 61; Restores section number proposed by the House.

Conference total—with comparisons

The total new budget (obligational) authority for the fiscal year 1975 recommended by the committee of conference, with comparisons to the fiscal year 1974 amounts, to the 1975 budget estimate, and to the House and Senate bills for 1975 follows:

	Amounts
New budget (obligational) authority, fiscal year 1974	$20,813,036,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1975	21,436,813,000
House bill, fiscal year 1975	20,846,332,000
Senate bill, fiscal year 1975	21,210,718,420
Conference agreement	21,215,812,000
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1974	+402,776,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1975	−221,001,000
House bill, fiscal year 1975	+369,480,000
Senate bill, fiscal year 1975	+5,093,580

Edward P. Boland,
Joe L. Evins,
George E. Shipley,
J. Edward Roush,
Robert O. Tiernan,
Bill Chappell (except as to No. 4),
Robert N. Giaimo,
George H. Mahon,
Burt L. Talcott,
Joseph M. McDade,
William J. Scherle,
Earl B. Ruth,
Elford A. Cederberg,
Managers on the Part of the House.

William Proxmire,
John O. Pastore,
John C. Stennis,
Birch Bayh,
Lawton Chiles,
John L. McClellan,
Frank E. Moss,
Charles McC. Mathias, Jr.,
Clifford P. Case,
Hiram L. Fong,
Edward W. Brooke,
Ted Stevens,
Milton R. Young,
Managers on the Part of the Senate.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 15572

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that it shall be in order tomorrow to call up and consider a conference report on the bill H.R. 15572, the Department of Housing and Urban Development, space, science, veterans, and certain other independent agencies appropriation bill for 1975.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL EXPLANATION

Mr. PRICE of Texas. Mr. Speaker, on Monday, August 19, the House passed H.R. 16102, legislation to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to return to standard time for the months of November through February. I am recorded as not voting in the Congressional Record, however, I was present and did vote in favor of this legislation. It appears that my coded card did not register in the electronic voting system. I would like to formally record my "aye" vote at this time.

FOREIGN INVESTMENT STUDY ACT OF 1974

Mr. CULVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15487) to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Iowa (Mr. Culver).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15487, with Mr. Eckhardt in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Iowa (Mr. Culver) will be recognized for 30 minutes, and the gentleman from Florida (Mr. Burke) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Iowa (Mr. Culver).

Mr. CULVER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we are presenting H.R. 15487, the Foreign Investment Study Act, to authorize a thorough survey of foreign investment activity in this country. The purpose of this bill is to develop a firm and reliable data base from which both the Congress and the Executive can derive responsive and responsible policy recommendations.

The bill is the product of unanimous judgment and deliberation by the members of my Subcommittee on Foreign Economic Policy. Our investigative hearings earlier this year disclosed both that there is considerable alarm about present and potential foreign investment in the United States, and that the available information against which to gage this concern is seriously deficient.

The last benchmark survey of direct foreign investment in this country was conducted in 1959, and the last one on portfolio investment took place in 1949. The bill directs the Departments of Commerce and of the Treasury to conduct an up-to-date survey of both direct and portfolio investment. All aspects of such investment are to be investigated, including: its nature and magnitude; the mechanism of investment, particularly the implication of takeovers of existing firms; balance of payments consequences; the impact on employment, national security, and natural resources; geographical and sectoral distribution; and the necessity and appropriateness of periodic reporting or disclosure requirements.

Two and a half years are authorized for a full study and a final report, with an interim report due in 18 months.

Mr. Chairman, this is a responsible first step toward dealing with a phenomenon that is of increasing concern to many Americans. Unlike many other countries, we have no screening process or exchange controls to limit the inward flow of foreign investment. We have not felt the need for them, and indeed our posture has been one of encouraging greater freedom of international investment activity, as befits a major exporter of capital. The question is whether this posture should be maintained or modified to some degree in the light of recent and reasonably foreseeable events.

The figures are nowhere near precise, but the data we have indicate that new foreign direct investment in 1973—investment that aims at control of American enterprises—shot up to $3 billion, more than triple the level of preceding years. Analysts pointed to successive devaluations of the dollar, and the steep decline in stock market values, as factors enhancing the attractiveness of U.S. investment to European and Japanese investors. Wide publicity was given to industrial takeovers such as the acquisition of Texas Gulf by the Canadian Development Corp. Rumors grew of Japanese and other foreign interest in farmland and natural resources—rumors that were fueled by the very unavailability of accurate information that this bill seeks to correct.

Of course 1973 ended with the Arab oil boycott and, much more significantly, the quadrupling of international oil prices. This is likely to have a substantial dampening effect on foreign investment activity by the more developed countries such as England and Holland and Japan who have historically or in the recent past been most active in this country. But their balance-of-payment loss is the exporting countries' gain, and we must not gear ourselves to deal with the investment needs and interests of these newly affluent nations.

The oil exporting countries will have some $60 billion in excess currency reserves at the end of 1974, as compared with a $5 billion surplus in 1970. It has been calculated that at presently prevailing world prices the cumulative surplus oil revenues—those that the exporting countries cannot expend for internal purposes—may reach as much as $400 billion by 1980. At present much of the excess is going into short-term bank deposits and various forms of portfolio investment. But this will clearly not suffice for the long run, and Iran's recent purchase of a one-third interest in Krupp is a harbinger of things to come.

Mr. Chairman, the interests of the United States in this situation do not all run in one direction. Clearly there is danger in leaving these huge oil surpluses, over-hanging and disturbing international currency markets. Properly guided, these funds can make a positive contribution to our own balance of payments, to employment, and to the circulation of capital within our economy. That is why, although I share the genuine concern that has prompted various members to introduce restrictive legislation, I believe on balance it is premature to settle on a definite policy course at this time.

The one thing we do owe the American people is accurate and reliable information. Rumor and reaction are not satisfactory implements for the development of sound public policy. We must draw the necessary distinctions between helpful and potentially damaging foreign investment in this country, and we must do so on the basis of solidly grounded knowledge about what is happening. This bill is a building block in that process, and I recommend its approval to the House.

I include the following:

Summary and Background to the Foreign Investment Study Act of 1974

Hearings: In January and February of 1974 the Subcommittee on Foreign Economic Policy held hearings on foreign investment in the United States. It was the near unanimous conclusion of both witnesses and members of the Subcommittee that existing data on foreign investment in the United States is incomplete and inadequate, particularly for the purposes of setting a rational policy.

H.R. 15487: introduced with the sponsorship of all the members of the Subcommittee on Foreign Economic Policy and reported favorably, without objection, by the Committee on Foreign Affairs.

Directs the Departments of Commerce and Treasury to undertake a benchmark survey of foreign investment in the United States. Commerce will conduct the survey of direct foreign investment (the last benchmark was in 1959) and Treasury the survey of portfolio investment (the last benchmark was in 1949).

The study goes beyond the collection of balance of payments statistics and concentrates on the implications for the domestic economy; it includes: extent for foreign investment, reasons for such investment; mechanisms of financing; scope and significance of take-overs; geographical and industrial distribution; effects on U.S. security, energy, natural resources, agriculture, etc.; effect on employment opportunities and labor practices; effect of current laws and regulations; need for regular reporting requirements.

Report accompanying the bill directs that established procedures for confidentiality are to be followed.

Bill authorizes the expenditure of not more than $3 million.

Interim report to congress due 18 months after date of enactment and final report not later than 2½ years after enactment.

A companion bill has already passed the Senate.

The bill has the support of the executive departments.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. CULVER. I yield to the gentleman from Delaware.

Mr. du PONT. I thank the gentleman for yielding.

The gentleman just stated that the usual rule of confidentiality would apply, but I assume that when the report is completed, it will be publicly available, and the statistical tables will be publicly available?

Mr. CULVER. That is correct. They will be in an aggregate form.

Mr. du PONT. I thank the gentleman.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. CULVER. I yield to the gentleman from California.

Mr. REES. I thank the gentleman for yielding.

Mr. Chairman, I should like to congratulate the gentleman for taking the initiative on this study. As a member of the Committee on Banking and Currency, I have been working in the field of foreign banks doing business in the United States. I know there are problems in that foreign banks have more rights than U.S. banks in doing business here. I do not mind banks doing business in the United States and competing, but I have to see them have a competitive advantage over the local banks.

I wish to thank the gentleman.

In order to save time, I should like to insert in the Record some material about some of the problems we have been facing in the Committee on Banking and Currency.

An illustration of the need to know how financing is arranged for foreign investment is provided in the case of the purchase of First Western Bank of California by Lloyds of London. A U.S. bank interested in acquiring First Western was prevented from doing so because the acquisition would violate the antitrust laws. It was argued that a foreign takeover would get around the antitrust problem; would promote competition by permitting the 23d largest bank in the free world, Lloyds, to operate in the home market of the largest bank, Bank of America; and would add to the banking resources of the State and introduce additional needed bank capital.

Lloyd's did not bring in new capital, however. As reported in the Wall Street Journal July 25, it borrowed $135 million in New York to finance the $115 million purchase from World Airways—$95 million of that amount was provided by U.S. banks and $40 million by U.S. insurance companies. It is not clear that in approving the purchase the Federal Reserve Board was aware of how the acquisition was to be financed. There is some question as to whether the same standards of disclosure apply to foreign banks as to U.S. banks in holding company acquisitions or whether the same standards of capital adequacy apply. There is also some question as to whether a major U.S. bank—First Western is the 76th largest bank in the United States, the 8th largest in California—should be capitalized solely with credit obtained from U.S. financial institutions at a 9-percent interest rate, regardless of the amount of resources of the foreign-based parent bank.

I think this example illustrates the need to obtain information on the financing of foreign investment as a foundation for developing a national policy.

In the area of portfolio investment, the need for information is equally significant. Several large U.S. banks which are active overseas have sold stock in the bank or its holding company to foreign banks with whom they are partners in joint ventures. The joint ventures are outside the United States but frequently the foreign bank partner has a subsidiary, branch or agency in the United States—often in the same city in which the U.S. bank is located.

For instance, First National City Bank and Fuji Bank Ltd., Tokyo are equal partners in a management consulting firm and a leasing firm in Tokyo. Fuji Bank owns fifteen hundredths of 1 percent of Citicorp's outstanding shares and has agency operations in both Los Angeles and New York. First National City Bank in turn has extensive banking operations in Tokyo and other Japanese cities.

Other large U.S. multinational banks are also reported to have reciprocal stock holdings with foreign bank partners in joint ventures. Information on foreign portfolio investment in U.S. banks would help indicate the extent and importance of this trend and whether or not it subverts the intent of letter of U.S. law.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. CULVER. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I thank the gentleman for yielding and want to take this opportunity for complimenting the gentleman from Iowa for bringing this legislation to the floor of the House. There is an obvious need for this measure.

Mr. Chairman, over a year ago in response to the growing concern of my own constituents and news headlines augering threats to U.S. business and industry from rapidly increasing foreign investments in the United States, I request my distinguished colleague from Iowa (Mr. Culver), the chairman of the Subcommittee on Foreign Economic Policy, to hold hearings on the issue of foreign investment in our Nation.

Recognizing the need for fully investigating this topic, our Subcommittee on Foreign Economic Policy commenced hearings on the issue, taking testimony from witnesses from all segments of the American economy and from our Federal agencies.

As a result of these extensive hearings, one important conclusion was underscored . . . that our data on foreign investments was wholly inadequate.

While some of the witnesses expressed the opinion that foreign investment in the United States was beneficial to our economy, others forecasted severe problems in years to come unless we adopted strict regulations governing foreign investment.

While the course for future control of foreign investment was not a matter of agreement among committee members, our committee did recognize a compelling need for additional data and information concerning foreign investments so that our future policies could be founded upon sound economic reasoning.

Accordingly, Mr. Chairman, I am pleased to support H.R. 15487, a bill I am cosponsoring which will provide us with a comprehensive collection analysis of data on foreign investments, the necessary information to make intelligent and reasonable decisions for U.S. foreign investment policy.

Only with the information which is authorized under the provisions of the bill before us, can we be fully prepared for all of the possible implications of these investments.

Accordingly, I urge my colleagues to adopt this measure so that we can take a hard look at where we are heading before we make any major decisions concerning the investments of foreign nations in our own United States.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. CULVER. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Mr. Chairman, H.R. 15487, the Foreign Investment Study Act of 1974, will serve to fill a need for accurate and complete information on the question of the nature and extent of foreign investments in the United States, which has grown by leaps and bounds in the last several years. This bill, which was reported favorably and without objection by the Committee on Foreign Affairs, directs the Departments of Commerce and Treasury to undertake a benchmark survey of foreign investment in the United States, with Commerce conducting the survey of direct foreign investment—the first since 1959—and Treasury looking into portfolio investment—the first since 1949.

Furthermore, the study goes beyond the collection of balance of payments statistics and concentrates on the implications for the domestic economy, including: the extent of foreign investment, reasons for such investment, mechanisms of financing, scope and significance of takeovers, geographical and industrial distribution, effects on U.S. security, energy, natural resources, agriculture, and so forth, effect on employment opportunities and labor practices, effect of current laws and regulations, and the need for regular reporting requirements.

The bill authorizes the expenditure of not more than $3 million, and an interim report to Congress is due 18 months after the date of enactment, and a final report not later than 2½ years after enactment. The bill has the support of the executive departments, and as you know, a companion bill has already passed the Senate.

I would like to focus for one moment on sections 7 and 8 of the bill, which provides an authorization for the collection of data and enforcement powers of this study. The current authorization for the Departments of Commerce and Treasury to collect information of foreign firms is insufficient to cover the information sought in this study.

Section 8 of the Bretton Woods agreements of 1945 authorized the collection of balance-of-payments information. Section 5b of the Emergency Banking Act of 1933 was the statutory basis for the foreign direct investment program and currently provides the statutory foundation for the foreign assets control program. It provides for the collection of balance-of-payments information only in times of declared national emergency, and although two national emergencies are presently in effect, Congress may well act to terminate them.

In any case, even if the above statutes were sufficient to conduct the study, they authorize collection of balance-of-payments information only, whereas this study must be much broader in scope, and seeks information as well on various facets of the domestic economy.

In addition, this authorization is necessary, because in the past, neither the Department of Commerce nor academic surveys have had success in obtaining information through voluntary surveys in this area. But now we need hard accurate data in order to decide whether foreign investment should be encouraged or discouraged in certain areas, restricted in certain areas, and to make related determinations of national policy.

Mr. CULVER. Mr. Chairman, I reserve the balance of my time.

Mr. BURKE of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in favor of H.R. 15487, the Foreign Investment Study Act of 1974 which I cosponsored.

In January and February of this year the Subcommittee on Foreign Economic Policy, of which I am a member, held hearings on direct foreign investment in the United States. Those hearings were prompted by citizen concern over the sudden rise in foreign investor activity in the country—over the numerous rumors of foreign purchase of large agricultural tracts, and the alleged attempted and completed take-over of well-known American corporations such as Texasgulf, Airco, Gimbels, Ronson, Signal Oil and Stouffers.

The hearings brought the conclusion that we lack sufficient information to determine whether or not we should be concerned over foreign investment. We received testimony from representatives of business and farm organizations, State development agencies, financial institutions, the academic community, and the executive branch. The unanimous opinion was that current data on foreign investment is wholly inadequate for the purposes of establishing national policy.

The historic policy of granting national treatment to foreign capital goes back to the founding of the Nation, with Alexander Hamilton's urging in 1791 that foreign investment not be "viewed as rival" but treated as domestic capital. In fact, foreign capital played a crucial role in the industrial development of this country. It is reported that at the beginning of the nineteenth century 53 percent of the national debt was held by foreigners, as was 63 percent of the stock of the national bank and one-quarter of the total capitalized worth of American corporations.

In contrast, today foreign direct investment accounts for less than 1 percent of total corporate assets. Many foreign companies have been operating in the United States for decades and, in essence, have become naturalized citizens. How many Americans are aware that Nestles chocolate is Swiss, Shell is British and Dutch, Lipton is British, Bayer is German, Carling is Canadian, and Kiwi is Australian?

Not only is foreign investment neither a new nor a very large aspect of American business life, over 99 percent of those employed by foreign firms, including a large portion of management, are U.S. citizens, so the companies are manned and run by American, not foreign, nationals. Foreign investment brings the benefits to be derived from increased competition, additional domestic production that can replace imports and/or increased exports, and strengthened local and national tax bases.

The foregoing does not mean that legitimate questions have not been raised concerning foreign investment inflows into the United States. For example, is it equitable that foreign banks do not fall under the jurisdiction of the Federal Reserve System and are permitted to establish operations in more than one State, a privilege denied to U.S. banks? Is it possible that foreign investment in agricultural facilities and national resources, such as coal and timber, might exacerbate domestic commodity scarcities, through exportation of their products? Similarly, does the potential of foreign investment in any way jeopardize our national security—are current laws sufficient to protect our defense-related industries from foreign intrusion?

It was the inability to answer questions such as these, and the general lack of information, that led the Subcommittee on Foreign Economic Policy to unanimously endorse the Foreign Investment Study Act of 1974. This bill directs the Departments of Commerce and Treasury to conduct a 2½-year survey of foreign investment in the United States. The last such undertakings were benchmark surveys of direct foreign investment in 1959 and of portfolio investment in 1949. Even the Department of Commerce admits that its statistics on foreign investment in this country are unreliable. The extent of the divergence from reality probable of current data or foreign investment, is indicated by the fact that, for foreign direct investment in manufacturing, mining, and petroleum as of the end of 1972, Commerce Department statistics show a figure of $10.47 billion whereas an academic survey places the figure at approximately $38 billion. It is the intent of this bill to correct these discrepancies.

The larger purpose to be served by this proposed study is to provide answers to some of the questions that need to be answered in order that the Executive and the Congress be in a position to establish a responsible policy toward foreign investment. We need hard data on the extent and nature of foreign investment, the implications of takeovers and of purchase of natural resources, and the impact on the economy. We need a picture of the prospects of foreign investment—what are the likely investment paths to be followed by the Arab oil producers with their new-found riches and what are the implications for the United States? Do we need any controls or reporting requirements to guard against the unwarranted influx of foreign capitals?

Foreign investment has played a major role in the development of this country, and today is probably the most important area of international economic activity. There is evidence that it can bring benefits—on the international level, through the efficient allocation of resources, on a local basis through increased competition and employment. However, there may also be disadvantages, such as loss of national control over our own exploitation of our natural resources and threats to national security. Whatever the situation, I am hopeful that we will pass this bill which will provide many of the answers we in government need in order to set policy on this crucial issue.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BURKE of Florida. I yield to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Chairman, I support passage of H.R. 15487, the Foreign Investment Study Act of 1974.

This bill recognizes the dramatic increase in foreign investment in the United States during 1973 and would direct the Secretaries of Commerce and Treasury to carry out a study of foreign direct and portfolio investment in the United States. It is hoped that the results of this study will help us to have a better understanding of the implications of such investments as we consider what our national policy should be concerning foreign investments in this country.

In my opinion, this legislation will help to produce the factual information we all need by directing the Secretaries of Commerce and Treasury to conduct a comprehensive survey and analysis of foreign investment in the United States.

As pointed out in a letter from Commerce Secretary Dent to our committee chairman, Dr. MORGAN, the last benchmark survey of foreign direct investment in the United States was conducted in 1959.

Mr. Chairman, this legislation is needed and I urge its approval.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. BURKE of Florida. I yield to the gentleman from Ohio.

Mr. WHALEN. Mr. Chairman, a subject of increasing concern among many Americans has been the growth of foreign investment in the United States. Several events fueled this anxiety. Last January 28, Burmah Oil, a British firm, acquired control of the Signal Oil and Gas Co. Also, last winter rumors—and, indeed, factual reports—of substantial Arab and Japanese investment in agriculture and real estate were rampant. Even my children's favorite ice cream parlor was acquired by a British firm.

Prompted by citizen reaction, the Senate Banking, Housing and Urban Affairs Subcommittee on International Finance and the Foreign Affairs Subcommittee on Foreign Economic Policy, of which I am a member, held hearings earlier this year on this subject. The primary conclusion reached by each of these subcommittees is the need to secure more and better information. It is to this end that H.R. 15487, the Foreign Investment Study Act of 1974, of which I am a cosponsor, was introduced.

Let me begin by reviewing the available information. According to the Department of Commerce, the total book value of the long-term private investment in the United States at the end of calendar year 1972 is $59.817 billion—$45.454 billion in portfolio investments and $14.363 billion in direct investments.

Four points are worth noting about portfolio investment:

First. The largest percentage is in corporate stocks;

Second. Foreign portfolio investment in the United States has increased fourfold from 1960 to 1972;

Third. The Western European countries alone account for more than 72 percent of total portfolio investment; and

Fourth. The liabilities of the U.S. banks to foreign nationals have increased at an unprecedented rate.

The Department of Commerce estimates that foreign direct investment in this country nearly doubled between 1962–72. The country with the largest direct investment in the United States is the United Kingdom, which in 1972 had slightly over 32 percent of the total. Canada, with approximately 25 percent of the total, is the next largest investor. The six original European Economic Community countries—France, Germany, Italy, Belgium, the Netherlands, and Luxemburg—together account for another quarter of the 1972 figure.

Japan, too, has been a major investor. Although in 1972 net liabilities within the United States exceeded assets by $132 million, Japanese capital recently has been flowing into our country at an unprecedented rate. In 1971, there was a net outflow of $512 million from the United States to Japan. In 1972, however, there was a net inflow of $58 million, a $570 million turnabout.

During the 10-year period—1962–72—there have been significant shifts in the focus of foreign investment. In 1962, manufacturing accounted for 38 percent of the total; a decade later, the figure had increased to 50 percent. The petroleum industry attracted 19 percent of the total in 1962, and 22 percent 10 years later. Most of the remainder of the investment from abroad flowed into the insurance market.

It is primarily on the basis of these Department of Commerce figures that Peter Flanigan, Assistant to the President for International Economic Affairs, concluded:

> Aside from national security, there is no reason supported by economic analysis or *existing data* for introducing new restrictions on foreign investment." (Emphasis added.)

These "existing data," however, suffer from certain deficiencies. February's "Survey of Current Business," the Department of Commerce's monthly publication from which all the preceding statistics have been taken, states:

> The data . . . are based on a sample of approximately 400 of the larger foreign-owned U.S. firms . . . The sample has been matched against the 1959 benchmark universe of foreign direct investment in the United States . . . Since the benchmark is out of date, the universe estimates are subject to a significant margin of error . . .

Also, the Commerce Department's projections do not provide any specific information about foreign investments in such other sectors of the economy as agriculture and real estate. Nor are there any reliable figures from any other source on the present amount of foreign investments in these sectors despite widespread reports of Japanese agricultural and Arab real estate investments.

Prof. Jeffery A. Arpan, of Georgia State University, and David A. Ricks, of Ohio State University, in testimony before the Foreign Economic Policy Subcommittee, noted that the most difficult and time-consuming part of their survey of foreign investors was to identify and locate the firms. According to Messrs. Arpan and Ricks, there is no accurate or complete list of these companies. They indicated:

> Some lists contain no addresses; others do not indicate type of operation (manufacturing or mining). Furthermore, no two lists agree and there is remarkable lack of overlap. The two largest lists, one by the Department of Commerce (*Foreign Direct Investors in the U.S.* which lists over 800 manufacturing firms) and one by Simon and Schuster (*Directory of Foreign Firms Operating in the U.S.* which lists over 1400 manufacturing firms) have less than 50 percent duplications.

On the basis of replies received from 100 firms out of a total of 1,900 to which their questionnaire was mailed, Professors Arpan and Ricks conclude that there is about $38 billion worth of foreign direct investment in mining, manufacturing, and petroleum. In other words, this is nearly four times the Department of Commerce estimate. Explaining this information gap, Arpan and Ricks said that to be included in the Department figures a foreign firm "must first be identified by the Department of Commerce, be sent a questionnaire by the Bureau of Economic Analysis, make an investment of $2 million, and return the completed questionnaire. A potentially large number of small investors are left out by this procedure."

The growth of foreign investment in the United States is estimated to have reached an all time high in 1973. But just how "high" is subject to dispute. The Conference Board, a private research organization, has reported that the announced foreign direct investment during the period from March to November 1973, was $1.9 billion. The Commerce Department initially determined that direct investment for the entire year was approximately $2 billion. This disparity between the Conference Board's and the Department's figures clearly reveals the difficulties confronting those decisionmakers who must measure the impact of foreign investment in this country.

It is just this lack of information that H.R. 15487 seeks to correct. This measure authorizes the most complete survey of foreign investment ever undertaken in this country. On the basis of the information gathered from this study, the legislative and executive branches will be able to assess the problems, if any, created by foreign investment and develop programs to ameliorate them. The Foreign Investment Study Act was favorably reported by the Foreign Economic Policy Subcommittee and unanimously adopted by the full Committee on Foreign Affairs. A similar bill has already passed the Senate. Mr. Chairman, I urge the passage of H.R. 15487.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BURKE of Florida. I yield to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of H.R. 15487, the Foreign Investment Study Act of 1974. This bill directs the Secretaries of Commerce and Treasury to collect and analyze data on foreign direct and portfolio investment in the United States, so that we can use this data to set a national policy controlling foreign investments in our country.

For some time now, reports have been coming in which indicate that foreign investors are buying heavily into our domestic economy as well as our national debt. At the end of 1972, according to Commerce Department statistics, a total of $14.4 billion in foreign investment was found in the following areas: $7.2 billion in manufacturing; $3.2 billion in petroleum; $2.4 billion in insurance and other financial firms; $523 million in trade firms; and $958 million in other industries.

In addition, foreign interests held portfolio investments in U.S. corporate stocks worth a staggering $88.9 billion.

During 1973 and 1974, as we all know, the Arab members of the Organization of Petroleum Exporting Countries—OPEC—doubled and tripled the price of crude oil on the world market, and began to amass profits numbering in the billions of dollars. The Arabs are now seeking to invest those billions of dollars where they will earn the best return, and since the U.S economy is the least inflation-ridden and the soundest in the world today, the United States is the logical place for those oil profits. Thus we find the Shah of Iran, after purchasing a quarter interest in the largest weapons and munitions and steel manufacturing firm in Germany, offering his resources to assist financially troubled Grumman Aerospace, one of our chief defense contractors. We find our leading financial institutions operating special departments to speed the flow of Arab funds into American real estate projects, American investment projects, American stocks and bonds, and U.S. Treasury notes.

We have no up-to-date figures today on foreign investment in the United States, but if even a fraction of those oil profits have been invested in our economy, it numbers in the billions.

The Foreign Investment Study Act is imperative legislation, because it will tell us exactly what is going on and enable us to make a decision as to how much of America has been sold to foreign interests. We must have this information, and fast, if we are to protect the independence and security of our economy. We must not allow America to be sold to foreign investors, and we must not allow a controlling interest to pass into foreign hands. I only wish we had the necessary information today, so that we could take more direct action now against such heavy foreign investment.

Mr. Chairman, I support the Foreign Investment Study Act and I urge my colleagues to support it, for the sake of our economic health and our national security.

Mr. BURKE of Florida. Mr. Chairman, I have no further request for time.

Mr. CULVER. Mr. Chairman, I yield myself such time as I may consume.

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. CULVER. I yield to the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Chairman, I rise in strong support of the proposed study and congratulate the subcommittee and full committee. The time to get it underway is immediate. I would like to raise several issues which I believe should be addressed by the Subcommittee on Foreign Economic Policy even before this study is begun and then in depthed in the course of the study or through consideration of other legislation already on the books or presently under consideration by the Congress.

My principal interest in the question of foreign investment centers on the military-economic security of our Nation and its relationship to the ownership and operation of our soon-to-be-built deepwater oil ports. As the chairman of the task force that developed plans for Louisiana's so-called superport and later as president of the Louisiana Deep Draft Harbor and Terminal Authority, I studied this question in some depth, and I helped draft the act which will control Louisiana's participation in the deepwater port now planned for construction off her coast.

When the original House deepwater port bills were brought before the Rules Committee last year I joined other members of the committee, especially Representative JOHN YOUNG of Texas, in pointing out that none of the bills addressed the serious problem of foreign control of our superports. As a result of our work with the respective committees the bill passed by the House contains some protections against foreign control.

My work to develop superport legislation in Louisiana and in Washington has convinced me that the ports will soon have critical importance to our national economy and national defense. From my years as a financial lawyer and investment banker I know how easy it would be, given the present financial structure of American industry and the new global monetary situation, for hostile elements to gain control of our superports.

The importance of the ports stems from two simple facts: the United States' growing dependence on foreign sources of petroleum—we will import 50 percent of our supply by 1985—and economic factors which not only will dictate shipment of the oil in supertankers but of equal importance this will also limit us to unloading the tankers at very few ports, probably no more than five for the whole country.

These few ports will soon become pressure points of our military security and our entire economy. Oil shipped from the Mideast, as well as from South America, Africa, Indonesia, and even Alaska will have to flow through them. The recent Arab embargo showed that when part of the supply of a resource is controlled by an unfriendly cartel the price can be artificially increased and the supply arbitrarily reduced. What would happen if the Arab nations, instead of controlling merely their own oil supply, also controlled the operations of one or even all of our deepwater ports? They then would have the power to terminate our supply of all petroleum shipments through those ports. Increasing reliance upon imports will exacerbate this already intolerable situation.

Perhaps this course of events is unlikely. However, when such a vulnerable point of our national defense is involved, the question should not be "Is it probable?" but rather "Is it possible?" and "What can we do about it?"

Is it possible? The answer is unequivocally "yes." The Arab nations imposed the oil embargo for political reasons. Despite normalization of relations between the United States and the Arab States, our policies in the Mideast have not changed significantly, nor have the Arabs dropped their demands for support in their campaign against Israel. As long as the political questions are unanswered the embargo threat remains alive.

A greater threat would arise if only a relatively small portion of the huge Arab oil revenues was invested in the stock of corporations controlling American superports. By 1980, according to the Library of Congress estimates, the oil-exporting nations of the Mideast will have amassed up to $300 billion from oil sales, more than four times the 1972 net worth of every single American oil company, and more than enough to purchase effective control of hundreds of publicly traded American corporations including the 68 largest oil companies. As is well known by sophisticated financial people, a single shareholder or group of shareholders owning 2 to 5 percent of the stock of a corporation with millions of outstanding shares may well be the largest shareholder and often will directly influence or even direct corporate policy.

More importantly, this control can be exercised both secretly and indirectly through the use of nominees bearing innocuous street names to purchase, hold, and vote stock. The recent report by several subcommittees of the Senate Government Operations Committee entitled "Disclosure of Corporate Ownership" revealed the widespread use of this technique.

Another possible danger—indirect but

still very real—would exist if the same companies which produce oil abroad had an interest in owning or operating one or more U.S. superports. I refer to the recent actions of the Arabian American Oil Co.—Aramco—a consortium of Exxon, Mobil, Texaco, and Standard Oil of California. The Arab embargo was made possible because Aramco was forced to obey Arab demands to cut shipments to the United States under threat of losing their properties or their oil supply. Should those companies also have an interest in owning or operating U.S. oil ports, it is conceivable that they would suffer the same pressures to close one or more of them at some time. Whether they obeyed and closed their ports, or refused and lost their properties or supply, the United States would for at least some time be at their absolute mercy.

Given the existence of the danger of foreign control over our energy supply, what can be done about it?

First, we can pass H.R. 15487 as quickly as possible and begin the study at once.

Second, as to the study itself, I believe the degree of foreign investment in certain U.S. corporations should be recognized as significant at a very low level of participation.

Third, the study should investigate the use of nominees to control corporations for undisclosed principals.

Fourth, in the case of superports, there should be a special effort to identify the threat of foreign control, whether it be direct or indirect, and the work should be undertaken as soon as possible. Because we will see construction begin on the first superport in the next few months it is crucial that we resolve at least this part of the overall foreign investment problem before permits are granted, precedents set, and procedures established.

Finally, a study of foreign investment in the United States would, I believe, necessarily investigate the need for Federal or State participation in the ownership and management of our deepwater oil facilities. As I mentioned above, the High Seas Oil Port Act passed recently by the House contains some protections against foreign control, but in my opinion the danger is neither fully recognized, nor sufficiently avoided by that act. I understand that the deepwater port bill now under consideration in the Senate suffers from the same deficiencies in this regard.

I urge support of this legislation as a beginning and urge the Subcommittee on Foreign Economic Policy to begin an immediate investigation into this aspect of this very important matter.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. CULVER. I yield to the gentleman from South Carolina (Mr. MANN).

Mr. MANN. Mr. Chairman, I rise in support of this legislation.

I do not want to minimize the concerns that have been expressed over growing foreign investments in this country and their possible effect on national security and the utilization of our natural resources, and that foreign ownership might dominate particular industries or sectors of our economy. Our present information does not provide a basis for concluding that such investments are having adverse effects in these respects, and I am convinced that we need to know much more than we do about their magnitude, character, and effect before we seriously contemplate some of the measures that have been proposed to restrain them. The proposed legislation contemplates a comprehensive effort in this direction that would go a long way in helping us reach the necessary judgments. In the meantime I should like briefly to note some of the benefits we are deriving from foreign investments in this country.

Measurement of the economic impact on our economy of foreign direct investments is extremely difficult since it involves many offsetting factors and because we can only speculate on what would have happened if alternative courses of action had been pursued. On the whole I believe the United States has enjoyed a substantial net benefit. The economy has acquired new capital, new and improved technology, and often new management and products as well. These foreign direct investments have contributed to overall U.S. productivity, production, and domestic economic growth, and have increased the stream of income and employment in the U.S. economy.

Foreign competition is already well established in the U.S. marketplace, as evidenced by over $65 billion of U.S. imports in 1973. However, goods produced by foreign-owned U.S. companies do not ordinarily provide the same type of competition that imports do. The principal reason is that merchandise produced here is generally made with and utilizes U.S. materials, labor, packaging, parts, transportation, advertising media, involves the payment of U.S. taxes and, in general, becomes thoroughly Americanized.

Because foreign direct investments—currently estimated at over $17 billion at book value—represent such a small proportion of total U.S. investments in comparable fields, their overall effect on the total domestic economy probably is minor. But the significance at the local level can be quite great, and this is reflected in the energetic involvement of virtually all the State development agencies and many of the State Governors in promotional efforts to attract foreign investments to provide employment and economic growth. Unfortunately, composite data on jobs and income generated by these foreign-owned plants are quite sketchy.

The impact that such plants can have at the local level, however, is illustrated by the experience of Spartanburg, S.C., a city of 45,000, which since 1960 has attracted 24 firms representing 7 different countries and employing 4,000 local workers. Average income in Spartanburg has more than doubled in the past decade, and unemployment reduced by more than half. Foreign firms were a major contributor to these developments.

This is an especially dramatic case, which happens to exist in my congressional district, but many other areas could testify to the benefits gained from foreign-owned enterprises.

The Department of Commerce has played an important role in assisting the States in cultivating foreign interest in these developmental efforts by helping to organize seminars and missions. However, no special incentives are offered foreigners, and the emphasis is in new plant and equipment investments that will contribute to local economic growth.

In closing, I would also like to note that our open door policy toward foreign investments here is an important factor in preserving a favorable climate for our investments abroad, roughly six times larger than the investments here.

Mr. VANDER JAGT. Mr. Chairman, I rise in support of H.R. 15487, which authorizes the Secretary of Commerce and the Secretary of the Treasury to undertake a comprehensive collection and analysis of data on foreign direct and portfolio investment in the United States.

To increase the understanding of the implication of these investments both within the U.S. Government and among the public, thus helping to lay the foundation for a national policy concerning foreign investments in the United States such a study should be undertaken.

There was a drastic increase in the United States during 1973, resulting in expressed citizen concern. This concern related both to foreign takeover of American corporations and to rumored large foreign purchases of agricultural lands and natural resources in the United States. The sharp rise over the $708 million in direct foreign investment in 1972, ranging from $2 to $3 billion in 1973, warrants an investigation provided in this legislation.

From testimony received from representatives of business, farm organizations, State development agencies, the administration, and others, the main theme was that existing data on foreign investment in the United States is grossly inadequate.

Information provided the Subcommittee on Foreign Economy Policy noted that the last full scale, or benchmark, survey of foreign direct investment was in 1959. In view of the lapse of time since this survey, the recent surge of investment flows into the country, the prospects of further activity, and the interest of the Congress in this subject, it is clear that a new survey is required.

Also, the American people should be adequately informed about such investments in order to know the economic, political, and social effects of foreign investments in the United States.

I strongly support the passage of H.R. 15487.

Mr. FOUNTAIN. Mr. Chairman, I rise in strong support of H.R. 15487, and I would like to associate myself with the remarks of the distinguished gentleman from Iowa (Mr. CULVER) as to the need for this legislation and the kind of study it will authorize.

We just must have much more information than is now available on foreign direct and portfolio investments in the United States.

For the time being, I do not think we should fear being bought up or out by foreign investors. However, we must eventually have a more positive national policy concerning foreign investments in the United States. The comprehensive collection and analysis of the data and other information called for by H.R. 15487 will go a long way to help in developing a national policy, and toward a determination of the form such a policy should take. The information now available is wholly inadequate. Even with this legislation, the task of getting accurate information will not be easy, because of the many ways in which foreign investments are and can be made. But through this Foreign Investment Study Act and the suggestions and recommendations which I feel sure will result therefrom, we will be moving in the right and a very essential direction.

Mr. FRENZEL. Mr. Chairman, I strongly support H.R. 15487 which authorizes the Departments of Commerce and Treasury to conduct an extensive study of foreign investment in the United States. The Senate has already passed a similar bill, and we should follow suit.

The purpose of this study is to collect more accurate data on foreign investment. There is common agreement between the Congress and the administration that we do not have adequate data. I think this bill spells out quite clearly those areas where more information is needed.

In recent months, there have been disturbing rumors and reports, most of them apparently from alarmists, about the Arab or Japanese investment "invasion" of the United States. We have no concrete proof of such investment, but this study will certainly substantiate investment of that magnitude, if in fact it exists. I do not believe that it does. And I do not agree with those who say that we must clamp severe restrictions on investment. The whole world, including the United States, is suffering from shortages of capital. No matter how much we may dislike the concentration of capital in the hands of the Arabian oil ministers, we should not be talking about erecting barriers to capital. We are beginning to find ourselves in a desperate competition for capital, with hundreds of thousands of jobs, and the strength of our economy at stake.

The present U.S. policy with respect to foreign investment is to welcome it. It is important that Congress continue its leadership role in encouraging the free flow of capital. We offer no special incentives to foreign investment that domestic investment does not also have. We ought to be proud that we have been an attractive capital market.

I believe that this is the best policy. But I also believe that we need to know more about foreign investment so that our policy will have a firmer foundation, will contain flexibility, and have the ability to control investments, where necessary. This legislation directs a study which will give us the necessary facts. I commend the Foreign Affairs Committee for reporting out a good bill. And I urge my colleagues to support it.

Mr. CULVER. Mr. Chairman, I have no further request for time.

The CHAIRMAN. The Clerk will read.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Investment Study Act of 1974".

Sec. 2. The Secretary of the Treasury and the Secretary of Commerce are hereby authorized and directed to conduct a comprehensive, overall study of foreign direct and portfolio investments in the United States.

Sec. 3. The Departments of Commerce and Treasury, in consultation with appropriate agencies, shall determine the definitions and limitations of direct and portfolio investments for the purposes of the study authorized in section 2 of this Act.

Sec. 4. In carrying out the study described in section 2 of this Act, the Secretary of Commerce and the Secretary of the Treasury shall, respectively and jointly as may be appropriate—

(1) identify and collect such information as may be required to carry out the study authorized in section 2 of this Act;

(2) consult with and secure information from (and where appropriate the views of) representatives of industry, the financial community, labor, agriculture, science and technology, academic institutions, public interest organizations, and such other groups as the Secretaries deem suitable; and

(3) consult and cooperate with other government agencies, Federal, State, and local, and, to the extent appropriate, with foreign governments and international organizations.

Sec. 5. The Secretary of Commerce shall carry out that part of the study authorized in section 2 of this Act relating to foreign direct investment, and shall, among other things, to the extent he determines feasible, specifically—

(1) investigate and review the nature, scope, magnitude, and rate of foreign direct investment activities in the United States;

(2) survey the reasons foreign firms are undertaking direct investment in the United States;

(3) identify the processes and mechanisms through which foreign direct investment flows into the United States, the financing methods used by foreign direct investors, and the effects of such financing on American financial markets;

(4) analyze the scope and significance of foreign direct investment in acquisitions and takeovers of existing American enterprises, the significance of such investments in the form of new facilities or joint ventures with American firms, and the effects thereof on domestic business competition;

(5) analyze the concentration and distribution of foreign direct investment in specific geographic areas and economic sectors;

(6) analyze the effects of foreign direct investment on United States national security, energy, natural resources, agriculture, environment, real property, holdings, balance of payments, balance of trade, the United States international economic position, and various significant American product markets;

(7) analyze the effect of foreign direct investment in terms of employment opportunities and practices and the activities and influence of foreign and American management executives employed by foreign firms;

(8) analyze the effect of Federal, regional, State, and local laws, rules, regulations, controls, and policies on foreign direct investment activities in the United States;

(9) compare the purpose and effect of United States, State, and local laws, rules, regulations, programs, and policies on foreign direct investment in the United States with laws, rules, regulations, programs, and policies of selected nations and areas where such comparison may be informative;

(10) compare and contrast the foreign direct investment activities in the United States with the investment activities of American investors abroad and appraise the impact of such American activities abroad on the investment activities and policies of foreign firms in the United States;

(11) study the adequacy of information, disclosure, and reporting requirements and procedures;

(12) determine the effects of variations between accounting, financial reporting, and other business practices of American and foreign investors on foreign investment activities in the United States; and

(13) study and recommend means whereby information and statistics on foreign direct investment activities can be kept current.

Sec. 6. The Secretary of the Treasury shall carry out that part of the study authorized in section 2 of this Act relating to foreign portfolio investment, and shall, to the extent he determines feasible, specifically—

(1) investigate and review the nature, scope, and magnitude of foreign portfolio investment activities in the United States;

(2) survey the reasons for foreign portfolio investment in the United States;

(3) identify the processes and mechanisms through which foreign portfolio investment is made in the United States, the financing methods used, and the effects of foreign portfolio investment on American financial markets;

(4) analyze the effects of foreign portfolio investment on the United States balance of payments and the United States international investment position;

(5) study and analyze the concentration and distribution of foreign portfolio investment in specific United States economic sectors;

(6) study the effect of Federal securities laws, rules, regulations, and policies on foreign portfolio investment activities in the United States;

(7) compare the purpose and effect of United States, State, and local laws, rules, regulations, programs, and policies on foreign portfolio investment in the United States with laws, rules, regulations, programs, and policies of selected nations and areas where such comparison may be informative;

(8) compare the foreign portfolio investment activities in the United States with information available *on* the portfolio investment activities of American investors abroad;

(9) study adequacy of information, disclosures, and reporting requirements and procedures; and

(10) study and recommend means whereby information and statistics on foreign portfolio investment activities can be kept current.

POWERS

Sec. 7. (a) The Secretaries of Commerce and Treasury may establish such rules, regulations, orders, instructions, reports, and forms as they deem necessary to carry out the purposes of this Act and may take such other measures as may be necessary and proper to carry out their responsibilities under this Act.

(b) Such Secretaries may each require any person subject to the jurisdiction of the United States to maintain a full and accurate record of any information (including journals or other books of original entry, minute books, stock transfer records, lists of shareholders, or financial statements) germane to the foreign direct investment and foreign portfolio investment studies to be conducted pursuant to this Act, and to furnish under oath, in the form of a report or otherwise, such information as the Secretaries determine may be necessary to enable them to carry out their respective responsibilities under this Act. The information which may be required to be maintained or furnished by any person pursuant to this section shall not be limited to holdings or transactions by such persons as principal or agent but shall include any information necessary to conducting this study in the possession of such person, from whatever source derived, concerning foreign direct investment or foreign portfolio investment by any person whatsoever.

ENFORCEMENT

Sec. 8. (a) Whoever fails to furnish any information required pursuant to the authority of this Act, whether required to be furnished in the form of a report or otherwise, or to comply with any rule, regulation, order, or instruction promulgated pursuant to the authority of this Act may be assessed a civil penalty not exceeding $10,000 in a proceeding brought under subsection (b) of this section.

(b) Whenever it appears to either the Secretary of the Treasury or the Secretary of Commerce that any person has failed to furnish any information required pursuant to the provisions of this Act, whether required to be furnished in the form of a report or otherwise, or has failed to comply with any rule, regulation, order, or instruction promulgated pursuant to the authority of this Act, such Secretary may in his discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, seeking a mandatory injunction commanding such person to comply with such rule, regulation, order, or instruction, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond, and such person shall also be subject to the civil penalty provided in subsection (a) of this section.

(c) Whoever willfully fails to submit any information required pursuant to this Act, whether required to be furnished in the form of a report or otherwise, or willfully violates any rule, regulation, order, or instruction promulgated pursuant to the authority of this Act shall, upon conviction, be fined not more than $10,000 or, if a natural person, may be imprisoned for not more than one year or both, and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

Sec. 9. (a) The Secretary of Commerce and the Secretary of the Treasury may procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. Persons so employed receive compensation at a rate to be fixed by the Secretaries concerned but not in excess of the maximum amount payable under such section. While away from his home or regular place of business and engaged in the performance of services for the Department of Commerce or the Department of the Treasury in conjunction with the provisions of this Act, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

(b) The Secretary of Commerce and the Secretary of the Treasury are authorized, on a reimbursable basis when appropriate, to use the available services, equipment, personnel, and facilities of any agency or instrumentality of the Federal Government in conjunction with the study authorized in this Act.

Sec. 10. The Secretary of Commerce and the Secretary of the Treasury shall submit to the Congress an interim report eighteen months after the date of enactment of this Act, and not later than two and one-half years after enactment of this Act, a full and complete report of the findings made under the study authorized by this Act, together with such recommendations as they consider appropriate.

Sec. 11. There is authorized to be appropriated a sum not to exceed $3,000,000 to carry out on the purposes of this Act. Any funds so appropriated shall remain available until expended.

Mr. CULVER (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with and that it be printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike the next to the last word.

Mr. Chairman, it is difficult for me to understand why, with the millions and billions that we have spent and are spending on computers, with the Department of the Treasury and the Department of Commerce in place and equipped to do this job, we must spend $3 million on this study. As for the committee and those who looked into this situation, I wonder where and when they obtained the justification for $3 million. I would be glad to hear someone explain the necessity for such an expenditure.

Mr. CULVER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa (Mr. Culver).

Mr. CULVER. Mr. Chairman, I am delighted to respond to the gentleman.

The question asked by the gentleman from Iowa (Mr. Gross) came to us in our hearings. The gentleman from Florida (Mr. Burke) asked the staff to raise that question specifically with the Department of the Treasury and the Department of Commerce, and their estimates of preliminary costs were subsequently provided to the committee to justify the study requested in the legislation. They themselves feel this is an absolute minimum required to conduct the study.

Contrary to the gentleman's suggestion, they feel they are not currently equipped to carry out the study. They have estimates which are itemized and which I will be glad to provide the gentleman or put these figures in the Record.

Mr. GROSS. Are there not enough computers and personnel already in place to handle the job?

Mr. CULVER. There are great numbers of computers, but computer time, however, does cost a great deal of money.

Mr. GROSS. I could understand it if it was proposed to purchase computers, but certainly there are computers already in operation all over this Government. Is there nothing Congress can do by way of a study of anything around here that does not get from $1 million to $10 million thrown at it? With the bureaucracy already on the payroll, it seems to me we ought to be able to do some of these things without all this additional expenditure.

Mr. CULVER. I would say to the gentleman from Iowa (Mr. Gross) that I would hope that would be the case. In this situation we are talking about an expenditure of $3 million where we have some preliminary cost justification and estimates.

Computer time is only one factor involved in the costs. We are also talking about a $3 million study of a subject that involves multibillions of dollars and we have inadequate information or data. We have no updated information, in one case, since 1949 for portfolio investment. These figures are really based on what this administration and the relevant agencies believe is needed to carry out the study and they have provided us with the data to substantiate that budget request.

Mr. GROSS. I do not think the answer of the gentleman is entirely responsive. I do not think it is responsive in justification for the expenditure of $3 million on this subject.

I do not think it is any secret to anyone in this Chamber that foreigners now own approximately $60 billion of the securities that represent our national debt. I do not think there is any mystery about why they own $60 billion worth of our debt. It is because they can get 8 and 9 percent on their money, and they think it is safer here than anywhere else in the world.

I still do not understand why it takes $3 million to compile the information that is sought by this legislation.

For that reason, I oppose the bill.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Zablocki: Page 6, strike out line 18 down through line 17 on page 7, and insert in lieu thereof the following:

POWERS

Sec. 7. (a) The Secretary of Commerce and the Secretary of the Treasury may each by regulation establish whatever rules each deems necessary to carry out each of his functions under this Act.

(b) Each such Secretary may require any person subject to the jurisdiction of the United States—

(1) to maintain a complete record of any information (including journals or other books of original entry, minute books, stock transfer records, lists of shareholders, or financial statements) which such Secretary determines is germane to his functions in the foreign direct investment and foreign portfolio investment studies to be conducted pursuant to this Act; and

(2) to furnish under oath any report containing whatever information such Secretary determines is necessary to carry out his functions in such studies.

The authority of each Secretary under this subsection shall expire on the date provided under section 10 of this Act for the Secretary of Commerce and the Secretary of the Treasury to submit a full and complete report to the Congress.

(c) In addition to the Secretary of Commerce and the Secretary of the Treasury, the only individuals who may have access to information furnished under subsection (b) (2) are those sworn employees, including consultants of the Department of Commerce or Department of the Treasury designated by the Secretary of either such Department. Neither such Secretary nor any such employee may—

(1) use any information furnished under subsection (b)(2) except for analytical or statistical purposes within the United States Government; or

(2) publish, or make available to any other person in any manner, any such information in a manner that the information furnished under subsection (b)(2) by any person can be specifically identified.

Such Secretaries may exchange any such information furnished under subsection (b)(2) in order to prevent any duplication or omission in the studies conducted by each such Secretary pursuant to this Act.

(d) Except for the requirement under subsection (b)(2), no agency of the United States or employee thereof may compel (1) the Secretary of Commerce or the Secretary of the Treasury, (2) any individual designated by either such Secretary under the first sentence of subsection (c), or (3) any person which maintained or furnished any report under subsection (b), to submit any such report or constituent part thereof to that agency or any other agency of the United States. Without the prior written consent of the person which maintained or furnished any report under subsection (b), such report or any such constituent part may not be produced for any Federal judicial or administrative proceeding, except for a proceeding under section 8(b) of this Act.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, as I intend to explain it.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Chairman, section 7 of the Foreign Investment Study Act sets forth the authority for the Departments of Commerce and Treasury to collect the data necessary to the study. Current authority to collect information on foreign investment in the United States is totally inadequate for the purposes of this study. The Bretton Woods Agreements Act of 1945 provides for the collection of data on foreign investment, but only balance-of-payments statistics and only upon the request of the International Monetary Fund. Similarly, the Emergency Banking Act of 1933—known as the Trading with the Enemy Act—only authorizes the collection of balance-of-payments information and only upon the declaration of a national emergency.

Like section 7 in the committee bill, the substitute section 7 which I am proposing has the purpose of providing the two departments with the authority necessary to collect a broad range of data regarding the implications of foreign investment for the national economy and security. The difference is that the substitute language is more specific as to what that authority is and provides that the confidentiality of the raw data be maintained. Experience has shown that, in surveys in which the data is covered by rules regarding confidentiality, the response to the questions is much more valid than when confidentiality is not assured.

Accurate and truthful responses are essential if this legislation is to serve its intended purposes. Sweeping charges are made as to both the benefits and disadvantages of foreign investment to this country. On the one hand it is argued that it increases employment and competition, and on the other hand the fear is expressed that foreign investment may result in a loss of control over our economy. Only an accurate picture can give us the answers to these questions, and, if foreign investment does bring advantages, then we want to be careful that any restriction actually is in the national interest.

The language in section 7(a) is formulated so that the establishment of rules by the Departments of Commerce and Treasury fall under the Administrative Procedures Act, whereby the public is allowed a hearing before the rules are promulgated.

Mr. Chairman, this amendment strengthens the Foreign Investment Study Act, and I urge the adoption of the amendment.

Mr. CULVER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. Mr. Chairman, I am delighted to yield to the gentleman from Iowa.

Mr. CULVER. Mr. Chairman, the committee has reviewed the amendment. It has been discussed with the appropriate agencies. We think it is an excellent amendment, and I urge the committee to support its adoption.

I think it adds a great deal to the specifics of the authority granted to both the Commerce and Treasury Departments.

Mr. BURKE of Florida. Mr. Chairman will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Florida.

Mr. BURKE of Florida. Mr. Chairman, I am glad to support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DENT

Mr. DENT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DENT: Page 10, line 3, strike out "eighteen months" and insert "twelve months" in lieu thereof.

Page 10, line 4, strike out "two and one-half years" and insert "one and one-half years" in lieu thereof.

Mr. DENT. Mr. Chairman, I will not take the 5 minutes; I know the mood of the House, but I would like to say to the members of the committee that the first proposal made in this Congress on the question of foreign investments was made by my colleague, the gentleman from Pennsylvania (Mr. GAYDOS) and myself. That particular piece of legislation has been languishing in the Committee on Banking and Currency.

Mr. Chairman, first I want to compliment the gentlemen who introduced this bill. I think it is such an important study. I am only asking that the time be cut down.

The reason I am asking that the time be cut down is because the Department of Commerce of the United States of America is spending millions of dollars enticing foreigners to come in and invest in the United States. Perhaps all the Members have not paid attention to what is going on, but I have foreigners traveling all over my coal fields, buying up all the coal that they can get. Some of it is down below Pittsburgh and way down in the fifth of our limits in veins of coal. This is coal we anticipated that we would not seek or need for at least 1,500 years.

We have now, at this time, foreign ownership of all of the sawmills and the greater amount of our last virgin lumber and timber in Alaska. We are now in the position where the banking industry in the United States is being attacked for ownership by the Arabic moneys from oil.

This study is so essential and important that unless we cut the time down, by the time this report comes in we will have lost the greater portion of whatever amount of minerals and mineral lands that can be bought by foreign countries.

No other nation—no other single nation on the face of the earth allows the purchase, in fee simple or any other way, of their minerals—no matter what country. We are so anxious and so imbued with the idea that we must balance the trade balance in this country, or the balance of payments, that we are willing to sell, for the moment, those things that do not belong to us, but belong to the oncoming generations of Americans.

Before we are through in the rush to do something that need not be done at this moment, we will dispose of the mineral wealth of whatever is left of this country of ours. If the Members do not believe me, please take the time and look into it and study it. Perhaps I have a little different reason for worrying than most of the Members. My reason is simple. If I was 35 or 40 years of age, I would not worry any more than most of the Members do, but having passed the age of 67, I am convinced that somewhere along the line I did something wrong. I allowed myself to be trapped into a situation where I am disposing of things that do not belong to me.

That was an inheritance that was given to us by the Founding Fathers of this country of ours, and here today we are adding another, but not cutting. At least, go along with this bill. Go along with it, but cut the time down to where we may be able to save a few pieces of our land for ourselves.

With respect to whole real estate operations, there is one operation in Illinois where a whole town has been sold, a whole town with 75,000 people, complete, lock, stock, and barrel. That has been sold to foreign owners.

Let me say to all of the Members now at this point, believe me, I welcome this opportunity to join in this legislation. I am sorry that we have not had hearings on what we started out to do, the gentleman from Pennsylvania (Mr. GAYDOS) and myself, almost 2 years ago. However, our system being what it is, we could not do it.

Believe me, we will not have an opportunity to correct this mistake at any other time. Join us in the passage, but pass this amendment. Cut it down.

If they cannot do it in 12 months on

the preliminary report, if they cannot do it in 18 months on the final report, they can come back and we will give them more time, but let us set a goal that might save us some of our natural wealth in this country.

Mr. Chairman, I appreciate the opportunity to speak to the issue of foreign investment in the United States. I commend the committee for its work in this very new field and can well appreciate the problems it may have encountered as a consequence of the paucity of information relevant to foreign investment in the United States.

It is obvious that this bill seeks to overcome the most serious information deficiencies, as well as establish a permanent system of reporting foreign moneys and investment. These are crucial areas of concern. Any cursory review reveals the tendency to rumor, the virtual nonexistence of real estate and agricultural investment data, and subsequent inability to document flows of foreign capital. On occasion, this information is zealously guarded, and I, for one, am pleased to see the sanction for failure to comply with the respective agency's request for information. I trust that the Secretaries of Commerce and Treasury will instruct their respective agencies to solicit and procure as much information as necessary, and I am hopeful that a fair and accurate report to Congress will ensue, to enable this body to reasonably assess the situation relative to foreign investment and further, the nature of legislation, if any, that may be necessary. In spite of earlier pronouncements from the executive branch that foreign investment is good for this country, I would hope that the approach to the problem be done with a view toward seriously and thoroughly reviewing both advantages and disadvantages, and without pre-disposition toward any one position.

I am, of course, concerned that the study will take 2½ years to complete. If the past year's activity by foreigners is any indication of what to expect in the future, then I am convinced that, by waiting 30 months for recommendations from Treasury and Commerce, we will be closing the proverbial barn door after the horse has escaped. At my request, the SEC has provided a preliminary list of foreign tender offers. Jerold Siegan, an attorney with the Branch of Small Issues, Division of Corporate Finance, compiled the list and emphasized the preliminary nature of the compilation. It represents only tender offers, and does not include aquisitions, direct investment, other portfolio investments, real estate or agricultural purchases, the amount and extent of which all have agreed is scarce. In 1972–73, there were eight foreign tender offers, in 1973–74, that number has presently increased to 25. Considering this increase, I find it unsatisfactory that there still exists no mechanism or recourse for companies to protect themselves from foreign bidders and purchasers. Moreover, there is every reason to believe that the rate of tender offers and other investments will increase. A recent study by the Boston Consulting Group for the Japanese Government found that direct Japanese investment here will reach $6 to $7 billion by 1980. Another estimate shows that the Arab oil producing countries will amass an amazing sum of $800 billion, a large part of which will find its way to the United States. I hope, by that time, this country will be able to efficiently and wisely capitalize on those foreign moneys, and not advocate more studies as a means of dealing with the situation.

Virtually every other country in the world has adopted explicit limitations on incoming foreign investment. Virtually every nation weighs the benefits of foreign investments—jobs, capital, learning, export earnings—and attempts to minimize the costs to the country—national security, repatriated earnings, inconsistency in social and economic goals. The new Canadian legislation declares that it will be the policy of that country to accept only foreign direct investment that is helpful to the Canadian economy, which is quite different than rejecting only that foreign direct investment that hurts the economy.

It is against such a background that I am introducing the following amendment to this bill.

Section 10 of the bill H.R. 15487 is amended on page 10, line 3, by striking "eighteen months" and inserting "one year" in lieu thereof; and on page 10, line 4, by striking "two" and inserting "one" in lieu thereof.

The amendment requires that the Departments of Treasury and Commerce complete an interim report to the Congress in 1 year, and a final report to the Congress in 18 months.

Pertinent articles follow:

Japan Eyes Montana's Coal

(By George C. Wilson)

Japanese business—which boldly took on General Motors and General Electric in the world marketplace—now is looking over an old Strategic Air Command bomber base with an eye to buying it.

Democratic Gov. Thomas L. Judge of Montana said in a recent interview that a delegation of Japanese businessmen he met with expressed interest in converting the deactivated Glasgow Air Force Base in the northeast corner of the state to an industrial site.

"With its living quarters and rec hall and all," said Judge of the base, "it would be ideal."

Glasgow—if the deal did go through—would go to the Japanese without the B–52 bombers, of course, which used to roar in and out of the SAC base when the Cold War was colder.

The Air Force deactivated the base in 1967.

SAC base sale or not, the fact that the Japanese flew to Montana in quest of facilities and resources—especially the state's largely untapped coal—dramatizes the fresh appeal the West holds for developed nations competing for the limited supply of minerals, food and fuel in the world.

With its reserves of coal lying near the surface—as in Montana—and deep underground, the United States is considered the Saudi Arabia of coal and thus is expected to export it as production increases.

Critics of building the Alaskan Oil Pipeline and stripping the western prairies for coal have argued that a good portion of those American resources are destined for Japan—not American markets—and therefore the environmental damage would be inflicted to keep foreign economies humming.

Judge stressed that no commitments of Montana coal have been made to Japan. He added none will be, either, unless such exports conformed to the energy policies of the federal government.

"It's no secret that the Japanese are interested in our coal," Judge said. "Nations must share their resources." He said exports of Montana coal are several years off, however.

At present, Judge said, Montana is producing about 10 million tons of coal a year. He said that production is expected to increase to 40 million tons a year by 1985. He did not rule out exports of coal once production climbed.

"We are very much of an extractive state," Judge said in discussing his hopes of broadening Montana's industrial base. He said rather than just dig out minerals and sell them for processing elsewhere Montana, under his administration will try to locate some of the finishing processes within the state. This would provide more jobs.

He said the Japanese businessmen he met with represented the Mitsui and Co. Trading House.

For years now, Judge said, Montana has been selling Japan a good part of its wheat crop. As chief executive of the state, the governor said he has an obligation to develop "good strong markets" to hedge against some future day when there could be high surpluses of agricultural products in the United States and low prices.

Besides coal and wheat Judge noted that Japan's appetite for beef, veal and pork is increasing—further widening the overseas market for western ranchers and farmers.

Also, Judge said Montana has recently started offering package tours to Japanese tourists. The first Japanese tourists came last year and more are expected in Montana this year "because after seeing all those western movies they go wild over our cowboys and Indians."

Arab Investors—As Oil Money Pours in, Mideast Lands Search for Places To Put It

(By Priscilla S. Meyer)

The flow of oil money into Arab lands is becoming a flood as the oil-producing nations collect their windfall profits from the most recent doubling, on Jan. 1, of the price they charge for oil.

Last year, Middle East oil revenues ran about $22 billion. Much of the profit was invested domestically. This year, with revenues running anywhere between $85 billion and $110 billion, an estimated $40 billion to $50 billion should spill into the international money markets. Over the longer term by 1980, according to an estimate by Chase Manhattan Bank—Arab foreign reserves should swell to more than $400 billion from a meager $5 billion, as estimated by the World Bank, in 1970. That compares with total foreign investment of U.S. corporations of $145 billion at the end of 1972.

The big question is how the Arabs will invest all this money. For the immediate future, it appears, most of it will continue to go into bank deposits and in government securities like U.S. Treasury bills. But the potential demand for such funds is limited. And already there are solid indications that the Arabs are starting to change their traditionally ultraconservative investment policy to take the plunge into more profitable ventures. Arab institutions are buying real estate in the U.S. and elsewhere—hotels, apartments and office buildings. Arab institutions and private investors are buying and attempting to buy interests in U.S. banks. And negotiations are starting for joint ventures, mainly in oil, petrochemical and other energy-related projects, in the U.S.

AN ARAB LANDLORD ON FIFTH AVENUE

Partly for political reasons, and also because they haven't yet developed a big force of investment professionals and business managers, the Arab nations are unlikely to make a run on the U.S. stock market or acquire big publicly held companies anytime soon. Iran, it is true, has indicated that it plans eventually to invest heavily in "blue chip" U.S. securities, and it already has agreed to a joint venture with Ashland Oil in the U.S. Individuals in the Middle East too, may be buying U.S. securities. "Don't be surprised if Arab interests already have a significant participation in American companies," * * * said during a recent visit to New York.

But these kinds of developments now seem more typical:

Shah Mohammed Riza Pahlevi of Iran has bought, through his Pahlevi Foundation, a large office building. which he's remodeling at 642 Fifth Avenue in New York.

A group of Kuwaitis recently paid about $27 million for property along the Champs Elysees in Paris for a luxury office and bank building to be called the House of Kuwait.

A group of Arab banks is setting up First Arabian Bank and First Arabian Corp. as vehicles for pumping funds—including money to buy ownership interests in U.S. banks—into the U.S.

SUDANESE IN CALIFORNIA

Adnan M. Khashoggi, a Beirut-based Saudi Arabian * * * who has purchased two California banks, also has acquired about $1 million in raw land for development in California. He plans to bring some 10 young business trainees from the Sudan to California to learn how to use Western capital and develop real estate.

The Saudi Arabian government has talked to Chase Manhattan bank about the possibility of Chase managing a pool of $200 million in Saudi government funds for investment in Saudi business and in joint ventures with foreign partners whom Chase would find.

Libya has established an investment bank in Buenos Aires. Abu Dhabi and Saudi Arabia are discussing building a large oil refinery, in partnership with a New York-based firm, in Puerto Rico. And the Saudi Arabians are investigating the possibility of a refinery and petrochemical complex in the Philippines.

Kuwait, a small nation with inordinately large oil revenues and relatively solid experience in investment, also is buying U.S. real estate. The Kuwait Investment Co., one of several owned jointly by the Kuwait government and individual Kuwait investors, this month bought Kiawah Island off Charleston, S.C., for $17.4 million in cash. The company plans to spend more than $100 million developing it as a residential resort over the next 15 years. The same company put up $10 million, or half the equity funds, for a project in downtown Atlanta that includes the new Atlanta Hilton hotel.

ONCE STUNG, DOUBLY CAUTIOUS

An executive with a major U.S. bank estimates that in the past few months up to $400 million has been lent directly to U.S. borrowers by Arab investors. Enck, Hollingsworth & Reveau, a Louisville real estate firm, says it has agreed in principle to borrow $150 million from Persian Gulf investors for the purchase of U.S. real estate. Wooten & Associates, a Dallas builder and developer, says it has got about $200 million in Middle East financing for an apartment development in St. Louis.

Najeeb Halaby, former chairman of Pan American World Airways, has assembled $100 million in real estate he hopes to sell to private Saudia Arabian investors.

Arabs like real estate because it's "tangible," Mr. Halaby says. "They've seen prices of their own real estate rise faster than other investments," he adds. David Toufic Mizahi, editor of a New York-based newsletter called the MidEast Report, says some land in the Hara district of Beirut has doubled in six months.

Even so, some bankers say, the Arabs appear to have rejected most of the deals offered them by the flocks of investment men who have been giving them pitches in recent months. This may partly reflect some unhappy past experiences. Arab investors were hurt by the collapse of Bernard Cornfeld's I.O.S. Ltd., which sold many mutual-fund shares in the Middle East. Some Arab investors still haven't received full repayment from the collapse of a major Mideast bank, Intra-Bank, eight years ago.

That kind of experience explains the Arab desire to enter joint ventures with experienced, reputable partners, says Benjamin V. Lambert, president of Easdil Realty Inc., an affiliate of Blyth Eastman Dillon & Co. that is planning a mixed pool of Arab and other investors' funds. The Arabs, he says, have been "stung and double stung."

Mr. Lambert thinks the Middle East oil nations will invest around $1 billion in U.S. real estate in the next two years. Other observers think it might amount to five or 10 times that. Mr. Lambert is conservative because, he thinks, investment may be limited by the supply of "good" investment property and by political considerations. The Saudi Arabians, for example, apparently fear that a worsening in relations with the U.S. might persuade the U.S. to freeze Arab funds in U.S. banks. The Arabs are aware that Congress has been making fretful noises over the prospect of massive Arab investment in the U.S., and they are aware of the controversy in Hawaii over Japanese investment in the tourist industry.

Some bankers, however, see a massive flow of Arab money into foreign real estate and industrial development as a near-inevitable development over the long term. Derick Richardson, Chase Manhattan's group executive for the Middle East and Africa, doubts that money markets alone can absorb all the new Arab wealth. "Looking at the capacity of markets to cope with the accumulating dollars," he says, "unless there are structural changes in the nature of institutional markets there will be severe difficulties two years out." Specifically, he says, the market for Eurodollars, or dollar deposits held outside the U.S., will become "saturated."

ALTERNATIVE ENERGY SOURCES

Other big U.S. banks have discussed alternatives to money-market investment at considerable length with Arab financial officials. Chase seems more willing to talk about these discussions than its competitors. Chase says for example, that Chairman David Rockefeller and Mr. Richardson have encouraged Saudi Arabian officials to establish a large pool of Arab money for investment in energy research and development—partly because Arab oil eventually will run out.

Many international banks and brokerage houses are buying into Arab institutions and forming new ones in the Middle East to influence and exploit the Arab desire for new investment. Most of these efforts are thinly veiled attempts to import surplus Arab dollars and shore up financial markets here and in Europe, though the financial men usually describe their efforts as "harnessing Arab funds for Arab investment."

Though internal investment has top priority in most Arab countries, even ambitious projects, given the relatively small populations and capital needs, aren't likely to drain off much of the cash flowing into Arab treasuries. Not even the $3 billion fund for loans to underdeveloped countries proposed by the shah of Iran amounts to more than a tiny fraction of Arab funds that will become available for investment over the next six years or so.

A PLACE IN FINANCIAL FOLKLORE

Their vastly increased wealth has earned Arab investors a certain notoriety in some financial markets—and the Arabs are displeased. "'Arab sheikhs' have now replaced in financial folklore the notorious 'gnomes of Zurich' of the '60s," Abdlatif Y. Al-Hamad, director general of the Kuwait Fund for Arab Economic Development, complained recently at a meeting in Luxembourg. Arabs, he says, have "played virtually no role" in recent foreign-exchange and commodities-market gyrations, he says.

Some international bankers say that although Arab governments may not be very active in those markets, private Arab institutions and investors are. The oil-generated profits of Arab contractors, business consultants, private banks and others on the fringes of the oil business are financing foreign-exchange and commodities speculation, they say.

At the same time, some Western "money brokers" are trying to exploit awareness of the Arabs' new riches by collecting fees from U.S. firms for arranging loans from Arab investors, and then disappearing. Offers to arrange such loans have proliferated since last fall. Mr. Halaby, proprietor of his own investment company, says he has checked out many of these brokers and found them to be "phonies."

[From the Wall Street Journal, Jan. 21, 1974]

Japanese Stake Grows in United States as Costs Equalize; Brazilian Firms Woo Managers

(By James Carberry)

A narrowing of the gap between U.S. and Japanese labor costs spurs Japanese spending for factories in the U.S.

While U.S. labor costs remain higher than Japan's, they rose only 1% in the 1973 first half from the first six months of 1972. During the same period, Japan's labor costs jumped 11.6%, measured in U.S. dollars. From 1960 to 1972, U.S. labor costs climbed an average 1.8% annually. In the same span, Japan's labor costs rose at an annual rate of 4.1%, according to a U.S. Bureau of Labor Statistics study.

That has made the American labor market more attractive to the Japanese. In addition, successive dollar devaluations—even with the recent devaluation of the yen—have enabled them to acquire or build U.S. manufacturing plants at less cost. Also, Japanese companies believe that in setting up shop in the U.S. they hedge against the possible enactment of U.S. trade legislation directed against their products, position themselves better to exploit U.S. markets, and can study U.S. marketing and management techniques at close hand. And they cultivate favorable public opinion in the U.S. by contributing to the American economy.

Concern over the strength of the yen prompted Japan's Finance Ministry last week to limit investments in foreign securities by Japanese nationals. Analysts doubt, however, that Japanese officials have much desire to curb longer-term investments in overseas facilities, such as Japanese-owned factories in the U.S. and elsewhere.

In any event, Japanese companies have already plowed more than $1.5 billion into U.S. facilities. That represents about 10% of overall foreign direct investment in the U.S. If recent trends continue, Japan by 1980 could be one of Uncle Sam's largest foreign investors, predicts Richard C. King, executive director of the Center for International Business, a Los Angeles-based research group affiliated with Pepperdine University. (Britain, Canada and the Netherlands currently run one, two and three among foreign investors in the U.S.)

Sony Corp. of America, subsidiary of Sony Corp. of Japan, in 1972 opened a plant in San Diego County to assemble its television sets and stereos. In 1974, the company plans to add a color-television manufacturing unit, doubling the plant's employment from its current 300. "We can manufatcure almost as cheaply in the U.S.; the differential in labor costs isn't that great and it's closing rapidly." says Harvey Schein, president of Sony of America. "And we want to be able to tell people that they're buying an American-made product," Mr. Schein says, adding that 42% of the shareholders in the parent company are Americans.

The Japanese also have taken a keen interest in U.S. real estate. In Los Angeles they have acquired several major hotels, including the opulent Beverly Wilshire in Beverly Hills, and a number of golf courses, apartment buildings and expensive homes. A Newport Beach, Calif., real-estate man who has done business with the Japanese remarks that U.S. real estate, though expensive, costs "peanuts" in comparison with land in crowded Japan. Property around the Atlantic Richfield Plaza in downtown Los Angeles, for example, sells at $50 a square foot; in downtown Tokyo, comparable real estate sells at $900 a square foot and up. "The Japanese also find the U.S. real estate market better organized and more sophisticated; it's easier to do business," the realty man says.

Nevertheless, the U.S. ranks a distant fourth after Central and South America, Asia, and Western Europe as the place Japanese corporations want to invest, according to a 1973 survey by a Tokyo newspaper. "Obviously, we're going to have to make a more determined marketing effort," says Mr. King of the Center for International Business

Some U.S. states are doing just that by setting up trade offices overseas and offering special investment incentives to Japanese and other foreigners.

Alaskan Investment

Nome.—Japanese investments in Alaska total about $300 million, mostly in lumber, fisheries, and petro-chemicals.

Mr. CULVER. Mr. Chairman, I rise in opposition to the amendment.

Originally, the agencies requested 3 years as the necessary time to complete this study.

The subcommittee and those in the other body managed to reduce this overall request to 2½ years to complete the study.

We are insisting on an 18-month interim report, which, in my judgment, would support the type of concern and recommendation that the gentleman from Pennsylvania has just made. It is necessary to take the time because in this instance, under the legislation, to draft the appropriate rules, to draft the questionnaires, it is necessary, under the Administrative Procedure Act, to have open public hearings, to have the corporations asked to participate and cooperate in the hearings, and to participate in those proceedings. That will take until this fall.

The questionnaire will then be drafted and written by all the appropriate agencies, and the companies have indicated that during the months of January, February, and March their computer capabilities are, for the most part, caught up in preparation of tax filings. They require certain lead times in order to prepare the great diversity of data requested of these various corporations.

It is then estimated that there will be about 3 months in terms of the distribution and return of the questionnaire, 6 months in terms of analyzing the data, and this will take us to the 18-month interim report. We will have that information available at the end of that time and will then have the additional year necessary to do more sophisticated analysis followup questionnaires, and collation of this information.

I think it is essential, in order to properly deal with this problem, to have the time to insure reliable data and thus make informed and enlightened public decisions on this important matter of national interest.

Mr. HAYS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I support the Dent amendment. I do not buy the argument that these corporations and other people who are going to have to produce this data need any 18 months or anything like that. I think they can produce the report a lot quicker than that.

I am not going to take 5 minutes. I am just going to leave you with one thought: It took General Motors 2 weeks to decide to raise the price of their cars about $500, and they can get the data together whenever they think it is necessary.

I agree with the gentleman from Pennsylvania that this is an urgent matter.

He has talked about coal. Surely, they are in a high bind as to coal. However, the Arabs have learned a lot from us, including from the Harvard Business School. If I am still around, I will learn a lot from them. There is such a thing as expropriation. I think, however, that we ought to get on with this and not take the 18 months.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this legislation and in strong support of the amendment offered by Mr. Dent.

I do so because, in my opinion, this bill, if enacted would be a "copout" by the Congress on a developing problem that holds serious prospects for the American economy.

I do not think Congress should create another of those favorite Washington monsters, namely a study commission to analyze in depth such a serious problem. We all know how useless these studies can be, merely compiling voluminous reports which defy rational evaluation.

I am convinced that the Department of Commerce is the most eminently unqualified agency to conduct an objective study of the impact of foreign investment in the United States. Does anyone here expect the Department of Commerce to come up with any other conclusion than that foreign investment in the United States is all to the good? For my part, I do not expect any other conclusion. Otherwise, the Commerce Department would have to admit that the "invest in America" program that it has so aggressively promoted for the past few years to attract foreign investment in America has been a mistake.

Instead, it is the job of Congress, through committee hearings, to seek the input of all segments of the economy and society and for the Congress to draw its conclusions and make the necessary legislative changes, rather than to rely on the Commerce and Treasury Departments to collect such information. Congress should consult with representatives of industry, labor, agriculture, et cetera, and with other government agencies, as may be appropriate. The Congress through its specialized committees should make the determination as to what and who are the appropriate sources to be sought out and asked to submit testimony to the committee. Congress should not abdicate its responsibility and give a carte blanche to Government agencies to determine the appropriate sources of information upon which Congress can legislate. Congress can only legislate properly when the views of those outside the agencies of the Federal Government as well as Federal agencies can directly present their views to the elected representatives of the people.

Some individuals, including the administration witnesses who testified at both the Senate and House hearings on foreign investments, raise the specter of retaliation by foreign countries, in the event the United States should enact restrictions on foreign investment in the United States. From my analysis of the problem, it would appear that if there is any retaliation, it would be by the United States in enacting such restrictions.

For example, Australia, Canada, and Mexico have in very recent years enacted legislation on foreign investments. The Prime Minister of Australia has made it abundantly clear that he intends Australia to be master of its household, and accordingly will discourage takeovers of Australian firms and only allow foreign investment: first, which provides a net overall gain; and second, where Australians enjoy a substantial participation in the ownership and control of the firm.

Any doubt as to the intentions of the Australian Government was resolved in March of this year when Reynolds Metals Co. of Richmond, Va., was prevented from building a $300 million alumina refinery in western Australia because only 30 percent of the operation was to be Australian. The Australian Government required that Australians have at least 51 percent interest.

Canada passed legislation last fall which provides a screening process on foreign investment and allows the Government to have veto power over those proposed foreign investments which will not benefit Canada.

Mexico, in March of last year, passed a law which: First, reserves certain fields of activity for state ownership and control; second, reserves other fields exclusively for Mexicans, and Mexican enterprises; and third, provides that in all other fields, foreigners may not participate with more than 25 percent in stock ownership and 49 percent ownership of fixed assets. The law clearly establishes the principle that foreign investment must not replace Mexican investment. Accordingly, takeovers are clearly frowned upon.

An interesting development of this law occurred in July 1973, when the Mexican foreign investment commission announced that most border industries would be exempt from the foreign investment law, except textile plants whose production affects Mexican export quotas to the United States.

Needless to say, such concession is of no solace to the American worker who is displaced by the border industries. Instead, it represents a substantial benefit to the economy of Mexico as it is in furtherance of the objective of contributing to the employment of Mexican workers and increasing Mexico's exports. The exports, of course, go to the United States and displace American workers.

We are all aware of the very strict Japanese restrictions against foreign investments. Supposedly, since 1967, Japan has been on a "liberalization" kick with respect to foreign investments. I am sure many Americans will not exactly agree that such "liberalization" program has allowed much penetration of the Japanese economy. As recently as August 5, 1974, the Wall Street Journal quoted an attache at an embassy in Tokyo that:

> It is still difficult for Mideast money managers or any other foreigners to purchase real estate in Japan or to buy a controlling interest in Japanese companies.

Compare this with the reports of recent date of substantial Japanese purchases of real estate in various areas of the United States: particularly in Hawaii. On July 30 of this year, the Honolulu Star-Bulletin reported that State Senator Anderson had requested the Federal Trade Commission to check into possible antitrust violations in the sale of three hotels, including the historic Royal Hawaiian, to a Japanese financier. The sale involving 2,500 rooms, would nearly double the room holdings of this gentleman. In all, this individual alone accounts for one-fifth to one-fourth of all hotel rooms in Waikiki.

Senator Anderson makes a strong point when he warns:

> Unless some one does something immediately to generate some dialogue on this issue, we are going to sit by and witness the selling of hotel after hotel, golf course after gold course, and acre after acre, be it Japanese today or Arabian oil interests tomorrow.

The August 1 issue of the Honolulu Advertiser carried a front page banner story headlined, "State Order Halts Japan-Only Sales." The article stated that Tokai Land Corp. had been ordered to stop sales of apartments in a Waikiki Park Heights condominium. Why? Because it reportedly was selling apartments only to Japanese citizens, declining to sell to Americans.

The Wall Street Journal of last Friday reported on the nationalization proposals of Britain's Labor Party government. The following quote is from the article:

> Other companies would be nationalized if there were "unforseeable developments of compelling urgency," such as "imminent failure or loss to unacceptable foreign control of an important company in a key sector of manufacturing industry." (Industry Minister) Benn said, "key and prize firms" in the defense or major export industries couldn't be just available on the international market without any consideration of the national interest."

I merely point out these specific countries and incidents as examples of what American investors face when they endeavor to invest in foreign countries. With the prospect of a worldwide scarcity of raw materials, the restrictions against foreign investments undoubtedly will become the law in many other countries. The recent actions of Jamaica and the Mideast oil-producing countries in taking over control of American company operations within their borders is evidence of such a movement.

The problem of foreign investments is most acute in the case of foreign takeovers of American companies by the tender-offer method. In the past 3 years, we have witnessed a rash of activity by foreign investors with their cheap American dollars buying up American firms at bargain basement prices.

The recent case involving the Ronson Corp. of New Jersey clearly establishes the potential dangers of such takeovers. Were it not for the vigilance and persistence of the management of Ronson, along with the good sense exhibited by its stockholders, Ronson would now be foreign owned and controlled. What is more significant is the fact that one Michelle Sindona had a substantial interest in the Liechtenstein Corp. which attempted the takeover. This is the same Michelle Sindona whose Franklin National Bank has experienced recent financial problems. Stockholders of Franklin's parent company have recently filed suit charging Sindona with causing the bank to enter transactions that were "unfair, improvident, or have the purpose or effect of benefiting Sindona."

Additionally, Mr. Sindona's major Italian bank, Banca Unione, has been in trouble and Mr. Sindona has had to make a deal with Italy's state-controlled bank, Banca de Roma, to allow that bank to manage the Banca Unione.

On top of that, the SEC has recently ordered an investigation into possible violations of Federal securities laws by the group seeking to acquire Ronson, and an administrative law judge of the CAB has directed that group to dispose of its shares in Ronson because of the prohibition against foreign ownership of American air carriers.

The situation involving Ronson could well be repeated, although with a different result; namely, that foreign investors would acquire control of American corporations. This could result in protracted and expensive legal proceedings on the part of American management and stockholders.

The critical problem in the case of takeovers is that ownership of American corporations can pass from American investors to foreign investors literally overnight. The whole purpose of using the tender-offer method is to approach the stockholders directly before current management has the opportunity to properly evaluate the situation and educate its stockholders as to the possible disadvantages. When the foreign tender-offer is at a price higher than the current depressed market price, it is attractive bait for stockholders to bail out and invest in securities that currently carry a higher rate of return.

In conclusion, I would like to make an urgent plea to my colleagues to vote against this bill and instead allow the proper committees of Congress to hold hearings on the many bills that have been introduced on the question on foreign investment in the United States. Passage of this bill will merely delay congressional inquiry into this serious problem for at least 2½ years. Such a delay would be regrettable.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I strongly support the Dent amendment.

If the study is worth anything, it certainly ought to be completed in less than 2½ years. If it is so urgent to get this material together, we ought to have material ready in order to act in this Congress before the 2½ years have elapsed.

Mr. Chairman, I, therefore, urge a vote for the Dent amendment.

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. Mr. Chairman, I thank the gentleman for yielding.

I point out that with the outflow of money going to the Arab countries from the United States, if we gave the bureaucracy the amount of time they want us to give them to conduct this study which they originally asked for or which was even asked for in this resolution, the way the cash is flowing, they could have bought control with cash, without even using any credit at all, many of the natural resources and many of the vital industries of this country before we would ever have completed the study.

Mr. Chairman, I strongly support the amendment offered by the gentleman from Pennsylvania (Mr. DENT).

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we can try to squeeze this information out of these companies today, if we can, and I suppose we can get some kind of information. The question is whether or not it will be reliable.

Speaking from experience, and referring to surveys which are not anywhere near as complicated as the one contemplated by this bill, I know how much time it takes to develop reliable information. Some years ago, we went to 600 institutions with a relatively simple questionnaire. It took us a year and a half to get back the information we wanted, to compile it and to analyze it. And we had full cooperation.

I do not see anything wrong with getting the information which this bill seeks in the period of a year and a half.

But I want to stress again that we want to get reliable information from these companies on which to base sound policy. This is going to take time for these companies to give us that reliable information.

If we try to push this thing and we try to squeeze the egg out of the chicken, we may not be sure about the validity of the information we obtain.

Mr. Chairman, what we must be sure of is getting reliable information the first time. It seems to me that the time period called for in the bill is not unreasonable.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, the only fault I find with the argument the gentleman is making is that if we tell these corporations they have 2½ years, they will start getting their data together in 2 years; if we tell them they have a year and a half to get this data together, they will start getting it together after a year.

People have a tendency to procrastinate. I think it is better to set a shorter time period and say, "We want the information."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. DENT).

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ECKHARDT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15487) to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes, pursuant to House Resolution 1296, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device; and there were—yeas 324, nays 29, not voting 81, as follows:

[Roll No. 517]

YEAS—324

Abdnor
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Barrett
Bell
Bennett
Bergland
Bevill
Biester
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Diggs
Dingell
Dorn
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Erlenborn
Eshleman
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hillis
Hinshaw
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Kuykendall
Kyros
Latta
Lehman
Lent
Litton
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murphy, Ill.
Murtha
Myers
Natcher
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Pickle
Pike
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Studds
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Treen
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—29

Bauman
Beard
Clancy
Collins, Tex.
Conable
Crane
Devine
Duncan
Gaydos
Goldwater
Goodling
Gross
Holt
Jarman
Lagomarsino
Landgrebe
Lott
Maraziti
Mathis, Ga.
Poage
Rousselot
Satterfield
Scherle
Shipley
Snyder
Symms
Taylor, Mo.
Wydler
Wylie

NOT VOTING—81

Abzug
Alexander
Annunzio
Arends
Aspin
Badillo
Baker
Biaggi
Bingham
Blackburn
Brasco
Brown, Calif.
Carey, N.Y.
Carney, Ohio
Chamberlain
Davis, Ga.
Donohue
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fisher
Flynt
Gettys
Green, Oreg.
Griffiths
Gunter
Hanna
Hansen, Wash.
Harrington
Hébert
Hicks
Hogan
Holifield
Jones, Ala.
Karth
Koch
Landrum
Leggett
McSpadden
Macdonald
Madigan
Michel
Mills
Minshall, Ohio
Mosher
Moss
Murphy, N.Y.
Nedzi
Nelsen
Nichols
Patman
Peyser
Podell
Quillen
Rarick
Rees
Reid
Robison, N.Y.
Rooney, N.Y.
Rosenthal
Ryan
Sebelius
Seiberling
Steed
Steele
Stephens
Stubblefield
Stuckey
Sullivan
Teague
Towell, Nev.
Udall
Van Deerlin
Waldie
Whitten
Williams
Wilson, Bob
Wyman
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. Eilberg with Mr. Ryan.
Mr. Hébert with Mr. Davis of Georgia.
Mr. Annunzio with Mr. Steed.
Mr. Rooney of New York with Mr. Stubblefield.
Mr. Koch with Mr. Aspin.
Mr. Teague with Mr. Udall.
Mr. Van Deerlin with Mr. Rarick.
Mr. Gunter with Mr. Waldie.
Mr. Biaggi with Mrs. Hansen of Washington.
Mr. Nedzi with Mr. Reid.
Mr. Landrum with Mr. Quillen.
Mr. Evins of Tennessee with Mrs. Green of Oregon.
Mr. Podell with Mr. Whitten.
Ms. Abzug with Mr. Brown of California.
Mr. Donohue with Mr. Hogan.
Mr. Leggett with Mr. Carney of Ohio.
Mr. Jones of Alabama with Mr. Baker.
Mr. McSpadden with Mr. Chamberlain.
Mr. Stuckey with Mr. Arends.
Mr. Macdonald with Mr. Esch.
Mr. Carey of New York with Mr. Blackburn.
Mr. Rees with Mr. Fisher.
Mr. Rosenthal with Mrs. Green of Oregon.
Mr. Stephens with Mrs. Griffiths.
Mrs. Sullivan with Mr. Hanna.
Mr. Murphy of New York with Mr. Sebelius.
Mr. Edwards of California with Mr. Robison of New York.
Mr. Bingham with Mr. Williams.
Mr. Alexander with Mr. Towell of Nevada.
Mr. Badillo with Mr. Harrington.
Mr. Hicks with Mr. Bob Wilson.
Mr. Moss with Mr. Zwach.
Mr. Nichols with Mr. Wyman.
Mr. Flynt with Mr. Holifield.
Mr. Gettys with Mr. Karth.
Mr. Evans of Colorado with Mr. Madigan.
Mr. Mills with Mr. Michel.
Mr. Minshall of Ohio with Mr. Patman.
Mr. Mosher with Mr. Peyser.
Mr. Seiberling with Mr. Steele.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1296, the Committee on Foreign Affairs is discharged from the further consideration of the Senate bill (S. 2840) to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. CULVER

Mr. CULVER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CULVER moves to strike out all after the enacting clause of the bill S. 2840 and to insert in lieu thereof the provisions of H.R. 15487 as passed, as follows:

That this Act may be cited as the "Foreign Investment Study Act of 1974".

SEC. 2. The Secretary of the Treasury and the Secretary of Commerce are hereby authorized and directed to conduct a comprehensive, overall study of foreign direct and portfolio investments in the United States.

SEC. 3. The Departments of Commerce and Treasury, in consultation with appropriate agencies, shall determine the definitions and limitations of direct and portfolio investments for the purposes of the study authorized in section 2 of this Act.

SEC. 4. In carrying out the study described in section 2 of this Act, the Secretary of Commerce and the Secretary of the Treasury shall, respectively and jointly as may be appropriate—

(1) identify and collect such information as may be required to carry out the study authorized in section 2 of this Act;

(2) consult with and secure information from (and where appropriate the views of) representatives of industry, the financial community, labor, agriculture, science and technology, academic institutions, public interest organizations, and such other groups as the Secretaries deem suitable; and

(3) consult and cooperate with other government agencies, Federal, State, and local, and, to the extent appropriate, with foreign governments and international organizations.

SEC. 5. The Secretary of Commerce shall carry out that part of the study authorized in section 2 of this Act relating to foreign direct investment, and shall, among other things, to the extent he determines feasible, specifically—

(1) investigate and review the nature, scope, magnitude, and rate of foreign direct investment activities in the United States;

(2) survey the reasons foreign firms are undertaking direct investment in the United States;

(3) identify the processes and mechanisms through which foreign direct investment flows into the United States, the financing methods used by foreign direct investors, and the effects of such financing on American financial markets;

(4) analyze the scope and significance of foreign direct investment in acquisitions and takeovers of existing American enterprises, the significance of such investments in the form of new facilities or joint ventures with American firms, and the effects thereof on domestic business competition;

(5) analyze the concentration and distribution of foreign direct investment in specific geographic areas and economic sectors;

(6) analyze the effects of foreign direct investment on United States national security, energy, natural resources, agriculture, environment, real property holdings, balance of payments, balance of trade, the United States international economic position, and various significant American product markets;

(7) analyze the effect of foreign direct investment in terms of employment opportunities and practices and the activities and influence of foreign and American management executives employed by foreign firms;

(8) analyze the effect of Federal, regional, State, and local laws, rules, regulations, controls, and policies on foreign direct investment activities in the United States;

(9) compare the purpose and effect of United States, State, and local laws, rules, regulations, programs, and policies on foreign direct investment in the United States with laws, rules, regulations, programs, and policies of selected nations and areas where such comparison may be informative;

(10) compare and contrast the foreign direct investment activities in the United States with the investment activities of American investors abroad and appraise the impact of such American activities abroad on the investment activities and policies of foreign firms in the United States;

(11) study the adequacy of information, disclosure, and reporting requirements and procedures;

(12) determine the effects of variations between accounting, financial reporting, and other business practices of American and foreign investors on foreign investment activities in the United States; and

(13) study and recommend means whereby information and statistics on foreign direct investment activities can be kept current.

SEC. 6. The Secretary of the Treasury shall carry out that part of the study authorized in section 2 of this Act relating to foreign portfolio investment, and shall, to the extent he determines feasible, specifically—

(1) investigate and review the nature, scope, and magnitude of foreign portfolio investment activities in the United States;

(2) survey the reasons for foreign portfolio investment in the United States;

(3) identify the processes and mechanisms through which foreign portfolio investment is made in the United States, the financing methods used, and the effects of foreign portfolio investment on American financial markets;

(4) analyze the effects of foreign portfolio investment on the United States balance of payments and the United States international investment position;

(5) study and analyze the concentration and distribution of foreign portfolio investment in specific United States economic sectors;

(6) study the effect of Federal securities laws, rules, regulations, and policies on foreign portfolio investment activities in the United States;

(7) compare the purpose and effect of United States, State, and local laws, rules, regulations, programs, and policies on foreign portfolio investment in the United States with laws, rules, regulations, programs, and policies of selected nations and areas where such comparison may be informative;

(8) compare the foreign portfolio investment activities in the United States with information available on the portfolio investment activities of American investors aboard;

(9) study adequacy of information, disclosures, and reporting requirements and procedures; and

(10) study and recommend means whereby information and statistics on foreign portfolio investment activities can be kept current.

POWERS

SEC. 7. (a) The Secretary of Commerce and the Secretary of the Treasury may each by regulation establish whatever rules each deems necessary to carry out his functions under this Act.

(b) Each such Secretary may require any person subject to the jurisdiction of the United States—

(1) to maintain a complete record of any information (including journals or other books of original entry, minute books, stock transfer records, lists of shareholders, or financial statements) which such Secretary determines is germane to his functions in the foreign direct investment and foreign portfolio investment studies to be conducted pursuant to this Act; and

(2) to furnish under oath any report containing whatever information such Secretary determines is necessary to carry out his functions in such studies.

The authority of each Secretary under this subsection shall expire on the date provided under section 10 of this Act for the Secretary of the Treasury to submit a full and complete report to the Congress.

(c) In addition to the Secretary of Commerce and the Secretary of the Treasury, the only individuals who may have access to information furnished under subsection (b)(2) are those sworn employees, including consultants, of the Department of Commerce or Department of the Treasury designated by the Secretary of either such Department. Neither such Secretary nor any such employee may—

(1) use any information furnished under subsection (b)(2) except for analytical or statistical purposes within the United States Government; or

(2) publish, or make available to any other person in any manner, any such information in a manner that the information furnished under subsection (b)(2) by any person can be specifically identified.

Such Secretaries may exchange any such information furnished under subsection (b)(2) in order to prevent any duplication or omission in the studies conducted by each such Secretary pursuant to this Act.

(d) Except for the requirement under subsection (b)(2), no agency of the United States or employee thereof may compel (1) the Secretary of Commerce or the Secretary of the Treasury, (2) any individual designated by either such Secretary under the first sentence of subsection (c), or (3) any person which maintained or furnished any report under subsection (b), to submit any such report or constituent part thereof to that agency or any other agency of the United States. Without the prior written consent of the person which maintained or furnished any report under subsection (b), such report or any such constituent part may not be produced for any Federal judicial or administrative proceeding, except for a proceeding under section 8(b) of this Act.

ENFORCEMENT

SEC. 8. (a) Whoever fails to furnish any information required pursuant to the authority of this Act, whether required to be furnished in the form of a report or otherwise, or to comply with any rule, regulation, order, or instruction promulgated pursuant to the authority of this Act may be assessed a civil penalty not exceeding $10,000 in a proceeding brought under subsection (b) of this section.

(b) Whenever it appears to either the Secretary of the Treasury or the Secretary of Commerce that any person has failed to furnish any information required pursuant to the provisions of this Act, whether required to be furnished in the form of a report or otherwise, or has failed to comply with any rule, regulation, order, or instruction promulgated pursuant to the authority of this Act, such Secretary may in his discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, seeking a mandatory injunction commanding such person to comply with such rule, regulation, order, or instruction, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond, and such person shall also be subject to the civil penalty provided in subsection (a) of this section.

(c) Whoever willfully fails to submit any information required pursuant to this Act, whether required to be furnished in the form of a report or otherwise, or willfully violates any rule, regulation, order, or instruction promulgated pursuant to the authority of this Act shall, upon conviction, be fined not more than $10,000 or, if a natural person, may be imprisoned for not more than one year or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

SEC. 9. (a) The Secretary of Commerce and the Secretary of the Treasury may procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. Persons so employed shall receive compensation at a rate to be fixed by the Secretaries concerned but not in excess of the maximum amount payable under such section. While away from his home or regular place of business and engaged in the performance of services for the Department of Commerce or the Department of the Treasury in conjunction with the provisions of this Act, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

(b) The Secretary of Commerce and the Secretary of the Treasury are authorized, on a reimbursable basis when appropriate, to use the available services, equipment, personnel, and facilities of any agency or instrumentality of the Federal Government in conjunction with the study authorized in this Act.

SEC. 10. The Secretary of Commerce and the Secretary of the Treasury shall submit to the Congress an interim report twelve months after the date of enactment of this Act, and not later than one and one-half years after enactment of this Act, a full and complete report of the findings made under the study authorized by this Act, together with such recommendations as they consider appropriate.

SEC. 11. There is authorized to be appropriated a sum not to exceed $3,000,000 to carry out the purposes of this Act. Any funds so appropriated shall remain available until expended.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 15487) was laid on the table.

GENERAL LEAVE

Mr. CULVER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SECRETARY OF AGRICULTURE BUTZ SHOULD RESIGN

(Mr. VIGORITO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VIGORITO. Mr. Speaker, in his first speech to a joint session of Congress President Gerald Ford emphasized that he wants a spirit of cooperation with the Congress. I would like to suggest that the President could take a very positive action in the early days of his administration by requesting the resignation of Secretary of Agriculture Earl Butz.

In my opinion the farm policy of Secretary Butz and the Nixon administration has been disastrous. For the past 5 years, the Nixon-Butz farm policy goals of increased food production and lower prices have not transpired.

Developments since April 1 have created one of the most severe economic crises ever faced by the American dairy industry. Wholesale prices for manufactured dairy products such as nonfat dry milk, butter and Cheddar cheese have fallen by as much as 20 percent. The Minnesota-Wisconsin priced series for manufacturing milk has declined by 23 percent—at $1.84 per hundredweight. Since this is the basic price determinant under Federal milk market orders, this price decline is being reflected directly in prices farmers received for milk across the Nation.

Faced with this rapid fall in milk prices and the continuing rise in all costs of production, more and more dairymen are either reducing their operation or going out of business. Notably, the index of prices paid by farmers, interest, taxes, and wage rates stood at 433 for July 1972. July 1973 saw it at 499, while last month it reached 573. The milk-feed price ratio in 1972 stood at 1.72. In July 1973, it was 1.35 and last month it was 1.28. A ratio of 1.7 to 1.8 is generally considered necessary to profitable milk production. Consequently, an increase in the price support levels for milk must be raised to 90 percent of parity, but Secretary Butz refuses to even consider it. Requests by many Congressmen for action to increase price support levels for milk have fallen upon deaf ears during the Butz years.

Many Members of Congress also asked, in vain, for the halting of extra-quota importations of dairy products in an effort to assure the reestablishment of domestic milk production to adequate levels. In 1973, import quotas for nonfat dry milk were expanded by 265 million pounds, cheese quotas for nonfat dry milk were raised by 64 million pounds, and the equivalent of 84 million pounds of butter was authorized entry. So far in 1974, the import quota on cheddar cheese has been expanded by 100 million pounds, and the nonfat dry milk quota has been lifted by 150 million pounds.

These import actions have had the inevitable effect of preventing domestic dairy farmers from receiving an adequate return to permit them to remain in business.

Now let us examine the overall agriculture picture. Secretary Butz, in trying to paint a rosy picture for total farm production for 1974, has significantly misread the outcome of this summer's drought on farm production. Now the American consumer is told that farm production will be down in most areas, meaning even higher food prices to flame the fires of inflation for the coming year.

It is a fact that the Nation's farmers, rural residents and consumers are concerned and angry over the unfair treatment they have received by an uncooperative Agriculture Department under Mr. Butz.

American farmers and the American public need a farm program that will maintain a balance between supply and demand and a program which will provide both price stability and a good net return for the farmers. If farmers never had it so good, why, if we use 1967 dollars as a basis, did farmers in 1944 have a net purchase power of $22,435, and only $18,946 in 1973. Neither price stability nor good income has come about due to the policies and goals of Secretary Butz. That is why Butz must go. President Ford will begin his farm policy on the right foot by bringing in a fresh, new face to head the U.S. Department of Agriculture.

BETTER PROTECTION FOR OUR LAW ENFORCEMENT PERSONNEL

(Mr. BIAGGI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, it is my tragic duty to report to my colleagues of still another brutal murder of a policeman while in the performance of his duties.

The latest tragedy occurred on Monday night in Queens, N.Y. Patrolman Thomas Pequez, a member of the tactical patrol unit of the New York City Police Department, was shot and killed while making an arrest of an individual for a motor vehicle violation. According to accounts, Patrolman Pequez, in the course of a routine search of a car with two occupants discovered that the license of the driver had been suspended. And a quantity of marihuana was also found. Once this was established, Pequez attempted to arrest the two occupants when suddenly four shots were fired by one of the occupants and Patrolman Pequez fell mortally wounded, and died on the way to a local hospital.

Patrolman Pequez represented the third police officer slain in New York City alone this year. The National total has climbed to over 75, and at this pace the old record of 128 law enforcement personnel killed in action will be eclipsed.

I have been calling upon my colleagues in both the House and Senate to enact legislation which seek to better protect our law enforcement personnel. The tragic thing is that the legislation is there, only there has been a general reluctance to act on it.

One prime example is legislation which I introduced to restore capital punishment on a mandatory basis for the committing of certain crimes including the killing of law enforcement officers. This legislation shows no signs of being considered despite the overriding need for its enactment. Perhaps if this law were on the books, Patrolman Pequez might still be alive today. It seems incomprehensible to me that the Congress does not consider the safety of our Nation's law enforcement personnel important enough to pass legislation to help insure it.

In addition, the need to provide security for the widows and survivors of slain law enforcement personnel should also be a paramount concern to this Congress. It has been over 3 months since the House and Senate passed legislation to provide a $50,000 death benefit for widows and survivors of law enforcement personnel killed in action. Yet today, this crucial legislation remains stalled in the Senate which is expected to defeat the House version and then send the bill to an uncertain future in conference. I urge that this legislation be given top priority consideration by the leaderships in both the House and Senate.

Another gallant law enforcement officer has fallen victim to an untimely death. Patrolman Pequez' death etches still another black mark on this Nation which has already been seriously weakened in its law enforcement capabilities by the deaths of hundreds of its law enforcement personnel. Let us not close ourselves out from these tragedies, but instead, take all necessary steps to prevent their recurrence. The need is there. I call upon my colleagues to respond to it and come to the rescue of our law enforcement personnel across the Nation.

BILL TO AMEND NATIONAL FLOOD INSURANCE ACT OF 1968

(Mr. CASEY of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CASEY of Texas. Mr. Speaker, I am today introducing a bill to amend the National Flood Insurance Act of 1968.

This legislation, passed by the 90th Congress, was amended last year following the most severe losses in the history of the Nation due to flooding. Yet, I think that events of those days made us draft legislation which was too broad. With the passage of time, we often see that what appeared to have been a practical proposal is unsuited to actual circumstances.

In general, the amendments enacted into law in 1973 were an effort to make the flood insurance program as broad as possible, and also to discourage movement into flood-prone areas by restriction of credit in these areas.

Federal mortgage money, for example, may not be lent on real estate in flood prone areas unless such property is covered by Federal flood insurance. In turn, such insurance is not available where Federal officials believe land is likely to be flooded.

Such a law forbidding settlement in flood prone areas appears sound at first glance: it discourages movement into areas where life may be endangered by flooding, limits property losses in these areas and safeguards Federal mortgage funds.

In practice, the result varies from region to region, however.

The arrangement is very satisfactory in hilly or mountainous States, because the rule is simple: build on high ground. But what do you do, Mr. Speaker, when you have no high ground?

This is precisely the situation in many parts of coastal Texas, and in other parts of the Nation as well. When the land is flat, Mr. Speaker, what is a flood prone area and what is not? The simple fact is that in Brazoria County, Tex., and in other parts of my district, the land is flat and most of the area which could be flooded is limited only by the amount of floodwater. Some areas are, of course, much more flood prone than others, and the people who live and work there know the difference. As an increasing number of people have seen the advantages of living and working on the gulf coast of The Federal flood program now threat- Texas, my district has grown rapidly. ens to virtually halt that growth, however, because it limits the mortgage money available in almost this entire area.

Some of the Members of the House may ask how this could be. Did not the act apply to Federal secondary mortgage funds only? No, under sections 102(b), every "Federal instrumentality responsible for the supervision, approval, regulation or insuring of banks—shall by regulation—direct such institutions—not to make—any loan—secured by real estate, not covered, by flood insurance."

The result of this legislation is that no bank may make loans on property without flood insurance even with non-Government funds. In the event that an official of the U.S. Government decides property should not be covered by flood insurance, believing the realty is overly flood prone, then over 90 percent of the banks in the State of Texas are forbidden by law from lending on such property.

Mr. Speaker, I do not believe that the intention of the House at the time this act was debated was to discriminate against some parts of the Nation on the basis of topography. As ridiculous as this sounds, this is precisely what is happening.

I do not ask that the U.S. Government risk its own mortgage funds by passage of this bill.

I only ask that mortgage lenders be given the opportunity of deciding for themselves what the risks are on each and every parcel of land they mortgage, and that they be allowed to determine where the risks justify an investment.

I urge my colleagues to give this measure a sympathetic hearing. A careful investigation will reveal the harm which this legislation is doing, and also that this bill is the vehicle to rectify it.

Under my bill, the Federal Insurance Administration would still issue flood insurance only within the areas it designates as eligible. Communities would still participate in the program in order to qualify for flood insurance.

Homes and businesses constructed under Federal mortgage programs, the FHA, the VA, the SBA and so on, would remain under mandatory controls of the Federal Insurance Administration.

The only change in the law would be that our banks and lending institutions would be free to make their own determination of the local flood hazards, and so long as public money or public insurance was not involved, would be free to make loans in areas they choose without intervention from Federal authorities.

I am confident that the changes in the law I propose are in keeping with the intent of the Congress in enacting the National Flood Insurance Act of 1968 and that the public would best be served by the passage of the bill I introduce today.

THE BLACK LUNG BENEFITS ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MURTHA) is recognized for 30 minutes.

Mr. MURTHA. Mr. Speaker, we are presently in the middle of a 5-day work shutdown of the Nation's bituminous coal mines as a memorial to victims of mine disasters, black lung disease, and coal company violence.

Although I began working on the legislation I am about to introduce many months ago, I can imagine no more appropriate time to discuss the Black Lung Benefits Act of 1974 than during this memorial period.

Mr. Speaker, any legislator from a coal mining area who has seen first hand the various stages of black lung disease as it perceptively moves to rob a man of his breath and eventually of his life, knows how important the black lung benefit legislation enacted by Congress has been. But as a Congressman who must deal daily with the benefit claims of miners from my area, I realize that this important law must be strengthened and improved.

Before I discuss the specifics of this legislation, I would remind the Members that Congress enacted the original black lung benefits legislation as recognition of the national debt we owe the men who for years have gone, and continue going, into the mines of our Nation to produce this most precious and valuable resource. I hope the time has passed when any question remains about the rightness of this benefit program.

Coal miners deserve financial security and health benefits for their contribution to the energy needs of this Nation. Despite advanced technology we again recognize our need for coal, and just as the miner must still go underground to mine it, the coal dust is still there to greet him. Mining remains the most dangerous profession in our Nation.

The debate must continue over how best to help past, present, and future miners. My amendments are designed to fill gaps in the present law, and I would briefly like to outline them for the Members.

Most important, and deserving the most attention, is an amendment known as the 15-year rule. This amendment states that any miner or his widow would automatically qualify for benefits if the miner had worked 15 years in the underground mines.

I would like to mention some reasons why this amendment is essential, Mr. Speaker. First, the present law is unfair. It allows some miners with 15 years and the illness to receive benefits, while others with 15 years' service and the illness do not receive aid. Presently no automatic, definite way exists to prove the presence of black lung, or to prove its severity. We are left with a system of medical and lay judgment that inevitably discriminates against many valid claims. The decision becomes a subjective one, with different doctors forming different conclusions from the same evidence.

Black lung disease may not show itself until a man has left the mines for some time; it is unlikely he will accumulate medical evidence while working and feeling no effects of the disease in its early stages. Thus the miner reaches a state of total disability but without early medical evidence. A law assuring benefits after a set number of years will eliminate unfairness and insure all affected miners they will receive their deserved benefits.

Second, since the miner now does not know whether he will qualify for aid or not, he continues working in the mines past when he should stop, daily aggravating and stimulating his condition. Once eligibility becomes based on years of service, a miner will know he will receive benefits and will leave the mines earlier. In this way, we will be prolonging the health and lives of thousands of miners. We are in my opinion paying entirely too many benefits to miner's widows, instead of to the miner himself.

There is no doubt a direct correlation exists between the number of years in the mine and the increasing disability caused by black lung. At some point you have to make a determination that black lung in its entirety is present. There exists substantial medical evidence to support 15 years as the key medical year. There is no doubt the longer a miner works the more he aggravates his disease; stopping at 15 years will give some the hope of living many years with their disease.

Third, we have the problem of administration that we find in many programs. Estimates show the Government now spend millions a year in administering the program. We estimate that $75 million could be saved with an automatic presumption of black lung because the need for much medical diagnosis and legal representation will end. This figure alone will help greatly to offset additional costs. More important, we will be giving the money to the miner it was intended for rather than doctors, lawyers, and bureaucrats.

While the 15-year rule easily represents the most important of the amendments in this bill, Mr. Speaker, a number of others are also important. I would like to outline them briefly.

First, extending for 2 more years, through June 30, 1977, the authorization for $10 million a year for black lung clinics. This program has been slow to get off the ground, because funds have not been appropriated. Now work is underway in the Western States developing clinics to engage in diagnosis; therapy; programs teaching people how to live with their disease—how to make the most of their breathing, what medicines could shorten their breath, and so forth—and an outreach program to let people know what benefits are available and how to qualify for them. These clinics represent our hope of making thousands of men less of an invalid, although their respiratory system is crippled. To be effective, this program needs to have long-range funding available.

Second, adding coal miner expertise to the Coal Mine Health Research Advisory Council. This group is organized under the Secretary and approves research grants. Presently there are 14 members—the number is not set in the statute—and all are physicians but one. As knowledgeable as these men may be, they lack the input of on-the-job individuals who know the actual experience of the mines, and can make recommendations based on that background. This amendment would require that at least five members of the committee be working or retired miners.

Third, make it easier for a widow to receive benefits based on lay evidence. We have a situation, Mr. Speaker, where many widows lose claims and benefits they deserve because they have lay evidence but not medical evidence. Lay evidence includes such things as statements of widows, coworkers, neighbors, a nurse, a doctor, a coroner, or other individual who remembers the deceased and his breathing difficulties. Autopsies are of little benefit in proving the disease, and many working miners never stopped to obtain X-rays or breathing tests while working.

This amendment would make clear the congressional intent that in making the final decision on eligibility, a lack of formal medical evidence, alone, would not be sufficient to deny the claim.

Fourth, for reasons no one can seem to explain, the Federal black lung law says payments are to stop 12 years after the law went into effect, or in 1981. This bill removes that provision and makes the program permanent.

Fifth, we extend the interim standards. In 1972 social security wrote two sets of medical standards. The so-called interim standards applied until July 1, 1973. Persons applying before that date with 15 years in the mine qualified by presenting confirmed X-ray proof of pneumoconiosis at any stage of its development. Even without the X-rays, a miner could qualify by a breathing test. But the post-1973 standards—are much called permanent standards—are much stricter. A miner must now have more detailed X-rays and also fail the breathing test, and fail it at a lower level. These permanent standards practically return us to the dark days before the 1972 amendments were passed. This is obviously unfair.

Sixth, we clear up the language to make certain that widows will qualify for aid under benefits for the totally disabled if her husband worked 15 years in the mines, regardless of whether he was working at the time of his death.

Presently, social security and the Department of Labor throw out claims if the miner was working at the time of his death. Before the modernization of black lung benefits men had no chance but to work up to their death, and the widow should not be penalized because her husband could not take time and did not have the money to travel many miles to an X-ray machine.

I do not believe any of us desire to prevent the widows of these brave men from receiving needed benefits.

Let me also speak for just a moment about numbers. The 15-year rule would open the plan to approximately 75,000 new claims—55,000 living miners and 20,000 widows. These are deserving men and women. It is time the Nation paid our debt to them.

Mr. Speaker, 2 years ago the late Congressman John P. Saylor, who I was honored to replace in Congress following his death, asked a House committee—

> Have you ever tried to spend 12 and 14 hours a day in a coal mine, where you were mining 22 and 24 inch seam of coal?—the men who came out of those mines also walked home to the company houses in which they lived. They would cough, be short of breath, and have a difficult time, some of them, actually walking home.
>
> What the miners had was described as miner's consumption—then they began to give it a new name, and they called it miner's asthma. They then decided it was not asthma, and they called it silicosis. They go to the next stage, and called it anthracosilicosis, and now the doctors have come along and given it the final and fancy name of pneumoconiosis.
>
> But whatever name it is called, it is a disabling disease.

And it is still disabling miners. It is still causing sickness. It is still making too many women widows.

Miners are proud men. They only want the support the Congress has said it will provide them. I only want to see our country's debt fully paid and these brave men and their families recognized. Our present black lung program helps. I believe these amendments in the Black Lung Benefits Act of 1974 would help complete our debt to these men and their families.

I will later be reintroducing the bill and I invite all interested Members to contact my office to cosponsor this bill.

THE COMMITMENT OF THE CONGRESS TO CLEAN UP THE GREAT LAKES MUST BE MAINTAINED IN THE NEW AGRICULTURE, ENVIRONMENTAL, AND CONSUMER PROTECTION APPROPRIATIONS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, as one of his last official acts, former President Nixon vetoed the proposed Agriculture, Environmental and Consumer Protection Appropriations Act for fiscal year 1975.

Among the reasons cited by the President for disapproving the bill was the inclusion of $175 million in additional funds to clean up the Great Lakes. I think the President was poorly advised in this regard, for the United States is not only obligated through an agreement with Canada to clean up the Great Lakes by 1978, but the preponderance of evidence also shows that unless these—and additional—funds are provided now, the United States will not meet that deadline.

I am for fiscal restraint. I am for cutting excessive expenditures from the Federal budget. Only by cutting spending—and by cutting back on the production of new money supply used *to cover* the deficits arising from excessive spending—can we curb and control inflation. I think, however, that both the Executive and the Congress would be ill-advised to start making mammoth cuts in funds essential to a restoration of our environment.

August 22 was originally set aside as a day on which the House would vote to either override or sustain the former President's veto of this bill. In other words, there was to be a yes-or-no, up-

or-down vote on this matter, a standoff between the Executive and the Congress.

But, there is a new spirit in Washington—a spirit, as outlined by President Ford in his address to the joint session of Congress, of cooperation and compromise.

It is in that spirit that the distinguished chairman of the Subcommittee on Agriculture, Environmental and Consumer Protection of the House Committee on Appropriations, Mr. WHITTEN of Mississippi, made a motion in this Chamber yesterday—which was unanimously adopted—to pass over a vote on the veto and move immediately instead to a reconsideration of the bill in his subcommittee. I applaud his leadership on this matter. The Government and the country will be better for it.

Let me, for a moment, discuss some of the issues associated with this matter.

HOW TO CUT FEDERAL SPENDING

There are two fundamental ways in which we can cut overall Federal spending.

We can eliminate some programs altogether, leaving those which remain to continue at the present—or even at expanded—funding levels.

Or, we can cut some off the top of all programs, a practice of greater equity and less disruption to the continuity of Government services.

Since I have served in this Chamber, I have voted for both. But, it is apparent to me that we can be more effective in attaining our desired goal of reduced spending by cutting percentages off the top of all programs, more or less uniformly.

NEED TO HONOR GREAT LAKES CLEANUP COMMITMENT

Let me speak, for a moment, of one of those sections which ought to be preserved.

NEED TO HONOR GREAT LAKES CLEANUP COMMITMENT

I regard the honoring of our international treaty commitments with Canada to clean up the Great Lakes to be crucial. It is a commitment which had been dodged by the prior administration, in that repeated attempts by the Congress to provide necessary funds with which to abate pollution of the Lakes were thwarted by the administration.

What is the legislative history and administrative action associated with this commitment to clean up the Great Lakes?

On April 15, 1972, after several years of negotiation, President Nixon signed an historic agreement in Ottawa with the Canadian Prime Minister. That agreement provided for greatly increased American-Canadian cooperation in improving the water quality of the Great Lakes.

How has this obligation been honored by the two countries?

As of now, Canada is projected to serve 98 percent of its population along the Great Lakes with adequate water treatment by 1975. The United States, on the other hand, will only be able to serve 58 percent of its population along the Lakes with adequate treatment by that date. The United States is far behind its commitment, while Canada has almost totally attained its.

In 1972 I testified before the Committee on Appropriations, strongly urging the appropriation of $100 million to adequately fund the new, cooperative program. A number of colleagues joined with me in this appeal. Those funds were provided by the Congress—specifically authorizing the U.S. Environmental Protection Agency—EPA—to fund 9 or 10 selected storm and combined sewer projects along the lakes in order to study the cost-benefits of the various systems.

Inasmuch as EPA did not at that time yet have the specific statutory authority to fund the construction of storm and combined sewers of this nature, the Congress directed that $100 million in water and sewer funds which had been previously appropriated to the U.S. Department of Housing and Urban Development and arbitrarily frozen by the Office of Management and Budget—OMB—be used to fund the program.

The Congress then followed up that action by passing the Federal Water Pollution Control Act Amendment of 1972, providing authority in section 211 for EPA to fund the 9 to 10 special projects.

Yet, despite this overwhelming intent on the part of Congress—not to mention the letter of the law itself—funds were still not released by OMB.

On April 10, 1973, therefore, I again took the case for the construction of these projects to the Agriculture-Environmental-Consumer Protection Subcommittee of the Committee on Appropriations. In that testimony I stated:

> I would like to reiterate my support of this vital Great Lakes cleanup program and strongly urge the Committee recommend appropriations for these programs at at least the level requested by EPA. To many, the Great Lakes stand as a symbol of man's degradation of the environment. We in the Congress have the opportunity to make them an outstanding example of our Nation's determination to restore and preserve our priceless natural resources.

Again, many colleagues made similar appeals.

The committee made that recommendation, and the Congress passed it. Still nothing happened—the funds remained frozen.

At the urging of myself and a number of my colleagues in the House, the committee again directed this $100 million be spent. But, the committee has been advised that no use will be made of these funds during fiscal year 1974, despite a recent release of $120 million by OMB and the Department of Agriculture for use by rural communities on waste and water facility construction. The charge which I made in addressing the Association of Towns of the State of New York on February 4 of this year—that the prior administration was waffling on this matter—was proved by these actions—perhaps, better put as inactions—of the administration.

In late June of this year the House again insisted that these funds be expended. They were included—at the level of $175 million, in the bill now before us—the vetoed bill.

In his veto message of August 8 on this bill, President Nixon stated:

> I also oppose a provision in this bill transferring from the Department of Housing and Urban Development to EPA a $175 million program to clean up the Great Lakes. The feasibility of this cleanup program has not yet been proven. Further study is essential if we are to avoid ineffective Federal spending for these purposes.

Mr. Speaker, that statement—"the feasibility of this cleanup program has not yet been proven"—not only runs counter to the treaty commitment entered into by the President but also counter to the position taken by his administration at the Great Lakes Agreement Assessment Meeting of Representatives of the United States and Canada held in Washington on May 22.

At that meeting, the U.S. delegation informed the Canadians—who had expressed deep reservations about the apparently waining U.S. commitment—that "approximately 60 percent of the population on the U.S. side of the Great Lakes Basin would be provided with adequate waste treatment by December 31, 1975," and that this figure "would rise with the completion of additional projects to 95 percent by 1977–1978."

That assurance lacked a certain amount of credibility in light of the fact that the International Joint Commission's Water Quality Board—responsible for monitoring compliance by both governments with the commitment—had just issued an extensive, factual study showing the U.S. could not meet its commitment for years and years if present impoundment policies continued.

CALL FOR INCLUSION OF GREAT LAKES CLEANUP FUNDS IN A NEW BILL

Mr. Speaker, the evidence is convincing to me that the funds provided for this program ought to be contained in a revised bill.

I would prefer that the full amount be provided, but if the decision is made to cut some of these funds, let us ascertain from the Environmental Protection Agency how much can be spent realistically during the fiscal year, which may be less than what the original bill provided, and lets require those funds be spent.

The vetoed bill called for an expenditure of $ 175 million for the Great Lakes cleanup. Even if that has to be trimmed, that cut would be preferable to not funding the projects at all. And, unless we in the Congress are willing to accept that reality, we may be faced with no funding at all. That would be an abandonment, in part, of our own commitment to clean up the Great Lakes. I, for one, will have nothing to do with such action. I want to clean up the Great Lakes.

COONSKIN LIBRARY TRADITION CONTINUES IN OHIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER. Mr. Speaker, 170 years ago today, families in Ames, Ohio took an important step by purchasing books for what became one of the most interesting libraries in the history of our country. Clearing and cultivating the wilderness was demanding work, but these pioneers also cultivated a respect for knowledge and ideas. The Coonskin Library in Ames Township, Athens County, Ohio—now Amesville, which is the congressional district I am privileged to represent—exemplifies this love of learning, and while its first books were purchased on August 15, 1804, discussion of a library dated from the earliest days of settlement.

The Coonskin Library, officially named the Western Library Association, was formally organized 1 year after Ohio came into the Union. It was difficult to obtain books; money was scarce and the area was remote from the bookstores of Boston and Philadelphia. But the people of Ames recognized their need for books. They soon found a unique way to finance their library—it was purchased from funds raised primarily by the sale of animal skins to the Ohio company. One member took the skins East, sold them, and used the funds to buy a collection of 51 books.

The library reflected the way of life of these pioneers: it was comprised of serious rather than light reading, and books on religion, philosophy, and history predominated. The library developed and was used heavily during the next 35 years. Although sold to an individual in 1861, the collection remained a source of pride for the community and was exhibited at Philadelphia's centennial celebration of 1876. Today some of the books are available for use at the Ohio Historical Society in Columbus.

The Coonskin Library was not the first library in Ohio since it was preceded by collections at Belpre and Cincinnati. Such libraries had a tremendous influence on the lives of isolated pioneers. The Coonskin books made a great impression on young Thomas Ewing who became the first graduate of Ohio University, and later a U.S. Senator, Secretary of the Treasury, and Secretary of the Interior. He recalled:

> It was well selected; the library of the Vatican was nothing to it, and there never was a library better read.

Now, 170 years later, Ohio's libraries are still pioneering, and her people remain committed to obtaining information for their work, their studies—including continuing and extended education—and their self-development. Modern frontiers of library service include serving those who for some reason have been bypassed by traditional library services; insuring wider access to library services; applying advances in computer technology and automation to benefit readers and cope with the information explosion; and developing networks for interlibrary cooperation.

Ohio is designing innovative programs to extend specialized services to people who could not use libraries effectively in the past—the socially, economically, and educationally deprived, the homebound, the handicapped, the aging and the institutionalized. In the statewide books/jobs program, many librarians worked for the first time with State and local agencies to aid the unemployed and underemployed. They put information in the hands of people who needed "job know-how," and public libraries added job training materials useful to job seekers and to such organizations as the Urban League, National Alliance of Businessmen, and job training centers. In Project Libros the Cleveland and Lorain Public Libraries now employ a Spanish-speaking staff to contact potential users with Spanish and bilingual books, films and records.

Target/Read of the East Cleveland Public Library provides individualized tutoring in an informal atmosphere for adults, respecting their emotional needs and recognizing their educational demands, while Cleveland's Project Include is a concentrated effort to make the library a vital part of the lives of all inner-city residents. Storefront mini-libraries bring referral to other agencies, self-development opportunities, and employment and consumer programs to the community. But creative approaches are not limited to the largest cities. The Washington County District Library in Marietta is one example of the libraries conscious of their communities' information needs.

Other libraries insure that the visually or physically handicapped can get the information, entertainment, and inspiration they need by providing large-print books, Braille, talking books, page turners and other devices, as well as specialized services for the institutionalized. Youngstown's Yo-Mah-Co-Co places collections of paperbacks in hospitals, nursing homes, jails, and senior citizen centers. Some libraries regularly visit such institutions, while others have run successful volunteer programs for the homebound. In State institutions, library services link residents to the outside world and provide rehabilitation activities.

Extending effective service in all areas is another challenge to our libraries, and bookmobiles have proven to be one answer. In rural areas, "books on wheels" are funded entirely by the county or jointly with the State Library at Pomeroy, Ironton, Caldwell and other regional centers. Staffs have a keen sense of identification with the people they serve. They know most borrowers by name and become fast friends. Staff members become involved in school, PTA, and community efforts. Sometimes they deliver library materials to shut-ins or handicapped readers.

The bookmobiles also become an integral part of community events; most are assigned reserved areas at county fairs and parades. The materials and scenery might be very different in urban areas, but these people await their bookmobile's scheduled stop just as eagerly. In 1973, Ohio's 82 bookmobiles circulated over 6 million books!

Wider access also means insuring that library materials and services are available where readers are. As students, Ohio's young people, from elementary school through college, are among the most avid library customers. Of course all public libraries serve students and teachers, but each year more of the State's public and parochial schools are developing their own library media centers, right where the pupils are. These reading, information and fact-finding centers for students and teachers reinforce and enrich the teaching curriculum. Some even remain open during summer vacation months.

Books are still important tools in these school centers but effective nonbook materials are joining them in increasing numbers. Films, filmstrips, recordings, tapes, magazines, pamphlets, mounted pictures, microfilms, museum objects, giant models—anything that will help the learning process might be found in a school library. Special teaching aids also are utilized—for the slow and the quick learners, or for those with hearing, sight, speech or other problems. The happy schoolboy seen carrying home a giant model of an ear, about half his own size, to share with his family is not unusual. "Anything that can be carried may be borrowed" is often the rule in the State's library media centers.

University libraries are essential parts of Ohio's famed institutions of learning. As a leader in education and science, Ohio ranks eighth in the country in the number of accredited colleges and universities, and the libraries on each campus are integral parts of this education. Ohio's college and university libraries now have more than 18,348,525 volumes, in addition to 142,973 bound volume periodicals. These collections are growing at a rate of more than a million volumes a year.

Over 150 special libraries in the State serve special groups such as the rubber, steel, paper, or aluminum industries, the medical and law professions or the State's scientific and research interests. Many professional scientists, engineers, lawyers, doctors, market researchers, business leaders, and others depend on these special libraries to obtain and organize needed information for them or to let them know what is important and new in their field. These libraries put knowledge to work and so save their users time, effort, and money. Almost like members of one vast research team, the special libraries share information and materials through an interlibrary loan network which includes Ohio's university and urban libraries.

Ohio's libraries are also pioneering the application of technology to the information explosion. Perhaps the most striking example is the Ohio College Library Center. This center provides a data communications link among more than 60 academic and public libraries throughout the State and connects these Ohio libraries with other regional systems in an emerging national network.

On still another frontier, Ohio's librarians are working with the State library to create network for interlibrary cooperation under the Ohio Library Development Plan. Enacted by the Ohio General Assembly, the library-development plan will assure that every Ohio citizen, whether living in an urban center or on an isolated farm, will not be limited to material in his own library and will have easy access to complete library service. Information and reference networks will link all metropolitan, special, and university libraries which have major research collections with other Ohio libraries, making resources available on a statewide basis.

It also provides for new ways of sharing and enlarging library resources. Libraries in two or more counties may form area library service organizations—ALSO's—and qualify for State assistance in providing services essential to the educational, vocational, economic, and cultural growth of the State. The first ALSO, the Ohio Valley Area Libraries, was organized in 1973 to provide 11 southern counties—including Athens County—with financial and advisory support to improve their services and then inform the people of their availability.

On all these library frontiers, in the 10th Congressional District and throughout the State, Ohioans have been using Library Services and Construction Act funds in conjunction with local resources. LSCA appropriations have enabled construction on 58 buildings in Belpre, Beverly, Hillsboro, Jackson, Elyria, Kenton, and many other communities of all sizes. They have assisted in service programs in every county of Ohio. They—and larger sums of State matching funds—provide special materials to over 11,000 blind and handicapped readers. Similarly, Federal grants have been vital in the improvement of library services in institutions.

The emphasis in Ohio libraries must be, as it was in the Coonskin Library 170 years ago, on the people they serve so that future Thomas Ewings may develop themselves and serve their country and fellowman.

WELFARE SYSTEM NEEDS REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. Robert W. Daniel, Jr.) is recognized for 5 minutes.

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, the Subcommittee on Fiscal Policy of the Joint Economic Committee has recently released a congressional study analyzing our Nation's welfare system. The subcommittee report is based on a study of the welfare benefits available in counties selected from across the country.

The results of the congressional study are deeply disturbing. It shows that the current welfare system encourages low-income and unemployed fathers to avoid work and desert their families. It also encourages single women and married couples to have children by awarding large financial bonuses for the first child, with lesser inducements for additional children.

The congressional study concludes that the welfare system is so structured in the United States that it financially encourages unemployment, higher birth rates and separation of families.

In the District of Columbia, according to the study, a family consisting of an unemployed mother and her two children could get annual public assistance benefits equivalent to a taxable income of $5,160 a year. The report gives the median salary for women workers in the District as $5,144 a year.

The financial appeal to a working mother to go on welfare is even greater when one considers that the median salary is the average salary of the group surveyed. Thus, half the working women earn less than the median salary which in itself is less than what they could make on welfare.

Work disincentives are high for the working father as well, according to the study, because the net gain from working often is quite small, if any. A man with a wife and three children who finds a full-time job at $1.60 an hour has an after-tax income of $3,034, but loses AFDC benefits—aid to families with dependent children—of $3,840 a year in San Francisco, of $3,588 in Portland, Oreg. It certainly eliminates a major reason for getting a job if by working a man and his family are no better off financially than before.

Although financial incentive to get a job may be lacking, the study shows that there is a financial incentive for fathers to desert their families. If an unemployed father deserts, the average gain in cash and food stamps varies from $1,004 for one-child families to $1,318 for families of three children. This constitutes a one-third gain in family income.

As the subcommittee contends:

> The study data leave little doubt that welfare does establish large incentives for low-income families to break up, or to never form in the first place. If a woman with children on AFDC does marry, the incentive is for the stepfather to refuse any obligation to support her children thereby keeping them on AFDC.

There also is a large financial incentive for either a single woman or a married couple to have the first child. An unemployed childless woman, for example, can almost double her benefits—with an additional $1,159 in cash and food benefits—by having her first child.

It is ridiculous to have a welfare system that encourages single and married women to have children and fathers not to work and to abandon their families.

In light of the subcommittee's report, I urge that the Congress give its full support to a complete reevaluation of the welfare system, as it is desperately needed.

NATO—A FATAL BLOW

The SPEAKER. pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Findley) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, I am gravely disturbed, as I am sure you are, over the possible harm NATO may suffer as a consequence of the crisis over Cyprus.

A scenario of events in the Eastern Mediterranean more to the advantage of the Soviet Union would be difficult to contemplate. The Soviets have long wanted Turkey and Greece separated from NATO and scrapping with each other. This would enhance opportunities for Soviet ascendancy throughout the Mediterranean, the Mideast and South Asia.

With Turkey unhappy over U.S. pressure on the opium issue, as well as Turkish military operations on Cyprus, and with Greece now withdrawn from the integrated NATO military command and blaming the United States for its reverses on Cyprus, the cohesion of NATO's southern flank may be harmed beyond repair.

The fatal blow will occur if Turkey and Greece interpret recent statements by prominent U.S. officials as putting in doubt our basic defense obligations to those countries under the NATO treaty. These officials have said that our Government may have to review its military assistance programs to those countries. Perhaps this was meant to be restricted to the provision of military equipment and had nothing to do with our basic commitment to protect from attack all member states of NATO, including Greece and Turkey.

Yet the statements have been so general that misinterpretation is possible. And Turkey has a vivid memory of 1964 when President Johnson threatened to cancel the U.S. defense commitment to Turkey under the NATO treaty if Turkey invaded Cyprus. This statement, in contravention of the NATO treaty, was most unfortunate and the Turks have never forgotten it.

Our Government must not repeat that mistake. It must make clear that our basic commitment to the member *states* of NATO is sound and valid and does not change with the vicissitudes of external events like those on Cyprus.

I strongly urge the administration to make a public statement, which will reassure Turkey and Greece, as well as other member states, that our Government holds inviolate and solemn the mutual security obligations in the NATO treaty.

MORATORIUM ON NEW SPENDING PROGRAMS TO CURB INFLATION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Michigan (Mr. Huber) is recognized for 10 minutes.

Mr. HUBER. Mr. Speaker, virtually every current public and private poll and sounding made in this country indicates that rampant inflation is indeed, in the words of President Ford, "our domestic public enemy No. 1."

Experts in all fields agree on the immediacy and seriousness of today's double-figure inflation.

The president of the Bank of America, A. W. Clausen, cautioned:

> We must either stop inflation, or reconcile ourselves to living within its consequences, which include the ever-present threat of a serious recession.

Equally sobering is the appraisal of AFL–CIO President George Meany and manufacturers Hanover Chairman Gabriel Hauge. Mr. Meany said:

> The raging inflation that started in the second half of 1972 continues with devastating impact on workers' buying power and living standards.

Mr. Hauge pointed out:

> We see the best of our citizens, those who have saved and whose savings have built our country, suffering substantial losses in those savings. And we see those least able to fend for themselves, the poor and the elderly, forced to suffer disproportionately more than anyone else through the regressive taxation that inflation actually is.

To move immediately to slow down inflation while providing Congress and the new administration an opportunity to develop an orderly and comprehensive policy toward reducing this problem, I am today introducing a House concurrent resolution to indicate the sense of Congress that "no new previously unfunded spending programs, except in the instance of a national emergency, will be authorized during a period of 90 days from the date of enactment."

I will address a letter to my colleagues later today urging them to cointroduce this measure with me, and I would urge that the leadership promptly begin hearings so that consideration of the resolution can be expedited in the emergency situation that now exists.

INTERNATIONAL PETRODOLLAR CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, the Subcommittee On International Finance, of which I am chairman is conducting a series of hearings on a subject we have chosen to call "International Petrodollar Crisis." The reasons for these hearings are quite simple—the international price of oil has increased fourfold in the last year and the member countries of OPEC—the Organization of Petroleum Exporting Countries—are beginning to accumulate massive amounts of excess capital.

In these hearings we are covering the following topics:

First, what oil-producing countries will do with their new found wealth;

Second, the potential damage to the international monetary system and to the world economy as a result of the petrodollar glut;

Third, the viability of the proposals for recycling petrodollars;

Fourth, the oil-deficit problems of the developing world; and

Fifth, what the United States should be doing about the petrodollar problem and its detrimental effects.

To date, we have had as witnesses: The Honorable William E. Simon, Secretary of the Treasury; The Honorable Jack F. Bennett, Under Secretary of the Treasury; The Honorable Henry C. Wallich, Governor of the Federal Reserve System; and Mr. James Grant, President of the Overseas Development Council.

After the recess, we plan to have as witnesses Secretary Dent of the Department of Commerce, and representatives of the private banking sector.

Mr. Speaker, based upon the testimony received to date, we have not exaggerated in using the term "crisis" in naming our series of hearings. I do not want to appear to be an alarmist or to be joining the ranks of the professional prophets of doom, who make a lot of money by scaring people. But a sufficient number of experts are sounding the alarm, so I wonder if the United States is not taking this petro dollar-oil price situation too lightly.

I think that the findings of our hearings so far can best be summed up by quoting the noted oil expert Walter J. Levy, writing in the July 1974 Foreign Affairs:

> Today, governments are watching an erosion of the world's oil supply and financial systems, comparable in its potential for economic and political disaster to the Great Depression of the 1930's, as if they were hypnotized into inaction. The time is late, the need for action overwhelming.
>
> In sum, the short-to-medium term implications of the present situation are simply not bearable, either for the oil-importing countries—especially the nations already needy—or for the world economy as a whole. The fact is that the world economy—for the sake of everyone—cannot survive in a healthy or remotely healthy condition if cartel pricing and actual or threatened supply restraints of oil continue on the trends marked out by the new situation.

Mr. Speaker, I think that my colleagues will be interested in the following letters from Secretary of Commerce Dent, Under Secretary of Treasury Bennett, and Assistant Secretary of State Holton, regarding: The impact of OPEC-inspired price increases on the U.S. balance of payments; portfolio investment in the United States by OPEC members; OPEC members' oil revenues, monetary reserves and military expenditures; aid efforts by OPEC; outstanding debts owed by OPEC members to the United States; and a summary of major bilateral oil deals.

THE SECRETARY OF COMMERCE,
Washington, D.C., July 10, 1974.

Hon. HENRY B. GONZALEZ,
Chairman, Subcommittee on International Finance, House of Representatives, Washington, D.C.

DEAR MR. GONZALEZ: This is in answer to your letter of May 29, 1974, which has been previously acknowledged by Mr. George J. Pantos. Your letter concerned the impact of OPEC-inspired price increases on the U.S. balance of payments.

Oil is now entering the world market at such a variety of different prices that it is impossible to predict accurately the cost of imports to consuming countries, including the United States, in 1974. The major uncertainty is the percentage share of equity ownership which the host governments take in the renegotiation of previous "participation" agreements. The greater the share the host governments take, the greater the proportion of their total crude supply that the companies will have to purchase from the governments at the higher "buy-back" price. The amount of crude oil available to the operating companies under buy-back arrangements and the level of prices for buy-back crude will have a significant bearing on world market prices. (Moreover, the terms of the renegotiated participation agreements will probably be retroactive—thus adding a further note of uncertainty to crude oil pricing on the world market.)

We have neverthless attempted to make some rough estimates of the impact of the recently instituted price regime on the U.S. trade balance in 1974. At an average price of $10 per barrel delivered, petroleum imports at the rate immediately preceding the embargo, approximately 6.5 million barrels per day, would represent an outflow in the trade account of about $24 billion. The estimate assumes that the lower rate of imports during the first four months of 1974 will be balanced off to a large extent by imports at a rate higher than the 6.5 mbd during the second half of the year and also that the higher price of the imported petroleum products, about one-third of the total, will make up for any remaining quantitative differences.

To put the matter in perspective, the $24 billion compares with delivered costs of $5.5–$6.0 billion in 1972 and $8.5–$9.0 billion in 1973. The anticipated petroleum import cost increase in 1974 is roughly equal to two months of total U.S. exports at the February-March 1974 rate, the last period for which overall data are available, or 20 per cent of total U.S. exports in 1973.

As a result of this massive transfer of funds, the U.S. trade balance is expected to show a net deficit for 1974, in spite of solid export gains. In the capital account, the compensatory inflows from investment on the part of oil-producing countries have not so far materialized to the anticipated extent. This situation may, however, change during the latter part of the year. In the interim, continued high interest rate levels in the U.S. domestic market will aid in maintaining a capital inflow rate which may be sufficient to offset the net trade account outflow.

The many uncertainties in the world petroleum market and the still pending resolution of the revenue recycling problem combine to make it extremely difficult to forecast the U.S. balance of payments over the medium term. Any estimates we could make during the present stage of institutional flux would have very low reliability and we would therefore prefer to await the emergence of more definite trends and patterns.

I hope the information we have been able to provide will be of help in your Subcommittee's deliberations. As you have pointed out, the present world monetary situation gives cause for great concern.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

THE UNDER SECRETARY OF THE
TREASURY FOR MONETARY AFFAIRS,
Washington, D.C.

Hon. HENRY B. GONZALEZ,
Chairman, Subcommittee on International Finance, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: You wrote me on July 22 requesting information on the OPEC countries for the Subcommittee's hearings on the "International Petrodollar Crisis." Unfortunately, data on the OPEC countries is scarce and that which is available is often out-dated. Your first two requests have been particularly difficult to fulfill, so I hope you will understand the partial nature of my response.

In regard to part 1 of your letter, portfolio investment statistics are considered confidential by commercial banks, and are not released to the government except in an aggregated form. The Department of Commerce does publish annually a survey of the net U.S. investment position vis-a-vis foreign countries with data broken down by area rather than by country. Totals are adjusted yearly to reflect new transactions and changes in the market value of securities. Data for the OPEC countries are included in two places. Venezuela and Ecuador are classified with "Latin American Republics and other Western Hemisphere". (Total portfolio investments from this area in the United States at the end of 1972 were $3,287 million.) The remaining OPEC countries are grouped with "Other foreign countries." (Net portfolio holdings of this latter group were $878 million.)

Even if a bilateral breakdown were available, however, it would not provide a broad and accurate picture of OPEC transactions. Foreign investors frequently transact through intermediaries who may be located in other countries. Since available statistics measure data based on the country of transaction, not the country of the ultimate holder, a misleading pattern may emerge. For example, if a Swiss Bank places an investment in the U.S. on behalf of an OPEC client, our statistics will show only "Switzerland" as the country of transaction.

The latest set of data covering the investment position of area groups in the U.S. as of year end 1972 was published in the August 1973 issue of the Survey of Current Business.

A copy of the article is enclosed as attachment A for your inspection and use. (Attachment A omitted).

Treasury may undertake a benchmark survey of foreign portfolio investments in the United States in response to pending legislation. If such legislation is enacted, preliminary results would become available about 18 months after enactment. At that time, better detail on areas and countries of ultimate investors should be forthcoming.

Providing specific and reliable answers for the second question has also been difficult. Table 1 (included as attachment B) shows data on oil revenues and foreign reserves for 1972, and some highly tentative estimates for 1974. It should be remembered that any estimates of 1974 OPEC government revenues are extremely tenuous at this time, since developments in the latter half of the year could render them obsolete. The current account balances listed in table 1 give a general idea of the amount of surplus revenues the OPEC countries will be accumulating and investing in 1974, but again should be considered highly tentative. The range of uncertainties regarding 1980 estimates—which would depend on developments in oil prices, world demand for oil, and trends in OPEC absorption—is so enormous that any figures we might provide would be virtually meaningless and could be highly misleading.

Included in attachment B is a table of 1972 military expenditures for the OPEC countries. The fragmentary nature of current reports on military expenditures prevents any forecast for 1974, though the level of expenditures will be higher than 1972.

With regard to your request for additional information on OPEC aid, recycling, and lending efforts, there follows a summary of the information received since I last wrote to you on this subject.

The IMF has received formal proposals from OPEC members for loans to the Oil Facility totaling $3.1 billion, including Abu Dhabi, Iran, Kuwait, Oman, Saudi Arabia, and Venezuela. Discussions are underway with other OPEC members, and the Fund hopes that the loans noted above can be expanded in the future as the need arises. The IMF will pay seven percent interest for the use of these funds.

In July 1974, the Kuwaiti Parliament formally approved a $3 billion increase in the paid-in capital of its Economic Development Fund (from $340 million to $3.38 billion).

According to Iran's Chief OPEC Delegate, Iran has now concluded bilateral agreements involving soft loans of some $1.5 billion over the next three to five years. This assistance is divided between project aid and financing for oil purchases by several developing countries, including India, Pakistan, Afghanistan, Morocco, Senegal, and Jordan.

The charter of the Islamic Development Bank, to which I referred in my June 6 letter, has been formally approved. It is expected to begin operations in late 1974 with capital of $3 billion. Loans will be extended free of interest.

An Arab Fund for Africa has received pledges of $200 million. Paid-in capital as of mid-July amounted to $130 million. It will be a revolving fund used to finance the oil purchases of the poorest African countries.

The United Arab Emirates tripled the capital of the Abu Dhabi Development Loan Fund from $169 million to $500 million in late May of this year. The UAE government also responded to an appeal by UN Secretary General Kurt Waldheim for emergency assistance to the hardest-hit less developed countries. Foreign Affairs Minister Ghobash pledged that his country will strive to extend bilateral and multilateral grants totaling $400 million during 1974.

OPEC country purchases of international development bank bonds stood at approximately $700 million during the year ending June 30, 1974. Approximately $675 million of this amount involved purchases of World Bank bonds. Generally, the OPEC countries receive near-commercial rates of interest (8%) on these loans.

In my view, while these represent hopeful signs of greater OPEC aid efforts, it would be wise to adopt a cautious attitude regarding the impact of these commitments. In the first place, the OPEC loans to the IMF and to the International Development Banks, totalling $4.3 billion, bear relatively high interest rates (7–8%). Secondly, much of the remaining amounts committed will only be disbursed over a period of many years, often in the form of project loans, whose proceeds will not be available to meet urgent and immediate reserve shortages in the developing world. It would be desirable if the OPEC countries were to provide larger amounts of quick-disbursing grants and general purpose balance of payments loans. These represent the most effective means to help the lower-income oil importing countries maintain vitally needed imports during the next two to three years when adjustment problems are expected to be greatest.

Attachment C provides the information you requested about OPEC borrowing from international financial institutions. Also included are tables of outstanding debts of OPEC members to the U.S. government and preliminary figures of U.S. foreign aid in FY 1974.

I hope the above information on the financial position of the OPEC countries will be of assistance for your Subcommittee's hearings.

Sincerely yours,

JACK F. BENNETT.

ATTACHMENT B

TABLE 1.—SELECTED OPEC COUNTRY DATA FOR 1972 AND 1974

[Preliminary estimate; in billions of dollars]

Country	Oil revenues		Foreign reserves		Current account	
	1972	1974 (estimate)	1972	1974 (estimate)	1972	1974 (estimate)
Saudi Arabia	3.1	23–28	2.5	20–25	1.4	20–22.0
Kuwait	1.7	7–9	[1]2.5	8–10	[2]2.0	5– 6.0
Libya	1.6	6.8	2.9	6–8	.9	4– 6.0
Iraq	.6	6–7	.8	6–8	.2	3– 4.0
United Arab Emirates	.5	4–6	(3)	4–5	(3)	3– 4.0
Algeria	.7	3–4	.5	1–2	–.1	0– .5
Qatar	.2	1–2	(3)	1–2	(3)	1– 2.0
Iran	2.4	18–21	1.0	9–11	–.4	8–10.0
Venezuela	1.9	9–10	1.7	6–8	–.1	4– 6.0
Nigeria	1.2	7–9	.4	5–7	–.5	5– 6.0
Indonesia	.7	3–4	.6	1–2	[4]–.4	0– 1.0
OPEC total	14.6	95–105	(2)	80–90	(3)	55–65.0

[1] Estimate.

[2] Trade balance.

[3] Not available.

[4] 1971 figure.

Note: Columns will not add to totals due to rounding.

ATTACHMENT B

TABLE 2.—Estimated OPEC Defense Budgets, 1972 (billions of dollars)

Country	1972
Saudi Arabia	[1].7
United Arab Emirates	n.a.
Kuwait	[2].1
Qatar	n.a.
Iraq	[3].6
Iran	1.8
Libya	[2].1
Algeria	[3].1
Nigeria	[2].6
Venezuela	.3
Indonesia	[2].5
Total OPEC	4.9

[1] Fiscal year ending September 1973.

[2] Fiscal year ending March 1973.

[3] 1973 figure.

N/A indicates not available.

ATTACHMENT C

Five OPEC countries, (Kuwait, Libya, Qatar, Saudi Arabia and the United Arab Emirates) have no outstanding loans from any international financial institution. The remaining seven OPEC members have outstanding loans from international financial institutions totalling $2.7 billion, of which $0.9 billion was commited in FY 1974. (See Table 3 for country breakdown).

Iran is the largest OPEC debtor, with a

total of $853 million outstanding from the IBRD as of May 31, 1974. In FY 1974, the IBRD lent to Iran and Venezuela, but both countries have agreed to provide financial resources to the Bank equal to or in excess of the loan received.

In FY 1974, both Indonesia and Ecuador received IDA credits. Ecuador will no longer be eligible for IDA credits inasmuch as oil revenues are expected to increase the per capita income level about the $375 IDA limit. In FY 1975, Indonesia will be transferred to IBRD borrowing status in view of its strengthened foreign exchange position, though per capita income will still be far below the IDA limit.

In evaluating loans to OPEC members by international financial institutions, it should be remembered that the OPEC countries lack the technical skills, which can be provided by institutions such as the IBRD, to promote their development. It should also be kept in mind that OPEC countries purchased about $700 million in international financial institutions bonds during the year ending June 31, 1974. Negotiations for additional purchases in 1975 are in progress.

Nine members of OPEC have a total outstanding long-term debt to the U.S. government of $2.6 billion as of December 1973. (See Table 4) Three OPEC countries, Libya, Qatar and the United Arab Emirates have no long-term indebtedness to the United States. $1 billion of the long-term outstanding debt is accounted for by credits under the Export Import Bank Act and loans under the Foreign Assistance Act account for slightly over $800 million, Indonesia and Iran account for about $2.1 billion of the total long-term debt owed to the United States by OPEC member countries.

Total U.S. aid in FY 1974 is $160 million, of which almost $120 million is for economic assistance, and $40 million is for military aid. (See Table 5 for country breakdown) Indonesia will receive the largest share of aid, for a total of about $117 million.

TABLE 3.—OUTSTANDING LOANS OF INTERNATIONAL FINANCIAL INSTITUTIONS TO OPEC MEMBERS AS OF MAY 1974[1]

[Millions of dollars]

Country	IDA	IBRD	IDB	ADB	Country total
Algeria		186.3			186.3
Ecuador	39.0	58.6	14.3		111.9
Indonesia	551.0			110.8	661.8
Iran		853.8			853.8
Iraq		136.1			136.1
Nigeria	39.8	454.9			494.7
Venezuela		229.1	83.5		312.6
Total	629.8	1,918.8	97.8	110.8	2,757.2

[1] Includes loans approved but not signed.

TABLE 4.—OUTSTANDING LONG-TERM INDEBTEDNESS OF OPEC COUNTRIES ON U.S. GOVERNMENT CREDITS AS OF DEC. 31, 1973, BY MAJOR PROGRAM[1]

[Millions of dollars]

Country	Under Export-Import Bank Act	Under Foreign Assistance (and related) Acts	Under Agricultural Trade Development and Assistance Act, loans of foreign currencies to foreign governments	Long-term dollar credits	Land-lease, surplus property, and other war accounts[2]	Commodity Credit Corporation export credits	Other credits	Total
Algeria	64.6			7.0		1.0		72.5
Ecuador	12.7	86.8	0.7	16.5		.3	0.1	117.1
Indonesia	98.3	302.5	.1	638.8	35.8		.9	1,074.6
Iran	649.9	212.5	29.6	47.7	23.3	54.2		1,014.2
Iraq	5.5			6.0				11.5
Kuwait	15.0							15.0
Nigeria	22.7	76.8						99.6
Saudi Arabia	15.5	34.2						49.7
Venezuela	116.7	112.6						229.3
Totals	1,001.0	825.4	30.4	716.3	59.1	55.5	1.0	2,683.5

[1] Source: U.S. Government accounting records.
[2] Data exclude outstanding interest deferred by formal agreement or in arrears, but include capitalized interest.

TABLE 5.—AMOUNTS OF U.S. AID IN FISCAL YEAR 1974 FOR OPEC COUNTRIES

[In millions of dollars]

Country	Foreign assistance					Military assistance programs				Total economic and military assistance and credit sales
	AID	Peace Corps	Public Law 480	International narcotics control	Total economic assistance	Military assistance grants (MAPS)	Foreign military credit sales	Excess defense articles	Total military assistance	
Algeria			1.5		1.5					1.5
Ecuador	2.6	1.5	4.5	0.2	8.8					8.8
Indonesia	74.4		18.0	.1	92.5	17.6		7.0	24.6	117.1
Iran		1.3	7.9		9.2					9.2
Nigeria	4.1	.1	1.8		6.0					6.0
Saudi Arabia						.2			.2	.2
Venezuela	.2	1.3		.1	1.6	.9	15.0		15.9	17.5
Total	81.3	4.1	33.7	.35	119.6	18.7	15.0	7.0	40.7	160.3

DEPARTMENT OF STATE,
Washington, D.C., August 8, 1974.

Hon. HENRY B. GONZALEZ,
Chairman, Subcommittee on International Finance, Committee on Banking and Currency, House of Representatives.

DEAR MR. CHAIRMAN: Thank you for your letter of July 18 requesting a summary of all major bilateral oil arrangements concluded between petroleum producers and consumers.

Enclosed is a listing of major bilateral deals that have been concluded as of this date. I hope that it will be useful and helpful to you and your Committee, and please call on me if you believe we can be of further assistance.

Cordially,

LINWOOD HOLTON,
Assistant Secretary for Congressional Relations.

MAJOR BILATERAL OIL DEALS CONCLUDED

CONSUMER, PRODUCER AND DETAILS

United Kingdom; Iran; Deal confirmed in January. The United Kingdom is to get 100,000 B/D of crude in the coming year in return for textile fibers, steel, paper, petrochemical, and other industrial product.

France; Saudi Arabia; Agreement signed in January for about 200,000 B/D of oil for 3 years. France is to build a 50,000 B/D refinery with Saudi ownership.

France; Iran; Agreement in principle signed in February for $5 billion in industrial projects. Major parts of the deal have been finalized involving nuclear reactors and a steel complex. France is to get natural gas and oil exploration rights in return.

Japan; Peru; Agreement signed in June. Japan will provide Peru with $330 million credit to help finance a 500 mile pipeline in return for crude oil and products beginning in 1978—60,000 B/D for the first 5 years and

80,000 for the remaining 5 years of the agreement.

Japan; Saudi Arabia; Economic cooperation agreement signed in April. Involves no oil supply arrangement.

Italy; Iraq; Final agreement reached in July on a 10-year economic and technical cooperation pact. Italy will supply Iraq with industrial plants and technologic assistance in return for increase of supplies—quantity yet to be decided.

Italy; Iran; Agreement signed in June. Italy will supply industrial projects to Iran in exchange for oil. Details remain to be worked out.

SAVE THE WHALES WITHOUT RACIAL DISCRIMINATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 15 minutes.

Mr. MATSUNAGA. Mr. Speaker, at a time when the scars of the 1942 evacuation of 110,000 Americans of Japanese ancestry—AJA—have all but healed, although not forgotten, a new campaign—altruistic and commendable in purpose and intent—threatens to reopen those once painful wounds which visited so much suffering on an innocent segment of our society.

The "Save the Whales" campaign, a nationwide effort by many of our most active and responsible conservation organizations, is currently encouraging the boycott of goods imported from Japan. Its objective is praiseworthy, and one in which I fully concur: To avoid the extinction of the world's dwindling whale population at the hands of two efficient whaling companies, primarily from Japan and the Soviet Union.

While this laudable endeavor deserves the support and cooperation of the world, the inherent dangers of singling out a race of people, without regard to citizenship, are obvious. Thus in the process of saving the endangered whales, the specter of racial suspicion, if not hatred, has been raised against all Japanese, and there is no greater danger than imbedding in the minds of a sizable number of impressionable schoolchildren hatred and anger against a particular race of people. Such may be the case with the current campaign.

It is not surprising that Americans of Japanese ancestry are sensitive to organized movements which are directed against Japan. The AJA experience during World War II, when American citizens and Japanese aliens alike were removed wholesale from the west coast into American style concentration camps is still vivid in their memory. Today, in the eyes of these citizens, history seems to be repeating itself. Because the AJA are a visible people, they have become the target of the current campaign. American-owned stores are picketted, because their owners have Japanese surnames. American schoolchildren are taught to think of the Japanese, on the whole, as merciless slaughterers of the magnificent whale, and classmates who happen to bear Japanese names are made the subject of abuse and taunts.

The Japanese-American Citizens League, which during its recent convention expressed unanimous support for a worldwide moratorium against whaling, has, through its National Executive Director David Ushio, expressed its concern about the Save the Whale campaign. In the hope of making all Americans aware of the real dangers involved, I am inserting Mr. Ushio's statement before the JACL 23d Biennial National Convention in July 1974. I urge my colleagues to study his remarks:

The statement follows:

In September of 1971 President Nixon stopped in our host city of Portland prior to his historic meeting with the Emperor of Japan in Anchorage, Alaska. On that occasion President Nixon signed into law the legislation that repealed Title II of the Internal Security Act of 1950 culminating many months of hard work by this organization to convince the nation and Congress that a concentration camp law that allows for preventive detention has no place in this nation. During this campaign the nation was reminded about our history as Japanese Americans, our contributions, and the injustices that were perpetrated against us on the basis of race.

At the 1972 National JACL Convention in Washington, D.C. eight months after Title II was repealed, much was said to celebrate the repeal of Title II law by both JACL and many enlightened legislators who guided the bill through Congress. A JACL Congressional Dinner drew many of the most influential leaders in our nation. The basic theme of the dinner was that guilt by association, evacuation, preventive detention must never happen again in this nation. Much was reaffirmed that evening; the worth of the individual, the dignity of Constitutional rights, and the guarantees that the liberties and rights of Japanese Americans must never be questioned solely on the basis that we have Japanese faces.

The next day as Congressman Spark Matsunaga led the JACL delegates on a tour of Capitol Hill, we encountered a demonstration of union members urging Congress to boycott foreign products. As the JACL group passed by, unkind and ugly remarks such as "go home to Japan," "stop taking our jobs from us," "remember Pearl Harbor," were thrown at us by these individuals who may well represent a good portion of grass-roots America.

As we view society today, many of the same hostile issues that have faced Japanese Americans are still with us. The issues of being the scapegoat for animosities aimed at Japan policies because we are visible are still with us today as they were thirty years ago during the dark days of World War II.

When Japanese Americans are asked, however innocently, such questions as "Where did you learn to speak English so well?" or "How do you like our country?" or when Congressmen of the United States say to JACL representatives as one did me "When your country quits bombing Pearl Harbor, I'll consider voting for your legislation," or when Nisei politicians return home late at night to find vandals have spray-painted the word "Jap" on their homes, we realize that our standard of living, our hard-earned education, and our good citizenship have not yet eliminated the vistages of racism that have plagued Japanese Americans throughout our history.

Recently, Japanese Americans have been faced with another issue that is reminiscent of this same type of attitude. Many conservation groups have called for a nationwide boycott of Japanese products in protest to Japan's whaling industry continually killing and harvesting whales. These groups claim that certain species of whales face extinction unless there is a ten year moratorium on the killing of these animals. Japan has refused to respond to this plea for the moratorium as has Russia, certain Scandinavian nations, Peru, Iceland, and other nations. However, the boycott campaign is presently aimed only at Japanese products, Japan as a nation, and the Japanese people are being targeted as the culprits in the fight to save the innocent whales.

In San Francisco two weeks ago, many of us received a firsthand view as to the effects of this type of campaign against Americans of Japanese ancestry. We had just concluded groundbreaking ceremonies for our National Headquarters Building and were entering a local restaurant for a luncheon. Nearly eighty picketers urging the boycott of Japanese products were marching up and down the streets. Many of the shops that were being picketed were Japanese American enterprises. As the JACL group who attended the ceremonies filed through the mass of pickets many of the well-meaning picketers made remarks such as "go home to Japan" and yelled at us to quit killing whales.

Many JACL leaders such as Harry Hatasaka, Chuck Kubokawa, and Steve Doi stopped to explain to the group why their tactics actually hurt Japanese Americans and why the effects of the selective boycott breeds racism. They were met by statements of derision, and in some cases, such statements as "in any noble campaign some sacrifices have to be made."

On the other hand, many of the more rational members of the campaign could see the validity of the Japanese American position and admitted that it had never crossed their minds when the boycott action began. Unfortunately decisions to embark on such an action are not made by the picket carrying do-gooders for they are the manpower representing a cross section of the American conservation movement who sincerely care about the preservation of whales but who take their lead from decision makers elsewhere. Supporters of this campaign number in the millions.

The most frightening aspect of this whole anti-Japanese campaign is the children's crusade to save the gentle whales. Grade school children are being mobilized throughout the nation to participate in the save the whale campaign. The whales are described, and rightfully so, as being gentle, innocent, almost human-like in their communication skills and instincts, including the caring for their young, and their will to live. And these descriptions are accurate and make a strong case for a very altruistic cause for the children of America to be concerned about.

However, when this sympathy for the innocent whale is coupled with the description of a calloused Japanese people who brutally slaughter, eat, and disregard a plea by the world to stop the killing of whales, the effects upon these impressionable children are frightening. Intentionally or not, these children are being taught that a whole race of people are cruel, unjust, barbaric, and hold a disrespect for law. Cartoons and drawings created by these children depict the whale as being innocent with tears dripping from their eyes as a slant-eyed, buck-toothed barbaric Japanese whaler harpoons the whale to a bloody and violent death.

It is no wonder that there are reports coming more frequently from parents of Japanese American Sansei (third generation) and Yonsei (fourth generation) school children stating that their children are the recipients of angry taunts and in some cases physical abuse by their peer groups; third and fourth grade children who associate a Japanese face with the slaughter of innocent whales. In their zeal to save the whales their impressionable children turn their energy toward the only visible symbol of Japan, in many cases the truly innocent Sansei or Yonsei child; American citizen yet vulnerable. What does such treatment do to the self-image, self-respect and physical well-being of our children? This is where the danger lies.

The issues remain the same. We are visible and unique. We have again become the targets of hostility even when the most altruistic endeavor is being pursued.

Our task as a JACL organization is not to defend the Japanese whaling interests for we too support the moratorium on the killing of whales. It is not to be a spokesmen for the Japanese government; but to speak out forcefully against the racist effects of such a campaign, to educate the public regarding this strange type of tyranny that breeds racist attitudes that have plagued all people who may appear to be different, and to point out alternatives that are just and do justice to the noble goal of preserving endangered species.

Such a campaign is not without risks. As Japanese Americans we may be painted as being a dupe or front for the Japanese whaling industry of the Japanese government. We may be accused of being anti-conservation even though our position may well be that of pro moratorium. Or we may simply be written off as one demonstrator told us in San Francisco as being "victims or the sacrifice that any noble campaign must encounter to achieve the desired end."

Two evenings ago I had the pleasure of being seated next to Ambassador U. Alexis Johnson during dinner. Our conversation was led to the discussion of the Save the Whale campaign. He indicated that the campaign to boycott Japanese products based on this Save the Whale campaign appeared to be well-financed and had hundreds of thousands of supporters. He was, of course, shocked to hear about the type of experiences that I have described to you today, but after contemplating about them agreed that it was racist and that a national organization such as JACL needed to take very positive steps to combat the perpetuation of this type of misguided but altruistic endeavor. He urged me to speak on this subject today and to reiterate what he mentioned in his remarks on Thursday that we as Americans of Japanese ancestry should not be put in a position as being spokesmen for Japan but that we certainly had to speak out forcefully to defend our position. In fact we should, if our membership agrees, actually condemn the position taken by the Japanese whaling industry in regards to Japanese government's preservation of the endangered species of whales.

In agreeing with the Ambassador I would urge that our JACL organization take a very positive stand on this issue. We must educate the public, our national leaders, the conservation movement, and the many entities in the nation of Japan who are connected with this issue that unintentional racism for altruistic reasons has no place in this nation or in this world. To save innocent whales at the expense of teaching a whole generation of children to hate an ethnic group is very shortsighted, and while we agree in the preservation of endangered species, we must speak out against tactics that foster ill will and racism toward truly innocent people.

AMENDMENT TO H.R. 13565

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker, on Thursday, August 22, during the consideration of H.R. 13565, the Non-Nuclear Energy Sources Research and Development Act, I will offer the following amendment:

Page 47, immediately after line 11, insert the following new section:

SEC. 4A. (a) The Administrator, in addition to his other duties under this Act, shall take such steps as he deems necessary to insure the development, within four years of the date of enactment of this Act or of the date upon which the Energy Research and Development Administration (as provided for in the Energy Reorganization Act of 1974) is created, whichever is later, of at least one prototype automobile which—

(1) without further technological research or demonstration, could be adapted by the private sector for mass production and sale at retail in quantities exceeding 10,000 vehicles per year;

(2) would present the least practicable total amount of energy consumption and environmental degradation taking into account—

(A) the type and quantity of energy resources necessary to operate and maintain each such vehicle under typical conditions of operations; and

(B) the type and quantity of energy resources required for the commercial production and for the disposal of each such vehicle;

(C) its energy consumption requirements;

(D) its exhaust emissions;

(E) the noise characteristics associated with its operation;

(F) the environmental consequences associated with its production and disposal; and,

(G) such other environmental costs as the Administrator identifies;

(3) would represent a substantial improvement over automobiles having internal combustion engines with respect to the factors listed in paragraph (2);

(4) would have operating characteristics at least comparable to those of automobiles having internal combustion enignes with respect to—

(A) acceleration;

(B) cold weather starting;

(C) cruising speed; and

(D) other performance factors;

(5) would not, because of the energy source of technology utilized, create any unusual or significant health or safety risks;

(6) could be produced and operated in compliance with all Federal requirements pertaining to—

(A) exhaust emissions;

(B) noise pollution;

(C) occupant safety;

(D) damage resistance; and

(E) any other federally-regulated matters; and

(7) could be mass produced, operated, and maintained at the lowest practicable economic cost given the other requirements of this subsection.

(b) On January 1 of each calendar year, the Administrator shall submit a report to the Congress on the progress made toward meeting the requirements described in subsection (a) of this section. In the event the Administrator determines that these requirements cannot be met, such report shall specify the reasons therefore and shall recommend a revised schedule for the attainment of such requirements.

NO MORE MILITARY AID TO TURKEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, the death on Monday of American Ambassador to Cyprus, Roger Davies, is yet another crisis in the agony being suffered in Cyprus. Rooted in a long history of communal conflict, the Cyprus problem has haunted the international community for decades, and taken many innocent lives.

But this latest violence has been especially bloody and senseless, and U.S. policy has had a share in the tragedy.

American weapons—part of our enormous $148.6 million granted in military aid to Turkey in 1973—armed the Turkey forces that invaded Cyprus. American silence encouraged the aggressive attacks of the last week that have left half of Cyprus under Turkey guns and bitter anti-American feelings in Greece, Cyprus, and among Greek communities everywhere.

Secretary Kissinger has defended this policy as necessary to preserve the so-called balance of power in the region. But in all our concern for balances and for power, we have lost sight of people, their hopes and dignity and very lives.

For many reasons, Turkey does not deserve American aid. They are allowing poppies to grow again, which will provide a greatly increased flow of heroin into this country. And use of American dollars to sustain autocratic governments should be cut off on that principle alone.

I do not believe that the United States should be the world's policeman. Perhaps the anguish of Cyprus is ultimately beyond outside help. But I do not believe either that America should be a silent partner in naked aggression and the destruction of a small country for great power interests.

That is why I am today urging an immediate cutoff of U.S. military aid to Turkey. I have cosponsored House Resolution 1314 which calls for a cutoff of all military and economic assistance and all military sales to Turkey until all of Turkey's Armed Forces have been withdrawn from Cyprus. I am asking President Ford to put the prestige of his new Presidency behind an evenhanded diplomacy that would work to expell all foreign troops from Cyprus and restore the sovereignty of that country to its own people.

This is a time for new beginnings in Washington. There is no better start than to help restore a just and humane foreign policy in Cyprus.

THE TRUMAN MEMORIAL SCHOLARSHIP BILL SHOULD BE PASSED BEFORE SINE DIE OF THE 93D CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 5 minutes.

Mr. RANDALL. Mr. Speaker, this morning's Washington Post carried an article entitled "Truman's Bipartisan Revival." It reported that President Ford has rescued the Tad Styka portrait of President Truman from the White House archives and hung it in the Cabinet Room along with a portrait of Mr. Ford's other "all-time favorite President", Abraham Lincoln. Congressional leaders of both parties looked on as President Ford performed this action.

Mr. Speaker, as one who has been privileged for several years to represent Independence, Mo., Mr. Truman's hometown and the present residence of his widow, I take this time to express my appreciation to President Ford for his tribute to the late President. The people of Independence and of all Missouri have long shared Mr. Ford's admiration of Harry Truman's courage and straightforwardness.

I feel sure Mrs. Truman will likewise be grateful that President Ford has honored her late husband by hanging his portrait in the Cabinet Room of the White House. In the tradition of the Truman family, Bess Truman has never asked the American people for any special favors, preferring to spend her years humbly and without fanfare among her old friends and neighbors in Independence.

Although Mrs. Truman would never ask for any special recognition or privileges, she has expressed great enthusiasm for the Harry S. Truman Memorial Scholarship proposal which the entire Missouri congressional delegation introduced on May 30 of this year. This bill would establish a program whereby 51 undergraduate students—1 from each State and 1 from the District of Columbia—would be chosen as Truman scholars each year and provided with a stipend to cover the costs of their education for careers in public service.

I am grateful that 108 Members of this body have already joined me in cosponsoring the Truman Memorial Scholarship bill. In the other body, 67 Senators were listed as cosponsors when the bill was passed on August 7. The only significant barrier now holding up enactment of the Truman Memorial bill is favorable House action.

This very worthwhile legislation is not resting in the House Subcommittee on Higher Education chaired by the very able and competent gentleman from Michigan (Mr. O'Hara). I and the other members of the Missouri congressional delegation hope the bill may be enacted before adjournment of the 93d Congress.

Mrs. Truman is in the autumn of her lifetime. I feel strongly that we should not delay authorizing the official memorial to her late husband until a time when she may not be with us to appreciate our recognition for our former President. She has never asked for much. Even now, she has not asked Congress for favorable action on the Truman scholar program. The most she has said is that the concept is a "particularly appropriate memorial" to her late husband. Nevertheless, in private conversations with friends and relatives, she has expressed great enthusiasm for the bill. The House should not deprive Mrs. Truman of the pleasure enactment of this program would bring her.

From the beginning, the Truman Scholarship bill has been a bipartisan effort. In view of President Ford's great admiration for Harry S. Truman, I intend to draft a letter urging him to put the prestige of the Presidency behind speedy enactment of the Truman Memorial Scholarship bill. I would also hope that those Members who have not already cosponsored the measure would see fit to do so at the present time in the light of President Ford's tribute to one of our greatest and most courageous Americans, Harry S. Truman.

At this point let me read for the Record the content of an article from the Washington Post of August 21, 1974:

Truman's Bipartisan Revival

President Ford crossed party lines yesterday when he put up a portrait in the Cabinet room of one of his favorite Presidents. Harry S. Truman. The portrait was resurrected from the White House archives at Mr. Ford's direction and put up along with his other all-time favorite President Abraham Lincoln.

A White House aide said that Mr. Ford has always admired President Truman "because he had guts" and was "straightforward." Congressional leaders of both parties were in the room as the President placed the portrait, done in 1948 by Tad Styka, on the wall.

JOHN McMAHON, WOODSMAN AND POET

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I have previously commented on the contributions of John McMahon of Crestview, Fla. For years he has served ably as Okaloosa County Forester. In my opinion he is one of the most effective men in his profession. He is one of those rare individuals whose interests are broad and whose talents are adequate for all his interests.

John McMahon's activities were well described in an article which appeared in the Pensacola News Journal earlier this year. It is entitled "Nature Inspires Okaloosa Poet," and it contains one of his poems. I am glad indeed to submit the article and the poem for reprinting in the Record:

Nature Inspires Okaloosa Poet

(By Bill Shepherd)

John McMahon takes simple words and lets them speak of his love of nature.

Tourists, nature lovers and travelers to Florida and South Carolina can read the Okaloosa County Forester's poem entitled, "A Woodsman's Prayer" in the state's Welcome Stations.

The poem will also be distributed at the South Carolina Visitor's Center located on Interstate 20 near Augusta, Ga., to call travelers' attention to the national champion sand hickory tree growing near the center.

"Have You Thanked a Tree Today," another of McMahon's poems was distributed by the Florida Forestry Association at the organization's annual meeting. The Texas Forestry Association also published the poem.

A third poem, "To a Sand Pine," was distributed by the U.S. Forest Service in a newsletter to state agencies and forestry employes. McMahon has also had three of his poems published in the magazine, "American Forests."

McMahon takes his inspiration from nature.

"I just try to crystalize a thought then express it as simply as possible," he says.

In addition to poems and short technical articles on tree farming and forest management, the forester has had two songs recorded. One, titled "Keep the Forest Green," has been used by Smokey Bear in the big bear's fire prevention campaign.

A Woodsman's Prayer

(By John McMahon)

Lord, let me be as a tall green tree
Upright and pleasing unto thee
Thankful for my humble birth
And for my time upon the earth.

Lord, as I reach to touch the sky
Keep me in your watchful eye
And if I grow too tall and wide
Prune away my foolish pride.

Be with me Lord, as the seasons pass
And my dreams fade like the grass
The years will help me understand
That my life is in your hands.

I know time's axe will cut me down
And lay my bones upon the ground
Then Lord, I pray, remember me
In gardens of your memory.

WHERE WERE WE WHEN GREECE NEEDED HELP?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, America has had no stronger supporter than Greece. Year in and year out we could depend on the friendship of the Greek people. They backed their friendship with NATO participation where they provided a principal bulwark of the exposed southern flank. They provided bases for U.S. forces when other nations were cooling toward our country and the free world.

Now Greece needs a helping hand which can best come from the United States. The Greek island of Cyprus, which is largely populated by Greeks, has been invaded by Turkish forces. These forces have seized and sealed off large portions of the island. This act of war against a neutral area and upon Greek citizens provoked only mild remonstrance from the United States. This is in strong contrast to the stand our Nation took previously when the independence of Cyprus was threatened.

There is another reason for concern over the Turkish action. It has driven a wedge between Greece and Turkey which can be very dangerous to the solidarity of the NATO alliance.

We have not handled the Cyprus problem or the split between our allies in an effective way. We have been indecisive when a strong stand was needed. Mr. Kissinger, usually everywhere at once, stayed home. It is late, but even now we should be making a stronger effort to restore the status quo on Cyprus and in the NATO alliance. And to demonstrate our friendship for the Greek people.

THE CONSTRUCTION AND LUMBER INDUSTRIES HAVE SERIOUS PROBLEMS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, we have heard much about the plight of the construction industry particularly the homebuilders. Their problem is real. Housing starts have slumped almost half in the past year. Now starts are fewer and fewer. All construction is suffering from high-interest rates and from the actual unavailability of money and from constantly increasing prices of labor and material. The plight of this industry is real, not imagined.

Now we are hearing from individuals associated with the timber industry. Orders to lumber mills are dropping at a precipitous rate. Lack of activity in the construction industry has resulted in a loss of lumber sales. Prices of lumber have been falling because of lack of market. Price of production in contrast is increasing. Many mills have been forced to lay off workers and to operate at reduced capacity.

All of this is the result of tight money policies which have been followed as a panacea for inflation. Instead of improving, conditions have worsened. President Ford has recognized the essentiality of action. The important thing is to obtain action quickly. It is conceivable there are few people in Government who truly recognize the gravity of the present situation and the serious threat to the American economy. They are not close enough to the problem. The Nation wants action before the economy is hurt to the point that a real crisis is precipitated.

I have in my files, a letter from Mr. J. M. Tolleson, Jr., the president of the Southern Forest Products Association. It tells in a clear and decisive way of the problems of the timber industry and it recommends a program of action which offers real merit. I submit it for reprinting in the RECORD:

SOUTHERN FOREST PRODUCTS ASSOCIATION,
New Orleans, La., August 6, 1974.

Hon. ROBERT F. L. SIKES,
House of Representatives,
Washington, D.C.

DEAR MR. SIKES: We urgently seek your assistance on a rapidly worsening crisis in the timber economy of the South as a result of the sharp downturn in home building.

Member companies of the Southern Forest Products Association account for nearly one half of the total Southern Pine lumber production. Since more than four-fifths of the output of these companies is normally utilized for residential framing, the housing decline has sharply curtailed the market for their products.

A recent survey of our member mills disclosed that their orders declined by an average of 32 percent during the three-month period, ending July 15. Some companies reported decreases of as much as 75 percent. Reports by Random Lengths, a statistical service, have revealed that prices received for various Southern Pine lumber products declined by up to $30 per thousand board feet between March and July.

Cutbacks in production ranging from 10 to 30 percent were reported by mills responding to our survey. One fourth of the respondents reported layoffs of personnel ranging from four to 36 percent of total employment.

A number of lumber companies are considering a complete shutdown of operations if the crisis continues much longer. The extent and ominous implications of such a disaster are evident from the fact that the Southern lumber industry provides jobs for 200,000 people and supplies one-third of the nation's total output of softwood lumber.

In sharp contrast to the present situation, home building reached an all time high two years ago and at that time a lumber price-supply crisis occurred because demand far exceeded supply. Consequently, our Association and our industry pledged every effort to increase productive capacity in order to minimize such problems in the future. In carrying out that pledge, the capacity to produce Southern Pine lumber has been increased by 23 percent since 1972.

This has involved a substantial investment in new plant and equipment by our member companies. But due to the recent prolonged decline in housing starts and lumber orders, many companies cannot amortize their investments, are deeply in debt and are faced with the prospect of bankruptcy and shutdowns.

The Forest Service has predicted that the South will ultimately become the main source of lumber and wood products for the nation as a whole because of the region's immense potential for timber growth. But obviously it will be difficult if not impossible to meet these projected responsibilities if our industry continues to be crippled by the housing crisis.

Our Association is pledged and dedicated to support all constructive measures in the war on inflation. But we are also convinced that an inordinate share of the burden and cost has befallen the housing industry and its suppliers. It has been estimated that the nation's actual housing needs could average between 2.5 million and 8 million units a year from now until 1985. But housing experts predict that unless savings institutions are made more competitive with other types of investments and the mortgage market is protected from invasion in other ways, the annual rate of home building could drop toward one million units in 1974.

Since the gravity of our situation is increasing, our government affairs and marketing committees held an emergency meeting August 1 to develop information for the Congress, the Administration and various agencies of the Federal government on present and potential impacts of the crisis, as they affect our industry.

Ten recommendations were adopted at the meeting, as listed on the attachment. We will greatly appreciate whatever you can do to implement these recommendations, alleviate the present crisis and assure a lasting solution to the central problem. In view of the rapidly deteriorating situation, we urge prompt action.

Thank you very much.

Sincerely,

J. M. TOLLESON, Jr.,
President.

RECOMMENDATIONS OF GOVERNMENT AFFAIRS COMMITTEE AND HOUSING TASK FORCE OF MARKETING COMMITTEE, SOUTHERN FOREST PRODUCTS ASSOCIATION—AUGUST 1, 1974

1. Support President Nixon's policy of combating inflation.

2. Support enactment of an omnibus housing bill, including Congressional approval of mortgage finance amendments to assist housing sales and production and to support passage of an Emergency Mortgage Credit Bill in the event the omnibus housing bill fails.

3. Support Congressional efforts to make savings institutions more competitive with other forms of investment, and to protect these institutions from disintermediation resulting from competition for deposits by securities offerings.

4. Urge greater efforts by the Administration to maintain a viable level of housing production at an annual rate of at least 1.8 to 2.0 million units a year. This should include further funds for savings institutions through the Federal Home Loan Mortgage Corporation. Such a level would assure greater stability in homebuilding, the availability of construction materials and pricing.

5. A prolonged downturn in homebuilding will in itself be inflationary. The industry, therefore, should warn the public and the Congress of higher costs resulting from housing and material shortages.

6. Housing experts predict that unless savings institutions are made more competitive with other investments, housing starts are likely to drop toward the one million a year mark. Therefore, we recommend that up to $750 of interest accruing to savings institution depositors should be excluded from federal taxation. We also recommend that the industry support tax incentives for finance institutions to encourage them to invest in home mortgages.

7. Support use of a more flexible mortgage instrument to make it easier for home buyers to pay the present high interest rate mortgage loans.

8. Support actions by Congress and the Administration to encourage pension funds, in return for their present tax exempt status, to invest a substantial percentage of their assets in mortgage finance and housing.

9. Since prompt action should be taken in the South and the Nation to alleviate the housing crisis, an alliance should be formed with all other affected groups and organizations in an effort to gain relief. This should include support and participation in the national "Housing Crisis Conference," proposed by the National Forest Products Association.

10. Support efforts aimed at a lasting solution to the cyclical problems and instabilities of home financing and production as well as short-term relief from the present crisis.

JOHN McCASKILL'S STATEMENT

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, John E. McCaskill, my good friend of many years, is president of Florida Trucking Association, Inc. This is only one of many important responsibilities which Mr. McCaskill has accepted and performed in an outstanding way. A resident of DeFuniak Springs, his office is at Crestview. Both are in Florida's first district.

Mr. McCaskill wrote for the Florida Truck News for July 1974 an article which pinpoints what America is all about. It is thought provoking and well worth reading. I submit it for reprinting in the RECORD:

FROM THE PRESIDENT'S DESK

One hundred ninety-eight years ago this month a group of men formed in this country a new system of self rule.

Thus began the great experiment of American democracy.

Today, as we approach the bicentennial celebration of the founding of our nation, the wisdom and forethought of that group of men should be a shining light for the world.

Although it often appears our nation is in a constant state of turmoil, what we fail to see is that from the beginning America has seldom relaxed in a state of complacency.

Crisis after crisis has appeared on the American scene and time-after-time-after-time Americans have endured, fought and lived to fight again.

There has hardly ever been a time in our nation's history when somewhere, somehow, someone didn't see something as a governmental and/or a national crisis.

This, however, is how we have become strong as a people and is more than ample justification for why we will remain so.

America has been built on disagreements, compromises, varying opinions, vindication, stubbornness, innovation and level-headed thinking—all at the same time.

If this is hard to comprehend, think of what America has been—what it means to its people and what it has meant to others—over the past two centuries.

America is diverse, extreme contrasts in opinions and events—this is so at the present, was true of the past and, God willing, will continue to be so in the future.

America is war—Valley Forge, Bunker Hill, Gettysburg, New Orleans, the Rough Riders, doughboys, Pearl Harbor, Pork Chop Hill and My Lai.

America is peace—Appomatox, George McArthur, Henry Kissinger and "The Roarin' 20's."

America is wealth—the Rockefellers, the Fords, the Kennedys, the Hughes and the Hursts.

America is being destitute—Black Friday, the Appalachians, the Mississippi Delta and the ghettos.

America is sports—Honus Wagner, Ty Cobb, Babe Ruth, Choo Choo Justice, Red Grange, Wilt Chamberlain, Broadway Joe and Mohammed Ali.

America is politicians—Honest Abe, FDR, JFK, Woodrow Wilson, Harry Truman, Thomas Jefferson, George Wallace, Sam Yorty and Huey P. Long.

America is the movies and their stars—Oklahoma, John Wayne, Gone With the Wind, Abbott and Costello, the Marx brothers, Rock Hudson, Doris Day, Rita Hayworth, Marilyn Monroe, Greta Garbo, Betty Davis, The Sound of Music, Jean Harlow, Elizabeth Taylor, Judy Garland and Deep Throat.

America is children on a playground and oldsters in a park.

America is—a Texas rodeo, a one-armed bandit in Los Vegas, a Hollywood party and Leonard Bernstein conducting the New York Philharmonic.

America is—the Model T, Kittyhawk and Apollo 11.

America is music—Francis Scott Key, The Battle Hymn of the Republic, Dixie, John Phillip Sousa, Gene Autry, the Charleston, the Twist, Hank Williams, Louie Armstrong, Irving Berlin, Elvis, Alice's Restaurant, burlesque, Mack the Knife, the Beatles, Glenn Campbell, Deep Purple, Benny Goodman and Tommy Dorsey.

America is television—Ed Sullivan, Jackie Gleason, Secret Storm, Wednesday Night Fights, This is Your Life, Sonny and Cher, Midnight Special, the $64,000 Question, Name That Tune, Kojak, Ben Casey, the Fugitive, Gunsmoke, Sesame Street and the Ten O'Clock News.

America is comedy—Jack Benny, Bob Hope, Will Rogers, W. C. Fields, Jack Paar, Bill Cosby, Johnny Carson, Dick Cavett, Groucho Marx, Buster Keaton, Amos and Andy, George Carlan and Lenny Bruce.

America is news—"Dewey Defeats Truman," "Kennedy Wins Squeaker," "Martin Luther King Assassinated," The Saturday Evening Post, LIFE, TIME, The Washington Post, The New York Times, Chet Huntley, David Brinkley, Walter Cronkite, Edward R. Murrow, The Birch Log, The Los Angeles Free Press, The Music City News and the Rolling Stone.

The lists of contracts which make up this great nation could go on forever, but the important thing to remember is that we have lived with differences of opinion and varying points of view for nearly two hundred years and we must continue to do so if we are to survive and continue to mature as a nation.

Regardless of how depressing opposing viewpoints may appear on the surface and despite how bleakly we may view present events, there are three thoughts which must remain foremost in the minds of all Americans.

First, things seldom are as bad as they first appear and our nation has lived through some of the toughest of times already.

Secondly, while opposing points of view may indeed be very upsetting at times, it is the very principle of free speech for which our nation has fought so long and so hard. It is only when people fear or refuse to speak their minds that we should begin to worry about our nation's condition.

And, thirdly, as has been shown herein, America is many, many things—some good and some not so good—but primarily America is what you as an individual make it.

HOUSING NEEDS EMERGENCY HELP NOW

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, nearly every major segment of the American economy is feeling the problems of inflation. I think it is obvious that inflation which includes high prices, tight money, and high interest rates is America's No. 1 problem. Everybody is affected.

The American economy is suffering more and more from the ill effects of inflation. High prices and high interest rates are hurting everyone. Individuals, businesses, and industries all are feeling the pinch. A genuine effort to find a solution is needed now. The country needs renewed confidence and this effort requires the cooperation of both the administration and Congress. It must involve a unified effort in the part of both national parties along with leadership from labor, industry, and agriculture as well as consultation from other important elements of the economy. Congress can do much more; so can the administration.

In particular, we have heard about the plight of the construction industry, especially the homebuilders. Their problem is critical. Housing starts have slumped almost half in the past year. New starts are fewer and fewer. All construction is suffering from high interest rates and from the actual unavailability of money and from constantly increasing prices of labor and material. The plight of this industry is very real, not imagined.

The important thing is to obtain action quickly. It is conceivable there are few people in Government who truly recognize the gravity of the present situation and the serious threat to the American economy. They are not close enough to the problem. This industry needs action before it is hurt to the point that a real crisis in housing is precipitated.

I have asked the National Association of Home Builders to give me the benefit of their advice on steps which are needed by the housing industry. This highly respected nationwide organization has more than 80,000 members. They represent all segments of the homebuilding industry. Their leadership is fully cognizant of the problems of the industry. I submit from the National Association of Home Builders a series of suggestions which I feel should have the considered attention of Congress. I submit their analyses and their proposals for printing in the Record.

Emergency Economic Policy for Housing

THE SITUATION

The consequences of the nation's present economic policy for combatting inflation are falling heaviest on the housing aspirations of thousands of American families, the nation's private home builders, and their employees.

More than 60 percent of the families in this country cannot now afford to purchase a home. They cannot because of inflation—induced high costs, the lack of mortgage funds, and because of exorbitantly high interest rates, if money is available.

Consequently, the private home building industry has had to face high interest costs in carrying its high inventory, coming out of record production years, and correspondingly has decreased production. It is not uncommon to builders to have to pay two, three, or even four percent above "prime" for construction funds—to maintain inventory.

Production is trending downward to a one million unit housing level—and is now about 50 percent below the 2.6 million unit average annual level determined by Congress as necessary to meet the nation's minimum housing needs.

With the lack of sales and with production down, builders have been forced to lay off employees. Unemployment in the construction industry is now on the order of 10.5 percent and moving upwards at an accelerated rate. This economic impact is rippling through other industries and affecting the livelihoods of more and more families.

The gradualism being pursued in the nation's present economic policy makes no allowance for the harsh inequities being imposed now, not only on the private home building industry, but on the countless numbers of families seeking a decent place to live. These inequities must be removed. We are fearful that before the present policies have run their course, the uniquely American private home building industry, which has made the American family the best housed of any in any nation in any period of history, will be destroyed.

The nation's priorities are awry, victims of an economic plan of almost total reliance on "tight money." These policies have not deterred the big, short term borrowers who circumvent their purpose, but rather have propelled interest rates to frightening, ruinous levels, and thus created a shortage of mortgage money.

We support a reasonable degree of monetary restraint and a sound fiscal policy but restraint in today's economy has fallen to an unwarranted and unnecessary degree almost solely on the housing industry and its customers.

Equitable relief for this industry and its customers is needed immediately. In order to alleviate the distortions and inequities in the present economic policy, we respectfully submit the following recommendations which can be taken immediately by the Congress and the Administration:

HOUSING ACTION PROGRAM

Legislative

Special assistance measures to remedy the economic policy inequities borne by the housing industry and its customers, such as:

Expansion of the FHLMC conventional commitment program for new homes at an interest rate of 8¾% through Congressional approval of additional funding.

Creation for FNMA of a program, with Treasury back-up and to be similar to the successful FHLMC program, to commit funds to the conventional market at rates no higher than 9%.

Enactment of new methods to provide the means for middle income Americans to obtain homes. Examples of these are contained in legislation introduced by Senators Cranston (S. 3456) and Brooke (S. 3436) that would provide government commitments to purchase government-backed mortgages.

Senate approval of the Veterans Housing Act of 1974 which already has been approved by the House and which restores veterans housing entitlements and raises the maximum VA guarantee. It does not involve any budget input.

Enactment of legislation which would exempt from income tax interest earned by savers in thrift institutions, on deposits up to the maximum amounts of accounts insured by agencies of the Federal government, thereby encouraging and helping small savers and increasing mortgage lending capabilities of thrift institutions.

Provide a mortgage tax credit for investors in residential mortgages without any change in the present treatment of bad debt reserves of thrift institutions.

Encourage larger pension funds to invest more of their funds in residential mortgages or residential mortgage backed securities by all means possible, including the retention of tax benefits—depending upon such investments.

Administrative

Speedy implementation by the Department of Housing and Urban Development of provisions of the Housing and Community Development Act of 1974, and revitalization of FHA mortgage insurance programs as viable instruments.

Implementation of provisions of the Credit Control Act of 1969. The Act has never been exercised to dampen inflation.

Reactivation immediately by FHA of the Operative Builder Commitment which would lessen the impact of very high rates of construction financing.

Use by the Federal Reserve System of the full range of its powers to support the residential mortgage market.

The Federal Reserve Board and the Federal regulatory agencies should utilize their authority and supervisory role over financial institutions to encourage continuing liquidity for construction and development loans and discourage discriminatory treatment by financial institutions of the entire category of real estate loans.

Establishment by FNMA and GNMA, within limits of their respective authorities, of a construction loan lending program for conventional and FHA–VA single family units.

FNMA and GNMA to make construction and permanent loans on conventionally produced multifamily housing.

The Administration, to the extent possible, guide Federal funding in such a way so as to avoid disintermediation from thrift institutions.

Reactivation of the government-assisted programs for low and moderate income families authorized by Congress.

Restoration of the traditional ½ percent differential between thrift institutions and commercial banks on the interest paid to savings depositors.

TRIBUTE TO CHESTERFIELD SMITH

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, on August 17, an editorial appeared in the Miami Herald commending the outgoing president of the American Bar Association.

The editorial comments on the departure of Chesterfied Smith of Florida as president of the American Bar Associations and his zealous efforts for and his calls on the legal profession, to rid itself of those unworthy of public trust and confidence.

Mr. Smith has brought radical change to the fraternity in that, under his leadership, the legal profession began to assert its responsibility to enforce the ethical standards which the profession must maintain. Within weeks of being installed as president of the American Bar Association, Mr. Smith told a group of reporters:

> I want to kick all the scoundrels out of the legal profession. I don't like crooks no matter where they crook.

A few weeks later he said:

> We want to purge from our profession any crooks who are unworthy of our high profession.

Adamant and forceful, Mr. Smith has succeeded in calling attention to the moral and ethical commitment and special responsibility of each and every lawyer by virtue of the education he has received.

Through the leadership of Chesterfield Smith, the legal profession has experienced a metamorphosis. It is awake and responsive to the constantly changing times of today. Because of his deliberateness and strong commitment, Mr. Smith has brought to the American Bar Association the aura and virtue of honesty, uprightness, and fair dealing. As a model, Mr. Smith exemplifies these traits; as a lawyer, he reflects the capacity with which one can work to affect vital change.

The lawyers in this country need all the Chesterfield Smiths we can get.

I would like to call to the attention of our colleagues the Miami Herald editorial.

The editorial follows:

Hail to the Chief—Of the ABA

A Floridian leaves the presidency of the American Bar Association with honor this month. Chesterfield Smith of Lakeland took over the lawyer fraternity last year determined to shake it up. He was not defeated in his mission. There is a new awareness among lawyers of their responsibility to the nation. They are taking seriously Mr. Smith's warning that it is time for the legal profession to weed out its crooks and incompetents.

Watergate certainly helped deliver this message. Here in Mr. Smith's home state, the Bar pushed successfully for reform of the grievance process by which suspected shystering is handled. Stronger disciplinary action is now the rule. More important, the public now has a better chance of finding out that a lawyer has been hauled before a grievance committee and what the verdict is.

With so many lawyers offering themselves for public office, this new sunshine procedure will be of great assistance to the voter. In the past, the legal profession generally knew which of its members were in trouble over loose handling of clients' money, manipulation of trusts or ambulance chasing. But the Bar code prohibited release of such information.

When the national Bar convention ended in Hawaii the other day, the delegates were careful in saying Richard M. Nixon deserves no special immunity from prosecution for the admitted crime of obstructing justice. In the old days of the American Bar, there would have been a cut-and-dried absolution granted to any lawyer of high position who get in a legal jam.

But with Chesterfield Smith at the helm, the Bar came to grips with the issue of morality. When Mr. Nixon fired Archibald Cox last October fcr trying to get the tapes that the President knew were political dynamite powerful enough to blast him out of the White House, Mr. Smith denounced the firing as "defiant flouting of the law."

Elders within the profession were shaken. A Texan called it "intemperate catering to popular passions" and asked his fellow attorneys to avoid "such shabby and rotten business."

Time and tape proved Chesterfield Smith correct.

Another lawyer acknowledged Mr. Smith's presidency this way: "It was traumatic at the time but it made sense."

LATE JUSTICE HUGO L. BLACK

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on April 19, 1974, at the law school of the University of Alabama in Tuscaloosa, the Sigma Delta Chi journalistic fraternity unveiled a beautiful plaque in honor of the late Justice Hugo L. Black, a graduate of the law school of the University of Alabama. Preceding the unveiling ceremony there was a luncheon provided by the Sigma Delta Chi fraternity at which I had the honor to speak in memory of my devoted friend, the great jurist, the great American, the noble man, Hugo L. Black.

At the unveiling ceremony following the luncheon, a very able and moving address in tribute to Justice Black was delivered by one of his former able law clerks, now a senior partner in a prominent Washington law firm, Honorable Louis F. Oberdorfer. Following Mr. Oberdorfer's address, an eloquent and able address entitled "Justice Black and a Free Press" was delivered by the Honorable Robert S. McCord, secretary of the Society of Professional Journalists, Sigma Delta Chi, and executive editor of the Arkansas Democrat of Little Rock, Ark.

After his address, Mr. McCord, in the presence of Mrs. Hugo L. Black, widow of the late Justice, Hugo L. Black, Jr., son of the late Justice, and his wife, and other members of Mr. Justice Black's family, the Dean and members of the faculty and students of the University of Alabama Law School and many members of the public being present, unveiled the plaque honoring Justice Black. The plaque reads "Associate Justice Hugo Lafayette Black, for 34 years on the highest court in the land an outspoken and eloquent champion for man's right to speak, to be heard, and to know, consistently and vigorously spoke for the principle—the vital necessity—of a free and untrammeled press in this democracy. For his role as uncompromising defender of press freedom, journalists express their recognition and appreciation. Marked this 19th day of April 1974, by the Society of Professional Journalists, Sigma Delta Chi."

Mr. Speaker, in view of the distinguished judicial record of Justice Black and his immeasurable contribution to the administration of justice and to the rule of law, I insert the addresses to which I have referred in the Record following my remarks:

Remarks of Congressman Claude Pepper

Congressman Pepper: Thank you very much. Dean Christopher, Mr. Christopher, Dean Stern, other members of the faculty of the University, officers and representatives of Sigma Delta Chi, Mrs. Hugo Black, Mr. and Mrs. Hugo Black, Jr., Mrs. Faucett, Judge Huey, Members of Sigma Delta Chi, who are at school today and many of whom are from Florida, I am proud to say are here today, ladies and gentlemen:

I could hardly have enjoyed a more satisfactory experience than when the invitation to be here was extended to me by Dean Christopher and those who are associated in the sponsorship of this delightful occasion. For to come back to this campus which I left as a student 53 years ago and to see the realization of the dream that many of us cherished for this great University so long ago as that, is a very gratifying and inspiring experience.

As I said, I am particularly happy to see here today so many students from Florida. I am advised that there are students here from Florida Technical University, near

Orlando, University of South Florida at Tampa, and University of Florida, at Gainesville. Just to have all these other people see what fine people we have down here in Florida, I wish all you Floridians would stand up here today. (applause) By the way, I neglected to add to that group students from the Valencia Junior College at Orlando, so do stand up if you didn't stand up before.

I have so many happy memories that crowd upon me when I come here to this campus, so many places and so many personalities, and so many incidents, that it is hard to get them all in focus. But there is one thought I might share with you that I enjoyed very much—that was about Dr. Denny. He was like a father to me, as he was to the rest of the students, when I was here. He was our great President.

When I was in the Senate, Dr. Denny would often call me up and say, "Claude, I want you to arrange an appointment for me to see the President, I want you to go with me." He would tell me about what the subject was and I would arrange the appointment for him. On one occasion, Dr. Denny told me that the University was making an application for a PWA grant and loan to build a Library here on the University campus and that the University had been turned down at all levels, and that its only possible recourse was to the President.

I made the appointment and Dr. Denny and I went down to see the President. We passed a few pleasantries and finally Dr. Denny said, "Mr. President, I have come to talk to you about our application for funds to build a library, we need a library very badly; we have just got to have help and you're the only one who can help us—I want you to help us, Mr. President, to get our library." The President said, "Dr. Denny I'm terribly sorry that you have come as late as you have in this program because, he said, some time ago I issued an Executive Order that we were not going to approve any more PWA applications, unless some special circumstance (and there were only two of those) prevailed.

One was that the building was so constructed that it constituted a fire hazard and the other one was that the building had burned down and they were trying to replace the building that had burned down." Immediately Dr. Denny said, "Ah, ah, that's my case, that's my case." The President looked startled and said, "Doctor, I've tried to read these applications very carefully, and I don't recall anything in your application about your old library burning down." "Oh yes, he said, the Yankees burned it down in the Civil War." The President just threw his head back and hollered laughing. Finally when he quit laughing he said, "Well, Dr. Denny, just last week I vetoed a Bill passed by Congress to authorize the re-building of a school building in the north at Federal expense which was burned down by a Confederate Cavalry raider, I guess if I vetoed that one, I can't give your Library back." The President told that story one time over a national radio hook-up.

We are very proud of Alabama. As a matter of fact, we down in Miami look upon the Dolphins as the Alabama of professional football, and of course we are very proud to be thinking of ourselves in that great company. We are very happy today and very much honored that Mrs. Hugo Black and Mr. and Mrs. Hugo Black, Jr., and Mr. Justice Black's niece, Mrs. Faucett, have honored this occasion by their attendance here.

If I could come back to this campus on any subject which would be satisfying to me none would be more gratifying than to have the opportunity to speak about a dear friend, one of the greatest men who ever sat on the Supreme Court, one of the greatest friends of man, one of the greatest and the most zealous advocates that humanity ever had; a graduate of this Law School in 1906, a proud son of Alabama, Mr. Justice Hugo Black. Dean Christopher, I want to congratulate you and the Law School and Sigma Delta Chi that you have made possible this occasion when Justice Hugo Black will be so signally honored as he will be this day, not only by this occasion, but by the dedication of a plaque by Sigma Delta Chi which will come after this luncheon has adjourned.

I came to know Justice Hugo Black personally for the first time in the summer of 1923, when I was a clerk in a law office in Dadeville, Alabama. I lived in Camp Hill and, of course, Dadeville was our county seat. I heard one day that a lawyer from Birmingham was coming down there to make a speech. As I recall it, it was some fraternal occasion. At the court house I had the privilege to hear this handsome, virile, keenly intellectual legal scholar and great advocate from Birmingham, Hugo Black.

I was very much impressed by his speech. I went up and shook his hands thereafter. I didn't know that the years ahead would give me an opportunity to be his colleague in the United States Senate and I would have the honor to be a member of the Education and Labor Committee, of which he was the distinguished Chairman.

But I felt an early association with Justice Black because his people came from Clay County as did my father's family. Justice Black and I used to talk about our Clay County relatives. He was smiling when he'd tell me a good many times, that on Saturday afternoons the word would go around on the streets of Ashland that the Peppers were in town, and it was pretty generally understood that there would be some fighting there before very long. Well, if there ever was a fighter, not on the streets, but in the forum of the law, it was Mr. Justice Hugo Black.

Well you know, of course the thumb sketch of his great history. He was born on a small farm, in Clay County, Alabama; moved as a lad to Ashland where his father became a storekeeper; he graduated from the Ashland College, as they then called it, but it probably was not quite the equivalent of a modern day high school. He didn't have quite the qualifications which would admit him to the Sophomore Class here at the University, so he found it easier at that time to enter the Law School.

Difficult as his role was due to the lack of preparation that he had here at this Law School as he characteristically did in any event in which he participated, he excelled and we are told that he graduated with honors.

He went back to Ashland again to practice law for awhile but only a year, Ambitious, he moved to Birmingham in 1907, and began to practice law. He paid $7.00 a month for a desk in a lawyer's office. He finally got up to where he earned an income of $50.00 a month; he became a Police Court Judge, part-time; then he began to make the great record that went with him for the remainder of his life because he applied to that position that discernment between individuals and the law, the public and the private interest, which characterized his great Judicial career.

Later he found the task that was very close to his heart and to his temperament, the task of prosecuting attorney. Justice Hugo Black however nobly he discharged his judicial duties, was always an advocate in his heart. He was always a jealous propounder of some principle or purpose. All men don't have that aptitude.

In early 1960, I called up on the telephone an old friend, Adlai Stevenson. I said, "Adlai, if you'll come out now forthrightly for the Democratic nomination for the Presidency and if you will become an advocate instead of a philosopher, I think you can get the Democratic nomination." There was a pause on the other end of the line and then Adlai Stevenson said, "Claude, the role of an advocate is a very difficult one for me." And so men differ in their temperament and their aptitude and their capacity. But Hugh Black, the able advocate, made a great record as a prosecuting attorney, and he revealed his passion for justice for all the people when he especially prosecuted before a special Grand Jury police in Bessemer, Alabama, who were perpetrating brutality and torture upon prisoners within their custody in order to try to wring confessions from them. He wrote the Grand Jury Presentment and many observers said it might have been taken from an Opinion of Mr. Justice Hugo Black in later years upon the Supreme Court of the United States.

Then he went to War, came back at the end of two years to private practice in Birmingham and where his practice was soon very successful. He knew how to talk to a jury and he knew how to talk to people because he was of the people, he knew their language and could speak to them. But in spite of his successful law practice in 1925 the fires of political ambition flared in his heart and he announced and began his candidacy for the United States Senate. Out of a field of four, he won as the people's candidate, as a man who stood for something, who would represent the people in the United States Senate. So he was elected in 1926 and was sworn into the Senate at the beginning of 1927.

And then he did one of the most extraordinary things that I've ever heard of a Senator doing—but it showed the acumen that he possessed, his consciousness of some of the limitations in his own educational background, his fixity of purpose and the discipline he applied to his own life: he haunted the Library of Congress; he had stacks of books sent over to his office by the Library; he began to educate himself toward becoming one of the best informed men in America.

He could sit beside a Frankfurter or a Harlan or anybody else, and whether it be the classics or the history of ancient days, philosophy, biography or any other phase of knowledge of which they might speak, Hugo Black knew what they were talking about; was equally if not better informed than they.

Having seen those stacks of books on his desk, having served on the Education and Labor Committee with him, you can imagine how I felt when I heard a man on the train when I was going down to Florida one day shortly after Justice Black was appointed to the Supreme Court, turn to me and say "Senator, does that fellow Black know anything?" I said, "My friend, you don't know Mr. Justice Black, you haven't talked to him as I have as a colleague in the Senate; you haven't see those piles of books that only a learned man would be devouring upon his desk as I have; you just wait a little while and you will know what a great man the country has in Justice Black. I know of no man to whom it is more applicable to say as Oliver Goldsmith said about the village preacher in The Deserted Village, those who came to scorn, remained to pray.

So with Justice Black. Those who scoffed upon his appointment to the Supreme Court later had the honesty to pray for forgiveness for their scoffing, and that the United States Supreme Court would have another Hugo Black some time in the years ahead.

In the United States Senate, in his first term the Justice applied himself, as I said, primarily to his own self education, although he was active in many areas and zealously served his state. But in his second term he began to take a leading part in important legislation. Two instances of that appeared: first was that he worked with one of the great men of the country, in the Senate, Senator George Norris of Nebraska, in the innovative legislation that made possible your great T.V.A. project which has meant so much to America; and secondly, his other great contribution was to become the author and the architect, under the stimulus of and in cooperation with President Roosevelt of the Fair Labor Standards Act, which came to fruition a while later.

If I may say so, I had an opportunity to play a small part in that act becoming law in 1938 because it was an issue in my campaign in 1938, and when it appeared that a Southern Senator could get elected and forthrightly support a Minimum Wage Bill, although as Dean Christopher said, it was only 25c an hour, it gave encouragement to the Congress to enact the law and to the President to believe that public opinion in this country wanted him to go ahead in trying to serve the masses of the people of this country.

In addition to that then Senator Black conducted three very significant investigations: one having to do with Merchant Marine subsidies, another one having to do with airplane subsidies, and another having to do with utility lobbying, to prevent the enactment of legislation in the Congress recommended by the President and so much needed by the country. So he established himself as a vigorous investigator and, in addition to that, he began to disclose that predilection for fairness toward the people that later came to characterize his career on the United States Supreme Court.

In 1937 upon the resignation of Justice Vanderventer, the President appointed Hugo Black, a Senator from Alabama, to the United States Supreme Court. There were many people shocked at that time, they didn't think he had judicial temperament, some of them, others didn't think he had preparations for so high a judicial office.

Those who knew him, knew that he would vindicate the confidence of the President in appointing him. I have a letter from Tom Corcoran here who tells why he thinks it was that the President appointed Justice Black to the Court.

One was because of his advocacy of the Minimum Wage Bill; second, because of the fact that Justice Black stood forthrightly behind the President in trying to put personnel on the Supreme Court that would reflect the will of the people of this country and protect their interests. Senator Black never faltered in his advocacy of that measure under the difficult circumstances of that time. Furthermore, I think, President Roosevelt loved the South which was then called the Nation's economic problem number one and he wanted a son of the South who understood the South to have the opportunity to serve in that exalted office. Justice Black assumed his seat amidst controversy. I'll not expend emphasis upon the Klu Klux Klan episode but there again Justice Black faced that crisis with the same fortitude with which he faced every other crisis of his life, courageously, unfaltering and with faith that the decision of the people would vindicate what he had done. He got on the radio and spoke to 50 million people. He told the facts, explained how he was temporarily a member, how shortly thereafter he got out of the organization, how he didn't subscribe to the principles of that organization, how he had Jewish law clerks, what his attitude was for people of the Black race.

Hugo Black always felt that if he could just talk to the people and tell them the truth they would understand and support him. And they did. And that episode passed.

And then he began to sit on the Court. He hadn't been there very long before he startled his brethren with a dissenting opinion saying that the 14th Amendment did not make a corporation a person. There were many others in the country shocked by such a position. But he went on to other positions that were also controversial in character.

He was the leading exponent of the decision that 25 years later came to be the law of the court and of the country, that every man charged with crime in a state or federal court is entitled to be represented by a lawyer for only by such defense can he have a fair trial and justice be done to him. He was also the early advocate of the principle that later came to be the law of the court and the land of one man, one vote. He thus got rid of the rotten political boroughs behind our State Legislatures and the Congress of the United States, every man's vote counted like every other man's and woman's vote in the country. He was a leading advocate and finally the one who made it the law of the court and the land of fairness in trial. You couldn't wring a confession from a defendant, you couldn't make him incriminate himself, you couldn't deprive him of his fair and just rights. Those too were among the great contributions that Justice Black made.

I want to give you two quotations from long-time and beloved friends and associates of Mr. Justice Black. The first one is from his dearest colleague on the United States Supreme Court, Mr. Justice Douglas. Speaking at this law school recently, Justice Douglas said of Justice Black, "We were together nearly 34 years on the Court, I admired the man greatly and loved him deeply. It is a mighty lonesome place at court these days without him. One knows a man by the people and places he loved; Hugo loved Alabama, the common field hand as well as an erudite scholar. He loved the things for which Alabama is pre-eminent, the rugged individual, the individual mind, the spirit that overcomes all obstacles, the heart that is pure, the life that is not given over to dirty tricks. I never heard Hugo Black say an ill word about anyone, whoever he was, wherever he lived, whatever his position. Hugo Black was fierce and tenacious in his views and positions when it came to ideas. He was charitable and kind in all personal and professional relations.

He greatly honored Alabama. I recall that he turned to me with pride in his eyes as he left the Bench after an argument to tell me about the magnificent specimen of Alabamian manhood that had just argued a case. The man was not only brilliant he was dignified, and every word he uttered had the ring of sincerity to it. Speaking of this Law School, Dean Christopher, which you have led so ably and with such distinction, your Law School which graduated Hugo Black in 1906 was a particular joy to him.

He foresaw its great future; he wanted it to serve dispassionately, all interests, corporate, labor, the press, free speech for the poor as well as the mighty. And there was another dear friend of Justice Black, Tom Corcoran, one of his intimate associates dating back to 1935. I told Tom I was down here, and what the occasion was. He said: "Dear Claude, I wish I could be with you and our friends at the University of Alabama Law School today to join in paying tribute to Hugo Black. Please know that I am with you in spirit.

Hugo once said, 'Show me the kind of steps a man made in the sand five years ago, and I'll show you the kind of steps he is likely to make in the same sand five years hence.' In epilogue, this is the story of Hugo Black."

But the greatest concern of Justice Black's life, as a Justice, as many observe, was in the Bill of Rights; and of all that great family of principles, the first child was closest to his heart,—the First Amendment, that said in the English language, written by some of the greatest and most eloquent artisans of that language known to American history, Congress shall make no law abridging freedom of speech or of the press or petition or assembly.

Justice Black thought that the Founding Fathers understood the English language, he thought they carefully chose the words that they used in the Constitution, and that they meant what those words mean to anybody who understands the English language. And so early in his career on the Court, he became the principal exponent of the literal application of the principles of the Bill of Rights and particularly the First Amendment, I remember the Pentagon papers case when the Solicitor General was arguing that case, he said, "Mr. Justice Black, I know you think that when the Constitution said Congress shall make no law, it meant it shall make no law, and that was obvious." Then he added that he with equal sincerity thought that "make no law" did not mean, "make no law."

Let me read to you a statement that Mr. Justice Black wrote in his Pentagon Papers case opinion. And by the way I want to commend you, you young students here, in our Universities in the South, who have committed yourselves to careers in journalism—I said a while ago to one of my distinguished friends here at the head table, "I greet you as a fellow professional.

I was a member of the editorial board of the Crimson and White of the University of Alabama in the long ago. Listen to what Mr. Justice Black said about your profession:

"The Bill of Rights changed the original Constitution into a new Charter under which no branch of government could abridge the people's freedom of press, speech, religion and assembly. Yet the Solicitor General argues, and some members of the Court appear to agree, that the general powers of the government adopted in the original Constitution should be interpreted to limit and restrict the specific and emphatic utterances of the Bill of Rights adopted later. I can imagine no greater perversion of history." By the way, Justice Hugo Black's distinguished son told me only last evening that when Justice Black went on the Court he wanted to be sure that his grammar was perfect and that the language he wrote was simple and plain and understandable to the American people; so for two years that learned man went through every exercise in the best grammar and book on rhetorical composition that he could put his hands on. That was the kind of self discipline Justice Black imposed in preparation for the tasks he faced on the court. I continue to quote Mr. Justice Black:

"I can imagine no greater perversion of history."

Madison and the other framers of the First Amendment, able men that they were, wrote in a language they honestly believed could never be misunderstood, "Congress shall make no law abridging the freedom of the press." Both the history and the language of the First Amendment support the view that the press must be left free to publish news whatever the source without censorship, injunctions or prior restraints.

In the First Amendment, the Founding Fathers gave the free press the protection it must have to fulfill its essential role in our Democracy.

The press was to serve the governed not the government. Government's power to censor the press was abolished so that the press would remain forever free to censor the government. The press was protected so that it could bare the secrets of government and inform the people.

Only a free and unrestrained press can effectively expose deception in government and paramount among the responsibilities of a free press is the duty to prevent any part of the government from deceiving the people and sending them off to distant lands to die of foreign fevers and shot and shells.

Justice Black believed that you could not entrust to any body of men the uncontrolled authority to interpret general language like the due process law. That is the reason why he wanted the language of the Founding Fathers to be the guide to the decision of the Court.

Let me read the last words that Mr. Justice Black delivered to the Fifth Circuit Court of Appeals, an honorable and able member of which, Judge Houghan (sp?) is here today, in 1970. Mr. Justice Black passed away in 1971. "I have been coming to see you for 30 years a Circuit Justice (he annually met with the conference of the Fifth Circuit), how many more I cannot know. I, too, like many of the Judges I've seen here have passed over the crest, over the brow of the hill. I hope I have learned more tolerance, more friendship, more about the love of human kindness, during those 30 years.

"Now, I am far beyond the crest. I look over into the glowing rays that come from the sunset; the years have been happy for me; the people have been good to me; I have no complaint about my life and I look at those rays, they do not frighten me.

"I know that life is change and the greatest change of all is who is to be here at any certain period. All that I can say and hope for is that my career has been such that people of integrity of thought when they think about me will picture a person who tried his dead-level best to serve his people and his country with every ounce of energy, love and devotion that he could muster in his life.

"And that when those rays cease to be in my vision, each of you and every member of this Conference will remember me as one who did his best."

Here is an encomium on Justice Black given by a learned Professor, Professor Rodell and this is how he epitomized and summarized Mr. Justice Black's career. "This man is meant for the ages. No future Supreme Court Justice a hundred years hence or a thousand will ignore with inner immunity the myriad, brilliant insights, learned analyses, yes, and fervent faith that mark; in majority or dissent, his judicial record. The pity is only that Hugo Black, in person, he of the warm wisdom and the quiet courage and gentle strength cannot, as will his opinions, live forever."

I know of no man to whom the words Shakespeare had Anthony utter over the body of the fallen Brutus in his tent on the fields of Philippi as he came upon him there, are more applicable than to Justice Hugo Black, when he said: "His life was gentle and the elements so mixed in him that nature might stand up and say to all the world, this was a man."

Dean Christopher. Thank you Congressman Pepper, no program in this Law School could have a better prologue. We will now go to the second half of the program, the unveiling ceremonies for the historical marker presented to this University by Sigma Delta Chi. It will be on the second floor of this building (the floor below this one), it's called the browsing room, if you have any difficulty finding it, follow one of our very pretty crimson girls, if you have any difficulty following one of our crimson girls, there is no hope for you. Thank you for coming, see you downstairs.

Remarks by Louis F. Oberdorfer

I want to confess to you a day dream I had about a title for a talk to newsmen honoring Justice Black at The University of Alabama Law School. I began thinking about Justice Black as a writer, and a good one he was, and as a scholar, which he also was. I thought about connection between his job of writing Supreme Court opinions—he wrote about 1000 over his 34 terms—53 in his last term—and your job of writing on a daily basis under pressure. So, I "ginned up" the title of "Justice Black: Man of Letters."

Then I caught myself asking myself how the Judge would have regarded such a title. In my mind's eye, I could hear (or see) him say: "That sounds too pompous." So then I tried: "Justice Black: Man of Words."

I knew immediately that wouldn't work. I was almost sorry I had thought of it. I could picture him in my day dream screwing up his face as if he were trying to hold his nose without having to use his hands and begin to laugh a little apologetically and say, "You don't think I've gotten garrulous, do you?"

Then I imagined working over draft after draft to get three little words right and I finally came out with "Justice Black: Master of Words." I know Justice Black would have accepted that only to be polite. So this talk has no title.

But he was a *master* of words. His careful method of writing is reflected in my day dream. He wrote most things long hand, on yellow legal pads, long before the idea was recently plagiarized and over-publicized, and he worked and worked them over to get them "right," so they would be understood by as many readers as possible.

His scholarship was built upon some observable reading habits. He read purposefully and energetically. When he came to the Senate in 1926, he respected the tradition that freshman Senators are to be neither seen nor heard very much. He spent his first term reading, reading, reading—all kinds of books that he had wanted to read before but never had the time. You know he went to law school here; but he never went to college.

He bought many more books than some do because when he read he used to underline passages, write comments in the margin, and then pencil a personal index in the back of the book—so he could find the things he liked when he needed them again.

He read and marked up what the young would call heavy stuff—Livy, Herodotus, Artistotle, original papers of Jefferson and Madison.

I noticed often that when the Judge referred to someone like Jefferson or Madison, he spoke about them almost literally, as if he knew them personally and had had frequent intimate face-to-face conversations with them.

He would sometimes say with a grin and a chuckle that I can still hear: "I know what those fellows were trying to do: They didn't want anybody with the power of government to tell a newspaper what it could print—or couldn't print."

Then, years later, looking through some of his books I realized that I was not just imagining that he had, in effect, had conversations with them. He knew them intimately from reading their papers and thinking while he read.

In the margin of the books were not just lines and marks. He would write comments like—"I disagree"—or "This isn't what you said on page 241."

One of the last books he read was written by one of his former law clerks. It was "The Greening of America" by Charles Reich. It was published in 1970. The law clerks had a dinner for the Judge's 85th birthday in February, 1971. The dinner was on a Saturday night and some of us went out to his house the next day. Sunday. On his desk was Charlie's book. We started asking how he liked it; we knew he didn't. He opened it and showed us some of the comments that he had written in the margins.

Charlie had written pessimistically about how the original American dream had gone to pot: "Less than 200 years later, almost every aspect of the dream has been lost. In this chapter we shall be concerned with the forces that destroyed the American dream."

The Judge had written shakily but firmly in the margin:

"I do not agree; it is not yet destroyed."

At another point, Charlie had disparaged his elders with the statement:

"Our earliest generation known as Consciousness I believe that the American dream is still possible, and that success is determined by character, morality, hard work and self-denial."

In the margin there was an even heavier longhand note:

"I still do."

So, I am greatly honored to speak to this distinguished group of newsmen at The University of Alabama Law School about the School's most distinguished graduate, Mr. Justice Black.

Justice Black was a champion of a free press. In the brief time since his death in 1971, the full appreciation of his contribution to constitutional government as it was designed by the Founding Fathers and refined in the Bill of Rights is gaining greater and greater appreciation. Your memorial to him today is dramatic evidence of this process.

Justice Black was a passionate advocate of our written Constitution. His role in preserving it in his time may some day be perceived in the perspective of history in the same dimension of importance as the roles of Jefferson, Madison, Franklin and the others who created the Constitution in the first place.

With the possible exception of the period of secession and Civil War in the 1860's, our written Constitution is now enduring the severest test in all its history.

It is withstanding that test.

The engines of checks and balances (including the check of a free and robust press) are functioning with marvelously smooth precision and force.

I suggest to you that those engines are functioning so precisely, so smoothly, so forcefully because of Justice Black. During his long service to the written Constitution as Alabama lawyer, Alabama Senator and Supreme Court Justice, he almost literally dusted off that ancient document, shined, polished and oiled it so that in this second supreme test it has and is doing the job intended for it by its draftsmen.

Justice Black's commitment to dusting off the written Constitution and putting it to work was nailed down in his landmark concurring opinion in *Adamson* v. *United States*. In that 1947 opinion he urged that the provisions of the Bill of Rights, including free speech, be applied to the States as well as the federal government. Some judges then argued that the Bill of Rights was an outdated anachronism and that government ought to be allowed to experiment and do various things without too much concern about the language of the Bill of Rights so long as what government did was "reasonable."

Justice Black replied prophetically: "I cannot consider the Bill of Rights to be an outworn Eighteenth Century 'straitjacket' . . . Its provisions may be thought outdated abstractions by some. And it is true that they were designed to meet ancient evils. But they are the same kind of human evils that have emerged from century to century wherever excessive power is sought by the few at the expense of the many. In my judgment the people of no nation can lose their liberty so long as a Bill of Rights like ours survives and its basic purposes are conscientiously interpreted, enforced, and respected so as to afford continuous protection against old, as well as new, devices and practices which might thwart those purposes."

We can be grateful, you of the press particularly, that the Supreme Court, led by Justice Black, has come on so strongly in conscientiously interpreting, enforcing and respecting the Bill of Rights and particularly the First Amendment.

For we have recently been "treated," if that is the word, to a modern replay of the centuries old drama—human evil which emerges when excessive power is sought by the few at the expense of the many.

That modern replay was, of course, the effort—however well meaning—by the Executive Branch to prevent publication of documents which revealed, among other things, how the Executive Branch had concealed from the public many facts about the Vietnam War—not it would seem always to defeat the enemy—but to deceive or lull into acquiescence potential domestic opponents of the War. And the effort to prevent the publication was apparently not so much to keep the facts so published from an enemy. The purpose seems to have been originally to reassure our enemies that this country was, like theirs, a country in which the press was not as free as it, the press, thought it was and should be.

The unfolding of the Pentagon Papers' drama is too familiar to repeat.

I point on this occasion to the vignette of history which is Justice Black's role in that drama.

One of your brethren, Joseph Kraft, commenting on the Ervin Committee disclosures of how close the Executive Branch came to scoring decisively over the Constitution, observed:

We stopped them on our 5-year line."

We did, indeed.

I suggest to you that we were able to "stop them on our 5-year line" in 1973 because of Justice Black's work of a lifetime, and most importantly his final work in 1971—his last opinion—his concurring opinion in *United States* v. *The New York Times*—the Pentagon Papers case. That opinion galvanized the Supreme Court to lift the lower court's injunctions which had stopped temporarily publication of the Pentagon Papers.

Equally important, I suggest that the clarion call alerted the press and inspired it. He said:

"In the First Amendment the Founding Fathers gave the free press the protection it must have to fulfill its essential role in our democracy. The press was to serve the governed, not the governors. The Government's power to censor the press was abolished so that the press would remain forever free to censure the Government. The press was protected so that it could forever bare the secrets of government and inform the people. Only a free and unrestrained press can effectively expose deception in government."

That decision held the line. The Supreme Court stopped the first assault on the Constitution. Justice Black's opinion was like a punt that pushed those who would silence the press back onto their own territory. They had to start all over. After the Pentagon Papers case they could no longer use lawyers and invoke the power of the courts. In desperation they resorted to burglars, character assassinations, and worse.

They tried to "jimmy" the system pursuant to law. That wouldn't work. The Court, led by Justice Black, stopped them cold.

Then they tried burglars and deception. This was beyond the power of the Court to control. But with the press alerted, and still free, it was not beyond the power of the press to expose, and once the press exposed the "deception in government" in the manner contemplated by the Constitution and the First Amendment as Justice Black interpreted them, the processes of the law began to grind again.

Because of Justice Black's faith and his brilliant expression of it, we have confidence that another old machine of the Constitution can be dusted off, greased and oiled, to grind on those facts—smoothly, firmly, *justly*. I refer, of course, to the Constitutional process of impeachment.

Justice Black used to like to refer to himself as a "simple country fellow." He was devoted to the written Constitution. All or most of you must have seen him on television display the little pocket paperback edition of the Constitution which he always carried in his pocket. He had it with him when he was interviewed on television a few years ago.

It may well be that when the history of this era is critically appraised, it will be discovered that that simple country fellow born in Clay County, Alabama, educated at The University Law School of Alabama (he never went to college) was, as much as any man, the effective, triumphant defender of a free press who renewed its freedom and stirred its soul just in time to stop the deceivers and save constitutional government as it was contemplated by the Founding Fathers and as we have known and enjoyed it down through the years.

You perceptively honor a great man who appreciated your profession more than most and may well have served it as well or better than any.

JUSTICE BLACK AND A FREE PRESS

(By Robert S. McCord)

One of the functions of the Society of Professional Journalists that sets it apart from the many trade organizations found in our business is the recognizing of those persons who have helped in making American journalism the best and the freest in the world. We do this annually through the naming of fellows in the society, and the presentation of awards—to professional journalists as well as to student journalists, several of whom incidentally, will be honored tonight as an important part of this meeting on the University of Alabama campus.

But the most important program of its kind is the marking of historic sites in journalism. This gives us an opportunity to recognize events, organizations—even buildings—as well as people. And the people can be contemporary figures or they can be those from the early days of our country. Unlike flattering speeches and framed citations, these plaques, hopefully, will be permanent—displayed prominently so that they will be remembered not only by the people who received them but by generations to come.

The program began in 1942, and with only one or two skips, some sites have been marked every year. The plaque we gather here today to unveil is the 50th presented by the national society, although several other sites important to journalism within individual states have been marked by local chapters. Each year a special committee is appointed by the President to make recommendations, which are submitted to the national convention for approval. The list is interesting and varied. Markers have been placed at the home of the inventor of the linotype, Ottmar Mergenthaler; the college that first began formal training in journalism, Washington and Lee University; and a radio station in Pittsburgh, Pa., which was the first one to report a presidential election.

Among the men who have been honored with historic plaques are: Alabama's own Grover Cleveland Hall of the Montgomery Advertiser; Ernie Pyle; H. L. Mencken; Edward R. Murrow; Samuel Clemens and Benjamin Franklin. Last year, for example, the society put historic plaques on the wall of the Augusta, Ga., Chronicle, the South's oldest newspaper of continuous publication. I know that Hugo Black who was forever a Southerner, would approve of that. Then the society also marked the home of Will Rogers in Oologah, Okla., and, as a fellow populist, I'm sure Justice Black would have liked that. The last plaque was affixed to the building that houses the Chicago Tribune. Frankly, I'm not so sure that being the Democrat that he was, Justice Black would have approved of that one. Two out of three, a better record than Justice Black was used to.

I think that the plaque we place here today is especially important. I have gone through the list of the others, and, frankly, I find only three that I think designate contributions to American journalism that were as large as Justice Black's—Gunston Hall in Virginia, the home of George Mason, who first gave written expression to the idea of a free press in the Virginia Declaration of Rights; the site of the trial of John Peter Zenger, who was victimized by laws enacted in opposition to the principle of the first amendment, and Charlottesville, Va., the home of Thomas Jefferson, who turned Mason's dream of a free press into a reality by opposing and bringing about the repeal of such laws as the alien and sedition acts.

Justice Black's contribution to a free press has been almost as great as theirs. For if ever a man believed in a free press, it was he.

Just four years after he took his seat on the Supreme Court, Justice Black was putting sentences like these into the literature of the law: "Freedom to speak and write about public questions is as important to the life of our government as is the heart of the human body. In fact, this privilege is the heart of our government. If that heart be weakened, the result is debilitation; if it be stilled, the result is death."

Hugo Black believed that the Bill of Rights—and especially the first amendment—was an absolute right, subject to no compromise. He believed this so strongly that he thought that insofar as public affairs was concerned there should be no libel laws at all—a position, as far as I know, never taken by any other Supreme Court justice. "This nation, I suspect, can live in peace without libel suits based on public discussions of public affairs and public officials," he once wrote in that concise and vivid style of his. "But I doubt that a country can live in freedom where its people can be made to suffer physically or financially for criticizing their government, its actions or its officials."

Only two other men ever served longer on the court than Justice Black. And I should hasten to say that his long record does not stand on just his decisions in the area of press freedom. Justice Black, after all, is the man who told Harry Truman that he couldn't seize the steel mills during the Korean War, the man who barred the use of official prayers in public schools, who declared that an indigent in a state criminal court had to have a lawyer and that Congress could give 18 year olds the right to vote. The point is that his major concern was always individual liberty. And he was the right man in the right place at the right time because it was during his tenure—especially the 40s, 50s and 60s—when, out of fear of change that was coming so fast, totalitarian concepts were sometimes offered as easy solutions to complicated problems. Hugo Black would have none of this. Because so many of our freedoms are wrapped up in that first amendment, he naturally used it frequently as a shield to protect individual liberty. Justice Black said that the First Amendment gave Americans the right to believe in any governmental system they wanted to and to argue for change and criticize the existing system without limitation.

Toward that end, he wrote the decision that said that the services of the Associated Press were so vital that no single newspaper in a city had a right to use them exclusively.

That gave the newspapers of Alabama—and all newspapers in the country—the right to call for the election of certain candidates on election day if they wanted to . . .

That said that libel suits, such as the famous Sullivan vs New York Times, stifled frank and free reporting of public affairs and were unconstitutional. No court decision in history has done more to broaden the journalists ability to comment on public affairs.

Justice Black felt so strongly about press freedom that his opinions were often in the minority. But, as Anthony Lewis has pointed out, Black lived to see more of his dissents become law than any other man who ever served on the Supreme Court. His dissents were like thunderbolts. They kept at bay those men who would like to put controls on the press. May I add a wistful note, which is that we need him today as badly as ever in our history . . . President Nixon has ordered his lawyers to write a law giving politicians more protection from criticism, in effect calling for a rewrite of the Sullivan decision . . . Congress is now considering an official secrets act . . . and before the Supreme Court this week is a case from Florida that would give people the right to force newspapers to print their statements.

In my lifetime I can think of no majority Supreme Court decision that interfered with a free press that did not find Justice Black in dissent: The Billie Sol Estes case, which held that televised trials were unconstitutional, Justice Black, dissenting . . . The Sam Shepherd case, where vigorous reporting of a badly-handled murder case was judged to have interfered with a fair trial, Justice Black, dissenting . . . The Ralph Ginzburg case, where a publisher was sent to jail for printing what some people considered obscenities, Justice Black, dissenting . . .

I hope that I have been able to indicate to you why an organization of 26,000 journalists has decided to honor this son of Alabama. Although before this distinguished audience of lawyers and in this particular building I may be foolhardy for doing so, I cannot help but point out that in its 65-year history, Hugo Black is the first judge the society has ever paid tribute to. This has to mean something. What I think it means is that every American journalist, past and future, from copyboy to editor, is in his debt for so frequently and clearly stating the function of a free press in the place—the Supreme Court of the United States—where it counted the most. What is this purpose? Justice Black—nor anyone else—ever said it with more clarity or brevity than he did in his Pentagon Papers decision, which was the last one he wrote before his retirement, "The press," he wrote, "was to serve the governed, not the governors."

The plaque reads: "Associate Justice Hugo Lafayette Black, for 34 years on the highest court in the land an outspoken and eloquent champion for man's right to speak, to be heard, and to know, consistently and vigorously spoke for the principle—the vital necessity—of a free and untrammeled press in this democracy. For his role as uncompromising defender of press freedom, journalists express their recognition and appreciation. Marked this 19th day of April 1974, by the Society of Professional Journalists, Sigma Delta Chi."

PRESIDENT FORD HAS SELECTED A DESIRABLE AND WELL-QUALIFIED WHITE HOUSE PARTNER

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record).

Mr. PATMAN. Mr. Speaker, President Ford made a good selection in nominating Gov. Nelson A. Rockefeller for the second highest position in the land—Vice President of the United States. Governor Rockefeller is a patriotic, public-spirited citizen, knowledgeable and intelligent; he is most highly regarded and has an excellent reputation, not only here in the United States, but throughout the world. Certainly, I wish for President Ford and for the Vice-Presidential nominee Nelson Rockefeller complete success as they seek to provide for the general welfare and protection of our people.

CONGRESSMAN STRATTON'S BILL, H.R. 15935, WILL PERMIT RETIREES TO KEEP STEP WITH INFLATION RATHER THAN SLIPPING STEADILY BEHIND

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, the other day I introduced legislation, H.R. 15935, which I believe is of great interest to all our senior citizens. I urge my colleagues to take a look at this bill because I believe it meets a serious problem which we are likely to hear a lot more about during the upcoming recess.

In fact I am hopeful that when we come back in September after the Labor Day recess we may take up this bill and pass it into law so as to do something positive to help our retired citizens to survive in the midst of galloping double digit inflation.

My bill would do this: it would exclude any increases in social security benefits, occurring in calendar year 1974 and thereafter, from being counted as income in determining the eligibility of senior citizens for such benefits as food stamps, SSI payments, senior citizen housing, medicaid, and veterans pensions. I believe, Mr. Speaker, that this bill carries out the basic and original intent of Congress whenever we have legislated increases, as we did some 8 months ago, in social security benefits, namely, to allow the recipients of social security to keep up with inflation.

Yet, Mr. Speaker, as we are well aware, things have actually worked out in such a way that whenever these benefits have gone up these retirees are regarded as having become more affluent and as having moved into a higher income bracket; and so they suddenly find that their eligibility for these other benefits has ended, or has been sharply reduced.

Yet the plain fact is that these periodic increases in social security benefits have not made the recipients more affluent at all. At best they have only enabled them to stay even with inflation, and in most cases they have not even done that: they have only slowed down somewhat the rate of slipping behind.

So it seems to me, Mr. Speaker, manifestly unfair for us to continue to penalize these people by depriving them of necessary benefits every time we think all we are doing is helping them just to keep up with our bruising inflation.

It would of course be possible for us to deal with each of these separate programs with separate legislation, as we have done on several occasions with veterans' pensions, and as we recently did with SSI payments. But such legislation often never gets passed, or at best takes months to accomplish. But with my bill, Mr. Speaker, we can provide for all of these adjustments automatically. I believe this should be done, and if Members will take time to listen to their senior citizens when they are home for the recess, I believe they will find a great need for doing just what this legislation of mine will do.

Mr. Speaker, so that Members may be informed of the provisions of this bill before they leave for the recess, I include the text of H.R. 15935.

The bill follows:

H.R. 15935

A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid or assistance under the various Federal-State public assistance and medicaid programs, and recipients of assistance or benefits under the veterans' pension and compensation programs and certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1973 increases in monthly social security benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1612 of the Social Security Act (relating to supplemental security income benefits) is amended by adding at the end thereof the following new subsection:

"Special Rule for Social Security Benefit Increases

"(c) In determining the income of any individual (or his eligible spouse) who is entitled for any month to a monthly benefit under the insurance program established by title II of this Act, there shall be excluded any part of such benefit which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215(i) of this Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i) (3) of this Act.".

Sec. 2. (a) Section 402(a) (8) (A) of the Social Security Act is amended by striking out "and" at the end of clause (i), by striking out "; and" at the end of clause (ii) and inserting in lieu thereof ", and", and by adding after clause (ii) the following new clause:

"(iii) in the case of any individual who is entitled to monthly benefits under the insurance program established under title II, any part of such benefits which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215(i) of this Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i) (3) of this Act; and".

(b) (1) Section 2(a) (10) (A) of such Act is amended by inserting "(I)" immediately after "(i)", by striking out "(ii)" and inserting in lieu thereof "(II)", and by inserting immediately before the semicolon at the end thereof the following: ", and (ii) the State agency shall, in the case of any individual who is entitled to monthly benefits under the insurance program established under title II, disregard any part of such benefits which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215(i) of this Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i)(3) of this Act".

(2) Section 1002(a)(8) of such Act is amended by striking out "and" at the end of clause (B), and by inserting immediately before the semicolon at the end thereof the following: ", and (D) shall, in the case of any individual who is entitled to monthly benefits under the insurance program established under title II, disregard any part of such benefits which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring purstitutes a general benefit increase within the meaning of benefits which constitutes a general benefit increase with the meaning of section 215(i)(3) of this Act".

(3) Section 1402(a)(8) of such Act is amended by striking out "and" at the end of clause (B), and by inserting immediately before the semicolon at the end thereof the following: ", and (D) the State agency shall, in the case of any individual who is entitled to monthly benefits under the insurance program established under title II, disregard any part of such benefits which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215(i) of this Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i)(3) of this Act".

(4) Section 1602(a)(14) of such Act (relating to State plan assistance to the aged, blind, and disabled) is amended by striking out "and" at the end of subparagraph (C), by striking out the semicolon at the end of subparagraph (D) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(E) the State agency shall, in the case of any individual who is entitled to monthly benefits under the insurance program established under title II, disregard any part of such benefits which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215 (i) of this Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i)(3) of this Act;".

Sec. 3. (a) Subsection (g) of section 415 of title 38, United States Code, is amended by adding at the end thereof the following new paragraph:

"(4) In determining the annual income of any individual who is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, the Administrator, before applying paragraph (1)(G) of this subsection, shall disregard any part of such benefits which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215(i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act.".

(b) Section 503 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In determining the annual income of any individual who is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, the Administrator, before applying subsection (a)(6) of this section, shall disregard any part of such benefits which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215(i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act.".

(c) In determining the animal income of any person for purposes of determining the continued eligibility of that person for, and the amount of, pension payable under the first sentence of section 9(b) of the Veterans' Affairs shall disregard, if that person is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, any part of such benefits which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215(i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act.

Sec. 4. (a) Notwithstanding any other provision of law, in the case of any individual who is entitled for any month to a monthly benefit under the insurance program established by title II of the Social Security Act, any part of such benefit which results from (and would not be payable but for) the general increase in benefits under such program provided by section 1 or 2 of Public Law 93–233, a cost-of-living increase in benefits under such program occurring pursuant to section 215(i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1973, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act, shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of such individual or his or her family or the household in which he or she lives—

(1) for participation in the food stamp program under the Food Stamp Act of 1964, or for surplus agricultural commodities under any Federal progam providing for the donation or distribution of such commodities to low-income persons,

(2) for admission to or occupancy of low-rent public housing under the United States Housing Act of 1937, or

(3) for any other aid or assistance in any form under a Federal program, or a State or local program financed in whole or in part with Federal funds, which conditions such eligibility to any extent upon the income or resources of such individual, family, or household,

or for purposes of determining the amount or extent of such participation or such aid, assistance, or benefits.

Sec. 5. The amendments made by the first section of this Act shall apply with respect to benefits for months after the month in which this Act is enacted. The amendments made by section 2 of this Act shall be effective with respect to calendar quarters beginning after December 31, 1974. The amendments made by section 3 of this Act shall apply with respect to annual income determinations made pursuant to sections 415(g) and 503 (as in effect both on and after June 30, 1960) of title 38, United States Code, for calendar years after 1973. Section 4 of this Act shall be effective with respect to benefits, aid, or assistance furnished after the month in which this Act is enacted.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Baker (at the request of Mr. Rhodes), from after 4 p.m. today and tomorrow, on account of attending a funeral.

Mr. Randall (at the request of Mr. McFall), for Thursday, August 22, 1974, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Mitchell of New York) to revise and extend their remarks and include extraneous matter:)

Mr. Kemp, for 15 minutes, today.

Mr. Miller, for 5 minutes, today.

Mr. Robert W. Daniel, Jr., for 5 minutes, today.

Mr. Findley, for 5 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Huber, for 10 minutes, today.

(The following Members (at the request of Mr. Ginn) to revise and extend their remarks and include extraneous material:)

Mr. Gaydos, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Matsunaga, for 15 minutes, today.

Mr. Corman, for 5 minutes, today.

Mr. Owens, for 5 minutes, today.

Mr. Randall, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Vigorito.

Mr. Howard, his remarks immediately following the reading of his amendment on the Export-Import Bank bill today in the Committee of the Whole.

Mr. Ichord to revise and extend his remarks immediately before the vote on the amendment that he offered to H.R. 15977.

(The following Members (at the request of Mr. Mitchell of New York), and to include extraneous matter:)

Mr. Minshall of Ohio in two instances

Mr. Abdnor.

Mr. Hinshaw.

Mr. Horton.

Mr. Archer.

Mr. O'Brien.

Mr. du Pont.

Mr. Wyman in two instances.

Mr. Cohen.

Mr. Hudnut.

Mr. Derwinski in three instances.

Mr. Anderson of Illinois in five instances.

Mr. Mathias of California in two instances.

Mr. Pritchard.

Mr. Brown of Ohio.

Mr. Shriver.

Mr. Lent.

Mr. Ashbrook in four instances.

Mr. Mizell in eight instances.

Mr. Crane.

Mr. Hosmer.

Mr. Froehlich.
Mr. Snyder.
Mr. Don H. Clausen.
Mr. Kemp.
Mr. Michel in three instances.
Mr. Huber.
Mr. Rousselot.
Mr. Gilman.

(The following Members (at the request of Mr. Ginn) and to include extraneous matter:)

Mrs. Griffiths.
Mr. Ichord.
Mr. Bolling.
Mr. Gaydos in two instances.
Mr. Gonzalez in three instances.
Mr. Rarick in three instances.
Mr. Anderson of California in two instances.
Mr. Flood.
Mr. Wolff in two instances.
Mr. Harrington in three instances.
Mr. Byron in 10 instances.
Mr. Lehman in two instances.
Mr. Rosenthal.
Mr. Bingham in five instances.
Mr. Mahon.
Mr. Roush in two instances.
Mr. Alexander.
Mrs. Grasso.
Mr. Carney of Ohio.
Mr. Carey of New York.
Mrs. Collins of Illinois in five instances.
Mr. Waldie in three instances.
Mr. Stark.
Mr. Moorhead of Pennsylvania in two instances.
Mr. Matsunaga in two instances.
Mr. Mitchell of Maryland.
Mr. Litton.
Mr. Conyers.
Ms. Abzug in two instances.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3620. An act to establish the Great Dismal Swamp National Wildlife Refuge;

H.R. 11864. An act to provide for the early development and commercial demonstration of the technology of solar heating and combined solar heating and cooling systems;

H.R. 14402. An act to amend section 8202 (a) of title 10, United States Code, to extend for 2 years the period during which the authorized number for the grades of lieutenant colonel and colonel in the Air Force are increased;

H.R. 14920. An act to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, to establish a loan guaranty program for the financing of geothermal energy development, and for other purposes;

H.R. 15581. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes;

H.R. 15842. An act to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes;

H.R. 16027. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and

H.J. Res. 1105. Joint resolution designating August 26, 1974, as "Woman's Equality Day."

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolutions of the Senate of the following titles:

S. 3919. An act to authorize the establishment of a Council on Wage and Price Stability;

S.J. Res. 66. A joint resolution to authorize the erection of a monument to the dead of the 1st Infantry Division, U.S. Forces in Vietnam;

S.J. Res. 220. A joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 221. A joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 222. A joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. GINN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Thursday, August 22, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2676. A letter from the Commissioner of the District of Columbia, transmitting a report on a study prepared for the D.C. Public Service Commission on the adequacy of service and regulation of the taxicab industry in Washington, pursuant to section 27(b) of Public Law 93-140; to the Committee on the District of Columbia.

2677. A letter from the General Manager, Washington Metropolitan Area Transit Authority, transmitting the second quarterly report of the WMATA's Office of Program Control; to the Committe on the District of Columbia.

2678. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Saudi Arabia for permission to transfer certain aircraft and spare parts to a friendly government in the Middle East, pursuant to section 3(a) of the Foreign Military Sales Act, as amended, and section 505(e) of the Foreign Assistance Act of 1961, as amended [22 U.S.C. 2753(a)(2); 22 U.S.C. 2314(e)]; to the Committee on Foreign Affairs.

2679. A letter from the Secretary of Transportation, transmitting the annual report on the financial condition of the Central Railroad Co. of New Jersey, pursuant to section 10 of the Emergency Rail Services Act of 1970 (Public Law 91-663); to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. POAGE: Committee on Agriculture. H.R. 15263. A bill to establish improved programs for the benefit of producers and consumers of rice; with amendment (Rept. No. 93-1309). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLAND: Committee of conference. Conference report on H.R. 15572 (Rept. No. 93-1310). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 16502. A bill to direct every agency of the Federal Government to include an economic impact statement in every recommendation or report on proposals for legislation and other Federal actions which have a significant impact on the national economy; to the Committee on Government Operations.

By Mr. BAKER (for himself, Mr. Obey, Mr. Andrews of North Carolina, Mr. Dellums, Mr. Dulski, Mr. Fulton, Mr. Gilman, Mr. Hillis, Mr. Mann, Mr. McKinney, Mr. Parris, Mr. Sarasin, Mr. Steele, Mr. Won Pat, and Mr. Young of Illinois):

H.R. 16503. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CASEY of Texas:

H.R. 16504. A bill to amend the Flood Disaster Protection Act of 1973 to permit banks, savings and loan associations, and similar institutions to lend funds secured by real estate not insured under the provisions of the National Flood Insurance Act of 1968; to the Committee on Banking and Currency.

By Mr. CLEVELAND (for himself, Mr. Wright, Mr. Abdnor, Mr. Forsythe, Mr. Gunter, Mr. Hosmer, Mr. McKay, Mr. Quie, Mr. Regula, Mr. Riegle, Mr. St Germain, Mr. Shriver, Mr. Snyder, Mr. Walsh, Mr. Wyman, and Mr. Zion):

H.R. 16505. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works.

By Mr. GROVER:

H.R. 16506. A bill to amend the act entitled "An Act to establish the Fire Island National Seashore, and for other purposes," approved September 11, 1964 (73 Stat. 928); to the Committee on Interior and Insular Affairs.

By Mr. HALEY (for himself and Mr. Wolff):

H.R. 16507. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HUDNUT:

H.R. 16508. A bill to amend title 18 of the United States Code to increase the penalties for persons convicted of committing a felony with or while unlawfully carrying a firearm; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 16509. A bill to amend the National Housing Act to provide Federal insured financing on resale of cooperative dwellings; to the Committee on Banking and Currency.

By Mr. MACDONALD:

H.R. 16510. A bill to provide for the protection of franchised dealers of petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. MURTHA:

H.R. 16511. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mr. REES:

H.R. 16512. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employers; to the Committee on Education and Labor.

By Mr. SEBELIUS:

H.R. 16513. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

H.R. 16514. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. SHIPLEY:

H.R. 16515. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. TIERNAN (for himself, Mr. Reuss, Mr. Gibbons, Mr. Addabbo, Mr. Badillo, Mr. Benitez, Mr. Bingham, Mr. Brown of California, Mr. Cleveland, Mr. Conyers, Mr. Dingell, Mr. Drinan, Mr. Eilberg, Mr. Esch, Mr. Fascell, Mr. Ford, Mr. Fraser, Mr. Helstoski, Mr. Hicks, and Mr. Ichord):

H.R. 16516. A bill to establish an independent commission to administer the Internal Revenue laws; to the Committee on Ways and Means.

By Mr. TIERNAN (for himself, Mr. Reuss, Mr. Gibbons, Mr. Karth, Mr. Luken, Mr. Nedzi, Mr. Nix, Mr. O'Hara, Mr. Pepper, Mr. Riegle, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. St Germain, Mrs. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Symington, Mr. Charles Wilson of Texas, and Mr. Yates):

H.R. 16517. A bill to establish an independent commission to administer the Internal Revenue laws; to the Committee on Ways and Means.

By Mr. VEYSEY:

H.R. 16518. A bill to authorize the Secretary of Agriculture to review as to its suitability for preservation as wilderness the area commonly known as the Sheep Mountain Area in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. BOB WILSON (for himself, Mr. Taylor of North Carolina, Mr. Scherle, and Mr. Towell of Nevada):

H.R. 16519. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. BOB WILSON (for himself and Mr. Bennett):

H.R. 16520. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

By Mr. du PONT (for himself and Mr. Heinz):

H.R. 16521. A bill to insure that each admission to the service academies shall be made without regard to a candidate's sex, race, color, or religious beliefs; to the Committee on Armed Services.

By Mr. HARRINGTON (for himself, Mr. Aspin, Mr. Tiernan, Mr. Boland, Mr. Moakley, Mr. Fraser, Ms. Abzug, Mr. Culver, Mr. Burke of Massachusetts, and Mr. Hogan):

H.R. 16522. A bill to amend the Internal Revenue Code of 1954 to provide for a tax on the transportation of property by rail, motor vehicle, or water; to the Committee on Ways and Means.

H.R. 16523. A bill to designate a national network of essential rail lines; to create a nonprofit corporation to acquire and maintain rail lines; to require minimum standards of maintenance for rail lines; to provide financial assistance to such corporation and to the States for rehabilitation of rail lines; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEHMAN:

H.R. 16524. A bill to amend subchapter IV of chapter 5 of title 13, United States Code, to provide for the development of certain estimates of population in 1975 and every intercensal year thereafter, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LITTON (for himself, Mr. Hungate, Mr. Sandman, Mr. Sarasin, Mr. McSpadden, Mr. Moakley, Mr. McFall, Mr. Dingell, Mr. O'Hara, Mr. Broomfield, Mr. Reid, Mr. Mazzoli, Mr. Haley, Mr. Hays, Mr. Whitehurst, Mr. Ford, Mr. Mollohan, Mr. Dominick V. Daniels, Mr. Matsunaga, Mr. Smith of Iowa, Mr. Carey of New York, Mr. Meeds, Mr. Murphy of New York, Mr. Traxler, and Mr. Stokes):

H.R. 16525. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON (for himself, Mr. Butler, Mr. Murphy of Illinois, Mr. Studds, Mr. Sarbanes, Mr. Robison of New York, Mr. Rooney of Pennsylvania, Mr. Hanna, Mr. Wolff, Mr. Young of Georgia, Mr. Breckinridge, and Mr. Pike):

H.R. 16526. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON (for himself, Mr. Pettis, Mr. Treen, Mr. Symington, Mr. McKinney, Mr. Roncallo of New York, Mr. Hinshaw, and Ms. Schroeder):

H.R. 16527. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. RANDALL (for himself, Mrs. Burke of California, Mr. Carney of Ohio, and Miss Holtzman):

H.R. 16528. A bill to establish the Harry S. Truman memorial scholarships, and for other purposes; to the Committee on Education and Labor.

By Mr. SHIPLEY:

H.R. 16529. A bill to amend the Controlled Substances Act to provide a penalty for the robbery of a controlled substance from a pharmacy; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 16530. A bill to amend title 5, United States Code, to provide for additional creditable service, for purposes of retirement, for certain employees of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. TIERNAN:

H.R. 16531. A bill to amend the Economic Opportunity Act of 1964 to provide for a national program for the elderly and poor to be known as Project Fuel; to the Committee on Education and Labor.

By Mr. KETCHUM (for himself and Mr. Lagomarsino):

H.R. 16532. A bill to provide for the establishment of a National Voluntary Medical and Hospital Services Insurance Act; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, and Miss Holtzman):

H. Con. Res. 613. Concurrent resolution expressing the sense of Congress regarding the withdrawal of foreign troops from the Republic of Cyprus; to the Committee on Foreign Affairs.

By Mr. du PONT (for himself, Mr. Rose, Ms. Abzug, Mr. Thompson of New Jersey, and Mr. Pritchard):

H. Con. Res. 614. Concurrent resolution to express congressional support of the United Nations sponsored World Food Conference and World Population Conference taking place this year; to the Committee on Foreign Affairs.

By Mrs. GRASSO:

H. Con. Res. 615. Concurrent resolution expressing the sense of the Congress that the President, acting through the U.S. Ambassador to the United Nations Organization, take such steps as may be necessary to place the question of human rights violations in the Soviet-occupied Ukraine on the agenda of the United Nations Organization; to the Committee on Foreign Affairs.

By Mr. GROVER:

H. Con. Res. 616. Concurrent resolution calling for the removal of all foreign forces from Cyprus; to the Committee on Foreign Affairs.

By Mr. SANDMAN:

H. Con. Res. 617. Concurrent resolution expressing the sense of Congress regarding the withdrawal of foreign troops from the Republic of Cyprus; to the Committee on Foreign Affairs.

By Mr. HUBER:

H. Con. Res. 618. Concurrent resolution to provide an opportunity for an orderly and cohesive policy toward reducing the rate of inflation; to the Committee on Government Operations.

By Mr. BRADEMAS (for himself, Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, Mr. Meeds, Mr. Owens, Mr. Rogers, and Mr. Moakley):

H. Res. 1338. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. LITTON (for himself, Mr. Nichols, Mr. Tiernan, Mr. Mathias of California, Mr. Symington, Mr. Mann, Mr. Matsunaga, Mrs. Grasso, Mr. Preyer, Mr. Abdnor, Miss Holtzman, Mr. Won Pat, Mr. Murtha, Mr. Derwinski, Mr. Johnson of Pennsylvania, Mr. Bevill, Mr. Kemp, Mr. Murphy of New York, Mr. Eilberg, Mr. McSpadden, Mr. Brown of California, Mr. Traxler, Mr. O'Hara, Mr. Hamilton, and Mr. Peyser):

H. Res. 1339. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agriculture research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

By Mr. SANDMAN:

H. Res. 1340. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

OPENING OF THE WILLIAM SANDERS MEMORIAL RANGE AND POLICE TRAINING AREA

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. LANDGREBE. Mr. Speaker, police apprehending a fleeing armed criminal must make a dread decision: Whether to shoot the dangerous criminal who may jeopardize the life of anyone in his way but risk injury to innocent people from stray police bullets, or whether to let the criminal flee.

Fortunately, police rarely need to make that sort of decision. However, when that dread moment comes, the five police agencies serving the greater Lafayette area will be better trained to handle the situation.

In September 1969, the Lafayette, West Lafayette, Purdue, Tippecanoe County, and Indiana State police departments began pooling their ingenuity and resources to build a firing range-training grounds area for their private use. Sgt. Tom Taylor, of the Lafayette police force spearheaded a group of men who made up the local police pistol combat team who decided to find out and build a new police firing and training range. After raising over $84,000 in materials the manpower from local businessmen and others interested in the project, the facility was opened on July 27.

The William Sanders Memorial Range and Police Training Area was dedicated on July 27 in a ceremony attended by the mayors of Lafayette, West Lafayette, and chiefs of police from the five agencies who helped build the facility. The shot which opened the firing range was fired by Mrs. William Sanders, widow of the benefactor who agreed to lease the ground to the policy group for $1 a year. It was during this ceremony that I presented the range committee with a U.S. flag that had flown over the U.S. Capitol in the name of the training area.

The range and training area will be used by the five major law enforcement agencies responsible for the joint venture: Lafayette, West Lafayette, Purdue, and Tippecanoe County police departments and the Indiana State Police. Other agencies that will make use of the range are the FBI, the Indiana Excise Department, the State department of natural resources—conservation department—Norfolk and Western and L. & N. Railroad detectives and police reserve units. A total of 300 officers are expected to use the range. The range is administered by a committee of 10 with 2 members from each of the five major agencies.

Sgt. Thomas M. Taylor, Lafayette Police Department is president of the committee. Others include: James Sell, Ward Frey, Donald Rutter, Larry Bateman, Ted Oswalt, Harry Martin, Michael Taylor, John Masterson, and Bruce Airhart.

The range and training ground is in an abandoned gravel pit 40 feet below road level which has been partially leveled off for its new use. On the grounds are 20 firing points with markers at 7, 25, 50, and 100 yards, a lookout tower and gatehouse. Future plans include a riot training area, a Marine Corps obstacle course, paved road, office facilities, and 30 more firing points.

"This old gravel pit is ideal for a firing range," explained Sgt. Tom Taylor, who was instrumental in creating the training ground. "Stray bullets bury themselves into the banks and it is located so the extra noise and traffic we generate won't bother anyone."

Amazingly enough, in these days of increasing demands on tax dollars, the only cost to the taxpayer for this well-planned facility has been $1 per year to lease the 10½ acres. The other costs were assumed through donations of money, labor, and material from a large number of local businesses and individuals.

Sergeant Taylor explained:

> All this would not be possible without the help of interested individuals and businesses in the community.

Sergeant Taylor went on to say that the reason that the group had been so successful in raising public support was that he had explained to them, "how everyone in this community will benefit from a better trained police force." He said that the need for a better trained police force was increasing:

> Like everywhere else in the country, armed robberies, drug traffic and other crimes are up. I think that the fact that our area is sandwiched between Chicago and Indianapolis, now that Interstate 65 is opened, has a big influence on crime in this area.

The firing range and training ground will enable the local police forces to be trained more adequately than in the past.

Sergeant Taylor and other members of the local police pistol team spearheaded the movement to establish the new range and training area. The team from a relatively small community like Lafayette has competed successfully against the top pistol teams in the country. They placed first in the White House Invitational Combat Match and have gone on to win matches in Boston; Winter Haven, Florida; Columbus, Ohio; and class awards in the National Pistol Championships. After the group lost their old training ground Sergeant Taylor and Thomas "Sherlock Holmes" Sell decided to set up a new range. At that time there were no academies for new policemen to attend and officers were given little or no training in the use of guns. The result of their efforts is the new range open for the use of policemen from all local departments.

These men are to be commended on their initiative.

THE HOUSE JUDICIARY COMMITTEE AND IMPEACHMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my Washington Report entitled "The House Judiciary Committee," which was written prior to President Nixon's resignation:

THE HOUSE JUDICIARY COMMITTEE AND IMPEACHMENT

For the first time since 1868, and only the second time in American history, a committee of the House of Representatives has recommended the impeachment of the President. This historic action of the House Judiciary Committee captivated the attention of Americans as they watched the proceedings on nationwide television.

The consensus in Washington is that the House Judiciary Committee's six days of meetings were marked by the dignity and responsibility that the occasion demanded. There were mistakes, of course, but, all in all, the Judiciary Committee's performance was reassuring no matter how one felt about the final result. The Committee helped restore confidence in the political process, especially the United States Congress, and deepened our understanding of the Constitution.

The members of the Judiciary Committee spoke with intelligence, debated with spirit, demonstrated their anguish and conducted themselves sensibly and conscientiously. These members of diverse views and personalities rose splendidly to the high occasion and proved that the House can act responsibly as it tackles perhaps the most difficult assignment in the practice of self-government. The televised sessions of the Judiciary Committee served to contradict the charges that the committee is a kangaroo court or a lynching party.

The performance of individual members of the Committee was impressive. They were articulate, low-key, moderate, and frequently eloquent. They were able men and women, not engaged in a partisan plot, but obviously struggling with an unpleasant, even sad, duty.

The Committee debate, which gave Americans an extraordinary view of a congressional committee at work, was alternately inspiring and tiresome. It illustrated the characteristic wrangling of the legislative process over words, procedures and politics. After the high-blown rhetoric of each Committee member's opening statement, the Committee debate refined the issue of impeachment. The charges relating to impoundment of funds, the secret bombing of Cambodia, campaign funds, tax deficiencies, and improvements on San Clemente faded, and the issues of abuse of presidential power and the coverup of Watergate misconduct emerged as the crucial issues. The articles of impeachment, as finally adopted by the Judiciary Committee, contain the central charges.

Broad areas of agreement surfaced during the Committee debate. With a few exceptions, the members accepted the standard that only "grave offenses" of a kind "definitely incompatible" with the Constitution, whether criminal or not, would justify the removal of a President. The Committee members also agreed that the evidence must be "clear and convincing," a tougher standard of proof than "probable cause," but not so rigid as a jury verdict in a criminal case that requires an individual to be found guilty "beyond all reasonable doubt."

Moving through unchartered territory, members of the Committee divided on fundamental questions. What is the definition of "high crimes and misdemeanors," specified in the Constitution as the basis of impeachment? Did the evidence show that the President had committed an impeachable offense? Will removing President Nixon from office be good or bad for the country? The opponents of impeachment demanded specific facts to support the charges, and the pro-impeachment Congressmen, after a slow initial response, elaborated at length the facts they believe support impeachment. Opponents of impeachment, seeking to divide the proponents, complained about the lack of direct evidence against the President and the piling of "inference upon inference" to build a case against the President. Pro-impeachment Committee members had avoided specific points of evidence in their early statements, but as the debate wore on they elaborated specific points to support impeachment. Working to unify their forces, they reworded the articles of impeachment to broaden support for them.

It is important that Americans have respect for the impeachment proceedings. Through television they can judge for themselves whether these proceedings are being conducted seriously and fairly. Many Congressmen have been fearful of televising any part of the impeachment proceedings, but after the televising of the Committee proceedings this past week, most Congressmen now recognize that television performed an important civic function, and it is reasonable to expect the House to vote soon to have the full House impeachment proceedings televised. Television can assure that the greatest possible number of Americans understand the how and why of the impeachment proceedings.

As a result of the Committee action, the momentum toward impeachment has significantly strengthened. The minority leader has urged the President to take his case on national television as the only step that can save him. Officially, close associates of the President were expressing confidence that the President would avoid impeachment, but the reality of the events of the week was breaking through to them, and they were obviously deeply concerned about the President's future. The leaders of the Senate began gearing up for the trial of the President and guesses about the margin of the vote by which the House will approve impeachment kept increasing.

ANIMAL HEALTH RESEARCH—AN ABUSE OF DISCRETION

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. LEGGETT. Mr. Speaker, there is no question that inflation is our and the world's No. 1 problem. With a problem of such magnitude, however, we must remain level-headed in pursuing other national burdens. We must not sacrifice those programs that can contribute to our national health and welfare as well as significantly assist in reducing the outrageous inflationary spiral we live in today, under the belief that not having the program at all will be more of a help in alleviating the taxpayer's financial burdens.

I, therefore, am disappointed and opposed to President Ford's recent veto of H.R. 11873, the act authorizing the Secretary of Agriculture to encourage and assist States in carrying out programs of animal health research. I am concerned that our President's fight against inflation may be more detrimental to our well-being and, in fact, his priorities may add to, rather than reduce, the cost of living rate.

For the month of July, food prices increased at the almost unprecedented rate of 3.4 percent. Promises of reducing inflation from the infamous double digit rate of 12 to 14 percent, to 6 to 8 percent are now pale and disappear in the light of the economic reality we face. Our Nation's food supply and that of the world's is diminishing rapidly. Drought is not only a problem isolated in the vastness of Africa, but in our own Midwest. It is anticipated that beef prices will skyrocket in the next few months because of the shortness of grain due to the drought.

Many educational and research institutions in our country have made priceless contributions in insuring that we are able to live healthier, improve our food production capabilities, and enjoy an abundance of other goods and services unprecedented in the world. Now is not the time, however, to curb efforts contributing to the improvement of our national health and welfare. It is, in fact, of the utmost urgency that we invest in all available means to improve the quality and quantity of food products in order to reduce inflation at home and meaningfully contribute to the world's needs as well.

In the President's veto message, Mr. Ford cited that the $47 million would establish programs which would overlap those already operating in the areas of fish and shellfish control. In closer examination of the bill, however, fish and shellfish programs are minor portions of what the bill would accomplish. Of more critical importance is research into such high cost areas as livestock and poultry, and health research for greater animal yield and for the health potection of humans.

There exist no substantial programs to deal with animal health care at this time. I would like to stress here, that animal disease is in no small part responsible for the 25-percent increase in food prices last year and for a comparable increase for this year. The estimated loss of livestock and poultry due to animal disease alone is $3 billion annually or 10 percent of the total value of U.S. livestock. According to Doctors Leo Bustao and James Henson of Washington State University, animal disease and parasite problems have not appreciably improved in the last 20 years.

In addition, one of the most reknown institutions of animal research, the University of California at Davis, has been a strong advocate of this legislation in order to more effectively carry out animal research. The measure is not superfluous, but will add greatly to the improved quality of our animal and sea life production.

A basic economic principle that we should keep in mind establishing Federal spending priorities, under an inflationary period, is to invest in those areas that can have a comparable economic return to the public. Such a prudent policy can help to avoid large displacements of public funds which have contributed to a higher cost of living and an increased Government deficit. The animal health research bill would be one such economically sound expenditure of funds, which I would consider, as a member of the House Budget Committee and an ardent critic of the Federal deficit, to be both an appropriate and necessary measure for the Congress to adopt.

One bill headed for the President's desk that is not economically sound, and calls for an expenditure of funds much greater than the animal health research bill, is the Defense appropriation bill. One program under the latter's $80 billion budget is an expenditure of $130 million for the Safeguard phase-down program. Because of the SALT agreements and the outdateness of the system, we have approved over three times as much money as the animal health research programs would spend, on a system which we will be scrapping. It is a gross expenditure of the taxpayers' funds to a commodity which will never be used.

I would like to encourage the President to do everything in his power to see that such an inflationary and useless expenditure of funds is not part of the final Defense appropriation bill. It will truly be a significant step to combat our Nation's No. 1 problem, inflation.

I would like to impress upon the Congress to reassert its nearly unanimous support position for the Animal Health Research Act. As a needed health measure and as an effective tool to fight inflation, by reducing food prices, the act is worthy of our continued support and implementation as law.

Through these difficult economic times, let us not abandon worthwhile programs at the expense of expediency or shortsightedness. When we think of our national defense, let us include, predominantly, our national health and welfare.

"PASMA FUSION-OPPOSED RING STORAGE"—LETTER TO THE EDITOR

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, at the request of Mr. John W. Ecklin of Arlington, Va., and under leave to extend my remarks, I would like to insert the following letter to the editor, regarding "Pasma Fusion-Opposed Ring Storage," into the RECORD, so that all atomic researchers can be informed:

ARLINGTON, VA.,
July 24, 1974.

Mr. JOHN JACOBS,
Editor, the Rosslyn Review,
Arlington, Va.

Letter to the Editor:

Up to the present time fusion research may be too intimately associated with plasma as there is no proof we require electrons for fusion. Plasma—consists entirely of electrically charged particles, i.e., electrons or nuclei. Pasma—dense, uniformly high speed positive nuclei. (No electrons.)

Electrons in a plasma are 1800 times lighter than even the lightest nuclei and hence easily attain relativistic speeds while the nuclei still have very low energies or speeds. Electrons and nuclei both have equal but opposite charges even though there is an 1800 to 1 difference in their mass. As a result the electrons get out of step with the nuclei in our various containment schemes. This causes plasma instabilities as the electrons madly dart about out of step with the nuclei and the electrons high speed and low mass makes them difficult to detect let alone correct and still contain the nuclei.

Besides these containment instabilities why get electrons out of our plasma? Because a stream or beam of moving charged particles tend to pinch themselves. This pinch effect works best when there are no oppositely charged particles and when all like charged particles travel at nearly the same speeds.

For fusion, nuclei need only get enough speed so their momentum overcomes their mutual repulsion barrier and they fuse. This occurs at 1 billion degrees centigrade or .1 MeV. Think of it, a power supply with only four times the voltage of the high voltage supply in a TV set can accelerate nuclei to an equivalent temperature of 1 billion degrees centigrade.

A close evaluation of the majority of accelerators reveals a very important fact—the nuclei are accelerated for .1 percent of the time and for the remaining 99.9 percent of the time these nuclei simply coast in a vacuum. This coasting ability deserves much more attention and is of primal significance since it is difficult to generate a beam of .1MeV nuclei with sufficient density to provide enough collisions for a fusion trigger.

Using 2 hollow donut shaped storage rings 2 ft. in diameter we can store .1MeV nuclei by coasting until we get enough density for a trigger. We can then direct the nuclei from one ring into the other where the now dense nuclei bore through each other from opposite directions and trigger a sustained reaction. ((It is possible to have 2 storage rings in the same donut with nuclei travelling in opposite directions. By merely decreasing magnetic strength or electrical voltage, the opposite beams then travel through the same space and bore through each other.) We could split 1 beam or have 2 fuels in 2 beams.)

Not only is very little power required to generate .1MeV nuclei but very little power (magnetic or electric) is required to contain pasma. There is nothing sacred about electrons in our plasma.

Sincerely,

JOHN W. ECKLIN.

ANNIVERSARY OF CZECH INVASION

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, August 21, 1974

Mr. SCHWEIKER. Mr. President, August 21 marks the sixth anniversary of the invasion of Czechoslovakia.

It is an occasion when men and women throughout the free world recommit themselves to the struggle of the Czechs and Slovaks for religious, cultural, and political freedom.

As one who is privileged to represent thousands of Pennsylvanians of Czech and Slovak descent, who over the generations have made great contributions to our Nation, I am proud to lend my voice to those commemorating August 21.

The memory of the Soviet Day of Shame lives in the hearts of freedom-loving people.

A LIFE OF SERVICE

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HORTON. Mr. Speaker, in this period of troubled times, when so many people seem concerned only with themselves, it is refreshing to witness what can be accomplished by one person's complete unselfishness.

An outstanding example is the work of Mrs. Mary Pulvino Cariola of Rochester, N.Y., who saw a need and proceeded to fill that need. Even at an early age, she acted as interpreter for Italian-speaking parents in a neighborhood settlement house. She spent 18 years rehabilitating families with the Society for the Prevention of Cruelty to Children.

She was one of the founders of the local unit of the Cerebral Palsy Association where, while holding down administrative positions, she was also serving as a volunteer social worker until funds were available to hire a paid social worker.

In 1949, Mrs. Cariola noticed there was no training available for those who suffered the double handicap of mental retardation and physical disability. Although most people felt these special children could not profit from training, she founded what is now the Day Care Training Center for Handicapped Children. Beginning with a class of eight in one borrowed room, it has since served more than 700 children, many of whom have gone on to special classes within the area's public school system.

Because of public interest stimulated through the Day Care Training Center, there are now recreation programs for teenagers and young adults, as well as a mental retardation clinic, among other programs.

As a result of her campaigning for legislation to help the mentally retarded, public school classes are now conducted for the benefit of the trainable retarded.

Although Mrs. Cariola was forced to leave school at the age of 13 because of financial difficulties, she later finished high school through attendance of evening classes and private tutoring. She went on to take supplementary courses which enabled her to be of even greater aid to those whom she served.

It is with gratification of Mrs. Cariola's over 50 years of service to others, that I bring her efforts to the attention of my colleagues.

BRIEFING BY MORTON I. SOSLAND

HON. THOMAS F. EAGLETON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, August 21, 1974

Mr. EAGLETON. Mr. President, I was privileged today to host a luncheon for the purpose of hearing from Morton I. Sosland of Kansas City, publisher of the Milling & Baking News and one of the most important agrarian economists in our Nation. Several of my fellow Senators had the privilege of hearing Morton Sosland. His knowledge is so impressive that I would like to have his remarks printed in the RECORD so that all Senators can have the benefit of his thoughts. In addition, to further elaborate on Mr. Sosland's qualifications, I ask unanimous consent that following his remarks, an article from the Wall Street Journal of Wednesday, December 12, 1973, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEMOCRATIC SENATORS' MIDWEST CAUCUS

(By Morton I. Sosland)

After two years of rapidly moving grain markets, gradually broadening public awareness of how the world food situation has changed and wildly conflicting economic and political assessments of what happened and what may lie ahead, many of us most intimately involved have become alarmed over the institutionalization of errors in judgment. Heard with increasing frequency are statements that are not designed to fill the real need of explaining to the public how the world food picture has changed, why it changed and where it is likely to go. Many people still do not understand why the current world scene is so much different from anything the past prepared us for. Many of the opinions expressed seem to be designed either to explain away serious mistakes in judgment by government or to force moves in new directions equally without merit.

The most bothersome assumptions for me concern three issues—(1) this country's and the world's ability to increase food production ad infinitum from current levels; (2) the role of price in the marketplace, and (3) judgment as to what constitutes something called the world market. A number of perceptions are being made in reference to these three points that are basically wrong. The specter thus is raised of policy decisions that may accentuate what already is a threatening situation.

It might be advisable at this point to spell out my own credentials for discussing these matters. In early February of 1973, I made a talk in Minneapolis, which in turn became the lead article in the financial section of the Sunday New York Times, declaring our belief that "the days of cheap food may be over." The central view was that the U.S.S.R.'s massive purchases of food had signalled a change in the world food supply-demand situation—note I say "signalled," not "caused"—that meant that no longer would it be possible for consumers to buy food at levels lower than the law of supply and demand alone would dictate. The point of that address was that food prices for a number of decades prior to mid 1972 had been lower than otherwise would have been the case without government farm price support programs, that these programs themselves were more of a subsidy to consumers than to farmers and that the level of demand had increased around the world to the point where the prices that prevailed prior to mid 1972 would probably never be experienced again.

My ability as a price forecaster, looking back and rereading that paper, is not very good. In February, 1973, while stating that prices probably would not return to the pre-1972 level, I expressed doubt that the market then prevailing could be sustained for any long period of time. By way of reference, using the f.o.b. Gulf price for hard winter wheat, let me point out that that market on the day of my talk was $90 per metric ton, up what seemed a whooping 50% from the July 1972, level or around $60; that the price a year later in February, 1974, had soared to the all-time high of $245 per ton and that the market is currently around $180 per ton.

While my price forecasting skills leave a great deal to be desired, other aspects of that discussion of the end of the era of cheap food have gained major credibility as the months have passed by. One of the main theses of that discussion was that the U.S.S.R. buying was a very major economic event, not just for itself, but much more importantly for the shock-wave it sent around the world directly influencing food buying policies of nations on every continent. My thought is that if the Soviet Union, a police state, found it necessary to spend more than $1 billion for American food grains, then every other government of the world could see itself at peril by failing to respond to their people's food wants. Thus, in the wake of the Soviet buying a whole new standard of eating emerged. Also the U.S.S.R.'s massive purchases coincided with a period when income levels in many developing countries were just beginning to increase. Every dollar of additional income in these nations is immediately translated into spending on food.

Having perceived more than two years ago the extent of this significant change in the attitudes of governments toward food—that no longer would bread rationing and food shortages be an acceptable alternative in years of short domestic crops—I have now begun to wonder as to the permanency of that change. My doubts stem from what happened to food and petroleum prices in recent months. Now, I must ask, are we likely to run headlong into new and unexpected forces as represented by income elasticity of demand for grain and grain-based foods? Past history had indicated that in most of the world there was no repercussion on wheat demand from changes in prices. Our knowledge of the effect of prices at these levels on feed use is abysmally lacking. The historical record was made in a period when prices were hardly a third of current levels. There are individual country examples extant right now which indicate that wheat consumption as food—where price impact had not been observed in the past—is being reduced. The result is a beautiful economics lesson in how price is the most effective rationer of all; the question is whether this is a morally valid or politically satisfactory solution?

My worries in the price arena go beyond these moral or political questionings to wonder whether, from the long-range view of American agriculture and of foreign trade, we are doing the wisest thing to allow prices to effect a curtailment in consumption of grain-based foods by millions and millions of people around the world. After all, it took many years of market development and of improvements in standards of living to bring those nations and governments to the point where the availability of grain-based foods at a reasonable price stimulated the adoption of policies that encouraged our exporting goals.

We must confront the issue of whether wheat and corn at current levels, with their very direct impact on the ability of not only American consumers but of people around the world to eat bread and other grain-derived foods, may somehow cause dislocation and even revision in long-term demand trends. Along that very line, recent projections indicate that world wheat consumption in the 1974–75 crop year, will decline 4 million tons, marking the first setback in about two decades. I cannot help but wonder whether it may not be wisest from a long-term market development point of view to do something in a year with such unusual supply-demand stresses as this one to mitigate the consumption-deterring effect of prices. I think all can agree that current prices are just not cheap but are downright expensive and deleterious to long-term growth in markets.

Another of the perceptions that seriously bothers me is reflected in a recent statement by a top U.S. Department of Agriculture official to the effect, "Too many people still believe we can insulate ourselves from the reality of the world market." What disturbs me and must disturb you about this is that the U.S. is literally the only country in the entire world that operates in a market that is allowed to respond to demand and supply forces practically without any interference from government. Let me stress right here and now that the American system is a beautiful thing to behold, but one wonders about its operation in a world where government monopolies to a large extent control both purchasing and marketing of domestic grains. It's all well and good to say that no one should interfere with the impact of the world market on U.S. food. I think one of the things that is most poorly perceived by most Americans is the degree of competition for American food supplies. When a housewife goes to the neighborhood supermarket, she in effect does not recognize she is bidding not only against millions of other food buyers in the U.S., but also against some monolithic governments overseas—some whom may be deterred by price and others who may surprise us by their lack of reaction.

Important to understand here is that in most countries what housewives are able to buy in their grocery stores is largely the result of governmental decision. That is even the case in the European Community, where the operation of Common Agricultural Policy has led to shortages of some commodities and to surpluses of others. The latter either are dumped on dollar buyers in competition with American supplies or are held in storage as a price depressant and as justification for continuation of the variable levy system. In other words, the American consumer is not competing with Mrs. Housewife in Europe or in the U.S.S.R. or in China, but instead is buying against Commission officials in Brussels, Exportkhleb in Moscow and the Chinese Grain Corporation in Peking.

My objection is to the false perception of the world grain market as something akin to the beautiful mechanism existing in America. As we have observed in recent years, arbitrary buying and selling decisions by foreign governments often are made without regard to economics. When this is done a tremendous jolt is sent through the U.S. system, leading to calls for safeguards that could in the long run be more destructive than the problem-causing events themselves. American export policy in a year such as this when the balance between "enough" and "too little" is very narrow cannot afford to be naively based on a false conception of what constitutes the world food market.

The third of the assumptions that bothers me greatly is that somehow American and world food production can be increased over a period of time at a rate equal to prospective demand growth. Let me set out here the fact that we, for a long period of time, have been among those who felt that world food production had nowhere come near to tapping its full potential and that U.S.D.A. projection forecasting surplus production of grain by the 1980's were probably correct. But after three years—1972, 1973 and now 1974—of crops that fell short of both projections and of realistic demand expectations, we have become increasingly concerned that some very serious mistakes in judgment may have been made concerning our grain crop potential.

Along this line, I look at three years of declining wheat yields per acre as a very bothersome trend. I grow tired of hearing the situation for the 1972–73, 1973–74 and now 1974–75 crop years explained away by references to unusually adverse weather. Isn't it about time that someone would say that this is not the case? Is it possible that limitations imposed by rainfall may prevent food production from reaching the optimistic levels in many projections? After all, an increasing number of current studies seem to indicate that the world's weather in recent years has been unusually favorable for crop production and that there really is no reason to anticipate a continuation of these trends for much longer into the future.

A great many things would have to be done differently if governments had to face up to the possibility that assumptions of ever-upward crop production do not have a strong factual base. After all, the green revolution in simplest terms was the development of strains of wheat and rice that do not lodge when tremendous increases in grain yields are obtained by massive doses of both fertilizer and water. All the statistics I have seen confirm the reality of enough of an expansion in world fertilizer production to meet future needs, but there is no way that the moisture essential can be supplied without the cooperation of nature.

I thus far have purposely refrained from population-food consumption statistics. Such numbers by themselves take on such an ominous tone that it becomes almost impossible to visualize how the world food situation is going to evolve without millions starving. We do resist segregating those who look upon the world food situation as pessimist from those who are optimist, preferring instead to be a realist. For instance, I simply don't believe our government would allow millions of people to starve in some kind of last gasp upholding of a market economy that does not exist in reality.

But having said this, I want to conclude with reminders of several basics that often are forgotten. First, the world's population will shortly reach the 4 billion level—it was three and one-half billion at the start of the 1960's—and the total almost certainly will be 7 billion by the end of the present century. One can hardly argue with the view that the world thus far has been unable to rationalize its agricultural potential in order to feed all the world's people an adequate diet. This has not been the case even with ever upward grain production as evidenced by the fact that at least 50% of the present population is suffering from malnutrition and some 600 million people are in the category of acute under-nourishment. In light of recent crop trends already noted, it is most difficult for me to view with any equanimity the almost certain prospect that another 3 billion people will be living on this planet in another 25 years.

The second very basic point to understand is best illustrated by analyzing trends in world wheat consumption, which currently aggregates 340 million metric tons. Wheat consumption has been increasing for the past 15 years at an average annual rate of 3.4%, with that increase almost equally divided between the force of population growth at a rate of 1.6% per year and the remainder accounted for by rising per capita consumption at an average annual rate of 1.8%. The latter gain reflects rising expectations, an inexorable demand for better eating. Yet, severe malnourishment still exists. It now appears that consumption growth attributed to rising per capita use has slowed measureably in the past several years and will come to a screeching halt in 1974–1975.

To my way of thinking, this is a poorly understood and little appreciated development. At the very least, a trend such as this should prompt a serious assessment of American and world food production and marketing practices. When one really comprehends how very little is known about the ultimate effect of prices at current levels on consumption of foods made directly from grains as well as livestock and poultry, the dangers of the present situation multiply. Another year, on top of the past three, of a production and marketing system that diminishes the amount of food available to each of the nearly 4 billion of us means severe stresses in practically every corner of the globe. The call must go out for new and more realistic perceptions than we have had in recent years. We probably should face up to the need for some serious new thinking about the road we are traveling in trying to feed ourselves and a sizable part of the world.

Milling and Baking News Thrives by Exclusivity and Spotting Trends

(By David P. Garino)

Kansas City, Mo.—As trade publications go, Milling & Baking News isn't exactly run-of-the-mill.

It regularly turns away would-be subscribers. It doesn't engage in any unseemly scramble for advertising; until a few years ago, it didn't even hustle it, prospering instead on a steady flow of unsolicited ads. Rather than pack its pages with publicity handouts and canned articles, it develops its own fact-filled stories that alert readers to major trends in their business. In all this, the magazine probably offers a classic lesson in how an honest and aggressive trade publication can make itelf indispensable.

"I've been reading Milling & Baking News for 37 years, and we could hardly run our business without it," says D. L. Barber, group vice president of grain milled products for ConAgra Inc. Says Robert Fanelli, president of Arnold Bakers Inc., Greenwich, Conn.: "I can't imagine any executive in this field not reading it. I'd be doubtful of the capability of anyone who didn't."

The slick-paper, tabloid-size weekly, which costs $12 a year, counts only 5,657 subscribers. But more than 1,000 of them are chief executives or owners of milling and baking firms, and more than 1,100 others are marketing, sales and purchasing executives. Investors and amateur commodities traders sometimes try to subscribe, but they get turned down. Morton I. Sosland, editor and publisher, says the magazine is aimed at "decision makers" in the grain industry rather than "doctors, lawyers and Indian chiefs who are speculators."

MEAT PRICES AND PASTA

Milling & Baking News provides financial news of companies in its industry and regular, highly technical features on developments in the markets for wheat futures, bakery flour and livestock feed. It also has interpretive trend reports like a recent one by Mr. Sosland on how natural-gas shortages are affecting bakery operations.

Another typical trend article is one headed "Outlook Now Favorable for Enrichment Changes." An analysis by the editors concludes that new federal flour-enrichment standards probably will take effect despite the objections of some doctors to increasing the amount of iron in flour, bread and rolls. A story headed "Major Food Consumption Changes Seen" notes, among other things, that high meat prices have helped pasta sales. And a piece titled "World Wheat Use Uptrend Persists" predicts that world-wide wheat consumption will increase for the sixth straight year despite shortages.

"The magazine has in one place all the factors that bear on the price of flour," says Steve Vesecky, a vice president of Campbell Taggart Inc., the big Dallas-based baker. Mr. Vesecky gets one copy at his office, another at home. Subscribers who need information they can't find in the magazine can call its offices in the Board of Trade Building in Kansas City. "Within five minutes they'll have something it would take the Department of Agriculture two weeks to find," an executive says.

Mr. Sosland is on a first-name basis with nearly every top executive in the industry. The executives often ask his advice on mergers, plant expansions and personnel changes. Not long ago, he introduced an acquiring company to a company that wanted to be acquired.

A FAMILY AFFAIR

David Sosland (Morton Sosland's father) and two brothers started the magazine in 1922. It was called the Southwestern Miller until last year. When it started, the field was crowded with at least seven other milling trade-papers and a dozen grain journals that gave some coverage to flour production. Milling & Baking News is the only weekly left in the field today.

Morton Sosland grew up on the magazine. As a teen-ager he ran the addressing machine. He graduated from Harvard in 1946 with a degree in economics, "I got off the train, went straight back to work and have been here ever since," he says.

Morton Sosland's personal interests stretch far beyond the wheat belt. For example, he owns outstanding collections of Mayan and Aztec, North American Indian and primitive African art. Still, he works at the magazine seven days a week, on Sunday limiting himself to a couple of hours in putting the final touches on the week's issue, published on Tuesday. His two uncles, Samuel and Louis, are managing editor and senior editor. His brother, Neil, also is a senior editor. With two other editorial staffers, the Soslands put out a magazine that contains about the same number of words each week as Time.

In return, the editors get salaries that range above $30,000 a year. Outside sources estimate that yearly advertising revenues exceed $700,000, though the amount of profit is a closely guarded secret. Most of it, it is known, is distributed to the Soslands and other employes. The family still owns the magazine.

Barely known outside its field, Milling & Baking News got into the news last year when the Soviet Union was negotiating to buy a huge amount of American grain. On July 17, Mr. Sosland got a telephone call from a man who identified himself as John Smith, an editor of the Financial Times of London. Mr. Smith displayed an uncommon knowledge of Russian grain-buying plans and the American market situation. His calls continued for nearly a month. In discussing the grain negotiations, Mr. Smith gave Mr. Sosland some useful tips for stories.

Mr. Sosland got suspicious and eventually checked with the Financial Times. He learned that Mr. Smith didn't work there. Mr. Smith later told him he was employed by a "secret information office." Mr. Sosland still can't figure out who Mr. Smith really was. One theory: Mr. Smith was a Russian, seeking to doublecheck the Russians' assessment of the U.S. grain market in order to improve their bargaining position.

COMMODITY TRADING

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. BOLLING. Mr. Speaker, the Kansas City Star on August 12 had an interesting lead editorial on commodity trading. Regardless of one's views on this complicated subject, it expresses a significant and interesting point of view.

Confusion Over Speculator's Role In Commodities Trading

A group of farmers attending the Ozark Empire Fair in Springfield, Mo., recently vented their ire over several developments threatening their financial security. According to Frank Farmer, farm editor of the News and Leader newspapers, the farmers were frightened by dry weather, militant over low cattle prices and still angry at Washington over price controls, which started a process still distorting those prices.

But their biggest complaint, especially by dairymen plagued by low milk prices at the farm and high grain prices, was over speculation in the marketplace. One man shouted that permitting speculation in grain at a time of a threatened shortfall in U.S. production "borders on insanity." Unfortunately, that charge also prevails in more lofty councils, including Congress, where something more concrete than sound and fury could emerge in the form of legislation.

On the same day a U.S. senator visited the Kansas City Board of Trade as a member of a committee studying the entire commodities trading structure; however, his emphasis was on transportation. A committee staff member with the senator predicted legislation to tighten up supervision of the futures market.

What the Ozark farmers failed to realize is precisely what the senators must: The present system of commodity transactions, including futures trading, must be preserved. Its role is vital in preventing erratic swings in commodity prices and any major tampering certainly would cause both consumers and farmers even more pricing grief. That is not to say the system, which has grown enormously in the last several years, cannot be improved by the judicious cooperation of the Congress and the commodities exchanges.

The fact is that futures trading, which has evolved in the last 100 years from a simple forward pricing contract to a complex and often misunderstood giant, would not work without speculators. They are the ones willing to take the financial risks in return for the possibility of making a profit that others, among them packers, bakers and millers, cannot assume. Speculators bring to the market some degree of stability, whether that particular commodity be wheat, corn, soybeans, precious metals or whatever. Farmers, of course, also are speculating in a different way when, as this year, they hold their grain in hope of higher prices later on in the marketing year.

To visualize futures speculation and trading in an ultra-simple approach, picture a teeter-totter with the speculators on each end. They ride up and down freely, but movement is scarcely discernible at the fulcrum. That's where the commercial hedgers gather to buy and sell the commodities they and their companies need for future market and food production requirements. The hedging process becomes a form of price insurance.

At the steady fulcrum bakers, for example, can assure themselves through hedging of a ready and dependable supply of flour at relatively stable prices for months ahead. The costs of other raw materials, labor and transportation are more unpredictable, but to some extent through the present system of trading every consumer is protected from violent price fluctuations because that risk is taken by speculators. That function is what the nation's lawmakers and consumer groups should take great care to perpetuate against well-intentioned but ill-informed critics.

HERMANN, MO.'S DECLARATION FOR 1976

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ICHORD. Mr. Speaker, on July 26 it was my privilege to participate in the Bicentennial flag presentation ceremonies at Hermann, Mo., which launched this predominantly German community as an officially designated Bicentennial community. Hermann has an old and valued heritage, and since its incorporation in 1839 has built upon this heritage to maintain a progressive, involved, and self-reliant community which has contributed greatly to the State of Missouri and to the Nation as a whole.

Under the leadership of C. M. Bassman, mayor of Hermann, and A. A. Schweighauser, chairman of the Hermann Bicentennial Commission, and with the enthusiastic and dedicated support of Hermann's residents, the city of Hermann has already undertaken early preparations for the part it will play in this Nation's Bicentennial which, in my estimation, exemplify the true spirit, knowledge, and understanding of the binding link between America's past, America's present, and America's future—the three underlying themes of the Bicentennial. Back in 1847 a Missouri Fourth of July orator eloquently summed up the reasons why this Nation is the oldest surviving democratic form of government under a republic and I quote:

> Though all former governments have fallen and yielded to the corroding influences of time, and shared the fate of all other human concerns, yet there are principles firm as the unchangeable rocks of Adamant, upon which the fabric of government will stand, until human affairs shall have ceased and Heaven's Messiah shall fill the throne of peace. Those principles are founded upon the equality of mankind, upon truth, reason and justice; and the government whose foundations rest upon these, and whose strength is dependent upon the free will of a vigorous people, will only fail when time shall grow hoary with age, and nature herself shall decay.

The recent resolution of purpose and commitment adopted by the Hermann Bicentennial Commission on July 10, 1974, setting forth Hermann's plans for the Bicentennial, firmly accepts the challenge of this oration recognizing with foresight that the great opportunity of the Bicentennial is not only to reawaken those values and ideals which have made this experiment in democracy sound but also to carry them forward with dedication and strength for all the future years to come.

I would commend Hermann's "Declaration for 1976" to the attention of my colleagues and take this opportunity to include this eloquent expression of one community's plans for the Bicentennial in the RECORD.

[From the Advertiser-Courier, July 17, 1974]

A DECLARATION FOR 1976

(Resolution of Purpose and Commitment Adopted by the Hermann Bicentennial Commission, July 10, 1974)

The Hermann Bicentennial Celebration Commission looks forward to 1976 and the years that follow as an era of bicentennial celebrations of American independence and democratic achievement. The purpose of our Commission is to guide and assist our fellow citizens in responding to the opportunities of 1976 and subsequent years.

The celebrations of 1976 and after will draw strength and purpose from the document that inaugurated American independence with the bold and brave assertion that all men have a right to life, liberty, and the pursuit of happiness. Our celebration in Hermann will therefore be concerned with the quality of the lives we lead both as individuals and as participants in our community and in the nation, with the health of our liberties, and with the sense of security that is the foundation of our happiness.

We intend to be guided by an awareness of the heritage of freedom and equality that was earned for us in an earlier day. We will also be guided by a commitment to the spiritual, social, intellectual, and physical environments we share with each other, and on the well-being of which that heritage is sustained and enhanced.

The Declaration of Independence was—and continues to be—a magnificent promise. We propose to make Hermann's celebration and bicentennial activities an example for communities throughout these United States of how that promise has been—and will be—fulfilled: Fine public schools, decent housing, and rewarding opportunities for participation in and service to the community for all citizens, regardless of age, race or political persuasion. A climate of respect and self-respect for our senior citizens, those persons who are now the trustees of the past, will be sought; for the inheritors of the future, our youth, a socially healthful atmosphere that draws wisdom from and appreciation for the past, as well as an atmosphere that finds promise in the time yet to come, will be created. Our Commission's intention is thus not only to recall the past but also to inventory the future as this community, the nation and the world move toward an exciting, challenging and potentially most rewarding future that man has ever confronted.

The years ahead can be both a time of celebration and an opportunity for assessment and correction, for matching promise with performance, for overcoming the neglect and abuse which sometimes we have allowed to tarnish our ideals, our liberties, and our lives.

The monuments and publications of 1976 will include the restoration and preservation of physical reminders of vanished times, and thus will protect vital meanings of the past for our use in the future. More importantly, however, 1976 offers Hermann the opportunity to celebrate and strengthen the promise of 1776 in actions that will continue to build on two-hundred years of tradition that has given the nation and our community unbiased educational progress, privilege to worship where and how we prefer, liberty to communicate our ideas and opinions freely to society and to our neighbors, an unfettered public press, the right to elect by majority vote our government representatives, perpetuation of our other civil liberties, and legislative support for human happiness, howsoever we may choose to pursue it.

In the months and years ahead we will plan with Hermann's elected and appointed officials, representatives of the county, state, and nation, appropriate organizations and institutions, and interested citizens of all ages for Hermann's contribution to the renewal of the Spirit of '76.

[From the Advertiser-Courier, July 31, 1974]

BICENTENNIAL HONORS TO CITY

"Your community was chosen as a Bicentennial City because of its great heritage. Your community represents so very well the very important contributions of German people to the development of this great state and nation," Lt. Gov. William Phelps said in his address at the Hermann Bicentennial Flag Presentation program at the German School, Friday afternoon.

A nice-sized crowd of well over 200 persons attended the program despite temperatures near the 100-degree mark. Those attending sought shaded areas to escape the heat of the sun.

Phelps continued by saying, "You are being awarded this flag because your heritage is both unique and at the same time similar to the history of others who became early Americans."

The lieutenant governor traced the history of the German people who were forced to leave their homeland due to political intolerance, religious oppression and their eventual settlement in Missouri.

"On Aug. 27, 1831, a German Settlement Society of Philadelphia was established for the purpose of settling a colony in the far western United States," he said. "The Germans wanted their own communities to maintain a strong sense of cultural conditions while enjoying the benefits of an endless frontier. The community of Hermann was thus founded here in one of the most fertile valleys, reminding many settlers of their Bavarian homeland. Since that time, Gasconade County has had a more strictly German flavor than any county in Missouri."

Phelps pointed out Hermann prospered after the Civil War as a trade center. "The Hermann winery became known throughout the world and would have gained greater recognition had not Prohibition appeared," he said. "Even though the town's major industry was an economic disaster, well before the Great Depression, the community survived that crisis because of the resourcefulness and self reliance of its people, without the kind of government assistance that was later sought by many other communities in similar circumstances. The community never asked for such aid and succeeded in surviving the crisis in the general spirit of the early settlers.

"The winery, museums and historic homes today are living proof that Hermann is still a unique German settlement.

"The annual Malfest, which was revived and instituted 22 years ago as a public celebration by citizens proud of Hermann's past, reminds Missourians, and all of us in the United States, of the important role that Hermann has played in the development of the state and nation.

"It also vividly demonstrates the vitality of this excellent, fine community for the future, built upon its firm foundation of the past," he concluded.

Other speakers were Mayor C. M. Bassman, who extended the welcome and accepted the Bicentennial flag; Ken White, executive secretary of the Missouri Bicentennial Commission; Secretary of State James C. Kirkpatrick, Congressman Richard Ichord of the Eighth District, State Senator James A. Noland Jr., chairman of the Missouri Bicentennial Commission; and Councilwoman Carolyn McDowell of Jefferson City. Other guests on the speaker's platform were State Senator Ralph Uthlaut Jr. and State Senator Frank Bild.

White presented the framed Bicentennial certificate to Secretary of State Kirkpatrick, who made the presentation to Chairman Schweighauser of the Hermann Commission. Senator Noland made the official presentation of the Bicentennial flag to Mayor Bassman.

Schweighauser, who served as master of ceremonies, read a telegram received by

Mayor Bassman from Governor Christopher S. Bond which said, "Congratulations to each and every resident of the City of Hermann as you gather today to begin your celebration of our nation's 200th birthday. I regret that a previous commitment will keep me from sharing this special occasion with you. Your planning and progress toward a meaningful Bicentennial community is commendable. This recognition as an official Bicentennial community is most praiseworthy. Best wishes to each of you as you continue your patriotic work toward an even better future for Hermann, the State of Missouri, and our Great Nation."

Also participating in the program were Rev. Fr. Miro Wiese, Rev. J. A. Slover, the Hermann V.F.W. Post color guard, members of the Hermann Boy Scout and Girl Scout troops, and the Hungry Five.

ABC EVENING NEWS COMMENTARY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. TEAGUE. Mr. Speaker, veteran news commentator, Howard K. Smith, made some interesting points regarding this Nation's space efforts during the July 16, 1974, ABC Evening News.

Mr. Smith points out the recent advances due to our space program and the potential the program will undoubtedly produce for the United States.

I commend the commentary to you, my fellow Members of Congress and the general public.

The commentary follows:

COMMENTARY, ABC EVENING NEWS, JULY 16, 1974

The only thing space exploration has in common with Watergate is, both show how quickly we become jaded with sensations.

In the case of lunar flight, whose fifth anniversary Jules Bergman just noted, it is a pity.

I have never been able to follow those who say it was a wasteful folly to pour all that money into outer space when we need so much here on earth. I think it has been the greatest adventure of the age of the most fruitful.

Its thousands of useful spinoffs range from pacemakers that extend life of heart patients to a computer technology that is without a competitor in the world.

Spy satellites, a byproduct that has opened Russia and America wide to one another's inspection, has done more for real detente than Henry Kissinger.

Now when we are bombarded with dire predictions of overpopulation and exhausted raw materials, British writer Adrian Berry produces a book saying, nonsense—thanks to space exploration we shall soon mine the moon and in time other planets.

He projects our planting hardy algae on Venus to consume its atmosphere of carbon dioxide and turn it into an atmosphere of oxygen, permitting human colonization.

It sounds ridiculous, but no more than walking on the moon would have sounded twenty years ago.

The time may come when this day will be more celebrated than the day Columbus sighted San Salvador—the day man opened the door of the universe and multiplied his range by millions.

ROSENTHAL REPORTS RESULTS OF QUEENS POLL ON ECONOMY, ENERGY, GOVERNMENT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ROSENTHAL. Mr. Speaker, more than 3,000 residents of the Eighth Congressional District of New York—Queens—which I represent, responded to a survey I sent them this month by indicating they do not want President Ford to continue the economic policies of his predecessor.

Unless there is a decisive change in national economic policy, more than 9 out of 10 said they feel "the economic future for the average American does not look good." The course of action most preferred is balancing the Federal budget by cutting spending—the last thing they want is a tax increase.

The survey was conducted by mail during the Presidential transition in the first 3 weeks of August.

AUGUST 1974 SURVEY RESULTS

First. Faced with the worst peacetime inflation in our Nation's history, and with consumer prices rising faster than wages, Queens families indicated they are cutting back on virtually all aspects of their standard of living, but nowhere so much as on travel and entertainment.

That category accounts for nearly one-fourth of all cutbacks—23.4 percent, with savings and investments a close second—23.1 percent. Food is the next category—6.5 percent, followed by clothing—15.9 percent, and home and home improvements—13.8 percent. The one area apparently least affected, or possibly least flexible, is medical and dental care. That category accounted for only 7.3 percent of the cutbacks.

Second. A cut in Federal spending to balance the budget is the most preferred method for fighting inflation—39.4 percent. The least preferred step is a tax increase—4.5 percent. Other anti-inflation moves supported by Queens residents include a rollback in the prices of food, fuel, and other essential items—38.8 percent and a reinstitution of strict price controls—21.8 percent. Only 5.5 percent opposed any controls and favored letting "the free market follow its natural course."

Third. An overwhelming majority of Queens residents expressed deep concern over the economy. Some 92.4 percent said they "have serious doubts about our present economic policies and the economic future for average Americans does not look good."

A sparse 6.3 percent said they were only "somewhat concerned" and felt that although "things will be tough temporarily" the econmy "will eventually straighten out if we follow the present course."

The remaining 1.3 percent said they are "not too concerned" and expressed confidence that "things will turn out OK."

Four. By a wide margin, Queens residents said the big oil companies are most responsible for the energy crisis—32.5 percent. Presidential inaction was blamed next—18.5 percent—with Congress close behind—17 percent. The Arab oil countries came next—15.2 percent—followed by wasteful consumers—9.8 percent—and the increased world demand for energy—6 percent.

Five. Faced with continued high prices for gasoline, heating oil and other petroleum products, Queens residents called for elimination of the oil depletion allowance, foreign tax credit and other tax breaks enjoyed by the oil and gas industry—28.5 percent—and a rollback in the price of domestic oil—23.8 percent.

The measure enjoying the least support—of those suggested—was Federal subsidies to energy consumers in those areas of the country hardest hit by high petroleum prices—12.4 percent.

Nearly one in five favored some form of nationalization of the oil and gas industry—19 percent—and the remaining 16.3 percent wanted to see the establishment of a Federal oil and gas corporation which would operate on Federal lands and in competition with private oil companies.

Six. On the question of trade with the Soviet Union, 57.3 percent favored withholding "most favored nation" status and other trade concessions until the U.S.S.R. allows free emigration of Soviet Jews and other minorities. And 42.9 percent wanted the Soviets to allow more political and religious freedoms to its citizens before winning any trade concessions from the United States.

Seven. When asked to rate five units of government—the President, Congress, courts, New York State government and New York City government—for overall effectiveness in facing and solving America's problems, a majority of respondents gave each one a negative rating.

The Congress got the best rating, but just barely—48.5 percent gave it a fair-to-good grade. New York State government was a close second with 48.2 percent approval; the courts were third with 45.6 percent; New York City government next with 30 percent positive, and last place with only *18.3* percent was the President of the United States. This survey was mailed out the week President Nixon resigned and responses began returning in bulk by the end of the week and continued for 2 weeks after that.

Eight. The survey indicated persons most often call on city hall or some city agency for help in solving problems. Next in line is their Congressman followed by city councilmen, U.S. Senator, State assemblyman, President or Federal agencies, State senator, Governor or State agency and, finally, the courts.

But when it comes to getting results, first is last. The most frequently called—the mayor and his agencies—ranked lowest in satisfied citizens. Only 16.3 percent of those seeking help were satisfied with the service they received from city hall. Tied for first were those citizens contacting their State assemblymen and senators, with a 66.7 percent satisfaction rating. City councilmen and U.S. Congressmen were a close second with 61.6

percent and 61.1 percent ratings, respectively.

Others, in descending order, were Governor or State agency—50 percent, U.S. Senator—46.3 percent, President or Federal agency—30.2 percent, the courts—25.9 percent, and, finally, mayor or city agency—16.3 percent.

CONGRESSMAN BEN ROSENTHAL'S EIGHTH CONGRESSIONAL DISTRICT QUESTIONNAIRE, AUGUST 1974

1. We are now experiencing the worst peacetime inflation in our nation's history. With consumer prices rising much faster than wages, most families have been forced to cut back on their standard of living. Please check the areas, if any, where your family has had to cut back most:

(Answers in percent, numbers in parentheses represent rank of importance)

a. Food	16.5(3)
b. Clothing	15.9(4)
c. Travel and Entertainment	23.4(1)
d. Medical and Dental Care	7.3(6)
e. Home and Home Improvements	13.8(5)
f. Savings and Investments	23.1(2)

2. If inflation is not brought under control in the very near future, would you favor:

a. A reinstitution of strict price controls	21.8(3)
b. A rollback in the prices of food, fuel and other essential items—	29.8(2)
c. No controls, let the free market follow its natural course	5.5(4)
d. Balancing the federal budget by cutting spending	39.4(1)
e. Balancing the federal budget by raising taxes	4.5(5)

3. As you look ahead for 1974–75, check the following statement that best describes your feelings about the economic outlook:

a. Not too concerned—think things will turn out OK	1.3(3)
b. Somewhat concerned—think things will be tough temporarily but will eventually straighten out if we follow the present course	6.3(2)
c. I am deeply concerned. I have serious doubts about our present economic policies and the economic future for average Americans doesn't look good	92.4(1)

4. As you analyze the energy crisis, which of the following do you think is most to blame:

[Answers in percent, numbers in parentheses represents rank of importance]

a. Big oil companies	32.5(1)
b. Congressional inaction	17.0(3)
c. Presidential inaction	18.5(2)
d. Arab oil countries	15.2(4)
e. Increase in world demand for energy	6.9(6)
f. The whole country, because we are unwise in our use of energy	9.8(5)

5. If the price of gasoline, heating oil and other petroleum products remains high would you favor any or all of the following governmental actions:

a. A rollback in the price of domestic oil	23.8(2)
b. A full or partial nationalization of the oil and gas industry	19.0(3)
c. The establishment of a federal oil and gas corporation which would operate on federal lands and in competition with private oil companies	16.3(4)
d. Elimination of the oil depletion allowance, foreign tax credit and other tax breaks to the oil and gas industry	28.5(1)
e. Federal subsidies to energy consumers in those areas of the country hardest hit by high petroleum prices	12.4(5)

6. Do you believe that the United States should withhold "most favored nation" treatment and trade concessions from the Soviet Union until that country:

a. Allows free emigration of Soviet Jews and other minorities	57.3
b. Allows much more political and religious freedoms to its citizens	42.9

	Percent—			
	Good	Fair	Poor	Rank
7. How would you rate the overall effectiveness of the following units of government in facing and solving America's problems:				
(a) President	6.0	12.2	81.7	5
(b) The Congress	7.4	41.1	51.5	1
(c) The Courts	12.4	33.2	54.4	3
(d) New York State government	3.7	44.5	51.8	2
(e) New York City government	2.3	27.7	70.0	4

	Frequency		Satisfaction	
	Percent	Number	Percent	Number
8. Have you, in the past year, contacted any of the following public officials or agencies for assistance. If yes, check the 1st box; if you were satisfied with the service you received, check the 2nd box, too:				
(a) President or Federal Agency	9.0	6	30.2	6
(b) U.S. Senator	11.4	4	46.3	5
(c) U.S. Congressman	16.1	2	61.1	3
(d) The Courts	4.6	9	25.9	7
(e) Governor or State agency	6.4	8	50.0	4
(f) State senator	8.1	7	66.7	1
(g) State assemblyman	9.2	5	66.7	1
(h) Mayor or city agency	17.6	1	16.3	8
(i) City councilman	12.4	3	61.6	2

REESTABLISHING CLOSER RELATIONS WITH FREE CHINA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ASHBROOK. Mr. Speaker, the United States and the Republic of China have long been friends and allies. Unfortunately in the past few years the previously close relationship has become somewhat more distant. President Ford has the opportunity to restore this alliance and friendship to a better condition. I hope that he will take this opportunity.

There are indications that such steps are already being taken. The President, in his remarks to the joint session of Congress, stated:

> To our allies and friends in Asia, I pledge a continuity in our support for their security, independence and economic development.

The Free Chinese have long attempted to maintain a strong friendship with our country. It is interesting to note an editorial from the English language China Post of August 13, 1974, which was published in Taiwan. In part it states:

> It is high time for the United States to distinguish between friends and foes and not to mistake foes for friends. The United States should realize that the Chinese people of the Republic of China are its true allies and friends.

At this point I include in the RECORD the full text of the editorial entitled "Sino-American Friendship."

The editorial follows:

SINO-AMERICAN FRIENDSHIP

President Gerald Ford's assumption of office provides an opportunity to build a new basis for Sino-American friendship.

Secretary of State Henry Kissinger received 58 foreign ambassadors and charges d'affaires at the State Department last Friday to assure them of the continuity of American foreign policy despite the resignation of Mr. Richard Nixon. In addition, Kissinger also sent messages to all foreign ministers conveying the same assurances.

Secretary Kissinger's message to Minister of Foreign Affairs Shen Chang-huan of the Republic of China was personally delivered to the Foreign Minister by U.S. Ambassador Leonard Unger at the Foreign Ministry last Saturday morning. The message reiterated that the United States will honor all its commitments to China in addition to the assurances conveyed to Ambassador James Shen by U.S. Deputy Secretary of State Robert Ingersoll on behalf of President Ford and Secretary Kissinger.

These assurances have been reciprocated by the spokesman of the Foreign Ministry and other Chinese leaders. It must be admitted that the present Sino-American relations are not as close as they should be. Considering our traditional friendship and common aspirations for freedom, democracy and justice, as well as the existing Sino-American Mutual Defense Treaty, our relations should be much closer. This regrettable situation is largely due to former President Nixon's illusion about U.S.-Red China détente, which Nixon considered as having "unlocked the doors that for a quarter of a century stood between the United States and the People's Republic of China."

As Madame Chiang Kai-shek has said in her comments on former President Nixon's views, "the unlocking the doors of the mainland would indeed be a very good thing were it true." She pointed out that there is no free egress nor free ingress and cited the recent views of Lord Michael Lindsay, Lady Lindsay and former Deputy Director of the U.S. Liaison Office in Peiping, China expert Alfred Jenkins, to show that the doors are far from being unlockeded and that such a regime cannot bring true well-being to the Chinese people and cannot open a glorious vista for the country.

Madame Chiang asked a very pertinent question: "Could anyone with a modicum of intelligence ever honestly think that establishing formal relation with a repressive regime can mean that the Chinese people on the mainland will turn instantly from being 'enemies' of the United States into 'friends' of the United States?" That this is impossible has been proven by the fact that today the Chinese Communists still classify the United States as their Enemy No. 1.

Indeed, as Madame Chiang has so wisely said, there is no such thing as instant friendship as instant coffee. Nixon's dream of friendship with the Chinese Communists has certainly not been realized as evidenced by David Bruce's frustration in Peiping.

The Chinese people are indeed real friends of the American people. Refugees from the mainland have told us that the mainlanders are bitter toward the establishment of closer relations between the United States and the Peiping regime because they consider it as putting the stamp of approval on their enslavement.

There is an urgent need to reexamine the present relations between the United States and the Chinese people as a whole. It is high time for the United States to distinguish between friends and foes and not to mistake foes for friends. The United States should realize that the Chinese people of the Republic of China are its true allies and friends and that Nixon's wishful thinking in hoping for the promotion of U.S.-Peiping friendship should never be respected in the future.

MIDPARK HIGH SCHOOL'S SURVEY OF HAZARDOUS TOYS

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MINSHALL of Ohio. Mr Speaker, students of Midpark High School, Middleburg Heights, Ohio, recently made two highly interesting and potentially valuable surveys. As a project for their home economics and child development classes, they conducted neighborhood interviews to determine what parents think of toys now on the market and to obtain their ideas for better and safer playthings. Approximately 80 percent of the families interviewed reported accidents involving toys and children.

Steven J. Chorvat, chief of the Bureau of Neighborhood Conservation and Environmental Health Services of the Cleveland Department of Health, was consultant for the project. I would like to join him in congratulating both students and teachers on their work, results of which are to be sent to the U.S. Consumer Product Safety Commission.

Under leave to revise and extend my remarks, I would like to include the following in the Record:

Midpark Students Lauded for Unsafe Toy Survey

Home economics and child development classes at Midpark High School have been commended by Steven J. Chorvat, chief of the Bureau of Neighborhood Conservation and Environmental Health Services of the Cleveland Department of Health, for their participation in a "safe and hazardous toy" program.

The U.S. Consumer Product Safety Commission estimates there are 700,000 injuries from unsafe toys every year in the U.S.

Students made two surveys in their neighborhoods during the school year to determine what parents thought of available toys, and to elicit their ideas and suggestions for better and safer toys.

As a result of the survey, parents and students came up with many such suggestions for stores, toy manufacturers, the U.S. government Consumer Product Safety Commission, and local authorities to follow for better and safer toys to protect children.

Teachers involved in the program included Carol Templeton, Carol Pickering, Carol Barnes, Kit Emch and Jan Flowers.

The Environmental Health Services of the Cleveland Department of Health cooperated with teachers and students in helping to plan the program and compiling data from the neighborhood surveys.

Programs on safe and hazardous toys are also presented through local libraries.

[From the Plain Dealer (Cleveland), Mar. 21, 1974]

Pupils' Survey Turns Up 1,088 Injuries From Toys

(By Thomas H. Gaumer)

A new toy does not necessarily bring happiness, according to Middleburg Heights residents.

In fact, a new toy often causes unhappiness and even bitterness, pupils at Midpark High School learned from a survey of 841 residents. Most of the residents complained of toys breaking and children being injured, sometimes seriously, by new toys.

Using a form designed by the Cleveland Department of Health, six home economics classes conducted the survey. Their results were compiled by Steven J. Chorvat, the health department's chief of neighborhood conservation.

The classes recorded 1,088 instances where children were injured by toys. Some parents said they have concluded that the way to avoid the problem is to make toys instead of buying them.

The survey showed that most toy injuries were cuts, bruises, burns and shocks. Among the 814 respondents, injuries mentioned included 53 children with broken bones, 56 who choked from swallowing small objects, one child who lost an eye, another who lost a finger and three who were poisoned. One boy lost his hearing for three months because of a cap gun.

The long list of toys that caused injuries included bicycles, electrical and chemical toys, guns that shoot objects, metal doll houses and other metal toys, exposed screws and nails and wires in stuffed toys.

A large majority of those surveyed also said that some toys began to fall apart within days or weeks of purchase. They also said that toys are not as well made as they were a few years ago.

Among suggestions from the respondents for making toys safer were:

Don't take advertisements for gospel. They are designed to sell.

Manufacturers should tag toys warning of dangers.

Remove false advertising from television. Children see the advertisements and demand the toys.

Warn friends and neighbors about unsafe toys.

Put yourself in the child's place when buying toys. Ask yourself if he could break the toy and what kind of injury it could cause.

Stores should watch closely the toys they buy.

Miss Kit Emch, one of three home economics teachers whose pupils participated, said each youngster was given 10 questionnaires and asked to have them filled by friends, neighbors and by going door-to-door.

CONGRESSIONAL INTEGRITY

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HINSHAW. Mr. Speaker, I have recently sent letters to Senator Lee Metcalf in his capacity as chairman of the Joint Committee on Congressional Operations, and to Representative Jack Brooks as vice chairman of that committee. These letters were in regard to the recent unauthorized release of personnel employment requests by the Office of Placement and Office Management.

I believe this is a matter that all Members of Congress should be concerned with. Therefore, I would like to share with you the content of these letters:

Dear Senator Metcalf: For your information, I have attached a copy of a letter which I have sent to Mr. Jerry Snow, Administrative Officer of the Office of Placement and Office Management.

We have recently witnessed the ease with which some unknown persons have compromised the integrity of the Congressional Record by inserting material falsely attributed to some House Members, specifically Earl Landgrebe and John Ashbrook. We have now seen the unauthorized release of personnel employment requests to the embarrassment and the detriment of the individual Congressmen's offices involved.

As a result of a discussion with Representative Al Johnson yesterday, I gather that this disclosure may have been made by a summer intern who stole copies of these records and sold them to a reporter.

Whatever the cause of the unauthorized release it would seem to me that the Office of Placement and Office Management should consider the approach that I have voluntarily chosen to take.

One can only speculate as to why erroneous material may have been inserted in the Congressional Record. Also, one can only speculate as to why personnel employment requests were released without authorization. Whatever the reason, the ease with which these two unfortunate events occurred would indicate that a change in procedure is in order if we are to prevent similar occurrences in the future—and from being enlarged into political dirty tricks to the detriment of the integrity of Congressional honor.

Dear Mr. Snow: In view of the articles contained in the Washington Post and in the Washington Star-News of the past few days pertaining to allegations of discriminatory hiring practices, please advise your staff that any requests from my office should not be honored nor any file maintained unless you receive a letter signed by me.

This procedure should protect both our offices from the unauthorized release of employment requests.

I would think that you should encourage a similar procedure from other offices so as to prevent the occurrence of unauthorized releases of your files in the future.

FARM SUPPLY PRICES 1974

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MURTHA. Mr. Speaker, inflation has hit many groups over the past few months. In some cases the evidence is at the supermarket check-out counter; for other people it means less money in their savings account; for others it means less extra money to spend on marginal items.

But few groups have been as hard hit as farmers. And in few other areas do the figures show so well how inflation has affected their daily lives.

I was at a congressional workshop in Indiana, Pa., last week, Mr. Speaker, at which County Commissioner Jay Dilts and Mr. Joe George, an Indiana County farmer presented me with a list of items that graphically demonstrate how inflation has affected the independent Pennsylvania dairy farmer.

Here, Mr. Speaker, is a list of comparative prices for farm supplies between August 1973 and August of this year.

	August 1973	August 1974
33 percent topper (ton)	$95.00	$184.00
Hog feed (100 lb)	8.95	9.50
55 percent beefmix (100 lb)	8.25	9.40
10-20-20 (ton)	99.00	190.00
15-15-15 (ton)	95.00	181.00
10-10-10 (ton)	78.00	140.00
Balor twine (bale)	8.95	24.95
Smooth wire (coil)	9.95	21.95
Barbed wire (roll)	19.19	27.99
Lime (pulverized) (ton)	9.50	10.50
Hi mag. lime (ton)	11.50	12.50
Iodophor (gallon)	4.15	5.25
Pipeline cleaner (20 lb)	9.30	11.95
Diesel fuel (gallon)	.17	.38

At the same time, Mr. Speaker, that these prices have risen so sharply, a quart of milk that the farmer produces today returns 16 cents while it returned 19 cents a year ago.

Over the next weeks as we work to develop an economic policy that will finally halt the growth of inflation, these figures leave no doubt that part of our concern must be directed to the farmer and his economic difficulties.

We all benefit from a strong farm community, and we will all benefit from an economic policy that helps make these farms strong. I greatly thank Mr. Dilts and Mr. George for providing me with these figures. They were a great help to me, and I know they dramatize this issue for all the Members of the House.

ROCKDALE PLANS HOMECOMING

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. O'BRIEN. Mr. Speaker, Rockdale, Ill., a village of 2,085 residents in Will County, is planning its ninth annual homecoming for Labor Day weekend.

This gala event is a popular one in towns throughout Illinois and marks one of the high points of the summer for residents. It is a time for old and new residents to get reacquainted and make new friends. It also serves the dual purpose of enabling towns to raise money for worthwhile civic projects.

But above all, it is a time for tracing the roots of the town's heritage. The Rockdale homecoming is no exception.

One subject that always comes up at this time is the Mound. It was the Mound that made Rockdale stand out from other towns and it was the Mound that drew industry to the village.

When the last great glacier passed through the region around 500 to 600 B.C., it left behind a huge clay mound that towered over 60 feet into the air. According to historians, medicine was actually practiced for the first time in the State at this site.

Later on, the Joliet Drain and Tile Co. opened a plant there to make use of the fine potters' clay it contained. The town was first chartered by an employee of that company.

By the 1870's, pioneer farmers had settled in Rockdale and the Rock Island Railroad had run a line through town, linking it to important markets.

Rockdale was officially incorporated as a village on January 17, 1903. The Mound is gone now—Larkin Avenue runs past the site where it stood—but Rockdale continues to be a 20th century town with 19th century charm. Its people are friendly and hard-working, but they also know how to have a good old-fashioned celebration. There homecomings have clearly demonstrated this fact time and again.

The 4-day event planned for this year promises to top all others. A major activity is planned for each day and there will be something for everyone, from tots to grandpops.

Knowing that everyone loves a parade, Rockdale has planned not one but two. Village children will stage a "Kids' Parade" and a grand parade will feature all the trappings: ornate floats, beautiful belles to delight girlwatchers, and rousing music played by no less than 11 bands.

In addition, a carnival is coming to town complete with cotton candy, hair-raising rides and the inevitable games of skill for sporting folk. There is even a chance that local firemen will demonstrate the latest firefighting techniques.

The proceeds from the event are targeted toward community projects, Previously, thanks to the homecoming revenues, Rockdale has been able to purchase such vital equipment as a new fire engine and an ambulance.

I am sure that thanks to the citizens of Rockdale, this year's celebration will be a great success and I want to take this opportunity to congratulate all the people who have worked so hard to make this event a reality.

REPRESENTATIVE ABDNOR EULOGIZES THE LATE HONORABLE KARL E. MUNDT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ABDNOR. Mr. Speaker, this past weekend South Dakota and the United States lost one of its great legislative leaders in the death of former U.S. Senator Karl E. Mundt. Beginning a career in Government in these Halls in 1938, he served here 10 years, then was elected to the other body where he conducted his office with great distinction until felled by a stroke. Today he is being buried in his hometown of Madison, S. Dak.

Karl Mundt dedicated himself to people as a school teacher in Bryant, S. Dak., continuing his career at General Beadle State Teachers College in Madison where he established his permanent home. In addition to helping found the National Forensic League, he was an ardent sportsman and conservationist, and served not only on South Dakota's Game and Fish Commission, but as a State and National officer of the Izaak Walton League.

After coming to Congress he began a fight against communism and for the preservation of American freedom that was to last the rest of his life. He was deeply concerned about the grave threats to our American system of government and dedicated his tenure to its staunch defense.

The legislation establishing the Voice of America bears his name. So does one of the first bills curtailing and combatting communism—the Mundt-Nixon measure which became the foundation of the internal security law. Other Mundt legislation created UNESCO, amended the Soil Bank program to provide for conservation reserves, provided for cultural exchange and overseas information programs, and pioneered the protection of our endangered wildlife species.

He gained nationwide prominence as acting chairman of the House Un-American Activities Committee investigating Alger Hiss, during which Whitaker Chambers presented what Mundt dubbed the "Pumpkin Papers." These hearings were but a prelude to his later work in the Senate as acting chairman of the Army-McCarthy hearings when television was in its early days.

One of his lasting legacies is the Earth resources observation system—EROS—Data Center in Sioux Falls, S. Dak., which processes and disseminates photographs and other data relating to the land areas of the Earth obtained by sat-land areas of the Earth obtained by satellite. The foresight of this center will be recognized in future generations, if only for the agricultural data it will obtain for a hungry world.

Part of his vision in preserving our American way of life was communicating it to other nations, not only through the Voice of America, but also through direct communications with our friends. He was a staunch advocate of and participant in the North Atlantic Treaty Organization's association of parliamentarians. Even more important was his early stress on the necessity to curtail nuclear weapons through international agreements as one of the cornerstones for building peace in the world.

A premier orator in the Halls of Congress known for its declamation, both as Congressman and as Senator, Karl Mundt attained great distinction, not only in his own right, but for the State of South Dakota which he served long and well. Although his fine career was cut short by a tragic stroke, his ability, his dedication, his statesmanship, and his leadership will long be remembered as exemplary in the field of government and politics.

The obituaries follow:

[From the Washington Post, Aug. 17, 1974]

FORMER U.S. SENATOR KARL MUNDT, REPUBLICAN OF SOUTH DAKOTA, DIES

(By Edward A. O'Neill)

Karl Earl Mundt, 74, who came out of the corn-and-hog prairie of South Dakota where he had been a teacher of speech to become one of the most vocal congressional critics of communism, both foreign and domestic, died yesterday at Georgetown University Hospital.

The cause of death was given as cardio-respiratory arrest. Sen. Mundt had entered the hospital Monday.

Sen. Mundt, who served in the House and the Senate for a total of 34 years, was as familiar to television viewers in 1954 as Sen. Sam Ervin was during the Watergate hearings, presiding over the Army-McCarthy hearings that presaged the fulminating Wisconsin senator's downfall.

Sen. Mundt ran the hearings after Sen. Joseph McCarthy stepped down during the dispute over charges that the Army had been pressured to give preferential treatment to draftee Pvt. C. David Schine, who had been an unpaid consultant on McCarthy's staff.

The Army-McCarthy hearings, however, did not mark Sen. Mundt's first appearance in the spotlight. He was acting chairman of the House Un-American Activities Committee in 1948 when it conducted investigations into alleged Communist infiltration into the State Department and other government agencies.

The investigation resulted in the indictment of Alger Hiss for perjury and also brought Rep. Richard M. Nixon, then a freshman Congressman, onto the national scene. Sen. Mundt, who was something of a wordsmith, was credited for coining the label "Pumpkin Papers" for records key witness Whitaker Chambers had hidden in a pumpkin at his farm near Westminster, Md.

Sen. Mundt was a firm supporter of Sen. McCarthy, fought against the censure resolution the Senate adopted in 1954 against his colleague, and worked closely with him until Sen. McCarthy's death in 1957.

Although Sen. Mundt's activities during the McCarthy period were the most publicized, he had other, broader accomplishments on his legislative record.

With the late Sen. H. Alexander Smith (R-N.J.), he sponsored legislation that gave formal status to the Voice of America and authorized U.S. information and cultural activities abroad, activities now conducted by the U.S. information Agency.

He was an ardent conservationist, who as long ago as 1942 tried to get legislation to stop pollution of rivers and streams and later to protect wetlands in various parts of the Patuxent National Wild Life Center.

Sen. Mundt was a typical Midwest Republican of the old school, whose voting record usually stood high with the conservative Americans for Constitutional Action. His only shortcomings in ACA's eyes were his votes on farm legislation, which virtually all the time were in support of beneficial legislation for the farmer.

On November 23, 1969, Sen. Mundt suffered a severe stroke that affected his left side and grievously impeded his speech, a harsh blow to a man who prided himself on his ability as a public speaker and held membership card No. 1 in the National Forensic League.

Sen. Mundt spent a year in the Bethesda Naval Hospital before returning to his Capitol Hill home at 122 Schott's Court NE. He never again took his seat in the Senate.

In 1970, the Republican leadership in the Senate tried to get Sen. Mundt to resign so that a Republican could be appointed to replace him by the South Dakota governor. But the Senator's wife, Mary, stoutly resisted the pressure. Sen. Mundt served out his term, and was replaced in the 1972 election by James G. Abourezk, a Democrat.

Sen. Mundt's last formal action in the Senate was to provide Minority Leader Hugh Scott (R., Pa.) in October, 1971, with a proxy letter signed in shaky handwriting that Scott used several times.

Karl Mundt was born in Humboldt, S.D., a small farming community in the southeastern corner of the state near Sioux Falls, on June 3, 1900. His father, Ferdinand, who had a hardware store, had come there from Iowa in the days when the state was a part of the Dakota Territory. (South Dakota became a state in 1889.) Sen. Mundt grew up on the prairies and learned to hunt and fish, diversions he was to follow enthusiastically until he became ill at 69.

He attended Carleton College in Northfield, Minn., where he got an A.B. degree in 1923. After graduation he taught speech and social science in the Bryant, S.D., high school and was later the town's school superintendent. He got a master of arts degree from Columbia University in 1927.

From 1927 to 1936, Sen. Mundt was chairman of the speech department and an instructor in social sciences at General Beadle State Teachers College at Madison, S.D. On his birthday in 1969, President Nixon dedicated the Karl and Mary Mundt Library at the institution, now Dakota State College. It was the President's first appearance on a campus after a long period of student unrest.

Sen. Mundt, besides teaching, was engaged in a loan and investment business with his father in Madison. During this period, he also got his first political job, being appointed to the state Fish and Game Commission. In 1938 he ran for the U.S. House of Representatives and was elected.

In those pre-World War II days, Sen. Mundt was a strict isolationist. During his second House term he was made a member of the Foreign Affairs Committee on which his votes and his comments were invariably against U.S. involvement. He voted against Lend-Lease, extension of the Reciprocal Trade Agreement, and, like most Republicans of that day, the extension of the Selective Service Act which passed by one vote.

With the entry of the United States into the war after Pearl Harbor, Sen. Mundt began recognizing the international responsibilities of the country and was active in getting legislation passed in 1944 in support of the United National Relief and Rehabilitation Administration and sponsored a resolution that committed the United States to membership in the United Nations Economic and Social Council, an organization whose activities in later years he sometimes criticized.

Sen. Mundt's first brush with the Communist world came in 1945 when he led a four-member subcommittee of the Foreign Affairs Committee to Moscow, Warsaw, Prague, and Belgrade, a group that returned highly critical of the Soviet Union. He already was a member of the special House Committee on Un-American Activities, then headed by Rep. Martin Dies (D-Tex.) and had led the successful move to make the committee a permanent one.

His domestic anti-Communist activities began in 1948 when with Nixon, a fellow member of the Un-American Activities Committee, he set out to curb American members of the party.

He and Nixon introduced a bill that, among other provisions, required the registration of members of the Communist Party, USA. It passed the House 319–58, but was delayed in the Senate and had not come out of committee there when Congress adjourned. Portions of the bill, but not the registration section, were incorporated in the Internal Security Act of 1950, passed over President Harry S. Truman's veto.

When Rep. J. Parnell Thoms (R–N.J.) ran into trouble over his involvement in dubious World War II contracts, then Rep. Mundt took over as acting chairman of HUAC. In the summer of 1948, the Committee began an investigation of so-called Communist infiltration into the federal government. It uncovered little such infiltration until the appearance of Whittaker Chambers, a former senior editor of Time magazine, who said he was a former Communist. Chambers confronted Alger Hiss, president of the Carnegie Foundation and former high State Department official, accusing him of passing secret information to the Soviets.

Chairman Mundt and other senior members of the Committee at first were loath to accept Chambers' testimony but Rep. Nixon persisted in pushing the case—the first of his "Six Crises" he later wrote about—and Hiss subsequently was convicted of perjury before the Committee.

In 1948, Sen. Harlan Bushfield, a Republican, who then represented South Dakota, decided not to run and Sen. Mundt easily won the Republican nomination and the subsequent election. He was re-elected for three succeeding terms, and on his departure from the Senate was the third ranking Republican in that body.

In the Senate, Mr. Mundt soon resumed his anti-Communist crusade as a member of the Permanent Investigating Subcommittee, chaired by Wisconsin's Senator McCarthy.

During the bizarre period of Sen. McCarthy's investigations, Sen. Mundt was largely in the chairman's shadow. But when the Army and the Eisenhower administration put their backs up in the matter of Pvt. Schine, Sen. Mundt found himself in the chairman's seat when Sen. McCarthy stepped down to become a prosecuting witness.

In his opposition to the McCarty censure resolution, Sen. Mundt said it would mean "every Communist at home and abroad will put out all the stops in misrepresenting our action as being a retreat in the fight against communism." He was during this period the only senator to attend a mass meeting in Constitution Hall of people opposing censure.

Sen. Mundt did not retreat in his own personal fight. On the Foreign Relations Committee, he opposed the consular treaty with the U.S.S.R., sale of surplus grain to Communist countries, vigorously supported U.S. involvement in Vietnam and spoke out loudly and vigorously against any thawing of the cold war.

In 1968, his last full year in the Senate, Sen. Mundt got a 95 per cent rating from the Americans for Constitutional Action.

There was another side to Sen. Mundt, bred and developed in his home country of South Dakota. He was an enthusiastic hunter of game birds and a fisherman of the top grade (he was at one time national vice president of the Izaak Walton League) but a preservationist as well. He kept constant pressure on the Department of the Interior to get better protection of endangered species of wildlife and is credited with the actions that seem to have saved the whooping crane. In 1969, he was awarded the first gold medal of the World Wildlife Fund for his conservation efforts.

Sen. and Mrs. Mundt were married in 1927 and had no children. He was an only son as was his father. Two sisters predeceased him.

The senator's body will be at Lee's Funeral Home here through Sunday. It will be taken Monday to Madison for burial Tuesday.

[From the Washington Star, Aug. 17, 1974]

KARL MUNDT DIES AT AGE 74, SERVED 34 YEARS IN CONGRESS

(By Richard Slusser)

Karl E. Mundt, 74, the conservative South Dakota Republican senator who was felled by a stroke during his fourth term and did not seek re-election in 1972, died yesterday in Georgetown University Hospital of chest congestion.

Mundt, who entered the hospital Monday, had suffered several strokes. After the first, in 1969, he was unable to return to the Hill, but remained in office while his wife, the former Mary E. Moses, insisted he would recover and even run for a fifth term.

After his illness, his staff ran the office here. Robert L. McCaughey, Mundt's administrative assistant for many years, watched over his interests in the Senate.

In 1970, there was some pressure in South Dakota for his resignation, but nothing came of it. In February of 1972, well before the state's filing deadline for candidates, Senate Republicans stripped him of his positions on three key committees.

He had been the ranking Republican on the Government Operations Committee and the second-ranking GOP member on the Foreign Relations and Appropriations committees. Before his 1948 election to the Senate, he served five terms in the House.

Mundt received high ratings for his votes on legislation favored by the National Association of Businessmen, the National Security Index of the American Security Council and Americans for Constitutional Action, and ratings of 50 and 55 percent in 1968 and 1969 by the National Farmers Union.

Mundt and former President Nixon—then members of the House—were co-authors of the Mundt-Nixon bill passed by the House in 1948. The bill became one of the five that made up the McCarran Internal Security Act of 1950.

In 1948 Mundt was acting chairman of the old House Un-American Activities Committee in the absence of Rep. J. Parnell Thomas, R-N.J., during hearings that brought out information of activities of Alger Hiss, who was eventually convicted on perjury charges.

Before World War II, Mundt was regarded as an isolationist, voting against extending the Reciprocal Trade Agreement Act and against the Selective Service Act.

Among other votes, he opposed Lend-Lease in 1941 (but supported the war effort after the attack on Pearl Harbor), and opposed the $4 million loan to Great Britain in 1946, but he supported the Truman Doctrine the following year. He also introduced the House resolution that called for U.S. membership in the United Nations Education, Scientific and Cultural Organization.

In 1954 Mundt served—reluctantly—as acting chairman of the Senate Investigating subcommittee that inquired into the feud between McCarthy, the committee chairman, and the Department of the Army.

The findings of Mundt's committee were handed to a special committee headed by Sen. Arthur V. Watkins, R-Utah. The Watkins committee's recommendations led to the Senate voting in 1954 to condemn McCarthy for failing to cooperate with a 1952 subcommittee investigating his personal finances and for abusing members of the Watkins committee, which had acted as a sort of grand jury in the censure action.

Mundt was one of 22 Republicans who voted against the Senate condemning McCarthy. Early in the investigations, Mundt said, "Joe (McCarthy) is one of the best friends I have in the Senate."

In 1962, Sen Mundt wrote of his first 25 years in Congress. He said the toughest assignment he ever received was the temporary chairmanship of the Army-McCarthy hearings. "Running that investigation and hearing on an impartial and objective basis meant that our committee couldn't please anyone. Emotions ran high, and so did prejudices. One day as many as 5,000 telegrams from across the nation hit my desk. Most of them were unhappy about something—either I was too hard on McCarthy or I was too pleasant to him. This experience made the tough spot of chairing the Hiss-Chambers episode seem easy by comparison."

But, he added, "I have found the public to be unfailingly fair once it is provided with the basic facts of an issue or problems."

Mundt was born in Humbold, S.D., the son of a hardware merchant who later owned a real estate and insurance business in Madison, S.D.

After receiving a B.A. degree from Carleton College in Minnesota, he taught high school speech and social science for a year before beginning three years as school superintendent in Bryant, S.D. During that time he completed studies for an M.A. degree at Columbia University in 1927.

Mundt next moved to Madison, where he was speech department chairman and social science instructor at Gen. Beadle State Teachers College (now South Dakota State College). From 1936 until 1958 he was secretary-treasurer of the Mundt Loan & Investment Co. in Madison.

A former member of the South Dakota Fish and Game Commission, Mundt was a state president and national vice president of the Izaak Walton League. He was a 32nd degree Mason.

Highly regarded as an orator, he was a cofounder of the National Forensic League and its president for more than 30 years. He also edited the leagues magazine, "The Rostrum."

He is survived by his wife. They had no children.

THE ANNIVERSARY OF SOVIET OCCUPATION OF CZECHOSLOVAKIA

HON. JOSEPH P. VIGORITO

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. VIGORITO. Mr. Speaker, today, the free world sadly commemorates the 6th anniversary of the Soviet-led invasion and occupation of the freedom-loving country of Czechoslovakia, a day which has been appropriately called the Soviet Day of Shame, August 21, 1968.

On that day 6 years ago, the Soviet Union violated the key principles of international law and rocked the very foundations of the United Nations Charter.

The continued Soviet occupation of Czechoslovakia even today is another violation against the right of a small country for self-determination and self-destiny.

That is why I join with the hundreds of thousands of Americans of Czech and Slovak descent and millions of freedom loving people throughout the world in supporting the people of Czechoslovakia in their effort to achieve the withdrawal of Soviet troops from Czechoslovakia.

BIBLE'S WISDOM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MURTHA. Mr. Speaker, I have been privileged to know Joseph Pencek for a number of years. He is a man of quiet strength that has been a great help to many people and an outstanding credit to the Johnstown community.

The source of some of Mr. Pencek's strength was revealed in a recent newspaper item. I would like to present that article to the House since I believe it is something all the Members, and all readers of this RECORD, can benefit from:

BIBLE'S WISDOM

(By Joseph Pencek)

JOHNSTOWN.—Recently a friend of mine was talking about his father. He said that years ago, when he was a youngster his dad called him into the study and said that he had a gift to give him. It was on the occasion of his 16th birthday.

His father reached into his desk and gave him a Bible. His father told him that the Bible was the greatest book ever written. The Bible was handed down to each first son, and this particular Bible was indeed an old one.

My friend said, "Joe, I've treasured that Bible all my life, and next week, it will go to my son who will be 16 years old."

That Bible has sustained him in time of need, worry and sickness, my friend said. My friend told me that his father died recently at a ripe old age, but before he died he spoke of how life had been good to him and how proud he was of his children, of how they respected their elders and led a good Christian life.

Now this person is entering that stage in life which we often call the early twilight years. As we spoke, he mentioned that all of his children had a Bible given to them, for he had six children; but he kept the custom of the sixteenth birthday. He was indeed a proud father.

As I left him and continued on my way, I started thinking of what Huxley said. "The Bible has been the Magna Charta of the people, especially the poor and the oppressed. Down to modern times no state has had a constitution in which the interests of the people are so largely taken into account. The Bible is the most democratic book in the world."

Yes, it is true; when you think about it, you marvel indeed at the wisdom of God. His wonders are right in front of you. And when you think about it further, you know that living and dying is part of a Divine Plan. And as one grows older and just a little bit wiser, one realizes that each of us is part of God's infinite wisdom. The Bible is a great source of Divine knowledge; it is indeed the greatest book of wisdom.

PENSION REFORM

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ROUSH. Mr. Speaker, every year one hears of thousands of employees who have lost pensions from businesses. Many of these people have given a great deal of time and effort to their companies. People lose their pensions for a variety of reasons. Businesses close and little money is left because of mismanaged pension funds or because of other reasons beyond employees' control.

Many have no pension because they have gone from one job to another. Job mobility has helped this along so that some people do not spend 25 years with one company and thus lose their pension for changing their jobs.

The 93d Congress has changed this and is today moving forward to accept the challenge of pension reform. After 3 years of vigilance, H.R. 2 has come before our Congress. I believe it goes a long way in correcting the present situation.

Some of the important provisions are as follows: First, no employer would be forced to offer a pension plan; however, if he did he would have to follow the Government prescribed standards. The bill would guarantee that each employee over the age of 24 with 1 year on the job be permitted to join.

Vesting is a guarantee that the worker has a right to his pension. There are three vesting options available to the employee. Full vesting at the end of 10 years service with no vesting until then. At least 25 percent vesting at the end of 5 years, increasing 5 percent in each of the next 5, and 10 percent in each of the next 5 years, so that an employee is fully vested in 15 years. At least 50 percent vesting when an employees' age and years of service reach 45 with 10 percent added in the next 5 years to full vesting. However, the conferees modified this to protect younger workers requiring that in no event would a worker who has been employed for more than 10 years be less than 50 percent vested and 100 percent vested after 15 years regardless of age.

The funding procedures would require the company to make annual minimum contributions to the funds. To cover the cost of pension plans in the past the companies would have 30 to 40 years depending on the time their plan went into effect.

If a company would go bankrupt or close, a special termination insurance system would go into effect to insure the pensioner of his money. Companies would pay premiums into this fund set at $1 per participant in single employer plans and 50 cents per participant in multiemployer plans.

If an employee changed his job the portability clause, which allows an employee to transfer his seniority and money accumulated from his first job to his second job, would be possible with the agreement of the present and former employer and the person involved.

Also, in the event of being self-employed and being under a Keogh plan this bill would raise the tax deductible amount of what an individual puts in his fund to 15 percent of his earned income not to exceed $7,500.

Companies would be allowed to use for part of their tax deductions only pensions of 75,000 or 100 percent of pay in highest paying 3 years of employment whichever is lesser. It also permits individuals not covered by qualified or Government pension plans to take a deduction of up to 15 percent of their earned income or $1,500 whichever is less.

Responsibility to administer these laws is set aside to different agencies. The termination insurance system is left to a new Pension Benefit Guaranty Corporation within the Department of Labor, while the other aspects are left to various segments of the Departments of Treasury and Labor.

THE SOVIET DAY OF SHAME

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MINSHALL. Mr. Speaker, although August 21 is known as the Soviet Day of Shame, this day also brings to mind the spring of freedom for the Czechoslovakian people. In February of 1968, Alexander Dubcek was elected as the Communist Party Chief and immediately started introducing reforms. The Soviet Union which had controlled Czechoslovakia since 1948 felt threatened by Dubcek's liberalization program and his popularity. Consequently, on August 21, 1968, Russian troops with their tanks and machine guns marched into Czechoslovakia.

Dubcek was himself a socialist, but he realized that any government must respect the traditions of the country. The traditions of the Czechoslovaks are rooted in freedom. Therefore, the abolishment of literary and press censorship, the release of victims from the Stalinist terror trials, the lifting of travel and trade restrictions with the West, the allowance of labor strikes and the easing of religious restraints were welcomed enthusiastically by the people during the 7½ months of Dubcek's leadership and not easily relinquished when Russia displayed her military might.

Brief as the period was, it still renewed the fire of freedom that burns steadfastly in the hearts of the Czechoslovakian people. Their valiant effort to regain their human rights is an inspiration to us. However, the memory of that day in August also brings an embarrassed recognition of the fact that the free world has yet to enforce the United Nations Charter.

In 1970, I gave my full support to House Resolution 718 condemning the Soviet Union's action. Today I renew my support for the people of Czechoslovakia in their efforts to expel the Soviet troops from their land.

DAYLIGHT SAVING TIME AMENDMENT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, I could not due to illness be in the Chamber on Monday. However, I support H.R. 16102 to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 by exempting the four winter months of November through February from year-round daylight time. I introduced an identical bill, H.R. 16450 on Thursday, August 15.

Like most of my colleagues, I received a large volume of mail from my constituents last winter, mostly from concerned parents, complaining of the year-round daylight time Federal law and the inconvenience and dangers it posed during early morning hours of darkness. As a parent myself with school-age children who ordinarily walked to school, I shared and sympathized with the concerns of these troubled parents. Not only were the risks to schoolchildren apparent to me, but the early morning darkness also seemed to carry with it adverse psychological effects. Having to get out of bed and start the morning routine in what seemed like the middle of the night was difficult to adjust to. "Daylight drag" was almost as depleting as "jet lag" during these dark winter mornings. Nevertheless, like other patriotic Americans during the energy crisis, I was willing to bear my share of inconvenience and sacrifice, and I accordingly advised my constituents to give it a chance while we studied the actual fuel savings which might be derived from this system.

I was therefore relieved and heartened when our energy experts came to the Hill last week to recommend a modification in this 2-year experiment which began last January, namely that we return to standard time during the winter months of November through February. The testimony of two Federal Energy Administration officials was based on a Department of Transportation study of the daylight time experiment released on June 28 of this year.

It should be noted that the bill before us today would modify and not repeal the year-round daylight saving time experiment. I agree with our Federal energy experts that it is important to continue the experiment in modified form. While we are not now confronted with an energy crisis of the same magnitude as last winter, we still have a serious energy problem, and our energy conservation efforts must continue. It is estimated that the daylight saving time experiment resulted in a 1 percent reduction in electrical consumption. That translates in a savings of about 14,500 barrels of oil a day, 106 million cubic feet of gas, 9,650 tons of coal, and 24,000 barrels equivalent of nuclear and hydro power. From a conservation standpoint, total savings amount to 100,000 barrels per day.

Even under the exemption of this bill, substantial energy savings will still be realized. April and March offer the potential of larger energy savings of electricity and will partially offset increases in gasoline consumption compared to the winter months. Retaining April and March under the daylight time system will provide a continuing working model of the energy saving potential of YRDST. As FEA's acting assistant administrator, Roger W. Sant, has testified:

> We feel it is important to extend the experiment, for only by doing so, will we be able to thoroughly evaluate the impact of the year round DST in the overall energy picture.

I am pleased, Mr. Speaker, that there is a consensus of agreement on this compromise which will enable us to continue the experiment, realize continued energy savings, and at the same time, eliminate the most objectionable aspects of the experiment. I urge adoption of this bill.

VOTERS REGISTRATION

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HUNGATE. Mr. Speaker, Americans will soon have the opportunity to participate actively in the course of their country's future by going to the polls on election day. By voting for those individuals who truly uphold the public trust, the American people are able to keep the reins of government in their hands, just as the Founding Fathers had intended. Free elections are the trademark of popular government—a government where the people rule through their elected representatives.

However, in order to participate in November's elections, it is necessary that every eligible voter register. This is the first step in taking part in the democratic electoral process.

All voters should take care to learn the deadline for registration. The voter registration deadline in Missouri is October 9. I hope the citizens of our "show me" State will show all America that Missourians care about their government and have an active interest in its operation. I urge all Americans, especially those in Missouri, who have not registered, to do so now. We should all remind members of our family, our neighbors, and our friends to register by the deadline and vote on Tuesday, November 5. Whether Democrat, Republican, or Independent, whatever your political belief, remember that the franchise is a hard-won right and if we are to keep it, we must use it.

IN SUPPORT OF H.R. 11242

HON. ROBERT B. (BOB) MATHIAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MATHIAS of California. Mr. Speaker, in just 2 short years the Olympic Games will be held in Montreal, Canada. Many of us here in Congress have been cognizant of the fact that adequate steps must be taken to assure that the United States sends the best teams possible to these Olympic Games. Several ideas on how to best accomplish this are in various stages of the legislative process at this time.

I have had the great honor of representing my country twice in the Olympics, and I feel that I have some knowledge of what would be the best approach to take in accomplishing the task of selecting our best men and women for the games in Montreal. My bill, H.R. 11242, has wide support from practically all of the sports organizing bodies. The latest expression of support comes from the Central California Association of the Amateur Athletic Union. Their resolution, endorsing my bill, is included in the accompanying letter from Mr. S. B. "Si" Tyler, secretary-treasurer of the CCA-AAU:

AUGUST 14, 1974.

Hon. BOB MATHIAS,
U.S. Congressman, Longworth House Office Building, Washington, D.C.

DEAR BOB: Last night, August 13, the regular quarterly meeting of the Central California Association of the Amateur Athletic Union was held, and was well attended by the Board of Managers, representing sixty-two clubs who sponsor most of the amateur sports under the Olympic movement.

These people serving on the Board of Managers represent more than one thousand adults who are volunteers giving of their time and talents to promote amateur sports here in the San Joaquin Valley.

During the meeting a lengthy discussion was held with reference to the legislation covering amateur sports now being considered by the Congress of the United States. It was brought out that some of the legislation being considered would put amateur sports under government control. Bob, we do not need this. What we need is a committee that understands and knows what the meaning of amateur competition is, and that this committee be given the power to act in the settlement of differences between organizations sponsoring amateur sports.

The Bill you are sponsoring, H.R. 11242, was discussed at length, and the Board unanimously passed the following resolution:

"Be it resolved that the Board of Managers and the people they represent, within the Central California Association of the Amateur Athletic Union, do endorse the Amateur Athletes Bill of Rights known as H.R. 11242, and ask the Judiciary Committee to act favorably on it."

Sincerely,

S. B. "SI" TYLER,
Secretary-Treasurer.

JOHN EXTER TALK TO THE REPUBLICAN STEERING COMMITTEE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. SYMMS. Mr. Speaker, on June 19, 1974, the distinguished economist, John Exter, addressed a dinner meeting of the House and Senate Republican Steering Committees. Mr. Exter is a former director of the First City Bank in New York and a former Governor of the Federal Reserve Board. He is now a private consultant. For the benefit of my colleagues who are concerned about our monetary crisis, I will read into the RECORD the text of Mr. Exter's speech. Following is part two; part one appeared in yesterday's RECORD; part three will appear in tomorrow's RECORD:

JOHN EXTER TALK TO THE REPUBLICAN STEERING COMMITTEE

Let me tell you of others who have not awakened, for example, all those who hold deposits in banks, or savings banks, or savings and loans. Just to show you what foolish Peters they are, let us suppose they are earning 6% or 7% on those deposits—and many earn less, in fact, nothing on demand deposits—the rate of inflation is 11% or 12%, and they have to pay taxes on the interest income. So they are falling behind steadily, every single day. Almost any IOU you buy today causes you to fall behind and lose out in the race. In other words, we are all losing our incentive to work for money that depreciates day by day in the market place and whose rate of interest does not even compensate for its loss of value in the market place. The people who have so far awakened in the system are only a tiny fraction of 1%.

Now what do you do when you awaken? You get out of paper and go for gold, the supreme store-of-value commodity money. Just think how few people have gone for gold. I thought a lot of foreign central bankers would go for gold, particularly after Nixon closed the gold window and more particularly after the two-tier system was ended last November, so there was no longer an official tier. To my surprise only a couple of small central banks have gone for gold. The big ones, intimidated by one another and especially by the United States, have been sitting on their dollars and watching them fall, fall, fall in value against gold. Yet they have not bought gold.

As I have already said, the oil producers have not yet awakened. They continue to pile up dollars. But they are very reluctant Peters. They are putting their dollars for the most part into the Eurodollar market at call. I have just been to London and found that enormous amounts, billions of them, are in that market on 48 hours notice. In my view they are going to do otherwise before too long. They are going to wake up and start to buy gold.

How do we get out of this dilemma? We are living in a world in which in every currency there is a burden of debt that cannot be paid. It would not be so bad if all debtors had gone into debt at the same rate. But they have not.

In every currency there are liquid debtors and the most liquid debtors are those who hold only gold, and have no indebtedness. The least liquid are those who have borrowed short and lent or invested long. Take our savings and loans. Savings and loans are required by law to borrow short and lend long at fixed interest rates, for the most part in mortgages. As short term interest rates rise, they become very vulnerable. But so do savings banks, and even commercial banks. There is an enormous amount of this borrowing short and lending long in the dollar. A particularly difficult problem is that an enormous number of people and firms and even governments have borrowed short and lent or invested long in foreign currencies across these floating exchange rates. In other words people have borrowed dollars by the billions and bought sterling, lira, yen, Deutschemarks, French francs, Swiss francs or what have you. So they now have dollar liabilities and foreign currency assets. To meet those liabilities they would have to sell foreign currencies for dollars in a foreign exchange market in which the rate for the foreign currency may not be floating, but sinking. These are just some of the illiquid debtors in the system.

We now have a sizable debt burden in all currencies, some part of which cannot possibly be paid out of rising production and productivity. Some part of this burden of debt must be liquidated before we can get back to any kind of monetary stability. But the central banks of the world do not want debt liquidation; it is too painful. So they go on creating more debt all the time. They themselves become the Peters from whom the illiquid debtors borrow to pay the Pauls. We have seen it recently. Franklin National Bank could not pay its debts so the Federal Reserve stepped in and lent heavily to it to keep its doors open. The Fed prevented debt liquidation from taking place. If it happened to another bank, especially a bigger one, the Fed would do it again.

Question. John could I interrupt and ask you one question. How can Chairman Burns say that he is talking about a tight money policy when he puts out a billion to the Franklin National Bank? Did that billion just come out of thin air?

NOTE. Another discussion with several people talking.

I was making the point that the Federal Reserve is locked into an expansionism it dares not stop. Arthur Burns dares not let these failures happen, so he is forced to go on expanding his own liabilities, his own IOUs, mostly by buying the IOUs of the government, and this keeps the whole system expanding at a more and more rapid rate. The expansion must accelerate all the time. So do not think the Fed can slow inflation down. It cannot. Inflation begins to have a life of its own. It must go on in order to avoid a collapse. All authorities get caught up in it, so all central banks of the world are now locked into this expansionism that they dare not stop. You may be sure they will keep it up as long as they can. Some of them will succeed. If they do, they will produce hyper-inflation in those currencies. In other words their IOU-nothings will ultimately become worth nothing as they say they are, "not worth a continental", and then all debt denominated in those currencies will become worth nothing, too. They then liquidate all debt in those currencies and start over again.

We have seen this happen. The first time in modern history was when John Law went to Paris just after Louis the XIV died. Our history books call it the Mississippi River Bubble. It happened in our own country with the continental dollar during and after the Revolutionary War. Then it happened again in France when the assignats became worthless at the beginning of the French Revolution. Twice within my lifetime I have seen the mark become worthless. All of us can remember when De Gaulle slashed two zeros off the French franc after he took office and I was in Brazil in 1967 just after they had slashed three zeros off the Brazilian cruzeiro.

A country either starts over again with a new currency or slashes zeros off the old.

I forecast many more hyperinflations in the years immediately to come. Of the major currencies I should say that the Japanese yen is furthest along that route.

Question. What kind of time frame are you talking about?

Answer. I am talking about, say, the next four or five years.

It is harder to produce hyperinflation in some currencies than in others, and it is hardest in any currency in which there has been a very large amount of borrowing short and lending and investing long, or borrowing short and investing in other currencies. The largest amount has been in the dollar. So it is going to be harder for Arthur Burns and the Fed to produce hyperinflation in the dollar than it will be for any other central bank. If you look at the problem internationally, as I do with my open economy model, the dollar has been sold short on an enormous scale. People in the market places of the world have borrowed tens and tens of billions of dollars and used those dollars to buy foreign currencies. They now sit with dollar liabilities on which the rate of interest is rising and foreign currency assets on which they probably have sizable paper profits. Once those paper profits are threatened and begin to erode as happened with the yen, they start to get out. In the case of the yen they left it and tried to get back into dollars to pay off their dollar liabilities. So the yen fell in foreign exchange markets.

I am going to make another forecast for you: the dollar is going to become very strong in this floating exchange rate world. Again, the time frame I have in mind is the next one, two, three years. The dollar will become the strongest of all paper currencies. I see other currencies weakening in a kind of domino fashion; the lira first (it has already weakened), the yen, sterling, the French franc, and so on. The next dominoes could be the Deutschemark, the Swiss franc, the guilder, the Belgian franc, and so on. I see the dollar becoming strong against every currency that I can think of, but not against gold.

This means the world is in a severe liquidity squeeze. Illiquid debtors are being squeezed in all currencies, but there are more in dollars than in any other, so the squeeze will be most severe in the dollar. I will forecast again that in the dollar this inflation may turn into deflation for a while. Arthur Burns and the Fed will not be able to keep all the illiquid debtors in dollars alive, so we will have widespread failures and defaults, in other words, deep debt liquidation of the 1929–'33 kind.

Now, I come to what you can do about it.

You cannot do very much, I am sorry to say. The debt is there and we live in a world that requires debt to be paid. No one can come along and wave a magic wand and get rid of it without hurting creditors. They must get hurt. In other words it is the Peters who will get hurt in all of this. So you personally should not be a Peter. You, too, may get hurt.

The best overall approach for government would be to free the economy as much as possible. For example, let people hold gold. I particularly hope the Congress will act to let Americans hold gold before the Arabs and other oil producers start to buy it, before they wake up because, once they do, they have such enormous buying power, so many dollars, that they would drive the gold price up and we Americans, if the Congress is too slow, will not be able to get much of it.

Apart from that almost everything that I would suggest doing is simply politically impossible. For instance, you ought to tell Arthur Burns to stop creating money. This would, of course, produce an enormous number of failures and defaults and unemployment but it would get the debt liquidation over quickly and save the dollar as a currency. In general, government and Fed intervention will simply prolong the agony and pain, and when I try to visualize the number of years of pain and agony ahead, it is hard to over-emphasize the enormity of the problem. I come to you to try to give you the problem as I see it. It is a bigger problem than most people think it is. There is no easy way out, no panacea.

We must live through it. I tell my children: I am old enough to have lived through World War I, the Great Depression, World War II, the Korean War, the Vietnam War. You must live through something, too. We shall live through it, but it will be tough for all those around the world caught up in the consequences of the breakdown of debtor-creditor relationships.

Question. What happened when the mark completely failed? What trials did they go through?

Answer. Well, they had a depression, a large amount of unemployment. Many factories closed or reduced output. Lots of people lost everything. All Peters lost everything, those who had deposits or bonds or government securities, or those who relied on pensions or insurance. They lost it all.

But then they started over again with a new currency. The whole system was completely liquid, no illiquid debtors, in fact, at first no debtors. After World War II the Germans had to start with a new currency. Of course we helped them wtih Marshall Aid and so on, but they then had a long period when they experienced very rapid economic growth and became very prosperous. I was in Frankfurt just a week ago yesterday, and Germany is booming and still has the lowest rate of inflation, about 7 or 8% of all major countries. It has such a low rate of inflation principally because many living Germans have gone through hyperinflation twice, so have a greater fear of it than others. They have tried harder than any other major people to stop or slow inflation. So far it has not hurt them economically. Their currency as you know has gone way up in value which has made it hard for their exporters in lots of ways, but they have been able to compete on quality and delivery time. They deliver on time and deliver the right stuff so they have been allright.

Question. Now what would happen if we owned gold and our citizens acquired a significant amount of gold?

Answer. Those citizens who acquire the gold protect themselves, provided, of course, the government does not someday take it away from them as Franklin Roosevelt did.

Question. Is it not a deflationary move, though, to let people buy gold?

Answer. No, it is not deflationary. If I buy gold from you, you get my dollars and I get your gold.

Question. No, but it soaked up capital.

Answer. No, it does not soak anything up. You have the dollars now. Before I had the dollars.

Of course, Secretary Simon has said that he might sell gold off which would be deflationary because the Fed would lose gold certificates as an asset, but I don't believe he would. I do not believe a word of it. I do not think any central bank or even the International Monetary Fund will sell gold to the free market in this environment. What do you sell it for? Paper?

Question. Well, John, my question is and I don't mean to stop you if you're not through there, but, Percy Greaves just told me last week, he's probably a friend of yours, he says if we give people gold ownership right now you run the risk of awakening them to the panic that's before us and causing bloodshed in the streets. What do you think about that?

Answer. I think that is a relatively minor problem. It will not make much difference because most Americans are not yet awakened, and gold ownership will not do it. The proof is this. The Treasury in December relaxed the gold coin regulations very significantly. Last week I bought Austrian coronas. They are brand new re-strikes and I bought them for only about an 8% premium over the bullion price. I paid $166 for them and, if I remember correctly, bullion was $156 on that day. If Americans had this great thirst for gold the premium over bullion would be way up. In other words, these restrikes are already coming in fast enough to satisfy the demand. If you permit Americans to hold gold I can imagine a few more Americans will wake up. But not very many. It's not going to be like that tiger in the jungle. Americans are still drugged with Keynesianism and Friedmanism. They have been taught for years and years about the almighty dollar, that the dollar is as good as gold, that things are sound as a dollar and all the rest. Most people believe that, so I do not think you need have any significant concern. Ownership may give the gold market a temporary psychological shot in the arm, and that is all. It will not start a run on banks.

Question. If you look at those who have been buying gold, there is only a very small percentage able to buy any amount of gold. If most people are out of work for even two weeks they cannot even pay their rent. They don't even have a quarter.

Answer. This is another answer to the question.

Question. Now wait, let me object to one thing there. There is an argument that people can afford to buy gold. There are payroll deductions in savings accounts, and one of the biggest frauds going is this damn untruthfulness in the advertising of the federal government to be patriotic and buy savings bonds. You can buy those little two peso coins. What do they sell for? $9.75? $10? Any little guy that can afford to put aside $10 a week can get into gold. So you're not shutting out a small saver. He is *getting* plundered as John said, putting his money into a savings account, a passbook account, or putting it into savings bonds, or what have you. That little guy, if he were like that patronizing ad that they have about those Crunch Cousins, like nincompoops, that little guy could do the same thing as Crunch Cousins.

Answer. A year ago we had an example, just a year ago April. The Japanese permitted their citizens to hold gold and ever since they have been selling gold, little gold bars in the depart*ment stores* in Japan. Everybody bought. I would agree with Phil, little people can buy little amounts of gold. As a matter of fact a lot of the gold absorption in the world is by little people. The Indians for instance—who are poorer than the people of India?—have been absorbing enormous amounts of gold over the years. Right now they are discouraging it because India is really in deep trouble. But the French peasants, typically peasants everywhere, little guys will buy a little bit of gold, and that all adds up. Still, Americans are going to be very slow to wake up.

FEELINGS IN AMERICA'S HEARTLAND

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ROUSH. Mr. Speaker, I believe the feelings of the Nation are reflected in the people of Ligonier, Ind., a city of 3,500 people, where I spent several hours this past weekend going from door to door and talking to people on the street.

There is certainly a change of attitude since President Ford assumed office, a feeling that perhaps now we can move ahead and solve some of the problems that have plagued us for so long.

The people expect, quite openly, better relations between the President and the Congress. At the same time, there is sort of a wait-and-see attitude.

I felt, as I talked to the people in Ligonier, that they truly understood that simply changing the man sitting as President would not automatically solve all of our problems.

The problems go deeper than just one individual, they are rooted in policies and directions that have shown themselves over and over again to be unworkable. I know, as they knew, that President Ford supported many of those policies in the past.

Yet the feeling I got from the people was a feeling of understanding. They understood that President Ford is no longer tied to the past, that he is no longer the spokesman for the Nixon administration, and that he is now free to chart a new course.

I feel the same way, and I am encouraged to see that attitude reflected in the people. To me, this means they know President Ford will have some tough times ahead of him, and they expect Congress to resist some of his proposals. But they also expect that any differences between the President and the Congress to be openly and honestly debated. This is the way our system was designed to work, and this is the way it should work.

The people in Ligonier seem ready to cast aside the suspicions of Watergate. They seem to have a new confidence in their Government and the men in it. They are still tired of paying high prices for food, and of watching their dollar shrink in value. We all are. But if the spirit I saw in the people of Ligonier last week is a reflection of the spirit of the American people, as I believe it is, I think we will all come out of this together.

LIBRARY OF CONGRESS

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. PRITCHARD. Mr. Speaker, it is my understanding that you have now received a petition, signed by a majority of the Members of the House, urging that the House take over the James Madison Library building. I want to go on record as strongly opposed to this piracy. The Madison Annex for the Library of Congress was authorized by this body to provide badly needed space and security for the Library's books and priceless collections. The Library of Congress now spends $3 million annually renting extra space throughout Virginia and Maryland, and desparately needs to bring its vast resources together so that they may be profitably utilized by the Congress and the American public. The annex was proposed and is being built to fill this specific need.

If we as Members must have more space, then let us make more efficient use of the space we have, particularly the under-utilized Congressional Hotel building.

The Library of Congress is one of our greatest and most valuable national institutions. We all recognize that fact. So let us stop trying to sabotage it. The Madison Annex is needed by the Library of Congress, and we should be proud to have authorized its construction for that specific purpose.

DEBATE OF THE HOUSE JUDICIARY COMMITTEE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. COHEN. Mr. Speaker, this country recently passed through what President Gerald Ford has termed "our long national nightmare." As so often in our history, however, adversity confirmed our national strength. Our institutions served us well. The greatness of our people never fell into doubt.

I believe that a poem by one of my constituents, Agnes Yarnall, of Northeast Harbor, Maine, eloquently captures the mixture of gravity and rebirth that characterized this Nation in the trying July days when the House Judiciary Committee reached its conclusions. Because I think my colleagues will be interested, I insert a copy of that poem in the RECORD at this point:

DEBATE OF THE HOUSE JUDICIARY COMMITTEE, JULY 1974

(By Agnes Yarnall)

The voices spoke in turn—State followed State,
Time did not matter, earlier or late
They carried on their slow and grave debate.
The Nation listening, heard each pro and con
For the amendments hard resolved upon.
A mix of voices came across the air,
Their accents cutting sharp upon the ear,
So North and South and East and West came clear;
And came clear also through the crowd of words,
A ringing from the Past like silver swords—
A flash of History saying "Follow me!
I am your precious Past, your Destiny!
I am the boy who fishes by the stream,
I am the Forty-Niner with his dream,
I am the Pioneer who held his land,
And made it his with sweat and rugged hand;
I am the South, the North, the East, the West!
The high blood of the earth, the country's best;
I am reborn as you are speaking here—
By action hold me—lest I disappear!
Those who conceived me, hammered out the sense
Of Freedom and its vast ominpotence—
Now in the Nation's agony I stand
A shield and buckler for her mighty hand—
Freedom is with you—has been from the start—
Grapple me to you—hold me to your heart!"

LABOR DISTORTION OF CAMPAIGN REFORM VOTE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, as one who has long advocated and worked for meaningful campaign finance reform legislation, I was shocked, annoyed, and insulted to read in the August 17, 1974, issue of the AFL-CIO News that I was supposedly a party to an effort to kill the Federal Election Campaign Act Amendments of 1974 (H.R. 16090) on August 8, 1974.

A front page story in that paper, under the headline, "Campaign Reform Bill Gets House Approval, states:

> Before final passage, supporters of the measure beat back a move to kill it through recommital, 243-164.

Page 6 of the same paper carries a banner headline, "House Vote on Campaign Reform Bill, below which is a State-by-State listing of all House Members with an R—right—or W—wrong—beside their names. Beside my own name is a W, and, if a reader jumped from the headline down to his Congressman, he would think he was probably reading how his Congressman voted on final passage of the bill.

The more discriminating reader might take the time to read the paragraphs just above the rollcall listing and learn that this was not the vote on final passage, but rather the vote on the recommital motion. But even then he would be misled as to his Congressman's position on campaign reform, for the key paragraph reads as follows:

> The key vote occurred on a motion to recommit the measure and thus kill it. This motion was defeated 243-164. On labor's scorecard, right votes (R) against recommittal were cast by 215 Democrats and 28 Republicans. Voting wrong were 10 Democrats and 154 Republicans.

What is the actual truth about this motion to recommit? The truth is that the motion was not a straight motion to recommit, which would indeed have had the effect of killing the bill. Instead, the motion offered by the gentleman from Alabama (Mr. DICKINSON), and found on page 27511 of the August 8, 1974 RECORD, was a motion to recommit the bill to the House Administration Committee "with instructions to report the same back to the House forthwith" with an amendment prohibiting political committees, other than political party organizations, from passing an undesignated individual contributions to a candidate or his committee.

And yet, neither the story nor the explanation of the printed rollcall makes mention of the fact that this was a motion to recommit with instructions and that, had it been adopted, the Dickinson amendment would have automatically been added to the bill and the House would then vote on final passage. It is little wonder that the AFL-CIO News would so distort this vote and mislead its membership since, the effect of the Dickinson amendment would have been to give the members of that union the right to designate which candidates they wanted their mandatory COPE contributions to go to.

In conclusion, Mr. Speaker, the AFL-CIO News has engaged in the most irresponsible and reckless form of journalism imaginable by so distorting the real significance of that motion to recommit. To claim that those who voted for the Dickinson motion were intent on killing the bill is an outright lie and smear on the reputation of every Member of this body who supported his amendment to the bill. I would hope that the News would print a retraction forthwith and explain to its readers what the recommital vote was really all about.

THE SITUATION IN CYPRUS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. BROWN of Ohio. Mr. Speaker, the following is a letter I received from Ohio State Senator Harry Meshel, Youngstown, expressing concern on the part of citizens of the State of Ohio over the existing situation in Cyprus.

The letter follows:

OHIO STATE,
Columbus, August 16, 1974.

Hon. CLARENCE J. BROWN,
U.S. House of Representatives,
Washington, D.C.

DEAR CLARENCE: I cannot tell you how strongly I and many other citizens of the State of Ohio and the Nation feel about the situation currently existing in Cyprus.

I'm not certain as to the exact role that can be played by the Congress, but I urge you to impress upon the State Department that the American-Hellenic community of this country is appalled at the inadequacy of that Department's efforts in preventing Turkey from slaughtering innocent citizens, arrogant flouting of UN peace forces, using napalm against women and children and violating the agreement reached in 1960 concerning the governing of the Island of Cyprus.

It is true that the whole affair was set off by the military idiots in Athens, but it is obvious even to the least informed that Turkey merely used this as an opportunity to ruthlessly take over a part of the Greek Island. As we know, they now hold one-third of the land on which they want to house one-fifth of the entire population—that one-fifth being Turkish Cypriots.

The United States has practically admited that they were in favor of creating another standoff situation similar to those at West-East Berlin, North-South Korea and North-South Vietnam by permitting the Turks to transgress the cease-fire agreement and prior to that not to intercede boldly to prevent Turkey from using sledgehammer force against gnat-like opposition.

A strong stand by the Ohio delegation will serve the best interests of NATO, the goals of Democracy, the stemming of Russian influence on that Island and the placing into the record America's strong opposition to the barbaric and arrogant actions of a country that has never fought on our side and in major wars, and one who just recently, after taking our millions, has discarded an agreement to desist from growing the opium poppy.

I urge with all my strength that the influence of your office do all it can to present and implement the attitude I have outlined in this letter.

Best personal regards,

HARRY MESHEL,
State Senator.

SUPPORT FOR PRESIDENT FORD'S VICE PRESIDENTIAL CHOICE

HON. H. JOHN HEINZ III

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 20, 1974

Mr. HEINZ. Mr. Speaker, President Gerald R. Ford's choice of Nelson A. Rockefeller for his Vice President is an excellent one and I heartily support his decision.

There can be no doubt that President Ford carefully and painstakingly considered numerous well-qualified candidates. Many Republican Members of Congress, myself among them, submitted lists naming several candidates for consideration. I am sure the final decision was difficult with so many fine men and women to choose from. By the same token, the lengthy list of those qualified and considered suggests a bright future for the Republican Party, and for the Nation likewise.

Mr. Rockefeller's nomination, of course, is subject to confirmation by the House and Senate and should be subject to the same careful scrutiny that was given to Gerry Ford. But it is clear that in naming Mr. Rockefeller, President Ford has decided upon a man with vast experience in and a nearly unrivalled commitment to public service. As Governor of New York State for 16 years Nelson Rockefeller was repeatedly called upon to make final decisions of public trust affecting millions of people in every walk of life. What could be a more appropriate or necessary background for the second highest office in the land?

There are far-reaching political virtues to the President's decision as well. Because Mr. Rockefeller has always had strong appeal to the broad political mainstream of America, President Ford's choice is further evidence of his intention to be a President of all the people. And in the likely event of his confirmation I would expect Vice President Rockefeller to be an unusually effective advocate—with Congress and the American people—of the Ford administration's domestic and foreign policy program. Such a team gives this Nation the manpower and the horsepower to lick our No. 1 problem: inflation.

I applaud President Ford's decision to nominate Nelson Rockefeller as the next Vice President of the United States.

THE 1975 BUDGET SCOREKEEPING REPORT NO. 6 AS OF AUGUST 16, 1974

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MAHON. Mr. Speaker, I offer for insertion in the RECORD excerpts from the "Budget Scorekeeping Report No. 6, as of August 16, 1974," as prepared by the staff of the Joint Committee on Reduction of Federal Expenditures. The report itself has been sent to all Members.

As we approach the scheduled Labor Day recess, it may be of interest to note—and perhaps analyze a little at this stage—the 1975 budget scorekeeping information contained in this summary report concerning the actions Congress has taken so far this session on the budget requests it has considered.

Action has been taken, at various stages, on 12 regular 1975 appropriation bills and 2 supplemental measures which affects budgeted 1975 outlays. On the basis of actions taken, it would appear that reductions in these appropriation bills are likely to total about $5 billion in new budget authority which would result in outlay reductions amounting to approximately $3 billion in the current fiscal year.

However, these substantial reductions in appropriation bills are largely offset by certain legislative increases in mandatory spending levels. Such legislation, including veterans benefit increases, food assistance programs, small business loans, et cetera, will probably increase budgeted 1975 outlays by about $2.5 billion depending on the outcome of pending House and Senate action.

Although other actions may occur to alter these general estimates, it seems fair to say at this time that congressional actions this session will have negligible net effect on the budgeted 1975 outlay total. It would appear that reductions in appropriation bills may be expected to about offset increases in mandatory spending under legislative bills—in effect, a standoff.

In addition, it would appear that further net reduction of about $400 million in budgeted 1975 outlays will result from failure on the part of Congress to act on various legislative proposals contemplated in the budget—including both proposals to reduce outlays and proposals for new or expanded programs.

The latest official 1975 budget outlay estimate of $305.4 billion may properly be adjusted to include the subsequent $900 million defense budget amendment, and we can certainly clearly anticipate additional costs due to inflation, increased interest costs, and other uncontrollable factors.

Excerpts from the August 16 budget scorekeeping report follow:

SCOREKEEPING HIGHLIGHTS

FISCAL YEAR 1975—OUTLAYS

The impact of congressional action through August 16 on the President's fiscal year 1975 budget outlay requests, as shown in this report, may be summarized as follows:

[In millions]

	House	Senate	Enacted
1975 budget outlay estimate as revised and amended to date	$306, 312	$306, 312	$306, 312
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action	−616	+126	−345
Pending action	−2, 324	−2, 850	
Legislative bills:			
Completed action	+985	+2, 054	+1, 411
Pending action	+493	+1, 581	
Total changes:			
Completed action	+369	+2, 180	+1, 066
Pending action	−1, 831	−1, 269	
Total	−1, 461	+910	+1, 066
Deduct: Portion of congressional action included in May 30 revisions	+311	+311	+311
1975 budget outlays as adjusted by congressional action to date	304, 540	306, 911	307, 067

Completed actions: A summary of major individual actions composing the $1,066 million total outlay impact of completed congressional action to date on budgeted 1975 outlays follows:

COMPLETED ACTION OF BUDGETED OUTLAYS (EXPENDITURES)

Bills (including committee action)—Congressional changes in 1975 budgeted outlays (thousands)

1974 supplemental bills (1975 outlay impact):	
Second Supplemental	−$215, 000
Further Urgent Supplemental	−30
1975 regular bills:	
Agriculture, Environmental and Consumer Protection	[1] +130, 000
Public Works and Atomic Energy	+30, 000
Special Energy Research and Development	+20, 000
Interior and related agencies	+9, 000
Legislative Branch	−11, 000
District of Columbia	−23, 000
Treasury, Postal Service and General Government	−65, 000
Transportation and related agencies	−220, 000
Legislative bills:	
Veterans educational benefits—extend delimiting period	+618, 000
Small business direct loans	+360, 000
Child nutrition and school lunch	+200, 000
Civil Service minimum retirement	+157, 000
Veterans disability benefits increase	+134, 800
Food assistance and special milk programs	+75, 000
Postponement of postal rate increases	+45, 200
Donated commodities, older Americans	+5, 500
Civil Service survivor benefits	+4, 600
Civil Service—early retirement, hazardous occupations	+3, 400
Congressional Record, reduced postage fees	−8, 486
Military flight pay incentive	−16, 700
Rejection of salary increases for federal executives	−34, 000
Unemployment benefits extension (trust fund)	−133, 000
Total, 1975 outlay impact of completed congressional action	+1, 066, 284

[1] Vetoed. Further Congressional action pending.

Pending actions: The major pending legislative actions affecting 1975 budget outlays which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below.

MAJOR PENDING ACTIONS ON BUDGETED OUTLAYS (EXPENDITURES)

Bills (including committee action)	Congressional changes in budgeted 1975 outlays (in thousands)	
	House	Senate
Appropriation bills:		
HUD, Space, Science, Veterans	−30, 000	−150, 000
State, Justice, Commerce, the Judiciary	−79, 000	
Labor, Health, Education, and Welfare	−315, 000	
Defense	−1, 900, 000	−2, 700, 000
Legislative bills (backdoor and mandatory):		
Veterans educational benefits	+195, 500	+977, 500
Emergency energy unemployment	Rejected	+500, 000
Civil Service survivor annuity modification	+202, 000	(1)
Rail passenger improvement programs		+61, 950
Public safety officers death gratuity	+43, 700	(1)

[1] Action taken last session.

FISCAL YEAR 1975—BUDGET AUTHORITY

The impact of congressional action through August 16 on the President's fiscal year 1975 requests for new budget authority, as shown in this report, may be summarized as follows:

[In millions]

	House	Senate	Enacted
1975 budget authority requests as revised and amended to date	$325, 749	$325, 749	$325, 749
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action	−316	−14	−172
Pending action	−4, 317	−5, 718	
Legislative bills:			
Completed action	+2, 718	+3, 288	+2, 662
Pending action	+438	+3, 581	
Total changes:			
Completed action	+2, 402	+3, 274	+2, 490
Pending action	−3, 879	−2, 137	
Total	−1, 477	+1, 137	+2, 490
Deduct: Portion of congressional action included in May 30 revisions	+311	+311	+311
1975 budget authority as adjusted by congressional action to date	323, 961	326, 575	327, 928

Completed actions: A summary of major individual actions composing the $2,490 million total impact of completed congressional action to date on 1975 budget authority requests follows:

COMPLETED ACTION ON BUDGET AUTHORITY REQUESTS

Bills (including committee action), congressional changes in 1975 budget authority requests (in thousands)

Appropriation bills:	
Agriculture, Environmental and Consumer Protection	[1] +$138, 532
Special Energy Research and Development	+32, 361
Interior and related agencies	+15, 158
Legislative Branch	−14, 197
Public Works and Atomic Energy	−21, 354
District of Columbia	−26, 600
Treasury, Postal Service and General Government	−57, 027
Transportation and related agencies	−239, 355
Legislative bills:	
Housing and Community Development Act	+965, 000
Veterans educational benefits—extend delimiting period	+618, 000
Small business direct loans	+360, 000
Child nutrition and school lunch	+200, 000
Civil Service minimum retirement	+172, 000
Veterans disability benefits increase	+134, 800
Private pension protection	+100, 000
Food assistance and special milk programs	+75, 000
Postponement of postal rate increases	+45, 200
Civil Service—early retirement, hazardous occupations	+41, 100
Donated commodity program for older Americans	+5, 500
Civil Service survivor benefits	+4, 600
Congressional Record—reduce postage fees	−8, 486
Military flight pay incentive	−16, 700
Rejection of salary increases for federal executives	−34, 000
Total, 1975 budget authority impact of congressional action	+2, 489, 532

[1] Vetoed. Further congressional action pending.

Pending actions: The major pending legislative actions affecting 1975 budget authority which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below.

MAJOR PENDING ACTIONS ON BUDGET AUTHORITY REQUESTS

Bills (including committee action)	Congressional changes in 1975 budget authority requests (in thousands)	
	House	Senate
Appropriation bills:		
HUD, Space, Science, Veterans	−41, 519	−226, 095
State, Justice, Commerce, the Judiciary	−100, 355	
Labor, Health, Education and Welfare	−106, 456	
Defense	−4, 068, 927	−5, 491, 739
Legislative bills (backdoor and mandatory):		
Federal Home Loan Bank System—temporary increase in standby borrowing authority		+2, 000, 000
Veterans educational benefits	+195, 500	+977, 500
Emergency energy unemployment	Rejected	+500, 000
Civil Service survivor annuity modification	+362, 000	(1)
Public safety officers death gratuity	+43, 700	(1)
Hopi and Navajo Tribes relocation	+28, 800	
Federal mass transit grants	−197, 000	
Rail passenger improvement programs		+61, 950
Economic adjustment assistance	−50, 000	

[1] Action taken last session.

THE 1975 BUDGET REQUESTS—SUMMARIES AND ANALYSIS

The 1975 budget requests—as revised and amended

The fiscal year 1975 budget estimates as transmitted by the President on February 4 were officially revised in the Mid-session Budget Review of May 30 to reflect budget authority of $324.5 billion, outlays of $305.4 billion, and revenue totaling $294.0 billion with a unified budget deficit estimated at $11.4 billion.

Subsequently, two major budget amendments have been transmitted which were not contemplated in the revised estimates. Although the mid-session review totals have not as yet been officially revised, these changes have the effect of increasing the 1975 estimates by: $1,047 million in budget authority and $873 million in outlays for Defense; and $200 million in budget authority for housing programs.

It should be noted that the Administration has indicated determination to cut projected 1975 outlays "toward a goal of $300 billion," but that "a variety of forces threaten to push spending even higher than the current $305 billion estimate."

The following summary shows the current 1975 budget estimates, as officially revised and amended to date, and compares them to the February 4 estimates in the 1975 Budget Message:

[In billions]

	Fiscal year 1975			
	Feb. 4 estimates	Estimate as revised May 30	As further amended to date	Change
Unified budget receipts	$295.0	$294.0	$294.0	−$1.0
Unified budget outlays	304.4	305.4	306.3	+1.9
Deficit	−9.4	−11.4	−12.3	+2.9

The revised estimates for fiscal year 1975 are broken down below to reflect the federal funds and trust funds portions of the unified federal budget.

[In billions]

	Budget authority	Outlays	Receipts	Deficit or surplus
Fiscal year 1975 (revised and amended to date):				
Federal funds	$231.9	$222.2	$201.4	−$20.8
Trust funds	118.0	108.3	116.8	8.5
Adjustment for intragovernmental transactions	−24.2	−24.2	−24.2	
Unified budget	325.7	306.3	294.0	−12.3

The 1975 Budget Revisions: The budget revisions of May 30, together with subsequent amendments which have the effect of increasing the 1975 recommendations, reflect a number of significant internal adjustments to the original February 4 budget estimates. The following summarizes the change between the February 4 and the current 1975 outlay estimates:

	(In billions)
1975 Budget outlay estimate of February 4, 1974	$304.4
Revisions reflected in Mid-session Budget Review of May 30:	
Administration program changes:	
Unemployment benefits extension	+.8
Veterans disability benefits	+.4
Foreign military and economic assistance	+.3
Unified transportation assistance	+.3
Reestimates:	
Interest on the debt	+1.0
Unemployment trust fund	+.8
Housing programs	+.5
Food stamp and school lunch programs	+.3
Offshore oil leases (increase in offsetting receipts)	−3.0
Farmers Home Administration (sale of assets)	−.8
Other (net)	+.1
Portion of congressional action included in May 30 revisions	+.3
1975 budget outlay estimate of May 30	305.4
Subsequent budget amendment not contemplated in May 30 budget revisions, which has the effect of increasing 1975 outlays:	
Defense (increased fuel and pay costs)	+.9
1975 budget outlay estimate as revised and amended to date	306.3

THE REAL OIL SCANDAL

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ARCHER. Mr. Speaker, recent months have seen continuing criticism of our Nation's oil and gas industry for the increase in profits that they have realized during the last year. The American public should hear both sides of this question. In the attached article which appeared in the May 9, 1974, edition of the Harvard Crimson, Mr. Pete Ferrara places the issue of the oil industry's profits in the proper perspective. I certainly commend this article to my colleagues and the American public:

THE REAL OIL SCANDAL

An old adage goes, there are three types of liars—liars, damned liars, and statistics. The energy crisis has had more than its share of all three.

In the past two weeks, the profits for the first quarter of 1974 for the largest U.S. oil companies have been widely reported as showing great gains for the oil companies. Texaco's profits were up 123 per cent. Standard Oil of Indiana's profits were up 81 per cent, and Exxon's profits were up 38 per cent. But what do these statistics mean?

In a completely socialized economy, if a shortage developed in some commodity, the central planners would want to allocate extra resources to the commodity's production. But how much should they allocate and from what other industries should they allocate it? The planners would have no way of knowing.

But in a free market economy, the proper reallocations are made automatically. When a commodity is in short supply, its price rises, increasing profits for the producers. This gives them both the money and incentive to increase production.

In actual practice this has been the case for the oil companies. When the oil shortage made Exxon's profits rise 60 per cent in 1973 to $2.4 billion, the company increased 1974 investment in the search for oil 73 per cent, to $6.1 billion. Gulf's profits were up 79 per cent in 1973, to $800 million, but Gulf has increased its 1974 capital investment to $2 billion. Atlantic Richfield, making $270 million last year, plans to double its capital investment in 1974 to $1.1 billion. The same is true for all oil companies, large and small. The oil companies are reinvesting all of their higher profits, and even more.

But there is another reallocating mechanism in the market. Producers of other commodities, seeing the rising prices of the shortage commodity, try to switch into production of it as much as possible.

Again, in the oil industry, this has been the case. The New York Times reports that even very small operators are entering the industry. "The price of new oil is bringing about development like I've never seen before," said H. L. Sonny Brown in a Times article on March 10. Brown is an independent oilman who has just begun putting up his own rigs in Texas. "In 19 years I've never seen this area like it has been the past few months. Everybody wants to do things."

"The oil business looks more attractive to me than it has in the past 15 years," said Don E. Weber of Midlands, Texas, also in a Times interview. "The rewards are now commensurate with the risks." Weber has just gone into the oil business in partnership with a geologist.

"Where we are now I thought we wouldn't be for two or three years," said Jeff E. Montgomery, chairman of Kirby Industries. "We're packing all the capital we can into exploration and production." Kirby Industries once owned a few oil wells in the '60s but then moved into the prefabrication of steel buildings.

"In those days," Montgomery said, "we weren't making money finding oil. You couldn't make a reasonable rate of return. We set out to get in some other business." But now Kirby Industries is back in oil.

The extra production from increased investment by old and new producers would eliminate the shortage. The oil companies plan to add 2.1 million barrels a day to production in the next four years. This extra production will also drive down prices until profits are back to normal. Thus, higher oil profits mean merely that the market is doing what government allocators would want to do themselves, if only they knew how. The free market reallocating mechanism is far superior to any reallocating mechanism in planned economics.

In this process the temporarily high profits a company makes during the shortage are its payment for switching resources to their most important uses and for providing a commodity when it is most needed—during the shortage.

These reallocations are the proper ones because they are determined by consumer choices. The more important a commodity is to consumers, the higher they will bid up its price and the profits of its producers during a shortage. But the higher prices and profits are, the more old and new producers will shift resources into production of that commodity.

But why would anyone be allowed to make profits at the expense of others? Someone who produces a product creates a value. He has combined various inputs and created a more valuable output. The extra value is his because he created it and his profit is payment for this value. His profit does not mean he is appropriating a bigger share of available wealth, it means he is increasing total wealth and his profit is the amount he increased it by. He doesn't make this profit at the expense of others, he creates the value of the profit by producing the product.

So even if oil profits were high, that would not reveal a scandal. It would simply reveal the rational, just, efficient, workings of the market.

But the truth is that oil profits have not been high. If a company's returns rose 100 per cent, that would not say whether the company was making exorbitant profits or not. If a company made 1 or 2 per cent profit and its profit rose 100 or 200 per cent, the company would still be doing poorly. But this is precisely how oil profits have been reported, as the increase in profits.

The actual figures show that oil companies have not made high profits. Although profits rose 55 per cent in 1973, the return on invested capital for the oil industry was 11.2 per cent, the same as 10 years ago. The FTC reports that oil profits in 1973 were 15.6 per cent compared to 14.8 per cent for all other manufacturing. More than a third of the nation's industries had higher returns. Actually, oil profits had been lower than the average for other manufacturing industries in eight out of the last ten years.

And these profit figures are heavily influenced by returns on older, already discovered oil wells. Returns on new investments have been lower. In 1972, the Department of Interior estimated that the discounted cash flow rate of return on oil exploration and development expenditures was 3.2 to 6.6 per cent. This means that secure investments like bonds or long term savings certificates have been more profitable than petroleum exploration and development investments.

Furthermore, in the past year, 85 per cent of the increase in oil profits has come from oil produced and sold outside the U.S. Twenty-five per cent of the total gain was due to the devaluation of the dollar. Because of these overseas profits, in the past five years oil companies have invested two dollars looking for oil in the U.S. for every dollar of domestic profit.

Also, much of these profits has gone to the federal government for drilling rights. In 1972, the oil industry made $6.5 billion in profits. Yet in the following year, the industry paid $6.9 billion to the government for offshore drilling rights.

So the recent rise in oil profits was really a return to normal levels. But even if oil profits continue to rise, the market will correct itself. Even the profit rise to normal levels has caused great increases in investment, as we have already seen. Any further increase will cause even more, so the resulting extra production will eventually bring profits back to normal levels. In the meantime, the shortage will have been ended and nobody makes any money they haven't earned.

Anyone who thinks there isn't enough oil to be found to increase production ought to research the estimates of oil available from Alaska, off-shore fields, tar sands, shale, coal, and old oil wells. The oil can be found if there is an incentive to find it.

It therefore seems that the notion that oil companies are making outrageous profits is the result of twisted statistics. Even if profits were high that would not reveal anything scandalous or immoral. It seems that the only scandal oil profits reveal is the way they have been grossly misrepresented. The only real scandal is the great number of public figures who are willing to bend the truth to support their ideological contentions.

THE LABOR DAY RECESS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. LENT. Mr. Speaker, while I realize that after the events of the past few weeks many of my colleagues would like to go home and "press the flesh," I have serious reservations about whether now is the time to take an almost 3-week recess from our legislative duties.

Of course, I am pleased that such important issues as pension reform and the reestablishment of the Cost of Living Council and standard time have been cleared up before the scheduled beginning of the recess; but many other matters of extreme importance to the American people have yet to be resolved, and I doubt seriously if many of them will be before the adjournment of the 93d Congress. In particular, I refer to the mandatory fuel allocation program, anti-inflation measures, and tax reform.

Nearly all of us are eager to go home to determine the effect of the "Watergate affair" on our chances this November. But if that entire affair proved one thing to me it was that confidence in our entire federal system is lacking. We can only restore that confidence by working diligently to pass legislation benefiting the American people, and we can only do that by remaining in Washington the bulk of the time between August 22 and September 11.

FAVORABLE PRESS REACTION TO PRESIDENT FORD

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. SHRIVER. Mr. Speaker, the Nation has now experienced more than a week under the administration of our new President, Gerald Ford. It is obvious that people are generally pleased with the smooth transition and the openness of President Ford in facing up to the difficult problems which confront us. Reaction has been favorable from the Nation's media, and I have noted that he is enjoying a good response from a number of the Kansas newspapers in the Kansas Fourth Congressional District.

Under the leave to extend my remarks in the RECORD, I include editorial comments from the Wichita, Kans., Eagle; the Newton Kansan; the Halstead Independent; and the Peabody Gazette-Herald. The editorials follow:

[From the Wichita Eagle]

THE FORD MESSAGE

The importance of President Ford's message to the assembled members of the Senate and House of Representatives Monday night was notable not so much for what he said but how he said it.

The new President, addressing the legislative body of which he had been a member for 25 years, was intentionally broad in sketching his plans for conquering inflation and other national problems. Details will come later, he assured the Congress, which he called "my working partner as well as my most constructive critic."

And he drew cheers when he declared "My motto towards the Congress is communication, conciliation, compromise and cooperation.

"I don't want a honeymoon; I want a good marriage."

Ford's message, in which he called for bipartisan restraint in government spending as a means of controlling inflation, reflected the homespun approach taken by the new president in his dealings with a Nixon-shocked Washington.

He used plain language to make his points, which were no more concrete than those laid down by Nixon when he spoke on the economy some three weeks ago in Los Angeles.

Ford proposed to balance the federal budget, cut government spending, reactivate the Cost of Living Council to monitor wages and prices and convene an economic summit meeting with the President himself presiding.

It was not exactly a spine-tingling set of proposals.

Still, for all its lack of novelty and substance, Ford's first appearance before a joint session of Congress was obviously heartwarming, both for the audience and for the speaker.

All down the aisle, entering and leaving the House chamber, the President paused to shake hands. He and House Speaker Carl Albert swapped congressional jokes. Old friends could be heard calling the new president "Jerry."

Although Ford could never earn a living as a stand-up comedian, he managed to get five audible laughs out of his speech. The first one was when he made the remark about no honeymoon, just a good marriage.

And the speech may be remembered as much for that line as any one.

[From The Newton Kansan]

FORD BEGINS WELL

President Gerald Ford got off to a good start with Congress Monday night when he told them in an address before a joint session of the house and senate that he would go more than half way to achieve compromises.

He also suggested that Congress go more than half way in a similar effort to solve some of the ills that beset the country.

The President can expect such cooperation during the initial months of his administration. Congress and the President traditionally engage in a honeymoon at the beginning of a presidency, but sooner or later differences creep in and the honeymoon is over.

Mr. Ford told congressmen he wants more than a honeymoon with them—he wants a lasting marriage.

Politics being what they are, this is a pretty big order, especially when the President and the majority in Congress are of different political parties.

No one expects all of the troubles facing the country to be settled during the traditional honeymoon period. That's especially true of inflation and other economic ills.

But if Congress and the President can bury the hatchet long enough to halt inflation the country will be greatly indebted to them.

However, it must be pointed out that the government can't do anything without the cooperation of the people. Maybe Mr. Ford should call on the people to go along on the presidential-congressional honeymoon.

[From the Halstead Independent]

A TIME OF HOPE; A TIME OF REGRET

(By Bob Mills)

It seems longer than just a week since the dramatic changes occurred in Washington that involved the resignation of one President and the swearing in of another. After two years of the seemingly endless tunnel of Watergate, the denouement when it finally came, seemed too swift to believe.

Now we have a new President and regardless of the different feelings held by the people of the Nation about the guilt or innocence of President Nixon, there is a collective sigh of relief that the long mess is over. President Ford seems to have a strong hand on the tiller and the country did not collapse.

Many of the professional Nixon-haters who have devoted their lives to the bringing down of Richard Nixon probably are at a loss about what to do with themselves. Some of them want to pursue the former president into the criminal courts. To them enough is not enough. They want Nixon behind bars.

It is interesting to speculate on their reaction to Nixon's downfall. Did they celebrate with a party like the men did in "The Caine Mutiny" after Lt. Maryk was found not guilty of the mutinous charges against him?

If they did, it should be explained to them, as Lt. Greenwald, drunk as he was after his courtroom victory, explained to the celebrating men of the *Caine* that their celebration was inappropriate.

Capt. Queeg, Greenwald said, was a man who asked in his own way for help from his officers. The officers, instead of help, opposed and worked finally to destroy him. Queeg had serious faults, but he put the good of the Navy and the country ahead of personal feelings.

The same might be said of Richard Nixon.

[From the Peabody Gazette-Herald]

THERE'S A FORD IN YOUR PRESENT

(By Bill Krause)

Last week, Americans experienced one of the truly dramatic moments in American history, a first and, we all hope, a last. The departure of President Nixon under a cloud of corruption is a moment of sadness and tragedy, even for those who do not realize the trauma involved, and who chose to cheer the departure of a man they dislike.

If Nixon had been all bad, with no redeeming qualities, it would have been easy; but he was not basically an evil man. He did some spectacularly good things for the nation, but had some fatal flaws that made it inevitable that he would get into trouble and be removed, it seems.

There is now the question of further prosecution of the ex-President, and one cannot help but believe that being embarrassed, reviled, held up to public spectacle and being forced to quit the position of President in disgrace is a very great punishment—particularly for Nixon. The jackals that would now persecute as well as prosecute him, demonstrate a vengeful nature that goes far beyond the demands of society, the needs of the nation, or the requirements of crime and punishment.

A former Mayor of Boston once ran the city from a jail cell for a while, after being convicted of a crime while in office. One cannot but feel that Richard Nixon might have preferred to keep the Presidency and go to jail. One fails to see what could possibly be gained by further punishment. He has lost most his fortune to the IRS. He has been disgraced. He has lost the office which he spent much of his life attaining. Does he deserve to be placed in stocks or horse-whipped as well?

One wonders if the country deserves to see one of its leaders so disgraced.

But now the mantle falls on President Ford, a man who proves that a poor lad from modest circumstances can be President of the U.S. One cannot expect too much in the way of spectacular legislation or programs from a plugger like Ford. One can expect a period in which Congress and the President can get together and work for the nation for a change.

Ford wisely—almost necessarily—kept Henry Kissinger on to handle foreign affairs. In domestic matters, his close and recent association of Congress should allow the new administration to act—wisely, we would hope—in areas of inflation, energy, etc.

The nation will survive, but things will never be quite the same again.

INCREASED PENALTIES FOR PERSONS CONVICTED OF FELONY WITH OR WHILE UNLAWFULLY CARRYING A FIREARM

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HUDNUT. Mr. Speaker, I have always felt that the solution to the problem of crime is not to pass restrictive Federal laws calling for outlawing or registering privately owned firearms. Rather, I believe the solution lies in the effective enforcement of present laws and vigorous handling of criminal cases by the courts. Moreover, laws should be passed that automatically imprison persons who commit crimes with firearms.

Today I am introducing a bill to increase the penalties for persons convicted of committing a felony with or while unlawfully carrying a firearm to not less than 2 years nor more than 25 years imprisonment for first offenders, and life imprisonment for subsequent offenders. A similar bill was introduced earlier in this session by my colleague, the distinguished gentleman from Illinois (Mr. CRANE).

In my view, once the criminals of America are taught that to use a gun in crime is to assure them, upon capture and conviction, of a long jail term with no hope of parole, then the crime rate will be reduced in this country. Therefore, I hope the Committee on the Judiciary will take action to increase the penalty for criminal use of firearms, but will not do anything to restrict ownership or use of firearms by law abiding citizens.

LECTURE OF AMBASSADOR JAMES C. H. SHEN AT INSTITUTE ON COMPARATIVE POLITICAL AND ECONOMIC SYSTEMS, GEORGETOWN UNIVERSITY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. DERWINSKI. Mr. Speaker, most Members are familiar with the unique Institute on Comparative Political and Economic Systems at Georgetown University. Over the past 5 years we have had the valued pleasure of interning its select students drawn from some 87 different colleges and universities across the country. Sponsored by the Charles Edison memorial youth fund and under the directorship of Dr. Lev E. Dobriansky of Georgetown University, the institute consists of a tripartite program, one of which is a thought-provoking lecture series covering all areas of the globe. In the recent series the lecture by Ambassador James C. H. Shen of the Republic of China was most oustanding. I wish to bring to the attention of my colleagues the essential parts of this lecture, which read as follows:

LECTURE BY MR. JAMES C. H. SHEN

First of all, I wish to express my appreciation of this opportunity to speak before your Institute this evening. It gives me great pleasure to address a group of select student leaders from many colleges and universities.

When the name "Free China" is mentioned, it is implied, I presume, that a part of China, the generic China, is not free. Indeed, China at present is a "divided country"; and this dichotomous situation has created numerous problems and tremendous difficulties not only for the legal government, the Government of the Republic of China now with its seat of administration in Taiwan, and the freedom-loving Chinese people in as well as outside China, but also for the neighboring countries and the Free World and its leader, the United States. As a matter of fact, what is transpiring in China today is really a phase of world affairs, for the destructive forces which have torn China apart and brought turmoil to the mainland portion of it are bound to have more insidious effects on other parts of the world. If the Chinese Communist regime is allowed to carry out its sinister policies of world revolution by violence and protracted wars, the damage to the cause of freedom in East Asia will be specially great.

Among the factors contributing to the importance of China are geographical location, cultural connections and the presence of a large number of ethnic Chinese in other Asian countries. In China we find not only a big geographical area—a heartland called by some geographers—and an enormous population but also the cradle of an ancient civilization, which is distinctly Chinese and quite different from the other cultures of the world. The main features of what is called Oriental civilization were born and matured in China. Korea, Japan, Vietnam and Singapore have cultural roots in China in various degrees.

The significance of these facts was fully appreciated by Russian Communist leaders. They saw in China not only a big land mass and an enormous population, but also a general national awakening accompanied by some social unrest partly caused by the resentment of the people to foreign exploitation as imposed by the unequal treaties. They saw clearly that nationalism could be captured and utilized as their tool.

The Bolshevik regime's policy to communize Asia was formulated before it had consolidated its power in Russia. In his address before the Second All-Russian Congress of Communist Organizations of the People of the East in November, 1919, Lenin assured his followers that "emancipation of the people of the East is now quite practicable". During the First Congress of the People of the East held at Baku in 1920, great importance was attached to kindling the fire of revolution in Asia and to the effort to destroy the power of capitalism throughout the world. In 1923 Lenin asserted that "Russia, India, China et cetera" had the great majority of the world's population and that "there cannot be the slightest shadow of doubt what the final outcome of the world struggle will be."

The limitation of time does not permit me to trace the different steps through which international Communism had succeeded in gaining control of the Chinese mainland. Suffice it to say, however, that China was selected to be the prime target for conversion to Communism and that the Chinese Communist Party was organized in Shanghai in 1921 under the direction of the Comintern.

Pertaining to the realm of land and people is the fact that there are some 19,000,000 overseas Chinese and the bulk of them are residing in Asia. Its significance should merit appropriate attention; although, I am happy to say, they are bona fide workers, businessmen and entrepreneurs and cherish liberty and free enterprise. It behooves me to point out that the preponderant majority of them support my Government, and that at this juncture of contest between ideologies Taiwan has been the point of their rally. No doubt they are contributing to the stability and orderly development in the several countries of their residence.

Central to the subject under discussion is "Free China", that is the Republic of China, whose temporary seat of administration is in Taiwan. My Government is heir to the polity of traditional China and the repository of the cultural heritage of the Chinese nation. In recent years popular journalism has often referred to the Republic of China as "Free China" or even "Taiwan".

With peace and security as her goal, China under my Government has been a decent member of the international community and a good neighbor to the adjacent countries. The cardinal principle of our foreign policy is to secure for China independence and equality, and to achieve for her a respectable place in the family of nations. In addition to our endeavor in promoting international cooperation, my Government has made strenuous attempts to improve the Covenant of the League of Nations (particularly Article 16) as regards "enforcement actions" and the application of sanctions against aggression and had made enlightened and practicable proposals for a sound Charter for the United Nations at the Dumbarton Oaks and San Francisco Conferences. This was the reason why it was so detestable that we were deprived of our right of representation in the United Nations in spite of our good record in that organization, which was described as "enviable" by some international publicists. Since this is an academic audience, I am sure you remember that the infamous action of the U.N. General Assembly on October 25, 1971, violated many provisions of the U.N. Charter such as Articles 1, 2, 4 and 5 as well as the resolutions of the General Assembly itself passed on February 1 and May 18, 1951, declaring, among other things, that the Chinese Communist regime "had itself engaged in aggression in Korea".

The practical importance of my Government transcends the present limits of the territory over which it exercises effective control. As the facts stand today, it is the symbol of freedom and the beacon of hope for the teeming millions of repressed, abject people on the Chinese mainland and the point of rally for the people of Chinese extraction overseas.

The importance of both the Government of the Republic of China *per se* and the strategic value of Taiwan should merit due attention from the Free World. Together with the offshore island groups of Kinmen (Quemoy) and Matsu, Taiwan is a bastion for defense in the West Pacific. Geographically speaking, it could be considered as one of the islands in the chain of volcanic formations extending from the Kamchatka Peninsula to the Sunda Islands in the Java Sea. Politically, it has generally been regarded in recent years as a link in the defense chain from the Aleutian Islands through Japan and the Liu Chiu (Ryukyu) Islands to the Philippines. Since the 1850's soldiers of fortune, diplomats and military strategists have called attention to the importance of this insular territory of ours; but for our present purpose I shall content myself with quoting just one passage from the communiqué issued in Washington on the eve of the signing, on December 2, 1954, of the Mutual Defense Treaty between the United States and the Republic of China. The passage reads:

"This treaty will forge another link in the system of collective security established by the various collective defense treaties already concluded between the United States and other countries in the Pacific area. Together, these arrangements provide the essential framework for the defense of the free peoples of the West Pacific against Communist aggression."

I should like to point out here that there is an apparent lack of serious impartial studies on the political aspects of the Government of the Republic of China. While it is true that the modest economic progress we made in Taiwan in recent years has been fairly well reported, the political advance of my Government, the high principles which have served as our guide in international and national affairs and our enlightened stance *vis-a-vis* our Asiatic neighbors are inadequately reported or completely ignored. Although limited in size as compared to the vastness of the Chinese mainland, the territory currently under our effective control is larger than that of many of the viable countries in the world. The population of Taiwan and the offshore islands, which is about 15,400,000, is bigger than that of seventy per cent of the nations in the world, and the standing armed force of upwards of 600,000 well trained men is reckoned to be the sixth in size.

In view of the facts cited above, reasonable people would probably agree that a free China is conducive to a free Asia if China is pacific and willing to play the part of a good neighbor. During the late war this proposition was very much in the minds of the leaders of our two countries.

We realized, too, that most of the countries in our region had had a colonial legacy, resisted the Japanese concept of a "Greater East Asia Co-prosperity Sphere", and were eager to build themselves into independent states according to their own national aspirations. In the winter of 1942 when the eventual defeat of Japan was assured, my Government announced to the world that it would deal with the other countries in Asia as equals and had no intention of assuming the role of hegemony, to which Japan had aspired.

In a message on November 17, 1942, President Chiang Kai-shek declared:

"Among our friends there have been recently some talks of China emerging as the leader of Asia, as if China wished the mantle of an unworthy Japan to fall on her shoulders. Having herself been a victim of exploitation, China has infinite sympathy for the submerged nations of Asia, and towards them China feels she has only responsibilities—not rights. We repudiate the idea of leadership of Asia because the 'fuehrer principle' has been synonymous with domination and exploitation."

My Government's policy toward Japan is more than liberal, but actually magnanimous. We strongly believe that brutal force, however strong, and retaliation, however justified, cannot bring about peace. It was for this reason that after V–J Day in 1945 my Government did not claim any reparations from the Japanese Government for the enormous losses we had sustained during the war and that President Chiang Kai-shek had recommended, in response to a question by President Roosevelt at the Cairo Conference in 1943, that in order to avoid future animosity the allied Powers should leave the question of the "emperor institution" to the Japanese people themselves to decide instead of insisting that it be abolished.

After the Chinese Communist regime was formed, it was grossly misunderstood by the other countries including some people of Chinese extraction overseas who sent their children to the mainland for education. But then they were forced to take note of the sufferings of the people and the upheavals resulting from the oppressive measures and destruction of traditional institutions and social values and fanatical attempts at economic development based on faulty calculations as revealed in the disasters following the so-called "Great Leap Forward" in 1958. The so-called "Proletarian Cultural Revolution" accompanied by the rampage of the "Red Guards" initiated in 1966 and the recent "Anti-Lin Piao and Anti-Confucius" agitations have further disclosed the widespread internal dissensions and the steady deepening of the intra-party power struggle.

For many years some "liberal" writers in this country had tried to deal with the question of Peiping's threat to other countries in terms of the economic conditions on the Chinese mainland, contending that the State of want and under-development should dissuade its leaders from using the meager resources to instigate insurrections in other lands. I do not have to tell this audience how wrong is this kind of reasoning. All that one needs to do is to examine some of the voluminous documents of the Mao Tse-tung regime on world revolution and its record in supporting, training and equipping revolutionary leaders and movements seeking to subvert the legitimate governments of neighboring countries.

Aside from Peiping's part in the Communist aggression against the Republic of Korea and the United Nations and its aiding and abetting role in the recent Vietnam war, its massive support to the Indonesian Communist Party (Paotai Komunist Indonesia) in the 1960's is another glaring example of its threat to the Asian countries. The court proceedings in the trials of former Indonesian Foreign Minister Subandrio and former Air Force Chief Omar Dhmai after the failure of the coup d'etat in September-October, 1965, brought to light that the Chinese Communist regime had secretly sent to Indonesia great quantities of arms, explosives and military equipment and that Subandrio had been promised 100,000 small arms. The West should remember also that during the crucial battle of Dienbienphu the bulk of the ammunition and the chief weapons employed by Vietnam Communists were supplied by Peiping.

In conclusion, I would like to point out a known fact that the legal governments of the free countries in the region are not strong enough to resist the major supporters of the local Communist groups in their respective domains. For many years there have been various common efforts in regional organization pursuant to the articles on "Regional Arrangements" under the U.N. Charter, but the agenda of their conferences usually covered other matters of mutual cooperation than positive political and security problems. At this stage of development countries in this large area would have to depend for their external defense on one or another of the Treaties of Mutual Defense concluded under the aegis of the United States from 1951 to 1954.

We of the Republic of China attach utmost importance to our Mutual Defense Treaty with the United States and are gratified to note that the authorities of the United States from President Nixon on down have repeatedly assured us that the United States will maintain its friendship with us and its defense commitments to my Government. My Government on its part stands ready to discharge its obligations under that instrument. We are irrevocably committed to the cause of freedom and to the defense of our independence, and there is no turning back or possibility of compromise with the Communist rebels. Inasmuch as our position is constant, we deem ourselves as a vital force for freedom at this juncture of conflict between freedom and Communist enslavement.

THE SIXTH ANNIVERSARY OF THE INVASION OF CZECHOSLOVAKIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. DERWINSKI. Mr. Speaker, today is the sixth anniversary of the invasion of Czechoslovakia by the Soviet military forces. On August 21, 1968, the frontiers of that small country were occupied by 650,000 Russion, Bulgarian, East German, Hungarian, and Polish troops, that were dispatched to suppress the liberalization that was developing in that country.

The occupation of troops to Czechoslovakia in 1968 was especially shocking because that nation had been a Soviet satellite for 21 years. Some inadequate reforms were too much for the men in Moscow.

Despite the millions of words that have been spoken and written during the last few years to the effect that the Communists have mellowed and that their leaders have undergone a metamorphosis from socialistic totalitarianism to capitalistic free enterprise, the status of Czechoslovakia shows us that the facts are otherwise. The people who inhabit that unhappy nation can provide the testimony to demonstrate the utter falsity of statements that proclaim the advantages of peaceful coexistence.

The peoples of Czechoslovakia do not need foreign advice especially under the heel of the Soviet Russian goosestep as to how to run their affairs. Their tradition of self-government goes back to the kingdom of Great Moravia which was a strong independent and highly developed state in Central Europe during the ninth century. The Soviet military occupation not only violates the sovereignty of Czechoslovakia but affects the entire European balance of power. The invasion was an illegal act of unprovoked aggression and the continuing military occupation is an inexcusable violation of international law.

May I remind the Members that on August 14, 1970, this body passed Concurrent Resolution No. 817 protesting the occupation of Czechoslovakia. In the following years numerous Members of Congress from both parties in the House and Senate issued strong individual protests. It is now established that the Soviet and Warsaw Pact armies were not called by any responsible Czech official. The crushing of the Dubcek government was nothing but an unprovoked act of aggression which must not be forgotten.

This episode demonstrates the rigid and barbaric nature of the Soviet dictatorship. For those people in all parts of the world, August 21, 1968, should be remembered as a day when the blooming of freedom was nipped in the bud and the rights of these peoples remain divided until this day. Let there be no illusions about détente. The Soviet invasion into Czechoslovakia certainly makes that clear.

COMMITTEE REFORM DELAYS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, today marks an anniversary of sorts, though not one which is cause for celebration. It was exactly 5 months ago today, on March 21, 1974, that our bipartisan Select Committee on Committees reported out House Resolution 988, the Committee Reform Amendments of 1974 calling for a comprehensive realinement of House committee jurisdictions along functional lines.

Ever since that date the reform package has been buffeted about by the cruel winds of antireform forces both from within the House and from without. For months this bipartisan product was stalled in the partisan pocket of the Democratic King Caucus where it was practically studied to death. It was then reshaped by the so-called "reform" committee of the Democratic Caucus, not to fit the needs of the House as an institution, but to fit the needs of the power barons of King Caucus.

Now the resolution is receiving similar treatment from the House Rules Committee of which I am a member. Twice it has been scheduled for consideration in the committee, only to be pulled at the last minute for one mysterious reason or another.

The Washington Post this morning carried an article which identifies labor lobbyists as the real culprit in this whole piece, based on accusations not from this side of the aisle, but from the other side. Mr. Speaker, I would hope that when this body reconvenes in September we will stand up to those outside pressures and demonstrate to the American people that we are in charge of this House and are prepared to reform ourselves. I have been informed that consideration of the reform bill has now been reset for September 12 in the Rules Committee. I hope we can stand by that date. At this point in the RECORD, I include the Post article:

BOLLING, ALLIES CHARGE LABOR BLOCKS HOUSE REFORM

(By Mary Russell)

Pressure from labor lobbyists may succeed in killing proposals to reform the House committee system, the chairman and Democratic members of the group that authorized the reforms said yesterday.

A Rules Committee meeting yesterday to clear the reform proposals for the floor was canceled. Reform proponents cited this as a first sign of a delaying strategy by opponents, including labor lobbyists and committee chairmen and members who would lose jurisdiction by the proposals.

"The opponents (of the reforms) having failed in all their previous efforts to kill it may now be attempting to bury it in the Rules Committee by stalling it to death," said Rep. Richard Bolling (D-Mo.), chairman of the bipartisan select committee which reported the reforms this spring.

In a statement, four Democratic members of the committee said they feared the delaying tactics will succeed unless Speaker Carl Albert and Majority Leader Thomas P. O'Neill (D-Mass.) continue to press for action.

At a Rules committee session yesterday, Chairman Ray Madden (D-Ind.) promised to reschedule the meeting for Sept. 12. He said the delay arose because not all the members of the House who were interested in the reforms could be present.

But Bolling and Democratic colleagues said the action might be "the first of a series of steps designed to prevent action by the House this year" on the reforms proposals.

Other recent actions which appear to endanger the reform proposals include: renewed activity of labor lobbyists who oppose splitting the Education and Labor Committee in two; a visit to Speaker Carl Albert by three powerful committee chairmen asking for delay, and a cooling among Democratic leaders who feel the reforms could result in a divisive party battle.

The reform proposals have already resulted in bitter fights among Democrats, who as the majority party hold the committee and subcommittee chairmanships affected by the proposals.

YOUTH CAMP SAFETY

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. DOMINICK V. DANIELS. Mr. Speaker, the Select Subcommittee on Labor has held hearings on the Youth Camp Safety Act during the 90th, 91st, 92d, and 93d Congresses. As a result of these, we have become increasingly aware of the great need for this legislation.

It is, therefore, with great pleasure that I can say to my colleagues today that the subcommittee, with strong bipartisan support, unanimously reported out this bill on Wednesday, August 14. The bill now awaits consideration by the full Education and Labor Committee.

I am most pleased to learn that the Communication Workers of America have also come out in strong favor of the Youth Camp Safety Act. The reasons for their support were most eloquently stated in a resolution unanimously passed at their 36th annual convention.

I would like to bring this resolution to the attention of my colleagues.

The resolution follows:

YOUTH CAMP SAFETY

Every summer, approximately 10 million youngsters attend camp throughout the United States. The number of these camps is estimated between 8,000 to 11,000. Parents will be sending their children to these camps in the belief that they will be adequately supervised by trained counselors and will live in sanitary and healthful surroundings.

Because of the interstate nature of summer camping, parents must rely mainly on brochures and other promotional materials prepared by camp operators. In most cases, the only times the parents will observe the camps will be at the beginning and end of the camp stay.

Public hearings in the last three Congresses before the Select Subcommittee on Labor of the Education and Labor Committee, U.S. House of Representatives, have documented countless cases in which children suffered serious—and sometimes fatal—illnesses and injuries at summer camp. These hearings have also unearthed the fact that only 6 states have comprehensive youth camp safety laws.

As a result of the earlier hearings on Federal youth camp safety legislation, the Chairman of the Select Subcommittee on Labor, Congressman Dominick V. Daniels, of New Jersey, wrote to the Governor of every state two years ago urging enactment of state youth camp safety laws. That plea has been ignored since only those 6 states have adequate laws today.

Under a mandate by the U.S. Congress, the Department of Health, Education and Welfare conducted a study and investigation of youth camps during the summer of 1973. The HEW study found that 45 states have no regulations applicable to camp personnel; 17 states have no regulations pertaining to program safety; 24 states have no regulations concerning personal health, first aid and medical services; 45 states have no regulations applicable to the transportation of children while in summer camp; 39 states have no regulations over out-of-camp trips and primitive outpost camping; 35 states do not regulate day camping; and 46 states have no regulations over travel camps.

The paradox is that the employees of summer youth camps are protected by the Occupational Safety and Health Act, but the children entrusted to the care of these employees do not have comparable protection under Federal law—nor do they have it in 44 states under state law.

Legislation pending in the House Education and Labor Committee, which bipartisan sponsorship, would establish minimum mandatory Federal standards for the safe operation of youth camps. It would provide Federal assistance to the states for developing and implementing their own youth camp safety programs. The companion Senate bill would provide for the same Federal aid, but on a permissive basis as regards the states. The House bill's mandatory features recognizes the interstate nature of the summer camping programs as an extension of the Constitutional power to regulate commerce.

Be it resolved: That inasmuch as it is the desire of all parents to insure the maximum protection of the lives and well being of their children attending summer camp, the 36th Annual Convention of the Communications Workers of America support the House version of the "Youth Camp Safety Act," and urge the strengthening of the Senate bill, to require the states to develop and implement their own youth camp safety programs.

THE PENSION REFORM BILL

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Ms. ABZUG. Mr. Speaker, during the consideration of H.R. 2, the pension reform bill, I offered an amendment to cover more equitably blue-collar workers in this country who do not wait until the age of 25 to start working, but start working immediately upon leaving high school. I am pleased the conference committee on H.R. 2 supported the substance of my amendment by authorizing a 3-year "lookback" to credit service up to 3 years before entering a pension plan at age 25.

The importance of this provision cannot be overstressed—according to the 1970 census, over 50 percent of all Americans between the age of 18 and 19 are in the labor force. Over 68 percent of all Americans between the ages of 20 and 24 are in the labor force. Of all the women between the ages of 20 and 24, over 56-percent are in the labor market.

This provision is of particular concern to women, generally between the ages of 18 and 24, whose labor pattern is to work for a number of years; leave to care for their families and return to the labor force at a later date.

I would like to commend the members of the conference for taking one of the many needed steps to insure that the working youth and women in this country, who make a significant contribution to society, are considered as economic equals with the rest of the working American public.

A PRAYER FOR OUR COUNTRY

HON. MARTHA W. GRIFFITHS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mrs. GRIFFITHS. Mr. Speaker, President Ford last week asked for the Nation's prayers on assuming the awesome responsibilities of the Presidency. The following is a response to that request from the Congregation Shaarey Zedek of Southfield, Mich. It is an eloquent expression of the deep desire the people of my district and the Nation, that President Ford restore to us a unity and tolerance long missing from our national spirit.

The prayer follows:

A PRAYER FOR OUR COUNTRY

(Composed by Rabbi Irwin Groner)

We thank Thee, O Lord, for America our home, a country dedicated to the ideals of freedom, justice and brotherhood. We praise Thee for the liberty, the opportunity, and the abundance we possess. Above all we praise Thee for the traditions which have made our country great and for the inspired leaders of our past who laid the foundations of this republic through faith, courage, and self sacrifice.

We have lived through a dark and painful period in our nation's history. Those entrusted with authority did abuse it. The highest office in the land was darkened by ever lengthening shadows of legal and moral wrongdoing. In the midst of this travail, many of us became disillusioned with our leaders, with ourselves, and with the failure of this government to reflect our national ideals. We have come to recognize with greater comprehension the words of Thy teacher "Righteousness maketh a nation great, but sin is a reproach to any people."

We are grateful to Thee, O Lord, for what this ordeal has taught us. We are a government of laws and not of men. These laws are designed to protect the rights of the weak against the strong, to defend the liberties of the individual against the tyranny of the powerful. We have relearned an old lesson: that the opinion of all the people is wiser than the opinion of any one man, of any small group of men.

Almighty God, we beseech Thee to look with favor upon our land and our people. Heal our wounds, bind us together, let the bitterness be replaced by forbearance and the anger muted by understanding, and the cynicism answered by trust. Justice having been done, let mercy and forgiveness complete the work of reconciliation and unity.

Heavenly Father we ask Thy blessing on Gerald Ford as he becomes the President of the United States. Mayest Thou, O Lord, to whom alone belong the dominion and the power, be his support in the fulfillment of his awesome trust, thrust upon him by unprecedented events in the experience of this people. Enable him to ensure the unfettered, uncompromised implementation of our Constitution for all the inhabitants of our land. Endow him with the spirit of wisdom that he may safeguard the physical and moral integrity of our beloved commonwealth, founded by our faith in Thee. Quicken his heart with the awareness of Thy presence, especially in the lonely moments of fateful decisions which may be his to make for us and the world.

May we, the citizens of this land, express by obedience to Thy law that we are worthy to have been made great among the nations of the earth. Above all, let us so order the affairs of this country that we heed the admonition of Thy prophet—"Let justice well up as the waters, and righteousness as a mighty stream." *Amen.*

ANTI-INFLATION ACT OF 1974

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, because of illness I could not be present on Monday to vote for the Anti-Inflation Act of 1974. I take this opportunity to indicate my support. This bill is nearly identical to H.R. 16399, the Economic Monitoring and Inflation Control Act which I introduced on August 14 in response to President Ford's request to reactivate the Cost of Living Council for the purpose of monitoring wages and prices to expose abuses, without the reimposition of controls.

The bill before us today would establish a Cost of Living Task Force for the same purposes. Like my own bill, it contains a specific proviso barring control authority. This proviso is contained in section 4(b) and reads:

> Nothing in this Act authorizes the imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, interest rates, or any similar transfers.

The task force established by this bill would have a seven-part mandate as spelled out in section 4 of the bill. These responsibilities include: Reviewing and analyzing industrial capacity, demand and supply in various economic sectors, working with industrial groups and Government agencies to encourage price restraint; working with labor, management and Government agencies to improve collective bargaining structures and the performance of those sectors in restraining prices; improving collective bargaining and encouraging price restraint through the improvement of wage and price data bases for the various economic sectors; focusing public attention on inflationary problems and the need to increase productivity in the public and private sectors of the economy; reviewing the programs and activities of public and private economic sectors for the purpose of making recommendations for changes aimed at increasing supply and restraining prices; and finally, evaluating the inflationary effects of international transactions, particularly with respect to balance of payments, controls on imports and exports, and the cost of fuel and other commodities that bear directly on the rate of inflation.

Mr. Speaker, let us harbor no illusions

that the creation of this Cost of Living Task Force is some kind of panacea for our inflationary problems. It is not. But hopefully, through this economic monitoring process, we will be able to better pinpoint and deal with the major sources of our inflationary problems and to enlist public support and cooperation in that cause. Hopefully, the forthcoming domestic summit on the economy being convened by President Ford will further supplement this effort and provide us with fresh ideas and solutions for dealing with this most difficult and persistent problem. I commend President Ford on taking these early initiatives to deal with what he has termed "Our Domestic Public Enemy No. 1." As the President stated in his address to the joint session of Congress on August 12, "to restore economic confidence, the Government in Washington must provide leadership." By passing this bill today, we will be taking an important first step in providing that leadership and indicating to the American people that the Congress is prepared to work closely with the new administration in combating inflation. I urge the passage of H.R. 16425, the Anti-Inflation Act of 1974.

FREEDOM'S EDGE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am pleased to call to the attention of my colleagues the publishing of a new book entitled "Freedom's Edge: The Computer Threat to Society." This 150-page volume was written by Mr. Milton R. Wessel, a New York attorney who has lectured and published widely on the computer's impact on society, modernizing legal procedure, improving crime enforcement and related socio-legal problems.

This book was written to put all of us on the alert—the computer industry and individuals everywhere who are wondering what legal means they have to protect themselves against any adverse encroachment of computers.

The underlying theme of Mr. Wessel's book is this: When the computer's impact on the data is great enough, it changes the environment in which we live. For example, it can have a chilling effect on freedom. In chapter after chapter, the author shows some of the ways the computer is alreadly changing our lives or soon will be.

In Mr. Wessel's book he hopes to generate the kind of interest and concern that will stimulate analysis, debate, and action before it is too late.

It is my sincere belief that his study is another reason why Congress should pass legislation, such as H.R. 16373, designed to safeguard individual privacy from the misuse of Federal records and provide that individuals be granted access to records concerning them that are maintained by Federal agencies, in many cases, in computers.

SELECTIVE MASS TRANSIT AID

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MILLER. Mr. Speaker, yesterday I was one of 92 Members who voted against the Federal Mass Transportation Act. At the time this bill was presented to the House I had two strong objections to it: it was inflationary and it neglected the nonurban areas of this country. Although steps were taken to cut out some of the excessive spending, in the end the objectionable features still remained.

As originally reported this legislation would have given over $20 billion for mass transit assistance. This Nation cannot afford such expenditures at a time when we are all trying to curb inflation. The manner in which this money was to be spent made it all the more objectionable. A great part of the funds was to be spent on operating subsidies. That is, the money would be given not to improve a transit system, but just to help them make up for operating deficits. Plainly this is a case of throwing our money into a bottomless pit. There are no incentives for these poorly run systems to improve their service. As long as they know that Big Brother in Washington is ready to subsidize their operations the money-wasting inefficiency will continue. This bill provides no solid assurances that this attitude will change.

I was pleased to see that the House recognized some of the inflationary aspects of this bill and cut the total funding authorized down to $11 billion. However, there remained in the bill many items that were inflationary and could have been cut out. An example was the so-called demonstration project in one city to eliminate railroad grade crossings. The cost for this "demonstration project": an incredible $14 million. Surely we can cut deeper than we have done as long as programs such as this remain.

A second objectionable feature of this bill is its virtually total neglect of the nonurban areas. This deficiency is perhaps the most important and yet nothing was done to change it. People in rural areas and small cities are in as great a need for adequate transportation as residents of our large cities. In fact, their need may be even greater. In a large city the stores and services that are needed are often within walking distance. In a rural area the nearest store or place of employment is usually far out of walking distance for the elderly or those without adequate transportation. What does this Mass Transportation Act do for them? Very little. Less than 5 percent of the original $20 billion was to go to areas with populations of under 50,000. Spread out across the country this turns out to be a very meager sum. The end result is that these people in the nonurban areas are getting no benefit from the bill while paying to support the transportation of the big city dwellers.

Mr. Speaker, I strongly feel that advances are needed in meeting our mass transportation needs. However, the program we enact should meet the needs of all the people, not just selected areas. In addition, the funding level must be such as will not encourage inflation. I would hope that my colleagues who voted for this bill would reconsider their action and support a proposal more in line with these recommendations.

THE NEW PRESIDENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my Washington Report entitled "The New President":

THE NEW PRESIDENT

In huddled conversation in Washington, on the midways of the Indiana county fairs, or on main streets across the country, the question is the same: What will the Presidency of Gerald Ford be like?

Everyone agrees that the new President will start with a period of good feelings. The anger and tension and recriminations that have enveloped the country for months have subsided, the country feels a sense of relief, and a spirit of conciliation is emerging.

The new President is expected to have an extended period of good relations with the Congress. He served in the House of Representatives for 25 years, and Members of both parties know him as "one of ours." President Ford's promise this week to the Congress to consult and compromise was in keeping with the expectations of Members of Congress to work closely with him.

His style of conducting the Presidency will be much different from that of his predecessor. He will be conciliatory with the Congress, not combative. He will seek advice and listen, and not make his decisions alone. Both the man and his administration will be open and accessible. He will not display flashy leadership or crafty public relations techniques, and rather than making dramatic moves, he will act cautiously and deliberately. His White House will not be tightly controlled, but more freewheeling and loose. He has a talent for conciliation and fence mending. Although conservative and partisan, he has a pragmatic streak and can maintain cordial relations with his adversaries. Like his predecessor, he will like to travel.

Continuity will be a major theme of the early days of the Ford administration. President Ford has already asked all members of former President Nixon's Cabinet, as well as heads of government agencies, to stay on in his administration. In the early weeks of his tenure it is unlikely that he will demand top level changes, but after that he may turn to persons with past political experience.

In the area of most concern to the nation today—economic policy—the President will bring no magic or quick solutions. He believes that maintaining tight control on government spending is essential if any inroads are to be made against inflation. He favors a budgetary surplus next fiscal year, "the discipline of high interest rates," and opposes wage and price controls. Unlike President Nixon, who favored dramatic moves like wage and price freezes and tended to lurch from one approach to another, he will bring a steadier, more consistent approach. There are also indications that he may be willing to take a more activist position than President Nixon did, for example with public service employment and selective credit policies for hard-hit industries, such as housing. His calls this week for an "economic summit" meeting to tackle inflation and for the re-establishment of the Cost-of-Living Council to monitor wage and price activity, and his criticism of General Motors for price increases are further evidence of his activism.

In the area of foreign policy, where President Ford has not had great experience, he has already indicated that he would follow the basic course of the Nixon-Kissinger policy, at least in the opening stages of his administration. In the past, he has been a steadfast cold warrior, a "hawk" on Vietnam, but a defender of Nixon's winding down of U.S. involvement in Vietnam, and a supporter of the moves toward detente with the Soviet Union and China. He has consistently supported big defense budgets, a large U.S. troop presence in Europe, freer trade, and Israel. As President, he confronts immediate and key decisions in almost every area of the world: in the Middle East he must keep the negotiations going; talks with the Russians on limitations of strategic arms are due to resume in Geneva next month; relations with China, Japan, and Latin America need special attention; the Indochina situation is not improving; and ties with Western Europe, which have improved lately, need constant attention. Mr. Ford also needs to become acquainted with most of the key world leaders.

President Ford's past record, which is consistently right of center, makes unlikely that he will be highly innovative or strike out in new directions. His voting record in the Congress was deeply conservative. He opposed most of the Great Society programs, including Medicare and federal aid to education. He has been a strong supporter of revenue sharing as a means of strengthening state and local governments. On civil rights legislation he has opposed busing school children to obtain a racial balance and supported most major reform bills, but only after first voting to weaken them. Similarly, he has voted for most environmental legislation but believes that many federal environmental standards should be eased. But the conservatism may be misleading because he recently advised a visitor, who had noted his somewhat negative civil rights record, to "Forget the voting record. The voting record reflects Grand Rapids."

THE DEATH OF MRS. PARK—KOREA'S LOSS, OUR LOSS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. WALDIE. Mr. Speaker, the tragic death of Mrs. Chung Hee Park at the hand of an assassin, was a terrible loss to the people of the Republic of Korea and to all of us who are concerned about the well-being of our fellow man.

Mr. Speaker, the humanitarian interests and energies of Mrs. Park will be missed by the people of Korea who loved and revered their "First Lady."

Let us hope that this terrible act is not repeated and that the people of Korea, our great friend and ally in the Far East, are comforted by a period of solidarity and peace they so richly deserve.

Mr. Speaker, if there is any solace in this terrible loss, it is that the strength of the Korean people has been tested and they have been joined by the common bond of sorrow.

CRIME—THE FAILURE OF TRADITIONAL THEORIES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. CONYERS. Mr. Speaker, now that the Nation's attention has been freed from the problem of "crime in the suites," we must again devote our attention to one of the chronic problems facing our Nation today: Crime in the streets.

Recent nationwide surveys show that, contrary to prior reports, crime is rising at an alarming rate, to the point that it threatens to jump off the charts due to the fact that at least two crimes in five are never reported. We are today up against an unprecedented public lack of confidence in our law enforcement and criminal justice institutions. The ineffectiveness of our present programs in reducing crime can be traced to the shopworn thinking that controls their initiation and implementation.

The last administration, which characterized itself as of the "law and order" variety, proved to be entranced by the need to find easy and politically palatable answers to this complex societal problem. Accordingly, the Nixon years saw billions of dollars pumped into supportive Federal programs that grew out of an oversimplified "Crimestoppers' Textbook" approach to reducing crime. The analysis of recent experiences within the law enforcement community questions the logic of assumptions that were thought to contain answers to the problem. Some of the assumptions that characterize the fundamental formula underpinning such programs may be enumerated as follows:

Highly efficient police force plus Federal monetary assistance plus cooperative informed citizenry equals a reduced crime rate;

Increased visibility of police presence plus increase in arrest rate equals more effective crime deterrent, which in turn equals a reduced crime rate;

Police plus improved technology, with emphasis on hardware, equals a reduced crime rate;

Reduction of the international flow of narcotics plus strict enforcement of drug laws plus treatment of addicts equals a reduced crime rate;

Improved economic conditions plus reduced unemployment locally equals a reduced crime rate.

The fact that these combinations of presumptions have failed to produce a measurable reduction in crimes of passion and opportunity is not to say that they are totally invalid; it merely demonstrates that their applications thus far have been ineffective.

In my view, this is because crime has been treated as an objective rather than human phenomenon and, as a result, efforts have been concentrated on treating symptoms rather than curing the cause itself. That is to say, we have shown a tendency to preoccupy ourselves with enlarging law enforcement systems to increase their capacity to handle more crime rather than preventing it from occurring with such frequency. The ironic result is that law enforcers are oftentimes put in the position of being in the business of crime logistics and management rather than crime prevention itself.

The rate at which crime has risen in the last decade should make it abundantly clear that it is physically, as well as fiscally, impossible to allow crime to escalate and expect that institutions can be expanded at a proportionate rate to deal with it. By selectively concentrating resources in the area of apprehending criminals, a vicious cycle is insured. More arrests means overwhelming the already overburdened court system, which is then faced with a Hobson's choice: Either dump more bodies into the totally inadequate corrections complex—with its demonstrated capability of producing more efficient criminals—or return offenders directly to the communities from whence they came. The net effect is that the proportion of criminals to citizenry increases at an almost Malthusian rate, since the physical capacity of the corrections system is irretrievably overloaded, while the system's ability to cope effectively with this increase diminishes inversely.

It is time we incorporate into our crime-reduction thinking the hard facts of modern urban life: Poverty, economic discrimination, and social and racial injustice are the progenitors of crime. As long as these conditions exist, no amount of law-enforcement cosmetology will ever make a significant dent in the crime rate.

There is one factor that has emerged from the trauma of Watergate that deserves more emphasis than I could ever give it. Many believe that respect for law and the rights of others has never been lower in any prior period in our history; Watergate has reinforced the public's conviction that those most responsible for generating respect for the law and its institutions are arrogantly indifferent and completely without moral substance. To expect restraint from the people when their leaders run roughshod over every precept of law and accountability is patently ridiculous. This cancer of disrespect can be seen as encouraging an ugly popular preference for vigilantism that, if adopted would make past periods of lawlessness seem remotely inconsequential. Already in our cities we have seen examples of mob justice that has threatened the whole fabric of social order; currently, American moviegoers are on their feet, cheering a citizen-victim who turns assassin due to the ineffectualness of the system in giving him justice.

The time for lip service and cures that only hasten the spread of the sickness is past. The question is no longer one of containment, but one of survival. It is encouraging to note that some of my colleagues have rededicated themselves to the principles of law and justice, and seem ready to eschew the lure of easy solutions that have so tempted us in the past. Crime is merely the footsoldier of injustice; we must declare war on the real enemy.

Writing in a recent issue of the Washington Star-News, Mr. Orr Kelly has provided some helpful insights into the failure of conventional programs to have a real impact in reducing the spiraling crime rate. I insert Mr. Kelly's article in the Record at this point for my colleagues' appraisal and enlightenment.

The article follows:

[From the Washington Star-News, Aug. 16, 1974]

Failure of War on Crime

(By Orr Kelly)

The long nightmare of Watergate may be over, but President Ford is faced with another long nightmare that simply will not go away: crime in American cities.

Statistics pouring into the Federal Bureau of Investigation from police departments throughout the country suggest that the war on crime—described by the Justice Department as "the most massive and sustained attack on crime in the history of the nation"—has been a bitter failure.

"We have really made very little progress on a crime control system that really works," Patrick V. Murphy, president of the Police Foundation, said. "I don't think we have been winning the war on crime."

Attorney General William B. Saxbe described the amount of street crime in the country as "undesirable and unacceptable" and added: "a lot of the things we've bought in the last few years as cures for crime just haven't worked."

FBI statistics show that the crime rate, which increased an average of 9 percent a year from 1960 to 1970, showed a slight decline in 1972 for the first time in 17 years but, by the middle of last year, was clearly on the rise again.

In the last three months of last year, the increase was 16 percent. In the first three months of this year, it was 15 percent. A spot check by the Star-News with police departments in scattered parts of the country indicates the increase has continued into the second quarter of this year.

Even sociologists such as Dr. Albert D. Biderman, of the Bureau of Social Science Research here, who do not accept the FBI's Uniform Crime Reports as an accurate measure of crime trends, believe that crime is increasing—and will continue to increase for an unpredictable period of time.

One of the most discouraging things about the increase in the crime rate shown by the FBI reports is that it confounds so many of the theories that guided the Nixon administration's offensive against crime.

If a city with a first-rate police department got help from the federal government and the enthusiastic cooperation of an informed citizenry, it was reasoned, the amount of crime in that city would decline.

Portland, Oreg., fits the formula almost perfectly. It has a good department, it was chosen as an impact city to receive special help and its people support the police department.

"We are rather fortunate," Deputy Chief Richard Kuntz said in a telephone interview. "We enjoy a lot of support from the community. People have faith in us. The rate of reporting of crime is higher than in other cities."

What happened? In the first quarter of this year, crime in Portland went up 25 percent.

Part of the increase, Kuntz said, was the result of successful efforts to encourage people to report crimes. That probably accounted for most of the 113 percent increase in the number of rapes reported, he said. But it does not help to explain why the number of murders jumped 175 percent.

When Kuntz reported the startling 25 percent increase to the FBI, he was told not to be surprised—crime was up almost everywhere.

Kuntz checked other western cities and confirmed the FBI report. In neighboring Washington, Seattle's crime was up 28 percent, Spokane up 38 percent. In California, San Diego was up 20 percent, San Jose up 19 percent. In cities of comparable size, only Oakland, Calif. showed a decrease—down 14 percent. But Kuntz then checked the number of crimes reported and found that Portland and Oakland were running almost neck and neck and that the number of rapes and aggravated assaults reported in the two cities was exactly the same.

"We got an increase," Kuntz said, "but we just don't have the resources to find out the causes."

Another favorite theory is that poor economic conditions and an increase in unemployment will be reflected in a rise crime—and vice versa.

That theory hasn't worked in Jacksonville, Fla., where Sheriff Dale Carson's force of 800 polices a community of 550,000 persons. Economic conditions are good, unemployment is low, industry is booming and the amount of Navy business in the area has increased as bases elsewhere were closed.

"We're up 28 percent for the year and we're at a loss to know why," Carson said.

This sense of bewilderment belies another of the theories that guided the war on crime: that research plus better cooperation among police departments would reveal effective strategies for fighting crime.

Chief Bernard Garmire, head of the Miami, Fla., department, described a meeting with other law enforcement officials earlier this month in Jacksonville.

Almost all had bad news to report. Crime in the first quarter was up 24 percent for the southeastern states, up 40 percent for Florida and up as much as 50 percent in some communities.

"We don't know the answers," Garmire said. "Each of us was at a loss to account for the recent upsurge."

The increase in the crime rate for Miami was below the state and regional average at 17.5 percent, a fact from which Garmire takes some satisfaction—but not much. He now hopes that the rate of increase will hold at about that level for the year.

Another theory that helped guide the war on crime was that police using more sophisticated equipment—especially computers would be able to hold down crime.

In Dallas, Tex., where a computer system is in operation, one important result seems to be that Chief Donald A. Byrd gets the bad news faster. While most chiefs are still guessing how their crime rate ran in the second quarter of this year, Byrd knows that crime in Dallas was up 18.78 percent in the first six months of the year.

Another disturbing fact revealed by the computer is that the sharpest increase in Dallas is in the crimes that the police have most difficulty solving.

The rate for both murder and aggravated assault is down but the police solve 90 percent of the murders and 74 percent of the assault cases.

On the other hand, they clear only 16 percent of burglaries, 24 percent of the larcenies and 19 percent of auto thefts—and there is a sharp increase in all those categories.

Perhaps the most grievous disappointment in the national war on crime has been the failure of the crime rate to drop as the result of a massive—and at least temporarily successful—effort to reduce drug traffic and drug addiction.

Through a combination of international cooperation, strict enforcement of the drug laws and treatment of addicts, the heroin epidemic that plagued American cities only a short time ago seems to have been brought under control. But the expected decline in the crime rate did not occur and some experts now are wondering whether they overestimated the link between drug addiction and crime.

The effort to control the drug problem was just one part of what then-Atty. Gen. Richard G. Kleindienst described to Congress two years ago as the greatest attack on crime in the nation's history. Since 1969, the Law Enforcement Assistance Administration—the agency through which the federal government helps local law enforcement agencies—has received $3.2 billion, most of which has been passed on to state and local agencies. It is now geared up to send out nearly $1 billion a year.

In his report in September 1972, Kleindienst claimed that the war on crime was beginning to show results and, when the figures for 1972 showed an actual decline, administration officials were elated. As recently as January, in his state of the union message, President Nixon declared: "Peace has returned to our cities, to our campuses. The 17-year rise in crime has been stopped. We can confidently say today that we are finally beginning to win the war against crime."

It now appears that the claims of victory were, at best, premature. It is probable that some of the money spent in the last five years will pay off in the future. Training programs for police will almost certainly improve their efficiency as more and more go through specialized programs.

And a $10 million a year program to question victims of crime is expected eventually to provide a vast amount of information that will help in an understanding of crime and its causes. These may well have a measurable impact on crime—in years to come.

Looking at the experience of the last five years, however, there is reason to suspect that some of the shorter-range "solutions" the federal government helped finance and the emphasis given to the war on crime itself have actually contributed to the increase in crime.

Murphy, a former police commissioner in New York, explained that a chief of police will frequently respond to public concern about an increase in crime by pushing up the arrest rate. The federal money has helped by making the police more efficient. The result in many places has been to overload the courts, prosecution staffs and the correction system with minor cases while dangerous criminals escape prosecution.

"Ninety percent of the felonies in Manhattan are plea bargained," Murphy said. "Lawyers and criminals are running the system rather than judges and prosecutors. Criminals are beating the system."

The war on crime also has had the effect, according to Biderman, the sociologist, of making crime visible, of constantly suggesting crime.

"The result has been, for some people, to make the unthinkable thinkable," he said.

The effort to understand and deal with crime thus begins to seem like some giant treadmill where even well-conceived efforts to slow it down simply add to the momentum.

So far, the sharply rising crime rate reported by the FBI has not become the kind of political issue that crime in the streets became in the late 1960s—even though the increase for at least a six-month period is as sharp as it was in the peak year of 1968.

One reason for this may well be that a single crime complex known as Watergate has so absorbed the nation's attention that it has not had time to think about such local crimes as murder, rape and robbery.

Another reason is that the kind of crimes measured by the FBI are not very common even though they are the kinds of crime of which people are afraid. It is likely that more Americans suffer more injury from animal bites than they do from criminals and it is almost certainly true that the dollar loss from consumer fraud, embezzlement and graft—white collar crimes that are not reflected in the FBI's crime rate statistics—is far greater than the loss to muggers and second story men.

One recent study financed by LEAA showed that there is almost the same amount of crime in Dayton, Ohio, as there is in San Jose, Calif.—but the people in Dayton are much more conscious of crime and more worried about it than the people of San Jose.

The fact that public reaction to crime is extremely subjective and unpredictable suggests that concern about street crime, while subdued right now, could well erupt into a major political issue by the time of the November elections, just as it did in 1968.

If it does, politicians of both parties will be hard put to come up with solutions that have a reasonable chance of success. Almost everything that promised a quick solution has been tried—and the rate is still moving inexorably upward. Even in the District of Columbia, where a 65 percent increase in the police force helped to push down the crime rate, the rate shows signs of beginning to edge upwards once again.

Perhaps the most comforting theory is that the crime rate will begin to decline on its own before this decade is over. Prof. James Q. Wilson of Harvard, writing in the February issue of Barrister magazine, said the rate might well begin to drop as those born in the baby boom of the late 1940s get older, growing out of the age group responsible for most crime. This might be especially true if the number of jobs more nearly matched the number of persons in the 15-to-24 year age group and if there were significant improvements in the court and correctional systems, he said.

But Biderman, who tends to focus on population trends rather than on the crime rates, sees some disturbing signs that the passing of the post-war baby boom may not, in itself, cause a drop in the amount of crime. One sign, he says, is an early indication that the arrest rate among black males is not dropping off sharply after age 26, as it would be expected to do. Another worrisome sign is that Americans are not becoming parents as early as they used to. This could mean more young people without the stabilizing effect of family responsibility—and more crime.

Federal officials have shown a strong inclination to grasp at a simplified version of the Wilson theory—and to hope that the crime problem will just go away.

Last spring, when the FBI reports first showed a five percent increase in the crime rate last year, with the alarming 16 percent increase in the final quarter, Saxbe went to the White House and suggested calling the nation's police chiefs to Washington to see if they had any ideas for dealing with the problem. White House officials showed no enthusiasm for a meeting that would dramatize a potentially explosive political problem they would rather not think about.

Now, Saxbe has quietly arranged for a group of top law enforcement officials to gather on the weekend of Aug. 27–29—but in Chicago rather than in Washington.

Several of the chiefs interviewed by the Star-News said they expected to be at the meeting—looking for answers rather than bringing them.

One Justice Department official who has long studied the crime problem and various solutions to it was asked if he had any suggestions. He shrugged.

"We're not going to lick this problem until we have a moral rejuvenation in this country," he said. "We need better people."

URBAN MASS TRANSIT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HARRINGTON. Mr. Speaker, yesterday the House passed H.R. 12859, the Federal Mass Transportation Act of 1974, as amended on the floor.

Although I did not speak in favor of the bill at that time, I would like to take this opportunity to state that, despite my disappointment at the adoption of the amendment to cut the authorization by about 45 percent from the committe recommendation, I supported the bill on the basis of its overall merits, particularly because of the establishment for the first time of a unified and comprehensive Federal-State-local program of mass transit assistance.

I would like to suggest that in a time when the demand for mass transit facilities has been on the rise, when many existing urban mass transit facilities are proving inadequate to handle the load, when depreciated capital equipment has in many cases been left to further deteriorate for lack of funds, when our rail service facilities—particularly in small towns—are dying a slow death, and when energy shortages and environmental problems demand that we find more efficient means of transportation, the time has certainly come for this serious Federal commitment to a unified and comprehensive mass transit assistance program.

Certain factors particularly argue for the comprehensive approach to mass transit assistance contained in this legislation. Foremost among these are future energy conservation requirements and the continuing pressure on urban governments to meet Federal environmental protection standards. Recent experience with the petroleum energy shortage and past trends in fossil fuel exploitation suggest that now it would be prudent for our Nation to pursue more efficient means of transportation. But how can anyone expect the American public not to drive their cars when, in most cases, they have little or no alternative?

The urgency of the situation is intensified by the recent announcement of the Environmental Protection Agency that the parking regulations issued with the aim of cutting down automobile commuter travel, and, consequently, air pollution levels, will be enforced. In the abstract, the regulations seem quite workable, but in the absence of transportation alternatives, compliance with these EPA regulations poses a distinct hardship for those employees who must travel to work by automobile.

A well-planned and well-funded program of mass transit construction and operation assistance will get us started on providing a rational and workable alternative to our present reliance upon the automobile.

All responsible projections point to the need for increased funding for urban mass transit. The Department of Transportation has projected capital investment alone, not to mention soaring operating costs, to amount to over $3 billion annually for the next 15 years, and the U.S. Conference of Mayors has cited the need for an annual funding level of approximately $3.6 billion over the next 5 years to support mass transit construction and operation.

The committee bill would have approached this funding level, but my colleagues saw fit to acquiesce to the desires of the President in adopting the amendment to cut the authorization by more than $9 billion to $11 billion. This cut will force State and local transportation agencies to eliminate many necessary proposed new facilities, extensions, and improvements, or, as an alternative, to fund these projects partially, waiting and hoping for more money at a later date.

The allocation of this funding over a sustained 6-year period, however, will have the benefit of providing the State and city transit planning agencies with a stable skeletal framework within which to raise the necessary bond revenues. No longer will they be left high and dry, without the Federal commitment. Instead, I am sure that we will begin to see rationally planned approaches to our urban transportation problems.

No one will deny that such a program is expensive. Even if it were funded at the 6-year level of $20 billion, State and city commissions would not have enough money to build and operate many of the projects that are so desperately needed. But when the expense is placed in the context of, and viewed in comparison to, the many years of direct and de facto subsidization of automobile travel, it is not so staggering. While opponents of this vital legislation once again cloaked their opposition in the rubric of fiscal austerity, we must not allow them to once again succeed in altogether strangling a program that is truly in the interest of all of our people, providing direct benefits in terms of providing transportation to those who live in the city and revitalizing urban centers with industry and jobs. Therefore, I supported passage of this legislation not for its inadequate funding level, but for the framework which it establishes.

In reviewing the provisions of the committee bill, however, I found myself in disagreement with section 506, which would have exempted projects funded under the act from the requirements of the National Environmental Policy Act, substituting the unilateral judgment of the Secretary of Transportation for the indepth environmental, economic, and social impact studies of the proposed projects conducted by independent engineers and subject to the scrutiny of public opinion. It seems to me that this provision would have had the undesirable effect of removing public transit decisions from the public eye, thus foreclosing the possibility of informed consideration of alternatives to the proposed project. In this regard, I commend the House for its wide support of the amendment to strike this exemption from the bill.

Finally, while I hope that the cut of the authorization because of the Presidential veto threat does not establish a dangerous precedent for the near future, the passage of the Federal Mass Transportation Act of 1974 is a most significant step forward for urban mass transportation.

A STRONG "NO" TO PRICE MONITORING

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ROUSSELOT. Mr. Speaker, on February 4, 1974, the Wall Street Journal published a column by Prof. C. Jackson Grayson, who served as chairman of the Price Commission during phase 2, in which Dr. Grayson called for the complete abolition of wage and price controls. He made it clear at that time that his warning extended to the establishment of any so-called standby or monitoring agency because—

> If such an agency were created, . . . it would be under continual pressure to reimpose controls, totally or selectively. The monitors would find it almost impossible not to take "action" (direct controls or jawboning) even when price increases represented pure demand shifts. Prices would be determined as much by politics as economics.
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> I know from firsthand experience that allocations by the marketplace are far superior to any centrally directed system, and are most consistent with personal freedom.
>
> It's easy to get into controls, but as we are now witnessing, hard to get out. It is time to act with courage. Let's get out, and let's get out completely.

There was reason for encouragement that Dr. Grayson's advice might be heeded when on April 5, 1974, the House Committee on Banking and Currency voted decisively to table three proposals for extension of the Economic Stabilization Act. However, recent days have seen the Nation slip back toward controls, with the imminent establishment of a new monitoring agency, the Council on Price and Wage Stability.

Today's Wall Street Journal contains another timely article by Dr. Grayson, entitled "A Strong 'No' to Price Monitoring," in which he argues, as I have argued, that the new agency will contribute little to fighting inflation and that it may even be counterproductive.

The full text of Dr. Grayson's column follows:

A STRONG "NO" TO PRICE MONITORING

(By C. Jackson Grayson, Jr.)

There seems little doubt that the proposed wage-price monitoring agency will pass Congress easily, be signed, and in operation in a matter of weeks.

The near-term results: The agency will increase (falsely) expectations that the solution to inflation is closer. It will do little to stop inflation. In fact, it will increase some wages and prices and will prevent decreases. It will possess power. It will take action.

The longer-term results: It will be harmful to the operation of the competitive market system. It will increase the odds of future mandatory wage-price controls. It will assist a growing movement toward national economic planning.

All of that? After all, the agency is just a "monitoring" group. It will have no subpoena power, no mandatory powers, and a budget of only $1 million. To improve collective bargaining and encourage price restraint, it will simply "review and analyze capacity, demand and supply . . . work with labor and management in sectors having economic problems . . . improve wage and price data bases . . . monitor the economy as a whole." Who could be against that?

Very few. The bill is going through Congress with amazing speed. Business, labor, the administration, and Congress on both sides of the aisle are either for it, neutral, resigned to it as a tranquilizing political expedient or accepting it as a lesser of evils. On the surface, it seems innocuous and even logical.

But, based on my experiences as chairman of the Price Commission, I want to point out some political, institutional and economic realities and issue some warnings about the agency. I don't think it will be as benign or cosmetic as many think it will be. What you see isn't what you'll get.

POWER AND PRESSURE

First of all, don't be deluded because the agency won't have powers to subpoena records or veto price-wage increases. It will have tremendous power in the form of jawboning, or as they say in Britain, "ear-stroking." The persuaders come in gentle and not-so-gentle forms of pressure. Public hearings can be hinted at or called. Public condemnation can be expressed in the media. Officials can be called to the White House for a public or private "dressing down." Requests can be made to congressional committees to hold investigations. Administrative action can be threatened in other agencies; export controls, import relaxation, delay of decisions, procurement changes and stockpile releases. News conferences can be held; speeches can be put in congressional hands.

Deplorable in the American sense of fair play, these tactics have all been used in varying degrees by past administrations. The effect is to heighten antagonism between the public and private sector, with the public increasingly led to believe that union leaders are all greedy and that businessmen are all price gougers. It doesn't take a government agency to initiate these tactics, but they will be more organized, more frequent and more visible with the agency in existence.

And make no mistake about it, this agency will take action. A common assumption is that this is only a monitoring, not an action agency. Not true! "Action" doesn't have to mean a direct order. The agency can influence other agencies to do that. Moreover, monitoring and reporting is not passive any more than a chaperone with a camera in her hand saying to a couple, "Go right ahead. Don't mind me." What is, and what is not, reported creates public opinion and action.

Reporters will camp on the agency's doorstep: "What about this wage increase in the XYZ industry?" "What about these high profits?" "Are you going to recommend export controls?" "Why not?"

It's a fact of political life that action will be forced on the agency because it exists. Even if the problems weren't apparent, such an agency would find some. You can find problems anywhere, any time, in any labor or business organization, and particularly with a bright, energetic staff that won't sit around. It will be a new agency with excitement that will attract good economists and lawyers, who will regard it as their duty to hit somebody, somehow. Many of these people will be "control-oriented," with little direct business or labor experience and unsympathetic to the competitive market system. They will urge action.

It will raise false expectations. And when it proves unable to check rising corn prices, or steel prices or coal miners' wages, public disillusionment will follow, with the cry increasing for more immediate, even stronger measures. Then it will be said that the agency must be given additional powers to enable it to "do its job." Authority for the 1971-74 controls came from a simple amendment by Congressman Reuss to another piece of legislation. No one expected this to turn into 33 months of mandatory controls. But political pressures forced the action.

It isn't good economics. Controls seldom are.

The agency has to go after the larger individual wage and price increases. But not every large wage and price increase is wrong, or inflationary. The increase may represent demand and supply shifts. Yet political pressure on the agency may force it to act, with the same distorting result that mandatory controls generate. Shortages and investment in capacity may actually worsen, not improve.

The mere creation of the agency, moreover, will ratchet up some wages and prices for fear of coming mandatory controls. I know from direct experience that this has already occurred as a result of the discussions these past few weeks. Soon "guidelines" are likely to emerge. Business and labor will infer what is regarded by the agency as being within the government tolerance zone. It certainly won't be 5.5% or 2.5%, those famous figures from the past; new percentage yard markers will be created. And, as with direct controls, these will be taken not only as ceilings but also as floors.

The agency will tend to operate in the short-run. Its expiration date of June 30, 1975 cries for action now. And generally short-run action is bad economics, which is part of the reason we are where we are now.

If general inflation has not cooled significantly by next spring, there will be even more of a desire to "do something," and then the "something" must be stronger, not weaker. To say it can't happen is to ignore the fact that we dropped controls—and the proposal for continuing the Cost of Living Council as a monitoring agency—only four months ago. And here we are again.

Clearly, my belief is that the agency should not be created at all. But at this point, holding this conviction is about as effective as spitting into the wind. Therefore, my recommendations concern alterations, either before or after passage of the bill, plus some alternatives.

First, don't give this agency any additional powers, now or in the future. If this occurs, we will clearly be on the road to direct wage-price controls.

Second, don't put heavy reliance on this agency to fight inflation. The danger is that existence of this stopgap agency will reduce pressure to engage in tough, fundamental decisions. Reducing the federal budget, for example, is a basic way to fight inflation. But it will be tough going when Congress and the Executive get down to specifics. Any reduced pressure or zeal because of the existence of this agency would be a real loss.

Public statements notwithstanding, the public will tend to hold this agency accountable for every wage or price increase, and for every jump in the consumer or wholesale price index. The Price Commission surely was, and the proposed names for this agency—"Cost of Living Task Force" or "Council on Price and Wage Stability"—invite similar responsibility.

LOCATING THE AGENCY

Third, reconsider the location of the agency. It is now destined for the Executive Office of the President. I recommend instead that it be a quasi-independent agency, reporting directly to Congress (as does the GAO), or to both the Congress and the Executive Branch (as does the ICC). Location within the Executive Branch exclusively will constrain its activities and effectiveness for two reasons:

Every time this agency involves itself in a wage or price increase, the prestige and power of the Oval Office is somewhat at stake. If the agency loses a battle, say in forestalling a labor settlement or in not reducing a well-publicized price increase (as happened recently with President Ford and GM), the President stands to lose. Either the agency will tackle only those cases it is sure it can win, or the President will be forced to get the mandatory authority to back it up.

The agency should analyze and report on practices, laws, and procedures that contribute to inflation, not only in the private sector but also in the public sector. If the agency is based solely in the Executive Branch, it is not likely to recommend any action contrary to the administration's position, nor to criticize the Executive Branch for failure to act. For the same reasons, I think it would not be well placed in the Council of Economic Advisers, also a part of the Office of the President. If it reported to Congress exclusively, the same problem exists, although it is lessened because of the mixed constituencies.

My preferred solution would be to report to both groups. Thus it might take on the character and respect that is accorded the independent British Institute of Economic Affairs, but with access to government resources.

As a final shot, let me propose two alternatives to a separate agency, that might be adopted now or later.

Let the President formally assign this responsibility for coordinating economic policy directly to his Cabinet, most of whom are members of the proposed agency anyway. The Cabinet needs revival anyway as a national management team. Make the Vice President the counsellor to the President for economic affairs, and put him in charge of this function so that he would have the clout to influence economic policies across the entire Executive Branch.

Also, begin work now to revive the proposed Department of Economic Affairs. There is often fragmented and inconsistent economic policy making and a lack of accountability. The new department would gather together various branches now residing in Transportation, Commerce, Labor and others. This would require coordinated effort from both the Executive Branch and Congress to overcome established patterns and vested interests.

RINGING AN ALARM BELL

In summary, I do not argue my position as a blind, free-market ideologue, nor on the principle of nongovernmental interference in the marketplace. Government does have a role in our econonmic system. In fact, I am very much encouraged by the economic philosophy expressed by President Ford in his address to Congress and by the recent budget control procedures instituted by Congress.

I am ringing an alarm bell on this particular issue because I know from my personal experiences that the proposed monitoring agency can be misinterpreted, misused and can prevent us from fighting inflation at the point where the real battles need to be fought.

The real control over this economy in the long run must not be invested in Congress, the Executive Branch or any monitoring agencies, commissions or planning boards. It must rest in business and labor and the public in the private sector with two of the most powerful inflation fighting tools ever designed by man—competition and productivity.

SIXTH ANNIVERSARY OF THE SOVIET INVASION OF CZECHOSLOVAKIA

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HUBER. Mr. Speaker, it is indeed sad to again note the sixth anniversary of the brutal invasion of Czechoslovakia. The continued presence of Soviet troops in that country violates every realistic hope for peace in Europe and the inherent right of the Czech nation and people to self-determination. It is ironic, in my view, that we speak of "détente" with Soviet occupation troops still in Poland, East Germany, Hungary and Czechoslovakia.

It is further outrageous that the Soviet Union, which has made a great point of the "inviolability of frontiers" at the European Conference on Security and Economy continues to proclaim the right to aid "progressive" forces throughout the world regardless of anyone's frontiers, but when talk of freer communication with the Communist States is brought up the Soviets always state that they are not going to permit any ideas alien to Marxism-Leninism to circulate behind their frontiers.

It may be recalled that the Communist Czech Government in 1970 and 1971 attempted to blackmail her former citizens who fled after the 1968 invasion by tracking them down abroad and asking for $190 in U.S. currency for legal fees for defending them for the crime of leaving Czechoslovakia without permission. They were further informed that in all probability they would be convicted and sentenced to a jail term of from 6 months to 5 years for this offense and that in addition their property would be confiscated. They were further advised that the only way they could avoid these consequences was to return immediately or get their passports extended if they had one. Bad publicity in the press of the free world resulted in this repressive measure being canceled. The present Government of Czechoslovakia, however, is still seeking some of the same things, however, in a little more subtle manner. The Czechs living abroad are asked to legalize their stay abroad by paying $5,000 as "reimbursement for educational costs." This is, of course, the same ploy that the U.S.S.R. uses on its citizens that want to leave. Such payment theoretically entitles them to have their status changed from "nonpersons" to "persons" with the right to visit Czechoslovakia or have relatives visit them.

Thus, the present Communist Government of Czechoslovakia continues the same nefarious practice by another means. One can only sympathize and hope that Czech people can indeed really be free as they once were in between the two World Wars as we again observe this sad anniversary.

UTILITY-BANK INTERLOCKING DIRECTORATES

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HARRINGTON. Mr. Speaker, everyone recognizes the overwhelming significance of inflation for the well-being of our society, but it seems that few are willing to look for new explanations of its source. In this regard, it is my contention that it would be useful to consider the effects of the concentration of economic power through direct and secondary interlocking corporate directorships.

The Subcommittee on Budgeting Management and Expenditures of the Senate Committee on Government Operations, chaired by Senator LEE METCALF, is in the process of examining corporate interlocks to determine the extent of statutory violations or distorted interpretations of existing law which permit the existence of interlocks in transgression of the original intent of Congress in enacting restrictive legislation.

Particularly suspect is the large number of primary interlocks between utilities and banks which has been permitted by a loose interpetartion of the Federal Power Act and the Public Utility Holding Company Act by both the Federal Power Commission and the Securities and Exchange Commission—both supposed "regulatory" commissions for the public interest.

On August 14, I had the opportunity to testify before the subcommittee on this subject, and hope all of my colleagues will consider the substance of my testimony, in a broader sense, and consider the implications of interlocks and economic concentration for the inflationary situation confronting the country today.

The testimony follows:

TESTIMONY BY HON. MICHAEL J. HARRINGTON

Mr. Chairman, I would like to thank you for the opportunity to appear today to testify on utility-bank interlocks. Before beginning, I would like to commend both the Subcommittee on Budgeting, Management and Expenditures and the Subcommittee on Intergovernmental Relations for the ground they have broken with the publication of the report on the Disclosure of Corporate Ownership. The report makes a significant contribution to our understanding of just who controls our major industries and economic enterprises.

I would like to limit my remarks this morning to one rather specific topic—interlocking directorates between public utilities and banks. Given the tremendous growth in the need for new plant capital by electric utilities and the increasing necessity of utilities to rely on debt, rather than equity, financing, I believe it is important to take an indepth look at the degree of concentration that exists between banks and utilities at the board of directors level.

Any examination of this topic must begin with a look at two statutes—the Federal Power Act and the Public Utility Holding Company Act.

Section 825d of the Federal Power Act reads as follows:

> (b) After six months from August 26, 1935, it shall be unlawful for any person to hold the position of officer and director of more than one public utility or to hold the position of officer or director of a public utility and the position of officer or director of any bank, trust company, banking association, or firm that is authorized by law to underwrite or participate in the marketing of securities of a public utility, or officer or director of any company supplying electrical equipment to such public utility unless the holding of such positions shall have been authorized by order of the Commission upon due showing in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby.

Section 17(c) of the Public Utility Holding Company Act also contains a prohibition against utility bank interlocks. It reads as follows:

> (c) After one year from August 26, 1935, no registered holding company or any subsidiary company thereof shall have, as an officer or director thereof, any executive officer, director, partner, appointee, or representative of any bank, trust company, investment banking, or banking association or firm, or any executive officer, director, partner, appointee, or representative of any corporation a majority of whose stock, having the unrestricted right to vote for the election of directors, is owned by any bank, trust company, investment banker, banking association or firm, except in such cases as rules and regulations prescribed by the Commission may permit as not adversely affecting the public interest or the interest of investors or consumers.

These are the statutes that govern utility-bank interlocking directorates. While these would seem to be rather restrictive statutes, an examination of the boards of directors of utilities and utility holding companies reveal otherwise. There are 17 registered holding companies in the United States with 689 men serving on their boards or the boards of their subsidiaries. Of these 689, 240, or 35 percent, also serve on the boards of directors of banks. Leading the holding companies is Middle South Utilities, Inc., 65 percent of whose board members serve on bank boards. Next comes the Southern Company, 58 percent of whose members serve on banks. The holding company with the smallest interlock percentage, American Electric Power, still has a 15 percent interlock ratio.

In my own area, the New England Electric System has 18 directors interlocked with banks—35 percent of the company's total. Ten of Boston Edison's 14 directors (70 percent) serve on the boards of banks.

Coupled with additional interlocks between leading investment houses, insurance companies, and law firms, there is an intense degree of concentration of economic power and control revolving around our banks and utilities.

Last year, I was involved in a case before the Securities and Exchange Commission regarding the sale of three gas companies from New England Electric to Eastern Gas and Fuel.

As part of the intervenors' case, Professor John M. Kuhlman of the University of Missouri's Economics Department, and an expert on corporate concentration, prepared some charts outlining the interlocks between major Massachusetts utilities, banks, and law firms. These charts, which I would like to submit for the Record, reveal an intricate spiderweb of associations between Massachusetts' most power economic concerns. Through direct, secondary, and tertiary interlocks, New England Electric is connected with 31 other utility companies, and 37 banks, insurance companies and law firms. Boston Edison is connected with 23 utilities, financial institutions, insurance companies and law firms.

Do these intricate interlocks have any adverse impact on the public? Professor Kuhlman testified that they do. He stated:

> Q. Can interlocking directors lead to something less than arms-length bargaining?
>
> A. Yes. It is certanly possible that a person serving as a director of two companies transacting business with one another will have information with respect to both firms that he should not have if bargaining is to take place in a proper environment. The same situation might prevail if two business associates served on the boards of companies transacting business with one another. Thus, two officers in a bank might have knowledge regarding a transaction between two companies of which they are directors which, if shared, would impair the bargaining process.
>
> Q. Can you give an example of an interlocking director and a conflict of interest?
>
> A. Yes. If officers or directors of a bank are also directors of a utility company, for example, they may have access to information which might provide them with a strong incentive to change the portfolios in the bank's trust accounts.
>
> Q. Are you citing these as dangers of interlocking directors?
>
> A. Yes. I'm not saying they will happen. I am saying that interlocking directorates may create a conflict of interest. They may create instances in which one party has an unwarranted access to information. These dangers are in addition to the increased concentration of control. And certainly it was these dangers that led Congress to restrict interlocking directorates.

An examination of the business practices of New England Electric and Boston Edison reveal that transactions are taking place between the utilities and the banks they are are interlocked with. New England Power, a NEES subsidiary, has two bank loans outstanding in 1973— $17.7 million for the First National Bank of Boston, and $2.5 million from the Worcester County National Bank. Both of these banks have representatives on NEES' board of directors.

Five of the ten banks represented on Boston Edison's board loaned the company $40 million last year, $27 million of this total was lent by the First National Bank of Boston.

The chairman of the First National Bank of Boston, Richard Hill, himself admitted that bank utility interlocks create a potential conflict of interest, but maintained that the conflicts do not materialize because of the high level of integrity of the men involved. In an interview with David Rosen, of United Press International on August 7, 1974, Hill defended interlocking directorates as necessary because of the limited number of people in New England with financial abilities adequate to represent stockholders' interests.

Having examined the two statutes, and having examined the situation as it actually exists, the question naturally arises: how can the two be reconciled? On July 3, I wrote the Chairman of the FPC and the SEC to discover the answer.

According to the answer I received from FPC Chairman John Nassikas, which I submit for the Record, the FPC has interpreted the interlock provision, which originally was contained in Title II of the Public Utility Act of 1935, to mean that only directors of banks, trust companies, banking associations that are authorized by law to underwrite or participate in the marketing of securities of a public utility are prohibited from serving on the boards of public utilities.

On October 22, 1935, the FPC asked the Comptroller of the Currency to advise it what banks, trust companies, or banking associations were authorized by law to underwrite or market securities, and two days later on October 24, 1935, the Comptroller of the Currency wrote back that no banks, trust companies, or banking associations in the United States are authorized by law to underwrite or market securities of utilities.

Therefore, for forty years, the Federal Power Commission has permitted all utility-commercial bank interlocks.

The SEC on the other hand, whose prohibition was contained in Title I of that same act, rejected the interpretation of its provision that only interlocks between underwriters or securities marketers were forbidden. However, beginning in 1936 and existing through 1966, the SEC has on 10 occasions, amended its rules to provide exemptions from the prohibition. Under the present SEC Rule 70, the exemptions fall into three main categories:

(1) A full time employee of a utility may serve as a director of a bank. Thus, the Chairman of the Board of New England Electric, Robert Krause, who also serves on the board of the First National Bank of Boston, is exempt under the full time employee rule.

(2) Board members of small banks with capital and surplus not in excess of $2.5 million are exempted from the prohibition. This is a relatively insignificant exemption which affects only 38 of the 240 holding companies interlocking directorates.

(3) Directors of banks having offices within the service areas of the utility or its subsidiaries are exempt. This is the most significant exemption, accounting for 162 of the 240 exemptions granted by the SEC.

Have the FPC and the SEC, in their interpretations of the prohibitions against bank-utility interlocks contained in the Public Utility Act of 1935, violated the mandate of the Congress?

An examination of the legislative history of the Act prepared by the SEC's Division of Corporate Regulation, which I submit for the Record, and a concurrent study by the Library of Congress' American Law Division, both reach the conclusion that the legislative history of the act is vague and ambiguous. While the debate over public utility abuses focused largely on the excesses of investment bankers, it is also clear that, at least the Title I, prohibition addressed itself to commercial, as well as investment bankers.

In my opinion, an effort should be begun to revise the FPC's and SEC's policies to restrict bank-utility interlocks, rather than broaden them as has been the case historically. This Committee has done pioneering work in revealing the extent of corporate concentration in this country. We ought now to begin to move in the direction of broadening and diversifying economic control of major corporations.

It is my intention to request the FPC and the SEC to hold public hearings on the interlock question with an eye toward tightening up the restrictions and eliminating some of the exemptions. I would welcome any support which this Committee might wish to give to this effort.

However, I realize that the agencies may be unwilling to reverse a course they have taken over the last 40 years.

Therefore, I will also prepare legislation prohibiting any bank and utility sharing a common director from transacting business together, and would appreciate any help, advice, or support which this Committee or its members might wish to offer.

I strongly believe there is a need for prompt action on this subject. As the stock of utilities has continued to decline in value, utilities have been forced to rely far more on short and long term debt financing—the kind provided by commercial banks. In order to assure that these loans are negotiated on an "arms length" basis, it is important that utilities and the banks lending them money should not share common directors.

The United States is presently in an era of great economic uncertainty. Confidence in our major economic institutions is low. If we are to restore confidence in our system's ability to fairly allocate resources and maintain our standard of living, we must disseminate economic power to a broader cross section of the economic community than is now the case. Far too much of our economic power is in the hands of a relatively small group of individuals serving on the boards of banks, utilities, insurance companies, oil companies, and other major industries. And I reject the notion, alluded to by Mr. Hill, that only a small handful of people possess the necessary qualifications to serve on utility boards.

Hopefully, the rather narrow contribution I have made today on the subject of bank utility interlocks will serve a useful purpose in bringing to light one aspect of the overall problem of economic concentration and the disclosure of that concentration.

FORMER UNDER SECRETARY OF STATE GEORGE W. BALL ASKS CUTOFF OF MILITARY AID TO TURKS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. BRADEMAS. Mr. Speaker, yesterday, August 20, 1974, the distinguished former Under Secretary of State, George W. Ball, in testimony before the Foreign Affairs Committee of the House, urged Congress to halt U.S. military aid to Turkey in order to strengthen the position of our country in any further negotiations on Cyprus.

I insert at this point in the RECORD an article from the Washington Post of August 21, 1974 concerning Mr. Ball's statement:

GEORGE BALL ASKS CUTOFF OF MILITARY AID TO TURKS

Former Under Secretary of State George W. Ball yesterday strongly urged Congress to cut off military aid to Turkey as a way of strengthening Washington's position in upcoming negotiations on the future of Cyprus.

"The only way the United States can reestablish any useful position in the situation," Ball said following a meeting with the House Foreign Affairs Committee, "is by making it clear to the Turkish people—and particularly to the Greeks—that it regards the present posture of a large Turkish force on Cyprus as totally unacceptable."

Ball said: "We have to reestablish our position of confidence on the part of the Greeks to show that we are not behaving in an anti-Greek, pro-Turkish way. This kind of legislation could strengthen the hand of Secretary [of State Henry A.] Kissinger."

Rep. Benjamin S. Rosenthal (D-N.Y.), who with Pierre S. Du Pont (R-Del.) has cosponsored a foreign aid bill amending cutting off military and economic aid to Turkey until an agreement acceptable to all is reached in Cyprus, said yesterday: "We've got to do something to reestablish our credibility with the Greek government. You can't offer to mediate as Kissinger has done unless you have some cards."

Ball helped draft the letter that President Lyndon Johnson sent to Ankara in 1964 that is credited with having prevented an invasion of Cyprus by Turkey during an earlier crisis.

UNEMPLOYMENT

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mrs. COLLINS of Illinois. Mr. Speaker, the following is the statement that I made to President Ford this morning. One segment of our population has survived statistical inflation: the inner-city unemployment. It seems that their numbers are incapable of exaggeration. The recently released Census Bureau report on the social and economic status of the black population conservatively states that "blacks and other minority-group Americans were twice as likely to be unemployed in 1973 as whites" while economists are calling 1973 a good year. In Chicago, as in many other areas of the country, unemployment has reached astronomically high levels. Unofficial surveys place the unemployment percentage on the West Side of the city—which is located in the district that I represent—at 30 to 45 percent. And yet, that particular area of the city is slated to receive little in the way of Comprehensive Employment Training Act funds. The fact of the matter is, that the entire city will receive some $15.3 million less in fiscal year 1975 than it received in 1972. Combined with inflation, cuts of this type represent a backpedaling from Federal job training commitments.

In July 1974 the official unemployment rate for black workers was 9.4 percent. But when I return to the West Side of Chicago and see and hear of the masses of discouraged workers who have entered the free market of despair I cannot help but agree with those who maintain that the estimated rate of 45 percent unemployment in that area may be an understatement. To reiterate, economic hopelessness is not uncommon to Chicago's West Side. It is a way of life for millions of disadvantaged people throughout our country.

America must design and implement a system of economic soundness that can effectively tackle problems which incubate in depressed areas with high concentrations of joblessness. The use of existing agencies, such as the Economic Development Administration, would be a viable avenue for support. For example, venture capital funds under this program can be used to purchase land, develop public works projects, and generate seed capital for major developments in substandard communities. The resultant jobs and higher living standards which would arise from such undertakings is apparent.

Mr. President, you came to Congress last week and expressed your desire to work for all Americans. I concur in your view that "good government clearly requires that we tend to the economic problems facing our country in a spirit of equity to all of our citizens in all segments of our society." In order to achieve this goal and your objective of balancing the budget, I believe that every Federal dollar spent must maximize its benefits.

Such maximization has a greater probability of occurrence only if the Government increases its support of social programs that will economically strengthen America's needy populace. To do less would be to further encouarge the ills from which our society has tried for the last decade to escape.

SHAWANO, WIS., CENTENNIAL

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. FROEHLICH. Mr. Speaker, the city of Shawano, Wis., is presently celebrating the 100th anniversary of its incorporation. I am proud to take this opportunity to congratulate the residents of Shawano and to wish them continued success in their next 100 years.

Shawano, located on the banks of the Wolf River, is the county seat of Shawano County in northeastern Wisconsin. It lies south of Shawano Lake and the once and future Menominee Indian Reservation. The community was named after the lake which the Indians called "Sha-Wa-Nah-Pay-Sa" or lake to the south.

As with many other communities in northern Wisconsin, Shawano's beginning and continued growth was intertwined with the growth of the logging industry. Shawano was founded when men moved northward in their continued quest for lumber 131 years ago.

When the city was incorporated 31 years later, it boasted of five churches and three saloons. Despite the fact that the livelihood of the city was still deeply entrenched in the logging industry, signs of persistent growth and diversification had appeared. Merchants, millers, blacksmiths, and attorneys prospered. The inception of the daily stage line made Shawano easily accessible to surrounding communities, and under such auspicious beginnings, Shawano began to flourish.

Today, Shawano is a city of more than 6,400. Her surrounding countryside remains unblemished; yet she is the home of several industries, among them knitting, paper, and dairy. The energy and spirit of her people are justifiably commendable, having made Shawano what she it today.

I join the people of Shawano, Wis., in the commemoration of their 100th anniversary and congratulate them on having reached this magnificent landmark in their community's history. The citizens of Shawano receive my warmest wishes for continued prosperity as they pass from a history of accomplishment to a future of additional achievement.

THE DAILY TIMES OF NILES, OHIO, CELEBRATES ITS 50TH ANNIVERSARY

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. CARNEY of Ohio. Mr. Speaker, the Daily Times, published by Niles Suburban Newspapers, Inc., Niles, Ohio, celebrated its 50th anniversary on Sunday, August, 11, 1974. Beginning on Saturday, August 10, the Daily Times had a 5-day birthday party to celebrate the occasion.

The anniversary celebration included a special historical section in which the top stories reported by the Daily Times each year during its five decades of publication were summarized; a brunch for Daily Times employees and their families sponsored by Publisher L. W. Stauffer; public tours of the Daily Times building so that interested persons could see how their newspaper is produced; a dinner sponsored by the Niles Chamber of Commerce, and a proclamation from Mayor William A. Thorp declaring August 10–17, 1974, as Daily Times Week in honor of all those responsible for the newspaper, and also in recognition of the important role the newspaper has played in the growth and prosperity of the city.

Because of the city of Niles' proximity to the city of Youngstown and the city of Warren, Ohio, establishing and maintaining a successful newspaper has not been easy. However, the Daily Times has succeeded where many others have failed. The combined circulation of the Daily Times and six weeklies has now reached 25,000, and the Daily Times is read in 8,000 homes each day.

The two men who have guided the Daily Times through 48 years of its 50-year existence are former Publisher Milton I. Wick, and the current publisher, Mr. L. W. Stauffer. Executive Editor Lloyd R. Stoyer, and Promotion Director Gordan Anderson have done an outstanding job of expanding circulation and improving the quality of the newspaper in recent years. In a broader sense, the success of the Daily Times depends upon the hard work and dedication of each and every one of its employees.

The anniversary edition of the Daily Times paid special tribute to 13 men and women whose loyal service to the paper totals 356 years. They are: Harry B. Wick, composing room foreman who has worked for the Times since 1926; Fred Belcastro, pressroom, who came to work in 1933; Nick Zuzolo, composing room, October, 1940; Paul Clare, assistant pressroom foreman, hired in 1945; Gordon Anderson, promotion director, March, 1946; Jean Powers, composing room, September, 1947; Ray Wheeler, composing room, December, 1947; Jim Dorchock, composing room, 1950; Jack Maselli, composing room, November, 1950; Mike Varveris, editorial department, 1951; Agnes Lopatta, society editor, 1953; Marge Mollica, accounts receivable supervisor, 1955; and, Donna Kay, business manager, 1956.

Also featured in the special anniversary edition of the Daily Times were: Mrs. Samuel Law, who set type a letter at a time for the Niles Daily News at the turn of the century; Mrs. Oliver Martin—former Winifred Glay, the earliest known employee of the Daily Times and a "Jill of all trades"; and, Mr. Clyde Teeple, who worked in the composing room of the Daily Times for 42 years before retiring in 1971.

Mr. Speaker, I want to take this opportunity to extend my sincere congratulations and best wishes to everyone associated with the Daily Times on the newspaper's 50th anniversary. I know that the Daily Times will continue to progress and prosper in the years ahead under the able leadership of Publisher L. W. Stauffer and Promotion Director Gordon Anderson.

Mr. Speaker, I would like to insert the Daily Times' 50th anniversary editorial in the RECORD at this time:

THE DAILY TIMES 50TH ANNIVERSARY

Celebration of the 50th anniversary of the Daily Times is your party, a tribute to the independent spirit of the people of Niles. You evidently want your views expressed, you want the news of Niles on the front page, you want our City to count in governmental decision making, and so you read our local paper and patronize our advertisers.

Only because of your support have our newspapers grown and improved over the half century of our association.

Niles had had no daily paper for a year, when a newspaper chain installed a press and brought forth the first edition of the Daily Times on Aug. 11, 1924. It was not successful in the beginning and was within two days of becoming a weekly when it was bought by a group of men headed by James L. and Milton Wick. Since then it has grown gradually, but steadily.

Published now by L. W. Stauffer, the Daily Times heads a group which also includes six suburban weekly newspapers throughout the Mahoning Valley.

Throughout the vicissitudes the character of the newspapers have been molded by the same forces that shaped Niles and its environs in Howland, Weathersfield and Lordstown Townships. Situated between the larger cities of Warren and Youngstown, both the newspaper and the area whose center is Niles have had to fight for identity. In the process, both have developed a fierce local pride.

Possession of a local newspaper entirely devoted to its interests has given Niles influence in County, State and National affairs. The Niles newspaper for instance was among the first in the country to suggest William McKinley, our native son, for President.

Nobody knows how many articles from the Times have been printed in the Congressional Record, quoted in debate in the Ohio Legislature, and discussed in the Trumbull County Court House. The importance of a local "voice" can hardly be over-emphasized.

There is a story about an editor who lived in a rooming house. One day he got into an argument with his landlady about the potato crop. She said it was a poor year for potatoes, and he thought there would be a bumper crop. When he got to the office, he wrote an editorial hailing the exceptional potato season.

The next time he saw the landlady, she apologized for her opinion. "I was wrong", she said. "This will be a great year for potatoes. I read it in the paper."

We do know that the printed word has weight and substance. Heading now for 100 years, this solid thriving newspaper in partnership with the solid thriving community of Niles will strive for ever greater accomplishment together.

INTERLOCKING DIRECTORATES IN BOSTON PROBED

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HARRINGTON. Mr. Speaker, on Sunday, August 18, the Boston Globe carried two articles about the investigation of interlocking directorates being carried on by Senator METCALF's Subcommittee on Budgeting, Management, and Expenditures and by reporters for the Globe.

As I pointed out in my testimony before Senator METCALF on August 14, this is a question of overriding importance. To restore confidence in our system's ability to fairly allocate resources and maintain our standard of living.

Mr. Speaker, it seems to me that this issue deserves the attention of the Congress, and that these articles deserve the attention of my colleagues. Therefore, I would like to insert them in the RECORD at this time.

The texts follow:

INTERLOCKING DIRECTORATES IN BOSTON PROBED

(By Stephen Wermiel)

WASHINGTON.—An elaborate system of interlocking directorates between the First National Boston Corp. and major utilities, banks and insurance companies in New England has been revealed by a US Senate subcommittee probing corporate disclosure practices.

The subcommittee, chaired by Sen. Lee Metcalf (D-Mont.), is conducting a preliminary inquiry, which it hopes will lead to legislation requiring the nation's businesses to report in greater detail who owns their stock and who sits on their boards of directors.

In May the subcommittee got the views of the Federal Trade Commission. A public hearing last Wednesday centered on New England. The Minneapolis banking-corporate scene will be scrutinized next. And, eventually, the subcommittee will look at New York banks and their relations with the major corporations and utilities.

According to E. Winslow Turner, chief counsel to the Senate government operations subcommittee on budgeting, management and expenditure, and author of the study of the First National Boston Corp. (parent company of the First National Bank of Boston):

"The chart we have developed shows the holding company . . . directly interlocked with five large insurance companies with home offices in Boston, with major electric utilities, with the telephone company and with at least four major producers and employers.

"We are just beginning to look into the impact of these interlocks," said Turner, emphasizing that no allegations of wrongdoing have been made.

Interlocks develop when a member of one board of directors (First National Boston Corp. in this case) also sits on the board of other institutions and corporations. Such relationships are called "primary interlocks" while "secondary interlocks" occur when the relationships expand to include directors from companies once removed from the initial board of directors.

The thrust of Turner's study is that First National Boston Corp. shares directors with major institutions competing with it in providing financial services to business, government and the public.

In secondary interlocks, Turner noted there are 15 indirect overlaps between First National Boston Corp. and the National Shamut Bank, one of the leading Boston competitors of the First National Bank of Boston.

"We are talking about effective corporate disclosure to the public," said Turner. "There will be more hearings in this area, probably in the fall, aimed at legislation to insure the full reporting of interlocks."

Turner said: "What we want to do is lay out the interlocks and study areas of potential abuse."

The concerns center on two areas:

(1) The possibility that directors in common among competing institutions leads to anticompetitive attitudes and practices.

(2) The high concentration of economic power and influence that develops through interlocks may not be in the public interest.

"We are not alleging anything about First National (Boston Corp.) directly," said Turner, "but we have seen in the past potential problems with the concentration of economic power and anticompetitive policies.

"First National is the largest bank holding company in the New England region and would obviously have considerable impact on the region," he said.

According to Turner's study, the corporations that share directors with First National Boston Corp. include: Massachusetts Mutual, John Hancock, New England Mutual, Liberty Mutual and Arkwright-Boston, each an insurance company and competitors in money lending; the New England Electric System and Boston Edison, second and third largest power companies in New England; New England Telephone; Cabot Corp., Polaroid, Raytheon, USM Corp. and Gillette—all major industrial employers; and Arthur D. Little, the Cambridge think-tank.

In addition to the New England corporations, other interlocks include: Pan American, International Paper, Eastern Airlines, Mitre Corp., Howard Johnson's, Itek and Curtis-Wright Corp.

"What we are looking for," said Turner, "is a means by which we can gain public accountability through utilization of Federal regulatory agencies—if they were to come up with and enforce a plan for disclosure."

One agency campaigning for more disclosure is the Federal Trade Commission. FTC Chairman Lewis A. Engman on May 20 told the subcommittee of his concern that "links between competing corporations, created by representation on the same bank boards, could provide a stimulus and source of capital for anticompetitive mergers, acquisitions, joint ventures and other transfers and combinations of corporate power."

While Turner and Metcalfe expressed concern over public disclosure, at least one legislator, Rep. Michael Harrington (D-Mass.) would like to see legislation restricting the relationships between utilities and interlocking financial institutions.

Said one Harrington aide: "We are drafting legislation to restrict the interlocking relationships so that a public utility may have interlocks but cannot also do business with the interlocking corporations."

Harrington testified Wednesday before Metcalf's subcommittee and said he would ask the Federal Power Commission and the Securities and Exchange Commission "to hold public hearings with an eye toward tightening up the restrictions and eliminating some of the exemptions" now placed on interlocking directors.

"I will also prepare legislation prohibiting any bank and utility sharing common directors from transacting business together," he said.

He called for a broader dissemination of economic power "to restore confidence in our system's ability to fairly allocate resources and maintain our standard of living . . ."

Harrington referred specifically to the New England Electric System and Boston Edison. Pointing to diagrams, he said, "These charts . . . reveal an intricate spider web of associations between Massachusett's most powerful economic concerns.

"Through direct, secondary and tertiary interlocks," Harrington said, "New England Electric is connected with 31 other utility companies and 37 banks, insurance companies and law firms. Boston Edison is connected with 23 utilities, financial institutions, insurance companies and law firms."

Harrington also referred to an interview several weeks ago with Richard Hill, chairman of First National Boston Corp., in which Hill said interlocks are necessary "because of the relatively small number of people available to be directors."

Responding to the Hill statements, Metcalfe said: "It may be that there are a limited number of people who will favor Mr. Hill's bank and holding company . . . but I can't believe with all the educational institutions and successful businesses and financial activity in New England, that utilities can't find financial and corporate directors other than the largest bankers."

At the hearing Metcalfe said: "The small businesses, the individual consumers even the state and local governments are not represented on these boards, but these are the people who provide the bulk of revenues to the utilities—while the big business guys get the favored treatment."

In fact, said Metcalfe, he had an aide check the major stockholders in his home state's Montana Power Co. and found the major stockholder to be the National Shawmut of Boston.

IT LOOKS BAD BUT REALLY ISN'T, SAY "INTERLOCKED" DIRECTORS

(Globe financial writers Terry Atlas, John Robinson and Susan Trausch attempted to contact directors of the First National Boston Corp. who also are chief executives of major New England Boston companies. Here are the comments of those available for interviews.)

Like the relationship of the dog's bark to his bite, interlocking corporate directorates look more suspicious than the facts warrant, according to a sampling of local executives.

A survey of top Boston businessmen, many of whom would be considered "interlocked" corporate directors, revealed one common view: directors serving on more than one board look bad, especially to nonbusinessmen.

But every executive insisted that corporate boardrooms are free from anti-competitive manipulations or scheming, although each conceded the potential existed.

Richard D. Hill, chairman of First National Boston Corp. and the First National Bank of Boston, reaffirmed his confidence in the system of sharing corporate directors with potential or actual competitors.

He said the integrity of those chosen to serve as directors, the existence of rigorous competition among companies and the protection of our laws combine to prevent a small sector of the economy from exercising abusive economic power through a few interlocked directors.

Furthermore, he said, there is "a limited pool of people with broad business and financial backgrounds who have gone through the crucible of experience."

Therefore, corporations are forced to share the few available men and women for their boards, he said.

Other comments supported this view.

"I think the Senate subcommittee investigation is posing a legitimate inquiry," said J. Edwin Matz, president of John Hancock Mutual Life Insurance Co. He is a Hancock director, and on the board of the National Shawmut Bank.

Hancock's chairman, Gerhard D. Bleicken, serves on the board of First National Boston Corp., and the First National Bank of Boston, but was out of town last week and could not be reached for comment.

"The potential is there for restrictive competitive practices and abuse of financial powers but to my knowledge there haven't been any abuses," Matz said.

"The people involved have worked very hard to see that there are no abuses.

"You have interlocking directorships in this city because companies all want to take advantage of the financial talent available and there are only so many people available. If we were to move in the direction of preventing interlocks, I think it would be bad for business because you just wouldn't have the quality at the top that you have now."

Joseph Carter, president of Wyman Gordon Corp. in Worcester, agreed. He is on the boards of Liberty Mutual Insurance Co., Avco Corp., State Mutual Life Assurance Co., of America and Mechanics National Bank of Worcester.

Wyman Gordon Corp's chairman, Robert W. Stoddard, who serves on the board of the First National Bank of Boston, Raytheon Co. and Worcester County Institution for Savings was out of town and could not be reached for comment.

Carter said: "I've served on boards where members have abstained or refused to vote or removed themselves from the board if they've felt there might be a conflict of interest.

"It seems to me that you have two strong forces running head on into each other today. You've got the push that says a corporation must be responsible to the public and, consequently, must have top quality people on its board making sure that there is this accountability. On the other hand, you've got the camp that says a person cannot serve two masters attempting to limit the availability of these top quality people."

Another reason was cited in defense of bank directors serving on the boards of companies with which they do business. Such a practice, said a bank spokesman, allows a financial institution with a significant investment in a company to monitor the safety of its loan or other form of assistance, thus protecting the interests of not only the bank's shareholders, but its many depositors as well.

Lloyd S. Glidden, Jr., vice president and treasurer of Liberty Mutual Insurance Co., believes stories on inquiries into interlocking directorates might discourage people from serving on boards.

Glidden is not a director and was responding for company president Frank L. Farwell, who was out of town. Farwell holds board memberships with First National Boston Corp., First National Bank of Boston, Boston Edison, USM Corp. and Arkwright-Boston Insurance.

"I think (newspaper) articles on interlocking directorships are very inflammatory and misleading," Glidden said. "I know darn well if I were on the First National board and got a call from a reporter investigating it, I'd start thinking that maybe I shouldn't be serving on the board and wouldn't want to take on any more directorships. There are only so many people in Boston qualified to be directors and they shouldn't be discouraged."

The roots of interlocking directorates are more social than economic, according to

Myles Mace, professor emeritus at Harvard Business School.

Mace, who has written several books on corporate directors, said the same names are seen again and again because "the chief executive officers stick pretty close to the club members they know (when selecting directors)," avoiding outsiders who might "rock the boat."

While there is "too much corporate incest," concern about its effects on a firm's decisions is a "fake issue," he said. A board of directors, he noted, usually has little say over operational decisions.

He was more concerned with the potential abuse of inside information made possible by such conditions. To avoid even the hint of impropriety, a bank officer should not serve on the board of a firm in which his bank has holdings, he said. Likewise, corporate official should not serve on the board of a bank from which it borrows.

"I'm not saying they abuse the power, but it would look a whole lot better if they didn't (serve on those boards)," he said. "It just looks bad . . . you'll never persuade me that when some of those investment banks buy and sell securities, they don't use inside information.

"As long as there is the potential, those who might be suspect . . . ought to choose not to be suspect."

Hill of First National Boston Corp. disputed this notion, although he agreed that "our competing banks probably think that we have a competitive advantage" when the First is represented on a company's board while no other bank is.

Hill, for example, sits on the board of Polaroid, a major First National customer.

Additionally, said Hill, the First would be "disappointed" if a First director's company like Gillette, Ludlow Corp. or Itek, did not do business with the bank.

ACLU CHALLENGES DISCRIMINATORY SOCIAL SECURITY PROVISION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. BINGHAM. Mr. Speaker, on June 13, I introduced legislation to eliminate from the social security law a provision which discriminates against men. It would allow any surviving spouse to obtain social security benefits based on the higher of the two spouses' income histories. Under present law only a widow can do so.

I include herewith, from the August 16 edition of the New York Post, an article describing a judicial attack on this invidious discrimination by the ACLU on behalf of a widower who has been denied social security benefits because of his sex:

SUIT SEEKS BENEFITS FOR WIDOWERS

The American Civil Liberties Union has challenged as discriminatory the Social Security regulations that deny most widowers the right to collect their wives' benefits. Surviving wives can collect when their husbands die.

In a suit filed yesterday in Brooklyn Federal Court, the ACLU asked a three-judge panel to rule on the constitutionality of the two regulations and to block their enforcement.

Under present regulations, a widow may claim her husband's benefits, but a man is barred from collecting his dead wife's payments unless she was providing more than half his support when she died.

The suit was filed on behalf of Leon Goldfarb, 70, of Bellerose, L.I., who ACLU attorney Kathleen Paratis charged, "is denied widowers' benefits solely on the ground of his sex." His wife, Hannah, died in 1968.

Goldfarb, a federal employe for 37 years, was ineligible for benefits because he did not make sufficient payments into the Social Security plan.

SOVIET JEWS COPING IN THE WEST

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. STARK. Mr. Speaker, the Foreign Affairs Committee's inclusion in H.R. 16168 of an appropriation for assistance in the resettlement of Soviet Jews in Israel is to be highly commended. Congress should be striving toward more of this type of social assistance in our foreign aid programs.

The extraordinary burden placed on Israel as a result of immigration by Soviet Jews and the problems these people have faced in their attempt to assimilate into Israeli society have been monumental. The following article will further recount the pitiful problems encountered by both Israeli and Soviet Jews. It illustrates the necessity of this appropriation. I hope this is the beginning of congressional awareness of the need for the kind of positive foreign assistance that this sort of program can provide:

SOVIET JEWS: COPING IN THE WEST

(By Robert G. Kaiser)

JERUSALEM.—An American journalist who recently completed a three-year assignment in the Soviet Union was riding through Jerusalem the other day with a newly arrived Israeli immigrant from Leningrad. They were stuck in slow-moving traffic on King George Street, and the man from Leningrad let out a long sigh.

"Yes," the American said, "this Israeli traffic is murder."

"Oh, it's not the traffic," the former Soviet citizen replied. "I was sighing in amazement. I've been here for five months, but every so often I still sigh in amazement that I'm really in Israel."

Amazement seemed precisely the right word—at least to that American, who is me. As the Israelis themselves say repeatedly, it seems a miracle that nearly 100,000 citizens of the most isolated society in the Western (or nearly Western) world are now living here. It evokes the image of a mass Houdini escape—an implausible feat, but here it is indisputably real.

It is difficult to imagine former Soviet citizens walking the streets of Jerusalem, Rome and New York the way they now do. To meet a man from Leningrad on a streetcorner in Tel Aviv must be something like running into a pretty girl in a large public men's room. Aren't you in the wrong place? Are you lost?

Some of them are lost, and they make a tragic spectacle.

I met several of them last month on the scruffy Mediterranean beach in Ostia, near Rome. They were Jews from Odessa, the Ukranian seaport, who had spent two years in Israel but couldn't make a go of it. "You could live well in Odessa," one of them said wistfully, "if you had money. And boy, did I have money!" Why had he left? He no longer really remembered, he said. But it seemed obvious that he had left to seek even bigger fortunes as have a large percentage of this unexpected wave of emigrants from the Soviet Union.

Odessa is famous for its thriving unofficial economy, many of whose former proprietors seem to be among the new emigrants. They made money in Odessa by hording scarce products, skimming profits from legitimate state businesses and other tricks, none of which are workable in a rational, Western-style economy.

At the other extreme are the cosmopolitan and happy intellectuals who have managed to move comfortably into new lives. One is a professor at the Hebrew university in Jerusalem, an Israeli citizen for more than three years. "Something very nice is happening to me," he said the other morning. "I'm beginning to forget my old life in the Soviet Union—it's disappearing."

It is impossible to generalize about this heterogenous group, but most of them do share certain traits—and certain tribulations.

The most obvious of these, not surprisingly, is a general sense that they are in someone else's country. The Israeli government supports a daily newspaper in Russian that is called "Our Country," a name that seems more ironical than accurate. In conversation, most of the Soviet immigrants discuss Israel in terms of "them"—their government, their army, their politicians.

Many find "their country" frustrating, and happily enunciate detailed programs for completely remaking it. "This parliamentary democracy is silly," one professor from Moscow announced the other day. "They need a president, like in America, somebody strong enough to get things done." Though Russian Jews are inside-dopesters by historic inclination, they find it hard to learn the inside dope here. "Nobody tells us what's going on," one complained.

The desire to have someone tell you what's going on, what to do, where to shop or sell is widely shared. There's an old joke about the Soviet tailor who opened a shop in Jerusalem. After three weeks he sent a bitter letter of protest to the mayor. "Why don't you send me any clients?" the tailor demanded indignantly.

"Nobody finds you a job," the Russians here complain. Israeli social workers report that if they give a Russian schoolteacher a list of 10 schools that need teachers, she will be hurt and confused. "They don't want to offer themselves for employment," one social worker explained. "They want to be told to start work at school so-and-so at 8:30. Period."

The glittering Western world dazzles many of the Soviet Jews. Most of the newcomers in Rome who are on their way to the U.S. instead of Israel seem to equip themselves speedily with a pair of Western eyeglasses, a new Swiss watch and a modest but unmistakably Western wardrobe. There is a definite tendency toward flashy dressing among the men, who never saw bright clothes in Moscow.

But the material possession that seems to please Soviet emigrees most is a full bowl of fresh fruit. Fruit is an expensive rarity in the Soviet Union, and former Soviet citizens here and in Italy seem to be eating enough of it now to make up for years of missed peaches. They are also reading the forbidden fruits of Soviet literature—Solzhenitsyn, Pasternak, Mikhail Bulgakov and many more. "I have no time to study Hebrew," one immigrant here complained, "I have too many Russian books to catch up on."

Little outings can be big events. A newcomer in Rome went to a neighborhood restaurant for lunch, but spoke no Italian. After some experimenting, he found he had German in common with the Italian waiter, and ordered his meal. "Isn't that something?" he said afterward. "In Moscow we read all the time about the poor, downtrodden Western worker, barely staying alive. And here's an ordinary waiter in Rome who is an educated, cultured man. Do you think there are any waiters in Moscow who speak German? Ha."

In a strange and unexpected way, Soviet patriotism often survives the wrenching move to the Western world. "In Odessa we could go to the theater every night," a girl complained in Tel Aviv, "but there's no Russian theater here." But did she go every night? No, of course not. And was the theater interesting in Odessa? No, it wasn't. And yet . . .

"Russians are too impressed by supermarkets," one emigre said of his fellows. "They should realize that there are good historic reasons why the Soviet Union isn't as rich as the United States." Was it a matter of history? Well, no. Wouldn't Russians be happier if they had supermarkets? Well, yes. But even expatriot Russians often seem prepared to make excuses.

Conversations with several dozen recent Russian emigrants suggest that life in the Soviet Union leaves a powerful psychological imprint. A man who lived his first 40 years in Moscow doesn't easily adjust to the fundamentally different Western world. Some Soviets make the adjustment, some don't, but none find it easy to cope.

"I can't get used to these Westerners," one young man of 23 complained. He had been virtually expelled from Kiev several years ago, when his roommate in a student dormitory was discovered with Zionist literature. He had been in Israel, in several European countries, and now in Rome, waiting for permission to emigrate to South Africa.

"These Westerners are different than me," he said. "I knew I didn't like Israel the moment I arrived there. I spent six months in Switzerland, but could not get used to it. America? I think that's just a big Israel. So I'm going to South Africa. I think I'll be better off there materially. Do you think I'll like it?"

SENIOR CITIZENS VISIT RESIDENT FOR CELEBRATION

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mrs. GRASSO. Mr. Speaker, simple acts of kindness, sometimes unknown and unheralded, represent our tradition of respect for the dignity of people and the value of each indiviual. A shining example of such an act tucked away in the suburban news pages of the Hartford Courant recently speaks volumes for faith and decency.

For the benefit of my colleagues, I insert the following story:

East Granby—Senior Citizens Visit Resident for Celebration

East Granby.—Mrs. Amy Hunderlack of Mount Vernon Drive, and her sister, Mrs. Katherine M. Benattix of 9 Walco Drive, Granby, hosted 110 senior citizens from four towns Wednesday to celebrate the bicentennial.

The Marquise of Granby Fife and Drum Corps performed during the dessert and bingo party.

Mrs. Hunderlack said, "We have a mother that's in her 80's and we realized that senior citizens can get overlooked, and we just wanted to do something for them."

She said they sent invitations to senior citizens groups and to individuals in Windsor Locks, Windsor, Granby and East Granby.

THE CONFESSIONS OF A PRICE CONTROLLER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. KEMP. Mr. Speaker, earlier this week the House passed a bill to create a Cost of Living Task Force. Yesterday, the House receded from its position and accepted a similar Senate-passed bill creating a Council on Wage and Price Stability. It has gone to the White House for approval.

I voted against both of those measures. I did so because I am committed to really doing something about—rather than just talking about—inflation.

Inflation has one principal source—too much spending by the Federal Government and too much reliance on increasing the money supply in order to cover the deficits created by that excessive spending. Yet, despite that economic reality, this Council on Wage and Price Stability—created ostensibly to deal with the problem of inflation—will not address itself to either of those inflationary factors—excessive Government spending and spiraling money supply. Instead, it will simply talk about wages and prices.

Yet, wages and prices are not the causes of inflation. They are its results. When someone has less purchasing power—because government action—not that of either management or labor—has devalued the dollar, the wage-earner has to seek higher wages to maintain his purchasing power and the businessman has to seek higher profits to maintain the production requisite to more jobs and takehome pay.

Government control of the economy in the past has produced both higher prices and less goods. The beef shortage, for example, was a direct result of the mandatory price controls on beef.

According to one major study of effects of the mandatory wage and price controls from 1971 through the spring of this year, I could cite over 600 other examples of where controls produced both higher prices and severe shortages.

Few have been more articulate in exposing the real results of Government attempts to control our economic lives than the former Chairman of the Price Commission during phase II, Mr. C. Jackson Grayson, Jr. He has proffered convincing evidence, in his newly released book, "The Confessions of a Price Controller," and in an article today in the Wall Street Journal, that the most effective regulator of the economy lies in competition and productivity—economic phenomena which arise solely from the interaction of management, labor, and consumers in the marketplace, and never from Government control.

I offer Mr. Grayson's article as solid evidence of why, in my opinion, this House ought to have opted for the marketplace. not for the Council on Wage and Price Stability and why Congress should reduce deficits spending instead of blaming business and labor:

A Strong "No" to Price Monitoring

(By C. Jackson Grayson Jr,)

There seems little doubt that the proposed wage-price monitoring agency will pass Congress easily, be signed, and in operation in a matter of weeks.

The near-term results: The agency will increase (falsely) expectations that the solution to inflation is closer. It will do little to stop inflation. In fact, it will increase some wages and prices and will prevent decreases. It will possess power. It will take action.

The longer-term results: It will be harmful to the operation of the competitive market system. It will increase the odds of future mandatory wage-price controls. It will assist a growing movement toward national economic planning.

All of that? After all, the agency is just a "monitoring" group. It will have no subpoena power, no mandatory powers, and a budget of only $1 million. To improve collective bargaining and encourage price restraint, it will simply "review and analyze capacity, demand and supply . . . work with labor and management in sectors having economic problems . . . improve wage and price data bases . . . monitor the economy as a whole." Who could be against that?

Very few. The bill is going through Congress with amazing speed. Business, labor, the administration, and Congress on both sides of the aisle are either for it, neutral, resigned to it as a tranqualizing political expedient or accepting it as a lesser of evils. On the surface, it seems innocuous and even logical.

But, based on my experiences as chairman of the Price Commission, I want to point out some political, institutional and economic realities and issue some warnings about the agency. I don't think it will be as benign or cosmetic as many think it will be. What you see isn't what you'll get.

POWER AND PRESSURE

First of all, don't be deluded because the agency won't have powers to subpoena records or veto price-wage increases. It will have tremendous power in the form of jawboning, or as they say in Britain, "earstroking." The persuaders come in gentle and not-so-gentle forms of pressure. Public hearings can be hinted at or called. Public condemnation can be expressed in the media. Officials can be called to the White House for a public or private "dressing down." Requests can be made to congressional committees to hold investigations. Administrative action can be threatened in other agencies: export controls, import relaxation, delay of decisions, procurement changes and stockpile releases. News conferences can be held; speeches can be put in congressional hands.

Deplorable in the American sense of fair play, these tactics have all been used in varying degrees by past administrations. The effect is to heighten antagonism between the public and private sector, with the public increasingly led to believe that union leaders are all greedy and that businessmen are all price gougers. It doesn't take a government agency to initiate these tactics, but they will be more organized, more frequent and more visible with the agency in existence.

And make no mistake about it, this agency will take action. A common assumption is that this is only a monitoring, not an action agency. Not true! "Action" doesn't have to mean a direct order. The agency can influence other agencies to do that. Moreover, monitoring and reporting is not passive any more than a chaperone with a camera in her hand saying to a couple. "Go right ahead. Don't mind me." What is, and what is not, reported creates public opinion and action.

Reporters will camp on the agency's doorstep: "What about this wage increase in the XYZ industry?" "What about these high profits?" "Are you going to recommend export controls?" "Why not?"

It's a fact of political life that action will be forced on the agency because it exists. Even if the problems weren't apparent, such an agency would find some. You can find problems anywhere, any time, in any labor or business organization, and particularly with a bright, energetic staff that won't sit around. It will be a new agency with excitement that will attract good economists and lawyers, who will regard it as their duty to hit somebody, somehow. Many of these people will be "control-oriented," with little direct business or labor experience and unsympathetic to the competitive market system. They will urge action.

It will raise false expectations. And when it proves unable to check rising corn prices, or steel prices or coal miners' wages, public disillusionment will follow, with the cry increasing for more immediate, even stronger measures. Then it will be said that the agency must be given additional powers to enable it to "do its job." Authority for the 1971–74 controls came from a simple amendment by Congressman Reuss to another piece of legislation. No one expected this to turn into 33 months of mandatory controls. But political pressures forced the action.

It isn't good economics. Controls seldom are.

The agency has to go after the larger individual wage and price increases. But not every large wage and price increase is wrong, or inflationary. The increase may represent demand and supply shifts. Yet political pressure on the agency may force it to act, with the same distorting result that mandatory controls generate. Shortages and investment in capacity may actually worsen, not improve.

The mere creation of the agency, moreover, will ratchet up some wages and prices for fear of coming mandatory controls. I know from direct experience that this has already occurred as a result of the discussions these past few weeks. Soon "guidelines" are likely to emerge. Business and labor will infer what is regarded by the agency as being within the government tolerance zone. It certainly won't be 5.5% or 2.5%, those famous figures from the past; new percentage yard markers will be created. And, as with direct controls, these will be taken not only as ceilings but also as floors.

The agency will tend to operate in the short-run. Its expiration date of June 30, 1975 cries for action now. And generally short-run action is bad economics, which is part of the reason we are where we are now.

If general inflation has not cooled significantly by next spring, there will be even more of a desire to "do something," and then the "something" must be stronger, not weaker. To say it can't happen is to ignore the fact that we dropped controls—and the proposal for continuing the Cost of Living Council as a monitoring agency—only four month ago. And here we are again.

Clearly, my belief is that the agency should not be created at all. But at this point, holding this conviction is about as effective as spitting into the wind. Therefore, my recommendations concern alterations, either before or after passage of the bill, plus some alternatives.

First, don't give this agency any additional powers, now or in the future. If this occurs, we will clearly be on the road to direct wage-price controls.

Second, don't put heavy reliance on this agency to fight inflation. The danger is that existence of this stopgap agency will reduce pressure to engage in tough, fundamental decisions. Reducing the federal budget, for example, is a basic way to fight inflation. But it will be tough going when Congress and the Executive get down to specifics. Any reduced pressure or zeal because of the existence of this agency would be a real loss.

Public statements notwithstanding, the public will tend to hold this agency accountable for every wage or price increase, and for every jump in the consumer or wholesale price index. The Price Commission surely was, and the proposed names for this agency—"Cost of Living Task Force" or "Council on Price and Wage Stability"—invite similar responsibility.

LOCATING THE AGENCY

Third, reconsider the location of the agency. It is now destined for the Executive Office of the President. I recommend instead that it be a quasi-independent agency, reporting directly to Congress (as does the GAO), or to both the Congress and the Executive Branch (as does the ICC). Location within the Executive Branch exclusively will constrain its activities and effectiveness for two reasons:

Every time this agency involves itself in a wage or price increase, the prestige and power of the Oval Office is somewhat at stake. If the agency loses a battle, say in forestalling a labor settlement or in not reducing a well-publicized price increase (as happened recently with President Ford and GM), the President stands to lose. Either the agency will tackle only those cases it is sure it can win, or the President will be forced to get the mandatory authority to back it up.

The agency should analyze and report on practices, laws, and procedures that contribute to inflation, not only in the private sector but also in the public sector. If the agency is based solely in the Executive Branch, it is not likely to recommend any action contrary to the administration's position, nor to criticize the Executive Branch for failure to act. For the same reasons, I think it would not be well placed in the Council of Economic Advisers, also a part of the Office of the President. If it reported to Congress exclusively, the same problem exists, although it is lessened because of the mixed constituencies.

My preferred solution would be to report to both groups. Thus it might take on the character and respect that is accorded the independent British Institute of Economic Affairs, but with access to government resources.

As a final shot, let me propose two alternatives to a separate agency, that might be adopted now or later.

Let the President formally assign this responsibility for coordinating economic policy directly to his Cabinet, most of whom are members of the proposed agency anyway. The Cabinet needs revival anyway as a national management team. Make the Vice President the counsellor to the President for economic affairs, and put him in charge of this function so that he would have the clout to influence economic policies across the entire Executive Branch.

Also, begin work now to revive the proposed Department of Economic Affairs. There is often fragmented and inconsistent economic policy making and a lack of accountability. The new department would gather together various branches now residing in Transportation, Commerce, Labor and others. This would require coordinated effort from both the Executive Branch and Congress to overcome established patterns and vested interests.

RINGING AN ALARM BELL

In summary, I do not argue my position as a blind, free-market ideologue, nor on the principle of nongovernmental interference in the marketplace. Government does have a role in our economic system. In fact, I am very much encouraged by the economic philosophy expressed by President Ford in his address to Congress and by the recent budget control procedures instituted by Congress.

I am ringing an alarm bell on this particular issue because I know from my personal experiences that the proposed monitoring agency can be misinterpreted, misused and can prevent us from fighting inflation at the point where the real battles need to be fought.

The real control over this economy in the long run must not be invested in Congress, the Executive Branch or any monitoring agencies, commissions or planning boards. It must rest in business and labor and the public in the private sector with two of the most powerful inflation fighting tools ever designed by man—competition and productivity.

REEVALUATING OUR RELATIONS WITH CUBA

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Ms. ABZUG. Mr. Speaker, I am happy to support my colleague Mr. BADILLO in introducing legislation to normalize our relations with Cuba. I have already sponsored earlier legislation to repeal economic sanctions against this neighboring country.

During the past decade, I feel, U.S. policy has been shortsighted and counter-productive. Through the rejection of economic and diplomatic relationship, we have attempted to isolate Cuba, but have succeeded only in isolating ourselves from other countries in Latin America. We have provided a convenient focus for anti-American hostility, which has encouraged both pro- and anti-Castro fanatics to act irresponsibly. We should make it clear immediately that the United States is prepared to enter into diplomatic and trade relations with this close neighbor, easing tensions wherever possible.

More than a year ago, in March 1973, a Gallup poll indicated that 71 percent of the American people would like to see Secretary of State Kissinger go to Cuba to try to improve relationships. Since we now encourage détente with China and the Soviet Union, it is clearly inconsistent to maintain an out-dated boycott of Cuba. The mutual antihijacking pact signed soon after this poll was a first step that should be followed up with trade and cultural exchange.

It is encouraging to note that President Ford intends to "define renewed relationships of equality and justice" in Latin America; and that a group of Republican Members led by Mr. WHALEN has urged détente with Cuba. This is not a bipartisan issue but a matter of national interest.

Our present policy was imposed during a time of great tension and the fears it implies are no longer realistic. Cuba is now an independent nation maintaining economic, cultural and diplomatic relations with countries as diverse as Spain and Israel. When the needs of the Cuban people are still so great, they do not want to continue heavy defense spending.

Nor is there any evidence that they wish to "export revolution" except as an idea, according to testimony before a Senate Subcommittee on Western Hemisphere Affairs, in March and April of 1973.

And as Senator GALE McGEE said then:

> If you cannot beat an idea with a better idea, you are in trouble.

The threat that existed a decade ago, of Soviet missiles in Cuba, is no longer relevant, when missile launching submarines can come much closer to our shores than the 90 miles that separate us from Cuba. Safety for any nation, great or small, now consists in negotiations, not weapons.

We should also renegotiate our lease on Guantanamo Bay. It is a very minor base for us but serves as a hated reminder, to Cubans, of American domination.

We can only conclude that our present exclusionary policy may serve Castro's interests in consolidating support but in no way serves U.S. interests. Therefore, with my colleagues, I urge repeal of the Cuban resolution, of section 620(a) of the Foreign Assistance Act of 1961 which prohibits aid to Cuba and to nations trading with Cuba; and of section 103(d) of the Agricultural Trade Development and Assistance Act of 1954, as it relates to Cuba.

THE END OF THE ARAB-ISRAELI WAR

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. CAREY of New York. Mr. Speaker, the Arab-Israeli war has ended. Peace treaty agreements have been created. Now more than ever it is essential that Israeli families still grieving over missing husbands, fathers, and sons be able to set their grief aside to help build firm foundations for lasting peace.

But they cannot do so until their missing in action are accounted for and they are returned to Israeli soil. It is, therefore, imperative that Egypt and Syria adhere to the full disengagement agreement and permit the continuing search for the bodies of missing Israeli soldiers.

No peace can be firmly established until a nation is able to lift its veil of tears. Israel still mourns those who have not returned. No peace can find a home in the Middle East until Egypt and Syria stops using the grief of Israelis as leverage for blackmail.

Because the fate of these missing Israelis impedes Israeli families from finding peace in their hearts, I urge the International Red Cross and all neutral parties to immediately seek Egyptian and Syrian assurance that they will permit the continual search for the bodies of Israelis, so that families can heal their own wounds from grief and set their sights on achieving lasting peace.

THIS IS FRED GRAHAM IN WASHINGTON

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ALEXANDER. Mr. Speaker, for those who studied law during the last legal years of Kirkland Hall, the evening news comes alive when our classmate appears in living color: "This is Fred Graham in Washington." The recent issue of the Vanderbilt Alumnus carries a tribute to one of the boys who made it big. I submit this article to the attention of my colleagues to enhance a much deserved recognition.

'THIS IS FRED GRAHAM IN WASHINGTON'

(By Grace Zibart)

The photographers, TV and press, were clustered at the entrance of the Federal Court building; the portable mikes were out so that not a moment would be lost when, at last, the celebrity emerged; they shoved and pushed and euchred him into camera range, thrusting mikes, shouting questions until after a short exchange, with good humor, they let him go, let him get into the black limousine that had pulled up, and, with his aides piled in with him, slam the doors, and take off.

There is so much drama in Washington these days, public interest has been generated to such a pitch, that everyone seems "on camera" every moment. The newsmen and photographers swarm like Italian *papparazzi,* the prominent figures in their well-tailed, camera-approved, dark blue suits assume the stance of matinee idols, their young lawyers, a protective guard. It's a highly charged scene; it's playing to a vast audience, and there's a sense of the theatrical about it. Those who report the excitement appear to take it in their stride, but they, too, are part of the performance. One who is being widely listened to is:

"Fred Graham, CBS News, Washington!" An estimated audience of twenty million people hears this signature on the nights he broadcasts from the nation's capital, and in less than a year Graham, L'59, has been recognized as one of the most respected newscasters on the air. Viewers see a young, athletic-looking man whose appearance has changed very little since he was a Vanderbilt law student in the late fifties—a little more gray than blonde but that's an asset on color TV. "It's nice to hear that Southern accent," said a former classmate. "He hasn't succumbed to the international accent so many newscasters have."

Officially Graham's title is CBS legal correspondent, and he has become familiar for his reporting of Watergate, the Ellsberg trial, the tapes controversy in Judge Sirica's court, as well as Supreme Court decisions. Recently he was cited in an article in the *National Observer* as the newscaster who asked the hard-nosed questions, who didn't hesitate to stick his neck out to find the truth in high places. "It's tough interviewing," said the article.

Graham is one of the new breed of newscasters, a combination reporter, investigator, and performer, who doesn't panic at the thought of a subpoena or flinch when called "a son of a bitch." ("One must consider the source," he laughed.) He admits the pressure is tremendous, quite different from his previous post as Supreme Court correspondent for the *New York Times*. Worriers, he suggests, should find other occupations. "The boneyard is littered with people who are worriers—it's instant ulcers if you don't have a cast iron stomach."

Standing up to a TV mike, reading material gathered only a short time before, digested to fit into a two-minute, or one-and-a-half-minute, or whatever time slot is available, presents a peculiar stress. Add to this the physical effort involved in gathering the news—no releases here, only on-the-spot coverage—chasing cabs to get back from assignments to the CBS studio on M Street where Graham does several radio broadcasts as well as a TV slot for the national noon shows. His day may start at 5:45 a.m. with a phone call from the studio if he's to be on the morning news show. "Just like a hotel," says Graham. The day ends with the CBS Evening News—Walter Cronkite, in New York.

The Cronkite program is the ultimate focus of the day's activities. If a story breaks early, Graham takes a crew to shoot the film, and he returns to the studio to write his story. If, however, the decision to use a story comes later, Graham does what is called a "stand-up." He writes the entire script and arranges for a cameraman to meet him at the place where the story broke and some news shots were made earlier. At the scene he is filmed doing a lead-in to his narration. The video-tape is rushed to the studio by motorcycle courier where it is spliced to the earlier film. Graham races back to M Street and records the rest of the script, which, with the film, is transmitted to New York for the 6:30 news. Hectic, yes, but not in a class with the newsbreak that occurs so close to air time that there's no time to write it out. In the trade it's known as a "crash landing," and, Graham notes, that's exactly what it feels like. It doesn't seem possible that not too long ago, newscasters were hired for their good looks and mellifluous voices. They were handed newscasts written for them and ready to go. It was a time when actors gravitated towards television, and newscasters were not expected to be experts on economics, law, government, and science.

"He's a reporter whose time has come," maintains David Halberstam, Pulitzer-prize-winning reporter and author of *The Best and the Brightest,* who shared a garage house with Graham when they both worked as reporters on the *Nashville Tennessean*. "It's as if everything he's done has prepared him for this job." But more than that, says Halberstam, Graham's strength as a reporter lies in his approach. "He's altogether straight and has the kind of mind that rejects anything that isn't."

It does seem that Graham's curriculum vitae reads like a preparation for just the job he's doing. Being a lawyer is a decided advantage. He and Carl Stern, his NBC vis-a-vis, are the only lawyers working on the Washington TV circuit. Wallace Westfeldt, NBC news producer and a fellow reporter of Graham's on the *Tennessean* during the 1950s, alleges that "CBS was having the hell beat out of them on legal matters since we had Carl Stern, so they bought Fred Graham from the *New York Times*. He had the advantage of already knowing how to translate legalese in language everyone could understand—something Stern had to learn." Stern, for his part, welcomes Graham to the TV-fold. It's an indication, he says, that the time-conscious media recognize that legal stories have to be covered, no matter how complicated they are. Fred Thompson, another Vanderbilt Law School alumnus, currently minority counsel for the Senate Watergate committee, agrees. "A newscaster who is also a lawyer has the advantage of being able to identify the problem while a non-lawyer would lose precious time checking his material. Nowadays, with people taking the Fifth Amendment, Watergate hearings, and the like, a newscaster with a legal background can put it all into focus."

Translating legalese is not all Graham learned as Supreme Court correspondent at the *New York Times*. During that seven-year stint he developed a network of his own; he can pick up a phone to check the authenticity of a story; he has friends who tip him off when a story is about to break. An example of what this is worth was demonstrated last October when Graham was scheduled to speak at the Vanderbilt Law Day ceremonies. It was a Friday and a friend at the Justice Department told him it looked like something might break over the weekend—no details. Graham was torn between the desire to fulfill his engagement at Vanderbilt, see old friends, get in a little fishing, and the fear of not being on hand for a newsbreak. Fortunately, his news sense prevailed. News burst like bombshells all weekend; the date will go down in history as the Saturday night massacre when President Nixon fired Special Prosecutor Archibald Cox, and U.S. Attorney General Richardson and Deputy Attorney-General Ruckelshaus resigned.

Graham brings other credentials to his job. The winner of a four-year scholarship to Yale, he won the Corwin Academic Prize scholarship while a student there and also was a member of the varsity wrestling team. Two years in the Marine Corps followed graduation and he saw duty in Korea and Japan. During his years at Vanderbilt Law School he worked as a staff writer on the *Tennessean*. A postgraduate year was spent on a Fulbright at Oxford where he earned a Diploma in Law in 1960. Three years of practice in a Nashville law firm followed.

At one time it looked as if Graham might have been on the other side of the microphone; the political arena held a good deal of fascination for him, and after an unsuccessful race for Democratic committeeman ("He was an unknown; it was premature," says a veteran Nashville political figure), he went to Washington as chief counsel of the Senate judiciary subcommittee on constitutional amendments of which Senator Estes Kefauver was chairman. The death of the senator shortly afterwards may have cut short Graham's political career. In any case, Graham, after a term as special assistant to Secretary of Labor Willard Wirtz, quit the government and became the Supreme Court correspondent for the *New York Times*. His concern with the position of the court in such controversial decisions as the Miranda Case and others affecting police procedure and civil rights prompted him to write *The Self-Inflicted Wound* which was published in 1970. That book and another, titled *Press Freedom Under Pressure*, a study of press and government relations published in 1972, won for him a solid spot on the lecture circuit. For the past several years he has addressed bar association meetings, civic clubs, and law schools throughout the country.

The limitations of legal newscasting are apparent to any viewer who has listened to the details of a court battle while watching an artist's attempt to portray it on the screen. There is resistance to permitting cameras in a courtroom, not only by the lawyers and judge involved but also by the American Bar Association. Cameras are allowed if all participants consent, but the film cannot be aired until all appeals have been exhausted and then it may be shown for instructional purposes only. Some lawyers voice their fears that TV cameras might affect the proceedings; on the other hand those who favor filming insist that a camera is more reliable than a reporter's notes. Most admit, however, that the time allocated to the evening news would hardly be sufficient to cover a court trial. Graham, for his part, is intent on a wider understanding of court procedure by the public. "It's a tremendous challenge, and if we work at it we can do better than the print media." Listeners stay with his one-or-two-minute spots on the Cronkite show, he contends, while he suspects readers seldom finished long, involved legal stories in the *Times*. Adapting to television an idea he used at the newspaper, Graham is working on documentaries aimed at educating the public. He prepares the background for decisions that eventually will be made by the courts by going to the cities where the cases originated, creating a script that explains what the lawsuit is about, what the court decision will mean to the participants and how, in other cases, the decision will have a wider significance.

Twenty million viewers! It would make a far less sensitive man than Graham ponder the impact and influences of his reporting. It can be tough, he concedes. He doesn't deny that he's had a few miserable nights when he's wondered if he'd used the wrong word, conveyed the wrong impression. "You try for accuracy and fairness. Sometimes it's difficult to work within the strictures of time." His mail is fifty-fifty love and hate. "I'm still surprised when I'm recognized on the street, or in the supermarket."

Long before the energy crisis, Graham covered the distance between his home and office on foot. The Grahams live in a charming, unconventional house in Washington "right around the corner from the Shoreham and the Sheraton Park hotels." He and Lucille Graham, his beautiful and brainy wife, are enthusiastic about city living. "We have a nice lifestyle," he says. Their three children attend public schools; Graham often joins the family after work for an hour of ice-skating at the Sheraton-Park Club. Their house is in an area in which many Latin American embassies are located. "Because of the personnel in the embassies and those connected with them in surrounding streets, the public school includes teaching in both Spanish and English," Graham explained. "Both our boys are already bilingual." Lucille Graham, a Bryn Mawr graduate, has taught at Georgetown University but for the past few years has chosen to remain at home with the children. "I occasionally take a job on a commission or a survey that has a limited duration." Their black and white living room, furnished with Lucille's unmistakable flair, is a center where groups of friends in a variety of pursuits—TV personalities, writers, government figures—gather to engage in lively discussions, often argumentative, and almost always off-the-record. Not long ago Graham and eight other newsmen were subpoenaed; they had refused to divulge news sources in the Agnew case. "It looked as if Fred might be in and out of jail for awhile," recalled Lucille. "But before I had time to worry, Agnew accepted a guilty plea and the case was thrown out of court." How did she feel? "I guess I was thinking it was a hazard of the trade," she said, thoughtfully.

REVERSE OUR PANAMA CANAL POLICY

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. SNYDER. Mr. Speaker, I have sent the following letter to President Gerald R. Ford:

August 20, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: I respectfully call upon you to reverse the policy of the previous Administration aimed at turning over the Panama Canal to the Republic of Panama.

A recent poll which I took of the Fourth District of Kentucky, which I have the honor of representing, showed that of 19,000 responding only 4.6 percent favored that policy, while 87.5 percent flatly opposed it.

I have respect for Secretary of State Henry Kissinger, upon whom you must rely heavily. However, in this area of our foreign policy, I hope that you will rely on your own common sense, and the voice of the American people, instead of any advisors who mistakenly feel that our best interests are served by surrendering control of the vital interoceanic waterway which is more important to our security today than ever before.

Respectfully yours,

M. Gene Snyder.

HILO HATTIE: QUEEN OF HAWAIIAN ENTERTAINERS

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MATSUNAGA. Mr. Speaker, it is difficult to know where to begin in praising the accomplishments of a genuinely sincere and vibrant human being like Hilo Hattie. Her past 70 years of singing and dancing to cheer up the human race has left an endearing sense of warmth, well-being and aloha in the hearts of the people of Hawaii and all those who have come to know her as an entertainer and beloved Kamaaina. She made songs such as "Manuela Boy," "The Cockeyed Mayor of Kaunakakai," and "Becky, I Ain't Coming Home No More" famous in her inimitable down-to-earth style.

Born Clara Haili, she first started entertaining at the tender age of 2½ years when she used to follow her mother, who was a practical nurse at Kapiolani Maternity Home, and sing to the babies and the mothers in the maternity ward. Hilo Hattie later rang in raucous comedy on the then formal and fashionable Waikiki entertainment scene, later moving on to the Eastman Kodak Show, then the old Waialae Country Club. By 1940, she was entertaining the entire Pacific Fleet. Whenever a U.S. naval ship would pull into Pearl Harbor on Pacific maneuvers, she would go out and do shows for the troops. Later entertaining at the Royal Hawaiian and Hilton Hawaiian Village Hotels, she finally moved her show to the Sheraton-Waikiki and Halekulani Hotels. Now at the age of 73, Hilo Hattie plans to join her musician husband on a royal Hawaiian band tour of Canada, on which she will perform.

With a generous measure of pride, love, and Aloha for Hilo Hattie, a beautiful human being who has done what few others have accomplished to personify the very spirit of Aloha, I submit the following article about her by Mary Cooke from the Honolulu Advertiser for inclusion in the Record:

Seventy Years of Entertainment and It's Been All in Fun

(By Mary Cooke)

If you count all the years she's been singing and dancing to cheer up the human race, Hilo Hattie has just made some kind of a late retirement record.

This week, when she steps down from both the luau stage at the Sheraton-Waikiki Hotel and the summer headliner spot at the Halekulani, it will be 70 years since Hawaii's clown princess did her first gig in—of all places—Kapiolani Maternity Home.

"My mother was a practical nurse at Kapiolani. When I was 2½ years old I used to follow her from bed to bed in the wards and sing to the babies and the mothers.

"It was a natural thing for me to kid and cut up," said the blithe spirit who, in the depressed 1930s, rang in raucous comedy on the Maikiki entertainment scene and made it stick.

It was at the Royal Hawaiian Hotel where canaries trilled in glided cages and musicians in tuxedos played for five o'clock tea dances. On this subdued scene there exploded Hilo Hattie doing the Hilo Hop in a ham-tied muumuu and a battered straw hat. She also sang in pidgin English "Whassa Matta You Last Night?" "Mamuela Boy" and "The Cockeyed Mayor of Kaunakakai."

When she introduced "Becky, I Ain't Coming Home No More" with a Yiddish accent the manager was nervous. He took a mental house count and banned the number. The customers chanted their gut reaction: "Do Becky! Do Becky! Do Becky!"

Manager to Hilo Hattie (backstage): "Go on and do Becky. All those people out there yelling. They're driving me crazy!"

Hilo Hattie was no spring chicken, even then. Clad from chin to toe in a voluminous muumuu, she was not seductive. Rumor even had it that she was a school teacher, which was true.

The thing that knocked them in the aisles was not that she was revolutionary, just real. She sang it like it was in Hawaii. She had the Hawaiian's knack of mimicking locals and newcomers in a spirit of camaraderie. A friendly, fraternal ribbing, spiced but never spiked with humor. She hurt no one. Her audience sensed this, relaxed, enjoyed and pounded the tables for more.

Born Clara Haili—"My birth certificate says I'm 100 per cent Hawaiian"—she grew up in what a modern social worker might call "disadvantaged" circumstances. Her older siblings were hanai-ed (given to relatives) and Clara, until she was 8 years old, lived with her divorced mother in the Kapiolani Maternity Home nurses quarters.

"It was right next to the delivery room and I sometimes used to hear the mothers in pain," Clara said.

When her mother remarried, the family lived between a Chinese store and a Chinese poi factory on Liliha Street. "Maybe it made me a little Chinesey," Clara said. "I think I absorbed some of their characteristics."

When she was 12 Clara made a bargain with her brother who was playing bass for a traveling vaudeville company.

"He told me if I cleaned all the lanterns at home and washed all the dishes I could go to the Saturday matinee," she said. "I worked like the devil and went every week.

"That's where I learned 'Becky, I Ain't Coming Home No More.' Every Saturday I took my copy book and added more words and verses till I got it all."

But nobody thought of entertaining as a career for Clara. Of three options—nurse, teacher or dressmaker—she chose teaching and went to "normal school."

"In my sophomore year I had to leave school to help support the family," she said. It was 1917 and Clara was 16 years old. She got a $3-a-week job at the old Advertiser bindery, worked up to $15 a week at the end of four years, then went back to finish school.

In 1923 she got her first school job teaching first grade non-English-speaking Japanese children at Waipahu Elementary School.

"Some of the mothers stayed on the school grounds almost all the first week," Clara said. "That meant they didn't go 'hapai ko' (carry cane) in the sugar fields and they lost money. But they were so determined for their children to learn. By the end of the first year it was just wonderful to see how much they had learned."

Clara's heart was in teaching—it still is, she says—but she saw nothing wrong with doing a little entertaining evenings at the Royal Hawaiian Hotel. Then at the Eastman Kodak Show. Then at the old Waialae Country Club. Sometimes all three, every week.

"By 1940 I was entertaining the whole Navy," she said. "Every ship, and there were a lot of them on Pacific maneuvers then. When they came into Pearl Harbor I went out and did shows for them."

Hilo Hattie was now too much for the pre-war Department of Public Instruction. Officially, it suggested she "modify" her style of entertaining. She didn't. Finally it came to an either/or choice of continuing on stage or continuing as a public school teacher.

"I thought maybe I should quit this monkey business and stick to teaching," Clara said. "I went to Dean Wist, head of the teachers college at the University and asked him what I should do.

"He said, 'Clara, eventually we're going to get into a war. In wartime, one of the greatest things is to keep up morale."

That year she gave up teaching and in 1941 Harry Owens, former band leader at the Royal Hawaiian Hotel, called Clara to join him for a six weeks engagement at the Paramount Theater in Los Angeles. In December, while she was on the Mainland, Pearl Harbor was bombed.

"It took me six years to get home," she said. "Most of my Navy friends had been transferred to San Francisco and when I asked them for priority to come home, they begged me to stay there. They sent me to Juliet Wichman who was then head of the Hawaiian Red Cross branch in San Francisco.

"It was a time when Island mothers and children were being evacuated from Hawaii to the Mainland. There were wounded servicemen and patients coming in on ships. Day or night, any time the ships came from Honolulu I greeted them at the pier. The passengers were lined up on the decks and I was the only face they recognized.

"If the women had problems I'd go aboard and sit with them and talk to them. These were our Island girls. On my days off I visited the hospitals. All those boys who had seen me in Honolulu, I was a familiar face to them."

Clara trouped for the military "giving 15-minute shows at gun nests along the California coast. We had a victrola on the truck to play music. Kahala Bray was the dancer and I was the singer.

"The officer would blow a whistle and out from the woods would come these guys and we'd put on a little show for them."

She also made films and recordings in Hollywood, appeared on radio and TV and played in U.S. and Canadian night clubs. At war's end, Clara came home to entertain again at the Royal Hawaiian when it was reopened after serving as a Navy recreation center during the war.

Clara is married to Carlyle Nelson, formerly a violinist in Harry Owens' orchestra and now a member of the Royal Hawaiian Band. The couple spent 10 years with their own Hawaiian troupe, playing Mainland country club and military club engagements.

When she was in her 60s Clara came home again to re-open the Hawaiian Village Tapa Room after the death of its first star, Alfred Apaka.

Now she wants out of long-term engagements, "just to be free to do what I'd like," Clara said. At age 73, she will join her husband next month on a Royal Hawaiian Band tour of Canada, on which she will perform.

"After that, whenever there's a need for me I'd be willing to perform," she said. "But no more six nights a week, indefinitely."

HEW'S MISCALCULATION ON GENERIC DRUG EQUIVALENCY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. CRANE. Mr. Speaker, those who urge a program of national health insurance should understand that if Government is to pay the bills for the health care of Americans, Government will, inevitably, determine the nature of such care.

This is already the case with regard to those Americans who are recipients of medicare and medicaid payments. The Department of Health, Education, and Welfare has determined that generic drugs are the "equivalent" of prescription drugs. Since generic drugs are much cheaper than prescription drugs, HEW has mandated that all those who receive governmental assistance will be aided only with the cost of generics.

As a result of this policy, doctors are no longer able to prescribe the medicines they believe to be safest and most effective but must, instead, prescribe those mandated by Government bureaucrats. Government has taken upon itself, in effect, the practice of medicine.

Now, it appears, this policy has been based upon bureaucratic desires rather than scientific data. A 10-member panel, headed by Dr. Robert Berliner, dean of the Yale Medical School, has concluded that current Government standards and regulatory practices "do not assure bioequivalence for drug products." C. Joseph Stetler, president of the Pharmaceutical Manufacturers Association, states that the report "completely undercuts the ill-advised proposal of the Department of Health, Education, and Welfare."

Another study, conducted by Prof. Sam Peltzman, of the Chicago Graduate School of Business, of the 1962 amendments to our drug laws, concludes that—

> The 1962 amendments to the basic 1938 Drug Act were an outgrowth of the very best intentions . . . Where the old law had demanded proof merely of a drug's safety, the new law demanded proof of a drug's effectiveness as well . . . Innovation has been stifled. In the decade preceding the amendments, drug manufacturers introduced an average of 43 new chemical entities a year. The average since then is 16 new entities a year.

I wish to share with my colleagues the report which appeared in the AMA News of July 22, 1974, concerning the report of the committee headed by Dr. Berliner and a column by James J. Kilpatrick, as it appeared in the Baltimore Sun of July 2, 1974, concerning the study by Professor Peltzman, and insert them in the Record at this time:

Report Stirs Debate on Drug Equivalence

The Health, Education, and Welfare Dept. is expected to continue to press for some sort of lowest-cost drug reimbursement policy under Medicare-Medicaid, as a result of a report by the Office of Technology Assessment.

But there is something for both sides of the argument about drug bioequivalency in the report—and critics of HEW's proposal are armed with the panel's conclusion that current government standards and regulatory practices "do not assure bioequivalence for drug products."

A 10-member panel, headed by Robert Berliner, MD, dean of Yale U. School of Medicine, produced the report for OTA, which is an advisory group to Congress.

Another of its conclusions, one seeming to favor a price-ceiling on drugs, says that technology exists for establishing the bioequivalence of most drugs, and that the government ought to get going on "an official list of interchangeable drug products."

It was this issue that brought on the report in the first place.

HEW last December announced a proposal for Medicare-Medicaid drug reimbursement, based on products generally available, but lowest in cost.

In hearings before the health subcommittee of the Senate Labor and Public Welfare Committee, drug company representatives protested that it would be impossible to ensure the bioequivalency of similar generic drugs, using the government's own standards.

HEW Secretary Caspar Weinberger agreed to postpone putting the reimbursement plan into effect, pending the report.

The report was termed "superb" by two frequent adversaries in discussions of drug costs.

C. Joseph Stetler, president of the Pharmaceutical Manufacturers Assn., said the report "completely undercuts the ill-advised proposal of the Department of Health, Education, and Welfare . . ."

PMA supports the report's call for improved drug standards, but believes the report "fully refutes the concept that high-quality products and research incentives in industry can be maintained while prices at the lowest level are dictated by government."

Sen. Edward Kennedy, (D., Mass.) chairman of both OTA's Technology Assessment Board and the Senate health subcommittee, praised the panel's work, and said he would introduce amendments to S. 3441, the Drug Utilization Insurance Act, now before the Senate Labor and Public Welfare Committee. The bill will be redrafted to incorporate the report's recommendations, and new legislation would be introduced, if needed, he said.

"I believe the authority already exists for HEW to move ahead," Sen. Kennedy said.

Dr. Berliner said it was "somewhat exaggerated to say our report 'completely undercuts' the public policy of HEW."

"It would not take a great deal of time for a restructuring of at least a major part of what HEW proposed to do (in drug reimbursement)," he said.

Dr. Berliner estimated that 85–90% of all drugs are used in therapies which do not require "close tolerances," and therefore, bioequivalency would not come into question. Government standards for these could be drawn soon, probably within a year, he said.

"We also feel that moderate degrees of variation in most drug products will not have any effect upon therapeutic effect," he said.

Implications for the physician, if HEW's lowest-cost drug list were drawn up, would be that "he would not have to concern himself with brand names of products he prescribes," said Dr. Berliner.

"The drugs are, for the most part, largely interchangeable. I think the cost of a drug will come into some relative consideration," he said.

In addition, a government-approved drug list might allow pharmacists to make some decisions about which drugs to use in a prescription, Dr. Berliner suggested.

"This would require a change in the law in several states," he pointed out. "The only way that might be accomplished is with a (pharmacist's) fee for service, rather than a markup on the drug."

HEW's minimum-price drug policy proposal was based on the assumption "that the Food and Drug Administration can presently assure the uniform quality and therapeutic equivalency of all marketed medications," said PMA's Stetler.

"We labeled that assumption a huge gamble at the time," and statements in the report support the idea it is still a gamble, Stetler said.

Charles Edwards, MD, HEW assistant secretary for health, said HEW "believes that bioequivalency problems can be solved, and pose no insurmountable obstacle to its announced plans . . ."

Other conclusions of the report:

Variations in bioequivalency of drugs have been recognized as responsible for "a few therapeutic failures. It is probable that other therapeutic failures (or toxicity) of a similar origin have escaped recognition."

Bioequivalency studies of all drugs are neither feasible nor desirable, but classes of drugs where such information is important should be identified.

A single standards-setting organization should be established to replace the present USP and National Formulary.

(USP and NF have announced plans to merge, and said they already have taken steps to meet the panel's criticisms. "The possibility that USP and the NF could merge and make sufficient changes . . . to fulfill the criteria for an effective standard-setting organization is not precluded, but the changes necessary would be expensive," the report said.)

AEI STUDY SAID TO SHOW MISCALCULATION ON DRUGS

(By James J. Kilpatrick)

[A] new study, by Sam Peltzman of the Chicago Graduate School of Business, deals with the consequences that have stemmed from the 1962 amendments to our drug laws. [The study is a recent AEI publication.] He finds these consequences, on balance, bad.

That evil consequences flow from good intentions is scarcely a novel proposition. Such results often are observed when government sets out to tinker with the functions of the marketplace or with the workings of human behavior.

The 1962 amendments to the basic 1938 Drug Act were an outgrowth of the very best intentions. Congressional liberals, led by the late Senator Estes Kefauver, were convinced that drug manufacturers were exploiting a gullible public.

Riding the shock waves produced by the thalidomide scandal, they wrote into law some sweeping new demands for the approval and marketing of drugs. Where the old law had demanded proof merely of a drug's safety, the new law demanded proof of a drug's effectiveness as well. The senator from Tennessee assuredly did not want to harm the consumer, his purpose was to benefit the consumer. Who could quarrel with so good an intention?

Dr. Peltzman quarrels with it. In his methodical examination of the actual results of the 1962 amendments, the Chicago economist demonstrates convincingly that these consequences have ensued:

Innovation has been stifled. In the decade preceding the amendments, drug manufacturers introduced an average of 43 new chemical entities a year. The average since then is 16 new entities a year.

Consumers have not gained. On the contrary, they are losing from $250 to $350 million annually in benefits they might have had if it had not been for the prolonged delays and abandoned experiments of recent years. That is the demonstrable economic loss. The human loss is incalculable. Human beings have died, or have suffered needlessly, for want of drugs that might have been available if the Kefauver amendments had never been adopted.

The principal result of the 1962 act has been delay. Because of the elaborate requirements of the Food and Drug Administration, manufacturers are compelled to devote from four years to nearly nine years in accumulating absolute proof of a drug's effectiveness. The FDA itself, which in 1962 processed a new drug application in seven months, now requires 2½ years for its own review.

DAVIDSON COMMUNITY CENTER: A SMALL MIRACLE IN THE BRONX

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. BINGHAM. Mr. Speaker, the Davidson Community Center, a storefront self-help organization located in my congressional district, is a credit to the community and is to be commended for a job well done.

Ms. "Toni" Vasquez, who founded, and now runs the center, has created a unique mix of educational programs for adults and supervised recreation for children that earned the center the Lane Bryant Award for community service in 1970, and a No. 7 ranking—out of 900 centers judged—by the U.S. Jaycees Foundation in 1974.

Unfortunately, this small miracle in the Bronx may soon have to shut its doors because of inadequate funding. It would indeed be tragic if members of our community are prevented from helping fellow human beings because government and private philanthropic organizations are unable to satisfy the modest financial requirements of centers such as this.

I include herewith for the benefit of my colleagues and other interested readers of the RECORD an article appearing in the August 11 edition of the New York Daily News describing the center and its problem:

THE END OF A SMALL MIRACLE?

(By Lawrie Mifflin)

Rosa Rodriguez, trained as a secretary in her native Santo Domingo, is learning English so that she can be a secretary in New York. Jocelyn Lynch, a Jamaican native and mother of three who worked as a keypunch operator for years in London but can't get a similar job here without a high school diploma, is taking a high school equivalency course.

Both are students at the Davidson Community Center, a storefront neighborhood self-help organization at 2034 Davidson Ave. in the deteriorating Morris Heights section of the Bronx. While they study upstairs, children romp and scramble downstairs and outdoors in supervised recreation programs, and block residents come in for all kinds of advice and help.

But the happy tumult may come to an abrupt end soon: The center is threatened with a shutdown because of a lack of funds.

If it does, Rosa Rodriguez might never be a secretary again, Jocelyn Lynch might not get another chance as a keypunch operator, and scores of families would be back on welfare once more.

It would also mean the end of a winter basketball team on which many gang members play; the end of Boy Scouts and bus trips to upstate parks; the end of play streets, the end of swimmobile visits, and the end of free summer lunches for the more than 1,000 youngsters the center serves this summer.

END OF A MIRACLE

For the people of Morris Heights, where welfare rolls have jumped to include 40% of the Davidson Ave. population, where housing is crumbling and where arrests and crime complaints are the highest of any precinct in the city, the closing of Davidson Community Center would mean the end of what many residents consider a small miracle.

Last year, staffed almost entirely by untrained community volunteers, the center handled 250 welfare problems affecting 1,000 people; made 126 successful job referrals; dealt with 213 housing cases, and ran a regular community patrol force of 30 volunteers to deter crime.

Residents go there to get help fighting negligent landlords, to study and learn skills for new employment opportunities, and to straighten out the red tape of welfare or social security tangles. When they go, they are helped not by college-educated professionals but by their neighbors, whose only qualification is a fierce dedication to upgrading the Morris Heights neighborhood.

"And without this lady, nothing moves," said Officer David Milligan of the 44th, patting tiny Antonia Vazquez on the back.

Ms. Vazquez, or Toni to everyone at the center, is a dark-haired grandmother who would seem frail were it not for her unbounded energy. She founded the Davidson Community Center nine years ago, as an outgrowth of tenants' rights and block work, and got it incorporated as a non-profit service agency in 1969.

NATIONAL AWARD

In 1970 the center won a national Lane Bryant Award for community service. This year the U.S. Jaycees Foundation ranked the center seventh out of 100 outstanding community self-help programs in the nation—after judging more than 900 entries.

"The center is my whole life," says Toni Vasquez, who is now the paid director and supports her nearly-blind husband on her salary, paid by the city Housing and Development Authority. "I see people come in here crying and go out smiling, and that is why I keep going."

But Ms. Vasquez is nearly frantic now because of the center's discouraging financial straits.

"With the Board of Education's employment training program we are offering people skills, and then we help them find new jobs through manpower agencies, or even the Yellow Pages," she explains. "Then, they get off welfare and help themselves along. It's good work we do, and we are known all over, but it doesn't seem to help when it comes to money."

Others who work with the center agree that it does good work. "The place is always bustling with purposeful activity," said Robert Parente, a Board of Education supervisor who stops by periodically to check on the employment training and English classes. The three teachers and coordinator of those programs are among the few professionals at the center and are paid by the Board of Education.

AMAZING BUNCH

"Of all the annexes I visit, this is the best-functioning, Parente added. "The mothers who come here are amazing—I've never seen such a diligent, ambitious group."

Maria Romano, who instructs 30 students in English as a second language, recalls that she gave the class the option of a six-week or an eight-week summer session, and all opted for eight weeks.

Rosa Rodriguez, who is also a mother of two, said her family had planned to move away from Morris Heights this summer but stayed on solely because of Ms. Romano's English class.

Another student, Elba Bultron, a native of Puerto Rico, declared that she had learned more English in eight weeks at Davidson Community Center than she did in four years at Theodore Roosevelt High School. And Patricia Gerardy, who just came to New York from Ecuador a year ago, plans to master English and go on to college some day.

But this year, the private funds ran out in June. The center owes two months rent, phone and electricity bills, and only a promised $2,000 emergency grant from YSA will get it through the summer. "We're running all these programs on nothing, nothing but people," Ms. Vasquez lamented.

To eliminate the annual panic over funds, the center has requested a $35,000 year-round grant from YSA. If approved, it would reduce the private fund needed to about $5,000 and put the center on solid financial footing permanently, according to Mildred Zucker, a consultant with the Federation of Protestant Welfare Agencies, who advises Ms. Vasquez.

Without it, the scraping for funds will go on. Or the center will have to close, and the neighborly, comforting place where Morris Heights residents turn for help with the housing, crime, welfare and job problems that plague such areas will be out of luck, residents say.

SENATE—*Thursday, August 22, 1974*

The Senate met at 10 a.m. and was called to order by Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, as we set forth to commemorate Labor Day, show us once more that Thou hast ordained work as a way of life and not simply a means of livelihood. Bless all whose labor of hand and brain enriches the life of all. Be with those who are overworked, out of work, ill paid, or in want. Protect all whose labor brings them into danger or leads them into temptation. Comfort those whose toil is unpleasant, monotonous or without joy. Have mercy on those who are driven to sullenness, despair, and rebellion.

Hasten the day when men shall toil for the common good, when all commerce shall be pure, all work worship, and men shall rejoice in what they have done.

Be with all who labor in this place, in high decisionmaking, in supporting roles, in tasks great and small and honor this labor for the Nation and the advancement of Thy kingdom.

In the name of the Carpenter of Nazareth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 22, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HUDDLESTON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, August 21, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING THE ADJOURNMENT OF THE SENATE UNTIL SEPTEMBER 4, 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate until noon, Wednesday, September 4, the Secretary of the Senate be authorized to receive and refer messages from the President of the United States and the House of Representatives and that on Thursday, August 29, and Tuesday, September 3, between 9 a.m. and 5 p.m., all committees of the Senate be authorized to file their reports together with any minority, individual, and supplemental views.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN CORRECTIONS IN THE ENROLLMENT OF H.R. 15842

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 611.

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 611, which was read as follows:

H. CON. RES. 611

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill (H.R. 15842) to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes, is directed to make the corrections described as follows:

In Section 202(2), Teachers and School Officers Salary Schedule (which is effective on the first pay period beginning on or after January 1, 1975), strike out in Class 15 "Group D—Doctor's", and insert in lieu thereof "Group D, master's degree + 60 or doctor's".

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 611) was agreed to.

CONSIDERATION OF CERTAIN MATTERS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to consideration of Calendars Nos. 1061, 1065, 1069, 1071, 1072, and 1073.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will state the first bill by title.

EGG RESEARCH AND CONSUMER INFORMATION ACT

The Senate proceeded to consider the bill (H.R. 12000) to enable egg producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl, and products of spent fowl which had been reported from the Committee on Agriculture and Forestry with amendments on page 8, in line 3, strike out the words "false or misleading clauses" and insert in lieu thereof "unfair or deceptive acts or practices".

On page 8, in line 5, strike out the words "false or misleading statements" and insert in lieu thereof "unfair or deceptive acts or practices".

On page 11, in line 2, strike out the word "six" and insert in lieu thereof "three".

On page 11, in line 3, strike out the word "years" and insert in lieu thereof "terms".

On page 11, in line 4, strike out the words "two, four, and six years" and insert in lieu thereof "two-year and three-year terms".

On page 16, in line 25, strike out the word "thirty" and insert in lieu thereof "ninety".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PYRAMID SALES ACT

The Senate proceeded to consider the bill (S. 1939) to prohibit pyramid sales transactions, and for other purposes which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Pyramid Sales Act".

Sec. 2. As used in this Act, the term—

(1) "compensation" includes payments based on sales, when such sales are made to persons who are also participants in a pyramid sales scheme or who are purchasing the right to become such participants, but the term does not include payments based on sales at retail to ultimate consumers;

(2) "goods" includes any personal property (tangible or intangible), real property, or any combination thereof;

(3) "other property" includes a franchise, license, distributorship, or any similar right, privilege, or interest;

(4) "pyramid sales scheme" means a plan or operation (whether or not it involves the sale or distribution of goods, services, or other property) which includes a provision, means, or method for increasing the participation in such plan or operation and with respect to which a participant pays a valuable consideration for the right, privilege, license, chance, or opportunity (A) to receive compensation for introducing any other person into participation in such plan or operation; or (B) to receive compensation when a person introduced by the participant introduces any other person into participation in such plan or operation (and where each such other person is eligible to receive the same or similar right, privilege, license, chance, or opportunity as such participant). The fact that the number of persons who may participate may be limited, or that conditions may be imposed with respect to eligibility shall not be construed to change the identity of any plan or operation that is a pyramid sales scheme. Nothing contained herein shall be construed to restrict personnel recruitment activities undertaken by persons, corporations, partnerships, or other business entities, so long as such recruitment activities do not entail the payment of valuable consideration for the right, privilege, chance, or opportunity to receive compensation as described herein;

(5) "sale or distribution" includes the acts of selling, leasing, renting, or consigning; and

(6) "valuable consideration" includes monetary payments to participate in a pyramid sales scheme but does not include payments made for sales demonstration equipment and materials furnished on a not-for-profit basis for use in making sales and not for resale, or payments which do not exceed $100 when paid on an annual basis, or time or effort spent in pursuit of sales or recruiting activities.

Sec. 3. Chapter 63 of title 18, United States Code, is amended by inserting therein, and amending the syllabus accordingly, the following new section:

"§ 1344. Pyramid sales scheme

"Whoever, in connection with the sale or distribution of goods, services, or other property by the use of any means or instrumentality of transportation or communication in interstate or foreign commerce or by use of the mails, knowingly sells or offers or attempts to sell a participation or the right to participate in a pyramid sales scheme (as defined in the Pyramid Sales Act) shall be fined not more than $25,000 or imprisoned for not more than five years, or both.".

Sec. 4. (a) Any person who is found by the Attorney General of the United States, after notice and an opportunity for an adjudicative hearing in accordance with section 554 of title 5, United States Code, to have violated a provision of this Act, or an order or regulation issued under this Act, shall be liable to the United States for a civil penalty of not more than $10,000 for each day of each violation. The amount of such civil penalty shall be assessed by the Attorney General by written notice. In determining the amount of such penalty, the Attorney General shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

(b) Any person against whom a violation is found and a civil penalty assessed under subsection (a) of this section may obtain review in the appropriate court of appeals of the United States by filing a notice of appeal in such court within thirty days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Attorney General. The Attorney General shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings of the Attorney General shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

(c) The Attorney General may, in his discretion, compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition, or which has been imposed under this section.

(d) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Attorney General, the Attorney General shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

Sec. 5. (a) Any contract which provides for participation or the right to participate in a pyramid sales scheme and any other contract made in furtherance of a pyramid sales scheme is void. Any person, corporation, corporate officer, or corporate agent who knowingly induces or causes to induce another person to participate in a pyramid sales scheme shall be jointly and severally liable to such other person in an amount equal to three times the amount of consideration paid together with the costs of any legal action required and a reasonable attorney's fee, as determined by the court involved. The district courts of the United States shall have jurisdiction of any action brought under this section without regard to citizenship of the parties or diversity of citizenship. Any action under this section may be brought within three years from the last date on which such consideration was paid.

(b) If two or more persons induce another person to participate in a pyramid sales scheme and thereby incur a liability under this section, the amount which such other person may recover from any or all such persons is limited to the amount referred to in subsection (a) of this section.

Sec. 6. The Attorney General of the United States, or the chief law enforcement officer or the attorney general of any State in which a prohibited act or practice occurred, may upon a finding that any person is engaged or is about to engage in any act or practice which constitutes a pyramid sales scheme, bring an action in the appropriate district court of the United States to enjoin such act or practice. Such courts shall have jurisdiction over such actions and shall provide appropriate relief. Such court may grant a temporary restraining order, or a preliminary or permanent injunction without bond.

SEC. 7. This Act does not annul, alter, or affect the scope or applicability of the laws of any State relating to pyramid sales schemes except to the extent that such laws permit acts or practices which are unlawful under this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AUTHORIZATION FOR SUPPLEMENTAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING FOR INQUIRIES AND INVESTIGATIONS

The Senate proceeded to consider the resolution (S. Res. 360) authorizing supplemental expenditures by the Special Committee on Aging for inquiries and investigations which had been reported from the Committee on Rules and Administration with amendments, on page 1, in line 2, after the date "February 22, 1973," insert the words "as amended,".

On page 1, in line 4, strike out " "$415,500"." and insert in lieu thereof " "$413,900".".

The amendments were agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That section 4 of S. Res. 51, 93d Congress, agreed to February 22, 1973, as amended, is amended by striking out "$411,000" and inserting in lieu thereof "$413,900".

AUTHORIZATION OF APPROPRIATIONS TO THE SECRETARY OF COMMERCE FOR THE PROMOTION OF TOURIST TRAVEL IN THE UNITED STATES

The bill (S. 3942) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel in the United States, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of Public Law 93–193, approved December 19, 1973, is amended by inserting at the end thereof the following:

"(c) There are authorized to be appropriated to the Secretary of Commerce for carrying out the functions, powers, and duties transferred pursuant to this section not to exceed $2,500,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years.".

AUTHORIZATION FOR SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY FOR ITS INVESTIGATION RELATING TO CITIZENS' INTERESTS

The resolution (S. Res. 358) authorizing supplemental expenditures by the Committee on the Judiciary for an inquiry and investigation relating to citizens' interests was considered and agreed to, as follows:

Resolved, That S. Res. 255, 93d Congress, agreed to March 1, 1974, is amended as follows:

(1) In section 2, strkie out "$4,073,000" and insert in lieu thereof "$4,085,500".

(2) In section 18, strike out "$150,000" and insert in lieu thereof "$162,500".

PRINTING OF LEGISLATIVE PROCEEDINGS WITH RESPECT TO THE DEATH OF FORMER SENATOR WAYNE L. MORSE

The resolution (S. Res. 365) relating to the printing of legislative proceedings with respect to the death of the former Senator from Oregon, Mr. Morse, be printed as a Senate document was considered and agreed to, as follows:

Resolved, That the legislative proceedings in the United States Congress relating to the death of the former Senator from Oregon, Mr. Morse, be printed as a Senate document.

CHIEF REPORTER DRESCHER RETIRES

Mr. MANSFIELD. Mr. President, Charles J. Drescher, Chief Reporter of the Senate Official Reporters of Debates, retires at the end of this month, after serving over 24 years in that office. Charlie Drescher will be missed greatly by all of us. We have come to rely upon his highly professional and meticulous manner of exercising the demanding tasks required by his position. As supervisor of the work of the Official Reporters, Mr. Drescher has performed his job of editing the remarks of Senators and collating the Senate proceedings in a highly commendable and efficient way. We are all indebted to Mr. Drescher for the care and concern he has taken to insure that the official proceedings of the Senate will be preserved for posterity in a readable and coherent form.

I wish to thank Charlie Drescher for the courtesy he has extended to me and my staff and to the magnificent and outstanding manner in which he performed a gruelling and demanding job.

Mr. HUGH SCOTT. Mr. President, for the last 24 years we have had among us Charles J. Drescher, a man who has had the responsibility of recording both the wise thoughts and the gibberish which we have all had occasion to utter on the floor of the Senate. Yet in spite of this he has maintained his calm and his senses.

As the Chief Reporter since 1966, he has had the added responsibility of editing and collating the daily Senate procedures. Today is his last day with us. He certainly deserves his retirement, but we will miss his scrupulous attention to detail and his breadth of knowledge. We wish him well.

Mr. GRIFFIN. Mr. President, I wish to join the distinguished leaders in paying tribute to Charles Drescher, Chief Reporter of the Official Reporters of the Senate. Charles Drescher joined the staff of the Official Reporters in January of 1950 and has served this body for more than 24 years. He has done an outstanding job.

I know I speak for all of my colleagues on this side of the aisle in joining the distinguished leaders, who speak for the whole Senate, in wishing Charlie Drescher and Mrs. Drescher many happy and rewarding retirement years.

Mr. ROBERT C. BYRD. Mr. President, it is with mixed feelings that I speak of the retirement of Charles J. Drescher as Chief Reporter of Debates in the Senate. On the one hand, I know we all will miss him, because of the courtesy and cooperation he displayed in the performance of his duties. On the other hand, we are all pleased he will now be free to pursue his many interests at leisure.

He joined the staff of the Official Reporters of Debates in January 1950. Prior to that time he had been a court reporter in the New Jersey courts, his tenure there having been interrupted by service in the Marines during World War II. He also served as chairman of the New Jersey State Board of Shorthand Reporting. In March 1966, he was appointed by the Secretary of the Senate to the position of Chief Reporter. In that position he supervised the work of the Official Reporters of Debates, and edited and collated the proceedings of the Senate each day for the RECORD.

Charles Drescher has carried on in the tradition of the office of the Official Reporters of Debates, a tradition which dates back more than 100 years. His service to the Senate is, indeed, worthy of note. His duties required that he remain long after the Senate had adjourned each day in order to process the proceedings of the Senate for delivery to the Printing Office.

Senators and their staffs can attest to his spirit of cooperation and dedication. Under his guidance, the remarks of Senators were available in written form a short time after they were spoken.

The Senate is losing a devoted, loyal, and efficient officer. He takes with him our heartfelt wishes for a happy, healthy, and well-deserved retirement.

Mr. SYMINGTON. Mr. President, although I wish him well, I am sorry to learn that after this week Mr. Charles J. Drescher, Chief Reporter, Official Reporters of Debates for the Senate, will retire.

He has been one of the most able and courteous employees of this body for more than 24 years.

Mr. Drescher joined the staff of the Official Reporters of Debates in January 1950, 2 years before I came to the Senate, and during the years since then he has been of invaluable service to me and to my colleagues.

In 1966, Mr. Drescher was appointed to his present position, where he has been responsible for supervising the work of the Official Reporters of Debates, and editing and collating the Senate proceedings for the RECORD each day.

One of Mr. Drescher's greatest attributes, in addition to his competence while performing his duties, is his thoughtfulness and willingness to take the extra step to be of assistance. I join my colleagues in wishing him many satisfying years of retirement.

QUORUM CALL

Mr. MANSFIELD. Mr. President, on my time, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, after consultation with the distinguished chairman of the Committee on the Judiciary and the acting Republican leader and with the assurance that these have all been cleared, I ask unanimous consent that the Senate go into executive session to consider nominations at the desk, reported earlier today.

The Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations at the desk will be stated.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

The second assistant legislative clerk read the nomination of Robert Armstrong Anthony, of New York, to be Chairman of the Administrative Conference of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FOREIGN CLAIMS SETTLEMENT COMMISSION

The second assistant legislative clerk read the nomination of J. Raymond Bell, of the District of Columbia, to be a member of the Foreign Claims Settlement Commission of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. CIRCUIT COURT OF APPEALS

The second assistant legislative clerk read the nomination of Murray I. Gurfein, of New York, to be a U.S. circuit judge.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of A. Roby Hadden, of Texas, to be U.S. attorney for the eastern district of Texas.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Joseph W. Keene, of Louisiana, to be U.S. marshal for the western district of Louisiana.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. PATENT OFFICE

The second assistant legislative clerk read the nomination of Evelyn K. Merker, of Virginia, to be an Examiner-in-Chief, U.S. Patent Office.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. PATENT OFFICE

The second assistant legislative clerk read the nomination of Gordon Krupsaw Milestone, of Maryland, to be an Examiner-in-Chief, U.S. Patent Office.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Antonin Scalia, of Virginia, to be an assistant attorney general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

The second assistant legislative clerk read the nomination of Wilfred J. Smith, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Arthur F. VanCourt, of California, to be U.S. marshal for the eastern district of California.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The second assistant legislative clerk read the nomination of Richard W. Velde, of Virginia, to be Administrator of Law Enforcement Assistance.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. DISTRICT COURT

The second assistant legislative clerk read the nomination of Robert W. Warren, of Wisconsin, to be U.S. district judge for the eastern district of Wisconsin.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Robert W. Rust, of Florida, to be U.S. attorney for the southern district of Florida.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF TRANSPORTATION

The second assistant legislative clerk read the nomination of Robert Henri Binder, of the District of Columbia, to be an Assistant Secretary of Transportation.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I request that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 15 minutes with statements limited therein to 5 minutes.

STATE-JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION ACT—PRIVILEGE OF THE FLOOR

Mr. NELSON. Mr. President, I ask unanimous consent that during the consideration of the State-Justice, Commerce, and Judiciary Appropriation Act, Lewis Paper of my staff be permitted to have the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I ask unanimous consent that during the consideration of the State-Justice appropriation bill, Joseph T. McDonnell and Gerald P. Salesses may be permitted to have the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

On August 14, 1974, a message from the House of Representatives announced that the House disagrees to the amendments of the Senate to the bill (H.R. 12035) to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MILLS, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mr. SCHNEEBELI, and Mr. COLLIER were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 13631) to suspend for a temporary period the import duty on certain horses; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MILLS, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mr. SCHNEEBELI, and Mr. COLLIER were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 11830) to suspend the duty on synthetic rutile until the close of June 30, 1977; agrees to the conference requested by the Senate Houses thereon; and that Mr. MILLS, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mr. SCHNEEBELI, and Mr. COLLIER were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 11251) to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as fuel; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MILLS, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mr. SCHNEEBELI, and Mr. COLLIER were appointed managers of the conference on the part of the House.

At 10 a.m. today, a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the concurrent resolution (H. Con. Res. 610) providing for a conditional adjournment of the House of Representatives from August 22, 1974, until September 11, 1974, in which it requests the concurrence of the Senate.

The message also announced that the House insists upon its amendments to the bill (S. 355) to amend the National Traffic and Motor Vehicle Safety Act of 1966 to promote traffic safety by providing that defects and failures to comply with motor vehicle safety standards shall be remedied without charge to the owner, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. MOSS, Mr. STUCKEY, Mr. DEVINE, and Mr. BROYHILL of North Carolina were appointed managers of the conference on the part of the House.

The message further announced that the House has passed the bill (H.R. 12859) to amend title 23, United States Code, to establish a Federal mass transportation program, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has affixed his signature to the following enrolled bills:

S. 3919. An act to authorize the establishment of a Council on Wage and Price Stability;

H.R. 11864. An act to provide for the early development and commercial demonstration of the technology of solar heating and combined solar heating and cooling systems;

H.R. 14402. An act to amend section 8202 (a) of title 10, United States Code, to extend for two years the period during which the authorized number for the grades of lieutenant colonel and colonel in the Air Force are increased; and

H.R. 14920. An act to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, to establish a loan guaranty program for the financing of geothermal energy development, and for other purposes; and

H.R. 15842. An act to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

At 12:25 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills, each with an amendment in which it requests the concurrence of the Senate:

S. 2840. An act to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes; and

S. 3473. An act to authorize appropriations for the Department of State and the U.S. Information Agency, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has affixed his signature to the following enrolled bills:

S. 1871. An act to amend the Youth Conservation Corps Act of 1972 (Public Law 92-597, 86 Stat. 1319) to expand and make permanent the Youth Conservation Corps, and for other purposes;

S. 3703. An act to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes;

H.R. 6485. An act to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938; and

H.R. 15205. An act to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

At 1:34 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has agreed to, without amendment, the concurrent resolution (S. Con. Res. 98) authorizing the printing of additional copies of the Senate committee print entitled "The Recreation Imperative."

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 29, 44, 47, 51, 58, and 59 and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 2, 4, 28, and 32 and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MAHON, Mr. SIKES, Mr. FLOOD, Mr. ADDABBO, Mr. MCFALL, Mr. FLYNT, Mr. GIAIMO, Mr. WHITTEN, Mr. MINSHALL of Ohio, Mr. DAVIS of Wisconsin, Mr. WYMAN, Mr. EDWARDS of Alabama, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

At 2:50 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

At 3:50 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

The message also announced that the House agrees to the amendemnts of the

Senate to the concurrent resolution (H. Con. Res. 610) providing for a conditional adjournment of the House of Representatives from August 22, 1974, until September 11, 1974.

ENROLLED BILL SIGNED

The message also announced that the Speaker has affixed his signature to the enrolled bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

At 5:08 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House recedes from its disagreement to the amendment of the Senate to the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes, and concurs therein with an amendment in which it requests the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 12859) to amend title 23, United States Code, to establish a Federal mass transportation program, was read twice by its title and referred to the Committee on Banking, Housing and Urban Affairs.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes, was read twice by its title and placed on the calendar.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate the following letters, which were referred as indicated:

REPORT ON TAXICAB INDUSTRY OF WASHINGTON, D.C.

A letter from the Mayor-Commissioner of Washington, D.C., transmitting, pursuant to law, a report entitled "The Taxicab Industry of Washington, D.C.: Regulatory Perspectives" (with an accompanying report). Referred to the Committee on the District of Columbia.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States within the past sixty days (with accompanying papers). Referred to the Committee on Foreign Relations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Need To More Consistently Reimburse Health Facilities Under Medicare and Medicaid" (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF THE NATIONAL MEDIATION BOARD

A letter from the Chairman of the National Mediation Board transmitting, pursuant to law, a copy of the annual report of the National Mediation Board, including the report of the National Railroad Adjustment Board (with accompanying reports). Referred to the Committee on Labor and Public Welfare.

REPORT OF THE SECRETARY OF THE SENATE

A letter from the Secretary of the Senate reporting, pursuant to law, on the receipts and expenditures of the Senate during the period January 1, 1974, through June 30, 1974. Ordered to be printed and to lie on the table.

PRESENTATION OF A PETITION

Mr. THURMOND (for himself and Mr. HOLLINGS) presented a concurrent resolution adopted by the General Assembly of the State of South Carolina, memorializing the Congress of the United States to raise the support price of cotton to prevent a crisis in cotton production, which was referred to the Committee on Agriculture and Forestry.

[Mr. THURMOND's remarks on the concurrent resolution and the bill he introduced in connection therewith appear under Statements on Introduced Bills and Joint Resolutions.]

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration:

S. Res. 390. An original resolution amending the Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials. (Rept. No. 93–1125).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 15172. An act to authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the U.S. Postal Service the execution fee for each application accepted by that Service (Rept. No. 93–1124).

By Mr. HART, from the Committee on Commerce, with an amendment:

H.R. 11541. An Act to amend the National Wildlife Refuge System Administration Act of 1966 in order to strengthen the standards under which the Secretary of the Interior may permit certain uses to be made of areas within the System and to require payment of the fair market value of rights-of-way or other interests granted in such areas in connection with such uses (referred to the Committee on Public Works) (Rept. No. 93–1126).

By Mr. ROBERT C. BYRD (for Mr. HART), from the Committee on Commerce:

S. 3954. An original bill to regulate commerce by discouraging needless depletion of natural resources and by encouraging resource recovery and reuse through programs and incentives for recycling and for converting waste into usable energy, and for other purposes (together with minority and additional views) (Rept. No. 93–1127). Referred to the Committee on Public Works, by unanimous consent.

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 10088. An Act to establish the Big Cypress National Preserve in the State of Florida, and for other purposes (Rept. No. 93–1128).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the nominations of Vice Adm. Eugene P. Wilkinson, U.S. Navy, to be placed on the retired list in that grade; Rear Adm. Denis-James J. Downey, U.S. Navy, to be vice admiral; and Lt. Gen. William Edward Potts, U.S. Army, to be placed on the retired list in that grade.

In addition, there are 752 appointments in the Air Force in the grade of major and below.

Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing on the Executive Calendar, I ask that these names be placed on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed at the end of the Senate proceedings of August 8, 1974.)

By Mr. MANSFIELD, from the Committee on Foreign Relations:

William R. Crawford, Jr., of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

A. Roby Hadden, of Texas, to be U.S. attorney for the eastern district of Texas;

Richard W. Velde, of Virginia, to be Administrator of Law Enforcement Assistance;

Robert W. Rust, of Florida, to be U.S. attorney for the southern district of Florida;

Arthur F. Van Court, of California, to be U.S. marshal for the eastern district of California;

Wilfred J. Smith, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States;

Antonin Scalia, of Virginia, to be an Assistant Attorney General;

Gordon Krupsaw Milestone, of Maryland, to be an Examiner-in-Chief, U.S. Patent Office;

Joseph W. Keene, of Louisiana, to be U.S. marshal for the western district of Louisiana;

Evelyn K. Merker, of Virginia, to be an Examiner-in-Chief, U.S. Patent Office;

J. Raymond Bell, of the District of Columbia, to be a member of the Foreign Claims Settlement Commission of the United States; and

Robert Armstrong Anthony, of New York, to be Chairman of the Administrative Conference of the United States.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. MAGNUSON, from the Committee on Commerce:

Robert Henri Binder, of the District of Columbia, to be an Assistant Secretary of Transportation.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Murray I. Gurfein, of New York, to be a U.S. circuit judge, second circuit; and

Robert W. Warren, of Wisconsin, to be U.S. district judge for the eastern district of Wisconsin.

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without reservation:

Exec. V. Protocol to the Convention for the International Council for the Exploration of the Sea, done at Copenhagen on August 13, 1975 (Exec. Rept. No. 93–1).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CLARK:

S. 3943. A bill to extend the time for using funds appropriated to carry out the Rural Environmental Assistance Program (REAP) and the Rural Environmental Conservation Program (RECP) for the fiscal years ending June 30, 1973, and June 30, 1974. Referred to the Committee on Agriculture and Forestry.

By Mr. JAVITS (by request):

S. 3944. A bill to provide for a program of assistance to State and local library authorities, regional authorities, and other public and private agencies and institutions for the support of demonstrations designed to encourage exemplary and innovative developments in the provision of library and information services, such as networking or other cooperative arrangements. Referred to the Committee on Labor and Public Welfare.

By Mr. PACKWOOD:

S. 3945. A bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to United States fishermen to cover the costs of damages to their vessels and gear by foreign vessels. Referred to the Committee on Commerce.

By Mr. PACKWOOD:

S. 3946. A bill to amend the Clayton Act to prohibit certain anticompetitive practices in the petroleum industry in the United States. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3947. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment. Referred to the Committee on Labor and Public Welfare.

By Mr. BELLMON:

S. 3948. A bill to establish a Fiscal Stabilization Board to control borrowing for federally sponsored or guaranteed purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BROOKE:

S. 3949. A bill to regulate liabilities insured by certain banks in connection with guaranties, surety agreements, certain bank acceptances, and standby letters of credit. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BELLMON:

S. 3950. A bill to amend the Internal Revenue Code of 1954 to provide for the recovery of reasonable attorneys' fees, as a part of court costs in civil cases involving the internal revenue laws, to provide for the audit of the tax returns of members of Congress, and for other purposes. Referred to the Committee on Finance.

By Mr. BELLMON:

S. 3951. A bill to place a ceiling on expenditures for fiscal year 1975. Referred to the Committee on Government Operations.

By Mr. PELL (for himself, Mr. Abourezk, Mr. Baker, Mr. Beall, Mr. Bible, Mr. Brooke, Mr. Case, Mr. Chiles, Mr. Cranston, Mr. Hathaway, Mr. Hughes, Mr. Humphrey, Mr. Javits, Mr. Mathias, Mr. McGee, Mr. McIntyre, Mr. Metcalf, Mr. Nelson, Mr. Ribicoff, Mr. Schweiker, and Mr. Tunney):

S. 3952. A bill to amend the Social Security Act to establish a procedure for the prompt payment of social security benefits to individuals whose social security checks have been lost, stolen, or otherwise delayed, and to expedite hearings and determinations respecting claims for benefits under title II, XVI, and XVIII of the act. Referred to the Committee on Finance.

By Mr. YOUNG:

S. 3953. A bill to authorize the Secretary of the Treasury to compensate certain persons holding title to the surface of certain lands in an amount equal to ten per centum of all royalties received by the United States in connection with coal extracted from such lands. Referred to the Committee on Interior and Insular Affairs.

By Mr. ROBERT C. BYRD (for Mr. Hart), from the Committee on Commerce:

S. 3954. An original bill to regulate commerce by discouraging needless depletion of natural resources and by encouraging resource recovery and reuse through programs and incentives for recycling and for converting waste into usable energy, and for other purposes. Referred to the Committee on Public Works, by unanimous consent.

By Mr. METZENBAUM (for himself, Mr. Inouye, Mr. Stevens, Mr. Allen, Mr. Cranston, Mr. Huddleston, Mr Humphrey, Mr. Metcalf, and Mr. Nunn):

S. 3955. A bill to establish within the Department of Commerce a Foreign-Investment Review Administration to conduct a continuing review and analysis of foreign investment in the United States, to require reports and information from foreign investors in the United States, to publish reports with respect to such investment, and for other purposes. Referred to the Committee on Commerce.

By Mr. INOUYE:

S. 3956. A bill for the relief of Sung Soon Hong. Referred to the Committee on the Judiciary.

By Mr. CHURCH (for himself, Mr. Mathias, Mr. Hart, Mr. Case, Mr. Pell, Mr. Pearson, Mr. Stevenson, Mr. Hansen, Mr. Ervin, and Mr. Chiles):

S. 3957. A bill to terminate certain authorities with respect to national emergencies still in effect, and to provide for the orderly implementation and termination of future national emergencies. Referred to the Committee on Government Operations, by unanimous consent.

By Mr. FULBRIGHT:

S. 3958. A bill to amend the Wild and Scenic Rivers Act by designating a certain river in the State of Arkansas for potential addition to the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

By Mr. THURMOND:

S. 3959. A bill to increase the target price of the 1974 and 1975 crops of cotton. Referred to the Committee on Agriculture and Forestry.

By Mr. PELL (for himself and Mr. Javits):

S.J. Res. 236. A joint resolution to provide for the indemnification of the Metropolitan Museum of New York for loss or damage suffered by objects in exhibition in the Union of Soviet Socialist Republics. Referred to the Committee on Foreign Relations.

By Mr. TUNNEY:

S.J. Res. 237. A joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CLARK:

S. 3943. A bill to extend the time for using funds appropriated to carry out the rural environmental assistance program (REAP) and the rural environmental conservation program (RECP) for the fiscal years ending June 30, 1973, and June 30, 1974. Referred to the Committee on Agriculture and Forestry.

AGRICULTURE CONSERVATION PROGRAMS

Mr. CLARK. Mr. President, one of the most successful Government agricultural programs of the last 40 years has been the agriculture conservation program. In 1968, it became the rural environmental assistance program—REAP—and in 1974, the rural environmental conservation program—RECP. Under RECP, farmers who perform certain types of conservation work on their farms are eligible for cost-sharing payments from the Federal Government. The benefits of this program have been enormous because, by helping conserve this country's natural resources, it has benefited all Americans.

In the last 2 years, there have been several developments which necessitate some minor legislative modifications in the program. The first of these concerns the appropriation of $225.5 million for the 1973 rural environmental assistance program—REAP—funds impounded by the President. The courts decided that the impoundment was illegal, and the funds were released; but it was too late for the money appropriated for use in 1973. As a result, the Department of Agriculture is permitting farmers to earn 1973 REAP cost-sharing money during 1974 as well as 1974 RECP cost-sharing payments. However, it will be impossible for farmers during 1974 to do all the conservation work for which cost sharing is available under the 1973 and 1974 programs.

The program for using both the 1973 and 1974 funds was not announced until late April 1974. Compounding the problems caused by late announcement—historically program announcement has occurred in the fall of the year prior to administration—and two programs being administered simultaneously, the Midwest experienced 3 months of excessive rainfall in March, April, and May causing ground conditions that prohibited significant field work.

When it appeared that Federal assistance for conservation work was ending in 1973, many contractors went into other specialties or reduced their operations. Then when the programs were reinstated by the courts and 2 years' appropriations were scheduled for 1 year, there were not enough contractors left in the business to do the work—even if the weather had been ideal. Additionally, there is much tillable ground that needs conservation work still under cultivation, and the work cannot begin until after the 1974 crop is harvested.

The heavy rains in the past few months have not only contributed to the difficulty of doing conservation work, but they have made the need for such work even greater.

In Iowa, for example, 4.5 million acres of the State's 20.7 million acres of corn and soybean land have suffered from severe erosion. This means a loss of at least 10 tons of soil per acre, although soil losses of 40–50 tons per acre were not uncommon; and the loss in some areas reached 200 tons per acre.

Another 1.1 million acres have been flooded. Additionally, 1.5 million acres of cropland will produce less than half their usual yield because of flooding or severe erosion. And an estimated 570,000 acres of cropland will not produce any corn or soybeans this year because of the rains.

All of this shows the need for a concerted effort to keep our precious topsoil in place and for the Federal Government to do all it can to encourage conservation work. Because of this need and because of the difficulty of getting the work done this year, I am introducing legislation which would extend until December 31, 1975, the period in which a farmer may earn the cost-sharing funds already appropriated for 1973 and 1974.

I ask unanimous consent that this bill be printed at the conclusion of these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, funds appropriated to carry out clauses (1), (2), (3), (4), and (6) of section 7(a) and section 16(b) of the Soil Conservation and Domestic Allotment Act (the Rural Environmental Assistance Program (REAP)) during the fiscal years ending June 30, 1973, and June 30, 1974, and funds appropriated to carry out title X of the Agricultural Act of 1970 (Rural Environmental Conservation Program (RECP)) during such fiscal years shall remain available for carrying out such programs, respectively, until December 31, 1975.

By Mr. JAVITS (by request):

S. 3944. A bill to provide for a program of assistance to State and local library authorities, regional authorities, and other public and private agencies and institutions for the support of demonstrations designed to encourage exemplary and innovative developments in the provision of library and information services, such as networking or other cooperative arrangements. Referred to the Committee on Labor and Public Welfare.

LIBRARY PARTNERSHIP ACT

Mr. JAVITS. Mr. President, I introduce, by request, the administration's Library Partnership Act which the administration states is to assist and support innovation in libraries.

Let me emphasize at the outset that while I am encouraged by the idea of a new initiative coming from the administration to assist our Nation's libraries and help them provide better service to the American public, I have serious reservations about the proposed Library Partnership Act and particularly about the context in which President Nixon's fiscal year 1975 budget first presented it—to wit, as a replacement for the highly successful Library Services and Construction Act.

Although the administration had intended to have the Library Partnership Act in final form last spring, it apparently experienced considerable delay for only last month has the draft been transmitted to Congress. I had hoped the administration would come up with a solid proposal to help libraries extend and improve services to all Americans, and consequently I am keenly disappointed by the limited scope and totally discretionary nature of the Library Partnership Act. It is inconceivable to me that anyone could ever seriously consider replacing the Library Services and Construction Act, a demonstrably successful State-based program for improved library development benefiting many millions of Americans, with a limited discretionary demonstration grant authority such as the Library Partnership Act proposes. Nevertheless, I believe in the Library Partnership Act the administration is trying and that we should proceed at this point by considering the bill as a draft, a proposal which can be improved.

I am, therefore, introducing the bill now so that librarians, library trustees, and library patrons throughout the country can study the proposal and make recommendations for its version. In short, it is being introduced now so that it will be on the table, so to speak, where all can see it, study it, and recommend changes.

Next year, in the new 94th Congress we will begin to work on renewal of the many Higher Education Act (HEA) programs which expire in fiscal year 1975. It would be my thought that we could consider the Library Partnership Act during our extensive hearings on programs authorized by HEA. In many ways, the proposed Library Partnership Act resembles the existing HEA title II, part B, demonstration authority and it seems entirely logical and fitting to me that we would consider it in this context, either as a replacement for the existing HEA title II–B library research and demonstration authority, or as a modification of it. Title II–B authorizes a training program also, which is very important, for qualified manpower trained to utilize today's library technology is essential to modern library service. If some form of the Library Partnership Act is considered as a replacement for HEA title II–B, it would of course be essential that it include a training component as well as the demonstration authority.

As the ranking minority member of the Labor and Public Welfare Committee, and a member also of its Education Subcommittee, I will be following carefully the hearings next year on the HEA title II–B library program, to determine from experts in the field—the American Library Association, and the Association of Research Libraries, the State Librarians, library educators and others—if any of the provisions in the proposed Library Partnership Act might appropriately be included within the scope of HEA title II–B.

In conclusion, let me say that I do not take the plight of our Nation's libraries lightly. I am aware, to give one example, that many of our great urban libraries today are faced with unprecedented fiscal problems and that local funds for libraries are decreasing as a percentage of urban budgets at the same time these libraries are faced with an increasing demand for new and different services from diverse and changing populations.

Other types of libraries, too, including rural libraries, elementary and secondary school libraries, and libraries in colleges and universities, are in crisis today as costs continue to rise while simultaneously their budgets are maintained at previous levels or even cut back. I believe we must re-examine in depth the whole subject of library finance, how the responsibility for libraries can best and most efficiently be distributed among the private sector and the public, including State and local government as well as the Federal government. Perhaps some studies and demonstrations along these lines could be financed under an expanded HEA title II–B program. The results of such studies and demonstrations would then provide Congress and the administration with more solid data on which to base revision of the Library Services and Construction Act, if that proves to be the indicated course, when that authority expires in fiscal year 1976.

A new initiative on the part of the administration is badly needed to help our libraries, and I am hopeful that either the Library Partnership Act in modified form will serve as the basis for amendments next year to the HEA title II–B demonstration authority, or the administration, under President Ford's leadership now, will, after further reflection, propose a different and more satisfactory new initiative for libraries next year.

While I have summarized some of my reservations about the Library Partnership Act, Mr. President, it is not my intention to present all of them in detail at this point. My sole purpose in introducing the bill now is to allow the American people an opportunity to consider it. I believe we should consider the Library Partnership Act as a basis for study for the time being, and as such I am introducing it today.

Mr. President, I ask unanimous consent that a letter from the Secretary of HEW be printed in the RECORD at this point, along with the text of the Library Partnership Act.

There being no objection, the letter and bill were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
July 12, 1974.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Enclosed for the consideration of the Congress is a draft bill, "To provide for a program of assistance to State and local library authorities, regional authorities and other public and private agencies and institutions for the support of demonstrations designed to encourage exemplary and innovative developments in the provision of library and information services, such as networking or cooperative arrangements."

The purpose of the enclosed draft bill, as stated in section 2, is to provide a program of discretionary demonstration grants and contracts designed to encourage and support innovation in libraries and information services and promote the development and demonstration of networks for the sharing of resources and provision of services within communities and among jurisdictions, with special emphasis on improvements which benefit handicapped, institutionalized, or economically disadvantaged groups.

Section 3 of the bill would authorize the appropriation of such sums as may be necessary to carry out the purposes of the Act for fiscal years 1975–1977.

Under section 4 of the draft bill, State and local library agencies and other nonprofit agencies, organizations, and institutions involved in the administration, provision, support, or coordination of library or other information services would be eligible to receive financial assistance in order to carry out the purposes of the Library Partnership Act. Section 5 sets forth application procedures and indicates the types of activities that would be authorized under the Act, such as demonstrating innovative methods for providing library services to groups such as the handicapped, the institutionalized, and the economically disadvantaged; designing and demonstrating exemplary interlibrary cooperative services and activities; and demonstrating means of integrating the delivery of informational and educational services. Evaluation efforts would also be authorized.

Applications would have to provide assurance that State library administrative agencies and, in the case of interstate projects, the Governors of the affected States have been afforded an opportunity to review and comment on the proposed activity.

Section 6 of the draft bill authorizes the Secretary to establish criteria for approval of applications. These criteria must include consideration of the degree to which the project or activity to be funded (1) provides a useful demonstration of activities which are authorized under the Act, (2) can be applied to and replicated in the Nation as a whole, and (3) is designed to serve the handicapped, institutionalized or economically disadvantaged. The criteria would also include consideration of the source and adequacy of non-Federal funds which will be available to sustain the project when Federal assistance ends.

Section 7 of the draft bill would authorize funding of projects for from one to three years. Support for more than one year of a demonstration project would be authorized only if the Secretary determines that the purposes of the Act would thereby be more effectively carried out. Federal funding for the first year of any project would cover up to 100 percent of the costs, but would be limited to 70 percent of costs in the second year and 40 percent in the third. Thus, the bill requires that non-Federal resources must gradually take over the service costs of particular projects, with the Federal role being limited to demonstrating effective innovative means of meeting particular library and other information needs and to providing the initial funding for such activities.

Library services to the people of particular localities are most appropriately supported through State and local governments. The program proposed by this draft bill represents the appropriate role of the Federal Government in the support of libraries. That role is to encourage innovative developments in the delivery of library and information services through resource sharing and other cooperative techniques, with special attention to the needs of the disadvantaged. Accordingly, the proposed bill, while authorizing activities that can be carried on under existing law, would focus temporary project grant support on innovative practices, and does not provide for categorical service support.

I urge prompt and favorable consideration of this proposal by the Congress.

The Office of Management and Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

S. 3944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Library Partnership Act".

PURPOSE

SEC. 2. It is the purpose of this Act to encourage and support innovation to demonstrate improved methods in library and other information services and to promote the development and demonstration of networks for the sharing of resources and services within communities and among local, State, and regional jurisdictions, with special emphasis on improvements which benefit handicapped, institutionalized, or economically disadvantaged groups.

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. There are authorized to be appropriated for carrying out the purposes of this Act such sums as may be necessary for the fiscal year ending June 30, 1975 and for the two succeeding fiscal years.

ELIGIBLE APPLICANTS

SEC. 4. In order to carry out the purposes of this Act the Secretary is authorized to provide financial assistance, by means of grants and contracts, to State and local library agencies and other public and nonprofit private agencies, organizations, and institutions (including combinations thereof) which are responsible for or involved in—

(1) the administration of libraries,

(2) the provision of library or other information services,

(3) supporting or coordinating the provision of library or other information services, or

(4) other activities which relate to the purposes of this Act.

APPLICATIONS; AUTHORIZED ACTIVITIES

SEC. 5. (a) In order to receive financial assistance as authorized by section 4, an eligible agency, organization, or institution must submit to the Secretary an application in such form as the Secretary may prescribe. The application shall provide assurance that the proposed activity has been submitted to the State library administrative agency for review and comment, and in the case of interstate projects, the application shall provide assurance that the proposed activity has been submitted to the Governors of the affected States for review and comment. Such application shall include information sufficient to enable the Secretary to determine that funds made available pursuant to the application will be used for activities designed to carry out the purposes of this Act as set forth in section 2, such as—

(1) demonstrating innovative methods for providing library services to handicapped, institutionalized, and economically disadvantaged individuals and identifying the information needs of such persons;

(2) designing and demonstrating exemplary interlibrary cooperative services and activities; and

(3) demonstrating means of integrating the delivery of informational and educational service.

(b) The activities authorized by this section may include the evaluation of projects funded under this Act.

(c) For the purposes of this Act, the term "State library administrative agency" means the official agency of a State charged by the law of the State with the extension development of public library services throughout the State.

CRITERIA FOR APPROVAL OF APPLICATIONS

SEC. 6. The Secretary shall annually develop and publish criteria which shall be applied in approving applications under this Act. Such criteria shall be based on at least the following factors:

(1) the degree to which the project or activity to be funded promises to provide a useful demonstration of one or more of the activities set forth;

(2) the degree to which the activity demonstration is applicable to, and can be replicated in, the Nation as a whole;

(3) the extent to which the activity to be funded demonstrates improved ways to serve the handicapped, institutionalized, or economically disadvantaged; and

(4) the source and adequacy of non-Federal funds which will be available to sustain the project or activity upon the cessation of Federal assistance.

DURATION AND AMOUNT OF ASSISTANCE

SEC. 7. (a) Financial assistance provided under this Act shall be available for projects and activities to be conducted in the fiscal year for which funds have been appropriated or in the succeeding fiscal year. The amount of such financial assistance may cover up to 100 per centum of the costs of such projects or activity in the first fiscal year for which assistance (other than assistance for planning) is made available.

(b) If the Secretary determines, in accordance with criteria established by regulation, that the purposes of this Act would be more effectively carried out by providing assistance for a project or activity for a longer period of time than one year, he may provide such assistance for one or two additional years. The amount of financial assistance made available under this Act shall not exceed 70 per centum of the cost of carrying out such project or activity in the second fiscal year, and shall not exceed 40 per centum of such cost in the third fiscal year.

(c) The Secretary may also provide financial assistance under this Act for planning activities to be undertaken in preparation for activities authorized by this Act. Such planning activities shall include a study and determination by the applicant as to the source and adequacy of non-Federal funds which will be available to sustain the project or activity upon the cessation of Federal assistance.

PAYMENTS

SEC. 8. (a) The Secretary shall pay to each applicant which has an application approved under this Act an amount which does not exceed the amount authorized by section 7 for the project or activities set forth in such application.

(b) Payments under this Act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

By Mr. PACKWOOD:

S. 3945. A bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to United States fishermen to cover the costs of damages to their vessels and gear by foreign vessels. Referred to the Committee on Commerce.

THE FISHING VESSELS CLAIMS RECOVERY ACT

Mr. PACKWOOD. Mr. President, for years Oregon commercial fishermen have been the victims of harassment, intimidation, and outright unlawful actions by foreign fishermen. It is now considered a fact of life for our fishermen to be forced to compete with foreign fishing fleets which blatantly ignore international laws and customs at sea.

Four black cod fishermen from Astoria, Oreg.—John Davis, George McMurrick, Sr., Ansel Lahti, and Vern Davis—know from firsthand experience the impact which this competition can have on their livelihood. During the past 15 months, each of these four men has lost thousands of dollars of fishing gear when Russian vessels have torn out their buoys and pots. The most recent incident occurred in late May 1974, and involved the Soviet vessel *Posyet*, a 278-foot stern trawler. For a description of this incident, Mr. President, I ask unanimous consent that several articles and editorials from Oregon newspapers be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Astoria (Oreg.) Daily Astorian, May 27, 1974]

UNITED STATES-SOVIET REDTAPE BLAMED—ASTORIA FISHERMEN TO SUE FOR LOST GEAR

(By Grady Pannell)

A small group of Astoria area offshore fishermen are taking their case to the American people.

It involves thousands of dollars of lost fishing gear by them 30 to 40 miles off the Columbia River. They blame the Russians and the U.S. government, along with the enforcement branches of government and red tape.

At an Astoria meeting last Thursday that resembled more of a "council of war," black cod fishermen George McMurrick, John Davis, Ansel Lahti and Vern Davis mapped out with Ross Lindstrom a course of legal action that could all but bankrupt them without assistance.

They further decided at a series of meetings Friday to take their case to the public in establishing a legal defense fund and to go into U.S. District Court, Portland, for a petition of damages.

They aren't members of a sable fish (black cod) association, but say this fishery alone has a monetary potential of $20 million to West Coast states and that the National Marine Fisheries Service already has invested $20,000 in public tax money to develop black cod fishing gear.

Neither the NMFS nor Coast Guard, both charged with foreign fishing surveillance and enforcement, as well as U.S. attorneys in Portland and San Francisco, are high on the popularity list of local cod fishermen over the handling of the "Posyet incident."

Lindstrom, who is executive secretary of the Columbia River Fishermen's Protective Union—exclusively a commercial salmon fishing group—was asked to assist the cod fishermen of about a half dozen members, including those who reside in Southwest Washington.

CRFPU's Astoria office at 322 Tenth St., as well as the union's Salem attorney, served the cod group Thursday and Friday where meetings took place and legal advice was given.

Thursday was when their grievances were laid out before various officials and agencies of the U.S. government, culminated in a fruitless attempt by a U.S. Marshal from Portland to seize a Russian trawler steaming downriver from Portland.

The 278-foot Posyet was to have been boarded at Astoria by the marshal, but he was delayed by U.S. District Court paperwork in Portland and was late in arriving aboard a private plane at Clatsop Airport.

Although the Coast Guard flew the marshal across the Columbia River to the Cape Disappointment Coast Guard base where he obtained a cutter in an attempt to still catch the rapidly disappearing Posyet, cod fishermen believe there was a series of "foot dragging" that allowed the Russian trawler to get into international waters before it could be stopped.

Their strategy, as mapped out Thursday, was to seize the Posyet as Russian property hostage until their fishing gear damage claims of several thousands of dollars were satisfied. McMurrick was the damage complainant listed in the legal documents obtained by Salem attorney Lloyd Weisensee for service by the marshal upon the Posyet's captain.

Complained Vern Davis of Warrenton, who is also a crab and tuna fisherman:

"I lost cod gear last year when the Russians were fishing the Astoria Canyon area (an underwater formation off the mouth of Columbia River that is prime fish habitat). I filed a claim for damage and haven't heard a word."

Davis explained that in the bilateral fishery agreements between the U.S. and Soviet Union, an eight-man board (four from each country) arbitrates claim damage requests.

"I feel it's useless to submit claims (first they go to the National Marine Fisheries Service), so Thursday I turned my claim over to CRFPU for action," Davis said.

He also is joining in the lawsuit being filed by McMurrick, John Davis and Lahti.

Lou Maurer, who has fished in Hawaii and California and now is an Astoria cod fisherman, told reporters Friday that when he complained to NMFS over gear damage, he was advised to "find another place to fish or another line of fishing to get into, and stay out of the way of the Russians."

John and Vern Davis each believe the Russians deliberately ran over their cod gear.

"I was wiped out last year and had to quit the cod fishery because of my losses," Vern Davis said. John Davis said he had lights on his fishing buoys when the "Russians ran through my gear last week."

Both men, who aren't brothers, claim the treaty between the U.S. and Russia is "being violated by the Russians."

Vern Davis pointed out that cod fishermen drop their gear in water so deep that other American fishermen don't venture into.

"It's in 200 to 500 fathoms and can't be dragged by other U.S. fishermen, but the Russians trawl there and cut our gear. It's deliberate intimidation. They think they can drive us out and that's the case unless our government protects us better," the pair said.

The cod fishermen also believe some one tipped off the Posyet that they were out checking their damaged ocean gear, forcing the Posyet to pull out of Portland earlier to avoid the Astoria fishermen.

Lindstrom, who made the telephone calls Thursday to set the wheels in motion in the effort to stop the Posyet in Astoria * * * U.S. He also believes NMFS, the Coast Guard and the U.S. attorneys were "foot dragging."

"The area of black cod fishing by four men from Astoria, one from Westport, Wash., and two from Willapa, Wash., is like the head of a pin compared to the size of area the Russians have to fish in," Lindstrom said.

John Davis and other cod fishermen also took a swipe at Clatsop Commissioner Dave Megrath who, they said, voted against the proposed 50-mile U.S. offshore limit.

They said he took this stance at an Oregon Coastal Conservation & Development Commission (OCCDC) meeting. "We are upset with him because he's not trying to help local fishermen," Davis said.

McMurrick claims his recent gear losses total $5,600 (seven gear sets valued at more than $760 apiece), as well as value of fish in the pots (estimated $90 in each set of gear). He claims he observed a Russian trawler cutting a swath through his gear May 19.

John Davis lost three sets of gear, with an approximate value of $2,400. Lahti has been unable to assess his damage because of stormy weather.

[From the Astoria (Oreg.) Daily Astorian, June 7, 1974]

REDTAPE CAUSES AS MUCH TROUBLE AS WEATHER FOR FISHERMEN

(By Grady Pannell)

John T. Davis of Warrenton knows more about the Russian West Coast commercial fishing fleet than most Americans.

Davis had the unique distinction a few weeks ago of riding on a Russian "factory ship" up the coast from Newport, then being "weathered out" instead of the usual "weathered in" sea conditions of the Oregon North Coast this time of the year.

Davis and 13 other Americans aboard the Posyet, a 278-foot fishing trawler, were probably as much a victim of international red tape as the weather that memorable May 14. And Davis knows a bit more about commercial fishing "politics" than others because of the May 14 incident and meetings with Russians previously.

Davis and party were official observers aboard the Posyet last month when its trip up the coast didn't terminate at Astoria as originally scheduled but ended a few miles off Ilwaco instead. The ship was not allowed to anchor at Astoria because of international red tape. Instead, the Americans had to transfer to a Coast Guard vessel as the Posyet slowly steamed onto the Columbia River bar.

It's this red tape that frustrates Davis and fellow black cod fishermen from the Lower Columbia area.

DAMAGE CLAIM FILED

Davis, George McMurrick, Sr., Ansel Lahti and Vern Davis have joined in a damage claims suit against the Russians over loss of fishing gear by Russian trawlers off the Oregon coast. The men have not heard from any official source over the progress of their claim that amounts to thousands of dollars.

McMurrick, who initiated the latest lawsuit, has been "wiped out" completely. His claim damage, filed in late May, totaled $5,600.

"I'm sure the claim will be amended because I lost three more sets (nine pieces of gear) and that ends me for the season," McMurrick said Thursday.

He said the attorney representing the black cod fishermen in The Astoria area—Lloyd Weisensee of Portland—has been putting all the data together. "He's probably been in contact with the government, but I haven't," McMurrick said.

McMurrick, now left with only five fishing sets, was forced to quit for the season. "It's too costly with just five sets so I brought them in," he explained.

The Astorian will now have to depend on the tuna season, which won't start for another month or so, and the remainder of the crab season, one not too productive. "But I intend to also claim damage for the loss of the black cod fishing season," he insisted.

DEFENSE FUND STARTED

John Davis, whose damage claim totals $2,400, said this week that the defense fund set up because of their lawsuit and future legal maneuvers has had little public support to date.

The fund was started at a meeting between half a dozen black cod fishermen from the Oregon North Coast and Washington coast last week.

"The fund is not moving as fast as we hoped it would," said Davis, who said their attorney was in Astoria last week taking down all the data he needed in processing their suit.

Davis said he hoped the lawsuit would cause legislators to take a dimmer view of the move by the U.S. government to give the Russians "most favored nation" treatment.

"I feel in this instance the Russians have broken the bilateral agreements of the right to fish and recognition of this fishing right," Davis said.

He explained that bilateral agreements, covering U.S. off-shore fishing, had been agreed to by the Russians at such-meetings as one he attended at Port Angeles, Wash.

ADDITIONAL SAFEGUARDS

"But we were advised by our National Marine Fisheries Service (NMFS) to take additional safeguards when we were fishing off our shores. Such as installing lights on our fixed gear to make them clearly visible," Davis pointed out.

The Warrenton fisherman said he had "bought out" all the special marking lights from an Astoria company, installed them around his gear, then two of the lights and gear were run through by a Russian trawler.

"We are also asked to turn over our fishing area positions to the Coast Guard so they can relay this information on to the NMFS and the Russian fisheries fleet commander," Davis said.

He pointed out that such requirements are necessary in order for the damaged fisherman to file a valid claim against a Russian fishing ship.

"Now NMFS says we ought to have marking lights in order to make our claims more valid," Davis added.

On the "favored nation treatment," Davis believes further inroads against U.S. fishermen will occur if the Russians are allowed to almost roam at will and to enter various seaports for refueling and resupplying. "I was told if they get this (favored treatment) they can enter any port in the U.S.," Davis added.

[From the Astoria (Ore.) Daily Astorian, May 25, 1974]

SOVIET SHIP ESCAPES ARREST ON RUSH TO INTERNATIONAL WATER

(By James Magmer)

The Russian trawler Posyet, apparently unaware of the furor, escaped four black cod fishermen from Astoria who attempted to arrest and hold her Thursday night, and Friday the fishermen vowed the war with the Russians is still on.

Friday, they set up a legal fund and asked fellow Astorians for contributions to help them use the courts to save the high seas' black cod fishery they claim the Russians are destroying.

"We're getting no help from the National Marine Fishery Service (NMFS), so we'll fight our own war," said the group's spokesman, George McMurrick Sr. The other fishermen are John Davis, Vern Davis and Ansel Lahti.

Black cod are trapped in pots set on the ocean floor with locations marked with buoys. McMurrick said the trawlers, "with those big nets they drag behind them, cut the lines on our buoys, making it impossible for us to find our pots and haul them up."

The NMFS signed a bilateral agreement with the Russians in February 1973 in which the Russians agreed to keep their trawlers away from the cod pots if they were clearly marked with lighted buoys and if the Russians were advised in advance of the locations of the pots through the U.S. Coast Guard.

The Astoria fishermen claim they have complied but that the trawlers still get into their gear and tear it out. "Our complaints to the NMFS aren't even acknowledged," said McMurrick.

Thursday, when McMurrick and the other fishermen surveyed their sets (buoys and cod pots), McMurrick found seven sets valued at $5,600 gone.

He filed a complaint in U.S. District Court in Portland and got a warrant to arrest and hold the 278-foot Posyet until the fishermen were reimbursed for their losses. But by the time the warrant was issued, the Posyet had already left Portland for Astoria and the chase was on.

U.S. marshals hopped a chartered plane to Astoria, took a helicopter from the airport to the Coast Guard station at Cape Disappointment and boarded a 44-foot cutter in an effort to catch the Posyet before it reached international waters.

But the launch, hampered by visibility of one-quarter mile, could not catch the trawler, which passed the three-mile limit at 7 p.m.

No attempt was made to inform the Posyet by radio that a warrant had been issued for its arrest, the U.S. marshal said Friday.

The Posyet must return to U.S. territorial waters now before the warrant can be served.

Director of the NMFS, Donald Johnson, Seattle, Friday said he discussed the black cod fishery with the Russians when Russian and American officials met aboard the Posyet off Cape Disappointment shortly before the Posyet came into Portland. No steps were determined upon during that conference to resolve the problem, Johnson said.

"We have a claims board set up in Washington, D.C. It's taken us a long time to get it set up, but it's working now. The Russians have a man in their embassy that works with our man, Carmen Blondin.

"I'm sure the board is making an effort to reduce the problem, but I'm not sure it can improve the situation," Johnson said.

The irony for the Astoria fishermen in their war with the Russian trawlers, according to McMurrick, is the fact that the NMFS, which developed the black cod fishery at a cost of $200,000, seems powerless now to defend the fishery against the Russians. McMurrick said the fishery should produce $20 million a year.

Another irony, for the Posyet itself, is that it came to the Oregon Coast at Coos Bay to pick up U.S. fisheries officials to discuss mutual problems.

[From the Astoria (Oreg.) Daily Astorian, June 4, 1974]

NOW IS THE TIME TO PRESS

Public indignation encourages American black cod fishermen to file suit in a federal court for recovery of financial losses they suffered when a Russian trawler destroyed their fishing gear off the mouth of the Columbia River. The fishermen are justified in expecting that the public's sympathy will be translated to financial assistance for the costly litigation they plan to undertake.

We support what the fishermen propose to do, but suggest that more should be done and that this seems an especially appropriate time to do it.

The United States and the Soviet Union are seeking detente. President Nixon has said that he is dedicated to achieving it. Russian leaders seem as determined to establish it. Getting there is going to require some give and take on both sides of the negotiations. Some astute observers of the procedure have concluded that the Russians more urgently need the rewards of detente than the United States does. They emphasize the fact that the Soviet Union is far behind the Western nations in technology and desperately need U.S. expertise.

If that is so, and we have no reason to believe otherwise, it seems to follow that Washington may not for a long time be in a better position to make demands upon Moscow and expect to have them satisfied.

Soviet-U.S. negotiations on fishing rights have been on dead center for a long time. Discussions in this country regarding 50-mile and 200-mile territorial limits are meaningless in the face of evidence that the Russians will not comply. On that point, there is ample evidence that the Russian trawler was deliberately steered through the gear of the American black cod fishermen.

We think of nothing more appropriate for negotiation as a part of the process of achieving detente than fishing rights. We urge that fishermen here press Republican members of the Oregon congressional delegation to ask President Nixon to place fishing rights on the list of matters that will be negotiated with the Russians.

Taking the Russians to court for recovery of the losses of the black cod fishermen is proper, but a favorable outcome for the fishermen will be nothing more than that. The big issue will remain.

The Soviet Union needs help from the United States. Getting the fishing rights mess straightened out is not an extravagant demand to place upon the Soviets in return for American technological assistance.

[From the Astoria (Oreg.) Daily Astorian]

COAST GUARD CHASES RUSSIAN TRAWLER

(By Grady Pannell)

Can one U.S. Marshal seize one large Russian fishing trawler?

"I can if it's in American waters and guilty of a violation," gruffly stated one Western lawman over the telephone to Ross Lindstrom, executive secretary of the Columbia River Fishermen's Protective Union.

And "the great chase began" at approximately 4:30 p.m. on the Astoria waterfront as the Russian trawler, the 278-foot Posyet—yes, we have heard and read about that ship before—picked up a bar pilot and scooted for the wide open seas.

No one knows for sure if the Posyet's skipper knew he was involved in a Wild West-type chase that had the flavor of Hollywood, replete with a high-speed airplane, a Coast Guard helicopter and a Coast Guard 44-foot cutter.

But the Posyet lost the cutter in the fog.

Plus lots of telephone calls between Astoria and many other points, including the Dept. of State in Washington, D.C.

A Russian fishing fleet several days ago is suspected of having trawled through gear some 30 to 40 miles off the Oregon coast and put down out there by Astoria area black cod fishermen.

One Astoria fisherman, George McMurrick, Sr., was an eyewitness to a Russian trawler cutting through his gear several days ago. Other cod fishermen suffered similar damage, perhaps not as much as the approximately $5,450 in destruction to his seven pieces of gear valued at more than $760 each.

The angry McMurrick and fellow fishermen Vern Davis, Ansel Lahti and John Davis, who ironically, was aboard the Posyet from Newport to Ilwaco last week when it had 12 Americans aboard as part of a U.S.-Russian mutual exchange policy, requested assistance from the Columbia River Fishermen's Protective Union.

That's how the CRFPU and Lindstrom became involved in all the high-level policy discussions over the phone between Lindstrom and dozens of officials Thursday afternoon.

Lindstrom telephoned the Salem law office that represents CRFPU and attorney Lloyd Weisensee went into U.S. District Court, Portland, with a complaint for damages. This led to a warrant obtained by the U.S. marshal, with McMurrick the complainant.

Why the Posyet?

Because it was the only Russian fishing ship within U.S. waters. It already was steaming down the Columbia, and Lindstrom's telephone chain of watchdogs upriver kept him posted on the ship. His last call said the Posyet was 40 minutes out of Astoria.

CRFPU chartered a private, twin-engine plane for the U.S. Marshal, who now was believed to be 30 minues behind the Posyet and the making of a possible international incident.

But he wasn't.

He was delayed by the paperwork necessary from the Portland court. However, he was airborne before Astoria bar pilot C. E. Reed boarded the Posyet to guide it safely out over the bar.

The Coast Guard Air Station at Clatsop Airport had a helicopter ready when the marshal arrived there.

He was flown to the Cape Disappointment Coast Guard base in Ilwaco, Wash., where a cutter awaited him as the Posyet was rapidly nearing international waters.

The cutter never caught up, as heavy fog reduced visibility and the Posyet's speed was too great.

The Posyet was out to sea by 7 p.m. but for about three hours it was almost a thriller.

The Russian trawler, which was denied moorage on the Astoria waterfront a week ago because Soviet officials didn't make the port of entry request within the 14-day time period, did get to Portland this week.

Russian ships have port of entry permission from Portland, Seattle and one or two other West Coast sites in order to take on fresh supplies. That's what took the ship to Portland for a three-day stop this week and made her a natural for seizure to satisfy damage claims.

Despite the slipping away by the Posyet, most every factor had been considered on this end. There was even an interpreter standing by. She was Natalie DeSassise of Astoria, who can speak Russian.

But the four black cod fishermen will be heard from, for today they announced plans to set up a defense fund to file a lawsuit in U.S. District Court to reclaim gear damage.

Mr. PACKWOOD. Mr. President, two of these four fishermen already have claims pending from 1973 and the other two, who sustained damages during the May incident, will be submitting their claims shortly. Claims are filed with the Soviet-U.S. Fishery Claims Board, which is empowered to investigate reported claims and recommend settlements between the parties involved. It is important to note, however, that the recommendations of the Board are not binding on the parties involved.

The Board has been in existence for little over a year and in fact has only been fully operational in the last several months. Previously, fishermen who had their gear damaged by a Russian vessel filed their claims with the State Department by way of the National Marine Fisheries Service. Unfortunately, Oregon fishermen soon discovered that filing their complaints almost inevitably resulted in no action. Finding themselves lost in a maze of international and bureaucratic redtape, they often concluded that filing a claim in vain was not worth the time or trouble.

During the last 8 years, 14 complaints by Oregon fishermen have been filed against illegal Russian activity. In researching these claims, I have yet to find one instance in which the complainant has been reimbursed for his losses.

The proposal I am introducing today, the Fishing Vessels Claims Recovery Act, will hopefully provide a more equitable and speedy procedure for the recovery of claims. My bill has two objectives. First, it would provide low-interest, Government-guaranteed loans to replace lost gear and out-of-pocket expenses while claims are pending. Second, it would direct the Secretary of Commerce to establish a U.S. Fishing Vessels Claims Commission in the Department of Commerce. This new Commission would have the authority to pass very quickly on the merits of American claims. If the claim is valid, fishermen would be immediately reimbursed and the U.S. Government would then pursue the matter with the U.S.-Soviet Fishery Claims Board. In this way, the Government rather than the fishermen would properly bear the financial burden.

Mr. President, I ask unanimous consent that my proposal be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fishing Vessels Claims Recovery Act".

SEC. 2. Section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c) is amended by inserting at the end thereof the following:

"(f) (1) The Secretary, upon receipt of an application filed with him at any time after the effective date of this subsection by the owner or operator of any vessel of the United States which is documented or certificated as a commercial fishing vessel, and determining that such vessel (including its gear) was damaged while under the control of such owner or operator at any time after the date which is 12 months prior to such effective date while in the territorial waters of the United States, on the high seas, or in other territorial waters not recognized as such by the United States by the actions of a vessel (including its crew) of a foreign nation is authorized to make a loan to such owner or operator out of the fisheries loan fund in an amount not exceeding the amount of such damages. Any such loan shall—

(A) be conditional upon assignment to the Secretary of any rights to recover for such damages,

(B) bear interest at the rate of 2 per centum per annum,

(C) be subject to other requirements of this section with respect to loans which are not inconsistent with this subsection, and

(D) be subject to other terms and conditions which the Secretary determines necessary for the purposes of this subsection.

(2) The Secretary of Commerce shall establish within the Department of Commerce a United States Fishing Vessel Claims Commission and through such Commission shall—

(A) investigate each incident as a result of which a loan is made pursuant to paragraph (1), and

(B) upon determining in any such case that the owner or operator receiving such loan was not at fault in causing the damage involved, cancel repayment of such loan and refund any principal and interest payments made thereon prior to such cancellation.

(3) The Secretary of Commerce shall, with the assistance of the Attorney General pursuant to the provisions of title 28 of the United States Code, take appropriate action to collect on any claim assigned to him under the provisions of clause (A) of paragraph (1). Amounts collected pursuant to this paragraph on any such claim shall (A) if such loan was cancelled pursuant to paragraph (2), be paid into the fisheries loan fund to the extent of the amount so cancelled, (B) if not so cancelled, be applied to the repayment of such loan, and (C) to the extent not used pursuant to clause (A) or (B), be paid to the owner or operator assigning such claim."

Mr. PACKWOOD. Mr. President, my introduction of this legislation should not be interpreted as a slap to the Soviet-U.S. Fishery Claims Board. I have been impressed by the rapid, responsive answers which my staff and I have received from Mr. Carmin Blondin, a member of the Board who is also Assistant Director for International Fisheries of the National Marine Fisheries Service here in Washington. It may be that the new Board will have a more successful track record than the State Department has had in the past. However, it seems to me that if we are to restore the confidence of American commercial fishermen in our claims recovery procedure, certain changes are in order. This is the purpose of the legislation I am introducing today.

Mr. President, I have no illusions that this bill will provide a universal panacea to the problems of Oregon's commercial fishermen. I do believe, however, that it will help in alleviating at least one of their major frustrations.

Oregon fishermen see foreign fishing fleets with nets the size of football fields vacuuming our seas, clearcutting our ocean resources right out from under us. For too long, our commercial fishermen have been used and abused by the Federal Government.

What they want—and deserve—is responsive action. The legislation I have introduced today will help them achieve it.

By Mr. PACKWOOD:

S. 3946. A bill to amend the Clayton Act to prohibit certain anticompetitive practices in the petroleum industry in the United States. Referred to the Committee on the Judiciary.

PETROLEUM INDUSTRY ANTICOMPETITIVE PRACTICES ACT

Mr. PACKWOOD. Mr. President, today, I am introducing legislation which would prohibit oil companies, large and small, who are engaged in the extraction, transportation, or refining of petroleum from acquiring marketing assets.

I believe two broad benefits would be derived from enactment of this measure. One, independent gasoline stations would not face the squeeze that has forced literally thousands of operators out of business in the last 12 months. And, two, this legislation would remove one link in the chain of big business control which helps to frustrate the public at the fuel pump, whether at a gasoline station or from their heating oil delivery truck. This frustration for the ocnsumer, while first taking root in scarce supplies of fuel, now lingers instead in the from of apparently permanent high prices.

The impact of the gasoline and fuel shortage shall affect us far into the future. Admittedly, the difficulties we find ourselves in today can be partially attributed to a nonchalant attitude we held in years past about our responsibilities in the future. But finally the future has arrived. Finally the responsibility must be faced.

It must be faced out of sheer necessity. For it has become abundantly clear that energy will never again be cheap, will never again be easy to come by, and most of all can never again be taken for granted. This fact will forever shape our lives, and the sooner we all come to this realization the better our lives will be in the long run.

Touted by many observers to be the sea monster in this ocean of energy problems is the 8 to 20 major oil companies that dominate the market. The long tentacles which grip the consumer take the name of "vertical integration." From top to bottom the majors control every aspect of oil. They control exploration, drilling, refining, transportation, and retailing of the product. The oil companies own every rung in the ladder from oil field to fuel tank. And when every rung in the ladder is controlled, the price of using the top rung is easily manipulated.

This ladder and each of its rungs composing vertical integration are being scrutinized by Congress and independent agencies, notably the Federal Trade Commission. In the meantime, it is possible to deal with the rung, the link in the chain closest to the consumer—retailing. In ways marketing of gasoline is the most critical stage, for it is at the gas station that the energy problem most visibly strong-arms the public; it is at the pump where the pinch is really felt. And the problem is no less disturbing with the retailing of heating oil.

This squeeze is hard for the American taxpayer to take, particularly when his wallet grows thinner, the profit margins of oil companies grow fatter. It is hard to fathom why, with supplies plentiful again, gasoline prices are still 45 percent higher than a year ago. Questions ought to be asked; action needs to be taken.

The legislation I am introducing today forbids the direct ownership of any petroleum marketing asset by any person engaged in the business of extracting, refining, or transporting petroleum. It would help eliminate the threat or even the hint that major oil companies monopolize the pricing of oil from the wells to the pump; it would help to stem creeping bigness of companies that look to profits instead of people; it would aid competitiveness; and it would reemphasize the strength of the independent small businessman.

The last benefit, I believe, should warrant our particular attention. The independent businessman, the independent gasoline dealer, is a special boon to the community. Aside from his interest in maintaining a clean and livable city, the profits he realizes stay in the community; they are not immediately sucked into the big corporate coffers.

Because of this service to community and consumer, the small independent businessman is a mainstay of importance, and yet despite this fact he is threatened. The stranglehold which oil companies clamped on gasoline supplies during the fuel crisis of last winter forced a quarter of Oregon's 2,000 independent dealers out of business, and 500 gas stations simply could not hold the line for the few months supplies were especially short. The result is a common sight to all Oregonians: neighborhood, corner gas stations closed down, some who were in business for decades. These empty, boarded up stations are relics of the oil companies victory over the consumer in maintaining maximum profits. The further dropping out of independents would further weaken competition among gas stations and would serve to strengthen the monopoly oil companies are building. Oil company owned service stations and heating oil firms are driving a wedge into the principle that fair competition yields the best results for the consumer. It is a wedge that must not be allowed to completely break the small businessman's back.

Simply stated, our experience in the past has strongly indicated that control of the entire oil industry by a few from top to bottom is too strong a temptation to maximize profits at the expense of the public. It ignores principles of competitiveness which have always served this Nation well. In this critical time, America's need is stronger than ever for the home town businessman's interest and attachment to his community. We cannot afford a puppet attached to the impersonal strings of big oil and its purse.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Petroleum Industry Anticompetitive Practices Act".

SEC. 2. The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12–27), is amended by inserting after section 7 the following new section:

"SEC. 7A. (a) It shall be unlawful for any person engaged in commerce in the business of extracting crude petroleum, in transporting crude or refined petroleum by pipeline, or in refining crude petroleum to acquire any petroleum marketing asset after the date of enactment of the Petroleum Industry Anticompetitive Practices Act.

"(b) (1) It shall be unlawful for any person described in subsection (a) to own or control any asset, the acquisition of which by him is prohibited under such subsection, more than three years after the date of enactment of the Petroleum Industry Anticompetitive Practices Act.

"(2) Each such person which, on the date of enactment of the Petroleum Industry Anticompetitive Practices Act owns or controls any asset which that person is prohibited, under subsection (a), from acquiring shall, within 120 days after such date, file with the Attorney General such reports relating to those assets as he may require, and shall, from time to time, file such additional reports relating to those assets as the Attorney General may require.

"(c) It shall be the duty of the Attorney General to commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates subsection (a) or (b). Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

"(d) Any person knowingly violating the provisions of this Act shall upon conviction be punished by a fine of not to exceed $100,000 or by imprisonment not exceeding ten years, or both, in the discretion of the court. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part.

"(e) For purposes of this section, the term—

"(1) 'petroleum marketing asset' means any asset used in the retail distribution of petroleum products including, but not limited to, retail outlets for the sale of gasoline, motor oil, No. 2 fuel oil, or home heating oil; and

"(2) 'asset' means any property, whether real or personal, and includes stock in any corporation which is engaged (directly or through a subsidiary or affiliate) in the business of marketing petroleum or petroleum products."

By Mr. HUMPHREY:

S. 3947. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment. Referred to the Committee on Labor and Public Welfare.

THE EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT OF 1976

Mr. HUMPHREY. Mr. President, today millions of Americans, who are both willing and able to work, find themselves without jobs and unable to find them.

As of June 30, 5.4 million Americans were "officially" counted as unemployed. Yet, this is simply the tip of the iceberg. There is no question that a significant number of people are simply excluded from the "official" unemployment figures by a statistical "slight of hand" that seriously understates the real numbers of the Nation's jobless.

It is particularly upsetting to consider this massive failure to keep our citizens at work, when one recalls all of the promises to do so.

In 1948, the "right to work" was clearly established in the Universal Declaration of Human Rights adopted by the United Nations. This reinforced a similar commitment made to all Americans in the Employment Act of 1946 and restated by every President since Franklin Roosevelt.

Despite the official declarations and the generally well intentioned policy pronouncements, we have failed dismally to provide "jobs for all." Large segments of our population, especially women, the young, the old, the poorly educated, and ethnic minorities, have had their "right to work" ignored and, in many cases, the fact of their unemployment swept under the rug and conveniently out of sight by "official" statistics.

Mr. President, it is time to fulfill this promise of "jobs for all," a promise that far too long has gone unmet. We must guarantee an equal opportunity to work at fair wages to every person in our Nation who is able and willing to work.

Social justice demands and economic necessity requires that every American, who is willing and able, be provided with a job. Failure to provide "jobs for all" has not only had a tragic social cost on the unfortunate victims of unemployment, but it has also cost our Nation trillions of dollars in income, goods, and services.

At a time when extraordinary price increases are resulting from production bottlenecks and inadequate supply, the need to put every available hand into our Nation's production effort is most obvious.

Mr. President, today I am introducing the Equal Opportunity and Full Employment Act of 1976. This bill would make the "right to work" a fact of life for every American.

The personal right of every adult American to guaranteed employment, provided in this bill, is protected by eight major provisions:

First, a clear definition of full employment as useful and rewarding employment for all adult Americans able and willing to work, at a fair rate of compensation;

Second, the creation of local reservoirs of public service and private employment projects, developed by the local planning councils in cooperation with community job boards. These are to be developed by local planning councils under the auspices of local governments, as provided for in the Comprehensive Employment and Training Act of 1973;

Third, the creation of a Job Guarantee Office able to fund public and private work projects developed through the local reservoirs;

Fourth, a Standby Job Corps in which qualified job seekers may be temporarily placed, if no other suitable job opportunities are available;

Fifth, a requirement that the President annually submit to the Congress, a nationwide full employment and production program to assure an adequate demand for labor;

Sixth, an expanded role for the congressional Joint Economic Committee in reviewing the full employment and production program of the President, or in initiating its own program;

Seventh, a newly formed National Commission for Full Employment Policy Studies, to study and evaluate full employment machinery in order to promote the maintenance of genuine full employment; and

Eighth, the opportunity for an appeal to the appropriate U.S. district court by any person who feels deprived of his or her job rights.

Mr. President, the Equal Opportunity and Full Employment Act of 1976 which I have introduced today in the Senate, and which has been introduced in the House by Congressmen Hawkins, Reuss, and 60 of their colleagues, warrants careful analysis and discussion in the Congress, in the executive branch, and among the public. I do not claim that this bill is perfect. Rather, I expect that modifications will be needed. I also believe that such a measure must be coupled with a tough, comprehensive anti-inflation policy.

However, I do believe that Congress should take up this legislation promptly, begin the debate and examination, and aim toward enactment of a "true" full and equal employment law in 1976.

I can think of no greater monument to the spirit of 1776, no greater proof that the American Revolution is continuing, and no greater renewal of our Nation's commitment to economic and social justice, than to enact legislation in 1976 that will guarantee every American a decent job.

Mr. President, I ask unanimous consent that a section-by-section analysis of this bill be printed at this point in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Section-by-Section Analysis

Section 1. The Act is to be cited as "The Equal Opportunity and Full Employment Act of 1976."

Section 2. Section 2 contains the declaration of policy. (a) The right of all adult Americans able and willing to work to equal opportunities for useful paid employment at fair rates of compensation is declared by the Congress. (b) The Congress further declares that the free exercise of that right by all, irrespective of sex, age, race, color, religion, or national origin is essential to personal liberties, individual development, the prevention of inflationary shortages and bottlenecks, and the well-being of families, organizations, the national economy and society as a whole. (c) The principle is stated that only under conditions of genuine full employment and confidence in its continuation is it possible to eliminate the bias, prejudice, discrimination, and fear that have resulted in unequal employment under unequal conditions of women, older people, younger people, and members of racial, ethnic, national, or religious minorities. (d) The Act then points out that, to the extent that Americans may not be able to exercise the right to equal opportunities for useful paid employment at fair rates of compensation: (1) the Country is deprived of the larger supply of goods and services made available under conditions of genuine full employment, of the trained labor power prepared to produce needed goods and services, and of the larger tax revenues received at all levels of government, without any changes in tax rates, under conditions of genuine full employment, (2) inflationary shortages and bottlenecks are created, (3) the job security, wages, salaries, working conditions and productivity of employed people are impaired, (4) families are disrupted, (5) individuals are deprived of self-respect and status in society, and (6) physical and mental breakdown, drug addiction, and crime are promoted.

(e) The Act declares the responsibility of the Federal Government to enforce this right, to redress such past and present deprivations and impairments of this right to the maximum extent feasible, and to prevent such deprivations and impairments in the future by developing and administering such policies and programs as may be needed to attain and maintain genuine full employment.

The final subsection (f) mandates that such other national economic goals as price stability and a favorable balance of payments be pursued without qualifying, limiting, compromising, or undermining the rights and guarantees established in the Act.

Sec. 3. Subsection 3(a) sets forth the Full Employment and Production Program that is required to be presented to the Congress by the President. The subsection mandates the President to transmit with his or her economic report to the Congress required by the Employment Act of 1946, and to regularly revise and update every six months, a Full Employment and Production Program, both long-range and short-range, which, in addition to the requirements of the Employment Act of 1946, must set forth in summary and detail:

(1) the estimated volume of goods and services, both private and public, required to meet human and national needs, including but not limited to food, fibers, raw materials, energy resources, production facilities, housing, consumer goods, utilities, transportation, distribution, communication, day care facilities, education, health, welfare, artistic and cultural activities, scientific and technological research, and general government services;

(2) the estimated levels and types of paid employment, both part-time and full-time, required to provide the volume of goods and services set forth in paragraph (1);

(3) the estimated levels of expenditures for investment, consumption, and other purposes, both private and public, needed to provide the levels and types of paid employment set forth in paragraph (2);

(4) whatever shifts in output, employment, and expenditure patterns, or appropriate expansions in desirable alternative activities or facilities, which may be required to facilitate necessary reductions and conversions in military and other industrial activities or facilities;

(5) a full and detailed review of actions attempted or accomplished under the Act and whatever changes in administrative policies and legislation may be needed to achieve the objectives set forth in paragraphs (1), (2), (3), and (4), and

(6) a review of such related considerations as price levels, international trade, capital export and import, exchange rates, the concentration of economic power, the extent of monopolistic or oligopolistic control over various markets, and the level and distribution of income and wealth, and of wages, salaries, and property income.

Subsection 3(b) renames the annual manpower reports of the President the "Labor Reports of the President" and requires additional detailed treatment on a continuing and progressively analytical basis to:

(1) the changing volume and composition of the American labor supply, by major areas of the country, with special emphasis on the total number of people able and willing to work under varying conditions of remuneration and suitability, the extent of various forms of involuntary unemployment and underemployment, (including those not working or seeking to work but able and willing to work if suitable opportunities were presented, and those between jobs), estimates of recent, present and prospective shortfalls in private and public employment opportunities, the impact of mobility and immigration, and the volume of national product lost by such waste or insufficient use of available labor power.

(2) the loss of productive labor power, together with associated lost production, as a result of discrimination on the basis of sex, age, race, color, religion, or national origin;

(3) the need for greater opportunities for

part-time paid employment with related fringe benefits and job security protection;

(4) the implications of continuing full employment for possible increases in voluntary leisure, for reductions in the daily, weekly, monthly or annual hours of paid work, for flexible work schedules, for paid vacations and sabbaticals, and for more extensive combinations of education and employment;

(5) the associated problems of the nature and environment of work, the quality of work, career opportunities, productivity and related problems of work content, job satisfaction, labor-management relations, and workers participation in employment decisions, and

(6) the national implications of the Reservoirs of Public Service and Private Employment Projects developed by the local Planning Councils under Section 5 of the Act.

SEC. 4. Section 4 establishes the Local Planning Councils (by adopting the Prime Sponsor Planning Councils set up by section 104 of the Comprehensive Employment and Training Act of 1973 and giving them executive functions in addition to their advisory functions under CETA) and sets out their functions, powers and responsibilities. Subsection (a) is a recognition by the Congress that (1) the specific identification of local needs for additional goods, services, and employment opportunities can best be handled by local governments, communities, groups and individuals, and (2) to carry out their functions under the Act, the President, the Secretary of Labor and other officials and agencies of the Federal government need the continuing input of ideas, proposals, advice and criticism from local governments, communities, groups and individuals.

Subsection (b) amends section 104 of CETA by adding a new paragraph requiring the Local Planning Councils to assume the additional functions of (1) identifying local needs for additional employment opportunities, and, under guidelines to be established by the Secretary of Labor, selecting and planning projects to provide a Reservoir of Public Service and Private Employment Projects to supplement available employment. Such projects must include expanded or new goods and services that reflect the needs and desires of the local community, such as social services, community health services, day care facilities, legal aid, public transit, housing, recreation, cultural activities, sanitation and environmental improvement (including projects listed in clause 4 (c)(2) below); and

(2) taking part in monitoring and evaluating programs under the Equal Opportunity and Full Employment Act of 1976 in accordance with standards and criteria published by the National Institute for Full Employment and pursuant to guidelines established by the Secretary of Labor.

Subsection (c) directs each Local Planning Council, pursuant to regulations adopted by the Secretary of Labor, to provide for:

(1) The establishment of Community Job Boards in community or neighborhood areas which form a feasible and cohesive unit for supplying public service job opportunities. Such Community Job Boards (A) must to the maximum extent feasible be elected by the residents of the community or neighborhood area and shall fairly represent all segments thereof; and (B) are subject to the supervision and review of the local planning councils where they exist; and

(2) The establishment of Community Public Service Works Reservoirs through action of the Community Job Boards. Such Reservoirs are to include, but are not limited to, projects for (A) infrastructure construction, repair and maintenance, (B) assistance to any member or group of individuals mentioned in subsection 5(d), (C) construction, repair or maintenance of public buildings, (D) combating drug abuse, (E) charitable and educational purposes, (F) public recreation, (G) juvenile delinquency prevention, (H) assistance to the elderly and disabled, (I) environmental control and (J) such other purposes as the Secretary may designate;

SEC. 5. Subsection (a) renames the United States Employment Service the "United States Full Employment Service." Subsection (b) gives the new U.S. Full Employment Service under the general direction of the Secretary of Labor the responsibility to assist in the establishment of, in each labor market area in the country in conjunction with the Local Planning Councils acting under section 5(b), the Reservoir of Public Service and Private Employment Projects.

Subsection (c) creates a Job Guarantee Office in the U.S. Full Employment Service headed by a Job Guarantee Officer whose responsibility is to provide useful and rewarding employment for any American, able and willing to work but not yet working, unable otherwise to obtain work and applying to the office for assistance. The Job Guarantee Office is required to carry out its responsibilities under the Act in connection with the implementation of subsection (e) (relating to agreements to implement the Reservoir of Public Service and Private Employment Projects) upon the recommendation and approval of the Local Planning Councils. Nothing in the Act precludes the Job Guarantee Office from contracting directly with the Local Planning Councils for (1) the administration of individual Public Service and Private Employment Projects or (2) the overall administration of all or any part of such projects within the jurisdiction of the Local Planning Councils.

Subsection (d) provides that each Job Guarantee Office in carrying out its responsibilities shall ensure that among projects planned that adequate consideration be given to such individuals and groups as may face special obstacles in finding and holding useful and rewarding employment and shall provide or have provided through the coordination of existing programs special assistance including but not limited to counseling, training and, where necessary, transportation and migration assistance. Such individuals and groups shall include (1) those suffering from past or present discrimination or bias on the basis of sex, age, race, color, religion or national origin, (2) older workers and retirees, (3) the physically or mentally handicapped, (4) youths to age twenty-one, (5) potentially employable recipients of public assistance, (8) the inhabitants of depressed areas, urban and rural, (7) veterans of the Armed Forces, (8) people unemployed because of the relocation, closing or reduced operations in industrial or military facilities, and (9) such other groups as the President or the Congress may designate from time to time.

Subsection (e) provides that, for the purpose of drawing on the Reservoir of Public Service and Private Employment Projects and providing employment opportunities to applicants, each Job Guarantee Office may (subject to the limitations specified in subsection (c)) enter into agreements with public agencies and private organizations operating on a profit, non-profit, or limited-profit basis. Such agreements are to contain assurances that the agency or organization will:

(1) provide an annual independent audit to the Job Guarantee Office. The agency or organization must at all times make its records and books available to reasonable review by agents of the Job Guarantee Office;

(2) not discriminate on the grounds of sex, age, race, color, religion, or national origin in the administration of any program encompassed within the agreement;

(3) observe the prohibitions contained in Chapter 15 of Title 5 of the United States Code (relating to political activities in federally-funded projects; and

(4) submit an annual report to the Job Guarantee Office detailing its activities under the agreement.

Subsection (f) sets forth the direct responsibility of the Job Guarantee Office to ensure that any person willing and able to work (a "job seeker") is provided the opportunity to be employed at a suitable and comparable job (as defined elsewhere in the Act). For the purpose of fulfilling this responsibility the Job Guarantee Office is required to, as appropriate:

(1) Refer job seekers to the private sector and general public sector employment placement facilities of the Full Employment Service (other than as supplemented by the Act);

(2) Directly refer job seekers for placement in positions on projects drawn from the Reservoir of Public Service and Private Employment Projects; and

(3) Register job seekers in the Standby Job Corps (as established elsewhere in the Act).

The Secretary of Labor is directed to provide by regulation for procedures to assure that registration in the Standby Job Corps shall occur upon presentation of the job seeker to the Job Guarantee Office unless a placement process is begun for private or other public service employment (including employment in the Reservoir of Public Service and Private Employment Projects) which presents a high probability of success within 5 days.

Subsection (g) sets forth that, for the purposes of the Act, any job seeker who presents himself or herself in person at the Full Employment Office shall be considered prima facie "willing and able" to work. This specifically includes persons with impairments of sight, hearing, movement, coordination, mental retardation, or other handicaps. The subsection is implemented by the Job Guarantee Officer, pursuant to regulations issued by the Secretary. Such regulations must provide for:

(1) an initial determination by the Job Guarantee Officer as to the job seeker's ability to work;

(2) compliance with Section 703 of the Civil Rights Act of 1964;

(3) such administrative appeal procedures as may be appropriate to review such determination where adverse to the job seeker;

(4) termination of such appeal procedures within 30 days; and

(5) placement of such job seeker on the payroll of the Standby Job Corps pending such appeal or any judicial review thereof.

Subsection (h) provides that the district courts of the United States shall have jurisdiction of any action brought seeking relief pursuant to the Act, including injunctive, declaratory, and other forms of relief as well as damages. And person deprived of rights secured by the Act is entitled in an action brought against the United States to recover damages, together with costs and attorneys' fees.

SEC. 6. Section 6 establishes the Standby Job Corps (SJC). Subsection (a) creates the SJC and states that SJC shall consist of job seekers registered under the Act. The Corps is available for public service work upon projects and activities that are approved as a part of Community Public Service Work Reservoirs established by the Community Job Boards.

Subsection (b) requires the Secretary of Labor, by regulation, to provide for:

(1) assurance that job seekers registered in the Standby Job Corps (hereafter called "Corps members") maintain a status of good standing, which status must include attendance and performance standards;

(2) a system of compensation for Corps members which must:

(A) provide that Corps members receive a monthly-rated sum based upon their employment at a suitable and comparable job (as defined in paragraph (B) below):

(B) contain a definition of a "suitable and comparable job" which takes into account, among other factors, the following:

(i) No Corps member is to be paid less than the minimum wage in effect in the area; and

(ii) Corps members are to receive compensation ((a)) that bears a positive relationship to their qualifications, experience and training; and ((b)) that is such that will effectively encourage them (from an economic standpoint) to advance from the Corps to other employment;

(3) the fullest possible planning and operational control of the local Standing Job Corps program at the community and neighborhood level (consistent with overall supervision by the Local Planning Councils;

(4) full and effective prohibtiton of (A) discrimination on grounds of sex, age, race, color, religion, or national origin and (B) improper political activity:

(5) reasonable oversight and reporting in respect to projects utilizing corps members; and

(6) assurance that no activities undertaken pursuant to this subsection will adversely affect prevailing wage rates in the area.

SEC. 7. Section 7 gives major additional responsibilities for implementation of the Act to the Congressional Joint Economic Committee. Subsection (a) provides that, in addition to its responsibilities under the Employment Act of 1946, as amended (15 U.S.C. 1022), the joint Economic Committee must:

(1) annually review the activities of the executive branch under all sections of this Act;

(2) regularly conduct on its own behalf, or in cooperation with or through the facilities of the appropriated legislative committees or subcommittees of the Senate and the House, public hearings in as many labor market areas as feasible, with special emphasis on opportunities for hearing petitions and complaints by individuals and groups who feel that they have been denied their rights to employment opportunities or have been injured directly or indirectly by policies and programs designed to guarantee the exercise of rights, and

(3) annually report upon, with its own conclusions and recommendations, the development and administration of the policies and programs mandated by the Act.

Subsection (b) provides the procedures for effective Congressional implementation of the full employment and production program initiated by the President under subsection 3(a). The subsection requires that:

(1) In addition to its responsibilities under subsection (a), the Joint Economic Committee must, within 30 days of the submission of the bi-yearly full employment and production program as required pursuant to subsection 3(a):

(A) review that program and suggest whatever modifications the committee deems advisable;

(B) submit the modified program to the respective Houses of the Congress, together with the committee's comments on all parts thereof, including a justification for all modifications made in the program as submitted by the executive;

(C) submit a recommendation to both Houses of the Congress as to the sums needed to be appropriated to finance such program as submitted pursuant to clause (B) above (called the "employment deficit recommendation");

(2) The Full Employment and Production Program, as modified and as submitted, and the employment deficit recommendation must be forthwith referred to the Appropriations committees of the respective Houses for a period of 30 days. These committees are required to (1) recommend appropriations consistent with the employment deficit recommendation and (2) make such other recommendations as they deem advisable.

(3) At any time after the expiration of the 30 days specified in paragraph (2) above it is a highly privileged motion in both Houses of the Congress that may be made by a mem- of either body for the immediate consideration of the employment deficit recommendation of the Joint Economic Committee as a joint resolution of the respective body appropriating the sums specified in the employment deficit recommendation.

(4) After the making of that motion it is then immediately in order to consider the recommendtions made by the Appropriations Committee.

(5) Three legislative days after the making of the motion specified, there is, upon motion made, no further debate, amendments, or other proceedings in regard to the employment deficit recommendation and a vote on all pending amendments and final passage is ordered forthwith.

SEC. 8. Section 8 provides for implementation of the Act by stages. Subsection (a) states that the Congress recognizes that (1) the full objectives of the Act cannot be attained immediately upon its enactment, (2) considerable time will be needed to develop the Full Employment and Production Program, the research work under the National Institute for Full Employment, the Local Planning Councils, the Commnuity Job Boards, the Community Public Service Work Reservoirs, the Standby Jobs Corps, the Reservoirs of Public Service and Private Employment Projects, the U.S. Full Employment Service, the Job Guarantee Offices, and the additional responsibilities of the Congressional Joint Economic Committee, and (3) the implementation of the Act therefore must be accomplished in a series of stages.

Subsection (b) provides that the President is authorized and directed to provide, by regulation, guidelines and otherwise, for the full implementation of the Act by the end of the fifth calendar year after its enactment, at which time the provisions of subsections (g) and (h) (relating to judicial enforcement) shall enter into effect. This subsection is not to be construed to prevent the President from effecting full implementation of the Act by an earlier date, including the provision of the entering into effect of subsections 5(g) and (h) by such earlier date.

Subsection (c) declares that it is the policy of the Federal government that the full objectives of the Act be attained no later than the end of the fifth calendar year after its enactment, and toward this end the Full Employment and Production Programs submitted to the Congress by the President must include his or her specific quantitative and qualitative targets spelling out these objectives, and the Local Job Councils must spell out similar quantitative and qualitative targets for their respective geographical areas.

Section 9. Section 9 eestablishes the National Institute for Full Employment. Subsection (a) affirms that the Congress recognizes that (1) in the absence of genuine full employment, as defined in this Act, many Federal policies and programs have been based on the presumption of the continuing lack of suitable employment opportunities for large numbers of people able and willing to work, and (2) to carry out their functions under the Act, the President, the Secretary of Labor, the local Planning Councils, the Community Job Boards, the Job Guarantee Offices, the Full Employment Service and the Congressional Joint Econonmic Committee need the support of long-range, continuing, serious and objective studies of the many changes required in such Federal policies and programs to gear them more closely to the Full Employment and Production Program, its continuing adjustment and improvement, and its implementation.

Subsection (b) provides that, to develop and administer a long-range program of such studies, there is established a National Institute for Full Employment within the Department of Labor, under a director to be appointed by the Secretary of Labor, and to operate in continuing consultation with a National Commission for Full Employment Policy Studies.

Subsection (c) requires that the Director of the Institute:

(1) serve for a term of three years but be removable, with or without cause, by the Secretary;

(2) be compensated at the rate provided for Grade 18 of the General Schedule set forth in Section 5332 of Title 5, United States Code. The Director's position is in addition to the number of positions placed in Grade 18 of the General Schedule under Section 5108 of Title 5, United States Code;

(3) appoint a Deputy Director of the Institute and such other employees as required to perform the functions of the Institute; and

(4) appoint, for terms not to exceed three years, without regard to the provisions of Title 5 of the United States Code governing appointment in the competitive service, and compensate, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such technical or professional employees of the Institute as the Director deems necessary to accomplish the Institute's functions and also appoint and compensate without regard to such provisions not to exceed one-fifth of the number of fulltime, regular technical or professional employees of the Institute.

Subsection (d) provides that the National Commission for Full Employment Policy Studies is to:

(1) be composed of 15 members, which must be broadly representative of labor, business, education, the social and natural sciences, the humanities, Local Planning Councils, Community Job Boards, the professions and the general public and which include the Chairman of the Council of Economic Advisors as an ex officio member. The members are to be appointed by the Secretary for terms of four years and to serve at the pleasure of the Secretary;

(2) be provided an executive secretary and other needed staff by the Secretary. The Secretary also is to pay the members of the Commission per diem, travel, and other necessary expenses, together with compensation at a rate not exceeding $100 per day while performing the business of the Commission;

(3) meet at least once every three months and at such other times as requested by the Director or the Secretary;

(4) choose a Chairman and such other offices as required to perform its business;

(5) advise and consult with the Director in respect to all programs and activities conducted as authorized;

(6) regularly consult with the Council of Economic Advisors; and

(7) perform such other functions as are assigned by the Secretary or by the Director.

Subsection (e) provides that the Institute is authorized and directed to make, or have made through grants to or contracts with individual researchers and private or public research organizations, universities and other government agencies, studies that will include, but need not be limited to, such subjects as:

(1) the policies and programs needed to reduce whatever inflationary pressures may result from full employment to manage any such inflationary pressures through appropriate fiscal policies and indirect and direct controls, and to protect the weaker groups in society from whatever inflationary trends cannot be avoided or controlled;

(2) the identification of human potentialities that are hidden, undeveloped or underdeveloped because of the lack of suitable job opportunities, encouragement, education or training and of various ways of releasing such potentialities;

(3) the forms of education and training needed to help provide people with the skills, knowledge and values required by existing employment opportunities and technologies and needed to assist in developing such new types of goods, services, technologies and employment opportunities as may better meet human needs;

(4) the policies and programs needed to substantially eliminate substandard employment, wages and working conditions and the techniques for establishing standards for employment, wages and working conditions in accordance with changing levels of national output and resources, and regional variations in output, resources and other relevant factors;

(5) the improvement of the quality of employment, in both the private and the public sectors, in terms of (a) satisfactions for employees, (b) the efficiency and productivity of work done, and (c) the satisfactions of clients for and consumers of the goods or services provided;

(6) such policies and programs as may be needed to enable small and independent business enterprises to benefit from the provisions of the Act and protect them against any unfavorable consequences that may result from actions taken to implement it;

(7) alternative organizational forms and operating methods for the Local Planning Councils mandated under Section 4, as well as additional methods of encouraging participatory and decentralized planning of employment policies and programs.

(8) the standards and criteria to be used by the Local Planning Councils (pursuant to subsection 4(b)) to monitor and evaluate programs under the Act;

(9) the problems of the special priority individuals and groups referred to in subsection 5(d);

(10) the integration of existing programs of welfare assistance, income maintenance and unemployment compensation with the payments made to people under Section 6 of the Act;

(11) improved methodologies for conducting studies in all such areas, with special attention to the methodological problems involved in utilizing skills and techniques that may transcend established disciplinary boundaries; and

(12) a comprehensive program for such economic and social indicators, both quantitative and qualitative, as may be needed for the continuous and objective monitoring of basic economic and social trends in the performance, structure, and environment of the American economy and society.

Subsection (f) requires that the Institute, in developing its program, encourage divergent approaches to each area of policy study, shall keep the Local Planning Councils informed on the nature of research in process and disseminate widely the results of all completed research.

Section 10. Section 10, entitled "General Provisions," contains two subsections. Subsection (a), entitled "Nondiscrimination," mandates that no person in the United States on the ground of sex, age, race, color, religion or national origin be excluded from participation in, be denied the benefits of, or be sujected to discrimination under any program or activity funded in whole or in part with funds made available under the Act.

Subsection (b), entitled "Labor Standards," requires that:

(1) All laborers and mechanics employed by contractors or subcontractors in any construction alteration, or repair including painting and decorating of projects, building, and works which are federally assisted under the Act be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). The Secretary of Labor will have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 946, as amended; 40 U.S.C. 276 (c)); and

(2) The Job Guarantee Officer cannot enter into any agreement under Section 5 of the Act nor develop any project for the Reservoir of Public Service and Private Employment Projects until it has determined that such agreement or project will provide—

(A) that appropriate standards for the health, safety, and other conditions applicable to the performance of work and training or any project are established and will be maintained;

(B) appropriate workmen's compensation protection; and

(C) assurances that the project will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed.

Section 11. Section 11 contains the definitions in the Act, which are as follows:

(1) "Adult Americans" refers to all citizens and permanent residents of the United States who are 16 years of age or older, plus such younger age groups as may be expressly included by local, State, or Federal law and implemented by administrative regulations under this Act.

(2) "Full employment" is a situation under which there are useful and rewarding employment opportunities for all adult Americans able and willing to work.

(3) "Able and willing to work" means possessing the capacity and motivation to perform for pay productive tasks creative of a useful social product.

(4) "Opportunity" refers to an available and feasible choice.

(5) "Fair rates of compensation" refers to remuneration at wages reflecting regional levels of compensation, statutory minimum wages, or those wages established by prevailing collective bargaining agreements, whichever is highest, and under working conditions consistent with trade union or prevailing standards, whichever is higher.

(6) "Secretary" refers to the Secretary of Labor.

Section 12. Section 12 authorizes appropriations for the fiscal year ending on June 30, 1977, and for each succeeding fiscal year such sums as may be noted to carry out the various sections of the Act.

By Mr. BELLMON:

S. 3948. A bill to establish a Fiscal Stability Board to control borrowing for federally sponsored or guaranteed purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BELLMON. Mr. President, inflation has surely become the most popular topic in town. Almost everyone has a solution and several have more than one.

Controlling Federal spending is clearly the current favorite in the race for a solution, and I would be the last to say that it will not help. However, several recent studies show that reducing the Federal budget by even several billion dollars will reduce the cost of living by only a fraction of 1 percent.

Restraining demand, increasing supply and encouraging thrift all have a role. There are obviously international dimensions. And, productivity of our industry and labor force clearly need improvement.

We are going to have to stop looking for one magic solution and get accustomed to the idea that many different approaches will have to be found and used in conjunction with one another. We cannot content ourselves with the notion that controlling Federal spending or creating a Cost of Living Task Force or Council will solve the problem.

I think our quest for solutions and new institutional approaches must also continue.

As a number of Members of this body know, my experience as Governor of Oklahoma has convinced me that the Federal Government needs a body that will function like the State board of equalization does in Oklahoma to match revenues with expenditures. I am hopeful that our new Budget Committee and the procedures that it involves will increase our fiscal discipline in this direction.

Mr. President, I believe that an additional tool and a new institution is needed. Having thought through my experience in Oklahoma in the context of the enormous differences between the fiscal situation of a State and the Federal Government and having had the benefit of 6 years of experience, I have continued to refine and expand my concept of a fiscal stabilization board. Its most recent form was S. 3555.

However, today I would like to call the attention of my colleagues to another and perhaps more important source of inflationary pressures. This is borrowing by Federal agencies and federally sponsored or federally guaranteed programs.

Mr. President, William Shakespeare put some good advice into immortal words about 400 years ago when he said:

> "Neither a borrower, nor a lender be;
> "For loan oft loses both itself and friend,
> "And borrowing dulls the edge of husbandry."

The Old Testament is full of similar injunctions. We all recognize, however, that the proper use of credit has been responsible for much of our Nation's growth. Our farm credit system has been a model to other countries throughout the world. And, we all recognize that credit can be abused.

Mr. President, the list of Federal agencies with authority to borrow now includes: Export-Import Bank, Postal Service Fund, rural electrification and telephone revolving fund, Federal Financing Bank, Federal home loan banks, Federal Home Loan Mortgage Corporation, Farm Credit Administration, Federal National Mortgage Association, and Student Loan Marketing Association. The degree of authority the Tennessee Valley Authority and similar agencies have to borrow is difficult to determine and needs careful study by Congress.

Mr. President, I ask unanimous consent to have printed in the Record a table prepared by the Federal Reserve Board that shows the borrowing by Federal agencies along with the budget deficits for the last several years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FEDERAL DEFICIT AND ENLARGED FEDERAL SECTOR DEFICIT

[In billions of dollars]

Fiscal years	Unified budget deficit (+) or surplus (−)	Net outlays not in budget: Off-budget Federal agencies [1]	Net outlays not in budget: Government sponsored agencies [2]	Total enlarged Federal sector deficit (+)
1969	−3.2		4.3	1.1
1970	2.8		9.6	12.4
1971	23.0		.3	23.3
1972	23.2	.1	4.1	27.4
1973	14.3	.6	10.8	25.7
1974	3.5	2.4	[3] 15.0	[3] 20.9
Total	63.6	3.1	44.1	110.8

[1] Includes Export-Import Bank, Postal Service fund, the rural electrification and telephone revolving fund, and the Federal Financing Bank.

[2] Includes Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Farm Credit Administration, Federal National Mortgage Association, and Student Loan Marketing Association (Sally Mae). Net outlays by these agencies are approximately equal to their net borrowing less their investment in Federal securities. These agencies are privately owned.

[3] Estimated.

Mr. **BELLMON**. Mr. President, this table shows that Federal borrowing is probably as great a factor in inflation as Federal budget deficits. Moreover, there is a clear and ominous trend toward increasing the number of such programs and toward increasing the amount of such borrowing.

Mr. President, a very perceptive article in last Sunday's Washington Star analyzed this situation and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIRMS PAY HIGHER RATES: U.S. BORROWING DRIES UP FUNDS

(By Stephen M. Aug)

"It's a matter of building up confidence in corporations and buying up commercial paper instead of Treasury bills."—A stockbroker

Those proliferating federal loan guarantee programs whose backers usually point to the fact that they cost the federal government practically nothing, apparently are helping to dry up capital markets and cost businessmen plenty.

Government economists and some private investment bankers and brokers appear agreed that the massive amount of federal debt—both Treasury-issued securities and debt sold by federal and federally assisted agencies—is forcing corporations to turn to more expensive sources of financing than they normally would.

Part of the problem, of course, is the general economic picture. Investors want as little risk as possible—they want truly gilt-edged securities—but at the same time in a period of soaring inflation they demand high interest rates. As a result, thousands of investors lined up at the Treasury Department a couple of weeks ago to buy $4.4 billion worth of government debt ranging from 33 month notes to 24-year bonds, some of it with coupons as high as 9 percent.

Far less noisily, however, other investors for the past couple of years have been soaking up growing billions of dollars worth of debt issued by agencies that are assisted by the federal government.

These include Federal Land Banks, Federal Intermediate Credit Banks, Federal Home Loan Banks, the Maritime Administration, Student Loan Marketing Association and Rural Electrification Administration, to name just a few. Some organizations eligible for federal loan guarantees place their debt privately—including the bankrupt Penn Central Transportation Co., Amtrak and Lockheed Aircraft Corp.

A government-guaranteed security is one which the government itself agrees to pay if the issuing agency defaults. Some government-assisted securities, while not specifically federally guaranteed, imply, at least, that the government stands behind them.

This government-assisted borrowing is intended to aid a wide range of interests from the shipping industry to farmers to students borrowing money for college. Combined with general federal borrowing, the $12 billion to $15 billion a year in government-assisted borrowing accounts for more than half the entire debt market and is approaching 60 percent.

One result, of course, is that faced with a choice—a government guarantee on one security versus the vagaries of state utility regulators and soaring fuel costs on previously high-grade utility debt—investors will choose the safer one.

This choice has forced many corporations to either pay what several years ago would have been considered exorbitant interest rates in the bond market, or try to borrow from commercial banking sources (at very high rates) for the short term, hoping the debt market will settle down.

Alan Greenspan, chairman-designate of the Council of Economic Advisers, contends that the Treasury and borrowers who use federal facilities—such as those that issue government-guaranteed debt—"will be in the market wholly irrespective of what the interest rate is.

"This means they put themselves into the first position. They are willing to pay almost anything to get the money, and they elbow out everybody else—not only corporations, but mortgages, corporate debt and equity, everything else.

And it then forces the corporation to seek financing in the commercial banks, and it's that pressure on the commercial banks—which incidentally has been a major element in bank credit expansion—by which the money supply has grown excessive and, in my view at least, is one of the major elements of inflation."

The effect of all this borrowing on other segments of the economy is fully recognized at the Treasury Department. Treasury Secretary William Simon—himself a former Wall Street investment banker—has testified on several occasions about the heavy impact on credit markets of federally sponsored and federally guaranteed debt financing.

Edward P. Snyder, director of Treasury's Office of Debt Analysis, points out that individually none of the federal loan guarantee programs would appear to cause much damage. "If you talk about a new $100 million program, it's clear that in the grand scope of the nation that $100 million is a drop that doesn't raise the water level much. But when you've got one program after another, the kind of volume you have now, you're going to keep spilling water over the sides of the bucket," he adds.

In fact, the federal guarantee game keeps growing. Congress right now, for example, has before it a plan to guarantee $2 billion worth of loans to railroads for new freight cars. The United States Railway Association has authority to issue $1.5 billion worth of federally guaranteed debt to rehabilitate and purchase northeastern rail lines. Recently approved legislation authorized loans and loan guarantees for health maintenance organizations—an apparently opened-ended authorization—and there's another $200 million worth of federally insured mortgages to build vocational rehabilitation facilities, among other programs.

While the government apparently hasn't acted to curb the growth of federally assisted loan programs, it has moved to better organize the borrowings that support the programs. Recently it created the Federal Financing Bank with authority to issue debt securities on behalf of 21 federal or federally related organizations. The bank may issue up to $15 million worth of debt initially.

A number of organizations that previously went outside the government already have taken advantage of it. One for example, appears to have achieved some savings. Amtrak, the federally financed passenger train corporation had been paying Chase Manhattan Bank and First National City Bank 14 percent until July 12 when it sold a total of $152 million worth of debt through the Federal Financing Bank at an interest rate of 7.80 percent. It now has financed $166.5 million through the new bank, and its most recent interest rate was 9.38 percent, compared to 12 percent it would have had to pay at a commercial bank.

There is, of course, the segment of thought that doesn't believe an excessive amount of agency financing is what has made it difficult for some corporations to finance—but rather the very uncertain climate that has caused investors to look for high quality.

Thomas W. Strauss, general partner at Solomon Brothers, a very large institutional investment house, points out that there was a similar explosion of agency financing in 1969 and 1970. "The same quality preference did not exist to the same extent then," Strauss said, pointing out that "whenever times get uncertain, people reach for quality."

Mr. **BELLMON**. Mr. President, my bill would give authority to my proposed Fiscal Stabilization Board to control the total amount of such borrowing on a year-by-year basis. It would require all Federal agencies, all federally sponsored institutions and all programs with Federal guarantees for their borrowing to submit their plans for new financing or refinancing to the Board on the new fiscal year basis, 6 months in advance of that fiscal year's beginning. After aggregating such plans, the Board would have authority to delay a bond issue, to reduce its amount or to approve its marketing during the forthcoming year in accordance with the original plans of the sponsoring agency.

One of the clear purposes of the increase of this kind of authority is to give such agencies more autonomy and flexibility, to remove them from congressional scrutiny and impoundment by the Office of Management and Budget. Sponsors of these different programs in the Congress have resisted any attempts to reimpose such controls over these agencies and programs. Attempts to add control authority to the Federal Financing Bank failed. Attempts to add such oversight in the new budget control act failed. Any attempt to subject such programs to any other politically responsive institution is thus also likely to fail. The Federal Reserve Board would prefer to continue to concern itself with monetary policy and avoid such responsibility.

Mr. President, in our efforts to develop a workable means of combating inflation, more effective, more orderly controls over borrowing by Federal agencies must be established. That is the purpose of this bill.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was

ordered to be printed in the RECORD, as follows:

S. 3948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Fiscal Stabilization Act of 1974.

TITLE I—FISCAL STABILIZATION BOARD

SEC. 101. ESTABLISHMENT OF THE BOARD.

(a) There is hereby established as an independent agency of the Government a Fiscal Stabilization Board (hereinafter referred to as the "Board").

(b) The Board shall consist of seven members appointed by the President, by and with the advice and consent of the Senate. Not more than four members may be affiliated with the same political party. Two members shall have had experience in management, two shall have had experience in the field of labor, one shall have had experience in government, and one shall have had experience in academic affairs.

(c) Each member shall be appointed for a term of seven years, except that the terms of the members first appointed shall expire, as designated by the President at the time of appointment, at the end of one, two, three, four, five, six, and seven years, respectively, from the date of the appointment of the first member. The term of each member thereafter appointed shall commence upon the expiration of the term for which his predecessor was appointed. A member appointed to fill a vacancy in the membership of the Board occurring before the end of a term of office shall serve under such appointment only for the remainder of that term.

(d) Four members of the Board shall constitute a quorum. A vacancy in the Board shall not affect its powers. No member shall, during his term of office, engage in any vocation or employment other than the work of the Board.

(e) A member of the Board may be removed from office by the President only for inefficiency, neglect of duty, or malfeasance in office.

SEC. 102. CHAIRMANS SALARIES.

(a) The President shall, from time to time, designate one of the members of the Board to serve as Chairman. No member may serve as Chairman for a total period of more than two years during each term of his office as a member of the Board.

(b) Section 5313 of title 5, United States Code (relating to positions at level II of the Executive Schedule), is amended by adding at the end thereof the following:

"(20) Chairman, Fiscal Stabilization Board."

(c) Section 5314 of title 5, United States Code (relating to positions at level III of the Executive Schedule), is amended by adding at the end thereof the following:

"(55) Members, Fiscal Stabilization Board."

SEC. 103. FUNCTIONS AND DUTIES.

(a) It shall be the function and duty of the Board—

(1) to monitor the fiscal and monetary conditions of the United States and to advise the President with respect thereto, and

(2) to recommend to the President action to be taken by him to stabilize the national economy by controlling the aggregate amount of borrowing in any fiscal year for federally sponsored or guaranteed purposes.

SEC. 104. POWERS.

(a) The Board is authorized to appoint and fix the compensation of such officers and employees, and prescribe their functions and duties, as may be necessary to assist it in carrying out its functions and duties.

(b) The Board is authorized to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(c) The Board is authorized to procure information, data, and statistics from any department or agency of the Government, and the head of each such department or agency is authorized, upon request of the Chairman of the Board, to furnish such information, data, and statistics to the Board.

(d) The Board is authorized to issue such publications as it determines necessary or desirable in carrying out its functions and duties.

(e) The Board is authorized to adopt, alter, and use a seal and to prescribe such rules and regulations as it determines necessary or desirable in carrying out its functions and duties.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this title.

SEC. 201. FEDERAL FINANCING PLANS.

(a) Each federal agency, federally sponsored institution or program the financing of which is federally guaranteed shall prepare a plan for its financing for each fiscal year and submit that plan six months in advance of that fiscal year to the Fiscal Stabilization Board.

(b) The Fiscal Stabilization Board shall review all such plans and prepare a report on them with special emphasis on the effect of the aggregate of all such financing on the fiscal stability of the nation in the light of all factors likely to affect the economy in the coming fiscal year.

(c) The Board may hold hearings and otherwise consult with the affected agencies and relevant experts before reaching its conclusions.

SEC. 202. ACTION ON PLANS.

(a) The Board will determine whether, in the light of all factors facing the economy, all the proposed financing is feasible. If the Board determines that the aggregate impact on the economy would be adverse, it shall prepare a Federal Financing Plan for Fiscal Year ———. The Plan shall specify with respect to each individual plan whether it is approved as submitted, reduced or deferred. Each agency may then undertake in accordance with other applicable law or regulation the financing it proposed as modified by the action of the Fiscal Stabilization Board.

(b) Congressional Review of Federal Financing Plans

Congress may disapprove any Federal Financing Plan by action of both Houses of the Congress within sixty days after the Plan is submitted to the Congress by the Fiscal Stabilization Board. If disapproved, the Board shall thereupon make another plan, taking into account the objections of the Congress, and that plan shall be subject to review also. No financing shall take place until there is an approved plan in effect.

(c) In making its determination of action on each plan, the Fiscal Stabilization Board may not take into account the substantive programmatic impact of any reductions, deferrals or other modifications which would in any way substitute its judgment for the judgment of the federal agency or federally sponsored institution or the judgment of the Congress in providing such authority in the first place. Any modification must be solely justified on its economic impact alone. In this light, however, modifications may be disproportionate among programs or methods of financing to reflect different economic impact of such financing.

By Mr. BROOKE:

S. 3949. A bill to regulate liabilities insured by certain banks in connection with guaranties, surety agreements, certain bank acceptances, and standby letters of credit. Referred to the Committee on Banking, House, and Urban Affairs.

Mr. BROOKE. Mr. President, I rise to address a series of complex issues which are of utmost importance to the continued stability of this Nation's commercial paper market and commercial banking system. Specifically, I am introducing today legislation designed to bring about necessary regulation of standby letters of credit, bank guaranties, surety agreements, and certain bank acceptances.

Public confidence in our financial institutions has been shaken recently as a result of problems involving the U.S. National Bank of San Diego, Beverly Hills National Bank, and Franklin National Bank of New York. It is hard to recall such a rash of banking difficulties, or to imagine such a convergence of similar events, in recent years. Needless to say, every effort must be made by Congress and the bank regulatory agencies to insure that unsafe and unsound banking practices are not perpetuated.

With respect to U.S. National Bank, its collapse represented the largest bank failure in our Nation's history; and the ramifications—both domestic and foreign—have been enormous. At the outset, it is significant to note that out of approximately $100 million in letters of credit outstanding, $92 million reportedly represented "standby letters of credit" which guaranteed the payment of certain obligations of the bank's customers or companies controlled by C. Arnholt Smith. To date, the status of these obligations—to foreign financial institutions primarily—has not been resolved completely, and litigation is pending aimed at recovering the funds in question.

The bank's collapse and subsequent actions taken by the U.S. bank regulatory agencies brought about severe repercussions abroad. Owing to the fact that Crocker National Bank which acquired most of the San Diego bank's assets and liabilities was not bound to honor the letters of credit, and the Federal Deposit Insurance Corporation's willingness to do so was in doubt, some foreign banking institutions responded by reducing credit lines with other American banks by more than $100 million. As a result, serious questions were raised abroad about the control and inspection of U.S. banks by Federal and State government agencies.

Harold A. Hitchcock, general manager of the $18.8 billion London-based National Westminster Bank's international banking division was quoted as saying:

> The whole question of the validity of letters of credit on United States banks has been thrown into doubt. All foreign banks must seriously review their lending policies to United States banks, especially where letters of credit are involved.

And so, Mr. President, it is against this background that I am introducing legislation designed to bring about reforms which are essential if crises are to be averted in the future. This legislation addresses potentially troublesome practices which are being perpetuated by some commercial banks today. Unless and until unsafe and unsound banking practices are curbed entirely, there is every reason to believe crises will occur again and lead to similar problems for our Nation's financial institutions.

The area with which I am most concerned involves the use of so-called "standby letters of credit." For a fee, some commercial banks have begun to guarantee commercial paper with standby letters of credit. Thus, banks guarantee that a corporation's—or trust's—commercial paper will be honored on its maturity, in the event of default by the commercial paper issuer. The commercial paper is purchased by the public principaly, if not solely, in reliance on the bank's obligation to honor its commitment. This financing mechanism is attractive to banks because they collect a fee of from one-quarter of 1 percent to 1 percent, or as much as $1 million on a $100 million letter of credit. Moreover, they are not required to commit any funds as part of their undertaking unless a default occurs.

Commercial paper is short-term debt paper, normally sold by blue-chip corporations; however, the advent of bank guaranties could open the way for businesses with poorer credit ratings to flood the commercial paper market. For example, standby letters of credit are more and more frequently being issued by a single bank or group of banks to single-purpose thinly capitalized or "dummy" corporations which, in turn, attach the credits to their commercial paper issued to the public. Without the standby letters of credit, such commercial paper would be virtually unmarketable.

The proceeds of an individual commercial paper sale, involving standby letters of credit, are used to acquire assets which the dummy corporation then makes available to a corporate user under a lease or financing agreement. If all goes well, the dummy's commercial paper will be paid on maturity out of proceels derived from the issuance of additional commercial paper guaranteed by the bank, until the cost of the underlying assets has been recovered fully through periodic payments by the user, thereby retiring gradually the commercial paper outstanding. However, if all does not go well, and either the user or the dummy defaults on its obligations, the bank becomes liable under its letter of credit.

Letters of credit are not new. They have been used for many years to facilitate the purchase and sale of goods in domestic and international trade. The traditional letter of credit, which is not affected by my bill, assures payment for goods upon the presentation of a bill of lading or comparable document evidencing the shipment of goods, and a demand for payment. The person on whose behalf that type of letter of credit is issued usually either has funds on deposit with the issuing bank, or that bank has determined to extend him credit. The bank does not undertake to assure performance of any underlying obligation between its customer and a third party. In contrast, under the standby letter of credit arrangement, the bank does undertake to assure such performance.

To date, the standby letter of credit financing technique has been used most extensively in the financing of nuclear fuel by utilities and the somewhat shaky real estate investment trust—REIT—industry. In the latter instance, the guaranty is used to raise capital in situations where the REIT's are not able to borrow directly. If an REIT issues commercial paper with a guaranty attached, and later finds that it cannot roll over or refinance the commercial paper at maturity, the bank or banks involved much advance funds under the letter-of-credit agreement. According to one report, at the end of 1973, 13 of the 60 largest REIT's were selling commercial paper under such an arrangement.

Thus, by issuing its standby letters of credit, the bank is guaranteeing the commercial paper issuer—and, in turn, the ultimate user of the assets—against hazards that the commercial paper market will evaporate and that the dummy's paper may not be rolled over on maturity. By the same token, the bank is incurring substantial risks in the process. The net effect of a standby letter of credit transaction, therefore, is to subsitute the bank for the holder of the commercial paper as a creditor of the bank's customer. As the Federal Deposit Insurance Corporation has recognized:

> Unless the bank has obtained security to cover its potential exposure [under the standby letter of credit] it will be placed in the same position as it would have been in had it initially made an unsecured loan to the customer. The bank's risk exposure arises when the loan is made or when the letter of credit is issued; in both instances the kind and amount of risk exposure is the same. (39 Fed. Reg. 2494 [1974])

Nevertheless, the standby letter of credit involved is not subject to aggregate liabilities limits, it is not carried on the bank's books as a loan, and it is not subject to reserve requirements.

Federal Reserve Board Governor Robert C. Holland warned in an address to the financial conference of the National Coal Association on October 31, 1973:

> The great danger inherent in such a scheme is that in a period of tight monetary policy, one such "dummy" issuer of commercial paper would not be able to meet its maturities. A chain reaction might ensue, leading to the inability of a sizable number of such corporations to roll their paper over. This could in turn trigger calls on banks' guarantees at a time when loan commitments were at a peak, and some banks thus might be unable to respond effectively. At that point the Federal Reserve System could be impelled to supply reserve funds itself to the banking system to counter the threat of a partial collapse of the commercial paper market. As you will recall, the Fed was called upon to do just this in the Penn Central crisis.

When the Penn Central collapsed in June 1970, resulting in approximately $85 million in commercial paper losses, the total commercial paper outstanding from major American corporations fell $8 billion by late 1971 to $32 billion. If another commercial paper crunch occurs, like that in 1970, billions of dollars may have to be committed immediately by banks to handle letter of credit financings. Moreover, owing to the prestige attached to a commercial bank's backing of a corporation's commercial paper, even well-capitalized corporations may find it difficult to market their paper—especially during tight money periods—absent a similar guaranty. Under such circumstances, it is questionable whether sufficient bank resources would be available to meet legitimate corporate borrowing needs which may increase drastically, owing to difficulties in issuing commercial paper generally. Thus, the problems encountered following the Penn Central's collapse could be magnified greatly unless appropriate legislative and regulatory actions are taken.

Only last week, FDIC Chairman Frank Wille announced that his agency considers 152 banks to be "problem institutions," and that the incidence of big banks with problems is up substantially. Of the 152 institutions involved, 50 banks are classified as "serious problems" and 5 of these banks have deposits of $50 million or more. All told, 20 of the "problem institutions" have deposits of $50 million or more.

Chairman Wille was also quoted as including within the characteristics of a typical problem institution, the following: an eroding capital base coupled with a lag in earnings reflecting loan losses atypical of institutions in its size category. It is fair to surmise that if commercial banks were compelled to honor commitments under standby letters of credit outstanding, significant losses would occur and compound troubles already facing our Nation's financial institutions. One bank alone, the First National Bank of New York, has reported standby letters of credit outstanding in the amount of $1,859,568,900, while the bank's "total capital accounts" amount to $2,129,626,242.

Although it has been estimated that these standby letter of credit guaranties represent only $5–$7 billion in today's commercial paper market of $45 billion, that figure represents approximately 1 year's mushrooming growth. The fear has been expressed by H. Russell Fraser, vice president of Standard and Poor's Corporation which rates the credit worthiness of commercial paper, that if this bank leveraging practice continues, standby letters of credit or guaranties may proliferate to a dangerous level of approximately $45–$50 billion.

The proliferation of standby letters of credit can have broad, and, I think, counterproductive implications for the Federal Reserve Board's efforts to administer monetary policy. For example, Federal Reserve Board Governor Holland stated in a speech to the Robert Morris Associates on October 24, 1943:

> [T]hese letters of credit function virtually as a guaranty, and therefore they are of questionable legality in some jurisdictions. Apart from their legal status, such letters of credit are oftentimes not backed by adequate credit analysis nor constrained by either regulatory or management limits of the type applied to conventional loans. When that happens, they impose credit and liquidity risks upon the bank that—if realized—can be very disproportionate to the bank's willingness and ability to bear them.
>
> [F]urthermore, this kind of use of letters of credit is subversive of monetary policy, since it conveys the equivalent of bank credit outside the present scope of reserve requirements and other deposit regulations . . . All told, this type of use of letters of credit—much different in safety and in purpose from the typical letter of credit—strikes me as being potentially unsound and contrary to the purpose of monetary policy.

By reason of the letter of credit mechanism, borrowers are able to obtain credit for expansion purposes in periods of tight money when the Federal Reserve is endeavoring to curb inflationary forces by restrictive monetary policy.

The standby letter of credit was employed initially during the credit crunch of the late 1960's, at least partly to enable banks to facilitate credit transactions. The practice today avoids bank reserve requirements that would apply if the bank borrowed money through certificates of deposit and lent it directly to its customer. While it may be argued that standby letters of credit are a means by which some commercial banks are able to compete more effectively with nonbank lenders, banks are special institutions subject to rules designed to assure their soundness for the benefit of depositors, and to maintain public confidence in the banking system. The potential bank liability on a standby letter of credit, and consequent risk of loss to the depositors and shareholders of the bank, is just as real as if the transaction had been a typical lending transaction by the bank: If the customer does not pay its obligation, there is a loss of the bank's funds.

I am persuaded that a standby letter of credit is a guarantee by a bank of the credit of a third party and, for that reason, is illegal under present law. I request unanimous consent that correspondence on this subject between my office and the Office of the Comptroller of the Currency be inserted at this point in the RECORD. This correspondence also highlights the use of standby letters of credit in connection with the issuance of commercial paper by single-purpose thinly capitalized or dummy corporations. While some people have been persuaded that standby letters of credit are not illegal, there is little question that this area of banking law is clouded by uncertainty. Moreover, if the legality of such commitments was ever challenged successfully in the courts, commercial paper issued by such thinly capitalized or dummy corporations may be unsalable at the very time when outstanding obligations must be rolled over.

My bill would resolve any legal uncertainty by implicitly recognizing the authority of a national bank to issue standby letters of credit. I accept the argument that these arrangements may have some commercial utility and should not be prohibited entirely. Nevertheless, my bill would treat standby letters of credit the same as any commercial bank borrowing and lending activity. This approach recognizes the economic realities of such transactions and assures that standby letters of credit are subject to traditional bank safeguards, including limitations on aggregate liabilities, legal lending limits, reserve requirements, balance sheet disclosure, and full credit analysis.

Under present law, there is nothing to prevent a bank from issuing standby letters of credit guaranteeing commercial paper that expose the bank to potential liability in an amount many times its capital. There is no justification for this, especially in light of our present economic climate. In the 1960's, prior to significant bank holding company growth, debt-to-equity ratios for most banks were kept within tolerable limits. In recent years, however, these ratios have climbed considerably.

With respect to one bank which is presently issuing standby letters of credit, its debt-to-equity ratio rose from 15.0:1 in 1967 to 27.75:1 in 1973. Other similar examples include increases, during the same period, from 10.2:1 to 20.75:1; 14.8:1 to 25.2:1; 13.9:1 to 22.17:1; 19.2:1 to 30.51:1; and so on. Thus, in the case of many large and medium-sized banks, leveraging has become a way of life. With the advent of standby letters of credit financing, however, commercial banks are able to achieve virtually unlimited leveraging because such transactions are not now subject to any legal limitation on total liabilities of the bank, and are not recorded and capitalized on the banks' balance sheets. It is with this fact in mind that standby letters of credit, guarantees and surety agreements would be made subject by this bill to the legal limitations on a national bank's total liabilities.

This proposal would be expected to cause some banks to reduce the amount of such obligations outstanding. Other liabilities shown on a bank's balance sheet—such as "capital notes," "liabilities for borrowed money" and the like—are subject to the aggregate liabilities limit now; and, therefore, it would be expected that the issuance of standby letters of credit by the bank would diminish substantially, following enactment of this bill. Moreover, it must be recognized that unless standby letters of credit are subject by statute to the aggregate liabilities limit, unlimited bank liability will be possible and exposure to inordinate risks will be likely. Indeed, the very reasons which dictate the need for an aggregate liabilities limit in the first place, compel its application to standby letters of credit.

When a national bank lends money to a customer, it is obligated to examine the soundness and credit-worthiness of the customer. Even if it does so, however, it is nonetheless prevented by law from lending to that customer an amount greater than 10 percent of the bank's capital and surplus—12 U.S.C. § 84. This legal limit provides a margin of safety against the possibility that the bank has made an error of judgment in examining the credit-worthiness of the borrower.

When a bank guarantees an obligation of its customer to a third party, the bank should likewise examine carefully and extensively the soundness and credit worthiness of its customer—which is not always done by banks issuing standby letters of credit. Even if the bank does so, errors of judgment should be guarded against by subjecting standby letters of credit, guaranties and surety agreements to the 10 percent legal lending limit.

In the case of a dummy corporation which is issuing commercial paper backed by a bank guaranty, and the proceeds involved are employed in financing the purchase of personal property for lease or sale to a user, the 10 percent lending limit would apply to the ultimate user—the real customer of the bank in such a transaction. The dummy—or a group of dummies—should be disregarded for purposes of the legal lending limit since the bank is lending funds, in essence, to the user so that it may acquire equipment or other personal property. Mockery would be made of the legal lending limit if it was applied to each of several dummies, which, in turn, purchased personal property for lease or sale to a single user; and the user defaulted subsequently on its obligations to the thinly capitalized dummies, thereby giving rise to the bank's obligations under its letters of credit.

The Federal Reserve Board has had authority since 1933 to impose reserve requirements, and to vary these requirements, with a view to controlling bank credit. When the Federal Reserve increases reserve requirements, banks have less funds available for lending, and the level of bank credit tends to decline. When a bank lends its credit through a standby letter of credit, guaranty or surety agreement, a type of bank credit is created that is not now subject to control through reserve requirements. As Federal Reserve Board Governor Holland has stated, standby letters of credit are subversive of, and contrary to, the purpose of monetary policy.

Until recently, there was no reason for Congress to authorize the Board to establish reserve requirements to control bank credit where banks did not receive funds, since banks were regarded generally as being precluded from guaranteeing the obligations of their customers. Indeed, it was the revulsion against the evils of inflation which led some courts to rule that banks did not have the power to guarantee customers' obligations. More than at any time in recent decades, the dampening of inflation is of paramount importance. Thus, if banks are to be permitted to issue guaranties, these liabilities must be subject to reserve requirements in order to prevent this form of bank credit from further fueling inflation.

In addition, reserve requirements are used to assure the availability of cash to meet an obligation undertaken by a bank. There is no question that the issuance of a guaranty imposes an obligation on the issuing bank. Indeed, as has been stated above, the risk potential to the bank's depositors and shareholders is as great as if the transaction had been a typical loan by the bank to its customer. Accordingly, the need for adequate safeguards—in the form of reserve requirements—is all too apparent. Under the bill which is being introduced today, these concerns would be addressed.

State banks that are members of the Federal Reserve System, as well as national banks, have been involved in issuing standby letters of credit. To provide competitive equality between both types of institutions, my bill would subject all liabilities of a State member bank—including liabilities on a standby letter of credit, guaranty or surety agreement—to the same legal limitation on total liabilities that applies in the case of a national bank. The bill would also apply to a State member bank the same legal limit on lending to any one customer—including lending its credit through a standby letter of credit, guaranty or suretly agreement—that applies in the case of a national bank.

This bill would also treat other bank obligations that are not now subject to such legal limitations to the same limitations that would be imposed on standby letters of credit, guaranties and surety agreements. One such obligation that is susceptible to the same kind of abuse is the so-called "ineligible" bank acceptance. There is some reason to believe that this type of obligation may be used to achieve the same results that would apply if a standby letter of credit was used to facilitate the issuance of commercial paper by a dummy corporation. Moreover, as the Federal Reserve Board has stated:

> Ineligible acceptances and standby letters of credit are similar in terms of credit risk because of the timing, amount and degree of exposure can be about identical in the two types of transactions. (Fed. Res. Bd. Release, Aug. 12, 1974).

A bank acceptance arises when a bank's customer draws a draft on the bank, for example, with a maturity of 60 days; and the bank "accepts" the draft. When the draft is stamped "accepted" by the bank, the bank agrees to pay the amount of the draft to the holder thereof, on the maturity date. The accepted time draft is commonly known as a bank acceptance.

Under section 13 of the Federal Reserve Act, national banks and State member banks are authorized to accept time drafts that arise from the import or export of goods, or the domestic shipment of goods, or the storage of so-called "readily marketable staples." Bank acceptances of the kind authorized by section 13 of the Federal Reserve Act are "eligible" as collateral for short-term loans from a Federal Reserve Bank to a member bank, assuming the acceptance has a maturity at the time of the loan of less than 90 days.

The amount of eligible acceptances that a bank may have outstanding is limited in two ways: a limitation on the aggregate amount of such acceptances that a member bank may make; and a limitation on the amount that may be accepted for any one customer. Thus, eligible acceptances are subject to limitations comparable to those which the bill would impose on standby letters of credit, guaranties and surety agreements.

"Ineligible" bank acceptances are acceptances that are not of the type authorized by section 13 of the Federal Reserve Act. State law may permit State-chartered banks to make acceptances other than those described in section 13, and the Federal Reserve has not objected to the creation of such acceptances. A decade ago, the Comptroller of the Currency ruled that national banks may make ineligible acceptances pursuant to authority under the "incidental powers" clause of the National Bank Act.

Last year, the Federal Reserve ruled that the amount limitations of section 13 apply to eligible acceptances and not to ineligible ones. To complete the regulatory pattern, it would seem desirable to subject ineligible acceptances to limitations similar to those applicable to eligible acceptances, and to those proposed for standby letters of credit, guarantees, and surety agreements.

My bill, therefore, would subject ineligible acceptances to the landing limit and the aggregate liabilities limit of the National Bank Act, and to reserve requirements under the Federal Reserve Act. Under the Federal Reserve's rules, ineligible acceptances are treated as "deposit" liabilities subject to reserve requirements only if the acceptance is purchased and then sold or transferred by the bank, as a means of resupplying itself with funds for use in its banking business. Moreover, if the ineligible acceptance is treated as a deposit liability, it is exempt from the aggregate liabilities limitation of the National Bank Act. My bill would subject all ineligible acceptances to the legal limitations on loans and liabilities of the bank—and to reserve requirements—at the time the bank agrees to pay the draft, regardless of subsequent transactions.

Although not expressly provided, an effect of the bill would be to require a bank to show on its balance sheet a liability representing its obligations under standby letters of credit, guarantees, surety agreements and ineligible bank acceptances; and an asset representing the obligation of the customer to repay the bank for its loan. Thus, a bank would be required to disclose adequately the scope of such transactions, and not merely "footnote" them. Section 60(2)(a) of the Canadian Bank Act requires that banks, subject to its jurisdiction, record and capitalize as a liability "Acceptances, guarantees and letters of credit," and as an asset "Customers' liability under acceptances, guarantees and letters of credit." Similar requirements have been imposed in other jurisdictions. Unless adequate disclosure requirements are levied on American banks as well, shareholders and depositors will not be informed adequately of the institutions' total risk exposure.

Another effect of the bill would be to require full credit analysis where such transactions are involved. As the Federal Reserve Board has announced:

> [S]afe and sound banking practices would require that the credit of the account party under a standby letter of credit be examined with the same care as the credit of a potential borrower in an ordinary loan situation. (39 Fed. Reg. 2774 [1974])

For example, in the case of a dummy corporation which is issuing commercial paper backed by a bank guaranty, and the proceeds involved are employed in financing the purchase of personal property for lease or sale to a user, full credit analysis would be required with respect to the ultimate user of the property.

Although the Federal Reserve, the Federal Deposit Insurance Corporation and the Comptroller of the Currency have promulgated regulations recently governing standby letters of credit and ineligible bank acceptances, in my opinion these regulations do not go far enough toward solving the troublesome issues discussed above. All three agencies would treat standby letters of credit and ineligible bank acceptance as loans for the purpose of computing whether the legal limitations on loans to one borrower are exceeded; however, they do not deal with the substance of a transaction involving a dummy corporation. Moreover, the agencies would not subject such instruments to the aggregate liabilities limit; they would not impose reserve requirements; and they would not require a bank to record and capitalize on its balance sheet an asset and a liability representing the transaction. My bill addresses these concerns.

In conclusion, Mr. President, it should be noted that one of the most highly respected bankers in this Nation, David Rockefeller, was quoted 2 weeks ago as stating that our present economic "situation is uncertain enough so that one shouldn't discard the possibility of a panic." He went on to state that our banking system "must exercise its own restraint, avoid speculative action and improve the quality of its loans." A great deal has happened in the last 2 weeks and there is reason for optimism. Moreover, I am confident that we will weather the economic storm as we have weathered the political storm. Nevertheless, one cannot be sanguine about certain practices which undermine the stability of our financial institutions. Only if the provisions of the proposed bill are enacted into law will the potentially unsound banking practices to which I have referred be eliminated.

I ask unanimous consent that a copy of my bill accompanied by a section-by-section analysis and a comparison of the bill with the present regulatory treatment of standby letters of credit be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 5202 of the Revised Statutes, as amended (12 U.S.C. § 82), is amended by striking "in any way liable" and inserting "incur any liability (including any liability arising from the acceptance of a time draft or from an undertaking to make or arrange a payment in the event another person fails to do so)".

(b) The clause numbered "Fifth" in such section 5202 is amended to read:

"Fifth. Liabilities incurred under the provisions of the Federal Reserve Act, including liabilities arising from the acceptance of time drafts of the kinds described in section 13 of the Federal Reserve Act."

SEC. 2. Section 5200 of the Revised Statutes (12 U.S.C. § 84) is amended by inserting immediately after the second sentence the following new sentence: "For purposes of this section, (a) where an association accepts a time draft (other than a time draft of a kind described in section 13 of the Federal Reserve Act), the amount of the acceptance shall be deemed an obligation to the association of the person who is obliged to place the bank in funds prior to the maturity of the acceptance, (b) where an association undertakes to make or arrange a payment in the event another person fails to do so, the amount involved shall be deemed an obligation of that person to the association, and (c) where the acceptance or undertaking is made in connection with the financing of the purchase of personal property for lease or sale to a user, the amount of such acceptance or undertaking shall be deemed an obligation of the user to the association."

SEC. 3. Section 19(a) of the Federal Reserve Act, as amended (12 U.S.C. § 461(a)), is amended by adding at the end thereof the following sentence: "For the purposes of subsection (b) of this section, any member bank acceptance (other than an acceptance of a kind described in section 13) or any undertaking by a member bank to make or arrange a payment in the event another person fails to do so shall be deemed a deposit."

SEC. 4. Paragraph 6 of section 9 of the Federal Reserve Act (12 U.S.C. § 324) is amended by striking "sections 5199(b) and 5204 of the Revised Statutes with respect to the payment of dividends" and inserting "sections 5199(b), 5200, 5202 and 5204 of the Revised Statutes".

SEC. 5. The provisions of this Act shall take effect upon the expiration of 30 days after the date of its enactment.

SECTION-BY-SECTION ANALYSIS

Section 1. This section would subject a national bank's potential liability on standby letters of credit, ineligible bank acceptances, guaranties and surety agreements to the legal limitation on total liabilities of a national bank: 100 per cent of its capital stock and 50 per cent of its surplus. In this way, banks will be prevented from exposing themselves to unlimited liability on the guaranty of corporate commercial paper or other obligations.

Section 2. Under this section of the bill, the obligation of a customer to the national bank under a standby letter of credit, ineligible bank acceptance, guaranty or surety agreement would be treated as an obligation subject to the legal limitation on loans to one borrower—which is 10 per cent of the bank's capital and surplus. Where a "dummy" corporation is issuing commercial paper backed by a bank guaranty—or a similar arrangement is present—and the proceeds of the issue are used to finance the purchase of personal property for lease or sale to a user of the property, the bank would be required to look through the dummy and treat the ultimate user as the borrower for purposes of applying the lending limit.

Section 3. This section would impose reserve requirements on such obligations of a bank that is a member of the Federal Reserve System.

Section 4. This section would apply to a State member bank the same legal limitation on total liabilities that applies in the case of a national bank, and the same limitation on loans to one borrower.

The bill as a whole. Although not expressly provided, an effect of the bill would be to require a bank to show on its balance sheet a liability representing its obligations under standby letters of credit, guaranties, surety agreements and ineligible bank acceptances; and an asset representing the obligation of the customer to repay the bank for its loan. Thus, a bank would be required to disclose adequately the scope of such transactions, and not merely "footnote" them.

Another effect of the bill would be to require full credit analysis where such transactions are involved. For example, in the case of a dummy corporation which is issuing commercial paper backed by a bank guaranty, and the proceeds involved are employed in financing the purchase of personal property for lease or sale to a user, full credit analysis would be required with respect to the ultimate user of the property.

COMPARISON OF S. 3950 WITH REGULATORY TREATMENT OF STANDBY LETTERS OF CREDIT

	Federal Reserve Board (FRB)	FDIC	Comptroller	S. 3950
I. Lending limits:				
(A) Limit on loans to one borrower	State limit applies unless State has separate limit for standby letters of credit.	Same as FRB	Federal limit (12 U.S.C. 84) applies.	Same as Comptroller, except where "dummy" involved.
(B) Limit on loans to affiliates (sec. 23A of Federal Reserve Act).	Applies	Applies	Applies	Silent.
(C) Exemptions from A and B:				
1. Standby letter prepaid or collateralized by segregated deposit.	Exempt	Exempt	Exempt	Do.
2. Supervisor concludes standby letter does not involve same degree of risk as loan.	Not exempt	Not exempt	do	Not exempt.
II. Limit on aggregate liabilities (12 U.S.C. 82 and pertinent State law).	Silent	Silent	Silent	Federal limit (12 U.S.C. 82 applies.
III. Reserve requirements	do	No authority	No authority	Apply to FRB member banks.
IV. Balance sheet presentation	Total outstanding must be disclosed in footnote to balance sheet.	Must be "adequately reflected" in financial statements.	Same as FRB	Must be shown as assets and liabilities on balance sheet.
V. Credit analysis	Rule requires analysis equivalent to that for ordinary loan.	Press release indicates analysis equivalent to that for ordinary loan is expected.	Silent	Same as FRB, except where "dummy" involved.

[From American Banker, May 1, 1974]

COMPTROLLER SHOULD ISSUE RULING ON STATUS OF LETTERS OF CREDIT

DEAR MR. BLOOM: Pursuant to the notice in the Federal Register of Jan. 22, 1974, I would like to respond to your request for comments on proposed rules in regard to banks issuing "stand-by letters of credit."

One typical form of a "stand-by letter of credit" arrangement is often as follows: a bank—or group of banks—will provide to a single-purpose thinly capitalized or "dummy" corporation the bank's "letter of credit" which is physically attached to commercial paper issued by the dummy corporation to the public. The proceeds of the sale of the paper are used to acquire assets which the dummy corporation makes available to a creditworthy company under a "lease" or "financing agreement."

Under the "letter of credit" the bank guarantees that the dummy's commercial paper will be honored upon maturity. The commercial paper is purchased by the public principally, if not solely, in reliance on the bank's obligation to honor the paper. Usually the dummy's commercial paper will be paid on maturity by the proceeds of the issuance of additional commercial paper guaranteed by the bank, until the cost of the underlying asset has been fully recovered through periodic payments by the user, thus gradually retiring the outstanding commercial paper.

A more detailed description of this type of transaction is set forth in a request for a no-action letter dated March 20, 1973, from White & Chase to the Securities and Exchange Commission, together with the SEC no-action letter dated April 5, 1973, in response to that request.

In other instances the standby letter of credit is used by established companies not having adequate credit themselves to enter the commercial paper market. In regard to both types of borrowers, the single-purpose corporation or the poorly capitalized company, the bank's guarantee covers more than the credit risk of assuring payment by a borrower. Of more serious consequence, the bank guarantees the commercial paper purchaser against a risk which economically a bank should never undertake. The bank guarantees the stability of the most volatile money market, that of commercial paper. The bank guarantees the commercial paper buyer against the hazard that the commercial paper market will evaporate, as it has from time to time, for most issuers.

First, I should like to emphasize that I believe a "standby letter of credit" is a guarantee by the bank of the credit of a third party and is therefore illegal. The attached memorandum (reprinted below) sets forth considerations to support the conclusion that this practice is legally not permissible.

As indicated in the memorandum, there is a distinction between this practice and the traditional commercial use of letters of credit to facilitate the purchase and sale of goods in domestic and international trade. Characterizing the transaction described in the preceding paragraph as a "letter of credit" is a distortion of the term in its traditional sense. It is clearly a guarantee.

For example, I believe it is significant that the Securities and Exchange Commission issued its no-action letter based upon the exemption set forth in Section 3(a)(2) of the Securities Act of 1933 which exempts from registration these securities which are "issued or guaranteed" by a bank.

Standby letters of credit which are illegal guarantees and therefore ultra vires expose the issuing bank to legal action by its shareholders and depositors as well as by competitors of the bank who are adversely affected by the practice. I am also concerned that the commercial paper market could be upset, with serious repercussions, as a result of litigation challenging the enforceability of the guarantee of commercial paper by a bank. Because many real estate investment trusts, exclusively leveraged in the commercial paper market as a result of using standby letters of credit, are in financial difficulties, the possibility of legal challenge to the validity of such guarantees by depositors and shareholders of a bank is anything but remote. If the banks persist in pursuing this type of transaction under the sham of "letters of credit," I believe the bank regulars must recognize that this type of letter of credit is a guarantee and prohibit the practice.

However, if you believe that these "standby letters of credit" have commercial utility and desire to promulgate rules permitting the practice then I am convinced that they must look to the economic realities of the transaction and impose regulations to insure that these letters of credit are subject to those traditional bank safeguards establishing lending limits, reserve requirements and full credit analysis which are so crucial to the preservation of liquidity in and stability of the American banking system.

I suggest the bank regulators treat standby letters of credit as do the commercial paper marketplace and bank loan officers. The buyer of the dummy's or the undercapitalized corporation's commercial paper is relying on the bank's credit and is in effect buying the bank's own commercial paper.

Where a dummy is used, the bank is extending credit, not to the dummy corporation but to the creditworthy user of the equipment, who has the obligation to repay the acquisition cost of the equipment over an agreed term.

The real customer of the bank is the creditworthy user of the equipment. The dummy should be disregarded as issuer of the commercial paper, as customer of the bank and as owner of the asset. In essence, the bank is lending funds to the creditworthy user for the purpose of acquiring the equipment and the bank is obtaining such funds through the issuance of its own commercial paper.

From the foregoing, it follows that the legal lending limits of the bank must apply with respect to the loan to the creditworthy user of the equipment and not to a dummy, or a group of dummies which may enable an evasion of the intent of the 10% legal limit section of the National Bank Act.

Secondly, since in essence the loan is financed by the bank's issuance of an instrument of liability in the commercial paper market—the bank is the real obligor and the dummy or undercapitalized corporation is not considered by the commercial paper buyer as the real obligor—the bank's instrument of liability should be subject to reserve requirements.

Thirdly, the bank should record and capitalize on its balance sheets (1) a liability representing the obligation of the bank with respect to the repayment of the commercial paper and (2) an asset representing the obligation of the user of the equipment to repay the bank for the loan. The Bank of Montreal capitalizes letters of credit and guarantees as a loan under the requirements of the Canadian Act. Under rules issued by the Canadian bank regulators, Canadian banks must capitalize these transactions within the certificate of condition of Canadian banks as assets and liabilities (Schedule N, Section 60(2)(a) of the Canadian Bank Act).

In my view, it is clearly inadequate to state that the bank need only to state the obligation under the letters of credit. Such a requirement would not provide the necessary safeguards to the bank. Its shareholders and depositors. Moreover, it could also be construed as lending an aura of legitimacy to a "letter of credit" which is either a "contingent" liability and hence an illegal guarantee or, in economic reality, a transaction which should be treated in all respects as a loan on the books of the bank.

I therefore urge you to effect a rule to either declare the current practices of standby letters of credit to constitute a guarantee which is beyond the powers of the bank, or recognize the economic realities of these arrangements by requiring strict adherence to lending limits, reserve requirements and balance sheet disclosure as an asset and liability.

I shall be following your actions in this matter with keen interest.

EDWARD W. BROOKE.

MEMORANDUM—SUBJECT: POWER OF BANKS TO ISSUE LETTERS OF CREDIT AND GUARANTEES

I. QUESTIONS PRESENTED

A. Under what circumstances may banks issue letters of credit?

B. Do state and national banks have the power to issue guarantees in the form of "standby letters of credit"?

C. Can the Comptroller of the Currency or other bank regulators authorize banks to issue "standby letters of credit"?

D. Does Section 3(a)(2) of the Securities Act of 1933 authorize state and national banks to issue guarantees?

II. CONCLUSIONS

A. Banks, including national banks, have well established authority to issue letters of credit in international and domestic commercial transactions. Their authority is an implied authority rather than one explicitly granted by statute, except in the case of banks engaged in foreign transactions and in the case of some state banks which operate under state laws which do specifically authorize the issuance of letters of credit. Banks are generally prohibited from guaranteeing the obligations of third parties. When a document which purports to be a letter of credit is in fact a guarantee, it is ultra vires.

B. The "standby letter of credit" is an instrument issued by a bank, attached to commercial paper sold by the bank's customer and guaranteeing to the buyer of such commercial paper that if the issuer fails to pay on maturity, the bank will make payment. The "standby letter of credit" is, therefore, a guarantee by the bank of an obligation of a third party. National banks have neither express nor implied powers to issue guarantees of the obligations of third parties whether in the form of "standby letters of credit" or otherwise. State banks do not have power to issue guarantees unless expressly provided by state laws and most state laws do not so provide.

C. The Comptroller of the Currency and the other bank regulators cannot authorize banks to issue standby letters of credit because they are not within the statutory authority of the banks, and the bank regulators do not have the power to authorize any bank activity not within the statutory grant.

D. Section 3(a)(2) of the Securities Act of 1933 exempting securities issued or guaranteed by banks from registration requirements does not give banks authority to issue guarantees which are not otherwise permitted under the Federal or state banking acts.

III. DISCUSSION

A. Right of Banks to Issue Letters of Credit. National banks have an implied but not express power to issue letters of credit. Such implied power derives from the National Bank Act of 1864 in which there was conferred on all bank "all such incidental powers as shall be necessary to carry on the business of banking," and the Federal Reserve Act, Article 1, Section 13, Paragraph 5, which authorized member banks—including all national banks—to accept drafts or bills of exchange had not more than six months right to run and if such drafts or bills of exchange grew out of import-export and/or certain domestic transactions.

A specific authority to issue letters of credit first appeared in the act authorizing foreign banking, the act of Dec. 24, 1919. In addition to the Federal laws, many states have specifically granted local banks the authority to issue letters of credit. The state laws of every state are detailed in Encyclopedia of Banking Laws, edited by Henry J. Bailey, Banking Law Journal, Boston, 1964.

A letter of credit is not a guarantee and the two types of instruments must be distinguished. A leading case on this point is the Border National Bank case (1922). The defendant bank raised the defense of ultra vires on grounds that a document purporting to be a letter of credit issued by it was in fact a guarantee. The court found for the plaintiff and in so doing made the following distinction which has been generally followed in the cases:

"A guarantee is a promise to answer for the payment of some debt, or the performance of some obligations, in case of a default of another person, who is in the first instance liable for such payment or performance. A letter of credit confers authority upon the person to whom it is addressed to advance money or furnish goods on the credit of the writer. . . . It is well settled that the guarantee of a national bank is ultra vires. But a national bank is bound by its letter of credit. Decatur Bank v. St. Louis Bank 21 Wall 294, 22 L. Ed. 560."

B. Rights of Banks to Issue Guarantees. It is well established in both Federal and state cases that national banks are not permitted to guarantee liabilities of third parties, and that state banks are not permitted to guarantee liabilities of third parties unless specifically authorized by state statute. It is not one of the express powers enumerated by the National Bank Act, it is rarely a power granted by state statute, and the courts have consistently held it not to be one of the incidental powers granted by the National Bank Act.

1. An often cited Federal case is Merchants Bank of Valdosta v. Baird. In that case the court stated:

"A national bank may warrant the title to property it conveys, or become liable as an endorser or guarantor of notes or other obligations which it rediscounts or sells because to do so is incidental to the business it is authorized to transact, and to the disposition of property it has lawfully acquired. But it cannot lend its credit to another by becoming surety, endorser or guarantor for him. It cannot, for the accommodations of another, endorse his note or guarantee the performance of obligations in which it has no interest. Such an act is a venture beyond the confines of its charter and, when its true character is known, no rights grow out of it, though it has taken on in part the garb of a lawful transaction."

A second Federal case reaching the same conclusion and often cited is the Farmers and Mines Bank case (1926), in which the court said:

"In the Federal courts, it is well settled that a national bank has not power to lend its credit to another by becoming surety, endorser or guaranter for him."

In a third Federal case, the Kimen case, (Kimen v. Atlas Exchange National Bank of Chicago, Awotin v. Healy, et al, 1937), the court, in holding that national banks cannot guarantee obligations of third parties, set forth the basic doctrine of the derivation of powers of national banks and discussed why national banks cannot guarantee such obligations of third parties. The court held that an agreement of the bank to repurchase at par real estate bonds of one of the bank's customers which were being sold by the bank is a *guaranty* and stated in part:

"National banks may rightfully exercise only such powers as are expressly granted and such as are necessarily incidental to the effectuation of their charter purposes. Incidental powers can avail neither to create powers which expressly or by reasonable implications are withheld nor to enlarge the powers granted. They are inferred and exist only to carry into effect such powers as are granted. First National Bank v. Missouri. . . .

"The evident constant temptation to a bank to deal in large quantities of securities for the commissions easily earned by selling to its customers tends to produce an ever increasing number of guarantees contingent upon the desire of the purchasers. There is no certainty that the buyers will ever require the bank to repurchase, and the bank cannot know whether it will be expected to comply with demands . . . To our minds such agreements are no part of the express power of a national bank or in any way incidental to the effectuation thereof. Rather they seem to us wholly beyond any express or implied grant of powers by the Congress." (Kimen.)

The court also cited the statement of the U.S. Supreme Court in Awotin v. Atlas Exchange Bank, where the court was passing upon what the court in the Kimen case termed an identical agreement to buy back bonds at par which the bank was selling but which was entered into subsequent to the passage of the Glass-Steagall Banking Act of 1933, which provided that national banks may buy and sell investment securities only without recourse. The Supreme Court stated:

"National banks are public institutions, and the purpose and effect of the statute is to protect their depositors and stockholders and the public from the hazards of contingent liabilities attendant upon the assumption by the bank of the risk of loss by its customers, resulting from the permitted dealing in securities by the bank."

2. A leading state case on powers of national banks is Healey v. Stewardson (1936). In this case, action was blocked against a national bank to enforce the bank's guaranty of payment of a check given by the bank's customer to plaintiff. The Illinois Appellate Court held that the guaranty of the national bank was outside the charter powers of the bank and therefore ultra vires. The court stated in part:

"A general rule seems to have been well established that a national bank has no power, under the national banking acts, to guarantee, merely for the accommodation of another, the performance of obligations in which it has no interest and from which it derives no benefit."

The Illinois Appellate Court then cited and quoted from the Missouri case of First National Bank of Moscow, Idaho, v. American National Bank of Kansas City (1903). This latter case was a suit to recover on a guaranty of payment of a draft of the bank's customer. The Missouri Supreme Court, in holding the guaranty of the national bank to be beyond its powers and therefore ultra vires, cited numerous Federal and state cases while stating that:

"This law has undergone thorough and exhaustive adjudication in the courts of the United States, and briefly stated, the rule declared is that a national bank has no power, either with or without a sufficient consideration, to agree or bind itself that a draft of A upon B will be paid; that such agreement is a mere guaranty, and is not within the powers conferred upon such banks; and that, when sued upon such a contract, the bank can successfully interpose a defense of ultra vires. Seligman v. Charlottesville National Bank, Johnston v. Charlottesville National Bank, National Bank of Commerce of Kansas City v. First National Bank of Kansas City, Kans., Commercial National Bank v. Pirie, Western National Bank v. Armstrong, Bowen v. Needles National Bank, and cases cited; First National Bank v. National Exchange Bank.

"This rule of the Federal courts has been yielded to and enforced in state courts. Thilmany v. Paper Bag Co., and cases cited; Groos v. Brewster." The rule is thus tersely stated in Bank v. Pirie:

"'The act of Congress under which the bank was organized confers no authority upon national banks to guaranty the payment of debts contracted by third parties; and acts of that nature, whether performed by the cashier of his own motion or direction of the board of directors, are necessarily ultra vires. A national bank may endorse or guaranty the payment of commercial paper which it holds when it rediscounts or disposes of the same in the ordinary course of business.

"Such power, it seems, a national bank may exercise as incident to the express authority, conferred on such banks by the national banking act to discount and negotiate promissory notes, drafts, bills of exchange, and other evidences of debt (Peoples Bank v. National Bank, U.S. National Bank v. First National Bank); but it has never been supposed that the board of directors of a national bank can bind it by contracts of suretyship or guaranty which are made for the sole benefit and advantage of others. The National Banking Act confers no such authority in express terms or by fair implication, and the exercise of such power by such corporation would be detrimental to the interests of depositors, stockholders, and the public generally, Norton v. Bank, State Bank v. Newton National Bank, Bank v. Smith.'"

While state statutes which authorize the organization of state banks and enumerate their powers vary, it can generally be stated that the statutes of most states do not provide for state banks to guaranty the obligations of third parties. The state cases have also generally interpreted state and Federal law as not permitting state banks to guarantee obligations of third parties unless such a guaranty is for the protection of the bank's rights, or incidental to the transaction of its own business, or for its own benefit.

C. There are numerous cases in which the Federal courts have concluded that the Comptroller of the Currency attempted to permit national banks to engage in business activities not contemplated by either the express powers of the incidental power provisions of the National Banking Act and have therefore held such activities to be illegal.

1. The courts first found that businesses with whom the national banks were competitive have standing to sue. In the Association of Data Processing Service case and the Investment Company Institute case the U.S. Supreme Court found that the associations as well as the individual businesses being competed against by the national banks had standing to challenge the rulings of Comptroller of the Currency.

One ruling of the Comptroller reviewed by the Supreme Court allowed national banks to make data processing service available to bank and bank customers and the other authorized banks to establish and operate collective investment funds. In the Association of Data Processing case the Supreme Court held: "We find no evidence that Congress in either the Bank Service Corporation Act or the National Bank Act sought to preclude judicial review of administrative rulings by the Comptroller as to the legitimate scope of activities available to national banks under those statutes."

2. On the merits, in the Association of Data Processing Service case, the Supreme Court ruled that the Comptroller had allowed the national bank to enter a field of endeavor beyond its authority as set forth in the National Banking Act and in the case of the Investment Company Institute case the Supreme Court ruled that the Comptroller allowed the national bank to engage in an activity prohibited by the Glass-Steagall Banking Act of 1933.

The most recent and comprehensive case on business activities of national banks allowed by the Comptroller of the Currency and prohibited by the court is the Arnold Tours case. Suit was brought by Arnold Tours, Inc., and 41 other independent travel agents of Massachusetts against the Comptroller of the Currency and South Shore National Bank seeking declaratory and injunctive relief on grounds that the National Bank did not authorize national banks to enter the travel agency business. Defendants argued that the statutory authority for national banks to engage in the travel agency business could be found in 12 U.S.C. § 24, Seventh, the "incidental powers" provision.

The Comptroller had ruled that national banks could engage in the travel agency business and set forth the ruling in paragraph 7475 of the Comptroller's Manual for National Banks (1973) which is now codified at 12 C.F.R. § 7:7475.

The court held that "— a national bank's activity is authorized as an incidental power, 'necessary to carry on the business of banking', within the meaning of 12 U.S.C. § 24, Seventh, if it is convenient or useful in connection with the performance of one of the bank's established activities pursuant to its express powers under the National Bank Act. If this connection between an incidental activity and an express power does not exist, the activity is not authorized as an incidental power."

The court concluded that the operation of a travel agency could not reasonably be said to be convenient or useful in connection with the performance of one of the bank's established activities. In the exercise of its express powers. The court went on to find that while a determination of the Comptroller of the Currency must be given weight, it does not remove the ultimate responsibility of the court to interpret the legislation of Congress. The court quoted the case of Zuber v. Allen (1969):

"While this court has announced that it will accord great weight to a departmental construction of its own enabling legislation, especially a contemporaneous construction . . . it is only one input in the interpretational equation.

"The court may not, however, abdicate its ultimate responsibility to construe the language employed by Congress."

The court also quoted the case of Webster Groves Trust Co. v. Saxon, in which the Court of Appeals held:

"a . . . judicial cognizance of a controversy with the Comptroller may be taken and judicial power exercised to keep the Comptroller within statutory bounds . . . This rule keeps the Comptroller from being a free-wheeling agency dispensing Federal favors; and it gives some assurance that he will render principled decisions within the rule of law laid down by Congress."

Also see footnote 12 of the Arnold Tours case for further cases cited in which the Comptroller was held to have incorrectly ruled that national banks could engage in other business activities.

D. The Effect of Section 3(a)(2) of the Securities Act of 1933 on the Right of National and State Banks to Issue Guarantees. Section 3(a)(2) of the Securities Act of 1933 exempts from registration requirements of the act any securities issued or guaranteed by any bank, national or state. The primary legislative history of the Securities Act of 1933 detailed in Sowards. The Securities Act of 1933, Part 2, does not set forth in intent of Congress with regard to the referenced exemption. The cases have long held that the power of national banks derive only from the National Bank Act and therefore any conclusion that the powers of national banks could derive from any other source, including the Securities Act of 1933, would be incorrect. The Supreme Court has stated:

"The extent of the powers of national banking associations is to be measured by the act of Congress under which such associations are organized." (Bullard v. National Eagle Bank, 1873.)

". . . The National Banking Act is an enabling act for all associations organized under it, and . . . a national bank cannot rightfully exercise any powers except those expressly granted by that act or such incidental powers as are necessary to carry on the business of banking for which it was established." (Logan County National Bank v. Townsend, 1890. See also First National Bank in St. Louis v. State of Missouri ex int. Barrett, 1923, and First National Bank of Charlotte v. National Exchange Bank of Baltimore, 1875.)

State courts have frequently held that state banks derive their power from state statutes and that Congress has no authority to broaden the power of state banks to guarantee obligations of third parties. An example of this principle can be found in the Federal Land Bank of St. Paul case, where the Minnesota Supreme Court held that Congress, in passing the Federal Farm Loan Act which required banks negotiating loans under the act to guaranty the loans, had no authority to expand the powers of the state banks to make such guaranties and that therefore all such guaranties were ultra vires, notwithstanding the Federal statute.

The Administrator
of National Banks,
Washington, D.C., June 28, 1974.

Hon. Edward W. Brooke,
U.S. Senate,
Washington, D.C.

Dear Senator Brooke: This is in reference to your letter of March 14, 1974, containing comments on our pending rulemaking in connection with standby letters of credit issued by banks. The pending rules would require banks to treat such standby or guaranty letters of credit the same as conventional loans for the purpose of statutory lending limits and would also require that the bank exercise the same degree of prudence in the granting of such credits as in the case of a direct loan. Neither our proposed rule nor similar ones published simultaneously by the other banking agencies questioned the legality of standby letters. This office had previously recognized the validity of standby letters of credit issued by national banks and its position is set forth in published Interpretive Rules 12 C.F.R. 7.7016 and 7.7420.

Attached to your letter of March 14, 1974, was an unsigned memorandum of law questioning the power of banks to issue standby letters of credit. In view of the contrary position heretofore taken by this office, we asked Mr. Henry Harfield of New York City, who is an acknowledged expert in the field of letters of credit, to comment upon the memorandum of law attached to your March 14 letter. Mr. Harfield's comments, attached hereto, confirm the conclusions of our Law Department that guaranty letters of credit are legal obligations in all respects. We agree with the conclusions contained in the Harfield letter and, in particular, feel that recent federal appellate court decisions such as *Barclays Bank* v. *Mercantile National Bank*, 481 F. 2d 1224 (5th Cir. 1973) and *Wichita Eagle & Beacon Pub. Co.* v. *Pacific National Bank*, 493 F. 2d 1285 (9th Cir. 1974), represent the modern trend of the courts to recognize the power of national banks to guarantee the obligations of customers in the ordinary course of business.

Sincerely yours,
James E. Smith,
Comptroller of the Currency.

Shearman & Sterling,
New York, N.Y., June 14, 1974.

Robert Bloom, Esq.,
Chief Counsel, Office of the Comptroller of the Currency, Washington, D.C.

Dear Mr. Bloom: This responds to your letter of May 2, 1974 requesting my comments on the points of law discussed in Senator Brooke's letter to you dated March 14, 1974, and the unsigned memorandum of law appended thereto.

For the reasons set forth hereafter, I disagree with the proposition that standby letters of credit are unlawful; I am in agreement with the proposition that the issuance and management of such commitments should be regulated in the interest of prudent banking and the exercise of sound credit judgment; I disagree with the suggestion that imposition of reserve requirements is an appropriate regulatory tool for that purpose.

Introduction. I think it is essential to preface my comments with some observations that are necessary to identify the subject-matter of the discussion. Senator Brooke focuses on a particular kind of "standby letter of credit" described in his letter, that is used to improve the marketability of commercial paper by guaranteeing that the maker will discharge at maturity the obligation evidenced by the paper. This, of course, is but one of a wide range of arrangements by which a bank undertakes to make a payment for account of its customer in connection with a transaction not involving a purchase of merchandise or other tangible goods. Designation of such arrangements as "standby letters of credit" in contradistinction to "traditional commercial letters of credit" creates a dichotomy that is neither desirable nor accurate. There is a polar contrast between the standby letter of credit arrangement described by Senator Brooke and what he characterizes as a traditional commercial letter of credit to facilitate the purchase and sale of goods in domestic and international trade; but there is a wide range of economically important transactions that lie in the intervening latitudes.

While the memorandum of law that accompanied Senator Brooke's letter argues in legalistic terms the Senator's letter appears to address itself to the substance and function of transactions rather than to their form. If we view the subject in this sensible light it should be apparent that the line of demarcation between "standby" and "traditional commercial" letters of credit should be drawn between a letter of credit used as a payment mechanism and a letter of credit used as a financing mechanism.

The traditional commercial letter of credit, as described by Senator Brooke, is essentially a payment mechanism. The letter of credit is ancillary to a commercial contract or similar arrangement between the bank's customer and the beneficiary of the letter of credit, and the expectation is that the bank's customer will be ready, able and willing to make whatever payment is contemplated by that contract. The bank's function is to make the payment on behalf of its customer. In most instances, the bank uses the customer's money to make the payment, that is to say, it charges the amount paid to the beneficiary against a credit balance maintained with it by its customer; alternatively, it is reimbursed by its customer simultaneously with the payment made under the credit. An arrangement of this character is not a financing transaction because the customer is at no time indebted to the bank.

A standby letter of credit, as described by Senator Brooke, on the other hand, is clearly a financing mechanism rather than a payment mechanism. Such credits, i.e., those used to guarantee commercial paper, are, ab initio, integral parts of a financing transaction. The sole purpose of issuing the credit is to assist the bank's customer in borrowing money, and as the sole condition upon which the bank must pay under the credit is the customer's default in repaying borrowed money, it is evident that the net effect is to substitute the bank for the holder of the commercial paper as a creditor of the bank's customer.

It may be, of course, that the traditional commercial letter of credit transaction, which is a payment mechanism rather than a financing mechanism, may result in a loan by the bank to its customer if banker and customer have agreed that reimbursement under the credit is to be delayed for a particular time, in which case the letter of credit transaction will embody some of the elements of a term loan commitment. It is also possible that a credit conceived and structured as a payment mechanism will become a financing mechanism through the unforeseen inability of the customer to reimburse the bank simultaneously with payment under the credit. It is for these reasons, I would suppose, that the Comptroller cautioned national banks, in his Interpretive Ruling No. 7.1160 that the making and management of irrevocable letters of credit, of whatever character, requires the exercise of prudent banking judgment to prevent the creation of loans in excess of the limit on loans that may be made to any one customer.

What does seem abundantly evident, however, is that the so-called traditional commercial letter of credit ranges over a far broader spectrum than letters of credit that relate to a contract for the purchase and sale of goods or merchandise. In a modern economy, commerce is no longer confined to mercantile trade; any transfer of value in the form of property or property rights, tangible or intangible, or of services, is a commercial transaction and a letter of credit that facilitates such a transaction is a commercial letter of credit.

The standby letter of credit, then, whose legality you have asked me to review, should properly be characterized as a letter of credit incidental to a financial transaction designed to assure that borrowed money will be repaid, rather than to assure payment for goods, services, or other values. It is in that sense that I shall use the term "standby letter of credit" hereafter.

Standby Letters of Credit are Lawful. In my opinion, issuance and performance of such letters of credit is an essential part of the business of banking and is lawful for national banks.

The fact that such instruments *are* intended to and do serve the purpose of guaranties is completely immaterial. Every letter of credit, including those that facilitate a sale of goods or merchandise, has the attributes of a guaranty and some of the earliest forms of commercial letters of credit in use of the United States were explicitly characterized as guaranties. *See e.g., Omaha National* v. *First National of St. Paul*, 59 Ill. 428 (1871).

The result achieved by an instrument should not affect the legal character of the instrument itself, particularly where, as here, the result is perfectly lawful. In other words, a contract of guaranty, unlike a contract in restraint of trade, is itself entirely lawful. The question relates to the corporate power to make a lawful contract. The legal validity of a standby letter of credit, then, should be tested by determination of whether the transaction is a part of the business of banking or is an unauthorized excursion into, e.g., the business of suretyship. That determination should be informed by inspection of the obligation that a bank has undertaken.

A letter of credit engages the direct and primary liability of the bank, whereas the liability imposed by a guaranty or surety bond is secondary.

Border Nat. Bank v. *American Nat. Bank*, 282 F. 23 (5th Cir. 1922).

Associacion de Azucareros v. *U.S. Nat'l Bank*, 423 F. 2d 638, 641 (9th Cir. 1970).

This distinction is more than formal. A bank's liability under a letter of credit is dependent upon performance of the terms and conditions stated in the letter of credit, without reference to any other contract, agreement, or arrangement. Liability under a guaranty or surety bond, on the other hand, is dependent upon a determination as to whether an extraneous contract, agreement, or arrangement has been performed in accordance with its own terms.

American Steel Co. v. *Irving Nat'l Bank*, 266 F. 41 (2nd Cir. 1920), *cert. denied* 258 U.S. 617 (1922).

O'Meara v. *Nat. Park Bank*, 239 N.Y. 386 (1925).

See, also, cases collected in Harfield, *Bank Credits and Acceptances*, 5th Ed. at page 72, Note 2 (Ronald Press, New York, 1974).

A letter of credit, then, whether it be incidental to a commercial transaction or a financial transaction, is a lawful exercise of a national bank's power to conduct the business of banking. As was said by Mr. Justice Cardozo in *Block* v. *Pennsylvania Exchange Bank*, ". . . whatever is an appropriate and usual incident to this situation or exchange of credits, instead of being foreign to the functions and activities of banking, is in truth of their very essence. It is the end for which a bank exists." (253 N.Y. 227, 231 [1930])

Accordingly, it seems to me that the cases cited in the memorandum of law accompanying Senator Brooke's letter are quite beside the point. The issue, as suggested by Senator Brooke, should be resolved in the light of "the economic realities of the transaction". This necessitates, as I have suggested previously, ascertainment of the bank's actual obligation, as determined by the form of its undertaking, in respect of each transaction or category of transaction. That inquiry, into modern banking practice and modern usage of bank credit, is not advanced by citation of decisions, handed down half a century ago, on the issue of whether banks can, in effect, engage in the business of suretyship.

Recent decisions, as well as the current interpretations by the office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, clearly establish that the issuance of standby letters of credit is a lawful and wholesome banking function.

Barclays v. *Mercantile Nat'l Bank*, 481 F.2d 1224 (5th Cir. 1973), is probably the most instructive case, inasmuch as the precise issue under consideration here was clearly presented and fully briefed before the Fifth Circuit Court of Appeals. The extensive, well-reasoned and thoroughly documented opinion of Judge Ingraham should be read in full. Mercantile National Bank, which had confirmed a non-bank letter of credit issued in favor of Barclays, in support of a loan from Barclays to the account party, argued that its engagement to Barclays pursuant to its confirmation was a guarantee and, therefore, void as an *ultra vires* act. The court rejected that argument and held Mercantile liable to Barclays as a confirming bank. The opinion stressed the propriety of using letters of credit to support transactions in intangibles. (*See* 481 F.2d at 1231–1232, 1239–1240)

Similarly, the United States District Court for the Northern District of California, in *Wichita Eagle & Beacon Pub. Co.* v. *Pacific Nat'l Bank*, 343 F. Supp. 332, 338 (N.D. Cal. 1971), upheld the validity of the use of a letter of credit in lieu of a performance bond with the following cogent comments:

"Contrary to the Bank's implication, the letter of credit has long been a flexible device utilized by the commercial community to meet its needs in a wide variety of situations. . . .

* * * * *

One of the reasons behind the growth and spread of the letter of credit as a commercial tool has been the willingness of the courts to align case law with progressive and current commercial practice. The very type of letter of credit being questioned here by the Bank as a radical departure from traditional usage is but another example of the commercial community pouring old wines into new flasks."

On appeal, the Court of Appeals for the Ninth Circuit repeated and emphasized Judge Levin's finding with respect to development of the letter of credit;

". . . we recognize that the commercial use of letters of credit has expanded far beyond the international sales context in which it originally developed." (14 UCC Rep. at 157)

Of more significance to the present inquiry, however, is the fact that the Court of Appeals, holding that the particular instrument was a guaranty rather than a letter of credit, enforced the guaranty. The Per Curiam opinion stated:

"The instrument involved here strays too far from the basic purpose of letters of credit, namely, providing a means of assuring payment cheaply by eliminating the need for the issuer to police the underlying contract. Harfield, The Increasing Use of Domestic Letters of Credit, 4 UCCLJ 251, 257 (1972); Ward & Harfield, Bank Credits and Acceptances 46, 136–38 (1958). The instrument neither evidences an intent that payment be made merely on presentation of [of] a draft nor specifies the documents required for termination or payment. To the contrary, it requires the actual existence in fact of most of the conditions specified: for termination or reduction, that the city have refused a building permit; for payment, that the lessee have failed to perform the terms of the lease and have failed to correct that default, in addition to an affidavit of notice.

* * * * *

"It would hamper rather than advance the extension of the letter of credit concept to new situations if an instrument such as this were held to be a letter of credit." (14 UCC Rep. at 158)

Nevertheless, and notwithstanding that "the instrument is an ordinary guaranty contract" (14 UCC Rep. at 157) issued by a national bank, the Court sustained its validity and enforced its terms.

Without attempting to catalog all decisions on point, I note also that the respective courts in *Victory Carriers Inc.* v. *United States*, 467 F. 2d 1334 (Ct. Cl. 1972), approved the use of a letter of credit in place of a performance bond and in *Fidelity Bank* v. *Lutheran Mutual Life Ins. Co.*, 465 F. 2d 211 (10th Cir. 1972), approved the use of a letter of credit to assure compliance by a borrower with the terms and conditions of a loan commitment. *See, also,* Comptroller of the Currency Interpretive Ruling No. 7.7420, 12 C.F.R. § 7.7420; Fed. Res. Board Doc. 73–12664, 38 Fed. Reg. 1665 (1973)

By the way of summary, and in view of my position that the memorandum of law attached to Senator Brooke's letter attempts to support a proposition long rejected as outmoded by banks, bank customers, regulatory agencies and the courts, I ask your indulgence in a return to very basic principles. The business of banking reduces to the provision of financial support for the transactions of others. The fact that the National Bank Act (12 U.S.C. § 24, Seventh) is properly viewed as a grant to national banks of the power to carry on all activities incidental to the business of banking is no longer open to question. In testing the legitimacy of a bank engagement in this functional context, no reason in logic or in law presents itself for a distinction in legal characterization or regulatory treatment between letters of credit issued by banks to support transactions in tangibles and letters of credit issued to support transactions in intagibles.

My conclusion, which stands in respectful but complete disagreement with that of Senator Brooke, is that issuance of standby letters of credit to finance transactions in intangibles is clearly a permissible and wholesome activity of national banks.

Regulation to Insure Soundness is Appropriate. No argument is needed, however, in support of the proposition that legality provides no absolute assurance of prudence. There can be no doubt that the improvident use of a letter of credit may result in a loss to the issuing or confirming bank. *See:* Harfield, *The increasing Domestic Use of the Letter of Credit*, 4 Uniform Commercial Code L.J. 251 (1972); Harfield, *The Sensible Use of Acceptances and Letters of Credit*, 56 Journal of Commercial Bank Lending, 25 (No. 3 of November 1973).

Indeed, the fact situations in the decisions previously cited, sustaining the legality of standby letters of credit, furnish illustrations of extensions of credit that, in the ultimate event, proved to be less than models of prudent banking.

The consequent losses may be attributed to imperfect credit judgment on the part of the issuing bank, or from a misapprehension by the issuing bank of the legal effect of a letter of credit, or, most likely, from both. The mischief, however, lies not in the use of the letter of credit device, but rather in the failure of bankers who use it to exercise sound judgment. While I am unable to support my conclusion with statistical evidence, I have no doubt that the losses resulting from improvident use of letters of credit are insignificant in comparison with the losses consequent upon inability of a borrower to repay a conventional loan.

Any attempt to regulate the issuance of standby letters of credit, therefore, is, in effect, a further effort to regulate the lending activities of banks. The key is to recognize that a standby letter of credit is ancillary to a loan rather than to a commercial transaction. *See*: Hartfield, *The Sensible Use of Acceptances and Letters of Credit, op. cit., supra.*

It would, therefore, seem entirely approprate to treat a standby letter of credit (as restrictively defined above) from the date of its irrevocable issuance, as equivalent for lending limit purposes to a loan of money to the account party.

Similarly, and as a logical corollary of the proposition just stated, it would seem to me that in the examination function such extensions of credit should be reviewed by the examining agency in the same manner as actual loans, for the purpose of classification or criticism.

In imposing such limitations, however, it is of the utmost importance to preserve the essential distinction between a letter of credit as a financing device and a letter of credit as a payment mechanism. If the standby letter of credit is defined so as to include commercial functions performed by the payment mechanism kind of credit, the consequence will be to impede legitimate activities by imposing an undue burden on the necessities of modern commerce.

Imposition of Reserve Requirements is an Inappropriate Form of Regulation. Finally, it seems to me that the imposition of reserve requirements on letters of credit, whether standby or commercial, would have most unfortunate consequences and cannot be justified. Application of marginal reserve requirements serves two purposes: (1) assurance of the availability of cash to meet, partially at least, an obligation undertaken by the bank and (2) implementation to some extent of monetary policy. In both roles, reserves have been used with respect to bank liabilities rather than with respect to bank assets; that is to say, reserves are carried against deposits but not against loans. Accordingly, they provide some assurance to depositors that their deposits will be repaid; they affect the rate of interest that the bank can afford to pay on the deposit; and they affect the price and therefore the availability of credit that is extended by the bank out of the funds it receives as deposits.

So far as the safety factor is concerned, there appears to be no good reason to protect the beneficiary of a letter of credit, whether standby or commercial, by requiring the issuing bank to maintain marginal reserves against the liability that it has undertaken under the credit, nor is it entirely clear that such reserves would be allocated to the beneficiary.

From the point of view of monetary policy, there appears to be no valid reason why marginal reserves should be required to be maintained against a particular kind of loan. To do so would significantly increase the cost of the letter of credit facility to the bank customer, but there would be no corresponding benefit to the bank. The bank does not receive the face amount of the standby credit at the time of issuance, as it does in the case of a certificate of deposit, so that a reserve requirement would simply mean that the bank would be obliged to immobolize some portion of its own funds at the time the letter of credit was issued; yet those funds, being the bank's own money, would not be in the nature of collateral, and could not be used to assist in the discharge by the bank's customer of the liability the customer had incurred under the letter of credit agreement to reimburse the bank for payments made under the letter of credit. There seems no reason, in short, to confuse marginal reserves against deposits with bad debt reserves, nor to impose different reserve requirements depending on whether the loan is of money or of credit.

Further, it seems at least arguable that the added cost will not discourage the use of this form of financing, but rather will stimulate its use in high risk situations at the same time that it deprives small and medium-size enterprises from the choice they now have to shop for their credit requirements either within the banking system or in unregulated money markets.

In *Barclays Bank* v. *Mercantitle National Bank, supra,* Judge Ingraham said (481 F. 2d at 1232):

"We have just this type of situation, a new and different use of a letter of credit, before us in the instant case. Rather than using some other financing tool the parties involved in the real estate venture here chose the letter of credit as a device for securing $350,000 in working capital for Bay Holding Company. Reasoning by analogy, we believe that if a bank becomes directly liable under § 5-107(2) by confirming a credit issued by another bank, then a bank which confirms a non-bank credit is also directly liable on that credit under the same section. . . . This conclusion [supporting the validity of what was attacked as a guaranty] affords a liberal construction to the Code, and *it will facilitate the continued and expanding use of the letter of credit as a financing tool in the hands of the business planner,*" (emphasis supplied)

The short of the matter is that the business of banking includes the function of making loans (whether the loans be of the bank's money or its credit) and the function of making payments by order and for account of its customer (whether the funds used for such payment reduce a deposit obligation owed by the bank to the customer or create or increase a debt running from the customer to the bank). A standby letter of credit, which contemplates or is an integral part of a borrowing by the customer, is lawful; a commitment, for account of a customer, to repay money borrowed by him is no less lawful than a commitment, for account of a customer, to pay for merchandise he has ordered. Under present law applicable to national banks, the loan of money is subject to a quantitative limitation at the time it is made, but a commitment is not subject to such limitation unless and until it results in a loan. In the case of a standby credit, which is an integral part of a present borrowing by the customer, and where it is reasonable to suppose that performance of the bank's commitment will substitute the bank for the original lender as a creditor of the customer, prudence suggests that if the letter of credit is irrevocable, for control purposes its amount should be treated, *ab initio*, as if it were a borrowing by the customer. Where the letter of credit, however characterized, is a payment mechanism rather than a financing mechanism, it should not be so restricted. In short, lending limitations should be applicable only to loan transactions and not to payment mechanisms. By the same token, other forms of restriction, such as reserve requirements, should be applied consistently if they are applied at all; assets (such as loans) should not be confused with liabilities (such as deposits or other commitments to pay). Finally, official zeal to curb abuses and correct abnormalities should not deteriorate into action that adversely affects the ability of the banking system to perform normal functions and to serve the needs of a modern economy.

Very truly yours,

Henry Harfield.

U.S. Senate,
Washington, D.C., August 1, 1974.

Hon. James E. Smith,
Comptroller of the Currency, Main Treasury Building, Washington, D.C.

Dear Comptroller Smith: Pursuant to my letter of July 19, 1974, attached is a legal opinion prepared at my request dealing with standby letters of credit issued by commercial banks. This opinion, which was prepared by Timothy D. Naegele, Esq., responds fully to the considerations raised in your letter of June 28, 1974, and Mr. Harfield's letter which was attached thereto. After you and your staff have had an opportunity to review this submission carefully, I believe you will concur with my judgment that a standby letter of credit is a guaranty by a bank of the credit of a third party and is, therefore, illegal.

Despite your conclusion that "recent federal appellate court decisions such as . . . [the *Barclays* and *Wichita Eagle* cases] represent the modern trend of the courts to recognize the power of national banks to guarantee the obligations of customers in the ordinary course of business," I respectfully submit that the opposite is true. As noted in the attached opinion, the *Barclays* and *Wichita Eagle* cases are clearly distinguishable. With respect to the latter decision in particular, it is important to note that the court did not deal with the following pivotal issues: whether standby letters of credit or guaranties are permissible activities for national banks under Federal law, and whether prior decisions holding that guaranties are ultra vires should be overturned. Instead, the court dealt with the narrow issue of enforcing a valid liquidated damages clause. None of the other cases cited in Mr. Harfield's letter detract from my conclusion that a standby letter of credit is a guaranty by the bank of the credit of a third party and is, therefore illegal.

Moreover, the regulatory changes outlined in my letter of March 14, 1974 are supported fully by both law and policy, and must be adopted if prudent banking practices are to be effectuated. It is important to note in this respect that one bank alone, the First National City Bank of New York, has reported standby letters of credit outstanding in the amount of $1,859,568,900, while the bank's "total capital accounts" amount to $2,129,626,242. It is my understanding that the use of such instruments is growing at an ever-increasing rate, owing to tight money conditions.

Unless appropriate actions are taken by the bank regulatory agencies, and the concerns reflected in my letter of March 14, 1974 are addressed, I fear that serious problems may arise.

With kindest regards, I am

Sincerely yours,

Edward W. Brooke.

July 31, 1974.

Hon. Edward W. Brooke,
U.S. Senate,
Washington, D.C.

Dear Senator Brooke: Pursuant to your request, I have reviewed the letter to you from James E. Smith, Comptroller of the Currency, dated June 28, 1974; and the letter which was attached thereto, from Henry Harfield, Esq., to Robert Bloom, Chief Counsel of the Office of the Comptroller of the Currency, dated June 14, 1974. Mr. Harfield's letter included comments on the points of law discussed in your letter to the Comptroller, dated March 14, 1974, as well as comments on the points of law discussed in the legal memorandum attached thereto.

After researching the issues involved, and for the reasons set forth hereafter, I have concluded that your statements of the law, and the conclusions and policy recommendations drawn therefrom, are supported fully by case law and other legal material bearing on the issues before you. With all due respect to Mr. Harfield, his letter should be viewed as an effort to state what national banks should be able to do in the area of "standby" letters of credit, rather than what they are lawfully permitted to do. His letter reflects advocacy of a position, rather than objective scholarship.

Your conclusion that "a 'standby letter of credit' is a guarantee by the bank of the credit of a third party and is therefore illegal" is open to little doubt. Even if it is assumed, arguendo, that standby letters of credit or guaranties are legal, the regulatory measures set forth in your letter are fully supportable. Indeed, if it is concluded that standby letters of credit have commercial utility and should not be struck down as being illegal, one is almost compelled to endorse your policy recommendations.

INTRODUCTION

Mr. Harfield did not attempt to deal with the specific problem areas discussed in your letter involving the issuance of standby letters of credit by a bank or group of banks to facilitate the issuance of commercial paper by a single-purpose, thinly-capitalized or "dummy" corporation. On the contrary, he sought to dismiss summarily many of the legal and policy bases for your conclusions and concerns. Nevertheless, your conclusions and concerns have been voiced by others, including Federal Reserve Board Governor Robert C. Holland, who warned recently:

"The great danger inherent in such a scheme is that in a period of tight monetary policy, one such 'dummy' issuer of commercial paper would not be able to meet its maturities. A chain reaction might ensue, leading to the inability of a sizable number of such corporations to roll their paper over. This could in turn trigger calls on banks' guarantees at a time when loan commitments were at a peak, and some banks thus might be unable to respond effectively. At that point the Federal Reserve System could be impelled to supply reserve funds itself to the banking system to counter the threat of a partial collapse of the commercial paper market. As you will recall, the Fed was called upon to do just this in the Penn Central crisis."

(Address by Governor Holland, Financial Conference of the National Coal Association, October 31, 1973.)

Moreover, Governor Holland has also stated:

"[T]hese letters of credit function virtually as a guaranty, and therefore they are of questionable legality in some jurisdictions. Apart from their legal status, such letters of credit are oftentimes not backed by adequate credit analysis nor constrained by either regulatory or management limits of the type applied to conventional loans. When that happens, they impose credit and liquidity risks upon the bank that—if realized—can be very disproportionate to the bank's willingness and ability to bear them.

"Furthermore, this kind of use of letters of credit is subversive of monetary policy, since it conveys the equivalent of bank credit outside the present scope of reserve requirements and other deposit regulations. . . . All told, this type of use of letters of credit—much different in safety and in purpose from the typical letter of credit—strikes me as being potentially unsound and contrary to the purpose of monetary policy"

(Address by Governor Holland, 59th Annual Fall Conference of the Robert Morris Associates, October 24, 1973.)

Notwithstanding support for your conclusions and concerns from Governor Holland and others, the purpose of this letter is to discuss the legal underpinnings for your conclusions, and the policy justifications which compel remedies approximating those which you have advanced.

At the outset, it is important to describe the type of transaction with which you are primarily concerned in greater detail. In this connection, the regulatory measures suggested in your letter to the Comptroller will be discussed at some length. This discussion precedes consideration of threshold legal questions involving whether a national bank has the power to guarantee the obligation of another party; and whether a standby letter of credit constitutes a guarantee of another's obligation. Adequate treatment of these subjects requires a thorough understanding of the transaction involved, and the extant regulatory framework.

Standby letters of credit first came into prominence during the money crunch of 1969. At the present time, banks do not maintain reserves against their liabilities on them. Perhaps because such liabilities have been considered as contingent or conditional by bankers, those liabilities have not been subject to the aggregate limitation on bank liabilities, nor have the underlying credit transactions been considered loans subject to the limitation on loans to one borrower.

The complexity of the transactions tended to camouflage the realities. Only with the passage of time, increase in the use of standby letters of credit, and standardization of the practices surrounding their use have the realities become readily apparent. Under the camouflage is a typical borrowing and lending transaction by a bank that should be treated under Federal law and regulation as any other such transaction.

Attached is a letter from counsel for Bankers Trust Company to the Securities and Exchange Commission, regarding a commercial paper-standby letter of credit arrangement, which seeks confirmation that the combined obligations of the obligors is within the exemption from the Securities Act of 1933 for obligations with maturities of less than 270 days that are "issued or guaranteed" by a bank (§ 3(a)(2) of the Securities Act of 1933, 15 U.S.C. § 77c (1970)). Also, attached to the Bankers Trust letter are copies of letters from counsel for Chemical Bank, Continental Illinois National Bank and Trust, and United California Bank describing similar arrangements.

Counsel for Bankers Trust expressed the view that the term "guarantee", as used in Section 3(a)(2) of the Securities Act of 1933 should be interpreted to cover the realities of the transaction. (Bankers Trust letter at 5.) Counsel commented further that the purchaser of the commercial paper would rely primarily on the promise of the bank under the letter of credit (*Id.* at 5), and that the rating of the paper would probably reflect the standing of the bank. (*Id.* at 6.) In their letters, counsel for Chemical and UCB also pointed out that the purchaser of the paper would apparently rely primarily on the promise of the bank. In each case, the SEC staff responded by a "no-action" letter which signified that the staff would not recommend action by the Commission when the commercial paper-standoy letter of credit was sold without prior registration under the Act.

The details of these arrangements differ from one another in some respects; however, several elements are common and support the following description of the parties and arrangements in a typical case. A corporation issues commercial paper; attached to each commercial paper note is a letter of credit representing a bank's obligation to pay the amount of the note if the corporation defaults on its obligation. The proceeds of these combined obligations are used to purchase property, which in turn is leased to a third party "user" of the property. The lease payments are designed to provide the corporate lessor with sufficient cash flow to meet its commercial paper obligations as they become due. Superficially, the principal parties to the transaction are the corporate lessor, the user, and the purchasers of the commercial paper, with the bank guarantor merely on the fringes of the transaction to enhance the attractiveness of the commercial paper. In reality, the bank is a principal just as it is in a typical deposit-type borrowing and lending transaction.

Dummy corporation

The corporation (or business trust) acting as lessor of the property often has only nominal capital; perhaps merely the minimum needs to incorporate (e.g. $1,000). The property purchased with the proceeds of the sale of the obligations in the commercial paper market "would frequently constitute [its] primary asset." (Bankers Trust letter at 2.) The corporation may not be "an existing self-sufficient operating company with personnel of its own." (*Id.* at 4.) Consequently, "purchasers of the Commercial Paper note probably will rely primarily on the obligation of the issuer of the Letter of Credit rather than on the credit of the . . . maker of the Commercial Paper Note." (*Id.* at 3.) The corporation is thus a "dummy", with a purpose independent of the transaction to finance a purchase of property for the user.

Commercial bank

The commercial bank extends to the dummy a line of credit, under which it will either extend a direct short-term loan to facilitate the initial purchase of the property, or issue standby letters of credit that will be attached to the dummy's commercial paper. The bank may arrange for the sale of the obligations in the commercial paper market, ostensibly acting as "agent" for the dummy. In such instances, the notes are delivered to the bank in blank; and the bank, whenever it chooses to do so, completes and countersigns the notes themselves, and attaches to them the bank's letters of credit guarantying payment. (*Id.* at 3; *see also* UCB letter.) Proceeds of the notes are held in a separate account in the bank, ostensibly to be used to pay off any previously issued obligations as they mature. (Bankers Trust letter at 4.)

User

The user is the true borrower, or credit customer, of the bank. The user may agree to indemnify the bank against loss arising from having to pay on a standby letter of credit. (*Id.* at 3; *cf.* Continental Bank letter at 3.) In addition, the user's obligation to make "lease" payments is often assigned as security for the bank in the event of a default on the dummy's notes (*Id.* at 4; Continental Bank letter at 2.)

Investment banker

The dummy is often a creature of an investment banking house; all the stock of the dummy may be owned by an employee of the house. (Continental Bank letter at 1.) Sometimes, the investment banking house makes certain administrative payments for the dummy (e.g., on Federal and State taxes). (Bankers Trust letter at 4.) On occasion, the house goes further and acts as agent for the dummy in selling notes. (Continental Bank letter at 2.)

RESERVE REQUIREMENTS

Under Federal Reserve regulations, commercial paper obligations that are issued or undertaken by a member bank as a means of obtaining funds for use in its banking business are treated as "deposits" subject to reserve requirements. Section 204.1(f) of Federal Reserve Regulation D; 12 C.F.R. § 204.1 (f). The effect of a standby letter of credit arrangement is the same as a bank issuing commercial paper: A member bank obtains funds through the commercial paper and lends to its customer. The availability of funds for use in its other lending operations remains unchanged. The difference from the typical commercial paper transaction is that the borrowing is geared to the needs of one identified customer.

In 1935, Congress authorized the Board of Governors of the Federal Reserve System to raise and lower reserve requirements for member banks, for the purpose of controlling bank credit through the imposition of reserves against funds received by the bank that are used to make loans. This legislative purpose is evidenced by the House Committee Report on the Banking Act of 1935:

"It is essential to give the Board more authority in controlling credit conditions in view of the possibility of dangerous credit expansion on the basis of existing member bank reserves, and also in order to give the Board another instrument for easing credit conditions if at some time in the future that policy should become in the public interest.

"[I]n view of the very large volume of available excess reserves and the possibility of credit expansion on these reserves, it is important to clarify the Federal Reserve Board's power to arrest inflation. H.R. Rep. No. 742, 74th Cong., 1st Sess. 13 (1935)."

Where a bank issues a standby letter of credit, it is lending its credit rather than lending funds that have been received in the form of deposits. Nonetheless, such an obligation is a form of bank credit. If uncontrolled, it can lead to the evils of inflation to the same extent that would exist if banks were permitted to set aside little or no reserves against their deposits. Federal Reserve Board Governor Holland addressed this concern, in the statement cited previously.

When the Federal Reserve Act of 1913 and the Banking Act of 1933 were enacted, there was no reason for Congress to authorize the Board to set reserve requirements to control bank credit where the bank had received no funds; banks were not regarded as generally possessing the power to guarantee the obligations of their customers. *See* 7 *Fed. Res. Bull.* 547 (1921) (citing cases). More than at any other time in the past decade, however, the dampening of inflation is of paramount importance. If banks are to be permitted by law to issue standby letters of credit, those liabilities should be subject to reserve requirements—whether or not funds are actually received and maintained by the bank—in order to prevent this form of bank credit from further fueling inflation.

The fact that the name of a dummy corporation is added to the bank's name as obligor on the instruments sold in the market is irrelevant from the standpoint of reserve requirements. This seems obvious in those instances where the notes are delivered to the bank in blank; and the bank, at its discretion, completes and countersigns them, attaches its letters of credit guarantying payment, and holds the proceeds. Even where the actual sale of the obligations is conducted by an investment banking firm, the proceeds of the notes may be supplied to the bank.

The notion that the bank holds the proceeds signals an alternative basis for reserve requirements under outstanding Federal Reserve Board interpretations. Under the arrangement between the bank and its customer, the bank may extend credit to the dummy corporation; and the dummy may draw on that credit to purchase property. The issuance of the commercial paper, and the holding by the bank of the proceeds, resupplies it with the funds used for the purchase of the property. To justify not maintaining reserves against the proceeds of the commercial paper held by the bank, a member bank might assert that the funds represent a "prepayment" of the loan by the dummy to the bank (*see* UCB letter) or collateral security for the bank's loan or its undertaking on currently outstanding obligations. (*See* Bankers Trust letter at 4).

Ruling on cash collateral accounts

The Federal Reserve has considered the question whether cash placed by a customer with a bank to secure drawings under a letter of credit issued by the bank should be treated as a "deposit" for purposes of reserve requirements. The Board ruled that "such a cash collateral account should be considered a deposit against which a member bank is required to maintain reserves." *Published Interpretations of the Board of Governors of the Federal Reserve System* ¶ 2780; 12 C.F.R. § 204.104. The Board noted in its ruling:

> "[i]t has been contended, however, that such funds should not be treated as deposits for reserve purposes because they constitute *a prepayment of the customer's liability to place the bank in funds* with which to pay drafts subsequently drawn and presented for payment under the letter of credit. *Id.*" (Emphasis added.)

In rejecting this conclusion, the Board pointed out that—

> "The amount, if any, of drafts that will be drawn and presented to the bank under the letter can not be determined. In such circumstances, funds in the cash collateral account can not properly be considered a prepayment of the customer's liability. *Id.*"

In the present case, the dummy corporation's obligation to place the bank in funds normally does not arise unless and until demands for payment—typically, in the form of drafts—are presented to the bank, and the bank has made such payments. If the user makes timely payments on his lease, the bank will never be called on to pay under its standby letter of credit. Consequently, funds in the "cash collateral account" should not be considered a "prepayment" of any liability on the part of the dummy corporation. (*Cf.* UCB letter at 2 ("[t]he proceeds of the note sales are in effect prepayments of the loans to customers."))

Similar board rulings

In other situations, the Board has rejected the argument that funds given to a member bank in prepayment of a customer's liability to the bank are exempt from reserve requirements. For example, the Board has ruled that where member banks enter subscriptions on behalf of others for U.S. Government securities and where, pursuant to instructions issued by the Secretary of the Treasury, advance payments are made to the bank by the subscribers to the securities, such advance payments constitute deposits against which reserves must be maintained. *Published Interpretations of the Board of Governors* ¶ 2765.

The Board, in other contexts, has also rejected the argument that cash given to the bank as collateral to secure a loan is not a "deposit" subject to reserve requirements. *Id.* at ¶ 2760 ("Deposits securing loans of Government securities").

In sum, the Board's ruling on "cash collateral accounts" reflects an application of principles that can be found in other Board rulings, and should be regarded as legally and economically sound. Therefore, member banks that enter into the arrangements described above and regard the note proceeds as "prepayments" or as "collateral security" would seem to be in error in believing that such characterizations are sufficient to create an exemption from reserve requirements. In addition, reserve requirements should be applied even in those situations where funds are not actually received and maintained by the bank, in the interest of controlling credit.

LIMITATION ON AGGREGATE LIABILITIES OF A NATIONAL BANK

Section 5202 of the Revised Statutes, 12 U.S.C. § 82 (1970), provides that "[n]o national banking association shall at any time be indebted, *or in any way liable,* to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, plus 50 percent of the amount of its unimpaired surplus fund", subject to certain exceptions. (Emphasis added.)

A national bank is not in a position to contend that it is not "in any way liable" on its standby letter of credit—especially where the technical "issuer" of the commercial paper is a dummy corporation and the purchasers of the obligations are treating them as essentially bank obligations. Indeed, it is the liability of the bank that makes the obligations marketable.

The fact that another person is also an obligor on the instrument does not exempt the bank obligation from the limitations of Section 5202. As far back as 1882, the United States Attorney General expressed "the opinion that the limit imposed by Section 5202 extends to liabilities" incurred by the acceptance of checks. 17 Ops. Atty. Gen. 471, 475 (1882). The Attorney General further noted that "[l]iabilities incurred by the acceptance of checks, the drawers thereof having at the time no funds on deposit with the bank, do not appear to fall within any of the exceptions enumerated" in Section 5202 at that time. *Id.*

The Federal Reserve Act of 1913, 38 Stat. 251, created an exception from Section 5202 for "[l]iabilities incurred under the provisions of the Federal Reserve Act." Among the liabilities that a member bank may incur under the provisions of the Act is the liability arising from the acceptance of drafts growing out of transactions involving the import or export of goods, or the domestic shipment of goods, or the storage of readily marketable staples, as provided in Section 13 of the Federal Reserve Act. The Federal Reserve Board ruled in 1921 that national banks are authorized to issue traditional commercial letters of credit, *as an incident* to a national bank's power to accept sight drafts and to its authority—under Section 13 of the Federal Reserve Act—to accept time drafts. The Board's ruling ended with the statement:

> "This opinion has been submitted to the Comptroller of the Currency and he concurs in the views expressed therein." 7 *Fed. Res. Bull.* 547 (1921).

Thus, traditional commercial letters of credit may arguably be considered within the exemption for "[l]iabilities incurred under the provisions of the Federal Reserve Act." The same could not be said for standby letters of credit, however, since they are clearly not issued as an incident to the bank's authority to make acceptances of the kind described in Section 13 of the Federal Reserve Act. This issue will be discussed again, elsewhere in this letter.

Since none of the execeptions in Section 5202 appears to cover standby letter of credit-commercial paper obligations, and since a bank is not in a position to contend that it is not "in any way liable" on such obligations, the limitations of Section 5202 would seem to apply to such obligations.

LENDING LIMITS

Rules proposed by the three banking agencies reflect the views of each agency that where a bank issues a standby letter of credit guarantying an obligation of a customer, the customer's correlative obligation to reimburse the bank for any payments made by the bank on the customer's behalf is subject to legal limitations on loans to any one borrower. In the case of a national bank, the limitation is 10 per cent of the bank's capital stock and surplus. R.S. § 5200, 12 U.S.C. § 84 (1970). In the case of a State-chartered bank—whether member or nonmember—the applicable limitation, under the proposed rules, is whatever limitation is imposed by State law.

If a State imposes no limitation on loans to any one borrower, the Federal Deposit Insurance Corporation and Federal Reserve proposed rules would impose no limitation on loans to any one borrower. Moreover, State laws differ from one another in the definition of "loans" for the purposes of such lending limits. Even where the percentage limitation is the same, if a relatively narrow definition of "loans" is used in a State's law (e.g. defining "loan" so as not to include the discount of a promissory note), the inclusion of standby letters of credit within the category of "loans" has a less restrictive effect than where a relatively broad definition of the term is employed. Although in form, they are rules of general applicability, the FDIC and Federal Reserve rules have a different effect in each of the 50 States. This can hardly be a desirable state of affairs. A better result could be achieved by adopting rules that limit the use of standby letters of credit without reference to the vagaries of State law.

Another difficulty with the proposed rules is that they do not identify the true borrower in applying the lending limits to transactions involving a dummy corporation created to finance the purchase and "lease" of property. In the arrangements described earlier in this letter, the user of the property is the true borrower, or credit customer, of the bank. The user's "lease" payments may be used as security for the bank's "loan". Moreover, the user may agree to protect the bank against loss arising from having to pay on a standby letter of credit; the protection may be in the form of an "indemnity" (Bankers Trust letter at 3) or "buy-back" agreement. (Continental Bank letter at 2.) Thus, it appears that in entering into the credit transaction, the bank is relying on the user's credit-worthiness and not on the dummy's. Accordingly, the most sensible course in applying the lending limits would be to look to the realities of the transactions and treat the user of the property as the "borrower".

FULL CREDIT ANALYSIS AND BALANCE SHEET DISCLOSURE

If standby letters of credit are to be treated as loans, a bank "should apply the same credit evaluation techniques when issuing a letter of credit that it would apply when making a loan in an equivalent amount to its customer." (F.D.I.C. notice of proposed rulemaking, 39 *Fed. Reg.* 2494 (1974); *see* Federal Reserve proposed rules, 39 *Fed. Reg.* 2773, 2774 (1974).) Any such credit evaluation should take into account the realities of the transaction, such as the likelihood that the user will continue to make payments under the "lease", the likelihood that the commercial paper—standby letter of credit obligations can be rolled over in the commercial paper market, and the likelihood that the user will be solvent and liquid enough to stand behind its "indemnity" or other protection to the bank.

If the aggregate liabilities limitation and lending limit are to apply to standby letters of credit, these obligations "should be adequately reflected on a bank's published financial statements." *Id.* This would mean that the appropriate entries should not merely appear in the footnotes, or as a "memorandum item" to the bank's report of condition, but in the main body of the report. In this connection, it should be noted that the Comptroller of the Currency has ruled that secondary liabilities, such as arise on the indorsement of notes sold by the bank for its own account, "should be reflected as a liability on the records and in the reports of condition of the bank. . . ." Comptroller's Manual ¶ 7.7000, 12 C.F.R. § 7.7000 (emphasis added).

Final regulations of the three banking agencies should clarify the balance-sheet treatment of standby letters of credit. At present, the Comptroller proposes to require that a national bank's balance sheet contain merely "a footnote showing the total amount of standby letters of credit outstanding." 39 Fed. Reg. 2484 (1974).

SUMMARY—PROPOSED REGULATORY ACTIONS

Absent a definitive determination by the bank regulatory agencies, Congress, or the courts, that standby letters of credit are illegal, transactions involving such instruments should be treated as a typical borrowing and lending activity by a bank. The recommendations which were set forth in your letter to the Comptroller's Office reflect this intent. Where sale of the dummy's commercial paper is facilitated by a bank—whether or not funds are actually received and maintained by the bank—reserve requirements must be imposed. Furthermore, aggregate liability limitations, legal limitations on loans to any one borrower (including the user, where a dummy is involved), balance sheet disclosure and full credit analysis must be effectuated if abuses are to be avoided.

Having examined the transaction involved, and discussed the regulatory measures which were included in your letter, it is necessary to determine the precise legal status of standby letters of credit. Two fundamental questions arise: Does a national bank have the power to guarantee the obligations of another party; and does a standby letter of credit constitute a guarantee of another's obligation?

THE POWER TO GUARANTEE

Section 5136 of the Revised Statutes, 12 U.S.C. § 24, Seventh (1970), which sets forth the corporate powers of national banks, provides in pertinent part that a national bank may exercise:

"[A]ll such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidence of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes according to the provisions of this title. . . ."

In determining what is an incidental power, as opposed to an express power, there has been considerable discussion in the cases concerning whether courts need only look to the "business of banking", or whether they must look at the express powers themselves to determine what is "incidental" to the business of banking. It is generally accepted that the later test applies. As Mr. Justice Brandeis pointed out in *Texas & Pacific Ry. Co.* v. *Pottorff*, 291 U.S. 245, 255 & n.7 (1934):

"Surely action cannot be deemed a necessary incident of a business when only a single instance has been found in which it was taken. Moreover, even a practice commonly pursued may not be a necessary one. . . . A practice is not within the incidental powers of a corporation merely because it is convenient in the performance of an express power."

The most recent articulation of the standard by a Federal Court appears in *Arnold Tours, Inc.* v. *Camp*, 472 F. 2d 427, 432 (1st Cir. 1972), where the court stated:

"In our opinion, these decisions amply demonstrate that a national bank's activity is authorized as an incidental power 'necessary to carry on the business of banking', within the meaning of 12 U.S.C. § 24, Seventh, if it is convenient or useful in connection with the performance of one of the bank's established activities pursuant to its express powers under the National Bank Act. If this connection between an incidental activity and an express power does not exist, the activity is not authorized as an incidental power."

Elsewhere, the court stated:

"The most reliable guides as to what is encompassed in the term "the business of banking" are the express powers of national banks as set out in the National Bank Act. And when one looks at past decisions it becomes evident that the activities of national banks which have been held to be permissible under the 'incidental powers' provision have been those which are directly related to one or another of a national bank's express powers." 472 F.2d at 431.

Although there is no express statutory authority for a national bank to issue a letter of credit, such power has been implied. At one time, it was questionable whether a national bank could issue any letter of credit on the ground that a bank could lend money, but could not lend its credit. *See* Ward & Harfield, *Bank Credits and Acceptances* 143–45 & n.7 (4th ed. 1958). In 1921, as mentioned previously, the Federal Reserve Board ruled that national banks were authorized to issue traditional commercial letters of credit by implication from their power under the Federal Reserve Act to accept sight drafts and time drafts. The authority to issue letters of credit, however, was implied in connection with certain specific commercial transactions; there was no thought that a national bank had an incidental power to issue every conceivable type of letter of credit.

In *Border Nat'l Bank* v. *American Nat'l Bank*, 282 F.73, 77–78 (5th Cir.), *appeal dismissed* 260 U.S. 701 (1922), the court distinguished between a primary liability existing under a letter of credit, and the secondary obligation existing when a party acts as a guarantor:

"A guaranty is a promise to answer for the payment of some debt, or the performance of some obligation, in case of the default of another person, who is in the first instance liable for such payment or performance. A letter of credit confers authority upon the person to whom it is addressed to advance money or furnish goods on the credit of the writer. It is well settled that the guarantee of a national bank is ultra vires. But a national bank is bound by its letter of credit." (Citations omitted.)

Mr. Harfield cited the *Border National Bank* case in his letter; however, it is also important to note the following views expressed by him in 1958, on the distinction between letters of credit and guaranties:

"Generally speaking, commercial banks lack the corporate power to become sureties; they may not undertake to answer for the debt or default of another. Of course, this rule has exceptions, which may with reasonable fairness and accuracy be lumped into the concept that where a bank is in trouble *on its own account* it may extricate itself, even though in the course of so doing it is obliged to act as surety for another. It is not difficult, however, to draw a distinction between the case in which a bank acts as a surety in connection with a salvage operation for its own account, and the case in which the bank attempts to undertake the business of suretyship. The latter is clearly and properly beyond its powers." Ward & Harfield, *Bank Credits and Acceptances*, 132 (4th ed. 1958) (emphasis added).

Mr. Harfield went on to state:

"The courts, and practitioners and professors of law, have struggled to spell out a formalistic distinction between a letter of credit and a guaranty, just as they have struggled to spell out the consideration for an irrevocable letter of credit. In both instances analysis on a formalistic level is unsatisfactory. There is a fundamental difference of substance between a banker's letter of credit and a guaranty, and once this difference is understood, it is evident why the letter of credit is an appropriate banking function and the suretyship *guaranty* is not.

"*Guaranty Concerned With Performance.* The surety undertakes that his principal will perform certain obligations which the principal has undertaken toward a third party. The classic guaranty, therefore, takes the form of a commitment by the surety to the obligee that, *upon failure of the surety's principal to pay money*, or to do or refrain from doing an act, the surety in the place and stead of the principal will pay the money or perform the act, or pay stipulated damages for failure so to perform or not to perform." *Id.* at 133 (emphasis added).

The conventional legal view for many years that a national bank generally does not have the power to guarantee the obligations of another party is reflected in the foregoing statements, and in the legal memorandum which accompanied your letter to the Comptroller, dated March 14, 1974. In reviewing some of these decisions, the Federal Reserve Board stated in 1921:

"[A] national bank's power to discount negotiable paper and to loan money does not carry with it the power to guarantee, or act as surety upon, the obligation of another, nor is such a power incidental to the business of banking. (Commercial National Bank v. Pirie, 82 Fed. 799; Bowen v. Needles National Bank, 94 Fed., 925 (cited with approval in Sponge Exchange Bank v. Commercial Co., 263 Fed., 20, 26); Bank of Valdosta v. Baird, 160 Fed., 642.)" 7 *Fed. Res. Bull.* 547 (1921). *See also Recent Extensions in the Use of*

Commercial Letters of Credit, 66 Yale L.J. 902, 911 (1957).

The Comptroller's published position on the subject recognizes this distinction between guaranties and permissible letters of credit. Comptroller's Ruling ¶7.7016 provides as follows:

"A national bank may issue its own letters of credit to or on behalf of its customers in the normal course of its business provided that the bank's obligation may legally be described as a letter of credit and *not as a mere guaranty*. In order to constitute a true letter-of-credit transaction, the following elements must all be present: (a) The bank must receive a fee or other valid business consideration for the issuance of its undertaking; (b) the bank's undertaking must contain a specified expiration date or be for a definite term; (c) the bank's undertaking must not be unlimited but be up to a stated amount; (d) the bank's obligation to pay must arise only upon the presentation of specific documents and the bank must not be called upon to determine disputed questions of fact or law; (e) the bank's customer must have an unqualified obligation to reimburse the bank *on the same condition* as the bank has paid" (emphasis added).

"STANDBY" LETTERS OF CREDIT AS GUARANTIES

Under the Comptroller's ruling, the threshold question in determining whether a standby letter of credit constitutes a "true letter-of-credit" or a "mere guaranty" is whether the criteria contained therein are satisfied. Items (d) and (e) recognize the characteristics of traditional commercial letters of credit, or the so-called "commercial documentary" letters of credit; the bank does not become liable until it receives documents of title and immediate reimbursement by the customer is contemplated. In contradistinction, under a standby letter of credit transaction, if the thinly-capitalized or dummy corporation defaults on its commercial paper the bank may be precluded from being reimbursed "on the same condition as the bank has paid"; that is, *when* the bank pays the commercial paperholder. Instead, reimbursement may take the form of an extension of credit to be repaid over a period of time. Moreover, the bank may not be compensated by the thinly-capitalized or dummy corporation at all, but may have to look to the ultimate user or some other party.

Notwithstanding the foregoing, however, the Comptroller acknowledged the validity of standby or guaranty letters of credit in his letter to you, dated June 28, 1974, and in actions taken prior thereto. While it is true that Section 7.7016 is in conformity with Article 5 of the Uniform Commercial Code which governs letters of credit and, indeed, is stricter than the UCC provision, there is a substantial question whether the UCC can be construed as conferring powers on a national bank.

It is particularly anomalous to regard the UCC—an enactment of State legislatures—as conferring banking powers upon a national bank chartered under Federal law. Even as to State-chartered banks, however, the appropriate place to grant powers is in the State's banking code, and not in the law governing commercial transactions. Thus, it can be argued that neither the Comptroller's interpretation nor the UCC provision is dispositive of the question whether a national bank has the power to issue standby or guaranty letters of credit.

Mr. Harfield dismisses the cases cited in the memorandum of law accompanying your letter by stating that they were "handed down half a century ago, on the issue of whether banks can, in effect, engage in the business of suretyship"; and they "support a proposition long rejected as outmoded by banks, bank customers, regulatory agencies and the courts. . . ." He states that "a commitment, for account of a customer, to repay money borrowed by him is no less lawful than a commitment, for account of a customer, to pay for merchandise he has ordered."

Also, he asserts that any inquiry into the bank's actual obligation should be governed by "modern banking practice and modern usage of bank credit"; however, as the Supreme Court stated in *Inland Waterways Corporation* v. *Young,* 309 U.S. 517, 524 (1940), "[t]he Comptroller of the Currency . . . must himself move within the orbit of the National Bank Act", and "[i]llegality cannot attain legitimacy through practice." By the same token, Mr. Harfield has characterized a transaction as legal, in his recent letter, which he characterized as being ultra vires for national banks in the 1958 citation included above.

Leaving aside apparent inconsistencies in the positions taken, it is appropriate to deal with those cases which the Comptroller characterizes as representing "the modern trend of the courts to recognize the power of national banks to guarantee the obligations of customers in the ordinary course of business." Both the Comptroller and the Mr. Harfield cite *Barclays Bank D.C.O.* v. *Mercantile Nat'l Bank,* 481 F.2d 1224 (5th Cir. 1973), *petition for cert. dismissed,* 94 S.Ct. 888 (1974), and *Wichita Eagle & Beacon Pub. Co.* v. *Pacific Nat'l Bank,* 493 F.2d 1285 (9th Cir. 1974); however, Mr. Harfield goes further in citing the *Barclays* case as "probably the most instructive case" establishing that the issuance of standby letters of credit is a lawful and wholesome bank function. Moreover, he states that the court rejected the argument that Mercantile's confirmation was a guaranty and, therefore, void as an ultra vires act; and that "[t]he opinion stressed the propriety of using letters of credit to support transactions in intangibles."

In the *Barclays* case, the real issue before the court was "whether under the Uniform Commercial Code a bank can attain the status of a 'confirming bank' on the [letter of] credit of a non-bank issuer". 481 F.2d at 1226. Mercantile Bank argued that while banks were authorized by Section 5–103 of the UCC to confirm letters of credit issued by other banks, the UCC did not provide for bank confirmation of letters of credit issued by nonbank financial organizations. The court held that "under §§ 5–103(1)(f) and 5–102(3) a bank may confirm a credit issued by a non-bank, thus becoming primarily liable on the credit under § 5–107(2)." *Id.*

Contrary to the Comptroller's assertion in his letter, the court did not "recognize the power of national banks to guarantee the obligations of customers in the ordinary course of business." It expressly stated that "'there is a vast difference between a guaranty and a letter of credit. The issuer of a credit assumes a primary obligation to the beneficiary as opposed to a secondary liability under a guaranty.' It is clear that Mercantile's obligation here is not a guaranty." *Id.* at 1236.

In the *Wichita Eagle* case, the Ninth Circuit considered the effect of a document labeled a "letter of credit". The court found:

"[w]here, as here, the substantive provisions require the issuer to deal not simply in documents alone, but in facts relating to the performance of a separate contract (the lease, in this case), all distinction between a letter of credit and an ordinary guaranty contract would be obliterated by regarding the instrument as a letter of credit." 493 F.2d at 1286.

The court went on to state:

"It would hamper rather than advance the extension of the letter of credit concept to new situations if an instrument such as this were held to be a letter of credit. The loose terms of this instrument invited the very evil that letters of credit are meant to avoid—protracted, expensive litigation. If the letter of credit concept is to have value in new situations, the instrument must be tightly drawn to strictly and clearly limit the responsibility of the issuer." 493 F.2d at 1286–87.

The court did not say that there is no legal distinction between true letters of credit and guaranties. Rather, it held that a national bank may not escape liability under a valid stipulated damages clause by asserting as a defense that the obligation it had entered into, and which had been relied on by the plaintiff, was not within its powers to make.

In effect, Mr. Harfield argues that because the courts in the *Barclays* and *Wichita Eagle* cases refused to permit a national bank to escape liability by asserting the defense of ultra vires, a national bank has the power to issue a guaranty or standby letter of credit. Aside from the case distinctions already noted, the fallacy of this argument can be illustrated by the following example. Suppose an officer of a national bank undertakes to secure travel accommodations, in his official capacity, on behalf of a prominent bank customer. Let us suppose that in the course of doing so, he requests accommodations from a hotel; and the hotel, in reliance on the request, sets aside certain accommodations and informs the bank of the scope of its liability on the commitment. The bank may not escape liability to the hotel by asserting that it was not authorized to act as a travel agent in obtaining the hotel accommodations. It does not follow from this, however, that a national bank has the power to act as a general travel agent.

Mr. Harfield also cites *Fidelity Bank* v. *Lutheran Mutual Life Ins. Co.,* 465 F.2d 211 (10th Cir. 1972), and *Victory Carriers, Inc.* v. *United States,* 467 F.2d 1334 (Ct. Cl. 1972). In the *Fidelity Bank* case, a letter of credit was issued by a bank to insure compliance by a borrower with one of the conditions of a loan commitment for construction funds. The court enforced the letter of credit; and, in doing so, it found that the letter of credit was a primary obligation between the issuer and the beneficiary, and not a secondary obligation, 465 F.2d at 213. In the *Victory Carriers* case, a letter of credit was furnished in lieu of a performance bond. Once again, the court enforced the letter of credit; however, there is no discussion in the opinion relating to whether or not the letter of credit constituted a primary or secondary obligation, nor is the distinction between guaranties and letters of credit mentioned.

The general rule establishing a guaranty as an ultra vires activity for a national bank is subject to one exception which is worth mentioning. It has been held that a bank may issue a guaranty where it has an interest in the transaction, or where it receives some benefit therefrom. *American Nat'l Bank* v. *Nat'l Wall-Paper Co.,* 77 F. 85 (8th Cir. 1896); *Merchants' Bank* v. *Baird,* 160 F. 642 (8th Cir. 1908); *Wagner* v. *Central Banking & Security Co.,* 249 F. 145 (4th Cir. 1918); *Farmers' & Miners' Bank* v. *Bluefield Nat'l Bank,* 11 F.2d 83 (4th Cir. 1926). This general rule has been recognized in Section 7.7010 of the Comptroller's current interpretative rulings which states:

"A national bank may lend its credit, bind itself as a surety to indemnify another, or otherwise become a guarantor, if it has a *substantial interest* in the *performance* of the transaction involved or has a *segregated deposit* sufficient in amount to cover the bank's total potential liability. . . ." (Emphasis added.)

For the bank to have an interest in the transaction is not enough; it must be a "substantial" interest in the "performance" of the transaction involved. In lieu thereof, the Comptroller requires that a segregated deposit—or reserve—be established in an amount necessary to cover the bank's risk exposure.

Since it can be argued that the "substantial interest" test must be satisfied as of a point in time preceding the issuance of a standby letter of credit, the credit does not qualify as an exception to the general rule even under the Comptroller's own ruling. Moreover, it is highly questionable whether banks are involved in the "performance" of standby letter of credit transactions, as a general rule; and the Comptroller has not subjected such credits to "segregated deposit" reserves. Thus, a standby letter of credit fails to satisfy the criteria established by the Comptroller for either a "true letter-of-credit", discussed earlier in this letter, or the criteria for a permissible guaranty.

In summary, there is a recognized distinction between traditional commercial letters of credit, and standby or guaranty letters of credit. Mr. Harfield makes a fanciful argument that the distinction raised in your letter, between standby letter of credit transactions and "the traditional commercial use of letters of credit to facilitate the purchase and sale of goods in domestice and international trade", creates "a dichotomy that is neither desirable nor accurate." He then proceeds to acknowledge this dichotomy; however, he argues that the "line of demarcation . . . [between such credits] should be drawn between a letter of credit used as a payment mechanism and a letter of credit used as a financing mechanism."

At one point in his letter, he states that the traditional commercial letter of credit arrangement "is not a financing transaction because the customer is at no time indebted to the bank"; however, at another point in his letter, he states that "a traditional letter of credit transaction . . . may result in a loan by the bank to its customer. . . ." Thus, it would appear that the "dichotomy" to which your letter referred, between standby letters of credit and traditional commercial letters of credit, is just as appropriate as that advocated by Mr. Harfield. Moreover, the bank regulatory agencies and commercial institutions in general have seen fit to embrace such a distinction. It is interesting to note, also, that the FDIC used the terms "standby' and "guaranty" letters of credit interchangeably when proposed regulations were issued earlier this year. 39 Fed. Reg. 2494 (1974).

The Comptroller's letter to you states:

"The pending rules would require banks to treat such *standby or guaranty* letters of credit the same as conventional loans for the purpose of statutory lending limits . . . (emphasis added).

The letter goes on to state:

"Mr. Harfield's comments . . . confirm the conclusions of our Law Department that *guaranty letters of credit* are legal obligations in all respects." (Emphasis added.)

Thus, the traditional commercial letter of credit is distinguishable from a guaranty; but standby letters of credit are equated generally with a guaranty—even by the bank regulatory agencies.

Nevertheless, the particular label used to describe the transaction or type of paper involved need not be determinative of its legal consequences. The true test is whether there is a necessary relationship between the activity engaged in by the bank and the express powers provided by the National Bank Act. As Mr. Harfield stated in his letter:

"The legal validity of a standby letter of credit . . . should be tested by a determination of whether the transaction is a part of the business of banking or is an unauthorized excursion into, e.g., the business of suretyship."

Based on his own criteria and characterizations, articulated in 1958, standby letters of credit must be considered guaranties or unauthorized excursions into the business of suretyship. The bank undertakes that the dummy will discharge its commercial paper obligations to the holders thereof. Upon failure of the dummy to do so, the bank "in the place and stead" of the dummy will discharge such obligations. As Mr. Harfield acknowledges, "[t]he standby credit contemplates payment upon failure to perform", *Harfield, The Increasing Domestic Use of the Letter of Credit,* 4 Uniform Commercial Code L.J. 251, 258 (1972), and adds in his letter that ". . . such instruments are intended to and do serve the purpose of guaranties. . . ." A standby letter of credit, therefore, is a "classic guaranty" in the words of Mr. Harfield; and, a guaranty is not "an appropriate banking function."

There is no express authority contained in the National Bank Act for standby letters of credit. If such an instrument is to fall within the incidental powers, it must do so with respect to an express power for the reasons set forth above. To date, no court has seen fit to recognize the issuance of standby letters of credit as an incidental power of a national bank. The fact that traditional commercial letters of credit and standby letters of credit have some similarities cannot be used as a standard for determining that the latter instruments are within the incidental powers clause.

Mr. Harfield argues that the "issuance and performance of such letters of credit is an essential part of the business of banking and is lawful for national banks." While this assertion is set forth in somewhat different phraseology at different places in his letter, there is a notable sparsity of case law to support it. Indeed, the only support offered involves a reference to Mr. Justice Cardozo's statement in *Block* v. *Pennsylvania Exch. Bank,* 253 N.Y. 227, 231 (1930). The Court held in that case, however, that it was not ultra vires for a bank to act as agent for an undisclosed customer in buying stock, under New York law. Mr. Justice Cardozo also stated:

"The test of power in all such cases is not the presence of the risk, or its absence, unless it be so inordinate as to be a speculative enterprise. . . ." 253 N.Y. at 232.

Thus, where the return expected by the bank bears little relationship to the risk encountered by the bank—or where the risk itself is very high, even though the return may also be high—the courts have found the activity to be ultra vires. *See, e.g. Texas & Pacific Ry. Co.* v. *Pottorff,* 291 U.S. at 255–56 & n. 8; *Kimen* v. *Atlas Exch. Nat'l Bank,* 92 F. 2d 615, 617 (7th Cir. 1937); *Cf. Dunn* v. *McCoy,* 113 F. 2d 587, 589 (3rd Cir. 1940).

Where a national bank issues a standby letter of credit in the amount of $50 million, for example, the risk involved may be considered "so inordinate, as to be a speculative enterprise." This is especially true when the fees received may be less than one-half of 1 per cent of the credit involved. Recently, Mr. Harfield acknowledged that:

"[t]he test of legitimacy is the nature of the risk that the bank undertakes when it issues or confirms a letter of credit. Harfield, *The Sensible Use of Acceptances and Letters of Credit,* 56 Journal of Commercial Bank Lending 25, 26 (1973)."

Nevertheless, he apparently disregards this test of legitimacy in the case of standby letters of credit, where the risk involved is nothing less than inordinate.

The exposure to risk undertaken by a bank, its depositors, shareholders and customers upon the issuance of a standby letter of credit is disproportionate to the benefit to be derived from the transaction. As the FDIC has recognized, the risks inherent in standby letters of credit may be substantial. *See* 39 Fed. Reg. 2494 (1974). The issuance of such instruments is more akin to the business of suretyship, given the inordinate risks involved, than to the business of commercial banking. As such, it is beyond the incidental powers of a national bank.

Although it is ultra vires for a national bank to issue standby letters of credit, the power of a State bank to do so may be a different matter. Some States expressly authorize State-chartered banks to issue letters of credit. Because the inordinate risk posed by a bank's potential liability on a standby letter of credit makes such transactions more like surety agreements and guaranties than traditional letters of credit, they should be deemed ultra vires in those States as well.

SUMMARY—LEGAL ANALYSIS

While national banks have certain express powers and "all such incidental powers as shall be necessary to carry on the business of banking", they do not have the power to guarantee the obligations of another party. Moreover, there is no express power for a national bank to issue either a traditional commercial letter of credit, or a guaranty or standby letter of credit. Authority for the issuance of traditional commercial letters of credit, however, has been implied from certain express powers. The issuance of a guaranty is not incidental to the business of banking; and it has been deemed to be ultra vires unless the bank has a "substantial interest" in the transaction. A standby letter of credit is, in substance, a guaranty and must stand or fall as a permissible activity of a national bank on the same basis as a guaranty. Since the exception to the rule that bank guaranties are ultra vires does not apply in the case of standby letters of credit, such instruments are beyond the powers of national banks and, hence, illegal.

CONCLUSIONS

The issuance of standby letters of credit, in connection with the sale of commercial paper by thinly-capitalized or dummy corporations, may give rise to problems similar to those described by Federal Reserve Board Governor Holland earlier in this letter. Under existing law, such instruments may be challenged successfully as being illegal activities for national banks.

Despite the argument that standby letters of credit exemplify the modern usage of bank credit, our nation is going through a difficult period in its history—both in political and economic terms—and the need for prudent banking practices is more essential than ever. It is possible to achieve a sound regulatory posture, without being overbearing, by adopting many of the regulatory measures which you have outlined.

The increased use of standby letters of credit—and other credit instruments—to circumvent existing regulatory policies is all too apparent. Indeed, the proliferation of such credit mechanisms may be limited only by one's imagination and skill in adapting to changing regulatory patterns. It is incumbent upon the bank regulatory agencies and Congress to keep an ever-watchful eye on such developments and to take timely and responsible action as needed.

Respectfully yours,

TIMOTHY D. NAEGELE.

By Mr. BELLMON:

S. 3950. A bill to amend the Internal Revenue Code of 1954 to provide for the recovery of reasonable attorneys' fees, as a part of court costs in civil cases involving the internal revenue laws, to provide for the audit of the tax returns of Members of Congress, and for other purposes. Referred to the Committee on Finance.

Mr. BELLMON. Mr. President, recent allegations of political interference with the administration of the tax laws have shaken public confidence in the fairness of our tax system. Serious erosion in the effectiveness of enforcement of our income tax laws could result. The legislation I am introducing today would help to restore public confidence through the enactment of a taxpayer's bill of rights.

First, a taxpayer should have the right to know that he may recover reasonable attorneys' fees if he prevails in challenging what he considers to be arbitrary actions on the part of the Internal Revenue Service.

Second, a taxpayer has the right to know that his elected representatives have complied with the tax laws.

Third, a taxpayer is entitled to know that if his tax return is audited it will be done only for the purpose of the administration and enforcement of the tax laws.

Fourth, a taxpayer has the right to know that his tax returns will not be unnecessarily distributed to Federal or State agencies for purposes other than the administration and enforcement of the tax laws.

Mr. President, our self-assessment system of taxation depends for its success on the voluntary compliance by the citizen. However, this compliance will come only when the public is confident that the tax laws are fairly and equitably administered. In a democracy, rights and duties go hand in hand. Similarly, while a citizen has the responsibility to support the Government with his tax dollars, he also has the right to know that in the administration of the tax laws he will be treated fairly.

One feature of the legislation I am introducing today will allow recovery of reasonable attorneys' fees as a part of court costs in civil cases involving the tax laws. Under the present system a taxpayer is discouraged or even prevented from challenging an IRS ruling, because of the high cost of obtaining professional services. Often a taxpayer who is innocent of wrongdoing may find it more expedient and less expensive to give in to the demands of the IRS than to contest an issue in the appropriate court. Because of this built-in inequity, even if a taxpayer wins, he may lose due to the expense.

The language of this provision is identical to S. 1535 which passed the Senate as an amendment to H.R. 8214 on January 23, 1974. This bill is presently pending on the Senate calendar and should soon be considered by the Senate.

Mr. President, my bill also would require an intensive IRS inspection and audit of the tax returns of each Member of Congress. The object of this examination would be to determine whether each Member's tax returns were correct with regard to his tax liability. After determining that a Congressman had fully complied with the IRS laws, the agency would issue and publish a certificate demonstrating that the Member had paid his fair share of taxes. This provision would insure that elected officials have not profited from their positions of public trust.

The legislation also assures taxpayers that tax audits will be done only for the purpose of the administration and enforcement of the tax laws. In order to maintain the integrity of the tax system, the enforcement of the laws, like the administration of justice, must be without political motivation or interference. My bill would allow audits only when they are necessary for the functions of the IRS.

Confidentiality of tax returns must be guaranteed further by insuring that tax returns are not distributed to Federal or State agencies for purposes other than the administration and enforcement of tax laws. This legislation would provide rigid guidelines to limit accessibility of tax returns by those outside the IRS.

Mr. President, if we are to expect all citizens to comply with the tax laws, then we must work to see that our tax system itself is administered entirely within the law. It is clearly in the public interest to assure citizens that they are getting a fair shake in their dealings with the IRS. I urge Congress to reaffirm these fundamental principles by enacting the taxpayers' bill of rights.

Mr. President, I ask unanimous consent that the full text of my bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3950

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5103 of the Internal Revenue Code of 1954 (relating to publicity of returns and disclosure of information as to persons filing income tax returns) is amended—

(1) by striking out subsection (a) (1) and inserting in lieu thereof the following:

"(1) Except as provided in subsections (b), (c), and (d) of this section, returns made with respect to taxes imposed by chapters 1, 2, 3, and 6 shall be open to inspection only upon written order of the President which specifies—

"(A) the reason for the inspection of such returns;

"(B) why the information sought is available solely in such returns; and

"(C) such inspection is necessary to carry out a specified legal duty.

The Secretary or his delegate shall prescribe regulations, which shall be approved by the President, to carry out the provisions of this paragraph. This subsection does not apply to the inspection of a return by an employee of the Internal Revenue Service in connection with the administration of this title.";

(2) by striking out "1, 2, 3," and "6," in subsection (a) (2);

(3) by striking out the second sentence in subsection (b) (2) and inserting in lieu thereof: "The inspection shall be permitted only upon written request of the governor of such State which specifies—

"(A) the reason for such inspection,

"(B) why the information sought is available solely in such returns;

"(C) such inspection is necessary to carry out a specified legal duty; and

"(D) the representative of the State official, body, or Commission who is to make the inspection on behalf of such official, body, or Commission."; and (4) by amending subsection (e) to read as follows:

"(e) Definitions.—For purposes of this section—

"(1) Return.—The term 'return' includes declarations of estimated tax, information returns, schedules, lists, and other written statements filed by the taxpayer with the Internal Revenue Service as part of a return or supplemental to a return.

"(2) Inspection.—The term 'inspection' includes a request for information contained in a return other than information which cannot be used to identify the taxpayer.".

(b) Section 7214 of such Code (relating to offenses by officers and employees of the United States) is amended—

(1) by inserting at the end of paragraph (a) (9) of the word "or";

(2) by inserting immediately below such paragraph (9) the following:

"(10) who orders an audit of any return made with respect to income taxes to be made for any purpose other than the administration of this title;"

Sec. 2. As soon as is practical after the end of each calendar year, the Secretary of the Treasury or his delegate shall conduct an audit of the returns made with respect to tax by each member of Congress for the preceding taxable year. Notwithstanding any other provision of this title, the results of each such audit shall be published in the Federal Register.

Sec. 3. '(a)' part II of subchapter C of chapter 76 of the Internal Revenue Code of 1954 (relating to Tax Court procedure) is amended by adding at the end thereof the following new section:

"Sec. 7465 Recovery of Costs

"(a) In General.—In any proceeding before the Tax Court for the redetermination of a deficiency, the prevailing party may be awarded a judgment of costs to the same extent as is provided in section 2412 of title 28, United States Code, for civil actions brought against the United States.

"(b) Judgment.—A judgment of costs entered by the Tax Court shall be treated, for purposes of this subtitle, in the same manner—

"(1) as an overpayment of tax, in the case of a judgment of costs in favor of the petitioner, and

"(2) as an underpayment of tax, in the case of a judgment of costs against the petitioner.

No interest or penalty shall be allowed or assessed with respect to any judgment of costs."

(b) Clerical and Conforming Amendments.—

(1) The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7465. Recovery of Costs.".

(2) Section 2412 of title 28, United States Code, is amended—

(A) by inserting "(a)" before "Except", and

(B) by adding at the end thereof the following new subsection:

"(b) In any civil action which is brought by or against the United States for the collection or recovery of any internal revenue tax, or of any penality or other sum under the internal revenue laws, and in which the United States is not the prevailing party, a judgment for costs may include reasonable attorney's fees."

(c) Effective Date.—The amendments made by this Act shall apply only with respect to civil actions and proceedings for the redetermination of deficiencies commenced after the date of the enactment of this Act.

Mr. BELLMON:

S. 3951. A bill to place a ceiling on expenditures for fiscal year 1975. Referred to the Committee on Government Operations.

Mr. BELLMON. Mr. President, no greater problem faces this country at the present time than inflation. The cost of living rose over 10 percent from April 1973, to April 1974, and according to the latest figures the wholesale price index in July increased at the rate of 3.7 percent.

In personal visits throughout Oklahoma inflation has been mentioned more frequently than any other subject. Oklahomans feel a reduction in Federal spending and a balanced budget would be the best way to fight inflation.

President Ford in his address to the Nation pointed to inflation as our No. 1 domestic problem, and, accordingly, called for a balanced Federal budget in fiscal year 1976. However, the American public is demanding a substantial reduction in Federal spending now. This only reaffirms a contention I have held since long before coming to the Senate that the Federal Government must have a better way of managing its financial affairs. Although Congress has enacted the Budget Control Act to control Federal spending, it will not go into effect until fiscal year 1976.

Mr. President, for this reason, today I am introducing legislation to control excessive Federal spending for this fiscal year by establishing a spending ceiling of $295 billion. It is absolutely imperative that Congress act and act now to restore a measure of fiscal sanity to the Federal Government.

Mr. President, I came to the Senate after having served as Governor of Oklahoma and I was amazed to realize that the handling of financial matters by State governments is much more responsible when compared to the system, rather, the lack of a system as used at the national level. In Oklahoma, we know very well that any time we vote to spend more money, we must immediately find the source for that money. That seems to temper the desire of the legislature or of the Governor to spend more money, because we recognize that unless a program is worthy and meets the desire of the voters of the State, our actions will not be popular. But here in the Nation's Capital, there seems never to be any discipline, only pressure to vote for all those good things with little or no consideration to the money that will be needed to pay for them. At the end of the year we go further into debt and no one who voted for this or that expensive program feels any pain.

My proposal would provide a mechanism to insure a significant reduction in Federal spending for this fiscal year and possibly balance the Federal budget for only the fourth time in the last 20 years.

This proposal will accomplish two basic objectives. First, it will establish a spending ceiling for fiscal year 1975 of $295 billion, which could result in a reduction in Federal expenditures from $5 to $10 billion, depending on the outcome of the appropriations bills we are presently in the process of enacting.

Second, Federal expenditures, with the exception of several uncontrollable budgetary items, would be reduced proportionately in the event appropriations result in the ceiling being exceeded. Since we are well into the appropriations process for this fiscal year, this bill will provide the mechanism to guarantee that Federal spending is held at a reasonable level of $295 billion.

Mr. President, the Senate is very familiar with the terms of this bill. It has been approved in identical form by the Senate on numerous occasions. This proposal passed the Senate as the Bellmon-Taft-Ervin amendment on April 4, 1973. On May 10, 1973, the Senate considered this exact mechanism to control Federal spending for fiscal year 1974 as title II of S. 373, Senator ERVIN's impoundment control measure. On that date, title II of S. 373 was approved by an overwhelming majority of the Senate on a rollcall vote of 86 to 4.

What was an excellent and acceptable means to control excessive Federal spending for fiscal year 1974 is an even more appropriate vehicle to control spending this year when the inflationary rate is at an all-time high.

Arriving at the spending ceiling figure of $295 billion was a relatively simple matter. According to figures obtained from OMB, the latest official estimated receipts of $294 billion must be adjusted upward due to the increased amount of taxes available from inflated income. By establishing a spending ceiling of $295 billion, Congress could possibly balance the Federal budget for only the fourth time in the last 20 years, or even have a surplus at the end of the fiscal year.

In the event appropriations made for fiscal year 1975 result in the spending ceiling being exceeded, the President would then be authorized to proportionately reduce spending in all functional categories with the exception of the following uncontrollable budget items: interest on national debt, veterans' benefits and services, payments from social insurance trust funds, public assistance grants under title IV of the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries. By excluding those uncontrollable items, according to my calculations, it will be necessary to proportionately reduce spending in all other Federal programs by 3 to 5 percent.

Let me reiterate that this proportionate reduction provision has been the subject of extensive committee and Senate debate during the past 2 years and has passed the Senate by overwhelming majorities on at least two occasions.

It is my intention to once again offer this measure as an amendment at an appropriate time if it fails to receive favorable committee action. Congress must reduce Federal spending this year and in my judgment this proposal represents the best approach to accomplish this objective.

We need only examine the record on Federal spending to determine the urgent need for enactment of this proposal. Federal spending and the corresponding huge Federal deficits have increased at an alarming rate. Runaway inflation has followed as night follows day. It is my conviction that the average citizen is completely unaware of how serious the Government's financial plight really is. The Federal budget has not been balanced since 1960. The financial condition of this country has deteriorated to the point that the interest on the national debt will soon reach $30 billion a year at a cost to the taxpayers of almost $54,000 every minute.

Our Federal fiscal policy has had a devastating impact on those persons with fixed incomes, acquired savings, and insurance. It does not take an expert in economics to realize that excessive Federal spending has accelerated the cost of living for all Americans. Over 10 percent of the average American family's taxes go each year just to pay the interest on this national debt.

The problem is illustrated well by an article in the U.S. News & World Report on June 17, 1974. This article illustrates the shrinking value of our dollar. Placing the 1969 dollar, which is just 5½ years ago, at a value of 100 percent, that dollar today is worth only 75 cents. At the current rate of inflation, by 1979 it will be worth 57 cents. If this rate is not curbed by reducing excessive Federal spending, the average home now costing $37,000 will cost $51,000 in 1979. The price of food will go from $54.47 per family per week now to $80.50 in 1979. The local bus fare will go from 38 cents now to 53 cents in 1979. The price of gasoline will go from 58 cents a gallon now to 88 cents in 1979.

It is imperative that the 93d Congress act, and act decisively, this session, to rectify the dangerous situation created by continual Federal spending far in excess of income.

Mr. President, today this Nation faces a period of great economic uncertainty and unrest. The Congress has an opportunity, by enacting this proposal, to help remedy this situation. I urge its immediate and favorable consideration by the Senate.

Mr. President, I ask that the text of my bill be printed in full in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3951

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"SECTION 1. (a) Except as provided in subsection (b) of this section, expenditures and net lending during the fiscal year ending June 30, 1975, under the budget of the United States Government, shall not exceed $295,000,000,000.

"(b) If the estimates of revenues which will be received in the Treasury during the fiscal year ending June 30, 1975, as made from time to time, are increased as a result of legislation enacted after the date of the enactment of this Act reforming the Federal tax laws, the limitation specified in subsection (a) of this section shall be reviewed by the Congress for the purpose of determining whether the additional revenues made available should be applied to essential public services for which adequate funding would not otherwise be provided.

"SEC. 2. (a) Notwithstanding the provisions of any other law, the President shall, in accordance with this section, reserve from expenditure and net lending, from appropriations, or other obligational authority otherwise made available, such amounts as may be necessary to keep expenditures and net lending during the fiscal year ending June 30, 1974, within the limitation specified in section 201.

"(b) In carrying out the provisions of subsection (a) of this section, the President shall reserve amounts proportionately from new obligational authority and other obligational authority available for each functional category, and to the extent practicable, subfunctional category (as set out in table 4 of the United States Budget in Brief for fiscal year 1975), except that no reservations shall be made from amounts available for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants under title IV of the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries.

"(c) In no event shall the authority conferred by this section be used to impound funds, appropriated or otherwise made available by Congress, for the purpose of eliminating a program the creation or continuation of which has been authorized by Congress.

"SEC. 3. In the administration of any program as to which—

"(1) the amount of expenditures is limited pursuant to this title, and

"(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution, the amount available for expenditure (after the application of this title) shall be substituted for the amount appropriated or otherwise made available in the application of the formula."

By Mr. PELL (for himself, Mr. ABOUREZK, Mr. BAKER, Mr. BEALL, Mr. BIBLE, Mr. BROOKE, Mr. CASE, Mr. CHILES, Mr. CRANSTON, Mr. HATHAWAY, Mr. HUGHES, Mr. HUMPHREY, Mr. JAVITS, Mr. MATHIAS, Mr. MCGEE, Mr. MCINTYRE, Mr. METCALF, Mr. NELSON, Mr. RIBICOFF, Mr. SCHWEIKER, and Mr. TUNNEY):

S. 3952. A bill to amend the Social Security Act to establish a procedure for the prompt payment of social security benefits to individuals whose social security checks have been lost, stolen, or otherwise delayed, and to expedite hearings and determinations respecting claims for benefits under title II, XVI, and XVIII of the Act. Referred to the Committee on Finance.

THE SOCIAL SECURITY RECEIPIENTS FAIRNESS ACT OF 1974

Mr. PELL. Mr. President, 2 months ago, I introduced S. 3649, the Social Security Receipients Fairness Act. That bill was designed to alleviate major problems confronted by social security recipients whose benefit checks were delayed, and by claimants for social security disability insurance benefits whose appeals were encountering extraordinary processing delays.

I have been delighted to add the names of 23 of my colleagues as cosponsors of that bill, and to receive many positive comments on its content by those persons who are most knowledgeable about the way that social security really operates, my fellow Rhode Islanders who receive social security benefits. I was also pleased that the bill received the endorsement of the National Council of Senior Citizens.

Since the introduction of that bill, I have learned that the exact same problems which are faced by recipients of title II funds are also faced by recipients of title XVI funds, generally known as supplemental security income or SSI.

Mr. President, it makes sense that, if a delay in the receipt of a check is debilitating to the average retiree or disability income recipient, it surely is devastating to each and every SSI recipient. The SSI recipient is, by definition, a low-income person, whose savings are very low, if anything at all, and whose personal property may be just barely sufficient to meet normal needs.

Because of these particularly difficult economic circumstances, I believe that it is logical and necessary to include SSI recipients under the delayed check procedure and the appeals procedure of this legislation. I am gratified that I am joined in this belief by my bill's cosponsors.

Mr. President, today I am introducing an amended Social Security Recipients Fairness Act, which takes into account these problems faced by SSI recipients, and which moves to solve them in a manner identical to the method applied, in the earlier bill, to title II and title XVIII benefits.

I believe that this new bill provides a fair, sound, and complete basis for the resolution of many of the social security problems which I have seen. I would hope that the Senate will take some affirmative action upon it before the end of this session, to relieve many of our constituents of the senseless administratively-caused burdens they now are facing.

Mr. RIBICOFF. Mr. President, today, I am joining in introducing legislation to assure speedy replacement of lost, stolen, or otherwise misplaced social security, supplemental security income—SSI—and disability benefit checks. The legislation would also speed up and reform the disability insurance and SSI appeals process.

Too often, government redtape and bureaucratic delay deprive citizens of the benefits due them. This works a special hardship on older Americans, SSI recipients, and the disabled who depend largely on these payments for their income. Delays in getting their checks mean more than inconvenience. Delays can mean going without food, defaulting on rent, utilities, medicine, and other necessities. I have received many letters from people in Connecticut complaining of government delay. We must not allow our needy citizens to become strangled in government paperwork.

The legislation I am cosponsoring with Senator CLAIRBORNE PELL would assure that no person or family would have to wait more than 4 days for the replacement of a delayed, stolen, or lost social security, SSI, or disability check. Families should not have to wait 6 or 7 weeks for a new check as they do today.

Another section of our legislation would reform the SSI and disability claim hearings and appeal process.

One of the most unresponsive and unfair bureacratic procedures is the disability claim hearings and appeal process. The length of time between the filing of an appeal and final determination is shocking. In the Atlanta region it takes 93 days. In Dallas it takes 163 days. And in Chicago it takes 206 days.

But the New England region is the worst offender of all. The average time it takes for final disposition of a disability claim in the New England region is 226 days. This is a most shocking case of justice denied because of delays. Compared with the nationwide average of 90 days for full disposition of a railroad retirement claim, the New England disability claims process problem is even more startling.

We must put an end to this bureaucratic disgrace. These are not frivolous appeals which are being made. In fact, of the 61,000 disability appeals finally adjudicated last year, 31,467 were reversals. That is, the appeal found in favor of the claimant and against the Government.

Our bill therefore modifies the disability process, putting time on the side of the individual claimant. It requires that the hearing and appeals process be completed expeditiously. If the full process is not completed within 110 days, the claimant would be entitled to the full benefit from the 110th day onward. If the appeal process later found the applicant ineligible, the compensation already paid would remain the property of the claimant, and would be assessed as a penalty on the appeals system for delaying the decision process.

Supplemental security income beneficiaries involved in a claim dispute would become eligible for benefits after a 90-day delay in the appeal process.

It is time to put an end to unresponsive bureaucracy. Government programs must serve the people—fairly and promptly. This bill will help us achieve that goal.

By Mr. METZENBAUM (for himself, Mr. INOUYE, Mr. STEVENS, Mr. ALLEN, Mr. CRANSTON, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. METCALF, and Mr. NUNN):

S. 3955. A bill to establish within the Department of Commerce a Foreign Investment Review Administration to conduct a continuing review and analysis of foreign investment in the United States, to require reports and information from foreign investors in the United States, to publish reports with respect to such investment, and for other purposes. Referred to the Committee on Commerce.

FOREIGN INVESTMENT DISCLOSURE ACT OF 1974

Mr. METZENBAUM. Mr. President, on July 15 of this year, I called the attention of this body to the possible implications of the extraordinary concentration of wealth in the oil-producing nations of the world. According to the World Bank, the oil exporters will have $60 billion in excess liquid capital at their disposal in 1974 alone, and by 1985 their capital holdings could grow to $1.2 trillion.

Such a huge accumulation of idle money has no precedent in the history of international commerce.

Money means power, political as well as economic, and this great shift in wealth might well foreshadow a shift in international political influence which will not be in our national interest. Today, for example, the Associated Press, quoting American intelligence sources, reported that Portugal has received an Arab offer of $400 million to refuse renewal of U.S. airbase rights in the Azores. Our base there provides essential services for Military Airlift Command flights to Southern Europe and the Mediterranean; an area in which our NATO defense arrangements are already in severe disarray.

If this report be true, I would certainly hope that Portugal would reject this arrogant attempt to use petrodollars to influence a political decision in another country. But I would also point out that over the long run, the enormous sums available to these countries could be used to acquire real and pervasive influence in the economies of various nations around the world, our own included. Heavy-handed pressure tactics may not succeed, but ownership or control of key corporations is quite another matter.

Some have said that we really need not worry about foreign acquisition of American assets. They argue that foreign owners would be as interested as Americans in sound management and healthy profits, and that in any case, there is no evidence to date that foreign buyers have any interest in controlling large American enterprises. They state further that it would be irrational for foreigners to attempt to unduly influence our internal affairs if only because they might risk expropriation or other sanctions by so doing.

All of this may well be true—I would certainly expect foreign investors to behave responsibly—but I do not think that it would be wise for us to operate on this basis of expectations alone. I submit that prudence dictates that we take steps now to put ourselves in a position to anticipate any problems we might have in this area in the future.

At this time, however, reliable information on foreign investment in the United States is not available. As Chairman Ray Garrett, Jr. of the Securities and Exchange Commission pointed out in testimony before the Subcommittee on Foreign Commerce and Tourism of the Senate Commerce Committee on February 19 of this year, SEC reporting and registration requirements are such that the foreign investment information collected there is, and I quote:

> Somewhat incomplete, and possibly inadequate or inaccurate in some cases from the point of view of someone seeking to study the influence of foreign investors in the U.S. market.

The Senate has already recognized the urgent need for this data by acting favorably on the excellent bill introduced by Senators Inouye and Stevens authorizing an exhaustive study of the foreign investment problem over the next 2½ years. I know, however, that the distinguished Senators from Hawaii and Alaska join me in my desire to see information on this important issue begin to flow immediately.

For this reason, Senators Inouye, Stevens, Allen, Cranston, Huddleston, Humphrey, Nunn, and I are today proposing legislation, the Foreign Investment Disclosure Act of 1974. Under our proposal which would become effective within 120 days of its enactment, the Secretary of Commerce would be instructed to assemble, analyze, and make public information on the nature, extent, source of, and trends in foreign investment in the United States. He would publish reports on foreign investment monthly and detailed summaries and analyses on a quarterly basis.

The act further provides that any foreign investor owning or controlling directly or indirectly 5 percent or more of a publicly traded concern, or two or more foreigners from the same country owning or controlling 10 percent or more of such a firm would have to be identified by name, their citizenship, and place of residence. The same provisions apply to one or more foreign investors owning or controlling, directly or indirectly, 25 percent or more of any U.S. business concern whose stock is not traded on a national securities exchange and whose value is $3 million or more at the time of acquisition. The Secretary would also conduct a survey of foreign investments existing at the time of enactment. Finally, he would be empowered to request and receive information on foreign investments from other Government agencies.

In closing, I want to state as strongly as possible that this bill is not intended to restrict foreign investment nor to threaten potential foreign investors. I welcome constructive international relationships and as a person with a business background, I know that mutually profitable economic exchange can often be the basis for enduring and fruitful cooperation between men and nations.

Rather, the intent of this legislation is to guard our legitimate interests. It is the interest of all concerned, foreign investors included to prevent undue suspicion of foreign intentions from spreading confusion in our financial markets and to provide Congress, the Executive, and the American public with the information we shall need to formulate wise policies in the future.

By Mr. CHURCH (for himself, Mr. Mathias, Mr. Hart, Mr. Case, Mr. Pell, Mr. Pearson, Mr. Stevenson, Mr. Hansen, Mr. Ervin, and Mr. Chiles):

S. 3957. A bill to terminate certain authorities with respect to national emergencies still in effect, and to provide for the orderly implementation and termination of future national emergencies. Referred to the Committee on Government Operations, by unanimous consent.

(The remarks of Mr. Church and other Senators on the introduction of the National Emergencies Act appear later in the Record.)

By Mr. THURMOND:

S. 3959. A bill to increase the target price of the 1974 and 1975 crops of cotton. Referred to the Committee on Agriculture and Forestry.

Mr. THURMOND. Mr. President, on August 8, 1974, the General Assembly of the State of South Carolina adopted a concurrent resolution memorializing the Congress of the United States to raise the support price of cotton to prevent a crisis in cotton production.

The resolution notes that the cost of producing cotton has skyrocketed and the price of cotton has dropped to a level where it is impossible to make a profit under normal production. Without relief, such a situation will result in a drastic curtailment of cotton production in South Carolina in 1975, with serious economic consequences to the farmer. A shortage of cotton could jeopardize the supply of raw material to the textile industry and thus create economic disaster to laborers in the textile industry and associated industries.

Mr. President, on behalf of myself and the junior Senator from South Carolina, Mr. Hollings, I ask unanimous consent that this concurrent resolution be printed in the Congressional Record at the conclusion of my remarks, and that it be referred to the appropriate committee for proper consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution, which was referred to the Committee on Agriculture and Forestry, reads as follows:

A CONCURRENT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO REQUEST THAT THE SUPPORT PRICE OF COTTON BE RAISED TO PREVENT A CRISIS IN COTTON PRODUCTION

Whereas, the cost of producing cotton has skyrocketed and the price of cotton has dropped to the point where it is absolutely impossible to make a profit under normal production; and

Whereas, in view of the fact that the income from the cotton crop is one of the major sources of income in South Carolina and if some relief is not forthcoming to the cotton farmers from a standpoint of price, it can easily be foreseen that cotton production in South Carolina will be curtailed drastically in 1975 and acreages will be diverted to grain and soybeans; and

Whereas, such a condition could very well jeopardize the supply of raw material to the textile industry of this State and thereby cause an economic disaster to not only the farmer but to many laborers in the textile industry and associated industries in our State, Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the members of the House of Representatives and Senate of the United States, representing the State of South Carolina, are

> memorialized to request the Secretary of Agriculture of the United States to raise the support price of cotton so as to prevent crises and disasters in the production of cotton in South Carolina.
>
> *Be it further resolved* that copies of this resolution be sent to all members of the United States House of Representatives and Senate representing the cotton producing states and to United States Secretary of Agriculture, the Honorable Earl Butz.

Mr. THURMOND. Mr. President, in conjunction with this vitally important agricultural matter, I am also introducing legislation which would increase the target price on the 1974 and 1975 cotton crops to a level that more realistically reflects increased farm production costs. I am hopeful that Congress will act quickly and favorably on this matter, for the good of our cotton farmers, our domestic textile industry, and all of us in this country who benefit from the multitude of products derived from cotton.

I ask unanimous consent that this bill be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks and that it be referred to the appropriate committee for prompt consideration.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3959

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first sentence of section 103(3)(2) of the Agricultural Act of 1949, as amended, is amended by changing the phrase "38 cents per pound" wherever it appears therein to read "51 cents per pound."

By Mr. PELL (for himself and Mr. JAVITS):

S.J. Res. 236. A joint resolution to provide for the indemnification of the Metropolitan Museum of New York for loss or damage suffered by objects in exhibition in the Union of Soviet Socialist Republics. Referred to the Committee on Foreign Relations.

Mr. PELL. Mr. President, as chairman of the Senate Subcommittee on Arts and Humanities, I am introducing today legislation in the form of a Senate joint resolution to facilitate needed arrangements for an upcoming cultural exchange between the United States and the Union of Soviet Socialist Republics.

I am delighted to have Senator JAVITS, ranking minority member of the subcommittee, as cosponsor of this legislation. He and I have worked together many times on matters relating to our country's cultural well-being. He has been a true pioneer in this very important regard.

And I am very pleased that Representative JOHN BRADEMAS, whose leadership role in the arts and humanities is so well known, is introducing companion legislation in the House of Representatives.

This joint resolution is directed toward the exchange of exhibits between our country and the Soviet Union scheduled to begin in May of next year.

Let me quote from a recent letter to me from Douglas Dillon, president of the Metropolitan Museum of Art in New York and a former Secretary of the Treasury.

Mr. Dillon writes:

> For a number of years the Metropolitan Museum has been working with the Ministry of Culture of the Soviet Union to bring about an agreement for the first significant series of exchange exhibitions between the United States and the Soviet Union. This agreement was mentioned in the joint communiqué signed by President Nixon and Chairman Brezhnev on July 3, which stated in part such an exchange would be in accordance with the general agreement on contracts, exchanges, and cooperation signed July 19, 1973, under which the parties agree to render assistance for the exchange of exhibitions between the museums of the two countries.

Thomas Hoving, director of the museum, was in Moscow shortly afterward to continue negotiations based on the joint communique.

Mr. Dillon's letter to me continues:

> The first exchange will take in April of 1975 with the Soviet Union sending to the Metropolitan and to the Los Angeles County Museum the finest exhibition ever mounted of their incomparable collections of gold and silver objects from the 5th century B. C. civilization of the Scythians. The Metropolitan will send in return a number of its most important European and American paintings from the 16th to the 19th centuries. A second set of exhibitions is projected for 1976; tentatively, we plan a show of Russian paintings from the 12th century to the present day in exchange for an exhibition of Oceanic and pre-Columbian art. Further on we are planning exhibitions of icon paintings and of master drawings and European paintings in exchange for yet undefined exhibitions from the Metropolitan.
>
> The very great value of the art works involved in this exchange once again raises the question of legislation covering the insurance of international art exchanges. We estimate the cost of private insurance for just the first of these exhibitions at between $250,000 and $350,000.

Such costs would place a very great burden on the museum initiating this important cultural exchange, which I stress is undertaken with the encouragement of the United States.

Therefore, I am introducing this joint resolution which contains a similar concept to S. 3304 which we passed in this session of the 93d Congress and which became Public Law 93–287, to allow for appropriate insurance coverage for the Chinese Archaelogical Exhibition. In that case we are guaranteeing to insure this exhibition against damage and loss while it is in the United States.

The coverage involved in this legislation I am introducing is similar in its thrust to that provided by other leading nations with respect to international exhibitions.

However, I believe that we must consider more comprehensive legislation in this area, so that we will not be acting on single exhibits guided by particular circumstances.

I intend to develop comprehensive legislation, so that our country will have a permanent policy and procedure in these matters.

Recognizing that time is very limited for consideration of such a broader measure now, I am proposing the present joint resolution.

I will only add, Mr. President, that cultural exchanges are one of the best means of preserving and strengthening peaceful relations with other countries. We should do all we can to encourage these exchanges and to assist in every appropriate fashion their implementation by the cultural leaders in the private sector of our Nation. As members of the Senate Committee on Foreign Relations, Senator JAVITS and I share concern in this subject area.

Mr. President, this resolution, in brief, would authorize the Secretary of State or his designee to conclude the appropriate agreement for insurance coverage with the metropolitan museum. I ask unanimous consent that its full text be printed in the RECORD following these remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 236

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of State (or such officer of the Department of State as he may designate) is authorized to conclude an agreement with the Metropolitan Museum of Art, located in New York, New York, for indemnification of such museum, in accordance with the terms of such agreement, for any loss or damage suffered by objects in an exhibition of such museum in the Union of Soviet Socialist Republics pursuant to an agreement between such museum and the Ministry of Culture of the Union of Soviet Socialist Republics, which agreement was made in accordance with the general agreement on contracts, exchanges, and cooperation, signed July 19, 1973, by the United States and the Union of Soviet Socialist Republics. The agreement, concluded by the Secretary of State, shall provide for such indemnification during the period such objects are subject to the jurisdiction and direct supervision of representatives of the Union of Soviet Socialist Republics.

By Mr. TUNNEY:

S.J. Res. 237. A joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project. Referred to the Committee on Interior and Insular Affairs.

Mr. TUNNEY. Mr. President, I am introducing today the Senate version of House Joint Resolution 444, which would authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

This legislation will authorize the Secretary of the Interior to issue a permit to occupy and use lands within the Sequoia National Park for the continued operation, maintenance and use of the hydroelectric project known as Kaweah No. 3 of Southern California Edison Co.

I feel that the question of extending Southern California Edison's license for an indeterminate length of time should be reviewed and examined through the hearing process. And while I have serious reservations about some aspects of the House bill, I am introducing this legislation in order to raise the question of whether Congress should authorize such permits or whether it would be more appropriate for Congress to set specific expiration dates in order to have the opportunity to review the operations of each plant.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed at this point.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 237

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to issue a permit to occupy and use lands of the United States within Sequoia National Park necessary for the continued operation, maintenance, and use of the hydroelectric project known as the Kaweah number 3 project of Southern California Edison Company.

Sec. 2. The term of such permit shall expire not later than the expiration of existing or future licenses granted by the Federal Power Commission to Southern California Edison Company for said Kaweah number 3 project (Federal Power Commission Project No. 298) and the permit shall contain such other terms and conditions as the Secretary of the Interior shall deem necessary for the protection and utilization of Sequoia National Park.

Sec. 3. Such permit shall specifically recite that the privileges granted thereby are to be exercised in accordance with the Federal Power Act (16 U.S.C. 791(a)–825(u)), and the rules and regulation thereunder which the Secretary of the Interior, after consultation with the Federal Power Commission, determines to be applicable.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1098

At the request of Mr. Bible, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 1098, a bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business.

S. 2951

At the request of Mr. Bayh, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 2951, a bill to provide for public ownership of certain documents of elected public officials.

S. 3108

At the request of Mr. Stafford, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 3108, a bill to amend the Rehabilitation Act of 1973.

S. 3383

At the request of Mr. McGovern, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 3383, the World War I veterans' pension bill.

S. 3431

At the request of Mr. Clark, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 3431, the Young Farmers Investment Act.

S. 3639

At the request of Mr. Mondale, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 3639, the Children and Youth Camp Safety Act.

S. 3814

At the request of Mr. Cranston, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 3814, a bill to amend title 38 of the United States Code in order to extend medical benefits to the survivors of certain severely service-connected disabled deceased veterans.

S. 3826

At the request of Mr. Mathias, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 3826, a bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual.

S. 3864

At the request of Mr. McGovern, the Senator from Kentucky (Mr. Cook) was added as a cosponsor of S. 3864, the National Nutrition Education Act of 1974.

S. 3890

At the request of Mr. Ribicoff, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 3890, to assure Polish and Czechoslovakian war veterans living in the United States of veterans' medical benefits.

SENATE CONCURRENT RESOLUTION 114—SUBMISSION OF A CONCURRENT RESOLUTION SUPPORTING INTERNATIONAL WOMEN'S YEAR 1975

(Referred to the Committee on the Judiciary.)

Mr. MONDALE submitted the following concurrent resolution:

S. Con. Res. 114

Whereas the United Nations has proclaimed 1975 as International Women's Year, during which attention will be focused on means of advancing the status of women and eliminating discrimination against women within the United Nations family of agencies and within each of the 135 member countries of the United Nations; and

Whereas the United Nations has set three goals for International Women's Year which are in accord with the objectives of the Government and people of the United States: (a) to promote equality between men and women; (b) to insure the full participation of women in the total development effort, both national and international; (c) to recognize the importance of women's increasing contribution to the development of friendly relations and cooperation among states and to the strengthening of world peace; and

Whereas the President of the United States, on January 30, 1974, proclaimed International Women's Year for the United States and called on Federal and State officials, private organizations, and individuals to assist in the observance of International Women's Year by constructive measures for the advancement of the status of women; and

Whereas a UN-sponsored International Conference will be held during International Women's Year at Bogota, Colombia, and other UN activities for the year are planned; and

Whereas despite the progress made, especially in recent years, there is urgent need for more equitable utilization of women's talents, particularly at higher levels of government, industry, the professions, labor, the arts, and sports, and for greater recognition of women's potential for contributing significantly to the cultural, economic, and spiritual life of the Nation; and

Whereas constructive observance of IWY is a matter of importance for all citizens—men as well as women—for by advancing the status of women the well-being of the family, the community and the nation are advanced; for without the active cooperation of men and women towards shared goals and mutual understanding of existing problems no lasting progress will be made;

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that:

(1) The designation of 1975 as International Women's Year is welcomed and full support is expressed for the goals for the year as proclaimed by the Secretary General of the United Nations and the President of the United States.

(2) Cooperation in observance of the year is urged on the part of all concerned people, official and private, men and women, to insure that constructive measures are taken to advance the rights and responsibilities of women during 1975.

(3) A concerted effort should be made to insure that 1975 is a year not only of stocktaking but also a time for the launching of new programs and the forming of new attitudes toward the role of women, with impact reaching well beyond 1975, so as to overcome the obstacles still encountered by women in exercising their full measure of human rights and responsibilities in all fields, including government, business, labor, the professions, education, the arts, and sports, and in enjoying freedom of choice in planning their lives.

(4) Women in more than token numbers should be included on all United States delegations to international conferences or other meetings, and on national commissions and other bodies where positions are filled by Federal appointment.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 104

At the request of Mr. Bible, the Senator from New Hampshire (Mr. McIntyre), the Senator from New York (Mr. Javits), the Senator from Montana (Mr. Metcalf), and the Senator from Virginia (Mr. William L. Scott) were added as cosponsors of Senate Concurrent Resolution 104, relating to the availability of unleaded gasoline and related equipment.

SENATE RESOLUTION 390—ORIGINAL RESOLUTION REPORTED AMENDING THE RULES OF PROCEDURE AND PRACTICE IN THE SENATE WHEN SITTING ON IMPEACHMENT TRIALS

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. Res. 390

Resolved, That the Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials are amended to read as follows:

Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials

I. Whenever the Senate shall receive notice from the House of Representatives that managers are appointed on their part to conduct an impeachment against any person and are directed to carry articles of impeachment to the Senate, the Secretary of the Senate shall immediately inform the House of Representatives that the Senate is ready to receive the managers for the purpose of exhibiting such articles of impeachment, agreeably to such notice.

II. When the managers of an impeachment shall be introduced at the bar of the Senate and shall signify that they are ready to exhibit articles of impeachment against any person, the Presiding Officer of the Senate shall direct the Sergeant at Arms to make proclamation; who shall, after making proclamation, repeat the following words, viz: "All persons are commanded to keep silence, on pain of imprisonment, while the House of Representatives is exhibiting to the Senate of the United States articles of impeachment against ——— ———"; after which the articles shall be exhibited, and then the Presiding Officer of the Senate shall inform the managers that the Senate will take proper order on the subject of the impeachment, of which due notice shall be given to the House of Representatives.

III. Upon such articles being presented to the Senate, the Senate shall, at 1 o'clock afternoon of the day (Sunday excepted) following such presentation, or sooner if ordered by the Senate, proceed to the consideration of such articles and shall continue in session from day to day (Sundays excepted) after the trial shall commence (unless otherwise ordered by the Senate) until final judgment shall be rendered, and so much longer as may, in its judgment, be needful. Before proceeding to the consideration of the articles of impeachment, the Presiding Officer shall administer the oath hereinafter provided to the members of the Senate then present and to the other members of the Senate as they shall appear, whose duty it shall be to take the same.

IV. When the President of the United States or the Vice President of the United States, upon whom the powers and duties of the office of President shall have devolved, shall be impeached, the Chief Justice of the United States shall preside; and in a case requiring the said Chief Justice to preside notice shall be given to him by the Presiding Office of the Senate of the time and place fixed for the consideration of the articles of impeachment, as aforesaid, with a request to attend; and the said Chief Justice shall be administered the oath by the Presiding Officer of the Senate and shall preside over the Senate during the consideration of said articles and upon the trial of the person impeached therein.

V. The Presiding Officer shall have power to make and issue, by himself or by the Secretary of the Senate, all orders, mandates, writs, and precepts authorized by these rules or by the Senate, and to make and enforce such other regulations and orders in the premises as the Senate may authorize or provide.

VI. The Senate shall have power to compel the attendance of witnesses, to enforce obedience to its orders, mandates, writs, precepts, and judgments, to preserve order, and to punish in a summary way contempts of, and disobedience to, its authority, orders, mandates, writs, precepts, or judgments, and to make all lawful orders, rules, and regulations which it may deem essential or conducive to the ends of justice. And the Sergeant at Arms, under the direction of the Senate, may employ such aid and assistance as may be necessary to enforce, execute, and carry into effect the lawful orders, mandates, writs, and precepts of the Senate.

VII. The Presiding Officer of the Senate shall direct all necessary preparations in the Senate Chamber, and the Presiding Officer on the trial shall direct all the forms of proceedings while the Senate is sitting for the purpose of trying an impeachment, and all forms during the trial not otherwise specially provided for. And the Presiding Officer on the trial may rule on all questions of evidence including, but not limited to, questions of relevancy, materiality, and redundancy of evidence and incidental questions, which ruling shall stand as the judgment of the Senate, unless some member of the Senate shall ask that a formal vote be taken thereon, in which case it shall be submitted to the Senate for decision without debate; or he may at his option, in the first instance, submit any such question to a vote of the members of the Senate. Upon all such questions the vote shall be taken in accordance with the Standing Rules of the Senate.

VIII. Upon the presentation of articles of impeachment and the organization of the Senate as hereinbefore provided, a writ of summons shall issue to the person impeached, reciting said articles, and notifying him to appear before the Senate upon a day and at a place to be fixed by the Senate and named in such writ, and file his answer to said articles of impeachment, and to stand to and abide the orders and judgments of the Senate thereon; which writ shall be served by such officer or person as shall be named in the precept thereof, such number of days prior to the day fixed for such appearance as shall be named in such precept, either by the delivery of an attested copy thereof to the person impeached, or if that cannot conveniently be done, by leaving such copy at the last known place of abode of such person, or at his usual place of business in some conspicuous place therein; or if such service shall be, in the judgment of the Senate, impracticable, notice to the person impeached to appear shall be given in such other manner, by publication or otherwise, as shall be deemed just; and if the writ aforesaid shall fail of service in the manner aforesaid, the proceedings shall not thereby abate, but further service may be made in such manner as the Senate shall direct. If the person impeached, after service, shall fail to appear, either in person or by attorney, on the day so fixed therefor as aforesaid, or, appearing, shall fail to file his answer to such articles of impeachment, the trial shall proceed, nevertheless, as upon a plea of not guilty. If a plea of guilty shall be entered, judgment may be entered thereon without further proceedings.

IX. At 12:30 o'clock afternoon of the day appointed for the return of the summons against the person impeached, the legislative and executive business of the Senate shall be suspended, and the Secretary of the Senate shall administer an oath to the returning officer in the form following, viz: "I, ---------- ----------, do solemnly swear that the return made by me upon the process issued on the ---------- day of ----------, by the Senate of the United States, against ---------- ----------, is truly made, and that I have performed such service as therein described: So help me God." Which oath shall be entered at large on the records.

X. The person impeached shall then be called to appear and answer the articles of impeachment against him. If he appear, or any person for him, the appearance shall be recorded, stating particularly if by himself, or by agent or attorney, naming the person appearing and the capacity in which he appears. If he do not appear, either personally or by agent or attorney, the same shall be recorded.

XI. That in the trial of any impeachment the Presiding Officer of the Senate, if the Senate so orders, shall appoint a committee of Senators to receive evidence and take testimony at such times and places as the committee may determine, and for such purpose the committee so appointed and the chairman thereof, to be elected by the committee, shall (unless otherwise ordered by the Senate) exercise all the powers and functions conferred upon the Senate and the Presiding Officer of the Senate, respectively, under the rules of procedure and practice in the Senate when sitting on impeachment trials.

Unless otherwise ordered by the Senate, the rules of procedure and practice in the Senate when sitting on impeachment trials shall govern the procedure and practice of the committee so appointed. The committee so appointed shall report to the Senate in writing a certified copy of the transcript of the proceedings and testimony had and given before such committee, and such report shall be received by the Senate and the evidence so received and the testimony so taken shall be considered to all intents and purposes, subject to the right of the Senate to determine competency, relevancy, and materiality, as having been received and taken before the Senate, but nothing herein shall prevent the Senate from sending for any witness and hearing his testimony in open Senate, or by order of the Senate having the entire trial in open Senate.

XII. At 12:30 o'clock afternoon, or at such other hour as the Senate may order, of the day appointed for the trial of an impeachment, the legislative and executive business of the Senate shall be suspended, and the Secretary shall give notice to the House of Representatives that the Senate is ready to proceed upon the impeachment of ——— ———, in the Senate Chamber.

XIII. The hour of the day at which the Senate shall sit upon the trial of an impeachment shall be (unless otherwise ordered) 12 o'clock m.; and when the hour shall arrive, the Presiding Officer upon such trial shall cause proclamation to be made, and the business of the trial shall proceed. The adjournment of the Senate sitting in said trial shall not operate as an adjournment of the Senate; but on such adjournment the Senate shall resume the consideration of its legislative and executive business.

XIV. The Secretary of the Senate shall record the proceedings in cases of impeachment as in the case of legislative proceedings, and the same shall be reported in the same manner as the legislative proceedings of the Senate.

XV. Counsel for the parties shall be admitted to appear and be heard upon an impeachment.

XVI. All motions, objections, requests, or applications whether relating to the procedure of the Senate or relating immediately to the trial (including questions with respect to admission of evidence or other questions arising during the trial) made by the parties or their counsel shall be addressed to the Presiding Officer only, and if he, or any Senator, shall require it, they shall be committed to writing, and read at the Secretary's table.

XVII. Witnesses shall be examined by one person on behalf of the party producing them, and then cross-examined by one person on the other side.

XVIII. If a Senator is called as a witness, he shall be sworn, and give his testimony standing in his place.

XIX. If a Senator wishes a question to be put to a witness, or to a manager, or to counsel of the person impeached, or to offer a motion or order (except a motion to adjourn), it shall be reduced to writing, and put by the Presiding Officer. The parties or their counsel may interpose objections to witnesses answering questions propounded at the request of any Senator and the merits of any such objection may be argued by the parties or their counsel. Ruling on any such objection shall be made as provided in Rule VII. It shall not be in order for any Senator to engage in colloquy.

XX. At all times while the Senate is sitting upon the trial of an impeachment the doors of the Senate shall be kept open, unless the Senate shall direct the doors to be closed while deliberating upon its decisions. A motion to close the doors may be acted upon without objecton, or, if objection is heard, the motion shall be voted on without debate by the yeas and nays, which shall be entered on the record.

XXI. All preliminary or interlocutory questions, and all motions, shall be argued for not exceeding one hour (unless the Senate otherwise orders) on each side.

XXII. The case, on each side, shall be opened by one person. The final argument on the merits may be made by two persons on each side (unless otherwise ordered by the Senate upon application for that purpose), and the argument shall be opened and closed on the part of the House of Representatives.

XXIII. An article of impeachment shall not be divisible for the purpose of voting thereon at any time during the trial. Once voting has commenced on an article of impeachment, voting shall be continued until voting has been completed on all articles of impeachment unless the Senate adjourns for a period not to exceed one day or adjourns sine die. On the final question whether the impeachment is sustained, the yeas and nays shall be taken on each article of impeachment separately; and if the impeachment shall not, upon any of the articles presented, be sustained by the votes of two-thirds of the members present, a judgment of acquittal shall be entered; but if the person impeached shall be convicted upon any such article by the votes of two-thirds of the members present, the Senate may proceed to the consideration of such other matters as may be determined to be appropriate prior to pronouncing judgment. Upon pronouncing judgment, a certified copy of such judgment shall be deposited in the office of the Secretary of State. A motion to reconsider the vote by which any article of impeachment is sustained or rejected shall not be in order.

Form of putting the question on each article of impeachment

The Presiding Officer shall first state the question; thereafter each Senator, as his name is called, shall rise in his place and answer: guilty or not guilty.

XXIV. All the orders and decisions may be acted upon without objection, or, if objection is heard, the orders and decisions shall be voted on without debate by yeas and nays, which shall be entered on the record, subject, however, to the operation of Rule VII, except when the doors shall be closed for deliberation, and in that case no member shall speak more than once on one question, and for not more than ten minutes on an interlocutory question, and for not more than fifteen minutes on the final question, unless by consent of the Senate, to be had without debate; but a motion to adjourn may be decided without the yeas and nays, unless they be demanded by one-fifth of the members present. The fifteen minutes herein allowed shall be for the whole deliberation on the final question, and not on the final question on each article of impeachment.

XXV. Witnesses shall be sworn in the following form, viz: "You, ------ ------, do swear (or affirm, as the case may be) that the evidence you shall give in the case now pending between the United States and ------ ------, shall be the truth, the whole truth, and nothing but the truth: So help you God." Which oath shall be administered by the Secretary, or any other duly authorized person.

Form of a subpena to be issued on the application of the managers of the impeachment, or of the party impeached, or of his counsel

To ------ ------, greeting:

You and each of you are hereby commanded to appear before the Senate of the United States, on the ------ day of ------, at the Senate Chamber in the city of Washington, then and there to testify your knowledge in the cause which is before the Senate in which the House of Representatives have impeached ------ ------.

Fail not.

Witness ------ ------, and Presiding Officer of the Senate, at the city of Washington, this ------ day of ------, in the year of our Lord ------, and of the Independence of the United States the ------.

------ ------,
Presiding Officer of the Senate.

Form of direction for the service of said subpena

The Senate of the United States to ------ ------, greeting:

You are hereby commanded to serve and return the within subpena according to law.

Dated at Washington, this ------ day of ------, in the year of our Lord ------, and of the Independence of the United States the ------.

------ ------,
Secretary of the Senate.

Form of oath to be administered to the members of the Senate and the Presiding Officer sitting in the trial of impeachments

"I solemnly swear (or affirm, as the case may be) that in all things appertaining to the trial of the impeachment of ------ ------, now pending, I will do impartial justice according to the Constitution and laws: So help me God."

Form of summons to be issued and served upon the person impeached

The United States of America, *ss:*

The Senate of the United States to ------ ------, greeting:

Whereas the House of Representatives of the United States of America did, on the ------ day of ------, exhibit to the Senate articles of impeachment against you, the said ------ ------, in the words following:

[Here insert the articles]

And demand that you, the said ---------- ----------, should be put to answer the accusations as set forth in said articles, and that such proceedings, examinations, trials, and judgments might be thereupon had as are agreeable to law and justice.

You, the said ---------- ----------, are therefore hereby summoned to be and appear before the Senate of the United States of America, at their Chamber in the city of Washington, on the ---------- day of ----------, at ---------- o'clock ----------, then and there to answer to the said articles of impeachment, and then and there to abide by, obey, and perform such orders, directions, and judgments as the Senate of the United States shall make in the premises according to the Constitution and laws of the United States.

Hereof you are not to fail.

Witness ---------- ----------, and Presiding Officer of the said Senate, at the city of Washington, this ---------- day of ----------, in the year of our Lord ----------, and of the Independence of the United States the ----------.

---------- ----------,
Presiding Officer of the Senate.

Form of precept to be indorsed on said writ of summons

The United States of America, ss:

The Senate of the United States to ---------- ----------, greeting:

You are hereby commanded to deliver to and leave with ---------- ----------, if conveniently to be found, or if not, to leave at his usual place of abode, or at his usual place of business in some conspicuous place, a true and attested copy of the within writ of summons, together with a like copy of this precept; and in whichsoever way you perform the service, let it be done at least ---------- days before the appearance day mentioned in the said writ of summons.

Fail not, and make return of this writ of summons and precept, with your proceedings thereon indorsed, on or before the appearance day mentioned in the said writ of summons.

Witness ---------- ----------, said Presiding Officer of the Senate, at the city of Washington, this ---------- day of ----------, in the year of our Lord ----------, and of the Independence of the United States the ----------.

---------- ----------,
Presiding Officer of the Senate.

All process shall be served by the Sergeant at Arms of the Senate, unless otherwise ordered by the Senate.

XXVI. If the Senate shall at any time fail to sit for the consideration of articles of impeachment on the day or hour fixed therefor, the Senate may, by an order to be adopted without debate, fix a day and hour for resuming such consideration.

SENATE RESOLUTION 391—SUBMISSION OF A RESOLUTION RELATING TO THE PRESIDENT'S COMMITTEE ON FOOD

(Referred to the Committee on Agriculture and Forestry.)

Mr. McGOVERN (for himself, Mr. Aiken, Mr. Allen, Mr. Bellmon, Mr. Clark, Mr. Curtis, Mr. Dole, Mr. Eastland, Mr. Helms, Mr. Huddleston, Mr. Humphrey, Mr. Talmadge, and Mr. Young) submitted the following resolution:

S. Res. 391

Whereas the Congress has developed and adopted a body of legislation designed to assure the production of abundant supplies of food and fiber for the markets of this nation at reasonable prices, and

Whereas agricultural producers are faced with rapidly increasing costs of production and shortages of fertilizer, fuels, farm chemicals and other inputs essential to food and fiber production, and

Whereas numerous actions taken by the Cost of Living Council under the authority extended by the Economic Stabilization Act of 1970 have created dislocations within agriculture and between agriculture and the rest of the domestic economy, and

Whereas there has been created by Executive Order No. 11788 dated June 18, 1974, the President's Committee on Food which is charged with many of the duties formerly vested in the Cost of Living Council, and

Whereas any disruption or dislocation of the nation's agriculture threatens the long-term interest and welfare of producer and consumer alike: Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Senate that the actions of the President's Committee on Food should in no way assume, displace or otherwise interfere with responsibilities delegated by law to the Secretary of Agriculture or other officials of government, and that in the conduct of its activities the President's Committee on Food shall:

(1) Consult with and maintain close liaison with the Senate Committee on Agriculture and Forestry, and

(2) Take into consideration the increased

costs of agricultural production and shortages or potential shortages of farm inputs in any actions it may take or recommendations it may make, and

(3) Provide such information and reports as may be requested by the Committee on Agriculture and Forestry on behalf of the Senate; and, therefore, be it further

Resolved, That it is hereby declared to be the sense of the Senate that—

(1) All agencies of the Federal Government, which have any responsibility for establishing priorities for the allocation of materials, supplies or facilities utilized in the production or distribution of fertilizer, fuels and energy, farm chemicals and other inputs essential to agricultural production, give the highest priority to the agricultural industry and related industries regarding the allocation of such materials, supplies or facilities;

(2) The Federal Power Commission take immediate steps to provide the highest possible priority for the allocation of natural gas for the expansion of existing capacity for the production of synthetic anhydrous ammonia; feedstocks, intermediates and solvents utilized in the production of farm chemicals; feed phosphates; and for all other agricultural uses of natural gas;

(3) The President expand the scope and responsibility of the Intergovernmental Agency Task Force on Fertilizer to include all essential farm inputs with respect to their supply availability, pricing (wholesale and retail), exports and imports and their equitable distribution among farm producers; and

(4) The Federal Energy Administration consult with and maintain close liaison with the Senate Committee on Agriculture and Forestry with respect to any plans or proposals that may affect the current priority status that agriculture and related industries now enjoy under Federal mandatory fuel and propane allocation regulations.

SENATE RESOLUTION 392—SUBMISSION OF A RESOLUTION CONCERNING THE FREEDOM OF VALENTYN MOROZ, UKRAINIAN HISTORIAN

(Referred to the Committee on Foreign Relations.)

Mr. TAFT. Mr. President, I have long supported the administration's policy of improving our relations with the Soviet Union. But I have also believed that we cannot, as a price for improved relations, be silent about Soviet abuses of basic human rights. The resolution I introduce now is concerned with such an abuse: the imprisonment of Mr. Valentyn Moroz.

Today, Mr. Moroz languishes in prison, serving a 14-year term for "anti-Soviet agitation and propaganda." He thus joins a distinguished group of Soviet writers and intellectuals who have felt the weight of Soviet oppression for their defense of basic human rights. The conditions of his imprisonment are such as to raise grave questions about his physical and mental well-being.

Mr. Moroz, a defender of human rights, is the most noted and uncompromising spokesman within the Soviet Union for the rights of the Ukrainian people and for the maintenance of the Ukrainian national heritage. The Ukrainian culture and national history is independent of that of the Russian people. It is a long and distinguished history, and Ukrainian culture ranks among the great national world cultures. But the Ukrainians have always had to struggle against the politically dominant Russians for the maintenance of the Ukrainian tradition. Under the Soviet Government, the campaign to eradicate the Ukrainian national heritage—and the heritage of other national groups within the Soviet Union—has been prolonged and intense. It continues today. And no one has been more valiant in his efforts to oppose this unjust campaign than Valentyn Moroz.

I ask my colleagues to join me in expressing our humanitarian concern for Mr. Moroz, for the conditions of his imprisonment and for his freedom. In his attempts to defend the culture of the Ukraine, Mr. Moroz has done no more than exercise the basic human rights guaranteed to him by the Soviet Constitution. There can be no justification for depriving him of his liberty for exercising these rights. I sincerely hope that the Senate will approve this resolution, and that President Ford will express our concern on this matter to the Soviet Government in the strongest possible terms.

Mr. President, I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 392

Whereas Valentyn Moroz, historian, writer, and spokesman for the cultural integrity of the Ukranian people, is currently imprisoned in the Soviet Union on the charges of anti-Soviet agitation and propaganda; and

Whereas such charges are without basis as in his valiant attempts to preserve and defend the rights of the Ukranian people and the culture of the Ukraine and to defend the principle of basic human rights, Valentyn Moroz has done no more than exercise rights granted him by the Constitution of the United Soviet Socialist Republics: Now, therefore, be it

Resolved, That the Senate requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz, historian, writer, and spokesman for the cultural integrity of the Ukranian people.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the President and the Secretary of State.

ENERGY TRANSPORTATION SECURITY ACT OF 1974—AMENDMENT

AMENDMENT NO. 1837

(Ordered to be printed and to lie on the table.)

Mr. MONDALE. Mr. President, today I am introducing along with Senators PROXMIRE, HART, HUGH SCOTT, GRIFFIN, HUMPHREY, NELSON, STEVENSON, BAYH, HARTKE and TAFT an amendment to the "Energy Transportation Security Act of 1974".

I propose to amend section 809 of the Merchant Marine Act of 1936 (46 U.S.C. 1213) as amended by inserting after the words, "the foreign trade requirements of the Atlantic, gulf, Great Lakes, and Pacific ports of the United States" the following sentence:

In order to assure equitable treatment for each range of ports referred to in the preceding sentence, not less than 10 percent of the funds appropriated or otherwise made available for the foreign-trade requirements of the United States pursuant to this Act or any law authorizing funds for the purposes of such Act shall be allocated for the foreign-trade requirements of each such port range.

In the 1970 amendments to the Merchant Marine Act, the Congress designated the St. Lawrence Seaway-Great Lakes as the "Fourth Seacoast" of the United States. Shortly thereafter the Department of Commerce established it as one of the "essential routes of foreign trade"—a route that should be promoted and maintained in the interest of U.S. foreign commerce.

Those of us quite distant from the Tidewater ports viewed this act of Congress as truly historic and believed that this designation and use of the Great Lakes would stimulate our economies and contribute to the overall balance of trade for our Nation. The 1972 sale and shipment of wheat to the Soviet Union has most recently illustrated the commercial and foreign trade value of this area and this Seaway.

However, while this potential exists and while its needs in foreign commerce remains evident, the Great Lakes are not, in fact or in practice, "the Fourth Seacoast" of the United States.

No oceangoing cargo American-flag ships serve the Great Lakes. In fact, there has been no regularly scheduled American registry vessels there for 5 years. In addition to this, since the amendment of 1970, advertised liners have actually decreased from 22 to 10 now serving the lakes.

My amendment is not designed to cause any unnatural diversion of cargo. In fact, it is intended to encourage the use of all the designated essential routes of trade to prevent the unnatural and inefficient diversion of products.

Furthermore, it is not and I understand will not cause any expensive conversions in the shipbuilding industry. The Congress authorized $294 million for construction differential subsidies in fiscal year 1975. Mr. Lowry, director of the office of shipbuilding at MARAD, the Maritime Administration, informs me that every one of the 20 American shipbuilding companies can construct ships that can traverse the Great Lakes. However, the United States has not subsidized the construction of an oceangoing vessel that can sail the seaway fully loaded since 1961. During the same period, over 10,000 foreign "salties" were constructed. Forty-eight percent of them can travel, fully loaded, through the Great Lakes.

Mr. President, I have discussed my amendment with representatives of the International Longshoremen Association, the AFL–CIO, and the National Farmers Union. They have assured me of their full and enthusiastic support.

Mr. President, I ask unanimous consent to have my amendment to H.R. 8193 and an article from the January issue of the Maritime magazine printed in the CONGRESSIONAL RECORD at this time.

There being no objection, the amendment and article were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1837

On page 9, line 18, insert the following: Section 809 of the Merchant Marine Act, 1936 (46 U.S.C. 1213) is amended to read as follows:

"Contracts under this chapter shall be entered into so as to equitably serve, insofar as possible, the foreign-trade requirements of the Atlantic, Gulf, Great Lakes and Pacific ports of the United States. In order to assure equitable treatment for such range of ports referred to in the preceding sentence, not less than 10 percent of the funds appropriated or otherwise made available for the foreign-trade requirements of the United States pursuant to this Act or any law authorizing funds for the purposes of such Act shall be allocated for the foreign-trade requirements of each such port range. Furthermore, in awarding contracts under this chapter, preference shall be given to persons who are citizens of the United States and who have the support, financial and otherwise, of the domestic communities primarily interested."

[From the Maritime magazine, January 1970]

The United States Great Lakes fleet is rapidly approaching total obsolescence. Approximately 45 percent of that fleet is more than half a century old; less than 30 new bulk carriers and tankers have been added to this service since 1950, and not a single one since 1961. Since 1955, our Great Lakes fleet has declined by more than 130 vessels, representing nearly 1 million deadweight tons. The result: The loss of almost 5,000 shipboard jobs.

The opening of the St. Lawrence Seaway a decade ago, making the Great Lakes our "fourth seacoast" by enabling oceangoing vessels to carry cargoes to and from the heartland of the American continent, was supposed to stimulate American-flag shipping. It has not done so. It has been a boon for foreign-flag shipping instead.

To correct these deficiencies, we propose:

1. The extension to Great Lakes operators of the same right to establish tax-deferred construction reserve funds being sought for the entire deep-sea fleet.

2. The earmarking of a portion of ship construction subsidies for replacement of the Great Lakes fleet and specifically for deep-sea ships which will service this area.

3. The earmarking of a portion of ship operating subsidies for vessels which will make voyages into and out of the Great Lakes. The purpose of operating subsidies is to help American-flag vessels compete with foreign-flag vessels. Certainly the situation on the Great Lakes, where foreign-flag shipping is overpowering U.S.-flag operations, also poses a competitive threat which must be overcome.

FOOD, DRUG, AND COSMETIC AMENDMENTS OF 1974—AMENDMENT

AMENDMENT NO. 1838

(Ordered to be printed and jointly referred to the Committee on Labor and Public Welfare and the Committee on Commerce.)

Mr. NELSON. Mr. President, an amendment that I am submitting today would authorize the coding of food products in such a way as to enable the identification of food manufacturers and packagers. The Food and Drug Administration needs this kind of coding in order to expedite food recalls when food hazards or defective products necessitate recalls.

According to the FDA, last year there were a total 12 food recalls, 10 of which were classified as imminent hazards. A canned mushrooms recall alone required about 360 man-years of time from Federal, State and local agencies, at a total cost to the FDA alone in excess of $6.5 million.

The recalls of canned mushrooms suspected of containing botulism organisms consumed so much FDA field staff time that the FDA estimated it would not accomplish 10,000 food sanitation inspections in priority industries this year—1974. Speech to National Canners Association Annual Meeting, Commissioner Alexander M. Schmidt, M.D., Atlantic City, N.J., Jan. 29, 1974.

The FDA has taken steps to improve monitoring of food processing—by setting new regulations for good manufacturing practices for the food industry, by establishing the emergency permit control system that requires food plants to register its processes with the FDA, and by improving its inspection system.

However, one important factor is still needed: a better system to track defective products. Commissioner Schmidt called for such a system in a January 29, 1974 speech to the National Canners Association Annual Meeting, Atlantic City, N.J.:

> The mushroom problem has dragged on as long as it has in part because of everybody's inability at times to pinpoint problem products in the maze of nationwide distributions and multiple private brands. In trying to find our way through the maze we were often delayed by inadequate plant records, lack of access to the records that did exist, or coding systems that were more a hindrance than a help.
>
> In the 12 mushroom recalls undertaken for suspected botulinum contamination since February, 1973, our staff has been able to go to the distributors and to the public only one time—one out of 12—with a notice that identified the suspect codes clearly and unequivocally.
>
> For the same reasons, the problem has been more costly than it had to be. The necessary alternative too often has been shotgun recall and tons of good products being taken off the market in order to be sure that a few suspect lots were retrieved.
>
> I feel strongly that better answers must be found. There just has to be some standard and universal way of identifying the primary producer no matter what that product or whose private label appears on the packaging. There just has to be an easier way to find out where the various codes went and who got them.

In a speech to the National Conference on Product Recall, January 17, 1974, in New York, N.Y., Commissioner Schmidt stated:

> From FDA's own recent experience I must frankly say I feel the need for some system to include identification of the original producer no matter what brand name ends up on the label.

Testimony February 8, 1974, before the Senate Commerce Subcommittee on Consumers on the Food Surveillance amendments (S. 2373) shows that there are on estimated 80,000 food processors, including manufacturers, repackers, and relabelers; 25,000 primary distributers, wholesalers, warehouses, and grain elevators; 500,000 restaurants; and 500,000 retail foodstores.

In order to facilitate identification of recallel products, a uniform code system should be instituted to help the FDA, manufacturers, packers, distributors, retailers, and consumers quickly identify the affected products. Such coding also will assist industry in food inventory control and recordkeeping.

The legislation authorizes the Secretary to require use by food wholesalers of coding symbols on all invoices and other documents used in the sale or transfer of food; and to require coding symbols on individual cans and outer containers.

It is anticipated that the FDA, in devising a universal code, will coordinate with the universal product code—UPC—a system now being adopted by most major manufacturers, to classify grocery products sold in supermarkets. The UPC uses a series of 10 digits which identify the manufacturer and the product. The code originated in 1970 when the Grocery Manufacturers of America established an ad hoc committee on universal product coding and recommended adoption by industry of a universal product code. A code management subcommittee is developing guidelines for using such a code. Most manufacturers have joined the Uniform Grocery Product Code Council—UGPCC.

The bill does not specify the type of code to be adopted. That would be done by the FDA.

The bill is proposed as an amendment to S. 3012, a bill to protect the public health by strengthening the Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act. That measure is pending before the Senate Commerce and Labor and Public Welfare Committees. The Senate passed the food surveillance amendments, S. 2373, now pending in conference with the House of Representatives. It is my hope that this coding amendment might be considered in conjunction with that measure.

WHAT THE BILL DOES

Authorizes the Secretary to establish by regulation a uniform system of coding applicable to packaged foods, consisting of symbols enabling identification of, first, the place of business of each food manufacturer and packer; second, each individual food; third, the size, weight, and type of container; fourth, lot or batch number; fifth, date packed; and sixth, any other information which the Secretary deems necessary to protect the public health.

Requires the Secretary to develop and publish a directory of codes which include the symbols of identity, and to make the directory readily available to the public.

Authorizes the Secretary to require that the immediate and outside containers of packaged food bear prominently the coding system.

Provides for exemptions from such requirement if the Secretary determines that it is impractical and not inconsistent with protection of the public health.

Authorizes the Secretary to require the use of such coding system on all invoices and other documents used in sales or other transfers of food.

Mr. President, I ask unanimous consent that the text of the amendment and Commissioner Schmidt's speech to the National Canners Association be printed in the RECORD following these remarks.

There being no objection, the amendment and speech were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1838

On page 10, between lines 16 and 17, insert the following:

TITLE III—UNIFORM SYSTEM OF CODING FOR PACKAGED FOODS

SEC. 301. The Congress hereby finds and declares that for the purpose of protecting the public health it is essential to provide for the ready identification of the persons who actually manufactured or packed packaged food. Precise identification on the containers of packaged food of the name and place of business of the manufacturer and packer, through a system of coding, would substantially assist such persons in locating and recalling defective products and the Secretary of Health, Education, and Welfare in monitoring such recalls. Of specific concern also are the improvement of present means of identifying dates of packing and lot or batch numbers in order to facilitate such recalls, enabling the Secretary to locate retailers who purchase defective food, preventing confusion in locating products in the maze of nationwide distributors and multiple private brands, and reducing inconsistency and incompatibility in private coding systems. Coding will also be helpful to retailers and the public in identifying products which are being recalled because of violations of the law. Standard and universal coding will also assist industry, including retailers, and purchasers of large quantities of food in inventory control and recordkeeping. Clear and distinct coding of manufacturer/packer on foods in interstate commerce without the corresponding identification on foods in intrastate commerce would discriminate against and burden interstate commerce in such foods. Therefore, the identification of all foods is necessary to make the identification of such food in interstate commerce effective.

SEC. 302. Chapter IV of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof following new section:

"FOOD CODING

"SEC. 410. (a) The Secretary is authorized to establish by regulation a uniform system of coding applicable to packaged foods consisting of symbols enabling identification of (1) the identify and place of business of each food manufacturer and packer, (2) the identify of each individual food, (3) the size, weight, and type of container, (4) lot of batch number, (5) date packed, and (6) any other information which the Secretary deems necessary in order to carry out the purposes of this section.

"(b) The Secretary shall, in connection with any system of coding established under subsection (a), develop and publish a directory of codes which shall include symbols which will identify each food manufacturer and packer, the place of business of each food manufacturer and packer, and such other information regarding the system of coding as he deems appropriate. The Secretary shall make copies of such directory and other information regarding the system of coding available to the public.

"(c) The Secretary may by regulation require that the immediate container and outside container (if any) of packaged food bear prominently thereon the symbol or symbols established in the system of coding pursuant to subsection (a). The Secretary may also, by regulation, provide exemptions from the operation of this subsection if he determines that it is impractical for a container to bear a symbol or symbols of the coding system because of the size of the container or any other relevant factor and the exemption will not be inconsistent with the protection of the public health.

"(d) The Secretary may by regulation require use of such symbols of the system of coding established pursuant to subsection (a) on all invoices and other documents used in sales or other transfers of food subject to the jurisdiction of this Act as will be helpful in effecting and monitoring recalls of food found or suspected to be in violation of this Act.

"(e) In order to facilitate the establishment of a system of coding pursuant to subsection (a), the Secretary is authorized to issue such general or special orders as he finds are necessary in order to assemble the information he needs to establish such system of coding. The district courts of the United States shall have jurisdiction to enforce such orders upon application of the United States. An action for such enforcement may be brought in any district court of the United States where the person or establishment involved is found or transacts business."

SEC. 303. (a) Section 301 of the Federal Food, Drug, and Cosmetic Act is further amended by adding at the end thereof the following:

"(r) The failure to use symbols of coding on containers of packaged food in accordance with section 410(c) or on invoices and other documents in accordance with section 410(d) or the failure to provide information upon general or special order by the Secretary pursuant to section 410(e)."

(b) Section 403 of such Act is amended by adding at the end thereof the following:

"(o) If it is packaged food, unless the immediate container and outside container (if any) each bears prominently thereon symbols required by the system of coding established pursuant to section 410."

On page 10, line 17, strike out "TITLE III" and insert in lieu thereof "TITLE IV".

On page 10, line 18, strike out "SEC. 301" and insert in lieu thereof "SEC. 401".

FOOD SAFETY: INDUSTRY'S RESPONSIBILITY

(By Alexander M. Schmidt, M.D.)

It is a pleasure to participate in my first meeting with the National Canners Association. When Chuck Carey suggested that I join you here today he reminded me that our organizations have worked together since their very inception, more than 65 years ago.

I am happy to report I wasn't around to witness the birth of either organization. I have been around long enough, however, to be grateful there is an NCA. I think you will share my opinion that while our relationship hasn't always been easy, it has been one of enduring respect and mutual usefulness.

I am particularly intrigued by our subject, "Industry's Responsibility to the Consumer."

No doubt there are some in industry who still perceive this responsibility only vaguely; and even among those who see it clearly, there are still some who accept it with reluctance.

Fortunately, both types are a vanishing breed, if not because of enlightened self interest, then assuredly because they're losing money—or soon will be.

In keeping with our theme, I will talk about the responsibilities of industry to the consumer. But I want to focus my remarks on one special area—the responsibility for food safety.

At the same time, I want to make clear that I'm not here to preach or to pontificate about what you in industry ought to do or haven't done. I accept as a basic premise the idea that while responsibity for safe food begins with industry, and is principally the concern of industry, it does not end there. The FDA by law has been appointed industry's chief auditor and the consumer's special representative in matters of food safety.

In terms of responsibility to the consumer, you might say that we're in the same boat. Please note I distinctly said boat—not bed. There's a big difference, the difference in fact between a necessary working association and an intimate relationship.

Our working association is indeed close—sometimes even cramped. It is this way because it has to be if either of us is to meet our separate but overlapping responsibilities to 200 million Americans.

I'm sure that in the last half year or so I've made my next point so often that some of my staff are ready to jump out the nearest window. But I have wanted to be very certain that everyone understands the importance I attach to the need for adequate communication between those who produce and market products and those of us who are charged by law with product regulation.

I'm delighted that we have this chance to practice what I've been preaching about communication. And I've decided to limit this particular communications effort to food safety for two reasons. First, I fear that food safety has too often in recent years been forced to take a back seat to an emphasis on the need for greater food volume, new food varieties, and nutritional questions raised by both. Second, a particular safety question has caused too great a dislocation of resources within the FDA recently, and I am concerned that we learn all we can from the experience.

Both industry and the FDA have been party to these developments. Perhaps we were lulled to sleep by earlier progress in food safety—progress that well served even the recent past, but not the present. Needless to say, we all should now be fully awake and moving to close any gaps that have developed in safety as well as sanitation. We must get ready for the complex challenges of the immediate future; and, as you will see, I think that working together, we are doing so.

With your indulgence, I will try to make the several points on food safety that are in my mind by telling you about the particular safety problem I mentioned a moment ago. That problem concerns canned mushrooms.

I will begin by tracing the history of the problem, its present status and its anticipated resolution. I'll then try to draw some conclusions, and cite changes that I hope will be both positive and useful to all of us.

The mushroom story is interesting, as it involves almost all aspects of the safety question: the characteristics of the product and its manufacturers; trade associations and their function; the product distribution chain; the public and their perceptions; and, of course, the FDA and other parts of government.

The story begins with the nature of the product and the characteristics of its industry, the latter raising a side issue of some importance—the special needs of smaller businesses, trying to keep pace with modern safety requirements.

The mushroom is a wondrous delicacy

which shares with most things one can love the need to be handled with respect and affection. This has been accomplished by a small and generally skilled industry in the past, using time honored methods for safe production.

Then, two things happened, largely, I think, because of factors I've already mentioned as overshadowing safety issues—i.e., the concern for more production and new kinds of product to meet rising demand.

First, forms other than whole mushrooms were packed into larger cans more frequently; and, second, technologic advances such as mechanical shakers changed the nature of the packed product even more. These changes evolved piecemeal, and, taken individually, were not very dramatic. Yet in sum, they added up to critical differences.

Coincident with these happenings, the FDA was developing its own changes—trying to evolve a new preventive surveillance posture to complement the more traditional after-the-fact type of compliance effort.

The FDA part of the story, then, begins in August, 1972, when we started an intensive new inspection program among a representative number of low-acid canned food establishments. A sampling of canned mushrooms processors was included because of general high risk potential, and for no other reason. The two parts to the story had not as yet come together.

The results of the inspections were, to say the least, disturbing. It is fair to say that in the canned mushroom industry we found the deficiencies in processing equipment and practices that had evolved, and informed the industry of these.

About the time our inspection project was completed, botulinum toxin was discovered in canned mushrooms. The was in February, 1973. Immediate recall was undertaken.

Then, in March, 1973, because of what we found in the sample survey, we undertook an intensive inspection of all known canned mushroom producers. We inspected 42 firms in four months. We found deficiencies serious enough to constitute a possible public health hazard in 21 firms—one half the total industry.

While this was going on, botulism organisms or the actual toxin were found in three additional lots of canned mushrooms; again, product recalls were immediately undertaken.

By September, 1973, the number of recalls directly attributable to inadequate processing had risen to a grand total of seven, occurring nearly at monthly intervals.

There were grim jokes among reporters who cover FDA about a "Botulism of the Month Award," and much public attention was drawn to the subject.

During this period, in addition to industry-wide inspections and the monitoring of recalls, the FDA undertook two further actions: We ordered correction of specific plant deficiencies, and we began to look very hard at all imports of this product.

One further step remained, if we were to close the loop; we needed to examine all outstanding stocks of canned mushrooms put on the market before the FDA inspections began. Only by this means could we or the industry know the size and extent of the existing problem.

Therefore, on September 24, I ordered field examination of all stocks of domestic and imported canned mushrooms in the United States. The Department of Defense followed with a similar examination of all its stocks.

The survey covered more than 9,200 warehouses. We looked at 75 million cans, representing production by 42 domestic and 20 foreign producers. We sampled nearly 25,000 lots and ran 2,000 microbiological studies.

Thus far, the survey and followup analysis have required about 360 man-years from FDA and cooperative State and local agencies. The total cost to FDA alone is now in excess of $6.5 million dollars.

Even more critical, perhaps, is the cost to the FDA in time lost from other priority responsibilities. Our field staff estimates that because of the drain in money and manpower during this period, the Agency this fiscal year will not accomplish—not accomplish—10,000 food sanitation inspections in priority industries. These include fish and shellfish processors and dairy and grain product manufacturers.

But the work had to be done. Clear proof of this exists in the fact the five additional canned mushroom recalls and one product withdrawal already have resulted from analysis of samples taken during the national survey. Still other recalls are likely as we complete our microbiological analysis. As a result of both the plant inspections and the survey, one out of five domestic producers of canned mushrooms has to date been involved in one or more recalls.

I am happy to report that the end is now in sight. Within the near future, we will, with confidence, know that we have done all we can to insure that all canned mushrooms now on the supermarket shelf, as well as all new production, are both safe and wholesome. We will be able to reassure the American public, and take comfort that the public health has indeed been protected.

Yet, I don't know of anybody who'll come out of this unscarred. The taxpayer has paid millions of tax dollars, and I can't even estimate the financial loss to industry.

But the total cost goes much deeper than dollars lost, whether public or private. The industry, the government and the consumer have all lost in other ways. The canned mushroom industry has for a time lost credibility and public confidence in their product; the FDA has had questions posed as to its ability to protect the public from unsafe foods.

There are two more adverse effects with which both FDA and industry must be concerned; the efficiency and usefulness of the voluntary recall—has it been impaired through apparent over use? And what about the authority and effectiveness of the public warning? This is an essential tool of consumer protection, but its value rests in the respect and alertness given it by the public. It is certain to be difficult for the public to maintain respect and alertness when, week after week, there is yet another contaminated food warning in the daily paper.

Well, this is one side of the picture. To try to get you to think along with me about these things, I may well have drawn it darker than it is. I sincerely hope so.

More importantly, there is a brighter side to the mushroom picture. And it is this side that I want to focus on for the remainder of my talk.

The bright side concerns the useful lessons that can be learned from the story, and the new safeguards that have been raised against reoccurrence in this or other industries.

"Why did the mushroom crisis happen? What caused it?" And please notice, I am asking, "What caused?"; not "Who's to blame?" To examine cause is absolutely necessary if we are to know how to prevent another crisis. Once we know what to do and how to do it, then a repetition of the crisis can properly be seen in the context of individual responsibility.

Certainly, FDA contributed to the causes. In the final analysis, it will do no good for us to plead limited resources or other priorities. The fact is that before August, 1972, the Agency was not auditing the canned mushroom industry closely enough. Events of the past few months have proved this point.

But as I said earlier, we're all in the same boat. That includes the mushroom boat. For all its good work in providing an original set of processing controls, the NCA apparently did not revise these guides to keep pace with processing changes by the canned mushroom industry. And even though the NCA may not have followed through as it should have, the industry itself failed on its own initiative to check the adequacy of its processes and its equipment against the demands of changing product and changing production methods. The smallness of the industry may be a factor here—and the attendant need for expert help that small industry must have from its bigger and richer brothers and its trade association family.

I don't think I have to lean any harder on these points. The lessons for all of us are obvious.

But I promised to talk of more positive things.

I believe that some of the new regulatory procedures now developing should go far in assuring all of us against a repeat performance of the mushroom melodrama. You should agree, as it is in good part through your efforts that we have come as far as we have with these programs.

These new procedures start with the Good Manufacturing Practices regulations for the low-acid canned food industry. The regulations offer clear, concise and detailed guides on how to run a canning plant in conformance with the laws of Congress, the demands of modern technology, and the dictates of common sense.

The second of these procedures is the Emergency Permit Control System. After long effort, new regulations setting up this procedure appear today in the Federal Register.

As you may know, the Emergency Permit Control System will require that a food plant register its processes with the FDA, along with evidence of process adequacy. The procedure provides a way for a plant—or many plants—whose processes have slipped below GMP guidelines to put a temporary patch on the holes that have developed and to keep producing with FDA supervision until permanent repairs are made. Such temporary repairs, of course, are usually expensive, so the incentive to speed permanent redress is automatic.

One note of caution: both of these programs are now available. Both look very good—on paper. But whether they serve in actual practice will depend upon three things: Alert enforcement by the FDA; positive acceptance by the trade associations; and willing compliance by industry.

All of you in the NCA can take pride in the role that your organization has played in the development of both procedures. The canned food GMP regulations would not be on the books today without your foresight and leadership. And the concept of using Emergency Permit Control authority originated within your group. You deserve both commendation and warmest congratulations.

There is another bright spot, another concrete reason to anticipate that we should never again have to face a serious breakdown in procedures across a whole segment of the food industry.

This is a three-part system. It starts with a new FDA inspectional concept based on identification and analysis of critical control points in the food processing plant. This procedure, called HACCP—Hazard Analysis of Critical Control Points—is nothing new or mysterious; it simply involves more efficient use of inspectors especially trained to look at processes rather than final product. From the inspection analysis should come recommendations for processing controls applicable to one plant or across the face of an entire class of food production.

If we had had the procedure fully operative before August, 1972, then none of us—not the canned mushroom industry, not NCA, and not the FDA—should have stumbled as we did into the current thicket of survey and recall. We would have had warning signals and corrective measures ready well in advance of trouble.

HACCP is firm evidence of FDA's new approach to preventive regulation. It depends for good results upon industry participation more than upon the police powers of the Agency. It depends, therefore, upon industry acceptance of its first responsibility for food safety.

The HACCP concept was tested and proved in the mushroom crisis. Its use will be expanded greatly in the months ahead.

The second of the three-part system I mentioned is voluntary, cooperative quality assurance. As you know, this program began some years ago as Self-Certification. Limited progress in the past now seems clearly related to the lack of HACCP and to GMP's. We had the cart before the horse.

With HACCP and GMP's to prepare the way, this program now has a new lease on life; 46 plants joined last year; another 100 participants are anticipated for the months immediately ahead.

We invite your further support for this activity. It offers major advantages to both FDA and regulated industry in better serving our mutual consumer responsibilities.

The final phase of this tripartite system of quality control involves retail sampling—a selective and continuous survey to tell industry and FDA if the results are worth the earlier investment in both HACCP and cooperative quality assurance.

HACCP tells us what needs to be done to assure safe and quality food production; cooperative quality assurance puts these findings into effect with maximum industry responsibility for its own operations; and retail sampling tells us if the whole thing works.

The overall effect is a new approach and a new trend in FDA priorities. It clearly signifies that FDA will no longer be content with chasing individual violations but will provide information and advice with which the industrial community and the FDA together can identify and correct potential problems before they occur. I know of no better way to help industry deal with its basic responsibility to maintain a flow of safe and wholesome products to the American consumer.

I do not mean to imply that each and every problem has been solved. One of the loudest signals sounded by the mushroom experience was that additional regulatory authorities are needed. The FDA will be testifying within the next few days on some of these. At the top of the list are the three "R's"—registration, records, and recall. This Administration strongly supports all three—mandatory food registration of all food plants, immediate notification of all recalls undertaken by industry, and mandatory maintenance of records essential to regulatory compliance.

Had these proposed authorities been available, they would have made the mushroom problem much easier for all concerned.

The final lesson that I see in the mushroom experience concerns the need for some better system to track defective products. The mushroom problem has dragged on as long as it has in part because of everybody's inability at times to pinpoint problem products in the maze of nationwide distributions and multiple private brands. In trying to find our way through the maze we were often delayed by inadequate plant records, lack of access to the records that did exist, or coding systems that were more a hinderance than a help.

In addition, public confusion resulted. In the 12 mushroom recalls undertaken for suspected botulinum contamination since February, 1973, our staff has been able to go to the distributors and to the public only one time—one out of 12—with a notice that identified the suspect codes clearly and unequivocally.

For the same reasons, the problem has been more costly than it had to be. The necessary alternative too often has been shotgun recall and tons of good products being taken off the market in order to be sure that a few suspect lots were retrieved.

I feel strongly that better answers must be found. There just has to be some standard and universal way of identifying the primary producer, no matter what the product or whose private label appears on the packaging. There just has to be an easier way to find out where the various codes went and who got them.

I leave you and this Association with a challenge—Turn the expertise you have so often demonstrated in the past to careful consideration of this need.

The task is not easy. If a simple solution were possible, we all would have leaped upon it long ago. But they say that the greater the challenge, the greater the opportunity. If so, I suggest that the National Canners seize this challenge as an opportunity to better serve the industries you represent. In so doing, you will in positive measure be helping a major part of the food industry to better meet its responsibilities to the consumer.

NOTICE OF CHANGE IN HEARING DATE ON MATERIALS SHORTAGES: IMPACT ON SMALL BUSINESS

Mr. JOHNSTON. Mr. President, I wish to announce that the Subcommittee on Retailing, Distribution, and Marketing Practices of the Select Committee on Small Business will hold a public hearing on September 6, 1974, in the second floor courtroom of the Federal Building, Fourth and Perry Streets, Davenport, Iowa, beginning at 10 a.m. This is a rescheduling of the hearing originally announced for August 9, 1974—Congressional Record 26244—which was postponed.

The subject of the hearing will be "Materials Shortages: Impact on Small Business." The subcommittee may hold additional hearings on this subject in Washington or elsewhere but no further dates have been scheduled at this time. We invite all small businesses which are experiencing problems as a result of shortages of essential materials to write to the subcommittee describing the situation.

Of particular interest and concern are instances of unfair discrimination against small business by suppliers, in the allocation of scarce commodities and products.

The Senator from Iowa (Mr. Clark) has been designated by me to serve as acting chairman of the subcommittee for the September 6 hearing in Davenport.

A witness list is available at the offices of the committee, 424 Russell Senate Office Building, telephone 202-225-5175.

NOTICE OF HEARING

Mr. JACKSON. Mr. President, on Thursday, September 5, 1974, the Committee on Interior and Insular Affairs will hold a hearing on the nomination of William W. Geimer, of Illinois, to be Director, Intergovernmental and Regional Relations of the Federal Energy Administration.

For the benefit of my colleagues, I ask unanimous consent that the biographic summary of the candidate be printed at this point in the Record.

There being *no objection*, the biographic summary was ordered to be printed in the Record, as follows:

BIOGRAPHICAL SUMMARY

Mr. Geimer served from October, 1971 to December, 1973 as Assistant to the Director of the Cost of Living Council and has served since January, 1974 as an Executive Assistant at the Federal Energy Office. During 1969 he was Special Assistant to the Director of the Office of Minority Business Enterprise in the Department of Commerce. In 1970 he was Special Assistant to the Chairman of the White House Conference on Children and Youth. During 1970–71 he was with the Office of Economic Opportunity as Deputy Director of VISTA and Chairman of the Office of Program Development's Planning Committee.

He was born August 18, 1937, in Chicago, Illinois. Mr. Geimer was graduated from Marquette University in 1959 and Northwestern University in 1963. He is a member of the American Bar Association and the Illinois Bar Association.

From 1963 to 1967 Mr. Geimer served as an attorney with the firm of Brown, Jackson, Boettcher & Dienner in Chicago and was an Executive Attorney with the National Association of Community Counsel in Chicago from 1967 to 1969.

Mr. Geimer is married to the former Maureen Daly. They have four children and reside in Bethesda, Maryland.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

John A. Birknes, Jr., of Massachusetts, to be U.S. marshal for the district of Massachusetts for the term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, August 29, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

ISRAELI ATTACKS UPON LEBANON

Mr. FULBRIGHT. Mr. President, Israeli attacks upon Lebanon have become so routine, as largely to have lost their news value. The New York Times reported on August 8—on page 5—that Israeli jets had made two attacks in southeastern Lebanon the previous day, and that the Lebanese Government had reported 2 civilians killed and 17 wounded. The Washington Post reported on August 7—page A26—at the end of an article on a different subject that—

> An Israeli patrol crossed into Southern Lebanon and exchanged fire with Lebanese troops and Israeli planes raided targets in southern Lebanon.

Again, on August 14, the Post reported—on page A10—that Israeli gunboats on the day before had shelled a Palestinian refugee camp near the Lebanese port city of Tyre, killing 1 person, wounding 6 others, and destroying or damaging 25 houses. One suspects that these events would not have been treated quite so routinely by these two great journals of record—they surely would have been front-page news—if the attacks had been mounted against Israeli civilians by Palestinian guerrillas.

Be that as it may, it appears that through these unheralded raids Israel is making good on the draconian threat made by Mr. Dayan after the brutal killings by Palestinian gunmen last April in the Israeli village of Qiryat Shemona.

Dayan declared at that time—

> The Lebanese villagers will have to abandon their homes and flee if the people of Qiryat Shemona cannot live in peace. All of Southern Lebanon will not be able to exist.

Israel, it appears, is systematically carrying out Mr. Dayan's threat.

On April 12, the day after the Qiryat Shemona raid, Israel Armed Forces attacked six villages in southern Lebanon. The Lebanese reported two civilians killed and other wounded.

On May 13 Israel warplanes struck south Lebanon again. Four persons were reported killed and nine wounded.

Then, on May 15, Palestinian guerrillas massacred 21 Israel teenagers in a school in the town of Maalot. Not to be outdone, Israel planes the following day bombed and strafed several Lebanese towns and Palestinian refugee camps, killing some 50 civilians and wounding 200 others, including many women and children. American correspondent Jim Hoagland reported seeing craters in a crowded refugee camp indicating the use of 1,000-pound bombs. The Israel Chief of Staff took the occasion to reiterate Dayan's threat to make south Lebanon "unlivable."

Since last spring Israel has mounted repeated attacks upon Lebanon:

On May 19 Israel gunboats bombarded a refugee camp south of Tyre. Eight civilians were reported killed and about 10 wounded.

On May 21 Israel planes struck several points in southern Lebanon, killing 3 children and wounding 17 others, according to the Lebanese Defense Ministry. The Israel planes were, of course, American-made Phantoms and Skyhawks.

Israel planes bombed Palestinian refugee camps in southern Lebanon again on June 18, 19, and 20 in what correspondent Hoagland described as an "emerging pattern of escalation. * * *" Mr. Hoagland also reported that—

> Newsmen who toured towns and rural areas hit by Israelis earlier this week recovered parts of sophisticated phosphorous bombs that have set extensive fires in Lebanese olive groves and wheat fields, seriously damaging the harvest in progress. Fragments of American-made anti-personal bombs were also recovered.[1]

Regarding these same raids the Associated Press reported from one camp:

> The air strikes damaged more than 100 houses in this largest of refugee camps in Lebanon. Weeping children watched as parents dug frantically in the debris for bodies and bits of furniture.
>
> 'We had been expecting something,' said Aziza Ahmed, a refugee housewife. 'But for God's sake, what could we do? We have no shelters and no real means of defense.'
>
> Abu Maheib, 40, a blacksmith said, 'I rushed with my children to a trench in a yard behind the house. But two of my sons who had been with neighbors were next door. I shouted for them to join us. But they were blasted to pieces before my eyes. They couldn't make it to the trench." [2]

Some weeks earlier, on May 16, Mrs. Golda Meir, who was then still Prime Minister, was reported to say:

> One doesn't conduct wars on the backs of children.

She made the statement in condemnation of the Palestinian guerrillas' brutality—and in unwitting mockery of the Israeli response.

By June, as promised by the Israeli military authorities, southeastern Lebanon was becoming "unlivable." As later reported by the New York Times, correspondents who visited one village in June—

> Found most of the villagers taking shelter at the local church, expecting Israeli attacks. Only 300 of the 1,500 villagers remained. The others had fled because of repeated Israeli raids.[3]

The examples cited are not a complete list, but they illustrate the fatal pattern of violence and counterviolence across the Israel-Lebanese border. The Palestinian guerrillas bear a heavy responsibility for provoking the Israel retaliatory attacks by their acts of terrorism within Israel. I deplore and condemn those attacks. But Israel must bear the final responsibility for the indiscriminate retaliation which takes the lives and destroys the property of innocent, uninvolved Lebanese civilians.

The purpose of Israel's harsh strategy is to compel the Lebanese Government to suppress the Palestinian guerrillas. It is, as the Israelis know, a task which is clearly beyond the capacity of the 15,000-man Lebanese Army, and which could not in any case be done without disrupting the fragile equilibrium of Lebanese politics and society, if not indeed throwing the country into civil war. The "Reasoner Report" on television commented as follows on July 14:

> Technically charged with the defense of all Lebanon is the 15,000 Lebanese Army. In the South of Lebanon it stands incapable to withstand the shock of an Israeli invasion. It is equally clear that Lebanon cannot fulfill the Israeli demand to remove the Palestinian Commandos. Many Lebanese politicians find the Israeli attacks somewhat lesser evil than civil war between pro- and anti-Palestinian segments in society.

Never to be forgotten either is the American role, which amounts to complicity, in Israel's attacks upon Lebanon. The warplanes used by the Israelis are American planes, sold or given by the United States, and so are some if not most or all of the bombs. But so far the State Department has registered no more than feeble protests, against Israel's campaign to make south Lebanon "unlivable."

Great and encouraging progress has been made toward peace in the Middle East, and the accomplishments of diplomacy reflect credit upon all involved. One would have thought that Israel by now would recognize that her hopes for a secure and peaceful national existence depend upon the further process of negotiation, and that these hopes can only be undermined, if not irrevocably lost, by a policy of countering terrorism with terrorism. But since this point seems not yet fully appreciated by Israel officials, it is the responsibility of the United States forcefully to remind them.

All of us are deeply interested in protecting the security of Israel but I submit that such indiscriminate attacks upon the civilians of Lebanon only makes the negotiation of agreements for the security of Israel more difficult for everyone concerned.

OIL AND GAS LEASES

Mr. ROTH. Mr. President, I have discovered the shocking fact that the Department of the Interior has no idea why 91 percent of the oil and gas leases it has signed, covering onshore public lands, with various firms in this country are nonproducing.

In a time of astronomical oil and gas prices—brought on largely because of our dependence on foreign supplies, the Department has admitted that it has neither statistics nor studies to show why 94,224 out of 103,503 oil and gas leases are nonproducing.

This fact is revealed in a report to me by the Comptroller General of the United States.

In recent months there have been allegations that oil companies were withholding production of oil and gas from leases on public lands.

I viewed these allegations with the utmost seriousness since, in my opinion, it would be intolerable for domestic oil products to be withheld from production when the American public has been hit staggering blows by the skyrocketing prices of foreign oil

It would have been negligence enough in normal times for the Interior Department to have ignored the actions of the oil companies holding leases on the public lands. For it to have completely ignored what was or was not going on with respect to these holdings in recent months is almost beyond comprehension.

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[1] "Israel Widens Scale of Raids in Lebanon," by Jim Hoagland, *Washington Post*, June 21, 1975.

[2] *Ibid.*

[3] "Lebanon Bombed by Israeli Jets," *New York Times*, August 8, 1974, p. 5.

Consequently, I have today asked the Secretary of the Interior to advise me in the shortest possible time why 91 percent of these public land leases have not resulted in any production whatsoever.

It may well be that in many cases the land involved is thought to be marginal insofar as oil or gas production potential is concerned. This, however, is exactly what the Interior Department should be concerned with.

The leases entered into by the Interior Department require that lessees must—upon notice from the Department—drill such wells as are required by the Secretary to properly develop the leased land.

The General Accounting Office report indicates to me that no such development notices have been issued and I have asked the Secretary to advise me also on this point.

This lack of action by the Interior Department on a matter of such grave and vital concern to the ordinary men and women of this country serves to illustrate again—if further illustration is needed—that the sheer size of the Federal bureaucracy has made it so unwieldly as to often be totally unresponsive to the needs of the people it supposedly serves.

I would hope that, at the very least, the Interior Department will immediately undertake a complete review of its leasing policy, respecting onshore public lands to insure that the full potential of these leases is realized. To do less would be an unconscionable affront to the American people.

PROHIBITION URGED ON USE OF ENVIRONMENTAL MODIFICATION FOR MILITARY PURPOSES

Mr. PELL. Mr. President, the debate on the limitation and control of military armaments continues unabated throughout the world. However, I stress today not of those attempts to limit arms that already exist, but rather of a unique opportunity to prevent a new arms race from beginning. I am specifically referring to the necessity of prohibiting the use of environmental modification for military purposes.

On August 8, the Soviet Union dramatically proposed that the United Nations General Assembly begin debate with the aim of drafting an international convention prohibiting military use of environmental modification. I have written the Secretary of State emphasizing the significance of the Soviet proposal, and urging that the United States respond quickly and positively in the United Nations to the Soviet initiative. I shall ask unanimous consent that my letter to Secretary Kissinger, and other materials to be mentioned, be printed in the Record at the conclusion of my remarks.

As the letter to Secretary Kissinger indicates, this Soviet proposal is but the latest indication of real interest on their part. It is entirely consistent with the Joint Statement on Environmental Warfare signed in Moscow on July 3 by the President of the United States and the General Secretary of the Soviet Union. This document not only recognizes the inherent necessity of prohibiting the military use of environmental modification but calls for a meeting between representatives of the two countries sometime this year in order to further explore this problem.

In addition, only weeks ago in Warsaw Secretary Brezhnev stated—

> It is also evident that the Soviet-American agreements aimed against the use of the most dangerous lethal means of chemical warfare, as well as environmental modification techniques for military purposes, are of benefit to the cause of peace.

For years I have been actively concerned with the American position regarding environmental modification for military purposes. After reading press accounts in early 1972 of American rainmaking operations in Indochina, I sought to determine the full extent and nature of such activities. For 2 years my attempts to ascertain this information were thwarted by refusals of the Department of Defense to respond to questions both in hearings and in correspondence. Not until May of this year was I finally able to determine that for nearly 6 years, from 1967 through 1972, the United States had carried out over 2,600 sorties at a cost of more than $20 million with the intention of increasing rainfall in Indochina so as to impede the movement of North Vietnamese supplies on land.

As a result of extensive hearings on the entire subject and the introduction of a resolution and draft treaty in the 92d Congress, I introduced in February 1973, Senate Resolution No. 71. This resolution, passed by the Senate on a vote of 82 to 10 in July 1973, urged that the United States seek agreement with other nations banning environmental warfare, and provided a model draft treaty that outlawed research and experimentation as well as the military use of environmental modification. Essentially, this was the same concept which I had introduced in the North Atlantic Assembly in 1972, and which was unanimously approved.

Presently, our technological ability to manipulate the environment is quite limited. Although I support peaceful and humanitarian applications of such technologies, the imagination recoils in horror at the thought of artificially induced earthquakes, tidal waves, floods, droughts, and manipulation of ocean currents being used as a weapon by one nation against another. Our rainmaking operations in Indochina were but a mild indication of the destructive potential of this new form of warfare. As Secretary of State Kissinger himself remarked in Moscow this July—

> This is a form of warfare that is in its infancy, the nature of which is not properly understood and which obviously, by definition, can have profound consequences for the future of mankind.

The Soviet Union, to its credit, has presented the United States and the world with a clear opportunity to nip this dangerous vision in the bud. Many similar agreements already exist. The United States is party to the international treaty prohibiting the emplacement of nuclear weapons on the seabed, another form of arms control that I sponsored some years ago in a Senate resolution and urged the Government to support. Other precedents include the ban against weapons in outer space, controls on the use of chemical and biological warfare, the atmospheric test-ban agreement and the SALT agreements on defensive and offensive weapons. It is within both the Nation and world interest that the United States fully support the Soviet proposal on environmental modification, and that the American contribution to the United Nations consideration of the matter be a significant one.

To conclude, I ask for unanimous consent that the entire text of the Soviet proposal, entitled "Prohibition of Action To Influence the Environment and Climate for Military and Other Purposes Incompatible With the Maintenance of International Security, Well-Being and Health" be printed in the Record, along with my letter of August 13 to Secretary Kissinger, the full text of the July 3, 1974, Moscow Joint Statement on Environmental Warfare signed by the United States and the Soviet Union, Senate Resolution No. 71, as passed, incorporating my draft treaty, and my resolution adopted in November, 1972, by the North Atlantic Assembly.

There being no objection, the material was ordered to be printed in the Record, as follows:

PROHIBITION OF ACTION TO INFLUENCE THE ENVIRONMENT AND CLIMATE FOR MILITARY AND OTHER PURPOSES INCOMPATIBLE WITH THE MAINTENANCE OF INTERNATIONAL SECURITY, HUMAN WELL-BEING AND HEALTH

(Letter dated 7 August 1974 from the Minister for Foreign Affairs of the Union of Soviet Socialist Republics addressed to the Secretary-General.)

The Soviet Government proposes the inclusion in the agenda of the twenty-ninth session of the United Nations General Assembly of the following item as an important and urgent matter: "Prohibition of action to influence the environment and climate for military and other purposes incompatible with the maintenance of international security, human well-being and health."

The twenty-ninth session of the United Nations General Assembly is opening at a time when, as a result of the efforts of all progressive and peace-loving forces, considerable progress is being made on the international scene towards improving the political climate, and the policy of détente is receiving increasing support. In the practice of international relations between States with different social systems such basic norms of inter-State relations as respect for independence and sovereignty, equality, territorial integrity, abstention from the use or threat of force, and non-interference in domestic affairs are becoming ever more widely and firmly established. Détente has played a decisive part in the trend towards the political settlement of conflict situations in many parts of the world. Active negotiations are being held on a number of complex international problems.

Recent years have seen the conclusion and entry into force of such major international agreements limiting the scale of the arms race as the Moscow Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and under Water, the Treaty on the Non-Proliferation of Nuclear Weapons, and others. Wide international recognition has been accorded to the Convention on Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, signed by more than 100 States.

The agreements between the Soviet Union and the United States on the prevention of nuclear war, strategic arms limitation and the limitation of underground nuclear tests constitute an important contribution to the strengthening of peace and control of the arms race.

Other concrete measures for the limitation of armaments, including measures for the reduction of armed forces and armaments in Central Europe, are being actively discussed.

However it has not yet proved possible to stop the arms race completely. States are still spending vast sums on the improvement of weapons and on stocking their military arsenals. There is a real danger that the achievements of science and technology will be used to create new types of weapons of mass destruction and to devise new means of waging war.

In the opinion of the Soviet Government, present-day conditions require that the activities of the United Nations should concentrate on the study of ways and means to consolidate and expand the positive processes taking place in the world of today, to back up political détente by military détente and achieve new concrete results in the field of the limition of the arms race and disarmament.

The Soviet Union believes that an important step in this direction would be the prohibition of action to influence the environment and climate for military and other purposes incompatible with the maintenance of international security, human well-being and health.

For many centuries mankind has been seeking to discover how to influence natural elements in a positive way, and mitigate the deleterious effects of natural disaster. At present, with this end in view many States are carrying out scientific research and practical work in an attempt, for example, to create artificial rain, disperse clouds, etc. Activities in this field, pursuing peaceful and constructive ends, should, of course, be encouraged and welcomed in every way. However, the results of this research could also be used for destructive military purposes, and thus present an extreme danger to world peace, and to human well-being and health.

It is urgently necessary to draw up and conclude an international convention to outlaw action to influence the environment for military purposes. Compliance with the provisions of such a convention could be ensured by the adoption by each State, in accordance with its constitutional procedures, of measures to prohibit activities contrary to the convention and also by means of consultations and cooperation between States *inter alia* within the framework of the United Nations. The conclusion of such a Convention would be not only a measure to limit the scope of the arms race but also an important means of preserving the environment. All States of the world without exception, and all peoples, would stand to gain from the implementation of this measure.

Needless to say, such an agreement should on no account restrict scientific research and practical work on the alternation of natural conditions to meet the peaceful needs of States for the benefit of mankind.

The adoption by the General Assembly of a resolution approving the idea of concluding a broad agreement on the prohibition of action to influence the environment and climate for military and other purposes incompatible with the maintenance of international security, human well-being and health, and the preparation of a draft international agreement on the subject, would certainly be in the interests of strengthening peace and make a substantial contribution to the cause of preserving mankind from the danger of the use of new means of waging war, and also serve the interests of limiting the arms race and of disarmament.

I should be grateful, Sir, if you would consider this letter an explanatory memorandum pursuant to rule 20 of the rules of procedure of the United Nations General Assembly and issue it as an official document of the United Nations General Assembly.

A. GROMYKO,
Minister for Foreign Affairs, of the USSR.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., August 13, 1974.

Hon. HENRY A. KISSINGER,
Secretary of State, Department of State,
Washington, D.C.

DEAR HENRY: As you know, the Soviet Union on August 3 requested urgent discussion at the United Nations General Assembly session this fall on drafting an international convention to prohibit environmental warfare.

This Soviet initiative is most welcome and I urge that the United States respond clearly and positively.

The international community has a unique opportunity to act to outlaw this relatively undeveloped, but potentially disastrous, new form of warfare before it becomes yet another threat to world peace.

The Soviet proposal is consistent with the Joint Statement on Environmental Warfare, signed by the United States and the Soviet Union July 3 in Moscow, and with other statements made by leaders of both nations.

In addition, the United States Senate on July 11, 1973, overwhelmingly passed Senate Resolution 71, which I introduced, urging the United States to seek agreement with other nations outlawing environmental warfare. The resolution, in fact, also incorporated a draft treaty.

As you know, this is a problem of great concern to me. I am heartened that the United States signed the Moscow statement and I fervently hope that it quickly indicates its support for the Soviet request and will take the lead before the General Assembly in striving to reach international agreement to prohibit environmental warfare.

Warm regards.

Sincerely,

CLAIBORNE PELL.

JOINT STATEMENT ON ENVIRONMENTAL WARFARE

The United States of America and the Union of Soviet Socialist Republics:

Desiring to limit the potential danger to mankind from possible new means of warfare;

Taking into consideration that scientific and technical advances in environmental fields, including climate modification, may open possibilities for using environmental modification techniques for military purposes;

Recognizing that such use could have widespread, long-lasting, and severe effects harmful to human welfare;

Recognizing also that proper utilization of scientific and technical advances could improve the inter-relationship of man and nature;

1. Advocate the most effective measures possible to overcome the dangers of the use of environmental modification techniques for military purposes.

2. Have decided to hold a meeting of United States and Soviet representatives this year for the purpose of exploring this problem.

3. Have decided to discuss also what steps might be taken to bring about the measures referred to in paragraph 1.

SENATE RESOLUTION 71

Whereas there is vast scientific potential for human betterment through environmental and geophysical controls; and

Whereas there is great danger to the world ecological system if environmental and geophysical modification activities are not controlled or if used indiscriminately; and

Whereas the development of weapons-oriented environmental and geophysical modification activities will create a threat to peace and world order; and

Whereas the United States Government should seek agreement with other governments on the complete cessation of any research, experimentation, or use of any such activity as a weapon of war: Now, therefore, be it.

Resolved, That it is the sense of the Senate that the United States Government should seek the agreement of other governments, including all Permanent Members of the Security Council of the United Nations, to a treaty along the following general lines which will provide for the complete cessation of any research, experimentation, and use of any environmental or geophysical modification activity as a weapon of war:

"The Parties to this Treaty,

"Recognizing the vast scientific potential for human betterment through environmental and geophysical controls.

"Aware of the great danger to the world ecological system of uncontrolled and indiscriminate use of environmental and geophysical modification activities,

"Recognizing that the development of weapons-oriented environmental and geophysical modification techniques will create a threat to peace and world order,

"Proclaiming as their principal aim the achievement of an agreement on the complete cessation of research, experimentation, and use of environmental and geophysical modification activities as weapons of war,

"Have agreed as follows:

"ARTICLE I

"(1) The States Parties to this Treaty undertake to prohibit and prevent, at any place, any environmental or geophysical modification activity as a weapon of war;

"(2) The prohibition in paragraph 1 of this article shall also apply to any research or experimentation directed to the development of any such activity as a weapon of war, but shall not apply to any research, experimentation, or use for peaceful purposes;

"(3) The States Parties to this Treaty undertake not to assist, encourage or induce any State to carry out activities referred to in paragraph 1 of this article and not to participate in any other way in such actions.

"ARTICLE II

"In this Treaty, the term 'environmental or geophysical modification activity' includes any of the following activities:

"(1) any weather modification activity which has as a purpose, or has as one of its principal effects, a change in the atmospheric conditions over any part of the earth's surface, including, but not limited to, any activity designed to increase or decrease precipitation, increase or suppress hail, lightning, or fog, and direct or divert storm systems;

"(2) any climate modification activity which has as a purpose, or has as one of its principal effects, a change in the long-term atmospheric conditions over any part of the earth's surface;

"(3) any earthquake modification activity which has as a purpose, or has as one of its principal effects, the release of the strain energy instability within the solid rock layers beneath the earth's crust;

"(4) any ocean modification activity which has as a purpose, or has as one of its principal effects, a change in the ocean currents or the creation of a seismic disturbance of the ocean (tidal wave).

"Article III

"Five years after the entry into force of this Treaty, a conference of Parties shall be held at Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the preamble and the provisions of the Treaty are being realized. Such review shall take into account any relevant technological developments in order to determine whether the definition in Article II should be amended.

"Article IV

"1. Any Party may propose an amendment to this Treaty. The text of any proposed amendment shall be submitted to the Depositary Governments which shall circulate it to all parties to this Treaty. Thereafter, if requested to do so by one-third or more of the Parties, the Depositary Governments shall convene a conference, to which they shall invite all the Parties, to consider such an amendment.

"2. Any amendment to this Treaty shall be approved by a majority of the votes of all the Parties to this Treaty. The amendment shall enter into force for all Parties upon the deposit of instruments of ratification by a majority of all the Parties.

"Article V

"1. This Treaty shall be of unlimited duration.

"2. Each Party shall, in exercising its national sovereignty, have the right to withdraw from the Treaty if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its country. It shall give notice of such withdrawal to all other Parties to the Treaty three months in advance.

"Article VI

"1. This Treaty shall be open to all States for signature. Any State which does not sign this Treaty before its entry into force in accordance with paragraph 3 of this Article may accede to it at any time.

"2. This Treaty shall be subject to ratification by signatory States. Instruments of ratification and instruments of accession shall be deposited with the Governments of the United States of America,   , and which are hereby designated the Depositary Governments.

"3. This Treaty shall enter into force after its ratification by the States, the Governments of which are designated Depositaries of the Treaty.

"4. For States whose instruments of ratification or accession are deposited subsequent to the entry into force of this Treaty, it shall enter into force on the date of the deposit of their instruments of ratification or accession.

"5. The Depositary Governments shall promptly inform all signatory and acceding States of the date of each signature, the date of deposit of each instrument of ratification of and accession to this Treaty, the date of its entry into force, and the date of receipt of any requests for conferences or other notices.

"6. This Treaty shall be registered by the Depositary Governments pursuant to Article 102 of the Charter of the United Nations."

Recommendation 18 on Weather Modification[4]

The Assembly,

Recognising that there is a vast scientific potential for human betterment through ecological-environmental and geophysical controls;

Aware of the great danger to the world ecological system posed by uncontrolled and indiscriminate use of ecological-environmental and geophysical modification activities;

Noting that the development of weapons-oriented ecological-environmental and geophysical modification techniques could create a threat to peace and world order;

Recommends the North Atlantic Council:

To endorse through the Member Nations the urgent introduction of an ecological-environmental treaty which would prohibit, except for peaceful purposes and for the betterment of mankind, and for purposes which have no adverse effect on the ecological balance, the use of any ecological-environmental or geophysical modification. A suggested draft treaty is contained in document P 250 (72) 31 of the Scientific and Technical Committee.

THE VETERANS EDUCATION AMENDMENTS OF 1974

Mr. THURMOND. Mr. President, yesterday, the Senate approved the conference report on H.R. 12628, the Veterans Education Amendments of 1974.

Today this matter was taken up on the House floor. A point of order was sustained in the House on the basis of the conferees having exceeded the parameters of the original Senate- and House-passed bills. I want to express my profound regret that this situation has occurred.

Mr. President, because of the House action today, the veterans of this country who are waiting to register for school this weekend and next week, will have their increased benefit checks delayed.

Unfortunately, many of the student-veterans will not understand the parliamentary procedure of the Congress; they will only understand that the increased benefit checks which we have promised to them will not arrive on time. Mr. President, after the recess, this will be one of the greatest matters of urgency for the Congress to resolve. I shall work for an expeditious resolution of this very critical matter.

THE MARKETPLACE LOOKS AT "A WORLD TO FEED—YOUR OPPORTUNITIES"

Mr. ALLEN. Mr. President, on August 9–10, 1974, the Alabama Farm Bureau Federation hosted in Montgomery, Ala., the Southern Commodity Producers Conference which was attended by representatives from 12 Southeastern States. The principal speaker at the conference was Hon. Warren W. Lebeck, president of the Chicago Board of Trade, who addressed himself to the theme of the conference "A World to Feed—Our Opportunities". Mr. Lebeck's speech is so informative and its message so challenging that I believe it will be of interest to members of the Senate and to the public generally. Therefore, I ask unanimous consent that a copy of the speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

The Market Place Looks at "A World To Feed—Our Opportunities"

(By Warren W. Lebeck)

I do like the theme for your Conference: "A World to Feed—Our Opportunities." It is timely and important, not only to you as producers, but to the nation's economic health and growth as well.

I like it because it looks ahead—looks for opportunity—rather than asking for sympathy. And it doesn't surprise me. Why? Let me share with you a few brief words from a book entitled, "One Man—Edward Asbury O'Neall III" by P. O. Davis:

"Every nation has two great fundamental assets—its soil and its people. From time to time we need to inventory these assets to determine where we as a nation or as a state stand in respect to each and to both."

That is really just another way of stating your theme.

"As the nation's Number One leader in organized agriculture—in his visions and his aims—no North, no South, No East, no West, but one great nation with all for one and one for all. The foundation of this vision is solidarity of farm people."

"Another one of his impressive trips was to Illinois early in the twenties to study the work of the Farm Bureau. There he saw excellent results of close cooperation between the University of Illinois and the Farm Bureau. He returned home convinced that the Extension Service and the Farm Bureau must 'march hand-in-hand to a better agriculture and a more satisfying rural life, each in its proper place.'"

I am impressed as I hope you are by the combination of Farm Bureau, Extension Service, Alabama and Illinois and yet this total vision beyond borders.

Your theme is certainly in this spirit and his Illinois venture makes me most comfortable today. I share with him and with you continued admiration for the Farm Bureau—which he led—the Extension Service and the University of Illinois. Today, because of such men—stronger and more useful than ever.

I want to discuss with you today my thoughts on your subject from a slightly different point of view and also to spell out some of the problems as we see them from our marketplace.

Who would have thought two years ago that the disappearance of anchovies off the coast of Peru would be one of many major factors in sending the cost of food commodities skyrocketing—that soybeans, whose highest previous price had been $4.41 per bushel would soar to $12.90–$16.00 in Rotterdam—and cause the U.S. government to take the unprecedented action of embargoing the export of soybeans and soybean meal.

Problems? Yes! Opportunities? In great quantity.

Now, let's look at the opportunities as I see them.

Current world demand seems to fall into three categories.

1. *The increase in world food needs which is strictly a function of increasing population.*

World population is projected to increase from 3.7 billion to over 7 billion people by the year 2000. Even if the increase in population could suddenly be reduced to a zero rate, we would still have an additional one billion people to contend with at the turn of the century. This would occur because of the age composition of the world's population—the high proportion of people who are young and will be utilizing life—preserving technologies.

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[4] Presented by the Scientific and Technical Committee.

Many of the less developed areas of the world have an annual population growth rate exceeding three percent. Three percent per year may not seem like much, yet when compounded at an annual rate—three percent means multiplication by 10 times in a century.

This is incredible and certainly we cannot have that sort of a rate of growth continuing indefinitely.

The question of population control is no longer a moral question or a religious question, or even a philosophical question. It is a matter of hard, practical reality that we are running out of space on the surface of the earth for that many individuals to stand—let alone be supported in any sort of livable fashion.

2. *The desire for improved dietary levels—the need for more protein and the desire for it to be animal rather than grain.*

As nations improve their economic levels, they turn to more and better diets. We've seen this happen all over the world, but especially in the Common Market and Japan. Not only does per capita consumption of food increase, but the consumption switches from a grain protein to an animal protein base, and it takes a good deal more grain to produce the red meat that affluent societies want, putting a further strain on the productive capacity.

3. *The increase in the ability of developed and developing nations to pay for improved diets and food imports.*

A wave of prosperity was sweeping the nations of Western Europe and Japan. Gross national products and personal incomes began to set one new record after another. Living standards surged upwards. Populations which historically and out of economic necessity had relied largely on cereal grain to provide the protein requirements of their diets suddenly wanted—and could afford—ever-increasing quantities of animal protein. That is, meat, poultry, and eggs.

To respond to these demands, governments of the nations involved embarked on crash programs to increase the production of livestock. This, in turn, necessitated sharply higher imports of high-protein feed—mainly soybean meal from the United States, fishmeal from Peru, peanut meal from Africa, and, to a lesser extent, sunflower meal from Russia.

Simply put, the continued upgrading of diets in other nations of the world was, year by year, becoming increasingly dependent on the availability of U.S. feed grains, soybean and soybean meal exports. What's more, hundreds of millions of Europeans and Japanese suddenly had achieved an affluence which enabled them to compete with American consumers for the available supplies.

There are the opportunities—what can we do about them?

Looking ahead, predictions are that the world will need in the neighborhood of twenty percent more food from the U.S. by 1985. If this prediction proves accurate, we believe that American farmers can supply it with ease.

American agriculture has the potential to sharply increase output of major farm products. We had hoped to see a marked increase this year as farmers brought additional land back into production—land that was idled under government support programs. We expect that output can climb into the mid-eighties as new areas are brought into cultivation and as yields increase.

But just anticipating such increases will not make them happen. Certain factors must be taken into consideration—certain assumptions have to be made.

First—prices for farm products must remain high enough to assure the producer of a reasonable rate of return on capital and labor.

Second—no restriction on the use of land.

Third—adequate supplies of fuel, fertilizer and other non-farm inputs at reasonable prices.

Fourth—normal weather conditions.

The first three are ones which we can do something about. The fourth is, of course, beyond our control.

Right now, let's get back to what American agriculture can produce, based on a response to strong economic incentive rather than to what might be possible under emergency conditions.

Hybrid seed, fertilizer, irrigation, improved machines, narrower rows, higher plant populations per acre, chemical weed control are among the factors that could help to increase yields. These factors along with better management could result in improved combinations of inputs and cultural practices.

By 1985 our corn crop could reach the 9 billion bushel level. Soybeans could reach a harvest of 2.3 billion bushels equal to current wheat production. There could be dramatic increases for peanuts and rice with peanuts increasing four times while rice production could double.

Obviously, there are potential problems—fertilizer, pesticides, fuel, labor, environmental restraints, storage and transportation. I've heard a lot of people saying that the United States must share its bountiful harvests, must prepare to tighten its belts—but I've heard little of placing some responsibility on the Arabs, whose actions have caused shortages of inputs and who threaten further action. Let us hope that the massive food conference scheduled for Rome in November will take into consideration all these factors.

On the plus side, however, is the fact that possibilities exist for bringing substantially more land into production and for increasing productivity of both crops and livestock. The possibilities are exciting and certainly not outside the realm of reason.

Hybrid varieties are being developed for wheat, barley and soybeans and it is hoped they will be ready within ten years. Increased protein in new grain varieties is also on the drawing boards. Another important development is the insect resistant varieties that could reduce the cost of insecticides and help environmental problems.

Cross-breeding and artificial insemination of beef cows offer the potential of a 20 percent increase in production. Multiple births (twinning) of cattle offer hope for increasing beef. This is farther away.

Double-cropping is a possibility in some areas—combining a short season summer crop such as soybeans or sorghum after a harvest of wheat, oats or barley.

And let's not overlook management. For several important crops, leading producers are routinely getting yields of 50 percent or more higher than the national average. Obviously, there are factors other than management, but it has to be an important consideration.

Indeed, the quantities of food that the U.S. is capable of producing—if it had to—stagger the imagination.

To solve the world's massive problems, a marketing system second to none, is needed. We think we have just such a system and we think the part we play in it is important—both domestically and internationally.

What is the role of commodity markets in today's dynamic world of food? A one-word answer would be "vital." Yet most of you in the audience probably would either not agree or more likely not understand why.

One way to answer the question is to point out to you that several times in the last few years and recently the U.S. government asked us to open trading in more distant contract months so that foreign buyers would be able to make commitments for their projected needs.

Why is it necessary for us to open trading eighteen months to two years ahead to enable foreign buyers to make commitments? Simply because U.S. exporters will not make commitments that far forward without being able to offset the price risk by hedging in our futures market. Obviously, since it is a prime economic function of our market to provide such risk insurance or price risk shifting mechanism, we have acted when we were convinced that there would be sufficient volume to maintain an orderly market.

Which brings me to the problems I spoke of earlier.

This spring, we were all chanting, "Rain, rain, go away, come again some other day." But somebody up there either didn't like us or had our problems pretty far down on the priority list. Oh, the faucet was finally turned off (hopefully not too late) but then it was turned off so tightly it seems it won't go on again—probably until harvest time. I know that margarine commercial says it's not nice to fool Mother Nature, but heavens, someone should tell her we weren't trying to fool her, just help her.

So here we are again this year with a different set of circumstances—and yet not so different—but the same result. Higher prices. And as they become reflected down to consumer levels, he'll go about charging that the farmer is getting too much for his production, completely overlooking two important factors—what it cost the farmer and how much the farmer has to sell to recoup his costs.

When we had surpluses of grain, the consumer took little notice of the plight of the producer, as he (the consumer) basked under the hypnotic influence of ultra-low food prices. Unfortunately, the U.S. consumer became used to abnormally low food prices and has found it difficult to adjust to what is probably a new and higher priced era.

During this surplus era, production skills had seemingly outrun marketing skills and yet with massive government intervention in both production and marketing, there was all too little that the marketeers could do. Through it all the Farm Bureau stood steadfast in adhering to a competitive, incentive market system as the best possible cure for surpluses. Outside of the Board of Trade and all too few economists, few heeded this sound advice.

Fortunately, a market-oriented Secretary of Agriculture had put agriculture back on the track and had made great progress, when out of the blue, an unprecedented series of happenings converged all at once to drive the world to the verge of a massive shortage of food.

It is comforting for me as a representative of a marketplace to see the Farm Bureau consistently understand the function of markets, marketplaces and price and willing to take the risks in a competitive economy. No need to review here and now any—and certainly not the most recent—failures of economic controls. Price is still the best rationer—not perfect and certainly it discriminates, but it is more perfect and less discriminatory than any other system that has been devised.

Significant increases during the month of July in futures prices for agricultural commodities—corn and soybeans in particular—were largely the result of severely deteriorating yield prospects for 1974 crops. Many knowledgeable persons believe the prolonged shortage of moisture at this crucial time in crop development, following an excessively wet spring which delayed plantings, has been responsible for the sharpest one month deterioration in crop conditions in more than a decade.

As is to be expected, market conditions have reflected crop conditions. Increases in futures prices in the neighborhood of $1.00 a bushel for corn and $3.00 a bushel for soybeans have been approximately the same as the rise in current cash market prices for those commodities.

Despite a concerted effort by government, farmers, and the commercial grain trade to restore the nation's almost non-existent reserves to a desirable level, recent weather conditions remind us anew that the bounty of our harvests is not entirely within the realm of man's influence.

Rising prices have been the predictable result of supply and demand given the prospect that this year's crops will be significantly smaller than had been hoped for and anticipated. Simply put, current conditions have resulted in a smaller number of sellers and a larger number of buyers. Farmers who normally sell their new crop on the futures market at this time of year have been hesitant to do so because of uncertainty concerning yields.

Similarly, farmers and others who are customarily sellers of cash corn and soybeans as the new harvest approaches are understandably reluctant to deplete their inventories in the face of an impending shortage.

Conversely, those who in the normal course of their business would delay purchases of corn and soybeans until the new harvest have attempted to maintain larger than usual inventories because of the same impending shortage. Thus, in the normal competitive environment of a free market, a reduced supply and increased demand have resulted in an upward movement in the level of prices, both cash prices and futures prices.

Subsequent price movements will depend in large measure on moisture and temperature conditions during the remainder of the summmer and early fall as well as on the needs of both domestic and foreign consumers. At the present time those conditions which led to an extraordinary increase in foreign demand and unprecedented price levels a year ago are not expected to be repeated.

Current prices are principally due to the adverse weather conditions which have continued to plague farmers almost from the outset of this year's growing season.

Rather than trying to point the finger at someone, a rational review of the conditions that led us to bare cupboards will clearly indicate why we are where we are today.

1. Both employment and hourly earnings have increased with an attendant demand for more and better food.

2. Foreigners, too, had more money to spend—much of it devalued dollars—which they were more than willing to trade for food.

3. Weather conditions throughout the world had reduced world grain supplies, putting an added burden on good U.S. crops.

4. The U.S. has increased its Food Stamp and Food Distribution programs to the point where they are now aiding 15 million lower income families, over twice as many as five years ago.

5. Price ceilings interfered with some phases of food production and distribution, most importantly cattle. Farmers did not put as many cattle on feed under ceilings as they were afraid of losing money at ceiling prices.

6. Production costs for U.S. farmers have skyrocketed—feed, fertilizer, insecticides, herbicides, machinery and the cost of capital, to name a few.

7. Ceiling prices brought heavy losses to poultrymen and caused a cut back in broilers.

8. We are eating more prepared, convenience foods and the cost of these conveniences has gone up more than the cost of the food ingredients.

9. We are eating out more. In 1973, the cost of meals eaten away from home rose almost 12½%, over 90% of which was due to increased prices. Yet four-fifths of the money spent for eating out goes to services, processing and marketing and only one-fifth goes to the farmer.

10. Finally, over the past 20 years, average wages have increased nearly 142 percent. The price of food eaten at home has increased 64% and the price of all food eaten, at home and away, has increased 70%, just less than one-half of wage increases.

It is these combination of factors and even others that made bountiful harvests so necessary this year and left us so vulnerable to anything that would cut down harvests. And the factor that is having the influence is that which we can do the least about—weather.

Yes, I agree we have tremendous opportunities and we know we are doing our best to take advantage of them. All too few people realize that in 1973 the net favorable balance of our agricultural trade was 9.3 billion dollars, while the total U.S. net favorable balance was only 1.6 billion dollars. Where would this country have been without agriculture and, yes, high prices for agricultural produce. Would the dollar have strengthened or would we have had to have further devaluation?

Thus, despite the state of our economy as a whole at the present moment, we in agriculture are fortunate, or at least more fortunate than most areas. And I am firmly convinced that our opportunities lie ahead and not behind.

CAMPAIGN REFORM

Mr. HUGH SCOTT. Mr. President, an editorial in the Pittsburgh Press sums up our need for campaign reform legislation. I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From The Pittsburgh Press, Aug. 17, 1974]

For Cleaner Campaigns

As surely as the nation now has a new President, it soon will have a new law hopefully restoring some long-lost integrity to the financing of presidential and congressional election campaigns.

Less than two hours before President Nixon's resignation, the House overwhelmingly approved a campaign-reform bill that should sharply reduce the sleazy influence of big money on future federal elections.

It's a bill that makes sense—and President Ford should sign it without hesitation when it comes to his desk.

Essentially, the bill would make it much harder for special-interest groups to "buy" politicians and much easier for presidential candidates to finance their primary and general campaigns, beginning in 1976.

The immediate task is to combine the House bill with a somewhat different bill passed by the Senate four months ago. But it now seems certain that:

No candidate for Congress will be permitted (or required) to raise and spend huge amounts of money. Definite dollar limits will be set, as they should have been years ago.

Presidential campaigns will be financed from the voluntary $1 income-tax checkoff. There will be no more dunning of companies, unions and wealthy individuals.

Some federal funds will be available, on a matching basis, to candidates in presidential primaries.

No individual will be permitted to give more than $2,000 to a single candidate in a single year, no organization more than $10,000.

The limits are $3,000 and $6,000 respectively, in the Senate bill. All money must funnel through a single campaign committee, making it impossible to split up and conceal contributions.

No cash contributions of more than $100 will be permitted. This should eliminate the cash-in-the-suitcase shenanigans of the 1972 Nixon campaign.

An independent commission will be set up to police the new rules. Under the present system, the House and Senate allegedly police themselves.

One reform narrowly approved by the House—but likely to be cut out in conference with the Senate—is a $2 million federal subsidy (from the checkoff fund) to each major party for its presidential nominating convention.

Imperfect as it is, the measure would accomplish some reforms. And reforms are badly needed.

A FAST FOR PEACE IN VIETNAM

Mr. PELL. Mr. *President*, Carol Bragg, a young woman from Rhode Island, has fasted for the past 8 weeks as an expression of her sincere concern for the human suffering that the continuing war in Indochina is causing the people in Vietnam and elsewhere. The depth of her commitment is striking. At a time when many would prefer to consider American involvement in Indochina as a thing of the past, the fast of Ms. Bragg serves as a poignant reminder that the flow of American aid continues with far-reaching effects in that part of the world.

Ms. Bragg has written a statement that documents the reasons behind her fast, which she has asked me to bring to the attention of my colleagues. I ask for unanimous consent that her statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

American Friends Service
Committee, Inc.,
Providence, R.I.

A Message to the Senate

Dear Members of the Senate: I am in the eighth week of a fast for peace in Vietnam. During the first week I took water only; since that time I have had small amounts of juice. I am fasting in solidarity with the Buddhist monks and Cao Dai priests who undertook a fast earlier this year while imprisoned in Chi Hoa Prison in Saigon. And I am fasting out of a deep concern for the tremendous human cost of the continuing war in Indochina.

As you know, that cost has been great: more than 75,000 deaths in Vietnam since the ceasefire was signed, the creation of nearly 1,000,000 new refugees, the continued detention of tens of thousands of civilian political prisoners. As you also know, American aid—both military and economic—has to a very large extent made the continuation of the war possible.

My fast is an expression of religious convictions—an attempt to call attention to the moral nature of our involvement in Indochina. Our commitment there should be to the people and not to governments, and because of the people, to peace. As we are all acutely aware, governments are subject to corruption and are temporal; they rise and fall with the winds. The people, however, endure. Our commitment should be not to particular regimes nor even to certain ideologies, but rather to the sanctity of human life—to the right of every human being to pursue his or her life free of the threat of war, repression, and economic deprivation. And insofar as these rights are threatened, we should respond in ways which do not in themselves violate the lives and rights we seek to protect.

As long as we continue to supply military and economic aid to the Saigon government, we contribute to the suffering of the Vietnamese people. A political settlement is the only answer and that road will not be fully explored so long as we provide to the Thieu regime the funds and materiel to carry on war and repression. Aid is appropriate when and only when the Peace Accords are implemented; until that time, it will only forestall the peace for which the people so desperately long. Any amount of aid will only serve to prolong the war; any amount of aid, in that sense, is unconscionable.

When you vote on military and economic aid for Indochina, vote for the people and for peace—don't, at the expense of the people, vote for governments which have proven to be corrupt and may, in the end, be only passing.

Sincerely,

CAROL BRAGG.

INFLATION

Mr. TAFT. Mr. President, Americans will be able to fight inflation much more effectively if business, labor, and Government are making a common effort. This is not happening now and I am convinced it will not happen unless all groups perceive that anti-inflation policy is being conducted in a manner which demands comparable sacrifices from all parties.

Unfortunately, the present situation is as yet a far cry from a cooperative effort to stop inflation. Labor blames business profits for much of the inflation and is insisting on the wage increases to catch up. Justified or not, they will contribute to inflation. Business is passing through its sharply increased costs and in some cases, additional amounts are perceived necessary to compensate for the price control period. Members of this group blame the inflation almost entirely on the Government. Housing industry officials realize that housing is bearing a disproportionate burden in the fight and some ask for less emphasis on tight money.

All these groups have legitimate concerns, but the end result of the crossfire seems likely to be more than less inflation.

Although the problem has many causes, it relates fundamentally to the unique economic situation of last year. Largely because of the $15 to $20 billion drain on the economy caused by increased oil prices, Americans suffered a 5.6-percent drop in real spendable earnings during the past year. Rather than what is normally called inflation, to a large extent this amounted to a one-time setback in our standard of living which cannot be recouped in the foreseeable future. Our people do not know how to deal with this situation, but equity demands that labor, business, and Government all accept the realization that sacrifices are necessary.

Business and labor should cooperate by neglecting to demand total compensation for the oil-related loss through a price and wage explosion that can only fuel further inflation. This can hardly be expected, however, unless it is evident that both are exercising appropriate restraint. Profits which are well above historic averages and which are not being used for necessary reinvestment are intolerable at this time, particularly where they occur in industries which have put large price increases into effect. One of the crucial purposes of the new monitoring agency should be to highlight the profit situation and to indicate any situations in which profits seem excessive. One of the reasons I introduced the Inflation Restraint Act over 3 months ago, which would have established a similar monitoring agency, was so that it could serve this purpose.

Businesses should be forewarned that if abuses are not avoided voluntarily through the pricing system, other remedies such as tax increases will have to be considered.

For the Government's part, continued fiscal and monetary restraint are a necessity. However, it is important to keep in mind that a major portion of the inflation is related to problems, particularly in the fuel and food sectors, which are not likely to be solved by the traditional fiscal and monetary remedies.

With respect to fiscal policy, those who are talking about $20 billion budget cuts for fiscal 1975 are dreaming. Only $84.4 billion at the maximum of the $304.4 billion fiscal 1975 budget is considered to be substantially alterable at this point. All but $25.9 billion of this money is planned for defense expenditures. In view of these figures, I doubt that we could plan realistically to cut more than $5 to $7 billion, even if we eventually agree to cut the defense budget back several billion dollars. Furthermore, some cuts may have to be offset by increased assistance to persons and industries disproportionately affected by the anti-inflation effort, such as housing assistance and public service employment.

Continued fiscal restraint is particularly essential because this will help to avoid the need to place any increased burden for fighting inflation upon monetary policy. However, we must consider when we evaluate the needs for further drastic budget cuts that the present level of receipts and expenditures is not highly inflationary. Although there are substantial reasons to support the argument that the goals of a traditionally defined full employment budget—4 percent real growth and maximum 4 percent unemployment—are presently unobtainable, it is nevertheless relevant that the present budget would result in a full employment surplus—calculated in the traditional manner—of at least $8 billion, and possibly much more.

On the other hand, a large net tax cut would certainly increase inflationary pressures. Furthermore, at the present time it would certainly be better to err on the side of fiscal restraint than on the side of fiscal irresponsibility. Therefore, I believe strongly that if we are to cut some taxes it is incumbent that we also raise some compensating revenues, in a responsible manner.

The present tight monetary policy has been questioned because of its disproportionate impact on housing and small business, its inflationary effect on credit-related industries and its lack of relevance to fuel and food-related problems. In the pursuit of assuring comparable sacrifices from various groups, at the very least the Government is going to have to pay more attention to the needs of those disproportionately affected by it. The President's signing of the housing bill today and his statement on it makes a good start. Consideration of my legislation to provide tax incentives to generate savings deposits which can be used for mortgage lending could also be helpful. We also should review thoroughly the usefulness of some form of credit rationing to help small businesses and other crucial borrowers such as State and local governments in these difficult times.

Even these steps would not completely combat the inequities resulting from an anti-inflation policy which thrives on tight money. But although tight money is not the tool to combat our food and fuel problems and its usage as an anti-inflation tool should be restrained to the extent possible, in view of the inflation emergency relatively tight money will be necessary for some time to come.

The present inflation obviously demands an approach which deals more pointedly and specifically with problem sectors than past approaches. Fuel prices in particular of course, have risen 64.6 percent last year at the wholesale level. The most important long-run need in this sector is greater domestic self-sufficiency, for political as well as economic reasons. The most important immediate need is to lower the international price of oil. The devastating impact of the price increases on importing nations' balances of payments already threatens to throw the economy of several major countries out of kilter. Thus, this source of inflation could cause directly an extremely serious recession, if not alleviated.

Since the international price of oil is based largely on political factors, achieving price reductions will not be an easy task. The United States must continue its diplomatic efforts to convince other oil exporting countries that Saudi Arabia's perception of a price drop as in its own best interest is a wise one. Efforts to increase the extent to which the importing countries negotiate together and otherwise cooperate, which is encouraged by a resolution I have cosponsored, should continue although the task will remain difficult.

The Government should do its best to hold down domestic prices by continuing domestic price controls on petroleum products. Action is desperately needed, however, to reduce the distortions in competitive positions of the oil companies caused by differing allowable crude oil costs under the present two-tier price control system. Such distortions are generally working to the disadvantage of independents. Furthermore, the entire system should be reexamined to determine whether certain lenient aspects of the controls, such as the exemption of so-called released oil to match each barrel of new domestic oil, are necessary in view of the high market price of oil.

More importantly over the longer term, windfall profits due to international crude oil price increases, to the extent not used to meet Project Independence goals, should be subjected to further taxation. Any increased taxation of this type should make sufficient allowance for the needs of small independent operations, whose costs are higher but whose wells result in the major proportion of new oil discoveries. Such taxation also must allow sufficient incentives for the investment of the enormous amount of capital needed to pursue project independence goals, as I have mentioned. Both the price control system and any such tax legislation must also realistically take into account the effects of shortages of drilling equipment, such as tubular goods, platforms and drilling rigs, which will retard Project Independence efforts despite companies' willingness to invest.

I believe it is also extremely important to embark upon a more concentrated program of energy conservation than we have had in the past several months.

I believe it is also extremely important to embark upon a more concentrated program of energy conservation than we have had in the past several months.

There is nothing whatsoever that the Government can do about the weather, which largely is causing the worsening once again of the food price situation. The soundest long-run policy is to continue our efforts to rid ourselves of laws which tend to limit domestic production and imports. On the export front we should intensify negotiations already begun with our foreign customers to determine the extent to which they can forego our grains and other agricultural products, if necessary, without excessive hardship. We must never again let ourselves be caught in the position of slapping export controls at the last minute on goods which our customers consider essential, as we did in the soybean fiasco of the summer of 1973. It is important to our own self-interest to avoid protectionist actions such as export controls to the extent possible, in view of the possible political and economic repercussions. However, we should also take all the advance actions needed to minimize the impact of controls in case they due become necessary to protect our consumers, including both the negotiations I have mentioned and export monitoring.

Another important food price related initiative would be to make any legal changes necessary to insure that commodities exchanges have the powers necessary to prevent speculators from taking advantage of both farmers and consumers by manipulating commodities prices. Legislation which purports to accomplish this goal will soon come before the Senate for review and action.

Prices of industrial commodities have also skyrocketed, due in part to the devaluation of the dollar—as in the case of food exports—and to a worldwide commodities boom. Although the problems vary by sector, here again international negotiations are necessary. Initiatives are needed in particular to prevent the United States from becoming the market of last resort as it has been in the case of scrap iron.

In various industries such as fertilizer, steel and paper, as well as the raw materials industries themselves, supply problems may have occurred because of lack of processing or manufacturing capacity as well as raw materials shortages. In the 2 years after the reenactment of the investment tax credit, which I favored, capital spending in the United States skyrocketed. However, America's need for capital is still immense and we must let efforts to expand capacity continue, to the extent possible in view of the tight money situation and other demands for investment funds. It is imperative also that we keep this problem in mind when reviewing ill-advised tax "reforms" such as repeal of the investment tax credit. Of course, a responsiveness to other specific capacity-inhibiting problems in each sector, such as the effects of environmental regulations on the steel industry, is also necessary.

Several other initiatives are needed badly if inflation is to be minimized in the long run. Congress must pass the Trade Reform Act, so that the President can negotiate for removal of trade barriers which in some cases augment inflation while in other cases retarding business activity. Efforts to spur our productivity in every way possible, by the National Commission on Productivity and by other means are essential because increases in the efficiency of our industries allow wages and salaries to increase without necessarily contributing to inflation. Stringent enforcement of our antitrust laws is another necessary component.

I realize that the ideas I am putting forward are not new or revolutionary. They do not constitute dramatic alteration of our anti-inflation policy. However, I believe that they will help insure that the Government's anti-inflation policy is conducted in as equitable and effective a manner as possible.

THE IMPORTANCE OF WOMEN'S EQUALITY DAY

Mr. WILLIAMS. Mr. President, both the House and the Senate have now passed a resolution authorizing the President to proclaim August 26, 1974, as Women's Equality Day. The President is expected to sign this resolution into law in time for appropriate tribute and celebration. I wish to take this opportunity to add my praise to such a meaningful observance.

August 26 marks the 54th year since women were given the right to vote. It is a day most worthy of commemoration. This special observance will serve to acknowledge the outstanding accomplishments of the American woman, and will certainly remind us of the right of all women to full and meaningful equality.

In the last several years, we have seen extensive changes in this Nation's attitude toward women in all areas of social, civil, and economic concerns. Elimination of job discrimination against women is steadily advancing and professional recognition of women in every area is becoming readily accepted. This recognition has become especially obvious in the last several years as thousands of women have campaigned, or are currently campaigning, for political offices at all levels of our Government. It is enlightening to note that several prominent citizens both in public and private life who were asked by President Ford to submit Vice-Presidential nomination recommendations, offered names of well-qualified women among their choices. It is totally conceivable to me that we are rapidly approaching the era of nominating—and electing—a woman for one of our two highest offices in this Nation. I certainly welcome that era.

We are also, at long last, beginning to publicly recognize women who have excelled in areas of national interest, and are appropriately honoring those women who have individually contributed to the advancement of American technology and ideals.

The observance of August 26, however, should not be considered as only a joyous one. It should also be a somber reminder that inequality among sexes still exists.

Five more States still need to ratify the equal rights amendment before women will truly receive the equal benefit of the law that is now enjoyed by men. In addition, we have seen the delay of bills in Congress that would help bring about equality in social security laws, credit availability, and payment for similar employment positions.

Therefore, Mr. President, the importance of observing Women's Equality Day is twofold. The day will certainly bring forth the deserving tribute and praise to the more than 104 million women in this country. But it will also serve as an appropriate reminder to all Americans that there is still much work to be done in the struggle for women's equality.

REFLECTIONS ON WATERGATE

Mr. McCLURE. Mr. President, I have been trying for weeks to put into words the dilemma we faced over the conduct of the previous administration in its handling of the Watergate matter. While it may be a moot point now, a letter written prior to Mr. Nixon's resignation by a former Idaho resident, Joan Joyce Sellers, comes about as close as anything I have seen to describing my own personal feelings—compassion for the man who had served his country so well for so long, and yet a recognition that the President himself must be, more than anyone else, above suspicion. Most Americans felt this way, I think. This is an unreal world here in the Nation's Capital. Those Members of Congress who stayed most closely in tune with their constituents have discovered there is far more compassion for the President than they ever dreamed.

Mr. President, I ask that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUSTIN, TEX.,
August 1, 1974.

Hon. JAMES A. MCCLURE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCCLURE: The impact of the Committee appearances on television has all but wrecked me emotionally, and I am sure it has affected others in a like manner. Others have expressed to me a similar reaction, and I do not believe that the American public can withstand much more of this sort of thing.

That does not mean that I have concluded that the President has committed one or more impeachable offenses. It does mean that I am more confused than ever, and I can not believe that further exposure of pros and cons can do anything to un-confuse me, in the light of the manner in which the case is being presented.

I must agree with Congressman Sandman of New Jersey that I would much prefer seeing a clear-cut, understandable charge promulgated, one which does not involve 40 or 70 volumes of supporting evidence. Obviously, however, the Committee does not have that kind of case; it has only a mishmash of questionable evidence which adds up, in the minds of those who favor impeachment, to a sort of trend, or overall something-or-other which does not even deserve, by their own admission, to be called even a "plan."

Now, I can not contend that the charges which have been enumerated as supporting testimony in any way elevate the President to a place among the immortals, taken in its most unfavorable light. But neither can I conclude, without seeing every scrap of evidence, that the charges are entirely convincing. This seems also to be the reaction of people from Idaho to California to Texas to whom I have recently spoken. The American public is not going to see the whole body of evidence, so there is always going to be the question in some minds: Has justice been done? And that question is going to be unhealthily divisive.

It does seem clear to me, however, that Richard Nixon is never going to be able to rid himself of the same doubts which have engendered this whole shebang. Those who consider him guilty will not cooperate, and those who consider him innocent won't, either, because they have been downed and pilloried.

At this point, therefore, I am ready to suggest that he should make a decisive move, and stop reading biographies of Napoleon, or whatever he was doing at San Clemente, and start being a statesman. I do not know how much influence members of his party will be able to exercise with him, but here are my suggestions, for whatever they may be worth:

I believe that it would be healthier for the nation, for both parties, and for the President himself if he stopped being President as of next week. I have no idea how well Gerry Ford would perform in that office, but at least he would have the benefit of the doubt. Nor am I at all versed in the procedures whereby this could be done, if the President could be induced to do it.

I am not at all convinced that the President should be made the victim of what I understood Congressman Flowers to say was a move to diminish the powers of the presidency. I have written dozens of letters to members of Congress advocating that very thing over a period of 15 or 20 years, and that was definitely one of the measures which Sen. Goldwater advocated in his campaign for the presidency. I have to reply: where in hell has Congress been for the last 50 years, when it was so busy *increasing* the powers of the presidency? It might be argued that the present Congress is not liable for the sins of omission of past Congresses, but *this* Congress, insofar as I know, has not enacted legislation which would effectively do just that. Therefore, I must conclude that the present Congress is equally at fault along with the President for overlooking its dedication to its oath of office, and especially the Democrat members of Congress who had a majority to do just that if they chose. I will buy that statement on the day that just one Democrat offers to resign because he has neglected that duty.

I can not buy, either, the reiterated statement on the part of those super-courteous members of Congress who insist that the present legal lynching in the guise of love for the Constitution is not a criminal procedure. It isn't so long as they want to avoid stating in clear-cut terms what the charges are, but it is when they want to subpoena the rest of the tapes, which the Supreme Court ruled must be yielded up in the case of a criminal trial. How in the world does the Committee expect me to buy their charge that the President has committed high crimes and misdemeanors, and in the next breath, insist that it is not a criminal trial? If that is not an example of corkscrew thinking, it is an example of corkscrew language.

I can understand, for example, that some members would like to nail the President on his income tax record. I agree that he should abide by that law the same as any other citizen, even though I contend that the law itself is un-Constitutional, on the grounds that it compels a citizen to testify against himself or go to jail. But I would also have to consider, in judging him, how much he was influenced by acceptable precedent, how nearly his salary meets the needs of his office, and I seriously doubt that it does, and whatever other factors are involved. To say the least, he did not set a very creditable example. But only this morning, I read that our Ambassador to England is resigning because his expenses for that office have been $200,000 more than his income, and like Abe Lincoln, in speaking of the man ridden on a rail out of town, except for the honor I would just as soon not have served.

But about putting an end to this mess here and now: I would not want to see the President held accountable in a civil court of law, nor in a criminal court of law, for his acts during his tenure. Regardless of how I feel about his stand on many questions, and I very seldom have agreed with them, I do not feel that I nor the American public which voted for him in droves after watching him perform for four years, has an obligation or even a right to punish him further. In his same position, I would prefer a death sentence to what is happening. Futhermore, it would set a very bad precedent.

Now, if it is possible to persuade him to resign, with a guarantee that that resignation is forever the end of charges against him, I am in favor of doing it last week. I have read that there would be considerable bloodletting inside the Republican party if a resignation is demanded. I do not quite understand that, but it may involve bitterness between those who may consider him absolutely innocent, and those who do not. It may also involve punishment within the party for those who have voted for his impeachment. Whatever it involves, I hope that the members of the party will recognize that they can destroy the party entirely by too much internal bickering, and that would not be good for the country. I am not even a registered voter in Texas, so I am literally and absolutely non-partisan in this stand.

I am not altogether convinced that the voice of conscience has been the only voice which has motivated those Republicans who vote "aye" on the articles of impeachment. I have to conclude that they are also listening to the voices of their constituents, and that the masses do not behave in the same manner that individuals behave in times of emotional upheaval. It is easy to join the clamor, and it is easy to become self-hypnotized into believing one subscribes to a holy cause. It is a lot tougher to take the stand which Mr. Wiggins and Mr. Dennis and Mr. Lott have taken, and very ably, so ably that I now wonder whether or not the President actually threw an ash tray across the room. I am inclined to think it actually was a sock full of feathers.

To a certain degree, a public official must listen to the voices of his constituents. Unfortunately, the constituents can be terribly mixed up, even when they try, as I have diligently tried, to sort out what is damning and what is not, on the basis of what is available to me whereby to form a judgment. I daresay that not even a fourth of that is available to the average citizen. So, at times, I must agree with Alexander Hamilton that the people can be a politican's beast. Not intentionally, but actually.

William Buckley's column yesterday carried a suggestion which I believe to be worth some thought. It is clear to me at this point that the House intends to impeach the President, and if he is depending upon "open minds," he had better get some augers and start boring holes in some heads, because I saw little evidence of any open minds except possibly that of Congressman McClory. The rest are obviously locked into the sort of religious ecstasy which demands a blood sacrifice as expiation for what I consider in part to be its own sins of omission, and certainly the President has blundered into baring his neck, be his motives as pure as the driven snow.

Buckley's suggestion: that the President go at once on the air and ask the House to vote unanimously for impeachment, inasmuch as a part of the House is determined to do so anyhow. In that way, we will not be subject to another emotional wringout, and he will be in no worse shape than he is already. If the Senate votes for impeachment, he at that moment ceases to be President. This might sound quixotic, but it also makes sense to me.

I firmly believe that the House could argue ad nausem without ever clarifying, at least to my way of thinking, that the President is absolutely guilty of horrible crimes and misdeameanors, and their peculiar way of presenting the case increases my doubts, and causes me to consider it at least in part a witch hunt on the part of the Democrat majority. But at the same time, I have to conclude that the President has not conducted himself in a manner which would make him rank along with Lincoln and even Jackson, than whom there was never any more arbitrary old curmudgeon.

Good luck, and I hope that I have said something worth reading.

Sincerely yours,

Joan Joyce Sellers.

(P.S. The President's present stand, as interpolated via statements that resignation is an admission of guilt, is to my way of thinking not in the best interests of the country. Should he by some miracle weather the storm and come out smelling like something short of odoriferous, he is not going to smell that way to those liberals, and they are going to continue to yell for blood. This is not good for the country, and it is hell on my constitution.)

Mr. McCLURE. Mr. President, furthermore, of all the postresignation comments I have read, a letter to the editor printed in last Sunday's Washington Star-News best expresses the sense of loss which results from a national tragedy of this kind.

I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

LETTER

Sir: Several months ago I received an "impeachment" questionnaire from an organization urging that the President be removed from office. One of the questions was: "Do you believe President Nixon participated in the Watergate cover-up?" My answer was, yes. The next question was: "Do you think he has lied to the American people?" My answer was, yes. The last question was: "Do you think he should be impeached and removed from office?" In a sort of reflex action, I started to check the "yes" box, but then I started thinking, asking myself some more questions.

Did I believe Franklin Roosevelt ever lied to the American people? To ask that question is to answer it. Did I believe Harry Truman tried to impede and harass those trying to get the truth about Alger Hiss and his fellow spies? Absolutely! Did I believe John Kennedy personally and illegally planned and supported the clandestine invasion of a foreign country. Cuba? Of course. Did I believe Lyndon Johnson systematically and massively subverted the Constitution by arrogating to himself the war-making powers of Congress? Yes.

Did I, then, believe practically every President in the last forty years should have been impeached and removed from office? Obviously not. Such action would have destroyed our republican form of government, reduced us to increasingly polarized bitterness, and perhaps even resulted in armed civil conflict.

Finally, I tried to analyze why I felt as I did, and two factors stood out. First of all, the Constitution doesn't say "crimes and misdemeanors," it says "high crimes and misdemeanors." The word "high" was put in there for a reason. When I think of reasons to impeach a president, I think of actions which threaten the country—actions such as systematic denial of free speech or association, illegal search and seizure of citizen's property, use of armed force to suppress dissent, cancellation of free elections, closing down newspapers or broadcast media—things of that sort.

And to be frank, it seems to me that Harry Truman's unconstitutional seizure of the steel mills or Lyndon Johnson's actions in Vietnam skirt the border of "high crimes and misdemeanors" much closer than Richard Nixon's attempt to withhold information or even, if you like, "obstruct justice" in the Watergate affair.

Richard Nixon is, after all, only human. He made the very human mistake of trying to cover up the illegal actions of his closest subordinates, and then confessed to it. He was subjected to a year and a half of the most violent denunciation, in my view out of proportion to his misdeeds. He is certainly a sadder and much wiser man.

The second factor I considered was what will happen now that he has removed himself from office? Perhaps a quarter to a third of the American people may be convinced, as I am, that had he been a Democratic president who received 70 percent of the vote, impeachment would never even have been considered. Censure, perhaps, but certainly not the awful finality of removal from office.

I predict that his forced resignation in the face of conviction by the heavily Democratic Senate will leave a legacy of bitterness which will take decades to heal. The American people will be divided as they have not been since the Civil War. The very fabric of our government will be in tatters for long years to come.

W. C. Scott.

WORLD FOOD CRISIS

Mr. HUMPHREY. Mr. President, I wish to point out a very thoughtful series of articles by William K. Wyant, Jr. on the food crisis. Running daily from July 7 through July 12 in the St. Louis Post-Dispatch, the articles effectively cover the entire subject.

There is a wealth of information in this series including a discussion of vulnerability of 400 to 500 million children in the face of increased food and energy costs.

The implications of weather change is discussed in the context of how certain areas of the world may now be more vulnerable in terms being able to produce adequate supplies of food. So far, our Government has largely ignored these trends.

The decline of food reserves is another key topic, and its importance for many countries of the world, including the United States, is still not widely understood. It is quite clear that we will be in need of reasonably good harvests in the coming years in order to avoid disaster.

Another article discusses the rate of population increase during the rest of the century and the implications which this holds for food supplies.

While there has been some complacency in terms of U.S. governmental interest and policy, there has been a wealth of leadership from the Congress and private individuals. The World Food Conference has elicited the interest and effort of many private organizations, and I find this most encouraging.

Mr. President, I congratulate Mr. Wyant and the St. Louis Post-Dispatch on a very comprehensive and informative series of articles. I also ask unanimous consent that the articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the St. Louis Post-Dispatch, July 7, 1974]

Food-Shortage Peril: Time's Running Out

(By William K. Wyant Jr.)

"And I behold, and lo a black horse; and he that sat on him had a pair of balances in his hand."—Book of Revelation.

Washington, July 6.—The dread Four Horsemen of the Apocalypse, vividly described by St. John in the Bible, have come to symbolize famine, war's devastation, pestilence and death. Famine was the black horse. Its hoof-beats are being heard nowaday, in some places.

The sound of the hooves is loudest where hunger is a way of life for tens of millions—in such crowded, less-favored, less-developed parts of the earth as India, Pakistan, Bangladesh, sub-Saharan Africa. In North America, it is hardly heard at all except, perhaps on a quiet day at the supermarket.

There is wide disagreement as to how serious the international food shortage might become, short-term and long-term. But nearly everybody with an informed opinion agrees that bad luck with this year's crops could be disastrous, causing widespread starvation.

Looking ahead another three decades or so, peering into the next century, an impressive array of experts and politicians is sounding the alarm bell about population growth. Unless more is done now, they warn, the drain on the earth's resources will become intolerable.

Anyone inclined to be a Pollyanna about the future must grapple with the dismal fact that the world either cannot or will not—in any event, is not—feeding the people already on Earth. There is a chronic shortfall, unrelated to any emergency.

Hunger and malnutrition were widespread in the poorer countries when the globe's population reached two billion in 1930. They are widespread today, with the total population approaching four billions. The projection for the year 2000—only a quarter century away—is for six to more than seven billion mouths to feed.

The growth, now progressing at a rate of about 75,000,000 a year, will be mostly in the poorest, hungriest places where today fully one-third to one-half the people get insufficient food and where 20 to 25 per cent of the children die before reaching age five—in many instances without ever seeing a square meal.

"Nearly 800,000,000 individuals—40 per cent out of a total of two billion—survive on incomes estimated (in United States purchasing power) at 30 cents per day in conditions of malnutrition, illiteracy and squalor," said World Bank President Robert S. McNamara at Nairobi last September.

Even so, cases of classical, count-the-ribs starvation are seldom encountered. What generally happens is that chronically malnourished or under-nourished people fall prey to various ailments that kill them. Scientists calculated the number of deaths in West Africa due to famine last year at 101,000.

Affluent Americans have been exposed all their lives to melancholy reports of hunger and want in faraway lands. They have responded generously. They are slow to get stirred up about a food problem of new dimensions, just as was the case with the energy shortage that took many citizens by surprise last year.

Despite frantic tub-thumpings by informed individuals, not much public interest has been generated thus far in the United Nations Population Conference to be held in Bucharest in August or the full-dress World Food Conference at Rome in November.

Food and nutrition experts complain that the message is not getting through to people. Politicians are not taking it seriously enough. Several witnesses made that point at recent hearings in Washington before the Senate's Select Committee on Nutrition and Human Needs.

"I have a feeling they think it is not as serious as I have painted it," Nobel laureate Norman E. Borlaug told Senator George McGovern (Dem.), South Dakota, the committee chairman. Borlaug said it might take a disaster—such as tens of millions starving to death—to force a sharper focus.

Working with wheat in Mexico, Borlaug developed high-yield strains that greatly increased harvests in Indian and other countries in the 1960s. Other scientists improved rice yields. This so-called "green revolution" bought a little time, Borlaug says, but the time is being wasted.

He spoke out passionately for control of "this population monster with its many tentacles which reaches out and tries to suppress the standard of living . . ."

There were multiple warnings about food production losing the race with population in the 1960s, but in that decade the food picture seemed to be brightened perceptibly, despite drouth in India. The miracle grains were introduced in poor countries. Grain was bountiful in the United States.

What has happened to make the outlook more grim in the mid-1970s? What is different? The response is that some of the factors that permitted a degree of complacency—such as the existence of large American food reserves—have changed while the factors causing concern, such as population growth, have not.

The decisive year was 1972. The weather was bad; It was unfavorable in the Soviet Union, India, China, Australia, in the Sahelian region of Africa and in Southeast Asia. The world's cereal output—including wheat as well as coarse grains and rice—dropped by 33,000,000 tons. This was the first decline in more than two decades. Even in the United States there was a drop.

Plagued by severe cold but warmed by President Richard M. Nixon's visit to Moscow, the Soviet Union made the most massive grain purchases in history. The United States shipped the Russians 13,000,000 tons in fiscal 1973. Mainland China also bought American grain. The world price of wheat soared.

While these and other demands were wiping out the American grain carryover—

the accumulated surplus long available to stabilize food prices and help other nations in need—American farm products were used to wipe out this nation's trade deficit in 1973 and help pay for rising oil imports.

"Not everyone understands fully how much we depend on agricultural exports," Secretary of Agriculture Earl L. Butz told the National Press Club in April after returning from a trip to six Asian countries.

"We export two thirds of our wheat," he said, "one half of our soybeans, one third of our cotton and one fourth of our feed grains. The production from one harvested crop acre out of four goes overseas."

Butz spoke with pride of the fact that American agricultural exports last year topped food imports by an impressive 9.3 billon dollars, offsetting a large deficit in industrial trade and paying the nation's bill for oil bought abroad.

A major change that has come out of all this is a fundamental shift away from the American farm policy that for 40 years controlled and restricted farm output. Farmers are no longer being paid to withhold acreage from production. They are subject to the vagaries of the world market.

In consequence, the United States does not plan—as Butz puts it—to stockpile food for the world at taxpayers' expense in the bins of the Commodity Credit Corp. Furthermore, the United States reserve acreage of farmland is feeling the bite of the plow.

One of the reasons the experts consider the present world food situation so precarious is that reserve stocks have been virtually eliminated. There is not enough surplus on hand to fill the breach in the event of bad weather.

The weather has been playing strange tricks of late. The United States is commonly thought to be "disaster-proof" but the extent to which man's food is dependent on the American granary, and to a lesser extent those of Canada and Australia, is frightening.

"During the period since World War II," says Lester R. Brown of the Overseas Development Council, "the world has had two major safety valves: carryover stocks of grain in the principal exporting countries, and cropland held idle in the United States under Government farm programs.

"Together these reserves provided a substantial buffer against the vagaries of weather and the whims of the marketplace.

"In 1961 these two reserves combined represented 222,000,000 tons of grain, or 95 days of world consumption. By 1974 reserves had declined to just 26 days—mere pipeline supplies.

Brown and many other food authorities, including Don Paarlberg, director of agricultural economics for the Department of Agriculture, emphasize that a bad harvest in one or more of the major producing countries—something like 1972, for example—could be grim.

In addition, there is the adverse factor imposed by the doubling or tripling of food, energy and fertilizer prices over the last year or so. This has resulted in costs that some of the poorer countries cannot meet.

The upward spiraling of costs has put a terrible squeeze on about 40 of the world's poorest countries, the largest being India, with 600,000,000 people. These countries must compete with richer nations for the necessities of life. The 40 have a population of about 900,000,000 and are mostly in Africa, South Asia, and the Caribbean and Central America.

Because of the economic squeeze, the United Nation's Children's Fund (UNICEF) is fearful that its special programs for young people in the poorest countries will go by the board. At present, UNICEF estimates that 10,000,000 children suffer from severe malnutrition and may die from its effects. Millions more are vulnerable.

[From the St. Louis Post-Dispatch, July 8, 1974]

SUFFER THE CHILDREN

(By William K. Wyant Jr.)

"I have been assured by a very knowing American of my acquaintance in London, that a young child well nursed is at a year old a most delicious, nourishing and wholesome food, whether stewed, roasted, baked, or boiled . . ."—Jonathan Swift, 1729.

WASHINGTON, July 8.—The great English satirist Jonathan Swift wrote a biting essay called "A Modest Proposal" in which he suggested, with savage humor, that the children of poor people in Ireland be fattened up, sold on the market, and eaten.

Swift's purpose was to call attention in a dramatic way to the plight of the poor. It is true today, as it was more than 200 years ago when Swift wrote, that millions of young human beings would be better fed if they had the status of meat animals valuable in commerce.

This is not an exaggeration. Steers being prepared for market in this country are better nourished than countless numbers of children elsewhere. An American dog or cat, with a reasonably humane master, is a king by comparison.

There are pockets of poverty in the United States and other developed lands, but well-to-do people seldom if ever see young victims of the grosser consequences of inadequate diets except on television and in press photographs.

They know little of the ailment called kwashiorkor, caused chiefly by protein shortage and manifesting itself in bloated bellies, or the one known as marasmus, which comes from deficiencies in both calories and protein and turns a child into a shrunken hulk.

Tragic situations, both chronic and acute, exist in various parts of the globe.

In Mali, Africa, one of the sub-Saharan countries oppressed by long drought, a United States health team found that up to 80 per cent of children in one nomadic group were "acutely undernourished."

In India, nearly 1,000,000 children die each year because of lack of food, and 60 per cent of India's young children at low income-levels suffer from moderate to severe malnutrition.

In Guatemala, diarrheal disease often associated with poor nutrition kill 500 times as many children in the preschool years as they do in this country.

The United Nation's Children's Fund fears that the current world food shortage could bring about an even worse slaughter of the innocents.

A special worry is for the 400,000,000 to 500,000,000 children estimated to be in about 40 countries regarded as most impoverished and least able to deal with the surging world costs of food, oil and fertilizer. Their increased outlays this year are put at more than three billion dollars.

Typically these countries—mainly in South Asia and Africa and the Caribbean area—were already on the ropes financially before the prices of essential commodities doubled and tripled. When the ante went up, they did not have enough chips—no oil, nothing much to sell in international trade.

"Faced as they are with unexpected emergency needs for assistance on a massive scale, simply to survive as viable economies, these countries are going to find it extremely difficult to maintain their basic services for children, let alone expand them," said UNICEF Executive Director Henry R. Labouisse in May.

There has long been what UNICEF calls a "quiet emergency" in which 10,000,000 children over the world, at a given point in time, are suffering from severe malnutrition and in danger of death. What gives urgency to an already grievous problem is that things now could get much worse, quickly.

UNICEF is trying to encourage governments to provide simple, basic services at the village level. The neediest children often are found in remote rural places. Many live in squalid slums in or around cities—the teeming, crowded favelas of Latin America, the bustees of India.

The Children's Fund's financial resources are small and thinly spread. Richer nations sweeten the fund, but operations in the field involve the co-operation and support of host countries whose input may be several times that of UNICEF. Thus, a withdrawal by local governments would cause great harm.

"If they have to make cuts in national budgets and in their import programs," Labouisse warned, "the chance is that they will begin to cut back in these social fields."

On the average, children in the poorer countries receive less than half the protein consumed by children in countries such as the United States. In 1970, a child born in the United States had a 14 times better chance of reaching age 5 than one born in Guinea, in Africa. He had an 11-to-one advantage over a baby born in India and a 7-to-one advantage over a Guatemalan.

When the children who expire before age one are ruled out, the disparities between rich and poor nations become much more staggering. For the one-to-four age group, the proportion of children who died was 80 times higher in Pakistan than in Sweden in 1970.

Alan Berg's "The Nutrition Factor," published under auspices of the Brookings Institution in 1973, took note of a report that one Latin American clergyman did not register children until they reached 2 years of age, "because so many die before that it isn't worth it."

As the United Nations prepares for the World Food Conference in Rome this November, a meeting suggested by Secretary of State Henry A. Kissinger, the well-to-do countries are thinking in terms of providing additional billions in assistance to bail out those nations that have been caught in an unmanageable food-energy-fertilizer crunch.

Labouisse, while heartily approving the prospective enrichment of aid, finds himself haunted by a worry that UNICEF—the UN agency with a special responsibility for children—will be crowded aside. He is determined to prevent that.

As is pointed out by the New Orleans-born executive director, formerly United States ambassador to Greece, UNICEF deals in millions rather than billions but needs a great deal more money if it is to do what needs to be done for the young.

Labouisse's 1975 target for general purposes and long-range programs is $100,000,000, a sum which advocates say is about what people spend in the United States for home gardening. It is an amount that might be lost in the Pentagon's budget, without being missed for a few days.

The hundred million, about $20,000,000 more than UNICEF has this year, includes funds from governments and private sources. About $8,000,000 comes from the sale of greeting cards and $15,000,000 from other sources, among them the Halloween "Trick or Treat" collection made by children.

Contributions by governments for general purposes have been moving up to a level estimated this year at $54,000,000 to $57,000,000. The United States has been putting in $15,000,000, the largest donation, while the Soviet Union in 1973 gave about $814,000. Sweden chipped in more than $10,000,000 that year.

Because of world-wide inflation, the extra

$20,000,000 UNICEF wants for its regular work in 1975 will permit no expansion. In addition, UNICEF hopes to raise an additional $57,000,000 for special emergency tasks in Indochina, Ethiopia and the Sahel in Africa, Pakistan and elsewhere.

In addition, Labouisse is passing the tambourine for an additional $40,000,000 to $50,000,000 a year for two or three years to help poor countries deal with the current economic crisis without faltering in the vital area of basic services for children. He puts stress on child nutrition and health in Africa and Asia.

Although the Children's Fund has a special mission, it is obvious that other United Nations agencies—the World Health Organization and the Food and Agricultural Organization—also benefit the young. So do a host of churches, private groups and foundations.

Hunger, malnutrition and neglect of children can and do occur in rich countries like the United States, with a per capita income of more than $5000 a year, as well as in the poorest countries such as India, with $110, or Mali, with $70.

But there is a difference, World Bank President Robert S. McNamara says, between relative poverty and absolute poverty. The absolute kind is rare in the well-to-do nations. McNamara defines it as "a condition of life so degraded by disease, illiteracy, malnutrition, and squalor as to deny its victims basic human necessities."

Hungry children, wherever they may be, are now almost universally regarded as a reproach to civilized man even though there is a strong persistence of the old, traditional view that starvation is one of nature's ways of taking care of the population problem.

In the Universal Declaration of Human Rights adopted by the UN's General Assembly more than a quarter century ago, it was stated that "everyone has the right to a standard of living adequate for the health and well-being of himself and of his family." Food was the first necessity to be mentioned.

On paper at least, the world's children received a special safeguard of their very own in 1959 when the General Assembly approved a Declaration of the Rights of the Child which says, among other things: "The child shall have the right to adequate nutrition, housing, recreation and medical services."

The UN proclaimed also that in all circumstances childen shall be among the first to receive protection and relief. Unfortunately, there have been many slips twixt cup and lip. As Labouisse bleakly observes, childen are apt to be the first to have their needs forgotten if things get tight.

Getting the right kind of food to the young, in sufficient quantity, is a very complex task. It involves not only the sheer availability of food—the problem in many places—but education about proper diet, sanitation, and the like. Ignorance, apathy, selfishness, politics and human stubbornness are obstacles.

A pair of blue jays seem to know by instinct what to feed their nestlings and where to get it. For human parents, life is more complicated. Even well-to-do American mothers, aided by Dr. Benjamin Spock and blessed with abundance, have trouble distinguishing wheat from chaff at the market. Physicians may disagree about what is or is not nutritious.

But there is not much disagreement among medical and nutritional experts about the evil consequences of the kind of gross malnutrition and under-nutrition that falls to the lot of multiple millions of children in the poorer lands.

There is nothing much new about the misfortunes of the young in the less-developed countries, except that an impressive number of experts warn that they threaten to get worse.

[From the St. Louis Post-Dispatch, July 9, 1974]

SURGING POPULATION THREATENS TO OUTSTRIP WORLD FOOD OUTPUT

Population, when unchecked increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio. A slight acquaintance with numbers will show the immensity of the first power in comparison with the second. Thomas Robert Maltbus, 1798.

(By William K. Wyant, Jr.)

WASHINGTON, July 9.—When the twin problems of food and population are debated nowadays, there is frequent mention of the gentle English parson, Thomas Robert Malthus and his grim view of the universe—namely, that man's tendency to multiply will cancel out man's efforts to improve the quality of life.

The bleak Malthusian rule, laid down 176 years ago, is that much of humanity is doomed to misery and want because expanding numbers will always outrace food production. Driven by his logic, he opposed charity for the poor, fearing it would encourage them to have children who could not be fed.

Food output has been stepped up since Malthus's time to a degree he could not have imagined, but so has population growth. The frightening outlook that some experts now foresee has caused Malthus to emerge from the shadows and receive a belated curtain call.

". . . Do not think that the ghost of Malthus has been exorcised," said Addeke H. Boerma of The Netherlands, director general of the United Nations Food and Agriculture Organization, in a speech in the International Development Conference last October.

It is true that the world has the technological capacity to feed many more people than now inhabit the planet, Boerma said, but there is more to the food and population equation than technology.

What must be recognized, Boerma said, is that "the world has never come anywhere close to a situation in which everyone has had enough food for an adequate standard of living . . .

"Today, in fact, there are grounds for believing that, as a result of events in the last year or so, the situation has actually become worse."

World Population Year is currently being observed by the United Nations, which is sponsoring a World Population Conference at Bucharest, Romania, Aug. 19–30. In November, the UN will hold its World Food Conference at Rome.

Some of the experts are not hesitating to say that the prospective growth in the number of people of Earth is a greater danger than the threat of nuclear war.

The UN estimates a world total of nearly four billions for mid-1974—actually 3,940,249,000—and is projecting an increase of another billion by 1985.

The rate of increase is about 2 per cent a year. At that rate, the world's population would double in 35 years. About 75,000,000 persons a year—16 times the population of Missouri—are being added, and as was observed by Malthus, the total expands with increasing speed.

Although the rich industrialized countries appear to be stabilizing their population growth, the less-developed countries—typically those least able to feed and employ their people—are not.

Short of war, famine or pestilence of incredible dimensions, the world will have several billion more mouths to feed in 30 years or so. The UN's assumption is that another doubling by the year 2000 is inevitable.

The impact of such growth is difficult to grasp in a state such as Missouri, with a population of fewer than 5,000,000 and a density of under 70 persons a square mile. It is easier to understand in Calcutta, which by the early 1960s had more than 100,000 persons a square mile.

Lester R. Brown, in his new book, "In The Human Interest," published as background for The Bucharest conference next month, explained that it took the world until 1830, roughly three decades after Malthus issued his tract, to reach the one-billion mark in population. In another 100 years, in 1930, the two-billion mark was reached. The total had doubled in one century.

Since President Herbert Hoover's period and the Great Depression, the rate of growth has soared. It took only 30 years to add the third billion in 1960, another 15 for the fourth in 1975. Another billion are expected by 1986, a duration of only 11 years. In nine more, by 1995, the sixth billion is to be achieved.

The population of the United States, the wealthiest of nations, doubled from 1920 to the present, moving from 105,710,620 several years after World War I to a total of 211,551,000 in April 1974. But this country's rate of increase has declined recently to only about seven-tenth's of one per cent.

At that rate, the United States population would still be well under half a billion a century hence. In the developed nations generally, including the Soviet Union and Japan, comparable and in many cases larger reductions in growth have been attained.

It is a different story, for most of the less-developed countries, where most of the people live and where per capita annual income often is less than $200. The World Bank lists more than 22 nations where populations growth ranged between 3 and 4 per cent in the period 1965–71. This means a doubling in 17 to 24 years.

Mexico is an example. Brown calculated that Mexico, with a population of 50,000,000 in 1970 growing at 3.3 per cent annually, would have 1.3 billion people in the year 2070 if the rate were not slowed. For major countries, the most spectacular *growth* rate was in El Salvador, which had 3.9 per cent.

A special case in India, which has about 616,357,000 people and is growing at a rate of about 2.2 per cent. The Indians have an ambitious family planning program, but their huge population would double in 32 years at the current rate. Outside experts do not see how it can be leveled off before it soars to more than one billion.

"Whatever we are doing, the world population is going to double in the same time span that it has taken the United Nations to build up its present social and economic programs," says Rafael M. Salas, a Filipino, the executive director of the UN's Fund for Population Activities.

The governments of the United States and other nations have taken a marked interest in the population problem in recent years. This country's outlays for research and family planning services are put at more than a billion dollars from 1971 to 1975, with an additional half billion in help to other countries.

Nobody has yet belled the population tiger, but thre is a glimmer of hope in the widespread assumption among experts that the world's resources could—if properly used—support in reasonable comfort more than twice the present number of people.

The evidence is substantial that as human beings grow more prosperous and can look forward to a decent life they tend to have fewer children. Malthus himself recognized that this was the case.

Militating against any "pie in the sky" complacency, however, is the failure of the world as presently organized to feed, clothe and house a great part of its present numbers. Can it reorganize in 30 years or so to take care of twice the population?

Those concerned are haunted by a feeling of too little being done too late. Former Senator Joseph D. Tydings (Dem.) Maryland, now special counsel for the UN Fund for Population Activities, expressed the mood recently in testimony before the Senate Select Committee on Nutrition and Human Needs.

Tydings told of having taken a delegation of Japanese through the slums of Calcutta last October.

"No description of Lucifer's regions by theologians or writers of the past are as utterly grim and grotesque," Tydings said, "as a walk in the streets of present-day Calcutta.

"The sight of starving children struggling with ravens and emaciated dogs for scraps of food on rotten piles of garbage, or the late evening garbage trucks picking up corpses from the sidewalks in their daily cleanup, leaves you with a sickness of the soul and mind and spirit for weeks and weeks thereafter."

[From The St. Louis Post-Dispatch, July 10, 1974]

Low Grain Reserves Compounding World Food Problem

"The major catastrophe will happen before the end of the century. We shall, in the rich countries, be surrounded by a sea of famine, involving hundreds of millions of human beings . . ."—C.P. Snow at Fulton, Mo., November 1968.

(By William K. Wyant Jr.)

Washington, July 10.—When Lord Snow made his "State of Siege" address at Missouri's Westminster College nearly six years ago, he predicted that the world's well-to-do would some day watch at their television sets as millions of their fellow-mortals starved to death before their eyes.

It has begun to look as if Snow was right, in some respects at least. He feared local famines, beginning in the period 1975–80, would spread into a "sea of hunger." It is now mid-1974, and people are already watching television shots of starving people in the Sahel region of Africa and elsewhere.

In 1972, a year of bad weather, world grain production fell about 70,000,000 tons short of a demand that has been rising by more than 30,000,000 tons a year, rain or shine. Last year's crop was better, but this year the outlook is widely regarded as hazardous.

It is hazardous because world grain reserves are dangerously thin—now down to less than 30 days of consumption—because the poorest countries are being priced out of the food, oil and fertilizer markets, and because of myriad uncertainties about the 1974 harvest.

What frightens some of the experts is that there is not enough margin for error. It alarms them that a "silent crisis of malnutrition" now affects up to one billion human beings and might get worse.

In terms of grain, the actual shortfall of the 1972 crop was only about 3 per cent of world production. This was doubled by a 3 per cent increase in demand, stemming from the annual population rise of about 75,000,000 persons and by growing competition for available food.

There is fairly general agreement that another 1972 would be a calamity. And although this year's crop has been forecast in favorable terms, it is obvious that the vagaries of weather could upset predictions, and that what has happened before could happen again.

The note of urgency was sounded clearly in a preliminary assesment issued June 2 in preparation for the United Nations World Food Conference to be held at Rome Nov. 5–16. It was released by Sayed Ahmed Marei, the Egyptian who is secretary-general of the conference.

By 1985, the assessment said, the vast majority of poor or developing countries will have a total cereals gap of 85,000,000 tons a year if the present growth rates for population, food production and demand continue as they are now. This would mean a need to import about three times more than the poor nations received in 1969–72.

"If, as expected, the 1974 harvests are good in some countries beating all records," the UN report says ,"then stocks can be partly replenished, but it will take more than one good season to bring them back to safe levels. At the same time, a shortfall in some areas cannot be ruled out.

"In such a case, an equitable distribution of available export supplies might become a matter of great concern. Thus, the world's food situation has suddenly become exposed to an uncertainty of unacceptable proportions."

The UN assessment, largely prepared by its Food and Agriculture Organization, noted that "the optimism about the world food situation and prospects that was prevalent at the end of the sixties has given way to widespread anxiety."

Total grain production on the earth was about 1.2 billion tons in 1972. It has been going up about 30,000,000 tons a year, but in the less-developed countries the rate of advance in food output has barely kept up with population growth. In more than 40, it has fallen short of population and the growth of demand at home.

For both the short term and the long term, the rest of the world depends heavily on the United States. This country produces about one fourth of the total grain but is the source of more than 40 per cent of what moves in world trade. It is the principal repository of reserve grain stocks, which now have declined to only about 89,000,000 tons, analysts estimate.

To make matters worse, international food assistance has been declining as prices rose and supplies became tight. Aid shipments from rich to poor countries reached a peak of 18,000,000 tons in 1964–65 and for many years accounted for 30 to 45 per cent of what the poor countries imported.

But in 1972–73 food aid shipments declined to below 10,000,000 tons, the lowest since the late 1950s, and this year the outlook is for a further fall to 5,000,000 or 6,000,000 tons. Food assistance has come mainly from United States surplus stocks under Food for Peace, but that cornucopia showns signs of petering out.

All in all, it is a cobra's basket of problems that will bring the rich and poor nations to the conference table in Rome in the autumn. A charitable desire to take care of the needy is not the only motive that brings them together. Disrupted world markets and hunger-related political turbulence affect rich and poor alike.

At the Rome meeting, much will be expected of the United States. This wealthiest of countries, with a corner on food comparable to what the Persian Gulf shiekhs have on oil, will be in the position of a billionaire at a church supper.

C. P. Snow's gloom-and-doom view of the future has been echoed by many. William and Paul Paddock's "Famine—1975!" came out in 1967. Paul R. Ehrlich's "The Population Bomb"—too many people, too little food, a dying planet—was published the next year.

In 1972 the so-called Club of Rome, a group of scientists and thinkers backed by research at the Massachusetts Institute of Technology, exploded a bombshell called "the limits to growth." It imparted a sense of extreme urgency.

But a great many responsible observers are more cheerful than Lord Snow although keenly aware of shoals ahead. For example, Roger Revelle, director of population studies at Harvard University, said in 1970 that "the proportion of the world's human population which is seriously malnourished is less than at any time since the Paleolithic."

D. Gale Johnson, chairman of the economics department at the University of Chicago, found absolutely no basis last December for statements that "half the world's population goes to bed hungry every night."

Johnson acknowledged that "a significant fraction" of people have diets that adversely affect human life and activity, but he pointed out that for most people, throughout most of recorded history, food had been a chancy affair, with disaster ever present as crops were put in.

"My position is a simple one," Johnson said, ". . . namely, that the percentage of the world's population who find themselves subject to actual famine conditions is probably lower now than at any time in the past and that per capita food supplies are now at a level that has permitted a major increase in life expectancy in the past two decades."

It is true, as Johnson pointed out, that with improvements in communication and transport the incidence of outright famine has diminished. In Bengal's great famine of 1769–70, about 10,000,000 died. In the Bengal famine of 1943, one fatality estimate is 1,500,000. But disaster was averted by heroic effort when famine stalked Bihar—north of Bengal—in 1966–67.

The current drouth, misery and famine in the sub-Saharan tier of Sahelian countries in Africa demonstrate, however, that there are limits to what the developed nations are willing or able to do in remote areas where communications are poor and massive help is needed.

It is one thing to ship food to a stricken area when food is in surplus in the United States and a few other exporting countries. It would be a different, more terrifying problem if crops failed in a country as large as India, for example, and if there were nothing much to ship in.

[From the St. Louis Post-Dispatch, July 11, 1974]

Anxiety Over Forecast of Climate Change

Behold, there come seven years of great plenty throughout all the land of Egypt: and there shall arise after them seven years of famine . . .

—Book of Genesis

(By William K. Wyant Jr.)

Washington, July 11.—In the Bible, young Joseph warned Pharaoh to lay up grain against the bad years. Modern-day Pharaohs in the White House and elsewhere are getting word from climatologists that the weather ahead may bring lean times.

Joseph's advice to Egypt was to set up large grain reserves so that people would eat when crops failed. That was done, and it worked. Modern world leaders are not so fortunate. If they meet bad weather in the near future, they will be caught in a terrible bind.

The view is widely shared among scientists that the last few decades have been a time of extraordinarily good weather and that a period of less favorable, colder climate is overdue, if not already at hand.

In these halcyon decades, mankind has

made giant strides in the production of food. The number of mouths to feed has about doubled in 45 years, moving from two billions to nearly four. With all these people on board, what happens if Spaceship Earth runs into a gale?

The worst consequences now foreseen would fall on the huge areas of Asia and Africa that depend on fickle but life-saving monsoon rains, but even the United States, as older Americans who recall the Dust Bowl of the 1930s know, is not exempt from the vagaries of climate.

Among climatologists, a leading soothsayer on the gloomy side is Reid A. Bryson, director of the Institute for Environmental Studies at the University of Wisconsin. He is one weatherman unafraid of putting his forecasts on the line. What has happened before, he insists, could happen again.

Bryson, was quoted in Fortune magazine in February as saying that the climatic change now going on could, if it continued, affect all the world's population—"like a billion people starving." Last month he told the Post-Dispatch: "All hell can break loose this year."

Not all of Bryson's colleagues agree with his more dramatic conclusions. Many go along with him generally, but lack his certainty. As a modern-day Joseph, however, he has been getting the ear of the high and mighty as he challenges conventional wisdom and exhorts them to be careful with food.

While the United States Department of Agriculture was projecting the best American crop in history this year, and a pretty good one in the Soviet Union, Bryson was saying the generally optimistic forecasts are not necessarily so.

"The evidence is now abundantly clear " he told Senators at a hearing last October, "that the climate of the Earth is changing and is changing in a direction that is not promising in terms of our ability to feed the world.

"Since about 1940 the northern hemisphere has been cooling off, rapidly approaching the levels of 100 years ago, but, more important than this cooling, the pattern of climate—especially the pattern of where the rains fall—has also been changing."

The change was slight, under one degree centigrade. But the International Federation of Institutes for Advanced Study at Stockholm alerted political leaders in May that the cooling trend is cutting into growing seasons and causing climatic extremes.

A shortfall of only about 3 per cent in world grain production brought great disruption and misery in 1972, the experts pointed out, and the consequences of even worse weather can be imagined.

A factor causing much concern to Bryson and others is an apparent southward movement of the great inland deserts of North Africa and Asia, along with displacement of the monsoon rainfall that nourishes crops now feeding the hungry half of the world in regions south of the deserts and north of the Equator.

In the great monsoon belt—China, sub-Saharan Africa and China—the winters are dry and rains come in the summer. When the rains do not come, there is grief and trouble. Bryson says monsoon failure is associated with thickening of polar ice, which has been happening.

India had drouths every three or four years in the early part of the twentieth century, Bryson told Congress last fall, but with better weather of recent decades the frequency of drouth fell to once in 18 years. In the last few years the rate has been going up.

"If drouths return to India with a frequency like that which prevailed at the turn of the century," he said, "but with a population swollen four-fold, the human and political consequences will be enormous."

As for the Sahelian zone of sub-Saharan Africa—a tier of six wretchedly poor countries where human beings and cattle have been dying—Bryson says that the 30,000,000 inhabitants are up against an adverse climatic trend that began in 1951. It is not, he says, merely six or seven years of drouth, as often supposed.

The six Sahelian countries are Mauritania, Senegal, Mali, Upper Volta, Niger and Chad. Their per capita incomes range from $70 to $250 a year. People are migrating south from the encroaching desert. Drouth and famine have taken heavy toll to the east, in Ethiopia.

The Rockefeller Foundation invited Bryson, Lester R. Brown of the Overseas Development Council, and others to a conference on weather and climate change in New York last January. The foundation will help finance an international climate research project in which the Soviet Union will take part.

Copies of the Rockefeller conference report went to the World Bank in Washington and to federal officials. Bryson attended a meeting at San Diego in April under White House sponsorship, and another in Washington in June. He recited the history of climatic change and applied the lessons of that history to the future.

The word that climate must be taken seriously apparently was passed to Secretary of State Henry A. Kissinger, who in his address to the sixth special session of the United Nations General Assembly in April described as "ominous" the possibility of changes in the monsoon belt and perhaps elsewhere.

As Kissinger said, the poorest countries are tormented by many disasters that are man-made. The specter of adverse climatic shifts involves natural forces over which man has little or no control, except insofar as he can store up food against bad weather.

India, with its more than 600,000,000 people—many million of them chronically on short rations—is a grim example of the intransigence of the climate-population-food problem.

In 1769–70 came the great famine in Bengal in which about 10,000,000 are said to have perished.

In 1790–92, the so-called "skull famine" in which the Indian casualties were so numerous they could not be buried.

In 1876–78, a major famine that killed 5,000,000 Indians while about 9,000,000 to 10,000,000 Chinese were starving in the north part of China.

In 1889–1901, another Indian famine that took 1,000,000 lives.

In 1943, during World War II, the Bengal famine in which fatalities are estimated variously at 1,500,000 to 3,000,000.

It is a point of great pride with the Indians that since independence from Great Britain in 1947 they have managed to avoid that kind of mass starvation. They have doubled grain production since the 1950s, moving from about 55,000,000 tons two decades ago to 108,000,000 last year.

But there have been some very close shaves with disaster. To its friends, India has appeared like a blindfolded man tottering on the edge of a cliff. The 1965–66 drouth would have been costlier had it not been for massive food shipments from the United States.

And but for spectacular increases in wheat output achieved with the miracle grains of the Green Revolution, which India embraced heartily in the 1960s, the dry years of the early 1970s, might have taken a heavy toll in lives, American experts believe. As it was, the 1972 crop was short and India had to import 4,000,000 tons.

This crop year does not look good for India. Dry weather in January and February destroyed hopes for a bumper 30,000,000-ton wheat crop, as did lack of fertilizer and fuel for irrigation pumps. The yield was only 23,000,000 tons. For India's second harvest, mostly rice, the summer monsoon was late and some fear that the total year's crop might be as low as 100,000,000 tons—not enough.

In an interview here, Indian Ambassador T. N. Kaul emphasized that India had progressed from an annual grain crop of less than 50,000,000 tons in 1947 to around 115,000,000 and was targeting 140,000,000 by 1979.

Ambassador Kaul said 115,000,000 tons would be adequate and "we can make it" on only 110,000,000.

"If there is a good monsoon, O.K.," he he said. "If the monsoon is unfavorable, we could be short anything from 5,000,000 to 15,000,000 tons."

In contrast to India and the Soviet Union, where crops are dangerously vulnerable to weather, the United States is blessed with an extraordinary variability in climate and growing conditions.

"We never get a drouth that affects all our food growing in one year," says William M. Johnson of the Agriculture Department's Soil Conservation Service. Local disasters occur, but not a combination that breaks down production all over the country at the same time.

"As we learn more," Johnson says, "we are approaching a disaster-proof agriculture."

Nevertheless, the United States is subject to adverse climatic trends just as are other places. Grievous drouths affecting vast areas have occurred, as when dust rose high over the Great Plains in the 1930s. Wet weather can wreak havoc also.

The Soil Conservation Service is watching with apprehension as farmers of the Midwest, Great Plains and Southern Plains plow up millions of acres that have been held in reserve. Already, there are reports of heavy damage from wind erosion.

[From the St. Louis Post-Dispatch, July 12, 1974]

U.S. CALLED COMPLACENT ABOUT WORLD HUNGER

"All flesh is grass, and all the goodliness thereof is as the flower of the field."
—Isaiah.

(By William K. Wyant, Jr.)

Washington, July 12.—The Arabs have the oil and the Americans have the food. Less fortunate peoples will be looking hopefully to both when the United Nations World Food Conference meets in Rome next November to talk about feeding the hungry.

Food or the lack of it is acknowledged to be a problem of extreme urgency. Massive international efforts to solve it are being urged. Whether the many-tongued array of national spokesmen gathering in Rome will act decisively and effectively is in doubt. History argues no.

Among scientists concerned about food and population, there is strong dissatisfaction over what they regard as complacency among politicians in the United States and elsewhere. The leaders, they say, are ignoring the circling buzzards of famine.

In a lecture to the Indian Academy of Science at New Delhi last March, the American Nobel laureate Norman E. Borlaug got a standing ovation when he suggested that "all decision-makers quit eating for 15 days before making decisions on food." The last three days, he said, they ought to do without water, too.

"It's a good idea," said Senator George McGovern (Dem.) South Dakota, last month when Borlaug testified before McGovern's select Committee on Nutrition and Human Needs.

Borlaug won the Nobel Prize for his work in Mexico under Rockefeller Foundation auspices. He developed high-yield, short-strawed wheat that would take plenty of fertilizer without getting top-heavy and falling over. He thinks the Green Revolution, as some term it, bought precious time that politicians are frittering away.

"Without food, we only live for about three weeks at best," Borlaug remarked to the McGovern panel.

It is, Borlaug suggested, "a pretty precarious way to run a world" to tolerate a situation in which food reserves are well-nigh exhausted, the poorest countries need grain and oil and fertilizer they cannot pay for at increasing prices, and a major crop failure this year or next would bring ruin.

Borlaug said he had flown over the oil-rich Arabian peninsula a few weeks earlier at night. So much natural gas was being "flared"—wasted—that it looked like the Land of the Midnight Sun. That gas, he said, should be used to make nitrogen fertilizer.

A lot is being said currently about the wastage of natural gas in connection with Arab oil production. Indian Ambassador T. N. Kaul said Saudi Arabia alone was flaring half as much gas as the United States uses in a year. India stands to lose millions of tons of grain this year because fertilizer cannot be had.

Plenty of fertilizer is essential for the new miracle wheat and rice that offer prospects for increasing per-acre yield in countries that are short of food.

It makes no sense to waste the Persian Gulf's natural gas or to withhold nitrogen fertilizer from developing countries where it has a two-fold impact on grain output, but that is what is being done. In consequence, the poor nations will be short millions of tons of grain this year they otherwise could grow for themselves.

The UN's Food and Agriculture Organization has just reported that the less developed countries will be lacking 2,000,000 tons of nitrogen fertilizer for the next crop. This means a loss of 16,000,000 to 20,000,000 tons of grain, enough to feed 100,000,000 people by Asian standards.

"It will cost these countries 3 billion dollars more to import food from elsewhere than if they got the fertilizer now," said James P. Grant, president of the Overseas Development Council. He estimated the United States uses about 3,000,000 tons a year for such purposes as lawns, golf courses and cemeteries.

President Richard M. Nixon is being urged by concerned members of the Congress to ask the American people to "practice austerity" on nonessential uses of fertilizer so that increased amounts can be freed up to farmers in this country and for shipment abroad.

Expansion of world fertilizer was a major point in the address made at the UN May 9 by Senator Hubert H. Humphrey (Dem.) of Minnesota, who declared that the "battle against global poverty and disease is being lost."

Much of the emphasis at the Rome conference will be on re-establishing a world food reserves and on finding ways whereby the richer nations can temper the wind for some 40 or more poorest countries—the "Fourth World"—which, it is feared, might go under if not helped.

The list of the poorest ranges from Afghanistan in Asia to Zaire in Africa. It includes India and Bangladesh and Pakistan, a clutch of African countries and some elsewhere in Asia and the Caribbean. In general, these are countries that did not have enough chips to stay in the international poker game when the ante went up.

It has been estimated by the Overseas Development Council, an independent, non-profit organization here, that the non-oil producing countries of the developing world—totaling about 90 in all—will have to spend about 15 billion dollars more this year for oil, food and fertilizer than last year. For the poorest 40 of them, the deficit is about 3 billions.

In contrast, the council's estimate is that the Organization of Petroleum Exporting Countries, centering around the Persian Gulf, will be raking in five times more money this year than in 1972—about 85 billions of which 50 to 65 will be available for investment or deposit.

More than half the prodigous oil bonanza will go to the five states of Saudi Arabia, Liby, Kuwait, Abu Dhabi and Qatar. The population of the five combined is only about 11,000,000 people.

Even for the United States, the wealthiest and most advanced industrially of nations, the hike in oil prices has caused difficulty. But the United States has been able to offset its oil purchases by selling farm products abroad, particularly grain.

This agriculturally productive country has been immensely generous in the past with its surplus. Under Food for Peace, billions of dollars worth of wheat and other grains and commodities have been given away abroad or sold on easy terms. But the larder is about cleaned out. The emphasis is on food for oil.

"A world community must assure that all its people are fed," Secretary of State Henry A. Kissinger told the United Nations last Sept. 24, in proposing the World Food Conference to be held in Rome this autumn.

The conference objective, as suggested by Kissinger, was to talk about "ways to maintain adequate food supplies, and to harness efforts of all nations to meet the hunger and malnutrition resulting from natural disasters."

Kissinger said nations in a position to do so should offer technical assistance in the conservation of food. He said the United States was ready to join with others in providing that help.

At the UN's special session April 15, Kissinger was more eloquent. He said the United States, with another record harvest in sight, would take part in a "major world-wide effort to rebuild food reserves." A central conference objective, he said, must be to restore the world's capacity to deal with famine.

"A condition in which one billion people suffer from malnutrition is consistent with no concept of justice," he said, as he called for a balance between food production and population growth.

With great expectations, the Rome conference was organized. Sayed Ahmed Marei, longtime minister of agriculture in Egypt, was appointed secretary-general with three deputies—John A. Hannah of the United States, Aleksei Roslov of the Soviet Union, and Sarta Aziz of Pakistan.

Hannah, former president of Michigan State University, was until recently head of the Agency for International Development. He is being assisted by Andrew J. Mair, a former Colorado farmer who heads AID's office of Food for Peace.

The United States co-ordinator for the Rome conference is Ambassador Edwin M. Martin, a senior adviser to Kissinger. Working with Ambassador Martin are Glenn Tussey of the Agriculture Department and Daniel Shaughnessy of Food for Peace.

"It is essential to agree on an international system of national food reserves which will prevent us from being dependent on the luck of good weather to prevent widespread famine, as has been the case last year and this," Martin said.

Another prime objective of the conference will be to expand agricultural production where more food is needed. Some observers think the less developed countries became too dependent on the American granary. There is immense potential for expansion, but it will require massive inputs of capital.

Farmers in the United States tend to dislike the building up of huge reserve stocks because they are subject to political control and can be dumped on the market, depressing prices.

The United States, as the principal source of surplus or export food, would be unlikely to agree to a World Food Bank plan governed by others, and Secretary of Agriculture Earl A. Butz has made it clear this country will not continue to store food at high cost to taxpayers.

As the nation hammers out its position in the food emergency—what it will do and what it will not do—some tension is reported between Kissinger as the food diplomat and Butz, a champion of free market, big farm output, and sales abroad at good prices.

It is inevitable that there will be cleavage at Rome between the developed nations and the hungry have-nots. The rich will blame the poor for not being able to cut the mustard, and having too many children. The poor will say the system is rigged against them and they are not getting enough help.

A conviction widely held among persons worried about over-population is that the birth rate in the poor lands will decline only when and if the general standard of living there goes up.

Basically, many observers say, the answer if it is found in time will be the organizing of a world that grows more grain and fewer people. Isaiah's words "all flesh is grass" contain truth as well as poetry in that grain—like plankton in the sea—is the staple in the food chain.

Americans consume nearly a ton of grain per capita, but most of it is eaten indirectly in the form of animal protein—meat, eggs, poultry. People in the poorest countries eat about one-fifth as much grain each, most of it directly.

"Some cattle are more important than some human beings," an Indian official here remarked with grim humor.

Noting this as conspicuous consumption that may have to be cut down in this country and other rich nations, Lester R. Brown of the Overseas Development Council is fond of quoting a Chinese official who said he did not think the world could afford more than one United States.

PETITION ON WORLD HUNGER

Mr. HUMPHREY. Mr. President, I have spoken many times on the world food crisis and the need for our Nation to play a major role at the World Food Conference.

I have had the honor of being designated as one of the congressional members of the delegation to this conference.

While our Department of Agriculture has been reluctant to deal with the food crisis, the World Hunger Action Coalition has forged ahead in discussing the food problems and in building support for the World Food Conference.

The World Hunger Action Coalition has received an outpouring of interest and support from our people who are vitally concerned with the food problem.

My entire staff signed the petition of the coalition supporting the World Food Conference. I urge my fellow Senators to follow suit and give a high priority to this petition.

Mr. President, I ask unanimous consent that the petition be printed in the Record.

There being no objection, the petition was ordered to be printed in the Record, as follows:

World Hunger Action Coalition,
Washington, D.C.

Petition Concerning World Hunger

To The President and the Congress of the United States:

We, the undersigned, citizens of the United States and also of a world in which two-thirds of our fellow human beings are ill-fed, call upon you to share our resources with hungry people everywhere, as we have in the past. Now, in 1974, as famine casts a lengthening shadow over the people of the developing world and as higher prices threaten those of modest means in our own land, *we have a moral obligation to* redouble our efforts on their behalf, both as private citizens and as a nation.

We favor an *immediate increase in food aid* and the building of a *world food security system,* and we applaud the U.S. initiative in calling for the World Food Conference which will be held in Rome in November, 1974, under U.N. auspices. We urge you to send a delegation to it that will advocate increased food aid and food security, and that will remind the Conference that the *long-range improvement of agriculture* in the developing countries is equally important.

Just as we turned down our thermostats to conserve energy, *we are willing to eat less* in order to feed the hungry and undernourished and to prevent starvation. We support *setting aside a percentage* of our exportable agricultural production for these purposes. Though we cannot feed the whole world, what we do will make a difference. We dare not become an island of plenty on an increasingly hungry planet.

Please sign and pass along to a friend.

Return to: World Hunger Action Coalition, 1100 17th Street, N.W.—Suite 701, Washington, D.C 20036.

These petitions will be presented to the Secretary of State in conjunction with the National Week of Concern for World Hunger, September 22-29, 1974.

MAXIMIZING FOOD PROTECTION

Mr. HUMPHREY. Mr. President, I have today sent a letter to Secretary of Agriculture Butz urging that there be no set-aside in 1975.

In my letter I indicated the importance of giving our farmers ample time to make preparations in order to maximize production in 1975. With this year's reduced crop estimates, it is not too early to begin to plan, and our crops and agricultural output in 1975 becomes vitally important.

We also must monitor our exports sales with great care this year in light of the tight supply situation.

I also urged that, at the World Food Conference in Rome, we make a maximum effort to support a realistic food assistance program—both with actual food and technical help.

Mr. President, I ask unanimous consent that this letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., Aug. 22, 1974.

Hon. Earl L. Butz,
Secretary, Department of Agriculture,
Washington, D.C.

Dear Mr. Secretary: I need not recount to you my great concern regarding the supply outlook for grains during the 1974–75 marketing year. I think I made myself clear on this point during yesterday's hearing before the Agriculture Committee.

I am pleased that you and your staff are studying the implications of the reduced feed grain supplies on U.S. farmers and consumers. Your meeting with representatives of the EEC, the USSR and Japan should prove fruitful in appraising the commercial export probabilities and developing a market oriented approach to the problem.

Especially in view of the Rome Conference in November to which I aim to be an active participant, I hope that you will give maximum consideration to the fact that Secretary Kissinger initiated the conference. Therefore, we are placed in a leadership role to maximize the effectiveness of that conference. With our example, within our potential limits, we should make every effort to support a realistic food assistance program—both with actual food and technical help.

Mr. Secretary, may I suggest as an adjunct to this general concept, the earliest possible announcement of the 1975 wheat and feed grain programs. The farmers of this nation require the longest lead time possible in order to maximize production in 1975. This will enable farmers and suppliers of farm machinery, seeds, fertilizers, pesticides, and so forth, to make essential preparations for what I hope will be a record production year. There should be no set aside for 1975. I do not see how we can face a hungry world with a policy of limiting production.

Best wishes.

Sincerely,

Hubert H. Humphrey.

SCHOOL LUNCHES AND NUTRITION

Mr. HUMPHREY. Mr. President, the Washington Post on August 22 included two very provocative and informative articles on the school lunch program, "For Every Child Free" by Jean Mayer and "School Lunches Reviewed" by William Rice.

These two articles raise some challenges concerning the school lunch program. Why not eliminate the social slights and make the program universal and free for everyone as I recommended in my bill, S. 3123? Would the school lunch program not make a good vehicle for a major nutrition effort?

I am convinced that a universal program would be a major step forward and well worth the additional cost.

Mr. President, I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

For Every Child Free

(By Jean Mayer)

America's school lunch program, like America's system of public education, has grown enormously since it began. But unlike public education, free lunches are not yet universal. Many people, myself included, think they should be. What are the arguments for and against? What will the outcome of the argument mean to you as parents or taxpayers?

Let's see what this school lunch program is all about. Today, between 9 and 10 million children whose parents' incomes are under the official poverty line, get a free lunch every day.

This goes a long way toward fulfilling hunger and malnutrition in America." But the law requires an economic "means test," which requires every school principal to find out the income of children attending his school. The principal must decide which children, get their lunch free, and which ones must pay for part of it. (Even those who pay something are heavily subsidized by federal, state and local governments). This is not only administratively difficult but is embarrassing.

Children are quick to detect differences in treatment, and may not realize how much they hurt others by broadcasting what they have noticed. Some parents may worsen an already difficult situation by bitter remarks about having to pay for what other people get free.

The obvious solution has been recommended by Dr. John N. Perryman, executive director of the American Food Service Association: make all children eligible for free school lunches. This would eliminate costly and annoying administrative procedures and increase the sense of democratic equality in the public school. A bill to do this, and to include an extensive nutrition education program along with the lunch plan, was introduced in 1971 by Rep. Carl Perkins (D-Ky.) but has made little progress since.

There have been two main arguments against it: The first is that free school lunches for all would be a step toward socialism. The second is that it would cost too much.

I can't take the first objection seriously, for the simple reason that I can't see why free school lunches are any more socialistic than free public education—which hardly anybody opposes.

Cost is a problem but not nearly as much as the opponents of the bill would have us believe. Right now, the school lunch program is costing in excess of a billion dollars a year. Making the program universal could double or triple this figure. But I view this expenditure as an economical investment if the school lunch program could be combined with a vigorous nutrition and health education program that would make some inroads in the ever-rising national health costs.

The program for the early grades could feature the great variety of wholesome foods which our bountiful land and its many cultures offer. In later grades, the school lunch itself could be the best place to learn about the role of good food habits in warding off such health hazards as dental cavities, heart disease, overweight and high blood pressure. Youngsters could also begin to learn something about food costs and better buying habits, thus starting them on the way to making them knowledgeable consumers.

The original National School Lunch Act of 1946 was designed to open a new market for U.S. farm goods and provide support for sagging farm prices. As a result, it was put under the Department of *Agriculture* and the agriculture committees of Congress, where it still is—and where, unfortunately, there appears to be little interest in the real problem of hungry children.

Many of us think the full value of the school lunch program can't be realized until the program is put under the leadership of the Department of Health, Education and Welfare. Let the Agriculture Department stick to the feeding of cattle and poultry and let HEW, the agency who is concerned with *human* welfare, take over the job.

School Lunches Reviewed

(By William Rice)

The school lunch program across the nation is a troubled giant. That much is vividly clear, even in the midst of the massive convention of the American School Food Service Association that was held here early this month.

In Washington talk of school lunches tends to focus on government support. How much is it costing? Should payments take the form of commodities or cash? Is there cheating? It's all very abstract; a lot of statistics with few resolutions.

In local school districts and in the lunch rooms, judging from conversation at the convention, statistics play a large role, too. Mostly, though, they are negative statistics: Look how many students aren't eating! Look at how much they leave uneaten! How can we save money?

Barry J. Chasen, a school psychologist, summed up part of the dilemma in a speech at the University of Maryland as the convention began. "In the past," he said, "food service has been a non-functioning member of the educational team. Its purpose . . . principally concerned itself with the impersonal aspects of preparing, packaging, distributing and serving food to kids in the most efficient economical manner possible."

But efficiency and economy don't mean much when few students turn up to eat what is offered.

Part of the pull away from cafeterias can't be helped, at least at the high-school level. Our affluent society has put car keys in teen-agers' pockets and fast food eating places to tempt them. The urge to get away from school for a while is natural, as is peer pressure and student irritation at preventative measures such as shortened lunch periods. Cost is a factor only for those who might not eat at all without the reduced-cost lunch program.

From a distance it looked like a stand-off. Cafeterias efficient but increasingly empty. Kids eating elsewhere.

Closer up there was hope. A dozen attractive articulate youngsters who make up a Youth Advisory Council to the association caught the attention of jaded food service administrators as they gave a panel discussion of what their year-old program has accomplished.

They talked of painting cafeterias, of snack lunch lines, of bowls of fruit for sale for less than candy in machines and of involving students and faculty.

While they spoke, skeptical food service personnel in the audience were murmuring: "I've tried it." "They (the students) won't even talk to us." "They're apathetic."

But one aspect of the presentation struck home. Nutrition has become important to youth. Council members and their fellow students want meaningful courses on the subject. With imagination this could carry into the lunch room, as it should.

At the end of a question-and-answer session there was the beginning of a tentative alliance between those who prepare food in schools and those who are meant to eat it. Together they would confront those Dr. Chasen described as "educators who feel that the 'what,' 'why,' 'how,' or 'when' of eating have little to do with education."

RURAL TRANSPORTATION IN MINNESOTA

Mr. HUMPHREY. Mr. President, I wish to point out a most commendable statement by Stephen G. Babcock on the rural transportation situation in Minnesota and the country at large.

Mr. Babcock is a businessman with a great deal of solid experience. He describes problems with which he is very familiar. He has been nominated as a candidate for Congress from the second district of our State.

His statement was prepared for our planned field hearings on rural transportation problems in Minnesota which, unfortunately, had to be postponed. In my view, his suggestions are both practical and sensible.

Mr. President, I ask unanimous consent that this statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Rural Transportation Problems in Minnesota

(Statement by Stephen G. Babcock)

Mr. Chairman, members of the Committee, I am grateful for the opportunity to testify and to discuss with you some of the transportation problems facing rural America in general, and South Central Minnesota in particular.

Rural America is, unfortunately, undergoing a period of hard times. We are in the midst of a real economic recession. Inflation is currently running at more than 12% per year, and our Gross National Product is on the decline. The GNP has fallen more than 8% in the first half of the year alone, and continues to decline.

It is not difficult to understand how it is possible to have such a high rate of inflation and at the same time suffer a loss in our nation's productivity. In fact, you don't have to look any farther than our nation's rural transportation problem to see how this is possible. "Stagflation" is a present-day reality, Mr. Chairman, to a large extent because of the coincidence to irresponsibility on the part of the Federal Administration and a complete lack of social responsibility on the part of big business. This is clearly the case in the energy situation, and it is the same general pattern which is driving us to the crisis stage with our problem of rural transportation.

Since March, 1970 the railroad companies have requested and received permission to abandon service on 405 miles of track in Minnesota. Their requests to abandon an additional 381 miles of track are pending. In the Second Congressional District of Minnesota alone, the rail companies are asking permission to do away with more than 102 miles of track.

It seems that the Interstate Commerce Commission in Washington has not considered the terrible effect these abandonments have on rural communities, because the ICC has the astounding record of approving 97% of abandonment requests nationwide.

Before proceeding any further, Mr. Chairman, let me clarify just what the effects of railroad abandonment are: they constitute nothing short of the economic strangulation of rural communities; and, together with the problem of underdeveloped rural trunk highway systems, they result in the inflating of agricultural costs, to both farmers and consumers.

Small towns are made to realize a very real economic disadvantage, Mr. Chairman, when their rail service is terminated. And this disadvantage is especially severe if the abandoned community is not served by 9-ton trunk highways which can efficiently handle fully laden trucks; because if the community is not served by an adequate highway system, the cost of materials which the community imports and exports is significantly raised.

For example, there are more than 200 million bushels of grain produced annually in Minnesota's Second Congressional District. Approximately three-fourths of this grain, or 150 million bushels, is transported out of the district. Inefficient transportation facilities, due to rail abandonments combined with inadequate trunk highways, result in an approximate additional transportation cost of 9¢ per bushel, which totals approximately $13.5 million. This places the small town affected by this situation in a state of economic peril by seriously cutting back on their competitive position as compared to the more adequately rail-served areas. Thus, the productivity of the rail-abandoned community suffers significantly. And the inflationary effect, which we all feel, is obvious.

Numerous rural communities have been placed in this perilous situation already, Mr. Chairman, and more than 70 communities in the Second Congressional District alone are soon to be hurt if the ICC's record of approving rail abandonment requests is any indication. We cannot allow this to happen.

Mr. Chairman, the problem of rail abandonments cannot be separated from that of an inadequate trunk highway system. And it must not be allowed to escape our attention that in the face of more and more rail abandonment in our region, there is no major highway construction presently underway, and none is planned.

It is the responsibility of the Federal Administration to start to realize the very serious nature of the rural transportation crisis, and to adopt a strategy aimed at rectifying the problem. If we are to permit the continued deterioration of rural rail service, it is necessary to counteract the economic disadvantaged which are inherent. To do this we must improve the trunk highway system serving rural communities. Support for rural highway bonding bills must go hand in hand with efforts to develop efficient urban mass transit systems. We must not allow small rural communities to be devastated, and we must do whatever we can to keep agricultural costs down. These objectives should be placed high on our government's list of priorities. We must join with our state government in its effort to keep existing lines of rail transportation operable.

ALCOHOLISM—A DANGER WE CANNOT AFFORD TO IGNORE

Mr. THURMOND. Mr. President, we live in an age of sophisticated sciences. Medical science particularly has advanced tremendously over the last 50 years. However, there is one problem, a problem centuries old, that we have not attempted to solve until recently. Although some people still do not consider alcoholism a disease, it is. No one really knows how many lives it has ruined, how many homes it has broken, or how many healthy people it has detrimentally affected. Perhaps as many as 10 million people in the last year alone have had drinking problems that have affected their lives and the lives of others. I would like to briefly examine this problem, its effects, and what we can do about it.

According to the latest statistics which were reported in HEW's Second Special Report to the U.S. Congress on Alcohol and Health, 57 percent of our Nation's adults consume alcohol once a month or more. The study also points out that a sizable portion of drinkers come from the younger age groups such as high school students. Approximately 42 percent of junior and senior high school students consume alcohol at least once a month. However, as the age of the group increases, the drinking becomes more frequent.

Sociocultural factors still are strongly correlated with the patterns of drinking. For instance, consumption patterns differ with sex, age, ethnic background, religious affiliation, education, socioeconomic status, occupation, area of residence, and degree of urbanization.

One of the most serious aspects of the alcohol problem is the vast ignorance of the public concerning this problem. Statistics reveal only 61 percent of the public can be considered fairly knowledgeable about the physiological effects of alcohol.

The economic cost of the problems created by the consumption of alcohol is staggering as it reached some $25 billion in 1971. However, this estimate may be conservative. A breakdown of this $25 billion figure shows that lost production of goods and services amounts to a whopping $9.35 billion which could be directly attributed to the reduced productivity of alcohol-troubled male employees. Health and medical cost for the treatment of illness resulting from alcohol constituted more than 12 percent of the $68.3 billion health bill of adult Americans in 1971.

Motor vehicle accident costs comprise the third largest economic cost related to the misuse of alcohol and the price tag comes to $6.44 billion. According to the National Highway Traffic Safety Administration, the abusive use of alcohol in 1971 resulted in 43 percent of the nonpedestrian traffic fatalities—19,000 deaths—and 38 percent of the adult pedestrian fatalities 2,700 deaths. The total result of motor vehicle deaths which were believed attributable to alcohol in 1971 was approximately 40 percent—21,700 deaths. By examining these statistics, it can easily be seen that alcohol diminishes a driver's capabilities, so that the probability of being involved in an accident is greatly increased.

The HEW study also pointed out the extreme cost of alcohol misuse to the criminal justice system of the Nation was more than half a billion dollars in 1971. The use of alcohol was reported in 64 percent of all murders, 41 percent of all assaults, 34 percent of all forcible rapes, and 29 percent of all other sex crimes. In 1971 alone, approximately 35,000 people were jailed for violent crimes committed while under the influence of alcohol.

The relationship between the use of alcohol and disease is one which should arouse the interest of the American people. Medical studies have implicated the excessive use of alcohol, especially when combined with smoking, in the development of certain cancers of the mouth, pharynx, and larynx. Heavy drinking alone is linked with primary cancer of the liver, cancer of the pancreas, and cancer of the esophagus. A major cause of incapacitating illness and premature death in alcoholics is cirrhosis of the liver. The mortality rate from this disease has risen to such a degree in the large urban areas that it now ranks as the fourth largest killer in the 25 to 65 age group.

To properly inform our people of the dangers resulting from the use of alcoholic products, I am the primary sponsor of a bill, S. 895, introduced in February 1973, which would require a health warning to be conspicuously affixed on each bottle of alcoholic beverages containing more that 24 percent of alcohol per volume. The label should contain a warning that the consumption of alcoholic beverages may be hazardous to your health and may be habit forming. However, as of this date, this proposed bill is still under consideration.

Alcoholics share no common traits except their excessive use of alcohol. Therefore, in order to properly treat the alcoholic, it is necessary to identify the characteristics of the alcoholic subpopulation so that appropriate methods and goals are developed and instituted to suit individual needs. To make sure that these alcoholic subpopulations are properly identified, factors such as sex, age groups, and ethnic population should be considered. Because individuals, problems, needs, and resources vary greatly, a number of strategies should be available in each community and should be utilized discriminatively by treatment personnel.

To effectuate the proper treatment of alcoholism, a wide array of facilities, programs, and agencies now exists. Alcoholism information and referral centers, general hospitals, alcoholism rehabilitation hospitals, detoxification programs, halfway houses, and Alcoholics Anonymous are just a few of the existing alcohol treatment facilities.

In order to adequately finance these alcohol treatment programs, we should carefully consider the feasibility of funding alcoholism treatment and research from revenues received from the sale of alcohol products. By financing the treatment of alcoholics in this manner, the burden of caring for and treating alcoholics would be placed upon the potential victims of the disease—the users of alcohol themselves. If such a plan was developed, the nonuser of alcohol would not be forced to help fund a program resulting from a habit in which he or she does not participate.

Alcoholism is a real problem facing the entire Nation and positive steps must be taken to help control this disease before it reaches epidemic proportions.

ACTION AND ALCOHOLISM

Mr. MATHIAS. Mr. President, the National Institute on Alcohol Abuse and Alcoholism recently released a major report on alcohol and health, the results of which were quite shocking. One finding showed that the estimated economic costs of alcohol-related problems to our Nation's economy have long been underestimated—rather than the previously cited $15 billion figure, the Institute now places the figure at a startling $25.3 billion, resulting from lost work, medical expenses, and motor vehicle accidents.

But perhaps the most startling of the report's findings was the increase of drinking by teenagers in our country. Surveys now show that 36 percent of high school students report getting drunk at least four times a year, and one out of seven male high school seniors report getting drunk once a week. Such statistics are indicative of early alcoholism.

There are many possible explanations for these findings. But it would seem reasonable to assume that with the increase in alcoholism among adults, more children are being confronted with the problems of alcohol abuse than ever before. The emotional problems related to alcoholic parents might easily lead to an early addiction to alcohol on the part of the children. The need to begin preventative action at an early age would therefore seem to be of greater importance than might have previously been suggested.

I was particularly pleased to note in the August issue of Interaction, the monthly publication of the Agency for Volunteer Service, that VISTA volunteers in Frederick County, Md., have developed pamphlets for use by schoolchildren which would aid in the children's possible confrontations with the problems of alcohol abuse.

Mr. President, at this time I ask unanimous consent that the Interaction's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Volunteers Develop Alcohol Pamphlets for Schoolchildren

Two VISTA volunteers serving as alcoholism counselors in rural Maryland have written stories to help children deal with family alcoholism problems and are planning to have them published.

Through their work with individual and group alcohol counseling at Frederick County's Community Mental Health Services, Elaine Melquist and June Kohlepp perceived the need for teaching materials to help deal with the difficulties faced by children five to fifteen when alcoholism is present in the family.

"There's very little information suitable for a young child to form attitudes about alcoholic parents," said Elaine. So she and June sat down to put some together.

The results were two illustrated children's pamphlets, one about a dog, the other about a young boy, which the VISTAs have since read at day care centers and junior highs, as well as to children of alcoholic parents.

Elaine's story is about Pepper, a puppy whose alcoholic master repeatedly forgets to feed and care for him but always promises it will never happen again. Pepper feels he has done something wrong, but eventually comes to understand his master's problem through a conversation with another dog.

"Alcohol and Health Notes," a publication of the National Institute for Alcohol Abuse and Alcoholism which reviewed the pamphlet, said it "affords rapid identification with the pup's dilemma" and is "designed to draw the child out of the isolation he feels when confronted with the problem of an alcoholic parent."

June's story is about Ricky, a young boy who comes to understand how alcohol can be abused and what it means to be a responsible drinker. When she read the story at the junior high school, the younger students responded favorably with questions and comments, she said, but the older ones, the ninth graders, seemed hesitant to communicate what was bothering them. (June recently completed her VISTA service and has been employed by Community Mental Health Services to continue and expand her work as an alcoholism counselor.)

Elaine has submitted the stories to the National Institute for Alcohol Abuse and Alcoholism in hopes of getting them published for nationwide distribution. If NIAAA can't publish them, she plans to write Random House publishing company.

The idea for the pamphlets came from Alcohol Information Month last year when representatives from the Frederick County Council on Alcoholism spoke in several county schools. After a visit to one of the schools, Council representatives noted the emotional problems related to alcoholic parents. They suggested that some be written.

Elaine said that hopefully the stories will help prevent the development of problematic attitudes toward drinking in later life.

"Even kids who haven't taken their first drink already have attitudes that are going to affect their drinking when they start," she said.

STRIP MINING AND THE ENVIRONMENT

Mr. GOLDWATER. Mr. President, needless to say, all of us have heard a great deal of discussion recently about the dangers and the values of strip mining in view of the energy crisis. I am sure all the Members have heard the arguments set forth by environmentalists to the effect that strip mining is harmful to the scenic areas of the country and harmful from a ecological standpoint.

Recently, Mr. President, my assistant in my Phoenix office, Mr. Tom Dunlavey, inspected one of these strip mines operated by the Peabody Coal Co. at Black Mesa, Ariz. He reported that the company was doing an outstanding job, providing Indian laborers with high-scale pay and doing it all without in any way disturbing the scenic value of the territory.

Mr. President, because of the importance of Mr. Dunlavey's report on the Black Mesa operation, I ask unanimous consent that it be printed in the RECORD in its entirety.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

MEMORANDUM TO SENATOR BARRY GOLDWATER ON INSPECTION VISIT TO PEABODY COAL MINE AT BLACK MESA, ARIZ.

(By Thomas J. Dunlavey)

On Thursday, August 8, I visited the Peabody Coal Company strip mines at Black Mesa. After touring the facility and inspecting it thoroughly from the ground and air, I wish to report that the company is doing an outstanding job of providing coal for electrical power generating plants at Page and near Bullhead City while also protecting the environment and providing high-paying jobs for the Navajos.

The Black Mesa and Kayenta Mines employ 204 Navajos, who earn the United Mine Worker's pay scale of between $41 and $50 per day for a 7½ hour day, or, an annual payroll of $3,000,000.00. Actually, some of the Indian employees earned as much as $18,000 last year with overtime. One Navajo employed by the coal company had never earned more than $600 annually prior to the opening of the mine. The total annual payments to the Hopi and Navajo Tribes will be over $3,000,000 for the anticipated 35 years operating lives of the plants.

It is my opinion that any criticism of the operation of the mine, the Black Mesa and Lake Powell railroad or the Black Mesa Pipeline by "environmentalists" is either through total ignorance or deliberate design to discredit and condemn the operation.

The Black Mesa Land is protected under the terms of the Federal Antiquities Act of 1906. The public lands must be evaluated for their archaeological value before the surface can be disturbed. Expert services of the Prescott College is provided for the archaeological survey.

From the air, it would be very easy to completely overlook the mines, pipeline facility, conveyor belt, and rail loading operation. The two mines are 30 miles from Kayenta, and 15 miles off U.S. 160. The road back to the mines was constructed by the coal company.

I inspected areas where coal had been removed and the over-burden has then been replaced. I don't believe any "environmentalist" could tell the mined area from the undisturbed adjacent natural terrain. The coal company is experimenting with 10 varieties of grass and is in the process of fencing the areas because the Navajos had allowed sheep to graze on earlier plantings before the grass could get a good start.

Without going into detail or citing statistics, I would say that the entire operation is a model of efficiency, combining the best of automated equipment and human resources.

Peabody Coal Co. has made a large capital investment in the mining of the Black Mesa and Kayenta Mines. The development of the mine resources is beneficial to the Navajo and Hopi tribes and the Indian workers. This operation will continue to mine coal to meet the nation's fuel demands. It also benefits millions of people in the fast growing Southwest who require a steadily increasing flow of electrical power. The company is determined that its Black Mesa Mine will be the finest development of its kind anywhere.

CITICORP

Mr. CANNON. Mr. President, I wish to urge my colleagues to assume a more active role in revitalizing the credit system in this country.

Recently, in response to Citicorp's announcement that they were to issue $850 million of high-yield, floating-rate, short-term redeemable notes, I wrote to the distinguished Arthur Burns, expressing my disappointment in his and the other members of the Federal Reserve Board passively standing by and allowing such a credit issue, with the only Citicorp concession being that the first note not be redeemable until June of 1976.

Citicorp's idea was brilliant—it was innovative and creative as it met its own need as a holding company, to lengthen the maturity structure of its financial assets. Such a reinforcement could only serve to strengthen that important sector of the country's financial machinery.

However, there was more at stake in this proposal than the strength of bank holding companies. Citicorp had offered a very competitive device for attracting capital. If that device were to function successfully, it would draw funds from other capital institutions. The list of these affected institutions is long. Citicorp's issue could not be without at least secondary effects on every capital market in the country including the commercial bank market for savings accounts and time deposits, the mutual savings banks market for savings and time deposits, the credit union's markets for savings funds, the financial company's market for savings funds, real estate investment trusts' market for trust accounts, and the private and government bond markets.

Some of the markets would be more affected than others. Some experts asserted that the savings and loan institutions would be severely affected by this new financial competition. Others suggested that these notes would compete primarily with U.S. Treasury bills. There was a lot of debate concerning who will lose funds to Citicorp and those who supported Citicorp's option argued that the redistribution of capital would not significantly harm the housing industry.

Likewise there was a lot of debate concerning which savers would gain from Citicorp's issue. Many asserted that this issue would allow the low- and moderate-income person to earn interest similar to that earned by the wealthy, who have traditionally invested in the high-denomination, high rate of return investment options of the economy.

Mr. President, my assessment of the situation at the time that Citicorp's proposal was still an issue and not a fact, indicated without a doubt, that the distributional implications of such a move were not in the public interest for three reasons:

First, even if it is not the saving and loan institutions alone that will be hardest hit by this note issue, it is unquestionable that it is either the housing sector and/or the taxpayer that is to suffer. According to primary calculations based upon the financial stocks section of the Federal Reserve Board publication, "Flow of Funds Accounts 1945–72," the percentage of total financial assets that each of the following institutions held in home mortgages in 1972 were as follows:

[In percent]

Commercial banks	9.6
Saving and loan institutions	72.6
Mutual savings banks	56.7
Credit unions	4.1
Finance corporations	14.2
Real estate investment trusts	49.7

Yet the portion of total assets held by Citicorp during the first quarter of 1974 in all mortgage and real estate loans was only 5.3 percent and only a small portion of that 5.3 percent was actually held in home mortgages.

If past policies are any general indications of what future lending policies may be, it is clear that in nearly every case, nonbank-holding-company banking institutions will channel more funds to the home mortgage market than the bank holding companies such as Citicorp or Chase Manhattan Corp.

Second, if Citicorp's proposal competes primarily on the Treasury bonds market, then since the Treasury must continue to sell the bonds necessary to finance its deficit, the rate it pays must rise to meet Citicorp's competition. This can only result in higher taxes in the future to pay for these higher interest rates.

Third, Citicorp's proposal is not going to significantly help the low- and moderate-income saver. According to a 1971 study by the Survey Research Center in Ann Arbor, Mich., of those Americans with an annual income of $7,500 to $10,000, 43 percent had no savings and only 13 percent had $5,000 or more. And of those with an income of $10,000 to $15,000, 16 percent had no savings and only 14 percent had savings of $5,000 or more. Consequently, since the Citicorp notes are issued for a minimum of $5,000, it is unlikely that many low- and moderate-income earners will gain from the high interest rates offered by these notes.

In summary, this and similar efforts to strengthen the financial asset structures of bank holding companies is unlikely to help the small saver and can only result in a loss of funds to the home mortgage market and/or an increase in taxes to later finance higher interest payments on the national debt. It is clear that the proposal was not in the immediate public interest of the country.

But what should we do now? Mr. President, the discussion that has grown out of a response to this issue has clearly evidenced the need we have for penetrating reform of our financial institutions. If it were not for the serious distortionary effects of numerous outdated financial regulations, the kinds of immediate public interest arguments I made earlier against this proposal would not have been necessary. If our credit market were operating more equitably and efficiently then not only would we enjoy increased productivity and less inflation, but all sectors and participants in the economy could enjoy the prosperity to which they should be entitled. Small savers could earn fair interest rates and the home mortgage market would not have to suffer disproportionately during times of credit squeezes. And financial institutions could creatively compete with one another for capital funds without objection by other financial sectors of the economy. Innovative measures such as that proposed by Citicorp could be lauded—not condemned.

Mr. President, I have five concrete proposals to update our country's financial regulations for credit.

First. Encourage the States to eliminate overrestrictive usury laws, replacing them with flexible regulations that would be adjusted annually. Such a regulation should work to protect citizens from loan sharks but not unnecessarily obstruct the flow of credit when interest rates change with the rate of inflation.

Second. Encourage the employment of variable-rate mortgages. By eliminating current regulations that limit mortgages to 30 years, the new variable rate mortgages could be designed to self-adjust the term—and/or the magnitude of the monthly payments—according to the interest rates. Protective regulations could be drafted to protect the borrower from the sophistication of these loans. Current computer technology has now made variable rate mortgages more than feasible.

Third. Once variable rate mortgages become a part of the asset structure of lending institutions, regulation Q, which places interest rate ceilings on savings accounts and time deposits, should be gradually phased out. This removal of the ceilings on interest rates that can be paid on savings accounts and time deposits would permit banks, especially savings and loan and mutual savings institutions, to pay interest rates that are high enough to attract the capital necessary to meet the going mortgage demand. Furthermore, discontinuing to limit the interest on savings will serve to encourage people to save more and consume less. The subsequent fall in consumption demand will help slow inflation and the increased savings made available for investment will help stimulate economic growth and increase production to meet supply shortages, further curbing inflation. Finally, by permitting institutions to pay market interest rates on savings accounts, the small saver will no longer be asked to subsidize the home mortgage market.

Fourth. In order to meet the growing excess demand for housing, a subsidy of home mortgage interest rates should be offered by the Federal home mortgage associations. Such a subsidy is needed for two reasons. First, the provision of adequate housing for all Americans has for years been a first priority of the country. The present housing shortages in many parts of the country beckons a plea for effective action to alleviate the condition. Second, subsidizing home mortgage market interest rates is one way of facilitating the external economies that accompany private homeownership. When we examine the productiveness of our economy, especially when we look at GNP, we ignore the enormous efforts made by private homeowners. They garden, paint, repair, rebuild, and make additions to their homes, but their labor is not reflected in GNP. When we subsidize housing we are encouraging people to own their own homes and to take care of them as owners have traditionally done. In short, subsidizing home mortgage interest rates increases national productivity as it permits more people to own their own home and to keep them up and improve them during the hours outside of their regular job.

Fifth. Finally, all existing Federal regulations affecting the operation of our credit markets should be carefully reevaluated. Those that impose unwarranted restrictions should be amended or discarded. And all those with merit should be finely tuned to be responsive to the dynamic changes that the economy will continue to undergo. It is imperative that the credit resources of this country be allocated equitably and efficiently to insure that all sectors of the economy may enjoy productivity and prosperity without intolerable inflation.

Mr. President, I urge the Senate Banking, Housing and Urban Affairs Committee to consider these suggestions, to apply their skill and expertise to the immediate needs we have for credit reform and to draft some appropriate legislative measures. And I urge each Member of this House to study these proposals and to encourage his colleagues to act promptly and expeditiously so that we may pass legislation to meet this need for credit reform before the end of this session.

CYPRUS

Mr. BUCKLEY. Mr. President, in the past several weeks I have been watching with alarm, the worsening situation on Cyprus. While there appears to be no disputing the role of the 650 Greek military officers in precipitating the coup, the behavior of Turkey in the conflict has vastly exceeded the bounds of whatever provocation they may have perceived as a result of the overthrow of the Makarios regime in Cyprus.

The behavior of the Turkish forces in Cyprus is sowing the seeds of a century of hatred if some accommodation between the Greek and Turkish Government is not reached soon.

The solution proposed by the Turkish Government is not consistent with an effort to mitigate the potential for a permanent ethnic conflict in the region. The only viable solution is one which will restore the status quo ante to that troubled island. Given the severe ethnic clash which has characterized that unhappy island for so many years, the only mechanism which can provide a semblance of order and harmony is the maintenance of an independent regime on Cyprus with constitutional guarantees respecting the rights of all national groups on the island.

As a consequence of the fast-paced developments in the Cyprus situation, I urge the U.S. Government to make an effort to carry out the following measures:

First. Support a major relief effort to aid the vast numbers of Greek refugees now fleeing from the war zone in Cyprus to other, and less hospitable parts of the island;

Second. Suspend all military assistance to the parties involved;

Third. Exert diplomatic pressure on the parties involved to remove all foreign troops from the island of Cyprus; and

Fourth. The good offices of the United States should be offered to mediate the dispute between Greece and Turkey to find an area of common ground which could form the basis for a durable settlement satisfactory to all parties concerned.

The Cyprus situation should receive the full attention of the U.S. Government; the solidarity of the NATO alliance and the security of the Eastern Mediterranean is at stake.

GOVERNOR OF PUERTO RICO SEEKS NEW SOLUTIONS

Mr. MONDALE. Mr. President, the dynamic young Governor of Puerto Rico, Rafael Hernández Colón, has infused new vitality into his island Commonwealth government. His administration has vigorously and creatively sought fresh approaches to the complex problems of the almost 3 million Puerto Ricans who live in Puerto Rico as well as those 1.5 million Puerto Ricans who live in the 50 States.

One of the approaches that Gov. Hernández Colón has explored in his effort to improve the quality of life of Puerto Ricans is to appeal to the private foundations for support of specifically defined projects in education and rural and urban development which should be undertaken both in Puerto Rico and on the mainland. These proposals are described in an informative and broad-ranging memorandum the Governor has directed to the heads of several of the major foundations which have in the past been responsive to the needs of other minority groups. I believe that my colleagues will find this document of value and I now ask unanimous consent that it be printed in the Record, together with an article published in the New York Post commenting on Gov. Hernández Colón's proposals.

There being no objection, the document and article were ordered to be printed in the Record, as follows:

Foundations Support for Puerto Ricans

(By Rafael Hernández-Colón, Governor of the Commonwealth of Puerto Rico)

This paper is an effort to describe the multiple needs of Puerto Ricans, both on the mainland and in Puerto Rico, with particular emphasis on ways in which foundations can be of assistance in solving these problems.

There are at least 1,500,000 Puerto Ricans living in the mainland United States.[1] This is not a fixed number since many Puerto Ricans move back and forth between the island and the mainland. This continuous movement back and forth has important implications both for Puerto Rico and the states in which these people reside.

Living conditions for Puerto Ricans on the mainland have not improved as much or as fast as they have for the rest of the population. This poses problems for the people themselves, the states in which they reside and for the Commonwealth of Puerto Rico. Puerto Ricans living on the mainland make demands on the social service institutions in the states where they reside. To the extent that these Puerto Ricans are poorer, sicker, more frequently unemployed, they require more time and attention from these institutions. These burdens are also shouldered by Puerto Rican social service agencies when migrants return to the island.

THE PROBLEMS OF THE PUERTO RICAN IN THE CONTINENTAL UNITED STATES

How are Puerto Ricans faring on the mainland ("the continent")? Precise demographic information on Puerto Ricans in the continental United States has always been difficult to obtain. This is true largely because of the bureaucratic practices and demographic policies of the U.S. Census Bureau. Indeed, even the number of Puerto Ricans who now reside on the mainland is a matter of uncertainty.

The Census Bureau counts as "Puerto Rican" only those who were born in Puerto Rico or had at least one parent born on the island. There is simply no record of Puerto Ricans who are not part of the first or second generations—a fact that has generated considerable political controversy in New York and other parts of the country. For example, in October 1972 leaders of the Puerto Rican community of New York City—the largest of all mainland Puerto Rican communities—charged that as many as 250,000 Puerto Rican residents of that city were simply not recorded by the Census Bureau.[2] If this claim is accurate, the political claims of the Puerto Rican community undoubtedly have been substantially underestimated. In any event, reasonable estimates of the number of Puerto Ricans now residing in the continental United States range from 1.5 to 2.5 million.

The economic profile of those Puerto Ricans who are counted by the Census Bureau indicates that the Puerto Ricans are far and away the most severely deprived group in the cities of America. Statistics on New York's enormous Puerto Rican community (about 1.2 million out of a total population of 7.8 million) suggest the dimensions of the social and economic problems of Puerto Rican communities from Chicago to Boston. For example, between 1960 and 1970 median family income among whites in New York City rose 26% (from $6,365 to $10,424) while among blacks the percentage increase was 24% (from $4,437 to $7,575). However, during this same period the median family income among Puerto Ricans rose by only 13% (from $3,811 to $5,575)—half the rate of increase of non-Puerto Rican white families.[3]

The statistics on those living below the "poverty line"[4] provide additional evidence of the comparative economic positions of Puerto Ricans, blacks and non-Puerto Rican whites. In 1970, only 8.9% of New York's non-Puerto Rican white population was certifiably poor. Twenty-four percent of the black population of New York City qualified as poor. But fully 35.1% of the Puerto Rican population—more than 300,000 persons—lived below the poverty line.[5]

The comparative socio-economic condition of these three population groups is reflected in statistics on educational achievement. In 1970, 51% of the non-Puerto Rican white adults over 25 were high school graduates. But only 20% of the comparable Puerto Rican population were graduated from high school. The median year of schooling for New York's Puerto Rican was more than two full grades less than New York blacks (eight and one-half grades for the Puerto Ricans, over eleven grades for blacks).[6]

"In 1970, 56% of all Puerto Rican adults over 25 had failed to go beyond the 8th grade. By the 11th grade, 77% had fled. By the freshman year of college, 96% had dropped out. Class after class, Puerto Ricans abandon school in roughly the same proportion."[7]

This portrait is mirrored in every available statistical index of social and economic conditions. It should surprise no one, therefore, that only one Puerto Rican in a hundred (among adults over 25) had a college degree in 1970, in comparison with 13% and 4% of comparable non-Puerto Rican white and black population groups, respectively.[8]

It is self-evident, at this point in the history of the United States, that persons who are black or who possess characteristics of the Negro race will be discriminated against in employment, housing, schools and will receive unequal treatment generally. Some Puerto Rican migrants are white, some are black; most are racially mixed. As the U.S. Commission on Civil Rights learned at a hearing in New York City in 1972:

"In a scheme of discrimination in the United States some cultural origins are more desirable than others and a Hispanic cultural origin with evident mixtures of African and Indian 'traits' (exactly the components of most Puerto Rican migrants) ranks very high on the degree of undesirability. Spanish-speaking persons (unless they are from Spain) are also low on the prestige ladder. Puerto Ricans speak Spanish but in the minds of educators and other professionals in the United States they do not speak Spanish, but 'Puerto Rican.'"[9]

School systems effectively segregate by color and by certain cultural and racial groups (Mexican-American, Indian and Puerto Rican). Segregated schools receive less resources and have inferior conditions, and therefore, impart inferior education.

The identity problem of mainland Puerto Rico is serious. Cultural reference points in the ghettos are virtually non-existent. In the public schools of the mainland, there is a pauctiy of educational materials on Puerto Rico. Existing materials are poor in quality and frequently distorted in content (see, for example, the attached article by José Torres, "The Missing Muñoz Marin, "*New York Post,* November 17, 1973). The endless debate on the political status of the island is a reflection of this identity uncertainty among Puerto Ricans.

The majority of Puerto Ricans on the mainland live in ghettos in large urban areas. They suffer from physical as well as spiritual conditions common to poverty in cities. They are powerless and voiceless as recent arrivals in cities. What Puerto Ricans often inherit are the deteriorated services which abandoned cities still offer.

Yet the conditions and characteristics of the Pureto Ricans themselves often perpetuate the group's problems. Migrants come from a basically rural environment and arrive to the most urbanized of situations. Most Puerto Rican migrants possess little, or quite rudimentary, schooling. Finally, the Puerto Rican migrants bear the multiple consequences of the underdevelopment of their overpopulated island.

The migration and countermigration of Puerto Ricans will be with us for the foreseeable future. As long as 1959, Professor Oscar Handlin of Harvard University accurately stated the causes of the migration:

"In Puerto Rico the problem of overpopulation will remain serious for the next generation at least. The island now holds over 2,300,000 people, an increase of more than 30 per cent in the last quarter century. . . . But the dynamics of the life of the extended family and traditional conceptions of the role of husband and wife discountenance the expectation of an early radical change. Furthermore, the large number of young people in the population and the increase in the number of marriages add to the prospect of a continued high birth rate. It is possible that the population of the island may actually double in the next thirty years.

"Under those circumstances, the pool of potential emigrants will persist. Although land reform, internal migration, and continued industrialization may raise the capacity of the island to support its people, unemployment is still high and rises with every contraction in the mainland economy. Furthermore, the decline in mortality has been so striking, with a rise in life expectancy . . . that the excess of population will remain permanent. That surplus . . . will constitute a pool of future potential migrants. Despite any foreseeable rise in personal incomes many Puerto Ricans in that pool will continue to wish to emigrate.[10]

In contrast with all other newcomers to the United States, the Puerto Rican migrants can (and do) maintain some tangible connections with their homeland, with important social, economic and political consequences for Puerto Rico and the continent alike.

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[1] **U.S. Bureau of the Census, 1970 Census of Population: Supplementary Report: Persons of Spanish Ancestry, PC(SI)-30, Table A, p. II, February 1973.**

[2] *New York Times,* October 2, 1972, p. 1, cols. 4-5.

[3] These various statistics are collected in a comprehensive report of Census data, *New York Times,* August 17, 1972, p. 37, cols. 6-8.

[4] Namely, a family of four with an income below $3,743. *Ibid.*

[5] *Ibid.*

[6] *Ibid.*

[7] **Puerto Rican Research and Resources Center, *What is Universidad Boricua?* (1973).**

[8] Cabranes, "Legal Education for Puerto Ricans," 25 *Journal of Legal Education* 447, 450 (1973).

[9] Puerto Rican Research and Resources Center, Inc. (Report commissioned by the U.S. Commission on Civil Rights); "Puerto Rican Migration: A Preliminary Report" (Exhibit No. 3), *Hearing Before the United States Commission on Civil Rights—Hearing Held in New York, New York, February 14-15, 1972,* at p. 210.)

[10] Handlin, *The Newcomers: Negroes and Puerto Ricans in a Changing Metropolis* 53 (1959). By 1974 Puerto Rico's population had grown to 2,700,000.

In recent years many Puerto Rican migrants have returned to the island even as the outward migration has continued. In some years, the number of Puerto Ricans returning to the island has exceeded the number of outbound migrants.

The ebb and flow of the Puerto Rican migration clearly suggests that the condition of the Puerto Rican communities in the continental United States cannot possibly be understood, no less improved, without a concern for conditions in Puerto Rico itself.

To date, there has been little appreciation in the continental United States of the policy implications of this continuing two-way migration. Leaders of private philanthropy, as well as decisionmakers in the public sector, must begin to think in terms of the interests and needs of a Puerto Rican community of nearly 5 million people—a community whose interests and needs cannot be met only by localized efforts. Philanthropic policy, no less than public policy, should promote programs which span the Puerto Rican communities of the continent and the Puerto Rican homeland.

The Commonwealth Government recognizes the simple truth of our interdependence—that our problems cannot ultimately be resolved without the solution of some of the problems of, for example, the South Bronx. The development plans of the Commonwealth Government include efforts to plan and create inter-governmental programs—based upon a recognition of the reality of the Puerto Rican migration—which will harness the resources of the various jurisdictions having an interest in the solution of Puerto Rican problems. Likewise, public policymakers in the continental United States, and the leadership of private philanthropy, should face the fact that the social and economic ills of the Puerto Rican community of the South Bronx—or the many other Puerto Rican communities on the continent—cannot be substantially improved without a marked improvement of conditions in Puerto Rico itself.

In the private sector supported by philanthropy, few enterprises concerned with the welfare of Puerto Ricans have had the vision *and* minimal resources to be able to integrate efforts in continental communities and in Puerto Rico. One notable exception is Aspira, the Puerto Rican educational agency, which operates in Puerto Rico as well as in four urban communities on the continent.

THE ROLE OF THE FOUNDATIONS

We appreciate the limitations under which foundations labor. We know that private philanthropy cannot possibly undertake the primary responsibility for the social and economic development of the extended Puerto Rican community. The responsibility for the solution of the overwhelming problems outlined above must ultimately be borne by the public sector—including our own.

While fully recognizing the primary responsibility of the public sector, we know that private philanthropy is ideally suited to support non-governmental efforts which can influence the long-range direction of public policy. Foundations perform a unique and special role in our society, for they are willing to enter into innovative areas ignored or untouched by government programs. In addition, foundations frequently may prefer short-term commitments for programs which can become self-funding or which can stimulate commitments from other sponsors. Private philanthropy can effectively support the efforts of Puerto Rican institutions (in Puerto Rico and on the continent) concerned with educational and cultural development—with the reinforcement of the Puerto Rican identity and self-image, and the sense of community worth, without which all of our efforts in the public sector are utterly in vain. In addition, the foundations can support and encourage the planning of large-scale public or "mixed" (public and private) programs designed to attack the acute social and economic deprivations of the Puerto Rican community.

The recommendations which the Commonwealth Government offers in response to your expression of interest seem to us well suited to the special role and special interests of foundations. They do not envisage the "solution" of the manifold problems of the Puerto Rican communities through the isolated activities of one or more foundations. Rather, they contemplate a substantial, concerted and systematic commitment by the foundations to certain institutions and programs which can have a favorable long-term impact on the varied efforts of relevant political jurisdictions to deal with the social and economic problems of Puerto Ricans.

The Government of the Commonwealth of Puerto Rico offers you its cooperation, services and facilities. It is in a unique position to act as a catalyst in assisting both mainland and island Puerto Rican communities in dealing with their complex needs.

GENERAL RECOMMENDATIONS

I. A systematic, long-term commitment

We ask for a systematic, integrated long-term commitment to Puerto Rican institutions on the island as well as on the mainland. We propose that the foundations, as a group, develop a coordinated approach to help solve some of the problems faced by the Puerto Rican people. The diverse, complex and most critical problems of the Puerto Rican defy a band-aid approach to problem solving.

In particular, we urge foundation support for the relatively few substantial Puerto Rican legal, educational, and economic development institutions on the mainland. Most of these institutions are quite fragile. They have modest or no endowments which can assure their survival and continuity as instruments of development and change. In addition to contributions of the sort which foundations make on a regular or periodic basis to similar non-Puerto Rican institutions, they require direct, one-time financial subventions to create modest endowments and thereby guarantee their existence and stability. They also require a tangible expression of interest in their long-term development—something on the order of the announcement by the Ford Foundation of "its new, enlarged intentions" for Black educational institutions (see, for example, Cuninggim, "Foundation Support of Black Colleges," 15 *Foundation News* 20, 27–29 (March/April 1974)). Puerto Rican civic leaders in the continental United States repeatedly have expressed to me their distress at the offer by foundation leaders of so-called "seed money" for various worthwhile endeavors. The assumption that underlies such grants—that the recipient agency will somehow be able to generate substantial funding over the long term from an acutely deprived community (or possibly, by devoting much of its efforts to "fund-raising")—seems unfounded.

II. Broader participation by Puerto Ricans on boards and staffs of foundations

We ask for increased participation by Puerto Ricans on the boards and staffs of foundations. One cannot help being struck by the glaring absence of Puerto Ricans on foundation rosters. Considering the significant numbers of Puerto Ricans living on the mainland—and the significance of their social and economic deprivations—it is distressing that more Puerto Ricans are not on the boards and staffs of foundations. In the long run, only such participation in the work of the foundations can assure that the needs of this community will be understood and routinely taken into account in the formulation of the foundations' varied programs.

III. Greater utilization of Puerto Rico's educational and cultural institutions in mainland programs

The question of identity and self-image is second to none in the educational processes affecting Puerto Ricans in the continental United States. While seeking to encourage the initiative of local community groups in the preparation of educational materials, great care should be taken to avoid the politicization of such materials by self-motivated groups or persons. The University of Puerto Rico and other educational and cultural institutions on the Island can play an important role in the development and education of Puerto Rican communities in the continental United States. We urge you to support and encourage the efforts of Puerto Rico's educational and cultural institutions (public or private), especially those of the faculty and institutes of the University of Puerto Rico. These institutions should be regarded as a great and authentic resource on Puerto Rican life, history and culture. They can and should be called upon for assistance in the preparation of educational materials for use in the education of Puerto Rican youngsters in the continental United States.

SPECIFIC PROJECT RECOMMENDATIONS

There are areas in which private foundations can function as significant enabling agents. Some of these areas are briefly described below.

I. Community development

We propose a comprehensive economic and social development effort aimed at reviving and revitalizing two Puerto Rican social structures, one on the mainland and one on the island.

A. Mainland—Urban

With Bedford-Stuyvesant Development and Services Corporation as a model for community regeneration, the South Bronx, which includes a dense concentration of deprived Puerto Rican migrants, could be designed as a redevelopment area which would receive massive Federal, Commonwealth, State and private funds for rehabilitation. The South Bronx is a pariah in American society. It has been described as a wasteland where children are doomed from birth to enter the cycle of poverty. The lessons of the Bedford-Stuyvesant Development and Services Corporation demonstrate that leadership, community participation and the cooperation of public and private agencies can reverse this tragic decline in what was once a stable and productive community.

B. Island—Rural

As a consequence of industrialization, which began with Operation Bootstrap, Puerto Rico has suffered a severe dislocation of rural society and heavy concentration of its people in the industrial areas along the coast where they seek employment. Agriculture has been in steady decline and large areas in the interior of the island are virtually deserted for lack of job opportunities and the absence of amenities considered essential to a meaningful life.

We are today witnessing a resurgence in rural life in the States and if employment, transportation, health care, education, and recreation could be provided, the phenomenon would occur in Puerto Rico as well.

As a result of increased opportunities in the rural areas, migration to the coastal towns and, ultimately, to the mainland, could be stemmed—to the advantage of Puerto Rican and American societies alike.

One possible way of accomplishing this is by designating a specific area of the island to serve as a demonstration project for agricultural and rural development. The project, which is still being developed by our agricultural experts, would serve as a showcase which would educate our rural population and stimulate the resurgence of agricultural and rural life, similar to the Soul City model in North Carolina.

II. *Puerto Rican cultural center in New York*

The Puerto Rican community in New York City, the largest group outside of the island, has no formal institutional source to attend to its cultural needs. Its needs as an ethnic group are inadequately served by existing educational and social organization in the city. As a consequence, Puerto Ricans in the continental United States are becoming a people without roots or identity, without a sense of its own rich culture, history, and language.

The establishment of a cultural center in the city would go a long way toward helping them out of cultural poverty. It would also serve as an independent source of information and educational material for Puerto Ricans. The Commonwealth envisages the creation of a Puerto Rican Cultural Center in the city, housing a museum, an exhibition hall, an auditorium for recitals, lectures and theatrical presentations, a library, and a bookstore. Ideally, it would be under the auspices of the highly regarded *Instituto de Cultura Puertoriqueña* (Institute of Puerto Rican Culture), a non-political, public corporation which has won many awards for its magnificent work in the restoration of historical buildings, the sponsorship of arts and letters and the promotion of cultural exhibitions of works by contemporary Puerto Rican artists.

A center of this nature in New York City presents limitless potential for cultural rebirth of Puerto Rican communities throughout the United States. A Puerto Rican Cultural Center in New York could be the fulcrum from which travelling exhibits could reach other communities across the United States. Moreover, such a Center might promote the dissemination in Puerto Rico of the artistic work of our compatriots in the United States.

III. *Center for Puerto Rican Studies*

The inter-relationship of Puerto Ricans who live in Puerto Rico and those who migrate to the mainland is a continuing one because of the free flow of migrants to and from the island. A Center for Puerto Rican Studies could serve as a core from which an enriched awareness of Puerto Rican identity, history and affinity to both island and mainland cultures could emanate. Such an institution would operate in Puerto Rico and in several regional centers with concentrations of Puerto Ricans on the mainland. Its functions would be:

A. To develop new educational approaches to teaching Puerto Rican culture, history and social structure.

B. To develop a graduate curriculum on the above subjects.

C. To provide professional graduate level training.

D. To disseminate among various sectors of Puerto Rican society on the mainland and in Puerto Rico the knowledge and training generated by such a Center for Puerto Rican Studies.

E. To develop hard data on the effects of two-way migration between mainland cities and Puerto Rico. This would include such items as the motivation for migration and the impact of mainland returnees on Puerto Rican society. A wide-ranging study to develop this data is urgently needed now, and it should be an independently funded project conducted by the Center (or, indeed, any existing, qualified group).

The Center, which may be an independent entity governed by an appropriate board of trustees or may be affiliated with the University of Puerto Rico, should be authorized to conduct human resources planning. This is a critical area in which there is much to be done, both in upgrading the skills of prospective migrants to the mainland and in utilizing the new skills and abilities of returnees.

Staffing of the Center for Puerto Rican Studies could come from distinguished scholars and educators in Puerto Rico and on the mainland who could jointly develop a course of study and action. The mainland component would consist of regional centers which would provide a multi-faceted institutional base through which Puerto Ricans could express their common concerns and could receive support for their efforts to gain access to the mainstream of American life. As other minority groups in the continental United States have done, Puerto Ricans ultimately must develop their own leaders and organizations to ensure that they receive their fair and full share of the benefits of American society.

CONCLUSIONS

What is most striking in the development of philanthropic giving in the United States is its remarkable flexibility, which enables it to respond to differing needs in union with other institutions—private and public—in American society. As Governor of Puerto Rico and as an advocate for Puerto Ricans who reside on the mainland, it is my hope that the great private foundations will help us respond to the particular and pressing needs of *puertorriqueños*. Our problems are unique and we seek a unique and humanistic approach to them in this technological age.

We ask for your help.

[From the New York Post, Nov. 17, 1973]

THE "MISSING" MUNOZ MARIN

(By Jose Torres)

Believe it or not, since Thursday, some Puerto Ricans have been celebrating Puerto Rican Discovery Week. Although the ballyhoo for such a celebration is in many places non-existent, one can go to any public school in a ghetto area and see Puerto Rican food, children wearing typical Puerto Rican costumes; one can hear Puerto Rican music and see many young people dancing and singing *bomba* and *danzas* and *plenas*—our own music.

It brings to mind some observations and some nostalgia. For example I went to visit Alexander-Burger IS 139 in the Bronx, invited by Margarita Bergen, bilingual teacher and a member of the school's Community Relations Staff, to see closely what the school and its students are doing this week.

Bulletin boards were plastered with pictures and words of Puerto Rico's great patriots, like Pedro Albizu Campos, Eugenio Maria de Hostos, Ramon A. Betances and others. But noteworthy for his absence is Luis Munoz Marin.

And it is really a shame. I've heard of Stalin being dropped from history teaching in Russia and in Santo Domingo, I am told, to mention Trujillo is to bring the devil down. We should not follow those examples. For evil and good is part of every history. And Munoz Marin, like it or not, is very much part of Puerto Rican history.

It would be up to the Puerto Ricans themselves to judge Munoz Marin's contribution or harm done to our island, but he is very much part of our history.

Munoz Marin's participation in the politics of Puerto Rico began long ago in the '30's. Since the '40s, Munoz Marin has been virtually the ruler of Puerto Rico. First with an ideology of independence for the island and later as creator of Estado Libre Asociado—Commonwealth—Munoz is considered by many the Father of Puerto Rico.

But there has been a generation of Puerto Ricans in New York and elsewhere in the United States which hate Munoz with passion. Because practically all books written about Puerto Rican history have come from *independentistas*, they attack Munoz Marin as a traitor, a sell-out, a Yankee-lover. So, any readers—Puerto Ricans and others—of these books put Munoz Marin—our first elected Governor (subsequently he was reelected in three consecutive elections)—down.

And worse. Puerto Rican intellectuals teaching Puerto Rican history in schools here, omit the name of Munoz Marin from their teachings. In IS 139 I asked a young Puerto Rican (in English, of course) if he knew who Munoz Marin was and his face went blank. But I mentioned Albizu Campos and he said: "He was a great Puerto Rican."

Albizu Campos, we remember, was a Puerto Rican patriot who graduated from Harvard in the '40s. He struggled for political freedom of his country all his life. He was put in jail—for the attempted assassination of President Truman and the overthrow of the government of P.R.—and pardoned by Munoz Marin a number of times. He died, partially paralyzed, in his late 70s. His integrity was unchallenged and today his name is still the symbol of independence for Puerto Rico.

Once, Puerto Rican schools on the island taught us that our leaders were George Washington and Abraham Lincoln. That was during the time when English teaching in our schools was a compulsory subject while Spanish was not.

That's past history now. But we have gone from one extreme to the other. We have gone from one myth to another. To say that Munoz Marin never existed and that the Popular Democratic Party—a creation of Munoz Marin and advocate of Commonwealth political status—is and was a dream is to lie. The omission of Munoz Marin and his party in the teaching of Puerto Rican history is, in my view, obscene.

At William Ettinger JHS 13, the story was different. Here Roberto Negron, 24, chairman of the bilingual program, is aware of this situation. "I always try to tell students here that Munoz was the first elected Governor in Puerto Rico," Negron said. "We talk about Albizu Campos, Betances, Tapia, de Hostos and all the others. We try to be as objective as we can be. Then we let the students make up their own minds. We don't advocate any political party or ideology."

This is a good approach and a good theme. For we are celebrating Puerto Rican Discovery Week.

MADAME CHIANG ON NIXON RESIGNATION

Mr. GOLDWATER. Mr. President, because the people of free China living on Taiwan have always been such close and valued friends of the United States, I think that whatever is said by their leaders would be of interest to the people of our country.

Madame Chiang Kai-shek on August the 11th made a news release concerning the Nixon resignation and with it some extremely cogent comments about mainland China which, of course, is under the control of the Communists. Her remarks should cause us all to think, indeed, even be wary of how far we go with the mainland Chinese Government. I ask unanimous consent that her remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

MADAME CHIANG ON NIXON RESIGNATION

TAIPEI, August 11.—Madame Chiang Kai-shek when asked by a Central News Agency correspondent yesterday to comment on the resignation of President Richard Nixon, said it is evident that Mr. Nixon made a difficult and agonizing decision. However, it was a decision contingent upon the best interest of the United States.

She agreed with President-to-be Gerald R. Ford that it is the "finest personal decision for America as well as for the free world."

Further asked to comment on Mr. Nixon's statement of having "unlocked the doors that for a quarter of a century stood between the United States and the People's Republic of China, we must now ensure that the one quarter of the world's people who live in the People's Republic of China will be and remain not our enemies but our friends," Madame Chiang had this to say:

"The 'unlocking' of the doors of the mainland would indeed be a very good thing were it true. Unlocking the doors means free egress and ingress. First, let us talk about egress. The pity of it all is that it is only a theoretical 'unlocking' for we all know that in egress no compatriots of ours are permitted to leave the country and their enforced serfdom. The only ones that leave the mainland escape by swimming to Hongkong, or Communist functionaries who are sent out as so-called diplomats, trade officials, or those on special tasks or missions and even they move about in threes or more to prevent their decamping and asking for asylum from the 'decadent' countries wherever they are stationed or to the 'decadent West'.

"As to ingress, I can quote from extremely impartial sources. We all have heard of and about the well-known sinologist Lord Michael Lindsay. We also know over the years where his sympathy lies, yet he has become so disenchanted with the Maoist regime after his visit together with his wife to the mainland last summer."

Madame Chiang further enumerated the facts as given by Lord Lindsay to the effect, (1) All diplomatic missions in Peiping are completely isolated, incapable of obtaining information other than that printed in the "People's Daily"; (2) Only Australians certified by the Australian Communist Party as loyal to the Communist cause would be given visas by the Chinese Communist "embassy" in Canberra.

Lady Lindsay, herself a Chinese, came to the conclusion that the present-day Peiping regime is "more threatening and ferocious than a tiger." Lord Lindsay further charged that all Chinese people on the mainland are poverty-stricken, except Mao and his cohorts and cadres. And the people do not even have the freedom not to speak, Lady Lindsay added.

Madame Chiang pointed out another example from another source based upon a speech given by former deputy director of the U.S. liaison office in Peiping, China expert Mr. Alfred Jenkins, who said he thought that the Maoist regime has great difficulties in power succession, lacks stable systems, and is opposed to systems, intellectualism, professionalism, urbanization and the elite of society. Mr. Jenkins' assessment is that such a regime cannot bring true well-being to the Chinese people and cannot open a glorious vista for the country, she said, adding:

"Could anyone with a modicum of intelligence ever honestly think that establishing formal relations with a repressive regime can mean that the Chinese people on the mainland will turn instantly from being "enemies' of the United States into 'friends' of the United States? I say categorically that there is no such thing as instant friendship as instant coffee. On the contrary, the Chinese people are friends of the American people of long standing despite the Communist regime. In fact, reason and factual reports from refugees fleeing the Maoist tyranny tell us that the Chinese people resent and are bitter towards the U.S. détente and the establishment of closer liaison between the two governments because the people feel that the U.S. is putting the stamp of approval on their enslavement.

"In point of fact they feel that the United States by so doing is helping the Maoist cabal to enchain them with redemption set further away from achievement. They also feel that the United States is dealing a psychologically lethal blow to their emancipation from servitude. This I know is not the purpose nor the wish of the American people but this is how millions upon millions of my compatriots feel. The millions upon millions of refugees who were fortunate enough to flee to safety and are in Hong Kong and elsewhere are each and every one a living testament of that cruel tyrannical rule. I can do nothing but to report the facts as they are.

"Now at last we have the literary investigation of a giant of a man, the Gulag Archipelago. I recall that once upon a time the intellectuals of the West, aided by the liberals of the day, hailed the re-establishment of friendly relations between the American people with the great Russian people. Furthermore it was said that the Russian people (not Stalin's regime) will soon embrace democracy and all the ideals of democracy, some added, cautiously with gradualness. Even the fact that Maxim Litvinov had an English wife was trotted out to help perpetrate the great political hoax and swindle of the age. Yet unless Solzhenitzyn's testimony is an out-and-out fabrication of the grossest genre it portrays the Russian people, instead of enjoying the blessing of democracy as we understand it, are being systematically emasculated of their spiritual, intellectual and personal freedoms to a degree that literally affected tens of millions according to the Gulag. U.S. recognition of Stalin only exacerbated their status of antediluvian slavery.

"What more cynical and farcical reasoning can there be? Clearly contemporary history has shown that the U.S. government did a great disservice to the Russian people as well as to the American people. For what Americans were and are going through today globally are the results of decisions made during and after World War II by some of her leaders.

"The evidence is all there for us to see. Need I say more?"

RAIDS ON SOUTHERN LEBANON

Mr. ABOUREZK. Mr. President, I am inserting the following English language translation of a news article from an Arabic language newspaper in Beirut, Lebanon, An-Nahar, which describes a series of raids on the civilian areas of Southern Lebanon by the Israeli Air Force.

This is followed both by a statement from the Lebanese Government and a communique from Tel Aviv, Israel, all concerning the same raids.

The article describes the use of personnel bombs, napalm and machinegun fire on croplands, orchards and the civilian population in Southern Lebanon.

When the U.S. military undertook the same kind of savagery in Indochina, the American press and the American public were outraged daily, and rightfully so. But when Israel napalms Lebanese civilians who have no part in any conflict, the American public is largely silent.

Mr. President, the mistreatment of civilians is the same terrible experience, whether it occurs in Vietnam, Cambodia, Cyprus, Israel, Greece, South America or in Southern Lebanon and should require no less a cry of outrage, but unfortunately that has not been the case. I ask unanimous consent that the translation be printed in the RECORD.

There being no objection, the translation of the article was ordered to be printed in the RECORD, as follows:

[From al-Nahar, Beirut, Aug. 8, 1974]

RAIDS ON SOUTHERN LEBANON

At 1:00 A.M. in the early morning of yesterday, Israeli aircrafts raided the region of Arqub. Twelve hours later, formations of Israeli planes returned to the area and attacked with incendiary missiles civilian targets in the villages of the Hasbayya district leaving behind 5 people dead (2 Lebanese and 3 Palestinians) plus tens of wounded and substantial damage to the cultivated fields.

CONTINUOUS RAIDS

The correspondent of al-Nahar in the area filed the following report:

After an early morning raid and continuous flights made by Israeli aircrafts during the first hours of the day, the people of the district (Arqub) were expecting the worst.

In fact, at 2:00 P.M. six Israeli phantoms raided Wadi Maymas and the Bridge area dumping heavy missiles and delayed-action bombs. A pine forest was set afire and the main road connecting Hasbayya with Maymas, El-Kfeir and al-Khlwat was closed as a result of the holes caused by the bombs and the fallen trees. The fires that lasted until late in the evening destroyed large areas of olive orchards and shattered a substantial number of glass windows in Maymas and in the neighboring areas.

A CASINO-RESTAURANT RAIDED

A few minutes later the six phantoms raided Casino al-Hasbani, a restaurant, property of the Municipality of Hasbayya, killing one person and wounding the manager and several other people.

The aircrafts used exploding missiles and heavy machine guns killing Fatimah Muhammad 'Atawi (16 years) and wounding Su'ad al-Zoghbi (25 years), Muhammad Ibrahim 'Atawi (45 years), Qasim 'Atawi (22 years), Ghazi 'Atawi (27 years), Hiyam Hasan Hashim (18 years), Hasan 'Abd al-Karim Hashim (50 years), all from Shab'ah. All happened to be in the Casino at the time.

Some of the missiles fell in the proximity of Sulayman Abu Rafi's house on the bank of al-Hasbani River causing cracks in the house, wounding an army corporal and a lance corporal, and destroying three VW cars.

The Casino was badly damaged, so were the orchards all over the area. The road was closed until a contingent of the Lebanese army arrived and repaired it.

THE SECOND RAID

The second raid took place shortly after. Six phantoms bombarded the threshing field of Rashayya al-Fukhkhar, at a time when the field was crowded with people threshing their wheat crops. The phantoms dumped missiles and bombs. The crops were set afire and Mr. Ziyad Jibran (50 years) was killed. Wounded were Mas'ud Jradi (55 years), Hanna Jibran (18 years), Fahda Isbir (50 years), Naim Abu Khayr (62 years), Mikhail al-Ghrayyib (48 years), Elias el-Khuri (53 years) and Ibrahim Shahin (69 years). Damage was caused to several houses, and a number of olive orchards were set on fire.

THE GOVERNMENT STATEMENT

The Ministry of National Defense issued the following statement:

At 1410 today, two enemy aircraft flying at high altitude escorted by 8 Phantoms and Skyhawks raided the Khuraybah-Rashayya al-Fukhkhar junction on the Hasbani River in the al-Arqub region. The raid lasted for 5 minutes, after which the aircraft headed back in the direction of the occupied lands.

The aerial bombardment resulted in the deaths of 2 people and the wounding of 17 others from Rashayya al-Fukhkhar and the neighboring villages. These figures are tentative. Among the wounded are a corporal and a lance corporal, whose injuries are somewhat serious. In addition, two military vehicles—a jeep and a [word indistinct]—were hit, while several donums of plantation land and some houses were damaged.

The enemy aircrafts bombarded the villages of Maymas with missiles and *Napalm bombs* for 30 minutes causing damage to the cultivated fields and other properties.

At 2:30 p.m. the enemy aircrafts repeated their raid on the Maymas area. This raid lasted 15 minutes.

THE ISRAELI STORY

Israeli planes struck at Palestinian guerrilla targets in southern Lebanon early this afternoon, within 12 hours of a late night air raid in the same area, a military spokesman announced here.

He said today's raid, which started at about 2:10 pm. local time, lasted only a few minutes and all Israeli aircraft returned safely to base. A military spokesman here said the planes attacked "terrorist concentrations in southern 'fatahland'" but gave no details of the target.

TANEYTOWN HAS HISTORIC PAST

Mr. MATHIAS. Mr. President, 20 years ago this summer, the community of Taneytown, in Carroll County, Md., celebrated its bicentennial—and thus achieved a significant headstart on the rest of the United States. Maryland is rich in the history of the development of our country, and it is a history that grows richer with each passing year. The Carroll County Times recently recalled Taneytown's history, and its bicentennial observance 20 years ago, in an article by Elizabeth Annan, who wrote and directed the 1954 pageant. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TANEYTOWN HAS HISTORIC PAST

(By Elizabeth Annan)

Although Taneytown has no distinct history of its own, by that we mean no decisive battles were fought here or no events of great importance, it is full of local history of much importance.

It makes it more vivid to look at the picture as a whole. The town is just a figure in the pattern of the whole country. The Town—The County—The State—The 13 Original Colonies.

There were just six colonies settled when The Ark and The Dove sailed up Chesapeake Bay in 1634 and landed at what is now St. Mary's City, the first settlement in Maryland. Between that time and 1754 this section of Maryland was "the backwoods". The Tuscarbra Indians roamed the land, leaving evidence in relics such as stone hatchets and arrowheads. Place names bring memories of their hunting: Otterdale, Bear Branch and Beaver Dam.

By the time the earliest settlers came, the Indians had retired across South Mountain to the Cumberland Valley. It is said that in parts of the Coloney the Indians formed alliances with the settlers. The Indians were paid for their land and in turn protected them from unfriendly Indians.

The men who took the first land grants were speculators. They took the grants merely to sell them to early settlers, so it is safe to assume that Raphael Taney whose home was in St. Mary's County never lived here.

But he did hold 100 deeds to tracts of land and he did lay out the town which has borne his name for two centuries.

Although a prominent Catholic family Taney devoted Lot 87 to the erection of a Lutheran church while he consecrated Lot 87 to the erection of a church building of his own faith.

A complete list of the early land grants may be found in the Taneytown Bicentennial book published in 1954 and placed in the files of The Historical Society of Carroll County. Prominent among the early holders is Dr. Charles Carroll and his famous son of the same name for whom our county is named.

The date 1754 is recorded as the one of the first land grant to this particular section. Edward Diggs and Raphael Taney were granted a patent under the designation of The Resurvey of Brothers Agreement, 7,900 acres. Lots were laid out and the first deeds registered in 1762 to Peter Owler, Jr., Hannah and Robert Owings, Thomas and Samuel Owings.

Back in the early 1730's interest in the back country along the Monocacy River began increasing. The land speculators saw a new day. Before this time they had been in no hurry to sell. Disputes about boundaries hindered the settlement.

When the emigrants finally did go through, all the best lands had been grabbed by speculators.

Virginia was offering much better inducements to the settlers, so many moved on. But from 1760 on, many of the German emigrants were so pleased with his hilly countryside they were passing through that they decided to stay.

The disputes over the boundary lines between the Maryland and Pennsylvania provinces were long and fierce.

One tragedy is recorded of the fatal shooting of Dudley Diggs, brother of Edward and son of John Diggs, both early land speculators. How ironic that one of their tracts was the just mentioned Brother's Agreement! These disputes continued until 1763 when after several appeals to the King of England, two experienced surveyors were sent from London to America—Charles Mason and Jeremiah Dixon.

The result of their labor was a line drawn in 1767 which still holds today: The Mason-Dixon Line. Original markers still exist along our northern boundaries.

English and Scotch-Irish followed the Germans to the district as evidenced by names on early deeds, such as Owings, Good, Ross, Gilbert.

We find transaction in the name of Adam Good, buying and selling land from 1773–1803.

Lands, goods, chattels, personal property and slaves were listed. Incidentally, he was the first postmaster of Taneytown, 1795. It seems appropriate here to repeat the oft-told tale of George Washington's visit to the Adam Good Tavern. The site on Frederick Street is marked by a brass plaque. Washington records in his diary, June 30, 1971:

"I set off this morning a little after four o'clock in the prosecution of my journey towards Philadelphia—lodged in Tawnytown. Tawnytown is but a small place with only the street through which the road passes, the buildings are principally of wood."

So much for fact, but the story goes that Mrs. Washington was with him, traveling in a coach, while Washington was on horseback. A sign which marked the tavern had been painted by one who had crudely spaced the letters to read "A dam good inn." Entertainment for man and beast. They are reported to have eaten mush and milk for supper and Martha is reported to have brought her knitting.

We may well wonder how the early settlers supplied their needs. We find evidence of old industries in the homes of the present town. The clocks made by Eli Bentley, who was registered as a Taneytown citizen in the first census, 1790, are widely known. John Slagenhaupt, maker of chairs, came from Germany about 1770.

His son Samuel also plied the same trade on his farm, a short distance off the Uniontown Road. The seats were formed from oak strips split with a knife. Rungs and other parts were made from dry hickory. Prices varied from one dollar to three-fifty. There was a hat factory, a pottery, and tanyard. Brickmaking was an important industry.

Taneytown once supplied the United States government with firearms. For some years prior to 1799 a Mr. Stroyer manufactured nails, tongs, shovels, hoes and guns. A Mr. Knight also made military implements here. He was the father of Dr. James Knight born in 1810 who became famous as the discoverer of Orthopedic surgery. There were tinners, stove makers, harness makers, to mention just a few. Likewise the blacksmith shop, the coach shop and the bootshop.

Many of the early settlers came here because of the religious freedom offered in the colony. They came bringing with them their mammoth Bibles and hymn books. When the early Germans established the Lutheran and the Reformed congregations, services were held in German until 1820. The Scotch-Irish formed the Presbyterian organization at Piney Creek in 1761. The Roman Catholic church dates back to 1790. Rev. Nicholas Zocchi, born in Rome, died here in 1845 after serving the parish 45 years. Roger Brooke Taney was married to Ann Key by him, January 7, 1806.

These facts pertaining to colonial days have been gathered from old newspapers, scrap books and all available records. The late Dr. Arthur G. Tracey of The Historical Society of Carroll County furnished valuable information concerning early records, especially authenticating dates of land grants.

HERE ON THE MONOCACY

(By Dorothy Elderdice)

The Bicentennial Committee of Taneytown, meeting in the winter of 1952, asked me to write and direct a pageant celebrating the occasion. Because I have always cherished our Indian heritage I chose the above title. Monocacy means River of Many Bends. Incidentally, Patapsco means River of White-capped Waves and Pipe Creek, River of Peace.

The pageant was staged in Taneytown Memorial Park July 27, 28, 30, 31, 1954 with a cast of 500. The present mayor of Taneytown, Neal Powell, was one of the narrators, also Miss Elizabeth Annan, Mr. and Mrs. George Motter.

There were 15 scenes. Of course the visit of Washington to "A dam good inn" was depicted. Considerable effort went into the construction of a simulated tavern, topped by the placing of a 1791 flag. The Dance of The Hours paid tribute to the Eli Bentley clock. The drill of the Cornstalk Brigade reminded us of the militia demanded by Congress after the Revolution. Every man between the ages of 15 and 45 must register as a volunteer. There was an annual Muster Day when the men appeared for drill just as they came from the fields, carrying cornstalks in lieu of very scarce muskets.

Of course Francis Scott Key, born in 1780, only four miles away at Terra Rubra, was remembered. We presented the little known fact that he started the first Negro Sunday School in the United States, as we sang a hymn of his composition, "Lord, with glowing heart we'd praise thee."

The highlight of the production was the re-enactment of the first day of The Battle of Gettysburg when Gen. George Meade and his staff were encamped on the farm of Benjamin Shunk. Courier after courier came, each bearing a dispatch growing more urgent. Finally it was here that he determined to summon the full force of the Army of the Potomac for what proved to be the 16th decisive battle of the world.

The closing scenes depicted an early school, a great fire, the amusements of the ever Gay 90's, and nostalgic memories of World War I songs, ending with floats depicting present day organizations and industries, climaxed with a dream of the future when "man to man the world o'er will brothers be for a' that." The new hymn of The United Nations had to contend with an anthem of Francis Scott Key for finale, with the latter winning.

There were exhibits and gala events for the entire Bicentennial week, climaxed with a mammoth parade.

GEORGE SCHAEFER'S 200TH PRODUCTION

Mr. CRANSTON. Mr. President, on September 6, 1974, the first of six special 1-hour programs carrying the overall title of "Sandburg's Lincoln" and based upon the late Carl Sandburg's Pulitzer-Prize-winning biography will be aired over NBC Television. These programs, dealing with relatively little known facets in the personal and political life of President Lincoln, have been produced by Wolper Productions and will be presented by Eli Lilly & Co. and the American Bankers Association.

It is noteworthy that the first of the programs, "Mrs. Lincoln's Husband," marks the 200th production for the famed producer/director of the Lincoln specials, namely, George Schaefer. Mr. Schaefer is a most honored producer and director in the television industry. His numerous television productions have earned an unprecedented 69 awards. He is the possessor of eight Emmys, the highest accolade the National Academy of Television Arts and Sciences can bestow. Additionally, Mr. Schaefer is the only director involved in both motion pictures and television to have won the Directors Guild of America Award four times.

Mr. Schaefer's first production took place at Oak Park, Ill., in the summer of 1938. In the ensuing 36 years, his numerous stage plays, television productions and motion pictures have brought enjoyment to many millions of people. He is a credit to his profession and to his country. It is my privilege to congratulate this distinguished resident of my home state of California and to wish him 200 more productions in the years to come.

VIETNAM-ERA VETERANS READJUSTMENT ASSISTANCE ACT

Mr. JAVITS. Mr. President, yesterday we approved the conference report on H.R. 12628, the Vietnam-Era Veterans Readjustment Assistance Act of 1974. The conference bill is a reasonable compromise in view of the House reluctance to approve a partial tuition assistance plan. It will significantly improve benefits to the over 7 million Vietnam era veterans.

In particular, I note that the increased monthly educational benefits provided in this measure bring them more closely to parity with those educational benefits provided veterans of the World War II and Korean conflict eras. A provision increasing the number of months of entitlement from 36 to 45 months is much more in keeping with the time realities involved, and will permit many more veterans to complete their education.

Underutilization of educational opportunities by the younger veteran has, in large part, been caused by our failure to keep the benefits available to them anywhere near the level necessitated by the exploding costs of education. For example, in New York State, only 36 percent of the veterans eligible for assistance apply and use their benefits.

The result is a vicious cycle—the educational benefits have been so low that the veteran cannot afford to use them, and he cannot afford to use them because his lack of education limits his earnings potential. The improved benefits provided in this measure are a much needed first step in breaking this tragic cycle.

I am very disappointed that the partial tuition assistance plan, a feature of the Senate bill, was dropped by the conference. Such a tuition payment plan was provided World War II and Korean veterans, and enable many veterans to stay in school who otherwise would have been unable to continue their education. Today, a similar program is necessary to ameliorate the differences in educational costs incurred by veterans residing in different States with different systems and costs of public education. Veterans in States with high tuition public education—like New York State, which has the second largest veterans' population in the Nation—should not, because of geographical location, be "frozen-out" of educational opportunity they have earned with great personal sacrifice.

For this reason I have joined with 25 Senators in writing to Senator HARTKE, chairman of the Senate Veterans' Affairs Committee, urging prompt and serious consideration of tuition assistance for the Vietnam era veteran. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 19, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: Your efforts in drafting a conference report on the Vietnam Era Veterans Readjustment Assistance Act of 1974 are to be congratulated. The provisions of this legislation as approved by the Conferees will go a long way toward bringing veterans educational benefits in line with today's needs.

We are concerned, however, over the decision not to include in the final bill the partial tuition assistance allowance which was an essential element in the Senate version of this legislation and which was approved unanimously by your Committee and the entire Senate.

Your Committee's report on S. 2784 stated, "The creation of a partial tuition assistance allowance (is) necessary as part of an effort to deal effectively with the G.I. bill educational assistance comparability problem." We believe that need still exists.

The effectiveness of the improved benefits as approved by the Conferees will continue to vary dependent upon the availability of low-cost, readily accessible, public, post-secondary schools. Despite the increased benefits in the conference bill, some form of variable tuition payments is needed to ameliorate the differences in educational costs incurred by veterans residing in different States with different systems of public education and to restore equity among these veterans.

We understand the need to gain quick Congressional and Presidential approval of improved educational benefits legislation so that plans for the fall can be made by the veteran. The intransigence of some members of the House conference stands in the way of a timely implementation of a tuition grant program. Therefore, we will support the conference report on the Senate floor.

We would recommend that, during the fall, your Committee continue to work with the Veterans Administration to design a tuition grant program that will protect against potential abuses and that will provide equity to all veterans regardless of their state of residence. We recognize and appreciate your own strong commitment to this objective. Given that this issue has already been examined in depth and received broad bipartisan support, we are certain that a tuition bill can be reported to the floor of the Senate and considered early in the 94th Congress.

Sincerely,

George McGovern, Charles McC. Mathias, Jr., William D. Hathaway, Mike Mansfield, John O. Pastore, Edward W. Brooke, Daniel K. Inouye, Robert Dole, Walter F. Mondale, Hugh Scott, Thomas F. Eagleton, Hubert H. Humphrey.

James S. Abourezk, John V. Tunney, Dick Clark, Abraham Ribicoff, Harrison A. Williams, Edmund S. Muskie, Robert Taft, Jr., Philip A. Hart, Frank Church, Frank E. Moss, Richard S. Schweiker, Clifford P. Case, Howard M. Metzenbaum, Jacob K. Javits.

THE ECONOMY IN NEED OF NEW IDEAS

Mr. McGOVERN. Mr. President, Hobart Rowen has authored an article in the Washington Post today, August 22, 1974, which deals with the need for new ideas and new leadership concerning the problems of the economy. He points out, that the present economic advisers all seem to think that simple reductions in Federal spending will cure the problems of the economy. What is needed, writes Mr. Rowen, is some new economic thinking to accompany a revitalized national spirit.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEEDED: "NEW IDEAS" ON THE ECONOMY

(By Hobart Rowen)

There is no doubt that President Ford has gotten off to a great start with the public, the Congress, and the press. AFL–CIO President George Meany expressed it for all when he said "There's a great sense of relief."

But the euphoric mood is not going to last long in the absence of some positive steps to get control of economic problems—not simply inflation, but the stagnation that is fast becoming a true recession.

What President Ford urgently needs is a new Cabinet and a new set of economic advisers to replace the tired old group now in office, whose record for analysis of the problems—and forecasting of the future—has been consistent only in its mediocrity.

Almost everyone—Democrats and Republicans alike—agrees that inflation and high interest rates must be brought down. The current crop of economic advisers left over from the Nixon administration insists that the basic problem in the economy is excessive demand. So they pin their faith on the simplistic notion of cutting the budget.

But excessive demand—which means too many dollars chasing too few goods—is hard to find today. There are some supplies that are short, to be sure. But consumer buying has been slipping. Housing as everyone knows, is in a depression. Inflation, having cut the real standard of living, has induced the average person to pull in his horns.

So the real problem for President Ford, as it was for President Kennedy in 1961, may be to "get the country moving again." But this will require development of a broader range of economic weapons than budget-balancing and tight money.

President Ford will have to overcome the natural instinct for "continuity" that expresses itself when disaster hits a President. That was the Lyndon Johnson theme when President Kennedy was assassinated.

Although there was an emotional need in 1963 to avoid the additional shock of a cascade of new faces, some LBJ advisers like Joseph Califano think, in retrospect, that Johnson overdid the continuity routine.

Today, a break with the past is essential. President Ford could clean out the deadwood from the Nixon Cabinet, the Office of Management and Budget, the Council of Economic Advisers and the housing agencies—and the country wouldn't be jarred.

The Ford administration needs a fresh impetus from strong, competent and innovative men and women who can bring a broad range of views into White House councils. There is a similar need in the Federal Reserve System, which plays an all-important role in setting monetary policy and influencing interest rates. For the vacancy created by Gov. Andrew F. Brimmer's recent resignation, President Ford ought to make sure that someone of independent mind gets the job.

In designating new Cabinet officers and economic advisers, President Ford might consider the same bipartisan approach he is following in inviting qualified persons to his economic "summit" meeting.

As things stand, an economic advisory team built around Treasury Secretary William E. Simon (who has been asked to stay for the duration of the term), CEA Chairman-designate Alan Greenspan and Federal Reserve Chairman Arthur F. Burns is highly conservative. It needs a broader perspective.

The President must build bridges to broadly based businessmen—such as those who support the aims of the Committee for Economic Development—and to the academic world.

There are Democratic economists such as Otto Eckstein, Arthur Okun, Joseph Pechman, Walter W. Heller, Alice Rivlin, Paul A. Samuelson, Robert Solow and Charles L. Schultze; Republicans such as George Stigler, Paul W. McCracken, Marina von N. Whitman, Hendrik S. Houthakker and Murray Weidenbaum; and independents such as C. Fred Bergsten, John T. Dunlop, Arnold C. Harberger, and Arnold Weber who might be asked to serve on the CEA, the Cost of Living Council, the Federal Reserve, the Budget Bureau, the housing agencies, in the White House or elsewhere in the federal establishment.

Most have been in government before, and while many have lucrative consultative sidelines in addition to their academic posts, an appeal to their patriotism should be hard for them to resist.

These men and women (and the list could be much longer) will not have, any more than Burns, Greenspan and Simon, a magic solution to stagflation.

But some "new ideas" that Mr. Ford said he was seeking—in a speech while Vice President—would certainly be forthcoming from them. And getting a few of them to work fulltime for his administration would be a step toward an intellectual reconciliation entirely in line with the goals the new President has set out.

AMENDMENT TO THE CONSUMER PROTECTION AGENCY BILL

Mr. MONDALE. Mr. President, on June 24, 1974, I introduced an amendment to S. 707, the Consumer Protection Agency bill. My amendment, No. 1521, authorizes the Administrator of the CPA to provide information and financial assistance to private consumer organizations for the purpose of assisting such organizations in intervening or participating in any agency or judicial proceeding which substantially affects consumer interests.

Along with my remarks explaining the amendment and the text of the amendment, I asked to have printed in the Record a letter from Prof. John F. Banzhaf, professor of law and legal activism at George Washington University, indicating his full support for my proposed amendment. On June 27, 1974, the distinguished Senator from Alabama (Mr. Allen) quoted extensively from Professor Banzhaf's letter to me in arguing against the enactment of S. 707. The Senator from Alabama (Mr. Allen) apparently took Professor Banzhaf's discussion of the need for my amendment to S. 707 as containing implicit criticism of this important legislation. Even more unfortunately, the Senator from Alabama (Mr. Allen) left the impression that Professor Banzhaf opposed the enactment of S. 707.

In order to clarify this matter, I have asked Professor Banzhaf to more fully articulate his position on the merits of S. 707 as well as to answer the Senator from Alabama's (Mr. Allen) arguments against the enactment of S. 707 allegedly found in Professor Banzhaf's letter. Professor Banzhaf has, accordingly, written a complete and thoughtful letter to me. As his letter indicates, Professor Banzhaf fully supports the bill, believes its enactment is "urgently needed," and feels that the bill will go a long way toward remedying the weaknesses which currently exist with regard to representation of consumer interests in most agency proceedings.

In order that Professor Banzhaf's views may be clarified and in order that we may learn from this important consumer representative why S. 707 is needed, I ask unanimous consent that the letter of July 15, 1974, from Prof. John Banzhaf to me be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 15, 1974.

Hon. Walter F. Mondale,
U.S. Senate,
Washington, D.C.

Dear Senator Mondale: I am writing to correct what I believe to be the erroneous impression created by Senator Allen's use of my letter to you of June 5 supporting your proposed amendment to the Consumer Protection Agency Act to the effect that I am opposed to the passage of the act, or that the act, even without your amendment, contains what he characterizes as "major weaknesses" which should mitigate against its passage. For reasons which will be explained in this letter I believe:

a. That passage of the C.P.A. is urgently needed, even without your amendment;

b. That the weaknesses described in my letter of June 5 already exist with regard to representation of consumer interests in most agency proceedings, and will be mitigated—although admittedly not completely—by passage of the C.P.A. in its present form;

c. That your proposed amendment to compensate non-governmental organizations representing a consumer viewpoint in certain agency proceedings would eliminate the weaknesses which I saw in the present bill.

Furthermore, since my earlier letter, in which I offered to provide examples has apparently been misunderstood or misinterpreted by Senator Allen, I will take the liberty of attempting to illustrate each of these points, and to add a few general comments which might be helpful to those considering this bill.

In my letter of June 5 I candidly pointed out that the C.P.A. has certain weaknesses. Senator Allen has apparently seized upon these weaknesses as reasons for failing to pass it in its present form. Yet, no bill which Congress passes is perfect, and even the best contain weaknesses, whether or not they are realized at the time. To admit that a bill has weaknesses and will not completely solve the problem at which it is aimed is, of course, no reason for failing to pass it, particularly where it would provide a large measure of relief with regard to an important and pressing problem. This is, I believe, doubly true with regard to the C.P.A., since each of the weaknesses I pointed out with regard to that bill already exists with regard to representation of consumer interests in most agency proceedings. Passage of the C.P.A. in its present form would substantially mitigate these problems. Passage of the C.P.A. with your proposed amendment would, I believe, eliminate even these weaknesses.

The first weakness which I noted in my original letter was the problem that governmental entities set up to represent the public interest often have failed to do so. Senator Allen has apparently seized upon this point as an argument against passage of the C.P.A. If his argument were a valid one, it would seem that Congress should likewise abolish the staffs of the major federal regulatory agencies, since it is to them the initial burden of representing the public falls. It should be noted that the C.P.A. will have little incentive to participate in regulatory proceedings in which the staff of the agency is adequately performing its task of representing the public interest in a proceeding in which all of the major vested interests are more than adequately represented by counsel. Only in the instance where the agency staff itself fails to act would there be incentive for the C.P.A. to participate. Although it must be candidly admitted that there will be some situations where both the agency staff and the C.P.A. will fail to act, the C.P.A. will, I believe, serve as an effective backup to representation of the public interest by the agency staff. Thus, this supposed "major weakness in the current C.P.A. bill" is in fact a major weakness in our current regulatory process which will be substantially mitigated by passage of the C.P.A. bill.

In my original letter I also suggested that strong vested interests would seek to neutralize the Consumer Protection Agency to the extent that the C.P.A. was a major force in any proceeding affecting it. Although Senator Allen has apparently seized upon this as a second "major weakness," it again is a fact of life currently existing at the administrative agencies which would be ameliorated in part by passage of the C.P.A. The presence of an independent consumer protection agency would obviously make it more difficult for a vested interest to dominate and improperly influence a proceeding at a federal regulatory agency. In this role also the C.P.A. would serve as a backup and protection, since a vested interest seeking to adversely influence an agency proceeding would have to affect both the staff at the federal regulatory agency and at the Consumer Protection Agency. Moreover, I believe such influences would be far less likely and far less pervasive at the C.P.A. simply because it would not be specialized and there would not be created the very close long-range relationship which frequently exists between the regulatees and the staff of the regulatory agencies. It is not uncommon, for example—indeed, it is probably rather the rule than the exception—for young attorneys joining the staffs of the Federal Communications Commission, the Food and Drug Administration, and other specialized agencies to aspire to gain expertise in these respective fields so that they can later serve as private counsel to them. In such a position staff members may be reluctant to rock the boat or push too hard in an agency proceeding for fear of antagonizing the very industry which they hope one day to represent. There have, in fact, been, as we know, a number of situations where persons serving in a regulatory capacity were receiving or negotiating job offers to represent a member of the industry they were purporting to regulate. In addition to these influences it is also the almost subconscious pressure which results from working day-to-day, week-to-week, and month-to-month with representatives of the same basic industry, frequently on the same basic problems. Thus the staff member who is concerned with renewing broadcast licenses or with testing certain drugs cannot avoid being exposed to the common attitude of broadcasters who would like to see their licenses renewed without trouble or delay, and drug manufacturers eager to market their products.

It is reasonable to assume that although such influences will not entirely disappear, they will be substantially diminished with regard to a Consumer Protection Agency. There, rather than dealing continuously with one industry, staff members presumably will examine and be exposed to a wide variety of consumer problems. There will not be the same close working relationship between members of the staff and an industry, and staff members will be less likely to aspire to build up an expertise in one area to be used later in representing the same industry before the same agency as private counsel. Thus, as with the first "major weakness," this problem which already exists with regard to any regulatory agency would be substantially diminished by the passage of the C.P.A.

Thirdly, I noted in my letter that the Consumer Protection Agency would not be infallibly able to determine where the consumer interest in regulatory proceedings and occasionally failing than to continue the current practice under which the interests of the consumer may never be mentioned, much less considered at all. At the risk of being overly repetitious, it must again be noticed that the initial and primary responsibility for representing the public interest in a regulatory proceeding lies with the staff of the agency. To the extent that the staff is unable or unwilling in a given proceeding to shoulder that responsibility, our next line of defense would be the staff of the Consumer Protection Agency. If they were to operate with no more than the efficiency of most of their counterparts there would nevertheless be a very substantial increase in the representation of consumer interests in proceedings which affect millions of consumers.

Finally, in my letter I quite candidly alluded to the problems of determining where the consumer interest might lie in a given proceeding and to the problem that the Consumer Protection Agency would face in seeking to represent more than one consumer viewpoint. Yet, even if the C.P.A. would represent only one consumer viewpoint in a given proceeding, this would in many cases be one more consumer viewpoint than would otherwise be represented in such a proceeding. Further, I believe there may well be instances where the staff of a regulatory agency adopts one position that they believe would serve the best interests of the consumer and would advocate it to the regulatory agency. Because of the myriad of interests of the consumer the C.P.A. might well seek to represent and to vigorously propose a second viewpoint. Whether they succeed in persuading the regulatory agency of the validity of their position in any given proceeding is not of paramount importance. What does matter is that the regulatory agencies, and particularly the commissioners of the regulatory agencies, cannot do their job effectively unless there are forceful and effective advocates arguing for a variety of different viewpoints.

On this point I must note, with all due respect, that Senator Allen is mistaken when he says, "Professor Banzaf [sic], as do many, apparently equates the public interest with the interest of consumers." As Senator Allen well knows, under our adversarial system representatives of a variety of different viewpoint attempt to marshal the facts and arguments in any given proceeding to persuade the commissioners that what they propose is in the public interest. Under our system that decision lies not with the staff of the agency and not with the C.P.A. but, rather, with the commissioners. Yet they can only arrive at these decisions fairly and regulate effectively if the many viewpoints to which they should turn their attention are effectively represented. I therefore reply to Senator Allen that the public interest, and fair and effective regulation at the federal level, is served by effective advocacy of one or more consumer viewpoints, whether or not the final decision is for or against them.

In summary then, the "major weaknesses" which Senator Allen extracted from my letter are in fact existing weaknesses of the regulatory system which would be corrected, at least in part, by the passage of the C.P.A. in its present form. Recognizing as I did, however, that the weaknesses would only be partially eliminated, I supported your proposed amendment which would provide still a third voice in regulatory proceedings and even more effectively mitigate the problems which I discussed. Senator Allen disagrees that your amendment would have this effect. I respectfully disagree.

Senator Allen says, "First, Senator Mondale's amendment would not grant private consumer activists the extraordinary and unprecedented advocacy powers to be granted to the CPA. Therefore, the CPA will clearly be more powerful than the private activists who are intended to provide a productive counterbalance. In fact, the CPA could intimidate these groups with its vast powers." With all due respect, I do not read the C.P.A. bill to grant to the proposed C.P.A. such extraordinary and overwhelming powers. The right to intervene in a large number of regulatory proceedings has already been established by public interest organizations, by court decision, statute, or otherwise. What Senator Allen, I believe, fails to realize is that the power to participate and intervene is not necessarily the power to control and to determine outcomes. I and students under my direction have intervened into or otherwise participated in literally dozens of agency proceedings, serving in much the same role, I believe, that the C.P.A. would. Moreover, with all due respect to Senator Allen, I do not think that we have ever felt ourselves "intimidated" either by the powerful interests against which we frequently competed, or by the staffs of the agencies which were frequently both powerful and intransigent. I feel that if Senator Allen's vote can be obtained only by striking an absolute and perfect balance between competing forces it will never be cast, any more than it would if he awaited with equal diligence a perfectly balanced federal budget.

As his second major reason against your proposed amendment, Senator Allen argues that the C.P.A. itself would determine "what is 'the interest of consumers' in any particular proceedings," and implies that private consumer advocates with differing viewpoints might not receive any funds. I for one would have more trust than that in the proposed Consumer Protection Agency and would be quite willing to take my chances that they would recognize, as most consumer activists do, that no one has a monopoly on truth or the consumer viewpoint, and that there is no talisman *for determining* either. Rather, to use the example Senator Allen cited in his letter, I would assume that in a regulatory proceeding relating to a proposed safety requirement for an automobile the consumer protection agency would within the appropriate limits of the Mondale amendment reimburse a recognized consumer interest organization for presenting arguments relating to fuel conservation, environmental harm, and other viewpoints, even if the agency itself had chosen to represent another.

Moreover, should the Consumer Protection Agency construe its mandate under the proposed Mondale amendment too narrowly, it would certainly be open to Congress to modify its mandate or to provide an alternative, such as permitting individual agencies to compensate public interest organizations which appear before them to represent a consumer point of view.

For all of the above reasons I, contrary to the impression that may have been created by Senator Allen, do strongly support passage of the C.P.A. bill in its present form. Moreover, I believe that an already good bill could be made better by an amendment along the lines that you have proposed. I again thank you for providing me with the opportunity to express my views on this very important issue.

Yours truly,
JOHN F. BANZHAF III,
Professor of Law and Legal Activism.

PUBLIC WORKS APPROPRIATIONS

Mr. MATHIAS. Mr. President, we have now agreed to the Appropriations Conference Report for Public Works and I shall take this opportunity to discuss matters within that report having an effect upon the State of Maryland. For some time, there has been great concern in Maryland, in Virginia, and in the District of Columbia, that the supply of water for the District of Columbia and its surrounding suburbs will prove inadequate for the future. Controversy over water supply in the lower Potomac River Basin was focused by the recent congressional passage of the Water Resources Development Act. I offered an amendment to section 85 of that act designed to resolve this controversy by protecting the rights of all parties. The amendment concerns the Sixes Bridge Dam on the Monocacy River in Frederick County, Md., a project designed to augment the water supply of the Washington metropolitan area.

Briefly, my amendment requires the National Academy of Sciences to review and comment upon the Corps of Engineers' study of the entire river basin and to report their findings and recommendations to the Congress. It also provides that a pilot treatment facility must be constructed and operated to test estuary waters for human consumption. Under my amendment, these activities would be a condition precedent to authorization of construction of the Sixes Bridge Dam. The formula is designed to insure that we proceed wisely.

When offering this amendment for consideration by the Senate, I assured my colleagues that I would support further planning and evaluation of the Sixes Bridge Dam. So, even though I presently harbor strong reservations concerning Sixes Bridge Dam, I feel committed to seek funding for planning of the project. The Senate Appropriations Committee responded by including $200,000 for planning of Sixes Bridge Dam. This has now been dropped in conference with the House.

However, certain events subsequent to the acceptance of my amendment to the Water Resources Development Act have a bearing on my continued support for Sixes Bridge planning funds. The Maryland General Assembly has declared the Monocacy River, on which the Sixes Bridge Dam would be located, to be a scenic river. This action by the State of Maryland prohibits large water impoundments as a matter of law. While such action is not binding upon the Federal Government, I believe Federal authority should respect the wishes of State and local governments wherever possible. Furthermore, analysis of the formula agreed to in the Water Resources Development Act indicates that a number of steps must take place before construction of the Sixes Bridge Dam could occur. Because the necessary steps will be time-consuming, it is sensible to begin with these steps. Sixes Bridge Dam can, if appropriate go forward at a later date without delaying the overall formula.

As I mentioned, construction of a treatment facility for estuary water, and testing of that facility for a number of years is a precondition for the construction of the Sixes Bridge Dam. This task will require a significant fiscal commitment over a number of years. For this reason, adequate funding of the estuary treatment project has been my highest priority in considering the public works appropriation bill. I was disturbed that neither the administration's budget request, nor the House appropriations bill included funds for this project. But, I am very pleasd that the Public Works Subcommittee of the Senate Appropriations Committee added, at my request, $350,000 for this project and that the conferees retained the Senate funding level for the treatment project. This will be a signal to the Corps of Engineers of the strong congressional commitment to providing adequately for Washington water needs, while at the same time minimizing environmental damage.

Another facet of the water supply picture for the Washington metropolitan area is the Bloomingtn Dam now under construction. I am pleased that $7,200,000 in construction funds will be appropriated this year. Progress on the dam has been exceptional to date and this new appropriation will insure that we can continue at the same pace.

Mining for coal has long been an important facet of life in western Maryland. Unfortunately, there are environmental side-effects from this activity. Abandoned strip and deep mines contribute to water pollution. For some time the rivers of western Maryland have been severely affected by mine acid drainage. Bloomington Dam, now under construction, may actually exacerbate this water quality problem. By impounding the water and releasing it at certain times of the year, acid concentration levels will be periodically increased. I have long felt that we must face the problem of mine acid drainage prior to the completion of Bloomington Dam. The administration's budget request contained $50,000 for investigation of the sources of mine acid on the north branch of the Potomac River. I consider $50,000 to be inadequate to meet this problem. For this reason, I was disturbed that the House followed the administration request and appropriated only $50,000. The Senate Appropriations Committee, at my urging, increased this appropriation to $200,000. The conferees have agreed on a figure of $125,000 for next year. While I am disappointed that the conferees could not agree on the Senate funding level, I believe the $75,000 increase over the House appropriation is a great step forward.

Also contained in the Public Works Appropriation conference report is $50,000 for a study of flood control in the Baltimore metropolitan region—a metropolitan region of some 1.8 million people; the 14th largest such region in the country. For too long we have matched a fragmented, multi-jurisdictional approach against floods of increasing frequency and intensity which respect no jurisdictional lines. Hurricane Agnes with damage estimated at $200 million and the loss of 21 lives underscored the problem. This 5-year study is imperative and long overdue.

This is also the proper time to point out what remains to be accomplished. Section 85 of the Water Resources Development Act authorizes a study of the Potomac River Basin to determine how best to provide water for human consumption. I have mentioned the start we are making toward treating and using estuary water. But we need to also look at ground water supplies, water impoundments, wastewater reclamation and the possibilities of using present water supplies in a more efficient fashion. The proper vehicle for this investigation is the section 85 study and I will make every effort to see that it is adequately funded.

Finally, I want to take this opportunity to extend my congratulations to the managers on the part of the Senate for representing the Senate position well. I think the conference report represents a proper balance between clearly demonstrated public need and the overriding importance of reducing Federal expenditures to an absolute minimum to dampen inflationary pressures.

THE PRESIDENT AND INFLATION

Mr. ABOUREZK. Mr. President, I would like to take this opportunity to congratulate President Ford for demonstrating strong positive leadership in the fight against inflation. Like millions of other Americans, I applaud President Ford's efforts in opposition to the recent 10 percent price increases announced by General Motors. Those increases are clearly excessive and will have an inflationary impact. I trust that President Ford will be as vigilant in the future in opposition to unwarranted price increases.

With respect to the past, much is prolog, yet at least some of the increases must be rolled back. I urge the President particularly to examine the inflationary consequences of gasoline price increases and increases in the cost of basic steel. If we are to win the struggle against inflation in the coming days the enormous price increases in these basic commodities which reverberate throughout the entire economy must be thrown back.

Recent articles in the New York Times and a leading business magazine lead me to believe that President Ford is in a unique position to effectively hold back unjust and unwarranted price increases. Those articles note that the President is a close personal friend of a number of Washington representatives of major American corporations including William G. Whyte, of United States Steel; Clark MacGregor, of United Aircraft; Rodney W. Markley, of Ford Motor Co.; Bryce N. Harlow, of Procter & Gamble; and Kim Hallamore, of Lear-Siegler. The articles go on to note that President Ford often golfs and vacations with these gentlemen and their mutual families. I am sure that the President will have ample opportunity to discuss price increases with these gentlemen as they make their way around the golf links or relax with their families.

Perhaps a good place to start this process would be to seek Mr. Whyte's assistance in persuading United States Steel to roll back the recent 30 percent price increases in steel. With such a huge increase in the price of steel it is little wonder that all manufacturers which utilize steel—including General Motors—are hard pressed to hold the line against increased prices. Our President would strike a major blow against inflation if he could prevail upon Mr. Whyte to roll back the price of steel so that we might all roll back the price of living.

I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles was ordered to be printed in the Record, as follows:

[From the New York Times, Aug. 19, 1974]

Ford's Old Friends Include Big Corporate Lobbyists

(By Michael C. Jensen)

President Ford's circle of friends from the business community includes several of Washington's most powerful corporate lobbyists, some of whom are helping shape his Administration during the transitional period.

A number of Mr. Ford's business friends are long-time golfing companions. Several have close ties with his family and have taken vacations with the Fords.

One friend, Rodney W. Markley Jr., the Ford Motor Company's chief Washington lobbyist, was on his way to his vacation retreat on the French Riviera when he learned that Mr. Ford was to be sworn in as the nation's 38th President. Mr. Markley boarded a plane in Paris and rushed back to Washington.

DINNER WITH FORDS

He arrived too late for the President's swearing-in at the White House, but joined the Fords later that evening at their home in suburban Virginia for a dinner gathering of old friends.

For Mr. Markley, dining with the Fords was nothing new. The 61-year-old automobile executive is one of a tight circle of corporate officials in Washington who are counted among President Ford's closest and most trusted friends.

Besides Mr. Markley, the President's innermost sanctum contains two other corporate figures who are widely known in Washington circles. They are Bryce N. Harlow, Procter & Gamble's chief Washington representative, who for years has moved easily in and out of Government and has advised a succession of Presidents, and William G. Whyte, vice president of the United States Steel Corporation and its top man in Washington.

Two other important business or professional friends are from Mr. Ford's home town of Grand Rapids, Mich., and already are working at the White House. They are Philip W. Buchen, Mr. Ford's former law partner who last week was named counsel to the President, and William Seidman, an accounting-firm executive who is assisting in the President's economic planning.

In addition to business friends, the President's inner circle includes the customary group of old political friends, current and former Representatives and Senators, and staff members among others.

Mr. Whyte, Mr. Markley and the President have been frequent golfing companions at the Burning Tree Club. Their wives and children are friendly; for example, Mr. Whyte says his younger son has dated Mr. Ford's daughter and their families have vacationed together.

And Mr. Ford's accession to the Presidency has not interrupted their relationship. Last Monday, Mr. Harlow, Mr. Whyte and Mr. Markley joined a group of other Presidential friends for drinks and a late buffet at the Ford's house after President Ford had delivered his address to a joint session of Congress.

SUBTLE CHANGES

In subtle ways, of course, their acquaintanceship has been altered. Now suddenly, the man whom they have known for 20 or 25 years as "Jerry" has become "Mister President."

"I try to go the formal route," said Mr. Whyte of United States Steel, "but on the golf course, you may find me slipping."

Mr. Markley said his first dinner with Mr. Ford after the Presidential change-of-command was sprinkled with "Mr. Presidents."

"As much as he teases me about it [use of the formal title] I'll do it," Mr. Markley said in a telephone interview from his condominium in France. "He said 'Don't do that,' but I'm determined to use it."

While Mr. Ford's inner circle of personal business friends includes a number of lobbyists among his old associates, other Presidents have chosen a different mixture.

NIXON LIKED MILLIONAIRES

President Richard M. Nixon, for the most part, preferred the company of self-made millionaires such as Charles G. (Bebe) Rebozo and Robert H. Abplanalp, although he also was close to such executives as Elmer Bobst, honorary chairman of the Warner-Lambert Co., W. Clement Stone, the Chicago insurance millionaire, and Donald M. Kindall, chairman of Pepsico, Inc.

President Lyndon B. Johnson was not close to many businessmen, although he counted among his most intimate friends lawyers with strong business ties—men, such as Abe Fortas and Clark M. Clifford. President John F. Kennedy's closest personal friends were generally his old Navy associates or school and college associates, rather than businessmen. President Dwight D. Eisenhower, on the other hand, welcomed friendships with businessmen, but preferred chief executives to Washington lobbyists.

Mr. Ford, whose Congressional career began in 1949, has therefore had a greater exposure to Washington lobbyists than he has to other types of businessmen.

OTHER LOBBYISTS INCLUDED

Beyond the first circle of the President's business intimates there is a wider group that is said to include such Washington lobbyists as Kimberley C. Hallamore of Lear Siegler, Inc., and John F. Mills of the Tobacco Institute, Inc.

Another friend is said to be Stark Ritchie, chief general counsel of the American Petroleum Institute.

The President's friends also include Max M. Fisher, a Detroit industrialist; John M. Shaheen, a New York oilman; Leon W. Parma, a California businessman, and Earl (Red) Blaik, the 77-year-old former football coach at West Point and ex-officer of the Avco Corporation. But these aren't so close as Messrs. Harlow, Whyte and Markley.

The day before Mr. Nixon resigned, for example, Mr. Whyte was host for a Presidential transition meeting at his home. Mr. Harlow and Mr. Buchen, among others, attended.

Mr. Harlow, who has known President Ford since the late nineteen-forties served as a White House counselor to Mr. Nixon, and is considered a power in the Republican party. He played a major role in writing the last three Republican party platforms while he was employed by Procter & Gamble. He was also a close personal aide of President Eisenhower's. Mr. Harlow said in a telephone interview that he was not going to return to Government service in the Ford Administration.

MARKLEY DISCUSSES DUTIES

Like some other corporate officials close to President Ford, Mr. Markley is a registered lobbyist, but he said he believed that was too narrow a definition of his duties. He said he represented the Ford Motor Company before regulatory agencies, in court actions, and in a variety of other Government related activities.

Many of the businessmen close to Mr. Ford pointed out that the new President had an extraordinary number of business friends. "There are probably 1,000 guys around the country who would say they are Jerry Ford's friend," said one executive.

Mr. Hallamore of Lear Siegler made the point that Mr. Ford did not have "cronies," but rather "friends."

Some of Mr. Ford's business friends across the country, point out that theirs is not an individual, but a family, relationship. For example, Leon Parma, a group executive of Teledyne, Inc., in San Diego, has enjoyed Easter vacations with the Fords for seven or eight years in Palm Springs, according to one of Mr. Parma's associates.

Other friends have known Mr. Ford through a combination of business and sports.

Mr. Blaik, now retired and living in Palm Desert, Calif., said he had known President Ford since 1934. "We played golf about two weeks ago in Newport Beach," he said. "I didn't win," added Mr. Blaik, who has a handicap of 13. "He's pretty good."

Mr. Buchen, the new White House counsel, most recently was a partner of the medium-sized Grand Rapids law firm of Law, Buchen, Wethers, Richardson & Dutcher. Besides a number of local clients, the firm lists as some of its representatives clients large national companies such as the Brunswick Corporation, the Ford Motor Company, and Chesapeake & Ohio Railway Company and United States Steel.

SEIDMAN GIVES ADVICE

Mr. Seidman, as partner in the accounting firm of Seidman & Seidman, currently on leave of absence, has not yet settled into a formal position in the White House, but is working closely with the President on economic matters.

For the most part, the business community has welcomed Mr. Ford's accession to the Presidency. Even the new President's mild jawboning of General Motors last week, after the automaker announced a 10 per cent price increase for 1975 models, did not seem to distress many executives.

"I think we're going to see a lot of that," said E. Douglas Kenna, president of the National Association of Manufacturers, "and you know, it could be effective."

[From Business Week, Aug. 17, 1974]

The Businessmen Closest to Ford

"I am the people's man," a solemn President Ford vowed this Monday in his first major address to the nation, and in a burst of egalitarian eloquence, he pledged to serve "the poor and the rich . . . those who work at lathes or at desks or in mines or in the fields. There are, however, no lathe operators in the new President's tight inner circle. His closest advisers are mostly canny veterans of the political wars. And his friends are, in surprisingly large numbers, successful Washington-based corporate executives who share the Ford passion for straight talk and exuberant golfing.

One of these is William G. Whyte, U.S. Steel's vice-president in charge of Washington (D.C.) operations. The Whyte family and the tightly knit Ford clan often vacation together, the last such outing being a Hawaiian trip last May. Whyte was one of a few close friends and advisers to whom Ford turned after the Nixon resignation to help "mesh" Ford's staff with Nixon's former staff.

Whyte expects the President to streamline the staff inherited from Nixon but feels that "he will not move fast" in the delicate task. The reshuffling will not fall to Whyte, who does not plan to take an Administration job. But he will undoubtedly remain in the background as a key Ford adviser and confidant.

BUSINESS FRIENDS

United Aircraft Corp.'s Washington vice-president, Clark MacGregor, is another old friend. MacGregor's tie with Ford dates back to MacGregor's 10-year stint as a Republican member of the House of Representatives from Minnesota and, from early 1971 until July, 1972, as counsel to President Nixon for Congressional relations.

"President Ford is going to be entirely different in the mechanism by which views are presented to him," predicts MacGregor. "He favors oral communication, whereas Nixon liked all arguments cogently presented to him in writing. There won't be that kind of filtration process, and Ford won't isolate himself for eight hours every day. As for the new President's general business perspective, the former congressman asserts that "business ought to be optimistic about Ford . . . They'll find him very receptive as long as they adhere to strict ethical standards."

Also close to Ford is Bryce Harlow, 58, Procter & Gamble's Washington vice-president for government affairs, with more than 30 years of Capitol Hill experience behind him. A former House Armed Services Committee staff director, he was also chief Congressional liaison for Presidents Eisenhower and Nixon. Harlow rejoined P&G after the 1970 elections but resurfaced last spring as a counselor to Nixon after the departure of aides H. R. Haldeman and John D. Ehrlichman. Harlow's Washington resources run long and deep, and an acquaintance says admiringly that he has "an exquisite political sense."

Another key Ford associate is Rodney W. Markley, vice-president of Ford Motor Co.'s Washington staff and a long-time Ford family friend and golf partner. He has been in Washington since 1951, when the company first opened the office, and has watched with interest his friend Jerry Ford's steady rise to power in Congress.

MIDWEST BUSINESSMAN

Markley, who has regular social contact with the Fords, sagely hints that the new President's conservative economic philosophy may grow as Ford makes the transition from "Jerry Ford" to "Mr. President." Right now, says Markley, "he'd be classified as a conservative Midwestern businessman" in outlook. "Not a big businessman," smiles Markley, "but the small-town paint and varnish store operator."

Close to Ford socially is Kim Hallamore, Lear Siegler's Washington director of government relations. He golfs with Ford and gives an annual appreciation party for Ford and associates. "This guy has thousands of friends," says Hallamore, "and no cronies."

On the West Coast, Ford also visits Leon W. Parma, 47, a former aide to Representative Bob Wilson (R-Calif.) and now a group executive for Teledyne, Inc., in San Diego. "They have a close personal relationship," says a Parma associate of her boss's ties with the President. "They golf, and for the past eight years the families have gotten together every year at Easter." This Easter, the get-together was at U.S. Ambassador to Britain Walter H. Annenberg's Sunnylands estate, near Palm Springs.

John W. Byrnes, former ranking Republican on the House Ways & Means Committee, is a Ford golfing companion and intimate friend. The conservative, 61-year-old Byrnes retired from Congress in 1972 to join the Washington office of Foley & Lardner, a Milwaukee law firm. Now he is working on transition problems for Ford, and he is expected to advise the President on tax, trade, and health insurance.

Economic advice may come from L. William Seidman, 53, a principal in the Grand Rapids (Mich.) international accounting firm of Seidman & Seidman. As a one-time adviser to Michigan Governor George Romney, he organized a task force of top CPAs to map an efficiency program for the State's fiscal affairs.

Currently, Seidman has the job of helping to organize an economic summit conference on the problems of inflation. Ford himself will preside at the session with government, labor, and industrial leaders, although it is not expected to be held until sometime after Labor Day. Beyond that, Seidman's future role with the White House is not clear. "He's not an economist, and doesn't pretend to be," remarks a friend of Seidman's. "But he is highly qualified for the task of organizing this meeting."

Seidman's firm was the auditor for Equity Funding Corp. when the scandal involving that company's insurance subsidiary broke last year. In February, 1972, S&S merged with Wolfson, Weiner, Ratoff & Lapin, the accountant for the parent Equity company, and later became accountant for the insurance subsidiary. S&S was auditing Equity's fraudulent insurance subsidiaries' 1972 records at the time the scandal broke, though a report for 1972 was never issued. Two S&S employees who came with the Wolfson, Weiner merger were among 22 persons indicted in the case. Wolfson, Weiner was named as an unindicted co-conspirator, but S&S was not.

Although a source at the U.S. Attorney's office in Los Angeles, which is prosecuting the case, says there is no indication that S&S had "any knowledge of criminal activity" in the matter, the Securities & Exchange Commission may raise questions about its supervision of the firm it acquired.

A Grand Rapids friend who has surfaced in the Ford transitional staff is Philip W. Buchen, 58, Ford's original law partner. Since 1967, he has been a partner with the Law, Buchen, Weathers, Richardson & Dutcher law firm. From 1969 to 1971, he served as an adviser to the U.S. delegation to the international telecommunications satellite consortium. Buchen is on the board of directors of several Grand Rapids companies, and also is a director of the Communications Satellite Corp.

When he was vice-president, Ford named Buchen to be executive director of the White House Domestic Council Committee on the Right of Privacy. Now he is spending his time in a cluttered Executive Office Building "transition office" and sits in on Cabinet meetings along with the President.

FEDERAL ASSISTANCE FOR CHILD CARE

Mr. MONDALE. Mr. President, the need for adequate care for the millions of children whose parents are working has increased dramaticaly in recent decades, and continues to grow. Consider just a couple of facts:

Today one out of every three mothers with preschool children is working, compared with only one out of eight in 1948.

Thirteen percent of all children—some 8.3 million—are living in single parent families, and 65 percent of these parents are working; yet there is only about 700,000 spaces in licensed day care centers to serve the 6 million preschool children whose mothers work.

These are some of the reasons why I and many of my colleagues in both the House and Senate, have been working for the enactment of child and family services legislation, and why we began joint House-Senate hearings recently on S. 3754 and H.R. 15882, the Child and Family Services Acts of 1974.

Mr. President, at the same time we work for more adequate Federal assistance for child care, I think it is important that we do all we can to make information available to the public about the kinds of Federal assistance that already exists. I am indebted to Mrs. Netty Podell Ottenburg, a tireless leader in the fight for adequate child care, for bringing together the material which I want to describe briefly and then insert in the RECORD.

First, I ask unanimous consent to insert at the close of my remarks a summary entitled "Taxes, Day Care Centers, and Working Mothers," prepared with the assistance of Mr. Robert Zarnock of the Internal Revenue Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Second, I ask unanimous consent to close my remarks with publications from the Women's Bureau of the Department of Labor.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MONDALE. I am hopeful that this information will be useful to the individuals and organizations throughout the country who are interested in day care. Further information and clarification of tax deductions and other tax information can be obtained from the Internal Revenue Service. Technical assistance on how to proceed in developing day care centers in connection with industry may be obtained by applying to the Community Service Division of the Social and Rehabilitation Services Agency in the Department of Health, Education, and Welfare and also from the regional offices of the Women's Bureau of the Department of Labor.

EXHIBIT 1

TAXES, DAY CARE CENTERS AND WORKING MOTHERS

1. TAX EXEMPT STATUS OF DAY CARE CENTERS/FACTORY DAY CARE CENTERS; DEDUCTION FOR CHARITABLE CONTRIBUTIONS TO DAY CARE CENTERS

A non-profit organization formed to operate a day care center for young children of needy working parents may become a tax-exempt charitable organization even if it charges a nominal fee for its services. Typically, such organizations are not self-supporting and must depend upon public contributions for their existence. Individuals and businesses may deduct charitable contributions to a day care center recognized as a tax exempt charitable organization by the Internal Revenue Service.

Factory day care centers may also enjoy the same tax exempt advantages, even where the center is financed in part by cash and services from the company operating the factory. To be a tax-exempt charity, a factory day care center must serve a public rather than a private interest. Thus, it should be open to members of the community, rather than restricted to employees of the company. Secondly, the center should select children on the basis of objective criteria, such as the financial need of the family and the child's need for the day care program.

A day care center does not become a tax-exempt charitable organization merely by meeting these requirements. It must file an application (Form 1023) with the District Director of Internal Revenue for the district in which the organization has its principal office. Forms are available at IRS offices. In addition, Revenue Rulings 70–533 and 86–166, specifically dealing with the tax exempt status of day care centers, may also be obtained there.

2. CHILD CARE DEDUCTION FOR WORKING MOTHERS

A working mother who pays a baby-sitter to come into her home and take care of her dependent children under 15 may be entitled to a deduction for these payments of up to $400 a month. Amounts paid to a housekeeper, maid or cook may also be included in deductible child care expenses if those services at least partly benefit the children.

A mother who takes her children to a nursery or day care center while she goes to work may deduct the cost of such child care up to $200 a month for one child, $300 a month for two children or $400 a month for three or more children.

Child care expenses may be deducted in full if your income is less than $18,000 and a partial deduction may still be available if your income is less than $27,600. For more details, see IRS Publication 503, "Child Care and Disabled Dependent Care." It's available free from IRS offices.

3. RAPID AMORTIZATION OF CHILD CARE FACILITY EXPENDITURES

Recent tax legislation—the Revenue Act of 1971—permits employers to write off ratably over a period of 60 months capital expenditures incurred in acquiring, constructing, reconstructing, or rehabilitating child care facilities. The child care facilities must be used primarily for the children of employees of the company.

IRS regulations on this new provision of the law have not yet been issued, but the Senate Finance Committee's explanation suggests that the deduction applies to buildings and equipment actually used to provide child care services, rooms, play equipment and materials particularly suited to the needs of children being cared for during the day, kitchen facilities connected to the child care area and special children's toilet facilities. The Committee report also said that the deduction would not apply to capital expenditures in connection with general purpose rooms used for many purposes.

This provision of the law applies only to expenditures made after December 31, 1971, and before January 1, 1977.

Exhibit 2

[From the U.S. Department of Labor, Employment Standards Administration, Women's Bureau]

Day Care: An Employer's Plus

As our economy continues to utilize its womanpower, as more women express interest in training or seeking employment, and as our Nation grows more concerned with the development of its children, increasing attention is being focused on the lack of adequate day care services for children.

Among the 32.9 million women in the labor force in March 1972, there were 12.7 million mothers with children under 18 years of age. About 4.4 million of these mothers had children under 6 years. While several million children need day care services, it is estimated that day care in licensed centers and family homes is available for only about 905,000 children.

To meet the need for more child care services there must be cooperative effort from all sectors of our economy, including private organizations, businesses, and government agencies at all levels. Some industry and labor representatives have made a start toward providing these services, but the active participation of many more is required if we are to meet present and future needs. Day care services should be considered along with other workplace standards in collective bargaining agreements. It is important also for communities to survey their day care needs and work toward improving their situation.

Employers who have initiated day care programs have found it advantageous to do so. In a survey of hospitals, discussed in the Women's Bureau publication "Child Care Services Provided by Hospitals," it was found that the availability of such programs was helpful in retaining as well as recruiting nursing personnel, resident doctors, and other health workers. Additional advantages included the opportunity for some personnel to work full time instead of part time or to work overtime, the facilitation of shift rotation, and a reduction in absenteeism. Almost 90 percent of the hospitals felt that some of their staff would resign if services were discontinued.

Similarly, several other employers, as mentioned in the Women's Bureau bulletin, "Day Care Services: Industry's Involvement," reported that recruitment of personnel was easier and absenteeism and turnover rates were reduced when child care services were offered.

There are a number of ways in which employers and unions have become involved in day care. Some operate centers on or near their worksites, others have served as catalysts in their community to establish such programs or have made financial commitments to community-focused day care, and still others have assisted their employees in finding suitable arrangements. Also, there are those who have granted vouchers to employees to purchase day care; contracted with existing centers for a specified number of day care spaces; joined in a day care consortium with other employers, universities, or private organizations; and participated in an industrial park development.

A major goal of the Women's Bureau is to promote improvement and expansion of day care facilities. Toward this end, the Bureau has prepared and distributed several publications, including "Day Care Facts," "Federal Funds for Day Care Projects," "Child Care Services Provided by Hospitals," and "Day Care Services: Industry's Involvement."

For further information, write to the Women's Bureau, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210, or contact the Women's Bureau Regional Director in your area.

Region I (Boston): Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Women's Bureau Regional Director, U.S. Department of Labor, John F. Kennedy Federal Building, 1612-C Government Center, Boston, Mass. 02203. Area Code 617-223-5565.

Region II (New York): New Jersey, New York, Puerto Rico, Virgin Islands.

Mrs. Mary E. Tobin, Women's Bureau Regional Director, U.S. Department of Labor, 1515 Broadway, New York, N.Y. 10036. Area Code 212-971-5451.

Region III (Philadelphia): Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia.

Mrs. Margaretta Seay Bell, Women's Bureau Regional Director, U.S. Department of Labor, 15th Floor—Gateway Building, 3535 Market Street, Philadelphia, Pa. 19104. Area Code 215-597-1183.

Region IV: (Atlanta): Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.

Mrs. Joan F. Green, Women's Bureau Regional Director, U.S. Department of Labor, 1371 Peachtree Street NE., Atlanta, Ga. 30309. Area Code 404—526-5461.

Region V: (Chicago): Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin.

Miss Mary C. Manning, Women's Bureau Regional Director, U.S. Department of Labor, 732 Everett McKinley Dirksen Building, Chicago, Ill. 60604. Area Code 312—353-6985.

Region VI: (Dallas): Arkansas, Louisiana, New Mexico, Oklahoma, Texas.

Miss Rhobia C. Taylor, Women's Bureau Regional Director, U.S. Department of Labor, Federal Building, U.S. Courthouse, Dallas, Tex. 75202. Area Code 214—749-2568.

Region VII: (Kansas City): Iowa, Kansas, Missouri, Nebraska.

Women's Bureau Regional Director, U.S. Department of Labor, 911 Walnut Street, Kansas City, Mo. 64106. Area Code 816—374-5383.

Region VIII: (Denver): Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.

Mrs. Lionila L. Saenz, Women's Bureau Regional Director, U.S. Department of Labor, 244 New Custom House, Denver, Colo. 80202. Area Code 303—837-4138.

Region IX: (San Francisco): Arizona, California, Hawaii, Nevada.

Mrs. Madeline H. Mixer, Women's Bureau Regional Director, U.S. Department of Labor, 450 Golden Gate Avenue, San Francisco, Calif. 94102. Area Code 415—556-2377.

Region X: (Seattle): Alaska, Idaho, Oregon, Washington.

Mrs. Lazelle Johnson, Women's Bureau Regional Director, U.S. Department of Labor, 2015 Smith Tower, Seattle, Wash. 98104. Area Code 206—442-1534.

Day Care Facts

FOREWORD

For many years the Women's Bureau has been advocating that more child care facilities be made available for all who need them. We continue to work toward closing the gap between need and availability. In this connection, we have used various promotional means—sponsored day care conferences, published day care materials, addressed industry-sponsored meetings—to make the problem more visible.

While a major reason many children need day care services is employment of their mothers, other imperative reasons include illness or death of the mother, mental or physical handicaps, emotional disturbances, poor family relationships, and inadequate living conditions which do not provide a place for play or adult supervision after school.

The need for child care will continue to increase in the decade ahead because of:

A growing number of children aged 5 and younger; the accelerating trend in employment of mothers; increased emphasis on providing child care services for welfare mothers who desire work; widespread awareness that a child's early years are of crucial importance to his or her future.

We have updated "Day Care Facts" to highlight the need, as well as review some existing programs, public and private. It is hoped that this pamphlet will encourage many more individuals and groups to join in our efforts to meet the great need for day care for children of working mothers and all others who can benefit from such programs.

DAY CARE NEED

Working mothers and their children

The employment of mothers, like the employment of all women, has been rising for several decades. This expansion is expected to continue, and as a result, the need for child care services will increase.

From 1940 to March 1972 the number of women in the labor force more than doubled—from 13.8 million to 32.9 million. However, the number of working mothers increased more than eightfold—from 1.5 million to 12.7 million. In March 1972, 12.7 million mothers with children under 18 years of age were working or seeking work. Of these mothers, 4.4 million, or about 1 out of 3, had children under age 6. More than 4 out of 10 mothers who had children under 18 years were in the labor force as compared with 3 out of 10 in 1960 and less than 1 out of 10 in 1940. Projections for 1985 indicate that 6.6 million mothers aged 20 to 44 with children under age 5 will be in the labor force.

This will represent a 32-percent increase between 1975 and 1985.

The number of children with mothers in the labor force increased sharply during the last decade. Nearly 26 million children under 18 years old had mothers who were working or looking for work in March 1972. More than 5.5 million of these children were under 6 years old. In 1960, 15.7 million children under 18 had working mothers, and about 4 million of these children were under age 6.

Child care arrangements made by working mothers

To determine the extent of the need for child care, in 1965 the Women's Bureau of the Department of Labor and the Children's Bureau of the Department of Health, Education, and Welfare (HEW) cosponsored a national survey of child care arrangements made by mothers who worked 27 weeks or more, either part time or full time, in 1964 and who had at least one child under 14 years of age living at home.[1] These 6.3 million mothers had a total of 12.3 million children under 14 years; of the children, 3.8 million were under 6 years.

Almost half of the preschool children were cared for in their homes; not quite a third, in someone else's home; a little more than 5 percent, in group care centers; and the remainder, under other arrangements. Some were cared for by their mother while she worked; others—"latchkey children"—cared for themselves.

The proportion of children who looked after themselves was considerably larger among those of school age than among preschoolers, while the larger proportion of those cared for in group care centers was made up of preschool youngsters. Almost all of the children whose mothers worked only during school hours were of school age.

A project sponsored by the Child Welfare League of America was designed to learn about the general public's attitude toward day care and about the status of organized day care facilities. The report of the project also discusses types of arrangements made for the care of children under 12 years of age while their mothers worked.[2]

Twenty-three percent of the arrangements were for in-home care by the father; 12 percent, for in-home care by siblings; and 17 percent, for in-home care by other relatives, mostly grandmothers. The other 21 percent of arrangements for in-home care included 7 percent where the children looked after themselves. Out-of-home arrangements included care by relatives (12 percent) and by neighbors, friends, or babysitters (11 percent). Only 3 percent of arrangements were for care at a center or group facility.

Capacity of facilities—spaces

According to the latest estimates, care in licensed centers and family homes is available for only about 905,000 children.[3] It is estimated that several million children need this service.

Federal Support for Day Care

Legislation authorizing Federal funds for day care[4]

A major advance in Federal child welfare legislation was made by the 1962 Social Security Act amendments, which authorized Federal grants-in-aid to State public welfare agencies for day care services. This stimulated the States to improve standards for day care facilities and to develop broader day care plans.

The 1967 amendments to the Social Security Act authorized the Work Incentive Program, a comprehensive program of manpower and social services. The law provides that persons on welfare rolls be trained for permanent jobs at decent pay and that child care services must be furnished trainees. Regulations issued by the Social and Rehabilitation Service of HEW require such services to be maintained until trainees are reasonably able to make other satisfactory child care arrangements.

Another provision of the 1967 amendments authorized grants for special projects to train personnel for work in the field of child welfare, including day care.

The Economic Opportunity Act of 1964 authorized grants for the development, conduct, and administration of day care projects within community action programs. The largest single program developed under the act is Head Start, which provides day care for disadvantaged children. In addition, funds may be used for day care of children of migratory and seasonal farmworkers, for work training and employment programs relating to day care in highly concentrated low-income urban areas, and for work training programs which include day care as a supportive service. Grants may be used to train young men and women as day care workers or aides. Economic opportunity loans to establish a day care center are available to eligible persons or to small business concerns in areas where there are many unemployed or low-income persons.

Under the Elementary and Secondary Education Act of 1965, funds may be made available for day care programs for educationally deprived children in areas that have high concentrations of children from low-income families, including children of migrant farmworkers. Funds may be used for research, surveys, and demonstrations relating to day care centers.

The Vocational Education Act of 1963 authorized funds to provide training in occupations involving knowledge and skills in home economics subjects. This may include training of aides and assistants to directors of day care centers.

The Education Professions Development Act authorized funds for training and retraining personnel who serve youngsters in preschool programs, day care centers, kindergartens, and in the early years of elementary school. Funds have been made available to train staff for selected Follow Through[5] programs and for day care centers in pilot 4–C communities.[6]

Some programs under the Manpower Development and Training Act authorize either training in day care occupations or provisions of day care as a supportive service for training or both of these.

Several other acts authorize Federal aid for various programs relating to day care. Such programs include nursing services and other health services for migrant children in day care centers; research and training programs for persons whose roles or functions may be related to mental health; continuing education in mental health for child care workers; and grants for staffing community mental health center facilities (a child care center may be part of a mental health center). Business loans, economic opportunity loans, and lease guarantee insurance programs are available to operators of day care centers. Further, there are lunch, breakfast, and milk and special food service programs designed to safeguard the health and well-being of children, including those in day care centers.

In addition, there are a few laws which relate to funds for day care facility construction. One, administered by the National Institute of Mental Health of HEW, authorizes grants for construction, initial equipment, renovation, or acquisition of community mental health center facilities (as noted above, a child care center may be part of a mental health center). Other laws relating to construction are administered by the Department of Housing and Urban Development. Among the programs authorized by such laws are: the Neighborhood Facilities Grant Program, under which financial and technical assistance may be provided for the development of centers to house health, recreation, social, and other community services and activities for low- and moderate-income persons (day care centers may be included, providing that they are housed in multipurpose facilities); the Indoor Community Facilities Program, under which loans may be provided to local housing authorities for construction or acquisition of low-rent housing, including community facilities where space may be designated for a day care center; and the Model Cities Program, under which day care projects may be part of a program financed from supplemental funds.

Legislation regarding private funds

A 1969 amendment to the Labor-Management Relations Act of 1947 permits employer contributions to trust funds for the establishment of child care centers for preschool and school-age dependents of employees.

Legislation Regarding Income Tax Deductions

The Revenue Act of 1971 liberalized child care deductions, effective January 1, 1972.

Deductions for individuals

Expenses for child care may be deducted up to $200 a month for one child, $300 for two children, and $400 for three or more children. If the adjusted gross income of the couple or individual exceeds $18,000, the deduction is reduced 50 cents for each $1 of added income. In effect, those with adjusted gross incomes of $27,600 and over would not benefit. Married couples may claim the deduction only if both are gainfully employed on a full-time basis (unless a parent is physically or mentally incapable of self-care) and if they file a joint return. No deduction may be made for payments to family members and relatives or other dependents living in the home of the taxpayer. Qualifying taxpayers may take the deduction only if they itemize expenses. The deduction is a "personal" expense.

Deductions for businesses

A business may deduct, proportionately over a 5-year period, the expense of acquiring, constructing, reconstructing, or rehabilitating property for use as a child care facility primarily for employees' children. Such amortization must be for tangible property which is of a character that would otherwise be subject to depreciation. The provision applies to buildings and equipment, or portions of them, actually used for child care services; that is, facilities in which children receive such personal care, protection, and supervision in the absence of their parents as may be required to meet their needs.

The provision applies to a room or rooms and play equipment or materials particularly suited to the needs of children being cared for during the day. It does not apply to general purpose rooms used for other purposes; for example, as an employee recreation center during the evening. Nor does it apply to a room or part of a room which is simply screened off for use by children during the day. Features such as kitchen facilities connected to the child care area or children's special toilet facilities could be included within the provision of the law.

The deduction is permitted for expenditures made between January 1, 1972, and January 1, 1977. Congress plans to evaluate the effectiveness of the provision during this 5-year period.

Footnotes at end of article.

Federal panel on early childhood

The Federal Panel on Early Childhood was established in 1968 by the Secretary of HEW, at the request of the White House, as a first step to improve and expand all early childhood programs financed by Federal funds. The Panel includes representatives from HEW and other Federal agencies that are concerned with services to families and children—the Departments of Labor, Agriculture, Commerce, Interior, Defense, and Housing and Urban Development, and the Office of Economic Opportunity—as well as the Office of Management and Budget.

The primary function of the Panel is to develop plans for the most effective use of operating, research, training, and technical assistance funds, available to each of the Departments and agencies, in ways which will strengthen every program.

One of the Panel's first priorities was the development of Federal Interagency Day Care Requirements.[7] These standards, which apply to all major federally assisted day care programs, establish minimum requirements for facilities; educational, social, health, and nutritional services; staff training; parent involvement; administration; coordination; and evaluation.

In addition, the Panel drew up a plan to coordinate all programs that provide services to children and their families at all levels of operation. This Community Coordinated Child Care (4–C) Program is administered by the Office of Child Development of HEW. It is an effort through which local public and private agencies interested in day care and preschool programs develop procedures for cooperating with one another on program services, staff development, and administrative activities. It involves combining available resources and establishing a suitable coordinating group, such as a council, agency, or committee.

The coordinating mechanism at the Federal level is the Panel's 4–C Standing Committee. The regional counterpart is the Federal Regional 4–C Committee (FRC). There are 4–C councils at the State and local levels.

FRC's are in operation in the 10 HEW regions. In early 1972 there were 34 State 4–C councils and 271 local councils.

DAY CARE PROGRAMS DIRECTLY CONNECTED WITH EMPLOYMENT

Centers operated by employers

Federal Agencies: A few Federal agencies have established day care centers for their employees' children; other agencies are either investigating the feasibility of establishing a center or are in varying stages of planning. (See page 12 for centers operated by organization of Federal employees.)

In October 1968 the *Department of Labor* opened a day care center for 30 preschool children of its employees in the Washington, D.C., area. Within a few months, enrollment reached capacity. Half of the children were selected from new employees who could not accept employment unless low-cost child care were available, and half were selected from other Department employees at various grade levels.

The project, operated by the nonprofit National Capital Area Day Care Association, is funded in part by the Department under authority of title I of the Manpower Development and Training Act for experimental, developmental, demonstration, and pilot projects. In the first year of operation, employees paid a sliding fee for the service, ranging from $1 a week for families with annual incomes of less than $4,000 to $25 a week for those with incomes of more than $15,000. The second contract, which ran from October 1969 to December 1970, authorized enrollment for up to 60 children and lowered the age at which children were accepted from 2½ to 1½ years. Fees ranged from $1 a week for families with annual incomes of less than $4,000 to $30 a week for those with incomes of more than $17,000.

The third contract, for the 1971 calendar year, required the operator to continue to offer a quality education program. Enrollment was still authorized for 60 children, with a minimum age of 1½ years. Some services were provided only as needed, and staff was increased. Fees ranged from $1 a week for families with annual incomes of less than $4,000 to $25 a week for those with incomes of more than $17,000. The contract ending December 1972 called for the same services and fees as the preceding contract. Data on the 1973 contract were not available when this pamphlet was prepared.

The *Social and Rehabilitation Service* of HEW opened a child care center for its employees' children in February 1971. The center is funded through an experimental and demonstration grant. Its purpose is to demonstrate ways in which public welfare can expand child care services for children of low-income groups. The project will demonstrate adequate care at minimum cost. The center has a capacity of 60 children 2 to 5 years old. Parents pay on a sliding scale from $1 to $30 a week per child. It is operated by the Thiokol Chemical Corporation under a research contract.

The *Office of Education* of HEW opened its "National Demonstration Center in Early Childhood Education," a model child care center, in June 1971. Capacity of the center is 40 children aged 1½ to 3 years. It is financed by the Office of Education with grant assistance from the Ford Foundation. Parents pay on a sliding basis. The onsite model enables the Office of Education to demonstrate various innovative methods. These include new curricular materials, new strategies in training staff, and new concepts in teaching. In addition, the model strengthens the Office's position to encourage State and local governments and private employers to operate similar centers. The children's parents and Office of Education specialists in the Early Childhood Section are required to spend at least 1 day a month as adult aides in the facility. The parents who work with the children are not charged leave. It is operated by the Institute for Advancement of Urban Education.

The *Office of Economic Opportunity* (OEO) opened its center in March 1972. The center is funded through the agency's research and demonstration authority, and is operated by Edufax, Inc., under contract. Its purpose is to demonstrate the feasibility of employer-provided day care. The center has a capacity of 60 children 2 to 6 years old. Besides the children of OEO employees, enrollment includes children of employees of other Federal agencies. Parents pay on a sliding scale from $17 to $130 a month per child.

Business and industries

Several day care centers operated by industries for their employees' children are discussed in a Women's Bureau bulletin.[8] Of the 11 companies listed in that publication, eight are still operating their centers: Avco Economic Systems,[9] Dorchester, Mass.; Control Data Corp., Minneapolis, Minn.; Curlee Clothing Co., Mayfield, Ky.; Mr. Apparel, Inc., High Point, N.C.; Skyland Textile Co., Morgantown, N.C.; Tyson Foods, Inc., Springdale, Ark.; and Vanderbilt Shirt Factory, Asheville, N.C. In addition, centers were opened in 1971 by the Chesapeake and Potomac (C&P) Telephone Co., Washington, D.C.; Jefferson Mills, Williamston, N.C.; Ohio Bell Co. and Western Electric Corp., Columbus, Ohio (one center established for children of employees of both companies); and Stride-Rite Co., Boston, Mass. This year the Joshua Tree Manufacturing Co. of Gardena, Calif., and the Security National Bank of Walnut Creek, Calif., opened centers.

All the companies except Curlee charge fees. Seven—Avco, Jefferson Mills, Mr. Apparel, Security National Bank, Skyland, Stride-Rite, and Vanderbilt—enroll some children of nonemployees.

Eight of the centers have capacities of 50 or less. Capacities of the other centers are: Jefferson Mills, 60; Avco, 65; C&P and Control Data, 100 each; and Skyland, 118.

Hospitals

A mail survey conducted in April 1968 by the Women's Bureau showed that 98 hospitals were operating child care centers for their health personnel.[10] Fifty of the hospitals were in the South; 27, in the North Central States; 11, in the Northeast; and nine, in the West. (The remaining one did not identify its location.) Of those responding to a question on number of years in operation, 56 hospitals had established their centers within the past 6 years, and 16 within the last year. Nine had operated their centers for 15 years or longer.

About 2,550 parents used these services for almost 3,200 of their children. More than 60 percent of the parents were nurses. Other health personnel using the services included doctors, dentists, anesthetists, nurses' aides, orderlies, and laboratory technicians. Sixty-seven percent of the centers were in operation 6 or 7 days a week. More than 90 percent of the child care programs were subsidized by the hospitals; although the centers charged fees.

It is possible that some hospitals may have closed their day care centers since the survey. On the other hand, the Bureau has learned that about 20 others have opened centers for the children of their health personnel.

Educational institutions

From a 1971 sample survey of 310 senior coeducational colleges and universities, it was found that there were 100 institutions operating 90 day care programs. The study has not been completed.[11]

An example of what colleges are doing is the center opened in January 1969 by the Federal City College in Washington, D.C., for children of faculty, students, and community residents. The Division of Education pays for salaries, "hard" equipment, and transportation, while tuition—about $8 to $12.50 a week—covers rent, food, and some supplies for the "Early Childhood Learning Center." (Federal City also offers babysitting services for 3- to 6-year-olds in its library's Media Center, where the children can take advantage of the college's audiovisual resources while their parents study.)

Other

The *National Education Association* in Washington, D.C., provides day care services for its employees' children under a contract with the National Capital Area Day Care Association. The experimental child care center was opened March 1971 for toddlers between the ages of 18 and 36 months. The children are younger than are normally found in child care centers. Twelve children are enrolled. Emphasis is placed upon each child's development—intellectual, social, emotional, and physical. The center is intended to serve as a model for other organizations, as a teaching-learning laboratory for nearby colleges, and as a center for educational research. (After this publication was prepared, it was announced that the center is being phased out due to lack of funds.)

Vouchers for child care

In January 1971, *Polaroid Corp.* of Cambridge, Mass., contracted with several li-

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Footnotes at end of article.

censed day care centers for slots for their employees' children. In November 1972, there were 27 children enrolled. Parents pay on a sliding scale—$5 to $45 a week—based on total family income, and the company subsidizes the rest.

A similar plan was instituted in February 1972 by the *Ford Foundation* in New York. Under its plan of providing child care allowances for its employees' children, parents make their own child care arrangements. The allowance ranges from $5 a week to $15 a week, depending upon the family's gross annual income and the age group of the child. No allowance is made if the family's gross income exceeds $20,000.

To encourage parents to enroll their children in licensed day care centers with educational programs, the Foundation offers an additional $5 allowance over the originally established amounts.

Assisting employees to find day care

The *Illinois Bell Telephone Co.* in Chicago has three personal representatives who assist employees in finding the kind of day care arrangements they require. The company encourages and assists local citizens to apply for the State foster day care license, maintains information on day care facilities in the city, and consults with the suppliers of the service.

Centers Operated by Unions and Employee Organizations

Unions

The Baltimore Regional Joint Board of the Amalgamated Clothing Workers of America opened its first child health care center in September 1968 in Verona, Va. In the latter part of 1969, it opened a second center in Baltimore, Md. The Chambersburg and Hanover, Pa., centers opened in September and October of 1970, respectively, and the McConnellsburg, Pa., center opened in July 1971. These centers are financed primarily by employer contributions to the health and welfare funds administered by both the union and the men's clothing industry. Mothers, who are the prime users, pay a small fee. In addition to health services, the centers offer social, nutritional, and educational services.

The first union-operated child care center in Chicago was opened in March 1970 by the Chicago Regional Joint Board of the Amalgamated Clothing Workers of America. It is a pilot project offering free service to parents. The center is located near the union office building. It is financed by the Amalgamated Social Benefits Association fund, which is employer contributed and union administered. Services similar to those offered at the Baltimore Regional Joint Board centers are provided. The board plans several more centers in the Chicago area.

The United Federation of Teachers in New York City, as a result of its negotiations with the New York City Board of Education, has set up 20 centers within its early childhood preschool center program. The program calls for 50 centers designed to provide care and education to children of teachers returning to teach in poverty area schools and to children of residents in the community. At least 50 percent of the children must be from families whose income falls below the poverty line as defined for eligibility for free lunches.

Federal Employee Organizations

In May 1968 a child care center with a capacity of 19 children was opened at the Plant Industry Station, Department of Agriculture Research Center, Beltsville, Md. It is operated under the sponsorship of two employee organizations—Plant Industry Station Employees' Association and Agricultural Research Employees' Association. Parents pay the operating costs through fixed weekly and daily fees.

A nonprofit group organized by employees of the San Francisco Payment Center of the Social Security Administration (SSA) of HEW opened a day care center in March 1971. The center, which is located in Oakland, has a capacity of 30 children and accommodates both the children of SSA employees and children from the community. The fee for employees' children is $75 a month; for community children, $90.

The success of this program (evidenced by a long waiting list) led to the opening of a second center in Richmond, Calif., on January 31, 1972. Capacity is 35. The fees are basically the same as at the Oakland center.

OTHER ACTIVITIES DIRECTED TOWARD MEETING DAY CARE NEEDS

Business' response to community needs

Through the leadership effort of Whirlpool Corp., a group of about 25 industries in the Benton Harbor-St. Joseph, Mich., area organized a committee to establish a day care center. Whirlpool contributed the expertise of its several departments, including research, law, insurance, and public relations, to set up the center that opened in September 1969. Funds for land purchase, construction, equipment, and instructional materials were provided by private contributions.

Pepsico, Inc., as a direct service to a community, awarded a grant of $25,000 to the Day Care Council of Westchester County, N.Y., to help expand existing day care operations.

Special commitments by financial institutions

Citibank of New York issues conventional interim, short-term loans for construction of child care facilities in the city. Upon completion the facilities are leased to the city, which hires the staff and makes the services available to the neighborhood. In addition, the bank is going outside traditional banking practices by lending money to community groups for renovating neighborhood sites to help meet day care needs .

Bankers Trust Co. of New York assists in the expansion of child care services by providing funds both to private developers and to nonprofit operating groups for the construction of day care facilities. Special loans to nonprofit groups including some that had been refused by other banks enabled fledgling centers to make renovations or purchase equipment necessary to qualify for city funding. The bank helps its employees find licensed centers to suit specific needs and engages in programs designed to increase public and employee awareness of child care.

Chase Manhattan Bank of New York funds programs for constructing and renovating centers. The bank is concerned with community nonprofit groups.

The Hyde Park Bank and Trust Co. in Chicago finances both profit and nonprofit organizations that operate centers serving low- and middle-income neighborhoods.

The Urban Activities Committee of the New York Life Insurance Co. has adopted child care assistance as a major area of concentration. Mortgage loans have been commited to finance the construction of seven new child care centers (four in New York City, two in Chicago, and one in Pontiac, Mich.). Also, through a grant to a nonprofit organization, a revolving loan fund has disbursed seed money to assist four additional centers in New York City.

Promotional efforts by women's organizations

Several women's organizations have been involved in day care projects for many years and recently have made great strides in their nationwide efforts to establish more day care centers. Among these groups is the National Council of Negro Women, which has worked with the Department of Housing and Urban Development (HUD) to create and develop "Turnkey III" and "Turnkey IV," an innovative housing program of home ownership opportunities for low-income families. The Council encourages HUD to build within any development area a community facility which can also house a day care center.

Also, the National Council of Jewish Women has made a commitment to place special emphasis on day care both nationally and locally. About 130 local chapters are involved in day care programs ranging from running day care centers themselves to cooperating with other groups. These centers are in housing projects, churches, hospitals, universities, schools, and other places; and most are cosponsored with community groups. Council volunteers have mobilized community support for day care planning and action. They have assumed responsibility for demonstrating need, convincing local authorities, and locating funds, and are engaged in numerous innovative programs in the day care field. They have conducted a nationwide survey of day care centers and issued a report[12] based on those findings.

The Black Women's Community Development Foundation has established the Black Child Development Institute. One of the objectives of the Institute is to develop a technical assistance model for helping black community organizations in their efforts to set up comprehensive child development programs. The staff assist community groups through workshops, handbooks, conferences, and films. They also monitor governmental policies and programs, and distribute information on child welfare.

For many years the Young Women's Christian Association (YWCA) provided child care services for part of the day to mothers participating in its program activities. Then in response to many requests, a few local YWCA's loaned their facilities and, occasionally, sponsored a day care program as a demonstration project. More recently, local units have been cooperating with government agencies in providing child care services. For example, a "Y" care center in San Francisco matches the Federal funds it receives through the San Francisco Department of Social Services; the "Y" in Aurora, Ill., operates a center under contract with the State.

Other promotional efforts

The Metropolitan Life Insurance Co. has issued "Industry's Share in Day Care" and "Day Care, What and Why." The first of these promotional booklets outlines industry's role in helping to accelerate the development of more day care programs. The second summarizes the features necessary for a good program and describes briefly the different kinds of programs.

The Bank of America National Trust and Savings Association of San Francisco has devoted an issue of its "Small Business Reporter" to advising prospective operators of day nurseries on the necessary steps to follow in establishing such businesses.

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FOOTNOTES

[1] U.S. Department of Health, Education, and Welfare, Social and Rehabilitation Service, Children's Bureau, and U.S. Department of Labor, Wage and Labor Standards Administration, Women's Bureau. Child Care Arrangements of Working Mothers in the United States. Seth Low and Pearl G. Spindler. Children's Bureau Pub. No. 461–1968.

[2] Child Welfare League of America. Child Care and Working Mothers: A Study of Arrangements Made for Daytime Care of Children. Florence A. Ruderman. New York, 1968.

[3] March 1971 preliminary data from the U.S. Department of Health, Education, and Welfare.

[4] Further details are in Federal Funds for Day Care Projects, Pamphlet 14, published by the Women's Bureau, Employment Standards Administration, U.S. Department of Labor, 1972.

[5] Follow Through is designed to extend and supplement the gains made by deprived children who have participated in Head Start or similar preschool training, by continuing their participation in a program of comprehensive instructional, health, nutritional, psychological, social work, and parent involvement services. It may serve children in kindergarten and the early elementary grades.

[6] See page 7 for 4–C Program summary.

[7] These are being revised.

[8] U.S. Department of Labor, Workplace Standards Administration, Women's Bureau. Day Care Services: Industry's Involvement. Bull. 296. 1971.

[9] Center now called Cristus Attucks Children's Center.

[10] U.S. Department of Labor, Wage and Labor Standards Administration, Women's Bureau. Child Care Services Provided by Hospitals. Bull. 295. 1970.

[11] Further information may be obtained from Associate Professor Bernard Greenblatt, School of Social Policy and Community Services, State University of New York, Buffalo, New York 14214.

[12] National Council of Jewish Women. Windows on Day Care: A Report Based on Findings of the National Council of Jewish Women. Mary Dublin Keyserling. New York, 1972.

STRIP MINING IN ARIZONA

Mr. FANNIN. Mr. President, we have engaged in many discussions recently about the value of strip mining and its effect on people and the environment. It has been my contention that strip mining is necessary and it can be conducted in a manner which is not detrimental to the environment.

In Arizona we have a prime example of how such mining can provide jobs and how proper steps can be taken to restore and preserve the land.

On August 8, 1974, a member of my staff, Richard Thomas, toured the Peabody Coal Mines at Black Mesa on the joint use area of the Hopi-Navajo land in northeastern Arizona. In a memorandum to me, Mr. Thomas reports:

> After touring the facility and inspecting it thoroughly from the ground and air, I wish to report that the company is doing an outstanding job of providing coal for electrical power generating plants at Page and near Bullhead City while also protecting the environment and providing high-paying jobs for Navajos.
>
> On the latter point, the Black Mesa and Kayenta mines employ 204 Navajos who earn the United Mine Workers' pay scale of between $41 and $50 per day for a 7½ hour day. Actually, some of the Indian employees earned as much as $18,000 last year with overtime. One Navajo employed by the coal company had never earned more than $600 annually prior to the opening of the mine.

Mr. President, Mr. Thomas found that the efforts to blend the facilities in with the terrain and the work to restore the mined land were extremely effective. Mr. Thomas described it this way:

> From the air it would be very easy to completely overlook the mines, pipeline facility, conveyor belt, and rail loading operation. The two mines are 30 miles from Kayenta, and 15 miles off U.S. 160. The road back to the mines was constructed by the coal company.
>
> I inspected areas where coal had been removed and the overburden has been replaced. I don't believe anyone could tell the mined area from the undisturbed adjacent natural terrain. The coal company is experimenting with 10 varieties of grass, and is in the process of fencing the areas because the Navajos had allowed sheep to graze on earlier plantings before the grass could get a good start.
>
> Without going into detail or citing statistics, I would say that the entire operation is a model of efficiency, combining the best of automated equipment and human resources.

Mr. President, this is an area where the land has been badly overgrazed in the past. It is an area where the Indians have been subsisting on very small incomes. There were forecasts when the mining began that the land would be ruined and made uninhabitable. It appears to me that just the opposite has happened. Indians who were locked into poverty in the past now have the opportunity to earn middle class wages. The land is yielding the coal which our country needs, and it is being restored to a condition that is as good as—perhaps better—than before.

Mr. President, I have argued that it is possible for us to utilize the rich resources of this country and at the same time preserve the environment. It appears to me that this is being proven on the Black Mesa.

THE CIA AND ITS INVOLVEMENT WITH FOREIGN GOVERNMENTS

Mr. ABOUREZK. Mr. President, in the August 19 Washington Post, Mr. Jack Anderson in his column reported the opposition of the Central Intelligence Agency to my amendment No. 1511 to the Foreign Assistance Act, which prohibits the use of U.S. foreign aid for assistance to any foreign police or security forces. This amendment was approved several days ago by the Senate Foreign Relations Committee.

Certainly it is no news that the CIA relies on friendships with police or intelligence networks in other countries; however, it bears reiteration that the CIA is tightly involved, often through other U.S. agencies, with some of the most unpopular governments in the world. It is my strong opinion that we must start drawing the line on these relationships as we begin to actively use human rights as a factor in foreign policy decisions.

I ask unanimous consent that Mr. Anderson's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

CIA Admits Using Foreign Police

(By Jack Anderson)

> The Central Intelligence Agency has admitted in an extraordinary private letter to Sen. J. W. Fulbright (D-Ark.) that the agency has penetrated the police forces of friendly foreign countries.
>
> The remarkable confession by CIA Director William Colby came in the course of a discreet but intensive lobbying effort to keep alive U.S. support for foreign police programs.
>
> Colby told Fulbright that the "relationships" built up with policemen through these programs had been highly useful in "obtaining foreign intelligence" from foreign constabularies.
>
> The friendly foreign cops, like national police everywhere, are privy to their nation's darkest secrets. And while Colby does not say so, our government sources tell us the foreigners are not above trading a national secret or two for a little CIA cash.
>
> Colby, in his message to Fulbright, delicately skirts the matter of corrupting foreign police, conceding only that the liaisons bring the CIA vital information on "illicit narcotics traffic, international terrorism and hijacking."
>
> Colby's covert lobbying was directed against a bill by Sen. James Abourezk (D-S.D.) that would kill U.S. aid to foreign police and prison operations. The measure was drafted after shocking abuses were disclosed in South Vietnamese prisons constructed with the U.S. taxpayers' funds.
>
> The CIA director, who as a top U.S. hand in Vietnam saw the abuses first hand, said, nevertheless, that the Abourezk measure would "appear to restrict activities . . . by the CIA." The main cutback would be in "obtaining foreign intelligence information" from friendly espionage services and agents "within national police forces . . . ," Colby went on.
>
> Some of the agents in foreign police forces, Colby indicated, had been developed during "specialized training and other support" given by the CIA.
>
> Colby's lobbying proved effective. In secret session, the committee permitted the CIA to go on supporting foreign police operations.
>
> Insiders suspect that Colby's effort to defeat the Abourezk provision was actually

aimed at preserving the International Police Academy, an institution dear to the hearts of the spooks.

According to Victor Marchetti and John Marks, authors of "The CIA and the Cult of Intelligence," the agency has funded training of foreign police at the academy and recruited spies there.

Colby himself wrote to Abourezk last January that the academy, ostensibly run by the State Department, had "called on us in the past for some support for their program. But," he added, "all such support has been terminated."

We also reported last September that the CIA was involved in a Texas bomb school where the academy trained foreign policemen on explosive devices. A State Department official later admitted the CIA provided ".guest lecturers" for the course, which has now been moved to Edgewood Arsenal, Md.

Footnote: Both the CIA and the academy say no CIA funds are now going into the school. Colby has also personally said support by the CIA for the school has been terminated.

WEST VIRGINIA ENCOURAGED BY ERTS

Mr. MOSS. Mr. President, the Honorable Arch A. Moore, Jr., Governor of West Virginia, has written to me in response to my request to him regarding the ERTS satellite.

Here is part of what the Governor told me:

[R]eview of some of the work that has been done elsewhere encourages me to believe that the ERTS Program could be extremely beneficial to the states in the discharge of their planning and regulatory responsibilities.

Mr. President, I ask unanimous consent that the letter of the Governor of West Virginia be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Charleston, W. Va., July 24, 1974.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Science, U.S. Senate, Washington, D.C.

DEAR TED: Thank you for the opportunity to comment on the Earth Resources Technology Satellite Program.

The West Virginia Department of Natural Resources has worked with the Earth Satellite Corporation in trying to develop a project in the State on both the ERT–1 and the ERTS–B Satellite, and my Office of Federal-State Relations has worked with Battelle Corporation to initiate a similar program. These projects were aimed primarily at recreation inventory, land-use inventory, mining disturbances, and natural and man-made impoundments. Neither of these programs is a reality at present, so we have no direct experience from which to speak.

However, review of some of the work that has been done elsewhere encourages me to believe that the ERTS Program could be extremely beneficial to the states in the discharge of their planning and regulatory responsibilities.

If I may be of further assistance, please do not hesitate to let me know.

Sincerely yours,

ARCH A. MOORE, Jr.,
Governor.

CONSUMER PROTECTION AGENCY

Mr. McCLURE. Mr. President, with regard to the Consumer Protection Agency bill, S. 707, I wish to bring to the attention of my colleagues a most provocative editorial which appeared in the Shreveport Times, Shreveport, La., Sunday, August 18, 1974, entitled "Protect the Consumer." I commend to my colleagues the comments set forth in this editorial and ask unanimous consent that this be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROTECT THE CONSUMER

The American consumer indeed needs a degree of protection, and among the things he needs most protection from is those who are seeking to protect him.

One of the phenomena of life in the 1970s has been the advent of so-called consumer advocates and in recent months there has been a quiet building of public opinion toward creating the ultimate consumer advocate, a kind of super Ralph Nader, if you will, with the unprecedented authority of the federal government.

If a bill now pending in the United States Senate is approved, a version of which has already passed the federal House, then America would have its most powerful unelected official.

The bill in question would create a Consumer Protection Agency with extraordinary powers.

James J. Kilpatrick, one of America's most respected political observers, and a man not easily given to excessive language describes the bill as "profoundly un-American." The administrator of the proposed agency would have almost totally uninhibited powers that would affect the day to day life of every American.

As the legislation now stands that person would be able to make sweeping mandates that would not even be subject to review, and it would be nearly impossible to dismiss this individual.

Mr. Kilpatrick said that in a different society, under a different concept of state supremacy, we would call such an officer a commissar. "What in the world do we want with a commissar here?" he asks.

There has been in the past four decades in this country an unending growth of federal bureaucracy and that growth has had a fantastic price tag with a pitifully small return in benefits to most Americans. Now, in this time of rampant inflation, a problem widely recognized as the unquestioned priority for the nation, comes this suggestion that an entirely new bureaucracy be created.

It must not be.

The House, under the standard election year pressures, was stampeded into its approval of the agency.

The Times would hope that the Senate, particularly Louisiana's senators, Russell Long and Bennett Johnston, would vote against the bill and work to achieve its defeat.

What one person can speak for the American consumer? Certainly the person who speaks for your point of view does not speak for your neighbor or for the man down the street or around the corner.

There are, of course, widely divergent consumer interests, each as valid as the other. The consumer commissar who speaks for one segment would be speaking against another group, and it is not just that this person would be going around speaking; he, or she, would be establishing policy and finally telling all of us how to lead our lives.

Americans could be seat-belted and air bagged to death in short order by one person and that is, as Mr. Kilpatrick noted, un-American.

Calif. Gov. Ronald Reagan points out that Americans need less—not more—federal control of their lives. The Consumer Protection Agency would merely be one more serious intrusion into the individual freedom of choice that is uniquely the American way.

And, as N.Y. Sen. James Buckley notes, there is "no such thing as a single, identifiable, monolithic consumer interest," and he adds that the proposed agency would only "create one more costly agency, hamstring other agencies and bury the American businessman under even more red tape."

It is bad business, this bill. It must be defeated.

HUMAN DISASTERS IN CYPRUS, BANGLADESH, AND AFRICA

Mr. KENNEDY. Mr. President, earlier this week the Subcommittee on Refugees and the Subcommittee on Health resumed their joint inquiry into world hunger, health, and refugee problems, with special attention on the human disasters which have struck Cyprus, Bangladesh, and Africa. I would like to share with my colleagues the prepared testimony received by the subcommittees on this area of important public concern.

Even as the drought and famine has spread across Africa, compounding last year's tragedy, new human disasters have struck other areas of the globe. In Bangladesh—where heavy floods have swept over two-thirds of the country—literally millions of men, women, and children are in urgent need of emergency relief and rehabilitation support. And in Cyprus, we find the latest link in the chain of ravaged populations, which has circled the globe in recent years.

For the people of Cyprus this is a perilous time—as it is for the renewal of democracy and freedom in Greece, and the future of NATO in Southern Europe. Regrettably, the plight of Cypriot civilians has taken second place to the military and political issues at stake—and to the special interests of those who have much to lose or to gain by the outcome of the conflict. But the civilians of Cyprus—both Greeks and Turks—also have interests. And for many thousands, apparently, recent weeks have been a nightmare of death and horror and grief.

Latest official reports from the island describe "chaos" among the people, and devastation to the land. Estimates on the number of refugees run as high as 300,000—or nearly one-half of the population. Civilian casualties, including deaths, may number at least 20,000. Food and water is scarce or unavailable in many areas. Livestock is dying. The economy has been shattered. And given the continuing offensive by Turkish forces, there is no end in sight to the human and political tragedy of the Cypriot people.

A great deal has been said over America's role in the crisis—and over the seeming complicity of our Government in the present partition of the island and its people. But the early silence and later vacillation of our policy toward the political and military issues, must not characterize our attitude or response to the escalating human crisis that has now gripped all of Cyprus.

Last Friday, I made a personal appeal to the United Nations High Commissioner for Refugees—UNHCR—for his "favorable consideration of good offices" in providing for the care and protection of the refugees and others in distress. I can report to the Senate that the High Commissioner—in consultation with U.N. Secretary-General Kurt Waldheim and all parties concerned—is ready to move, and is now determining ways in which his office can "play a useful role in relieving human suffering" on Cyprus.

Mr. President, I urge our Government to actively encourage and generously support the High Commissioner's efforts, and his free access to all parts of the island. His efforts—and those of the International Committee of the Red Cross, ICRC—are vitally needed to help bring peace and relief to the Cypriot people.

And on the diplomatic front our objectives should be clear: an end to the violence—and an early resumption of negotiations to restore the territorial integrity of Cyprus and the right of the Cypriot people, working together, to determine their own destiny. And we must do all in our power—including the allocation of foreign military and economic assistance—to accomplish this end. Important first steps must include a meaningful separation of forces and the strengthened presence of the United Nations.

In Bangladesh, there can be no doubt that great tragedy has once again hit the Bengali people. Flood refugees number in the millions. Crops have been destroyed. Food reserves have been lost. Housing, schools, health clinics and other facilities have been swept away. And all observers agree that this latest disaster is seriously compounding existing economic and social problems, which were brought about by the dislocations of the 1971 war for independence, the energy crisis, and related developments.

In purely human terms, there is great suffering today in Bangladesh. A recent Department of State memorandum states that "the present situation indicates some serious malnutrition and high morbidity rates." And recent travelers to the area report that there is "more human suffering than ever before," that the nation as a whole "stands on the brink of starvation," and that epidemic and disease threaten the well-being and lives of millions.

I share the distress of many Americans over our Government's lethargy in recognizing the latest tragedy in Bangladesh—and over the belated and token response we have given, thus far, to Dacca's urgent appeals for help. And so I urge, again today, an abrupt change in the attitudes of our Government. Hopefully, we will generously and speedily respond to the specific requests of the Bengali Government for emergency relief, and for needed food and rehabilitation assistance in the weeks and months ahead. In this connection, I am preparing legislation to support this effort.

The United States cannot assume the full responsibility for meeting the massive human needs in Bangladesh. The United Nations and other governments must help. But we must do what we can, with what we have.

Finally, Mr. President, in the Sahel and other parts of Africa, the food situation continues to deteriorate. Contrary to the administration's general optimism before this subcommittee last spring, a recent internal report of our Government suggests that "catastrophic consequences" continue from the Sahelien drought, and that the situation of the people is "precarious" in some areas.

The number of famine refugees is growing. Many relief camps are overburdened. Last year's logistical bottlenecks and administrative delays in the movement of food and medicine continues. Malnutrition and disease still threaten many thousands—and the death rate continues to climb.

In the days and weeks ahead, the Refugee Subcommittee will continue its efforts in behalf of a more viable international relief and rehabilitation program for the drought affected areas of Africa. This should include some greater leadership by our own Government—and a more speedy allocation of the more than $85,000,000 Congress has appropriated for disaster relief in Africa. Hopefully, the administration will use these funds to save lives and rehabilitate people—with the same ingenuity and sense of urgency it spends our money in Indochina, or for military aid around the globe.

Our humanitarian concerns today—in Cypus, Bangladesh, and Africa—illustrate once again those important foreign policy variables involving people—which diplomats and generals may try to, but cannot really ignore. Little will be achieved in building a structure of peace, unless governments place a higher priority on the welfare and problems of people—whose neglect fosters instability and spawns conflict around the globe. Political wisdom and simple humanity demands of our country that we do more to help the critical humanitarian needs, today, of the people in Cyprus, Bangladesh, and Africa.

Mr. President, I ask unanimous consent that the texts of the prepared statements of witnesses before the subcommittee hearing be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

REPORT ON THE EMERGENCY FLOOD SITUATION, BANGLADESH

(By Nevin S. Scrimshaw, Professor of Human Nutrition and Head, Department of Nutrition and Food Science, Massachusetts Institute of Technology, Cambridge, Mass.)

INTRODUCTION

The world press is reporting disastrous floods in Bangladesh and the adjoining State of Assam in Northern India, and the Government of Bangladesh has appealed to the world for emergency assistance. During the period of August 10 to 13, the writer, together with Dr. Robert Stone, Director of the National Institutes of Health; Dr. Howard Minners, Associate Director for Collaborative Research, National Institute of Allergy and Infectious Diseases, National Institutes of Health; and Dr. Earl Beck, Chief, Geographic Medicine Branch, National Institute of Allergy and Infectious Diseases, National Institutes of Health, made an effort to learn as much as possible about the extent of the crisis occasioned by the floods, and about emergency relief needs, by conversations with officials of the U.S. Embassy, the British High Commission, AID, UNICEF, WHO, the Cholera Research Laboratory, the John Hopkins International Center for Medical Research, and officials of the Bangladesh Government, including the Minister of Health and Family Planning, the Secretary of Health and Family Planning, the Director of Health Services, the Joint Secretary of the Ministry of Health and Family Planning, and others, and by means of a one-day field trip by boat to some of the flooded areas.

Unusually heavy rains in northern Bangladesh and the hilly areas of Assam and Darjeeling have caused three of the five rivers traversing Bangladesh markedly to exceed flood stage, overflow their banks, and cover parts of 16 of the 18 Districts of Bangladesh to varying degrees. Because the rains were unusually early and heavy, and because the earthen dams built in the north to restrain them have given way, the flood waters are higher than usual and stated to be the highest in 20 years.

Some flooding occurs every year and the people are used to coping with it and even count on it for their agriculture. Even the "normal" annual floods are causing more human suffering each year because the population is increasing so fast that more and more people are being forced to occupy lower lands, which are known to flood at this time of year. The rice sown at this season in the flood areas is the so-called "floating rice", which continues to lengthen its stem as the flood waters rise. Jute, the other principal crop, also grows well under flood conditions. The problem in both cases is more one of harvesting and drying.

Houses, although flooded, are rarely destroyed and if so, are rapidly rebuilt, providing materials can be obtained. Cholera is ordinarily not a threat when the waters are rising, and cholera epidemics usually occur at times of low water. These are the kinds of floods in which the water rises very slowly, perhaps an inch or two a day. As such, they are not particularly destructive, and people have ample time to seek shelter on higher ground. Moreover, many people whose houses are seemingly cut off by rising waters have their own boats and continue considerable normal activity. Fishing is not particularly good in times of high water, but still provides an important supplementary source of food.

Reported deaths generally increase, but not dramatically, although inflated reports usually reach the outside world, perhaps as an encouragement to relief donations. Very few of the increased deaths are due to drowning. Most are due either to diarrheal and other infectious diseases as families are thrown more closely together and normal sanitary provisions disrupted, or to snake bites from kraits or cobras, as snakes tend to be concentrated on the same high ground as the human population.

THE SITUATION AS OBSERVED OR REPORTED TO US

There was no doubt that the main rivers had overflowed their banks and that a considerable proportion of the country was under water, including low lying parts of the city of Dacca. The Government estimate that 20 million people are affected out of a population of 80 million seems reasonable, but in most cases, that either means that they are living cut off by water, have some water in their houses, or have had to leave their houses temporarily for higher land. For most of these persons, the physical situation will return rapidly to normal with subsidence of the floods, which was already beginning to occur in the north by the 12th of August and was expected to begin in Dacca on the evening of the 13th or during the day on the 14th.

It should be emphasized that the rise in the waters was very slow, perhaps an inch or two a day, and not a rampaging, damaging flood. This is because the land is so flat and the slope to the sea so gradual. On the other hand, there were newspaper reports of extensive destruction of houses and public buildings in small towns in the north of Dacca, as their earthen foundations were eroded by the water.

The reports of death in the Dacca newspapers were relatively modest, in the hundreds, compared with reports in the thousands when we reached London. It is possible, however, that the Government was underestimating deaths to avoid creating panic. In fact, official policy seemed to be maintaining a thin line between enough emergency claims to obtain aid, without so much emphasis as to create panic in the country. There is no reason to doubt statements that this flood was indeed worse than any in the last two decades, but its greater impact was probably due nearly as much to the greater population in low lying areas as to the extent of the flood.

The staff of the Cholera Research Laboratory emphasized that there were continuing cases of cholera, but that there was not a cholera epidemic at the present time. Moreover, they anticipate no immediate need for as much protection to the population as possible before the next cholera season begins in a few months time. Also, the cholera season could be samewhat earlier this year because of conditions.

The most serious consequences of the flood relate to food supply and purchasing power of the poor. Both constitute serious problems for the Government of Bangladesh and are exacerbated by the flood. Many clusters of houses are isolated and filled with enough water that the people are unable to cook rice even if they have it. For these, an effort is being made to air-drop prepared food from army helicopters, mainly in the form of wheat chappaties, but this effort is limited by the availability of transport.

For very large numbers of persons, cut off from their normal livelihood, there is simply no money to buy food, particularly at the greatly increased prices of recent months. Even had there been no floods, these increased prices would have resulted in a serious increase of undernutrition and disease and disease morbidity and mortality in Bangladesh. The Government rationing system supplies food now to 20 million people, about one-quarter of the total population, at a current landed price of $200 per ton of wheat compared with only $50 a year earlier. For this Government ration, 175,000 tons per month are needed. Without this there would be mass starvation of millions of people in Bangladesh.

The Government has had to give priority in the use of its limited resources to the purchase of this ration. Moreover, it cannot deplete its grain stores so much now that it will not have grain stocks to feed the people in October and November until the main crop of the year become available. This means that the Government of Bangladesh must have an immediate promise of 100,000 tons of grain for later delivery if they are to release the full amount needed at the present time.

The summer or aus harvest was nearly completed before the floods, and what remains will still be largely recovered as the floods recede, because it is mostly floating rice anyway. Best estimates, however, are that only 85% to 90% of the expected aus crop will actually be obtained. The prospects for the main fall, or aman, crop, are somewhat less certain. If it could all be planted in time, then an even bigger than usual crop could be expected because of the fertilizing effect of the silt. The problem, however, is that some seed has been destroyed, and in many other cases the farmers have been unable to plant the seed beds from which the rice seedling plants are later transplanted to the field.

If the water subsides rapidly enough, and *if* Government distribution of supplementary seed is reasonably efficient, then there would still be time to plant the next rice crop. The seed should be planted by early September, and September 15 is about the latest. In the longer run, the total amount of grain assistance that Bangladesh will need over the next 6 to 9 months will depend on this harvest. It was also evident that the Bangladesh Government has almost no foreign currency reserves, and with its resources further strained by the floods, is not in a position to contract for the immediately needed grain through ordinary commercial channels and does, in fact, need a donation.

The situation in regard to medicines does not appear to be urgent because of relief supplies from a number of countries. The Health Service has been chronically short in medical supplies to meet its obligations, however, and does need its stocks replenished. There is, however, no great increase in the need for medicines, and considerable assistance is already being received from Australia, European countries, and elsewhere. The morning news in London on August 14 indicated that 20 tons of "cholera vaccine and other medicines" were being flown to Dacca that day, and both UNICEF and the International Red Cross have also arranged for additional medical supplies.

There is no doubt that the Government needs additional boats and helicopter transport. Although the floods will presumably have largely subsided before these can arrive, the need is as much a chronic as an acute one. The Government also will need assistance for the reconstruction of some of its public buildings in flood areas, and roofing materials to distribute for the reconstruction of houses (walls are of woven bamboo or mud). Even more urgently, it requires repairs to its railroads, power stations, and other installations badly neglected since the 1971 war, and which the Government has had neither the resources nor the infrastructure to repair properly

An official estimate of damage to properties and loss of life due to the flood as of August 8, published in the Sunday newspaper, Holiday, Dacca, August 11, 1974, indicated over 25,000,0000 to be affected by the flood, with 749 lives lost, 430,000 houses destroyed and 868,000 houses damaged. 18,000 institutional buildings damaged; 28,000 miles of railroad embankment damaged, and over 32,000 head of cattle lost. Because the floods continued to increase after this date, until August 11 or 12 in the northern part of the country and August 13 or 14 in Dacca and to the south, the final official figures will presumably be considerably higher. Run-off of the flood waters will be somewhat slower in the Dacca area and to the south because it coincides with the period of full moon and unusually large tides.

SUMMARY AND CONCLUSIONS

It was our conclusion from personal observation and the reports of involved observers in Bangladesh that the present floods are causing much human suffering and represent a serious crisis for a Government already overwhelmed with problems of rapid population growth, poverty, disease, weak infrastructure, a very limited national budget, and almost no foreign exchange not already committed for purchases of food, petroleum, and other essentials. Its rationing system is keeping millions of people from actual starvation, with a corresponding drain on limited resources.

With the flood crisis, the ability of the Government to maintain its ration system and meet even limited additional emergency needs will depend on outside assistance. The international community has responded with sufficient medicines and some other relief supplies, and the floods are now subsiding. The greatest contribution that the United States can and should make in this situation is to announce within the next 10 days that it will make available 100,000 tons of wheat under P.L. 480, Title I. It is urgent that this be done as soon as possible so that the Government can use existing stores to meet more fully the needs of the weeks immediately ahead. Actual delivery of the pledged wheat is not needed until October. Permanent roofing materials for rebuilding flood-damaged houses and assistance in repair or reconditioning of national railroads and power stations would have both immediate and long-range value, as would additional small boats and helicopters.

Statement of the Honorable Jarold A. Kieffer, Assistant Administrator for Population and Humanitarian Assistance, Agency for International Development Before the Subcommittee on Refugees and Migration of the Senate Judiciary Committee, August 20, 1974

Mr. Chairman: I appreciate this opportunity to appear before you today to discuss the relief assistance the United States has provided to the countries of Bangladesh and Cyprus. Donald Brown, of AID's Africa Bureau, will speak on the Sahel. We are prepared to provide additional information beyond that contained in my statement should you need it. I shall start first with Bangladesh.

BANGLADESH FLOOD SITUATION

An unusually rainy hot season followed by heavy monsoon rains in Eastern Bangladesh and Northeastern India has produced greater than normal flooding in Bangladesh. These floods, which are of the "sheet" as opposed to "flash" type, peaked in the first ten days of August. Although large areas of Bangladesh experience such flooding every year, the floods are worse than usual this year, particularly in the northern and eastern districts. Crops, prices, public health, transportation, housing and livestock have all been seriously affected, but details are still hard to verify.

The Bangladesh Government reports that millions of people were affected at the peak of the flooding, but now the waters appear to be receding. As they recede, increasing numbers of people will return to their villages. This is already beginning to happen. A team of AID staff members spent two days last week examining damage in northeastern Bangladesh and reported:

"The single and most rewarding impression was the obvious resiliency of the Bangalee farmer and his industry and ingenuity in dealing with his own problems, with or without outside help. Sylhet was the first and hardest hit district. Waters have begun to recede now and indigenous recovery operations are in full swing."

In terms of outside help, the priority requirements are: foodgrains, seeds for replanting lost crops, medical supplies, blankets and tents. The problem during the past days has been to develop on the spot reasonable assessments of the amounts of these things that can be verified for transmission to the donor community. While some assessment capability was there in Bangladesh, it was decided to call in outside experts who can translate requirements into action terms for decision at the Washington level. A senior disaster expert from AID's Office of the Foreign Disaster Relief Coordinator has arrived in Dacca to assist the U.S. Mission in a further assessment of additional supplies needed over the next few weeks. We also have sent an engineer expert in predicting and assessing floods, since the season for monsoonal floods continues for the weeks ahead.

FOODGRAIN SITUATION

Even in the best years, Bangladesh must import foodgrain to meet the minimum consumption requirements of its rapidly growing population. The pre-flood needs of food imports in CY 1974 into Bangladesh were less than in recent years because of efforts made to produce more grain and, until recently, favorable weather conditions. Even so, if the flood had not occurred probable foodgrain imports would barely have sufficed by the end of the year to keep government stocks above the minimum level required for smooth operation of the ration system. Now the flooding has caused damage to stored grain, losses to the summer rice harvest which was just finishing, and destruction of rice seedlings for the approaching major rice crop. Government foodgrain stocks in Bangladesh had been built up to meet the annual period of shortages prior to the major harvest beginning in November, and these can be used to meet short term requirements. The key question now, however, is to assess what additional foodgrain imports are needed to cover the flood losses and the anticipated September–November pre-harvest shortage.

The Bangladesh Government has requested 500,000 metric tons of wheat and 20,000 metric tons of edible oil under PL 480 Title II. We are assessing this request as well as information on grain losses both from our Embassy in Dacca and the Bangladesh Government. The IBRD has provided an agricultural economist who is helping assess the agricultural damage.

For your information about 59,000 metric tons of U.S. wheat under previous PL 480 Title I sales will arrive in Bangladesh next week. This will augment existing BDG stocks and enable the government to continue meeting emergency needs pending replacement. In addition, we hope to be able to make an announcement soon on our PL 480 Title I long term credit sales. This will be part of our regular assistance to Bangladesh planned before the flooding.

The replacement question is tied up with the much larger question of the U.S. food situation. Supplying additional foodgrain to Bangladesh beyond the level of our regular program requires decisions that bear directly on the problem of determining allocations as between various foreign priorities and between foreign and domestic priorities. Both price and budget questions are also involved. We have brought the matter forward for decision, and we hope to have an answer in the near future.

MEDICAL SITUATION

The major emphasis is on the treatment of diarrheal diseases. Cholera vaccine is produced locally and is not in scarce supply. Immediate medical requirements, sufficient for the next 90 days, have been met primarily by UNICEF, World Health Organization, Australia, Switzerland and the United Kingdom. We have been advised there is no need for the USG to provide additional drugs or medicaments at this time, but some degree of medical assistance may be needed beyond the 90 days. The U.S. Government has offered to provide a medical team from the Center for Disease Control at Atlanta, Georgia, if necessary. Four CDC doctors are currently in the country assigned to the cholera lab and smallpox program, and they are available to continue medical surveillance and provide advice to the U.S. Mission.

SUMMARY OF U.S. GOVERNMENT CONTRIBUTIONS TO DATE

To date the U.S. Government has committed assistance to the value of $607,210 (excluding foodgrains) as follows:

1. The U.S. Ambassador contributed $25,000 under his disaster relief authority to the Prime Minister's Relief Fund.

2. We airlifted 596 tents and 14,946 blankets from the AID regional disaster stockpile at Guam, and airlift for 133,180 pounds of Civil Defense ready-to-eat protein-fortified biscuits from the United States is being arranged. These emergency biscuits are equivalent to one day's ration for 200,000 people.

3. Also, as noted above, a senior AID disaster relief office has been sent to the disaster along with a flood expert from the Corps of Engineers, to assist the Mission in surveying damages, assessing needs and estimating flood conditions.

In addition, we have authorized use of $4 million under an existing AID Relief and Rehabilitation grant for purchase within Bangladesh of building materials to assist in restoration of flood damaged homes, and for purchase of locally-available seeds to permit the farmers to replant their crops as soon as the flood waters recede.

We have also authorized expenditure from the A.I.D. Contingency Fund for the purchase and shipment of seed-wheat and vegetable seeds not available in Bangladesh. The requirements have not yet been quantified. We have asked the U.S. Defense Civil Preparedness Agency to advise us on the availability of several thousand tons of biscuits. If available, some may be sent by air, depending on U.S. Mission recommendations, but most are expected to go by surface.

OTHER DONORS

The Bangladesh Government has made direct appeals to other donor nations such as the United Kingdom, Australia and West Germany. Other appeals to the international donor community have been made by the United Nations and the League of Red Cross Societies. The United Nations through the UN Disaster Relief Coordinator's Office, UNICEF, United Nations Development Program Representative, World Health Organization and World Food Program has been a major contributor in the initial response to the flood disaster in Bangladesh.

They have provided medicines, equipment, services and made food commitments which have a total value of approximately $3 million, drawing in part on earlier Bangladesh relief fund to which the U.S. Government was the main contributor. Australia, Canada, India, Italy and the United Kingdom and 14 member societies of the League of Red Cross Societies have donated cash, clothing, cloth, shelter material, tents and food valued at $520,729. Some are continuing to supply emergency supplies for which details are not yet available. The Federal Republic of Germany has already provided a cash donation of approximately $25,000 and has indicated that it is prepared to give more.

CYPRUS: U.S. ASSISTANCE

On July 28, responding to the relief requirements engendered by fighting on Cyprus which commenced on July 14, Ambassador Rodger Davies declared disaster conditions existed warranting USG assistance. Subsequently, in responding to specific requirements identified by the Embassy in the first phase of the situation, the following supplies and equipment were supplied from the AID regional disaster stockpile in Leghorn, Italy, and from U.S. sources: 10,000 cotton blankets; 10,000 five-gal. water containers; 10,000 cots; 600 family tents; 200 body bags; 100 large (52'x18') tents; 100 Red Cross marker panels and two 400-gal. water trailers. The last air shipment of these supplies was completed on August 8.

U.S. assistance is being coordinated with the United Nations Forces in Cyprus and the International Committee of the Red Cross (ICRC). The above supplies were all consigned to ICRC, Cyprus, for distribution to both Greek and Turkish Communities according to ICRC assessments of need.

Following an ICRC general appeal to all its members for funds to finance its relief efforts, the American National Red Cross, on July 29, invited the U.S. Government to contribute to this effort. This proposal was endorsed by the American Ambassador, and on August 5 a cash grant of $225,000 to the American National Red Cross for the ICRC was executed. The total value of USG assistance to date is $877,000. Also, Catholic Relief Services donated 3,000 blankets (estimated value $9,000) and Church World Service 2,000 blankets (estimated value $6,000). These blankets were flown in with USG supplies.

THE FUTURE

With renewal of hostilities during the past week, relief efforts were virtually brought to a standstill. However, we expect to receive a request for additional assistance from the American Embassy as soon as new requirements can be determined. While new casualty estimates have not yet been received they could be significantly greater than those of a week ago (13,000 to 18,000 victims).

OTHER DONORS

The following information pertains to assistance provided prior to renewal of the fighting. (New information on contributions by other donors is not available):

ICRC has been flying in medical supplies, blood plasma, blankets, tents, milkpowder and other relief supplies provided by the League of Red Cross Societies and the member societies of the following countries: Australia, Austria, Belgium, Denmark, Finland, France, Federal Republic of German, Israel, Lebanon, the Netherlands, Sweden, Yugoslavia and Palestinian Red Crescent. In addition, cash contributions have been received from Canada, France, New Zealand, Netherlands, Rhodesia, and the United Kingdom, totaling $68,590. ICRC has also received support from UNICEF and UNRWA.

The United Kingdom has evacuated several thousand foreigners, provided safe haven to others in the sovereign base area (SBA), established refugee camps and provided tents and food for some 5,000 Turkish Cypriots on Episkopi SBA. The UK Save the Children Fund is working with refugee children on the SBA.

The Turkish Red Crescent has personnel active with Turkish refugees on Episkopi and has donated two planeloads of medical supplies.

The Cyprus Welfare Department and Turkish Cypriot authorities have been providing food for ICRC convoys. Various Greek Cypriot trade unions and associations have collected relief funds totaling $40,000. The civil servants union has requested members to tithe 10 percent of their salaries (value $5 million) and trade unions have appealed for one day's pay (estimated value $500,000). The Archbishopric of Cyprus has donated $150,000.

Statement by the Honorable Donald S. Brown, Acting Assistant Administrator, Bureau for Africa, AID, Subcommittee on Refugees and Escapees, U.S. Senate, August 20, 1974

Mr. Chairman, I thank you for this opportunity to appear again before this Subcommittee. Five months ago, I gave you a comprehensive report on our views about the situation in the Sahel and Ethiopia. Since then, you have seen an early draft of a portion of a report which we are preparing for the Congress that gives country-by-country details on the current situation in the Sahel. The final version of that report will be submitted to the Congress in the next few days. Under the circumstances, I would like to limit my comments to an updating of the situation since my March report to you.

These past five months have been very important for the Sahel, since this has been the critical period for assuring that food supplies are in place as the rainy season begins and local transport becomes more difficult. While there have been many problems in this period, there has also been considerable progress. In five of the six Sahel countries, emergency relief programs have averted wide-scale disease and loss of life. The situation in one country—Chad—remains precarious, as I will discuss later.

First priority has continued to be that of assuring that sufficient food supplies are available where they are needed. Since March, more than 561,000 tons of food have moved through West African ports; 207,000 tons have come from the United States. From the beginning of the crop year last October, nearly 800,000 tons of donated and commercially purchased grains and protective foods have been delivered to the countries of the Sahel. We have recently increased our food aid from Fiscal Year 1975 availabilities.

A new commitment of 100,000 tons have been made and will provide an additional 40,000 tons to meet needs between now and the end of the Sahel harvest in October, with the remaining 60,000 tons serving as an initial commitment against needs in the 1974–1975 crop year. We are urging other donors to make early, interim commitments against next year's needs. We expect that several of them will do so in coming weeks. With this new commitment, U.S. food aid since 1972 totals 606,000 tons of grains and protective foods with a value of approximately $121,000,000.

A second area of major concern in our relief efforts is to meet health needs of the Sahelian people. We have provided $1,000,000 to the Special Sahel Trust Fund administered by FAO to be used for emergency programs carried out by UNICEF and WHO. FAO has also helped the League of Red Cross Societies organize medical teams in the most critical areas of Niger—and A.I.D. is providing $250,000 to backstop this and other Red Cross actions in the Sahel.

We are continuing to provide measles vaccines, ped-o-jet vaccination equipment and related materials—we have financed some $497,000 for this program since March, assuring about 1½ million vaccinations. In order to develop a more comprehensive approach to medical needs, we have conducted specific medical surveys in Mauritania, Mali, Niger and Upper Volta. These various actions have contributed to the generally improved situation reflected in preliminary field reports we are receiving from the teams sent by the HEW Center for Disease Control to conduct a second Nutritional Surveillance program.

Last time I appeared before you, I described the Recovery and Rehabilitation—or R&R—programs we were just then lauuching. These programs are aimed at reducing the need for future emergency actions and at ameliorating conditions brought about by the drought. Much has been done through these R&R programs over these last five months. Warehouses which did not exist five months ago are now available in remote areas; wells which were empty or non-existent are now functioning and allowing people to return to their villages; food crops are being planted from seed made available under the R&R program; livestock feeding programs have kept cattle alive; barges have been equipped with new motors to speed supplies into Eastern Mali; fuel trucks have been made available to permit more effective operation of relief truck convoys; trees are being replanted and vegetables are being grown. These actions are valuable in themselves as well as in being the beginning of an effective recovery program framework. They demonstrate how the African nations, ourselves, a wide range of voluntary agencies, international organizations and other donors can work together to begin righting the problems faced by the people of the Sahel.

Since March, we have also moved ahead with planning and initial design work for longer term recovery and development efforts dealing with basic food production and livestock development. In March, I described the initial planning efforts we had underway to start design of these projects. Now, sixteen of them are nearing design completion and internal approval. We expect that at least 8 of these projects will be underway by the end of the year. We plan to sign an agreement with the Mali Government in the next few days for a $3.4 million livestock project which will launch the first of these medium term efforts. These projects will be funded from the recent authorization by the Congress for drought problems in Africa.

At this time, rainfall appears to be closer to normal throughout the Sahel than was the case in recent years. This may be the beginning of a break in the drought, although continuation of rain in September and October is critical to this year's crops. However, deteriorated land and physical conditions still exist. Even if the drought is broken, continued relief efforts will be required at least over the coming year. Hopefully, however, we can now concentrate more on helping people regain normal livelihoods.

In view of the need now to deal with the dual complexity of continued relief efforts and the beginning of a more comprehensive recovery and development program, A.I.D. is reinforcing its staff throughout the Sahel. We are placing additional experienced, French-speaking personnel at critical port and country sites to improve monitoring of our food relief efforts and other emergency programs and to strengthen the planning and management of longer term, more fundamental efforts in each of the Sahel countries.

Internationally, the FAO Office of Sahelian Relief Operations (FAO/OSRO) continues to be the principal coordinating organization for short term relief efforts. We maintain close working relations with OSRO. This spring, OSRO reinforced its field staff in each port and recipient country and again put a strong field logistical supervisor in the area. OSRO conducted three major meetings of donors in June and July aimed at dealing with immediate logistical bottlenecks as well as longer term logistical planning. OSRO will organize another Multi-Donor Food Assessment team this year to determine Sahelian food import needs in the 1974–1975 crop year. We will meet with the Director of OSRO next week as part of our regular contacts with that organization.

Critical parts of our response to the needs of the Sahel are handled by a wide variety of voluntary and international agencies, as well as by the Peace Corps. These organizations have special abilities to deal with the kind of tragedy which is occurring in the Sahel. When I last appeared before you, we had funded or planned to fund $2.8 million in support of U.S. voluntary agency and international organization programs in the Sahel. Such support now totals more than $6.8 million. We expect the voluntary agencies to play an increasingly important role not only in relief efforts but even more in those critical programs aimed at helping people reestablish their lives—the kind of activities in which the voluntary agencies are so particularly able.

Despite the very considerable international effort that is underway, there are certain remote regions where very special efforts have been needed. Eastern Mali is a case in point. There, with the cooperation of OSRO and the African governments concerned, we have organized special convoys from Algeria and Dahomey to supply the area—and we have also re-established an airlift to that region. That airlift has now moved 4,000 out of a planned 5,000 tons of food from Bamakc into eastern Mali. In Niger we are also organizing a special convoy to carry 1,500 tons of food from Algeria to the Agadez region. At the request of the Mauritanian and Chad governments, we presently have technical teams preparing for airlifts of 3,000 tons and 2,000 tons in these countries. We expect these operations to be underway in the next two or three weeks.

While the combined efforts of African governments and donors have had a major impact on easing human suffering in five of the Sahel nations, there remain very serious medical and nutritional problems in Chad. To be perfectly frank, the lack of data, weak administrative structures and extremely rudimentary infrastructure of Chad are such that we have little hard information on the real extent of malnutrition and disease in that country—but we do know the situation remains very serious.

The reasons are many. Inadequate information systems, few trained government officials, poor transport and communications, problems of internal security, disagreements on allocation of transport resources—these all have been factors. We have expressed our deep concern about these problems to the Chad Government. Dr. Adams, chief of the African Bureau, met recently with President Tombalbaye to reiterate this concern and to seek greater efforts by the Chad Government itself. We are hopeful this will lead to more action—but we cannot ignore the fact that the situation there is now more critical than anywhere else in the Sahel.

I would like to turn for a few moments to the situation in Ethiopia.

Recent reports state there have been good rains in the northern areas which have been most heavily hit by drought in recent years. We are hopeful this will lead to a substantially increased harvest. This may be the beginning of the end of the emergency in the north allowing the Ethiopian Government progressively to turn more attention to recovery and rehabilitation activities. The situation in the south remains less clear. As I indicated last March, drought struck the south more recently. This is an area of much vaster spaces and scattered population than Wollo and Tigre provinces in the north. Obtaining a meaningful assessment of the impact of the drought—difficult enough in the north—is even harder in the south. Recognizing this, we have provided helicopters to undertake a nutritional survey and drought impact study in the south. Very preliminary reports from this survey suggest that the impact on human life in the south due to this drought may be less severe than some initial reports suggested, although it seems certain that important, but still undefined, efforts will be reqiured in that region.

Food requirements for Ethiopia appear to be in reasonably good shape at the present time. A total of about 135,000 tons of grains and almost 10,000 tons of protective foods have been committed by the donor community to meet needs through 1974. The Ethiopian Government itself has provided over 14,000 tons of relief grains from domestic resources. These amounts appear adequate to meet needs through the end of this year. However, there will undoubtedly be a need to continue food aid in 1975 and estimates of this need will be made in coming months as the volume of this year's harvest becomes clearer.

Movement of relief supplies has also improved markedly in recent months. Port congestion occurring a few months ago has been essentially resolved. Trucks have been provided by a range of donors, including the United States, to move these supplies to relief centers. The Ethiopian military has been helpful in this process. However, moving supplies from relief centers into remote farming areas is immensely more difficult, given lack of roads and now the onset of rains. The Ethiopian Government had hoped to be able to supply people of the region with sufficient food stocks, seed and oxen to permit them to return from relief distribution centers to their farm lands during the current cropping period. Difficulties in distribution to these outlying areas and shortages of available oxen have limited this movement. This will undoubtedly have a negative impact on actual food production in the region this year.

There is also the problem of continued dependence of populations on governmental relief programs over extended periods which can cause major social problems unless future recovery efforts can help resolve these difficulties. The United States has under discussion with the Ethiopian Government a range of R&R programs aimed at helping in this process and it is anticipated that a substantial portion of the $10 million provided under the recently enacted Foreign Disaster Assistance Act of 1974 will be devoted to this end.

The last time we met, we talked a good deal about inadequacies in responsiveness by the drought. There is no question such inadequacies occurred and that has been a major factor in the political changes which took place in recent months. There is also no question that lately the Ethiopian Government has made a real effort to improve its relief efforts, despite continuing political problems. However, the task facing government remains great. Ethiopian resources, human and material, capable of responding to the task are limited. Fortunately, the cooperation which existed between donors in the earlier period has now been strengthened by mutual efforts between donors and the Ethiopian Government itself so that the work of all is enhanced. For our part, we have augmented the staff of our A.I.D. mission in Ethiopia to reinforce the current positive actions of the Ethiopian Government.

Our mission in Ethiopia has recently estimated that world-wide donor commitments to meet Ethiopia's emergency needs now total about $65 million. Of this, the United States has so far committed approximately $18 million, largely in food aid. We soon expect to use the $10 million provided by the Foreign Disaster Assistance Act of 1974, for financing a range of recovery and rehabilitation programs, as well as for continuing emergency relief.

In summary, then, Mr. Chairman, we continue to face extremely serious problems in the Sahel and Ethiopia. There are hopes that current rains in both areas may be the beginning of an easing of the situation. But even in the best of circumstances, major concern and continued vigilance are required. However, if the situation is in fact easing, the African governments and the donors can hopefully begin to give greater attention to improving the lot of their people in addition to the basic need for avoiding loss of human life. I certainly hope for the people of the Sahel and of Ethiopia that this is the case. They suffered enough. If we can begin to devote some of the vast resources which have moved into the region to more positive programs of human betterment, the people of the Sahel will deserve whatever can be done.

Thank you Mr. Chairman.

MENTAL HEALTH CARE

Mr. MATHIAS. Mr. President, I wish to call attention to two problems of the most serious nature which are developing in the health care area. Both have to do with the continuation of medical benefits for psychiatric care for large numbers of people. Both involve cutbacks of benefits for such care which have either been planned or already implemented.

In one case, it has come to my attention that Blue Cross is currently negotiating with the Civil Service Commission a proposed cut in mental health benefits under the Federal employee health benefit program. In the other, the Department of Defense has already announced a reduction of benefits for nervous and mental conditions under the CHAMPUS program, effective July 1, of this year with a maximum number of benefit days for inpatient treatment of 120 and for outpatient treatment of 40.

With respect to the Blue Cross coverage, I believe that the current discussions should take place in a manner that will permit congressional and public scrutiny of the proposed changes and the reasons advanced for them. The Federal program has served as a benchmark for other programs around the country and any changes in the Federal program could have ramifications for health care nationally.

I have been advised by the Maryland chapter of the Washington Psychiatric Society that they are not in possession of the data on which Blue Cross is basing its claim for a reduction. This data should be made public and interested parties should be offered a meaningful opportunity to comment on it and to participate in the decisions that are made. Interested parties should include the consumers and providers of the services affected. And no action should be taken until such an opportunity has been afforded.

With respect to the CHAMPUS program, it has now been approximately 8 years since the Congress enacted the Military Medical Benefits Assistance Act of 1966. This legislation greatly expanded the CHAMPUS program, which provides civilian health care benefits for dependents of military personnel on active duty as well as for retired military personnel and their dependents. It marked a milestone in the development of comprehensive health care benefits and has done much to improve the morale of the men and women who are serving this country in the Armed Forces.

The 1966 act specified as a matter of law the types of health care to be provided under the CHAMPUS program. Among other things, it specifically provided for the treatment of nervous and mental conditions. Most importantly, the 1966 act eliminated the discretion of the Secretary of Defense to make "reasonable variances" in the type of health care authorized by the Congress, thereby assuring the maintenance of the comprehensive program of benefits as intended by the Congress.

I was particularly distressed, therefore, to find that the Department of Defense has chosen to ignore the limitations on its discretionary authority. It has decreed, effective July 1 of this year, that benefits under the CHAMPUS program, for psychiatric and related types of treatment will be limited to 120 days of inpatient care and 40 outpatient visits per year. I have been advised by the Department of Defense that this limitation is an interim measure pending the development of a more permanent management plan which "will permit the case-by-case evaluation of the appropriateness of care provided" and the exclusion of "unnecessary and poor quality care."

I fully support any steps taken by the Department of Defense to provide protection against poor quality and unnecessary care and to make more efficient the management of the CHAMPUS program. Senator JACKSON's Subcommittee on Investigations of the Government Operations Committee has made clear that serious abuses exist in this program. Those abuses must be eradicated. Indeed, it is distressing to find that after 8 years of administration, the Department of Defense has only now realized the need for adequate controls against abuses that have arisen in the administration of the program.

The unauthorized action of the Secretary of Defense in placing arbitrary limitations on the duration of psychiatric care is, however, a most inappropriate means to achieve this end. Under these limitations, benefits will still be paid for poor quality care provided at exorbitant cost to the same extent as they will be paid for high quality care provided at reasonable cost. Those who practice the abuses will receive the same payments as those who operate according to the highest standards of the medical profession. Patients who are being abused through poor quality care will continue to be abused while those patients who are receiving high quality treatment that is essential to the cure of their mental or nervous condition will face an abrupt termination in their treatment.

I deplore this meat ax approach to the administration of medical benefits. In my view, it raises serious questions as to the competency of the Department of Defense in administering this worthwhile and highly necessary health care program.

Although the limitations imposed on July 1 have now been characterized by the Department of Defense as only "an interim measure" the Department has made clear that the development of adequate alternative management programs will be a difficult and prolonged task.

In this interval, thousands of dependents of military personnel will find themselves without the means to pay for the care that they so desperately need. During the past weeks, I have received many letters from constituents and others deploring this arbitrary action of the Department of Defense. I am sure that many of our colleagues have also heard from their constituents.

Many of these persons are in a state of utter despair. Many have committed themselves to serving in our Armed Forces in reliance on the continuation of these benefits. Many retired personnel point out that they have waived their rights to participate in civilian health plans offered by their present employers, because they believed that the CHAMPUS program would adequately meet their health care needs. It is particularly distressing that the dependents affected by this limitation are emotionally disturbed children whose sole hope of healthy development and a productive life lies in the continuation of the treatment they have been receiving.

These limitations are cruel, unnecessary, and plainly contrary to the intent of the Congress in enacting the 1966 act. I call upon the Secretary of Defense to take immediate action to reverse these limitations. The time is short. Unless prompt and effective action is taken, the benefits will begin to expire by the end of this month.

I am aware of the skyrocketing cost of medical care in the United States. I know also that some are fearful that mental care is subject to abuse and unnecessary expense. I believe that something must be done about these problems and that, both in the case of the proposed Blue Cross reductions and the CHAMPUS cutbacks, the parties involved feel that they must begin to address themselves to these problems. But I am also aware that such cutbacks can have a profound impact on the lives of those involved. They can disrupt current treatment, and spread dispair that reaches beyond the patient to the entire family. They can turn a situation of relative financial stability for a family into a nightmare of destroyed savings and impossible choices.

Decisions that will be made must take these factors into account. I call upon the Department of Defense and the Civil Service Commission to do so and I urge them to delay the implementation of any cutbacks until all such factors have been taken into account and the considerations involved have been opened to thorough public scrutiny.

HARD TIMES IN DAIRYLAND

Mr. MONDALE. Mr. President, last Sunday, an excellent article appeared in the Minneapolis Tribune. Entitled "Hard Times in Dairyland," this article describes the plight of thousands of dairy farmers in Minnesota, Wisconsin, and States throughout the Nation.

As a result of rapidly rising production costs, Federal policies designed to maintain price supports at the minimum level required by law and the excessive use of emergency authority to expand dairy imports above established quotas under section 22 of the Agricultural Adjustment Act, Minnesota has already lost an estimated 1,500 dairy farmers this year. Unless the current situation is corrected, many more dairy farmers could be forced to abandon operations in the coming months.

On August 15, my distinguished colleague from Idaho, Senator CHURCH, introduced a resolution designed to address the serious problems facing America's dairy industry so that milk shortages and steeply higher consumer prices for dairy products can be avoided in the future. This resolution urges the President to limit imports on cheese, butter, and powdered milk to the established quotas in effect on June 1, 1971. In addition, it asks that he direct the Secretary of Agriculture to conduct hearings on all Federal milk marketing orders to determine whether the floor price in the formula for computing class I milk prices should be increased, and that he institute an increase in price supports for dairy products to 90 percent of parity. Mr. President, I should like to commend the Senator from Idaho for his action in drawing attention to the crisis in the American dairy industry. I am hopeful that his proposal will be given serious consideration by the Senate Agriculture Committee.

Mr. President, as further evidence of the need for action on this issue, I ask unanimous consent that the full text of the article from the Minneapolis Tribune be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HARD TIMES IN DAIRYLAND

(By Marilyn Becerra)

Jim Lefebvre has 60 Holstein cows that produce an average 2,200 pounds of milk—that's roughly 506 of those half-gallon containers—every day.

Last February he was making about $1.57 profit for every 100 pounds of milk he produced, or about $34.54 a day. In June he was losing 13 cents on every 100 pounds, or about $2.86 a day.

That's because in February he was getting $8.50 per 100 pounds. By June the price he was paid had dropped to $6.80. And as that price came down, costs for everything from feed to baling twine went up.

Lefebvre figures it costs him $6.93 to produce every 100 pounds of milk. That's $3.93 in feed (including hay and silage, corn, oats, soybean meal, beet pulp, linseed oil meal, molasses, salt and a few other things); $4 an hour for labor (he and three of his sons spend an average of 10 hours a day caring for the herd) or $2 in labor costs for every 100 pounds of milk produced; and $1 in costs for such other things as veterinarian fees, repairs, taxes and depreciation.

The $6.93 is what it actually cost Lefebvre to produce 100 pounds of milk in February and he can document it. He gets out the book that contains a computerized analysis of his herd—each cow's production, the amount of feed each eats at what cost and a host of other information.

He hasn't gotten the computerized breakdown for June yet, so the 13-cent loss per 100 pounds Lefebvre is talking about is based on February costs. Realistically, Lefebvre knows his costs were up in June and so his June loss was actually much more grim than he's making it.

But Lefebvre is an optimist.

The present situation is not good, he says. It is the worst high cost-low price squeeze he's been in since he and Rita, his wife, came back from military service to his dad's farm, near Elk River, Minn., in 1958. He has culled his herd harder than usual this year—the cows that are not producing enough milk for the amount of grain they eat are cut out of the herd and sold—usually at a loss.

But Lefebvre is an optimist.

He thinks the drop in price is a result of several things—an influx of imported cheese products, consumer reaction to the higher prices of milk products earlier this year, and the natural fact that there are more cows producing more milk in April, May and June. He thinks the situation will improve this fall.

Carl Backes, Sauk Rapids, Minn., has a herd of Guernseys. He's been producing Grade A milk for more than 25 years. It hasn't been an easy life. He played football at the University of Minnesota for two years before he was drafted during World War II and came away from the experience with what he calls "water on the knees—football knees" that doesn't allow him to kneel and bend with ease. So 25 years ago he built himself what was to become the prototype of the modern milking parlor. The cows stand on an elevated platform at about waist-height—so he dosn't have to bend.

But he's sent three children to college—with some help from his wife, Dorothy, who has taught school for many years. Their youngest son, Rick, is in high school and last week he was at football practice so Backes talked while he cleaned up the barn alone.

Backes says his last milk check was down 25 percent from what it had been in March. The basic price paid for 100 pounds of manufacturing milk dropped from $8.15 in March to $6.29 in July.

"I figure I've lost $1,300 for the last couple of months . . . Since I've been in it, this is about the rottenist deal we've had. Why should we have to suffer losses like that? I tell you, we're being sacrificed. We're being crucified."

Backes doesn't like the federal milk-marketing order system—complex set of rules that govern the prices paid to dairy farmers across the country for milk processed for drinking. Those premium prices are based on the average price paid in Minnesota and Wisconsin for manufacturing milk—that used to make cheeses, butter and other milk products.

It's a complex system and Backes believes it is unjust. For one thing, because so much milk is produced here, only a small percentage of the total is consumed as liquid milk. The rest is made into cream, cottage cheese, ice cream, yogurt, butter, cheeses. And milk used for those manufactured products commands a lower price.

But what happens is that this region becomes the milk reservoir for the rest of the nation. Florida dairy farmers, for example, barely are able to produce enough milk for their state residents to drink. So Minnesota and Wisconsin dairy farmers end up supplying Florida and many other places with most of the manufacturing milk products they eat. At the same time Florida dairymen are all getting the premium prices paid for milk that is consumed as a liquid.

In fact, dairymen in the Miami milk-marketing order area—there are 62 areas in the country—get paid the highest premium of all, $3.15 above the monthly average price paid in Minnesota and Wisconsin for manufacturing milk. For example, the June Minnesota-Wisconsin Price was $6.31. The Miami-area dairymen will receive in their August checks (because of a two-month lag) $6.31 plus $3.15 for every 100 pounds of milk they produce. Dairy farmers in the Minneapolis-St. Paul milk marketing area, however, will reecive $6.31 plus this area's premium of $1.06, the lowest premium paid in the country.

Of course, the argument is—and Backes admits that it's at least partly true—that the cost of producing 100 pounds of milk in Florida is much higher than it is here where, because of climate and geography, farmers are able to grow most of the feed for their herds. And, of course, the cost of transporting Minnesota-Wisconsin products to other markets means that higher prices in those markets are essential.

But as far as Backes is concerned, one man could turn what he sees as a disaster into something at least less painful. That man is U.S. Secretary of Agriculture Earl Butz.

Jon Wefald, Minnesota Commission of Agriculture, joins Backes in that contention. On Aug. 8 Welfald wrote Butz a letter which said the state already has lost an estimated 1,500 dairy farmers this year and "thousands more among the remaining 35,000 will be forced out of business before the end of the year if positive and immediate federal action is not taken to guarantee the dairy farmer the recovery of his costs and a fair return on his investment and management."

At least a $2 increase in the federal milk-market order is required immediately, Wefald said in the letter.

Wefald said he estimated the 1,500 figure on a couple of things: figures from several of the milk producers' associations on numbers of farmers who had left the business, early indications from the U.S. Crop and Livestock Reporting Service that a larger number of dairy farmers are leaving the business this year than ever before, and on the number of letters and phone calls he has received on the subject early this year.

The number of dairy farms has been declining in the state for years, just as the consumption of milk has fallen steadily for decades. But Wefald believes that the current drop in prices is causing a larger-than-usual exodus. That's important for the entire state, Wefald says, because dairying produces one-fourth of Minnesota's gross farm income and agriculture is the state's biggest industry—accounting for about 40 percent of the state's economy.

There appear to be all kinds of villans in this recent price drop.

But one that almost everyone agrees on is the effect that a large increase in dairy imports had on the domestic industry—or, as Backes puts it: "The trouble is, Butz imported so cotton-pickin' much cheese."

Wefald, gleaning information from various agricultural publications, says dairy imports rose 168 percent for the first five months of 1974 over the same period last year. Cheese imports increased by 108 percent and imports of cheddar cheese in particular, of which Minnesota is the nation's second-largest volume producer, showed an increase during the first five months of 1,635 percent over the same five months of 1973, according to Wefald.

There even are feelings that the American dairy industry is being sacrificed so that large amounts of our grain can be exported.

The assistant milk marketing administrator for the Minneapolis-St. Paul area, Aaron Reeves, acknowledges that the imports had an effect on the domestic prices, but he and some others in the industry believe that imports were increased because consumers stopped buying as many dairy products when the prices climbed last fall and winter. And when meat prices declined earlier this year, people began eating more meat and less cheese again.

That combined with the normal increase in milk production in late spring to send the prices down, Reeves said.

But he believes prices have bottomed out and that the August Minnesota-Wisconsin base price for manufacturing milk, to be announced Sept. 5, will be up 15 to 20 cents over the July low of $6.29.

Backes is not so sure.

He believes Watergate and the tainted dairy funds given to politicians of both parties has kept everyone in Washington from wanting anything to do with the dairy business. Backes says he didn't know anything about those contributions and doesn't know a single dairy farmer who had any knowledge of it.

"Hell, that's injustice. Why should all of us suffer, why should the whole dairy industry suffer when we didn't know anything about it."

Backes says if nothing else works, he'll go to Washington and try to talk directly to President Gerald Ford.

FOOD AND NUTRITION

Mr. McGOVERN. Mr. President, as chairman of the Senate Select Committee on Nutrition and Human Needs, I have had the opportunity over the past several years to both witness and participate in the growth of interest among the American people in the area of food and nutrition. Needless to say, this phenomena pleases me greatly.

Congressional activity in this field peaked in June, when the Select Committee on Nutrition and Human Needs held hearings on a national nutrition policy.

At that time, I said:

> The purpose of the Select Committee's study and hearings is to identify the measures necessary to develop a comprehensive National Nutrition Policy that will permit the United States to continue to fulfill its traditional goals—to insure the American people good nutrition at an affordable price, to encourage the American farmer to maximum production by guaranteeing a decent return on his investment and labor, to continue exporting food for foreign exchange so vital to the nation's general economic health and growth, and to meet our moral concern for the world's poor and hungry who are unable to sustain themselves.

Thousands of people attended these hearings and extensive supportive materials were presented. The substance of these 3 days of hearings represents, I believe, the most comprehensive investigation of the food and nutrition area ever undertaken by Congress.

The Society for Nutrition Education, a very active, helpful, and competent group of professionals in nutrition and related fields, has continually supported the congressional inquiry into the questions of nutrition education, food, and health, and related topics.

In their publication, the Journal of Nutrition Education, July–September 1974, they have summarized the activities of the June hearings.

They have accurately described the hearing format and content, listed the five imperatives of a national food policy, and summarized the nutrition education policy recommendations drawn from all of the different panels. By doing this summary, I believe they have performed an important function that will further serve to educate the American public.

Mr. President, I ask unanimous consent that this valuable document be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

NATIONAL NUTRITION POLICY, A SPECIAL REPORT—U.S. SENATE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS, HEARINGS HELD JUNE 19–22, 1974

THE FIVE IMPERATIVES OF A NATIONAL FOOD POLICY—RECOMMENDED BY THE PANEL ON NUTRITION AND THE CONSUMER

I. Affirm a totally adequate global food supply as a basic goal—recognizing that the productivity of U.S. agriculture places a unique responsibility on the American people, both to conserve the capacity for sustained agricultural output and to cooperate with other nations by sharing domestic abundance to assist in the development of a world food reserve and provision of relief to prevent world famine.

II. Guarantee sufficient resources—including, but not limited to, income support programs for producers and consumers, to insure the production and distribution of a food supply that will provide a nutritious diet for all Americans whatever their economic status.

III. Recognize decisions involve professional competence—recognize that decisions most likely to result in the best diet at the least cost, which is culturally acceptable, will necessarily involve professional competence—and a greater concern for nutrition—in all segments of the Nation's food system: producer, processor, distributor, retailer, and consumer.

IV. Allocate national resources—within the following policy categories:

1. *Agriculture*—The organization and allocation of manpower, capital, raw materials, and energy to produce farm commodities and advance agricultural research so as to maximize the output of U.S. agriculture to:

a) Insure a stable food supply with adequate domestic reserves sufficient for domestic needs and for assisting other nations in building a world food reserve, and

b) Provide exports adequate to meet international food needs and improve the Nation's balance of payments, and

c) Assist in providing relief when emergency food shortages develop in any area of the world.

2. *Nutrition*—The organization and allocation of manpower, capital, raw materials and energy for the storage, transport, processing and distribution of agricultural products, and for related research, to insure a food supply that:

a) Contains sufficient nutrients to enable all consumers to enjoy an active, healthy life, and is

b) Processed, packaged and distributed to minimize nutrient loss, and assure safety for individuals and their environment, and is

c) Labeled to indicate nutritional quality for consumers equipped through education and information to make informed choices in a competitive market, and is

d) Advertised in an honest and informative manner, recognizing that special efforts must be taken where children have yet to learn how to evaluate the intent of food advertising.

V. Nutritional needs first goal of food systems—Require the nutritional needs of consumers be the first among domestic food system goals. Domestic nutritional needs, combined with national and international food reserve needs and with traditional export market estimates, should establish overall agricultural production goals, including the extent to which nutrients are added during subsequent processing.

THE HEARINGS OF JUNE 1974: IN PERSPECTIVE

(By Margaret C. Phillips, Assistant Editor, Journal of Nutrition Education)

Senator George McGovern: "The purpose of the Select Committee's study and hearings is to identify the measures necessary to develop a comprehensive National Nutrition Policy that will permit the United States to continue to fulfill its traditional goals—to insure the American people good nutrition at an affordable price, to encourage the American farmer to maximum production by guaranteeing a decent return on his investment and labor, to continue exporting food for foreign exchange so vital to the nation's general economic health and growth, and to meet our moral concern for the world's poor and hungry who are unable to sustian themselves."

Senator Charles Percy: "The need to articulate goals relating to food and nutrition and to formulate policies to achieve these goals has never been greater than it is today. The very real threat of a worldwide food crisis far exceeding in impact the energy crisis we have recently experienced should suggest to even the most casual observer the importance and timeliness of confronting the issues involved in drawing up a nutrition policy for the United States."

The hearings

The National Nutrition Policy Study, sponsored by the Senate Select Committee on Nutrition and Human Needs under special Senate authority and funding, culminated in three memorable days of hearings attended by more than 2,000 people, June 19–21, 1974. Prior to the Hearings, the Select Committee staff, Study Coordinator Dr. Jean Mayer, and 107 panel members from all over the U.S. worked against many time pressures to prepare background reports and policy recommendations.

The Study and Hearings took place almost 5 years after the landmark Dec. 1969 White House Conference on Food, Nutrition and Health. Inevitably the tendency is to compare the two events: how were they different? what were their purposes? According to Dr. Mayer, who coordinated both conferences, the White House Conference was an attempt to raise the nutrition consciousness of the American people, while the Policy Hearings were intended mainly to educate Congress and give impetus to needed legislation. The 1969 White House Conference was convened by the then newly elected Nixon Administration. The Policy Hearings were convened not by the Administration but by a bipartisan legislative committee interested in nutrition policy. (Was it mere coincidence that the President's Consumer Affairs Adviser Virginia Knauer was holding a consumer affairs conference those same three days in June?)

Six issues

Those who attended both the 1969 White House Conference and the 1974 Nutrition Policy Hearings felt that the issue that dominated the earlier conference was anger and frustration over hunger and the plight of the poor in America. At the 1974 Hearings, however, this was one of several important and interrelated concerns. Six panels were organized for the National Nutrition Policy Study:

Nutrition and the International Situation.
Nutrition and Special Groups.
Nutrition and the Consumer.
Nutrition and Food Availability.
Nutrition and Health.
Nutrition and Government.

Two of these panels—those dealing with the international situation and domestic food availability—reflected today's world food economy and its impact, a contrast against the background of abundance in 1969. The other four panels—dealing with Special Groups, The Consumer, Health, and Government—were charged with reviewing the fate of 1969 White House Conference recommendations, identifying gaps and unfulfilled promises, and recommending changes and action.

Hearing format

Each day, the reports of two panels were heard concurrently. In the morning session, expert witnesses from the panel presented testimony covering highlights of the panel's findings and recommendations to representative senators on the Select Committee. In some morning sessions, notably the Consumer and the Health panels, there was extensive dialog between the presiding Senator and panel members. The afternoons were devoted to discussion between panel members and the audience. This format—unusual for a Hearing—was at the same time one of the strengths and the weaknesses of the conference. It allowed some important recommendations and observations to be added to the reports presented by the panel in the morning. However, many of those who spoke were determined to get their "five cents' worth" and promote a cause or idea not necessarily related to the panel's subject. At some panel discussions there were so many speakers that the Chairman had to resort to the Congressional gavel and the five-minute rule.

These Hearings, like the White House Conference, generated an enormous amount of printed material. One panelist estimated her collection to weigh eight pounds! Before the Hearings, working papers were published comprising: selected reprints prepared by the Library of Congress; guidelines for a national nutrition policy prepared by the National Nutrition Consortium, Inc.; and articles and position papers submitted by members of two panels—on the Consumer and the International Situation. The Consumer working paper includes a statement of the Board of Directors of the Society for Nutrition Education on the need for nutrition education. At the Hearings, each panel's report and recommendations were distributed. It is possible here to give only the briefest glimpse of each panel's concerns and key recommendations.

Nutrition and special groups

This panel comprised a cross section of nutritionists, members of special groups, and food program advocates. The concerns were nutritionally at-risk groups—the poor, elderly, migrants, Native Americans, school children, pregnant women and infants. The devastating effect of inflation on the poor was the overwhelming issue. The panel pointed out that while government spending on food and nutrition programs has increased markedly since 1969, the net effect has been a step backward. While the middle classes were able to "spend down," to cheaper foods, the poor were unable to do this, since they were already eating at the lowest price level.

The panel urged a national commitment to move toward adequate income for all Americans, but since this is not politically imminent, they recommended an expanded, restructured food stamp program based on a more adequate diet plan; a full range of nutrition services for all pregnant women and infants; availability of food service in all schools and institutions (especially school breakfast, day care and summer feeding); adaptation of all food services programs to the neglected migrant workers and Native Americans. The panel's 185-page report eloquently asks for a redefinition of malnutrition in human—as well as biochemical—terms: "In America in 1974, a person should be considered malnourished if for economic or other reasons beyond his control he experiences repetitive periods of prolonged hunger even though his total intake of nutrients is sufficient to protect him from symptoms of deficiency disease."

Nutrition and the international situation

This panel reviewed events in the past two years leading to record low world grain stocks—poor harvests in '72, rampant inflation in industrialized countries, the dollar devaluation, and grain transactions of unprecedented size between the U.S. and Russia and China. The most significant recommendation of this panel was an international grain reserve program to meet emergency needs of developing countries. The proposed reserves would be in addition to private holdings normally maintained by individual countries. This emergency grain reserve concept will be presented as the U.S. position at the World Food Congress to be held in Rome in November. (The relation between the deliberations of this panel and the World Food Congress was highlighted by Ambassador Edward M. Martin, Secretary of State Henry Kissinger's appointed Coordinator of the World Food Congress, who was the keynote speaker at a reception held in the Senate Caucus Room the evening prior to the Hearings.)

Other recommendations of this panel were directed toward increasing food production in developing countries through support of agricultural research, technical assistance and action to promote intensively worked small farms. Also major recommendations on achieving a reduction in world population growth were made: assistance in establishing family planning programs and creating a social and economic environment conducive to smaller families.

Nutrition and the consumer

Nutritionists, educators, consumer advocates and food and advertising industry representatives made up this panel. It divided into two subpanels to consider two interdependent topics: Popular Nutrition Education, which covered nutrition education needed by consumers in order to use information in the marketplace; and the Consumer, which covered what information about foods consumers must have in order to apply their education.

The Subpanel on Popular Nutrition Education felt that "the drive for improved popular education has fallen far short of the goals set by the White House Conference" and that existing programs are diversified and sporadic. They saw a need for a formalized structure for nutrition education at government level and urged passage of a National Nutrition Education Act to make nutrition education available to every school child; an Advisory Commission on Nutrition; and other measures to improve nutrition training for college students, supportive information for foods without nutrition labels, and public service time on TV and radio devoted to nutrition education.

The Subpanel on the Consumer predicated their recommendations on expressed goals of a national food policy (see page i). Their many recommendations included several government-level structural changes; labeling—ensuring that food is informatively labeled as to the product, ingredients, type quality, nutritional contribution, special diet information, grade, price, storage/date information; and advertising—a mass media nutrition campaign, strengthened educational functions of food ads, and a children's advertising code.

Nutrition and food availability

Twenty-three specific recommendations were made by this panel directed toward righting some of the inequities inherent in a "world divided between commercial producers and subsistence producers, commercial consumers who can pay for their food, and subsistence consumers who need food but cannot afford to buy it." Their recommendations include supplemental food reserves, new market arrangements for producers, international futures markets, and other plans mainly to protect the producer. The membership on this panel was producer-dominated, and there was little apparent input from nutritionists or consumers.

Nutrition and health

Health problems of affluent societies, many of which are related to overabundance of food, were a major concern of this panel. The report includes statements and recommendations on coronary health disease, diabetes, hypertension, obesity, liver disease and alcoholism, cholesterol, gallstones, dental disease, and anemia. Recommendations in this area were aimed toward widespread adoption of the "alternative diet" (less animal foods, more legumes, grains, vegetables and fruits) for both disease prevention and resource conservation. Also covered by the panel were the relation of nutrition with growth and development, reproduction, infants and children, and aging. Many recommendations were made concerning these specific areas. Common to several of them were (1) improvement of food programs to eliminate malnutrition and (2) more nutrition education.

A third major concern of this panel was to add an effective nutrition component to health care delivery systems—health maintenance organizations, national health insurance, Medicare, etc. This topic received much attention and support during the afternoon discussion. It was felt that the inclusion of nutrition in health delivery had been ignored too long and could be corrected without major policy changes.

Nutrition and government

This panel dealt with the overall organization of government to deal with food and nutrition policy. They took a pessimistic view, pointing out that the lack of good information and concern about nutrition at the hghest levels of government is "disastrous for the prospects of any breakthrough on national nutrition policy." Numerous recommendations on national food and nutrition surveillance systems, evaluation of current research in nutrition, and support of nutrition training for health professionals and teachers were made. In the area of government organization, the panel recommended a Food and Nutrition Policy Board at high government level and an Office of Nutrition to implement and coordinate programs. (Several other panels recommended different kinds of national government nutrition organizations. However, the consensus of all of these panels and their participants seemed to be that some kind of government organization exclusively responsible for nutrition policy and programs is needed instead of the present thinly spread responsibilities among several government agencies.

What now?

The official record of the Hearings—a verbatim transcript of the proceedings, supplementary statements, and the reports and recommendations of the six panels—will be available through the Senate Select Committee soon (see page viii for information). After that, the Committee will study the proceedings and draw up its own report and policy recommendations. The process of sifting through the formidable Hearing Record and selecting workable proposals for National Nutrition Policy is expected to take some months.

Meanwhile, we will hopefully see increased momentum for the passage of nutrition-related bills in Congress. Senator Edward Kennedy, presiding at the Nutrition and Health Hearings, remarked for the benefit of skeptics that these conferences *really do* produce results on many levels. He cited the passage of Title VII, Nutrition Program for the Elderly, which was directly attributable to the 1971 White House Conference on Aging. Looking back over recent years, there have been a number of developments largely as a result of the 1969 White House Conference on Food, Nutrition and Health recommendations: nutrition labeling; the present food stamp, EFNEP, and summer feeding programs; and fortification of many baked snack foods—to name some of the major ones.

Dr. Jean Mayer, June 18, 1974: "Our success will not be measured by what is said or resolved in the course of this gathering. And the reports and recommendations that issue from these chambers three days hence can only be a prelude. The true test of our commitment will come later, in the working through of our proposals in subcommittees, government agencies, corporate groups, and local communities . . . as the problems of the world community become increasingly crucial to our own health as a nation, the need for responsible food and nutrition policies can only grow in urgency in the months and years ahead."

NUTRITION EDUCATION POLICY RECOMMENDATIONS: A SUMMARY

(Nutrition education-related recommendations were made by several panels, not just those specifically examining the topic. Recommendations on nutrition education have been pulled together and summarized below:)

NUTRITION AND THE CONSUMER

Subpanel on popular nutrition education

Passage of a National Nutrition Education Act under the direction of the Commissioner of Education (to make nutrition education available to each school child.)

Colleges and universities be encouraged and funded to provide courses in nutrition for non-scientists and that these courses fulfill science requirements.

Increased and specific allotment of public service time in electronic media be devoted to nutritional matters.

The coordination of national nutrition education in the mass media to be directed by a National Nutrition Education Backup Center under the National Nutrition Education Act.

A program of supportive information for all foods not now covered by FDA nutrition labeling regulations or proposed USDA regulations.

Subpanel on the consumer

All food policy programs (incl. nutrition education) now scattered throughout USDA, HEW and other agencies to be centralized in one new agency.

A Consumer Library as part of the new agency to provide ready access to food research & program information.

Community nutrition centers to provide or coordinate nutritional services to consumers at the community level.

Consumer information on nutrition should be presented by persons trained to develop and transmit it in motivational ways.

Close monitoring of nutritional labeling during a 2-year period to evaluate effectiveness and assist in improvements.

The Senate Select Committee on Nutrition & Human Needs establish a permanent subcommittee on advertising & nutrition.

The private sector to join with government in supportive mass media education programs.

Consumer and/or health professionals' input to mass media education programs.

Public Service Announcements and counteradvertising should be used to "advertise" good nutrition.

Food advertising should have strengthened educational functions, as regulated by an FTC trade regulation.

Advertising directed to children should be consistent with good nutrition habits.

A Children's Advertising Code which prohibits: advertising food or drink containing a high sugar content; advertising of vitamin or other supplements; unrealistic claims for single products or nutrients; and more than 2 minutes of edible product ads during any clock hour of children's programming.

NUTRITION AND HEALTH

(This panel divided into several subsections. Nutrition education recommendations below are combined from all subsections of the Panel.)

Nutrition should be taught as a discipline included in all fundamental science and biology curricula rather than simplistic food selection guidelines.

Mandatory inclusion of calories, cholesterol, fat and fatty acid composition, and sodium content on labels of all manufactured foods, incl. standardized foods.

Public awareness campaigns to stress importance of early coronary risk diagnosis.

Establish a National Nutrition Council to make disease-preventing nutritional recommendations to the public.

A research project in selected communities: coordinated efforts by mass media, schools, restaurants, etc. to promote the "alternative diet;" evaluation before & after, e.g. blood cholesterol levels.

Advice to the American public to gradually decrease meat, egg yolk and certain dairy product consumption to avoid high cholesterol, high saturated fat intake.

Government and private agencies to continue vigorous education programs for public & professionals to identify and treat hypertensive persons.

Hypertensive persons and those genetically predisposed to be advised to restrict salt intake.

A wide series of authoritative simple pamphlets for dietary recommendations in liver disease.

FDA to consider offering information with vitamin supplements that tells the role of food in supplying these nutrients.

Free, widely distributed pamphlets with advance on eating and drinking to avoid alcohol-related diseases.

Education at multiple levels to the public on health problems (incl. nutrition) related to alcohol and alcoholism.

Require nutrition education as part of Federally funded alcoholism programs.

Daily publication of best nutritional buys for money.

Upgrade nutrition, incl. practical aspects of oral disease prevention, for teachers & health professionals.

Funds for nutrition teaching for doctors and dentists, such as S. 324 proposed by Senator Schweiker.

Prohibition of candy and sweet sales in schools and encouragement of sale of nuts, fruit, vegetables, milk and cheese.

Eliminate advertising of candy in children's media.

Declaration of % added sugar for any food where nutritional value is claimed.

Continued efforts to increase intake of iron, especially for high-risk groups.

Public education on the importance of seeking sound nutrition guidance early in pregnancy.

Expansion of public, private, and industry-supported public health education on the topic of obesity prevention (this is a necessary precursor & accompaniment of any regulatory changes).

All commercially sponsored ads directed at children to be abolished; radical revision of food ads aimed at adults.

Persuasion of press, TV and radio representatives to seek scientific guidance on new weight reduction diets.

Create a nonpartisan, publicly supported agency to collect, evaluate and disseminate information on healthful nutrition.

Legislation requiring a consumer nutrition information component in all tax-subsidized food assistance programs.

Incentives to nutritional care organizations that utilize their sites as sources of nutrition information for the public.

A system providing current nutrition information in simplified language to the consumer.

NUTRITION AND GOVERNMENT

(The recommendations below are abstracted from the section "The Role of the Federal Government in Professional Education and Nutrition.")

Intensive national effort to provide teachers with a modern understanding of nutrition.

Continuous development of more effective educational materials & techniques; dissemination of information on available resources; distribution of useful materials.

Nutrition Teaching Institutes patterned after those of the National Science Foundation, supported by Federal funding.

Nutrition Education Centers within universities and teacher training institutions to develop and distribute educational materials.

A National Education Resources Information Center for Nutrition plus regional satellite centers to serve as repositories of available educational materials; funded by the Office of Education.

Use of the school lunch program to correlate with classroom nutrition teaching.

Establish faculty & resources to teach nutrition in clinical and preclinical departments; promotion of nutrition services & training in hospitals & clinics.

The Land Grant universities to continue & expand food & nutrition training.

Support for the training of health professionals in nutrition as laid out in the Williamsburg Conference guidelines.

NUTRITION AND SPECIAL GROUPS

More attention should be paid to dietary counseling and nutrition education in the Nutrition Program for the Elderly.

Expand the home economics arm of agricultural extension to U.S. Territories.

NUTRITION AND HEALTH: A COMMENT

Many present-day nutrition problems could be solved with only modest financial expenditures, or none at all. It should not be necessary for the Congress to make enormous increases in total appropriations for Health, Education, and Welfare. There is a great deal of information available that is not being applied. A fundamental problem has been an attitude of complacency that has resulted in long-standing neglect of Nutrition education, research and practice. Relatively modest revisions of attitude, administrative structures, and distribution of funds could reverse present trends and pay rich dividends. Congress has for too long been misled by the siren-song of groups having special interests in highly restricted categories of health, notably cancer and heart disease. The result has been that Nutrition, a topic of vital importance to every citizen and a component of every medical specialty, has been sadly neglected.

It is a remarkable fact that wealthy industrialists do not die of malnutrition and therefore tend to make endowments for the study of certain specific disorders with which they are familiar. Poor people who struggle daily for food, shelter and clothing (usually in that order of priority), and who pay taxes, are in no position to make endowments and must depend on elected public officials to recognize their needs. This is a subject calling for the highest degree of legislative enlightenment, and for action above and beyond the call of political pressures. Congress must find ways to provide much greater support for the science of Nutrition than what is currently available if the health and welfare needs of the public are to be met. The prospect of serious food shortages in the years ahead make this a matter of considerable urgency. From the Report of the Panel on Nutrition and Health.

ESSENTIAL READING

The following reports are available without charge from the Senate Select Committee on Nutrition and Human Needs, 119 D. Street, N.E., Washington, D.C. 20510:

National Nutrition Policy Study:

Report and Recommendations—I (Panel on Nutrition and Food Availability).

Report and Recommendations—II (Panel on Nutrition and the Consumer).

Report and Recommendations—III (Panel on Nutrition and Government).

Report and Recommendations—IV (Subpanel of Health Care Systems of the Panel on Nutrition and Health).

Report and Recommendations—V (Subpanel on Popular Nutrition Education of the Panel on Nutrition and the Consumer).

Report and Recommendations—VI (Panel on Nutrition and the International Situation).

Report and Recommendations—VII (Subpanel on Nutrition and Disease of the Panel on Nutrition and Health).

Report and Recommendations—VIII (Panel on Nutrition and Special Groups).

Hearing Record—to be published.

A Working Paper—Nutrition and the Consumer II (and other working papers).

(Copies of this Special Report are available from the National Nutrition Education Clearing House (NNECH), 2140 Shattuck Ave., Suite 1110, Berkeley, CA 94704: single copy, $1.00; 10 or more, 80 cents each. The Society for Nutrition Education has developed the National Nutrition Education Clearing House in response to a 1969 White House Conference recommendation for a central source of information about nutrition education teaching materials and resources. More than 5,000 materials have been collected in 58 subject categories and reviewed for accuracy and usefulness. NNECH services include bibliographies, selected reference lists, resource leaflets, a reference library, and lending and duplicating services.)

BUDGET CONTROL AND INFLATION

Mr. FANNIN. Mr. President, the newly created Committee on the Budget today completed its first hearings to review and explore general economic issues and the principles underlying our current problems of inflation. Having been a member of the Joint Study Committee on Budget Control, I was especially pleased and honored to be a member of the new Budget Committee and to take part in the initial hearings.

Mr. President, the impetus for Public Law 92–599 which created the Joint Study Committee was the continuing Federal deficits plus their increasing size.

The economic community has varying opinions regarding the course of the economy, but it is almost unanimous in agreeing that massive deficits in the Federal budget are the chief cause of inflation.

Inflation has been the result of industrialized nations trying to live far beyond their means. This has been accompanied by persistent budget deficits. Many years ago we were told that a little inflation would be a good thing. This country could, we were told, live with a 2 percent inflation rate. This was probably true, provided the rate could be held at that level. However, even in a moderate inflationary period, any rate that is tolerated will soon be exceeded.

Thus we have had a steady climb in inflation from an annual rate of 2 to 12 percent. Once this climb began, inflation began feeding on itself. The expectation that prices will continue to rise artificially spurs demand, strains capacity and forces still higher prices.

While a little inflation as a result of the vast amount of borrowing against future income was tolerated due to the beneficial impact on business and employment, we ignored the clear historical fact that the willingness to accept a little inflation has always resulted in a lot more inflation.

Mr. President, it especially important that the new Budget Committee get off to a good start. The committee should be exploring ways of bringing Federal spending under control, not fishing for justification of continued excessive spending. If I may borrow a phrase from my liberal colleagues, we did not create the Budget Committee just to have "more of the same" or "business as usual" in Federal budgeting.

I raise this point because of my concern that the first round of hearings may be interpreted by some people as justification for continuation of the status quo—uncontrolled Federal spending.

We did hear some testimony along these lines:

First. Federal budget deficits are only a minor source of economic financial instability;

Second. Federal budgets combined with State and local governments show substantial surpluses in the past 3 years; and

Third. In essence, Government deficits have not constituted "an engine of inflation."

This testimony came from the same quarters which provided the economic philosophy which brought America to its current inflationary dilemma. We should take a close look at these points.

One, off-budget outlays and expenditures of governmentally sponsored agencies are not included in the budget deficit yet they represent demands on the financial markets. The Government must go into the money market, massively and frequently to borrow. In the fiscal year 1973 total Federal and federally assisted borrowings accounted for 62 percent of the funds raised through borrowings in the capital markets. The impact of this kind of financing is enormous and has played a major role in forcing the prime interest rate up to 12 percent.

Two, Prof. Murray Weidenbaum has pointed out that if we look at the budgets of our State and local governments we do not find large surpluses. To the contrary, they are in a deficit position. For example, for fiscal 1971 and 1972 the figures compiled by the Bureau of Census show a cumulative deficit of $4.4 billion.

As for the third point concerning the inflationary effect of Federal spending, I would again like to cite Professor Weidenbaum who has listed at least six ways in which the Federal budget exercises an inflationary effect:

First. An excess of Government outgo over income increases the purchasing power in the private sector. For technical reasons, even a balanced budget tends to be mildly stimulative.

Second. Deficit spending often requires the Treasury to sell debt to the banking system. This provides a direct basis for the multiple expansion of the money supply.

Third. When the deficit is financed by selling Government securities to individuals and nonfinancial institutions, the Treasury debt may replace private borrowing that can reduce the amount of funds available for investment in the productive capacity needed to increase the supply of goods and services.

Fourth. Through subterfuges such as credit subsidies and off-budget agencies, the amount of fiscal stimulus is underreported. The amount of fiscal restraint is overreported by using outmoded or inappropriate measures such as the full-employment budget.

Fifth. To the extent that taxes to pay

for the Federal spending reduce the funds available for investment, the Nation loses the anti-inflationary benefits of a larger supply of goods and services.

Sixth. When the Government's own fiscal house is out of order, the credibility of any national anti-inflation programs is sharply reduced. A tough-minded effort to control Federal spending is essential to developing public support for fighting inflation.

Mr. President, the new Budget Committee has the opportunity to enable Congress to turn the power of the purse into a truly effective instrument for stabilizing our economy or it could become another mechanism to approve and rationalize continued deficit spending. We in Congress have that choice today.

We must recognize that many of our social and economic problems cannot be solved by an immediate, large outlay of Federal funds. Such outlays will require further deficits and add enormously to the aggregate demand for goods and services while adding little to our productive capacity. In addition, Federal Reserve Chairman Arthur Burns has observed that—

> The basic responsibility for economic stabilization lies with the Federal government. Unless our government exercises that function better than it has in the past, there will be little hope for restoration of stability in the general price level.

Mr. President, Congress has taken the first step—we have moved to overhaul the archaic budget process. We must now abandon unworkable and inefficient programs. We must control the so-called uncontrollables. We must consider the long-range implications of each new program. Unless we follow this policy, there will be little hope that we can avoid the massive increases and the persistent deficits that have plagued us in the past.

OPERATION OUTREACH

Mr. MONDALE. Mr. President, earlier this year Dr. G. Theodore Mitau, chancellor of the Minnesota State Colleges, developed a creative and thoughtful proposal to expand and intensify the off-campus activities of colleges and universities.

His proposal was unanimously endorsed by the board of directors of the State colleges and universities.

The dialog Ted Mitau calls for is long overdue. It offers real hope at a time of confusion and uncertainties in our national life.

I commend this thoughtful proposal to the attention of my colleagues and members of the public and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

OPERATION OUTREACH: UNDERSTANDING FOR SURVIVAL

(By Chancellor G. Theodore Mitau)

Our colleges and universities must begin a massive public dialogue—a massive teach-out—with the American people to provide background and understanding for the enormous social and economic changes occurring at home and abroad which will profoundly affect every person's lifestyle and future.

The contributions of the Carnegie Commission on Higher Education, the Committee for Economic Development and the National Commission on the Financing of Post-Secondary Education may stand as significant events in the history of American colleges and universities.

I suggest, however, there has been a missing link in the study and critique of post-secondary education in America. These studies have tended to be somewhat too parochial. By focusing too much on the internal needs and processes of colleges and universities, they failed to emphasize that the world is in the midst of several revolutions; technological, political, and economic affecting every country in the world, every class, every citizen. Higher education has not yet addressed itself systematically and comprehensively to the enormous consequences of these simultaneous revolutions.

In part, because of this failure of educators, Americans, with incredible suddenness and without prior preparation found themselves in the midst of an energy crisis that profoundly shapes their lifestyle and their employment opportunities. They also discovered . . .

That small political entities in some far away land could effectively disrupt complex and sophisticated economies of countries thousands of miles away.

That gunboats could no longer be sent to rescue citizens and interests when revolutions endanger Amercian lives and property.

That the militarily powerful nations of the western world found themselves absolutely helpless when raw material producing states exacted exorbitant prices for critical raw materials.

That in the decades ahead the underdeveloped nations of the world will simply no longer permit their resources to be taken to the heavily industrialized parts of the globe in exchange for relatively low prices.

That masses of poverty-stricken people will now be able to demand effectively a more equitable distribution of material wealth of the world through prices that will seriously endanger the standards of living of the United States, Europe, and of Japan.

These realizations are going to affect profoundly international attitudes, power relationships, and trade balances. There is no one who can predict with any certainly at this moment what the outcome of these revolutionary changes of power and privilege will likely be.

At the same time, there will be millions of American citizens who will suddenly be confronted with doubts and uncertainties, with anxieties and concerns about the kind of world in which their children will live and about the material conditions under which society will be permitted to operate.

Nor are these serious apprehensions growing out of international developments alone. At home we are raising questions about the integrity of public office.

About the equity of tax laws which permit the rich to escape proportionate tax burdens.

About the efficacy of our constitutional arrangements.

About presidential leadership that was employing questionable means in the name of national security and "law and order."

About the increasing wealth of a few and the widening disparity between classes as to the ownership of wealth and economic power.

About the monotony of daily work in the heavily mechanized industries.

Although colleges and universities have increasingly opened the campuses to all age groups with varying degrees of effectiveness, and although curricula have been revised and reformed, and although instructional programs have been more tailor-made to meet individual student's needs and requirements, there has been a remarkable lack of urgency in undertaking a more imaginative role effectuating the necessary dialogue with the broader publics to update their understanding of the dynamics of societal and world changes.

What is now much in need is an active response to a "manifesto" that would call upon our American colleges and universities to address themselves to at least the following.

To prepare the masses of our fellow citizens to live in a world in which a major redistribution of privilege and power is in the making.

To prepare Americans for the realization that for the first time in modern history it may well be necessary for us to live at a lower material standard in order to achieve a more equitable distribution of material goods throughout the world. This in turn would help to remove some of the revolutionary ferment that might otherwise result in a nuclear holocaust destructive of the entire civilized world as we know it.

Our American colleges and universities could do much to share significant new knowledge and understanding about the contemporary world, to assist in the greater political and social sophistication of those who cannot be expected to pursue long-term study and who must continue to earn a living while they readjust themselves to a new world outlook.

On the eve of World War II, President Roosevelt promised the western nations of Europe that we would transform our industrial productive capacity to provide the military resources to overcome the forces of Nazi aggression and to prepare for a world characterized by the four freedoms.

Suddenly under the impact of military necessity this country became a virtual arsenal of democracy.

It is suggested here that the time has come when America's educational resources and leadership could well become the arsenal for peaceful change. This could be accomplished through men and women of all ages representing town and gown working in a systematic and orderly way with special courses, special experiences, and special dialogues to come to grips with the enormity of the adjustments that lie ahead.

No longer can this nation put its faith in the deferred learning of its youth. In 20 or 30 years this world may have so radically transformed itself that we may then be accused of having truly fiddled while Rome burned.

Thus, let us organize and conduct emergency programs through which college and university faculties meet in their respective communities in special conventions of educators and citizens, of specialists and generalists to carry on dialogues on the strategies and objectives by which the world's political, social, and economic changes might occur in an ambience free from recourse to nuclear confrontations.

What is suggested here is nothing less than a renaissance of the trained intellect and a reordering of missions for higher education by helping wider publics to look beyond the today to the tomorrow, to point up possible options, to critically evaluate alternatives, and to suggest rational choices to plural groups of policy-makers.

To implement "the manifesto" an appeal might be directed to the 50 governors of the states to work with leading representatives of colleges and universities, of business organizations, industrial concerns, professional groups and of members of organized labor, to identify professional expertise that could be invited to staff panels of "hearings" that would address themselves to the analysis and explication of contemporary problems. Such might include:

The energy crisis and consequences for employment and unemployment;

International economic relationships and balance of trade;

The shifting bases of political power abroad and at home;

Ethics and the public service;

Job satisfaction and economic productivity;

Personal effectiveness in large-scale organizations;

Drug and alcohol control and rehabilitation;

The changing role of sex and family relationships;

Individual and institutional racism;

Rebuilding of the urban and rural communities.

Particular effort would be made in the "hearing" arrangements to enlist the cooperative efforts of television, radio and the print media, enabling millions of homes to participate in this massive effort of the "teaching and learning society."

Local libraries, collegiate and public, would provide reference materials and reading lists.

The financing of this massive teachout might first be accomplished with private foundation support, the enlisting of individual contributions, and through support from corporations and other organized sources.

Once the merit, relevance, and significance of these programs have been established an effort would then be made to present the need for these massive teachouts to legislative and congressional bodies in the hope of obtaining a systematic fiscal base to carry on the educational effort.

This perhaps could return to our colleges and universities the great hope and pride which once characterized them in their public perceptions. Perhaps colleges and universities of the future could once again, by responding with imagination and creativity to the challenges ahead become the beacon of vision and the repository of some of the nation's greatest educational competence and leadership.

HOOVER CENTENNIAL CELEBRATION

Mr. CRANSTON. Mr. President, Herbert Hoover was one of California's distinguished sons. For many years, the former President was very closely affiliated with Stanford University. Upon the centennial of President Hoover's birth on August 10, a centennial celebration was held at the Hoover Institution on War, Revolution, and Peace.

President Gerald Ford had been scheduled to be main speaker at the institution, but was unable to appear due to last minute conflicts. Senator Mark Hatfield, who is a Hoover scholar, President Richard W. Lyman of Stanford University, and Mr. Glenn Campbell, director of the Hoover Institution, all spoke at the Centennial Convocation, and I ask unanimous consent that their remarks be printed in the Record, following the message from President Ford.

There being no objection, the material was ordered to be printed in the Record, as follows:

Message From President Gerald R. Ford

(Delivered by Glenn Campbell, director, Hoover Institution, Stanford, Calif.)

I deeply regret that I am unable to be with you at the Hoover Institution's Centennial observance of the birth of Herbert Hoover. I had looked forward to joining with you in paying tribute to this outstanding American who served his country so long and so well in so many different capacities.

Herbert Hoover was truly a man for all seasons. From a humble cottage in Iowa to the stately White House in Washington, D.C., this great man demonstrated through word and deed just how much a man of superior intellect, absolute devotion to duty, and incomparable industriousness can contribute both to his own country and to the world.

Throughout his long life and in every position of responsibility that he held, from World War I Food Administrator to the Presidency of the United States, he exhibited those traits of character that have given this country its strength, its steadiness, and its decency.

It is particularly appropriate that an important part of the Centennial celebration should be conducted under the auspices of the Hoover Institution at Stanford University. As the founder of the Institution that bears his name, Herbert Hoover maintained a keen interest in and close association with the Hoover Institution from its founding in 1919 until his death in 1946.

The fact that the Hoover Institution is today a thriving center for documentation, research, and publications in the fields of international affairs and domestic studies programs is a tribute to his foresight and is due in no small part to the role that he personally played in its birth and development. With its ever expanding activities and outstanding record of academic achievement, the Hoover Institution is indeed a living memorial to the remarkable man that is being honored today.

My special thanks and deepest gratitude to all those who have worked so hard to make the Centennial observance of the birth of Herbert Hoover a fitting tribute to this great man, who, perhaps more than any other, epitomized the generosity and basic charitableness of our nation and its willingness to respond to human want and suffering throughout the world.

Gerald R. Ford,
President of the United States.

Statement by Senator Mark O. Hatfield

"What this country needs is a great poem. Something to lift people out of fear and selfishness."

So Herbert Clark Hoover said in 1931. In the midst of a sad and tumultuous era brought on by a complex rush of historical events, a President who believed in America had faith in what the future could bring.

In the midst of national anxiety President Hoover understood the need for human inspiration, for a vision and compassion that could lift the hearts and minds of the people. For there was, in the dark and dangerous years of the depression, little hope in what people saw. War, economics and social upheaval had changed the face of the world. They had forced history in a direction that, in Hoover's mind, was frought with peril and danger. Throughout the community of the world, Fascism threatened, societal fear and anxiety were growing, distrust and disillusionment spread like cancer to the shores of the world.

But Hoover believed in the people; in their capacity to respond.

Of course it is a historical misconception to assert that he did not believe in the intervention of Federal power and influence to re-direct the course of national events. But pre-eminently, Hoover believed that when the power of Government was invoked "only" in the name of saving the system, but at the expense of individual liberty, then you risked destroying the system in the name of its salvation.

In recent years we have seen the consequences of neglecting these truths. We destroy villages in order to save them. The political estrangement of the people grows in proportion to the power of the Federal Government. And finally, centralized executive power is so abused that our nation is brought to a historical crisis.

Hoover knew so well the maxim echoed by Ghandi: "The means is the end in the making." And it is clear that we have inherited, in large part, a political climate which Hoover prudently predicted and rightly feared.

In these uneasy times, as men search now for the inspiration that Hoover himself once sought, I believe that we can find ours in the life of the man we honor here today.

History can distort the image of men and their times, to simplify both virtue and failure. And so we are told that if the times were not gentle, neither were the leaders of the day. If history did not change, it was because men did not respond; if American went through an era of anxiety, fear and indecision, then its President must have been anxious, fearful, and indecisive. So some history books tell us of Hoover.

But I know of a different man. A man who felt both great compassion and great failure, a man who found a need for words that would quiet the fears of a frightened world. He was a quiet, compassionate man who led America in a loud and passionate age. If he endured the failure of history, he knew also the greatest humanitarian successes; if he was surrounded by a blind faithlessness, his vision remained clear and his hope and faith in men endured; if the world weighed heavily on men, so it nearly crushed the leader who bore its pain and suffering. And in all, he refused the temptation of sacrificing principle on the altar of political expediency.

Hoover's own poem—his personal legacy—was a sonnet to liberty. During his half-century of public life the structure of his legacy and the purpose of his work, did not alter. For those who would shape history through international reprisal, Hoover sought, and maintained, international understanding and compassion. To those who would undermine the foundation of democratic liberty by exhorting the inevitability of big business, big labor, big government, Hoover would not yield.

President Hoover's faith in the individual was complete. He believed that the destiny of America rested with the imagination, cooperation and vision of her people. And everywhere, the forces that would destroy the concept of individual liberty were afoot. Pressure to expand the control of the Federal Government intensified, in a frantic search for solutions. Corporate giants in industrialism were growing—demanding power—threatening more and more to control the lives of the working man. Hoover saw all these things, and in them was contained a threat to liberty, a loss of individual imagination and spirit, and an obstacle to constructive changes in human destiny. The dignity of men was being usurped by the power of the institution, and in this development Hoover foresaw danger:

"The progress of the nation is the sum of progress in its individuals . . . It (individualism) alone admits the universal divine inspiration of every human soul. I may repeat that the divine spark does not lie in agreements, in organizations, in institutions, in masses or in groups. And in proportion as each individual increases his own store of spirituality, in that proportion increases the idealism of democracy."

And yet as history pushed on, uncontrolled and perhaps uncontrollable, it was Hoover that foresaw our fate. He fretted over the rise of massive federal bureaucracies that cut short the responsiveness of democracy to its citizenry:

"I want to live in a community that governs itself, that neither wishes its responsibilities onto a centralized bureaucracy nor allows a centralized bureaucracy to dictate to that local government . . . You cannot extend the mastery of the government over the daily working life of a people without at the same time making it the master of the people's souls and thoughts."

And what has happened since that time? Since 1932, the amount of federal expenditures has increased 90 times over—while the Gross National Product has increased only 14 times. Since that time one department of the Federal Government alone—the Department of Defense, has become the third largest planned economy in the world.

The power and scope of Federal Government has expanded with unprecedented speed. Yet, as Hoover feared, people's confidence in government has waned at a nearly equal rate. In terms of individual liberty—the hallmark of democracy—the cost of the constant conglomeration of federal power cannot be measured, but it can be observed. One need only ask the people if they believe that the Federal Government can solve their problems. Most of them think not.

They believe the Federal Government has grown too big; that it spends too much money; that what it does spend it frequently wastes; that it has lost touch with the citizens; that it blunders on, not in control of itself, nor controlled by orders. And they tend to be right. Ours is a future Hoover foresaw—and despite public pressure to the contrary—acted against.

We can turn again to understand Hoover's philosophy of government, his commitment to decentralized power, and his belief in true liberalism, rooted in an unquenchable faith in the people, as we seek to reconstruct the fabric of our democracy today.

First of all, he was a man of global vision. The guiding principle of Hoover's foreign policy was to create a true international community. In his inaugural address, he expressed the nation's determination to, in his words, "retreat from imperialism." "We have no desire for territorial expansion, for economic or other domination of other people." The United States armed forces had only one purpose in Hoover's mind. "That no foreign soldier will land on American soil."

In his "Good Neighbor" policy of Latin America, Hoover repudiated the interventionist Big Brother diplomacy that had previously often characterized the U.S. role in the world. The goodwill tour of Latin America in 1928 was followed by significant actions. Hoover removed the Marines from Hati and Nicaragua and rejected urgings to send the Marines into Panama, Honduras, and Cuba. These were examples of how his words took on practical meaning.

Further Hoover spoke and acted on the highly emotional subject of disarmament. "Despite those lessons (of war) every government continues to increase and perfect its armament. And while this progress is being made in the development of the science of warfare, the serious question arises—are we making equal progress in devising ways and means to avoid those frightful fruits of men's failures that have blotted with blood so many chapters of the world history."

It was in large measure through his efforts that the Five-Power Naval Pact was signed. (Arms limitation agreement between France, Italy, Japan, England and U.S.) True peace is built on the fulfillment of human needs. The gravest enemies of peace are deprivation, suffering, and economic and social injustice. It was this long range perspective which Hoover held. He was never so pre-occupied with the pragmatic steps necessary to plan a military strategy or to solve a pending diplomatic crisis that he lost sight of those broader global forces which ultimately can shape peace.

From the start of his public career, Hoover was moved with compassion by the deprivation of people, and his global vision was always rooted in his enduring concern. He saw it in the eyes of the hungry people of the world. Through World War I, as he headed the Commission for Belgium Relief, as he moved through that experience to the feeding of 10 million people at one point, he came into direct conflict with admirals and the generals as it related to the policy of blockading the occupied countries. He made this prophetic statement when he warned: . . . "Above all, I did not believe that stunted bodies and deformed minds in the next generation were the foundation upon which to rebuild civilization." But the larger task was the destruction and destitution that came in the wake of that war, and in particular, that grave threat of famine.

The American Relief Administration, under Hoover's guidance, went to work in 33 countries during those postwar years, relieving hunger and famine. Most noteworthy was the assistance rendered to Russia in 1922 and 1923, saving the lives of an estimated 20 million people. He acted on the conviction that the bonds of our common humanity, and the sanctity of human life, can transcend the barriers of ideology. As one historian has written: "Because he knew that mere appeals to decency and charity would be a waste of breath in a time of inflamed hatred, his arguments were practical rather than sentimental. But under these public statements was his private compassion for the Man Crucified, which for him did not stop at any geographical or racial lines."

Through the totality of Hoover's relief efforts, from 1914 to 1924, he collected and spent $5,234 billion, purchasing 33,841,307 tons of commodities—most of it food. The lives of millions of people were saved.

When President Truman called him back to public service it was again to relieve the ravages of hunger that stalked a world devastated by war. Hoover described that time in these vivid words: "Hunger hangs over the homes of more than 800,000,000 people—over one-third of the people of the earth. Hunger is a silent visitor who comes like a shadow. He sits beside every anxious mother three times each day. He brings not alone suffering and sorrow, but fear and terror. He carries disorder and the paralysis of government, and even its downfall. He is more destructive than armies, not only in human life but in morals. All of the values of right living melt before his invasions, and every gain of civilization crumbles. But we can save these people from the worst, if we will."

Today again, the world faces famine. At least 60% of those 2.5 billion people living in the poorer, developing world suffer from malnutrition. South Asia may be faced this year with the largest food deficit in recent history. In the Sahel, 1 million have already died and 5–10 million more are starving in the Bush country, afflicted by drought. This famine is the greatest threat to American stability and security today. This famine is the greatest threat to peace of the world today—outdistancing military hardware competition by many miles.

How can you describe the human realities of hunger and famine? Listen again to these words: "No one who has not seen famine with his own eyes can have understanding of its hideous reality. Mothers at every meal watch the wilting away of their children. Gaunt mothers search for scraps of food, carry emaciated children too feeble to walk. Long streams of refugees flee from the famine areas, carrying their children and a few possessions, with many dead lying at the roadsides. Few people die directly from starvation, for disease intervenes. The hospitals and children's refuges are crowded with all who can lie on the floors. The dead lie unburied in heaps. And even worse things happen which I do not repeat here." Those were the words used by Hoover in 1959, which he would only emphasize more deeply today.

Herbert Hoover demonstrated in the past how the generosity of the American people can be inspired to alleviate the hunger of mankind. Today, it is such an outpouring of humanitarian spirit which must again come to relieve the most basic needs of mankind, and build the foundations of true justice and peace.

At this time, our nation must turn to uphold the qualities of true leadership. This is a leadership not committed to the protection of power and ego, but to the service of people.

Hoover understood what it meant to uphold the constitutional obligations of the Presidency of the United States. "The Presidency is more than an administrative office. It must be the symbol of American ideals. The high and the lowly must be seen with the same eyes, *met in* the same spirit. It must be the instrument by which national conscience is livened and it must, under the guidance of the Almighty, interpret and follow that conscience."

In the end, what endures about a man, and his service, and what builds strength within a people, are the commitments to values and principle. They are matters of the spirit. That is what lasts about any life, and what corporately equips us to build a future nourished with hope and vision. Herbert Hoover did that for this nation.

Today we must work and pray and join together in like manner. For as he said—Men have overcome depressions and confusions "because of some men who stood solid . . . not because they knew the solution to all these confusions . . . (or) even had the power to find them . . . (but) because they held certain positive principles of life, or moral and spiritual values . . . We must hold these verities within some whole nations if the lamp of civilization is to be kept alight."

These principles "stand out in simple concepts . . . truth, justice, tolerance, mercy and respect for the dignity and personality of the individual man . . . inspiringly expressed in the immortal words of Christ on the Mount.

A great poem can, as Hoover knew, when surrounded by confusion and anxiety, provide us with purpose, inspiration, and imagination.

We need a poem for the people. We need a spark of inspiration that will not flicker and then be lost. We need a depth of compassion that will endure—lifting us above the restless storms of the present. Such inspiration can be found if we look closely and carefully into our past. A great poem is there—etched in the spirit and life of the man we honor today.

REMARKS BY RICHARD W. LYMAN, PRESIDENT, STANFORD UNIVERSITY

Norman Cousins, the editor, was on a mission to Russia several years ago when he heard a Soviet farmer propose a toast to the health of Herbert Hoover.

Somewhat startled, Cousins asked through the interpreter if the farmer meant the Herbert Hoover who had been president of the United States and was known for his unwavering belief in the free enterprise system.

Explaining that Hoover's Russian food relief program after World War I had saved his family from starvation, the farmer replied, "Who else? How many Herbert Hoovers do you have in America?"

Well, in one sense the answer is that there *were* several Herbert Hoovers, each a remarkable human being—the engineer, the administrator, the humanitarian, the statesman, the author, the historian, the conservationist, the family man.

He operated in many settings—the most remote outposts of the world, international capitals, the White House, the banks of a trout stream in the Sierra, and—to our immeasurable benefit—the campus and Board room of Stanford University.

Herbert Hoover and Stanford University joined forces in 1891. It was an easy fit and a potent combination from the beginning.

Herbert Hoover was a 16-year-old office boy already determined to be a mining engineer when he read in the paper of the new, free Standford University about to open in California. When a Stanford professor arrived in Portland to conduct entrance examinations, young Herbert was there. "The mathematics all came easy . . ." he recalled in his *Memoirs*. "But I was sadly deficient in the other approaches to higher education."

Still, the professor recognized qualities in the young man beyond those that can be defined by test scores and urged him to come down to the University three months early for tutoring to make up for his irregular scholastic background. This he did, taking with him his $160 in savings, two suits of clothes, and a bicycle. (Today the $160 would not go far and complete suits of clothes might no longer seem essential; the bicycle, however, would be indispensable.)

Hoover's first Stanford job was cleaning up Inner Quad buildings to get ready for classes, the carpenters and masons having finished scarcely a fortnight before the opening date. Later he lined up laundry and newspaper agencies, worked as office boy in the geology department, and during his summer vacations with the Geological surveys of Arkansas and the United States. He graduated, he recalled, with $40 in his pocket and no debts. He had paid all of his expenses from his earnings.

A close friend remembered the freshman Hoover as "probably the youngest looking of us all. He seemed shy to the point of timidity." But timid he was not, if we can judge from an incident involving former President Benjamin Harrison. Hoover was manager of the baseball team when Harrison, who was delivering law lectures on the campus, walked into a game without paying the 25-cent fee. The youthful manager accosted Mr. Harrison in the stands and made this report in his Memoirs: "Mr. Harrison was cheerful about it and bought also an advance ticket to the next week's game. He would not take the 50 cents change from a dollar. But I insisted that we were not a charitable institution and that he must take it. Justice must occasionally be done even to ex-Presidents and I here record that he took two more tickets."

A more famous incident in Hoover's athletic managing career occurred at the first football game with the University of California, which was played on a San Francisco field. Hoover and the Berkeley manager were busily collecting silver dollars in washtubs from an unexpectedly large number of spectators when the captains turned up and demanded to know where the football was. "We had overlooked that detail," Hoover explained later, "and had to delay the game for a half-hour while we sent downtown for two pigskins."

Sports were not his only managerial concern. He also arranged for lectures and concerts and once engaged the great Paderewski, only to have receipts fall an embarrassing few dollars short of the guaranteed fee. The artist's manager was making a fuss about full payment when Paderewski himself appeared and promptly forgave the shortfall. Perhaps it was poetic justice when, in 1919, Mr. Hoover was instrumental in having Paderewski appointed Prime Minister of Poland and arranged for shipments of food, clothing, and medical supplies to his destitute country.

In his senior year Hoover was elected treasurer of the student body and this is often called his baptism in politics. Perhaps a more significant aspect of the matter was his refusal to take the treasurer's salary, even though it was provided for in the new student body constitution. This was a precedent; throughout his life, he refused to take pay for public service, even during his time as President of the United States.

Hoover's mentor at Stanford was the geologist John Casper Branner, one of the University's great teachers and scientists and later to be her second president. Hoover was always modest about his own academic attainments; as he put it, "I had too many other yens and occupations in non-curricular activities."

For three years these activities did not include much attention paid to Stanford coeds. But this changed abruptly in his senior year when Miss Lou Henry of Monterey entered Stanford and the geology department.

"As I was Dr. Branner's handy boy in the department," Mr. Hoover remembered, "I felt it my duty to aid the young lady in her studies both in the laboratory and in the field. And this call to duty was stimulated by her whimsical mind, her blue eyes, and a broad grinnish smile that came from an Irish ancestor."

They were married in Monterey in February 1899 while Mr. Hoover was enroute from Australia to a new mining venture in China—a long but essential detour, I should say.

Herbert Hoover graduated with Stanford's pioneer class in 1895 and started out, as he described it, "to find some person with a profit motive who needed me to help him earn a profit."

Only three years away from the campus and already making a good salary, Mr. Hoover regularly sent money to a former classmate to distribute anonymously at Stanford where it would do the most good. One so helped was Hoover's friend from college days, Ray Lyman Wilbur, then a financially strapped Stanford medical student, later Stanford's third president. But Wilbur did not learn until many years later, and then through a third source, who had been his benefactor.

Wilbur once attributed Mr. Hoover's success to "his ability to think fast and true and to think around, over, or through every difficulty."

These were the talents he brought to Stanford affairs when he was appointed to the Board of Trustees in 1912. Shortly thereafter President David Starr Jordan commented, "It is marvelous how Hoover is handling our Board. Almost every reform we have dreamed of has slipped through as if oiled."

He eased what had been almost a continuous confrontation between the President and the Board over finances, and arranged for the Board to publish its financial accounts for the first time so as to counter exaggerated ideas of the University's income and endowment. (We're still working on *that* problem.)

He reluctantly concluded that the University must abolish its policy of free tuition. A fee of $40 was imposed in 1920 with provision for ten-year, interest-free notes for needy students.

Noting that the free mingling of students and faculty was less in evidence than in his undergraduate days, he spearheaded the drive for the Stanford Union, contributing $100,000 himself.

He also initiated long-term loans for faculty housing on the campus.

Three of Stanford's most important present-day academic activities are the result directly of Mr. Hoover's efforts: the Hoover Institution on War, Revolution, and Peace; the Stanford Food Research Institute; and the Graduate School of Business.

Glenn Campbell will be telling you about the Hoover Institution.

The Food Research Institute also grew from the founder's work during and after World War I as administrator to the food needs of 50 million people in 33 nations. Established in 1921, its mission was to investigate the production, distribution, and consumption of food on a global scale. I need hardly say that in recent years these subjects have lost none of their relevance or urgency.

While on an inspection tour of California as Secretary of Commerce in the summer of 1924, Mr. Hoover proposed that a graduate school of business be established at Stanford, citing the need for professional standards in business, and also pointing out that in the previous year 40 Californians had graduated from the Harvard business school and accepted positions in the East—clearly a kind of brain drain.

Hoover's friends raised the necessary funds and the Stanford Graduate School of Business opened in the fall of 1925—barely a year after his initial suggestion.

From the time he collected silver dollars in wash boilers at the first Big Game until his death in 1964, Mr. Hoover was involved in raising funds for Stanford. In addition to numerous formal efforts, including honorary chairmanship of the $100 million PACE campaign in the closing years of his life, there is no way of counting the gifts that have come to the University because of the doors he opened.

During all of his busiest years—as food administrator, Secretary of Commerce, and President—he continued as a Stanford trustee, retiring in 1961 after 49 years' service. He was a trustee emeritus from then until his death in 1964.

For an even longer time, beginning with a six-room cottage acquired in 1907, the Hoovers called the Stanford campus their home base. They built their permanent home on the crest of San Juan Hill right after World War I and it was there that they received the news in 1928 that he had been elected President. Hundreds of students marched to the home to serenade them, with the help of John Philip Sousa and his band who happened to be giving a concert on the campus at the time. A photograph of that notable gathering hangs in the house today. After Mrs. Hoover's death in 1944, the house was given to Stanford and is the home of the University President. It is called Lou Henry Hoover House.

Stanford University celebrated its fiftieth anniversary in June of 1941 and naturally her most famous son was called upon to take part. He gave the final, summing-up talk in a symposium, "The University and the Future of America," whose participants were fourteen of the nation's most distinguished men of letters and science. Remember the times. Hitler's forces had already conquered Western Europe and were poised for the invasion of Russia; Pearl Harbor was only months away. Mr. Hoover began, "In my present preoccupations with questions of war and peace and of starving and dying millions of people, I move in a field apart from the necessary atmosphere of these long-view discussions." The note was apologetic but it needn't have been, for, much that he said remains relevant today. Let me cite only the first of his six major points.

"The whole growth of university life, its whole contribution to civilization, thrives only in the air of freedom of mind and of spirit," he said. "Without that stimulant to creative thought, without that privilege to adventure into doubt, without that freedom from repression and terror, all expansion in ideas must shrink, the critical function must wither, and all but the dry ashes of education are gone. The first obligation of our universities in the future of America is to fight every impairment of intellectual and spiritual liberty." (*The University and the Future of America*, Stanford University Press, 1941, p. 268)

To that, one can only say, "Amen."

Thank you, ladies and gentlemen.

Remarks by Glenn Campbell, Director of the Hoover Institution on War, Revolution and Peace

Getting to know the late President Hoover so well during the last five years of his life and enjoying his confidence and friendship has been the greatest privilege of my life. Mr. Hoover was truly a modern-day Renaissance man. Distinguished engineer, humanitarian extraordinary, public servant for fifty years, author of thirty important books, lifelong champion of peace—these were the careers he combined in a long life. Herbert Hoover rose from orphan boy to world-famous engineer by the time he was 40 years of age in 1914 and then devoted the remainder of his life to public service. As he himself said in his memoirs, commenting on his agreement to handle the difficult task of arranging the return to the United States of the thousands of temporarily destitute Americans stranded in Europe because of the outbreak of World War I, "I did not realize it at the moment, but on Monday, August 3, 1914, my engineering career was over forever. I was on the slippery road of public life."

Contrary to his public image, Mr. Hoover had a fine sense of humor. The ladies in the audience may be interested to know that he had views on the subject of women Presidents long before the women's liberation movement. Many years ago, a young lady by the name of Kathy wrote to him as follows: "My Dad thinks you are the smartest living president, so I would like to have your opinion on this question. What are the chances of there ever being a woman president of the United States?" He replied: "My dear Kathy: As a generalization, the men have not done too good a job of government in the world . . ., and the chances for the women are thereby increased. With good wishes to you if you are a candidate for President about thirty years hence."

In the founding and building of the Institution on War, Revolution and Peace here on campus, Mr. Hoover exhibited foresight of the highest order and a degree of vision that few persons ever equal in a lifetime of endeavor, and this is only one among his scores of great public-service achievements. He also played a key role in the establishment of two other distinguished national research libraries: the National Archives in Washington, D.C. and the National Library of Medicine. For the story on the latter I am indebted to Dr. Linda Hawes Clever, a Stanford trustee.

Being informed by Mr. Hoover in September of 1959 that I was his choice to direct the world-famous institution that he had founded in 1919 and that owes so much to his vision, efforts, and stature as well as the labors of countless scores of distinguished people who worked with him in this unique endeavor was an unforgettable experience for me. For the Hoover Institution is an extraordinary and unusual organization.

First, there is the excitement of being engaged in the continuous expansion of the great research collections documenting twentieth century political, social, and economic change throughout the world which have been so widely used by Stanford students and faculty, as well as by thousands of distinguished scholars from universities in this country and abroad.

Second, there is the challenging task of taking part in an ever growing and increasingly important research and publication program analyzing the great issues of the twentieth century, particularly the problems associated with the prevention of war and the promotion of peaceful change in the hopes that the findings of these projects will prove useful to scholars and students as well as to persons engaged in the formation of public policy.

Finally, there is the opportunity to engage in meaningful public service, whether it involves international agencies, the federal government, or state and local governments or serving on the boards of trustees of other colleges and universities or the boards of the great government foundations such as the National Endowment for the Humanities and the National Science Foundation as my colleagues and I regularly do. If there is a more challenging, more interesting, and more personally satisfying job in higher education than that of being director of the Hoover Institution, I have yet to find it.

In Mr. Hoover's words, "The purpose of this Institution is to promote peace. Its records stand as a challenge to those who promote war. They should attract those who search for peace." Under Mr. Hoover's initial guidance, the Institution has collected documentation—books, newspapers, magazines, pamphlets—on problems of war and peace in the twentieth century, including the Russian and Chinese revolutions, the spread of international communism, Hitler and nazi-ism, Mussolini and fascism, the turbulent history of the Middle East, and most of the other principal historical developments of this century. The unique strength of the Institution lies in its holdings of the papers of thousands of leading public figures, generals, and diplomats from throughout the world, including the records of several of the relief and governmental reorganization agencies that Mr. Hoover headed and the papers of some 150 individuals closely associated with him in his 50 years of public service. Today these collections constitute the largest private archive in the United States and are exceeded in size only by those of the Library of Congress and the National Archives.

Understandably, these resources attract outstanding scholars and writers. Alexander Solzhenitsyn's book *August 1914* used as primary source material xeroxed copies of memoirs of emigré Russian army officers, available only in our library.

In connection with his recent book *The Gulag Archipelago,* Solzhenitsyn thanked George Meany, President of the AFL–CIO for publication of a map showing the locations of Soviet forced labor camps. The original of that map was prepared on the basis of 11,500 depositions by former slave camp inmates, available only in the Hoover Tower Building. Over the years many other distinguished scholars and writers have used the resources of our library extensively. These include Ambassador George F. Kennan, William L. Shirer in the preparation of his book *The Rise and Fall of the Third Reich,* and Barbara Tuchman for her two books *The Guns of August* and *Joseph Stilwell and The American Experience in China.*

Today the Hoover Institution is a thriving center for documentation, research, and publication with a budget of $3 million, 50 full-time scholars working here, and 200 non-resident scholars working on projects supported by Hoover grants. Our primary strength remains the study of international affairs, but in line with Mr. Hoover's wishes we are also expanding our domestic studies program, which focuses on basic economic and social issues facing policy makers in Washington today. Designed to encourage peaceful change within American society, the domestic studies program reflects the continuing vitality of Herbert Hoover's efforts to make America a standard bearer of peace.

In 1971 a National Fellows Program, which includes National, Peace, and Public Affairs Fellows, was inaugurated. The National and Peace Fellows program, which operates on the basis of a nation-wide competition, offers young scholars a year of creative and unrestricted research in economics, political science and international relations, modern history, and sociology. The Public Affairs program helps prepare fellowship holders for positions with legislators and their committees at the national level of government.

In recent years the Institution has also greatly expanded its ties with the rest of Stanford University—a development which Herbert Hoover would surely heartily approve. Through joint appointments involving either teaching or research between Hoover and several different Stanford departments, including economics, political science, history, and the schools of law and business, and through cooperation in library matters, Hoover and Stanford are increasingly realizing the mutuality of their interests.

The Hoover Institution is both a national institution and a part of Stanford University. National institutions that are also associated with leading universities are relatively common in the natural sciences, but are not so common in the social sciences and the humanities. Most of the latter, such as the National Bureau of Economic Research, Brookings Institution, and the Center for the Study of Democratic Institutions, are independent research institutions. Thus, in its field the Hoover Institution tends to be the exception rather than the rule. However, we believe that serving as a national institution and also playing an integral role in the life of a great university considerably strengthens all our programs, and we intend to continue to develop our programs vigorously along both lines.

Since President Hoover regarded the Institution on War, Revolution and Peace as his major continuing contribution to human understanding and world peace, I am pleased to report that my colleagues and I look to the future with confidence. Sometime within the next year or two we plan to begin constructing a third building which will house all our archives and special collections, provide a sizeable increase in reading room and office space for the research and visiting scholars programs, as well as house the University-wide International Studies Center. Our guest of honor, Senator Mark Hatfield, is the principal Senate sponsor of a bill which would make this building the sole federal memorial to Mr. Hoover. This bill has passed the Senate with broad bipartisan support, and a similar bill has been introduced in the House of Representatives. The Hoover family, my colleagues and I are all in agreement that this would be a particularly appropriate memorial to Mr. Hoover for his many services to his country and we wish to take this opportunity to express our appreciation to you, Senator Hatfield.

The Hoover Tower and the other buildings of the Hoover Institution will always serve as physical memorials to former President Hoover and his wife Lou Henry Hoover. However, the living memorials are the great collections and priceless documents that are housed inside, and the important research and publication work that is taking place continuously. This we solemnly dedicate ourselves to continue on this, the 100th Anniversary of the birth of Herbert Hoover.

Let me close my remarks by quoting the message concerning the key to the greatness of the United States that Mr. Hoover left for us at the time of his 90th birthday, exactly ten years ago, on August 10, 1964. This was his last message:

"I have enjoyed a varied life and wide opportunities to discover the key. I have seen America in contrast with many nations and races. My profession took me into many foreign lands under many kinds of government. I have worked with their great spiritual leaders and their great statesman. I have seen freedom die and slavery arise. I have worked in governments of free men, of tyrannies, of socialists and of communists.

"The key, I am convinced, is that among us there is greater freedom for the individual man and woman than in any other great nation. In the Constitution and in the Bill of Rights are enumerated the specific freedoms. Then there are a dozen other freedoms which are not a matter of specific law—such as freedom to choose our own callings, freedom to quit a job and seek another, freedom to buy or not to buy, freedom for each man to venture and to protect his success, always subject to the rights of his neighbors. In short, we have freedom of choice. And the product of our freedom is the stimulation of our energies, initiative, ingenuity and creative faculties.

"Freedom is the open window through which pours the sunlight of the human spirit and of human dignity. With the preservation of these moral and spiritual qualities, and with God's grace, will come further greatness for our country."

ON AMNESTY

Mr. BUCKLEY. Mr. President, in recent days the subject of amnesty has been rekindled by widespread remarks in the press and elsewhere. In this discussion it is important to insure that the cause of justice is properly served by any governmental action dealing with the subject of amnesty. The cause of justice surely is not served, as President Ford has noted, by blanket amnesty for draft evaders or military deserters.

The individual offenders should have their cases reviewed on a case-by-case basis. There should be no blanket treatment for any particular class of offender. Where the evidence warrants, the individual offenders should be treated with the degree of leniency that their particular circumstances warrant.

There is, however, no greater injustice than to demean the sacrifice of those that gave their lives in past wars by restoring to the full privileges of citizenship, without individual review, those who deliberately chose to shirk their clear responsibilities under the law. The soldier who died in Quang Tri providence in Vietnam or at the Chosun Reservoir in Korea or on Okinawa in World War II and in all of our past wars cannot "work their way," back from the grave.

Our legal system has always been capable of providing leniency to the accused when it is appropriate. We can rely on our legal process to reliably distinguish between the genuine conscientious objection to all warfare and those others who sought to provide safety for themselves only by increasing the danger to which fellow citizens were exposed.

THE DANGER OF LIQUEFIED NATURAL GAS

Mr. ABOUREZK. Mr. President, recent contracts approved by the Federal Power Commission and proposed plans by major oil companies and gas pipeline companies to import large amounts of liquefied natural gas may have grave consequences for the health and safety of a large number of American citizens.

LNG is an extremely volatile substance. The transportation and storage of LNG pose difficult technological problems in terms of protecting not only those who will ultimately consume this product, but those who are employed in this newly developing LNG industry. For example, a number of months ago 43 workers were killed in an explosion of an LNG storage tank owned by the Texas Eastern Pipeline Co. on Staten Island, N.Y. Furthermore, studies have been done to suggest that major accidents, such as collisions involving LNG tankers, are highly probable given the increasing number of LNG tankers being put into service.

A recent articles by Bryan Silcock in the London Times of August 11, 1974, clearly details some of the dangers that we will be facing regarding LNG. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the London Times, Aug. 11, 1974]

Blast Triggers Fear of "Floating-Bomb" Clouds From Big Gas Tankers

(By Bryan Silcock)

In a fitting out dock at Grangemouth on the river Forth a small tanker called the Milli, registered in Famagusta, is now being taken apart. The object is to discover the cause of a fatal accident on board with disturbing implications for those concerned with safety at sea.

A scenario of their fears goes like this: one of the vessels in the world's rapidly growing fleet of liquid natural gas (LNG) tankers is involved in a collision while entering harbour. The accident damages one of the huge tanks containing LNG at —161°C. The intense cold of the liquid spilling out of the tank weakens the steel of the hull so that further fracturing could occur.

LNG pours on to the sea and vapourises instantaneously. In 15 minutes, 10,000 cubic metres of LNG (some tankers now under construction will carry 12 times as much) would form a low cloud a mile across. The cloud is carried ashore by the wind, and its fringe, where the mixture of gas and air is the right proportion to be inflammable or explosive—and may remain so for hours—is ignited, by a passing vehicle perhaps. What the effects of the ensuing holocaust would be no one can say.

At Grangemouth on June 30, some of the elements of this scenario were present. The tanker Milli, with a cargo of 700 tons of liquified petroleum gas LPG (which is similar to LNG) was moored at a jetty near the BP refinery when there was an explosion in the pump control room.

The captain, the only man in the room, was killed instantaneously, and fire broke out. Luckily, the tanks of LPG were only slightly damaged and the fire was brought under control before it reached them. But the situation was so tense that the whole port had to be evacuated and sealed off and all movements of shipping banned.

While it is true that—as with nuclear reactors—the chances of anything major going wrong are slight, the consequences if they did would be appalling.

The port authority of Rotterdam has made one of the very few attempts at assessing the chances of a major incident. No LNG passes through the port at present, but on the assumption that LNG tankers might use it, determined purely by commercial considerations, and with no special restrictions placed on LNG tankers the conclusion was that there would be a serious accident once every 500 years. This, the authorities decided, was too great to be acceptable.

If LNG tankers are allowed into Rotterdam they will not be permitted to use the port with the same freedom as other ships.

Shell, who have a long term contract to supply LNG to Japan from Brunei, started a similar exercise a month ago to estimate the chances of a "maximum credible accident" involving an LNG tanker.

No results are yet availble, but last year the same company carried out some trials of dumping LNG well away from shipping lanes in the Bay of Biscay. The object of the experiment was to see whether a grounded tanker could lighten itself by dumping its cargo, without endangering its own safety. The conclusion was that in a light breeze it could. But the LNG was dumped at a rate only a tiny fraction of what might escape if a tank was holed in an accident.

Whatever shipping companies and port authorities may do to reduce the risks there is one trend at work which is increasing year by year the chances of an accident somewhere; the boom in world trade in LNG.

The first commercial LNG tankers in service were the Methane Progress and the Methane Pioneer, which have been plying between Algeria and Canvey Island in the Thames estuary since 1964. The advent of North Sea gas has made it unnecessary to step up LNG imports to Britain, but other countries, in particular Japan and the United States, have plans to import huge quantities.

At the moment there are about 25 LNG tankers in operation. According to shipping brokers H. Clarkson & Co. there will be a world demand for between 125 and 170 giant LNG tankers by 1985. The number of LPG tankers (like the Milli) is expected to be even greater.

The pressures are great to build safer ships and final safer ways of operating them. The United Nations maritime offshoot, IMCO, is now thrashing out an international standard for the construction of LNG tankers. Already most of them are being built with double hulls and bottoms. The tanks themselves are separate structures inside the vessel, each heavily insulated, often with balsa wood, to maintain the low temperatures.

To penetrate one of these tanks in a collision, another ship of comparable size would have to ram the LNG tanker at right angles at a speed of 6–10 knots.

Such collisions do, however, occasionally occur, and many experts are convinced that there will also have to be special regulations governing the operation of LNG tankers.

Ideas under discussion include special lanes for ships carrying hazardous cargoes; distinguishing colourings, perhaps even psychedelic; some measure of traffic control of the sort commonplace for aicraft but contrary to maritime tradition; and restrictions on movements at night, in fog, in port approaches and in other congested waters.

Some ports already enforce regulations of this kind, but they are a long way from being adopted internationally.

In the meantime, the dangers are growing year by year as the number of hazardous cargoes on the move increases. LNG is by no means the only one, though it is probably the most important. All liquified gases present dangers of one kind or another.

Perhaps the nastiest cargo of all is liquid chlorine. Chlorine was one of the most widely used poison gases of the First World War. Today, tankers are on the move containing probably far more chlorine than was used during the whole war.

A TALE OF TWO CITIES

Mr. KENNEDY. Mr. President, if Charles Dickens were writing his great novel in mid-August of 1974, he might well begin it in a different way: "It was the best of times [in Washington], it was the worst of times [in New York]."

Yesterday, an excellent article by Mr. Leonard Silk in the New York Times described the striking difference between the euphoric atmosphere prevailing in Washington as the new Ford administration comes into its own, and the gloomy atmosphere pervading New York City, as the serious problems of the economy continue to threaten the Nation's well-being.

Writing in 1859 and referring to the French Revolution, Dickens put it this way in the opening paragraph of "A Tale of Two Cities:"

> It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way . . .

Mr. President, my sense is that the truth lies somewhere between the euphoria of the Nation's Capital and the gloom of the Nation's financial center. Certainly, even as we celebrate the new openness in Government, we must redouble our efforts to get the economy back on track.

But for now, Mr. Silk's article very well captures America's split personality in August 1974, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 21, 1974]

A FORD PARADOX: WASHINGTON JOY VERSUS NEW YORK GLOOM

(By Leonard Silk)

Since Gerald R. Ford succeeded Richard M. Nixon as President on Aug. 9, a remarkable phenomenon has developed.

Washington, D.C., the nation's political capital, staged a joyous celebration, hailing Mr. Ford's simplicity, honesty and determination to unify his own party, to be kind to Democrats and to treat inflation as the domestic public enemy No. 1.

But paradoxically New York City, the nation's financial capital, sank into despondency. In the first eight trading sessions after Mr. Ford took over the White House, the Dow Jones industrial average fell 75.72 points to its lowest closing level in four years.

Yesterday, after starting hopefully with a 10-point rise on the news that Mr. Ford had picked New York's Nelson A. Rockefeller as his Vice President, the stock market relapsed, then recovered a bit in slow trading. The Dow ended the day with a gain of 5.01 points.

What accounts for the difference between the ways Washington and New York are reacting to the opening of the Ford Administration?

One explanation is that beauty or ugliness, hope or despair, is in the eye of the beholder and that Washington and New York are two very different beholders.

Washington is a one-industry town. Its business is government, and nothing makes its spirits rise like a new President. It can then speculate on who goes up, who goes down, who comes in, who goes out and what will happen to policy, ideology and the style of the nation—or at least of Georgetown, Wesley Heights and environs.

In the last year, the biggest story in Washington by far was Watergate. Mr. Ford's ascension and Mr. Nixon's demise produced the kind of excitement and drama Washington had not experienced since the Saturday matinees when Hairbreadth Harry rescued the fair maiden from Rudolph Rassendale.

But the business of New York (as President Calvin Coolidge once said of America) is business. If Washington has primarily been concerned about Watergate, New York, like the rest of the nation has been worried even more about inflation.

Inflation—and the high interest rates that inflation and tight Federal Reserve policy bring—are particularly agonizing worries for the stock market. Mr. Nixon's resignation took care of the issue of impeachment but Wall Street's two other evil I's remain: Inflation and sky-high interest rates.

Washington economic worries are more remote. It can afford to be calm about the economy, because Washington plays with Other People's Money.

New York is more manicdepressive, because it plays with Its Own Money.

Washington thinks abstractly about output, income and employment. Its own work goes on through depression and through prosperity.

CITY'S JOB DRAIN

New York not only thinks concretely about production an jobs—it sinks concretely. From 1969 to 1973, while the nation was adding 5.3 million jobs, New York City lost 247,000 jobs.

The latest data put the national unemployment rate at 5.3 per cent. But in in New York City the jobless rate is only 4.3 per cent—which is "full employment" by the economists' conventional yardstick.

There is nothing about this huge disparity between New York's and Washington's unemployment rates. In 1940, at the end of the Depression, the jobless rate in New York City was 15.3 per cent; in Washington it was only 7.2 per cent.

Washington economists never lose their jobs. This gives them a remarkable degree of composure as they recommend policies for tightening up the money supply and cutting the budget, although they realize this will bring some increase in the unemployment rate. Some deplore the trend and others are prepared to suffer it bravely, but they cannot help crying crocodile tears, since they are not personally affected.

PERSONAL IMPACT

But in New York the stockbrokers, securities salesmen, clerks and stenographers who labor in Wall Street lose their very own jobs when hard times come. From 1969 to April of this year, employment in the New York securities industry, according to Herbert Bienstock, regional chief of the Bureau of Labor Statistics, declined from 105,200 to 75,700, a 28 per cent drop.

Since April there has undoubtedly been still worse attrition. It is difficult for Wall Street to keep a calm, high-minded and philosophical attitude under the circumstances—especially when the circumstances include losses of billions of dollars for partners, customers and relatives. This marvelously concentrates the mind on the need for better economic policies and more action.

As the old saw has it, when somebody else loses his job it's a recession, but when you lose your job it's a depression. So Wall Street is in a depression, and Washington doesn't even know whether there is a recession, as it sorts through the masses of data, with the real gross national product declining but employment still crawling upward.

New York is "from Missouri." Washington is fond of words, especially upbeat oratory; it likes slogans—New Deals, Fair Deals, New Frontiers, Great Societies, New American Revolutions, Fords not Lincolns and not Model T's. New York cares more about numbers—profits, losses, price-earnings multiples, liquidity ratios, business failures, industrial and commercial loans, real money from anywhere—Toronto, London, Frankfurt, Tokyo, Beirut.

Washington is provincial (despite the presence of Embassy Row); New York is cosmopolitan and international (even leaving the United Nations out). New York directly feels the winds and storms that blow in from the Atlantic (or the Mediterranean and the Middle East); Washington looks westward and southward and northward to the 50 states that supply Representatives, Senators, politicians, lobbyists, bureaucrats and the girls in the secretarial pools.

New York counts costs, knowing they must; Washington counts votes—and translates these into appropriations and then back into votes.

SHADOWS ON WALL

Washington is a small town, and it sees and knows the big shots who live and work there. New York is a city, and it reacts to shadows on the wall, the mass media constituting the wall.

So Washington can be immediately bucked by a new personality or an old friend—a Jerry Ford.

New York waits and wonders. It sees the economic fundamentals unchanged, the inflation continuing, profits slipping, recession developing, albeit with a new political rhetoric and style emerging. New York asks: Does the new mood matter? Washington insists it does.

Who is right—Washington, with its inbuilt sense of stability, its oscillations from euphoria to despair, from bust to boom, and its skepticism about politics and politicians? To turn the country around, President Ford has still to convince New York as he has Washington. Will Mr. Rockefeller help?

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, critics of the International Convention on the Prevention and Punishment of the Crime of Genocide have asserted that under the terms of the treaty Americans could be tried by international courts without guarantee of due process protections. These misgivings are rooted in article VI of the convention, which provides that an individual accused of genocide may be tried before "such international penal tribunal as may have jurisdiction." Under these provisions, it is argued, Americans could be hauled before a hostile international court and be forced to stand trial under procedures that violate our judicial traditions.

But this fear fails to withstand a careful examination. In the first place, the whole of article VI makes it clear that in the absence of an accepted international penal tribunal, the domestic courts of the signatory would *house* genocide litigation. A genocide trial would only move to an international court if that court held, in the words of the convention, "jurisdiction with respect to those contracting parties which have accepted its jurisdiction."

No such tribunal presently exists. The idea of such a court, in fact, has seldom been discussed, even in the United Nations. If this sort of tribunal were proposed, of course, the Senate would have to ratify any establishing accord before it would have any jurisdiction over American citizens or American courts. At that time ample safeguards of individual rights in trial could be erected, or the United States could choose not to participate.

Thus concern over the loss of our judicial freedoms is unfounded. None of the traditional rights of American citizens would be endangered. We must look, rather, at that most precious right we can protect through ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide—the right to life itself.

ILLEGAL IMMIGRANTS

Mr. CRANSTON. Mr. President, the Immigration and Naturalization Service has included in its 1974–75 budget a request for 350 additional personnel to deal with the increasing problem of illegal entrants into the United States. The Senate Appropriations Committee has reduced that request to 100. I urge that the Senate approve the full 350 positions.

The Immigration and Naturalization Service informs me that the number of illegal entrants apprehended has increased 850 percent since 1965. But the Service also relates that insufficient manpower prohibits its locating about four out of every five such entrants. INS Commissioner Chapman estimates that there are probably several million illegals currently residing in the United States.

In my opinion, the most logical place to bring the problem under control is at the various points of entry. An investment in this endeavor seems extremely beneficial when one considers the potential burdens to State and local governments who, out of humanitarian concerns, provide some type of welfare or general assistance to the destitute illegal entrant.

The problems are compounded by the serious economic dislocations the illegal entrants create. By virtue of their unlawful status, they are frequently subject to economic exploitation by unscrupulous employers. And, as new sources of cheap labor, they displace substantial numbers of American workers—on farms and in factories—who are forced out of their jobs and become unwilling recipients of taxpayers' subsidies for their meager existence. Usually unskilled, the displaced worker has few alternatives.

While the problem is particularly acute in California where the vast majority of illegals enter, other areas of the United States are not exempt from the problem. Southern California frequently only serves as a conduit for illegals who appear within a short time on a job in Denver, Detroit, or Chicago. But, California is not the only point of entry. All major ports and airports are alternative courses.

While I believe that a concerted effort at the points of entry is an essential first step, I also believe that we should consider legislation to penalize employers who knowingly and repeatedly employ illegal entrants.

In making my request for additional INS personnel, I would like to reiterate my deep concern that there be no abrogation or abuse by these personnel of the civil liberties of citizens and persons of a Spanish-speaking or other heritage who are legally residing in the United States. It is my hope that the spirit of cooperation will prevail and that this increasingly serious problem can be brought under control as quickly as possible.

SOLAR AND WIND POWER

Mr. SYMINGTON. Mr. President, since last winter's energy shortage, alternatives to fossil and nuclear fuels for the production of electricity are being regarded with greater interest. The August 1974 issue of Today's Farmer published by MidContinent Farmers Association contains an article by James D. Ritchie describing the efforts of three engineers at the University of Missouri to develop a system for getting energy for individual households from solar and wind power.

According to the Missouri proposal, each home would be equipped with a system of solar cells and wind generators which would provide energy to supplement conventional sources of power and thereby significantly reduce dependence on fossil energy sources.

I ask unanimous consent that this provocative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POWER FROM THE SKY?

(By James D. Ritchie)

The energy crunch of the past year or so has reminded Americans that cheap oil and cheap coal cannot be mined out of the earth forever.

As regular sources of energy become more scarce, more expensive, people begin to look for alternate ways to produce power. Rather than look into holes in the ground, some of them are looking skyward—to the sun and wind.

The sun shines and the wind blows—eternal and inexhaustible sources of energy. But this "free" source of power is expensive to harness. The cost of using the sun and wind to generate the huge amounts of electrical energy required would be beyond practical reach—at least for the time being.

"The biggest cost is the solar cell, which converts sun energy directly to electrical energy. Present equipment costs mean an investment of $30 to $50 per watt of power generated—compared with 30 to 35 cents for regular power."

But it may soon be practical to use sun and wind-generated energy to supplement conventional sources of electric power, believe a trio of engineers at the University of Missouri. They are working on a home-installed system of solar cells and wind generators that could supply half or more of the electrical energy required by the average household.

"Our project uses sun and wind generated energy to augment regular sources," says Carmelo Calabrese, electrical engineering professor at the university. "We aren't trying to supply all the electrical energy used in the home from sun and wind sources."

The idea of using solar and wind energy to augment regular power sources belongs to Aly Mahmoud, a colleague of Calabrese and the leaders of the research project. Walt Meyer, a nuclear engineer, rounds out the threesome.

The Missourians plan to use two rooftop solar energy cells and a windmill-type generator to produce electrical power. The first units will cost about $2500 each, they estimate.

"The biggest cost is the solar cell, which converts sun energy directly to electrical energy—similar to the generators used in space vehicles," says Calabrese. "That means the electrical power generated will cost about $30 to $50 per watt, in terms of equipment investment."

That is not practical, of course. A comparable investment for electricity generated by the use of fossil fuel runs 30 to 35 cents a watt.

"But you have to remember that not many of these solar cells have been built, they are not being mass-produced," says the engineer.

He estimates that mass production techniques could quickly lower the cost of equipment in the home systems so that a watt of electricity could be produced for $3 to $5.

"If this system could produce 30 percent of the energy used in the average home, think of the savings in conventional sources of energy," says Calabrese.

"Of course, the wind doesn't blow all the time, and the sun doesn't shine all the time. We need a storage system—batteries of some kind."

But about 25 percent of the nation's total electrical power is used in and around the home. And right now, virtually all of that energy comes from fossil fuels. A one-third reduction in this demand could help stretch tight fuel supplies.

A key piece of equipment in the home system is an "electronic brain" that reads the power requirements of the household. If enough power is being generated by wind and sun to carry the load, the computer switches to the household energy source. If more power is required than is being generated, the "brain" switches to the regular power supply.

"We may even develop separate circuits, for essential and non-essential uses, that would let a household use both sources of power at the same time, to share the load," says Calabrese.

"All of these components of our system have been tried and proven in use," says the engineer. "We are primarily interested in putting together a control system to let households make use of sun and wind energy to supplement the power from utility suppliers."

He doesn't see the potential of sun and wind energy as any threat to existing utility suppliers.

"We're not trying to replace present sources of energy, but to come up with ways to supplement them for residential uses," says Calabrese. "A utility company or rural electric cooperative might very well develop and install these devices in homes. They could be serviced and maintained on a sort of subscription basis, much as telephone companies now do."

How much of the average home's electrical power needs could be met by home-generated energy?

"That's one of the things we want to learn with this study," says Calabrese. "This project should give us a good idea of how much we can depend on solar and wind energy here in the Midwest."

In central Missouri, for instance, the wind speed averages about eight miles per hour over the entire year. That's an average, of course. Somedays, the wind blows like 60; other days there's no breeze at all.

"At an average wind speed of 10 miles per hour the kind of wind generator we're talking about would produce two to three kilowatt hours per month," believes Calabrese.

"Before you can design a system for public use, costs have to be in line."

At present rates of most rural electric cooperatives, the first few kilowatt hours (an hour's use of 1,000 watts of electricity) cost in the neighborhood of five to six cents per kilowatt hour.

"It will be awhile before the home system is competitive in cost," admits Calabrese. "And costs are a big factor, of course. Before you can design a system for public use, costs have to be in line."

But once equipment and installation costs are in line, the sources of energy in the home system are free, clean and ever-lasting.

"The public is energy conscious right now," Calabrese notes. "We have been contacted by people from as far away as California state to install a supplemental system on their residences."

The three engineers have applied to the National Science Foundation for a $120,000 grant to build a working model system.

The energy generated by the first of these home systems will be expensive beyond the practical reach of home owners, admit the engineers. But they don't think their project is one day premature.

"We need to be developing alternate sources of energy now, before we pump that last barrel of oil out of the ground," says Calabrese. This system, which supplements conventional power sources, is a logical place to start.

LIVING LEGACY OF HENRY HOHMAN

Mr. MATHIAS. Mr. President, in March 1973, I was pleased to bring to the attention of the Senate a column by Joseph Alsop in the Baltimore Sun, which described with great feeling the work of an exemplary Marylander, Henry Hohman.

Mr. Hohman, of Kingsville, Md., had received England's Royal Horticulture Society gold medal for outstanding achievement in gardening.

As I pointed out to the Senate a year ago, I first learned of Mr. Hohman's work some years previously when my mother-in-law, Mrs. Robert Bradford, who is herself an extraordinary source of knowledge, sought him out as the only man in America who could provide certain rare species of box. I followed Mr. Hohman's success with interest from that time.

It is now my sad duty, Mr. President, to report to my colleagues that Mr. Hohman died July 25 at the age of 77. Thus has ended the life of the dean of American nurserymen, as he was properly described in an article that was published August 1 in the Jeffersonian, a newspaper in Towson, Md.

Mr. Hohman will not be forgotten. He will live in the memory of all of us who enjoy the special pleasure that comes from gardening. The beautiful plants and flowers that he produced will be a living legacy. It is a legacy that we in Maryland are proud and pleased to share with others, as Mr. Hohman would have wished.

Mr. President, I ask unanimous consent that the article that appeared August 1 in the Jeffersonian be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HENRY HOHMAN, DEAN OF AMERICAN NURSERYMEN, DIES HERE AT 77

A mass of the resurrection was offered on Saturday, July 27, at St. John's Church, Long Green, for Henry J. Hohman, owner of the Kingsville Nursery and the most distinguished nurseryman and propagator of plants in the United States.

Mr. Hohman died on Thursday, July 25, at a nursing home after an illness of three months. He was 77.

Mr. Hohman, who first gained recognition at the age of 15 for winning a rose contest, established the Kingsville Nursery on 45 acres of farm and woodland in 1921.

Over the years, Mr. Hohman received many honors for his outstanding contributions to his profession. Among these were the Veitch Gold Medal, awarded by the Royal Horticultural Society, the Garden Club of America Award, the American Horticulture Society Award and the Johnson-Dawson Medal of the Horticulture Society of Massachusetts.

Mr. Hohman's plants grace the White House and his many rare plants are among the collections at the National Arboretum in Washington, D.C., Longwood Gardens and the Hershey Foundation Arboretum, among others.

In addition to the plants and trees which beautify the lawns and gardens of many local homeowners, one of the finest displays of Mr. Hohman's handiwork is found at St. Stephen's Church, Bradshaw.

Mr. Hohman took great pride in the beautification of the grounds of this church, which was buried in the cemetery on the church property, in the beautiful surroundings which his mind and hands helped to mold.

FIRE FIGHTER DEATHS INCREASE OVER LAST YEAR

Mr. BAYH. Mr. President, the July issue of International Fire Fighter carried an article concerning the increase in firemen's deaths in the line of duty which are up 21 percent over the number of fatalities recorded in July 1973. Three of these tragedies drew particular attention, because of the heroism involved. We in Congress now have a great opportunity to recognize the sacrifice made by firefighters on a daily basis by speedy approval of the Public Safety Officer's Benefits Act providing the families of a fireman or policeman killed in the line of duty with a $50,000 benefit payment on an annual pension under the terms of the Federal Employees Compensation Act. I had the privilege of amending this legislation when considered by the Senate last year to provide this option for the family of a policeman or fireman. I have also written to our distinguished chairman of the Judiciary Subcommittee on Criminal Laws and Procedures, Senator MCCLELLAN, asking him to accept the House amendment of the Senate bill which extends coverage under the act to all activities performed by firemen when they are actually and directly engaged in fighting fires and the performance of other hazardous duties. With the Senate Judiciary Subcommittee on Criminal Laws and Procedures reviewing the differences between the House and Senate versions of the bill, I am hopeful that a decision will soon be reached which will provide meaningful financial relief for the families of all public safety officers who make the ultimate sacrifice while performing their duty. I ask unanimous consent for the the article concerning the rise in line of duty deaths of firemen be printed in the RECORD and join in a salute to the gallant men who have given their all to protect our lives, families, and homes.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UP 21 PERCENT OVER 1973—LOD DEATHS TOTAL 58 THROUGH JULY

As this issue of the *Fire Fighter* was going to press, 58 IAFF members have died in the line of duty through the month of July. This compares with 48 line of duty deaths through the same period last year, a 21 percent increase over 1973. Most of the men were married, leaving behind wives and many children.

Some died less dramatically in the line of duty—a heart attack at a fire or a violent collision at an intersection—while others died in the midst of high drama and great tragedy. Three such recent deaths were those of Fire Fighter Michael Whalen and Captain Stan Balsis of Elgin, Ill., both of Local 439, and Fire Fighter Harold Hoey of Local 94, New York City. Whalen and Balsis died from drowning as they were attempting to rescue a man who had gone over the Kimball Street dam in Elgin in a rubber raft. Ironically, the man, who had gone over the dam on a dare, managed to make his way to shore. He was uninjured. Fire Fighter Hoey was trying to carry out a rescue of an elderly couple from a blazing apartment house rooftop when he fell to his death from an aerial ladder. The couple were rescued but, like Whalen and Balsis, Hoey never knew about it.

But there is a dramatic footnote to the death of Fire Fighter Hoey.

The stage was set almost a month to the day before his death at a firehouse in the Richmond Hill section of the city. On May 14 an explosion ripped that firehouse and Alfred Bold, on duty at the time, was critically burned over 75 percent of his body. He was rushed to the Jacobi Hospital burn clinic in the Bronx. On June 13 Hoey was rushed to the same hospital. Moments after Hoey died, his widow Doris gave doctors permission to graft skin from his body to help Bold, still battling for his life.

"If Harry were here now, he certainly would have wanted it this way," said his grief-stricken widow, mother of three young sons to whom she still had the burden of breaking the news that their father had died a hero's death. Just a week before his death, Hoey had stood with his wife and his three sons at Medal Day ceremonies as he was awarded a medal for bravery for rescuing a 14-year-old girl and a 34-year-old woman from another fire.

Mrs. Hoey told Dr. John Stein, head of Jacobi's burn center, that her husband had spoken frequently of the plight of Fire Fighter Bold. Less than eight hours after Hoey's death, Dr. Stein, after only a few hours sleep, performed a skin-grafting operation on Bold and declared it was successful, although he still has a long way to go toward recovery.

And so to the Hoeys and the Balsis' and the Whalens and the hundreds of gallant men who preceded them in death in the line of duty over the years and to those that will die in the tomorrows yet to come—we salute you all.

NATO ALLIANCE

Mr. KENNEDY. Mr. President, the recent declaration of the Greek Government concerning its military participation in NATO has drawn attention to the problems faced by the alliance. This event underscores the urgent need to adapt NATO to the needs of the 1970's, and to redouble efforts to renew all the institutions of Western cooperation.

One of the most pressing concerns relates to the size of military forces committed to the alliance. For several years, we in the Senate have debated the wisdom of maintaining current U.S. force commitments in Europe. And for the past year, members of NATO and the Warsaw Pact have been engaged in negotiations designed to bring about mutual and balanced force reductions. These MBFR talks have been overshadowed by the SALT talks and by President Nixon's summit trip. But they are critically important for the future of European security, and for the development of East-West relations.

The Dutch Parliament is about to consider whether to reduce the size of the Netherlands' air and naval force commitment to NATO. In themselves, these reductions might not be very significant for the defense capabilities of the alliance. But there is a real risk that any such action would lead other allies to make cuts in their own forces, in a chain reaction of parliaments concerned about the spiraling costs of defense.

It is now clear that some reductions of forces can be made in Europe. But it is also important that reductions by any NATO ally be made in a way that will not reduce the overall military and political strength of the alliance.

In the past, I have presented to the Senate my own views on this subject. First, I have in the last year voted against U.S. troop cuts in Europe, in order to give the MBFR talks a chance. If these talks show genuine progress, I am prepared to maintain that course; if not, then I shall again consider alternative ways of changing the U.S. force posture on the Continent. Second, I have repeatedly called for a streamlining of U.S. European forces, in order to reduce the size of headquarters staffs, and to improve the ratio of teeth-to-tail forces and the combat effectiveness of our military units. Third, I have stressed the need for establishing a special consultative procedure within NATO, in order to prepare the alliance for changes in its force posture.

As a result, it is my earnest hope that the Dutch Parliament will adopt a similar approach concerning its commitment of air and naval commitments to NATO. It has already agreed not to cut land forces while the MBFR talks proceed. I hope that it will delay any other cuts so long as these talks make substantial progress.

But even if the Dutch parliament does forbear on this occasion, the issue will not have been resolved for the Netherlands or for the NATO alliance. Quite the reverse. It is now even more important to get on with the MBFR talks. They have dragged on slowly for nearly a year, as both sides have sought to understand one another's definition of security, and to explore preliminary positions.

The time for these preliminary discussions is over. It is now time to seek real progress, and a firm agreement on force reductions that will enhance the security of all parties. To this end, I urge the administration to pay increased attention to the MBFR talks when they reconvene. I urge the President and the Secretary of State to exercise leadership that is required for these talks to go forward on our side. And I would urge the Soviet Union and its allies in Eastern Europe to show greater flexibility, and a greater awareness of the need to promote security through Europe, on the basis of force reductions.

Mr. President, I ask unanimous consent to print in the Record an editorial from the New York Times relating to this subject.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Another NATO Headache

The NATO-Warsaw Pact negotiations on force reductions in Central Europe have introduced many strains into the Atlantic alliance, none greater than the angry controversy now under way over Holland's plans for unilateral cutbacks in its own military forces. The Dutch proposals have stirred fear of a contagion of defense reductions in NATO countries under the double influence of détente with the East and economic difficulties in the West.

Less dependent on imported oil than most of its European partners, the Netherlands has suffered less from inflation and the oil-money crisis than any of the Common Market countries except West Germany and Luxembourg. Britain's new Labor government, which is conducting a defense review, is under far greater economic pressure, as is Italy. France, Belgium and Denmark also are confronted by more severe payments imbalances and price rises than Holland.

The NATO charge that the projected Dutch reductions would "seriously weaken" Western defenses is based on the frank admission that "such reductions would make it difficult for other member countries of the Alliance to maintain and improve their present forces." Moreover, if the Dutch move sets off a chain reaction in West Europe, pressures for American troop cuts are likely to become irresistible.

There is agreement within the Atlantic alliance to avoid unilateral cutbacks that would undermine the mutual force reduction negotiations in Vienna with the Warsaw Pact. Since Western proposals there are limited to ground force cuts, the Dutch have agreed to suspend plans for a 15 per cent reduction in Army ready strength, but the proposed 22 per cent in Dutch air and naval personnel undobtedly would weaken NATO's bargaining position.

With China at its back and economic pressures at home, the Soviet Union has shown increasing interest in East-West troop cuts in Central Europe. But unilateral whittling down of the NATO forces would enable the Soviet Union to reduce where it chooses. Only a negotiated agreement can bring the kind of Soviet withdrawals that would narrow the disparity in offensive capability and manpower between the NATO and Warsaw Pact forces and provide a more stable military balance in Central Europe.

SENATOR BUCKLEY'S STATEMENT BEFORE REGIONAL HEARING OF THE FEDERAL ENERGY ADMINISTRATION

Mr. BUCKLEY. Mr. President, on Monday, August 19, 1974, I testified before a regional hearing of the Federal Energy Administration on the capital requirements of Project Independence.

These hearings addressed what is likely to be the most critical impediment to the realization of even a significant measure of energy independence. The importance of having sound capital markets capable of mobilizing surplus resources from one sector of the economy to the other is a national problem which affects every citizen and every industry; it is at the very heart of our prosperity.

I ask unanimous consent that the text of my remarks before the FEA be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Testimony of Senator James L. Buckley

I appreciate the opportunity to testify before the Federal Energy Administration on the subject of financing the Nation's energy requirements. As a member of the Senate Interior Committee, I have listened over the past year and a half to a wealth of testimony that has served to emphasize and reemphasize the fact that the principal problem to be overcome in approaching the goals of Project Independence may well be financial rather than material or technological. I say "approaching the goals" because I do not believe it is realistic to assume that we can fully bridge the gap between domestic energy supply and demand during the next decade except at unacceptable financial and environmental cost.

To suggest the dimensions of the financial challenge we face, let me cite a few figures. Whereas in the ten year period between 1960 and 1970 the energy industry invested an average of $20 billion per year domestically, or 20 percent of all business capital investment in the American economy; during the period from 1975 through 1985, the capital requirements of Project Independence will average in the neighborhood of $60 billion per year, and could account for as much as 35 percent of total capital investment in domestic business. More than that, it is estimated that by the mid-1980s, fully 30 percent of these huge requirements will have to be raised externally in the U.S. or foreign financial markets—assuming no change in the tax treatment of the various components of the energy industry.

To meet the massive financial requirements of the energy industry during the next decade, we will require conditions in the economy, in the energy industry, and in our capital markets that are at least as favorable to the accumulation and investment of capital over the next ten years as they were during the decade of the sixties; and it is here that we have cause for the most serious concern.

I need cite only a few recent items reported in the press to underscore the financing problems already facing the energy industry.

Item number one: a recent *New York Times* survey of the electric utility industry found that ten of the Nation's largest companies have had to cut back projected 1974–78 capital expenditures by more than $2 billion. The money simply was not there at acceptable costs; and as a result, the customers of these utilities will have to look forward to unprecedented cutbacks in service within the decade.

Item number two: Cities Service, a $2 billion blue chip oil company, recently cancelled a 2.6 million share stock offering intended to raise money for a badly needed expansion in refinery capacity. There simply were not enough investors on hand willing to commit their money on a long-term basis.

Item number three: London newspapers a week ago headlined the news that British banks were unable to provide the capital required to develop the huge proven North Sea reserves despite assured markets for the production, despite the rapid pay-out projected on the investment, and despite the implications of fuel self-sufficiency for Great Britain's acute balance of payments problem.

It is important to note that in none of these three examples are we dealing with high risk, speculative investments of the kind avoided in times of uncertainty. Rather, the difficulties encountered reflect the deep-seated problems affecting capital markets not only in the United States, but throughout the west. These are problems that find their acute reflection in the financial community here in New York City, which represents the world's most sophisticated and versatile financial institutions: institutions that have been essential to our industrial expansion in the past, and on whose health will depend in substantial part our ability to meet our industrial needs in the years ahead. I do not believe it an exaggeration to state that on the future health of the capital markets and financial institutions represented by the much-maligned words "Wall Street" will depend our ability to meet our energy goals of the next ten years.

Yet these institutions are undergoing problems of a severity unprecedented in recent years. Mr. Robert H. B. Baldwin, president of the leading investment banking firm, Morgan Stanley, predicted that as many as 100 to 200 investment banking firms in the country will be forced to close their doors in the next year alone, and this on top of the staggering attrition the investment banking and brokerage industry have already suffered over the past several years. In the first five months of 1974 alone, New York stock exchange member firms lost over $2 milllon, a rate of loss that this undercapitalized industry cannot long sustain. Yet this is the industry that provides the essential mechanism for uniting investment capital with investment need, especially where equity investment is concerned.

The problems currently confronting this industry in turn reflects an increasing reluctance by the public to commit savings to long-term investment in American industry. In the past three years, the number of individuals owning common stocks has declined from 32.5 million to 30 million. To compound the problem, millions of these investors feel "locked in" to their particular portfolios either because of their unwillingness to take major losses in a depressed market or to pay the capital gains tax due on securities that over a period of years have appreciated substantially. These and other factors have served to restrict the amount of capital available for long-term commitment to new investments in American industry.

Thus at a time of unprecedented capital requirements, we find that the number of new registrants with the Securities and Exchange Commission has declined from 222 in 1973 to 197 in 1974. The number of firms actually making a public stock offering has declined almost to the vanishing point.

The current scarcity of funds available for equity investment and long term loans does not reflect a failure of the capital markets to do their job. The institutions that comprise the U.S. financial markets do not create capital. Rather, it is their function to match potential investors with investment opportunities that offer the promise of a sufficiently good return to justify the commitment of surplus funds. What we have witnessed in the last several years has been a change in the public perception of risk-return relationships that has caused a shifting away from long term to relatively risk free, short term commitments. Recent pictures of thousands of men and women lined up at a Treasury office to buy high interest, short term Treasury securities served to dramatize the nature of the problem. There have been massive out-flows of funds from institutions that have specialized in long term investments, such as savings and loan associations, into short term Government and other money market securities that offer the investor a low risk investment with a satisfactory return as compared to existing long term investment alternatives. As a result of this, and of uncertainties about the future that have been exacerbated by current high rates of inflation, the supply of long term funds is simply evaporating.

Now, there are a number of factors that have brought about these problems, none of which can be described as an act of God. Rather, they are the result of a series of mistakes in economic policy and shortsighted taxation policy in which we have lost sight not only of the critical importance of private capital formation and investment to our economic well-being, but of the incentives that cause individuals to set aside surplus earnings and to put them to constructive work. I respectfully suggest that it may prove impossible for the energy industry to mobilize the $15 billion and more of external capital that will be required during each of the next ten years unless we restore the conditions that make it prudent to accumulate capital and to commit it on a long term basis, and unless we preserve the health and versatility of our financial markets so that the whole spectrum of investment risk can be adequately funded.

We must, in short, relearn and take to heart the ABCs of a capitalist economy, and we must have a better understanding of the essential role that our financial markets play in helping that economy operate at maximum efficiency.

Having thus far spoken in terms of broad generalities, I would now like to suggest a few areas that require the immediate attention of our policymakers.

One: Our first and overriding priority here, as in every other area of the economy, must be to bring our unprecedented inflation under lasting control. The creeping inflation of earlier decades has effectively eroded more than a trillion dollars from the value of accumulated savings available for investment. The soaring rate of inflation in recent years has destroyed the incentive to further savings as well as the stability of expectations required to justify long term financial commitments. The adverse impact of the current rate of inflation is so self-evident that I will not belabor the point. I would only note that as an effective fight against inflation will require bringing the Federal budget into balance, an effective anti-inflationary program will not only serve to restore an environment essential to savings and investment, but it will remove the Federal government as a major competitor for new capital funds.

Two: We have to reaffirm the simple truths that higher than average profits hold the key to overcoming shortages in any commodity. Our energy resources are no exception. Only through the ability of the energy industry to earn substantial profits can the individual component companies generate the huge internal funds that must be invested in plant expansion, research, and in the discovery and development of new fuel resources. Only through a reasonable assurance of long term profitability can they attract the large amounts of supplemental private capital that will be required to meet our objective of energy self-sufficiency. Therefore, any artificial restraints on pricing or profit can only make more difficult the mobilization of the huge amounts of capital required to achieve the goals of operation independence. By the same token, it ought to be self-evident that any major increases in the tax burden to be borne by domestic energy companies must result in either higher prices to consumers, or a lower generation of internal capital that will in turn require the energy industry to attempt to preempt a still larger share of the funds available in the financial markets.

Three: We need to reexamine our tax policies as they affect capital formation and investment so as to assure the availability of adequate funds to support the future needs not only of energy companies, but of all sectors of American industry.

A return to price stability will, of course, in itself encourage savings and end the erosion of the real value of capital set aside in the form of savings accounts, pension plans and insurance policies. But we need to do more in order to encourage direct investment in corporate securities while freeing up capital that is now too often locked in by virtue of the capital gains tax. We ought to examine ways of reducing the double taxation now incurred on corporate earnings that are distributed as dividends, perhaps by expanding the tax credits now available on dividend income.

In the case of capital gains, we ought to study a series of options ranging from their elimination to a reduction in tax rates geared to the length of time an investment is held, to allowing the transfer of the capital gains tax base from one security to another when the funds realized from the sale of one are reinvested in securities issued in connection with new corporate financings. In any event, we ought to allow the tax base to be adjusted to reflect changes in the consumer price index so that any tax levied will be on real rather than illusory gains reflecting inflation.

We should also consider allowing individuals more generous deductions on losses incurred on investments so as to encourage the mobility of capital in the hands of those who demonstrate a willingness to put their surplus funds to work.

Four: In shaping tax and regulatory policy, we must avoid the error of a monolithic view of any major sector of the energy industry. The financing needs and problems of an Exxon or a Mobil, and their appeal to potential investors, for example, bear absolutely no relationship to those of a smaller company with a few thousand acres of wildcat holdings and no income. If those who determine policy wish to maximize investment in exploration, they must recognize that most discoveries in this country are financed by individuals who are willing to take high risks only because existing laws allow them to realize very high returns in the event they are lucky. These individuals are willing to take risks that the exploration departments of major companies will avoid, which is why most discoveries in this country are still made by independents. If the possibility of making a killing is regulated or taxed away, this important source of financing for mineral exploration will dry up.

Five: Finally—and this is of critical importance to any comprehensive study of the financial requirements of project independence—we need to examine the impact of current regulatory and tax policies on the institutions that together comprise our financial markets. We need a better understanding as to why they are currently facing such serious problems, and determine what changes—including institutional changes—may be required to insure the survival of not just a few major nationwide firms, but of the great variety of houses that historically have assured the efficient distribution of securities appealing to the broadest spectrum of investment needs and tastes. We also need to assure ourselves of the survival of auction markets in which small investors may participate with confidence and at reasonable cost.

I believe particular attention needs to be focused on the income tax treatment of firms engaged in capital mobilization so that they can take in adequate stride the extraordinary fluctuations in business that the industry has been experiencing. These firms ought to be allowed to set aside appropriate reserves to tide them over the inevitable lean years. There are a host of other provisions of a similar technical nature that would undoubtedly serve to strengthen the institutions on which we must continue to rely for the mobilization of long term investment funds; and in the process, we will strengthen public confidence in the security markets. I am sure that other witnesses will discuss these matters in more detail.

I simply wish here to emphasize the vital importance of strengthening our capital markets if they are to continue to serve their intended purpose of supplying the capital requirements not only of the energy industry, but of all industry in the United States.

In closing, Mr. Chairman, let me say that I am conscious of having touched lightly on perhaps too many aspects of the central problem of finding the Capital to achieve a prudent degree of energy self-sufficiency. To summarize my underriding theme, it is that we will not succeed in the task unless we restore those general conditions in our economy that favor capital accumulation and long term investment. This means we will have to place a high premium on the price stability required for a reasonable assessment of long term risks and rewards. It also means that we will have to kick our recent habit of apologizing for capitalism and the profit motive. Only the competitive economic system we have developed in this country is capable of mobilizing the enormous resources that will be required; and it will be able to do so only in an environment freed of superfluous regulations and controls.

THE CYPRUS TRAGEDY

Mr. RIBICOFF. Mr. President, yesterday, the body of Ambassador Rodger Davies, a dedicated and able Foreign Service officer was returned to the United States. This was a tragic reminder of the need for our own Government to do more to put an end to the violence and killing in Cyprus.

Clearly, our efforts to maintain the U.N.-sponsored cease-fire have failed. Repeated Turkish violations of this cease-fire, and its army's advances underscore the need for our own Government to more effectively use its considerable influence over Turkish actions.

Last week, I joined the distinguished senior Senator from Massachusetts (Mr. KENNEDY) in a concurrent resolution calling for the immediate withdrawal of all foreign troops from Cyprus. This resolution pointed out that unless this is done, peace cannot be restored to the island, and the civil rights of all the people of Cyprus cannot be protected. It called upon the Cypriot people themselves to work together to determine their own destiny.

Whatever the origins of the present conflict, it is obvious that blatant Turkish cease-fire violations and territorial encroachments have created a situation where fruitful negotiations between the Governments of Greece and Turkey are impossible.

The stakes here for the United States, both moral and strategic, are so high that it is time for our Government to deal more decisively with the present situation. If this means a cutoff of military and other aid to Turkey, this option must be carried out.

In this morning's Washington Post there appeared a full-page statement by the American Hellenic Educational Progressive Association—AHEPA. I believe this reflects the sentiments of many Americans, whatever their ethnic origins.

I ask unanimous consent that this statement be printed in the RECORD along with Senate Concurrent Resolution 110.

There being no objection, the resolution and statement were ordered to be printed in the RECORD, as follows:

S. CON. RES. 110

Whereas a settlement of the present conflict in the Republic of Cyprus is vital to the peace and security of the eastern Mediterranean and is in the best interest of world peace and stability; and

Whereas a settlement depends upon the right of the Cypriot people to determine their own destiny and the efforts of the United Nations to act as a negotiating body; and

Whereas Resolution 2077(xx) adopted by the General Assembly on December 18, 1965, "calls upon all states . . . to respect the sovereignty, unity, independence, and territorial integrity of the Republic of Cyprus and to refrain from any intervention directed against it"; and

Whereas the continued presence of foreign troops in Cyprus undermines the ability of the Cypriot people to resolve their own crisis and the efforts of the United Nations to restore peace; and

Whereas Resolution 353 adopted by the Security Council on July 20, 1974, "demands an immediate end to foreign military intervention in the Republic of Cyprus" and "requests the withdrawal without delay from the Republic of Cyprus of foreign military personnel present otherwise than under the atuhority of international agreements . . ."; and

Whereas the declaration on Cyprus signed by the foreign ministers of Britain, Turkey, and Greece, in Geneva on July 30, 1974, calls for a "timely and phased reduction of the number of armed forces" from Cypriot soil; and

Whereas the continued presence of foreign troops in Cyprus violates international agreements and United Nations resolutions, threatens the independence and territorial integrity of the island, jeopardizes peace and stability in the eastern Mediterranean, and imperils the very existence of NATO: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That all foreign troops currently involved in Cyprus be withdrawn immediately so that the United Nations and the International Committee of the Red Cross may be permitted to restore peace to the island, and to guarantee the protection and civil rights of all persons and communities and the right of the Cypriot people working together to determine their own destiny.

IN THE NAME OF HUMANITY: LET'S STOP THE KILLING IN CYPRUS

(The following resolution has been adopted by the order of AHEPA.)

AHEPA Resolution on Cyprus: This week the delegates representing the more than 700 chapters of the Order of AHEPA (American Hellenic Education Progressive Association) and its auxiliaries at the 52nd Annual Supreme Convention in Boston, Massachusetts, unanimously passed the following resolution and urged all Americans to support House Resolution 1319, the Kennedy-Ribicoff Senate Bill, and the Rosenthal-duPont Amendment on Cyprus.

Whereas, the unprovoked, unjustified and illegal invasion of Cyprus by Turkey, and her waging of a barbarous war on the Cypriot people, are a high crime against humanity, violate fundamental principles of international law, fly in the face of international treaties and UN resolution, threaten the independence and territorial integrity of Cyprus, jeopardize peace and stability in the Middle East, weaken the NATO alliance, and imperil America's influence and posture in the eastern Mediterranean; and,

Whereas, Cyprus and Greece have been the traditional and unswerving Allies of the United States and Great Britain for over 100 years, and have fought valiantly and selflessly in defense of western civilization from time immemorial, and are now our strongest and most loyal bulwark in the Mediterranean and Middle East; and

Whereas, Turkey did not join the Allies in World Wars I and II; she has received $13 billion of American aid to protect NATO; she has used these weapons against a peaceful, friendly people NATO was designed to protect; whereas Turkey has again embarked on an unrestricted opium poppy growing program openly intended to flood America with deadly drugs to destroy our youth for financial gain; thereby, Turkey is once again proving that she is not a true friend of the United States;

Whereas, the United Nations has on four separate occasions condemned foreign intervention in Cyprus, and approved the territorial integrity of the island on the principles of self-determination:

a) by calling on "all nations . . . to respect the sovereignty, unity, independence, and territorial integrity of the Republic of Cyprus and to refrain from any intervention against it" (Resolution No. 2077 of the General Assembly, December 18, 1965);

b) by demanding the "immediate end to foreign military intervention in the Republic of Cyprus . . ." and "the withdrawal . . . of foreign military personnel" not present under existing treaties (Resolution No. 353 of the Security Council, July 20, 1974);

c) by proposing a "timely and phased reduction of the number of (foreign) armed forces" from Cypriot soil (Declaration of the Foreign Ministers of England, Turkey, and Greece at Geneva, July 30, 1974); and

d) by insisting that "all parties to the present fighting cease all firing and military action forthwith" and return to the conference table and "resume negotiations without delay" (Resolution No. 357 of the Security Council, August 14, 1974).

Whereas, Turkey has ignored, disregarded, and violated every one of these international mandates and has conducted sham negotiations in bad faith while preparing wholesale aggression for a modern Pearl Harbor:

We now, therefore resolve that:

1. We condemn absolutely the unprovoked and illegal invasion of Cyprus by Turkey, the barbarous atrocities committed by her armed forces on the Cypriot people; her insincere negotiations in Geneva; and her cynical resort to arms to achieve her unlawful goals;

2. The proposed U.N. cease fire must be rigidly enforced, with adequate U.N. forces and all additional means necessary. Turkey must be held strictly accountable for all violations of the cease fire.

3. Turkey must immediately commence a phased but rapid withdrawal of all her military forces from Cyprus and that the U.N. forces and the National Guard of Cyprus shall be the only armed forces entrusted with the pacification of the country.

4. All U.S. military and economic aid to Turkey, including but not limited to, all military equipment, munitions, technical data, and services, all economic or agricultural programs and commodities, and all licenses, credits, grants, loans or other means therefor, shall be immediately suspended, and none shall be restored until after a full review and reassessment by the United States of the entire U.S. aid program to Turkey.

5. We deplore, condemn, and denounce any and all statements, demonstrations and violent actions of irresponsible provocateur elements anywhere against the American people, elected officials, and Government; we call upon all Greeks and Cypriots everywhere to remain constant to the traditions of Greek-American friendship and alliance; and we

pledge, as loyal Americans, our continued confidence and support in our country's great mission to bring peace and justice to all the world, including Cyprus, based on the democratic principles of freedom and self determination, with adequate safeguards for the rights of minorities.

6. In that spirit we call upon our Government to reassert its moral leadership and to act effectively in support of self-determination and freedom in Cyprus, to repair the damage Turkey has caused to our defense interests in the Mediterranean, and to attract Greece, by our deeds, back into military participation in NATO.

7. Meanwhile, we request of all nations who love freedom and who sorrow over the sufferings of innocent people, to help in a massive campaign for funds, food, clothing, shelter, medical supplies and other relief, within and beyond the United Nations and the Red Cross, to ameliorate the horrible conditions of the 150,000 Greek Cypriot refugees and help them return to their homes as quickly as possible.

8. We urge the restoration to full authority of the Cyprus Government over the entire Island; massive economic aid to the same, and the return of England, Greece, and Turkey to Geneva to stay in continuous session until a settlement is finally concluded.

This Resolution was unanimously adopted by the 52nd Supreme Convention of the Order of AHEPA, meeting in Boston, Massachusetts, on Monday, August 19th, 1974.

THE CYPRUS SITUATION

Mr. BEALL. Mr. President, the island of Cyprus has been, from time to time, a center of international concern since the mid-1950's. The struggle for independence from Britain, the continuing communal strife—which brought a United Nations peace keeping force into existence—and the events stemming from the July 15 coup against Archbishop-President Makarios have all contributed to the instability in the Eastern Mediterranean. I ask unanimous consent that an article briefly describing the history of recent events entitled "Cyprus Deadlock Snaps Under Turks' Assault" which appeared in the August 24, 1974, edition of the National Observer be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President, the July coup against the Makarios regime was an irresponsible action taken by a desperate military dictatorship which was, fortunately, in the twilight of its existence. One can argue with some validity that this Greek-Greek Cypriot coup d'etat, which briefly installed an unreconstructed terrorist as President of Cyprus, justified the initial Turkish military response. Turkish conduct in recent weeks has, however, far exceeded the legitimate needs of the Turkish Cypriots, thus invalidating the justification for their initial intervention.

Since the initial phase of the crisis I have become increasingly concerned about the apparent lack of evenhandedness in our position vis-a-vis the governments in Ankara and Athens. Both of these proud nations are our allies and I believe that we should have exerted our influence impartially so as to restrain both sides from undertaking further military actions. Even the appearance of a "tilt" toward Turkey was, I believe, very detrimental to our own long-range national interests for the following reasons:

First, the continuing conflict on Cyprus is creating a terrible hardship on all of the people of Cyprus—Greek and Turkish Cypriots alike.

Second, it encouraged Turkey to seek a clear military solution to the Cyprus problem, thus rendering diplomatic efforts futile.

Third. U.S. policy must seek to strengthen not weaken the new Greek civilian government of Prime Minister Constantine Caramanlis. After 7 years of military dictatorship, the transition to democratic government will certainly be difficult. The recently replaced junta sought to destroy the institutions and traditions of parliamentary democracy, and the transition government of Prime Minister Caramanlis will need all the support we can give it during this difficult period. There is considerable evidence of pent-up anti-Americanism in Greece resulting from the policies we pursued or were believed to have pursued during the period of military rule. Constantine Caramanlis may be the only political leader who has the stature to guide Greece back to political stability and restore reasonably close ties with the United States and NATO. Mr. President, I ask unanimous consent that an article entitled "Leaders Under Pressure: Caramanlis of Greece" which appeared in the August 18, 1974, New York Times be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BEALL. Mr. President, fourth, the internal strain within the NATO alliance is aggravated by a U.S. policy which falls short of total and complete evenhandedness. The Greek decision to withdraw their forces from the NATO military command seriously weakens the southern flank of the alliance, and it opens opportunities for the Soviets to exploit. In an article entitled "The Family Fight and NATO" from the New York Times, August 18, 1974, Ian Smart of the Royal Institute of International Affairs attempted to assess the impact the current Cyprus crisis will have on the alliance. Mr. President, I ask unanimous consent that the text of this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. BEALL. Mr. President, fifth, the continuing Cyprus crisis has had a serious destabilizing effect throughout the Eastern Mediterranean/Middle East area. This region is far too volatile for us to pursue any policy other than one designed to promptly restore peace and stability.

Mr. President, I am not unmindful of the internal pressures confronting the Government of Turkey. Prime Minister Bulent Ecevit's political situation is also a significant factor in resolving this crisis. If we are to truly resolve this problem we must recognize the legitimate needs and interest of all of the parties involved, including Turkey. Any solution not based on this principle will not endure. I ask unanimous consent that an article entitled "Leaders under Pressure: Ecevit of Turkey" and one entitled "Turkey's Army Concludes the Negotiations," from the New York Times, August 18, 1974, be printed in the RECORD at the conclusion my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. BEALL. Mr. President, I have recently written to President Ford outlining my concerns about current U.S. policy in Cyprus. I ask unanimous consent that my letter to the President, dated August 19, 1974, be printed in the RECORD at this point in my remarks.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

U.S. Senate,
Washington, D.C., August 19, 1974.

Hon. GERALD R. FORD,
President of the United States, the White House, Washington, D.C.

DEAR MR. PRESIDENT: I am deeply distressed by the continuing conflict on Cyprus and the refusal of Turkish forces to acquiesce to the United Nations cease-fire agreement. This tragic situation has now been aggravated by the riot in Nicosia that took the life of the American Ambassador to Cyprus and the wide spread anti-American riots that have swept Greece.

I believe that it is imperative that the United States return to its traditional role of firm evenhandedness in disputes between our allies. We must use all of the influence at our disposal to bring about a total and complete cease fire on Cyprus. The process of gradual aggression which the Turkish forces have engaged in, in recent days, must be brought to a halt.

Of special importance to us, as we continue to develop our policy towards this crisis, must be the stability of the new civilian government in Greece. Prime Minister Constantine Caramanlis would appear to be the man best equipped to restore democracy, contain anti-Americanism, and preserve Greek participation in N.A.T.O. A United States policy of evenhandedness, fairly and firmly applied, can best achieve these goals and thus serve our national interests in the Eastern Mediterranean.

I strongly support your recent call for immediate compliance with the United Nations cease-fire resolution and I would hope that you will continue to do everything in your power to bring this conflict to a prompt and just conclusion.

With best wishes, I am
Sincerely yours,
J. GLENN BEALL, Jr.

EXHIBIT 1

[From the National Observer, Aug. 24, 1974]

CYPRUS DEADLOCK SNAPS UNDER TURK'S ASSAULT

(By Richard Egan)

In the 14 stormy years of Cyprus independence, the island's majority Greek Cypriots and minority Turkish Cypriots would much prefer *enosis*, union with motherland Greece. The Turkish Cypriots favor *taksim*, or partition of the island into two separate states.

In negotiations between the two Cypriot ethnic groups, all political proposals in between enosis and takism have been vigorously rejected by one side or the other. But the sudden assault last week by Turkish troops on Cyprus, which left them in control of about one-third of the 3,572-square-mile Mediterranean island, means that Turkey now will be able to dictate the terms of Cyprus' political future. And the Turkish scheme will be a lot closer to takism than to enosis.

The Turkish Cypriots' espousal of partition is rooted in their inbred distrust of the Greek Cypriots. That distrust was heightened after the collapse of the agreement under which Cyprus obtained independence from Britain in 1960. The 1960 Cypriot constitution was designed by the British to assure the Turkish Cypriots of special rights so as to calm their fears that the Greek Cypriots would suppress them. The Turkish Cypriots were given generally a 30 per cent share of political, military, police, and civil-service posts though they constitute only about 18 per cent of Cyprus' population of 650,000. And the constitution provided for a Turkish Cypriot vice president with strong veto powers.

The Greek Cypriots bristled under this system and refused to give the Turkish Cypriots their constitutionally required share of posts. In 1964 Archbishop Makarios, the Cypriot president, proposed 13 constitutional amendments aimed at asserting strong Greek Cypriot control over the nation. Fighting erupted between the two sides, and the island, in effect, has been partitioned between Greek Cypriot and Turkish Cypriot communities since then.

MAJORITY CLAIMS

Turkey supports partition or something akin to it as the best way of protecting the Turkish Cypriots against their countrymen. The Turks also see partition as insurance against enosis and Greek control of an island 40 miles off Turkey's shore.

The Greek Cypriots have adamantly opposed partition. They maintain that they are the majority and the majority should rule the entire island—and without giving the minority any special or disproportionate rights. The Greek Cypriots have long suspected that partition was largely a scheme under which Turkey intended to gain a foothold on the island and possibly annex the Turkish Cypriot part. The Greek Cypriots have argued, too, that partition would require sizable population shifts and disrupt the nation's economy.

But the Greek Cypriots, through their own doing, now have left themselves at the mercy of Turkey. The chain of events started on July 15 when the 10,000-man Greek Cypriot National Guard, led by Greek officers, overthrew Makarios. The new government declared its support for union with Greece. Enosis is to Turkey what taksim is to Greece. Five days after the coup, Turkish forces invaded Cyprus and gained control of territory on the northern coast. After a week of heavy fighting, Greece and Turkey agreed to a cease-fire and negotiations with Britain at Geneva. Britain, Greece, and Turkey are guarantors of Cyprus' independence under a 1960 agreement.

The political negotiations, which included Greek Cypriot and Turkish Cypriot leaders, began Aug. 8. Turkey initially proposed a plan for dividing Cyprus into two federated states, one for each of the ethnic groups. The Greeks and Greek Cypriots rejected this.

TALKS COLLAPSE

On Aug. 12 Turkish Foreign Minister Turan Gunes proposed a cantonal system under which the Turkish Cypriots would control six areas on Cyprus. Greece complained that this plan would give the Turkish Cypriots 35 per cent of the island. The Greeks and Greek Cypriot negotiators balked at the plan. On Aug. 14 they requested a 36-to-48-hour postponement at Geneva so they could confer with their governments. Gunes opposed the request for a delay, and the Geneva talks collapsed.

About 90 minutes later, the 40,000 Turkish troops on Cyprus opened an offensive that within 60 hours won them control of the northern third of the island. Turkish Prime Minister Bulent Ecevit said Turkey was not seeking to overrun all of Cyprus but only to obtain for the Turkish Cypriots a "fair share" of the land.

After the Turkish forces halted their drive, Ecevit said Turkey was ready to resume negotiations with Greece. He said the Turkish military successes "laid the foundation" for a federated nation with two separate, autonomous regions. Ecevit said no population shifts would be necessary. "The Greeks can stay in Turkish areas and the Turks in Greek areas," he said. "One will be the guarantee [of the safety] of the other."

In Athens the government of Constantine Karamanlis, which had succeeded a military regime on July 24, flustered and fumed but was unable to do anything to halt the Turkish advances. Turkey held air superiority in the area, preventing Greece from shipping troops to Cyprus. Moreover, the Turkish army is nearly three times as large as Greece's. Intervening in Cyprus "could not be attempted without the risk of weakening the defense of Greece itself," Karamanlis conceded.

In apparent frustration, Greece announced its withdrawal from the military wing of the North Atlantic Treaty Organization because of NATO's failure to resolve the Greek-Turkish dispute. Both countries are members of the 15-nation organization. The Greeks said they would remain attached to NATO's political wing.

The Greeks also lashed out at the United States, accusing Washington of supporting Turkey and of failing to prevent the Turkish offensive. Anti-American demonstrations were held in Athens and other Greek cities. Some Greek politicians talked of expelling the 4,000 American military personnel in Greece and taking over U.S. air and naval bases there.

Novelist Lawrence Durrell once called Cyprus "the island of bitter lemons." The bitterness last week had clearly spread across the Mediterranean to Greece.

EXHIBIT 2

[From the New York Times, Aug. 18, 1974]

LEADERS UNDER PRESSURE—CARAMANLIS OF GREECE

(By Steven V. Roberts)

ATHENS—This city of noisy traffic and noisy people fell silent when Premier Constantine Caramanlis addresed the nation on radio and television. "The virtue of democracy is truth," he said, and the truth was simple. The military junta then ruling Greece had staged a "senseless" coup in Cyprus on July 15. The Turks had taken advantage of the mistake by occupying one-third of the island. And now Greece could not do anything about it.

Some called it a "defeatist" speech, and a few Cypriot students demanded action. But most Greeks knew he was right, and reluctantly accepted his concession. "You know," said a Greek journalist, "if the junta had tried to tell the people what Caramanlis told them, they would have been out in the streets screaming for war."

Mr. Caramanlis had gambled on the truth, and he had won, for the moment. His frail new government had survived its severest test, but there were many more ahead. The Greeks play politics the way they drive—with a reckless abandon that causes a lot of crushed fenders and cracked egos. As one diplomat noted recently: "Remember, democracy is a Greek word, but so is anarchy."

It was after that "senseless" coup and Turkish invasion that the military government had abdicated power and summoned Mr. Caramanlis. He had been Premier for eight years until 1963, but had quarreled with the King and spent the next 11 years in Paris, sulking in his tent longer than any Greek since Achilles.

By the time he returned, he was more a symbol than a politician, embodying every Greek's rather hazy memory of a peaceful and prosperous period, and it was probably a good thing. As Mr. Caramanlis has stressed—and Portugal has proved—the transition from dictatorship to democracy can be very difficult.

But like Achilles when he finally went out to fight the Trojans, Mr. Caramanlis is assumed to possess almost mythical powers, and he has used them adroitly to direct all the fractious forces, from military commanders to militant communists.

THE WORD IS MATURITY

Everyone in Greece is asking the same question: "How long will it last?" The answer may lie in one of the favorite words now tossed about in political conversations here—maturity.

Are the Greeks mature enough, disciplined enough, to avoid the chaos which originally precipitated the military intervention on April 21, 1967? Even Mr. Caramanlis has his doubts about his volatile countrymen. He told a group of newsmen recently that of the three types of democracy—Nordic, Anglo-Saxon and Mediterranean—"the worst type of democracy is Mediterranean."

Few political observers here doubt that the military is capable of intervening in domestic politics again. As one diplomat put it, "You can get rid of the junta, but you can't get rid of the ideas the junta represents"—fanatical anti-Communism, puritanical moralism, law and order as the highest of all virtues.

How Mr. Caramanlis has handled the military is probably the best example of his style and approach. In the beginning he moved cautiously, testing his power, taking great pains not to humiliate or offend a proud officer corps.

Much attention focused on the military police and its enigmatic leader, Brig. Gen. Dimitrious Ioannides, the main power behind the previous regime. First the new government issued a two-line announcement, saying that the police would now be restricted to purely military matters.

When public opinion demanded more decisive measures, Mr. Caramanlis responded with another statement, insisting that he was in complete control of the military. A few days later General Ioannides was placed on a six-month leave.

This sense of balance and patience is already being strained by a number of issues. The most immediate one is the fallout from the Cyprus debacle, which led directly to Greece's decision to withdraw her troops from NATO. Athens is furious with its Western allies, particularly the United States, because it feels they failed to stop the Turkish invasion. Diplomats have a way of forgiving and forgetting, especially when there is a lot of American aid involved.

The second issue is the economy. Inflation is severe in Greece, and the economy took a further battering when Greek troops were mobilized and tourism was virtually halted during the Cyprus crisis. The big question is whether labor unions will use their new freedom to demand large wage settlements, and strike if they do not get them.

The third major problem is the monarchy. Historically, the royal family has served as a source of legitimacy and continuity, but it has also disrupted the political process with its frequent forays into intrigues. The referendum which abolished the monarchy last year was clearly fraudulent, and the Government has promised the people another chance to choose between royalty and the republic.

But the most important issue is the tone and character of political life in general. Even though the Premier is a stanch conservative, he is already trying to make the left respectable, allowing its members to hold news conferences and to publish papers, and legalization of the Communist party is likely for the first time since 1947.

A more serious threat to stability is Andreas Papandreou, the son of a former Prime Minister, who campaigned in 1967 on a strongly anti-American, anti-NATO platform. After his years in exile, Mr. Papandreou holds even more extreme views. He was the only political figure to attack the Caramanlis Government.

A new satirical review in Athens is entitled "Now We Have a Leader With Eyebrows." The Greek word for "eyebrows"—and Mr. Caramanlis has luxuriant ones—is also a pun on another part of the anatomy, which is often used to denote courage and fortitude. Greece will need a man with "eyebrows" in the time ahead.

Exhibit 3

[From the New York Times, August 18, 1974]

The Family Fight and NATO

(By Ian Smart)

London.—Not for the first time, Cyprus has opened a rift in the NATO lute. What can be said of an alliance whose individual members step to the brink of war with each other and go on to pull their forces out of the alliance or divert them to fight a national battle? What collective defense is possible when particular countries, in pursuit of national goals, turn their military backs on a common adversary?

Recent Greek and Turkish actions have, of course, struck at the Atlantic Alliance, but reports of its imminent death on that account are exaggerated. They are, in fact, about as much exaggerated as persistent allegations of NATO's military impotence in the face of "the threat from the East."

Strictly speaking, NATO has no military forces of its own. What it has are members that "assign" or "earmark" some or all of their national forces to be used by NATO commanders in time of war. Especially since 1966, when France set a precedent for Greece by withdrawing her forces from NATO's integrated military structure, a finely graduated set of peacetime relationships has grown up between national units—"assigned," "earmarked" and the rest—and the alliance's joint commanders. Apart from administrative complexity, one effect is to make it much harder to measure sensibly either NATO's military strength or the "balance" between NATO and the Warsaw Pact.

To take only one example, the Supreme Allied Commander Atlantic, responsible for the whole Atlantic from the North Pole to the Tropic of Cancer, is currently assigned a total naval force of four destroyers—which gives no indication of the enormously powerful allied fleet he would certainly command in war. By the same token, any measurement of NATO's European strength that completely excludes French—and now Greek—forces, ignoring the stand they would clearly take against any Warsaw Pact attack, is of little practical interest.

All this is background to saying that apocalyptic warnings about NATO's over-all military weakness or about the particular damage caused by Greece or Turkey need to be looked at critically. NATO has its military problems in the European theater, and many are serious. Perennial manpower shortages, uneven and sometimes low standards of training, morale and efficiency are some, as well as militarily inappropriate deployment—especially of Italian ground forces or the United States 7th Army—and inflexible logistic systems. Above all, perhaps, there is a deplorable lack of equipment standardization. But it is an illogical leap from such deficiencies to the simplistic conclusion that the alliance's conventional military capability is trivial. When all is said and done, NATO members have more men, more ships and more combat aircraft in their worldwide armed forces than the whole of the Warsaw Pact.

That is not to deny the extent to which Greco-Turkish conflict has disrupted NATO's local military situation in the Eastern Mediterranean. But it does help to put the disruption into a wider perspective. Nor should the focusing process end there. Turkey, for example, has used less than 10 per cent of her forces to invade Cyprus. Even when troops moved to the Greek frontier are taken into account, most Turkish units remain relatively unaffected. Even if Greek forces are permanently withdrawn from the NATO command structure, Greece would hardly want, or be able, to stand aside from an East-West military confrontation. (In any case, the utility of Greek units has been rated rather low by NATO experts over the last five years.) As to the effect on United States forces in the Mediterranean of their potential expulsion from Greek bases, the effect will be more on cost and convenience than on combat effectiveness. The Sixth Fleet did without a Greek base until a few years ago, and it can do without it again.

The military effects of the Cyprus crisis on NATO are not, of course, totally insignificant. But they do pale into insignificance beside the political damage done. While the serviceability of any military alliance depends on the strength of its political foundations, the North Atlantic Treaty is much more than a purely military alliance. It also expresses a sense of general community within the Western world. Moreover, it contains an undertaking to settle international disputes peacefully.

It is these aspects of the alliance, rather than its narrower military capacities, which are now being trampled underfoot. The current strength of anti-American feeling in Greece, linking left and right in the political spectrum, is a greater threat to Western security than any decision about Greece's military relationship to NATO. Bitterness in Turkey over the political attitude of her allies to the Cyprus problem since 1960 is more serious than any military redeployment. The gaps that need to be plugged in NATO's defenses in the wage of this crisis will have to be filled by diplomats more than by soldiers.

Exhibit 4

[From the New York Times, Aug. 18, 1974]

Leaders Under Pressure—Ecevit of Turkey

(By David Holden)

London.—It is one of the crueler ironies of the Greco-Turkish crisis over Cyprus that just when both countries simultaneously enjoy civilian government for the first time in years, their leaders are trapped in hostility by the equal and opposite demands of Greek and Turkish national pride, military imperatives and internal factional rivalry.

Constantine Caramanlis, the new Greek Premier, and his opposite number in Ankara, Bulent Ecevit, know, understand and respect each other. But neither can free himself of the urgent demands of domestic politics; and if those of Mr. Caramanlis are probably better known abroad, thanks to the traditional Western sympathy for Greece and Greek democracy, those of Mr. Ecevit are no less strict.

For the moment he is riding high, hailed, as was Mr. Caramanlis in Greece when he returned to power, as a national savior because he ordered the Turkish Army into Cyprus to protect Turkish rights and assert Turkish strength against the old Greek enemy. But his success merely papers over a multitude of cracks, any one of which might open up to swallow him.

Bulent Ecevit, 48 years old, is a Social Democrat with a reputation as a journalist and a poet. He came to power only seven months ago as leader of the Republican People's party, a broadly liberal party with strong left-wing elements that was created half a century ago by the founder of modern Turkey, Mustafa Kemal Ataturk. He inherits, therefore, the traditional Ataturk commitment to social reform, including opposition to big business, the landowners and traditional Moslem influence, along with vigorous defense of Turkish national rights—exemplified in Ataturk's day by the expulsion of over a million Greeks from Asia Minor in the Smyrna campaign.

But Mr. Ecevit achieved office only through the most unlikely of coalitions, by joining forces with the puritanical National Salvation party, a powerful new Islamic revivalist organization led by Necmettin Erbakan. The coalition ended the longest political crisis in Turkey's modern history—100 days without a government—but with an over-all majority of only six out of the 450 seats in the Turkish Parliament, it was forced to live on a knife edge. Last May it was almost destroyed before its rule had fairly begun when 20 of the 49 National Salvation party members in the house joined the right-wing opposition parties to defeat Mr. Ecevit's proposal to release 4,000 left-wing prisoners.

As the name of the party suggests, its appeal is chiefly to the more narrow-minded, chauvinist and radical Islamic feelings of those many Turks who feel uprooted and unprotected in a rapidly changing society; a kind of Turkish Quaddafism, strikingly akin also in its moral precepts to the movement of the Greek colonels.

Up to now the right wing has been divided between the Justice party, led by a former premier, Suleyman Demirel, and the Democratic party, led by Ferruh Bozbeyli. Both claim legitimate descent from the former Democrat party of the late Adnan Menderes, which was dissolved by the army coup d'état of 1960, and both make their appeal basically to the conservative Turkish peasantry and landowners, with a smattering of wealthy support in the cities. But the personal rivalries that divide them could be sunk overnight on the national issue, and with the National Salvationists breathing down his neck, Mr. Ecevit has no room for parliamentary maneuver. Outside Parliament, on the other hand, he is equally circumscribed by the army and militant left. The army has been the persistent arbiter of Turkish politics ever since the 1960 coup—when Menderes and half his Cabinet were hanged—and it was only last October that the country was released from three years of barely disguised military rule and stern repression of the left.

Mr. Ecevit's attitude on the political prisoners' issue has already disturbed a number of Turkish generals: in the May crisis over release of the prisoners, there were once again hints of military intervention. If he now tried to dictate a policy of retreat or compromise in Cyprus, where the generals have enjoyed their first military success since Turkish contingents fought in Korea, he might get short shrift.

Mr. Ecevit must also beware of perils on the left. The revolutionary terrorism of the late 1960's has been suppressed for the moment and many leftwing younger officers in the army have been reposted or retired. But powerful undercurrents of Marxist sympathy and left-wing nationalism of a broadly Nasserist type remain in both civil and military circles.

Some of this arises from genuine desires for greater social justice in a nation still torn by the conflicts between the new urban classes and the old conservative countryside, but much is rooted in anti-Americanism, now as significant in Turkey as it is in Greece.

In Turkish eyes there have been too many occasions when the national interest was sacrified to NATO pressure or the demands of America's global strategy, whether it was over the former use of Turkish airfields for spy flights over Russia or American intervention to prevent earlier threats of a Turkish invasion of Cyprus, as in 1964 and 1967.

Thus, the recent Turkish decision to resume cultivation of the opium poppy against Washington's wishes was widely welcomed as a sign of national independence, as well as a recognition of economic necessity for the farmers of the Anatolian Plateau. Similarly, the Cyprus invasion was seen as an assertion of Turkey's right to act independently of American tutelage.

[From the New York Times, Aug. 18, 1974]

Turkey's Army Concludes the Negotiations

Turkey has given the classic answer to diplomatic failure: In 60 hours, Turkish troops slashed across Cyprus to impose the partition that Turkish diplomats could not win in weeks of talks with Greek negotiators. The fighting is now generally over, but its effects are widespread and will not quickly diminish.

The overwhelming Turkish military thrust covered 65 miles east and west, from the port of Famagusta to the city of Lefka. The line of march sliced off the northern third of Cyprus, which is approximately what the Turks had been demanding in the Geneva talks. When they got what they wanted, the Turks declared a cease-fire; they had ignored the United Nations.

In Ankara, Turkish Premier Bulent Ecevit put his own interpretation on the week's events. He said, "This not only shows Turkey's skill at making war but also the genuineness of our peaceful intentions . . . in order to achieve an end which could be achieved in a few days militarily we spent weeks at the negotiating table. In fact the foundations have been laid for a federated Cyprus state with two separate autonomous regions and administrations, which has been our proposal from the beginning as the only possible solution."

Quick and easy as the military action was, it will have profound effects on the population of the island, on Greek-Turk relations and on Greek-American relations. It also created problems for the North Atlantic Treaty Organization.

The Cypriotes—The population of the island is 650,000; 18 percent are Turks, the rest Greeks. Because of historic hatreds neither ethnic group is likely to want to live under the other's control. Thus, if the Turks are able to hold the northern third of the island—and by all the evidence they can—most of the Greeks living there presumably will want to move southward. Similarly, Turkish Cypriotes will almost certainly demand to be under control of "their" leaders.

Greek-Turk Relations—War between the nations is unlikely. In Athens, Premier Constantine Caramanlis publicly declared, in the heat of the Turkish advances on Cyprus through a ragtag Greek Cypriote army, that Greece would not send troops. He said it was too far—Cyprus is 500 miles from Greece, but only 40 from Turkey—and that the Turks were clearly too strong.

It is unclear what will happen next. Premier Ecevit, his military mission accomplished, called for negotiations to resume. Mr. Caramanlis said he would not talk under the present circumstances.

SUMMARY OF THE NEW HOUSING BILL AND ITS EFFECT ON OLDER AMERICANS

Mr. WILLIAMS. Mr. President, I am very pleased to report that when President Ford signs the Housing and Community Development Act of 1974, today, it will happily signify the end of a 5-year struggle to renew the most successful housing program ever passed by Congress: The section 202 housing program for the elderly and handicapped.

This news is particularly welcome to the nonprofit sponsors who have produced so many excellent housing projects for our Nation's elderly, and who have struggled so tirelessly to see section 202 renewed. Since its enactment in 1959, the 202 program has produced over 45,000 specially designed units for the elderly and handicapped. There have been no scandals in the program, and the failure rate has been virtually nil.

As chairman of the Subcommittee on Housing for the Elderly, I have been privileged to work closely with the many friends of 202 through these past few years in a sustained effort to restore this popular program.

I cannot stress strongly enough what the reenactment of the 202 program means to the hundreds of thousands of elderly persons who have been sitting for years on waiting lists to get into apartment buildings designed especially for them. While this tremendous demand for special units has been with us for many years, it has accelerated dramatically since the 202 program was phased out in 1969 and when the section 236 interest-subsidy program was frozen in January 1973. With the section 202 and the section 236 programs unavailable, the nonprofit sponsor, in particular, had no where to turn. The Housing and Community Development Act of 1974 promises to end that frustration.

In order to remove the earlier objections to the 202 program, we made some changes in the law, but I am confident that these changes can serve to provide more and deeper assistance to our senior citizens. In summary, the revised 202 program provides for the following—for more details, see title II, below:

First. The HUD Secretary is authorized to borrow up to $800 million from the Treasury to make direct loans to eligible sponsors of housing for the elderly or handicapped.

Sponsors can be nonprofit, limited divided consumer cooperatives, or public agencies.

The $800 million is in addition to over $100 million already accumulated in the old 202 revolving fund.

Second. The loans will be made at the prevailing Government interest rate—plus an amount to cover administrative costs on the loans.

Third. The revised section 23 leasing program—now merged into section 8 of the new bill—will be available to all 202 units so that tenants will not have to pay more than 25 percent of their income for rent. Obviousy, a straight Government rate direct loan program—estimated now at 8.5 percent—would never reach the low-income elderly. Many have objected to the Government rate approach on this ground without understanding that section 23—or the new section 8—will be available to make a deeper subsidy than has ever been possible under 202.

In the weeks to come, the Department of Housing and Urban Development will formulate regulations for the revised 202 program. I understand that HUD will welcome the comments and assistance of organizations and experts in the field of housing for the elderly, and I am delighted to learn of this cooperative effort. Much of the great success of the original 202 program was due to the flexible method through which the program was administered. I sincerely hope that a similar arrangement can now be worked out.

With today's prices and growing inflation, it is difficult to make an accurate estimate of how many units will be made available under this new bill. However, with respect to section 202, the following estimate can be made.

If the full borrowing level is approved by the Appropriations Committee, and passed, $800 million would then be added to the over $100 million now in the old revolving fund—for further discussion of the appropriations requirements, see title II, below. A total of $900 million would produce about 45,000 units—based on an estimated per unit cost of $20,000.

A supplemental appropriations bill is expected sometime in late September, and I expect the question of funding levels for community development and section 202 housing to be taken up at that time.

Last December I wrote to the Secretary of Housing Urban Development to inquire about the status of the section 202 revolving fund. I was informed that, as of November 30, 1973, the balance in the fund was over $36 million. A total of $63 million, however, had been "borrowed" from the fund for disaster relief. My staff confirmed by phone that the $63 million would be repaid should the 202 program be renewed. I was also informed that net repayments and interest accumulate at the rate of about $14 million per year. Therefore, there should be available in the revolving fund well over $100 million.

I am hopeful that this new program will soon get underway. The time for a specialized housing program specifically designed for the elderly is past due. The success and the popularity of the original 202 program have set a high standard to emulate, and I will do all that I can to see that the new version lives up to our past record.

Mr. President, I ask unanimous consent to have printed in the Record the summary of the Housing and Community Development Act of 1974 as it relates to older Americans.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Housing and Community Development Act of 1974 (S. 3066)

TITLE I: COMMUNITY DEVELOPMENT

The new bill authorizes $8.6 billion over the next three years in block grants to communities in a form of special revenue sharing. These grants will serve to replace several categorical programs such as urban renewal, model cities, and open space acquisition. The Federal assistance provided in this Title is for the support of community development activities which are directed to several objectives including: 1) the elimination of slums and blight, 2) the expansion of the Nation's housing stock, and 3) the expansion and improvement of the quantity and quality of community services.

Survey of housing stock required

No grants of funds under Community Development may be made unless an application has been submitted to the Secretary of Housing and Urban Development (HUD) which includes a "housing assistance plan" which accurately surveys the condition of the housing stock in the community and assesses the housing assistance needs of lower-income persons (including the elderly).

Eligible activities include senior centers

Programs developed in the application of a community may include the acquisition, construction or reconstruction of facilities, site, and other improvements—including neighborhood facilities and senior centers.

Other eligible activities include special projects directed toward the removal of architectural barriers which restrict the mobility of the elderly and handicapped.

The bill also permits the use of Community Development funds to finance public services. However, it must be clear that such services are not available through other forms of Federal assistance.

Hold-harmless provisions

The distribution of the funds under this Title will be split on the following basis: 80 percent to metropolitan areas and 20 percent to non-metropolitan areas. For the next three years no city will receive less under the combined block grant approach than it was getting under the various categorical programs.

Termination of categorical programs

The following programs will all terminate on January 1, 1975: Public Facility Loans, Open Space Grants, Public Works Planning Advances, Water and Sewer Grants, Neighborhood Facilities, Advance Acquisition of Land, Urban Renewal and Neighborhood Development Plan grants, and Model Cities.

Special hold-harmless for model cities

In determining the "hold harmless" amount, the bill provides that the community will receive (in addition to other "hold harmless" provisions) a declining percentage (80, 60, and 40 percent) of the average annual model cities grant for the three years following the community's fifth action year.

TITLE II: ASSISTED HOUSING

Revised section 202 housing for the elderly and handicapped

After many years of effort, the popular 202 Program has been renewed with an authorized borrowing level of $800 million. The revised version of 202 contains some significant changes. Instead of the old interest rate of 3 percent, loans will be made to eligible sponsors at a rate corresponding to the current average market yield on outstanding U.S. obligations (estimated today at 8½ percent) plus an amount to cover administrative costs.

Each new unit under the revised Section 202 will be eligible for assistance under Section 8 (the Revised Section 23 Leasing Program) so that no tenant will have to pay more than 25 percent of his income for rent.

No longer will the 202 Funding level require an appropriation. Under the new 202, the Secretary of HUD is authorized to *borrow* funds from the Treasury to make loans to the sponsor. All receipts and disbursements under this program are excluded from the Federal Budget; however, the total amount of loans made in any fiscal year must not exceed limits to be established in the annual appropriations acts.

In addition, the revised Section 202 Program provides for the following:

1. The definition of "handicapped' is expanded to include the mentally handicapped.

2. In determining the feasibility and marketability of a project, the Secretary must consider the availability of assistance under Section 8 (or the Revised Section 23 Program).

3. The Secretary must see that housing built under 202 is in support of State and local plans which provide necessary services through other Federal programs such as Title III of the Older Americans Act of 1965.

4. The Secretary must insure that projects authorized under Section 202 will serve both low- and moderate-income families in a mix which is appropriate for the area and for viable operation of the project.

Public housing

A total of $1.225 billion in new contract authority is authorized for public housing. $150 million of this total is earmarked for housing to be owned by public housing agencies, and at least 50 percent of the $150 million is to be used for the public housing other than leased housing. The balance of the $1.225 billion is to be used at the discretion of the Secretary for traditional public housing or the leased housing program.

The bill increases the operating subsidy level to $500 million for Fiscal Year 1975 and to $560 million for Fiscal Year 1976. The old level was $400 million, and the actual amount disbursed will reflect what HUD does with its proposed management prototype formula.

For the first time, the law specifically approves the use of operating subsidy funds for security services including the cost of security personnel. Security is also considered in the development of prototype costs for public housing units. I am personally very gratified by this development since my Subcommittee on Housing for the Elderly held hearings specifically on the security issue and fought for greater Federal response to this problem.

In addition, the Secretary is required to encourage public housing agencies to provide for the elderly congregate housing which is defined as housing in which some or all units lack kitchens, and connected with which there is a central dining facility.

Several other public housing provisions are of interest to the elderly including the following:

1. For the first time minimum rents have been established at 5 percent of gross income, or that portion of a welfare payment specified to meet housing needs, whichever is greater.

2. In determining gross income, the elderly may deduct 10 percent of gross family income.

3. No bill language specifies the amount to go for modernization; however, there is Report language explaining Congressional intent that $40 million be used for this purpose in Fiscal Year 1975.

4. The bill sets aside at least $15 million of Fiscal Year 1975 and $15 million of Fiscal Year 1976 annual contributions authority for conventional public housing for INDIANS.

Section 8—New housing assistance program

The new Section 8 program is the outgrowth of the Revised Section 23 Leased Housing Program. Under this approach HUD leases units from private owners and subsidizes the rents for those units.

The existing Section 23 program is permitted to continue only through December 31, 1974. In contrast to the old program, Section 8 will place primary responsibility for program administration with the Secretary of HUD rather than with local housing authorities.

The bill clearly states that assistance available under Section 8 may be provided with respect to some or all of the units in any project approved under the Revised Section 202 program for the elderly and handicapped.

Section 8 gives preference to projects involving assistance for less than 20 percent of the units. However, projects for the elderly calling for assistance for as high as 100 percent of the units will share the same priority level as non-elderly projects with assistance in less than 20 percent of the units.

Other features of Section 8:

1. The Secretary is given discretion to set tenant rents between 15 and 25 percent of gross income as defined by HUD.

2. Eligibility for tenants requires that no applicant for assistance have an income over 80 percent of median for the area.

3. Also, at least 30 percent of the families assisted annually must have gross incomes not in excess of 50 percent of the median income for the area.

4. Selection of tenants for each unit shall be the function of the private owner.

5. The Conference Report includes language indicating that Congress expects the Secretary of HUD to take into account the need to provide housing with suitable amenities and sound architectural design in establishing fair market rents.

Multifamily housing—Section 236

Several million dollars in appropriated funds for the Section 236 program were impounded by the Nixon Administration in early January 1973. To date approximately $145 million remains unspent. The new bill extends the life of Section 236 from October 1, 1974 to June 30, 1976, and authorizes an additional $75 million for Fiscal Year 1975.

In the Conference Report, Congress indicated that it expects the Secretary of HUD to use the impounded money for new projects, but only when the community has identified its special housing needs and demonstrated that these needs cannot be met through the new housing assistance program (Section 8).

The former rent supplement program is now merged into Section 236. The new bill authorizes a deep subsidy (below the assistance provided through a one percent mortgage) down to utility costs for up to 20 percent of the units in a Section 236 project.

Several other provisions were added to the language of the Section 236 program:

1. The new maximum tenant income limit eligibility requirements are 80 percent of median incomes for the area.

2. At least 20 percent of the assistance provided under Section 236 is set aside for projects for the elderly or handicapped.

3. Funds authorized under Section 236 may also be used as operating subsidies to existing and new Section 236 projects to meet higher operating costs resulting from increased taxes and utility costs.

Consultation With HEW—Support of Older Americans Act

The Secretary of HUD is required to consult with the Secretary of Health, Education, and Welfare (HEW) to insure that special projects for the elderly or the handicapped approved under public housing or under Section 8 meet acceptable standards of design, and provide quality services and management consistent with the needs of the tenants.

These same projects are required to be equipped with such "related facilities" necessary to accommodate the special environmental needs of the elderly or the handicapped, and such projects must be in support of applicable State and local plans for comprehensive services as outlined in legislation such as Title III of the Older Americans Act of 1965.

TITLE V: RURAL HOUSING

The bill adopted several changes to rural housing programs including the following provisions:

1. Expanding Farmers Home Administration (FmHA) jurisdiction to towns of up to 20,000.
2. Allowing rent supplements in FmHA rental and farm labor projects.
3. Raising the FmHA Section 504 home repair loan limit to $5,000 with up to 20 years to repay.
4. Providing technical assistance grants and interest-free seed loans to nonprofits, with priority for groups sponsored by local public bodies.

In addition the bill authorizes $30 million each in new contract authority over the next three years for FmHA 504 rehabilitation loans, and farm labor housing grants.

TITLE VI: MOBILE HOME CONSTRUCTION AND SAFETY STANDARDS

HUD is authorized to promulgate national standards with respect to the quality, durability, and safety of mobile homes. The Secretary is also required to consult with the Consumer Product Safety Commission prior to the establishment of the standards.

TITLE VII: MISCELLANEOUS EXPANSION OF HOUSING ALLOWANCE EXPERIMENTS

The bill directs HUD to continue experiments in the cash assistance program authorizing an additional $40 million annually for cash assistance payments. A report with recommendations to the Congress will be required within eighteen months.

Condominium and cooperative study

The Secretary of HUD is directed to conduct a full and complete investigation of the problems, abuses, and potential abuses which may be involved in condominium or cooperative housing. A report to Congress is due one year from enactment.

Direct financing study

The Departments of HUD and the Treasury are directed to study the feasibility of direct loans and other methods of financing assisted multifamily housing including direct loans from the Federal Financing Bank with a report to be filed within one year of enactment.

MORE ON PRICES AND INFLATION

Mr. EAGLETON. Mr. President, yesterday it was announced that consumer prices jumped 0.8 percent in July even though grocery prices declined. That brings the inflation rate over the past 12 months to nearly 12 percent. And with the recently reported spurt in the Wholesale Price Index, the announcements of large price increases for 1975 model cars, and the shrinking grain harvests, we must be prepared for even worse numbers over the next few months.

The President of the United States has staked out inflation as the first target of his new administration, and I am very happy that this problem will be receiving the serious attention that it deserves. Although it is too early to expect a comprehensive new policy to be developed, I know that Mr. Ford is consulting with his advisers in the preparation of a plan for economic recovery.

Mr. President, I sincerely hope he is successful. I want to do everything I can to help Mr. Ford in his efforts. That is why I voted for the Council on Wage and Price Stability, even though I doubted its ultimate effectiveness. The approach I favor, embodied in my bill Senate Joint Resolution 231, is to convene an extraordinary panel of professional economists from outside government to develop a blueprint to deal with inflation, recession, high interest rates, and the other manifestations of our economic problems.

I would like to direct the attention of my colleagues to a column by Hobart Rowen in today's Washington Post, which addresses itself to this issue. I ask unanimous consent that the article, "Needed: 'New Ideas' on the Economy," be printed in the Record at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Needed: "New Ideas" on the Economy

(By Hobart Rowen)

There is no doubt that President Ford has gotten off to a great start with the public, the Congress, and the press. AFL–CIO President George Meany expressed it for all when he said "There's a great sense of relief."

But the euphoric mood is not going to last long in the absence of some positive steps to get control of economic problems—not simply inflation, but the stagnation that is fast becoming a true recession.

What President Ford urgently needs is a new Cabinet and a new set of economic advisers to replace the tired old group now in office, whose record for analysis of the problems—and forecasting of the future—has been consistent only in its mediocrity.

Almost everyone—Democrats and Republicans alike—agrees that inflation and high interest rates must be brought down. The current crop of economic advisers left over from the Nixon administration insists that the basic problem in the economy is excessive demand. So they pin their faith on the simplistic notion of cutting the budget.

But excessive demand—which means too many dollars chasing too few goods—is hard to find today. There are some supplies that are short, to be sure. But consumer buying has been slipping. Housing, as everyone knows, is in a depression. Inflation, having cut the real standard of living, has induced the average person to pull in his horns.

So the real problem for President Ford, as it was for President Kennedy in 1961, may be to "get the country moving again." But this will require development of a broader range of economic weapons than budget-balancing and tight money.

President Ford will have to overcome the natural instinct for "continuity" that expresses itself when disaster hits a President. That was the Lyndon Johnson theme when President Kennedy was assassinated.

Although there was an emotional need in 1963 to avoid the additional shock of a cascade of new faces, some LBJ advisers like Joseph Califano think, in retrospect, that Johnson overdid the continuity routine.

Today, a break with the past is essential. President Ford could clean out the deadwood from the Nixon Cabinet, the Office of Management and Budget, the Council of Economic Advisers and the housing agencies—and the country wouldn't be jarred.

The Ford administration needs a fresh impetus from strong, competent and innovative men and women who can bring a broad range of views into White House councils. There is a similar need in the Federal Reserve System, which plays an all-important role in setting monetary policy and influencing interest rates. For the vacancy created by Gov. Andrew F. Brimmer's recent resignation, President Ford ought to make sure that someone of independent mind gets the job.

In designating new Cabinet officers and economic advisers, President Ford might consider the same bipartisan approach he is following in inviting qualified persons to his economic "summit" meeting.

As things stand, an economic advisory team built around Treasury Secretary William E. Simon (who has been asked to stay for the duration of the term), CEA Chairman- designate Alan Greenspan and Federal Reserve Chairman Arthur F. Burns is highly conservative. It needs a broader perspective.

The President must build bridges to broadly based businessmen—such as those who support the aims of the Committee for Economic Development—and to the academic world.

There are Democratic economists such as Otto Eckstein, Arthur Okun, Joseph Pechman, Walter W. Heller, Alice Rivlin, Paul A. Samuelson, Robert Solow and Charles L. Schultze; Republicans such as George Stigler, Paul W. McCracken, Marina von N. Whitman, Hendrik S. Houthakker and Murray Weidenbaum; and independents such as C. Fred Bergsten, John T. Dunlop, Arnold C. Harberger, and Arnold Weber who might be asked to serve on the CEA, the Cost of Living Council, the Federal Reserve, the Budget Bureau, the housing agencies, in the White House or elsewhere in the federal establishment.

Most have been in government before, and while many have lucrative consultative sidelines in addition to their academic posts, an appeal to their patriotism should be hard for them to resist.

These men and women (and the list could be much longer) will not have, any more than Burns, Greenspan and Simon, a magic solution to stagflation.

But some "new ideas" that Mr. Ford said he was seeking—in a speech while Vice President—would certainly be forthcoming from them. And getting a few of them to work fulltime for his administration would be a step toward an intellectual reconciliation entirely in line with the goals the new President has set out.

SIXTH ANNIVERSARY OF THE COMMUNIST INVASION OF CZECHOSLOVAKIA

Mr. HELMS. Mr. President, in a U.S. diplomatic era characterized by détente, it is important that we remain awake to the vital differences between our way of life and that of those who have been forced to live behind the walls of communism.

Freedom-loving people in Czechoslovakia ask us to commemorate with them the sixth anniversary of the Soviet invasion of their homeland. It is a grim anniversary, Mr. President, but a necessary one. The flagrant violation of human and national liberty has been too quickly pushed into the background by those who would have us cuddle with the Communist invaders in the name of détente.

As with all the small nations imprisoned by the Soviets, a pretense of paper liberties and guarantees has been offered to the Czechs. But thanks to the diligence and courage of people like Aleksandr Solzhenitsyn, we may no longer cling to the naive myth that Russians are anything more than the international villains their acts show them to be. Their foreign policy of imperialism and aggression is matched by a domestic policy of unprincipled expedience in the service of the Communist Party, complete with the dehumanizing enslavement of any who dare speak out for human dignity and freedom.

And now this Russian system has been openly forced upon the Czechs. Their "mental institutions" are peopled by dissidents whose only "imbalance" is a critical opinion of the Russian domination. Emigration, as well as all internal movement, is rigidly controlled. A perverted elitism dominates all aspects of occupational, educational, and social decisions, favoring Communists in good-standing over Czech patriots. Ownership and use of private property is tightly restricted. Broadcasts from non-Communist countries are jammed. Correspondence is censored. Elections are merely rubber stamp approvals of the one slate of party candidates.

Realistically, our capability of unilaterally bringing about the return of freedom to the Czechoslovakian people may be limited. However, conscience demands that we communicate to the world our unalterable disapproval and rejection of the current state of affairs there. Our most basic principles and entire way of life are not only offended, but more crucially, are threatened by the presence of this and similar regimes. By failing to castigate the Soviets for their illegal occupation and invidious administration of Czechoslovakia, we tacitly approve the unchecked growth of the Communist leviathan. So the trappings of our security seem to remain intact, while the foundation is being eroded by our own complacency and our squeamishness in the face of the calculating Russian machine.

Now, 6 years separate us from the last major attempt by the Czechoslovakians to rid themselves of the shackles of Communist dictatorship. These same 6 years separate the Czechoslovakians from their last breath of freedom. It has been suggested that this anniversary be set aside as the Soviet Day of Shame. I would suggest that we consider it a reminder of our own failures in the fight against communism, and that we redouble our efforts to deny them the inroads on the democracies of the world which they constantly seek. Too many have lost for us not to learn.

PRESERVING THE WORLD'S MARINE ENVIRONMENT

Mr. MUSKIE. Mr. President, as a member of the National Ocean Policy Study and an adviser to the U.S. delegation to the U.N. Law of the Sea Conference, I am acutely aware of the need for this country as well as the other nations of the world to take immediate steps to preserve the world's ocean resources. In recent years, contamination and depredation of the sea and its inhabitants have risen to terrifying proportions. The technology that brings closer to hand the economic wealth of the sea also presents the prospect of the same shortsighted pursuit of wealth that has left much of our land scarred, our water poisoned, and our air polluted.

Mr. President, two articles from the Maine Press concerning the preservation of our marine environment were recently brought to my attention and I ask unanimous consent at this time to have these articles printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Tuesday Weekly, July 30, 1974]

Local Fishermen Speak: Fishermen Need Facts for Long-Range Programs

(By Ted Welles)

Mt. Desert Island.—"I think the answer to the fisheries problem is the 200 mile limit," says Lester Closson, who is soon to graduate from MDI High School and intends to lobster fish for a living. Already he has worked up from a row boat to a renovated inboard lobsterboat, paying for improvements from money made lobstering.

What Lester and a lot of other like-minded fishermen are talking about is their request that the U.S. Government extend its territorial offshore claims 200 miles to prevent the area from being overfished by foreigners. The fishermen from harbor to harbor already have territories charted indicating where one another can fish inside U.S. territorial limits, and it takes a big fisherman to break into a foreign territory.

Lester explains, "I wouldn't fish out of Bass Harbor and go into Swans Island territory as too many of my lobster trap lines would be cut."

Mrs. Ossie Beal adds, "My husband is a big fisherman and has been able to fish out of Beals Island to as far away areas as around Milbridge." Her husband, until recently, was president of the Maine Lobstermen's Association.

This harbor-to-harbor territorial regulation has been conducted without any official government involvement and it is said that some fishing villages have prevented government officials from attempts to regulate their local fishing policies. The situation seems to be different further offshore. For some time the fishermen have been asking government assistance to help them enforce exclusive fishing territories.

When Closson was asked what U.S. Fishermen should do within the 200 mile limit to preserve the fisheries, he, as well as others in the trade, admit they have no special program in mind, except keeping foreign fishing fleets out.

A fisherman who has some ideas and is willing to share them is Richard A. Black, Sr., of Bass Harbor. Ed Blackmore, the new president of the Maine Lobstermen's Association, who fishes out of Stonington, says, "Dick Black is a good and very knowledgeable fisherman."

"The independent spirit of individual fishermen is good," Black remarks, "but you've got to take situations as they are and work from them. Before a law is created the first thing is to decide if it can be enforced. I don't think the 200 mile limit can be enforced and we might best consider other possible solutions.

"I don't think driving foreign fishermen out is the answer, especially as already there are a good number of U.S. fishermen who fish in areas off many coasts other than the USA and many more may need to fish off foreign shores in the future," Black said.

"This suggests that the Oceanus global seas regulation program might offer the best solution for all fishermen, especially as it provides for fishermen on the nearest coast to have say in local fishing policies irrespective of nationality. Because the Oceanus program provides for enforcement of such locally decided fishing policies equitably on all, regardless of national origin, it seems very reasonable.

"As a fisherman, I'd like to see Oceanus render a great service by making a study of all commercially valuable species and their spawning areas and seasons to protect such," adds Black. "It upsets me to hear of the catching of spawning fish, specialized fishing when valuable fish are thrown overboard dead because on that trip they aren't supposed to take them home, pumping fish for scales to use in paint, taking fish for pet food, and other unnecessary and wasteful practices."

"The local program I'd like most to see effected to protect and preserve the fisheries is a ban on catching spawning species. It should seem obvious that nobody can plant a garden without seed. In other words, if it takes ten bushels to plant a field of potatoes, you can't eat the ten bushels needed for planting and that can, if planted, produce a lot more bushels. Likewise we can't continue catching spawning fish if there is to be enough fish for future needs.

"Spawn is the seed from old fish for new and larger numbers of fish," Black explains. "I've seen boats pull up nets when there was so much spawn that I couldn't identify the fish. We should let fish spawn first and then catch them making sure to not damage the spawn.

"Already, lobsters and alewives are protected somewhat during spawning. I think there are more alewives and lobsters as a result, even if it doesn't seem so because there are so many more fishermen today. This is why we must now figure effort against catch and these should be balanced. As uncontrollable conditions arise more, we should give more effort to aquaculture.

"I believe, in a sense, Maine is in many ways already practicing a partial aquaculture with its lobster seeding program," Black says, "and possibly lobstermen in an area can establish a co-op and share the profits, from lobster harvests in bays in which they operate aquaculture, in proportion to the time, money, and work they put into the operation."

Black, who has been fishing for over thirty years, has seen "an unbelievable change in the number of fish species. I can't believe the depletion of the fisheries in the last thirty years. If we went back to the number of boats and equipment we had thirty years ago, I don't think a boat would survive economically. It was in the late 50's and early 60's I began to see that the fisheries weren't endless, especially when some of the fish factories went out of business."

In his thirty years of fishing, Black has observed that nature has cycles men don't understand and if these are over-exploited, portions of the seas' food chain must undergo appropriate adjustments, like reducing the number of shags, seals, dog fish, etc. According to Black, "If we want nature to take care of these, nature will most likely do it in a horrible way such as starvation of seals and other species dependent on the species people are demanding for their dining dishes.

"To best begin a proper program," Black feels, "we must study what the fisheries were, what the current state of the fisheries is, and what it might be in the future. From these bearings, laws to preserve and maintain an appropriate fisheries balance of effort and catch can be decided and effected by fishermen with the assistance of appropriate governments, irrespective of nationality."

[From the Bangor Daily News, Aug. 6, 1974]

ENVIRONMENTAL THREATS GIVEN IN SLIDE SHOW

NORTHEAST HARBOR.—Threats to Maine's environment were presented Saturday through an evening of slides, film and discusion during the Maine Theatre Arts Festival at Neighborhood House here.

Arthur E. Palmer, a lawyer and resident of Pretty Marsh, Bar Harbor and Philadelphia, Pa., after seeing the presentation, said. "The information presented should be shared with as many people as possible."

Miss LaRue Spiker, Southwest Harbor, a writer and photographer, conducted the slide presentation produced by the Maine League of Women Voters. It suggested solutions to the question of electric power generation in Maine and some of Maine's economic problems.

The movie "Clean Oil Tankers" showed how routine tanker cleaning procedures harm sea life. This movie was produced by Adm. E. R. Welles III, elected chief executive of "Oceanus." Manset, an organization that claims to be the developing world seas government "Oceanus" claims to supersede the UN-sponsored "law of the seas conference", now at Caracas, Venezuela.

After the movie was shown Welles read parts of a six page letter he recently received from Jacques Cousteau of sea-life movie fame. The letter explained that the seas may soon receive their "mortal wound" from the poisonous wastes now allowed to be dumped in the seas by all governments except Oceanus", he stated. Should the seas be mortally wounded, Welles and Cousteau agree, the stench of dead sea species will force mankind to leave all coastal regions. The polluted dead seas would allow the polar ice caps to melt, flooding all but very high dry land. The pollution scum on the seas would prevent evaporation, rain would be rare, and global drought would be created.

Welles read what Cousteau wrote: "The wretched remnant of the human race would now be packed check by jowl on the remaining highlands, bewildered, starving, struggling to survive from hour to hour. Then would be visited upon them the final plague, anoxia (lack of oxygen). This would be caused by the extinction of plankton algae and the reduction of land vegetation, the two sources that supply the oxygen you are now breathing."

Welles concluded his presentation by explaining that he soon hoped to find one or more imaginative business leaders of firms using the seas for profit that would begin paying Oceanus taxes amounting to $100,000 annually. This, he explained, would "prime the pump" so Oceanus could get other firms recognized land-nations around the globe to participate in Oceanus helping via its system to preserve life in the seas with appropriate profit to benefit all.

THE NATION'S FOOD SUPPLY AND THE CHOICES WE FACE

Mr. HUDDLESTON. Mr. President, in the face of the news that consumer food prices have already risen 16 percent more in the April–June quarter of this year over the same time last year, we were informed on August 12 by the Department of Agriculture that the bountiful harvest we were promised this fall will fall short of domestic and export needs by substantial amounts.

The spotlight today is on corn. The August crop report indicates that we will have a harvest of between 4.9 and 5.2 billion bushels, which is 12 percent under the 1973 crop and significantly below the 6.4 billion bushels which USDA was earlier predicting. Grain sorghum production is 619 million bushels, 34 percent under last year.

It is roughly anticipated that our domestic requirements for corn for feed, seed, food, industrial and other uses will be about 4.7 billion bushels, ostensibly leaving only a little over a billion bushels of corn available for export.

Let me say that the August crop report is not the final report. Things could get better; things could also get worse.

This week, USDA released the results of a spot survey which was conducted to determine the effects of recent rains in the Midwest. Despite the rain, however, the Department of Agriculture saw little reason to revise its corn estimates upward, and saw only slightly more hope for an increased yield of soybeans.

While corn is growing well in some areas of the country, especially those which do not normally produce much of that commodity, a great deal of the corn planted in the grain belt was planted late, because of a wet spring. If we have an early freeze, much of this corn could be lost.

Second, fuel supplies for drying are likely to be a problem again this year. We saw a situation last year in which producers could not get fuel to dry the harvest and some of what was grown was lost. That situation could be repeated.

And finally, while the world harvest in general looks pretty good, our northern neighbors, the Canadians, are worried. Their wheat looks excellent now, but 34 percent of it was planted after the safe days for planting, and an early freeze in Canada could put enormous pressures on our own supplies of wheat and feed grains.

What does all this mean to those who do not daily follow the course of commodity futures prices?

It means a deadly serious situation. It is bound to mean higher food prices to the American housewife—perhaps even shortages—at some point in the future. It could mean that somewhere down the line we might not be able to deliver grain to our regular world customers. And as we see the specter of famine grow greater in the third world countries, it might even mean some hard choices about who shall eat and who shall starve.

Our own livestock industry—dairy, poultry, eggs, cattle, and pork—is in trouble right now.

Even at the present prices of corn and feed grains, farmers are reducing the number of animals they feed, because they cannot break even financially. The poultry and dairy industries in particular are at the brink of disaster. I cannot believe that they will be any better off if the price of feed goes higher.

And if these industries falter the American consumer will suffer. For years, the American consumer has had an abundant supply of food at fair and reasonable prices. We, as consumers, know no other situation.

Some people in agribusiness say Americans eat too much, and that it would be good for us to ration food by increasing prices. But that is not very helpful advice to those who are poor and those who are struggling on fixed incomes.

What of middle-income America? Continuously increasing food prices are a major impediment to maintaining a standard of living they have worked so hard to achieve. I do not know, and I doubt whether the Secretary of Agriculture can tell us, how much higher our food prices will go. I can assure you, however, that they cannot go much higher before the American people object, and with a fury that may indeed make Watergate seem like a third-rate burglary.

So what am I leading up to?

Some might expect that I am about to suggest export controls on American grain.

I am not.

But I do urge the Department of Agriculture to make arrangements with major grain companies to monitor the exports of our harvest on a more timely basis and before the grain leaves our shores. This is imperative.

There are many nations in the Middle East with fistfuls of dollars and little to spend them on. As things now stand, there is no reason why these nations could not convert these U.S. dollars into the more potentially valuable currency of U.S. grain. And, the results of intemperate foreign buying or hoarding could simply mean shortages of food to Americans. I know we do not want that. I do not believe the public will stand for another fiasco like the Russian grain deal.

Still, we are, I believe, a good and humane nation. We have accepted many of the world's problems as our own and sought to alleviate the distress of thousands in foreign lands. I do not foresee a selfish America of the future, one willing to see extensive starvation in other parts of the world without efforts to overcome it. But, in this time of tight supplies, even more than in normal times, we must be fully aware of emergency needs, so that we can adequately plan to do our part and encourage other producing nations to do theirs.

I am comforted to see that Secretary Butz is meeting with representatives of Japan and the European Community to exchange information and obtain an idea of foreign demand for this year. But I am discomforted to read that the Japanese are now in our markets for what some experts claim is up to 180 million bushels of corn, and I am concerned about the possible intentions of the Soviets and the Chinese.

The Japanese and the Western European nations are our traditional friends, much of the world our potential market. We must trade together. But our friends must use restraint, and those who might take advantage of us must be precluded from doing so.

My instincts are to let the free market prevail and maintain a free and open export-import policy. Exports of food are essential to a favorable balance of payments. Price does serve as a rationer.

But food is one of the basics of existence. Even though many people look upon food as something that is always there, like the electric light, it is something which could disappear quite rapidly, pushing inflation and hardship beyond our wildest fears.

For this reason, the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, of which I am chairman, last Thursday held an emergency hearing on the August crop report. The full Agriculture Committee met with Secretary Butz yesterday. The Department's attitude remains sanguine—and I sincerely hope they are right. But, my own judgment—a judgment substantiated in part by the Department's own spot survey—is that they are wrong—and that an incorrect appraisal of the situation harbors the seeds of disaster.

I certainly agree with the Department that we should not panic, that we should not take hasty and unstudied action. But, I do not believe there has been panic—only a well-founded concern and a realistic recognition of the fact that feed grain supplies are going to be tighter than expected and that weather conditions could make things even worse. And efforts to characterize concern over the possibility as "panic" are misrepresentations of an objective and sincere concern.

In view of this, we should maintain ourselves in as flexible a position as possible. We should encourage free trade insofar as possible. We should try to protect traditional customers. We should seek to handle our fair share of international emergencies. But, certainly we must assure our own people a reliable and reasonably priced food supply.

And, we must be prepared to come down hard on those at home and abroad who might attempt to take advantage of the American people or misallocate our grain resource.

The situation is serious; and we must be serious about it. Optimistic predictions do not feed hungry people or help the financially harassed housewife. Instead, planning and action are needed—and they are needed now.

SMALL BUSINESS TIMBER SET-ASIDE HEARINGS

Mr. PACKWOOD. Mr. President, this morning the Banking Committee's Subcommittee on Small Business, on which it is my privilege to serve, conducted an oversight hearing on the operations of the timber sales set-aside programs that have been developed by the Small Business Administration in cooperation with the Forest Service and the Bureau of Land Management.

The set-aside program has operated over the last several years on Forest Service lands—less than a year on BLM lands—to insure that small businesses in the wood products industry are able to buy a fair share of the Federal timber that is put up for sale. The evidence that we received this morning indicates that the program is, by and large, working very well to accomplish the objectives set forth in the Small Business Act.

Sure there are problems, but these problems, such as they are, can be overcome. Basically, I am convinced after listening to and questioning the witnesses that the program is sound and must be continued.

Mr. President, I ask unanimous consent that the text of my remarks at the opening of the hearing this morning be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BOB PACKWOOD AT THE SMALL BUSINESS TIMBER SET-ASIDE HEARING BEFORE THE SUBCOMMITTEE ON SMALL BUSINESS OF THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS OF THE U.S. SENATE, AUGUST 22, 1974

I view this morning's hearing as the first of many opportunities that we will have to explore the role of small business in the wood products industry. More important than that, though, is the need to understand the appropriate role to be played by the Federal Government in this respect.

Let me say first off that I do not think the basic principle involved here is at all vague. The law clearly states that the Federal Government will ". . . aid, counsel, assist, and protect . . . the interests of small business concerns in order to preserve free competitive enterprise."

In partial fulfillment of that basic policy, the law goes on to state that the Federal Government will insure that a "fair proportion" of sales of government property (and that includes sales of federal timber) will be made to small businesses.

Simply stated, that is the law. And that law is what we will be discussing this morning and in the weeks ahead.

Now, let me turn specifically to the small busness timber set-aside program. As I see it, we have three questions before this Subcommittee and the Congress. These are:

(1) What are the objectives we seek to achieve by the timber set-aside program?

(2) How successful have we been in accomplishing those objectives with the current program set up?

(3) What must we do in order to make the program more effective in terms of accomplishing our objective?

Let me add at this point, Mr. Chairman, that as far as I am concerned the question to be answered is not *whether* there will be a small business timber set-aside program. *There will be.* The question is how do we make that program work so that it accomplishes the objectives we seek in a fair, objective, and open manner?

Quite frankly, Mr. Chairman, the longer I serve in government, the more I see bigness operate (perhaps I should say try to operate)—be it big government or big business—the more convinced I become that one of the highest priorities this Congress can set for America is the maintenance of an economic, political, and legal environment in which the little guy—whether he is small business or local government—can prosper.

We are finally seeing the wisdom of this in our efforts at revenue sharing. Why just a few days ago, the Congress finally approved a Community Development Revenue Sharing package that this Committee has been working on for four years. I believe we are finally coming to recognize that that government closest to the people more often than not is much better able to understand and respond to the needs of the people.

We have to see more of this in business. Let's keep things small enough wherever and whenever possible so the worker or the consumer can go to the businessman in his community and get answers to his questions, satisfaction of his complaints. This kind of local concern is best responded to when the decisions are made locally.

Sometimes, businesses legitimately acquire other businesses in order to expand their operations, to expand their production of goods needed by our people. Sometimes, too, we run into problems that must be attended to at the Federal level.

But, I have seen too many instances in which Uncle Same grabs onto a program—and, with it, the citizen's tax money—where the problem could best be solved at the local level. So, too, there are too many instances of big business whose headquarters are hundreds of thousands of miles away from the plant and the community who gobble up small firms simply to be rid of the competition.

At this stage, I am certainly not pointing any fingers at anyone in the wood products industry. When the largest lumber producer in the industry supplies only 7 to 8 percent of the lumber market, it is absured to suggest that they fit into the General Motors or IBM class of "big".

I see the small business timber set-aside program in this sense as an insurance policy of sorts. Insurance that we will never have any GM's or U.S. Steel's controlling the marketplace for wood products.

That would not be good for this nation or its economy and I simply will not stand idly by and let it happen.

It is in this context that I view the role of this Subcommittee. We will decide at some future date the appropriate role of the Congress in the timber set-aside program.

Is there a need for legislation specifically directed at this program? Or, is it sufficient that we express our views as guidance to the officials in the Federal Government—the Small Business Administration, the Forest Service, and the Bureau of Land Management—and entrust to them the impartial enforcement and administration of the law as it stands?

This hearing is the first step in arriving at that decision. There will be many more such hearings in our investigation into the workings of the small business timber set-aside program. I look forward to participating in this endeavor, and participate I will.

NATIONAL DAY IN ROMANIA: THEIR 30TH ANNIVERSARY

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished Senator from Indiana (Mr. HARTKE), I ask unanimous consent that a statement prepared by him on Romania's National Day be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. HARTKE

Mr. President, today, August 23rd, marks the 30th anniversary of Romanian liberation from Nazi troops. Because of the liberation of their country and the establishment of an independent government, the Romanian people proudly celebrate August 23rd as their national day. I salute the staunch, independent character of the Romanians and wish them well in the celebration of their national day.

The proud Romanian heritage extends far back into European history. Historical and archaeological evidence confirms that the present territory of Romania had a fully developed local population, with a high degree of economic, cultural, and even political development, long before the Roman armies crossed the Danube into what became known as the province of Dacia.

Since the mid-20th Century, Romania has undergone a spectacular economic and social transformation, marked by an accelerating urbanism and a drop in the traditional significance of agriculture, which, at the beginning of the 1970's, was contributing a quarter of the national economic wealth. Romania's population of more than 20 million in 1970 made it nearly as large as Canada and ninth in population among European countries and sixth among the 14 nations of the Socialist camp. Its area is comparable to Pennsylvania and New York states combined. The national capital is Bucharest, a fast growing international city with a population exceeding 1.5 million in 1970. On August 19th of this year Bucharest began playing host to the World Population Conference of the United Nations.

Mr. President, our relations with Romania have always been cordial. Romania is a respected member of the international community; a member of GATT; the International Monetary Fund and the World Bank. Romania has negotiated and received credits from the Export-Import Bank of the United States; and the facilities of the Overseas Private Investment Corporation (OPIC) were made available for investments in Romania.

The domestic economy of Romania has made important strides forward and would be helped along considerably if the United States were to grant the Romanians most-favored-nation status in their trading relations with this country. The expansion of industry in the last few years has required a major program of capital investment. The proportion of national income so allocated has risen from about 20 percent in 1960 to 30 percent in the decade of the 1970's. The total national income in 1970 was 5.6 times greater than it had been in 1950.

Finally, in tracing out some of the more spectacular accomplishments of the Romania people on this their National Day, I should like to point out the tremendous progress they have made in the education field. Education in Romania is free and universal and its development has been a key to the economic transformation of the country in recent years. One in five of the country's inhabitants is a pupil or student, whether at the obligatory general school; the middle schools (general or specialized, four or five years); or the wide range of professional and technical schools and institutes of higher education. Associated with this educational system is an extensive national library network.

Celebrating the 30th liberation anniversary and National Day of their country, the Romanian people can take justified pride in the accomplishments they have achieved. I look forward to continued friendly relations between our two countries and peoples in the years ahead.

HEALTH CARE: AMERICA'S NEWEST EXPORT

Mr. FULBRIGHT. Mr. President, a recent issue of the Federation of American Hospitals magazine, the Investor-Owned Hospital Review, featured an article which I would like to call to the attention of the Senate. The article, entitled "Health Care: America's Newest Export," chronicles the development of investor-owned hospital management in several foreign countries. This account of the export of our expertise in health care is a "New Frontier that bears close watching in the months and years ahead." I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH CARE: AMERICA'S NEWEST EXPORT

These are the far-flung outputs of a New Frontier for the American investor-owned hospital industry.

It appears to be just a matter of time before there will be more . . . maybe in France, Greece, Spain, Italy, West Germany, the Scandinavian countries, South America, the Mid-East, the Far East, and, conceivably, some Iron Curtain countries.

Thus, the prospects are global in scope—but overseas expansion is a development that is unlikely to happen quickly.

Executives of American hospital management companies that have pioneered the market abroad for the investor-owned hospital industry agree that establishment of the groundwork for hospital operations in a foreign country is a time-consuming process requiring considerable negotiations and planning.

THE PROBLEMS

The key problems are distance, language, national customs, foreign governmental red tape and differences in philosophy. But the executives admit that the potential benefits outweigh the liabilities.

In the past few years, several American hospital management companies have looked into the possibilities and potentialities of owning and/or managing hospitals overseas. Three of the five hospital management companies listed on the New York Stock Exchange have made commitments for operations abroad.

American Medical International, Inc. of Beverly Hills, California was the first American company to acquire hospitals overseas. The company owns the Harley Street Clinic at London, England and Clinique Cecil at Lausanne, Switzerland—and recently completed negotiations to either own or manage hospitals in France.

Hospital Corporation of America of Nashville, Tennessee signed a contract in mid-1973 to manage the new $75 million King Faisal Specialist Hospital at Riyadh, Saudi Arabia. The medical complex is expected to be ready for operations in 1975.

Hospital Affiliates, Inc. of Nashville announced recently that it had signed a contract to develop and manage the Medical Center of the Marianas, a Catholic facility which is being constructed at Agana, Guam.

These are the farthermost outposts—but they are not the only investor-owned hospital management companies with commitments outside the Continental United States.

Charter Medical Corporation of Macon, Georgia operates hospitals in Puerto Rico. Also, Hospital Affiliates, Inc. recently signed a contract to develop and manage a new hospital in a suburb of San Juan, Puerto Rico. Guam, like Puerto Rico, is an American possession.

FIRST MAJOR THRUSTS

The facilities in England, Switzerland and Saudi Arabia, however, are the first major thrusts by the hospital companies into the foreign market—and they bear watching for future trends.

While some companies have set up international divisions to pursue the New Frontier more vigorously, other companies, which have studied the overseas market, have opted to continue the development of the domestic market for investor-owned-and-managed hospitals.

In obtaining information for this theme article—Health Care: America's Newest Export—the Investor-Owned Hospital Review Magazine interviewed the top executive officers of three of the companies currently involved in the foreign hospital market. Their comments reflect a cautious but optimistic approach.

AMERICAN MEDICAL INTERNATIONAL, INC.

It is significant to note that American Medical International, Inc.—the first American company to venture into the overseas hospital market nearly four years ago—recently announced plans to expand its operations in Europe.

The company disclosed that it was negotiating a joint venture agreement with Helm Lodge, a British Trust, to build and manage a new 150-bed hospital in London—to be known as Nottingham Place Clinic. This, according to AMI, is the first new private acute care hospital to be granted planning board permission in the Central London medical area in recent years.

This announcement comes on the heels of the completion of a $2.6 million, 85-bed patient wing addition at the Harley Street Clinic at London—the first overseas hospital acquired by AMI. The original 60-bed facility is being remodeled and modernized. Thus, the expansion increases the bed total to 145.

AMI also has announced plans to expand its second acquisition in Europe—the 100-bed Clinique Cecil at Lausanne, Switzerland. The project includes a modernization program.

AMI officials also have negotiated a protocol d'accord (an agreement in principle) to operate in France.

Royce Diener, AMI president, personally handles the overseas operations for the company. He makes at least five trips a year to Europe for periods of up to three weeks to oversee the various projects.

How it began

Diener said in the interview with the Investor-Owned Hospital Review:

"Our entry into the European and foreign operational field actually began with some international banking that we obtained in 1970—our first $10 million Euro-dollar convertible debenture through a syndicate of banks in various parts of the world, but primarily in the United Kingdom and Europe.

"This was later followed by a second $25 million convertible debenture which brought into the syndicate almost every major private, merchant and commercial European bank and thereby gained us an entry into a market which is primarily dependent on banking references and really is based on people who can recommend you on a first-hand basis.

"As a result of this activity, we acquired the Harley Street Clinic, which, of course, is being doubled in size. The new wing has been opened, and we are refurbishing the old wing. The entire hospital will be available for utilization by the end of 1974."

Diener noted that in Europe the term "clinic" was the same as an acute care hospital in the United States, and the term "hospital" "primarily refers to long-term facilities." He said that the Harley Street Clinic had excelled, especially, in the field of heart surgery "with most of the leading heart specialists of London on its staff."

"The entire United Kingdom is covered by the National Health System and any citizen is entitled to go to a National Health Hospital and have any type of illness treated free of charge," Diener said.

"We estimate that about 35 percent of our clientele at the Harley Street Clinic are foreigners and the remainder are citizens of the United Kingdom. This is considered a high percentage of foreigners but, because of its reputation, the facility receives patients from all over the world, including quite a few from the Middle East."

100-Year History

Diener noted that the history of Harley Street Clinic "dates back about 100 years during which it has been a private hospital in one form or another."

"The clinic was acquired by the Balfour-Lynn family in 1960, and AMI obtained the facility from Dr. Stanley Balfour-Lynn, a highly qualified physician, certified by the Royal College of Surgeons and now AMI's managing director for the United Kingdom in Europe.

"Because this was a private hospital and the beds already were licensed, it was just a question of changing the stock ownership. We were not involved with the Ministry of Health but we had to receive the proper authorization from the Bank of England."

Diener said that, in order to acquire Clinique Cecil in Switzerland, "we had to obtain permission from the Swiss National Bank, which is like the Federal Reserve Bank of Switzerland."

He emphasized that both Harley Street Clinic and Clinique Cecil "are deluxe hospitals with very fine nursing care, very fine food service and very fine accommodations."

"The question of the strength of the American dollar has no bearing whatsoever on any opinion regarding the investment of American capital overseas," he explained. "The control of American investments is incumbent in the powers of the government, and these are mostly related to the balance of payment situation in the individual country at the time that the application is made.

Permission in France

"For example, we have just received the first governmental authorization ever granted by France for the acquisition of a substantial ownership position of a French hospital. It took us more than two years to develop this approval. In France, our strong banking connections put us in touch with a number of situations. The French hospital situation is very complex because there are both government and private hospitals.

"Our governmental permission from France gives us the right to acquire 75 percent of a particular hospitals. We are continuing to pursue our activities in Europe along the lines of whole or partial ownership. In some cases, this has nothing to do with our facilities management program which is just now beginning to be offered in Europe. In France, we have a very strong opportunity to get into facilities management contracts in a joint venture with a leading banking institution in the hospital and medical field."

Diener disclosed that AMI "at the moment is negotiating in Spain, Italy and West Germany as well as in the United Kingdom, Switzerland and France."

"At least two and a half to three years of development work are needed in the pipeline before you show any results," he explained. "We are just reaching the stage where these results are starting to turn into actual situations in a fairly regular sequence.

"The main problem in the major European cities is not overbedding or area hospital control but the almost impossible task of being able to find a good location—and to be able to obtain planning approval for the construction or expansion of a hospital. Nevertheless, the staving power of the private clinic in a good European city is very strong, and the competitive aspect is almost non-existent as we see it in comparison to the situation in the United States."

The task of finding a site

Why are good hospital sites hard to find in European cities?

Diener said, "Take the city of London with a population of 10 million or the city of Paris with eight million population. The size of the city practically has not changed, but the ground is at an absolute premium. The same thing is true in Barcelona, Spain where we are developing some plans.

"Barcelona is the biggest boom town I have ever seen. It looks like Houston, Texas did 10 years ago. The property is at an absolute premium, and you have to go into a tremendous program just to locate it.

"The cities in Europe do not develop in the same way as they do in the United States. They preserve their central city. This area is beautiful—the standards are maintained—and there are no problems of deterioration that we find in many places in the United States. There isn't the developing urban sprawl that we have in this country."

Diener conceded that some of the toughest obstacles to overcome in the foreign market "are the ability to communicate and to obtain entry."

"You can only gain entry with the proper recommendation, and, in Europe, it is a question of whom you know and who refers you into a situation. Otherwise, the officials you talk to may be polite but they may not take you seriously. You have to learn a set of requirements that are very different from what we have in the United States.

"The types of regulatory authorities are different—the format and types of accounting, for example, are different. You have to understand how to read a French or Swiss financial statement. You must understand their techniques of managing, financing and conformance to regulations."

Fits AMI program

Diener said that the overseas operations fitted well into AMI's overall procedures.

"Basically, the overseas operations function along the same lines as our hospitals in the United States," he explained. "We use the same management systems, but we most definitely make accommodations for local customs and practices. We respect the differences. We obtain some very good ideas, and, by the same token, we give some very good ideas. The most important elements of an overseas program are the ability to communicate and to have empathy."

Diener said that AMI had a subsidiary that served as an agency to recruit medical personnel overseas. There also is an exchange program where personnel are brought in from as far away as New Zealand or Australia to work for a limited time.

"Nobody from our headquarters office in California works permanently in Europe," Diener said. "We have a rotation system in which up to 12 persons with expertise in various fields go back and forth."

Diener said that construction costs per bed in Europe "are higher than in the United States, and this is really puzzling because the construction workers overseas are paid much less."

"However, there is the problem of much smaller space, the difficulties of access and various types of value added taxes being attached to the total cost," he explained. Thus, the cost per bed—not only for the construction but for the equipment and, most importantly, for the value of the land—definitely comes out to a higher total in almost any Western European country than it does in the United States. I would say that it is from 25 to 40 percent higher."

Different tax laws

He noted that the taxation on hospitals in Europe "is really no different than on any type of business but their tax laws are very different from the United States—and very different from one country to another."

He said that the basic principles of good acquisition evaluation "are the same wherever you go."

"You have to consider the future potential and the stability of the location. You have to relate the differential in cost and patient charges to the total investment. The cost may be very low compared to payroll cost in the United States, for example. But the patient charges are lower, yet the margin must be spread over higher real estate costs."

What does the future hold for American hospital management companies in the development of the overseas hospital market?

Diener said, "I think it is going to depend on the activities of the people in our industry. As far as our company is concerned, we have put nearly four years of hard development work into the picture, and we are just beginning to see results. I believe that the results are going to be relative to the time and effort spent.

"It is more difficult to develop situations in a country that is foreign to your own, and you have to be willing to accept these additional difficulties.

Slow development seen

"Our reason for going into Europe is because we felt there is an opportunity there. There is no question that the results will develop much more slowly than in the better parts of the United States. At the same time, the communities in Europe are much more solid and stable in their configurations, and the demand for private health care seems to be strong.

"I believe that the nationalization of health plans in Europe actually reached its peak a number of years ago. Almost every major Western European nation has a national health plan. An opposite reaction has been occurring, and this is where we came into the picture. With the health plans, the options for private health care were limited. This has created a larger and more solid demand among the private sector."

HOSPITAL CORPORATION OF AMERICA

Hospital Corporation of America, headquartered at Nashville, Tennessee, started studying the foreign hospital market in 1972, and, in the summer of 1973 signed a seven-year contract to manage the $75 million King Faisal Specialist Hospital at Riyadh, Saudi Arabia.

It was an auspicious entry into the overseas market for HCA, which will have complete management responsibilities for the hospital as well as the task of recruiting physicians and employees for the all-encompassing medical complex.

The new hospital in Saudi Arabia's capital and largest city will be operational in 1975. The 250-bed, multi-story structure of cut stone will contain more than 600,000 square feet of floor space. The facilities will include eight operating theaters, obstetrics, pediatrics, coronary and intensive care units, inhalation and physical therapy, x-ray, laboratories and emergency facilities.

The medical complex is being constructed on a 90-acre tract and will include living quarters for key personnel, a private utility system and a commissary, among other special features.

At the formal contract signing ceremony last year in the Royal Cabinet Office of the Kingdom of Saudi Arabia, Dr. Rifat Alsayed Ali, personal physician to King Faisal, affixed the signature for his country and said, "We are building the best possible referral health care facility for the people of the Middle East and we were determined to secure the most competent management available for our hospital. We believe this company to be the ideal choice, and we have complete confidence in its ability to staff and manage this outstanding facility."

John Neff, HCA president and the signer for his company, responded, "We are proud and pleased that our company was selected to manage this excellent medical center. It is the most modern and most completely equipped hospital, outpatient and research center in the world today, and we are honored that HCA was chosen."

Interest is contagious

Neff disclosed in a recent interview with the Investor-Owned Hospital Review that HCA "has been receiving a great fallout as a result of the management contract in Saudi Arabia with inquiries from a number of different countries with hospital projects in the works."

"We have sent representatives to quite a number of countries which have invited us to come and look over the situation," he said.

Neff believes that a major thrust of the American investor-owned hospital industry's can be in the developing countries rather than the fully developed countries.

"I can see the potential, especially, in the whole Middle East, and other developing areas where they are trying to raise their standards of living—countries that have the resources to do something for the people. One of the things they are trying to do especially is to raise the health standards."

Neff disclosed that HCA originally became involved in the foreign hospital market through a proposed project in Athens, Greece.

"John Hill, HCA's former president and now chairman of the executive committee, discussed the potential project with some American-trained doctors in Athens," he said. "The more we looked at it, the more interested we became. This happened early in 1972.

"We made a thorough investigation of the Athens project and while we were at it, we became interested in the whole foreign market. We decided to make surveys of other countries. We looked at England. We hired a consultant to study France, Spain, Germany and other well-developed countries of Europe—and we continued to work on the proposal in Greece.

"We came to the conclusion that we would make somewhat of an investment in ourselves by sending a man to Europe on a partial basis. During this period of looking the situation over, we were contacted in October, 1972 by persons connected with the King Faisal Specialist Hospital at Riyadh, Saudi Arabia. They wanted to know if we would be interested in a management contract.

"Construction of this very sophisticated hospital had started in 1970. It is being built by an international team with British architects, a Lebanese contractor, American Hospital Supplies doing the equipping and supplying, and a British Petroleum subsidiary, called SCICON, doing all the data processing computer work.

The HCA team

"The officials of the project realized that they needed the facility, and they did not have the trained personnel. Also, they had not developed the management expertise or techniques for operating a hospital of this kind. HCA was asked to become involved, and we sent a team to study the situation (headed by Dr. Thomas Frist, Jr., executive vice president and George Mercy, senior vice president and now director of overseas operations).

"This team gave us persons with expertise in medical relations, operations and personnel. They spent 10 days in Saudi Arabia analyzing the situation. Afterwards, we made a presentation to the Saudi Arabian government, and in September, 1973, we signed the agreement.

"The essence of the agreement is that it is basically a management contract. We are acting as manager for the owner—in this case, the Royal Cabinet of the Kingdom of Saudi Arabi. We had nothing to do with the construction, equipping, and design other than some input on the tail end of the supplying and equipment."

The hospital is designed so that it can be expanded from 250 beds to about 750 beds with the construction of additional wings. The complex will include from 450 to 500 housing units for personnel.

"Included is a power plant that looks as if it is large enough to supply power to the City of Nashville," Neff said. "It is a very sophisticated hospital. The personnel will resemble a little United Nations and, at the start, there will be a substantial number of personnel from the United States, particularly at the upper level.

To train personnel

"One of the main things that HCA will be doing is training Saudi Arabian people to gradually assume more responsibility in the operation of the facility on every level. We are offering an exchange program between our people and their people because we have over 60 hospitals in this country to provide training, and, by the same token, we can send our people over there."

Neff said that most of the hospital's patients would be virtually "all Saudi Arabian people who will be referred by their own doctors." It is certain to attract referral patients from other Arab countries.

"It is not going to be a typical community hospital," he explained. "It will be a referral, research and specialist hospital that, theoretically, will take the more difficult cases in Saudi Arabia. Usually, the kind of cases that will be treated are those which have to be sent out of the country. This is the first hospital of its kind in Saudi Arabia and the Saudi Arabian government hopes to use it as a base to raise the level of the country's whole health care system. They want to have one of the world's best hospitals. We are very pleased with their motives and attitude."

Meanwhile, what about HCA's involvement in the Athens project?

Neff said, "The hospital in Athens is still in the proposal stage. The reason that it has dragged along so long is because we have had a difficult time finding a decent site and in obtaining permission from the Ministry of Health in Athens to locate in a particular section of the city."

He believes that management contracts are "the way to go in the foreign hospital market."

"I think it is going to be very difficult and time-consuming to get projects approved and build them the way we do in the United States," he explained. "It is an entirely different situation. They are not accustomed to proprietary hospitals, and I think that the idea of building hospitals only for the upper class or wealthy population does not sit too well in some of these countries."

Neff emphasized that developing countries must subsidize health care because "it is the only way that they can raise this standard—that is, building a facility and making it available to the people.

"They don't really understand the idea of proprietary hospitals. They need to serve the complete strata of their society. Our American ideas of costs—American standards of what a hospital must do to deliver quality health care—involve costs that are more than the standard of living in these underdeveloped countries will permit. So, their government has to subsidize health care."

A superior system

Neff noted, however, that countries abroad "are recognizing, more and more, that the United States has a very superior type of health delivery system."

"When you look at the health delivery systems of other countries, you will find that we are way ahead. I believe that as these countries start developing health care facilities, they will be looking for someone to direct and manage them. They do not yet have the expertise and techniques themselves so I believe they will be turning to companies like ours."

Neff conceded that "you have to have great patience to work in the foreign hospital market because it is a much slower pace than we are accustomed to in this country."

"Overseas, they talk in terms of a large number of beds," he explained. "Our (HCA's) largest hospital in this country is about 450 beds. We build an average hospital with 150 beds that are expandable to 300 beds. Overseas, they then think nothing of building hospitals with 750 to 1,000 beds. We feel that when you cross the 600 to 600-bed mark, you are talking about a different kind of operation. If we had our choice, we would rather operate hospitals with 200 to 300 beds. They can be handled by one good administrator and a staff. You don't get into the hierarchy that you would need to handle a 600 to 700-bed hospital."

ENTHUSED OVER FUTURE

Neff said that he was "very enthused over what investor-owned operations can offer to the entire health care field."

"I think that it has just started," he said. "I believe we are in the same position that the hotel-motel industry was 20 to 25 years ago," he noted. "The hospital industry is still a typical cottage industry, even though companies like ours have made real progress in applying modern management methods. I believe that investor-owned hospitals have become a very important and significant part of the whole health care delivery system."

HOSPITAL AFFILIATES, INC.

Hospital Affiliates, Inc. of Nashville, Tennessee announced in April, 1974, that it had signed its first two contracts to develop and manage hospitals outside the Continental United States. The hospitals are being built at Guam and Puerto Rico, both American possessions. So, there is no actual involvement with foreign governments as in the case of AMI's ventures in Europe and HCA's management contract in Saudi Arabia.

Puerto Rico is close enough to the United States to be identified as "home" territory. (Charter Medical Corporation of Macon, Georgia assumed operations of a few hospitals there a couple of years ago.)

Hospital Affiliates' involvement in Guam is extremely significant, however, because it extends the influence of the American investor-owned hospital industry about 9,000 miles from home base and into the heart of the Pacific Ocean—on the fringe of the Far East where some companies have been studying the potentialities.

Test of distance

Guam, thus, is the farthermost outpost for any U.S. hospital management company and a major test of distance in the further development of the overseas hospital market.

Hospital Affiliates' contract involves the development and management of the 225-bed Medical Center of the Marianas at Agana, Guam. The general, acute care hospital will be owned by the Catholic Diocese of Agana and will serve the people of Guam and the surrounding Micronesian Islands. Upon completion, it is expected to generate annual revenues of over $10 million.

(The contract in Puerto Rico calls for the development and management of the 147-bed Nuestra Senora de los Angeles Hospital—Our Lady of Angeles Hospital—near San Juan. It will be the principal in-patient facility for a Health Maintenance Organization that is responsible for the health care of 20,000 union members.)

In announcing the transactions, Jack R. Anderson, president of Hospital Affiliates, said, "These contracts outside the Continental United States represent a major step in the growth of Hospital Affiliates. Following several years of owning and developing our own hospitals, Hospital Affiliates pioneered the concept of contracts to manage hospitals owned by others.

"We have maintained national leadership in this field with nearly one-half of all the contracts in existence. This announcement is, therefore, particularly exciting and significant to us as further evidence of the growth potential for management contracts and our continuing success in entering into such agreements."

Anderson and two other top executives of Hospital Affiliates—Edward R. Stolman, executive vice president, and H. Wayne Posey, senior vice president—discussed the company's management contract expansion overseas in a joint interview recently with the Investor-Owned Hospital Review.

Inquiries from elsewhere

Anderson noted "Because of our commanding leadership in the domestic management contract market, we have had a fair number of inquiries from elsewhere in the world. So, it has not been necessary for us to seek opportunities outside the United States. They have come to us.

"We look upon the overseas operation as a simple extension of the management services that we offer in the United States. We would anticipate that they be regionalized according to the various areas with branch office being established. For example, we expect to open an office in Puerto Rico later this year."

Anderson disclosed that Hospital Affiliates was "looking into the possibilities in Europe and Latin America."

"Our primary thrust would be in the management field," he said. "There are circumstances, however, where ownership or partial ownership might be necessary to do the job."

Anderson said, however, that "numerically, the opportunities overseas for hospital management companies are not nearly as great as the absolute number of opportunities in the United States."

"We are certainly interested in what is available, however, and we believe there is much to be gained by exporting American technology in the health care field. We believe that we have better technology in hospital care than most countries because of our educational process.

"World can benefit"

"Many foreign countries, of course, have government-owned hospitals that cover all of the population except for those who want to pay privately for better care. The remainder of the world can benefit from American expertise. But, from a company point of view, the opportunities for management contracts are not as great, numerically, overseas as they are in the United States."

Anderson cited "distance and language" as the major problem for American investor-owned companies in the foreign hospital market.

"The ability to have people who are bilingual puts a major new criterion into our hiring practices," he explained. "Even in Puerto Rico where a large percentage of the people speak English, there is a language barrier because so many speak Spanish. We are searching for people with language capability as we look at possible markets in Latin America and Europe."

Stolman, who handled the Guam negotiations for the company, said during the interview, "We made a decision as a company that we would take a look at any management contract whether it be in the United States or elsewhere.

"Our first and foremost obligation to our company is to manage hospitals in the United States. We think the market in this country is tremendous, and we certainly are not going to pass up any opportunities here in order to investigate or further our development in the foreign market.

"A large marketplace"

"We did recognize, however, that there is a large marketplace in the international area for the development and management of hospitals. Our approach is that any time a good opportunity arises, we will look at it.

"Our first two contracts overseas, more or less, came to us rather than our going out and seeking them. As we hear of more possible contracts abroad, we are investigating them. If we feel that we can service the contracts properly—do a good job—and fit them into our plan of operation, then we will give them serious consideration. We did not purposely set up a team of people to go into the international market. We will follow through on an individual basis."

Stolman said that Guam "is particularly important to us because it is a possession of the United States and we heard that it was a viable project that could be worked out on a development management basis."

"For our first venture in the overseas market, we felt that we would not have any serious language barriers and other problems involved in the international business. The only problem we have is distance. We felt, however, that we could overcome the distance barrier in the timing of the contract, and we believe it is good for us to get our feet wet in that (Guam) area."

Stolman explained that the Catholic Church of Guam represented "about 95 percent of the population." The only public hospital was built during World War II—an old Army hospital that has weathered hurricanes and other natural disasters.

Spearheaded by the Bishop

"The Catholic Church," Stolman said, "decided to build a new hospital for the island and the Marianas. The Bishop of Guam spearheaded the program to develop the new hospital, and the construction is being done through funds guaranteed by the church.

"At the time we came into the project, the architects already had been hired. Our people are reviewing the plans, and we will be able to make minor adjustments, but we can make no major changes. The hospital is scheduled to be ready by the end of 1975. It will be a very highly sophisticated hospital to service all the health care needs."

An Army hospital on the island serves military personnel in the area.

Stolman noted that the hospitals at Guam and Puerto Rico "are very close to the kind of health delivery systems we have in the United States, and this was part of our rationale in choosing those two contracts."

Posey, who is in charge of hospital operations for the company, said that plans were being developed for an extensive program to train personnel for the overseas hospitals.

"For example, we are making arrangements to bring people from Puerto Rico for periods of one to two weeks to learn American methods in our hospitals."

Other companies have studied the possibilities of the foreign hospital market but have announced no plans to establish operations abroad.

The spokesman for one company commented, "We looked at the overseas market extensively but decided that there were more than enough opportunities at home to satisfy our hopes and aspirations."

By and large, however, "Health Care: America's Newest Export," has opened a New Frontier of opportunity for the American investor-owned hospital industry—a New Frontier that bears close watching in the months and years ahead.

FUTURE SIGNIFICANT RULINGS BY THE FEDERAL POWER COMMISSION

Mr. ABOUREZK. Mr. President, the Federal Power Commission will soon make a decision on two petitions submitted by El Paso Natural Gas Co. and the Transwestern Gas Co. These companies are seeking approval to transport and sell in interstate commerce volumes of synthetic—coal—gas for resale which has been comingled with natural gas already flowing in the system. The proposals have been approved by the administrative law judges. However, Senators McGOVERN, MOSS, METCALF and I have asked for right of intervention before these cases reach the full commission.

This decision will be a landmark decision for all coal gasification projects in the United States in that it will fix procedural practices for consumer pricing, contracting for resources, and the approval pattern between the FPC and the Interior Department. Therefore, I think that before this case goes before the full commission, certain issues which will have long reaching effects on the consumer and the environment must be addressed.

The first issue concerns the FPC's decision to certify coal gasification cases only at the point where synthetic—coal—gas is mixed with natural gas. This will allow companies to substitute high priced synthetic gas for available and cheaper natural gas. In a previous decision the commission ruled that under provisions of the Natural Gas Act it did not have jurisdiction over unmixed synthetic gas, the transportation of this gas prior to being mixed with natural gas, or the construction and operation of facilities needed for transportation. In other words, the FPC defined its authority over the production and sale of synthetic gas in the most narrow possible way. This apparently arbitrary decision is beginning to have adverse effects on this Nation's gas consumers—namely by forcing the consumer to pay for costly synthetic gas produced by wholly owned nonjurisdictional subsidiaries who are opposed to FPS regulation.

Furthermore, in these two cases the companies have requested that the costs of this synthetic gas be rolled into the base rate despite the fact it should be marketed on a full incremental cost basis. On a rolled-in basis, the home user must pay a higher rate and is forced to subsidize the bulk user who can take advantage of a lower rate.

The second issue involves the proposed technology. Currently, the high Btu coal gasification process—methanation—

is inefficient and has not been proven. Yet, if the FPC approves these proposals consumers will be saddled with an excess of $600 million in costs whether or not a single M ft^3 of pipeline gas is ever produced. The consumer will have to pay for research and development of a project with an unknown price tag, which has no history of success.

Another issue not adequately dealt with is the load factor—production efficiency. For example, if the proposed plants are only able to achieve an overall load factor of 50 percent, the price of gas will increase by 100 percent.

Third, there is the question of what other alternatives these companies have available to them. It appears that not only do they have alternatives, but the alternatives would be far less expensive. Currently, the intrastate market is receiving anywhere from 70 cents to 80 cents per M ft^3 for natural gas. These gasification proposals, however, would sell gas for $1.51 per M ft^3, a price that is clearly excessive and unreasonable within the standards of the Natural Gas Act. There is every reason to believe that there will be a substantial price increase even before the completion of the project. For example, the per unit cost of the proposed gasified coal has already increased by over 25 percent since the original filing.

And finally, there are many questions raised concerning the water availability from the San Juan River for such a project. There is strong evidence indicating that this river is already overappropriated. The issue of the Indian tribal rights to this water has not been openly dealt with, leaving the tribes no recourse but to go to the courts in order to adjudicate their rights. Also, the failure on the part of the FPC to comply to the Environmental Protection Act of 1969 in demanding environmental impact statements prior to approval indicates negligence on their part. In an arid region with a definite limitation of water, it seems odd that the FPC would not even bother themselves with the implications of large scale water withdrawal for coal gasification. I have a report by the Library of Congress raising many questions concerning water availability for these and future projects in this region and I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WATER SUPPLY CONTRACTS FROM NAVAJO RESERVOIR FOR PROPOSED COAL GASIFICATION PLANTS

(By Howard A. Brown, Analyst in Environmental Policy, Environmental Policy Division)

At the present time, two corporations are planning to build coal gasification plants in the vicinity of Farmington, New Mexico. One of the problems relating to the proposed plants is water supply. As planned both plants would draw their water supply from the Navajo Reservoir on the San Juan River. One of the firms has a contract for water from Navajo Reservoir, the other has made application. The authorizing legislation for the Navajo Reservoir (P.L. 87-483) stipulated that no long-term contracts for water from the Reservoir could be made unless approved by Congress. This approval is to be made upon determination by the Secretary of the Interior that sufficient water would be available for use in the State of New Mexico under the terms of the Upper Colorado River Basin Compact. Determination of New Mexico's entitlement to water from the Upper Colorado River system is a complex procedure based on legal interpretations and hydrologic assumptions. The case is quite strong however, for a finding that there is not sufficient water to permit the granting of contracts for the coal gasification plants.

THE PROPOSED PLANTS

The El Paso Natural Gas Company holds a 40,000-acre coal lease on the Navajo Indian Reservation in San Juan County, New Mexico. The Company has applied to the Federal Power Commisison for a license to operate a coal gasification plant of 250,000 million cubic feet per day capacity and to the Bureau of Reclamation for water supply from Navajo Reservoir. The proposed plant would require 28,250 acre feet of water annually. Consumption would be quite high, on the order of 90 percent. This is only for the plant process itself and does not include water needed for associated facilities or for reclamation of the mine area.

A second plant is planned jointly by the Transwestern, Pacific and Western Coal Gasification Companies. It would be of similar size and have similar water requirements as the El Paso plant. The coal would come from expansion of the Navajo Mine which now supplies the Four Corners Powerplant. Both the mine and the required water supply for the gasification plant are held by Utah International, Inc. The water rights are by contract from Navajo reservoir and were obtained by Utah Construction and Mining Company for use at planned additional units of the Four Corners Powerplant. (Utah Construction and Mining is presumably a subsidiary of Utah International.)

Both El Paso and Transwestern have expressed interest in eventually building three additional units each. This would mean a complex of 2,000,000 MCF/Day gas production capacity requiring about 225,000 acre feet of water per year.

ALLOCATION OF COLORADO RIVER WATER

The 1928 Colorado River Compact apportioned to each the Upper and Lower Colorado River Basins a consumptive use of 7,500,000 acre feet annually. The Upper Basin was required to allow 75,000,000 acre feet to flow to the Lower Basin for every 10 year period. The Lower Basin was given the right to increase its consumption by 1,000,000 acre feet (if available). If obligations were made to Mexico and they could not be met by surplus waters the obligation was to be shared by the Upper and Lower Basins.

The 1944 Mexican Water Treaty guaranteed 1,500,000 acre feet of water annually to Mexico. Under extreme conditions, Mexico would share shortages proportionately with U.S. users. This would seem to increase the Upper Basin's obligation at the compact point to an average flow of 8,250,000 acre feet per year though there seems to be some lack of agreement on this.

The 1949 Upper Colorado River Basin Compact apportioned among the Upper Basin states the use of water remaining after meeting obligations to the Lower Basin and Mexico. Arizona is to receive 50,000 acre feet per year and the other states the following percentages of the remainder: Colorado—51.75, New Mexico—11.25, Utah 23, and Wyoming 14. The consumptive use of the San Juan River was apportioned in such a way that New Mexico could obtain its full entitlement under the Compact from the San Juan River.

In 1956 Congress authorized construction of the Colorado River Storage Project, including Navajo Reservoir on the San Juan River. In 1962 Congress authorized the Navajo Indian Irrigation Project and San Juan-Chama Project, Initial Stage, as participating units of the Colorado Storage Project. 508,000 acre feet per year would be drawn from Navajo Reservoir for the Navajo Indian Irrigation Project and an average of 135,000 acre feet per year for the San Juan-Chama Project, Initial Stage would be diverted upstream from the Reservoir. The legislation made provision for sharing shortages and restricted long-term contracts for delivery of water from Navajo Reservoir or the San Juan River for purposes other than the Navajo Irrigation or San Juan-Chama projects. Such contracts could not be made until the Secretary of the Interior has determined that sufficient water is reasonably likely to be available for use in New Mexico under its allotment by the Upper Colorado River Basin Compact.

1968 CONTRACTS

The granting of water supply contracts from the Navajo Reservoir for use in New Mexico (the planned gasification plants would be in New Mexico) would seem to be contingent upon determination of New Mexico's allotment of Upper Colorado water and determination of how much of that allotment is already being used. In 1967 the Department of the Interior transmitted to Congress three contracts for water supply from Navajo Reservoir together with determination that sufficient water was available and recommended approval. The following contracts were approved by Public Law 90-272, enacted 22 March 1968:

	Water diversion (acre-feet)	Estimated water depletion (acre-feet)	Proposed uses
Public Service Co. of New Mexico.	20, 200	16, 200	Thermal-electric generation.
Southern Union Gas Co.	50	50	Pump cooling.
Utah Construction & Mining Co.	44, 000	35, 300	Thermal-electric generation.
	64, 250	51, 550	

The determination that sufficient water was available was as follows:

"HYDROLOGIC DETERMINATIONS [1]

"Determinations as to the availability of water under long-term service contracts for municipal and industrial uses from Navajo Reservoir involve a projection into the future of estimated water uses and water supplies. On the basis of such hydrologic studies, water depletions under municipal and industrial contracts could reasonably be allowed to rise to 100,000 acre-feet annually through the year 2005.

"To avoid a critical compact interpretation, we assume that the upper basin will be obligated to deliver 75 million acre-feet of water every 10 years at Lee Ferry, plus 750,000 acre-feet annually toward Mexican treaty deliveries. This would require an average annual water delivery at Lee Ferry of at least 8,250,000 acre-feet. This assumption is not to be considered as an interpretation of the upper basin obligation for water delivery at Lee Ferry under the Colorado River compact. It represents, rather, a practical and conservative approach for the purposes of the present determination required by section 11(a).

"In August 1965, we provided the Congress with the following water data in connection with the proposed Lower Colorado River project:

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[1] Senate Bill Report No. 821, 90th Congress on S.J. Res. 123.

	Year of development (acre-feet)	
	2000	2030
Estimated normal annual depletion in upper basin	5,430,000	5,800,000
Estimated annual Lee Ferry regulated delivery	8,600,000	8,250,000

Water deliveries at Lee Ferry, in the absence of depletions under proposed long-term municipal and industrial contracts, would in all probability be at least 8,500,000 acre-feet annually through year 2005. Contracts involving a depletion of up to 100,000 acre-feet would leave more than enough water to meet the 8,250,000 acre-feet estimated annual delivery requirements even in year 2030. On this basis, we conclude that the expansion of water uses now envisioned in the upper basin by 2005, including deliveries under long-term contracts involving 100,000 acre-feet depletions, would not impair the upper basin's ability to meet its water delivery obligation at Lee Ferry.

"As to water use in the upper basin, subsection (b) of article III of the Upper Colorado River Basin compact permits. New Mexico or any other upper basin State to use waters in excess of its percentage allotment, provided such excess use does not prohibit any of the remaining States from utilizing its respective allotment. Thus, the availability of Navajo Reservoir water for municipal and industrial purposes in New Mexico through year 2005 depends upon the extent of water use in the entire upper basin during that period as well as upon the physical availability of water in Navajo Reservoir.

"Hydrologic studies based on repetition of the 1928–65 water runoff period, which includes the severest drought period of record, and with water depletions anticipated during the 38 years prior to the year 2005, indicate with reasonable certainty the availability of a sufficient amount of water from Navajo Reservoir for the proposed municipal and industrial water delivery contracts, with reasonable shortages to be borne at times by all diverters from Navajo Reservoir. Pertinent data from the operation study on the shortages are summarized below.

	Navajo Indian irrigation project	Hammond project	M. & I. contracts
Number of years of study	38	38	38
Number of years of full supply	35	35	35
Assigned shortage (percent of normal diversion requirement):			
1955	10	10	10
1956	40	40	40
1964	26	26	26
Average for 38 years	2	2	2

"We, therefore, conclude that water deliveries specified in the proposed municipal and industrial contracts can be provided from Navajo Reservoir with reasonable shortages."

CRITIQUE

The determination submitted by the Secretary of the Interior for approving the 1969 contracts can be criticized for several reasons. First of all, projections of future Upper Basin depletions is tenuous. In a water scarce region such as the Southwest, expected future water use is very highly influenced by anticipated supply. If there is excess dependable supply, there will almost certainly be demand for its use. In June 1971, a comprehensive framework study of water resources of the Upper Colorado Region was published. The study was prepared at the direction of the Water Resources Council, which is chaired by the Secretary of the Interior. The framework study made projections to the year 2020. In addition to the framework plan three "State Alternatives" for on site water depletion were identified: (1) if allowed 6.5 million acre feet depletion, the same as the framework plan and the maximum allowable to meet obligations to the Lower Basin, (2) if allowed 8.16 million acre feet, the amount which would be allowable if the Upper Basin were relieved of its obligation to Mexico, and (3) if allowed full use of water physically available at the project site without regard to political or legal restrictions. Under the first two restrictions, the States' projections were for the full allowable depletions 6.5 and 8.16 million acre feet respectively. Limited only by water physically available at project site, the projected depletion was 9.44 million acre feet. Clearly then the use of 5.8 million acre feet in 2030 [6.46 million acre feet of 660,000 acre feet projected main stem reservoir evaporation is added so as to be comparable to the framework study projections] projected by the Secretary of Interior in determining water availability for the 1968 contracts did not reflect full demand for water in the basin. Rather it reflected institutional limitations on water supply. It is also clear that on the basis of projected demand for water to 2020 or 2030 there would not be a surplus of 100,000 acre feet. Rather there would be a deficit on the order of 3 million acre feet or more.

LEGAL REQUIREMENT

The second problem with the determination submitted for the 1968 contracts is that it did not address the legally required criteria. The law (P.L. 87–483) requires that ". . . sufficient water to fulfill said contract is reasonably likely to be available for use in the State of New Mexico during the term thereof under the allocations made in articles III and XIV of the Upper Colorado River Basin Compact, . . ." The determination submitted by the Secretary of the Interior does not calculate New Mexico's allocation. Instead subsection (b) of article III of the Upper Colorado River Basin Compact is cited as allowing a state to use more than their allocation so long as that use does not prevent another state from using its allocation. Therefore, it is reasoned, New Mexico's allocation does not limit water use for the short term (40 years), so long as total Upper Basin usage does not reach the limit of the total basin allotment. The determination simply asserts that, "Water deliveries at Lee Ferry, in the absence of depletions under proposed long term municipal and industrial contracts, would in all probability be at least 8,500,000 acre feet annually through year 2005." This is, of course, the same circular argument of water use projections which are affected by the lack of supply.

Something the determination did not cite was Article IV of the Upper Colorado Compact which provides for the apportionment of shortages. Section B of that article reads as follows:

"(b) If any State or States of the Upper Division, in the ten years immediately preceding the water year in which curtailment is necessary, shall have consumptively used more water than it was or they were, as the case may be, entitled to use under the apportionment made by Article III of this Compact, such State or States shall be required to supply at Lee Ferry a quantity of water equal to its, or the aggregate of their, overdraft or the proportionate part of such overdraft, as may be necessary to assure compliance with Article III of the Colorado River Compact, before demand is made on any other State of the Upper Division;"

For New Mexico to exceed its allocation would be of more consequence than the determination seemed to attach. If New Mexico were to build up an accumulation of use beyond its allocation the state could be severely taxed in the event of a drought year or by the other Upper Basin states using their full allocations.

REASONABLENESS OF SHORTAGES

The Secretary's determination went on to project shortages for Navajo Reservoir users based upon repetition of previous water supply patterns. Shortages would have occurred in three of the thirty eight years; the extent would have been 10, 40, and 26 percent. There is a good possibility that users of Hammond and Navajo Indian irrigation project water would not consider 40 percent a reasonable shortage. Damage to an irrigated crop would likely be quite severe. Again these shortages are based on projections of use which necessarily reflect the shortage of supply.

WATER SUPPLY

The first step in determining New Mexico's entitlement to use of Upper Colorado River Basin water is assessment of the water resource of the Upper Colorado. The 1967 submission of the Secretary of the Interior implies that the Upper Colorado Basin has a dependable supply of 14 million acre feet of water per year, to leave 5.8 million acre feet of water for use after meeting obligations to the Lower Basin. Using these figures would result in an allocation to New Mexico of just under 650,000 acre feet per year. There seems to be some room for dispute on these figures, however. In 1968, the House Interior and Insular Affairs Committee held hearings on the proposed contracts. [22 January, 5, 22 February; these hearings were not published and similar hearings were not held on the Senate side] During the House hearings, Chairman Aspinall disputed the figures submitted by the Secretary of the Interior. He contrasted those figures which indicated New Mexico's allocation to be 671,000 acre feet per year to those of the Tipton Report which indicated New Mexico's allocation to be only 529,000 acre feet per year. The Tipton Report was a consultant study prepared in 1965 for the Upper Colorado River Commission. The primary difference between the Interior data and the Tipton Report is the period of analysis. The Interior data starts in 1906 while the Tipton Report does not start until 1922. The gage at Lee Ferry did not begin operation until 1922 but on the basis of other gage records, flow at Lee Ferry can be estimated for the period 1906–1922 as the Interior Department did.

Runoff for that 1906–1922 period, however, was much higher than it has been since. Assuming the estimates made for the early time period to be reliable, the question becomes whether or not they should be used. As a general rule, the longer the period of analysis the better; and this is the way the Department of the Interior reasoned. In this case however, a very clear pattern exists rather than random variation. Runoff since 1922, or even more clearly since 1930, has been consistently less than the early period. Conceivably a period of heavy rainfall such as 1906–1922 could occur in the near future, but having had a 30 or 40 year pattern of lower runoff it would seem unrealistic to expect any different. Inclusion of the 1906–1922 data makes the average runoff reflect conditions which do not seem to exist in the present time period.

INDIAN WATER RIGHTS

A critical issue relating to water supply for the Upper Colorado Basin, which was not addressed by the determination submitted by the Secretary of the Interior for the 1968 contracts (nor apparently by any other study) is the significance of Indian water rights. The 1908 Supreme Court case, *Winters v. United States* established that the creation of Indian reservations could have carried with it the creation of water rights. Since these water rights would date to the creation of the various reservations, they would have priority over most water rights under state laws. Before any definitive determination of water availability can be made it would be necessary to assess the extent of Indian water rights under the Winters doctrine. Since these rights are separate from and prior to those under state laws, they should probably be subtracted from the total Upper Basin supply before allocation among the states, rather than being taken from the individual states' allocations.

CONCLUSION

Of the two proposed coal gasification plants, one has a water supply from Navajo Reservoir secured under a 1968 contract with the Bureau of Reclamation. The other plant has applied for a contract for water supply from Navajo Reservoir. Such a contract would require Congressional approval; that approval would have to be based upon determination by the Secretary of the Interior that sufficient water would be available to New Mexico under the Upper Colorado River Basin Compact. At the present time, the Bureau of Reclamation has a moratorium on industrial water supply contracts. Because of the high priority granted to coal gasification under "Operation Independence," however, there may be considerable pressure for contract approval. Analysis of the determination submitted by the Secretary of the Interior for the 1968 contracts, indicates that a similar determination would be inadequate for approval of new water supply contracts from Navajo Reservoir and that indeed there might be sufficient grounds to contest the contracts made in 1968.

CONFERENCE ON SOLAR ENERGY

Mr. ABOUREZK. Mr. President, on June 10, 1974, over 100 Senators and Congressmen sponsored a conference on solar energy. Organized by the Fund for New Priorities, the conference was an attempt to bring together opposing points of view with regard to the feasibility of developing solar energy as a major source for this Nation's and the world's energy supply.

I have received from the Fund for New Priorities a condensed version of some of the discussions which took place at the June 10 conference. I am placing this text in the Record not only to remind the Congress and the American people of the need for a large-scale effort to develop solar energy, but more important to bring to everyone's attention that the need for solar energy must not be overlooked in the current euphoria over replenished oil supplies.

We must not be lulled into believing that dependence on the major oil companies for our petroleum, natural gas, coal, and uranium supplies is a solution to the artificially created energy "shortage." The major oil companies, in order to stifle development, have been buying out the most promising new companies producing solar energy technology. These activities clearly indicate that solar electric power is competitive with the traditional forms of producing electricity.

Mr. President, I ask unanimous consent that the condensed transcript of the June 10 solar energy conference be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Energy and the Government: Solar Energy—Political and Economic Implications

INTRODUCTION

Senator Abourezk. No discussion could be more timely than the discussion which will occur here today. Developments that have occurred in the past year concerning the supply and the cost of conventional fuels—and the mounting concern and realization of the problems associated with these fuels in providing for our increased needs—have belatedly put "Solar Energy" on our national agenda. It is my opinion, as it is of many others, that solar energy is the only totally clean fuel. Solar energy, and only solar energy, is an inexhaustible fuel. It is the best energy from an environmental standpoint. It is my hope that solar energy will also be the energy source that provides an economic break for the consumer. Its development holds great promise that it may also be the cheapest energy. But there is also a grave danger that the economic benefits from the development of power from the sun may be filtered through the cash registers of giant energy corporations. That danger was graphically dramatized to me recently when I learned of the details of the rates that Pacific Gas and Electric pays for geothermal steam provided by the oil and energy companies for their generating plant in the Geysers area of California.

In many ways geothermal power is similar to solar power. As a source of fuel, it presents far fewer problems than those associated with fossil and nuclear plants. The cost of geothermal steam for Pacific Gas and Electric from these firms is based, not on the cost of providing that fuel and a reasonable profit for doing so—but on a complex formula that results in a built-in escalation so that if the cost of fossil fuel and nuclear fuel increases, the cost of geothermal steam increases in a direct proportion to the increased cost of these conventional fuels. That arrangement to me is an outrage. It makes no more economic sense than tying the cost of that steam to the cost of blue cheese in Chicago. It is as flagrant and arrogant a display of pure monopoly power as has ever occurred in this nation—and there is considerable competition for that distinction. It demonstrates to me that as we cross the threshold of developing solar power we must make certain that public investment in development of solar power returns benefits for the public—and not for just a special few.

"Project Independence," the plan to provide energy self-sufficiency for this nation, has further escalated the total domination and control of the energy supplies for this nation in the hands of a few corporations. Rather than independence, this misnamed project brings us increasing dependence on the energy cartel, as it moves to control not only oil, but coal, uranium and geothermal steam as well. That they plan also to be involved in development of solar power is an established fact. The unjustified doubling and trebling of the costs of coal—the rates being charged for geothermal steam—leaves one little hope that economic benefits from solar development will flow to the public if this development is controlled by the oil majors. I am fully aware of the bias of that statement. But I submit that as we discuss the development of solar energy, we must consider that development in relation to the development of other fuels—specifically coal and uranium.

Solar energy is thus also the only energy in my judgement that is truly an independent and truly an alternative source of energy. Because solar energy to produce electric power could, in turn, be used to develop fuels for transportation, it has the potential for being naturally competitive to all of the conventional fuels—if allowed to be so. It is for this reason that I have special concern about who develops solar energy and who benefits from it. You may disagree, but I respectfully suggest that it is an appropriate topic for your discussion. I have taken the liberty of outlining what I think are some of the issues associated with development of solar energy to further illustrate the importance and timeliness of this conference. There are many issues to be resolved. There are many decisions that must be made by those of us in the Congress, by the Administration and by the public. If this conference achieves no more than providing a clearer focus on these issues and but a bit of guidance for making these decisions, it shall have served a most useful purpose. I am confident that it will.

Senator McClure. This conference is devoted to a discussion of the very real technical and engineering problems of developing solar energy, as well as the economic and political context in which those problems are faced. I believe that this conference will proceed upon two fundamental points: that regardless of whether we like it or not, fossil fuels will remain of basic importance to us as energy sources in the near and mid-term; and secondly, that solar energy replacement for fossil fuels have a time-lag problem caused by technological and financial difficulties. But fossil fuels are a non-renewable source of energy, and a more efficient and direct conversion of energy without depleting our supplies of stored energy is absolutely required.

Solar energy is nothing new to us. About 258 B.C., a Greek inventor used solar reflectors to repulse an enemy fleet. In 1903, over seventy years ago an experimental solar steam generator achieved one hundred and fifty-six psi at a site in Arizona. Over fifty years ago, in Egypt, two English engineers built a one hundred horsepower electric generator using only solar energy. Solar hot water heaters have been available for over fifty years in the United States. In fact, one company in Florida only recently stopped selling them. The owner reported that first the price of copper tubing went up, then the cost of steel tanks, and finally the cost of shipping freight. He stopped selling something that ought to be coming into rather than going out of the economic stream. It is not so much a lack of technology or personal initiative. The problem has been the competitive disadvantages of solar devices compared to the fossil fuels. However, these disadvantages are rapidly disappearing.

With greater progress in the technical development of solar energy, and a governmental policy to encourage its use, we can speed the day when solar energy will be a part of our daily lives.

PRESENT PATTERNS OF PRODUCTION

Commoner. There are physical, economic and political problems created by the present pattern of energy production. The physical problems are relatively clear. The present patterns and ways in which we produce energy are simply incompatible with the survival of our productive system because they violate the integrity of the environmental system on which we depend. The present methods are using up a non-renewable source of energy that simply cannot continue. They pollute the environment and support an industry, the petrochemical industry, which produces toxic materials. Solar energy, however, is obviously that form of energy which is compatible with the environment. It is renewable. The sun comes up every day. There are known environmental hazards. The use of solar energy merely contemplates the harnessing of the energy produced by the sun in harmony with our natural surroundings.

Economically, solar energy is divisible. There may be a small solar cell or a huge area of the earth covered with them. Thus, it is immunable to a variety of economic arrangements. It does not require a large company to produce solar energy. On the other hand, anything from mining coal to producing a nuclear reactor requires an enormous amount of capital in order to deal with these forms of energy. We are rapidly running out of capital to carry out the kinds of capital intensive energy production systems that are involved. It has been estimated that between 1970 and 1985, approximately three hundred and sixty five billion dollars worth of investment capital will be needed to maintain the oil industry's production rate. Our economy can no longer continue to support such investments, especially when there are alternatives to fossil fuels.

Politically, there is great danger in the tendency towards the collection of the control of the energy sources in the hands of a few. Furthermore, if the nuclear breeder reactor eventually becomes developed, those few hands will be the military because there is no conceivable way in which an energy system based upon plutonium (which if stolen can be made into bombs immediately) could operate except under military control. Under our present pattern, energy in this country will increasingly be under the control of fewer and fewer hands. Whoever controls the energy controls the productive system of this country. Thus, one of the major reasons for developing solar energy is that it is the physical means of protecting us against the threat which can only end in fascism.

NADER. One of the problems we encountered at the congressional hearings were the estimates of the likelihood of solar energy becoming a significant source of energy for the country in ten to twenty-five years. In hearings before Congressman McCormick of the Joint Committee on Atomic Energy it was stated, with great conviction, that regardless of what we did towards solar energy development it could not be expected that solar energy could contribute more than one percent of the total energy consumption of the country by the year 2000. That is a very important information to focus upon because if the American people have a realistic appraisal of what the possibility is for solar energy proportionate to other forms of energy within so many years, then they will be much more receptive to the means and mechanisms of arriving at that base. One of the educational consequences of solar energy legislation is to bring the prospect of solar energy down to earth, so to speak, in a very concrete way in terms of how fast it could come on board. In that way it may not have to proceed along the arduous pace that nuclear energy proceeded which was almost thirty years until it became the equivalent of wood in terms of energy consumed in this country. The important point is that there are non-technical obstacles to solar energy which must be identified and discussed as we challenge the sources of those obstacles: the utilities, oil companies, and the banking firms.

There has been a feeling in the United States for years because of all the advertisements of the corporations that if a company meets a certain objective of the consumer, say transportion, or electricity, then *ipso facto* it is meeting that objective with the best possible technology, that is, the technology which that particular company has invested in. But what causes a company to invest in one form of energy compared to another. It is becoming quite clear that the primary cause is the ability to physically and exclusively possess the energy source which is why solar energy is not very attractive because it is everywhere and inexhaustible. Solar energy is also a decentralized technology and therefore it breaks the link of reliance upon the utilities, the oil industries, and the banking system. Solar energy could weaken the hold of international corporations upon overseas countries since a company dealing in a highly technical energy resource has enormous leverage in the countries which possess the source of that energy. Even if, for example, refineries are built in underdeveloped countries they continue to rely upon the United States because their infrastructure cannot sustain that refinery independent of the United States. Although there are technical aspects of solar energy which must be explored, it is the non-technical problems which will remain as the primary obstructions. If we ask ourselves why did we go nuclear and not solar in 1946, it was the non-technical forces which were really determinative in that decision.

DUBIN. One of the problems of current energy production in this country is that, like most other procedures, it is out of context and not examined within a total systems approach. Power is developed from one source or another, or in one part of the country or another depending upon local conditions and lacking a total systems approach, we fail to see the real costs of the power situation today. We do not fully realize the total pollution costs. The consumer is not really paying for the total costs of the utility that he is using. In order to establish a policy of energy usage there must be a national land uses and resources program which will consider all forms of energy production and consumption in context with one another and with the social and economic factors as well. It will be very difficult to achieve real progress in the development of solar energy with regard to the context in which solar energy will be utilized.

MEINEL. In examining the history of solar energy, there have been a number of attempts to develop its productivity. It is interesting to read some of the solar energy newsletters published during the 1950's, for there were announcements almost every month of solar heating and cooling subdivisions in new houses. But these were never fully produced for two reasons: the very capital intensive nature of the system, and the fact that our society is not geared to revolutionary change. It is an evolutionary changing society. It is a service loving society. We all love to have someone else do it for us. We are headed down a path of great delusion in believing that we can quickly develop heating and cooling systems for home because it does not fit into our way of living. We may be forced into a drastic change by the energy crisis, but this society will remain a service-oriented society. The only avenue open to solar energy is the production of units large enough, whether they be for heating or cooling, so that these services will continue to be rendered efficiently to the consumer. The public will, perhaps, someday embrace the concept of solar energy, but not at the cost of efficiency and comfort. The conversion of solar energy into electrical energy by the biological mode, the direct conversion mode, or a thermal mode is a second order problem. The primary problem is developing solar energy in such a manner as to adapt easily into our society.

JURISDICTIONAL PROBLEMS OF SOLAR ENERGY

Senator ABOUREZK. Over the past several years there has been a growing controversy over the role of the Atomic Energy Commission (AEC) in developing solar energy. Critics have charged that since the AEC is committed to nuclear energy it cannot fully promote the development of solar energy as vigorously as it should. There is no question that in a very real sense solar energy "competes with other forms of energy, and that a rise in the use of solar energy will lead to a proportionate decline of other energy resources, particularly if solar energy becomes obtainable at competitive prices in the near future. To suppress the development of solar energy in order to promote a continued reliance upon fossil fuels and nuclear energy would be intolerable. This raises the serious question of whether the AEC and other agencies of the federal government are withholding from the American people the entire truth concerning the prospects which solar energy may hold for us in our daily lives. As Mr. Ralph Nader pointed out earlier, there are powerful organizations possessing deep interests in our present pattern of energy production, and it is therefore only through our representative government that solar energy can be developed as quickly as possible.

RAY. It is clear that the present situation reflects an informal administrative allocation of responsibilities among the different agencies, and as far as the Atomic Energy Commission is concerned our prime mission is under the Atomic Energy Act. We are accused of sometimes putting too much emphasis on nuclear energy, but that is what we are there for; it is required by law and as long as our charter remains as it is and unmodified by Congress, we will continue to do the very best job we possibly can. In 1971 the Atomic Energy Act was amended by Congress to allow the AEC to conduct work in other energy areas. This was an authorization that was very welcome, and under that authorization there has been expansion, not nearly as much as the agency would like, into other areas of energy research. But it is one thing to get authorization; it is a second thing to receive appropriations; and it is a third thing to get an allocation. These three steps are not always followed by one another since they involve different bodies that have decision power. At the present time, however, and under present authorization, the AEC's prime effort, which has been funded and approved, has been to emphasize fundamental research on developing better storage mechanisms for energy, particularly with respect to the problem of generating electricity by solar energy.

I regret that there is such a dispute commonly referred to as the AEC controversy. There has never been any effort on our part to engage in any controversy in this field at all. What is being referred to as the "December Report" which the President assigned to me last June was an effort to come up with recommendations for what kind of research and development program might be funded under a five year-ten billion dollar program. These were the limitations placed upon the study. The requirement was not what are all the things the United States can and should do, but rather what could be done based upon present known technology. This was not an official AEC activity. The people who worked on the report were drawn from all the federal agencies that had some responsibility in energy research and development. There were also a large number of people from the academic, private, and industrial sector who served as panel members and as review people.

We set up sixteen panels which later submitted reports individually as to what might be done in their respective area of energy technology on a research and development basis. Each panel was asked to indicate what would be the ideal: if there were all the money in the world available what would they recommend doing, what would they think could be done. Each was asked to make a second estimate: what would be reasonable and practical. Finally, each was asked to make a third estimate: what would be the absolute minimum—a skeleton program. When we added up the skeleton program from each of the panels the total amount was considerably greater than ten billion dollars.

Clearly, with the limitations placed upon the entire study at the outset, not every panel's recommendations could be accepted, even at the minimal level. What did emerge was a final recommendation, which was then studied by the Office of Management and Budget as well as the Executive Office of the President. The result constituted the considered judgement of all these review and overview panels, and represented a final effort which was a cooperative judgement on the part of over four hundred people. We recognize that not everyone could be satisfied with all of the recommendations. We only claim that all of us did the best job possible under the circumstances. I would also like to add that speaking for myself personally, and the AEC generally, we feel that research and development in the field of solar energy should be vigorously pursued, and there are many good ideas that ought to be fully explored in order to develop solar energy in the most responsible way possible.

Commoner. Accepting the obvious fact that the AEC is required by law to develop and promulgate the use of atomic energy, and accepting the fact that Dr. Ray as Commissioner has the primary responsibility for carrying out that mission, do you, Dr. Ray, think it was wise of you to accept President Nixon's invitation to chair a review of energy research as a whole? Do you not think that there was some conflict of interest involved?

Ray. Certainly not. There are many people in the administration doing a number of jobs of various kinds. For example, Dr. Guy Steever is the Director of the National Science Foundation and also acts as Special Science Advisor to President Nixon. I do not see any conflict of interest there. Furthermore Mr. George Schultz, as Secretary of the Treasury also acted as Special Economic Advisor to the President. There have been many people in the Federal agencies that on the request of the President have organized groups that review different kinds of areas of knowledge or have provided special advice to the President over broader areas. I see no conflict of interest whatsoever and I think that it is out of order for you, sir, to suggest that.

Commoner. It is not out of order. I would like to ask you, Dr. Ray, whether in your opinion the balance between research support given for nuclear energy and that given for solar energy (which is approximately twenty-five-to-one in favor of nuclear energy) reflects the importance of these two aspects of energy?

Ray. I would like to point to Dr. Commoner that the amount of money which can prudently be spent in any kind of developing area depends very much on whether the technology at the early stage of development is essentially scientific exploration of basic principles, which is the case, for example, in the field of nuclear energy, or whether it has reached the stage of being ready for a pilot plant type demonstration. It is not right to compare different technologies and the amount of funds that they require at different stages of development.

Kemp. I deplore this business of disputing over the amounts of funding one group receives as opposed to another. It is plain foolishness. The key issue today is not how much the AEC spends, or whether somebody's bias gets into the numbers. The issue is not a fight between the private sector and government. What is needed in the solar energy program are some basic and well thought our issues to develop. There are real obstacles to solar energy development, and there is no reason and little time to create artificial problems which can only impede its progress.

Senator Abourezk. The technology exists for the production of electrical energy through the use of the sun, but it is a problem of refining that process and making its costs more competitive so that it can be mass produced. The issue is whether the Congress and the Administration are going to devote enough attention and money to speed the progress of solar energy production. Unfortunately, the government has not up to this point devoted sufficient attention to this problem, and steps must be taken soon to correct this. I do not believe that it is fair to ask the AEC to develop solar energy. Obviously they have an over-riding interest in atomic energy. Likewise, it is not fair to ask the oil companies to develop solar energy research. But I do think it is fair to ask the Congress and the Administration to support a separate independent agency for solar energy development which will be unfettered by other competing interests. We can expect little progress in solar energy development unless there is a separate agency devoted exclusively to that end.

Clark. It is true that there is a tremendous disparity in funding among the agencies involved in the field of energy development. In examining the performance of the AEC over the past several years there is clearly a bias that simply could not be considered objective. As Dr. Ray pointed out, the mission of the AEC is to develop atom energy, and it does that job well. Therefore, in looking at the politics of solar energy, the only way in which to obtain an unbiased approach through the federal government is to establish a new agency for solar energy.

Browder. Project Independence is an example of a public policy to develop a wide range of options for a country to fuel itself. In fact, it develops policy for a select number of resources going through a select number of political and economic systems. Actually, its import is to suppress the efficient, relatively clean economic energy that does not happen to fall under the category of energy that is exploitable by the corporations with which the Administration has a favorable relationship. Under Project Independence the Federal Energy Office (FEO) is following the Administration's line in proposing to develop our least efficient and lowest quality grade fossil fuels, specifically syngas and oil shale, and running them through the highest cost technology possible before making them available to the consumer.

In order for those fuels to be competitive, all the rest of our energy resources in this country would have to cost at least as much as our least efficient and most costly fuels. That price competition would have to be propped up by either subsidy or suppression of more efficient and cheaper fuels.

Internationally, this is taking quite a gamble that the rest of the industrial world is going to be running on fuel costs that are the same as our most expensive fossil fuels. All this is a result of an administration policy designed to promote the interests of a handful of corporations and the fossil fuels in which these companies have invested. In going through some of the Administration's documents on Project Independence (the background paper circulated by Dr. Henry Kissinger and then Energy Czar William Simon at the Washington Energy Conference last March and the memorandum from Mr. Sawhill written last March which outlines the plan for Project Independence), it is apparent that under the guise of independence the Administration is proposing to further concentrate the political and economic control over the energy resources of this country. This would cause demonstrable shifts in the geographic production of energy, in the kinds of fuels that will be produced, and in the political regulation and taxation of the processing and marketing of those fuels.

Project Independence, were it to be successful, would cause a shift in the production of coal away from the eastern United States to Federal lands in the West; a shift in the production of coal towards a concentration in a few corporations and the Federal government. This would greatly weigh the balance in favor of a type of corporate-state relationship which could determine every aspect of energy production, processing, and consumption in the United States.

I quote from the memorandum prepared by Mr. Sawhill of the FEO outlining Project Independence:

> Because of the crucial importance of maintaining a high level of coal production and the need to avert labor stoppages, action is needed to ascertain the major issues involved in the renewal this Fall of the United Mine Workers contract. Several mine operators have stated that they could increase production by fifty percent by altering existing labor contract provisions.

The American public should seriously consider the kinds of structural change in our government, economy, and local communities which could result in programs such as Project Independence.

Smith. Our chief function in the Federal Energy Office (FEO) is making determinations concerning energy production from a field of competing interests. We would all like to have plenty of cheap, clean energy with an assured supply readily available. But that is not possible anymore. We must, therefore, attempt to balance our priorities in order to meet our energy needs. If we invoke the real costs of energy then we are going to cause a rise in the price of energy to consumers and we are then going to be hearing from those consumers and their representatives. If we fail to pay appropriate attention to environmental considerations we are quite rightly going to hear from those who put that objective uppermost in their minds. If we do not do something about an assured supply of energy we are going to hear from everybody when our energy supplies are threatened and we are forced into the energy allocation business. So from our standpoint there are no easy answers.

Now it is true that the FEO is promoting the use of certain fossil fuels, and there is no question that the extraction, processing, and distribution of these fuels have some undesirable consequences and implications. But it is not something we want to do.

It is something we have to do to meet our energy demands in the years ahead. It may appear that we in the FEO have some compulsion to promote the use of inefficient technologies. We are not seizing upon them because they are inefficient. The reason we are promoting an increase in the production of coal is because it is available. We presently have the technology for it. It is something that can make a contribution in the near future. Now, there is no one at the FEO who is against solar energy. But it is important not to view it as a panacea because even by 1990 it will not be able to serve all our energy needs. We are simply making an attempt to consider all forms of energy as we draw up the plans for Project Independence.

Regarding the quoted portions of Mr. Sawhill's memorandum, to the best of my knowledge that is a reasonably accurate report. However, that does not mean that there is an FEO policy to modify the union contracts so that mine operators can increase output by fifty percent.

Browder. And the next line says, "But that would be wrong."

Smith. Yes, and there are no gaps in that memorandum either.

However, let me go on record as saying that I have been for the last two months involved on a daily basis with the development of the blueprint for Project Independence, and I can assure you that there is no intention, there is no policy, and there is no objective of furthering concentration of the production of energy. There is no objective of establishing some kind of improper relationship between the Federal government and a few corporations. I deny the actual charges and implications contained in Mr. Browder's statement. They are simply not true. What is correct is that we are struggling very hard to try to formulate the outlines of a national energy policy which runs across a whole series of conflicting objectives.

First of all, we are trying to identify the alternatives, and interestingly enough, one of our biggest problems is the problem of prosperity.

This country is so rich in resources and has so many technological options available to it that our problem is one of choosing among many options for the development of alternative resources—some combination that makes the best trade-off among these conflicting objectives. Currently, we are in the middle of a massive effort developing alternatives for Project Independence by identifying and putting some numbers on what the supply options are from the various fuel sources. We have asked the National Science Foundation to head up a task force to tell us what we can reasonably expect solar energy to contribute over the next several years to meet our energy requirements. We also solicited advice from other groups that are involved in other energy areas such as oil, gas, coal and nuclear energy.

The FEO has assembled an interagency task force involving the people responsible for those areas in the Federal government. We have asked them to describe the economic implications and the environmental impact of the various levels of the production of energy. The FEO is neither qualified nor desires to decide what this country's energy future ought to be. There are too many issues that cut across too many objectives of our society for any one federal agency to take that kind of responsibility. The FEO is simply identifying the options available. Once we have completed that we intend to hold public hearings and ultimately issue a report and a series of recommendations to Congress. And the outcome of the debate in Congress and with the Administration will be the country's blueprint for Project Independence.

Browder. I would just like to present a rebuttal to the debate here between Dr. Smith and myself.

The point I am trying to make is that the FEO is not simply promoting this country's energy resources. I have no quarrel with an agency which is merely trying to coordinate the efforts made in energy development. But what FEO is doing is making decisions to emphasize certain energy resources and in such a manner which will result in a benefit for a select number of corporations rather than more energy at the lowest cost for the benefit of the consumer.

For example, there is, according to the West Virginia producers, forty-six billion tons of recoverable low sulphur coal in West Virginia, but the FEO is not going after that. They continue to promote low BTU coal from the West and transport it by railroad to the East. But the richest coal in the sense of low sulphur-high BTU coal is located in the East which is diversely owned and regulated, and not particularly suited for the entry of major corporations to monopolize the production of that coal. I fully realize that Dr. Smith ardently disagrees with my analysis, but I submit that through the plan of Project Independence, the Federal government and major corporations are changing the pattern of energy production in this country by selectively deciding where and in what manner our energy resources will be developed. This could lead to disastrous results, and certainly does nothing for, and could in fact retard, the development of solar energy.

Metzenbaum. Dr. Smith, does the FEO have a policy position as to whether it would be advantageous for the development of our energy resources to have a concentration of energy production or to continue to maintain a competitive system?

Smith. The FEO has a policy, Senator, that wherever there is a choice we favor the maintenance of the widest degree of competition as possible. For example, in its crude oil allocation programs, although not a part of Project Independence, the FEO is currently forcing the major oil companies to sell cheap crude to the independent refineries in order to carry out our mandate from the Congress to protect the market share of the independents.

Metzenbaum. There are reports that the major petroleum interests are moving into the area of solar energy development. Dr. Smith, is the FEO preparing a policy position or recommending legislation which would prevent this from happening?

Smith. The principle responsibility for that type of action rests in the Anti-Trust Division of the Department of Justice.

Metzenbaum. Aside from the Justice Department, is the FEO taking any steps to prevent this?

Smith. I am unaware of any specific legislation that is under development at this time, but I am aware that this is an issue that is of major importance. We are working closely with the Justice Department to insure that we get their input into the kinds of recommendations we develop. Any specific legislation would come from the Justice Department with our comments on it.

Metzenbaum. The greater the concentration of the energy resources in this country, the less the competition, which can only lead to a less than adequate supply of energy. It seems to me that the FEO should not rely on the present anti-trust laws but should exert some leadership in this area to prevent the concentration of our energy resources in the hands of a few.

Moss. As Dr. Smith pointed out, the National Science Foundation has been asked to submit a study which will be a part of the process of arriving at a plan for Project Independence. In addition to the theoretical analysis of solar energy, was the National Science Foundation asked to study the practical questions of implementing solar energy, that is, what obstacles need to be overcome? Which organizations in the public and private fields will take the lead in solar energy development? And what changes are needed to establish incentives for the production of solar energy?

Smith. Specifically, we have asked each of the task forces to give us some estimates of the production we could reasonably expect over the next few years. We asked for these estimates under two separate conditions. One is called "Business as Usual" which is a presumption of no change in our current policies or in our present manner of doing business. The second condition, "Accelerated Development," contemplates a conscious decision to accelerate the development of a particular energy resource. We have also asked each task force to draw up plans to move from a business as usual pattern to an accelerated development. All this includes issues such as: incentives, changes in zoning regulations, and whatever might be holding back the application of any particular energy source.

There is a general consensus within the government that if solar energy is ultimately developed by the Federal government, then that technology should be transferred to the private sector as rapidly as possible. There is also general agreement that wherever possible cost-sharing and joint projects between the government and industry should be advanced in the Research and Development stage. In any event, there is no indication that the Federal government will remain in the solar energy field beyond the research and development stage, unless it is absolutely necessary.

Moss. While not necessarily disagreeing with Dr. Smith, I think it is important to note that a successful transfer of technology from the public to the private sector is rarely achieved. It would be perhaps advisable to involve at the earliest stage possible those companies which posses sufficient resources to implement the technology of solar energy.

Eggers. In fact, there is cost-sharing on the part of all the industries that are involved in the solar energy program at the present time. For example, the Mobile Solar Laboratory is supported equally by the Honeywell Corporation and the Federal government through the National Science Foundation. The private sector must be strongly encouraged to pick up the total responsibility for moving solar energy technology ahead at the earliest date, and one of the strongest incentives for them doing so, of course, is that the sooner they pick up the responsibility, the greater the opportunity for them to capture the market. There are very strong reasons for them to move ahead and exploit this technology but only if there is the potential for a good profit.

Stein. There is a serious problem with the private development of solar energy since a company may not have adequate resources to maintain a solar energy program, especially if that company fails to realize an adequate profit rate. For instance, a very effective program in California was recently dropped by some of the contractors because they were not experiencing any profits from the operation. Since these contractors had made the initial commitment the entire program has suffered a setback of about five years. It is therefore necessary that a long term commitment be made, even though it does not seem immediately profitable to do so.

Smith. As pointed out previously, there is a need to involve private corporations which have the necessary capabilities to make a long-term investment in solar energy. However, this creates a somewhat undesirable situation which runs counter to the arguments that have been made against the concentration of energy resources in the hands of a few. It is an unpleasant fact that in order to involve companies in the new technology of solar energy development they will have to be companies that can afford to make the required investment and then wait a few years until they can begin to recoup it. This situation could very easily exclude smaller companies from the field of solar energy which in turn would leave only the larger corporations in control of the industry.

The faster you want the technology implemented, the greater is the risk of increasing the concentration that we have been concerned about. And this is just another example of the conflicting objectives that we have to trade off in some way.

Browder. In reference to Dr. Smith's statement, I really do not think that it is that big a dilemma, except perhaps for those companies that now enjoy the benefits of concentrated capital. One of the reasons that there is such a concentration of capital is that these large companies have prospered and continue to prosper by a public policy of subsidies that have made their past operations highly profitable and that continues to bring a lot of money into their systems. There is no need to have just fifteen corporations possessing the bulk of available capital and to allow this technology to be developed only by them. The trend could be reversed in the solar energy area through a program of subsidies and incentives not aimed at the large companies, but designed for the smaller companies in order to achieve a decentralized system of solar energy production.

PLANNING FOR SOLAR ENERGY

Moss. I have been dismayed over the years by the relative lack of interest demonstrated by the major energy producing companies in developing solar energy as compared to, say, oil shale production. Considering the vast potential of solar energy, it is simply inconceivable how we can continue to pour money into the development of fossil fuels. For example, a comparison between the likely output of the oil shale industry and the likely output of the solar energy industry (if it was expeditiously implemented) would reveal that solar energy would far outstrip oil shale production in terms of the energy consumed in this country. It is clear that we must begin to institute reforms to tap our most unlimited source of energy.

The fossil fuel industries have benefited to too great of an extent through such governmental supports as the oil depletion allowance and the foreign tax credits. We must reverse this trend, and invest in an industry which offers the greatest potential of satisfying our energy needs in the years ahead.

Dubin. I would like to examine some of the problems of developing solar energy and a number of suggestions which could aid in their resolution. This list is rather lengthy, and I would simply like to touch upon the more prominent points.

First of all, there are the high costs of solar energy—the real estate taxes on solar hardware which penalizes the consumer and high design costs which make it more expensive to design a solar system than a simple heating and ventilation system. There is a relative lack of professional training to implement solar energy systems. There is a paucity of designers, architects and engineers, who are trained in helio-technology. We do not have adequate meteorological data for a sufficient number of stations throughout the country to give designers the basic data to design solar systems for buildings. Political and economic reform must be undertaken. There are municipal ordinances and building codes which often obstruct the installation of solar energy units. There are also questions of environmental land use laws which must be resolved. There is serious lack of mortgage money available and the banks are hesitant to invest in solar energy because there is a failure to recognize the real advantages and the real life cycle cost of solar energy.

We must initiate a program of subsidies for the development of solar energy. The government must subsidize the design costs which are involved since the consumer is now paying for original design costs which only later can be used again at lower cost. There is a need for the funding of scholarships for students studying in solar-helio technology, in addition to grants for the development of instrumentation and data gathering services. Perhaps most important is the necessary requirement for a concentrated public relations program to inform the public of the substantial advantages of solar energy.

At one time in this country we had a national fallout shelter program which we thought was very necessary. There was little funding of this program, and no payback to the consumer. But before it was over we had people trained in fallout shelter design, and we had training programs and manuals. It is this kind of program which is needed in the solar energy field. Once the American public realizes the tremendous potential of solar energy, I believe that the solar industry will begin to firmly establish itself in this country and many of our current problems will fall into place.

Schmitt. In determining the amount of an overall budget, it is important to first determine the elements of a national solar energy program. Next year's budget should be primarily oriented towards funding various projects in order to define what the long term solar energy program will consist of. In some cases, such as the more futuristic systems of ocean-thermal-gradiant-utilization, it might take as long as three years to fully determine what the cost of such a program would be to the taxpayer and the country as a whole. And specific budget planning beyond short term solar energy studies would lead Congress into an extremely vague area which would require more planning to clarify.

Dubin. In reference to the comments made by Dr. Schmidt, I would agree that it is important to first lay a foundation for solar energy development before any massive program is budgeted. I would submit that it would take roughly twenty million dollars, as an initial expenditure to develop the proper guidelines for energy conservation in the designing and construction of building. Specifically, there should be a program to establish regional data banks for every climatic zone in this country, and to provide architects, engineers, governmental agencies, and owners with the necessary information regarding the formal energy performance of the different kinds of materials, building configurations, and mechanical and electrical systems. This is a very necessary prerequisite to any solar energy installation. The use of solar collectors must, of course, be encouraged. However, we cannot begin to fund a fifty million dollar program for without first budgeting the appropriate sums to gather the necessary information for those who intend to implement such a program.

Commoner. Planning a budget on such a large scale as the Federal government is actually a procedure of establishing priorities. This is amply demonstrated in the planning of our energy program for the years ahead. It has been determined that eight hundred and seventy-six nuclear plants of one thousand megawatts each will be required by the year 2000 at a cost of five hundred billion dollars. In addition, the Petroleum Council reports that between 1971 and 1985, three hundred and seventy-five billion dollars of investment capital will be needed solely for the production of oil and transmission facilities. Therefore, based upon our present course of events, our energy requirements will cost this country about one trillion dollars between now and 1990. On the other hand, the figures twenty to fifty million dollars have been proposed for solar energy research. Obviously, these figures are meaningless in the face of a trillion dollar program for nuclear and fossil fuels. This contrast in priorities is senseless with respect to the environment and the need for renewable energy reources. It will be impossible to fully develop the potential that solar energy offers as long as our priorities remain geared to nuclear energy and fossil fuels.

Gravel. As you may know, I have been active in the solar energy area for some time now, and I have made repeated attempts to obtain solar energy legislation in Congress. Up until now I have been unsuccessful, but with the advent of the energy crisis I feel that we now have a chance of getting something substantial accomplished.

Now I realize that you cannot solve problems by just throwing money at them, but I think we can honestly say that with regard to solar energy we never have had the opportunity to throw any money at it at all. At the present time I am offering an amendment for the development of solar energy through the use of a tax credit which could involve up to six billion dollars over the next five years. Besides promoting the use of solar energy units in homes and apartments, a tax credit would avoid the bureaucratic entanglement of the Federal government. But perhaps more importantly, it will increase the public awareness of the implications of solar energy where it is needed the most, on the grass roots level.

This amendment would give a tax credit of three thousand dollars to anyone who installs a solar heating or cooling unit in his house or apartment, and this includes multiple dwellings and individual residences. This would be an immediate incentive for companies all across the country to develop solar systems since this incentive will in effect reduce the price of these systems by three thousand dollars. If two million people used the tax credit there would be a cost to the Federal government of six billion dollars. However, this would not be a direct cost because this tax credit will cause new manufacturing and jobs, and the manufacturing and work processes will be generating revenue back into the Treasury. Although the figures would be difficult to compute it is clear that the loss to the government due to this arrangement would be considerably less than six billion dollars.

Clark. Senator, do you believe that the passage of this bill will encourage Congress to establish a program to make the public aware of the urgency of the problem?

Gravel. No, this amendment is designed to influence the public directly and not through a governmental program. If this amendment is enacted, it will cause the entire nation to address itself to the problem rather than attempting to put pressure on Congress itself.

The government's record in the solar energy field is not very impressive. The funding beginning on July first of this year will grant seven hundred million to nuclear fission and only fifty million for solar energy development which demonstrates the present priorities of this government.

This tax credit is aimed at the public directly. This provides a strong incentive for both the buyer and seller to seriously consider the installation of solar systems in homes and apartments. Once you have people coming forward and pressuring others to become involved in solar energy then Congress will eventually react.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION ACT 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume the consideration of H.R. 15404, which the clerk will state by title.

The legislative clerk read as follows:

> "A bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. MANSFIELD. I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, H.R. 15404, the State, Justice, Commerce, the Judiciary and related agencies appropriation bill, as reported to the Senate, contains recommendations totaling $5,262,502,000 in new budget—obligational—authority. The committee considered a total amended budget request of $5,452,799,600, including $40,990,000 in budget amendments not considered by the House. These came to us during the process of the hearings by Senate documents.

The total of the committee's recommendation is a decrease of $190,297,600 below the amended budget estimates or a 3.5-percent reduction. Further, the total of the committee's recommendation is a reduction below the House allowance of $48,952,100.

The committee had before it Senate Amendment No. 1612 introduced on July 25, 1974, and referred to the committee. This amendment would preclude the Department of Justice from using appropriated funds in this bill for installation and maintenance of wiretaps which do not have the prior authorization of a judicial warrant.

The committee after discussion reached the conclusion that this amendment should be referred to the Senate for its consideration and decision.

As will be noted, the total of the committee's recommendation of $5,262,502,000 is an increase of $544,504,700 over the adjusted 1974 appropriation of $4,717,997,300. An explanation of this increase is set forth on page 3 of the committee's report. Of the increase of $544,504,700, the controllable increases total $240,332,820. Of this sum, $192,000,000 is for additional capital for the SBA loan funds, leaving a balance of $48,332,820 in net program increases, 1975 over 1974, within the total of the bill.

The committee, in arriving at the total recommended reductions of 3.5 percent or $190,297,600, made selective cuts. In doing so, certain popular programs have been necessarily reduced. However, if the Senate and the Congress are serious about using fiscal policy in combatting inflation—the Nation's No. 1 domestic problem—we must make reductions and resist adding funds which are outside the budget. On this latter point, the committee received requests from Members of Congress to include in the bill, in excess of $900,000,000, in nonbudgeted items. Many of these requests are for programs which I, for one, very much favor. However, we cannot have it both ways.

DEPARTMENT OF STATE

For the Department of State, the committee considered a total budget request of $743,995,000 which sum included $27,726,000 in budget amendments not considered by the House. The committee recommendation totals $706,726,000, a decrease in the budget estimates of $37,269,000 and an increase over the House of $7,942,000. Of this increase, $5,658,000 is to pay the U.S. contribution at the rate of 23 percent to the International Commission on Control and Supervision—Vietnam under terms of the Geneva agreement. This is a new appropriation and was requested in a budget amendment not considered by the House. The balance of the increase is for the International Joint Commission—United States and Canada—$70,000; the Mutual Educational and Cultural Exchange Program—$2,000,000; and the East-West Center—$214,000.

DEPARTMENT OF JUSTICE

For the Department of Justice, the committee considered a total budget request of $2,146,875,000 which sum included $5,200,000 in budget amendments not considered by the House. The committee recommendation totals $2,075,662,000, a decrease in the budget estimates of $71,213,000, and a decrease of $36,850,000 under the House.

DEPARTMENT OF COMMERCE

For the Department of Commerce, the committee considered a total budget request of $1,414,863,000, which included $8,046,000 in budget amendments not considered by the House. The committee recommendation totals $1,360,228,000, a decrease of $54,635,000 in the amended budget estimate, and a decrease of $17,600,000 under the House.

THE JUDICIARY

For the judiciary, the committee considered a total budget request of $313,256,000 including a budget amendment of $18,000 for the U.S. Supreme Court, not considered by the House. The committee recommendation totals $297,513,100, a decrease of $15,743,500 under the budget estimates and a decrease of $60,000 under the House. Of the decrease of $15,743,500 in the budget estimates, $12,400,000 represents the reduction in the standard level user charge imposed by GSA for space rental and other tenant services. The net program reduction is therefore $3,343,500.

RELATED AGENCIES

For related agencies, the committee considered a total budget request of $833,810,000. The committee recommendation totals $822,372,900, a decrease of $11,437,100 under the budget estimates and a decrease of $2,384,100 under the House allowance. The details of the committee's recommendations for each of these agencies will be found in committee's report.

Mr. President, I ask unanimous consent that a more detailed analysis of the committee's recommendations be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Recapitulation of recommendations of subcommittee, changes in H.R. 15404, fiscal 1975, full committee—August 20, 1974

Total budget considered by House	$5,411,809,600
Total of bill as passed House	5,311,454,100
House reduction	100,355,500
Total amended budget considered by subcommittee	[1]5,452,799,600
Total of subcommittee's recommendation	5,262,502,000
Reduction below the budget (3.5 percent)	190,297,600
Reduction below the House	48,952,100
Total adjusted appropriation for 1974	4,717,997,300
Recommendation compared with 1974 appropriation	+544,504,700
DISTRIBUTION OF INCREASE OVER THE 1974 APPROPRIATION	
Impounded 1973 funds used to fund 1974 programs	$60,181,000
Space rental and tenant charges imposed by GSA under new legislative authority	168,747,680
Nonrecurring 1974 costs	−47,783,000
Uncontrollable increases	123,026,200
Subtotal	304,171,880
Controllable increases	240,332,820
Less: New capital for the SBA revolving funds	−192,000,000
Net program increases 1975 over 1974	48,332,820

[1] Includes $40,990,000 in budget amendments not considered by House.

Distribution of budget reductions below budget and percentage

Department of State:	
Budget reduction	$37,269,000
Percentage	5.3
Department of Justice:	
Budget reduction	$71,213,000
Percentage	3.3
Department of Commerce:	
Budget reduction	$54,635,000
Percentage	3.9
The Judiciary:	
Budget reduction	[1]$15,743,500
Percentage	[1]5.0
Related agencies:	
Budget reduction	$11,437,100
Percentage	1.1
Bill total:	
Budget reduction	$190,297,600
Percentage	3.5

[1] Of the total, $12,400,000 reflects a reduction below the budget for space rental to be transferred to GSA. Balance of $3,343,500 is reduction in program. True percentage of program reduction—1.4%.

Recommendations of Chairman Pastore for reductions below budget and the House allowances

DEPARTMENT OF STATE

1. International Commission of Control and Supervision:

Budget amendment	$27,726,000
House allowance	0
Recommended	5,658,000
Budget reduction	22,068,000

Recommendation represents U.S. share of Commission's budget at 23 percent.

Denied: (a) $11,200,000 transfer to AID for 1974 reimbursement. (b) $10,868,000 requested to pay North Vietnam's share and the share of the People's Revolutionary Government.

2. American Section, International Joint Commission:

Budget estimate	$1,370,000
House allowance	1,300,000
Recommended	1,370,000

$70,000—U.S. share of regional office, Windsor, Canada.

Educational and cultural exchange program

Budget	$57,500,000
House	53,000,000
Recommended	55,000,000
Budget reduction	2,500,000

3. East-West Center:

Budget estimate	7,414,000
House allowance	7,200,000
Recommneded	7,414,000

To pay uncontrollable costs.

DEPARTMENT OF JUSTICE

1. Immigration and Naturalization Service:

Budget estimate	180,400,000
Budget amendment	3,700,000
Total	184,100,000
House allowance	175,350,000
House reduction in original budget	5,050,000
Recommended	176,350,000
Budget reduction	7,750,000

The increase over the House of $1,000,000 will provide 100 additional positions and related equipment for Border Patrol. House allowed 50 positions for Border Patrol.

No funds are provided for budget amendment of $3,700,000 (not considered by House).

2. Bureau of Prisons—Construction:

Budget estimate	$58,200,000
House allowance	53,200,000
Recommendation	13,850,000
Reduction in budget and House allowance	39,350,000

Denied $2,550,000 for planning and site acquisition and $36,800,000 for construction of a Northeast and Southwest youth complex. To provide a moratorium on construction in order to place greater emphasis on rehabilitation, rather than just incarceration.

3. Support of U.S. Prisoners:

Budget estimate	$24,700,000
Budget amendment	1,500,000
Total	26,200,000
House allowance	24,700,000
Recommended	26,200,000

Increase of $1,500,000 to cover deficit incurred in 1974 due to increased per capita costs at local jails.

DEPARTMENT OF COMMERCE

1. General Administration:

Budget estimate	$10,773,000
House allowance	9,800,000
Recommended	10,200,000
Budget reduction	573,000

Increase for planning and evaluation and additional work-load.

2. Social and Economic Statistics Administration Periodic Censuses:

Budget estimate	$23,579,000
House allowance	23,000,000
Recommended	22,250,000
Reductions:	
Below budget	1,329,000
Below House	750,000

Reduction attributable to unplanned carry over from 1974 in excess of $3,000,000.

3. Domestic and International Business Administration:

Budget estimate	$59,521,000
House allowance	58,500,000
Recommendation	59,000,000
Budget reduction	521,000

The increase over House of $500,000 is for Trade Negotiations; East-West Trade promotion; and domestic business policy analysis.

4. Minority Business Enterprise:

Budget estimate	$55,374,000
House allowance	53,000,000
Recommended	52,000,000
Reductions:	
Budget	3,374,000
House	1,000,000

Decrease attributable to unplanned carry over of $6,000,000.

5. U.S. Travel Service:

Budget estimate	$11,533,000
House allowance	11,500,000
Recommended	11,000,000
Reductions:	
Budget	533,000
House	500,000

6. National Oceanic and Atmospheric Administration Operations, Research, and Facilities:

Budget estimate	443,606,000
Budget amendment	5,901,000
Total	449,507,000
House allowance	436,300,000
Recommended	434,300,000
Reductions:	
Budget	15,207,000
House	2,000,000

Amount recommended is $23,130,000 of program increases over the 1974 base program level.

7. National Bureau of Fire Prevention:

Budget estimate	$13,000,000
House allowance	7,000,000
Recommended	6,000,000
Reductions:	
Budget	7,000,000
House	1,000,000

Decrease due to delay in finalizing program formulation.

8. Science and Technical Research:

Budget estimate	$65,835,000
House allowance	60,400,000
Recommendation	62,150,000
Budget reduction	3,685,000

Increase of $1,750,000 will be used for computer utilization ($1,000,000); standards for radio-active and x-ray materials ($250,000) and equipment replacement ($500,000).

9. Maritime Administration (ship construction subsidy):

Budget estimate	$275,000,000
House allowance	275,000,000
Recommendation	260,000,000
Reduction under budget and House	15,000,000

Decrease attributable to unplanned unobligated balance and backlog in ship yards.

THE JUDICIARY

1. U.S. Supreme Court (care of building and grounds):

Budget estimate	$669,300
Budget amendment	18,000
Total	687,300
House allowance	669,300
Recommendation	687,300

The increase of $18,000 over House will be used to prepare space for computer being acquired by Court.

2. Salaries of Supporting Personnel:

Budget estimate	$103,756,000
House allowance	101,800,000
Recommended	101,822,000

The increase of $22,000 is for two pool secretaries for the Eighth Circuit Court of Appeals.

3. Travel and Miscellaneous Expenses:

Budget estimate	$15,365,000
House allowance	15,200,000
Recommended	15,100,000
Reductions:	
Budget	265,000
House	100,000

RELATED AGENCIES

1. Commission on Conduct of Foreign Policy:

Budget estimate	1,600,000
House allowance	1,250,000
Recommended	1,594,900
Reduction	5,100

Increase of $344,900 attributable to uncontrollable items and research needs.

2. Equal Employment Opportunity Commission:

Budget estimate (including transfer from Justice Department)	$56,720,000
House allowance	52,347,000
Gross reduction	4,373,000
Less: 10% SLUC	412,000
Net House reduction	3,961,000
Recommendation	54,847,000
Budget reduction	1,323,000

The increase of $2,500,000 over the House allowance will provide an additional $2,000,000, for a total of $4,500,000 to pay State and local contracts. The balance of $500,000 is for uncontrollable items.

3. Marine Mammal Commission:

Budget estimate	$1,000,000
House allowance	600,000
Recommendation	900,000
Below the budget	100,000

The increase of $300,000 over the House will provide the necessary support for the Commission's statutory responsibilities—$600,000 for research and $300,000 for administration, issuing permits and so forth.

4. Small Business Administration:

Budget estimate:	
Appropriation	$27,100,000
By transfer	(86,200,000)
House allowance:	
Appropriation	26,500,000
By transfer	(84,650,000)
Recommendation:	
Appropriation	26,500,000
By transfer	(86,180,000)
Reductions in budget:	
Appropriation	600,000
By transfer	(20,000)

The increase of $1,530,000 derived by transfer will provide 287 new positions, the budget, as compared to the 133 allowed by the House.

Business Loan and Investment Fund:

Budget estimate	$328,000,000
House allowance	328,000,000
Recommendation	327,000,000
Reduction below budget and House	1,000,000

Disaster Loan Fund:

Budget estimate	$91,000,000
House allowance	91,000,000
Recommendation	90,000,000
Reduction below budget and House	1,000,000

5. U.S. Information Service: *Salaries and expenses (regular and special foreign currency)*:

Budget estimate	$231,468,000
House allowance	228,368,000
Recommendation	224,839,000
Reductions:	
Budget	−6,629,000
House	−3,529,000

The amount recommended is in conformance with the authorizing legislation as passed Senate.

Mr. PASTORE. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be regarded for the purposes of further amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 7, beginning at line 11, insert the following new language:

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION

For payments by the United States to meet expenses of the International Commission of Control and Supervision in Viet-Nam, $5,658,000: *Provided*, That this appropriation shall not be available for obligation except upon enactment into law of authorizing legislation.

On page 10, in line 9, strike out "$1,300,000" and insert in lieu thereof "$1,370,000".

On page 12, in line 25, strike out "$7,200,000" and insert in lieu thereof "$7,414,000".

On page 14, in line 17, after the word "Administration;" insert the following language: "not to exceed $30,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate;".

On page 18, in line 1, strike out the words "three hundred and fifty" and insert in lieu thereof "four hundred".

On page 18, in line 15, strike out "$175,350,000" and insert in lieu thereof "$176,350,000".

On page 19, in line 21, strike out "$53,200,000" and insert in lieu thereof "$13,850,000".

On page 20, in line 7, strike out "$24,700,000" and insert in lieu thereof the following: "$26,200,000: *Provided*, That not to exceed $1,500,000 shall be available for expenses incurred in the fiscal year 1974."

On page 22, in line 3, after the word "Columbia:" insert the following language: "*Provided*, That not withstanding the provisions of this section, not to exceed $1,159,800 from any funds in the Treasury of the United States to the credit of the District of Columbia shall be available for reimbursement to the United States pursuant to this section."

On page 23, in line 10, strike out "$9,800,000" and insert in lieu thereof "$10,200,000".

On page 23, in line 23, strike out "$23,000,000" and insert in lieu thereof "$22,250,000".

On page 25, in line 24, strike out "$58,500,000" and insert in lieu thereof "$59,000,000".

On page 26, in line 12, strike out "$53,000,000" and insert in lieu thereof "$52,000,000".

On page 27, in line 2, strike out "$11,000,500" and insert in lieu thereof "$11,000,000".

On page 27, in line 20, strike out "$436,300,000" and insert in lieu thereof "$434,300,000".

On page 28, in line 1, after the word "appropriation" insert a colon and the following language: "*Provided further*, That the sum of $500,000 shall be made available to the following Commissions for fact gathering leading to the development of a national fisheries policy: the Atlantic States Marine Fisheries Commission, $175,000; the Gulf States Marine Fisheries Commission, $200,000; and the Pacific Marine Fisheries Commission, $125,000: *Provided further*, That the amount appropriated for "Operations, Research, and Facilities" in the Special Energy Research and Development Appropriation Act, 1975 (Public Law 93–322, approved June 30, 1974) shall be merged without limitation with this appropriation.

On page 29, in line 5, strike out "$7,000,000" and insert in lieu thereof "$6,000,000".

On page 29, in line 17, strike out "$60,400,000" and insert in lieu thereof "$62,150,000".

On page 29, in line 18, strike out "$1,850,000" and insert in lieu thereof "2,350,000".

On page 30, in line 7, strike out "$275,000,000" and insert in lieu thereof "$260,000,000".

On page 33, beginning at line 18, insert the following new language:

SEC. 305. None of the funds appropriated in this title for the Maritime Administration shall be available for obligation for ship construction, operating-differential subsidies, research and development, nor operations and training, except upon enactment into law of authorizing legislation.

On page 35, in line 9, strike out "$669,300" and insert in lieu thereof "$687,300".

On page 36, in line 24, strike out "$101,800,000" and insert in lieu thereof "$101,822,000".

On page 37, in line 17, strike out "$71,093" and insert in lieu thereof "$83,596".

On page 37, in line 18, after the word "respectively:" insert the following language: "*Provided further*, That the chief judge of each circuit may appoint law clerks to the court within the limits of the funds provided herein and that not more than $30,000 may be expended for one senior law clerk."

On page 38, in line 11, strike out "$15,200,000" and insert in lieu thereof "$15,100,000".

On page 42, in line 12, strike out "$1,250,000" and insert in lieu thereof "$1,594,000".

On page 42, in line 20, strike out "$2,500,000" and insert in lieu thereof "$4,500,000".

On page 42, in line 22, strike out "$52,347,000" and insert in lieu thereof "$54,847,000".

On page 44, in line 10, strike out "$600,000" and insert in lieu thereof "$900,000".

On page 45, in line 4, strike out "$84,650,000" and insert in lieu thereof "$86,180,000".

On page 46, in line 8, strike out "$328,000,000" and insert in lieu thereof "$327,000,000".

On page 46, in line 12, strike out "$91,000,000" and insert in lieu thereof "$90,000,000".

On page 48, in line 21, strike out "$219,668,000" and insert in lieu thereof "$216,462,000".

On page 49, in line 22, strike out "$8,700,000" and insert in lieu thereof "$8,377,000".

Mr. PASTORE. Mr. President, I ask unanimous consent to correct a technical error in the printing of the bill. On page 12, line 13, the printer inadvertently printed the figure "$55,000,000" in roman type. The figure should be "$53,000,000", in roman type, lined through, and then "$55,000,000" in italic.

The PRESIDING OFFICER (Mr. CLARK). Without objection, the bill will be so amended.

Mr. PASTORE. Mr. President, I am ready to answer any questions anyone might have.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. YOUNG. I wonder if we could have a short quorum call, so that the ranking minority member (Mr. HRUSKA) could be here. I am sure he has a statement.

Mr. PASTORE. Yes. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HRUSKA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, as the ranking minority member of the subcommittee which considered H.R. 15404, the appropriations bill for the Departments of State, Justice, Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, I want to associate myself in a general way with the remarks of the chairman of the subcommittee, the distinguished senior Senator from Rhode Island.

Mr. President, this is a bare bones bill, in keeping with the temper of the times, and I believe in keeping with prudent fiscal managership. As our chairman has pointed out, it is 3.5 percent and $190,297,600 below the budget, as well as $48,952,100 below the House.

We heard the message for economy that President Ford gave to the Congress during his inaugural address on August 12. We have cut and performed surgery on every item in this bill where a reduction was either feasible or possible. To be perfectly candid I am concerned that in some instances our frugality may have been a little premature and perhaps unwise; but we can consider those instances in due time in case of very stringent necessity, either in a supplemental or in a deficiency bill, when those items are processed by Congress. For instance, considering funds for the Department of State, we have failed to provide the necessary moneys which would have allowed us to open up new posts in Czechoslovakia, Poland, and the U.S.S.R. If the opportunity and spirit of détente, which Secretary Kissinger and others labored so long to achieve, is to be carried forward, the Congress probably should have funded the opening of these new posts.

With respect to the International Commission on Control and Supervision of the Vietnam peace settlement, we funded the 23 percent U.S. share which amounted to $5,658,000. We did not fund the shares of North Vietnam or the People's Revolutionary Government, both of whom have refused to contribute their assessed shares and both of whom are currently in arrears. Strong efforts have been made to persuade the aforesaid Communist signatories to the peace agreement to pay their full share of ICCS expenses. These efforts have been to no avail because I suspect that both North Vietnam and the People's Revolutionary Government would welcome a collapse of the ICCS, and the whole fragile structure of the Paris peace agreement.

Concerning the Department of Justice appropriation, our allowance for the Immigration and Naturalization Service, specifically the Border Patrol, was $7,750,000 below the budget. We made that reduction irrespective of the fact that there has been a rapidly rising buildup of the illegal alien population. Recent estimates suggest that there are presently upwards of 8 million illegal aliens in this country, and that their numbers are rising daily. In 1973 some 600,000 aliens, mostly Mexicans, were apprehended along the southwest border. It is projected that the Border Patrol will apprehend over 700,000 aliens in 1975. These illegal and deportable aliens take jobs and wages from American citizens, they often evade taxes, sometimes draw social security, and constitute a continuous temptation for widespread corruption. The need for a strong Border Patrol is clearly evident and we can only hope that our appropriation for that organization is wise as well as frugal.

As I said before, Mr. President, this is a bare bones bill. There are no luxuries in this legislation, only vital necessities. We have responded strongly and affirmatively to the President's message to hold down Federal spending. The Senate can, and should, support us by withholding amendments which would add to the overall total of the bill.

Along with our distinguished Chairman, I am pleased to have played a role in the development of H.R. 15404.

Before yielding the floor, Mr. President, I would like to take this opportunity to thank the distinguished chairman of our subcommittee, the Honorable JOHN PASTORE, for his unfailing courtesies during our hearings and deliberations. Senator PASTORE's leadership and diligence in reporting out this vital measure are deserving of high respect and commendation.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island. What is the pleasure of the Senate?

Mr. PASTORE. I understand there is going to be an amendment proposed.

May I address myself to the distinguished Senator from Wisconsin (Mr. NELSON)? The further activities of the Senate depend on the attention of the gentlemen in right field.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I am going to break a little precedent here. We usually do this at the end of the bill, after it has passed, but I am going to do it now because we seem to have a hiatus.

I want to take this opportunity, Mr. President, to thank our very efficient staff, Mr. Joseph T. McDonnell, Gerald Salesses, and Burkett Van Kirk of the minority for the splendid job they have done on this bill. I think that proves once again that we do have in Government, people who have the necessary knowledge and competence to do a good job.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 1612

Mr. NELSON. Mr. President, I call up an amendment submitted on behalf of myself and Senator ERVIN, amendment No. 1612.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

> On page 22, between lines 10 and 11, insert the following new section:
>
> SEC. 208. None of the funds appropriated by this title shall be used for the installation, maintenance, or operation of electronic devices for intercepting wire or oral communications not authorized by sections 2516 and 2518 of title 18, United States Code.

The ACTING PRESIDENT pro tempore. The time on this amendment is limited to 1 hour equally divided.

Mr. NELSON. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. NELSON. Mr. President, approximately 30 years ago Supreme Court Justice Felix Frankfurter observed that—

> The history of liberty has largely been the history of observance of procedural safeguards.

None of us—least of all those of us in Congress—can afford to ignore the wisdom of that declaration. In the last year there has been an almost endless stream of congressional investigations and newspaper reports which document in shocking detail how the Government has trampled all over the liberties of our citizens, liberties which are supposed to be guaranteed to everyone under our Constitution. The Government frequently wiretaps telephones, installs electronic bugs, discloses confidential tax returns, and spies on law-abiding citizens—with little or no concern for the individual's right to privacy and other constitutional rights.

Some of the most flagrant abuses here have been wiretaps authorized under the cloak of "national security." These wiretaps do not have the prior approval of a judicial warrant. Nor are these wiretaps subject to congressional oversight—either before or after their implementation. Instead the Government alone decides whom to tap and for how long. The Government alone decides whether the exercise of its powers conforms with constitutional limitations.

These warrantless wiretaps and other uncontrolled Government snooping pose a dangerous threat to our constitutional system. Our society cannot be free and tolerate a government which can invade an individual's privacy at will.

It is, indeed, heartening to know that President Ford recognizes this fundamental danger. In his national address on August 12, he declared that "there will be no illegal tappings, eavesdroppings, no buggings, or break-ins" by his administration and that he would develop "tough laws to prevent illegal invasion of privacy" by the Government.

There is no question that the President's statement struck a responsive chord among the public. One recent poll by Louis Harris found that 75 percent of the public believes that "wiretapping and spying under the excuse of 'national security' are a serious threat to people's privacy." Another Harris poll found that 77 percent of the public favors legislation to curb the Government's power to wiretap.

The message of these and other opinion polls is clear: the people want action, and they want it now.

Last December I introduced legislation to prohibit the use of warrantless wiretaps for so-called national security reasons or any other purpose. This bill—S. 2820—is premised on the plain language of the fourth amendment. That amendment requires that Government searches—which include wiretaps—have the prior approval of a judicial warrant based on probable cause.

Unfortunately, it does not seem at all likely that Congress will act on S. 2820 or any other legislative proposals to terminate once and for all the wiretap abuses perpetrated in the name of "national security." Accordingly, Senator ERVIN and I propose an amendment to this appropriation bill which would prohibit the use of appropriated Justice Department funds for the installation, maintenance or operation of wiretaps not authorized by the court warrant procedures in title III of the Omnibus Crime Control and Safe Streets Act. The impact of this amendment would be twofold. On the one hand, the Government could not wiretap for "national security" reasons unless it first obtained a judicial warrant based on probable cause. On the other hand, the Government would be able to obtain a wiretap any time there is a real need. Title III explicitly allows for wiretaps to obtain information about espionage, sabotage, treason, and other "national security" crimes.

There should be no question about the importance of our amendment. The time has come for Congress to restore respect for every citizen's constitutional rights. The time has come for Congress to assure every American citizen that his or her privacy will not be invaded by a Government wiretape unless a neutral court first determines that the invasion is justified.

The time has come, in short, to assure the American people that individual liberty—not unrestrained Government power—is still the hallmark of our society.

I. THE UNCONSTITUTIONALITY OF WARRANTLESS WIRETAPS

There should be no objection to making these assurances. They are simply a reaffirmation of the rights guaranteed to every individual under our Constitution's Bill of Rights. Of these rights, the ones of foremost concern here are those provided by the fourth amendment. That amendment declares that—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

This amendment thus restricts the Government's power over the individual. As James Madison observed, this amendment, as well as the other amendments in the Bill of Rights:

> Limit and qualify the powers of Government, by excepting out of the grant of power those cases in which the Government ought not to act, or to act only in a particular mode. 1 Annals of Cong. 483 (June, 1789).

In this light, the basic purpose of the fourth amendment is clear. It protects each citizen's privacy from unreasonable invasion by the Government.

In his dissent in the 1928 Olmstead case Supreme Court Justice Louis Brandeis articulated the importance of the fourth amendment in our scheme of Government:

> The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions, and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized men. To protect that right, every unjustifiable intrusion by the Government upon the privacy of the individual, *whatever the means employed,* must be deemed a violation of the Fourth Amendment. (Emphasis added).

A right so vital to an individual's peace and happiness cannot and should not be entrusted to the guardianship of a government which can act in secret. This, in a word, is the message of the fourth amendment.

The fourth amendment was borne from the American Colonies' bitter experience with their British rulers. The English king's officers—armed with nothing more than a general warrant and a desire to suppress political dissent—frequently entered an individual's home and rummaged through his personal effects. Those warrants, and the indiscriminate searches which they sanctioned, quickly became a subject of dread among the American Colonies.

In drafting a constitution to govern their new nation, the American ctizens were concerned that there be no resurrection of those indiscriminate searches by the Government. The fourth amendment was therefore, adopted to meet that justified concern.

The fourth amendment's protection is twofold. On the one hand, it precludes unreasonable invasions of an individual's privacy by the Government. On the other hand, the fourth amendment guarantees that that privacy can be invaded only when there is a judicial warrant based on probable cause. The fourth amendment's twofold protection was aptly summarized in a recent issue of the Arizona Law Review:

> The Fourth Amendment was intended not only to establish the conditions for the validity of a warrant, but also to recognize an independent right of privacy from unreasonable searches and seizures. Justice Frankfurter, dissenting from the [Supreme] Court's decision in *Harris* v. *United States,* interpreted [t]he plain import of this [to be] . . . that searches are "unreasonable" unless authorized by a warrant, and a warrant hedged about by adequate safeguards.
>
> NOTE.—Warrantless Searches in Light of Chimel: A Return to the Original Understanding. 11 Ariz. L.Rev. 455, 472 (1969).

It is quite clear, moreover, that the fourth amendment's protections were not to be suspended in cases of national security. Certainly the language of the amendment does not allow for exceptions in national security cases or any other kind of case. The history of the adoption of the amendment demonstrates, moreover, that the absence of exceptions was intended. When the fourth amendment was adopted, our Nation was only 11 years old. Foreign threats to the Nation's newly won independence remained ever present. Yet the fourth amendment provides for no exception to its application. The compelling conclusion is that the amendment should be applicable to all situations, including cases involving national security crimes. This conclusion is supported by innumerable constitutional scholars, including Justice William O. Douglas, who has stated:

> There is, so far as I understand constitutional history, no distinction under the Fourth Amendment between types of crimes. *Katz* v. *United States,* 389 U.S. 347, 360 (1967) (concurring opinion).

Our Founding Fathers, of course, did not contemplate the advent of telecommunications. Consequently, the amendment does not expressly include wiretaps of telephones within the ambit of its protection. But there is no question that the constitutional right to privacy is no less important in cases where the Government listens to a telephone conversation than when it physically enters an individual's home.

In the 1967 case of Berger against New York, the Supreme Court held that the fourth amendment's protections apply to wiretaps since they are searches which invade an individual's privacy. The Court reaffirmed here the basic proposition that Government wiretaps—like other Government searches—must have the prior approval of a judicial warrant based on probable cause. The Court also made clear that a warrant for wiretaps should be issued only after a judge has made a careful assessment of its justification. The Court stated:

> The need for particularity and evidence of reliability in the showing required when judicial authorization of a search is sought is especially great in the case of eavesdropping. By its very nature eavesdropping involves an intrusion on privacy that is broad in scope. As was said in *Osborn* v. *United States,* 385 U.S. 323 (1966), the "indiscriminate use of such devices in law enforcement raises grave constitutional questions under the Fourth and Fifth Amendments," and imposes "a heavier responsibility on this Court in its supervision of the fairness of procedures . . ." At 329, n. 7. (388 U.S. 41, 56, 59 (1967).)

The Court's decision in Berger was reaffirmed in another 1967 case, *Katz* v. *the United States* (389 U.S. 347 (1967).) In the Katz case the Court again stated that the fourth amendment requires the Government to obtain a court warrant based on probable cause before it can install a wiretap.

The soundness of the Berger and Katz decisions has been reaffirmed repeatedly by the Supreme Court.

Most recently, in *United States* v. *United States District Court* (407 U.S. 297 (1972)), commonly referred to as the Keith case, the Court held that the Government could not wiretap American citizens without a judicial warrant—even when the citizens' activities threatened the domestic security of the Nation. Again, the Court made clear that wiretaps must adhere to the safeguards delineated by the fourth amendment:

> Though physical entry of the home is the chief evil against which the wording of the Fourth Amendment is directed, its broader spirit now shields private speech from unreasonable surveillance.

The Supreme Court has not yet decided whether the fourth amendment's protections apply to cases involving foreign powers and their agents. In the Keith case, the Court stated explicitly that it did not consider those situations where American citizens have a significant connection with foreign powers and their agents.

Nonetheless, it seems quite clear that the same considerations underlying the

Keith decision would compell the Court to hold that even in those situations involving foreign powers there must be a judicial warrant based on probable cause before the Government can wiretap. Otherwise there would be a gaping hole in the fourth amendment's protections. There would be no way for the Congress or the public to know whether the power to conduct warrantless wiretaps was being abused. In a word, warrantless wiretaps will probably not be sanctioned since they clearly violate a fundamental constitutional principle.

Even the Justice Department recognizes that warrantless wiretaps for foreign intelligence purposes are probably unconstitutional. One year after the Keith case was decided, Assistant Attorney General Robert Dixon wrote a memorandum for then Attorney General Richardson.

The memorandum begins with a discussion of the Government's case for warrantless wiretaps. It then states that—

> The reasoning in the Keith case itself suggests that the Court may not be readily persuaded of the Government's case. Although it is true that the Court specifically reserved the foreign intelligence issue, at no point did it volunteer any reasons as to why, as a matter of constitutional law it might be willing to make its distinction when presented with a proper case. To the contrary, the reasoning in Keith seems to anticipate and reject arguments the Department is making at this time in the "foreign intelligence" cases in the lower courts.

The memorandum then summarizes the Government's arguments:

> (a) Information on which such surveillance is based is highly confidential and must be kept secret.
>
> (b) Sensitive information is "simply not susceptible of evaluation by persons who do not regularly deal with foreign affairs matters."
>
> (c) In foreign intelligence surveillances, "the justification * * * cannot be simply stated or easily demonstrated;" it requires the drawing of subtle inferences. Almost without exception there is no known criminal activity involved as such.

Because the Keith case is so important here, I would like to quote key portions of the Court's opinion. Most of these passages are also quoted in the Justice Department's memorandums to demonstrate that each of the Government's arguments was rejected by the Supreme Court.

As to secrecy:

> The investigation of criminal activity has long involved imparting sensitive information to judicial officers who have respected the confidentialities involved. Judges may be counted upon to be especially consicous of security requirements in national security cases. [The 1968 electronic surveillance statute] already has imposed this responsibility on the judiciary in connection with such crimes as espionage, sabotage, and treason * * *, each of which may involve domestic as well as foreign security threats. Moreover, a warrant application involves no public or adversary proceedings: it is an *ex parte* request * * *. Whatever security dangers clerical and secretarial personnel may pose can be minimized by proper administrative procedures, possibly to the point of allowing the Government itself to provide the necessary clerical assistance. 407 U.S. at 320–21.

As to complexity and the need for sophistication:

> We cannot accept the Government's argument that internal security matters are too subtle and complex for judicial evaluation. Courts regularly deal with the most difficult issues of our society. There is no reason to believe that federal judges will be insensitive to or uncomprehending of the issues involved in domestic security cases. . . . If the threat is too subtle or complex for our senior law enforcement officers to convey its significance to a court, one may question whether there is probable cause for surveillance. 407 U.S. at 320.
>
> The Court also suggested that in "sensitive cases," authorizations might be made by a designated court, such as the Court of Appeals for the District of Columbia. 407 U.S. at 323. Although the Court did not explicitly say so, one implication is that if all foreign intelligence applications were made to the same court, it might be more difficult for the Government to argue that the court lacked the necessary background to understand them.

As to the difficulty of justification and the absence of conventional criminal activity, the Court said:

> Congress may wish to consider protective standards for [domestic security surveillances] which differ from those already prescribed for specified crimes in Title III. Different standards may be compatible with the Fourth Amendment if they were reasonable both in relation to the legitimate need of Government for intelligence information and the protected rights of our citizens. For the warrant application may vary according to the governmental interest to be enforced and the nature of citizen rights deserving protection. 407 U.S. at 322–23. In support, the Court cited its recent decision holding that a health official need not show the same kind of proof to a magistrate to obtain a warrant as one who would search for the fruits of crime. *Camara* v. *Municipal Court*, 387 U.S. 523 (1967).

The Justice Department memorandum does not stop here. It adduces further reasons why warrantless wiretaps are unconstitutional. Again, I quote:

> The Court made the following additional points in *Keith* which suggest that it may not readily recognize an exception to the warrant clause of the Fourth Amendment even for foreign intelligence:
>
> "(a) The use of electronic surveillance is not a welcome development 'even when employed with restraint and under judicial supervision. There is, understandably, a deep-seated uneasiness and apprehension that this capability will be used to intrude upon the cherished privacy of law-abiding citizens.' (407 U.S. at 312).
>
> "'[B]road and unsuspected governmental incursions into conversational privacy which electronic surveillance entails necessitate Fourth Amendment safeguards.' (407 U.S. 313.)
>
> "(c) 'National security cases moreover often reflect a convergence of First and Fourth Amendment values not present in cases of 'ordinary' crime. Though the investigative duty of the executive may be stronger in such cases, so also is there greater jeopardy to constitutionally protected speech.' (407 U.S. 313)."
>
> "(d) 'Inherent in the concept of a warrant is its issuance by a 'neutral and detached magistrate.' 407 U.S. at 316–17."

Despite the clear implications that warrantless wiretaps are unconstitutional, the memorandum suggests that such wiretaps be continued until the Supreme Court issues its final decision:

> As we noted earlier, we believe that the Department is justified in continuing to rely on the clear weight of the case law until the Supreme Court rules otherwise. However, close analysis of *Katz* and *Keith* suggests that the ultimate decision of the Court may be against the position the Department is now arguing.

The Justice Department nonetheless continues to use warrantless wiretaps. A representative of the Department testified at a recent congressional hearing that at any point in time approximately 100 warrantless wiretaps are operative. The representative stated that these wiretaps often include surveillances of American citizens. He testified, moreover, that these wiretaps are needed to obtain foreign intelligence information and that that information could not be obtained if the Government had to first secure a judicial warrant based on a probable-cause standard of criminality

There are three essential answers to that argument.

First, there is still a serious question as to whether wiretaps are really valuable in obtaining foreign intelligence information. There is virtually no evidence available to the public to demonstrate the need for wiretaps. The only information available is the conclusory claims of selected Government officials. These claims, however, are amply refuted by the assertions of other knowledgable sources.

For instance, on February 28, 1973, President Nixon discussed the national security wiretap program with John Dean. Some of the wiretaps installed under this program were operative for extensive periods of time—one for 21 months. President Nixon's evaluation of these wiretaps was this:

> They never helped us. Just gobs and gobs of material; gossip and ———.

Attorney General Saxbe has likewise cast doubt on the utility of wiretaps for foreign intelligence purposes. In congressional testimony last May, he stated that if Congress banned all wiretapping it would put the Government at some disadvantage, but that the Government could live with the ban. Morton Halperin, a former Pentagon official and member of Henry Kissinger's National Security Council staff, has also questioned the need for foreign intelligence wiretapping. In congressional testimony last April, Mr. Halperin stated that, in his judgment:

> Such surveillance has extremely limited value and can in no sense be considered vital to the security of the United States. . . . [O]n the specific question of what one learns from such surveillance, my information is only negative. Never during my three or more years in the Defense Department and the White House did I read a report which I knew to be based on electronic surveillance in the United States, although I routinely saw material from far more sensitive sources. Occasionally and at random, one might of course pick up a useful piece of information from an electronic surveillance of an embassy, but the systematic take must, as regards the activities of foreign powers, be mere gossip.

It is not difficult to understand why national security wiretaps are of limited value. As George Kennan, a seasoned diplomat, points out in his memoirs, most foreign agents and embassy officials automatically assume their telephones are tapped or their rooms bugged; accordingly, they are very careful about where and with whom they discuss sensitive matters.

Even assuming there is a need for national security wiretaps, there is a second reason why there should be no opposition to a prior court warrant based on probable cause of a crime: the Government officially already maintains a standard of criminality in deciding whether to authorize a national security wiretap. After the 1972 Keith case, a representative of the Justice Department testified before a subcommittee of the Senate Judiciary Committee. In that testimony, the representative stated that a national security wiretap would not be authorized " * * * without the presence of such factors as substantial financing, control by or active collaboration with a foreign government and agencies thereof in unlawful activities directed against the Government of the United States." In his congressional testimony last May, Attorney General Saxbe confirmed that this official standard is still operative. This official standard, of course, makes eminent sense. For virtually every activity which threatens the Nation's security is a statutory crime, such as espionage, treason or sabotage. Therefore, if there is a real need to wiretap for foreign intelligence purposes, the Government would be able to secure the court warrant.

There is, however, a final reason why the Government's wiretap needs—whatever they may be—cannot justify an exception to the constitutional requirement of a prior judicial warrant based on probable cause: Our Constitution rejects the notion that the Government's needs alone define the limits of its powers. The reasoning here is epitomized by a debate which occurred in the English House of Commons in 1763. This debate concerned a proposal to give the King's agents the power to search people's private homes on the basis of general warrants. It was claimed that this broad power was necessary if the King were to protect the security of the nation. In opposing the proposal, William Pitt made an eloquent appeal based on history and the rights of citizens. Pitt stated:

> Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves.

Pitt's statement underlies the fundamental principles of our Constitution. Those constitutional principles make clear that the powers of Government are limited—not to promote efficiency but, as the Preamble of our Constitution declares, to "secure the blessings of liberty to ourselves and our posterity." This course of action was not without risks. Our Founding Fathers understood that a government of limited powers might not be able to do all that it thought necessary to promote the Nation's welfare and defend the Nation's security. But our Founding Fathers believed that the benefits of a free society far outweighed that risk; they believed that a government which could violate an individual's liberty at will—whether for good purposes or evil purposes—was a government not worth having.

Time surely has confirmed the wisdom of the Founding Fathers' decision. The Watergate scandals and other recent events demonstrate the dangers of a society where Government officials can violate an individual's liberties at will. And all too often these violations were wrapped in the cloak of "national security." The point was aptly summarized by an editorial in the Wall Street Journal of August 1, 1974. After noting the increased violations of individual privacy by electronic surveillance and other means, the editorial observed that—

> Every such encroachment is explained on grounds of national security—an explanation that has subtle appeal, since almost everyone can think of conditions of national security which might justify extra-legal measures. But it's well to remember that national security is often invoked merely to justify taking shortcuts with the law. Several prominent Watergate conspirators have reminded us anew how easy it is, when blinded by worries about national security, to lose sight of those individual rights that national security is meant to protect.

This editorial underscores the inherent dangers of warrantless wiretaps for so-called "national security" reasons. The discretion to determine when such warrantless wiretaps are justified and properly executed has been the sole province of the executive branch. There has been virtually no opportunity for the Congress, a court, or any other public body to examine the exercise of that discretion in order to prevent abuses. The results are not surprising. Warrantless wiretaps have produced and continue to produce the very evils which the fourth amendment was designed to eliminate. To understand the nature and scope of the abuses here, it is necessary to review the history of warrantless wiretaps.

II. THE HISTORY OF WARRANTLESS WIRETAPS

Warrantless wiretaps were first employed early in the 20th century. Almost from the very beginning, constitutional scholars and law enforcement officials recognized the serious dangers of warrantless wiretaps. In an early surveillance case, the venerable Justice Oliver Wendell Holmes referred to warrantless wiretaps as "dirty business" (*Olmstead* v. *United States*, 277. U.S. 438, 470 (1928) (dissenting opinion)).

In 1931, J. Edgar Hoover, who by then had been FBI Director for 7 years, commented that—

> While [the practice of warrantless wiretaps] may not be illegal, I think it is unethical, and it is not permitted under the regulations by the Attorney General.

In 1939, Mr. Hoover wrote to the Harvard Law Review that he believed wiretapping to be "of very little value" and that the risk of "abuse would far outweigh the value."

By 1939, however, pervasive reservations about wiretapping had inspired enactment of a law by Congress. In 1934, Congress passed the Communications Act. Section 605 of that act prohibits the "interception and divulgence" or "use" of the contents of a wire communication. From the moment of enactment the provision seemed to erect a total prohibition to wiretapping and the use of information obtained from wiretapping.

As the Supreme Court stated:

> [T]he plain words of the statute created a prohibition against any persons violating the integrity of a system of telephone communication and that evidence obtained in violation of this prohibition may not be used to secure a federal conviction. *Benanti* v. *United States*, 355 U.S. 96, 100 (1957).

This interpretation was shared by civil libertarians acquainted with the legislative history. Indeed, subsequent efforts in the late 1940's and 1950's to legalize certain kinds of wiretapping were repeatedly rebuffed by those in Congress who feared the consequences which wiretapping would have for civil liberties.

On the eve of World War II, however, President Franklin D. Roosevelt became convinced that use of warrantless wiretaps would be necessary to protect the Nation against the "fifth column" and other subversive elements. Roosevelt therefore instructed his Attorney General, Robert Jackson, to authorize wiretaps against subversive and suspected spies.

But Roosevelt was not insensitive to the risks which wiretapping could have for constitutional rights and liberties. In a memorandum to Jackson dated May 21, 1940, Roosevelt indicated that he was aware of section 605 and had read the Supreme Court's interpretive decisions. Roosevelt basically agreed with the restrictions against wiretapping:

> Under ordinary and normal circumstances wiretapping by Government agents should not be carried on for the excellent reason that it is almost bound to lead to abuse of civil rights.

Roosevelt consequently instructed Jackson—

> To limit these investigations so conducted to a minimum and to limit them insofar as possible to aliens.

Roosevelt's sensitivity to the dangers of warrantless wiretaps did not necessarily rescue their legality. Many legal scholars have suggested that until enactment of Title III of the Omnibus Crime Control and Safe Streets Act of 1968, all wiretapping was illegal.

Two scholars, for instance, observed that until 1968:

> All wiretapping violated the absolute ban of section 605 of the Federal Communications Act of 1934 and all other electronic eavesdropping which resulted in trespass of a constitutionally protected area was prohibited. (Theoharis & Meyer, 14 Wayne Law Review 49 (1968).)

The questionable legality of wiretapping did not deter its use after World War II. In the 1950's and 1960's, the Government's reliance on warrantless wiretaps mushroomed. No precautions were taken, though, to minimize the dangers to civil liberties recognized by Roosevelt. Concern for "national security" consequently led to the use of warrantless wiretaps against political dissidents—including Dr. Martin Luther King, Jr., who was wrongly suspected of being an unwitting dupe of the Communists.

The use of warrantless wiretaps had become a monster with its own momentum. Even the President did not always know the full extent to which such taps were used. Thus, upon learning of the taps on Dr. King and others, President Lyndon Johnson became irate.

One June 30, 1965, Johnson issued a directive placing severe restrictions on the use of warrantless wiretaps. Johnson initially made clear his general opposition to warrantless wiretaps:

> I am strongly opposed to the interception of telephone conversations as a general investigative technique.

Johnson nonetheless ordered that wiretaps be permitted in national security cases—but only with the specific authorization of the Attorney General. Johnson apparently believed, in good faith, that authorization of warrantless wiretaps by the Attorney General would prove to be an adequate safeguard for the individual's constitutional right to privacy and other constitutional liberties.

Sadly, but not unexpectedly, Johnson's belief proved to be illusory. Recent events have demonstrated that the absence of external checks on warrantless wiretaps invites dangerous abuses.

Last May, for example, it was revealed that in 1969 the White House bypassed established procedures and installed wiretaps on the telephones of 13 Government officials and four newspaper reporters. The purported basis of these "taps" was a concern that sensitive information was being leaked to reporters by Government officials. The Government, however, did not obtain a judicial warrant before installing the taps. The Government alone decided whom to tap and for how long.

Close scrutiny of these 17 surveillances can expose why warrantless wiretaps for so-called national security reasons are dangerous and quite clearly unconstitutional. In these particular cases, no grand jury was asked to investigate violations of the law arising from the alleged leaks. No probable cause was established that any of the individuals involved had committed a crime. None of the individuals involved were ever prosecuted for violations of the law.

In short, there is no public evidence that any of the 17 individuals tapped violated the law. Indeed, subsequent investigations have shown that some of the Government officials involved did not even have access to sensitive information. It was also learned that two of the taps were maintained long after the individuals involved had left Government service and joined the presidential campaign staff of Senator MUSKIE.

In one of these latter cases—that involving Morton Halperin, a former member of the National Security Council staff—the tap was maintained for 17 months after he left Government service. Between the time the tap was initially approved and the time it was terminated 21 months later there was never any review by the Government to determine whether the tap was justified. During that 21-month period, every conversation on Mr. Halperin's telephone—including those of his wife, his children, and his friends—was overheard, transcribed, and then reportedly transmitted to the White House. The tapped conversations did not provide any evidence that Mr. Halperin was engaged in any criminal activity.

Another example concerns warrantless wiretaps which were installed on the telephones of Joseph Kraft and other reporters in the last few years for so-called national security reasons. These taps were discussed on April 16, 1973, in a conversation between President Nixon and John Dean. Dean had already discussed with the prosecutors his involvement in the Watergate coverup and was preparing to testify before the grand jury. After advising Dean to tell the truth when he testifies, President Nixon admonished Dean not to testify about certain "electronic stuff" in the "leak area" which involves "national security" matters. Apparently, President Nixon's reference is to electronic eavesdropping which, in his opinion, should not be publicly disclosed. President Nixon explained that the electronic eavesdropping concerned "leaks from the—National Security Council. They were in Kraft and others' columns and we were trying to plug the leaks and we had to get it done * * *" (Tr. 802.) No mention is made of the fact that neither Mr. Kraft nor the other reporters were even suspected of violating the law.

President Nixon did observe in passing that the electronic eavesdropping of the reporters was not done through the FBI but through "private sources." (Tr. 802.) The identity of these "private sources" is not disclosed. Nor is there any indication as to whether these "private sources" had the lawful authority to engage in electronic eavesdropping for "national security" reasons or any other purpose.

These facts are not offered to guide a final judgment as to whether President Nixon sought to invoke "national security" to conceal or justify illegal activities. For whatever the final judgment, one fact is abundantly clear: President Nixon, like Presidents before him, could have invoked the term "national security" to prevent the Congress, the courts and the public from learning about illegal wiretaps and other criminal activities.

The vital question is not whether President Nixon is innocent or guilty of wrongdoing. It is not simply a question of whether President Nixon should or should not have been impeached. Rather, the matter concerns a fundamental deficiency in our political system which will remain intact unless Congress takes corrective action. If any President can invoke the catch-all phrase, "national security," to violate the individual's right to privacy and other constitutional liberties, then the whole foundation of our constitutional system is imperiled.

The abuses of warrantless wiretaps underscore the wisdom of the fourth amendment's protections. It would be naive to assume that the Government can make a disinterested judgment as to whether a planned search by Government agents is reasonable. The Government cannot properly be both advocate and judge of its own case.

Our Founding Fathers recognized this problem and adopted the fourth amendment. That amendment contemplates that a disinterested court will decide whether searches desired by the Government are reasonable. As Justice Lewis Powell observed in the Keith case, in a controversy which concerned the domestic aspects of national security:

> These Fourth Amendment freedoms cannot properly be guaranteed if domestic security surveillances may be conducted solely within the discretion of the executive branch. The Fourth Amendment does not contemplate the executive officers of Government as neutral and disinterested magistrates. Their duty and responsibility is to enforce the laws, to investigate and to prosecute. But those charged with this investigative and prosecutorial duty should not be the sole judges of when to utilize constitutionally sensitive means in pursuing their tasks. The historical judgment, which the Fourth Amendment accepts, is that unreviewed executive discretion may yield too readily to pressures to obtain incriminating evidence and overlook potential invasions of privacy and protected speech. 407 U.S. at 307.

In short, it is not a question of good faith. I believe that President Ford is a man of his word who would not knowingly tolerate any abusive wiretaps or other unlawful invasions of people's privacy. But in any national security matter, neither the President nor his Attorney General are disinterested parties who can automatically make a dispassionate judgment as to whether an invasion of someone's privacy is justified. This essential point was advanced eloquently by Justice Douglas in the Katz case:

> Neither the President nor the Attorney General is a magistrate. In matters where they believe national security may be involved, they are not detached, disinterested, and neutral as a court or a magistrate must be. Under the separation of powers created by the Constitution, the Executive Branch is not supposed to be neutral and disinterested. Rather, it should vigorously investigate and prevent breaches of national security and prosecute those who violate the pertinent federal laws. The President and the Attorney General are properly interested parties, cast in the role of adversary in national security cases. They may even be the intended victims of subversive action. Since spies and saboteurs are as entitled to the protection of the Fourth Amendment as suspected gamblers like petitioner, I cannot agree that where spies and saboteurs are involved adequate protection of Fourth Amendment rights is assured when the President and Attorney General assume both the positions of adversary-and-prosecutor and disinterested, neutral magistrate. 389 U.S. at 359–60 (concurring opinion).

In other words, regardless of how beneficent the Government's motives, warrantless wiretaps—whether in national security cases or in any other kind of case—pose serious dangers to the right of privacy as well as other constitutional rights and liberties.

III. AMENDMENT TO PROTECT AGAINST WIRETAP ABUSES IN NATIONAL SECURITY CASES

The history of warrantless wiretaps for national security cases demonstrates the need for corrective action. For too long Congress has closed its eyes to the abuses of those wiretaps—perhaps in the hope that the country would be better served if implicit trust were placed in the executive branch to safeguard constitutional rights. The history underlying the fourth amendment should have given Congress pause before being so trusting.

But whatever the rationale for past inaction, the Watergate scandals make clear that Congress must act now to insure the preservation of precious constitutional rights—especially the right to privacy. Invocation of national security should not enable the Government to wiretap without regard to traditional constitutional limitations. The amendment offered today provides Congress with an opportunity to assure the sanctity of those limitations.

The amendment simply prohibits the use of appropriated funds for wiretaps which do not comply with the warrant procedures included within title III of the Omnibus Crime Control and Safe Streets Act of 1968. Under that title, a court will approve a Government wiretap if there is probable cause to believe that a certain crime has been or is about to be committed. Crimes for which wiretaps can be authorized include national security offenses, such as espionage, sabotage, and treason.

The amendment is really a very conservative measure. It merely reasserts the traditional safeguards provided by the fourth amendment. That amendment states that the Government cannot invade an individual's privacy without first obtaining a judicial warrant based on probable cause.

There should be no concern that a requirement of judicial warrants for national security wiretaps will undermine the security of the Nation. Almost any activity which threatens the Nation's security is a codified crime for which a wiretap can be authorized. Courts, moreover, will be most responsive to Government requests for national security wiretaps. Past experience with title III indicates that judges are very deferential to Government requests for wiretaps to obtain information about domestic crimes; thus, of 3,617 Government wiretap applications, the courts have denied only 9. That judicial deference to the Government is bound to be just as great—if not greater—when the crime is one involving national security. The convergence of these factors, then, makes clear that the amendment will not impose any undue restriction on the Government's ability to protect against foreign attack or subversion.

IV. CONCLUSION

For decades the Government has used warrantless wiretaps to serve its view of the national security. These wiretaps have always posed a fundamental danger to the freedoms guaranteed by our Constitution. The Watergate scandals and other recent events have exposed that danger in a dramatic and clear fashion.

We should not fail to heed the warning signs. Constitutional provisions empowering the Government to protect the Nation's security were never thought to justify the subversion of individual freedoms afforded by other constitutional provisions. As Judge Ferguson declared in United States against Smith, a case concerning the use of warrantless wiretaps for national security purposes:

> To guarantee political freedom, our forefathers agreed to take certain risks which are inherent in a free democracy. It is unthinkable that we should now be required to sacrifice these freedoms in order to defend them. 321 F. Supp. 424, 430 (1971).

Congress cannot and should not tolerate governmental violations of the individual's constitutional rights to privacy by wiretaps or any other means. That right to privacy, as well as other constitutional liberties, are the cornerstone of our democratic system. If those rights and liberties are eroded, the very fabric of our constitutional system is endangered. Congress should, therefore, act now to protect our cherished rights and liberties from abusive national security wiretaps.

Mr. President, the New York City Bar Association has recently issued a report endorsing my bill, S. 2820, as a sound means of protecting constitutional freedoms against abusive wiretaps.

Mr. President, I ask unanimous consent to insert that report in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

JUDICIAL PROCEDURES FOR NATIONAL SECURITY ELECTRONIC SURVEILLANCE

(By the Committee on Federal Legislation and the Committee on Civil Rights)

Senator Gaylord A. Nelson has introduced the Surveillance Practices and Procedures Act (S. 2820, hereafter "the Nelson bill"). The bill's purpose is to establish judicially-administered procedures with which the Government must comply when initiating and maintaining electronic surveillance in national security matters. Senator Nelson's bill amends Chapter 119 of the Omnibus Crime Control and Safe Streets Act of 1968 (hereafter "the Omnibus Act"), which contains the major present legislative enactment concerning the control of electronic surveillance. (The same proposal has been introduced in the House as H.R. 13825.)

The bill would authorize surveillance pursuant to a warrant: (a) upon a showing of probable cause to believe that an individual whose communications are to be intercepted has committed or is about to commit an offense punishable under one of several specified statutes defining offenses related to the national security; and (b) in cases involving foreign powers or foreign agents, as defined, upon a showing of probable cause that the surveillance is required in the interest of national security. The Nelson bill also establishes further procedures governing the interception of wire or oral communications in national security cases which are, in the main, similar to those already applicable in the Omnibus Act to other types of cases, and in some respects are more protective of privacy.

The proposed legislation comports with applicable constitutional requirements, and is in close compliance with standards, derived from constitutional and policy considerations, proposed in earlier reports of this Association on the subject of electronic surveillance. Accordingly, with certain suggested modifications, we recommend passage of the Nelson bill, as well as extension to the underlying Omnibus Act of the added privacy safeguards provided by the bill.

I. HISTORICAL BACKGROUND

1. The law prior to the Omnibus Act

The Fourth Amendment provides:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

The Fourth Amendment guarantee against the invasion of privacy by an unreasonable search or seizure is of the first constitutional magnitude: "No right is held more sacred," the Supreme Court has said.[1] However, the application of that guarantee now must confront complexities of electronic technology, unknown to the drafters of the Fourth Amendment, that are available to criminal and law enforcers alike.[2] The development of the interaction of the Fourth Amendment right of privacy and that technology is, therefore, relatively recent.

In its first consideration of the matter in 1928, the United States Supreme Court sustained a warrantless telephone wiretap on the ground that it did not constitute a trespass and therefore did not violate the Fourth or Fifth Amendments. *Olmstead* v. *United States,* 277 U.S. 438. In 1934 Congress acted to prohibit the interception of wire communication by adoption of §605 of the Federal Communications Act, which provides that—

"no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect or meaning of such intercepted communication to any person * * *." 47 U.S.C. §605.

Subsequently, the Court held that evidence secured by federal officers in violation of this statute was inadmissable in a federal criminal prosecution against a defendant whose privacy had thus been invaded.[3] The applicability of the 1934 Act, however, was limited to the prohibition of non-consensual interception by wiretapping. In *Goldman* v. *United States,* 316 U.S. 129 (1942), the Court held that § 605 did not prohibit eavesdropping, and reaffirmed that in the absence of physical intrusion into a home Fourth Amendment rights had not been violated. Thus the trespass doctrine remained as the controlling factor in determining the Fourth Amendment legality of electronic surveillance other than wiretapping.[4]

The approach to the constitutionality of wiretapping and eavesdropping was changed dramatically in 1967, in the landmark decisions of *Berger* v. *New York* and *Katz* v. *United States.*[5] These cases, taken together, extended Fourth Amendment coverage to all nonconsensual electronic surveillance, whether or not a trespass occurred, and established strict procedural standards in the conduct of such surveillance to achieve compliance with the Fourth Amendment. In *Katz* the Court overruled *Olmstead* and *Goldman,* and held that "the 'trespass' doctrine there enunciated can no longer be regarded as controlling" (389 U.S. at 353). The essence of Mr. Justice Stewart's majority opinion was to redefine the Fourth Amendment to protect "people" and not specific "geographic areas," so that wherever one can entertain a reasonable expectation of privacy, the Fourth Amendment operates to protect that privacy from unreasonable invasions. The Court, in defining appropriate procedures and standards mandated by the Fourth Amendment, which are relevant to our consideration of the Nelson bill, specified the following defects:

"They [government agents] were not required, before commencing the search, to present their estimate of probable cause for detached scrutiny by a neutral magistrate. They were not compelled, during the conduct of the search itself, to observe precise limits established in advance by a specific court order. Nor were they directed after the search

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Footnotes at end of article.

had been completed, to notify the authorizing magistrate in detail of all that had been seized." 389 U.S. at 356.

These standards had been more fully set forth in the Court's earlier decision in *Berger*, which reversed a conviction based upon evidence obtained by electronic eavesdropping authorized by a state court pursuant to a New York statute. The Court, in holding that the New York statute violated the Fourth and Fourteenth Amendments by its blanket grant of permission to eavesdrop without adequate judicial supervision or protective procedures, delineated in narrative form the shortcomings of the New York statute. To simplify the task of checking the Nelson bill against these standards, a list of the statute's shortcomings, derived from the Court's opinion, is useful:

1. It failed to provide that a warrant could be issued only upon a showing of probable cause.

2. It failed to require a description with particularity of the place to be searched and the person or thing to be seized.

3. It failed to require a description with particularity of the crime that had been, was being, or was about to be committed.

4. It failed to require a description with particularity of the type of conversation to be seized.

5. It failed to place any limitations on the officer executing the eavesdropping order which would prevent his searching unauthorized areas, and prevent his searching further once the property sought had been seized.

6. It failed to require a showing of probable cause in seeking a renewal of the eavesdropping order.

7. It failed to require dispatch in executing the order.

8. It failed to require that the officer to whom the order was issued return to the issuing court and show what had been seized.

9. It failed to require a showing of exigent circumstances to overcome the defect of not giving prior notice to those whose privacy had been invaded.

10. It failed to limit such orders to a time period equivalent to a single search, but instead authorized eavesdropping for a two-month period, which amounted to a series of searches and seizures pursuant to a single showing of probable cause.

Turning to the specific subject of national communications interception, the essential history begins on the eve of World War II. President Roosevelt, convinced that use of warrantless wiretaps would be necessary to protect the Nation against the "fifth column" and other subversive elements, instructed Attorney General Robert Jackson to authorize wiretaps against subversives and suspected spies. Since then successive Presidents have unilaterally authorized national security wiretaps.[6] The legality of these interceptions had not been determined up to the time of *Berger and Katz*. In *Katz*, Mr. Justice Stewart specifically left open the issue whether national security interceptions were included within the Fourth Amendment ban of warrantless surveillance (see 389 U.S. at 358 n.23). Mr. Justice White, in his concurring opinion, approved of a national security exception to the warrant requirement (*id.* at 362), while Justices Douglas and Brennan disapproved (*id.* at 359). Thus when the Congress came to enact comprehensive electronic surveillance legislation in 1968, the Supreme Court had not set out the Fourth Amendment parameters governing such surveillance in national security cases.

2. The Omnibus Act

Following *Berger* and *Katz*, and the majority report of the President's Commission on Law Enforcement and Administration of Justice, which concluded that electronic surveillance was absolutely essential to effective law enforcement (particularly against organized crime),[7] the Congress enacted the Omnibus Act in 1968. It includes a detailed chapter on "Wire Interception and Interception of Oral Communications" (18 U.S.C. §§ 2510–2520).

Section 2511 of the Omnibus Act denounces all non-consensual wiretapping and eavesdropping as illegal, except where provided otherwise in that chapter. Section 2516 authorizes appropriate federal and state officials to apply to a judge of competent jurisdiction for an order authorizing or approving the interception of wire or oral communications by certain law enforcement agencies, when such interception may provide evidence of certain specifically listed crimes. The procedures for preparing the application, the findings which the judge must make prior to granting approval, and the safeguards to be included in the order approving the interception are set out at length in § 2518. These provisions were obviously written with *Berger* and *Katz* in mind, and appear to comply with the requirements set forth in those cases. Although the Supreme Court has not yet squarely ruled on the statute's constitutionality, it has been found constitutional in at least two lower court decisions.[8]

National security electronic interception was covered in § 2511(3) of the Omnibus Act, which purports to be merely declaratory of the Executive's constitutional authority to intercept communications electronically to protect the national security. It divides that authority into two distinct categories: (i) power to deal with threats to the Nation posed by foreign powers and to engage in intelligence or counter-intelligence activities; and (ii) power to deal with threats to the national security arising from subversive activity. The section limits the use of communications intercepted by the exercise of these Executive powers to such use "as is necessary to implement that power [sic]," but it does authorize the reception in evidence of such intercepted communications "where such interception was reasonable." Because of its central importance to consideration of the Nelson bill, § 2511(3) is set forth here in full:

"(3) Nothing contained in this chapter or in section 605 of the Communications Act of 1934 (48 Stat. 1103; 47 U.S.C. 605) shall limit the constitutional power of the President to take such measures as he deems necessary to protect the Nation against actual or potential attack or other hostile acts of a foreign power, to obtain foreign intelligence information deemed essential to the security of the United States, or to protect national security information against foreign intelligence activities. Nor shall anything contained in this chapter be deemed to limit the constitutional power of the President to take such measures as he deems necessary to protect the United States against the overthrow of the Government by force or other unlawful means, or against any other clear and present danger to the structure or existence of the Government. The contents of any wire or oral communication intercepted by authority of the President in the exercise of the foregoing powers may be received in evidence in any trial hearing, or other proceeding only where such interception was reasonable, and shall not be otherwise used or disclosed except as is necessary to implement that power."

3. The Keith Case

In 1972 the Supreme Court held that the Fourth Amendment prohibits the President from conducting warrantless electronic surveillance in "domestic" security cases. *United States* v. *United States District Court*, 407 U.S. 297 (hereafter *"Keith,"* as the case is commonly called, after the District Judge whose order was under review). The Government had urged in *Keith* that § 2511(3), in excepting national security surveillance from the Omnibus Act's warrant requirement, recognized the President's authority to conduct warrantless surveillance. After an analysis of the Omnibus Act's legislative history, and a comparison of § 2511(3) with the clear exceptions in the Act, all of which begin with the phrase "It shall not be unlawful," this argument was rejected by the Court. Section 2511(3), Mr. Justice Powell declared, "simply left presidential powers where it found them" (407 U.S. at 303).

The question thus left for the Court to determine was whether safeguards, other than prior authorization by a magistrate, would satisfy the Fourth Amendment in a situation involving a domestic threat to the national security. The Government, in support of its argument against the warrant requirement, asserted that there have been other Fourth Amendment exceptions; that prior judicial review would obstruct the President in the discharge of his constitutional duty; that these surveillances are directed primarily to the collection of intelligence and not to gathering evidence for criminal prosecutions; that a court lacks the knowledge or techniques to determine probable cause in these matters; and that disclosure to a magistrate would create a greater danger of "leaks."

The Court rejected each of these arguments: The other judicial exceptions to the warrant requirement, it noted, involve situations where there is a great risk of danger to a law enforcement officer; regardless of the purpose of a surveillance, it still threatens the right to privacy; the courts do have the competence, which is demonstrated by the fact that § 2516 currently authorizes judicial approval of surveillances conducted to discover evidence of treason, espionage and sabotage; since warrants are secured by *ex parte* orders, the chance of leaks is minimized and can be even further protected by use of Justice Department clerical and stenographic services; and, lastly, the need to obtain a warrant will not obstruct the President, but, in fact, will make challenges to the Government's authority to conduct a particular surveillance easier to refute, while reassuring the public generally that indiscriminate wiretapping and "bugging" of law-abiding citizens cannot occur.

The Supreme Court in the *Keith* opinion made clear that its decision involved only domestic security cases (407 U.S. at 309 and n.8):

"There is no evidence of any involvement, directly or indirectly, of a foreign power."

"This case involves only the second sentence of § 2511(3), with the threat emanating—according to the Attorney General's affidavit—from domestic organizations."

Thus the controversy over warrantless electronic surveillance in domestic national security matters has been concluded, but the issue of presidential authority to conduct warrantless electronic surveillance to protect against threats from foreign powers remains open.

II. THE SURVEILLANCE PRACTICES AND PROCEDURES ACT

The Nelson bill would amend the Omnibus Act to prohibit the non-conensual interception of wire and oral communications in national security cases without a warrant. The bill would authorize the issuance of a warrant in the following discrete situations: *First*, based upon a conventional probable cause showing, if there were reason to believe an individual whose communications were to be intercepted had committed or was about to commit an offense punishable under one of several specified statutes defining offenses related to the national security. *Second*, in cases involving foreign powers or foreign agents, the bill would authorize surveillances upon the less stringent requirement

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that probable cause be shown that the surveillance was required in the interest of national security. (We will refer to these two discrete provisions below as the "national security crimes surveillance" and the "foreign agent surveillance" provisions, respectively.)

1. Standards for national security crimes surveillance

Authorization for national security crimes surveillance would be contained in a proposed § 2516A, entitled "Authorization for interception of wire or oral communications in national security cases," which would replace the present authority relating to national security crimes enumerated in § 2516(a).[9] The proposed new section would authorize surveillance upon a showing of "probable cause to believe that the individual(s) whose oral or wire communications are to be intercepted has committed or is about to commit an offense punishable by death or by imprisonment for one year" under specified criminal statutes relating to espionage, saboage, treason and the like,[10] and that "such interception will probably provide or has provided evidence concerning the commission of that offense." Thus, the new section would expressly authorize surveillance, subject to a warrant requirement, in connection with all the crimes presently covered by 18 U.S.C. § 2516(a), except surveillance with respect to violations of the federal law relating to riots.[11] Enactment of the Nelson bill would make it clear that surveillance of someone suspected of violating one of the specified statutes is prohibited unless a warrant is first obtained, notwithstanding that the national security is implicated.

2. Standards for foreign agent surveillance

The bill seeks to implement the President's constitutional power to intercept the communications of foreign powers and foreign agents. This is done in a modified § 2511(3), which would delete the second sentence (referring to subversive activities) and otherwise read as follows:

"(3) Nothing contained in this chapter or in section 605 of the Communication Act of 1934 * * * shall limit the constitutional power of the President to take such measures *against foreign powers and foreign agents, pursuant to the procedures delineated in section 2518A,* as he deems necessary to protect the Nation against actual or potential attack or other hostile acts of a foreign power, to obtain foreign intelligence information deemed essential to the security of the United States, or to protect national security information against foreign intelligence activities. *Notwithstanding any other provisions of this Chapter, neither the contents, nor the evidence derived therefrom, of any wire or oral communication intercepted through application of this subsection shall be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in Federal or State court, except in civil proceedings against foreign agents.*" [New matter italicized.]

The proposed § 2518A referred to in the above quotation would require that an application for a warrant to conduct foreign agent surveillance be supported by "probable cause for belief that the interception is necessary in order to gain information serving one of the purposes set forth in section 2511(3)." In other words, a showing would have to be made that the surveillance of a foreign power or foreign agent was reasonably necessary: (i) to the protection of the Nation against actual or potential hostile acts of a foreign power; or (ii) to the conduct of foreign intelligence or counter-intelligence activities.

The term "foreign agent" is defined in a proposed new § 2510(12) as "any person who is not an American citizen or in the process of becoming an American citizen and whose first allegiance is to a foreign power and whose activities are intended to serve the interest of that foreign power and to undermine the security of the United States."

Thus, on the one hand, foreign agent surveillance would seem to be subject to a less stringent probable cause requirement than national security crimes surveillance, in that the more traditional requirement of a showing than a specific crime has been or is about to be committed is replaced by a requirement that a showing be made of a national security interest that reasonably requires the surveillance. On the other hand, foreign agent surveillance is authorized only in carefully limited situations. For in addition to a showing that the surveillance is reasonably required by considerations of national security or foreign intelligence, the Government must show that the surveillance is directed against a foreign power or against a person who (a) is not an American citizen, (b) is not in the process of becoming an American citizen,[12] (c) owes his first allegiance to a foreign power, *and* (d) is engaged in activities that are intended *both* to serve the interests of that foreign power *and* to undermine the security of the United States.

In contrast to present § 2511(3), evidence obtained from foreign agent surveillance may not be used in a criminal prosecution.

3. New procedures provided by the bill

The Nelson bill contains a proposed § 2518A entitled "Procedure for interception of wire or oral communications relating to national security." The procedures set forth in the proposed § 2518A apply both to national security crimes surveillance and to foreign agent surveillance. These procedures are substantially the same (subject to the exceptions noted below) as those contained in the present § 2518, which would continue to apply to law enforcement surveillances not related to national security.[13]

The requirement of a judicial warrant for foreign agent surveillance is new. The Omnibus Act sought to leave unaffected whatever power the President had under the Constitution to intercept the communications of foreign powers and their agents. The Nelson bill does not purport to diminish that power where national security or foreign intelligence is involved, but makes the exercise of the power subject to prior judicial warrant. The 1968 report of this Association recommended such a requirement.[14]

The proposed § 2518A would require, in the case of a warrant to conduct national security crimes surveillance, that an application be made to a court of competent jurisdiction (which is the procedure embodied in the present § 2518); in the case of a warrant to conduct foreign agent surveillance (which has no parallel in the Omnibus Act), the application could be made to a judge of a court of competent jurisdiction or in any event to a judge of the United States District Court for the District of Columbia.

The application must show that "there is probable cause for belief that the interception is necessary in order to gain information serving one of the purposes set forth" in section 2511(3) [foreign agent surveillance] or section 2516A [national security crimes surveillance]. The requirement of proof of probable cause is amplified in the Nelson bill, as compared with the Omnibus Act, in several ways: (i) with respect to national security crimes surveillance, there must be probable cause that the individual whose communications are to be intercepted has committed or is about to commit one of the designated offenses; and (ii) with respect to both national security crimes surveillance and foreign agent surveillance, there is an express requirement that the applicant must furnish "evidence, independent of his and others' conclusory opinion, that such interception shall serve one of the purposes set forth in section 2511(3) or section 2516A."

The latter requirement—which does not appear in present § 2518 of the Omnibus Act—seems designed to make doubly sure that the courts will require the Government to make a real showing of probable cause to believe that the surveillance is reasonably required by considerations of national security.

Further differences between the procedural requirements of the proposed § 2518A and the requirements embodied in the present § 2518 are as follows:

First, the proposed section does not contain any provision for wiretapping in advance of court approval in emergency situations, such as is contained in the present § 2518(7).

Second, the proposed section does not contain a provision requiring that a common carrier, landlord, custodian or other person assist the Government in intercepting communications, such as the present § 2518 (4).

Third, the proposed section does not contain a provision requiring that copies of the order and accompanying application under which the interception was authorized be furnished to the parties involved in advance of any trial, hearing or other proceeding in which the contents of what was intercepted or evidence derived therefrom is to be used in evidence, such as is contained in the present § 2518(9). The draftsmen evidently believed the purpose of such disclosure would be satisfied at an earlier date by the new disclosure provision described in *Fourth* immediately below.

Fourth, the proposed § 2518A(8) contains a provision requiring that any individual (except a foreign agent) whose wire or oral communications have been intercepted be furnished, within 30 days after the expiration of the last order authorizing such interception, with the order and application authorizing the interception "and a complete and accurate transcript or other record of the intercepted communication"—a far more extensive disclosure than is provided by the Omnibus Act.[15] Such disclosure may, however, be postponed for as long as reasonably necessary by the judge who authorized or approved the interception if that judge is satisfied that the individual whose communications have been intercepted is engaged in a continuing criminal enterprise or conspiracy *and* that disclosure of the interception would endanger vital national security interests.[16]

Fifth, there are also differences between the proposed § 2518A(5) and the present § 2518(5) with respect to certain applicable time limitations. Thus, while both subsections provide that interception cannot continue longer than reasonably necessary to achieve the objective of the authorization, the two subsections contain different maximum periods beyond which an extension must be sought from the court if the surveillance is to continue. The bill contains a 15-day maximum whereas the present law contains a 30-day maximum. The maximum allowable period of surveillance pursuant to an extension is 10 days under the bill as compared with 30 days pursuant to the present law.[7] Furthermore, the Nelson bill, as distinct from the Omnibus Act, conditions extensions of national security crimes surveillance authorizations (but not foreign agent surveillance authorizations) upon the furnishing of "additional information and evidence independent of that relied upon in granting the initial order and which, standing alone, would satisfy the requirements" for an initial order.

Sixth, the proposed § 2518(6) contains an apparently mandatory requirement that:

"Whenever an order authorizing interception is entered pursuant to this chapter, the order shall require reports to be made to the judge who issued the order showing what progress has been made toward achievement of the authorized objective and the need for continued interception. Such report shall be

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Footnotes at end of article.

made at such intervals as the judge may require." [Emphasis added.]

The present § 2518(6) provides that the judge "may" require such reports.

III. CONSTITUTIONAL ISSUES

1. *National security crimes surveillance*

So far as the Nelson bill deals with electronic surveillance in cases involving criminal threats to the national security, there is little doubt that the proposed amendments of the Omnibus Act are constitutional. In addition, Keith held that the President does not have the constitutional authority to conduct warrantless intelligence surveillances in instances of internal security threats. The Congress is thus not impinging upon any power of the President when it legislates standards and procedures which mandate the issuance of a warrant in such cases, or when it limits the authority to situations involving specified crimes. Such standards can only be unconstitutional if they fail to meet Fourth Amendment requirements. The standards and procedures proposed in §§ 2516A and 2518A of the Nelson bill clearly meet minimum Fourth Amendment requirements. A comparison of the ten standards established by the Supreme Court in Berger (pages 3–4 above) and those in the Nelson bill indicates that every necessary precaution is included. In fact, in some respects the safeguards are even stricter than required by the Fourth Amendment, and Congress is empowered to enact such stricter standards.[18]

2. *Foreign agent surveillance*

a. The Authority To Legislate

So far as the Nelson bill permits electronic surveillance to deal with threats to the national security emanating from foreign agents or foreign powers, the Fourth Amendment rights of those subject to such surveillance are likewise, in our view, not violated. The foreign agent surveillance standards and procedures in the Nelson bill provide, for Fourth Amendment purposes, no significantly different or lesser safeguards than those provided in the case of national security crimes surveillance. By the Berger and Katz tests, the foreign agent surveillance aspect of the Nelson bill is clearly invulnerable to constitutional attack by those whose communications may be intercepted in the course of a foreign agent surveillance pursuant to a prior judicial warrant issued under this legislation.

Somewhat different constitutional issues are raised, however, by the likely contention that the bill encroaches upon the President's constitutional power, pursuant to his authority in foreign affairs, to engage in warrantless surveillance where the national security is threatened by a foreign power or foreign agent, or where foreign intelligence or counter-intelligence is involved—the precise issue left open in *Keith*. There is little support for the proposition that the President is subject to no Fourth Amendment constraints at all when performing his duties relating to foreign affairs. That proposition was rejected even in the recent decision of the Third Circuit sustaining, by a 5–4 vote *en banc*, the use in an espionage prosecution of warrantless electronic interceptions conducted for foreign intelligence purposes. *United States* v. *Butenko*, 494 F.2d 593 (1974).[19] The President, of course, has the power to command the armed forces, to negotiate treaties with foreign states, and generally to conduct the foreign affairs of the country. And his power in the area of foreign affairs is generally exercisable more independently than other Executive powers. Nevertheless, there is no support in the Constitution for the proposition that the Fourth Amendment, which normally acts as a limitation on all other governmental powers, should not likewise apply to this particular set of powers.[20]

Warrantless electronic surveillance of a foreign power or foreign agent must necessarily extend to all those who communicate with the subject of such surveillance, including those not involved in the activities under surveillance. In the interest of the privacy of such third parties the Fourth Amendment is clearly called into play. Even the express and most fundamental powers of the President are subject to the limits and proscriptions contained in the Bill of Rights, and the historical origins of the Fourth Amendment are particular proof that that Amendment intended to deal with the conduct of such searches by the Executive.[21] The Fourth Amendment does not lose its applicability in criminal cases because a foreign agent or foreign intelligence gathering may be involved.[22] The Nelson bill's proposal to subject the President's power to intercept communications electronically to prior judicial warrant, whether or not a criminal case is contemplated, seems well founded in the Constitution, especially as the bill does not negate that power but only provides intervention to assure the reasonable search mandated by the Fourth Amendment.[23]

b. Balancing the Interests

Keith establishes that the applicability of the Fourth Amendment to the exercise of the Executive power does not finally settle whether that power is absolutely proscribed from warrantless electronic surveillance. The Court there carefully reviewed and balanced the interests served and disserved by requiring that wiretapping be preceded by judicial warrant. We believe that a similar balancing of interests with respect to foreign agent surveillance yields the same conclusion in favor of a statutory warrant requirement.

The balancing test necessarily needs to take into account the following considerations: The matter involved in a particular surveillance may be of such vital importance that the delay caused by a warrant requirement would be over-burdensome; the necessity for the Executive to disclose secret information to the judiciary enhances the possibility of security leaks; even though these leaks may be rare, their foreign context may make them more costly than in other situations; the court may lack competence to determine what constitutes a threat to the national security, and any judicial error of this nature may result in extremely costly losses; and in the foreign affairs arena the fine line that may exist between legitimate political dissent and domestic subversion has no analogy to the Government's efforts to oppose espionage or sabotage by foreign agents.

In our view each of these considerations is amply countered by the bill and surrounding circumstances.

The chance of delay is negated by the fact that such surveillance usually requires complex planning, during which time the warrant can be secured. Furthermore, it may be argued that § 2518(7) of the Omnibus Act continues to grant, and we recommend that the Nelson bill be modified so as expressly to grant, the Attorney General the authority to initiate a warrantless wiretap in an emergency situation involving the national security, subject to the safeguards and limitations contained in the present § 2518(7).

As to the possibility of security leaks, proper safeguards could minimize the chance of any such occurrence. If necessary, the Government can utilize its own clerical and stenographic personnel. Furthermore, although this argument has been frequently raised, not one instance of a judicial security leak has been cited.[24] The warrant procedure contemplates an *ex parte* proceeding, and thus the number of participants is minimal.

In the few situations in which the Supreme Court has recognized exceptions to constitutional warrant requirements, there has been a common theoretical foundation: In each there is a significant probability that delay would result in harm to law enforcement personnel or in frustration of the purpose of the search by destruction of the evidence.[25] Having demonstrated that the danger of leaks—and resultant harm to Government agents—is minimal, the national security situation fails to conform to the theory of the exceptions.

As to the effect on privacy of warrantless surveillance, the invasion of civil liberties cannot be minimized by arguing that mostly aliens will be the subject of national security foreign agent surveillances. It is extremely likely that the "bug'" will inevitably record many innocent American citizens communicating with the subject of the surveillance. It is, moreover, intolerably dangerous to leave to the Executive alone the power to determine that an individual is an agent for, or acting in concert with, a foreign power and thus subject to warrantless surveillance. In a recent case, the Attorney General authorized warrantless wiretaps on foreign national security grounds against several American members of the Jewish Defense League because their domestic protests strained our relations with Russia, and thus were said to have increased tensions in the Middle East.[26] Such unfettered discretion in the hands of the Executive inevitably leads to abuses, as we are taught by the history of Colonial times as well as by current events. The warrant requirement may help prevent some abuses, while providing prior judicial sanction to the approved applications.

The judiciary's deference to the Executive's discretion in the foreign affairs area is bound to weigh heavily in judicial determinations of probable cause. In 1971 over 800 court orders for wiretaps were issued without a single recorded denial.[27] Furthermore, the standard for the issuance of a warrant in foreign agent surveillance is less stringent under the Nelson bill than for surveillance intended to detect evidence of specific crimes. In summary, only frivolous and unreasonable surveillance, which is the product of excessive power, is likely to be prevented or deflected by a warrant requirement.

IV. POLICY CONSIDERATIONS

1. General

As indicated, the Nelson bill marks a further step in the continuing judicial and legislative effort to strike a meaningful balance between the constitutionally protected privacy of individuals and the responsibility of the Executive to protect personal and national security. The bill is intended to clarify and constrain, in favor of privacy, the Executive's power to engage in electronic surveillance in those circumstances referred to as matters of national security.

This Association has been on record since the early '60s in favor of the proposition that individual privacy must be protected by establishing a narrowly and clearly defined area of permissible electronic surveillance. Running through our successive reports there appears as well to have been a continuing minority view that the prohibition against electronic surveillance should be absolute.[28]

The most recent report of 1968, which followed *Berger* and *Katz* and preceded passage of the Omnibus Act, recommended the requirement of a warrant in all permitted cases of electronic surveillance, including those involved in instances of "espionage and foreign intelligence activities of the United States Government."[29] In addition, that report recommended procedural requirements, such as a showing of "probable cause" and particularity as to the conversations sought

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Footnotes at end of article.

to be intercepted, in line with *Berger* and *Katz* and the standards now proposed in the Nelson bill. The very narrow definition of "foreign agent" in the Nelson bill effectively moves many "national security" cases, particularly where domestic organizations and U.S. citizen individuals are involved, within the traditional requirements for warrants and procedural protections. Indeed, even as to "foreign agents" with only modest differences (as to renewal orders and divulgence requirements, for example), the same warrant and procedural requirements are found in the Nelson bill.

2. Disclosure of interceptions

One of the most far-reaching innovations of the Nelson bill is the requirement of proposed § 2518A(8) that, within 30 days after the expiration of each warrant, a transcript or other record of all intercepted communications be disclosed, with related information concerning the interception, to every individual whose communications were intercepted through exercise of the authority of the warrant. Disclosure to a foreign agent is excepted, but it appears that the subsection otherwise requires that the disclosure be made to both parties to each conversation intercepted, and thus requires disclosure to the other party to each conversation with a foreign agent. We believe, therefore, that the bill's attempt to withhold disclosure to the foreign agent himself is ineffective, for disclosures to those with whom he communicates will surely get back to the agent in short order in most cases, notwithstanding the proviso which states that disclosure of a foreign agent surveillance need not identify the foreign power or agent whose communications were intended to be intercepted, nor the facilities at which the interception took place.

Provision is made for postponement of disclosure if the judge who authorized the interception is satisfied "that the individual whose communications have been intercepted is engaged in a continuing criminal enterprise or conspiracy and disclosure of the interception will endanger vital national security interests."

These provisions have provoked the greatest amount of discussion and difference of opinion in our consideration of the Nelson bill. The basic purpose of the disclosure provision is to act as a check upon the extent of electronic surveillance, by informing the individuals affected that they have been subjected to it and thereby enabling them to pursue whatever legal or political remedies may be available to them. As expressed in another recent legal analysis of this subject:

> "Even a modest increase in the proportion of government surveillances which are disclosed could significantly strengthen judicial control of illegal surveillances, since criminal defendants will be more likely to challenge the legality of surveillances to which they have been subjected, and others may seek civil remedies. The greater the number of surveillance warrants which are subjected to later review, the more care may be expected on the part of warrant issuers as well as the Government. Moreover, even those disclosures which do not bring court tests may result in publicity and thus in more effective political control over government surveillance practices."[30]

Some members of our Committees are troubled by the wisdom and practicality of a broad disclosure requirement relating to electronic surveillance, particularly insofar as the intelligence-gathering activities we have referred to as "foreign agent surveillance" are concerned. In addition to objections as to the desirability of subjecting intelligence or counter-intelligence activities to public scrutiny as described above, those with negative views toward disclosure have pointed out that there can be serious invasions of privacy in making disclosure to both parties to every intercepted conversation. Thus, if surveillance is authorized with respect to a person, but no evidence of wrongdoing turns up and the investigation is closed, it will be very prejudicial to that person to disclose to all who have communicated with him during the period of surveillance the fact that he was under investigation (a fact that will be apparent to the other parties to the conversations once they deduce from the circumstances that it was not they who were under investigation).

The prevailing view in our Committees, however, is that on balance disclosure serves constructive purposes. We have previously supported "disclosure of taps and bugs" except in narrowly defined circumstances,[31] and the prevailing view is that we should do so again. The Nelson bill's proposed disclosure of the contents of electronically intercepted conversations to the participants in those conversations once the interception process has terminated and, presumably, has served its purpose, redresses in some measure the prior *ex parte* incursion into the privacy of those whose conversations have been intercepted without their knowledge or approval. Once made aware of the occurrence and contents of the electronic interception, a participant is enabled to take appropriate legal, political, or personal steps to remedy the injury caused by the interception.

In our view, precisely the prospect of such efforts to secure personal remedies may deflect frivolous applications or unduly permissive judicial warrants to tap or bug private conversations. Accountability at the instance of those whose privacy has been abused will, we believe, more surely prevent abuse than the remote possibility of prosecution of the abuser (whose abuse will usually be unknown to the victim absent a disclosure requirement), or the operation of the evidentiary exclusionary rule, which is dependent upon prosecution of the primary subject of surveillance. In this appraisal of the bill's unique disclosure proposal, we consider unconvincing the assertion by some members of the Committees that disclosure itself will work a breach of privacy, since we conclude that far greater such breaches would be caused by the improper interceptions we expect to be reduced in number by the mere existence of the disclosure requirement.

We believe, nevertheless, that the provision of the bill for judicial postponement of disclosure is too narrow. It requires a finding of both continuing criminal enterprise *and* danger to vital national security interests.[32] It would be more logical and prudent for the legislation to authorize postponement of disclosure on either of these grounds in the alternative, or perhaps to permit postponement of disclosure of a national security crimes surveillance on a showing of continuing criminal activity, and of a foreign agent surveillance on a showing of a national security interest alone. The statute should also make clear that the duration of postponement can be indefinite in time, should that be warranted by the factual grounds for postponement. Such modifications of the disclosure provision would go a long way to ameliorate the concern, expressed in the next section of this report, with the impact of the Nelson bill on surveillance of foreign diplomats.

3. Embassy surveillance

It has become an open secret that agents of our Government conduct electronic surveillance of foreign embassies and diplomats in this country, although the extent of the practice is much less clear.[33] The Nelson bill plainly appears intended to cover such activity, though it does not address the subject expressly except by referring to surveillance directed against "foreign powers." This raises some difficult legal questions.

The debate over disclosure of surveillance after the fact, expressed in the last section of this report, centers largely (though not wholly) on the impact of disclosure upon surveillances of this type. For the reasons indicated above, and taking account of the need for some degree of circumspection in matters touching upon diplomatic relations between nations, we believe the Congress should more carefully specify the terms for deferral of disclosure to persons whose conversations with diplomatic missions have been intercepted.

There is also a more fundamental legal question. One hundred fourteen nations have signed and ratified the 1961 Vienna Convention on Diplomatic Relations, a treaty ratified with the advice and consent of the Senate which entered into force with respect to the United States in 1972.[34] Article 22 provides that the premises of a diplomatic mission shall be inviolable. Article 24 provides that the archives and documents of a mission shall be inviolable at any time and wherever they may be. Article 27 provides that the host nation shall permit and protect free communication on the part of the mission for all official purposes. Article 29 provides that the person of a diplomat shall be inviolable. Article 30 provides that his private residence shall enjoy the same inviolability and protection as the premises of the mission.

The Convention requires respect for these immunities on the part of the host nation, notwithstanding that a particular diplomat or mission may be engaged in espionage or other violation of domestic and international law. However, Article 47 does appear to allow the host nation to apply provisions of the Convention "restrictively" on account of a restrictive application of the same provision to its mission in the other country. Thus, a right to retaliatory action appears to be recognized.

This treaty, which was intended to be declaratory of long-standing principles of international law, is of course part of the "supreme Law of the Land" under our constitutional system. We believe the Congress should address the problem suggested in the foregoing summary, by providing expressly in the Nelson bill that a judge asked to issue a warrant for national security surveillance should require a showing that the particular surveillance will not be inconsistent with the international obligations of the United States. The importance of adherence to standards of public international law is magnified when the procedures in question implicate the courts, the branch of our governmental system most clearly (though not solely) charged with maintenance of the rule of law. *Cf. United States* v. *Butenko, supra,* 494 F.2d at 636–37 (Gibbons, J., dissenting). The suggested showing would, as with all proceedings leading to the issuance of a surveillance warrant, be made *ex parte* and under the same safeguards discussed earlier for the protection of confidentiality.

V. SUGGESTED MODIFICATIONS IN THE NELSON BILL AND EXTENSION OF ITS SAFEGUARDS TO THE OMNIBUS ACT

The following modifications in specific provisions of the Nelson bill (in addition to those already mentioned above or in footnotes) would seem appropriate:

First, the proposed § 2518A should be modified to include provisions for surveillance in advance of the application for a warrant in those extraordinary emergency situations in which there is no time to seek court approval.[35]

Second, the proposed § 2518A should be modified to include an express provision, similar to the present § 2518(9), for disclosure of interceptions in advance of any trial, hearing or other proceeding in which the contents of what was intercepted or evidence derived therefrom is to be used in evidence. Doubtless such disclosure would have to be made in any event in virtually all cases pursuant to the requirements of the pro-

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Footnotes at end of article.

posed § 2518(8). As noted above, that proposed subsection requires disclosure to be made within 30 days after the interception, subject to postponement of disclosure only so long as necessary. The necessity for postponement presumably would no longer be present if the evidence obtained or derived from the interception were to be used at a trial, hearing or other proceeding. Nevertheless, out of an abundance of caution, we think the legislation should contain an express provision for disclosure of the interception in advance of such proceedings.

Third, we see no reason to make mandatory the requirement for periodic reports to the judge. As noted above, an extension order must be obtained from the court if interception is to continue for longer than 15 days. The proposed § 2518A(5) expressly requires the court to make anew the findings required for an initial interception order and also requires the "applicant to furnish additional information and evidence independent of that relied upon in granting the initial order and which, standing alone, would satisfy" the requirements of the statute. In view of this requirement, it seems unnecessary to superimpose a mandatory additional requirement of periodic reporting. The permissive language of the present § 2518(6) would seem sufficient.

Fourth, we recommend that the proposed § 2518A(3) of the bill be expanded to include an express requirement, in the case of foreign agent surveillance, of a finding by the court that the person whose communications are to be intercepted is in fact a "foreign agent," as that term is defined in the bill, or at least that there is probable cause to believe he is. While we think such a requirement is implicit in the Nelson bill in its present form, the addition of language expressly requiring such a finding would remove any doubt there might otherwise be as to the legislative intention. In connection with this same provision, we recommend that the part of the definition of "foreign agent" excepting U.S. citizens and certain aliens refer, in the interest of greater precision, to an alien "lawfully admitted for permanent residence within the United States" instead of to an alien "in the process of becoming an American citizen."[36]

Finally, we have, in the course of this report, indicated the several instances where the interests of privacy are better protected by the Nelson bill than by the Omnibus Act. There are reasons deriving from the grounds for and nature of the surveillances contemplated by the Nelson bill which may suggest a basis for such differentiation.[37] We have concluded, however, that the safeguards introduced by the Nelson bill are appropriate not only to the purposes of that bill, but also to the entire field covered by the Omnibus Act. Accordingly we recommend that the Nelson bill be modified so as to extend to the balance of the Omnibus Act such improvements as the unique probable cause [§§ 2561A(1) and 2516A(2)] and conditions of extension [§ 2518A(5)] provisions of the Nelson bill. In other respects, such as time limits, the two enactments should be conformed. And with respect to disclosure after surveillance, the same difference of views with respect to the wisdom and efficacy of this provision applies to its extension to the Omnibus Act, with the prevailing view favoring such extension for the reasons discussed earlier (see pages 14–16 above).

VI. CONCLUSION

With the modifications suggested in this report, we recommend enactment of the Nelson bill.

Committee on Federal Legislation

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FOOTNOTES

[*] Mrs. Head and Mr. Morvillo dissent from the principal conclusions of this report relating to foreign agent surveillance, for the reasons indicated in their individual views at page 23, below. Mr. Bregman dissents in part, as explained in his individual views at page 25.

[1] *Union Pacific R.R.* v. *Botsford*, 141 U.S. 250, 251 (1891); *Terry* v. *Ohio*, 392 U.S. 1, 9 (1968).

[2] See WESTIN, PRIVACY AND FREEDOM (1967), Chap. 4, for an excellent review of the new techniques of electronic surveillance.

[3] *Nardone* v. *United States*, 302 U.S. 379 (1937); also see same case at 308 U.S. 338 (1939).

[4] See also *On Lee* v. *United States*, 343 U.S. 747 (1952); *Silverman* v. *United States*, 365 U.S. 505 (1961).

[5] *Berger* v. *New York*, 388 U.S. 41 (1967); *Katz* v. *United States*, 389 U.S. 347 (1967).

[6] See Elliff, "Electronic Surveillance for 'National Security,'" *New York Law Journal*, June 5, 6 and 7, 1974 (page 1 of each issue).

[7] THE CHALLENGE OF CRIME IN A FREE SOCIETY, pp. 201–203 (1967).

[8] *United States* v. *Focarile*, 340 F. Supp. 1033 (D. Md. 1972), *aff'd sub nom. United States* v. *Giordano*, 469 F.2d 522 (4th Cir. 1972); *United States* v. *Escandar*, 319 F. Supp. 295 (S.D. Fla. 1970).

The constitutionality of the Omnibus Act is assumed in the recent decisions of the Supreme Court in *United States* v. *Giordano*, 42 U.S.L.W. 4642, and *United States* v. *Chavez*, 42 U.S.L.W. 4660 (May 14, 1974).

[9] The present § 2516(a) would be deleted by the Nelson bill, and each of the present subsections following, listing other types of crimes subject to surveillance authority, would then be identified by the preceding letter in the alphabet.

[10] These statutes are 42 U.S. §§ 2274–2277 (relating to enforcement of the Atomic Energy Act of 1954); and 18 U.S.C. Chapter 37 (relating to espionage), Chapter 105 (relating to sabotage), and Chapter 115 (relating to treason).

[11] One effect of enactment of the Nelson bill thus would be to repeal the present authorization for electronic interception where there is probable cause to believe an individual has committed or is about to commit an offense punishable pursuant to Chapter 102 of Title 18 related to riots. Such a partial repeal of the present statute would be in accord with this Association's previously expressed view that wiretapping and eavesdropping be limited to cases "involving murder, kidnapping, or espionage, and the foreign intelligence activities of the United States government." See Ass'n of the Bar of the City of New York, Reports of Committees Concerned with Federal Legislation, Vol. 7, No. 2, at p. 3 (1968) (hereafter "the 1968 Report").

[12] The ambiguity of this concept is criticized at page 19 and note 36, below.

[13] There are several minor differences between the language of the proposed § 2518A and the present § 2518 which were required because the proposed section deals in part with foreign agent surveillance, which does not necessarily involve violations of specific statutes, whereas present § 2518 deals solely with surveillance in which violations of specific statutes are involved.

In addition, the proposed § 2518A differs from the present § 2518 in a few minor instances, not discussed in the text, in which there would not appear to be any substantive reason for the change. For example, present § 2518(1)(c) requires that an application for a warrant contain a "full and complete" statement with respect to other investigative procedures tried, whereas proposed § 2518A(1)(c) would require a "detailed" statement. There would not appear to be any substantial difference between these two provisions, which are otherwise identical in language. It would seem appropriate in such instances for the language of the Nelson bill to be modified so that present § 2518 and proposed § 2518A would conform with each other. This would eliminate any danger of litigation concerning the effect of such minor variations in language.

[14] See the 1968 Report, at p. 3.

[15] Section 2518(8)(d) of the present Act appears to authorize disclosure to an individual who has been the subject of an "emergency" wiretap pursuant to § 2518(7), of the fact and date of application, authorization or denial of a wiretap order, the fact and time of interception, and, on his motion and in the judge's discretion, the intercepted communication.

[16] The proposed § 2518A(8) also provides that any interception "disclosed pursuant to this subsection and which involves application of section 2511(3) [foreign agent surveillance], need not disclose the foreign power or agent whose wire or oral communications were intended to be intercepted nor those facilities at which the interception was intended to or did take place." See the text at page 15, below.

[17] The proposed § 2518A(5) also contains an express provision that every order *or extension* shall contain a provision that the interception must terminate in any event within 15 days. This 15-day period is consistent with the maximum set forth in the subsection applicable to initial orders but inconsistent with the 10-day maximum applicable to extensions. For simplicity, we suggest that the Nelson bill be modified so that the maximum time applicable to extensions is the same as for the initial order. In addition, consideration should be given to conforming the maximum time under § 2518A and § 2518.

[18] See *United States* v. *Giordano*, *supra* note 8, 42 U.S.L.W. at 4649.

[19] In several other cases the presidential authority to conduct warrantless surveillance in matters affecting foreign affairs has been sustained. *United States* v. *Brown*, 484 F.2d 418 (5th Cir. 1973); *United States* v. *Clay*, 430 F.2d 165 (5th Cir. 1970), *rev'd on other grounds*, 403 U.S. 698 (1971); *Zweibon* v. *Mitchell*, 363 F. Supp. 936 (D.D.C. 1973). Neither *Butenko* nor any of these cases, however, dealt with the issue of what effect upon that authority would result from an express statutory requirement of a judicial warrant.

See, generally, Note, "Foreign Security Surveillance and the Fourth Amendment," 87 HARV. L. REV. 976 (1974) (hereafter "Harvard Note").

[20] See the several opinions of the judges of the Third Circuit in *Butenko*, *supra*.

Judge Gerhard A. Gesell, United States District Court for the District of Columbia, has recently held the Fourth Amendment applicable to a non-electronic search and seizure claimed to have been undertaken under presidential authority in connection with intelligence-gathering deemed necessary for the conduct of foreign affairs, *N.Y. Times*, May 25, 1974, p. 13. See also Harvard Note at 978–79.

[21] *United States* v. *Pink*, 315 U.S. 203 (1942); *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579 (1952); *Kent* v. *Dulles*, 357 U.S. 116 (1958); *Reid* v. *Covert*, 354 U.S. 1 (1957). See also *Hurtado* v. *California*, 110 U.S. 516, 531–32 (1884); *Sterling* v. *Constantin*, 287 U.S. 378, 401 (1932); *Ex parte Endo* 323 U.S. 283, 299 (1944); Cooley, Constitutional Law, p. 203 (4th ed. 1931); Story, Commentaries on the Constitution, § 1842 (1833).

See, generally, Lasson, The History and Development of the Fourth Amendment to the United States Constitution, pp. 13–143 (1937); Landynski, Search and Seizure and the Supreme Court, pp. 19–48 (1966).

[22] *United States* v. *Butenko, supra; Abel* v. *United States*, 362 U.S. 217 (1960); *United States* v. *Coplon*, 185 F.2d 629 (2d Cir. 1950).

[23] It is not necessary to consider here whether Fourth Amendment requirements apply to the Executive's intelligence-gathering activities abroad, since the Nelson bill does not purport to deal with such activities, and the underlying Omnibus Act appears to limit its reach to the geographical United States. See, *e.g.*, 18 U.S.C. §§ 2511(1), 2518(3); *United States* v. *Toscanino* (2d Cir. May 15, 1974), slip opinion, pp. 3516–19.

It is also unnecessary to discuss the different question of the use in an American criminal trial of evidence gathered abroad by federal agents through means that violate Fourth Amendment standards, as such use appears to be prohibited by existing case law. See *United States* v. *Toscanino, supra*, and cases cited therein.

[24] See Note, 45 So. Cal. L. Rev. 888, 900 n. 49.

[25] See *e.g., Chimel* v. *California*, 395 U.S. 752 (1969) (search incident to arrest); *Terry* v. *Ohio*, 392 U.S. 1 (1968) ("street encounter" frisk); *Warden* v. *Hayden*, 387 U.S. 294 (1967) ("hot pursuit").

[26] *Zweibon* v. *Mitchell, supra* note 19.

[27] *N.Y. Times*, June 30, 1972, p. 17.

[28] The earliest report on the subject was that of the Committee on Federal Legislation in 1961. Ass'n of the Bar of the City of New York Reports, Vol. 136, Report No. 2264 (1962). There followed joint reports of the Committees on Federal Legislation and on Civil Rights in 1962 and 1968. Ass'n of the Bar of the City of New York, Reports of Committees Concerned with Federal Legislation, Vol. 1, p. 93 (1962); the 1968 Report, *supra* note 11.

[29] The 1968 Report, at p. 3.

[30] Harvard Note at 999–1000.

[31] The 1968 Report, at p. 3.

[32] The analysis of S. 2820 prepared by Senator Nelson's staff indicates that the word "and" in proposed § 2518A(8) is intended to be disjunctive rather than conjunctive. Surely the face of the legislation should unequivocally express the intent where such a vital difference is involved.

[33] Former Attorney General Ramsey Clark has recently testified that there were about 100 electronic surveillances on foreign missions or alleged agents when he became Acting Attorney General late in 1966, that he shortly reduced the number authorized to 40-odd, and that the number remained at that level thereafter (with few changes in specific wiretaps) until the end of 1968. It is not clear how many of these surveillances were on diplomatic missions, or how many different foreign countries were affected. See Elliff article, *supra* note 6, issue of June 6, 1974.

[34] TIAS No. 7502. Similar provisions are contained in the Vienna Convention on Consular Relations, which was signed in 1963 and entered into force with respect to the United States in 1969. TIAS No. 6820, 21 UST 77 (1970).

[35] It appears that such a provision was omitted because the draftsmen doubted the necessity for such a provision. Indeed, there has been testimony at hearings on the Nelson bill that the emergency provision in the present § 2518(7) has never been used.

[36] This aspect of the bill's definition of "foreign agent" is presently ambiguous. In one sense, the "process" of becoming an American citizen commences upon arrival in this country as a permanent resident. 8 U.S.C. § 1427(a). In another sense, the "process" does not begin until an application for naturalization is actually filed. The bill's terminology appears to be a reference to the former process of filing "first papers" for citizenship, which no longer exists in our naturalization laws.

[37] The reduced likelihood of disclosure by reason of prosecution in the case of foreign agent surveillance may justify the broader and mandated disclosure provided for in the proposed § 2518A(8) of the Nelson bill. But see the discussion of this provision in the text at pages 14–16 above.

Individual Views

(By Elizabeth Head and Robert G. Morvillo)

We respectfully dissent from that portion of the Committees' report approving the requirement of a court-sanctioned warrant to wiretap foreign agents and foreign powers. We do so because we believe that such legislation could well be interpreted to impose severe barriers to foreign national security wiretapping, to the detriment of our foreign intelligence and policy programs; and because there has been no demonstration that the privacy of American citizens has been unreasonably invaded by our present system.

It is common knowledge that all governments, as part of their espionage, counterespionage and foreign intelligence programs, utilize wiretapping. Presumably, this device is beneficial and useful. The instant legislation, for the first time in our history, places restrictions on the use of wiretapping against foreign nationals and foreign powers. Under proposed § 2518A, the CIA or any other foreign national security agency will have to make a *showing* that a wiretap is *necessary* "to protect the Nation against actual or potential *attack* or other *hostile* acts of a foreign power," or "to obtain foreign intelligence information deemed *essential* to the *security* of the United States" or "to *protect* national security information against foreign intelligence activities." (Emphasis added.) When one adds to these burdens the new express requirement that "in no event may authorization of" interception of "any wire or oral communication be granted unless the applicant furnishes *evidence*, independent of his and others' conclusory opinion that such interception" meets the above standards, it becomes clear that it will be difficult to secure court authorized wiretaps in this area. (In this connection, the very restrictive definition of "foreign agent" will increase the difficulty of adducing the necessary evidence. Thus, to meet the definition of "foreign agent" the Government must adduce evidence that he (1) is not an American citizen, (2) has his first allegiance to a foreign power, (3) is working to serve the interest of that foreign power, *and* (4) is working to undermine the security of the United States.) (Emphasis added.)

In our opinion, the above standards place substantial and unnecessary burdens upon the Executive to justify its foreign national security and intelligence wiretaps.

It is submitted that these burdens could substantially reduce the number of national security wiretaps. Many of the embassy and consulate wiretaps, commonly employed to obtain diplomatic information and the like, will simply not meet these standards. Clearly the Committees have insufficient information, experience and expertise to evaluate whether such a curtailment of this type of wiretapping is a wise policy. The Committees' report, in reality, is a brief for the curtailment of *all* wiretapping, regardless of whether or not the wiretapping promotes the public good. While this may be an appropriate attitude where the likelihood of the invasion of the privacy of law-abiding American citizens is concerned, we believe the interest of maintaining a strong and competitive foreign posture is paramount, especially where, as here, the likelihood of a substantial invasion of the privacy of American citizens is minimal.

Ostensibly the Nelson bill changes the law. For the first time in our history, it would require the Executive to seek judicial approval of foreign wiretaps. The recent *en banc* decision of the United States Court of Appeals for the Third Circuit holds that such a procedure is not constitutionally mandatory. *United States* v. *Butenko*, 494 F.2d 593 (March 5, 1974). The Committees' report does not indicate why they find such legislation necessary at this time. No catalogue of abuse of the Executive power in this area has been provided or, we dare say, even considered. (The Committees have cited one claimed abuse dealing with wiretapping of the Jewish Defense League. In view of the court's ruling in that case, upholding the authority of the Executive to tap without a warrant and finding that "The activities of the JDL posed a threat to the continuance of our peaceful foreign relations with the Soviet Union and subjected American citizens living in Moscow to harm by retaliation," this is hardly the type of an abuse, if an abuse at all, that should be the predicate for remedial legislation. *Zweibon* v. *Mitchell*, 363 F. Supp. 936, 943 (D.D.C. 1973).) The conduct of foreign policy and foreign national security is, of course, difficult and delicate. To add to the burdens of the Executive in this area absent a clear showing of need is, in our opinion, unwarranted.

(By Eric Bregman)

I respectfully dissent with respect to the disclosure of "foreign agent" wiretaps. The report approves full disclosure of foreign agent wiretaps to third parties who are overheard in the process, which will guarantee that the foreign agent or embassy will know that it has been bugged. The sole qualification is that disclosure of "foreign agent" taps may be postponed as long as a judge is convinced that a vital national security interest will be impaired by the disclosure. The report states only that Congress should "more carefully specify the grounds" for postponing disclosure. I think that there should be no disclosure of foreign agent wiretaps.

The problem I perceive is that many foreign agent wiretaps may be designed to gather intelligence and not to prevent specific acts of espionage or other crimes. Disclosure of the existence of a wiretap could be very destructive to those intelligence-gathering activities. Postponement is not a sufficient remedy because in every case where the purpose of the wiretap is intelligence-gathering, it is disclosure of the fact of the tap, at any time after it was made, which will undercut the purpose of the tap. Thus, the Government will always ask for unlimited continuation of postponement of disclosure. If that is going to be the case, as appears likely, there is no reason to provide for disclosure at all.

Moreover, in intelligence-gathering situations with respect to foreign agents, where no prosecution, deportation or arrest is planned, there is really no way to enforce the warrant requirement of the bill. If the State Department or CIA wants to gather information at an embassy, there is nothing to prevent the tap without a warrant, provided the agency doesn't use the information obtained to support any legal action. Therefore, requiring disclosure of wiretaps obtained through a warrant will immediately cause every foreign intelligence gatherer to ignore the warrant requirement. All of the safeguards built into the Nelson bill, the warrant requirement, time limitations and the strict definition of "foreign agent," will be for naught.

I think that wiretaps are essentially evil and undermine freedom. The importance of the very few cases in which they provide information otherwise unobtainable is far outweighed by the unjustifiable invasions of privacy in the great majority of cases where the information *is* otherwise obtainable, the disrespect for privacy and the attitude that law enforcers can do whatever they want to achieve their allegedly legitimate ends—all of which appear to me to be the by-products of indiscriminate wiretapping. I believe the Nelson bill's requirement of disclosure in the national security area is, except as discussed above with respect to foreign agent taps, valuable as the single most important deterrent to unjustified wiretaps.

I do not agree with Mr. Morvillo and Mrs. Head that the benefits of disclosure in areas other than foreign agent situations is outweighed by the invasion of privacy of the person tapped or the unproved need of law enforcement personnel to keep taps secret. In short, I think the balance of factors which the report ably describes is properly in favor of disclosure in all areas other than foreign agent taps.

Mr. President, I yield the floor.

Mr. PASTORE. Mr. President, the subcommittee and the full committee of the Senate discussed this amendment. It was unanimously agreed—and I do not remember any objection being made at the time—that this matter was of such fundamental policy that it should not be placed as a limitation on the appropriation bill.

I think there is a lot of merit to what the Senator from Wisconsin has said, and what the Senator from North Carolina would outline in his own way.

We do have a letter from the Office of the Attorney General opposing this amendment and raising the identical question, that this would prevent the Government from obtaining vital foreign intelligence.

I recall in 1963, Mr. President, when I was sent by President Kennedy to Moscow, together with the Secretary of State, to witness the signing of the Nuclear Test Ban Treaty. That evening, after we had completed our official business, we were sitting on the veranda of the Embassy.

We began talking about a number of problems, when, lo and behold, the Ambassador suggested that possibly it would be well for us to take a walk in the garden and talk about these things. Everything that we were saying on the veranda was being tapped by the Russian Government.

I realize this is a very, very sensitive area. But whatever we do, let us not throw the baby out with the bath water.

What we are talking about here is foreign intelligence. I am not saying you should go to a court or that you should not go to a court before you get such a warrant. All I am saying is that this matter ought to be heard by the Judiciary Committee; I think the Attorney General ought to be heard from; I think the Director of the FBI ought to be heard from; I think the National Security Council ought to be heard from; I think the President of the United States ought to be heard from, before we make up our minds as to exactly what we are going to do.

I think that under the guise of protecting national security the previous administration went absolutely too far. I am not here to defend that one bit but, after all, we are not going to have the Ehrlichmans and the Haldemans, and others like them, forever.

The point here is, let us not do anything too hastily to jeopardize the national security of this country. Our missions are being tapped all over the world by foreign agents who want to know what we think and what we are going to do.

I think that we should not tie the hands of the President or of the Justice Department, or of the FBI, to get themselves in the same maneuver of tit-for-tat. That is all we are talking about here.

I am not saying that the merits of this are not worthy. I am not saying that for 1 minute. All I am saying is, let us get into it in detail. Let us explore it. Let us come out on the floor and debate it.

I would be the first one, if I were convinced that this is the right thing to do, to uphold the hand of the Senator from Wisconsin and the hand of the Senator from North Carolina.

Mr. NELSON. Will the Senator yield for a question?

Mr. PASTORE. I yield.

Mr. NELSON. The Senator from North Carolina, myself, and many others would be very happy to debate this issue on the floor of the Senate, to have hearings in the Judiciary Committee, but that has not happened and there is no prospect that it will happen this session.

When the Constitution is being violated—and I think it is clear that it is—it is time for the Congress to act. If we have to use an appropriation bill through which to act to protect the people's constitutional rights, then we ought to use appropriation bills. We must use anything at hand to save us from invasions of privacy and violations of the Constitution, which have been a widespread practice for several years.

Mr. PASTORE. Now may I ask the distinguished Senator a question in return? Does he mean by people and their right of privacy the undercover agents of the Russian Embassy? Is that what he means? Is that who we are trying to protect?

Mr. NELSON. No; we are not trying to protect——

Mr. PASTORE. That is what this is all about.

Mr. NELSON. We are trying to protect freedom in this country. The Government can get a warrant from a court to tap any foreign power it wants to tap.

Mr. PASTORE. But they cannot show probable cause because they do not have probable cause. They may only have a suspicion, and that is all they have.

Mr. NELSON. The court has said in case after case that Congress can establish a different level of probable cause for a number of purposes. This would be one of them.

Mr. PASTORE. All I have to say to my good friend from Wisconsin is I talked with the chairman of the committee, Mr. EASTLAND, and I talked with Mr. MCCLELLAN. They are perfectly willing to hold hearings on this subject. I think we ought to have a very detailed series of hearings on this issue. We ought to hear from all of the officials involved. We should not come on this floor without any proof, without any evidence, without any hearings, and make a fundamental decision that could prove harmful to the country.

Mr. NELSON. There is nothing here cutting anybody's throat. I am happy to have legislation reported out.

I know the Senator from North Carolina has an observation to make. I will yield the floor to him.

Mr. ERVIN. Will the Senator yield to me for 5 minutes?

Mr. NELSON. I yield whatever time the Senator desires.

Mr. ERVIN. Mr. President, I would not be so much concerned about this matter if I had not attended some meetings held by the head of the Criminal Law Division of the Department of Justice, who still, apparently, is wedded to the proposition that the Department of Justice is free to bug the homes of any American, provided they can say they have a suspicion that he might be engaged in some matter affecting national security.

During the hearings on the Watergate affair, the Senate Select Committee was presented with some bizarre conceptions of what is national security.

For example, Mr. Ehrlichman stated flatly that the President of the United States has the absolute power to suspend the fourth amendment whenever he determines, in his own reviewable judgment, that some matter of national security is involved.

National security is a very vague and indefinite term. The hearings of the committee on the Watergate affair indicated that, in the opinion of the White House, the conclusion of Dr. Fielding, a psychiatrist or psychoanalyst who had rendered professional services to Daniel Ellsberg, affected national security.

We had the Attorney General of the United States, who, up to the Keith case, took the position that the President had an absolute right to conduct warrantless wiretaps of any citizen of the United States who, in his judgment, might be supposed to be performing acts that affected the domestic security of this country.

In the Keith case, Justice Powell said that all the recognition of constitutional powers of the Government did not give the President additional powers than he had under the Constitution.

While I am concerned about national security, I think that we have exactly the same power to conduct a warrantless wiretap in the case of domestic subversion which is designed to overthrow the Government. The Supreme Court held in the Keith case by a unanimous opinion that no such power exists.

I agree with the Senator from Rhode Island that this is a serious matter and that there ought to be some action taken. The distinguished Senator from Wisconsin and I have been concerned about the subversion by the Congress, we thought, of the fourth amendment and the no-knock laws. Apparently, the only way we could get action on the no-knock laws was to offer our amendment on the floor of the Senate to another bill. I have hopes that the no-knock laws will be a thing of the past soon.

I certainly think that this entire subject should be reviewed. I absolutely have a sense of frustration when the second highest law enforcement officer in the United States still, apparently, adheres to the idea that the President has an absolute right to have bugged any American if he, at the present time, in his unreviewable discretion, says that he suspects or has some faint suspicion that an indefinable term like "national security" is involved.

Mr. **PASTORE**. Will the Senator yield on that point?

Mr. **ERVIN**. Yes.

Mr. **PASTORE**. I hope the Senator does not run off with the impression that I am defending that.

Mr. **ERVIN**. No, I am not.

Mr. **PASTORE**. I am not defending that one bit. I am talking about foreign intelligence gathering. That is all I am talking about. I am suggesting that this matter should be looked into very carefully.

I say to the Senator, I would be the first one—I agreed with the Senator on his no-knock law; he knows that.

Mr. **ERVIN**. Yes, I do.

Mr. **PASTORE**. I agreed with him on the right of privacy. All I am saying is that we are in a very sensitive area here, and we had better hear from everybody before we make up our minds.

Mr. **ERVIN**. I am not insinuating that the distinguished Senator from Rhode Island is not in sympathy with the overall efforts of the distinguished Senator from Wisconsin and myself, because during the years I have been in this body, no one has been more zealous than the Senator from Rhode Island in the protection of the rights of the individual.

I do agree with the distinguished Senator from Wisconsin that it is quite possible that under the fourth amendment, Congress could provide differences in what constitutes probable cause for a search under the fourth amendment.

In fact, the Supreme Court, in cases since repudiated, did make such an application in case of search and seizure by police officers without a warrant to discover the presence of vermin in homes which were endangering public health.

I agree with the Senator from Rhode Island that it would be highly desirable to have hearings on this matter, to have all angles properly exposed and considered. I think that those hearings should be held without delay.

Mr. **NELSON**. Mr. President, I yield myself 3 minutes for purposes of keeping the record clear.

The Subcommittee on Constitutional Rights, and the Subcommittee on Administrative Practices of the Committee on the Judiciary and the Subcommittee on Surveillance of the Committee on Foreign Relations did conduct hearings on this exact question, and the Attorney General testified on May 23 with FBI Chief Kelley. One excerpt from the Attorney General's testimony was following:

> As I suggested in executive session, I would like to see the Congress take some action in this area.

The Attorney General himself on May 23, was testifying that he would like to see some action taken in this matter.

Is the distinguished Senator from Arkansas willing to respond to the question respecting what possibilities there may be for hearings before his committee on this particular issue? I am well aware of how busy the Judiciary Committee and its subcommittees have been, as well as, of course, the Appropriations Committee, and that many important bills have not been scheduled for hearing because of the press of business. But uncontrolled wiretapping is, as the Senator well recognizes, a matter of great import because it does involve the Constitution. It involves questions concerning the constitutional rights of American citizens. It involves questions concerning the surveillance of foreign agents, so they are, certainly, very important matters.

The President, as the distinguished Senator knows, commented in his speech that he was going to prevent any illegal wiretaps or bugging. Many constitutional authorities, as well as many of us in the Congress, believe that there has been rather widespread unconstitutional invasion of privacy; in short, it is an important matter, as I know the Senator from Arkansas recognizes.

Is the Senator able to advise the Senate whether it is feasible between now and prior to adjournment, or prior to the beginning of the next session, to begin some hearings on this issue so that sometime early next year, after extensive hearings, we could have the issue here on the floor for consideration?

Mr. **HRUSKA**. Will the Senator yield for a unanimous-consent request?

Mr. **NELSON**. Yes.

Mr. **HRUSKA**. Mr. President, I ask unanimous consent that J. C. Argetsinger, Ken Lazarus, and Chuck Bruse be accorded the privilege of the floor during debate on the bill.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **McCLELLAN**. Mr. President, I say to the distinguished Senator from Wisconsin that I regard as a very serious and very important question the issue that is involved in the pending amendment and in the subject matter.

As I recall, every President, beginning with President Franklin D. Roosevelt, and every Attorney General since then has subscribed to the conviction that a constitutional power is reposed in the President in the field of foreign intelligence and the use of electronic equipment and so forth to pursue that avenue for the gathering of information in this field.

I have no firm conviction about whether such powers are reposed in the President by the Constitution. I am just pointing out a little of the history of this thing. But in view of that, it is my judgment that ultimately it will be a court question, and even if we take some legislative action, that will be subject, of course, to court review, and I do not know what the court will finally hold.

I may say that when we passed the Safe Streets and the Crime Control Act of 1968, I believe was the date of it, we had this matter before us, before the committee; I mean, the overall subject matter of wiretapping and electronics.

In this field we took note of the fact that it was a constitutional question and that we specified in our bill that we were not undertaking to invade that province, that if it was a constitutional question, it would have to be settled that way, and therefore, we did not legislate in this field with respect to the power of the Executive.

Mr. **NELSON**. The statute remained neutral on the question of what the President's rights are.

Mr. **McCLELLAN**. Mr. President, we explicitly so stated so there would be no question about the area and the limitations of our action in that bill. This controversy has been activated and intensified a bit by reason of things that have happened in Government in the last few years. I think it is an appropriate subject for thorough congressional consideration.

I do think, and I agree certainly with the distinguished manager of the bill, that this is something that should not be handled by the Committee on Appropriations in the first place; in the second place, certainly not just on the floor of the Senate on an appropriation bill.

Now, there is a bill pending before the Committee on the Judiciary and before the Subcommittee on Criminal Laws and Procedures of which I am chairman, introduced by the distinguished Senator from Wisconsin. That bill is S. 2820. It was introduced last December 17, 1973. The bill was not referred to our subcommittee until April 4 this year, 1974, but there was a report requested from the Attorney General on the bill on January 14, 1974, according to the memorandum I have before me, and he has not yet responded, I believe, to that request.

I make no apology for not having had hearings on it until now. It is a bill that deserves hearings, and hearings will be held. But the distinguished Senator from Wisconsin has so kindly recognized the problems we have had since that date of April 4, trying to get out the appropriations bills with which we have made better progress this year than usual in expediting them and moving them, and we have had, of necessity, to defer action on some of the bills before this committee.

But I anticipate that we will get out all the appropriation bills but one or two by the time we recess. In fact, if we get this bill out, there are only three left, I believe, and some of them have not come over from the House of Representatives yet.

In any event, we will have more time, and in order to get this matter in focus and scheduled for action, I am perfectly willing to hold some hearings before the adjournment of this session of Congress.

Of course, we cannot complete them; no one would anticipate that. But to show the interest of Congress and the desire to try to move on the subject, I will schedule some hearings. And may I say while I have the floor that I think this is of such importance that we ought to make a far-reaching inquiry, and solicit and undertake to secure comments and opinions from the most competent people in the Nation.

Mr. PASTORE. Law professors, too?

Mr. McCLELLAN. Yes. From the professional people who are capable of counseling with us about it. And I might say that I have, at the moment, no absolute fixed opinion for myself, as to what my position will be, but I am inclined to think—and I make this comment for the moment—that if we can entrust a U.S. district judget to exercise discretion with respect to tapping the telephone of a private citizen for information regarding criminal acts, violations of the criminal statutes, I would think, while it may require some appropriate legislation setting the standards and criteria for him to be guided by, that we could trust and repose in the President of the United States the power and the discretion to make a decision in a matter that is vital to the security of our country. I do not think a U.S. district judge should be clothed with any higher power in that area than should the President of the United States.

There may well be the desire and the necessity for providing guidelines or procedures to try to make certain that there will be no abuse. But I think a Federal judge could come just as near abusing his power in making a decision as could the President of the United States.

There ought to be a broad study of it, and the wisdom of Congress should be applied to legislation dealing with the subject, and then, when that is done, we will all have had our opportunity to weigh it, consider it, and make a contribution to the form of the bill.

I might say also that I have no record of any requests for hearings on this bill; I have not received any requests for hearings on it before now. But again, I am very glad to schedule some hearings as soon as we can, and begin hearings on this issue. Of course, there would have to be another bill introduced early next year, Senators understand that. But to begin hearings on this issue, on this question, starting this year; and I would ask the Senator from Wisconsin and others who are sponsors of the bill, if they will, to submit to us a list of witnesses whom they would like to have called first. Of course, the sponsors of the bill will be heard at any time they wish. We will cooperate in every way we can; that is the most I can tell the Senators.

I think it is a very timely subject and a very timely question that is raised by the Senator's proposal, and I think it devolves itself upon us to give it appropriate consideration. That is the most I can say to the Senator.

Mr. NELSON. I thank the distinguished Senator from Arkansas. I know he recognizes that it is an important issue. The best resolution of it is a debatable question, with the parties having different viewpoints on it. But I appreciate that the Senator has stated here for the record, as I knew he felt anyway, that it is a matter of very great significance, and I appreciate that he is prepared to start hearings this year.

I realize that the Senator cannot say what priorities and what business precisely will be before the full committee and the subcommittee next year, but I take it from what the Senator has said that this is a high priority matter and that we could hope to be able to deal with it on the floor of the Senate, after adequate hearings, sometime next year. Does the Senator believe that is possible?

Mr. McCLELLAN. Once we have started, there will be no disposition to drag our feet on it. We will expedite it as much as we can.

I would like to point out one other thing, since we are talking about the work of the committee: The committee has given a great deal of time to the recodification of the criminal laws, following up the work of the commission that was appointed for that purpose headed by former Governor Brown of California, and we have made tremendous progress in that field. That is a lot of hard and tedious work.

I am simply pointing out to the Senate that this committee has not been idle by any means. We are about ready to report out a bill; we are trying to get ready to report that bill out just before the close of this Congress, or early in the next session, it is my understanding.

The Senator from Nebraska has worked harder on that matter than I have, and held a lot of the hearings trying to move it along. If we lose the momentum on that, we will have lost everything. I do not mean to say as to how the laws should be codified; but to get that matter before Congress, too, and not lose any of the value there was in the Commission's study and the recommendations that it made in that field.

I would be glad to yield for a moment to the distinguished Senator from Nebraska; he has served as ranking Republican member on the committee for that subject. I would be glad to hear whatever views he has to express.

Mr. NELSON. Mr. President, I still have the floor, but I will be glad to yield it.

Mr. McCLELLAN. Yes.

Mr. NELSON. May I inquire how much time the Senator from North Carolina (Mr. ERVIN) and I have left?

The PRESIDING OFFICER. The Senator from Wisconsin has 1 minute.

Mr. HRUSKA. We have 3 hours on the bill.

Mr. PASTORE. Mr. President, I assign whatever time is necessary to the Senator from Wisconsin, from the time on the bill.

Mr. NELSON. I yield to the Senator from Nebraska whatever time he may require.

Mr. HRUSKA. Mr. President, I am grateful to the Senator from Wisconsin for yielding. I rise to lend my support to the analysis of the situation as presented by the Senator from Arkansas.

No one will deny the importance the subject proposed here by the Senator from North Carolina and the Senator from Wisconsin. It is a matter of the highest priority. The fact that the President mentioned this subject in his recent message, the fact that we have now functioning a national commission on wiretapping and electronic surveillance, the fact that the Attorney General has indicated in his letter to members of the Senate that he is concerned with the wiretap laws and that his Department is presently working on proposals in this regard, all testify to its importance.

I agree with the Senator from Arkansas when he says that the Judiciary Committee has not been idle. We have had other items of high priority. Nor have the subcommittees of the Senator from Wisconsin and the Senator from North Carolina been idle. We cannot take care of everything all at once; it just cannot be done.

The Senator from Arkansas mentioned the revision of title 18. Mr. President, Congress is now in its 7th year of working out that bill. It is a monumental piece of legislation. It will occupy some 600 printed pages in the report when it is completed.

This year, Mr. President, and the last part of last year, over 30 days of hearings have been held on that bill, and that is no mean task, considering that the chairman of that subcommittee is also the chairman of the Appropriations Committee.

I want to assure the Senater from Wisconsin and the Senator from North Carolina that the subcommittee will turn to the issue of wiretap with as much dispatch as we can.

I believe I can speak with some authority on this subject. Recognizing the responsibility of the Senator from Arkansas to the Appropriations Committee, this Senator undertook the job of presiding over hearings on title 18, and I will do it again if so requested by the chairman in regard to these hearings on wiretap legislation.

I would like to review just briefly, however, the fact that in 1968 we enacted 18 United States Code, section 2511, and following sections, as part of title III of the Omnibus Crime Control Act. Procedures were set up whereby electronic surveillance can be employed in the investigation of certain specified major crimes, subject to strict control of the courts. These sections require that a judicial warrant be obtained, upon a showing of probable cause, that these certain enumerated crimes are either about to be or are being committed.

In that act, Congress also recognized that the President also had certain constitutional powers in the area of national security and care was taken to indicate that the wiretap prohibitions did not interfere with this power.

The Supreme Court has spoken on this issue. In 1972, the Court in *U.S.* v. *U.S. District Court for the Eastern District of Michigan,* 407 U.S. 297—commonly referred to as the Keith case—specifically ruled that wiretapping in domestic national security cases is prohibited absent a judicially obtained warrant. Since that ruling, the Government has complied with this decision. In cases involving domestic national security, application is made to the courts and, upon a showing of probable cause, a warrant is issued for such wiretaps.

The Supreme Court in Keith clearly indicated that the decision applied only to domestic security wiretaps and did not extend to "the President's surveillance power with respect to the activities of foreign powers within or without this country."—407 U.S. at 308.

The Court in that case, of course, reserved its right to further speak on that subject when a proper issue would be presented.

It can be understood that there is a difference of opinion on this subject. There certainly is a difference of the opinion of the Senator from North Carolina, and the Senator from Wisconsin with that of the Senator from Nebraska; both view points are sincerely held, and I am sure that is true.

In brief, however, the law in its present statutory and judicially interpreted form, and as it is being practiced, requires that all wiretaps, save those involving hostile foreign powers but including those involving domestic security threats, must be judicially approved.

What would the effect of this amendment be then?

It would prohibit domestic security wiretaps without a judicial warrant—but this is something which the Keith decision has already outlawed.

It would prohibit all wiretaps except those relating to the specific enumerated crimes found in section 2516. This would effectively stop those wiretaps conducted for purposes other than investigation of a crime. This is because the provisions of 2516 are tailored to counter criminal conduct, not to regulate foreign intelligence information.

Because this foreign information gathering does not relate necessarily to a crime, the amendment would preclude the Government using wiretaps in such situations—with or without judicially issued warrants.

I believe we can all recognize the concern of the proponents of this legislation to place safeguards on the taping of American citizens. But it must be recognized by all that this amendment goes far beyond that objective and seriously would affect our ability to protect against foreign threats.

This is an extremely complex problem with which we are dealing. In effect the amendment before us would, after only an hour debate, overturn present case law and the carefully drafted and considered 1968 act to which I have referred. There are other more appropriate means to change our laws.

Mr. President, in addition to the provisions of the 1968 Omnibus Crime Control Act which I have previously mentioned there are also provisions in that bill which require the establishment, after a 5-year operation of that act, of a national commission, to inquire into and survey the entire field of electronic surveillance, including various forms of wire tapping, and assess their impact upon the rights of privacy.

That Commission is now in existence. It is setting about to do the task assigned to it.

As to whether it is time to act, Mr. President, of course, it is time to act. But it should be done in a proper place and with proper surroundings, with proper circumstances. Least of all, an attempt should not be made to get into this very vital and important area of national policy by means of an appropriation bill.

It should appeal to most reasonable people that this is not a place for legislative policy to be fixed or to be determined. The most we could do here is to get a shooting-from-the-hip judgment on a few concepts that are cast about on the floor of this Chamber in the absence of all but 10 or 12 Senators.

It would be, in my judgment, highly unwise to do that. There have been no hearings on this. There has been no showing of abuse of foreign intelligence wiretaps.

Mr. President, I should like to note that the Subcommittee on Oversight of the FBI had disclosures and positive testimony by the Director of the FBI in which he went into the nature and the frequency of these wiretaps. The Director has made a full and frank disclosure which, for national policy considerations, again should not be prematurely or ill-advisedly disclosed because of the adverse impact it might have upon those efforts that are considered highly necessary in order to protect our national security.

So I say, it just seems to me that with the assurances that are being given here and which this Senator will certainly conscientiously try to execute, perhaps, it might be in the better interests of all parties concerned, and of the interests and the policy of Congress and the Nation, that we have this colloquy, have this discussion, and then proceed to the adoption of the appropriation bill, devoid of any attempt to decide on legislative matters, particularly when they are this important and this vital.

I shall refrain from getting into the merits of this case because I do not think this is the time or place to do it. But I do hope these thoughts will be a foundation for a proper judgment along the lines I have suggested.

Mr. **PASTORE**. Mr. President, I ask unanimous consent that a series of letters to me by the Attorney General be placed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., August 9, 1974.

Hon. JOHN O. PASTORE,
Chairman, Subcommittee on State, Justice, and Commerce, the Judiciary, and Related Agencies, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing about a proposed amendment to H.R. 15404, sponsored jointly by Senators Nelson and Ervin, providing that none of the funds appropriated for the Justice Department may be used for the interception of wire or oral communications not authorized by Title 18, United States Code, Sections 2516 and 2518. The proposed amendment to H.R. 15404 would add a new section 208 which would prohibit this Department from engaging in any electronic surveillance during the present fiscal year, without first obtaining a judicial warrant under Title III procedures.

I am strongly opposed to the enactment of this proposed amendment. When Congress considered this matter in 1968, requiring a judicial warrant for the use of electronic surveillance in criminal investigations, it made clear that it did not intend to add to or subtract from whatever measure of constitutional power the President may have to use electronic surveillance in the national security field. In fact, Congress set forth, as a guide, a number of purposes that it understood to be proper for the exercise of this Presidential power: that the surveillance is necessary (1) to protect the nation against actual or potential attack or other hostile acts of a foreign power; (2) to obtain foreign intelligence information deemed essential to the security of the United States; or (3) to protect national security information against foreign intelligence activities. (18 U.S.C. 2511(3)).

If the Congress wishes to reverse its stated position on this matter, the more appropriate means to do so is by substantive legislation processed in the normal manner, rather than through an amendment to an appropriations bill.

I want to strongly emphasize that any attempt to rely upon the warrant procedures set out in Title III of the Omnibus Crime Control and Safe Streets Act of 1968 to acquire foreign intelligence information would be wholly ineffectual. These provisions are intended to counter criminal conduct, not to obtain foreign intelligence information.

Thus, requiring a warrant for foreign intelligence surveillances would compel the judiciary to embark upon a far different kind of inquiry than the courts now make in considering an application for a warrant. Section 2518 of Title 18, United States Code, requires that an applicant for court authorization to conduct electronic surveillance must show, among other things, that there is probable cause for the belief that an individual is committing, has committed, or is about to commit one of the criminal offenses defined in the Act. Clearly, that requirement cannot ordinarily be satisfied where the objective of the electronic surveillance is to acquire foreign intelligence information.

Furthermore, I am strongly of the view that we should not be prevented from obtaining vital foreign intelligence information by means of electronic surveillance. There is a compelling need for us to acquire such information, and it would be folly to preclude our right to do so to ensure the security of our nation.

I am personally convinced that electronic surveillance in the foreign intelligence area has been, and doubtless will continue to be, a very effective means for the acquisition of this type of information. We recently requested the Director of the FBI to furnish us detailed examples of information demonstrating the value of such surveillances. He responded with more than ten specific cases during the preceding six months, wherein information acquired through this technique had been valuable to Government policy makers, diplomats, and to those responsible for our counterintelligence efforts against foreign agents operating in the United States. The Director's reply demonstrates convincingly the value of electronic surveillance in the area of foreign intelligence.

In light of this, I believe the Congress would be assuming an awesome responsibility if it were to curtail the Government's acquisition of valuable foreign intelligence information through electronic surveillance.

I request, Mr. Chairman, that you make know my views on the matter to the members of your Subcommittee when the amendment is being considered. I will be pleased to make available to you informed officials of the Department for such consultation as you may desire.

Sincerely,

WILLIAM B. SAXBE.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., August 20, 1974.
Hon. JOHN O. PASTORE,
Chairman, Subcommittee on State, Justice, Commerce and the Judiciary, Washington, D.C.

DEAR JOHN: I am enclosing a copy of the letters sent to Senator Nelson and Senator Ervin in hopes that they would withdraw their amendment concerning electronic surveillance to the Justice Department appropriations bill.

I have discussed the subject at great length with Senator Mathias and Senator Nelson. The consensus of our discussion was that we would work to establish an acceptable procedure for monitoring warrantied electronic surveillance.

I have asked Vince Rakestraw, Assistant Attorney General for Legislative Affairs, to coordinate the appropriate staff people during the Labor Day recess. Further, as the enclosed letter indicates, I will be testifying before the Wiretap Commission early in September. I plan to work with members of Congress and the Commission to seek an alternative to cutting off funds for electronic surveillance. In my testimony in the Senate early this year, I commented favorably on the intent of Senator Mathias' bill but did not endorse its specifics. I plan to apply the resources of my office to find the correct procedure that will allow adequate review without jeopardizing national security or our diplomatic interests.

Best regards.

Sincerely,

WILLIAM B. SAXBE,
Attorney General.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., August 22, 1974.
Hon. JOHN O. PASTORE,
U.S. Senate,
Washington, D.C.

DEAR JOHN: I am writing about a proposed amendment to H.R. 15404, sponsored jointly by Senators Nelson and Ervin, providing that none of the funds appropriated for the Justice Department may be used for the interception of wire or oral communications not authorized by Title 18, United States Code, Sections 2516 and 2518. The proposed amendment to H.R. 15404 would add a new section 208 which would prohibit this Department from engaging in any electronic surveillance during the present fiscal year, without first obtaining a judicial warrant under Title III procedures.

I am strongly opposed to the enactment of this proposed amendment. When Congress considered this matter in 1968, requiring a judicial warrant for the use of electronic surveillance in criminal investigations, it made clear that it did not intend to add to or subtract from whatever measure of constitutional power the President may have to use electronic surveillance in the national security field. In fact, Congress set forth, as a guide, a number of purposes that it understood to be proper for the exercise of this Presidential power: that the surveillance is necessary (1) to protect the nation against actual or potential attack or other hostile acts of a foreign power; (2) to obtain foreign intelligence information deemed essential to the security of the United States; or (3) to protect national security information against foreign intelligence activities: (18 U.S.C. 2511(3)).

I want to strongly emphasize that any attempt to rely upon the warrant procedures set out in Title III of the Omnibus Crime Control and Safe Streets Act of 1968 to acquire foreign intelligence information would be wholly ineffectual. These provisions are intended to counter criminal conduct, not to obtain foreign intelligence information.

Thus, requiring a warrant for foreign intelligence surveillances would compel the judiciary to embark upon a far different kind of inquiry than the courts now make in considering an application for a warrant. Section 2518 of Title 18, United States Code, requires that an applicant for court authorization to conduct electronic surveillance must show, among other things, that there is probable cause for the belief that an individual is committing, has committed, or is about to commit one of the criminal offenses defined in the Act. Clearly, that requirement cannot ordinarily be satisfied where the objective of the electronic surveillance is to acquire foreign intelligence information.

Furthermore, I am strongly of the view that we should not be prevented from obtaining vital foreign intelligence information by means of electronic surveillance. There is a compelling need for us to acquire such information, and it would be folly to preclude our right to do so to ensure the security of our nation.

I am personally convinced that electronic surveillance in the foreign intelligence area has been, and doubtless will continue to be, a very effective means for the acquisition of this type of information. We recently requested the Director of the FBI to furnish us detailed examples of information demonstrating the value of such surveillances. He responded with more than ten specific cases during the preceding six months, wherein information acquired through this technique had been valuable to Government policy makers, diplomats, and to those responsible for our counterintelligence efforts against foreign agents operating in the United States. The Director's reply demonstrates convincingly the value of electronic surveillance in the area of foreign intelligence.

In light of this, I believe the Congress would be assuming an awesome responsibility if it were to curtail the Government's acquisition of valuable foreign intelligence information through electronic surveillance.

If the Congress wishes to change the procedures governing national security electronic surveillance, the more appropriate means to do so is by substantive legislation processed in the normal manner, rather than through an amendment to an appropriations bill. I have talked to authors of such legislation and have offered them the full cooperation of the Justice Department in reaching a mutually acceptable position. In addition, I have invited them to come to the Department to review the safeguards now used to prevent any abuse of our practice.

Therefore, I urge you to oppose this amendmented during Senate consideration.

Sincerely,

WILLIAM B. SAXBE,
Attorney General.

Mr. PASTORE. I understand the Senator from Connecticut (Mr. WEICKER) would like to have time on this subject. How much time does he require?

Mr. WEICKER. I thank the Senator from Rhode Island. I would appreciate 5 minutes.

Mr. PASTORE. I yield 5 minutes to the distinguished Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to express my support for the amendment by the distinguished Senator from Wisconsin (Mr. NELSON) and the distinguished Senator from North Carolina (Mr. ERVIN) and also to express a sense of sadness that this amendment is not going to be pursued.

I think it is a lot of rubbish that we need time to see what needs to be done. We have a record replete with one flagrant abuse after the other of wiretapping in the name of national security.

The job of the distinguished committee headed by that great expert on the Constitution, the distinguished Senator from North Carolina, was charged with the responsibility of finding out what went wrong. When it comes to illegal wiretapping, the record is too full of abuses. The facts are there. I know, as I am sure do most of my colleagues, that within a year's time at the most, the impetus for reform legislation will dissipate. The public unfortunately will not maintain any great degree of interest in preserving their Constitution.

If we are to act, we ought to act now. National security is not something—I think it important to make this point—to be determined solely by the President of the United States. It is a matter of concern to every one of this Nation's citizens and, more particularly, each Member of the House and Senate. It is a matter of concern to the judiciary.

As long as I have available to me a government of laws rather than men, I feel that reform can best come about if we legislate.

President Ford is a great guy, a nice man. I have no doubt in my mind that the abuses we have seen are abuses of the past, and they would not occur under President Ford.

But that is not the issue.

I do not want to rely on individual philosophy, on whether or not persons may or may not be nice or may or may not be prone to illegal behavior by others.

If we have learned one thing from Watergate, let us understand that this is a government of laws, and that means legislating, not just relying on good intentions and character evaluations.

This is crucial, this legislation, that has been introduced by the Senator from North Carolina and the Senator from Wisconsin, absolutely crucial. The facts are there. The factfinding is over with. Illegal wiretaps abound in this country, and the time has come to bring them to an end.

The only way that can be done is by legislation so that everybody knows exactly what procedures are to be followed, and it is not left to the intentions of an Attorney General or a President of the United States or his advisers.

From a tactical point of view obviously I have to subordinate my wishes, if you will, to the sponsors of this legislation. But I want them to know, they are right on target.

Believe me, as long as there is a breath left in my body, I am going to push for this legislation, and we are going to have it, if not this fall, by midwinter.

It is necessary, and we do not need any further commissions to give us the message. We had our commission. The select committee was the commission.

The responsibility is ours, right here, right now.

Mr. PASTORE. Mr. President, I think we are beginning to lose the refinements of the point we were trying to make here.

My goodness gracious, I hope nobody here thinks I am trying to defend the scandal of Watergate. That is a scourge on American history, and I tell the Senator, very frankly, I think it was despicable; I think it was absolutely contemptible; I think it was scandalous, and I cannot even imagine the bad words I can use to give it a proper characterization.

But we are not talking about that. I quite agree we need guidelines. But this legislation does not give the guidelines. This is a limitation on an appropriation bill, and it will only last as long as this appropriation lasts.

Now, all we are suggesting in the Committee on Appropriations is that Senators, who are so fervent, take this matter before the Committee on the Judiciary—and a hearing has been promised—so that we can make a distinction between the scandals of Watergate and the gathering of foreign intelligence.

There is not one case of abuse in the case of wiretapping for the gathering of foreign intelligence. That has nothing to do with Watergate. I am not talking about Watergate.

As a matter of fact, anybody who wants Watergate can keep it as far as I am concerned. I will have no part of it.

That is not the story. All I am saying here is that we put this on the shoulders of a subcommittee of the Committee on Appropriations. We held no hearings, we do not know the guidelines, we do not know the correct level of probable cause, regarding domestic intelligence, or foreign intelligence. That needs to be spelled out, and this amendment does not do that.

I am on the side of the Senator from Connecticut. He is maybe twice my size in stature, but when the time comes I can push as hard as he can. And I tell you very frankly I can speak as loud as he can. [Laughter.]

The point is that we want to do this systematically. We have got to do it, of course we have got to do it; but this idea that this is a lot of rubbish, I do not buy that. I do not deal in trash.

The PRESIDING OFFICER. Who yields time?

Mr. ERVIN. Mr. President, I ask unanimous consent to be recognized for not to exceed 3 minutes.

Mr. PASTORE. The Senator may have 5 minutes out of my time.

Mr. ERVIN. I thank the Senator.

Mr. President, I share the view of the distinguished Senator from Connecticut that this matter should be pursued until it is resolved in a satisfactory manner.

I am constrained to say, however, that I am impressed by the argument of the Senator from Rhode Island to the effect that since this would be an amendment to an appropriation bill and merely limit money, the expenditure of the money appropriated by this bill, that this amendment, if adopted, would die very shortly.

I would like to say this, that I had the privilege of serving with the distinguished Senator from Connecticut on the Senate Select Committee on Presidential Campaign Activities, and the Senator from Connecticut, by his courage, by his untiring zeal, by his intelligent concern for the best interests of this Nation has made every American safer.

I am not constrained to impose much confidence in any individual, which is a discretionary nature, even in the President of the United States, because the Select Committee found the President of the United States approved at least temporarily a plan which was formulated largely by Tom Charles Houston under which there could be a burglary committed upon the home of any American if any law enforcement officer found that he was an object of intelligence interest, whatever that means. It means nothing to me except arbitrary power.

We also found that the President of the United States was not limited to law enforcement investigatory bodies, like the FBI, and on the contrary, set up an extralegal group to conduct investigations, known as the plumbers.

Now, I wish to state that I do not trust discretionary power which is not subject to judicial review to any human being ever since the decision of the Supreme Court in the tapes case, an 8-to-0 decision clearly said that the power to interpret any constitutional provision—that is, the ultimate power—resides in the Supreme Court and not in the President or any other official.

I am not willing to let the rights of any citizen or any person, for that matter, be determined exclusively by the occupant of any single political office, because I believe that our Constitution will only work if the ultimate power to prescribe the rights and responsibilities which arise under that instrument resides in the courts.

I thank the distinguished Senator from Rhode Island, and I am convinced by his point that since this amendment would be a limitation of expenditure of money appropriated for temporary purpose and would speedily die, therefore this matter would be better pursued in an orderly fashion.

Mr. PASTORE. Will the Senator yield? I think I am fair in saying that I do not think it would even survive the conference, and that would be tragic.

Mr. ERVIN. Yes.

Mr. PASTORE. That would be tragic. It would be ruled out possibly on a point of order because it belongs to the Committee on the Judiciary to do certain things, they would assume that responsibility, I think, rather than take a chance to blacken this.

I think we ought to do it in an orderly fashion so that once it is done, we have served the purpose.

Mr. ERVIN. I am constrained again to agree with the Senator from Rhode Island.

Having been on many conferences with the House, I will say something I should not. I think the House is sort of like the Bible tells us, joined to idols, and the idols are the House rules which forbid the addition of any nongermane amendment.

I do not think it would survive conference, either.

Mr. PASTORE. That is right.

I yield to the Senator.

Mr. WEICKER. Will the Senator yield for 3 or 4 minutes?

Mr. PASTORE. Yes.

Mr. WEICKER. I want to respond, that in no way did I mean to impute either to the Senator or his committee any acceptance of the matters known as Watergate.

The Senator's record speaks for itself: A dedication of civil liberties and an opposition to those matters unearthed by Watergate.

I suppose what concerns me is that I find, not only with my colleagues but also with persons everywhere in this country, that they feel the resignation that occurred last week resolved all the problems raised by our factfinding mission.

They did not resolve any problems at all. All the facts that relate to the Internal Revenue Service, the facts that relate to wiretaps, the facts that relate to bank records, these matters can only be resolved legislatively.

So I get worried about whether we are going to keep our legislative task in clear view, or just pack up and go home. Because, believe me if we did the latter then the whole point of Watergate has been missed.

That is why I rise in support of this amendment, and why in the consideration of the White House personnel bill I tacked on the restriction regarding access to IRS records, why in the Treasury appropriation bill that amendment which insists on notice given to bank customers when their records are being gone through by law enforcement agencies. These issues have to be resolved legislatively.

I realize the proper procedures to be followed. The Senator from Rhode Island is correct; it is far better to be done through the Committee on the Judiciary.

But the issue must stay alive because the tendency is to forget and that cannot happen, because if it does, then de facto we will have accepted these abuses and de facto they become the law of the land.

So I merely wish to advise my colleagues there are times, I am sure, when they will say, "He is being hardnosed on this subject." But unless it is done we all run the risk of being part of a constitutional coverup, rather than being part of the legislative reform of these abuses.

Mr. PASTORE. I agree with every word the Senator just said, every single word.

Does the Senator from Wisconsin desire more time?

Mr. NELSON. Mr. President, I would like a few minutes.

The PRESIDING OFFICER. Two minutes remain.

Mr. PASTORE. Mr. President, I yield 5 minutes.

The PRESIDING OFFICER. The Chair would like to inform the Senator from Wisconsin that 2 minutes remain on the amendment.

Mr. NELSON. Well, I will use my 2 minutes.

Mr. PASTORE. Well, I am giving the Senator 5 minutes on the bill itself.

The PRESIDING OFFICER. The time agreement included only the amendment; there is no time agreement on the bill.

Mr. PASTORE. Mr. President, I ask unanimous consent that 3 minutes be added to the 2 minutes.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The Senator from Wisconsin.

Mr. **PASTORE**. So, the Senator has 5 minutes.

Mr. **NELSON**. I thank the Senator from Rhode Island.

I agree with the distinguished Senator from Connecticut (Mr. WEICKER) on the importance of this issue and I think it would have great value to vote on it and pass it even though it would not last through the conference.

On the other hand, the distinguished chairman of the subcommittee with jurisdiction has assured us that hearings will begin before the end of this session. I think that that probably is the best way to get the legislation passed. I do think there would be a good moral aspect to adopting the amendment, even though it would not survive the conference, and I would not quarrel in any way with the distinguished Senator from Connecticut about that.

Now, Mr. President, I do not trust the authority in the hands of any individual, be he President or anybody else, to make a determination on his own whether or not somebody else's telephone will be tapped. In fact, the law is very clear that no single individual has that authority, I think, including the President.

I would like to read into the RECORD a comment by Justice Lewis Powell. He observed in the Keith case, a controversy which concerned the domestic aspects of national security,

> These Fourth Amendment freedoms cannot properly be guaranteed if domestic security surveillances may be conducted solely within the discretion of the executive branch. The Fourth Amendment does not contemplate the executive officers of Government as neutral and disinterested magistrates. Their duty and responsibility is to enforce the laws, to investigate and to prosecute. But those charged with this investigative and prosecutorial duty should not be the sole judges of when to utilize constitutionally sensitive means in pursuing their tasks. The historical judgment, which the Fourth Amendment accepts, is that unreviewed executive discretion may yield too readily to pressures to obtain incriminating evidence and overlook potential invasions of privacy and protected speech." 407 U.S. at 307.

In short, it is not a question of good faith. I believe that President Ford is a man of his word who would not knowingly tolerate any abusive wiretaps or other unlawful invasions of people's privacy. But in any national security matter, neither the President nor his Attorney General are disinterested parties who can automatically make a dispassionate judgment as to whether an invasion of someone's privacy is justified. This essential point was advanced eloquently by Justice Douglas in the Katz case:

> Neither the President nor the Attorney General is a magistrate. In matters where they believe national security may be involved, they are not detached, disinterested, and neutral as a court or magistrate must be. Under the separation of powers created by the Constitution, the Executive Branch is not supposed to be neutral and disinterested. Rather, it should vigorously investigate and prevent breaches of national security and prosecute those who violate the pertinent federal laws. The President and the Attorney General are properly interested parties, cast in the role of adversary in national security cases. They may even be the intended victims of subversive action. Since spies and saboteurs are as entitled to the protection of the Fourth Amendment as suspected gamblers like petitioner, I cannot agree that where spies and saboteurs are involved adequate protection of Fourth Amendment rights is assured when the President and Attorney General assume both the positions of adversary-and-prosecutor and disinterested, neutral magistrate." 389 U.S. at 359–60 (concurring opinion).

In other words, regardless of how beneficient the Government's motives, warrantless wiretaps—whether in national security cases or in any other kind of case—pose serious dangers to the right to privacy as well as other constitutional rights and liberties.

The **PRESIDING OFFICER**. All time on the amendment has expired.

Mr. **NELSON**. I thank the Chair.

The **PRESIDING OFFICER**. The question is on the amendment of the Senator from Wisconsin.

Mr. **NELSON**. Mr. President, in view of the colloquy, and since we have the assurance of the distinguished Senator from Arkansas and the assurance of the distinguished Senator from Nebraska concerning the hearings and early action on legislation, I withdraw the pending amendment.

The **PRESIDING OFFICER**. The amendment is withdrawn.

The bill is open to further amendment.

The Senator from Ohio is recognized.

Mr. **TAFT**. Mr. President, I send to the desk an amendment and ask the clerk that it be stated.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. **TAFT**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered; and without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 24, between lines 10 and 11, insert the following:

"ECONOMIC RECOVERY FOR DISASTER AREAS

"For assistance to facilitate economic recovery for disaster areas as authorized by title VIII of the Public Works and Economic Development Act of 1965 as amended, $15,000,000 of such funds shall be utilized, to the extent necessary, to facilitate economic recovery from the tornado disaster of April 3, 1974."

Mr. **TAFT**. Mr. President, this amendment is to provide $15 million under the disaster recovery program for damage caused by tornadoes last April 3. It is spelled out in title VIII of the Public Works and Economic Development Act.

This program which became law on May 22 as part of the Disaster Relief Act Amendments of 1974, authorizes additional recovery assistance for major disaster areas in which economic dislocation is so severe that assistance in planning for development, continued coordination of Federal assistance and continued assistance toward restoration of the employment base is necessary. Federal aid would be available for provision of loans for the acquisition or development of public works and facilities and related expenses, supplementation of the Federal share of grant-in-aid programs to 90 percent or more where necessary, technical assistance grants, grants for three-fourths of administrative expenses related to implementation of that program by recovery planning councils designated as part of it, and loan guarantees to promote industrial or commercial development in the disaster area.

Up to $250 million was authorized for carrying out the new program. Yet, in response to the lack of a budget request from the administration, the committee has not appropriated funds for it.

The committee is well aware of the extensive damage caused in nine States by the April 3 tornado. The Disaster Relief Act Amendments of 1974 were, in large part, a generous congressional response to this $600 million disaster. For Congress to refuse to provide the minimum funding needed to carry out this new law, it seems to me, would be not only unjustifiable on the merits but also a reversal of our actions taken unanimously just several months ago. These communities in particular would be slighted because the new law was well-publicized as a prompt response to their desparate needs.

While there were several geographic areas in which the April 3 tornado damage was particularly concentrated, perhaps the most serious case in point was as to the 27,000 population of the city of Xenia, Ohio. Over 50 percent of Xenia's tax base was destroyed and almost 40 percent of the city's housing and 47 percent of the businesses were demolished. About one-third of the work force filed for emergency unemployment immediately after the tornado damage. The Xenia area clearly should meet the requirements of the new title VIII program.

It is still too early to judge the specifics of the recovery effort in Xenia. However, some local citizens are already becoming apprehensive and skeptical about the worth of all the promises made by politicians and Government officials immediately after the tornado struck. Some of the first Federal officials in Xenia were understood to have estimated that the recovery effort would be in about the $40 million range and the city management still feels that about $20 million in public money may be necessary. Thus far the only sizeable recovery money set aside is $3.5 million in urban renewal money.

Of course, many kinds of Federal disaster recovery assistance are authorized by the statutes. However, the type of assistance provided under title VIII could be of particular help. The drastic reduction of Xenia's tax base, combined with the limit on loans to communities under the disaster relief law of 25 percent of the community's annual operating budget, render crucial an increase in the Federal share of grant-in-aid projects to 90 percent. Otherwise, for example, Xenia must come up with 33⅓ percent rather than 10 percent of the total funds to participate in the urban renewal program.

Xenia has recognized the potential value of this program and is already working on preliminaries with the Governor's office in the hope that it will be funded. It will be important to other communities in similar situations.

As a Senator who has advocated further budget cuts wherever possible, I realize that requests for funding increases are not easy ones to fulfill. However, only 10 days after the bill which abolished disaster relief "forgiveness" grants became law in 1973, the President asked for as much funding as necessary to assist the Nicaraguan earthquake recovery effort. While I do not have reservations about the U.S. role as an international good citizen in that case, we must be certain to assist also our own disaster areas in the responsive manner obviously required.

Because of the limited aid requested, my amendment is a very small, nevertheless I think vital, effort, and it would initiate what could turn out to be a very important program which we ought to properly fund.

Mr. PASTORE. Mr. President, I realize the merits of this amendment, but it is unbudgeted. I tell you frankly, Mr. President, what we tried to do was to carry out the mandate of this Congress. This Congress, time and time again, on a motion to recommit, cut by 3.5 percent, and many Members of the Senate voted for that motion. That is exactly what our committee did. We cut it by 3.5 percent.

When the Senator from Ohio testified before our committee, I wrote to the Department of Commerce as to what their feeling was with regard to this.

There is no question at all about it, we have to pay for these disasters, and we have to come up with the relief money. But the matter is being studied by the OMB.

I want to say to my distinguished colleague from Ohio I wish he would withdraw his amendment. He would have my support in considering this on the next supplemental bill.

I am afraid if I begin to take amendments now, $15 million here, another couple of million dollars there, the first thing you know somebody is going to make a motion to recommit with instruction to cut it back again by 3.5 percent. I cannot hold up against that.

I say it is true that we had to do quite a bit of nitpicking in order to get it down by 3.5 percent. I would hope my colleagues would cooperate with the committee at this point.

I will lend every support I can once we get an estimate from the Office of Management and Budget.

Mr. HRUSKA. Would the Senator yield briefly?

Mr. PASTORE. I yield.

Mr. HRUSKA. I join the Senator from Rhode Island, my chairman of the subcommittee in those sentiments.

I want to assure the Senator from Ohio that my sympathies are with him. The merits of the cause are, I am sure, outstanding and pressing. But we do have two things to contend with: One is the 3.5 percent possibility of a further percentage cut on this floor; and the second is that there are some formalities that we would like to go through by way of official declaration, by way of verification, and so on, before we put the item into an appropriations status.

I would join the Senator from Rhode Island in suggesting that a withdrawal would be highly appreciated. I express my assurance that my support will go forward following the presentation in due time.

Mr. TAFT. I thank the distinguished Senators for their comments. I do appreciate their very genuine concern with the tremendous needs that were created by this disaster and that can well be created by other disasters for which we will be asked in the future to take some action.

I abhor delay or the failure of the Department of Commerce, and other Government departments, to come up with the necessary requests. Unfortunately, it does not help the people who need the help and need it now. I appreciate the assurances of the Senators and accept them totally as their stated positions.

Suppose we are not able to get from the Department some recommendation in this regard?

Mr. PASTORE. Then we ought to get as near a figure as we can. We can still deal with it on a supplemental. There is no question at all about it. We have an obligation to come up with disaster relief money. This country has always done it; this Government has always done it.

Of course, you have to give the executive an opportunity to work it out according to the right formality.

I tell you very frankly, budget estimate or no budget estimate, when it comes up on supplemental, it will be carefully considered.

They were admonished by the President to work this thing out between HUD and the Commerce Department. If they do not work it out, then we will work it out. But I do not think we ought to second-guess them today.

Mr. TAFT. I appreciate that assurance of the distinguished chairman of the subcommittee.

With that assurance, and also recognizing the realities of what will probably be the voting situation in support of this amendment, I will withdraw the amendment.

The substantiation, for all practical purposes, is right there physically to look at. Without the substantiation of the Government departments involved, I go along, regretfully but nevertheless go along, at this time, with the distinguished Senator from Rhode Island and the distinguished Senator from Nebraska. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment.

Mr. BURDICK. Will the manager of the bill yield to me for a short colloquy?

Mr. PASTORE. Yes, of course, I will be delighted to.

Mr. BURDICK. In the report on page 15, I find the following language:

> During its hearing, the committee heard extensive testimony from concerned citizens on the need for a moratorium on funding new prison construction by the Federal Government so as to determine the possibility of placing greater emphasis on rehabilitation of prisoners rather than incarceration. The committee recognizes that some prisoners cannot be rehabilitated for a variety of reasons. However the committee was informed that approximately 75 percent of the prison population at any one time can be rehabilitated, if the prison system uses newly developed methods and techniques.

Mr. President, I hope that that was true. But the testimony that has been before our Subcommittee on National Penitentiaries does not bear this out. As a matter of fact, I have before me here a news item from just off the ticker, which reads as follows:

> Faced with rising criminal rates, Attorney General William Saxbe says the Justice Department is launching a campaign against career criminals who are terrorists in the community. Taken with the 16 percent increase reported over the last three months of 1973, the figure indicates that the Nation may be returning to a pattern of continually increasing crime rates.

We have made a few strides in the last few years. We have community treatment centers, halfway houses, and the Senate unanimously adopted a division bill recently which will go a long way toward rehabilitating offenders. But we have certainly not reached a point where 75 percent are rehabilitatable at the present time. As a matter of fact, the testimony we have before us is that four out of five serious crimes are today committed by those who have had a prior record.

Mr. PASTORE. We are not talking about those people. I hope we are not talking about those people. Anybody who has committed a violent crime, I am not for letting out of prison. As a matter of fact, as far as I am concerned, they can throw the keys away. I am not talking about that kind of criminal.

Mr. BURDICK. The point is that the records from our committee show that 67 percent of the serious crimes are committed by repeaters. To say that 75 percent should be returned——

Mr. PASTORE. I did not say that. The people who came and testified said that.

Mr. BURDICK. Somebody said that. It was in the report.

Mr. PASTORE. Yes, several groups came and gave testimony before our committee. This report language came out of hearings.

But the point is that we left it out of the bill so it could be discussed in conference.

With reference to the Northeast Youth Center, they have not even picked out the site yet.

As far as the Southeast complex is concerned——

Mr. BURDICK. They have the site.

Mr. PASTORE. They have the site, but have not the plans.

This was for that purpose. We are going to take this to conference, and I hope we can work something out that will make some sense.

I quite agree with the Senator. Nobody is going to let a criminal out of jail if he is going to be a threat to the peace and tranquility of the community. But there are many, many cases where rehabilitation could be worked out so that we can save these lives and save these souls. That is what we are talking about.

Mr. BURDICK. That is what I have been doing for about 10 years.

Mr. PASTORE. That is right, and I have been doing it for 67 years.

Mr. BURDICK. I have been doing it actively for about 10 years in the committee.

Mr. HRUSKA. Will the Senator yield?

Mr. PASTORE. I yield.

Mr. HRUSKA. After the Senator read the language he did on page 15 of the report, the concluding sentence is this:

> For these reasons the committee is recommending that the $39,356,000 contained in the budget for planning, site acquisition, and construction be deleted.

I wish to say deliberately but emphatically, Mr. President, that that is not any part of the reasons why this Senator voted to delete that item. The reason I favored the deletion of the item was purely fiscal in nature and the temper of the times calling for a paring back of expenditures.

I harbor no illusions that the idea of a moratorium for prison construction is going to bring the productions of a millenium to this country, because we are far, far away from that point.

I share the thinking of the Senator from North Dakota, with whom I have worked very closely on these prison problems, that we ought to review that, and I join him in calling attention to the fact that it does not reflect properly the thinking of this committee.

Mr. PASTORE. That is right. The Senator from Rhode Island will have a very open mind at that conference, a very open mind. I think this matter ought to be discussed further.

Mr. McCLELLAN. Mr. President, wlil the Senator yield?

Mr. PASTORE. I yield.

Mr. McCLELLAN. I think the issue here is not the amount of money. That will be in conference. This particular language will not be in conference. What is being said here, and I share that view, is that I am not convinced that any 75 percent of those in prison at any given time can be rehabilitated.

Mr. PASTORE. That is right.

Mr. McCLELLAN. I think that may be an exaggeration.

Mr. PASTORE. Of course, it is probably an exaggeration. I will admit that.

Mr. McCLELLAN. That is all we want to show.

Mr. PASTORE. But if you can save one soul, it may be worth it. One soul is precious. In other words, even the Lord forgave the prodigal son.

Mr. HARRY F. BYRD, JR. I suppose that the Senator from Wisconsin and the Senator from North Carolina were wise in withdrawing the amendment today because, as the able Senator from Rhode Island pointed out, there are many facets of this proposal submitted this morning that need to be gone into carefully. I think the Attorney General's letter made clear some of the basic points.

I think that much good was served by the amendment presented by Senator NELSON and Senator ERVIN, and I hope that when public hearings are held on this matter, the appropriate committee will tighten the wiretapping law to the greatest possible extent, bearing in mind the security of our Nation.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. PASTORE. On this bill?

Mr. HARRY F. BYRD, JR. Yes, I want to speak on this bill.

Mr. PASTORE. Yes, I yield.

The PRESIDING OFFICER (Mr. STEVENSON). The Chair recognizes the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I came to the Chamber this morning very much inclined to support the amendment offered by the Senator from Wisconsin (Mr. NELSON) and the Senator from North Carolina (Mr. ERVIN). That amendment deals with wiretapping.

I have long taken a keen interest in this subject, because I think that wiretapping is a dirty business. It ought to be used only under the most carefully controlled conditions. I received this morning a letter from the Attorney General, and I think that the Attorney General makes important points in his letter. It caused me to have second thoughts in regard to the amendment which had been proposed.

I think the best solution has been worked out between the proponents and the opponents of the amendment. I understand that full hearings will be held on this subject at a later date and that the point raised by the Attorney General's letter can, at that point, be taken into consideration.

Mr. President, I think it is very important that we put tight restrictions on the use of wiretapping. I go back, looking at the CONGRESSIONAL RECORD, to 6 years ago, May 23, 1968. At that time, the Senate was considering the Omnibus Crime Control and Safe Streets Act of 1968. I was fearful that the wiretapping sections of that proposal went too far. I supported an amendment offered by the senior Senator from Michigan (Mr. HART) to circumscribe the conditions under which wiretapping could be used.

I think it is very important, of course, that the executive branch of the Government have adequate opportunity to protect national security, and also in matters of organized crime. But beyond this, it must, the question of wiretapping must be "balanced against the right of the individual to privacy, which I consider to be one of the most basic of our liberties."

That is a statement that I made on May 23, 1968, at which point, I expressed the view that the Omnibus Crime Control and Safe Streets Act legislation was pioneering in the wiretapping field, and may go too far in tampering with the privacy of individual citizens.

Mr. STEVENSON. Mr. President, I send an amendment to the desk, which I offer on behalf of myself and the Senator from Washington (Mr. JACKSON), and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The amendment will be stated.

The second assistant legislative clerk read as follows:

> On page 41, line 19, strike "$9,250,000" and insert in lieu thereof "$9,470,000".

Mr. STEVENSON. Mr. President, this amendment adds $220,000 to the Arms Control and Disarmanent Agency's—ACDA—fiscal 1975 budget. It is a small step toward an international system capable of detecting and preventing nuclear proliferation for peaceful purposes.

Today, over 500 nuclear reactors are in operation in 45 countries. By 1985, the number of operating power reactors throughout the world is expected to quadruple. According to some estimates, by 1980, these reactors will have produced 300,000 to 450,000 kilograms of plutonium. And as little as 5 or 6 kilograms is required to make a bomb with a destructive force of 10 to 20 kilotons of TNT.

Six nations are already known to have nuclear explosives—the United States the Soviet Union, Great Britain, France, China, and India. Other countries have the potential to develop nuclear weapons. Argentina, Belgium, Canada, Israel, Italy, South Africa, Spain, and West Germany are either near, or perhaps, like Israel, have already developed nuclear explosives. Australia, Austria, Brazil, Czechoslovakia, East Germany, Norway, Pakistan, Japan, Iran, Sweden, Switzerland, and Taiwan have it within their technological means to develop nuclear explosives in the near future.

The spread of a nuclear capability is inevitable. The world's energy demands will intensify. Fossil fuel energy resources are depleting. Nuclear power offers energy and independence from foreign oil suppiles.

Nations seeking nuclear power are aided and abetted by the nuclear exporting states, which are scrambling to pay their own oil bills. Salesmen from Canada, West Germany, the United Kingdom, France, and the United States are busy making their rounds. The competition is intense, but businessmen and nations see the opportunities and seek new markets and spheres of influence.

As nuclear power spreads, the military and political dangers will intensify. Nations will find it difficult to exercise self-denial for long when traditional enemies start down the nuclear path. The known or suspected nuclear weapons capability of one nation will intensify the arms race. Confronted by nuclear India, Pakistan is already seeking to acquire its own source of plutonium. In addition, determined terrorist groups or criminal elements with access to nuclear material would have unlimited capacity for blackmail.

The spread of nuclear capability cannot be stopped, but it can be controlled to prevent the diversion of nuclear materials into the production of explosives. One way to minimize the risks of diversion or misuse of nuclear materials is to develop adequate international safeguards.

Present nuclear safeguards are inadequate. They will become increasingly inadequate as technology produces more heavy water reactors, fast breeder and high temperature gas reactors, centrifuges, and lasers to process fuel. If adequate safeguards are not developed, more countries will develop a nuclear weapons capability. Nothing would be more destabilizing to the world than an increase in the number of countries which have the atomic bomb.

The first step in developing effective safeguards is adequately funded research and development.

The fiscal year 1975 budget estimate for the Arms Control and Disarmament Agency as originally approved by the President and submitted to the Congress was $9,500,000. H.R. 15404, the State, Justice, Commerce, and Judiciary appropriations bill, deletes $250,000 from the Agency's budget. Of that amount, $30,000 represents a cost reduction for office space and is not being appealed by the Agency.

In order to absorb the $220,000 balance of the reduction the Arms Control and Disarmament Agency will have to cut back on research.

Reductions in ACDA's research program will have serious effects on the Agency's joint efforts with the Atomic Energy Commission and the International Atomic Energy Agency to develop tamper-resistant equipment and techniques for nuclear safeguards adaptable to the full range of nuclear reactors and reprocessing plants. In view of the increased worldwide interest in obtaining nuclear reactors and the rapidly developing nuclear technology, it would be a serious mistake to curtail the world's already limited research on nuclear safeguards.

ACDA has budgeted $474,000 on safeguards research in fiscal 1975; this is down from $785,000 budgeted in 1969. That is about all the money for international research in the world. An additional $220,000 for ACDA is not inflationary waste in the budget. It is a small, but critical investment in the future stability of the world. The dangers of nuclear proliferation justify a far larger expenditure.

Mr. PASTORE. Mr. President, naturally, as a member of the Joint Committee on Atomic Energy for almost as long as I have been in the U.S. Senate—and that is 24 years—I have always been very enthusiastic and amicable to the appropriation of any funds that might be necessary in order to avoid diversion from peaceful uses of atomic energy for warfare.

Mr. President, we heard this matter in the committee, and this is a very modest cut. The committee felt that they can get along and do all the things that the Senator from Illinois has mentioned. But I assure him that if he will not press his amendment at this time, which I would have to resist because I have resisted all other amendments, and we have brought this total down 3.5 percent—the Senator well knows that he himself is one who has felt we have to cut the budget, and has so voted—I hope he will go along with the committee at this time, and I give this assurance to him: That when the supplemental appropriation comes up, if they see that they cannot get by and do the things they have to do, we will reconsider their request at that time.

Otherwise I would have to move to lay the amendment on the table, which I should very much dislike to do. But not to resist the amendment at this time would place me in a very awkward position, because I have already resisted disaster relief; the question came up on prisons, and we resisted that as well. I must admit that I had to get into nitpicking in order to cut this bill 3.5 percent.

The ACDA has over $9 million. I have been a great advocate of the arms control agency; in fact, I used to admonish them for not asking for enough.

If this hurts, we will put it back in, but not today.

Mr. STEVENSON. Mr. President, I appreciate that assurance from the Senator from Rhode Island. I also appreciate the difficult position that he is in. For budgetary reasons, he has had to resist all amendments to restore or add funds to this appropriations bill. I can understand the problem that the Senator has had.

On the other hand, his awareness of the dangers of nuclear proliferation and diversion in the world is greater than that of any other Member of this body. So, understanding the budgetary difficulty that faces him, and with the assurance from the Senator, who has a keen awareness of the need for research and development of adequate nuclear safeguards, that he would be willing to consider increased funding in a supplemental appropriation, I will, Mr. President, withdraw the amendment, with my thanks to the Senator from Rhode Island.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. COTTON. Mr. President, I would like to make two observations in connection with the pending bill, H.R. 15404, making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year June 30, 1975, and for other purposes.

First, it appropriates for the Maritime Administration in the Department of Commerce $260,000,000 for construction-differential subsidies and $242,800,000 for operating-differential subsidies authorized under the Merchant Marine Act, 1936, as amended. With the Merchant Marine Act of 1970, Congress for the first time authorized both construction-differential subsidy and operating-differential subsidy for commercial tanker vessels. The purpose of extending these subsidies to bulk ships, including tankers, was to make this segment of the American merchant marine competitive with foreign-flag vessels.

Since 1970, Congress has appropriated approximately $1.5 billion for construction-differential subsidies, a substantial portion of which has been earmarked for tanker construction. As a result, shipyards are now operating at full capacity and have a record peacetime backlog of orders. I am in favor of this program of direct subsidies to support and expand our American merchant marine.

But, the second point I would like to make concerns the bill H.R. 8193, the so-called Energy Transportation Security Act of 1974, now pending on the Senate calendar, which would require increasing percentages of all oil imported into the United States to be transported on U.S. flag vessels. I vigorously oppose this bill. Its purpose is also to expand our fleet of U.S.-flag tankers. However, it would do so at great additional expense to the American consumer and taxpayer. For example, the Federal Energy Administration has estimated that the cost of this cargo preference legislation would approach $3 billion per year by 1980.

I merely wish to bring to the attention of my colleagues in the Senate that the costs which would result from enactment of H.R. 8193 would be a further indirect subsidy to the merchant marine in addition to the subsidies appropriated in the pending bill, H.R. 15404, and any such appropriations in future fiscal years. I seriously question the wisdom of authorizing the additional subsidy contemplated by H.R. 8193 for what is already one of the most heavily subsidized sectors of the American economy.

Mr. TAFT. Mr. President, I am happy to see that this bill contains a $2.5 million increase over the House allowance for the Equal Employment Opportunity Commission. Included in the recommendation is $4.5 million for payments to States and local agencies.

Hopefully, the Senate will prevail in conference.

Mr. President, to that end, I would like to bring to the attention of my colleague a letter from the Ohio Civil Rights Commission and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

OHIO CIVIL RIGHTS COMMISSION,
Columbus, Ohio, August 2, 1974.
Hon. ROBERT TAFT, Jr.,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR HONORABLE TAFT: The Ohio Civil Rights Commission has enjoyed for the past four years the Equal Employment Opportunity Funding that has been made possible through grants provided from the Budget of the Equal Employment Opportunity Commission. Ohio is dismayed, as a member agency of the International Association of Official Human Rights Agencies, in the reduction of the Equal Employment Opportunity Commission Budget for state allocation.

H.R. 15404 included $5 million for payment to state and local FEP Agencies. The House Appropriations Subcommittee considered the bill for some time and heard testimony in support of the appropriations from the Equal Employment Opportunity Commission Chairman in late April of this year. In May and June, the House Subcommittee considered the bill and made its recommendations which were adopted for the Full House Appropriations Committee on June 13, 1974, with only $2.5 million for contracts for state and local agencies. That $2.5 million was part of the total Equal Employment Opportunity Commission Appropriations of $52 million, in the Bill (H.R. 15404) which was promptly passed by the House on June 18, 1974. The full amount of $56 million that was contained in the President's Budget for the Equal Employment Opportunity Commission should be seen as an essential and valid need. An informed source reports that this total figure was reduced by $4 million. We are advised that the House approved the figure of $52 million that gives the Equal Employment Opportunity Commission a $7.9 million increase over the present year but provides no increase for states and cities. It is imperative that the $2.5 million initially included in the budget and earmarked for state agencies be replaced in order that those states with equivalent enforcement authority in matters of civil rights be the beneficiary of monetary grants from Equal Employment Opportunity Commission in amounts calculated to promptly and efficiently dispose of those charges filed, by residents of those states, with the Federal Equal Employment Opportunity Commission. Title VII of the Civil Rights Act of 1964 (Amended 1972) requires that the Equal Employment Opportunity Commission defer such charges to those political subdivisions who possess an enforcement equivalence; Ohio is one such state.

Ohio has obtained a total of $293,004.00 beginning in 1971 through the current calendar year. This amount has been of great value to the citizens of Ohio in that it has enabled the Ohio Civil Rights Commission to provide service for over 2,000 Ohioans who initially filed their complaints with the Federal Equal Employment Opportunity Commission. During the Fiscal Year 1973–1974, there were 519 Equal Employment Opportunity Commission Deferrals which were dismissed and 121 conciliated. Under the existing Contract between Equal Employment Opportunity Commission and the Ohio Civil Rights Commission, we are committed to handle 900 such deferrals and, certainly, under careful projections, anticipate an ever prohibitive discriminatory practice in matters of employment since December 19, 1973.

We believe that you may concur with the rationale for as great a return to Ohio of tax dollars for the utilization of services for Ohioans as may be reasonably possible. We would, therefore, sincerely request your most earnest efforts towards the replacement of the removed $2.5 million in the Equal Employment Opportunity Commission Budget allocation of funds for the states. The rapport which the Ohio Commission has established with Equal Employment Opportunity Commission authorities, based upon valid and justible requests, suggests that we may anticipate approval of valid and justifiable requests predicated upon our needs and past performance. At this point, there is no derogatory thinking on our part that we will not receive our fair share provided the Equal Employment Opportunity Commission obtains from the Congress the amounts initially requested in their budget.

Thank you very much for your considered efforts in this regard.

Respectfully,

Ellis L. Ross,
Executive Director.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 15404) was read the third time.

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.). The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Alaska (Mr. Gravel), the Senator from Michigan (Mr. Hart), the Senator from Indiana (Mr. Hartke), the Senator from Wyoming (Mr. McGee), the Senator from New Mexico (Mr. Montoya), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. Aiken), the Senator from Tennessee (Mr. Baker), the Senator from Utah (Mr. Bennett), the Senator from New Jersey (Mr. Case), the Senator from Kentucky (Mr. Cook), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) and the Senator from Kentucky (Mr. Cook) would each vote "yea."

The result was announced—yeas 77, nays 9, as follows:

[No. 377 Leg.]

YEAS—77

Abourezk
Allen
Bayh
Beall
Bellmon
Bible
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fong
Fulbright
Griffin
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—9

Bartlett
Buckley
Byrd, Harry F., Jr.
Fannin
Gurney
Hansen
Helms
Roth
Scott, William L.

NOT VOTING—14

Aiken
Baker
Bennett
Bentsen
Case
Cook
Goldwater
Gravel
Hart
Hartke
McGee
Montoya
Percy
Stennis

So the bill (H.R. 15404) was passed.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Pastore, Mr. McClellan, Mr. Mansfield, Mr. Hollings, Mr. Magnuson, Mr. Eagleton, Mr. Fulbright, Mr. Hruska, Mr. Fong, Mr. Brooke, Mr. Cotton, and Mr. Young conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada.

RULES AND PRECEDENTS APPLICABLE TO IMPEACHMENT TRIALS

Mr. CANNON. Mr. President, Senate Resolution 370, agreed to July 29, 1974, directs the Committee on Rules and Administration to review any and all existing rules and precedents that apply to impeachment trials with a view to recommending any revisions, if necessary, which may be required if the Senate is called upon to conduct such a trial.

The resolution further provides: First, that such review be held entirely in executive sessions; and second, that the Committee on Rules and Administration report its recommendations to the Senate no later than September 1, 1974.

Mr. President, pursuant to that directive, the Committee on Rules and Administration has just concluded a thorough review of the rules and practices applicable to impeachment trials in the Senate. It held many executive sessions on this broad subject, 2 days of which were devoted to hearing testimony of 12 other Members of the Senate. Seven additional Members advised the committee of their views in the form of written statements. In addition the committee has had the constant benefit of the knowledge and counsel of the Parliamentarian of the Senate, a representative of the Legislative Counsel of the Senate, and specialists in American public law from the Congressional Research Service of the Library of Congress. Many further details on the committee's study and review will be expressed in the committee's report to the Senate.

Mr. President, as the result of its deliberations the Committee on Rules and Administration has concluded that certain amendments to the "Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trial" are to be desired. Consequently, the committee is reporting to the Senate an original resolution setting forth the impeachment trial rules as they presently exist, with the amendments recommended by the committee shown by the conventional typographical devices. I ask unanimous consent that this resolution be printed as submitted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, in view of the fact that the Committee on Rules and Administration must now turn immediately to the consideration of the nomination of Nelson A. Rockefeller to be Vice President of the United States, I ask unanimous consent that it may delay until a later date the filing of its report to accompany the original resolution recommending changes in the Senate impeachment trial procedure.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and the chairman knows I will not object, would it be possible to give some indication—the chairman may discuss it at a later date—of an outside date it might be expected?

Mr. CANNON. I would say to my colleague that I would anticipate we would have a report filed within 30 days, but if we are heavily involved in the nomination process, it may be that the individual Senators themselves may not have had an opportunity by that time to supply their separate and individual views.

Mr. ROBERT C. BYRD. Yes.

Mr. CANNON. But we will certainly shoot for a 30-day period and make it as soon thereafter as possible.

Mr. ROBERT C. BYRD. Would it be fair for me to ask the chairman as to whether or not we might reasonably expect the report by the time the 93d Congress adjourns sine die?

Mr. CANNON. Most certainly, I would say we would have it filed prior to adjournment.

Mr. ROBERT C. BYRD. I thank the chairman.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MATTERS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 1067 and 1068.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the first bill by title.

DESIGNATION OF CERTAIN LANDS IN THE OKEFENOKEE NATIONAL WILDLIFE REFUGE, GA., AS WILDERNESS

The Senate proceeded to consider the bill (H.R. 6395) to designate certain lands in the Okefenokee National Wildlife Refuge, Ga., as wilderness which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That, in accordance with section 3(c) of the Wilderness Act (78 Stat. 890), certain lands in the Okefenokee National Wildlife Refuge, Georgia, which comprise about three hundred forty-three thousand eight hundred and fifty acres and which are depicted on a map entitled "Okefenokee Wilderness Proposal", dated October 1967, revised March 1971, are hereby designated as wilderness. The map shall be on file and available for public inspection in the office of the Director of the United States Fish and Wildlife Service, Department of the Interior.

Sec. 2. In accordance with section 4(d)(1) of the Wilderness Act and subject to such restrictions as the Secretary of the Interior deems necessary for public safety and to protect the flora and fauna of the wilderness, within the wilderness designated by this Act:

(1) watercraft trails, insofar as possible in conformance with those depicted on the map referred to in section 1, shall be maintained by appropriate means, including the use of motorized equipment: *Provided*, That neither the total mileage of the trail system designated for exclusive use by nonmotorized watercraft nor the total mileage of the trail system designated for use by motorized watercraft, as depicted on such map, shall be increased; and

(2) on the trails designated for use by motorized watercraft, watercraft propelled by motors of ten or less horsepower may be permitted.

Sec. 3. As soon as practicable after this Act takes effect, a map and a legal description of the wilderness area shall be filed with the Interior and Insular Affairs Committees of the United States Senate and the House of Representatives, and such description and map shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in such description and map may be made.

Sec. 4. The area designated by this Act as wilderness shall be known as the Okefenokee Wilderness and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that the action taken earlier today in passing H.R. 6395, be vitiated.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

CONVEYANCE OF CERTAIN LANDS OF THE UNITED STATES TO THE INTER-TRIBAL COUNCIL, INC., MIAMI, OKLA.

The Senate proceeded to consider the bill (S. 2888) to convey certain land of the United States to the Inter-Tribal Council, Inc., Miami, Okla., which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That (a) all right, title, and interest of the United States in and to the land more particularly described in subsection (b) of this section are hereby declared to be held in trust by the United States for the Indian tribes described in and subject to section 2 of this Act.

(b) The land referred to in subsection (a) is more particularly described as follows: south half of the northwest quarter and that part of the north half of the southwest quarter of section 21, township 27 north, range 24 east, lying north of the centerline of Highway Numbered 60, I.B.M., containing one hundred and fourteen acres, more or less, in Ottawa County, Oklahoma.

Sec. 2. The land referred to in section 1 shall be held in trust by the United States jointly for the Seneca-Cayuga Tribe of Oklahoma, Quapaw Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, Miami Tribe of Oklahoma, Peoria Tribe of Indians of Oklahoma, Ottawa Tribe of Oklahoma, Wyandotte Tribe of Oklahoma, and Modoc Tribe of Oklahoma: *Provided*, That the following Tribes shall have no right or interest in such land (a) so long as they are subject to the provisions of law cited below and (b) if they are still subject to such provisions five years after enactment of this Act;

(1) Peoria Tribe of Indians—sections 3 and 4 of the Act of August 2, 1956 (70 Stat. 937; 25 U.S.C. 823 and 824);

(2) Ottawa Tribe of Oklahoma—sections 8 and 9 of the Act of August 3, 1956 (70 Stat. 963, 964; 25 U.S.C. 848 and 849); and

(3) Wyandotte Tribe of Oklahoma—sections 13 and 14 of the Act of August 1, 1956 (70 Stat. 893, 896; 25 U.S.C. 803 and 804): *Provided further*, That the Modoc Tribe of Oklahoma shall have no right or interest in such lands (a) so long as the Modoc Indians in Oklahoma are subject to sections 18 and 19 of the Act of August 13, 1954 (68 Stat. 718, 722; 25 U.S.C. 564q and 564r), (b) until a Modoc Tribe of Oklahoma is organized and federally recognized, and (c) if five years after enactment of this Act, such Indians are still subject to such section and such tribe has not been so organized and recognized.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Crawford to be the next Ambassador to Cyprus, which was reported earlier today.

The Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination on the executive calendar will be stated.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of William R. Crawford, Jr., of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I request the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT OF THE TWO HOUSES OVER THE LABOR DAY HOLIDAY

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 610.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 610, which will be stated.

The assistant legislative clerk read as follows:

H. Con. Res. 610

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, August 22, 1974, it stand adjourned until 12 o'clock noon on Wednesday, September 11, 1974, or until 12 o'clock noon on the second day after its Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

Sec. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 4, after "1974," insert "and that when the Senate adjourns on Thursday, August 22, 1974, it stand adjourned until 10 o'clock a.m. Wednesday, September 4, 1974,"

Amend the title so as to read: "Providing for a conditional adjournment of the two Houses over the Labor Day Holiday."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The concurrent resolution (H. Con. Res. 610), as amended, was agreed to, as follows:

H. CON. RES. 610

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, August 22, 1974, it stand adjourned until 12 o'clock noon on Wednesday, September 11, 1974, and that when the Senate adjourns on Thursday, August 22, 1974, it stand adjourned until 10 o'clock a.m., Wednesday, September 4, 1974, or until 12 o'clock noon on the second day after its Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

AUTHORIZATION FOR CLERK OF THE HOUSE OF REPRESENTATIVES TO MAKE CORRECTIONS IN THE ENROLLMENT OF H.R. 2

Mr. WILLIAMS. Mr. President, I send to the desk a message from the House of Representatives on House Concurrent Resolution 609, and ask that it be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House, which the clerk will state.

The legislative clerk read as follows:

H. CON. RES. 609

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 2) to provide for pension reform, the Clerk of the House of Representatives shall make the following corrections:

(1) In the item relating to section 405 of the bill in the Table of Contents, strike out "of" and insert in lieu thereof "by".

(2) In the item relating to part I of subtitle A of title II in the Table of Contents of the bill strike out "Part I" and insert in lieu thereof "Part 1".

(3) In the item relating to part II of subtitle A of title II in the Table of Contents of the bill strike out "Part II" and insert in lieu thereof "Part 2".

(4) In the item relating to part III of subtitle A of title II of the bill strike out "Part III" and insert in lieu thereof "Part 3".

(5) In the item relating to part IV of subtitle A of title II in the Table of Contents of the bill strike out "Part IV" and insert in lieu thereof "Part 4".

(6) In the item relating to part V of subtitle A of title II in the Table of Contents of the bill srike out "Part V" and insert in lieu thereof "Part 5".

(7) In paragraph (1) of section 3, strike out "plan was established or maintained" and insert in lieu thereof "plan, fund, or program was established or is maintained".

(8) In paragraph (18) of section 3—

(A) insert "of subtitle B" after "part 4";

(B) strike out "or which has been listed for more than 1 month (at the time of such sale or purchase) on an electronic quotation system administered by a national securities association registered under such Act,"; and

(C) strike out "or so listed on such an electronic quotation system,".

(9) In paragraph (35)(B) of section 3, strike out "individual account plans" and insert in lieu thereof "an individual account plan".

(10) In paragraph (37)(A)(ii) of section 3 of the bill, strike out "agreement" and insert in lieu thereof "agreements".

(10A) In paragraph 37(A)(ii) of section 3 of the bill insert "an" before the word "employee".

(11) In section 4(b)(5) of the bill, strike out "which" before "is unfunded".

(12) In the last sentence of section 102(a)(1) of the bill, strike out "Any" and insert in lieu thereof "A summary of any".

(13) In section 103(b)(3)(D) of the bill insert after the phrase "and his relationship or" the words "that of".

(14) In section 103(d)(8) of the bill, strike out "302" and insert in lieu thereof "302(c)(3)".

(15) In section 103(e) of the bill, strike out "fiscal year" and insert in lieu thereof "plan year".

(16) Strike out paragraph (1) of section 104(b) of the bill and insert in lieu thereof the following:

"(1) The administrator shall furnish to each participant, and each beneficiary receiving benefits under the plan, a copy of the summary, plan description, and all modifications and changes referred to in section 102(a)(1)—

"(A) within 90 days after he becomes a participant, or (in the case of a beneficiary) within 90 days after he first receives benefits, or

"(B) if later, within 120 days after the plan becomes subject to this part.

The administrator shall furnish to each participant, and each beneficiary receiving benefits under the plan, every fifth year after the plan becomes subject to this part an updated summary plan description in section 102 which integrates all plan amendments made within such five-year period, except that in a case where no amendments have been made to a plan during such five-year period, this sentence shall not apply. Notwithstanding the foregoing, the administrator shall furnish to each participant, and to each beneficiary receiving benefits under the plan, the summary plan description described in section 102 every tenth year after the plan becomes subject to this part. If there is a modification or change described in section 102(a)(1), a summary description of such modification or change shall be furnished not later than 210 days after the end of the plan year in which the change is adopted to each participant, and to each beneficiary who is receiving benefits under the plan."

(17) In section 104(d) of the bill, insert "the" before "Treasury".

(18) In section 107, strike out "under section 104(a)(3)" each place it appears and insert in lieu thereof "or simplified reporting requirement under section 104(a)(2) or (3)"

(19) In section 108, strike out "sections 101 through 107 and section 412 of this Act" each place it appears, and insert in lieu thereof "this part or section 412".

(20) In section 110(a) of the bill, strike out "or any type of pension plan" and insert in lieu thereof ", or class of pension plans,".

(21) In section 111(a)(1) of the bill, strike out "[and events]" and insert in lieu thereof "and events".

(22) In paragraph (7) of section 201 of the bill, strike out "Such plan is".

(23) In section 203(a)(3)(D)(ii) of the bill strike out "break-in" and insert in lieu thereof "break in".

(24) In section 203(b)(4) of the bill—

(A) strike out "((A)" and insert in lieu thereof "(A)";

(B) strike out "((B)" and insert in lieu thereof "(B)"; and

(C) strike out "204(d)(1).)" and insert in lieu thereof "204(d)(1).".

(25) In section 204(b)(1)(A) of the bill, strike out the third sentence.

(26) In the first sentence of section 204(b)(1)(C) of the bill, strike out "at" after "would be entitled".

(27) In section 204(b)(1)(C) of the bill strike out "participated" and insert in lieu thereof "participated".

(28) In section 204(b)(1)(D) of the bill strike out "accured" and insert in lieu thereof "accrued".

(29) In section 204(b)(1)(G) of the bill strike out the second sentence and insert in lieu thereof the following: "The preceding sentence shall not apply to benefits under the plan commencing before benefits payable under title II of the Social Security Act which benefits under the plan—

"(i) do not exceed social security benefits, and

"(ii) terminate when such social security benefits commence."

(30) In section 204(c)(1)(D) of the bill strike out "realtionship" and insert in lieu thereof "relationship".

(31) Strike out the last sentence of section 204(e) of the bill and insert in lieu thereof the following: "In the case of a defined contribution plan, the plan provision required under this subsection may provide that such repayment must be made before the participant has any 1-year break in service commencing after such withdrawal."

(32) In section 204(e) of the bill strike out "subparagraph" and insert in lieu thereof "subsection".

(33) In section 204(h) of the bill—

(A) strike out the parenthesis before "For", and

(B) strike out the parenthesis after the period at the end thereof.

(34) Strike out section 206(a) of the bill and insert in lieu thereof the following:

"SEC. 206. (a) Each pension plan shall provide that unless the participant otherwise elects, the payment of benefits under the plan to the participant shall begin not later than the 60th day after the latest of the close of the plan year in which—

"(1) the date on which the participant attains the earlier of age 65 or the normal retirement age specified under the plan,

"(2) occurs the 10th anniversary of the year in which the participant commenced participation in the plan, or

"(3) the participant terminates his service with the employer.

In the case of a plan which provides for the payment of early retirement benefit, such plan shall provide that a participant who satisfied the service requirements for such early retirement benefit, but separated from the service (with any nonforfeitable right to an accrued benefit) before satisfying the age requirement for such early retirement benefit, is entitled upon satisfaction of such age requirement to receive a benefit not less than the benefit to which he would be entitled at the normal retirement age, actuarially reduced under regulations prescribed by the Secretary of the Treasury."

(35) In section 206(b)(1), strike out "such plan" and insert in lieu thereof "a pension plan".

(36) In section 206(d)(2) of the bill insert after "section 4975" the first time it appears "of the Internal Revenue Code of 1954" and insert before the period at the end thereof "of such Code".

(37) In section 209(a)(1)(B) of the bill strike "terminates" and insert in lieu thereof "terminates".

(38) In section 209(a)(2) of the bill, strike out "of Labor" in the first sentence, and "of Labor or his delegate" in the second sentence.

(39) In section 210(a) of the bill—

(A) insert "of this subsection" after "the following provisions"; and

(B) insert "as" after "shall be applied" in paragraph 2.

(39A) In section 211(c)(1), strike out "section 204" and insert "sections 204 and 205".

(40) In section 211(c)(2)(A), strike out "a participant of in the form of an annuity for the life of the participant with a survivor annuity for the life of his spouse" and insert in lieu thereof "the participant".

(41) In section 211(d), strike out "(1)".

(42) In section 301(a) (5) and (6) of the bill strike the comma at the end and insert in lieu thereof a semicolon.

(43) In section 301(a) (7) and (8) of the bill strike the opening parenthesis before the semicolon at the end of such paragraph.

(44) In section 302(a)(1) of the bill strike the second sentence and insert in lieu thereof "A plan to which this part applies shall have satisfied the minimum funding standard for such plan for a plan year if as of the end of such plan year the plan does not have an accumulated funding deficiency."

(45) In section 302(c)(2)(B) of the bill strike "indefault" and insert in lieu thereof "in default".

(46) In section 302(c)(8) of the bill insert the article "a" before "plan" the first time it appears.

(47) In section 303(d) of the bill, strike out the parenthesis before "For", and strike out the parenthesis after the period at the end thereof.

(48) In section 306(c)(1) of the bill insert after "Secretary finds to be" the following: "collective bargaining agreements between employee organizations".

(48A) In section 306, insert at the end thereof the following:

"(d) In the case of a plan maintained by a labor organization which is exempt from tax under section 501(c)(5) of the Internal Revenue Code of 1954 exclusively for the benefit of its employees and their beneficiaries, this part shall be applied by substituting for the term 'December 31, 1975' in subsection (b), the earlier of—

"(1) the date on which the second convention of such labor organization held after the date of the enactment of this Act ends, or

"(2) December 31, 1980,

but in no event shall a date earlier than the later of December 31, 1975, or the date determined under subsection (c) be substituted."

(49) In section 401(a)(2), strike out "a plan consisting an" and insert in lieu thereof "any".

(50) Strike out section 403(b)(4) of the bill and insert the following:

"(4) to a plan which the Secretary exempts from the requirement of subsection (a) and which is not subject to any of the following provisions of this Act:

"(A) part 2 of this subtitle,

"(B) part 3 of this subtitle, or

"(C) title IV of this Act; or".

(51) In section 403(c)(1), strike out "allocation of assets of terminated plans" and insert in lieu thereof "termination of insured plans".

52) In section 403(c)(1)(C) of the bill strike "deductability" and insert in lieu thereof "deductibility".

(53) In section 403(c)(2)(C), strike out "disapproval" and insert in lieu thereof "disallowance".

(54) In section 404(c)(2) of the bill strike "participant"," and insert in lieu thereof "participant's",

(55) In the heading for section 405 of the bill, strike out "OF" and insert in lieu thereof "BY".

(56) In section 405(a) of the bill, strike out "such fiduciary" in paragraphs (1) and (2) and insert in lieu thereof "such other fiduciary".

(57) In section 405(b)(1)(B) of the bill, insert a comma before and after "authorized by the trust instrument".

(58) In section 405(c)(2)(A)(ii) of the bill, strike out "of" after "establishment" and insert in lieu thereof "or".

(59) In section 405(c)(3) of the bill strike "plan's" the second time it appears.

(60) In section 406(b)(2) of the bill insert "in" before "any".

(61) In section 407(a)(4)(A) strike "19679" and insert in lieu thereof "1979".

(62) In section 407(d)(3)(B) of the bill, strike out "the expiration of one year after the effective date of this part" and insert in lieu thereof "January 1, 1976".

(63) In section 407(d)(4) of the bill strike "the" the first time it appears and insert "The".

(64) In section 407(d)(4)(D) of the bill, strike out "such acquistion and retention complies" and insert in lieu thereof "the acquisition and retention of such property comply".

(65) In section 407(d)(5), strike out the semicolon after "stock".

(66) In section 408(b)(5) of the bill strike the dash after "State" and insert in lieu thereof a comma.

(67) In section 408(a)(5)(B) strike "parties-in-interest" and insert in lieu thereof "parties in interest".

(68) In section 414(c)(5) of the bill strike the word "consideartion" and insert in lieu thereof "consideration".

(69) In section 502(b)(2) of the bill strike "benefit" in the second sentence and insert in lieu thereof "benefits".

(70) In section 502(d)(2) of the bill strike the article "a" and insert in lieu thereof "the".

(71) In section 510 of the bill insert a comma after "title" the first time it appears.

(72) In section 514(c)(1) of the bill, insert after the period the following: "A law of the United States applicable to the District of Columbia shall be treated as a State law rather than a law of the United States."

SEC. 2. The Clerk of the House of Representatives, in the enrollment of such bill, shall make the following corrections:

(1) In section 411(a) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, strike out "trus" and insert in lieu thereof "trust".

(2) In section 411(a)(3)(D) of the Internal Revenue Code of 1954, as added by section 1012(a) of the bill, strike out "manadatory" and insert in lieu thereof "mandatory".

(3) In section 411(a)(5)(D) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, after "subsection" insert a comma.

(4) In section 411(b)(1)(A) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, strike out the next to last sentence.

(5) In section 411(b)(1)(E) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, strike out "the term years of service" and insert in lieu thereof "the term 'years of service' ".

(6) In section 411(b)(3)(E) of the Internal Revenue Code of 1954, which is added by section 1012(a) of the bill, after "subsection" insert a comma.

(7) In section 412(a) of the Internal Revenue Code of 1954, which is added by section 1013(a) of the bill, strike out "if at the end of" and insert in lieu thereof "if as of the end of".

(8) In section 4971(c)(3) of the Internal Revenue Code of 1954, which is added by section 1013(b) of the bill, strike out "means' " and insert in lieu thereof "means,".

(9) In section 404(a)(1)(C) of the Internal Revenue Code of 1954, which is added by section 1013(c) of the bill, strike out "Alternate transfer of terms.—" and insert in lieu thereof "Certain collectively-bargained plans.—".

(10) In section 413(c)(6) of the Internal Revenue Code of 1954, which is added by section 1014 of the bill, strike out "limitation pro" and insert in lieu thereof "limitation".

(11) In the item contained in section 1016(b)(2) of the bill relating to chapter 43 of the Internal Revenue Code of 1954, strike out "qualifid" and insert in lieu thereof "qualified".

(12) In section 1017(c)(1)(A) of the bill, strike out "Usual application waived.—" and insert in lieu thereof "Waiver of application.—".

(13) In section 1017(b)(1)(D)(i) of the bill, strike out "with a survivor annuity for the life of his spouse".

(14) In section 1017(a)(2)(B) of the bill, strike out "Interim law granting waiver of underfunding.—" and insert in lieu thereof Waiver of understanding.—".

(15) In section 1017 of the bill, at the end of subsection (c)(2) add the following subparagraph:

"(C) LABOR ORGANIZATION CONVENTIONS.— In the case of a plan maintained by a labor organization, which is exempt from tax under section 501(c)(5) of the Internal Revenue Code of 1954, exclusively for the benefit of its employees and their beneficiaries, section 412 of such Code and other amendments made by this part to the extent such amendments relate to such section 412, shall be applied by substituting for the term 'December 31, 1975' in subsection (b), the earlier of—

"(i) the date on which the second convention of such labor organization held after the date of the enactment of this Act ends, or

"(ii) December 31, 1980,

but in no event shall a date earlier than the later of December 31, 1975, or the date determined under subparagraph (A) or (B) be substituted."

(16) In section 401(a)(14) of the Internal Revenue Code of 1954, which is added by section 1021 of the bill, strike out the matter appearing after subparagraph (C) of such section 401(a)(14) and insert in lieu thereof the same matter flush with the paragraph margin of such paragraph (14).

(17) In section 1021 of the bill, strike out subsection (g).

(18) In subsection 6057(g) of the Internal Revenue Code of 1954, which is added by section 1031(a) of the bill, strike out "toadministration" and insert in lieu thereof "to administration".

(19) In section 6652(e)(2) of the Internal Revenue Code of 1954, which is added by by section 1031(b)(1) of the bill, strike out "therefor (determined with" and insert in lieu thereof "therefor (determined without".

(20) In section 7476(b)(2) of the Internal Revenue Code of 1954, which is added by section 1041(a) of the bill, strike out "plead" and insert in lieu thereof "plead-".

(21) In the section caption of section 7802 of the Internal Revenue Code of 1954, which is added by section 1051(a) of the bill, after "ORGANIZATIONS" insert a closing parenthesis.

(22) In section 408(d)(3)(ii) of the Internal Revenue Code of 1954, which is added by section 2002(b) of the bill, strike out ", other than a plan under which the individual was an employee within the meaning of section 401(c)(1) at the time contributions were made on his behalf under the plan," and insert in lieu thereof "(other than a plan under which the individual was an employee within the meaning of section 401(c)(1) at the time contributions were made on his behalf under the plan)".

(23) In section 408(d)(5) of the Internal Revenue Code of 1954, which is added by section 2002(b) of the bill, strike out "a qualified" and insert in lieu thereof "an".

(24) In section 408(i) of the Internal Revenue Code of 1954, which is added by section 2002(b) of the bill, strike out "section 408(b)" and insert in lieu thereof "subsection (b)".

(25) In the last sentence of section 402(a)(5) of the Internal Revenue Code of 1954, which is added by section 2002(g)(5) of the bill, strike out "annuity plan of any" and insert in lieu thereof "annuity plan if any".

(26) In section 4975(d)(3)(B) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, after "collateral" insert "which".

(27) In section 4975(d)(8) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill strike out:

"(8) any transaction between a plan and "(A) a comn or collective trust fund" and insert in lieu thereof the following:

"(8) any transaction between a plan and a common or collective trust fund".

(28) In the last sentence of section 4975(d) of the Internal Revenue Code of 1954, as added by section 2003 of the bill, strike out "shareholder—employee" and insert in lieu thereof "shareholder-employee".

(29) In the last sentence of section 4975(e)(2) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, strike out "The Secretary" and insert in lieu thereof "The Secretary or his delegate".

(30) In section 4975(e)(7)(A) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, strike out "401" and insert in lieu thereof "401(a)".

(31) In section 4975(f)(4) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, strike out "paragraphs (2), (11), and (12)," and insert in lieu thereof "paragraphs (2) and (10)".

(32) In section 4975(i) of the Internal Revenue Code of 1954, as added by section 2003(a) of the bill, strike out "section 3002 of the Employment" and insert in lieu thereof "section 3003 of the Employee".

(33) In section 415(a)(2) of the Internal Revenue Code of 1954, as added by section 2004(a)(2) of the bill, strike out "405," and insert in lieu thereof "405(a),".

(34) In section 415(d)(1)(B) of the Internal Revenue Code of 1954, as added by section 2004(a)(2) of the bill, strike out "sub ection" and insert in lieu thereof "subsection".

(35) In section 2004(a)(3)(A) of the bill after "defined" insert "benefit".

(36) In section 2004(d)(2) of the bill, strike out the last sentence.

(37) In section 402(e)(4)(B) of the Internal Revenue Code of 1954, as amended by section 2005(a) of the bill, strike out "distributed" and insert in lieu thereof "distribution".

(38) In section 3001(c) of the bill strike out "paragraph (2)" and insert in lieu thereof "subsection (b)(2)".

(39) In title III of the bill, strike out section 3004(a) and insert in lieu thereof the following:

"SEC. 3004. (a) Whenever in this Act or in any provision of law amended by this Act the Secretary of the Treasury and the Secretary of Labor are required to carry out provisions relating to the same subject matter (as determined by them) they shall consult with each other and shall develop rules, regulations, practices, and forms which, to the extent appropriate for the efficient administration of such provisions, are designed to reduce duplication of effort, duplication of reporting, conflicting or overlapping requirements, and the burden of compliance with such provisions by plan administrators, employers, and participants and beneficiaries."

(40) In section 3004(b) of the bill, strike out "with or without reimbursement".

(41) In section 3032(d)(8) of the bill strike out "hall" and insert in lieu thereof "shall".

(42) In section 4001(a)(2) of the bill strike out:

"(B) the second and third preceding plan years, equaling or exceeding 10 percent of all employer contributions paid to or under that plan for each such plan year;"

and insert in lieu thereof:

"(B) the second and third preceding plan years, equaling or exceeding 10 percent of all employer contributions made under that plan for each such year;".

(43) In section 4002(a)(3) of the bill strike out "charged by the corporation under section 4007" and insert in lieu thereof "established by the corporation under section 4006".

(44) In section (h)(2) strike out "nomination" and insert in lieu thereof "appointment".

(45) In section 4003 of the bill, after subsection (e)(5), insert the following new subsection:

"(f) Any participant, beneficiary, plan administrator, or employee adversely affected by any action of the corporation, or by a receiver or trustee appointed by the corporation, with respect to a plan in which such participant, beneficiary, plan administrator or employer has an interest, may bring an action against the corporation, receiver, or trustee in the appropriate court. For purposes of this subsection the term 'appropriate court' means the United States district court before which proceedings under section 4041 or 4042 of this title are being conducted, or if no such proceedings are being conducted the United States district court for the district in which the plan has its principal office, or the United States district court for the District of Columbia. The district courts of the United States have jurisdiction of actions brought under this subsection without regard to the amount in controversy."

(46) In section 4004(b)(1) of the bill strike out "determines that it would not be" and insert in lieu thereof "determines that such approval would not be".

(47) In section 4004(b)(2) of the bill, strike out "special".

(48) In section 4004(d) of the bill strike out "by the corporation or the court, respectively." and insert in lieu thereof "by either the corporation or the court.".

(49) In section 4005(b)(1)(D) of the bill strike out "collected under 4067" and insert in lieu thereof "under subtitle D".

(50) In section 4006(a)(5) of the bill, strike out "enacement" and insert in lieu thereof "enactment".

(51) In section 4006(a)(6) of the bill, strike out "assest" and insert in lieu thereof "assets".

(52) In section 4022(b)(6)(A)((ii) of the bill, strike out "interests" and insert in lieu thereof "interest".

(53) In section 4042(d)(1)(B) of the bill, strike out "part 4 of subpart B" and insert in lieu thereof "part 4 of subtitle B".

(54) In section 4045(b)(1) of the bill, strike out "thet" and insert in lieu thereof "the".

(55) In the second sentence of section 4047 of the bill, strike out "plan administrator control" and insert in lieu thereof "plan administrator of control".

(56) In section 4061 of the bill, strike out "subtitle C" and insert in lieu thereof "subtitle B".

(57) In section 4062(d)(3) of the bill, strike out "merger or" and insert in lieu thereof "merger".

(58) In section 4063(c)(2) of the bill, after "withdrawal" insert a comma.

(59) In section 4063(c)(3)(C) of the bill strike out "law" and insert in lieu thereof "plan".

(60) In section 4063(e) of the bill, strike out "corporations" and insert in lieu thereof "corporation".

(61) In section 4068 of the bill, strike out subsection (b) and insert in lieu thereof the following:

"(b) The lien imposed by subsection (a) arises on the date of termination of a plan, and continues until the liability imposed under section 4062, 4063, or 4064 is satisfied or becomes unenforceable by reason of lapse time.

(62) In section 404(g) of the Internal Revenue Code of 1954, as added by section 4081(a) of the bill, strike out "(G)" and insert in lieu thereof "(g)".

(63) In section 4082(b) of the bill strike out the second sentence and insert in lieu thereof the following: "The corporation shall not pay benefits guaranteed under this title with respect to a plan described in the preceding sentence unless the corporation finds substantial evidence that the plan was terminated for a reasonable business purpose and not for the purpose of obtaining the payment of benefits by the corporation under this title or for the purpose of avoiding the liability which might be imposed under subtitle D if the plan terminated on or after the date of enactment of this Act."

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 609) was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. WILLIAMS. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. CURTIS. Mr. President, I am in favor of the concurrent resolution, but, for the record, would the distinguished chairman of the Committee on Labor and Public Welfare tell us what it does?

The PRESIDING OFFICER. The Chair reminds the Members that a motion to table is not debatable.

Mr. JAVITS. Mr. President, I withdraw the motion.

The PRESIDING OFFICER. There is pending the motion to reconsider.

Mr. CURTIS. Would the distinguished chairman tell us briefly what this concurrent resolution does?

Mr. WILLIAMS. First of all, it corrects a number of clerical errors that were made in the conference report on H.R. 2, the pension reform legislation.

In addition, it makes one substantive change, by removing from the conference report the language of section 1021 (g), which deals with integration between private pension programs and the Social Security System.

Mr. CURTIS. It eliminates that entirely?

Mr. WILLIAMS. Yes. I might explain further what this change involves.

Many of us have received telegrams expressing concern about one of the provisions in the conference report on the Employee Retirement Security Act of 1974. I am referring to section 1021(g), which appears on pages 131 and 132 of the conference report.

This provision would provide that until July 1, 1976, pension plans cannot increase their level of integration of social security with private pension plans by taking into account changes in the social security wage base or in social security benefit levels since 1971. We have been told that this will greatly increase the costs of private pension plans, something that I am sure none of the Senators would like to see occur. This is particularly true if these increased pension costs result in the termination of private pension plans. Certainly that is not the intent of this legislation which is designed to improve and encourage the expansion of private pension plans.

Personally, I am not sure that those who tell us that their funding costs will be substantially increased because of the 2-year freeze provided in this provision are correct in their analysis. If there are substantial increases in costs, I believe that this arises from the belief on the part of the private pension plan actuaries involved that once this freeze occurs there will be no further integration of social security and private pension plans hereafter. This certainly was not the intent of the 2-year freeze included in the bill.

I recognize, however, that this has caused a great deal of concern, and I personally do not want to detract from this fine piece of legislation by the creation of any confusion on this issue. For that reason I have consulted with the conferees, and they have indicated a willingness to delete this provision from the conference report. The technique for doing this is by action on a concurrent resolution today, instructing the enrolling clerk of the House to make certain technical and clerical corrections needed in the conference report before enrollment of the bill. In addition, in this same concurrent resolution would be a provision for the deletion of this provision relating to the integration of social security and private pension plans.

The conferees recognize, however, that the integration of social security and private pension plans represents a difficult problem which needs further study and attention in the future. For that reason, we recommend that the Internal Revenue Service issue no further regulations on integration of social security and pension benefits at least until June 30, 1975. This is the statement which appeared in the House Ways and Means Committee report on the pension bill and represents what I believe is a minimum action which should be taken at this time with regard to this issue of integration of social security and pension benefits. A statement outlining what I have indicated to you is available to the Senators and can be obtained from the pages.

I hope that this represents a satisfactory interim solution to the problem for the Senators. Again, I can assure you that this matter will be studied very carefully by our staffs and I understand it will be studied by the tax committees in the period ahead.

Mr. CURTIS. I have no further questions.

Mr. JAVITS. Mr. President, if the Senator will yield, the effect of that is to use the present effective social security rates instead of old social security rates which was provided in the conference report.

Mr. CURTIS. I have no objection.

Mr. JAVITS. Mr. President, I move to lay the motion to reconsider on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. JAVITS. Mr. President, I made the motion to reconsider.

Mr. WILLIAMS. I made the motion to table.

The PRESIDING OFFICER. The question is on the motion to table.

The motion was agreed to.

EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974—CONFERENCE REPORT

Mr. WILLIAMS. Mr. President, I submit a report of the committee of conference on H.R. 2, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendt to the Senate to the bill (H.R. 2) to provide for pension reform, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of August 12, 1974, at pp. 27849–27951.)

Mr. WILLIAMS. Mr. President, I am happy to report that after long and numerous meetings of the conferees on H.R. 2, we are able to bring before the Senate a conference agreement which has been unanimously adopted, and which, for the first time, will safeguard the pension expectations of American workers.

While the conference agreement takes the form of a substitute for the separate versions passed by the House and Senate, I am satisfied that it provides the degree of protection for pension plan participants and their beneficiaries that the Senate endorsed when it adopted such legislation by a vote of 93 to 9 on September 19, 1973.

Indeed, the conference substitute embodies all of the essential concepts which were developed and approved in the Senate in our effort to remedy the abuses and shortcomings that have been found to exist in the private pension system.

Those concepts were the outgrowth of a 3-year, in-depth study of the private pension system begun during the 91st Congress by the Labor and Public Welfare Committee pursuant to Senate resolution.

Mr. JAVITS. Will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. MANSFIELD Mr President, I ask unanimous consent that the vote on the conference report on private pensions occur at the hour of 1:45.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. MANSFIELD. I thank the Senators.

Mr. WILLIAMS. This study clearly established that too many workers, rather than being able to retire in dignity and security after a lifetime of labor rendered on the promise of a future pension, find that their earned expectations are not to be realized.

Our study also demonstrated the kinds of remedial legislation needed to deal with shortcomings in the pension system, and the feasibility of such measures.

In this connection, the conference substitute, which, with certain limited exceptions, reaches all private retirement plans established by employers or unions whose business or members are in, or affect, interstate commerce, deals with the following areas of concern:

First. Limiting the maximum length of time that an employee may be required to be in service before becoming a participant in a pension plan maintained by his employer for his category of employment.

Mr. JAVITS. Mr. President, will the Senator mind yielding to me for an instant? I will explain why.

I think this bill is so vital that we ought to have a quorum and let the Members know it is on the floor for consideration.

Would the Senator mind if we had a quorum call, which would be for not more than a few minutes?

I ask unanimous consent that the Sentor may resume the floor as soon as the quorum is over.

Mr. WILLIAMS. I have no objection.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, returning to a brief discussion of the provisions of the conference report, the second point I would like to make is that we in this report are assuring that every employee who participates in a pension plan will, within a reasonable number of years, earn a nonforfeitable or "vested" right to a pension upon reaching retirement age, whether or not he leaves the participation employment before reaching that age.

Requiring that contributions are made to pension plans at a rate sufficient to provide reasonable assurance that adequate funds will be on hand to meet all vested benefit claims.

Providing an insurance system which will protect employees and their beneficiaries in their vested pension rights, despite premature plan termination.

Imposing strict fiduciary obligations upon those who exercise management or control over the assets or administration of an employee pension or welfare plan, as well as the provision of adequate reporting and disclosure requirements.

Providing administrative and judicial remedies, available to both the government and participants, which will assure compliance with the foregoing substantive provisions.

In addition, the conference substitute provides certain amendments to existing law with respect to the tax treatment of pension plans, including tax incentives for the establishment of individual retirement accounts for those who are not otherwise covered by a pension plan.

Before discussing the provisions of the conference substitute in further detail, I want to mention the contributions of those members who have been instrumental in bringing this measure to fruition.

Special tribute should be accorded Senator JAVITS, the ranking minority member of the Labor and Public Welfare Committee, who has been my partner throughout this entire endeavor, and whose dedication to the objective of pension reform and creative approach to solving the problems we have encountered have had a major impact on this legislation.

Great credit is also due to Senator LONG and his colleagues on the Finance Committee, including Senator BENTSEN, Senator BENNETT, and Senator CURTIS, as well as Senator NELSON, a member of both our committees, and who, along with Senator BENTSEN, made such a major contribution to working out the differences in approach between our two committees. In helping to fashion the bill that passed the Senate and the substitute that has now emerged from conference, these distinguished members have demonstrated how effectively two committees can join together in achieving a common goal.

I also acknowledge the indispensable role of those Members of the House of Representatives, including Congressman PERKINS, the chairman of the Labor and Education Committee, and his colleagues, Mr. DENT and Mr. ERLENBORN who championed the cause of pension reform in that body.

I should mention, of course, that in the House too, another committee was involved. Mr. ULLMAN from the Committee on Ways and Means was a leader in the joint effort to bring this measure to its final state in the conference report. Without the concern and effort of these and other Members of both Houses, enactment of this legislation, even though long overdue, would still be no more than a distant goal.

PARTICIPATION AND VESTING

One of the objectives of our pension reform effort has been to broaden the number of employees who are eligible to participate in their employer's pension plan, by prohibiting such plans from imposing unduly restrictive age and service requirements as conditions to participation. Under the conference substitute, the general rule is that no plan would be allowed to require as a condition of eligibility an age greater than 25, or a period of service longer than 1 year, whichever is later. Moreover, in the case of an employee who begins his service before age 25, there is to be a "look back" of up to 3 years' credit once he qualifies for participation. In general, 1,000 hours of work during a 12-month period will constitute a "year of service," although shorter periods may be provided by regulations for certain seasonal industries. In addition, the term "hours of service" is to be determined under regulations of the Secretary of Labor, and it is expected that the Secretary may take into account the particular problems of different plans and industries in providing ways in which hours of service may be computed, including the use of earnings data.

Another major objective of this legislation is to reduce the loss of pension rights by employees who terminate their employment prior to retirement age, by requiring plans to grant covered employees nonforfeitable or "vested" rights to benefits after a specified minimum period of service. Employees receiving such vested rights would be entitled to receive pension benefits upon attaining retirement age, even though they had previously left the employment covered by the plan.

With respect to those plans which provide for employee contributions, the conference substitute would require, as did the Senate bill, full and immediate vesting of those benefits which are attributable to such contributions. With regard to employer contributions, the conference agreement requires each plan to select one of three vesting formulas—although a plan could, of course, provide a vesting formula which is more favorable to employees than any of the statutory options. One of the three options is the graded vesting approach which was developed in the Senate. Under this option, each participant would be vested in at least 25 percent of his accrued benefit from the employer's contributions after 5 years of service, plus an additional 5 percent for each of the next 5 years of service, and an additional 10 percent for each year thereafter, with 100 percent of the accrued benefit becoming vested after 15 years. A second alternative available to each plan would be to provide each employee with 100 percent vesting in accrued benefits after not more than 10 years in service. The Senate bill provided this option only for existing plans which now use it, but we agreed with the House to make it available to all plans.

A third vesting option was provided in the House bill—the so-called rule of 45—which would provide an employee with 50 percent vesting when the sum of his age and years of service equals 45—subject to a minimum service requirement of 5 years, with 10 percent additional vesting for each year thereafter. Some of the Senate conferees were extremely reluctant to accept the rule of 45 as an option because of our concern that it would unduly delay any vesting for employees starting at a very early age, and that employers using this formula might be reluctant to hire workers who are approaching middle or older age.

We eventually agreed to accept this provision, however, subject to certain important qualifications. One is that any employee under this formula would be 50 percent vested after 10 years and 100 percent vested after 15 years' service, regardless of age. Another qualification is that despite the general rule in the bill that years of service before age 22 may be disregarded for vesting purposes, an employer using the rule of 45 may not so disregard any year of service during which the employee was a participant. In addition, the conferees provided that one of the subjects to be studied and reported on within 2 years by the pension task force established by this legislation is the effect of this or any other vesting formula upon the employment opportunities of older workers. If patterns of age discrimination appear to develop through the use of this formula, we will, of course, want to consider appropriate amendments to this legislation.

As I have stated, the vesting provisions apply to whatever benefit an employee has accrued under a plan. It is, therefore, important to assure that a plan's accrual formula is not inconsistent with the statutory purpose reflected in the bill's vesting provisions. A basic concern was that a plan not be permitted to use an accrual formula which is so weighted in favor of the later years of service as to subvert the statutory intent to provide meaningful vested rights to those who have relatively few years of service. In this respect, the conferees have adopted a combination of the accrual rules found in the Senate and House bills.

In the case of a plan other than a defined benefit plan, the accrual benefit is to be the balance in the individual employee's account. In the case of defined benefit plans, the rules are somewhat technical, and since they are fully described in the statement of managers, I will only mention them briefly. One is essentially the Senate rule contained in the Senate bill— the so-called pro-rata rule—under which the accrued benefit at any time is proportionate to the number of years of service over the number of years of service the employee would have if he continued his employment until normal retirement age.

Another alternative rule, referred to as the "133⅓-percent test," would permit a plan to adopt any accrual formula it chooses so long as the rate of accrual in any year is not more than 133⅓-percent of the rate in any earlier year—thus limiting the amount of "backloading" which we were concerned might undercut the effect of the vesting rules.

In applying the 133⅓-percent test, social security benefit levels for future years and other factors relevant in computing benefits, including salary differentials, are to be held constant. With respect to compensation-related fluctuations in rates of accrual or, in an appropriate case, fluctuations on account of differing rates of contribution, it is the intention that such fluctuations be disregarded for purposes of applying the 133⅓ percent test. Such matter, of course, will be subject to regulations of the Secretary of the Treasury which will insure that the application of these principles are consistent with the purposes of the 133⅓-percent limitation.

A third option, the "3-percent test," is provided for those plans—particularly so-called "flat benefit" plans—to which the other formulas do not have ready applicability. Under the 3-percent rule, each participant would accrue for each year of service, at least 3 percent of the benefit which is payable at normal retirement age to a participant who begins on the earliest possible entry age.

The participation and vesting provisions will become effective for plan years beginning after the date of enactment, except that in the case of plans which were in existance on January 1, 1974, such provisions will become effective for plan years beginning after December 31, 1975. However, such existing plans may obtain a reasonable delay of these requirements upon a prescribed showing of economic hardship.

It is to be noted that under the conference substitute, upon the effective date of these provisions, workers will generally be entitled to have their service prior to the effective date counted, both for purposes of determining their place on the applicable vesting schedule and for calculating the years of accrued benefits to be vested. Such entitlement will be subject to applicable break-in-service rules, and to the condition that they have at least 3 years of service after December 31, 1970.

There are several other features of our participation and vesting provisions that should be mentioned at this point. One is that this legislation attempts to take account of the problem of vesting in certain highly mobile fields of work, including engineering and scientific activity. It accordingly modifies the antidiscrimination provisions of existing tax law to allow an employer to establish a separate plan for highly mobile employees, trading off higher benefits for more rapid vesting than under the employer's plan for other employees. In addition, the Secretary of Labor is charged with studying ways to protect such employees who work under Federal contracts against loss of retirement benefits, and to develop proposed modifications of Federal procurement regulations for this purpose. The conferees accepted the provision of the Senate bill which would make such regulations effective unless rejected by either House within 120 days after their submission to Congress.

Another significant feature of the conference agreement, originally contained in the Senate bill in order to protect spouses of deceased participants, would require each plan that provides for a retirement benefit in the form of an annuity to provide for a joint and survivor annuity for married participants, which, upon reaching retirement, may be waived only if the participant so elects in writing.

With respect to allocating the additional costs of providing the new required survivor's option, the conference substitute would permit a plan to adjust the joint and survivor option benefit to an actuarial equivalent of the single life annuity. As is made clear in the statement of managers, the plan is not required to "subsidize" joint and survivor benefits, and may make reasonable actuarial adjustments, either on an individual case-by-case basis, or in the aggregate, based on the plan's overall experience.

It is contemplated by the conference agreement that where changes must be made in existing collective bargaining agreements in order to bring a plan into compliance with the act's requirements, the parties will be required to bargain in good faith over such changes. However, any reopening of a collective bargaining agreement for this purpose would not require the parties to bargain over matters unrelated to the modifications required by this act, provided they would not otherwise be required to do so.

The conference substitute provides that subject to regulations of the Secretary of Labor, a plan may be permitted to suspend the payment of pension benefits when a retiree returns to work for the employer who is paying such benefits. In addition, a multiemployer plan would be permitted to provide, subject to such regulations, that payment of benefits may be suspended when a retiree returns to work in the same industry, in the same trade or craft, and in the same geographical area as that covered by the plan. The type of suspensions contemplated by this provision are those which prevent plan assets from being used to pay retirement benefits to persons who have, in fact, returned to work for employers covered by the plan. Also contemplated are provisions designed to protect participants against their pension plan being used, in effect, to subsidize low-wage employers who hire plan retirees to compete with, and undercut the wages and working conditions of employees covered by the plan.

It is expected that regulations issued by the Secretary would not permit use of suspension provisions where they are not necessary to deal with the types of situations I have described. Moreover, while such regulations may, as appropriate to particular industry conditions, such as those characterized by casual and intermittent employment, provide that benefits can be suspended not only for the exact number of days or hours of employment, but for a reasonable period of time during which the employment occurs, such regulations should preclude such suspensions which are not necessary to effectuate the policies I have mentioned.

PORTABILITY

As a complement to the vesting provisions, the Senate bill had provided for a voluntary portability system, under which participating plans and employees could agree to transfer vested benefits from one plan to another through a central clearinghouse. While the conference substitute does not include provision for the central clearinghouse, it does provide, in order to facilitate portability, that when an employee leaves employment covered by a plan, the value of vested benefits can—if so agreed by the employee and the plan—be transferred on a tax-free basis to an individual retirement account, where it can remain until retirement age is reached, or until the employee enters another plan which is willing to receive a transfer of such amount, again on a tax-free basis, and to give the employee appropriate credit in the new plan.

The Department of Labor is to provide individuals with actuarial assistance in evaluating whether benefits in the new plan are being provided in an appropriate amount. Appropriate measures for providing for further portability of pension rights between different plans are among the studies to be undertaken by the joint pension task force, and reported on within 2 years.

On particular importance in connection with the preservation of vested rights are provisions in the conference substitute which are intended to assure that each participant will be able to obtain information regarding the status of any benefits he may have earned. Thus, under sections 105 and 209 of the labor provisions of the bill, and section 1031 of the tax portion, each plan administrator must annually notify not only the Secretaries of Labor and Treasury of those participants who left employment during the year with deferred vested rights, but must also provide such information to each such participant.

In addition, each participant may request once each year a statement from the plan administrator of the total benefits, both vested and nonvested, which he has accrued, and the earliest date on which his benefits will become nonforfeitable. Such requirements are subject to regulations and variances issued by the Secretaries of Labor and Treasury. In exercising their discretion under these provisions, the Secretaries may take into account the particular problems that multiemployer plans may face in assembling the necessary data from a number of employers, and may prescribe appropriate alternative methods of meeting these requirements, as long as the objective of providing this essential information to participants is fulfilled.

In this connection, it may be noted that the Social Security Administration has in the past filled a most useful service for many multiemployer plans in furnishing, pursuant to employee authorizations, necessary employment data; it is expected that social security will continue to meet this need and that such sources of employment information may be considered by the secretaries in fashioning appropriate recordkeeping requirements for such plans.

It should be noted that the conference agreement in fact places additional responsibility upon social security, for the tax portion of the bill—sections 1031 and 1032—provides that the information concerning employees who separate with deferred vested rights must be forwarded to social security by the Treasury Department. Thereafter, whenever social security finds any employee to be entitled to social security benefits or when it is otherwise requested by an employee, it shall provide appropriate notification of the vested pension rights the employee has earned at his various places of employment. In this way, it is intended that every employee will have a means of keeping apprised of the pension rights he may have earned over a lifetime of employment.

FUNDING

One of the objectives of pension reform legislation has been to require plans to fund their obligations by regularly setting aside sufficient amounts to meet their current costs and to amortize their past service liabilities. The purpose is to provide reasonable assurance that pension plans will have sufficient funds to pay their obligations to participants and beneficiaries when they come due.

Under the conference agreement, all plans covered by the funding requirements and which come into existence after January 1, 1974, must amortize past service liabilities over no more than 30 years in the case of single employer plans, and 40 years in the case of multiemployer plans. However, all plans in existence on January 1, 1974, will have 40 years to amortize those past service liabilities which are unfunded on the effective date of these provisions. Experience losses are to be amortized over 15 years in the case of single employer plans, and over 20 years in the case of multiemployer plans.

The bill provides that if an employer would incur substantial business hardship, and if application of the funding requirements would be adverse to the plan participants, the plan may obtain a waiver of an annual contribution—but such waived amounts must be amortized over not more than 15 years. In addition, a plan may, upon a prescribed showing of economic hardship, obtain an extension of the period for amortizing past service liabilities and experience losses of up to 10 additional years.

As a further form of relief to plans which are unable to meet the funding requirements in a particular year, the bill would permit a plan amendment to reduce accrued—but not vested—benefits after the close of the plan year to which the amendment applies, but only if the amendment is made within 2½ months after the end of the plan year in the case of single employer plans, and within 2 years of the close of the plan year in the case of multiemployer plans.

Any such retroactive plan amendmnt is subject to action by the Secretary of Labor, and it is the conferees' expectation that any such amendment which would reduce accrued liabilities would be disapproved unless it meets the various hardship conditions specified in the bill, and the Secretary of Labor determines that the funding deficiency cannot be avoided through any of the other alternatives provided by the bill.

Under the conference agreement, the funding requirements will generally become effective for the first full plan year beginning after the date of enactment. For plans already in existence on January 1, 1974, however, the funding requirements will become applicable for plan years beginning after December 31, 1975, except that in the case of collectively bargained plans existing on January 1, 1974, the effective date would be postponed until the termination of the existing contract, but not later than plan years beginning after December 31, 1980.

TERMINATION INSURANCE

While the funding provisions are designed to assure that sufficient assets are available to a plan to pay benefits when due, experience has shown that participants and beneficiaries, even in well-funded plans, may lose vested rights when a plan terminates because of plant closure or other reasons.

Accordingly, the conference substitute, as did the Senate and House bills, establishes an insurance program to protect employees against the loss of vested benefits in the event of plan termination. The program would be administered by a pension benefit guaranty corporation established within the Department of Labor. Its board of directors—consisting of the Secretaries of Labor, Commerce, and Treasury—is to establish policy, while the Secretary of Labor, as chairman, will be responsible for overall supervision of the corporation's personnel organization, and budget practices.

Also provided is a seven-member advisory committee to advise the corporation with respect to such policies as the investment of funds, appointment of trustees for terminating plans, the liquidation or continued operation of terminated plans, and other such matters.

In general, where assets of a terminated plan are insufficient, vested pension benefits will be covered by the insurance program, subject to a limit of the lesser of 100 percent of the employee's wages during his highest-paid 5 years, or $750 monthly. This limitation will be adjusted to reflect changes in the social security base. Where the benefits result from a plan provision which has been in effect for less than 5 years on the date of termination, insurance coverage will be phased in at the rate of 20 percent a year, until the benefit is fully covered after 5 years.

To pay for the costs of the insurance program, all covered plans will pay an initial per-capita premium for the first year after enactment; during the second year, each plan will have optional premium formulas to select. In subsequent years, the corporation may set premiums in accordance with standards provided in the legislation which will reflect equitably the experience gained since enactment. In addition, the corporation will have authority to borrow up to $100 million from the Federal Treasury.

The legislation provides procedures under which plans may be terminated, including provisions for court supervision of such terminations, and the appointment of trustees to administer plan assets. It is expected that in appointing trustees, the courts will give weight to the recommendations of the corporation, which, in turn, will be generally advised by the advisory committee.

In order to safeguard multiemployer plans, the substitute includes the special procedures of the Senate bill designed to protect the plan upon the withdrawal of a substantial contributor.

Since there would be a possibility of abuse by solvent employers who terminate a plan and shift the financial burden to the insurance program, notwithstanding their own financial ability to continue funding the plan, the conference bill imposes liability on employers whose plans terminate, to reimburse the program for benefits paid by the corporation. This liability extends to 30 percent of the employer's net worth. However, the bill does provide that employers will be permitted to exercise an option to obtain additional insurance to cover such contingent liability.

In order to provide prompt and effective protection for the employees concerned, insurance coverage for plans established by single employers becomes effective for plans terminated after June 30, 1974. Coverage for multiemployer plans generally starts for terminations after December 31, 1977. However, to prevent hardship, the Pension Benefit Guaranty Corporation, subject to certain limitations, is given discretionary authority to provide benefits to employees covered by multiemployer plans which terminate after the date of enactment of the legislation and before January 1, 1978. However, such discretionary benefits cannot be paid if they would jeopardize the coverage of multiemployer plans terminated in 1978 and later years.

REPORTING AND DISCLOSURE

Reporting and disclosure requirements presently exist for all employee benefit plans, including both pension and welfare plans, under the Welfare and Pension Plans Disclosure Act of 1958. That act required, among other things, plan administrators to file with the Secretary of Labor, and to send to participants upon request, a description and annual report of the plan.

This new legislation would repeal the existing act and replace it with provisions requiring the reporting of more detailed information concerning the administration of plan assets and the payment of benefits, including the particulars of party-in-interest transactions and information concerning all large transactions. In addition, annual reports must include an audit by an independent qualified accountant, and an actuarial valuation of the plan's assets and liabilities. Plan participants would be entitled to receive a reasonably comprehensive summary of the major plan provisions, written so as to be understandable by the average plan participant.

The Secretary of Labor will be able to simplify the reporting requirements for plans involving fewer than 100 participants. He will also have authority to exempt any welfare plan from all or part of the reporting and disclosure requirements. In this regard, it may be noted that the definition of "welfare plan" in the conference substitute includes various types of plans—such as those providing apprenticeship or other training programs, day care centers, and the like—which were not expressly covered by the existing Welfare and Pension Plans Disclosure Act. While this expanded coverage will assure the applicability of the new fiduciary requirements to such plans, the Secretary need not subject all of these plans to the reporting requirements. Thus, those plans which have been exempt from reporting requirements in the past, might expect to remain so exempt, unless the Secretary finds it necessary to require such reporting in whole or in part.

The new reporting and disclosure provisions will generally go into effect on January 1, 1975, although the Secretary of Labor will be authorized to adjust the transition date between the old and new acts until the beginning of the first plan year of the January 1, 1975.

FIDUCIARY REQUIREMENTS

Despite the value of full reporting and disclosure, it has become clear that such provisions are not in themselves sufficient to safeguard employee benefit plan assets from such abuses as self-dealing, imprudent investing, and misappropriation of plan funds. Neither existing State nor Federal law has been effective in preventing or correcting many of these abuses. Accordingly, the legislation imposes strict fiduciary obligations on those who have discretion or responsibility respecting the management, handling, or disposition of pension or welfare plan assets. The objectives of these provisions are to make applicable the law of trusts; to prohibit exculpatory clauses that have often been used in this field; to establish uniform fiduciary standards to prevent transactions which dissipate or endanger plan assets; and to provide effective remedies for breaches of trust.

Every covered plan would be required to be established in writing, and to provide for the appointment of "named fiduciaries" who will have authority to control and manage the administration and operation of the plan. In addition, plan assets will generally be required to be held in the form of a trust by trustees—with certain specified exceptions and with authority in the Secretary of Labor to provide additional exceptions for plans such as welfare plans.

The conference agreement applies the "prudent man" rule to the conduct of fiduciaries. While it forbids exculpatory clauses, the legislation does allow fiduciaries to allocate and delegate their responsibilities and to designate others to carry out the daily management of the plan. Such actions, however, must be provided for in the plan, and are subject to limitations stated in the bill.

The conferees also accepted the approach of the Senate bill in placing limitations upon the holding of plan assets in securities of the employer, or real property leased to the employer. Thus, in addition to the requirement of prudent diversification, the conference substitute prohibits a plan from holding or acquiring such investments to an extent greater than 10 percent of the plan's assets—the operative limit under the Senate-passed bill was 7 percent. Provision is made for the disposition, over a 10-year period, of such investments which presently exceed the 10 percent limit.

The bill prohibits fiduciaries from engaging in transactions involving the transfer of assets between the plan and parties in interest; or transactions in which the fiduciary deals with the assets of the plan for his own account, receives consideration from any party dealing with the plan, or acts on behalf of a party whose interests are adverse to those of the plan. While the House bill would have permitted the transfer of assets between the plan and a party-in-interest as long as the transfer was for adequate consideration, the Senate view has been that the adequate consideration test may not be sufficient protection against the temptations for wrongdoing inherent in these kinds of transactions, and the conferees agreed to accept the Senate view on this issue.

The conference substitute does provide specific exceptions from the prohibited transactions rules, similar to those contained in the Senate bill, for certain established practices which are regarded as consistent with the sound and efficient functioning of employee benefit plans, and additional exceptions may be obtained administratively upon a showing that the transaction is in the best interest of the plan and its participants, that adequate safeguards are provided, and that the exception is administratively feasible.

One issue that has occasioned considerable interest relates to those situations where a fiduciary also provides other services to a plan, and may, because of his fiduciary position, be in a position to influence the extent or cost of the other service he provides. Some such multiple services are now commonly provided by banking, investment and other financial institutions, and may be quite beneficial to the plans utilizing them. Accordingly, the conferees have expressly permitted such services where it was possible to devise adequate statutory safeguards. In other areas, it was left to the affected plans or the providers of such services to seek administrative exceptions, subject to such conditions as the administering agencies believe are required to protect the interests of the plan and its participants.

An example are stock brokers, or their affiliates, who provide investment management services to a pension plan and at the same time, furnish brokerage services on the transactions which they direct as investment manager. Such a situation obviously presents the prospects of churning and other opportunities for wrongdoing at the expense of the fund. No statutory exemption was provided for such activity, but if it can be shown that adequate safeguards can be developed, the Secretaries of Labor and Treasury could grant an appropriate variance, provided that it were administratively feasible and in the interests of the plan and its participants.

While the insurance provisions of the conference substitute generally provide for the allocation of the assets of terminated pension plans, the fiduciary provisions state that the assets of terminated welfare plans shall be distributed in accordance with the terms of the plan, except as otherwise provided in regulations of the Secretary of Labor. These regulations might appropriately apply to partial terminations whereby, pursuant to collective bargaining, assets of a welfare plan are transferred to another employee benefit plan in order to reflect changes in industry conditions or the needs of the employees covered. It is expected that such a transfer could be permitted, provided the accrued benefits of participants are not impaired, and the transfer is in the best interests of the employees covered by the plans, even where the participants are not wholly identical.

ADMINISTRATION AND ENFORCEMENT

One of the important issues dealt with by the conferees was the allocation of responsibility between the appropriate administrative agencies for the administration and enforcement of the bill's substantive provisions. Under the conference substitute, a significant role will be accorded in the administration of the participation, vesting and funding standards to both the Department of Labor and, in the case of plans which seek tax qualification, to the Internal Revenue Service. In order to avoid duplication of effort on the part of the two agencies, the conference substitute delegates certain particular functions to one agency or the other. In addition, the bill provides guidelines for coordination of administration and enforcement between the two agencies.

Since it is probable that in view of the new requirements almost all pension plans will seek tax qualification, the conference substitute, in effect, accords the basic responsibility with respect to participation, vesting and funding to the Internal Revenue Service, although the Secretary of Labor will have authority with regard to the granting of certain variances, for the promulgation of certain regulations, and for intervening in the tax qualification procedure in specified instances. In addition, the Secretary of Labor, on the request of participants, or the Secretary of the Treasury, will be authorized to bring civil actions to require payment of benefits denied to any participant or beneficiary in violation of the participation, or vesting provisions of the act or to otherwise redress violations of such provisions.

Under the conference substitute, enforcement of the fiduciary provisions would primarily lie with the Secretary of Labor who would be empowered to bring civil actions to redress or restrain violations on the part of fiduciaries. He is also authorized to impose civil penalties on parties in interest who participate in prohibited transactions with welfare plans which are not subject to the tax qualification provisions of the Internal Revenue Code. However, the Internal Revenue Service would have responsibility for dealing with those who are "disqualified persons"—similar to the parties in interest defined in the labor portion of the conference substitute—with authority to impose excise taxes on violators.

In addition to being able to request the Secretary of Labor to bring suit on their behalf in cases where benefits are denied in violation of the act, individual participants and beneficiaries will also be able to bring suit in Federal court in such instances, as well as to obtain redress of fiduciary violations. In addition, participants and beneficiaries may bring suit to recover benefits denied contrary to the terms of their plan, and where such claims by participants or beneficiaries do not involve application of the substantive requirements of this legislation, they may be brought in either State or Federal courts of competent jurisdiction. It is intended that such actions will be regarded as arising under the laws of the United States, in similar fashion to those brought under section 301 of the Labor Management Relations Act.

It should be noted that prior to bringing an action to recover benefits from the plan, the participant or beneficiary would have the right to receive written notice from the plan of the special reasons his claim for benefits was denied; and, in addition, would be entitled to a full and fair review by the plan administrator of the decision to deny such benefits.

A further protection for employees is the prohibition against discharge, or other discriminatory conduct toward participants and beneficiaries which is designed to interfere with attainment of vested benefits or other rights under the bill, or to discourage the exercise of any rights afforded by the legislation. Either the employee or the Secretary of Labor may bring suit to redress such violations.

It should be stressed that with the narrow exceptions specified in the bill, the substantive and enforcement provisions of the conference substitute are intended to preempt the field for Federal regulations, thus eliminating the threat of conflicting or inconsistent State and local regulation of employee benefit plans. This principle is intended to apply in its broadest sense to all actions of State or local governments, or any instrumentality thereof, which have the force or effect of law. Consistent with this principle, State professional associations acting under the guise of State-enforced professional regulation, should not be able to prevent unions and employers from maintaining the types of employee benefit programs which Congress has authorized—for example, prepaid legal services programs—whether closed or open panel—authorized by Public Law 93-95. The preemption provisions of the conference substitute shall generally become applicable on January 1, 1975.

INDIVIDUAL RETIREMENT ACCOUNTS AND PLANS FOR THE SELF-EMPLOYED

The conference substitute will amend existing tax law to provide, for the first time, that individuals who are not covered by any qualified pension plan may take a tax deduction for contributions to an individual retirement plan. Such deductions—which may begin in 1975—may be in an amount of up to 15 percent of earned income or $1,500, whichever is less. Such individual retirement accounts may be established by the individual himself, or by his employer or union.

In addition, the conference substitute liberalizes the existing limitations on contributions to H.R. 10 plans for the self-employed. Such limitations are increased from the present level of 10 percent of earned income up to $2,500 a year, to 15 percent of earned income up to $7,500 a year.

SPECIAL TRIBUTE TO STAFF WORK

Mr. President, I have already discussed the impressive contributions made by Members of both Houses to this legislation. I should note, however, that the development of the landmark pension reform legislation (H.R. 2), including the task of reconciling the different approaches of two committees of the Senate, and ultimately the differing views of the two Houses, has required a singular degree of skill and effort on the part of the respective committee staffs. No legislation in my experience has demanded the dedication and cooperation of so many staff Members in both Houses of Congress, and I am most grateful for the fine work they have done.

Particular appreciation is due to my own staff members, Mario T. Noto, staff director of the Labor and Public Welfare Committee, Robert E. Nagle, general counsel to our committee, Michael R. Schoenenberger, staff attorney, as well as Michael Gordon, the monority counsel to our committee.

Passage of this legislation is the end product of 3 years of study and development by the Senate Labor Committee staff. It was their dedicated efforts which helped to enlighten the public and the Congress to the need for reforms of our private retirement system.

Special thanks are due to contributions of the staff of the Senate Finance Committee members, including Robert Willan, Counsel to the Finance Committee, Richard Fay of Senator NELSON's staff and David Allen of Senator BENTSEN's staff.

A particular tribute must be reserved for the work of Laurence Woodworth and the other staff members of the Joint Committee on Internal Revenue Taxation, including Staff Counsels Herbert Chabot, Robert Blum, James Billinger, Robert Warden and Arthur Fefferman, Chief Economist.

I also wish to recognize the vital contributions of the staff of the House Education and Labor Committee, who worked closely with the Senate Staff in developing the conference substitute, including Donald Baker, General Counsel as well as Vance Anderson, Russell Mueller, Charles Sheerin and Robin Reed.

The drafting of this complex measure required the development of special techniques and the devoted efforts of the staff of the Legislative Counsel of both the Senate and House. For their efforts—which all too often go unrecognized—I wish to commend Daniel Murray and Lloyd Ator of the Senate Legislative Counsel, and Robert Nordhaus and Pope Barrow of the House Legislative Counsel.

PENSION REFORM—A LEGISLATIVE TRIUMPH

Mr. JAVITS. Mr. President, 2 weeks ago we witnessed a singular act in American history—the resignation of a President of the United States. Many were moved to tears over the indescribable sadness of the occasion—the fall from grace of the highest elected official in our Nation. Yet, we were also moved by the awesome triumph of our constitutional form of Government and by the foresight of our Founding Fathers who were inspired to design a system capable of withstanding and solving this unprecedented crisis in our Government. The message of that event to all was that the American Constitution is alive and well and that this Nation under law will be more unified and determined than ever to pursue the great objectives for which this Republic has been renowned since its inception.

There is another message that should also be conveyed and that is that the Congress is also alive and well. I believe that the last few years have laid the foundation for a renaissance in the exercise of congressional prerogatives. The proof of this renaissance lies not only in the superior work of the House Judiciary Committee, as they considered articles of impeachment, but also in the enactment of such original and vital legislation as the war powers bill and congressional budget reform. And now—to add to the list of first-rate achievements by this Congress, we have before us the pension reform bill, worked out after several months by a unique conference of four committees of the House and Senate—the Senate Labor Committee, the Senate Finance Committee, the House Labor Committee, and the House Ways and Means Committee—and worked out, I might add, while the national drama of impeachment and resignation was being played not at it height.

For the pension reform bill is the greatest development in the life of the American worker since social security. For the first time in our history most workers will be able truly to retire at retirement age and to live decently on their social security, and private pensions.

The conference report on the pension bill is the product of a herculean effort extending over many years. Before describing some of the remarkable aspects of this legislation, I would like briefly to retrace the steps which led us to this final chapter on pension reform—which, like medicare, took over 10 years to bring to fruition.

Mr. President, the growth and development of the private pension system in the United States during the past three decades has been substantial. Yet regulation of the private system's scope and operation has been minimal. With the exception of the tax qualification procedures of the Internal Revenue Code and the mild disclosure provisions of the Welfare and Pension Plan Disclosure Act, there really has been very little Federal regulation at all and hardly any at the State level, either.

The private pension system itself has grown like "topsy" to the point where it covers an estimated 30 to 35 million workers—nearly half the Nation's work force. The assets of private plans, estimated to be in excess of $160 billion, constitute the largest private accumulation of resources which have avoided the imprint of effective govenmental supervision.

The absence of any supervision over these funds and the lack of minimum standards to safeguard the interests of plan participants and beneficiaries has over the years led to widespread complaints signaling the need for remedial legislation.

In 1962 President Kennedy formed a special cabinet-level task force to study the causes of loss of benefits to workers in private plans, as well as to assess the impact of these private retirement programs on the Nation's economy and future public policy. In 1965 President Kennedy's cabinet committee recommended Federal legislation to require minimum vesting standards in private pensions, as well as Federal regulation of plan fiduciaries. The cabinet report also recommended that further study be given to the need for plan termination insurance and portability of benefits between pension plans.

Starting in 1967, I introduced the first comprehensive private pension and welfare plan reform bill (S. 1103) believing then, as I do now, that only a comprehensive, integrated regulatory approach would handle adequately the interrelated problems of deficiencies and abuses in private plans which cause deprivation of retirement benefits on which workers rely. That early bill—the forerunner of the final conference report we are considering today—proposed to establish minimum uniform standards for eligibility, vesting, funding, plan termination insurance, portability, fiduciary safeguards, and full disclosure, as well as a wide range of judicial and administrative remedies to help workers enforce their rights. I am most gratified that the conference report embodies not only all the elements of the original legislation I proposed in 1967, but in many instances duplicates very closely those early provisions.

I reintroduced that original legislation in 1969 and again in 1971, and in 1972 I was joined by the chairman of the Senate Labor Committee, Senator HARRISON A. WILLIAMS, Democrat of New Jersey, in the bipartisan Williams-Javits bill which was cosponsored by virtually every member of the Senate Labor Committee and ultimately, by over half the Members of the Senate. I would like to add in this connection, that the chairman of the Senate Labor Committee has been a tower of strength in our struggle to achieve lasting retirement protection for millions of American workers. Our collaboration on this project has been one of the high points of my congressional career of over 25 years, and I know that he shares with me a sense of deep satisfaction—even elation—over the birth of a comprehensive pension reform law.

As a result of sweeping investigations and studies by the Senate Labor Committee in 1971 and 1972—which backed by the Senate with $1 million to defray the cost—built one of the most exhaustive records in support of legislation in recent memory—the Senate Labor Committee, with the collaboration of the Senate Finance Committee, which had reacted unfavorably in 1972, but which took an affirmative position in 1973 in a fine display of statesmanship, brought to the floor of the Senate in September of 1973, an omnibus pension reform bill (H.R. 4200) which was passed by a spectacular 93–0 vote.

In February of 1974, the House passed a bill (H.R. 2) similar to the Senate initiated legislation. It too was passed by an overwhelming vote and represented a joint effort of the House Labor Committee and the House Ways and Means Committee.

This briefly is the basic history of the long awaited conference report on pension reform we consider today.

I. WHY PENSION REFORM IS NEEDED

Mr. President, literally thousands of American workers have testified to or written about the urgent need for pension reform. Here are some typical examples from the hearings and investigations of the Senate Labor Committee.

In Cleveland, William Wheeler of Findlay, Ohio, testified he was an employee of the GarWood plant for 42 years. When it was sold to Sargent Industries, who closed the Findlay plant in 1970, his union committee told him if he wanted anything out of his pension plan he had better take it then.

Mr. Wheeler said:

> I went down to the office and signed up for my pension, so here is the damn paper they give me. It don't mean nothing. Forty-two years—30 years of creditable service. So I retired thinking of that damned little pension of $134 monthly from which I had to take a $11.77 deduction for retiring a year and nine months early.

Then he got a letter from Sargent Industries, GarWood Division, saying his pension would be slightly cut. He said:

> Well, I call it a hell of a slight cut. They cut me back to $46.02 a month after 42 years of working in that shop.

The pensions of 500 people were affected by this shutdown. Of these, only the 112 already retired received any pension, and they were forced to take a 62-percent cut. The money simply was not there.

The situation was much the same when Studebaker closed its plant employing nearly 7,000 men and women in South Bend, Ind. The pension plan was able to pay only 15 cents on the dollar of the "vested" benefits of 4,500 employees, ages 40 to 59, who had 10 years or more of service.

In Philadelphia, 73-year-old Leon Grimes, who had worked for Horn & Hardart Baking Co. for 37 years, recalled when he was asked to retire—

> They called me into the office and said "Grimes, it is almost time for you to go out." Well, I said, go out for what? I am not ready to retire.

But he was forced to retire on a pension of $59 a month. Then, 4 years later, this was terminated—for him and 167 other former Horn & Hardart employees who had retired; 600 others were told they would get pensions for only 9 more months. These pensions were being paid not from a funded insurance plan, but out of operating revenues. The company could not spare those revenues any longer. Too bad for the pensioners and for those who expected pensions.

Many workers are led to believe they are covered by a good pension plan because of nicely phrased booklets and other assurances handed them by their employers. When the time comes for the payoff, they learn that the cold legal phrasing in pension contracts says otherwise.

At hearings in Philadelphia, George Allen, who after 32 years with one company was laid off 5 months before becoming eligible for a pension, said:

> You see, all of these pensions are done up by corporation lawyers and against people, say working people with a high school education, and as everybody knows, there's no competition.

In Newark, Raymond Sagendorf, 57 years old, testified he needed 1 more year to qualify for a pension after working for a brewery for 29 years, and was now out of a job. Speaking ot Chairman WILLIAMS, he said:

> Senator, I have here books on the pension plan that ain't worth a quarter because I can't understand it. I don't know anything about it, and I defy any trustee of our plan to explain this to me . . . you have people running the pension plan that don't even understand it themselves.

Or as John McGrath, who had worked for the same company, explained it—"The worker today has trust." McGrath had not looked into his pension rights until after he learned he was 9 days short of 30 years—and 9 days short of a pension—and out of a job because the plant had closed.

Mr. McGrath said:

> Maybe—I know I was wrong—but, still and all, we were never really counseled on our rights. We may have got these things in the mail, but that was quite a few years ago. I don't know.

Perhaps an even more horrendous case than the foregoing, involved that of Robert E. Pratt of Hudson, N.Y.

In August of 1971, Mr. Robert E. Pratt of Hudson, N.Y., was laid off from Gifford-Wood Co. due to poor business conditions. In the meantime, the company was sold to Greer Industries, Wilmington, Mass., in June 1972, by Stowe-Woodward Co., Inc. of Upper Newton Falls, Mass., former owners of Gifford-Wood Co. Gifford-Wood manufactured coal extraction, materials handling and other machinery. It was a very old company that dates back to 1814.

On June 30, 1972, the Gifford-Wood plan was terminated, 3 months before Mr. Pratt's 65th birthday. Mr. Pratt had worked for Gifford-Wood Co. for 47 years. When he applied for retirement benefits on attaining age 65 he was told he would receive nothing for his 47 years of service since the plan had been terminated on June 30, 1972, and there were funds available to pay retirement benefits only to those who had retired before that date. An "unofficial" note from an insurance agent advised Mr. Pratt to contact me for help since while "the company has no legal obligation to you—there is definitely a question of the morality of choosing June 30, 1972, as the cut-off date or of not offering you something for your 47 years of service."

Mr. President, a pension reform law is now a reality because of the hardship, deprivation and inequity suffered by American working people. It is their collective anger and disgust that put tremendous congressional majorities behind, this bill, and if we who espoused their cause in this body have sometimes not behaved in as gentlemanly a manner as is customary—and I hope those aberrations of conduct have been rare—it is because we too shared their sense of indignation and frustration over what often seemed to be a cynical disregard of fundamental American concepts of fairness and decency by some of those who managed the private pension funds.

The agony of years of frustrated and disappointed beneficiaries has now come to an end. The discipline of law will enable this and succeeding generations of workers to face their retirement period with greater confidence and greater security—and for this achievement we owe a debt of everlasting gratitude to those who brought their problems to the Nation's attention and testified freely and vividly to the need for pension reform.

II. WHAT THE PENSION REFORM LAW WILL DO

The conference report represents a series of fundamental guarantees made to every American worker—guarantees which will secure for millions of Americans the exceptation of a decent retirement income in combination with social security. These guarantees are nothing less than a pension "bill of rights" to which every worker—regardless of his occupation, salary or status—is entitled.

While the new law does not require employers to install a private pension plan, it would for the first time provide the following 14 basic rights to those working for an employer with a private pension plan.

ELIGIBILITY

Employees who have the right to be admitted into the plan when they attain age 25 or 1 year of service—whichever is later—with credit up to 3 years for service with the employer prior to age 25.

CREDIT FOR SERVICE

Employees would have the right to obtain credit for vested benefits in accordance with fair and reasonable criteria—generally, 1,000 hours of work during the year will count for a year of service and only if an employee works 500 hours or less during the year will he have a break in service.

VESTING

Employees would have the right to vested pension benefits in accordance with the following alternatives: First, 25 percent vesting after 5 years of service, going up by 5 percent steps each year of the next 5 years and steps of 10 percent each year thereafter to 100 percent vesting at the end of 15 years, second, or 100 percent vesting at the end of 10 years service, third, or 50 percent vesting when age and service add up to 45 years with 100 percent vesting 5 years thereafter (with the safeguard that under this alternative an employee must be 50 percent vested after 10 years' service regardless of age, and 100 percent vested 5 years thereafter).

JOINT AND SURVIVOR ANNUITY

Employees (and their spouses) would have the right to the protection of an automatic survivor's annuity if they should die when retired. The surviving spouse's benefit could not be less than one-half of the benefit paid to the retiree. Further, the employee can elect to convert an early retirement benefit if he should decline to retire into a surviving spouse's benefit.

FUNDING

Employees have the right to have their pension benefits backed up by the employer making systematic payments to their plan—like paying off a mortgage—over a 30- or 40-year period. This funding obligation must be supervised by competent actuaries qualified by the Federal Government.

EMPLOYEE CONTRIBUTIONS

Employees have the right to withdraw their contributions when they leave the plan and not lose their vested benefit rights if they are at least 50 percent vested. Employees also have the right if they return to the plan to "buy back" any credits they may have lost.

TERMINATION INSURANCE

Employees would have the right to government insurance of their pension benefits—similar to FDIC insurance of bank deposits—which would guarantee that in the event their plan terminates with insufficient funds, their vested pension benefits would be paid up to a maximum limit of $750 monthly—but not to exceed 100 percent of their compensation over their highest 5 years.

FIDUCIARY STANDARDS

Employees would have the right to enforce new Federal rules of conduct applicable to those who manage pension and welfare funds. Employees could prevent plan administrators and trustees from mismanaging plan assets or engaging in conflict of interest deals which jeopardize their plan.

PORTABILITY

With the consent and cooperation of their employers, employees would have the right to transfer their vested pension rights on a tax-free basis from one employer to another through the means of establishing an individual retirement account.

INDIVIDUAL RETIREMENT ACCOUNT

Employees who lack private pension coverage would have the right to deduct up to $1,500 annually or 15 percent of their annual compensation—whichever is less—into their own individually established pension plan.

SELF-EMPLOYED BENEFITS

Self-employed individuals would have the right to deduct up to $7,500 annually or 15 percent of their annual compensation—whichever is less—for contributions to plans covering self-employed individuals and their employees. The current deductible limits are $2,500 annually or 10 percent of compensation, whichever is less.

DISCLOSURE

Employees would have the right to get clearly-written and understandable descriptions of their plan as well as access to underlying plan documents and copies of annual financial statements covering in detail the fiscal operations of their plan. In addition, annual statements of earned and vested benefits would be made available to employees and when they leave employment with vested rights they must be furnished with a statement of their rights, and the same information is to be furnished to the Social Security Administration for recordkeeping purposes.

BENEFIT PROCEDURES

Every employee is entitled to notice in writing if his claim for benefits has been denied, with the specific reasons for the denial set forth in understandable language. In addition, every employee is entitled to a full and fair review by the plan administrator of any benefit denied and has the right to bring an action in a Federal court, regardless of the amount in controversy, to recover benefits wrongfully denied.

PROTECTION OF PENSION RIGHTS AGAINST EMPLOYER OR UNION INTERFERENCE

Every employee is to have the right, enforceable by the Secretary of Labor, to be free from interference with his pension benefits. This means that he cannot be discharged, fined, suspended, expelled or otherwise interfered with in order to prevent him from receiving pension benefits or attaining eligibility for pension benefits. There are stiff criminal penalties if the type of interference takes the form of force, fraud or violence or threats of this nature.

These 14 guarantees to American workers are at the heart of pension reform and provide much-need and long-denied protections. To be sure, the new pension law is not perfect but no one ever claimed that it was. But it is a truly magnificent beginning—as important in its own right as the first social security law—and it will go very far in assuring retirement security based on a worker's long career of productive labor.

III. OUTLINE OF CONFERENCE AGREEMENT

The following are the major elements of the conference report:

Participation Rules: The Senate bill required workers to be admitted into a plan no later than age 30 or 1 year of service, whichever was the latter. Once admitted, the worker was to be given up to 5 years of back credit for service prior to admission into the plan—but credit did not have to be given for service prior to age 25. The House bill required a worker to be admitted into the plan at age 25 or 1 year of service, whichever was latter. In addition, the House bill provided that any worker who had completed 3 years of employment prior to age 25, had to be admitted into the plan. Also, the House bill provided that a plan could require 3 years of service by a worker before admitting him to the plan, if the plan provided immediate full vesting when the worker was admitted to membership.

The conference report, following the general House approach, requires that plans cannot exclude from membership any worker who has reached age 25 or completed 1 year of service, whichever is the latter. The conference report deletes the special House rule requiring admission of an employee to the plan when he has 3 years of service prior to age 25, but substitutes a modified version of the Senate "look-back" rule by requiring that once an employee has been admitted to the plan, he shall be given up to 3 years of credit for service prior to age 25—excluding service prior to age 22. In addition, the conference report accepts the House rule permitting a 3-year service requirement if the plan provides 100 percent vesting when the employee is admitted to the plan. Also, the conference report adopts a Senate amendment which would permit plans of tax-exempt educational institutions to restrict membership in the plan to workers attaining age 30 or 1 year of service, whichever is the latter, if they provide 100 percent full vesting on admission to the plan.

Year of Service: Under the Senate bill a worker was regarded as performing a year of service if he was employed for more than 5 months during the year, for at least 80 hours each calendar month. Under the House bill, the determination of year of service was generally left to regulations. Under the conference report, a year of service generally will constitute 1,000 hours (an exception being made for maritime industries where a year of service will constitute 125 days). In addition, a Senate amendment resulted in a special rule for seasonal employees who customarily work less than 1,000 hours during a year; in this case, the Secretary of Labor will write special regulations defining year of service. The foregoing rules apply for purposes of participating and vesting; they do not apply to the earning of benefits where plan rules will govern except that a plan must accrue benefits for less than full-time service on a pro rata basis and is not required to accrue a year of benefits for any employee who works less than 1,000 hours during the year.

Break in service: Under the Senate bill all service was to be aggregated regardless of the length of a break in service before an employee would qualify for initial vesting rights. Under the House bill an employee who was at least 50 percent vested would not lose credit for service prior to a break in service, providing he returned to the plan for at least a year. If he had 4 years of consecutive service he would not lose credit due to a break in service even if he was less than 50 percent vested, unless his break in service was 6 years or longer.

Under the conference agreement, a 1-year break in service occurs in any calendar year, plan year, or other consecutive 12-month period designated by the plan and applied on a consistent basis—and not prohibited under Labor Department regulations—in which the employee has no more than 500 hours of service.

The rules with respect to breaks in service for vesting and benefits accrual purposes may be summarized as follows:

First. If an employee has a 1-year break in service, the plan may require a 1-year waiting period before his pre-break and post-break service must be aggregated under the plan. However, once the employee has completed this waiting period, he must receive credit for that year—for purposes of vesting and accrued benefit.

Second. In the case of an individual account plan—including a plan funded solely by individual insurance contracts, as well as a "target benefit plan"—if any employee has a 1-year break in service, his vesting percentage in pre-break benefit accruals does not have to be increased as a result of post-break service.

Third. Subject to rules (1) and (2), once an employee has achieved any percentage of vesting, then all of his pre-break and post-break service must be aggregated for all purposes.

Fourth. For all nonvested employees—and subject to rules (1) and (2)—the employee would not lose credits for pre-break service until his period of absence equaled his years of covered service—known as the so-called "rule of parity".

For years beginning prior to the effective date of the vesting provisions, a plan may apply the break in service rules under the plan. However, no plan amendment made after January 1, 1974, may provide for break in service rules which are less beneficial to any employee than the rules in effect under the plan on that date, unless the amendment complies with the break in service rules established under the conference agreement.

Vesting: Under the House bill a plan was required to meet one of three minimum vesting schedules. First, a plan could provide a graded vesting standard, under which the employee must be at least 25 percent vested in his accrued benefit after 5 years of covered service, with 5 percent additional vesting for each of the next 5 years, and 10 percent additional vesting for each year thereafter (so that the employee was 100 percent vested after 15 years of service). Second, a plan could provide that each employee must be 100 percent vested after 10 years of service. Third, a plan with 5 years or more of service would be 50 percent vested when the sum of his age and his years of service equaled 45, with 10 percent additional vesting for each year thereafter.

Under the Senate amendment, plans generally were required to comply with the first of these alternatives, the graded vesting schedule. However, plans which were already using the 10-year/100-percent vesting schedule were permitted to continue to use that method.

Under the conference agreement plans must provide full and immediate vesting in benefits derived from employee contributions.

With respect to employer contributions, the plan—except class year plans—must meet one of three alternative standards. Two of those, the 5 to 15 year graded standard and the 10-year/100-percent standard are the same as provided in the House bill—and briefly described above. The third standard under the conference agreement is a modification of the House bill "rule of 45." As under the House rule, under the modified rule of 45, an employee with 5 or more years of covered service must be at least 50-percent vested when the sum of his age and years of covered service total 45, and there must be provision for at least 10 percent additional vesting for each year for covered service thereafter. Unlike the House bill, however, each employee with 10 years of covered service—regardless of his age—must be at least 50 percent vested and there must be provision for 10 percent additional vesting for each year of service thereafter, and further, if the modified rule of 45 is adopted, service prior to age 22 must be credited if the plan admits workers to the plan prior to that age.

Forfeiture upon withdrawal of contributions: The House bill provided that an employee's rights to benefits derived from employer contributions may not be forfeited on account of the employee withdrawing his mandatory contributions. The rule in the Senate bill was just the opposite. The conference agreement provides that an employee's rights to benefits from employer contributions may be forfeited where the employee is less than 50 percent vested in these benefits and withdraws all or any part of his own mandatory contributions to the plan. However, the plan must also provide a "buy back" rule; that is, that the employee's forfeited benefits will be fully restored if the employee repays the withdrawn contributions—with interest of 5 percent per annum, compounded annually—to the plan. Both these rules may be ignored if the plan does not provide for mandatory employee contributions after date of enactment.

Accrued benefit rules: Under the Senate bill, in defined benefit plans, the amount of benefits earned by the worker per year of service was to be determined by calculating the total years of service required for a normal retirement benefit and then deriving the fractional amount of benefit for each year of service and multiplying it by the worker's period of service over the period he would have had to work to reach normal retirement age. Under the House bill there were two formulas: First. The accrual rate for any year was to be no more than 133⅓ percent of the accrual rate for any other year, or second, for each year, benefits were to be accrued at the rate of not less than 3 percent of the maximum retirement benefit. With several technical modifications, the conference agreement combines the Senate and House rules.

Variations: Under the House bill, the Secretary of Labor could defer the vesting requirements of the bill indefinitely and prescribe other vesting rules for a plan that showed economic hardship of one sort or another. Under the Senate bill, such a variation could only be provided for a limited period of 6 years. Under the conference agreement, a variation can be granted for an initial period of 4 years—with possibility of extension for an additional 3 years if application is made within 1 year prior to expiration of the initial variation period.

Joint and Survivor Annuities: The House and Senate bills were essentially similar in requiring retirement benefits to be automatically paid in the form of a joint and survivor annuity unless the worker decided otherwise in writing. However, the House bill also required a survivor annuity to be paid even though the participant had not retired, if he died while working on or after his earliest retirement age. The House bill also required the participant to have been married for 5 years in order for the surviving spouse to obtain these benefits.

Under the conference agreement, when a plan provides for a retirement benefit in the form of an annuity, and the participant has been married for the 1-year period ending on the annuity starting date, the plan must provide for a joint and survivor annuity. The survivor annuity must be not less than half of the annuity payable to the participant during the joint lives of the participant and his spouse.

In the case of an employee who retires, or who attains the normal retirement age, the joint and survivor provision is to apply unless the employee elected otherwise.

In the case of an employee who is eligible to retire prior to the normal retirement age under the plan, and who does not retire, the joint and survivor provisions need not be applicable under the plan, unless the employee made an affirmative election. Moreover, the plan need not make this option available until the employee is within 10 years of normal retirement age.

The employee is to be afforded a reasonable opportunity, in accordance with regulations, to exercise his election out of—or, before normal retirement age, into—the joint and survivor provision before the annuity starting date—or before he becomes eligible for early retirement. The employee is to be supplied with a written explanation of the joint and survivor provisions, explained in layman's language, as well as the practical—dollar and cents—effect on him—and his or her spouse—of making an election either to take or not to take the provision.

To prevent adverse selection the plan may provide that any election, or revocation of an election, is not to become effective if the participant dies within some period of time—not in excess of 2 years—of the election or revocation (except in the case of accidental death where the accident which causes death occurs after the election).

Funding: Both the Senate and House bills contained similar funding rules requiring that currently created costs be funded currently, and that costs attributable to already existing liabilities, past service liabilities created under plan amendments and experience gains or losses be amortized over fixed periods of time. The House bill, however, specified funding of existing past service liabilities over a 40-year period—the Senate bill called for 30—and required 20-year amortization of unfunded vested liabilities—not in the Senate bill.

Under the conference agreement, initial past service liabilities and past service liabilities arising under plan amendments are to be amortized over no more than 30 years—40 years for the unfunded past service liabilities on the effective date of these new funding rules, in the case of existing plans—and experience gains and losses are to be amortized over no more than 15 years. With respect to multiemployer plans, past service liabilities generally may be amortized over no more than 40 years, and experience losses over no more than 20 years. Following the Senate amendment, the conference agreement does not include a second general minimum funding standard based only on "vested" liabilities.

Plan Termination Insurance: The Senate bill provided for the following: First. A Pension Benefit Guaranty Corporation within the Labor Department to be administered by a board of directors consisting of the Secretaries of Labor, Commerce, and Treasury, with the Secretary of Labor being Chairman; second, generally, coverage of all defined benefit plans regardless of size; third, premiums for the first 3 years to be paid at the rate of $1 per participant and thereafter as prescribed by corporation—subject to congressional ratification; fourth, one insurance fund for all plans but authority to prescribe differential premium rates for single and multiemployer plans; fifth, insurance of all vested benefits provided by plan—including those which are in excess of statutory requirements; sixth, insured benefits to be limited to the lesser of 50 percent of average wages during 5 years preceding termination or $750 monthly; and seventh, employer liability up to 30 percent of net worth covering both single and multiemployer plans, with provisions for employer liability insurance.

The House bill provided that: First, the Pension Benefit Guaranty Corporation would be administered by the Secretary of Labor; second, generally coverage of all defined benefit plans having more than 25 participants; third, a two-part premium rate consisting of unfunded insured liabilities—0.1 percent for single employer plans and 0.025 for multiemployer plans—and a uniform rate levied on all insured benefits not to produce revenue in excess of the unfunded rate, with authority for revision subject to congressional approval; fourth, different insurance funds for single and multiemployer plans; fifth, insurance only of vested benefits required by statute and only if the plan has been an insured member for 5 years; sixth, insured benefits not to exceed actuarial equivalent of an annuity beginning at age 65 of $20 per month per year of credited service; and seventh, employer liability up to 50 percent of net worth but only for single employer plans but with provision for employer liability insurance.

The conference agreement generally follows the Senate bill with respect to points one and two. With respect to premiums, single employer plans are to pay $1 per plan participant during the first full plan year following enactment. Multiemployer plans are to pay 50 cents per plan participant during these periods. During the second full plan year, both single employer and multiemployer plans may elect to pay a premium determined under the formula of the House bill but not less than one-half of what they would have to pay under the per capita rates.

In subsequent years the corporation may set premiums using the per capita rate base, the unfunded insured benefits rate base, or the total insured benefits rate base, or any combination of these—subject to the rate limitations above described. If the corporation should want to combine any two or more of these three rate bases, it is to design the bases to produce approximately equal amounts of aggregate premium revenue yearly from each.

The corporation may exceed the rate limitations, produce unequal amounts of aggregate premium income from the different rate bases, or use other rate bases, but only as to plan years beginning after Congress approves these revisions through a special procedure set forth in the conference agreement.

With respect to point four, the House version was accepted and with respect to point five, the Senate version, with certain modifications for plans and amendments less than 5 years old—or unfunded plans which did not meet IRS qualification standards for 5 years—was accepted. With respect to point six, the Senate bill was generally followed. However, the limitation is set as the actuarial equivalent of the lesser of 100 percent of the employee's wages during his highest-paid 5 consecutive years—without regard to temporary absences from participation during that period—or $750 monthly. This amount is adjusted to reflect changes in the social security contribution and benefit base.

Finally, with respect to employer liability, generally, the Senate bill was followed.

Portability: The House bill did not provide for a central portability fund as did the Senate bill. Both bills provided for tax-free rollovers permitting distributions from qualified plan or into individual retirement accounts. The conference agreement expands the tax-free rollovers to permit portability between qualified plans with the individual retirement account serving as the substitute for the central portability fund of the Senate bill. Under this compromise both the worker's new and old employers must agree to the transfer from, and the distribution to the worker's individual retirement account. The Secretary of Labor is to provide actuarial assistance to those workers transferring benefits under this system. In addition, the Joint Pension Task Force established under the bill is to study further the feasibility of a central portability fund and report its recommendations within 2 years of enactment.

Fiduciary Standards: With one major exception, both the Senate and House bills provided for similar Federal fiduciary standards, which included establishing the rule that plan fiduciaries must act "prudently" and for the exclusive benefit of plan participants and beneficiaries. Under the House bill however, fiduciaries were not forbidden from dealing on behalf of the plan with parties in interest if the transaction was for adequate consideration. Under the Senate bill, party in interest transactions were strictly forbidden except for certain limited statutory exceptions or where the Secretary of Labor provided a variance in the interests of participants and beneficiaries.

The conference agreement follows the Senate bill, including the restriction that a plan may not acquire or hold employer securities with a value in excess of 10 percent of plan assets. With respect to current holdings in excess of the 10 percent rule, the conference agreement provides for a 10-year phaseout. With respect to certain brokerage services which conflict with the party in interest prohibitions, the conference agreement provides for a 3-year phaseout unless the Secretaries of Labor and Treasury provide a variance. Certain ancillary services—for example maintaining uninvested cash balances—performed by banks are permitted providing they conform to regulations of the Secretaries of Labor and Treasury which will place limits on the discretionary exercise of these functions.

Reporting and Disclosure: The House bill required annual reporting of detailed financial and actuarial data and comprehensive plan descriptions to the Secretary of Labor, and disclosure of more limited data to the participants. The financial and actuarial data filed with the Secretary of Labor are required to be in the form of a conventional audited financial statement prepared by a qualified accountant and a certified actuarial statement prepared by an enrolled actuary. The Senate bill required submission of comparable financial and actuarial data and plan descriptions to both the Secretary of Labor and participants. Like the House bill, actuarial data is required to be certified by an enrolled actuary. Unlike the House bill, all reports were required to be submitted on forms promulgated by the Secretary. In general, the conference agreement combines the rules of both the House and Senate bill.

The conference agreement adopts the reporting format contained in both the House and Senate bills. Each plan—unless exempted—is to be required to report annually to the Secretary of Labor certain financial and actuarial data. In addition to these reports, each plan will be required to have prepared an audited financial statement and a defined benefit plan must have a certified actuarial report. Special reports are also required at the time of plan terminations.

The Secretary of Labor is given authority to prescribe forms for reports to it—other than the audited financial statement and certified actuarial report—paralleling similar authority already available to the Secretary of Treasury. The two Secretaries are to unify, to the extent feasible, the reports made to them.

The Secretary of Labor is also given variation authority with respect to pension and welfare plans, so that practical reporting problems may be alleviated. The Secretary could, for example, provide an alternative method of reporting receipts and disbursements for plans maintaining their books and records on an accrual basis.

Contributions on behalf of self-employed and shareholder employees: Under the House bill the maximum limitations on deductions for self-employed individuals would be increased from 10 percent of their self-employment income, not to exceed $2,500, up to 15 percent of their self-employment income, not to exceed $7,500. In any event, a minimum of $750 would be deductible by self-employed individuals, without regard to the percentage limitations. The Senate amendment, although containing a number of technical differences, is generally similar to the House bill in this area, and generally, the conference substitute follows the House bill with respect to technical matters. Also, the conference substitute provides the same treatment for deductions with respect to contributions made on behalf of subchapter S corporation shareholder-employees—in applying the 15 percentage limitation not more than $100,000 of earned income may be taken into account—and authorizes Treasury regulations to allow self-employed persons and shareholder-employees to translate the 15 percent, $7,500 limitations into approximately equivalent limitations on benefits which individuals can receive under a defined benefit plan.

Tax deductions for individual retirement accounts: (See discussion under IV)

Overall limitations on contributions and benefits: Under the House bill, in general, in the case of defined benefit plans, the pension may be paid from a qualified plan with respect to any individual and may not exceed 100 percent of his compensation in his high 3 years of employment or $75,000, whichever is the lesser. In the case of defined contribution plans, the annual additions to an individual's account may not exceed the lesser of $25,000, or 25 percent of his compensation. Both the $75,000 amount and $25,000 amount referred to above are subject to cost-of-living allowances. If an employee is under both a defined benefit plan and a defined contribution plan then the sum of, first, the percentage utilization of the maximum limit under the defined benefit plan, and second, the percentage utilization of the maximum limit under the defined contribution plan, cannot exceed 140 percent.

Under the Senate amendment, benefits under a defined benefit plan are limited to 75 percent of the participant's high-three-consecutive years of compensation, taking into account no more than $100,000 of compensation per year. A closely comparable limitation is provided for defined contribution plans, so that deductible contributions may not exceed amounts sufficient to fund a pension for the employee equal to 75 percent of his average high-3-years of compensation—not in excess of the first $100,000 in any one year. Where an employer had both a defined benefit plan, and a defined contribution plan, the maximum benefit payable under the defined benefit plan would have to be reduced in proportion to the amount of the benefit which was funded through the defined contribution plan.

The conference substitute closely follows the provisions of the House bill.

Lump-Sum Distribution: Both the House bill and the Senate bills treat the post-1973 taxable portion of a lump-sum distribution from a qualified pension, profit-sharing or stock bonus plan as ordinary income taxed under an averaging device which treats it as if it were received evenly over a period of years. Under the House bill, this special averaging treatment provides the treatment which would be applicable if the amount were spread over a period of 10 years, while the Senate bill provides the treatment which would be applicable if it were spread over 15 years. Both the House and Senate versions treat the portion of the payment attributable to the pre-1974 period as long-term capital gain.

The conference substitute accepts the 10-year averaging period provided under the House bill. Both the House bill and the Senate amendment compute the ordinary income portion under the same general type of averaging device and this same general procedure is used in the conference substitute.

Salary Reduction and Cash or Deferred Profit-Sharing Plans: Under present law, in general, an employee's contributions to a qualified retirement plan maintained by his employer are not tax deductible. In the case of a salary reduction plan, or a cash or deferred profit-sharing plan, however, the Internal Revenue Service has permitted employees to exclude from income certain amounts contributed by their employers to the plan, even where the source of these amounts is the employee's agreement to take salary or bonus reductions, or forgo salary increases.

On December 6, 1972, the Service issued proposed regulations which would have changed this result in the case of salary reduction plans, and which called into question the continued viability of the treatment of cash and deferred profit-sharing plans.

Under the Senate bill, contributions made after December 31, 1973, to salary reduction, and so forth, plans would be treated as nonexcludible employee contributions to the plan for Federal tax purposes. Under the House bill, the Treasury regulations were to be withdrawn and while Congress studied the matter, no further regulations could be issued before January 1, 1975. During this period, the pre-1972 position of the IRS was to govern.

In order to allow time for congressional study of these areas, the conference substitute provides for a temporary freeze of the status quo. Thus, contributions to plans in existence on June 27, 1974, are to be governed under the law as it was applied prior to January 1, 1972. This treatment is to continue at least through December 31, 1976, or—if later—until regulations are issued in final form in this area, which would change the pre-1972 administration of the law.

Provisions relating to jurisdiction: See discussion under IV.

Preemption of State law: See discussion under IV.

Effective dates: First, Reporting and disclosure—The conference agreement provides that the reporting and disclosure provisions generally are to take effect on January 1, 1975. However, in the case of a fiscal year plan year which begins before January 1, 1975, and ends after December 31, 1974, the Secretary of Labor may by regulation postpone the effective date until the beginning of the first plan year of the plan which begins after January 1, 1975.

Second. Participation and vesting—changes made in the bill with respect to participation and vesting are to apply to new plans in plan years beginning after the date of enactment. For plans in existence on January 1, 1974, the general effective date of these provisions is to be plan years beginning after December 31, 1975.

The general effective date of plan years beginning after December 31, 1975, applies in the case of collectively bargained plans in the same manner as in the case of other plans. However, in order that the opening up of the contract to comply with the requirements of this bill will not require negotiations with respect to other matters, the conference agreement provides that a collective-bargaining contract, in existence on January 1, 1974, which does not expire until after the general effective date for existing plans, may be reopened solely for the purpose of allowing the plan to meet—or exceed—the minimum requirements of this act, without having to be opened for any other purpose.

Finally, the conference substitute provides that if a plan, adopted pursuant to a collective-bargaining agreement in effect on January 1, 1974 contains a clause: First, which provides supplementary benefits which are in the form of a lifetime annuity and refer to not more than one-third of the basic benefit to which the employees generally are entitled; or second, which provides that a 25-year service employee is to be treated as a 30-year service employee, if that right is granted by a contractual agreement which is based on medical evidence as to the effects of working in an adverse environment for an extended period of time—such as workers in foundries or workers in asbestos plants—then the application of the accrued benefit provision of this bill to those benefits is to be delayed until the expiration of the collective-bargaining agreement—but no later than plan years beginning after Decembers 31, 1980.

Third. Funding—Under the conference agreement, in the case of new plans, the funding provisions are to apply to the first full plan year beginning after the date of enactment of the bill. Generally, in the case of plans existing on January 1, 1974, the new funding provisions are to become applicable for plan years beginning after December 31, 1975. In the case of collectively bargained plans—both single employer and multiemployer plans—existing on January 1, 1974, the effective date would be delayed until the termination of the contract existing on January 1, 1974, but not later than plan years beginning after December 31, 1980.

Fourth. Fiduciary Responsibility—Under the conference agreement, generally, the new fiduciary responsibility rules are to take effect on January 1, 1975. However, with respect to any plan which is covered by plan termination insurance and which terminates before January 1, 1975, the fiduciary rules are to take effect on the date of enactment of the bill.

Under the labor provisions, the Secretary of Labor may postpone until January 1, 1976, the effective date with respect to the requirements for establishing a plan and establishing a trust, the rules regarding liability for breach by a cofiduciary—other than the rules allowing delegation of asset management functions to an investment manager—and the rules prohibiting exculpatory clauses.

The conference agreement also provides transition rules for situations where employee benefit plans are now engaging in activities which do not violate current law, but would be prohibited transactions under the substitute.

One of the transition rules permits the leasing or joint use of property involving a plan and a party in interest under a binding contract in effect on July 1, 1974 (or pursuant to renewals of the contract), to continue for 10 years beyond that date until June 30, 1984. A similar 10-year transition rule applies to loans or other extensions of credit under a binding contract in effect on July 1, 1974 (and renewals thereof), where the loan remains as favorable as an arm's-length transaction with an unrelated party and is not prohibited under present law.

The conference agreement allows a plan to sell property, at arm's-length terms, to a party in interest where the property is now under a lease or joint use which qualifies for the 10-year transition rule described above. Sales of this type must occur before July 1, 1984. This transition rule is provided because it appears that such leases are not uncommon and in such cases often a party in interest is the best available buyer.

The conference agreement allows certain fiduciaries to provide multiple services to a plan until June 30, 1977, if he ordinarily and customarily furnishes services on June 30, 1974. Under this provision, such a fiduciary would not be limited to providing these services to plans which he served on that date, but he could take on new customers after that date. Under the conference agreement, multiple services also can be provided until June 30, 1977, if they were being provided under a binding contract in effect on July 1, 1974—or under renewals of such a contract.

The conference agreement permits a plan to dispose of excess employer securities or employer real property owned by the plan on June 30, 1974, and at all times thereafter to a party in interest if the holding of such property would violate the rules governing holding of employer securities and real property, and if the sale, and so forth, is at fair market value.

Fifth, Individual Retirement Accounts—The deduction for retirement savings is to be available for taxable years beginning after December 31, 1974.

Sixth. Contributions for the self-employed—In general, the amendments with respect to H.R. 10 plans are to apply to taxable years beginning after December 31, 1973. The rule with respect to the $100,000 contribution base limitation is to apply to taxable years beginning after December 31, 1975, or, if earlier, the first year in which contributions under the plan exceed the deductible contribution limits of present law. The rules facilitating the use of defined benefit plans for the self-employed are to apply to taxable years beginning after December 31, 1975. The rules with respect to excess contributions are to apply to contributions made in taxable years beginning after December 31, 1975, and the rules with respect to premature distributions are to apply to distributions made in taxable years beginning after December 31, 1975. The rule permitting withdrawal of voluntary contributions by owner-employees is to apply to taxable years ending after the date of enactment.

Seventh. Plan termination insurance—Under the conference agreement, benefits payable by single-employer plans are insured with respect to plans terminated after June 30, 1974. Employers do not, however, incur contingent liability coverage for plans terminating between June 30, 1974, and the date of enactment.

With respect to multiemployer plans, benefits generally are not covered for plans terminating before January 1, 1978. However, the corporation may, in its discretion, cover the benefits of multiemployer plans that had been maintained for five years prior to a termination after the date of enactment, if the Corporation determines that this coverage will not jeopardize the coverage of multiemployer plans terminating after December 31, 1977, and the Corporation may in its discretion cover the benefits of certain nonqualified multiemployer plans before January 1, 1978, if they meet certain specified standards.

Premiums for contingent employer liability insurance arranged by the Corporation may be collected within 3 years of date of enactment. Coverage under such contingent liability insurance will commence after 5 years' payment of premiums.

IV. MAJOR ISSUES IN CONFERENCE

Sound and attainable legislation is the product of compromise. Although both the Senate and House pension bills were comprehensive in scope and provided similar guarantees and safeguards, there were important distinguishing features of both bills that required resolution in conference. In numerous instances, the Senate position prevailed; in other cases the House view was accepted, and in still other areas concepts from both bills were combined into new, more satisfactory provisions. While a complete review of these revisions is contained in the joint explanatory statement of the conferees committee, here are some highlights:

VESTING

The Senate accepted the three vesting alternatives contained in the House bill but succeeded in modifying the rule of 45 so that any worker with 10 years of service would have to be vested 50 percent regardless of his age. Nonetheless, because of our concern that even the modified rule of 4 might lead to difficult-to-prove discrimination against the hiring of older workers, or that 100-percent vesting after 10 years—so-called cliff vesting—might frustrate medium-service workers from obtaining vested benefits, the conference agreement specifically directs the Joint Pension Task Force established under the bill to gather evidence on the operation of these vesting rules in practice to determine whether they adequately fulfill the needs of the Nation's work force. Naturally, we also expect the Departments of Labor and Treasury to assist in this matter since they are likely to have firsthand knowledge regarding complaints of inadequacy or abuse.

In addition, the Senate succeeded in eliminating House provisions which would have reduced all vesting by 50 percent during the first year after the effective date of the vesting provisions, which would have permitted plans to retroactively decrease vested rights of workers, and which would have permitted indefinite delays in certain cases for reaching compliance with the vesting requirements.

JOINT AND SURVIVOR ANNUITIES

The Senate accepted the House provision permitting a prenormal retirement survivor's benefit while reducing eligibility for survivor's benefits from a 5-year to a 1-year marriage requirement.

ACTUARIES

Both the Senate and House bills established similar qualification procedures for actuaries, the Senate bill leaving it primarily to regulations while the House bill provided more specific guidelines. In general, the House version was accepted; however, the Senate succeeded in deleting a "grandfather" provision in the House bill that would have permitted qualification of individuals as actuaries based solely on a showing of experience in the "administration" of plans.

This criterion was felt insufficient on light of the new funding, plan termination insurance, and reporting requirements which will demand a higher degree of actuarial competence. While this still means that at least initially not all plans will require the services of persons with the highest level of actuarial skills, both the Secretaries of Labor and Treasury will have the obligation to review periodically the adequacy of services performed by actuaries enrolled to practice under the law, and to require an individual to upgrade his level of actuarial skills if the Secretaries believe that is the way to assure that the individual will discharge satisfactorily his obligations under the law. Moreover, with respect to individuals enrolled as actuaries on a temporary basis before January 1, 1976, who do not meet the highest standards of education and training, the Secretaries could require the posting of a bond or similar form of indemnity in order to safeguard the interests of participants and beneficiaries.

FIDUCIARY RESPONSIBILITY

One of the major points of contention between the Senate and House conferees was the degree to which party-in-interest transactions by plan fiduciaries should be barred. The House bill would have barred such transactions only if they were not for adequate consideration. The Senate bill—with certain limited statutory exemptions—barred such transactions outright unless the plan received a variation from the Secretaries of Labor and Treasury permitting such a transaction in the interests of plan participants and beneficiaries.

The Senate position prevailed and the bill is now universally regarded as having closed what otherwise would have been a major loophole in the Federal effort to protect the integrity of employee pension and welfare funds against "raiding" by insiders.

PORTABILITY

One of the major concessions made by the Senate was the removal of the voluntary central portability fund concept from the bill and the substitution of voluntary portability through the means of individual retirement accounts, with actuarial assistance from the Secretary of Labor. I was disappointed that the central portability concept was not approved by the conferees but at the same time gratified that some recognition of the need to make a start on portability was given by the conferees. I should also note that the conference agreement directs the joint pension task force to study further the feasibility of a central portability fund and, at least from my point of view, I regard this as a priority item since the needs of younger, more mobile workers can, in my opinion, only be met adequately by providing the apparatus of a central fund. Such a central fund would relieve both employers and individual workers of recordkeeping problems, would provide competent actuarial guidance on a more systematic basis with respect to the transfer of vested rights when workers change jobs, and would provide generally greater assurance of investment safety of workers' funds than would the individual retirement account concept. The elimination of the central portability fund does not represent a fatal deficiency in the conference agreement but it does mean that more vigorous steps will be required in the future to assist workers in obtaining the maximum degree of protection within the context of a voluntary private pension system.

PLAN TERMINATION INSURANCE

As indicated previously, Senate provisions predominate in the conference agreement on plan termination insurance. Probably one of the most difficult problems confronted by the conferees was the selection of effective dates for the insurance program, and here both Senate and House conferees worked diligently to arrange a structure of effective dates that would bring the insurance protection generally into effect as quickly as possible. This was done in recognition of the fact that depressed economic conditions in certain regions created the possibility that a number of plans were in critical straits and were terminating or were likely to do so imminently. Lack of immediate protection for beneficiaries in these cases involved workers who had earned or were drawing pensions notwithstanding the new provisions of the bill which have a delayed effective date.

This insurance coverage will be available for single employer plans terminating as of July 1 of this year, and discretion is provided to cover multiemployer plans that terminate prior to the mandatory coverage date of January 1, 1978. In order to accomplish these purposes, it was necessary to afford the Pension Benefit Insurance Corporation emergency authority to institute insurance protection on a "crash" basis and the Labor Department has provided invaluable assistance in recommending procedures that would expedite the handling of terminations during this period. Naturally, the institution of "crash" procedures during the startup of a new and untried program is bound to create some administrative difficulties, but the conferees expect the fullest cooperation from employers, trade unions, plan administrators and others in this connection. Evidence that plan terminations were purposely triggered to manipulate the insurance provisions to the advantage of the employer will constitute grounds for disallowing insurance coverage and to the extent that benefit rights of workers have been impaired thereby, the employer and plan administrator will be subject to civil suit for damages by reason of section 414(b)(3) which imposes fiduciary obligations in this regard. In short, there must be a valid business purpose underlying the plan termination.

In view of the relatively minor incidence of multiemployer plan terminations the conferees determined to delay mandatory coverage of multiemployer plan terminations until January 1, 1978, but to commence premium payments by such plan as of date of enactment to build up reserves in the event the Pension Benefit Guaranty Corporation extends discretionary coverage prior to that date. It is to be expected that this discretionary coverage will be extended fully to protect employees benefits in multiemployer plans.

The conferees had no intention whatsoever of treating workers in these plans as "second-class citizens" and are determined that benefits be fully protected to the statutory limits regardless of the type of plan involved. In this connection, the situation of "partial termination" of a multiemployer plan created by withdrawal of a substantial contributing employer or employers must be rectified. In my own State, this precise situation existed with respect to the Rheingold Brewery plan in Brooklyn and but for the intervention of outside financial assistance, many employees would have lost their pension benefits. In exercising its discretionary authority to cover partial terminations, it is to be emphasized that the decision to provide insurance does not rest solely on affirmative action by the plan, but may be instituted by the corporation itself, and that the provisions concerning employer liability are applicable to any termination—partial or otherwise—of a multiemployer plan covered under discretionary authority.

DISCLOSURE

The principal difference between the Senate and House bills in the area of disclosure and reporting was the House bill's restrictions on the Secretary of Labor's authority to prescribe forms for information and data required by law to be filed with the Department of Labor and made available to the public. This somewhat anomalous withdrawal of authority which had existed for over 10 years under the Welfare and Pension Plans Disclosure Act was rectified in conference. The conference agreement, which provides full authority to the Secretary of Labor to prescribe forms—except in the areas of accountant's and actuaries statements and plan booklets—is to be interpreted in a meaningful way. The fact that accountants or actuaries are or may be required to furnish a statement covering data which also appears in greater detail as part of the reports furnished by plan administrators is not to be construed as a limitation on the Secretary of Labor's authority to prescribe forms or additional schedules necessary to carry out the purposes of the act.

In addition, with respect to reports required to be supplied to the Treasury Department for transmission to Social Security and to participants concerning their benefit rights, the conferees accepted a House provision permitting regulations to establish the extent to which multiemployer plans would have to comply with these requirements. This differential treatment was established in light of practical burdens encountered by multiemployer plans with large numbers of participants who move rapidly from one contributing employer to another or whose status cannot be ascertained with certainty due to their temporary absences from covered employment. Nonetheless, the purpose of leaving such reporting to regulation is not to relieve such plans from reporting altogether, but rather to permit the adoption of alternative methods of reporting which are more practical in light of the specific problems referred to above.

INVESTIGATIONS

The Senate bill contained authority for the Secretary of Labor to conduct an "on-the-spot'" audit of plan books and records but restricted such audits to no more than once annually unless the Secretary had reasonable cause to believe there was a violation of law. The House bill contained no authority for "spot" audits and restricted the Secretary's authority to investigate upon a showing of reasonable cause to believe a violation of law was involved. Further, the House bill precluded the Secretary from entering premises of the plan unless he had reasonable cause to believe a violation of law existed.

House conferees were willing to agree to permitting the Secretary to conduct a "spot" audit of plan books and records no more than once annually, but were unwilling to permit such an inspection to take place on the premises of the plan unless the Secretary had reasonable cause to believe there was a violation.

In other words, the House insisted that such "spot" audits could only take place by producing the books and records at the Secretary's offices. Such an approach would have produced needless burdens and expense on plan administrators and could also have led to frustration of the prophylatic purpose behind "spot" audits. Accordingly, at my suggestion, House conferees accepted a modification which would permit the Secretary to conduct "spot" audits on the premises of the plan—without reasonable cause to believe a violation of law exists—if such audit is carried out pursuant to a previous agreement with the plan.

So as to clarify the legislative history on this point, it should be made clear that in order to carry out the purposes of the act, the Secretary may insist on such agreements as a condition of any exemption or variation he is authorized to grant—either independently or together with the Secretary of the Treasury—or as a condition of any compliance agreement he may enter into for purposes of settling any cause of action he has brought or could have brought absent such compliance agreement. In addition, it is my judgment that the refusal of any plan fiduciary—acting for himself or on instructions of others—to permit the Secretary to conduct a "spot" audit on the premises of the plan at reasonable times, thus burdening the plan with the additional expense of producing its books and records at the offices of the Secretary, would constitute a breach of fiduciary responsibility under section 404 of the conference substitute, with respect to which both the Secretary and participants and beneficiaries would have remedies under section 502.

ARBITRATION OF BENEFIT CLAIMS

The Senate bill provided that each plan was to incorporate a procedure for arbitration of benefit claim disputes between the plan and participants and beneficiaries. The House bill contained no comparable provision. House conferees were opposed to the Senate provision on grounds it might be too costly to plans and a stimulant to frivolous benefit disputes, and at their insistence it was dropped in conference. I regret this decision since I believe the Senate bill would have provided a relatively inexpensive way for the resolution of minor benefit disputes for the many participants and beneficiaries who lack the resources to pursue their claims through the courts. Nevertheless, I am encouraged that the conferees agreed to direct the Joint Pension Task Force to study the feasibility of this approach further, and by the acceptance of provisions contained in the original Williams-Javits bill that would require a full and fair claims procedure—section 503—as well as the provisions authorizing the Secretary of Labor to enforce benefits denied in violation of law—section 502(b).

INDIVIDUAL RETIREMENT ACCOUNTS

As indicated earlier, generally there was not much difference between Senate and House provisions in this regard except the Senate restricted the annual tax deduction to 15 percent of earned income of $1,500, whichever was the lesser, while the House limits were 20 percent of earned income or $1,500, whichever was the lesser. While the conferees adopted the Senate approach on limitations, there were a number of improvements made by the House bill which were also accepted. Among these is a House provision authorizing unions to establish individual retirement accounts for their members.

It is my understanding that where a union currently sponsors a plan for its members financed exclusively from assessments levied on the membership, that all or part of the contributions made by the members through such assessments may qualify as an individual retirement account deduction if, subject to regulations of the Secretary of Treasury or his delegate, the plan is modified so as to permit a determination as to what amounts paid by the member could be treated as properly allocable to an individual retirement savings component of the plan.

In addition, it should be noted that individuals not admitted to membership in an employer plan—because of failure to satisfy the participation requirements or other legally valid reasons—are entitled to establish individual retirement accounts, although, as the joint explanatory statement of the conferees indicates, this result in no way affects the coverage requirements pertaining to qualified plans.

JURISDICTION

One of the thornier problems confronted by the conferees was the question of arranging a workable administrative and enforcement structure that would incorporate the historic role of the Internal Revenue Service with respect to qualified plans as well as the broader role visualized for the Labor Department in terms of safeguarding the interests of participants and beneficiaries and applying its expertise in connection with collectively bargained plans and matters impinging on the field of labor relations. By carefully assigning specific functions to each agency, the Senate bill tended to create a dominant role for each agency and minimize the degree of overlapping. The House bill, on the other hand, created extensive overlapping by assigning duplicate functions, particularly in the areas of participation, vesting, and funding, to both the IRS and the Labor Department. However, unlike the Senate bill, the House bill made a deliberate effort to solidify and mutualize the labor and tax interest in pension plans by adopting comparable labor and tax titles to the bill.

The final conference agreement represents an effort to adopt the framework of the House bill while also adopting the Senate approach of clearly defining the dominant roles of each agency. Very generally, IRS plays the dominant role in the initial stage of qualifying a plan and administering the participation, vesting, and funding standards. The Secretary of Labor takes the dominant role in protecting the interests of participants and beneficiaries in this connection and also in the subsequent compliance stage. The Secretary of Labor is also given a precise regulatory role with regard to certain aspects of participation, vesting, and funding which are impressed with a collective-bargaining or labor interest. In addition, the Secretary of Labor is provided the dominant administrative and enforcement role in the areas of disclosure and fiduciary standards, but with respect to prohibited transactions—as well as certain matters relating to qualification of actuaries—there is to be what is tantamount to joint regulation.

Obviously, such an elaborate interweaving of jurisdiction will require the utmost cooperation and coordination between the two agencies in order to avoid exposing the plans to unjustified administrative burdens. This is particularly true in such areas, for example, as prohibited transactions, where the two agencies share responsibilities and where the tax interest in voiding a particular transaction may not be identical to the labor interest or vice versa. In order to avoid "shopping" for opinions by plans as well as to minimize uncoordinated applications of the prohibited transaction rules, both agencies should give careful consideration to the recommendation of the conferees for establishing administratively a joint board which could provide "one-stop" service in this connection.

PREEMPTION OF STATE LAW

Both House and Senate bills provided for preemption of State law, but—with one major exception appearing in the House bill—defined the perimeters of preemption in relation to the areas regulated by the bill. Such a formulation raised the possibility of endless litigation over the validity of State action that might impinge on Federal regulation, as well as opening the door to multiple and potentially conflicting State laws hastily contrived to deal with some particular aspect of private welfare or pension benefit plans not clearly connected to the Federal regulatory scheme.

Although the desirability of further regulation—at either the State or Federal level—undoubtedly warrants further attention, on balance, the emergence of a comprehensive and pervasive Federal interest and the interests of uniformity with respect to interstate plans required—but for certain exceptions—the displacement of State action in the field of private employee benefit programs. The conferees—recognizing the dimensions of such a policy—also agreed to assign the Congressional Pension Task Force the responsibility of studying and evaluating preemption in connection with State authorities and reporting its findings to the Congress. If it is determined that the preemption policy devised has the effect of precluding essential legislation at either the State or Federal level, appropriate modifications can be made.

In view of Federal preemption, State laws compelling disclosure from private welfare or pension plans, imposing fiduciary requirements on such plans, imposing criminal penalties on failure to contribute to plans—unless a criminal statute of general application—establishing State termination insurance programs, et cetera, will be superseded. It is also intended that a body of Federal substantive law will be developed by the courts to deal with issues involving rights and obligations under private welfare and pension plans.

At the same time, the Secretary of Labor is authorized to enter into agreements with officials of State agencies to assist him in the performance of his functions under the conference substitute, which could include arrangements, for example, for auditing specific plans or assisting in the collection and monitoring of required plan data.

PERSONAL LIABILITY INSURANCE FOR TRUSTEES

The conferees decided to include a provision permitting either the employer, the union, the plan or the trustee himself to purchase insurance covering the personal liability of a trustee in the event of a trustee's breach of fiduciary responsibility. However, the conferees qualified the purchase of such insurance by the plan by requiring that the insurance policy permit recourse against the trustee by the carrier in the event of a claim involving a breach by the trustee. The purpose of this qualification is to spare the plan—and its participants and beneficiaries—the expense of exorbitant premiums in the absence of recourse provisions. There is no justification whatsoever for plan participants and beneficiaries having to shoulder the burden of subsidizing breaches of fiduciary responsibility committed by their trustees.

Some concern has been expressed that this provision might inhibit employer or union representatives from serving as trustees, however, similar provisons have existed under the bonding requirements of the Welfare and Pension Plans Disclosure Act since 1962 without any adverse effect. In any event, it is highly doubtful that persons unwilling to accept full fiduciary responsibility should serve in positions of trust and, quite obviously, nonrecourse policies of insurance can be purchased by the employer or union involved without shifting the economic burden to the participants and beneficiaries.

SUSPENSION OF RETIREMENT PAYMENTS

I should note that the conferees adopted a provision which permits a plan, subject to regulations of the Secretary of Labor, to suspend the payment of retirement benefits when an individual retiree returns to work covered by the plan. The purpose of this limited exception to what is generally a rule precluding divestiture of vested benefits is to protect unions against undercutting of wage scales and the additional expense generated by the need to subsidize retirement benefits for those who have left the work force as well as retirement benefits for those continuing to work—if such a course was required.

I should like to emphasize that regulations of the Secretary should protect retirees against mechanical suspension of their benefits because of their desultory reemployment in the industry or other de minimis reemployment contacts. The purpose of the suspension rule is to protect the legitimate interests of the union with respect to those persons who have really not retired and not to penalize retirees where, on balance, the interests of the union are not adversely affected to a substantial degree. Thus, we expect the Secretary to erect a "rule of reason" to govern that period of a retiree's reemployment which would warrant suspension of benefits so as to avoid harsh results.

TRIBUTE TO COLLEAGUES AND STAFF

Mr. President, the development of the landmark pension reform bill, was the result of dedicated efforts by many Senators and staff experts. All the members of the Senate Labor Committee played a vital part in contributing to the final passage of this legislation and American workers should be gratified to have such responsive and responsible representatives working on their behalf. The members of the Senate Labor Committee who participated in the formulation of the original Williams-Javits bill—the bill which led to the final Senate-House conference report—are Senator Harrison A. Williams, Democrat of New Jersey, chairman; and Senators Jennings Randolph, Democrat of West Virginia; Claiborne Pell, Democrat of Rhode Island; Edward M. Kennedy, Democrat of Massachusetts; Gaylord Nelson, Democrat of Wisconsin; Walter F. Mondale, Democrat of Minnesota; Thomas F. Eagleton, Democrat of Missouri; Alan Cranston, Democrat of California; Harold E. Hughes, Democrat of Iowa; William D. Hathaway, Democrat of Maine; Jacob K. Javits, Republican of New York; Peter H. Dominick, Republican of Colorado; Richard S. Schweiker, Republican of Pennsylvania; Robert Taft, Jr., Republican of Ohio; J. Glenn Beall, Jr., Republican of Maryland; and Robert T. Stafford, Republican of Vermont.

Special recognition is also due to the members of the Senate Finance Committee whose cooperation and participation in merging the tax provisions of the Senate Finance Committee bill with the Senate Labor Committee bill was indispensable to the final attainment of pension reform. Major credit is due to Senators Russell B. Long, Democrat of Louisiana; Gaylord Nelson, Democrat of Wisconsin; Lloyd Bentsen, Democrat of Texas; Wallace F. Bennett, Republican of Utah; and Carl T. Curtis, Republican of Nebraska—especially Senator NELSON, who as chairman of the Pension Subcommittee of the Finance Committee did a marvelous job in shepherding the legislation through the Finance Committee, Senator BENTSEN, who was so vigorous in promoting comprehensive pension reform on behalf of the Senate Finance Committee, and Senator CARL CURTIS, who was tireless in successfully advocating the adoption of individual retirement saving accounts for workers lacking private pension coverage for the self-employed.

In addition, a special debt of gratitude is owed to Senators ROBERT P. GRIFFIN, Republican of Michigan, and VANCE HARTKE, Democrat of Indiana, for their long-standing advocacy and support of pension reform legislation. Senator GRIFFIN was the author of a number of pension reform bills and testified effectively for the adoption of pension reform. Senator HARTKE was the original sponsor of a plan termination insurance bill and that bill served as the model for the final legislation in this area which resulted.

On the House side monumental efforts were made by Congressman JOHN H. DENT, of Pennslyvania, chairman of the House Labor Subcommittee and long a champion for effective pension reform. Similarly the minority members of the House Labor Committee, JOHN ERLENBORN, of Illinois, and HERMAN T. SCHNEEBELI, of Pennsylvania, of Ways and Means were indefatigable in their support and encouragement for pension reform legislation. Also, a fantastic job was done by the acting chairman of the House Ways and Means Committee, Congressman AL ULLMAN, Democrat of Oregon.

The roster of Congressmen who were most active in participating in this great legislative effort were FRANK THOMPSON, Democrat of New Jersey; PHILLIP BURTON, Democrat of California; ALBERT QUIE, Republican of Minnesota; RONALD A. SARASIN, Republican of Connecticut; JAMES BURKE, Democrat of Massachusetts; DAN ROSTENKOWSKI, Democrat of Illinois; HAROLD COLLIER, Republican of Illinois; JOEL T. BROYHILL, Republican of Virginia; and Congresswoman MARTHA GRIFFITHS, Democrat of Michigan.

And a special commendation is due to the chairman on the House Labor and Education Committee, CARL PERKINS, Democrat of Kentucky, who saw to it that this legislation received the high priority it deserved.

No words of praise are sufficient to adequately describe the remarkable staff work involved in the writing of this legislation. As we all know, the staff members are the unsung heros and when it came to such complex legislation as this they performed magnificently. I would like to pay a special tribute to Mike Gordon, minority counsel of the Senate Labor Committee, who led the team superbly, and the staff members associated with him—Nancy Shakman, Steve Holtzman, Chris Randolph, Ellen Wessler, and Suzanne Marciano.

Also I would like to give very special credit to Frank Cummings former counsel to the minority of the Senate Labor Committee, who will take a place in the history of labor for having developed the original legislation I proposed on this subject; and to Gene Truttelman also a former counsel for his great help.

In addition, a word of thanks for the efforts of the following staff members: Dave Marston, Senator SCHWEIKER; Roger King, Senator TAFT; and Joe Carter, Senator BEALL.

The majority staff members of the Senate Labor Committee also performed in a superlative manner, and both minority and majority worked closely together with the highest degree of professional competence. I would like to pay special tribute to Bob Nagle, former general counsel of the Senate Labor Committee, whose leadership and legal talents were crucial to the final push on this legislation. Both the chairman and I will miss him sorely and I wish him the very best in his private law practice. Also, Mario Noto, staff director, and Mike Schoenenberger made great contributions and their devotion and dedication were in evidence all along the way.

On the Finance Committee, Bob Willan and Mike Stern worked long hard hours, as did David Allen, staff assistant to Senator BENTSEN, and Richard Fay, legislative assistant to Senator NELSON. All of them rendered invaluable assistance.

Four members of the Senate and House Legislative Counsel Offices deserve special recognition for their exceptional competence at drafting a very complex bill. They are Lloyd G. Ator, Jr., Danny H. Murray, Robert Nordhaus, and Pope Barrow.

One of the most superb staff jobs I have ever seen was that of Larry Woodworth, the staff director of the remarkable Joint Committee on Internal Revenue Taxation. To him we owe an enormous debt of gratitude for his exceptional skill in organizing and coordinating a highly complex enterprise. The following members of his staff performed brilliantly: James Billinger, Bob Blum, Herb Chabot, Arthur Fefferman, Howard Silverstone, and Robert Warden.

The most important and effective job was also accomplished by the following staff members of the House Education and Labor Committee: Donald Baker, general counsel, Bob Vagley, Vance Anderson, Russ Mueller, J. Charles Sheerin, Robin Reed, and Julie Dominick. I also commend all the staff of the House Ways and Means Committee for their excellent work under the supervision of Chief Counsel John M. Martin, Jr., and Minority Counsel John K. Meagher.

Finally, I should like to note that we have over a period of years received a great deal of technical assistance from many experts in the Government and while it is not possible to mention all of the names, I would like to give credit to the following from the Department of Labor: Under Secretary of Labor Dick Schubert, Assistant Secretary Paul Fasser, Solicitor of Labor Bill Kilberg, Steven Sacher, and Henry Rose. From the Treasury Department we owe appreciation to: Former Assistant Secretary John Hall, Assistant Secretary Fred Hickman, former legislative assistant Bob Felgarden, Legislative Counsel Dave Foster, Chief Actuary Don Grubbs, Ira Cohen, and Bob Lieber. Assisting from the Bureau of Labor Statistics were: Arnold Strasser, Harry K. Davis, and Don Landay; and of great assistance from the Library of Congress were Peter Henle and Ray Schmidt.

Last, but not least, I would like to salute those members of the press and media who followed the pension reform story closely and who by their conscientious reporting kept the American public fully informed as to the meaning and significance of this historic legislation.

CONCLUSION

Mr. President, we have reached the end of a very long road. In retrospect, I doubt that anyone could have foreseen the enormous amount of hard work and dedication required to put pension reform legislation on the U.S. statute books—and even as recently as a year ago there were many who would not have given a plugged nickel for the chances of this legislation becoming law. It is a tribute to the leadership of both Houses, to the many Senators and Congressmen from both sides of the aisle who struggled incessantly to move a pension reform bill ahead, and to the superlative efforts of the staffs of the Senate Labor and Finance Committees, the House Labor and Ways and Means Committees, and the Joint Committee on Internal Revenue Taxation, that we can today close the book on the final chapter of pension reform.

Mr. President, we have given our all—we have done our very best—to make this bill into strong and sound legislation. We have fought as hard as we knew how to make this a good bill—and it is a very good bill—and now we shall be judged on what we have done. I do not shrink from that judgment; I welcome it because I know as well as I know anything that the people will judge us fairly and impartially by how close we came to fulfilling their needs—and on that basis I have no doubt that our effort will be appreciated not only by this generation of workers but by generations of workers to come.

The reason is that this legislation will make better pension plans and undeniably, better pension plans will make a significant contribution to the economic security of large numbers of older people who need a much more realistic level of living in retirement. Even a substantially liberalized Social Security could not do the job private pensions can do.

Right now—even with recent substantial increases in its benefits—social security is just barely enough to support people, even at poverty levels. Nor do people save or invest enough money over a lifetime. The result is they cannot really cope with soaring food costs or any other forms of inflation. We have even had the spectacle of seeing some retired people turn into shoplifters, just to obtain a decent diet. And that is only one example of what the lack of adequate old-age income can do to people.

Pensions also have a great deal to do with morale—and the erosion of worker morale has become a matter of grave national concern. We need to find ways to give workers a piece of the action, to improve their incentives. Judging from their complaints about their pension plans, such plans certainly are not doing much to help morale at present.

Under this bill, the Congress has developed a fair and feasible system of private pension plan regulation. And under this regulation, private plans will develop more rapidly than in the past because the Congress will have assured that pension promises are kept and reasonable expectations built upon those promises are not disappointed.

Private pension and welfare reform legislation is not a panacea for dealing with the more subtle undercurrents of social unrest: but the enactment of this legislation will clearly establish a more positive climate of respect for, and affirmation of, the worker's contribution to our economic progress. The establishment of this climate is indispensable if we are to maintain our economic growth and build greater confidence in our Nation's ability to weather the economic problems we now confront.

Mr. President, I yield the floor.

PENSION PROTECTION AT LONG LAST

Mr. HUMPHREY. Mr. President, we are taking final congressional action today on the pension reform bill. There is no question that this legislation, which protects the pensions of as many as 30 million workers, will stand as one of the most important domestic legislative accomplishments of the 93d Congress.

This bill goes a long way toward remedying the glaring deficiencies, as well as some of the less obvious abuses, of the current private pension system. There is no doubting the need for this reform.

Too many workers have discovered, upon retirement, that their pension fund had gone broke or was inadequately funded.

Too many workers have contributed to pension funds for years, only to see their future security put in serious jeopardy when their employer went out of business.

Too many workers have felt compelled to forego better job opportunities simply to preserve their right to pension benefits with their current employer.

And, too many workers, unable or unwilling to pack up and move their families all around the country following their employer, have seen their pensions vanish.

The pension reform bill establishes a new Federal agency, the Pension Benefit Guarantee Corporation—PBGC—to protect employees from loosing their pensions if a pension plan fails. The PBGC would be financed initially by employers contributing, in most cases, $1 to the Corporation for each individual covered under its plan. The PBGC would pay out benefits to employees who have been covered by a plan which failed. The benefits to any individual in such a case could not exceed $750 a month.

A voluntary system is established to enable the transfer of benefits when an employee changes jobs. The Social Security Administration will keep the records for this system.

Another important feature of the bill is its "vesting" requirements. Under the pension reform bill, one of three plans for guaranteeing, or "vesting," pension benefits of employees must be adopted. An employer can provide 100-percent vesting on the 10th anniversary of a worker's employment. In other words, after 10 years of service the worker is entitled to full pension benefits. The employer also has the option of building up pension benefit vesting gradually, according to two specified formulas. In no case, however, could a worker, regardless of age, be less than 50 percent "vested" after 10 years of employment. Of course, this guaranteed portion of a worker's pension can never be lost, regardless of whether a worker remains in the pension plan or not.

The pension reform bill also sets tough new standards for the handling of pension funds. One major provision prohibits more than 10 percent of a pension fund from being invested in the employer's own stock, except for profitsharing types of plans.

This bill also benefits self-employed individuals. It provides that these people can set aside, and deduct from their taxable income, up to 15 percent of their earnings, with a maximum deductible of $7,500 a year. In order to encourage individual pension plans, any worker may deduct up to 15 percent of his income, up to a $1,500 annual limit, if it is set aside for retirement.

Mr. President, I strongly support this vital legislation. The problems with our pension system have been with us a long time and have cost many of our workers and their families dearly. The corrective measures we send to the President for his signature today are long overdue.

I am particularly pleased that this bill will not only insure benefits in the case of pension fund collapse, but will establish the strict new standards of operation that will substantially reduce the frequency of pension plan failure in the future.

Mr. President, I compliment the Senate Committee on Labor and Public Welfare and the Senate Finance Committee on a difficult job that has been extremely well done.

Mr. LONG. Mr. President, the pension legislation now before us represents one of the most substantial achievements of the Congress in the current session or for that matter in any session. This bill will aid many millions of employees to receive more secure and meaningful pensions. In fact, the beneficial effects of this bill will be enjoyed not only by the present generation but by many generations to come.

I think that there have been few bills that have involved as much cooperative effort in the Congress as this bill. As you recall, the legislation was adopted first in the Senate after being considered by both the Finance Committee and the Committee on Labor and Public Welfare. This cooperative effort is one of the major reasons why we have a bill on the Senate floor today and I want to acknowledge the very important role that Chairman WILLIAMS, Senator JAVITS, and all the members of the Labor and Public Welfare Committee played in getting this bill out.

Similarly, both the Ways and Means Committee and the Education and Labor Committee of the House considered the House-passed version of the bill.

So what we have here today—the conference agreement on this legislation—represents the combined wisdom and expertise on pension matters in both Houses of the Congress. In the case of some of the provisions, we have deferred to the House; in other cases, the difference was resolved by accepting the Senate provision. However, I want to stress that the conference agreement should not be viewed as one side giving in to the other on particular provisions. In most cases, the particular way in which the issues were resolved reflects the fact that we were able to give more study to them. In a very real sense, many of the House provisions differ from ours, because they were able to build on our work. In conference, we have made still further improvements while retaining the basic objectives in our bill.

In saying this, I recognize that there are some provisions in the bill which some Members think can be improved. In fact, I know of a few provisions which I might prefer to change. But I think that it is not possible in legislation so complex as this to secure completely unanimous agreement on each and every detail. What really matters is that we have developed here a successful pension bill—a bill that will achieve its overall objectives.

One of the most important aspects of this bill is that it achieves reform within the basic framework of the present tax treatment of pension plans which is designed to encourage the growth and development of voluntary plans by employers. The legislation continues the favorable tax treatment that has been so essential in encouraging the growth of nondiscriminatory plans over more than three decades. Indeed, we have actually expanded this favorable tax treatment in some respects by increasing the amounts that self-employed people can set aside in their own retirement plans and by allowing individuals not covered by pension plans to set up a new type of individual retirement plan for themselves.

In order to qualify for the favorable tax treatment, pension plans will have to satisfy the present type of rules in the Internal Revenue Code which are designed to confine the special tax treatment to plans which do not discriminate in favor of highly paid employees as compared to the rank and file employees. Under this legislation, to secure the favorable tax treatment, plans will also have to satisfy additional requirements which are designed to protect employees and to make pension plans a more effective vehicle for providing retirement income. These new requirements pertain to coverage, vesting, funding, fiduciary requirements, and plan termination insurance.

The new requirements have the virtue of providing adequate protection for employees at only moderate additional financing costs for most plans. We who have worked intimately on this legislation have always kept in mind that private pension plans depend for their very existence on voluntary action. We know that new pension plans will not be adopted and that existing plans will not be expanded and liberalized if the costs are made overly burdensome, particularly for employers who generally foot most of the bill. This would be self-defeating and would hurt rather than help the employees for whose benefit the legislation is designed. So it is no accident that the additional costs of the new requirement are generally very moderate. The additional costs resulted from the new minimum vesting requirements in the bill, for example, are expected to range from zero to 1.5 percent of payroll.

The full details of the bill are amply described in the joint statement of the managers of the bill which is a part of the conference report. Let me describe some of its highlights.

The conference bill follows the House bill in providing that qualified plans may not, because of age or service, exclude any employee who has attained age 25 and has completed 1 year of service. The conferees also accepted a House provision permitting a plan to require 3 years of service for all employees before participation if the plan provides full vesting immediately on participation. In addition, any plan which is maintained exclusively for employees of a tax-exempt or governmental educational organization which provides full and immediate vesting for all participants may have a participation requirement of age 30, with 1 year of service.

In the vital area of vesting of benefits from employer contributions, which is essential to assure that employees will not be subject to unreasonable forfeitures, the bill provides three alternative vesting options in order to give the hundreds of thousands of retirement plan flexibility to provide adequate vesting protection for their covered employees in the light of the various circumstances and conditions confronting them.

Under one option, a qualified plan would be required to provide an employee with vested rights to at least 25 percent of his accrued benefits from employer contribution after 5 years of covered service, plus an additional 5 percent for each of the next 5 years and 10 percent for each of the next following 5 years. This means that under this option, at least 50 percent of the employer-provided benefits must be vested after 10 years of covered service and 100 percent vested after 15 years of covered service.

A second vesting option provides employees a 100-percent nonforfeitable right to accrued benefits derived from employer contributions when they have achieved at least 10 years of service. Both of these options were in the Senate bill.

A third option permits firms which wish to provide faster vesting for their more mature employees to do so by taking into consideration the age of the employee as well as his service for purposes of computing his vested rights. Under this option, the plan provides a covered employee who has at least 5 years of covered service a vested right to at least 50 percent of the accrued benefits financed by his employer's contributions when the sum of his age and years of service equals 45; the minimum required vesting percentage would thereafter be increased by 10 percentage points a year in each of the following 5 years. However, under this option, an employee who has completed at least 10 years of service must be given a vested right to at least 50 percent of the accrued benefits after 10 years of service and an additional 10 percent vested right for each year thereafter. This option is a modification of a House bill provision.

In general, the vesting requirements of the conference bill apply to all accrued benefits, including those which accrue before the effective date of the provision. Years of service prior to the effective date also are to be counted for purposes of determining the extent to which the employee is entitled to vesting.

The participation and vesting standards adopted by this legislation generally become effective for new plans on the date of enactment; for existing plans, these standards generally become effective in plan years beginning after December 31, 1975. The later effective date for existing plans was provided in order to give them time to make the necessary changes to conform to the new requirements.

The provisions applicable to certain supplementary benefits provided pursuant to a collective bargaining contract existing on January 1, 1974, become effective at the termination of the contract but not later than plan years beginning after December 31, 1980.

Also, to provide additional flexibility in regard to vesting standards, the Secretary of Labor is given the authority to prescribe temporary variations in the vesting standards under certain conditions where regular vesting standards would be harmful to the plan and to the covered employees.

The minimum funding standards in the conference bill, which are designed to help assure that plans will accumulate sufficient funds to pay their pension obligations when they fall due, represent an improved version of the House provisions, which in turn build on the Senate provisions. These standards generally apply to private defined benefit plans—that is, to plans which specify that participants are to receive a designated amount of benefits. Profitsharing and stock bonus plans are not subject to the funding standards since these plans do not specify the amount of benefits but instead pay out whatever benefits the funds will purchase on the date the benefits begin.

Under the general funding standards, generally employers must pay normal costs currently and amortize their accrued past service liabilities in level payments over no more than 30 years. A similar 30-year amortization period is required for past service liabilities arising as a result of the effective date.

However, in recognition of the fact that large numbers of plans assumed heavy past service liabilities prior to any requirement to amortize such liabilities, plans in existence on the effective date of the legislation are allowed a longer period—up to 40 years—to amortize past service liabilities existing at the beginning of the first plan year to which the requirement applies. In addition, multiemployer plans are allowed to amortize all past service liabilities, including those created after the effective date of the legislation, over a period of up to 40 years. This recognizes that multiemployer plans generally have an added element of financial strength in that their contributions come from a number of employers who, as a group, are less likely than comparable single employers to experience business difficulties.

The conference bill allows experience deficiencies to be funded in level amounts over a period of up to 15 years for single-employer plans and up to 20 years for multiemployer plans.

As under both the Senate bill and the House bill, penalties in the form of an excise tax on the employer are imposed to the extent that the amounts in the plan fall short of those called for under the funding standard.

However, relief measures are provided to make sure the funding requirements do not cause hardship and do not result in the disruption of pension plans.

For new plans, the funding provisions are effective for plan years beginning after the date of enactment of the bill. For existing plans, the funding provisions are effective for plan years beginning after December 31, 1975.

For collectively bargained plans—both single-employer and multiemployer plans—the funding standard is not effective until the termination of a contract existing on January 1, 1974, but not later than plan years beginning after December 31, 1980.

In place of a Senate provision establishing a central portability fund, we provided that individuals who are separated from service will be able to transfer their pension funds to tax-exempt individual retirement accounts—which I shall describe later.

The conferees also improved a number of Senate and House provisions which are vital for the protection of the pension rights of employees. This includes full disclosure of the features and operation of pension plans. Standards are established to govern the conduct of fiduciaries of pension plans to protect against possible misuse of pension funds. Fiduciaries are required to comply with a prudent man rule, and transactions likely to prove inimical to the interests of the plan participants are specifically prohibited. Here, the force of both the labor laws and the tax laws are brought to bear to protect against abuses in regard to pension funds. The labor laws provisions provide rules and remedies similar to those under traditional trust law to govern the conduct of fiduciaries. Also, the tax law provisions apply an excise tax on disqualified persons who violate the new prohibited transaction rules. In addition, plan investments must meet a diversification requirement unless, under the circumstances, it is clearly not prudent to do so. In this connection, limitations are placed on the investment of pension plan assets in employer securities.

The conference bill provides for the establishment of a system of plan termination insurance which is superior to the comparable provisions in either the House or the Senate bill. A Pension Benefit Guarantee Corporation to administer this insurance is set up within the Labor Department with a Board of Directors composed of the Secretary of Labor as Chairman and the Secretaries of Commerce and Treasury. The plan termination insurance is mandatory for private defined benefit plans that either affect interstate commerce or that are qualified under the Internal Revenue Code. However, the plan termination insurance does not cover H.R. 10 plans or plans established by personal service corporations which have fewer than 25 participants. The insurance is financed by premiums paid by covered plans. In addition, the Pension Benefit Guarantee Corporation is authorized to borrow $100 million from the U.S. Treasury.

The insurance benefits are, of course, to be paid only where the assets of the terminated plan are insufficient to pay the specified benefits under the plan. The insurance covers benefits equal to 100 percent of average wages during the individual's highest paid 5 years, but not more than $750 a month.

However, where the plan provision providing the benefit had been in existence for less than 5 years as of the date of the termination of the plan, coverage is phased in at the rate of 20 percent per year until the benefit is fully covered after it has been in effect for 5 years.

Employers are liable for benefits paid under the insurance program up to 30 percent of their net worth. However, insurance is to be made available to employers to protect themselves against this contingent liability.

In order to provide prompt and effective protection for the employees concerned, insurance coverage for plans established by single employers becomes effective for plans terminated after June 30, 1974. Coverage for multiemployer plans generally starts for terminations after December 31, 1977. However, to prevent hardship, the Pension Benefit Guarantee Corporation, subject to certain limitation, is given discretionary authority to provide benefits to employees covered by multiemployer plans which terminate after the date of enactment of the legislation and before January 1, 1978. However, such discretionary benefits cannot be paid if they would jeopardize the coverage of multiemployer plans terminated in 1978 and later years.

Provision has also been made for effective coordination between the Treasury Department and the Labor Department in enforcing the standards imposed by the bill. Here the emphasis is on bringing to bear the full enforcement powers granted to both Departments under the bill as well as avoiding duplication of effort for both the administering agencies and plan administrators.

Finally, the conference bill contains a number of provisions which are designed to provide more rational and equitable tax treatment under pension plans. These provisions are generally consistent with the objectives of the comparable provisions in the Senate bill, although, in a number of cases, the House provisions have been taken, and practically all of the provisions have been improved technically.

The conference bill goes far to remove a longstanding inequity by granting individuals who are not covered by any kind of qualified pension plan a limited tax deduction for their retirement savings. Such individuals are allowed to take deductions for annual contributions to a new type of individual retirement plan up to 15 percent of earned income or $1,500, whichever is less.

A second set of provisions substantially reduce the longstanding discrimination against the self-employed resulting from the fact that their retirement savings under H.R. 10 pension plans has been limited severely while comparable pension limits do not apply to their corporate counterparts. This change removes the present inducement for self-employed people to incorporate merely for pension purposes by increasing the maximum deductible H.R. 10 contributions a self-employed person may make on his own behalf from the present level of 10 percent of earned income up to $2,500 a year to 15 percent of earned income up to $7,500 a year.

A third set of provisions makes the tax laws regarding pension plans fairer by limiting the amount of the contributions or benefits that can be provided to any individual under such a plan. The fact that present law does not provide such specific limitations has made it possible for extremely large contributions and benefits to be made under qualified plans for some highly paid individuals. While there is, of course, no objection to large retirement benefits in themselves, it is not appropriate to finance extremely large benefits in part at public expense through the use of special tax treatment.

Under defined contribution plans—money-purchase pension plans and profitsharing plans—generally annual additions to an employee's account cannot exceed 25 percent of the employee's compensation or $25,000, whichever is less.

For plans which provide defined benefits, the limit is in terms of the amount of annual benefits that may be paid to a participant. More specifically, the annual benefit paid under such plans cannot exceed 100 percent of the participant's average compensation for his highest 3 years of earnings or $75,000, whichever is less. Where the annual benefit starts before age 55, the $75,000 annual limit—but not the 100 percent compensation limit—on benefits generally is adjusted downward actuarially.

The contribution and benefit limits are applied in a way which prevents any individual from securing higher limits for himself merely because he is covered by several retirement plans of the same type financed by the same employer. For example, for purposes of applying these limits, all defined contribution plans established by an employer are combined and treated as one defined contribution plan.

Also, if an individual is covered by both a defined contribution plan and a defined benefit plan established by his employer, then there is to be a coordination of the limits for these two types of plans. In this case, the sum of, first, the percentage utilization of the maximum limit under the defined benefit plan, and second, the percentage utilization of the maximum limit under the defined contribution plan cannot exceed 140 percent.

Because of the vital importance of maintaining the real value of retirement benefits, the bill generally provides for cost-of-living adjustments in these limitations.

The bill provides adequate time for adjustment to the new limits on benefits and contributions under retirement plans. In general, these limits apply to contributions made or benefits accrued in years beginning after December 31, 1975. However, to ease the transition to the new rules, an active participant in a defined benefit plan on October 2, 1973, will be permitted to receive an annual benefit which exceeds $75,000 a year based on his annual rate of compensation and the plan provisions in effect on that date, provided the benefit does not exceed 100 percent of his annual compensation on October 2, 1973.

The conference bill provides a new, simplified method of taxing lump-sum distributions under qualified plans to replace the treatment provided under the 1969 act which has proved to be unadministrable.

Under the new provision, the portion of the distribution representing pre-1974 value receives capital gains treatment; the balance of the lump-sum distribution is taxed as ordinary income under a separate tax schedule with 10-year averaging. In this way, the tax payable on the distribution generally is to be no greater than the amount the taxpayer could expect to pay if the income were spread over his remaining life expectancy.

Finally, the conference bill adopts, with certain modifications, a House provision which suspends proposed Internal Revenue Service regulations in regard to so-called salary reduction plans in existence on June 27, 1974, to give the Congress an opportunity to study the matter further.

From what I have said, I think it is apparent that this bill deserves the support of every Member of this Chamber. I urge that the conference report be approved.

Mr. President, in closing let me extend my thanks to all of those Senators who participated and made contributions to the formulation of this fine piece of legislation. My colleagues on the Finance Committee, Senators NELSON and BENTSEN on the Democratic side and Senators CURTIS and BENNETT on the Republican side, have made very substantial contributions to the improvement of the measure, as have those serving on the Committee on Labor and Public Welfare, who have worked for years now in initiating and moving this legislation toward enactment.

I thank those on the committee staffs, and in particular I thank the chief of staff of the Joint Committee on Internal Revenue Taxation, Mr. Larry Woodworth, for the fine work he did in bringing together so many divergent points of view to reach agreement in a fashion which has retained, in almost all cases, the best that everyone has to offer, while shunting aside those ideas which deserve further study before we seek to enact them into law.

We had working with us in this area the staff of the Committee on Labor and Public Welfare as well as the staff of the Committee on Finance and the staff of the Joint Committee on Internal Revenue Taxation, and the staffs of both the Committee on Education and Labor and the Committee on Ways and Means on the House of Representatives side.

In addition to those who have been mentioned, Mr. President, I believe the very fine contribution made by Mr. Bob Willan, of the Finance Committee staff, should be mentioned. The efforts of all are appreciated, both those who have been mentioned in the debate and those who, because of the large number of people who have made contributions, might not have been mentioned. We appreciate very much the contributions made by all of them.

Mr. CURTIS. Mr. President, I thank my distinguished chairman for his kind remarks.

I, too, wish to pay my compliments to the other Senators from all the committees which participated in this measure, and to express by gratitude to the staff members, those who have been mentioned and otherwise, and for the excellent cooperation we received from the Treasury.

I concede the eloquence and the great interest of the members of the Committee on Labor and Public Welfare. I think this record should show, however, that the whole system of private pensions is a tax matter. Without the tax provisions, they would all fall. If the tax provisions prevail, a great portion of the private sector will work out the other problems satisfactorily, by negotiation and otherwise.

So this matter is basically a tax matter, and the Finance Committee's jurisdiction must never be waived.

Mr. President, after many months of work, the legislation relating to private pensions has now been completed. I recommend the adoption of the conference report. By private pensions we refer to voluntary pension programs as contrasted to government retirement plans.

Over a period of many years great numbers of American companies have set up a pension plan for their officers and employees. The measure before us relates in part to those plans. A few years ago the so-called "Keoh Plans" where adopted for certain self-employed persons and their employees. This measure makes a much needed change in reference to those plans also.

The most far-reaching portion of this new legislation is that which it does for all individuals in the country who are not covered by any pension plan at all.

The basis for private pensions rests in our tax law. Company pensions are maintained because of the generous tax treatment that is accorded. The money that is paid into a retirement fund is tax-free. That retirement fund is invested and the earnings from this investment, such as interest, dividends, capital gains, and the like, are likewise tax-free.

Up to now about one-half of the gainfully employed persons in the United States are covered by a pension plan which receives this very generous tax treatment. I favor that generous tax treatment. I am concerned about the other half of our working force who are treated much more harshly.

If an individual not covered by a pension plan wishes to save money for his retirement, he pays taxes on every cent that he earns and then saves afterward. If such an individual is able to save for his retirement, the earnings on his savings are taxed at the regular rates.

I want to give you some figures that illustrate this unequal tax treatment received by our citizens. Let us take the case of the individual who does not have the benefit of a pension plan. Let us assume that he is able to earn $50 for saving and that he is in the 19-percent tax bracket. His $50 earned would be reduced to $40.50 because of the tax. We will assume that his savings earn 5-percent interest. If such an individual earned $50 per month for saving and kept it up from age 35 for 30 years or until he was 65, he would accumulate $27,498. This would pay him an estimated life annuity at age 65 of $221 a month.

Now if another individual earns $50 to be saved, and he has the benefit of our tax laws for pension plans, the $50 is not taxable and so the full amount goes into his retirement fund. The earnings from his $50-a-month saving likewise are tax-free. This person with the generous tax treatment would over the same 30-year period accumulate $39,864, or enough to pay him an estimated lifetime annuity at age 65 of $319.

Or, let us consider the case of an individual who earns $100 a month to be saved and who is in a 28-percent tax bracket. Such a man would, over a similar 30-year period, assuming the same rate on the earnings, accumulate $45,360 or enough to provide him with an estimated lifetime annuity at age 65 of $364 a month.

But, if this last-mentioned individual had the same tax treatment as company pensions have had over this period of time, he would accumulate $79,728, or enough to provide him with an estimated lifetime annuity at age 65 of $597.

The situation has now been corrected This pension bill so amends the tax laws to provide that all individuals who are not covered by organized pension plans shall have the same tax treatment as if they were. This is something for which I have fought for years. Over a period of some time I have introduced bills proposing this very thing. It will mean much to at least one-half of our gainfully employed people in the United States who are now discriminated against. The Treasury Department has endorsed this proposal.

This new law provides that any person not covered by a regular pension plan may place money from his earned income into a fund for his own retirement, and have it as a tax deduction or free of tax. He may contribute to such a retirement fund and his contributions will be tax-free. The limit on the amount of tax-free contributions is $1,500 a year or 15 percent of his earned income, whichever is lesser. This means that if a person who does not have the benefit of an organized pension plan can save some money in amounts subject to these limits, he can subtract those savings from his gross income before paying taxes. Furthermore, the income on his savings will not be taxed. The law provides for a wide variety of plans that an individual can use, such as a special Government savings bond, insurance contracts, or an approved arrangement with a bank or a trust company.

I mentioned that about half of our gainful employed people do not have the benefit of an established pension plan. This is the national average. In Nebraska there are probably many more than half of the people who do not have the benefit of a private pension plan because we are an agricultural State. This new law will benefit everyone—employees, employers, farmers, and other self-employed—everyone. It will promote thrift. It will provide tax equality. It will enable people to provide for their own old age and they will be less dependent upon Government programs.

Mr. President, are we under the control of time?

The **PRESIDING OFFICER.** We are not.

Mr. CURTIS. I thank the Chair.

Mr. WILLIAMS. Parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. WILLIAMS. Is there a time fixed for a vote?

The **PRESIDING OFFICER.** There is a time fixed for a vote.

Mr. WILLIAMS. There is no control of time so a vote will come on this at 1:45.

Mr. JAVITS. Mr. President, will the Senator yield so that we can give him the schedule? Senator BENTSEN needs 5 minutes and Senator TAFT needs 5 minutes.

Mr. CURTIS. I will finish very shortly. I was not told that there was any control of time. I was made aware of a vote at 1:45.

Some much needed changes are made in reference to the Keogh plans. These plans are also referred to as H.R. 10 plans. Most importantly the limits are raised. At the present time, the maximum that can be placed into a Keogh plan and receive the tax benefits is 10 percent of earned income or not to exceed $2,500. This measure before us today raises the 10 to 15 percent and the $2,500 maximum to $7,500 per year.

Under the Keogh plan, an employer must make the same percentage contribution for his employees as he makes for himself. In other words, if a self-employed employer puts 10 percent of earned income into the plan for himself, he must contribute 10 percent of his employees salary into the plan. A significant modification is made in this regard. It is the requirement that the employer can only base his plan on his first $100,000 of earned income. It would work out this way:

If the self-employed employer had an earned income of $250,000 a year and wished to place $7,500 into his retirement, it would only amount to 3 percent of his earnings. Without this modification, he would, therefore, be required to contribute only 3 percent of the employees salary into the fund. By requiring the employer to figure his own contribution on the basis of not to exceed $100,000, his contribution of $7,500 would amount to 7½ percent. This new provision would then mean that his contribution for his employees would have to be 7½ percent of their salary. I believe that this is a fair arrangement.

Now I wish to say something about company plans. This part of the legislation is primarily regulatory in nature.

It has been our goal in this legislation to set minimum national standards. We have not undertaken to write the rules for an ideal pension system but rather to prescribe minimum standards. I shall mention some of these standards which are of major importance.

This legislation sets forth the rules for participation in qualified pension plans. The plan may not exclude from participation, on account of age or service, employees who are 25 years of age or have 1 year of service, whichever occurs later. This would mean, for instance, that if the employee is 23 years of age, he would have to have 2-years service before participation would be required. If the employee was 25 or more, it would take just 1 year of service to entitle him to participation. In determining vesting rights, the proposal permits a look back and credit for employment from age 22.

Another important minimum standard relates to vesting. There are three options, any one of which will meet the minimum standard. Option No. 1 is referred to as graded vesting. This provides for 25-percent vesting after 5 years of service, with 5 percent per year for the next 5 years. This means 50-percent vesting in 10 years. Thereafter, vesting is increased by 10 percent per year.

Option No. 2 provides for full vesting in 10 years.

Option No. 3 is the "rule of 45" with certain modifications. Under the rule of 45, an employee is 50 percent vested when his age plus his years of service equal 45 or more. Thereafter, vesting is increased by 10 percent per year. For instance, someone who is 35 years of age and has worked for 10 years is 50 percent vested and in another 5 years would be fully vested. This is subject to the following modifications:

First. Someone entering employment within 5 years of retirement age can be excluded. Without this modification, older men might not be employed. The modification also has an application in reference to options Nos. 1 and 2.

Second. The Rule of 45 also provides that there must be a minimum 5-years' service. In other words, someone entering employment at 43 would not become vested until age 48.

Third. The Rule of 45 also provides that a participant with 10 years service is entitled to 50 percent vesting, regardless of age.

Employment service prior to age 22 can be disregarded for the first two options of vesting, but this only can be disregarded under option No. 3 if he is not a participant in the plan.

Accrued benefits should be considered along with vesting. The conferees approved the Senate rule for measuring accured benefits.

$$\frac{\text{Actual years of service (Numerator)}}{\text{Years to normal retirement (Denominator)}}$$

In other words, if an employee enters employment at 40 years of age and has 25 years to go for normal retirement age, the 25 years becomes the denominator. After he has worked under the plan for 20 years—at age 60—20 years becomes the numerator. The accrued benefits in such a case would be 20 over 25, or one-fifth of what that employee would have earned if he had stayed on to normal retirement age.

The Home rule for accrued benefits was likewise adopted and it has two alternatives. First, 3 percent of the maximum benefit multiplied by the years of service. Second, permission is granted for a limited degree of "back loading," permitting larger contributions in the later years with a limit of 133⅓ percent of a prior year's contribution.

The legislation provides for minimum standards for funding of private pension plans. The contributions to the fund each year are required to cover the normal cost for that year's payout plus an amortization for past service costs. In the case of existing plans, past service cost can be amortized over a period of 40 years. In the case of new plans, past service costs are to be amortized over a 30-year period. Many pension plans already existing, or new ones started, very appropriately should give credit for the years their older employees have already worked. A reasonable period of years for covering the costs for these past service cases is desirable and I believe the bill has taken care of that in a proper manner.

The conferees agreed on a plan for termination insurance. This is intended to protect an employee who works many years and might lose his pension because the plan failed by reason of the company going out of business or from other causes. It will be administered by a corporation. The chairman of the corporation will be the Secretary of Labor and the Secretaries of Commerce and the Treasury will serve on the Board.

The rates of premium for the plan termination for the first year of operation is $1 per head for single-employer plans and 50 cents per head for multiple-employer plans.

After the first year, the premium may be fixed by continuing with the per capita premium just mentioned or a premium based upon the unfunded vested accrued benefits. This premium is one-tenth of 1 percent for the single-employer plans and one-fourth of that amount for the multiple-employer plans. A portion of the premium may be based on the vested accrued benefits—whether or not funded—at a percentage which is necessary to raise the same amount of money as the portion of the premium based upon the unfunded vested accrued benefits. In later years, the corporation may work out a combination of these premium plans.

This new legislation provides certain fiduciary standards in reference to private pensions. The "prudent man" rule is written into Federal law for this purpose. There is also a requirement for diversification of assets. A pension fund cannot have more than 10 percent of its investment in the stock of the employer. Profit-sharing plans are not subject to this particular rule.

The fiduciary standards also set forth certain prohibited transactions between the fund and a party in interest. These prohibited transactions are:

First, sales or exchanges or leasing of property;

Second, loans or credit;

Third, furnishing of goods, services, or facilities;

Fourth, the transfer of plan assets; and

Fifth, a limitation on the purchase of the employer's securities or real property.

There were groups that favored portability of pension plans. This could not be worked out. There are no direct portability provisions in the legislation agreed upon by the conferees. The law does provide that if an employee leaves employment, and has a vested interest and an accrued benefit, that he may have his benefit transferred to an individual retirement account or, with the consent of his new employer, have it transferred to the new employer.

This legislation places a limitation in the amount of retirement benefits an individual may receive from a qualified pension plan. The limitation is the lesser of $75,000, or 100 percent of the participant's average compensation for his highest 3 years.

In the profit-sharing plans, there is an annual contribution limitation. This is the lesser of $25,000, or 25 percent of the participant's compensation. Personally, I cannot quite see the logic for a limitation in reference to the profit-sharing plan, but my view did not prevail.

All in all I believe that the conference report represents good legislation. The staffs have worked hard and diligently. They have dealt with a very complex subject and they have been crowded for time, but they have done their part and have made a real contribution for the public good.

Mr. President, I yield the floor.

Mr. TAFT. Mr. President, there is one question which has arisen as a result of the remarks that were made in the debate on the bill by the distinguished Congressman from Pennsylvania, Mr. DENT, appearing on page 29195 of the RECORD.

I understand the managers of the bill have clarified the matter somewhat.

To clarify the remarks made by Congressman DENT, I would like to ask the distinguished managers of the bill, the distinguished Senator from New York, who is such a leader in this legislation, while there is preemption under section 514 of the substance of the pension legislation including the matter of provisions relating to attorneys services under employee benefit plans does this section 514 of the act seek to preempt State bar associations from adopting ethical rules or guidelines generally and/or from disciplining its members?

Some question arises in regard to that because of the remarks made indicating that the preemption doctrine extended to rules of professional organizations.

Mr. JAVITS. Will the Senator yield?

My answer to that is no. Section 514 of the act does not preempt State bar associations from adopting and enforcing ethical rules or guidelines generally and/or from disciplining its members or acting to discipline members of the bar, which bar associations often do.

Section 514 does preempt State law with respect to any employee benefit plan described in section 4(a) and not exempted in section 4(b).

Since the plans subject to Federal supervision would include plans providing prepaid legal services, it is intended that State regulation—but not bar association ethical rules, guidelines or disciplinary actions—in regard to such plans be preempted. But the State, directly or indirectly through the bar, is preempted from regulating the form and content of a legal service plan, for example, open versus closed panels, in the guise of disciplinary or ethical rules or proceedings.

Mr. TAFT. I thank the distinguished Senator from New York for his remarks.

Before yielding the floor, I just want to express my appreciation for the tremendous amount of work that has gone through the various committees that dealt with this problem and, as I say, I think they have come up with an excellent bill.

As a member of the Labor Committee earlier in the game, I held field hearings in the State of Ohio, and the inequities and misunderstandings that were involved in the private pension system were legion, and I am glad they have been cleared up.

Mr. JAVITS. I would just like the Senator from New Jersey (Mr. WILLIAMS) to confirm my interpretation.

Does the Senator from New Jersey confirm his agreement with my view?

Mr. WILLIAMS. Basically, I do. It, perhaps, could have more amplification as such rules might affect the substance or operation of prepaid legal service plans. Certainly the substance or operation of such plans is preempted and will not be disturbed by what this colloquy is raising; am I right on that?

Mr. JAVITS. That is right.

Mr. WILLIAMS. Right now.

This is an area that will not give to bar associations the authority to undo what we, in Congress, have permitted to be done, that is, giving employers and unions the freedom to develop and operate legal service plans of their choice.

Mr. JAVITS. But that they have their normal disciplinary functions.

Mr. WILLIAMS. Otherwise.

Mr. JAVITS. That is correct.

Mr. BENTSEN. I wish to pay particular tribute now to the chairman of the Labor Committee, the distinguished Senator from New Jersey (Mr. WILLIAMS) for the time, devotion, and effort he has put into this, and the ranking minority member of that committee, Senator JAVITS of New York, who has long dedicated his efforts in that regard, for the contributions they have made; and also, the chairman of the Committee on Finance, Senator LONG of Louisiana, and the chairman of the Subcommittee on Private Pensions, Senator NELSON.

Mr. JAVITS. Mr. President, will the Senator yield so that I can ask for the yeas and nays on the conference report?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BENTSEN. Mr. President, I am proud to have been one of the chief Senate sponsors as well as one of the Senate conferees for this landmark pension reform bill which will protect countless American workers from the loss of their hard-earned pension benefits after this new law goes into effect. Final congressional approval of this historic legislation for the American worker will represent one of the most significant achievements of the 93d Congress.

This new law will insure that upon retirement, sufficient funds are available to provide workers with their earned pension benefits. It will guarantee peace of mind for countless American workers.

It will prevent tragic abuses in the future. Take, for example, the case of a Wichita Falls, Tex., woman who recently retired at the age of 65 after 17 years of service with the same employer. She was earning a pension during these years and she confidently approached retirement age expecting to receive her hard-earned pension benefits upon retirement. However, due to a technicality in this woman's pension plan she lost her entire pension—every single cent of it. Because she had missed 2 years of service due to family illness during her employment, this worker lost her entire pension. Countless economic tragedies such as this will be prevented in the future by this new pension legislation.

Mr. President, this legislation is long overdue. As one worker wrote to me in May:

> How many more people must face a bleak and poverty stricken future before our elected representatives agree on much needed and overdue legislation to protect pension rights.

Over the past several decades tens of millions of American workingmen and women have confidently approached their retirement age expecting to receive a sizable monthly pension.

The expectations of most of these workers have bene fulfilled. Generally, America's private retirement system has performed very well for the millions of retired Americans presently receiving their expected retirement benefits.

But, unfortunately, there are thousands of other workers who have not received pension benefits that they have earned. Their dreams of financial security after retirement have been shattered. Promises have been broken. So far as they are concerned, America's private retirement system has failed.

The pension legislation that Congress is sending to the President will eliminate the inequities and aberrations in our private retirement system. At the same time this legislation recognizes the importance of expanding private retirement coverage to the tens of millions of American workers who do not now have the opportunity to participate in private retirement plans.

The purpose of this legislation is not to establish an ideal pension plan but rather to set up minimum standards to prevent real abuses. A pension plan can always be more generous than the minimum standards legislated by Congress. Hopefully, companies and unions would establish plans that, in fact, are more generous than the minimum standards.

However, it is important to recognize that if minimum standards are set too high, we would discourage the creation of new plans. It is estimated that today only about one-half of America's work force is covered by private retirement plans. This means that more than 20 million American workers will never receive a private retirement benefit to supplement social security and personal savings.

Certainly Congress cannot disregard these 20 million workers when it formulates pension legislation. Many of these individuals need more than social security benefits and personal savings to retire with financial security.

Let us examine some of the inequities in our private retirement system which will be prevented in the future by this bill.

One of the fundamental problems involves the loss of pensions by workers who leave their jobs after long periods of employment but before their earned pensions become vested because of unreasonable vesting requirements. Vesting occurs when an employee receives a nonforfeitable right to the money contributed to a pension plan on his behalf. Vesting may occur after an employee works for a company a specified number of years or after an employee reaches a certain age and number years of service. Different pension plans contain different vesting formulas but once an employee's pension rights are vested, the employee is entitled to receive his benefits at the normal retirement age even if he leaves the company before that time. Wherever an employee goes, he retains an absolute right to any vested benefits he may have earned.

Unfortunately, the system does not always work. There are too many examples in which employees, with many years of service with a company, have been denied absolutely all of their earned pension because they separated from their jobs just prior to fulfilling unreasonably stringent vesting requirements. They are left without a retirement income which they had confidently anticipated receiving, and on which they are dependent for decent survival.

For example, consider the case of Stephen Duane who worked at a New Jersey warehouse for 32 years during which time he was accumulating a pension. The warehouse was closed down in 1970 and Stephen Duane lost his job. He was 51 years old at the time, just 4 years short of his company's minimum pension age. As a result he lost all of his pension rights. Despite 32 years of service, during which time he was earning a pension, Stephen Duane received absolutely nothing.

The experience of Thomas Litchko, a father of five, is equally tragic. Mr. Litchko had been employed by the same Pennsylvania corporation for 20 years, during which time he was earning a pension. In the spring of 1972—when Mr. Litchko was 39 years old—his company closed down and he was informed that he had no vested rights, that he was not entitled to any pension whatsoever. Under the provisions of his pension plan, an employee had to reach the age of 40 before he would receive any vested rights. Thomas Litchko was only 1 year short of vesting and consequently lost 20 years' worth of accumulated pensions.

Another example of unreasonable vesting requirements involves the participants of a union-administered pension plan in Chicago. Each local within this union administers its own pension plan. Under the terms of these plans a worker must remain within the same local for 20 years in order to acquire any vested rights. Sometimes a slight shift in jobs—perhaps from the loading docks to the weighing station—involves a shift in union locals and a complete loss of all pension rights for an employee with less than 20 years on the first job.

These are only a few examples of the way countless numbers of American working men and women have been tragically victimized by unreasonable vesting provisions in their pension plans.

Such tragic losses of pension benefits will be prevented in the future when this pension legislation goes into effect. Under this bill, the employer or union running the plan has the option of meeting one of three minimum vesting formulas. Under one formula, a worker would become 100 percent vested after 10 years. Under a second graded formula, a worker would be 25 percent vested after 5 years and vesting would increase by 5 percent a year for the next five years and by 10 percent a year for the following five years to provide 100 percent vesting after 15 years. The third alternative guarantees the worker 50 percent vesting whenever his age and service total 45 years or he has worked a minimum of 10 years and in either case, he is to reach 100 percent vesting after another five years.

Furthermore, when this legislation goes into effect, the worker must be allowed to join the plan at age 25, or after a year of service, whichever is later. If he enters at age 25, he can get up to 3 years of back credit toward vesting for years worked in that firm prior to age 25.

These formulas would have guaranteed the pension benefits of Stephen Duane and Thomas Litchko and countless other American workers.

However, a minimum vesting standard by itself will most certainly not provide a complete solution to the problems of the private retirement system. We are aware of many tragic examples in which employees have been denied pension benefits—benefits that had actually vested—simply because the pension plan's assets were insufficient to meet all of its obligations.

This poses two related but very important problems—funding and termination insurance.

There is a clear need to legislate minimum funding standards so that pension plans are accumulating sufficient assets to meet their obligations. It is also essential for all pension plans to acquire termination insurance to guarantee payment of vested benefits in the event that a plan happens to terminate with insufficient assets to meet its obligations. This bill sets minimum funding standards and establishes a termination insurance program.

There have been countless examples of pension plan failures that demonstrate this need. A classic example involves the closing of the Studebaker plant in South Bend, Ind. in 1964 and the accompanying termination of its pension plan. Even though this was a liberal plan which called for the systematic funding of liabilities, there were not enough assets available to pay all claims when the plan terminated. After the assets were distributed, 4,000 vested employees between the ages of 40 and 60 had received only 15 percent of their anticipated benefits. In fact, some 2,900 employees under the age of 40, some of whom were vested, were left with absolutely nothing.

Unfortunately, this is far from an isolated example.

Government statistics indicate that during 1972 alone more than 15,000 pension plans participants lost retirement benefits because their pension plan terminated with insufficient assets to meet all plan obligations. These losses amounted to more than $40 million in anticipated retirement incomes. Several thousand of these victims of pension plan terminations actually lost their entire earned pension, every single cent of it. For these individuals, the collapse of their retirement plan resulted in the loss of 100 percent of their hard-earned pension.

On the basis of this study, we can anticipate that over a 10-year period more than 150,000 American working men and women would see promised pension benefits vanish without this legislation.

We must not forget that the termination of a retirement plan is much more than a statistic compiled for Government charts. It is much more than a list of numbers or a series of percentages. As the victims of pension plan terminations can easily attest, a termination represents a great personal tragedy.

It was certainly a real tragedy for the retired worker in Minnesota who learned that he might lose his vested pension because his former employer was about to discontinue the retirement plan. This retired worker said:

> If I get a cut in my pension, I don't know what I will do. My wife has been mentally ill for 14 years and had 45 shock treatments and I am doctoring for cancer since 1954. So you can see my health and my wife's are not too good. Her medicine for a year runs over $500 not including mine, so we need all the pension fund we can get.

The experience of Olaf Anderson of Philadelphia provides another illustration. After working for the same company for 48 years, Mr. Anderson retired in 1970 and began to receive a pension of $100 a month. However, the company pension plan was terminated in 1971, and Mr. Anderson now receives no pension at all. It is interesting to note that this company provided its employees with a booklet describing the pension plan. The booklet informed the employees:

> You can look forward to retirement with peace of mind knowing that under the plan there will be a pension check in the mail to you from the company every month for life.

In light of such occurrences, it is not difficult to understand why so many Americans look at the private retirement system as a series of broken promises.

These examples clearly illustrate that minimum vesting standards alone provide no protection to employees when a plan terminates with insufficient assets to cover all liabilities.

Further protection is absolutely necessary. This legislation establishes minimum funding standards so that all employers will make sufficient contributions to back up all vested benefits over a reasonable period of time. In addition, this bill establishes a program of pension insurance—modeled after the Federal Deposit Insurance Corporation for banks—which will insure that after this law goes into effect all employees will be protected in the event that their plan does terminate before becoming fully funded.

The concept of termination insurance is certainly nothing new. In fact, it is well established and has proven to be very effective in protecting millions of Americans from substantial economic losses due to such financial mishaps as the failure of a bank or a savings and loan association or the financial difficulties of a brokerage house.

We have long had the protection of the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. A few years ago Congress added a new system of termination insurance with the creation of the Securities Investor Protection Corporation.

The Federal Deposit Insurance Corporation, which was created under the Banking Act of 1933 to protect depositors against bank failures, has worked very effectively for 40 years. A depositor is presently insured up to $20,000 in each insured bank. Depositors do not pay for deposit insurance. Rather, each bank pays for the cost of the insurance through semiannual assessments equal to a fraction of 1 percent of the bank's volume of deposits.

Similarly, the Federal Savings and Loan Insurance Corporation was created by the National Housing Act of 1934 to insure savings accounts in insured savings and loan associations. Each savings institution bears the cost of the insurance by premiums paid to the FSLIC. The basic insured amount for each saver is $20,000.

The Securities Investor Protection Corporation—SIPC—was established 3 years ago to guarantee stock market investors against losses stemming from financial difficulties of brokerage houses. SIPC is not a Government agency. It is a nonprofit membership corporation whose members include all broker-dealers registered with the Securities and Exchange Commission and all members of securities exchanges. The securities industry is responsible for financing SIPC through assessments by SIPC on its member firms. SIPC members are assessed a percentage of their gross revenues from the securities business.

The existence of the FDIC and the FSLIC for close to 40 years and the recent creation of SIPC provide substantial precedent for a program of pension plan termination insurance and demonstrate its feasibility.

The funding standards in this legislation and the termination insurance program will insure that upon retirement, funds will be available to provide earned benefits. It will guarantee peace of mind for millions of American workers.

Any comprehensive program to prevent abuses in our private retirement system must also focus on the area of fiduciary responsibility. The assets in private pension plans exceed far more than $100 billion. It is essential that those who handle these vast sums of money discharge their duties solely in the interests of the plan participants and their beneficiaries.

Workers' pension funds deserve strong fiduciary protections to insure that their interests are not subordinated to the self-enriching intrigues of "insiders" to the plan.

This bill will establish judicially enforceable standards to insure honest, faithful, and competent management of pension and welfare funds.

There have been some notable examples of abuse resulting from conflicts of interest in the handling of pension plan assets. These abuses have been brought to the attention of Congress as the result of congressional investigations, Labor Department investigations, and court litigation.

Let us examine some of these abuses.

For example, in 1960, the pension plan of a large retail store in Washington, D.C., purchased the real estate used for the retail store for $625,000. In 1968, the plan sold the real estate back to the store for $625,000. The plan and its participants did not realize any appreciation in the value of this real estate while held by the plan. Eight months after the store repurchased this real estate from the plan, it sold the property for $2,385,000.

Another example occurred in 1968 when the President of the X company took over the Y publishing company in Philadelphia. He directed that $6 million of Y's pension plan be invested in the Y publishing company even though Y had lost $62 million since 1961. The union sued the President and two other officials of Y, charging they had "misappropriated, fraudulently converted and dissipated" $6 million from the pension fund. The President got the Board of Directors of Y to pass a resolution saying that the Y plant in Philadelphia would be closed unless the union dropped its suit and allowed the company to withdraw another $4 million from the pension fund. In effect, the President of Y company said: "It will be put up or shut up. What do you want, the suit or jobs?"

A much discussed example of conflicting interests involving a union official and employee benefit plan participants, was exposed by the Senate Permanent Subcommittee on Investigations in 1965. This investigation precipitated much of the original congressional interest in Federal legislation imposing fiduciary standards on pension and welfare funds.

According to the subcommittee's report:

> George Barasch's domination of the two unions and of their employee benefit plans gave him effective control of approximately $15,500,000 that rightfully belonged to the members of the unions. This sum of money was held in the assets of the several corporations he formed and capitalized with the funds of the employee benefit plans and in the assets of the existing trust funds of the unions. He managed to achieve this position of power because in every fund established and maintained by the unions since they were organized, he served irrevocably either as lifetime sole trustee or as a lifetime union co-trustee.

Additionally, with loans from the funds, this union official established a management firm to administer these funds. He also created several foreign corporations, including "research foundations" in foreign countries into which various funds were channeled, with total diversions of almost $5 million.

For his efforts, the union official was well remunerated, including an annual salary of $35,000 from the management firm, $407,000 in life insurance coverage and total retirement benefits of $54,098 per year for life—the pension benefit alone was valued by the committee at $796,925.

Under pressure from the Senate subcommittee and Federal and State agencies, he returned $4.2 million to the employee benefit funds, resigned as trustee of the funds, and subjected these funds to the supervision of the New York State Insurance Department. However, he was never prosecuted for any violation of law since State and Federal officials apparently concluded that no existing laws were violated.

The provisions of this bill will protect workers from these kinds of fiduciary abuses.

Unless a variance is granted by the Secretaries of Labor and Treasury, a pension plan administrator would generally be prohibited from engaging in the following transactions under the new law:

The sale, exchange, or leasing of property between the plan and a party-in-interest.

The lending of money or extension of credit between the plan and a party-in-interest.

The furnishing of goods, services, or facilities between the plan and a party-in-interest.

The transfer of assets for the benefit of a party-in-interest.

The deposit or investment of plan assets outside of the United States.

This comprehensive bill also addresses itself to the question of reporting and disclosure. Under this legislation, pension plans will be required to disclose more detailed information to plan participants and the Federal Government. This will facilitate Government discovery of illegal uses of pension plan assets. In addition, it will provide participants with a better understanding of how their plans operate. It is especially important that communications to employees be presented in a manner that an average participant can easily understand. It is clearly unfair to hold an employee accountable for acts which disqualify him from benefits, if he had no knowledge of these acts, or if these conditions were stated in a misleading or incomprehensible manner in plan documents.

Furthermore, this bill specifically makes it unlawful for any person to discharge, fine, suspend, expel, discipline, or discriminate against a pension plan participant or beneficiary for the purpose of interfering with any rights guaranteed under the bill. A participant or beneficiary may bring a civil action against any person who interferes with his rights which are protected under the act.

These minimum standards of vesting, funding, termination insurance, fiduciary responsibility, reporting, and disclosure will greatly strengthen our private retirement system by eliminating the small number of abuses. The legislation achieves a fair balance between the need to provide adequate protection to existing pension plan participants and the important need to expand pension coverage. The legislation does this by setting minimum standards—not ideal standards—which would not impose such severe costs on employers so as to discourage the creation of new plans or actually force the termination of some existing plans. At the same time this bill would protect countless American workers from pension abuses.

These minimum standards provide fair treatment to all parties—employees, employers and unions. The Federal Government has a long-standing policy of encouraging retirement plans by means of our Federal tax laws. It is only fair that this policy be implemented equitably so that employees will be the beneficiaries of this policy to the same extent as the individuals who establish the plans.

While this legislation is essential to safeguard the pension rights of those Americans who currently participate in private retirement plans, this legislation does not neglect the tens of millions of workers who do not now have the opportunity to participate in any retirement plan. It is discriminatory to provide special tax benefits for participants of private retirement plans while totally denying any tax benefits to those who presently do not participate.

It is estimated that more than 20 million American workers do not now participate in any retirement plan. Many of these individuals need more than their personal savings and Social Security checks to enjoy their retirement years with financial security.

This legislation will help expand pension coverage by creating a new incentive for personal savings which will be known as an IRA or individual retirement account, and also by increasing allowable contributions to self-employed or Keogh plans.

Under the individual retirement account, an individual who does not participate in another pension plan is allowed to receive an annual tax deduction of up to $1,500 for contributions to one of these personal retirement plans. These contributions can be invested in a number of ways such as a bank, savings and loan association or credit union. These entities will actually hold the contributions, and investment earnings will be free of tax until distributed to the individual after retirement.

The new law will also increase the allowable contributions to self-employed or Keogh plans from the present level of $2,500 a year to $7,500.

Both of these provisions—the creation of individual retirement accounts and the liberalization of retirement plans for the self-employed—will encourage the expansion of our private retirement system.

This new individual retirement account will provide employees with increased portability since it will give workers a greater opportunity to carry pension rights from one retirement plan to another. With the consent of the employer, the new law would enable employees to transfer pension assets on a tax-free basis from qualified plans to an individual retirement account when an employee leaves employment. These funds could remain in the individual retirement account on a tax-free basis until the employee retires, or until he acquires employment with a new employer. With the approval of the new employer, the employee could transfer funds on a tax-free basis from his individual retirement account to a qualified plan of this employer.

Final enactment of this legislation will go a long way toward making our private retirement system perform more effectively. It is historic legislation which will both protect pension plan participants from inequities and expand pension coverage.

Mr. WEICKER. Mr. President, I would just like to take this opportunity to compliment the distinguished Senator from New York (Mr. JAVITS) for his work on this measure.

This pension reform is not something that has been spur-of-the-moment legislation by the distinguished senior Senator from New York. This is a lifetime work covering an area of great need.

It meaningfully fills a rather large gap in the lives of so many people. So many individuals have been hurt over the years because of our failure to safeguard their life's work, their pensions.

It is only fitting that Senator JAVITS' work in this area be recognized.

I feel he has accomplished a great thing for the entire Nation in sticking to this problem and arriving at the solution we now have before us and which hopefully will become the law of the land.

Mr. JAVITS. Would the Senator yield just so that I can thank him very much for his warm sentiments, which are very meaningful to me, and for which I am very grateful?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, today the Senate is passing, and sending to the President for his signature, legislation with the very simple goal that workers have a right to the pensions they have been promised. This rather basic reform of our pension laws has taken so long to achieve, despite the hard work and dedication of many, because economic injustice seems to be harder to perceive than other forms of injustice.

When a man is denied his civil rights or his right to privacy, that abuse is clear and its correction depends merely on the will to right the wrong. But when a man spends a lifetime of work and then does not receive the pension he had every reason to expect, who is to blame? Is it the employer who did not provide more than the law requires? Is it the worker who did not understand the gaps in the law? I think not. Ultimately, the responsibility and blame lies with Congress.

Congress had a pretty good idea when it decided to encourage, through use of the tax code, the development of retirement income plans. A tax approach has particular advantages that can be matched, if at all, only by a massive and extremely costly Federal program—such as social security—financed by Federal taxes. Unfortunately, Congress did not write into the law sufficient safeguards to insure that it achieved its purpose of providing retirement income for a significant number of low-wage workers.

For example, during the hearings I conducted last year, we heard about Mr. Robert Pratt of Hudson, N.Y., who in 1971 was laid off by his employer, the Gifford-Wood Co. Mr. Pratt had worked 47 years for this company, and was to retire within 1 year at the age of 65.

In June 1972, Gifford-Wood was sold to another firm, and its pension plan was terminated—3 months before Mr. Pratt's 65th birthday. When he applied for retirement benefits, Mr. Pratt was told he would receive nothing for 47 years of service.

A widely publicized failure of the private pension system occurred in 1964, when Studebaker closed its plant in Southbend, Ind., 4,500 employees lost 85 percent of their earned pension benefits. This was an economic catastrophe to the individuals involved, and to the entire community of Southbend.

For some workers, the shock of losing both their jobs and their pensions within a few years of retirement drove them to suicide.

These are but two of the hundreds of tragic losses of pensions by hard-working Americans, extensively documented in lengthy congressional hearings over a period of years. These hearings demonstrated that existing law fails to assure American workers that their pension benefits are secure and will be available when promised and due.

Congress has necessarily concentrated on the problems and inadequacies of the private pension system, but it fully acknowledges and recognizes the substantial achievements of the system.

If these tragic cases were the full story, then the logical legislative remedy would be simple—abandon the private pension system, close it out, and save $4 billion of Federal revenue. The full story is that private pensions are making a substantial and growing contribution in providing retirement income and security for millions of Americans.

In 1970 about 30 million workers were covered by a pension plan as compared to only 4,000,000 in 1940. By 1980, pension plans are expected to cover 42,000,000 employees. In 1970, 4.7 million beneficiaries received $7.4 billion in pension payments. Clearly, private pensions, along with social security are providing a solution to a uniquely 20th century problem. In the last century, the average American life expectancy was 47 years; today, it is 70 years of age. Despite these substantial achievements, it is clear that many pension plans failed to achieve their full potential as a source for retirement income.

At a cost of $4 billion of Federal revenue and at a cost of increased taxes for American taxpayers, it is not unreasonable for Congress to establish minimum standards to insure that pension plans achieve the desired objective of providing retirement income for a growing number of American workers.

This legislation put into the law minimum safeguards—safeguards that should have been in the law in the first place—to make the system work and to justify its present cost to the American taxpayers. The bill is designed to protect workers against loss of pension rights when they switch jobs or when their pension fund is inadequately funded or abruptly terminated by the employer.

Briefly, this legislation proposes seven major pension reforms:

First, it sets conditions under which an employee must acquire a nonforfeitable right to a pension.

Second, it requires the funding to be adequate to pay for the promised pension.

Third, it establishes a program of termination insurance to protect the pensions of workers.

Fourth, it applies the traditional standards of conduct by individuals in a fiduciary capacity to those responsible for administering pension funds.

Fifth, it increases the amount of contributions that the self-employed can set aside for their, and their employees, retirement.

Sixth, it establishes a new tax deduction for retirement savings for individuals not covered by pension plans.

And, seventh, it allows an employee, with the agreement of the employer, to take his vested pension rights with him when he leaves his job and put them in an individual savings account or the pension plan of his next employer.

In all its deliberations and decisions, Congress was acutely aware that under our voluntary pension system the cost of financing pension plans is an important factor in determining whether a pension plan will be adopted. Unduly large increases in cost can impede the progress of the private pension system. For this reason, in the case of those requirements which add to the cost of financing pension plans, Congress tried to adopt provisions which strike a balance between providing a meaningful protection for the employees and keeping costs within reasonable limits for employers.

AGE AND SERVICE REQUIREMENTS

Overly restrictive age and service eligibility requirements can defeat, as much as inadequate vesting, the purpose of pension plans. To extend coverage of pension plans, this bill provides generally that employees cannot be required to work for more than 1 year or to the age of 25, whichever occurs later, to participate in a pension plan. There will be a 3-year lookback provision so that a person who starts employment at age 22 will be granted 3-year credit for the purpose of vesting if he still is working for the same firm when he becomes 25.

VESTING

Unless an employee's right to his accrued benefits are nonforfeitable, in other words, vested, he has no assurance that he will ultimately receive a pension. Under present law, pension rights, accumulating slowly over many years, may be lost in a day.

Besides the personal hardship for the individuals involved, this is highly inequitable, since pension contributions are usually made in place of additional compensation or other benefits the workers would have received.

Most pension plans recognize the importance of providing a nonforfeitable right after a reasonable period of service. However, about one-fifth of all plans still do not provide any vesting until retirement. Administration figures reveal that only 42 percent of participants 50-60 years of age were entitled to a vested benefit, and only 46 percent of these over 60 had vested benefits. For these reasons, the legislation concluded that a minimum vesting standard must be required for all pension plans.

The legislation establishes three minimum vesting standards, one of which every pension plan must meet. The three minimum vesting standards are:

First, provide an employee with a 25 percent vested interest in a plan after 5 years of service, increasing by 5 percent in each of the next 5 years and then by 10 percent in each of the next 5 years until 100 percent vesting is reached after 15 years of membership;

Second, 100 percent vesting at the end of 10 years service; and

Third, 50 percent vesting when age and years of service equal 45, increasing by 10 percent in each of the following 5 years with the requirement, however, as a safeguard for workers who join a plan at a young age, that after 10 years of service he must be at least 50 percent.

Most service accumulated prior to enactment of the bill will count toward vesting.

FUNDING

Obviously, the promise of a pension plan is only as secure as its method of funding will allow. The continuing stream of benefit payments to an increasing number of retirees must come from reserves built up during the employees' working life.

Many private plans are well funded. Their employers contribute annually according to a carefully calculated long-term funding program based on accepted actuarial methods. Typically, the employer contribution includes the current cost of paying for the future benefits being earned during the year concerned together with an actuarily determined portion of any liabilities that have been previously accumulated and not already paid. However, for some plans, employers try to support the pension fund at a lower level, making only limited contributions. A survey made by the Senate Labor Subcommittee revealed about one-third of the plans studied had a ratio of assets to liabilities of 50 percent or less, while 7 percent of the plans' ratio was 25 percent or less.

Under current law the required annual contributions can be quite minimal. The only requirement is that annual contributions cover current costs together with the interest on any unfunded liabilities. There is no requirement that contributions be sfficient to fully amortize unfunded liabilities over any period of time.

To insure adequate funding, the bill provides that annual contributions must be sufficient not only to cover current service costs but also to fully amortize all unfunded liabilities in level payments over a 30-year period for single-employer plans and 40 years for multiemployer plans.

The level payment method for funding adopted by the bill is analogous to the payment of a home mortgage in that each specified payment includes a payment for both interest and principal. This method spreads the payments evenly over the payment period, making it generally easier for the employer to plan for the payments. Also, the level premium method, while providing for adequate amortization of past service costs, initially adds only relatively moderate amounts to an employer's existing funding costs.

Provision is also made for funding of experience deficiencies arising when costs are greater than estimated or when plan's assets were less than anticipated. In establishing a minimum funding standard for such experience deficiencies, Congress tried to avoid two problems. If it allowed the experience deficiencies to be funded over a very long period of time, an incentive would be provided for the use of actuarial assumptions understanding costs since any resulting deficiencies could without penalty be made up over a long period of time.

On the other hand, if the experience deficiencies were required to be amortized over too short a period, employers would encounter hardship in meeting the annual payments. This bill seeks to avoid both these problems by allowing experience deficiencies to be funded over a period of 15 years for single-employer plans and 20 years for multiemployer plans.

To prevent economic hardship, any pension fund will have the right to ask for a waiver of the annual payment. A fund will be able to obtain five such waivers within 15 consecutive years.

The bill also provides new and more effective penalties where employers fail to meet the funding standards. In the past, funding standards have been enforced by terminating the plan. This procedure, instead of penalizing those responsible for the underfunding, penalizes the employees covered by the plan. Since the responsibility for underfunding can hardly be charged to the employees, it is most inappropriate to apply a penalty adverse to their interest. For this reason, the bill places the obligation for funding and the penalty for underfunding on the employer.

In general, if an employer fails to contribute sufficient amounts to meet the new funding requirements, he will be subject to a nondeductible 5 percent excise tax on the amount of the underfunding for any year. If the employer fails to make up the underfunding then he is subject to a second level excise tax amounting to 100 percent of the underfunding.

PLAN TERMINATION INSURANCE

The new minimum vesting and funding requirements adopted by this bill will make pension plans more effective in providing retirement income and will increase the benefits paid to retired employees. But these provisions are not sufficient in themselves to provide complete assurance that employees will actually receive their promised benefits. This is because the termination of a pension plan which grants vested rights and which is being funded regularly on what appears to be an adequate funding schedule can result in the loss of substantial benefits by plan participants if the termination occurs before full funding is achieved. This is what happened at Studebaker where the plan seemed to be adequately funded.

The bill, therefore, establishes a plan for insuring employees against the loss of benefits resulting from plan termination. All pension plans providing defined benefits are required to participate in the insurance arrangement.

The program adopted by the bill is designed to insure significant amounts of pension benefits, and yet at the same time to exclude the payment of excessive benefits. Therefore, the insurance is limited to the vested benefit provided under the plan up to the participant's 5 highest paid years of participation in the plan but in no case will the insured benefit be more than $750 a month.

The termination insurance program is intended to work hand in hand with the minimum funding standards imposed by the bill, since the latter will limit the losses due to plan termination by requiring more adequate funding of pension plans. In addition, the employer is made liable for the losses due to plan termination up to 30 percent of his net worth, no more than 120 days prior to the plan termination date. The program is intended to be self-financing with single-employer plans contributing, in the first year, $1 per participant in the fund and multiemployer plans contributing 50 cents.

FIDUCIARY RESPONSIBILITY

Employees have a right to expect that trustees and administrators will handle their pension funds properly for the purposes for which they are intended and will not neglect their duties in this regard or divert the funds to improper uses. Unfortunately, instances have arisen in which pension funds have been used improperly by plan managers and fiduciaries. This situation should not be permitted to continue and this bill contains measures designed to reduce substantially the potentialities for abuse. The bill establishes fiduciary standards for trustees and other parties in interest of private employee benefit plans.

Fiduciaries are required to discharge their duties solely in the interest of participants and their beneficiaries and in a manner which will not jeopardize the income or assets of the fund. They are also specifically prohibited from engaging in actions where there would be a conflict of interest with the fund, such as representing any other party dealing with the fund.

The bill also completely changes the method of enforcing the prohibited transaction rules governing plans qualified under the tax laws. For violating the prohibited transaction rules the bill imposes an excise tax on the parties in interest who have engaged in the prohibited transaction. This is in contrast to the present situation, where the trust loses its tax exemption upon engaging in a prohibited transaction, thereby imposing a sanction on the employer but also imposing one on the employees as well. In addition, the bill establishes new rules that define the transactions that are prohibited, substantially strengthening these rules.

Currently, transactions are prohibited generally when the dealings involved are on other than an arm's-length basis. However, arm's-length standards require substantial enforcement efforts, resulting in periodic and uncertain effectiveness of these provisions.

PORTABILITY

The rapid development of private pension plans has created a multitude of individual plans, but not an integrated system. As a result, employees frequently acquire vested rights to pensions under a number of different pension plans established by previous employers. In view of the fact that some of the pension rights will generally have been acquired many years before the employee retires, he may forget to claim all his pension benefits. In addition, in such cases, the plans involved may not be able to locate the employee to pay him his pension benefit.

The bill contains provisions to ameliorate these problems. With employer's consent, a worker, when he leaves his present employer, may withdraw his vested benefits and place them in an individual savings account where it can later be placed in the pension plan of his next employer.

Finally, in order to insure that employees will actually receive the pension benefits to which they are entitled when they retire, the Social Security Administration will keep records regarding the vested rights of employees which will be sent in to the Social Security Administration by employers at the time that employees terminate their employment. The Social Security Administration will then furnish this information regarding vested pension rights to individuals both on request and at the same time that official information is supplied regarding social security benefits.

Another objective of the bill to provide more rational and equitable tax treatment under pension plans. It does this by:

First, Individual retirement plans. Any individual who is not a participant in a qualified retirement plan will be permitted under the bill to make tax deductible contributions of up to $1,500 a year toward his own retirement plan, or 15 percent of his compensation, whichever is less.

And by:

Second. Increasing deductions for H.R. 10. The bill increases the maximum contribution for self-employed to 15 percent earned income. The maximum contribution allowed would be $7,500 a year.

CONCLUSION

This is not a perfect bill, nor is it all that I hope for, but before we become too disappointed, let us look at where we started. We started with no statutory standards for vesting; no reasonable funding requirements; fiduciary standards so vague and loose that they were an open invitation for abuse; and no Federal program to insure that workers actually received their pensions. Looking back, we can see how far we have come and we can use our high hopes as a guide to future reforms.

Generally, under present law an employee's contributions to a retirement plan maintained by his employer are not tax deductible. However, in the case of salary reduction plans and cash or deferred profit-sharing plans, the Internal Revenue Service has permitted employees to exclude from income amounts contributed by their employers to the plan even where the source of these amounts has been the employee's agreement to take a reduction in his salary or bonus or to forego his salary increases.

In December 1972, the Treasury issued proposed regulations which would have changed this result in the case of salary reduction plans and would call into question the treatment under cash or deferred profit-sharing plans.

To allow time for congressional study of these plans, the conference report provides for a temporary freeze of the status quo before the proposed regulations issued in December 1972. Thus, contributions to plans in existence on June 27, 1974, are to be governed under the law as it was applied before January 1, 1972.

Generally, a plan would be treated as having been established on June 27, 1974, if the plan was reduced to writing and had been adopted and approved by the directors of the employer corporation by that date even if contributions had not yet been made to the plan on a salary reduction basis. New participants, of course, may be added to an existing plan in the normal course of business.

Where employees of a company are already covered by an existing plan, its extension to additional groups of employees of the same company or its subsidiaries generally would not be considered to be an addition of new participants in the normal course of business, since this frequently will have the same effect as establishing a new plan. However, if the number of employees covered by the extension is minimal in relation to the number of employees covered on June 27, 1974, then the extension may be regarded as being in the normal course of business.

Mr. President, I ask unanimous consent to insert in the RECORD an excellent summary that appeared in the August 26 issue of U.S. News & World Report.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

[From the U.S. News & World Report, Aug. 26, 1974]

HOW NEW PENSION LAW WILL AFFECT YOU

(NOTE.—Pension plans of thousands of companies will be safer—and more generous. Millions of people will find it easier to build their own retirement funds. All this and more emerges from new federal rules about to become law.)

Nearly every employee and self-employed person in the country—most of the 70 million people in private industry—will be affected by a landmark law laying down rules for company pension systems. Final terms of the legislation were approved by House-Senate conferees on July 31, and the measure was expected to become law in August.

Under the Employe Benefit Security Act of 1974—

More people, particularly young people, will be brought under pension plans and start earning retirement credits.

Most workers who change jobs will retain some of their pension rights, instead of losing them all as most do now.

Pension funds will be more adequately financed, and insured to pay off even if companies themselves go broke.

Surviving mates will gain protection when retired workers die. Their benefits will be automatic.

Self-employed business and professional people—and farmers—get dramatic increases in amounts they can set aside tax-free for their retirement.

Employes not covered by a pension plan get to lay aside some income—tax-free—in personal retirement accounts.

For millions of workers, the shift in pension prospects is to be spectacular. For companies, too, the changes are momentous. Most pension plans must be rewritten. And the deadline for major provisions of the law is Jan. 1, 1976.

EARLIER COVERAGE

The day when a new employe had to wait for many years before starting to build pension credits is over now.

Whatever your company plan has required in the way of a waiting period in the past, it will have to conform to this new rule: Any employe who is at least age 25 and has one year on the company payroll must be taken into the pension plan—assuming the firm has one.

And note this: If you signed on with your company at a tender age, you'll get a running start toward a pension when you reach 25. Under the new law, you must then be given credit for your past service, up to at least three years.

Congress wrote in an exception to that rule to relieve businesses with high employe turnover. It provides that, if a company plan irrevocably commits itself to—or "vests"—all of an employe's credits from the day he signs on—

The new employe's participation in the pension program can be delayed for three years.

But, once he has completed the three years, he must be given full pension credits for those years.

An older worker joining a company cannot be excluded from a pension plan unless he is within five years of the firm's normal retirement age.

Part-time and seasonal workers are protected, too. They must be covered by plans if they work for a firm at least 1,000 hours in a year. That's roughly half time.

Generally, a worker who leaves a company for a year or more and then returns must be credited with his service before the job break, if he works for another year.

What happens if a company is sold, or merged? If the new employer continues the plan, covered employees must receive full credits for service registered with the old employer. If the plan is terminated, employes should gain some protection from other provisions.

BUILDING PENSION CREDITS

Even under the new law, companies are not required to set up retirement plans, or told precisely how benefits are to be computed. Yet, where plans are operating—new or existing ones—employes must be permitted to build, or accumulate, pension credits in some fair and orderly way.

Under the old rules, many pension plans have not had any formal system under which employes accrue specific pension credits each year. In the future, they must have such systems. And, in general, employers will not be permitted to restrict credits unduly in early years and reserve the sizable accumulations for later years.

Specifically, your company must arrange its plan so as to qualify under one of three optional rules:

If your firm elects to operate under rule No. 1, the amount of benefit rights credited to an employe in any one year cannot be more than 1⅓ times the amount to be credited in any other year—excluding allowances for salary differences. That assures a reasonably stable rate of acquiring credits.

Example: A worker coming under a plan at age 30 might be credited with benefit rights at a rate of 2½ per cent a year for 20 years, then 3⅓ per cent a year after that.

In 20 years, he would accumulate 50 per cent of his final pension entitlement. And after 15 more years, at age 65, he would have 100 per cent.

Under rule No. 2, by contrast, a company would simply allot retirement rights at a flat rate of at least 3 per cent a year. Thus, 100 per cent of full-pension credits would be accruded in no more than 33⅓ years of service.

Under that rule, an individual first covered at, say, 30 would become fully "accrued" at age 63⅓, though provisions of his company plan might require him to stay on until 65.

For a company choosing rule No. 3, credited—or accrued—service must be geared to a worker's proportionate time with the company. Suppose a company plan's maximum covered period is 43 years—from age 22 to 65. A worker starting at age 30 and working to 65 would get 35/43 of the maximum service credit toward a pension.

To what extent is the accrual requirement to be retroactive when it takes effect Jan. 1, 1976? By one half.

Example: Your company plan, which has had no formal accrual system in the past, elects to qualify under No. 2, which means accruing at a rate of at least 3 per cent a year. That rule, if it had been operating in the past, would have given you credits for, say, 20 years of service.

Thus, on Jan. 1, 1976, your plan must credit you with accrued benefit rights for at least 10 years of work.

GUARANTEED PENSION RIGHTS

The accumulation of credits over long periods has often meant very little by itself in the past. Millions of workers who have served their employers for many years have gotten little or nothing on reaching retirement time.

That happens when an individual leaves a job before his company pins a "guaranteed at retirement age" label on some or all of the credits he has earned and accrued.

Many corporations have sought to bind their employees with "golden handcuffs"—promises of lucrative pensions but only for those who stay on for a very long time.

For example, your company might not have locked up for you—or "vested" in you—any of your accrued credits until you reached, say, age 45. Then your credits might have vested at a rate of perhaps 5 per cent a year.

Under that vesting plan, you sacrificed all of your earned and accrued rights if you quit the firm before you reached age 45 and half of them even if you worked to age 55. Not until 65 would you have become fully vested.

That kind of vesting is barred for the future. Companies are given the option of qualifying under any of three new rules:

If your employer chooses to operate under plan No. 1, the company will not be required to vest any of a new employe's pension credits untiy he has 10 years of service. But then all of the employe's accrued credits must be made nonforfeitable.

Result: If a worker quits after 9½ years he will lose all of his accumulated pension rights. If he leaves any time after 10 years, he will still be entitled at retirement age to claim all of the pension benefits he has earned and accrued at the time he quits.

Plan No. 2 permits gradual vesting. But these minimum standards must be met: 25 per cent of all accrued credits must be vested in the employe's account after 5 years of service. At least 50 per cent must be made nonforfeitable after 10 years. And all accrued benefit credits must be vested in a worker's account after 15 years.

The third option is known as the "rule of 45." Under it, an employe must be vested with 50 per cent of his benefit rights when his age and years of service add up to 45. Then, his vesting is boosted by 10 percentage points each year. But there are exceptions.

For one, a worker will not meet the rule of 45 until he has had at least 5 years of service. So an employe who signs on at age 40 will wait till age 45—though at 42½ his age and service add to 45.

For another, a young employe cannot be made to work more than 10 years before satisfying the rule of 45. If he joins the firm at age 22, he must become 50 per cent vested at 32.

Note: Under any of the options, an employee must be at least 50 per cent vested after 10 years of service and 100 per cent vested at 15 years—whatever his age.

How retroactive is the new vesting rule? Completely. When it takes effect, Jan. 1, 1976, the new vesting requirements will be applied overnight to all of a worker's accrued benefits.

That vesting, of course, is not for former employes, generally. In fact, a pension plan is permitted to exclude service before 1971 unless the employe earned credits for work in at least three years after 1970. Thus, many people who quit jobs in recent years will find that by returning to their former employers they can pick up permanent rights to pension credits that already have been earned.

And, for millions of other workers, the "golden handcuffs" that have bound so many to their jobs will be stricken off on Jan. 1, 1976.

SHORING UP FINANCES

In the past, even full vesting has not always guaranteed a worker the pension he has earned. Thousands of employes have lost out when companies foundered, merged with other firms, or simply dropped pension plans.

Beginning Jan. 1, 1976, companies with retirement programs are going to have to meet new standards of financing—or "funding."

Formal pension funds will have to be created and administered under trust arrangements or invested through an insurance company. Pension-plan assets will have to be made independent of the future prosperity of the employer.

Companies, moreover, will be required to set up and follow contribution schedules that, in the opinion of competent actuaries, are adequate to finance pension obligations of the plans. Specifically—

Companies will be required to "fund" currently the normal costs of pension rights as they accrue.

Sponsoring firms will be allowed time to catch up with the funding of pension obligations already accumulated. But contributions will have to be made evenly and regularly so as to fund all past-service credits over 30 or 40 years, depending on circumstances.

Funding is to be monitored by actuaries and adjusted every three years to assure soundness of plans. Companies will pay specific tax penalties for lags in funding.

For today's older workers, looking to retirement soon, 30-year funding offers little protection. But there is yet another layer of safeguards in the new law.

INSURANCE FOR PENSIONS

As a final back-up, a new Pension Benefit Guaranty Corporation is to insure all of a worker's vested benefits up to certain limits, effective July 1, 1974.

The guarantee will be for a benefit amount up to 100 per cent of a worker's average pay in his five years of highest earnings, but no more than $750 of monthly pension at the start. That $750 ceiling is to rise with general wage levels.

Companies with pension plans will pay the Guaranty Corporation an annual premium of $1 per employe at the start. Employers in multicompany plans negotiated with unions will pay 50 cents. After an initial period, premiums are to be boosted for companies with inadequate funding. Moreover, companies will remain liable to the insurance corporation for reimbursement of benefit payments up to 30 per cent of an employer's net assets.

And the insuring organization is to have an automatic "draw" of 100 million dollars on the Treasury if it needs further capital to pay pensions.

Question: What good is the insurance of vested benefits to older employes of companies that have provided little or no vesting of pension credits?

Answer: A great deal of good, because the minimum vesting requirements written into the law are to put a floor under insured benefits.

Thus, authors of the legislation say, a worker with 15 years of service in a company can rest assured that, in nearly all cases, his pension is safe.

The idea of full portability of pensions when workers move from one company to another is still under study.

The new pension rules, however, provide

some options for workers quitting jobs before retirement time:

The vested-service credits will, at the very least, remain with the original employer and pay off when the individual has reached the firm's normal retirement age—no later than 65.

Or, if the company plan provides for it, the worker can take his vested credits—and funds—with him for incorporation into the pension program of his new employer—assuming his new employer goes along with the idea.

Or, when a company plan permits it, the new law lets the departing worker take his funds—in a tax-free "rollover"—to be invested in an individual retirement account until he retires or joins a new company plan.

OTHER COMPANY-PLAN RULES

Still other standards are written into law to govern the operation of private plans.

Pensions paid by corporation plans cannot exceed 100 per cent of an employe's average pay in his best three years and cannot be more than $75,000 a year. Those limits will be lowered for retirement before age 55.

The limit on profit-sharing contributions is boosted to 25 per cent of salary—from 15 per cent in the past—but a contribution for an individual cannot exceed $25,000.

Employers whose turnover experience suggests a policy of firing workers just before they qualify for pension vesting will be in trouble.

Employes must be given a booklet detailing plans in understandable language, to be updated at least each five years.

Companies must give the Labor Secretary annual reports—incuding independent audits, actuarial reports and opinions, security transactions and other financial data.

Strict rules are set out to prohibit self-dealing by companies and to require fair play in managing funds.

HARDSHIP SITUATIONS

Financial burdens piled on companies by new pension-plan rules could be staggering, particularly for small firms.

The result could be to push hundreds of employers to terminate plans. To avoid that, the Congress has provided relief in hardship cases. Where the vesting or funding of requirements cannot be met without threatening the existence of a pension plan, or the company itself, there are special steps that can be taken.

Benefit formulas can be amended, made less generous.

Funding schedules can be stretched out.

"Waivers" may be granted for firms unable to comply.

But note: Temporary relief from new standards is to require approval of the Secretary of the Treasury, usually only after a finding that full compliance would jeopardize benefits or employe pay.

SELF-EMPLOYED PEOPLE

Dramatically sweetened tax benefits are made available to millions of self-employed people who set up their own retirement plans.

Under past law, self-employed people have been allowed to put aside—tax free—up to 10 per cent of their earnings, but no more than $2,500 a year. Starting this year, 1974, they can set aside up to 15 per cent of earnings, with a top limit of $7,500. For younger, low-earning self-employed, $750 can be put aside tax free, no matter how small earnings are.

Yet the big break is for the affluent. While the top set-aside for most self-employed people is raised to 50 per cent, the maximum is tripled for the well-heeled.

However, a self-employed person will not be permitted to count more than $100,000 of earnings in figuring his set-aside fund. Thus, a self-employed person earning more than $100,000 a year will have to use a set-aside factor of 7½ per cent in order to invest the maximum of $7,500. And, to meet the nondiscrimination rules, he must contribute for his employes 7½ per cent of their pay.

DO-IT-YOURSELF PLANS

For the first time, millions of other people are going to be allowed to set up their own tax-free retirement plans.

The new privilege is provided for the 40 million or so private-industry employees who are not covered by any pension plan other than Social Security.

Under the new law, these people will get to create Individual Retirement Accounts—or "IRA's." An eligible employee will be allowed to put as much as 15 per cent of his pay into an IRA—up to a top of $1,500 a a year—and take a tax deduction for the amount.

That deduction is to be available even for individuals who claim the "standard" deduction, rather than itemizing.

Funds put in IRA's must be invested in one of three ways.

They can be used to buy special annuities that will not begin to pay off until age 59½.

Or they can be invested in a special type of U.S. Treasury bond. It currently pays 6 per cent.

Or the money can be put in a trust to be administered by a bank or other approved institution. Companies themselves can sponsor IRA plans for employes.

Some other points to note about this new privilege:

The annual earnings of the invested funds—as well as the income put aside each year—will be tax-free.

Withdrawals of funds from IRA's—at age 59½ or later—will be fully taxable income, though usually at lower rates than people pay in working years.

For years, savings institutions have pressed a proposal to give people tax deductions on limited amounts of savings. Now, starting in 1976, millions will get just that.

Over the years, the new rules could attract funds to many such institutions—mutual funds, insurance companies, bank trust departments—and thus help ease the shortage of capital that many economists see looming in this country.

WHEN PENSION RULES TAKE EFFECT

Jan. 1, 1974. The amount of money that the self-employed can set aside tax-free for retirement is sharply increased, retroactive to the start of this year.

July 1, 1974. Effective date of a new system of national insurance. It will pay your pension if your company gets into such financial straits that it is unable to do so.

August, 1974. All private pension plans to be set up after the new law is enacted must:

Include all employes aged 25 or older with one year or more of service with the company.

Credit the account of each worker regularly with pension rights on a fair basis.

Meet new standards for "vesting" these rights—giving the employe permanent title to the funds in his account.

Begin to pay money into the company pension fund according to a new standard designed to guarantee the program's financial soundness.

Jan. 1, 1975. Employes not covered by a company pension plan can begin to lay aside limited amounts of money, tax-free for their own personal retirement plans.

Companies with plans will be required to make elaborate reports to the Labor Department and to employes at regular intervals.

Jan. 1, 1976. The same rules that went into effect in August, 1974, for new company pension plans will go into effect for plans that were in force before August, 1974.

New limits will be imposed on the contributions that corporations can make for the retirement benefits of their executives.

Dec. 31, 1980. Multicompany pension plans of unions must all comply with the rules applied to other plans.

BIG BREAK FOR THE SELF-EMPLOYED

Under the "Keogh bill," self-employed people are permitted to put portions of their income each year, free of taxes, into a fund that can earn tax-free income until it starts paying out at retirement. The new pension law raises the maximum amounts that can be put in yearly—

Earned income	*Under old law*	*Under new law*
$3,000	$300	$750
$5,000	$500	$750
$10,000	$1,000	$1,500
$15,000	$1,500	$2,250
$20,000	$2,000	$3,000
$25,000	$2,500	$3,750
$35,000	$2,500	$5,250
$50,000 and over	$2,500	$7,500

Mr. RIBICOFF. Mr. President, I am pleased that we are about to give final approval to the monumental pension reform bill.

The Congress has worked long and hard on this most complex bill. It has been given thorough consideration in both Houses by two committees of each House before going to the floor.

In the Senate it was written by the Senate Finance Committee and the Labor and Public Welfare Committee.

As a member of the Senate Finance Committee and a member of its subcommittee on pensions, I was pleased to be an original cosponsor of the legislation. In late 1972 when the bill was reported by the Labor and Public Welfare Committee and came to the Senate Finance Committee I led the fight in committee to report out a strong bill.

In 1973 I testified before the Labor and Public Welfare Committee on the need for a strengthened bill while not all of my amendments to shorten the vesting period and assure full portability were accepted, the final result which we are now voting on is a good first step on the road to assure an adequate and secure pension system.

The private pension system is a growing one. In 1940, 4 million employees were covered by private pension plans with assets of $2.4 billion. Today, more than one-half of our work force in the United States—40 million workers—are members and participants of private pension plans. Assets in these plans, numbering some 34,000, amounted to almost $130 billion in 1970. By 1980 it is expected that 42.3 million workers will participate in plans with assets skyrocketing to over $250 billion.

Despite the growth and development of these plans in the last few years, regulation of them in the public interest has been minimal. Internal Revenue Code regulations exist principally to produce tax revenue and to prevent evasion of tax obligations. The Labor-Management Relations Act regulates pensions only to prevent union officials and employers from conspiring to divert employee funds to their own use. The act is not intended to establish nor does it provide standards of funding adequacy, security of investment, or fiduciary conduct. The 1958 Welfare and Pension Plans Disclosure Act, while purporting to protect the pension participant, essentially required the administrator of a pension plan to file certain very limited information with the Secretary of Labor and furnish information to employees upon request. The act lacks substantive fiduciary standards and relies on the initiative of the individual employee to police the management of his plan.

All too often working men and women contribute to these pension plans only to find when they retire that the benefits they had been promised are denied them.

In addition, frequently the pension funds themselves are abused by those responsible for their management who manipulate them for their own purposes or make poor investments with them.

It is time controls were imposed to safeguard the workers' valuable funds. Genuine pension reform will be achieved only by Federal regulation.

In the absence of comprehensive pension reform legislation, abuses and phantom retirement security benefits have been frequent. The major problems which give rise to pension horror stories are: First, the failure of pension funds to provide necessary minimum and adequate vesting provisions; second, premature termination of pension plans without adequate insurance coverage to protect the employees; third, the failure of pension plans to have sufficient funding to meet accrued and vested liabilities; and, fourth, ineffective fiduciary requirements which threaten the safety and preservation of fund assets.

The report of the 1971 Senate Welfare and Pension Plan Study elaborated on these problems. It revealed that of all those who have worked at and then left jobs with pension plans over the last 20 years, only about 5 percent will ever receive any benefits.

A succession of witnesses coming before the Pension Study Subcommittee—mostly union workers in their late forties and fifties—told of losing their pension rights, because of plant shutdowns, transfers, store closings, and pension fund terminations. One witness, who had worked for 32 years for one company, was laid off 3 years before he was eligible for his pension. Other workers have lost their pensions when a company has shut down. Perhaps the most famous case involved the Studebaker Division of Studebaker-Packard. More than 4,000 Studebaker workers aged 40 to 60 got only 15 percent of what the company owed them. Other workers lost benefits when their companies moved or when they changed jobs.

Even when the company remains solvent and stable and the worker has a vested right to receive his pension, there is a growing concern over the integrity of the pension fund assets. While most corporate pension funds are carefully managed and conservatively invested, misuse, manipulation, and poor management of pension trust funds are all too frequent. One financially ailing company tried to borrow over a million dollars from a subsidiary's pension pool for use as operating capital. Another company has a policy of investing more than half its pension fund's assets in the company's own common stock and in the real estate of a company subsidiary. And yet another firm routinely dips into its pension funds for cash to make acquisitions.

These manipulations point up the lack of real controls over the investment of pension funds. Present laws and common law trust principles have failed to come to grips with the problem.

While the pension bill is complex, a quick summary of its highlights include:

PARTICIPATION

Plan must allow employee to participate after he attains age 25 or 1 year of service, whichever occurs later. For service prior to age 25, plan must "look back" and credit up to 3 years of service prior to 25.

VESTING

Employee guaranteed a vested right to his earned pension benefit upon retirement after working a reasonable period of years with employer. Plan must vest employee pension credit according to one of three optional formulas.

First. Graded vesting. Vest 25 percent after 5 years increasing to 100 percent after 15 years of service with employer.

Second. Full vesting. Vest 100 percent after 10 years of service.

Third. Modified Rule of 45. Vest 50 percent when age and service total 45—that is, age 40 with 5 years of service—40 plus 5 equals 50 percent vesting—increasing 10 percent each year thereafter.

VOLUNTARY PORTABILITY

If both employer and employee agree, the vested benefit of employee may be transferred into individual retirement savings account—IRA—established by employee upon change of employment.

FUNDING

Plans must fund liabilities over approximate working lives of participants. All plan liabilities to be funded over 30 to 40 year period.

VARIANCES

Plan could obtain extensions of funding and vesting periods if necessary to avoid "substantial economic hardship" to plan participants.

PLAN TERMINATION INSURANCE

Mandatory participation of private plans in an insurance program. Insurance will guarantee payment of vested benefits if employers incapable of discharging his funding obligations. All plans must pay premium of $1 per participant per year for single employer plans, and 50 cents per participant per pension benefits insured up to benefit of $750 per month.

FIDUCIARY STANDARDS

Judicially enforceable prudent man standard of investment for pension and welfare funds and prohibition of "insider" transactions with parties-in-interest to pension fund.

DISCLOSURE

Employee must be furnished with understandable plan booklet explaining all of his rights and obligations under plan. Annual audit required. Also, annual financial statement of pension fund investments involving more than 3 percent of assets.

INDIVIDUAL RETIREMENT ACCOUNTS

Any individual not covered by private or public plan could set up individual savings account and contribute up to $1,500 annually. Contributions are tax deductible and all earnings on IRA account tax-free. IRA's could be invested in bank savings account, mutual funds, special government bonds.

H.R. 10 PLANS

Plans for self-employed individuals could deduct up to $7,500 annually for pension contributions. Such plans must also cover employees of self-employed individual.

LIMITATION

Tax deduction for employer contribution to pension plans limited to amount which would produce annual pension of $75,000 for any one employee.

ENFORCEMENT

Enforcement of standards to be provided by Department of Labor and the Internal Revenue Service. Generally, the IRS will enforce the tax qualification requirements of the Internal Revenue Code and the Labor Department will enforce violations of standards which result in denial of employee pension rights.

PRIVATE ACTION

Employee may enforce his rights under the act in Federal courts. Also, the plan must provide a claims procedure with an opportunity for a full and fair review of any denial of claim.

I ask unanimous consent that the U.S. News & World Report article describing the program reform bill be inserted at this point in the Record.

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What happens if a company is sold, or merged? If the new employer continues the plan, covered employes must receive full credits for service registered with the old employer. If the plan is terminated, employes should gain some protection from other provisions.

BUILDING PENSION CREDITS

Even under the new law, companies are not required to set up retirement plans, or told precisely how benefits are to be computed. existing ones—employes must be permitted to build, or accumulate, pension credits in some fair and orderly way.

Under the old rules, many pension plans have not had any formal system under which employes accrue specific pension credits each year. In the future, they must have such systems. And, in general, employers will not be permitted to restrict credits unduly in early years and reserve the sizable accumulations for later years.

Specifically, your company must arrange its plan so as to qualify under one of three optional rules:

If your firm elects to operate under rule No. 1, the amount of benefit rights credited to an employe in any one year cannot be more than 1⅓ times the amount to be credited in any other year—excluding allowances for salary differences. That assures a reasonably stable rate of requiring credits.

Example: A worker coming under a plan at age 30 might be credited with benefit rights at a rate of 2½ per cent a year for 20 years, then 3⅓ per cent a year after that.

In 20 years, he would accumulate 50 per cent of his final pension entitlement. And after 15 more years, at age 65, he would have 100 per cent.

Under rule No. 2, by contrast, a company would simply allot retirement rights at a flat rate of at least 3 per cent a year. Thus, 100 per cent of full pension credits would be accrued in no more than 33⅓ years of service.

Under that rule, an individual first covered at, say, 30 would become fully "accrued" at age 63⅓, though provisions of his company plan might require him to stay on until 65.

For a company choosing rule No. 3, credited—or accrued—service must be geared to a worker's proportionate time with the company. Suppose a company plan's maximum covered period is 43 years—from age 22 to 65. A worker starting at age 30 and working to 65 would get 35/43 of the maximum service credit toward a pension.

To what extent is the accrual requirement to be retroactive when it takes effect Jan. 1, 1976? By one half.

Example: Your company plan, which has had no formal accrual system in the past, elects to qualify under rule No. 2, which means accruing at a rate of at least 3 per cent a year. That rule, if it had been operating in the past, would have given you credits for, say, 20 years of service.

Thus, on Jan. 1, 1976, your plan must credit you with accrued benefit rights for at least 10 years of work.

GUARANTEED PENSION RIGHTS

The accumulation of credits over long periods has often meant very little by itself in the past. Millions of workers who have served their employers for many years have gotten little or nothing on reaching retirement time.

That happens when an individual leaves a job before his company pins a "guaranteed at retirement age" label on some or all of the credits he has earned and accrued.

Many corporations have sought to bind their employes with "golden handcuffs"—promises of lucrative pensions but only for those who stay on for a very long time.

For example, your company might not have locked up for you—or "vested" in you—any of your accrued credits until you reached, say, age 45. Then your credits might have vested at a rate of perhaps 5 per cent a year.

Under that vested plan, you sacrificed all of your earned and accrued rights if you quit the firm before you reached age 45 and half of them even if you worked to age 55. Not until 65 would you have become fully vested.

That kind of vesting is barred for the future. Companies are given the option of qualifying under any of three new rules:

If your employer chooses to operate under plan No. 1, the company will not be required to vest any of a new employe's pension credits until he has 10 years of service. But then all of the employe's accrued credits must be made nonforfeitable.

Result: If a worker quits after 9½ years he will lose all of his accumulated pension rights. If he leaves any time after 10 years he will still be entitled at retirement age to claim all of the pension benefits he has earned and accrued at the time he quits.

Plan No. 2 permits gradual vesting. But these minimum standards must be met: 25 per cent of all accrued credits must be vested in the employe's account after 5 years of service. At least 50 per cent must be made nonforfeitable after 10 years. And all accrued benefit credits must be vested in a worker's account after 15 years.

The third option is known as the "rule of 45." Under it, an employe must be vested with 50 per cent of his benefit rights when his age and years of service add up to 45. Then, his vesting is boosted by 10 percentage points each year. But there are exceptions.

For one, a worker will not meet the rule of 45 until he has had at least 5 years of service. So an employee who signs on at age 40 will wait till age 45—though at 42½ his age and service add to 45.

For another, a young employee cannot be made to work more than 10 years before satisfying the rule of 45. If he joins the firm at age 22, he must become 50 per cent vested at 32.

Note: Under any of the options, an employe must be at a least 50 per cent vested after 10 years of service and 100 per cent vested at 15 years—whatever his age.

How retroactive is the new vesting rule? Completely. When it takes effect, Jan. 1, 1976, the new vesting requirements will be applied overnight to all of a worker's accrued benefits.

That vesting, of course, is not for former employes, generally. In fact, a pension plan is permitted to exclude service before 1971 unless the employe earned credits for work in at least three years after 1970. Thus, many people who quit jobs in recent years will find that by returning to their former employers they can pick up permanent rights to pension credits that already have been earned.

And, for millions of other workers, the "golden handcuffs" that have bound so many to their jobs will be stricken off on Jan. 1, 1976.

SHORING UP FINANCES

In the past, even full vesting has not always guaranteed a worker the pension he has earned. Thousnds of employes have lost out when companies foundered, merged with other firms, or simply dropped pension plans.

Beginning Jan. 1, 1976, companies with retirement programs are going to have to meet new standards of financing—or "funding."

Formal pension funds will have to be created and administered under trust arrangements or invested through an insurance company. Pension-plan assets will have to be made independent of the future prosperity of the employer.

Companies, moreover, will be required to set up and follow contribution schedules that, in the opinion of competent actuaries, are adequate to finance pension obligations of the plans. Specifically—

Companies will be required to "fund" currently the normal costs of pension rights as they accrue.

Sponsoring firms will be allowed time to catch up with the funding of pension obligations already accumulated. But contributions will have to be made evenly and regularly so as to fund all past-service credits over 30 or 40 years, depending on circumstances.

Funding is to be monitored by actuaries and adjusted every three years to assure soundness of plans. Companies will pay specific tax penalties for lags in funding.

For today's older workers, looking to retirement soon, 30-year funding offers little protection. But there is yet another layer of safeguards in the new law.

INSURANCE FOR PENSIONS

As a final back-up, a new Pension Benefit Guaranty Corporation is to insure all of a worker's vested benefits up to certain limits, effective July 1, 1974.

The guarantee will be for a benefit amount up to 100 per cent of a worker's average pay in his five years of highest earnings, but no more than $750 of monthly pension at the start. That $750 ceiling is to rise with general wage levels.

Companies with pension plans will pay the Guaranty Corporation on annual premium of $1 per employe at the start. Employers in multicompany plans negotiated with unions will pay 50 cents. After an initial period, premiums are to be boosted for companies with inadequate funding. Moreover, companies will remain liable to the insurance corporation for reimbursement of benefit payments up to 30 per cent of an employer's net assets.

And the insuring organization is to have an automatic "draw" of 100 million dollars on the Treasury if it needs further capital to pay pensions.

Question: What good is the insurance of vested benefits to older employes of companies that have provided little or no vesting of pension credits?

Answer: A great deal of good, because the minimum vesting requirements written into the law are to put a floor under insured benefits.

Thus, authors of the legislation say, a worker with 15 years of service in a company can rest assured that, in nearly all cases, his pension is safe.

The idea of full portability of pensions when workers move from one company to another is still under study.

The new pension rules, however, provide some options for workers quitting jobs before retirement time:

The vested-service credits will, at the very least, remain with the original employer and pay off when the individual has reached the firm's normal retirement age—no later than 65.

Or, if the company plan provides for it, the worker can take his vested credits—and funds—with him for incorporation into the pension program of his new employer—assuming his new employer goes along with the idea.

Or, when a company plan permits it, the new law lets the departing worker take his funds—in a tax-free "rollover"—to be invested in an individual retirement account until he retires or joins a new company plan.

OTHER COMPANY-PLAN RULES

Still other standards are written into law to govern the operation of private plans.

Pensions paid by corporation plans cannot exceed 100 per cent of an employee's average pay in his best three years and cannot be more than $75,000 a year. Those limits will be lowered for retirement before age 55.

The limit on profit-sharing contributions is boosted to 25 per cent of salary—from 15 per cent in the past—but a contribution for an individual cannot exceed $25,000.

Employers whose turnover experience suggests a policy of firing workers just before they qualify for pension vesting will be in trouble.

Employes must be given a booklet detailing plans in understandable language, to be updated at least each five years.

Companies must give the Labor Secretary annual reports—including independent audits, actuaral reports and opinions, security transactions and other financial data.

Strict rules are set out to prohibit self-dealing by companies and to require fair play in managing funds.

HARDSHIP SITUATIONS

Financial burdens piled on companies by new pension-plan rules could be staggering, particularly for small firms.

The result could be to push hundreds of employers to terminate plans. To avoid that, the Congress has provided relief in hardship cases. Where the vesting or funding of requirements cannot be met without threatening the existence of a pension plan, or the company itself, there are special steps that can be taken.

Benefit formulas can be amended, made less generous.

Funding schedules can be stretched out.

"Waivers" may be granted for firms unable to comply.

But note: Temporary relief from new standards is to require approval of the Secretary of the Treasury, usually only after a finding that full compliance would jeopardize benefits or employe pay.

SELF-EMPLOYED PEOPLE

Dramatically sweetened tax benefits are made available to millions of self-employed people who set up their own retirement plans.

Under past law, self-employed people have been allowed to put aside—tax free—up to 10 per cent of their earnings, but no more than $2,500 a year. Starting this year, 1974, they can set aside up to 15 per cent of earnings, with a top limit of $7,500. For younger, low-earning self-employed, $750 can be put aside tax free, no matter how small earnings are.

Yet the big break is for the affluent. While the top set-aside for most self-employed people is raised 50 per cent, the maximum is tripled for the well-heeled.

However, a self-employed person will not be permitted to count more than $100,000 of earnings in figuring his set-aside fund. Thus, a self-employed person earning more than $100,000 a year will have to use a set-aside factor of 7½ per cent in order to invest the maximum of $7,500. And, to meet the nondiscrimination rules, he must contribute for his employes 7½ per cent of their pay.

DO-IT YOURSELF PLANS

For the first time, millions of other people are going to be allowed to set up their own tax-free retirement plans.

The new privilege is provided for the 40 million or so private-industry employes who are not covered by any pension plan other than Social Security.

Under the new law, these people will get to create Individual Retirement Accounts—or "IRA's." An eligible employe will be allowed to put as much as 15 per cent of his pay into an IRA—up to a top of $1,500 a year—and take a tax deduction for the amount.

That deduction is to be available even for individuals who claim the "standard" deduction, rather than itemizing.

Funds put in IRA's must be invested in one of three ways.

They can be used to buy special annuities that will not begin to pay off until age 59½.

Or they can be invested in a special type of U.S. Treasury bond. It currently pays 6 percent.

Or the money can be put in a trust to be administered by a bank or other approved institution. Companies themselves can sponsor IRA plans for employes.

Some other points to note about this new privilege:

The annual earnings of the invested funds—as well as the income put aside each year—will be tax-free.

Withdrawals of funds from IRA's—at age 59½ or later—will be fully taxable income, though usually at lower rates than people pay in working years.

For years, savings institutions have pressed a proposal to give people tax deductions on limited amounts of savings. Now, starting in 1976, millions will get just that.

Over the years, the new rules could attract funds to many such institutions—mutual funds, insurance companies, bank trust departments—and thus help ease the shortage of capital that many economists see looming in this country.

WHEN PENSION RULES TAKE EFFECT

Jan. 1, 1974. The amount of money that the self-employed can set aside tax-free for retirement is sharply increased, retroactive to the start of this year.

July 1, 1974. Effective date of a new system of national insurance. It will pay your pension if your company gets into such financial straits that it is unable to do so.

August, 1974. All private pension plans to be set up after the new law is enacted must:

Include all employees aged 25 or older with one year or more of service with the company.

Credit the account of each worker regularly with pension rights on a fair basis.

Meet new standards for "vesting" these rights—giving the employee permanent title to the funds in his account.

Begin to pay money into the company pension fund according to a new standard designed to guarantee the program's financial soundness.

Jan. 1, 1975. Employees not covered by a company pension plan can begin to lay aside limited amounts of money, tax-free for their own personal retirement plans.

Companies with plans will be required to make elaborate reports to the Labor Department and to employes at regular intervals.

Jan. 1, 1976. The same rules that went into effect in August, 1974, for new company pension plans will go into effect for plans that were in force before August, 1974.

New limits will be imposed on the contributions that corporations can make for the retirement benefits of their executives.

Dec. 31, 1980. Multicompany pension plans of unions must all comply with the rules applied to other plans.

BIG BREAK FOR THE SELF-EMPLOYED

Under the "Keogh bill," self-employed people are permitted to put portions of their income each year, free of taxes, into a fund that can earn tax-free income until it starts paying out at retirement. The new pension law raises the maximum amounts that can be put in yearly—

Earned income	Under old law	Under new law
$3,000	$300	$750
5,000	500	750
10,000	1, 000	1, 500
15,000	1, 500	2, 250
20,000	2, 000	3, 000
25,000	2, 500	3, 750
35,000	2, 500	5, 250
50,000 and over	2, 500	7, 500

Mr. PACKWOOD. Mr. President, the Senate will today take the final step in considering the conference report on private pension legislation, legislation which I have supported through work in two Senate committees over the past 4 years. In giving our final approval to the eminently workable and, hopefully, effective and equitable bill before us, we are signalling a new era for the working men and women of this Nation. For the more than 30 million American working people currently covered under some form of pension plan, we are providing new guarantees that the funds set aside for their retirement—from their own and their employers' contributions—will in fact be available for their retirement years. For those in self-employment pension plans we are revising the allowable set-asides to reflect a rising cost of living, and to provide greater incentives for individuals to plan for their retirement. And we are taking the further landmark step of extending equity to those individuals—fully one-half of all working Americans—who are not presently covered by any pension plan at all.

Adoption of this conference report will, therefore, Mr. President, strengthen the security of virtually all Americans, and move us further toward the goal of dignity and security for all retired individuals.

This conference report deals realistically with the dangers associated with collapse of pension plans and loss of pension rights and benefits. By establishing minimum standards we hope to prevent pension plan failures and thereby avoid the consequential calamity suffered by innocent victims.

Specifically, all plans must provide participation for employees who are 25 years of age or have 1 year of service, whichever occurs later.

All plans must meet minimum vesting standards. Three options are set down by the conference report, offering a fair amount of flexibility in achieving 50 percent vesting during a reasonable period of service, and 100 percent vesting obtainable at an accelerated rate thereafter.

The first option, called graded vesting, provides for 25 percent vesting after 5 years of service with 5 percent per year from the next 5 years. This means 50 percent per year, to full vesting after 15 years.

The second option simply provides for full vesting after 10 years of employment with the company.

The third option is the rule of 45 with modifications. The rule of 45 states that an employee is 50 percent vested when his age plus his years of service equal 45 or more. Thereafter, vesting is increased by 10 percent per year. Modifications of the rule of 45 include: Someone entering employment within 5 years of retirement age can be excluded, thus preventing possible discrimination in hiring older persons; there must be a minimum 5 years' service; and someone with 10 years service is entitled to 50 percent vesting.

Vesting rules become effective upon enactment for new plans, in 1976 for existing plans, and will apply to all accrued benefits and years of service prior to the date of enactment. Exception: a plan is not required to take into account service performed prior to January 1971, unless the employee has at least 3 years of service after December, 1970.

An important aspect of the conference report is the plan for termination insurance which is intended to protect the employee in danger of losing his pension rights and/or benefits because his employer merges with another company or just goes out of business. The insurance program will be administered by a corporation, chaired by the Secretary of Labor with the Secretaries of Commerce and Treasury serving on the Board. Initially, the premium rate for the plan for the first year of operation is $1 per person for single-employer plans and 50 cents per person for multiple-employer plans. In later years, the corporation may work out different combinations to reflect actuarial experience.

Mr. President, private pension plans have blossomed, particularly in the last 25 years, because of the generous tax treatment accorded companies which maintained pensions for their employees. Money that is paid into a retirement fund is tax deductible, and likewise these fund moneys used for investment purposes and subsequent earnings are, again, tax deductible. The funds become taxable only upon retirement when presumably income and therefore tax brackets are lower.

This special treatment has encouraged the proliferation of pensions, not at the expense of those not covered by pensions but to their ultimate chagrin. For if an individual not covered by a pension plan wishes to save money for his or her retirement, he pays taxes on every cent that he earns and every penny he manages to save. Obviously, the incentive to save is nil because the earnings on savings—even those which may be earmarked for retirement—are taxed at the regular rates.

For instance, an individual not under the benefit of a pension plan might be able to earn $50 for saving, but right away that $50 is reduced to $40.50 because the worker is in the 19 percent tax bracket. Nonetheless, if this individual persevered, earning $50 per month at 5 percent interest, and kept it up from age 35 for 30 years until he or she was 65, the individual would accumulate $27,498, amounting to an estimated life annuity at age 65 of $221 a month.

Now if another individual earns $50 to be saved, and has the benefit of tax laws for pension plans, the $50 is not taxable and so the full amount goes into his retirement fund. The earnings from his $50-a-month saving likewise are tax free. This person with the generous tax treatment would, over the same 30-year period accumulate $39,864, or enough to pay an estimated lifetime annuity at age 65 of $319.

Thus, the difference in our two individuals, similar in every respect except one is under a company pension, is the accumulation of more than $12,000, and translating into almost $100 a month more for life! Needless to say, that is a difference most Americans can appreciate, just as far too many have had the unfortunate opportunity to experience this inequity.

The pension bill before us corrects this unfair situation by amending the tax laws to provide that all individuals who are not covered by organized pension plans shall have the same tax treatment as if they were. This new provision stipulates that any person not covered by a regular pension plan may place money from earned income into a fund for his or her own retirement, and take it as a tax deduction.

The limit on the amount of tax deductible contributions is 15 percent of earned income to a maximum of $1,500 per year. This means if a person who does not have the benefit of an organized pension plan can save some money in amounts subject to these limits, he can subtract those savings from his gross income before paying taxes. Additionally, the income on his savings will not be deductible. The law provides for a wide variety of plans that an individual can use, such as a special government savings bond, insurance carriers, or an approved arrangement with a bank or trust company, and is effective in 1975.

Needed reform of the Keogh plan for self-employed individuals is also implemented by provisions of the conference report. At the present time, the maximum that can be placed into a Keogh plan and receive tax benefits is 10 percent of earned income, not to exceed $2,500. The conference report raises this to 15 percent and the maximum to $7,500 per year, effective in 1974.

Mr. President, undoubtedly, this bill is complicated and difficult to understand for it attempts to solve problems that were never less than perplexing, and thus we cannot expect their solution to be simple. But by the very involved nature of the bill and of this conference report we seek to unravel, by fair and necessarily detailed means, the knot of problems surrounding pensions. We seek to end the depressing complications of pension failure and the discriminating tax policy against those not covered by company pensions. I believe this conference report succeeds in that task; our job plainly is to adopt this measure and send it to the White House to become law of the land.

Mr. ROTH. Mr. President, the legislation before us today represents a major achievement in insuring pension benefits for millions of American workers. After 3 years of work, this legislation will provide protection for the hard-earned pensions which employees have come to depend on as inflation makes personal saving for retirement progressively more difficult.

This legislation was necessary, because of the many cases where a worker has been deprived of his retirement benefits because his company folded, the worker changed jobs, or the pension plan was inadequately financed.

This legislation will increase the number of employees participating in pension plans, insure that those who do participate will actually receive their benefits, and make the tax laws relating to pension plans fairer for all concerned.

As a member of the Senate Finance Subcommittee on Private Pensions, I have reviewed an enormous amount of material relevant to the need for pension reform. One of the most glaring faults with our old pension law was that an employee could lose his pension benefits if he left or lost his job before retirement. Every year loyal workers are summarily dismissed from their jobs just before they are to become vested participants.

This legislation will require pension plans to grant employees minimum vested rights after serving a minimum number of years. A pension plan will be required to choose one of three alternative vesting requirements: 100 percent of the benefits after 10 years; 50 percent of the benefits when a combination of age and years of service reach 45, with an additional 10 percent added for every additional 5 years; or 25 percent of the benefits after 5 years, increasing to 100 percent after 15 years.

These vesting requirements will insure that workers receive the benefits they are counting on for retirement.

The pension legislation will also insure that pension plans are adequately financed and provide safeguards against plan termination.

The bill establishes minimum safeguards to insure that there will be enough money to pay the guaranteed rights of retiring employees.

This legislation will also provide retirement opportunities to the many employed people who do not have the benefit of an established pension plan. The one provision that I am particularly pleased with, since I was an early supporter, would permit workers not covered by pensions to set aside up to $1,500 per year, tax free, from their earnings.

I have always felt that our tax laws discriminated against workers not covered by pension plans. This is because persons belonging to pension plans can defer taxes on their contributions to the plans, while workers not covered do not receive this tax break for their savings.

This new proposal will correct that inequity and allow persons not covered by pension plans to receive a tax break for their retirement savings. The provision will promote savings and enable more people to provide for their own old age without depending solely on Government programs.

The pension reform legislation before us today is one of the major pieces of legislation to be enacted in this Congress. This legislation, long overdue, will finally insure for millions of American workers the financial security of their retirement plans.

Mr. **CLARK**. Mr. President, today the Senate is giving final congressional consideration to the private pension reform conference report. This legislation is the product of years of work by the Senate and House of Representatives and four of their major committees—the Senate Finance Committee, the Senate Labor and Public Welfare Committee, the House Ways and Means Committee, and the House Education and Labor Committee. Millions of working men and women all across the country have anxiously awaited passage of this landmark legislation because it represents the first major step toward insuring that those people enrolled in private pension plans get the pension security that they deserve.

In the past, many employees have been denied their pension benefits after years of investment in a private plan, and this legislation is designed to prevent that from happening. Its passage will mean that over 30 million individuals enrolled in over 300,000 private pension plans will be guaranteed income security in their later years. The need for this legislation has been well documented, and I am proud to be associated with it.

Since the beginning of the 93d Congress, I have talked with hundreds of concerned Iowans—working people, small businessmen, management, and labor—and they have unanimously urged the passage of private pension reform legislation. It is not difficult to understand why. This legislation establishes reporting and disclosure requirements to let the participants in a private pension fund know the status of their investments.

This legislation establishes minimum funding requirements to insure that pension plans do not go bankrupt leaving workers without a source of income that they expect and deserve, and it sets fiduciary standards to insure that pension funds are not mismanaged. This legislation also establishes termination insurance to give workers an added guarantee that, in the case that their pension fund does collapse, their benefits will not be lost.

This legislation establishes national standards for vesting to grant employees a nonforfeitable right to their own pension contributions, and it specifically mandates coverage for employees of a firm that has a private pension plan. Furthermore, under the conference agreement, enforcement of these provisions is clearly spelled out so that disputes which do arise may be settled efficiently and expeditiously.

I am disappointed that this legislation does not include mandatory portability features, but I am confident that the next Congress will be able to meet this issue with an appropriate legislative initiative. All too often, workers change jobs and transfer into different pension plans only to find out that their past investment cannot always move with them. This legislation does call for a limited form of portability, but it is my firm conviction that much more needs to be done in this area.

This legislation removes a longstanding inequity by granting individuals who do not qualify for a private pension plan a limited tax deduction—$1,500 or 16 percent of earned income, whichever is less, to provide for their retirement income. Finally, this conference report reduces the discrimination against self-employed individuals under H.R. 10—Keogh plans by increasing the maximum deductible income that may be put away for pension purposes from 10 percent of earned income up to $2,500 per year, to 15 percent of earned income up to $7,500 a year. This will put self-employed individuals on a par with corporate employees.

Mr. President, this is not a perfect bill, but on balance, it is a significant accomplishment. As a result of it, working men and women across this land will realize greater protection for their pension benefits, and those who are not covered under a qualified plan will have the opportunity to establish meaningful benefits on their own. Given all the positive aspects of this bill, the conference agreement deserves our support.

Mr. **SCHWEIKER**. Mr. President, I would like to take this opportunity to express my strong support for H.R. 2, the comprehensive pension reform legislation which we consider today.

I believe this bill will ultimately be considered to be one of the most significant pieces of social legislation to pass the Congress since the 1930's. As my colleagues know, the House approved this measure yesterday, by an overwhelming vote of 407 to 2, and I am confident that the Senate vote will be equally decisive.

Thus, in retrospect, passage of this bill will almost look easy. But it has been a long, hard road to get here. Back in 1972, when I chaired Labor Committee hearings in Philadelphia on pension reform, we had a long list of witnesses, who had worked for a wide variety of employers—and yet in every case, the retirement dream turned into a nightmare, due to merger, bankruptcy, or just plain fraud. And no matter how outrageous the abuse, we were forced to tell these people there was simply no Federal law to help them. And in all candor, some of the special interest groups have exerted strenuous efforts to see that there never would be a Federal law to protect pension rights.

By the Senate's action today, we are finally going to change all of that. We are finally enacting a law which will supply minimum standards in the crucial areas of vesting and funding, and we are creating mandatory Federal insurance to guarantee that the money is there when retirement date comes. We are also taking significant first steps in the area of portability and with respect to individual retirement accounts.

So we have come a long way, and I think this legislation is a tribute to the members of the four committees of Congress which have participated in its drafting. The legislative process has worked; there have been dozens, in fact hundreds, of compromises, and while the final bill is not precisely the legislation which any of us favored, it is nevertheless good legislation which should be supported by all of us. Moreover, I would like to commend the professional staff which had an unusually heavy responsibility in connection with this legislation.

Finally, I want to emphasize that this legislation is not the end of the road. It is not retroactive for any substantial group of retirees. It does not require any employer to have a pension plan at all. And it does not provide any mechanism to protect pension income from the devastating effects of inflation. I believe all of these areas deserve the serious attention of the Congress in the future, and I would urge my colleagues not to forget pension reform, simply because we are passing this bill today.

Mr. **BEALL**. Mr. President, as one of the early advocates and cosponsors of pension reform, I rise to strongly support H.R. 2, the Employee Retirement Income Security Act of 1974.

This legislation, in my judgment, is for most Americans the single most important bill this Congress will enact. It is probably the most important legislation regarding retirement security since the enactment of the social security legislation.

It is legislation that is long overdue. Its purpose is relatively simple although its provisions are numerous and complex. The bill seeks to protect the retirement benefits of the more than 36 million Americans who are covered by private pension plans and to encourage Americans not presently covered to provide for their own retirement through the granting of tax incentives.

Private pension plans have grown until the total resources of pension plans is now estimated to be in excess of $150 billion. This amount is growing over $10 billion annually. Many of the private pension plans have and are serving American workers well, but in countless cases which have been documented by congressional hearings and investigations and in letters from constituents, some pension plans have miserably failed the intended beneficiaries.

We have documented cases where the lifetime labor and the hopes of American workers have been dashed because workers have been denied pensions because they changed jobs, were furloughed, the company for whom they worked was sold or went bankrupt, or for technicalities unknown to the employee. Also, there has existed a tremendous inequity in our tax laws which failed to grant incentives to individuals, not self-employed, whose employer did not have a pension plan, to enable them to establish their own program to achieve financial security in their retirement years. This bill then seeks to assure employees the pension that they rightfully expect and which they have earned, a simple matter of fairness and equity.

This legislation, which will encourage adequate private pension programs that will deliver benefits to the workers, hopefully will enable future retirees not only to achieve economic survival, but a degree of an economic comfort and security unknown to other generations of Americans.

H.R. 2 will help address the problems in the pension area by—

First, establishing vesting standards to guarantee a worker a portion of his pension benefits. Under the bill, any employee who is at least 25 years of age would be enrolled in a employer pension plan if one existed;

The pension plan would have the option of using one of three vesting standard options. One of these options, the so-called rule of 45 is of concern to many of us in the Senate, because we were uneasy with respect to its impact on older workers. Many believe that this provision will serve to discourage the hiring of older workers. Committees of Congress must be vigilent in the monitoring of this option to make certain that this does not occur;

Second, providing for minimum funding standards to assure that each pension fund has funds sufficient to pay out anticipated benefits;

Third, creating a Pension Benefit Guarantee Corporation to guarantee payments of benefits in the event of the termination of, such as company bankruptcy, of a pension plan;

Fourth, mandating tighter fiduciary or trustee standards to protect against mismanagement or misuse of pension funds.

Fifth, providing for disclosure of the features and operations of pension funds;

Sixth, increasing the tax incentives for the self-employed pension plans from the present lesser of 10 percent or $2,500 of salary to 15 percent or $7,500; and

Seventh, allowing for the first time individuals who do not belong to a pension plan to establish an individual retirement account for their own retirement. Such individuals will receive a tax deduction for these purposes equal to 20 percent of earned income or $1,500, whichever is lesser.

This legislation while not solving all the problems in the pension area, represents a giant step forward. Although the present bill does not, nor was it intended to, deal with the runaway inflation problem, I could not allow legislation dealing with pensions to pass without pointing out the harsh and tragic impact that inflation has on all of our citizens, but particularly on retired citizens.

The pension reform legislation will assure retirees receive their earned benefits. We must now make certain that these benefits are not eroded by inflation and that they will be worth something. We can do this by taking action to reduce and stop inflation, the No. 1 enemy of all of our citizens and this country.

Mr. BUCKLEY. Mr. President, I am pleased to join my colleagues in supporting this very important legislation. It has certainly long been needed. Nearly one-half of our working citizens are still unable to participate in private pension plans receiving favorable tax treatment. This unequal tax treatment will finally be removed by the Pension Reform Act, H.R. 2. Its provisions will change the tax laws to provide that all individuals not covered by an organized pension plan will receive the same tax treatment as those who are, and will therefore be able to set aside nontaxable funds to provide for their retired years.

In addition, the establishment of the Pension Benefit Guaranty Corporation and minimum standards to govern the nearly $185 billion in private pension funds will help insure that workers will not be denied the retirement income toward which they have contributed for many years because of corrupt or inept management, or the closing of a business. Thus, this bill is vitally important to the retirement security and well-being of millions of Americans.

There are other important aspects of this bill. It will, for example, help reduce the fires of inflation by promoting savings. But more importantly, it will slow, and perhaps help to reverse, the trend toward dependence on Government programs and checks; it will encourage individuals to take their own initiative to plan and save for their retirement years, rather than to passively and irresponsibly sit back and expect Government—and the taxpayer—to take full care of them in their old age.

Mr. President, while it contains some unfortunate provisions which may later be corrected, this is a good bill, one deserving of our strong support. I commend the distinguished chairmen of the Labor and Public Welfare and Finance Committees, my senior colleague, the members of the committees, and their staffs, for their extensive and fruitful work on this legislation.

SENATOR RANDOLPH PRAISES PENSION BILL, URGES CONFERENCE REPORT ADOPTION

Mr. RANDOLPH. Mr. President, the conference report pending in the Senate on H.R. 2, the "Pension Reform Act," is one of the finest legislative efforts we have seen during my years in the Congress.

H.R. 2 is a substantial work of great complexity. It is the product of four congressional committees working in harmony, and several years of dedicated effort on the part of several Senators and staff. Conferences among the Senate Committees on Labor and Public Welfare, and Finance, on the one hand, and the House Committees on Education and Labor, and Ways and Means, on the other, stretched over a period of some 18 weeks.

The measure before the Senate provides a sound foundation—a realistic promise for the retirement income security of America's working people. It provides many new and detailed safeguards for participants in private pension plans which will help to assure that the promise of a pension—which today is only a promise for many thousands of working men and women—will be fulfilled.

Mr. President, Senators WILLIAMS, JAVITS, and LONG have explained with thoroughness the major provisions of H.R. 2. I only add, although the measure does not go far enough for some, particularly in the area of portabiilty, I am deeply gratified—and I believe that America's work force will be gratified—that this comprehensive bill includes laudable improvements in minimum standards for participatioin, vesting, funding, fiduciary requirements, registration, and plan termination insurance.

More than 3 years ago, on May 17, 1971, I said in the Senate that there was a desperate need for pension plan reform. In that statement I quoted from 1968 testimony by Assistant Secretary of Labor Thomas R. Donahue. I think it is appropriate to share with my colleagues a brief quotation from Mr. Donahue:

> In all too many cases the pension promise shrinks to this: If you remain in good health and stay with the same company until you are 65 years old, and if the company is still in business, and if your department has not been abolished, and if you haven't been laid off for too long a period, and if there is enough money in the fund, and if that money has been prudently managed, you will get a pension.

Mr. President, it is my hope and expectation that the days of such uncertainty are numbered, and that millions of retiring working people will be able to look toward their golden years with assurance and security.

As a member of the committee of conference on H.R. 2, I am gratified with its accomplishments. As ranking majority member of the Senate Committee on Labor and Public Welfare, I am grateful for the foresight, intelligence, and leadership demonstrated over the last several years in the matter of pension reform by the able chairman, HARRISON A. WILLIAMS, JR. The Senate can likewise be grateful for the intensive effort of the ranking minority member, JACOB JAVITS.

Staff work on this difficult legislation has been dedicated and persevering. I particularly commend, from the Committee on Labor and Public Welfare, the efforts of Mario Noto, Robert Nagle, Michael Schoenenberger, and Michael Gordon. Each conferee on H.R. 2 is grateful for the competence of Dr. Laurence Woodworth, staff director of the Joint Committee on Internal Revenue Taxation, who led us through the tangle and complexity of this massive measure.

Mr. President, I urge the adoption of the conference report on H.R. 2, and further urge the President, on its adoption, to sign this truly landmark legislation into law.

The PRESIDING OFFICER. The hour of 1:45 having arrived, and the yeas and nays having been ordered on the conference report, the clerk will call the roll.

The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. McGee), and the Senator from New Mexico (Mr. Montoya) are necessarily absent.

I further announce that the Senator from Maine (Mr. Hathaway), and the Senator from Hawaii (Mr. Inouye) are absent on official business.

I further announce that, if present and voting, the Senator from Maine (Mr. Hathaway), and the Senator from Hawaii (Mr. Inouye) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. Aiken), the Senator from Tennessee (Mr. Baker), the Senator from Utah (Mr. Bennett), the Senator from New Jersey (Mr. Case), the Senator from Kentucky (Mr. Cook), the Senator from Arizona (Mr. Goldwater), and the Senator from Florida (Mr. Gurney) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case), the Senator from Kentucky (Mr. Cook), and the Senator from Arizona (Mr. Goldwater) would each vote "yea."

The result was announced—yeas 85, nays 0, as follows:

[No. 378 Leg.]

YEAS—85

Abourezk
Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Griffin
Hansen
Hart
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—15

Aiken
Baker
Bennett
Case
Cook
Goldwater
Gravel
Gurney
Hartke
Hathaway
Inouye
Johnston
McGee
Montoya
Percy

So the conference report was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, the Senate's agreement today to the conference report on H.R. 2 is indeed an historic event. Following the House action of 2 days ago, our decision will mean that this long-overdue reform measure will very soon become public law—as the President has already expressed his unqualified approval.

ECONOMIC BILL OF RIGHTS

I do not feel that it is an overstatement to characterize this legislation as an "economic bill of rights." For it has been 15 years now since we have taken any action in the pension field, and during that time thousands of American workers have lost countless dollars through termination of their pension plan benefits.

Now, however, through vesting, limited "portability," and related concepts, nearly 35 million workers—many of them in the State of Kansas—will be guaranteed actual receipt of the benefits which they earn. The nearly $4,000 average loss suffered by the approximately two out of three "covered" employees who have really had no guaranteed entitlement will be a deplorable situation of the past.

NEW PROVISIONS

Besides liberalizing the self-employed or so-called Keogh plans, the employee Retirement Income Security Act will make it possible for the one-half of our working population who do not have the benefit of a pension plan to set up their own individual retirement plans—and receive the same tax benefits as the others.

Instead of the present 10 percent, or maximum $2,500 annual set-aside subject to tax deductions under a Keogh plan, this new pension law will allow 15 percent of earned income to be deducted—up to $7,500 a year. Moreover, the self-employed will now have essentially the same tax incentives for retirement savings as are reflected in most corporate pension plans.

BASIS FOR TAX TREATMENT

The basic motivation for offering or having private or company pensions lies in our tax law. That is, money which is paid into a retirement fund is tax free, and can be further invested without taxation to generate interest, dividends, capital gains and the like.

For a person not covered by a regular pension plan, the tax free limitation on contributions will be $1,500 a year or 15 percent of his earned income, whichever is lesser. He can subtract that amount from his gross income before paying taxes, and can utilize a wide variety of plans—including a special Government savings bond, insurance contracts, or an approved arrangement with a bank or trust company.

COMPANY PLANS, PORTABILITY, TERMINATION INSURANCE

The portion of H.R. 2 dealing with company plans is primarily regulatory in nature, setting minimum national standards. The principal such rule for participation is that the employee be 25 years old or have 1 year of service, whichever occurs later.

Another minimum has to do with vesting, which is patterned after a series of options such as 25 percent after 5 years, 50 percent after 10 years, or 50 percent when age and years of service total 45. In addition, there is a plan for termination insurance, so that an employee who works for many years, but would stand to lose his pension by a company's going out of business, would be protected through a separate corporation administered by the Government.

Finally, although no direct portability provisions could be worked out in this bill, an employee who has a vested interest and an accrued benefit can, with the consent of his new employer, have that benefit transferred to his next job. He may, alternatively, have it transferred to an individual retirement account as well.

BENEFIT TO EVERYONE

Mr. President, this new law is one which I have steadfastly supported and which should be hailed as a benefit to everyone—employees, employers, and the self-employed, such as farmers, alike. It will promote both tax equality and thrift, and will enable persons to provide for their own old age so that they will be less dependent on Government programs.

Sylvia Porter, in a series of articles which appeared recently in the Washington Star-News and other newspapers across the country, provided an excellent overview of the major provisions and long-range impact of the 1974 pension reform legislation. For the benefit of my constituents, Mr. President, I ask unanimous consent that these commentaries be printed in the Record following my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Star-News,
Aug. 5, 1974]

YOUR MONEY'S WORTH: PENSION REFORM AT LAST—1

(By Sylvia Porter)

Within a matter of days, the historic 1974 pension reform bill will become law. After years of debate, seemingly endless complications and disheartening delays, the legislation finally has been hammered out. It may be signed by President Nixon, with all the appropriate flourishes, as early as mid-August, but surely no later than Labor Day.

The number of workers estimated to be directly affected ranges up to 35 million. And the many more millions of us who are not direct beneficiaries also will be indirectly touched.

The two most important provisions are:

VESTING

This is a new guarantee that you actually will get the pension benefits you have been promised and which you have earned by working a given number of years for an employer. Under the law, employers will have these three choices to offer you:

Full vesting (giving the employee all of his earned pension benefits) after 10 years on the job; 25 percent vesting after five years of service, increasing yearly to 100 percent after 15 years; 50 percent vesting as soon as the sum of your age and your years of service reaches 45, with 10 percent additional vesting for each of the following five years.

The vesting provision will become effective immediately for new pension plans started after the law is enacted. Existing plans must comply by Jan. 1, 1976, although some may comply voluntarily before that date.

Job-changing in our country is so prevalent that only a fraction of those covered by plans could in the past expect to collect earned pension credits if they changed jobs before, say, 10 or 15 years of service for a given employer. Millions, in fact, changed jobs so frequently that pension benefits never became vested and they never got a penny.

Under this new law, the span of time a worker must wait before being assured of receiving pension rights may well be shortened from, say, 20 years of service to 10 or 15, or for the first time, benefits will be legally guaranteed (vested).

PORTABILITY

This key provision regulates—although it does not guarantee—the terms under which you may take vested pension benefits from employer to employer when changing jobs.

Under the '74 law, you may have to take your accumulated vested pension benefits in the form of a lump sum of money—if your employer insists and the benefit is less than $1,750. Or you will be able to translate it into a self-employment individual plan. Or you can just blow it, as you might blow your severance pay. Or, if your previous employer agrees, you will have the alternative of leaving the responsibility of managing this slice of your pension to your previous employer.

Criticism already is crescendoing against the reform provisions. Among the key points made:

Many companies undoubtedly will avoid the high cost of complying with the new law simply by not setting up any pension plan—and the overall result could be a reduction in the number of private pension plans established for workers in the future.

The "rule of 45"—one of the choices on vesting—would encourage employers to hire younger employees and would discourage hiring of older workers, just because of the higher cost of vesting older workers under a company pension plan.

The law does not change the fact that, today, plan benefits are typically less than $100 a month. Thus even with improved vesting, a typical worker may be vested in very little benefits even after satisfying a minimum of five years service.

There will be no protection against inflation's erosion of pension benefits in this law—although this may be among the first future amendments to the '74 legislation.

[From the Washington Star-News, Aug. 6, 1974]

YOUR MONEY'S WORTH: PENSION REFORM AT LAST—2

(By Sylvia Porter)

The historic pension reform bill to go on our statute books within a matter of days will, for the first time, provide guarantees that you will actually get the private pension benefits which you have been promised and which you have earned.

Who are "you"? The following Q. and A. will identify "you."

Q. How many workers are covered by this reform bill?

A. While the figures are slippery, estimates run from 23 million to 35 million workers, or about one-third to one-half of our current work force. This total covers millions of self-employed who will be able to set up their own plans under significantly liberalized and more attractive regulations.

Among those not touched: Government workers already covered by federal, state or local plans; those covered by church plans; workers under age 25; workers changing jobs more frequently than every five years; and to some extent, casual and part-time workers.

Q. Will all existing pension plans be covered under the new law or only new plans?

A. All plans will have to comply, although the timetables for compliance vary according to the provision.

Q. Is there any minimum size for a plan to be covered?

A. No, no minimums.

Q. Will the new law force an employer or union to set up a pension plan?

A. No. But if and when they do, their plans will have to conform to the law's new rules.

Q. What coverage is extended to the self-employed?

A. The law will permit a self-employed person to join an approved self-employed retirement plan (Keogh) and to put into it up to 15 percent of his earned income or $7,500, whichever is less—as against the previous limits of up to 10 percent or $2,500 a year. The amounts set aside are deductible from income tax each year and earn income tax-free until they are distributed on retirement. More on this in future columns.

Q. Is there a minimum age for eligibility?

A. Yes. To be covered by the vesting provisions of the law, you must be at least 25 and also must have worked at least one year for a company offering a covered pension plan. If you are under 25 and have worked for a firm which has a plan, you must receive, when you turn 25, credit for at least three years of service.

Q. Am I protected from an employer firing me to avoid giving me my pension?

A. Yes. It is illegal to do this under the new law. And there are strict penalties for such action.

Q. What about survivors' benefits?

A. Plans must include both of the following two provisions to pass pension benefits along to the surviving spouse if a covered retired worker dies:

If you, an employe, die on or after retirement, your pension plan must provide that at least 50 percent of your pension benefits go to your surviving spouse—unless you specifically waive this provision in writing, prior to retirement; and if a plan provides for pension benefits on early retirement, you must be given the chance to convert these benefits into benefits for your surviving spouse. Today, only one in five workers is under a plan with automatic survivors' benefits which permit a surviving spouse to get benefits if the worker dies. Pensions for survivors are virtually non-existent in plans covering fewer than 1,000 workers.

However, if you have accumulated 10 to 15 years of pension benefits and die before retirement age, all of your earned benefits may go down with you; your spouse may get nothing.

Q. What about pensions for part-time workers?

A. There is minimal protection for part-time or occasional workers, a gap likely to hurt women workers hardest.

Q. Any other critically important provisions?

A. Yes. Effective six months after enactment of the bill, each pension plan administrator must give each participant a plain-language description and a summary of the annual financial report of the plan. And effective January 1976, when you leave a job, your employer will be required to give you a full rundown on the pension benefits you have earned and to file this information with the Social Security Administration. Social Security's computers will automatically issue reminders to you of key facts about your pension plan benefits.

[From the Washington Star-News, Aug. 7, 1974]

PENSION REFORM AT LAST—3

(By Sylvia Porter)

Until now, if your pension plan went bankrupt, it has been just too bad for you if the pension benefits on which you had been counting for your retirement years were wiped out. One estimate, based on a 1973 Treasury Department pension plan termination study, is that 750,000 workers whose pension benefits are vested (guaranteed) will not receive one cent during the next 20 years.

Until now, there have been no federal regulations protecting your pension plan against flagrant abuses by pension fund managers—such as the managers lending themselves, their relatives or friends fat sums at below-market interest rates.

Until now, there has not been enough money in at least one out of three pension funds to pay off future benefits already earned by the beneficiaries.

These are three key areas in which there will be major, vitally important reforms under the 1974 pension reform law. Here are key aspects put together by Michael Gordon, one of the lawyers who worked out final details of this historic reform.

All pension plans now in effect will become fully funded to meet all pension payments owed their work forces within 40 years. And all "normal" costs of administering a pension plan will have to be funded currently, under the new law.

As an illustration of what this means to you, if an employer started a pension fund today under the previous law, he would have had to put aside funds this year to pay pension benefits based on service performed in 1974 only—but not to cover pension credits accumulated by work performed by you over the past 10–20 years which may count toward your future pension benefits. The naive assumption has been that when your time came to retire, your employer would be able to find the necessary funds to pay your promised pension.

Under the 1974 law, employers now must not only fund pension credits for your current service but must also accumulate over the next 30–40 years enough to fund in full all past services. This new rule will mean that about one in three present plans will be forced to increase substantially the amount of its contributions to its pension plans. However, a majority of plans already are in compliance since they conform to accepted funding standards.

Any employer who fails to accumulate adequate funds and adhere to the new timetable will have to pay a stiff penalty tax.

The law will provide protection against irresponsible pension fund managers who have engaged in disastrous self-dealing, highly questionable investments in many areas, over-investment in a company's own stock.

Specifically, the law will ban insiders from influencing sales or other transactions involving the assets of a pension fund. It will prohibit the export of pension assets to other countries and limit investment in a company's stock to 10 percent of the fund's assets.

A new Federal agency, the Pension Benefit Guarantee Corp.—similar to the Federal Deposit Insurance Corp., which protects bank depositors in the event of a bank failure—is to be set up to protect you against abrupt cancellation of your pension benefits if your plan goes bankrupt. Trustees are to be the Secretaries of the Departments of Labor, Treasury and Commerce.

If a plan failed, the fund could pay up to $750 a month to each individual covered by the plan—just as the FDIC reimburses up to $20,000 in deposits to each depositor in a covered bank which has failed. All plans, regardless of size, must buy the plan termination insurance. Exceptions: government plans, church plans, and plans involving professional service corporations (e.g. groups of doctors) with fewer than 25 members.

As soon as the law goes on the books, all covered employers must pay a head tax of 50 cents to $1 into the insurance fund. For multiemployer plans, plan termination coverage won't begin until Jan. 1, 1978, but single employer plans receive coverage more quickly—perhaps as soon as the law is passed. Priority will be given to paying those already retired should their plans collapse.

[From the Washington Star-News, Aug. 8, 1974]

YOUR MONEY'S WORTH: PENSION REFORM AT LAST—4

(By Sylvia Porter)

Under the new historic pension reform legislation of 1974, if you are a member of a pension plan which goes bankrupt, you will be protected by a new Pension Benefit Guarantee Corp. to be formed under the law and financed by employers whose pension plans are covered under the law.

Under the old law which the 1974 reform legislation will replace, you have had no protection, aside from the good will of your employer, against total loss of your pension benefits in the event your plan failed.

When the law is on the books, though, you will be able to appeal to the PBGC at Washington, D.C. 20216.

Also under this new law, you will be provided many other new rights and benefits not previously available—except through the generosity of some employers. These new rights and benefits will include vesting, safeguards against fund abuse, automatic survivors benefits, and many other vital protections.

But, be on guard! In many cases, the new safeguards will not go into effect immediately upon passage of the new law. You will have to be your own watchdog of your pension plan until all of the key provisions take effect. And after they do take effect, you still will have to know the names and places to which you will be able to appeal for help and information.

What can you do? Where can you turn for help if you suspect your plan or your benefits are in danger?

Within 30 days after enactment, the Labor Department will have set up an Office of Employe Benefits Security to deal with your questions and complaints about your pension and provisions of the new law. Write to this office at the U.S. Department of Labor, Washington, D.C. 20216, or to one of the Labor-Management Services offices in major U.S. cities.

Meanwhile, you can direct any complaint or query involving the new law and your rights under it to Labor-Management & Welfare Pension Reports, Director of Inquiries, Charles Carlson, Washington, D.C. 20216. (Phone: 303—427–7129.)

If you have evidence that the money in your pension fund is being invested, spent or loaned illegally—e.g. loaned interest-free to a fund trustee or friend or relative of a trustee—contact your state prosecutor or when the pension reform law is on the books, the U.S. Department of Labor, Washington, D.C. 20216.

Not until January 1976 will the new rules go into effect requiring employers to disclose all key details of your pensions rights to you when you leave your job and to file this same information with the Social Security Administration. Not until six months after enactment of this law will the new requirement go into effect requiring your employer to give you a plain-language description of your plan when you join it and a summary of the plan's financial status at that time.

Meanwhile, however, most private pension plans with 26 or more participants are covered by the 1958 Welfare and Pension Plan Disclosure Act. And under this act, your employer is supposed to provide you, the employe, with detailed, plain-language answers to such questions as "What are the service requirements of the plan?" and "Under what circumstances will a worker not receive pension benefits?"

If your employer has not provided you with such a plan description, write or phone the Office of Labor-Management & Welfare Pension Reports (address and phone details above) or contact the nearest area office of the Labor Department's Labor-Management Services Administration.

Also get in touch with this Labor-Management Services office if you have any evidence of discrimination in your pension plan. Illustrations might be if a disproportionately large amount of the pension fund is going into benefits for a handful of executives while lower-paid employes aren't receiving any benefits at all or if you are being denied pension rights solely because of your age.

In the economic-social sphere, this 1974 session of Congress has chalked up a sorry record. But for this historic reform law alone, it has earned a solid place in history.

ORDER FOR PRINTING CERTAIN BILLS

Mr. LONG. Mr. President, I ask unanimous consent that H.R. 6642, H.R. 11452, and H.R. 12281, three bills concerning duties and tariffs on certain commodities, be printed with the amendments of the Senate numbered.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION—PROTOCOL TO THE CONVENTION FOR THE INTERNATIONAL COUNCIL FOR THE EXPLORATION OF THE SEA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of calling up the protocol to the Convention for the International Council for the Exploration of the Sea, executive V, 93–1.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider executive V, 93d Congress, first session, the protocol to the Convention for the International Council for the Exploration of the Sea, which was read the second time, as follows:

PROTOCOL TO THE CONVENTION FOR THE INTERNATIONAL COUNCIL FOR THE EXPLORATION OF THE SEA

The Governments of the States Parties to the Convention for the International Council for the Exploration of the Sea, signed at Copenhagen on the twelfth day of September 1964 (hereinafter referred to as "the Convention"),

Desiring to amend certain provisions of the Convention

Have agreed as follows:

ARTICLE I

Paragraph (2) of Article 14 of the Convention shall be amended to read as follows:

"(2) the Council shall by a ⅔ majority vote of all the Contracting Parties approve an annual budget of the Council".

ARTICLE II

(1) This Protocol shall be open for signature on behalf of the Governments of all States Parties to the Convention with or without reservation as to ratification or approval.

(2) Instruments of ratification or approval shall be deposited with the Government of Denmark.

(3) This Protocol shall enter into force on the date on which the Governments of all States Parties to the Convention have become Parties to this Protocol.

(4) The Government of Denmark shall inform the Governments of the States Parties to the Convention of each signature, ratification or approval of this Protocol and of the date of the entry into force of the Protocol.

In Witness Whereof the undersigned being duly authorized have signed this Protocol.

Done at Copenhagen this thirteenth day of August 1970, in the English and French languages, both texts being equally authentic, in a single copy which shall be deposited in the archives of the Government of Denmark who shall forward certified true copies to the Governments of all States Parties to the Convention.

For the Government of Belgium: L. C. Platteau.

For the Government of Canada: Max H. Wershop.

For the Government of Denmark: Poul Hartling.

For the Government of Finland: Kaarlo Muranen.

For the Government of France: J. C. Winckler.

For the Government of the Federal Republic of Germany (Subject to ratification): Klaus Simon.

For the Government of Iceland: Sigurdur Bjarnason.

For the Government of Ireland: Brendan Dillon.

For the Government of Italy: Michele Lanza.

For the Government of the Kingdom of the Netherlands: H. van Rijckevorsel.

For the Government of Norway: Arne Skaug.

For the Government of Poland: Wendrowski.

For the Government of Portugal: Marcus de Fontes Pereira de Melto Fonseca.

For the Government of Spain: Romeral.

For the Government of Sweden: Herman Kling.

For the Government of the Union of Soviet Socialist Republics: Egorytchev.

For the Government of the United Kingdom of Great Britain and Northern Ireland (This signature is not subject to ratification or approval): K. R. C. Pridham.

For the Government of the United States of America (subject to ratification): Thomas J. Dunnigan.

Mr. MANSFIELD. Mr. President, this protocol amends the Convention for the International Council for the Exploration of the Sea, done at Copenhagen, September 12, 1964, with respect to the vote required by the Council for approving its annual budget. Pursuant to the amendment, a two-thirds majority vote of members of the Council would be required to approve its annual budget rather than the simple majority now required by the Convention.

BACKGROUND

The International Council for the Exploration of the Sea is the oldest international organization concerned with the study of the sea. It was established in 1902 and operated under informal statutes until its organization was formalized in a convention in 1964. The United States became a member of the Council on July 22, 1912, but allowed its membership to lapse during World War I. Although American scientists maintained informal liaison with the Council, the U.S. Government did not reestablish formal ties until the 1964 Convention was adopted.

Under the Convention, the purposes of the Council are: to promote and encourage research and investigations for the study of the sea, particularly related to living marine resources; to draw up programs required for this purpose; to organize such research and investigations as may appear necessary; and to publish or otherwise disseminate the results of the research and investigations carried out under the auspices of the Council. The principal area of concern to the Council under the Convention is the Atlantic Ocean and its adjacent seas, with primary emphasis on the North Atlantic.

At the present time, there are 17 members on the Council. They are Belgium, Canada, Denmark, Finland, France, the Federal Republic of Germany, Iceland, Ireland, Netherlands, Norway, Poland, Portugal, Spain, Sweden, U.S.S.R., United States of America, and the United Kingdom.

During the 1974–75 calendar year, the total budget of the Council is approximately 1,978,000 Danish Kronors.[1] Of this amount the United States will contribute 123,000 Danish Kronors—$20,245. The contributions range from a low of 41,000 D.K. paid by Finland to a high of 164,000 D.K. paid individually by the Federal Republic of Germany, France, the United Kingdom and the U.S.S.R.

DATE OF ENTRY INTO FORCE

This protocol will enter into force "on the date on which all States parties to the Convention have become parties to this protocol." At the present time, all 17 countries party to the Convention have become parties to the protocol except Spain and the United States.

COMMITTEE ACTION

The Committee on Foreign Relations held a public hearing on the pending protocol on August 22, 1974. At that time testimony in support of the protocol was received from Mr. Stuart Blow, Acting Coordinator of Ocean Affairs and Special Assistant to the Secretary for Fisheries and Wildlife, and his assistant, Ms. Janice Barnes. Mr. Blow's statement is reprinted below. In an executive session following the public hearing the committee, by voice vote, ordered the protocol favorably reported with the recommendation that the Senate give its advice and consent thereto.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement by Stuart Blow, Acting Coordinator of Ocean Affairs, and also a message from the President of the United States be incorporated as part of the RECORD.

There being no objection, the statement and message from the President were ordered to be printed in the RECORD, as follows:

STATEMENT OF STUART BLOW

Mr. Chairman, I appear before you today in support of the Protocol to the Convention for the International Council for the Exploration of the Sea. With me is Ms. Janice Barnes of my staff.

The Protocol was done at Copenhagen on August 13, 1970 and was signed in behalf of the United States on August 22, 1973. This amendment of the Convention would require a two-thirds majority vote of members of the Council for approval of its annual budget rather than the simple majority now required. It would thus provide a safeguard against the possibility that a simple majority might impose a substantial budgetary increase on the entire membership of the Council. Provisions of the Convention which require acceptance by all Contracting Parties of the scheme of contributions remain unchanged.

The International Council for the Exploration of the Sea (ICES) was established as an intergovernmental organization in 1902 with its headquarters in Copenhagen. Its area of concern is the Atlantic Ocean and adjacent seas, with primary emphasis on the North Atlantic. ICES is the oldest and most respected international organization dealing with the marine environment. Its purposes are to promote and encourage research and investigations for the study of the sea, particularly those related to living resources; to draw up programs for this purpose; to organize such research and investigations as may be necessary; and to publish or otherwise disseminate the results of the research and investigations carried out under its auspices. At present there are 17 members of the Council—Belgium, Canada, Denmark, the Federal Republic of Germany, Finland, France, Iceland, Ireland, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, the United Kingdom, the United States, and the Union of Soviet Socialist Republics.

The United States originally joined ICES in 1912, but withdrew in 1917. On March 1, 1967, the Senate gave its advice and consent to rejoin the Council, and the President ratified the Convention and approved accession thereto on April 24, 1967. Following the required approval by three-quarters of the States Parties to the Convention, the United States instrument of accession was deposited on April 18, 1973, and the Convention entered into force for the United States on that day.

The Protocol which you have before you today will enter into force on the date on which all States Parties to the Convention have become Parties to the Protocol. To the best of our knowledge only Spain and the United States have not yet ratified.

Mr. Chairman, the Department of State recommends your favorable consideration of this Protocol.

LETTER OF TRANSMITTAL

THE WHITE HOUSE, *November 9, 1973.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocol to the Convention for the International Council for the Exploration of the Sea, done at Copenhagen on August 13, 1970.

This Protocol amends the Convention for the International Council for the Exploration of the Sea, done at Copenhagen September 12, 1964, with respect to the vote required by the Council for approving its annual budget. I transmit, for the information of the Senate, the report received from the Department of State with respect to the Protocol.

I recommend that the Senate give early and favorable consideration to the Protocol submitted herewith and give its advice and consent to ratification.

RICHARD NIXON.

The PRESIDING OFFICER. Without objection, the protocol will be considered to have passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol to the Convention for the International Council for the Exploration of the Sea, done at Copenhagen on August 13, 1970 (Ex. V., 93–1).

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote occur at the hour of 3:30 on Wednesday, September 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS ON THE SECRETARY'S DESK

Mr. NUNN. Mr. President, there are routine nominations at the desk, which were reported earlier. I ask unanimous consent that these nominations be considered at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the nominations.

The second assistant legislative clerk proceeded to read sundry nominations in the Army, the Navy, and the Air Force, which had been placed on the Secretary's desk.

Mr. NUNN. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. NUNN. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate adjourn the executive session and return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE COMPREHENSIVE DRUG ABUSE PREVENTION AND CONTROL ACT OF 1970

Mr. BAYH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3355.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the amendments of the House of Representatives to the bill (S. 3355) to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis, which were to strike out all after the enacting clause, and insert:

That effective July 1, 1974, section 709 of the Controlled Substances Act (21 U.S.C. 904) is amended to read as follows:

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 709. (a) There are authorized to be appropriated $105,000,000 for the fiscal year ending June 30, 1975, $175,000,00 for the fiscal year ending June 30, 1976, and $200,000,000 for the fiscal year ending June 30, 1977, for the expenses of the Department of Justice (other than its expenses incurred in connection with carrying out section 103(a)) in carrying out its functions under this title.

"(b) No funds appropriated under any

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[1] Danish krone=.1565 U.S. dollars.

other provision of this Act may be used for the expenses of the Department of Justice for which funds are authorized to be appropriated by subsection (a) of this section.".

SEC. 2. Section 509 of the Controlled Substances Act (21 U.S.C. 879) is amended by striking out "(a)" and subsection (b).

SEC. 3. Section 702 of the Controlled Substances Act is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding subsection (a) of this section or section 1103, section 4202 of title 18, United States Code, shall apply to any individual convicted under any of the laws repealed by this title or title III without regard to the terms of any sentence imposed on such individual under such law."

And to amend the title so as to read: "An Act to amend the Controlled Substances Act to extend for three fiscal years the authorizations of appropriations for the administration and enforcement of that Act."

Mr. BAYH. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House on the disagreeing votes of the two Houses and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BAYH, Mr. EASTLAND, Mr. MCCLELLAN, Mr. ERVIN, Mr. HRUSKA, and Mr. COOK conferees on the part of the Senate.

DUTY APPLICABLE TO CRUDE FEATHERS AND DOWNS

Mr. LONG. Mr. President, I move, with respect to H.R. 11452, which was passed by the Senate yesterday, that the Senate insist on its amendments, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion was agreed to; and the Presiding Officer appointed Mr. LONG, Mr. TALMADGE, Mr. HARTKE, Mr. BENNETT, and Mr. CURTIS conferees on the part of the Senate.

HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, I submit a report of the committee of conference on H.R. 15572, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HELMS). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of August 21, 1974, at pp. 29691-29694.)

Mr. PROXMIRE. Mr. President, the pending conference report contains new budget—obligational—authority of $21,215,812,000, which sum compares with the $21,210,718,420 contained in the Senate bill, the amount is $221,001,000 under the estimates and only $5,093,580 less than reductions made in the Senate bill amounting to $226,094,580. All conferences are a matter of give and take, but I am pleased to report that in this conference the Senate took more and gave less.

The amendment that gave the conferees the most difficulty was Senate amendment No. 2, which originally was proposed by Senator JAVITS on the floor when this bill was considered for the first time by the Senate on August 5. In order to get agreement, it was necessary to modify this amendment and we wound up with a somewhat weaker version than was proposed in the Senate bill. Nonetheless, I hope the language is clear to the Secretary of the Department of Housing and Urban Development, that he should proceed to keep the section 236 program alive—that is, the program providing for rental assistance for modest income people—and obligate the unused contract authority previously made available in appropriation acts by Congress for this program.

In retaining the modified version of the Javits amendment in the bill, it is the intent of the committee of conference that the Department utilize available resources to fill the need for low-income housing which is so pressing at this time.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. Mr. President, first, I should like to thank the conferees for their efforts in this regard. The amendment is tremendously useful in the cities where we find the major problems. I have learned from my talk with Secretary Lynn that the Department will go forward and implement that provision exactly as the conferees worked it out.

Mr. PROXMIRE. I thank the distinguished Senator from New York. Once again, I congratulate him on having offered this amendment. It is a real contribution to providing housing which is so urgently needed for low-income people.

Mr. President, amendment No. 4 was another one that gave the conferees some difficulty. This amendment was initially offered by Senator BROOKE at the subcommittee markup and provided for an earmarking of not less than $500 million for the payment of operating subsidies to local housing authorities. The budget estimate for these payments was $430 million. After much discussion, the conferees agreed on the earmarking of $450 million for this purpose. So we got 90 percent of what Senator BROOKE requested of the committee and which passed the Senate.

In connection with this amendment, the committee of conference agreed to the language contained in the Senate report, which stated that the Housing Act of 1937, as amended by the Congress in 1970, permits the payment of limited operating funds by housing authorities to support public housing tenant organizations, and the committee of conference expects that operating subsidies appropriations in this act will be used to promote improved communication between tenants and management in public housing.

In the disbursement of these funds, the conferees admonish the Secretary of Housing and Urban Development to exercise adequate budgetary and accountability safeguards to be imposed by local housing authorities or tenant organizations to insure that the funds will be used in a constructive manner.

For the appropriation items of the National Aeronautics and Space Administration, the conferees adopted the amounts recommended by the Senate and agreed that not more than $3,000,000 may be used for further planning and studies on the large space telescope. The committee of conference also agreed that the SEASAT program may proceed within the funds made available in the act.

In the House version of the bill, construction money for the Systems Development Laboratory totaling $4,880,000 was denied, but it was included in the Senate version of the bill. The Senate position prevailed in the conference. Funds were also included for the Orbiter horizontal flight test facility in the amount of $1,940,000, instead of the $3,940,000 contained in the Senate bill. The House, in its version of the bill, had denied any funds for this item.

Mr. President, for the National Science Foundation, the committee of conference recommends an appropriation of $661,500,000, which is $19,900,000 below the budget estimate. Nonetheless, this allowance is more than 20 percent above the sum that was made available to the Foundation in the previous fiscal year.

For the Veterans' Administration, the amounts contained in the Senate bill for the most part were retained by the committee of conference, with the exception of the item "General Operating Expenses," where the Senate amount of $428,842,000 was reduced to $420,000,000, or a reduction of $8,842,000. The Senate had previously reduced the budget estimate for this item by $5,570,000. The committee of conference did not take issue with the language contained on page 34 of the Senate report, wherein the committee expressed its strong views opposing any personal freezes or other personnel limitations being placed on medical care and hospital employment within the Veterans' Administration, even though there may be a Government-wide policy to do so.

Mr. President, the committee of conference also denied any funds for the line item, assistance for health manpower training institutions. The House had recommended $30,000,000 for this item, and the Senate made a zero appropriation. However, in not allowing any funds in this fiscal year, the Senate committee pointed out in its report that it will be closely following the application process in connection with new first year grants under subchapters II, III, and IV of Public Law 92-541, and it would give consideration to provide funds in a supplemental appropriation act if the need can be justified by those applications.

The committee of conference also approved the full $24,400,000 requested by the Veterans' Administration for funding the new veterans' representation-on-campus program, that has been designed to insure the fast delivery of checks to veterans who are taking advantage of educational benefits afforded them under existing legislation.

Finally, Mr. President, the committee of conference agreed to the Senate language included in the bill, which grants to the Federal Home Loan Bank Board authority to assess charges and to receive advances from other agencies and to expand the dollar limitation for its proposed new headquarters building.

Mr. President, I firmly believe the Senate conferees have returned to the Senate a bill which clearly expresses the views voiced by the Senate when this bill was debated on two different occasions—namely, on August 5, when it was recommitted to the Committee on Appropriations, and again on August 16, when it was considered a second time by the Senate. It gives full recognition to the needs that must be met, but it also has taken into consideration the limited resources we have available to meet these needs in these inflationary times.

The total reduction from the budget estimate is $221,001,000, which amounts to a little more than 1 percent of the total budget estimate of almost $21.5 billion. But while the total reduction is a little more than 1 percent, it could have been much more, except that almost two-thirds of the budget estimates contained in the bill are for the so-called uncontrollable items, such as compensation and pensions for veterans, readjustment benefits and medical care for veterans and their dependents. In my opinion, it is a bill that carries out the desire of our President to reduce Federal spending and it is a bill, I feel confident, he will be able to sign with pleasure. Therefore, Mr. President, I urge that the conference report be adopted.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. YOUNG. Mr. President, I support the conference report on appropriations for HUD, Space, Science, Veterans. As is well known, this bill when first brought to the floor was sent back to the committee for reconsideration after attempts had been made at across-the-board cuts in the bill. I am very pleased that on the one hand, across-the-board cuts were not effected on the floor of the Senate and that on the other hand cuts indeed were made of over $85 million total by the Committee on Appropriations. I think that the principle is important that the determination of what amounts and what programs should be in an appropriations bill should initially be made by the Committee on Appropriations on the basis of the lengthy hearings and extensive consideration that is given within the committee to these matters. That is not to say that an appropriations bill cannot be properly cut on the floor of the Senate but it *is* to say that an across-the-board approach is probably the very poorest way to arrive at final figures in an appropriations bill.

Mr. President, it may be that in some cases we have cut too deeply in this bill; only time will tell. But, in general, I support the action of the committee in bringing this bill out at $221 million below the budget estimates that were considered by the Senate Committee on Appropriations.

Mr. GRIFFIN. Mr. President, the Senator from Maryland (Mr. Mathias) is at the White House with President Ford. In order that we not hold up the consideration of the conference report, I have agreed to make certain inquiries of the Senator from Wisconsin on his behalf.

There was certain language in the Senate report accompanying the Senate HUD, Space, Science, Veterans appropriations bill for fiscal year 1975 which he understood should be discussed at this time, while the Senate is considering the conference report on this bill so that the legislative record would be clear. I am going to read certain passages from the Senate Report, on behalf of Senator Mathias, concerning certain programs of the National Science Foundation on which the conference report is silent. I am doing this to avoid any confusion as to the intent of Congress and to verify with Senator Proxmire, the chairman of the Appropriations Subcommittee, that the language of the Senate report does indeed apply to this bill as finally enacted and sent to the President. I will read the passages:

> In arriving at this figure, the Committee included only $1 million each for the National R&D Incentive program and for the Intergovernmental Science and Research Utilization program, which are the same as the budget estimates.
>
> The Foundation requested $8 million for Earthquake Engineering Research in FY 75. While the Committee recognizes the importance of research in this field, it believes that $8 million is more money than can be justified within the tight constraints of the RANN program, and directs the Foundation to reprogram some of these funds to other areas within RANN.
>
> The Committee has not provided funding for Institutional Grants for Research Management Improvement. These funds have been provided in the past to institutions that receive considerable Federal support for research; these institutions should be able to improve their management of research grants using overhead funds.

These recited sentences, Senator Mathias believes, are quite clear, and he would like to ask Chairman Proxmire to reply as to their applicability to the bill as it is now emerged from the conference with the House.

Mr. PROXMIRE. I am delighted to agree that these sentences do apply. They apply to the bill as it emerged, and to the conference report. I have full confidence in their applicability.

Mr. GRIFFIN. I thank the Senator from Wisconsin. Further, Senator Mathias believes it is generally understood that on matters addressed in one or the other of the House or Senate reports but not in both, that Government agencies generally should abide by such language if the conference report is silent on that particular subject. He believes that the later of the two reports and, of course, in the case of appropriations bills, this would always be the Senate report, generally supersedes the language accompanying an early report from the other House and, therefore, applies to a final act if the conference report is silent on the subject. A case in point should be the following language in the Senate report accompanying this bill:

> The Committee recommendation includes $5 million for Science Information Activities, which is the budget estimate. The additional $3 million provided by the House is unnecessary in view of the fact that costly automation of major abstracting and indexing services had been completed so that an emphasis can now be placed on reducing gaps and duplication in information systems and the efficient exchange of information among the systems.

Senator Mathias would appreciate very much having any comment that the chairman of the subcommittee (Senator Proxmire) would care to make on these observations.

Mr. PROXMIRE. I agree wholeheartedly.

Mr. GRIFFIN. I thank the Senator from Wisconsin on behalf of the Senator from Maryland.

Mr. PROXMIRE. Mr. President, because this conference report was recently adopted by the House of Representatives, and because the chairman of the House conferees had included in the Record a tabulation which sets out completely the action of the conference, I ask unanimous consent that the complete tabulation of the House of Representatives be incorporated in the Record by reference.

The PRESIDING OFFICER Without objection, it is so ordered.

(For joint explanatory statement of the committee of conference, see House of Representatives proceedings of August 21, 1974, pp. 29692-29694.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The second assistant legislative clerk read as follows:

> *Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:
>
> In lieu of the matter proposed by said amendment, insert ": *Provided*, That none of these administrative funds may be used for the administration of the section 23 leasing program, or any replacement program, unless the available, unused balance of contract authority under the section 236 program, or any replacement program, is made available for commitment concurrent with the making available for commitment of any contract authority under the section 23 program, or any replacement program."
>
> *Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:
>
> In lieu of the matter proposed by said

amendment, insert ", of which not less than $450,000,000 shall be used only for the payment of operating subsidies to local housing authorities".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 28 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out "one-half" in the second line of said amendment, and insert "one-quarter".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 32 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert ", to remain available until June 30, 1976".

Mr. PROXMIRE. Mr. President, I move that the Senate concur in the amendments of the House of Representatives to the amendments of the Senate numbered 2, 4, 28, and 32.

The motion was agreed to.

ORDER THAT MESSAGE FROM THE HOUSE ON H.R. 16425, TO PROVIDE FOR THE MONITORING OF THE ECONOMY AND FOR OTHER PURPOSES, BE INDEFINITELY POSTPONED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the House of Representatives on H.R. 16425, an act to provide for the monitoring of the economy and for other purposes, be indefinitely postponed.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY FROM THE TREATY ON EXTRADITION BETWEEN THE UNITED STATES AND AUSTRALIA (EXECUTIVE F, 93D CONG., 2D SESS.)

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty on Extradition between the United States of America and Australia, signed at Washington on May 14, 1974 (Executive F, 93d Cong., 2d sess.), transmitted to the Senate today by the President of the United States, and that the treaty with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Extradition between the United States of America and Australia, signed at Washington on May 14, 1974. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty will, upon entry into force, terminate, as between the United States and Australia, the Treaty on Extradition between the United States and Great Britain of December 22, 1931, as made applicable to Australia. This new Treaty represents a substantial modernization with respect to the procedural aspects of extradition.

The Treaty includes in the list of extraditable offenses several which are of prime international concern, such as aircraft hijacking, narcotics offenses, and conspiracy to commit listed offenses.

The Treaty will make a significant contribution to the international effort to control narcotics traffic. I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

GERALD R. FORD.

THE WHITE HOUSE, *August 22, 1974.*

REDUCING SWOLLEN FEDERAL SPENDING WILL NOT INCREASE UNEMPLOYMENT

Mr. PROXMIRE. Mr. President, one of the most persistent myths held by almost everyone in and out of the Congress is that if we cut the mammoth increases in Federal spending, then automatically and without question unemployment will increase.

This myth—and it is just that, a myth; it is not true—has probably been as responsible as anything else for the skyrocketing growth of government over the past few years. The idea has been that every time the Federal Government spends another 10 or 20 thousand dollars it creates another job.

The fact that that is not true should be apparent to anyone who can add. In the past 5 years the Federal budget has exploded from $184 billion to more than $305 billion. That colossal increase in spending should have resulted in a corresponding expansion in jobs and a reduction in unemployment. Did it?

It is true the work force increased and employment in the economy grew. But far less than it should have. Unemployment grew much more in proportion than jobs did. Indeed after a break-neck expansion of Government spending we find unemployment which was 3.4 percent 5 years ago, now at 5.3 percent.

I predict that if we reduce the rate of increase in Federal spending, and do it in the right areas—being sensitive to the employment consequences of our action that unemployment will not worsen as a result of the slower rate of growth in Federal spending.

Here is why: This year the Government will run a $10 billion deficit. It will borrow $10 billion and in doing so put more pressure on high interest rates to stay high or go higher.

If we cut spending by $10 billion and balance the budget, the Federal Government will not borrow that additional sum, and interest rates will begin to move down.

Will that provide more jobs? Yes indeed. How?

Because the housing market that is now in a serious depression because high interest rates make it almost impossible for millions of American to buy homes will fall. This could make a difference of as many as 500,000 more housing starts this year. That number of housing starts means 1 million additional direct jobs and probably 2 million in indirect jobs.

Of course the cut in Federal spending might reduce Federal employment by a part of that up to 3 million jobs, but it is likely that the net employment effect would be positive. In addition, of course, employment would be transferred from the Government sector where productivity and discipline is so much less to the private sector where all the pressures of a market economy, the profit motive, and competition increase efficiency.

Mr. President in a recent article in U.S. News & World Report, former Chairman, of the Council of Economic Advisers, Paul McCracken—the distinguished economic expert from Michigan responds to a series of questions on this issue as follows:

Q. Is deficit spending the basic cause of our inflation?

A. Yes, because this makes it difficult for the Federal Reserve to avoid inflationary monetary policy. Heavy responsibility has to be carried by the intellectuals and economists here. The modern reactionary is the fellow who is still advocating—or at least is relaxed about—a deficit in the budget under circumstances where that kind of prescription no longer applies. He is in about the same position as the orthodox fellow back 40 years ago who, in the Great Depression, was still advocating a tax increase to balance the budget.

Q. Are you satisfied with the amount of fiscal and monetary restraint we now have?

A. Monetary policy is about right, as I interpret what the Federal Reserve is up to.

Fiscal policy is in danger of being still too stimulating. While the budget calls for outlays of about 305 billion in the year that began July 1, when you look underneath the surface you find that they could turn out to be in the range of 310 billion to 315 billion. That would be a rise of about 45 billion from the previous fiscal year, and that is far too much.

At this point, let me interpolate that although the Senate has reduced appropriations, including the two appropriations measures that we passed in just the last few minutes, the fact is that actual outlays will be reduced by only $4 billion, and because of increased inflation, because of increases in the national debt, because of the expenditure of mandated funds impounded last year which must now be spent under court orders, because of the veterans benefits that have been increased, and for many other reasons, we will be right back up to $310 billion.

To go back to the interview with Mr. McCracken:

Q. Then you agree with the plan President Nixon laid out to reduce spending to 300 billion dollars?

A. Yes, but it will take absolutely Draconian efforts to get this year's outlays down to 300. The first objective here has to be to see that they don't turn out to be 310 to 315 billion.

Q. Will Draconian budget-cutting make a severe recession more likely?

A. No. Even Draconian efforts will not produce that large a reduction. Moreover, the reductions in federal outlays will show up as pluses in some other part of the economy. If we can relieve pressure on the capital markets, housing is going to respond rather fast.

Mr. President I ask unanimous consent that the entire article from U.S. News & World Report be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHANGEOVER: "IT HAS IMPROVED OUTLOOK FOR THE ECONOMY"

INTERVIEW WITH PAUL W. M'CRACKEN, SENIOR CONSULTANT TO THE TREASURY

Q. Mr. McCracken, is President Ford right in figuring that it is more important to come to grips with inflation than to overcome the business slowdown?

A. Absolutely. That's clear on two bases. First, it is obvious in all surveys that the ordinary citizens place an urgent priority on this problem of inflation. Beyond that, it is also important to recreate the basis for a more stable and orderly economy. Once that's done, then we can start to have a vigorous expansion. That is the way to minimize unemployment for the long run.

Q. How is the Ford plan for dealing with inflation and slowdown likely to differ from the Nixon plan?

A. The main difference is the personal attention the President is apparently going to give to these problems, rather than any major change of the philosophy.

The basic things that need to be done are few in number. He's got to have a strong budget policy, and he's got to have a strong monetary policy.

As I see it, this President is apt, paradoxically, to be both more activist and at the same time pursue a little steadier course. I think there will be less tendency to go for the 50-yard pass, like wage and price controls and that sort of thing, and more of a tendency to stay with a course of action until he crosses the goal line—until finally the price level is stabilized.

Q. Does the change in Presidents otherwise alter the outlook?

A. The most important is something intangible—a clearing of the air after the uncertainties and agonies of Watergate. It is hard to put a statistical figure on that. I think it has improved the outlook for the economy.

Q. What path do you expect business to follow the rest of this year?

A. A rather sluggish path. New facts show the economy to be weaker than we had thought.

Q. Are you looking for a further decline?

A. No. I think the economy by the end of the year will be up a little. But we're talking about changes too small to measure precisely. It's going to be essentially flat.

Q. Do you rule out a prolonged recession?

A. I don't see a prolonged declining trend in business activity—no, I don't see that. What I do see is a long period in which output will fall short of what the economy can produce.

Q. Nothing really serious, then—

A. A serious recession? A year ago, I would have said the chances were about zero. Now, I'd say 15 per cent.

Q. What causes you to raise the odds?

A. The main thing is that I see a lot more strains and tensions in the financial system than were evident a year ago.

The banking system is under heavy pressure from borrowers in general. A lot of banks are pretty severely strained in terms of the relationship between their resources and the commitments for lending which they have made.

Beyond that, a lot of businesses have gotten a little lax in terms of financial management. The old canon of prudent financial management, that you don't finance brick and mortar with short-term borrowing, has been violated in too many cases.

It's easy to fall into this trap, when you've got good-looking expansion plans and it's hard to raise the money for them in the capital market. You go to the bank. The trouble is that in doing so you're giving up your reserves. You don't have quite as many spare tires in case some contingency comes along.

Q. Do you mean the country is going bankrupt?

A. Oh, no. But we've got a financial situation which is stretched more tightly than it had been. This exposes us to a greater hazard. If some unexpected development happens, we might get much more of a cumulative effect.

Q. Wouldn't the Federal Reserve head that off by loosening its grip on money and credit?

A. Yes. I think the damage would be substantially contained.

And I want to make it clear that I'm not predicting a financial disaster. It's just that the odds have gone up, and the prudent management of economic policy has to recognize that.

Q. Is very slow growth what the country has to accept in order to bring inflation under control?

A. I think we have to have quite slow growth for some further period. Now, at some point, even in terms of relieving inflationary pressures, a more-rapid expansion becomes desirable. Then, with the water squeezed out in this sluggish period, rapid expansion will produce strong gains in productivity, and therefore have a very favorable effect on labor costs per unit of output.

Q. When would you say that point might be reached?

A. In another six to 12 months. It ought to be a part of policy to have relatively slow growth for the next six to 12 months as an investment in the long-run stabilization of the price level. At that point, I could see the desirability of more-rapid expansion in order to get stronger gains in productivity.

Q. During the period of six to 12 months of slow growth, how high will unemployment go?

A. It might go up another percentage point, or possibly even slightly more, to 6½ per cent of the labor force. That 1 percentage point means another 900,000 people out of work. Looked at another way, it means 93½ per cent employed instead of a normal 95 per cent.

Q. Are you satisfied with what the Government is doing to combat inflation?

A. I think we need more effort to develop a well-rounded attack on the problem of inflation. You've got to have fiscal and monetary restraint just to try to cool it off. That's basic. On the other hand, there are a lot of inequities and casualties that inflation has caused and that countering inflation will cause, and we shouldn't ignore those. An important part of the program has to be aimed at ameliorating those injuries.

Now, here I would support some things which the Administration probably would not support. Something like what Canada has done—attach the cost-of-living index to the personal exemptions and the outer brackets of the income tax. Otherwise the Government gains by inflation in terms of revenue.

Q. Does that mean you favor a tax cut for lower-income groups?

A. This would have its most-favorable effect at the lower-income end. A man who has an income of a million dollars a year isn't going to be helped much.

Q. Isn't that inflationary?

A. Yes, it is. But you can't just apply pressure on the brake pedal and seem to say "Let anybody who gets hurt eat cake."

Q. What else needs to be done?

A. We ought to have a systematic income-maintenance program instead of the present array of pauperizing welfare operations. Public-service employment programs can play a limited role.

When you're talking about casualties, one thing that is obvious is that our whole electric-utility industry is financially almost a basket case. There has been some inexcusable demagoguery about this. The obvious answer is to get rates up enough so that they reflect the higher costs of fuel being converted into electricity. That's largely a State and local responsibility. If the public-utility commissions can't move fairly fast, we may have to give consideration to Federal Government guarantees of utilities securities. I don't like that, but utilities are already slashing construction because they're running out of money. If we do nothing, we may be in for a shortage of electricity in a couple of years.

And it would certainly be helpful if Government would attack some of its own price-raising "sacred cows"—the disgraceful ICC regulation of transportation that has bankrupted railroads and imposed higher costs on consumers, the postal monopoly, the Jones Act that forces higher coastal-shipping costs on people. Or the so-called Energy Transportation Security Act of 1974, by which the maritime unions will add another billion dollars to consumers' gasoline bills—a mislabeling of this magnitude in the private sector would land some in jail.

Q. Are you satisfied with the amount of fiscal and monetary restraint we now have?

A. Monetary policy is about right, as I interpret what the Federal Reserve is up to.

Fiscal policy is in danger of being still too stimulating. While the budget calls for outlays of about 305 billion in the year that began July 1, when you look underneath the surface you find that they could turn out to be in the range of 310 billion to 315 billion. That would be a rise of about 45 billion from the previous fiscal year, and that's far too much.

Q. Then you agree with the plan President Nixon laid out to reduce spending to 300 billion dollars?

A. Yes, but it will take absolutely Draconian efforts to get this year's outlays down to 300. The first objective here has to be to see that they don't turn out to be 310 to 315 billion.

Q. Will Draconian budget-cutting make a severe recession more likely?

A. No. Even Draconian efforts will not produce that large a reduction. Moreover, the reductions in federal outlays will show up as pluses in some other part of the economy. If we can relieve pressure on the capital markets, housing is going to respond rather fast.

Q. Should the Federal Reserve ration credit in order to see that housing gets a larger share of the funds available?

A. There are two or three things which ought to be done:

First of all, I'm not opposed to a certain amount of jawboning. I think it would be desirable to urge the commercial banks in this period, when the demand for credit is so heavy, to be very careful to use this limited supply for bona fide business and consumer needs. Banks should also make a reasonable allocation to mortgages.

Beyond that, we've got to face up to the fact that the commercial banks make bona fide lending commitments, which, in the aggregate, may call for more expansion of bank credit than the Federal Reserve really wants. I would consider some kind of reserve requirement against loan commitments, And perhaps the loan-commitment fee, instead of being a very nominal amount, ought to be perhaps a quarter of the prime rate. Then, the potential borrower is going to think twice before overextending just because he has lined up a lot of loan commitments that he may or may not use.

Q. Should anything be done to stimulate investment now?

A. I would apply the cost-of-living escalator to capital gains. A gain that occurs on an asset just because the general price level goes up 25 per cent is no capital gain at all. That ought to be taken into account.

Q. You sound as if you are in favor of using price indexes to adjust for inflation in many ways. Is that it?

A. I'm a pragmatist on that. There are places for indexing. On the other hand, indexing is no snake oil that will cure everything from appendicitis to inflation.

The single most-important action to benefit investment would be to get a federal budget that is at least in balance, so that financing deficits is not diverting funds from the stream of savings. The supply and demand for funds would balance out even better, and we'd have a lot more housing, if we had a normal surplus of something like 3 billion dollars in the budget.

Q. Are you in favor of a tax rise to achieve a surplus?

A. No. I'll tell you why. If we were to increase the tax yield we would simply be raising the whole budget to a higher level. Spending would rise as well as revenue. This has been the experience. Therefore, I don't worry too much about the admittedly short-run inflationary effect of even some modest tax reduction.

Q. Is deficit spending the basic cause of our inflation?

A. Yes, because this makes it difficult for the Federal Reserve to avoid inflationary monetary policy. Heavy responsibility has to be carried by the intellectuals and economists here. The modern reactionary is the fellow who is still advocating—or at least is relaxed about—a deficit in the budget under circumstances where that kind of prescription no longer applies. He is in about the same position as the orthodox fellow back 40 years ago, who, in the Great Depression, was still advocating a tax increase to balance the budget.

Q. If the economy is sluggish for six to 12 months, will inflation be greatly reduced?

A. The rate of inflation for the next several months is going to be hard to alter significantly unless we have a decline in business far greater than we'd want. But I think we will see some abatement of inflation by the latter part of the year. We'll do well to get the annual rate of increase in consumer prices down to 7 or 8 per cent by year's end. We might have done slightly better except that we've had a bad bounce of the ball on crop prospects, and that's not good for food prices.

Q. Will inflation slow down further in 1975?

A. Yes, though it's going to be difficult. If, by the middle of next year, we get more-rapid economic expansion, then we can expect gains in productivity of 4 to 5 per cent per year, and even if we get fairly large increases in wage rates but no further increase in food prices, I can see the price rise getting down into the range of 5 or even 4 per cent by the latter part of next year.

Q. Can the country live indefinitely with 4 or 5 per cent inflation per year?

A. I suspect we can. But my hunch is that the inflation problem is going to turn out to be like some other "natural laws" that we thought would never change—the worldwide dollar shortage which turned around, or rapid increases in population, which are also being reversed. Two or three years from now, we will decide that curbing inflation wasn't quite so impossible as it now looks to be. I hope I am right about that.

There is this favorable fact: We don't have the imbalance between nonunion and union wage adjustments which we had in 1968 and 1969. Nonunion wage rates then had moved up substantially faster, and that created an enormous pull on union settlements. Things are in a little better balance today. But we've got a tough year or so ahead of us of pretty high wage gains.

Q. Do we need some form of federal review of wage and price increases?

A. Yes, we probably do. But, on the other hand, I don't have much hope for it, either. Too often this is suggested in a way that implies far more effectiveness than has ever occurred where these approaches have been used.

Q. Is there some mechanism stronger than jawboning, but short of wage and price controls, that might do some good?

A. I don't think any government in the Western world has yet found it. A monitoring effort could make some small marginal difference, but not much.

Q. What happens if inflation is not brought down much below 8 or 10 per cent next year?

A. No one can be sure that that won't happen. And the major problems there are not economic. An economy can still function with rates of inflation that high, if it is open inflation. Business factors these into its planning.

The real problems are social and political. The strains would be enormous. Such rapid inflation tends to drive people to desperate measures to try to hold wage and income gains which they assume ought to be real.

We are seeing the question openly discussed as to whether democracy can survive in a country like Great Britain. Now think of that, the country we've always looked to as the model of political stability! What's the major problem there? When the price level is rising 20 per cent per year, the displacement effects on the distribution of wealth and income are just too great. Or at least they appear to be to the people.

Q. What do you think would happen here if inflation continues at a very high rate?

A. We would probably turn to much more severe economic controls—and the more detailed and severe the controls over economic life, the more difficult it is for an economy to generate progress, and for democracy to function in a normal way.

Q. Would we be headed toward a police state?

A. We could move toward a police state, toward Government ownership of industry, and toward controls that breed economic arthritis—and, not so incidentally, growing corruption. That has been international experience.

Mr. PROXMIRE. I am happy to yield to the Senator from West Virginia (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, I appreciate the able Senator from Wisconsin yielding to me during his remarks which are addressed, at least in part, to the financial paralysis now very apparent in the United States of America. Is that not true?

Mr. PROXMIRE. I agree wholeheartedly, especially as it affects the housing industry.

Mr. RANDOLPH. It affects America in every facet of its life.

Mr. PROXMIRE. Yes, indeed.

Mr. RANDOLPH. It is important to stress that at this moment the Dow Jones industrial averages on the stock market are below the 700 mark, and could close at the lowest level since late 1970. The gross national product has fallen off. This is possibly an indication of the beginning of a very real recession.

Many people thought throughout the Nation—and people expressed it—that with a new President and with a change in the situation here in Washington, that the market, which always reflects—remember, always reflects—the economic situation of this country, there would be a resurgence of confidence and that prices would generally rise in the stock market. But the prices have gone down every day since the new President took over as Chief Executive.

I am sorry that has happened. I do not want that to be the image of this administration or any administration, because in the country we need national strength.

We want President Ford to lead our country well. I believe he will act promptly to meet basic needs.

I am saying, however, that a new President in the White House is not enough to change the situation. A new Vice President is not enough to make the difference. After all, I am sure my colleague, who is very knowledgeable in this field, understands that the stock market is reflective of the American people and their thinking. I stress very strongly we are not merely dealing with stocks. We deal with people. You know, stocks are people; people are stocks from the standpoint of buying and trading in the marketplace. Confidence is required. If it is absent we wither on a leaning economy.

Now, our chemical companies, for instance, show very, very large profits. They are in excellent condition. I would focus on only this one segment of our economy. But are the chemical stocks holding at high levels? No. They are moving down, down, down, as the other stocks are moving down, down, down. It appears that the only things going up are prices across the board, interest rates, and temperatures in the sweat room in the Senate gym. This is the bleak financial picture throughout American industry today.

We need, of course, not timid steps; we need an all-out frontal attack. If we cut an appropriation here—and I have worked with the Senator from Wisconsin many, many times to secure expenditure reductions—it will not be reflected until a year from now. I reemphasize that these cuts are not effective as of this time. They give the impression of piecemeal action.

It is difficult to let the country really know what we are doing when we take 13 or 14 appropriation bills separately. If we could inform the American people of cuts in the total sum rather than pick at it here and there, we would have greater impact psychologically. We need in this country, as I say, the all-out attack on the economic situation which, I think, borders on not a real recession but possibly a very serious depression. I think we are on the fringes of this condition now.

My attention is drawn to the Senator's discussion of housing. That is very, very important. Housing starts have dropped 31 percent in the first 6 months of this year, as compared to 1973.

A young couple I know went out recently to buy a house. They do not have very much money, and they are in their thirties. The house was for sale. It was more than they wanted to pay, but they desired the house. They intended to begin to have a household, a family. Yet they could not buy it because they could not borrow the money with which to make the purchase. Loans for this vital purpose were not available.

This is a condition all over America. Savings and loan companies, banks, and citizens they serve will feel this very, very deeply in the weeks and months ahead.

The complexity of our economic problems is evidenced by the unfortunate reliance on high interest rates to fight inflation. Frankly the course of action by the Federal Reserve in restricting money supply is indicative of the scarcity of reasonable solutions to inflation. A very troublesome result of tight money is the inability of families of moderate incomes to purchase homes and the inability of small businessmen to strengthen and expand their activities. Opportunity for homeownership and independent business activities has been the core of the fabric of our society. Very often we fail to fully understand the strengthening which the homeowner and the independent entrepreneur bring to our country. I realize that this is an intangible facet of our economic and social system. However, it is my firm conviction that both of these segments motivate industriousness, productivity, and a strengthening of the family unit, all of which enhance the ability of our Nation to produce goods and services at reasonable costs. I am especially concerned that any plan to bring inflation under control contain the mechanism to provide the homeowner and small businessman with needed investment funds.

There was a period in this country when we realized the need for emergency action. That was the time when we brought the Homeowners Loan Corporation into being. It was my responsibility to help draft this legislation. What happened? The Federal Government did not lose a dollar in connection with the Homeowners Loan Act.

On a dozen fronts we have to move and move at once. We must move on the construction front in this country. We are confronted with idle equipment; men who want to work; projects that need to be pursued across the board—not just here and there—and inadequate funds. These problems must be faced.

We have witnessed a 3-percent decrease in construction activity from $100 billion in 1973 to a rate of $97 billion this year, calculated in unadjusted dollars. In adjusted figures, this drop in construction would be even more substantial.

Construction unemployment is running at a rate of 10.6 percent nationally and some crafts are down by 35 to 40 percent.

I again commend the Senator for his constancy of purpose.

The answers will not come from one party or another. There must be an understanding of the quagmire, serious almost beyond the words that I speak, into which the economy of this country has sunk. It touches all segments of our society, young and old, rich and poor.

Now, frankly, is a good time to construct projects in the United States of America, rather than construct them with American money abroad, wherever the needs might be in those countries, wherever they might exist.

We shall have here in a few minutes, hopefully, H.R. 14883. This is the approved conference report on the Public Works and Economic Development Act of 1974 which will help bring into our communities vital projects, public facilities, and provide gainful employment in constructive development.

A few minutes ago in the Vice President's office I had the opportunity to discuss this state—the bad state—of our economy with Nelson Rockefeller. It is my belief and hope that the new partners in the executive branch will challenge the Congress and we in turn will challenge the administration, and that both branches of our Federal structure will establish a course not only to stabilize but rebuild our economy.

Can we do it? We must do it.

Mr. PROXMIRE. Mr. President, I want to thank my good friend from West Virginia. It is a most helpful and constructive statement.

I am astonished that the stock market, the Dow Jones, fell below 700. That is amazing, and it is especially amazing, as the Senator pointed out, in view of the fact that almost everybody expected that with a new President and with all the good will that he has from all sectors of the economy and of society that there would be a resurgence of a bull market, that stocks would go up. But they have gone down.

Furthermore, with the worst inflation we have, many people say the best hedge is to get into the stock market, buy equities, that with their leverage we are bound to be a little better off. Well, that has not worked either.

Now, people deride the stock market and say it is irrelevant to the economy. It is true that the stock market has been wrong sometimes. However, it is a leading indicator, and the top economists studying it over the years have found out, by and large, although with some exceptions, that when the stock market goes down it foretells a falloff in economic activity, and a recession that may well be impending.

We can all remember the stock market in 1929 foretold the worst depression we have ever had and, of course, business was pretty good in 1929; it was good in 1930; 1930 was a better year than was 1929.

So I think we should be aware of the fact that the stock market may be telling us something.

One other word, and that is we should be much more aware of the fact that we simply cannot solve this economic problem by throwing money at it. We have increased spending year after year after year; we have increased it enormously in the last year, and we are worse off, from the standpoint of inflation, from the standpoint of unemployment, than we were before.

It is an extremely perplexing, complex problem we have. It is going to take our best, most earnest efforts, and I think what the Senator from West Virginia says has a great deal of wisdom to it, and I think these proposals that he has made are good, sound, and solid, and I am happy to support them. But I think we have to be aware of every area where we can cut unnecessary fat and waste, and there is plenty of it. We must do that.

Mr. President, I yield the floor.

ORDER FOR THE RECOGNITION OF SENATOR GRIFFIN AND SENATOR ROBERT C. BYRD ON SEPTEMBER 4

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, September 4, after the two leaders or their designees have been recognized under the standing order, that Mr. GRIFFIN be recognized for not to exceed 15 minutes, after which, Mr. ROBERT C. BYRD be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each; at the conclusion of which the Senate resume consideration of H.R. 8193, the cargo preference bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PRINTING TRIBUTES TO SENATOR MANSFIELD AS A SENATE DOCUMENT

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that all tributes and commendations extended to the distinguished majority leader (Mr. MANSFIELD), upon the attainment of his record on his length of service as a Senate leader be compiled and printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT AMENDMENTS

Mr. MONTOYA. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 14883.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, which reads as follows:

> In lieu of the matter proposed by the Senate amendment, insert:
>
> That the first sentence of section 105 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the period at the end thereof and inserting a comma and the following: "not to exceed $200,000,000 for the fiscal year," ending June 30, 1975, and not to exceed $250,000,000 for the fiscal year ending June 30, 1976.". The final sentence of section 105 of such Act, as amended, is amended by inserting immediately after the words "and June 30, 1974," the following: "and not less than 10 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1975 and June 30, 1976,".

Mr. MONTOYA. Mr. President, the Senate has before it a House amendment to a bill passed by the Senate on August 2 to extend the Public Works and Economic Development Act of 1965, as amended, for a period of 2 years, and request that the Senate concur in the House amendments.

The bill, H.R. 14883, is essentially the bill passed by the Senate, S. 3641, which was substituted for the House bill and returned under the House bill number.

I ask the Senate to approve three minor House-proposed changes in the bill, with which the Senate committee members fully concur and which improves the bill.

First, an amendment clarifies section 302 relating to economic development planning. The House amendment, while not altering the substance, defines more clearly the legitimate planning spheres of the local planning, economic development districts, and States. To put it simply, no State in its planning and development programs can supersede plans or override decisions made at local planning levels. At the same time, States, while incorporating the goals and objectives of local plans into the State planning process, may also identify broad State goals and priorities of legitimate statewide concern. Great care is given, therefore, to protecting the autonomy of all levels in a cooperative planning process.

Second, a modest addition to title IX was agreed to by the House. This title provides for adjustment assistance to communities suffering serious economic dislocation, sometimes through actions of the Federal Government. Examples of dislocation may arise from imbalances in international trade; or environmental laws or regulations; or the closing of a military facility with consequent adverse impact on nearby communities, particularly the loss of jobs.

In recent years, the Department of Defense has provided liaison assistance between some Federal agencies and affected communities. The amendment is a single sentence that makes clear that the new authority under title IX does not replace the economic adjustment program of the Defense Department.

Third and last, an agreement has been reached on reduced authorization levels. The Senate bill authorized a total of $895 million the first year and $945 the second. Reductions were made selectively through the titles. All sides agreed that the first year funding be set at $680 million while the second would be $795 million. Total 2-year reduction would be $365 million.

Mr. President, I ask that the Senate concur in these changes made by the House today. The bill will then be sent to the President for signing during the congressional Labor Day recess.

Mr. President, I move that the Senator concur in the House amendment.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Mexico.

The motion was agreed to.

Mr. McCLURE. Mr. President, as the chairman of the Economic Development Subcommittee, Senator MONTOYA, has stated, the pending bill is almost identical to S. 3641 as passed by the Senate on August 2.

Earlier today the House of Representatives passed the Senate version of this legislation with only minor changes. As the House amendments do not add any new programs, and only clarify existing provisions of the Senate bill, I urge the Senate to adopt the bill now before us.

The House proposes three changes to the Senate-passed bill—to clarify the new economic development planning program authorized in section 302, to add language to the title IX economic adjustment provision concerning the Department of Defense adjustment program, and to reduce the authorization levels in the Senate bill.

Section 302 is the only proposed change in the legislative language of the Senate bill. I would like to ask the manager of the bill and chairman of the Economic Development Subcommittee, Senator MONTOYA, his understanding of the language change made by the House amendment.

Is it the chairman's understanding that the intent of this new language is the same as agreed upon in the Senate version of the bill, and the purpose of the amendment is to clarify the Senate language?

Mr. MONTOYA. It is my understanding that the House proposed language is to clarify the Senate provision, and the intent of the language is the same as provided in the bill passed by the Senate on August 2.

Mr. McCLURE. The new language makes clear that State planning is not required to be consistent with local plans—in the sense of complying with, or adhering to, those plans. Rather, it is the intention of both bodies that the State recognize and take into account the goals and objections of local planning.

Does the chairman agree that this language is not intended to, and will not, give the local or economic development districts a veto over State plans?

Mr. MONTOYA. The Senator is correct. That is not the committee's intent. Nor, on the other hand, may the State control or prescribe local plans.

As in all questions involving authority and control, this is an area of some difficulty, and I anticipate that we must continue work in the legislation—and particularly in the administration of this legislation—for a balance, and to foster cooperation.

Mr. McCLURE. As I view this language, if there is a real conflict between local and State plans, the Secretary will be the tiebreaker. If he determines that State planning does not incorporate the goals and objectives of local planning, the State planning grant available under 302 could be withheld. That is the sole extent of any penalty. So in the last analysis, the State can do what it wishes, and can make economic development plans as it wishes—but not with funds authorized by this section if the Secretary determines that the provision is violated.

Mr. MONTOYA. The Senator is correct.

Mr. McCLURE. We agree then that the State planning process is to incorporate—that is, unite and blend—the variety of local purposes and objectives with those of the State.

I do not read the phrase as meaning to wholly embody, or to append in full, so that every detail that is in some local plan is automatically included as part of the State plan. For the State plan in my view must be more than a collection of local plans. And while State planning should recognize and reflect local goals and objectives, the State plan may well work to achieve those goals through different means.

Mr. President, I would like to ask the chairman just one more question. The new language in section 302 authorizes the Secretary of Commerce to assist economic development districts in providing nongrant technical assistance to local governments within the district. Is it the chairman's understanding that assistance provided under this section would not be inconsistent with or contrary to local or State plans?

Mr. MONTOYA. I would certainly agree with the Senator that this assistance should not be used to contravene local and State planning.

Mr. McCLURE. I thank the Senator.

Mr. President, the House is proposing two other changes. The first is in response to questions which have been raised concerning the work of the adjustment committee in the Department of Defense in view of the new economic adjustment program authorized in title IX of the bill.

The House added language to title IX of the bill to indicate that the committee does not intend for the new program to replace the efforts of the Department of Defense.

The final change proposed by the House is to reduce the authorization levels in the Senate bill.

The bill originally passed by the House authorized a total of $510 million for each of 2 fiscal years. The Senate authorized a total of $895 million for fiscal year 1975 and $945 million for fiscal year 1976.

The present pending bill recommends a total of $680 million for fiscal year 1975 and $795 million for fiscal year 1976.

Mr. President, I would also note that the bill includes, without change, the new Senate provision—section 304—authorizing supplemental and first-dollar funds for the States.

Under this provision, States may supplement approved EDA projects undertaken under titles I, II, and IV of the act. The State share can be used to reduce the local matching required on these projects.

Under the first dollar authority, States may fund projects which the Secretary of Commerce determines meet EDA criteria, and which could have been approved if funds were available. The added flexibility in the "first-dollar" authority will allow the State, working with local groups, to select projects for funding—to seek projects which advance economic development in the State.

While this section does not provide the complete flexibility in the use of these funds I would have desired, it does move to foster a new cooperation and intergovernmental approach to economic development which I support. I will vote for the bill and urge its adoption by the Senate.

Mr. President, the senior Senator from Tennessee (Mr. Baker), who is the ranking minority member of the Committee on Public Works, is not in the chamber at this time. However, he has been instrumental in the cooperation with the chairman and on the committee—and with the Department of Commerce and representatives of the White House—which has had the happy result of producing this important legislation.

I ask unanimous consent that a statement prepared by Senator Baker be included at this point in the Record.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

STATEMENT BY SENATOR BAKER

I am very glad the House had adopted—with minor clarifications—the Senate bill to extend the Public Works and Economic Development Act, and I urge adoption of the modifications which improve the Senate bill.

I believe this is a time for greater care in the commitment of funds—public and private. It is a time for selectivity, and for the determination of sound priorities. I am pleased that, commensurate with responsible Federal budgeting, the House reduced the two-year Senate authorization by $365 million. I believe this authorization is sufficient to proceed in an orderly manner on these useful EDA programs without interruption. While the authorization has been reduced below the initial Senate figure, it remains higher than budgeted amounts and amounts appropriated in recent years.

This bill extends for two years the EDA programs. Also, the Title IX adjustment program is a new program; is a version of the Administration's economic adjustment program which was sent to the Congress earlier this year, and which I was glad to be a cosponsor. I am pleased that this title was added to the bill.

Mr. President, throughout my years in the Senate, I have given close, personal attention to the EDA program—as a Member of the Public Works Committee where the program began in 1965, and as a Senator from Tennessee where the program has been, and continues to be, a great benefit. I look forward to continuing my interest in this field.

The Chairman of the Committee, Senator Randolph of West Virginia, was one of the original sponsors of the Public Works and Economic Development Act of 1965, and the EDA program has always been one of his chief concerns. His steadfast interest, and wise counsel have been invaluable. We had the guidance and experience of the chairman of the Economic Development Subcommittee (Mr. Montoya), and I wish especially to thank the ranking minority Member of the subcommittee (Mr. McClure), who has so consistently and diligently attended to this legislation. In addition, I want to mention the spirit of cooperation on the part of the House Public Works Committee. The Chairman of the Committee (Mr. Blatnik) and Congressmen Harsha and Hammerschmidt in particular have worked hard and with dedication so that the EDA program may continue without interruption.

I support the Senate bill as modified by the House, and urge its adoption by the Senate.

Mr. **RANDOLPH**. Mr. President, in connection with the important matter that Senator Montoya has just addressed himself to, I want the Record to indicate his able leadership and the equally able leadership of the Senator from Idaho (Mr. McClure). All members of the Subcommittee on Economic Development, which is chaired by the Senator from New Mexico, worked very diligently to bring to fruition the agreement between the Senate and the House on the very important subject of Public Works and Economic Development as set forth in the present agreement. I am appreciative of the interest in this bill and the contributions of those other members of our committee, Senators Muskie, Gravel, Bentsen, Burdick, Clark, Biden, Baker, Buckley, Stafford, Scott of Virginia, and Domenici.

Mr. President, the Public Works and Economic Development Act of 1965 stands as the commitment of the Federal Government to assisting the local communities build strong and stable economies.

I think it is noteworthy to remember that for 9 years we have assisted many, many communities in building the basic public facilities that are necessary to the strengthening of their economies and thereby to the improvement of the lives of their citizens.

Equally important has been the stimulation of permanent development bodies, locally organized and locally operated, to plan and direct orderly growth. Neither of these functions could have been carried out without the programs of the Public Works and Economic Development Act.

This is a very important matter that is being acted upon in the final hour or two of the Senate session just before recess. I trust that throughout America there will be a realization by those who have positions of responsibility, especially in the units of Government that concern themselves with community development, that here there is a further opportunity not for a handout but for a handup, a helping hand, to place people in gainful employment and give to those areas that need them the facilities which make for better living.

Senators today will vote on legislation to extend those programs for 2 years and to provide a total of $1.475 billion for their operation. The bill before us, H.R. 14883, also makes important revisions in the program to increase its flexibility and capacity to provide development needs. It responds to our findings in recent years in reviewing the impact of the economic development program.

Mr. President, I am gratified that we will be able to take final action on this important measure and send it to the President before the Labor Day recess. This is possible, because of the cooperation by members of the Committee on Public Works in both the Senate and House of Representatives. We have been able to resolve the few technical differences in our approach to the bill so that it will not be necessary to have a conference on this measure. We can, therefore, help end uncertainty about the future of this program. The President in signing this measure assures 2 years of operations to the Economic Development Administration and the regional commissions created under authority of the Public Works and Economic Development Act.

I call attention to the monetary authorizations provided in this legislation. Authorizations for fiscal year 1975 are $680 million, and for fiscal year 1976 they amount to $795 million.

The total for the bill is less than approved by the Committee on Public Works. In the course of negotiations with our counterparts from the House of Representatives agreement was reached to reduce the authorizations by $365 million below the Senate-approved level.

While the final total of $1.475 billion for 2 years is below the amount I would have preferred for these programs, it is consistent with our desire to hold Federal spending to noninflationary levels.

Mr. President, H.R. 14883 is more than just a spending authorization measure. It provides money, but it also gives new directions for the spending of these funds to help improve the standard of living for many Americans who do not share in our country's prosperity. This is a proven program that needs to be continued.

Mr. **BAYH**. Mr. President, earlier this month the Senate passed a major economic development bill which I took great pride in cosponsoring. This bill S. 3641, the Public Works and Economic Development Extension Act, will guarantee the continuation of those programs originally authorized by the Congress in 1965 to encourage economically depressed areas to carry out comprehensive development plans to finance construction of public facilities that would make depressed areas attractive to private investment, and to provide Federal financing for private firms to encourage them to build new facilities in such depressed areas.

The need for continuation of these economic development programs is all too obvious in this time of spiraling inflation. In my home State of Indiana, with a statewide unemployment rate of 6.2 percent—almost a full percentage point above the national average—these programs are crucial.

There are very real and frightening human costs in these ballooning unemployment rates. I have seen the despair on the face of working men and women who ache to kind a decent job, and to support their families, but who are the innocent victims of the economic policy that accepts growing unemployment with equanimity in a so-called fight against inflation.

It is clear to me that those responsible for formulating the economic policy of this Nation have too often been comfortable with cold statistics. It is certainly much easier to contemplate numbers or percentages than to face the fact that we are dealing with human beings—human beings that must live a day-to-day existence, struggling with conditions over which they have no control.

It is precisely because I am unable to think of these human beings in terms of mere percentages or numbers that I have given by wholehearted support to those programs fostered under the Economic Development Administration.

Let me take a few moments to examine the Economic Development Administration and its programs in terms of concrete accomplishments toward economic reform—economic reform that has been felt by human beings, not mere statistics.

Over the past several years, the Economic Development Administration has engaged in funding public works projects with the knowledge that the presence of such modern facilities is the prerequisite for economic growth. It has therefore authorized grants and loans to insure this growth for economically depressed areas throughout the country, and of particular concern to me, in my State of Indiana.

The EDA has also been innovative in its provision of capital incentives as inducement for commercial and industrial development in underdeveloped areas. The lending tools which provide this business assistance. I am pleased to say, are substantially broadened under the provisions of S. 3641. This increase in flexibility in the extension of business development and working capital loans and loan guarantees should greatly increase the business community's willingness to expand in depressed areas.

Most EDA programs have been concerned with the development of solutions to long term, structural unemployment in underdeveloped areas. The EDA has always placed strong emphasis on soundly coordinated as well as comprehensive economic development programs which can overcome the difficulties inherent in the arbitrary, hit or miss approach of past efforts.

Traditionally, all eligible redevelopment areas have been required to submit an overall economic development plan for their area to the EDA before actually receiving aid. I have supported this requirement as a necessary safeguard against wasted effort and careless spending of the taxpayer's money.

The only areas that have been exempted from these requirements are special impact areas, areas which are especially hard hit by the problems of sudden "rise" in unemployment as well as a corresponding loss in both income and population. These areas are in need of immediate relief and have been able to receive money from the EDA on very short notice in order that those unemployed could receive opportunities for gainful employment in the construction of needed public works. In human terms, this program has meant survival for many residents of Elkhart, Ind., who faced the bleak prospects of continuing unemployment after the closing of many recreational industries which drove the unemployment rate in Elkhart upwards of 9 percent earlier this year.

In February of this year, the administration presented its proposal for a complete overhaul of the regional economic development efforts as we now know them. The proposal would essentially replace the current programs with a revenue sharing plan that would distribute funds to the States on a block grant basis, according to a formula which would take into account each State's low-income population and unemployment level. This proposal implied that the planning for these funds would have to be done by the States and the local areas intended to benefit from the legislation.

It is certainly the case that the local people know their own needs best, and the goal of locally sponsored planning which would take into consideration the unique needs of the community is an admirable one. Yet I remain concerned that this transition of authority to the States and local communities be done in a manner that would allow existing programs to be managed with the same expertise in regional economic planning currently evidenced at the Federal level.

It is for this reason that I strongly support the provisions of S. 3641. This bill will serve as an interim measure, bridging the gap between present EDA operations which are more oriented to a centralized economic planning and changes causing adjustment problems such as military base closings, environmental protection legislation, international trade legislation and the like. Under our bill, areas can also receive aid if their tourist industries are predicted to suffer on the basis of adverse climate conditions.

A major emphasis of this new program is to aid areas before they reach the stage of acute distress. Very often when areas begin the slide to depression, due for example to the closing of a major industry, the younger, ambitious, and more well educated workers are the first to leave. The outmigration of some of the area's basic units erodes its tax base further, and pushes it along the downward spiral of depression. It is obvious that in the long run it is easier and much less costly to give the area in question the tools it needs to cope with imminent adjustment problems while the area still possesses a viable economic base.

I speak out today in support of S. 3641 with the case of my home State in mind. Since its inception, the EDA has spent some $14 million in Indiana for public works and business development as well as technical and planning assistance. Much more aid will be needed to alleviate the statewide unemployment rate of 6.2 percent. Indiana has faced an increase in the unemployment rate of 2.3 percentage points over last year's rate. Unemployment levels in such leading labor areas as Evansville, Fort Wayne, Gary, Indianapolis, and South Bend have increased as much as 1.3 percent over the last year. The potential for more layoffs due to automobile industry cutbacks indicates more long-range unemployment problems for Madison, Howard, and other such counties.

In addition to the burden of increasing unemployment, statistics show that 98,035 families in Indiana fall below poverty income levels. With the ever-expanding inflation rate, we can expect this figure to grow substantially. Particularly distressing is the fact that of all Indiana citizens 65 years of age or older, 26.4 percent of these senior citizens fall into the below poverty level.

As you know, Mr. President, the economic development and public works extension bill is now in conference. I would like to take this opportunity to commend the conferees for the progress they have made so far, and I urge that when the bill is reported from conference, the Congress take positive action on this crucial legislation without delay.

Mr. DOMENICI. Mr. President, I am extremely pleased that the Congress today has acted to send to the President a bill to authorize the extension of a Federal program which has been of such great benefit to underdeveloped and economically depressed areas of this country. I can personally attest to the value of programs and projects authorized under the Public Work and Economic Development Act in my home State of New Mexico. Activities generated pursuant to this statutory authority have stimulated economic growth and development where there were no other means available. I would go so far as to say, Mr. President, that EDA programs have come closer to hitting their target, to achieving their fine purposes, than the vast majority of Government programs.

I am also well pleased that my amendment allowing the regional commissions to again receive and use excess Federal property for economic development was retained in the final bill. The reinstatement of Federal cochairmen as recipients of excess Federal property will provide the regional commissions with an additional valuable tool for carrying out their programs. This will not only increase the flexibility and capability of the regional commissions but permit these advantages at very little cost to the taxpayer. These points have been amply demonstrated by favorable experience of the Four Corners Regional Commission, some of it in New Mexico.

Mr. MONTOYA. Mr. President, I thank the Senator from West Virginia for the kind words he has expressed, not only about me but about the other members of the subcommittee. During the deliberations of the full committee on this bill, the leadership of the Senator from West Virginia (Mr. RANDOLPH) was most helpful, and enabled us to develop a good consensus on the part of the Democrats on the committee as well as the Republicans, and the administration.

It was because of this that we experienced great facility in arriving at a consensus with the House without a conference.

The amendment which has just been adopted was as a result of an agreement which was not a great departure from the concept in the particular legislation.

I commend the junior Senator from Idaho, who took a very active role in the forging of this legislation, and also in communicating with the House of Representatives, especially the members of the Public Works Committee there.

All this effort enabled us to bring this bill to the floor in the present form.

Mr. President, I move that the vote by which the amendment was adopted be reconsidered.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONTOYA. I thank the Senator from Idaho for yielding.

A NATIONAL EMERGENCIES ACT

Mr. CHURCH. Mr. President, in his address to the joint session of Congress on Monday, August 12, President Gerald Ford said that "we have work to do." President Ford addressed this imperative to the Congress.

On behalf of the eight members of the Special Committee on National Emergencies and Delegated Emergency Powers, Senator MATHIAS, the cochairman of this committee, and I introduce today a National Emergencies Act. In the view of the special committee, this proposed legislation is urgent work for the Congress and the executive branch. The special committee strongly recommends that this legislation be acted upon, if at all possible, before the Congress adjourns.

For over a year and a half, the special committee has been engaged in a study of the effects of emergency rule upon the constitutional government of the United States. Most Americans are unaware that they have been living under a continuous state of national emergency since 1933. In fact, there are four states of national emergency now in force:

The national emergency declared by President Roosevelt on March 6, 1933, to meet the crisis of the depression has still not been formally terminated.

The December 16, 1950, national emergency declared by President Truman in order to better prosecute the Korea war is still in force.

The national emergency declared by President Nixon on March 23, 1970, to handle the Post Office strike is still in force.

The national emergency declared by President Nixon on August 15, 1971, to carry out currency restrictions and to enforce foreign economic controls still remains in force.

These four states of national emergency confer upon the President the power contained in over 470 emergency statutes to control the lives of all American citizens in a host of particular ways. It is important to understand that these laws affect every area of American life.

It is fortunate that at this time, when the fears and tensions of the cold war are giving way to relative peace, and détente is now national policy, Congress has had the opportunity to assess the statutes—some 470 significant provisions become known as emergency powers legislation. Emergency powers make up a relatively small but important body of statutes—some 470 significant provisions of law out of the total of thousands that have been passed or recodified since 1933. But emergency powers laws are of such importance to civil liberties, to the operation of domestic and foreign commerce, and the normal functioning of the U.S. Government, that Congress should delay no longer in regularizing their use.

A number of conclusions can be drawn from the special committee's study and analysis of emergency powers laws now in effect. Congress has, in large measure, permitted the executive branch to draft and thus to "make the laws." This has occurred despite the constitutional responsibility conferred on Congress by article I, section 8 of the Constitution which states that it is Congress that "makes all Laws."

Most of the 470 statutes pertaining to emergency powers were passed in times of real or perceived crisis. Bills drafted in the executive branch were sent to Congress by the President and, in most cases, were approved with only the most perfunctory committee review. Virtually no consideration was given to their effect on civil liberties or their impact on the constitutional balance between the executive and legislative branches of the Government. For example, the economic measures that were passed in 1933 pursuant to the proclamation of March 5, 1933, by President Roosevelt, asserting that a state of national emergency existed, were enacted with the most unseemly haste. There was a total of only 8 hours of debate in both houses. There were no committee reports; indeed, only one copy of the bill was available on the floor.

This pattern of hurried and inadequate consideration was repeated during World War II when another group of laws with far-reaching implications was passed. It was repeated once more during the Korean war and, again, in most recent memory, during the debate on the Tonkin Gulf resolution, passed on August 6, 1964.

On occasions, legislative history shows that during the limited debates that did take place, a few, but very few, objections were raised by Senators and Congressmen expressing concern about the lack of provision for congressional oversight, as well as the absence of any terminal date for the authorities granted. Their speeches raised legitimate doubts about the wisdom of giving such open-ended authority to the President, with no procedural means provided to withdraw that authority once the emergency had passed.

For example, one of the very first of these laws, enacted in 1933, was the Emergency Banking Act based upon section 5(b) of the Trading With the Enemy Act of 1917. This act gave to President Roosevelt, with the full approval of Congress, the power to control major aspects of the economy, an authority which had formerly been reserved to the Congress. A portion of that act, still in force, is quoted here to illustrate the kind of open-ended authority Congress has typically given to the President during the past 40 years:

> (b) (1) During the time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, and under such rules and regulations as he may prescribe, by means of instructions, licenses, or otherwise—
>
> (A) investigate, regulate, or prohibit, any transaction in foreign exchange, transfers of credit or payments between, by, through, or to any banking institution, and the importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency or securities, and
>
> (B) investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportion, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest.
>
> by any person, or with respect to any property, subject to the jurisdiction of the United States; and any property or interest of any foreign country or national thereof shall vest, when, as, and upon the terms, directed by the President, in such agency or person as may be designated from time to time by the President, and upon such terms and conditions as the President may prescribe such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes; and the President shall, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this subdivision, and in any case in which a report could be required, the President may, in the manner hereinabove provided, require the production, or if necessary to the national security or defense, the seizure, of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person; and the President may, in the manner hereinabove provided, take other and further measures not inconsistent herewith for the enforcement of this subdivision.
>
> (2) Any payment, conveyance, transfer, assignment, or delivery of property or interest therein, made to or for the account of the United States, or as otherwise directed, pursuant to this subdivision or any rule, regulation, instruction, or direction issued hereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect to anything done or omitted in good faith in connection with the administration of, or in pursuance of and in reliance on, this subdivision, or any rule, regulation, instruction, or direction issued hereunder.

The repeal of almost all of the Emergency Detention Act of 1950 was a constructive and necessary step, but the following provision remains:

> 18 U.S.C. 1383. Restrictions in military areas and zones.
>
> Whoever, contrary to the restrictions applicable thereto, enters, remains in, leaves, or commits any act in any military area or military zone prescribed under the authority of an Executive order of the President, by the Secretary of the Army, or by any military commander designated by the Secretary of the Army, shall, if it appears that he knew or should have known of the existence and extent of the restrictions or order and that his act was in violation thereof, be fined not more than $5,000 or imprisoned not more than one year, or both.

On its face, 18 U.S.C. 1383 does not appear to be an emergency power. A similar law, the Alien Detention Act, was used as the basis for internment of Japanese Americans in World War II. Although it seems to be cast as a permanent power, the legislative history of the section shows that the statute was intended as a World War II emergency power only, and was not intended to apply in "normal" peacetime circumstances. Three years ago, the Emergency Detention Act was repealed, yet 18 U.S.C. 1383 has almost the same effect. In the view of the special committee, this provision should be repealed.

What these examples suggest, and what the magnitude of emergency powers affirm, is that most of these laws do not provide for congressional oversight or termination. There are two reasons which can be adduced as to why this is so. First, few, if any, foresaw that the temporary states of emergency declared in 1933, 1939, 1941, 1950, 1970, and 1971, would become what are now regarded collectively as virtually permanent states of emergency—the 1939 and 1941 emergencies were terminated in 1952. Forty years can, in no way, be defined as a temporary emergency. Second, the various administrations which drafted these laws were uninterested in providing for congressional review, oversight, or termination of these delegated powers which gave to the President such wide-ranging authority.

The climate of crisis which sped these emergency laws through Congress is well exemplified by the language in President Truman's 1950 proclamation:

> Whereas recent events in Korea and elsewhere constitute a grave threat to the peace of the world and imperil the efforts of this country and those of the United Nations to prevent aggression and armed conflict; and
>
> Whereas world conquest by communist imperialism is the goal of the forces of aggression that have been loosed upon the world; and
>
> Whereas, if the goal of communist imperialism were to be achieved, the people of this country would no longer enjoy the full and rich life they have with God's help built for themselves and their children; they would no longer enjoy the blessings of the freedom of worshipping as they severally choose, the freedom of reading and listening to what they choose, the right of free speech, including the right to criticize their Government, the right to choose those who conduct their Government, the right to engage freely in collective bargaining, the right to engage freely in their own business enterprises, and the many other freedoms and rights which are a part of our way of life; and
>
> Whereas, the increasing menace of the forces of communist aggression requires that the national defense of the United States be strengthened as speedily as possible:
>
> Now, therefore, I, Harry S. Truman, President of the United States of America, do proclaim the existence of a national emergency, which requires that the military, naval, air, and civilian defenses of this country be strengthened as speedily as possible to the end that we may be able to repel any and all threats against our national security and to fulfill our responsibilities in the efforts being made through the United Nations and otherwise to bring about lasting peace.
>
> I summon all citizens to make a united effort for the security and well-being of our beloved country and to place its needs foremost in thought and action that the full moral and material strength of the Nation may be readied for the dangers which threaten us.
>
> I summon our farmers, our workers in industry, and our businessmen to make a mighty production effort to meet the defense requirements of the Nation and to this end to eliminate all waste and inefficiency and to subordinate all lesser interests to the common good.
>
> I summon every person and every community to make, with a spirit of neighborliness, whatever sacrifices are necessary for the welfare of the Nation.
>
> I summon all State and local leaders and officials to cooperate fully with the military and civilian defense agencies of the United States in the national defense program.
>
> I summon all citizens to be loyal to the principles upon which our Nation is founded, to keep faith with our friends and allies, and to be firm in our devotion to the peaceful purposes for which the United Nations was founded.
>
> I am confident that we will meet the dangers that confront us with courage and determination, strong in the faith that we can thereby "secure the Blessings of Liberty to ourselves and our Posterity."
>
> In Witness Whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.
>
> Done at the City of Washington this 16th day of December (10:20 a.m.) in the year of our Lord nineteen hundred and fifty, and of the Independence of the United States of America the one hundred and seventy-fifth.

The pervasive sense of crisis so evident in Truman's proclamation has fortunately eased. The legislative shortcomings contained in these many emergency laws can now be corrected on the basis of a rational review and revised procedures for the future.

In the view of the special committee, an emergency situation does not now exist. Congress, therefore, should act now to terminate the states of national emergency presently in effect.

At the same time, the special committee is of the view that the President must be left free to deal effectively in the case of future emergencies. It is reasonable to keep a body of laws in readiness for the President's use, whenever a new national emergency occurs. That portion of the concurring opinion given by Justice Jackson in the Youngstown Steel case with regard to emergency powers, provides sound guidelines for the maintenance of such a body of emergency laws kept in readiness. Justice Jackson, supporting the majority opinion that the "President's power must stem either from an act of Congress or from the Constitution itself" wrote:

> The appeal, however, that we declare the existence of inherent powers *ex necessitate* to meet an emergency asks us to do what many think would be wise, although it is something the forefathers omitted. They knew what emergencies were, knew the pressures they engendered for authoritative action, knew, too, how they afford a ready pretext for usurpation. We may also suspect that they suspected that emergency powers would tend to kindle emergencies. Aside from suspension of the privilege of the writ of habeas corpus in time of rebellion or invasion, when the public safety may require it, they made no express provision for exercise of extraordinary authority because of a crisis. I do not think we rightfully may so amend their work, and, if we could, I am not convinced it would be wise to do so, although many modern nations have forthrightly recognized that war and economic crises may upset the normal balance between liberty and authority. Their experience with emergency powers may not be irrelevant to the argument here that we should say that the Executive, of his own volition, can invest himself with undefined emergency powers.
>
> Germany, after the First World War, framed the Weimar Constitution, designed to secure her liberties in the Western tradition. However, the President of the Republic, without concurrence of the Reichstag, was empowered temporarily to suspend any or all individual rights if public safety and order were seriously disturbed or endangered. This proved a temptation to every government, whatever its shade of opinion, and in 13 years suspension of rights was invoked on more than 250 occasions. Finally, Hitler persuaded President von Hindenburg to suspend all such rights, and they were never restored.
>
> The French Republic provided for a very different kind of emergency government known as the "state of seige." It differed from the German emergency dictatorship particularly in that emergency powers could not be assumed at will by the Executive but could only be granted as a parliamentary measure. And it did not, as in Germany, result in a suspension or abrogation of law but was a legal institution governed by special legal rules and terminable by parliamentary authority.
>
> Great Britain also has fought both World Wars under a sort of temporary dictatorship created by legislation. As Parliament is not bound by written constitutional limitations, it established a crisis government simply by delegation to its Ministers of a larger measure than usual of its own unlimited power, which is exercised under its supervision by Ministers whom it may dismiss. This has been called the "high-water mark in the voluntary surrender of liberty," but, as Churchill put it, "Parliament stands custodian of these surrendered liberties, and its most sacred duty will be to restore them in their fullness when victory has crowned our exertions and our perseverance." Thus, parliamentary controls made emergency powers compatible with freedom.
>
> This contemporary foreign experience may be inconclusive as to the wisdom of lodging emergency powers somewhere in a modern government. But it suggests that emergency powers are consistent with free government only when their control is lodged elsewhere than in the Executive who exercises them. That is the safeguard that would be nullified by our adoption of the "inherent powers" formula. Nothing in my experience convinces me that such risks are warranted by any real necessity, although such powers would, of course, be an executive convenience.
>
> In the practical working of our Government we already have evolved a technique within the framework of the Constitution by which normal executive powers may be considerably expanded to meet an emergency. Congress may and has granted extraordinary authorities which lie dormant in normal times but may be called into play by the Executive in war or upon proclamation of a national emergency. In 1939, upon congressional request, the Attorney General listed ninety-nine such separate statutory grants by Congress of emergency or wartime executive powers. They were invoked from time to time as need appeared. Under this procedure we retain Government by law—spetheless. The public may know the extent and limitations of the powers that can be asserted, and persons affected may be informed from the statute of their rights and duties.
>
> In view of the ease, expedition and safety with which Congress can grant and has granted large emergency powers, certainly ample to embrace this crisis, I am quite unimpressed with the argument that we should affirm possession of them without statute. Such power either has no beginning or it has no end. If it exists, it need submit to no legal restraint. I am not alarmed that it would plunge us straightway into dictatorship, but it is at least a step in that wrong direction.
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> * * * * *
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> But I have no illusion that any decision by this Court can keep power in the hands of Congress if it is not wise and timely in meeting its problems. A crisis that challenges the President equally, or perhaps primarily, challenges Congress. If not good law, there was worldly wisdom in the maxim attributed to Napoleon that "The tools belong to the man who can use them." We may say that power to legislate for emergencies be-

> longs in the hands of Congress, but only Congress itself can prevent power from slipping through its fingers.
>
> The essence of our free Government is "leave to live by no man's leave, underneath the law"—to be governed by those impersonal forces which we call law. Our Government is fashioned to fulfill this concept so far as humanly possible. The Executive, except for recommendation and veto, has no legislative power. The executive action we have here originates in the individual will of the President and represents an exercise of authority without law. No one, perhaps not even the President, knows the limits of the power he may seek to exert in this instance and the parties affected cannot learn the limit of their rights. We do not know today what powers over labor or property would be claimed to flow from Government possession if we should legalize it, what rights to compensation would be claimed or recognized, or on what contingency it would end. With all its defects, delays and inconveniences, men have discovered no technique for long preserving free government except that the Executive be under the law, and that the law be made by parliamentary deliberations.
>
> Such institutions may be destined to pass away. But it is the duty of the Court to be last, not first, to give them up.

Within the guidelines so profoundly expressed in the Youngstown case, and against the background of the last 40 years, the special committee has drawn up the proposed legislation we introduce today. The special committee has done so by working in close cooperation with all of the standing committees of the Senate and all departments, commissions, and agencies of the executive branch.

I might say, Mr. President, that I have enjoyed the close cooperation of my fellow chairman of this unique committee. It is the only bipartisan committee in the Congress, consisting of four Republican and four Democratic members. My cochairman, Senator Mathias, has not only worked diligently in the drafting of this legislation but he has made the work of the committee completely bipartisan in every way. We feel that the bill we are introducing today is not an expression of any party position but is a matter of equal concern to both parties interested in the restoration of a proper balance in our constitutional system. For that reason, it was possible for the members of the committee to reach unanimous agreement.

I also wish to say that we have enjoyed the support of both the Democratic and Republican leaders of the Senate, and they, too, have indicated their endorsement of the bill we introduce today.

Finally, and perhaps most importantly, Senator Mathias and I met with the President this morning. We discussed with him the bill that we are today introducing. He was most interested, and indicated that he favored the objective we sought and that his administration would be prepared to cooperate with us in bringing this long period of emergency government to an end so that the proccesses of the constitutional system could be returned to normal.

I take great heart from the encouragement we received today at the White House.

I think it is now possible for us to achieve a purpose that will well serve the country. It looks as though the work of this committee will be crowned with success.

I express my personal gratitude to the distinguished Senator from Maryland (Mr. Mathias) for the tremendous help he has been and support he has given to the effort through the last 18 months.

The proposed National Emergencies Act contains four main sections. The first section would terminate the four existing declared emergencies. The date upon which the termination takes effect would be 9 months after date of enactment. This 9 month grace period has been included to provide sufficient time for standing committees and executive branch departments and agencies to determine which of the emergency statutes should be retained in the form of permanent law. This may be necessary in a few areas such as foreign monetary control where, over the years, the use of emergency power has become everyday governmental practice. This 9 month grace period would permit the legislative committees and executive departments and agencies to consider permanent legislation in the normal legislative manner. All of the committees and all of the departments and agencies are aware of the problem areas that affect their respective jurisdictions and are already at work devising legislative solutions.

The next section would provide a procedure to govern the handling of future national emergencies. The President, by proclamation, would declare the existence of a state of national emergency. His proclamation would be made public and would be published immediately in the Federal Register. The President would specify his reasons for declaring the emergency and the statutory powers he intended to invoke. The Congress would have 6 months to affirm or reject the President's use of these powers. If the Congress did not act, the declared emergency would lapse after 6 months. States of national emergency could be extended by 6 month periods, but each extension would require an affirmative act of the Congress.

The third section would require an accounting of all significant actions taken by the President pursuant to emergency powers invoked during a declared state of national emergency.

The final section is a list of statutes to be repealed. These statutes have been agreed upon by the standing committees and the executive branch departments and agencies as obsolete, and they should be stricken from the books.

The special committee has on its own initiative, added one statute to this list, which the special committee believes poses such a serious threat to civil liberties that it should be repealed; 18 U.S.C. 1383 which gives to the President the Secretary of the Army or any general the authority to declare any part, or even all, of the United States a military zone, within which any act he so designates may be punishable as a crime. This provision is similar to the Alien Detention Act under which Japanese Americans were interned during World War II. It was repealed in 1970. In the view of the special committee, there is no valid reason to keep such a statute on the books.

President Ford appealed to the Congress to work with him to heal the wounds that have developed during the past decade or more. The record of cooperation between the legislative and executive branches during the committee's efforts to work out the problem of how to provide for expeditious action during times of war or severe crisis, and yet do so under a constitutional framework, has been exemplary. Both branches have worked at the task with openness and a real sense of united purpose. The members of the special committee are proud to be able to point to this fine example of cooperation between the branches.

We have had the support of several Secretaires of Defense and the direct assistance of three Attorneys General, particularly from former Attorney General Richardson and the present Attorney General Saxbe. Since he took over the Justce Department, Attorney General Saxbe has fully supported the purposes of the special committee and has contributed in significant ways to the legislation which is proposed today.

The prodigious research required to bring together the statutes and Executive orders concerned with war or national emergency could not have been achieved without the help of all the executive departments and agencies. Our colleagues in the Senate should know that without the assistance of the Air Force and its LITE computer system, it would have been almost impossible to identify and compile all of the statutes that are triggered by a state of national emergency. We are especially grateful for the assistance rendered by the staff of the Federal Register whose vitally important but largely unsung work should receive far more attention. The special committee owes a special debt to the legislative reference service, particularly the American Law Division of the Library of Congress, and to many of this country's most distinguished political scientists and constitutional lawyers who have given generously of their time to assist the committee in its difficult task.

This proposed legislation also reflects the advice of former Attorneys General, and other high officials who had occasion to use the awesome powers contained in the emergency statutes.

The Constitution and the Bill of Rights represent our historic endeavor to restrain the power of government for the benefit of all our citizens. In the nearly 200-year history of the American Republic, the United States has grown huge. She is today the mightiest nation on earth. But her glory rests not on her prowess; it rests on the freedom that still endures.

Reflecting on the erosion of freedom brought on by recurrent emergency, James Madison observed:

> Those truths are well established. They are read in every page which records the progression from a less arbitrary to a more arbitrary government, or the transition from a popular government to an aristocracy or a monarchy.

It is with the purpose of strengthening open constitutional processes that we introduce the National Emergencies Act today. I urge my colleagues in the Senate to support this legislation and to make it the law of the land before the end of this session.

Mr. President, I send the bill to the desk and ask unanimous consent that it be referred to the Government Operations Committee of the Senate.

The PRESIDING OFFICER (Mr. TAFT). Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that the text of the bill and the text of an interim report by the Special Subcommittee on National Emergencies and Delegated Emergency Powers in support of a recommended National Emergencies Act be printed in the RECORD following the remarks I have made and the remarks of the cochairman, Senator MATHIAS, who will now take the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MATHIAS. Mr. President, the distinguished Senator from Idaho, my colleague as cochairman of the Special Committee on National Emergencies, has spoken of the bipartisan nature of that committee. I should like to point out that the reason why the committee has this unique bipartisan character is that the Senator from Idaho made it possible. As the member of the majority who had taken the lead on his side of the aisle, he might well have insisted on being the partisan chairman of a partisan committee. He did not so insist. In fact, throughout the deliberations of our committee, on the contrary, he has insisted that this should be a bipartisan effort. He has been fair, considerate and constructive. I have valued very much our association in working together on this bill.

It is characteristic of him that he has insisted upon sharing not only the responsibility and the work, but also whatever rewards there are.

The Senator from Idaho has properly acknowledged the able help that the committee has had from outside sources, and I want to join him in the thanks he has already rendered. We particularly wish to thank those officials in the executive branch who have been extraordinarily helpful to our work so that we can say that the bill we have now introduced is not just the product of the thinking of a committee of the Senate, but it also reflects, in a very real way, the advice and counsel and information and knowledge we have obtained from the executive branch on this problem of emergency Government, which is of common interest to all branches of Government.

As the Senator from Idaho has said, we are grateful for the help of several Attorneys General—Attorney General Kleindienst, Attorney General Richardson, and Attorney General Saxbe. But we also have a particular debt to several Secretaries of Defense who showed a remarkable interest in this subject and whose department, curiously enough, was the repository of more information on this subject than any other single source. Secretary of Defense Melvin Laird was extraordinarily interested and cooperative, as was his successor, Secretary of Defense Elliot Richardson and the cooperation has continued under Secretary Schlesinger and his able legal staff.

So this bill is not one which reflects only the viewpoint of Congress. It is a bill which we have consciously designed to meet the needs of the executive branch. It is a bill which I think expresses a common desire on the part of all of the branches of Government to return to a condition of government in which we are guided, day by day, in normal times and in times of crisis by constitutional procedures.

It was, of course, particularly gratifying to have an opportunity to discuss this measure with the President of the United States today prior to the introduction of the bill. I was very pleased, because it was concrete evidence of the fact that when the President came before the joint session of Congress a week ago and said that his administration was going to be an administration of communication, conciliation, cooperation, and compromise, he was not just making a speech for the momentary benefit of Congress and the public, but that he was stating a long-term policy which he is now already carrying out. I think this is an extremely good omen for the future.

The President, as we discussed the bill, was very quick to recognize one salient principal of the bill: that this bill will not remove any useful emergency power which Congress has heretofore delegated to the executive branch, with the exception of those particular obsolete statutes which have been agreed upon jointly by both the standing committees and the pertinent department or agency of the executive branch. With the exception already noted and the group of obsolete statutes jointly agreed upon, no statutes are proposed to be repealed while the statutes would go into a state of dormancy when the termination of the national emergencies take effect, these emerging powers are available to be used upon proclamation of need by the President to meet any future emergency.

The President was very quick to recognize that this is the case; that we are not proposing to diminish any proper powers of the President, or to invade the Executive prerogative. What we are proposing is to terminate the states of national emergency which have existed without cease for 40 years—far too long—and we are proposing to substitute for the haphazard and potentially dangerous procedures of the past, regular and orderly constitutional processes by which Presidents in the future may summon up all the powers which might be necessary to meet crises and emergencies; and we are further providing means of oversight and that such powers may then revert to Congress when the crisis or the emergency is over.

In doing all of this, I think we recognize that those of us who have been elected to public office or appointed to positions of public trust have a special duty to protect the Constitution and the liberty of all citizens. The momentous march of events of the past four decades has weakened our constitutional processes and our liberty is now less secure. It is clear in looking back over 40 years that the guardians of the Constitution have not been as vigilant as the times required. The heavy toll of three long bloody and costly wars, a catastrophic economic depression and the fears and tension that marked the nuclear age and its diplomatic twin, the cold war, has caused serious imbalances in our system of open democratic government.

We, in the Congress, are witness to the destructive processes of war, crises and emergencies. It is clear that we in the Congress, through neglect and lack of foresight and understanding, have contributed measurably to the weakening of constitutional government. But we in the Congress have the means to take the steps necessary to strengthen the constitutional processes that give purpose and substance to our liberties.

The Constitution assigns legislative responsibility solely to the Congress. Yet, for the last 40 years in most of the important areas of public policy, many laws were conceived and actually written by the executive branch. As a consequence, the Congress, in far too many instances, exercises only a limited modifying role, and in a few extreme cases exercises a kind of reverse veto by enacting amendments which occasionally negate executive lawmaking initiatives. Contrary to the authority delegated by the Constitution, the lawmaking roles of the Congress and the Executive have been reversed.

The effects of this failure by the Congress to make the law in the full sense intended by the founding fathers has in part contributed to the national disasters of our time.

Yet this neglect has not yet resulted in the stifling of our freedoms, although the warnings are many that individual liberty has been in danger. It is not a very large step from a small illegal police force to widespread abuse by an effective efficient instrument of suppression. It is not a very large step from the relatively small scale illegal break-ins, buggings, mail covers, procurement of private records and burglaries to the abuses of an authoritarian police state. It is very evident that the genuine needs of our national security have been perverted by a process of unreviewable actions taken under the guise of national security or some similar vague incantation justifying arbitrary action untested by the light of reason or the open processes of constitutional government.

Our founding fathers consciously placed in our Constitution the means to determine the real needs of the republic and laid down methods to provide for genuine national security. They also prescribed tests by which to reject spurious claims of national security which, in truth, have proven to be little more than cloaks for arbitrary rule. Two hundred years ago the authors of the Constitution sought to frame processes by which power could be used effectively for all of the people of the Nation. They also sought to prevent power from falling into the hands of a few to the detriment of the majority of the people.

Constitutional processes, in my view, means the open, careful and rational husbanding of the Nation's power. It is often said that power corrupts, but in my view, power can be used for good or for ill. Power used by men of good will in accord with the Constitution does not corrupt. But power used by willful men outside of constitutional authority can be corrupted, and as recent events have shown, when that happens, the Nation suffers.

The National Emergencies Act introduced here today has been written and conceived by Members of the Senate using the full resources of our constitutional processes. Against the tide of accepted practice created by the events of recent years, and through the rigorous process of hearings, study, and debate, we have sought to restore the legislative structure to its original constitutional dimension to provide for effective government during times of war or severe crisis. We have also sought to assure that each of the branches can use its respective powers, and carry out its assigned responsibilities under the Constitution, in order to contribute to a common purpose of national security.

The rolls of history are filled with the stories of the fall of democracies because of long wars or sustained crises. The fall of the Weimar Republic and the rise of Hitler is a memory many of us share. We seek to prevent the possibility of a repetition of that tragic chapter from world history in the United States. In my view, our Constitution provides the best means to remain a free people, but we in the Congress must meet our responsibilities to make the law if that hope is to be a lasting reality.

Over a year ago I went to see the late former Chief Justice Earl Warren to ask his views about the philosophical questions and theoretical problems that crisis government pose to our constitutional system and the actual effects that 40 continuous years of national emergency has had on the Government of the United States. I do not think it would be a violation of his confidence if I shared the benefit of his views with the Senate. The former Chief Justice recalled that when he was attorney general of California during World War II, he played a significant role in the detention of Americans of Japanese ancestry. He explained that the detention of Japanese Americans was in large measure due to irrational fears generated by the pressures of World War II.

He reflected that this incident showed that unless there were firm statutory guidelines a crisis atmosphere can act to abridge constitutional rights and processes under the exigencies of the moment, "needs of the state," or the so-called demands of "national security." He told me that he realized that his actions during World War II, while they had seemed necessary at the time, were in retrospect harmful to the American constitutional system. He said that he learned from his experience, and he went on to say that as Chief Justice of the Supreme Court, he had tried in every way possible to strengthen constitutional processes and particularly to protect the rights of all citizens. In that conversation we discussed the importance of the Youngstown Steel case, particularly the powerful remarks of Justice Jackson, which in Chief Justice Warren's view had most thoughtfully addressed the problem that extraordinary crisis situations such as war or severe national depression pose for constitutional government. In essence, he believed that Justice Jackson's views were a forceful and convincing definition of constitutional responsibility. Justice Jackson's opinion stressed that each branch has its responsibilities, and if each branch fully meets its responsibilities, there would be no legal doubts concerning who should "make the law" and how the laws should be executed.

Chief Justice Warren said that while the Constitution provides that only Congress can make the law, the legislature has the obligation through enacting statutes to provide firm policy guidelines for the executive branch. The former Chief Justice agreed with Justice Jackson's view that where there are statutory guidelines, a President is obliged to follow the precepts contained in the laws passed by the Congress. Inherent powers problems arise and the other branches act, he said, largely when Congress fails to act definitively, when it fails to make needed laws and when there is a necessity for legislative action and Congress fails to meet the challenge.

We then discussed the outline and the constitutional concept that lay behind the legislative proposal to meet future national emergencies now before the Senate. Chief Justice Warren thought it was, in principle, a sound solution to what he recognized as a serious threat to constitutional government.

The special committee is of the view that the findings of the Youngstown Steel case so eloquently expressed by Justice Jackson, and as confirmed in the views of the late Chief Justice Earl Warren continue to be sound. In this legislative proposal that we now recommend to the Congress, after months of working in cooperation with the executive branch, we believe we have met our constitutional responsibility "to make the law."

The proposed legislation now before the Senate was written in accordance with our committee mandate: We have laid out statutory guidelines which we believe will provide the executive with the flexibility and the effective power to meet any foreseeable future emergency, but to do so within established constitutional guidelines and constitutional procedures.

There were other possible courses of action to end the state of emergencies. The special committee could have recommended an outright repeal of the existing emergencies. This, in fact, was the initial inclination of some members of the special committee. But after a series of hearings, and after the staff had brought together an analysis of the 470 statutes triggered by a state of emergency, and when the members of the special committee had a fuller understanding of the long history of emergency government in the United States and in other nations throughout history from Greece and Rome to the Weimar Republic, we came to the conclusion that it would be irresponsible to propose a termination of the four concurrent states of national emergency without providing a means for declaring and terminating future emergencies. The special committee also decided it was necessary to enable the executive and the legislative branches, working jointly through the prescribed constitutional processes to make the adjustments necessary for a return to normal government.

In 1816, Thomas Jefferson wrote to his friend Joseph C. Cabell, the cofounder with President Jefferson of the University of Virginia, of his growing concern that political power not fall into the hands of one man or a determined group of just a few men. He wrote:

> No, my friend, the way to have a good and safe government, is not to trust it all to one, but to divide it among the many, distributing to everyone the functions he is competent to.

Jefferson, in his letter to Cabell goes on to ask—

> What has destroyed liberty and the rights of man in every government which has ever existed under the sun?

Jefferson's answer was short and explicit:

> The generalizing and concentrating of all cares and powers into one body.

It is with Jefferson's admonition in mind that I urge the Senate to exercise "the function it is competent to"—to make the law and enact this proposal to strengthen our government of laws.

That, Mr. President, is why I am particularly pleased with the conversation we had this morning with the President of the United States who, in supporting, in principle, the concepts that are embodied in the bill which the Senator from Idaho (Mr. CHURCH) and I have now introduced on behalf of every member of the special committee, has also recognized that they reflect enduring constitutional principles which have been a part of our Government since the founding of the Republic, and which have been respected and recognized by the great Presidents of the Republic in every age.

EXHIBIT 1

S. 3957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Emergencies Act".

TITLE I—TERMINATING EXISTING DECLARED EMERGENCIES TERMINATING POWERS AND AUTHORITIES

SEC. 101. (a) All powers and authorities conferred by law upon the President, any other officer or employee of the Federal government, or upon any department, agency, independent establishment or any other body of the Federal government, and all powers and authorities conferred by any Executive Order pursuant to law as a result of the existence of any national emergency in effect immediately prior to the two hundred seventy-first day after the date of enactment of this Act, are terminated on such two hundred seventy-first day.

(b) For the purpose of this section, the words "any national emergency in effect" mean a general declaration of emergency made by the President pursuant to a statute authorizing him to declare a national emergency.

TITLE II—FUTURE NATIONAL EMERGENCIES

SEC. 201. (a) In the event the President finds that the proclamation of a national emergency is essential to the preservation, protection, and defense of the Constitution, and to the common defense, safety or wellbeing of the territory and people of the United States, the President is authorized to proclaim the existence of a national emergency. Such proclamation shall thereupon be made public, and shall be published immediately in the Federal Register.

(b) Any provisions of law conferring powers and authorities to be exercised during a national emergency shall be effective and remain in effect with respect to national emergency (1) only when the President (in accordance with subsection (a) of this section), specifically declares a national emergency, and (2) only in accordance with this Act. No law enacted after the date of enactment of this Act shall supersede this title unless it does so in specific terms, referring to this title, and declaring that the new law supersedes the provisions of this title.

TITLE III—DECLARATIONS OF WAR BY CONGRESS

SEC. 301. Whenever Congress declares war, any provisions of law conferring powers and authorities to be exercised during time of war or a national emergency shall be effective from the date of such declaration and remain in effect only in accordance with the provision of title IV of this Act.

TITLE IV—FUTURE NATIONAL EMERGENCIES EXERCISING EMERGENCY POWERS AND AUTHORITIES

SEC. 401. (a) When the President declares a national emergency, or Congress declares war, any provisions of law conferring powers and authorities to be exercised during such a national emergency or during a war declared by the Congress shall be effective and remain in effect with respect to such emergency or war only in accordance with this Act.

(b) When the President declares a national emergency, no powers made available by statute for use in the event of an emergency shall become operative unless and until the President specifies by Executive Order the specific provisions of law under which he proposed that he, or other officers of the Executive branch, will act. Such specification may be made either in the original declaration of a national emergency, or by subsequent order, but no power granted in the event of the declaration of a national emergency shall be available unless or until it has been so specified by the President. All such specifications shall be published immediately in the Federal Register, and a copy of any declaration of national emergency, and of such specifications, shall be transmitted immediately to Congress.

LIMITATIONS ON NATIONAL EMERGENCIES DECLARED BY PRESIDENT

SEC. 402. Any national emergency declared by the President in accordance with this title shall terminate at the end of the 180th day after the date the national emergency was declared, and any of the provisions of law referred to in section 401(a) of this Act shall not be effective after the end of such 180th day unless Congress by concurrent resolution—

(1) terminates such emergency on an earlier date; or

(2) continues such emergency to a day specified in the concurrent resolution, beyond the end of such 180th day.

Any national emergency declared by the President shall then be terminated on the date specified in any such concurrent resolution referred to in clauses (1) and (2) of this section, and any such provisions of law shall not be effective after such specified date with respect to that emergency.

TERMINATION AND CONTINUING NATIONAL EMERGENCIES AND WARS

SEC. 403(a) In no event shall any provision of law referred to in section 401(a) of this Act remain in effect beyond the end of the 180th day following the date of the declaration of the emergency or war unless, in the case of a declaration of war by Congress, if such declared war has not been terminated in accordance with constitutional processes.

(b) The provisions of sections 401 and 402 of this Act and subsection (a) of this section shall apply to any subsequent declaration of a national emergency or war made with respect to the same emergency or war under subsection (a) of this section.

TITLE V—MISCELLANEOUS ACCOUNTABILITY AND REPORTING REQUIREMENTS OF THE PRESIDENT

SEC. 501(a) When the President declares a national emergency, or Congress declares war, the President shall be responsible for maintaining a file, and an index thereof, of all Executive Orders by the President, including all instances of the exercise by the President of any power conferred on him by statutes and the Constitution; all rules and regulations, by whatever name called, promulgated by any executive department, administration, independent establishment, board, commission, official, group of officials or other rulemaking authority; and all other rules, regulations, orders, by whatever name called, made directly or indirectly under the expressed or implied authority of the Constitution or any Act of Congress with respect to the declarations of national emergency or war. The President shall transmit to the House of Representatives and the Senate and to the appropriate committees of the Congress the texts of each order, rule, or regulation, by whatever name called, promulgated by any executive department, administration, independent establishment, board, commission, official, group of officials or other rule-making authority; and all other orders, rules, and regulations, by whatever name called, made directly or indirectly under expressed or implied authority of the Constitution or any Act of Congress with respect to the declaration of national emergency or war, as soon as practicable after that order, by whatever name called, has been issued.

(b) Any such order, rule, or regulation which conforms with procedures established by law, shall be transmitted to the House of Representatives and the Senate and to the appropriate committees of Congress under means to assure its proper confidentiality.

TITLE VI—REPEAL OF CERTAIN EMERGENCY POWERS STATUTES

SEC. 601. Except with respect to the rights and duties that matured, penalties that were incurred, and proceedings that were begun, prior to the date of enactment of this Act, the following provisions of law are repealed:

7 USC 1741.
7 USC 1742.
7 USC 1743.
7 USC 1744.
7 USC 1745.
7 USC 1746.
7 USC 1747.
8 USC 1481(a)(10).
10 USC 2667(b)(4).
10 USC 4025.
10 USC 9025.
12 USC 95.
12 USC 95(a).
12 USC 249.
12 USC 1703.
12 USC 1705.
12 USC 1748b(a).
16 USC 831d(m).
18 USC 1383.
26 USC 168.
41 USC 101.
41 USC 102.
41 USC 103.
41 USC 104.
41 USC 105.
41 USC 106.
41 USC 107.
41 USC 108.
41 USC 109.
41 USC 110.
41 USC 111.
41 USC 112.
41 USC 113.
41 USC 114.
41 USC 115.
41 USC 116.
41 USC 117.
41 USC 118.
41 USC 119.
41 USC 120.
41 USC 121.
41 USC 122.
41 USC 123.
41 USC 124.
41 USC 125.
42 USC 211b.
42 USC 1592.
50 USC 9(e).
50 USC App 1742.

INTERIM REPORT BY THE SPECIAL COMMITTEE ON NATIONAL EMERGENCIES AND DELEGATED EMERGENCY POWERS IN SUPPORT OF A RECOMMENDED NATIONAL EMERGENCIES ACT

The Special Senate Committee on National Emergencies and Delegated Emergency Powers, pursuant to Senate Resolution 304, June 23, 1972, Senate Resolution 9, January 6, 1973, and Senate Resolution 242, January 23, 1974, submits herein an interim report in support of recommended legislation: A National Emergencies Act (see attachment). Because of its critical importance, the Special Committee recommends that this legislation, approved unanimously by its eight members, be acted upon at the earliest opportunity.

It is the Special Committee's view that legislative action is required because it is distressingly clear that our Constitutional government has been weakened by 41 consecutive years of emergency rule. There are now in effect four presidentially proclaimed states of national emergency which give the President the authority to rule the United States outside of normal Constitutional processes: The national emergency declared by President Roosevelt in March 1933 to fight the Great Depression, the national emergency proclaimed by President Truman in December 1950 during the Korean conflict, the national emergency declared by President Nixon, March 23, 1970 to handle the Post Office strike, and the August 15, 1971 national emergency proclaimed to meet balance of payments and other international economic problems.

A majority of the American people have lived all their lives under emergency government. During this period of four decades, the President, through what is now over 470 legally delegated powers, has had at hand the power to rule the United States outside the constitutional processes.

There is no longer any valid reason for emergency rule to continue. In the judgment of the Special Committee, our government would be strengthened by bringing to an end all declared states of national emergency presently in existence, and this should be done as soon as possible.

The four proclamations of national emergency, together with the authority delegated by emergency powers statutes, have provided the president—any president—with extraordinary powers, among others, to seize property and commodities, organize and control the means of production, call to active duty 2.5 million reservists, assign military forces abroad, seize and control all means of transportation and communication, restrict travel, and institute martial law, and, in many other ways, manage every aspect of the lives of all American citizens.

A few examples from the 470 emergency statutes now in force should make it clear what kinds of extraordinary discretionary power have been delegated to the president:

Statute 10 USC 712 permits the president "during a war or a declared national emergency" to "detail members of the Army, Navy, Air Force, and Marine Corps to assist in military matters" in any foreign country.

During the war in Southeast Asia and during the Berlin airlift on several other occasions, the Department of Defense used a little known law of more than 100 years' vintage, The Feed and Forage Act of 1861, 41 USC 11, to fund certain military activities not previously authorized by the Congress. The original intent of the Feed and Forage Act was to enable the United States cavalry posted on the Western frontier to requisition feed for its horses and other supplies when Congress was out of session and thus unable to provide the necessary funds. This law was kept on the books and was used for deficiency spending for food, medicines, clothing and other similar supplies when Congress was not in session. In recent years this law has been used to spend funds not authorized by the express will of the Congress even when in session.

Under 10 USC 333, the president can use the militia or armed forces to suppress "conspiracy," if it is likely that "any part" of the people in a state will be deprived of some constitutional right, and the state itself refuses to act. Under this statute, the president conceivably could circumvent Article IV, Section 4, of the Constitution even before waiting for state legislatures or state executives to request Federal troops.

Under 18 USC 1383, the president has authority to declare any part or all of the United States military zones. People in such zones can be jailed for a year for violating any "executive order of the president." Would these arrests be reviewable in court? It is not clear. Judicial review of agency actions is guaranteed in 5 USC 702, but 5 USC 701 excludes actions taken under declarations of martial law.

A president could make use of Public Law 733, which expresses the determination of the United States to prevent "by whatever means may be necessary including the use of arms," any "subversive" activities by the government of Cuba.

Under 47 USC 308, the Federal Communications Commission could, during a national emergency, modify existing broadcast licenses under terms it might prescribe.

Under 47 USC 606, the president can amend "as he sees fit" the rules and regulations of the Federal Communications Commission and, in particular, can "cause the closing of any facility or station for wire communications."

If the president finds the nation "threatened by attack," he could, under 44 USC 1505, cease to publish his regulations in the Federal Register if he determines that it is "impracticable." This could open the way to promulgation of secret laws.

At the present time, only a small portion of these 470 delegated emergency powers is being used. This is proof that there is no longer an "emergency" that requires extraordinary delegations of power. In the view of the Special Committee, this body of potentially authoritarian power remains a hazard to democratic government. Aggressive presidents, permissive Congresses, and a long series of successive crises, have all contributed to the erosion of the structure of divided powers, the bedrock of our constitutional system of government.

The study undertaken by the Special Committee of how the four states of national emergency came into being, and how the over 470 emergency statutes became the law of the land, provide a disturbing explanation of the deterioration of law-making during the past four decades.

In the particular area of emergency powers statutes, the constitutionally prescribed roles of the Legislative and Executive branches have been reversed. The Special Committee's studies show that in far too many instances, the Executive branch itself drafted the laws and cast them in such form as to give itself maximum advantage. It is understandable that the Executive branch, in drafting laws granting power to itself, did not provide either for oversight or for termination by Congress. It is also not surprising that most of these laws were passed in times of crisis, when because of the urgency, Congress acted hastily without real scrutiny, without thorough hearings, and without the deliberation that such legislation should have demanded. For these reasons, Congress has not exercised its responsibilities prudently; it has not even reserved for itself the means to recoup its lost powers.

Now, in a time of relative world peace, Congress has the opportunity to draw back and reexamine how profligately we have dealt with war and other emergencies. Our sobering experience with the undeclared Korean and Vietnam wars heightens the necessity to understand the means available within the Constitution, to meet crisis situations affecting our national security.

The Special Committee has held extensive hearings seeking the views and advice of the country's most distinguished authorities on constitutional government in time of crisis. In addition to scholarly authorities in the fields of political science and the law, the Special Committee sought the counsel of all the former Attorneys General and two former Supreme Court Justices, as well as many distinguished lawyers. On the basis of the suggestions and perspective gained from these hearings, and from two intensive staff studies of emergency power statutes and Executive Orders, and upon the basis of the data, advice and counsel supplied by the Executive branch, the Special Committee has drafted legislation which would provide:

(1) for the termination of the present states of national emergency;

(2) for the establishment of a regularized procedure for the use of delegated emergency power in future emergencies. The President could declare a national emergency and in his public proclamation would cite the specific statutory powers he requires to meet the emergency. The Congress would have six months to act to affirm or reject. If Congress takes no action the state of national emergency would lapse after six months. The Congress could extend any state of national emergency by affirmative vote. But no extension could last for more than six months without another affirmative vote by the Congress.

(3) for a means of providing accountability for actions taken pursuant to emergency power statutes in any future emergency; and

(4) for a listing of those statutes which both the Executive branch and the respective standing committees of the Senate agree can be repealed because they are obsolete.

The recommended legislation, entitled the "National Emergencies Act", would not come into effect until nine months after its date of enactment, in order to give Executive branch agencies and Congressional Committees sufficient time to work out unresolved issues. It is clear that it may be necessary to cast into permanent form certain statutes which now are written in a form contingent upon the existence of a state of national emergency. The grace period would permit all such matters to be resolved through the normal legislative processes.

The record of cooperation between the Legislative and Executive branch in working toward a legislative remedy has been exemplary. Every Department and agency of the Executive branch has cooperated with requests from the Special Committee for information in their areas of jurisdiction. This cooperation, particularly on the part of the Department of Defense and the Department of Justice, under three Secretaries of Defense and four Attorneys General respectively, has been a model of how the two branches can work together. The Special Committee, for example, would still be laboring through 87 volumes of the Statutes-at-Large to find out exactly what laws were involved, were it not for the assistance provided by the U.S. Air Force which had fortuitously put the U.S. Code into its LITE computer system located at a base in Colorado. The General Services Administration and particularly the Federal Register of the National Archives, provided invaluable help in bringing substance and understanding into the shadowy world of Executive Orders issued pursuant to states of emergency. The Justice Department, largely through the counsel of Attorneys General themselves and the Office of Legal Counsel, have given expert advice to the Special Committee and we gratefully acknowledge the importance of their assistance.

The Office of Management and Budget has helped the Special Committee by providing a detailed evaluation of the current utility of emergency statutes now in force. It is upon the basis of the Executive branch's coordinated evaluation of these statutes and their evaluation by the standing committees that the Special Commitee was able to draft a remedy in accord with the constitutional responsibility of Congress to make laws. The Special Committee is confident that Congress should now proceed forthwith to end the four existing states of national emergency, repeal certain laws that both the Executive branch and Congress believe obsolete, and to legislate a definite procedure to be used in the event of future national emergencies.

It has been an underlying premise of the Special Committee that the findings contained in the Youngstown Steel Case of 1952, particularly the opinion of Justice Jackson, provide sound and pertinent guidelines for the governance of emergency powers. Justice Jackson, supporting the majority opinion that the "President's power must stem either from an act of Congress or from the Constitution itself," wrote:

"Emergency powers are consistent with free government only when their control is lodged elsewhere than in the Executive who exercises them. That is the safeguard that would be nullified by our adoption of the 'inherent powers' formula. Nothing in my experience convinces me that such risks are warranted by any real necessity, although such powers would, of course, be an executive convenience.

"In the practical working of our Government we already have evolved a technique within the framework of the Constitution by which normal executive powers may be considerably expanded to meet an emergency. Congress may and has granted extraordinary authorities which lie dormant in normal times but may be called into play by the Executive in war or upon proclamation of a national emergency. . . .

"In view of the ease, expedition and safety with which Congress can grant and has granted large emergency powers, certainly ample to embrace this crisis, I am quite unimpressed with the argument that we should affirm possession of them without statute. Such power either has no beginning or it has no end. If it exists, it need submit to no legal restraint. I am not alarmed that it would plunge us straightway into dictatorship, but it is at least a step in that wrong direction.

"But I have no illusion that any decision by this Court can keep power in the hands of Congress if it is not wise and timely in meeting its problems. A crisis that challenges the President equally, or perhaps primarily, challenges Congress.

"If not good law, there was worldly wisdom in the maxim attributed to Napoleon that 'The tools belong to the man who can use them.' We may say that power to legislate for emergencies belongs in the hands of Congress, but only Congress itself can prevent power from slipping through its fingers.

"With all its defects, delays and inconveniences, men have discovered no technique for long preserving free government except that the Executive be under the law, and that the law be made by parliamentary deliberations."

In our view, Congress should provide statutory guidelines to assure the full operation of constitutional processes in time of war or emergency. This is the best prescription to avoid any future exercise of arbitrary authoritarian power. For as the Youngstown Case decided, where there is a statute, the Executive is obliged to use the statutory remedy; where there are no lawful statutory guidelines is to invite so-called inherent powers to come into play. There is without question a need, in the view of the Special Committee, to provide the Executive branch with an effective, workable method for dealing with future emergencies in accord with constitutional processes. The Special Committee has sought to do this in fulfillment of its mandate.

The Special Committee therefore respectfully submits to the Senate, through the leadership, a legislative proposal with the recommendation that it be acted upon as soon as possible.

During the past year, the Special Committee requested the assistance of the Majority and Minority Leaders in the preparation of guidelines for procedural actions to be taken on the part of the Senate in possible future emergencies. The actions already taken by the leadership, in the view of the Special Committee, meet the needs that might reasonably be required by future emergencies.

In order to assist the Senate in its consideration of the recommended legislation, the Special Committee urges members of the Senate to examine the following Special Committee documents which detail the many problems and dangers that emergencies pose to constitutional government, the nature of the American experience, and the reasons for our recommended course of action.

1. Emergency Powers Statutes: Provisions of Federal Law Now in Effect Delegating to the Executive Extraordinary Authority in Time of National Emergency; September 1973. This compilation of emergency powers delegated by statute to the President for use in times of war or national emergency contains a brief introduction to the history of emergency rule in the United States and the adverse effects that continued emergency rule has upon constitutional government.

2. Executive Orders in Times of War and National Emergency; June 1974. This compilation of Executive Orders issued pursuant to war or national emergency contains a brief historical review of how presidents give orders to execute the law. The report documents the lack of legal accountability in many important areas of public policy for orders given by the President. This is an area that requires remedial legislation.

3. Hearings: Part 1—Constitutional Questions Concerning Emergency Powers; April 11, 12, 1973. Testimony was taken from political scientists Dr. Robert S. Rankin, Duke University; Professor Cornelius P. Cotter, University of Wisconsin; Professor J. Malcolm Smith, California State University; and legal scholars Dr. Adrian S. Fisher, Georgetown University Law Center and Dr. Gerhard Casper, University of Chicago.

Hearings: Part 2—Views of Former Attorneys General; July 24, 1973. Witnesses were Justice Tom C. Clark, Nicholas deB. Katzenbach, and Ramsey Clark.

Hearings: Part 3—Constitutional Questions Concerning Emergency Powers; November 28, 1973. Former Attorney General Elliot L. Richardson and former Solicitor General of the U.S. Erwin N. Griswold, testified.

ATTACHMENT I

RECOMMENDED LEGISLATION

Approved Unanimously by the Special Committee, July 11, 1974.

NEED FOR EMERGENCY POWERS LEGISLATION

Mr. PEARSON. Mr. President, I am proud to join with my colleagues on the Special Committee on the Termination of the National Emergency in sponsoring the National Emergencies Act. This bill is the product of a careful review of a President's emergency powers by a unique bipartisan committee.

In a very real sense, Mr. President, this bill complements other efforts which this Congress has taken to reinstitute constitutional government as it was intended to function. We moved in Public Law 93–148, the war powers bill, toward a reassertion of the right of Congress to declare war. In the budget reform measure, we reasserted the right of Congress to control Government expenditures.

The National Emergencies Act, the these other laws, does not attempt to eliminate necessary and essential executive powers which our country grants its President. Certainly there is a need for a President to operate, on his own initiative, with speed and efficiency in the face of a national crisis. However, I believe that excessive power in the hands of any one man is both undesirable and alien to our system of Government.

During the past year and a half, all of us on the committee have learned a great deal about the extent of the powers which a President may exercise during a "national emergency." With the aid of a highly professional and competent staff, we have compiled a list of statutes and Executive orders detailing the precise nature of this authority. After reviewing this list, I was amazed at the extent to which Congress has delegated special powers to a President who deems that the United States is facing an emergency.

My concern was increased when I realized that Congress bears a large share of responsibility for the steady accretion of emergency power. While Presidents can and have unilaterally declared that states of emergency exist, Congress has given them means to exercise extraordinary powers during these times. Thus, Harry Truman's declaration of a national emergency in 1950 had a major psychological impact. However, laws passed by Congress, such as the Defense Production Act, provided the legal basis for most of his subsequent actions.

There are nearly 500 such laws still on the books. Each law gives any President special powers during a "national emergency," during times of war, or when he deems that "war is imminent." The 1950 Emergency Proclamation, and three others are still on the books. As a result, each and every one of the congressional delegations of power is today available for use by a Chief Executive.

Even more amazing than the number of laws granting special power to the President is the fact that there is no mechanism for reviewing or revoking these laws once they are no longer needed. Unlike inherent Presidential powers which can be reviewed by the Supreme Court, emergency powers are specific legal delegations of authority to a President. The Supreme Court has generally given deference to such delegations of authority. The laws are viewed as persuasive evidence of congressional intent that the President should be permitted special latitude during crises. Thus, unless Congress itself imposes controls, emergency powers may remain largely unchecked.

For this reason, the bill sponsored by the special committee is a carefully measured step toward reimposition of congression control. First, the bill suspends the existing authority of a President to utilize the laws granting him powers during a national emergency. After placing these laws on a "shelf," we also require future Presidents to specify the powers which they wish to use once an emergency has been declared. I believe that this is preferable to permitting the President to choose his actions from a large residuum of unorganized, undefined, and often outdated legislative grants of authority.

Second, the bill imposes time limits on any future declaration of emergency. No emergency is effective beyond 6 months, unless specifically extended by Congress. This requires Congress to review any declaration of emergency and thereby imposes a degree of responsibility on Congress.

Also, the bill proposes the repeal of existing emergency statutes which the committee and the administration have agreed are no longer needed.

This bill is an important piece of legislation. Although it does not and cannot foresee every eventuality, it will interject a degree of thoughtful oversight over Executive decisionmaking.

Mr. President, I recently outlined in greater detail my thoughts on this matter in article published in the Wichita Eagle on August 18. I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE PRESIDENT'S POWER

(By James B. Pearson)

Since 1950, any president of the United States, without prior consultation with Congress, has had the power to:

Order a federal take-over of all Wichita aircraft plants and other defense-related industry.

Declare the cities of Omaha and Colorado Springs to be military zones because of their sensitive defense facilities, and order the arrest of anyone entering or leaving these areas.

Regulate radio and wire communications, including Western Union, news agencies such as the Associated Press and United Press international.

Close the New York Stock Exchange, suspend all currency trading, alter customs and import duties, and control shipping and rail transportation facilities.

No one seriously expects that in the absence of a major national or world upheaval that an American president would act so capriciously as to impose these draconian measures. But the significant point is that a president could legally take these and many other even more sweeping action because since 1933 the United States has been technically and legally in a state of national emergency.

To most Americans, the idea of giving a president special powers when the future of the nation is at stake is not particularly frightening. We have often relied on a strong executive to act quickly. This has been particularly true in time of war.

Most people do not realize, however, that a president can declare a national emergency on his own in peace time. There is no firm, legal requirement that our lives or property be clearly threatened before such a declaration is made.

This is true because a president, drawing upon a reservoir of strength from his position as commander-in-chief of the armed forces, and as chief executive may perceive the need for special action or unusual decisions and thus proclaim a national emergency.

The debate over the actual extent of the president's power in this area has raged for years. The issue has never been settled. Some presidents have generously interpreted their power to declare national emergencies.

For example, in 1970 President Nixon declared a national emergency in response to a wildcat strike of postal employes in New York and Chicago. He declared that adequate postal service was important to the well being of the nation.

The strike, he argued, could hinder the processing of men into the armed forces and impair tax collections and the distribution of social security and welfare payments. Following his statement, the President activated some Armed Forces Reserve units to begin distributing the mail in New York City.

Actually, these emergency proclamations have little effect standing alone. Their significance lies in the fact that they serve to activate hundreds of laws passed by Congress over the years delegating special authority to the president in times when national emergencies are in effect. These special laws can be triggered simply because a proclamation of emergency, possibly declared years ago, has never been technically revoked.

Congress has shown little reluctance in passing such laws. Time after time, when faced with crisis situations, Congress has handed the president, often with unseemly haste, special powers on a silver platter. While the president should assume leadership in a crisis, the Congress has often failed to consider the long run consequences of its actions.

The lack of careful thoughtful review in granting these special powers was demonstrated in 1933. At that time, Franklin Roosevelt submitted an emergency banking bill to Congress. No member of the House or Senate had copies of the measure. It was passed after 38 minutes of debate. It approved actions the president had aready taken.

Unfortunately, this incident is not unique. If we were to add up all congressional grants of power it would not be an exaggeration to say that the groundwork has been laid for a legal dictatorship.

The need for a serious, careful review of national emergency powers has become increasingly apparent in the last few years. And in 1973 the United States Senate established a Special Committee to study these extraordinary powers. I have been privileged to serve as a member of this Special Committee on the Termination of the National Emergency.

When our committee first began examining the question of the national emergency it quickly became apparent that our first task was to identify the existing proclamations of emergency and to catalog all special laws that could be used when emergencies are in effect. No one really knew the full scope and nature of emergency powers.

We learned that the four national emergencies declared in the last 40 years have never been repealed. In 1933 President Roosevelt issued an emergency declaration dealing with the depression. Harry Truman's emergency proclamation in 1950 provided basis for our involvement in Korea. President Nixon declared an emergency in 1970 to deal with a postal strike. He proclaimed another emergency in 1971 relating to international economic problems.

Then with the help of Air Force computers, the committee compiled a list of more than 470 federal statutes which can be activated while emergencies are in effect. Some date back to the 1800's. They have never been coordinated. They are not organized in any special manner. All 470 are in effect today.

In addition to these laws, presidents have issued countless executive orders, proclamations, and directives. These generally have all the force of law if based upon a specific congressional delegation of authority. Many of these rulings are not published for review by Congress or the public.

Each of these laws and executive orders had legitimate objectives at the time of enactment. But over the years they have often been used in ways never imagined by the original authors.

In addition to the rather dramatic possibilities listed in the opening paragraph, there are several actual incidents of presidents using emergency laws of another era to justify their actions.

For example, in 1917 Congress passed a law prohibiting trading with Germany. Section 5(b) of the "Trading with the Enemy Act" gives the president very broad economic powers during the time of war or during any other period of national emergency. This is still "good law" because of the 1950 emergency.

Thus in 1968 President Johnson wishing to control the foreign investments of U.S. companies to alleviate the balance of payments crisis, issued an Executive Order based on powers granted by the "Trading with the Enemy Act" of 1917.

In 1950, Congress passed the Defense Production Act giving a president wide-ranging powers to control the production of materials needed for national defense in connection with the Korean War. Its language is broad enough to permit the president to order government possession of a plant which refuses to manufacture a specified kind or quantity of material.

As late as 1966, this Act was used to fill a Department of Defense order for 3 million tropical uniforms for use in Vietnam. Also, in the fourth quarter of 1966, the president relied on the law to require steel producers to set aside 6 per cent of their output for defense. Eighteen per cent of copper and 13 per cent of aluminum production also was ordered to be set aside for defense purposes.

Several presidents have, also, relied upon the Feed and Forage Act of 1861. This bill was passed during the Civil War to give the Army authority to obtain feed and cavalry forage when Congress was not in session.

Today, this act still permits the armed services to use deficiency spending to obtain clothing, subsistence, fuel, quarters, and other supplies. I think these needs should be met. However, the law has, also, been used to finance American Marines in Lebanon in 1958, to support the Berlin mobilization in 1962, and to maintain troops in Southeast Asia.

I do not suggest that these actions are evil, dictatorial, or even unneeded. But I am persuaded that all the emergency powers, when taken together, give future presidents an unacceptable range of discretionary power. To say that a contemporary president would not likely abuse emergency power available to him is no guarantee that some future president under unforeseen conditions might not do so.

But of equal or more importance than the possibility of the outright abuse of power is the fact that in exercising emergency authority, even in a legitimate and proper way, the president makes policy decisions which should be properly shared with the Congress.

Because of the existence of these broad emergency powers even the best intentioned of presidents is tempted from time to time to take the quick, easy route of issuing executive orders rather than coming to Congress with a request for statutory authority to deal with the problem at hand.

This is, of course, not always possible. But if we are to maintain a proper balance of power over the long haul, we must continually be on the alert to prevent the unnecessary exercise of presidential power and the undesirable decline of congressional authority.

No one suggests that the president should be denied the use of emergency powers. Congress cannot always move with the necessary speed to deal with crisis situations. The real question is not whether the president should have emergency powers, but how extensive they should be and how they should be controlled to assure proper accountability and to prevent possible abuse.

Congressional review is essential to checking the steady growth and accumulation of presidential emergency powers. We must insist upon our role to oversee the use of these and to terminate them when conditions are proper.

One means of instituting stricter congressional controls is to limit the length of emergency grants of power.

The British have learned this lesson. During World War II, Parliament granted massive powers to the prime minister and his cabinet. Britain appeared to be a totalitarian state. However, Parliament, also, retained the right to review and terminate the special authority. This grant of powers had to be renewed annually by Parliament. Parliament never lost control of its ultimate right to review and revoke emergency powers.

The U.S. Congress is finally beginning to impose time limits on the granting of special powers. The Economic Stabilization Act, which gave the president the power to invoke wage and price controls, was allowed to lapse on April 30, 1974.

Also, during debate on emergency energy legislation last winter, Senator Church sought to include specific time limits in the grants of power given to the president. Because of the work of our committee, we were able to convince the Senate to limit the delegation of emergency energy authority to one year.

After long and careful study, the Special Committee to Terminate the National Emergency has now prepared and submitted to the Senate legislation which we believe effectively deals with the question of controlling the use of emergency powers.

Our bill proposes to terminate, after nine months, the effectiveness of all powers given to the president by law as the result of any national emergency currently in effect. The 470 laws, which we mentioned earlier, would in effect be "placed on a shelf for use during future national emergencies."

Outdated or unnecessary laws would be repealed.

Under the bill, the president could, in the future, declare a national emergency. But, along with his declaration, he would have to inform Congress precisely which powers "on the shelf" he wishes to use during the emergency. In case of war, the president could use any emergency statute on the books.

The bill also specifies that any declared emergency will be automatically terminated within six months unless extended by Congress. Congress may, also, end the emergency before the six months expire. If the need for special executive powers continues beyond six months, a president may declare another emergency. These subsequent declarations would also be subject to congressional approval. During a war, the powers would remain effective until the war was terminated in accordance with Constitutional processes.

The bill also requires the president to maintain a file and index of all executive orders or any other directives he issues. Copies of the orders must be given to Congress. The security of these rulings is protected if they contain confidential information.

This bill is not the perfect answer to all of our questions. A devious president, if he could withstand the political pressure, might wait several days after the expiration of each emergency prior to announcing a new one.

Congress could also refuse, out of spite or for political reasons, to approve legitimate measures needed to protect the nation. Nevertheless, the bill does impose significant new restrictions on the unfettered use of emergency powers.

This bill, if approved by Congress and signed by the president, will impose a measure of congressional restraint and oversight on executive powers which have fast become unmanageable. Its adoption would in no way cripple the president's ability to contend with genuine emergency conditions.

It does represent a step toward reinstituting constitutional government as I believe it was intended to function. It is a major piece of legislation. It should be adopted.

Mr. **STEVENSON**. Mr. President, 2 weeks ago, the Constitution provided for an orderly transition in the Presidency.

Today, the Special Committee on National Emergencies and Delegated Emergency Powers on which I am privileged to serve is reporting the National Emergencies Act. That act is intended to assure that in our democratic system of government the President's power does not exceed the power he derives from the Congress and the Constitution.

The National Emergencies Act provides for:

First, the termination of the present status of "national emergency";

Second, a procedure for the declaration of emergencies and their termination;

Third, public disclosure of action taken pursuant to emergency power statutes; and

Fourth, repeal of existing emergency power laws.

Four Presidentially proclaimed states of national emergency are now in effect. Without the consent of Congress, the President can, among other things, seize property, organize and control means of production, assign military forces abroad, declare martial law, restrict travel and control all means of transportation and communication. A President can manage the lives of every American citizen by decree.

Only a few of the President's emergency powers are being used which is evidence in itself that an "emergency" no longer exists.

The National Emergencies Act is the result of more than 2 years of hearings and research by the Special Committee on National Emergencies and Delegated Emergency Powers.

This act will safeguard our constitutional balance of powers, if enacted. But it cannot be enacted without the approval of the President. The Congress cannot reclaim its Constitutional powers without the President's consent.

President Ford has moved brilliantly, but symbolically, to redress the imbalance of power. I commend him, and I urge him and the Congress to now act by supporting this legislation.

Mr. **HANSEN**. Mr. President, I would like to take this opportunity to direct my remarks to a bill which the Special Committee on National Emergencies and Delegated Powers of which I am a member, recently reported. It is my understanding this bill will be referred to the Committee on Government Operations.

It is my feeling this bill offers a correct approach to restricting the executive branch's power to declare a national emergency by giving it sufficient power to declare a national emergency when the "preservation, protection, and defense of the Constitution, and . . . the common defense and safety of the territory and people of the United States" so require it. Few would argue the need under these circumstances for immediate action, which many times Congress is unable to provide due to the majority consensus required.

The source of national emergency power is derived mainly from delegation of congressional power to "make all laws." There has not been an usurpation by the Executive of Congress' power but rather there has been an authorized delegation. The appearance of excess and uncontrolled power of the President to declare a national emergency through an executive order has stemmed mainly from failure to publish in the Federal Register documents which are in fact Executive orders and proclamations but which have not been formally prepared.

Congress has failed to specify substantive standards, which would require the recordation of all documents in the above class. The statutes from which the power to declare a national emergency are incorporated have in many cases been obscured and the President has been able to draw this source of power from laws which were generally unknown. As a result of the committee staff's work, approximately 470 statutes have been located which contain authority for the President from Congress to declare a national emergency. Under the bill, 470 statutes would remain dormant until the President specified which he wishes to become active at the time when emergency conditions arise. If Congress takes no action on the President's request within 6 months, the national emergency will lapse. Congress could extend the emergency past 6 months if desired. The bill would also end the four existing states of national emergency and repeal laws that both the Executive and Congress believe to be obsolete.

It is my feeling this bill has updated and coordinated the existing statutory authority for declaring a national emergency. It has set reasonable restrictions upon the use of this authority without restricting it beyond practicability. Congress has reclaimed its right to make all the laws by restricting the Executive's power to declare a national emergency. Yet the executive still retains the right under the 470 statutes to declare a national emergency in the face of an emergency.

Mr. **PELL**. Mr. President, the National Emergencies Act of 1974, introduced today by Senators CHURCH and MATHIAS and cosponsored by all the members of the Special Committee on National Emergency Powers, including myself, is an unprecedented and crucial piece of legislation.

This legislation is the product of 20 months of study and work by the special committee, particularly the cochairman and the staff.

It is ironic, Mr. President, that the special committee was examining the question of national emergencies and emergency powers during the same period in which the American people were becoming acutely concerned about the extent and use of Presidential power in our supposedly balanced system of National Government.

In view of the continuing national reexamination of the proper roles of the executive and legislative branches of that Government, it is particularly appropriate that the special committee should come forward with this legislation today.

The National Emergencies Act of 1974 simply but effectively fulfills the mandate of the special committee when it was created in the 92d Congress. It provides for the termination of the four states of national emergency which continues in effect in our country.

In place of those four states of national emergency, the legislation would establish what I believe to be an effective and responsible mechanism for dealing with future national emergencies.

Under the system proposed in this legislation, the Chief Executive would have available to him the power to declare a national emergency and to call into effect those powers which are necessary to deal quickly and effectively with the emergency situation.

But, unlike past practice, the Congress would reserve its proper role of examining and judging the rectitude of the Chief Executive's actions. There is also the clear recognition that such emergencies are temporary in nature and that the states of emergency should not continue beyond the end of the emergency situation.

Mr. President, I believe that action by the Congress to correct the inaction of the last 41 years, regarding emergencies and emergency powers, is long overdue. Senators CHURCH and MATHIAS are to be commended for bringing this problem to the fore and for the thoroughness of their study of the many facets of these questions.

I hope that speedy action can occur on this legislation both in the Senate and in the House so that we can restore—at least in this one crucial area—the balance that the framers of the Constitution so wisely constructed.

The **PRESIDING OFFICER**. The Senator from Idaho.

Mr. **CHURCH**. Mr. President, I simply want to join with the distinguished Senator from Maryland (Mr. MATHIAS) in expressing my own appreciation for the attitude shown by President Ford this morning. I think his recognition of the need to end emergency Government and to restore normal Government is not only very encouraging to those of us who have worked long and hard on this committee, but it makes this day a promising one for the Republic.

Mr. President, I would like to ask unanimous consent that the name of the distinguished Senator from Florida (Mr. Chiles) be added as a cosponsor to the bill we have introduced today.

The PRESIDING OFFICER (Mr. Helms). Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CYPRUS

Mr. CHILES. Mr. President, I speak today on the concern that many of us have on the situation that is now going on in Cyprus.

It is a situation, certainly not of any making of the United States. It is a situation in which I think the United States has tried in every way that it possibly could to effect a cease-fire, to keep there from being a military intervention, and to try to bring the parties together in a very complex problem, trying to effect a peaceful situation.

But saying that, I think the United States is in a strange position when we find that the conflict that has gone on and the hostilities that have gone on have seen both sides again armed with American weapons.

Now that, in itself, Mr. President, is perhaps explainable when you consider that both Greece and Turkey are and have been valuable NATO allies of the United States, and perhaps where there certainly has been valid reason that we would want to provide arms for both of these countries.

So what the United States had done in the past in providing shipments of arms to both Greece and Turkey, which ultimately have involved themselves in the conflict, is understandable.

But what I think we do have a hard time explaining, Mr. President, is the fact that today we are still shipping arms to both of these countries.

Today, there could be arms being unloaded, there could be arms going from this country today that ultimately can involve themselves in a further conflict.

I have the hardest time trying to understand how we are going to rationalize that policy when we still see that the countries at this time have not effectively come to the conference table, that they are not in full negotiations, that there are still some outbreaks of fighting going on on the island.

For the life of me, Mr. President, I cannot understand why we are allowing those arms shipments to go on today.

Now, perhaps you can say there are all kinds of reasons we do not want to cancel those.

Perhaps there are, but I do not see any reasons that are valid enough that would allow us to continue those shipments while those countries are in this state that they are in with each other.

On the tragic loss of Ambassador Davies, the tragic loss of a U.S. Ambassador who was doing his duty in every way he could, someone mentioned to me today that he might have been killed by an American bullet.

The idea that we might be putting a bullet today on a ship or on a plane that is going to go there, perhaps be used, certainly is tragic. It is just as tragic if it is any citizen, be it a Greek Cypriot, a Turkish Cypriot, or any other, and that we are going to be supplying arms to a country now in a conflict, that now has not agreed to a peaceful solution. I think the first thing we should be doing in this country is stopping all shipments of military arms and military materiel until we see peaceful solutions to this problem.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THEODORE ROOSEVELT McKELDIN

Mr. MATHIAS. Mr. President, we in Maryland have lost one of our most useful and most distinguished citizens, Theodore Roosevelt McKeldin.

He was twice elected as Governor of Maryland. He was twice elected as mayor of the city of Baltimore.

For a Republican, this was quite a feat. In his time, I think it could have been accomplished by none other than Ted McKeldin.

He was the man who nominated Dwight David Eisenhower to be President of the United States.

He was practically the first politician of major stature who undertook to aggressively fight to bring equality to all Americans without regard to race or color.

He occupies a very special place in the history of American politics.

I would like to send to the desk at this time, not the glowing editorials, although there were many of those, not the eulogies, although there were many of those, but letters from citizens written to the Baltimore Sun and which appeared on the pages of the Baltimore Sun. They are letters from people who felt the impact of Governor McKeldin's career in their lives, which is, after all, the ultimate test of whether a life of public service has been effective.

Mr. President, because there were many Members of the Senate who personally knew Governor McKeldin and who recognize all that he did in devoting a lifetime to public service in America, I shall ask for a time in which appropriate remarks can be made on his life and on his service when we return in September.

At this time, I ask unanimous consent that these letters from citizens of Maryland to the Editor of the Sun be placed in the Record.

There being no objection, the letters appearing in the Baltimore Sun were ordered to be printed in the Record, as follows:

Letters to the Editor: Tributes to McKeldin

The Reformer

Sir: The City of Baltimore and the State of Maryland have lost a citizen of great political worth. Theodore R. McKeldin served his city and his state with devotion and effectiveness. We should be proud to have had his long years of political activity. We shall not soon see his like again.

Like the famous president whose name he bore, McKeldin was a man of great energy and enthusiasm. He reveled in the game of politics—he was by very nature a politician. He loved people and let no opportunity pass to associate with them. It didn't matter whether there was an actual campaign on or not—his appreciation of and attitude toward people never wavered. Like Roosevelt, moreover, he was basically a reformer and he believed that government could be a useful tool in making life better for the people—all the people. In his years in the offices of mayor and governor, he achieved much, despite the fact that the legislative branches in both governments were always controlled by the opposite party.

As a student of the author at the Johns Hopkins University nearly fifty years ago, he was avid to learn all he could about American government, national, state and local. He devoured the subject matter of his courses as a hungry man attacks his steak and baked potato. Even then he was secretary to the Mayor and appeared intent upon an active political career. One must say that he achieved his goal. What other Marylander has exceeded his record?

A typical case of how he operated is supplied by his Charter Reform proposal. When he became Mayor, Baltimore was operating under a charter written in 1898. To be sure it had been rewritten when "Home Rule" was put into the State Constitution. But that had been chiefly for purposes of gaining a favorable popular vote, largely a mere rewrite job.

McKeldin recognized the inadequacies and outdated provisions of the charter and proposed revision. But he recognized that he could expect little in that direction from the City Council. Accordingly he appointed a Charter Commission under the chairmanship of Judge Emory H. Niles and under the careful eyes of the late Judge Sobeloff, then City Solicitor—and Dr. Flack, the head of the Legislative Reference Department. But the Mayor, with an eye to the people and their necessary vote on any proposed new document, created a large Advisory Commission. To this, he named representatives of many civic organizations whose ideas he invited and whose ultimate support he desired.

Unlike many such commissions which are mere window dressing, this one became an active forum for the presentation and discussion of many possible provisions, with the results of their deliberations sent along to the official Charter Commission for its consideration. Thus did McKeldin combine both the science and the art of politics to the reform of the basic law of the City and the smoother operation of its government.

As a footnote to his long and eventful career, and in relation to recent tragic developments at the national level, one may ponder how different history might have been if, in 1952, he had been chosen to be Eisenhower's running mate.

C. I. Winslow.

Towson.

Autograph Signing

Sir: I was saddened to learn that Governor Theodore R. McKeldin had passed away.

My first memory of the Governor dates back to the early 1950s when he signed an autograph for me at a synagogue groundbreaking; how many governors sign autographs for seven-year-olds in 1974? I cheered him on during his remarkable and indeed successful campaign for Mayor of Baltimore in 1963; being a Republican in Democratic Balamer was inconsequential when Governor McKeldin was the GOP candidate.

I recall chatting about politics with him at Memorial Stadium during an Oriole game in the mid-60's; he was always so approachable. I felt sympathy for the Governor when an impatient Fourth of July crowd at the Stadium booed as he prolonged his introductory remarks by seeking to infuse some historical perspective into the ensuing fireworks demonstration.

While earning two treasured degrees at the University of Maryland in College Park, I spent many worthwhile hours pursuing knowledge at the McKeldin Library on campus; I always felt that it was particularly fitting that such an important building was named in the Governor's honor.

I am grateful that the first elected public official to whom I was exposed was a man whose integrity, competence and accessibility were such that it provided a favorable lifelong impression of our political system. I believe this is particularly poignant when one considers the impression being made on 1974's seven-year-olds by the events that transpired during the last days of Governor McKeldin's life.

Phillip E. Meyer.

Boston.

Waxter Center

Sir: A statesman and friend has left for a better place! Theodore Roosevelt McKeldin is no longer among us to share his wisdom, charm and wonderful good humor! Your obituary was rightfully full of past glories and some heartaches. But, it neglected to mention one accomplishment that was very dear to his heart—The Waxter Center for Senior Citizens!

Having been executive of the former Baltimore City Commission on Problems of Aging, during his second term of office, I know how much bringing this facility into reality meant to him. We worked closely the four years he was Mayor to make it possible for the voters to express their overwhelming support of the $3,800,000 bond issue in November, 1967. It was his legacy to Baltimore's senior citizens!

Mr. McKeldin's successors were able to build and dedicate this "first-of-its-kind-in-the-country" center because he had the foresight and fortitude to make its construction possible with millions of local public dollars.

He listened and acted! Even when the approval road to the ballot was a hard one to travel, Mr. McKeldin felt that only made the final goal more worthwhile. And, he was so right!

He is gone from our midst! But, our gratitude to him must be kept alive today, and in the future, if Baltimore is truly to be the city where its senior citizens are NEVER thought of as "the old, the ill, and the unremembered."

Franlyn C. Hochreiter.

Towson.

Might Have Been

Sir: Although only coming to Maryland ten years ago, I have always been appreciative of Theodore McKeldin's accomplishments and life.

Two editorials in *The Sunday Sun* were rather striking—the one paying tribute to Mr. McKeldin and the other, a sad evaluation after the ending of the Nixon era. One is led to think of what "might have been" if Theodore McKeldin had been nominated vice president with Mr. Eisenhower in 1952 instead of Richard Nixon.

William P. Nyce.

Westminster.

Friendly Contacts

Sir: I would like to add my tribute to Baltimore's unique citizen. Your biography of McKeldin brought chuckles of shared reminiscences. Thousands of us can add others, such as his handing out autographed pictures when Oriole Park burned down, and, later, at the opening of the Little World Series in Baltimore, his wonderful flight of oratory with the dove, the oriole, and the eagle.

There are our own personal memories, too. Surely no Baltimorean had so many friendly contacts with people in so many walks of life. He lived what he believed, and he made Baltimore a better city because of it. We are indeed, richer for the life of Theodore R. McKeldin.

Dorothy Ogle Graham.

Pikesville.

An Orator

Sir: Theodore R. McKeldin was a Christian gentleman not ashamed to carry his religion into both private and public life. In all his campaigns throughout the length and breadth of this State he never stooped to bitterness or hate.

If an orator, according to an old Latin definition, is a good man skilled in speaking, McKeldin was surely an orator. He added a new moral dimension to Maryland politics.

At a time when politicians at all levels are being corrupted, how we need a Theodore R. McKeldin.

John L. Berry.

Baltimore.

Peale Museum

Sir: Among the many accomplishments of the late Theodore R. McKeldin, I would like to single out this contribution to the cause of the preservation of historical buildings in Baltimore, particularly with respect to the Peale Museum. He was a member of the Board of Trustees of the museum for 32 years as Mayor, Governor and private citizen, and it was much more than a formal connection. He had a genuine enthusiasm for "the museum of the life and history of Baltimore," as we call it.

His interest in the museum began when he was secretary to Mayor William F. Broening in 1928. At that time the old "Peale's Museum" building on Holliday street was threatened with demolition. It had been used for years as a factory and was in great disrepair. In the nick of time a citizens committee was able to convince Mr. Broening to renovate the building for renewed use as a public museum.

Although he always deprecated his role in this, others have insisted to me that Ted McKeldin was very useful to the cause. In any case, when he became Mayor in 1943, and thereby an *ex officio* member of the Board of Trustees, he seldom missed a meeting or a social event at the Museum.

After he was elected Governor he let it be known that he would like to continue this association, and he was immediately invited to become a regular member of the Board, and remained so, in or out of public office.

His greatest contribution came in his second term as Mayor. The city-owned Carroll Mansion, long neglected and nearly ruinous, was threatened with demolition—a rerun of the 1928 story. This time Ted McKeldin took the initiative in saving the building and seeing that it was restored properly. Shortly after that he also rescued the derelict Old Town Meeting House, Baltimore's oldest church, from imminent destruction.

In both cases he sought out private funds to supplement city money, and arranged to have the two buildings, and the interior of the Washington Monument as well turned over to the Board of Trustees of the Peale Museum for operation, thereby greatly increasing our scope and responsibilities.

After leaving office as Mayor, he continued to be a very active member of the Board of Trustees of the museum, serving on committees, helping to raise money, and using his influence in our behalf. Perhaps this aspect of Ted McKeldin's career may not seem very important when measured against his other public achievements, but it was a matter of great personal satisfaction to him that he had a hand in the preservation of three of Baltimore's most significant historical landmarks.

We deeply appreciate what he has done for the Peale Museum and, through the museum, for the people of Baltimore and posterity.

As a personal note, I joined the museum during Ted McKeldin's first term as Mayor and got my baptism in municipal government affairs under his eye. He was one of the most stimulating men I have ever known, and I miss his high spirits and good humor, his flamboyance and drolleries, his courtesy and penetrating sense of what was important at the time. It was a privilege to have been associated with him.

Wilbur H. Hunter,
Director, the Peale Museum.

Baltimore.

A Lonesome Place

Sir: In the death of the former Governor and the former Mayor of Baltimore, Theodore R. McKeldin, we in Baltimore and Maryland have lost a great man.

He was an outstanding leader, possessing rare talent, wisdom, ability—a man of noble character, keen judgment and a deep understanding and love of people—one who enriched the lives of countless persons throughout this city, state and nation.

Through my long years of association with him I had the opportunity to feel the impact of his profound religious commitment and his liberal philosophy of life for which I shall be grateful forever and for which I pay this personal tribute. My words are inadequate to express the extent of the loss we have sustained and how greatly he will be missed by a host of dedicated friends who share with Mrs. McKeldin and the family great sorrow in his passing. In the words of Edwin Markham, said of Abraham Lincoln:

". . . he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky."

Mildred K. Momberger.

Baltimore.

RHODESIAN CHROME

Mr. HARRY F. BYRD, JR. Mr. President, when the House of Representatives returns from the Labor Day recess, it probably will take up a proposal to repeal legislation which the Congress enacted in 1971. The legislation which the House proposal would repeal is the so-called Byrd amendment.

This amendment, enacted by Congress in 1971, prevents the President of the United States from placing an embargo on the importation of a strategic material from a free world country if that same material is being imported from a Communist-dominated country.

The background is this: on December 16, 1966, the United Nations Security Council voted an embargo on all trade with Rhodesia. The then President of the United States, Lyndon B. Johnson, issued an Executive Order, No. 11322, dated January 5, 1967.

Under this Executive order, issued unilaterally by the President without consultation with Congress, all trade between the United States and Rhodesia was embargoed.

It was in that same month of January 1967 that the senior Senator from Virginia, in a speech in the Senate, expressed strong opposition to this unilateral action by the President of the United States. I did so on what seemed to me to be a matter of great principle.

What justification is there for this powerful country, the United States of America, to decree an embargo on a small, landlocked nation which by no conceivable stretch of the imagination, can be considered a threat to world peace?

What Rhodesia was seeking, and the reason the embargo was decreed, was its independence from Great Britain. To put it another way, Rhodesia was seeking to do in 1966 just what the United States attempted to do in 1776.

I was convinced at that time, more than 7 years ago—almost 8 years ago—that this embargo of trade with Rhodesia was an unprincipled act on the part of the United States. It was not until 1971, however, that another extremely important element entered this picture of a trade embargo against Rhodesia.

It was at that point that I brought to the attention of the Senate that, as a result of the trade embargo, the United States had become dependent on Communist Russia for a vital, strategic material; namely, chrome.

So this issue of Rhodesian chrome is a twofold issue: First, a matter of principle as to whether the United States should involve itself in the internal affairs of another nation; second, whether it is wise, logical, or right for the United States to put itself at the mercy of Communist Russia for a critical and strategic material without which the Nation's defense needs cannot be met.

The United States mines no chrome. There is none mined in North America. There are only three nations in the world with an appreciable supply of metallurgical chrome. Those three nations are Rhodesia, which has about two-thirds of the world's metallurigcal chrome deposits; the Republic of South Africa, which has about 22 percent; and the Union of Soviet Socialist Republics and other Communist countries, which have approximately 6 percent.

There are several other countries—India and Turkey, principally—with small supplies of chrome. But as a practical matter, it is only from Rhodesia and South Africa and Russia that the world chrome needs can be met. It is only from those three nations that the United States chrome needs can be met.

It is in Rhodesia that are located the world's largest deposits of high grade metallurgical chrome ore. Other types of chrome ore, including chemical grade and refractory grade, are found elsewhere in the world, but the metallurgical grade is by far the most important kind in terms of both economic and national security.

Chromium is one of the most indispensable industrial metals. Current U.S. consumption of metallurgical chrome ore totals about 700,000 tons per year, and every pound is imported.

When the United States began to designate strategic materials for stockpiling and defense purposes in 1939, chromium was one of the first four commodities to be listed. The stockpile consists of metallurgical grade chromite and several types of ferrochromium.

Mr. President, the foremost expert in the Senate on the matter of stockpiling of strategic materials in general and chrome in particular is the Senator from Nevada (Mr. CANNON). Senator CANNON has vigorously supported the Byrd amendment, and he has vigorously opposed placing an embargo on the importation of this strategic material. In an outstanding address to the Senate on December 10, 1973, and again in another address to the Senate on August 1, 1974, Senator CANNON went into considerable detail in regard to the importance of the United States maintaining the right to import this vital and strategic material from Rhodesia.

We must remember that our stockpile is to protect the Nation in time of war. If it is depleted, it will not be there for emergency use. Senator CANNON discussed this point in his excellent statements.

I shall not do it now, but at the appropriate time, I shall insert both of these statements by Senator CANNON, chairman of the Subcommittee on Stockpiling of the Committee on Armed Services, into the RECORD.

Mr. President, why is it that presumably sensible people wish to place an embargo on trade with Rhodesia and thus, by doing that, make the United States dependent on Communist Russia for the major portion of its chrome imports?

One reason is purely political. I can understand the politics of it, and the politics are compelling.

Rhodesia has become a symbol of oppression to her sister countries in Africa. So all of black Africa is united in opposition to Rhodesia. Then the spillover comes to the United States, where many of the black leaders in this country, in order to express sympathy with black Africa, feel it is necessary to demand an embargo on trade with Rhodesia.

Then some of the politicians in the Congress, naturally, take cognizance of the attitude of the black leadership and are willing to vote this embargo, because of the political situation which faces them.

I understand. I do not agree that national defense should be subordinated to domestic politics, but I understand it.

That is one reason. What is the other reason?

The other reason—and it was argued on the floor of the Senate day after day last December when the same measure was before the Senate—is that because the United Nations Security Council has decreed an embargo, has taken action, then, to use the words of the foremost proponents of an embargo against Rhodesia, such United Nations action becomes equivalent to a part of the American Constitution.

Mr. President, that is a very significant statement that the proponents have made in arguing for this embargo against Rhodesia, so I want to quote from the debates and get the exact wording. The chief sponsor of the legislation said this in the December debate, and I quote the distinguished Senator from Minnesota (Mr. HUMPHREY):

> The fact of the matter is that the United Nations Charter, as adopted by the Congress of the United States and ratified by the Senate, has the same standing as a provision of our Constitution. It is a supreme law of the land.

Mr. President, I want to suggest to the Congress of the United States that when the House of Representatives considers the legislation which will be before it, when it returns from the Labor Day recess, it will be called upon to pass judgment on two vital matters affecting the American people.

One is whether the security of the American people shall be put into the hands of Russia insofar as the importation of a vital war material is concerned.

The other is whether the Members of the House are willing to vote to substantiate the statement of the Senator from Minnesota (Mr. HUMPHREY) that an action of the United Nations Security Council, allegedly taken pursuant to the U.N. Charter, becomes a supreme law of the land.

Mr. President, I believe that if the American people would understand this debate, if the American people would know that those who are opposing the Byrd amendment are doing so because they say that it runs counter to the United Nations and that whatever the United Nations Security Council decrees then becomes a supreme law of the land for the United States of America, they would repudiate that assertion. I repudiate that assertion. I repudiate that fuzzy thinking.

When the day comes that my vote as a U.S. Senator will be determined by some action taken by the Security Council of the United Nations in New York, I will not be very much inclined to seek the opportunity or the responsibility of representing the people of Virginia in the U.S. Senate.

In recent months, this country has found itself at the mercy of the Middle East oil nations, and we all know how costly that has been to the American people. We know that Congress had to put in effect year-round daylight saving time in an effort to save some energy. We know that the speed limits had to be reduced. We know that the price of petroleum has gone up tremendously. We know that petroleum supplies had to be allocated. We know that, at one point, Americans could not get adequate gasoline supplies to operate their automobiles. So we are at the mercy, to some extent, of the Middle Eastern countries with respect to petroleum.

If we cut ourselves off from Rhodesia, we will then be at the mercy of Soviet Russia for a vital and critical material.

Let us look at what has happened in

the last several weeks. During the crisis with regard to Cyprus, Turkey, from which we were obtaining some chrome, cut off that supply. Where did we go to make up that difference? We went to the Rhodesian Government. That government, which we have treated so badly, came to our aid and made it possible for us to obtain needed chrome.

If the pending legislation is adopted, then, if a similar situation occurs, such as occurred between Greece and Turkey over Cyprus, it would be impossible to go to Rhodesia for the necessary chrome.

Very eloquent speeches were made in the Senate, and undoubtedly will be made in the House of Representatives, in which it was said that the Rhodesian Government does not handle its internal affairs the way the United States would like those affairs to be handled, and I agree with that.

Speeches have been made and will be made in the Senate, and will be made again in the House, in which it will be said that certain groups of individuals in Rhodesia do not have the same rights as other groups in Rhodesia. I do not disagree with that.

But I submit, Mr. President, that these United States of America cannot logically go all over the world and attempt to tell other countries what type of government they ought to have. Yet that is what we are trying to do with Rhodesia.

If we are going to do that with Rhodesia, why do we not do it with the nation which has been the most oppressive of its citizens of any nation, perhaps, in the history of the world? I am speaking of the Soviet Union. I do not believe any Member of Congress can seriously contend that there is more oppression in Rhodesia than there is in Russia. There is no comparison.

Solzhenitsyn has pointed out the oppression and the police state methods, the way individuals have been crushed to the earth. Sakharov has pointed out what has happened in Russia. The Jewish people in Russia know what has happened there. They know how they have been oppressed. So do many Christians in Russia. So do the intellectuals and dissidents. If this Congress is so worried about oppression in Rhodesia, why does it not concern itself with oppression in Russia?

I say that what the United Nations and the United States have done to Rhodesia is sheer hypocrisy.

Talk about oppression: What about Russian oppression, not only of its own citizens but of citizens of other nations? The Communist Government of Russia was not satisfied with oppressing its own people, but it has branched out all through Eastern Europe. Ask the Latvians. Ask the Estonians. Ask the Lithuanians. Ask the Polish. Ask the Czechoslovakians. Ask the Hungarians. There is where the oppression is. And yet, what do we do about Russia?

Well, we do a great deal about Russia. Our Secretary of State and our President drink champagne with Comrade Brezhnev and Comrade Kosygin. That is all right. I favor that dialog between the leaders of Russia and the United States, so I do not complain about that.

What I do complain about is the hypocrisy of saying a certain group in Rhodesia is not treated as well as another group in Rhodesia, so we are going to embargo all trade with that nation. Yet we are unwilling to do anything about the plight of the Jewish people in Russia, about the plight of the Christians in Russia, about the plight of the intellectuals in Russia, about the plight of those who do not agree with the Communist dictatorship in Russia. No, we do not do anything about that.

As a matter of fact, in the name of détente, what have we done? All of the things I am about to recite happened in 1972.

Our negotiators worked out a very fine grain deal with the Soviet Union, which cost the American taxpayers hundreds and hundreds of millions of dollars—and it cost the consumers of this country, the housewives of this country, hundreds and hundreds of millions of dollars in increased costs of food, all for the benefit of détente and the Soviet Union.

Let us take another deal in 1972. The Soviet Union owes the United States a great deal of money. But in the name of détente, we wanted to settle that debt. It would make the Russians feel better, and our negotiators are not too concerned about our tax dollars. So we settled that debt at 3 cents on the dollar, plus another 24 cents provided that the United States gives Russia most-favored-nation treatment in regard to trade, and provided we lend the Soviet Union $500 million at low-interest rates to buy products from the United States.

I do not call that much of a deal. I say we came out a distant second best on that.

The third deal with Russia resulted from the so-called strategic arms limitation talks in 1972. That was a fine agreement. It provided that Russia would have numerical superiority in intercontinental ballistic missiles and in nuclear-carrying submarines.

I could not have supported that agreement were it not for the fact that it was a 5-year interim agreement, and had not the Senate written into it, after the agreement was made, the Jackson amendment calling on our negotiators in any subsequent talks to demand parity with the Soviet in nuclear arms.

Before leaving the question of Russia, I want to say that I favor détente in the sense that I favor a dialog between the leaders of the great nations. I think it is important for the leaders to get together to discuss these matters. But where I take issue with former President Nixon and where I take issue with Secretary of State Kissinger is when it comes to agreements in which the United States comes off second best.

Yes, Mr. President, when the House of Representatives gets back in September it will have a measure before it to reimpose the embargo against Rhodesia, and if it carries will thus make it impossible to import that vital material, vital to jet aircraft, vital to the construction of our submarines, vital for our industry and for the men working in our industrial plants of our Nation.

Incidentally, the union leaders among the locals in most of the areas of our country which are affected by his, favor the Byrd amendment. Now, the national union leaders, being affected by the rarified atmosphere of the air-conditioned offices where they are, are the ones who are opposing it because, they say, "Oh, we have got to support the United Nations." They want themselves to be considered as world statesmen.

But the men down in the plants, the union leaders in the locals, whose membres will be put out of work if we are not able to import adequate chrome, they support the Byrd amendment.

I realize the odds are sort of against us in trying to hold the Byrd amendment—are against us in trying to make it possible to continue to import the vital strategic material from Rhodesia.

I do take some little encouragement, however, from the fact that the measure was scheduled to come to a vote in the House of Representatives this week, and it was put off twice because a head count of the Members of the House of Representatives showed that the leadership there did not have the votes to repeal the Byrd amendment.

We do not know what deals may be made over the Labor Day weekend. I hope that my colleagues in the House are not susceptible to deals.

I want to suggest, Mr. President, that those of us in Congress face a very heavy responsibility now if we are going to put this country at the mercy of Russia. It may help détente, but have we not done enough for Russia in the name of détente?

Mr. President, I queried the Secretary of State with regard to this matter when he came before the Finance Committee of the Senate on March 7, 1974. I will read a few parts of it now and I will put the remainder in the Record at a later point.

I put this question to Secretary of State Kissinger:

> Senator Byrd. Do you regard the Soviet Union as being governed by a tight dictatorship, by a very few persons over a great number of individuals
>
> Secretary Kissinger. I consider the Soviet Union, yes, as a dictatorship of an oligarchic nature, that is, of a small number of people in the Politburo.
>
> Senator Byrd. In your judgment, is Rhodesia a threat to world peace?
>
> Secretary Kissinger. No.

He answered that with one word, "No," just as any sensible person had to answer it. By no stretch of the imagination could it be considered a threat to world peace.

Another question:

> Senator Byrd. In your judgment, is Russia a potential threat to world peace?
>
> Secretary Kissinger. I think the Soviet Union has the military capacity to disturb the peace; yes.

So we embargo our trade with Rhodesia which, as the Secretary of State says, is not a threat to world peace, but we expand our trade and loan the Russians the money to buy the products from us, expand our trade with a country which he says is a potential threat to world peace.

Senator BYRD. In your judgment does Russia have a more democratic government than Rhodesia?

Secretary KISSINGER. No.

Now, another part in the discussion I had with the Secretary of State:

Senator BYRD. You have testified that you do not regard Rhodesia as being a threat to world peace.

Secretary KISSINGER. That is correct.

Senator BYRD. And then you know, of course, that under the United Nations Charter, action can only be taken against a country in regard to an embargo if that country is judged to be a threat to world peace; and so my question to you is, do you think the United Nations acted properly?

Secretary KISSINGER. I had thought the United Nations acted properly, but in light of what you said, I would have to review the particular position of the embargo.

Mr. President, it is only through the United Nations, the only way an embargo can be placed against a nation is if that nation will be a threat to world peace.

Now, the Secreary of State has testified that Rhodesia is not a threat to world peace.

It has been almost 8 years now since I have become interested in this question of Rhodesia. I want to say that I have never been there, I do not know very many Rhodesians, I have met perhaps a dozen of them coming through here from time to time. I have no connection with Rhodesia, I do not even have any interest in whether Rhodesia becomes a free and independent country or whether Rhodesia continues to be a part of the British Empire. I think that is a matter to be determined by Rhodesia and by Great Britain.

But what I do object to is the Government of the United States, the most powerful government in the world, placing a trade embargo against that tiny little country that has done no damage to anyone, to any other country, to the United States, to the United Nations, or to the world at large.

I do not want to see the United States of America dependent on Communist Russia for any vital material.

How foolish can we get?

Why in the world is it that this Senate this week, just yesterday, last night, passed an $82 billion appropriation bill for the defense of these United States?

$82 billion for weapons, aircraft, ammunition, personnel, 2.15 million men in uniform, virtually all because of the potential threat to the United States of Communist Russia.

Now, if we are going to put ourselves at the mercy of Russia for a critical material, we are wasting a lot of money, we are wasting a lot of tax funds, we are taking a lot of money out of the pockets of the wage earners to buy military equipment when that military equipment is needed largely for defense against the Soviet Union.

Mr. President, the propaganda against the position being enunciated today by the Senator from Virginia is terrific. The powerful communications media all take a contrary view.

They do it, in my judgment, largely for the same reasons that many men in Congress do—partly political, and partly because they say that whatever the United Nations Security Council decrees becomes the law of the land, a position, of course, which I reject.

Nevertheless, there are many who are willing to fight. I want to pay my deep respect to what I believe as of today and as of yesterday—and as of the day before—is a majority of the Members of the House of Representatives who, when the roll is called, will say no to the demand that the United Staes put itself at the mercy of Russia.

I pay my deep respects to what I believe is a majority of the Members of the House of Representatives today who, if the roll were called, would say no to the ridiculous statement that action taken by the United Nations Security Council becomes the law of the land for the United States of America.

I know that powerful pressures are being applied against those in the House. Maybe when the roll is called in September there will not be a majority to sustain the position I have just enunciated. But I just have a feel that this issue will be resolved satisfactorily when the House votes.

The last time the House voted to sustain the Byrd amendment, it was 251 to 100. Is that big majority going to reverse itself? Are they going to say they are men of no conviction; that they are going to submit to the pressures that will be put to them? Maybe some of them will, but I do not believe many of them will. I do not believe a majority of them will.

You know, this country has gone through a great deal in the last several years. With whatever political instinct I might have, I believe that what middle America wants today more than any other thing is people in political life who will inspire confidence, public confidence, by those officials showing some conviction and some consistency.

This country has gone through so much in the last several years when various public officials have taken courses contrary to conviction, contrary to consistency.

Maybe that is good politics; I do not know. I do not think it is. I think the people of this country have reached a point where, because of the inconsistency of our leaders, because of the apparent lack of conviction on the part of so many persons in public life, too many of our people are saying, "Well, you cannot depend on any of these fellows in Washington." They do not have much confidence in our Government.

That is a dangerous and a sad commentary.

As one Senator, I do not blame the people for having that viewpoint. I have seen so much inconsistency around this place; I have seen so much hypocrisy around Congress; I have seen so much lack of conviction or change of conviction on the part of people in public life in Washington, that I do not blame the American people for being disillusioned.

I think if the House of Representatives stands firm for the convictions that it expressed time and again in voting for the BYRD amendment—if it stands firm in that when the roll is called in September—I think that will be a breath of fresh air, and will be well received by the people throughout our Nation.

Mr. President, I ask unanimous consent to insert in the RECORD at this point some questions that I put to Secretary of State Kissinger, and his replies, at the Senate Finance Committee meeting on March 7, 1974.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

SENATOR BYRD QUESTIONS SECRETARY KISSINGER AT SENATE FINANCE COMMITTEE HEARING, MARCH 7, 1974

The CHAIRMAN. Senator Byrd?

Senator BYRD. Thank you, Mr. Chairman.

Mr. Secretary, am I correct in my understanding of your statements today that the major, the most important, and the most compelling aspect of the pending legislation is Title IV, giving trade concessions and credits to Russia?

Secretary KISSINGER. No, Senator Byrd, I do not think you would be correct in drawing this conclusion. We think that the whole bill is of extraordinary importance.

The reason that I have emphasized the amendments that have been made to Title IV is the consequences of these amendments on our foreign policy would be so severe. But, if you ask me to compare Title IV as it was drafted, or as it was proposed to the Congress, and its significance to other Titles, I would not single it out.

Senator BYRD. Well, I am asking you to compare it as it exists today, as it is before the Committee today.

Secretary KISSINGER. As it is before the Committee today, it is the part which most requires change, and therefore, I have singled it out in my testimony. It is the most urgent issue before the Committee, in my view.

Senator BYRD. If it is not the most important, and the most compelling aspect of this legislation, then why would you recommend a veto?

Secretary KISSINGER. Well, when I was asked the question I think Senator Hartke correctly pointed out that I was in some difficulty; that I would not recommend a veto very happily and very easily because I think it is equally compelling, or almost equally compelling, to have a—to create a multilateral trading system. It is going to be a very close decision which I hope we will not be forced to make.

I believe that the impact of withholding most favored nation treatment from the Soviet Union, after the record that I have put before the Committee, would have a very serious effect on our relationships with the Soviet Union.

Senator BYRD. Well, the fact that you would recommend a veto, as you stated you would do, certainly suggests to me that you regard that part of the bill as more important than all of the rest of the bill, combined.

Secretary KISSINGER. Well, I have every hope that we will not be faced with this decision and that we can work something out before I will have to face that question.

Senator BYRD. In other words, you feel that you made a commitment to Russia in that regard?

Secretary KISSINGER. I feel that we have made a commitment, but that, I think, is relatively less important because it would be clearly understood that the commitments would fail for reasons that are outside of our control.

I believe that the evolution toward a more moderate international system, that the prospects of peace, would be severely jeopardized—not in the sense that a nuclear war would start, but in the sense that relationships would deteriorate and some of the cold war atmosphere would return; and that in this resulting atmosphere of tension, there could be—that this could have consequences that we would all regret, and I believe it is unnecessary.

I believe we can achieve the objectives of the Trade Act as well as our foreign policy objectives, and many of the objectives of those who have put forward the amendments, without driving it to this confrontation.

Senator Byrd. An outstanding newspaper—The Richmond Times-Dispatch—had an editorial on Monday—I just saw it today—in which it commends your efforts in the Middle East and I certainly concur in that. You have done a magnificent job. But it comes up in the context of commitments. The editorial ends by saying that what is known of the developments in the Middle East is fine for the Arabs and is fine for the Americans and is fine for the Russians, but the missing ingredient according to the editorial is what secret commitments, if any, have been made to Israel.

And the editorial says, Israel very likely is being offered nothing less than the military protection of the United States. Now my question is, have any commitments been made to Israel and has the military protection of the United States been offered to Israel?

Secretary Kissinger. No commitments, either secret or otherwise, of any kind, have been made to Israel, or to anybody else. Everything, every understanding that has been reached, has been put before the Senate Foreign Relations Committee, and every understanding, written or implied, has been shown to the Chairman of the Senate Foreign Relations Committee and is available to the Chairman of the House Foreign Affairs Committee.

Senator Byrd. Well, there are commitments and agreements?

Secretary Kissinger. There were a series of technical understandings associated with this disengagement agreement, most of which have been already superseded by the implementation.

We were in the position where, on occasion, neither side was willing to accept a proposal by the other, but that both sides were willing to accept proposals when they were made by us. Sometimes we passed on understandings of one side to the other.

There is no military commitment to Israel and no additional commitment except those that are generally known to have been made to Israel or to anybody else as a result of the negotiations that are now going on.

And I am not hedging. There is nothing—there is no escape clause in what I am saying.

Senator Byrd. Mr. Secretary, would you agree or disagree with Sakharov's statement in regard to detente in which he said, and I quote, "Detente is when the West in fact accepts Russia's rules of the game. Such a detente would be dangerous."

Secretary Kissinger. Well, Senator Byrd, the relationship between domestic structure and international stability is a problem that has fascinated students of history for a long time. Is it necessary to have democracy in order to have peace? I think it would not be easy to demonstrate from history that democracies are always peaceful.

At any rate, to bring about democracy in the Soviet Union in the face of 300 years of Russian history followed by 50 years of Soviet history, as a pre-condition to making peace would doom us to decades of struggle, and the outcome would not be foreordained. We do not approve of the Soviet domestic structure. We do not like its values. We do recognize, however, that today, and for the immediate future, we are doomed to co-existence with the Soviet Union.

Senator Byrd. That is what gets me to the next subject that I was interested in, the question of domestic policy in other nations and subjecting ourselves on other nations. You are here to advocate relaxing trade barriers with other nations, but you recommend that legislation be enacted by the Congress to embargo the purchase of a vitally strategic material from Rhodesia, of which material the United States has none.

Now your testimony before the Foreign Relations Committee, of which the present Chairman is in the chair, you were then urging an embargo on trade. Now you are coming here and urging a relaxing on trade with another country.

Secretary Kissinger. First of all, Senator, I must say you were very restrained in your first round of questions.

(General laughter.)

Secretary Kissinger. I have already been asked substantially this question earlier. Quite frankly, the foreign policy context of the decisions is somewhat different, both because of the case of Rhodesia, it is tied to the status of the government itself. It is tied to the implementation of U.N. resolutions. And it is related to our relationship with many other countries.

In the case of the Soviet Union you have this overriding, practical necessity.

Senator Byrd. Do you think our actions toward Rhodesia are just or unjust?

Secretary Kissinger. I think it reflects the decisions of the international community and the general conviction about justice.

Senator Byrd. Well, I am not clear whether you regard it as just or unjust.

Secretary Kissinger. Our action? Yes, I recognize it as just.

Senator Byrd. You recognize our action in embargoing trade with Rhodesia as being just?

Secretary Kissinger. Yes.

Senator Byrd. Do you regard the Soviet Union as being governed by a tight dictatorship, by a very few persons over a great number of individuals?

Secretary Kissinger. I consider the Soviet Union, yes, as a dictatorship of an oligarchic nature, that is, of a small number of people in the Politburo.

Senator Byrd. In your judgment, is Rhodesia a threat to world peace?

Secretary Kissinger. No.

Senator Byrd. In your judgment, is Russia a potential threat to world peace?

Secretary Kissinger. I think the Soviet Union has the military capacity to disturb the peace, yes.

Senator Byrd. In your judgment, does Russia have a more democratic government than Rhodesia?

Secretary Kissinger. No.

Senator Byrd. In your judgment, does South Africa have better racial policies than Rhodesia?

Secretary Kissinger. Does South Africa have better racial policies?

Senator Byrd. Yes.

Secretary Kissinger. I would not think so.

Senator Byrd. If it is just to embargo trade on Rhodesia, would it be equally just to embargo trade against South Africa?

Secretary Kissinger. I believe that the embargoing of trade on Rhodesia is not based on its internal policies so much as on the fact that a minority has established a separate state, and it does not therefore represent exclusively a judgment on the domestic policies of the Rhodesian government, but also a question with respect to the legitimacy of the Rhodesian government.

Senator Byrd. The staff informs me that the Rhodesian trades actions were imposed January 5, 1967, before the Smith government was established.

Well, to get back to—so it is not because of the internal policy, it is not because of the racial policies——

Secretary Kissinger. Not at all.

Senator Byrd. Well, then you say it is because Rhodesia seeks to establish her own government. Is that not what the United States did in 1776?

Secretary Kissinger. In a different international context.

Senator Fulbright. Well, the Secretary said he would stay until 1:00 o'clock. Does the Senator from Virginia have two or three more minutes he would like to have?

Senator Byrd. I have three or four more questions.

(General laughter.)

Senator Fulbright. Well, the Chairman made a bargain with him. If he stayed until around 1:00, he would not have him back this afternoon.

Senator Byrd. But the Chairman made a bargain on behalf of himself, not on behalf of the Committee.

Senator Fulbright. Well, go ahead.

Senator Byrd. My questions are brief and I do not want to hold you up, Mr. Secretary.

Senator Fulbright. No. The Senator is recognized.

Senator Byrd. Mr. Secretary, I am very much interested in this Rhodesian matter. I have never been there. I have no connection with it one way or the other. And you have testified that you feel that the action that the United States has taken is a just action, and you are entitled to your view, just as I am entitled to my view; I feel that it is a very unprincipled action.

Now you have testified, and it is interesting to note, that the then foreign secretary of Great Britain, Douglas Hume, in an interview Last December, said that while his government supports trade sanctions against Rhodesia because it had been put on by the previous Labor government, he did not think it was the correct policy. And then he added "We disagree with the political systems of a number of countries, for example South Africa. But we trade with them. And by and large, we do not believe in ostracism and a boycott."

Would you care to comment on that?

Secretary Kissinger. I agree with the general principle that he has enunciated.

Senator Byrd. And then you have testified that you do not regard Rhodesia as being a threat to world peace.

Secretary Kissinger. That is correct.

Senator Byrd. And then you know, of course, that under the United Nations Charter action can only be taken against a country in regard to an embargo, if that country is judged to be a threat to world peace.

And so my question to you is do you think the United Nations acted improperly?

Secretary Kissinger. I had not thought that the United Nations had acted improperly, but in the light of what you have said, I would have to review the particular positions of the embargo.

Senator Byrd. Thank you.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that a statement made by the able Senator from Nevada (Mr. Cannon), chairman of the Stockpiling Subcommittee of the Committee on Armed Services, be inserted in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

RHODESIAN CHROME

Mr. Cannon. For the third time in 3 years, the Senate is debating the issue of Rhodesian chrome. The issue is the same now as it was last year and in 1971 when the Congress first adopted the Byrd amendment, which permits the importation of strategic and critical materials from Rhodesia as long as they can also be imported from Communist-controlled countries.

The issue is obscure and remote from the lives of most Americans. It is also complex, involving our national need for supplies of critical materials which are not produced in the United States or even in all of North America, and involving our relationships with the United Nations. It is an issue which needs careful and thoughtful discussion, rather than flights of oratory. My aim today, therefore, is to provide a careful, measured outline of my reasons for continuing to support the Byrd amendment and opposing the enactment of S. 1868 which would repeal it.

The principal commodity affected by the Byrd amendment is chrome ore, specifically metallurgical chrome ore, because in Rhodesia are located the free world's largest deposits of high-grade metallurgical chrome ore. Other types of chrome ore, including chemical grade and refractory grade, are found elsewhere in the world, but the metallurgical grade is by far the most important kind in terms of both economics and national security. The importance of metallurgical chrome is heightened because the world's other major sources are the Soviet Union and South Africa, although much smaller quantities are found in Turkey, Iran, and India.

Metallurgical chromite in the form of ore as it comes from the mine cannot be employed by the steel industry or by other industrial users. It must first be converted into one of several types of ferrochromium by a high-temperature smelting and reduction process. This process is carried out by the ferroalloys industry—which also converts manganese ore and silicon ore into various types of ferromanganese and ferrosilicon for use by steel producers and the aluminum industry.

METALLURGICAL CHROME AND THE NATIONAL SECURITY

Chromium is one of the most important and indispensable industrial metals. Current United States consumption of metallurgical chrome ore totals about 700,000 tons per year. None is mined in the United States or in North America.

Ferrochromium is irreplaceable for the production of stainless steel and other types of high-performance steels and superalloys, where the chromium imparts vital resistance to heat and corrosion. About 10 percent of domestic production of these steels goes directly to military and defense applications. Modern jet airplanes, nuclear submarines and warships, for instance, cannot be built without metallurgical chrome; 85 percent of stainless steel is devoted to other essential uses, such as oil refineries, hospital equipment, food processing machinery and chemical plants. Only about 5 percent of U.S. chrome usage goes to household appliances and kitchen tools.

When the United States began to designate strategic materials for stockpiling and defense purposes in 1939, chromium was one of the first four commodities to be listed. The stockpile consists of metallurgical grade chromite and of several types of ferrochromium.

THE STOCKPILE AND NATIONAL EMERGENCY NEEDS

It is appropriate to review the stockpile supply situation, especially in view of the contention of critics of the Byrd amendment that the supply is large enough to satisfy U.S. needs for many years, and last the defense industries for 3 years in the event of a conventional war.

In testimony to the House Armed Services Committee in June 1972, officials of the Office of Emergency Preparedness declared that the U.S. requirements for metallurgical chrome for a 3-year wartime national emergency would total 4,315,000 tons—or 1,438,000 tons per year. This is more than the current peacetime usage. This estimate of U.S. emergency requirements was set in 1970 by the Office of Emergency Preparedness with the assistance of the Departments of State, Defense, Commerce, and Interior. They analyzed the expected supply and requirements during a projected future emergency. Estimates of supply for the projected mobilization period are based upon readily available capacity and normal resources in the United States and upon other countries which are considered accessible by the National Security Council.

To meet national emergency needs, the current inventory of chrome in the national and supplemental stockpiles is about 5,300,000 tons. This amount includes more than 900,000 tons of excess chrome, the disposal of which already has been authorized by Congress. This 900,000 tons, however, is very low grade, low quality domestic ore. And the bulk of it is stored in Montana, 50 miles from the nearest railroad. It has little economic value today.

In March 1970, the Office of Emergency Preparedness reduced the stockpile objective for metallurgical chrome to 3,100,000 tons, and in 1971 requested legislation (S. 773) authorizing the disposal of 1,313,600 tons of metallurgical chrome and ferrochrome. In trying to explain how the United States could meet its wartime needs for 4,315,000 tons of chrome from a stockpile of only 3,100,000 tons, the OEP witness told the House Armed Services Committee—

"We estimate we can obtain from sources such as Rhodesia and the Republic of South Africa 923,000 tons during the next 3 years."

Members of the committee were unable to get satisfactory answers to their questions as to what would happen if Rhodesian ore were fully committed to customers elsewhere in the world or unavailable because of the U.N. sanctions, and the committee did not approve the bill.

In April 1973, President Nixon proposed a new stockpile disposal legislation based on stockpiling essential needs for a 1-year period. In the case of chrome, the stockpile objective would be reduced to 445,000 tons. The legislation is pending before the Armed Services Committee, but no hearings have been held.

Mr. President, with the press of other business before the Armed Services Committee this year, the Subcommittee on the National Stockpile and Naval Petroleum Reserves, which I have the honor of chairing, has not had an opportunity to schedule hearings on the President's proposals for considerably revising our stockpile objectives and policies.

Until we have rather thorough and complete hearings on the entire subject, and until the subcommittee and the full committee can give careful attention to the entire matter, I cannot say to the Senate that we do not need the present stockpile of metallurgical chrome and ferrochrome. I do not know what levels of supply we need in our stockpile in the interests of this Nation's security and, obviously, this is not a decision which the committee or the Senate should make without adequate hearings and careful deliberation.

If we use up the stockpile today for reasons of economic, political, or social policy, it will be gone and it will not be available to meet the needs of national security should a real emergency occur.

Until we examine our stockpile reserves and measure them against our national security requirements in a careful, thoughtful fashion, it would be seriously irresponsible to contend that we can cut ourselves off from foreign sources of chrome and use up the stockpile.

Furthermore, we cannot ignore the fact that our principal source for metallurgical chrome ore is still the Soviet Union. Fifty-three percent of our imports of metallurgical chrome ore in the first 7 months of this year have come from Russia. There is no reason to cut off this supply, or to turn our back on it. But our interest in "détente" with the Soviet Union certainly does not mean that we can count on them as a continuing source of one of our most critical materials in every circumstance. We would be foolhardy to accept that kind of a bear hug.

PRICES OF METALLURGICAL CHROME

The prohibition against importation of chrome from Rhodesia in the 1967–71 period produced a marked increase in the price of Russian chrome. The U.S. Bureau of Mines Mineral Yearbook for 1970 states:

"Metallurgical grade chromite prices rose for the fourth successive year, continuing the trend initiated in 1967, primary as a result of continued United Nations economic sanctions against Southern Rhodesia."

The price of Russian chrome dropped sharply after the enactment of the Byrd amendment in 1972.

Its repeal is likely to result in a substantial increase. When repeal of the Byrd amendment was under consideration in 1972, suppliers of chrome forecast an immediate 20 percent price increase if imports from Rhodesia were banned again. If history repeats itself, repeal of the Byrd amendments in 1973 would also result in a 20-percent increase in the price of Russian and Turkish chrome ore.

EFFECTS OF BYRD AMENDMENT ON THE FERROCHROME INDUSTRY

By producing a reduction in the price of metallurgical chrome ore, the adoption of the Byrd amendment has directly and usefully benefited the domestic producers of ferrochrome. It has reduced the cost of their essential raw material—whether obtained from Russia, Rhodesia, Turkey, or elsewhere—and made them more competitive. Even if there had been no price reductions, the availability of alternate sources of ore is beneficial.

However, the U.S. ferroalloy industry has faced severe competition from imports of ferrochrome and ferromanaganese for more than 15 years. Lower-cost imports from foreign countries have put, and are continuing to put, increasing pressure on the domestic industry. There are a number of causes for this import competition. Among them:

First. The natural desire in many mineral-rich countries of the world to upgrade their products as much as possible. The ore-producing countries, including those who produce both chrome and manganese ore, seek to upgrade their products into ferroalloys and retain for themselves the economic benefits of such processing. Rhodesia and South Africa are doing this, Russia, too, must also be thinking of such moves. It may be further encouraged to do so if the Congress agrees to "most favored nation" tariff treatment for Russian goods. Such a move would reduce the duty on Russian ferrochrome by 75 percent.

Second. Forward integration efforts such as those by mineral-rich countries are spurred by specific savings that can be realized in transportation costs which may in the case of chrome, account for 25 percent or more of total costs. It takes 2½ tons of chrome ore to produce 1 ton of ferrochrome; the transportation rate per ton, however, is the same for the ferroalloy as it is for the ore. The ferroalloy producer who is located where the ore is found thus has a 50 percent or greater saving on his ocean freight costs.

Third. Electric power costs account for somewhere between 10 and 20 percent of the production costs for ferroalloys. The energy crisis in the United States is an important fact of life to the entire domestic ferroalloy industry which is power intensive and requires large quantities of electric energy. Rising costs of fossil fuels, the imposition of air pollution requirements on electric generating stations, and other factors are producing strong upward pressures on the costs of electric energy in the United States. In many of the producing countries today, the cost of electric power is significantly less than that in the United States.

Labor costs are, in contrast, not a very significant factor. For ferrochrome labor costs account for only about 10 percent of the production costs. While U.S. wage rates are much higher than those elsewhere in the world, U.S. productivity is much higher. Therefore, foreign ferroalloy producers do not have a significant labor cost advantage.

Imports of ferroalloys have accounted for somewhere between 20 and 40 percent of the domestic consumption of ferrochrome and ferromanganese over the past decade.

Lower-priced ferroalloy imports put a severe squeeze on the earnings of the domestic producers and deny them the funds needed for modernization and expansion. This reality has made it all the more difficult for the domestic industry to respond to the current requirements for air pollution control and to meet the rising levels of electric energy costs.

These problems existed for some years before the Rhodesian sanctions were imposed but the imposition of sanctions in 1967 significantly aggravated the situation for the domestic producers of ferrochrome. The sanctions deprived them of the best source of lower cost chrome ore and made them depend instead on higher cost Russian or Turkish ore. Their competitive position and economic health suffered correspondingly. Adoption of the Byrd amendment benefited the industry—but not enough to reverse these trends.

None of this is particularly new and the fact that imports of ferrochrome are a serious problem for domestic producers can hardly come as a surprise to anyone familiar with the industry or to those in the Government with responsibilities in this area. As early as 1963, the domestic ferroalloys industry petitioned for governmental relief and assistance under the National Security Provisions of the Trade Expansion Act. This petition and a subsequent one were both denied.

Another major factor which has affected the domestic ferrochrome industry was the increase in imports of stainless steel from Japan and elsewhere, which produced a significant and serious drop in the domestic production of stainless steel during the 1967–71 period and a corresponding drop in ferrochrome demand.

Caught between increasing imports and a declining market, profits of the U.S. ferrochrome industry were seriously eroded to the point where, in some cases, production is no longer economically feasible.

Air pollution controls are also an important direct factor in the cost and competitiveness of domestic ferroalloys production. The uncontrolled production of ferrochrome and all ferroalloys results in the emission of very large quantities of particulate matter into the atmosphere and air pollution abatement in the industry is difficult and costly.

The cost of air pollution control is an especially important factor with respect to older, smaller and less efficient production facilities in the industry where the capital cost of air pollution abatement equipment and the high operating cost of such equipment can be enough to push a marginal facility into the red.

It is a combination of these factors which apparently has led to the decision of several domestic ferroalloys producers to announce plans to shut down some of their production facilities.

Prospective closing announcements have been publicly made with respect to five domestic ferroalloy plants by three different companies. All of these plants are small and old. All face the necessity for heavy investments for air pollution control. They are scheduled to be shut down by the end of this year or next year. However, none has been shut down as yet and there are indications that the decisions, in some cases, may be changed or deferred because of changing market conditions or the issuance of waivers with respect to air pollution requirements. Only one of these plants produces ferrochrome and its principal product is low-carbon ferrochrome, which is also a product under heavy pressure from imports, and that plant, apparently, will not be shut down at all.

THE STAINLESS STEEL AND SPECIALTY STEEL INDUSTRIES

The price and competitive availability of chrome—specifically, ferrochrome—are of critical importance to the stainless and specialty steel industry of the United States. Stainless steel has a chrome content of 18 percent. Some special steels contain much higher amounts than that. Obviously, then, the cost of chrome is a significant factor in production of these steels.

Its importance is heightened if foreign steel producers, who have freely evaded the U.N. sanctions against Rhodesia since 1967, are again able to procure their raw materials for as much as 30 percent below the cost to American steelmakers. Although chromium accounts for an average of only 16 percent of stainless steel content, it represents fully 25 percent of the raw material cost for stainless production. Reimposition of the embargo would give foreign producers an automatic 6-percent of cost advantage over American steelmakers. The penetration of foreign specialty steel into the American market would almost inevitably increase. Furthermore, Rhodesian chromium would enter this country, undetectable, in the form of stainless steel—as it did before enactment of the Byrd amendment, nullifying whatever effect the sanctions may have had.

SANCTIONS AGAINST RHODESIA ARE NOT PRODUCTIVE

The concept of general economic sanctions to achieve political goals has historically met with mixed success. Napoleon's effort to isolate England was a classic failure. The League of Nations' sanctions against Italy were a model of futility.

Prior to the sanctions resolution, Rhodesia relied upon agricultural products—primarily tobacco—for foreign exchange earnings. Manufactured goods were largely imported. Immediately following imposition of the embargo, the Rhodesian Government initiated a policy of self-sufficiency. Sanctions required extensive diversification of industry, but also granted a captive market to domestic suppliers. The results have been dramatic.

Since independence, Rhodesia's gross domestic product has sustained a growth rate of 10 percent a year. In 1971, manufacturing recorded a 15-percent advance to R$684 million, as textiles, nonmetallic minerals, foodstuffs, metals, transport equipment, and machinery registered gains of better than 10 percent. Between 1964 and 1971, Rhodesia's total industrial output increased 70 percent, while the value of new construction doubled. Even the mining sector, one of the prime targets of the embargo, has been growing at a record pace. The value of mining output grew 6.7 percent in 1972 alone and topped 1967 production levels by over 95 percent.

If the sanctions did not appreciably injure Rhodesia's economy or political system, they did have some deleterious effects on the very group they were intended to assist: The indigenous black population. In the agricultural sector particularly, black labor has previously been the backbone of the economy. When the embargo was imposed, the government's industrialization edict diverted capital from the farms to manufacturers, causing black workers to lose their jobs.

When cutbacks came, laborers were the first to be fired—the executives remained. The capital—and government subsidy—which was available for tobacco production benefited the ruling minority managers—often at the expense of the black workers. Almost half the allocated budgets for education for blacks was diverted into agricultural and industrial subsidization programs.

However callous these actions may appear, it is evident the intended beneficiaries of the embargo in fact became its victims. Despite, or even because of, the sanctions the Rhodesian economy is stronger than ever, the ruling minority shows no apparent signs of falling, and black Rhodesians have suffered from whatever ill effects the embargo has caused.

How was Rhodesia able to accomplish what approaches an "economic miracle" in the face of a stiff worldwide economic embargo? The reaction of the Rhodesians to the sanctions is a model of propriety compared with the cynicism of other countries.

Since imposition of the sanctions, over a hundred cases of evasion have been reported to the United Nations by Great Britain. These represent only the tip of the iceberg; sanction-busting continues to occur on a monumental scale.

South Africa and Portugal ignored the embargo from the outset. They were soon followed by Eastern European countries and parts of the Middle East. Finally, Western Europe and Japan entered the Rhodesian market with a vengeance. West Germans, Dutch, Italian, Japanese, and Swiss companies have been blithely ignoring the embargo since 1968.

Despite the sanctions, therefore, this country of only 6 million inhabitants exported over a quarter of a billion dollars worth of goods last year.

The sanctions have been so flagrantly violated, few knowledgeable people seriously argue its effectiveness.

When U.S. Ambassador to the United Nations, Christopher Phillips, charged widespread sanctions violations by several countries, none even bothered to respond.

It was with this perspective that President Nixon recently noted:

"The United States takes seriously its obligations under the United Nations Charter. Except for imports of small quantities of certain strategic materials exempted by U.S. public law—accounting for no more than a minute percentage of Rhodesia's exports—the United States, unlike many others, adheres strictly to the U.N. program of sanctions against Rhodesia. Many in the United Nations challenged our observance of the sanctions. But there should not be a double standard which ignores the widespread substantial—but unavowed—non-observance of sanctions by others."

AMERICAN OBLIGATION TOWARD RHODESIAN BLACKS

If the moral justification for the sanctions resolution was to gain political and economic power for the black Rhodesian majority, the embargo has backfired. Rhodesian blacks are no closer to self-government today than 6 years ago, and may have actually lost ground in their struggle for economic equality. This observation, however, begs the question: What can the United States do to improve the lot of Rhodesia's black majority?

The most practical method for Americans to assist the social and political aspirations of Rhodesian blacks is to provide more rather than less jobs to the black majority.

It is to become more involved in the Rhodesian social structure rather than allow the Smith regime rule by default.

These goals cannot be met by isolating America from the Rhodesian blacks. If progressive change is to come, it cannot be stimulated by hamstringing American influence in that country. Reimposition of the embargo would defeat the very goals the United States has attempted to achieve.

The events of the past few weeks in the

Middle East have added a new dimension to our concern about the availability of critical raw materials, and given us new lessons on the dangers of relying on a limited number of sources for them. Chrome is not as widely used as oil, or as important to our national economy, but it is nonetheless vital to the functioning of a modern industrial society like ours.

As a nation we have no realistic choice but to secure chrome from those areas of the world where it is found. It is an unfortunate, but inescapable, fact of geography and geology that the world's important sources of metallurgical chrome ore are located in countries with which many of us have important moral and political differences. We do not endorse the policies of South Africa or Rhodesia toward blacks. We do not support the attitude of the Soviet Union toward Jewish emigration, nor its treatment of other minorities. Our Nation's purchase of essential raw materials—like chrome—from them in no way indicates the support of the American people or the U.S. Government for these policies or practices, and it should not be so interpreted.

The United States, to put it plainly, would cut off its nose to spite its face if we refused to buy chrome produced in countries whose policies we do not agree with. We certainly do not refuse to buy from the Soviets in spite of their harassment of the Jews in Russia.

State Department officials have hinted in the past that the British and Rhodesians are going to make up and then we could go ahead and resume full trade with Rhodesia.

Let us go back, though. Remember, the State Department also insists that we are duty bound to any declarations or mandates of the United Nations Security Council.

Even if the British and the Rhodesians do settle their long dispute—and that, I might add, is not an immediate likelihood, it would still take an affirmative action by the United Nations Security Council to repeal the current anti-Rhodesian sanctions. I do not believe that such action will be taken—because the Soviet Union is in a position where it could very easily veto any such proposed end to the U.N.'s sanctions. It would veto it—first to curry favor with the black African nations who are Rhodesia's most bitter enemies and second to preserve a very advantageous position in which the Soviet Union finds itself today as a result of the sanctions—economically and strategically speaking—a situation in which the United States is heavily dependent upon the Soviet Union for a material which is vital to the defense of the United States—chrome ore.

The only excuse for the sanctions against Rhodesia was an official disapproval of the policies of its government. But we hardly approve of the policies of the Soviet Union either. What is wrong with buying what we need where we can get the best price and an adequate supply? Nearly everybody else does. My motive in supporting Rhodesian chrome importing is to protect the national security of the United States. I am unable to determine if the Russian prejudice toward Jews is more defensible than the Smith government's toward Africans.

Neither am I too happy about the resumption of the October Mideast war which was made possible by the Soviet Union quietly and consistently sending tanks, arms, and aircraft to the Arab Nations and I might add, some of its most modern and sophisticated equipment. The individual shipments were not large enough to alarm the West, but the over-all flow of arms was steady and accumulated over the months to make the Arab strike possible. And we now have a resultant oil embargo and associated energy crisis and yet there are those who want the United States to once again become dependent upon the Soviet Union for chrome.

We cannot afford to have our economic strength used as a pawn in political or social contests, and we should not restrict our access to essential raw materials for reasons like that.

I shall vote against S. 1868 for all those reasons.

ORDER FOR RECOGNITION OF SENATOR MARK O. HATFIELD ON WEDNESDAY, SEPTEMBER 4, 1974

Mr. HARRY F. BYRD, JR. Mr. President, on another subject, I ask unanimous consent for a 15 minute order for the distinguished Senator from Oregon (Mr. HATFIELD), on Wednesday, September 4, immediately after the two leaders are recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

MR. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION TO BE TAKEN DURING THE ADJOURNMENT

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President pro tempore and the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions during the period of adjournment.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS' LEGISLATION

Mr. GRIFFIN. Mr. President, I cannot proceed to adjournment for this recess without at least expressing my regret that the Senate will not be passing legislation that is very much needed for those veterans who are going to be going to college. Many of them will have started before Labor Day and others, of course, will be enrolling immediately after Labor Day.

The Senate, on yesterday, adopted a conference report, and the other body, the House of Representatives, today tabled that conference report. As I understand it, a point of order was made against the conference report on the grounds that the conference agreement was not within the parameters of the two bills passed by the Houses.

As I understand it, the Speaker sustained the point of order, and the House thereafter adopted a modified version of that legislation.

The House-passed bill will be on its way to the Senate. I understand it is here, at the desk. But unfortunately, the Senate is at this moment, at least, not going to proceed to act with regard to that House-passed bill.

I certainly hope that as soon as the Senate returns after the Labor Day recess—unfortunately, we return earlier than the House; we return on Wednesday, the 4th, whereas the House does not return until the 11th—that the Senate will act promptly then and relieve the uncertainty which will be in the minds of many veterans who will be attending college, not knowing whether, when, or how much benefit or assistance they are going to receive from the Federal Government while they attend college. Even when legislation is in effect and on the books, a veteran beginning college has experienced a good deal of uncertainty and difficulty having his application processed and the redtape taken care of before he gets his first check. Sometimes it has been 2 or 3 months before he has received his first check.

As I understand it, under some new procedures which the Veterans' Administration has recently adopted, that particular problem is supposed to be alleviated this year. Veterans' Administration representatives will be on all the larger campuses, and they would have been ready to see that those checks got into the hands of veterans very shortly after enrollment.

Outside of expressing that profound regret, I suppose there is nothing more that the junior Senator from Michigan can do, but also to underline the urgent hope that the Senate will immediately turn to this business when we return and resolve the matter, so that the veteran will know where he stands.

QUORUM CALL

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE ACHIEVEMENTS

Mr. MANSFIELD. Mr. President, before recessing, I call your attention to the Senate's record to date this year. It is evident from examining the report prepared by the Democratic Policy Committee, summarizing Senate-passed bills, that the Senate has been most responsive to the Nation's legislative needs. The report is lengthy; it contains landmark legislation, and other important measures.

Senate Democrats agreed in January of 1973 and 1974 that there were 15 legislative items which were of major importance to the needs of the people. Five of these bills have become public law. Another—pension reform—will be sent to the President today. Three others are in conference. A list of these measures and their status follows:

ENACTED

Budget reform and impoundment control—Public Law 93–344.

Elementary and secondary education—Public Law 93–380.

Housing—Public Law 93– .

Minimum wage increase—Public Law 93–296.

Pension reform—Public Law 93– .

War powers—Public Law 93–148.

IN CONFERENCE

Campaign financing and reform.

Strip mining controls.

Welfare reform.

PASSED SENATE ONLY

Land use planning—House voted against considering.

No-fault auto insurance—House committee hearings completed.

PASSED HOUSE ONLY

Consumer Protection Agency—Senate fourth cloture vote on September 18.

Trade-in executive markup.

HOUSE MUST ACT FIRST

National health insurance—Ways and Means recessed subject to call of chair.

Tax reform—Ways and Means to meet on September 11.

Another indication of our progress this year is reflected in the status of the appropriations bills. I am happy to report that there is only one appropriation bill—Labor-HEW—which has been received from the House and not yet passed by the Senate. There are only two others—foreign aid and military construction—which have not yet come over from the House. A list of appropriations bills and their status follows:

ENACTED

District of Columbia—Public Law 93– .

Energy research and development—Public Law 93–322.

Interior—Public Law 93– .

Legislative—Public Law 93–371.

Public Works—Public Law 93– .

Transportation—Public Law 93– .

Treasury-Postal Service—Public Law 93– .

HUD—Public Law 93– .

IN CONFERENCE

Defense.

State-Justice-Commerce.

PASSED HOUSE ONLY

Labor-HEW.

AWAIT HOUSE ACTION

Agriculture—recommitted without veto override vote.

Foreign aid—awaiting authorization.

Military construction—expected to be reported out early September.

Although our level of accomplishment in the Senate this year has been high, there are still several pieces of legislation which must be disposed of before adjournment sine die. Four appropriations measures are still outstanding—Labor-HEW, foreign aid, military construction, and the vetoed agriculture bill. Three bills of major consequence are still in conference with the House—campaign financing, strip mining controls, and welfare reform. There are routine authorizations which have not yet passed the Senate—foreign aid and military construction—and there are two measures of widespread national importance which should be cleared this year—national health insurance and trade reform.

This list entails many hours of work from each Senator, and I enlist your support in making the passage of these bills possible. As we proceed in this welcomed era of better understanding between the executive and legislative branches, I express the hope that the unusual degree of cooperation within the Congress which has marked the 93d Congress apart from other Congresses will continue to the benefit of the people of the Nation.

I ask unanimous consent that all the material be inserted at the appropriate point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE LEGISLATIVE ACTIVITY INDEX

AGRICULTURE

Egg Research and Consumer Information (H.R. 1200).

Animal Health Research (H.R. 11873).

Farm Credit Administration (S. 3801).

Fertilizer (S. Res. 289).

Food Assistance Programs (S. 3458).

Food Marketing Margin Investigation (S. Res. 351).

Food Stamps (H.R. 15124).

Forest and Rangeland Management (S. 2296).

Forest Pest Control (S. 3371).

Livestock Credit (S. 3679).

Perishable Agricultural Commodities (H.R. 14364).

Poultry Indemnity Payments (S. 3231).

Rice Allotment Transfers (S. 3075).

Rural Development Loans—GNMA Guarantee (H.R. 14723).

Tobacco Marketing Quota Provisions (H.R. 6485).

Top Level Positions in the Department of Agriculture (S. 3031).

Wheat Supplies (S. Con. Res. 70).

Wool Act Payments (S. 3056).

APPROPRIATION

1974

Supplemental (H.R. 14013).

Veterans' Administration Supplemental (H.J. Res. 941).

Veterans' Administration Urgent Supplemental (H.J. Res. 1061).

1975

Agriculture-Environmental and Consumer Protection (H.R. 15472).[1]

Continuing (H.J. Res. 1062).

Defense (H.R. 16243).

District of Columbia (H.R. 15581).

Energy Research and Development (H.R. 14434).

HUD (H.R. 15572).

Interior (H.R. 16027).

Legislative (H.R. 14012).

Public Works—Atomic Energy Commission (H.R. 15155).

State—Justice—Commerce (H.R. 15404).

Transportation (H.R. 15405).

Treasury—Postal Service (H.R. 15544).

ATOMIC ENERGY

Atomic Energy Commission Authorization (S. 3292).

Atomic Energy Commission Omnibus Legislation (S. 3669).

Nuclear Agreements (S. 3698).

Nuclear Incidents—Insurance (H.R. 15323).

CONGRESS

Adjournment (H. Con. Res. 568).

Budget Reform—Impoundment Control (H.R. 7130).

Congressional Record Postal Rates (S. 3373).

Impeachment Inquiry (S. Res. 370).

Office of Management and Budget (S. 37).

Select Committee on Standards and Conduct (S. Res. 368).

Senate Committee Employees Pay—Franked Mail (S. 2315).

CONSUMER AFFAIRS

Consumer Food Act (S. 2373).

Motor Vehicle Defect Remedies (S. 355).

CRIME-JUDICIARY

Canal Zone Marriage Licenses (S. 2348).

Commission on Revision of the Federal Appellate System (S. 3052).

"Cooly Trade" Laws (S. 2220).

Federal Rules of Criminal Procedure (H.R. 15461).

Juvenile Justice and Delinquency Prevention (S. 821).

Legal Services Corporation (H.R. 7824).

Mandatory Death Penalty (S. 1401).

Narcotic Treatment (S. 1115).

Speedy Trials (S. 754).

DEFENSE

Aviation Crew Incentive Pay (H.R. 12670).

Air Force Colonels Promotions (H.R. 14402).

Air Force Unit Command (S. 3906).

Coast Guard Authorization (H.R. 13595).

Coast Guard Icebreaking Operations (S. 3308).

Coast Guard Laws (H.R. 9293).

Coast Guard Reserve Benefits (S. 2149).

Coast Guard Safety Standards (H.R. 10309).

Defense Production Act Extensions (S. 3270), (H.J. Res. 1056), (S.J. Res. 228).

Enlistment and Reenlistment Bonuses (S. 2771).

Enlistment Qualifications (H.R. 3418).

Grumman Aerospace Corporation (S. Res. 380).

Medical Officers' Pay (S. 2770), (H.R. 15936).

Military Claims (H.R. 9800).

Military Procurement Authorization (H.R. 14592).

Military Procurement Supplemental Authorization (H.R. 12565), (S. 2999).

Service Academy Appointments (S.J. Res. 206).

DISTRICT OF COLUMBIA

Advisory Neighborhood Councils (H.R. 12109).

American University, Inc. (S. 3389).

Campaign Finance Reform (H.R. 15070).

Educational Personnel—Psychologists—Unemployment Compensation (H.R. 342).

Executive Protective Service (S. 3124).

Home Rule Amendments (H.R. 15791).

Indigent Defense (S. 3703).

Insurance Holding Company Regulations (H.R. 7218).

Law Revision Commission (H.R. 12832).

Marriage Licenses (S. 3476).

Medical and Dental Manpower (H.R. 11108).

Pennsylvania Avenue Development Corporation (S. 3301).

Policemen, Firemen, and Teachers Pay Increase (H.R. 15842).

Sewell-Belmont House (S. 3188).

Smallpox Vaccination (H.R. 8747).

Taxability of Certain Dividends—D.C. Election (H.R. 6186).

Transportation Subsidies for Schoolchildren (S. 3477).

Unemployment Compensation (S. 3474).

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[1] Vetoed 1974.

ECONOMY-FINANCE

Abandoned Money Orders and Traveler's Checks (S. 2705).

Bow and Arrow Excise Tax (H.R. 10972).

Check Forgery Insurance (H.R. 6274).

Council on International Economic Policy (H.R. 13839).

Domestic Summit on the Economy (S. Res. 363).

Duty Exemptions—SSI Payments—Unemployment Compensation (H.R. 8217).

Duty Suspensions: Bicycle Parts—Tax Amendments (H.R. 6642).

Cellulose Salts—Tax Amendments (H.R. 12035).

Copper—Corporate Liquidation Judgments (H.R. 12281).

Crude Feathers and Down—Tax Amendments (H.R. 11452).

Horses—Medicare Provider Provisions—SSI (H.R. 13631).

Methanol—DISC Qualifications—Depreciation Allowances (H.R. 11251).

Shoe Lathes (H.R. 8215).

Silk—Trona Ore—Gaming Operations (H.R. 7780).

Synthetic Rutile—Lottery Excise Tax (H.R. 11830).

Zinc—Disaster Loss Claims (H.R. 6191).

Economic Development (H.R. 14883).

Export Administration Act Extensions (H.J. Res. 1057), (H.J. Res. 1104).

Export Control (S. 3792).

Export Expansion (S. 1486).

Export-Import Bank Act Extensions (S.J. Res. 218), (S.J. Res. 229).

FDIC Insurance (H.R. 11221).

Foreign Investment in the United States Study (S. 2840).

Inflation Policy Study (S. Con. Res. 93).

National Commission on Supplies and Shortages (S. 3523).

National Securities Market System (S. 2519).

Pension Reform (H.R. 2 [H.R. 4200]).

Public Debt Limit (H.R. 14832).

Pyramid Sales Act (S. 1939).

Renegotiation Act—Unemployment Compensation (H.R. 14833).

Securities and Exchange Commission (SEC) Paperwork Reduction (S. Res. 173).

Supplemental Security Income—Unemployment Compensation (H.R. 13025).

Wage and Price Stability Council (S. 3919).

EDUCATION

Educational Funding and Guaranteed Student Loans (H.R. 12253).

Elementary and Secondary Education (H.R. 69).

Environmental Education (S. 1647).

Health Professions Students Loans (S. 3782).

Legal Education Assistance (H.R. 15296).

ELECTION REFORM

Campaign Reform (S. 3044).

Overseas Citizens Voting Rights (S. 2102).

Watergate Committee (S. Res. 278), (S. Res. 288), (S. Res. 286), (S. Res. 327), (S. Res. 328), (S. Res. 369).

ENERGY

Coal Leases (S. 3528).

Energy Allocation for Tourism Industry (S. Res. 281).

Energy Emergency (S. 2589).[1]

Energy Reorganization (ERDA) (H.R. 11510).

Energy Supply—Clean Air (H.R. 14368).

Federal Energy Administration (H.R. 11793 [S. 2776]).

Geothermal Energy (H.R. 14920).

Natural Gas Pipeline Safety Authorization (H.R. 15205) (S. 3620).

Oil Price Increase (S. Res. 249).

Oil Shale Funds (S. 3009).

Petroleum Allocation—Mandatory (S. 3717).

Petroleum Products Fair Marketing (S. 1694).

Solar Heating and Cooling (H.R. 11864).

Truck Fuel Prices (S.J. Res. 185).

Washington Energy Conference (S. Res. 279).

ENVIRONMENT

Environmental Data Centers (S. 1865).

Ocean Dumping (H.R. 5450).

Oil Pollution (S. 1070).

Strip Mining Control (S. 425).

Weather Modification (S. 3320).

Woodsy Owl—Smokey Bear (S. 1585).

GENERAL GOVERNMENT

Amateur Athletics (S. 3500).

Blind and Handicapped Products Authorization (H.R. 11143).

Blind Vendor Operations (S. 2581).

Chester Bridge (S. 3546).

Commission on Productivity (S. 1752).

Disaster Relief (S. 3062).

Federal Procurement (S. 3311).

Federal Procurement Policy (S. 2510).

Fire Prevention and Control (S. 1769).

Flood Damage Claims—Louisiana (S. 2201).

Freedom of Information (H.R. 12471).

Historical and Archeological Data (S. 514).

Idaho Admission Act (S. 939).

Law Enforcement Officers' and Firefighters' Retirement (H.R. 9281).

NASA Authorization (H.R. 13998).

National Science Foundation Authorization (H.R. 13999).

No-Fault Motor Vehicle Insurance (S. 354).

Postal Rate Adjustments (S. 411).

Small Business Administration (S.J. Res. 223).

Small Business Administration Authority (S. 3331).

Smithsonian Institution Authorization (S. 2137).

Smithsonian Museum Support Facilities (S. 857).

Tourist Travel (S. 3942).

Vice Presidential Residence (S.J. Res. 202).

White House Personnel Authorization (H.R. 14715).

Youth Conservation Corps (S. 1871).

GOVERNMENT EMPLOYEES

Civil Service Retirement Annuities (S. 1866).

Civil Service Survivor Annuities (S. 628).

Civil Service Survivors Eligibility (S. 2174).

Deputy U.S. Marshals (H.R. 5094).[1]

Executive, Legislative and Judicial Salaries Increase (S. Res. 293).

Federal Employees Compensation (H.R. 13871).

Foreign Service Retirement (S. 1791).

Postal Service Retirement Fund (H.R. 29).

Privacy and Rights of Federal Employees (S. 1688).

Psychologists and Optometrists (H.R. 9440 [S. 2619]).

USDA Employees' and Dependents Training (S. 2189).

Withholding Taxes (H.R. 866).

HEALTH

Alcohol Abuse and Alcoholism Prevention (S. 1125).

Alcohol and Drug Abuse Education (H.R. 9456).

Biomedical Research (H.R. 7724).

Diabetes Mellitus (S. 2830).

Drug Abuse Prevention (S. 3355).

Health Services (H.R. 11385).

Medical Devices (S. 2368).

National Cancer Program (S. 2893).

National Institute on Aging (S. 775).

Older Americans (H.R. 11105).

School Lunch and Child Nutrition (H.R. 14354).

Sudden Infant Death Syndrome (S. 1745).

HOUSING

Housing and Community Development (S. 3066).

Real Estate Settlement Costs (S. 3164).

INDIANS

Absentee Shawnee Tribe, Oklahoma (S. 3358).

American Indian Policy (S. Con. Res. 37).

Assistant Secretary for Indian Affairs (S. 2777).

Bridgeport Indian Colony, California (S. 283).

Cheyenne-Arapaho Tribes, Oklahoma (S. 521).

Chippewa Cree Tribe, Montana (H.R. 5525).

Citizen Band of Potawatomi Indians, Oklahoma (S. 3359).

Constitutional Rights of Indians (S. 969).

Indian Claims Commission (S. 3007).

Indian Financing (S. 1341).

Indian Self-Determination (S. 1017).

Kootenai Tribe, Idaho (S. 634).

Sisseton and Wahpeton Sioux Tribe, No. and So. Dakota (S. 1411), (S. 1412).

Spokane Tribe, Washington (H.R. 5035).

INTERNATIONAL

African Development Fund (S. 2354).

American Hospital of Paris, Inc. (S. 1836).

Arms Control and Disarmament Agency (H.R. 12799).

Asian Development Bank (S. 2193).

Board for International Broadcasting (S. 3190).

China Indemnification Agreement (S. 3304).

Colorado River Basin Salinity Control (H. R. 12165).

Customs and Immigration Border Facilities (H.R. 10044).

Foreign Disaster Assistance (H.R. 12412).

Foreign Service Buildings (H.R. 12465).

IDA—Gold Ownership (S. 2665).

International Court of Justice (S. Res. 74), (S. Res. 75), (S. Res. 76), (S. Res. 77), (S. Res. 78).

International Ocean Exposition '75 (S. 2662).

International Wheat Agreement Conference (S. Res. 340).

Japan-United States Cultural Exchange (S. 649).

Middle East Terrorists (S. Res. 324).

Migratory Birds (H.R. 10942).

Military Assistance to Greece (S. 2745).

Missing in Indochina (S. Con. Res. 81).

Missing Newsmen (S. Res. 291).

National Olympic Commission (S. 1018).

Northwest Atlantic Fisheries (H.R. 14291).

Overseas Private Investment Corporation (OPIC) (S. 2957).

Peace Corps Authorization (H.R. 12920).

State Department Supplemental Authorization (H.R. 12466).

State Department—USIA Authorizations (S. 3473).

Treaties: Customs Convention on the International Transit of Goods (Ex. P, 93d-1st).

Extradition Treaty with Denmark (Ex. U, 93d-1st).

Protocols for the Extension of the International Wheat Agreement, 1971 (Ex. C, 93d-2d).

U.S.-Hungarian Claims (H.R. 13261).

Vietnam War Claims (S. 1728).

1980 Winter Olympic Games (S. Con. Res. 72).

World Food Resolution (S. Res. 329).

LABOR

Minimum Wage Increase (S. 2747).

Nonprofit Hospital Employees (S. 3203).

West Coast Dock Strike (S. 1566).

MEMORIALS, TRIBUTES AND MEDALS

B. Everett Jordan, Death of (S. Res. 298).

Chautaugua Institution (S.J. Res. 230).

Church of Jesus Christ of Latter Day Saints (S. Res. 366).

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[1] Voted 1974.

Clara Barton House (S. 3700).
Earl Warren (S.J. Res. 123), (S. Con. Res. 101).
Georges Pompidou, Death of (S. Res. 304).
Gerald R. Ford (S. Con. Res. 108).
Hank Aaron Home Run Record (S. Res. 303), (S. Res. 305).
Harry S. Truman Memorial Scholarship (S. 3548).
Herbert Hoover (S. Con. Res. 79).
J. Allen Frear Building (S. 3518).
J. Edgar Hoover Medals (H.R. 1817).
Lyndon B. Johnson Conservation Corps Center and Lyndon B. Johnson National Grasslands (S. 2835).
Monument to 1st Infantry Division (S.J. Res. 66).

NATURAL RESOURCES

Anadromous Fish Conservation (H.R. 11295).
Arapaho National Forest (S. 3615).
Big Thicket National Preserve, Texas (H.R. 11546).
Boston National Historic Park, (S. 210).
Cascade Head Scenic-Research Area, Oregon (H.R. 8352).
Chlorine Allocation (S. 2846).
Conservation on Military and Other Federal Lands (H.R. 11537).
Eastern Wilderness (S. 3433).
Egmont Key National Wildlife Refuge (H.R. 8977).
Fish and Wildlife Service (H.R. 13542).
Harpers Ferry National Monument (S. 605).
Indoor Recreation Facilities (S. 2661).
Kaniksu National Forest, Washington (S. 3289).
Lone Rock Lake Project (S. 1961).
National Ocean Policy Study (S. Res. 222).
National Resource Lands Management (S. 424).
National Wilderness Areas (H.R. 12884).
Pacific Northwest Power (S. 3362).
Piscataway Park (H.R. 4681).
Recreation Use Fees (S. 2844).
Rivers and Harbors—Public Works (H.R. 10203 [S. 2798]).
Rocky Mountain National Park, Colorado (S. 2394).
Saline Water Conversion Authorization (H.R. 13221).
Sumner Dam and Lake (S. 2001).
Teton National Forest (S. 3489).
Wild and Scenic Rivers—Chattooga River (H.R. 9492 [S. 921]).
Wild and Scenic Rivers—New River (S. 2439).
Wilderness Areas:
Great Dismal Swamp (H.R. 3620).
Okefenokee National Wildlife Refuge (H.R. 6395).
Weminuche Wilderness (S. 1863).
Willow Creek Dam, Oregon (S. 3537).

NOMINATIONS: ACTION BY ROLL CALL VOTE

Brig. Gen. Charles A. Gabriel to Maj. Gen., USAF.
John C. Sawhill to be Administrator of the Federal Energy Administration.
Maj. Gen. Alton D. Slay to Maj. Gen., USAF.

PROCLAMATIONS

American Business Day (S.J. Res. 195).
First Continental Congress Anniversary (S. Con. Res. 85).
Honor America (H. Con. Res. 537).
National Agriculture Week (S.J. Res. 163).
National Amateur Radio Week (S.J. Res. 197).
National Historic Preservation Week (S.J. Res. 175).
National Volunteer Week (S.J. Res. 179).
United States Space Week (H. Con. Res. 223).
Women's Equality Day (H.J. Res. 11105).

TRANSPORTATION-COMMUNICATIONS

Aircraft Hijacking (S. 39).
Aircraft Piracy (S. 872).
Alien Radio Station Licenses (S. 2457).
Amtrak Authorization (H.R. 15427).
Communications Common Carrier Charges (S. 1227).
Communications Common Carrier Service Applications (S. 1479).
Cumbres and Toltec Scenic Railroad (S. 2362).
FM Radios (S. 585).
Forest Highway Funds (S. 3490).
Maritime Supplemental Authorization (H.R. 12925).
SS "Guam Bear" and SS "Hawaii Bear" (H.R. 11223).
SS "Independence" (H.R. 8586).
Tariffs and Freight Rates (S. 1488).
Urban Mass Transit (S. 386).
Vessel Tonnage Deductions (S. 1353).

VETERANS

American War Mothers, Inc. (S. 2441).
Disability Compensation and Survivor Benefits (S. 3072).
GI Bill Benefits (S. 3398), (S. 3705).
Life Insurance (H.R. 6574).
POW Families, Funeral Transportation for (S. 3228).
U.S. Flag Presentation (H.R. 5621).
Vietnam Veterans Education (H.R. 12628 [S. 2784]).

SENATE LEGISLATIVE ACTIVITY

Days in Session, 118.
Hours in Session, 739:42.
Total Measures Passed, 489.
Private Laws, 41.
Public Laws, 134.
Treaties, 3
Confirmations, 42,015.
Record Votes, 360.

Symbol: P/H—Passed House; P/S—Passed Senate; *—Vetoed 1974; (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

Animal Health Research: Authorizes $47 million annually to support continuing programs for animal health research at colleges of veterinary medicine, or, at institutions where there are no such colleges, the State agricultural experiment stations conducting animal health research; sets a formula for distribution of funds based on the value of and income generated by livestock and poultry in each State and on the animal health research capacity at the eligible institutions; provides for additional grants for research on specific national or regional animal health problems; and establishes an Advisory Board appointed by the Secretary of Agriculture to make recommendations on matters related to the administration of the Act. H.R. 11873. Vetoed Aug. 14, 1974. (VV)

Egg Research and Consumer Information: Authorizes the Secretary of Agriculture to issue a national order providing for the establishment of an Egg Board which would develop, subject to the Secretary's approval, a program of research, producer and consumer education, and promotion to improve and develop markets for eggs, egg products, spent fowl (laying hens removed for slaughter), and products of spent fowl; requires approval by referendum among commercial egg producers with laying flocks of over 3,000 before the order can become effective, and, if the order is approved, provides for payment of administrative costs through assessment of producers at a rate not to exceed 5 cents per case of commercial eggs. H.R. 1200. P/H May 15, 1974; P/S amended Aug. 22, 1974. (VV)

Farm Credit Administration: Authorizes the Federal Farm Credit Board to establish the salary level of the Governor and the Deputy Governors of the Farm Credit Administration. S. 3801. P/S Aug. 19, 1974 (VV)

Fertilizer: Expresses a sense of the Senate that: all Federal agencies should give the highest priority to the U.S. fertilizer industry in establishing allocation priorities for distribution; the U.S. fertilizer industry should distribute fertilizer supplies among farmers in a timely and equitable manner, and at reasonable prices; the Federal Power Commission, and appropriate State regulatory agencies, should establish priorities for the allocation of natural gas to nitrogen fertilizer producers sufficient to insure them of supply levels required to maintain maximum production levels; the Federal Energy Office should give the highest priority allocation to the fertilizer industry's needs for gasoline, middle-distillates, and other liquid fuels utilized in the production, distribution, and application of fertilizer; the Cost of Living Council and the Departments of Agriculture and Commerce should continue their monitoring and reporting of fertilizer supply availabilities, wholesale and retail prices, and export shipments; and the Cost of Living Council should establish a monitoring and investigatory program through the office of the IRS to determine the factual basis of any alleged price gouging involving either fertilizer wholesalers or retailers. S. Res. 289. Senate adopted Feb. 27, 1974. (VV)

Food Assistance Programs: Makes mandatory for a 3-year period the authority of the Secretary of Agriculture under Public Law 93-86 to purchase agricultural commodities that are not in surplus supply for donation to certain food programs; authorizes the Secretary to pay each State agency 50 percent of all costs in administering the Food Stamp Program instead of, as at present, 62.5 percent of only certain designated administrative costs; requires that States report from time to time at the request of the Secretary on the effectiveness of the administration of the Food Stamp Program; amends section 3 of the Child Nutrition Act of 1966 to establish a 5-cent minimum rate of reimbursement for each half-pint of milk served in the special milk program, with annual adjustment beginning with the 1976 fiscal year to reflect changes in costs; and contains other provisions. S. 3458. Public Law 93-347, approved July 12, 1974. (VV)

Food Marketing Margin Investigation: Expresses the sense of the Senate that the Federal Trade Commission undertake an investigation of margins that exist between farm prices of livestock, dairy products, poultry, and eggs and their retail prices to determine: (a) the past and present margins for these commodities; (b) the changes in the relative values of the items that comprise the margin; (c) whether these margins fully reflect appropriate farm price changes; (d) whether any important level in the food marketing chain experienced any losses since August of 1973; (e) profits of each important level in the food marketing chain; and (f) whether market power concentration exists to the extent that it impedes competitive forces. S. Res. 351. Senate adopted August 2, 1974. (VV)

Food Stamps: Extends for 1 year, until July 1, 1975, the period of eligibility wherein supplemental security income recipients may receive food stamps. H.R. 15124. Public Law 93-335, approved July 8, 1974. (VV)

Forest and Rangeland Management: Requires the Secretary of Agriculture to prepare a Forest and Related Resources Assessment, limited to programs administered by the Forest Service, by December 31, 1975; requires comprehensive surveys of the resources of the forest and rangelands of the United States and authorizes therefor not to exceed $20 million in any fiscal year; requires the Secretary to prepare and transmit to the President a recommended Renewable Resource Program, which may include alternatives, by December 31, 1975, covering the four year period 1976–1980; requires that land and resource management plans be coordinated with those of State and local governments and other Federal agencies; provides that the Secretary may utilize the

Assessment, resource surveys and Program to assist States and other planning organizations; requires the President to submit a Statement of Policy to Congress which shall go into effect unless either House adopts a disapproval resolution within 60 days, and provides that Congress may revise or modify the Statement to be used in framing budget requests; provides that amounts appropriated to carry out policies approved under the bill shall be expended in accordance with the Budget and Impoundment Control Act of 1974; provides that the financing of forest development roads by forest product purchasers shall be deemed "budget authority" and "budget outlays" as defined in the Congressional Budget and Impoundment Control Act of 1974 and effective for any fiscal year only to such extent or in such amounts as are provided in appropriations acts; and requires the Secretary, in carrying out provisions of the bill, to use data available from other Federal, State, and private organizations, and avoid duplication and overlap of resource assessment and program planning efforts of other Federal agencies. S. 2296. Public Law 93-378, approved Aug. 17, 1974. (VV)

Forest Pest Control: Amends the Forest Pest Control Act to provide that funds appropriated to carry out the program of eradication and control of forest insect pests and diseases are to remain available until expended. S. 3371. P/S May 7, 1974. (VV)

Livestock Credit: Requires the Secretary of Agriculture to establish a temporary 1 year guaranteed loan program to assist farmers and ranchers who are primarily engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys; provides that guaranteed loans may be extended to a corporation or partnership only when the majority interest is held by stockholders or partners who are primarily engaged in such agricultural production; requires the Secretary of Agriculture to guarantee up to 80 percent of loans made by an approved lender at an interest rate to be determined, with a $250,000 limit to any individual, and sets at $2 billion the total amount of loan guarantees that may be outstanding at any one time; requires that the borrower must be unable to obtain financing without the guarantee; requires repayment is not more than 3 years with a possible renewal for not more than 2 additional years; and provides for a 6 month extension of the program if the Secretary so determines. S. 3679. Public Law 93-357, approved July 25, 1974. (VV)

Perishable Agricultural Commodities: Amends the Perishable Agricultural Act to allow the imposition of a monetary penalty, not to exceed $2,000, on those who violate the law by misbranding, or misrepresenting fruits and vegetables shipped, sold, or offered for sale in interstate or foreign commerce in lieu of a formal proceeding for the suspension or revocation of the violator's license. H.R. 14364. Public Law 93-396, approved Aug. 10, 1974. (VV)

Poultry Indemnity Payments: Authorizes the Secretary of Agriculture until December 31, 1974, to pay compensation for contaminated poultry, eggs, and poultry and egg products, including the costs of disposing of such items, to producers, growers, and processors who have been advised after January 1, 1974, that their products contained unsafe residues of the pesticide dieldrin or other chemicals registered and approved for use by the Federal Government at the time of such use, and to compensate their employees for wages lost as a result of this condition, and to investigate and report to Congress within a year on the circumstances, which resulted in the economic loss. S. 3231. P/S Apr. 23, 1974. (141)

Rice Allotment Transfers: Permits rice growers who are unable to plant part or all of their farm acreage allotments because of floods or other natural disasters to transfer their allotments to other farms in the same or a near county on which they will have an interest in the particular commodity. S. 3075. P/S Mar. 13, 1974. (VV)

Rural Development Loans—GNMA Guarantee: Amends the Agriculture Act of 1970, as amended, to authorize the Government National Mortgage Association (GNMA) to guarantee payments on securities based or backed on loan participations guaranteed or insured under the Rural Electrification Act of 1936, as amended, or the Consolidated Farm and Rural Development Act provided that the Administrator shall use the funds created under both of these acts to reimburse GNMA for any disbursements they may make as a result of any guarantee and changes from September 1 to May 1 of each fiscal year the date on which the President is to report to the Congress on the availability of government or government-assisted services to rural areas. H.R. 14723. P/H July 1, 1974; P/S amended Aug. 2, 1974. (VV)

Tobacco Marketing Quota Provisions: Provides, effective with the 1975 crop, that any kind of tobacco for which marketing quotas are not in effect which is produced in an area where a quota kind is traditionally produced shall be subject to the quota if it possesses any of the distinguishable characteristics of the quota tobacco. H.R. 6485. Public Law 93- , approved 1974. (VV)

Top level positions in the Department of Agriculture: Upgrades the position of Under Secretary of Agriculture to Deputy Secretary of Agriculture; establishes two new positions of Assistant Secretary of Agriculture; changes the position of Administrator, Animal and Plant Health Inspection Service, from GS-18 to Executive Level V; increases the membership of the Board of Directors of the Commodity Credit Corporation from six to seven, in addition to the Secretary; and abolishes four existing positions. S. 3031. P/S May 8, 1974. (VV)

Wheat supplies: States a sense of the Senate that the Secretary of Agriculture should: immediately conduct a survey of all wheat milling firms and bakeries to determine their position with regard to wheat supplies and requirements during the remainder of the 1973-74 marketing year; conduct a county-by-county survey to determine the amount of uncommitted wheat stocks remaining in the ownership of all grain dealers and farmers; and work with the Interstate Commerce Commission to expedite transportation of existing wheat stocks to the millers and bakers in need of additional supplies. S. Con. Res. 70. Senate adopted Feb. 25, 1974. (VV)

Wool act payments: Authorizes the Secretary of Agriculture to amend retroactively the regulations governing the computation of price support payments under the National Wool Act of 1954 for the marketing years 1969 through 1972 to permit the making of Wool Act payments to certain farmers and ranchers who failed to receive the full proceeds from their sale of wool because of defaults in payment by their marketing agency, such payments to be computed on the basis of the lesser of (1) the net sales proceeds based on the price the farmer or rancher would have received had there been no default of payment or (2) the fair market value of the wool at the time of sale. S. 3056. P/S July 31, 1974. (VV)

APPROPRIATIONS

1974

Supplemental: Appropriates $9,301,474,398 to provide additional funding for the various departments and agencies for fiscal year 1974; includes: for the Department of Agriculture, $500 million for the Food Stamp Program, and $23,661,000 for watershed and flood prevention programs; $2,139,312,000 for the Department of Defense, Military, to be considered as an "advance" on fiscal year 1975 appropriations; $133 million (termed "Middle East Payback") for replacement in the U.S. defense inventory of equipment sold to Israel which must be replaced at a current price higher than that received at the time of transfer to Israel; for foreign operations, $49 million for Indochina postwar reconstruction assistance; $250,000 for migration and refugee assistance upon enactment of authorizing legislation; reallocates funds appropriated under disaster relief, originally allocated for the Sahel region, for use in all the drought stricken nations of Africa; includes and additional $36.2 million for disaster relief in the United States caused by tornadoes during the spring; $2,265,584,000 for manpower assistance programs; $20 million for elementary and secondary education; $12.5 million for the Office of Economic Opportunity; $2 million to alleviate the present crisis in the District of Columbia criminal justice system caused by lack of funds to pay court-appointed counsel; $47 million for Amtrak for expansion and acquisition of stock; $3,874,791,595 to meet increased costs in Federal salaries and expenses; and contains other provisions. H.R. 14013. Public Law 93-305, approved June 8, 1974. (174)

Veterans' Administration Supplemental: Appropriates $750 million to the Veterans' Administration to insure the availability of funds for financing Readjustment Benefits of the Nation's post-Korean conflict veterans, their sons and daughters, and their wives and widows. H.J. Res. 941. Public Law 93-261, approved Apr. 11, 1974. (VV)

Veterans' Administration Urgent Supplemental: Appropriates a total of $179 million for the Veterans' Administration to cover the increased rates of disability, dependency, and indemnity compensation for disabled veterans and their survivors as provided for in Public Law 93-295, which became effective May 1, 1974, and the 30 day extension of education benefits under the GI bill, as well as for general operating expenses. H.J. Res. 1061. Public Law 93-321, approved June 30, 1974. (268)

1975

**Agriculture-Environmental and Consumer Protection:* Appropriates $13,571,395,000 for agriculture-environmental and consumer protection programs for fiscal year 1975, of which $6,282,815,000 is for agricultural programs, $831,341,000 is for rural development programs, $1,311,181,000 is for environmental programs, and $5,146,048,000 is for consumer programs. H.R. 15472. Vetoed Aug. 7, 1974. (310,322)

Continuing: Provides funds for continuing governmental functions to September 30, 1974, for programs for which fiscal year 1975 funds have not been appropriated at either its current operational level or the lesser level passed by either House, or if applicable legislation has passed neither House, at either the budget estimate or the current level, whichever is lower; includes provisions to guard against the reduction or termination of any specific Labor-HEW program; provides for distribution of title I funds of the Elementary and Secondary Education Act as contained in H.R. 69, as passed the Senate; provides an annual rate of $1 billion for continued support of South Vietnamese military forces; and contains other provisions. H.J. Res. 1062. Public Law 93-324, approved June 30, 1974. (266)

Defense: Appropriates $81,584,258,000 in new budget obligational authority plus an additional $513,600,000 in previous year transfer authority for a total of $82,097,858,000 for fiscal year 1975 for the Department of Defense. H.R. 16243. P/H Aug. 6, 1974; P/S amended Aug. 21, 1974; Senate requested conference Aug. 21, 1974. (358)

District of Columbia: Appropriates for the District of Columbia for fiscal year 1975 a total of $1,453,042,900 of which $379,400,000 is the Federal payment to the District and $1,073,642,900 is District of Columbia funds.

H.R. 15581. Public Law 93- , approved 1974 (VV)

Energy Research and Development: Appropriates $2,236,089,000 to accelerate the Federal program of energy research and development, particularly in the fields of atomic energy and coal gasification and liquefactions, including funds for the Atomic Energy Commission; Interior Department; National Science Foundation; Environmental Protection Agency; National Oceanic and Atmospheric Administration; Federal Energy Office; National Aeronautics and Space Administration; and Department of Transportation. H.R. 14434. Public Law 93–322, approved June 30, 1974. (244)

HUD: Appropriates $21,215,812,000 to the Department of Housing and Urban Development, the President for disaster relief, the American Battle Monuments Commission, Army Cemeterial Expenses, the Federal Communications Commission, the National Aeronautics and Space Administration, the National Science Foundation, the Renegotiation Board, the Securities and Exchange Commission, the Selective Service System, and the Veterans' Administration. H.R. 15572, Public Law 93- , approved 1974. (349)

Interior: Appropriates a total of $3,712,328,310 for the programs and activities of the Department of the Interior (except for certain agencies and programs which are funded under the Public Works Appropriations bill) and related agencies. H.R. 16027. Public Law 93——, approved 1974. (339)

Legislative: Appropriates $708,275,650 for the legislative branch for fiscal year 1975; increases the salaries of the Senate's highest officials, the top position in each Senator's office and the two highest levels on all Senate committees; expands the service activities of the Sergeant at Arms by providing a developmental capability for the computer center, the establishment of a microfilm center, and additional Capitol Police; authorizes the Secretary of the Senate to withhold State income tax; authorizes 66 additional positions for the Library of Congress and 85 for the Congressional Research Service; authorizes payment of witness fees for persons appearing before the Senate Majority and Minority Policy Committees; requires that an annual accounting of travel expenses incurred by Members of Congress and staff traveling abroad on official business be filed with the Secretary of the Senate and The Clerk of the House of Representatives; and contains other provisions. H.R. 14012. Public Law 93–371, approved Aug. 13, 1974. (259)

Public Works—Atomic Energy Commission: Appropriates $4,505,472,000 for fiscal year 1975 for Public Works for Water and Power Development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and power agencies of the Department of the Interior, the Appalachian Regional Development Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions. H.R. 15155. Public Law 93- , approved 1974. (332)

State-Justice-Commerce: Appropriates a total of $5,262,502,000 in new budget obligational authority for fiscal year 1975 for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies—an amount which is 3.5 percent under the amended budget estimate for 1975. H.R. 15404. P/H June 18, 1974; P/S amended Aug. 22, 1974 (359)

Transportation: Appropriates $3,288,504,000 for fiscal year 1975, of which $2,998,152,000 is for the Department of Transportation (including the Coast Guard, the Federal Aviation Administration, the Federal Highway Administration, the National Highway Traffic Safety Administration, and the Urban Mass Transportation Administration) and $290,352,000 is for related agencies (including the National Transportation Safety Board, the Civil Aeronautics Board, the Interstate Commerce Commission, the Panama Canal Zone Government, the U.S. Railway Association and the Washington Metropolitan Area Transit Authority). H.R. 15405 Public Law 93- , approved 1974. (334)

Treasury—Postal Service: Appropriates a total of $5,561,169,000, of which $2,286,165,000 is for the Treasury Department, $1.55 billion is for the Postal Service, $76,837,000 is for the Executive Office of the President, and $1,648,167,000 is for Independent Agencies. H.R. 15544. Public Law 93- , approved 1974 (325)

ATOMIC ENERGY

Atomic Energy Commission Authorization: Authorizes $3,677,433,000 for the Atomic Energy Commission for fiscal year 1975 of which $2,551,533,000 is for operating expenses and $1,125,900,000 is for plant and capital equipment. S. 3292. Public Law 93–276, approved May 10, 1974. (VV)

Atomic Energy Commission Omnibus Legislation: Amends the Atomic Rewards Act of 1955 to authorize rewards for furnishing of information with respect to the attempted or actual introduction, manufacture, or acquisition of special nuclear material or an atomic weapon; includes authorization for rewards for information concerning the export, attempted export, or conspiracy to introduce, manufacture, or acquire a special nuclear material or an atomic weapon; places the determination of entitlement to a reward in the Attorney General, in consultation with the AEC, rather than an Awards Board; changes the title of the act to "Atomic Weapons and Special Nuclear Materials Act"; amends the Atomic Energy Act of 1954, as amended, to provide for Congressional review of proposed increases in the amounts of special nuclear material authorized for distribution to the International Atomic Energy Agency or other groups of nations, and proposed changes in the duration of agreements for such distribution whereby all such proposals would be submitted to Congress for a 60-day period and referred to the Joint Committee on Atomic Energy who, within the first 30 days, must report its view and recommendations to the Congress together with a proposed concurrent resolution favoring, or not favoring the proposal and gives to a concurrent resolution of disfavor the legal effect of barring the execution of the proposed increase or change in duration; permits the AEC to exempt minimal quantities of special nuclear material from licensing requirements; extends for 5 years, to fiscal 1979, the compulsory licensing provisions of the act; and clarifies the AEC's statutory authority to institute a materials access approval program for safeguard purposes. S. 3669. Public Law 93–377, approved Aug. 17, 1974. (VV)

Nuclear Agreements: Amends the Atomic Energy Act of 1954, as amended, to require that proposed international agreements for peaceful cooperation in nuclear energy which deal with nuclear reactors capable of producing more than 5 megawatts of heat and fuel be submitted to the Congress under the procedure for military agreements for a period of 60 days of continuous session during which Congress may disapprove the agreement by passage of a concurrent resolution; directs that such agreements be referred to the Joint Committee on Atomic Energy who, within the first 30-day period, must report its views and recommendations together with a proposed concurrent resolution stating that the Congress does or does not favor the agreement of cooperation; and provides that any concurrent resolution so reported shall become the pending business of the House in question within 25 days and voted on within 5 calendar days thereafter unless otherwise determined by record vote. S. 3698. P/S July 10, 1974; P/H amended July 31, 1974. Conference report filed. *NOTE:* (Comparable provisions for distribution of special nuclear material are contained in S. 3666, the Atomic Energy Commission Omnibus Legislation.) (283)

Nuclear Incidents—Insurance: Amends and further extends for five years from August 1, 1977, to August 1, 1982, the Price-Anderson indemnity provisions of the Atomic Energy Act which were designed to protect the public and the emerging nuclear industry by assuring the availability of funds for the payment of claims in the event of the catastrophy of a nuclear accident occurring from the radioactive or other hazardous properties of course, special nuclear, or byproduct material by providing funds for public liability in the event of a nuclear incident up to a total amount of $560 million, which represents the sum of Government indemnity fixed at $500 million by the Congress and the then-existing (1957) maximum available private liability insurance of $60 million (currently $110 million);

Provides that the provisions of this bill shall not come into effect until 30 days after the Rasmussen Study on reactor safety and the probability of accidents has been completed and the Joint Committee on Atomic Energy has reported to the Congress its evaluation of the results of such study unless Congress within 30 days thereafter adopts a concurrent resolution of disapproval of extension of the Price-Anderson Act;

Amends the act to phase out Government indemnity for the nuclear industry; authorizes the Atomic Energy Commission (AEC) to establish the terms and conditions of the financial protection required of nuclear licensees and provides a deferred premium system whereby in the event of a nuclear incident resulting in damages exceeding the base layer of insurance each licensee would be assessed a deferred premium which would be a prorated share of the excess damages; sets the level of the standard maximum deferred premium at no less than $2 million per facility and an upper level for the premium of $5 million per facility; retains the present $560 million limit on total liability until the total of primary insurance and assessable retrospective premiums reaches the level necessary to completely replace the Government indemnity; places no ultimate limitation on the level to which this coverage could rise and has a projected level, which, at a premium level of $3 million per reactor, is $1 billion about 1987 and $1,346,000,000 in 1990;

Extends the coverage of the act which is presently limited to the occurrence of a nuclear incident within the United States or involving the nuclear ship Savannah (now being decommissioned), and to nuclear incidents involving activities under contract to, and for the benefit of, the United States to also include occurrences outside the territorial limits of the United States and all other nations involving ocean shipments of fuel during transit from one AEC licensee to another and a nuclear facility such as an AEC licensed floating nuclear power plant, and any occurrences resulting from theft;

And contains other provisions. H.R. 15323. P/H July 10, 1974; P/S amended Aug. 8, 1974; Conference report filed. (VV)

CONGRESS

Adjournment: Provides that neither House of Congress shall adjourn for a period in excess of three days or *sine die*, until both Houses have adopted a concurrent resolution for either an adjournment until a date certain or for adjournment *sine die*. H. Con. Res. 568. House adopted July 24, 1974; Senate adopted July 25, 1974. (VV)

Budget Reform—Impoundment Control: Establishes a new congressional budget process;

Establishes Senate and House Committees on the Budget and also, a Congressional Budget Office (COB) which shall (1) provide the Budget and other committees of both

Houses with information and assistance regarding matters relating to the budget, appropriation bills, other bills authorizing or providing budget authority, revenues, receipts, estimated future revenues and receipts, changing revenue conditions, and such other information as the committees may request; (2) issue a report as soon as possible after the beginning of the fiscal year which projects for 5 fiscal years total new budget authority and total budget outlays for each of the fiscal years, revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each of the fiscal years, (3) report by April 1 of each year to the Budget Committees, addressed to fiscal policy and national budget priorities, which will discuss the impact of alternative levels or revenues and outlays for the coming fiscal year on national growth and development;

Changes the Federal fiscal year from July 1–June 30 to October 1–September 30 beginning in 1976, from provisions for an interim transition period from July 1, 1976, to September 30, 1976, and establishes the following timetable for the budget process:

By November 10: The President submits the current services budget (a document showing programs and funding levels for the year just past), thus giving the Congress line-item information with which to begin analysis and preparation of the budget for the coming fiscal year prior to receipt of the President's budget;

Fifteen days after Congress meets: The President submits his budget;

By March 15: Committees and joint committees submit reports to the Budget Committees;

By April 1: COB submits report to Budget Committees;

By April 15: The Budget Committees report the first concurrent resolution on the budget to their Houses, setting forth (1) appropriate levels of total budget authority and outlays; (2) an estimate of budget outlays and an appropriate level of new budget authority for each major functional category, including contingencies and for undistributed intragovernment transactions; (3) appropriate surplus or deficit, recommended level of Federal revenues and any recommended aggregate revenue-increase or decrease; (5) appropriate level of any recommended changes, if any, in the public debt, and (6) such other matters relating to the budget as may be appropriate:

By May 15: The appropriate committees report bills and resolutions authorizing new budget authority (with the exception of entitlement authority or omnibus social security legislation);

By May 15: Completion of all action on the first concurrent resolution;

Seventh Day After Labor Day: Completion of action on bills and resolutions providing new budget authority and new spending authority;

By September 15: Completion of all action on the second required concurrent budget resolution;

By September 25: Completion of action on reconciliation bill or resolution containing provisions necessary to accomplish any changes in budget authority, revenues, or the statutory public debt directed by the second required budget resolution;

October 1: The fiscal year begins;

Provides that the first concurrent budget resolution must be adopted before any measures providing for new budget authority, entitlement authority, and changes in revenues or the public debt limit are to be considered on the floor, with the exception of advance appropriations or advance revenue changes; contains a procedure for waiver of the prohibition in the Senate;

Authorizes additional budget resolutions;

Requires that proposed legislation providing contract or borrowing authority must provide that such new spending authority is to be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation acts, thus subjecting such legislation to the appropriations process, with the exception of such authority now in effect and all existing social security trust funds, 90 percent self-financed trust funds, general revenue sharing (to the extent provided in the legislation), outlays of government corporations, and gifts to the United States;

Makes entitlement authority (entitles persons or governments who meet the requirements to receive payments from the Federal Government) subject to the reconciliation process, with social security and 90 percent self-financed trust funds and government corporations not subject to the referral process for amounts exceeding the budget allocation;

Provides that after the budget process for a fiscal year has been completed it shall not be in order to consider any new budget authority or entitlement measure for that year which would cause the level of budget authority or outlay to be exceeded or reduced;

Contemplates that in the future that authorization bills will be enacted a year or more in advance of the period for which appropriations are to be made;

Provides in title X, the Impoundment Control Act of 1974, that if the President determines that certain budget authority is not required to meet the objectives of a program or should be rescinded for fiscal purposes, or whenever all or part of budget authority provided for only one fiscal year is to be reserved from obligation for such fiscal year, he shall transmit a special message requesting a rescission of the budget authority, and, unless both Houses complete action on a rescission bill within 45 days, the budget authority shall be made available for obligation; also provides for a second type of message concerning deferral, which includes any withholding or delaying the availability for obligation of budget authority, and requires the President to obligate the funds if either House passes an "impoundment resolution" disapproving the proposed deferral at any time after receipt of the special message; amends the Antiefficiency Act regarding the placing of funds in reserve by deleting an "other developments" clause, permitting reserves solely to provide for contingencies, or effect savings where possible by change in requirements or greater efficiency;

And contains other provisions H.R. 7130. Public Law 93–344, approved July 12, 1974. (31,261)

Congressional Record Postal Rates: Provides that the Congressional Record be entitled to be mailed at the same rates of postage at which any newspaper or other periodical publication, with a legitimate list of paid subscribers, is entitled to be mailed. S. 3373. Public Law 93–314, approved June 8, 1974. (VV)

Impeachment Inquiry: Directs the Senate Committee on Rules and Administration, in executive session, to review any and all existing rules and precedents that apply to impeachment trials and to recommend any necessary revisions which may be required if the Senate is called upon to conduct a trial, such report to be submitted no later than September 1, 1974, or earlier if so designated by the Majority and Minority Leaders. S. Res. 370. Senate adopted July 29, 1974. (VV)

Office of Management and Budget: Amends the Budget and Accounting Act, 1921, to require Senate confirmation of future appointments to the offices of Director and Deputy Director of the Office of Management and Budget, effective in each case, immediately after the individual holding that office on the date of enactment ceases to hold the office and, effective immediately in the case of a vacancy in either position on the date of enactment. S. 37. Public Law 93–250, approved Mar. 2, 1974. (VV)

Select Committee on Standards and Conduct: Amends rule XXV of the Standing Rules of the Senate to provide that a Senator serving as Chairman of a Standing, Select or Special Committee of the Senate or a Joint Committee of the Congress may also serve as Chairman of the Select Committee on Standards and Conduct. S. Res. 368. Senate adopted July 25, 1974 (VV)

Senate Committee Employees Pay—Franked Mail: Eliminates the statutory minimum rate of compensation for Senate committee employees and eliminates the requirement that the words "Postage paid by Congress" be printed on franked mail. S. 2315. Public Law 93–255, approved Mar. 27, 1974. (VV)

CONSUMER AFFAIRS

Consumer Food Act: Amends the Federal Food, Drug and Cosmetic Act to provide consumers with greater assurance that food is safe and wholesome; includes provisions for industry-developed safety assurance procedures, authority for the Secretary of Health, Education, and Welfare to set standards for procedures found to be inadequate, and calls for the development of a comprehensive Food and Drug Administration (FDA) food safety plan including a mandate for at least annual inspections of food processing establishments; expands FDA's factory inspection authority to include access to records relating to misbranding; provides for administrative civil penalties and provides authority for citizen civil suits in Federal district courts; directs the Secretary to cooperate with the Small Business Administration for financial assistance to small volume processors who would suffer severe financial burdens in complying with the new requirements; requires food processors to register once every two years in order to maintain a national directory of food processors for inspection purposes; exempts retail grocery stores and restaurants from the safety assurance criteria and registration requirements; confirms FDA's authority to order that certain foods be date-labeled, that certain ingredients be quantitatively listed by percentage of the ingredient in such food, and that certain foods provide nutritional information in a specified format; requires that colorings be listed individually and that certain sensitizing spices and flavorings be listed by name; and provides that State and local food labeling laws which are inconsistent with the Federal laws are to be superseded by Federal regulation. S. 2373, P/S July 11, 1974. (VV)

Motor Vehicle Defect Remedies: Amends the National Traffic and Motor Vehicle Safety Act by empowering the Secretary of Transportation to require that the manufacturer of a motor vehicle or an item of motor vehicle equipment (including tires) which contains a safety related defect or a failure to comply with a motor vehicle safety standard to remedy such defect or failure to comply without charge to the consumer; defines the administrative hearing procedure available to such manufacturer; provides for a procedure whereby the Secretary can act immediately to remove an obvious hazard by applying to a District Court for such temporary or permanent relief as may be necessary to protect the public; authorizes therefor not to exceed $46.773 million for fiscal year 1974; and contains other provisions. S. 355. P/S May 17, 1973; P/H amended Aug. 12, 1974; In conference.

CRIME-JUDICIARY

Canal Zone Marriage Licenses: Transfers the duties for issuing and recording marriage licenses and related activities, from the United States District Court of the Canal Zone to the civil affairs director of the Canal

Zone Government. S. 2348. P/S Mar. 29, 1974. (VV)

Commission on Revision of the Federal Appellate System: Extends the final date for the report of the Commission on Revision of the Federal Court Appellate Systems from September 21, 1974, to June 21, 1975, and increases its authorization from $270,000 to $1 million. S. 3052. P/S Mar. 26, 1974. (VV)

"Cooly Trade" Laws: Repeals the "Cooly Trade" laws which prohibit the procuring, transportation, disposition, sale, or transfer of Oriental persons as servants or apprentices, or to be held to service or labor. S. 2220. P/S May 6, 1974. (VV)

Federal Rules of Criminal Procedure: Postpones for one year, until August 1, 1975, the effective date of certain proposed amendments to the Federal Rules of Criminal Procedure which were promulgated by the Supreme Court and transmitted to Congress under an order of the Supreme Court dated April 22, 1974, to allow Congress sufficient time to study these proposed amendments. H.R. 15461. Public Law 93-361, approved July 30, 1974. (VV)

Juvenile Justice and Delinquency Prevention: Establishes a new Juvenile Justice and Delinquency Prevention program within the Department of Justice, Law Enforcement Assistance Administration (LEAA), to improve the quality of juvenile justice and to provide a comprehensive coordinated approach to the problems of juvenile delinquency;

Creates an Office of Juvenile Justice and Delinquency Prevention within the LEAA, to be directed by an Assistant Administrator appointed by the President and confirmed by the Senate who shall implement all Federal juvenile delinquency programs and policies;

Authorizes grants to States, local governments, and public and private agencies through existing mechanisms of the LEAA to encourage the development of comprehensive programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile system, and to provide community-based alternatives to traditional detention and correctional facilities used for the confinement of juveniles; provides a minimum allocation of $200,000 to each State with 10 percent to be matched by State and local governments; provides that two-thirds of funds to State and local governments be spent through local governments;

Creates a National Institute for Delinquency Prevention and Juvenile Justice within the LEAA's National Institute of Law Enforcement and Criminal Justice to serve as a center for national efforts in juvenile delinquency evaluation, data collection and dissemination, research and training;

Amends the Federal Juvenile Delinquency Act to provide basic procedural rights for juveniles who come under Federal jurisdiction and to bring Federal procedures up to the standards set by various model acts, many state codes and court decisions; and

Creates a National Institute of Corrections to serve as a center of correctional knowledge for Federal, State and local correctional agencies and programs to develop national policies, educational and training programs and provide research, evaluation and technical assistance; and provides authorization for fiscal years 1975, 1976, and 1977 at $75, $125 and $150 million. S. 821. Public Law 93, approved 1974. (317)

Legal Services Corporation: Establishes a private nonprofit Legal Service Corporation—to which is transferred the duties and responsibilities of the legal services program in the Office of Economic Opportunity—for the purpose of providing financial support for legal assistance in noncriminal proceedings to those unable to afford legal assistance; places the administration of the Corporation in a Board of Directors consisting of 11 members appointed by the President with the advice and consent of the Senate and provides that no more than 6 shall be of the same political party, that a majority be members of the bar of the highest court of any State, and that none be full-time employees of the United States; provides that the Chairman shall be selected from the Board members by the President for a 3-year term and thereafter the Board shall elect annually the Chairman from its members; provides that within 6 months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a 9-member advisory council for the State which shall be charged with notifying the Corporation of any alleged violation of this act;

Authorizes the Board to appoint a President of the Corporation, who shall be a member of the bar of the highest court of any State, and any other corporate officers; provides that no officer of the Corporation may receive any compensation from any source other than the Corporation during employment by the Corporation except as authorized by the Board; prohibits the use of political tests or qualifications in appointing or promoting employees of the Corporation or in selecting recipients;

Provides that all officers and employees of the Corporation are to be treated as private employees except for certain rights and benefits of employees of the Federal Government (work injuries, retirement, and health and life insurance); further provides that the Corporation shall be considered a private nonprofit entity for all statutory purposes, including those concerning labor relations, except as otherwise specified;

Authorizes the Corporation to make grants and contracts with individuals, partnerships, firms, and nonprofit organizations and corporations for the purpose of providing legal assistance to eligible clients; authorizes the Corporation to undertake directly and not by grant or contract, to provide research, training, and technical assistance and to serve as a clearinghouse for information relating to the delivery of legal assistance; authorizes the Corporation to insure that clients and employees comply with the law, rules, regulations and guidelines under which the recipients of assistance, grants or contracts will operate; provides that the Canons of Ethics or the Disciplinary Rules of the Code of Professional Responsibility would be fully applicable to the actions and responsibilities of attorneys in the legal services program; prohibits an attorney from receiving compensation for providing legal assistance under this act unless he or she is admitted to practice in the jurisdiction where such assistance is initiated; prohibits employees of the Corporation or any recipient from engaging in or encouraging any public demonstration or picketing, boycott, or strike; makes special provisions for bilingual legal assistance; prohibits the Corporation from influencing the passage or defeat of any legislation by the Congress or any State or local legislature; prohibits contribution of funds, equipment, or personnel to any political party or campaign or for use in influencing any ballot measures or referendums;

Provides that the Corporation, in consultation with the Director of the Office of Management and Budget and with the Governors of the States, establish maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance and establishes guidelines and priorities to insure eligibility of clients; prohibits the use of funds for legal assistance with respect to a criminal proceeding, or to make grants to, or contracts with, any law firm which expends 50 percent or more of its resources litigating issues in the broad interests of a majority of the public; makes special provisions for legal assistance to persons 18 years of age; authorizes $90 million for fiscal year 1975, $100 million for fiscal year 1976, and such sums as may be necessary for fiscal year 1977;

And contains other provisions. H.R. 7824. Public Law 93-355, approved July 25, 1974. (28, 302)

Mandatory Death Penalty: Imposes by statute a mandatory death penalty for offenses for which the death penalty is available because death resulted, as follows where: (1) the offense involves flight by a prisoner from the custody of an officer or from an institution, gathering or delivering defense information to aid a foreign government, transportation of explosives in interstate commerce, destruction of government property, destruction of property in interstate commerce, kidnaping, treason, and aircraft piracy; (2) the defendant has been convicted of another offense, State or Federal, for which a sentence of life imprisonment or death was authorized by statute; (3) the defendant has previously been convicted of two or more offenses, State or Federal, which carried a penalty of more than 1 year's imprisonment and which involved the "infliction of serious bodily injury upon another person"; (4) the defendant knowingly created a grave risk of death to another person in the commission of the offense; (5) the offense was committed in an especially heinous, cruel, or depraved manner; (6) the defendant procured commission of the offense by payment or promise of payment; (7) the offense was committed for money or anything of pecuniary value; and (8) the offense was committed against the President, Vice President, President or Vice President elect, or if no Vice President, the officer next in order of succession, a chief of state of a foreign nation, certain foreign officials in the United States because of official duties, a Justice of the Supreme Court, a Federal law enforcement officer or an employee of a Federal prison;

Also provides in regard to offenses concerning defense information or treason that the sentence of death shall be imposed in cases where (a) the defendant has been convicted of another previous offense concerning defense information or treason, for which a sentence of life imprisonment or death was authorized by statute; or (b) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security and it is found that the offense directly concerned nuclear weaponry, or other major weapons system or major element of defense strategy; or (c) in the commission of the offense the defendant knowingly created a grave risk of death to another person;

Makes the following exceptions to the imposition of the death sentence where, at the time of the offense, (1) the defendant was under 18 years of age; (2) his or her capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired but not so much as to constitute a defense for prosecution; (3) he or she was under unusual and substantial duress, although not such as to constitute a defense for prosecution; (4) he or she was a principal in the offense, which was committed by another, but the participation was relatively minor, though not so minor as to constitute a defense; (5) he or she could not reasonably have foreseen that his conduct in the course of the commission of the offense which resulted in the death for which he or she was convicted would cause, or would create a grave risk of causing, death to any person; or (6) as allowed by the court when hostages have been released by the defendant on the assurance of the Attorney General that their release would be a factor mitigating the application of the mandatory death sentence;

Establishes a procedure whereby a hearing shall be held after conviction or plea of guilty for the purposes of determining whether any of the exceptions apply; contains provisions concerning appeal from a sentence of death under this procedure; and contains other provisions. S. 1401. P/S Mar. 13, 1974. (69)

Narcotic Treatment: Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91–513, commonly called the Controlled Substances Act, to provide new authority for the regulation of the use of narcotic drugs in the treatment of narcotic addicts; provides definitions of "maintenance treatment" to enable the Attorney General to establish more specific and comprehensive regulatory control over the handling of narcotic drugs used in the treatment of narcotic addicts; requires practitioners who dispense or administer narcotic drugs in the treatment of narcotic addicts to obtain a special registration predicated on the approval of treatment standards by the Secretary of Health, Education, and Welfare and the approval of security standards by the Attorney General; enables the Attorney General to deny, revoke, or suspend the special registration for failure to comply with the new standards; makes the full range of civil remedies and felony penalties available under the Controlled Substances Act applicable to practitioners who provide narcotic drugs without obtaining the special registration, in violation of the registration, or after revocation of the registration; and requires the special registered practitioners to keep complete records of narcotic drugs directly administered to patients in their presence. S. 1115. Public Law 93–281, approved May 14, 1974.

Speedy Trials: Make effective the sixth amendment right to a speedy trial in Federal criminal cases by requiring that each Federal district court, in cooperation with the United States Attorney, establish a plan for trying criminal cases within 90 days of arrest or receipt of summons; provides a 7-year phasing-in period so that the goals of a 30-day limit between arrest and indictment and the 60-day limit between indictment and commencement of trial will not be in force until the seventh year to be phased in beginning in the second year after enactment as follows: during the 2d year—a 60-day arrest-to-indictment time limit and a 180-day indictment-to-trial time, during the 3d and 4th years—a 45-day arrest-to-indictment time limit and a 120-day indictment-to-trial time, during the 5th and 6th years—a 30-day arrest-to-indictment time limit and a 60-day indictment-to-trial time; requires that failure to comply with the phasing-in time limit schedule be reported to the Administrative Office of the United States Courts; provides a dismissal without prejudice sanction if a case extends beyond the specified time limits and provides that beginning the seventh year after enactment a prosecution can only be recommenced following such a dismissal if the government can show "exceptional circumstances"; defines what is expected from the district courts, the United States Attorneys, and defense counsel in terms of planning for the implementation of speedy trials and provides reporting requirements so that the progress of implementation and its resource needs can be easily monitored; specifies that a judge should use a balancing test in order to determine whether to grant an exclusion from the speedy trial time limits; authorizes the creation of demonstration "pretrial Services Agencies" in 10 Federal districts to make bail recommendations, supervise persons on bail and assist them with employment, medical, and other services designed to reduce crime on bail; and contains other provisions. S. 754. P/S July 23, 1974. (VV)

DEFENSE

Air Force Colonels Promotions: Extends for 2 years Public Law 89–606, as amended, which authorizes an increase in the number of Air Force colonels and lieutenant colonels, with the number reduced by 3 percent and 2 percent respectively, above the number provided in permanent law. H.R. 14402. Public Law 93– , approved 1974. (VV)

Air Force Unit Command: Removes the provision from law that commanders of Air Force flying units must be commissioned officers having aeronautical rating as pilots. S. 3906. P/S Aug. 16, 1974. (VV)

Aviation Crew Incentive Pay: Restructures the flight-pay system of the uniformed services in order to achieve a more equitable distribution of flight pay and to increase the ability of the uniformed services to attract and retain officer aviator crew members in an all volunteer environment. H.R. 12670. Public Law 93–294, approved May 31, 1974. (VV)

Coast Guard Authorization: Authorizes $122,200,000 to the Coast Guard for fiscal year 1975 for the procurement of vessels and aircraft and construction of shore and offshore establishments and bridge alterations; authorizes the end-year strength for active duty personnel and average military student loads; provides for certain schooling of Coast Guard dependents outside the United States; exempts certain fisheries vessels from load line and vessel inspection laws; authorizes a study of new techniques to be used for fisheries jurisdiction enforcement. H.R. 13595. P/H June 4, 1974; P/S amended Aug. 15, 1974. (VV).

Coast Guard Icebreaking Operations: Provides the authority for the Coast Guard icebreaking operations in waters other than the high seas or waters subject to the jurisdiction of the United States when those operations are undertaken pursuant to international agreement. S. 3308. P/S Aug. 15, 1974. (VV)

Coast Guard Laws: Changes the Coast Guard's authority relating to aids of navigation by extending its jurisdiction to additional water areas within and beyond the territorial waters of the United States and to non-navigable waters covered by the Federal Boat Safety Act of 1971; provides the authority necessary to carry funds over until the completion of projects for which funds were originally appropriated and provides continuing authorization for the payment of certain confidential investigative expenses; authorizes funds to provide for primary and secondary education for dependents of Coast Guard personnel stationed outside the continental United States whenever schools in the locality are unable to meet their educational needs; and makes changes in certain Coast Guard laws pertaining to personnel matters in the Coast Guard Auxiliary. H.R. 9293. Public Law 93–283, approved May 14, 1974. (VV)

Coast Guard Reserve Benefits: Amends title 10, United States Code, in order to ensure that Coast Guard Reservists have the same retention obligations and benefits as do the Reservists of the other armed forces. S. 2149. P/S Aug. 15, 1974. (VV)

Coast Guard Safety Standards: Amends the Act of June 13, 1933, to provide greater flexibility in the safety standards applicable to boilers and pressure vessels by allowing the Coast Guard, through the regulatory process, to set more realistic standards consistent with current technology. H.R. 10309. Public Law 93–370, approved Aug. 10, 1974. (VV)

Defense Production Act Extension—National Commission on Supplies and Shortages: Extends the Defense Production Act of 1950 for 1 year, from June 30, 1974, to June 30, 1975; changes the method by which stockpile materials are purchased from Treasury Department loans to regular congressional appropriations in order to guarantee uninterrupted defense production when necessary; authorizes the Director of the Office of Management and Budget, in consultation with several other Government departments, to undertake a study on strategic stockpiling and inventories policy and to submit a report of its study to Congress by March 1, 1975;

Establishes a one-year independent national commission to report to the President and Congress within 6 months specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency, to provide for a comprehensive data collection and storage system to aid in the examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world; provides for the appointment of 13 members—4 from the Executive branch, 4 from the Congress and 5 from the private sector; authorizes $75,000 for the establishment of an advisory committee to recommend possible policy-making processes and structure within the executive and legislative branches to coordinate efforts with appropriate multi-State, regional and State governmental jurisdictions; provides that the Commission make other reports and recommendations to the President and Congress by June 30, 1974; and authorizes therefor $500,000 for fiscal year 1975.

S. 3270. P/S June 13, 1974; P/H amended Aug. 1, 1974; Senate agreed to House amendment with an amendment embodying the provisions of S. 3523, National Commission on Supplies and Shortages, Aug 20, 1974. (VV)

Defense Production Act Extensions: Extends the Defense Production Act of 1950, which would expire on June 30, 1974, for an additional 30 days. H.J. Res. 1056. Public Law 93–323, approved June 30, 1974. (VV)

Extends the Defense Production Act for 60 days, until September 30, 1974. S.J. Res. 228. Public Law 93–367, approved Aug. 7, 1974. (VV)

Enlistment and Reenlistment Bonuses: Revises the special pay bonus structure relating to members of the Armed Forces to provide enlistment and reenlistment incentives designed to ensure adequate manning in an all-volunteer environment; provides, through June 20, 1977, for a maximum reenlistment bonus of $15,000 with the understanding that this maximum would be limited to the nuclear field only; and provides a bonus of up to $3,000 for an enlistment of at least 4 years in any critical skill area in any service. S. 2771. Public Law 93–277, approved May 10, 1974. (VV)

Enlistment Qualifications: Establishes uniform enlistment qualifications with regard to age, parental consent, and time of enlistment options for male and female persons in the armed services retaining however, the discretionary authority of the Secretary to set as a matter of policy a higher minimum age than seventeen or a lower maximum age than thirty-five for accepting enlistments. H.R. 3418. Public Law 93–290, approved May 24, 1974. (VV)

Grumman Aerospace Corporation: Disapproves the restated and amended advance payment pool agreement between the Department of the Navy and Grumman Aerospace Corp. dated July 29, 1974, under which advanced payments in an aggregate amount not in excess of $100 million may be made to Grumman in connection with a contract for the purchase of F–14 and other military aircraft. S. Res. 380. Senate adopted disapproval resolution Aug. 13, 1974. (345)

Military Claims: Increases from $15,000 to $25,000 the limit for administrative settlement of claims against the United States arising from noncombat activity of the Armed Forces, and increases from $2,500 to $5,000 the limit for the delegation of authority to settle claims. H.R. 9800. Public Law 93–336, approved July 8, 1974. (VV)

Medical Officers' Pay: Increases the special pay bonus for physicians (including physicians of the Public Health Services) for each year's extension of active duty to reduce the gap between the incomes of civilian and military physicians to ensure a level of staffing in an all-volunteer environment; limits the new bonuses to officers in the pay grade 0-6 (colonel) and below; provides a maximum bonus of $13,500 per year excluding those undergoing initial residency training and the first 4 years of obligated service; and contains other provisions. S. 2770. Public Law 93-274, approved May 6, 1974. (VV)

Permits medical officers of the uniformed services to draw continuation pay (up to 4 months basic pay) during initial residency training. H.R. 15936. Public Law 93- , approved 1974. (VV)

Military Procurement Authorization: Authorizes a total of $22,195,037,000 for fiscal year 1975 for military procurement, research and development, active duty, Selected Reserve and civilian personnel strengths, and student loads, of which $35,673,000 will come from reimbursements for foreign military sales;

Includes $13,258,000,000 for procurement of aircraft, naval shipbuilding and conversion, tracked combat vehicles, torpedoes, and other weapons, and $8,936,977,000 for research and development,

Authorizes a year-end strength of 2,098,100 for active duty personnel; reduces by 18,000 personnel stationed in Europe, based on the June 30, 1974, level, with one-third of the reduction to be completed by June 30, 1975, and the full reduction completed by June 30, 1976, and authorizes the Secretary to increase the combat component strength of U.S. forces in Europe by the same amount of the reduction made in noncombat personnel; prohibits an increase in the total number of U.S. tactical nuclear warheads in Europe except in the event of hostilities;

Authorizes a total average strength of 936,712 for the Selected Reserve components including the Coast Guard and a year-end strength of 995,000 for civilian personnel within the various military departments and agencies;

Authorizes $1 billion, including $236,860,000 for procurement of aircraft, missiles, tracked combat vehicles and other weapons to support South Vietnamese military forces; prohibits the use of any of these funds to provide military assistance to Cambodia or Laos and prohibits the obligation of any other funds for fiscal year 1975 for such assistance to South Vietnam;

Requires statutory authorization for selling, or otherwise disposing of naval vessels, larger than 2,000 tons or less than 20 years old;

Prohibits the use of dogs in research for the purpose of developing biological or chemical weapons;

Prohibits flight testing of the Minuteman missile from any place within the United States except Vandenberg Air Force Base;

Requires the Secretary of Defense to make recommendations on licensing export of goods, technology, and industrial techniques resulting directly or indirectly from Defense Department research and development or procurement programs with Communist countries to the President, and provides that Congress could deny the export by passing a concurrent resolution within 60 days;

And contains other provisions. H.R. 14592. Public Law 93-365, approved Aug. 5, 1974. (239, 319)

Military Procurement Supplemental Authorization: Authorizes $769,049,000 in supplemental appropriations for fiscal year 1974 for procurement including replacement of and support items for aircraft and synthetic flight trainer simulators, naval vessels, missiles, tracked combat vehicles, and other weapons for the armed forces; provides, under the military family housing program, the necessary funding authority to cover pay increases already approved by law; reaffirms the $1.126 billion statutory ceiling enacted in 1974 for military aid to South Vietnam and provides that this amount shall not be circumvented by accounting adjustments; prohibits denial of enlistment to a volunteer on the basis of not having a high school diploma; and contains other provisions. H.R. 12565 (S. 2999). Public Law 93-307, approved June 8, 1974. (VV)

Service Academy Appointments: Authorizes the Secretary of the Army to permit one citizen of Laos to attend the United States Military Academy at no expense to the U.S. Government. S.J. Res. 206. Public Law 93-317, approved June 22, 1974. (VV)

DISTRICT OF COLUMBIA

Advisory Neighborhood Councils: Amends the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198) to make clear that only a majority of voters voting on the issues in the May 7th referendum are needed to ratify the Advisory Neighborhood Council. H.R. 12109. Public Law 93-272, approved Apr. 24, 1974. (VV)

American University, Inc.: Amends the act of incorporation of American University to clarify the relationship of the university to the United Methodist Church, under whose auspices and control the university has existed. S. 3339. P/S June 21, 1974. (VV)

Campaign Finance Reform: Replaces the present Board of Elections with the Board of Elections and Ethics which will assume the duties for the conduct of campaigns within the District of Columbia and gives the Board compliance authority including civil penalties; provides for the appointment of the Director of the Board by the Mayor with Senate confirmation until January 2, 1975, and Council confirmation thereafter; sets maximum limitations on contributions and expenditures for and on behalf of a particular candidate; provides that surplus funds shall be used for political purposes of a political party, for retiring proper debts of the candidate's political committee, or shall be returned to the donor within six months after the election; provides for registration and reporting by persons engaged for pay in lobbying for passage or defeat of legislation by the Council and limits its operation to lobbyists being paid over $500 per year for this purpose; prohibits a public official of the District from using his office to obtain financial gain, accept gifts for taking official action, or disclose confidential information resulting in financial gain and prohibits an official from accepting membership on a committee or an assignment of responsibility which creates a conflict of interest; requires candidates and District office holders to file a report with the Board disclosing income, business transactions, property purchases or sales and taxes paid each year; and contains other provisions. H.R. 15074. Public Law 93-376, approved Aug. 14, 1974. (VV)

Educational Personnel—Psychologists—Unemployment Compensation: Authorizes the District of Columbia to enter into Interstate Agreement on Qualification of Educational Personnel; amends the Practice of Psychology Act to allow review of decisions by the Commissioner by the District Court of Appeals and to allow certain persons to obtain licenses who met District qualifications and were engaged in practice prior to the enactment of the Practice of Psychology Act in 1971; and amends the District of Columbia Unemployment Compensation Act to allow review of the determinations of the Unemployment Compensation Board in the District Court of Appeals. H.R. 342. P/H Apr. 9, 1973; P/S amended Aug. 12, 1974. (VV)

Executive Protective Service: Increases the authorized size of the Executive Protective Service from 850 to 1,200 in order to expand protection for embassies and other diplomatic facilities in the D.C. area. S. 3124. P/S May 6, 1974. (VV)

Home Rule Amendments: Amends the District of Columbia Self-Government and Governmental Reorganization Act to place employees of the D.C. Manpower Administration on an equal basis as other employees being transferred on July 1, 1974, from Federal agencies to the District Government; changes the District to the new Federal fiscal year of October 1 to September 30, and makes July 1, 1974, rather than January 2, 1975, the effective date for several sections of the act; simplifies the procedure for general obligation bonds; fills Board of Education vacancies at the next general election; and authorizes the City Council to impose a moratorium on condominium projects. H.R. 15791. Public Law 93- , approved 1974. (VV)

Indigent defense: Makes the Federal Criminal Justice Act applicable to the District of Columbia and provides for a court-appointed counsel to represent defendants who are financially unable to obtain an adequate defense in criminal cases. S. 3703, Public Law 93-—, approved ——— 1974. (VV)

Insurance holding company regulations: Provides a framework for the control of insurance holding company activities through registration of the insurance company with the District of Columbia and regulation by the District of the insurers' tranasctions with the other members of the holding company system; vests responsibility exclusively in the District to avoid conflicting or multiple state regulation; requires registration only of domestic insurers and those foreign insurers whose states do not have similar legislation; requires the reporting of all significant transactions between an insurer and its parent, subsidiaries and sister companies according to specified standards and provides that the Commissioner may direct the insurer to provide any necessary records of other members of the holding company system; permits insurers to invest additional amounts in subsidiaries if remaining surplus is adequate to protect policyholder interests; requires disclosure to the Commissioner of any attempt to take control of, or to merge with, an insurer; and provides that the Commissioner may disapprove any such attempted takeover if specific standards designed to protect the interest of policyholders are not satisfied. H.R. 7218, Public Law 93- —, approved ——— 1974 (VV)

Law revision commission: Creates a Law Revision Commission for the District of Columbia to examine the law relating to the District, to receive suggestions thereon and to recommend changes and reforms to the Congress and the District Council which would remedy defects and anachronisms in the law and bring both civil and criminal law into harmony with modern conditions, and creates a municipal code so that all enacted laws will be in a codified form to facilitate their use. H.R. 12832. Public Law 93-378, approved Aug. 21, 1974. (VV).

Marriage licenses: Repeals provisions of present law requiring that the color of the applicants be included on the application for a marriage license. S. 3476. P/S June 19, 1974. (VV)

Medical and dental manpower: Extends for two years, through fiscal year 1976, the District of Columbia Medical and Dental Manpower Act of 1970 which provides Federal assistance to private nonprofit medical and dental schools in the District. H.R. 11108. Public Law 93- —, approved ——— 1974. (VV)

Pennsylvania Avenue Development Corporation: Amends the Pennsylvania Avenue Development Corporation's enabling act to enhance its capabilities to plan and redevelop the north side of Pennsylvania Avenue between the Capitol and the White House; provides limited authority for noncompetitive hiring of experts and consultants for specified periods of time without regard for advertising and at rates not in excess of the rate in effect for GS-18; reinstates the expired moratorium on construction within the development area, and continues it until such time as the plans have been fully reviewed by Congress; and increases the authorization therefor from $1 million to $1.75 mililon. S. 3301. P/S May 30, 1974; P/H amended Aug. 5, 1974. (VV)

Policemen, Firemen, and Teachers Pay Increases: Provides for a 16 percent increase in salary for policemen and firemen in the District of Columbia, and increases the salary of teachers by 10 percent effective September 1, 1974, with an additional 3 percent increase January 1, 1975, to compensate for the 16.8 percent increase in the cost of living in the D.C. metropolitan area between May of 1972 and July of 1974 and to maintain rates of pay for D.C. policemen and firemen in a favorable competitive position with those in major cities in the eastern half of the United States, and revises the real property tax to increase District revenue to cover these pay increases. H.R. 15842. Public Law 93- ——, approved ——— 1974. (VV)

Sewell-Belmont House: Designates the Sewell-Belmont House at 114 Constitution Avenue, N.E., in Washington, D.C. which is now the headquarters for the National Women's Party, as a national historic site and authorizes the Secretary of Interior to proceed cooperatively with its restoration. S. 3188. P/S June 19, 1974. (VV)

Smallpox Vaccination: Repeals provisions in present law requiring compulsory vaccination against smallpox for public school students. H.R. 8747. Public Law 93-334, approved July 8, 1974. (VV)

Taxability of Certain Dividends—D.C. Election: Amends the existing District of Columbia tax laws to provide with respect to all taxable years ending after December 31, 1973, that dividends and interest received by a corporation from an insurance company, bank, and other savings institution subject to the 2 percent net premium tax imposed under present law shall not, when paid to the parent corporation, be considered as income from sources within the District, and thus shall not be subject to the District of Columbia income tax; provides that, upon ratification of the Charter by D.C. residents on May 7, 1974, employees shall be permitted to be candidates in the first elections for the offices of Mayor, Chairman or member of the Council; provides that employees who are duly qualified candidates may take an active part in political management or political campaigns for such elections; and exempts the Mayor, and members of the city council or the Chairman of the Council from prohibitions against active participation in political management and political campaigns contained in the Hatch Act. H.R. 6186. Public Law 93-268, approved Apr. 17, 1974.

Transportation Subsidies for School Children: Extends for 3 years, to fiscal year 1977, the provisions subsidizing common carriers in order to provide reduced-rate transportation for school children to and from D.C. schools and provides that nothing in this act shall limit the authority of the D.C. Council to act on this matter after January 2, 1975. S. 3477. Public Law 93-375, approved Aug. 14, 1974. (VV)

Unemployment Compensation: Amends the District of Columbia Unemployment Compensation Act to remove the maximum limitation of 2.7 percent of his payroll that an employer may make. S. 3474. P/S June 19, 1974. (VV)

ECONOMY-FINANCE

Abandoned Money orders and Traveler's Checks: Permits the State in which a money order or traveler's check was purchased to claim the money in the event the money order or traveler's check becomes abandoned unless that State's law does not provide for escheat or there is no record of place of purchase, in which case the State in which the obligor has its principal place of business may claim the moneys. S. 2705. P/S Feb. 28, 1974. (*Note:* These provisions are contained in the FDIC Insurance bill, H.R. 11221.) (VV)

Bow and Arrow Excise Tax: Delays for six months the date on which the new 11 percent excise tax on bows and arrows would be imposed by manufacturers and importers such tax to provide additional funds for certain wildlife restoration projects. H.R. 10972. Public Law 93-313, approved June 8, 1974. (VV)

Check Forgery Insurance: Extends the availability of Check Forgery Insurance Fund to permit payment to payees and special indorsees on forged checks drawn on United States dollars or foreign currencies on depositaries designated by the Secretary of the Treasury in the United States or abroad, by Government disbursing officers. H.R. 6274. P/H Sept. 17, 1973; P/S amended Mar. 25, 1974. (VV)

Council on International Economic Policy: Authorizes $1.8 million for fiscal year 1975 for the Council on International Economic Policy. H.R. 13839. Public Law 93-315, approved June 22, 1974. (VV)

Domestic Summit on the Economy: States the sense of the Senate that a domestic summit be convened forthwith comprised of the President, the majority and minority leadership of both the House and Senate, the chairmen and ranking minority members of the Senate Finance Committee and the House Ways and Means Committee and the Chairman of the Federal Reserve Board, together with leaders of labor and business, and such other participants as they may agree upon, to decide upon a plan of action to restore stability and growth to the American economy and confidence and prosperity to the American people. S. Res. 363. Senate adopted July 23, 1974. (312)

Duty Exemptions—SSI Payments—Unemployment Compensation: Exempts from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971; amends the Social Security Act to provide reimbursement to State and local governments for any interim payments they make to an aged, blind, or disabled individual, applying for Supplemental Security Income (SSI) benefits whose claim has been delayed through processing, by authorizing the Social Security Administration, upon authorization by the individual, to withhold from his first SSI check an amount sufficient to reimburse the State for any interim payment; provides for an automatic cost-of-living increase for SSI benefits at the same time and by the same percentage as social security benefits are increased; extends until April 30, 1975, the benefits under the Federal-State unemployment insurance program to provide an additional 13 weeks of unemployment benefits and continues the present temporary waiver of the requirement that a State's insured unemployment must be increasing by 20 percent over the past 2 years; extends until July 1, 1977, payments to States under medicaid plans for compensation or training of inspectors of long-term care institutions; extends until July 1, 1976, the study by the National Science Foundation on supervisory positions in teaching hospitals; continues the discretionary authority of States to impose a premium on the medically needy persons with too much income to qualify for cash assistance but not enough to pay for their medical care; directs the Committee on Internal Revenue Taxation to study the Renegotiation Act to determine if it should be extended beyond fiscal year 1975; and clarifies the way in which certain farm rental income is treated for social security purposes. H.R. 8217. Public Law 93-368, approved Aug. 7, 1974. (VV)

Duty suspensions

Bicycle Parts—Tax Amendments: Continues from January 1, 1974, through December 31, 1976, the suspension of duties on certain bicycle parts and accessories; extends for 1 year, to January 1, 1975, the moratorium with respect to the application of the moving expense provisions for members of the armed forces that are contained in the Tax Reform Act of 1969; repeals the tax and other regulatory provisions on filled cheese contained in the Internal Revenue Code and now enforced by the Food and Drug Administration; permits certain private foundations whose assets are largely invested in the stock of a multi-State regulated company to exclude the value of the stock in computing the amount of their required charitable distributions under the private foundations provisions; changes social security tax reporting requirements by permitting employers to report on an annual basis rather than a quarterly basis; and increases the amount of carbon dioxide that may be contained in still wines from 0.277 to 0.392 gram per 100 milliliters of wine to improve the shelf life of wines with low alcoholic content. H.R. 6642. P/H Nov. 15, 1973; P/S amended July 16, 1974; In conference. (VV)

Cellulose Salts—Tax Amendments: Suspends, until July 1975, the duty on certain cellulose salts used in making permanent press clothing materials; extends to December 31, 1975, the transitional time for charitable remainder trusts to conform to the requirements in the Tax Reform Act of 1969 for purposes of an estate tax deduction; amends the Internal Revenue Code to permit companies writing guarantee insurance and insurance on obligations, the interest of which is excludable from gross income under section 103, to take the special deduction and income amount under section 832 (e) of the Code for taxable years beginning after December 31, 1970; excludes from taxable gross income, funds received by an individual under the Armed Forces Health Professions Scholarship Program and similar programs as well as forgiven student loans received through programs operated by Federal, State or local governments which are conditioned upon future employment; and allows penalties for premature withdrawal of funds from time savings accounts or deposits to be deducted from gross income. H.R. 12035. P/H May 7, 1974; P/S amended Aug. 13, 1974; In conference. (VV)

Copper—Corporate Liquidation Judgments: Continues until July 1, 1975, the duty suspension on certain forms of copper with a "peril point" level of $0.51 per pound, and permits a corporation in a limited type of situation to deduct as a loss, its payment of a judgment against it as the successor to the business of a liquidated corporation when the liquidation occurred before July 1, 1957. H.R. 12281. P/H June 11, 1974; P/S amended Aug. 6, 1974; In conference. (VV)

Crude Feathers and Downs—Tax Amendments: Suspends until December 31, 1976, the duty on certain water fowl feathers and downs which are principally from ducks and geese; provides that, beginning with taxable years after December 31, 1973, the dividends received by members of a consolidated group of corporations from a life insurance company who is not a member of the affiliated group will not be treated as personal holding company income; authorizes the exclusion of the first $200,000 of the value of a family farm from the gross estate of a decedent who has continually owned the farm for 5 years prior to death where the farm passes to relatives; and postpones for 1 year, from January 1, 1975, to January 1, 1976, the requirement in present law that the Federal employee health program be properly coordinated with the medicare program. H.R. 11452. P/H May 7, 1974; P/S amended Aug. 21, 1974. (VV)

Horses—Medicare Provider Provisions—SSI: Suspends until July 1976 the duty on horses other than for immediate slaughter; revises medicare provisions to extend to providers of services the right of judicial review of a decision by the Provider Reimbursement Review Board as well as any subsequent affirmations, modifications or reversals by the Secretary with the amount in controversy to be subject to annual interest beginning 6 months after the determination; and amends the Social Security Act to provide that support and maintenance furnished to an individual in a nonprofit retirement home or institution will not be considered as income for purposes of reducing SSI payments if the cost of such maintenance is paid by the home or another nonprofit organization. H.R. 13631. P/H Apr. 8, 1974; P/S amended Aug. 13, 1974; In conference. (VV)

Methanol—Disc Qualifications—Depreciation Allowances: Suspends the duty on methanol when imported for use in producing synthetic natural gas or for direct use as a fuel; allows a financing corporation to qualify as a DISC if it holds accounts receivable or evidences of indebtedness which arise by reason of the export-related transactions of a related DISC; and extends from January 1, 1975, to January 1, 1978, section 167 (k) of the Internal Revenue Code which provides tax depreciation for rehabilitation expenditures on low- and moderate-income housing. H.R. 11251. P/H May 7, 1974; P/S amended Aug. 13, 1974; In conference. (VV)

Shoe Lathes: Continues to June 30, 1976, the suspension of duty on copying shoe lathes used for making rough or finished shoe lasts from models of shoe lasts and capable of producing more than one sized shoe from a single model of shoe last. H.R. 8215. Public Law 93-310, approved June 8, 1974. (VV)

Silk—Trona Ore—Gaming Operations: Continues from November 8, 1973, through November 7, 1975, the suspension of duties on certain classifications of yarns of silk; provides that the treatment process to achieve the decarbonation of trona ore into soda ash shall be treated as part of its mining in computing the percentage depletion allowance for trona; and exempts licensed bookmakers of legal gaming operations from the 10 percent Federal tax levied on wagers thus allowing legal games to compete more fairly with the illegal operations. H.R. 7780. P/H Nov. 15, 1973; P/S amended Aug. 13, 1974; In conference. (VV)

Synthetic Rutile—Lottery Excise Tax: Suspends until July 1977 the duty on synthetic rutile which is used in the manufacture of white paint and pigments; exempts all State-conducted lotteries from the 10 percent excise tax on wagers; and exempts machines dispensing lottery tickets from the occupational tax on vending machines. H.R. 11830. P/H Apr. 8, 1974; P/S amended Aug. 13, 1974; In conference. (VV)

Zinc—Disaster Loss Claims: Suspends until June 30, 1977, the duty on zinc-bearing ores and certain other zinc-bearing materials including zinc waste and scrap, and allows taxpayers, with certain disaster losses, to reduce the basis of damaged or replacement property by the amount of compensation they received up to a maximum of $5,000 of tax benefits with excess benefits to be included in the taxpayers' income over a five-year period. H.R. 6191. P/H May 7, 1974; P/S amended Aug. 13, 1974; In conference. (VV)

Economic Development: Extends for two years to June 30, 1976, the Public Works and Economic Development Act which, through the Economic Development Administration (EDA), provides Federal assistance, in cooperation with the States and localities, to enable areas and regions suffering from economic distress to help themselves develop the planning and financial capability for long lasting economic improvement and the creation of permanent jobs;

Amends the act to permit areas designated under the substantial unemployment criteria of title I (grants for public works and development facilities), many of which are older, developed urban places in need of incentives to attract and hold business and industry, to be eligible for the title II business loan program; provides that not less than 10 percent of appropriations made under title I shall be spent for the Public Works Impact Program (PWIP) in redevelopment areas—urban areas with a large concentration of low-income persons or substantial unemployment or rural areas with substantial outmigration or actual or threatened rise in unemployment due to the closing or curtailing of a major source of employment; broadens the title II business loan program to permit eligible borrowers to now receive direct working capital loans and to permit the guarantee of loans and of rental payments of leases for buildings and equipment up to 90 percent of the outstanding unpaid loan balance or of the remaining rental payments;

Adds a new planning effort to title III (technical assistance, planning and State grant supplements) by authorizing direct planning grants to States, and to cities, political subdivisions, or sub-State planning and development organizations (including economic development districts) with State to establish a continuing comprehensive planning process in cooperation with sub-State bodies, and, in conjunction with this assistance, also provides a program of grants for Governors to fund or supplement projects; amends title IV to provide a separate authorization of $25 million to Indians for alleviation of economic distress in addition to other assistance to which they may be entitled;

Makes minor amendments to title V (Regional Action Planning Commissions) to improve the coordination between the commissions and the Secretary of Commerce and with the activities of other Federal, State, local, and sub-State planning agencies in the regions; adds new provisions to title V relating to the use of excess Federal property for economic development in the regions which authorize Federal co-chairpersons to acquire such property without cost and to give or loan it in their respective regions to States or their political divisions and other specified groups;

Adds a new title IX (Special Economic Development and Adjustment Assistance) to help meet economic dislocation problems increasingly encountered by local economies resulting from a variety of causes, including actual or planned Federal actions such as the closing of Federal installations, or energy allotments, weather, or environmental requirements, by permitting, in addition to the present authorized limited assistance for such disruptions, early action to assist areas or regions to adjust to alternative economic activities; authorizes grants to be made for this purpose to redevelopment areas, economic development districts, Indian tribes, States, cities or other political subdivisions which may be used for public facilities, public services, business development, planning, unemployment compensation, rent supplements, mortgage assistance, research, technical assistance, training, relocation of individuals and other appropriate assistance;

And contains other provisions. H.R. 14833. P/H June 26, 1974; P/S amended Aug. 2, 1974; House agreed to Senate amendment with an amendment Aug. 22, 1974. (VV)

Export Administration Act Extensions: Extends the Export Administration Act of 1969, as amended, which would expire on June 30, 1974, for an additional 30 days. H.J. Res. 1057. Public Law 93-327, approved June 30, 1974. (VV)

Amends the Export Administration Act of 1969, as amended, to extend the expiration date for an additional 62 days, until September 30, 1974. H.J. Res. 1104. Public Law 93-372, approved Aug. 14, 1974. (VV)

Export Control: Amends the Export Administration Act of 1969 to improve United States capacity to respond to rapidly changing international economic conditions, and extends the act from July 30, 1974, to June 30, 1977;

Amends section 3(2)(A) of the act which sets forth congressional policy on the use of export controls in situations of short domestic supply to delete the word "abnormal" in relation to foreign demand, so that it will no longer be necessary that foreign demand for products be "abnormal" before export control may be imposed;

Provides that it is the policy of the United States to use export controls to secure the removal by foreign countries of restrictions on access to supplies where such restrictions have had or may have a serious domestic inflationary impact, cause a serious domestic shortage or have a serious adverse effect on employment in the United States, or where such restrictions have been imposed for purposes of influencing the foreign policy of the United States; establishes United States policy firmly in opposition to unreasonable restrictions on access to supplies, and firmly in favor of international cooperation to combat such restrictions;

Requires the Secretary of Commerce to monitor exports under specified conditions, to publish reports on such monitoring, to prepare analyses of the economic impact of shortages and increased prices of materials subject to monitoring, and to require other departments and agencies of the Federal Government to cooperate in rendering necessary advice and information; requires the Comptroller General to conduct a continuous review of the effectiveness of procedures implemented by the Secretary in the exercise of this authority with, among other things, consideration given to shortages, export levels, impact on prices and employment, and demand;

Requires that license applications to export goods and technology subject to national security export controls must be processed within 90 days in order to alleviate delay; requires the Secretary to give interested parties an opportunity to comment when export controls are imposed for short supply purposes; provides statutory hardship relief under prescribed circumstances for persons who have historically exported materials made subject to export controls;

Adds provisions to establish review procedures for exports of goods and technology to "controlled countries" (the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechoslovakia, East Germany, and such other countries as may be designated by the Secretary of Defense); requires that the Secretary of Defense be notified of all requests for licenses for exports to such countries to insure full consideration of the military and national security implications of exports to Communist countries, and provides that if the President should modify or overrule a recommendation by the Secretary of Defense, that Congress may disapprove the President's decision by concurrent resolution within 60 days;

Gives the President permissive authority to use license fees or the auction of export licenses as a means of export control;

Requires the Secretary of Agriculture within 90 days after the beginning of the crop year to determine which commodities are likely to be in short supply; requires a study by the President of laws and regulations governing the export and re-export of materials and information relating to any nuclear facility or part thereof and of domestic and international nuclear safeguards, and to make a report within 6 months to Congress on the adequacy of the regulations to prevent the proliferation of the nuclear capability for nonpeaceful purposes, the adequacy of the safeguards, and the efforts by the United States and other countries to strengthen safeguards in anticipation of the Conference on the Review of the Nuclear Proliferation Treaty scheduled for February 1975;

Amends section 28(u) of the Mineral Leasing Act which permits export of U.S. oil from Alaska under certain circumstances so long as such export does not reduce the total supply of oil available in the United States, to also require that such exports not result, directly or indirectly, in any increase in the price of oil in the United States as might result from an exchange for foreign oil;

Requires the Secretary of Commerce to consult with the Federal Energy Administration in order to determine whether monitoring under the act is warranted with respect to the export of facilities, machinery, or other equipment used in the production, conversion, or transportation of fuels and energy, such as drilling rigs and supporting equipment;

And contains other provisions. S. 3792. P/S July 31, 1974; P/H amended Aug. 13, 1974; Senate requested conference Aug. 15, 1974. (327)

Export expansion: Establishes new export expansion programs to facilitate the entry of more American firms into export trade and to encourage certain American companies already exporting to increase their exports by: (1) authorizing a categorical grant program to States, regions, and municipalities for export promotion projects; (2) authorizing export training programs to be conducted under the aegis of the Department of Commerce; (3) authorizing establishment of regional export assistance centers; (4) authorizing a program for the simplification of documentation, to be conducted by the Secretary of Transportation; (5) establishing a Federal Export Agency, with two export expansion programs, within the Department of Commerce; (6) requiring Federal agencies to prepare international economic assessment impact statements on any Federal action or proposal which would significantly affect the international economic relations, balance of payments, or balance of trade of the United States; (7) amending the Export Trade Act of 1918 to include within the scope of the Act the export of firms wishing to participate in export trade associations; and (8) establishing an international trade specialist program within the Department of Commerce to implement the purposes of this act. S. 1486. P/S June 13, 1974. (VV)

Export-Import Bank Act Extensions: Extends the Export-Import Bank Act of 1945 for 30 days, until July 30, 1974. S.J. Res. 218. Public Law 93–331, approved July 4, 1974. (VV)

Extends the Export-Import Bank Act of 1945 for an additional 60 days, until September 30, 1974. S.J. Res. 229. Public Law 93–374, approved Aug. 14, 1974. (VV)

FDIC Insurance: Increases Federal deposit insurance from the present rate of $20,000 to $25,000; changes the name of the Federal Savings and Loan Insurance Corporation to the Federal Savings Insurance Corporation; extends until June 30, 1976, the moratorium on conversion of savings and loan associations from mutual to stock form of ownership; extends until June 30, 1976, a moratorium on conversion of mutual savings banks to commercial banks; extends until December 31, 1975, the authority to set flexible interest or dividend rate maximums on time or savings deposits; increases the present limitation on Federal Reserve Branch bank building construction authority from $60 to $140 million; extends until October 31, 1975, the authority of the Federal Reserve banks to purchase directly from the Treasury public debt obligations up to a limit of $5 million; extends and expands existing law to provide the Federal Reserve Board and the Federal Home Loan Bank Board with additional cease-and-desist powers over the operations of parent holding companies of bank and savings and loan holding companies; provides that no Government official may require the Securities and Exchange Commission or the independent banking regulatory agencies to submit for prior approval or review their legislative recommendations, testimony, or comments to Congress; increases by $2 billion the discretionary authority of the Secretary of the Treasury to purchase Federal Home Loan Bank obligations; specifies that federally chartered financial institutions are subject to certain State consumer protection laws; expands the authority of the Federal Home Loan Mortgage Corporation to purchase residential mortgages from State-insured institutions in certain cases; establishes a National Commission on Electronic Fund Transfers; provides for the equitable disposition of abandoned money orders and traveler's checks; adds a fair credit billing title to protect consumers against inaccurate and unfair billing practices, to prohibit credit card fraud and to prohibit discrimination in all credit transactions on account of sex or marital status; and sets a $295 billion budget ceiling on fiscal year 1975 expenditures. H.R. 11221. P/H Feb. 5, 1974; P/S amended June 13, 1974; In conference. (246)

Foreign Investment in the United States Study: Authorizes the Secretaries of Commerce and Treasury to undertake a comprehensive study of foreign direct and portfolio investment in the United States; requires an interim report to Congress within 18 months and a final report within two and one half years; and authorizes therefor $3 million. S. 2840. P/S June 13, 1974; P/H amended Aug. 21, 1974. (VV)

Inflation Policy Study: Directs the Joint Economic Committee to undertake an emergency study of the current state of the economy with special reference to current inflation, and to provide Congress with specific legislative recommendations to improve the performance of the economy; authorizes $100,000 for the six-month period July 1, through December 31, 1974; and directs the Committee to submit to Congress a report of its findings and any recommendations by December 31, 1974. S. Con. Res. 93. Senate adopted July 9, 1974. House adopted amended July 31, 1974; Senate agreed to House amendment Aug. 7, 1974. (VV)

National Commission on Supplies and Shortages: Establishes a one-year independent national commission to report to the President and Congress within 6 months specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency, to provide for a comprehensive data collection and storage system to aid in the examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world; provides for the appointment of 13 members—4 from the Executive branch, 4 from the Congress and 5 from the private sector; authorizes $75,000 for the establishment of an advisory committee to recommend possible policy-making processes and structure within the executive and legislative branches to coordinate efforts with appropriate multi-State, regional and State governmental jurisdictions; provides that the Commission make other reports and recommendations to the President and Congress by June 30, 1975; and authorizes therefor $500,000 for fiscal year 1975. S. 3523. P/S June 12, 1974. (VV)

National Securities Market System: Amends the Securities Exchange Act of 1934, as amended, to facilitate the development of a national securities market system for buying and selling stock in order to provide greater investor protection and maintain a strong capital raising and allocating system through the establishment of a uniform standard encompassing the various facets of the securities industry; vests in the Securities and Exchange Commission (SEC) the responsibility to take the steps necessary to establish a national securities system and broadens SEC regulatory authority over securities information processors; consolidates and expands SEC oversight powers with respect to self-regulatory organizations, their members, and officers; confers upon the District courts the jurisdiction to command compliance with this act; clarifies the rule-making powers of SEC; and provides for judicial review of SEC actions in an appropriate court of appeals. S. 2519. P/S May 28, 1974. (VV)

Pension reform: Seeks to protect the interests of participants in employee benefits plans by requiring disclosure and reporting, by requiring employers to vest the accrued benefits of employees with significant periods of service and to meet minimum standards of funding, and by requiring plan termination insurance.

Reporting and disclosure: Requires the administrator of each employee plan to furnish, in writing, to each participant a description of his rights and obligations under the plan; requires an annual audit and a report to be filed with the Secretary of Labor on certain financial and actuarial data;

Participation and coverage: Sets minimum standards for participation and coverage in pension plans by employees; requires coverage of an employee who is at least 25 years old and has 1 year of service; requires credit up to 3 years of service prior to age 25; may require employees to be age 25 with 3 years service if the plan provides full and immediate vesting; exempts governmental plans (including Railroad Retirement plans) church plans (unless they elect coverage) and certain other plans;

Vesting: Sets minimum standards for vesting of benefit rights derived from employer contribution by requiring vesting of employee pension credit according to one of three optional formulas: (1) graded vesting: 25 percent vesting after 25 years increased by 5 percent yearly through the 10th year and by 10 percent thereafter until the 15th year when 100 percent vesting is reached, (2) full vesting: 100 percent vesting after 10 years and (3) modified rule of 45: 50 percent vesting after 5 years when the sum of age and service total 45, increasing 10 percent each year thereafter and requiring 50 percent vesting for any employee with 10 years service regardless of age;

Funding: Sets minimum standards for funding of plans to assure that pension plans will have sufficient funds to pay their obligations to participants and beneficiaries when they come due; provides for amortizing past service liability over no more than 30 or 40 years; authorizes waiver of minimum funding requirements upon a showing of substantial business hardship with the waived amounts to be amortized over no more than 15 years and prohibiting more than 5 such waivers within 15 years;

Portability: Provides a voluntary portability system under which participating plans and employees can agree to transfer vested benefits from one plan to another through a central clearing-house; facilitates portability by providing that an employee can transfer his vested benefits, upon changing employment, to an individual retirement account on a tax-free basis;

Plan termination insurance: Provides a plan termination insurance program to be managed by a newly established Pension Benefit Guaranty Corporation within the Department of Labor and funded by an annual tax of $1.00 per participant for single employer plans and 50 cents per participant for multi-employer plans, with vested pension benefits insured up to a benefit of $750 per month;

Fiduciary standards: Imposes strict fiduciary obligations on those who have the discretion or responsibility for managing pension and welfare plan assets; applied the "prudent man" rule to the conduct of fiduciaries; prohibits transactions involving the transfer of assets between the plan and parties in interest with certain exceptions;

Individual Retirement Accounts: Provides that individuals not covered by a pension plan may take a tax deduction for contributions to an individual retirement plan in the amount of up to 15 percent of earned income or $1,500, whichever is less;

Limitation on Employee Contributions: Limits the employer contribution tax deduction to an amount which would produce an annual pension of $75,000 for any one employee;

Enforcement: Enforcement of standards to be provided by the Department of Labor and the Internal Revenue Service with, in general, the IRS enforcing the tax qualification requirements and the Labor Department enforcing violations of standards which result in denial of employee pension rights; and contains other provisions. H.R. 2 (H.R. 4200). Public Law 93——, approved —— 1974. (360)

Public Debt Limit: Increases, until March 31, 1975, the temporary debt limit to $95 billion, thereby providing for a $495 billion overall debt limit instead of the current $475.7 billion limit. H.R. 14832. Public Law 93-325, approved June 30, 1974. (270)

Pyramid Sales Act: Makes the knowing, selling, offering, or attempt to sell, of a participation or the right to participate in a pyramid sales scheme, a criminal offense with penalties of a fine of not more than $25,000 or imprisonment for not more than 5 years, or both; defines a pyramid sales scheme as a plan or operation which includes a means for increasing the participation in the plan or operation and with respect to which a participant pays a valuable consideration for the opportunity (a) to receive compensation for introducing any other person into participation in such plan or operation; or (b) to receive compensation when a person introduced by the participant introduces any other person into participation with the same rights; provides that the fact the number of persons who may participate may be limited, or that conditions may be imposed with respect to eligibility shall not be construed to change the identity of any plan or operation that is a pyramid sales scheme; and contains other provisions. S. 1939. P/S Aug. 22, 1974. (VV)

Renegotiation Act—Unemployment Compensation: Extends the Renegotiation Act of 1951, as amended, which authorizes the Government to recapture excessive profits on certain Government contracts and subcontracts, for 12 months, until June 30, 1975, and extends for 30 days the benefits under the Federal-State unemployment insurance program to provide an additional period of unemployment benefits. H.R. 14833. Public Law 93-329, approved June 30, 1974. (VV)

Securities and Exchange Commission (SEC) Paperwork Reduction: States as a sense of the Senate that the SEC should immediately proceed to evaluate the role of the small broker-dealer in the U.S. securities markets and determine if their survival is being jeopardized by unnecessary, overlapping, and duplicative reporting requirements and urges the SEC to examine the paperwork burden of the small broker-dealer consistent with SEC's statutory mandate to protect the investor and, where possible, reduce and consolidate duplicative and excessive reporting requirements. S. Res. 173. Senate adopted Feb. 7, 1974. (VV)

Supplemental security income—unemployment compensation: Authorizes payment of supplemental security income (SSI) benefits on the basis of presumptive disability, for up to 12 months, to otherwise eligible individuals who were formerly on the rolls of State programs of aid to the blind and disabled in order to allow benefits to continue while the Social Security Administration, which administers SSI, completes its eligibility review; extends a temporary provision in Public Law 93-233, amending the Social Security Act, whereby a State can elect to come under the extended unemployment compensation program which provides for 13 weeks of extended benefits beyond the expiration of regular unemployment benefits, if the insured unemployment rate in the State is at least 4 percent without meeting the permanent law requirement that the rate also has increased by 20 percent over the prior 2 years; and provides a 1-year delay for the repayment by a State of funds it has received from the Federal government to pay unemployment compensation benefits. H.R. 13025. Public Law 93-256, approved Mar. 28, 1974. (70)

Wage and Price Stability Council: Authorizes $1 million to the President to establish, within the Executive Office of the President, a Council on Wage and Price Stability, consisting of 8 members and 4 adviser-members to be appointed by the President; directs the Council to monitor the economy and review government programs with regard to inflation; and provides that the Act shall terminate on August 15, 1975. S. 3919. Public Law 93- , approved 1974. (353)

EDUCATION

Educational Funding and Guaranteed Student Loans: Provides that funds appropriated for fiscal years 1973 and 1974 for any program to which the General Education Act applies shall remain available for obligation and expenditure until June 30, 1975, and amends the Higher Education Act of 1965 to clarify congressional intent concerning the Guaranteed Student Loan Program so that students whose family incomes are less than $15,000 per year will be eligible for a $2,000 subsidized loan without a needs test and an additional $500 if they qualify under a needs test which is required for students whose family incomes are $15,000 or more to receive a subsidized loan up to $2,500. H.R. 12253. Public Law 93-269, approved Apr. 18, 1974 (VV)

Elementary and Secondary Education: Revises and extends various educational programs through fiscal year 1978; authorizes the President to call and conduct a White House Conference on Education in 1977 to stimulate a national assessment of educational conditions, needs, and goals;

Changes the formula under title I of the Elementary and Secondary Education Act for allocation of Federal funds through the States to local educational agencies for special programs and projects for educationally deprived children so that grants to a local agency shall be determined by multiplying the number of eligible children by 40 percent of the State's average expenditure per pupil with the stipulation that no State will receive less than 80 percent or more than 120 percent of the national average expenditure, with the number of eligible children ages 5-17 to be counted as follows: (1) all children from families below the poverty level, as defined by the Orshansky Index of poverty—which allows variations for family size, sex of head of household, and whether the family is farm or non-farm; (2) two-thirds of the children from families receiving AFDC (Aid to Families with Dependent Children) payments bringing them above the Orshansky poverty level; and (3) children who live in institutions for delinquent or neglected children; requires an analysis of the measures of poverty used by the Federal government; authorizes use of $50 million from title I funds for part B incentive grants to States whose local financial support of schools is higher than the national average; authorizes $75 million for fiscal year 1975 for part C grants to local educational agencies having a high concentration of disadvantaged children and repeals part C effective July 1, 1975;

Makes three different consolidations: (1) *an administrative consolidation* allowing a State to make one comprehensive application for Federal funds (under programs administered by the Commissioner of Education) which are to be administered through the State educational agency; (2) a consolidation of *categorical assistance programs* under the Elementary and Secondary Education Act—titles II (libraries), III (innovation) and V (strengthening of education) and sections 807 (dropout prevention) and 808 (health and nutrition) and the National Defense Education Act—title III (equipment, other than section 305, loans to schools); and (3) a consolidation of *federally operated education programs* administered by the Commissioner under discretionary authority, with the Cooperative Research Act rewritten and retitled as the Special Projects Act to authorize the Commissioner to carry out special projects to experiment with new methods, techniques and practices for education and administration, provide for the creation of seven new programs for education in the use of the metric system, for gifted children, community schools, career education, consumers' education, women's equity in education, and arts in education;

Extends and makes certain revisions in the impacted areas programs whereby local school districts are reimbursed proportionally for the number of pupils whose parents live and/or work on Federal property to make up for revenues lost on tax-exempt Federal property, including a revision of the present categories of A, B, and C to A and B, and makes certain changes in the rates of reimbursement payments.

Includes the authorization of a new national reading improvement program, an extensive revision of the Bilingual Education Act, and an expansion of programs under the Education for the Handicapped Act; contains provisions for the protection of the rights and privacy of parents and pupils, which include inspection of school records and requiring their consent for release of records;

Includes busing provisions, entitled the Equal Education Opportunities Act of 1974, stating that equal educational opportunities may not be denied on the basis of race, color, sex, or national origin; gives the findings of Congress that standards for busing have not been clear and uniform and that it is necessary and proper for the Congress, pursuant to its powers under the Constitution, to specify what are appropriate remedies for the elimination of the vestiges of dual school systems, except that these provisions are not intended to modify or diminish the authority of the courts to enforce fully the requirements of the 5th and 14th amendments to the Constitution regarding the elimination of such vestiges; provides that failure to attain a numerical balance of students on the basis of race, color, sex or national origin does not constitute denial of equal educational opportunity, that no court, department or agency of the United States shall order busing of any student to a school other than the school closest to home, and that school district lines may not be ignored or altered unless they were drawn for, and had the effect of, segregating school children; provides that a parent or guardian of a child being bused under court order may seek to reopen or intervene in the future implementation of the court order if the busing is a risk to the child's health or significantly impinges on the child's educational process; and extends the expiration date of present law prohibiting implementation of a court order until appeals or the time for appeals is ended from January 1, 1974 to June 30, 1978;

And contains other provisions. H.R. 69. Public Law 93-338, approved Aug. 21, 1974. (204, 315)

Environmental education: Extends to July 1, 1977, the Environmental Education Act and reestablishes the Advisory Council on Environmental Education (which was terminated on May 17, 1973, when the Commissioner on Education published his intent to abolish the Council and Congress did not, within 90 days, disapprove of this action); authorizes therefor $5 million, $10 million, and $15 million for fiscal years 1975, 1976, and 1977 respectively; and permits the Commissioner to abolish the Council only after such intent is published in the Commissioner's annual report to Congress and only if either House of Congress does not disapprove of this action. S. 1647. Public Law 93–278, approved May 10, 1974. (VV)

Health professions student loans: Amends the Public Health Service Act to extend for 1 year, to June 30, 1975, the authorization for Federal capital contributions into the scholarship program for the National Health Service Corps and the loan program for health professions students. S. 3782. Public Law 93– , approved 1974. (VV)

Legal education assistance: Authorizes the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession. H.R. 15296. Public Law 93–343, approved July 10, 1974. (VV)

ELECTION REFORM

Campaign Reform: Authorizes public financing for primary and general elections for Federal office, effective January 1, 1976; sets requirements for eligibility for candidates choosing public funding, including agreement to reporting requirements and the meeting of a threshold amount of money from private contributions before receiving public moneys, and limits private contributions, total permissible campaign expenditures by a candidate (both publicly and privately financed), and expenditures by a political party, with provision for cost-of-living adjustments in the amounts which may be spent;

Primaries (including a runoff election and a nominating convention): Authorizes partial public funding as follows:

Presidential: Threshold, $250,000 from first $250 of each contribution with $100,000 of that amount to be met by gathering $5,000 in matchable contributions from legal residents of each of at least 20 States; public matching, first $250 of a contribution; campaign spending limit, greater of 16 cents times voting age population (VAP) or $250,000 for each State subject to overall limit of 10 cents times VAP;

Senate (and House where a State has only one Representative): Threshold, lesser of 20 percent of spending amount of $125,000 from first $100 of each contribution; public matching, first $100 of a contribution; spending limit, greater of 8 cents times VAP or $125,000;

General Elections: Permits candidates to choose to receive all private contributions and no public funding, a blend of private and public funding within the limitations on expenditures for general elections, or, in the case of major party candidates, exclusively public funding; provides different funding for major and minor party candidates as follows:

Major Party (one whose candidates for President and Vice President in the preceding election received at least 25 percent of the total number of popular votes cast in the United States for all candidates in the election):

Presidential: Public funding up to 12 cents times VAP; *Senate (and House in States entitled to only one Representative):* up to the greater of 12 cents times VAP or $175,000. *House:* for candidates from States entitled to more than one Representative up to the greater of 12 cents times VAP or $90,000;

Minor Party (any political party whose candidates for President and Vice President in the preceding election received at least 5 percent but not less than 25 percent of the total number of popular votes cast in the United States for all candidates in the election): Provides for partial public funding up to an amount which is in the same ratio as (1) the average number of popular votes cast for all the candidates of the major parties bears to (2) the total number of popular votes cast for the candidate of the minor party;

Provides that where only one party qualifies as a major party that the party whose candidate for election to a particular office at the preceding general election received the next greatest number of votes (but not less than 15 percent of the total votes cast, and also, if voters are registered by party, 15 percent of those registered) shall be treated as a major party;

Provides that a candidate who ran at the preceding election as a Democrat or Republican and received more than 25 percent of the votes cast and then runs at the following election as an independent must again qualify for public financing by receiving at least 5 percent of the votes at the current elections;

Unopposed Candidates: Limits public funding in a general election to 10 percent of the otherwise applicable limit;

Post-Election Payments: Available (1) where a minor party or independent candidate entitled to payments before the election in an amount less than that payable to the major party candidate before the election receives a greater percentage of the votes than the candidate of his party received in the last election and (2) where a candidate who is not the nominee of a major or minor party and who did not receive more than 5 percent of the votes in the most recent general election for the same office receives 5 percent or more of the votes in the current election;

Expenditures by a political party in a general election: Authorizes a national party committee in Presidential elections to spend up to a limit of 2 cents times VAP of the U.S., and a State committee for a candidate for the Senate or for the House where the candidate is required to run statewide up to the greater of 2 cents times VAP population of the State or $20,000, and for a House candidate in any other State, $10,000;

Contribution limits: Individual, $3,000, organization, $6,000, for the entire campaign of any particular candidate, $25,000 in the aggregate; independent expenditures on behalf of a candidate without his authorization by anyone other than the national State party committee, $1,000 per candidate; prohibits contributions over $100 other than by a written instrument identifying the contributor; candidate's personal and family funds, retains present limit of $50,000, Presidential and Vice Presidential, $35,000, Senate, $25,000, House;

Political broadcasting: Repeals the Campaign Communications Act imposing spending limits for the use of broadcast and printed media; amends the Communications Act of 1934 (1) to permit automatic waiving of the equal time requirements for Presidential and Vice Presidential races, and for other elections, Federal, State or local, only if the broadcast station offers 5 minutes of free time to all candidates seeking the same office; (2) to require broadcasters to demand a certification by any Federal candidate, before charging him for broadcast time, indicating that the payment of charges for that time will not exceed his expenditure limit under title 18, United States Code, and to apply this provision to State and local candidates wherever similar limits are imposed on them by State law; and (3) to require broadcasters to make certain announcements and keep certain records in connection with political broadcasts;

Reporting, disclosure, and enforcement: Makes a general revision of title III of the Federal Election Campaign Act of 1971 (relating to the disclosure of Federal campaign funds); establishes a Federal Election Commission to enforce reporting and disclosure requirements; requires a candidate to designate a central campaign committee to serve as central reporting and disclosure agent, and campaign depositories for all contributions and public payments from which all expenditures other than petty cash must be approved by the national party committee; permits excess campaign contributions to be used by elected candidates for expenses or a charity; requires a 5-year audit of tax returns of Members of Congress and Federal employees earning over $20,000;

And contains other provisions, S. 3044, P/S Apr. 11, 1974; P/H amended Aug. 7, 1974; In conference. (138)

Overseas Citizens Voting Rights: Guarantees the right of otherwise qualified private U.S. citizens residing outside the United States to vote in Federal elections in the State of their last voting domicile; requires a citizen, voting under the bill, to state his intent to retain his prior State as his voting residence and domicile if he has not registered to vote and is not voting in any other State, territory or possession of the United States; adopts a uniform absentee registration and voting procedure including the requirement that election officials mail out balloting material as promptly as possible after receipt of a properly completed application; recommends that the States adopt an alternate version of the Federal post card application; assures that Federal and State governments could not seek to impose taxes on a citizen which would cause him to lose any tax exemption solely on the basis of having exercised his right to register and vote absentee; and imposes a $100,000 fine and 5 years imprisonment for willful violations of the act. S. 2102. P/S July 16, 1974. (VV)

Watergate Committee: Extends for 3 months, from February 28, 1974, to May 28, 1974, the date for the Select Committee on Presidential Election Campaign Activities to make its final report to the Senate of the results of the investigation and study conducted by it together with its findings and recommendations for new legislation. S. Res. 287. Senate adopted Feb. 19, 1974. (VV)

Authorizes the Committee to make available to the Internal Revenue Service (IRS) such information requested by that agency and to investigate, receive, and inspect any data, documents, or other information held by the IRS directly related to the investigation being conducted by the IRS and the Committee. S. Res. 288. Senate adopted Feb. 21, 1974. (VV)

Increases the authorization for expenses of the Committee through May 28, 1974, from $1.5 million to $1.8 million, of which not to exceed $70,000 shall be available for the procurement of the services of individual consultants or organizations. S. Res. 286. Senate adopted Mar. 1, 1974. (VV)

Extends from May 28, 1974, to June 30, 1974, the date for the Committee to make its final report to the Senate of the results of the investigation and study conducted by it together with its findings and recommendations for new legislation and provides that the Committee may submit any interim reports it considers appropriate; terminates the Committee three months after the submission of its report provided however that if the judicial action brought by the Committee against the President for certain specified taped recordings of conversations between the President and his former counsel, John W. Dean, is not adjudicated, the Committee shall remain in existence until 30 days subsequent to a judicial determination; and impowers the Committee to report to the Senate an addendum to its final report based on what the taped recordings disclose in the event they are received pursuant to the final adjudication. S. Res. 327. Senate adopted May 22, 1974. (VV)

Increases the authorization for expenses of the Committee from $1.8 million to $2 million of which not to exceed $70,000 shall be available for the procurement of the services of individual consultants or organizations. S. Res. 328. Senate adopted May 28, 1974. (VV)

Authorizes the Committee to transfer its records to the Library of Congress; grants the Senate Committee on Rules and Administration complete control over access to and use of the records after the date of transfer; and authorizes the members of the Committee and staff members to testify before any court regarding their activities when requested to do so. S. Res. 369. Senate adopted July 29, 1974. (VV)

ENERGY

Coal Leases: Amends the Mineral Leasing Act of 1920 relating to development of Federal coal resources as follows: (1) requires that leases be issued by competitive bidding only; (2) requires that leases be issued after adoption of comprehensive land use plans prepared in consultation with State and local governments and with ample opportunity for public review; (3) eliminates prospecting permits and preference right leases; (4) directs that leases will be for a 20 year term and as long thereafter as coal is produced; (5) requires the lessee to submit a development and reclamation plan 1 year after obtaining a lease; and (6) broadens the purposes for which States can use their share of coal leasing revenues. S. 3528. P/S July 9, 1974. (VV)

Energy Allocation for Tourism Industry: Expresses the sense of the Senate that in any allocation of energy supplies or other actions by Federal departments and agencies to alleviate the energy shortage, proper consideration should be given to the provision of adequate supplies of energy to all segments of the tourism industry. S. Res. 281. Senate adopted Apr. 29, 1974. (VV)

**Energy Emergency:* Declares that current and imminent fuel shortages have created a nationwide energy emergency; calls for proposals for energy emergency rationing and conservation measures and authorizes specific temporary emergency actions to be exercised, subject to congressional review and right of approval or disapproval, to assure that the essential needs of the United States for fuels will be met;

Establishes a Federal Energy Emergency Administration (FEEA) until May 15, 1975, to be headed by an Administrator who will be appointed by the President with the advice and consent of the Senate; transfers certain powers and duties of the President under the Emergency Petroleum Allocation Act of 1973 to the FEEA Administrator; authorizes the promulgation of a rule to order priorities among users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment of rights entitling certain users to obtain products in precedence to others; requires the President to provide procedures by which any user may petition for review of priorities and entitlements.

Authorizes the FEEA Administrator to promulgate by regulation energy conservation plans to reduce energy consumption to a level which can be supplied by available energy resources through transportation controls, including highway speed limits, or other necessary and reasonable restrictions on the public or private use of energy, including limitations on energy consumption by businesses; provides that no energy conservation plan promulgated by regulation under this authority may impose rationing or any tax or user fee, or provide for a credit or deduction in computing any tax; terminates any such energy conservation plan on May 15, 1975; requires transmission of any plan to each House of Congress, and makes any plan which would become effective before March 15, 1974, subject to congressional disapproval; provides that any energy plan which would become effective on March 15, 1974, and before September 1, 1974, shall go into effect 15 days after its transmission to Congress if neither House disapproves; provides that any energy plan which would become effective on or after September 1, 1974, must be approved by act of Congress; provides procedures for Congressional review of the plans;

Directs the Administrator, to the extent practicable, to prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment, has the capability and necessary plant equipment to burn coal;

Directs the Administrator, within 30 days after enactment, to propose a contingency plan for allocation of supplies of materials and equipment for exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, implementation of such a plan to be subject to congressional approval by a means similar to that for any energy conservation plan;

Authorizes the Administrator, in order to supplement domestic energy supplies, to require production of oilfields to be designated by the Secretary of the Interior or the Secretary of the Navy at the maximum efficient rate of production and, in certain cases, in excess of the maximum rate;

Requires the President to specify equitable prices for domestic crude oil, all residual oil, and all refined petroleum products; provides that within 30 days of enactment the ceiling price for all crude oil be the price for that grade of oil in that field at 6:00 a.m., May 15, 1973, plus $1.35, making the average basic price $5.25 per barrel with savings from a price rollback to be passed on to consumers on a dollar-for-dollar basis; provides that the President may establish a higher ceiling price up to $7.09 per barrel, upon proper justification to Congress, that a higher price is necessary for a recovery of costs as in the case of crude oil produced from stripper wells or by secondary or tertiary recovery;

Contains provisions for the protection of franchised dealers; provides, in relation to antitrust provisions, for procedures to achieve the goals of this act while retaining the integrity of the antitrust laws; authorizes the appropriate agencies to take action for conserving energy consumption by regulated carriers; authorizes certain restrictions on exports; provides for employment impact and unemployment assistance to those adversely affected by the energy emergency; directs the Secretary of Transportation to encourage the use of carpools; prohibits the use of limousines by Federal officials in the executive branch below the level of a Cabinet officer except for the Federal Bureau of Investigation and the Department of State for diplomatic assignment; prohibits the use of funds for furnishing a chauffeur for individual use to any Federal official; provides for administrative procedures and judicial review; and contains enforcement provisions; authorizes to FEEA to carry out its functions and to make grants to States $75 million annually for fiscal years 1974 and 1975, with an additional $50 million for 1974 and $75 million for 1975 grants to States to carry out conservation measures and $500 million for fiscal year 1974 for grants to States for unemployment assistance;

Amends the Clean Air Act to permit the Administrator of the Environmental Protection Agency to suspend, until November 1, 1974, any stationary source fuel or emission limitation; provides for implementation plan revisions; extends the interim standards for motor vehicle emissions to 1977;

And contains other provisions. S. 2589. Vetoed Mar. 6, 1974. Senate sustained veto Mar. 6, 1974. (34, 53)

Energy Reorganization (ERDA): Consolidates the Federal government's fragmented and uncoordinated energy research and development functions by establishing the Energy Research and Development Administration (ERDA), an independent agency formed from the transfer of the technical staff and national laboratories of the Atomic Energy Commission (AEC)—which is abolished by this Act—and certain research and development programs from the Department of Interior and the National Science Foundation; provides that ERDA will be headed by a single Administrator, appointed by the President and confirmed by the Senate, who will exercise broad functions to explore and develop all possible sources of energy—both nuclear and non-nuclear; provides for 6 assistant administrators who will be responsible for programs in the following areas; 1) fossil energy, 2) nuclear energy, 3) solar, geothermal, and advanced energy systems. 4) environment and safety, 5) conservation, and 6) defense programs; provides safeguards against unwarranted priority being given to any single energy technology; establishes a Council on Energy Policy to draw up national energy policy to promote interagency cooperation with a cabinet-level Interagency Energy Resources Committee to assist the Council;

Requires an annual report to Congress on ERDA's activities including activities relating to the development of energy-efficient source and utilization technologies in transportation, manufacturing, power generation, residences and commercial facilities and mandates the development within 4 years of a more energy-efficient automobile which produces less pollution;

Establishes the Nuclear Safety and Licensing Commission (NSLC), an independent regulatory commission which is based upon the Regulatory Division of the AEC but with a revised internal organization, to promote well-balanced and closely supervised regulation of the burgeoning nuclear power industry; requires Senate confirmation of the 4-member commission and chairman who are charged with protecting the nation's helath and environment by ensuring the safety and the security of the nuclear industry and the weapons-grade and other radioactive materials used to fuel it; provides for three coequal directors, each with direct and independent access to the Commission, and each responsible for separate operations relating to nuclear reactor safety, nuclear materials security, and nuclear safety research; establishes civil and criminal penalties for noncompliance with regulations or failure to report potentially hazardous defects; requires the Commission to make quarterly reports to Congress on details of abnormal occurrences at licensed nuclear facilities and to widely disseminate initial information to the public within 5 days of learning of each abnormal occurrence; provides public financing of citizen intervenor groups which are unable to pay their own legal and technical costs so that they may participate in the nuclear licensing and rulemaking process;

Amends the Emergency Daylight Saving Time Energy Conservation Act of 1973 by revoking the nationwide daylight saving time from the last Sunday in October, 1974 until the last Sunday of February, 1975;

And contains other provisions. H.R. 11510. P/H Dec. 21, 1973; P/S amended Aug. 15, 1974: In conference. *NOTE:* (Provisions similar to those of S. 1283, the National Energy R & D Policy Act of 1973, are contained in this bill.) (VV)

Energy Supply—Clean Air: Directs the Federal Energy Administration (FEA) to prohibit an electric power plant from burning petroleum or natural gas if it has the capability to burn coal and authorizes, but does not require such prohibitions with respect to other major fuel-burning facilities aside from powerplants unless coal or coal transportation are not available or electrical service would be impaired; authorizes FEA to require that powerplants be designed to burn coal as well as other fuels; authorizes FEA to allocate coal to any facility that is prohibited from burning oil or natural gas;

Permits the Environmental Protection Agency (EPA) to suspend until June 30, 1975, any stationary source fuel or emission limitation as it applies to the Clean Air Act if (1) there is an unavailability of fuels to meet the act's requirements, (2) a plant converted to coal between September 15, 1973, and March 15, 1974, or was ordered to convert to coal by FEA, or (3) the suspensions would result in emissions that exceed the primary air quality standard for a particular region; permits EPA to delay a plant's compliance schedule until January 1, 1979, if (1) emission limits to maintain primary results in emissions that would exceed the primary standards in an air pollution control region, or (3) EPA approved an interim compliance plan; prohibits EPA from using parking surcharges to control air pollution;

Continues emission standards established for 1975 model year automobiles during the 1976 model year and delays until September 30, 1977, final automobile emission standards for carbon monoxide and hydrocarbons and until September 30, 1978, final standards for nitrogen oxides; provides that after January 1, 1975, an automobile manufacturer may seek a 1-year suspension of the statutory standards for hydrocarbons and carbon monoxide applicable to the 1977 model year and requires EPA to establish interim standards for such a suspension; provides for allocation of low sulfur fuel to minimize adverse effects on the public health; clarifies the relationships between the National Environmental Policy Act and the Clean Air Act; extends the Clean Air Act authorizations for 1 year; and provides criminal penalties for willful violations of the act. H.R. 14368. Public Law 93–319, approved June 22, 1974. (VV)

Federal Energy Administration: Establishes the Federal Energy Administration (FEA) as an independent executive agency, to be headed by an Administrator to be appointed by the President with the advice and consent of the Senate; transfers to the Administration four existing agencies now in the Interior Department—the Offices of Petroleum Allocation, Energy Conservation, Energy Data and Analysis, and Oil and Gas; transfers the Energy Division of the Cost of Living Council into the new Administration; requires policy coordination with the Environmental Protection Agency; authorizes the Comptroller General to monitor FEA operations and make public its reports; authorizes the Government Accounting Office to issue subpenas to obtain information from companies engaged in any phase of energy supply or major consumption of energy; creates an Office of Private Redress and Grievances to handle complaints; requires the Administrator to prepare a comprehensive energy plan mapping out the Administration's proposed course of action for the next two years; and contains other provisions. H.R. 11793 (S. 2776). Public Law 93–275, approved May 7, 1974. (VV)

Geothermal Energy: Establishes a Geothermal Energy Coordination and Management Project composed of the Federal Energy Administration, the National Science Foundation, the Department of the Interior, the National Aeronautics and Space Administration, and the Atomic Energy Commission, which will be headed by an Administrator to be appointed by the President, and shall have overall management responsibility for geothermal resource inventory, research and development inventory programs; directs the National Aeronautics and Space Administration (NASA) to carry out geothermal energy technology research and development programs assigned to it by the Project, including the establishment of an inventory and assessment program and requires the Administrator to carry out a comprehensive program definition with respect to the development of geothermal energy with an interim report to be submitted by November 30, 1974, and the final report by August 31, 1975; authorizes the Project to initiate a research and development program with respect to commercial utilization of geothermal resources and to enter into cooperative agreements with non-Federal entities for the construction, operation, and maintenance of demonstration developments for the production of electric or heat energy from geothermal resources; authorizes the Chairman of the Project to designate the head of a Federal agency to guarantee loans (up to 75 percent of cost) for projects involving geothermal energy development and provides that such loans shall not exceed $25,000,000 for a single project or $500,000,000 to a single borrower; limits the life of the loan guarantee program to 10 years; requires the Chairman of the Project to submit annual reports to the President and Congress; and authorizes therefor for fiscal years 1976 through 1980 such sums as may be appropriated following enactment of the Act plus $2.5 million to NASA for fiscal year 1975 to fund the preparation of the required Program definitions and $50 million annually for the loan guarantee program. H.R. 14920. Public Law 93–   , approved 1974. (VV)

Natural Gas Pipeline Safety Authorization: Authorizes $2 million for fiscal year 1975 to carry out the purposes of the Natural Gas Pipeline Safety Act of 1968 which provides for Federal safety standards for those facilities in or affecting interstate or foreign commerce utilized in the transportation by pipeline and storage of natural and other gases, and authorizes $1.2 million for the Federal grant-in-aid programs which, under the act, provides States with the opportunity to assume responsibility for enforcing safety standards for intrastate facilities or assist in the enforcement of Federal Safety standards. S. 3620. P/S Aug. 19, 1974. (VV)

Authorizes $2 million for fiscal year 1975 and $2.85 million for fiscal year 1976 to carry out the provisions of the Natural Gas Pipeline Safety Act of 1968 and authorizes $1.8 million for fiscal year 1975 and $2.5 million for fiscal year 1976 for the Federal grant-in-aid program for which States would receive compensation of up to 50 percent of their costs in carrying out pipeline safety activities. H.R. 15205. Public Law 93–   , approved 1974. (VV)

Oil Price Increase: States a sense of the Senate the urgent matter of communicating to the governments of Canada, Venezuela, and the Arab oil producing countries that the United States views with the utmost concern the recent oil price increases as detrimental to prices, real income and employment in the United States and that such actions should not be taken by these countries without regard for these effects on the life of the American people and for the possibility of reciprocal economic action by the United States which might adversely affect the economics of these countries. S. Res. 249. Senate adopted Jan. 29, 1974. (VV)

Oil Shale Funds: Amends the Mineral Leasing Act of 1920 to permit each State to use its share of oil shale revenues for purposes other than public roads and schools. S. 3009. P/S May 9, 1974. (VV)

Petroleum allocation—mandatory: Extends the Emergency Petroleum Allocation Act of 1973 which would expire on February 28, 1975, until June 30, 1975. S. 3717. P/S Aug. 12, 1974. (VV)

Petroleum Products Fair Marketing: Prohibits suppliers from terminating, canceling or failing to renew a franchise unless the affected distributor or retailer fails to comply substantially with any essential and reasonable requirement of the franchise, fails to act in good faith in carrying out the terms of the franchise, or unless the supplier goes out of business. S. 1694. P/S Aug. 7, 1974. (VV)

Solar Heating and Cooling: Authorizes $5 million to NASA for fiscal year 1975, $5 million to HUD for fiscal year 1975 to be used to reimburse the Department of Defense, the National Bureau of Standards, and the General Services Administration for expenses incurred by them in carrying out their respective functions, and an additional $50 million for fiscal years 1976 through 1979 for further development and testing for large scale commercial use of solar systems in heating and cooling residential and commercial buildings. H.R. 11864. Public Law 93–   , approved 1974. (VV)

Truck Fuel Prices: Provides that the Interstate Commerce Commission shall issue its final order in Docket No. MC 43 (Sub. No. 2) as soon as possible which shall become effective not later than February 15, 1974, in order to alleviate the threat of a national transportation crisis caused by the requirement that carriers reimburse their owner-operators for all increases in the price of fuel over the base period May 15, 1973. S.J. Res. 185. Public Law 93–249, approved Feb. 8, 1974. (VV)

Washington Energy Conference: States as the sense of the Senate that the Washington Energy Conference, called by the President to provide a forum for the discussion of the common problems faced by the oil consuming nations, should consider (1) conservation measures necessary to reduce demand; (2) procedures for the emergency sharing of oil resources; (3) guidelines for bilateral agreements between oil consuming and oil producing countries; (4) coordination of research efforts in developing conservation practices and alternative sources of energy; (5) the responsibility for and the means to help alleviate the plight of the developing countries in the oil crisis; and (6) closer coordination of fiscal and monetary policies; and further states that the United States should continue to bring about conditions of peace and stability in the Middle East. S. Res. 279. Senate adopted Feb. 6, 1974; Reconsidered and adopted by Senate amended, Feb. 7, 1974. (VV)

ENVIRONMENT

Environmental Data Centers: Authorizes the Administrator of tha Environmental Protection Agency to provide financial assistance for the establishment of a qualified environmental research and education center at a university in each State or, at the option of participating States, to establish one regional center to serve a group of States; requires that each center conduct research, training, and environmental activities utilizing the interdisciplinary and interinstitutional capabilities in its area and, where desirable, arrange for a consortium of institutions to conduct these activities; recommends that each center coordinate environmental activities in nonregulatory areas; and provides Federal funding on a State-by-State basis with additional funds available on a matching basis. S. 1865. P/S June 12, 1974. (VV)

Ocean Dumping: Amends Public Law 92–352, relating to ocean dumping, in order to implement the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, signed by the United States on December 29, 1972, and ratified by the Senate on August 3, 1973; extends U.S. law to include regulation of the carriage and dumping of foreign-source waste material by U.S. vessels and aircraft; expands the definition of "material" to include oil taken on board a vessel or aircraft for the purpose of dumping at sea; seeks to give guidance to those administering the Act in instances where the standards of the Act differ from those of the Convention, particularly where the requirements of domestic law are stricter than those of the Convention; and contains other provisions of a technical or conforming nature. H.R. 5450. Public Law 93-254, approved Mar. 22, 1974. (VV)

Oil Pollution: Incorporates into statutory law the rights, duties, and responsibilities of the United States under the International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, signed December 29, 1969, at Brussels, which permits a coastal nation to take whatever action it deems necessary to prevent, mitigate, or eliminate a threat of oil pollution resulting from a maritime accident beyond that coastal nation's territorial limits by vesting such authority in the Secretary of the Department in which the Coast Guard is operating; gives the Secretary the authority to determine the extent of danger resulting from a collision, stranding, or other disablement of a vessel carrying oil, and to remove and, if necessary, destroy the ship and cargo which is the source of the danger; incorporates general guidelines for determining the permissible scope of intervention actions; authorizes actions against the United States in the Federal courts by persons claiming compensation; creates a mechanism for settling controversies between signatory nations, or between such nations and claimants relating to compensation for excessive measures; authorizes the Secretary to issue rules and regulations to carry out the purposes of this Act; imposes criminal penalties to insure full compliance with the legislation; and extends the right of intervention now inherent in the Federal Government for vessel incidents in territorial waters to incidents on the high seas involving potential oil pollution damage. S. 1070. Public Law 93-248, approved Feb. 5, 1974.

Strip Mining Control: Establishes a nationwide program to prevent the adverse effect to society and the environment resulting from surface mining; places the authority for the administration of the Act with the Secretary of Interior who shall prepare and publish within 6 months regulations concerning coal surface mining and reclamation operations and a detailed description of actions to be taken by a State to develop an acceptable State program to regulate such operations; establishes the Office of Reclamation and Enforcement in the Department of the Interior which will be headed by a Director to be named by the President, with the advice and consent of the Senate; establishes the prerequisites for any State to continue to obtain financial assistance and to assume full responsibility for all regulation of surface mining and reclamation within the State, and provides for Federal regulation of strip mining and reclamation in any State which proves unwilling or unable to do so itself; establishes an interim surface mining permit program which is in effect until the deadline for approval of a State program; sets requirements for performance bonds which must be filed before a surface mining permit is issued, such bond to satisfy the costs for reclamation of the land mined; sets criteria to be met by all surface mining and reclamation operations under a State program, a Federal program, and Federal Lands Program or the State or Federal interim permit; provides for civil and criminal penalties for certain violations of the act; provides for citizen suits against persons violating the act or against the responsible regulatory authority; sets guidelines for the establishment of a process for designation of areas as unsuitable for surface mining; applies the requirements of the Act to public corporations, agencies, and utilities, including the Tennessee Valley Authority, which engage in surface mining; authorizes $100 million to create and "Abandoned Mine Reclamation Fund" to be used to reclaim abandoned land which has been subjected to the worst ravages of past mining activities; authorizes $4 million for studies concerning: (1) surface mining for minerals other than coal, open pit mining, and reclamation standards, (2) the impact of Federal control on contour surface mining, (3) the means to maximize resource recovery and minimize environmental impacts, and (4) the regulation of surface mining on Indian lands; authorizes for administration and Federal State matching grants $10 million for fiscal year 1973 and $20 million for the following two years; authorizes the President to suspend any of the provisions of the Act under emergency conditions; provides that where the surface owner is not the owner of the mineral rights, written consent or waiver by the owner must be obtained, or the surface miner must execute a bond to secure payment to the surface owner of any damage in addition to the performance bond required except where the owner of the mineral rights is the Federal Government in which case surface and pit mining is prohibited; authorizes $100,000 (which is increased to $250,000 in the fourth and subsequent years) to be used on a matching basis for the establishment of mining and mineral research centers at one college or university in each State; directs the Cost of Living Council to grant increases in coal prices to offset whatever additional production costs may result from the implementation of the Act; authorizes grants to States to assist persons who become unemployed as a result of the administration and enforcement of the Act; and contains other provisions. S. 425. P/S Oct. 9, 1973. P/H amended July 25, 1974; in conference.

Weather Modification: Extends the provisions of Public Law 92-205, which provides for the reporting of weather modification activities to the Federal Government, for an additional 3 years, to fiscal year 1977, at the yearly authorization of $200,000 S. 3320. P/S June 25, 1974; P/H amended Aug. 19, 1974. (VV)

Woodsey Owl—Smokey Bear: Authorizes the Secretary of Agriculture to license appropriate private use of "Woodsey Owl" and the associated slogan "Give a Hoot, Don't Pollute," origínted by the Forest Service to improve environmental quality, in return for royalty fees, and creates criminal misdemeanor liability for the unauthorized use of "Smokey Bear," "Woodsey Owl," or "Give a Hoot, Don't Pollute." S. 1585. Public Law 93-318, Approved June 22, 1974.

GENERAL GOVERNMENT

Amateur Athletics: Establishes an Amateur Sports Board to coordinate amateur athletic competition and a National Sports Development Foundation to support and encourage athletic activity and physical fitness; provides that the 5-member board shall be appointed by the President with the Senate's approval with at least one member an amateur athlete and with the chairman to be appointed by the members of the Board; charges the Board with the primary function of issuing charters designating private, nonprofit amateur sports organizations as chartered sports associations so that within two years, no unrestricted amateur athletic competition can take place without the sanction of an association; defines "unrestricted competition" to characterize amateur competition among teams representing different nations, or domestic competition among members of more than one sports organization for the purpose of qualifying athletes for international competition involving only sports on the Olympic program; establishes basic requirements for eligibility to receive a charter and gives the Board the authority to revoke charters for specified reasons; defines six basic functions to be performed by a chartered sports association; specifies the conditions under which an association shall sanction a competition; provides for binding mandatory arbitration of disputes involving sports organizations, associations and amateur athletes; and authorizes $1.1 million for each of the next 6 fiscal years for the Board and for administrative costs of the National Sports Development Foundation. S. 3500. P/S July 9, 1974. (279)

Blind and Handicapped Products Authorization: Extends the authorization for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped; changes the name of the statutory committee to "Committee for Purchases from the Blind and Other Severely Handicapped"; increases committee membership from fourteen to fifteen in order to include a member who is knowledgeable about employment problems of other severely handicapped individuals; and clarifies the term "direct labor" so that it also includes work relating to the performance of a service. H.R. 11143. Public Law 93-358, approved July 25, 1974. (VV)

Blind Vendor Operations: Amends the Randolph-Sheppard Act in order to strengthen the provisions for the establishment and protection of blind vending operations on Federal property; requires the Secretary of Health, Education, and Welfare to prescribe regulations to assure the establishment of one or more blind vending facility on all Federal property, including work areas; establishes a grievance resolution procedure for blind licensees and State agencies; provides that vending machine income shall accrue first, to the blind licensee operating a vending facility and second, where there is no blind vendor, to the State agency in the State where the property is located, such income to be used for retirement, health, and leave purposes for blind licensees; and contains other provisions. S. 2581. P/S June 20, 1974. (VV)

Chester Bridge: Extends for 1 year to June 1, 1975, the time available for the States of Illinois and Missouri to negotiate an agreement with the city of Chester, Illinois to take over joint operation of the Chester Bridge which connects the two States and has operated as a toll facility over the 30 year maximum set for such operations. S. 3546. P/S June 4, 1974. (VV)

Commission on Productivity: Renames the President's National Commission on Productivity as the National Commission on Productivity and Work Quality; sets the promotion of the productivity of the American economy and improvement of worker morale and work quality as objectives of the Commission and defines its functions; requires the Commission, by July 1, 1974, to transmit to the President and Congress a report of its activities during fiscal year 1974; and authorizes not to exceed $2.5 million for fiscal year 1975. S. 1752. Public Law 93-311, approved June 8, 1974.

Disaster Relief: Continues and expands the basic programs and mechanism established in the Disaster Relief Act of 1970; amends the definition of major disaster to create a new "emergency" category to make it more practicable to extend help during lesser emergencies which the President has not declared a major disaster (at present the President must declare an area a "major disaster" to "trigger" all benefits authorized by Federal disaster legislation); authorizes a one-time grant of $250,000 to each State to assist them in developing comprehensive plans and programs to combat major disasters; stipulates that publicly owned facilities must obtain insurance adequate to protect against future loss for any disaster-damaged property which has been replaced, restored, repaired or constructed with Federal disaster funds; provides for a fine of not more than $10,000 or 1 year's imprisonment, or both, for persons who willfully make fraudulent claims; provides that assistance for damaged or destroyed public facilities, including park and recreational facilities, can be provided under one of two plans: direct grants not to exceed 100 percent of cost for repair or reconstruction on a project-by-project basis or a Federal contribution based on 90 percent of the total estimated cost of restoring all damaged public facilities within its jurisdiction; authorizes the expenditure for "mini-repairs" to make a damaged home habitable as a substitute for other temporary housing which the Federal Government might otherwise provide; authorizes grants to States on a 75 percent Federal-25 percent State matching basis of the actual cost of providing direct financial assistance to persons adversely affected by a major disaster to meet extraordinary disaster-related expenses up to $5,000 per family to be retroactive to April 20, 1973; authorizes the President to provide disaster unemployment compensation through agreements with States which, in his judgment, have adequate systems for administering the program; authorizes the President to provide professional counseling services to help relieve mental health problems caused by a disaster; provides loans to local governments suffering a substantial loss of tax and other revenues because of a major disaster for up to 25 percent of its annual operating budget and includes forgiveness provisions in specified situations; amends the Public Works and Economic Development Act of 1965 by adding a new title VII—Economic Recovery for Disaster Areas regarding long-range recovery; and contains other provisions. S. 3062. Public Law 93-288, approved May 22, 1974. (125)

Federal Procurement: Amends section 3709 of the Revised Statutes of the United States, Federal Property and Administrative Services Act of 1949, Armed Services Procurement Act of 1947, Legislative Branch Appropriations Act of 1966, and the Tennessee Valley Authority Act of 1933 to permit the award of small procurements, without formal advertising, up to $10,000 instead of the $2,500 ceiling (in one case $500) presently required by law. S. 3311. Public Law 93-356, approved July 25, 1974. (VV)

Federal Procurement Policy: Establishes an Office of Federal Procurement Policy within the Office of Management and Budget to provide overall leadership and direction for the development of procurement policies and regulations for executive agencies in accordance with applicable laws in order to promote economy, efficiency and effectiveness in the procurement of goods, services, and facilities. S. 2510. Public Law 93- , approved 1974. (VV)

Fire Prevention and Control: Provides for the establishment, by the Secretary of Commerce of a coordinated Program for Fire Prevention and Control, under the administration of a new Assistant Secretary of Commerce for Fire Prevention and Control, with the purpose of the program to be to reinforce and support the fire prevention and control activities of State and local governments and volunteer fire companies through a research and development program, an annual conference of professionals in fire prevention, fire control, and treatment of burn injuries, the establishment of a National FIREPAC Academy, a national data center, a technical assistance program for State, local, and private fire services, a master-plans demonstration project, citizens' participation programs and relevant studies; and contains other provisions. S. 1769. P/S Nov. 2, 1973; P/H amended Apr. 29, 1974; Conference report filed.

Flood Damage Claims—Louisiana: Provides for the relief of Louisiana oyster fishermen for damages which occurred when certain spillways were opened to avoid flooding populated areas in the spring of 1973. S. 2201. P/S June 18, 1974. (VV)

Freedom of Information: Amends the Freedom of Information Act as follows: requires each agency of the Federal Government to maintain and publish quarterly or make available for public inspection upon request current indexes providing information pertaining to matters issued, adopted, or promulgated after July 4, 1967; requires to make such records available unless they are subject to the present exemptions; requires the Office of Management and Budget to set a uniform fee schedule limited to direct costs for document search and duplication; provides that the records and files compiled for law enforcement purposes must be disclosed unless disclosure would (1) interfere with enforcement proceedings, (2) deprive a person of a right to a fair trial, an impartial adjudication or constitute a clearly unwarranted invasion of personal privacy, (3) disclose the identity of an informer, or (4) disclose investigative techniques or procedures; provides that a Federal district court has jurisdiction to enjoin an agency from improperly withholding records, to order their production and to review such documents, including those withheld in the interest of national security or foreign policy, to determine if such action conforms with the stated exemptions; provides that the burden of proof rests with the agency; permits the assessment of attorney fees and litigation costs against the United States in cases where the claimant has substantially prevailed; authorizes, after an appropriate hearing, action against an employee withholding information without reasonable basis; requires agencies to respond to requests for records within 10 days and provides a 20-day time limit on administrative appeals; requires the release of segregable nonexempt portions of a requested file after deletion of exempt portions; requires agencies to submit annual reports to Congress concerning their operation under this act; and sets the effective date at 90 days following the date of enactment. H.R. 12471. P/H Mar. 14, 1974; P/S amended May 30, 1974; In conference. (213)

Historical and Archeological Data: Amends a 1960 law under which the Secretary of the Interior, through the National Park Service, conducts archeological salvage programs at reservoir construction to broaden the scope of activity to include all Federal or federally assisted or authorized construction projects which result in alteration of the terrain; authorizes the Secretary to conduct a survey and salvage program upon notification not only by the instigation agency but also by any other Federal or State agency or responsible private organizations or individuals except where recovery would impede a Federal or Federally assisted project undertaken as a result of an emergency in anticipation of, or as a result of, a natural disaster; authorizes construction agencies to use or transfer up to one percent of funds appropriated for a project to the Secretary for survey and salvage work; provides that the costs incurred in connection with public works projects for archeological work under this act would become non-reimbursible project costs; and contains other provisions. S. 514. Public Law 93-291, approved May 24, 1974.

Idaho Admission Act: Amends section 5 of the Admission Act for the State of Idaho to permit the State to exchange lands granted to it for educational purposes for other public or private lands of approximate value, or if the land values are equalized by payment of money; ratifies exchanges already made with the United States involving land granted for educational purposes; and adds exploration for and production of geothermal resources and byproducts to the purposes for which the educational lands may be leased by the State for more than ten years. S. 939. P/S Mar. 26, 1974. (VV)

Law Enforcement Officers' and Firefighters' Retirement: Amends present law to make mandatory retirement of eligible law enforcement officials at age 55 or after 20 years of service, whichever occurs first, with certain exemptions; removes provisions which require that a retiree must have his employing agency's recommendation and be approved by the Civil Service Commission; increases the computation factor from 2 to 2½ percent multiplied by the first 20 years plus 2 percent for all years over 20; provides for a $50,000 payment to the survivor of a covered individual who is killed in the line of duty; includes premium pay received for uncontrollable overtime as part of the base pay for retirement purposes; and increases the employee's deduction and the matching agency contribution from 7 to 7½ percent of both regular and premium pay. H.R. 9281. Public Law 93-350, approved July 12, 1974. (VV)

NASA Authorization: Authorizes $3,266,-929,000 to the National Aeronautics and Space Administration for fiscal year 1975 as follows: $2,372,815,000 for research and development including continued funding of the space shuttle and space station programs; $144,490,000 for construction of facilities; and $749,624,000 for research and program management. H.R. 13998. Public Law 93-316, approved June 22, 1974. (VV)

National Science Foundation Authorization: Authorizes $807,500,000 to the National Science Foundation for fiscal year 1975 and an additional $5 million in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States. H.R. 13999. Public Law 93- , approved 1974. (VV)

No-Fault Motor Vehicle Insurance: Establishes a system of nationwide insurance for medical expenses and loss of wages of victims of motor vehicle accidents regardless of fault; supersedes present State law to the extent of the bill by the enactment of a no-fault plan in title III of the bill which applies unless a State adopts a non-fault plan which meets, at a minimum, the standards of the no-fault plan in title II of the bill;

Requires, under the title II plan, insurance which provides unlimited coverage for "allowable expenses" professional medical treatment and care, emergency medical services, and medical and vocational rehabilitation services, coverage for funeral expenses not to exceed $1,000, for work loss—income and reasonable expenses for hiring a substitute to perform self-employment services—with minimum coverage of the lessor of a monthly amount equal to $1,000 multiplied by State average per capita income over nationwide average per capita income or actual monthly earned income up to a total of $25,000 multiplied by the same formula or such total amount as may be determined by the State but not less than $15,000, and for replacement services and survivor's loss subject to reasonable limits and exclusions, and permits a deductible of not over $100 per individual and a maximum 1-week waiting period; permits the offering of greater basic work loss benefits or added benefits for work loss or for noneconomic detriment; requires that the no-fault insurer offer added insurance for collision and upset damage;

Sets other requirements that a State must meet which include making insurance available to all, and the authorizing of the State insurance commissioner to provide an accountability program for medical and vocational rehabilitation services and to take steps to assure the availability of emergency health services and medical and vocational rehabilitation services in the State; permits in section 204(f) entities providing benefits other than no-fault on account of an injury to coordinate such benefits with benefits payable by a no-fault insurer on account of the same injury if this would result in lower cost to the purchaser of such other benefits; makes health insurance the primary coverage for "allowable expenses" (by subtracting health insurance benefits from total loss for "allowable expenses" under no-fault insurance) if it provides unlimited coverage and meets the same obligations unless the State determines with the approval of the Secretary of Transportation that this would affect adversely or unreasonably discriminate against the interests of persons required to provide security covering motor vehicles in the State;

Requires, except as provided in the section on assigned claims, subtraction from net loss of any benefits and advantages from social security, workmen's compensation, any State-required temporary, nonoccupational disability insurance, and all other benefits except the proceeds of life insurance available from any government unless the law providing them makes them excess or secondary to the benefits under this act, and provides for subtraction of up to 15 percent of income tax saving in calculating net work loss where benefits are not taxable income;

Abolishes tort liability for injury under the title II no-fault plan with the following exceptions: (1) uninsured motorist; (2) manufacturer's products liability; (3) intentional injury to self or others; (4) for work loss over the maximum coverage for amounts excluded from work loss for replacement services loss or for survivor's loss; (5) for noneconomic detriment—pain, suffering, inconvenience, physical impairment, and other nonpecuniary damage recoverable under the applicable tort law—if the accident results in (a) death, serious and permanent disfigurement, or other serious and permanent injury or (b) more than 90 continuous days of total disability; (6) a person or government if such injury was caused or not corrected by an act or omission not connected with the maintenance or use of a motor vehicle; does not immunize an individual from liability to pay a fine on the basis of fault, and prohibits payment of any such fine by an insurer; permits the State to treat auto damage on a fault basis as it is presently done, or place it under a no-fault system;

Provides greater benefits in the title III plan, which places no limitation on the total benefits payable for allowable expenses, contains the same formula for monthly payments for work loss benefits but does not limit the total amount payable in all; provides benefits for replacement services loss and survivor's loss subject to a $200 per week ceiling, and abolishes tort liability for injury, including liability for non-economic detriment, except with regard to an uninsured motorist, manufacturer's products liability and intentional injury to self or others;

And contains other provisions. S. 354. P/S May 1, 1974. (156)

Postal Rate Adjustments: Increases the number of years before users of certain classes of mail have to pay higher postage rates as follows: (1) second-class regular (magazines and newspapers), special or book-rate fourth class (books or records), and controlled circulation publications phasing to be increased from the present five years to eight; (2) preferred second-class, non-profit class (circulars from charitable organizations), and the special fourth-class library rates phasing to be increased from the present 10 years to 16. (Under the Postal Reorganization Act, Public Law 91–375, all classes of mail are required to pay postal rates established by the Governors of the Postal Service. For those classes of mail which formerly received reduced or preferential rates by law or practice, the impact of the rate increases is amortized—or phased—over a 5-year period which provides that Congress is to appropriate the revenue foregone by the Postal Service—the difference between the rate actually paid and the rate which would have been paid except for the phasing.) S. 411. Public Law 93–328, approved June 30, 1974. (178)

Small Business Administration: Extends the authorization of the Small Business Administration from June 30, 1974, to August 16, 1974. S.J. Res. 223. P/S June 27, 1974. (VV)

Small Business Administration Authority: Transfers to the Small Business Act the complete authority to provide financial assistance to socially or economically disadvantaged persons previously authorized under title IV of the Economic Opportunity Act of 1964, the economic opportunity loan program and the 406 management and technical assistance programs; amends the Small Business Act to increase the total amount of loans, guarantees, and other obligations or commitments outstanding by SBA as follows: (1) increases from $4.875 billion to $6 billion the amount which may be outstanding from the business loan and investment funds at any one time for direct, immediate participation and guaranteed loans under displaced business loans, trade adjustment loan program prime contract authority program, and economic opportunity loans, (2) increases from $556.25 million to $725 million SBA commitment authority to Small Business Investment companies, and (3) increases from $381.25 million to $540 million SBA commitment authority for loans to low-income individuals and for businesses located in areas of high unemployment or low income areas; provides loan assistance, refinancing, and deferred payments, if need can be shown, to small businessmen adjusting to the new requirements imposed by the energy crisis; authorizes SBA to increase its loan ceilings so that it may spend funds that it will obtain through the appropriation process or through repayment of prior loans; revises the interest rate language directing participating lenders to charge a legal and reasonable rate of interest as they do on all other loan programs; requires SBA to make $400 million in direct loans available before the end of the current fiscal year; and elevates the position of Assistant Administrator for Minority Enterprise to that of an Associate Administrator, S. 3331, Public Law 93– , approved —— 1974. (VV)

Smithsonian Institution Authorization: Authorizes not to exceed $1 million for each of fiscal years 1975, 1976 and 1977 to the Smithsonian Institution for carrying out the purposes of the National Museum Act of 1966 and strengthens the Smithsonian's program in museum conservation techniques and training. S. 2137. Public Law 93–345, approved July 12, 1974. (VV)

Smithsonian Museum Support Facilities: Authorizes $690,000 for the Smithsonian Institution to plan museum support facilities within the District of Columbia. S. 857. P/S Aug. 1, 1974. (VV)

Tourist Travel: Authorizes appropriations of $2.5 million for each of fiscal years 1975–1977 to the Secretary of Commerce for the promotion of tourist travel in the United States. S. 3942. P/S August 22, 1974. (VV)

Vice Presidential Residence: Delegates the premises occupied by the Chief of Naval Operations, consisting of approximately 12 acres located on the grounds of the Naval Observatory in the District of Columbia, as the official temporary residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; places the responsibility for the custody, control and maintenance of the residence and grounds with the Secretary of the Navy subject to the supervision and control of the Vice President; and contains other provisions. S.J. Res. 202. Public Law 93–346, approved July 12, 1974. (VV)

White House Personnel Authorization: Authorizes through fiscal year 1978 the President to appoint White House employees under the following ceilings: 15 employees at the Executive level II ($42,500 per year), 25 employees at Executive level III ($40,000), and 35 employees at the GS–18 level ($36,000); authorizes the Vice President to employ one person at the Executive level II ($42,500), 6 persons at the Executive level III ($40,000), and 7 at the GS–18 grade level ($36,000); sets a $1 million annual ceiling for appointment of personnel to meet unexpected personnel needs; requires a yearly report to Congress on expenditures for White House office personnel including the names, titles, job descriptions and salaries of both White House office employees and those detailed to the White House from other agencies; requires that the White House reimburse an agency in full for the pay of an employee detailed to the White House and that such an employee may not be so detailed for longer than 1 year; increases the present $40,000 annual authorization for the President's travel expenses to $100,000; requires that White House travel and entertainment expenditures be subject to an audit by the General Accounting Office; and limits access to income tax returns only to the President personally upon written request or to Treasury and Justice Department personnel who are involved with the filing or auditing of the return. H.R. 14715. P/H June 25, 1974; P/S amended July 18, 1974; House agreed to conference report Aug. 6, 1974; Senate tabled conference report Aug. 7, 1974; Senate requested conference Aug. 8, 1974; House agreed to Senate amendments Aug. 12, 1974. (303, 340)

Youth Conservation Corps: Authorizes the expansion of the Youth Conservation Corps Program and establishes it on a permanent basis to be administered by the Departments of Interior and Agriculture at an annual authorization of $60 million; permits the establishment of a new program of Federal support to States in their administration of Youth Conservation Corps to utilize surplus and/or unused Federal property; and makes available for off-season use by local educational institutions Youth Conservation Corps facilities. S. 1871. Public Law 93– , approved 1974.

GOVERNMENT EMPLOYEES

Civil Service Retirement Annuities: Establishes a minimum civil service retirement annuity equal to the social security minimum primary insurance amount including any cost of living increase; provides minimum amounts to a surviving child in an amount not less than the minimum monthly amount allowed under social security or three times such amount divided by the number of surviving children, whichever is lesser; excludes any individual who receives Social Security benefits from receiving payments under a military or civilian retirement system; increases annuity payments to former Federal employees who retired prior to October 20, 1969, by $240 to an annuitant and $132 to the surviving spouse of an annuitant (resulting in monthly increases of $20 and $11 respectively); and contains other provisions. S. 1866. Public Law 93–273, approved April 26, 1974.

Civil Service Survivor Annuities: Amends chapter 83, title 5, U.S.C. by eliminating the reduction in annuity that a retiree takes to provide survivor benefits for his spouse during periods of nonmarriage allowing in effect, full annuity to an annuitant during these periods. S. 628. P/S July 31, 1973; P/H amended Apr. 24, 1974; In conference.

Civil Service Survivors Eligibility: Amends the Civil Service Retirement Act to change the 2 year marriage requirement regarding eligibility for survivor benefits under the Federal retirement system to a 1 year requirement. S. 2174. Public Law 93–260, approved Apr. 9, 1974.

**Deputy U.S. Marshals:* Reclassifies the positions of nonsupervisory deputy U.S. marshals to GS–5, GS–7, GS–9, or GS–11 and provides that the GS–5 grade shall be used for trainees only; provides for initial conversion to the new grades and contains conversion provisions for those who were reclassified as the result of new classification standards approved June 15, 1973; provides that the employee will not be required to begin a new waiting period for his next step increase as the result of a reclassification accomplished under the conversion provision; provides that service performed by an employee immediately before the effective date of the conversion shall count toward only a one-step increase under the time-in-step provisions; provides that no rate of basic pay in effect immediately before the effective date shall be reduced by reason of the enactment of this bill; and sets the effective date of the bill at the first applicable pay period beginning after enactment. H.R. 5094. Vetoed Aug. 12, 1974. (VV)

Executive, Legislative, and Judicial Salaries Increase: Disapproves, in its entirety, the President's recommendations for pay raises of 7½ percent per year for 1974, 1975, and 1976, for Members of Congress, Supreme Court Justices, Federal judges, cabinet and subcabinet officers, agency heads, and certain other officials in the executive, legislative, and judicial branches. S. Res. 293. Senate adopted disapproval resolution Mar. 6, 1974. (52)

Federal Employees' Compensation: Amends chapter 81 of subpart G of title 5, U.S.C. relating to compensation for work injuries; provides for a continuation of full pay up to 45 days in undisputed claims relating to traumatic injury; guarantees the right to return to a former or equivalent position within 1 year; allows compensation of up to 312 weeks for an impaired external or internal organ not specified by the statutory schedule; adjusts the Consumer Price Index computation to make it more responsive to cost of living increases; makes certain groups, previously excluded, eligible for cost of living compensation increases; reallocates additional benefits to surviving spouses by increasing their share generally by 5 percent; allows freedom of choice of either private physician and hospital, or Federal medical personnel and facilities; permits a partially disabled worker to enter vocational rehabilitation program without loss in benefits; provides additional compensation for wives with dependent husbands; increases the monthly allowance for the service of attendants for disabled workers from $300 to $500; eliminates the requirement for Federal review of benefit levels where participants reach age 70; permits employees or survivors to receive benefits from both VA and FECA as long as the claim is not for the same injury; reduces from 21 to 14 days the minimum length of disability required to waive the exclusion of compensation for the first 3 days of disability; lengthens the time for notice of injury from 48 hours to 30 days; permits Federal agencies to obtain claims forms directly from the Government Printing Office rather than the Department of Labor; extends the statute of limitations from 1 to 3 years; expedites procedures for the recovery of benefits by the Federal Government in case of third party liability; permits death benefits to exceed the monthly pay of the deceased employee if the excess is created by authorized cost-of-living adjustments; provides $200 to the representative of the deceased employee to cover administrative costs necessary to terminate the decedent's status as a Federal employee; permits the Secretary to discharge compensation liability by lump sum payment if the monthly payment is under $50; provides for the use of improved actuarial tables; requires the U.S. Postal Services to contribute to the employees' compensation fund with respect to administrative costs; expands coverage to include Federal employees serving as grand and petit jurors; increases the compensation rate for head of household Peace Corps volunteers to that of volunteer leaders; adds a provision to enable employees to be compensated for damaged prosthetic appliances and devices; redefines the term "physician" and "medical services" to include podiatrists, dentists, clinical psychologists, optometrists, and specified service of chiropractors; and requires the Secretary of Labor to study and report to Congress on the Federal Employees Compensation Program. H.R. 13871. P/H May 7, 1974; P/S amended Aug. 12, 1974. (VV)

Foreign Service Retirement: Amends the Foreign Service Act of 1946, as amended, to improve the Foreign Service Retirement Disability System and bring it into closer conformity with the Civil Service Retirement System; authorizes an annual transfer of funds to the Foreign Service Retirement Fund to meet the portion of Foreign Service "normal cost" not met by current contributions; increases the unfunded liability incurred as a result of this legislation; increases annuity payments for surviving spouses, children, or other designated beneficiaries; provides retirement credit for all types of services, absences and separations including participation in the armed forces during a national emergency; authorizes the Secretary to recall retired Foreign Service reserve and staff officers with an adjustment of annuities for processing retirement contributions during their employment and eliminates the loss of cost of living adjustments received prior to the recall; changes the effective date of cost of living increases to correspond to Civil Service and those affecting children's annuities to be determined according to the Civil Service formula; eliminates the 10-year waiting period that Foreign Service personnel had to complete before becoming participants in the retirement system; reduces the retirement age for career ministers from 65 to 60 years unless they are serving in a position requiring a presidential appointment and Senate confirmation; makes the Foreign Service eligible for the benefits enacted for the Civil Service on October 18, 1973, which would provide Foreign Service employees, who retire after the effective date of a cost of living increase, with an annuity at least equal to that which they would have received if they had retired just prior to the effective date of the increase; allows retirees over 50 and eligible for an immediate annuity and their spouses free routine annual physical examinations at government installations; enables retirees employed in another government agency to receive a salary and an annuity which together equal the salary currently paid the class and step they held upon retirement; permits former employees of binational cultural centers and language instructors of the Foreign Service Institute credit for prior service performed under nonpersonal service contracts before stipulated dates; restores the minimum annuity of $2,400 to be paid a surviving spouse of a participant who dies in service; and contains other provisions. S. 1791. P/S July 17, 1974. (VV)

Postal service retirement fund: Requires the Postal Service to amortize, in thirty equal installments, any unfunded liability in the Civil Service Retirement Fund caused by collective bargaining agreements or administrative section since July 1, 1971, with the exceptions of the payments due as of June 30, 1972, June 30, 1973, and June 30, 1974, which would be made subject to appropriation by Congress; requires the Postal Service to assume responsibility for past and future installments, other than those made contingent on appropriations, resulting from the first and second employee-management agreements made under title 39 as it was reenacted in Public Law 91-375; provides that the Postal Service will not be responsible for unfunded liabilities created by Act of Congress; and repeals the requirement which results in dual payment for the costs of administration of the retirement program. H.R. 29. Public Law 93-349, approved July 12, 1974. (VV)

Privacy and rights of Federal employees: Prohibits indiscriminate executive branch requirements that employees and, in certain instances, applicants for Government employment: disclose their race, religion, or national origin; attend Government-sponsored meetings and lectures or participate in outside activities unrelated to their employment; report on their outside activities or undertakings unrelated to their work; submit to questioning about their moral beliefs, personal relationships or sexual attitudes through interviews, psychological tests, or polygraphs; or support political candidates or attend political meetings; makes it illegal to coerce an employee to buy bonds or make charitable contributions; prohibits officials from requiring an employee to disclose his own personal assets, liabilities, or expenditures, or those of any member of his family unless, in the case of certain specified employees, such items would tend to show a conflict of interests; provides a right to have counsel or other person present at an interview which may lead to disciplinary proceedings; accords the right to a civil action in a Federal court for violation or threatened violation of the Act; and establishes a Board of Employees' Rights to receive and conduct hearings on complaints of violations of the Act and to determine and administer remedies and penalties. S. 1688. P/S Mar 7, 1974. (VV)

Psychologists and optometrists: Amends the Federal employee health benefits provision to make it mandatory that when a contract provides for payment or reimbursement for services performed by a licensed or certified clinical psychologist or optometrist, the participants under that health benefits contract will have direct access to the clinical psychologist or optometrist without referral by a physician. H.R. 9440 (S. 2619). Public Law 93-363, approved July 30, 1974. (VV)

USDA Employees' and Dependents Training: Authorizes the Secretary of Agriculture to use available appropriations to provide orientation and language training to families and employees of the Department of Agriculture in anticipation of an assignment abroad, or while abroad, and directs that the Foreign Service Institute or other Government facilities be utilized where practicable. S. 2189. P/S Aug. 2, 1974. (VV)

Withholding Taxes: Requires the Secretary of the Treasury to enter into agreements with city governments in which 500 or more persons are Federally employed for the withholding of city wage or employment taxes, with voluntary coverage for employees residing outside the State in which the city is located. H.R. 8660. Public Law 93-340, approved July 10, 1974. (VV)

HEALTH

Alcohol Abuse and Alcoholism Prevention: Extends for 2 years, through fiscal year 1976, the State formula grant program originally authorized by the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, Public Law 91-616, maintaining the annual authorization level at $80 million; extends the contract and project grant authority of the Act of 1970 for an additional 3 years, through fiscal year 1976, and authorizes therefor appropriations of $90 million for fiscal year 1974, $100 million for fiscal year 1975, and $110 million for fiscal year 1976; adds a new special grant authority providing an additional allotment of $100,000 plus 10 percent of its formula allotment for each State which adopts the Uniform Alcoholism and Intoxication Treatment Act, or legislation substantially similar to that Act, which requires intoxication to be treated as a responsibility of the community's public health and social service agencies rather than of its criminal justice system; prohibits public or private general hospitals receiving funds from Federal agency sources from discriminating in their admissions or treatment policies against any person solely because of his alcohol abuse or alcoholism; deletes the language of the Act of 1970 placing the National Institute on Alcohol Abuse and Alcoholism within the National Institute of Mental Health and substitutes language placing it within the Department of Health, Education, and Welfare, thereby permitting, not requiring, the Secretary to place the Institute elsewhere within the Department; gives the National Institute on Alcohol Abuse and Alcoholism authority for eleven top level positions; places alcoholism project and contract authority under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act; eliminates duplication by deleting section 247 of the Community Mental Health Centers Act; and contains other provisions. S. 1125. Public Law 93–282, approved May 14, 1974.

Alcohol and Drug Abuse Education: Extends through fiscal year 1977 the grant and contract authorities of the Drug Abuse Education Act of 1970, Public Law 91–527, and authorizes therefor $26 million, $30, million, and $34 million for fiscal years 1975, 1976, and 1977 respectively; amends the Act to include education on alcohol abuse emphasizing the need for prevention and early intervention programs and broadens the activities which would be eligible for funding; permits up to 10 percent of the funds appropriated yearly for grants to State educational agencies for assisting local educational agencies to carry out drug and alcohol abuse education programs; authorizes the Commissioner of Education to expend up to 1 percent of the funds appropriated yearly for program analysis and evaluation; and directs the Commissioner to submit an annual report to the Senate and House Appropriations Committees stating specific program objectives and legislative recommendations. H.R. 9456. P/H Oct. 30, 1973; P/S amended June 25, 1974; House agreed to Senate amendment with an amendment Aug. 22, 1974. (VV)

Biomedical Research: Authorizes the appropriation of $207,947,000 for the purposes of this Act for fiscal year 1975;

In title I, the National Research Act, repeals all existing biomedical and behavioral fellowship and training authority in the Public Health Service Act; provides for National Research Service Awards, for research and research-training in the National Institutes of Health (NIH) and the Alcohol, Drug Abuse and Mental Health Administration (created by Public Law 93–282) and grants for non-Federal public and private institutions in order for those institutions to select and support their own trainees, using existing training grant programs of the NIH as the model for this provision; specifies that at least 25 percent of the sums appropriated shall be reserved for the direct provision of Awards to individuals;

Establishes, in title II, a National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research for a period of 2 years whose duties include the undertaking of a comprehensive investigation and study to identify the basic ethical principles and develop guidelines which should underlie the conduct of biomedical and behavioral research involving human subjects, the identification of requirements for informed consent for participation in research by children, prisoners, and mentally infirm, determination whether a mechanism is needed for protection of human subjects not under regulation by HEW, the investigation and study of the nature and extent of research on living fetuses with a report in 4 months, and the investigation and study of the use of psychosurgery in the United States during the 5-year period ending in 1972, with a determination of the appropriateness of its use; establishes a permanent National Advisory Council for the Protection of Subjects of Biomedical and Behavioral Research, effective July 1, 1976;

Provides protection for individuals in institutions receiving biomedical or behavioral research grants on matters of religious beliefs or moral convictions; prohibits research and experimentation on human fetuses until such time after the Commission has made its recommendations with regard to the conduct of research on the living fetus or infants unless it is done to insure the survival of that fetus or infant;

Requires entities receiving grants or contracts under this Act to set up Institutional Review Boards to review research to protect the rights of the human subject involved;

Calls for the Commission to make a comprehensive investigation and study of the ethical, social, and legal implications of advances in biomedical research and technology, with a report to be sent to the President and the Congress at least every 2 years together with recommendations for needed legislation or appropriate action by public or private organizations or individuals;

And contains other provisions. H.R. 7724. Public Law 93–348, approved July 12, 1974. (271)

Diabetes Mellitus: Requires the Director of the National Institute of Health (NIH) to establish a National Commission on Diabetes to formulate, within 9 months, a long-range plan to combat diabetes mellitus including a coordinated biomedical research program, evaluation of drug therapies, and treatment approaches and authorizes therefor $1 million; adds diabetes mellitus to the list of diseases for which prevention and control programs are supported under the Public Health Service Act; requires the establishment by HEW of diabetes research and training centers and authorizes therefor $9 million, $12 million, and $20 million for fiscal years 1975, 1976, and 1977 respectively; requires the establishment of a Diabetes Mellitus Coordinating Committee to coordinate all research activities within NIH and other Federal agencies which relate to diabetes mellitus; and authorizes, but does not require, the Secretary of HEW to establish the position of Associate Director for Diabetes within the National Institute of Arthritis, Metabolism and Digestive Disease who would be responsible for conducting the diabetes programs. S. 2830. Public Law 93–354, approved July 23, 1974. (284)

Drug Abuse Prevention: Authorizes appropriations for the Drug Enforcement Administration for 5 years as follows: $125 million for fiscal year 1975, $150 million for fiscal year 1976, $175 million for fiscal year 1977, $200 million for fiscal year 1978, and $225 million for fiscal year 1979;

Repeals the District of Columbia and Federal no-knock statutes enacted by Congress in 1970, which permit judges to insert a special clause into search warrants in narcotics cases which allow the police to execute the warrants without first knocking or announcing authority and purpose before entering private homes;

Terminates all economic and military aid effective January 1, 1975, to any country permitting the production of opium poppies unless the President determines that a ban on the growing of the poppies is in effect or certifies to Congress that the country has effective safeguards to prevent diversion of opium or its derivatives into illicit markets;

Requires yearly reports by the Drug Enforcement Administration to the President and the Congress as well as reports of any evidence of diversion into illicit markets when such evidence is found, and;

Provides for termination of aid by action of the Congress if Congress, within 60 days of continuous session after receipt of any such report, determines by concurrent resolution that a country has not effectively banned the growing of opium poppies or is not effectively preventing diversion into illicit markets. S. 3355. P/S July 11, 1974; P/H amended Aug. 5, 1974. (289)

Health Services: Provides authorizations for health services research and development of $65.2 million for fiscal year 1975 and $80 million for fiscal year 1976, for health statistical activities of $30 million each for fiscal years 1975 and 1976, and for the medical libraries programs of $17.5 million for fiscal years 1975 and $20 million for fiscal year 1976, with provision for an automatic 1-year extension for fiscal 1977 at the authorized level for fiscal 1976; gives a statutory status to both the National Center for Health Services Research (NCHSR) and to the national Center for Health Statistics within the Department of Health, Education, and Welfare; gives broad legislative authority to NCHSR to design and conduct research aimed at the stimulation of an aggressive pursuit of activities in this area and consolidates and broadens present authorities for the collection, analysis, and publication of health statistics over a broad range of contemporary health topics; requires that applications for grants or contracts in excess of $35,000 for health services research, evaluation, or demonstration projects be reviewed for scientific merit and sets at 20 the aggregate number of grants for any one aspect or contract and at $5 million the aggregate amount that may be made or obligated in any fiscal year respecting a particular means of delivery or another aspect of health service; requires the establishment and operation of at least six independent health services research centers, one of which is to be a Health Care Technology Center, to focus on technology, including computers and electronic devices, and its applications in health care delivery, and the other a Health Care Management Center to focus on the improvement of management and/or organization in the health field, the training of health administrators, and the development of leaders, planners, and policy analysts in the field; directs the National Center for Health Statistics to furnish upon request, statistical compilations and surveys to the Appropriations Committees of the Senate and House, the Senate Labor and Public Welfare Committee, and the House Interstate and Foreign Commerce Committee; and contains other provisions. H.R. 11385. Public Law 93–353, approved July 23, 1974. (170)

Medical Devices: Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices; requires that medical devices used in life-supporting situations, such as heart valves or pacemakers, shall be subject to premarket scientific testing; authorizes the Secretary of Health, Education, and Welfare to establish protocols for testing medical devices and requires that test data be submitted to HEW when a manufacturer seeks approval of a life-supporting medical device for marketing; provides that medical devices for which experts agreed standard-setting is sufficient to protect the public health and safety need only meet performance standards; provides that the third classification of devices which are generally safe when used in accordance with their instructions, such as tongue depressors, are exempted from either procedure; and contains other provisions. S. 2368. P/S Feb. 1, 1974. (VV)

National Cancer Program: Authorizes the extension of the National Cancer Act of 1971 with increased funding for the research program at $750 million, $830 million, and $985 million for fiscal years 1975, 1976, and 1977 respectively; requires that the national cancer program collect, analyze, and disseminate "information" useful to cancer and include information on nutrition programs for cancer patients and the relationship between nutrition programs for cancer patients and cancer; requires that cancer programs provide appropriate trials of routine tests conducted for the diagnosis of uterine cancer and authorizes therefor $3.5 million for each fiscal year; requires the Director of the National Cancer Institute (NCI) to contract for programs to disseminate and interpret new and existing information respecting the cause, prevention, diagnosis and treatment of cancer or other related health problems; requires scientific peer review of research grants and contracts of all institutes within the National Institutes of Health (NIH); requires Senate confirmation of the appointment of the Director of NIH; provides for the obligation and expenditure of appropriated funds until the end of each fiscal year; and requires the establishment of a President's Biomedical Research Panel to review and make recommendations on the organization and operation of biomedical and behavioral research conducted and supported under the programs of the various institutes of NIH and to submit a report of its findings to the President and Congress. S. 2893. Public Law 93-352, approved July 23, 1974. (82)

National Institute on Aging: Amends title IV of the Public Health Service Act to provide for the establishment by the Secretary of Health, Education, and Welfare (HEW) of a National Institute on Aging (NIA) in the National Institutes of Health (NIH) for the conduct and support of biomedical, social, and behavioral research and training related to the aging process and the diseases and other special problems and needs of the aged, as authorized under section 301 of the Public Health Service Act and presently focused in the National Institute of Child Health and Human Development; provides that the Director of NIH shall assign functions to NIA or another institute when the activities overlap; directs the Secretary of HEW to (1) conduct scientific studies, through the Institute, for the purpose of measuring the impact on the biological, medical, and psychological aspects of aging, of all programs conducted or assisted by HEW to meet the needs of the aging in order to obtain data for assessment of the programs by the Institute, (2) carry out public information and education programs to disseminate information developed by the Institute which may aid in dealing with, and understanding, the problems associated with aging, and (3) prepare a comprehensive aging research plan within 1 year after enactment for presentation to the Congress and the President, along with a statement of the staffing and funding requirements necessary to implement the plan; and contains other provisions. S. 775. Public Law 93-296, approved May 31, 1974.

Older Americans: Extends for 3 additional years the nutrition programs for the elderly by authorizing $150 million for fiscal year 1975, $200 million for fiscal year 1976, and $250 million for fiscal year 1977; restricts the Commissioner on Aging from delegating his functions to the Health, Education, and Welfare regional directors; authorizes $35 million for a new transportation program for the elderly; and imposes restrictions on the establishment of local share requirements for the retired senior volunteer program (RSVP) conducted by the ACTION Agency. H.R. 11105. Public Law 93-351, approved July 12, 1974. (250)

School Lunch and Child Nutrition: Requires the Secretary of Agriculture during fiscal year 1975, to use funds available under section 32 of Public Law 74-230 and the Commodity Credit Corporation to purchase agriculture commodities for donation to maintain the $290 million programmed level of assistance for programs authorized under the Child Nutrition Act and title VIII of the Older Americans Act; requires a minimum 10 cent per meal level of donated food assistance for the school lunch program for fiscal year 1975 and subsequent fiscal years, or cash payments in lieu thereof; makes permanent the authority of States to serve reduced price school lunches to children from families with incomes up to 75 percent above those in the Secretary's income poverty guidelines; increases the authorization for school food service equipment assistance funding from $20 million to $40 million for fiscal year 1975 and for succeeding years; and increases the required expenditure for the special supplemental food program for women, infants, and children from $40 million to $100 million for fiscal year 1975 and provides that in addition to the $100 million authorized, any part of the fiscal 1974 amount not expended shall be carried over to fiscal 1975. H.R. 14354. Public Law 93-326, approved June 30, 1974. (VV)

Sudden Infant Death Syndrome: Directs the National Institute of Child Health and Human Development at the National Institutes of Health to carry out a research program to identify the causes and preventive measures needed to eliminate Sudden Infant Death Syndrome and provides for public information and counseling services to families affected by Sudden Infant Death Syndrome and to personnel who come in contact with the victims or their families. S. 1745. Public Law 93-270, approved Apr. 22, 1974.

HOUSING

Housing and community development—consumer home mortgage assistance: Omnibus bill which consolidates and simplifies various existing programs, authorizes the development of several new programs, and authorizes appropriations therefor in the total amount of $11,258,250,000 for fiscal years 1975–1977;

In title I, community development, contains a new consolidated development program for communities which replaces present programs for public facilities loans, open space grants, public works planning advances, water and sewer, neighborhood facilities, advance acquisition of land, urban renewal grants, and the model cities programs with a block grant program effective January 1, 1975; provides for a summary plan covering a 3-year period with a single one-year application for funds which must specify the program to be carried out and must include proposals for a program of activities to eliminate or prevent slums and blight where such conditions or needs exist, plans for housing assistance for low and moderate income persons and plans for improvement and upgrading of community facilities and supporting health, social and similar services where necessary; makes an exception from these requirements in regard to slum improvement and upgrading facilities for communities of under 25,000 population which initially apply for community development assistance for certain single-purpose activities; requires an 80–20 allocation of funds between metropolitan and non-metropolitan areas; establishes a duel system of entitlement grants using both a formula approach which is based on population, poverty (counted twice), and housing over-crowding, and a hold-harmless amount based on past funding which phases out in 6 years; provides for a study of this method of funding and its effects within 3 years by the Secretary of Housing and Urban Development (HUD) who is to make a report to Congress not later than March 1, 1977, with his recommendations regarding any modifications in the method of funding; authorizes for this program $2.5 billion in fiscal year 1975, which may be increased to an aggregate of $5.45 billion prior to the close of fiscal year 1976, and to an aggregate of $8.4 billion prior to the close of fiscal year 1977, and prohibits discrimination under any program or activity funded under this title on the grounds of race, color, national origin, or sex;

Includes in title II, assisted housing, a new section 23 low-rent public housing program for both new and substantially rehabilitated housing and for existing housing to become effective within 18 months after enactment on such date as may be set by the Secretary within that time; a requirement that assistance payments be made for some or all of the units in projects for the elderly or handicapped financed under the section 202 direct loan program; new minimum rents for public housing; and provisions allowing local objections to be made concerning use of housing assistance funds subject to final determination by HUD; provides legislative direction, for the first time, as to distribution of housing subsidy funds with not less than 20 percent nor more than 25 percent to be allocated to non-metropolitan areas; continues the section 235 homeownership assistance program and the section 236 rental assistance program at a reduced level of funding until June 30, 1976, as a complement to the newly established section 23 rental program;

In title III, mortgage credit assistance, contains amendments to present law which include an extension of the Secretary's authority to establish interest rates under various FHA (Federal Housing Administration) authority until June 30, 1977, the raising of FHA mortgage limits by varying amounts, and an expansion of the compensation for defects provisions of existing law;

In title IV, comprehensive planning, revises the present program; designates as grantees eligible for comprehensive planning assistance (1) a State for planning assistance to local governments, (2) States for State and interstate activities, (3) cities of 50,000 or more, (4) counties of 50,000 or more, (5) areawide organizations, (6) Indian tribal groups or bodies, and (7) other governmental units or agencies having special planning needs; provides that each grant recipient carry out an outgoing planning process with biennial review and authorizes funds for a comprehensive planning program to be used jointly with other Federal assistance funds subject to regulations prescribed by the President;

In title V, rural housing, extends and amends various programs administered by the FHA, and in title VI, mobile home construction and safety standards, requires HUD to establish national standards for this purpose;

In title VII, the Consumer Home Mortgage Assistance Act of 1974, revises and expands the real estate lending powers of Federal savings and loan associations and national banks, and the lending powers of the Federal credit unions;

In title VIII, miscellaneous, includes provisions which: establish a National Institute of Building Sciences to evaluate and promulgate criteria for housing and building regulations; provide for expansion of the experimental housing allowance program to include direct cash assistance for rental housing and homeownership and for HUD to determine the feasibility of a national direct cash assistance policy and to report to Congress within 18 months; direct HUD and the Treasury Department to study the feasibility of direct loans and other methods of financing assisted multifamily housing, including direct loans from the Federal Financing Bank; add a new guarantee program for State housing finance and development agencies obligations and a Federal interest subsidy to enable them to make mortgage loans at below market interest rates in regard to low, moderate, and middle income family housing and to slum revitalization; prohibit discrimination on account of sex in extension of mortgage assistance; and amend the Federal-Aid Highway Act of 1973 and the Urban Mass Transportation Assistance Act to remove the existing prohibition against Federal assistance to bus companies unless the applicant agrees not to engage in certain types of charter bus service, instead require companies to enter into agreements with the Department of Transportation to insure that competing private companies are not foreclosed from their charter service by firms receiving Federal aid;

And contains other provisions. S. 3066. Public Law 93—— approved ________, 1974. (59,347)

Real estate settlement costs: Directs the Secretary of Housing and Urban Development (HUD), the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to develop a standard real estate settlement form to be used in all transactions in the United States which involve federally related mortgage loans which clearly itemizes all charges imposed upon the borrower and the seller; retains the authority of the Secretary of HUD and the Administrator of the Veterans Administration to set amounts allowable for settlement costs in connection with FHA-insured and VA-guaranteed mortgages; directs the Secretary of HUD to prepare and distribute booklets explaining the nature and purpose of closing costs and escrow accounts and giving other pertinent information; requires that at least 15 days in advance a lender must supply the prospective borrower with an itemized disclosure in writing of each charge in connection with settlement; prohibits kickbacks for referral services; places a limitation on the requirement for advance deposit to escrow accounts; provides for the demonstration of a model system for the recordation of land title information in order to simplify land sales and mortgage transactions and to reduce the costs involved with a view to the possible development of a nationally uniform system of land parcel recordation; requires the Secretary of HUD to report to Congress after three years on the need for further legislation; and prohibits lenders from imposing a charge for preparing disclosure statements called for by this act. S. 3164. P/S July 24, 1974; P/H amended Aug. 14, 1974. (VV)

INDIANS

Absentee Shawnee Tribe, Oklahoma: Authorizes the tribal officials of the Absentee Shawnee Tribe of Oklahoma to convey a tract of land (approximately 33 acres) to the United States to be held in trust for the tribe. S. 3358. P/S May 28, 1974. (VV)

American Indian policy: Replaces the national Indian policy set forth in H. Con. Res. 108, approved by the 83d Congress on August 1, 1953; embraces the principles of maximum Indian control and self-determination and seeks to strengthen and improve the delivery of services to Indian people wherever they may reside; places in the Federal Government the responsibility to assure that Indians receive their entitled share and participate fully in all Federal, State, and local social and economic development programs; and broadens the definition of "American Indian" or "Indian" to include "Alaska Natives". S. Con. Res. 37. Senate adopted May 29, 1974. (VV)

Assistant Secretary for Indian Affairs: Establishes an Assistant Secretary of the Interior who will be an additional Assistant Secretary only for Indian Affairs, and establishes, by amending the Alaska Native Claims Settlement, a thirteenth region for Alaska Natives who are not residents of Alaska. S. 2777. P/S Feb. 4, 1974. (VV)

Bridgeport Indian Colony, California: Declares that 40 acres of land in Mono County, California are to be held in trust for the Bridgeport Indian Colony subject to an easement to the Bridgeport Public Utility District for a sewer main. S. 283. P/S June 5, 1974. (VV)

Cheyenne-Arapaho Tribes, Oklahoma: Conveys to the Cheyenne-Arapaho Tribe of Oklahoma 5 acres of land to be held in trust by the United States. S. 521. P/S May 28, 1974. (VV)

Chippewa Cree Tribe, Montana: Declares that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Montana. H.R. 5525. Public Law 93–285, approved May 21, 1974. (VV)

Citizen Band of Potawatomi Indians, Oklahoma: Authorizes the elected officials of the Citizen Band of Potawatomi Indians of Oklahoma to convey seven tracts of land (approximately 280 acres) to the United States to be held in trust for the tribe. S. 3359. P/S May 28, 1974. (VV)

Constitutional rights of Indians: Amends section 701(c) of title VII of the Civil Rights Act of 1968 to authorize the appropriation of funds for the printing of certain legal materials relating to the constitutional rights of American Indians. S. 969. Public Law 93–265, approved Apr. 12, 1974.

Indian Claims Commission: Authorizes such sums as may be necessary for fiscal year 1975 to continue the program of the Indian Claims Commissions. S. 3007. P/S May 28, 1974; P/H amended June 17, 1974; In conference. (VV)

Indian financing: Provides capital to Indian organizations and individual Indians in the form of loans and grants that is needed to promote their economic development; authorizes a $50 million increase for the Revolving Loan Fund; provides a Loan Guarantee and Insurance Program which could generate as much as $200 million in new private capital; authorizes an Interest Subsidy Program; and provides an Indian Business Development Grant Program. S. 1341. Public Law 93–262, approved Apr. 12, 1974.

Indian self-determination: Declares that a major goal shall be to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being; provides basic authority for the Secretaries of the Interior and Health, Education and Welfare to enter into contracts with tribal organizations; amends the Intergovernmental Service Act of 1970 to bring "tribal governments" within the definition of "local government," to enable civil service personnel to be assigned to tribal organizations; exempts tribal contracts from Federal Procurement regulations which have served as obstacles to such contracting in the past; provides for a study of the Johnson-O'Malley Act (enrolling Indian children in public schools under contract) to be transmitted to Congress not later than October 1, 1974; amends the Johnson-O'Malley Act to provide criteria governing contracts between the Secretary of Interior and prospective contractors to assure that educational needs of Indian students beneficiaries of such contracts are met; provides criteria for the establishment of parental committees to insure funds expended in public school districts are in accordance with programs and plans developed by the Indian community; authorizes $65 million for each of the fiscal years 1975 and 1976 for education of Indians under the Johnson-O'Malley Act; and authorizes $35 million for assistance in the construction of school facilities serving Federally-recognized Indian children on or near reservations. S. 1017. P/S Apr. 1, 1974. (VV)

Kootenai Tribe, Idaho: Transfers 12.5 acres of Federal land into trust status for the Kootenai Tribe of Idaho. S. 634. P/S May 13, 1974. (VV)

Sisseton and Wahpeton Sioux Tribe, North and South Dakota: Authorizes the Sisseton and Wahpeton Sioux Tribe of North and South Dakota to acquire additional trust lands within its Lake Traverse Reservation, and enables the tribe to mortgage its land, subject to approval of the Secretary of the Interior, in order to consolidate land holdings, alleviate the problem of fractionated heirship of allotted lands, and acquire lands for tribal programs. S. 1411. P/S May 13, 1974. (VV)

Declares that all right of the United States to certain lands in the Lake Traverse Indian Reservation is to be held in trust for the Sisseton and Wahpeton Sioux Tribe, subject to all valid rights of way and subject to a condition that two tracts be utilized by the Secretary of the Interior for operating day schools. S. 1412. P/S June 13, 1974. (VV)

Spokane tribe, Washington: Deletes the provision of present law which requires that the value of nontrust lands acquired by the Spokane Indian Reservation in any year shall not exceed the value of lands passed from trust status to tax free status in order to enable the Spokane Tribe to consolidate its land base. H.R. 5035. Public Law 93–386, approved May 21, 1974. (VV)

INTERNATIONAL

African Development Fund: Authorizes $15 million in three annual installments of $5 million each as the U.S. contribution to the African Development Fund; authorizes U.S. participation in the Fund and the appointment by the President (subject to Senate confirmation) of a U.S. Governor and Director who is directed to vote against loans to any nation which has (1) nationalized or expropriated properties 50 percent or more owned by Americans, (2) repudiated contracts to companies 50 percent owned by Americans, or (3) imposed discriminatory taxes or regulations on them, unless the President certifies to Congress that these provisions should be waived because of national interests. S. 2354. P/S July 30, 1974. (VV)

American Hospital of Paris, Inc.: Amends the Act incorporating the American Hospital of Paris by eliminating the maximum 20 member limitation on the Board of Governors. S. 1836. Public Law 93–266, approved Apr. 12, 1974.

Arms Control and Disarmament Agency: Authorizes $10.1 million for fiscal year 1975 to finance the operations of the Arms Control and Disarmament Agency, and changes the per diem limitation for the payment of consultants and experts from $100 a day to a maximum of $138 per day and extends their fiscal year employment limitation from 100 days to 130 days. H.R. 12799. Public Law 93–332, approved July 8, 1974. (VV)

Asian Development Bank: Amends the Asian Development Bank Act of 1966, as amended, to authorize the U.S. Governor of the Asian Bank to subscribe to thirty thousand additional shares of the Bank's capital stock and to contribute an additional $50 million to the Bank's Special Funds on behalf of the United States and authorizes therefor a total $411,904,726 over a three year period. S. 2193. P/S Aug. 1, 1974. (VV)

Board for International Broadcasting: Authorizes $49,990,000 for fiscal year 1975 (of which $150,000 shall be available for the initiation of Radio Liberty Programming in the Latvian and Estonian languages) for grants to Radio Free Europe and Radio Liberty, and for the operating expenses of the Board for International Broadcasting which administers the grants and monitors and evaluates the radios' activities. S. 3190. Public Law 93– , approved ____________, 1974. (VV)

China Indemnification Agreement: Authorizes the Secretary of State to conclude an agreement with the Government of the People's Republic of China for indemnification for any loss or damage suffered by objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the United States. S. 3304. Public Law 93–287, approved May 21, 1974. (VV)

Colorado River Basin salinity control: Implements the agreement of August 30, 1973, with Mexico and authorizes the construction, operation, and maintenance of certain desalinization works in the Colorado River Basin to control the salinity of water delivery to users in the United States and Mexico. H.R. 12165. Public Law 93–320, approved June 24, 1974. (VV)

Customs and Immigration border facilities: Increases from $100,000 to $200,000 the limitation on the amount of funds that may be expended to provide facilities for the enforcement of the customs and immigration laws along outland borders. H.R. 10044. Public Law 93– , approved __________________, 1974. (VV)

Foreign disaster assistance: Authorizes $150 million for disaster relief and emergency recovery needs in Pakistan, Nicaragua, and to the drought-stricken regions of Africa as follows: $65 million to Pakistan and Nicaragua, and $85 million to the African nations, of which not to exceed $10 million may be used for assistance to Ethiopia. H.R. 12412. Public Law 93–333, approved July 8, 1974. (VV)

Foreign service buildings: Authorizes additional appropriations for Foreign Service Buildings of $2,732,000 for fiscal years 1974 and 1975, made necessary in inflation and devaluation of the dollar. H.R. 12465. Public Law 93–263, approved Apr. 12, 1974. (VV)

IDA—gold ownership: Authorizes $1.5 billion (in four annual installments of $375 million each) as the U.S. contribution to the fourth replenishment of the resources of the International Development Association; amends Public Law 93–110 to make the provisions which legalized the private ownership of gold effective December 31, 1974, or prior to that time if the President finds and reports to Congress that the elimination of this requirement would not adversely affect the U.S. international monetary position; and directs the United States Governor to vote against any loan or other utilization of IDA funds that would benefit a country which develops a nuclear explosive device unless the country is or becomes a party to the treaty on the Non-Proliferation of Nuclear Weapons. S. 2665. Public Law 93–373, approved Aug. 14, 1974. (VV)

International court of justice: Calls on the Secretary of State to submit to the Court any outstanding territorial disputes involving the United States which cannot be resolved by negotiations, and specifically to consider submitting 28 such disputes over desolate and largely uninhabited islands in the Caribbean Sea and the Pacific Ocean. S. Res. 74. Senate adopted May 20, 1974. (VV)

Recommends the inclusion in all future treaties and other international agreements of clauses providing that any dispute arising from the interpretation or application of their provisions, not otherwise settled by agreement between the parties, shall be subject to the jurisdiction of the Court or other appropriate body. S. Res. 75. Senate adopted May 20, 1974. (VV)

Declares that the Secretary of State should give favorable consideration to making use of the various chambers of the Court; calls on the President to take all appropriate measures to attempt to expand the range of international bodies eligible to request advisory opinions of the Court; urges the President to seek to improve the process by which judges are nominated and elected; and advises the President to encourage the Court to exercise its functions outside of the Hague from time to time. S. Res. 76. Senate adopted May 20, 1974. (VV)

Urges the President to direct the Secretary of State to encourage the maximum use of the procedures for the specific settlement of international disputes as outlined in Chapter VI of the Charter of the United Nations, particularly those procedures providing for the reference of legal disputes to the Court. S. Res. 77. Senate adopted May 20, 1974. (VV)

Calls on the Secretary of State to undertake a study examining the various ways of granting direct and indirect access to the Court and other international tribunals to individuals, corporations, nongovernmental organizations, intergovernmental organizations, regional organizations, and other natural or legal persons, including the feasibility of establishing a special committee of the United Nations General Assembly with authority to request from the Court advisory opinions on behalf of these groups. S. Res. 78. Senate adopted May 20, 1974. (VV)

International Ocean Exposition '75: Authorizes a supplemental appropriation to the United States Information Agency of $5.6 million, without fiscal year limitation, to fund U.S. participation in the International Ocean Exposition to be held in Okinawa, Japan in 1975. S. 2662. Public Law 93–304, approved June 8, 1974. (VV)

International Wheat Agreement Conference: Expresses the sense of the Senate that the President should call upon the International Wheat Council to request the Secretary-General of the United Nations Conference on Trade and Development to convene a negotiating conference on provisions relating to the prices of wheat and to the rights and obligations of members with respect to international trade in wheat. S. Res. 340. Senate adopted June 21, 1974. (VV)

Japan-United States cultural exchange: Creates a Japan-United States Friendship Trust Fund to promote scholarly, cultural, and artistic activities between Japan and the United States; authorizes therefor the transfer of $32 million from the proceeds of the Okinawa Reversion Agreement of which the interest and up to 5 percent of the principal may be spent annually to support these activities; and establishes a commission to administer the programs. S. 649. P/S June 7, 1974. (VV)

Middle East terrorists: Condemns the terrorist threat made against the lives of 90 Israeli school children as well as all acts of terrorism and urges the President and the Secretary of State to call upon all governments to condemn this inhuman act of violence against innocent victims, and the countries where these groups and individuals are found to take appropriate action to rid their countries of those who subvert the peace through terrorism and senseless violence. S. Res. 324. Senate adopted May 15, 1974. (VV)

Migratory birds: Implements the Convention with Japan concerning migratory birds (Ex. R, 92d–2d) which provides for the protection of certain species of birds common to both countries or which migrate between them; prohibits the taking, sale, purchase or exchange of migratory birds, their eggs or products thereof with certain exceptions including special provisions for Eskimos, Indians, or inhabitants of the Trust Territory of the Pacific Islands; and requires each country to control the exportation or importation of migratory birds, and products thereof, to encourage their conservation, and to preserve and enhance their environment. H.R. 10942. Public Law 93–300, approved June 1, 1974. (VV)

Military assistance to Greece: Prohibits all military grant assistance, sales, credit sales, and guarantees to Greece until (1) the Executive Branch completes a review of United States policy toward Greece with specific attention to whether the Government of Greece is in a position to fulfill its political obligations under the preamble to the North Atlantic Treaty which states "The Parties to this Treaty * * * are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and rule of law."; (2) reports the results of such review to the Congress; and (3) the President finds that Greece is in full compliance with its obligations under NATO, except that the President may extend assistance to Greece if he finds that such action would be in the overriding national interest and gives Congress 30 days' advance notice. S. 2745. P/S Jan. 23, 1974. (VV)

Missing in Indochina: States as a sense of the Congress that new efforts should be made by the United States to persuade North and South Vietnam and Laos to comply with their obligations with respect to an accounting of personnel captured, killed or missing during the Vietnam conflict, and further states that every effort should be made to obtain the cooperation of the various parties in the conflict in Cambodia to provide information with respect to missing personnel. S. Con. Res. 81. Senate adopted Apr. 10, 1974; House adopted amended June 3, 1974. (VV)

Missing newsmen: States as the sense of the Senate that the President should make every possible diplomatic effort through the Department of State and other relevant agencies to ascertain the truth of the present whereabouts or fate of United States newsmen missing in Southeast Asia, and obtain the release of those still alive and an accounting of those who may be dead. S. Res. 291. Senate adopted Feb. 26, 1974. (VV)

National Olympic Commission: Establishes a National Commission on the Olympic Games composed of nine members appointed by the President; directs the Commission to (1) review continued U.S. participation in the quadrennial world Olympic Games, (2) conduct a review and oversight of the past performance of the United States Olympic Committee (USOC) in managing U.S. involvement in the Games, (3) examine ways to improve the management of U.S. involvement in the Games, and (4) submit a report of its recommendations to the President and Congress not later than December 31, 1974, or 180 days after the appointment of the ninth member of the Commission, whichever is later; and authorizes therefor $750,000. S. 1018. P/S May 20, 1974. (VV)

Northwest Atlantic fisheries: Permits U.S. participation in international enforcement of fish conservation in additional geographic areas pursuant to the International Convention for the Northwest Atlantic Fisheries of 1949; requires payment for travel expenses and per diem incident to attendance at meetings of the International Commission for the Northwest Atlantic Fisheries for not more than five members of the industry advisory commission; and requires the Secretary of State to submit an annual report to Congress on the costs incurred to reimburse advisor's expenses. H.R. 14291. Public Law 93–339, approved July 10, 1974. (VV)

Overseas Private Investment Corporation (OPIC): Extends until December 31, 1977, the authority of the Overseas Private Investment Corporation to issue political risk insurance to protect private overseas investments against war, expropriation of property and inconvertibility of currency; seeks to promote the transference of OPIC's insurance functions to private insurance companies and multinational organizations by requiring OPIC to cease writing expropriation and inconvertibility insurance after December 31, 1979, and war risk insurance after December 31, 1980, and by authorizing OPIC to assume the role of reinsurer after these dates; and contains other provisions. S. 2957. Public Law 93– , approved -------- --, 1974. (40)

Peace Corps authorization: Authorizes $82,256,000 to finance operations of the Peace Corps during fiscal year 1975; authorizes an additional $1 million for increases in salary, retirement and other employee benefits; authorizes the transfer of $315,000 from any sums appropriated to the Peace Corps for fiscal year 1975 to ACTION's readjustment allowance account at the Department of Treasury; and authorizes the waiver of claims resulting from the erroneous payments of readjustment allowances to Peace Corps volunteers between March 1, 1961, and February 28, 1973, and relieves the disbursing officers involved from liability for such erroneous payments. H.R. 12920. Public Law 93–302, approved June 1, 1974. (164)

State Department supplemental authorization: Increases the authorization level of the State Department Authorization Act of 1973 in three categories: administration of foreign affairs, international organizations and conferences, and pay raises; reduces the authorization level in four categories: international commissions, educational exchange, devaluation costs, and antiterrorism measures; and increases the permanent authorization for annual contributions to the International Committee of the Red Cross, from $50,000 to $500,000. H.R. 12466. Public Law 93-312, approved June 8, 1974. (VV)

State Department—USIA authorizations: Authorizes $741,915,000 to the Department of State and $238,009,000 to the United States Information Agency for fiscal year 1975 plus any additional funds that may be required for salary and employee benefit increases; reorganizes the annual foreign affairs authorizing legislation beginning in fiscal year 1976; places into law a delineation of the authority and responsibilities of ambassadors; requires Congressional approval of all significant executive agreements pertaining to U.S. military bases abroad and specifically requires such approval regarding the U.S. base on Diego Garcia; requires certain reductions in U.S. personnel stationed abroad under the jurisdiction of American ambassadors; requires that the Administration submit to Congress a detailed plan for future U.S. economic and military assistance to South Vietnam; calls for a review and reformulation of U.S. policy toward Cuba; creates in the State Department a new International Materials Bureau; establishes the requirement that a foreign Service officer's career include two years of non-State Department service in state or local government, public schools, or other public organizations; requires publication in the Congressional Record of political contributions of all ambassadorial nominees; repeals the Formosa Resolution of 1955 which authorizes the President to use the Armed Forces for the protection of Formosa and the Pescadores Islands; authorizes expenditures for an annual trip to and from schools in the United States for dependents of government employees assigned abroad; and contains other provisions. S. 3473. P/S May 20, 1974; P/H amended Aug. 21, 1974. (VV)

TREATIES

Customs Convention on the International Transit of Goods: Provides simplified customs control mechanisms and uniform documentation procedures for transport by bonded trailers, railway cars, vessels, and large containers, such carriers to have the option to use the International Transit of Goods procedures or another system if more advantageous. Ex. P, 93d-1st. Resolution of ratification agreed to Jan. 21, 1974. (2)

Extradition Treaty with Denmark: Provides for the extradition of fugitives charged with any of 28 specific offenses, including offenses relating to narcotics and aircraft hijacking, as well as conspiracy to commit any of the specified offenses; defines territorial application to include territorial waters and airspace as well as registered aircraft in flight; provides for extradition for offenses committed outside the territory of either party if the offense is punishable under the laws of both parties; provides discretionary power to either party to extradite its own nationals, with the requested state to try the individual when the offense is punishable under its own laws; and permits refusal of extradition unless assurances are received that the death penalty will not be imposed for an offense not punishable by death in the country from which extradition is requested. Ex. U, 93d-1st. Resolution of ratification agreed to Mar. 29, 1974. (92)

Protocols for the extension of the International Wheat Agreement, 1971: Extends to June 30, 1975, the provisions of the International Wheat Agreement, 1971 constituting (1) the Wheat Trade Convention which provides for the continued operation of the International Wheat Council, an administrative body established for the purpose of providing a mechanism for international cooperation in matters relating to the production and sale of wheat, and (2) the Food Aid Convention which commits its parties to provide minimum annual quantities of food to developing countries. Ex. C, 93d-2d. Resolution of ratification agreed to June 21, 1974. (260)

U.S.-Hungarian claims: Amends the International Claims Settlement Act of 1949, as amended, to implement the provisions of the claims agreement between the United States and Hungary, signed on March 6, 1973, which provides for the payment of $18.9 million (in 20 equal installments of $945,000) by the Hungarian Government "in full and final settlement" of all claims of American nationals against Hungary for war damages, nationalization, expropriation and other taking of property. H.R. 13261. P/H May 7, 1974; P/S amended Aug. 16, 1974. (VV)

Vietnam war claims: Increases the rate of detention benefits under the War Claims Act of 1948, as amended, to civilian American citizens held as prisoners in Southeast Asia, from $60 per month to $150 per month. S. 1728. P/S Oct. 8, 1973; P/H amended Aug. 12, 1974.

1980 Winter Olympic Games: Extends an invitation to the International Olympic Committee to hold the 1980 winter games at Lake Placid, New York; expresses the hope that the United States will be selected as the site for these games; and pledges cooperation and support in their successful fulfillment provided that Olympic activities and plans fit within present State laws and plans respecting the Adirondack Park. S. Con. Res. 72. Senate adopted Apr. 8, 1974; House adopted amended Aug. 5, 1974; Senate agreed to House amendment Aug. 21, 1974. (VV)

World food resolution: States as a sense of the Senate that the United States should take the lead in a cooperative international effort to meet the production of adequate quantities of food; calls upon the President and the Secretaries of State and Agriculture to give priority to the expansion of American food aid by restoring sales and grants under Public Law 480 to their 1972 commodity levels and taking additional steps to transfer food on concessional and donation terms to those nations most severely affected by the recent price rises and shortages in energy, fertilizer, and food and to undertake negotiations to obtain the participation of other food-exporting countries in an expanded food aid effort and financial assistance from the oil-exporting countries for those nations most affected by current shortages and rising prices; states the need for international efforts to increase world fertilizer production; and calls upon the President to encourage domestic conservation of fertilizer by a reduction in non-food producing uses. S. Res. 329. Senate adopted Aug. 7, 1974. (VV)

LABOR

Minimum wage increase: Provides a statutory minimum wage of $2.30 an hour for all covered workers according to the following time schedule:

For those covered prior to 1966, $2.00 on the effective date of this act, $2.10 effective January 1, 1975, and $2.30 effective January 1, 1976;

For nonagricultural employees first covered by the 1966 and 1974 amendments, $1.90 on the effective date of this act, $2.00 effective January 1, 1975, $2.20 effective January 1, 1976, and $2.30 effective January 1, 1977;

For agricultural employees, $1.60 on the effective date of this act, $1.80 effective January 1, 1975, $2.00 effective January 1, 1976, $2.20 effective January 1, 1977, and $2.30 effective January 1, 1978.

Extension of coverage: Extends coverage of the act to employees of individual retail and service establishments (except "Mom and Pop" stores) which are part of enterprises with gross annual receipts of more than $250,000 (thus including individual establishments with gross receipts of less than $250,000 if they are part of a chain with annual receipts over $250,000) with the $250,000 establishment test for smaller stores of large covered chains to be phased out by July 1, 1976;

Brings under the minimum wage and overtime provisions of the Act all employees in private household domestic service earning "wages" ($50 per quarter) for purposes of the Social Security Act, but retains a minimum wage and overtime exemption for casual babysitters and companions and an overtime exemption for live-in domestic service employees;

Extends coverage of Federal employees to most employees including wage board employees, non-appropriated fund employees, certain employees in the Canal Zone and any other civilian employee working for the armed services; and extends coverage of State and local government employees;

Retains the present basis for coverage of agricultural employees, which requires at least 500 man-days (one man-day being any day during which an employee performs any agricultural labor for not less than one hour) during the peak quarter of the preceding year, but alters the computation of man-days by adding to the definition of "employee" the previously excluded group of all local, seasonal hand-harvest laborers, with such employees and farmworkers under 16 working with a parent continuing to be exempt from the minimum wage if they are paid the adult piece rate.

Child farm labor: Amends the Fair Labor Standards Act by prohibiting the employment in agriculture of all children under the age of 12, except those working on farms owned or operated by their parents, or on farms not covered by the act under the 500 man-day test, or on conglomerate farms, with parental consent required for children on noncovered farms; permits children ages 12 through 15 to work only during hours school is not in session, provided that all 12 and 13 year olds must either receive written parental consent or work only on farms where their parents are employed.

Puerto Rico and the Virgin Islands: Provides for the gradual achievement of minimum wage parity for workers in Puerto Rico and the Virgin Islands with workers on the mainland as follows:

For certain hotel, motel, restaurant and food-service employees, as well as employees of the Federal and Virgin Islands Governments the same as the minimum wage for counterpart mainland employees on the effective date;

For other covered workers, effective on the effective date of the legislation, presently covered employees are to receive: (A) an increase of 12 cents an hour if their wage order rates are less than $1.40 an hour, and (B) an increase of 15 cents an hour if their wage order rates are $1.40 an hour or higher;

For newly covered employees (including commonwealth and municipal employees), wage rates to be set by special industry committees which may not be less than 60 percent of the otherwise applicable rate under section 6(b) or $1.00 an hour, whichever is greater;

For all employees (other than commonwealth and municipal employees), yearly increases beginning one year after the effective date of this legislation as follows: (A) 12 cents an hour yearly if their wage order rates are less than $1.40 and (B) 15 cents an hour yearly if their wage order rates are $1.40 an hour, whichever is greater.

Exemptions: Repeals or modifies a number of present exemptions, including some of the complete minimum wage and overtime exemptions as well as some which apply only to the overtime standard, in relation to: motion picture theaters, small logging crews, shade-grown tobacco, agricultural processing industries, railroads, and pipelines, seafood processing, local transit, hotels, motels, and restaurants, tip allowance, nursing homes, salesmen, partsmen, and mechanics, cotton ginning and sugar processing, catering and food service employees, telegraphic message operations, bowling establishments, and house parents for orphans; sets a certain overtime exemption for police.

Youth differential: Permits a lower minimum wage for full-time students as follows:

In retail and service establishments of not less than 85 percent of the applicable minimum wage of $1.60, whichever is higher for a period of up to 20 hours per week, and permits the hiring of up to 4 students without the need for the traditional precertification procedure;

In agriculture, the higher of 85 percent of the applicable rate of $1.30 an hour for the same period, and up to 4 students without certification;

And in higher education institutions, 85 percent of the applicable rate of $1.60 for the same period;

Provides that the Secretary of Labor, to the extent necessary to prevent curtailment of opportunities for employment, shall by regulation or orders provide for the employment of learners, apprentices, and for messengers employed primarily in delivering letters and messages, under special certificates at lower wages.

Age discrimination: Amends the Age Discrimination in Employment Act of 1967 to include within its coverage Federal, State and local government employees (other than elected officials and certain aides not covered by civil service), and to expand coverage from employers with 25 or more employees to employers with 20 or more employees;

And contains other provisions. S. 2747. Public Law 93-259, approved Apr. 8, 1974. (58, 85)

Nonprofit hospital employees: Extends coverage under the National Labor Relations Act to employees of private nonprofit hospitals; establishes certain new procedures governing labor relations in health care institutions (which is defined to include hospitals, nursing homes, health maintenance organizations, extended care facilities, health and medical clinics and other similar institutions caring for the sick, infirm or aged); exempts health care institution employees who object to joining labor organizations on religious grounds from union membership if they make comparable payments to a nonreligious charitable fund; and contains several provisions designed to facilitate collective bargaining settlement and to provide advance notice of any strike or picketing involving a health care institution by requiring: (1) a 90-day notice of termination or expiration of a contract; (2) a 60-day notice to the Federal Mediation and Conciliation Service (FMCS) of such termination or expiration; (3) a 30-day notice of a dispute to FMCS in initial contract negotiations; (4) the health care institution and labor organization to participate in mediation at the direction of the FMCS; and (5) a 10-day notice to the health care institution before any picketing or strike (whether or not related to bargaining) can take place; and by permitting the FMCS (within 30 days after the notice of a contract expiration or within 10 days after the notice of new contract negotiations) to convene an impartial board of inquiry to help settle a potential or existing labor dispute and to report thereon within 15 days. S. 3203. Public Law 93-360, approved July 26, 1974. (177, 280)

West coast dock strike: Provides that no strike or lockout in the longshore or maritime industry in the States of Washington, Oregon, or California shall be permitted to interrupt normal shipping, for a period of 160 days beginning on the first day of the strike or lockout, from any port on the West Coast to Hawaii, the Trust Territory of the Pacific Islands, Guam, or American Samoa, or from Hawaii or any U.S. Pacific Island to any port on the West Coast; permits employers or labor organizations who are parties to labor disputes, or the chief executive officers of the island governments, to petition any U.S. District Court with jurisdiction to issue an injunction or temporary restraining order to enforce the 160-day prohibition which would be in addition to any 80-day "cooling off" period which might be invoked under Title II of the Labor Management Relations (Taft-Hartley) Act, thus providing a possible total of 240 days postponement of any disruption of West Coast-Hawaii waterborne commerce; and provides that the wage rates established in the agreement settling the dispute be made retroactive to cover work done during the 160-day moratorium. S. 1566. P/S July 17, 1974. (298)

MEMORIALS, TRIBUTES AND MEDALS

B. Everett Jordan, Death of: Expresses the sorrow of the Senate in respect to the death of former Senator B. Everett Jordan (D., N.C.). S. Res. 298. Senate adopted Mar. 22, 1974. (VV)

Chautaugua Institution: Salutes Chautaugua Institution, in western New York, on the hundredth anniversary of its founding. S.J. Res. 230. P/S Aug. 1, 1974. (VV)

Church of Jesus Christ of Latter Day Saints: Commends the members of the Church of Jesus Christ of Latter Day Saints on July 24, the day commemorating the settling of the Great Salt Lake Valley, for their many achievements as a major religion and a humanitarian people. S. Res. 366. Senate adopted July 24, 1974. (VV)

Clara Barton House: Authorizes the Secretary of the Interior to acquire, by donation only, from its present owners the former house of Clara Barton located in Glen Echo, Maryland, which served as the home of Clara Barton, founder of the American Red Cross and as the first headquarters for the American Red Cross. S. 3700. P/S July 22, 1974. (VV)

Earl Warren: Authorizes $25,000 for an oil portrait and a marble bust of former Chief Justice Earl Warren to be placed in the United States Supreme Court Building. S.J. Res. 123. P/S June 5, 1974. (VV)

Directs the Architect of the Capitol to transfer to the custody of the Chief Justice of the United States the catafalque to be used in the Supreme Court Building in connection with services to be conducted there for the late Honorable Earl Warren, former Chief Justice of the United States. S. Con. Res. 101. Senate adopted July 10, 1974; House adopted July 10, 1974. (VV)

Georges Pompidou, Death of: Expresses the sorrow of the Senate in respect to the death of Georges Pompidou, President of the Republic of France. S. Res. 304. Senate adopted Apr. 4, 1974. (VV)

Gerald R. Ford: Extends best wishes to Gerald R. Ford upon his assumption to the Presidency and the assurance of Congressional cooperation. S. Con. Res. 108. Senate adopted Aug. 9, 1974. (VV)

Hank Aaron Home Run Record: Expresses the congratulations of the Senate to Hank Aaron, of the Atlanta Braves baseball team, on hitting home run number 714 on April 4, 1974, thereby tying the home run record of Babe Ruth. S. Res. 303. Senate adopted Apr. 4, 1974. (VV)

Expresses the congratulations of the Senate to Hank Aaron on hitting his 715th home run on the night of April 8, 1974, thereby surpassing the home run record set by Babe Ruth in 1935. S. Res. 305. Senate adopted Apr. 9, 1974. (VV)

Harry S. Truman Memorial Scholarship: Establishes, as a living memorial to former President Harry S. Truman, a scholarship program for young people preparing for careers in public service at all levels of government; authorizes $30 million to fund the annual award of four-year undergraduate scholarships to young Americans from each of the 50 States and the District of Columbia who will be known as Truman Scholars; establishes the Harry S Truman Scholarship Foundation in the executive branch to supervise the program and make arrangements with the State Governors for the selection of the scholarship winner on a statewide competitive basis; provides that a Truman Scholar may attend the school of his or her choice provided it meets with criteria established by the Foundation; provides the opportunity for the scholars to participate in a special year-in-Washington program; and establishes the amount of the scholarships as the cost to each student of tuition, fees, books, and room and board with no annual individual grant exceeding $5,000. S. 3548. P/S Aug. 7, 1974. (VV)

Herbert Hoover: Calls upon the Secretary of the Interior and the Administrator of General Services to conduct appropriate ceremonies in celebration of the one-hundredth anniversary of the birth of Herbert Hoover on August 10, 1974. S. Con. Res. 79. Senate adopted July 11, 1974; House adopted Aug. 6, 1974. (VV)

J. Allen Frear Building: Designates the Federal office building located in Dover, Delaware as the "J. Allen Frear Building" in honor of Senator J. Allen Frear. S. 3815. P/S Aug. 21, 1974. (VV)

J. Edgar Hoover Medals: Directs the Secretary of the Treasury to strike and furnish to the general public national medals honoring the late J. Edgar Hoover who, for 48 years, served as Director of the Federal Bureau of Investigation. H.R. 1817. Public Law 93-309, approved June 8, 1974. (VV)

Lyndon B. Johnson Conservation Corps Center and Lyndon B. Johnson National Grasslands: Renames the Arrowood Civilian Conservation Corps Center, near Franklin, North Carolina and the Cross Timber National Grasslands, in Wise and Montague Counties, Texas, in honor of Lyndon B. Johnson. S. 2835. Public Law 93-298, approved June 1, 1974. (VV)

Monument to 1st Infantry Division: Authorizes the erection in the District of Columbia, of a monument to the dead of the First Infantry Division, United States Forces in Vietnam. S.J. Res. 66. Public Law 93- , approved 1974.

NATURAL RESOURCES

Anadromous Fish Conservation: Amends the Anadromous Fish Conservation Act to extend the program for conservation of fish which migrate upstream to spawn in the Great Lakes an additional 5 years, to June 30, 1979; broadens the act to allow for the control of the sea lamprey; increases Federal participation in cooperative projects undertaken by two or more States from 60 to 66⅔ percent; and authorizes therefor $20 million for each of fiscal years 1975-1979. H.R. 11295. Public Law 93-362, approved July 30, 1974. (VV)

Arapaho National Forest: Extends the boundaries of the Arapaho National Forest and authorizes the transfers of approximately 14,000 acres of public lands from the Secretary of the Interior to the Secretary of Agriculture. S. 3615. P/S Aug. 21, 1974. (VV)

Big Thicket National Preserve, Texas: Authorizes the Secretary of the Interior to acquire such lands, waters, and interest on a specified section of land in the state of Texas to consist of not more than 100,000 acres for the establishment of the Big Thicket National Preserve. H.R. 11546. P/H Dec. 3, 1973; P/S amended May 30, 1974. (VV)

Boston National Historical Park: Authorizes the Secretary of the Interior to acquire by purchase or donation the following areas of historical importance located in Boston, Massachusetts: Faneuil Hall; the Paul Revere House; the Old State House; Bunker Hill; and the Old South Meeting House. S. 210. P/S Dec. 7, 1974; P/H amended Aug. 5, 1974. (VV)

Cascade Head Scenic-Research Area, Oregon: Establishes the Cascade Head Scenic-Research Area in Oregon consisting of approximately 8,910 acres adjacent to the Siuslaw National Forest. H.R. 8352. P/H Aug. 5, 1974; P/S amended Aug. 16, 1974. (VV)

Chlorine Allocation: Gives the Secretary of Commerce stand-by allocation authority, on a case-by-case basis, to require producers to supply chlorine to meet priority uses of drinking water, waste water treatment systems, food processing and other public health purposes in order to prevent the possibility of a public health disaster caused by an inadequate supply; provides that an authorized applicant with an inadequate supply may apply to the Environmental Protection Agency for a prompt determination of need for chlorine and requires the Secretary, upon a favorable determination, to order that a specified amount of chlorine be supplied to the applicant; requires the Secretary to distribute such order equitably; and provides civil and criminal penalties for violations. S. 2846. P/S June 4, 1974. (VV)

Conservation on Military and Other Federal Lands: Extends through fiscal year 1978 the game conservation and rehabilitation programs carried out on military reservations and provides new authority for carrying out such programs on certain other Federally owned lands; authorizes $1.5 million per year to the Secretary of Defense and $2 million per year to the Secretary of the Interior to carry out the programs on military reservations; authorizes $10 million per year to the Secretary of Agriculture and $10 million per year to the Secretary of the Interior to carry out the programs on certain lands of the Department of the Interior, and its responsibilities with respect to lands of the Atomic Energy Commission and lands of the National Aeronautics and Space Administration; maintains existing Indian rights to hunting and fishing on these lands; requires that comprehensive plans and cooperative agreements for wildlife management adequately protect endangered fish and wildlife; and contains other provisions. H.R. 11537. P/H Jan. 22, 1974; P/S amended July 15, 1974; In conference. (290)

Eastern wilderness: Designates 10 acres in 15 eastern states as wilderness areas within the National Wilderness Preservation System under the management of the Secretary of Agriculture; designates 40 areas in 18 States and Puerto Rico for study by the Secretary for possible inclusion in the wilderness system; amends the Wilderness Act of 1964 to facilitate the administration of the National Wilderness Preservation System, and promote uniformity of management of wilderness areas in the East and West. S. 3433. P/S May 31, 1974. (VV)

Egmont Key National Wildlife Refuge: Designates all of the land on Egmont Key, Florida, except for those lands under the jurisdiction of the Coast Guard and Hillsborough County, as the Egmont Key National Wildlife Refuge. H.R. 8977. Public Law 93–341, approved July 10, 1974. (VV)

Fish and Wildlife Service: Abolishes within the Department of the Interior, the position of Commissioner of Fish and Wildlife, the Bureau of Sport Fisheries and Wildlife and its office of Director and vests all such duties and responsibilities in the redesignated United States Fish and Wildlife Service to be headed by a Director at an increased level of pay. H.R. 13542. Public Law 93–271, approved Apr. 22, 1974. (VV)

Harpers Ferry National Monument: Authorizes $1.3 million for the acquisition of 430 additional acres to increase the size of the Harpers Ferry National Park and provide shuttle transportation service within the Park. S. 605, P/S May 28, 1974. (VV)

Indoor Recreation Facilities: Amends the Land and Water Conservation Fund Act by adding new authority which permits a State to use not more than 25 percent of its total annual allocation from the Fund for the planning and development of sheltered recreational facilities within specified areas thus permitting the enclosure of swimming pools, ice skating rinks, tennis courts, and similar outdoor facilities for year-round use where climate now controls the season or where there is a shortage of available land. S. 2661. P/S May 30, 1974. (VV)

Kaniksu National Forest, Washington: Authorizes the Secretary of Agriculture to enter into land exchange agreements for non-Federal lands for inclusion in the Kaniksu National Forest in Washington. S. 3289. P/S Aug. 16, 1974. (VV)

Lone Rock Lake Project: Provides for deauthorization of the Lone Rock Lake project on the Buffalo River, Ark., as a modification of the flood control program for the White River Basin, Missouri and Arkansas. S. 1961. P/S Jan. 23, 1974. (VV)

National Ocean Policy Study: Authorizes the Committee on Commerce to make a full and complete National Ocean Policy Study to be undertaken with representative ex officio membership from other standing Committees of the Senate having a jurisdictional interest over the elements of the Study as well as six members from Coastal States to be selected by the President Pro Tempore without regard to Committee membership (such study to include, but not limited to, a thorough examination of the issues involved in the following areas: marine fisheries and other living resources; mineral resources of the seabed and subsoil; coastal zone management; ocean transportation; research and technology; law of the sea; government organization; pollution; Federal budget; and education), and to submit a report of its findings together with any legislative recommendations to the Senate. S. Res. 222. Senate adopted Feb. 19, 1974. (VV)

National Resource Lands Management: Provides for the management, protection, and development of 451 million acres of federally owned lands administered by the Secretary of the Interior through the Bureau of Land Management and designated "national resource lands" in order to signify their importance; establishes the policy that, except where disposal is consistent with the conditions of the act, national resource lands will be retained in Federal ownership; directs the Secretary of the Interior to prepare and maintain an inventory of the national resource lands, review those lands for potential wilderness areas, develop land use plans, and manage the lands in accordance with the plans;

Provides the basic authority and guidelines for both conveying and acquiring national resource lands or interest in lands; requires, with certain exceptions, that lands be disposed of at fair market value, under competitive bidding, and with the mineral interest retained in Federal ownership; provides a number of specific management and enforcement authorities and establishes a working capital fund;

Authorizes the Secretary to grant rights-of-way on national resource lands for such purposes as roads, trails, canals, and powerlines but does not provide new authority to grant rights-of-ways for oil and gas pipelines which is contained in the Alaska pipeline act; repeals or amends numerous laws relating to Federal lands; provides that States may use revenues received from oil shale development for general governmental purposes rather than exclusively for public roads and school buildings;

And contains other provisions. S. 424. P/S July 8, 1974. (273)

National Wilderness Areas: Designates six wilderness areas totalling approximately 999,088 acres in national forests in the States of California, Colorado, and Montana—the Agua Tibia Wilderness in the Cleveland National Forest, California, the Emigrant Wilderness in the Stanislaus National Forest, California, the Flat Tops Wilderness in the Routt and White River National Forests, Colorado, the Eagles Nest Wilderness in the Arapaho and White River National Forests, Colorado, the Weminuche Wilderness in the Rio Grande and San Juan National Forests, Colorado and the Mission Mountains Wilderness in the Flathead National Forest, Montana, H.R. 12884. P/H May 6, 1974; P/S amended Aug. 1, 1974. (VV)

Pacific Northwest Power: Establishes a Bonneville Power Administration Fund in the U.S. Treasury to receive revenues from electric power sales, appropriations made by the Congress, receipts from the sales of bonds, and miscellaneous other receipts of the Bonneville Power Administration; and authorizes the Bonneville Power Administrator to issue bonds and sell them to the Secretary of the Treasury to assist in financing the construction, acquisition, and replacement of the Bonneville electric power transmission system. S. 3362. P/S July 30, 1974. (VV)

Piscataway Park: Authorizes the acquisition of certain lands in Maryland, including the Marshall Hall Amusement Park, across the Potomac River from Mount Vernon in order to preserve the view from the home of the Nation's first President. H.R. 4681. P/H Feb. 4, 1974; P/S amended Aug. 1, 1974. (VV)

Recreation Use Fees: Amends the Land and Water Conservation Fund Act to detail those facilities on Federal recreation lands for which no use fee may be charged and retains general criteria for fee requirements for all other locations. S. 2844. Public Law 93-303, approved June 7, 1974. (VV)

Rivers and Harbors—Public Works: Authorizes, in title I, water resources development projects; and authorizes, in title II, the River Basin Monetary Authorization Act of 1974, a monetary increase for certain comprehensive river basin plans previously authorized by Congress, at an approximate cost of $1.33 billion, of which $550 million is for title I projects and $780 million is for title II river basins;

Establishes a new procedure for authorization of major water resources development projects of the Corps of Engineers which authorizes the Secretary of the Army, acting through the Chief of Engineers, to undertake the Phase I design memorandum stage of advanced engineering and design of certain named major water resources development projects, substantially in accordance with, and subject to conditions recommended by the Chief of Engineers, and authorizes the Secretary of the Army to undertake advanced engineering and design for the projects after completion of the Phase I stage only upon a finding by the Chief of Engineers, transmitted to the Committees on Public Works of the House and the Senate, that the project is without substantial controversy, is substantially in accordance with the conditions recommended by the Chief of Engineers or the Secretary of the Army, respectively, and that the advanced engineering and design will be compatible with any project modifications which may be under construction;

Provides for deauthorization of projects through the Chief of Engineers, and submission to Congress of a list of those authorized projects which have been authorized for at least 8 years without any congressional appropriations within the last 8 years and which he determines should no longer be authorized, which then become deauthorized unless either the House or Senate Committee on Public Works, within a certain time, adopts a resolution stating that the project shall continue to be an authorized project;

Enacts into law the discount rate of 5⅝ percent approved by the President May 29, 1962, as amended and published in the Federal Register December 24, 1968, and the pre-1968 discount rate for projects authorized prior to 1969 which have assurances as to non-Federal payment of project costs;

Authorizes a streambank erosion control demonstration program and a national shoreline erosion control development and demonstration program;

And contains other provisions. H.R. 10203 (S. 2798). Public Law 93–251, approved Mar. 7, 1974. (7, 35)

Rocky Mountain National Park, Colorado: Revises the western boundary of the Rocky Mountain National Park in the State of Colorado to include an additional 1,556.21 acres, consisting of several parcels in the Kawuneeche Valley. S. 2394. P/S Feb. 25, 1974. (VV)

Saline Water Conversion Authorization: Authorizes $3,029,000 for fiscal year 1975 and maintains the 1974 activity level for the saline water conversion program conducted by the Secretary of the Interior. H.R. 13221. Public Law 93–342, approved July 10, 1974. (VV)

Sumner Dam and Lake: Renames the Alamogordo Dam and Reservoir on the Pecos River, New Mexico, as the Sumner Dam and Lake Sumner respectively. S. 2001. P/S June 26, 1974. (VV)

Teton National Forest: Extends the general exchange authority of the Forest Service to include certain land adjacent to the Teton National Forest, and to facilitate an exchange of land between the town of Jackson, Wyoming and the Forest Service as part of the Teton National Forest. S. 3489. P/S Aug. 5, 1974. (VV)

Wild and Scenic Rivers—Chattooga River: Extends for 5 years, to October 2, 1978, the protection period for water resource projects for the 27 rivers now under study for possible inclusion in the national wild and scenic rivers system; increases the funding authorization from $17 million to $37,6 million to permit completion of acquisitions for seven of the eight rivers designated as the first components of the system and establishes a deadline of June 30, 1979, for expenditure of authorized funds; authorizes the Secretaries of the Interior and Agriculture to acquire State land within the river corridors for components of the system not only by donation but also by exchange of Federal land in other areas; removes the authority of either Secretary, without ever reporting to Congress, to terminate a study of, and remove protection for, any river which Congress has designated for study; requires the President to report to Congress on each river study; designates a section of the Chattooga River, North Carolina, South Carolina and Georgia, as a part of the national Wild and Scenic River System and authorizes therefor $2 million for acquisition of lands and interests and $809,000 for development; and contains other provisions. NOTE: (The general amendments to the Wild and Scenic Rivers were contained in S. 921 which passed the Senate Sept. 24, 1973.) H.R. 9492. Public Law 93–279, approved May 10, 1974. (VV)

Wild and Scenic Rivers—New River: Amends the Wild and Scenic Rivers Act to designate an approximate 70 mile segment of the New River (which according to geologists is the oldest river in the United States and the only remaining segment of the North American continent's original prehistoric watershed) located in North Carolina and Virginia for study for possible inclusion in the national wild and scenic rivers system, such study not to extend beyond 2 years from the date of enactment of this act. S. 2439. P/S May 29, 1974. (208)

WILDERNESS AREAS

Great Dismal Swamp: Establishes the Great Dismal Swamp National Wildlife refuge in the States of Virginia and North Carolina and authorizes for this purpose $1 million for fiscal year 1975, and $3 million each for fiscal years 1976 and 1977. H.R. 3620. Public Law 93–   , approved 1974. (VV)

Okefenokee National Wildlife Refuge: Designates approximately 349,000 acres in the Okefenokee National Wildlife Refuge, Georgia, as wilderness. H.R. 6395. P/H Mar. 18, 1974: P/S amended Aug. 22, 1974. (VV)

Weminuche Wilderness: Designates approximately 433,745 acres in the Rio Grande and San Juan National Forests, in Colorado, as the "Weminuche Wilderness". S. 1863. P/S Feb. 7, 1974. (VV)

Willow Creek Dam, Oregon: Provides for reformulation and construction of the Willow Creek Dam project for purposes of flood control, recreation, fish and wildlife, and future irrigation use and authorizes advance Federal participation with the city of Heppner in the design and construction of those elements of the water system which must be relocated as a result of construction. S. 3537. P/S Aug. 2, 1974. (VV)

NOMINATIONS (ACTION BY ROLL CALL VOTE)

Brig. Gen. Charles A. Gabriel to the temporary rank of Maj. Gen., USAF: Nomination confirmed Apr. 24, 1974. (143)

John C. Sawhill, of Maryland, to be Administrator of the Federal Energy Administration: Nomination confirmed June 18, 1974. (248)

Maj. Gen. Alton D. Slay to the permanent rank of Maj. Gen., USAF: Nomination confirmed Apr. 24, 1974. (142)

PROCLAMATIONS

American Business Day: Designates May 13, 1974, as "American Business Day". S.J. Res. 195. P/S May 2, 1974. (VV)

First Continental Congress Anniversary: Proclaims October 14, 1974, a day of national observance for the two hundredth anniversary of the First Continental Congress. S. Con. Res. 85. Senate adopted May 14, 1974; House adopted May 16, 1974. (VV)

Honor America: Declares the twenty-one days from Flag Day, June 14, 1974, to Independence Day, July 4, 1974, as a period to honor America. H. Con. Res. 537. House adopted June 13, 1974; Senate adopted June 17, 1974. (VV)

National Agriculture Week: Designates the last full week of March of each year as "National Agriculture Week". S.J. Res. 163. P/S Mar. 19, 1974. (VV)

National Amateur Radio Week: Designates the week beginning June 17, 1974, as "National Amateur Radio Week". S.J. Res. 197. P/S May 2, 1974. (VV)

National Historic Preservation Week: Designates the week beginning May 6, 1974, as "National Historic Preservation Week". S.J. Res. 175. P/S May 2, 1974. (VV)

National Volunteer Week: Designates the week of April 21–27 as "National Volunteer Week". S.J. Res. 179. P/S Mar. 19, 1974. (VV)

United States Space Week: Designates the seven day period of July 15 through 21, 1974, as "United States Space Week". H. Con. Res. 223. House adopted June 28, 1974; Senate adopted amended July 11, 1974; House agreed to Senate amendment July 16, 1974. (VV)

Women's Equality Day: Designates August 26, 1974, as "Women's Equality Day" in commemoration of that day in 1920 on which women were first guaranteed the right to vote. H.J. Res. 11105. Public Law 93–   , approved   1974. (VV)

TRANSPORTATION-COMMUNICATIONS

Aircraft Hijacking: Amends the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy on both the international and domestic levels; implements, in Title I, the Convention for the Suppression of Unlawful Seizure of Aircraft (Hague Convention—Ex. A [92d–1st]) to which the United States is a party and which came into effect on October 4, 1971; broadens jurisdictional definitions covering aircraft piracy and for the offense of aircraft piracy imposes the penalty of imprisonment of not less than 20 years with the death penalty to be imposed subject to specific procedural requirements; provides the President the authority to suspend air service between the United States and any foreign nation he determines is not acting consistently with the provisions of the Hague Convention; permits the Secretary of Transportation, with the approval of the Secretary of State, to restrict, limit, or revoke the operating authority of any foreign air carrier failing to afford necessary security safeguards to the traveling public and provides a civil penalty of not to exceed $1,000 per day for violations; provides, in Title II, for the screening of all passengers and carry on baggage by weapons detecting devices prior to their being boarded on the aircraft; establishes under the Administrator of the Federal Aviation Administration on Air Transportation Security Force to provide a Federal law enforcement presence at the nation's major airports; and contains other provisions. S. 39. Public Law 93–366, approved Aug. 5, 1974.

Aircraft Piracy: Amends the Federal Aviation Act of 1958 to establish specific offenses for imparting or conveying threats to do certain proscribed acts and make more explicit the requisite intent for these felony sanctions; distinguishes "threats" from "false information" prosecutions; broadens current law by making it a Federal crime for a person to knowingly carry aboard or place aboard an aircraft in air transportation a concealed explosive or other dangerous substance except for law officers and certain other purposes; and contains other provisions. S. 872. P/S Mar. 12, 1974. (VV)

Alien Radio Station Licenses: Amends the Communications Act of 1934, as amended, to permit direct licensing of aliens and corporations with certain alien officers, directors, or stockholders rather than licensing them indirectly as a subsidiary corporation and deletes the requirement that the FCC follow certain prescribed procedures to make an intra-government security check on aliens who apply for permission to operate their amateur radio stations in the United States pursuant to a bilateral agreement extending such privileges to United States citizens on a reciprocal basis. S. 2457. P/S May 2, 1974. (VV)

Amtrak Authorization: Authorizes the National Railroad Passenger Corporation (Amtrak) for 1975: increases the maximum amount of loans to the Corporation which may be guaranteed at any one time by the Secretary of Transportation from $500 million to $900 million; increases the amounts of Federal grants authorized for the Corporation by $200 million; increases from one-third to two-thirds the share which Amtrak will match with a one-third instead of two-thirds contribution from a State requesting additional rail service and authorizes $10 million for this purpose; directs Amtrak to perform maintenance, repair and rehabilitation of its equipment; exempts privately owned railroad cars of historical significance from compliance with Amtrak requirements to alter the exterior color or markings of their cars; directs the Secretary of Transportation to facilitate customs inspection procedures on Amtrak trains operating in international intercity service; amends the criteria for decisions of the Interstate Commerce Commission relating to the compensation to be paid Amtrak for carriage of passholders; requires a thorough and comprehensive study of the future transportation needs of the entire west coast as contained in S. 1328, the West Coast Corridor Feasibility Study Act of 1974; requires the Secretary to plan and construct a model intermodal transportation terminal at Union Station in the District of Columbia; authorizes the planning and designing of a rail rapid transit line in the median of the Dulles Airport highway comparable to provisions contained is S. 2047, 15427. P/H July 11, 1974; P/S amended Aug. 8, 1974; In conference. (344)

Communications common carrier charges: Amends the Communications Act of 1934, as amended, to extend from one to two years the period of limitations applicable to proceedings against communications common carriers for the recovery of overcharges or damages not based on overcharges and for actions at law by such carriers for recovery of their lawful charges. S. 1227. P/S May 2, 1974 (VV)

Communications common carrier service applications: Amends the Communications Act of 1934, as amended, to designate (in addition to the Secretary of State) the Secretary of Defense, rather than the Secretaries of the Army and Navy, as the person entitled to receive the required official notice whenever a communications common carrier files an application with the Federal Communications Commission for permission to extend its lines, discontinue or curtail existing services or effect certain mergers or consolidations and designates the Secretaries of Defense and State as the persons to whom such notices should be directed with respect to applications involving service to foreign points. S. 1479. P/S May 2, 1974. (VV)

Cumbres and Toltec Scenic Railroad: Grants consent to the Cumbres and Toltec Scenic Railroad Compact between the States of Colorado and New Mexico to provide for the joint operation of an interstate narrow guage scenic railroad which will preserve as a living museum a mode of transportation that helped in the development of the territories and states. S. 2362. P/S Mar. 22, 1974. (VV).

FM Radios: Authorizes the Federal Communications Commission to require that all AM and FM radios, retailing for $15 or more and being shipped in interstate commerce or imported into the United States, be capable of adequately receiving both AM and FM signals. S. 585. P/S June 13, 1974. (247)

Forest Highway Funds: Provides that the 1972 apportionments to States for forest highways not yet obligated, which would otherwise lapse on June 30, 1974, shall remain available until expended. S. 3490. Public Law 93–338, approved July 10, 1974. (VV)

Maritime Supplemental Authorization: Authorizes $23 million in supplemental appropriations for the operating-differential subsidy program of the Maritime Administration for fiscal year 1974. H.R. 12925. Public Law 93–308, approved June 8, 1974. (VV)

SS "Guam Bear" and SS "Hawaii Bear": Authorizes the Secretary of Commerce through the Maritime Administration to remove all contracts made under the authority of Public Law 91–195 to permit the Pacific East Line, Inc., to sell the vessels SS Guam Bear and SS Hawaii Bear to a purchaser other than its successor in the trade between the West Coast and Guam, or to operate the vessels in some other trade. H.R. 11223. Public Law 93–306, approved June 8, 1974. (VV)

SS "Independence": Permits the foreign sale of the laid-up United States-flag passenger vessel SS Independence, and requires that the existing government mortgage on the ship be paid off in full and the net proceeds of the sale deposited in the owner's capital construction or reserve fund. H.R. 8586. Public Law 93–330, approved June 30, 1974. (VV)

Tariffs and Freight Rates: Improves the ability of the Federal Maritime Commission to deal with freight rate disparities which discriminate against American shippers in the foreign trade of the United States by (1) requiring the Commission to develop and adopt a system of uniform commodity descriptions and codes to be used by all common carriers by water and all conferences of such carriers when filing any rate, charge, or tariff and (2) prohibiting common carriers and conferences from filing or maintaining an outbound or inbound rate or charge without including a statement of the applicable reciprocal rate or charge of the identical commodity between the same two points and gives the Commission the power to reject rate filings without the required statement and to suspend for no more than 180 days a filing which is being investigated. S. 1488. P/S Apr. 23, 1974. (VV)

Urban Mass Transit: Authorizes not to exceed $800 million ($400 million for fiscal year 1974, and an aggregate of not to exceed $800 million for fiscal year 1975) for fiscal years 1974 and 1975 for the Secretary of Transportation, on such terms and conditions as he may prescribe, to make grants or loans to State or local public bodies in order to assist them in maintaining adequate transportation services in urban areas by providing financial assistance (requiring one-third local contribution) to pay operating expenses incurred as a result of providing such services; provides for the establishment of a reasonable fare structure for each area according to its particular local needs; authorizes an additional $20 million for each of fiscal years 1974 and 1975 for research and development, establishment, and operation of demonstration projects to determine the feasibility of fare-free urban mass transportation systems; and contains other provisions. S. 386. P/S Sept. 10, 1973; P/H amended Oct. 3, 1973; House recommitted conference report July 30, 1974.

Vessel Tonnage Deductions: Amends the present vessel admeasurement laws to allow as deductions from gross tonnage, in determining net or register tonnage, certain nonrevenue earning spaces which are used in collecting, processing or carrying shipboard-generated waste materials. S. 1353. P/S Mar. 13, 1974. (VV)

VETERANS

American War Mothers, Inc.: Amends the Act incorporating the American War Mothers, Inc. to permit certain stepmothers and adoptive mothers to be members of that organization. S. 2441. Public Law 93–267, approved Apr. 12, 1974.

Disability Compensation and Survivor Benefits: Provides cost-of-living increases in the rates of disability compensation for service-connected disabled veterans ranging from 15 to 18 percent; provides a 15-percent cost-of-living increase in the rates of additional compensation for dependents for veterans whose disability is rated 50 percent or more; provides a 17 percent cost-of-living increase in the rates payable for dependency and indemnity compensation (DIC), for widows and children, and for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance; extends longstanding presumption of service-connection for wartime veterans to those veterans who served between the end of World War II, December 31, 1946, and before June 25, 1950, the beginning of the Korean conflict thus according to Veterans of this period the same wartime presumption of service-connection; provides for the equalization of the rates of death compensation to the survivors of veterans of peacetime and wartime service where death occurred prior to January 1, 1957, thereby eliminating the distinction between the two periods of service; authorizes a study to be conducted by the Veterans' Administration and submitted to the Congress at the beginning of the 94th Congress of applications for DIC by widows of veterans who had a total and permanent disability at time of death; authorizes the Administrator to make monetary benefit payments to the beneficiary upon the determination that the interest of the beneficiary would be served thereby, notwithstanding that a fiduciary has been appointed and regardless of any legal disability on the part of the beneficiary; and provides that the increases in disability, dependency and indemnity compensation shall be retroactive to May 1, 1974. S. 3072. Public Law 93–295, approved May 31, 1974. (VV)

GI Bill Benefits: Extends for 30 days the 8 year delimiting date for which an eligible veteran discharged or released from active duty between January 31, 1955, and September 1, 1966, may utilize his educational assistance benefits. S. 3398. Public Law 93–293, approved May 31, 1974. (184)

Extends from 8 to 10 years the period of time following discharge or release from military service within which an eligible veteran may utilize his educational assistance benefits; excludes, in computing the delimiting date for those veteran-civilians held as prisoners of war, the period of time they were hospitalized immediately subsequent to their release; extends from 8 to 10 years the period for wives or widows to utilize their educational benefits under the GI bill; and amends the Vietnam Veterans Readjustment Assistance Act of 1972 (Public Law 92–540), to extend from 8 to 10 years the delimiting period for wives and widows eligible under the GI bill to utilize benefits first granted by the 1972 act. S. 3705. Public Law 93–337, approved July 10, 1974. (VV)

Life Insurance: Provides full time coverage under Servicemen's Group Life Insurance (SGLI) for all members of the Ready Reserve, National Guard, and certain members of the Retired Reserves who are under 60 years of age and have completed at least 20 years of service; provides for the automatic conversion of SGLI to a non-renewable 5-year term policy, the Veterans' Group Life Insurance (VGLI), effective the day coverage under SGLI expires for the veteran (120 days after discharge) and provides coverage under VGLI for any person whose coverage under SGLI terminated less than four years prior to the date the VGLI program became effective for a period equal to five years less the time elapsing between the two policies; increases the maximum amount of coverage under both programs from $15,000 to $20,000; authorizes the return of excess premiums paid by Korean conflict veterans for Veterans' Special Term Life Insurance as a dividend to the insured; allows the Secretaries of the Army and Air Force to permit allotments from the pay of members of the Air Force, who are not on active duty, to make payment for group life insurance premiums of programs sponsored by the State military department or State associations of the National Guard; and contains other provisions. H.R. 6574. Public Law 93–289, approved May 24, 1974. (117)

POW Families, Funeral Transportation For: Authorizes the Secretary of Defense to pay funeral transportation and living expenses for the families of prisoners of war who died while listed as a POW or MIA in Southeast Asia during the Vietnam conflict. S. 3228. Public Law 93–257, approved Mar. 29, 1974. (VV)

U.S. Flag Presentation: Authorizes the presentation of a flag to the person designated to direct the disposition of the remains of any member who dies under honorable conditions who was in a Ready Reserve status or who had completed all of their requirements for Reserve retirement but who were not eligible to receive retired pay because they had not reached age 60. H.R. 5621. Public Law 93–292, approved May 28, 1974. (VV)

Vietnam Veterans Education: Provides for an increase in the monthly educational assistance, training, and vocational rehabilitation allowances of 22.7 percent, an increase for the single veteran with no dependents from $220 to $270 for full-time institutional study; directs a study by the Veterans Administration of the desirability of a tuition assistance allowance program and a report to the President and Congress within 12 months; liberalizes eligibility requirements for disabled Vietnam and post-Korean conflict veterans to receive training under the vocational rehabilitation program to equalize them with those in effect for veterans of World War II and the Korean conflict; extends the maximum entitlement to educational assistance for eligible veterans and eligible dependents from 36 to 45 months; liberalizes the veteran-student service programs by raising the maximum work-study allowance from $250 to $625; liberalizes the tutorial assistance program; establishes a veterans representative program to station a full time VA employee at each educational institution where at least 500 veterans are enrolled; authorizes direct VA loans of up to $1,000 a year utilizing the National Service Life Insurance Trust Fund to cover educational costs not otherwise provided for; and contains other provisions. H.R. 12628 (S. 2784). Public Law 93- , approved 1974. (252)

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I shall state the program for Wednesday, September 4.

The Senate will convene at 10 o'clock a.m. A busy workload will be awaiting our attention.

There will be a rollcall vote at 3:30 p.m. on September 4 on the adoption of the Protocol to the Convention for the International Council for the Exploration of the Sea.

At the conclusion of routine morning business on that day, or between 10:30 and 11 a.m., the Senate will take up H.R. 8193 (cargo preference), and yea and nay votes can be anticipated.

S. 1361 (copyright) will also be taken up soon after our return—and probably upon the disposition of the cargo preference bill.

The HEW appropriation bill will be coming along. Several conference reports are still out and will be coming to the floor from time to time.

Hence, beginning with Wednesday, September 4, there will be rollcall votes daily throughout the remainder of that week.

I trust that my colleagues will have a well-deserved rest from our previous labors and that they will be prepared for renewed labors in the face of new necessities upon our return.

If I may say, if any of my colleagues are looking for a place to spend some of their time and in which they can enjoy a restful period, I hope that they will remember that West Virginia is "Almost Heaven."

I have never been to heaven, I do not know just how far that is away, but West Virginia is almost there with its viridescent hills, iridescent sunsets, and mountain poeple whose cooking is delectable and whose code is hospitality. It is the most eastern of the western; the most western of the eastern. It is the most northern of the southern and the most southern of the northern.

It extends as far north as beyond Pittsburgh, Pa.; as far east as Buffalo, N.Y.; as far south as the old capital of the Confederacy, Richmond, Va.; and as far west as Columbus, Ohio.

It is where the east says good morning to the west, and where Yankee Doodle and Dixie kiss each other goodnight.

The PRESIDING OFFICER (Mr. Helms). The Chair, in his capacity as the junior Senator from North Carolina, would observe that the State of West Virginia could not have a more eloquent or distinguished one-man Chamber of Commerce than the able Senator from West Virginia (Mr. Robert C. Byrd).

The Chair further observes with pride that the able Senator is a native of North Carolina. We still consider him a Tar Heel and are proud of his achievements.

Mr. ROBERT C. BYRD. I thank the Chair. The words of the Chair are like a pearl in a cup of emeralds.

Mr. RANDOLPH. Mr. President, I must be heard at such a time.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. CHURCH. I yield to the senior Senator from West Virginia.

I do so with some anticipation of how he is going to add to the remarks of his colleague.

Mr. RANDOLPH. I cannot, of course, embellish the lofty remarks of my illustrious colleague, Mr. Robert C. Byrd.

I am appreciative that my gentlemanly colleague, the able Senator from Idaho, gives me this opportunity to speak. I will not attempt to match the words just spoken. We can both say that West Virginia has unmatched beauty. I just wanted to add that Senator Byrd, perhaps inadvertently, did not indicate that fishing is good in West Virginia and I sense this sport is something that Members of the Senate might enjoy, since they are adept at angling for votes.

We have a State song in West Virginia, and I shall not sing it, of course. I do not know whether the rules even permit it, accompanied or not. But——

Oh, the West Virginia hills,
  How majestic and how grand,
With their summits bathed in glory
  Like our Prince Emanuel's land.
Is it any wonder, then,
  That my heart with rapture thrills
As I stand once more with loved ones
  On those West Virginia hills.

There will be those who will come, Senator Robert C. Byrd, to fish this summer or to enjoy the hill country. I hope that when they temporarily leave us, they will feel the sentiments expressed in the words in the last verse of that song.

Oh, the West Virginia hills
  I must bid you now adieu;
In my home beyond the mountains
  I shall ever dream of you;
And in the evening time of life,
  If my Father only wills,
I shall still behold the vision
  Of those West Virginia hills.

I am grateful for the opportunity of joining Senator Robert C. Byrd in the welcome to West Virginia.

We do understand that in every State of the Union, there not only are the problems of people, but there are the tremendous challenges to solve these problems and to make America, as a whole, a greater and a better land.

I thank my colleague.

Mr. ROBERT C. BYRD. I thank my colleague.

ADJOURNMENT UNTIL WEDNESDAY, SEPTEMBER 4, 1974, AT 10 A.M.

Mr. HARRY F. BYRD, JR. Mr. President, I move that the Senate now adjourn, in accordance with the provisions of House Concurrent Resolution 610, as amended, until 10 a.m. on Wednesday, September 4, 1974.

The motion was agreed to; and at 5:14 p.m. the Senate adjourned until Wednesday, September 4, 1974, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 22, 1974:

Department of Justice

Antonin Scalia, of Virginia, to be an Assistant Attorney General.

Richard W. Velde, of Virginia, to be Administrator of Law Enforcement Assistance.

Robert W. Rust, of Florida, to be U.S. attorney for the southern district of Florida for the term of 4 years.

A. Roby Hadden, of Texas, to be U.S. attorney for the eastern district of Texas for the term of 4 years.

Arthur F. Van Court, of California, to be U.S. marshal for the eastern district of California for the term of 4 years.

Joseph W. Keene, of Louisiana, to be U.S. marshal for the western district of Louisiana for the term of 4 years.

Foreign Claims Settlement Commission of the United States

J. Raymond Bell, of the District of Columbia, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1974.

Wilfred J. Smith, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1973.

Administrative Conference of the United States

Robert Armstrong Anthony, of New York, to be Chairman of the Administrative Conference of the United States for a term of 5 years.

U.S. Patent Office

The following named persons to be Examiners-in-Chief, United States Patent Office:

Gordon Krupsaw Milestone, of Maryland.
Evelyn K. Merker, of Virginia.

Department of Transportation

Robert Henri Binder, of the District of Columbia, to be an Assistant Secretary of Transportation.

Department of State

William R. Crawford, Jr., of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The Judiciary

Murray I. Gurfein, of New York, to be a U.S. circuit judge, second circuit.

Robert W. Warren, of Wisconsin, to be U.S. district judge for the eastern district of Wisconsin.

In the Navy

Vice Adm. Eugene P. Wilkinson, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Denis-James J. Downey, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. William Edward Potts, [redacted], Army of the United States (major general, U.S. Army).

In the Air Force

Air Force nominations beginning Anthony M. Angello, to be major, and ending Vernon R. Zink, Jr., to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on August 8, 1974.

HOUSE OF REPRESENTATIVES—*Thursday, August 22, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Stand firm in your faith, be courageous, be strong. Let all that you do be done in love.—I Corinthians 16: 13, 14.

Our Father God, we thank Thee for this high moment of prayer when we may ascend the hill of the Lord and before the altar of pardon and power receive forgiveness for our sins and strength for daily duties. Gracious in spirit, may we face our task with confidence and with courage.

In this center of our national life may our leaders be men and women of faith, hope, and vision as they work with our President for a higher order of peace, justice, and freedom in our world.

Now, as we depart for our recess, let Thy Spirit abide in us and grant that we may return refreshed in body, restored in mind, and renewed in spirit, ready for service to our beloved country.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill and concurrent resolution of the House of the following titles:

H.R. 15205. An act to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes; and

H. Con. Res. 611. Concurrent resolution directing the Clerk of the House of Representatives in the enrollment of H.R. 15842 to make certain corrections.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3703) entitled "An act to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill and concurrent resolution of the Senate of the following titles:

S. 1871. An act to amend the Youth Conservation Corps Act of 1972 (Public Law 92-597, 86 Stat. 1319) to expand and make permanent the Youth Conservation Corps, and for other purposes; and

S. Con. Res. 72. Concurrent resolution extending an invitation to the International Olympic Committee to hold the 1980 winter Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation and support of the Congress of the United States.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 11452. An act to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes; and

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 16243) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes," disagreed to by the House; request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. STENNIS, Mr. PASTORE, Mr. MAGNUSON, Mr. MANSFIELD, Mr. SYMINGTON, Mr. YOUNG, Mr. HRUSKA, Mr. COTTON, and Mr. CASE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 15427) entitled "An act to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HARTKE, Mr. TUNNEY, Mr. PEARSON, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3518. An act to remove the cloud on title with respect to certain lands in the State of Nevada;

S. 3615. An act to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo.; and

S. 3815. An act to designate the Federal office building located in Dover, Del., as the "J. Allen Frear Building."

RESIGNATION AS MEMBER OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The SPEAKER laid before the House the following resignation from the Committee on Interior and Insular Affairs:

WASHINGTON, D.C., *August 19, 1974.*

Hon. CARL ALBERT,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In view of the fact that the Democratic Caucus has elected me to serve on the new House Committee on the Budget, I am herewith tendering my resignation as a Member of the House Committee on Interior and Insular Affairs in order to have the maximum amount of time to devote to this new and challenging assignment.

Very truly yours,

JAMES G. O'HARA,
Member of Congress.

The SPEAKER. Without objection the resignation will be accepted.

There was no objection.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY

The SPEAKER laid before the House the following communication and subpena from the chairman of the Committee on the Judiciary, which was read and ordered to be printed:

WASHINGTON, D.C.,
August 21, 1974.

Hon. CARL ALBERT,
Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On July 29, 1974 two subpoenas duces tecum issued by the United States District Court for the District of Columbia, one naming myself and one naming Mr. John Doar, an employee of the Committee, were served commanding appearance in the United States District Court on September 9, 1974 and the production of all tapes and other electronic and/or mechanical recordings or reproductions, and any memoranda, papers, transcripts, and other writings, relating to all non-public statements, testimony and interviews of witnesses relating to the matters being investigated pursuant to House Resolution No. 803.

The subpoenas were issued upon application of defendant H. R. Haldeman in the case of U.S. v John Mitchell, et al.

The subpoenas in question are forwarded herewith and the matter presented for such action as the House deems appropriate.

Sincerely,

PETER W. RODINO, Jr.,
Chairman.

[Subpoena]

[U.S. District Court for the District of Columbia, No. 74-110]

UNITED STATES OF AMERICA v. JOHN N. MITCHELL, ET AL., DEFENDANTS

To: Congressman Peter W. Rodino, United States House of Representatives, Washington, D.C.

You are hereby commanded to appear in the United States District Court for the District of Columbia at Constitution Avenue and John Marshall Place, N.W. in the city of Washington on the 9th day of September 1974 at 10 o'clock A.M. to testify in the case of United States v. John N. Mitchell, et al, and bring with you all tapes and other electronic and/or mechanical recordings or reproductions, and any memoranda, papers, transcripts, and other writings, relating to:

All non-public statements and testimony of witnesses relating to the matters being investigated pursuant to House Resolution No. 803.

This subpoena is issued upon application of the Defendant, H. R. Haldeman, 1974.

FRANK H. STRUTH,
Attorney for Defendant, H. R. Haldeman.
JAMES F. DAVEY,
Clerk.
By ROBERT L. LINE,
Deputy Clerk.

CONCERNING SUBPENAS ISSUED IN UNITED STATES VERSUS JOHN N. MITCHELL, ET AL.

Mr. O'NEILL. Mr. Speaker, I call up House Resolution 1341 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1341

Whereas in the case of United States of America against John N. Mitchell et al. (Criminal Case No. 74–110), pending in the United States District Court for the District of Columbia, subpenas duces tecum were issued by the said court and addressed to Representative Peter W. Rodino, United States House of Representatives, and to John Doar, Chief Counsel, House Judicial Subcommittee on Impeachment, House of Representatives, directing them to appear as witnesses before said court at 10:00 antemeridian on the 9th day of September, 1974, and to bring with them certain and sundry papers in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That the House of Representatives under Article I, Section 2 of the Constitution has the sole power of impeachment and has the sole power to investigate and gather evidence to determine whether the House of Representatives shall exercise its constitutional power of impeachment; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice, or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the papers and documents called for in the subpenas duces tecum, then the said court, through any of its officers or agents, have full permission to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House and take copies of all memoranda and notes, in the files of the Committee on the Judiciary, of interviews with those persons who subsequently appeared as witnesses in the proceedings before the full Committee pursuant to House Resolution 803, such limited access in this instance not being an interference with the Constitutional impeachment power of the House, and the Clerk of the House is authorized to supply certified copies of such documents and papers in possession or control of the House of Representatives that the court has found to be material and relevant (except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto, be disclosed or copied) and which the court or other proper officer thereof shall desire, so as, however, the possession of said papers, documents, and records by the House of Representatives shall not be disturbed, or the same shall not be removed from their place of file or custody under any Members, officer, or employee of the House of Representatives; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpenas aforementioned.

The SPEAKER. The Chair recognizes the majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. RODINO. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. Mr. Speaker, I yield to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I thank the majority leader for yielding.

Mr. Speaker, I might say that it is the wish of the persons named in the subpenas to accommodate by granting the limited access explicitly authorized by the terms of this resolution.

After consulting with counsel on both sides of the aisle, it was agreed that this limited availability would be appropriate.

However, the House by this resolution makes very clear that it has the sole power of impeachment and the sole power to gather evidence in an impeachment inquiry. Only because this narrow access, by the terms of the resolution, does not interfere with the constitutional power of impeachment by the House am I in support of its passage.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. Yes, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, was the minority side notified about this resolution?

Mr. RODINO. Yes. If the majority leader will yield further, the minority has been advised of this. The minority counsel of the committee, Mr. Polk, was advised, and this matter was considered at the time by both sides. That consultation which took place, which included the gentleman from Michigan, Mr. HUTCHINSON, has now resulted in this kind of action.

Mr. RHODES. Mr. Speaker, will the majority leader yield?

Mr. O'NEILL. I yield to the minority leader.

Mr. RHODES. Mr. Speaker, I do not want the record to indicate that the minority leadership was informed of this, because the minority leadership was not informed of it. It is a brand new subject as far as the minority leadership is concerned.

Mr. RODINO. The question was a legal matter, a subpena had been issued so the chairman of the committee thought it was appropriate to consult with legal counsel, Mr. Polk, who is a minority counsel for the Judiciary Committee. He himself has not only been consulted, but I am sure he has consulted with the minority members in these matters. Only a few minutes ago before coming to the floor we had the latest discussion with relationship to this.

Mr. RHODES. Mr. Speaker, if the gentleman will yield further, the members of the Committee on the Judiciary on the minority side are not here, they are engaged at the White House at this particular time. I would hope that this matter could go over until the minority side could have a chance to discuss the matter with some of the members of the Committee on the Judiciary from this side.

The SPEAKER. The Chair would inquire if the distinguished majority leader would withdraw this matter at this time?

Mr. O'NEILL. Mr. Speaker, I do. I withdraw the request.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that the Chair is going to take unanimous-consent requests, and then will continue with the business of the House.

We have a lot of business before us. Therefore the Chair requires that Members having legislative business hold those matters until the Chair has had the opportunity to recognize the other Members for unanimous consent requests.

FLORIDA DELEGATION CONCERN OVER NATIONAL AIRLINES SHUTDOWN

(Mr. SIKES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Florida delegation in Congress has authorized me to express our very serious concern over the impact in our State and elsewhere of the shutdown of National Airlines. The effect on the traveling public has been highly adverse. The prolonged shutdown has also been detrimental to the economy of the State of Florida as a whole and has had a particularly harmful effect on the cities which are served by National Airlines in our State. We strongly urge the National Mediation Board and the Secretary of Labor to exercise all the statutory provisions given to them by the Congress to bring about a settlement at the most expeditious time possible. We feel that it is in the public interest that a fair and equitable settlement be reached and that both sides cooperate fully toward this result.

I have expressed the concern of the Florida delegation by appropriate messages to the President, the Secretary of Labor, the National Mediation Board, the president of National Airlines, and the Airline Pilots Association.

TRUMAN'S BIPARTISAN REVIVAL

(Mr. SYMINGTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYMINGTON. Mr. Speaker, lost among the major news events of August 20 was President Ford's directive that President Truman's portrait be "resurrected from the White House archives and put up along with his other alltime favorite—Abraham Lincoln."

This significant and gracious gesture should mean a great deal to the Members of this House who share President Ford's admiration for the man who identified his own desk as the place where the buck stopped. But think what it must mean to Mrs. Truman, now 89 years old, to have her husband so honored and recognized after two turbulent decades following his departure from office by a Chief of State of the opposite party. Is there anything the House could do to ratify the sentiment expressed by our new President? There is. It is to bring at the earliest possible moment to the floor the Harry S Truman Memorial Scholarship Act, the very first and only congressional memorial to President Truman, and one which has been enthusiastically supported and passed in the Senate.

Mr. Speaker, on behalf of the entire Missouri delegation, I urge you to discuss this possibility with the leadership of the Education and Labor Committee—to which the bill has been referred.

The relevant excerpt from yesterday's The Washington Post herein follows:

TRUMAN'S BIPARTISAN REVIVAL

> President Ford crossed party lines yesterday when he put up a portrait in the Cabinet room of one of his favorite Presidents, Harry S. Truman. The portrait was resurrected from the White House archives at Mr. Ford's direction and put up along with his other all-time favorite President, Abraham Lincoln.
>
> A White House aide said that Mr. Ford has always admired President Truman "because he had guts" and was "straightforward." Congressional leaders of both parties were in the room as the President placed the portrait, done in 1948 by Tad Styka, on the wall.

PERSONAL EXPLANATION

(Mr. STARK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, I refrained from participating in the voice vote yesterday on adopting the conference report to accompany the Geothermal Energy Research, Development, and Demonstration Act of 1974. My part ownership in a Known Geothermal Resource Aera—KGRA—would have made such participation inappropriate. This lease was acquired from a private party without government assistance, however I would like to state my support for the concept of this legislation. It will provide the necessary centralized management for an effective Federal demonstration program.

A MESSAGE FROM THE COMIC PAGES

(Mr. WYLIE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, to those of you who do not read the comic pages, you are missing something. Every once in a while, you get a political message. If you missed it, I would like to call your attention to the comic strip entitled "The Wizard of Id" which appeared in papers across the Nation recently. It went —

> Angry Constituent Crowd: "What are you going to do about inflation?"
>
> The Wizard of Id: "Print more money."
>
> Palace Guard: "We can't do that, Sire."
>
> The Wizard of Id: "Why not?"
>
> Palace Guard: "There is no more gold to back it up!"
>
> The Wizard of Id: "Whew! For a moment there I thought we were out of paper."

I think there is a message worth heeding.

STAFF FLOOR PRIVILEGES

(Mr. ARENDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, rule XXXII of the Rules of the House of Representatives relates to persons and officials to be admitted to the Hall of the House during our sessions, and it is a rule with which all Members should be familiar. The reason we have such a rule should be obvious to everyone.

During this session, however, I have noticed—as have a number of our colleagues—the presence of an increasing number of staff personnel who presumably were not intended under the aforementioned rule, or committee clerks who are on the floor when there is no business from their committees under consideration. Some of these individuals roam the floor at will, occupying space inside the rail, and adding to the congestion. In my judgment, Mr. Speaker, this practice should not be permitted.

Likewise, Mr. Speaker, it is my observation that we are granting far too many staff people floor privileges. No one objects to essential aides coming to the floor and remaining there only as long as their official duties require. But there appears to be a growing tendency for staff aides to linger on the floor merely to observe the proceedings, or for other purposes. This is clearly not the intent of rule XXXII and should be discontinued.

We recognize, of course, that committee clerks are entitled to be on the floor in an advisory capacity to assist chairmen and ranking minority members during consideration of bills from their respective committees. Under past practice the majority has usually had two or three staff members on the floor at one time, and the minority two. We should continue to observe this practice. On recent occasions, however, I have counted as many as five staff members on each side of the aisle.

Let me assure you that my remarks are in no way meant to reflect unfavorably on the caliber of the staff people in the House or on our committees. As a group they are extremely competent and diligent, and we are fortunate to have so many dedicated people working with us in the Congress.

Perhaps a timely reminder to all concerned is all that is necessary. In any event, appropriate action should be taken. I am sure many feel as I do that the House floor should not become a meeting place for those who are not elected to office.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. In connection with what the distinguished minority whip, the gentleman from Illinois (Mr. ARENDS) has just stated, the Chair wishes to make a statement.

The Chair is aware of and has noticed the excessive number of staff members on the floor during consideration of legislation. The Chair, therefore, requests when the chairman of a committee brings a matter to the floor of the House, that he limit the number of staff present on the floor in accordance with the guidelines heretofore established by the Chair.

APPOINTMENT OF CONFEREES ON H.R. 16243, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. MAHON, SIKES, FLOOD, ADDABBO, MCFALL, FLYNT, GIAIMO, WHITTEN, MINSHALL of Ohio, DAVIS of Wisconsin, WYMAN, EDWARDS of Alabama, and CEDERBERG.

PERMISSION FOR COMMITTEE ON JUDICIARY TO HAVE UNTIL MIDNIGHT FRIDAY, AUGUST 23, 1974, TO FILE CERTAIN REPORTS

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary have until midnight Friday, August 23, 1974, to file reports on S. 3052 and H. R. 15173.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965—AMENDMENT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 5 and 6, strike out "December 31, 1975". and insert: "June 30, 1975".

Page 1, after line 6, insert:

Sec. 2. Section 1631 of the Social Security Act is amended by adding the following at the end thereof:

"REIMBURSEMENT TO STATES FOR INTERIM ASSISTANCE PAYMENTS

"(g)(1) Notwithstanding subsection (d)(1) and subsection (b) as it relates to the payment of less than the correct amount of benefits, the Secretary may upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a State (or political subdivision thereof) as may be agreed to by the Secretary and the State from the benefits withheld an amount sufficient to reimburse the State (or political subdivision thereof) for interim assistance furnished on behalf of the individual by the State (or political subdivision thereof).

"(2) For purposes of this subsection, the term benefits means supplemental security income benefits under this title and any State supplementary payments under section 1616 or under section 212 of Public Law 93–66 which the Secretary makes on behalf of a State (or political subdivision thereof) that the Secretary has determined to be due with respect to the individual at the time the Secretary makes the first payment of benefis. A cash advance made pursuant to section 1631(a)(4)(A) shall not be considered as the first payment of benefits for purposes of the preceding sentence.

"(3) For purposes of this subsection, the term interim assistance means assistance financed from State or local funds and furnished for meeting basic needs during the period, beginning with the month in which the individual filed an application for benefits (as defined in paragraph (2)), for which he was eligible for such benefits.

"(4) In order for a State to receive reimbursement under the provision of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

"(i) that if the Secretary makes payment to the State (or subdivision of the State as provided for under the agreement) in reimbursement for interim assistance (as defined in paragraph (3)) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or subdivision of the State as provided for under the agreement) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement; and

"(ii) such other rules as the Secretary finds necessary to achieve efficient and effective administration of this provision and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or subdivision of the State as provided for under the agreement) pursuant to this subsection.

"(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection nor the amount retained by the State (or subdivision of the State as provided for under an agreement under paragraph (4)).

"(6) The provisions of this subsection shall expire on June 30, 1975. At least sixty days prior to such expiration date, the Secretary shall submit to Congress a report assessing the effects of actions taken pursuant to this subsection, including the adequacy of interim assistance provided and the efficiency and effectivenes of administration of such provisions. Such report may include such recommendations as the Secretary deems appropriate."

(3) Page 1, after line 6, insert:

Sec. 3. The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by section 20 of Public Law 93–233 and amended by section 2 of Public Law 93–256) is further amended by striking out "1974" and inserting in lieu thereof "1975".

Sec. 4. Section 204(b) of the Emergency Unemployment Compensation Act of 1971 is amended by striking out "903(b)(3)" and inserting in lieu thereof "905(d)".

Page 1, after line 6, insert:

Sec. 5. (a) Section 1611 of the Social Security Act (as enacted by section 301 of Public Law 92–603 and as in effect on July 1, 1974) is amended—

(1) in subsection (a)(1)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a)(2)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628";

(3) in subsection (b)(1), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752"; and

(4) in subsection (b)(2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of the Social Security Act (as enacted by section 301 of Public Law 92–603) is amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"Sec. 1617. (a) Whenever the Secretary, pursuant to section 215(i) makes a determination that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall determine and publish in the Federal Register (together with, and at the same time, as the material required by section 215(i)(2)(D) to be published therein by reason of such determination) the supplemental security benefit rate (as determined under subsection (b)) which shall be effective for the period beginning with the month following the first month that the increase (if any) in benefits payable under title II become effective under section 215(i) by reason of such determination by the Secretary.

"(b)(1) As used in this section, the term 'supplemental security benefit rate' means whichever of the following is the greater—

"(A) the dollar amounts (namely, $1,752 and $2,628, referred to in sections 1611(a)(1)(A), 1611(a)(2)(A), 1611(b)(1), and 1611(b)(2)), or

"(B) the dollar amounts (referred to in such sections) which were in effect immediately prior to the most recent increase under this section.

"(2) The supplemental security benefit rate which shall be effective by reason of an increase brought about by the application of subsection (a) shall be such rate, as in effect immediately prior to such increase, plus a per centum thereof equal to the per centum of increase in benefits payable under title II brought about pursuant to section 215(i).".

(c) Section 211(a)(1)(A) of Public Law 93–66 (as in effect on July 1, 1974) is amended by striking "$876" and inserting in lieu thereof "an amount equal to 50 per centum of the amount specified in section 1611(a)(1)(A)".

(d) Title XVI of the Social Security Act is further amended by adding immediately after section 1617 (as added by subsection (b)) the following new section:

"OPERATION OF STATE SUPPLEMENTATION PROGRAMS

"Sec. 1618. (a) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) which has at any time after December 1973 had in effect a program of supplementation payments described in section 1616(a) to be eligible for payments pursuant to title XIX, with respect to expenditures for any calendar quarter which begins—

"(1) after June 30, 1975, or, if later,

"(2) after the calendar quarter in which supplementation payments are first made under such program, such State must have in effect an agreement with the Secretary whereby the State will—

"(3) continue to operate such program,

"(4) maintain, under such program, a level of benefits which (prior to application of the provisions of paragraph (5)) is not lower than the level of benefits under the program for the first month that the program was in effect, or (if later) January 1974, and

"(5) in determining eligibility for and the amount of payment to which any applicant or recipient is entitled under the program disregard an amount of the income, including income in the form of benefits payable under section 1611, of such applicant or recipient equal to the amount, if any, by which—

"(A) the aggregate amount of the increases which have occurred in the level of supplemental security benefits payable under this title as a result of cost-of-living adjustments under section 1617 (as determined under regulations of the Secretary) since the first month with respect to which payments were made under the State program of supplementation, exceeds

"(B) the aggregate amount of the increases over the level specified in paragraph (4) which have occurred in the level of benefits under such State program.

"(b) The Secretary, in determining for purposes of subsection (a) the level of benefits provided under a State supplementation program and the aggregate amount of any increases in such level, shall (after reviewing the program as it affects the various classes and categories of beneficiaries covered thereunder) consider the program as it affects the vast majority of beneficiaries; and the Secretary shall not determine that a a State has failed to meet the requirements imposed by paragraph (4) and (5) of such subsection solely because its supplementation program does not meet, in one or more respects or in the case of one or more classes or categories of beneficiaries, such requirements, if the Secretary finds that the level of benefits provided under such program to the beneficiaries thereunder, when such beneficiaries are viewed as a single group, is not significantly lower than the level which would obtain if such requirements were fully met in every respect and in the case of each and every class or category of beneficiaries.".

(e) Section 212(a)(3)(C)(i) of Public Law 93–66 is amended by inserting "(except that, there shall not be counted so much of any such benefit for any month as is attributable to any increase made in the level of supplemental security income benefits pursuant to section 1617 of such Act)" immediately after "Social Security Act".

(f) The limitation imposed by section 401(a) of the Social Security Amendments of 1972 on the amount payable to the Secretary of Health, Education, and Welfare by a State pursuant to its agreement or agreements under section 1616 of the Social Security Act shall be applied without regard to paragraph (2) of such section in the case of an amount equal to one-half of so much of the expenditures under the agreement or agreements as are necessary in order to enable the State to meet the requirements imposed by section 1618 of the Social Security Act or to meet the requirement imposed by the amendment made by subsection (e) of this section.

Page 1, after line 6, insert:

SEC. 6. Section 249B of the Social Security Amendments of 1972 is amended by striking out "June 30, 1974" and inserting "June 30, 1977" in lieu thereof.

Page 1, after line 6, insert:

SEC. 7. (a) Section 15(c)(2) of Public Law 93–233 is amended by striking out "December 1, 1974" and inserting in lieu thereof "March 1, 1975" and by striking out "July 1, 1975" and inserting in lieu thereof "March 1, 1976".

(b) Section 15(c)(5) of Public Law 93–233 is amended by striking out "March 1, 1975" and inserting in lieu thereof "June 1, 1975" and by striking out "October 1, 1975" and inserting in lieu thereof "June 1, 1976".

(c) Section 15(d) of Public Law 93–233 is amended by striking out "January 1, 1975, except that if the Secretary of Health, Education, and Welfare determines that additional time is required to prepare the report required by subsection (c), he may, by regulation, extend the applicability of the provisions of subsection (a) to cost accounting periods beginning after June 30, 1975" and inserting in lieu thereof "July 1, 1976".

Page 1, after line 6, insert:

SEC. 8. (a) Section 1902(a)(14) of the Social Security Act is amended to read as follows:

"(14) effective January 1, 1973, provide that—

"(A) in the case of individuals receiving aid or assistance under a State plan approved under title I, X, XIV, or XVI, or part A of title IV, or who meet the income and resources requirements of the one of such State plans which is appropriate—

"(i) no enrollment fee, premium, or similar charge, and no deduction, cost sharing, or similar charge with respect to the care and services listed in clauses (1) through (5) and (7) of section 1905(a), will be imposed under the plan, and

"(ii) any deduction, cost sharing, or similar charge imposed under the plan with respect to other care and services will be nominal in amount (as determined in accordance with standards approved by the Secretary and included in the plan), and

"(B) with respect to individuals who are not receiving aid or assistance under any such State plan and who do not meet the income and resources requirements of the one of such State plans which is appropriate or who, after December 31, 1973, are included under the State plan for medical assistance pursuant to section 1902(a)(10)(B) approved under title XIX—

"(i) there may be imposed an enrollment fee, premium, or similar charge which (as determined in accordance with standards prescribed by the Secretary) is related to the individual's income, and

"(ii) any deductible, cost-sharing, or similar charge imposed under the plan will be nominal;".

(b) The amendment made by subsection (a) shall be effective January 1, 1973 (or earlier if the State plan so provided).

Page 1, after line 6, insert:

SEC. 9. (a) The staff of the Joint Committee on Internal Revenue Taxation shall conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act of 1951, as amended, with a view to determining whether such Act should be extended beyond June 30, 1975, and, if so, how the administration of such Act can be improved. The Joint Committee staff shall specifically consider whether exemption criteria and the statutory factors for determining excessive profits should be changed to make the Act fairer and more effective and more objective. The Joint Committee staff shall also consider whether the Renegotiation Board should be restructured.

(b) In concluding such study and investigation the staff of the Joint Committee on Internal Revenue Taxation shall consult with the staffs of the Renegotiation Board, the General Accounting Office, the Cost Accounting Standards Board, and the Joint Economic Committee.

(c) The staff of the Joint Committee on Internal Revenue Taxation shall submit the results of its study and investigation to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on or before May 31, 1975, together with such recommendations as it deems appropriate.

(9) Page 1, after line 6, insert:

SEC. 10. (a) Section 211(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1)(A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such agreement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(b) Section 1402(a) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1)(A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such arrangement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

Amend the title so as to read: "An Act to extend the Renegotiation Act of 1951 for twelve months, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, would the gentleman please give us an explanation of what is involved in this conference report?

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield, I will be glad to do that.

This is the Economic Development Administration authorization passed by the House on June 26 by a vote of 402 to 11.

That bill as passed by the House authorized a 2-year extension and funding at the level of $510 million for each of the 2 years. The Senate in its amendment increased the funding to a level of $895 million for the first year and $945 million for the second year. We felt that was an excessive amount and that it probably would encourage a Presidential veto.

Subsequently in consultations with the managers on the part of the Senate and with representatives of the Office of Management and Budget and the White House it has been mutually agreed that the House would offer an amendment to the Senate amendment reducing the funding back to a level of $680 million for the first year and $795 million for the second year, a total reduction in authorization levels of $365 million below the amount contained in the Senate amendment.

I am assured by the sponsors on the part of the Senate and by the representatives of the White House and the Office of Management and Budget that the Senate would agree to this amendment which we are now offering to the Senate amendment and that the White House would sign the bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, speaking as the ranking minority member on the Public Works Subcommittee, I want to assure the gentleman from Iowa I agree with and concur with the statements made by the distinguished gentleman from Texas.

Mr. Speaker, I rise in support of the amendment to H.R. 14883, as amended, a bill to extend for 2 years the Public Works and Economic Development Act of 1965, as amended. Total authorizations of the extension bill will be $680 million for fiscal year 1975, and $795 million for fiscal year 1976, a total decrease of $365 million from the Senate version.

Significantly, the section 302 planning incorporates both the House and the Senate interests in overall planning. This section authorizes States, political subdivisions, cities, or substate planning and development organizations to receive grants for 80 percent of the cost of economic development planning. Any State planning assisted under this section shall be conducted cooperatively by the State, its political subdivisions, and economic development districts, and this State planning shall incorporate goals and objectives of local and economic development district planning. Neither the State nor local development planning entities shall have veto authority over the other's planning function. The States must take into account local planning. Each level of government has a rightful role in planning for their own purposes, while States must act as a responsible agent to consider all of the needs of localities within the State.

The section 304 supplemental grants

provision can be applied only to existing projects undertaken in redevelopment areas or districts. The new section 304 grants can be used as supplemental dollar funds for EDA projects generated by local development agencies. The State is not a grantee in this case. The State function is to financially assist projects decided on and initiated by local planning agencies for eligible EDA areas; this new section is designed to give greater financial assistance to those areas unable to meet the matching local requirements of a federally assisted EDA project. There is a "new money" subsection for projects in section 304(d), for eligible projects, generated by local planning but unfunded because of EDA Federal budgetary constraints. Such projects must meet the EDA criteria, they must be in redevelopment areas or districts, and must be consistent with the section 302 planning. To the extent that the State approves a project, such project cannot be contrary to local planning.

Of title III authorizations, $15 million of the $75 million authorization can be spent in section 302 State planning. However, since the appropriation levels may be lower, the ratio of State planning funding to all funding under the title III planning will be upheld. Many States do not have the capability to effectively use this planning money, and it will be best to allow State time to educate themselves to the problems of development.

Finally, while the authorization levels of the proposed amendment to H.R. 14883, are less than the Senate version, I believe they should be more in keeping with the fiscal year 1974 level or the House version. Realistically, I expect that appropriations for fiscal year 1975 will probably be well within the authorizations contained in the present act as amended. For example, in fiscal year 1974, these programs were authorized at the $430 million level and received program appropriations of $262.5 million. While I fully support the purposes or objectives of economic development and encourage the expenditure of funds for this worthwhile purpose, I believe that the expenditure of funds and the establishment of authorization levels should retain some semblance of reality and should not reflect irrational inflationary actions.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. Speaker, the Senate amendment is germane to the bill, is it not?

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield I will respond to the gentleman that the Senate amendment is in its major parts entirely germane to the bill. The only possible question of germaneness would involve a relatively minor amendment involving surplus property disposal.

Mr. GROSS. And there are no nongermane amendments?

Mr. WRIGHT. There are no nongermane amendments involved, with the sole possible exception of the matter just mentioned. Normally questions involving excess property disposal are within the basic jurisdiction of the Committee on Government Operations. The Senate amendment does contain one provision to authorize the Four Corners Regional Commission to continue its present program of working with the General Services Administration to acquire excess property to help Indian tribes and local governments which are receiving EDA assistance. One typical use was supplying classroom equipment for vocational schools funded by EDA on Indian reservations in New Mexico. In another example, surplus steel oxygen tanks built for the ICBM program were converted for small town water supply storage. The end result of all of this, of course, is to utilize to the maximum extent those things which the Government already has paid for, and thus to save money in the long run.

Mr. GROSS. Mr. Speaker, I thank the gentleman for his explanation.

I withdraw my reservation of objection.

Mr. BLATNIK. Mr. Speaker, on June 26 the House debated and passed H.R. 14883 by an overwhelming vote of 402 to 11. The bill will extend the authorization of the present economic development programs for 2 years. The Senate has now passed the bill and has returned it to the House with amendments.

Mr. Speaker, in view of the extensive debate in the House when the bill was passed and in the interest of saving as much time as possible, I see no reason to repeat the explanations of the bill that were given during the House debate. In our view, with the exception of three points which will be the subject of amendments which we will offer, the amendmens added by the Senate are germane and reasonable.

In short, the bill as passed by the Senate recognizes and supports the positions taken by the House. The difference between the House and Senate bills are not great enough, in our opinion, to justify going to conference with the Senate. I do recommend, however, that the House amend the bill to clear up one important point and two minor ones and return the bill to the Senate for concurrence.

I have been in very close touch with the Senate Committee and because of the imperative need to pass this legislation as quickly as possible, I have been assured that the other body will concur with the House action that we are recommending.

The amendments added by the Senate to the House-passed bill do not change the basic thrust of the House bill—to extend the economic development program for 2 years and lay the groundwork for expanded, more effective economic development and adjustment programs.

We were very pleased that amendments were adopted on the floor of the Senate that substituted provisions of the House bill for the only sections of the Senate bill that caused us major concern. The economic development programs were extended for two years. The Public Works Impact program was modified to conform with the House bill and the unemployment assistance authorized in the title IX economic adjustment demonstration program was made optional rather than mandatory. Members will recall that these last two provisions were amendments that were adopted by the House during the floor debate on the bill. The Senate, by adopting these amendments, removed the most important differences between the bills and, in doing so, effectively eliminated any need to go to conference on this bill.

There are only three points remaining in the Senate-passed bill which we feel should be clarified to better reflect the sense of the House and the recommendations of the Committee on Public Works. All of these are included in the amendment before the House.

The first, and most important, is the level of spending authorized in the bill. The House bill authorized a total of $510 million annually for the next 2 years for programs authorized under the Public Works and Economic Development Act. The other body has increased the total authorization to $895 million for fiscal year 1975 and $945 million for fiscal year 1976.

The Public Works Committee has reviewed these authorization levels very carefully and believes the authorization levels in the Senate-passed bill should be reduced to bring them more in line with the capabilities of the agencies administering the program to use the funds wisely and effectively. The amendment we propose would reduce the Senate authorization by $215 million for the first year to a total of $680 million. For the second year we recommend an authorized level of $795 million—$150 million below the Senate authorization. We believe this reduction is a responsible action that reflects the desire of the House to reduce spending authorizations to the most realistic levels.

The amendment I recommend be adopted by the House will also clarify two other sections of the bill. One would make it clear that section 302 of the bill would not create a State economic development process that could override or mandate local government or economic development district planning. The other makes it clear that title IX of this bill, the new economic adjustment program, will not replace or supersede the Office of Economic Adjustment in the Department of Defense. These clarifying amendments will eliminate potentially serious conflicts that were of concern to Members on both sides of the aisle, and I want to personally acknowledge the time and effort that three members of the committee, Mr. HARSHA, Mr. HAMMERSCHMIDT, and Mr. ROBERTS, have devoted to working out the difficult compromises that are reflected in these amendments.

Mr. Speaker, this bill is truly landmark legislation. A year ago, the administration was committed to the termination of these programs. To their credit and after careful and objective evaluation, they are firmly committed to the development of new, expanded, and more effective economic development and adjustment efforts. This bill, in effect, authorizes a 2-year transition period where all parties concerned—the Congress, the administration, all levels of government and the people most concerned—will be working together to not only help the depressed areas of the country that we have today but, more important, to find better ways to prevent future unemployment and human suffering. Today's forecasts of economic conditions can only be characterized as gloomy. The jobless rate today is 5.3 percent and there is virtually unanimous agreement that it is going to climb.

Mr. Speaker, we strongly urge the adoption of the amendments we propose to the Senate bill. The authorization for the only programs we have that provide direct help in the creation of jobs in areas of high unemployment should be extended and there is no one that doesn't agree that these efforts should not be allowed to lapse.

In the Public Works Committee report on this bill and floor debate when the House passed the bill, we pointed out that this bill is particularly important because it will not only continue the present successful programs but will help provide a transition to any new, more effective economic development and adjustment programs.

The committee shares the belief of the administration that the programs of the Economic Development Administration could be made more effective in overcoming or preventing the problems of economic distress. The administration has proposed some major changes in the programs in its proposed Economic Adjustment Act which it believes will result in more comprehensive and effective economic development and adjustment efforts.

We agree that some changes proposed appear to be promising, and have provided legislative changes to permit these to be tested on an experimental basis during the next 2 years. In the pending bill, these are reflected primarily in the new title IX, in the changes in title III to improve Economic Development District and State planning capabilities and responsibilities, and in the new emphasis on coordination among local, district, State, and regional officials.

The committee intends to consider new proposals during the next several months in order to prepare specific additional legislative revisions prior to the expiration of this extension of the act. One field hearing has already been held, and others are planned, on the future economic development legislation and we will be continuing our hearings on the broader question of national public works investment policy and national strategies for better relating public works and economic development to national growth and population distribution. In addition to these hearings, the Public Works Committee's Scientific Advisory Committee is making extensive studies of these problems.

Our intention, Mr. Speaker, is that this extension bill will authorize a transition period in which we will be experimenting with new approaches and studying possible additional changes for the future. It is our expectation that this will result in programs which will more effectively and efficiently attain the national goal of reducing economic hardship through economic development and adjustment.

One change that has been made in the Senate-passed version of H.R. 14883 that should be called to the attention of the House is in the new title IX. During the House debate on this bill, we made it clear that the Public Works Committee considered this as a demonstration program that would be limited to a few typical areas where future unemployment—particularly those due to Federal actions—could be predicted with some certainty. Our intent is to have a relatively small number of projects where we could try innovative approaches to prevent future unemployment and economic distress in contrast with the more traditional type of Federal assistance that attempts to encourage economic development in areas that are already depressed.

Title IX was also designed to test the approaches to economic adjustment suggested by the administration. Even though the Senate version of the bill does not spell out the demonstration aspects of this title as clearly as the bill passed by the House, the committee intends to carefully review and evaluate the administration of the title IX program in order that these objectives are met.

One feature of this bill that should be of particular interest to the urban Members of the House is the extension of the title II programs—business development loans and guarantees and lease guarantees to redevelopment areas that previously were eligible only for public works grants. This is an important section of the bill which we believe should be implemented as soon as possible.

The report of the Committee on Public Works states that:

> The guarantee of rental payments of leases is designed to increase business development opportunities in distressed areas of our large cities, particularly in special impact areas where vacant buildings are available for the occupancy of new business ventures.

It is our intention, however, that these lease guarantees, while concentrated for the most part in urban areas, will not be limited to such areas. Additionally, I believe it is important that we not limit the Secretary to aiding new ventures but permit him to guarantee leases of existing enterprises where it is deemed necessary.

We should also point out that the committee intends that the Secretary will engage in risk analysis of both the prospective tenant and landlord, that he will be able to take steps to minimize the risk of default, and that he will be able to compel the landlord to comply with his covenants and responsibilities. Lastly, I assume that the Secretary is authorized only to guarantee the payment of rent, and no other covenants of the lessee.

The Senate has also amended one of the key features of the House-passed bill—the section 302 planning assistance program. The bill would authorize the Secretary to make grants for economic development planning. These grants can be made to any State, city, or other political subdivision of a State or substate planning and development organizations including economic development districts. This new authority is intended to increase overall State, substate and local government capability for economic development and adjustment planning and to enable changing employment and economic growth patterns to be better reflected in public works investment planning and other governmental decisionmaking. The House action made it clear that we intend that overall State economic development plans shall be prepared cooperatively by the State, its political subdivisions, and any economic development districts located in whole or in part within the State.

The Senate rewrote the section to emphasize that the economic development planning authorized by this section should be an important element in a continuing, comprehensive planning process. To resolve any potential conflicts, the House proposed that the Senate bill be amended to make it clear any State economic development planning should incorporate the goals and objectives of local and economic district planning and be a part of a comprehensive planning process.

A great deal of concern has been expressed that it might be possible that a disproportionate share of planning funds would be allocated to one class of eligible recipients, for example to States, to the detriment of other eligible applicants for planning funds. Even though both the House and Senate have made clear that this is not what is intended by this legislation, this might be the result of inadequate funding and possible misinterpretation of the legislation.

The House-passed bill provided that 60 percent of the funds expended each year for title III would be expended each year for technical assistance under section 301. The House-passed bill further provided that not more than 20 percent of the remaining 40 percent of funds for planning made available for section 302 each year shall be expended for assistance to States.

The Senate bill specifically authorized $15 million annually in grants for State planning. In a colloquy on the floor during the debate, it was stated that it was the Senate committee's intention that a proportionate share of the total funds appropriated annually for the title would go to States.

To clarify the intent of the committee, we believe that the additional $15 million authorization added by the Senate should be considered as the authorization for funding the State economic development planning program.

The remaining $60 million authorization—which was the amount authorized in the House bill—should be expended in accordance with the language of the House-passed bill which stated that not less than 60 percent of the funds appropriated shall be expended to carry out section 301 of the title. This section authorizes the technical assistance program which has been particularly helpful to the larger cities and urban areas.

The remainder of the authorization should be considered as the authorization for the support of economic development planning by cities, other political subdivisions of a State and substate planning and development organizations including redevelopment areas and economic development districts. If appropriations are less than the authorized amount, they should be allocated proportionately.

In any case, we feel strongly that neither the technical assistance program or funds for economic development districts should be cut back to provide funds for the new State economic development planning program.

The obvious answer to this potentially damaging conflict is that sufficient funds be appropriated each year to adequately meet all the needs of States, economic development and other substate districts as well as cities and other local units of government. It should also be emphasized that this new economic development and adjustment planning program authorized in section 302 is intended to be a cooperative program and the bill should not be construed to give States a "veto" power over local or district goals and objectives.

One new section added by the Senate is section 304 which authorizes a new grant program to States for supplementing or providing first-dollar grants authorized by titles I, II, and IV of the act. These grants can only be applied to projects undertaken in redevelopment areas or districts for projects initiated by local development agencies. This section is intended to allow States to help provide assistnace to areas unable to meet the local matching requirements on federally assisted EDA projects. The "first-dollar" provision in section 304 is intended to be used only where locally generated projects are not able to be funded because of Federal budget constraints.

In conclusion, Mr. Speaker, we again urge the adoption of the House amendments so that the bill can be returned as quickly as possible to the other body for final action.

I include the following:

SECTION-BY-SECTION ANALYSIS

HOUSE AMENDMENT TO THE SENATE AMENDMENT OF H.R. 14833

SECTION 1. *Amends Title I (Public Facility Grants and Supplemental Grants)*

Amends Sec. 105 to authorize an appropriation of 200 million for F/Y 1975 and 200 million for 1976 to carry out title. Also, the mandatory language of Sec. 105 that requires the Secretary to expend on the Public Works Impact Program (PWIP) at least 25% but not more than 35% of the funds appropriated under the title is amended to reduce the mandatory percentage from 25% to 10% of funds appropriated annually through F/Y 1976.

SECTION 2. Amends Sec. 102 to make available in each of the next two fiscal years 30 million of the amount appropriated pursuant to Sec. 105 to be used for grants for the operation of any health project funded under this title. For the first fiscal year of operation grants in amount of 100% of cost of operation can be made. In second year grants up to 100% if agency operating facility has adopted plan satisfactory to Secretary of HEW to fund operations on a permanent basis.

SECTION 3. *Amends Title II (Public Facility Loans and Financial Assistance for Business Development)*

SEC. 3(a) Amends Sec. 101(c) to authorize an annual appropriation not to exceed 75 million for F/Y 1975 and 1976 to carry out title.

3(b)(1) Amends Sec. 202 by rewriting subsection (a) to add the authority to guarantee loans and rental payments of leases made to private borrowers by private institutions within redevelopment areas. In addition, the Secretary would be authorized to make working capital loans and guarantee working capital loans made to private borrowers by private institutions. Guarantees are authorized up to 90% of the outstanding unpaid balance of such loan.

3(b)(2) Amends Sec. 202(b)(1) to extend the 25-year time limit on the terms of loans to include guarantees.

3(b)(3) Amends Sec. 202(b)(9) to exclude working capital loans from the participation requirements of direct loans.

SECTION 4. Amends Title III (*Technical Assistance, Research, and Information*)

SEC. 4(a) Redesignates Section 302 as 303.

4(b) Inserts a new section on economic development planning that authorizes the Secretary to make grants up to 80% of cost to States, cities, and sub-state planning and development organizations (including redevelopment areas and economic development districts) for economic development planning.

Planning authorized by this section for cities, other political sub-divisions of a State, or sub-state planning and development organization must be a continuous process defining economic development goals and formulating and implementing a development program.

State planning must establish a continuing comprehensive planning process in cooperation with its political subdivisions and sub-State planning organizations.

The public works planning must consider land use, environmental protection, and public services. Each State must submit an annual report on the planning process to the Secretary.

The Secretary is also authorized to assist economic development districts in providing technical assistance to local governments and to assist districts that have the responsibility of carrying out the federal review (A95) process.

4(c) Amends redesignated Section 303 to authorize an annual appropriation of 75 million for the fiscal years ending June 30, 1975 and June 30, 1976 to carry out title. No more than 15 million can be used annually for planning grants to States.

4(d) A new Section 304 authorizes 35 million in fiscal year 1975 and 75 million in fiscal year 1976 for allocation by the Secretary to States for supplementing or providing first-dollar grants and loans authorized by Titles I, II, and IV of the Act. Funds are apportioned to the States according to the ratio which grants were made under Title I since August 26, 1965. States must make a 25% match of funds under this section and projects must be consistent with State plans.

SEC. 5(a)(1) Amends Sec. 401(a) of Title IV of the Act to add a new paragraph 8. This new paragraph is the Title I area designation criteria language contained in stricken Sec. 102.

5(a)(2) Contains language which deems areas designated under Title I, Title IV areas on date of enactment of this Act.

SEC. 6 Amends Sec. 401(a)(3) to permit designation for assistance of uninhabited Indian lands.

SEC. 7(a) Amends Sec. 403(a)(1)(b) to reduce the prerequisite requirement of two redevelopment areas for the formation of an economic development district to one redevelopment area.

7(b) Adds new subsection "i" to require economic development districts when within the geographical boundary of a Title V Regional Commission or the Appalachian Regional Commission to submit a copy of their district plan to the Commission.

Adds new subsection "j" to permit the Secretary to finance projects outside of a redevelopment area but within an economic development district when such assistance will be of a substantial direct benefit to the redevelopment area within the district.

7(c) Amends Section 403(j) to extend the existing annual authorization of 45 million for assistance to economic development centers and bonuses to redevelopment areas within districts through fiscal years 1975 and 1976.

SEC. 8. New Section 404 authorizes $25 million for fiscal years 1975 and 1976 for Indian assistance in addition to assistance otherwise provided by the Act.

SEC. 9 Amends Title V (*Regional Action Planning Commissions*).

SEC. 9(a) Amends Sec. 503 to add to the functions of the Commission the requirement that Commissions consider district plans in developing comprehensive and coordinated plans and programs, and in establishing priorities in the region.

SEC. 9(b) Amends Sec. 505(a) to add to the authority of the Regional Commissions payment of administrative expenses of sub-State planning and development organizations (including economic development districts).

SEC. 9(c). Amends Sec. 509 to authorize an annual authorization of $150 million for Regional Action Planning Commissions for the fiscal years ending June 30, 1975 and June 30, 1976.

SEC. 9(d). Amends Sec. 511 to rewrite the Section as new subsection 511(a) to add technical assistance grants to the activities that the Secretary and each Regional Commission must coordinate.

New subsection 511(b) adds the requirement that each regional commission in carrying out its activities in preparing long-range regional overall economic development programs, in updating its comprehensive plans, and establishing priorities, give due consideration to activities of other Federal, State, local, and sub-State planning agencies in the region.

SEC. 10. New Section 514 authorizes the Federal Co-chairmen the same status as other Federal agencies to acquire excess Federal Government property. The Federal Co-Chairman may then loan to or vest title of excess property to recipients within the region which includes any State and local government, tax-supported organization, Indian tribe, nonprofit hospital, and higher education institution. Recipients must pay care and handling costs incurred in acquiring the property. The Federal Co-chairmen must file a report to the Secretary accounting for property within 6 months after each fiscal year.

SEC. 11. Amends Section 1 of the Act of July 6, 1970 (P.L. 90–304) to reinstate a moratorium and dedesignation of "redevelopment areas" to June 30, 1976.

SEC. 12. Adds new title IX "Special Economic Development and Adjustment Assistance." New Section 901 states the purpose is to provide special assistance programs to meet special needs arising from actual or threatened unemployment as a result of economic dislocation arising from action of the Federal government and change in economic conditions. This title is not intended to replace the efforts of the Economic Adjustment Program of the Department of Defense.

New Section 902 defines eligible recipients to be any State, redevelopment area, economic development district, Indian tribe, city or other political subdivision of State.

New Section 903(a) authorizes the Secretary to make grants to eligible recipients who have or expect to have a special need to meet economic adjustment problems and have submitted a plan to use such grants authorized by the section. Such grants may be used for public facilities, public services, business development, unemployment compensation, rent supplements, mortgage payment assistance, planning, research, technical assistance, training, relocation of individuals, and other purposes. Grants may be used directly by eligible recipients or redistributed by the recipient to public and nonprofit private entities. Grants for unemployment compensation to be made to the State.

New Section 903(b) The plan submitted for approval must identify the need, describe the activity proposed to meet the need, and the method of carrying out each activity.

It must also contain assurances that the proceeds from the repayment of loans be used for economic adjustment and contain other information required by the Secretary.

New Section 903(c) Requires Secretary to coordinate his activities in requiring plans and making grants and loans under this title with regional commissions, states, districts and other appropriate organizations.

New Section 903(d) Authorizes the Secretary to transfer grants to Secretary of Labor to be administered by him. The Secretary of Labor may grant such assistance as he deems appropriate while individual is unemployed. This assistance is available to an individual not otherwise disqualified under State law, up to one year after unemployment commences. Payments may not exceed amounts authorized by State law and is reduced by other unemployment compensation or insurance available. The Secretary of Labor is to provide this assistance through agreements with States that have an adequate system for administering assistance.

New Section 904 requires an evaluation report of the effectiveness of the grant in meeting the need by recipient to the Secretary. It also requires an annual report by the Secretary to the Congress with his recommendations.

New Section 905 authorizes an appropriation of $75 million for the fiscal year ending June 30, 1975 and $100 million for the fiscal year ending June 30, 1976 to carry out the title.

AMENDMENTS TO PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT 1965

AUTHORIZATIONS OF H.R. 14883 AS PROPOSED BY HOUSE AMENDMENT TO SENATE AMENDMENT

[In millions of dollars]

Title	1975	1976
I. Public facility grants and supplemental grants	200	250
II. Public facility loans and financial assistance for business development	75	75
III. Technical assistance, research, and information	75	75
Grants to States to supplement title I grants	35	75
IV. Area and district eligibility	45	45
Indian tribe grants	25	25
V. Regional action planning commissions	150	150
VII. Administrative[1] expenses		
IX. Economic adjustment	75	100
Total	680	795
Total cost of bill	1,475	

[1] Sec. 709 authorizes such sums as may be necessary.

Mr. ROBERTS. Mr. Speaker, in 1961 the Office of Economic Adjustment was established within the Department of Defense to assist those individuals and communities adversely affected by Defense program changes. Since that time, the Office of Economic Adjustment has worked successfully with other Federal agencies in generating those resources necessary to offset the impacts of base closings, contract cuts, and personnel reductions.

Indeed, it is the Office of Economic Adjustment which serves as the coordinator and permanent staff for the Inter-Agency Economic Adjustment Committee, which was created in 1970 to insure that Defense impacted areas would receive integrated Federal assistance. Chaired by the Secretary of Defense, the Economic Adjustment Committee utilizes ongoing Federal, State, and local programs to find new jobs for displaced Defense Department personnel, convert Defense properties to productive civilian use, help create new jobs for other affected people within the impacted community, and to develop unified, long-term recovery programs.

The Economic Adjustment Committee has an outstanding track record. For example, during fiscal year 1974, some 58 communities in 23 States benefited from committee assistance. Over the last 10 years, nearly 200,000 employees of the Defense Department have received placement assistance. Since 1970, former military properties at 35 different locations have been converted to productive civilian uses, including new vocational/technical schools, new plants, airports, private housing, and hospitals. In the last 3 years, more than 85,000 jobs have been created to replace 79,000 phased-out Defense jobs.

Mr. Speaker, I have had first hand experience with the work of the Economic Adjustment Committee, and I can think of no finer approach to the problems at hand than that offered by the committee. In my congressional district, the Perrin Air Force Base, and the community in which it is located, has repeatedly received assistance from the Economic Adjustment Committee. And, more importantly, this assistance has been of a type which induces the affected community to rely on itself in generating the resources necessary to offset the impact of Defense program changes.

In short, Mr. Speaker, I would not be in favor of any action which would interfere with the workings of the Department of Defense's Office of Economic Adjustment or the Inter-Agency Economic Adjustment Committee.

After receiving only my most careful consideration, I can assure you that there are no provisions within this economic development legislation which would interfere with either of these agencies. To the contrary, the Economic Development Administration will continue, as in the past, to work in close coordination with the Office of Economic Adjustment and the Inter-Agency Economic Adjustment Committee to reduce the adverse effects of Defense Department program changes on impacted communities and individuals throughout the Nation.

Mr. Speaker, in fiscal year 1974 the Economic Development Administration provided some $20 million in technical assistance and public works grants to Defense impacted areas. It is the intent of the legislation now before us to insure that this cooperation with the Defense Economic Adjustment program will continue.

Undoubtedly, economic adjustment impacts have been most severe in the case of Defense program impacts. The impact of Defense realinements alone on jobs has been considerable—between 1961 and 1973, some 1,400 realinements resulted in the direct elimination of 328,000 jobs. In light of this, only the strong partnership of the Defense Economic Adjustment program and the Economic Development Administration could offer the means of dealing with these considerable impacts.

And this is especially so in light of Title IX of the EDA legislation which is designed to test new approaches to economic adjustment. Title IX offers an excellent vehicle through which the two agencies can achieve even closer coordination of their activities in combating the impacts of Defense base closings.

Mr. Speaker, I support the many fine programs of the Economic Development Administration, and I look forward to the continuation of the strong partnership of the EDA and the Office of Economic Adjustment and the Economic Adjustment Committee and the continuation of their successful efforts to offset the significant impacts of Defense program changes. The amendment I have offered to H.R. 14883 will insure that this legislation does not inadvertently disrupt this partnership.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

MOTION OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WRIGHT moves that in lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

That the first sentence of section 105 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the period at the end thereof and inserting a comma and the following: "not to exceed $200,000,000 for the fiscal year ending June 30, 1975, and not to exceed $250,000,000 for the fiscal year ending June 30, 1976.". The final sentence of section 105 of such Act, as amended, is amended by inserting immediaately after the words "and June 30, 1974," the following: "and not less than 10 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1975 and June 30, 1976,".

SEC. 2. Section 102 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"SEC. 102. For each of the fiscal years ending June 30, 1975, and June 30, 1976, not to exceed $30,000,000 of the funds authorized to be appropriated under section 105 of this Act for each such fiscal year shall be available for grants for operation of any health project funded under this title after the date of enactment of this section. Such grants may be made up to 100 per centum of the estimated cost of the first fiscal year of operation, and up to 100 per centum of the deficit in funds available for operation of the facility during the second fiscal year of operation. No grant shall be made for the second fiscal year of operation of any facility unless the agency operating such facility has adopted a plan satisfactory to the Secretary of Health, Education, and Welfare, providing for the funding of operations on a permanent basis. Any grant under this section shall be made upon the condition that the operation of the facility will be conducted under efficient management practices designed to obviate operating deficits, as determined by the Secretary of Health, Education, and Welfare."

SEC. 5. (a) Title IV of such Act is amended—

(1) by adding the following new paragraph at the end of section 401(a):

"(8) those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas of substantial unemployment during the preceding calendar year."; and

(2) by striking out the period at the end of section 401(a)(7) and inserting in lieu thereof a semicolon.

(b) Any area of substantial unemployment so designated under authority of section 102 of title I of the Public Works and Economic Development Act of 1965 which has not had such designation terminated before the date of enactment of this section shall be deemed for the purposes of such Act to be such an area designated under section 401(a)(8) of such Act.

SEC. 3. (a) Section 201(c) of such Act, as amended, is amended by striking out the period at the end and inserting in lieu thereof ", and shall not exceed $75,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976.".

(b) Section 202 of such Act, as amended, is amended—

(1) by striking all of subsection (a) and inserting in lieu thereof the following new subsection:

"SEC. 202. (a)(1) The Secretary is authorized to aid in financing, within a redevelopment area, the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings by (A) purchasing evidences of indebtedness, (B) making loans (which for purposes of this section shall include participation in loans), (C) guaranteeing loans made to private borrowers by private lending institutions, for any of the purposes referred to in this paragraph upon application of such institution and upon such terms and conditions as the Secretary may prescribe, except that no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

"(2) The Secretary is authorized to aid in financing any industrial or commercial activity within a redevelopment area by (A) making working capital loans, (B) guaranteeing working capital loans made to private borrowers by private lending institutions upon application of such institution and upon such terms and conditions as the Secretary may prescribe, except that no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan, (C) guaranteeing rental payments of leases for buildings and equipment, except that no such guarantee shall exceed 90 per centum of the remaining rental payments required by the lease.";

(2) by striking out in subsection (b)(7) the comma after the words "no loan" and inserting immediately thereafter the words "or guarantee,".

(3) by striking out in subsection (b)(9) "Loan assistance" and inserting in lieu thereof "Loan assistance (other than for a working capital loan)".

SEC. 4. (a) Section 302 of such Act, as amended, is amended by redesignating such section as section 303.

(b) Such Act, as amended, is amended by inserting immediately after section 301 the following new section 302:

"SEC. 302. (a) The Secretary is authorized, upon application of any State, or city, or other political subdivision of a State, or sub-State planning and development organization (including a redevelopment area or an economic development district), to make direct grants to such State, city, other political subdivision, or organization to pay up to 80 per centum of the cost for economic development planning. The planning for cities, other political subdivisions, and sub-State planning and development organizations (including redevelopment areas and economic development districts) assisted under this section shall include systematic efforts to reduce unemployment and increase incomes. Such planning shall be a continuous process involving public officials and private citizens in analyzing local economies, defining development goals, determining project opportunities, and formulating and implementing a development program. Any overall State economic development planning assisted under this section shall be conducted cooperatively by the State, cities and other political subdivisions, and economic development organizations (including redevelopment areas and economic development districts) located in whole or in part within such State, and such State planning shall incorporate the goals and objectives of local and economic development district planning. Any overall State economic development planning shall be a part of a comprehensive planning process that shall consider the provision of public works to stimulate and channel development, economic opportunities and choices for individuals; to support sound land use, to enhance and protect the environment including the conservation and preservation of open spaces and environmental quality, to provide public services, and to balance physical and human resources through the management and control of physical development. The assistance available under this section may be provided in addition to assistance available under section 301(b) of this Act but shall not supplant such assistance and shall be available to develop an annual inventory of specific recommendations for assistance under section 304 of this Act. Each State receiving assistance under this subsection shall submit to the Secretary an annual report on the planning process assisted under this subsection.

"(b) In addition, the Secretary is authorized to assist economic development districts in——

"(1) providing technical assistance (other than by grant) to local governments within the district; and

"(2) carrying out any review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968, if such district has been designated as the agency to conduct such review.".

"(c) The planning assistance authorized under this title shall be used in accordance with the review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968 and shall be used in conjunction with any other available Federal planning assistance to assure adequate and effective planning and economical use of funds."

(c) Section 303 of such Act, as redesignated by this Act, is amended by inserting "(a)" immediately after "Sec. 303.", by striking "this title" and inserting in lieu thereof "sections 301 and 302 of this Act", by striking out the period at the end and inserting in lieu thereof the following: "and $75,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976,".

"(b) Not to exceed $15,000,000 in each of the fiscal years ending June 30, 1975, and June 30, 1976, of the sums authorized to be appropriated under subsection (a) of this section, shall be available to make grants to States.".

(d) Such Act, as amended, is amended by adding after section 303 of the following new section:

"SUPPLEMENTAL AND BASIC GRANTS

"SEC. 304. (a) There are hereby authorized to be appropriated $35,000,000 for the fiscal year ending June 30, 1975, and $75,000,000 for the fiscal year ending June 30, 1976, for apportionment by the Secretary among the States for the purpose of supplementing or making grants and loans authorized under titles I, II, and IV of this Act. Such funds shall be apportioned among the States in the ratio which all grants made under title I of this Act since August 26, 1965, in each State bear to the total of all such grants made in all the States since August 26, 1965.

"(b) Funds apportioned to a State pursuant to subsection (a) shall be available for supplementing or making such grants or loans if the State makes a contribution of at least 25 per centum of the amount of such grant or loan in each case. Funds apportioned to a State under subsection (a) shall remain available to such State until obligated or expended by it.

"(c) Funds apportioned to a State pursuant to this section may be used by the Governor in supplementing grants or loans with respect to any project or assistance authorized under title I, II, or IV of this Act, and approved by the Secretary after July 1, 1974. Such grants may be used to reduce or waive the non-Federal share otherwise required by this Act, subject to the requirements of subsection (b) of this section.

"(d) In the case of any grant or loan for which all or any portion of the basic Federal contribution to the project under this Act is proposed to be made with funds available under this section, no such Federal contribution shall be made until the Secretary of Commerce certifies that such project meets all of the requirements of this Act and could be approved for Federal contributions under this Act if funds were available under this Act (other than section 509) for such project. Funds may be provided for projects in a State under this section only if the Secretary determines that the level of Federal and State financial assistance under this Act (other than section 509) and under Acts other than this Act, for the same type of projects in the State, will not be diminished in order to substitute funds authorized by this section.

"(e) After June 30, 1975, funds apportioned to a State pursuant to this section shall be used by the Governor in a manner which is consistent wtih the State planning process assisted under section 302 of this Act, if such planning process has been established in such State.

SEC. 6. Section 401(a)(3) of such Act, as amended, is amended by adding at the end thereof the following: "Provided, however, That uninhabited Federal or State Indian reservations or trust or restricted Indian-owned land areas my be designated where such designation would permit assistance to Indian tribes, with a direct beneficial effect on the economic well-being of Indians;".

SEC. 7. (a) Section 403(a)(1)(B) of such Act, as amended, is amended by striking out the words "two or more redevelopment areas" and inserting in lieu thereof "at least one redevelopment area".

(b) Section 403 of such Act, as amended, is amended by inserting at the end of such section the following two new subsections:

"(i) Each economic development district designated by the Secretary under this section shall as soon as practicable after the date of enactment of this section or after its designation provide that a copy of the district overall economic development program be furnished to the appropriate regional commission established under title V of this Act, if any part of such proposed district is within such a region, or to the Appalachian Regional Commission established under the Appalachian Regional Development Act of 1965, if any part of such proposed district is within the Appalachian region.

"(j) The Secretary is authorized to provide the financial assistance which is available to a redevelopment area under this Act to those parts of an economic development district which are not within a redevelopment area, when such assistance will be of substantial direct benefit to a redevelopment area within such district. Such financial assistance shall be provided in the same manner and to the same extent as is provided in this Act for a redevelopment area, except that nothing in this subsection shall be construed to permit such parts to receive the increase in the amount of grant assistance authorized in paragraph (4) of subsection (a) of this section.".

(c) Section 403(g) of such Act, as amended, is amended by striking out "for the fiscal year ending June 30, 1974," and inserting in lieu thereof "per fiscal year for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976,".

SEC. 8. Title IV of the Public Works and Economic Development Act of 1965, as amended, is amended by adding at the end thereof the following new part:

"PART C—INDIAN ECONOMIC DEVELOPMENT

"SEC. 404. In order to assure a minimum Federal commitment to alleviate economic distress of Indians, in addition to their eligibility for assistance with funds authorized under other parts of this Act, there are authorized to be appropriated not to exceed $25,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976, for the purpose of providing assistance under this Act to Indian tribes. Such sums shall be in addition to all other funds made available to Indian tribes under this Act."

SEC. 9. (a) Section 503 of such Act, as amended, is amended by inserting "district," in paragraph (7) of subsection (a) immediately after "other Federal, State,".

(b) The first sentence of section 505(a)(2) of such Act, as amended, is amended by striking out "and training programs" and inserting "training programs, and the payment of administrative expenses to sub-State planning and development organizations (including economic development districts)," in lieu thereof.

(c) Section 509(d) of such Act, as amended, is amended by striking out "and for the fiscal year ending June 30, 1974, to be available until expended, $95,000,000." and inserting in lieu thereof "for the fiscal year ending June 30, 1974, to be available until expended, $95,000,000, and for each of the fiscal years ending June 30, 1975, and June 30, 1976, to be available until expended, $150,000,000.".

(d) Section 511 of such Act, as amended, is amended to read as follows:

"COORDINATION

"SEC. 511. (a) The Secretary shall coordinate his activities in making grants and loans and providing technical assistance under this Act with those of each of the regional commissions (acting through the Federal and State cochaimen) established under this Act in making grants and providing technical assistance under this title, and each of such regional commissions shall coordinate its activities in making grants and providing technical assistance under this title with those activities of the Secretary under this Act.

(b) Each regional commission established under this Act shall give due consideration in carrying out its activities under paragraphs (2) and (7) of section 503(a) of this Act to the activities of other Federal, State, local, and sub-State (including economic development districts) planning agencies in the region."

SEC. 11. Section 2 of the Act entitled "An Act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for titles I through IV through fiscal year 1971", approved July 6, 1970 (Public Law 91–304), is amended by striking out "1974" and inserting in lieu thereof "1976".

SEC. 10. Title V of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3181 et seq.) is amended by adding at the end thereof the following new section:

"REGIONAL EXCESS PROPERTY PROGRAM

"SEC. 514. (a) Notwithstanding any other provision of law, and subject to subsection (b), the Federal cochairman of each regional commission established under section 502 of this Act may acquire excess property, without reimbursement, through the Administrator of General Services and shall dispose of such property, without reimbursement and for the purpose of economic development, by loaning to, or by vesting title in, any of the following recipients located wholly or partially within the economic development region of such Federal cochairman:

"(1) any State or political subdivision thereof;

"(2) any tax-supported organization;

"(3) any Indian tribe, band, group, pueblo, or Alaskan village or Regional Corporation (as defined by the Alaska Native Land Claims Settlement Act of 1971) recognized by the Federal Government or any State, and any business owned by any tribe, band, group, pueblo, village, or Regional Corporation;

"(4) any tax-supported or nonprofit private hospital; and

"(5) any tax-supported or nonprofit private institution of higher education requiring a high school diploma, or equivalent, as a basis for admission.

Such recipient may have, but need not have, received any other aid under this Act. For the purposes of this section, until a regional commission is established for the State of Alaska under section 502 of this Act, in the case of the State of Alaska the Secretary of Commerce shall exercise the authority granted to a Federal cochairman under this section.

"(b) For purposes of subsection (a)—

"(1) each Federal cochairman, in the acquiring of excess property, shall have the same priority as other Federal agencies; and

"(2) the Secretary shall prescribe rules, regulations, and procedures for administering subsection (a) which may be different for each economic development region, except that the Secretary shall consult with the Federal cochairman of a region before prescribing such rules, regulations, and procedures for such region.

"(c)(1) The recipient of any property disposed of by any Federal cochairman under subsection (a) shall pay, to the Federal agency having custody of the property, all costs of care and handling incurred in the acquiring and disposing of such property; and such recipient shall pay all costs which may be incurred regarding such property after such Federal cochairman disposes of it, except that such recipient shall not pay any costs incurred after such property is returned under subsection (e).

(2) No Federal cochairman may be involved at any time in the receiving or processing of any costs paid by the recipient under paragraph (1).

(d) Each Federal cochairman, not later than six calendar months after the close of each fiscal year, shall account to the Secretary, as the Secretary shall prescribe, for all property acquired and disposed of, including any property acquired but not disposed of, under subsection (a) during such fiscal year. The Secretary shall have access to all information and related material in the possession of such Federal cochairman regarding such property.

(e) Any property determined by the Federal cochairman to be no longer needed for the purpose of economic development shall be reported by the recipient to the Administrator of General Services for disposition under the Federal Property and Administrative Services Act of 1949.

(f) The value of any property acquired and disposed of, including any property acquired but not disposed of, under subsection (a) shall not be taken into account in the computation of any appropriation, or any authorization for appropriation, regarding any regional commission established under section 502 or any office of the Federal cochairman of such commission.

"(g) For purposes of this section—

"(1) the term 'care and handling' has the meaning given it by section 3(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(h)); and

"(2) the term 'excess property' has the meaning given it by section 3(e) of such Act (40 U.S.C. 472(e)), except that such term does not include real property.".

SEC. 12. The Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new title at the end of the Act:

"TITLE IX—SPECIAL ECONOMIC DEVELOPMENT AND ADJUSTMENT ASSISTANCE

"PURPOSE

"SEC. 901. It is the purpose of this title to provide special economic development and adjustment assistance programs to help State and local areas meet special needs arising from actual or threatened severe unemployment arising from economic dislocation, including unemployment arising from actions of the Federal Government and from compliance with environmental requirements which remove economic activities from a locality, and economic adjustment problems resulting from severe changes in economic conditions, and to encourage cooperative intergovernmental action to prevent or solve economic adjustment problems. Nothing in this title is intended to replace the efforts of the economic adjustment program of the Department of Defense.

"DEFINITION

"SEC. 902. As used in this title, the term 'eligible recipient' means a redevelopment area or economic development district established under title IV of this Act, an Indian tribe, a State, a city or other political subdivision of a State, or a consortium of such political subdivisions.

"GRANTS BY SECRETARY

"SEC. 903. (a)(1) The Secretary is authorized to make grants directly to any eligible recipient in an area which the Secretary has determined has experienced, or may reasonably be foreseen to be about to experience, a special need to meet an expected rise in unemployment, or other economic adjustment problems (including those caused by any action or decision of the Federal Government) to carry out or develop a plan which meets the requirements of subsection (b) of this section and which is approved by the Secretary, to use such grants for any of the following: public facilities, public services, business development, planning, unemployment compensation (in accordance with subsection (d) of this section), rent supplements, mortgage payment assistance, research, technical assistance, training, relocation of individuals, and other appropriate assistance, training, relocation of individuals, and other appropriate assistance.

"(2)(A) Such grants may be used in direct expenditures by the eligible recipient or through redistribution by it to public and private entities in grants, loans, loan guarantees, or other appropriate assistance, but no grant shall be made by an eligible recipient to a private profitmaking entity.

"(B) Grants for unemployment compensation shall be made to the State. Grants for any other purpose shall be made to any appropriate eligible recipient capable of carrying out such purpose.

"(b) No plan shall be approved by the Secretary under this section unless such plan shall—

"(1) identify each economic development and adjustment need of the area for which assistance is sought under this title;

"(2) describe each activity planned to meet each such need;

"(3) explain the details of the method of carrying out each such planned activity;

"(4) contain assurances satisfactory to the Secretary that the proceeds from the repayment of loans made by the eligible recipient with funds granted under this title will be used for economic adjustment; and

"(5) be in such form and contain such additional information as the Secretary shall prescribe.

"(c) The Secretary to the extent practicable shall coordinate his activities in requiring plans and making grants and loans under this title with regional commissions, States, economic development districts and other appropriate planning and development organizations.

"(d) In each case in which the Secretary determines a need for assistance under subsection (a) of this section due to an increase in unemployment and makes a grant under this section, the Secretary may transfer funds available for such grant to the Secretary of Labor and the Secretary of Labor is authorized to provide to any individual unemployed as a result of the dislocation for which such grant is made, such assistance as he deems appropriate while the individual is unemployed. Such assistance as the Secretary of Labor may provide shall be available to an individual not otherwise disqualified under State law for unemployment compensation benefits, as long as the individual's unemployment caused by the dislocation continues or until the individual is reemployed in a suitable position, but no longer than one year after the unemployment commences. Such assistance for a week of unemployment shall not exceed the maximum weekly amount authorized under the unemployment compensation law of the State in which the dislocation occurred, and the amount of assistance under this subsection shall be reduced by any amount of unemployment compensation or of private income protection insurance compensation available to such individual for such week of unemployment. The Secretary of Labor is directed to provide such assistance through agreements with States which, in his judgment, have an adequate system for administering such assistance through existing State agencies.

"REPORTS AND EVALUATION

"SEC. 904. (a) Each eligible recipient which receives assistance under this title shall annually during the period such assistance continues make a full and complete report to the Secretary, in such manner as the Secretary shall prescribe, and such report shall contain an evaluation of the effectiveness of the economic assistance provided under this title in meeting the need it was designed to alleviate and the purposes of this title.

"(b) The Secretary shall provide an annual consolidated report to the Congress, with his recommendations, if any, on the assistance authorized under this title, in a form which he deems appropriate. The first such report to Congress under this subsection shall be made not later than January 30, 1976.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 905. There is authorized to be appropriated to carry out this title not to exceed $75,000,000 for the fiscal year ending June 30, 1975, and $100,000,000 for the fiscal year ending June 30, 1976.".

Mr. WRIGHT (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the gentleman from Texas?

There was no objection.

The motion was agreed to.

The Senate amendments, as amended, were concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the legislation (H.R. 14883) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR ADDITIONAL COPIES OF THE COMMITTEE PRINT, "TERRORISM"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-1311) to accompany the resolution (H. Res. 1282) providing for additional copies of the committee print, a staff study entitled "Terrorism," and ask for the immediate consideration of the resolution.

The Clerk read the resolution as follows:

H. RES. 1282

Resolved, That there be printed for the use of the Committee on Internal Security two thousand and four hundred additional copies of the committee print, a staff study entitled "Terrorism".

With the following committee amendment:

Page 1, line 2, delete two thousand and four hundred; insert one thousand six hundred and twenty.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF ADDITIONAL COPIES OF SENATE COMMITTEE PRINT ENTITLED "THE RECREATION IMPERATIVE"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Report No. 93-1312) to accompany the concurrent resolution (S. Con. Res. 98) authorizing the printing of additional copies of the Senate committee print entitled "The Recreation Imperative," and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution as follows:

S. CON. RES. 98

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Interior and Insular Affairs five thousand additional copies of its committee print of the current session entitled "The Recreation Imperative—The National Outdoor Recreation Plan", a report to the President and the Congress by the Secretary of the Interior.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENDING THE DRUG ABUSE EDUCATION ACT OF 1970

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9456) to extend the Drug Abuse Education Act of 1970 for 3 years, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the "Alcohol and Drug Abuse Education Act Amendments of 1974".

SEC. 2. (a) Section 1 of the Drug Abuse Education Act of 1970 (21 U.S.C. 1001) is amended to read as follows: "This Act may be cited as the 'Alcohol and Drug Abuse Education Act'.".

(b) Section 2 of such Act is amended to read as follows:

"SEC. 2. (a) The Congress hereby finds and declares that drug and alcohol abuse diminishes the strength and vitality of the people of our Nation; that an increasing number of substances, both legal and illegal, are being abused by increasing numbers of individuals; that abuse of any substance is complex human behavior which is influenced by many forces, including school, family, church, community, media, and peer groups; and that prevention and early intervention in such behavior require cooperation and coordination among all of these elements in strategies designed to respond to carefully defined problems.

"(b) It is the purpose of this Act to provide leadership to schools and other institutions in the community by supporting projects to identify, evaluate, demonstrate, and disseminate effective strategies for prevention and early intervention and to provide training and technical assistance to schools and other segments of the community in adapting such strategies to identified local needs."

(c) Section 3 of such Act is amended to read as follows:

"ALCOHOL AND DRUG ABUSE EDUCATION PROJECTS

"SEC. 3. (a) The Commissioner of Education shall carry out a program of making grants to, and contracts with institutions of higher education, State and local educational agencies, and public and private education or community agencies, institutions, and organizations to support and evaluate demonstration projects, to encourage the establishment of such projects throughout the Nation, to train educational and community personnel, and to provide technical assistance in program development.

"(b) Funds appropriated for grants and contracts under this Act shall be available for activities, including bilingual activities, such as—

"(1) projects for the development, testing, evaluation, and dissemination of exemplary materials for use in elementary, secondary, adult, and community education programs, and for training in the selection and use of such materials;

"(2) comprehensive demonstration programs which focus on the causes of drug and alcohol abuse rather than on the symptoms; which include both schools and the communities within which the schools are located; which emphasize the affective as well as the cognitive approach; which reflect the specialized needs of communities; and which include, in planning and development, school personnel, the target population, community representation, and parents;

"(3) creative primary prevention and early intervention programs in schools, utilizing an interdisciplinary 'school team' approach, developing in educational personnel and students skills in planning and conducting comprehensive prevention programs which include such activities as training drug and alcohol education specialists and group leaders, peer group and individual counseling, and student involvement in intellectual, cultural, and social alternatives to drug and alcohol abuse;

"(4) preservice and inservice training programs on drug and alcohol abuse prevention for teachers, counselors, and other educational personnel, law enforcement officials, and other public service and community leaders and personnel;

"(5) community education programs on drug and alcohol abuse, especially for parents and others in the community;

"(6) programs or projects to recruit, train, organize, and employ professionals and other persons, including former drug and alcohol abusers and former drug- and alcohol-dependent persons, to organize and participate in programs of public education in drug and alcohol abuse; and

"(7) projects for the dissemination of valid and effective school and community drug and alcohol abuse educational programs.

"(c) In addition to the purposes described in subsection (b) of this section, funds in an amount not to exceed 10 per centum of the sums appropriated to carry out this Act may be made available for the payment of reasonable and necessary expenses of State educational agencies for assisting local educational agencies in the planning, development, and implementation of drug and alcohol abuse education programs, including such projects as—

"(1) inservice training of education personnel,

"(2) technical assistance to local school districts,

"(3) creative leadership in programing for indigenous minorities, and

"(4) training of peer counselors.

"(d)(1) Financial assistance under this section may be made only upon application at such time or times, in such manner, and containing or accompanied by such information as the Commissioner deems necessary, and only if such application—

"(A) provides that activities and services for which assistance under this title is sought will be administered by or under the supervision of the applicant;

"(B) provides for carrying out one or more projects or programs eligible for assistance under subsections (b) and (c) of this section and provides for such methods of administration as are necessary for the proper and efficient operation of such projects or programs;

"(C) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in subsections (b) and (c) of this section, and in no case supplant such funds; and

"(D) provides for making such reports, in such form and containing such information, as the Commissioner may reasonably require, and for keeping such records and affording such access thereto as the Commissioner may find necessary to assure to correctness and verification of such reports.

"(2) An application from a local education agency for financial assistance under this section may be approved by the Commissioner only after the applicant has submitted the application to the State educational agency. The State educational agency shall, not more than thirty days after the date of receipt of the application, submit to the Secretary in writing its comments on the application. A copy of such comments shall be submitted at the same time to the applicant.

"(3) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to the requirements set forth in subsections (d)(1) and (d)(2).

"(e)(1) The Commissioner may use funds in an amount not exceeding 1 per centum of the funds appropriated to carry out this section for a fiscal year for analysis and evaluation of the effectiveness of the drug and alcohol abuse education programs assisted under this section.

"(2) The Commissioner shall, not later than March 31 of each calendar year, submit an evaluation report to the House and Senate Committees on Appropriations, the House Committee on Education and Labor, and the Senate Committee on Labor and Public Welfare. Such report shall—

"(A) contain the agency's statement of specific and detailed objectives for the program or programs assisted under the provisions of this Act, and relate these objectives to those in the Act,

"(B) include statements of the agency's conclusions as to effectiveness of the program or programs in meeting the stated objectives, measured through the end of the preceding fiscal year,

"(C) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable in carrying out the program or programs,

"(D) contain a listing identifying the principal analyses and studies supporting the major conclusions and recommendations, and

"(E) contain the agency's annual evaluation plan for the program or programs through the ensuing fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201 (a) of the Budget and Accounting Act of 1921 (31 U.S.C. 11).

"(f) There are authorized to be appropriated to carry out the purposes of this section $26,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $34,000,000 for the fiscal year ending June 30, 1977."

(d) Section 4 of such Act is amended to read as follows:

"SEC. 4. (a) Each recipient of Federal assistance under this Act, pursuant to grants, subgrants, contracts, subcontracts, loans, or other arrangements, entered into other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Commissioner shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, subgrants, contracts, subcontracts, loans, or other arrangements referred to in subsection (a)."

(e) Section 5 of such Act is amended by striking out "drug abuse" each time it appears and inserting in lieu thereof "drug and alcohol abuse".

(f) Section 8 of such Act is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by adding after subsection (a) the following new subsection:

"(b) The term 'Commissioner' means the Commissioner of Education.".

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, would the gentleman explain these three amendments?

Mr. BRADEMAS. If the gentleman will yield, I shall be glad to explain them.

Mr. GROSS. Of course, I yield.

Mr. BRADEMAS. Mr. Speaker, we have before us today H.R. 9456, as amended by the other body, a bill to extend for 3 years the Drug Abuse Education Act of 1970.

Mr. Speaker, let me briefly summarize the House bill which received overwhelming bipartisan support in the House last October. The vote was 373 to 13.

The House bill, H.R. 9456, continued the existing act, which provided for: First, separate authorizations for 3 years for community and school-based programs; and second, a specific appropriation to be given to State education agencies for technical assistance to local schools. In addition, the House bill required that: Third, the Secretary conduct an evaluation of the programs funded under the act.

Mr. Speaker, the Senate bill also continues the program for 3 additional years—fiscal years 1975, 1976, and 1977—but combines the school and community-based programs into one authority. In addition, the Senate bill vests the authority for administering the program in the Commissioner of Education, which is consistent with present education laws.

Further, the Senate bill provides that 10 percent of the moneys appropriated be earmarked for State education agencies.

Mr. Speaker, the amendment before us today reflects the Senate amendment with the following House amendment thereto:

First. The House amendment would give priority to drug and alcohol abuse education programs in elementary and secondary schools and would require that not less than 60 percent of the moneys appropriated be used for those purposes.

Second. The statement of purpose in the original act has been added to the Senate amendment, in order to emphasize that this is a (1) developmental; and (2) school-based program as well as (3) a program designed to benefit the total community.

Third. The House amendment to the Senate amendment also requires an independent analysis and evaluation of programs conducted under this act.

Mr. Speaker, we have undertaken to work this matter out in consultation with the principals in the other body and with the administration.

I am indebted, as always, to the gentleman from Minnesota (Mr. QUIE) the distinguished ranking minority Member of the Committee on Education and Labor who has been very cooperative as well as to the distinguished senior Senator from Iowa (Mr. HUGHES) and the distinguished senior Senator from New York (Mr. JAVITS) who have worked so closely with us to reach a satisfactory accommodation of all viewpoints.

But I want Mr. Speaker, in particular to commend the gentleman from Washington (Mr. MEEDS) for his outstanding leadership in connection with this legislation. Mr. MEEDS is the original sponsor of the Drug Abuse Education Act and has been a vigorous champion of effective action to deal in the problem of the abuse of dangerous drugs.

I would also like to express thanks for their help on this bill to the gentleman from Kentucky, chairman of the Committee on Education and Labor, Mr. PERKINS; the ranking minority member of the Select Subcommittee on Education, which I have the honor to chair, Mr. ESHLEMAN; the gentleman from New York (Mr. PEYSER); the gentleman from Florida (Mr. LEHMAN) and the gentleman from Kentucky (Mr. MAZZOLI).

Mr. Speaker, H.R. 9456 as amended, is a bill worthy of the support of every Member of Congress.

It received overwhelming bipartisan support of both the House and the Senate during its initial consideration and I am confident it will enjoy such support even today.

Mr. Speaker, I insert at this point a summary of H.R. 9456 as here proposed to be amended, the Alcohol and Drug Abuse Education Act Amendment, of 1974:

SUMMARY OF H.R. 9456, AS AMENDED—THE ALCOHOL AND DRUG ABUSE EDUCATION ACT

1. Extends the Drug Abuse Education Act of 1970 grant and contract authorities for another three years—Fiscals 1975, 1976, and 1977; adds alcoholism education; and makes the Commissioner of Education the responsible officer.

2. Authorizes $26 million in Fiscal 1975, $30 million in Fiscal 1976, and $34 million in Fiscal 1977—total $90 million over 3 years. (This is the same total as in the House-passed bill, H.R. 9456, but the amended bill now authorizes a single annual amount rather than the separately-stated authorizations for the school-oriented and the community-oriented programs in the 1970 Act.)

3. Eligible applicants—institutions of higher education, State and local education agencies, and public and private education or community agencies, institutions, and organizations.

4. Funds activities, including bilingual activities, such as—development, testing, evaluation, and dissemination of materials and training in the selection of materials; development of comprehensive school and community programs that focus on the causes of youthful drug and alcohol abuse; preservice and in-service training for school personnel, law enforcement officers, and other public service and community leaders; and public education programs for parents and other interested persons in the community.

5. State education agencies—up to 10% of sums appropriated may be made available to state educational agencies for the costs of assisting local educational agencies in developing and carrying out drug and alcohol abuse education programs. Local educational agency applicant to submit grant applications to State educational agency for comment within 30 days.

6. Sets standards for applications to insure that purposes of the Act will be carried out, that Federal funds will not supplant other available funds, and that appropriate records will be kept, with access for HEW and GAO personnel.

7. Evaluation—not more than 1% of sums appropriated may be used by the Commissioner for independent evaluation of programs assisted. Evaluation report to be submitted annually by March 31 to Congressional authorizing and appropriating committees.

8. Reserves 60% of funds appropriated for elementary and secondary school programs.

9. Adds alcohol abuse to the Act.

Mr. GROSS. Do I understand that this is a consolidation of two bills?

Mr. BRADEMAS. The gentleman is correct.

Mr. GROSS. Does it consolidate the bill that was passed by the House that came from the Committee on Interstate and Foreign Commerce?

Mr. BRADEMAS. No.

Mr. GROSS. No? Then that is separate?

Mr. BRADEMAS. The bill under consideration does not run to the legislation from the Commerce Committee.

Mr. GROSS. That is a separate bill dealing with alcoholism and drug abuse; is that correct?

Mr. BRADEMAS. The gentleman is correct.

Mr. GROSS. That was a bill, as I remember it, costing $384 million.

Mr. BRADEMAS. If the gentleman from Iowa will yield further, the bill under consideration here today has to do with educational programs provided both in elementary and secondary schools and in communities with respect to the abuse of dangerous drugs and the abuse of alcohol.

The bill now under consideration authorizes what is fundamentally an education program and does not run to the programs that are included in the bill to which the gentleman has made reference, which came out of the Committee on Interstate and Foreign Commerce.

Mr. ESHLEMAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. ESHLEMAN. Mr. Speaker, this proposed amendment is agreed to by the minority members of the Committee on Education and Labor. It does not add any new money whatsoever. It, we think, simplifies the program and strengthens the emphasis on alcohol, which a lot of our Members spoke of when the bill went through the House.

This puts more emphasis on alcohol, as well as other drugs.

Mr. MEEDS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Speaker, when I introduced a simple extension of the Drug Abuse Education Act of 1970, I did so not because I was satisfied with what has been happening under this legislation so far, but because I am considerably less than satisfied.

As one journalist put it, "Two years and $19 million later, OE is still not on drugs."

I view as one of the major indications of our failure to accomplish the goals of this act the fact that such statements as "drug education may not only fail to impede the use of drugs, it may actually exacerbate drug use" are being widely publicized and accepted. I view this type of statement as the prime example, exhibit A, if you will, of our failure to develop drug abuse education curriculums that are effective. While I do not necessarily believe such statements, I do believe they are one indication of the failure of the education system to develop kinds of programs that will provide effective and credible teaching about drug and alcohol abuse and the problems that cause these abuses.

The original legislation expired June 30 and I still do not know where an individual school system can go to get a curriculum suited to its peculiar needs and characteristics. Especially curriculum which has been tested and found effective.

Lest I sound completely pessimistic, let me be very specific about one thing. I believe in education. I believe it is possible to achieve desirable social goals through education. I believe we can find effective ways to teach, not only the folly of drug abuse—and I include alcohol, asperin, tobacco—the whole range—but more importantly, the role of individual decisionmaking.

With H.R. 9456 we are trying again, and I hope with more success this time around.

This bill will extend the grant and contract authorities for another 3 years, authorize $26 million in fiscal 1974, $30 million in fiscal 1976, and $34 million in fiscal 1977. We are providing that up to 10 percent of appropriated funds may be made available to State education agencies for technical assistance in helping local educational agencies develop and carry out drug and alcohol abuse education programs.

A House amendment provides that school-based programs will be given priority and that not less than 60 percent of appropriated funds shall be used for alcohol and drug abuse education programs in elementary and secondary schools.

I sincerely hope that this legislation will be the means of providing some real choices to individual school districts and communities and statewide education systems in alcohol and drug abuse education programs.

Mr. GROSS. Mr. Speaker, I thank the

gentleman from Pennsylvania and the gentleman from Indiana.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MOTION OFFERED BY MR. BRADEMAS

Mr. **BRADEMAS**. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Brademas moves to concur in the Senate amendment with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

That this Act may be cited as the "Alcohol and Drug Abuse Education Act Amendments of 1974".

Sec. 2. (a) Section 1 of the Drug Abuse Education Act of 1970 (21 U.S.C. 1001) is amended to read as follows: "This Act may be cited as the 'Alcohol and Drug Abuse Education Act'.".

(b) Section 2 of such Act is amended to read as follows:

"Sec. 2. (a) The Congress hereby finds and declares that drug and alcohol abuse diminishes the strength and vitality of the people of our Nation; that an increasing number of substances, both legal and illegal, are being abused by increasing numbers of individuals; that abuse of any substance is complex human behavior which is influenced by many forces, including school, family, church, community, media, and peer groups; and that prevention and early intervention in such behavior require cooperation and coordination among all of these elements in strategies designed to respond to carefully defined problems.

"(b) It is the purpose of this Act to encourage the development of new and improved curriculums on the problems of drug abuse; to demonstrate the use of such curriculums in model educational programs and to evaluate the effectiveness thereof; to disseminate curricular materials and significant information for use in educational programs throughout the Nation; to provide training programs for teachers, counselors, law enforcement officials, and other public service and community leaders; and to offer community education programs for parents and others, on drug abuse problems.

"(c) It is further the purpose of this Act to provide leadership to schools and other institutions in the community by supporting projects to identify, evaluate, demonstrate, and disseminate effective strategies for prevention and early intervention and to provide training and technical assistance to schools and other segments of the community in adapting such strategies to identified local needs."

(c) Section 3 of such Act is amended to read as follows:

"ALCOHOL AND DRUG ABUSE EDUCATION PROJECTS

"Sec. 3. (a) The Commissioner of Education shall carry out a program of making grants to, and contracts with institutions of higher education, State and local educational agencies, and public and private education or community agencies, institutions, and organizations to support and evaluate demonstration projects, to encourage the establishment of such projects throughout the Nation, to train educational and community personnel, and to provide technical assistance in program development. In carrying out such program, the Commissioner of Education shall give priority to school-based programs and projects.

"(b) Funds appropriated for grants and contracts under this Act shall be available for activities, including bilingual activities, such as—

"(1) projects for the development, testing, evaluation, and dissemination of exemplary materials for use in elementary, secondary, adult, and community education programs, and for training in the selection and use of such materials;

"(2) comprehensive demonstration programs which focus on the causes of drug and alcohol abuse rather than on the symptoms; which include both schools and the communities within which the schools are located; which emphasize the affective as well as the cognitive approach; which reflect the specialized needs of communities; and which include, in planning and development, school personnel, the target population, community representation, and parents;

"(3) creative primary prevention and early intervention programs in schools, utilizing an interdisciplinary 'school team' approach, developing in educational personnel and students skills in planning and conducting comprehensive prevention programs which include such activities as training drug and alcohol education specialists and group leaders, peer group and individual counseling, and student involvement in intellectual, cultural, and social alternatives to drug and alcohol abuse;

"(4) preservice and inservice training programs on drug and alcohol abuse prevention for teachers, counselors, and other educational personnel, law enforcement officials, and other public service and community leaders and personnel;

"(5) community education programs on drug and alcohol abuse, especially for parents and others in the community;

"(6) programs or projects to recruit, train, organize, and employ professionals and other persons, including former drug and alcohol abusers and former drug- and alcohol-dependent persons, to organize and participate in programs of public education in drug and alcohol abuse; and

"(7) projects for the dissemination of valid and effective school and community drug and alcohol abuse educational programs.

"(c) In addition to the purposes described in subsection (b) of this section, funds in an amount not to exceed 10 per centum of the sums appropriated to carry out this Act may be made available for the payment of reasonable and necessary expenses of State educational agencies for assisting local educational agencies in the planning, development, and implementation of drug and alcohol abuse education programs, including such projects as—

"(1) inservice training of education personnel,

"(2) technical assistance to local school districts,

"(3) creative leadership in programing for indigenous minorities, and

"(4) training of peer counselors.

"(d) (1) Financial assistance under this section may be made only upon application at such time or times, in such manner, and containing or accompanied by such information as the Commissioner deems necessary, and only if such application—

"(A) provides that activities and services for which assistance under this title is sought will be administered by or under the supervision of the applicant;

"(B) provides for carrying out one or more projects or programs eligible for assistance under subsections (b) and (c) of this section and provides for such methods of administration as are necessary for the proper and efficient operation of such projects or programs;

"(C) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in subsections (b) and (c) of this section, and in no case supplant such funds; and

"(D) provides for making such reports, in such form and containing such information, as the Commissioner may reasonably require, and for keeping such records and affording such access thereto as the Commissioner may find necessary to assure to correctness and verification of such reports.

"(2) An application from a local education agency for financial assistance under this section may be approved by the Commissioner only after the applicant has submitted the application to the State educational agency. The State educational agency shall, not more than thirty days after the date of receipt of the application, submit to the Secretary in writing its comments on the application. A copy of such comments shall be submitted at the same time to the applicant.

"(3) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to the requirements set forth in subsections (d) (1) and (d) (2).

"(e) (1) The Commissioner may use funds in an amount not exceeding 1 per centum of the funds appropriated to carry out this section for a fiscal year for independent analysis and evaluation of the effectiveness of the drug and alcohol abuse education programs assisted under this section.

"(2) The Commissioner shall, not later than March 31 of each calendar year, submit an evaluation report to the House and Senate Committees on Appropriations, the House Committee on Education and Labor and the Senate Committee on Labor and Public Welfare. Such report shall—

"(A) contain the agency's statement of specific and detailed objectives for the program or programs assisted under the provisions of this Act, and relate these objectives to those in the Act,

"(B) include statements of the agency's conclusions as to effectiveness of the program or programs in meeting the stated objectives, measured through the end of the preceding fiscal year,

"(C) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable in carrying out the program or programs.

"(D) contain a listing identifying the principal analyses and studies supporting the major conclusions and recommendations, and

"(E) contain the agency's annual evaluation plan for the program or programs through the ensuing fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act of 1921 (31 U.S.C. 11).

"(f) There are authorized to be appropriated to carry out the purposes of this section $26,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $34,000,000 for the fiscal year ending June 30, 1977. Not less than 60 per centum of the amount appropriated for a fiscal year under this section shall be used for drug and alcohol abuse education programs and projects in elementary and secondary schools."

(d) Section 4 of such Act is amended to read as follows:

"Sec. 4. (a) Each recipient of Federal assistance under this Act, pursuant to grants, subgrants, contracts, subcontracts, loans, or other arrangements, entered into other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Commissioner shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States or any of their duly authorized representatives shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, subgrants, contracts, subcontracts, loans, or other arrangements referred to in subsection (a)."

(e) Section 5 of such Act is amended by striking out "drug abuse" each time it appears and inserting in lieu thereof "drug and alcohol abuse".

(f) Section 8 of such Act is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by adding after subsection (a) the following new subsection;

"(b) The term 'Commissioner' means the Commissioner of Education.".

The motion was agreed to.

The Senate amendment as amended was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO FILE REPORTS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations have until midnight Friday to file reports on H.R. 1355, H.R. 5264, H.R. 7072, H.R. 8958, H.R. 15818, H.R. 15903 and S. 1794.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON SCIENCE AND ASTRONAUTICS TO HAVE UNTIL NOON SEPTEMBER 10, 1974, TO FILE REPORT ON H.R. 16371.

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that the Committee on Science and Astronautics have until noon September 10, 1974 to file a report on H.R. 16371, to further the conduct of research, development, and demonstration in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 15572, MAKING APPROPRIATIONS FOR HUD, SPACE, SCIENCE, VETERANS

Mr. BOLAND. Mr. Speaker, I call up the conference report on the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 21, 1974.)

Mr. BOLAND (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, we bring back to the House today the conference report on the HUD, space, science, veterans' appropriation bill for 1975. As always in any appropriations conference, the conferees on this bill were faced with a number of tough issues, but I am pleased to report that we resolved all the differences.

The total amount in this conference report is $21,215,812,000. The House passed this bill on June 26, 1974, with a total of $20,846,332,000. Shortly after the House approved this bill, the President requested an additional $618,962,000 for veterans' programs. The largest part of the additional request was for mandatory funding of compensation and pension increases.

The Senate passed the bill on August 16, and with the additional amount considered, approved a total of $21,210,718,420. The conferees have brought back a report that is $221,001,000 under the budget request.

The conference total is also $402,776,000 above the comparable amount of new obligational authority for the agencies and departments in this bill for fiscal year 1974.

Turning to specifics, the conference agreement has approved $3,014,519,000 for the Department of Housing and Urban Development. The Members may recall that because of the new housing bill which is being signed into law today, and which had not been approved by Congress at the time we considered our bill, we deferred consideration of the funds for the new community development program.

However, the conference agreement does provide $320,375,000 for urban renewal and model cities programs to cover a 6-month transitional period until the new community development program gets under way on January 1, 1975.

This committee will consider, in the first supplemental, the balance of the $2.5 billion requested for the community development program.

Also under HUD, the conferees were faced with two difficult issues. The first concerned the suspended section 235 and 236 subsidized housing programs. The Senate position made mandatory the commitment of all unused contract authority for these programs concurrent with implementation of the new section 23 revised leasing program. While the House conferees are concerned that the new revised leasing program will be expensive, and while we would like to see a fair test of comparative costs between the old 236 program and the new section 23 program—we did not feel that mandatory language is good legislation. The conference agreement drops the mandatory provision—but does require that the unused section 236 contract authority be made available for commitment.

The other HUD issue concerned operating subsidies available for payment to local housing authorities. The conference committee has earmarked a "floor of $450,000,000, instead of $500,000,000 as proposed by the Senate.

Frankly, the House conferees continue to be increasingly concerned with the rapidly growing cost of these subsidies. Last year they totaled $320,000,000. This year they could reach $500,000,000 with added energy costs. We need to get a handle on these subsidy costs, and I hope we can work with the legislative committee and the department in the hope of turning some of the public housing projects around.

A total of $3,206,735,000 is included for the National Aeronautics and Space Administration; $666,350,000 for the National Science Foundation in addition to $101,800,000 provided in the special energy bill; $46,900,000 for the Federal Communications Commission; $43,077,000 for the Securities and Exchange Commission; and $45,000,000 for the Selective Service System. The bill also provides $13,983,298,000 for the Veterans' Administration. This is $444,378,000 above the 1974 appropriated level. Within the amount provided is an increase of $12,644,000 for medical care. This increase is more than offset by the corresponding decreases in general operating expenses and in construction projects. There is no doubt, however, that the amount provided in the conference agreement will help to ensure an adequate level of quality medical care for our veterans. The House conferees feel that the compromises reached with the Senate are reasonable. This bill provides funds for many vital activities.

I will include in my remarks a table showing the action taken on each item, the comparison with 1974, and the actions of the House and Senate:

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—SPACE—SCIENCE—VETERANS APPROPRIATION BILL, (H.R. 15572)

[Note.—All amounts are in the form of appropriations unless otherwise indicated]

						Conference action compared with—			
Agency and item (1)	New budget (obligational) authority, fiscal year 1974* (2)	Budget estimates of new budget (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)	New budget (obligational) authority, fiscal year 1974 (7)	Budget estimates of new budget (obligational) authority, fiscal year 1975 (8)	House bill (9)	Senate bill (10)
TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
Housing Production and Mortgage Credit									
Salaries and expenses, Housing production and mortgage credit programs	$5,246,000	[1] $14,340,000	$14,340,000	$12,125,000	$13,233,000	+$7,987,000	−$1,107,000	−$1,107,000	+$1,108,000
Government National Mortgage Association									
Payment of participation sales insufficiencies	19,821,000	22,883,000	22,883,000	22,883,000	22,883,000	+3,062,000			
Total, Housing Production and Mortgage Credit	25,067,000	37,223,000	37,223,000	35,008,000	36,116,000	+11,049,000	−1,107,000	−1,107,000	+1,108,000
Housing Management									
Housing payments	2,020,000,000	2,425,000,000	2,425,000,000	2,300,000,000	2,300,000,000	+280,000,000	−125,000,000	−125,000,000	
Salaries and expenses, Housing management programs	24,521,000	[2] 23,400,000	23,400,000	21,825,000	23,400,000	−1,121,000			+1,575,000
Total, Housing Management	2,044,521,000	2,448,400,000	2,448,400,000	2,321,825,000	2,323,400,000	+278,879,000	−125,000,000	−125,000,000	+1,575,000
Community Planning and Development									
Urban renewal programs	600,000,000	(3)	200,000,000	194,000,000	197,000,000	−403,000,000	+197,000,000	−3,000,000	+3,000,000
Model cities programs	150,000,000	(3)	125,000,000	121,250,000	123,375,000	−26,625,000	+123,375,000	−1,625,000	+2,125,000
Rehabilitation loan fund		(3)	70,000,000					−70,000,000	
Open space land programs	25,000,000					−25,000,000			
Community development		[3] 325,000,000					−325,000,000		
Comprehensive planning grants	75,000,000	110,000,000	100,000,000	106,700,000	100,000,000	+25,000,000	−10,000,000		−6,700,000
Salaries and expenses, Community planning and management programs	10,359,000					−10,359,000			
Salaries and expenses, Community development programs	23,004,000					−23,004,000			
Salaries and expenses, Community planning and development programs		[4] 42,200,000	39,000,000	37,830,000	39,000,000	+39,000,000	−3,200,000		+1,170,000
Total, Community Planning and Development	883,363,000	477,200,000	534,000,000	459,780,000	459,375,000	−423,988,000	−17,825,000	−74,625,000	−405,000
Federal Insurance Administration									
Flood insurance	20,000,000	[5] 50,000,000	50,000,000	50,000,000	50,000,000	+30,000,000			
Policy Development and Research									
Research and technology	65,000,000	70,000,000	60,000,000	67,900,000	65,000,000		−5,000,000	+5,000,000	−2,900,000
Salaries and expenses, Policy development and research		6,320,000	5,000,000	6,130,400	6,130,000	+6,130,000	−190,000	+1,130,000	−400
Total, Policy Development and Research	65,000,000	76,320,000	65,000,000	74,030,400	71,130,000	+6,130,000	−5,190,000	+6,130,000	−2,900,400
Fair Housing and Equal Opportunity									
Fair housing and equal opportunity	9,777,000	11,900,000	10,900,000	11,543,000	11,543,000	+1,766,000	−357,000	+643,000	
Departmental Management									
General departmental management	6,161,000	5,580,000	5,580,000	5,412,600	5,413,000	−748,000	−167,000	−167,000	+400
Salaries and expenses, Office of general counsel	3,253,000	3,530,000	3,530,000	3,424,100	3,425,000	+172,000	−105,000	−105,000	+900
Salaries and expenses, Office of inspector general	6,708,000	[6] 6,830,000	6,830,000	6,625,100	6,626,000	−82,000	−204,000	−204,000	+900
Administration and staff services	11,650,000	19,810,000	19,513,000	18,927,610	18,928,000	+7,278,000	−882,000	−585,000	+390
Regional management and services	20,224,000	[7] 30,160,000	29,446,000	28,562,620	28,563,000	+8,339,000	−1,597,000	−883,000	+380
Total, Departmental Management	47,996,000	65,910,000	64,899,000	62,952,030	62,955,000	+14,959,000	−2,955,000	−1,944,000	+2,970
Total, Department of Housing and Urban Development	3,095,724,000	3,166,953,000	3,210,422,000	3,015,138,430	3,014,519,000	+81,205,000	−152,434,000	−195,903,000	−619,430
Funds Appropriated to the President									
Federal Disaster Assistance Administration									
Disaster relief	[8] 432,600,000	[9] 200,000,000	200,000,000	200,000,000	200,000,000	−232,600,000			
Total, Title I	3,528,324,000	3,366,953,000	3,410,422,000	3,215,138,430	3,214,519,000	−313,805,000	−152,434,000	−195,903,000	−619,430

Footnotes at end of table.

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—SPACE—SCIENCE—VETERANS APPROPRIATION BILL, (H.R. 15572)—Continued

[Note.—All amounts are in the form of appropriations unless otherwise indicated]

						Conference action compared with—			
Agency and item (1)	New budget (obligational) authority, fiscal year 1974* (2)	Budget estimates of new budget (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)	New budget (obligational) authority, fiscal year 1974 (7)	Budget estimates of new budget (obligational) authority, fiscal year 1975 (8)	House bill (9)	Senate bill (10)
TITLE II—SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES									
American Battle Monuments Commission									
Salaries and expenses	[10] $4,100,000	$5,465,000	$4,512,000	$4,376,640	$4,512,000	+$412,000	−$953,000		+$135,360
Department of Defense—Civil									
Cemeterial Expenses, Army									
Salaries and expenses	[11] 24,078,000	267,000	265,000	257,050	258,000	−23,820,000	−9,000	−$7,000	+950
Federal Communications Commission									
Salaries and expenses	40,155,000	46,847,000	46,900,000	46,900,000	46,900,000	+6,745,000	+53,000		
National Aeronautics and Space Administration									
Research and development	[12] 2,189,307,000	[13] 2,341,580,000	2,327,380,000	2,326,580,000	2,326,580,000	+137,273,000	−15,000,000	−800,000	
Construction of facilities	101,100,000	151,490,000	135,670,000	140,155,300	140,155,000	+39,055,000	−11,335,000	+4,485,000	−300
Research and program management	744,600,000	749,624,000	740,000,000	740,000,000	740,000,000	−4,600,000	−9,624,000		
Total, National Aeronautics and Space Administration	3,035,007,000	3,242,694,000	3,203,050,000	3,206,735,300	3,206,735,000	+171,728,000	−35,959,000	+3,685,000	−300
National Science Foundation									
Salaries and expenses	[14] 544,660,000	[15] 681,400,000	666,800,000	654,750,000	661,500,000	+116,840,000	−19,900,000	−5,300,000	+6,750,000
Scientific activities (special foreign currency program)	3,000,000	5,000,000	5,000,000	4,850,000	4,850,000	+1,850,000	−150,000	−150,000	
Total, National Science Foundation	547,660,000	686,400,000	671,800,000	659,600,000	666,350,000	+118,690,000	−20,050,000	−5,450,000	+6,750,000
Renegotiation Board									
Salaries and expenses	4,805,000	5,195,000	5,163,000	5,163,000	5,163,000	+358,000	−32,000		
Securities and Exchange Commission									
Salaries and expenses	36,227,000	42,131,000	43,077,000	43,077,000	43,077,000	+6,850,000	+946,000		
Selective Service System									
Salaries and expenses	53,760,000	47,163,000	46,463,000	37,345,000	45,000,000	−8,760,000	−2,163,000	−1,463,000	+7,655,000
Veterans' Administration									
Compensation and pensions	6,743,800,000	[15] 7,283,000,000	6,716,200,000	7,283,000,000	7,283,000,000	+539,200,000		+566,800,000	
Readjustment benefits	3,353,000,000	2,676,000,000	2,676,000,000	2,676,000,000	2,676,000,000	−677,000,000			
Veterans insurance and indemnities		[16] 8,750,000		8,750,000	8,750,000	+8,750,000		+8,750,000	
(By transfer)	(6,000,000)	([16])				(−6,000,000)			
Medical care	2,859,173,000	3,175,000,000	3,190,044,000	3,187,644,000	3,187,644,000	+328,471,000	+12,644,000	−2,400,000	
Medical and prosthetic research	75,500,000	89,000,000	86,770,000	89,000,000	89,000,000	+13,500,000		+2,230,000	
Assistance for health manpower training institutions	25,000,000		30,000,000			−25,000,000		−30,000,000	
Medical administration and miscellaneous operating expenses	34,063,000	37,508,000	37,508,000	37,508,000	37,508,000	+3,445,000			
General operating expenses	333,623,000	[15] 434,412,000	388,130,000	428,842,000	420,000,000	+86,377,000	−14,412,000	+31,870,000	−8,842,000
Construction, major projects	68,343,000	230,850,000	230,850,000	223,924,500	223,925,000	+155,582,000	−6,925,000	−6,925,000	+500
Construction, minor projects	40,018,000	45,150,000	45,150,000	43,795,500	43,796,000	+3,778,000	−1,354,000	−1,354,000	+500
Grants for construction of State extended care facilities		10,000,000	10,000,000	9,700,000	9,700,000	+9,700,000	−300,000	−300,000	
Grants to the Republic of the Philippines	2,000,000	2,100,000	2,100,000	2,037,000	2,050,000	+50,000	−50,000	−50,000	+13,000
Payment of participation sales insufficiencies	4,400,000	1,828,000	1,828,000	1,828,000	1,828,000	−2,572,000			
Loan guaranty revolving fund (limitation on obligations)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)				
Vocational rehabilitation revolving fund		100,000	100,000	97,000	97,000	+97,000	−3,000	−3,000	
Total, Veterans Administration	13,538,920,000	13,993,698,000	13,414,680,000	13,992,126,000	13,983,298,000	+444,378,000	−10,400,000	+568,618,000	−8,828,000
Total, Title II, Space, Science, Veterans, and Certain Other Independent Agencies:									
New budget (obligational) authority	17,284,712,000	18,069,860,000	17,435,910,000	17,995,579,990	18,001,293,000	+716,581,000	−68,567,000	+565,383,000	+5,713,010
By transfer	(6,000,000)					(−6,000,000)			
TITLE III—CORPORATIONS									
Department of Housing and Urban Development:									
Federal Housing Administration:									
Administrative expenses	(15,445,000)	(13,880,000)	(13,803,000)	(13,803,000)	(13,803,000)	(−1,642,000)	(−77,000)		
Nonadministrative expenses	(176,796,000)	[17] (191,730,000)	(190,500,000)	(190,500,000)	(190,500,000)	(+13,704,000)	(−1,230,000)		
Government National Mortgage Association: Administrative expenses	(7,772,000)	(8,080,000)	(8,080,000)	(8,080,000)	(8,080,000)	(+308,000)			

Footnotes at end of table.

						Conference action compared with—			
Agency and item	New budget (obligational) authority, fiscal year 1974*	Budget estimates of new budget (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	New budget (obligational) authority, fiscal year 1974	Budget estimates of new budget (obligational) authority, fiscal year 1975	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE III—CORPORATIONS—Continued									
Federal Home Loan Bank Board:									
Administrative expenses	($9,700,000)	($10,470,000)	($10,400,000)	($10,400,000)	($10,400,000)	(+$700,000)	(−$70,000)		
Nonadministrative expenses	(18,530,000)	(20,800,000)	(20,736,000)	(20,736,000)	(20,736,000)	(+2,206,000)	(−64,000)		
Federal Savings and Loan Insurance Corporation, Administrative expenses	(740,000)	(776,000)	(772,000)	(772,000)	(772,000)	(+32,000)	(−4,000)		
Total, Title III, Administrative and Nonadministrative expenses	(228,983,000)	(245,736,000)	(244,291,000)	(244,291,000)	(244,291,000)	(+15,308,000)	(−1,445,000)		
Grand total, titles I, II, and III:									
New budget(obligational)authority	20,813,036,000	21,436,813,000	20,846,332,000	21,210,718,420	21,215,812,000	+402,776,000	−221,001,000	+$369,480,000	+$5,093,580
By transfer	(6,000,000)					(−6,000,000)			
Limitation on corporate funds to be expended	(228,983,000)	(245,736,000)	(244,291,000)	(244,291,000)	(244,291,000)	(+15,308,000)	(−1,445,000)		

* Includes all supplementals.

[1] Includes $3,140,000 in H. Doc. 93–311.

[2] Includes $950,000 in H. Doc. No. 93–311.

[3] Budget included $2,300,000,000 for a proposed Better Communities Act program, which was amended in H. Doc. No. 93–311 to $2,500,000,000 for Community Development, including $200,000,000 for Urban Renewal, $125,000,000 for Model Cities, and $100,000,000 for special transitional grants to the new program. Only $325,000,000 ($200,000,000 for Urban Renewal and $125,000,000 for Model Cities) is reflected as considered at this time and $2,175,000,000 is deferred for later consideration after authorizing legislation is finalized. The House considered $395,000,000 of the proposed Community Development program which, in addition to the $325,000,000 estimate, included $70,000,000 for the Rehabilitation Loan Fund.

[4] Includes $9,560,000 in H. Doc. No. 93–311.

[5] Includes $15,000,000 in H. Doc. No. 93–311.

[6] Includes $170,000 in H. Doc. No. 93–311.

[7] Includes $860,000 in H. Doc. No. 93–311.

[8] Carried in the Treasury, Postal Service, and General Government Appropriation Act, 1974.

[9] Includes $100,000,000 in H. Doc. No. 93–311.

[10] Carried in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1974.

[11] Carried in the Public Works for Water and Power Development and Atomic Energy Commission Appropriation Act, 1974.

[12] Excludes $4,693,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.

[13] Excludes $4,435,000 which was considered in the Special Energy Research and Development Appropriation Bill for 1975.

[14] Excludes $31,600,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.

[15] Excludes $101,800,000 which was considered in the Special Energy Research and Development Appropriation Bill for 1975.

[16] Amended budget estimates in S. Doc. No. 93–96 as follows:

Item	Original estimate	Amendment	Revised request
Compensation and pensions	$6,716,200,000	$566,800,000	$7,283,000,000
Veterans insurance and indemnities		8,750,000	8,750,000
General operating expenses	391,000,000	43,412,000	434,412,000

The original budget estimate for Veterans insurance and indemnities of $6,000,000 to be derived by transfer is deleted by the amended budget estimate in S. Doc. No. 93–96.

[17] Includes $10,490,000 increase in limitation in H. Doc. No. 93–311.

Mr. Speaker, the conference report outlines pretty well what the changes were in conference, and I would be delighted to answer any questions which may be propounded by any member of the committee.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Florida.

Mr. FUQUA. I thank the gentleman for yielding, Mr. Speaker, and I did have a question on amendment No. 25 relating to the construction funds for the Orbiter Horizontal Flight Test Facility at Edwards Air Force Base in California.

The House, as we recall, authorized or the conference agreed to a $3.9 million authorization. The House Committee on Appropriations did not appropriate any money, and I do want to commend the committee for coming back with an appropriation of $1.940 million for initiating construction.

I am concerned about some of the language, such as that NASA is not to proceed with the hangar project until the Air Force and NASA agree on the total shuttle facilities plan required at Edwards.

Once that agreement is reached, I have no argument with the agreement, but once that agreement is reached, if NASA determines that they can reprogram the money to build the larger facility that has been authorized and I think is made possible by the language as to the program, nothing in this language would prohibit that larger facility from being constructed; is that correct?

Mr. BOLAND. The gentleman is exactly correct.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Like the chairman of the subcommittee on which I served, I do appreciate the fact that the conference committee has seen fit to put in the $1.9 million language in the amendment. What did disturb me, as it apparently has the gentleman from Florida, is that the committee on conference has agreed that NASA is not to proceed until the Air Force and NASA agree on the total shuttle facilities plan required at Edwards.

I wonder whether the gentleman might elaborate a bit on that statement.

I only ask it because tomorrow night, at 9 o'clock, I will be at the NSA Flight Center at Edwards, and I would like to hear what this means.

Mr. BOLAND. As the gentleman has correctly stated, there is language in the report which indicates that the committee of conference has agreed that the NASA shall not proceed with the project until there is a total shuttle facility plan agreed on with the Air Force at Edwards.

As the gentleman well knows and as the gentleman from Florida knows, all of them are concerned about the scope of the overall facilities requirements at Edwards. There is a real possibility that the Air Force will use Edwards for some of its shuttle operations. All that the conferees are asking is that the Air Force and NASA get together on what particular facilities are required at Edwards.

I am sure the gentleman from California and the gentleman from Florida agree that what we do not want is a surfeit of facilities there, where we could be developing two separate shuttle facilities—one for the Air Force and one for NASA.

That is all we require, that they get together and make a determination as to what particular facilities are required for both the NASA and Air Force shuttle capability. Then they can go ahead and proceed with the facilities.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman for yielding.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I am pleased to yield to the gentleman from California.

Mr. SISK. I thank the gentleman from Massachusetts for yielding.

My question goes to my interpretation of amendment No. 50. In regard to the language proposed, this deletes a proposed appropriation of $30 million for assistance for health manpower training institutions as proposed by the Senate?

Mr. Speaker, as the gentleman will remember, I discussed this previously with some of the Members. I am concerned, of course, particularly about funding under subchapters 2, 3, and 4, and the information which I have from the Veterans' Administration is that there are no funds to go ahead and approve a proposed medical institution in California.

However, I am concerned because I understand there was some implication in the conference that there was money in the pipeline. I am wondering if the gentleman would make some comment here concerning what the possibilities would be for a new look-see in the case of a supplemental appropriation.

Mr. BOLAND. Mr. Speaker, in response to the gentleman's question, let me say that the gentleman has talked to me, and I know he has also talked to other members of the subcommittee. I commend the gentleman for his particular interest in this matter.

We think it is an important program, and we have appropriated, I believe, some $45 million over the past couple of years for these programs.

The gentleman from California is rightly concerned about the amounts which have been appropriated for titles II and III for this particular program.

The information that we have from the Veterans' Administration is that of the $45 million that has been appropriated heretofore for this program only $8,483,000 was obligated in the last fiscal year, and another $1,018,000 to date this year. It is true, as the gentleman knows, that there has been some indication on the part of the VA as to where these particular facilities will be located or how the amounts which have been appropriated will be spent. I think there were some five institutions which have already been approved by the Veterans' Administration: one in Texas, one in Tennessee, one in West Virginia, one in Ohio, and one in South Carolina.

However, there are sufficient funds here for the Veterans' Administration to make a determination of whether or not a facility should be available in California or whether Fresno, Calif., is an area that ought to be considered with the application of funds that are already available.

As the gentleman indicated, we did in our own subcommittee appropriate $30 million for this program. It was not a budgeted request. When it went over to the Senate, the Senate took out the $30 million on the basis of the argument I am now giving to the gentleman from California.

Mr. SISK. Mr. Speaker, if the gentleman will yield further, I do want to commend the gentleman from Massachusetts and his subcommittee for the $30 million which the House did, of course, put in. I am most grateful for that. I am, of course, concerned that it has been stricken.

I can understand the explanation. I understand there is some question, and I appreciate the explanation. Hopefully, if in fact that position is not exactly correct, after we look at the pipeline, then hopefully, of course, we can take a new look at the supplemental.

Mr. BOLAND. Mr. Speaker, the committee would be delighted to take another look at this. I am sure we can be helpful to the gentleman from California.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, am I correct in stating that this bill now totals $21,215 million and that amount is some $402 million above the spending for the same general purposes last year?

Mr. BOLAND. The gentleman is absolutely correct.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, are the amendments which were adopted in the committee entirely germane to the bill?

Mr. BOLAND. Yes, all amendments are germane to the bill.

Mr. GROSS. I thank the gentleman.

Mr. BOLAND. I thank the gentleman from Iowa.

Mr. TALCOTT. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from California (Mr. TALCOTT), the ranking minority member of the subcommittee.

Mr. TALCOTT. Mr. Speaker, today marks the culmination of the major effort of our HUD-Space-Science Veterans' Appropriations Subcommittee. It has been a long year for us. We have looked at new programs, we have reviewed old programs, and we have carefully examined each of the budget requests presented to us. The conference report before the House today is the result of those labors.

I compliment my able and distinguished colleague, the gentleman from Massachusetts (Mr. BOLAND) who is the chairman of our subcommittee. There is great diversity on the committee, rural and urban interests, North and South, East, and West, every point of view is represented. This broadness of representation is valuable in gaining perspective on the pros and cons of the various issues before us. But the divergent views, often held with great tenacity, are usually difficult to reconcile.

The chairman's spirit of compromise and the willingness of the members of this committee to work out our differences so that we can present a report which each can support and defend is commendable. I would also like to say that our committee is served by an outstanding staff. Homer Skarin and the other members of the staff have done an excellent job and have served the committee in the most professional manner. Their efforts have been a great assistance to all members of the committee in the performance of our duties, and that support and assistance is deeply appreciated. I should also say that Mike Hugo of the minority staff has been an able and effective assistant to those of us on this side of the aisle.

Mr. Speaker, yesterday your committee completed a short but arduous conference with the other body in which we had to settle more than 50 differences in the legislation. Several of those differences revolved around beliefs strongly held and well defended by individual Members of the other body. Many involved basic principles of the parliamentary and legislative processes. Several were of critical importance to major new undertakings or to the successful continuation of already popular programs.

In several instances we deferred proposals which were earnestly championed by the executive branch. Some of the deferrals may well be regretted in the future, but your conferees concluded that the necessity for fiscal constraint far outweighed some attractive and perhaps beneficial new long-range programs.

Mr. Speaker, although I intend to vote "aye" on this report, and I urge my colleagues to do likewise, I am seriously disappointed in, and strongly deplore, two provisions which we were forced to agree to. The matters are relatively minor, and should not be permitted to jeopardize prompt passage of this conference report. This bill contains urgently needed funds for the Veterans' Administration, the largest VA budget in history. The Congress is continuing its long record of richly deserved generosity to our veterans of all our wars.

The budget for NASA provides for research and development in space that has higher and higher Earth applications each year. The space shuttle will eventually pay for itself through new technology, in addition to the priceless new knowledge and contributions to science and industry.

However, the NASA budget also includes one of the classic examples of bad legislative technique that the other body has required in a long time. After we had considered the figures available to us, and passed the bill, the other body had the opportunity to see new figures which indicated that the area of Research and Program Management would need additional funds. Despite the fact that they had new figures and realized that additional funds would be needed, they proceeded and acted on a bill that they knew was too low in this area. The result was that on the floor an amendment was offered and accepted which gives NASA transfer authority between their "no-year" R. & D. appropriation, and their "annual" administrative appropriation. We had no choice but to retain this in conference, because if we had not accepted, the certain result would have been an almost immediate need for NASA to reduce their workforce to the detriment of their mission and the injury to their personnel.

This transfer authority is particularly odious to me because it was not necessary. Once the other body saw the need to increase the Research and Program Management account, and they both saw the need and had the votes to do it, then the proper way to handle the problem would have been to amend the bill and raise the R. & P.M. budget. This transfer authority destroys the integrity of the individual accounts and reduces the oversight power of the Congress. At a time when our colleagues on the Defense Subcommittee are finally reining in this practice with the Pentagon I see no valid reason to institute it with NASA. I serve notice that I will fight any attempt to continue this transfer authority beyond this year.

Within the National Science Foundation budget we were forced to utilize another very poor legislative technique, that of spending floors and ceilings. Because the authorizing legislation mandates certain spending levels which we cannot fund because of the need for fiscal restraint and because of the need for allocation of our scarce financial resources, we found that we had to resort to using simultaneous floors and ceilings. I do not like this concept, and I find it most difficult to support. I joined this Appropriations Committee because I felt that it would give me the opportunity to help control spending.

What good does it do us to urge administrators to use good management techniques when we impose spending floors on them? There is no benefit to be gained from achieving economies, because they must only spend the money again by our mandate.

We found that we had the same problem with the HUD budget. The other body added a provision to this bill which placed a floor of $500 million on operating subsidies, while the authorizing legislation, passed only a few days ago, contained a spending ceiling on the same item, at the same amount. I ask you, how can we expect any administrator to spend exactly $500 million over the course of a year, and hit the final figure exactly on the penny? Unfortunately, in order to obtain agreement to the conference we were forced to maintain a spending floor for this area, but at least at a reasonable level, of $450 million.

Our budget recommendation will allow HUD to begin to get our very important housing industry moving again. Housing is truly essential to both our society and our economy.

Housing provides shelter which is as basic as food, clothing and education. Housing also provides jobs—good jobs in construction. Housing provides jobs in the supply of materials, furnishings, fixtures and services. These are all good jobs, essential jobs to the economic welfare of our Nation. It is important that there be no further delay, we must move now to get the housing industry moving again. Housing provides joy, convenience, protection, privacy, family unity, and much, much more.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the distinguished gentleman from Texas (Mr. TEAGUE), the chairman of the Committee on Science and Astronautics.

Mr. TEAGUE. Mr. Speaker, I thank the gentleman for yielding me this time, and I merely wish to compliment the subcommittee on the excellent work they have done on the space program and on the veterans program, and I have just one little, short question to ask the gentleman from Massachusetts.

The American Battle Monuments Commission has recently been placed under the Committee on Veterans' Affairs, and in the past few years I have visited numerous cemeteries in Europe, and they are being kept up beautifully, but I was disappointed to see that there was a small cut in the amount of money to be afforded to the Commission. Every cemetery over there is short one or two employees.

Mr. BOLAND. Mr. Speaker, I agree with the gentleman from Texas that they are very fine cemeteries. I am sure the gentleman from Texas will be delighted to learn that we have restored the cut that had been proposed in the funds.

Mr. TEAGUE. I thank the gentleman.

Mr. FRENZEL. Mr. Speaker, I support the conference report on H.R. 15572, the HUD, Space, Science, and Veterans appropriations. It is a $21 billion package, but it carries the unappropriated liability for the new housing bill which must be dealt with in a supplemental appropriation. The housing liability for the last 6 months of this fiscal year will undoubtedly amount to over $1 billion.

Absent the housing financing the bill is up 2 percent from last year and about 1 percent under the budget for this year. With the housing supplemental, it will be up at least 8 percent for the year.

I normally vote against increases of this size, but the needs of housing are as important a priority as we now have. Therefore I support the bill. Nevertheless, I do not recede from my insistence that the overall budget be cut at least $5 billion. We can meet our highest priorities and still make the needed cuts.

Mr. BOLAND. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 3, answered "present" 1, not voting 51, as follows:

[Roll No. 518]

YEAS—379

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Pa.
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Latta
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nichols
Nix
Obey
O'Brien
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—3

Crane
Gross
Symms

ANSWERED "PRESENT"—1

Stanton, James V.

NOT VOTING—51

Addabbo
Aspin
Badillo
Baker
Biaggi
Blatnik
Brasco
Breaux
Burton, John
Carey, N.Y.
Corman
Davis, Ga.
Donohue
Evans, Colo.
Frey
Gray
Green, Oreg.
Griffiths
Gunter
Hanna
Hansen, Wash.
Harrington
Hébert
Helstoski

Landrum
Leggett
Litton
McSpadden
Macdonald
Martin, Nebr.
Nedzi
Nelsen
O'Hara

Patman
Podell
Powell, Ohio
Quillen
Randall
Rarick
Reid
Rooney, N.Y.
Skubitz

Steele
Stephens
Stuckey
Traxler
Van Deerlin
Wiggins
Wyman
Young, Alaska
Zwach

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Aspin.

Mr. Rooney of New York with Mr. Gunter.

Mr. Biaggi with Mr. Powell of Ohio.

Mr. Donohue with Mr. Baker.

Mr. Landrum with Mr. Blatnik.

Mr. Carey of New York with Mr. Harrington.

Mr. Breaux with Mr. Leggett.

Mr. John L. Burton with Mr. Litton.

Mr. Evans of Colorado with Mr. Davis of Georgia.

Mr. Macdonald with Mr. Frey.

Mr. Nedzi with Mr. McSpadden.

Mr. O'Hara with Mr. Gray.

Mr. Podell with Mr. Skubitz.

Mr. Reid with Mr. Traxler.

Mr. Stephens with Mrs. Green of Oregon.

Mr. Van Deerlin wtih Mrs. Griffiths.

Mr. Stuckey with Mr. Martin of Nebraska.

Mr. Hanna with Mr. Nelsen.

Mr. Corman with Mrs. Hansen of Washington.

Mr. Addabbo with Mr. Quillen.

Mr. Badillo with Mr. Zwach.

Mr. Rarick with Mr. Wiggins.

Mr. Randall with Mr. Steele.

Mr. Patman with Mr. Wyman.

Mr. Helstoski wtih Mr. Young of Alaska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: On page 2, line 13, insert: ": *Provided*, That none of these administrative funds may be used for the administration of the section 23 leasing program, or any replacement program, unless the available, unused balance of contract authority under the section 235 and section 236 programs, or any replacement programs, is made available for commitment, and committed, concurrent with the commitment of any contract authority under the section 23 program, or any replacement program, in amounts proportionate to the amounts committed under said section 23 program, or any replacement program."

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "*Provided*, That none of these administrative funds may be used for the administration of the section 23 leasing program, or any replacement program, unless the available, unused balance of contract authority under the section 236 program, or any replacement program, is made available for commitment concurrent with the making available for commitment of any contract authority under the section 23 program, or any replacement program.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: On page 4, line 2, insert: ", of which not less than $500,000,000 shall be used only for the payment of operating subsidies to local housing authorities."

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ", of which not less than $450,000,000 shall be used only for the payment of operating subsidies to local housing authorities".

Mr. RUTH. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from North Carolina.

Mr. RUTH. I thank the chairman for yielding.

Mr. Speaker, as we know, the House bill contained a report including $430 million for operating subsidies for housing. Not only did the Senate insist on $500 million for operating subsidies, but $450 million as an amount that must be spent. As I stated earlier, the function of the Committee on Appropriations is to appropriate funds.

To me, the function of the Appropriations Committee is to appropriate funds, not to insist on expenditures. I object strongly, both in principle and in reality.

Mr. BOLAND. Mr. Speaker, I share the gentleman's concern with respect to this particular amendment. As the gentleman from North Carolina has indicated, this is an earmarking for operating subsidies which is included in the housing payment appropriation of $2,300,000,000.

As the gentleman so correctly states, it is not good policy to establish a floor because it does force a department—it could force the department to overallocate more funds than necessary at that particular time. Under the budgets of the local housing authorities, payments are made at various times during the fiscal year, and if there are substantial funds left in the housing payment account just before the end of the fiscal year, then the department could be forced to spend money; and it could very well overallocate.

As the gentleman recognizes, he raised this question, as all of us did, in the conference. The gentleman from Florida raised the same question. As the gentleman recognizes, we had a considerable discussion about it but the Senate did not yield.

Mr. RUTH. If I could mention this at this time, I have a great deal of respect for the chairman, and I think the conference was conducted in a very fine manner. What does the Chairman think of this as a policy for appropriations?

Mr. BOLAND. Insofar as the Chairman's opinion of it is concerned, I share the concern of the gentleman from North Carolina. I have my own objections to a "floor" for a particular program.

Mr. CHAPPELL. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Speaker, I share the same concern the gentleman from North Carolina has and the chairman of the committee. I think we are setting a very dangerous precedent in specifying a floor on this kind of spending.

I hope that somehow we can get away from it. And whether there is a way we are able to defeat this or not, I hope we can get away from it.

Mr. TALCOTT. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from California.

Mr. TALCOTT. Mr. Speaker, I want to commend the gentleman from North Carolina and the gentleman from Florida for bringing this matter to the attention of the House. I certainly concur with them.

I think it is bad legislative policy. It not only happened with NASA, but also with the National Science Foundation, which has three floors in the Foundation budget which are just as objectionable from a legislative, procedural and parliamentary point of view, and there are others in the authorizing legislation which create a confusing situation for the Congress, at least.

I want to commend the gentleman from Massachusetts, the chairman of our committee, for working out the compromise. We either accepted these or we would have had no conference report in a timely fashion; it is that simple. I think we did the right thing at this time.

Mr. BOLAND. I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: On page 14, line 22, insert the following:

GENERAL PROVISION

Not to exceed one-half of 1 per centum of the appropriations made available to the National Aeronautics and Space Administration by this Act for "Research and development" and "Research and program management" may be transferred to either of the other mentioned appropriations, but not to exceed the amount authorized therefor by the National Aeronautics and Space Administration Authorization Act, 1975 (Public Law 93-316).

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein with an amendment, as follows: Strike out "one-half" in the second line of said amendment and insert: "one-quarter".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: On page 15, line 16, insert: "not to exceed $5,000 for official reception and representation expenses;".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: On page 15, line 23, insert: to remain available until expended:

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Boland moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ", to remain available until June 30, 1976".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment number 44: On page 17, line 15, insert: "not to exceed $1,200,000 for travel expenses and, ".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Boland moves that the House recede from its disagreement to the amendment of the Senate numbered 44 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 19, line 1, insert:

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and soldiers' and sailors' civil relief, $8,750,000, to remain available until expended.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Boland moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 51: Page 21, line 13, insert: "not to exceed $2,500 for official reception and representation expenses;".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Boland moves that the House recede from its disagreement to the amendment of the Senate numbered 51 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 58: Page 28, line 22, insert: "*Provided further*, That not to exceed $1,000 shall be available for official reception and representation expenses:".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Boland moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 59: Page 29, line 6, insert. "*Provided further*, That the dollar limitation of section 18(c) of the Federal Home Loan Bank Act is further increased by the cumulative assessments and interest-bearing or other advances for purposes thereof, which shall include related commercial facilities, hereby authorized to be required by the Board as nonadministrative expenditures of agencies under administration or supervision of the Board or of a body composed of its members, all of which are hereby included in the references therein to agencies under the Board's supervision, and the Board is hereby authorized to adjust as it deems equitable the interest on advances now or hereafter outstanding thereunder or hereunder:".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Boland moves that the House recede from its disagreement to the amendment of the Senate numbered 59 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to, and to include tables, charts, and other extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONCERNING SUBPENAS ISSUED IN UNITED STATES VERSUS JOHN N. MITCHELL, ET AL.

Mr. O'NEILL. Mr. Speaker, I again call up House Resolution 1341, which was at the desk and which was earlier reported, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The resolution follows:

H. RES. 1341

Whereas in the case of United States of America against John N. Mitchell et al. (Criminal Case No. 74–110), pending in the United States District Court for the District of Columbia, subpenas duces tecum were issued by the said court and addressed to Representative Peter W. Rodino, United States House of Representatives, and to John Doar, Chief Counsel, House Judicial Subcommittee on Impeachment, House of Representatives, directing them to appear as witnesses before said court at 10:00 antemeridian on the 9th day of September, 1974, and to bring with them certain and sundry papers in the possession and under the control of the House of Representatives: Therefore, be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That the House of Representatives under Article I, Section 2 of the Constitution has the sole power of impeachment and has the sole power to investigate and gather evidence to determine whether the House of Representatives shall exercise its constitutional power of impeachment; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice, or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the papers and documents called for in the subpenas duces tecum, then the said court, through any of its officers or agents, have full permission to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House and take copies of all memoranda and notes, in the files of the Committee on the Judiciary, of interviews with those persons who subsequently appeared as witnesses in the proceedings before the full Committee pursuant to House Resolution 803, such limited access in this instance not being an interference with the Constitutional impeachment power of the House, and the Clerk of the House is authorized to supply certified copies of such documents and papers in possession or control of the House of Representatives that the court has found to be material and relevant (except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto, be disclosed or copied) and which the court or other proper officer thereof shall desire, so as, however, the possession of said papers, documents, and records by the House of Representatives shall not be disturbed, or the same shall not be removed from their place of file or custody under any Members, officer, or employee of the House of Representatives; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpenas aforementioned.

Mr. O'NEILL. Mr. Speaker, I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Speaker, I thank the gentleman for yielding.

I see no reason why the House ought not support this resolution. It calls for a rather narrow compliance, with a subpena served upon Chairman Rodino by Mr. Haldeman's counsel. As I understand it, the House, by this resolution, would authorize counsel for Mr. Haldeman to take copies of the staff interview notes regarding the nine witnesses who appeared as live witnesses before the impeachment inquiry to the extent that the court finds such notes to be material and relevant to its proceedings.

I must say, Mr. Speaker, that I cannot quite understand the particular value of those notes. Certainly they are not very good evidence. They were made by staff personnel following the interviews, summarizing the interviews, and so far as I know, no person interviewed ever agreed to the substance of the statements in the staff memoranda.

Mr. Speaker, the entire record of the impeachment inquiry proceedings has been printed and made available to the public. Now, I would be concerned if I thought this was the first of a horde of subpenas that are going to be served upon the committee asking for all manner of information in connection with the impeachment inquiry. However, I cannot conceive that that will be the case since, as I say, the inquiry is a matter of public record and what has been subpenaed in this instance really does not constitute the best evidence in a judicial proceeding.

I do not think that we will be violating the precedents of the House or, with that understanding, opening ourselves up to an undue request for information by litigants in courts.

Mr. Speaker, I thank the gentleman for yielding.

Mr. RODINO. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New Jersey (Mr. Rodino), the chairman of the Committee on the Judiciary.

Mr. RODINO. Mr. Speaker, I thank the majority leader for yielding.

Mr. Speaker, I would merely like to state that this matter has now been very seriously considered by counsel of the Committee on the Judiciary, by those who conducted the impeachment inquiry, and by members of the committee itself, both on the majority and minority side.

After this very, very deliberate consultation, we decided that it would be appropriate to provide this very limited access to those materials which are being subpenaed. However, it is only being done with the understanding, as is provided in the resolution, that in this case it in no way violates or intrudes upon the sole power of impeachment by the House of Representatives. The resolution gives this access only in this narrow case. And it will only be done after the court determines materiality and relevance.

Mr. Speaker, I therefore can repeat what I stated earlier: it is the wish of the persons named in the subpenas to accommodate by granting the limited access explicitly authorized by the terms of this resolution.

After consulting with counsel on both sides of the aisle it was agreed that this limited availability would be appropriate. However, the House by this resolution makes very clear that it has the sole power of impeachment and the sole power to gather evidence in an impeachment inquiry. Only because this narrow access, by the very terms of the resolution, does not interfere with the House's constitutional power am I in support of its passage.

The **SPEAKER.** The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report on H.R. 13999, National Science Foundation Authorization Act, 1975.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 13999, NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, 1975

Mr. TEAGUE. Mr. Speaker, I call up the conference report on the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 19, 1974.)

Mr. TEAGUE (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, following is a brief but complete summary of the legislative history of H.R. 13999:

SUMMARY OF LEGISLATIVE HISTORY OF H.R. 13999

ACTIONS BY 93D CONGRESS

Passed House April 25 (330–8).

Passed Senate amended, May 16 (voice vote).

Conference reported, August 19.

Senate agreed to Conference report, August 19 (voice vote).

SUMMARY OF CONFERENCE REPORT

The Conference would authorize funding as follows:

[In thousands of dollars]

		Compared with—		
	Conference	House	Senate	Administration
Support of research and administrative operations	807, 500	783, 200	829, 800	783, 200
Excess foreign currencies	5, 000	5, 000	5, 000	5, 000
Total	812, 500	788, 200	834, 800	788, 200

The Conference proposes authorization for major items as follows: (1) Scientific Research Project Support, $358.7 million; (2) National and Special Research Program, $91.9 million; (3) National Research Centers, $52.5 million; (4) Science Information Activities, $6.3 million; (5) International Cooperative Activities, $8.0 million; (6) Research Applied to National Needs, $148.9 million; (7) Intergovernmental Science Programs, $2.0 million; (8) Institutional Improvement for Science, $12.0 million; (9) Graduate Student Support, $15.0 million; (10) Science Education Improvement, $70.0 million; (11) Planning and Policy Studies, $2.7 million; (12) Program Development and Management, $39.5 million.

The major differences between the House and Senate involved the following two categories. The first category, Science Research Project Support: the House approved $354.0 million and the Senate, $363.7 million; the conference agreed to the figure of $358.7 million which is $5.0 million less than requested by the Administration. The sixth category, Research Applied to National Needs: the House approved $139.1 million and the Senate, $160.7 million; conferees agreed on the figure requested by the Administration, $148.9 million.

A number of minima were placed under certain programs in order to insure that funds not be taken from these programs for support of other research. The minima are specified in Section 2 of the Conference Report and are explained in detail in the Statement of Managers on page 5 of the Conference Report. In all there are 10 minima none of major proportion except the floor of $70.0 million placed under category 10, Science Education Improvement.

With regard to non-funding differences between the House and Senate versions, the conferees agreed to remove the so-called "student unrest provision" from the House version on the grounds that this same effect is achieved in the Appropriations Act by similar language directed to persons receiving NSF grants who caused disruption or damage to their institutions. Conferees also agreed to remove a provision in the House bill prohibiting any fetal research with funds authorized on the grounds that this provision became unnecessary due to the provision of the "Protection of Human Subjects Act" (P.L. 93–348), and has always been moot as far as NSF is concerned since it has never supported such research and does not do so now. Finally, the conferees agreed to strike language contained in both versions of the bill with regard to coordination of solar energy research. The conferees prescribed the essence of both versions in the Statement of Managers, which requires a special coordination in this important area between the Foundation, NASA, and other appropriate agencies.

H. Report 93–995.

S. Report 93–848.

Conference Report 93–1302.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I must ask if there are any amendments placed in the bill in conference, and, if so, were they germane? Are they germane to the bill?

Mr. TEAGUE. Mr. Speaker, there are no amendments which are not germane to the bill.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. MOSHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur in the statement of the gentleman from Texas (Mr. Teague).

We on the minority side of the Science Committee urge approval of this conference report. The National Science Foundation—NSF—Authorization Act for fiscal year 1975 approves an expenditure of $807.5 million plus $5 million in excess foreign currencies. In arriving at this figure the conferees virtually split the difference between the House and Senate bills. The current amount is $24.3 million more than authorized by the House and $22.3 million less than authorized by the Senate.

The compromise reached by the conferees reflects their judgment regarding the proper emphasis in NSF's programs. The NSF supports a great variety of programs very important in the national interest, and the conferees sought to establish an equitable balance of funds among the various programs.

The largest single allocation of funding, $358.7 million, goes to the Scientific Research Project Support. This effort represents the backbone of NSF's research programs. It fosters the kind of basic scientific groundwork which is a forerunner to eventual widescale practical applications.

The next largest amount, $148.9 million, goes to Research Applied to National Needs—RANN. RANN serves as a catalyst in hastening the utilization of basic technology in practical applications. For example, it is playing a key role in the search for new energy sources. RANN energy programs are accelerating progress in geothermal and solar energy, in addition to pursuing innovative concepts for energy conversion and storage.

We recognize that our most valuable resource lies in human talent. The bill provides for promoting these human resources through graduate student support, science education improvement, and institutional improvement for science. To reinforce our concern the conference bill also sets budgetary floors in several areas. This insures that funding for some particularly worthy topics will not be circumscribed.

Mr. Speaker, one prominent nonfunding adjustment concerns a provision added to the NSF act on the House floor which would prohibit funds from being used in fetal research. The Senate bill omitted this provision because they believed it was unnecessary. The House conferees concurred and agreed to delete this provision.

When the NSF act was before the House in April, I reluctantly joined in voting for the prohibition on fetal research. I did that in an effort to head off wording which seemed to me even more objectionable. Also, because the NSF has not conducted nor does it contemplate conducting fetal research, thus the fetal research prohibition was aimed at a nonexisting problem.

But it was and is very personal opinion that a topic of such pervasive scope and impact should be carefully considered by itself, where it could receive our concentrated attention. I urged that the appropriate committees hold extensive hearings to bring out all aspects of this topic.

Since April the Congress has established a comprehensive investigative team to explore the issue of fetal research. I refer to Public Law 93-348, the Protection of Human Subjects Act. This act creates a blue ribbon commission within the Department of Health, Education, and Welfare to study, and evaluate the countervailing aspects of fetal research. The Commission will report to Congress and its work will provide an indepth background for appropriate legislation. The conferees believe this approach is prudent and should supersede piecemeal prohibitions. For these reasons the conferees acquiesced to the Senate bill.

Mr. Speaker, I believe the NSF Authorization Act conference bill provides the means for maintaining our Nation's leadership in science and technology. The basic and applied research which this bill supports will pay us rich dividends for many years to come. I urge my colleagues to join me in voting for it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MOSHER. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I would ask the gentleman froom Ohio how we fared with respect to the funding of the National Science Foundation; was there an increase over the House bill, or a decrease?

Mr. MOSHER. There was an increase over the House bill. In effect, we split the difference between the Senate and the House, and this means an increase of roughly $23 million, as I remember it, which is a substantial amount, I agree, but we felt that it was warranted.

Mr. GROSS. I presume the gentleman would feel it was justified and warranted, or the gentleman woull have opposed it in the conference.

That brings the total to what in the bill?

Mr. MOSHER. The total in the bill is $807.5 million. If the gentleman from Iowa will allow me to make a further comment, it is sort of an academic question at this point because we have just approved a few minutes ago the appropriation for the National Science Foundation for this year at a figure of $661.5 million. Then there also was $100 million appropriated 2 or 3 months ago in the energy bill, and the two of those appropriations total considerably less than we are authorizing here today.

Mr. GROSS. May I ask the gentleman, that was in the conference report submitted by the gentleman from Massachusetts (Mr. BOLAND)?

Mr. MOSHER. That is correct.

Mr. GROSS That becomes one more good reason why I voted against that conference report.

I thank the gentleman for yielding.

Mr. MOSHER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Speaker, I would like to urge my colleagues to join me in supporting this conference report on the National Science Foundation authorization bill for fiscal year 1975.

The National Science Foundation is the Nation's primary agency for the promotion of scientific research and education.

One of the most pressing problems in the world today is the energy crisis.

This measure contains substantial authorization amounts for research. Both basic and applied, into alternative sources of energy.

NSF has been designated as the lead agency in this area, and the majority of authorization increases in the bill are for such efforts.

In keeping with the original charter of the foundation, there are also supportive authorizations for scientific education and information exchange.

The National Science Foundation plays an important role in maintaining our Nation's scientific strength.

Today's complex society demands the sophisticated research and scientific education supported by the foundation to solve its delicate problems—those that affect not only our country, but also the entire world.

Again, I ask my colleagues to unanimously support this necessary and vital measure.

Mr. TEAGUE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ESTABLISHING A NATIONAL PROGRAM FOR RESEARCH AND DEVELOPMENT IN NONNUCLEAR ENERGY SOURCES

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1325, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1325

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13565) to establish a national program for research and development in nonnuclear energy sources. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. It shall also be in order to consider the text of the amendment printed on pages 28247–28251 of the Congressional Record of August 14, 1974, if offered as a substitute for said committee amendment in the nature of a substitute. At the conclusion of the consideration of H.R. 13565 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House or to the comment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 13565, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 1283, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 13565 as passed by the House.

The SPEAKER. The gentleman from Indiana (Mr. MADDEN) is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1325 provides for an open rule with 1 hour of general debate on H.R. 13565, a bill to establish a national program for research and development in nonnuclear energy sources.

House Resolution 1325 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment.

House Resolution 1325 also provides that it shall be in order to consider the text of the amendment printed on pages 28247–28251 of the CONGRESSIONAL RECORD of August 14, 1974—the Udall amendment—if offered as a substitute for the committee amendment in the nature of a substitute.

House Resolution 1325 also provides that after the passage of H.R. 13565, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 1283, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 1283 and insert in lieu thereof the provisions contained in H.R. 13565 as passed by the House.

H.R. 13565 establishes a national program for research and development in nonnuclear energy sources. The bill will provide the program and policy guidelines and the funding authorizations for ERDA's nonnuclear energy sources.

Mr. Speaker, I urge the adoption of House Resolution 1325 in order that we may discuss, debate, and pass H.R. 13565.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, this is a very simple rule and it has been adequately explained by the gentleman from Indiana (Mr. MADDEN).

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HOSMER).

Mr. HOSMER. Mr. Speaker, I have asked for this time in order to set forth a legislative situation. The bill that we are going to have before us, in my view, is somewhat of a dog and it does require some amending. When it gets over to go to conference with the other body, both its bill and ours will undoubtedly be changed consideraby. It is my purpose to get on the record some things that ought to be in this bill and particularly in the language that they ought to be.

I realize that the Membership would like to get out of here and make their airplane reservations tonight, and I have every sympathy with that desire. I wish to say, Mr. Speaker, that if the Members do not make their airplanes it will not be my fault but it will be the Majority Leader's fault, who, if the time got late, might decline to have the committee rise and carry forward this issue the next time we meet. There is, indeed, nothing about this piece of legislation that has to be passed today. We cannot go to conference on it until the Congress comes back from its recess, anyway, and I am not about to—in the interest of saving some time—be denied the opportunity to have this bill discussed as it should be discussed, because if we go wrong here we could impede the Nation's search for energy independence very drastically. If we go right here, we could expedite it.

I thank the gentleman for the time and yield back the balance of my time.

Mr. LATTA. Mr. Speaker, I have no further requests for time and reserve the balance of my time.

AMENDMENT OFFERED BY MR. MADDEN

Mr. MADDEN. Mr. Speaker, I offer an amendment.

I found an error in the printing.

The Clerk read as follows:

> Amendment offered by Mr. MADDEN: Page 2, line 12, strike out "or to the comment" and "on any amendment".

The amendment was agreed to.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

POSTPONING VOTES ON CONFERENCE REPORT ON H.R. 12628, VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1974 UNTIL AFTER 3 O'CLOCK

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that any rollcall votes on H.R. 12628, the Vietnam Era Veterans Readjustment Act of 1974 conference report be put off until 3 o'clock because there are about 40 Members who are at the White House for a bill signing.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 12628, VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1974

Mr. DORN. Mr. Speaker, I call up the conference report on the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

POINT OF ORDER

Mr. GROSS. Mr. Speaker, I ask to be recognized at the proper time to make a point of order against the conference report.

The SPEAKER. The gentleman can be recognized prior to the reading of the statement of the managers on the conference report.

Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER. The gentleman from Iowa is recognized.

Mr. GROSS. Mr. Speaker, I raise a point of order against the conference report on H.R. 12628, the Veterans Education and Rehabilitation Amendments of 1974. The conference report violates clause 3 of rule XXVIII in that the conferees exceeded the scope of the conference.

Clause 3 of rule XXVIII states, in part, that the report of conferees:

> Shall not include matter not committed to the conference committee by either House, nor shall their report include a modification of any specific topic, question, issue, or proposition committed to the conference committee by either or both Houses *if that modification is beyond the scope of that specific topic, question, issue or proposition as so committed to the conference committee.*" (emphasis added)

H.R. 12628, as approved by this House on February 19, authorized a 13.6 percent increase in monthly subsistence allowances for veterans participating in vocational rehabilitation training and veterans educational programs. The Senate, on June 19, adopted an amendment in the nature of a substitute that authorized an 18.2-percent increase in monthly payments under this legislation. The House subsequently disagreed with the Senate amendment and a conference was held.

Sections 2 and 5 of the House-passed bill provided for an increase in benefits of 13.6 percent for specific categories of eligible veterans and dependents. The corresponding provisions passed by the Senate, sections 101 and 213, authorize an increase of 18.2 percent in those benefits. The conference report, in sections 101 and 104, clearly authorize an increase of 22.7 percent in monthly allowances for those same categories of trainees. This modification is beyond the scope of the specific disagreement committed to the conference committee and is a clear violation of clause 3 of rule XXVIII.

As an example, an unmarried veteran participating in a vocational rehabilitation program under chapter 31 of title 38 of the United States Code would be entitled to the following monthly benefits:

First. Under current law—$170 per month.

Second. House-passed bill—$193 per month.

Third. Senate-passed bill—$201 per month.

Fourth. Conference report—$209 per month.

Mr. Speaker, sections 101 and 104 of the conference report exceed the scope of the conference. And I ask that the point of order be sustained.

The SPEAKER. Does the gentleman from South Carolina desire to be heard on the point of order?

Mr. DORN. I do, Mr. Speaker.

Mr. Speaker, I welcome the opportunity to explain the background of the particular provisions of the conference-reported bill which appear to be the basis for the gentleman's raising of a point of order.

To simplify my explanation, may I take the example of a single veteran who is attending full-time college training. Under the existing law he receives an educational allowance of $220 per month. This allowance is paid to him directly to assist in bearing his tuition, subsistence, and other educational expenses. As passed by the House, H.R. 12628 proposed to increase this allowance to $250, representing an increase of 13.6 percent over the current rate. Following extended hearings and deliberations on the part of the Senate in which there was considerable support for an added or supplemental partial tuition allowance, which would also be payable directly to the veteran, the Senate returned our bill with an amendment in the nature of a complete substitute. Probably the most significant aspect of the Senate substitute was to provide a new rate "package" consisting of an 18-percent increase in the basic monthly allowance to $260 for a single veteran, coupled with an additional "partial tuition assistance allowance" under a formula which would result, in the typical case, a maximum of $720 per school year. Accordingly the total assistance package proposed by the Senate potentially available for a single veteran, including the partial tuition assistance allowance, would approximate $290 per month.

The Members will recall that in the original GI bill a separate tuition payment, subject to a maximum, was authorized to be paid directly to the institution. For various reasons, which I will not discuss in detail at this point, our House Select Committee following World War II concluded that any monetary payment geared to cost of tuition either to the school involved or to the veteran concerned was fraught with abuse and proved to be an administrative monstrosity. Therefore, almost 25 years ago when we enacted the Korean GI bill, it was the established congressional policy that the Government's obligation was directly to the veteran and a single monthly allowance was authorized for him. This concept was continued in the so-called cold war GI bill in 1966. Nevertheless, even though millions of eligible veterans have completed their training under the existing law, there developed a growing pressure for including in the current bill at this late date a tuition provision.

It is highly significant to note, however, that the Senate amendment to H.R. 12628 in this area deliberately structured the legislative approach to include, as described above, a "partial tuition assistance allowance" as part and parcel of the overall educational allowance to the veteran and in legislative form was included within the specific rate tables contained in title 38.

I am sure that the Members are fully aware of the consensus of the Committee on Veterans' Affairs and the House conferees in opposition to any so-called tuition factor being injected in the veterans' GI bill in view of our demonstrated unfortunate experience in the past. Accordingly, the House conferees were successful in persuading their Senate counterparts to delete the partial tuition assistance allowance set forth as a footnote in the allowance rate table, thus saving roughly $31 per month in the value of the average partial tuition allowance payment, and agreed upon the single allowance of $270 a month, which is a 22.7-percent increase over the single allowance payable today.

I think it is very pertinent at this point to include an excerpt from the Senate debate when the bill was considered on June 19. Senator CRANSTON, a member of the Readjustment, Education, and Employment Subcommittee of the Senate Committee on Veterans' Affairs, inquired of the chairman, Senator HARTKE, as follows:

> My question for the distinguished floor manager is this: Does he agree that in working out the differences between the House and the Senate bills, the Senate, viewed in traditional terms, will be negotiating from an educational assistance value of approximately $291 per month and the House will be negotiating from a position of $250?"

In response to Senator CRANSTON's inquiry, Chairman HARTKE stated:

> The Senate will be negotiating with respect to a total educational assistance package, which consists of increases in the monthly educational assistance allowance and a partial tuition assistance allowance. If viewed in strictly monetary terms using the traditional single monthly assistance allowance, it would be correct to say, as the senior Senator from California has suggested, that we would be negotiating between approximately $291 and $250 per month.

It was in the light of the rate package concept that the conferees finally negotiated the single monthly payment of $270 and rejected completely the partial tuition allowance proposed in the Senate amendment.

I would like to comment on one aspect that should be clarified. If the Senate version were enacted it is possible that some veterans enrolled at the relatively few low-cost or free tuition public institutions would not immediately benefit from the supplemental partial tuition allowance—thus qualifying only for the basic monthly allowance of $260, compared to the higher conference figure of $270. However, it should be borne in mind that every such veteran would have available to him the continuing option of taking advantage of securing up to $720 additional in the form of a partial tuition allowance should he choose at any time to attend any one of the vast majority of institutions where tuition is a very real cost factor. In contrast, the conference compromise merely increases for all veterans the basic allowance to $270—with no supplemental in any case.

The decision of the conferees to drop the partial tuition assistance allowance and establish a single basic allowance of $270 for chapter 34 trainees encompassed 98 percent of all trainees involved. Since both the House and Senate bills set the same percentage increase for the trainees under chapter 34, who make up 98 percent of trainees, and disabled veterans training under chapter 31, who make up 2 percent of trainees, the conferees decided to remain consistent with the position of both the House and Senate and therefore extended the 23-percent increase to all classes of trainees.

I think it is also significant to point out that the net fiscal effect of adoption of the conferees' recommendations will result in an annual savings to the Government of almost a half billion dollars per year over the Senate version.

In conclusion, Mr. Speaker, considered in the context of the overall rate structure package which was considered by the conferees, it is our strong conviction that the agreement on the single educational allowance rate contained in the conference bill does not violate either the letter or the spirit of rule XXVIII of the House of Representatives.

Mr. GROSS. Mr. Speaker, may I be heard very briefly further?

The SPEAKER. The gentleman from Iowa is recognized on his point of order.

Mr. GROSS. Mr. Speaker, I respectfully submit that the gentleman has offered his resistance to the point of order based upon section 102 of the bill. My point of order goes to sections 101 and 104 of the conference report.

The SPEAKER. The gentleman is correct.

Does the gentleman from South Carolina desire to be heard on the specific point of order made by the gentleman from Iowa? As the Chair understood it, the gentleman's argument related primarily to a point of order that might have been made on a different section.

Mr. DORN. Mr. Speaker, I would like to comment further to the distinguished gentleman from Iowa.

The decision of the conferees to drop the partial tuition assistance and establish a single basic allowance of $270 for chapter 34 trainees encompassed 98 percent of all trainees involved. Since both the House and Senate bills set the same percentage increase for trainees under Chapter 34, who may be 98 percent of all trainees, and disabled veterans training under chapter 31 to make up 2 percent of the trainees, the conferees decided to remain consistent to the positions of both the House and Senate, and therefore extended the 23 percent increase to all classes of veterans.

The SPEAKER. Is the gentleman arguing correctly to the point of order, or is the gentleman, in effect, conceding?

The Chair is prepared to rule.

The gentleman from Iowa makes a point of order against the conference report on H.R. 12628, the Veterans Education and Rehabilitation Act Amendments of 1974, on the ground that the conferees have exceeded the scope of their authority.

Specifically, it is alleged that the conference report provides a greater amount of vocational rehabilitation assistance per month and a greater apprenticeship, or on-the-job training assistance, per month than either the House or Senate versions.

The Chair has examined section 101 of the conference report, which amends a table in title 38, United States Code, section 1504(b) to provide $209 a month in vocational assistance for a veteran with no dependents enrolled full time at an educational institution. Section 2 of the House bill amends the payment figure to provide $193 a month. Section 101 of the Senate amendment in the nature of a substitute amends the same figure to provide only $201 a month.

The conference amendment clearly exceeds the dollar amount of either the House or Senate version.

Similarly, section 104 of the conference report amends a table in title 38, United States Code, section 1787(b) to provide $196 a month assistance during the first 6 months for an individual with no dependents, for apprenticeship or on-the-job training.

The House bill provides, in section 5, $182 for that purpose, and the Senate amendment provides, in section 213, $189 for that purpose.

The conference report exceeds the dollar amount contained in both the House bill and the Senate amendment in the nature of a substitute.

As the conferees have exceeded their authority under clause 3, rule XXVIII, the Chair therefore sustains the point of order against the conference report.

MOTION OFFERED BY MR. DORN

Mr. DORN. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment to the text of the bill and agree to the same with the following amendment.

The Clerk read as follows:

Mr. DORN moves that the House recede from its disagreement to the Senate amendment to the text of the bill and agree to the same with the following amendment: In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert the following:

That this Act may be cited as the "Vietnam-Era Veterans' Readjustment Assistance Act of 1974".

TITLE I—VOCATIONAL REHABILITATION AND EDUCATIONAL TRAINING ASSISTANCE ALLOWANCE RATE ADJUSTMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1501(2) a comma and "all appropriate individualized tutorial assistance," after "counseling";

(2) by striking out in section 1502(a) all after "if such disability" and inserting in lieu thereof "arose out of service during World War II or thereafter."; and

(3) by amending the table contained in section 1504(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV plus the following for each dependent in excess of two:
Institutional:				
Full-time	$201	$249	$293	$21
Three-quarter-time	151	188	221	17
Half-time	100	125	147	11
Farm cooperative, apprentice, or other on-job training:				
Full-time	175	212	245	17".

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by striking out in the last sentence of section 1677(b) "$220" and inserting in lieu thereof "$260";

(2) by amending the table contained in section 1682(a)(1) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$270	$321	$366	$22
Three-quarter-time	203	240	275	17
Half-time	135	160	182	11
Cooperative	217	255	289	17";

(3) by striking out in section 1682(b) "$220" and inserting in lieu thereof "$260";

(4) by amending the table contained in section 1682(c)(2) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$217	$255	$289	$17
Three-quarter-time	163	191	218	13
Half-time	109	128	145	9";

and

(5) by striking out in section 1696(b) "$220" and inserting in lieu thereof "$260".

SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by amending section 1732(a)(1) to read as follows:

"(a)(1) The educational assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed in section 1682(a)(1) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents.";

(2) by striking out in section 1732(a)(2) all after and including "of (A)" and inserting in lieu thereof "prescribed, in section 1682(b)(2) of this title for less-than-half-time pursuit of an institutional program by an eligible veteran.";

(3) by striking out in section 1732(b) "$177" and inserting in lieu thereof "$209"; and

(4) by amending section 1742(a) to read as follows:

"(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on behalf of such person a special training allowance computed at the basic rate of $260 per month. If the charges for tuition and fees applicable to any such course are more than $82 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed $82 a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each $8.69 that the special training allowance paid exceeds the basic monthly allowance.".

SEC. 104. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1786(a)(2) "$200" and inserting in lieu thereof "$260";

(2) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$189	$212	$232	$9
Second 6 months	142	164	184	9
Third 6 months	95	117	137	9
Fourth and any succeeding 6-month periods	47	70	90	9";

and

(3) by amending section 1787(b)(2) to read as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be computed at the rate prescribed in paragraph (1) of this subsection for an eligible veteran with no dependents pursuing such a course.".

SEC. 105. (a) The Administrator shall carry out directly a thorough study and investigation of the administrative difficulties and opportunities or abuse that would be occasioned by enactment of some form of variable tuition assistance allowance program, with reference to such difficulties and abuses experienced by the Veterans' Administration after the end of World War II in carrying out the provisions of Veterans' Regulation Numbered 1(a), relating to the payment of tuition and related expenses for veterans of World War II pursuing a program of education or training under the Servicemen's Readjustment Act of 1944, and to any such difficulties and abuses presently being experienced by the Veterans' Administration in carrying out existing tuition assistance programs under title 38, United States Code, including chapter 31 vocational rehabilitation, correspondence courses, flight training and PREP, and of ways in which any such difficulties and abuses could be avoided or minimized through legislative or administrative action so as to insure an expeditious, orderly, and effective implementation of any tuition assistance allowance program.

(b) In carrying out the study and investigation required by subsection (a), the Administrator shall consult with and solicit the views and suggestions of interested veterans' organizations, educational groups and associations, persons receiving assistance under chapters 31, 34, 35 and 36 of title 38, United States Code, other Federal departments and agencies, and other interested parties.

(c) The Administrator shall report to the Congress and the President not later than one year after the date of enactment of this Act on the results of the study and investigation carried out under this section, including any recommendations for legislation or administrative action.

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

Sec. 201. Section 1652(a)(3) of title 38, United States Code, is amended by striking out the period at the end of such section and inserting in lieu thereof "unless at some time subsequent to the completion of such period of active duty for training such individual served on active duty for a consecutive period of one year or more (not including any service as a cadet or midshipman at one of the service academies).".

Sec. 202. Section 1673 of title 38, United States Code, is amended as follows:

(1) by amending subsection (a)(2) to read as follows:

"(2) any sales or sales management course which does not provide specialized training within a specific vocational field, or in any other course with a vocational objective, unless the eligible veteran or the institution offering such course submits justification showing that at least one-half of the persons who completed such course over the preceding two-year period, and who are not unavailable for employment, have been employed in the occupational category for which the course was designed to provide training (but in computing the number of persons who completed such course over any such two-year period, there shall not be included the number of persons who completed such course with assistance under this title while serving on active duty); or";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character"; and

(3) by amending subsection (d) to read as follows:

"(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V or subchapter VI of this chapter) which does not lead to a standard college degree and which is offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this title.".

Sec. 203. Section 1682 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has 'already qualified,' a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service.

"(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance based upon the rate prescribed in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

"(3) The educational assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.".

Sec. 204. Section 1685 of title 38, United States Code, is amended as follows:

(1) by striking out in subsection (a) all of that portion of the second sentence preceding "during a semester" and inserting in lieu thereof "Such work-study allowance shall be paid in the amount of $625 in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating two hundred and fifty hours";

(2) by striking out the last sentence of subsection (a) and inserting in lieu thereof the following: "An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid $250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours."; and

(3) by striking out in subsection (c) "(not to exceed eight hundred man-years or their equivalent in man-hours during any fiscal year)".

Sec. 205. Section 1692(b) of title 38, United States Code, is amended as follows:

(1) by striking out "$50" and inserting in lieu thereof "$60";

(2) by striking out "nine months" and inserting in lieu thereof "twelve months"; and

(3) by striking out "$450" and inserting in lieu thereof "$720"

Sec. 206. Section 1723 of title 38, United States Code, is amended as follows:

(1) by amending subsection (a)(2) to read as follows:

"(2) any sales or sales management course which does not provide specialized training within a specific vocational field, or in any other course with a vocational objective, unless the eligible person or the institution offering such course submits justification showing that at least one-half of the persons who completed such course over the preceding two-year period, and who are not unavailable for employment, have been employed in the occupational category for which the course was designed to provide training (but in computing the number of persons who completed such course over any such two-year period, there shall not be included the number of persons who completed such course with assistance under this title while serving on active duty); or";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character";

(3) by striking out in subsection (c) "any course of institutional on-farm training,"; and

(4) by striking out in subsection (d) "to be pursued below the college level" and inserting in lieu thereof "not leading to a standard college degree".

Sec. 207. Section 1732 of title 38, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c)(1) An eligible person who is enrolled in an educational institution for a 'farm cooperative' program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

"(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

"(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

"(C) a half-time basis (a minimum of five clock hours per week), shall be eligible to receive an educational assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

"(2) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed in section 1682(c)(2) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents.".

Sec. 208. Section 1780(a)(2) is amended by inserting "(or customary vacation periods connected therewith)" after "holidays".

Sec. 209. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by amending section 1774(b) to read as follows:

"(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

"Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$550.
Over $5,000 but not exceeding $10,000	$1,000.
Over $10,000 but not exceeding $35,000	$1,000 for the first $10,000 plus $925 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000	$6,050.
Over $40,000 but not exceeding $75,000	$6,050 for the first $40,000 plus $800 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000	$12,000.
Over $85,000	$12,000 for the first $80,000 plus $700 for each additional $5,000 or fraction thereof.";

and

(2) by amending section 1784(b) to read follows:

"(b) The Administrator may pay to any educational institution, or to any joint apprenticeship training committee acting as a training establishment, furnishing education or training under either this chapter or chapter 34 or 35 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to submit to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying $3 by the number of eligible veterans or eligible persons enrolled under this chapter or chapter 34 or 35 of this title, or $4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d)(5) of this title, on October 31 of that year; except that the Administrator may, where it is established by such educational institution or joint apprenticeship training committee that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran enrollment plus eligible person enrollment in such educational institution or joint apprenticeship training committee during such calendar year, establish such other date as representative of the peak enrollment as may be justified for such educational institution or joint apprenticeship training committee. The reporting fee shall be paid to such educational institution or joint apprenticeship training committee as soon as feasible after the end of the calendar year for which it is applicable."

SEC. 210. Section 1788(a) of title 36, United States Code, is amended as follows:

(1) by striking out in clause (1) "below the college level" and inserting in lieu thereof a comma and "not leading to a standard college degree,";

(2) by striking out in clause (2) "below the college level" and inserting in lieu thereof a comma and "not leading to a standard college degree,";

(3) by striking out in clause (6) "below the college level" and inserting in lieu thereof "not leading to a standard college degree"; and

(4) by adding at the end of such subsection the following:

"Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection); but (A) the academic portions of such courses must require outside preparation and be measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses must be measured on not less than one quarter or one semester hour for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses must be measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester. In no event shall such course be considered a full-time course when less than twenty-two hours per week of attendance is required.".

SEC. 211. (a) Chapter 36 of title 38, United States Code, is amended by inserting at the end thereof the following new section:

"§ 1796. Limitation on certain advertising, sales, and enrollment practices

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

"(c) Not later than sixty days after the end of each fiscal year, the administrator shall report to Congress on the nature and disposition of all cases arising under this section."

(b) The table of sections at the beginning of chapter 36 of such title is amended by inserting

"1796. Limitation on certain advertising, sales, and enrollment practices."

below

"1795. Limitation on period of assistance under two or more programs.".

SEC. 212. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new sections:

"§ 219. Evaluation and data collection

"(a) The Administrator, pursuant to general standards which he shall prescribe in regulations, shall measure and evaluate on a continuing basis the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in achieving such goals in relation to their costs, their impact on related programs, and their structure and mechanisms for delivery of services. Such information as the Administrator may deem necessary for purposes of such evaluations shall be made available to him, upon requests, by all departments, agencies, and instrumentalities of the executive branch.

"(b) In carrying out this section, the Administrator shall collect, collate, and analyze on a continuing basis full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of real property, proposed excessing of land, accretion and attrition of personnel, and categorized expenditures attributable thereto, under all programs carried out under this title.

"(c) The Administrator shall make available to the public and on a regular basis provide to the appropriate committees of the Congress copies of all completed evaluative research studies and summaries of evaluations of program impact and effectiveness carried out, and tabulations and analyses of all data collected, under this section.

"§ 220. Coordination of other Federal programs affecting veterans and their dependents

"The Administrator shall seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all other departments, agencies, and instrumentalities of the executive branch and shall seek to achieve the maximum feasible coordination of such programs with programs carried out under this title.".

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding

"219. Evaluation and data collection.

"220. Coordination of other Federal programs affecting veterans and their dependents."

below

"218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.".

SEC. 213. Subchapter IV of chapter 3 of title 38, United States Code, is amended as follows:

(1) by inserting in section 241 "In carrying out the purposes of this subchapter (including the provision, to the maximum feasible extent, of such services, in areas where a significant number of eligible veterans and eligible dependents speak a language other than English as their principal language, in the principal language of such persons)" after "outreach services";

(2) by inserting in clause (2) "to eligible veterans and eligible dependents" after "information" the first time it appears;

(3) by striking out in section 242(b) "may implement such special telephone service" and inserting in lieu thereof "shall establish and carry out all possible programs and services, including special telephone facilities,";

(4) redesignating sections 243 and 244 as 244 and 245, respectively, and adding the following new section after section 242:

"§ 243. Veterans' representatives

"(a)(1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapters 31, 34, 35, and 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

"(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans' affairs counseling, outreach, and other related veterans' services.

"(3) The functions of such veterans' representatives shall be to—

"(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

"(B) assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

"(C) maintain active liaison, communication, and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

"(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments authorized under this title;

"(E) coordinate Veterans' Administration matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the higher Education Act of 1965, as amended (hereinafter referred to as 'V.C.I., institutions');

"(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

"(G) where such functions are not being adequately carried out by existing programs at such institutions (i) provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title) and (ii) carry out outreach activities under this subchapter; and

"(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

"(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more than one particular educational institution.

"(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

"(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that the activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title."; and

(5) amending section 244 (as redesignated by clause (4) of this subsection) of such title by—

(A) striking out "may" and inserting in lieu thereof "shall"; and

(B) inserting "and provide for" after "conduct" in paragraph (5).

(b) The table of sections at the beginning of such chapter is amended by striking out

"243. Utilization of other agencies.
"244. Report to Congress."

and inserting in lieu thereof

"243. Veterans' representatives.
"244. Utilization of other agencies.
"245. Report to Congress.".

TITLE III—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

SEC. 301. Chapter 41 of title 38, United States Code, is amended as follows:

(a) Section 2001 is amended by redesignating paragraph (2) as paragraph (3) and adding after paragraph (1) a new paragraph (2) as follows:

"(2) The term 'eligible person' means—

"(A) the spouse of any person who died of a service-connected disability.

"(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37 and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or

"(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.".

(b) Section 2002 is amended by (1) inserting "and eligible persons" after "eligible veterans" and (2) inserting "and persons" after "such veterans".

(c) Section 2003 is amended by—

(1) striking out in the first sentence "250,000 veterans" and inserting in lieu thereof "250,000 veterans and eligible persons";

(2) striking out in the fourth sentence "veterans'" and inserting in lieu thereof "veterans' and eligible persons'";

(3) inserting in clauses (1), (2), (4), (5), and (6) of the fifth sentence "and eligible persons" after "eligible veterans" each time the latter term appears in such clauses;

(4) inserting in clause (3) of the fifth sentence "or an eligible person's" after "eligible veteran's"; and

(5) inserting in clause (4) of the fifth sentence "and persons" after "such veterans".

(d) Section 2005 is amended by inserting "and eligible persons" after "eligible veterans".

(e) The last sentence of section 2006(a) is amended by striking out "veterans" and inserting in lieu thereof "eligible veterans and eligible persons".

(f) Section 2007 is amended by—

(1) inserting in subsection (a)(1) "and each eligible person" after "active duty,";

(2) redesignating subsection (b) as subsection (c) and inserting the following new subsection (b):

"(b) The Secretary of Labor shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section."; and

(3) striking out in the second sentence of subsection (c) (as redesignated by clause (2) of this subsection) "and other eligible veterans" and inserting in lieu thereof "other eligible veterans, and eligible persons".

SEC. 302. Chapter 42 of title 38, United State Code, is amended as follows:

(1) by inserting in the first sentence of section 2012(a) "in the amount of $10,000 or more" after "contract" where it first appears, by striking out ", in employing persons to carry out such contract," in such sentence, and by striking out "give special emphasis to the employment of" and inserting in lieu thereof "take affirmative action to employ and advance in employment" in such sentence;

(2) by striking out in the third sentence of section 2012(a) "The" and inserting in lieu thereof "In addition to requiring affirmative action to employ such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the"; and

(3) by striking out in the first sentence of section 2012(b) "giving special emphasis in employment to" and inserting in lieu thereof "the employment of".

SEC. 303. (a) Chapter 42 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 2014. Employment within the Federal Government

"(a) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

"(b) To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS-5, as specified in subchapter II of chapter 51 of title 5, and subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970, except that in applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted. The eligibility of such a veteran for a readjustment appointment shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appoint may be made under authority of this subsection after June 30, 1978.

"(c) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93-112 (87 Stat. 391), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

"(d) The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extend of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.

"(e) The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section, except that, with respect to subsection (c) of this section, the Commission may include a report of such activities separately in the report required to be submitted by section 501(d) of such Public Law 93-112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.

"(f) Notwithstanding section 2011 of this title, the terms 'veteran' and 'disabled veteran' as used in this section shall have the meaning provided for under generally applicable civil service law and regulations.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"2014. Employment within the Federal Government.".

Sec. 304. (a) Part III of title 38, United States Code, is amended by adding at the end thereof a new chapter as follows:

"Chapter 43—Veterans' Reemployment Rights

"Sec.
"2021. Right to reemployment of inducted persons; benefits protected.
"2022. Enforcement procedures.
"2023. Reemployment by the United States, territory, possession, or the District of Columbia.
"2024. Rights of persons who enlist or are called to active duty; Reserves.
"2025. Assistance in obtaining reemployment.
"2026. Prior rights for reemployment.

"§ 2021. Right to reemployment of inducted persons; benefits protected

"(a) In the case of any person who is inducted into the Armed Forces of the United States under the Military Selective Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receive a certificate described in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service), and (2) makes application for reemployment within ninety days after such person is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

"(A) if such position was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

"(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of the employer, be offered employment and, if such person so requests, be employed in such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case;

"(B) if such position was in the employ of a State, or political subdivision thereof, or a private employer, such person shall—

"(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be offered employment and, if such person so requests, be employed by such employer or his successor in interest in such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case,

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so. Nothing in this chapter shall excuse noncompliance with any status or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections than the rights established pursuant to this chapter.

"(b)(1) Any person who is restored to or employed in a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored or reemployed without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration or reemployment.

"(2) It is hereby declared to be the sense of the Congress that any person who is restored to or employed in a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored or reemployed in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment, or reemployment.

"(3) Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.

"(c) The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were induced into the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or orinance of such State or political subdivision establishing greater or additional rights or protections.

"If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021 (a), (b)(1), or (b)(3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits provided for in such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming to be entitled to the benefits provided for in such provisions, such United States attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent. No State statute of limitations shall apply to any proceedings under this chapter.

"§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

"(a) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored or reemployed by such agency or the successor to its fuunctions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

"(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

"(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia, the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be offered employment and, if such person so requests, be employed in such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to or employed in positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be reemployed under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules, regulations, and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits provided for in such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term 'agency in the executive branch of the Government' means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the United States Postal Service and the Postal Rate Commission).

"(b) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a), and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored or employed by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces. In any case in which it is not possible for any such person to be restored to or employed in a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 3304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be offered employment and, if such person so requests, be employed in such position by the agency in which such position exists.

"(c) Any person who is entitled to be restored to or employed in a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored or reemployed by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

"§ 2024. Rights of persons who enlist or are called to active duty; Reserves

"(a) Any person who, after entering the employment on the basis of which such person claims restoration or reemployment, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all of the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise, performed by such persons after August 1, 1961, does not exceed five years, and if the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

"(b)(1) Any person who, after entering the employment on the basis of which such person claims restoration or reemployment, enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntary, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided for by this chapter in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

"(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness and other than for training) or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b)(1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this subsection shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

"(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consective months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this chapter for persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person restored to or employed in a position in accordance with the provisions of this subsection shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.

"(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for a period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary for him to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be offered employment and, if such person so requests, be employed by that employer or his successor in interest in such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

"(e) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining, by a preinduction or other examination, physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to such rejection or examination, such employee shall be permitted to return to such employee's position in accordance with the provisions of subsection (d) of this section.

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or section 206, 301, 309, 402, or 1002 of title 37, is considered inactive duty training.

"§ 2025. Assistance in obtaining reemployment

"The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement of their former positions or reemployment of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

"§ 2026. Prior rights for reemployment

"In any case in which two or more persons who are entitled to be restored to or employed in a position under the provisions of this chapter or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto or reemployed on the basis thereof, without prejudice to the reemployment rights of the other person or persons to be restored or reemployed."

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by adding at the end thereof

"43. Veterans' Reemployment Rights_ 2021".

SEC. 305. Section 9 of the Military Selective Service Act is amended by—

(1) repealing subsection (b) through (h); and

(2) redesignating subsections (i) and (j) as subsections (b) and (c), respectively.

TITLE IV—EFFECTIVE DATES

SEC. 401. Title I of this Act shall become effective on September 1, 1974.

SEC. 402. Titles II and III of this Act shall become effective on the date of their enactment.

Mr. DORN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

Mr. GROSS. Mr. Speaker, reserving the right to object, may we be assured that this now brings the bill into conformance?

Mr. DORN. Pardon me? I did not hear the gentleman.

Mr. GROSS. May we have assurance that this brings the bill into conformance?

Mr. DORN. This is only to bring it into conformance with the objection of the gentleman. This amendment would reduce the education and training allowance for veterans as to rehabilitation, job, and apprenticeship programs from 23 percent to 18 percent.

In addition, it would eliminate the extension of training time so that it would go from 45 months to 36 months, and eliminate the loan program.

Therefore, this brings it in conformity. May I say to my good friend, the gentleman from Iowa, that it would meet the objections voiced by the President, as I understand the President's position.

Mr. GROSS. May I have the same assurance from the gentleman from Arkansas?

Mr. HAMMERSCHMIDT. Yes, if the gentleman from Iowa will yield.

Mr. GROSS. Of course. I yield.

Mr. HAMMERSCHMIDT. It is my understanding that the action taken by the distinguished chairman tends to bring it into conformity with the wishes of the President.

Mr. DORN. It would eliminate the objection, may I say to my friend, the gentleman from Iowa.

Mr. GROSS. I do not know that I understand the point about the White House. My only concern at this point is to bring about consideration of the subject matter in conformance with the rules of the House.

Mr. HAMMERSCHMIDT. It would eliminate the objections.

Mr. DORN. It would eliminate the objections by the distinguished gentleman from Iowa under his point of order.

Mr. GROSS. Mr. Speaker, with that assurance, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. WOLFF. Mr. Speaker, reserving the right to object for a moment, the colloquy that has taken place certainly presents a situation whereby we are asked to meet the requests of the White House to cut programs for the Vietnam veterans.

However, what about those veterans? What about these Vietnam veterans? If we bow to the White House, we are not meeting our responsibility to them.

The very fact is that there was an agreement by the House and the Senate in conference for the additional money. The Chair ruled against this because it was said to be in excess of what had been agreed upon individually by both Houses. In fact it was not in excess of the total amount of money that was authorized by the Senate bill originally.

It is just unfortunate that we have to bring this matter to a point where it is necessary to reduce the amount for these young kids and bring it back to 18 percent.

Mr. Speaker, to me it seems to be an anachronism to be talking about taking away what is necessary to provide a decent education for kids who served at a time when the President recently talked about granting amnesty to people who did not. I agree with the President but we must take care of those kids who went to war and risked their lives.

Mr. Speaker, I will not object, but I believe that the matter is one we certainly must speak out against, as it relates to the position we are taking now in reducing this amount.

These kids cannot go to school today. They are at a point today where they must register for school and they do not have the funds to go back to school. Yet this House passed a measure just recently authorizing some $1 billion for Vietnam—to take care of the people of Vietnam.

How about taking care of the people who fought to maintain the freedom of those people in Vietnam? Are they not entitled to the same consideration as those whom they fought for?

What you have done here today is take away the loan program for these veterans, in addition you have shortened the entitlement program.

I am distressed that this point of order has been raised. Where are all those who so strongly supported this war now that these men have come home?

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Speaker, further reserving the right to object—and I will not object—I seem to recall that we gave $2 billion to Israel last year. There could be more funds for expenditure in this country if Congress would stop pouring out foreign aid by the billions every year.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object—and I shall not object—I want to commend the very responsible action of our distinguished chairman as well as the member of the education subcommittee, the gentleman from Texas (Mr. TEAGUE), on this action in trying to reach an agreement where we can have a bill before the fall term of school starts.

The benefits that have been suggested here in this motion are every bit as much as the benefits afforded those veterans of World War II and of the Korean War, and I want to commend the gentleman. I, of course, have not had the opportunity to review the substitute being offered by the distinguished chairman of the committee. I am delighted, however, to have his assurance that the substitute truly conforms to the guidelines suggested by the President and will eliminate his objections to the bill agreed to by the conference.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. TEAGUE. Mr. Speaker, further reserving the right to object, last February this House passed a bill by a vote of 382 to 0 increasing the GI benefits $1 billion 100 million. Then the other body passed a bill increasing the benefits $2 billion. We came back to the House with a conference report of $1 billion 444 million. The amendment that has just been offered will result in our having a bill costing $1 billion 200 million.

So I do not want the impression to be left that the House is doing nothing for the veterans program, because we are.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I rise in support of expeditious consideration of this measure since our veterans are awaiting some disposition of this bill so that they can make proper plans for the fall.

While I am disappointed that the House has struck two provisions of the bill which I have supported and which would have been helpful to our veterans in furthering their education, the urgency of our favorable consideration is critical so that our veterans can begin to make plans for returning to their colleges and universities.

Both the 9-month additional entitlement period and the loan program which were struck from the bill today were worthwhile improvements in our veterans programs, improvements I have supported. However, we still have a good bill, a bill which will give the Vietnam era veteran additional financial assistance, substantially increasing his ability to remain in college and avail himself of the opportunities of higher education.

Furthermore, by our actions today we have substantially increased the likelihood of Presidential support for this measure and have all but diminished the possibility of a veto of this legislation.

Accordingly, in the interests of getting the needed assistance to our Vietnam era veterans now, when this assistance is crucial, I urge my colleagues to support this conference report on H.R. 12628, the Vietnam Era Readjustment Assistance Act of 1974.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from South Carolina that the amendment be considered as read?

There was no objection.

Mr. **PRICE** of Illinois. Mr. Speaker, the conference report on the Vietnam Era Veterans' Readjustment Assistance Act represents a concerted effort to give young veterans the opportunity to make a place for themselves in American society.

I have often spoken here of the Vietnam veteran's special burden—returning to a nation bitterly divided over the war in which he fought and unable to fully appreciate his sacrifice. As the people purged the agony of Vietnam from their memories, the veteran's plight was also forgotten.

Mr. Speaker, now we have the opportunity to redress the harsh effects of this apathy. By passage of this conference report the Vietnam veteran will have a greater opportunity for education and vocational rehabilitation than ever before. A 22.7-percent increase in the basic rates for educational allowances will afford every veteran a fair chance in the job market.

Mr. Speaker, it is no secret that the President may veto this bill because he fears the economic effects of increased Federal spending. While I agree that reduced spending is desirable, I am unwilling to support arbitrary, knee-jerk reductions.

I suggest that whatever adverse effect this bill would have on the economy is far outweighed by the benefits it provides. The bill ultimately will result in increased empoyment of veterans, thus reducing the high unemployment rate that has become the silent but sinister partner of the present inflation.

The President and most of us in this Chamber voted to spend billions on the war in Vietnam. It will demonstrate uncharacteristic insensitivity to decline a relatively modest expenditure of $700 million to heal a lingering wound of that war.

I do not suggest that we must pass this bill as restitution; but we are obliged to take followup measures to our actions of the last decade. This bill is the logical and moral sequal to the Vietnam experience.

Mr. Speaker, the Vietnam war was a tragedy, and I suggest that the President not build another tragedy upon it. I urge my colleagues to pass this bill by a majority so large that the President will realize the depth of our concern and the strength of our resolve that the men who fought in our most difficult war not be forgotten.

Mr. ANDERSON of California. Mr. Speaker, I rise in support of the substitute motion of H.R. 12628, the Veterans' Education and Rehabilitation Amendments of 1974.

I am pleased that Congress has finally given some real hope to the Vietnam veterans who have been in the past struggling to receive a college education with too little assistance from the Government they so earnestly fought to protect.

Under the provisions of this substitute motion, the Vietnam veterans will be entitled to much improved educational benefits. These would include:

A 23-percent increase in educational allowance rate, which represents an increase from $220 to $270 per month for the single veteran, an increase from $298 to $360 for the married veteran with one child, and an additional $23 per month for each additional child.

An increase of 18.2 percent in educational allowance for veterans on job-training programs, flight training, correspondence courses, and vocational rehabilitation.

An increase from 8 to 10 years for the veteran-student to complete his educational program.

Authorization for up to 6 months for refresher training to update knowledge and skills in his field of employment.

Provision to expand work-study programs; programs for educationally disadvantaged; and assistance for Federal help to veterans seeking employment.

This landmark piece of legislation will provide increased benefits of approximately $1 billion for cash benefits per year for Vietnam veterans.

Mr. Speaker, due to the urgency of this legislation, I should like to urge that my colleagues join me today in voting for this long-overdue piece of legislation in order that the nearly 1.7 million Vietnam era veterans who are expected to use their GI bill benefits in the coming year will have improved educational benefits when school begins this fall.

Mr. **KEMP.** Mr. Speaker, I rise in support of this vital legislation for America's veterans. During the past several days we have been witness to a renewed phenomenon here in the Nation's Capital. I speak of the mood of cooperation, coordination, and compromise which is permeating the relations between Congress and the President. It is healthy for both our institutions, for the holders of those offices, and, most importantly, for the Nation.

This legislation means we are going to get these benefits to the veterans much sooner than if we went through a veto process.

The Congress is committed to providing additional educational benefits to veterans, but so too is the President. Let us get this into law as soon as possible to take care of our obligation to America's veterans especially those of the Vietnam era.

We owe a great measure of gratitude to our veterans. In my opinion, they are entitled to expressions of that gratitude—expressions more tangible than mere "thanks." I have met with Canisius College and SUNYAB veterans and I know of their strong support for educational benefits.

We have asked our men and women in uniform to risk their lives and limbs for the defense of the Nation, our freedom, and that of our allies. Let us never forget, when we weigh these matters, that though the price of freedom is high, it is never so costly as the loss of it. The service of millions of veterans, both in combat and in preserving the peace, has insured against losing that freedom.

Not infrequently, veterans have problems which confront them in their statuses as veterans—housing, education, hospital, and rehabilitative care, pensions, jobs, adjustment. Yet, when they do, they do not want a handout from Uncle Sam. They just want a hand. They simply want what they feel is a reasonable return from the Nation for their service—service which often involved substantial hardships and disruptions of lives, careers, and education.

There are, of course, different types of benefits provided to veterans—to meet their different types of problems. A veterans educational benefits program—such as the one we will act upon in a few days—is intended, for example, primarily for younger veterans—those still actively acquiring a formal higher education or training for an occupation. On the other hand, a program for long-term convalescent care is more applicable—though not solely—to our more elderly veterans.

MAJOR VETERANS MEASURES ALREADY ENACTED THIS CONGRESS

I think this Congress has been attentive to the needs of our veterans. In addition to sustaining authority and funding for ongoing veterans programs, we have also enacted five major, new veterans bills.

Public Law 93–177 provides for increases in monthly rates of veterans' disability and death pensions, dependency and indemnity compensation, and increases income limitation relating to such pensions and compensation. The provisions of two bills which I sponsored, H.R. 1754 and H.R. 2686, introduced in January of 1973, became a part of this bill effecting 2.2 million veterans and 375,000 dependents and survivors.

Public Law 93–82, provides improved medical care to veterans and to certain dependents and survivors of veterans.

Public Law 93–208, prevents college-enrolled veterans from losing educational assistance or subsistence benefits due to an institution's inoperation caused by the energy crisis.

Public Law 93–75, authorized the Administrator of the Veterans Administration to determine a more effective policy of interest rates on VA mortgages, to permit greater access to housing today by veterans.

Public Law 93-43, established a National Cemetery System within the Veterans Administration.

And, Public Law 92-365, a bill which I sponsored during the prior Congress, enables the President to make additional appointments to the U.S. military academies, specifically permitting special attention to be given applicants who are the children of those from the Vietnam era who were killed or missing in action or held as prisoners of war.

And, we have passed the legislation extending to Polish and Czechoslovakian servicemen, who fought under allied flags but who chose to live in America after the wars, the same benefits we now provide to our own veterans. These men and women helped us win those wars; they fought with us. This legislation is a recognition on our part of their service to freedom and on their choice of America as their new homeland.

I supported these measures.

VETERANS WANT INFLATION CONTROLLED

There is much left to do, and we should set about doing these tasks.

One of the most important things we can ever do to help the veteran is to lift the onerous burden of inflation. Higher food and fuel costs, higher interest rates, higher rent and mortgage payments, higher utility costs—these are all caused by inflation. Inflation is their root cause. Surely, we must strive to bring relief from these results of inflation. But, more importantly, we must endeavor to solve the problem itself.

Inflation is caused principally by two factors: Too much government spending and too much issuance of paper money with which government tries to pay for that spending. Government spending must be brought under control; the people know that. The Congress and Executive should insure it.

When government runs deficits year after year and simply prints more money to pay for those debts, it devalues the dollar. That means your dollar is worth less; you have to spend more of them today to buy what you could have bought for less yesterday. That is inflation.

Similarly, when government runs deficits year after year and borrows money to cover them on the open market, it draws that money away from our other borrowers. When loan money is tight—because government is taking billions and billions of it to pay its bills—businesses cannot get loans as easily. And, when they cannot get loan money to replace outdated equipment or to expand their operations, jobs are lost and become scarce. This hits the veteran hard too.

I am committed to controlling excessive government spending and inflation. I think that is one of the most important things I can do for our veterans—and for all our people.

MUCH TO DO

There is much in the way of specific veterans legislation which remains to be done also.

We enacted an 11-percent social security monthly benefits increase this Congress. What was not foreseen was that this extra social security income would mean veterans pensions would be reduced. This is grossly unfair—for government to give with one hand and take with the other. I have introduced a bill, H.R. 13402, to insure that veterans pensions are not reduced due to increased social security benefits, and I am pleased to report that the Committee on Veterans Affairs has concluded hearings on the bill. I urge them to report it to the House in order that it might be acted upon as soon as possible.

We must also concentrate on jobs. Jobs are, of course, the essential element in maintaining the economic stability of working veterans. Admittedly, the entire educational benefits program for veterans is job-related, in that vocational education, career training, and formal higher education all prepare one—make one better qualified—for jobs. But that is not all we can do. We must extend and improve our Nation's unemployment programs to further help the veteran. I have introduced a bill, H.R. 14119, to do this. My bill, H.R. 4645, would promote employment of unemployed Vietnam veterans through a variety of initiatives.

There are several other key bills relating to the Vietnam war era veteran which should receive our attention. My bill, H.R. 3623, would provide additional adjustment assistance for POW's. My bill, H.R. 8961, would establish within the Peace Corps a Vietnam assistance volunteer program, something desired very strongly by many Vietnam veterans who want to go back, as civilians, to work with the people of South Vietnam in rebuilding their lives. Closely related to that measure is my bill, H.R. 8964, introduced the same day, to simplify adoption procedures for Vietnam orphans. A considerable number of Vietnam veterans want to adopt Vietnamese orphans. We should make it easier for them to do so.

I have also introduced a bill, H.R. 8331, to provide for emergency private hospital care for veterans where facilities are not adequately or immediately available at veterans hospitals.

HELPING VETERANS IN WESTERN NEW YORK

There is more to do than passing bills. I speak of the need by all of us to stand ever ready to help individual veterans, their dependents and survivors overcome specific problems confronting them.

I have worked hard to improve the quality of service at the Veterans Administration Hospital in Buffalo. This hospital, which brings a payroll of millions to our area each year—thereby helping to insure and create more jobs and take-home pay for the wage-earners—is in need of improvement and renovation to stay abreast of improved health care. I have had the honor of announcing grants to help the Administrator and his staff meet these needs, including the modernization of the air-conditioning of the hospital's surgical section and the renovation of the clinical chemical laboratory.

In addition, I have been instrumental in bringing about several needed changes in admissions services at the hospital. Round-the-clock, 7-days-a-week nursing service is now provided in the admission area. Nurses are there, not only to aid immediately in rendering medical service, but also in insuring priorities as to who needs to see a physician most urgently. Two social worker associates have been assigned to the admissions service to help patients who simply do not know what they should do to gain service or admission. The medical administration staff has been increased to help expedite the processing of the paperwork necessary to gain admission, and all residents working in admissions now receive special orientation as to their duties there.

I have had an excellent relationship with the able and conscientious director at the hospital, Joe Paris. He has given our veterans problems top priority, resulting in immediate resolution of problems confronting individual patients and in making the changes in administrative policy necessary to avoid repetition of recurring problems.

In addition, I have helped resolve many individual grievances and concerns of particular veterans in western New York.

A COMMITMENT

Mr. Speaker, we have done much in this Congress to help the veteran. I can assure my colleagues of my continuing support for such efforts in the future.

Mr. MURTHA. Mr. Speaker, the Vietnam Era Veterans Readjustment Assistance Act of 1974 has at times been overwhelmed in a crossfire of figures. As the House concludes consideration of the bill, I would like to add just four more figures to the debate:

Only 30 percent of Pennsylvania veterans are attending colleges and universities and taking advantage of GI benefits;

Unemployment among Vietnam era veterans in the 12th Congressional District has at times reached levels where 25 percent of the unemployed were veterans;

The unemployment rate of veterans across Pennsylvania has consistently been above 6 percent and consistently higher than the State average;

A graduate of a 4-year college has projected lifetime earnings that are $231,873 higher than the high school graduate.

Mr. Speaker, the Vietnam era veteran is typically a proud young man, despite the furor of the war and despite the difficulty of his readjustment to civilian life. He does not want undue help. He does want—and he deserves—to have the Government do the job it promised in helping him get his higher education.

The bill we have passed is not a perfect bill. I would have liked to have seen more aid for the veteran; and I would have liked to have seen the 45 months extension kept in the bill.

But the overwhelming priority at this time is that we agree on a bill, and that we pass and the President sign it before September so the veteran knows what he can count on as another school year begins.

This is not a perfect bill. But it is an acceptable bill. And it will help. I voted for it because it will help the veteran, and he needs and deserves help now without more months of wrangling and uncertainty.

As Congress has acted to improve things for the veteran and has made every attempt to secure a bill agreeable to all sides in the discussion, I would also like to include for the record, a copy of a letter I have just sent to President Gerald Ford, asking the President to sign H.R. 12686 and make it law, for the good of our veterans:

House of Representatives,
Washington, D.C., August 22, 1974.

The President of the United States,
The White House,
Washington, D.C.

Dear Mr. President: As you probably know, I was in South Vietnam with the 1st Marines. Consequently, many of the young fellows who have served in Vietnam come to me with their problems. When I served in the Pennsylvania Legislature, we felt so strongly about the small benefits compared to the increase in educational costs that I was able to have passed legislation which would give the veteran an independent grant of an average of $700.

These young fellows who, in many cases, did not believe in the war served honorably under very adverse conditions. While Congress sat in their air-conditioned offices and debated the efforts and the rightness of the war, they fought in the mud and jungles of Southeast Asia.

When they returned, because of the divisiveness in the country, some of them were embarrassed to admit they had fought in Southeast Asia and many are ashamed to wear their uniforms. I have long supported the Administration's Southeast Asia policy, privately and publicly.

In my District, as high as 25% of the unemployed are veterans. Because of the high cost of an education, it takes them longer to get through school and, even with the additional grant in Pennsylvania, it is necessary for them to borrow money to complete their college education. It is estimated by the Veterans' Administration that the money we spent in additional costs after World War II has been returned sixfold in taxes to this great nation.

Mr. President, it seems that the $500 million that was cut from the Senate version is a satisfactory compromise. I believe it would be a real injustice to veto legislation which is so important to the young men who fought for our country and are now trying to get started again.

Sincerely,

John P. Murtha,
Member of Congress.

The **SPEAKER**. Without objection, the previous question is ordered on the motion.

There was no objection.

The **SPEAKER**. The question is on the motion.

Mr. **HAMMERSCHMIDT**. Mr. Speaker, I know that we have a unanimous-consent agreement for a delayed vote, but I demand a recorded vote on the motion.

The **SPEAKER**. The Chair will state that pursuant to the previous agreement, further proceedings on this matter will be put over until 3 o'clock.

Mr. **TEAGUE**. Mr. Speaker, I support adoption of the conference report on H.R. 12628. I do this with some reluctance because there are some features of the bill which I do not like.

The House passed this bill on February 19. It is regrettable that it was delayed so long in Senate and was further delayed by the Senate adding extensive controversial amendments which doubled the cost of the bill. The House conferees persuaded the Senate to recede on one of the most costly and controversial amendments, the one providing for a tuition supplement payment. This provision was estimated to cost $589.9 million the first year. It was strongly opposed by the Veterans' Administration and, in my opinion, its enactment would have caused serious difficulties. Some of the problems involved are as follows:

First. The program would be susceptible to abuses. This is borne out by problems the Veterans' Administration is having now with several programs where tuition is paid, such as the military PREP program, flight schools, and correspondence schools. The House and Senate Veterans' Affairs Committees are investigating abuses in the military PREP program now where the VA pays all tuition. Flight schools have created a great many problems. In the case of flight schools, the VA pays 90 percent of the tuition charge and this has led to many rackets and abuses. A new racket has developed where accredited, State-supported institutions are contracting with correspondence courses, calling the correspondence course an accredited course, and splitting the tuition between the private contractor and the accredited school. This is under investigation now.

Second. The Veterans' Administration points out that the provision of the Senate bill which limits tuition assistance payments based on out-of-State tuition rates if the veteran was a resident of a State immediately prior to his entering into the military service would be extremely difficult to administer and would involve the VA in attempting to make residence determinations.

Third. The Senate bill provides for partial payment of tuition or fees in lieu of tuition. This will require the VA to attempt to make decisions as relating to fees in lieu of tuition and will pose a very troublesome question of interpretation.

Fourth. The Veterans' Administration will be confronted with very difficult problems in determining how to make payments relating to short intensive courses which operate only a few days or a few weeks and are usually very expensive.

Fifth. There are many schools which have a large veteran enrollment. It is anticipated that these schools will raise tuition to take advantage of any additional tuition payments.

Sixth. The Veterans' Administration has had an extremely difficult time in getting checks to veterans on time. Much of this problem resulted from the complicated advance payment system which was created 2 years ago. The Veterans' Administration has a crash program, hoping that its performance will improve this fall. If legislation is passed requiring an additional complicated computation of tuition, it will undoubtedly seriously aggravate VA's problems and it is doubtful that veterans will have much hope of receiving their checks on time.

Seventh. The Senate bill has a $100 deductible feature. This means that the Veterans' Administration will be required to make elaborate computations for the purpose of paying a very small check to a veteran attending a low-cost school, principally community colleges. For instance, a veteran attending a community college which charges $50 tuition per quarter would pay $150 tuition for three quarters. Under the Senate bill $100 would be deducted, leaving $50, and the veteran would be paid 80 percent of $50, or a total of $40. This would be in addition to the $2,340 education assistance allowance which the veteran would receive directly, and which obviously is more than adequate to cover his expenses in a low-cost school. The text of the Veterans' Administration report opposing the tuition assistance system follows:

Veterans' Administration, Office
of the Administrator of Veterans' Affairs,
Washington, D.C., July 18, 1974.

Hon. Wm. Jennings Bryan Dorn,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

Dear Mr. Chairman: This will respond to your letter of July 2, 1974, requesting the views of the Veterans' Administration on the provisions of section 104 of title I of H.R. 12628, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as passed by the Senate on June 19, 1974.

Section 104 would establish a partial tuition assistance payment system under which a veteran or eligible person would pay the initial $100 of his tuition for an ordinary school year and the Veterans' Administration would pay 80 percent of the balance of tuition charged the veteran or person, between $100 and $1,000. This would mean that the Veterans' Administration would be required in many instances to make a maximum payment of $720 to the veteran or person (80 percent of the $900 difference between $100 and $1,000). The payment would be made directly to the veteran or person, not to the educational institution, as was the system for tuition payment established under the World War II GI bill program.

In our testimony before the Education and Training Subcommittee of your committee on March 28, 1974, on various tuition payment proposals, we stated that we were unalterably opposed to a return to a tuition payment system, even though the payment were to be made to the veteran instead of the school. Our position remains the same.

We firmly believe that a return to a tuition payment system would again create many of the extreme administrative problems encountered by the VA during the World War II program. An investigation made by a House Select Committee in 1950–51, chaired by your former chairman, Congressman Olin E. Teague, spotlighted many of the abuses which occurred in that program. In addition, an examination of the World War II program was made by the General Accounting Office. The findings of these two studies may be found in House Report 1375, 82d Congress, second session, and in House Veterans' Affairs Committee Print No. 160, 82d Congress, first session.

These studies showed that in the earlier program all manner of irregular tuition payments occurred. Tuition was paid subsequent to the date of a veteran's last attendance; tuition was paid where veterans had registered but did not attend classes; tuition payments were obtained through collusion and fraud; tuition was paid for veterans attending school under scholarships; and tuition payments were based on erroneous or excessive costs. These are but a few of the abuses turned up by the two studies. We believe that, even though the tuition payment would be made to the veteran or eligible person, rather than to the educational institution, all or most of these abuses would occur again despite the imposition in section 104 of the safeguards outlined therein. Administration could again become as difficult as it was under the earlier program.

Commencing with the Korean conflict program, and carried forward into the current program, is the congressionally approved philosophy of providing partial educational benefits under a program designed to provide equal benefits for equal service. We do not believe the Congress should depart from this longstanding and time-proven philosophy of partial and equal help.

The educational assistance allowance, provided by law, has been increased substantially in recent years. In 1970, the allowance was increased by approximately 35 percent and in 1972, the allowance was again increased, this time by approximately 25 percent over the rates set by the 1970 enactment. Thus, in approximately 4 years, the allowance has been boosted by nearly 70 percent over the benefit payable early in 1970. In addition, the President has called for an increase in educational benefits consistent with the cost-of-living rise since the last increase. We believe that to add a tuition payment to the educational assistance allowance, raised to a reasonable level, would be totally unwarranted.

In addition to the substantial rate increases, the laws which provided these increases in educational assistance allowance also provided a large number of program liberalizations—programs not available to the World War II or Korean conflict veteran. These include special assistance for educationally disadvantaged veterans without charge to their entitlement; a work-study program; tutorial assistance; the PREP program; and other types of aids.

Further, the partial tuition proposal singles out tuition as the sole variant cost factor for recognition, ignoring a host of other equally important factors. For example, there are variables in transportation costs for students in residence, as distinguished from those who commute, as well as those who must incur variant travel expenses, depending on distances from home to school. Another cost factor not considered is the variable cost which relates to marital status and dependency. And, there are many other elements of educational cost. We believe that enactment of the partial payment system, as encompassed in the Senate-passed measure, would surely give rise to pressures for enactment of other costly measures to recognize these and other elements of educational costs on a piecemeal basis. The establishment of such a precedent would be most unfortunate.

We note, that, under the Senate proposal, a veteran or person entitled to receive tuition assistance may not be paid a partial tuition assistance payment based upon out-of-State tuition rates if he was a resident of the State immediately prior to his entry into military service. This language would lend itself to very broad and divergent interpretations and involve the VA in highly controversial rate and residence determinations.

There are four other problem areas connected with the partial tuition payment program which we believe should be brought to your attention. Section 104 provides that, where the school does not have a customary tuition charge, the VA would be required to make payments to the veteran or eligible person based upon established fees charged by the school which could be related to tuition. We feel that a very serious problem would be encountered in making determinations as to which of these established fees may be equated to tuition. This would pose a very troublesome question of interpretation. We also believe that great difficulty would be encountered in determining the amount of the tuition payment to be made in those cases where a school has short, intensive terms of less than a standard quarter or semester.

In addition, there would be no control imposed on the amount of tuition increases that could be charged veterans, especially by those schools with heavy veteran enrollment. We can foresee wide-ranging tuition increases being set by schools in order to take full advantage of the maximum tuition benefit payments which the VA would be required to make under the program. Finally, we anticipate that many of the proprietary schools would use the partial tuition assistance payment and added rate increases as inducements in their advertising and other solicitations to attract veterans and eligible persons to enroll in courses of doubtful vocational or educational merit.

It is estimated that enactment of the overall Senate-passed version of H.R. 12628 would result in additional costs of $1.9 billion the first fiscal year and $8.1 billion over the first 5 fiscal years. Enactment of section 104, alone, would, it is anticipated, cost $589.9 million the first fiscal year and $2.5 billion over the first 5 fiscal years. A detailed breakdown of additional estimated direct benefits cost of the tuition payment system by fiscal year is as follows:

Fiscal year:	*Direct benefits cost (in millions)*
1975	$589.9
1976	567.2
1977	470.7
1978	451.0
1979	430.8
Total 5-year cost	2,509.6

In view of the foregoing, the Veterans' Administration strongly objects to the enactment of section 104.

The Office of Management and Budget advises that there is no objection to the submission of this report and that legislation including this provision would not be in accord with the program of the President.

Sincerely,

DONALD E. JOHNSON,
Administrator.

Mr. Speaker, one of the main reasons that the House conferees objected to the tuition supplement plan was that it dealt unfairly with the individual veterans. Beginning with the Korea education program, Congress established the principle of equal benefits for equal service. A standard monthly payment was paid to Korea veterans and has been paid through the 8 years of the Vietnam veterans' education program on the premise that equal service justifies equal benefits.

The Senate bill proposes to single out one variable in education costs, namely, tuition, and give extra benefits to the individual who chooses a high-cost school. Under the Senate bill, a veteran who chooses a high-cost school would receive $3,600 more than a veteran attending a very low-cost school—5 years at $720 a year. Tuition is only one of the major variables in education costs. Two other major variables are unusual family or dependency problems and transportation costs.

Studies by the Office of Education have indicated that costs are not one of the major factors involved in the choosing of a high-cost school. Religious preference, family tradition, and location or proximity of schools in the community are all considered stronger factors in the selection of a school than price.

Mail received by this committee indicates that there are far more distressed financial cases in low-cost schools than there are in high-tuition schools. Veterans with unusual problems usually choose low-cost schools, but even then, many still have financial difficulties. Consider the three following examples:

A. A young veteran has chosen a high-tuition school because of family tradition and comes from a family well able to give additional financial support. He lives in the dormitory, participates actively in campus social life, and owns a car. Under the Senate bill this veteran would receive a $720 tuition supplement each year.

B. A veteran, graduated from high school, was drafted to serve and married while he was in service. The girl he married has no special educational advantages or work skills. The couple now has a small child. This couple has established a household. The mother cannot work because of the small child. The veteran has chosen a low-cost community college but must maintain transportation costs because he has a part-time job. This individual has far more serious financial problems, and probably needs the $720 extra payment to stay in school much more than the veteran from the well-to-do family attending a high-cost school.

C. Forty percent of the veterans enrolled in higher education are enrolled in community colleges. Most of these schools have limited dormitory facilities and veterans commute. The tuition in most community colleges is quite low and these veterans would receive very little tuition support under the Senate formula. Those veterans that commute and make round trips of 50 to 100 miles per day are incurring a monthly transportation cost of $25 to $50 a month, or about $250 to $500 additional transportation costs for each 9-month period. When these veterans' expenses for tuition and transportation are added together, their costs are as much or more than many veterans attending moderate- or high-cost schools. Under the Senate tuition supplement formula, these veterans would get no additional help for their transportation costs.

The Senate included a provision for a loan program financed from the national life insurance trust fund. This provision was strongly opposed by the Treasury. A copy of the Treasury report follows:

> The Department would like to take this opportunity to submit its views on S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, which is presently in conference.
>
> Title III of the bill would authorize the Administrator of the Veterans Administration to use amounts set aside in the National Service Life Insurance Fund to make loans to veterans or eligible wives, widows, widowers, and children to cover educational costs not otherwise provided for in title 38, under the guaranteed student loan program, or under other Federal loan or grant programs. Such loans could not exceed $2,000 per year, would be interest free while the student is in school, and would bear interest at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than a rate paid by the Secretary of the Treasury on notes and obligations held by the Fund at the time the loan agreement is made. The Administrator would guarantee repayment to the Fund of principal and accrued interest on such loans. In order to discharge his responsibility under such guarantees, the Administrator would be authorized to issue and the Secretary of the Treasury directed to purchase notes or other obligations under terms and conditions prescribed by the Secretary of the Treasury. There is no source of funds provided to the Secretary of the Treasury for the purchase of such notes. There would be authorized to be appropriated to the Administrator such sums as may be necessary to enable him to repay to the Fund any amounts set aside for such loans and any funds paid to the Administrator pursuant to a loan agreement would be deemed to have been appropriated.
>
> The proposed use of the NSLI Fund for student loans raises the general question of the extent to which trust funds should be used to support particular credit market sectors. The proposal could also lead to a confusion of the costs and benefits of the life insurance and student loan programs. Moreover, there is a lack of coincidence between the beneficiaries of the NSLI Fund and the beneficiaries of the proposed student loan program.
>
> Apart from any subsidy to veterans which may be provided under the proposal, it is not clear what advantage the proposal would have over continued reliance on existing direct and guaranteed student loan programs. The Department has no knowledge of any need or justification for such subsidies.
>
> Accordingly, the Department is strongly opposed to title III of the bill and recommends that it be stricken by the conferees.
>
> The Department has been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of this report to your Committee.

The National Association of Student Financial Aid Administrators expressed strong opposition to the loan program as follows:

> We must, however, express serious concern about the proposed new loan program. At the current time, institutions must deal with at least five federal student loan programs of various types. We need a consolidation of existing programs, not a further proliferation. In the first place, our membership does not sense that the demand for loans on the part of veterans is beyond the capacity of existing programs. Federally-insured student loans through commercial banks and the institutionally administered programs should be adequate to handle the demand, particularly with the increased monthly stipend, not to mention a tuition supplement. Secondly, the advent of another loan program further expands the potential for unwise overborrowing made possible through the securing of loans from several sources simultaneously or cumulatively. This is already becoming a problem under existing programs, and to add to it heightens the likelihood for a serious rate of default and bankruptcy. We could perhaps justify this risk if other alternatives were not available, but it is our judgment that an additional loan source is not needed at this time.

There were many minor amendments included by the Senate in its amendments to the House-passed bill. The Veterans' Administration opposed most of these amendments. The following chart shows the position of the Agency on the various amendments:

Description and VA Position

Rate Increase ($260): Opposed a 13.6% rate increase but might favor a rate increase consistent with the current increase in the CPI since Sept. 1, 1972.

Partial Tuition (assumes extension of delimiting date): Opposed.

Active Duty Training: Opposed.

Delimiting Date Extension: Opposed (but now accomplished by P.L. 93-337).

Refresher Training: Favor if limited to use within 12 months following discharge.

Work Study: Opposed pending further experience under the current program.

Tutorial Assistance: Opposed.

Chapter 35 Farm: Favor.

Joint Apprentice $3: Favor.

Repeal Two Program Limit: Opposed.

45 Month Entitlement: Opposed.

Equalizer War Vets., Chapter 31: Opposed.

Veteran Representatives: Opposed.

Reimbursement of Expenses (SAA): Opposed (not warranted in view of P.L. 92-540).

BCL Absences: Opposed.

Loans (Ch. 34 and 35): Opposed.

Evaluation and Data Collection: Opposed.

Outreach Services: Opposed (but would favor the bi-lingual provision).

Utilization of Other Agencies: Opposed.

Interagency Council: Opposed.

Mr. Speaker, the President has indicated that he may veto this bill. I certainly can understand his dissatisfaction with parts of the bill, because we expressed essentially the same type of dissatisfaction and attempted to work out a compromise with the Senate. The President has made it clear that he realizes the need for legislation adjusting education and training allowances in line with cost-of-living increases and if the President does veto this bill, I have no doubt that he will cooperate with us in seeing that new legislation is enacted promptly to provide these needed increases.

MOTION OFFERED BY MR. DORN

Mr. DORN. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert the following: "An Act to amend title 38, United States Code, to increase vocational rehabilitation assistance allowances, educational and training assistance allowances, and special allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services programs; to make other improvements in the educational assistance program and in the administration of educational benefits; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service, by increasing the employment of veterans by Federal contractors and subcontractors, and by providing for an action plan for the employment of disabled and Vietnam era veterans within the Federal Government; to codify and expand veterans' reemployment rights; and for other purposes."

The motion was agreed to.

GENERAL LEAVE

Mr. DORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

ESTABLISHING A NATIONAL PROGRAM FOR RESEARCH AND DEVELOPMENT IN NONNUCLEAR ENERGY SOURCES

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13565) to estabish a national program for research and development in nonnuclear energy sources.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13565, with Mr. SLACK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arizona (Mr. UDALL) will be recognized for 30 minutes, and the gentleman from California (Mr. HOSMER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, since the energy crisis of last winter much has been said about something called "Project Independence," a program to give this Nation the capacity to be self-sufficient in energy. Yet the Congress has not completed action on a well-balanced and rounded program of research and development, which is a key to any move toward energy independence.

In a report last December the Chairman of the Atomic Energy Commission, Dr. Dixie Lee Ray, said:

> Present energy problems stem, in large part, from the lack of a coordinated national energy research and development program over the last 20 years. Only nuclear power has received sustained support at adequate levels.

Thus, overall energy research and development funding has been inadequate, and funding for nonnuclear energy has been even more so. However, funding, no matter how essential, is not the whole picture. The Nation's energy research and development program has also suffered from the lack of a centralized planning and policy making body. Energy research and development has been fragmented and carried out by numerous Federal agencies. The Congress has recognized this situation, and has acted to rectify it through the creation of a new, centralized, energy research and development agency, the Energy Research and Development Administration — ERDA.

Mr. Chairman, this bill is a vital element of the necessary legislative basis for Project Independence. It provides the program guidance, the congressionally defined policies and provisions, and the authorization authority for the critically important Federal program in nonnuclear research and development within the newly established ERDA.

Last December, the House passed H.R. 11510, legislation which created the new organization and administrative structure of ERDA, providing the Government for the first time with a centralized, coordinated agency whose mission is energy research and development, both nuclear and nonnuclear.

Under this new agency, program direction and policy guidance in the nuclear field will continue to be provided under the Atomic Energy Act of 1954, and the amendments to it written by the Joint Committee on Atomic Energy.

The legislation now before the House provides the complimentary congressional direction in the broad range of nonnuclear energy technologies.

A companion bill to this legislation, S. 1283, sponsored by Senator JACKSON, was passed by the Senate last December by a vote of 82 to 0. Therefore affirmative action on this bill today will provide a complete legislative package to allow the Nation to move forward with a vigorous, centrally directed program in energy research and development.

I believe that H.R. 13565 is sound, and on the whole is noncontroversial legislation. Its provisions have received wide support from both Government and industry.

I am happy to report to my colleagues that a jurisdictional problem between our committee and the Committee on Science and Astronautics has been largely resolved so that all of us could support a rule and permit the House to work its will.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman from Arizona for yielding.

If I may, I would like to take this time to make a few points for the record as to the resolution of the misunderstanding.

First of all, the gentleman from Arizona has mentioned that this bill was a subject of contention with respect to jurisdiction between the Committee on Interior and Insular Affairs and the Committee on Science and Astronautics. Since then it has been possible to resolve the disagreement by a substitute which the gentleman from Arizona has put into the CONGRESSIONAL RECORD, and which will be submitted as an amendment during the consideration of this bill.

Mr. UDALL. This is correct, and this will be the substitute printed in the RECORD that was negotiated between the gentleman in the well and the gentleman from Washington and the gentleman from Texas and other leaders of the great Committee on Science and Astronautics.

Mr. McCORMACK. I thank the gentleman. In bringing this bill before the House today, the Committee on the Interior and the Subcommittee on Environment does not in any way infer that there is any prejudgment with respect to any jurisdiction as it may be resolved in the future by the Bolling committee, the Hansen committee, or any subsequent congressional reorganization.

Mr. UDALL. No. I want to make our position very clear on this jurisdiction with regard to energy research.

Jurisdiction now with regard to energy research and development is split among several committees, principally the two on which the gentleman and I serve. One of the fears that the gentleman expressed, as did others on his committee, was that the handling of this overall bill by the Committee on Interior would set a precedent or somehow establish jurisdiction regardless of what happened with the Bolling reorganization proposal or the Hansen substitute for that proposal. It is our understanding, which I want to state here again today, that both committees are moving forward to give the ERDA a policy-guided structure, to begin its work, and that the final decision on the ultimate source of the jurisdiction in this field will be determined by disposition of the full House on the so-called Bolling reorganization proposal.

It is not intended by action here today that the jurisdiction of the gentleman's committee or mine be diminished, lowered, or changed in any way.

Mr. McCORMACK. I want to thank the gentleman for his comments. I think that the situation is a clear demonstration of why we need a review of jurisdiction. This bill could just as easily have gone to the Committee on Science and Astronautics and just as easily have caused the jurisdiction question in reverse. I sincerely appreciate the gentleman's spirit of cooperation, not only in bringing up that substitute and eliminating some of the problems that we felt were most serious in this bill, but also in the spirit that he has made the previous statement.

In keeping with that spirit, is it understood that the authorizations have been removed from this bill?

Mr. UDALL. This is correct. The agreement was that since the bill for the current fiscal year had already been adopted, it was unnecessary to have any authorizations for this year. It was my belief, and the gentleman's, that the following fiscal year authorizations could be completed in the next Congress by whatever committee it is decided has jurisdiction over continuing legislation in this area.

Mr. McCORMACK. I have one other question. This bill would not be in conflict with the solar and geothermal acts that we passed yesterday, or the Omnibus Solar Energy Research Development and Demonstration Act?

Mr. UDALL. No. The gentleman's committee has produced very sound legislation in those areas, which I have supported. The substitute makes specific reference to them. The substitute indicates that ERDA is to take its policy guidance in the areas covered by those two bills from the legislation which originated in the gentleman's committee. That is clearly my understanding, and I am quite happy with that arrangement.

Mr. McCORMACK. Consistent with that and with the compromise we reached on this bill, the Honorable Chairman of the committee, the gentleman from Florida (Mr. HALEY) has requested of the Speaker that members from the Committee on Science and Astronautics be designated to sit on the conference committee on this bill.

Mr. UDALL. I can confirm that arrangement. I personally discussed it with the Speaker and with the chairman of our committee. I think there will be no problem in having members of both of our committees represented on the conference. In fact, I think this is a good precedent, as long as we have split jurisdiction in so many areas, that we have more than one committee participating in such conference.

Mr. McCORMACK. I agree. I think it is a good precedent. I want to thank the gentleman for that, too.

I have one final question. This bill

deals exclusively with nonnuclear policy throughout.

If there is any point in the bill where the word "energy" is used, and is not clearly specified as being nonnuclear energy, it is intended to be nonnuclear energy. Is that correct?

Mr. UDALL. The whole purpose and thrust of this bill is to give ERDA policy guidance in the nonnuclear area. It is understood nuclear research and development will be controlled and developed by the Atomic Energy Act, which gives policy guidance, and such other acts as are appropriate to that.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, section 7 of the bill has very clear patent provisions which are controversial, but whether in or out, I would ask the gentleman in the light of what he has just said, would that still mean that the atomic energy activities are still under the patent provisions of the Atomic Energy Act?

Mr. UDALL. I would agree with the gentleman that is our intention.

Mr. HOSMER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as the gentleman from Arizona has pointed out the effort before us today is to bring forth a bill which will assist the executive branch in administering its functions with respect to nonnuclear energy research and development. We come to the Congress with that purpose but also in the context and climate of the fact that a major energy research and development reorganization bill is also in the mill.

The ERDA bill has passed this body and it has passed the other body and it will be going into conference very shortly, as has just been indicated. The ERDA legislation, if indeed the conference does succeed, will set the institutional framework in which energy research and development in this Nation in cooperation with the Federal Government is carried forward both in the nuclear area and in the nonnuclear area.

This particular bill before us would provide policy guidance to the conduct of research and development in the nonnuclear area. Already existing is the Atomic Energy Act of 1954, as amended, which gives policy guidance to whomever controls the energy research and development activities of the Government in the nuclear area.

Thus we are approaching one-half, I should say, at least one-half structurally of our energy research and development, the conventional one-half with the objective as I have indicated of trying to provide policy guidance to assist the Administrator in carrying forward the types of energy research and development that will permit this Nation to achieve the objectives of Project Independence within the time frame of that project.

So the question basically before us today is: Does this legislation as presented do that? Its history in the committee from which it came and the subcommittee which generated it has been somewhat lurid. I should point out that it came out of the Environmental Subcommittee, and the Environmental Subcommittee has a great many nice, well-meaning members who are vitally interested in environmental concerns. But they are not particularly experienced in the conduct of research and development programs in the energy area or any other area for that matter. With the assistance of the subcommittee staff who have a like proclivity they drafted the original bill, which was pretty much of a nightmare, believe me. It was ambiguous and it was inartful and it defined the meanings of the various things that have to do with energy in ways such as would have been impossible for any Administrator of any program to achieve any success whatsoever in trying to carry his programs forward under the injunctions that were to be written into that bill.

Well, in the subcommittee some improvements were made. I will grant that the subcommittee members worked very diligently on this piece of legislation; but as time wore on certain people commenced to get a feeling of pride of authorship of certain language. As a consequence, they used their proxy votes to obstruct at that point the improvement of this bill to a point where it could not do an acceptable research and development job. It came out of the subcommittee in that fashion and it went to the full committee.

Again the battle was rerun with more characters in its cast this time. Essentially the same results happened. Some improvements were made. Some language changes were acceded to which took out some of the ambiguities and some of the doubtful language and poorly drafted unnecessary definitions of the bill. Still it was not the most perfect document in the world. As a matter of fact, it was a pretty defective bill as it came out of the full Committee on Interior and Insular Affairs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOSMER. Mr. Chairman, I yield myself 5 additional minutes.

If the Members have not already read the rule, the principal sponsors of the bill on the majority side, with the cooperation of some minority Members, have again rewritten this legislation immediately prior to bringing it on the floor of the House for consideration. After the conclusion of the reading of section 1 of H.R. 13565, they will present a substitute bill which has some further enhancements and further improvements. The substitute is still, in my opinion, not a basically acceptable document. As a consequence, at the appropriate time I shall offer various amendments. I will offer amendments in the nature of substitutes for sections 2, 3, and 4 and various others.

I trust that the wisdom of some of the amendments that I offer, will be acceded to and accepted. As to some of the others I have little doubt that I can command a sufficient majority to get a vote on them; but I want them to be in the record, because, again, we are at only a preliminary and not a final point in this legislation, because it will come out of here and go over to the Senate and probably a conference.

Now, what is going on over there should be understood in some reasonable context, too. Since this is a companion to ERDA, if ERDA actually goes through, and there is a conference on it and its lines are defined. The ERDA conference report will come back here. When we get the ERDA bill passed this bill we have today is going to have to be again revised in order to properly coordinate with that bill. It may not have to be revised in a major way, but nonetheless, there will have to be revision, so that there will not be conflict between the two bills covering basically the sections of nonnuclear research and development.

Now, on the other hand, if this ERDA bill does not become law, and the conference falls apart, we have another situation. That situation is one that is fraught with Presidential politics. I think we all recognize that the gentleman from Arizona very properly has Presidential ambitions, for which I congratulate him. I have not yet announced my support of his candidacy, but that would not be out of the realm of possibility.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman of whom I speak.

Mr. UDALL. I would hope the gentleman would defer endorsing me until he could consult with me.

Mr. HOSMER. No doubt about it. I would certainly be trepidatious about it before I make that move. However, there is a colleague of ours, the junior Senator from Washington on the other side of the Hill, who has like ambitions.

In this whole symphony, these ambitions play somewhat of a minor—or even a major—string. If we do not have ERDA, these two candidates, of course, will be maneuvering, not from the ERDA base of power, but from the Interior committee base of power, because the gentleman from Washington in the other body and the gentleman from Arizona in this body are both powerful members of the Interior Committees of their respective bodies.

So this legislation in that event, I think, will undoubtedly take on some of the coloring complexion of the chief characters in the cast that is before us. Again, I say that is all right, but I think we ought to know what we are doing and what we can look forward to when we eventually have to finally consider these bills.

I would say to the gentleman from Washington who was questioning the gentleman from Arizona a few moments ago that if this conference I have just mentioned does occur and certain things happen there, the gentleman from Washington in this body will be more or less walking around with his head in his hands, because undoubtedly it will be chopped off in a jurisdictional way before we are all through with this, unless he can summon up the power to prevent the guillotine from dropping.

Those are just the in-house backgrounds of the bill and context which I thought we ought to understand and realize as we go forward today.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I trust my incipient jurisdictional decapitation will not interfere with my thought processes while working on the conference committee.

Mr. HOSMER. Well, it never has.

Mr. UDALL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I do want, on behalf of all of us on this side of the aisle, to thank the gentleman from California for his keen analysis of the problems our party faces as we go into the election of 1976.

Mr. Chairman, I yield 10 minutes to the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Chairman, first of all, I want to thank the gentleman from Arizona (Mr. UDALL), the members of his staff, and members of the staff of the Committee on Science and Astronautics for their efforts and the great amount of time which they have spent resolving the problems relating to and surrounding this bill. Also, I wish to thank the chairman of the Committee on Science and Astronautics (Mr. TEAGUE) and the chairman of the Committee on Interior and Insular Affairs (Mr. HALEY), for their cooperation in this matter.

Mr. Chairman, I want to say that I will support the substitute which will be offered by the gentleman from Arizona (Mr. UDALL) to this bill when the appropriate time arrives. I think this removes the most critical points of conflict as far as jurisdiction is concerned. I do want to say, however, that I do not feel constrained to support every aspect of the substitute, nor do I feel that my hands are so tied that I cannot criticize other parts of the bill.

I do want to say that I have very strong reservations about the section on patent policy in the bill, and I will support an amendment to delete that section and provide instead for a study.

I want to say I will support such an amendment. The patent policy provisions in this bill, regardless of their merit—introduce a new presence into existing patent provisions which apply to the Atomic Energy Commission and to NASA, both of which will be affected. There is an aura of vagueness in this provision because, as it applies to an ERDA, it is not certain whether it applies to all the agencies that may be partially within ERDA, such as NASA, which already have their own patent policies; or to the AEC which may be entirely within an ERDA or whether the provisions apply only to the NASA activity under this bill; whether it would be just the NASA activity under geothermal energy under this bill. Such confusion, as created by section 7, is not acceptable.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will be glad to yield to the gentleman from Florida.

Mr. FUQUA. I thank my dear friend, the gentleman from Washington.

Let me say that the gentleman is making a very excellent point, one that disturbs many of us in this area, as to section 7, as it relates to patents.

At the appropriate time I intend to offer an amendment to, hopefully, correct that situation so that we can create flexibility as it relates to patent policy and not an inflexible policy, as is contained in this bill.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman.

We have received correspondence from the Association of Universities pointing out that the provisions in the substitute in this section on patent policy could create serious problems for the universities, and they beg us not to enact it.

Mr. FUQUA. Mr. Chairman, if the gentleman will yield further, may I say that the gentleman is correct, that institutions of higher education are very concerned and feel that this will almost prohibit their participation in this matter because of the inflexible policy with respect to patents.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. At the proper time, I have an amendment addressed to the problems of universities.

I want to point out that the Association of Universities fully supports my my amendment, since it responds to their problem. This does not mean, however, that we need to wash out section 7 of this bill in going to a flexible policy versus an inflexible one.

Mr. McCORMACK. Mr. Chairman, I want to thank the gentleman. I would hope that he might confer with the gentleman from Florida and see how the amendment of the gentleman from Florida would affect his position. As I understand it, the amendment that would be proposed would be to delete any provisions for change in patent policy, and call for a subsequent study.

Mr. KASTENMEIER. Mr. Chairman, I thank the gentleman. The universities are supporting my amendment because it does address their problem. It does not mean rejection of section 7 and the defeat of this bill. They are not asking for elimination of this.

Mr. McCORMACK. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes, I yield to the gentleman from Ohio.

Mr. SEIBERLING. The difficulty I have with both the AEC and NASA approach to the patent policy is that it grants great authority to the Administrator without any real guidelines as to the policy under which that authority is to be exercised.

This bill does not go as far as I would like it to go in terms of mandating a policy of free licensing to anyone under governmentally financed patents and technology. It does lay down some guidelines that shall be the objective of the patent policy of the energy administration. It seems to me that we should be moving in that direction and not in the direction of just giving a blank check to the particular Administrator to do whatever he thinks is best.

I just wonder whether the gentleman is prepared to reach some kind of middle ground between the present policy in those two programs and the one stated in the bill.

Mr. McCORMACK. I am perfectly willing to examine any policy on this subject, but I do not propose to do so on the floor here this afternoon.

Mr. SEIBERLING. I realize that.

Mr. McCORMACK. I do want to say that since we have existing, long-standing policies within the Atomic Energy Commission and NASA, both of which would be affected by this bill, I think it would be precipitous for us to write anything which might be in conflict with it. Therefore I suggest a study of the subject.

Mr. SEIBERLING. My reaction to a study is that that is a way to avoid making a decision.

It seems to me that we should be promoting competition in the energy field. That is the genius of our economic system, and it seems to me that the objective of the patent provisions of this bill should be for that purpose.

Obviously, we cannot write it on the floor, but I just want to get that particular philosophy before the House.

Mr. McCORMACK. Mr. Chairman, I do wish to thank the gentleman for his contribution, but I do want to say that the difference between his perspective of a study and mine is the difference between an attorney's perspective and a technician's perspective. I think the study will give us an answer.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield further, I am sure that will be the gentleman's intention, but I am skeptical of governmental studies, based on past experincee.

Mr. McCORMACK. I thank the gentleman.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, I have been aware of this patent issue since 1946. We wrote a very effective patent provision in the Joint Committee for the Atomic Energy law. That patent provision has protected the Government's rights. It provided for cross-licensing. And it has protected those patents which were obtained in Government laboratories by Government expenditures of funds.

I know that NASA has a similar law. It is a little bit different, but it is similar. It was actually based on the Atomic Energy law.

I am just as much interested in preserving the patent rights obtained by the expenditure of Government money for the Government's use and for the people's use as anyone. I say, however, this is a very complicated matter. We studied it in the joint committee many times, and I believe there should not be a new patent policy which contravenes the AEC's or NASA's; and the President's Executive order consolidating the patent processes should not be abrogated in a summary fashion.

Mr. Chairman, I say, with all due respect, that this is too complicated to be disposed of in this way. There is page after page of it in this bill, and the language is ambiguous and creates problems in many instances. I think it is a dangerous departure from what we have. I want what we have to be better, but this does not make it better.

It is going, in my opinion, to obstruct the very purpose of the research and development we are carrying out by making it impossible for many people to participate. It could interfere with the existing patents and know-how of people, for instance, in private industry who have already obtained patents or established rights, and if they participate in a project and those rights are used, they may lose their rights. I do not think that is what any of us desires to happen.

That is not said to protect industry alone or investors' positions or others. It is said to protect the legitimate patent position which the Government has obtained or should seek in many, many instances.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman for his remarks. I will inform the gentleman that I worked in a patent house myself, and I have three or four patent applications of my own.

It is true that industry today is frightened to death of the provisions in this bill. They say they cannot work with them.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, just briefly, let me say that I agree with the gentleman from California in his comments.

If we are going to have a revision of patent policy, let us have a revision of patent policy but let us come to the appropriate committee, the Committee on the Judiciary, of which the gentleman from Wisconsin is chairman of that subcommittee. But adopting this piecemeal patent policy is, I think, wrong, and particularly in the field of energy where we need new and innovative ideas. To stifle this thing by the patent policy, I think, is certainly ill-advised.

Mr. McCORMACK. I thank the gentlemen from California and Florida.

Mr. Chairman, I would like to close with this observation. I think this legislation demonstrates the need for energy legislation. Certainly this is a commendable effort, and I applaud the members of the Interior Committee for the work they have done.

It also demonstrates the confusion that exists with respect to the energy organization, both in the legislative and the executive branches. Obviously, this bill should embrace all forms of energy, but the jurisdictional problems make it almost impossible.

Yesterday we agreed to the conference reports on the solar energy and geothermal energy bills, and as soon as we come back we will have the omnibus solar energy bill before us. All these bills tend to overlap with this legislation before us.

This is a problem with which we must work, but it demonstrates a need for reorganization.

The same thing applies to the executive branch.

Mr. Chairman, I opposed the ERDA legislation, not for what it was, but for what it is not. The ERDA legislation embraces the same jurisdictional problems we have before us, and it falls short of the mark we should really be striving for.

We should be working for a reorganization of the executive branch of Government, starting next year, and we should be planning to create a new full Cabinet level Department of Science, Technology, Energy and Materials, that will handle all of our energy research, development, and demonstrations, all matters dealing with fuels, and all other functions. Thank you.

Mr. HOSMER. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan (Mr. Ruppe).

Mr. RUPPE. Mr. Chairman, I thank the gentleman.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I want to say to the gentleman from Arizona (Mr. Udall) that in the handling of this bill this afternoon it is my intention to proceed as expeditiously as possible.

I want to make this suggestion, that when the gentleman's substitute is offered that we take it up section by section, with unanimous consent in each case to consider it read, and so forth, and I will be presenting my amendents. And then when we get to section 7 we have the amendments that are of general interest, and after section 7 we would consider the remainder of the bill read and open to amendment at any point.

I shall offer my amendments in most cases with an explanation of what they are about. I intend to get the matter on record for the purposes of conference, and in some instances I think that the gentleman from Arizona may wish to accept my amendments, but I do not intend to belabor them by quorum calls or by long explanations. Most of my explanations will be simply an explanation supplemented by revision and extension.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, I appreciate the proposed cooperation of the gentleman from California. It has not always been thus this year.

It will be my suggestion, and I have no further request for time pending over here, it would be my suggestion that we then go, as soon as the gentleman from California finishes over there, into the reading of the bill. I have a substitute that is printed in the Record, and I will offer it as soon as the first line has been read. Then perhaps we can work out some kind of accommodation along the lines the gentleman suggests.

(Mr. RUPPE asked and was given permission to revise and extend his remarks.)

Mr. RUPPE. Mr. Chairman, I support this legislation. I believe it is a very valuable contribution, will give direction to this country in the energy field. I would like to take a moment or two to ask several questions of my colleague, the gentleman from Arizona (Mr. Udall), if I might.

First, we do not have, under the proposed substitute, specific dollar authorization, but we have, rather, a general authorization. Does this mean that, when the various committees take up specific dollar authorizations, they can then change the direction of the bill in terms of policy questions and patent policy directions, and change as well the duties and the powers of the Administrator in some substantial measure so as to in effect rewrite the bill.

Mr. UDALL. If the gentleman will yield, of course, in the passage of individual pieces of energy legislation for the enactment of this bill would permit a committee, I suppose, to change the direction, change the emphasis through changing the dollar amounts, but let me make it very clear that this was part of the solution with the other committee, the understanding being was that next year some committee will have the overall jurisdiction, it may be the committee on which the gentleman and I serve, or it may be the great Committee on Science and Astronautics, or it may be somewhere else. So the danger the gentleman fears will only occur between now and the beginning of the next Congress.

Mr. RUPPE. The danger is perhaps only superficial if the Bolling or Hansen reform legislation is passed, as that reform will take solve of the jurisdictional problem. We would then be in good shape. But if we do not pass reform legislation, then I think we should advise the Members of the Congress that there is no doubt but that the policy questions, the duties and powers of the administrator, and the general ramifications of this bill, can be changed in direction, content and scope by the various committees next year, as they authorize specific dollar amounts to the various operations.

Mr. UDALL. That is correct, and it would be my hope that if the Bolling-Hansen proposed congressional reform does not occur, that then in some other way the House should focus on this question of centralizing jurisdiction somewhere.

But our agreement was that we were not going to try to decide this in the energy bill, and that is the only way this bill could be handled.

Mr. RUPPE. That is of course true, by the nature of the compromise.

And, Mr. Chairman, I wish to thank the gentleman the chairman of the Subcommittee on Science and Astronautics for his cooperation and his guidance in bringing this legislation to the floor. But I also wanted to point out the necessity, really, for jurisdictional committee reform, because without it we will really lose much of the effectiveness in the legislation that we hope to pass on the floor today.

Mr. Chairman, I yield back the balance of my time.

Mr. UDALL. Mr. Chairman, I yield to the gentleman from New York (Mr. Bingham) such time as he may consume.

Mr. BINGHAM. Mr. Chairman, I want to commend the chairman of the subcommittee for his leadership in this field.

Mr. Chairman, I am in support of H.R. 13565 and the Udall substitute.

This bill represents many months of effort on the part of the Interior and Insular Affairs Committee and its Subcommittee on the Environment chaired by my friend and colleague, Mr. Udall. I commend the gentleman from Arizona and the other members of the committee who worked diligently to produce this legislation.

This legislation is an essential component of the Federal Government's crash program to deal with the increasingly tight energy situation facing the United States. Recently, both have passed legislation establishing the Energy Research and Development Administration—ERDA—to centralize and coordinate the energy R. & D. programs now handled by more than a dozen Federal agencies. H.R. 13565 would supply the policy parameters for the nonnuclear activities to be conducted by ERDA. In other words, through this legislation the Congress will have expressed its intent to guide the bureaucracy into those areas holding the most promise while avoiding over concentration in any one energy technology.

If this bill is enacted, ERDA would be required to pursue a wide-ranging R. & D. program into non-nuclear technologies that would produce reliable, economical and environmentally acceptable energy alternatives; develop a comprehensive energy data base upon which future energy policy options could be based with a greater degree of accuracy that presently achieved; encourage private participation in the energy R. & D. process through a series of incentives not inimical to the public interest; and, as far as possible, broaden the base of ownership of energy industry capital.

Specifically, ERDA would be directed to engage in energy R. & D. in the following areas: First, energy conservation technologies, including the productive use of organic and inorganic wastes, the use of waste heat, increasing the efficiency of energy producing mechanisms to reduce the amount of waste heat, and methods of reusing and recycling energy sources; second, improvements in home and transportation uses of energy, which account for half of all energy use in the United States; third, solar energy; fourth, geothermal energy; fifth, coal, including methods to make its use environmentally acceptable, and especially, accelerated and improved coal liquefaction and gasification processes; sixth, secondary and tertiary oil and gas recovery systems, including the reduction of oil spills from such operations; seventh, oil shale; eighth, wind power; and ninth, hydrogen power.

It is the committee's and my belief, that by fostering the widest possible inquiry into alternative energy sources that are environmentally acceptable, the United States will be able to develop sufficient supplies of energy, at least in the near future, to sustain our growing economy without further deterioration of the human environment. These dual objectives can be met if the language in the bill is preserved against the promised onslaught of those who would sacrifice the remaining quality of our air and water in the name of Project Independence. I urge all my colleagues to reject the attempts of those who would make our cities and rural communities dirtier and indeed more perilous to inhabit in order to "solve" the energy crisis. Such a view is myopic, and while it may temporarily ease the tight fuel supply, unless we move to find a new generation of power sources the United States will face increasingly more severe energy shortages in the coming years.

There is one area of this bill in which I have a special interest. It is section 4(e) (4)(D) which deals with the direct utilization of coal in an environmentally acceptable fashion.

The most promising technology for the near-term, and one which EPA asserts is presently capable of commercial use to meet air quality standards, is called flue gas desulfurization (FGD). Also called stack scrubbing, FGD systems selectively remove sulfur dioxide—SO_2—from gas streams through physical and chemical action.

Coal is our most abundant domestic energy resource, comprising about 80 percent of our fossil fuel supply. We have some 3-trillion tons of coal buried in the ground, 50 percent of which is recoverable with present mining techniques. Coal, therefore, must play a central role in supplying the U.S. energy needs until more sophisticated energy systems come on line. Much of our coal, unfortunately, has properties which make it highly unacceptable as a fuel for burning in its natural state—it contains high quantities of SO_2 and other pollutants. Its use is limited because the atmosphere surrounding our major urban centers is already contaminated with industrial and auto pollutants which at the minimum are an irritant, and at the maximum contribute to increased mortality rates in those areas. Rural areas of the country, especially near utility plants, are also affected. Powerplants now account for about 60 percent of the sulfur dioxide pollution in the atmosphere, compared to only 13 percent in 1940.

In order to stem the degradation of our air and water, the EPA now requires all new fossil fuel powerplants to meet stringent SO_2 emission standards. To meet those standards, powerplant operators have only two choices: burn low-sulfur fuel, or install FGD systems. Another technique favored only by the power industry—especially TVA—is the use of tall stacks to disperse the SO_2 into the atmosphere, along with burning only very low-sulfur fuel or even reducing power output—burning rate—when weather conditions fail to allow dispersal. The shortcoming of this approach is that it does not abate the SO_2, it merely diffuses it. Thus, the emission standards would not be met even though the ambient air quality standards would be met—sometimes.

One of the two remaining options, the burning of low-sulfur fuels, has been chosen by the power industry to meet ambient air quality standards over the past several years since it is the least expensive solution. However, low-sulfur fuel is now in short supply; consequently, the power industry is faced in practice with only one solution: To install FGD systems.

Industry's prime concern about the stack gas scrubber has been its reliability. The power industry, especially the American Electric Power System, has argued vehemently against FGD. In fact, American Electric has spent more on its antiscrubber ad campaign than it has on FGD research and development. On the other hand, the EPA has stated that the use of commercially available FGD systems would bring utility plants into compliance with EPA pollution limits, and that there is no excuse for failure to employ them.

While I am inclined to agree with EPA that FGD is reliable enough to warrant its widespread application, I welcome the committee's decision to emphasize the need for ERDA to engage in R. & D. on this technology. Because of the advanced state of the art, I am convinced that ERDA would be able to work out any remaining bugs in these systems within a short period of time. In addition, the availability of Federal funds for private research should encourage utilities to avail themselves of experimental systems designed to meet their own particular problems.

One further point: It was never the intention of the committee to allow this section to become the vehicle for stripping EPA of its pollution control research capabilities. Stack scrubbers may well increase the U.S. energy supply by allowing coal to be burned in its natural state without precombustion processing. However, FGD is also a proven pollution control system, and to the extent that it is a weapon in the environmental arsenal neither ERDA nor OMB should consider that Congress intended by this bill for EPA to relinquish its research capability in this area.

I urge my colleagues to support this legislation. At this point in the RECORD I include some data on FGD compiled by Mr. Robert Trumbule of the Library of Congress:

FLUE GAS DESULFURIZATION (STACK GAS SCRUBBING) STATE-OF-THE-ART

(By Robert E. Trumbule, analyst in environmental policy, Environmental Policy Division, May 23, 1974)

BACKGROUND

At the present time, Federal regulations require that all new fossil fuel fired power plants meet emission standards for SO_2 by July 1, 1975. For new sources, the regulations prohibit SO_2 emissions in excess of 1.2 pounds per million B.t.u. of heat input when solid fuel (coal, lignite, etc.) is burned. In order to meet secondary ambient air quality standards, state implementation plans (approved by EPA) are often even more restrictive.

To meet these standards, power plant operators generally have only two options at this time: (1) they can burn low-sulfur fuel; or (2) they can install flue gas desulfurization (FGD) units, commonly known as scrubbers.

Another technique often discussed and, indeed, favored by some power companies (especially TVA), is the use of tall stacks to disperse the SO_2 into upper levels of the atmosphere, along with burning only very low-sulfur fuel or even reducing power output (burning rate) when weather conditions fail to allow dispersal. The difficulty with this approach is that it doesn't *abate* the SO_2 it merely diffuses it. Thus, the emission standards would not be met even though the ambient air quality standards would be, at least most of the time.

Other solutions, such as advanced combustion techniques, coal gasification, and methods for removal of sulfur prior to burning (coal desulfurization/liquefaction) have not reached full technological development and thus will not be available for probably 10 years.

Of the two reasonable options, the burning of low-sulfur fuel has been chosen by the power industry to meet ambient air quality standards over the past several years since it is the least expensive solution. However, low-sulfur fuel is now in short supply. Vast supplies of low-sulfur coal do exist, primarily in the West, in the form of lignite and other sub-bituminous forms. However, the extraction of this coal is caught up in problems associated with strip mining, water supply, Indian rights, labor unions, transportation, power plant siting, significant air quality degradation and others. Consequently, the power industry is faced with only one solution: to install scrubbers.

This is a very unhappy choice for the power industry. FGD scrubber technology is in an "emerging" state and involves fairly high-risk investment. Scrubbers are very expensive. There are by-product disposal problems associated with most of the systems. Installation would increase costs. Due to existing rate setting procedures, costs are not easily passed on as rate increases. Reserve electrical capacity would be reduced when existing plants are retro-fitted with scrubbers. All of these problems greatly increase power company officials' trauma especially in view of their recorded failure to invest to any considerable extent in the solution to these problems [other than to launch a multimillion newspaper advertising campaign in an effort to convince the public (and Congress) that their solution (open up the Western coal fields to strip mining) is the only way].

FLUE-GAS DESULFURIZATION (FGD) TECHNOLOGY EVALUATION

In evaluating FGD technology one of the critical factors is the degree to which the system can remove SO_2 from the stack gases. This is expressed as a percent removal efficiency. It should be noted that as the percent sulfur content in a fuel goes up so does the percent removal efficiency necessary to "scrub" the stack gases to the point where they will meet EPA standards. For example, an 84% removal efficiency is required to scrub an Illinois coal with a sulfur content of 4.3% and a heating value of 11,489 B.t.u. per lb., whereas a removal efficiency of only 40% is required to clean a North Dakota lignite with a sulfur content of only 0.7% and a heating value of 7,210 B.t.u. per lb. In general, an efficiency of about 75% will be required to clean 3% sulfur coal to meet the EPA standard of no more than 1.2 lb. SO_2 per million B.t.u. heat input.

It should also be noted that, generally speaking, a maximum scrubbing efficiency of about 90% can be expected from most of the presently available scrubbing *techniques* due to natural limitations in the chemistry and chemical engineering processes involved. It is very important to realize, however, that if a 90% efficient *technique* is used in a system that is on-line only 80% of the time due to process engineering problems, the overall *system* efficiency drops to 72% and what was once a process which easily met most standards now becomes only marginally useful.

Furthermore, if, again due to engineering problems, a 90% efficient technique is applied to only 80% of the total flue-gas stream, then, again, the system which, on its face, was so promising, is now failing to accomplish its designed task. The overall *system* efficiency is, of course, the value which must be considered when evaluating the claims of FGD vendors, and this efficiency is determined by multiplying the efficiency of the technique being used (determined primarily by the chemistry involved) by the percent time the system is on-line and by the percent of the flue-gas being scrubbed.

This same type of reasoning shows that, no matter what the efficiency of the system being used, *if costs are not considered,* it is possible to achieve any degree of removal desired merely by adding more systems in series to the gas stream. For example, if a system which is scrubbing at a 70% level is added in series to a system which is operating at the same efficiency, then the level of removal is 70% + (70% x 30%) or 91%. It is possible to scrub to *any* desired level if one is willing to pay the costs.

NEAR-TERM FGD SYSTEMS' CAPABILITIES

Of the more than fifty potential FGD processes, five are considered sufficiently developed to evaluate their performance and economics. Of these five, one, the dry limestone injection process, has SO_2 scrubbing efficiencies that are too low (22–45%) to merit consideration for most boiler requirements. The remaining four, capable of installation on full-scale, commercial power plants over the next five years are:

(1) Wet lime/limestone scrubbing.

(2) Magnesium oxide scrubbing.

(3) Catalytic oxidation.

(4) Wellman-Lord Process (wet sodium base scrubbing with regeneration).

All of these processes claim scrubbing efficiencies of 80–90% and all are presently undergoing full-scale, commercial development with EPA's assistance. (See table 1). In every case, bench-scale, pilot-plant, and limited full-scale operations seem to confirm process scrubbing efficiencies. However, with the exception of the wet lime/limestone process, none have operated over sufficiently long periods of time, under power plant variable-load conditions, to *ensure* that such scrubbing efficiencies can be met. In fact, in the case of the wet lime process being used in Japan by the Mitsui Aluminum Company it is interesting to note that although efficiencies of 80–85% are claimed, over the long haul the process is scrubbing only about 69–72% of the total SO_2 being produced. Nevertheless, it is highly likely that, once all the other system problems that every process has encountered are solved, the desired efficiencies can be achieved.

TABLE 1.—EXPENDITURES FOR FLUE GAS DESULFURIZATION SYSTEMS BY THE ENVIRONMENTAL PROTECTION AGENCY, FUNDING BY FISCAL YEAR

[In thousands of dollars]

System(s)	Fiscal year 1965 through fiscal year 1968	Fiscal year— 1969	1970	1971	1972	1973	1974	Total through fiscal year 1974	Comments
Cat-Ox process demonstration			3,500	107	981	100	350	5,038	Jointly funded contract with Illinois Power Co., for demonstration of a Cat-Ox system on a 100 MW boiler at Wood River, Ill.
Magnesium-oxide scrubbing process demonstration.		258	2,346	0	1,100	638	780	5,122	Cost-shared contract with Boston Edison and Chemico for demonstration of Mag-Ox process at Boston Edison's Mystic Station in Everett, Mass.
Wellman-Lord process demonstration.					4,231	740	1,440	6,411	Jointly funded contract with Northern Indiana Public Service Co., for demonstration of the Wellman-Lord SO_2 recovery process teamed with the Allied SO_2 reduction to elemental sulfur process. The combined process is being installed on a 115 MW coal-fired boiler at NIPSCO's D. H. Mitchell Station in Gary, Ind.

TABLE 1.—EXPENDITURES FOR FLUE GAS DESULFURIZATION SYSTEMS BY THE ENVIRONMENTAL PROTECTION AGENCY, FUNDING BY FISCAL YEAR—Continued

(In thousands of dollars)

System(s)	Fiscal year 1965 through fiscal year 1968	Fiscal year— 1969	1970	1971	1972	1973	1974	Total through fiscal year 1974	Comments
Lime/limestone scrubbing technology development.	3,057	3,296	4,624	4,302	3,729	5,332	2,169	26,509	Current efforts are directed toward prototype evaluation of limestone scrubbing technology at TVA's Shawnee Steam Plant. Byproduct disposal techniques are also under study. Other systems (such as dry limestone injection) and numerous supporting research and development activities concerning lime/limestone scrubbing techniques have been funded previously.
Limestone scrubbing process demonstration (Key West).			568	20	0	77	75	740	Jointly funded project with the city of Key West for demonstration of a wet limestone scrubbing facility at the city's Stock Island oil-burning powerplant.
Sulfur oxide control—Effluent treatment technology development.	4,481	2,465	1,107	1,656	1,949	1,545	1,986	15,189	This category of work encompasses the development and prototype evaluation of various processes for the control of sulfur oxides and other pollutants from utility and industrial boilers. Systems for which EPA has conducted R. & D. include: double alkali, bahco lime scrubbing, ammonia bisulfate, stone and webster ionics scrubbing process, alkalized alumina process, modified chamber process, and carbon absorption process.
Total								59,009	

TECHNOLOGY-ASSOCIATED PROBLEMS

Overcoming problems associated with FGD systems, however, has been a formidable task. Problems of corrosion, erosion, plugging, scaling and mechanical failure have plagued the wet lime/limestone processes. Similar problems, as well as difficulty with a dryer, have been encountered in developing the magnesium oxide system. The catalytic oxidation process requires operation of an extremely efficient dust collector operating at high temperatures up-stream of the SO_2 oxidation step. This has been a source of difficulty to some degree. Problems associated with build-up of contaminants has been the major difficulty of the Wellman-Lord process.

Because of these problems, it has been difficult to run any of these systems (with the exception of Mitsui Aluminum's wet lime process) for long periods of time and thus the necessary confidence in the system's capabilities has not been established. However, *when running*, all have delivered the expected 80–90% scrubbing efficiencies. It is clear that, in general, the chemistry of obtaining the necessary percent removal efficiencies is well in hand as are the individual chemical engineering unit processes. It is the problem of putting these various steps together in a large-scale process that is requiring time to solve.

NONTECHNICAL PROBLEMS

Each of the FGD systems discussed has severe non-technical problems which are inhibiting development. Although a detailed discussion of these is beyond the scope of this analysis, a few will be mentioned briefly.

First, there is the problem of cost. These systems are not inexpensive. For new plants, FGD installation costs of about $40–60 per kw of installed capacity have been given. A capital cost of $9 million has been quoted for the magnesium oxide system. FGD systems are also costly to run. Figures vary, but generally fall in the 1.1–3.0 mills per kw-hour range. If costs for stack gas cleaning are passed on, consumer costs could increase by as much as 17%.

Secondly there are environmental factors. The most highly developed of the four processes discussed (wet lime/limestone) has substantial throwaway product disposal problems. If processes of this type are used on an eventual 100,000 MW of FGD it is estimated that 48 millions tons of sludge would be produced. This corresponds to a potential land requirement of 160 square miles assuming 20-year storage and ponding to a 10-foot depth. This is in addition to an already existing 50 square mile requirement for disposal of the fly ash produced. What is to be done with all this material? Are we merely trading air pollution for water/land pollution?

The other processes discussed produce sulfuric acid. (Wellman-Lord can also be adapted to produce elemental sulfur.) Here again is both a disposal and/or an economic problem. What happens in 1981 (or somewhat later), when the quantity of sulfur available from abatement sulfur recovery processes exceeds demand? Storage as elemental sulfur would perhaps make the most sense since it is environmentally inert.

Another serious problem to be encountered by the electric power utilities in implementing FGD installation will be an expected shortage of experienced process engineers as well as chemical equipment construction personnel, such as boilermakers and welders. Expected growth in other industries such as refinery construction and shipbuilding, to name but two will cause severe competition for available manpower.

Another problem, encountered only in retrofit, is scheduling the construction of FGD systems in such a way that reserve power levels are not reduced to dangerously low values. This will require a carefully designed and coordinated building program over a ten year period.

Finally, the question of emerging technology capable of removal of sulfur from coal prior to or during its use in a power plant furnace must be considered. The possibility, within 10 years, of coal gasification and coal liquifaction providing low-sulfur fuel to burn or fluidized-bed combustion obviating the need for FGD appears quite likely. This potential certainly makes decisions to invest heavily in FGD systems more difficult, at least from the utilities' point of view.

COMPARISON OF ESTIMATED COSTS, FOR A 500-MWe POWERPLANT LOCATED EAST OF THE MISSISSIPPI RIVER, OF BURNING WESTERN COAL WITHOUT A SCRUBBER VERSUS BURNING EASTERN COAL WITH A SCRUBBER, OVER AN ESTIMATED 30-YR LIFE OF A PLANT

[In millions of dollars]

	Annual	30-yr total
I. Western coal without a scrubber: 1,590,000 tons per year of 8,000-Btu coal at $25 per ton (includes cost of transportation for 1,000 mi	40.0	1,200.0
II. Eastern coal with scrubber:		
1,060,000 tons per year of 12,000-Btu coal at $15 per ton (includes cost of transportation for 300 mi)	16.0	480.0
Capital cost of SO_x removal system at $60 per kilowatt		30.0
Cost of capital (includes savings from 10 yr depreciation)		.3
Operating costs (includes cost of limestone, sludge disposal, maintenance, and power used in scrubbing operation)	4.7	143.0
Total		653.3
III. Comparison of costs over 30 yr:		
Western coal/no scrubber		1,200.0
Eastern coal plus scrubber		653.3
Difference		546.7

Source: CRS.

Mr. HOSMER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment, after which it shall also be in order to consider the text of the amendment printed on pages 28247–28251 of the CONGRESSIONAL RECORD of August 14, 1974, if offered as a substitute for said committee amendment in the nature of a substitute.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Nonnuclear Energy Research and Development Act of 1974".

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment in the nature of a substitute, which is referred to in the rule and which has been printed in the RECORD.

The Clerk read as follows:

Amendment in the nature of a Substitute offered by Mr. UDALL:

That this Act may be cited as the "Federal Nonnuclear Energy Research and Development Act of 1974".

FINDINGS

SECTION 1. The Congress hereby finds that—

(a) The Nation is suffering from a shortage of environmentally acceptable forms of energy.

(b) The problems which create and maintain this energy shortage are substantially technological in nature, and require for their solution a comprehensive program of energy research and development.

(c) A major reason for this energy shortage has been our failure to organize and formulate a vigorous, comprehensive research and development strategy designed to assure the wise planning and effective conduct of a cohesive, fully dimensioned national research and development program.

(d) The Nation's energy needs can be met if a national commitment is made now to dedicate the necessary financial resources, to enlist our scientific and technological capabilities, and to accord the proper priority to developing new nonnuclear energy options to serve national needs, conserve vital resources, and protect the environment.

(e) The Energy Reorganization Act of 1974 provides for a coalescence of national energy research and development functions in the executive branch, and for thorough, centrally directed exploration and development of all potentially beneficial energy sources and energy utilization techniques, including research and development for the conservation of energy.

(f) The urgency of the Nation's energy challenge will require commitments similar to those undertaken in the Manhattan and Apollo projects; it will require that the Nation undertake, at a minimum, a ten-year $20,000,000,000 research, development, and demonstration program including a greatly expanded effort in nonnuclear energy technologies.

(g) In undertaking such program, full advantage must be taken of the existing technical and management expertise in the various energy fields within Federal agencies and in the private sector.

GENERAL POLICY

SEC. 2. (a) It is the policy of the Congress to establish and vigorously conduct a centralized, comprehensive, national program of basic and applied research and development, including demonstrations of practical applications, of all potentially beneficial energy sources and utilization of technologies, within the Energy Research and Development Administration as provided for in the Energy Reorganization Act of 1974. In carrying out this program, the Administrator shall be governed by the terms of this Act with respect to all nonnuclear aspects of the research, development, and demonstration program, and the policies and provisions of the Atomic Energy Act of 1954, as amended, shall continue to apply to nuclear research, development, and demonstration projects. The implementation and conduct of research, development, and demonstration programs in specific nonnuclear technologies shall be carried out through or in conjunction with existing or future programs (including those established by the Solar Heating and Cooling Act of 1974, and the Geothermal Energy Research, Development, and Demonstration Act of 1974 and similar legislation to be enacted).

(b) The Administrator (as defined in section 11) shall—

(1) aggressively pursue research and development programs in a wide range of nonnuclear energy technologies in order to insure adequate, reliable, economical, and environmentally acceptable energy sources and systems to support the essential needs of modern society;

(2) develop the technology and information base necessary to support development of the widest possible range of options available for future energy policy decisions;

(3) investigate the capability for and, in general, the option of energy self-sufficiency for the United States through the development of socially and environmentally acceptable methods for the utilization of domestic nonnuclear energy sources;

(4) pursue the development of new energy sources in such a way as to encourage the fullest possible private participation and to shift the burden of spending to the private sector as early in the development process as is possible:

(5) as he deems advisable, consult with representatives of science, industry, agriculture, labor, conservation organizations, State and local governments, as well as with all appropriate Federal Government agencies;

(6) pursue research and development of nonnuclear energy sources in such a way as to facilitate the commercial availability of adequate supplies of energy to all regions of the United States;

(7) Include, to the greatest extent practicable, in Federal research and development programs authorized by this Act, small businesses and individual inventors;

(8) examine and if feasible implement methods by which Federal research and development expenditures authorized by this Act, are utilized to broaden the base of ownership of energy industry capital;

(9) to the degree feasible to provide for a program for the international exchange of energy and energy related technologies and information.

(c) Public access to information: The Administrator shall promptly make all records available for public inspection and for copying at reasonable rates, upon any request for records which (A) reasonably describes such records, and (B) is made in accordance with published rules stating the time, place, fees to the extent authorized by statute, and procedure to be followed. For purposes of this subsection, the term "records" includes records as used in section 552 of title 5 of the United States Code and all communications, documents, reports, information, and physical objects received or transmitted by the Administrator or his employees under this Act, except for foreign policy and national defense matters exempted by section 552(b) (1) of title 5 of the United States Code and for trade secrets, know how, and proprietary information exempted by section 7 of this Act and by section 552(b) (4) of title 5 of the United States Code.

GOVERNING PRINCIPLES

SEC. 3. The Congress authorizes and directs that, to the fullest extent possible, the Federal program in research and development authorized by this Act shall be designed and executed according to the following principles:

(a) Energy conservation shall be a primary consideration in the design and implementation of the Federal nonnuclear energy program. For the purposes of this Act, energy conservation means both improvement in efficiency of energy production and use and reduction in energy waste.

(b) The environmental and social consequences of a proposed technological undertaking shall be analyzed and considered in evaluating its potential. Consistent with the requirements of this Act, the Administrator shall perform technology assessments where necessary and assign priority to those technologies which, while offering a substantial potential yield of useful energy, minimize the aggregate economic, environmental, and social costs.

(c) Any program for the development of a technology which may require significant consumptive use of water after the technology has reached the stage of commercial application shall include thorough consideration of the impacts of such technology on water resources pursuant to the provisions of section 10. For any energy technology requiring significant water use, the availability of an adequate water supply for a demonstration project shall be a precondition of Federal assistance to that project, and the availability of an adequate water supply for commercial application shall be a precondition of Federal assistance in projects of commercial application.

(d) Federal involvement in energy research development, and commercial application shall be limited, consistent with other responsibilities under this Act, to those areas where there is the least likelihood that the private sector will achieve the desired goal without Federal assistance. Factors to be considered in evaluating this likelihood include, but are not limited to—

(1) the degree of risk in the proposed undertaking;

(2) the magnitude of the capital investment involved;

(3) the potential for recapturing development costs in the open market; and

(4) the availability of risk capital to interested non-Federal entities.

(e) In determining the Federal energy research and development policy, a high priority and heavy emphasis shall be assigned to those energy sources which are renewable.

DUTIES OF ADMINISTRATOR

SEC. 4. The Administrator shall—

(a) review the current status of nonnuclear energy resources and current nonnuclear energy research and development activities, and give consideration to research and development being conducted by Federal and non-Federal entities;

(b) formulate comprehensive nonnuclear energy research and development strategies for the Federal Government designed to advance the policies set forth in this Act and other relevant legislation; and submit such strategies to the Speaker of the House of Representatives and the President pro tempore of the Senate, and to the appropriate committees of the House of Representatives and the Senate not later than 18 months after the enactment of this Act.

(c) conduct a study, the final results of which shall be submitted to the Congress within twelve months after the date of enactment of this Act, to determine the amount of scientific, technical, and other manpower necessary to adequately implement an effective national energy research and development program, including recommendations of action necessary for the training and locating of any needed qualified personnel;

(d) in allocating Federal moneys authorized by this Act, give consideration to all nonnuclear energy technologies, including but not limited to conservation measures, including increases in the efficiency of energy production, transmission, improved drilling techniques, and use as well as reduction of energy waste, opportunities for reuse and recycling, basic materials research, coal gasification and liquefaction, including solvent refining, means by which the combustion of coal may be made environmentally acceptable, oil and gas recovery, oil shale, solar power, wind power, ocean thermal gradients, geothermal power, and hydrogen gas systems; and

(e) in conducting Federal research and development programs in the technologies set forth in subsection (d) above, give emphasis to—

(1) the full range of energy conservation technologies including but not limited to—

(A) productive use of waste through the reuse of agricultural wastes, garbage, and sewage through combustion and conversion. Conversion technologies to be investigated shall include pyrolysis, chemical reduction and bioconversion, and use of waste heat from industrial, residential, and commercial sources.

(B) electrical generation and transmission through (i) improvements in the efficiency of generation through advances in gas turbine technologies, combined cycles, magnetohydrodynamics, and commercial fuel cells: (ii) storage systems to allow more efficient load following, including the use of inertial energy storage system; and (iii) improvements of cryogenic methods.

(C) reuse and recycling through a vigorous attempt to discover new opportunities and technologies for reuse and recycling of consumer products and in industrial processes or materials.

(D) advanced urban and architectural design; through total systems approaches to energy use in the residential and commercial sectors, improvements in home design and insulation technologies, small thermal storage units and increased efficiency in electrical appliances and in lighting fixtures.

(E) transportation through advanced urban design and traffic systems, improvements in automobile design for increased efficiency and lowered emissions, including investigation of the full range of alternatives to the internal combustion engine, and systems of efficient public transportation.

(2) solar energy systems, including but not limited to—

(A) residential and commercial heating, cooling, and in particular combined heating and cooling systems;

(B) central power stations;

(C) low cost, stable, photovoltaic cells;

(D) production of synthetic fuels; and

(E) the utilization of wind power.

(3) geothermal energy resources, including but not limited to—

(A) improved methods and techniques for resource assessment of geothermal energy; and

(B) methods for extracting energy from currently unexploited forms of geothermal energy resources.

(4) coal resources including but not limited to—

(A) the acceleration of the commercial demonstration of facilities to produce gas from coal;

(B) the improvement of coal liquefaction and solvent-refining technology;

(C) the development and application of magnetohydrodynamics; and

(D) the accumulation of a wide range of options for making the direct utilization of coal or coal derivatives environmentally acceptable, including stack gas cleanup, fluidized bed combustion and precombustion coal cleaning technologies, and in situ coal gasification.

(5) oil and gas resources including but not limited to—

(A) the improvement of methods for secondary and tertiary recovery;

(B) the improvement of methods for the prevention of marine oilspills, and methods for spill cleanup.

(6) the acceleration of the commercial demonstration of the production of oil from shale by all possible technologies including in situ technologies.

FORMS OF FEDERAL ASSISTANCE

SEC. 5. (a) (1) In developing proposals pursuant to this Act, the Administrator may utilize various forms of Federal assistance and participation which may include but are not limited to—

(A) joint Federal-industry experimental, demonstration, or commercial corporations consistent with the provisions of subsection (b) of this section;

(B) contractual arrangements with, or grants to, non-Federal participants;

(C) contracts for the construction and operation of federally owned facilities;

(D) Federal purchases or guaranteed price of the products of demonstration plants or activities consistent with the provisions of subsection (c) of this section;

(E) Federal loans to conduct demonstrations of new technologies; and

(F) incentives, including financial awards, to individual inventors, such incentives to be designed to encourage the participation of a large number of such inventors.

(b) Joint Federal-industry corporations proposed pursuant to this Act shall conform to the following guidelines:

(1) Each such corporation is authorized to design, construct, operate, and maintain one or more experimental, demonstration or commercial-size facilities, or other operations which will ascertain the technical, environmental, and economic feasibility of a particular energy technology. In carrying out this function, the corporation shall be empowered, either directly or by contract, to utilize commercially available technologies, perform tests, or design, construct, and operate pilot plants as may be necessary for the design of the full-scale facility.

(2) Each corporation shall have—

(A) a Board of nine directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the Board to serve as Chairman. The Board shall be empowered to adopt and amend bylaws. Five members of the Board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and four members of the Board shall be appointed by the President on the basis of recommendations received by him from any non-Federal entity or entities entering into contractual arrangements to participate in the corporation;

(B) a President and such other officers and employees as may be named and appointed by the Board (the rates of compensation of all officers and employees shall be fixed by the Board); and

(C) the usual power conferred upon corporations by the laws of the District of Columbia.

(3) An appropriate time interval shall be established for the term of Federal participation in the corporation at the expiration of which the Board of Directors shall take such action as may be necessary to dissolve the corporation or otherwise terminate Federal participation and financial interests. In carrying out such dissolution, the Board of Directors shall dispose of all physical facilities of the corporation in such manner and subject to such terms and conditions as the Board determines are in the public interest, and a share of the appraised value of the corporate assets proportional to the Federal participation in the corporation, including the proceeds from the disposition of such facilities, on the date of its dissolution, after satisfaction of all its legal obligations, shall be made available to the United States and deposited in the Treasury of the United States as miscellaneous receipts. All patent rights of the corporation shall, on such date of dissolution, be vested in the Administrator: *Provided*, That Federal participation may be terminated prior to the time established in the authorizing Act upon recommendation of the Board of Directors.

(4) Any commercially valuable product produced by demonstration facilities shall be disposed of in such manner and under such terms and conditions as the corporation shall prescribe. All revenues received by the corporation from the sale of such products shall be available to the corporation for use by it in defraying expenses incurred in connection with carrying out its functions under this title.

(5) The estimated Federal share of the construction, operation, and maintenance cost over the life of each corporation shall be determined to facilitate the congressional authorization of the full amount at the time of establishment of the corporation.

(6) The Federal share of the cost of each such corporation shall reflect (A) the technical and economic risk of the venture, (B) the probability of any financial return to the non-Federal participants arising from the venture, (C) the financial capability of the potential non-Federal participants, and (D) such other factors as the Administrator may set forth in proposing the corporation: *Provided*, That in no instance shall the Federal share exceed 90 per centum of the cost.

(7) (A) Prior to the establishment of any joint Federal-industry corporation pursuant to this Act, the Administrator shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, and to the appropriate committees of the House of Representatives and the Senate a report setting forth in detail the consistency of the establishment of the corporation with the principles and directives set forth in section 3 and this section, and the proposed purpose and planned activities of the corporation.

(B) No such corporation shall be established unless previously authorized by specific legislation enacted by the Congress.

(c) Competitive systems of price supports proposed pursuant to this Act shall conform to the following guidelines:

(1) The Administrator shall determine the types and capacities of the desired full scale, commercial size facility, or other operation which would demonstrate the technical, environmental, and economic feasibility of a particular nonnuclear energy technology.

(2) The Administrator may award planning grants for the purpose of financing a study of the full cycle economic and environmental costs associated with the demonstration facility selected pursuant to subsection (1) of this section. Such planning grants may be awarded to industrial entities, Federal agencies, government laboratories, universities or nonprofit organizations.

(3) Following the completion of the studies pursuant to the planning grants awarded under subsection (2) of this section, the Administrator shall invite bids from all interested parties to determine the minimum amount of Federal price support needed to construct the demonstration facility. The Administrator may designate one or more competing entities, each to construct one commercial demonstration facility. Such designation shall be made on the basis of those entities' (A) commitment to construct the demonstration facility at the minimum level of Federal price supports, (B) detailed plan of environmental protection, and (C) proposed design and operation of the demonstration facility.

(4) The estimated amount of the Federal price supports of the demonstration facilities' product over the life of such facilities shall be determined by the Administrator to facilitate the congressional authorization of the full amount of such support amounts at the time of the designation of the successful bidders.

REPORTS TO CONGRESS

SEC. 6. (a) The Administrator shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, and to the appropriate committees of the House of Representatives and the Senate, no later than sixty days from the end of each fiscal year a report detailing his organization's activities carried out pursuant to this Act during said fiscal year. The Administrator shall keep the appropriate committees of the Congress fully and currently informed of his activites, pursuant to this Act. Neither the Administrator nor any employee may refuse to testify or submit information to the Congress or any duly authorized committee thereof.

(b) The Administrator shall also submit to the Speaker of the House of Representatives and the President pro tempore of the Senate and to the appropriate committees of the House of Representatives and the Senate, an annual research and development program report in which short-range, intermediate-range, and long-range Federal nonnuclear energy research and development plans and individual expenditures of moneys authorized for Federal nonnuclear research and development are set forth in detail. The report shall be submitted to the Congress no later than ninety legislative days prior to each fiscal year. The report shall include a statement setting forth the following:

(1) the anticipated research, development, and application objectives to be achieved by the proposed program;

(2) the economic, environmental, and societal significance which the proposed program may have;

(3) the total estimated cost of individual program items;

(4) the estimated relative financial contributions of the Federal Government and non-Federal participants in the research and development program;

(5) the relationship of the proposed program to any Federal national energy or fuel policies; and

(6) the relationship of any short term plans and individual program expenditures to long-range programs and goals.

PATENT POLICY

SEC. 7. (a)(1)(A) Any research, development, demonstration, or projects contracted for, sponsored, or cosponsored by the Government pursuant to this Act shall require as a condition of Federal participation that all information—whether patented or unpatented, in the form of trade secrets, know-how, proprietary information or otherwise—resulting in whole or in substantial part from federally assisted research (hereinafter referred to as "resultant technology") shall receive the widest practicable dissemination to the general public, including, but not limited to, nongovernmental United States interests capable of bringing about further development, utilization, and commercial application of such results.

(B) Every contractor performing any work under such federally assisted research authorized by this Act shall fully and completely identify any resultant technology to the Administrator promptly after discovery thereof.

(C) Such resultant technology shall promptly be made available to the public through licensing, dedication, or publication or otherwise as provided by law.

(2)(A)(i) The United States shall acquire throughout the world any resultant technology, and shall acquire title to any patents issuing in respect thereof unless the Administrator waives all or any part of the rights of the United States to such invention in conformity with the provisions of subsection (a)(2)(A)(ii) of this section: *Provided, however,* That in order to stimulate prompt and effective use of the resultant technology developed by the contractor—

(a) every contractor shall receive a royalty free, nonexclusive license to any United States patent issuing on the resultant technology, such license to be for the term of such patent, except that it shall be subject to revocation by the Administrator commencing five years after issuance of the patent if any person then requests an exclusive license and the Administrator determines that it would be in the public interest to grant such license pursuant to the provisions of subparagraphs (a)(2)(C) and (a)(2)(D) of this section, and

(b) the Administrator may, in his discretion, at the time of awarding of the contract, grant all patent rights outside the United States to the contractor subject to a royalty free, nonexclusive license to the Government together with the right to grant sublicenses for governmental purposes, under the conditions that and in return for the contractor's agreement to (1) file at the contractor's expense United States patent applications corresponding to the foreign applications and (2) transfer title to such United States patent applications and any patent issuing thereon to the Government at such times as the Administrator designates.

(ii) Under such regulations in conformity with this subsection as the Administrator shall prescribe, he may, upon request by the applicant, waive all or any part of the rights of the United States under this section with respect to any invention or class of inventions made or which may be made by the applicant in the performance of any work required by any contract or grant if the interests of the United States and the general public will be served thereby and the Administrator determines after opportunity for an on-the-record adjudicatory public hearing held in accordance with the provisions of the Administrative Procedure Act, that—

(a) at the time of awarding the contract or grant,

(1) the participation of the applicant is necessary for the expeditious development or commercial application of the resultant technology and the applicant's participation is conditioned upon obtaining a waiver;

(2) there is a reasonable basis to believe that the effect of the waiver will substantially lessen competition, or tend to create a monopoly, in any line of commerce in any section of the country;

(3) the public interest will be served by such waiver in view of the applicant's intentions, plans, and ability itself to utilize the invention;

(4) the applicant, in furtherance of its established commercial position not substantially based on Government funded research, has a substantial investment of technical or financial resources in research and development directly related to the work to be done under the contract or grant;

(5) the contract or grant is not for the operation of a Government-owned facility, not for coordinating or directing the work of others, nor for the creation, development, or improvement to the point of practical application of any product, process, or method which either is intended for use by the general public or is or will be required for use by law; and

(6) the contract or grant is not in a field of technology in which the Government has been the principal developer; or

(b) after the identification of the invention,

(1) private risk capital is necessary for the development and commercialization of the resultant technology and is likely to be forthcoming only upon the grant of such waiver; and

(2) the provisions of (3) through (6) of subsection (a)(2)(A)(ii) and (a)(2)(C)(iv) of this section have been satisfied.

(iii) Any waiver granted pursuant to the provisions of subsection (a)(2)(A)(ii) of this section shall be made upon such terms and conditions as the Administrator shall determine to be required for the protection of the interests of the United States and the general public, including such conditions as are required to insure that the requirements of subparagraphs (a) and (b) of subsection (ii) will be satisfied. Any waiver pursuant to subsection (ii) shall be made subject to the same restrictions as are applicable to exclusive and partially exclusive licenses under subsection (a)(2)(D) of this section.

(B) The Administrator shall license, after due notice thereof, all patents to which the United States is entitled pursuant to this Act to all qualified applicants therefor, on nonexclusive and nondiscriminatory terms and under reasonable conditions, except as provided by subparagraph (C) of this paragraph. The Administration shall make a determination, case by case, as to whether to effectuate the purposes of this Act patent licenses shall be granted on a royalty free basis or upon a basis of charges designed to cover part or all of the costs of the Federal research.

(C) The Administrator may license patents to which the United States is entitled pursuant to subparagraph (A) of this paragraph, on an exclusive or partially exclusive basis, subject to the provisions of this subparagraph and subparagraph (D) of this paragraph. The Administrator may grant such a license, if he determines, after opportunity for an on-the-record public proceeding conducted in accordance with the provisions of the Administrative Procedure Act, that—

(i) the availability of nonexclusive licensing pursuant to subparagraph (B) of this paragraph has in fact failed to result in substantial utilization of the invention;

(ii) exclusive or partially exclusive licensing is a necessary incentive to call forth risk capital and expenses to bring the invention to the point of practical or commercial application;

(iii) the public interest will be served by the proposed license, in view of the applicant's intentions, plans, and ability himself to utilize the invention; and

(iv) the grant of such license will not tend unduly to lessen competition nor to increase concentration in any section of the country in any line of commerce to which the technology relates.

(D) Any exclusive or partially exclusive license granted pursuant to subparagraph (C) of this paragraph—

(i) shall provide for the reservation of an irrevocable, nonexclusive, royalty-free, unrestricted right throughout the world to make, have made, use, and sell the invention, by or on behalf of the United States (including any governmental agency and any corporation established pursuant to this Act), any State or subsection or instrumentality thereof, and any foreign government pursuant to any existing or future treaty or agreement of the United States;

(ii) shall provide for the licensee to provide written reports to the Administrator, upon his request, at reasonable intervals, concerning the utilization that is being made or is intended to be made of the invention, and such other information as the Administrator may, in his discretion, determine is necessary to effectuate the purposes of this Act or otherwise protect the public interest;

(iii) shall provide for termination of the exclusive or partially exclusive rights of the licensee three years after the grant of the license, and at any three-year interval thereafter, if the Administrator determines, in an on-the-record adjudicatory public hearing conducted in accordance with the provisions of the Administrative Procedure Act preceding the expiration of such three-year period, that the licensee did not take effective steps to implement the intentions and plans referred to in subparagraph (C)(iii) of this paragraph; that such plans have not in fact resulted, or within a reasonable time thereafter will not result, in substantial utilization of the licensed invention; or that such exclusively has tended substantially to lessen competition or to increase concentration in any section of the country in any line of commerce to which the subject matter of the invention relates: *Provided, however,* That the Administrator shall hold such a hearing and make such a determination at any three-year interval after the grant of the license, upon the written request therefor by any interested person: *Provided, further,* That in any such proceeding, the licensee, on the basis of a showing by him, shall have the burden of demonstrating compliance with the provisions of this subdivision.

(iv) shall provide that the Administrator may grant a nonexclusive, nondistriminatory, unrestricted and reasonable license to all qualified applicants therefor, upon terms reasonable under the circumstances if the Administrator determines that the granting of such a license is necessary to fulfill health, safety, energy, or other public needs, or when Government regulations require use of the technology; and

(v) may contain such other terms and conditions as the Administrator, in his discretion, determines are necessary or appropriate to effectuate the purposes of this Act or otherwise protect the public interest.

(b)(1) Whenever a participant in any program, contract, or energy research and development project pursuant to this Act holds background patents, trade secrets, knowhow, or proprietary information which will be employed in the proposed program, contract, or research and development project (hereinafter referred to as "background technology") the Administrator shall consider in determining whether to acquire rights to background technology (A) the participation of industry, (B) the equitable protection for privately developed technology, and (C) the commercial availability of research results. Where a background agreement is determined to be appropriate, the agreement shall provide that when the program, contract, or energy research and development project reaches the stage of commercial application, any of the participant's previously developed background technology will be made available to any qualified applicant upon a finding by the Administrator that the background technology is necessary to achieve commercial application of the energy process or system developed under this Act.

(2) (A) Agreements pursuant to subsection (b) (1) shall provide that such background technology be made available on reasonable and nondiscriminatory license terms, including suitable agreements on confidentiality, which appropriately compensate the participant on the basis of the relative significance of his background technology, and his share of costs, to the achievement of the commercial viability of the total energy process or system.

RELATIONSHIP TO ANTITRUST LAWS

SEC. 8. (a) Nothing in this Act shall be deemed to convey to any individual, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

(b) As used in this section, the term "antitrust laws" means—

(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a. 13b, and 21a).

ENVIRONMENTAL EVALUATION

SEC. 9. (a) The Council on Environmental Quality is authorized and directed to carry out a continuing analysis of the effect of application of nonnuclear energy technologies to evaluate—

(1) the adequacy of attention to energy conservation methods, and

(2) the adequacy of attention to environmental protection and the environmental consequences of the application of energy technologies.

(b) The Council on Environmental Quality, in carrying out the provisions of this section, may employ consultants or contractors and may by fund transfer employ the services of other Federal agencies for the conduct of studies and investigations.

(c) The Council on Environmental Quality shall hold annual public hearings on the conduct of energy research and development and the probable environmental consequences of trends in the development and application of energy technologies. The transcript of hearings shall be published and made available to the public.

(d) The Council on Environmental Quality shall make such reports to the President, the Administrator, and the Congress as it deems appropriate concerning the conduct of energy research and development. The President as a part of the annual Environmental Policy Report required by section 201 of the National Environmental Policy Act (83 Stat. 854) shall set forth the findings of the Council on Environmental Quality concerning the probable environmental consequences of trends in the development and application of energy technologies.

WATER RESOURCE EVALUATION

SEC. 10. (a) The Water Resources Council shall undertake assessments of water resource requirements and water supply availability for any nonnuclear energy technology and any probable combinations of technologies which are the subject of Federal research and development efforts authorized by this Act, and the commercial development of which could have significant impacts on water resources. In the preparation of its assessment, the Council shall—

(1) utilize to the maximum extent practicable data on water supply and demand available in the files of member agencies of the Council;

(2) collect and compile any additional data it deems necessary for complete and accurate assessments;

(3) give full consideration to the constraints upon availability imposed by treaty, compact, court decree, and existing water rights previously granted pursuant to State law;

(4) assess the effects of development of such technology on water quality;

(5) include estimates of cost associated with production and management of the required water supply, and the cost of disposal of waste water generated by the proposed facility or process;

(6) assess the environmental, social, and economic impact of any change in use of currently utilized water resource that may be required by the proposed facility or process;

(7) consult with the Council on Environmental Quality; and

(8) provide an assessment to the Administrator as to the availability of an adequate water supply for such proposed undertakings.

(b) Upon completion of each assessment, and at least ninety days before submission of each report to the Administrator, notice of completion shall be printed in the Federal Register and the report shall be made freely available to the general public for comment and evaluation.

(c) The Council shall include a broad survey and analysis of regional and national water resource availability for energy development in the biennial assessment required by section 102(a) of the Water Resources Planning Act (Public Law 89-80).

THE ADMINISTRATOR

SEC. 11. For the purposes of this Act, the term "Administrator" means the Administrator of the Energy Research and Development Agency upon the creation of such agency by law.

APPROPRIATION AUTHORIZATION

SEC. 12. There are authorized to be appropriated to the Administrator—

(a) to carry out the purposes of this Act, in fiscal years 1976, 1977, 1978, 1979, and 1980 such sums as the Congress may hereafter authorize by law, no more than $500,000 of which shall be made available by fund transfer in each fiscal year to the Council on Environmental Quality for the purposes authorized and directed by section 9, and no more than $1,000,000 of which shall be made available by fund transfer in each fiscal year to the Water Resources Council for the purposes authorized and directed by section 10;

(b) for expenses incurred in administering this Act, including such amounts as may be expended for consulting services and including funds transferred to other Federal agencies in compensation for personal services, such funds as may be necessary in each fiscal year.

(c) Notwithstanding subsection (a) of this section, no appropriation shall be made to the Administrator under this Act or the Energy Reorganization Act of 1974 in connection with any demonstration project entailing an estimated Federal cost in excess of $10 million, or in connection with a Federal loan in excess of $5 million, unless previously authorized by legislation enacted by the Congress; and no joint Federal industry corporation shall be established unless previously authorized by legislation enacted by the Congress.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment in the nature of a substitute, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. HOSMER. Mr. Chairman, reserving the right to object, I should like to ask the gentleman from Arizona, Does he intend that thereby we shall not take up the substitute amendment section-by-section, but that the entire substitute amendment shall be considered as read and open to amendment at any point?

Mr. UDALL. No.

Mr. HOSMER. Or is he simply limiting his request to the reading and printing?

Mr. UDALL. No. I am requesting that the amendment printed in the RECORD as a substitute be considered as read. The points the gentleman raises are not resolved by my pending request one way or the other.

Mr. HOSMER. Will the gentleman limit his request to sections 1 and 2 so that we can read it section by section?

The CHAIRMAN. The Chair will inform the gentleman that the amendment in the nature of a substitute will be open for amendment at any point.

Mr. HOSMER. Then I must insist upon my objection.

Mr. UDALL. Before the gentleman objects, it would be my purpose, if the pending unanimous-consent request that the entire substitute amendment be considered as read is granted, to then ask unanimous consent that we proceed to have each section of that, in order, considered as open for amendment so that we could proceed in the orderly way which the gentleman suggested.

Mr. HOSMER. Would the gentleman then not combine his two requests into one?

Mr. UDALL. Mr. Chairman, I combine the two requests into one.

The CHAIRMAN. The Chair would inform the gentleman from Arizona that the second part of the unanimous-consent request is not in order.

Mr. HOSMER. Mr. Chairman, I then insist upon my objection.

I ask unanimous consent that sections 1 and 2 of the substitute amendment be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. The rule provides, the Chair will inform the gentleman, that the substitute amendment has to be offered and considered in its entirety.

Mr. McCORMACK. Mr. Chairman, will the gentleman from California yield?

Mr. HOSMER. I yield to the gentleman from Washington.

Mr. McCORMACK. If the gentleman will think with me for just one moment if the entire substitute amendment is before us and then is brought up for consideration for amendment section by section, I think it serves his purpose exactly as he would wish.

Mr. HOSMER. That would, but I am just not sure that somebody would not object to that proceeding.

Mr. UDALL. If the gentleman will yield, I do not think there is anyone in the Chamber who would object to that. We can do that within the next 30 seconds.

Mr. HOSMER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona that the amendment in the nature of a substitute be considered as read and printed in the RECORD?

There was no objection.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that in considering my amendment in the nature of a substitute, we proceed section by section, if that request is in order, and that the Chair call for amendments to particular sections in order.

The CHAIRMAN. The Chair will advise the gentleman that under the rule the Chair may recognize Members to offer amendments to any part of the substitute, but the Chair will endeavor to proceed in an orderly manner.

The gentleman from Arizona is recognized.

Mr. UDALL. Mr. Chairman, the substitute amendment now before the Committee is basically the committee bill with four changes.

The first change was to eliminate the authorization section which had specific authorization amounts for fiscal 1975 and 1976 to read:

Such sums as the Congress may hereafter authorize by law.

This was the heart of the compromise made between the two committees in settling this jurisdictional matter.

It was the very strong feeling of the Committee on Science and Astronautics that the Congress should not go on record at this time as fixing specific amounts since another committee might have jurisdiction over that in the following Congress. That is agreeable to us.

We did as a part of this compromise make the second change and that is in the findings section to indicate some degree of the magnitude of the funding and commitment that this nonnuclear energy program ought to require. So we said that a program is needed in the order of $20 billion over the next 10 years.

We felt that these two taken together were an adequate compromise in this area and does indicate we are going to have a large and very substantial program.

The third change is that we make specific recognition of the other relevant legislation, specifically that out of the Science and Astronautics Committee. We refer to the Solar Cooling and Heating Act and the Geothermal Act of 1974 and others, we refer to other programs that might be enacted and carried out in conjunction with these programs.

Finally, the fourth change is we make some minor changes in the listing of various energy research technologies in section 4, and it was in this area we also worked out appropriate language with the other committee.

So Mr. Chairman, I think now we can address the pending issue including the serious patent issues on this pending substitute.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, on page 6 of the new substitute I notice the word "nonnuclear" is stricken in line 14. Will the gentleman please explain that?

Mr. UDALL. I will tell the gentleman that it is a printing error, Mr. Chairman, and that it should read "nonnuclear energy" and I will correct it if it needs correction.

Mr. HOLIFIELD. As I see it here there is a delete typographical sign there on line 14. Does the gentleman have his copy?

Mr. UDALL. I have it and this is incorrect and I will make the appropriate change.

Mr. HOLIFIELD. Fine. I thank the gentleman.

AMENDMENT OFFERED BY MR. HOSMER

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. UDALL).

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the amendment in the nature of a substitute offered by Mr. UDALL: Page 2, line 23, strike out "Sec. 2." and insert a new "Sec. 2." to read as follows:

"SEC. 2. It is hereby declared to be the policy of the Congress to establish and vigorously conduct a National program of basic and applied research and energy development, including demonstrations of practical applications, encompassing all potentially beneficial energy sources and utilization technologies."

Mr. HOSMER. Mr. Chairman, my amendment would restate succinctly and accurately the intended general policy underlying the bill under consideration. Additionally, the restatement of general policy in the amendment I offer accords fully with the Energy Reorganization Act, H.R. 11510, which this body passed shortly before last Christmas by vote of 355 to 25. Last week, the Senate passed a companion bill, and H.R. 11510 will soon be scheduled for conference.

Acceptance of this amendment will obviate the need for the next six amendments I feel impelled to propose to correct significant deficiencies in the present text of section 2 of this bill.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

The subcommittee wrote this section after a lot of careful thought. The gentleman from California goes through and makes some rather wholesale changes and, for example, knocks out a whole section on access and freedom of information. We think the committee version is far superior and should not be taken out in this manner on the floor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. UDALL).

The amendment was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. UDALL

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. UDALL).

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the amendment in the nature of a substitute offered by Mr. UDALL: Page 3, Line 6, after the word "Act" and at Page 3, Line 9, after "amended," insert the following:

"and other provisions of law"

Mr. HOSMER. Mr. Chairman, this simply would add language that should be in the bill. The language that is in the proffered substitute at the present time says that the program administrator shall be governed by the terms of this Act.

Well, there are other laws on the law books now and there will be other laws on the law books in the future to which he should also be subject.

The bill now under consideration has undergone a series of revisions since it was first referred to the Committee on Interior and Insular Affairs 8 months ago. Most of the changes have improved this measure considerably.

A predominating change was the incorporation in this bill of the assumption that the Energy Reorganization Act, H.R. 11510, which this body passed shortly before last Christmas, by vote of 355 to 25, would become law. I had the privilege of cosponsoring H.R. 11510 with my distinguished colleagues CHET HOLIFIELD, MEL PRICE, and FRANK HORTON. Last week, the Senate passed a companion measure, and H.R. 11510 will soon be scheduled for conference. The Energy Reorganization Act will create a new, independent executive agency to be known as the Energy Research and Development Administration (ERDA) to manage and conduct a comprehensive, coordinated national research and development program encompassing all forms of energy and utilization techniques. It will include all the energy sources and technologies referred to in the bill now before us as well as others, including nuclear energy. H.R. 13565 elaborates on the nonnuclear R. & D. program that ERDA will be responsible for under the Energy Reorganization Act.

My amendment will perfect the intention of H.R. 13565 to build on the ERDA bill. It will acknowledge in H.R. 13565 the few amendments to the Atomic Energy Act effected in the ERDA legislation in relation to nuclear functions, and the authority provided in the ERDA bill in regard to nonnuclear functions. In other words, my amendment gives substance to the intention of H.R. 13565 to implement the ERDA legislation.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. I do not think this adds much, nor does it detract much. These other provisions of law would apply anyway. If it makes the gentleman feel better, I would accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. Udall).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. UDALL

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. Udall).

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the amendment in the nature of a substitute offered by Mr. Udall: Page 4, line 18. Strike subsection (6) of Sec. 2. (b), and renumber the ensuing subsections accordingly.

Mr. HOSMER. Mr. Chairman, as now written, this subsection 6 would require the ERDA Administrator to pursue his research and development responsibilities in a contrived, illogical and impractical manner. It would make it mandatory for the Administrator to, and I quote, "pursue research and development—in such a way as to facilitate the commercial availability of adequate supplies of energy to all regions of the United States." There is no direct relation between the pursuit of research and development in accordance with good scientific and technological standards and practices—which is all the Administrator should be concerned with—and commercial availability in all sections of the country of particular energy sources or techniques that, hopefully, will result from developments under this bill that are adopted by industry and commerce. Illogical and impractical prescriptions for the pursuit of research and development—such as this nostrum—can do no possible good; and if statutorialy demanded in the form of a rigid requirement—as here—it may well create a nest of legal problems for the ERDA Administrator, or any other administrator of a nonnuclear energy and development program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. Udall).

The amendment to the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. UDALL

Mr. HOSMER. Mr. Chairman, I offer my amendment No. 4 to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the amendment in the nature of a substitute offered by Mr. Udall: Page 4, Line 22, after the word "practicable" insert "and consistent with other responsibilities of the Administrator pursuant to this Act".

Mr. HOSMER. Mr. Chairman, when this language is offered by the gentleman from Arizona about laying an injunction on doing something "to the greatest extent practicable," that commands a far out reach on the part of the administrator to obey such an injunction.

In research and development, we just cannot tell the director of a program that he has to do things to the greatest extent practicable. He does not even know what "practicable" is, because he is going out in the future to determine the practicable. So, by moderating this language by the phrase to "the greatest extent possible and consistent with other responsibilities of the administrator pursuant to this act," we start to get this in a reasonable framework which will allow us to have a workable piece of legislation.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I am just going to say to the gentleman that I really feel that when the two of us approach the Pearly Gates and are presented with embossed sets of the Ten Commandments, there will probably be a Hosmer substitute for each 1 of those 10 sections.

Mr. Chairman, I do not see that the amendment really adds much, but I do not object to it. If the committee wants to adopt it, it is all right with me.

Mr. HOSMER. I will say to the gentleman that he will not find any Hosmer bulls in the china shop of R. & D. legislation, for sure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. Udall).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. UDALL

Mr. HOSMER. Mr. Chairman, I offer my amendment No. 5 to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. Udall).

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the amendment in the nature of a substitute offered by Mr. Udall: page 4, line 25, through line 3, page 5, strike subsection (8) of Sec. 2.(b) and renumber the remaining subsection accordingly.

Mr. HOSMER. Mr. Chairman, this section reads, "examine and if feasible implement methods by which Federal research and development expenditures authorized by this act, are utilized to broaden the base of ownership of energy industry capital."

Now, we have a Ph.D. scientist out here doing some R. & D. work, and we are asking him in a technical energy effort to have in his mind that he ought to conduct that work in such a way as to broaden the base of capital investment in the energy area.

That is a hope and an aspiration, but certainly it is not a responsibility with which the administrator of this program should be enjoined.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, one of the long-range policy guidelines we put in here for the administrator is the one the gentleman seeks to strike. What it says is that the administrator shall "examine and if feasible implement methods by which Federal research and development expenditures authorized by this act, are utilized to broaden the base of ownership of energy industry capital."

It seems to me that at a time when the concentration of the ownership of energy resources is going more and more into just a few large oil and coal companies, that this subsection would be a very important one, and that we would be making a very grave mistake, as a matter of national policy, in my opinion, by striking this out rather than have more concentration where it belongs.

Mr. HOSMER. Mr. Chairman, I would say to the gentleman that I am in complete sympathy with his objective to avoid this kind of concentration, but in the conduct of the research and development program, that is not the place to do such a thing. What the gentleman wants to be done should be done in the antitrust laws and in the laws respecting the Securities and Exchange Commission and in other suitable places.

This is just a bunch of garbage that has been thrown into a bill here that is totally unrelated to it, because somebody went on an emotional kick because they do not want to have big monopolies in the energy area.

That is fine. Let us not have a monopoly, but let us pick weapons from the arsenal that can be used to deal with those monopolies in a legal and financial way and not try to enlist in that battle, in the front lines, troops who are Ph. D.'s or R. & D. administrators who have not the foggiest notion about monopolies and their ramifications.

That is why I have asked that this be deleted. One cannot do everything in one place. This does not belong here and it ought to go out.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. STEELMAN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Texas.

Mr. STEELMAN. I thank the gentleman for yielding.

We are in this section of the bill where we are trying to set out what the policy shall be for the agency.

We are not directing any of the researchers or the Ph. D.'s that the gentleman from California referred to, but rather, we are directing the Administrator to examine, and if feasible, to implement.

Really what we are doing here, it seems to me, through this language, is seeking to get at the increasing problem in this country of concentration of the ownership of capital not only in this industry, but in most industries. We are trying to push ahead with the idea of expanding ownership not only of companies but also by the workers in a particular industry.

We have a precedent in the Northeast Railway Organization Act, where railroad workers are encouraged to participate in the ownership of the corporation.

I would hope that the Administrator can examine and implement methods by which capital shall be owned by the workers in these various enterprises. I hope the amendment will be defeated.

Mr. UDALL. Mr. Chairman, I thank the gentleman, and certainly agree with him.

I think one point the gentleman from California misses is that if you give most of this $20 million of R. & D. money to Shell and Exxon and the other big companies, they are the ones that are going to end up with the know-how to carry out the energy program in the future.

This is a long-range policy enunciated by the section which says that we are going to seek a broad base of capital ownership.

Mr. Chairman, as soon as this amendment is disposed of, I have consulted with the leadership, and it is clear to me that we are not going to finish this bill today. I have the understanding that we will be the first order of business after we get back after the recess. Therefore, it would be my hope that after disposing of this particular amendment, I might move that the committee rise.

Mr. DELLENBACK. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Chairman, I thank the gentleman for yielding.

I will not go into the argument that my colleague, the gentleman from Texas, has made and that my colleague, the gentleman from Arizona, has made, but I would hope that before we go into this, we recognize the nature of this examination, and if feasible, implement these ideas.

This is basically a sound idea that may strengthen what we may do in the field of research, but there is no mandate that that must be done. The only mandate is that there shall be an examination.

For that reason, I would hope that the amendment would be defeated.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, there is certainly no disagreement in that we all wish to broaden the base of capital investment in energy production as much as possible.

However, the purpose of research and development is to gain information and understanding. We do not grant money to some second-rate small company which may not have the competence to give us an answer, just because we do not want a big company to gain from the experience.

If we are talking about controlling the distribution of capital, fine. Let's talk about it at the appropriate time and place, but the worst thing we can do under any circumstances is to hinder or impede in any way the free research of the scientists in this country. This is a matter of principle.

When we set out to do research we go out to find the best minds and the best equipment available, and to get honest meaningful answers. We do not go to somebody and say, I like you because you are not big, so I want you to do research for me. Never mind whether or not you are qualified.

Mr. Chairman, I simply suggest that although we sympathize with the intent of this section of the bill, I believe it is misplaced, and we should not even suggest that we might prostitute our intellectual integrity for such a will-o'-the-wisp.

Mr. Chairman, I support the amendment, and I believe this section should be stricken.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

A famous Frenchman once remarked that "War is much too important to be left to the generals."

The administration of a $20 billion program, one which has fantastic economic ramifications, is much too important to be left just to the scientists. What we are doing in this bill, as representatives of the people, is to lay down certain principles, one of which is that we are going to promote competition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the amendment in the nature of a substitute offered by the gentleman from Arizona (Mr. UDALL).

The amendment to the amendment in the nature of a substitute was rejected.

The CHAIRMAN. Under the previous motion offered by the gentleman from Arizona (Mr. UDALL) and the previous understanding of the leadership, the Committee rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FULTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 13565) to establish a national program for research and development in nonnuclear energy sources, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment concurrent resolution of the House of the following title:

H. Con. Res. 609. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 2.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 610. Concurrent resolution providing for a conditional adjournment of the House of Representatives from August 23, 1974, until September 11, 1974.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) entitled "An act to provide for pension reform."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11452) entitled "An act to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. HARTKE, Mr. BENNETT, and Mr. CURTIS to be the conferees on the part of the Senate.

CONFERENCE REPORT ON H.R. 12628, VIETNAM ERA VETERANS' READJUSTMENT ACT OF 1974

The SPEAKER. The unfinished business of the House is the motion offered by the gentleman from South Carolina (Mr. DORN) that the House recede from its disagreement to the Senate amendment to the text of the bill, H.R. 12628, and concur therein with an amendment.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 0, not voting 48, as follows:

[Roll No. 519]

YEAS—386

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy

Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Grasso
Gray
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Latta
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nichols
Nix
Obey
O'Brien
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, N.Y.
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—0

NOT VOTING—48

Addabbo
Anderson, Ill.
Andrews, N.C.
Aspin
Baker
Biaggi
Brasco
Breaux
Carey, N.Y.
Conyers
Davis, Ga.
Donohue
Evans, Colo.
Fish
Frey
Froehlich
Gibbons
Goldwater
Green, Oreg.
Griffiths
Hansen, Wash.
Harrington
Hébert
Helstoski
Landrum
Leggett
Litton
McSpadden
Martin, Nebr.
Nedzi
Nelsen
O'Hara
Patman
Podell
Powell, Ohio
Quillen
Randall
Rarick
Reid
Rooney, N.Y.
St Germain
Stephens
Stuckey
Traxler
Van Deerlin
Wyman
Young, Fla.
Zwach

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Andrews of North Carolina.

Mr. Rooney of New York with Mr. Harrington.

Mr. Biaggi with Mr. Aspin.

Mr. Donohue with Mr. Litton.

Mr. Landrum with Mr. Patman.

Mr. Carey of New York with Mr. Davis of Georgia.

Mr. Breaux with Mr. Randall.

Mr. Evans of Colorado with Mrs. Griffiths.

Mr. Gibbons with Mr. Anderson of Illinois.

Mr. Nedzi with Mrs. Green of Oregon.

Mr. O'Hara with Mr. Baker.

Mr. Addabbo with Mrs. Hansen of Washington.

Mr. Reid with Mr. Conyers.

Mr. Van Deerlin with Mr. Nelsen.

Mr. Rarick with Mr. Grey.

Mr. St Germain with Mr. Fish.

Mr. Leggett with Mr. Goldwater.

Mr. Podell with Mr. Froehlich.

Mr. Stephens with Mr. Martin of Nebraska.

Mr. Helstoski with Mr. Wyman.

Mr. Stuckey with Mr. Quillen.

Mr. McSpadden with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE HOUSE FROM AUGUST 22, 1974, UNTIL SEPTEMBER 11, 1974

The SPEAKER laid before the House the concurrent resolution (H. Con. Res. 610) providing for a conditional adjournment of the House of Representatives from August 22, 1974, until September 11, 1974, together with a Senate amendment thereto.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment as follows:

Page 1, line 4, after "1974," insert: "and that when the Senate adjourns on Thursday, August 22, 1974, it stand adjourned until 10 o'clock a.m., Wednesday, September 4, 1974,".

The Senate amendment was concurred in.

The title was amended so as to read: "Concurrent resolution providing for a conditional adjournment of the two Houses over the Labor Day Holiday."

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority leader, the gentleman from Massachuetts (Mr. O'NEILL) if he will give us the program for the rest of the week, if any, and the schedule following the Labor Day recess.

Mr. O'NEILL. Mr. Speaker, will the distinguished minority whiy yield?

Mr. ARENDS. I am pleased to yield to the distinguished majority leader, the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of September 9, 1974, is as follows:

Monday and Tuesday is the conclusion of our Labor Day Recess. We will be back on Wednesday, September 11, to conclude consideration of H.R. 13565, nonnuclear energy sources research and development.

This will be followed by consideration of H.R. 15928, regulation of debt obligations, with an open rule and 1 hour of debate.

On Thursday and Friday we will take up the consideration of H.R. 16032, changing the composition of the penny and authorizing grants to Eisenhower College and Rayburn Library, with an open rule, and 1 hour of debate.

This will be followed by a consideration of H.R. 13002, safe drinking water, subject to a rule being granted.

Then, we will have H.R. 15301, Railroad Retirement System amendments, subject to a rule being granted. Following that, we will have H.R. 13320, civil defense emergency authorities extension, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. ARENDS. Mr. Speaker, further extending my 1 minute, I would like to ask the majority leader if he anticipates that there will be a Friday session during that week.

Mr. O'NEILL. Mr. Speaker, we are anticipating that there will be a Friday session. Of course, if there are any manner or means by which we can finish the legislation, there will be no need, but we are anticipating that there will be a Friday session.

Mr. ARENDS. Mr. Speaker, I thank the gentleman for his response.

Mr. O'NEILL. Mr. Speaker, may I say that I extend to all the Members the hope that they have a joyful vacation, and that those who are in the field of politics and labor at convensions for votes may have great success, including myself.

PERMISSION TO REVISE AND EXTEND REMARKS NOTWITHSTANDING ADJOURNMENT OF THE HOUSE

Mr. O'NEILL. I ask unanimous consent that notwithstanding any adjournment of the House until September 11, 1974, all Members of the House shall have the privilege to extend and revise their own remarks in the CONGRESSIONAL

Record on more than one subject, if they so desire, and also to include therein such short quotations as may be necessary to explain such extension of remarks, but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of the House.

Members are reminded that remarks must be signed, and will be accepted only in room H132 of the Capitol from 10 a.m. to 4 p.m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Wednesday, September 11, 1974, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING PRINTING BY THE CLERK OF REPORTS FILED BY COMMITTEES AUTHORIZED TO CONDUCT INVESTIGATIONS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that reports filed with the Clerk of the House until September 11, 1974, by committees authorized by the House to conduct investigations may be printed by the Clerk as reports of the 93d Congress.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS AND COMMITTEES

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until September 11, 1974, the Speaker is authorized to accept resignations and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY, SEPTEMBER 11, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday, September 11, 1974.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HELPING FARMERS PRODUCE MORE

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, we have certainly seen a lot of changes here in the past few weeks, and we have heard a lot about changes of direction and new emphasis on the fight against inflation.

I am most hopeful, as I am sure you are, that the things we are talking about will come to fruition and that we will again see the administration taking positive steps to help resolve the Nation's problems.

Mr. Speaker, I would like to call your attention to one area of great concern to the people in my Indiana district, and I think to all of us across the country. That is the administration's attitude toward the Soil Conservation Service, which plays so vital a role in helping the farmer produce more and better quality foodstuffs.

In recent years, it seems there has been a downgrading of the importance of the Soil Conservation Service, and I think that because of this our farms are not producing as much today as they might have been.

I would hope the new administration would do a turn-about on that, and instead increase their efforts to help the farmer produce more. This, in turn, would have a significant effect on the inflation problem, particularly on food prices.

I would like to insert into the Record at this point the reply I received from Indiana State Conservationist Cletus J. Gillman recently while I was trying to strengthen the SCS in my district. Mr. Gillman is, of course, connected with SCS, which is a branch of the U.S. Department of Agriculture. Although part of his letter deals with a specific problem, I believe the letter does make it clear where the problem lies.

June 27, 1974.

Hon. J. Edward Roush,
House of Representatives,
Washington, D.C.

Dear Congressman Roush: Thank you for your continued interest and concern about the future of the soil and water conservation program in Indiana. The questions raised in your letter of June 14 are very real and I hope that I can provide reasonably specific answers to these questions.

Because of personnel ceilings in the U.S. Department of Agriculture and the Soil Conservation Service, we have gradually been losing employees in Indiana. During the past two years we have reduced approximately 40 permanent full time employees in the state. Prior to this latest reduction, we were having difficulty servicing all the requests which we received for services. Obviously we are less capable of meeting these demands today.

Information obtained by soil and water conservation districts in Indiana would indicate that there is sufficient demand for our services that 60–70 additional man years of assistance are needed during fiscal year 1975. If the present trend of increasing demands for services continues, they believe that 90–100 man years of additional assistance could be used by fiscal year 1977.

There has been some slight relief given to the Soil Conservation Service within the past few weeks on personnel ceilings. I have been allowed to retain or bring on 12 new employees. These were to be primarily used for (1) project planning because of the increased work load on environmental issues and (2) for servicing the two concurrent cost-sharing programs this year. This helps some but we have had to establish work priorities taking care of the more critical issues and leaving some of the other requests unserviced.

We are fully aware of the DeKalb County desires to get started on a soil survey as quickly as possible. At the present time all new soil survey starts are determined based primarily on a priority list which indicates the need for a soil survey in that county. This priority list was set down by an interagency committee and later approved by the State Soil and Water Conservation Committee. Determination of interest of the county in starting a survey is then made by the State Committee. DeKalb County is quite high on this priority list and should have the opportunity to have a survey started no later than January 1, 1976. Two or three new starts are being planned for January 1, 1975, however, DeKalb County was not in the top four on the present priority list. They will, however, be in the next grouping and therefore should get a bid for 1976.

The total soil survey program for Indiana is now financed from federal, state and local funds. The move by DeKalb County to assure the availability of county funds is reassuring and should help them to get the survey started at the earliest possible time.

If I can be of any future assistance, please do not hesitate to call.

Sincerely,

Cletus J. Gillman,
State Conservationist.

WE MUST DO SOMETHING ABOUT THE SHORTAGE AND PRICE OF ENERGY

(Mr. WHITTEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WHITTEN. Mr. Speaker, I have received many, many letters and several petitions from my district with regard to the unbelievable increase in electric rates, up to 150 percent. I have talked to the Federal Power Commission and urged a review of this entire matter. The Mississippi Public Service Commission, in a petition, has asked relief against the United Gas Pipeline Co.'s curtailment plan (Docket No. R.P. 74–37–12).

We see the same situation here. In Tuesday's paper, Mr. Speaker, there was a statement that the Virginia Electric Power Association has requested a 23-percent increase in rates after receiving a 40-percent increase already this year. On yesterday, the newspaper carried a headline, "Irate Users Challenge Soaring Electric Bills." The story says rates were doubled in July in northeast Washington.

Mr. Speaker, it becomes apparent that this is a national problem and behind it, of course, is the fact that the laws of the various States provide for rates which reflect the cost of generation and a reasonable profit, and it is apparent that the cost of energy, whether fuel, oil or gas, has risen tremendously, particularly to those companies which did not have long-term contracts.

Mr. Speaker, all this leads up to the fact that the Congress must look into this entire picture. I have, therefore, requested an investigation by the investigating staff of the Appropriations Committee, of which I am ranking Democratic member. The investigation which I formally requested, along with my colleague from North Dakota, Mr. Andrews, and which, I am proud to say, was subscribed to by other members of the Appropriations Committee having jurisdiction over some phase of the energy problem, has been approved by the chairman of the committee, Mr. MAHON as provided by the rules. This investigation covers, but is not limited to, the following:

First. A determination of the factors which have contributed to the rising cost of electricity to the American consumer and as far as possible the reasonableness of such increases.

Second. A determination of the capability of the United States to effectively handle an energy crisis similar to the one experienced during the winter of 1973 and the spring of 1974 if oil-producing nations again cut off oil exports.

Third. An analysis of efforts undertaken to conserve existing energy sources and develop new energy sources—that is, solar, atomic fusion—and the effect such efforts can be expected to achieve in mitigating and/or forestalling future energy crises.

Fourth. A review of the programs designed to rapidly increase energy supplies and to deal with both near- and long-term energy problems which have been initiated by the Federal Energy Administration.

Fifth. If "Project Independence—1980" is to serve as the blueprint for this country's long-range energy program, determine the possibility and practicality of achieving the program's announced goal of energy self-sufficiency, or, at least, "independence."

Sixth. A determination of the cost attendant with achieving energy self-sufficiency.

Seventh. A review of the effect Government regulations promulgated by the Environmental Protection Agency, as well as other Government agencies, have had upon the supply and source of energy, together with an analysis of the necessity for or desirability of relaxing or revising such Government regulations to meet this Nation's energy needs.

Mr. Speaker, this information is vitally needed and only in our Committee on Appropriations do all these matters come to a focus.

In a nationwide address on November 25, 1973, concerning national energy policy—(in the midst of the energy crisis occasioned by Arab oil-producing nations cutting off oil exports to the United States)—the President established a national goal of energy "self-sufficiency" by the end of this decade. What was then identified as "Project Independence—1980" was to be a series of plans and goals set to insure that by the end of the 1970's Americans will not have to rely on any source of energy beyond their own.

Because this area is receiving considerable attention nationally and internationally, and in recognition of the conflicting information which has been promulgated relative to the United States' ability to meet future energy requirements, it appears appropriate at this time for the committee, under provisions of section 202(b), Public Law 601, 79th Congress, to direct this investigation.

FIGHT AGAINST INFLATION

(Mr. GUDE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GUDE. Mr. Speaker, one important weapon in the fight against inflation is the exercising of controls over the extension of credit and the direction of credit. The Credit Control Act of 1969 gives the President and the Federal Reserve Board broad powers to "regulate and control any or all extensions of credit." Among the tools the act gives the Federal Reserve Board are the rights to register or license credit transactions, to impose limits or conditions on such transactions, prescribe maximum amounts of credit which may be extended, prescribe rates of interest and periods of repayment, and prescribe ratios of different types of loans to deposits.

This is broad authority, Mr. Speaker, and we need to make active use of it for two reasons: First, to control extensions of credit which are clearly speculative and inflationary and which soak up funds which should be available for badly needed expansions of the economy in certain sectors; and second, to channel funds into those sectors which have been hit the hardest by inflation, tight money and high interest rates.

I have in mind particularly the housing industry and small business in general. Mortgage loans, being longer term and having a relatively lower interest rate, are always the first to dry up in periods of tight money, leaving thousands of Americans with down payments and no opportunity to obtain credit. This has led to a downturn in the construction industry, one of the major indicators of economic growth. Likewise small business has been hard hit. Not having the extensive assests and financial background of large companies, small business loans also are among the first to go in a period of tight money and the last to begin again when restrictions ease.

Mr. Speaker, some form of credit allocation is necessary in the fight against inflation. Some legislation has already been introduced to require the use of the broad authorities I have outlined and I urge careful, but quick, consideration of it on our return in September.

ESTABLISHMENT OF A NATIONAL CEMETERY IN SOUTH CAROLINA TO SERVE SOUTHEAST REGION

(Mr. DORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DORN. Mr. Speaker, I have today introduced a bill that would provide for the establishment of a national cemetery in the State of South Carolina to serve the southeast region of the country. The cemetery would be located in or near the city of Columbia.

I coauthored the National Cemeteries Act of 1973 which transferred national cemeteries under the jurisdiction of the Department of the Army to the Veteran's Administration. This now comes under the oversight of my committee.

My bill would authorize the administrator to use as a site for such cemetery any federally owned lands within the State which are declared surplus to the needs of the Federal Government, provided such lands are determined by the Administrator of Veterans' Affairs to be suitable for a national cemetery. Any agency or department head of the Government having jurisdiction over such land in the State would be authorized to transfer such land to the Veterans' Administration upon request by the Administrator. In the event the Administrator determines that no such federally owned lands are available as a site for such cemetery, he is authorized to acquire by donation, purchase, condemnation, or otherwise such lands as in his judgment are required as a site for such cemetery.

Mr. Speaker, the Administrator of Veterans' Affairs, in behalf of the Administration, has sent his legislative proposal to Congress wherein he proposes that 10 regional national cemeteries be established. My committee will conduct hearings later on the National Cemetery System, including the Administrator's recent legislative proposals.

There are some 310,000 veterans residing in my State. Although there are two existing national cemeteries—one in Beaufort and one in Florence—the cemetery in Florence will be completely filled by the early 1980's. Plans must be made now to make sure that adequate space is available for future use, and in view of the apparent need for the establishment of a national cemetery in the southeast region, I propose that it be established in or near Columbia, S.C. There are many reasons why the Columbia area would be an ideal location. Fort Jackson, a permanent military base, is located in Columbia. An outstanding Veterans' Administration hospital is located there, and as you know, the construction of a new Veterans' Administration hospital has been authorized and will begin before to long. A new medical school will also be established there and will be affiliated with the VA hospital. Other outstanding medical facilities are located in our capital city. Another important factor is the outstanding State and Federal highway network leading to and from the city.

Mr. Speaker, I cannot think of a better location for a regional national cemetery than that proposed in my bill, and I shall do everything I can to bring it about.

THOUGHTS ON INFLATION

(Mr. RUTH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RUTH. Mr. Speaker, President Ford, along with nearly every commentator on public affairs, has said that inflation is our domestic enemy No. 1. It is appropriate for all of us to be investigating the causes and possible cures of the inflation which falls so heavily on middle class families. Congress cannot cure inflation overnight. But I believe that we can do something about it.

In this respect I hope that the upcoming summit meeting on inflation and the economy can serve a constructive purpose. I hope that able representatives of many different economic points of view will be represented there. Let the advocates of controls and the opponents of controls have their say before the American people. Let those who call for a balanced budget make their case, and let those who call for various forms of quick-fix tax reform state their reasons. Let the interplay of ideas and the clash of intellectual debate be seen by all the people.

If the facts are presented by a balanced group of leaders and thinkers, I believe we can trust the American people to come to the correct decisions. But the people must have all the facts. If the people observe the colloquy between those who advocate greater reliance on the free market and those who advocate Government controls and actions, along with all the shades of opinion in between, they will be able to make a well-informed judgment.

In order to contribute in some small way to this dialog, I am submitting a column by Joseph C. Harsch from the August 20 edition of the Christian Science Monitor. Mr. Harsch identifies three main causes of inflation—unbalanced budgets, the rise in raw materials prices, and a dangerous inflation psychology, which makes people want to "buy now, pay later." He points out that President Ford has promised to deal with the one major cause which is directly under his control by balancing the budget in fiscal year 1976. Those of us in Congress can help him in this effort.

I hope that this thoughtful, concise article will be of help to my colleagues in thinking about inflation.

Thoughts on Inflation

(By Joseph C. Harsch)

Now is the time for everyone to do his or her own homework on the subject of inflation. How did it come about? What can be done about it? The new American President has made it his top priority project. The better he and all the rest of us together can understand the nature of the problem the better will be the remedies attempted a little further down the road.

In the hope of making a contribution to thinking on the subject we offer the following:

Inflation comes in three parts. Two of these can be treated. The third cannot be treated, but can be isolated and its effect reduced.

The first cause of inflation, and the one which hit the American economy during the Lyndon Johnson years, was the deliberate resort to unbalanced budgets as a substitute for taxation. Keynesian economics teaches the use of deficit financing as a device for evening out the economic cycle. But Lord Keynes never dreamed of a steady progression of unbalanced budgets down through the years as a substitute for taxation. Nor did he think that unemployment could safely be cut below 6 percent.

The United States has had no respite from unbalanced budgets since Lyndon Johnson refused to raise taxes to pay for the Vietnam war and Richard Nixon refused to keep up the level of taxes which survived Johnson. Both men financed their policies by unbalanced budgets.

Which means that since 1965, or nearly a decade, the government of the United States has been clipping its coinage. That is the way it was done literally in the Middle Ages. Now it is the annual reduction in the value of money by money inflation. It is a disguised form of taxation and it falls most heavily on the middle classes.

The very rich avoid it by moving their capital into whatever form of value escapes that kind of taxation. The trade unions avoid it by their bargaining power which can usually keep wages on a level, or nearly at a level, with prices. But the middle classes with their savings in property or a few stocks and bonds cannot compensate. It is well to remember that the great German inflation wiped out Germany's World War I debt, but it also impoverished the German middle classes, and thus cleared the way for Hitler.

This kind of inflation can be tackled and treated—by balanced budgets. President Ford has promised to try to do it.

The untreatable kind of inflation comes from a rise in raw material prices due to rising demand meeting limited supply. Oil is in rising demand. Those who supply it want to restrain output. Oil prices are way up, and so are other raw materials in present or prospective short supply. This kind of price rise cannot be avoided. It can be isolated by people finding substitutes or learning to do without.

The third and most dangerous kind of inflation is psychological. It is the momentum which builds up out of public assumptions about the future built on the other two kinds of inflation. When government consistently, over the years, clips the coinage and thus allows prices to rise as the value of money declines and when at the same time a lot of raw materials prices are going up due to shortages and changes in the relationship between supply and demand—people expect a steady rise in prices. So they demand higher wages as compensation. And they spend today to avoid expectable higher prices tomorrow. Inflation develops psychological momentum which can turn into panic. That happened in the German inflation.

President Ford cannot bring down world raw materials prices. But he can, if Congress agrees, put an end to unbalanced budgets. And by ending unbalanced budgets he might contain or isolate the psychological factor. If the idea became general that the dollar was in fact going to be sustained it is possible he could drain fear out of the equation and get people out of the mood of expecting the inflation rate to continue rising.

It has long struck us as particularly interesting that the American inflation rate did not get out of hand in spite of Lyndon Johnson's unbalanced budgets, while he was in office. It started soaring only after the popular discovery that Richard Nixon was also willing to accept unbalanced budgets. Then it started to take off.

Mr. Ford cannot by himself change the inflation mood of this country. But he can attack one cause of it—unbalanced budgets. He is doing so.

SUPPORT MOUNTS FOR ENACTMENT OF THE FISCAL INTEGRITY ACT

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, support continues to mount for enactment of the proposed Fiscal Integrity Act.

That bill, if enacted, would reestablish the fiscal integrity of the Federal Government by establishing revenue and budget outlays ceilings in relation to aggregate national income. It would also reestablish that integrity by tightening congressional control over the issuance of additional money supply and by imposing on ourselves a requirement that the projected costs of programs proposed in bills and resolutions be stated on their first pages.

The growing support for this bill is heartening, and I call that growing support to the attention of the Committee on Ways and Means to which it has been referred for consideration.

I first introduced the Fiscal Integrity Act on July 24, as H.R. 16111. It now has 32 cosponsors: Mr. Duncan, of Tennessee, Mr. Broyhill of North Carolina, Mr. Bray of Indiana, Mr. Dickinson of Alabama, Mr. Lujan of New Mexico, Mr. Goldwater of California, Mr. Byron of Maryland, Mr. Burgener of California, Mr. Cochran of Mississippi, Mr. Collins of Texas, Mr. Froehlich of Wisconsin, Mrs. Holt of Maryland, Mr. Ketchum of California, Mr. Lott of Mississippi, Mr. Mitchell of New York, Mr. Murtha of Pennsylvania, Mr. Hinshaw of California, Mr. Lagomarsino of California, Mr. Bob Wilson of California, Mr. Devine of Ohio, Mr. Conlan of Arizona, Mr. Haley of Florida, Mr. Goodling of Pennsylvania, Mr. Ichord of Missouri, Mr. King of New York, Mr. Wampler of Virginia, Mr. Thone of Nebraska, Mr. Abdnor of South Dakota, Mr. Parris of Virginia, Mr. Towell of Nevada, and Mr. Treen of Louisiana, and, of course, myself.

We invite other Members to join with us in the sponsorship of this important measure.

ENACTMENT IS ESSENTIAL IF THE CONGRESS IS TO CONTROL SPENDING

Why is the Fiscal Integrity Act necessary?

The proposed Federal budget for fiscal year 1975, forecasting expenditures of over $304 billion, exceeds the previous year's budget by a full $20 billion. In 1940 our Federal budget was only $10.1 billion.

It took this country 185 years to get to an annual Federal spending level of $100 billion, but it took only 9 more years to double that to the $200 billion level, and then only 4 more years to reach the $300 billion annual level.

The mushrooming national public debt will soon be at nearly $500 billion—half a trillion. It took us over 150 years after 1789 to reach the $200 billion debt mark, then less than 20 years to double it to $400 billion, and then only 10 more years to add another $100 billion up to half a trillion.

The spiraling rate of inflation could be as high as 14 percent this year. Only a few years ago it averaged around 4 to 5 percent, a more manageable figure.

Look at the bureaucracy sustained by these massive expenditures. Between 1789 and 1974, the population of our country multiplied by 60 times; the bureaucracy multiplied by 8,170 times. Between 1930 and 1974, while the population grew 71 percent, the bureaucracy grew by 462 percent. In 1930, 1 of every 204 people was employed by Government; today, it is 1 of every 77. And, in our work force of 88 million, 1 of every 6.5 employees is on a Government payroll of one form or another—Federal, State, or local.

The average amount of taxes the Federal Government will have to collect from every man, woman, and child in the Nation to meet expenses this year is $1,492 per person—or $5,968 for the average family of four. In 1940 it was $77 per person—or $308 for that average family of four.

And, recent analysis shows that the total sum of new funds which would be authorized by only 400 bills introduced this Congress would be in excess of $873 billion. And, nearly 15,000 bills have been introduced this Congress—and we still have months to go.

GOVERNMENT SPENDING MUST HAVE A LIMIT

Government spending—and the raising of revenue requisite to that spending—has a historical ceiling beyond which it invites either or both the collapse of the economic strength of a nation or the loss of political and economic freedom. The statistics prove the tendencies of Government to siphon off ever greater shares of the people's income for itself.

Government must realize that it cannot indefinitely tax the people at constantly increasing levels without destroying the people's ability to support themselves and their families.

The Congress has tried for nearly 200 years to control overall, total spending by controlling the overall level of appropriations as each individual appropriations bill came to the floor. These efforts—commendable though they may be and successful though some may have been on occasion—simply have not worked sufficiently. The figures which I have cited today—the level of spending, the national debt, the amount taken from each family in taxes, the cost of new programs being proposed—attest to the failure of this institution to hold the line adequately on spending. And, the Budget Reform Act, as enacted, will not be adequate either, for its ceilings are not mandatory or prospective.

The reason these efforts have not worked is that the intentions which underlay them are not directed at the one point where more effective control really could be exercised—at the level of revenue, of income.

We have for too long tried to control spending only where the money flows from the Treasury. In other words, we are trying to plug holes in the Treasury's dike or to heighten that dike, when, instead, we should be trying to control the level of water behind it.

It is always easier to control a problem at its source. The source here is the level of revenue raised by the Government from which programs are then funded. To deal with the question of expenditures alone is to work only with the result of our problem, spending, instead of its cause—too much being taken from the taxpayers with which to do that spending.

When an institution knows that it will have a known amount of dollars with which to work, it typically devises means of spending those dollars. It is human nature. Parkinson's law, thus, states that spending rises to meet income. That is a truth demonstrated by our national experience as a government. There is a more modern corollary to Parkinson's law which, however, more accurately describes the tendencies of Congress: present spending rises to slightly exceed present income in expectation that future increases in income will cover that spending. When an institution operates from those premises—and the Congress has operated from those premises for years—it means an ever-increasing amount of dollars being taken from the taxpayers.

Federal, State, and local tax collections have risen markedly, as percentages of national income, during the past half century. In 1929, such tax collections constituted only 13 percent of total national income; by 1950, it has risen to 26 percent; and by 1972 it had risen to 34 percent. The increase is even more dramatic when compared to total national personal income: 1930, 15 percent; 1950, 30 percent; and 1972, 43 percent. If present trends continue, by 1985, total Government's share of national personal income will have increased to 54 percent—54 cents out of every $1—more than half the people's earnings.

We cannot, of course, as the legislative branch of the Federal Government—and without an elaborate amendment to the Constitution of the United States—establish revenue and budget outlays ceilings binding on all governments—Federal, State, and local.

We can, however, establish such ceilings with respect to the Federal Government. That is what title I of the Fiscal Integrity Act is all about.

REVENUE AND BUDGET OUTLAYS CONTROL

Title I would establish for each fiscal year a revenue and budget outlays limit for the Government. No appropriation could be made for any fiscal year by the Congress in excess of the revenue and budget outlays limit for that fiscal year.

This revenue and budget outlays limit is the next logical step which should have been included in the recently passed Budget Reform Act. That Budget Reform Act established an initial spending ceiling each spring only as a goal, with the final ceiling established in the fall as an after-the-fact ceiling, meaning that expenditures can still exceed revenue and add to the debt. A balanced budget requirement should have been in that act: it was not. But it is in my bill.

How would the limit work?

The revenue and budget outlays limit for each fiscal year shall be the amount derived by multiplying the estimated aggregate national income for such fiscal year by a "Federal revenue factor."

Thus, from the first year of the operation of this provision, a ceiling in relation to national income is established on Government revenue and spending. As the economy grows, new dollars would be available for existing or new programs, but a greater percentage of the peoples income would not be available.

Once that computation is made for the first year, it will—in that first year only—be reduced by 2½ percent in order to cut off the top some of the excessive spending which we now have. Thereafter—for the next 20 years—it will be cut by one-fourth of 1 percent each fiscal year, a more gradual reduction, but one eventually leading to an additional reduction in execess of 5 percent or a 7.5-plus percent total reduction.

One should note that a cut in outlays is accompanied by a cut in revenue—and vice versa—so that cutting revenue will not result in creating more of a deficit—as is now a danger—and cutting outlays should result in a cut in taxes.

The bill specifically requires that, if during any fiscal year the revenue of the Government exceeds the established limit for that year, the amount in excess shall be used for the payment of the public debt of the Government. It cannot be carried over to be spent on programs during a subsequent fiscal year.

The limitations, determinations, estimates, and calculations required to be made by this title shall be made by the newly created Congressional Budget Office, acting through its Director.

What if an emergency arises—such as a large-scale war or severe economic crisis—which absolutely requires spending beyond the revenue level?

In that case—that emergency—a resolution passed by no less than two-thirds of each House of Congress may suspend the limitation, but only to the extent necessary to meet that particular emergency and only for that fiscal year within which the resolution was passed. If the supension is to be continued beyond that fiscal year, the Congress must pass a new resolution allowing it. A vague, general, "times are tough" emergency resolution would not be allowable. The provisions of the bill guard against that happening.

It should also be made clear that the power of the House Committee on Ways and Means and the Senate Committee on Finance with respect to tax reform is not impaired by this bill. Within the overall revenue limitation, those committees can carry out any degree of tax reform—increase certain taxes, reducing others—eliminating old taxes, imposes new ones—deemed necessary. The only limitation is that the total revenue collection not exceed that percentage established in relation to aggregate national income for that period.

Is this revenue and budget outlays ceiling, as proposed here, a scheme devoid of support by economists? Not in the least. Here are but a few of the comments I have received on title I from some of the most noted economists in our country.

Paul W. McCracken, Edmund Ezra Day professor of business administration at the University of Michigan and former Chairman of the President's Council of Economic Advisers, stated:

> While I have resisted the idea of arbitrary limits on public spending, I have also reluctantly concluded that they may be necessary.

Prof. C. Lowell Harriss of Columbia University and the president of the National Tax Association and Tax Institute of America offered the following personal comments:

> More than normal restraints are appropriate in protecting individuals year in and year out. Experience, the record, must confirm the conclusions about the wisdom of restraining the growth of spending. . . . Federal Government spending is already huge by any reasonable criteria. . . [If the bill were enacted] Centralization would not be allowed to grow as it has. Freedom to use State-local government would remain. In a basic sense, I would argue, the proposal would enhance freedom, opportunity, and the fundamentals of humanism.

Additional individual and personal support has also been received from Prof. Milton Friedman of the University of Chicago, the former president of the prestigious American Economics Association and a member of the research staff of the National Bureau of Economic Research; from Prof. Murray L. Weidenbaum of Washington University in St. Louis, a former member of the Council of Economic Advisers and a former Assistant Secretary of the Treasury; from Prof. James M. Buchanan, the director of the Center for the Study of Public Choice of the Virginia Polytechnic Institute; and from the noted economic columnist, Henry Hazlitt.

There is another benefit which would arise from the enactment of this measure, a dimension graphically called to my attention by a tax counsel in Los Angeles:

> An intelligent program will remove the extreme compulsion of the larger income earners to squander their money on poorly conceived and economically senseless tax shelter plans.
>
> If there is anything that this liberal Democrat tax attorney can do to assist you in your efforts, please let me know.

That last comment—offer—calls to our attention that the revenue and budget ceilings proposed in title I are supported by Members of both parties, by liberals and conservatives, by libertarians and traditionalists. It has broad support.

CONTROL OF THE GROWTH IN THE MONEY SUPPLY

When money is printed and there is no increased productivity to stand behind that new money, it robs each of us that holds a dollar of some of its purchasing power.

The short term gains of pumping more money into the economy—which is principally a device allowing Government to pay for much of its debt without borrowing funds for it—produce long-term losses for us all. We are each a little poorer when new money is printed and no productivity accompanies it.

The Board of Governors of the Federal Reserve System now has the power to issue new money supply. Congress gave it that power long ago. It was a mistake.

When new money supply is kept at about 4 or 5 percent, it is at least manageable—even though it still contributes to inflation. But, when that new supply is up around 8 or 9 or even more of a percentage, it results in the 11, 12, 13, even 14 percent inflation we have been experiencing. The charts are clear on this phenomenon; the increase in money supply produces an increase in prices. There is a direct, commensurable correlation between additional money supply and higher prices.

Title II of the Fiscal Integrity Act provides that the Board of Governors of the Federal Reserve System must keep additional issuance of money at no more than 1¼ percent per fiscal quarter during ordinary times and 1½ percent per fiscal quarter during extraordinary times—with Congress having to specifically act upon allowing that 1½-percent level.

The Board can tie the issuance of new money directly to national productivity, if it is less than either 1¼ or 1½ percent per fiscal quarter, because the bill does not require any new issuance of money at all, if the Board is so inclined. This allows the use of absolute monetarist theory or the use of reasonable, manageable increases in supply beyond present productivity, but it does not allow for excessive issuance.

As a matter of both philosophy and theoretical economics, I do not believe there should be an additional increase in the money supply which is not coupled with a like increase in national productivity. That is the only way to insure that the printing of additional new money will not contribute to inflation.

We do not, however, live today under either normal or particularly healthy economic conditions. To insist that we immediately require by law that increases in the money supply be coupled with productivity is to put an additional pressure, potentially counterproductive at this time, upon the economic recovery capabilities we now have. It would switch us from one policy immediately 180° in favor of another. I think that would be too drastic and would incur too many risks.

We should, therefore, take a halfway step, and that is what title II of the Fiscal Integrity Act is. It is a step in the right direction but one which would not require an immediate and total reversal in prior policy. As a step in the right direction, once we have reached a stage of economic recovery adequate to take the other step without running unnecessary economic risks, then we can amend the law to do so.

ADDITIONAL FISCAL DISCLOSURE REQUIREMENT

The Congress has taken an important first step—in the enactment of the Budget Report Act—toward reestablishing its authority with respect to the preparation of the budget for the Government. The motives which underlay the enactment of that act are praiseworthy. Let us hope that the Budget Reform Act does work, and if it does not, as enacted, let us hope we will move quickly to rectify its weak provisions.

An important aspect of budget control was left off the Budget Report Act as it worked its way through Congress. I speak of a requirement that each bill introduced or reported—which would authorize the expenditure of money—contain at the bottom of the first page of that bill the exact costs of implementing its provisions.

Let us be frank with ourselves. Too many bills are introduced without any real knowledge—even among its sponsors—of the total eventual costs of implementing its provisions, if enacted.

I think it would make all of us stop and think twice about introducing a bill to expand an existing—or enact a new—program, if we knew how much it would cost the taxpayers. As this initial level, this first step, in the process of how our laws are made, it would be a good thing for us to require, of each other and of ourselves, to disclose how much these bills would cost the taxpayers.

Similarly, title III of my bill would require a bill which would save money to show how much money would be saved.

Title III establishes a fairly simple procedure for obtaining the figures for these fiscal notes, one which ought to be able to be done with existing staff of the departments and agencies.

TEXT OF THE PROPOSAL

Mr. Speaker, the full text of the Fiscal Integrity Act follows:

H.R. 16556

A bill to reestablish the fiscal integrity of the Government of the United States and its monetary policy, through the establishment of control, with respect to the levels of its revenues and budget outlays, the issuance of money, and the preparation of the budget, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fiscal Integrity Act".

FINDINGS

SEC. 2 (a) The Congress hereby determines that—

(1) it is the joint and several responsibility of the legislative and executive branches of the Government of the United States to reestablish the fiscal integrity of the Government through the establishment of requirements that budget outlays not exceed revenue, that the issuance of additional money not contribute to inflation, and that each such branch have adequate capability to prepare the budget of the Government in a manner to insure the reestablishment and maintenance of such fiscal integrity;

(2) the Government has been, and is now, making budget outlays for nontrust budget items in excess of revenues received from all nontrust sources;

(3) such existing fiscal policy has resulted in substantial borrowing by the Government from both public and private sources, an increase in the public debt of the Government and the interest payments required to carry such debt, and an increase in the insuance of additional money;

(4) such deficit spending has contributed to inflation in the economy and an attendant lessening of the value of the dollar in terms of its ability to purchase goods and services in both domestic and foreign markets;

(5) allowing the continuation of policies and activities which lessen the fiscal integrity of the Government is detrimental to the general welfare of the people and ought, therefore, to be ended.

TITLE I—REVENUE AND BUDGET OUTLAYS CONTROL

SEC. 101. (a) There is established for each fiscal year a revenue and budget outlays limit for the Government. Budget outlays shall consist of the total of expenditures and net lending of funds under budget authority. No appropriation shall be made for any fiscal year by the Congress in excess of the revenue and budget outlays limit for such fiscal year.

(b) If during any fiscal year the revenue of the Government exceeds the limit established by subsection (a) of this section, the amount so in excess shall be used for the payment of the public debt of the Government.

(c) The revenue and budget outlays limit for each fiscal year shall be the amount derived by multiplying the estimated aggregate national income for such fiscal year by the Federal revenue factor for such year.

(d) For the fiscal year beginning more than one hundred and eighty days after the date of enactment of this Act, the term "Federal revenue factor" shall mean the number derived by dividing the estimated aggregate revenue of the Government for the preceding year by the aggregate national income for such year, reduced by 0.025 per centum.

(e) For each of the following years, the term "Federal revenue factor" shall mean the number equal to the Federal revenue factor for the preceding fiscal year; except that for each of the twenty fiscal years beginning after the fiscal year to which this Act shall first apply, such term shall mean the number equal to the Federal revenue factor for the preceding fiscal year, reduced by an additional 0.0025 per centum.

(f) The limitations, determinations, estimates, and calculations required to be made by subsections (a), (c), (d) and (e) of this section shall be made by the Congressional Budget Office, acting through its Director.

SEC. 102. Upon an emergency, determined by a resolution passed by at least two-thirds of each House of Congress, the provisions of section 101 of this Act may be suspended, but only to the extent necessary to meet such particular emergency, and in no event shall such suspension apply to any fiscal year other than that fiscal year in which the resolution determining the existence of such emergency was passed.

SEC. 103. The provisions of this title shall apply to fiscal years beginning after the one hundred and eighty day period following the date of enactment of this Act.

TITLE II—MONETARY SUPPLY CONTROL

SEC. 201. (a) In carrying out its functions under section 324 of the Revised Statutes and under the Federal Reserve Act, as amended, the Board of Governors of the Federal Reserve System shall insure that any rate of increase in the amount of currency in circulation and demand deposits is not greater than 1¼ per centum per quarter fiscal year.

(b)(1) Notwithstanding the provisions of subsection (a) of this section, upon a finding and a report to the Congress by the Board of Governors of the Federal Reserve System that an extraordinary economic condition exists, the Board may exercise its functions so as to insure that the rate of increase in the amount of currency in circulation and demand deposits is not greater than 1½ per centum per quarter fiscal year during any fiscal year following the end of the first sixty days of continuous session of the Congress after the date on which the report is transmitted to it unless, between the date of the report and the expiration of the sixty-day period, either House passes a resolution stating in substance that it does not agree with the findings of the Board.

(2) For the purposes of paragraph (1) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

(3) The provisions of sections 910 through 913 of title 5, United States Code, shall apply to the procedures applicable to the consideration of any resolution of disapproval under this subsection.

TITLE III—FISCAL DISCLOSURE

SEC. 301. A bill or joint resolution of a public or private character which has been introduced in either House of Congress or received by it from the other House shall be printed only when there appears at the bottom of the first page thereof a fiscal note. Such fiscal note shall state the amounts estimated to be the direct and indirect costs likely to be incurred or the direct and indirect savings likely to be achieved in carrying out the provisions of such bill or joint resolution in the fiscal year in which it is introduced or received and in each of the five fiscal years following such fiscal year, or for the authorized duration of any program authorized by such bill or joint resolution if less than five years, except that in the case of measures affecting revenue, the fiscal note shall state only the estimate of the change in revenues for a one-year period.

SEC. 302. (a) A copy of each bill or joint resolution required by section 301 to have printed on its first page a fiscal note shall, upon introduction or receipt, be transmitted immediately to the instrumentality of Government which will carry out the provisions of such bill or joint resolution.

(b) Not later than seventy-two hours following the receipt of any bill or joint resolution transmitted under subsection (a) of this section, such instrumentality shall transmit the text of the fiscal note for that bill or joint resolution to the Public Printer for printing by him.

(c) If a Member of Congress notifies the instrumentality of government which will carry out the provisions of the bill or joint resolution that he intends to introduce a bill or joint resolution required under section 301 to be printed with a fiscal note, and submits a copy of the bill or joint resolution to such instrumentality, such instrumentality shall provide such Member with the text of the fiscal note for that bill or joint resolution. Such fiscal note shall be placed at the bottom of the first page at the time of introduction. A copy of any bill or joint resolution introduced with a fiscal note in accordance with this subsection shall be transmitted to the Public Printer for printing, and the provisions of subsections (a) and (b) of this section shall not apply to any bill or joint resolution so introduced.

SEC. 303. A bill or joint resolution ordered reported by a committee of either House which authorizes a budget outlay shall be printed only when there appears at the bottom of the first page thereof a fiscal note consistent with the requirements of, and prepared in a manner consistent with, sections 301 and 302 of this title.

CALL FOR ACTION

Mr. Speaker, I believe more effective revenue and budget outlays ceilings and monetary supply control are ideas whose times have come. It is the only way to stop the growth of the Federal Government in relation to the people's livelihood.

I believe—and I think I speak for those who have joined with me in the sponsorship of this Fiscal Integrity Act—that whether these proposals are enacted this year, or at some subsequent point, they will be enacted. For if we do not, we run the risk of destruction both of our free enterprise economy and our political and economic freedoms. When those two alternatives are set forth, I see no way in which to go but to opt for freedom.

I ask the Committee on Ways and Means, to which the bill was referred by the Speaker, to consider this matter as it weighs measures to bring our spending and inflation under control.

It seems to me that when as many Members as this—Democrats and Republicans, liberals and conservatives, traditionalists and libertarians—join in the sponsorship of a measure that it warrants the consideration of the House. This is particularly true during this time when there is a growing recognition among the people—manifesting itself more and more in both the Executive and the Congress—that Government spending and inflation must be brought under more effective control. That level of spending demands ever-increasing tax burdens from an already overtaxed people, and it contributes mightily to the spiraling inflation we are experiencing.

I have called upon the President and the Secretary of the Treasury, Bill Simon, to weigh this proposal during the proposed Economic Summit Conference called by the President. I have also called upon Senator WILLIAM PROXMIRE, of Wisconsin, of the Joint Economic Committee, to consider it during that committee's deliberations on the causes and effects of inflation.

This bill should become law. We would all be better for it.

VIETNAM: THE CASE FOR ECONOMIC ASSISTANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. FRELINGHUYSEN) is recognized for 30 minutes.

Mr. FRELINGHUYSEN. Mr. Speaker, our long, agonizing experience in Vietnam—involving immense sacrifices in American lives and the expenditure of billions of dollars—has generated a rather pronounced tendency within this body to question the need for further U.S. substantial assistance to our beleaguered ally. Our military withdrawal and especially the fact that American servicemen are no longer directly involved, and the fact that our POW's were repatriated, have tended to lead to a feeling in some quarters that our economic withdrawal is also justified.

The present congressional mood, I recognize, is one of disillusionment and apathy—attitudes which are strongly conditioned by past events. Why, it is asked, must the United States continue to support the Vietnamese economy when the U.S. presence there has been so substantially reduced—and when we have so many economic problems here at home? Implicit in this question are: First, skepticism about the South Vietnamese economic performance, both present and potential, and second, doubts about the validity and urgency of the administration's request for massive economic assistance.

On the basis of my brief visit to the Republic of Vietnam last February and the considerable statistical data I have examined since my return, I am convinced that South Vietnam's economic problems are very real indeed, and moreover, are not of the government's own making. I am also convinced that the South Vietnamese are making strong efforts to build a viable, self-sufficient economy despite the tremendous strains imposed by outside forces over which the government has no control.

Let us examine briefly the economic problems facing the GVN, its record of economic performance to date and its apparent potential.

The problems: The causes of South Vietnam's current economic difficulties are many and varied, but two—which neither the Government of Vietnam—GVN—nor its friends can affect—may be said to predominate. First, continuous hit-and-run guerrilla attacks by the enemy as well as large-scale infiltration of troops and equipment—which of course are in contravention of the Paris accords—have forced the Government of Vietnam to spend over 50 percent of its budget on the country's defense establishment. This severe economic dislocation in the South caused by Hanoi's aggressive actions has been further complicated in an ironic way by our Government's very success in negotiating America's withdrawal from the continuing warfare. The abrupt withdrawal of hundreds of thousands of American troops over the past 18 months has removed the source of millions of dollars of hard currency; it has seriously depressed those sectors that were supplying our military forces with goods and services. As a result, thousands of urban workers have lost their jobs, while the output of many production and service industries has declined.

A second uncontrollable factor has been the effect of world-wide inflation on South Vietnam's import costs. Of particular concern has been the sharp rise in petroleum prices, which has had a direct impact both in the transportation sector and in the production of much needed fertilizer for agricultural development. To demonstrate the nature of this impact, Mr. Speaker, I ask unanimous consent to include in the RECORD at this point a table prepared by the Government of Vietnam's Ministry of Trade and Industry. The message it conveys is a simple and dramatic one; namely, that while the total quantity of commodity imports has declined absolutely from 1973 to 1974—from a total of 4,150,979 metric tons in 1973 to 3,044,760 metric tons in 1974—the total cost of the smaller amount of imports has risen from $721 million in 1973 to $932 million in 1974. The table follows:

IMPORTS BY COMMODITIES, 1973–74

[Dollar amounts in millions]

Commodities	1973 arrivals		1974	
	Million tons	Amount	Million tons	Amount
Public Law 480 (F.O.B. United States)	555,209	$144.0	516,000	$285
Wheat	226,000	29.1	200,000	50
Rice	215,000	61.9	235,000	165
Corn	77,177	9.4	50,000	10
Tobacco	6,064	13.8	6,000	20
Raw cotton	24,503	22.2	20,000	30
Cooking Oil	6,465	7.6	5,000	10
CIP divided by DLF	2,564,023	270.0	2,075,600	300
POL	2,008,966	78.8	1,630,600	150
Fertilizers	326,352	42.7	400,000	100
Plastic, rubber materials	39,201	22.0	6,000	6
Metals	73,100	22.5	10,000	5
Chemical raw materials	79,400	21.6	14,000	8
Textile yarn	13,705	36.3	5,000	21
Industrial machinery	7,067	24.0		
Pulp, newsprint and paper products	15,222	3.2	10,000	4
Electrical machinery	1,010	$2.9		
Others		16.0		$6
GVN and others	1,031,747	307.0	453,160	347
Sugar	361,944	57.8		
Pharmaceutical	3,058	25.1	2,160	26
Cement	538,692	12.9	300,000	18
Milk products	12,627	13.4	10,000	16
Chemical raw materials	21,200	8.0	57,000	32
Pulp, newsprint paper products	49,882	14.6	30,000	13
Metals	22,513	8.0	40,000	25
Industrial machinery	8,000	24.3	8,000	50
Transports vehicles parts	9,150	13.4	3,000	10
Electrical machinery	5,041	14.7	3,000	15
GVN Freight		30.0		60
Others		88.8		74
Total		721.0		932

GVN economic performance: Now let us examine how the Government of Vietnam has tried to manage its economic problems. Essentially, what the Government of Vietnam has been doing to combat inflation and to reduce—to the extent possible—the cost of imports is to restrict consumption severely during a period of high unemployment. This, Mr. Speaker, is an extraordinarily responsible and courageous course for any government to pursue, particularly when a determined enemy is simultaneously trying to win the political support of the South Vietnamese people.

Among the "hard-nosed" economic measures adopted by the Government of Vietnam over the past year are the following:

First. A flexible exchange rate policy with frequent small devaluations has been implemented, designed to limit demand for dwindling foreign exchange resources and to encourage exports and import substitution.

Second. South Vietnam's exchange system was modified in January of this year in an effort to bring it into conformity with International Monetary Fund standards. If strictly enforced, this should enhance the Government of Vietnam's efforts to obtain economic assistance from other countries.

Third. Petroleum prices have been allowed to rise to reflect their vastly increased foreign exchange costs. At the same time, taxes on petroleum products have been increased to curb demand. Gasoline now sells for about $1.60 a gallon and kerosene for 90 cent a gallon, rates which are among the highest in the world.

Fourth. The least essential imports in the economy have been restricted by high taxes and credit restrictions. These imports declined by 19 percent in 1973 compared with 1972.

Fifth. Electricity and water rates have been raised to consumers to reflect the increased costs of petroleum.

Sixth. The Government of Vietnam has made significant progress in the area of domestic tax-collection. Domestic taxes in 1973 were about 40 percent higher than 1972 in real terms. Receipts in January 1974 showed still further increases in real terms.

Seventh. The government has just approved a 2-percent raise in the already high interest rate on deposits in commercial banks and investments in treasury bonds, as a further effort to reduce inflationary pressures.

These policy changes, which are based on classical, free market, supply-and-demand principles, are tough by any standard of comparison, particularly since they impact strongly and directly on the "man in the street."

However, the GVN has also been attempting to improve the lot of the average person. For instance, the government has been able to make a significant shift in its budgetary allocations despite its continuing security requirements. During the last 3 to 4 years, security expenditures have declined while those of health and welfare have increased. Seventy-five percent of the government's total budget in 1970 went for security. In 1973 this percentage had been reduced to sixty percent. It is expected to amount to about 52 percent in 1974. Health and social welfare expenditures by contrast have increased from 9 percent of the total budget in 1970 to 17 percent in 1973 and to an estimated 19 percent in 1974.

Vietnam's economic potential: Agriculture, which is the mainstay of the economy, has begun to revive impressively. Rural society and Vietnamese agriculture have, of course, been hard hit by the ebbing and flowing of the tides of war. Rice production became insufficient to meet the people's needs and heavy imports have been necessary. Lately, rice production has shown a remarkable improvement. In 1973, output totaled 4.2 million tons, 37 percent above the 1969 level. A further 4-percent increase in rice production is expected in 1974. The GVN hopes to achieve self-sufficiency in rice in 1975, and they should again become a rice exporter in the not too distant future.

It is estimated that nearly half of South Vietnam's rubber plantations, formerly key foreign exchange earners, were damaged by the war. In particular, production was severely curtailed by the stepped up fighting in 1972, when output fell to only 20,000 tons. Now rubber production is being restored and it is expected to reach 29,000 tons this year, a 45-percent increase over the 1972 level. However, the complete restoration of rubber output will take time and money, because it takes 7 years for a rubber tree to reach productivity, and large investments are needed to plant the trees and bring them to maturity. While Vietnam can certainly develop sizable rubber exports, it cannot be done overnight, and it cannot be done without substantial capital investment and the preservation of internal security.

Vietnam is rich also in forest resources, and the world badly needs the timber products it can provide. Export of lumber and logs in 1973 was over four times as great as in 1972, and the value of these exports is expected to double again this year. Here again, all that is needed is the time and money to develop the industry.

Vietnam has a great potential in fisheries. Exports of fish and seafood tripled in 1973 over the previous year and became the country's largest export. Here again, capital to improve technology and greater security will enable the Vietnamese to continue the progress that has already been made.

I have mentioned the fact that South Vietnam's industry has suffered a recession as a result of the departure of the American troops, who were buyers of many of the products produced in Vietnam. In response to the depressed state of local industry, the government is alert to the need to develop new markets abroad. Encouragement is being given to investment in export-oriented industries. This is being done through forward looking tax and credit policies.

Official encouragement is also being given to foreigners to invest in Vietnam in order to permit the country to profit from their knowhow and capital. In 1973, there was a most encouraging rise in the number of investors who qualified for the special tax and credit incentives under the investment law. Last year, the Government approved 176 projects with a total value of 115 billion piasters, more than double the value of the projects approved in 1972, and foreign investments accounted for more than a quarter of the total. It is estimated that the new investments approved last year will create about 45,000 new jobs, which could help absorb much of the unemployment created by our withdrawal.

Finally, I should also like to point out that prospects for the discovery of oil in the offshore waters of Vietnam are consirered to be promising. Thirteen foreign oil companies have already been granted oil exploration rights. The companies have willingly paid for these rights, so the potential is clearly there. Again, time and capital will be required if the exploration is to produce the desired results, but the discovery of oil would be a tremendous psychological boost for economy as a whole.

In summary, Mr. Speaker, the Republic of Vietnam is obviously on the way to economic recovery and self-sufficiency. It has an excellent natural resource base, and in addition it has the most valuable resource of all—intelligent, skilled, hard-working people. We have invested American lives and money in assuring these people an opportunity to work out their own destiny, free of the domination of the Communist tyranny to the north. It would be shortsighted in the extreme for us to halt our assistnce now, when the potential for success is so obvious and when the enemy has clearly adopted a strategy of trying to outlast the Government of Vietnam by wearing out the patience of its allies and by eroding the confidence of the South Vietnamese people who are faced with such severe economic hardships.

As we reflect on the wise and generous assistance which the United States extended to Western Europe for over a decade and a half after the end of World War II, and on the years of essential aid provided to the Republic of Korea after the end of fighting in that country, it seems strange that such vocal demands should be made for great cuts in, or even the complete abandonment of, economic aid to beleaguered South Vietnam. Our experience in Europe and in Korea has demonstrated that economic assistance in war-torn countries is essential. Such countries cannot be expected to emerge from the great dislocation and devastation of war with thriving, viable economies. They need help to get on their feet.

This is even more true in the case of Vietnam than it was in Europe and Korea, because the foe has not been driven from the country. The security problem remains grave, no American forces are left in the country—as they are in Europe and Korea—to help preserve the peace. We have left the Vietnamese to carry the entire burden themselves.

Is it really asking too much that the cause we supported for so long with American lives should now be supported for a few more years with the dollars needed to help put the economy on its feet and enable the brave people of South Vietnam to attain self-sufficiency? If countries like the United Kingdom and France could not accomplish their recovery overnight without American economic aid, it is surely utterly unreasonable to expect the South Vietnamese to accomplish such a miracle.

HAROLD LAMAR SMITH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 5 minutes.

Mr. BLACKBURN. Mr. Speaker, the Governor of our State will declare Tuesday, September 24, as "Harold Lamar Smith Day" in Georgia. On that evening, hundreds of admirers and well-wishers will gather together to honor "Mr. Harold"—for 43 years a teacher and counselor at Chamblee High School, one of the largest and finest schools in the Fourth Congressional District.

Words cannot suffice to honor this gentleman as he deserves, but I consider it a particular privilege to add my own deep appreciation for his immeasurable contribution in the field of education, to his community, to his church, and perhaps most important, for his guidance to generations of our young people.

"Mr. Harold" began his teaching career at Chamblee High School in September of 1931, and in the following years at various times taught agriculture horticulture, shop, served as building principal, basketball coach, and in 1963, was named head counselor. His career spans the development of counseling in Georgia as an "extra" service rendered by dedicated teachers to that of a full-time responsibility.

Harold Smith has received dozens of awards and recognitions over the years for outstanding service in every phase of his active life. Recent honors include being named by the Georgia Association of School Counselors as "Georgia Counselor of the Year" for 1973. This led to the national competition, and in April of 1974, he received the "National Counselor of the Year" award. Because he is a modest, unassuming person, I am sure that many of his "good works" remain between himself and those to whom he has offered personal guidance and help through the years.

His involvement has been total. Harold Smith has assumed positions of leadership in all areas of professional, civic, and community affairs. He has held almost every lay position at various times in his church—the First Baptist Church of Chamblee. His pastor calls him, "a wise counselor, a compassionate human being, a mature Christian, a devoted friend," and one whom "he has never heard say a negative word about anyone." A professional associate describes Harold Smith as "a scholar, a benefactor of people who are in need of help spiritually or mentally, a gentleman of the highest order, and revered above all others in the community of Chamblee."

Men such as "Mr. Harold" are rare indeed. He is loved and respected by all, and as he retires after 43 years of positive influence and devoted service, his legacy is a great one. May he and Mrs. Smith, whom he often refers to as "his counselor", enjoy good health, contentment, and continued achievements in the years ahead.

MEASURES REGULATING FEDERAL PAPERWORK AND ENVIRONMENTAL PROTECTION AGENCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SHRIVER) is recognized for 5 minutes.

Mr. SHRIVER. Mr. Speaker, I have requested this special order to discuss two measures I am cosponsoring today. One bill would establish a Commission on Federal Paperwork, and the other would prohibit the Environmental Protection Agency from setting broad national land use policy.

ESTABLISHING A COMMISSION ON FEDERAL PAPERWORK

I am pleased to join today with the distinguished chairman and ranking minority member of the Government Operations Committee in introducing legislation establishing a Commission on Federal Paperwork.

Early this year, I sponsored a bill calling on the Comptroller General of the

United States to make a 1-year investigation of Federal paperwork requirements imposed on our business community and farmers. Hearings were held on that legislation by the Government operations committee, and based on the findings of those hearings this revised bill is now being offered.

Instead of having just the Comptroller General look into this problem, our new bill will set up a commission made up of the Comptroller General, the Director of the Office of Management and Budget, Members of Congress and private citizens from small business, labor and other interested groups to look into paperwork requirements and to recommend necessary changes in Federal information policies and practices.

Chairman HOLIFIELD has assured us that hearings will be held on this revised bill in the near future. In addition, representatives of the Comptroller General and of the Office of Management and Budget have indicated their support and their cooperation in this task.

Mr. Speaker, the response I received when I introduced my earlier bill was heavy, and it was one hundred percent in favor of easing the Federal paperwork burden. In many instances, businessmen noted that the Federal forms and questionnaires now required were taking valuable time away from service to their customers. However, in most cases they have no choice.

The revised bill seeks to minimize the burden imposed by Federal reporting requirements on private citizens, recipients of Federal assistance, businesses, governmental contractors, and State and local governments.

In addition, it guarantees appropriate standards of confidentiality held by private citizens or by the Federal Government. This is a growing area of concern.

The Commission will seek to reduce the duplication of information collected by the Federal Government and by State and local governments and other collectors of information. And finally, the Commission will recommend methods to reduce the costs of Federal paperwork.

This is a broader bill, and it is a better bill. I hope and expect it will be passed in this Congress.

ENVIRONMENTAL PROTECTION AGENCY SHOULD NOT SET BROAD LAND USE POLICY

Mr. Speaker, I want to commend our colleague from Texas, BOB CASEY, for calling to our attention the proposed land use regulations issued by the Environmental Protection Agency. I am pleased to join with him in sponsoring legislation to prevent this potentially disruptive action.

Under rules published in the Federal Register last February, the Environmental Protection Agency will next January 1 assume effective control over the development of what are termed "indirect sources" of air pollutants. These indirect sources are defined as anything that stimulates traffic.

These sources include, but are not limited to, highways and roads; parking facilities; retail, commercial, and industrial facilities; recreation, amusement, sports, and entertainment facilities; airports; office and government buildings; apartment and condominium buildings; and education facilities.

Before any such facilities can be built or even modified, owners must obtain approval of the Administrator of the Environmental Protection Agency. In effect, local developers and builders, and local and State governments, will be put in the position of seeking building permits from the Federal Government before any facilities—even schools—can be built.

This is not an appropriate role for the Federal Government, and Congress has said so. On June 11 the House of Representatives voted, with my support, not to consider a Federal land use control bill. My vote was based on my conviction that land use questions are best handled at the State and local levels. Even at those levels it is often difficult to reach consensus on the best use of available land and facilities; at the Federal bureaucratic level, such decisions could be chaotic.

The Environmental Protection Agency was established to help coordinate the attack against air and water pollution in areas where such problems had reached serious proportions. It was not created to tell everyone where and how to build facilities and what to do with their real estate. Real estate does not pollute.

All of us are aware of the delay after delay which already occurs in connection with various projects in our congressional districts because of Federal regulations. Because of such delays, needed development and needed jobs are lost. Additional Environmental Protection Agency rules affecting anything that attracts people and their automobiles will only make this worse.

The bill I am cosponsoring today would amend the Clean Air Act to place the responsibility for development at the local level and not at the Federal level. If the Congress someday chooses to have it otherwise, the Congress can do so, not the Environmental Protection Agency.

We have not heard much from our constituents yet regarding these rules, but we will when words gets around that every decision for community development must be approved here in Washington. Action should be taken now to eliminate this major irritant before the damage is done. Added roadblocks to economic development should not be permitted, especially in these times of economic stagnation.

HELP NOW FOR INFLATIONARY PRICE INCREASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. VANDER VEEN), is recognized for 20 minutes.

Mr. VANDER VEEN. Mr. Speaker, overall inflation is running at about 11 percent this year—with much larger increases for fuel and food. Last year the average increase in the Consumer Price Index was 10 percent, but increases for food were up 16 percent, and prices of gasoline doubled in some cases. The inflation record for this year looks even worse.

Inflation is clearly eating alive the elderly and disadvantaged on fixed incomes. With increases computed on an essentially inadequate social security payments base, older Americans are finding that cost of living increases are not only too little but are too late. Food is the most expensive item for the elderly. They spend a larger proportion of their meager budgets just to stay alive. That is why we find, in the richest Nation the world has ever seen, many senior citizens making cat and dog food part of their regular diets.

The elderly cannot afford certain items in our economy—they are trapped into spending up to 35 percent of their monthly income on food. They spend on items whose prices are increasing the fastest. This results in an imbalance between food price increase and cost of living increases given to compensate the elderly for this loss of purchasing power. Present law providing for cost-of-living increases in social security and supplemental security income is clearly inadequate.

Mr. Speaker, the bill I introduce today is aimed at resolving that inadequacy. This legislation would direct the Social Security Administration to compute what the cost of living increases will be by the end of the upcoming calendar year. Projected annual cost-of-living increase would be converted during the year into monthly increases in social security and SSI checks. We would, in other words, be anticipating cost in advance each year, and providing beneficiaries with the ability to meet inflationary price increases as they occur.

Mr. Speaker, the gloomy catalog of economic indicators demonstrates that not only is our economy lagging, but we are faced with the prospect of an inflation which will continue for many months, even for several years. This persistence and severity of inflation has been predicted by Dr. Arthur Burns, Chairman of the Federal Reserve Board, the Secretary of the Treasury, and the former and present chairman of the President's Council of Economic Advisers. Inflation will persist in the "double digit" range throughout the rest of this year and well into the next. Severe and chronic unemployment will accompany this inflation. Unemployment will reach about 6 percent by the end of this year, and persist at that level, or even higher, during 1975 and into early 1976.

Today, it costs about 9 percent for a home loan, if you can find any money to borrow.

Today, it costs at least 10 percent more than it did last year to support a family or an individual. For the unfortunate people without a good job or living on fixed incomes, family budgets have exploded by about 20 percent in 1 year—food prices going up by 30 percent—wholesale prices going up by 16 percent.

Today, the real value of the average American workers' pay check—that is its purchasing power—is 5 percent below what it was a year ago, and it is still shrinking.

Today, the prime interest rate is over 11 percent, and interest payments now take 25 percent of the working family budget—more than twice the "money lenders" share at the end of World War II. The prime rate actually went as high as 12.5 percent recently—the highest on record.

Today, unemployment lines have swollen again to 5.3 percent of the labor force, and all projections are for unemployment to keep growing through this and next year. Unemployment in certain areas reaches 10, 15, and even 20 percent. I have identified about 1,000 areas of the Nation suffering from this kind of severe and chronic unemployment.

Clearly, Mr. Speaker much remains to be done in restoring our economy to stability and sustainable growth. We must continue to fight inflation. We must continue to seek ways in which to put Americans back to work in noninflationary activities. We must work hard to reduce Federal spending. Government must lead the way as management and labor, farmer and consumer, banker and borrower all tighten their belts. We are being fiscally responsible in Congress. I think recent cuts in defense spending of about $5 billion demonstrates our determination to cut Federal expenditures, particularly those of a highly inflationary nature.

I subscribe to all these goals and have made clear my determination to cooperate with the President and the leadership of the Congress in achieving these three interrelated economic goals. But, Mr. Speaker, if we are all going to cooperate in seeking restoration of the economy, we must all share the costs. Curbing inflation will exact costs of sacrifice and discipline. The burden of curbing inflation must be borne equally by all Americans. Therefore, we should not expect the elderly on fixed incomes to pay a price far in excess of what the rest of us are paying.

The legislation I propose fills the bill of both fiscal responsibility and financial fairness to the elderly and disadvantaged. There will be no persisting capital costs to the trust fund by this bill. What this proposal does is take the money that the elderly would get after price increases have taken place, and gives it to them before they are brought to the brink of financial disaster by inflation. We are merely moving cost-of-living increases up one slot.

This bill will help the elderly receiving social security and SSI benefits without hurting the fight on inflation or increasing the budget by one penny.

Mr. Speaker, I am delighted to be joined on this legislation by the distinguished ranking member of the House Ways and Means Committee, Congressman **Burke** of Massachusetts. I am most appreciative of his counsel and advice on this matter. As a very senior member of the committee, he has been working year in and year out with social security and related matters. I take his name on the bill as indicative of its fiscal responsibility and soundness of approach.

In closing, Mr. Speaker, I should like to make these points: America remains strong enough to cut back on nonessential and inflationary spending. America remains sensible enough to plan ahead for budgets balanced to match our income, take care of our human needs and essential military programs. America remains rich enough to take care of our elderly. This bill, if passed, will be a demonstration of that strength, that ability to pay, and that sensibleness.

One measure of a civilization's maturity and wisdom is how it treats its senior citizens. A civilization which ignores and fails to honor and reverence its older members is surely a civilization in decline. We Americans, Mr. Speaker, are surely not in decline.

I include the text of the bill at the conclusion of my remarks.

A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases under section 215(i) of such Act (and the corresponding increases under the supplemental security income program) shall be made in advance, on the basis of projected increases in the Consumer Price Index

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 215(i) (2) (A) (i) of the Social Security Act is amended to read as follows:

"(i) The Secretary shall determine during the last calendar quarter of each year beginning with 1974 (subject to the limitation in paragraph (1) (B)), on the basis of the most reliable information, statistics, data, and projections which are then available to him, whether the base quarter (as defined in paragraph (1) (A) (i)) in the succeeding calendar year will be a cost-of-living computation quarter."

(b) (1) So much of section 215(i) (2) (A) (ii) of such Act as precedes "increases the benefit amount" is amended to read as follows:

"(ii) If the Secretary determines under clause (i) that the base quarter in the succeeding calendar year will be a cost-of-living computation quarter, he shall, effective with the month of January of such year as provided in subparagraph (B),".

(2) Section 215(i) (2) (A) (ii) of such Act is further amended by striking out "exceeds such index" and inserting in lieu thereof "is projected to exceed such index".

(c) Section 215(i) (2) (B) of such Act is amended—

(1) by striking out "for months after May" and inserting in lieu thereof "for months beginning with January"; and

(2) by striking out "occurring after May" and inserting in lieu thereof "occurring in or after January".

(d) Section 215(i) (2) (C) (ii) of such Act is amended—

(1) by striking out "is also a cost-of-living computation quarter" and inserting in lieu thereof "will also be a cost-of-living computation quarter"; and

(2) by striking out "within 30 days after the close of the quarter" and inserting in lieu thereof "within 30 days after such determination is made".

(e) Section 251(i) (2) (D) of such Act is amended—

(1) by striking out "is also a cost-of-living computation quarter" and inserting in lieu thereof "will also be a cost-of-living computation quarter";

(2) by striking out "within 45 days after the close of such quarter" and inserting in lieu thereof ", within 45 days after the determination is made,"; and

(3) by striking out "the calendar year in which the table of benefits is revised" and "the calendar year in which such table of benefits is revised" wherever they appear in clause (v) and inserting in lieu thereof in each instance "the calendar year in which the cost-of-living computation quarter occurs".

(f) Section 215(i) (2) of such Act is further amended by adding at the end thereof the following new subparagraph:

"(E) (i) If the Secretary determines under subparagraph (A) in the last quarter of any calendar year that the base quarter in the succeeding calendar year will be a cost-of-living computation quarter, and a benefit increase is resultantly placed in effect beginning with January of such succeeding year, but such base quarter is subsequently found not to be a cost-of-living computation quarter in fact or the amount of the benefit increase thus placed in effect is subsequently found to be in excess of the increase which should have been placed in effect on the basis of the actual rise in the Consumer Price Index, the Secretary shall forthwith terminate such benefit increase or reduce the amount thereof and shall in addition take such other actions (including the withholding of appropriate amounts from future benefits subject to section 204(b)) as may be necessary to place the Trust Funds in the same position they would be in if such benefit increase had not been placed in effect.

"(ii) If the base quarter in any calendar year is also a cost-of-living computation quarter, but the Secretary did not make a determination with respect to such quarter during the last quarter of the preceding year as provided under subparagraph (A) or the amount of the benefit increase placed in effect with respect to such cost-of-living computation quarter is less than the increase which should have been placed in effect on the basis of the actual rise in the Consumer Price Index, the requisite benefit increase or additional benefit increase shall be promptly placed in effect. Such increase or additional increase shall be effective beginning with the month of January of such calendar year; and the Secretary shall take such action as may be necessary to provide for the lump-sum payment of any portion of such increase or additional increase to which individuals are entitled for the period (in such calendar year) prior to the month in which the first regular payment of benefits incorporating such increase is made."

Sec. 2. (a) Section 230(a) of the Social Security Act is amended by striking out "effective with the June following a cost-of-living computation quarter" and inserting in lieu thereof "effective with the month of January in any year in which a cost-of-living computation quarter is projected to occur (unless the resulting increase in such benefits is terminated under section 215(i) (2) (E) (i))".

Sec. 3. Section 203(f) (8) (A) of the Social Security Act is amended by striking out "effective with the month of June following a cost-of-living computation quarter" and inserting in lieu thereof "effective with the month of January in any year in which a "cost-of-living computation quarter is projected to occur (unless the resulting increase in such benefits is terminated under section 215(i) (2) (E) (i)),".

Sec. 4. Section 1617 of the Social Security Act is amended by adding at the end thereof the following new sentence: "If adjustments are subsequently made with respect to any such incerase in benefit amounts under title II as provided in section 215(i) (2) (E), corresponding adjustments shall be made, under regulations, in the dollar amounts in effect under the provisions of this title and Public Law 93-66 which are specified in the preceding sentence."

Sec. 5. The amendments made by this Act shall apply with respect to benefits payable for months after December 1974.

SOCIAL SECURITY SABBATICALS; A NEW DIMENSION FOR THE SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. **Fraser**) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, I am today introducing legislation authorizing the Secretary of Health, Education, and Welfare to study the feasibility of establishing within the social security system a new program in which workers, on a voluntary basis, could receive social security benefits prior to reaching retirement age. The new program would give social security enrollees the option of converting a year or more of retirement benefits to sabbatical benefits which they could draw during their working years.

As an adjunct to this study, the bill would give the Secretary of HEW discretionary authority to make sabbatical payments out of the OASI trust fund on an experimental basis to individuals with 40 quarters of coverage in the social security system.

Under this legislation, participants in the experimental program could, in effect, take a year of retirement after working for 10 years. If such a program were in effect on permanent basis, conceivably an individual could take three or maybe four yearly sabbaticals at 10-year intervals throughout his or her working life.

Under the terms of our bill, the Secretary of HEW could require that participants in the experimental program agree to take somewhat reduced benefits at the normal retirement age, as those who now retire at age 62 must do.

Mr. Speaker, this legislation is intended to bring a new dimension to the social security program. Traditionally, OASDI has been considered a form of social insurance which provides protection against the economic uncertainties that often accompany old age and disability. We think social security can do this and more. We think it can also help people to live fuller, more satisfying lives during their productive years.

Under the sabbatical plan outlined in our bill, people would not have to wait until retirement age to have a large block of time for themselves, free from the restraints of the 40-hour week. Instead, they could enjoy earlier in their lives some of the freedom that retirement now brings. Many people might want to use their sabbatical year to make midcareer retraining a possibility. Others might want to use the time to develop nonvocational special interests. Still others might just want to take a year off.

Increasingly, we are coming to realize that many Americans are dissatisfied with the world of work in which they find themselves. HEW's landmark study, "Work in America," has shown how millions of Americans feel trapped by dull, seemingly meaningless jobs that offer little challenge or autonomy. The sabbaticals might be one way of breaking the tight hold that the job has on so many of our lives.

Admittedly, the proposal for social security sabbaticals raises a series of complex questions that are difficult to answer. Many people, of course, would want to know if and to what extent the sabbatical would involve an economic sacrifice for themselves and their families. What impact would this new program have on the total social security system? How would benefits be financed? Could post-sabbatical employment rights be protected? These are some of the questions that would be explored in the study authorized in our bill.

I should emphasize that this legislation would in no way affect the integrity of the Social Security Trust Fund. The cost of the study would be financed out of general revenues. To the extent that the experimental sabbatical payments draw on the OASI fund during any one year, the fund would be reimbursed from general revenues for the cost of these payments during that year. Participation in any experimental sabbatical program designed by HEW would, of course, be purely voluntary.

Mr. Speaker, the social security sabbatical may be an idea whose time has not yet come. But it is, nonetheless, a useful new idea that should be explored further. Our bill is intended to encourage that exploration.

A text of the bill follows:

H.R. 16545

A bill to direct the Secretary of Health, Education, and Welfare to study the feasibility of establishing within the social security program a sabbatical plan under which an individual may receive a full year of retirement benefits (without regard to age) at any time after completing 40 quarters of coverage, and to provide for the conduct of a pilot program embodying such plan

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") is authorized and directed to conduct a full and complete study, over the 5-year period beginning on the date of the enactment of this Act, of the feasibility of establishing within the old-age, survivors, and disability insurance program a sabbatical plan under which an individual, upon completing 40 quarters of coverage under such program at any time (since his or her most recent sabbatical benefit period, if any), will upon application be entitled to 12 months of benefits computed under section 202(a) of the Social Security Act as though he or she had attained retirement age.

(b) In conducting the study provided for in subsection (a), the Secretary shall give particular consideration to—

(1) the social, psychological, and other advantages which might accrue to workers and their families from the opportunity to enjoy extended periods of freedom from job demands, with an assured income under the social security program, during the relatively early part of their lives and before the onset of old age or disability;

(2) the corresponding disadvantages in terms of employment status and economic need which might result, with special emphasis upon methods for assuring post-sabbatical reemployment rights and for supplementing the benefits payable under the plan in cases of need;

(3) what limitation, if any, should be placed on the total number of sabbatical benefit periods to be allowed any one individual during his or her lifetime, giving attention to the special situations which may arise where there are two or more covered workers in the same family and to the possibility of allowing individuals who qualify for sabbatical benefits to postpone their sabbatical benefit periods where it is impossible or inconvenient for them to take advantage of the plan immediately upon so qualifying;

(4) the probable cost of a sabbatical benefit program and its effect on the solvency of the social security trust funds, and possible methods of defraying such cost, including the feasibility of providing for delayed retirement, or retirement with reduced benefits (through modifications in the actuarial reduction or otherwise), in the case of individuals who previously received sabbatical benefits;

(5) whether or to what extent individuals receiving benefits under such program should be permitted to engage in gainful employment or self-employment, including the possible application to such individuals of the regular earnings test or a similar restriction; and

(6) such other aspects of a sabbatical benefit program, or matters arising in connection therewith, as the Secretary may consider of special signficance from a social, economic, or fiscal point of view.

(c) The study under this section shall be carried out in conjunction with the pilot program authorized by section 2 of this Act, and shall make full use of information and, data derived from the conduct of that program.

(d) The Secretary is authorized to employ such experts and specialists as he may consider necessary or appropriate (in addition to personnel of his Department) to carry out the study under this section.

(e) The Secretary shall submit to the Congress such interim reports on the study under this section as he may consider necessary or appropriate, and shall submit to the Congress no later than five years after the date of the enactment of this Act his final report on such study, together with his findings and any recommendations he may have for legislative, administrative, or other action.

(f) There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 2. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary" is authorized and directed to establish and carry out an experimental pilot program under which sabbatical benefits of the type described in subsection (a) of the first section of this Act are paid under title II of the Social Security Act to a selected group of covered individuals (determined on such basis as the Secretary finds will best promote the objectives of this Act) during the period beginning on the first day of the third month following the month in which this Act is enacted and ending with the month in which the final report of the Secretary is submitted under subsection (e) of the first section of this Act.

(b) For purposes of the experimental pilot program under this section, the Secretary may waive such provisions and requirements of the Social Security Act or regulations prescribed under such Act, and may impose such requirements and conditions in addition to those imposed by such Act or regulations, as he deems necessary or appropriate to assure that such program will assist the study under the first section of this Act, and otherwise promote the objectives of this Act, to the maximum possible extent.

(c)(1) Sabbatical benefits under the experimental pilot program shall be paid from the Federal Old-Age and Survivors Insurance Trust Fund.

(2) There are authorized to be appropriated to such Trust Fund from time to time such sums as the Secretary deems necessary for any fiscal year, on account of—

(A) payments made or to be made during such fiscal year from such Trust Fund under the experimental pilot program established pursuant to this section,

(B) the additional administrative expenses resulting or expected to result therefrom, and

(C) any loss of interest to such Trust Fund resulting from the payment of such amounts, in order to place such Trust Fund in the same position at the end of such fiscal year in which it would have been if the payments described in paragraph (1) had not been made.

THE FEDERAL REVENUE SHARING EQUITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LEHMAN) is recognized for 15 minutes.

Mr. LEHMAN. Mr. Speaker, I have introduced the Federal Revenue Sharing Equity Act, H.R. 16524, to restore a full and equitable share of Federal revenue-sharing funds to local governments serving areas of rapid population growth.

In 1972, Congress reaffirmed our country's historic commitment to the vitality of State and local government by establishing a general Federal revenue-sharing program. This program returns Federal tax dollars to State and local governments to help them provide important public services.

By creating the Federal revenue-sharing program, Congress rejected the assumption that the centralized Federal Government in Washington knows best how to determine priorities and administer programs in local communities. Federal revenue sharing is a way for the Federal Government to support the States, counties, and municipalities as they seek to fulfill their responsibility for meeting the day-to-day needs of our citizens.

I have found, however, that the funds for the Federal revenue-sharing program are not being allocated fairly and equitably. The Department of the Treasury is still using population figures from the 1970 census in its revenue-sharing formula. It does not have the up-to-date population information on which to base a fair allocation of funds. Because the Treasury Department is relying on the last decennial—10-year—census for its population statistics, States and municipalities which have experienced rapid population growth since 1970 are being deprived of the badly needed Federal funds to which they are entitled.

The 13th Congressional District of Florida is one of the most rapidly growing areas in the Nation. Some local governments in my district have already doubled their 1970 population. Dade and Broward Counties are growing at a rate three times the national average.

I have found that seven rapidly growing cities and towns in my district will lose a total of over $1 million in fiscal year 1975 alone because the Office of Revenue Sharing in the Treasury Department is using outdated population data. Dade County, Fla., together with its municipalities will lose an estimated $3 million. Broward County and its municipalities will lose approximately $2.7 million in fiscal year 1975. These annual losses will grow even larger in the years before 1980—when the next decennial census will be conducted—as the 1970 figures become increasingly outdated for areas of ever-growing population.

The tables below outline the current impact of the use of this outdated population data on local governments in the 13th Congressional District of Florida:

REVENUE SHARING LOSSES FOR SELECTED LOCAL GOVERNMENTS IN FISCAL YEAR 1974—13TH CONGRESSIONAL DISTRICT, FLORIDA

Government	1970 population [1]	1973 population (est.)[2]	3-year growth	Percent growth	Revenue sharing fiscal year 1974 [3]	Revenue sharing per capital fiscal year 1974 [4]	Revenue sharing loss fiscal year 1974 [5]
Dade County total (29 governments)	1,267,792	1,373,609	105,817	8	$25,326,080	$19.98	$2,114,223
Hialeah	102,452	117,346	14,894	14	1,187,981	11.59	172.621
Hialeah Gardens	492	1,076	584	119	5,205	10.58	6,178
North Miami	34,767	42,970	8,203	24	347,209	9.99	81,947
North Miami Beach	30,723	34,463	3,740	12	381,973	12.48	46,488
Opa Locka	11,902	12,924	1,022	9	266,537	22.39	22,882
Dade County	1,257,792	1,373,609	105,817	8	12,837,013	10.12	1,070,868
Broward County total (31 governments)	620,100	769,419	149,319	24	7,550,196	12.18	1,818,705
Hallandale	23,849	32,292	8,443	35	303,012	12.70	107,226
Miramar	23,973	27,132	3,159	13	165,766	6.91	21,828
Broward County	620,100	769,419	149,319	24	2,003,162	3.23	482,300

[1] Source: U.S. Bureau of the Census.

[2] Division of Population Studies, Bureau of Economic and Business Research, University of Florida.

[3] Payment Summary, Office of Revenue Sharing, U.S. Department of the Treasury.

[4] Total fiscal year 1974 allocation divided by 1970 population, the basis for the fiscal year 1974 allocations.

[5] Per capita revenue sharing allocation multiplied by population increase since the 1970 census the basis for the 1974 allocations.

REVENUE SHARING LOSSES FOR SELECTED LOCAL GOVERNMENTS IN FISCAL YEAR 1975—13TH CONGRESSIONAL DISTRICT, FLORIDA

Government	1970 population [1]	1974 population (estimated)[2]	4-year growth	Percent growth	Revenue sharing fiscal year 1975 (estimated)[3]	Revenue sharing per capita fiscal year 1975 [4]	Revenue sharing loss fiscal year 1975 [5]
Dade County total (29 governments)	1,267,792	1,405,202	137,410	11	$28,574,988	$22.54	$3,097,221
Hialeah	102,452	132,233	29,781	29	1,371,464	13.39	298,767
Hialeah Gardens	492	2,000	1,508	306	6,928	14.08	21,232
North Miami	34,767	42,970	8,203	24	437,929	12.60	103,357
North Miami Beach	30,723	34,463	3,740	12	383,480	12.48	46,675
Opa Locka	11,902	16,561	4,659	39	317,685	26.69	124,348
Dade County	1,267,792	1,405,202	137,410	11	14,514,607	11.45	1,573,344
Broward County total (31 governments)	620,100	815,584	195,484	31	8,581,674	13.84	2,705,498
Hallandale	23,849	44,650	20,801	87	393,823	16.51	343,424
Miramar	23,973	30,264	6,291	26	147,076	6.13	38,563
Broward County	620,100	815,584	195,484	31	2,259,287	3.64	711,561

[1] Source: U.S. Bureau of the Census.

[2] Source: Testimony of local officials at hearings of the Subcommittee on Census and Statistics of the Committee on the Post Office and Civil Service of the House of Representatives, May 31, 1974. The 1973 population estimates of the University of Florida's Bureau of Economic and Business Research were used for the cities of North Miami and North Miami Beach because no 1974 estimates were available.

[3] Payment Summary, Office of Revenue Sharing, U.S. Department of the Treasury.

[4] Total fiscal year 1975 allocation divided by 1970 population, the basis for the 1975 allocations.

[5] Per capita revenue sharing allocation multiplied by population increase since the 1970 census, the basis for the 1975 allocations.

Soon after I came to Congress, I began to search for a way by which the rapidly growing municipalities in the 13th District could have their Federal revenue sharing payments increased to reflect their rapid growth.

Since revenue sharing formulas were locked into the 1970 census figures. I sought to update the figures used for revenue sharing for high growth areas.

On February 13, 1973, I first wrote to the Director of the Census Bureau to inquire about proposed new data-gathering techniques which might produce new population statistics accurate enough for use in the apportionment of Federal funds.

In March 1973, the Census and Statistics Subcommittee of the Post Office and Civil Service Committee, of which I am a member, announced that it was to hold hearings on legislation to provide for a mid-decade census of population which could provide figures for updating the revenue sharing apportionment.

On March 13, 1973, I responded to the subcommittee's announcement, noting in my letter to subcommittee Chairman DICK WHITE:

> The velocity of growth in Florida's 13th District is so great that 1970 census data is misleading as a criterion for allocating Federal revenue sharing and other local programs which are partially funded by the Federal and State governments.

When the mid-decade census hearings opened on April 9, 1973, I told the subcommittee that the 1970 census figures had no validity for the 13th District.

I supported a mid-decade census which would properly serve areas of rapid growth.

In response to my request, statements in support of the mid-decade census were submitted for the hearing record by Opa Locka City Manager William Griffiths and Hallandale Assistant City Manager Robert Bensko.

Since the cost of a full formal mid-decade census was estimated at a prohibitive $300 million and because a full census every 5 years is not needed in every area of the Nation, the Census and Statistics Subcommittee decided to begin work in May 1973, on a bill which would authorize a mid-decade sample survey, rather than a full mid-decade census as had been previously proposed.

In anticipation of the subcommittee's deliberations on this bill, I formulated an amendment to assure that rapidly growing municipalities would have a full census.

As I wrote to each of my colleagues on the subcommittee on April 18, 1973:

> This amendment is designed to answer the rising complaints we have all been receiving from those towns in our districts which, due to a high growth rate, are not getting their fair share of revenue sharing funds.
>
> The amendment provides that in addition to a mid-decade sample survey, a full census will be held in those areas whose growth rate since the last full census have doubled that of the whole nation.

During the debate on the amendment in the subcommittee, I learned that the administration would insist that all areas, including those with little growth, must have updated population figures. I was forced to withdraw by amendment, but I did not give up my search for a way to increase the revenue sharing payments to the rapidly growing municipalities in the 13th district. The new Federal Revenue Sharing Equity Act which I have introduced will provide updated population data on all areas and should meet the objections of the administration.

In the spring of 1974, I asked Census and Statistics Subcommittee Chairman Dick White to bring the subcommittee to south Florida to hear from local officials on the impact of rapid population growth on Federal aid to local governments. These hearings took place in the North Miami City Hall on May 31, 1974.

Testifying before the subcommittee that day were Hialeah Mayor Dale Bennett, North Miami Mayor John Stembridge, North Miami Beach Mayor James Reardon, Opa Locka City Manager William Griffiths, Hialeah Gardens Town Council President A. C. Ramsay, Miramar City Clerk Joseph Tagg, Metro-Dade County Community Improvement Program Director James Paisley, and Hallandale Mayor Milton Weinkle.

The subcommittee learned that while many local governments across the Nation have been able to lower or at least hold down local taxes because of added revenue sharing funds, the rapidly growing communities of south Florida are under pressure to raise taxes. The need for new sewer, water, and recreation facilities and the pressures for increased and improved fire and police protection are especially acute. While it was these services which Federal revenue sharing was designed to aid, the areas which need this assistance the most are effectively discriminated against in the allocation of funds.

Hearing testimony from officials of cities and counties in south Florida, the subcommittee found that revenue sharing losses sustained by growing communities have contributed to the financial strains on local governments.

Water usage in the city of Hialeah has increased 31 percent in the last 4 years and the city is handicapped by sewage treatment problems, according to Hialeah Mayor Dale Bennett. This pressure on the city's resources will not be relieved in the near future. With population expected to grow as fast or faster than it already has, the loss of $172,621 in fiscal year 1974 and $298,767 in fiscal year 1975 increases the difficulty of providing adequate municipal services in Hialeah.

Construction now underway in North Miami is expected to push the city's population over 50,000 in the near future, up from the 1970 census figure of 34,767, according to Mayor John Stembridge. While North Miami will have the sewage and recreational needs of a rapidly growing city of over 50,000 residents, it will receive revenue sharing funds for a city of less than 35,000. The city is already experiencing a loss of $81,947 for fiscal year 1974 and $103,357 for fiscal year 1975. North Miami might have been able to lower local taxes—achieving one of the primary goals of the Revenue Sharing Act—if the city had received a share of Federal funds proportionate to its current population.

The city of North Miami Beach needs revenue sharing funds for the expansion of services most directly resulting from population increases such as transportation, traffic engineering, waste disposal, and police and fire protection, North Miami Beach Mayor Jay Reardon told the Census and Statistics Subcommittee. In describing one of many problems, Mayor Reardon told the subcommittee that the city must face the possibility of having to construct a new fire station equipped with costly vehicles to service new highrise dwellings. The city of North Miami Beach was deprived of $46,488 in fiscal year 1974 and $46,675 in fiscal year 1975, according to my estimates, because of the failure to use up-to-date population figures in the Federal revenue sharing distribution formula.

The growth problems of Opa Locka have strained the city's capacity to provide basic services to all its residents, Opa Locka City Manager William Griffiths told the subcommittee. The city is under a moratorium on water because the Opa Locka water plant is not sufficient to supply the necessary water for new residents. As with the sewer and traffic problems that the city faces, the water situation requires very expensive solutions. With a current millage of 9.7 and a cap of 10, the prospects of increasing local revenue by raising local taxes are dim.

The only source in many cases for additional funds is Federal revenue sharing. It is this great need for revenue sharing funds which makes especially inequitable and distressing the city's loss of an estimated $22,882 in fiscal year 1974 and $124,348 in fiscal year 1975.

The population boom in the town of Hialeah Gardens is one of the most startling examples of rapid growth in the 13th district. While the Census Bureau found only 492 people in the town in 1970, the population has already reached 2,000 and is expected to reach 22,000 to 50,000 within the next 4 or 5 years alone, according to A. C. Ramsay, president of the Hialeah Gardens Town Council. With an estimated revenue sharing loss of $6,178 in fiscal year 1974 and $21,232 in fiscal year 1975, the town is simply not in a position to expand and extend water and sewer lines and provide the other services that a town of 22,000 or more will require. "We certainly need all of the Federal support that we are entitled to," Ramsay told the subcommittee. "I am sure we are not asking for something that we are not entitled to."

The city of Hallandale is also financially strained by the need to expand its municipal services, Mayor Milton Weinkle told the Census and Statistics Subcommittee. Hallandale has almost doubled in population since 1970 and clearly does not receive a proportionate share of Federal revenue sharing funds to provide services to these new residents. Hallandale is also deprived of revenue sharing funds for the many winter residents for whom it must maintain year-round facilities.

Approximately one-quarter of the city's people have second residences in northern cities and were not in Hallandale when the census was taken in the spring of 1970. While the city does not receive revenue-sharing funds for these residents, the city has to provide municipal services for them all year. Police, fire, water resources, and sewage treatment capacity must be based on the peak winter population. Hallandale's Assistant City Manager John Kooser explained to the subcommittee that:

> As municipalities have to provide an ever-increasing technical level of service to their community, they've got to hire more skilled and more professional type employees, and policemen, sewage treatment plant operators, and so forth and so on, which require a very high level of expertise. These people just can't be laid off during certain months because the population has recreased during those months.

Restoration of the $107,226 in Federal revenue-sharing funds that the city lost in fiscal year 1974 and the $343,424 under-allocation for fiscal year 1975 would certainly ease the burden on the city of Hallandale.

The city of Miramar, with a 26-percent population increase since the 1970 census, is in need of money to be able to go forward with long-range projects, capital improvements, and to update its police and fire departments, Miramar City Clerk Joseph Tagg told the subcommittee. Because there is no metropolitan government in Broward County—as there is in Dade County—the full brunt of providing these required services falls on the city. The loss of $21,828 in Federal revenue sharing funds during fiscal year 1974 and the fiscal year 1975 under-allocation of $38,-

563 have contributed to the drain on Miramar's financial resources.

Mr. Speaker, to guarantee that these local governments which serve areas of rapid population growth receive a full and equitable share of Federal revenue-sharing funds, Congress should direct the Bureau of the Census to formulate annually updated population estimates for each unit of general government within the United States participating in the general revenue sharing program and to report this data to the Secretary of the Treasury so that revenue sharing funds can be allocated to meet the needs of the people in these rapidly growing areas. It is for this reason that I have introduced the Federal Revenue Sharing Equity Act.

Formulation of population estimates does not require the extensive and expensive work that goes into each decennial census. The subcommittee has found that such estimates can be made inexpensively and accurately by making use of other evidence of population growth. Almost half the States conduct censuses of even the smallest municipalities using water usage figures, numbers of building permits, telephone installations, and use of gas and electricity. These surveys are in most cases quite reliable.

In Florida, the Division of Population Studies of the University of Florida's Bureau of Economic and Business Research conducts a highly scientific study each year which is used as a basis for Florida's own State revenue-sharing program. The basic unit for this study is housing. The bureau makes use of information on building permits, demolitions, and mobile homes, as well as data from active residential electric customers, residential water meters, garbage collection, and sewer customers. Two independent estimates of population for the State and each county and municipality are derived wherever possible, one using the building permit data and the other the utility data. When these two estimates are significantly different, careful reexamination of the two original data sources is made to determine the cause of the discrepancy and the validity of the data sources.

If the State of Florida can develop annually updated population statistics which are accurate enough for the State's own revenue-sharing program, then the Census Bureau should certainly be able to develop such statistics for the Federal revenue-sharing program.

In short, Mr. Speaker, everyone knows where the people are. The State governments know. The local governments know. The utility companies know. It is derelict of the Federal Government to be so far behind in collecting the up-to-date information needed for the fair and equitable allocation of Federal revenue-sharing funds.

The Federal Revenue Sharing Equity Act directs the Bureau of the Census to make use of the best available means to gather the annual population information needed to insure that the rapidly growing areas of our country which are most in need of Federal revenue-sharing funds receive a full and fair share of this vital Federal assistance.

I urge my colleagues to support the Federal Revenue Sharing Equity Act.

At this point I would like to include the text of H.R. 16524, the Federal Revenue Sharing Equity Act for the attention and interest of my colleagues:

H.R. 16524

A bill to amend subchapter IV of chapter 5 of title 13, United States Code, to provide for the development of certain estimates of population in 1975 and every intercensal year thereafter, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Revenue Sharing Equity Act of 1974".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) many Federal legislative programs such as the Revenue Sharing Act of 1972, which involve the disbursement of Federal funds to State, county, municipal and other local governments, rely on population statistics in order to allocate those funds;

(2) population data developed from the 1970 decennial census and now in use by these programs does not accurately indicate the current population of areas of rapid population growth;

(3) local governments serving areas of rapid population growth are in great need of a full and equitable share of Federal revenue sharing funds, are rightfully entitled to such a share of funds, and are not now receiving their full and equitable share of Federal revenue sharing funds;

(4) the Bureau of the Census has the capability to formulate accurate up-to-date estimates of population in areas of rapid growth without conducting a full and formal census.

(b) The purpose of this Act is to direct the Bureau of the Census to develop annually updated population estimates for each unit of general government within the United States participating in general revenue sharing and other Federal legislative programs and to report such data to the Secretary of the Treasury.

AMENDMENT OF TITLE 13, UNITED STATES CODE

SEC. 3. (a) Subchapter IV of chapter 5 of title 13, United States Code, is amended by adding at the end thereof the following new section:

"§ 182. Intercensal population estimates

"(a) The Secretary shall, in 1975 and every intercensal year thereafter, identify each unit of general government existing within the United States as of the first day of April of that year and shall develop an estimate of the population residing within the jurisdiction of each such unit. Each such estimate shall relate to the first day of April of the year to which it pertains. The Secretary shall establish the methods to be utilized in formulating the estimates, giving due account to considerations of feasibility, cost, and required data accuracy and shall report such estimates to the Secretary of the Treasury.

"(b) As used in this section—

"(1) 'intercensal year' means every year other than a year in which a census of population, unemployment, and housing shall be taken pursuant to section 141 of this title; and

"(2) 'unit of general government' means the government of the United States, any State, county, city, town, parish, or any other such governmental unit which performs general decisionmaking functions, not including school boards or any other such special purpose agency."

(b) The table of section of chapter 5 of title 13, United States Code, is amended by inserting—

"182. Intercensal population estimates."

immediately below—

"181. Surveys.".

PERSONAL ANNOUNCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, I was not able to be present yesterday afternoon because I was at the wedding of my administrative assistant in New York, Ms. Ronay Arlt, now Ms. Ronay Menschel.

Had I been here, I would have voted for H.R. 15977, the Export-Import Bank extension.

During consideration of that legislation, I would have voted for a committee amendment to place the Bank's receipts and expenditures within the unified budget and against an amendment by Representative ICHORD that sought to require congressional approval of transactions with Communist countries.

In addition, although a record vote was not taken, I am delighted that an amendment was agreed to requiring that no loan, guarantee, insurance, or credit be extended to the U.S.S.R. until after the Trade Reform Act—H.R. 10710—is approved. This strengthens an amendment which I had offered and which was approved in the Subcommittee on International Trade. Such action is necessary to bring about a liberalization of Soviet emigration policy.

Had I been present, I would also have voted for H.R. 15487, legislation to authorize the Secretary of the Treasury to conduct a study of foreign investments in the United States.

THE CAPTIVE NATIONS REMEMBERED DURING CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, the extent and depth of the recent observance of Captive Nations Week are most comforting and inspiring. The euphoric overtones of détente have not stifled the healthy cognizance of Americans and others of the blunt reality and continued plight of the captive nations and peoples, over 1 billion imprisoned in Central Europe, the Soviet Union, Asia and Cuba. I have no doubt that as we reexamine the present course of détente the full significance of the captive nations, particularly those in the Soviet Union, will be thoroughly grasped by more of our citizens and friends in allied countries.

In addition to the numerous selected examples of the highlights of the 1974 Captive Nations Week, I should like to introduce several more that unquestionably reflect the remembrance shown toward the captive peoples even in the euphoric conditions of détente. These include a proclamation by Gov. Calvin L. Rampton of Utah; a column by Anthony Harrigan in "Sensing the News," the

Phyllis Schlafly Report on the Week in Free China; and an appeal on behalf of Valentyn Moroz from Canada:

DECLARATION

Whereas, the United States Congress provided for a Captive Nations Week in a unanimous resolution in 1959; and

Whereas, President Dwight D. Eisenhower signed it, making it Public Law 86–90; and

Whereas, Americans throughout our country will be observing this week with prayers and fixed dedication toward the freedom and independence of all the captive nations, including those in the U.S.S.R. itself; and

Whereas, traditional American idealism and politico-morality, with permanent principles supporting human and national rights so brazenly denied the people in these captive nations, are as vibrant as ever; and

Whereas, every President of the United States since 1959 has proclaimed the week each year:

Now, therefore, I, Calvin L. Rampton, Governor of the State of Utah, do hereby declare the week of July 21 through 27, 1974, as Captive Nations Week in the State of Utah.

THE CAPTIVE RUSSIANS

(By Anthony Harrigan of United States Industrial Council)

The 15th "Captive Nations Week", designated by Congress, is especially meaningful this year because of the publication of "The Gulag Archipelago" by Alexander Solzhenitsyn, the great hero of resistance to Soviet tyranny.

This history of the Soviet persecutions and slave labor camps—now available in paperback form—is opening the eyes of the world to the systematic cruelty and oppression of the Soviet regime from the Lenin era to the current period of rule by Leonid Brezhnev. Solzhenitsyn's account makes clear that torture and brutality on a colossal scale were not confined to a few years of the Stalinist period but are characteristic of the whole history of the Soviet Union.

In a recent television interview, this great apostle of freedom stated: "The situation in the Soviet Union is getting worse." Again and again he stressed that repression is continuing and that the Soviet leadership is bent on denying freedom to the Russian people and to all other captive peoples.

In view of this impressive testimony by Solzhenitsyn, supported by the statements of countless other refugees from communist rule, it is shocking that some U.S. officials and some American businessmen want to sell America's advanced technology to the Soviet Union and actually support joint U.S.-Soviet economic enterprises such as oil and gas developments in Soviet Asia. How can those who advocate U.S. participation in such projects be sure that they won't be lending support to projects in which the Soviets employ forced labor? Use of political prisoners as slave laborers has been a feature of the Soviet system for more than 50 years. Dissidents continue to be sent to prison camps in Siberia. It is only logical to conclude that the economic projects in which the Soviets want American investment are projects where slave laborers will be utilized.

Moreover, many of the business deals the Sovets offer actually would add to the USSR's military capabilities. One official who understands this reality is Dr. Malcolm R. Currie, director of Defense Research and Engineering.

The Soviets, he wrote in a recent issue of National Defense, know that their principal deficiency is production technology. "We therefore see," he observed, "what appears to be a carefully designed Soviet approach to acquire production technology increasingly in the form of complete turn-key plant operations in these critical areas. Proposed agreements also include on-going training and support. Soviet negotiators are well organized and briefed to deal individually without industrial firms as a monolithic customer offering tantalizing visions of future markets.

"The program is compounded by our eagerness to correct rapidly our deficit in trade balance and by our sometimes naive acceptance of the availability of vast new markets. I would urge us to be wary of some of the commercial gain and balance-of-payment advantages. In my personal opinion, the market may be significantly less than advertised, the difficulties of doing business extensive, and the ability to pay questionable."

It is often said that the United States should seek to "normalize" its relationship with the Soviet Union. But how does a civilized country "normalize" its relationship with a regime that rejects all the religious, humanistic and libertarian concepts on which the United States is founded? How does a nation committed to free enterprise enter into normal trade relations with a country that relies on slave labor and prison camp production?

The answer to these questions is that normalization is not possible. The real need is not for more trade with the USSR but a deepening of America's sense of awareness regarding the moral evil represented by the Soviet Union.

[From the Phyllis Schlafly Report, August 1974]

WEEK IN FREE CHINA

A GRACIOUS PEOPLE

All the high Chinese government officials went out of their way to be available for talks and discussions with all the visiting foreigners during Captive Nations Week. And they are a charming and gracious people. It is good to know that there is someplace in the world where the old-fashioned attribute of courtesy abounds in all its fullness.

Any American woman would be envious of the way the Chinese women keep their figures and their smooth, unwrinkled skin all their lives. Those two features make nearly every Chinese woman look some 20 years younger than she really is.

Madame Chiang Kai-shek is one of the world's most remarkable women. A charming gracious woman, she combines the exercise of power with a warm, direct and friendly approach to other people. She is a perfect example of a woman who has succeeded in a man's world while remaining wholly a woman. After all the wars, and tragedies, and disappointments she has had through a long and troubled life, she is still a beautiful woman with the continuing courage and determination of a proven leader, never embittered by betrayals or crushed by defeats. Educated at Wellesley College, she speaks fluent English.

CAPTIVE NATIONS WEEK

The highlight of the Captive Nations Week observance in Taiwan was a mass rally at the modern, air-conditioned, Sun Yat-sen Memorial Hall. The government of the Republic of China was represented by Vice President C. K. Yen, who pulled no punches in identifying the problem. He said: "Communism is the source of all the troubles afflicting the world. . . . Freedom, justice, and world peace are obtainable only through resolute anti-Communism. There can be no freedom without anti-Communism, and no peace without freedom. . . . Slavery and totalitarianism are at the heart of every Communist regime."

Vice President Yen went on to explain the fallacy in today's most popular illusion: "The democracies regard detente as a means to peace. Communist totalitarian regimes consider detente as another means to war. . . . Negotiation with the Communists will lead to the piecemeal destruction of the Free World, and it will abet infiltration and subversion by the Communists."

The United States was represented on this solemn occasion by Congressman Lamar Baker of Tennessee, who reminded his audience that Mainland China "is the largest of all Captive Nations, and continues to be the most infamous dictatorship in mankind's history." He promised that "America will remain alert and watchful" and will continue "our firm commitment to the Republic of China."

Later, Congressman Baker told reporters that there is no possibility that the U.S. Government will develop closer ties with Peking. Referring to Senator Henry Jackson's recent call for full diplomatic relations with Red China, Congressman Baker said that is only Jackson's own opinion and cannot be interpreted as the view of the American people or their Government.

WORLD ANTI-COMMUNIST LEAGUE

The Captive Nations Rally was sponsored by the World Anti-Communist League, whose Founder, Dr. Ku Cheng-kang expressed the hope that the United States "will never in the course of talks with the Communists, sacrifice any free nation's rights and interest, or any captive people's free will. . . . We must restore freedom to the enslaved so as to safeguard the freedom of those who are now free."

Dr. Ku called on his audience to join in "an all-out counterattack against Communist forces of enslavement by all freedom-loving people united together irrespective of region, nationality, religious belief, or profession."

The President of the World Anti-Communist League, Fred Schlafly, told the rally that the Captive Nations Resolution passed by the U.S. Congress on July 17, 1959 is still the law of the United States and requires the U.S. President to issue annually a proclamation designating the third week in July as Captive Nations Week. The U.S. President is by law ordered to do this every year "until such time as freedom and independence shall have been achieved for all the Captive Nations of the world." President Nixon did issue such a proclamation this year, in compliance with the law.

Mr. Schlafly recited the text of the Captive Nations Resolution which proclaims many vital and timely truths about Communist aggression and tyranny, including these: "The enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other people. . . .

"The desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace."

At the end of Captive Nations Week, the Free Chinese government reaffirmed that its current military policy is to strengthen the Taiwan bastion and to create opportunities for recovery of the China Mainland. In a written statement, the Republic of China Cabinet stated that the government's plans are designed to meet the needs of both defensive and offensive operations.

The spirit and fortitude of the Free Chinese on Taiwan in the face of the threat of a formidable and implacable enemy on Mainland China, and in the face of the dishonorable and shameful treatment by the organization euphemistically called the "United Nations"—are an inspiration to the rest of the world.

APPEAL ON BEHALF OF VALENTYN MOROZ TO THE AUTHORITIES OF THE SOVIET UNION

We write this letter in response to reports that Valentyn Moroz, a 38-year-old Ukrainian

> historian, is in a critical state of health and is subjected to the harshest of treatment and conditions in Vladimir Prison. We express our concern that Moroz may not survive if such treatment is continued.
>
> Because we favour the relaxation of international tension and development of friendly relations between nations, and
>
> Because we believe that this is dependent on the recognition of the inherent dignity and the equal and inalienable rights of all members of the human family as the foundation of freedom, justice and peace in the world,
>
> We appeal to you to assure his well-being, to accord to him those human rights and fundamental freedoms that the world community has prescribed in numerous covenants and conventions, and release him on compassionate grounds.
>
> Signed by R. E. Agger, McMaster University and 187 others.
>
> In November 1970 Valentyn Moroz was sentenced at a trial held in camera to 9 years imprisonment and 5 years exile for alleged "anti-soviet propaganda and agitation" which consisted of writing 3 essays critical of the police terror and russification policies in the Soviet Union. This was Moroz' second sentencing—he had already spent a four year term in the sixties on similar charges. He is married and has two children.
>
> Since his imprisonment Moroz has been beaten, stabbed and confined with the criminally insane. Reports since January 1974 indicate that he is confined to an isolation cell, where he is being pressured to recant. He is in extremely poor physical and mental condition and concerned circles in the Soviet Union have expressed fears that he may not survive present treatment. Pavel Litvinov, the recently expelled dissident, has stated that Moroz will begin a hunger strike "until death" on the fourth anniversary of his arrest if his conditions are not changed.

BILL TO AMEND THE COMPREHENSIVE DRUG ABUSE PREVENTION AND CONTROL ACT OF 1970

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of New York. Mr. Speaker, I introduced for appropriate reference a bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to discharge obligations under the Convention on Psychotropic Substances relating to regulatory controls on the manufacture, distribution, importation, and exportation of psychotropic substances.

This bill, the "Psychotropic Substances of 1974," amends not only the Comprehensive Drug Abuse Prevention and Control Act of 1970 but other drug laws so that the United States can legally discharge its obligations under the United Nations Convention on Psychotropic substances. These obligations relate to the control of the manufacture, distribution, importation, and exportation of psychotropic substances such as the hallucinogens, amphetamines, barbiturates, and the tranquilizers.

The Convention on Psychotropic Substances was adopted at the United Nations Conference for the Adoption of a Protocol on Psychotropic Substances, which was held at Vienna from January 11 through February 21, 1971. The United States signed the Convention on February 21, 1971, and the ratification of the Convention is pending before the Senate. This ratification depends upon the passage of the Psychotropic Substances Act of 1974, which I introduce today.

Members of my staff attended the 1973 meeting of the International Narcotic Enforcement Officers Association and were shocked to hear that because of Watergate, action on this vital legislation was at a standstill. Watergate is over now and it is time the House got busy on this bill that has far too long been neglected. This bill is an outgrowth of the discussions held at the above meeting.

It is ironic that at a time we were—as a nation—reacting excitedly to Turkey's plan to grow opium once more, our own Government was vacillating on putting controls over drugs that are just as dangerous and much more prevalent.

Turkey, I have been told by Justice Department officials, is questioning U.S. motives and they have every right to do so. We raise a hue and cry about their opium production, yet when it comes to controlling the illegal diversion of psychotropic drugs—of which the United States is the largest producer—we are apparently doing nothing on the international level.

These countries such as Iran, Thailand, Turkey, and Pakistan look to the United States for leadership and guidance and for over 3 years our efforts in Congress on this legislation have yielded a lamentable cipher.

These countries can justifiably ask why they should control opium when industrial countries, especially the United States, cannot decide to stop the criminal trafficking in amphetamines and barbiturates.

Top Justice officials at the November 1973 Nassau narcotic officers conference told my staff that if the Congress does not pass this legislation soon it will be the greatest blemish in history on U.S. efforts to control worldwide trafficking in drugs.

There is now no reason in the world that the Congress should not, on its return in September, move with all due speed on the legislation I introduce today.

Our drugs are flowing all over the world. It is ironic that where we once were concerned with drugs flowing into this country from Mexico, Mexico is now concerned with our drugs flowing into that country. U.S. produced barbiturates have flooded Mexico. Addicts in that country have introduced a new craze to the drug culture called "Chasing the Dragon," a potent mixture of heroin and barbiturates.

The only objections I have heard to previous versions of this legislation was the concern of giving the U.N. the power to put new drugs into the stricter categories under the 1970 Drug Act. I have removed that objection by rewriting the bill and adding a new category, category VI.

Under other bills of this type we would put new drugs in categories IV or V and then exempt certain provisions because the treaty would not call for all of the controls in the 1970 act. This was a hybrid situation that gave some people misgivings. My new category VI is for the specific purpose of our treaty obligations and the treaty requirements.

This means my bill is procedurally and administratively more efficient.

I would also point out that the treaty has no enforcement effect nor does it put additional obligations on physicians, hospitals or researchers in the United States.

I urge the appropriate Senate and House committee and subcommittee chairmen to study this legislation and to act before the 93d Congress adjourns.

I would remind colleagues of the comments made by the Department of Justice Drug Enforcement Administration on September 7, 1973 on the Convention on Psychotropic Substances. Their conclusions are as follows:

> With only a minimal sacrifice of national sovereignty, United States ratification of the Convention would: (1) strengthen our leadership in international drug abuse control; (2) further our efforts to reduce the supply of, the demand for, and the trafficking in illicit narcotics and psychotropic substances; and, (3) increase our credibility as a nation willing to apply effective controls at home in order to cooperate in preventing illicit trafficking in other countries.
>
> Conversely, our failure to ratify the Convention could prove to prejudice our efforts to suppress the illicit traffic in narcotics and to eliminate illicit and uncontrolled opium production. Inaction on our part would only serve to further buttress the fallacious argument that the major manufacturing countries want to eliminate drug abuse of the narcotic type only to replace it with the economically profitable abuse of psychotropic substances.
>
> If the United States fails to ratify the Convention, we will compromise our attempts to convince other governments that we are serious about doing anything beyond trying to control our own heroin addiction problem. Success in the curbing of all forms of drug abuse must be predicated on more than commitment to domestic improvements; there must also be a willingness to limit our own freedom of action and to give account of our activities to international organs.
>
> On balance, we believe that the positive features of the Convention on Psychotropic Substances, coupled with the urgency of the growing problem of drug abuse in many countries as a result of the lack of adequate domestic and international controls, outweigh (other) considerations and that the interests of the United States would be best served by early ratification of the treaty.

Mr. Speaker, for 60 years the United States has been the leader in pushing for greater control of opium and opium derivatives.

I had always assumed it was done for worldwide humanitarian reasons, and not just for the kids in "slumville," U.S.A.

Now we find ourselves in the position of doing the same kind of song and dance that we have accused others of in the past.

Billions of dangerous drug capsules "Made in America" being criminally diverted in this country is unconscionable. To transport this homegrown product in a criminal manner to foreign countries is a disgrace. I hope Members will agree with me and join with me when we return in September to pass this vitally needed legislation.

At this point in the RECORD, I insert a copy of the "Psychotropic Substances

Act of 1974" for Members to study during the recess.

H.R. 16588

A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to discharge obligations under the Convention on Psychotropic Substances relating to regulatory controls on the maufacture, distribution, importation, and exportation of psychotropic substances

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Psychotropic Substances Act of 1974".

SEC. 2. The Congress makes the following findings and declarations:

(1) The Congress has long recognized the danger involved in the manufacture, distribution, and use of certain psychotropic substances for nonscientific and nonmedical purposes, and has provided strong and effective legislation to control illicit trafficking and to regulate legitimate uses of psychotropic substances in this country. Abuse of psychotropic substances has become a phenomenon common to many countries, however, and is not confined to national borders. It is, therefore, essential that the United States cooperate with other nations in establishing effective controls over international traffic in such substances as well.

(2) The United States has joined with other countries in executing an international treaty entitled the "Convention on Psychotropic Substances", signed at Vienna, Austria, on February 21, 1971, which is designed to establish suitable controls over the manufacture, distribution, transfer, and use of certain psychotropic substances. The Convention is not self-executing, and the obligations of the United States thereunder must be performed pursuant to appropriate legislation. It is the intent of Congress that the provisions of this Act will satisfy all obligations of the United States under the Convention not already met by existing law and that no further legislation is necessary.

(3) In implementing the Convention on Psychotropic Substances, the Congress is desirous that control of psychotropic substances in the United States should be accomplished within the framework of the procedures and criteria for classification of substances provided in the Comprehensive Drug Abuse Prevention and Control Act of 1970, or when appropriate, in accordance with the provisions for new drugs pursuant to the Federal Food, Drug, and Cosmetic Act, consistent with the obligations of the United States under the Convention. This will insure that (A) the availability of psychotropic substances to manufacturers, distributors, dispensers, and researchers for useful and legitimate medical and scientific purposes shall not be unduly restricted; (B) nothing in the Convention shall interfere with bona fide research activities; and (C) nothing in the Convention shall interfere with ethical medical practice in this country, based on the consensus of the American medical and scientific community as reflected in recommendations of the Secretary of Health, Education, and Welfare.

SEC. 3. Subsection (d) of section 201 of the Controlled Substances Act (21 U.S.C. 811(d)) is amended (1) by inserting "(1)" after "(d)", (2) by striking out ", without regard to" and inserting in lieu thereof ", and such order, except as otherwise provided in this subsection, may be issued without regard to", and (3) by adding at the end thereof the following:

"(2) (A) Whenever the Secretary of State receives notification from the Secretary General of the United Nations that information has been transmitted by or to the World Health Organization, pursuant to article 2 of the Convention on Psychotropic Substances, which may justify adding a drug or other substance to one of the schedules of the Convention, transferring a drug or substance from one schedule to another, or deleting it from the schedules, the Secretary of State shall immediately transmit the notice to the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare shall prepare for transmission through the Secretary of State to the World Health Organization such medical and scientific evaluations as may be appropriate regarding the possible action that could be proposed by the World Health Organization.

"(B) Whenever the Secretary of State receives notification pursuant to article 2 of the Convention on Psychotropic Substances that the Commission on Narcotic Drugs of the United Nations is to decide whether to add a drug or other substance to one of the schedules of the Convention, transfer a drug or substance from one schedule to another, or delete it from the schedules, the Secretary of State shall transmit timely notice to the Secretary of Health, Education, and Welfare. The Secretary of the Health, Education, and Welfare shall evaluate the proposal and furnish a recommendation to the Secretary of State, which shall be binding on the representative of the United States in discussions and negotiations relating to the action.

"(3) When the United States receives notification of a scheduling decision pursuant to article 2 of the Convention on Psychotropic Substances that a drug or other substance has been added or transferred to a schedule specified in the notification, the Secretary of Health, Education, and Welfare, after consultation with the Attorney General, shall first determine whether existing legal controls under this title or under the Federal Food, Drug, and Cosmetic Act applicable to the drug or substance meet the requirements of the schedule specified in the notification and shall take the following action:

"(A) If such requirements are met by existing controls but the Secretary nonetheless believes that more stringent controls should be instituted, the Secretary shall recommend to the Attorney General that he initiate proceedings for scheduling the drug or substance pursuant to subsections (a) and (b) of this section.

"(B) If such requirements are not met by existing controls and the Secretary concurs in the scheduling decision transmitted by the notification, the Secretary shall recommend to the Attorney General that he initiate proceedings for scheduling the drug or substance under the appropriate schedule pursuant to subsections (a) and (b) of this section.

"(C) If such requirements are not met by existing controls and the Secretary does not concur in the scheduling decision transmitted by the notification, the Secretary shall—

"(i) (I) apply the controls applicable to new drugs, pursuant by section 505 of the Federal Food, Drug, and Cosmetic Act, or

"(II) if he deems that additional controls are necessary to protect the public health and safety, recommend to the Attorney General that he initiate proceedings for scheduling the drug or substance pursuant to subsections (a) and (b) of this section;

"(ii) request the Secretary of State to transmit a notice of qualified acceptance, within the period specified in the Convention, pursuant to paragraph 7 of article 2 of the Convention, to the Secretary General of the United Nations; and

"(iii) request the Secretary of State to ask for a review of the scheduling decision by the Economic and Social Council of the United Nations, in accordance with paragraph 8 of article 2 of the Convention.

"(4) If the Attorney General determines, after consultation with the Secretary, that proceedings initiated under subparagraph (B) or (C) (i) (II) of paragraph (3) will not be completed within the time period required by paragraph 7 of article 2 of the Convention, the Attorney General after consultation with the Secretary shall unless the drug or substance is already controlled under this title, issue a temporary order controlling the drug or substance under schedule VI. As a part of such order, the Attorney General shall by regulation, after consultation with the Secretary, except such drug or substance from the application of any provision of part C of this title which he finds is not required to carry out the United States obligations under article 2, paragraph 7, of the Convention. In the case of proceedings initiated under subparagraph (B) of paragraph (3), the Attorney General concurrently with the issuance of such order shall request the Secretary of State to transmit a notice of qualified acceptance to the Secretary General of the United Nations, pursuant to paragraph 7 of article 2 of the Convention.

"(5) If the review requested pursuant to subparagraph (C) (iii) of paragraph (3) results in reversal of the scheduling decision in question and acceptance of the Secretary's recommendations, the Attorney General shall issue a final order scheduling the drug or substance or removing it from control, as appropriate, in accordance with such recommendations. In the case of a drug or substance which has been subjected to control under subparagraph (C) (i) (I) of paragraph (3), the Secretary shall take such action as necessary consistent with the outcome of such review. If the scheduling decision in question is affirmed upon such review, the Attorney General shall, after consultation with the Secretary and subject to the provisions of the second sentence of paragraph (4), issue a final order controlling the drug or substance under schedule VI, unless the drug or substance is already controlled under this title or under the Federal Food, Drug, and Cosmetic Act.

"(6) Nothing in the Psychotropic Substances Act of 1974 or the regulations promulgated thereunder shall be construed to preclude requests by the Secretary of Health, Education, and Welfare or the Attorney General through the Secretary of State, pursuant to article 2 or other applicable provisions of the Convention on Psychotropic Substances, for review of scheduling decisions under such Convention, based on new or additional information.".

SEC. 4. (a) Subsection (b) of section 202 of the Controlled Substances Act (21 U.S.C. 812(b)) is amended by adding at the end the following new paragraph:

"(6) Schedule VI.—The drug or other substance is required to be controlled by United States obligations under the Convention on Psychotropic Substances, and the Secretary determines the drug or other substance should not be controlled in any of the other schedules pursuant to proceedings under subsection (d) of section 201 of this title."

(b) (1) Section 102(6) of the Controlled Substances Act is amended by striking out "or V" and inserting in lieu thereof "V, or VI".

(2) The first sentence of section 202(a) of such Act is amended to read as follows: "There are established six schedules of controlled substances, to be known as schedules I, II, III, IV, V, and VI."

(3) Section 202(d) of such Act is amended by striking out "or V" and inserting in lieu thereof ", V, or VI".

(4) Section 303 is amended by striking out "or V" each place it occurs and inserting in lieu thereof "V, or VI".

(5) Section 305 of such Act is amended (A) by striking out "or IV" in subsection (c) and inserting in lieu thereof "IV, or VI", and (B) by striking out "or IV" in subsection (d) and inserting in lieu thereof ", IV, or VI".

(6) Section 307(c) of such Act is amended by striking out "or V" each place it occurs and inserting in lieu thereof "V, or VI".

(7) Section 309(b) of such Act is amended by striking out "or IV" and inserting in lieu thereof ", IV, or VI".

(8) Section 401(b)(2) of such Act is amended by striking out "schedule IV" and inserting in lieu thereof "schedule IV or VI".

(9) Section 1002(b) of the Controlled Substances Import and Export Act is amended by striking out " or V" and inserting in lieu thereof "V, or VI".

(10) Section 1003 of such Act is amended (A) by striking out "or II" in subsection (c) and inserting in lieu thereof ", II, or VI", and (B) by striking out "or IV" in subsection (e) and inserting in lieu thereof ", IV, or VI".

(11) Section 1004(2) of such Act is amended by striking out "or IV" and inserting in lieu thereof "IV, or VI".

(12) Section 1005 of such Act is amended by striking out "schedule I or II" and inserting in lieu thereof "schedule I, II, or VI".

(13) Section 1006(b) of such Act is amended by striking out "or V" and inserting in lieu thereof ", V, or VI".

(14) Section 1007(a)(2) of such Act is amended by striking out "or IV" and inserting in lieu thereof "IV, or VI".

(15) Section 1008(c) of such Act is amended by striking out "schedule III, IV, or V or to export a controlled substance in schedule III or IV" and inserting in lieu thereof "schedule III, IV, V, or VI or to export a controlled substance in schedule III, IV, or VI".

(16) Section 1010(b)(2) of such Act is amended by striking out "IV" and inserting in lieu thereof "IV or VI".

Sec. 5. Subsection (d) of section 202 of the Controlled Substances Act (21 U.S.C. 812(d)) is amended by striking out "and" before "(2)" and by adding before the period at the end thereof the following: ", and (3) such exception does not conflict with United States obligations under the Convention on Psychotropic Substances, signed at Vienna, Austria, on February 21, 1971".

Sec. 6. Subsection (d) of section 307 of the Controlled Substances Act (21 U.S.C. 827(d)) is amended by adding "(1)" after "(d)" the first time it appears, and adding the following new paragraph at the end of the subsection:

"(2) Every manufacturer registered under section 303 shall, at such time or times and in such form as the Attorney General may require, make periodic reports to the Attorney General with respect to nonnarcotic controlled substances which are psychotropic substances subject to the Convention on Psychotropic Substances, signed at Vienna, Austria, on February 21, 1971."

Sec. 7. Section 1002(b) of the Controlled Substances Import and Export Act (21 U.S.C. 952(b)) is amended by inserting immediately before the period at the end of paragraph (2) the following: ", except that if a nonnarcotic controlled substance in schedule III, IV, or V is also listed in schedule I or II of the Convention on Psychotropic Substances it shall be imported pursuant to such import permit requirements, prescribed by regulation of the Attorney General, as are required by the Convention".

Sec. 8. Subsection (e) of section 1003 of the Controlled Substances Import and Export Act (21 U.S.C. 953(e)) is amended—

(a) by striking out ", and" at the end of paragraph (2) and inserting in lieu thereof a semicolon;

(b) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(c) by adding the following new paragraph:

"(4) in any case when a nonnarcotic controlled substance in schedule III, IV, or V is also listed in schedule I or II of the Convention on Psychotropic Substances, it is exported pursuant to such export permit requirements prescribed by regulation of the Attorney General as are required by the Convention, instead of the invoice required by paragraphs (2) and (3) above.".

Sec. 9. (a) Part D of the Controlled Substances Act (21 U.S.C. 841 et seq.) is amended by adding at the end thereof the following new section:

"APPLICATION OF INTERNATIONAL TREATIES OR AGREEMENTS

"Sec. 412. Nothing in the Single Convention on Narcotic Drugs, the Convention on Psychotropic Substances, or other treaties or international agreements shall be construed to require a specific punishment for offenses involving narcotic drugs or psychotropic substances or to limit the provision of such treatment, education, aftercare, rehabilitation, and social reintegration as alternatives to conviction or punishment for such offenses as may be authorized by any Act of Congress.".

(b) The table of contents of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by inserting—

"Sec. 412. Application of international treaties or agreements."

immediately after

"Sec. 411. Proceedings to establish previous convictions.".

Sec. 10. (a) Section 502 of the Controlled Substances Act (21 U.S.C. 872) is amended by redesignating subsection (d) as subsection (e), and by adding after subsection (c) the following new subsection:

"(d) Nothing in the Single Convention on Narcotic Drugs, the Convention on Psychotropic Substances, or other international treaties or agreements shall be construed to limit, modify, or prevent the protection of the confidentiality of patient records or of the names and other identifying characteristics of research subjects as provided by any Federal, State, or local enactment or regulation.".

(b) Section 303 of the Public Health Service Act (42 U.S.C. 242a) is amended by redesignating subsection (b) as subsection (c), and by adding after subsection (a) the following new subsection:

"(b) Nothing in the Single Convention on Narcotic Drugs, the Convention on Psychotropic Substances, or other international treaties or agreements shall be construed to limit, modify, or prevent the protection of the confidentiality of patient records or of the names and other identifying characteristics of research subjects as provided by any Federal, State, or local enactment or regulation.".

Sec. 11. Subsection (f) of section 303 of the Controlled Substances Act (21 U.S.C. 823(f)) is amended by adding the following sentence at the end of the subsection: "Article 7 of the Convention on Psychotropic Substances shall not be construed to prohibit, or impose additional restrictions upon, research involving drugs or other substances scheduled under the Convention which is conducted in conformity with this subsection and other applicable provisions of this title.".

Sec. 12. Subsection (c) of section 307 of the Controlled Substances Act (21 U.S.C. 827(c)) is amended by adding the following after and below paragraph (3): "Nothing in the Convention on Psychotropic's Substances shall be construed as in any way affecting, modifying, repealing, or superseding the provisions of paragraphs (1)(B), (2), or (3) of this subsection.".

Sec. 13. Subsection (n) of section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352(n)) is amended by adding the following new sentence at the end thereof: "Nothing in the Convention on Psychotropic Substances, signed at Vienna, Austria, on February 21, 1971, shall be construed to prevent drug price communications to consumers.".

Sec. 14. The amendments made by this Act shall take effect on the date the Convention on Psychotropic Substances enters into force in respect to the United States.

BALANCED NATIONAL GROWTH AND DEVELOPMENT ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Brown) is recognized for 10 minutes.

Mr. BROWN of California. Mr. Speaker, I rise to make some remarks on a bill that I have introduced today, the Balanced National Growth and Development Act of 1974. My decision to introduce this bill, which is a companion measure to S. 3050, a bill that was the outgrowth of several years of study and review by Senator Hubert Humphrey, his staff, and the staff of the Congressional Research Service of the Library of Congress, comes after many months of considering the status of policies that deal with growth and its implications for the future.

I am impressed with the amount of effort that has gone into the various approaches to the question of growth. Yet I am disappointed by the meager results of these efforts. We have seen a fragmented approach in dealing with growth questions fail, and this failure has led me to conclude that the total reorganization of the Federal Government to create the machinery and processes to adequately cope with national growth questions is now necessary. The Balanced National Growth and Development Act of 1974 will accomplish this.

The standing committees of Congress, and especially the House, have divided responsibilities when such broad questions as national development and growth are considered. The proposed House reorganization, while improving on the status quo, cannot be expected to resolve questions of this broad nature. My most recent legislative encounter with national growth and development policies demonstrates the fragmented approach to this problem. The Committee on Science and Astronautics, on which I serve, recently held hearings on "Federal Policy, Plans and Organization for Science and Technology."

One of the distinguished witnesses at those hearings, Mr. Patrick E. Haggerty, chairman, Texas Instruments Inc., devoted the bulk of his testimony to the need for the Congress and the President to go much further than the establishment of a Council on Science and Technology, as recommended by a National Academy of Science committee at the beginning of our hearings. Mr. Haggerty recommended that the Congress pass legislation, the National Development Act, that would integrate economic policy, environmental control, social development, and science and technology in a coherent national effort to improve the quality of life of all citizens. Mr. Haggerty's proposal was clearly one that related to the Science and Astronautics Committee, but it also related to the

Joint Economic Committee, the Banking and Currency Committee, and the Government Operations Committee.

It is interesting to compare Mr. Haggerty's proposal with the bill that I have introduced today. Each proposal attempts to integrate the entire spectrum of policies and activities that impact upon growth and productivity. Each proposal makes a sincere attempt to maximize the quality of life by dealing with complex economic and social issues in a comprehensive fashion. Many of the structural changes recommended by Mr. Haggerty's National Development Act and Mr. HUMPHREY's Balanced National Growth and Development Act are the same. I am pleased to see such similar conclusions on national issues come from such divergent sources.

The Balanced National Growth and Development Act does not specifically prescribe policy, but rather attempts to refocus national institutions so as to approach virtually the entire spectrum of domestic policies in relation to growth and development. The statement of policy is as follows:

STATEMENT OF POLICY

SEC. 101. In order to promote the general welfare and to improve the quality of life and standard of living for all the Nation's people by providing direction for the forces determining economic growth, population distribution, and environmental quality consistent with guarantees of maximum freedom and self-determination among citizens, the Congress declares that it is the continuing responsibility of the Federal Government, in concert with State and local governments, to undertake the development of a balanced national growth and development policy, which shall incorporate economic, social, environmental, and other appropriate considerations. The balanced national growth and development policy shall serve as the guide for national decisionmaking and Federal assistance and cooperation with States and local governments and appropriate encouragement of cooperation by private enterprise, to effect the achievement of balanced economic growth in urban and rural areas, through optimum allocation of resources, balanced distribution of population, and environmental protection.

Title I states the bill's purpose. Title II creates an Office of Balanced National Growth and Development in the White House. Title III provides for the transfer of certain functions from the Office of Management and Budget with respect to review of Federal projects and liaison with State and local governments. Title IV creates multi-State regional planning and development commissions. A program of comprehensive planning assistance is provided for in title V and title VI provides for Federal requirements for the receipt of such grants. A National Citizens Council on the American Future is embodied in title VII. Title VIII creates a Joint Congressional Committee on Balanced National Growth and Development and a Congressional Office of Policy and Planning. Title IX lays down requirements with respect to the locational impact of Federal facilities, activities, and procurement. Title X creates a Foundation on the American Future. Title XI establishes an agency for population and demographic analysis within the Bureau of the Census of the Department of Commerce. Title XII authorizes the necessary expenditures to carry out the act.

This approach may be considered a radical step to take without thorough and widespread debate. I agree, and that is one of the reasons that I have chosen to introduce this bill at this time. The fundamental changes that would result from the Balanced National Growth and Development Act of 1974 need the support of the President if they are to succeed. I would hope that our new President, Gerald Ford, would devote some of his valuable time to consideration of this vitally important subject. In fact, the existing law—section 703(a) of the Housing and Urban Development Act of 1970—requires the President to make the second biennial report on national growth this year.

The first biennial report on national growth has been the subject of much comment and scrutiny. That report probably received more attention than it deserved, considering how pitiful an effort it represented. An excellent set of hearings on this report and the need for a national growth policy were conducted on June 6 and 7 of 1972 by the Subcommittee on Housing of the House Committee on Banking and Currency and should be reviewed by those who are interested in the details of this report. Suffice it to say, I do not think that the report offered anything to recommend it.

The Subcommittee on Housing intends to conduct hearings on the 1974 Report on National Growth shorty after its release, which should be in the near future since it is already several months overdue. These hearings, when they occur, will provide a valuable forum to discuss many of the concepts embodied in my bill.

One of the people who should be given special credit for their work in furthering the efforts to develop a balanced national growth policy is Congressman THOMAS ASHLEY of Ohio. In his work on the Banking and Currency Committee and in the House as a whole he has consistently focused attention on the problems surrounding Federal policies that affect growth and development. In remarks before the House on October 1, 1973—CONGRESSIONAL RECORD, volume 119, part 25, pages 32113–19—he proposed the establishment of a Joint Committee on National Growth and Land Use Policy. In those remarks Mr. ASHLEY presented a rather detailed breakdown of committee jurisdictions over aspects of Federal growth policy, and the breakdown of Federal programs that have an impact on land use and development policies, such as flood control, highway construction, and new community assistance grants, to name just a few examples.

The proposal for a joint committee was made because the fragmentation of responsibility for these issues at the Federal level make it very unlikely that any one committee would be able to oversee the then likely passage of H.R. 10294, the National Land Use Planning Act. Under normal procedures the Committee on Interior and Insular Affairs, which authored H.R. 10294, would have had oversight responsibilities for it. Since that bill, much like the bill I introduce today, would have affected many standing committees, the proposal for a joint committee made sense and this proposal is embodied in my bill.

The failure of the House to adopt the rule on H.R. 10294 was a subject of earlier remarks by myself. I found that inaction deplorable. I would like to point out that many of the proposals included in that bill are contained in the Balanced National Growth and Development Act of 1974. The reason for this is simple, land use, growth policies, and development are all parts of the same issue and they will continue to be interrelated.

I think it is appropriate to quote from one of the statements in the Banking and Currency Committee print on national growth policy. Dr. Brian J. L. Berry of the University of Chicago commented on the 1972 National Growth Report by the President and then stated:

> Our first priority must be not what growth policy to follow, but agreement that a growth policy is needed. . . . We must first demonstrate more clearly than we have yet that the complexity and intractability of society's current problems derive their basis from the central processes of economic development and urbanization, and that the interaction of size and rapid growth will lead to an acceleration of costs that will only be countered by forthright national policies promoting both an orderly pace and pattern of growth in the years to come. Whether these policies will embody new and better forms of regulation and the setting of newer superior standards, consistent with the American tradition, or whether they should incorporate dramatic new public ventures that exert significant developmental leadership (as has been the case in Western Europe) should be a matter of wide debate. The alternatives and their consequences need wide discussion and debate. And once there is some sense of the Nation stemming from that debate, one can begin to design a national growth policy.

I believe this statement by Dr. Berry sums up our current dilemma quite well. Again I wish to point out that the Balanced National Growth and Development Act is not a statement of growth policy, but a mechanism by which this debate on its formation can take place. The first decision is whether we want to formulate such a policy.

Several committees have attempted to further the debate on these issues. One major effort has been made by the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Committee on Merchant Marine and Fisheries under the leadership of Congressman JOHN DINGELL. This subcommittee has published a three-volume set on "Growth and Its Implications for the Future" which I have found extremely helpful in understanding this issue. These hearings made one point very clear, and that is that growth questions are not only a matter for national concern, but they are of international concern.

The recent oil embargo and resultant awareness of the pervasive influence of energy supplies in all aspects of our lives, nationally and internationally, has alerted many people to the need to consider growth and its limits on a global scale. I have devoted much of my time to the consideration of various global problems, or the problematique, as the Club of Rome refers to this subject, and merely want to note that this bill, if enacted, would enable the United States to better deal with our international problems.

Some of the proponents of a national growth and development policy have failed to connect energy policies with land use, or urban growth policies. Even more frequently the relation of these issues to inflation is not made. One of the driving forces of inflation is the increasing demand of resources, especially energy resources, that are being depleted because they are in limited supply. I have discussed this subject on other occasions, and would again note that the Balanced National Growth and Development Act does provide the mechanism to incorporate these concepts into a national policy.

The literature on this subject is abundant. The Congress itself has numerous publications, many of which I have already mentioned, that relate directly or indirectly on the issue of balanced growth and development policies. The Congressional Research Service of the Library of Congress has devoted extensive time to this subject and produced many valuable contributions to the field.

At the request of Senator HUMPHREY, the Library of Congress has produced three committee prints and the Senate Committee on Government Operations has printed two and is in the process of printing the third of these reports.

The first report is, "Toward a National Growth and Development Policy: Legislative and Executive Actions in 1970 and 1971," the second is "Toward a National Growth Policy: Federal and State Developments in 1972" and the third will be, "Toward a National Growth Policy: Federal and State Developments in 1973." I found these materials most helpful in considering this important subject.

The Federal role in establishing policy should be a matter of long and serious debate. The need to establish a national growth and development policy is, in my mind, clearly established by events. The Congress should come to grips with its responsibilities and develop a viable mechanism, such as that embodied in this bill, to cope with the development of a national policy. Options should be identified, and debated and chosen. The role of the States and local governments and nongovernmental groups must similarly be debated.

While we continue to avoid acting at the national level, as demonstrated by the House vote on H.R. 10294, the National Land use Planning Act, the State and local governments and individuals of the United States continue to move forward. They need our help, and we need their help. The result must be balanced growth and development.

INTRODUCTION OF RESOLUTION IN SUPPORT OF INTERNATIONAL WOMEN'S YEAR 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, I am today introducing a resolution along with Mrs. HECKLER and 51 other cosponsors supporting the United Nations proclamation of the year 1975 as International Women's Year.

This resolution would put the Congress on record as officially recognizing the importance of promoting equality between men and women in every country of the world.

Equal pay, equal opportunity to work, equal status in marriage, these and many other issues are being increasingly discussed in homes and workplaces by men and women alike. The member nations of the United Nations, including the United States, will all benefit by a constructive observance of a Women's Year in 1975.

For the benefit of my colleagues who may still wish to join with us in recognizing IWY 1975, I include herewith a copy of the text of the resolution:

CONCURRENT RESOLUTION

Whereas the United Nations has proclaimed 1975 as International Women's Year, during which attention will be focused on means of advancing the status of women and eliminating discrimination against women within the United Nations family of agencies and within each of the 135 member countries of the United Nations; and

Whereas the United Nations has set three goals for International Women's Year which are in accord with the objectives of the Government and people of the United States: (a) to promote equality between men and women: (b) to insure the full participation of women in the total development effort, both national and international; (c) to recognize the importance of women's increasing contribution to the development of friendly relations and cooperation among states and to the strengthening of world peace; and

Whereas the President of the United States, on January 30, 1974, proclaimed International Women's Year for the United States and called on Federal and State officials, private organizations, and individuals to assist in the observance of International Women's Year by constructive measures for the advancement of the status of women; and

Whereas a UN-sponsored International Conference will be held during International Women's Year at Bogota, Colombia, and other UN activities for the Year are planned; and

Whereas despite the progress made, especially in recent years, there is urgent need for more equitable utilization of women's talents, particularly at higher levels of government, industry, the professions, labor, the arts, and sports, and for greater recognition of women's potential for contributing significantly to the cultural, economic, and spiritual life of the nation; and

Whereas constructive observance of IWY is a matter of importance for all citizens—men as well as women—for by advancing the status of women the well-being of the family, the community and the nation are advanced; for without the active cooperation of men and women toward shared goals and mutual understanding of existing problems no lasting progress will be made; and

Whereas new careers in fields not traditionally open to women are progressively being made accessible to women but channels for making these opportunities known need to be vastly expanded, so as to reach all women, including minority and low income women; and

Whereas talent banks exist which can provide the names of women qualified to serve in positions of responsibility if given the opportunity; and

Whereas many women desiring additional education, or part-time employment or retraining after extended periods of absence from the labor force experience difficulties in obtaining employment, or in working out arrangements for combining work with their home responsibilities; and

Whereas women in the US and around the world during International Women's Year, can exchange useful experiences in seeking and finding means of improving their conditions of life; Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that:

(1) The designation of 1975 as International Women's Year is welcomed and full support is expressed for the goals for the Year as proclaimed by the Secretary General of the United Nations and the President of the United States.

(2) Cooperation in observance of the Year is urged on the part of all concerned people, official and private, men and women, to ensure that constructive measure are taken to advance the rights and responsibilities of women during 1975.

(3) A concerted effort should be made to ensure that 1975 is a year not only of stocktaking but also a time for the launching of new programs and the forming of new attitudes toward the role of women, with impact reaching well beyond 1975, so as to overcome the obstacles still encountered by women in exercising their full measure of human rights and responsibilities in all fields, including government, business, labor, the professions, education, the arts, and sports, and in enjoying freedom of choice in planning their lives.

(4) Women in more than token numbers should be included on all United States delegations to international conferences or other meetings, and on national commissions and other bodies where positions are filled by Federal appointment.

UTAH'S NATIONAL PARKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 10 minutes.

Mr. OWENS. Mr. Speaker, today I am introducing legislation which would put into effect a recent proposal advocated by the Governor of the State of Utah, Calvin Rampton. The Governor has urged a 1-year delay in establishing wilderness areas in Utah's national parks. My legislation would amend the Wilderness Act of 1964 to prohibit the designation of any part of National Park Service lands in Utah as wilderness areas for a 1-year period following enactment.

MULTIPLE USE IMPORTANT

In our State, 67 percent of the land is owned by the Federal Government. It is important to any State where a preponderance of the land is so owned that the public lands be managed under the principle of multiple use and sustained yield. This concept is also important to the Nation as a whole as we strive to make wise use of our natural resources on public lands in an environmentally acceptable fashion. Grazing, mining, oil production, water resources, timber harvesting, recreation—all are important uses of the public lands and should continue to be so in the future.

WILDERNESS AREAS NECESSARY, TOO

Even though I am strongly wedded to the concept of multiple land use, I also believe that a small portion of the public land—perhaps 2 to 3 percent—should be preserved in a natural state so that future generations can continue to enjoy its beauty and serenity. I also fully support our system of national parks which millions of people visit annually to fulfill a variety of their recreational needs.

However, I am in complete agreement with Governor Rampton for a 1-year moratorium on the designation of any part of NPS lands as wilderness. This is necessary to permit Utah the time to develop its land use planning process and to then, in turn, allow the Park Service to insure that its wilderness proposals are compatible with those State plans.

LAND USE PLANNING

Mr. Speaker, Governor Rampton is right when he stated that wilderness designations should "evolve from a process of land use planning and not from an isolated bureaucratic process." H.R. 10294, the land use bill, which the House of Representatives refused to consider by rejecting the rule, would have accomplished this worthwhile objective. This bill would have required public land management agencies to involve local and State governments in the development of Federal land use plans. More importantly this legislation directed these agencies to synchronize the planning of Federal lands with adjacent State owned and private lands. Therefore, the 1-year moratorium will not only provide Utah with the time to develop its land use plans, but hopefully will see the passage of national land use legislation which will give State and local government a much greater voice in how public lands in their jurisdictions are used—be they for wilderness or for other purposes.

NO WILDERNESS AREAS IN UTAH

Mr. Speaker, we have no wilderness areas in Utah at present. A study has been completed and legislation introduced to designate parts of the Zion National Park as a wilderness area. Three other potential national park wilderness areas are in the final study stages. These are the canyonlands and Arches national parks in southeastern Utah, and the Capitol Reef National Park in the southern part of the State. The studies which have been conducted have been the interdisciplinary type envisioned by the 1964 Wilderness Act. In general, such studies are a necessary prerequisite to the designation of wilderness areas. But there is some evidence in the conduct of these studies that the opinion of the people and local officials who live in close proximity to these proposed areas have not been adequately considered. A year's delay, in addition to use plans, should also provide time for the Park Service to insure that local concerns are addressed and, to the degree possible, resolved. It will also allow Utah residents time to gain a better understanding of the issues.

INTERIM PRESERVATION

One final point. This moratorium must be a real one. The areas tentatively designated should continue to remain in their primeval state, unencumbered by the imprint of man's work. I have asked the Director of the National Park Service to insure that these two necessary conditions remain in effect so that if the areas ultimately become wilderness, their primitive qualities will have been preserved.

Mr. Speaker, I am here reprinting the text of Governor Rampton's statement on National Park Service wilderness designations and a copy of my bill, which would place the moratorium into effect:

Testimony on Park Wilderness Proposals by Gov. Calvin L. Rampton of Utah

I fully support the concept of the Wilderness Act of 1964. Utah has many areas that are in fact wilderness areas. I have no doubt that some of these areas should properly be placed in the National Wilderness Preservation System. But, at this time, I am not convinced that the *de facto* wilderness areas which lie within Utah's National Parks should be permanently classified.

I cannot support the Park Service proposed wilderness designations for two reasons. One derives from my conviction that such designations should evolve from a process of land use planning and not from an isolated bureaucratic process. The other reason derives from my unequivocal conviction that the people of Utah, and more specifically the people who live in the counties in which the National Parks lie, should be a part of the planning process.

My support for land use planning is well known throughout the state. The legislature, this year, overwhelmingly approved the Utah Land Use Act. This act is now before the people. Senator Moss voted for, and supports, a federal land use bill which would provide financial assistance to states, and through states to local governments, and which would not punish states for failure to perform according to some set of national standards. Representative Owens co-sponsored a similar bill in the House of Representatives; both he and Representative McKay voted to keep that bill on the floor rather than kill it by recommitting it to committee.

Yet, in spite of this unquestioned support in Utah for the concept of land use planning, federal agencies insist on designating areas as wilderness, or as this or that, through some process that is totally isolated from a comprehensive land use planning process. The fact is that the Park Service has not even completed, is not even well along in completing, master plans for the parks under consideration this week. The designation of wilderness areas should derive from the Master Plans. The Master Plans should derive from a comprehensive process which includes planning for the land adjacent to the parks, be it BLM, Forest, State, or private land.

To the contrary, the recommended designations derive from a process which considers only the physical characteristics of the land, modified somehow by notions of what eventual master plans might eventually call for in the way of developments within the parks. I reaffirm my support for the concept of wilderness protection, but the needs of the people must be considered important, not just the needs of the land, the flora and the fauna. The master planning process must first consider the needs of the people and then coordinate, and compromise where necessary, those needs with the needs for wilderness protection.

Regarding the second source of my opposition to the recommendations, I consider the extensive and vocal opposition to the recommendations, whether it is for more or for less wilderness land, as prima facie evidence that the people have not been adequately involved in the planning process.

Because of all of this I call upon the Park Service to help develop and participate in a planning process which will overcome the sources of my opposition. I am aware of the deadline for recommendations which is set by law, but I believe that a sincere attempt to extend that deadline of only one year, although more would be desirable, would be adequate to fit the wilderness planning process into a general planning process.

Therefore, I call upon the Park Service to petition the Department of Interior to petition the President to ask Congress for such a delay. At the same time I am formally requesting the members of Utah's congressional delegation to introduce appropriate legislation.

H.R. 16563

A bill to impose a one-year moratorium on the submission of recommendations to the President regarding wilderness area designations within the State of Utah, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 3(c) of the Wilderness Act (16 U.S.C. 1132), after the date of the enactment of this Act the Secretary of the Interior shall not report any recommendatons pursuant to such section to the President with respect to any area located within national park system lands in the State of Utah before the close of the one-year period beginning on such date of enactment. During such one-year period, the Secretary of the Interior shall review all recommendations and proposed recommendations developed by him pursuant to such section 3(c) regarding such areas in the light of land use planning actions implemented, or proposed to be implemented, by the State of Utah on lands adjacent to national park system lands. The Secretary of the Interior, during such one-year period and at the request of appropriate State and local agencies, shall cooperate with such agencies in the land use planning process established by the State of Utah in order that wilderness area planning be appropriately coordinated with other land use objectives.

SEC. 2. Within 6 months after the date of the enactment of this Act, the Secretary of the Interior shall review the recommendation made by him under section 3(c) of the Wilderness Act regarding the Zion National Park Wilderness Area. Such review shall be made in accordance with the procedure set forth in the second sentence of the first section of this Act and the Secretary shall report the results of such review to the President. The President shall thereafter affirm, amend, or withdraw the recommendation made by him to Congress with respect to such Area.

WAYNE OWENS AN EFFECTIVE FRESHMAN CONGRESSMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, WAYNE OWENS is one of the most effective freshman legislators I have witnessed in all my years in Congress.

The quiet leadership and reasoned arguments advanced by the gentleman from Utah in the impeachment debates helped set the tone for this serious undertaking. Congressman OWENS fought a lonely battle for 5 months to enact legislation which opened the House Judiciary Committee debate to television. If it had not been for his persistence and diligence in convincing the House leadership of the importance of this measure, the proceedings might never have been televised.

Mr. Owens' long involvement with and study of the legislative process has made him one of the foremost advocates of meaningful congressional reform. He is a genuine authority on legislative procedures.

I serve on the Steering and Policy Committee which researches issues and proposes solutions to important legislative problems. The Speaker of the House recognized Mr. Owens' legislative background and leadership potential by naming him as the only freshman of the committee.

No Member of the House would disagree that Representative Owens is one of the hardest working Members of the Congress. He is dedicated to working for his constituents.

The gentleman is one of the most productive lawmakers among those who entered the House at the beginning of the 93d Congress. The number of measures which he has had enacted by the House is unusually large for a freshman.

Mr. Speaker, when one views the significant accomplishments of the gentleman from Utah it comes as no surprise that Time magazine selected him as one of the top future leaders of America.

I am proud to number him among my friends and among my colleagues. This body will prosper if those who follow him into the Congress are as diligent in the performance of their duties.

JAIME BENITEZ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Phillip Burton) is recognized for 10 minutes.

Mr. PHILLIP BURTON. Mr. Speaker, I am sure my colleagues will be interested in the following article from the San Juan Star of August 20, 1974, relating to our good friend, the distinguished Resident Commissioner of Puerto Rico Jaime Benitez:

Benitez' Amnesty Plan

(By Ed Konstant)

Washington.—Probably no member of Congress possesses as keen an appreciation for moments of historical significance as does Resident Commissioner Jaime Benítez.

It is evident in the Resident Commissioner's basic philosophical view of the grand historical meaning of commonwealth: that Puerto Rico is there to show the way for many of the world's small states who, unable to exist independently and unwilling to accept colonialism or total assimilation, can seek affiliation.

This is an idealist's view. But it is a pretty good one. Were it not for the harsh realities of Puerto Rican politics, it could become an overwhelming historical argument that statehooders and independistas could find difficult to challenge.

It was through this finely polished lens of historical perception that Benitez carefully studied the trauma of Watergate that took Richard Nixon down the path of disgrace and resignation and elevated Gerald Ford to the presidency.

"We are in the midst of a tragedy without a tragic figure," is how the Resident Commissioner rose to the occasion in summing up what may have been the final act of the national drama.

It was one of those phrases that is characteristically Benitez. But no one has said it better than the Resident Commissioner.

Indeed, it is difficult trying to cast Richard Nixon and those who helped drag him down as tragic figures. Neither does Gerald Ford fit the role.

But tragedy has a way of casting its own characters and not even Richard Nixon is immune from this.

Much can happen to private citizen Nixon that could not to President Nixon.

If you recall, he was named an unindicted co-conspirator in the Watergate coverup by a federal grand jury. Conceivably, he could now be indicted, charged with obstructing justice and face criminal proceedings.

There is also the matter of misuse of power, the White House enemies list, wiretapping and Internal Revenue Service investigations. Someone who feels their privacy has been invaded by the Nixon Administration could sue the former President in a civil action.

In addition, Nixon faces the prospect of being called as a witness in various criminal and civil proceedings that have and could continue to grow out of Watergate.

Much of this could be avoided by granting the former President immunity. There is serious question whether Congress will or can. President Ford may not dare.

Some of his enemies who still feel they have been cheated out of their pound of flesh might be willing to let bygones be bygones if Nixon would publicly confess his sins, admit his guilt. Some may not.

Benitez feels the nation has had enough. Though the Resident Commissioner was no supporter of Nixon and the policies of his administration, he does not want to see the nation further ravaged by vindictiveness nor the ultimate postscript added to the trauma: a former President behind bars.

But others once allied to Nixon have had their day in court, their lives shattered. How do you let the former President off without violating the constitutional principle that the law of the land applies equally to its every citizen?

"With a general amnesty", Benitez says. The Resident Commissioner had planned to propose this in a grand appeal for magnanimity toward the vanquished on the floor of the House of Representatives during the impeachment debate that Nixon's resignation has cancelled.

Benitez was not prepared to appeal for Nixon alone. What he would have called for was a general amnesty for Nixon, others implicated in Watergate, draft evaders who fled to Canada and elsewhere to avoid duty in Vietnam.

This would be a magnanimous gesture indeed. Perhaps the Resident Commissioner might be willing to revive it in some form. The occasion is approaching that would make it truly historic—July 4, 1976, the date the nation celebrates its 200th birthday.

Benitez had planned to tie his appeal to that historic date. It's an idea that should not become one more victim of Watergate.

THE NATIONAL HEALTH BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I would like to commend our distinguished colleague, the gentleman from Massachusetts (Mr. Burke) for his leadership, not only in his effort to bring about a meaningful and comprehensive national health bill, but also in his continuing effort to see that the elderly and crippled who live on social security get enough in the way of benefits to be able to keep body and soul together.

The gentleman from Massachusetts (Mr. Burke) over the years has always pioneered and led the fight to be sure that our senior citizens particularly are not forgotten by his colleagues in the U.S. House of Representatives.

Mr. Speaker, I would only hope that not only all of us here on the floor today but the new leadership in the White House as well will carefully note the remarks of our distinguished colleague this afternoon.

Mr. BURKE of Massachusetts. Mr. Speaker, I thank my colleague, the gentleman from California.

CONTROVERSY OVER AIRPORT X-RAY SYSTEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Mezvinsky) is recognized for 5 minutes.

Mr. MEZVINSKY. Mr. Speaker, the controversy over the use of airport X-ray systems to inspect carryon baggage is being aired now by the Federal Aviation Administration preliminary to setting rules for their use. There are important issues being raised about the safety and effectiveness of these machines of which the public needs to be aware.

Data submitted to the FAA by the Aviation Consumer Action Project, a national consumer organization working for safety in the airline industry, raises several serious questions about the use of these machines. The first is whether the proposed safety standards are adequate to prevent radiation emissions that are potentially harmful to the public boarding an airplane and, particularly, to the operators of the machines. The other basic question is whether X-ray inspection is indeed more effective in deterring hijacking than hand inspection. If not, is it worth exposing the public to the burden of increased X-ray contact when there is evidence that any exposure to X-ray poses a health hazard?

I would like to submit for the Record my comments to the FAA on this subject:

August 15, 1974.

H. Louise Coomes,
Chief, Rules Docket,
Federal Aviation Administration,
Washington, D.C.

Dear Ms. Coomes: I would like to respond to the proposed rulemaking for the airport x-ray units. I am pleased that in the year since I became concerned about the lack of Federal safety standards, the units now in operation meet the FDA standards.

In light of the voluminous scientific data on the seriousness of any unnecessary x-ray exposure to the individual, the FDA standards seem the very minimum precaution that needs to be made. I would urge that FDA manufacturing and operational standards be established and that all care be given to monitoring emissions.

In addition to a radiological survey when the x-ray equipment is installed or removed, it seems only prudent that there be regularly scheduled surveys to supplement the 30 day check of personal dossimeters. This must serve as a standard precaution against leaks that would affect airport personnel and passengers who come into the vicinity of the machines.

Training of personnel should be undertaken seriously and culminate in a license to operate the x-ray machines. The focus of this training should be two-fold. First, there should be instruction in the use of the machine and the possible risks entailed to both the operators and to the public. Second, there should be sophisticated training in the detection of weapons including how to overcome the mesmerizing effects of watching the x-ray machine that some observers have noted.

While I realize that we must provide air passenger safety against weapons and bombs, it is important that we make the use of airport x-ray systems safe for the humans exposed to them.

Sincerely,

EDWARD MEZVINSKY.

MAN'S INHUMANITY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, two matters appeared in the press last week, both concerning man's inhumanity. One depicted the illegal, brutal, and growing dog-fighting events and the other the illegal, brutal torturing of a human being by South Vietnamese police, one of many such instances. The brutality against animals caused people to write to me, protesting such happenings. To date, I have received not one letter protesting the torture depicted in the article on South Vietnam. I have been amazed over the years to see how much quicker people are to respond to brutalities against the lower animals and how apparently inured we have become to brutalities practiced against human beings. I thought the correspondence that I have had on this subject with a constituent would be of interest and I am appending it along with the article on South Vietnam:

AUGUST 19, 1974.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR ED: By the time I was through reading the enclosed article, I was not able to complete it as I was so over-come with emotion and tears, that I had to put it down and then finish reading it. As a dog lover and owner I could not believe that in this day and age such things are really true. Can something be done? As my Congressman, and I am sure a lover of animals as well, some bill can be introduced to prevent this sort of cruelty. I am sure you will find that All people in this country are aroused by this and you will have many many organizations willing to help.

Sincerely yours,

——— ———.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 22, 1974.

DEAR ———: I have your letter. Of course I too was distressed with the story concerning illegal dog-fighting. This activity is currently illegal; therefore it is not a question of more laws but rather of enforcing the existing statutes. I have written to Attorney General William B. Saxbe, asking whether his office has investigated or intends to investigate this matter.

Last week in The New York Times, I read another story which truly brought tears to my eyes, and I am enclosing a copy of the article. What I find fascinating is that no one has yet written me asking that I do something about the torturing going on in South Vietnam. As much as I am interested and concerned about man's brutality to animals, I am even more horrified by man's inhumanity to his brethren.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 22, 1974.

Attorney General WILLIAM B. SAXBE,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: I was shocked to read the enclosed article concerning illegal dog-fighting which appeared in The New York Times of August 15, 1974, as were a number of my constituents. Since such activity is already illegal, it does not require new legislation, but simply the enforcement of the existing statutes.

I would very much appreciate your advising me so that I in turn may advise my constituents, what, if anything, your office has, can, and will do in this matter.

Sincerely,

EDWARD I. KOCH.

[From the New York Times, Aug. 18, 1974]

TORTURED WOMEN BEWILDERED BY PLIGHT

SAIGON, SOUTH VIETNAM.—Arrests by the South Vietnamese Government are not always calculated, often having a random aspect, touching not only those who know they are taking risks but also those who apparently do not.

A 25-year-old seamstress named Dang Thi Hien just seemed bewildered by her plight when she was interviewed recently while handcuffed to a stretcher in a Saigon hospital. As she spoke other patients in the crowded ward gathered to listen.

Last October, she recalled, a woman she had never met approached her as she was talking with a flower girl in a Saigon marketplace. The woman spoke a few words, then walked away.

"CONFESS"

Suddenly four plainclothes policemen grabbed Miss Hien by the arms and placed her under arrest. She said she was taken to a police interrogation center in Khien Cuong, 22 miles from Saigon.

"They took me to a room," she said. "They told me to take off my pants and my blouse and I wouldn't do it, so they did it for me.

"There were five to seven people in the room. They beat me. They used a big stick and they put electrodes on the ends of my index fingers. When I started to fall they wouldn't let me fall and pulled me up by the hair. They beat me on the chest, the back. They took off my shoes and beat my stomach. It hurt very, very much."

"They wouldn't let me cry out," she continued. "They put their hands over my mouth and said to me, 'Confess!'

"They put a handkerchief over my nose and mouth and poured water and soap and put it through the handkerchief into my two nostrils and my mouth—three or four buckets. I was very tired by that time. Every time I drank these things, my stomach would swell up and they would kick me in the stomach. As soon as my stomach would go down again, they would give me more water and make it swell up again.

"They picked me up by the ribs with their hands, pulling the ribs out. Then they tied my legs apart after I fell because of the electric shock. They pulled my legs apart and kicked my vulva, and I lost blood there after that for 10 days. I could not stand any more."

She sank into unconsciousness, she recalled, and when she awoke she discovered that a live three-foot-long eel had been put in her underpants.

A CAUTIONARY GLANCE

"That night they took me to the hospital and gave me medicine to put me to sleep," she said. "I didn't know anything for a whole night. The next morning after I was awakened they took me back to the room and beat me again with sticks and kicked me on the back and chest. When I was lying on the floor they just came by and kicked. I could no longer walk. The second day I couldn't feel anything."

She told the story in a quiet steady voice. Only when her mother entered the ward and knelt by her did her eyes fill with tears.

"I am sick and sad," Miss Hien said. "Because I was arrested I think that the war still must be going on."

As for her political views, Miss Hien said only: "Before, I didn't know, I did not have any experience with the Government. Now?"

Her mother shot her a glance of warning and whispered a few words. "I don't want to say," Miss Hien added.

The interview was suddenly ended by a plainclothes police captain who had joined the crowd. He was exceedingly polite as he invited the correspondent to a nearby station house, asked what information the prisoner had given and, apparently satisfied that she had said little of importance, ended the session with a request that nothing be written that would get him in trouble with his superiors.

A few days later Miss Hien was removed from the hospital, although some of the staff, said that she was in serious need of physical therapy. After spending time in two prisons, she was released in mid-June.

An American working for a private welfare agency who investigated her case was told by the police that she had been charged with "communication with the Communists." She was said to have introduced a girl to an older woman who was suspected of association with the Vietcong.

Miss Hien denied involvement. In her case, as in many others, it was simply her word against that of the police. The police tortured her, she believed, "partly for fun and partly to find out."

TIME FOR FARM PROGRAMS TO BE REVISED, TOO

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, rural America has long played second fiddle to the industrialized urban areas. Farm population is declining and the political influence of farmers has dropped accordingly. The average Congressman and Senator today is not farm oriented and few of them are really informed on farm problems. The average American looks at prices of groceries and blames the farmer, who actually is lucky to get a third of the price displayed in the marketplace. The rest goes to the middle man, the shipper, the processor, and the seller.

Prices have increased markedly on many farm products. They have come down just as precipitously on some, but the prices of the articles the farmer must purchase—fertilizer, machinery and other equipment, continues to go up by leaps and bounds. There is no decline here. If the farmer is caught by bad weather conditions, as many of them have been this year, he faces a ruinous situation. His costs must be met, his returns may be nil.

There should be concern for the orderly growth and development of rural America, specifically those areas covering human and economic resources which are so vital to the American people and to our Nation. This development is threatened now by the same tight money and inflationary problems that are causing concern throughout the economy. I feel that it will be necessary for the Federal Government to step into this picture and to recognize by appropriate action the serious threat for survival which concerns many farmers today.

I trust that the President's Domestic Summit Conference on Economy will give full consideration to all segments of American agriculture. There are a number of ways in which this can be accomplished, through the use of existing agencies such as the Production Credit Association, the Farmers Home Administration, or the Soil Conservation Service. The farmer must have feed, fertilizer, fuel, and seed. It is not unreasonable for the Government to provide low interest loans to the farmers in order to insure that he have the necessary items to produce the food which is needed throughout the world. We have long provided very low interest rates and direct aid to other nations. We borrow the money to do this and pay the going interest rate to obtain it. The difference comes out of the taxpayers' pocket. How much more essential it is to insure that the American farmer continue to operate and to provide the products which are so necessary here and abroad.

There are many aspects of the farm problem which deserve more consideration than they are receiving. I trust that they will be fully aired in the discussions which are to be held on the economy.

APPROPRIATE RECOGNITION FOR BILL STAFFORD

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I have noted with pleasure and with appreciation the nomination of William H. Stafford, Jr. of Pensacola, Fla., for U.S. District Judge of the Northern District of Florida. I have known Bill Stafford for many years. We have enjoyed a warm and close friendship and I have personal knowledge of his sterling qualities. This is a very good selection from every standpoint. I congratulate Mr. Stafford and I trust that his confirmation will follow speedily.

I submit for the RECORD upon this subject an editorial from the Pensacola Journal dated August 15, 1974:

JUDGESHIP FOR STAFFORD WELL-DESERVED AWARD

"The federal judgeship, I think, is something most lawyers would view as the zenith of a legal career."—William H. Stafford, Jr.

In any endeavor there is the ultimate goal; the star of success for which to reach, striving with every physical fiber, every mental endowment.

And for Pensacola lawyer and current U.S. Atty. William H. Stafford, Jr., that star has been a federal judgship, now apparently moving into an auspicious orbit.

Thus, the editors of The Pensacola-Journal applaud the recommendation of Stafford for the U.S. District Judgeship for the Northern District of Florida, to fill the vacancy created by the recent resignation of D. L. Middlebrooks.

Stafford, former Pensacola city attorney, and subsequently state attorney by appointment from former Gov. Claude Kirk, has served as U.S. Attorney for the Northern District since early 1969 when he received the federal appointment.

During these years of service, his competence has been recognized by authoritative sources. During one period, when appeals to federal courts were delayed beyond reason because government attorneys were procrastinating in presentation of legal briefs, Stafford was commended for expediting appeals in the Northern District.

Later, he was cited by the U.S. Department of Justice for his "substantial contribution in preventing of criminal skyjacking in the Northern District" because of "tight but unobtrusive security applied" under his direction.

Certainly, Stafford's record justifies the recommendation, which now must be followed with nomination by the President and confirmation in the Senate; in which case, Stafford will have attained his star.

It is appropriate that Stafford should occupy the federal bench in this district, continuing to work for community betterment as well as federal justice.

PERSONAL STATEMENT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, on yesterday, August 21, 1974, I was absent on rollcall No. 513, the vote on House Resolution 1311, the Department of State Appropriations Authorization Act of 1974.

Together with a number of other Members of the House, I was at the time of the vote present at the Department of Health, Education, and Welfare for the signing into law by President Ford of H.R. 69, the Elementary and Secondary Education Act Amendments of 1974, and for this reason, missed the vote.

The bill was passed by a vote of 330 to 43. Had I been present, I would have voted for the bill.

COSPONSORS OF RESOLUTION URGING HALT TO U.S. AID TO TURKEY UNTIL TURKISH TROOPS ARE WITHDRAWN FROM CYPRUS

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I ask to insert at this point in the RECORD the names of the cosponsors as of August 22, 1974, of House Resolution 1319, calling for a halt to U.S. economic and military aid and military sales to Turkey until Turkish armed forces have been withdrawn from Cyprus.

The names are:

Mr. Abdnor, Mr. Adams, Mr. Addabbo, Mr. Annunzio, Mr. Bafalis, Mr. Badillo, Mr. Bell, Mr. Bergland, Mr. Biaggi, Mr. Bingham, Mr. Boland, Mr. Bolling, Mr. Brademas, Mr. Broyhill of Virginia, Mr. Burke of Massachusetts, Mr. John Burton, Mr. Phillip Burton.

Mr. Carey of New York, Mr. Carney of Ohio, Mr. Don H. Clausen, Mr. Conlan, Mr. Conte, Mr. Cotter, Mr. Cronin, Mr. Daniel, Mr. Dominick V. Daniels of New Jersey, Mr. Danielson, Mr. Davis of South Carolina, Mr. Dent, Mr. Derwinski.

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Mr. King, Mr. Koch, Mr. Kyros, Mr. Lagomarsino, Mr. Lehman, Mr. Luken, Mr. Madden, Mr. Maraziti, Mr. McKinney, Mr. Meeds, Mr. Mezvinsky, Mr. Minish, Mrs. Mink, Mr. Moakley, Mr. Mollohan, Mr. Moss, Mr. Murphy of New York.

Mr. Murphy of Illinois, Mr. Nedzi, Mr. Obey, Mr. O'Brien, Mr. Owens, Mr. Parris, Mr. Pepper, Mr. Pike, Mr. Podell, Mr. Price of Illinois, Mr. Regula, Mr. Reuss, Mr. Riegle, Mr. Rodino, Mr. Roe.

Mr. Rogers, Mr. Rooney of Pennsylvania, Mr. Roncalio of Wyoming, Mr. Rosenthal, Mr. Rousselot, Mr. Roybal, Mr. St Germain, Mr. Sandman, Mr. Sarasin, Mr. Sarbanes, Ms. Schroeder, Mr. Seiberling, Mr. Shuster, Mr. Stanton, Mr. Stark, Mr. Steele.

Mr. Steelman, Mr. Stuckey, Mr. Studds, Mrs. Sullivan, Mr. Taylor of Missouri, Mr. Thompson of New Jersey, Mr. Tiernan, Mr. Traxler, Mr. Udall, Mr. Van Deerlin, Mr. Vander Veen, Mr. Vanik.

Mr. Vigorito, Mr. Walsh, Mr. Whitehurst, Mr. Won Pat, Mr. Yates, Mr. Yatron, Mr. Young of Florida, Mr. Young of Georgia, Mr. Young of Illinois, Mr. Wyman.

LET'S STOP THE KILLING IN CYPRUS

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD the text of the following statement, containing a resolution adopted by the Order of Ahepa concerning the military aggression conducted by the Government of Turkey against the people of Cyprus.

The statement, which appeared in the August 22, 1974, issue of the Washington Post, follows:

LET'S STOP THE KILLING IN CYPRUS

The following resolution has been adopted by the Order of AHEPA.

AHEPA RESOLUTION ON CYPRUS

This week the delegates representing the more than 700 chapters of the Order of AHEPA (American Hellenic Educational Progressive Association) and its auxiliaries at the 52nd Annual Supreme Convention in Boston, Massachusetts, unanimously passed the following resolution and urged all Americans to support House Resolution 1319, the Kennedy-Ribicoff Senate Bill, and the Rosenthal-du Pont Amendments on Cyprus.

Whereas, the unprovoked, unjustified and illegal invasion of Cyprus by Turkey, and her waging of a barbarous war on the Cypriot people, are a high crime against humanity, violate fundamental principles of international law, fly in the face of international treaties and UN resolutions, threaten the independence and territorial integrity of Cyprus, jeopardize peace and stability in the Middle East, weaken the NATO alliance, and imperil America's influence and posture in the eastern Mediterranean; and

Whereas, Cyprus and Greece have been the traditional and unswerving Allies of the United States and Great Britain for over 100 years, and have fought valiantly and selflessly in defense of western civilization from time immemorial, and are now our strongest and most loyal bulwark in the Mediterranean and Middle East; and

Whereas, Turkey did not join the Allies in World Wars I and II; she has received $13 billion of American aid to protect NATO; she has used these weapons against a peaceful, friendly people NATO was designed to protect; whereas Turkey has again embarked on an unrestricted opium poppy growing program openly intended to flood America with deadly drugs to destroy our youth for financial gain; thereby Turkey is once again proving that she is not a true friend of the United States;

Whereas, the United Nations has on four separate occasions condemned foreign intervention in Cyprus, and approved the territorial integrity of the island on the principles of self-determination:

(a) by calling on "all nations . . . to respect the sovereignty, unity, independence, and territorial integrity of the Republic of Cyprus and to refrain from any intervention against it" (Resolution No. 2077 of the General Assembly, December 18, 1965);

(b) by demanding the "immediate end to foreign military intervention in the Republic of Cyprus . . ." and "the withdrawal . . . of foreign military personnel" not present under existing treaties (Resolution No. 353 of the Security Council, July 20, 1974);

(c) by proposing a "timely and phased reduction of the number of (foreign) armed forces" from Cypriot soil (Declaration of the Foreign Ministers of England, Turkey, and Greece at Geneva, July 30, 1974); and

(d) by insisting that "all parties to the present fighting cease all firing and military action forthwith" and return to the conference table and "resume negotiations without delay" (Resolution No. 357 of the Security Council, August 14, 1974).

Whereas, Turkey has ignored, disregarded, and violated every one of these international mandates and has conducted sham negotiations in bad faith while preparing wholesale aggression for a modern Pearl Harbor:

We now, therefore resolve that:

1. We condemn absolutely the unprovoked and illegal invasion of Cyprus by Turkey, the barbarous atrocities committed by her armed forces on the Cypriot people; her insincere negotiations in Geneva; and her cynical resort to arms to achieve her unlawful goals;

2. The proposed U.N. cease fire must be rigidly enforced, with adequate U.N. forces and all additional means necessary. Turkey must be held strictly accountable for all violations of the cease fire.

3. Turkey must immediately commence a phased but rapid withdrawal of all her military forces from Cyprus and that the U.N. forces and the National Guard of Cyprus shall be the only armed forces entrusted with the pacification of the country.

4. All U.S. military and economic aid to Turkey, including but not limited to, all military equipment, munitions, technical data, and services, all economic or agricultural programs and commodities, and all licenses, credits, grants, loans or other means therefor, shall be immediately suspended, and none shall be restored until after a full review and reassessment by the United States of the entire U.S. aid program to Turkey.

5. We deplore, condemn, and denounce any and all statements, demonstrations and violent actions of irresponsible provocateur elements anywhere against the American people, elected officials, and Government; we call upon all Greeks and Cypriots everywhere to remain constant to the traditions of Greek-American friendship and alliance; and we pledge, as loyal Americans, our continued confidence and support in our country's great mission to bring peace and justice to all the world, including Cyprus, based on the democratic principles of freedom and self determination, with adequate safeguards for the rights of minorities.

6. In that spirit we call upon our Government to reassert its moral leadership and to act effectively in support of self-determination and freedom in Cyprus, to repair the damage Turkey has caused to our defense interests in the Mediterranean, and to attract Greece, by our deeds, back into military participation in NATO.

7. Meanwhile, we request of all nations who love freedom and who sorrow over the sufferings of innocent people, to help in a massive campaign for funds, food, clothing, shelter, medical supplies and other relief, within and beyond the United Nations and the Red Cross, to ameliorate the horrible conditions of the 150,000 Greek Cyprus refugees and help them return to their homes as quickly as possible.

8. We urge the restoration to full authority of the Cyprus Government over the entire Island; massive economic aid to the same, and the return of England, Greece and Turkey to Geneva to stay in continuous session until a settlement is finally concluded.

This Resolution was unanimously adopted by the 52nd Supreme Convention of the Order of AHEPA, meeting in Boston, Massachusetts, on Monday, August 19th, 1974.

Order of AHEPA.
Daughters of Penelope.
Sons of Pericles.
Maids of Athena.

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EPA'S ATTEMPTED POWER GRAB

(Mr. CASEY of Texas asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CASEY of Texas. Mr. Speaker, many of my colleagues, I think, are under the misconception that the word of the Congress is final. The idea runs that if the Congress says "no" to a proposal, then the matter is dead. In truth, we find that the magic of administrative law has done away with this idea. It seems that at least some of our bureaucrats consider congressional lawmaking unprogressive, a subject in point is land use.

Last June 11 the House voted down a resolution giving a rule to H.R. 10294, the Land Use Planning Act. In effect, the decision was that we would not even debate, much less vote on, Federal land use planning.

Actually, however, the U.S. Government—through the Environmental Protection Agency—is requiring 52 States and territories to adopt land use legislation on the ground that the Congress required this under the Clean Air Act.

This was not my understanding of the Clean Air Act at the time that bill was debated and passed, nor, I am sure, was it the understanding of the other Members of the House. This is the construction which the Environmental Protection Agency has chosen to put upon the act, however.

Many of the Members have indicated to me that they do not understand what the EPA is trying to do, nor is the authority clear under which the EPA operates here. For this reason, I want to try to explain briefly what the EPA has done, and intends to do in the area of land use regulation.

To give the EPA its due, there are two methods whereby pollution may be abated.

The first is regulation of the source and the second is regulation of the end or purpose for which the source is operated.

For example, let us say our own Capitol Generating Plant down the street is found to be polluting the air. This may be remedied either by stopping the pollution directly—changing the type of fuel used, adding filters to the smoke stacks, and so on.

Or the problem could be remedied indirectly, by regulating the purpose of the source of pollution. Here, for example, a regulation could be passed making it unlawful to produce electricity within the District of Columbia or on Capitol Hill.

The EPA has used both of these methods.

As we all know, it has sought to limit pollution at its source. Automobile emissions are to be made far less toxic through the use of catalytic converters and other devices. Industrial sources of pollution are being modified through "stationary source" regulations. These measures, while expensive and inconvenient, are sound since they attack pollution at its source, precisely where it is emitted into the air.

Yet I think many Members will be concerned, as I am, to learn that property which does not pollute is being regulated as a means to attack pollution. The Environmental Protection Agency has embarked upon a program to give itself the broadest possible authority in writing land use laws.

EPA Administrator Russell Train has recently announced, for example, that the Agency is setting up an office for land use planning. If any Member doubts the interest of the EPA in expanding its power in this direction, I would invite their attention to the publication "EPA Authority Affecting Land Use." This 194-page study is simply loaded with ideas whereby the Agency can expand its authority through land use rules. I know that my colleagues will be interested in learning the EPA bases its conclusions on the Clean Air Act itself.

The act provides that the EPA must work through the States to achieve a cleaner environment. This is accomplished through acceptance of a qualified State plan. Such plans are required under the act and section 110(a)(2) provides that the Agency may approve a State plan if:

> (B) it includes emissions limitations, schedules, and timetables for compliance with such limitations, and such other measures as may be necessary to insure attainment and maintenance of such primary or secondary standard, including but not limited to, land use and transportation controls;
>
> (C) . . .
>
> (D) it includes a procedure, meeting the requirements of paragraph (4), for review (prior to construction or modification) of the location of new sources to which a standard of performance will apply;

From this, the Agency has determined that it has authority to require that each and every State, whether environmental considerations require it or not, write such a land use regulation into its plan.

It is interesting to note that this specific notation of land use as a part of pollution regulations was not in the original House bill, but only in the Senate bill.

Not until the bill was returned from conference did this language appear in what is now the Clean Air Act. Before going into detail on the regulations themselves, I think it should be clear that the authority the Agency has relied upon as being the will of the Congress in requiring land use planning is very, very weak.

Pursuant to its interpretation of the Clean Air Act, the EPA approved and disapproved State plans late in May of 1972, but these decisions were challenged in a public interest lawsuit.

The plaintiff, National Resources Defense Council, Inc., contended that EPA requirements were not stringent enough to insure continued clean air standards in all parts of the United States. The U.S. court of appeals in its decision—*National Resources Defense Council, Inc.* v. *EPA*, 475 F. 2d 968, D.C. Cir., 1973—ruled that the Agency had acted on inadequate data and interpreted the Clean Air Act to require land use regulations for all States and territories submitting plans.

Acting on a court-ordered timetable, the Agency published its new regulations February 25, 1974, in the Federal Register at page 7270; see also the most recent additional comments the Register of July 9, 1974 at page 25292.

By its terms, the regulation may be expanded in its application to any "indirect source" which is defined as:

> (i) . . . a facility, building structure, or installation which attracts or may attract mobile source activity that results in emissions of a pollutant for which there is a national standard. Such indirect sources include, but are not limited to:
>
> a) highways and roads
> b) parking facilities
> c) retail, commercial and industrial facilities
> d) recreation, amusement, sports, and entertainment facilities
> e) airports
> f) office and government buildings
> g) apartment and condominium buildings
> h) education faciliities.

Parking lots, roadways and airports are subject to these regulations if they meet any of the following standards:

Roads in an urban area must be reviewed if they are expected to carry more than 20,000 cars per day within 10 years of construction or modifications to roads which increase daily traffic within 10 years of construction to 10,000 cars daily.

Airports expected to have 50,000 or more aircraft operations per year.

Indirect sources—listed above—in urban areas with parking for 1,000 cars or more or increases in existing capacity of 500 cars or more.

Indirect sources in a nonurban area with capacity for 2,000 or more cars or modifications to increase capacity by 1,000 cars or more.

Where projects are built in increments, the development will be examined as a whole to determine if the entire plan must be reviewed.

Indirect sources as noted above which may have an impact on existing traffic patterns.

With regard to the extent these regulations cover projects, the following comments may be of interest from the July 9, 1974, Federal Register at page 25295:

> Those conducting review under the regulation should resolve doubts and close cases in favor of coverage since the purpose of the regulation is to review all new and modified indirect sources except those clearly and specifically exempted.

All that is not excluded, therefore, is included in the view of the Agency. The Agency's commentator continues:

> The Administrator (of the EPA) does not expect many evasion problems to arise in view of the significant risks developers and lenders would be taking. In commencing construction of a facility subject to the regula-

> tion without securing the necessary approval, the developer would be subject to the heavy criminal penalties of Section 113 of the Clean Air Act. Moreover, further construction of the facility could be enjoined and a facility for which construction had been completed could be shut down.

It should also be noted that there will soon be additional regulations for parking alone proposed by the EPA.

Under these regulations, the Agency will review parking facilities of different sizes depending on the city involved.

For example, review will be required of facilities for 50 cars or more in Philadelphia, and Pittsburgh, Seattle, and Spokane, Wash., and Portland, Oreg.

In Fairbanks, Alaska, all parking facilities will be reviewed if they contain space for 10 or more cars. See U.S. Real Estate Week, July 22, 1974, at page 138.

When the Congress has acted in this area in the past, the EPA has responded.

It has, for example, withdrawn regulations previously issued which required parking surcharges, abolition of free parking in urban areas, et cetera. We must bear in mind that the entire subject is governed by the provisions of the Clean Air Act, and to modify the policy of the Agency, we need only amend the act as we have in the past.

Unless we do so, we will by lack of action give tacit approval to EPA lawmaking.

The EPA will be able to relax or tighten these regulations at their whim.

And whatever they do, Congress, not the EPA is the bad guy.

I am sure all of us have already read statements by EPA officials in the newspapers to the effect that, "This is not our idea; Congress made us do it."

Every time, it reminded me of Flip Wilson saying, "The devil made me do it."

And of course, the EPA always reserves the right to put on its white hat and grant waivers of their regulations, telling the public, "We're saving you from the big, bad Congress."

I do not think any Member of Congress wants that and I think we need to act here and now to let the EPA and any other Federal agency know that we will not tolerate this kind of administrative power grab in the face of Congress.

I hope that every Member of the House who does not wish to have property owners coming to Washington for building permits—and then blaming us for having to do so—will join me in sponsoring H.R. 15858, which will stop the EPA's attempt to govern every acre of land in America.

PERSONAL EXPLANATION

Mr. SARASIN. Mr. Speaker, at the time of the vote on H.R. 16168, the State Department authorization measure, I was unavoidably detained at the Department of Health, Education, and Welfare while participating in the Presidential signing of H.R. 69, the Elementary and Secondary Education Amendments of 1974. Had I been present for this vote, rollcall No. 513, I would have voted "yea."

GREECE-TURKEY-CYPRUS

(Mr. MADDEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MADDEN. Mr. Speaker, I join many of my colleagues in expressing regret at the unrestrained action of Turkey in perpetrating violent attacks on Cyprus. I view with equal dismay the policies of the U.S. Department of State toward the situation. Constitutional government has been restored to Cyprus under the leadership of Prime Minister Constantine Carmanlis. But the United States has not seen fit to endorse or support the new constitutional government. The U.S. Government has been silent while Turkey has disregarded United Nations Security Council cease-fire resolutions and has carried out the military conquest of approximately one-third of Cyprus.

It was only last Thursday, August 15, that the U.S. Government first condemned Turkey's acts of aggression toward Cyprus.

The most shameful fact of all is that our program of foreign aid to Turkey has helped the Turks to buy arms to attack Cyprus.

As proof of the lack of U.S. aid for Cyprus, Turkish Prime Minister Ecevit told a press conference in Ankara on August 16, 1974, that the United States had "evaluated the problem objectively, refrained from taking sides, refrained from pressure."

The Government of Turkey must be apprised of the position of the American people regarding the use of U.S. tax dollars for purposes of Turkish aggression against Cyprus. Therefore, I have joined Congressman BRADEMAS and other Members of Congress in cosponsoring House Resolution 1319 to urge a cutoff in all military and economic aid and all U.S. military sales to Turkey until Turkish troops are withdrawn from Cyprus.

ON INTRODUCTION OF LEGISLATION TO PROVIDE FOR THE CREATION OF THE AMERICAN INDIAN POLICY REVIEW COMMISSION

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, yesterday the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs completed markup of House Joint Resolution 881 providing for the creation of an American Indian Policy Review Commission. The subcommittee adopted an amendment in the nature of a substitute with further perfecting amendments and reported the legislation favorably to the full committee.

The subcommittee decided to introduce a clean bill in order to facilitate committee consideration and to afford members of the subcommittee and other members an opportunity to cosponsor the legislation.

I am today introducing a bill on behalf of myself, Mr. REGULA, Mr. LUJAN, Mr. FRASER, Mr. DE LUGO, Mr. JONES of Oklahoma, and Mr. DON H. CLAUSEN. As evidenced by Members supporting the bill, the legislation has bipartisan support.

Mr. Speaker, there exists a unique relationship between the United States and Indian tribes which has grown up since the founding of this Nation. It is a relationship which has no exact counterpart, either in international or domestic law. It is a relationship firmly based in the law and which has been erratically clarified or confused by treaties, statutes, court decisions, and administrative policies over the years.

The policies carrying out this relationship have known no consistencies or coherence in development or implementation. Every conceivable direction toward solving the problems of Indians has been adopted, discarded, and reinstituted without apparent rational design and generally without a comprehensive review and oversight of that direction.

The result has been Federal policies which attempt to solve Indian problems on a piece-meal basis without an awareness that they are interrelated and that the one is often both a cause and an effect of the others. The result is that we have seen the growth of a massive bureaucracy in the Federal Government directed Indian problems, particularly in the Bureau of Indian Affairs, and the waste of Federal funds through inefficiency of administration and duplication and over-lapping of programs.

It is imperative, if we are to aid the Indian tribes in achieving self-sufficiency and true self-determination, that the legislators and administrators understand that there is one Indian problem which is composed of lesser, specific problems which are interrelated and which impact upon one another. If we, as legislators, are to achieve this awareness so that we can legislate on a coherent, rather than piece-meal basis, it will be necessary to conduct a review of Indian affairs, Indian policies, and Indian problems on a comprehensive basis.

The last such review was conducted in 1926 by the Institute for Government Research, the forerunner to the Brookings Institution, under contract with the Interior Department. This review, known as the Meriam Report of 1928 formed the basis for the reform legislation of the 1930's, in particular, the Indian Reorganization Act of 1934.

In effect, it has been nearly half a century since the Federal Government has given serious consideration to its obligation under the relationship which it has with Indian tribes.

The legislation before us seeks to provide the mechanism whereby this long delayed study can be achieved. In order for this study to be valuuable, it must contain three elements:

First. It must have congressional involvement, inasmuch as Congress has plenary power and, therefore, plenary responsibility, for Indian affairs;

Second. It must have Indian involvement and input in order to give it validity;

Third. And it must result in recommendations which are both realistic in scope and are insured of serious consideration by both Congress and the Executive.

I feel that this legislation will achieve these ends.

It is expected that this review together with the recommendations will result in legislative and administrative reforms which will form the basis for our Indian policy for years to come.

Mr. Speaker, the bill provides for the creation of the American Indian Policy Review Commission to be composed of three Members of the House appointed by the Speaker with two from the majority and one from the minority; three Members from the Senate appointed by the President pro tempore with two from the majority and one from the minority; and five Indian members to be selected by the Congressional Members. The Commission is allocated a limited staff and will cease to exist within 2 years of its creation.

The Commission is charged with conducting a comprehensive survey of Indian affairs. This will encompass the totality of problems and factors affecting the relations of the United States with Indians and Indian tribes and will, for the first time since 1928, relate the impact of each of these problems and factors upon the others in order to arrive at a unified approach to the formulation and implementation of an Indian policy.

In order to insure adequate involvement in this study, the bill calls for the appointment by the Commission of three member task forces, composed of a majority of Indians, to serve as the fact-gathering instruments of the Commission. These groups will operate in the various fields of Indian affairs, but will be coordinated in order to achieve unity in the Commission's consideration and recommendation.

The Commission is required to render its report to the Congress not later than 1½ years after its creation. In order to insure that this is not just another study with the report gathering dust on the shelf, the bill provides that legislative recommendations of the Commission will be referred to the appropriate standing committees of the House and Senate and that these committees must make a report to the respective Houses within 2 years of referral.

The bill provides $2,500,000 for the expenses of the Commission. Some Members may consider this amount to be high, but, if the Commission fulfills its charge, much of the waste of Federal appropriations for Indian programs will be eliminated.

Mr. Speaker, I am hopeful that the full committee will schedule the clean bill for consideration early after the recess and report it favorably to the House. I urge my colleagues to support the legislation.

THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

(Mr. ERLENBORN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ERLENBORN. Mr. Speaker, after a half dozen years of intensive study, the Nation should soon have a new pension law. This monumental new law repeals the Welfare and Pension Plan Disclosure Act and gives new rights on a broad scale to employees and their beneficiaries who are members of pension and welfare plans. New rights bring new responsibilities and obligations, in this case for plan sponsors, plan administrators, trustees, fiduciaries, lawyers, accountants, actuaries, and other plan advisers.

So that all may have a better understanding of these new rights and obligations, I submit the following brief guide to the Employee Retirement Income Security Act of 1974:

HIGHLIGHTS

The new law establishes:

Procedures for qualifying and registering plans with the Departments of Treasury and Labor.

Stringent standards for plan fiduciaries, including a broad definition of fiduciary and detailed prohibited transactions.

Reporting requirements regarding conditions and operations of all employee benefit funds (pension, welfare, etc.) to both the Departments of Treasury and Labor.

Requirements regarding disclosure to plan participants of plan contents, participants' rights and procedures.

Minimum participation (eligibility), vesting, and funding standards.

A system of insurance of nonforfeitable (vested) benefits, and contingent employer liability to the insurance corporation in event of plan termination.

A role for the Department of Labor, the new pension insurance corporation, and participants in the qualifying and registration procedures.

Regulatory authority in the Departments of Treasury and Labor with obligation to coordinate regulations and reporting.

Coverage of all employee benefit plans which seek tax qualification or which are subject to jurisdiction under the Commerce Clause.

Means by which individuals not covered by a retirement plan may set up their own plans and obtain preferential tax treatment.

New limits on deductibility of contribution to retirement plans.

Excise penalties and equitable remedies as additional methods to enforce prohibited transaction rules and the minimum eligibility, vesting and funding requirements of the labor and revenue codes.

Effective dates related to the specific titles and provisions of the Act.

COVERAGE

Excluded from the plenary coverage of the Act are:

(1) governmental plans;

(2) certain church plans;

(3) non-U.S. plans primarily for aliens;

(4) workmen's compensation and unemployment compensation plans.

(5) unfunded plans which provide benefits in excess of the Internal Revenue Code limitations on contributions and benefits.

Excluded from all but the reporting and disclosure requirements are:

(6) unfunded plans maintained by the employer primarily to provide deferred compensation for select management or highly compensated employees.

Excluded from the participation, vesting, funding and plan termination insurance requirements are:

(7) plans established by labor organizations (under Sec. 501(c)(5) of the Internal Revenue Code) which do not provide for employer contributions, and

(8) plans established by fraternal or other organizations (under Sec. 501(c)(8), (9); (18)) which do not provide for employer contributions.

Specifically excluded from the funding standards are:

(9) profit-sharing, stock bonus, and other individual account plans (except for money purchase plans), and

(10) certain qualified level premium individual insurance contract plans, and

(11) plans that have not after the date of enactment provided for employer contributions.

Also excluded from coverage under plan termination insurance are:

(12) individual account plans (e.g.: profit-sharing stock bonus, and money purchase pension plans), and

(13) plans that have not after the date of enactment provided for employer contributions, and

(14) plans established by professional service employers and which have fewer than 26 active participants, and

(15) plans established exclusively for "substantial owners".

ADMINISTRATION AND PROCEDURE

Jurisdiction regarding registration of plans (other than welfare plans) is generally shared by the Internal Revenue Service (through the new Office of Employee Plans and Exempt Organizations) with the Department of Labor.

The plan which seeks qualification for tax benefit purposes first files with the IRS information regarding the funding, vesting and participation standards of the plan and notifies the plan participants of such action.

In the period prior to qualification, upon petition by a group of participants, the Secretary of Labor may intervene with the IRS in behalf of the participants regarding the vesting, funding or participation provisions of the proposed plan. In addition, the employer, the employees, the Labor Secretary, or the Pension Benefit Guaranty Corporation may petition the U.S. Tax Court to obtain a declaratory judgment in regard to a plan qualification.

If the IRS finds a plan qualified, it is to certify this fact to the Department of Labor, which must accept this certification as conclusive evidence of initial compliance with participation, vesting, and funding standards.

When a plan does not seek IRS qualification for tax purposes, the Secretary of Labor can through the Federal courts require compliance with the participation, vesting and funding standards of the bill.

Plans which are qualified under the tax law are to be audited by the I.R.S. Generally, the Department of Labor is to limit its involvement to matters dealing with individual benefits.

The Act gives authority to the Secretary of the Treasury to write regulations on participation, vesting, and funding except that the Secretary of Labor is directed to prescribe regulations in a few select areas. The two departments are to coordinate their activities, and any regulations prescribed by one department are to be binding on the other.

DISCLOSURE TO PARTICIPANTS

The administrator of a pension or welfare plan is responsible for providing to participants and beneficiaries:

(1) a "summary plan description" (written in a manner calculated to be understood by the average plan participant) within 120 days after the effective date (or 90 days after an individual becomes a participant); and

(2) an undated summary plan description every 5th year, unless there have been no amendments, in which case every tenth year; and

(3) a summary description of any material modification of the plan within 210 days after the end of such plan year; and

(4) a copy of the statement of assets, liabilities, receipts, disbursements and other material necessary to fairly summarize the

"annual report" within 210 days after the end of each plan year; and

(5) upon written request and within 30 days, a copy of the plan description, annual report, bargaining agreement, trust instrument, or other plan documents for which a reasonable charge may be made; and

(6) the information in (5) in the principal office of the administrator and certain other places; and

(7) upon written request (but not more than once every year) and within 30 days, a statement of total pension benefits accrued and the time and amount of vesting; and

(8) a statement as to a terminated vested participant's benefits and rights within a prescribed period after the end of the plan year in which such participant terminated.

REPORTING

The administrator of a pension or welfare plan is to file with the Secretary of Labor:

(1) an annual report within 210 days after the end of the plan year which is to contain an audited financial statement, a certified actuarial report and other scheduled financial items on forms the Secretary may require (E.G., a balance sheet and income statement, party-in-interest transactions, transactions exceeding 3% of the plan's assets, loans and leases in default, etc.); and

(2) a plan description within 120 days after the later of the plan's adoption or the effective date of the Act, and an updated summary at least every 5 years; and

(3) a summary plan description at the time furnished to participants; and

(4) a description of modifications and changes in the plan within 60 days after such change.

The administrator of a plan other than a welfare plan is to file with the Secretary of Treasury:

(1) an annual registration statement within a time prescribed by the Secretary and is to contain information on the names and Social Security numbers of terminated participants with deferred vested benefits; and

(2) a notice of a change in status of a plan (e.g.: merger, termination, change in names etc.), and

(3) an annual return containing such financial and other information as the Secretary may prescribe and to be filed within a period prescribed by the Secretary, and

(4) an actuarial statement of valuation before 30 days prior to a merger, consolidation, or transfer of a plan's assets or liabilities; and

(5) an actuarial report containing a statement of valuation, an actuarial opinion, and such other information as the Secretary may prescribe to be filed in a time and manner prescribed by him (at least one overy 3 years).

The administrator of a plan covered under plan termination insurance is to file with the Pension Benefit Guaranty Corporation an annual report which includes a statement disclosing the occurrence of any "reportable event".

The Secretaries of Labor and Treasury and the Corporation are directed to coordinate the timing and content of the various reports required to be filed with each agency. Reports involving fewer than 100 participants would be simplified.

FIDUCIARY RESPONSIBILITY AND TRUST REQUIREMENT

All assets of an employee benefit plan are to be held in trust by one or more trustees subject to certain exceptions (e.g., insurance contracts). The Secretary of Labor may exempt welfare plans from this requirement.

In addition every plan must be maintained pursuant to a written instrument which provides for one or more "named Fiduciaries" who jointly and severally have authority to control and manage the operation of the plan.

An individual is subject to the fiduciary rules if the individual is a trustee, a "named fiduciary" a person to whom a "named fiduciary" delegates duties or if the individual—

Exercises any discretionary authority or control respecting management or disposition of a plan's assets, or

Renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or

Has any discretionary authority or discretionary responsibility in the administration of such plan.

Fiduciaries are required to discharge their duties with respect to the fund solely in the interest of the participants and their beneficiaries and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

A fiduciary is specifically required to diversify the investments (except in the case of employer securities purchased by profit-sharing, stock bonus, or thrift and savings plans) so as to minimize the risk of large losses unless under the circumstances it is prudent not to do so.

A fiduciary (and a "disqualified person" under the Internal Revenue Code) is specifically prohibited from letting the following transactions occur in regard to a plan:

Dealing with the plan's assets for his own account.

Acting in any plan transaction on behalf of a party adverse to the interests of the plan or participant.

Receiving personal consideration from any party dealing with the plan in connection with a plan transaction.

Transferring property to any party-in-interest.

Permitting the acquisition of property from any party-in-interest.

Extending or receiving credit from a party-in-interest.

Furnishing of goods, services, or facilities by a party-in-interest.

Acquisition of employer securities exceeding the new limitations (generally 10% of the assets of the plan).

A fiduciary may, however, engage in certain otherwise prohibited transactions; he may, e.g., receive benefits from the plan so long as the benefits are consistent with the terms of the plan, permit loans to participants if they generally benefit the plan, receive reasonable compensation for services rendered, etc. The list of exceptions to otherwise prohibited transactions can be expanded by agreement of the Secretaries of Labor and Treasury when to do so would (1) be administratively feasible, (2) be in the interest of the plan, and (3) protect the rights of participants and beneficiaries.

A fiduciary is personally liable to the plan for any breach of fiduciary duty while a disqualified person (who is generally a party-in-interest) is subject to an excise tax penalty.

Trustees may allocate their responsibilities and other fiduciaries may allocate or delegate their responsibilities; however, a fiduciary remains liable for the illegal acts of a co-fiduciary if he knowingly participates in or conceals such illegal acts.

Plans are protected against loss by reason of fraud or dishonesty by requiring fiduciaries who handle funds to be bonded.

PARTICIPATION

An employee benefit plan (other than welfare plans) is not to require as a condition of participation an age greater than 25 or a period of service longer than 1 year (3 years for plans which provide for immediate 100% vesting) whichever is the later. Certain pension plans may exclude from participation employees who are within 5 years of normal retirement age. A "year of service" is defined as a 12-month period during which the employee has not less than 1,000 hours of employment.

VESTING—NONFORFEITABLE BENEFITS

Every employee benefit plan (other than a welfare plan) is to meet one of three minimum vesting rules.

1. Ten Year Service Rule—100% vesting after 10 years of service.

2. Graded 15-year Service Rule—25% vesting after 5 years of service; then 5% additional vesting for each year of service from year 6 through 10, then 10% additional vesting for each year of service from year 11 through year 15, so that an employee is 100% vested after 15 years of service.

3. Rule of 45—50% vesting after 5 years service or, if later, when age plus service equals 45, such percentage increasing by 10% each year until 100% is reached; additionally a participant under the Rule of 45 must be 50% vested after 10 years of covered service, such percentage increasing by 10% for each additional year of covered service, so that an employee is 50% vested after 10 years and 100% vested after 15 years regardless of his age.

A plan is permitted to change its vesting rule at any time if a provision is made that accrued vested benefits not be reduced for participants at the time of change. In addition, any participant with at least 5 years of service may elect to remain under the pre-amendment vesting schedule with respect to past and future benefit accruals.

A year of service for vesting purposes is defined as at least 1,000 hours of employment in a 12 month period. A participant is to accrue benefits for each year of participation (after the first year) in which at least 1,000 hours have been worked. A plan is required to meet one of three benefit accrual rules except that benefits for past service must be at least one-half of the minimum.

Once accrued benefits become vested, they cannot be reduced or forfeited on account of "bad boy" clauses or other conditions (with limited exceptions). A plan must provide for a "buy-back" permitting recapture of forfeited vested benefits (where vesting is less than 50%) if the plan provides for such forfeiture when the participant withdraws his own mandatory contributions.

Present rules regarding plans which coordinate with Social Securty benefits are changed. The benefits of a terminated participant are to be calculated without taking into account increases in Social Security benefits after the date he terminates.

Another study (to be completed within 2 years) which could impact on vesting requires the Department of Labor to determine the feasibility of issuing regulations to insure that employees under Federal procurement and other contracts be protected against forfeiture of pension rights.

The Act requires that a plan pay all benefits (including deferred vested benefits) in a joint and survivor form at age 65 or, if earlier, the normal retirement age under the plan. A pre-retirement survivor option is also to be available to participants attaining early retirement age.

FUNDING

All covered pension plans must make annual minimum contributions equal to normal cost plus 30 year (for single employer plans) or 40 year (for multi-employer plans) amortization of unfunded accrued liabilities for all plan benefits. Plans may amortize liabilities existing on the effective date over 40 years. Experience gains and losses are to be amortized over no more than 15 years for single employer plans and 20 years for multi-employer plans. An alternative method for meeting the minimum funding standard is provided for certain plans using accelerated funding methods which lead to a high degree of benefit security for participants.

An enrolled actuary is to be retained by the plan administrator on behalf of the participants to evaluate the plan's funding status (at lest every 3 years) and to offer his opinion as to whether the required figures represent his best estimate of anticipated experience under the plan.

The amortization period may be extended by the Secretary of Labor if certain conditions are met. The IRS may also grant a waiver, of the funding requirements on a year by year basis (up to 5 waivers in a 15 year period) if certain hardship conditions can be demonstrated. A failure to meet the minimum funding requirements may result in an excise tax being levied on the employer.

TERMINATION INSURANCE

There is established within the Department of Labor a Pension Benefit Guaranty Corporation, to consist of the Secretaries of Labor (Chairman), Treasury, and Commerce. The Corporation is to guarantee the payment of vested benefits (up to $750 a month) to participants of plans which terminate.

A 7-member Advisory Committee, appointed by the President, is established.

Annual premiums for the first 2 years are to be $1 per plan participant for single employer plans and 50¢ per plan participant for multi-employer plans. Plans may elect a second annual premium based on a percentage of unfunded insured benefits and total insured benefits, but such premium may not be less than 50¢ per participant for single and 25¢ per participant for multi-employer plans.

Later, the Corporation may revise the premium rates and create new rates based on (1) number of participants, or (2) unfunded insured benefits, or (3) total insured benefits. Such revisions must be approved by Congress.

The employer remains liable up to 30% of net worth for any unfunded insured vested benefits of a terminated plan. The Corporation is to establish contingent liability insurance covering this employer liability. Conditions of coverage are to be defined by the Corporation and include payment of the contingent liability premium for five years. Coverage may be elected from the date of enactment with premiums set and collected on a retroactive basis. The Corporation is to explore the possibility of providing contingent liability insurance through the insurance and banking industries.

Employer liability is to be payable over a period of time specified by the Corporation. A lien with the same effect as a tax lien is imposed at such time as the employer neglects or refuses to make payments on demand.

In the case of a voluntary termination, the "date of termination" agreed to by the employer and the Corporation is the date on which the plan's benefits and assets are valued, the employer's liability is established (but with the net worth of the employer determined up to 120 days before such date), and the lien is imposed. The benefits guaranteed on such date are the vested benefits under the plan up to the lesser of $9,000 per year or 100% of the high 5-year compensation.

Benefit increases within 5 years of a plan termination are insured 20% for each year they were in effect prior to termination.

The Corporation must also provide assistance to individuals with respect to evaluating the desirability of using various "portability provisions" (e.g. individual retirement accounts) under the Act.

INDIVIDUAL RETIREMENT ACCOUNTS

An employee whose employer doesn't have any qualified pension, profit-sharing, or similar plan is entitled to set up his own plan. Contributions up to the lesser of 15% of compensation or $1,500 may be contributed to an individual retirement account, annuity, or bond program and may be excluded from the employee's gross taxable income. Earnings on these accounts are to be tax free. Distributions from such accounts because of retirement after age 59½ or disability at any age are to be taxed as ordinary income. A 10% excise tax is levied on premature distributions.

The employee and the trustee (who must be a bank or other qualified person) must guard against the fund engaging in certain prohibited transactions. These plans may not purchase life insurance, but certain endowment type contracts to the extent of their non-life insurance elements are permissible investments.

CONTRIBUTIONS FOR THE SELF-EMPLOYED

The present contribution limits to self-employed (H.R. 10) plans is increased from $2,500 to $7,500 (or 15% of earned income if less).

LIMITATIONS ON BENEFITS AND CONTRIBUTIONS

Pension, profit-sharing, 403(b) annuity, self-employed, and all other tax qualified plans are now subject to certain overall benefit and contribution restrictions. Generally, a pension plan may not provide benefits greater than $75,000 per annum. Contributions on behalf of an individual to a profit-sharing or other defined contribution plan is limited to the lesser of $25,000 or 25% of compensation. All plans of the employer are combined for the purpose of testing the limitations. A lower limit equivalent to 140% of the limit under one plan is applicable when an individual is a member of both a defined benefit and defined contribution plan. The above dollar limitations are to be increased with the cost of living.

ENFORCEMENT

Criminal sanctions may be imposed on persons who willfully violate the reporting and disclosure provisions of the Act or who use coercive force to interfere with employee rights under the Act.

Violations of the funding standards and prohibited transaction rules may result in the imposition of excise tax penalties. A plan may also be disqualified if it does not meet certain other requirements of the Internal Revenue Code.

In addition to the above, the Secretary of Labor or any participant or beneficiary may bring a civil action to enjoin any act which violates any provision of Title I and to recover denied benefits. Dollar assessments and the removal of fiduciaries are but two examples of the types of penalties that may result from such civil actions.

EFFECTIVE DATES

Participation and Vesting:

New plans, plan year beginning after enactment.

Existing plans, plan year beginning after 12/31/75.

Accrual of certain supplementary benefits may be deferred until expiration of contract but not later than 12/31/80.

Funding:

New plans, plan year beginning after enactment.

Existing plans, plan year beginning after 12/31/75.

Collectively bargained plans, at expiration of contract but not later than 12/31/80.

Reporting and Disclosures: 1/1/75, but Labor Secretary to issue regulations immediately.

Fiduciary Standards: 1/1/75.

Termination Insurance:

Single employer plans—

Benefits to be paid for plans terminated after 6/30/74.

Employer liability and other provisions, on enactment.

Multi-employer plans 1/1/78, but Secretary may use discretionary authority to pay benefits before then.

Pre-emption of State Laws: 1/1/75.

Individual Retirement Accounts: 1/1/75.

Limitations on Benefits and Contributions: Plan years beginning 1/1/76.

OUR NEW AMBASSADOR TO GREECE JACK B. KUBISCH

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, I would like to take this opportunity to say a few words about our new Ambassador to Greece, Jack B. Kubisch, who just completed an action filled year and a half as Assistant Secretary for Inter-American Affairs. Jack is known to many colleagues in both Houses of the Congress as a distinguished and devoted public servant, a highly competent and polished diplomat and a fine representative of the American people. I have been acquainted personally with Jack Kubisch for many years and know him as a warm, humane individual, a devoted family man and a gentleman of the highest moral character and integrity. During this time he has served in a variety of demanding positions. Throughout his many-faceted career, he has always executed his duties in a highly professional fashion, showing good judgment in times of decision and coolness in times of crisis. We have worked particularly closely the past year and a half when he has been Assistant Secretary. He has always demonstrated a cooperative and forthcoming spirit with the Congress and has in turn, I believe, benefited from the counsel of the legislative branch of Government.

Jack Kubisch began his Government service in 1942 as a young lieutenant in the U.S. Navy where he spent 3 years. After a year at Harvard Business School, in 1947 he rejoined the Government, this time as a member of the Foreign Service of the United States. His first posting abroad was in Rio de Janeiro, where he was to return some years later in a more senior leadership role. He was next assigned to Paris on the staff of Ambassador Averell Harriman at the Marshall plan headquarters where he was involved with the Greek recovery program. In 1950, Jack Kubisch chose to enter private enterprise and had a highly successful business career spanning over the next dozen years.

With his mark well established in the private sector, Jack Kubisch once again returned to devote himself to the Nation's service. This time he chose the Agency for International Development—AID—and was assigned first to Ceylon, now called Sri Lanka; later President Kennedy accorded him the personal rank of Minister and assigned him as USAID Mission Director in Brazil where he was stationed during the critical early years of the Alliance for Progress.

Continuing his fine work in inter-American relations, this talented Foreign Service Officer also held two additional highly important positions, first in the Department of State as Country Director for Brazilian Affairs and next as Minister and Deputy Chief of Mission at the American Embassy in Mexico City. As might be expected, Kubisch excelled in his usual fashion in both of these positions. In 1971 he was called to serve as U.S. Minister to the American Embassy at Paris where, during much of the 2 years he was there, he was chargé d'affaires and responsible for conducting our relations with the French during a difficult period. He also contributed greatly to the successful outcome of the Vietnam peace talks and diplomatic contacts with representatives of the People's Republic of China.

Jack Kubisch returned anew to the Department of State in 1973, this time to assume the duties of Assistant Secretary for Inter-American Affairs, and in recognition of his truly outstanding performance was promoted to the rank of career minister in the Foreign Service. Thus, he has assisted first Secretary Rogers and more recently Secretary Kissinger in reversing the previous downward trend of our relationships with the sister nations of this hemisphere. He, himself, as "Mr. Latin America," has been an instrumental figure in instilling a new sense of partnership between the United States and the republics of Latin America and the Caribbean. Indeed, he was one of the chief architects and leading spirits in the "new dialogue" which, begun last February in Mexico City, now characterizes our hemispheric relations. Although he, himself, is a highly accomplished linguist—fluent in the tongues of the hemisphere—Spanish, Portuguese, and French—he has shied away from mere rhetoric and bombast. Instead he has devoted himself to comprehending the real concerns of our Latin American friends and directing his efforts to giving substance to our evolving relationship with the peoples and states comprising the inter-American system. This past year and a half under his stewardship has been replete with invigorating accomplishments which have forged a solid foundation for the continued favorable expansion and strengthening of ties within the hemisphere.

Now Jack Kubisch has been called upon once more to serve his country on a foreign assignment. As President Ford's first ambassadorial nominee, the President has asked him to serve as Ambassador to Greece, where, I am certain, he will draw upon his many capabilities and perform like the genuine professional he is. While his able presence from inter-American affairs will be sorely missed, we can rest assured that the essential framework of the new dialog at which he worked so assiduously and so successfully will continue on—a tribute and testimony to his labors. As he sets out on his new assignment at a difficult moment in United States-Greek relations, I am certain that his many friends and colleagues wish him every success and in every respect the best of fortune.

UNITED STATES-UNITED KINGDOM AGREEMENT ON ATOMIC ENERGY USE FOR MUTUAL DEFENSE

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, the Joint Congressional Committee on Atomic Energy received from President Ford on August 15, 1974, a proposed amendment to the July 3, 1958 agreement, as amended, between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation in Uses of Atomic Energy for Mutual Defense Purposes.

The existing agreement, which is classified provides for the transfer by the United States to the Government of the United Kingdom, and for the transfer from the United Kingdom to the United States, of certain materials and equipment.

The new amendment would extend for 5 years, until December 1, 1979, the period during which the agreement would remain in force, and would delete references in the agreement to the United Kingdom Atomic Energy Authority since that agency no longer has direct responsibility for nuclear defense matters.

The submittal by the President is in furtherance of subsection 91c of the Atomic Energy Act of 1954, as amended, and is subject to the requirement of section 123 of that act. Pursuant to subsection 123d, a period of 60 days must elapse while Congress is in session before the amendment becomes effective; during this period, Congress may, if it is so disposed, prevent the amendment from becoming effective by voting a concurrent resolution in providing in substance that it does not favor the proposed agreement.

The joint committee plans to hold a hearing in executive session on September 12, 1974, at 10 a.m., to consider the import and impact of the amendment on the common defense and security.

D. K. "COACH" SHROYER

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, last month, a man who I deemed to be one of West Virginia's most outstanding educators, not only because of his qualifications, but because of his love for young people, passed away at the age of 76. He died in a Beckley, W. Va. hospital Saturday, July 6, 1974.

D. K. Shroyer, "Coach" as he was known by many persons around the State, helped to establish Beckley College, a junior college which had its birth in the First Methodist Church on Heber Street in Beckley approximately 41 years ago.

One of the original members of Beckley College's board of directors, "Coach" Shroyer exerted much effort and enthusiasm over these past years to raise the academic standing of the college and to instill pride into the hearts of Beckleyans for the city's institution of higher education.

The late Mr. Shroyer gained his familiar name of "Coach" much before Beckley College had ever been dreamed of, but he carried it throughout his life. During his high school days at Buckhannon in the 1910's, he was an all-around athlete and took his talent to West Virginia Wesleyan College, from which he was graduated in 1921.

He began coaching at Buckhannon and under his direction, the 1920 basketball team won the State high school championship. The next year's team also won the State championship and advanced to the semifinals in the National Basketball Championships in Chicago, Ill.

In 1924, "Coach" accepted a coaching position at Western Maryland University, and soon afterward found himself at Franklin and Marshall College at Lancaster, Pa., in a similar position. He seemed to offer all of his teams the enthusiasm they needed to pile up athletic records.

Returning to West Virginia, Mr. Shroyer coached at New River State College—later named West Virginia Institute of Technology—at Montgomery, for 5 years. While he was coach, the Golden Bears never lost a home basketball game.

An unsuccessful campaign for Governor on the Republican ticket cost him his coaching job in 1932. It was soon after this that he began the task of gaining the most appropriate title of "father" of Beckley College. For the entire duration of his life at the junior college, he certainly assumed that role well by enabling a countless number of students, those who were and those who were not financially able to pay, to attend classes.

To him, money was not the objective, and he saw to it that his students gained the true objective, that of higher education, even if it was at the college's expense. Many students, who otherwise would have found themselves looking for mediocre job placement, remember quite well, the generosity of D. K. Shroyer.

He was never too busy to talk to any of the students, and many will never forget the awe they felt upon being addressed by the always good-natured educator upon entering his office, with "Come on in . . . Well, how in the hell are you!" The students always left his office feeling better than they did when they entered.

The kindly, white-haired, towering figure was a giant in many ways, and the people of West Virginia will remember for years to come the lovable gentleman of Beckley College.

THE TRAGIC DAY IN CYPRUS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, a tragic day for America occurred earlier this week with the death of the American Ambassador to Cyprus, Rodger Davies. Sent to one of the world's trouble spots, dedicated to maintaining peace in a difficult situation, Ambassador Davies was shot down as a mob demonstrated against American policy outside the Embassy gate. The loss of Ambassador Davies is tragic for the United States because of his diplomatic skill and dedication to the principles of freedom that have made this Nation great. Ambassador Davies' career and dedication exemplifies that of many American foreign service officers who devote their lives to painstaking service as well as hardship and danger in farflung posts around the world.

At this point I would like to insert into the RECORD the remarks of President Ford and Secretary of State Kissinger to the Davies family upon the arrival of Amabassador Davies' body at Andrews Air Force Base yesterday:

Secretary KISSINGER. Mr. President, Excellencies, ladies and gentlemen:

A professional Foreign Service Officer has come home, returned not to joy, but to sadness, not to parade, but to solemn ceremony.

Rodger Davies embodied the qualities and spirit which mark an American. He chose an unusual profession, a profession which required that to serve his country, he leave home, but never to forget it. Wherever he went, the heritage of America was in his heart. He remembered the dignity of the individual where individuals had lost their dignity.

He remembered the rights to liberty and justice where these rights were under attack. He remembered peace where there was war. In that sense, Rodger Davies never left home.

In the diplomatic entrance at the Department of State, the American Foreign Service Association maintains plaques which list the names of those members of the Foreign Service who gave their lives under heroic or tragic circumstances in the service of their country. It is not a short list, and now tragically another name will be added.

I am today awarding to Ambassador Davies the highest award of the Department of State, the Secretary's Award. The citation reads as follows:

"For inspiring leadership, outstanding courage and dedication to duty for which he gave his life, Nicosia, August 19, 1974."

Awards and names on plaques are little comfort to those who loved and admired Rodger Davies. To his children, Dana and John, I would only repeat my remarks of Monday that Ambassador Davies was beloved, admired and respected by his colleagues. He was a professional in the fullest and best sense of the word.

Dana and John, your father leaves behind a legacy of which any man should be proud. Even more important, he leaves a multitude of friends whose lives were enriched by knowing him.

Ladies and gentlemen, it is now my honor to introduce a man who in less than two weeks has given hope to America and inspired confidence in the world: The President of the United States.

The PRESIDENT. Secretary Kissinger, Dana and John, and members of the family, distinguished guests:

This is a very sad occasion for all Americans as we gather here to pay tribute to a great patriot, one of our most admired and one of our most respected diplomats. Rodger Davies leaves behind many friends and many, many accomplishments in the career that he selected.

He possessed the full measure of many of those attributes which are so invaluable as a person and in the career that he sought. He had judgment, he had dignity, he had wisdom, and he had humor, and all of these are necessary ingredients for the job that he chose for his full life.

As the Secretary has mentioned, Rodger Davies was a professional in the fullest sense. His services to our country embodied the best of time, of effort and competence. He loved and worked for peace and he lost his life in the search for peace for all America and all the world.

On Monday of this past week I had the opportunity to make some remarks to a group who had served their country in uniform and I had the sad occasion to announce to that group the loss of life by Rodger Davies. And I said to them and I repeat here today, some serve in uniform, some serve in other capacities. The loss of life in either case means as much to America.

And therefore it is appropriate on this occasion that we pay a very special tribute to a great Ambassador, highly respected by his friends; a person who gave his full life to the career that he sought. So I say it is an honor for me on this occasion to present on behalf of all Americans, the flag to Dana, the Ambassador's flag, to which your father, as my personal representative in the service of his country, brought such great distinction.

PERSONAL EXPLANATION

(Mr. DULSKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DULSKI. Mr. Speaker, I was away from Washington, and missed several votes recently. I would like the RECORD to show that had I been present I would have voted as follows:

August 9, 1974, rollcall No. 471, yea; rollcall No. 472, yea; rollcall No. 473, yea; August 12, rollcall No. 475, yea; rollcall No. 476, yea; rollcall No. 477, yea; August 13, rollcall No. 479, yea; rollcall No. 480, yea; roll call No. 481, yea; rollcall No. 482, nay; rollcall No. 483, nay; rollcall No. 484, yea; August 14, rollcall No. 485, yea; rollcall No. 486, yea; rollcall No. 487, nay; rollcall No. 488, yea; rollcall No. 489, yea; rollcall No. 490, yea; August 15, rollcall No. 492, yea; rollcall No. 493, nay; rollcall No. 494, yea; rollcall No. 495, nay; rollcall No. 496, yea.

EIGHTH ANNUAL QUESTIONNAIRE RESULTS

(Mr. HAMMERSCHMIDT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, each year since coming to Congress in 1966, it has been my custom to make available to my constituents a public opinion questionnaire. My eighth annual questionnaire was distributed throughout my 21-county district in late March of this year.

Tabulation of the 19,486 responses is now complete. So that my colleagues may share in the thinking of Arkansas' Third Congressional District residents, the questions and results are included below:

1. To help meet our long-term goal of energy self-sufficiency, would you favor creation of a federal oil and gas corporation to lead accelerated but somewhat costly (estimated $10 billion or more long term) research and development efforts? 97 percent responded: 41 percent yes, 59 percent no.

2. Should legislation be enacted proposing a Constitutional amendment which would negate the Supreme Court's decision striking down state and local statutes governing abortion? 92 percent responded: 45 percent yes, 55 percent no.

3. Do you favor financing campaigns for federal office with tax dollars rather than private contributions? 100 percent responded: 30 percent yes, 70 percent no.

4. Do you feel that network television fairly presents both sides of most issues? 98 percent responded: 30 percent yes, 70 percent no.

5. In order to conserve energy, do you think auto emissions standards and pollution controls should be relaxed? 93 percent responded: 70 percent yes, 30 percent no.

6. Do you favor the elimination of federal wage-price controls which still affect certain services and industries? 92 percent responded: 57 percent yes, 43 percent no.

7. Would you favor a raise in and/or an extension of Social Security benefits coupled with an increase in the Social Security Tax? 99 percent responded: 44 percent yes, 56 percent no.

8. Do you favor federal legislation to assist the states to develop land use programs for critical areas and uses of more than local concern? 95 percent responded: 47 percent yes, 53 percent no.

9. Do you approve of the way the President has done his job? 99 percent responded: 59 percent yes, 41 percent no.

10. Do you think it would be in the country's best interest for President Nixon to: (a) Remain in office—70 percent, (b) Resign—20 percent, (c) Be Impeached—10 percent.

11. Which of the alternatives listed below do you favor as the most effective approach to our current energy shortfall: 96 percent responded:

(a) a national program of gasoline rationing—9 percent

(b) removal of petroleum price controls—13 percent

(c) oil industry excess profits tax provisions to encourage reinvestment in energy resource recovery and development—50 percent.

(d) a roll-back in petroleum product prices—28 percent.

12. Regarding national health insurance, which do you prefer? 98 percent responded:

(a) a program financed and operated by the federal government—24 percent

(b) federally-funded health insurance for welfare dependents—5 percent.

(c) complete reliance on the private health insurance structure—15 percent

(d) government insurance against only catastrophic or prolonged illness—33 percent.

(e) no new legislation in this area—23 percent.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ANDERSON of Illinois (at the request of Mr. RHODES), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LENT) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 30 minutes, today.

Mr. FRELINGHUYSEN, for 30 minutes, today.

Mr. BLACKBURN, for 5 minutes, today.

Mr. SHRIVER, for 5 minutes, today.

(The following Members (at the request of Mr. RYAN) to revise and extend their remarks and include extraneous material:)

Mr. VANDER VEEN, for 20 minutes, today.

Mr. FRASER, for 5 minutes, today.

Mr. LEHMAN, for 15 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. FLOOD, for 10 minutes, today.

Mr. MINISH, for 15 minutes, today.

Mr. MURPHY of New York, for 5 minutes, today.

Mr. BROWN of California, for 10 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. OWENS, for 10 minutes, today.

Mr. O'NEILL, for 10 minutes, today.

Mr. PHILLIP BURTON, for 10 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. MEZVINSKY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BINGHAM to revise and extend his remarks on H.R. 13565 in the Committee of the Whole today.

Mr. ERLENBORN and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $625.50.

Mr. KEMP to insert his remarks preceding the vote on H.R. 12628.

Mrs. HECKLER of Massachusetts to include her remarks prior to the vote on H.R. 12628.

(The following Members (at the request of Mr. LENT) and to include extraneous material:)

Mr. KEMP in four instances.

Mr. BLACKBURN in three instances.

Mr. BROYHILL of Virginia in five instances.

Mr. YOUNG of South Carolina in three instances.

Mr. CHAMBERLAIN in two instances.

Mr. DON H. CLAUSEN.

Mr. QUIE.

Mr. GILMAN in two instances.

Mr. ERLENBORN.

Mr. WHITEHURST.

Mr. PETTIS.

Mr. HOSMER in two instances.

Mr. CONTE.

Mr. DERWINSKI.

Mr. VEYSEY in two instances.

Mr. STEIGER of Wisconsin.

Mr. SPENCE.

Mr. SYMMS.

Mr. TALCOTT in three instances.

Mr. HEINZ.

Mr. BUCHANAN in two instances.

Mr. TREEN.

(The following Members (at the request of Mr. RYAN) and to include extraneous matter:)

Mr. ANNUNZIO in six instances.

Mr. SISK.

Mr. BRADEMAS in six instances.

Mr. TRAXLER.

Mr. WOLFF in five instances.

Ms. ABZUG in 10 instances.

Mr. ROONEY of Pennsylvania.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. ANDERSON of California in two instances.

Mr. DRINAN.

Mr. ICHORD.

Mr. CAREY of New York in two instances.

Mr. KOCH.

Mr. ROE.

Mr. HARRINGTON in three instances.

Mr. MURTHA.

Mr. MINISH in two instances.

Mr. KASTENMEIER.

Mr. LITTON.

Mr. EDWARDS of California.

Mr. JOHN L. BURTON.

Mr. DULSKI in five instances.

Mrs. SCHROEDER.

Mr. ROGERS in five instances.

Mr. THOMPSON of New Jersey in three instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3518. An act to remove the cloud on title with respect to certain lands in the State of Nevada; to the Committee on Interior and Insular Affairs.

S. 3615. An act to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo.; to the Committee on Interior and Insular Affairs.

S. 3815. An act to designate the Federal office building located in Dover, Del., as the "J. Allen Frear Building"; to the Committee on Public Works.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6485. An act to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938;

H.R. 13999. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes; and

H.R. 15205. An act to amend the Natural Gas Pipeline Safety Act of 1968, as amended to authorize additional appropriations, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1871. An act to amend the Youth Conservation Corps Act of 1972 (Public Law 92-597, 86 Stat. 1319) to expand and make permanent the Youth Conservation Corps, and for other purposes; and

S. 3703. An act to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that the committee did on August 21, 1972 present to the President, for his approval, bills of the House of the following title:

H.R. 3620. An act to establish the Great Dismal Swamp National Wildlife Refuge;

H.R. 15581. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenue of said District for the fiscal year ending June 30, 1975, and for other purposes;

H.R. 16027. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and

H.J. Res. 1105. Joint resolution designating August 26, 1974, as "Women's Equality Day."

ADJOURNMENT OVER TO WEDNESDAY, SEPTEMBER 11, 1974

Mr. RYAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. In accordance with House Concurrent Resolution 610, the Chair declares the House adjourned until 12 o'clock noon on Wednesday, September 11, 1974.

Thereupon (at 3 o'clock and 39 minutes p.m.), pursuant to House Concurrent Resolution 610, the House adjourned until Wednesday, September 11, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2680. A letter from the Clerk, U.S. House of Representatives, transmitting his semiannual report of receipts and expenditures of appropriations and other funds for the period January 1 through June 30, 1974, pursuant to section 105(a) of Public Law 88-454 [2 U.S.C. 104a] (H. Doc. No. 93-340); to the Committee on House Administration and ordered to be printed.

2681. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting the second interim report on the administration of the Health Professions Educational Assistance Act and its subsequent amendments, pursuant to section 206 of Public Law 92-157; to the Committee on Interstate and Foreign Commerce.

2682. A letter from the Secretary of Commerce, transmitting the annual report on the relative cost of shipbuilding in the various coastal districts of the United States, pursuant to section 213(c) of the Merchant Marine Act of 1936, as amended; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. House Resolution 1282. Resolution providing for additional copies of the committee print, a staff study entitled "Terrorism"; with amendment (Rept. No. 93-1311). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 98. Concurrent resolution authorizing the printing of additional copies of the Senate committee print entitled "The Recreation Imperative" (Rept. No. 93-1312). Ordered to be printed.

Mr. KASTENMEIER: Committee on the Judiciary. S. 2362. An act granting the consent and approval of Congress to the Cumbres and Toltec Scenic Railroad Compact; with amendment (Rept. No. 93-1314). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. Report on Operation of the Wagner-O'Day Act (Rept. No. 93-1315). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD. Committee on Government Operations. Report on Occupational Alcoholism Programs for Federal Employees (Rept. No. 93-1316). Referred to the Committee of the Whole House on the State of the Union.

Mr. BUTLER: Committee on the Judiciary. H.R. 7135. A bill to amend the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, with respect to the settlement of claims against the United States by civilian officers and employees for damage to, or loss of, personal property incident to their service; with amendment (Rept. No. 93-1320). Referred to the Committee of the Whole House on the State of the Union.

Miss JORDAN: Committee on the Judiciary. H.R. 9588. A bill for the relief of the city of Aransas Pass, Tex., and the Urban Renewal Agency of the city of Aransas Pass, Tex. (Rept. No. 93-1321). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROEHLICH: Committee on the Judiciary. H.R. 11847. A bill for the relief of certain fire districts and departments in the State of Missouri to compensate them for expenses relating to a fire on Federal property (Rept. No. 93-1322). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 10627. A bill for the relief of Benjamin Baxter; with amendment (Rept. No. 93-1313). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on the Judiciary. H.R. 3538. A bill for the relief of Selmer Amundson (Rept. No. 93-1317). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on the Judiciary. H.R. 10827. A bill for the relief of Kiyonao Okami; with amendment (Rept. No. 93-1318). Referred to the Committee of the Whole House.

Miss JORDAN: Committee on the Judiciary. H.R. 12148. A bill for the relief of Oscar H. Barnett; with amendment (Rept. No. 93-1319). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. S. 1276. An act for the relief of Joe H. Morgan (Rept. No. 93-1323). Referred to the Committee of the Whole House.

Mr. FROEHLICH: Committee on the Judiciary. H.R. 2639. A bill to provide for the relief of Sandstrom Products Co., of Port Byron, Ill. (Rept. No. 93-1324). Referred to the Committee of the Whole House.

Mr. WIGGINS: Committee on the Judiciary. H.R. 3339. A bill for the relief of Delmira Martinez Sandoval; with amendment (Rept. No. 93-1325). Referred to the Committee of the Whole House.

Mr. SEIBERLING: Committee on the Judiciary. H.R. 7767. A bill for the relief of Samuel Cabildo Jose; with amendment (Rept. No. 93-1326). Referred to the Committee of the Whole House.

Mr. HOGAN: Committee on the Judiciary. H.R. 9182. A bill for the relief of Fernando Labrador del Rosario; with amendment (Rept. No. 93-1327). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary: H.R. 9273. A bill for the relief of Maria Martins Sanchez; with amendment (Rept. No. 93-1328). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 9654. A bill for the relief of Mr. Aldo Massara (Rept. No. 93-1329). Referred to the Committee of the Whole House.

Mr. SEIBERLING: Committee on the Judiciary. H.R. 11102. A bill for the relief of Tze Tsum Lee; with amendment (Rept. No. 93-1330). Referred to the Committee of the Whole House.

Mr. FROEHLICH: Committee on the Judiciary. S. 239. An act for the relief of Loretto B. Fitzgerald; with amendment (Rept. No. 93-1331). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 864. An act for the relief of Victor Henrique Carlos Gibson (Rept. No. 93-1332). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 2337. An act for the relief of Dulce Pilar Castin (Castin-Casas) (Rept. No. 93-1333). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 2382. An act for the relief of Caridad R. Balonan (Rept. No. 93-1334). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. Senate Joint Resolution 192. Joint resolution to grant the status of permanent residence to Ivy May Glockner formerly Ivy May Richmond nee Pond (Rept. No. 93-1335). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL of Virginia:

H.R. 16533. A bill to amend the District of Columbia Code to provide for the appointment of a commission in certain proceedings for the condemnation of real property in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BURKE of Massachusetts:

H.R. 16534. A bill to amend chapter 23 of title 38 of the United States Code in order to provide for deceased peacetime veterans funeral expenses and burial plot allowances not exceeding 80 percent of the amount of such expenses and allowances payable for deceased wartime veterans; to the Committee on Veterans' Affairs.

H.R. 16535. A bill to amend section 174 of the Internal Revenue Code of 1954 to insure its uniform application to business products; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON (for himself and Mr. John L. Burton):

H.R. 16536. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. CAREY of New York (for himself and Mr. Stratton):

H.R. 16537. A bill to provide that maintenance operations performed on nuclear reactors shall be covered by the Davis-Bacon Act; to the Committee on Education and Labor.

By Mr. CAREY of New York (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Biaggi, Mr. Bingham, Mrs. Chisholm, Mr. Delaney, Ms. Holtzman, Mr. Koch, Mr. Murphy of New York, Mr. Podell, Mr. Rangel, Mr. Rosenthal, and Mr. Wolff):

H.R. 16538. A bill to provide additional fiscal assistance to local governments and to extend revenue sharing for local governmental units for 2 additional years; to the Committee on Ways and Means.

By Mr. CASEY of Texas (for himself, Mr. Crane, Mr. Thomson of Wisconsin, Mr. Satterfield, Mr. Patman, Mr. Teague, Mr. McSpadden, Mr. Latta, Mr. Fuqua, Mr. Martin of North Carolina, Mr. Jones of North Carolina, Mr. Wyman, Mr. Shriver, and Mr. Poage):

H.R. 16539. A bill to amend the Clean Air Act to prohibit the Administrator of the Environmental Protection Agency from requiring an indirect source emission review as a part of any applicable implementation plan; to the Committee on Interstate and Foreign Commerce.

By Mr. DORN:

H.R. 16540. A bill to provide for the establishment of a national cemetery in the State of South Carolina for the Southeast region of the United States; to the Committee on Veterans' Affairs.

By Mr. ERLENBORN:

H.R. 16541. A bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so; to the Committee on Education and Labor.

By Mr. FINDLEY (for himself, Mr. Brown of California, Mrs. Chisholm, Mr. Crane, Mr. Koch, Mr. Long of Maryland, Mr. Martin of North Carolina, Mr. Mathis of Georgia, Mr. Nix, Mr. Robison of New York, Mr. Roncalio of Wyoming, Mr. Sebelius, Mr. Won Pat, Mr. Wright, and Mr. Young of Florida):

H.R. 16542. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. FRASER:

H.R. 16543. A bill to amend the Merchant Marine Act, 1936, in order to establish a Great Lakes Region Office in the Maritime Administration, Department of Commerce; to the Committee on Merchant Marine and Fisheries.

H.R. 16544. A bill to end discrimination against Great Lakes ports in assigning ports for preference cargoes, to allocate 10 percent of the Merchant Marine subsidy to the Great Lakes, to establish a regional office of the Maritime Administration on the Great Lakes, to encourage U.S.-flag operators to provide service to U.S. ports on the Great Lakes, and to encourage the Secretary of Transportation to update pilotage fees on the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 16545. A bill to direct the Secretary of Health, Education, and Welfare to study the feasibility of establishing within the social security program a sabbatical plan under which an individual may receive a full year of retirement benefits (without regard to age) at any time after completing 40 quarters of coverage, and to provide for the conduct of a pilot program embodying such plan; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 16546. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. GILMAN:

H.R. 16547. A bill to amend the Internal Revenue Code of 1954 to provide a 30-percent credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to the Committee on Ways and Means.

By Mr. GUDE:

H.R. 16548. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of multifamily structures being converted to condominium units, by providing for the establishment of national minimum standards for condominiums, to encourage the States to establish similar standards, and for other purposes; to the Committee on Banking and Currency.

By Mr. HEINZ:

H.R. 16549. A bill to place a limitation on expenditures and net lending for the fiscal year ending June 30, 1975; to the Committee on Government Operations.

By Mr. HORTON (for himself, Mr. Holifield, Mr. Brooks, Mr. Jones of Alabama, Mr. Fascell, Mr. Randall, Mr. Culver, Mr. Hicks, Mr. Fuqua, Mr. Alexander, Mr. Erlenborn, Mr. Wydler, Mr. Brown of Ohio, Mr. Vander Jagt, Mr. Gude, Mr. McCloskey, Mr. Buchanan, Mr. Brown of Michigan, Mr. Thone, Mr. Mallary, Mr. Parris, Mr. Regula, Mr. Steelman, Mr. Pritchard, and Mr. Hanrahan):

H.R. 16550. A bill to establish a Commission on Federal Paperwork; to the Committee on Government Operations.

By Mr. HORTON (for himself, Mr. Abdnor, Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Archer, Mr. Bafalis, Mr. Bray, Mr. Brown of California, Mr. Burke of Florida, Mr. Butler, Mr. Cleveland, Mr. Cohen, Mr. Collins of Texas, Mr. Collier, Mr. Robert W. Daniel, Jr., Mr. Esch, Mr. Flynt, Mr. Froehlich, Mr. Ginn, Mr. Goodling, Ms. Grasso, Mr. Hamilton, Mr. Hanley, Ms. Heckler of Massachusetts, and Mr. Heinz):

H.R. 16551. A bill to establish a Commission on Federal Paperwork; to the Committee on Government Operations.

By Mr. HORTON (for himself, Mr. Hudnut, Mr. Hungate, Mr. Ichord, Mr. Jones of Oklahoma, Mr. Kemp, Mr. Lagomarsino, Mr. Long of Maryland, Mr. Lott, Mr. McEwen, Mr. Mann, Mr. Martin of North Carolina, Mr. Mathis of Georgia, Mr. Melcher, Mr. Miller, Mr. Moakley, Mr. Montgomery, Mr. Morgan, Mr. Murtha, Mr. Preyer, Mr. Rodino, Mr. Rogers, Mr. Rooney of Pennsylvania, and Mr. Roush):

H.R. 16552. A bill to establish a Commission on Federal Paperwork; to the Committee on Government Operations.

By Mr. HORTON (for himself, Mr. Roy, Mr. Sarasin, Mr. Sebelius, Mr. Shriver, Mr. Sikes, Mr. Stark, Mr. Steed, Mr. Stokes, Mr. Stuckey, Mr. Studds, Mr. Thomson of Wisconsin, Mr. Treen, Mr. Ullman, Mr. Veysey, Mr. Waldie, Mr. Walsh, Mr. Ware, Mr. White, Mr. Whitehurst, Mr. Young of Alaska, Mr. Young of Georgia, Mr. Young of Illinois, Mr. Young of South Carolina, and Mr. Zwach):

H.R. 16553. A bill to establish a Commission on Federal Paperwork; to the Committee on Government Operations.

By Mr. HORTON (for himself, Mr. Bell, Mr. Corman, Mr. Davis of South Carolina, Mr. Hosmer, Mr. Matsunaga, Mr. Milford, Mr. Mitchell of New York, Mr. O'Hara, Mr. Pepper, Mr. Robinson of Virginia, Mr. Won Pat, Mr. Kyros, Mr. Murphy of New York, Mr. Winn, Mr. Mollohan, and Mr. Obey):

H.R. 16554. A bill to establish a Commission on Federal Paperwork; to the Committee on Government Operations.

By Mr. HUBER (for himself, Mr. Derwinski, Mr. Eilberg, Mr. Froehlich, Mrs. Holt, and Mr. Milford):

H.R. 16555. A bill to establish a Commission on Medical Malpractice Awards; to the Committee on the Judiciary.

By Mr. KEMP (for himself, Mr. Haley, Mr. Goodling, Mr. Ichord, Mr. King, Mr. Wampler, Mr. Thone, Mr. Abdnor, Mr. Parris, Mr. Towell of Nevada, and Mr. Treen):

H.R. 16556. A bill to reestablish the fiscal integrity of the Government of the United States and its monetary policy, through the establishment of controls with respect to the levels of its revenues and budget outlays, the issuance of money, and the preparation of the budget, and for other purposes; to the Committee on Ways and Means.

By Mr. KETCHUM:

H.R. 16557. A bill to amend the Social Security Act to prohibit Federal matching of State expenditure for aid or assistance under the AFDC or medicaid program (or under any of the other Federal-State public assistance programs) to aliens illegally in the United States; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 16558. A bill to authorize a 2-year program of financial assistance for all elementary and secondary schoolchildren in all of the States; to the Committee on Education and Labor.

H.R. 16559. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

H.R. 16560. A bill to amend the Federal Trade Commission Act and the Motor Vehicle Information and Cost Savings Act; to the Committe on Interstate and Foreign Commerce.

By Mr. LUKEN (for himself, Mr. Hechler of West Virginia, Mr. Fraser, Mr. Conyers, Mr. Long of Maryland, Mr. Wolff, Mr. Dulski, Mr. Roe, Mr. Carney of Ohio, Mr. Brown of California, Mr. Charles Wilson of Texas, Mr. Kemp, Mr. Peyser, Mr. Madigan, Mr. Whitehurst, Mr. Stark, Mr. Podell, Mr. Harrington, Mr. Tiernan, Mr. Hawkins, Mr. Young of Georgia, Mr. Roybal, Mr. Drinan, Mr. Hanrahan, and Mr. Conte):

H.R. 16561. A bill to amend title XVI of the Social Security Act to require that the value of maintenance and support furnished an individual by a nonprofit retirement home be excluded from income for the purpose of determining eligibility for supplemental security income benefits under such act; to the Committee on Ways and Means.

By Mr. MATHIAS of California:

H.R. 16562. A bill to amend title 17 of the United States Code to remove the expiration date provided in Public Law 92–140 which authorized the creation of a limited copyright in sound recordings for the purpose of protecting against unauthorized duplication and piracy of sound recordings; to increase the criminal penalties for piracy and counterfeiting of sound recordings; and for other purposes; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 16563. A bill to impose a 1-year moratorium on the submission of recommendations to the President regarding wilderness area designations within the State of Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROE (for himself, Mrs. Boggs, Mr. Breaux, Mr. Gude, Mr. Sarbanes, Mr. Steiger of Arizona, and Mr. Stokes):

H.R. 16564. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS:

H.R. 16565. A bill to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

By Mr. RONCALLO of New York:

H.R. 16566. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits and to make certain other changes so that benefits for husbands and widowers will be payable on the same basis as benefits for wives and widows; to the Committee on Ways and Means.

H.R. 16567. A bill to amend title II of the Social Security Act to provide benefits for widowed fathers with minor children on the same basis as benefits for widowed mothers with minor children; to the Committee on Ways and Means.

H.R. 16568. A bill to amend section 218 of the Social Security Act to permit the modification of certain Federal-State agreements to give noncovered State and local employees under the divided retirement system procedure an additional opportunity to elect coverage; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 16569. A bill to require to the maximum extent possible that all residential housing and small businesses be covered by insurance against catastrophic disaster losses, and to establish a new federally chartered quasi-public corporation to assist (through reinsurance of private companies and otherwise) in making coverage against such losses generally available; to the Committee on Banking and Currency.

By Mr. SEIBERLING:

H.R. 16570. A bill to authorize the Secretary of Labor to make grants for the conduct of older American home-repair projects, and for other purposes; to the Committee on Education and Labor.

By Mr. SHOUP:

H.R. 16571. A bill to provide for the transfer of certain funds to the State of Montana for the purpose of acquiring wildlife mitigation lands, and for other purposes; to the Committee on Public Works.

By Mr. SPENCE:

H.R. 16572. A bill to provide for the establishment of a national cemetery in the State of South Carolina; to the Committee on Veterans' Affairs.

By Mr. STUDDS (for himself, Mr. Breckinridge, Mr. Carey of New York, Mr. Don H. Clausen, Mr. Conyers, Mr. Dan Daniel, Mr. Hammerschmidt, Mr. Landgrebe, Mr. Mezvinsky, Mr. Moorhead of Pennsylvania, Mr. Nix, Mr. Rosenthal, Mr. Sandman, Mr. Spence, Mr. Symington, Mr. Williams, Mr. Charles Wilson of Texas, and Mr. Zwach):

H.R. 16573. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TRAXLER:

H.R. 16574. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and Other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 16575. A bill to amend title II of the Social Security Act to provide that an individual otherwise eligible may be paid full widow's or widower's insurance benefits at age 55, or reduced widow's or widower's insurance benefits at age 50 (age 45 in case of disability); to the Committee on Ways and Means.

H.R. 16576. A bill to amend title II of the Social Security Act to provide that the remarriage of a widow, widower, or parent shall not terminate his or her entitlement to widow's, widower's, or parent's insurance benefits or reduce the amount thereof; to the Committee on Ways and Means.

H.R. 16577. A bill to amend title II of the Social Security Act to increase to $3,600 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 16578. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 16579. A bill to amend title XVIII of the Social Security Act to include drugs requiring a doctor's prescription among the medical expenses with respect to which payment may be made under the voluntary program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

H.R. 16580. A bill to amend the Internal Revenue Code of 1954 to increase the amount of retirement income eligible for the tax credit for retirement income from $1,524 to $5,000, and for other purposes; to the Committee on Ways and Means.

By Mr. VANDER VEEN (for himself and Mr. Burke of Massachusetts):

H.R. 16581. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases under section 215(i) of such act (and the corresponding increases under the supplemental security income program) shall be made in advance, on the basis of projected increases in the Consumer Price Index; to the Committee on Ways and Means.

By Mr. WALDIE (for himself, Mr. Tiernan, Mr. Helstoski, Mr. Badillo, Mr. Roybal, Mr. Rodino, Mr. Conyers, Mr. Long of Maryland, Mr. Seiberling, Mr. Edwards of California, Ms. Abzug, and Mr. Harrington):

H.R. 16582. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technological Assessment; to the Joint Committee on Atomic Energy.

By Mr. WYATT:

H.R. 16583. A bill to provide for the free entry of certain scientific equipment for the use of Oregon State University, Corvallis, Oreg.; to the Committee on Ways and Means.

By Mr. YOUNG of South Carolina:

H.R. 16584. A bill to increase the target price of the 1974 and 1975 crops of cotton; to the Committee on Agriculture.

By Mr. BROWN of California:

H.R. 16585. A bill to promote the general welfare by establishing a balanced national growth and development policy and establishing an Office of Balanced National Growth and Development and certain programs to carry out such policy; to the Committee on Rules.

By Mr. MITCHELL of Maryland (for himself, Mr. Peyser, Mr. Wolff, Mr. Dellums, Mr. Nix, Mr. Murtha, Mr. Boland, Mr. Brown of California, Mr. Eilberg, Mr. Addabbo, Mr. Green of Pennsylvania, Mr. Thompson of New Jersey, Mr. Podell, Mr. John L. Burton, Mr. Edwards of California, Mr. Carey of New York, Mr. Broyhill of Virginia, Mr. Conyers, Mr. Rosenthal, Mr. Murphy of New York, Mr. Studds, Mrs. Grasso, Mr. Helstoski, Mr. Mayne, and Mr. Kemp):

H.R. 16586. A bill to provide for the monthly publication of a Consumer Price Index for the Elderly and to provide for studies to be made with regard to utilizing such index in determining cost-of-living adjustments authorized in certain Federal programs for individuals who are at least 62 years of age; to the Committee on Education and Labor.

By Mr. MITCHELL of Maryland (for himself, Mr. Drinan, Mr. Treen, Ms. Holtzman, Mr. Young of Georgia, Mr. Rodino, Mr. Howard, Ms. Schroeder, Mr. Stark, Ms. Collins of Illinois, Mr. Badillo, Mr. Fascell, and Mr. Metcalfe):

H.R. 16587. A bill to provide for the monthly publication of a Consumer Price Index for the Elderly and to provide for studies to be made with regard to utilizing such index in determining cost-of-living adjustments authorized in certain Federal programs for individuals who are at least 62 years of age; to the Committee on Education and Labor.

By Mr. MURPHY of New York:

H.R. 16588. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to discharge obligations under the Convention Psychotropic Substances relating to regulatory controls on the manufacture, distribution, importation, and exportation of psychotropic substances; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 16589. A bill to establish the Reconstruction Finance Corporation to make loans or loan guarantees to business concerns which would otherwise be unable to obtain needed financing; to the Committee on Banking and Currency.

By Mr. YOUNG of Illinois (for himself, Mr. Duncan, Mr. Conte, Mr. Pritchard, Mr. Lagomarsino, Mr. Gude, Mrs. Collins of Illinois, Mrs. Grasso, Mr. Long of Maryland, Mr. Moakley, Mr. Harrington, Mrs. Schroeder, Mr. Brown of California, Mr. Helstoski, and Mr. Podell):

H.R. 16590. A bill to provide for regulation of business franchises, to require a full disclosure of the nature of interests in business franchises, to provide for increased protection of the public interest in the sale of business franchises, and to provide for fair competition in the negotiation of franchise agreements; to the Committee on Interstate and Foreign Commerce.

By Mr. BRADEMAS (for himself and Mr. Hays):

H.J. Res. 1115. Joint resolution to provide for the indemnification of the Metropolitan Museum of New York for loss or damage suffered by objects in exhibition in the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. GILMAN (for himself and Mr. Wolff):

H.J. Res. 1116. Joint resolution calling for peace in Northern Ireland and the establishment of a United Ireland; to the Committee on Foreign Affairs.

By Mr. MEEDS (for himself, Mr. Regula, Mr. Lujan, Mr. Fraser, Mr. de Lugo, Mr. Jones of Oklahoma, and Mr. Don H. Clausen):

H.J. Res. 1117. Joint resolution to provide for the establishment of the American Indian Policy Review Commission; to the Committee on Interior and Insular Affairs.

By Mr. BINGHAM (for himself, Mrs. Heckler of Massachusetts, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Bell, Mrs. Boggs, Mr. Brown of California, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Davis of South Carolina, Mr. Drinan, Mr. du Pont, Mr. Eilberg, Mr. Fascell, Mr. Fraser, Mr. Frenzel, Mr. Gonzalez, Mr. Gude, Mr. Helstoski, Mr. Hicks, Mrs. Holt, and Miss Holtzman):

H. Con. Res. 619. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Mrs. Heckler of Massachusetts, Mr. Horton, Mr. Kemp, Mr. Koch, Mr. Kyros, Mr. Long of Maryland, Mr. Mayne, Mr. Meeds, Mr. Melcher, Mr. Metcalfe, Mrs. Mink, Mr. Mitchell of New York, Mr. Nix, Mr. Peyser, Mr. Podell, Mr. Reuss, Mr. Rose, Mr. Rosenthal, Mr. Roy, Mrs. Schroeder, Mr. Seiberling, Mr. Smith of New York, Mr. Stark, and Mr. Steele):

H. Con. Res. 620. Concurrent resolution in support of Interational Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Mrs. Heckler of Massachusetts, Mr. Symington, Mr. Vander Jagt, Mr. Wolff, Mr. Yates, and Mr. Young of Georgia):

H. Con. Res. 621. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. BURKE of Massachusetts:

H. Con. Res. 622. Concurrent resolution expressing the sense of Congress regarding the activities of Veterans Employment Service; to the Committee on Veterans' Affairs.

By Mrs. GRASSO:

H. Con. Res. 623. Concurrent resolution providing for the printing of additional copies of the report of the Committee on the Judiciary concerning impeachment; to the Committee on House Administration.

By Mr. HANRAHAN (for himself, Mr. Railsback, Mr. Cleveland, Mr. McCollister, and Mr. Wolff):

H. Con. Res. 624. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment in the Soviet Union of a Lithuanian seaman, who is a U.S. citizen, and who unsuccessfully sought asylum aboard a U.S. Coast Guard ship; to the Committee on Foreign Affairs.

By Mr. MURPHY of New York (for himself, Mr. Clark, Mr. Charles H. Wilson of California, Mr. Cotter, Mr. Hechler of West Virginia, Mr. Mazzoli, Mr. Podell, Mr. Tiernan, Mr. Railsback, Mr. Thompson of New Jersey, Mr. Dominick V. Daniels, Mr. Minish, Mr. Patten, Mr. James V. Stanton, Mr. Badillo, Mr. Hanna, Mr. Rodino, Mr. Carney of Ohio, and Mr. Murtha):

H. Con. Res. 625. Concurrent resolution to prevent the broadcast of the death leap of Evel Knievel; to the Committee on Interstate and Foreign Commerce.

By Mr. SNYDER (for himself, Mr. Wyatt, Mr. Rooney of Pennsylvania, Mr. Podell, Mr. Vander Jagt, Mr. Brown of Michigan, Mr. Symms, Mr. Grover, Mr. Collier, Mrs. Hansen of Washington, Mr. Hanley, Mr. Michel, Mr. Ford, Mr. Rousselot, Mr. Young of Alaska, Mr. Hicks, Mr. Meeds, and Mr. Foley):

H. Con. Res. 626. Concurrent resolution expressing the sense of Congress that regulations, requiring a statement of ingredients on bottles of distilled spirits and wine, be not promulgated until Congress has considered the matter fully; to the Committee on Ways and Means.

By Mr. WYDLER:

H. Con. Res. 627. Concurrent resolution establishing a Joint Committee on Aging; to the Committee on Rules.

By Mr. ALEXANDER:

H. Res. 1342. Resolution to express congressional intent that the Committee on the District of Columbia explore revenue potential of Federal facilities and programs; to the Committee on the District of Columbia.

By Mr. BRADEMAS (for himself, Mr. KYROS, Mr. YATRON, Mr. SARBANES, Mr. BAFALIS, Mr. MADDEN, Mr. MURPHY of New York, Mr. FLOOD, Mr. DAVIS of South Carolina, Mr. ADDABBO, Mrs. SULLIVAN, Mr. WHITEHURST, Mr. BROYHILL of Virginia, Mr. DOMINICK V. DANIELS, Mr. ST GERMAIN, Mr. SANDMAN, Mrs. HOLT, Mr. YOUNG of Georgia, Mr. BINGHAM, and Mr. REGULA):

H. Res. 1343. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. BRADEMAS (for himself, Mr. KYROS, Mr. YATRON, Mr. SARBANES, Mr. BAFALIS, Mr. KARTH, Mr. MOLLOHAN, Mr. RIEGLE, Mr. ROBERT W. DANIEL, JR., Mr. CONLAN, Mr. DERWINSKI, and Mr. MURPHY of Illinois):

H. Res. 1344. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. BRADEMAS (for himself, Mr. KYROS, Mr. YATRON, Mr. SARBANES, Mr. BAFALIS, Mr. BELL, Mr. YOUNG of Florida, Mr. LAGOMARSINO, Mr. ROE, Mr. STUDDS, and Mr. FISH):

H. Res. 1345. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. MATHIAS of California:

H. Res. 1346. Resolution to urge the full utilization of federally owned public facilities in the District of Columbia; to the Committee on the District of Columbia.

H. Res. 1347. Resolution to urge the full utilization of federally owned public facilities; to the Committee on Government Operations.

MEMORIALS

Under clause 4 of rule XXII,

522. The SPEAKER presented a memorial of the Legislature of the State of California, relative to surface mining; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HALEY:

H.R. 16591. A bill for the relief of E. Garrison Wood; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 16592. A bill for the relief of Conrado S. Sabelino, Sr.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

CONGRESSMAN DRINAN EXPLAINS HIS VOTES ON CAMPAIGN REFORM BILL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. DRINAN. Mr. Speaker, I was pleased to join a large majority of my colleagues on August 8 in passing H.R. 16090, the Federal Election Campaign Act Amendments of 1974. While this legislation will not solve all of the many problems associated with campaign financing, it does provide a meaningful foundation for reform. I am hopeful that the House-passed version will be strengthened by the addition of certain provisions of the Senate bill in conference.

In order to make my position on this important issue entirely clear I describe below each of the proposed amendments and explain my vote for or against it.

First, an amendment to lower the spending limit for congressional campaigns from $75,000 to $42,500 for each election.

Although candidates should not be able to "buy" elections through unlimited expenditures, an unduly low limitation tends to freeze incumbents in office by effectively preventing challengers from gaining widespread recognition among the voters. The only solution is to adopt a compromise figure. The committee settled upon $75,000 per election as the best possible figure. Common Cause agreed. John Gardner wrote:

> Any reduction in the $75,000 figure presently in the bill would severely impair candidates' efforts to communicate their views to the voters.

In order to help insure that candidates challenging congressional incumbents would have ample opportunity to present themselves to the voters, I voted against this amendment. The amendment was rejected by a vote of 187 to 223.

Second, an amendment to lower the spending limit for congressional campaigns from $75,000 to $60,000 for each election.

My reasons for voting against this second proposed amendment to lower the campaign spending ceiling for congressional races were substantially similar to those in No. 1 above. The amendment was adopted by a vote of 240 to 175.

Third, an amendment to allow lower State limitations on campaign expenditures to preempt the Federal ceilings established by the bill.

The effect of this amendment would be, once again, to lower the spending limit in certain States and hinder successful challenges of incumbents. More importantly, it would establish an exception to the principle of national uniformity which is the cornerstone of meaningful campaign finance reform. The present patchwork of 50 different State laws is what this legislation was designed to ameliorate. Thus, I voted against this proposed amendment. The amendment was defeated by a vote of 169 to 250.

Fourth, an amendment to provide for an independent commission to enforce Federal campaign practices law.

The original bill established a supervisory board whose membership was drawn largely from congressional employees. In addition, the bill gave congressional committees veto power over regulations promulgated by the board. This lack of independence of the supervisory board was one of the greatest weaknesses of the legislation originally reported out by the House Administration Committee. An effective regulatory commission must be fully independent from those it is directed to oversee. For that reason, I voted for this amendment. The amendment was adopted by a vote of 391 to 25.

Fifth, an amendment to strike partial public financing of Presidential primary campaigns.

The only way to eliminate completely the special influence of campaign contributors and the importance of money in getting elected to office is to provide for public financing of election campaigns. The committee recognized the need for this crucial reform in the area of Presidential politics. The proposed amendment would have been a step backward from protecting the American people from Presidential campaign abuses, and I voted against it. The amendment was rejected by a vote of 163 to 253.

Sixth, an amendment to strike the section providing for public financing of major party Presidential nominating conventions.

Unless public financing covers every step in the lengthy Presidential elections process, private contributions will continue to exercise political power. The proposed amendment would have weakened the bill's commitment to insulate Presidential politics completely from the pervasive influence of private wealth. I voted against the amendment. The amendment was rejected by a vote of 205 to 206.

Seventh, an amendment to provide partial public financing of congressional general election campaigns.

I believe that congressional candidates are no less immune to the improper influence of campaign contributors than Presidential candidates. All of our elected officials must be free from such pressures if we are to restore integrity to American politics. Consequently, I supported this amendment to extend the principle of public financing to congressional campaigns. The amendment was defeated by a vote of 187 to 228.

Eighth, a motion to recommit the bill with instructions to limit contributions to individuals and political parties.

The effect of this motion would have been to delay action on this legislation until a provision was added prohibiting all organizations, except political parties, from contributing to congressional campaigns on behalf of their membership. In my view, this provision would make it more difficult for individuals wishing to make small contributions to exercise a political role comparable to that of the large contributer. Moreover, the $5,000 ceiling on organization contributions already included in the bill prevents an organization with vast financial resources from exercising undue influence on the elections process. I voted against this motion. The motion to recommit was rejected by a vote of 164 to 243.

Ninth, final passage of the bill.

As I said earlier, I believe that this legislation constitutes a major step toward reforming our political process to prevent future scandals such as that we have experienced during the past few years. I voted for final passage of H.R. 16090. The bill was approved by a vote of 355 to 48. House and Senate conferees will now meet to reconcile differences in the versions of the campaign reform legislation passed by the two Houses of Congress.

BUS RULING REASSURING

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 22, 1974

Mr. HARRY F. BYRD, JR. Mr. President, the Page News and Courier, published in Luray, Va., had an excellent editorial in its current issue dealing with the recent landmark 5-to-4 decision of the Supreme Court on compulsory school busing.

Mr. President, this editorial quotes Chief Justice Burger's majority opinion in this fashion:

> No single tradition of public education is more deeply rooted than local control over the operation of schools.

Mr. President, this Page News and Courier is edited by John D. Waybright, and the president of the publishing company is D. Lathan Mims.

I ask unanimous consent that this editorial be printed in the extension of remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUS RULING REASSURING

Justice Thurgood Marshall has characterized the U.S. Supreme Court decision in the Detroit school desegregation case as a "step backward." He is right, but not in the sense set forth in the dissenting opinion he wrote on behalf of the minority in the recent landmark 5–4 decision.

Chief Justice Warren Burger and the court majority did indeed order the lower courts to step back from the kind of court-mandated desegregation plans which the Detroit case represents. However, this is not a retreat from the principle that deliberately segregated schools are unconstitutional. The historic 1954 Supreme Court decision establishing that principle has not been changed one iota by this new ruling.

The step backward is from the assumption by civil rights lawyers—and some judges—that schools must have a predetermined racial balance at any cost—even at the cost of destroying our local school systems.

Lower courts had ordered 54 separate school districts in the Detroit metropolitan area to be merged into a single district. By a massive busing operation, the mix of Negro and white pupils in each school of the new district could be controlled to reflect the racial mixture of the metropolitan population as a whole. As matters now stand, 64 per cent of the pupils in the central Detroit district are Negro, while 80 per cent of those in surrounding suburban districts are white.

The Supreme Court has now made clear that it is not for the courts to go about dismantling and rebuilding local school systems when such factors as economics and individual choice have created disparities like those seen in the racial composition of Detroit schools. There was no evidence that either the state of Michigan or any of the Detroit school districts had deliberately drawn district boundary lines to keep Negroes in one school or exclude them from another. Thus an important distinction is now drawn between segregation, which has arisen from living patterns in many northern cities, and segregation which was officially sanctioned in the South until the 1954 Supreme Court decision.

That decision by the Warren court condemning segregated schools loosed a pendulum that has swung too far in the direction of court-mandated busing programs to achieve racial balance in public schools. The support in Congress for a bill that would limit busing of pupils to the school closest or next-closest to the one they would ordinarily attend is evidence of how the pendulum finally is swinging back.

It is refreshing to read Justice Burger's defense of the autonomous local school district as the backbone of whatever quality has been achieved in the educational process in the United States of America. "No single tradition of public education is more deeply rooted than local control over the operation of schools," he writes. The decision of the Burger court is anything but a "step backward" in the pursuit of quality education for America's children. It is an assurance that we can continue that pursuit through local school districts which are the very foundation of educational quality.

SAWHILL ON PROJECT INDEPENDENCE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. GILMAN. Mr. Speaker, this month marks the beginning of the historically important Project Independence Blueprint hearings that will be held throughout the Nation for the next several months. These hearings, which shall serve as the symbolic genesis of this Nation's and the world's new energy consciousness, appropriately had their east coast beginning Monday, in New York City, the financial capital of the world.

The following remarks, given in New York by John C. Sawhill, Administrator of the Federal Energy Administration, succinctly define this Nation's challenges in energy. I submit them today in the RECORD of the U.S. House of Representatives so that they might be shared by my colleagues:

SECOND PUBLIC HEARING ON THE PROJECT INDEPENDENCE BLUEPRINT AT THE CARNEGIE INTERNATIONAL CENTER BANQUET ROOM

(Remarks by the Honorable John C. Sawhill)

Thank you for coming here to participate in the Second Public Hearing on the Project Independence Blueprint.

I want these hearings to be a learning experience for me, so I'll keep my remarks brief. But I would like to reflect for a few moments on why we are here today.

For the first time in our history, the United States faces the challenge of developing a unified, comprehensive national energy policy. It isn't a challenge to be accepted or rejected, but a categorical national imperative.

The constraints we face and the compelling nature of our energy situation are clear in the light of historical comparison. For example, the international oil supply system was disrupted during the 1967 war in the Mideast, yet the United States continued to meet not just its own needs, but those of other nations as well.

I won't describe how different the situation was in October, 1973. That experience is painfully vivid. It's enough to say that between 1960 and 1972 our imports of crude oil had doubled.

The implications of this growing dependence were not fully appreciated, partly because the international supply system functioned smoothly. In short, the links between producing and consuming nations—the international oil companies—were capable of guaranteeing stable supplies at reasonable prices.

Over the last five years, however, the producing countries—and the consuming countries to a far less dramatic degree—began to dominate the supply system. Political and social objectives were added to the profit motive. We can see the result in the uncertainty that pervades the international oil system and, for that matter, world trade generally.

For example, can rational economic decisions be made when the posted price of Persian Gulf light crude increases by almost four times in the space of two years? Can the world's economy withstand the transfer of $100 billion from consumers to producers in 1974 alone?

The answers to those questions are painful enough for industrialized economies, but they are critical for developing countries who will pay more for oil this year than they received in foreign aid in 1973.

There is no question in my mind that it is clearly in the interests, not just of consuming countries, but of the producers themselves to reduce the world price of oil.

Furthermore, it is abundantly clear that the world needs a new equilibrium between oil consuming and producing nations. Unless we begin soon to redress that imbalance, the world's economy faces prolonged and deepening danger.

Any attempt to stabilize the world's oil supplies must confront a basic issue. There are indications that the concessionary system—the key to the success of the international oil companies—is undergoing significant changes; it is likely to disappear, at least in its present form. Therefore, the major consuming nations are demanding a greater role in determining the supply and price of their imported energy.

These developments have prompted all governments—including our own—to begin re-defining their relationships to the international oil companies. A greater accommodation between private interests and public needs is not only necessary, but inevitable.

The Federal Energy Administration is evaluating these various issues to give the Nation a full understanding of the current situation and the outlook for the future. Once completed, our study will show whether, and then how, our government can strengthen the international oil system that we, and others, lean on so heavily.

A new equilibrium will also demand the cooperation of all consuming nations. Secretary of State Kissinger's initiative in establishing the Energy Coordinating Group was a sign of our willingness to cooperate with our allies, and continued progress in this unified effort is essential.

But what form should this cooperation take? Do we need emergency oil stockpiles? Should we establish a coordinated program of energy research and development to avoid duplication and save money? Should we also share technology, and develop a program of energy conservation on an international scale?

How do we diversify our sources of supply to lessen the threat of a future embargo? Can we accomplish the same objective by negotiating trade relationships with oil producing states?

These questions, and many more, will have to be answered if the system of international trade is to be stabilized. However, one thing is certain. The United States will have to play a leading role in this effort. And that is a role we cannot play unless we put our own domestic energy house in order.

Here, too, a start has been made. For the first time, this country has a government agency—the Federal Energy Administration—charged by Congress and the President with the development and direction of a national energy policy.

Over the last nine months, the Federal Energy Administration has assessed the broad goals that any national energy policy will have to seek. These objectives are to be embodied in the Project Independence Blueprint that we are considering today.

We know what must be done to alleviate our dependence on foreign oil. Simply stated—perhaps too simply—we must develop our own domestic energy resources, and improve the way we use energy.

We know that our rich coal resources must be developed and used. One objective of Project Independence is to revitalize the coal industry. It is our most abundant energy resource, and the one we use least.

Coal must be substituted for oil and natural gas in generating electricity and in industrial processes. We also need it as a source of synthetic oil and gas.

The use of nuclear power must be increased. Its role in our energy future is vital. Already, we have planned and under construction ten times our current nuclear power plant capacity. Research and development is under way to develop breeder reactors that produce more fuel than they burn, and to harness the fantastic energy produced by nuclear fusion, a more distant prospect.

Project Independence will also require us to start developing our oil shale resources, and to expand domestic oil and gas production.

New energy sources must also be harnessed—solar and tidal energy, and geothermal steam, to name a few. We have to find innovative techniques that improve our use of conventional sources. The Federal government is committed to spend $10 billion in the next five years for energy R & D along these lines.

Perhaps more important even than resource development, is energy conservation. The Project Independence Blueprint recognizes that energy conservation and efficient fuel use is our only short-term option for reducing our dependence on foreign oil.

We have already begun conservation programs in cooperation with energy-intensive industries, such as steel and cement.

Improved automobile efficient and alternative modes of transportation will also mean major savings.

Conservation has great potential in the commercial sector, where lighting, heating and cooling buildings consumes vast amounts of energy.

And finally, personal lifestyles will have to be keyed to a conservation ethic.

We know the goals of Project Independence, and we know how to approach those goals. The United States is uniquely qualified to pursue these objectives. We possess a profusion of resources and a wealth of expertise.

We have a myriad of options. The time is here to decide, to choose and to act.

All of those decisions, however, will be made in the light of economic realities. In short, how much can we afford?

Any number of price tags have been attached to Project Independence. The National Petroleum Council thinks it will cost $500 billion. Robert Holland of the Federal Reserve Board estimates $700 billion. And some projections have run as high as $1 trillion.

We are preparing our own forecasts based on various assumptions. We do know, at this point, that it will take massive infusions of capital. And this is one of the primary reasons we are here—in the financial capital of the nation.

Washington may be adept at raising revenue but capital is quite another story.

Nevertheless, Federal action or inaction will have a profound impact on the availability of capital for domestic energy development, and this raises important questions.

For example, what posture should the Federal government take toward energy development? Should Washington be friendly, but passive, or should there be vigorous stimulation of private investment? Should there be active government investment in the energy industry, with all that implies?

We may need specific government initiatives in research and development. But how should commercial feasibility of new energy sources be demonstrated? Will it be necessary—or is it ever worthwhile—for the Federal government to guarantee initial plant investment?

Given the Mideast producers grip on oil prices, should we underwrite the success of new energy sources by insulating them from price manipulations?

How can existing government regulations be improved to foster the flow of capital? What are the legislative and regulatory bottlenecks, and how can they be eliminated?

How compatible are current environmental standards with the capital needs of energy development?

In short, how can government help create a fiscal climate that fosters energy development?

These and many more questions will have to be answered, and they can't be resolved in the seclusion of Washington. The repercussions of Project Independence will be felt throughout our economy. It will have a dramatic impact on the way 211 million Americans work and live. Just as important, it will condition our relations with the rest of the world.

That's a great responsibility for any government agency. It's a task that demands official candor and public participation.

This is why we are here with the Project Independence Blueprint. We're not posting a federal edict. We are asking for your ideas your cooperation and your support.

THE LAST NIXON VETO

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 22, 1974

Mr. HARRY F. BYRD, JR. Mr. President, in one of his final acts as President, President Nixon sent to Congress a veto message on the $13.6 billion appropriation for the Department of Agriculture, including the environmental and consumer programs.

This veto resulted from the fact that the appropriations bill, the first major one to be presented to the Senate, provided for appropriations 28 percent over the expenditures for the previous fiscal year.

In commenting on the Nixon veto, the Richmond News Leader on August 16 published an interesting editorial.

I ask unanimous consent that it be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LAST NIXON VETO

In one of his final acts as President, Mr. Nixon sent to Congress a veto message on a $13.6 billion appropriation for the Department of Agriculture.

If ever a bill cried out for a presidential veto, this appropriation bill did. It may be recalled that agricultural subsidies to farmers have all but been eliminated in an effort to increase harvests to feed a hungry world. Therefore, it might have been expected that appropriations for the department might show at least some small decline. Not so. In the past fiscal year, the department operated on an appropriation of $10.5 billion. The appropriation bill passed by Congress for fiscal 1975 reflects an increase of more than $3 billion.

One-third of the increase stems from a $1 billion increase in spending for the food stamp program. Virginia Senator Harry Byrd remarked on this increase the other day in the Senate, when he pointed out that administration of the food stamp program now costs more than the entire program cost when it began. From an appropriation of $34.4 million in its initial year of 1965, the food stamp program has grown to a $4 billion outlay.

Other expenditures are included in the department's appropriation that have nothing whatsoever to do with farms or farmers. The bill includes the expenditure of $1.3 billion for "environmental programs," and millions of dollars for "consumer programs." The bill included $175 million for an anti-pollution program on the Great Lakes. Mr. Nixon wrote, "The feasibility of this clean-up program has not yet been proven. Further study is essential if we are to avoid ineffective federal spending." Funds for water and sewer grants had been increased by 800 per cent; this was an excessive increase. Congress appropriated more than $400 million in excess of appropriations requests for loans to farmers.

"I would hope that in considering all future appropriation measures," Mr. Nixon stated, "the Congress will assiduously avoid enacting measures which pose inflationary problems similar to the one I am returning today. I would welcome congressional reconsideration of this bill and the program priorities contained therein so that a more acceptable bill can be enacted." Last Friday, as they awaited the swearing-in of Gerald Ford as Mr. Nixon's successor, congressional leaders indicated that Mr. Nixon's veto would be sustained. The inflationary bill would be redrafted in House committee before being returned to the House, and then to the Senate, for a vote. It had been Mr. Nixon's 43rd—and last—veto.

CONSTITUTION SHOULD BE AVAILABLE IN SPANISH

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. RINALDO. Mr. Speaker, I would like to express my support for House Concurrent Resolution 593, authorizing the printing of the U.S. Constitution in the Spanish language and in the form of a House document.

For almost 200 years our Constitution, through the force of eloquence and reason, has inspired the hopes, the dreams, and energies of all who cherish freedom throughout the world.

The great bulk of those persons deriving direct benefit from this extraordinary fount of inspiration are of course familiar with it only in terms of its presentation in English. Yet these are others, and they are legion, to whom the glories of our constitutional declarations mean equally as much in other languages.

This is only natural. Regardless of the language, the inspirational impact of the American Constitution remains the same. Regardless of the language, the power of heroic principle shines through. Regardless of the language, the sense of justice dominates to the advantage of human purpose.

Regardless of the tongue in which they are presented, the arguments expressed therein have the same supreme and uplifting effect, driving home the logic of democratic principle.

Under the circumstances, it would seem proper that all Americans become thoroughly familiar with the contents of our Constitution, including those Americans basically attuned to foreign languages, in contrast to English.

We have many such Americans, including—in New Jersey, New York, and the Southwest—many Americans of Latin extraction who are far more conversant with Spanish than with English.

For the purpose of extending the knowledge of democratic institutions to the utmost, I recommend passage of House Concurrent Resolution 593, authorizing the printing of the U.S. Constitution in the Spanish language and in the form of a House document.

NEW TURK FRENCH CONNECTION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. WOLFF. Mr. Speaker, I would like to call to my colleagues' attention a recent seizure by the Drug Enforcement Administration of 75 kilos of 95-percent pure heroin. This is the largest seizure of heroin since Turkey banned the growth of opium poppies in 1972.

This heroin, worth nearly $113,000,000 on the street, was smuggled into this Nation in antique furniture shipped from France. Arrested in the smuggling were five individuals in New York and four in France. Of the five arrested in New York, three are residents of France. I regret to point out to my colleagues that it is evident that the so-called French connection is still involved in its lethal business.

While the news of this seizure would normally be considered good news, I am afraid that it is indicative of much bad news to come. As my colleagues are well aware, the Turkish Government recently decided to lift its ban on the cultivation of the opium poppy. According to John Bartels, the Administrator of the Drug Enforcement Administration, heroin stockpiled in France has begun moving to the United States to be sold before the street prices drop after the first Turkish poppy harvest next summer.

The decision of the Turkish Government is already having an effect on our Nation. Much more heroin than the 75 kilos seized is being smuggled because of the lifting of the ban and, in the words of John Bartels: "We know we've missed shipments."

I regretfully predict that once the Turkish crop is harvested, there will be many more shipments entering our shores, and many of these shipments will elude the best efforts of our enforcement agents.

It is essential to our well-being for us to convince the Turks to rescind their decision. I commend my colleagues for acting favorably on House Concurrent Resolution 507, my measure providing for negotiations to be initiated between the United States and Turkey and, in the event that we are not successful in this preventing opium production or assuring adequate control measures, suspending all U.S. aid to Turkey.

Our Ambassador to Turkey, William B. Macomber, Jr., had begun these negotiations but they have been suspended in the wake of the present crisis on Cyprus. I urge the Ambassador and the Department of State to resume these negotiations at the earliest possible time and I trust that neither the Ambassador nor the Department will attempt to weaken our position on the opium question as a bargaining "chip" in any negotiations leading to a resolution of the Cyprus question. To do so would cause irreparable damage to our society.

1973 VOTING RECORD

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. HAMMERSCHMIDT. Mr. Speaker, compilation of my voting and attendance record for the first session of the 93d Congress has been completed.

For the benefit of those who might be interested in reviewing my record, I am pleased to make this public information available in a tabulation format.

Rollcall votes are described for purposes of identification, and do not elaborate on the issues involved.

The tabulation follows:

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.

Roll-call No.	1973	Measure, question, and result	Vote
1	Jan. 3	Quorum call of the States	Present.
2	do	Election of Speaker of the House (Carl Albert elected over Gerald R. Ford 236-188).	
3	do	H. Res. 6. On ordering the previous question for adoption of the Rules of the House of Representatives for the 93d Congress, allowing the Speaker to entertain a motion to suspend the rules on the 1st and 3d Mondays of each month, and on the immediately following Tuesday (passed 208-206).	No.
4	Jan. 15	Quorum call	Present.
5	Jan. 23	Quorum call	Present.
6	Jan. 29	Quorum call	Present.
7	Jan. 31	Quorum call	Present.
8	do	On ordering the previous question for H. Res. 176, a resolution providing for the consideration of H. Res. 132, House Committee Study (passed 205-167).	Yes.
9	do	H. Res. 176, the "rule" under which to consider H. Res. 132, House committee study (passed 283-135).	Yes.
10	do	H. Res. 132, to pass the resolution creating a special committee to study the role, jurisdiction and procedures of the standing committees of the House (passed 282-91).	Yes.
11	Feb. 5	To suspend the rules and pass H. J. Res. 123, to extend for 1 year the Highway Beautification Commission (passed 283-40).	Yes.
12	Feb. 6	Quorum call	Present.
13	Feb. 7	Quorum call	Present.
14	do	On ordering the previous question for H. Res. 188, the "rule" under which to consider H.R. 2107 to require the Secretary of Agriculture to carry out a rural environmental assistance program (passed 237-150).	Yes.
15	do	H. R. 2107, on an amendment to require that the Secretary of Agriculture carry out the rural environmental assistance program (REAP) at a funding level of $140,000,000 as budgeted (defeated 176-217).	Yes.
16	do	H.R. 2107, on an amendment to restrict REAP payments to farmers whose average annual net income from all sources during the preceding 3 years was $10,000 or less (defeated 132-260).	No.
17	do	H.R. 2107, on final passage of the bill to require the Secretary of Agriculture to carry out a rural environmental assistance program. (passed 251-142).	Yes.
18	Feb. 20	Quorum call	Present.
19	do	To suspend the rules and pass H.R. 3694, to extend the activities of the American Revolution Bicentennial Commission (passed 286-72).	Yes.
20	Feb. 21	To suspend the rules and pass H.J. Res. 345, making further continuing appropriations for fiscal year 1973 (passed 311-73).	Yes.
21	Feb. 22	H.R. 1975, on an amendment to the emergency loan program bill to allow applicants eligible as of Dec. 26, 1972, to apply for 1 percent loans for an 18-day period beginning with the enactment of the bill (passed 196-160).	No.
22	do	H.R. 1975, on final passage of the bill to return the emergency farm loan program basically to the terms and conditions which existed before 1971.	No.
23	Feb. 27	Quorum call	Present.
24	do	H.R. 3577, to approve a bill providing an extension of the interest equalization tax, first enacted in 1963 to deter outflow of U.S. capital to other nations by removing the incentive for foreigners to borrow funds in America and for U.S. citizens to invest in foreign securities bearing a higher interest rate.	Yes.
25	Feb. 28	Quorum call	Present.
26	do	H. Res. 256, on adoption of a resolution to reconstitute the Select Committee on Crime for the first 6 months of 1973 and to transfer its functions to the Judiciary Committee after June 30 (passed 317-75).	No.
27	do	On ordering the previous question for H. Res. 18, the resolution authorizing funds for investigations and studies by the Banking and Currency Committee (passed 204-191).	No.
28	do	H. Res. 257, on adoption of a resolution authorizing funds for investigations and studies by the District of Columbia Committee, including trips abroad to study local government administration in foreign countries (failed 153-234).	No.
29	Mar. 1	Quorum call	Present.
30	do	H.R. 3298, to approve the bill to restore the rural water and sewer grant program under the Consolidated Farm and Rrual Development Act (passed 297-54).	Yes.
31	Mar. 5	Quorum Call	Absent.
32	do	H.R. 4278, to suspend the rules and pass the bill to assure that Federal financial assistance for child nutrition program is maintained at the level budgeted for fiscal year 1973 (passed 352-7).	Not Voting.
33	do	H.J. Res. 393, to suspend the rules and pass the resolution to extend the life of the National Commission on the Financing of Postsecondary Education and the period within which it must make its final report (passed 332-29).	Yes.
34	Mar. 6	Quorum call	Present.
35	Mar. 7	Quorum call	Present.
36	do	On ordering the previous question on H. Res. 272, the "rule" under which to consider H. Res. 259, open committee meetings (passed 197-196).	No.
37	do	H. Res. 259, on an amendment to authorize executive department officials and experts to attend closed committee meetings, if authorized by the committee (passed 201-198).	Yes.
38	do	H. Res. 259, on final passage of the resolution amending House rules to require open committee meetings except where national security or personal privacy was involved, or where the committee decided by a majority vote to close its doors (passed 371-27).	Yes.
39	Mar. 8	Quorum call	Present.
40	do	Quorum call	Present.
41	do	H.R. 17, on an amendment to the Vocational Rehabilitation Act of 1973 in the form of a substitute restricting the bill to a 3-year extension of the existing grant program to the States for vocational rehabilitation services (defeated 165-213).	No.
42	do	H.R. 17, on final passage of the bill to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities (passed 318-57).	Yes.
43	Mar. 13	Quorum call	Present.
44	do	H.R. 71, on an amendment in the form of a substitute bill, to authorize $501 million in grants for fiscal year 1973 for States and regional programs under the Older Americans Act (rejected 168-229).	Yes.
45	Mar. 13	H.R. 71, on final passage of the bill to strengthen and expand programs under the Older Americans Act of 1965 and to strengthen representation of the interests of the elderly at the Federal level (passed 329-69).	Yes.
46	Mar. 14	Quorum call	Present.
47	do	Quorum call	Present.
48	do	S. 583, to approve a bill to promote the separation of constitutional powers by securing to the Congress additional time in which to consider the Rules for Evidence for U.S. Courts and Magistrates, the Amendments to the Federal Rules of Civil Procedure and the Amendments to the Federal Rules of Criminal Procedure which the Supreme Court on Nov. 20, 1972, ordered the Chief Justice to transmit to Congress (passed 399-1).	Yes.
49	Mar. 15	Quorum call	Present.
50	do	H.R. 2246, to approve a bill to extend for a 1-year period the authorizations for the Public Works and Economic Development Act of 1965 (passed 278-108).	Yes.
51	Mar. 20	Quorum call	Present.
52	do	H. Res. 285, to approve a resolution authorizing funds for investigations and studies by the Committee on Public Works (passed 372-9).	Yes.
53	Mar. 21	Quorum call	Present.
54	do	H.R. 5446, to approve a bill to extend the Solid Waste Disposal Act for 1 year (passed 392-2).	Yes.
55	Mar. 22	Quorum call	Present.
56	do	H. Res. 308, to approve a resolution authorizing funds for investigations and studies by the Committee on Internal Security (passed 289-101).	Yes.
57	do	H.R. 5445, to approve the bill to extend the Clean Air Act for 1 year (passed 387-1).	Yes.
58	Mar. 27	Quorum call	Present.
59	Mar. 28	Quorum call	Present.
60	Mar. 29	Quorum call	Present.
61	do	H.R. 5293, on a motion to recommit to the Committee on Foreign Affairs with instructions to reduce by $17 million fiscal year 1974 authorization, the bill authorizing continuing appropriations for the Peace Corps (defeated 132-238).	Yes.
62	do	H.R. 5293, to approve the bill authorizing continuing appropriations for the Peace Corps (passed 299-72).	Yes.
63	Apr. 2	To suspend the rules and pass H.R. 3153, a bill to amend the Social Security Act to make certain technical and conforming changes (passed 340-1).	Yes.
64	do	To suspend the rules and pass H. Res. 330, endorsing objective and policy to be pursued by the U.S. delegation to the Law of the Sea Conference; objectives included protection of freedom of the seas beyond a 12-mile territorial limit and conservation and protection of living resources.	Yes.
65	Apr. 3	Quorum call	Present.
66	do	Quorum call	Present.
67	do	Quorum call	Present.
68	do	Quorum call	Present.
69	Apr. 4	Quorum call	Present.
70	do	H.R. 3577, to adopt the conference report on the bill providing for an extension of the interest equalization tax (adopted 396-18).	Yes.
71	do	On ordering the previous question and thereby ending debate on H.Res. 337, the rule for consideration of H.R. 5683, the bill to amend the Rural Electrification Act (passed 244-170).	No.
72	do	Quorum call	Present.
73	do	Quorum call	Present.
74	do	H.R. 5683, on an amendment, in the form of a substitute bill, to the bill to amend the Rural Electrification Act, which sought to further restrict loan criteria for 2 percent loans and to give the Rural Electrification Administration more discretion on the amount of funds that could be loaned (defeated 162-244).	No.
75	do	H.R. 5683, to approve the bill to amend the Rural Electrification Act to establish a revolving fund for insured and guaranteed loans to rural electric and telephone systems (passed 317-92).	Yes.
76	Apr. 5	Quorum call	Present.
77	do	H. Res. 340, to approve the resolution authorizing the representation of the House Interior Committee at the General Assembly of the International Centre for the Study of the Preservation and Restoration of Cultural Property (passed 281-70).	Yes.
78	Apr. 9	Quorum call	Present.
79	do	H.R. 4586, to approve the bill to incorporate in the District of Columbia the National Inconvenienced Sportsmen's Association (passed 328-0).	Yes.
80	do	H.R. 342, to approve the bill to authorize the District of Columbia to enter into the Interstate Agreement on Qualification of Education Personnel (passed 331-1).	Yes.
81	Apr. 10	Quorum call	Present.
82	do	H.R. 3298, to override the President's veto of the bill to require the Secretary of Agriculture to spend the entire amount appropriated by Congress each fiscal year for water and sewer grants to rural communities (defeated 225-189; a ⅔ vote being necessary).	No.
83	do	H. Res 348, to approve the rule under which to consider H.J. Res. 205, to create an Atlantic Union delegation (defeated 197-210).	No.
84	Apr. 11	H. Res. 349, to approve the rule providing for the consideration of H.R. 3180, a bill to clarify the proper use of the franking privilege by Members of Congress (passed 371-14).	Yes.
85	do	H.R. 3180, to approve the bill to clarify the proper use of the franking privilege (passed 354-49).	Not voting.
86	Apr. 12	H.J. Res. 496, to approve the resolution making supplemental appropriations for the fiscal year 1973 (passed 367-0).	Not voting.
87	Apr. 16	Quorum call	Present.
88	do	On ordering the previous question for H. Res. 357, the rule under which to consider H.R. 6168, to extend and amend the Economic Stabilization Act of 1970 (defeated 147-258).	No.
89	do	Quorum call	Present.
90	do	H.R. 6168, on an amendment which sought to impose a ceiling on prices at levels no higher than those in effect on Apr. 16, 1973 (defeated 139-263).	No.
91	do	H.R. 6168, on an amendment which set forth requirements for the Cost of Living Council on a hearing and report procedure to be followed in wage reduction decisions (passed 271-132).	No.
92	do	H.R. 6168, on an amendment in the form of a substitute to extend the Economic Stabilization Act of 1970 for 60 days and to direct the President to develop and report to Congress by May 15, 1973, a comprehensive controls program (defeated 151-253).	No.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
93	Apr. 16	H.R. 6168, on an amendment to direct the President to roll back rents to Jan. 10, 1973, levels (defeated 173–225).	No.
94	do	H.R. 6168, on an amendment to direct the President to roll back rents to Jan. 10, 1973, levels and allow increases up to 2.5 percent annually (defeated 147–250).	No.
95	do	H.R. 6168, on an amendment to require the President to roll back food prices, without exempting farm level prices, to the Mar. 17, 1973, levels and to roll back rents to the Jan. 10, 1973, levels (defeated 101–303).	No.
96	do	H.R. 6168, on a motion to recommit to committee the bill to amend and extend the Economic Stabilization Act of 1970 (defeated 164–243).	No.
97	do	H.R. 6168, on final passage ot the bill to amend and extend the Economic Stabilization Act of 1970 (Passed 293–114).	Yes.
98	Apr. 17	Quorum call	Present.
99	do	Quorum call	Present.
100	do	H.R. 6691, on an amendment to the bill providing for legislative appropriations, which sought to delete $58 million for the extension of the west front of the Capitol (defeated 189–195).	Yes.
101	Apr. 18	Quorum call	Present.
102	do	H.R. 6691, on a motion to recommit to committee the bill providing for legislative appropriations, with instructions to delete $58 million for the extension of the west front of the Capitol (defeated 185–215).	Yes.
103	do	Quorum call	Present.
104	do	On ordering the previous question for H. Res. 369, the rule providing for consideration of H.R. 4204, to extend the Emergency Employment Act of 1971 for 2 years, thereby ending debate and the possibility of amending the rule (defeated 193–209).	No.
105	do	On ordering the previous question for H. Res. 369, on an amendment in the form of a substitute to the rule under which the bill was considered (defeated 157–245).	Yes.
106	do	Quorum call	Present.
107	do	On a motion to table the motion to reconsider H. Res. 369, the rule under which to consider H.R. 4204, to extend the Emergency Employment Act for 2 years at a cost of $4.5 billion (passed 183–173).	Yes.
108	do	S. 50, on concurring in the Senate amendment to the House amendment on the bill to strengthen and improve the Older Americans Act of 1965 (passed 348–0).	Yes.
109	Apr. 19	Quorum call	Present.
110	do	S. 502, on an amendment to the Federal Aid Highway Act to permit urban areas to use highway trust fund moneys for mass transit projects (defeated 190–215).	No.
111	do	S. 502, on an amendment to the Federal Aid Highway Act to delete language which earmarked funds for cities with a population of more than 400,000 from the urban system funds (passed 292–93).	Yes.
112	Apr. 30	Quorum call	Present.
113	do	Quorum call	Present.
114	do	S. 398, to adopt the conference report on the bill providing for a 1-year extension of Presidential power to impose wage and price control, new authority for the President to allocate petroleum products. (passed 267–115).	No.
115	May 1	H. Res. 351, a resolution providing for consideration of H.R. 3923, to provide that appointments to the offices of Director and Deputy Director of the Office of Management and Budget shall be subject to confirmation by the Senate (passed 318–56).	Yes.
116	do	H.R. 3932, on an amendment in the nature of a substitute to require Senate confirmation of all Directors and Deputy Directors of OMB appointed after enactment of the bill (defeated 130–263).	No.
117	do	H.R. 3932, on final passage of the bill to abolish and reestablish the Office of Management and Budget with its Director and Deputy Director subject to confirmation by the Senate, and to transfer some direct authority from the President to the OMB Director (passed 229–171).	No.
118	May 2	H. Res. 370, a resolution providing for consideration of H.R. 6388, the bill to amend the Airport and Airway Development Act (passed 385–2).	Yes.
119	do	H.R. 6388, to approve the bill amending the Airport and Airway Development Act of 1970 to raise the Federal share of airport development costs from 50 to 75 percent on all but the largest airports and to prohibit local "head taxes" on airline passengers (passed 386–16).	Yes.
120	May 3	Quorum call	Present.
121	do	H.R. 982, on an amendment to the bill amending the Immigration and Nationality Act that sought to strike language containing a 3-step civil and criminal penalty procedure for imposing sanctions on employers (defeated 96–266).	Yes.
122	do	H.R. 982, on final passage of the bill to amend the Immigration and Nationality Act to make it unlawful for American employers to employ illegal aliens (passed 297–63).	Yes.
123	May 7	Quorum call	Present.
124	do	To suspend the rules and pass H.R. 4967, the bill to authorize appropriations for the Indian Claims Commission for fiscal year 1974 (passed 336–8).	Yes
125	do	To suspend the rules and pass H.R. 6574, the bill to provide full coverage under Servicemen's Group Life Insurance for members of the Armed Forces Reserve, the National Guard and for certain members of the retired Reserves (passed 342–1).	Yes.
126	do	To suspend the rules and pass H.R 2828, to provide additional burial allowances for veterans and establish a National Cemetery System within the Veterans' Administration (passed 340–1).	Yes.
127	do	To suspend the rules and pass H.R. 29, the bill providing for payments by the Postal Service to the Civil Service Retirement Fund for increases in the unfunded liability of this fund due to increases in benefits for Postal Service employees (passed 344–0).	Yes.
128	May 8	To suspend the rules and pass H.R. 5452, to extend and make technical corrections to the National Sea Grant College and Program Act of 1966 (passed 368–9).	Yes.
129	do	To suspend the rules and pass H.R. 5451, the bill to amend the Oil Pollution Control Act to implement amendments to an international convention on oil pollution control and to provide stiffer penalties for violations (passed 370–1).	Yes.
130	May 9	Quorum call	Present.
131	do	H.R. 7445, to approve the bill to extend the Renegotiation Act of 1951 which provides for a review of government contracts in the defense and space programs to eliminate excess profits (passed 388–0).	Yes.
132	May 9	H.R. 6370, on an amendment to the bill to extend certain laws relating to the payment of interest on time and savings deposits, to delete language that prohibits NOW (Negotiable Order of Withdrawal) savings accounts (defeated 98–264).	No.
133	do	H.R. 6370, the bill to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal accounts where interest or dividend is paid, and to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations (passed 376–4).	Yes.
134	May 10	S. 394, on adoption of the conference report on the bill to amend the Rural Electrification Act to establish a revolving fund to provide for insured and guaranteed loans to rural electric and telephone systems (passed 363–25).	Yes.
135	do	On ordering the previous question on H. Res. 389, the rule under which to consider H.R. 7447, the bill to provide supplemental appropriations for fiscal year 1973, defeat of which would make in order an amendment to the bill to liberalize the funding of impacted area school aid (defeated 184–222).	No.
136	do	H.R. 7447, on an amendment to the supplemental appropriations bill to delete language authorizing the transfer of $430 million by the Department of Defense (passed 219–188).	No.
137	do	H.R. 7447, on an amendment to the supplemental appropriations bill that sought to postpone the provisions of the amendment prohibiting the use of funds to finance combat activities in Camdodia (defeated 180–219).	Yes.
138	do	H.R. 7447, on an amendment to the supplemental appropriations bill to prohibit funds appropriated under this Act to be expended to support, directly or indirectly, combat activities in, over or off the shores of Camdodia by U.S. forces (passed 224–172).	No.
139	do	H.R. 7447, on an amendment to the supplemental appropriations bill to increase the funding for category B federally impacted area school assistance aid from 54 percent to 68 percent of entitlement (passed 211–178).	No.
140	do	H.R. 7447, on a second vote on the amendment to strike language authorizing the transfer of $430 million by the Defense Department (passed 194–187).	No.
141	do	H.R. 7447, on final passage of the supplemental appropriations bill (passed 284–96).	Yes.
142	May 15	Quorum call	Present.
143	do	H.R. 6768, on an amendment to the bill providing for participation by the United States in the United Nations Environmental Program, to reduce a proposed multiyear authorization of $40 million for U.S. contributions to a 1-year authorization of $2.5 million (defeated 164–216).	Yes.
144	do	H.R. 6768, on an amendment to the bill providing for participation by the United States in the United Nations Environmental Program, to delete the $40 million total authorization and through fiscal year 1978 and authorize a contribution of $5 million for fiscal year 1974 only (passed 200–184).	Yes.
145	do	H.R. 6768, on a second vote on the above amendment, which had been passed in the Committee of the Whole House (defeated 192–198).	Yes.
146	do	H.R. 6768, on final passage of the bill providing for participation by the United States in the United Nations Environmental Program, established to coordinate and support work on international environmental concerns (passed 266–123).	Yes.
147	May 16	Quorum call	Present.
148	do	H.R. 5777, to approve a bill to protect hobbyists against the reproduction or manufacture of certain imitation hobby items and to provide additional protection for American hobbyists (passed 382–7).	Yes.
149	May 21	To suspend the rules and pass H.J. Res. 512, the resolution to extend through June 30, 1974, Federal Housing Administration insurance programs, urban renewal programs, open space programs, neighborhood facilities grants, and rehabilitation loan programs (passed 357–1).	Yes.
150	do	To suspend the rules and pass H.R. 6330, the bill to permit the District of Columbia Armory Board to borrow up to $1.5 million to enlarge the seating capacity of the Robert F. Kennedy Stadium (passed 270–98).	Yes.
151	May 22	Quorum call	Present.
152	do	To suspend the rules and pass H.R. 6717, to prohibit the charging of fees for the use of certain public recreation areas at lakes and reservoirs under the jurisdiction of the U.S. Army Corps of Engineers (passed 307–90).	Yes.
153	do	H.R. 7200, on a motion to recommit to committee the bill extending previously granted temporary increases in retirement benefits and liberalizing requirements for benefits (defeated 10–393).	No.
154	do	H.R. 7200, to approve the bill to amend the Railroad Retirement Act of 1937 and the Railroad Retirement Tax Act to extend temporary retirement benefit increases through Dec. 31, 1974, and to liberalize eligibility requirements for railroad retirement (passed 387–5).	Yes.
155	May 23	Quorum call	Present.
156	do	S. 518, to override the President's veto of the bill to abolish the Office of Management and Budget and reestablish it with a Director and Deputy Director subject to Senate confirmation and to transfer from the President to the OMB Director certain statutory authority (defeated 236–178, a ⅔-vote being necessary).	No.
157	do	Quorum call	Present.
158	do	H.R. 7528, on an amendment to the bill authorizing appropriations for the National Aeronautics and Space Administration, to prohibit the use of funds to operate a South African space tracking station (defeated 104–294).	No.
159	do	H.R. 7528, on final passage of the bill to provide authorization for appropriations for fiscal year 1974 for the National Aeronautics and Space Administration (passed 322–73).	Yes.
160	May 29	H. Res. 408, the rule under which to consider H.R. 6912, the bill to authorize a 10 percent devaluation of the dollar (passed 299–9).	No.
161	do	H.R. 6912, on an amendment to the bill to authorize a 10 percent devaluation of the dollar, to allow private purchase, sale, and ownership of gold by U.S. citizens after Dec. 31, 1973, instead of at a date to be determined by the President which would not increase speculation and thereby further weaken the dollar (defeated 162–162).	No.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
162	May 29	H.R. 6912, on an amendment to the bill to authorize a 10 percent devaluation of the dollar, to strike the provision giving the President the authority to determine when to end the prohibition on private gold ownership (defeated 100–218).	No.
163	do.	H.R. 6912, on final passage of the bill to amend the Par Value Modification Act to authorize a 10-percent devaluation of the dollar (passed 281–36).	No.
164	May 30	Quorum call	Present.
165	do.	Quorum call	Present.
166	do.	H.R. 5857, to approve the bill amending the National Visitor Center Facilities Act of 1968 to authorize additional funding to complete the renovation of Washington's Union Station as a National Visitor Center (passed 288–75).	Yes.
167	do.	H.R. 5858, to approve the bill authorizing appropriations for fiscal years 1974–76 for the Interior Department for the maintenance, security and information operations of the John F. Kennedy Center for the Performing Arts (passed 260–100).	Yes.
168	May 31	Quorum call	Present.
169	do.	H.R. 7806, to approve the bill to extend through fiscal year 1974 certain expiring authorizations in the Public Health Service Act, Community Mental Health Centers Act, and the Developmental, Disabilities Services and Facilities Construction Act (passed 372–1).	Yes.
170	do.	H.R. 7724, on an amendment to the bill authorizing biomedical research fellowships and training grants to prohibit Federal sponsorship of research on live human fetuses (passed 354–9).	Yes.
171	do.	H.R. 7724, on final passage of the bill to authorize $208 million for each of fiscal years 1974 and 1975 to continue a Federal program of biomedical research fellowships and training grants (passed 361–5).	Yes.
172	do.	H.R. 6458, to approve the bill authorizing $145 million for fiscal years 1975–76 for emergency medical services grants to local communities for planning, establishing or initially operating emergency medical care systems and for research and training in emergency medical services (passed 261–96).	Yes.
173	June 4	Quorum call	Present.
174	do.	To suspend the rules and pass H. Res. 398, a resolution providing for promotions on the U.S. Capitol Police Force (passed 299–0).	Yes.
175	June 5	Quorum call	Present.
176	do.	To suspend the rules and pass H.R. 8070, the bill authorizing grants for vocational rehabilitation (passed 384–13).	Yes.
177	do.	Quorum call	Present.
178	June 6	Quorum call	Present.
179	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage, to bring minimum wages for farm workers up to the base level of industrial workers (defeated 186–232).	No.
180	do.	H.R. 7935, on an amendment in the form of a substitute to increase the hourly minimum wage for most nonfarm workers to $1.90 upon enactment, then to $2.10 in 1974 and to $2.20 in 1975, and to increase the minimum wage for farm workers in increments up to $2 by 1976 (defeated 199–218).	Yes.
181	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage, to set the minimum wage for employees covered before 1966 at $1.90 per hour the 1st year, $2.10 the 2d year, and $2.20 thereafter (defeated 193–225).	Yes.
182	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage to set the hourly minimum wage rate for nonagricultural employees covered prior to 1966 in 2 steps; to $2.10 on July 1, 1974, and to $2.20 on July 1, 1975 (defeated 189–224).	Yes.
183	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage, to set the minimum wage for farmworkers at $1.50 upon enactment, $1.70 in the 2d year and $2.20 in the 3d year (defeated 195–224).	Yes.
184	do.	H.R 7935, on an amendment to the bill to increase the minimum wage, to increase the hourly minimum for farmworkers to $1.80 per hour upon enactment, to $2 per hour by July 1, 1974, and to $2.20 per hour by July 1, 1975 (defeated 102–313).	No.
185	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage, to strike out extended coverage for Federal employees (defeated 167–249).	Yes.
186	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage, to strike language providing for extended coverage for local and State government employees (defeated 182–233).	Yes.
187	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage, to delete language providing for the elimination of overtime exemptions for seasonal employees who process perishable products (passed 251–163).	Yes.
188	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage to permit employers to hire youths under 18 or full-time students at $1.60 per hour ($1.30 for agricultural labor) or 80 percent of the prevailing adult minimum wage, whichever is higher, for a period not to exceed 20 workweeks (defeated 199–215).	No.
189	do.	H.R. 7935, on an amendment to the bill to increase the minimum wage, to freeze the minimum wage paid in the Panama Canal Zone at its present level, $1.60 per hour (passed 213–203).	Yes.
190	do.	H.R. 7935, on final passage of the bill to increase the minimum wage for all workers covered under the Fair Labor Standards Act to $2.20 per hour, to repeal certain overtime exemptions and extend coverage of the act to around 6 million workers (passed 287–130).	No.
191	do.	Quorum call	Present.
192	do.	On a motion to adjourn (defeated 9–143)	No.
193	June 7	Quorum call	Present.
194	do.	H. Res. 382, on a resolution to disapprove Reorganization Plan No. 2, which proposed combining the drug control activities into a single Drug Enforcement Administration (defeated 130–281).	No.
195	do.	H.R. 7645, to approve the bill authorizing funding for the State Department and prohibiting any such funds from being used for reconstruction aid to North Vietnam (passed 331–57).	Yes.
196	do.	H.R. 7446, to approve the bill to establish the American Revolution Bicentennial Administration to coordinate planning for the 1976 celebration (passed 344–14).	Yes.
197	June 8	H.R. 2246, to adopt the conference report on the bill providing for a 1-year extension of the Public Works and Economic Development Act of 1965 (passed 276–2).	Yes.
198	do.	H. Res. 426, the rule under which to consider H.R. 7670, to authorize appropriations for fiscal year 1974 for Department of Commerce maritime programs (passed 274–0).	Yes.
199	do.	H.R. 7670, to approve the bill authorizing appropriations for fiscal year 1974 for Department of Commerce maritime programs (passed 266–10).	Yes.
200	June 11	Quorum call	Present.
201	do.	Quorum call	Present.
202	do.	On a motion to dispense with Calendar Wednesday business on June 13 (defeated 221–119; a ⅔ vote being necessary).	No.
203	do.	H.R. 4083, to approve the bill to strengthen laws relating to the regulation of insurance in the District of Columbia (passed 330–0).	Yes.
204	do.	H.R. 6713, to approve the bill amending the District of Columbia Election Act regarding the times for filing certain petitions and regulating the primary election for Delegate from the District of Columbia (passed 330–12).	Yes.
205	do.	H.R. 8250, to approve the bill to authorize Government programs and activities in the District of Columbia (passed 268–84).	Yes.
206	do.	H.R. 4771, to approve the bill to give the District of Columbia City Council the power to impose rent controls (passed 210–144).	No.
207	June 12	H.R. 5293, to adopt the conference report on the bill authorizing $77 million for the Peace Corps for fiscal year 1974 (passed 329–64).	Yes.
208	do.	H. Res. 423, the rule under which to consider H.R. 77, the bill to permit employee contributions to jointly administered trust funds established by labor organizations to defray costs of legal services (passed 307–91).	Yes.
209	do.	H.R. 77, on an amendment to the legal services trust fund bill to allow employees benefiting from the legal services funds to select any attorney of their choice rather than an attorney selected by the union (passed 279–126).	Yes.
210	do.	H.R. 77, on an amendment to the legal services trust fund bill to strike language specifying as an unfair labor practice the unilateral modification or termination of a legal services fund agreement or a failure or refusal to bargain on the subject in the next subsequent negotiation (defeated 111–293).	Yes.
211	do.	H.R. 77, on an amendment to the legal services trust fund bill to provide that no labor organization or employer shall be required to bargain on the establishment of a legal services trust fund, but once established, it would be an unfair labor practice to unilaterally modify or terminate the trust fund agreement or to refuse to bargain concerning the trust fund in subsequent negotiations (defeated 177–223).	Yes.
212	do.	H.R. 77, on final passage of the bill to permit employee contributions to jointly administered trust funds established by labor organizations to defray costs of legal services for employees and their families (passed 257–149).	No.
213	June 13	Quorum call	Present.
214	do.	On ordering the previous question on H. Res. 437, the rule under which to consider H.R. 8410, to extend the temporary $465 billion ceiling on the national debt (defeated 21–395).	No.
215	do.	On ordering the previous question on the substitute amendment to the rule, H. Res. 437, the rule under which to consider H.R. 8410, to extend the temporary $465 billion ceiling on the national debt (passed 254–160).	Yes.
216	do.	H. Res. 437, on an amendment to the rule providing for consideration of H.R. 8410, debt ceiling extension, with no provisions waiving points of order against consideration as a floor amendment the text of H.R. 3932, requiring Senate confirmation of the director and deputy director of the Office of Management and Budget (passed 248–163).	Yes.
217	do.	H. Res. 437, on final passage of the rule, as amended, under which to consider H.R. 8410, to extend the temporary $465 billion ceiling on the national debt (passed 271–141).	Yes.
218	do.	Quorum call	Present.
219	do.	H.R. 8410, to approve the bill to extend the temporary $465 billion ceiling on the national debt (passed 261–152).	Yes.
220	June 14	Quorum call	Present.
221	do.	Quorum call	Present.
222	do.	H.R. 3926, on an amendment to the bill authorizing appropriations to extend the National Foundation on Arts and the Humanities Act, to decrease the fiscal year 1974 authorization from $145 million to $81 million (defeated 141–248).	Yes.
223	do.	H.R. 3926, on an amendment to the bill authorizing appropriations to extend the National Foundation on Arts and the Humanities Act, to delete the authorizations for funding for fiscal years 1975 and 1976, and to provide a 1-year authorization instead of a 3-year authorization (defeated 146–235).	Yes.
224	do.	H.R. 3926, on final passage of the bill to provide authorization to extend the National Foundation on Arts and Humanities Act (passed 309–63).	Yes.
225	do.	Quorum call	Present.
226	June 15	Quorum call	Present.
227	do.	Quorum call	Present.
228	do.	H.R. 8619, on an amendment to the bill making appropriations for agriculture, environmental, and consumer protection programs, to prohibit payment of the salaries for personnel of Cotton, Inc., a quasi-public organization which conducts cotton research and promotion (passed 234–125).	No.
229	do.	H.R. 8619, on an amendment to the agriculture, environmental and consumer protection appropriations bill, to prohibit the payment of salaries to personnel who formulate or carry out progams on which the total price support payments on wheat, feed grains and cotton exceed $20,000, or on programs which sanction the sale or lease of cotton acreage allotments (passed 195–157).	No.
230	do.	H.R. 8619, on final passage of the bill to provide appropriations for agriculture, environmental and consumer protection programs for fiscal year 1974 (passed 304–3).	Yes.
231	June 18	Quorum call	Present.
232	do.	Quorum call	Present.
233	do.	H.R. 8658, to approve the bill making appropriations for the District of Columbia for fiscal year 1974 (passed 321–64).	Yes.
234	do.	Quorum call	Present.
235	do.	H.R. 8152, on an amendment to the bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, to provide for optional inclusion of citizens representatives, professional and community organizations in state and regional criminal justice and law enforcement planning units (passed 227–162).	Yes.
236	do.	H.R. 8152, on an amendment to the bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, to add language stating that nothing in the bill shall be construed to require the adoption by a grantee of a quota or other type of system to achieve racial balance (passed 231–161).	Yes.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
237	June 18	H.R. 8152, on final passage of the bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, to strengthen law enforcement and criminal justice (passed 391–0).	Yes.
238	June 19	H.R. 689, to suspend the rules and pass the bill to make it a Federal crime for private persons or debt collecting agencies to misuse names in the collection of debts so as to convey the false impression that any agency of the Federal Government is involved (passed 399–0).	Yes.
239	do	H.R. 6129, to suspend the rules and pass the bill providing for the continuance of civil government for the Trust Territories of the Pacific Islands (passed 387–14).	Yes.
240	do	H.R. 7127, to suspend the rules and pass the bill providing for a 3-year authorization to continue the National Historical Preservation Act programs (passed 385–16).	Yes.
241	do	H. Res. 434, the resolution providing for consideration of H.R. 5464, the bill to authorize appropriations for the saline water program for fiscal year 1974 (passed 389–4).	Yes.
242	do	H.R. 5464, on an amendment to the saline water program authorization, to increase funds in the bill from $9.2 million to $15.8 million (passed 281–125).	No.
243	do	H.R. 5464, on final passage of the bill to authorize appropriations for the saline water program for fiscal year 1974 (passed 399–4).	Yes.
244	do	H.R. 4980, to approve the bill providing for the reclassification of positions of deputy U.S. marshal (passed 319–84).	No.
245	June 20	Quorum call	Present.
246	do	H.R. 8760, on an amendment to the bill making appropriations for the Department of Transportation for fiscal year 1974, to delete $1.6 million for new moorings for the Coast Guard Cutter Mackinaw at Cheboygen, Mich. (defeated 107–309).	Yes.
247	do	H.R. 8760, on an amendment to the bill making appropriations for the Department of Transportation, to add $3 million in urban transportation systems (defeated 204–213).	No.
248	do	H.R. 8760, on an amendment to the bill making appropriations for the Department of Transportation, to add $9.7 million for research and demonstration for personal rapid transit programs (defeated 137–277).	No.
249	do	H.R. 8760, on an amendment to the bill making appropriations for the Department of Transportation, to delete all funds in the bill for research, development and demonstration of urban mass transportation programs (defeated 17–392).	No.
250	do	H.R. 8760, on final passage of the bill making appropriations for the Department of Transportation for fiscal year 1974 (passed 414–2).	Yes.
251	do	H. Res. 435, the rule under which to consider H.R. 7824, the bill to establish a Legal Services Corporation (passed 358–34).	No.
252	June 21	Quorum call	Present.
253	do	Quorum call	Present.
254	do	H.R. 7824, on an amendment to the bill establishing a Legal Services Corporation, to prohibit the corporation from undertaking, by grant or contract, activities in backup research centers (passed 245–166).	Yes.
255	do	H. R. 7824, on an amendment to the bill establishing a Legal Services Corporation, to insert language allowing persons to bring suit against the corporation and reimbursing costs and fees to plaintiffs who win such court actions (defeated 159–237).	Yes.
256	do	H.R. 7824, on an amendment to the bill establishing a Legal Services Corporation, to include administrative advocacy in the bill's prohibition against legislative advocacy (passed 200–181).	Not voting.
257	do	H.R. 7824, on an amendment to the bill establishing a Legal Services Corporation, to prohibit full time attorneys of the Corporation from engaging in partisan and nonpartisan political activities (passed 207–171).	Not voting.
258	do	H.R. 7824, on an amendment to the bill establishing a Legal Services Corporation, to prohibit the Corporation from providing legal assistance with respect to any proceeding or litigation relating to the desegregation of any school or school system (passed 221–150).	Not voting
259	do	H.R. 7824, on an amendment to the bill establishing a Legal Services Corporation, to prevent the Corporation from funding legal research backup centers (passed 233–139).	Not voting.
260	do	H.R. 7824, on a motion to strike the enacting clause and thereby kill the bill establishing a Legal Services Corporation (defeated 91–283).	Not voting.
261	do	H.R. 7824, on a substitute amendment to the Legal Services Corporation bill amendment prohibiting the Corporation from providing legal assistance which sought to procure a nontherapeutic abortion or to compel the performance of abortion contrary to the religious beliefs or moral convictions of an individual or an institution (passed 316–53).	Not voting.
262	do	H.R. 7824, on the amendment to the Legal Services Corporation bill containing the substitute amendment adopted on rollcall No. 261, above (passed 301–68).	Not voting.
263	do	H.R. 7824, on final passage of the bill to establish a Legal Services Corporation to replace the legal services programs of the Office of Economic Opportunity (passed 276–95).	Not voting.
264	June 22	Quorum call	Absent.
265	do	H.R. 8510, on an amendment to the bill authorizing appropriations for the National Science Foundation, to delete from the bill the provision designed to prevent selective impoundment of science funds and to reinstate the less stringent customary authority covering transfers of funds between programs (defeated 109–238).	Not voting.
266	do	H.R. 8510, on an amendment to the bill authorizing appropriations for the National Science Foundation, to prohibit funds from being used for research on human living fetuses (passed 288–73).	Not voting.
267	do	H.R. 8510, on final passage of the bill authorizing appropriations for the National Science Foundation for fiscal year 1974 (passed 364–6).	Not voting.
268	do	Quorum call	Absent.
269	do	H.R. 8825, on an amendment to the bill making appropriations for the Department of Housing and Urban Development and related agencies, to increase by $75 million the funds for community comprehensive planning (defeated 168–184).	Not voting.
270	do	H.R. 8825, on an amendment to the HUD appropriations bill, to increase by $400 million the funds for urban renewal programs (defeated 106–241).	Not voting.
271	do	H.R. 8825, on final passage of the bill making appropriations for the Department of Housing and Urban Development and related agencies for fiscal year 1974 (passed 316–21).	Not voting.
272	June 25	Quorum call	Present.
273	June 25	H.R. 7447, second supplemental appropriations bill for fiscal year 1973, on a motion that the House recede from its disagreement with Senate amendment No. 83, which would prohibit the use of funds in this bill or any other previous appropriations measure from being used to carry on U.S. military activities in or over Cambodia and Laos (passed 235–172).	No.
274	do	H.R. 7447, on a preferential motion to the second supplemental appropriation bill, to concur in Senate amendment No. 83 with an amendment to prohibit the use of any funds to support combat activities in Cambodia or Laos after September 1, 1973 (defeated 204–204).	Yes.
275	do	H. Res. 454, a resolution authorizing the Speaker of the House to entertain motions to suspend the rules during the week of June 25, 1973 (passed 276–129).	No.
276	do	Quorum call	Present.
277	do	H.R. 8662, on an amendment to the bill authorizing funds for the Atomic Energy Commission, with regard to the establishment by the states of regulations covering emissions stricter than those established by the Commission (defeated 136–266).	No.
278	do	H.R. 8662, on final passage of the bill authorizing funds for the Atomic Energy Commission (passed 398–4).	Yes.
279	do	Quorum call	Present.
280	do	Quorum call	Present.
281	June 26	Quorum call	Present.
282	do	H.J. Res. 636, on a motion to the continuing appropriations bill for fiscal year 1974, limiting debate on a pending amendment to 20 minutes (passed 275–136).	Yes.
283	do	H.J. Res. 636, on an amendment to a substitute amendment to the continuing appropriations bill to prohibit all funds herein or previously appropriated from being used for combat activities in or over Cambodia or Laos (passed 218–194).	No.
284	do	H.J. Res. 636; due to the parliamentary situation, 2 additional votes on the above amendment were required (passed 232–181).	No.
285	do	H.J. Res. 636, final vote on the amendment designed to prohibit any funds from being expended either directly or indirectly to support combat activities in or over Laos, Cambodia, Vietnam, and South Vietnam or off their shores by U.S. forces (passed 240–172).	No.
286	do	H.J. Res. 636, the resolution providing for continuing appropriations for fiscal year 1974, necessary due to lack of final action on the regular appropriations bills for most agencies for the fiscal year starting July 1, 1973 (passed 325–86).	Yes.
287	do	H. Res. 455, to approve the rule under which to consider H.R. 8877, the bill making appropriations for the Departments of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1974 (passed 395–3).	Yes.
288	do	Quorum call	Present.
289	do	Quorum call	Present.
290	do	H.R. 8877, on an amendment to the Labor-HEW appropriations bill, to reduce the funding for the Office of Economic Opportunity (OEO) by $100 million (defeated 110–288).	No.
291	do	H.R. 8877, on an amendment to the Labor-HEW appropriations bill, to reduce the total cost of the bill by $632 million by making reductions in 26 various sections of the bill (defeated 186–213).	Yes.
292	do	H.R. 8877, on an amendment to the Labor-HEW appropriations bill, to increase by $15 million the funding for bilingual education programs (defeated 161–244).	No.
293	do	H.R. 8877, on an amendment to the Labor-HEW appropriations bill, to restrict grants to local education agencies for each State to a minimum of 90 percent of the amounts made available in fiscal year 1972 (rejected 190–218).	No.
294	do	H.R. 8877, on a motion to recommit to committee the Labor-HEW appropriations bill, with instructions that the committee report it back to the House with reduction in the total cost of the bill of $600 million by making various reductions in 26 sections of the bill (defeated 186–219).	Yes.
295	do	H.R. 8877, on final passage of the bill making appropriations for the Departments of Labor and Health, Education, and Welfare for fiscal year 1974 (passed 347–58).	Yes.
296	June 27	Quorum call	Present.
297	do	H.R. 8215, on an amendment to the bill to continue the suspension of the import duty on certain shoe copying lathes until June 30, 1976 (passed 403–0).	Yes.
298	do	H.R. 4200, to approve the bill providing for an exclusion from taxable income of money paid into a survivors benefit plan by a serviceman (passed 402–0).	Yes.
299	do	H. Res. 470, the rule under which to consider H.R. 8917, the bill making appropriations for the Department of Interior for fiscal year 1974 (passed 401–12).	Yes.
300	do	H.R. 7447, to override the President's veto of the second supplemental appropriations bill for fiscal year 1973 (defeated 241–173; a ⅔ vote being necessary).	No.
301	do	Quorum call	Present.
302	do	Quorum call	Present.
303	do	Quorum call	Present.
304	do	H.R. 8917, to approve the bill providing appropriations for the Department of Interior and related agencies for fiscal year 1974 (passed 405–4).	Yes.
305	June 28	Quorum call	Present.
306	do	H.R. 8537, the military Dependents Assistance Act, on a motion to instruct conferees to insist on the House disagreement to title III of the Senate amendment which extended the time period during which highranking officers in noncombat assignments could be entitled to flight pay (passed 238–175).	No.
307	do	Quorum call	Present.
308	do	H.R. 8947, on an amendment to the bill authorizing appropriations for public works for water and power development, to eliminate funds from the program for the nuclear stimulation of natural gas (defeated 108–303).	No.
309	do	H.R. 8947, on an amendment to the bill authorizing appropriations for public works for water and power development, to increase by $4.7 million funding for the Atomic Energy Commission for geothermal energy research (passed 206–205).	Yes.
310	do	H.R. 8947, on final passage of the bill making appropriations for public works for water and power development for fiscal year 1974 (passed 384–26).	Yes.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
311	June 28	H.R. 8548, to approve the bill extending the Council on International Economic Policy (CIEP) for two years and to require Senate confirmation of future CIEP executive directors (passed 322-62).	Yes.
312	June 29	Quorum call	Present.
313	do	H.R. 9055, on an amendment to the bill making supplemental appropriations for the fiscal year ending June 30, 1973, to extend the proposed ban on U.S. combat activities in or over Cambodia or Laos to cover hostilities in any sovereign state (defeated 57–346).	No.
314	do	H.R. 9055, on an amendment to the bill making supplemental appropriations for the fiscal year ending June 30, 1973, to provide for an immediate and complete cutoff of funds for combat activities in or over Cambodia or Laos (defeated 169–236).	No.
315	do	H.R. 9055, on final passage of the bill making supplemental appropriations for the fiscal year ending June 30, 1973, and to provide a ban against use of funds provided in the bill for combat activities in or over Cambodia, Laos or Vietnam, and a ban against using previously appropriated funds for such purposes after Aug. 15, 1973 (passed 278–124).	Yes.
316	do	Quorum call	Present.
317	do	H.R. 8916, on an amendment to the bill making appropriations for the Departments of State, Justice, Commerce and the Judiciary for fiscal year 1974, to add $2.8 million in Federal judiciary funding and to increase by $709,000 travel funds for the judiciary (passed 220–164).	No.
318	do	H.R. 8916, on final passage of the bill making appropriations for the Departments of State, Justice, Commerce and the Judiciary for fiscal year 1974 (passed 370–11).	Yes.
319	do	H.R. 8410, the bill providing for a temporary debt limit extension, on a motion to concur with a Senate amendment providing for a 5.6 percent social security increase in April 1974 (defeated 185–190).	Yes.
320	June 30	Quorum call	Present.
321	do	H.R. 8410, the bill providing for continuation of the existing temporary increase in the public debt limit, on a motion to concur with a Senate amendment to put the presidential campaign contribution income tax checkoff on a nonpartisan basis and to provide for continuation of maternal and child health programs and liberalized the continuation of extended unemployment benefits (passed 294–54).	Yes.
322	do	H.J. Res. 636, on adoption of the conference report on the bill providing for continuing appropriations through Sept. 30, 1973, for agencies for which regular appropriations bills had not been passed and to ban the use of funds for combat in or over Laos, Cambodia or Vietnam after Aug. 15, 1973 (passed 266–65).	Yes.
323	do	H.R. 7445, on the bill providing for an extension of the Renegotiation Act, on a motion to concur with a Senate amendment as amended to provide for a 5.6 percent social security increase in June of 1974 (passed 327–9).	Yes.
324	July 10	Quorum call	Present.
325	do	H.R. 8860, on an amendment to the bill to extend and amend the Agricultural Act of 1970, on an amendment to reduce the limit on Government subsidy payments to farmers from a proposed $37,500 to $20,000 per crop on wheat, feed grain and cotton (passed 313–89).	No.
326	do	H.R. 8860, on an amendment to the bill to extend and amend the Agricultural Act of 1970, on an amendment to reduce the subsidy limitation on wheat, feed grains and cotton to $20,000 per farmer and to prohibit planters from selling or leasing part of their cotton allotments (passed 246–163).	No.
327	do	H.R. 8860, on an amendment to the bill to extend and amend the Agricultural Act of 1970, to prohibit the use of any Commodity Credit Corporation funds to finance any future wheat sales to Russia or China (defeated 139–264).	No.
328	July 11	Quorum call	Present.
329	do	H.R. 8860, on an amendment to the bill to extend and amend the Agricultural Act of 1970, to delete from the bill funding for Cotton, Inc., a cotton research and promotion organization (passed 241–162).	No.
330	do	H.R. 8860, on an amendment to the bill to extend and amend the Agricultural Act of 1970, to remove from the bill the escalator clause providing for annual adjustment of target prices for wheat, cotton and feed grains on the basis of production cost changes (defeated 174–239).	Yes.
331	do	H.R. 8860, on an amendment to the bill to extend and amend the Agricultural Act of 1970, to add language to extend price support loan provisions under the wheat, cotton and feed grains programs to farmers not participating in the programs (defeated 160–247).	Yes.
332	do	H.R. 8860, on an amendment to the bill to extend and amend the Agricultural Act of 1970, to provide for a 3-year phaseout of income supplement payments and to end certain crop-by-crop acreage allotments (defeated 186–220).	No.
333	July 12	Quorum call	Present.
334	do	On a procedural motion that the Committee of the Whole "rise," which has the effect of postponing further action on the agriculture bill to allow for further off the floor deliberation on provisions of H R. 8860 (passed 325–67).	Yes.
335	do	H.R. 8606, on an amendment to the bill to amend the Small Business Act to delete provisions for section 7(a) loan forgiveness (defeated 167–245).	Yes.
336	do	H.R. 2990, to approve the bill providing for annual authorizations of appropriations for the U.S. Postal Service, thereby restoring some congressional oversight into Postal Service operations (passed 328–65).	Yes.
337	July 16	Quorum call	Present.
338	do	H.R. 8860, on an amendment to the bill to amend and extend the Agriculture Act of 1970, to strike the provisions on the cotton program (passed 267–190).	
339	do	Quorum call	Present.
340	do	H.R. 8860, on an amendment to the bill to amend and extend the Agriculture Act of 1970, to delete from the bill the section to transfer from the Labor Department to the Agriculture Department the authority to establish pesticide regulations (passed 221–177).	No.
341	July 17	Quorum call	Present.
342	do	S. 504, to adopt the conference report on the bill providing a 3-year authorization for Federal aid to emergency medical services systems and prohibiting the closing of Public Health Service hospitals without the authorization of Congress (passed 306–111).	Yes.
343	July 17	H.R. 6078, to suspend the rules and pass the bill to include inspectors of the Immigration and Naturalization Service or Bureau of Customs within the provisions of the United States Code relating to the retirement of certain employees engaged in hazardous occupations (passed 296–123).	Yes.
344	do	H.R. 8949, to suspend the rules and pass the bill to provide for readjustment of the interest rates on loans to veterans based on prevailing market demands (passed 412–3).	Yes.
345	do	H.R. 9048, to suspend the rules and pass the bill providing for expanded Veterans' Administration medical programs and to authorize the contracting out of certain care for certain survivors and dependents of veterans (passed 421–0).	Yes.
346	do	S. 2120, to suspend the rules and pass the bill to carry out provisions of the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act of 1970 (passed 409–7).	Yes.
347	do	S. 1572, to suspend the rules and pass the bill providing for a $5 million authorization for the Commission on Productivity and Work Quality (defeated 174–237).	No.
348	July 18	Quorum call	Present.
349	do	H.J. Res. 542, on a substitute amendment to the resolution defining war powers, to require Congress to specifically approve or disapprove the commitment of forces by the President in absence of a declaration of war within 90 days of such executive action (defeated 166–250).	Yes.
350	do	H.J. Res. 542, on an amendment to the resolution defining war powers, in the nature of a substitute bill to bar troop commitments without a congressional declaration of war, specific congressional authorization or a military attack upon the United States (defeated 153–262).	No.
351	do	H.J. Res. 542, on an amendment to the resolution defining war powers, to require that Congress specifically approve or disapprove the commitment or enlargement in number of U.S. combat troops abroad within 120 days following a Presidential report of such action (defeated 200–211).	Yes.
352	do	H.J. Res. 542, on final passage of the bill defining war powers (passed 244–170).	No.
353	July 19	Quorum call	Present.
354	do	H.R. 8860, on an amendment to the bill amending and extending the Agriculture Act of 1970, to delete a provision giving eligibility for food stamps to persons receiving supplemental security income (SSI) benefits (passed 238–173).	No.
355	do	H.R. 8860, on an amendment to the bill amending and extending the Agriculture Act of 1970, to prohibit striking workers from receiving food stamps (passed 213–203).	Yes.
356	do	H.R. 8860, on an amendment to the bill amending and extending the Agriculture Act of 1970 to liberalize the eligibility for food stamps, as amended above (passed 210–207).	Yes.
357	do	H.R. 8860, on an amendment to the bill amending and extending the Agriculture Act of 1970, to prohibit the payment of farm subsidies to a farmer on any crop planted or harvested during a labor dispute involving the producer or his employees (defeated 85–326).	No.
358	do	H.R. 8860, on an amendment to the bill amending and extending the Agriculture Act of 1970, on the second substitute amendment to prohibit food stamps for strikers (passed 208–207).	Yes.
359	do	H.R. 8860, on an amendment to the bill amending and extending the Agriculture Act of 1970, to restore the cotton program to the bill but with the elimination of funds for Cotton, Inc. (passed 250–165).	No.
360	do	H.R. 8860, on a motion to "strike the enacting clause," thereby killing the bill to extend and amend the Agriculture Act of 1970 (defeated 73–338).	No.
361	do	H.R. 8860, on an amendment to the bill to extend and amend the Agriculture Act of 1970, on a motion to recommit the bill to committee with instructions to delete the target-price escalator provisions for cotton (passed 248–165).	No.
362		H.R. 8860, on a motion to recommit to committee the bill to extend and amend the Agriculture Act of 1970, with instructions to delete the target-price escalator provisions on cotton, wheat, and feed grains (defeated 182–225).	No.
363	do	H.R. 8860, on final passage of the bill to extend and amend the Agriculture Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices (passed 226–182).	Yes.
364	July 20	Quorum call	Present.
365	do	H.R. 8538, on an amendment to the bill containing authorizations for the Corporation of Public Broadcasting, to withhold grants for construction of public broadcasting facilities unless the recipient was found to be in compliance with all laws prohibiting discrimination in employment practices (defeated 189–190).	No.
366	do	H.R. 8538, on final passage of the bill containing authorizations for the Corporation of Public Broadcasting for fiscal years 1974 and 1975 (passed 363–14).	Yes.
367	July 23	H. Res. 493, to approve the resolution providing for consideration of H.R. 5356, to provide for control of toxic substances (passed 351–4).	Yes.
368	do	H.R. 5356, on an amendment to the bill providing for control of toxic substances, to direct the Administrator of the Environmental Protection Agency to use the authority of other acts under his jurisdiction for the purpose of regulating chemical substances (passed 193–192).	No.
369	do	H.R. 5356, on an amendment to the bill providing for control of toxic substances, with regard to promulgation of administrative regulations by the Administrator of the EPA (defeated 159–236).	No.
370	do	H.R. 5356, the bill providing for control of toxic substances, on a demand for a second vote on the amendment adopted on rollcall No. 368 (defeated 183–202).	No.
371	do	H.R. 5356, on final passage of the bill providing for control of toxic substances, authorizing the Administrator of the EPA to require the testing of chemical substances, to establish a system of premarket screening, and to adopt rules restricting the manufacture of certain chemical substances (passed 324–73).	No.
372	do	Quorum all	Present.
373	do	H. Res. 495, the resolution under which to consider H.R. 8929, the bill providing for revision of mailing rates for certain publishers and book and record distributors (defeated 180–202).	No.
374	July 24	S. 1888, on ordering the previous question on the motion to instruct House conferees on the bill to amend and extend the Agriculture Act of 1970 to insist on a House amendment prohibiting bargain sales or gifts of farm products to North Vietnam under the food for peace program or others (passed 244–155).	Yes.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
375	July 24	S. 1888, on the motion to instruct House conferees on the farm bill to insist on an amendment to the bill to prohibit bargain sales or gifts of farm products to North Vietnam under the food for peace program or others (passed 371–35).	Yes.
376	do.	Quorum call	Present.
377	do.	H.R. 8480, on an amendment to the bill requiring the President to notify the Congress whenever he impounds funds and to provide a disapproval procedure, to empower the Comptroller General to exempt from provisions of the bill impoundments of funds which he determines to be in accordance with the Anti-Deficiency Act (defeated 180–229).	Yes.
378	do.	H.R. 8480, on an amendment to the bill to require the President to notify the Congress whenever he impounds funds and to provide a disapproval procedure, proposing concurrent action by both the House and Senate to overrule a Presidential impoundment of funds instead of an adverse resolution by either the House or Senate (defeated 205–206).	Yes.
379	July 25	Quorum call	Present.
380	do.	S. 1423, to adopt the conference report to the bill to allow employer contributions to jointly administered trust funds established by labor organizations to defray legal costs for employees (passed 256–155).	No.
381	do.	Quorum call	Present.
382	do.	H.R. 8480, on an amendment to the bill requiring the President to notify the Congress whenever he impounds funds and to provide a disapproval procedure, to provide that an impoundment action cease after 60 days unless ratified by both Houses of Congress by concurrent resolution (defeated 96–318).	No.
383	do.	H.R. 8480, on a amendment to the bill requiring the President to notify the Congress whenever he impounds funds and to provide a disapproval procedure, to further reduce the ceiling on fiscal year 1974 outlays by $7.1 billion (defeated 156–252).	No.
384	do.	H.R. 8480, on an amendment to the bill requiring the President to notify the Congress whenever he impounds funds and to provide a disapproval procedure, to further reduce the ceiling on fiscal year 1974 outlays by $3.8 billion (defeated 205–206).	Yes.
385	do.	H.R. 8480, on a motion to recommit to committee the bill requiring the President to notify the Congress whenever he impounds funds and to provide a disapproval procedure, with instructions that the bill be reported back with an amendment that it would require concurrent action by both Houses of Congress to overrule a Presidential impoundment action (defeated 208–212).	Yes.
386	do.	H.R. 8480, on final passage of the bill requiring the President to notify the Congress whenever he impounds funds and to provide a disapproval procedure (passed 254–164).	No.
387	July 26	Quorum call	Present.
388	do.	Quorum call	Present.
389	do.	Quorum call	Present.
390	do.	Quorum call	Present.
391	do.	H.R. 9360, on an amendment to the bill making foreign aid authorizations for fiscal year 1974, to reduce funds in the bill for population planning and health to $75 million from $150 million (defeated 131–271).	Yes.
392	do.	H.R. 9360, on an amendment to the bill making foreign aid authorizations for fiscal year 1974, to strike the section of the bill authorizing $93 million for selected development programs (defeated 203-204).	Yes.
393	do.	H.R, 9360, on an amendment to the bill making foreign aid authorizations for fiscal year 1974, to strike language authorizing $60 million for assistance to selected countries and organizations (defeated 173-232).	Yes.
394	do.	Quorum call	Present.
395	do.	H.R. 9360, on an amendment to the bill making foreign aid authorizations for fiscal year 1974, to prohibit foreign aid to any country which expropriates any property owned by U.S. citizens, repudiates any contract or, imposes discriminatory measures having the effect of expropriation, unless compensation is provided for (passed 279–102).	Yes.
396	do.	H.R. 9360, on an amendment to the bill making foreign aid authorizations for fiscal year 1974, to strike out the section which sought to establish a U.S. Development Credit Fund to lend money to undeveloped nations to buy U.S. exports (passed 240–137).	Yes.
397	do.	H.R. 9360, on a motion to recommit the foreign aid bill to committee with instructions that the proposed authorization be reduced by $68 million (passed 232–139).	Yes.
398	do.	H.R. 9360, on final passage of the bill making foreign aid authorizations of $2.8 billion for fiscal year 1974 (passed 188–183).	No.
399	July 30	H.R. 8947, to adopt the conference report on the bill making appropriations of $4.7 billion for public works, flood control and power projects, for the Atomic Energy Commission and related agencies (passed 373–9).	Yes.
400	do.	H. Res. 512, to approve the resolution directing the President to submit recommendations by Aug. 21, 1973, for pay raises for Members of Congress, Federal judges, and Cabinet members which could go into effect without a congressional vote, and called for a review of such salaries every 2 years, instead of every 4 years (defeated 156–237).	No.
401	do.	S. Con. Res. 42, to approve the resolution providing for a congressional adjournment from Aug. 3 to Sept. 5, unless Members were given prior notice by the leadership to reassemble (passed 370–22).	Yes.
402	do.	H.R. 9474, to suspend the rules and pass the bill to increase the monthly rates of veterans' disability and death pensions and dependency and indemnity compensation for survivors (passed 385–0).	Yes.
403	do.	Quorum call	Present.
404	July 31	Quorum call	Present.
405	do.	H.R. 9286, on an amendment to the bill authorizing military procurement for fiscal year 1974, to delete the authorization for the CVN–70 nuclear aircraft carrier by $657 million (defeated 88–323).	No.
406	do.	H.R. 9286, on an amendment to the bill authorizing military procurement for fiscal year 1974, to delete $437.5 million for research and development for the B–1 bomber (defeated 96–313).	No.
407	do.	H.R. 9286, on an amendment to the bill authorizing military procurement for fiscal year 1974, to pull back U.S. troops from any nation paying a smaller portion of its gross national product for defense than does the United States, with a June 30, 1974 deadline for such pull backs (defeated 130–382).	No.
408	do.	H.R. 9286, on an amendment to the bill authorizing military procurement for fiscal year 1974, to reduce the total of U.S. troops overseas by 322,000 and to place a ceiling of 300,000 on the number of troops to be assigned overseas after fiscal year 1974 (defeated 67–339).	No.
409	do.	H.R. 9386, on an amendment to the bill authorizing military procurement for fiscal year 1974, calling for an Armed Services Committee report concerning U.S. troops levels in Europe (passed 242–163).	Not voting.
410	do.	H.R. 9386, on an amendment to the bill authorizing military procurement for fiscal year 1974, to reduce funding in the bill by $940 million, and set a ceiling equal to fiscal year 1973 outlays plus an inflation factor increase (passed 242–163).	Not voting.
411	do.	H.R. 9386, on final passage of the bill authorizing military procurement for fiscal year 1974 (passed 367–37).	Not voting.
412	Aug. 1	H.R. 8825, to adopt the conference report on the bill making appropriations of $19.1 billion for the Housing and Urban Development Department, NASA, the Veterans Administration, and various independent agencies for fiscal year 1974 (passed 401–9).	Yes.
413	do.	H.R. 8825, on a motion on the conference report on the bill making appropriations for HUD and other agencies, that the House insist on disagreement with Senate amendment No. 44 with regard to funding for limosines and Government vehicles (passed 222–189).	Yes.
414	do.	Quorum call	Present.
415	do.	H.R. 9590, on an amendment to the bill making appropriations for the Treasury Department and other agencies for fiscal year 1974, to reduce by 5 percent the funding for the Office of Management and Budget (defeated 199–209).	No.
416	do.	H.R. 9590, on an amendment to the bill making appropriations for the Treasury Department and other agencies for fiscal year 1974, to reduce by 25 percent the funds proposed for the Office of Telecommunications Policy (defeated 190–217).	No.
417	Aug. 2	Quorum call	Present.
418	do.	H. Res. 515, the resolution providing for consideration of H.R. 9130, the trans-Alaska pipeline authorization (passed 401–11).	Not voting.
419	do.	H.R. 9130, on an amendment to the trans-Alaska pipeline authorization, to restrict the granting of a right-of-way for the pipeline across national park, wildlife refuge or wilderness lands (defeated 160–261).	No.
420	do.	H.R. 9130, on an amendment to the trans-Alaska pipeline authorization, to delete language from the bill declaring that actions by the Secretary of Interior regarding the pipeline were in compliance with the National Environmental Policy Act (NEPA) of 1969, and substituting language giving priority to the proceedings in any U.S. Federal court with respect to the provisions of NEPA and the pipeline (defeated 198–221).	No.
421	do.	H.R. 9130, on an amendment to the trans-Alaska pipeline authorization, to require the President, within 6 months after enactment, to develop a national petroleum contingency plan and provide for allocation among the States and the 5 Petroleum Administration for Defense (PAD) districts (rejected 177–228).	No.
422	do.	H.R. 9130, on an amendment to the trans-Alaska pipeline authorization, to require that all articles, materials, and supplies used in the future for the Alaska pipeline be mined, produced or manufactured in the United States (passed 334–65).	Yes.
423	do.	H.R. 9130, on an amendment to the trans-Alaska pipeline authorization, to authorize the Secretary of Interior to grant right-of-way permits for the construction only of the pipeline, instead of for its construction, operation amd maintenance (defeated 177–228).	No.
424	do.	H.R. 9130, on final passage of the bill to authorize the Secretary of Interior to grant a right-of-way for the trans-Alaska pipeline (passed 356–60).	Yes.
425	Aug. 3	S. 1636, to adopt the conference report on the bill to extend the Council on International Economic Policy (CIEP) to June 1977 and to require Senate confirmation for future appointments of CIEP executive directors (passed 335–71).	Yes.
426	do.	H. Res. 518, the rule under which to consider S. 1264, to authorize and direct the Secretary of the Treasury to make grants to Eisenhower College in New York out of proceeds from the sale of silver dollar coins (defeated 183-230).	No.
427	do.	S. 502, to adopt the conference report on the bill authorizing Federal aid highway programs for fiscal years 1974–76, with provisions for some funding for bus purchases and rail transit construction (passed 382–34).	Yes.
428	do.	H.R. 7935, to adopt the conference report on the bill providing for an increase in the minimum wage to $2.20 per hour and expanding the coverage of the Fair Labor Standards Act minimum wage laws (passed 253–152).	No.
429	do.	S. 1888, on ordering the previous question on a motion to agree to the Senate amendments on the bill extending and amending the Agriculture Act of 1970 (passed 349–59).	Yes.
430	do.	S. 1888, on a motion to concur with the Senate amendments, with an amendment urging increased farm production, on the bill to extend and amend the Agriculture Act of 1970 (passed 252–151).	Yes.
431	do.	H.R. 8658, to adopt the conference report on the bill making appropriations for the District of Columbia for fiscal year 1974 (passed 342–47).	Yes.
432	do.	H.R. 8760, to adopt the conference report on the bill making appropriations of $2.9 billion for fiscal year 1974 for the Department of Transportation and related agencies (passed 359–5).	Yes.
433	Sept. 5	Quorum call	Present
434	do.	H.J. Res. 512, on a motion to recommit to conference the resolution to extend Federal loan and mortgage insurance authority (passed 202–172).	Yes.
435	do.	H.R. 8920, to approve the bill making a 2-year authorization for the anti-lead-based paint poisoning program including detection and treatment of lead paint poisoning in children (passed 368–11).	Yes.
436	do.	H.R. 8449, to approve the bill authorizing a mandatory Federal flood insurance program and to penalize flood-prone communities which do not participate in the program (passed 359–21).	No.
437	Sept. 6	H.R. 6912, to adopt the conference report on the bill to amend the Par Value Modification Act, to provide a 10 percent devaluation of the dollar and to provide for private ownership of gold by U.S. citizens when the President determines it would not adversely affect the U.S. international monetary position (passed 322–59).	Yes.
438	do.	H.R. 8351, to approve the bill authorizing $107.3 million for the National Railroad Passenger Corporation for fiscal year 1974 (passed 357–37).	No.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
439	Sept. 6	H. Res. 484, the resolution providing for consideration of H.R. 8547, to amend the Export Administration Act (passed 304–84).	Yes.
440	do	H.R. 8547, on an amendment to the bill to amend the Export Administration Act, to require the Secretary of Commerce to report to Congress any decision he makes on prohibition or curtailment of commodities exported and to permit either House of Congress to disapprove such decisions by a simple resolution (defeated 154–211).	Yes.
441	do	H.R. 8547, on final passage of the bill to amend the Export Administration Act, to protect the domestic economy from shortages and/or the inflationary impact of abnormal foreign demand (passed 220–133).	Yes.
442	Sept. 10	H. Res. 536, to approve the resolution citing G. Gordon Liddy for contempt of Congress and turning the case over to the U.S. attorney for the District of Columbia (passed 334–11).	Yes.
443	do	H.R. 7482, to approve the bill to amend the Federal Cigarette Labeling and Advertising Act to extend its advertising restriction provisions to include little cigars (passed 287–63).	No.
444	Sept. 11	Quorum call	Present.
445	do	H.R. 7645, on a motion to delete from the conference report on the State Department authorizations bill a nongermane section to cut off funds for the Department of State and other agencies if they do not comply within 35 days with any request for information by the House Foreign Affairs Committee or the Senate Foreign Relations Committee (passed 213–185).	Yes.
446	do	H.R. 2096, to approve the bill to prohibit the imposition by the States of discriminatory burdens upon interstate commerce in wine (passed 213–185).	No.
447	do	H. Res. 511, the resolution providing for consideration of S. 1697, the bill requiring the President to furnish $11 million in predisaster assistance to avert eucalyptus forest fires in 2 California counties (defeated 163–233).	No.
448	Sept. 12	Quorum call	Present.
449	do	S. 504, to override the President's veto of the bill to authorize Federal assistance for emergency medical services systems and to prohibit the closing of several Public Health Service hospitals without a specific authorization from Congress (defeated 273–144, a ⅔ vote being necessary to override).	Yes.
450	do	H.R. 7974, to approve the bill authorizing a 5-year program for the establishment and expansion o health maintenance organizations (HMO s) (passed 369–40).	Yes.
451	do	H.R. 8789, to approve the bill providing a new coinage design and date emblematic of the 1976 American Revolution Bicentennial (passed 396–4).	Yes.
452	Sept. 13	H.R. 8619, on a motion to instruct House conferees on the Agriculture appropriations bill to insist on House language to limit Federal payments to $20,000 per farm and bar payments for cotton acreage allotments (passed 231–160).	Not voting.
453	do	H.R. 6576, to approve the bill authorizing the Secretary of Interior to engage in feasibility investigation of certain water resource developments (passed 321–74).	Not voting.
454	do	Quorum call	Absent.
455	do	H.R. 9639, on an amendment to the bill providing additional Federal assistance to the school lunch and breakfast programs, to delete the section which raised the reimbursement by the Federal Government from 8 cents to 10 cents per lunch (defeated 127–272).	Not voting.
456	do	H.R. 9639, on final passage of the bill to amend the National School Lunch and Child Nutrition Act for the purpose of providing additional Federal financial assistance to the school lunch and breakfast programs (passed 389–4).	Not voting.
457	do	H.R. 9553 to approve the bill amending the Communications Act of 1964 to ban TV blackouts of certain professional sports events where tickets are sold out 72 hours before the event (passed 336–37).	Not voting.
458	Sept. 17	H.R. 7265, to suspend the rules and pass the bill authorizing $88 million for the operation of federally funded domestic volunteer programs by the ACTION agency (passed 339–14).	Yes.
459	Sept. 18	H.R. 8070, to adopt the conference report on the authorization for fiscal years 1974 and 1975 for Federal grants to the States for the rehabilitation of the handicapped and to create certain new programs to aid the handicapped (passed 400–0).	Yes.
460	do	H.R. 7730, to suspend the rules and pass the bill to authorize the Secretary of Interior to purchase property located within the San Carlos mineral strip (defeated 236–164, a ⅔ vote being necessary under suspension of the rules).	No.
461	do	H.R. 37, to suspend the rules and pass the bill providing for the conservation, protection and propagation of species of wildlife that are threatened with extinction (passed 390–12).	Yes.
462	do	Quorum call	Present.
463	do	H. Res. 420, to suspend the rules and pass the resolution establishing a special congressional intern program (passed 345–64).	No.
464	Sept. 19	Quorum call	Present.
465	do	H.R. 7935, to override the President's veto of the bill providing for increases in the minimum wage to $2.20 per hour and expanding the coverage of the Fair Labor Standards Act with regard to the wage floor (defeated 259–164, a ⅔ vote being necessary).	No.
466	do	H.R. 9715, on an amendment to the bill providing authorizations for the U.S. Information Agency, to provide for withholding of funds from the Agency if it failed to furnish information requested by certain congressional committees (passed 240–178).	No.
467	do	H.R. 9715, on final passage of the bill providing authorizations for fiscal year 1974 for the U.S. Information Agency (passed 305–108).	Yes.
468	do	H. Res. 546, to approve the resolution providing for consideration of H.R. 9256, to increase the government contributions to Federal employees' health benefits (passed 311–87).	Yes.
469	Sept. 20	Quorum call	Present.
470	do	H.R. 8917, to adopt the conference report on the bill providing for appropriations for the Department of Interior and related agencies for fiscal year 1974 (passed 385–14).	Yes.
471	do	H.R. 8917, on a motion on the conference report on the Interior Department and related agencies appropriations bill that the House concur with a Senate amendment on the appropriation for the National Endowment for the Arts (passed 325–73).	Yes.
472	do	H.R. 9281, on a motion to recommit to committee the bill providing for federal police-firemen retirement plan changes, with instructions to substitute a guaranteed annuity for the retirement formula and other changes (defeated 282–116).	Yes.
473	do	H.R. 9281, on final passage of the bill increasing retirement benefits for Federal police and firemen (passed 299–93).	Yes.
474	do	H.R. 9256, to approve the bill to increase the federal contribution to Federal employees' health insurance costs from 40 to 75 percent by 1977 (passed 217–155).	No.
475	Sept. 25	H.R. 8619, to adopt the conference report on the bill making fiscal year 1974 appropriations for agricultural, environmental, and consumer protection activities (passed 348–24).	Yes.
476	do	H.J. Res. 727, on an amendment to the resolution making continuing appropriations for fiscal year 1974, to provide that local school agencies receive fiscal year 1974 educational aid for disadvantaged children at a per pupil basis rate no lower than in fiscal year 1973 (defeated 184–198).	Yes.
477	do	H.J. Res. 727, on an amendment to the continuing appropriations resolution, to provide that each local school agency receive in fiscal year 1974 at least 85 percent of the funds it received in fiscal year 1973 for aid for disadvantaged children (passed 286–94).	Yes.
478	do	H.J. Res. 727, on an amendment to the continuing appropriations resolution to prohibit funds for the Cost of Living Council for any program which discriminates among petroleum product marketers in the method of establishing their prices (passed 371–7).	Yes.
479	do	H.J. Res. 727, on final passage of the resolution providing for continuing appropriations for agencies where final action had not yet taken place on their regular appropriation bills (passed 368–7).	Yes.
480	Sept. 26	Quorum call	Present.
481	do	H.R. 981, on an amendment to the bill amending the Immigration and Nationality Act, to provide a 5-year aggregate limit on the extensions of 1-year visas for certain migrant workers and specifying employment contract requirements and working conditions (defeated 174–203).	Yes.
482	do	H.R. 981, on an amendment to the bill amending the Immigration and Nationality Act, to establish immigration limits of not more than 20,000 visas per year for any one country, to raise from 20,000 to 35,000 each the maximum number of immigration visas per year from Canada and Mexico (defeated 70–310).	Yes.
483	do	H.R. 981, on final passage of the bill amending the Immigration and Nationality Act, to establish immigration limits of not more than 20,000 visas per year for any one country (passed 336–30).	Yes.
484	Oct. 1	Quorum call	Present.
485	do	H.R. 8029, to suspend the rules and pass the bill to expedite the distribution of funds appropriated by certain judgments of the Indian Claims Commission and the U.S. Court of Claims (passed 331–33).	Yes.
486	do	S. 2419, to suspend the rules and pass the bill to correct typographical and clerical errors in Public Law 93–86 (farm bill) (passed 330–28).	Yes.
487	do	H.R. 10397, to suspend the rules and pass the bill extending the authorization for appropriations for the Cabinet Committee on Opportunities for Spanish-speaking people (defeated 241–130, a ⅔ vote being necessary under suspension of the rules procedure).	No.
488	Oct. 2	S. 795, to adopt the conference report to extend through fiscal year 1976 the National Foundation on the Arts and Humanities Act and to authorize appropriations of $597 million for the 3-year period (passed 294–106).	No.
489	do	S. 1914, to approve the bill providing an authorization of $50.2 million in fiscal year 1974 for Radio Free Europe and Radio Liberty, and to create a Board for International Broadcasting to oversee their operations (passed 313–90).	Yes.
490	Oct. 3	Quorum call	Present.
491	do	H. Res. 372, to approve the rule under which to consider H.R. 6452, to make authorizations for mass transit and provide Federal subsidies for operating deficits (passed 282–131).	No.
492	do	Quorum call	Present.
493	do	H.R. 6452, on an amendment to the urban mass transit authorization, to delete from the bill the $800 million proposed for operating subsidies to meet the deficits of transit companies (passed 206–203).	Yes.
494	do	H.R. 6452, on a motion to strike the enacting clause of the urban mass transit bill (defeated 143–268).	Yes.
495	do	H.R. 6452, on a second vote on the amendment to the urban mass transit bill, to delete from the bill the funding proposed for operating deficits (defeated 205–210).	Yes.
496	do	H.R. 6452, on final passage of the bill increasing the Federal share on aid to mass transit capital grant programs and authorizing $800 million in operating subsidies to transit companies (passed 219–195).	No.
497	do	H.R. 10088, to approve the bill to establish the Big Cypress National Preserve in Southern Florida (passed 376–2).	Yes.
498	Oct. 4	Quorum call	Present.
499	do	H.J. Res. 748, on an amendment to the bill making appropriations for devaluation of the dollar, to reduce the appropriation from $2.2 billion to $477 million (defeated 129–237).	Yes.
500	do	H.J. Res. 748, on final passage of the resolution appropriating up to $2.2 billion for devaluation of the dollar costs (passed 274–90).	Yes.
501	Oct. 9	Quorum call	Present.
502	do	H. Res. 581, to approve the rule under which to consider H.R. 9682, the District of Columbia home rule bill (passed 346–50).	Yes.
503	do	Quorum call	Present.
504	do	Quorum call	Present.
505	Oct. 10	H.R. 9682, on an amendment to the District of Columbia home rule bill, to provide for retention of Presidential appointments to the District of Columbia Court of Appeals and the District of Columbia Superior Court, rather than by appointment by the District of Columbia Mayor (passed 228–186).	Yes.
506	do	H.R. 9682, on an amendment to the District of Columbia home rule bill, to provide that the President, House or Senate could veto legislation passed by the District of Columbia City Council (defeated 138–273).	Yes.
507	do	H.R. 9682, on an amendment to the District of Columbia home rule bill, providing for a federal enclave within the District of Columbia including principal federal buildings to be supervised by a Presidentially appointed national service director (passed 209–202).	Yes.
508	do	H.R. 9682, on an amendment to the District of Columbia home rule bill, providing that the District of Columbia Chief of Police be appointed by the President, rather than by the Mayor (defeated 132–275).	Yes.
509	do	Quorum call	Present.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
510	Oct. 10	H.R. 9682, on an amendment to the District of Columbia home rule bill, to exclude parts of Maryland and Virginia from the National Capital Planning Commission's planning area (defeated 130–278).	No.
511	do.	H.R. 9682, on an amendment to the District of Columbia home rule bill, which would still retain an elected city council but provide that the Mayor continue to be appointed by the President (defeated 144–273).	Yes.
512	do.	H.R. 9682, on final passage of the bill providing for home rule for the District of Columbia (passed 343–74).	Yes.
513	Oct. 11	Quorum call	Present.
514	do.	Quorum call	Present.
515	do.	H.J. Res. 727, on a motion to recommit to the Conference Committee the bill making continuing appropriations for fiscal year 1974 (defeated 182–225).	No.
516	do.	H.J. Res. 727, to adopt the conference report on the bill making continuing appropriations for agencies where final action had not yet taken place on their regular fiscal year 1974 appropriations bills (passed 309–99).	Yes.
517	do.	Quorum call	Present.
518	do.	H.R. 10614, to approve the bill authorizing construction at military installations for fiscal year 1974 (passed 359–28).	Yes.
519	Oct. 12	Quorum call	Absent.
520	do.	H.J. Res. 542, to adopt the conference report on the bill defining war powers (passed 238–123).	Not voting.
521	do.	H.R. 10203, to approve the bill authorizing the construction, repair, and preservation of public works on rivers and harbors for navigation and flood control (passed 337–14).	Not voting.
522	do.	Quorum call	Absent.
523	Oct. 15	Quorum call	Present.
524	do.	Quorum call	Present.
525	do.	S. 907, to suspend the rules and pass the bill authorizing an appropriation for a Federal contribution to the Arctic Winter Games to be held in Alaska in 1974 (passed 306–54).	Yes.
526	do.	H.R. 8346, to suspend the rules and pass the bill to establish a National Institute of Building Standards (defeated 108–258).	No.
527	Oct. 16	Quorum call	Present.
528	do.	H.R. 9590, to adopt the conference report on the bill making appropriations for the Treasury Department-Postal Service and related agencies for fiscal year 1974 (passed 403–10).	Yes.
529	do.	H.R. 9590, on a motion on the conference report to the Treasury-Postal Service appropriations bill, to concur with a Senate amendment allowing the President to determine salaries of White House employees, regardless of Civil Service requirements (passed 253–153).	No.
530	do.	H.R. 9590, on a motion on the conference report to the Treasury-Postal Service appropriations bill, to concur with a Senate amendment on Presidential payments for official entertaining (passed 302–107).	Yes.
531	do.	H.R. 6691, to adopt the conference report on the bill making appropriations of $605 million for fiscal year 1974 for the legislative branch (passed 400–11.)	Yes.
532	do.	H.R. 10717, to suspend the rules and pass the bill to repeal the act which terminated federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin (passed 404–3).	Yes.
533	do.	H.R. 9681, on an amendment to the bill authorizing emergency petroleum allocation authority, to provide that allocation of crude oil should not apply to producers unless the President found that such allocation was necessary to carry out the purposes of the bill (defeated 136–245).	Yes.
534	do.	H.R. 9681, on an amendment to the emergency petroleum allocation bill, on a motion which proposed limiting debate on pending amendments to 15 minutes (defeated 161–214).	No.
535	Oct. 17	Quorum call	Present.
536	do.	H. Res. 601, to pass the rule providing for consideration of the conference report on H.R. 9286, the military procurement authorization bill (defeated 193–216).	No.
537	do.	H.R. 9681, on an amendment to the emergency petroleum allocation bill, to transfer the monitoring of allocation programs from the Federal Trade Commission to the General Accounting Office (defeated 152–256).	Yes.
538	do.	H.R. 9681, on final passage of the bill to require the President to allocate crude oil and refined petroleum products (passed 337–72).	No.
539	do.	S. 2016, to adopt the conference report on the bill making fiscal year 1974 authorizations for the National Railroad Passenger Corporation (Amtrak) (passed 346–51).	Yes.
540	Oct. 18	Quorum call	Present.
541	do.	H.R. 10397, to approve the bill authorizing $1.5 million for the Cabinet Committee on Opportunities for Spanish-Speaking People (passed 273–97).	Not voting.
542	do.	H.R. 9639, on a motion to concur with a Senate amendment to the bill providing additional Federal assistance to the school lunch and breakfast programs (defeated 145–218).	Not voting.
543	Oct. 23	Quorum call	Present.
544	do.	H.R. 10586, to approve the bill authorizing the use of health maintenance organizations (HMO's) in providing health care for dependents of active duty military personnel and dependents of retired military personnel (passed 345–41).	No.
545	do.	Quorum call	Present.
546	Oct. 24	Quorum call	Present.
547	do.	H. Res. 600, to adopt the rule under which to consider H.R. 3927, to extend the Environmental Education Act for 3 years (passed 369–15).	Yes.
548	do.	Quorum call	Present.
549	do.	H.R. 3927, on an amendment to the bill extending the Environmental Education Act, proposing a 1-year authorization (defeated 140–252).	Yes.
550	do.	H.R. 3927, on final passage of the bill to extend the Environmental Education Act for 3 years (passed 335–60).	Yes.
551	Oct. 25	H. Res. 655, to adopt the rule under which to consider H.R. 10956, to authorize Federal aid to areawide emergency medical care systems (passed 380–2).	Yes.
552	do.	H.R. 10956, to approve the bill making a 3-year authorization of $185 million for Federal aid to areawide emergency medical care systems (passed 364–18).	Yes.
553	Oct. 30	H. Res. 656, to adopt the rule under which to consider H.R. 9546, the bill extending the Drug Abuse Education Act for 3 years (passed 376–4).	Not voting.
554	do.	H.R. 9456, to approve the bill extending the Drug Abuse Education Act for 3 years (passed 372–13).	Not voting.
555	Oct. 31	Quorum call	Absent.
556	do.	H.R. 9286, on a motion to delete from the conference report on the military procurement authorization the section requiring continued operation of 8 Public Health Service hospitals (defeated 103–290).	Not voting.
557	Nov. 6	Quorum call	Present.
558	do.	H.J. Res. 735, to suspend the rules and pass the resolution authorizing places at the U.S. Naval Academy for 2 citizens and subjects of Iran (passed 343–28).	Yes.
559	do.	H.R. 5874, to suspend the rules and pass the bill to establish a Federal Financing Bank for the purpose of coordinating Federal borrowing (passed 349–25).	No.
560	do.	H.R. 8219, to suspend the rules and pass the bill to amend the International Organizations Immunities Act to authorize the President to extend certain privileges and immunities to the Organization of African Unity (passed 340–39).	Yes.
561	do.	H.R. 10937, to suspend the rules and pass the bill extending the life of the Watergate Grand Jury (passed 378–1).	Yes.
562	Nov. 7	Quorum call	Present.
563	do.	H.J. Res. 542, to override the President's veto of the bill defining war powers of Congress and the President (passed 284–135, the necessary ⅗ voting to override).	Yes.
564	do.	H. Res. 687, on ordering the previous question on the rule under which to consider H.R. 11104, a bill to increase and extend the temporary limit on the public debt ceiling (passed 274–135).	Yes.
565	do.	Quorum call	Present.
566	do.	H.R. 11104, on an amendment to the bill to increase and extend the temporary limit on the public debt ceiling, to reduce by $2.3 billion the proposed increase in the temporary national debt limit (passed 263–147).	No.
567	do.	H.R. 11104, on final passage of the bill to increase the temporary national debt limit to $475.7 billion from $465 billion and extend the temporary limit to June 30, 1974 (passed 253–153).	Yes.
568	Nov. 8	H. Res. 688, to adopt the rule under which to consider H.R. 9142, to finance reorganization of bankrupt Northeast railroads (passed 393–2).	Not voting.
569	do.	Quorum call	Absent.
570	do.	H.R. 9142, on an amendment to the Northeast railroads reorganization assistance bill, to provide for a 6-year limit on continued salary payments to displaced employees due to the railroad merger (defeated 148–245).	Not voting.
571	do.	H.R. 9142, on an amendment to the Northeast railroads reorganization assistance bill, to provide for a 6-year limit on displacement allowances to employees transferred to another northeastern railroad (defeated 187–198).	Not voting.
572	do.	H.R. 9142, on final passage of the bill authorizing Federal loan guarantees to finance the reorganization of bankrupt Northeastern railroads into one corporation (passed 306–82).	Not voting.
573	Nov. 13	Quorum call	Absent.
574	do.	S. 1081, on a motion to recommit to conference the bill authorizing the trans-Alaska pipeline, with instructions that House conferees insist on disagreement with 3 nongermane "riders" in the Senate bill (defeated 162–213).	Not voting.
575	do.	S. 1081, to adopt the conference report on the bill authorizing the trans-Alaska pipeline (passed 361–14).	Not voting.
576	do.	Quorum call	Present.
577	do.	H.R. 8916, to adopt the conference report on the bill authorizing fiscal year 1974 appropriations of $4.7 billion for the Departments of State, Justice and Commerce and the Judiciary and related agencies (passed 394–11).	Yes.
578	do.	H. Con. Res. 378, to approve the resolution providing for an 11-day recess of the House over Thanksgiving (passed 215–190).	No.
579	do.	H.R. 8877, on a motion to recommit to the conference committee the report on the bill making appropriations for the Departments of Labor and Health, Education, and Welfare for fiscal year 1974 (passed 272–139).	No.
580	do.	Quorum call	Present.
581	do.	S. 1570, to adopt the conference report on the bill requiring the President to impose mandatory allocation controls on petroleum and related products for enforcement from the well to refinery to marketplace (passed 348–46).	No.
582	Nov. 14	H. Res. 128, to approve the resolution expressing the sense of the House that a Member, convicted of a crime and sentenced to 2 or more years in jail, should refrain from committee work participation and from voting in committee or on the floor (passed 388–18).	Yes.
583	do.	Quorum call	Present.
584	do.	Quorum call	Present.
585	do.	H.R. 11459, to approve the bill making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1974 (passed 366–29).	Yes.
586	Nov. 15	Quorum call	Present.
587	do.	H. Res. 702, on ordering the previous question on the resolution providing additional investigatory funding for the House Judiciary Committee (passed 230–182).	No.
588	do.	H. Res. 702, on a motion to close debate on a privileged resolution to furnish the Judiciary Committee with an additional $1 million for inquiry into possible grounds for impeachment (passed 233–186).	No.
589	do.	H. Res. 702, on a motion to recommit to committee the resolution providing additional investigatory funding for the House Judiciary Committee, with instructions that it be amended to earmark ⅓ of the funds for the minority and to prohibit the use of funds until the Judiciary Committee defines the scope and nature of the studies and investigations (defeated 190–227).	Yes.
590	do.	H. Res. 702, on final passage of the resolution to furnish the House Judiciary Committee an additional $1 million in investigatory funding for the impeachment inquiry (passed 367–51).	No.
591	do.	H.R. 11333, on an amendment to the bill increasing social security benefits, to delete language which sought to allow States to raise supplemental security income benefits by amounts provided for in the bill to qualify for their "hold harmless" protection (passed 246–163).	Yes.
592	do.	H.R. 11333, on final passage of the bill to increase social security benefits in March and June of 1974 by an aggregate 11 percent (passed 391–20).	Yes.
593	Nov. 26	Quorum call	Present.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
594	Nov. 26	H.R. 11238, to approve the bill to provide for an improved system of adoption of children in the District of Columbia (passed 350–0).	Yes.
595	Nov. 27	H.R. 7446, to adopt the conference report on the bill to establish the American Revolution Bicentennial Administration (passed 357–34).	Yes.
596	do	H. Res. 718, the rule under which to consider H.R. 11324, the bill providing for year-round daylight savings time (passed 349–40).	No.
597	do	H.R. 11324, the bill providing for year-round daylight savings time through April of 1975 (passed 311–88).	No.
598	Nov. 28	H. Res. 719, the rule under which to consider H.R. 11010, the bill to assure opportunities and training to unemployed and underemployed persons (passed 386–7).	Yes.
599	do	H.R. 11010, on an amendment to the manpower programs bill to reduce from 100,000 to 50,000 the population requirement for local governments receiving public employment program assistance (passed 248–149).	Yes.
600	do	H.R. 11010, on an amendment to the manpower programs bill to permit combinations of local government units, with populations totaling at least 50,000 for the combination, to receive public employment program assistance (passed 260–140).	Yes.
601	do	H.R. 11010, on an amendment to the manpower programs bill to raise to $1 billion from $500 million the fiscal year 1975 funds earmarked for the title II public employment program (defeated 107–292).	No.
602	do	H.R. 11010, on final passage of the comprehensive manpower bill to assure opportunities and training to unemployed and underemployed persons (passed 369–31).	Yes.
603	Nov. 29	H. Res. 721, to adopt the resolution disagreeing to the Senate amendments to H.R. 11104, the Federal debt limit bill (passed 347–54).	Yes.
604	do	Quorum call	Present.
605	do	H.R. 11575, on an amendment to the bill making appropriations for the Department of Defense for fiscal year 1974, to restore $1.5 million in funds which had been cut from the race relations programs (defeated 178–226).	No.
606	Nov. 30	Quorum call	Present.
607	do	H.R. 11575, on an amendment to the defense appropriations bill, to strike language providing that not more than $851.6 million be available for repair, alteration, and overhaul of vessels in naval shipyards (defeated 170–203).	Yes.
608	do	H.R. 11575, on an amendment to the defense appropriations bill, to require funding of $3.5 billion in the appropriation from backlog "pipeline" funds left over from past years (defeated 118–250).	No.
609	do	H.R. 11575, on an amendment to the defense appropriations bill, to cut the proposed active duty level of the armed services by 22,000 below the level recommended by the Appropriations Committee (defeated 160–210).	No.
610	do	H.R. 11575, on final passage of the bill making appropriations for fiscal year 1974 for the Department of Defense (passed 336–23).	Yes.
611	do	Quorum call	Present.
612	do	H.R. 11576, on an amendment to the bill making supplemental appropriations for fiscal year 1974, to increase by $34 million the $707.5 million appropriation for social rehabilitation services (defeated 160–164).	No.
613	do	H.R. 11576, on final passage of the bill making supplemental appropriations for fiscal year 1974 for various Federal agencies (passed 295–8).	Yes.
614	Dec. 3	Quorum call	Present.
615	do	S. 1191, to suspend the rules and pass the bill to provide financial assistance for a 3-year demonstration program for the prevention, identification and treatment of child abuse and neglect and to establish a National Center on Child Abuse and Neglect (passed 354–36).	Yes.
616	do	H.R. 11710, to suspend the rules and pass the bill to insure that the compensation and other emoluments attached to the Office of Attorney General are those which were in effect on Jan. 1, 1969, and to clarify the use of the congressional frank (passed 261–129).	No.
617	do	H.R. 9437, to suspend the rules and pass the bill authorizing a 3-year program to encourage foreigners to travel in the United States (passed 272–120).	Yes.
618	Dec. 4	Quorum call	Present.
619	do	H. Res. 725, to approve the resolution waiving all points of order against the conference report on the foreign aid authorization (passed 265–137).	No.
620	do	S. 1443, to adopt the conference report on the foreign aid authorization bill with $2.4 billion for foreign economic and military aid for fiscal year 1974 and $922 million in economic aid for fiscal year 1975 (passed 210–193).	No.
621	do	H. Con. Res. 173, to suspend the rules and pass the resolution declaring it to be the congressional policy to support, protect, and enhance the coastal and offshore fisheries resources of the United States (passed 405–0).	Yes.
622	Dec. 5	H.R. 8877, to adopt the conference report on the bill making appropriations for the Departments of Labor and Health, Education, and Welfare and related agencies for fiscal year 1974 (passed 371–33).	Yes.
623	do	H.R. 8877, on a motion that the House agree to an amendment reported in technical disagreement on the conference report to the Labor-HEW appropriations bill, on the limitation of Presidential impoundment of funds (passed 263–140).	Yes.
624	do	H.R. 7130, on an amendment to the bill to reform congressional spending operations, proposing a deadline of July 1 instead of Mar. 31 each year for final congressional action on spending authorization legislation (defeated 106–300).	No.
625	do	H.R. 7130, on an amendment to the bill to reform congressional spending operations, to require a 3-year pilot testing program of new Federal programs with costs above $100 million (defeated 185–218).	Yes.
626	do	H.R. 7130, on an amendment to the bill to reform congressional spending operations, to limit to 3 years the authorization of appropriations for all Federal programs except those funded by user taxes (defeated 192–217).	Yes.
627	do	H.R. 7130, on an amendment to the bill toreform congressional spending operations, to require that Congress hold all appropriations bills, including those within budget limitations, and send them to the President at the same time (defeated 117–289).	No.
628	do	H.R. 7130, on an amendment to the bill to reform congressional spending operations, to delete the provisions of the bill requiring the expenditure of Presidentially impounded funds if either the House or Senate passes an anti-impoundment resolution (defeated 108–295).	No.
629	do	H.R. 7130, on an amendment to the bill to reform congressional spending operations, to require that a Presidential impoundment of funds stay in effect unless disapproved by both Houses of Congress and to allow selective disapproval of impoundments by Congress (defeated 186–221).	Yes.
630	do	H.R. 7130, on an amendment to the bill to reform congressional spending operations, to make the impoundment control provisions effective on Oct. 1, 1975 (defeated 185–221).	Yes.
631	do	H.R. 7130, on final passage of the bill to reform congressional spending operations, to establish a timetable for clearance of authorization bills, followed by budget resolutions setting spending ceilings, and a budget and appropriations reconciliation process (passed 386–23).	Yes.
632	Dec. 6	Quorum call	Present.
633	do	H. Res. 738, the rule under which to consider the nomination of Gerald R. Ford for Vice President (passed 389–15).	Yes.
634	do	H. Res. 735, the resolution providing for confirmation, as provided by the 25th amendment, of the nomination of Gerald R. Ford to be Vice President of the United States (passed 387–35).	Yes.
635	Dec. 7	H.R. 11459, to adopt the conference report on the bill making appropriations for military construction for fiscal year 1974 (passed 329–40).	Yes.
636	do	H. Res. 673, the rule under which to consider H.R. 9107, the bill to provide various Federal retirement increases (passed 295–70).	Yes.
637	do	H.R. 9107, to approve the bill to provide a minimum Civil Service retirement benefit equal to the minimum social security benefit and to provide annuity increases for civil servants who retired before Oct. 20, 1969 (passed 270–95).	Yes.
638	Dec. 10	Quorum call	Present.
639	do	H. Res. 657, the rule under which to consider H.R. 10710, the bill providing for trade reform (passed 230–147).	Yes.
640	do	Quorum call	Present.
641	do	Quorum call	Present.
642	Dec. 11	Quorum call	Absent.
643	do	H.R. 10710, on an amendment to the trade reform bill, to prohibit the extension of U.S. Government credit or loan guarantees for trade with Communist countries if the President found that its government denied the right to emigrate or imposed harsh taxes on emigrants (passed 319–80).	No.
644	do	H.R. 10710, on an amendment to the trade reform bill, to strike provisions to forbid extension of trade credits or most-favored-nation duty status for trade with a Communist nation if the President determined that its government denied the right to emigrate or imposed more than nominal fees or taxes on citizens who wished to emigrate (defeated 106–298).	Yes.
645	do	H.R. 10710, on final passage of the bill granting the President authority to negotiate trade expansion agreements, to take steps to reduce trade barriers subject to congressional veto procedures, grant import relief and provide adjustment assistance for workers and industries hurt by imports (passed 272–140).	Yes.
646	do	H.R. 11088, on an amendment to the bill authorizing $2.2 billion in emergency assistance for Israel, to permit use of funds under the bill to support implementation of U.N. resolutions calling for an Israeli withdrawal from occupied territory, respect for the sovereignty and territorial integrity of every nation in the area, and calling for cease-fire and peace negotiations (defeated 82–334).	Yes.
647	do	H.R. 11088, on final passage of the bill authorizing $2.2 billion in emergency assistance for Israel (passed 364–52).	No.
648	do	Quorum call	Present.
649	do	Quorum call	Present.
650	do	H.R. 11771, on an amendment to the bill making appropriations for foreign aid, to delete from the bill military training funds for Chile and to prohibit use of funds for military credit sales to Chile (defeated 102–304).	No.
651	do	H.R. 11771, on an amendment to the bill making appropriations for foreign aid, to delete from the bill ⅔ of the funding proposed for emergency military assistance to Cambodia (defeated 147–256).	No.
652	do	H.R. 11771, on an amendment to the bill making appropriations for foreign aid, to prohibit the use of any Export-Import Bank funds to extend credit to any nonmarket economy country or any country that does not have preferential most-favored-nation tariff status (defeated 134–266).	No.
653	do	H.R. 11771, on final passage of the bill making appropriations of $5.8 billion for fiscal year 1974 for foreign aid (passed 219–180).	No.
654	Dec. 12	Quorum call	Present.
655	do	Quorum call	Present.
656	do	H. Res. 744, the rule under which to consider H.R. 11450, national emergency energy legislation (passed 272–129).	Yes.
657	do	Quorum call	Present.
658	do	H.R. 11450, national emergency energy legislation, on an amendment to restore language giving Congress 15 days to disapprove any Presidential energy plan (defeated 152–256).	Yes.
659	do	H.R. 11450, on an amendment to the national emergency energy legislation, to provide for the participation by the Justice Department and Federal Trade Commission in the initial phases of any allocation plans (passed 286–112).	No.
660	Dec. 13	Quorum call	Present.
661	do	H.R. 11450, on an amendment to the national emergency energy legislation, to eliminate restrictions on windfall profits on coal (passed 256–155).	Yes.
662	do	H.R. 11450, on an amendment to the energy bill, to ban the allocation of gasoline for busing students to a school farther than the school nearest their homes (passed 221–192).	Yes.
663	do	H.R. 11450, on an amendment to the energy bill, on a motion to cut off debate on the committee amendment to the bill and on all amendments to it (defeated 58–351).	No.
664	do	H.R. 11450, on an amendment to the energy bill, to require the President to use his authority to permit no more than reasonable profits to sellers of gas and oil and to propose legislation to provide incentives for investment of such profits for the purpose of increasing energy supplies (defeated 188–213).	Yes.

HAMMERSCHMIDT VOTING AND ATTENDANCE RECORD, 1ST SESS., 93D CONG.—Continued

Roll-call No.	1973	Measure, question, and result	Vote
665	Dec. 13	H.R. 11450, on an amendment to the energy bill, to extend through 1977 the date for compliance with the 1975 vehicle emission standards (passed 199–180).	Yes.
666	Dec. 14	Quorum call	Present.
667	do.	H.R. 11450, on an amendment to the energy bill, to delete provisions which exempted from antitrust action those voluntary energy conservation agreements by retail establishments to limit operating hours or adjust delivery schedules (defeated 170–233).	Yes.
668	do.	H.R. 11450, on an amendment to the energy bill, to rescind the requirements for emission control devices on vehicles until Jan. 1, 1977, except for those areas with air quality problems (defeated 180–210).	Yes.
669	do.	H.R. 11450, on an amendment to the energy bill, to allow for the allocation of petroleum for school busing only where a busing plan had been ordered by the appropriate school board (defeated 185–202).	No.
670	do.	H.R. 11450, on a motion to cut off debate on the energy bill (passed 197–196).	No.
671	do.	H.R. 11450, on a motion to strike the enacting clause of the national emergency energy bill (defeated 56–335).	No.
672	do.	H.R. 11450, on an amendment to the energy bill, to place percentage limitations on the number of low- and medium-gas mileage vehicles to be purchased by executive agencies (passed 299–89).	No.
673	do.	H.R. 11450, on an amendment to the energy bill to exclude from restrictions crude oil producers of less than 25,000 barrels of oil per day (defeated 189–194).	Yes.
674	do.	H.R. 11450, on an amendment to the energy bill to provide that energy conservation plans include federal incentives and subsidies to maintain or reduce public transportation fares (passed 197–184).	No.
675	do.	H.R. 11450, on a motion that the committee of the whole "rise," thereby ceasing debate on the energy bill (defeated 104–280).	Yes.
676	do.	H.R. 11450, on an amendment to the energy bill, to provide for grants for the states in providing assistance to persons unemployed as a result of the administration and enforcement of the bill (passed 311–73).	Yes.
677	do.	H.R. 11450, on an amendment to the energy bill, to provide for consideration in energy conservation plans of the needs of late-night food stores (passed 301–60).	Yes.
678	do.	H.R. 11450, on an amendment to the energy bill, to substitute "agricultural operations" for "agriculture" in 2 sections of the bill, to include ranching, dairying, and commercial fishing as operations to receive priority fuel allocations (passed 332–19).	Yes.
679	do.	H.R. 11450, on an amendment to the energy bill, to provide for possible restrictions on coal and petrochemical feedstock exports, if such exports would lead to U.S. unemployment (passed 327–27).	Yes.
680	do.	H.R. 11450, on an amendment to the energy bill, to exempt from the bill the Navy's petroleum reserves (defeated 174–202).	No.
681	do.	H.R. 11450, on an amendment to the energy bill, to exempt from restrictions producers of less than 5,000 barrels of crude oil per day (defeated 140–226).	Yes.
682	do.	H.R. 11450, on an amendment to the energy bill, to require the Interstate Commerce Commission to revise its current rate structure regarding transportation of recyclable resource materials, making more equitable the comparative rates charged for recycled commodities and raw resources (passed 349–8).	Yes.
683	do.	H.R. 11450, on a motion that the Committee of the Whole "rise," thereby concluding consideration of the energy bill (defeated 86–290).	No.
684	do.	H.R. 11450, on an amendment to the energy bill, to permit the President to authorize oil exports upon his determination that such exports will not contribute to shortages of oil or petroleum products within the United States (defeated 152–205).	No.
685	do.	H.R. 11450, on an amendment to the energy bill, to suspend until Jan. 1, 1976, the authority of the Administrator of the Environmental Protection Agency to require automobile emission controls on automobiles registered to persons residing outside 13 geographic areas of the United States (defeated 170–205).	Yes.
686	do.	H.R. 11450, on an amendment to the energy bill, to require the Administrator of the Federal Energy Office to prohibit any exportation of petroleum products for direct or indirect use in military operations in South Vietnam, Laos, and Cambodia (passed 201–172).	No.
687	do.	H.R. 11450, on an amendment to the energy bill, to prohibit the export of petroleum products for military use in Israel (defeated 50–320).	No.
688	do.	H.R. 11450, on a motion to recommit to committee the national emergency energy bill (defeated 173–205).	Yes.
689	do.	H.R. 11450, on final passage of the national emergency energy bill to give additional temporary powers to the executive branch for implementing plans to deal with the energy crisis (passed 265–112).	No.
690	Dec. 17	Quorum call	Present.
691	do.	Quorum call	Present.
692	do.	S. 1435, on a motion to recommit to the conference committee the conference report on the District of Columbia home rule bill (defeated 80–259).	No.
693	do.	S. 1435, to adopt the conference report on the bill providing for home rule for the District of Columbia (passed 272–74).	Yes.
694	do.	S.J. Res. 180, to suspend the rules and pass the bill providing that the 93d Congress convene for its 2d session on Jan. 21, 1974, unless called back earlier by the leadership (passed 263–91).	No.
695	do.	S. 2482, to suspend the rules and pass the bill extending the lending authority of the Small Business Administration and increasing the ceiling on its loans (passed 339–21).	Yes.
696	Dec. 18	Quorum call	Present.
697	do.	H.R. 9256, to adopt the conference report on the bill to increase the Federal Government's contributions to the health insurance premiums covering Federal employees (passed 307–82).	Yes.
698	do.	H. Res. 746, to approve the resolution authorizing the Speaker of the House to accept motions to suspend the rules during the period of Dec. 19–22, 1973 (passed 284–101).	No.
699	do.	S. 2166, to suspend the rules and pass the bill authorizing disposal of opium from the national stockpile (passed 270–122).	No.
700	do.	S. 2316, to suspend the rules and pass the bill authorizing the disposal of copper from the national stockpiles (passed 315–73).	Yes.
701	do.	H.R. 11714, to suspend the rules and pass the bill authorizing $16 million for the GSA Administrator to develop engineering and architectural design guidelines for promoting efficient energy use in existing and newly constructed buildings (defeated 230–160, a ⅔ vote for passage under suspension of the rules).	No.
702	do.	H.R. 11763, to suspend the rules and pass the bill providing for the construction of an intercity bus terminal in Washington, D.C. to serve the National Visitor Center (passed 356–18).	Yes.
703	Dec. 19	Quorum call	Present.
704	do.	H.R. 11576, on a motion to recommit to the conference committee the report on the supplemental appropriations bill, with instructions that the House conferees agree to a Senate amendment providing $72 million for petroleum exploration and production at 2 naval oil reserves (passed 216–180).	Yes.
705	do.	Quorum call	Present.
706	do.	H.R. 11510, on an amendment to the bill proposing an Energy Research and Development Administration, to add an additional Assistant Administrator (defeated 112–271).	No.
707	do.	H.R. 11510, to approve the bill to reorganize and consolidate various energy functions into a new Energy Research and Development Administration (passed 355–25).	Yes.
708	Dec. 20	Quorum call	Present.
709	do.	S. 1559, on a motion to recommit to conference the report on the bill to authorize Federal aid for job-training programs (defeated 93–264).	
710	do.	S. 1559, to approve the conference report on the bill to authorize Federal aid to States and localities for job training and to assure assistance for the unemployed and underemployed (passed 330–33).	Yes.
711	do.	H.R. 11575, on a motion to recommit to conference the report on the bill to provide for defense appropriations (defeated 88–280).	No.
712	do.	H.R. 11575, to approve the conference report on the defense appropriations bill for fiscal year 1974 (passed 336–32).	Yes.
713	do.	H.R. 11771, to approve the conference report on the bill making foreign aid appropriations for fiscal year 1974 (passed 216–149).	No.
714	do.	S. 1983, to adopt the conference report on the bill to further provide for the conservation and preservation of endangered species (passed 355–4).	Yes.
715	do.	H. Res. 754, to suspend the rules and pass the bill regulating in the District of Columbia insurance dividends, with an amendment to permit District of Columbia and Federal employees to run for District of Columbia Mayor or City Council (passed 319–26).	Yes.
716	do.	H.R. 9142, to adopt the conference report on the bill to reorganize various bankrupt eastern railroads into one corporation with Federal financing (passed 284–59).	No.
717	do.	H.R. 11576, to adopt the conference report on the bill making supplemental appropriations for fiscal year 1974 (passed 329–10).	Yes.
718	Dec. 21	Quorum call	Present.
719	do.	H.R. 11333, to adopt the conference report on the bill providing for social security benefit increases of 7 percent and 4 percent in March and June of 1974 (passed 301–13).	Yes.
720	do.	S. 921, on a demand to a second on a motion that the House agree to the Senate amendment (the text of the national emergency energy bill) to the bill amending the Wild and Scenic Rivers Act (passed 148–113).	No.
721	do.	S. 921, on a motion to suspend the rules and pass the bill amending the Wild and Scenic Rivers Act, with a nongermane Senate amendment including the text of the national emergency energy bill as amended (defeated 169–95, a ⅔ vote being necessary).	No.
722	do.	H. Res. 760, to suspend the rules and pass the resolution providing that the House agree to the Senate amendments to the Wild and Scenic Rivers Act as amended, with an amendment (defeated 22–240).	No.
723	do.	H. Res. 761, to suspend the rules and pass a subsequent resolution providing that the House agree to the Senate amendments to the Wild and Scenic Rivers Act as amended to include the text of S. 921, national emergency energy bill and send the bill as amended to the White House (defeated 36–228).	No.
724	do.	H. Con. Res. 411, to approve the resolution providing for adjournment of the 1st sess. of the 93d Congress (defeated 74–171).	No.
725	Dec. 22	On a motion to adjourn the 1st sess. of the 93d Congress (defeated 39–160, but subsequently adopted on a voice vote).	No.
726	do.	Quorum call	Present.

THE FUTURE OF MAN IS ON THE LINE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. BROWN of California. Mr. Speaker, the people of the world are at a point where hard decisions must be made in order to guarantee the survival of humankind. This view has been expressed by numerous organizations and groups throughout the world. Many Members of Congress are actively engaged in attempts to call attention to the various problems that are all around us, and to provide genuine relief in some of the more critical areas.

The United Nations World Population Conference is currently underway, and the United Nations Food Conference will begin in the near future. These two events, focusing on two of the more critical problems, are not the appropriate forum to address the intertwined problems caused by exponential growth in a finite world—problems of population, pollution, food and resource shortages, and increasing energy and capital demands. These intertwined problems are referred to as the "problematique" by the Club of Rome, and it is this problematique that still needs to be understood by decisionmakers throughout the world.

The founder of the Club of Rome recently wrote an article that described the events surrounding their "Limits to Growth" report. I would recommend this article by Aurelio Peccei that appeared in the Riverside Press-Enterprise on August 14 to anyone who wishes to learn more about the efforts to understand the problematique.

The article follows:

[Christian Science Monitor News Service]

Future of Man Is on the Line

(By Aurelio Peccei)

(Note.—The writer, an Italian business executive (Fiat, Olivetti), is founder of the Club of Rome, an informal unofficial association of the world's leading scholars, businessmen, and government officials.)

In August 1970 the Club of Rome launched a project that challenged the unquestioned faith that material or economic growth is inherently good. This was the "Limits to Growth" study.

It was carried out by Dennis Meadows and his colleagues at the Massachusetts Institute of Technology, on the lean budget of $250,000. This is what the military of the world spend every 40 seconds—day and night, year after year. But this tiny investment was highly fruitful. It opened up a new cycle of research and reflection on the human-condition of the technological age.

What the project itself has shown is that we are on a dangerous course. If unchanged, it would lead mankind to disaster within a century.

As soon as the report illustrating these conclusions was published in March 1972 it came under attack. Severe criticism was leveled at the methods and data adopted and its supporters were labeled doomsdayers, sparking off a heated debate both in developed and developing countries.

The message conveyed by this study was indeed shocking and heretical in a society consecrated to the growth myth. Nevertheless, it was listened to by a large number of people already disturbed by current trends. It sharpened their awareness that something fundamental must be changed in their beliefs and behaviors.

All this happening in such a very short span of time shows how fast events run nowadays. The greatest merit of the study was that it helped us to see that we are at a turning point in history, and that the choices which purposefully or unwittingly we make in the near future will be decisive. They may affect man's destiny profoundly, even mutate his evolution as a species. The situations and signs pointing out the momentous responsibility of our generation are piling up.

For one thing, we have acquired undreamed-of knowledge of power, but have failed to develop the capacity to put them to good use. We have permitted this knowledge and power to be the exclusive domain of small elites. As a matter of fact, half the world's adults are illiterate, and the immense stores of information hoarded in libraries, data banks and computer memories are practically foreclosed to billions of people on the globe. Admittedly, these coexist with the fractional minority which knows the laws of the universe and are surrounded by the latest gadgetry. But culturally they belong to past centuries.

Similarly, our tremendous modern power is vested in even smaller closed castes. It is at the beck and call of a limited number of financial, political, and military potentates to control currencies and markets, to invade our privacy, and to indoctrinate—tomorrow it may be sterilization and possibly overkill of foe and friend alike—at whim.

With today's tempo of change and levels of interdependence, a society so utterly unbalanced cannot last long. It is imperative for us to correct this extreme maldistribution of knowledge and power—which is probably even more explosive than the economic disparities already a part of the human system.

We are beginning also to reconcile ourselves to the fact that there are practically no more frontiers left on good old Earth. The remaining wilderness is barren, inhospitable or oceanic. To transform it to our purposes will be very costly and probably laden with impossible environmental risks. Our imperial species has conquered most of what it could conquer on our planet, and so, should it expand further, occupying new space or dislodging other species even more, it would do so to its own ultimate destruction.

We realize that, since quantitative human growth is pushing us beyond manageable ceilings, it is qualitative change that we must seek in order to carry human society and its modes of operation, our individual and collective behavior, our value systems, and our sense of destiny.

It is in the wake of the pioneer study on the limits to growth that primary questions of this kind have come to the forefront. Meanwhile, new projects of global scope have been undertaken, the better to grasp the essence of the present and the alternatives looming for the future. Some of them are noteworthy and their conclusions will probably have an impact on our thinking. Such are the results of two studies promoted by the Club of Rome and which will be released in the next few months.

The first project is a research on the features and feasibility of an equitable society in which every citizen, irrespective of his merits, is entitled, as a birthright, to a minimum standard of life—including food, shelter, education, medicare, information and mobility.

Of course this guaranteed minimum would vary according to climate and tradition. Each individual or people would be allowed to earn more by work and toil.

Is it possible to reach this goal, freeing humanity from the restrictions which have hindered its full development? The study says yes—as long as the available resources are used rationally. This alternative model of society may seem utopian anyway—although in some 10 or 20 years' time one may probably wonder why it is utopian to expect that all human beings should have humane conditions of life.

The other project makes a stringent analysis of today's real conditions and the interplay of the 10 or 12 human groups making up world society, with a view to discovering how their individual postures and policies are mutually influencing and conditioning one another. In the present-day setup, the human system is riddled by a plethora of independently decided, contrasting, and often conflicting goals which cannot be fulfilled. Outcomes are increasingly divorced from purposes.

The project shows that under these conditions the limits to independence and the real options of all world protagonists—even the major ones—are becoming narrower as each of them becomes stronger. The moral is that the rules of the international game must change before it is too late. The project also supplies tools for decision-makers to learn this lesson for themselves—how to prepare for a world of interdependence.

While these in-depth researchers and reflections are actively pursued, public opinion and the political class must be brought face to face with the need for real worldwide solidarity and cooperation in mapping out a new course for mankind.

Recently senior statesmen for ten countries of different political orientation and economic conditions met as private citizens with members of the Club of Rome in Salzburg to discuss the ensemble of the world problematique.

Transnational and transcultural dialogues of this kind are indispensable.

In a haphazard way these groups of politicians, of scientists, of scholars, and of plain citizens, are slowly weaving a fabric which will eventually hold human society together by sets of new, evolutive institutions and instrumentalities—certainly not a central supergovernment. The process will be long, difficult, embattled. But the atmosphere and the mood are changing throughout the world. We are probably entering the constituent period of world society; all these meetings being the forerunners of a world constituent assembly.

CYPRUS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. GILMAN. Mr. Speaker, the fighting and bloodshed on the Island of Cyprus continues unabated, causing great consternation to Americans and to people throughout the world.

In the midst of this continuing strife, the natives of Cyprus are bearing the full brunt of the hostilities; being forced from their homes, forsaking all personal belongings as they seek refuge from the continuing warfare.

To demonstrate our Nation's concern for the victims of this war-torn Island, I have introduced legislation providing for the issuance of special immigration visas to residents of Cyprus who are seeking admission to the United States in order to avoid the consequences of war, armed conflict or civil disorder.

I have also called upon Secretary of State Kissinger urging his assistance in permitting large scale emigration of Cypriot refugees under the authority of existing statute. Our Nation's offer of asylum to Cypriot refugees would be an expression of our humanitarian concern for the unfortunate plight of these homeless war victims.

Today, during our Foreign Affairs Committee mark-up on the foreign aid bill, our committee unanimously agreed to remove all former prohibitions of aid to Greece. An amendment will be offered at the next Foreign Affairs mark-up session which would suspend foreign assistance to Turkey until an agreement, acceptable to all parties concerned regarding the presence of military forces on the Island has been reached. It is anticipated that this amendment will receive favorable consideration. We must do whatever possible to help restore peace in that part of the world.

While we are optimistic that the conflict in Cyprus will be short-lived, we cannot fail to recognize the distress and needs of the Cypriot people.

Accordingly, I urge my colleagues to join with me in offering U.S. assistance to those Cypriots who may desire to emigrate to our land.

STATEMENT OF HONORABLE JOEL T. BROYHILL OF VIRGINIA, IN SUPPORT OF AN AMENDMENT TO REDUCE THE TOTAL OF AUTHORIZED FUNDS AS CONTAINED IN H.R. 12859, THE FEDERAL MASS TRANSPORTATION ACT

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, on July 26, 1974 the President made clear his determination to bring Federal spending under control:

> We are not going to respond to the short-term slack in the economy by priming the pumps of inflation with new deficit spending. The most obvious thing the Federal Government can do is to hold down its own spending. I intend to veto congressional actions that would raise total spending above the budget.

In response to the President's call the House voted to cut the funding authorization for the Federal mass transit bill. In response to the President's call, I voted for that reduction.

All of us in Congress are confronted these days with a dilemma. We can, over the short run, continue to vote for spending programs regardless of the effect they will have on the economy. The first course will make us quickly popular to its beneficiaries. The second, and more difficult, will bring criticism with it. It is the second course, however, that through the years will bring honor. If we can in any way bring inflation under control then we have provided far more for our people than immediate fulfillment can provide; we have provided security and confidence.

Our economic trouble has undoubtedly resulted from many factors. But there can be no doubt that a principal cause of it has been uncontrolled government spending that has exceeded government revenues.

In considering any program in these troubled times, we must be practical. We must be sure that our resources are equal to our objectives.

By voting for this reduction we have not hindered the development of public mass transportation. Existing legislation could provide up to $10 billion for mass transportation over the next 6 years. In addition, general revenue sharing may be used for mass transit programs.

The Congress has acted wisely. It has risen to the challenge in a fiscally sound and constructive way. It has taken a giant step toward the restraint that will provide for the greater security and comfort for all the citizens of this country.

HARSHA AMENDMENT TO THE FEDERAL MASS TRANSPORTATION ACT OF 1974

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, a week ago yesterday in this Chamber President Ford called upon the Congress to make the tough spending decisions required to stem inflationary fiscal stimulus. For the first time since the address, the Federal Mass Transportation Act of 1974 presents an opportunity to demonstrate to the American people that our commitment to fiscal responsibility extends beyond the applause we accorded the President's call to duty.

If the $20 billion, 6-year authorization envisioned by the committee bill would somehow magically unlock the vexing dilemmas of urban mass transportation, I would be tempted to support it.

But I have heard no one make such bold claims on behalf of this legislation. In fact we have not progressed far beyond the malleable generalities and vague assertions that this bill will provide a "balanced transportation system" with "energy efficient movement of goods and services." It is far more likely, that the authorization provided by the committee will in the first instance lead to fiscally unrealistic spending totals and in the second will represent investment in transportation patterns that may well be contradictory, inefficient, and self-defeating.

Mr. Speaker, at a time when there seems unanimity of agreement that our first domestic obligation is to curtail inflation, the authorization proposed by this bill is clearly excessive. Included in the administration's fiscal year 1975 budget of approximately $305 billion was a request for slightly more than $1.3 billion for mass transit. Keeping in mind that that budget entailed a deficit of more than $11 billion itself, the Committee on Public Works now advocates that we increase the deficit by another $800 million in 1975 through the adoption of mass transit authorization of nearly $2.2 billion. If we include the estimated fiscal year 1976 budget in our calculations, the 2-year budget increase proposed by the committee amounts to $1.9 billion—an increase of more than 58 percent over the administration's request.

I am frankly mystified by how it would be possible for those of us who so enthusiastically applauded Mr. Ford's determination to balance the fiscal year 1976 budget to turn around in one week and vote for an authorization that would clearly represent a major obstacle to that goal. We are indebted to the distinguished ranking minority member of the committee, Mr. HARSHA, for providing us with a responsible solution to this dilemma. If we were truly guided by the determination to relieve the inflationary pressures of deficit spending, we would find ourselves compelled to trim the act before us by more than he recommends, because his amendment merely brings the authorization back down to the level intended by the already expansionary budget submitted for fiscal year 1975. But there can be no doubt that by comparison to the profligate spending proposed by committee, the Harsha amendment is at least a significant gesture of fiscal sanity.

It is important to note here, Mr. Speaker, that the funds included in the Harsha proposal will be combined with funds from the Federal Aid Highway Act of 1973 to produce a total transit funding of approximately $16 billion over 6 years. The 1973 highway bill opened up the Highway Trust Fund for up to $800 million annually, and allows local areas to divert funds earmarked for urban segments of the Interstate Highway System to urban mass transit. The funds provided by the Harsha amendment, when combined with the funds made available through the Highway Trust Fund, amount to an increase in mass transit funding of 130 percent over current annual levels. Thus, none of us need feel as though we are sacrificing any sensitivity whatsoever to the national commitment to develop mass transportation. It cannot be said of anyone who votes for this amendment that he or she sacrified the transportation needs of the country in the pursuit of impersonal budget cutting.

In fact it could be said of this bill, independent of funding levels, that it does not go far enough to establish new priorities for the kind of transportation system adequate for our future needs. Some 54 percent of the funds in the committee bill, and 63 percent under the Harsha bill will go to areas with fixed guideway systems—existing or planned—even though experts are beginning to doubt the efficiency of rail transit. In fact, there is growing evidence suggesting that rail projects are excessively capital intensive, and that their permanence prohibits any flexibility to respond to long-term shifts in urban growth.

Moreover, the investment of between $16 and $25 billion in transit systems, with approximately $6 billion intended for operating subsidies to bus and rail systems will provide no incentive at all to adequately adapt transportation modes to future needs. To achieve this goal it would be necessary to stop subsidizing all day parking in urban areas and to halt the construction of freeways that are unused most of the day, but jammed during rush hours. It would be necessary to increase parking charges, to levy commuter tolls on autos, and to provide preferential treatment for car pools to list only a few most obvious possibilities.

But this bill avoids the increasingly essential need to make Federal funds for mass transportation contingent upon adoption of these local disincentives for auto use and the commitment of local tax revenues for mass transit development. Mr. Speaker, I find these inadequacies in the legislation regardless of the funding level. But I suggest to my colleagues that to commit funding to its purposes in amounts greater than are absolutely necessary would be a gross mistake, and I urge your support of the amendment offered by Mr. HARSHA which avoids to the extent possible the inflationary and excessive approach presently advocated by the Federal Mass Transportation Act of 1974.

INCREASING TRUCK WEIGHTS

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. SHOUP. Mr. Speaker, after having reserved the right to revise and extend my remarks on the truck weight provision in the Federal mass transit bill, I would like to provide the following comments:

The purpose of the provision in H.R. 12859 to increase the weight limit permitted on single and tandem-axle trucks on Interstate Highways, is an attempt to standardize truck weight limits across the whole United States. The proposed legislation conforms with the formula and table as prepared by the American Association of State Highway Officials (AASHO) and the U.S. Federal Highway Administration. It falls well within the weight limits as built into the design and construction of the Interstate Highway System.

I reject some of my colleagues' accusations that this provision would cause an increase in the accident fatality rate, would greatly increase street and highways maintenance costs, would overload existing bridges, and would force similar provisions on city and state highways.

Because of the grandfather clause, written into the basic law at the start of the Interstate Highway System, in certain states it is legal to carry weights in excess of weights allowed in this bill. Such inconsistencies have had a detrimental effect on the movement of Interstate Commerce with resulting economy losses and increased prices of commodities. In comparing the lower truck weight limits for the Interstate System, with state highways, I have learned that there are some 33 states which allow greater weights on state highways than on the Interstate.

I believe the Congress and much of the nation has lost sight of the original intent of the Interstate Highway System which was to provide for a national highway system for both freight and passenger traffic. The present erratic truck weight limits seriously restricts one important part of this original Congressional intent and it places an unacceptable impediment to the orderly efficient, economical movement of goods.

The provision will allow for existing vehicles an increased weight limit which would allow improved efficiency and would help reduce energy needs, and would help reduce or at least hold down costs to the consumer.

Mr. Speaker, the fear of larger trucks is negated by simply reading the law which precludes any larger size trucks.

If this needed provision is passed, I will defy anyone of my colleagues and the provision's opponents to identify which trucks are carrying the increased weights.

The spectre of fire breathing monsters descending on the helpless motorists is rhetoric designed to appeal to your emotions rather than the logic of helping eliminate an impediment to trucked goods and helping control inflation through improved efficiency and economy. Without its passage, the people who will have to pay for the costs of unequal weight limits are the Nation's taxpayers and all consumers.

MISS WHEELCHAIR OF PENNSYLVANIA

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. MURTHA. Mr. Speaker, I would like to make two comments in connection with the Miss Wheelchair USA pageant to be held in Columbus, Ohio, on September 5.

The first thing—and it is a most pleasurable thing for me to do—is to congratulate Miss Judith Mangus, daughter of Mr. and Mrs. Ted Mangus of Apollo, Pa., for her selection to participate in this pageant.

Miss Mangus was selected for the honor from life resumes of contestants, close-up photographs, and pictures of the contestants in wheelchairs.

This is the first year the contest was held in Pennsylvania and I believe it is an outstanding idea. The pageant was held through the Governor's Commission on Aid to the Handicapped, and the Commission and Gov. Milton Shapp also certainly deserve to be congratulated.

I wish Miss Mangus well in the Ohio pageant, but in honesty I am less concerned about her winning, than I am about her enjoying and benefitting from this wonderful opportunity. I know it is something she will always remember.

On a more serious note in this connection, Mr. Speaker, I would like to bring to the attention of the House Members, some comments written to me by Miss Mangus' father.

Mr. Ted Mangus informs me of a number of wheelchair children he has known who recently lost their parents. Apparently when this occurs, since the child cannot take care of himself or herself, he or she often ends up being sent to a mental hospital for care.

As Mr. Mangus quite correctly writes:

> These people are not mental patients, they are handicapped physically. They have good minds and to put them in a mental hospital is criminal.

I admit, Mr. Speaker, to not being an expert in the law on this matter. But I plan to investigate it. And I ask those Members who share my concern for this problem, to work to find a solution to this regrettable situation.

Thank you, Mr. Speaker.

AFL-CIO SUPPORT FOR UFW BOYCOTT IS REGRETTABLE

HON. ROBERT B. (BOB) MATHIAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MATHIAS of California. Mr. Speaker, approximately four decades ago, the Congress passed the National Labor Relations Act. That legislation was the beginning of a long era whereby labor-management relations placed more emphasis on the bargaining table than on muscle and unreasonable and unfair labor practices. One of the most vicious tools, the secondary boycott, was outlawed. However, farmworkers were excluded from the act.

Today, Cesar Chavez's United Farm Workers—UFW—are boycotting California table grapes, lettuce, and Gallo Wine. Unfortunately, these boycotts hit the farmers, the consumers, and those people whose livelihood depend on the handling, distribution, and sales of these commodities. These innocent bystanders have nothing to do with the dispute, but are being financially hurt by it. The present issue is between the Teamster's Union and Cesar Chavez's UFW. Massive financial aid by the AFL-CIO to the UFW has only put fuel on the fire in my congressional district.

On August 10, 1974, the Fresno Bee carried an editorial on the subject of the boycott. I commend it to my colleagues for their consideration:

BOYCOTT'S SCATTERGUN EFFECT

AFL-CIO President George Meany's reaffirmation of support for a boycott by the United Farm Workers Union against table grapes and lettuce is regrettable.

Grapes, especially, are one of the San Joaquin Valley's leading agricultural products, and the attempt to restrict their sale across the nation by means of the boycott represents a threat to the basis of the valley's livelihood.

A boycott does not pick its victims. It hurts everyone with its scattergun attack.

It is true the uncooperative grower who is the object of UFW wrath because he refuses to sign a contract with the union suffers for every unsold lug of grapes.

But others are hurt, too—shipping employes, farm machinery salesmen, store clerks. They are all joined in a chain of interdependence that is anchored to the grape industry.

One consolation is that Meany's statement eschews the bitterness displayed in his endorsement of the boycott last May. Then he accused the Teamsters of attempting to destroy the UFW. Meany should have been trying to heal the rift between the two unions rather than exacerbating it. Maybe he realizes that now.

Altogether, the boycott is said not to be working too well throughout the country. One reason is the UFW lacks the manpower to press it. Another factor is the public may be tired of supporting causes—in addition to being unable to make the distinction between the UFW label and the Teamsters label.

Whatever the reason, the place for the UFW, the Teamsters and the growers to resolve their dispute is in the halls of Congress and the state Assembly and Senate with legislation—not in the marketplace where the innocent suffer along with the involved.

I have long called for action, either by state legislation or on the federal level. The Fresno Bee also calls for this action. Legislation to extend the National Labor Relations Act to farm labor has been introduced by several of my colleagues from California. Unfortunately, that legislation lies dead in the Education and Labor Subcommittee on Agricultural Labor, with a promise by the AFL-CIO supported members on that subcommittee that it will never be reported out.

I have offered an amendment to the Agricultural Adjustment Act to provide a solution to the farm labor problem. Unfortunately, my bill was referred to the same subcommittee that has stopped all legislation dealing with the farm labor problem. During this period of inflation caused in great part by the high cost of food, the Congress must exercise its authority and move forward with legislation which will not allow Chavez and his UFW to add to the drought-caused food shortages by his unfair and unreasonable secondary boycott.

INFLATION AND HIGHER EDUCATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. LEHMAN. Mr. Speaker, students everywhere are facing rising college costs. In 1940, the median figure paid by a student at a public college for tuition and fees was $82, and that paid by a student at a private college was $270. By 1970, the student at a public college was paying $299, and the student at the private college, $1,090. And an inflation rate of over 10 percent has left most families with less money to spend on higher education.

The Carnegie Commission on Higher Education estimates that two-thirds of the Nation's 2,340 institutions of higher education are either in financial difficulty or headed for trouble. Total expenditures for higher education, both public and private, are estimated $35.7 billion for the past school year, an increase of 9.8 percent over the previous year.

The Special Education Subcommittee, of which I am a member, has already held over 45 days of hearings on student financial assistance programs, and programs of aid for the institutions themselves. A full day of hearings on student assistance was held in Miami this past June.

The subcommittee has addressed itself particularly to the needs of middle-income students in obtaining a higher education, as it is aware of the financial bind that is facing many families in trying to stretch their resources to cover rising tuition costs.

Also cosponsored legislation to permit students whose adjusted family incomes are less than $20,000 to receive a guaranteed student loan without undergoing a needs analysis. In the House/Senate conference which followed, the $20,000 figure was reduced to $15,000.

My attitude toward higher education can be summed up best in my remarks at a subcommittee hearing on November 6, 1973:

> I would hope that before I leave this committee, sometime in the near future, we can modify this legislation to deal with each of the college applicants, each of the students going to college, not as dependents of low income families, middle income families or high income families, but as individuals deserving, and entitled to the rights of higher education.

GILMAN URGES TAX CREDIT FOR COSTS OF HIGHER EDUCATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. GILMAN. Mr. Speaker, today I am introducing legislation to provide relief to middle-income families burdened by the escalating costs of higher education.

In 1968, the average cost of educating a student in a public college was $1,063. In 1973, that figure rose to $1,414. Private colleges also saw a sweeping tuition increase—in 1968, a student in a private institution of higher education paid $2,204 per year for his college expenses; 5 years later, in 1973, these costs escalated to $3,075. When multiplied by the traditional 4 years of study and added to the costs of books, travel, and incidental fees, it becomes nearly impossible for a middle- or low-income family to keep pace with such extremely high costs.

The measure I have introduced provides for a 30-percent credit against individual income tax for moneys paid as tuition or fees to certain public and private institutions of higher education. This allowable credit would be a significant help to those individuals who are struggling to send their children to institutions of higher education, and will help to reverse the trend of recent years by which increased tuition rates have lessened student opportunities resulting in economic consideration rather than academic consideration becoming the criteria for college selection and acceptance.

Mr. Speaker, providing the best possible education for all Americans is the most important step we as a Nation can undertake in insuring the well-being of our collective future. If the measure I have introduced can, in some small way, help in making higher education available to a greater number of our American youth, I will be satisfied with that result.

Accordingly, I call upon my colleagues to fully investigate the problems our citizens are having in financing quality education for their children and urge their support for establishing a method of assisting the average wage earner in providing for the education his children will need for their future careers.

"RATINGS" OF MEMBERS OF CONGRESS MAY BE MISLEADING

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. MICHEL. Mr. Speaker, all of us here in the Congress are familiar with the "ratings of Members of Congress" which are tabulated and published by various special interest groups. The point has been made that oftentimes these ratings are unfair in that they limit themselves to a very narrow field of issues and in some cases include votes on issues completely unrelated to that represented by the special interest group involved.

In that connection I noted an article in the July/August edition of the American Farmer magazine setting forth the views of the American Farm Bureau with respect to these ratings, and I ask that the text of the article be placed in the RECORD at this point:

"RATINGS" OF MEMBERS OF CONGRESS MAY BE MISLEADING

Several national groups—including the AFL-CIO's Committee on Political Education (COPE) and the American Conservative Union (ACU)—regularly issue "ratings" of members of Congress based upon their voting records on selected issues. The usual procedure is to publish a series of roll calls and to assign each Congressman a numerical "grade" reflecting the percentage of times he voted in accord with the recommendations of the group doing the ratings.

The American Farm Bureau Federation does not engage in this practice for a very good reason—the job of "rating" a Congressman belongs to his constituents.

Voting records on selected issues can be helpful to citizens who want to do their own "ratings." But they don't tell the entire story about a member of Congress. They don't tell what bills he has introduced or cosponsored. They don't tell about his work as a member of one or more Congressional legislative committees. And they don't tell us anything about the circumstances under which he cast his votes.

To illustrate how you might use Congressional roll calls to "rate" your own Representative or Senator, let's look at the votes which could have been cast by three Congressmen on a bill to promote U.S. exports.

Congressman A represents an urban district where shoe manufacturing is an important industry. There are only 17 farmers in his district. He voted against the trade bill.

Congressman B represents a rural district where farmers produce cotton and wheat. There are very few factories in his district. He voted for the trade bill.

Congressman C represents a district which includes a large manufacturing city and several prosperous farm counties. The soybean growers in his district are strongly pro-trade. Some of the labor union members favor keeping imports out of the American market. He voted for the trade bill.

If Congressman A's voting record on other issues is a good one, it's hard to be critical of his vote against the trade bill. Congressman B had no problem in voting for the bill. Congressman C's vote for the bill, on the other hand, is one which should contribute greatly towards a favorable "rating."

The Farm Bureau News, the American Farm Bureau Federation's official weekly tabloid newsletter, has reported 13 roll calls in the House of Representatives during the current 93rd Congress. The issues covered include government farm programs, international trade, economy in government, minimum wages, and creation of a proposed "super-snooper" bureaucracy, the Consumer Protection Agency. In each case, Farm Bureau's position on the issue had been made known to Congressmen before the roll call.

A summary of these roll calls shows that a few members of the House of Representatives—like Representative Vigorito of Pennsylvania—have not cast any votes in line with Farm Bureau's position. Others—like Representative Michel of Illinois—have consistently voted in line with Farm Bureau's position.

A somewhat larger group voted in line with Farm Bureau's recommendations on all but one roll call. Vice President Ford, who was a member of the House when the first 10 roll calls were taken, is one of these.

Others voted as Farm Bureau had urged on only one of the 13 roll calls. In this group are such diverse members as Representative Litton of Missouri, a former livestock producer, and Representative Rosenthal of New York, who is widely recognized as a spokesman for urban "consumerists."

Most Congressmen have records which are less clear cut than those mentioned above. Their voting records can be of help to you in "rating" them, but you'll want also to consider such things as:

Did my Congressman vote the way I wanted him to vote on what I think are the really important issues?

Does my Congressman do a better job of representing me than his opponent in this year's election would do?

Another important question is this: Did I take the time to let my Congressman know how I and the other Farm Bureau members in my community wanted him to vote?

(The voting records to which this column refers have been printed in the Farm Bureau News during 1972 and 1973. Reprints are not available for distribution as this time. Your County Farm Bureau officers receive the Farm Bureau News regularly.)

AMNESTY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Ms. ABZUG. Mr. Speaker, I am very pleased that President Ford has rejected revenge, favored leniency, and ordered a review of the cases of individual draft resisters. The results of such a review, I am sure, will persuade him to take the next step, to universal and unconditional amnesty.

Being given "a second chance" to "work their way home" does not appeal to thousands who could not fight in a war they considered illegal and immoral. These young Americans who have been in jail, in exile, or in the underground have already served their country: They first pointed out the evils of our involvement in Vietnam. They should all receive unconditional amnesty, and I congratulate the President for taking this first step.

SUBCOMMITTEE ON CRIME TO HOLD HEARINGS ON SPEEDY TRIAL LEGISLATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Judiciary Committee has scheduled a series of hearings on the Speedy Trial Act of 1974, S. 754, and eight similar House bills. The hearings will be held on September 12, 18, and 19 beginning each morning at 10:00 a.m. in 2141 Rayburn House Office Building.

Briefly, S. 754, which passed the Senate on July 23, provides for the trial of Federal criminal cases within 90 days of arrest with a number of exclusions from the time limitations for the various pretrial motions. The provisions of the act are phased in over a period of 7 years in order to provide our already overburdened court system with an opportunity to meet the standards set out in the legislation.

There is no need for me to state in detail the seriousness of delay in Federal criminal cases and its effect on both the rights of defendants and the deterrence of crime in our communities. There is a speedy trial crisis in the Federal courts which is well-known to most of us, including the thousands of incarcerated defendants awaiting trial throughout the country. The Senate Judiciary Committee report on S. 754 thoroughly documents this from the years of experience its Constitutional Rights Subcommittee has accumulated while conducting investigations and hearings on speedy trials. The Federal Judicial Center, in a current study, found that the average delay in the busier Federal courts from arrest to trial is 350 days. This is clearly an unacceptable state of affairs.

In order to carefully examine S. 754 and related bills, the Subcommittee on Crime has invited a number of distinguished criminal justice practitioners to discuss the implications of this legislation on the Federal courts, on the rights of defendants, and on the deterrence of crime in the Nation. Among those who have agreed to testify are Senator Sam Ervin, Jr., whose outstanding work on speedy trial legislation is well-known to all Members; the Honorable John Feikens, a judge of the U.S. District Court for the Eastern District of Michigan; Charles Morgan, Director of the Washington office of the American Civil Liberties Union; James E. Roberts, chief Federal Public Defender for the Eastern District of Michigan; Rowland F. Kirks, Director of the Administrative Office of the U.S. Courts; Prof. Daniel Freed of the Yale Law School, an authority on speedy trial legislation; Ivan Barris, a noted Michigan defense attorney, and the Department of Justice.

Also, I am pleased to add that our distinguished colleague, Representative Claude Pepper, who conducted a number of hearings on the courts while chairman of the Select Committee on Crime, including the consideration of speedy trials, will participate with the members of the subcommittee during these important hearings.

Those wishing to testify or to submit a statement for the record should address their requests to the Committee on the Judiciary, U.S. House of Representatives, Washington, D.C. 20515.

NEWSLETTER TO MY CONSTITUENTS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. WOLFF. Mr. Speaker, periodically, I distribute a newsletter to my constituents in a continuing effort to keep them informed of my activities as their Representative in Washington. And often, I use the newsletter as a vehicle to obtain their views on major issues, thus allowing me to function more effectively on their behalf on Capitol Hill. I would like to share with my colleagues my latest newsletter:

Newsletter to My Constituents

Dear Friend & Constituent:

The unparalled national events of early August are now behind us and an era riddled with shocking incidents and disclosures fortunately has been concluded. On that fateful day of the President's resignation I addressed the House and said:

"I am saddened by the events that have led to the resignation of our President, but I also feel we as a nation can take heart that our constitutional processes and system of government have withstood the trauma.

"The President's resignation is in the national interest; we have provided for the orderly transition of power to a new Administration; and there will be no lack of continuity in our domestic or international policies, nor any weakening of our position in the world community.

"We must now come together as a nation, healing the wounds of the past so that we can meet the very pressing problems that face us and the world. Let us, too, put on notice those throughout the world who view what has happened as a sign of weakness. To the contrary, this nation has shown its strength in the face of unprecedented strain."

I shall attempt to work with President Ford, with whom I have served in the House of Representatives for the past 10 years, for I believe that the President's deep knowledge and insight of the Congress will nurture a more productive relationship between the Legislative and Executive branches of our government. I am confident we will see a continued forward march by Congress to reassert its proper role in the determination of forthright programs as they affect all Americans.

However, the difficult times ahead are still very much in focus. While renewed faith and trust has been instilled in our system, our nation's economy remains in the grip of inflation and shackled by shortsighted and ineffective economic policies.

As I outlined in my last newsletter, the basic steps this nation must take to restore economic stability are: (1) reduce the national debt and, along with it, the annual $30 billion in interest—moneys that then could be rechanneled to increase our commitments for education, housing, crime prevention, transportation, energy development and environmental protection; (2) cut excessive federal spending and eliminate unnecessary outlays throughout the world that return us nothing; and (3) stop the foreign grain deals that deplete our resources and food supplies at a time we can least afford it.

These are but a few of the comprehensive steps I have been urging Congress to adopt with appropriate legislation. In this issue I continue to detail the series of basic policy changes I believe essential to revitalize our economy and re-establish sound financial management.

TAX REFORM: TAXPAYER BREAKS

It is clear that a tax cut is not the answer to our economic woes, but a reordering of our priorities is an essential part of the answer. We must realign the present system so that each person pays his fair share. This means eliminating the tax loopholes that allow 200 Americans who earn more than $1 million a year to escape and pay no federal income taxes while the average wage earner is gouged well beyond acceptable tax limits. Tax deductions for legitimate expenses must be made available, but evasive tax shelters must be closed. We must provide tax credits for the small investor's interest from savings banks to spur deposits and hence increase the amount of available mortgage money to improve the disastrous conditions confronting the housing industry.

We must also ease the taxpayer's burden by providing tax credits to parents bearing high education costs, and tax deductions for the expense of commuting to and from work on mass transit, and for that portion of a tenants' rent covering property taxes.

BURDEN SHARING BY OUR ALLIES

We could greatly decrease our foreign debt and foreign assistance costs if other nations were to increase their share of the overall burden. While there is no question that we must maintain the troops abroad needed for our defense purposes, we cannot afford to continue maintaining excess troop strength. As things now stand, every 1,000 troops we cut results in a $5 million saving; hence cutting just 50,000 "surplus" troops of the hundreds of thousands at foreign stations could result in an annual saving of $2.5 billion.

And, along these lines, we must demand that countries whose security we are helping to insure, help pay for this protection. The current cost to the United States for NATO forces alone is $14 billion a year. Is it too much to ask our European allies in NATO to share in this expense and pay at least one-half the cost of our mutual security that would save us $7 billion.

END FOREIGN "GIVEAWAYS"

Foreign aid, limited to reasonable bounds and properly administered, is a valuable weapon in our defense arsenal as well as essential to fulfill humanitarian needs. However, in recent years, we have witnessed excessive foreign aid spending. For example, the Executive agreement with India signing away that nation's $2.2 billion debt owed to the United States is a "giveaway" we simply cannot condone. If India is poor and cannot feed her people, as is historically the case, that is one thing; but if she can afford to spend precious dollars to produce an atomic explosion, then we should not subsidize her adventurism into the "nuclear club." We should help feed India's starving which we can, but we cannot afford to feed India's ego.

In subsequent newsletters I will discuss additional ways and means to advocate to effect support President Ford's programs of saving both at home and abroad—proposals that, if implemented, will work to spur the economy and reverse inflation. These methods deal with the lowering of interest rates to elevate opportunity and production; and with the protection of American industry and American jobs from extensive intrusion by foreign investors and "unfair" foreign trade practices that are sapping our economy.

Sincerely,

LESTER WOLFF.

COMMENCEMENT ADDRESS TO INSTITUTE ON COMPARATIVE POLITICAL AND ECONOMIC SYSTEMS AT GEORGETOWN UNIVERSITY

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. FLOOD. Mr. Speaker, it has been my privilege, as well as that of numerous other Members, to intern the select students of the Summer Institute on Comparative Political and Economic Systems at Georgetown University.

As most of us know, the institute is sponsored by the Charles Edison Memorial Youth Fund and directed by Dr. Lev E. Dobriansky of Georgetown University. Its unsurpassed program of comparative studies, internship, and professional lecture series in the American foreign policy lectures forms a three-tiered activity that is the wish of every thoughtful and ambitious young student in our land. I can say that I was most happy with my two institute interns.

The basic activity of the institute is supplemented by other formal undertakings, one of which is the graduation exercise. This year the address at the exercise was delivered by Dr. Henry Lane Hull, of the University of Alabama, in Huntsville. The thoughts and observations in this concise address, especially its honoring of the works of Father Edward A. Walsh, who founded the Foreign Service School at Georgetown, are most enlightening. I am confident that my colleagues who also intern the institute's select students, will profit from a reading of this address, titled "Prologue for the Future":

PROLOG FOR THE FUTURE

(Graduation Address delivered by Professor Henry Lane Hull of the Department of History of the University of Alabama in Huntsville to the graduates of the Institute on Comparative Political and Economic Systems at Georgetown University on 19 July 1974.)

Mr. Lawrence, Dr. Dobriansky, Mrs. Teague, Miss Moore, Distinguished Guests, Ladies and Gentlemen: A year ago at this time when we met together to send forth the 1973 graduates of The Institute on Comparative Political and Economic Systems I suspect that the majority of you graduating this evening were busily engaged in your summertime pursuits, unaware of the significant changes that would be wrought in your careers and your lives by the experiences you have undergone during the last six weeks. I further suspect that last summer for most of you Edison meant a light bulb, Georgetown a New frontier cocktail party, and Washington, with the Watergate hearings and Sirica sentencings, a generally uninteresting and depressing "mess." Today after nearly a year's work in selecting you from among many who applied, and in preparing the extensive program of courses, lectures, and internships, and after six weeks of intensive exposure to the life of the American government, both in the classroom and the cloakroom, in the lecture halls and in the halls of the people, it is our hope that your horizons have expanded and that you will go home with new faith in our system, faith reinforced with knowledge and with confidence.

For six weeks you have studied other political and economic systems in order that you might better understand your own. You have each day spent your class hours in a building named for the man who did more to professionalize the training of international citizens than any other educator of this century. It was the creative vision and daring initiative of Edmund A. Walsh during the First World War, when he served as an educational advisor to President Wilson, that led to his founding of the Georgetown University School of Foreign Service, an institution which has been vitally important to America's emergence as a world power capable of sending its diplomats around the globe to vie with those of the other great states. In the interwar years Dr. Walsh was one of the singular voices of alarm over the rise of totalitarianism, both of the right and of the left, systems which he quite rightly found inimical to the American ideal. In the wake of the Second World War, after his work at the Nurnberg trials and in Japan with General MacArthur, Dr. Walsh broke new ground in the pioneering effort to eliminate the linguistic impediments to international communication, and he hoped ultimately to peace, by developing the multilingual translation process, which had proved so successful at Nurnberg, into the present School of Languages and Linguistics. It has been quite fitting that your work here this summer carry on the splendid traditions begun by Edmund A. Walsh.

For six weeks, each afternoon you have journeyed up Pennsylvania Avenue, that great pathroad of history, to the heart of our political system. There, where the Truths we hold as Americans are preserved and protected, you have lived the experience that is unknown to many Ph.D.'s who have taught political science for decades, for you have been able to participate in the organic process which allows us to live up to the remark of Benjamin Franklin following the Constitutional Convention of 1787. In those days, when the Founding Fathers had been midwifing the delivery of the new form of government, Franklin was asked whether the country would be given a monarchy, a revised confederation, or what-have-you, and he replied in his characteristic manner, "A Republic—If you can keep it." We hope that you each now know that we can keep it, and we will.

For six weeks, you have been present in this city in which one can readily see that rare convergence of space and time. Each day as you have made your way to Capitol Hill you have passed by the imposing neoclassical facade of the National Archives with its two guardian statutes facing the avenue. On one of them are inscribed the words, "What Is Past Is Prologue." Today we hope you realize that as one delves into the depth of our history, nowhere more apparent than in this city, the essential harmony between man's past and his future permits him to focus beyond the present vicissitudes, tumultuous as they may appear at the moment, to the perspective of the broad concourse of the American experience, and the transcendent values which make our system unique, and, please God, perpetuating.

For six weeks, you have been shown that excellence in scholarship is found in the desire to transmit learning from one who has studied to one who is studying, whether it be in the classroom, or in the lectures you have heard in The American Foreign Policy Forum, or even as you have worked together to become worthy to receive your diplomas this evening. It has all been work, but the gift of learning was never intended to be free.

Thus tonight we say "amen" to the last six weeks. We might close by looking at the weeks and years to come.

In six weeks' time you will be returning to your home colleges and universities with this interlude in your lives having closed. What you do with what you have gained is yours alone to decide. We trust that these past weeks will make you special people on your campuses, men and women who have been given insights which will enable you to be leaders among your fellow students and fellow citizens. Within a few years you will have graduated and be heading for professional schools and careers in your chosen fields. Ultimately, as you enter the market place of the world community, whether it be Washington, D.C., your home precinct, or abroad, the time will come when The Charles Edison Memorial Youth Fund and its Institute on Comparative Political and Economic Systems will mean the most to you, for either you will have seized upon this singular opportunity for which you were chosen, while many were denied, or you will have let it slip by, and the momentum of these past six weeks will have been lost.

Graduation exercises are called commencements because the past is indeed prologue, and the text of the future will be as good or as bad, as bright or as bleak, as you choose to make it.

Congratulations, Good Luck, Godspeed to you all. Thank you.

MRS. EDITH MAXWELL, A FINE AMERICAN, CELEBRATES HER 80TH BIRTHDAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. ANDERSON of California. Mr. Speaker, every once in a while we are given the rare opportunity to express our appreciation for the generous contributions being made by some individuals in our community, who so generously give of themselves for the benefit of others. Such an occasion has been afforded to the citizens of Paramount when they host on September 11 a surprise celebration to honor Mrs. Edith Maxwell on her 80th birthday.

Mrs. Edith Maxwell is indeed deserving of such recognition for her numerous contributions made in this fine southern California community. For the past 35 years she has been one of Paramount's most active and dedicated women.

Like many active people Edith Maxwell is a very versatile individual. Not only has she been a highly successful businesswoman, a skilled writer, a civic and community leader, but in addition to raising two fine sons, James and Kee, one of whom served as Paramount City attorney, she is also an outstanding golfer, bridge player, and a leader in the National Cat Society.

While Edith Maxwell officially retired in September 1968 after nearly a half century as a coowner and publisher with her husband, B. K., of several newspapers, including The Paramount Journal, she is still very active in her profession.

Even now she writes analyses of city council meetings, and of the Paramount Chamber of Commerce meetings, where she once served on its board of directors; and she still maintains a weekly column on one of her skills and loves—bridge.

Yes, Mr. Speaker, the citizens of this fine community are indeed fortunate to still have Mrs. Edith Maxwell there to serve them.

My wife, Lee, and I join the members of her family and her many friends in extending our sincere appreciation for her years of dedication and wish her a very happy birthday.

U.S. RELATIONS WITH GREECE: PAYING THE PRICE FOR MORAL AND POLITICAL INSENSITIVITY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. EDWARDS of California. Mr. Speaker, for 7 years many members of Congress, supported by the majority of the American press, spoke out against the damage being done to the people of Greece and America's reputation by a blundering and morally and politically insensitive U.S. foreign policy.

We were on occasion taken aback by the similarities between our efforts and those made 150 years ago by English liberals, represented most notably by Lord Byron. Our views now, and theirs then, encountered a supposedly wise "strategic" argument which in the end proved tragically wrong in both cases.

The Washington Post on Tuesday, August 20, 1974, carried an outstanding column by Anthony Sampson, of the London Observer, which touches on this theme and which is historically, politically, and morally right on the mark.

Under leave to extend, the column follows:

ON THE FRONTIER OF DEMOCRACY

(By Anthony Sampson)

The rapidly worsening American relations with Greece, culminating in the murder of the American ambassador to Cyprus, present not only the greatest test to Secretary of State Henry Kissinger's diplomacy, but raise in an extreme form the question that has always troubled observers of the detente: Must the small nations be sacrificed in the interests of the balance of power?

Last week, a delegation of congressmen of Greek origin, led by Reps. John Brademas (D-Ind.) and Paul Sarbanes (D-Md.), called on Kissinger to make known their profound concern over the Greek plight. Kissinger's reply, as might be expected, was that while he sympathized with their concern, the Greek-Turkish conflict was part of a much wider, and delicate, balance of forces in which the peace of the world was at stake.

To Greeks, who have very long memories, this explanation has a familiar ring; it is part of a pattern with which they were familiar enough in the early 19th century, when Greece was trying to rebel against Turkish repression. The reasons that the Great Powers 150 years ago refused to encourage the Greeks have been described with relentless logic by one of the most distinguished historians of that period—Dr. Henry Kissinger.

In his remarkable book, "A World Restored," which contains so many pointers to his own subsequent diplomacy, Kissinger recounts the problem in 1821 facing the two great statesmen of Europe, Lord Castlereagh in Britain and Count Metternich in Austro-Hungary, when an insurrection by the Greeks was followed by appalling Turkish reprisals, including the slaughter of Greeks in Constantinople and the hanging of the Greek patriarch and bishops outside the door of his cathedral. The Turkish atrocities outraged European liberals, and stirred Tsar Alexander of Russia, as the protector of the Greek Orthodox faith, to plan to move against Turkey.

But Metternich and Castlereagh saw any such interference as a grave threat both to the social order in Europe and to the concert of powers. With great cunning, Metternich persuaded the tsar that his moral repugnance must be put second to the need to maintain the existing order; Castlereagh likewise insisted that humanitarian considerations were subordinate to maintaining the "consecrated structure" of Europe. The Turkish repression thus continued, and "the two great statesmen of repose" (as Kissinger calls them) congratulated each other on having saved the peace of Europe.

But in the end, of course, the Greek rebellion was not so easily kept down: The liberal forces of Western Europe provided arms and men, Castlereagh's policy collapsed with his suicide and the British and Russians together guaranteed Greek independence six years later.

The contribution of English liberals to the liberation of Greece is something the Greeks have never forgotten, and Lord Byron, who fought on their side, is spoken of in Greece today as if he were still alive.

Of course the whole shape of the world has changed in the subsequent century-and-a-half, and the balance of power is now on a global scale. But the doctrines of Metternich and Castlereagh undoubtedly still have great relevance—with some reason—in the mind of Kissinger; and Greece, like other small countries on the frontiers of the detente, still presents a very awkward dilemma.

In terms of power politics, Turkey is far more immediately important as the front line in the NATO defense system, with a frontier with the Soviet Union, a strong government and a sophisticated premier Dr. Ecevit (an old friend of Kissinger and translator of T. S. Eliot).

Yet the Greek moral claim to support from the West, and particularly from Western Europe, is likely to be as powerful now as in 1820, and the claim is made stronger by the well-justified guilt of the West at having tacitly supported the previous colonel's dictatorship. The splendors of Greek history and art still offer a special emotional appeal to the West, as they did for Lord Byron.

Moreover, the Greek-Turkish crisis provides a moment of truth for NATO today as it did to Metternich's concert of powers. It is becoming increasingly clear that NATO cannot exist indefinitely as a secure military alliance without a strengthening of its political cohesion and ideals. A month ago, with the two embarrassing dictatorships in NATO, in Portugal and Greece, both overthrown, the opportunity seemed ripe for the renewal of NATO as something more than a defense system; and Secretary of Defense James Schlesinger has recently made clear that NATO must undergo a political revival.

But today the fact that Greece, having overthrown its dictatorship (without Western help), is being sacrificed to the military needs of NATO is bound to make the political purposes of the alliance look even more hollow. The Americans and the British both are arguing that Greece must accept the principle of diplomatic continuity, and must pay the price of the colonel's folly, but in the light of the previous Western support of the colonels, it must be regarded as part of their folly, too.

The ultimate danger of a policy based purely on military considerations (as it was with Metternich) is not merely that it becomes callous toward small nations that get in the way, but also that it underestimates the need for some poliical justification behind any alliance. That the baby goes out with the bathwater. Or, as Kissinger himself puts it, summing up Metternich's limitations: "Diplomacy is not a substitute for conception: its achievements ultimately will depend on its objectives." It is entirely appropriate that Greece should once again provide an embarrassing challenge to the world powers; for with all its chaos, underdevelopment and emotionalism, it is on the most exposed frontier of European democracy, which it originally invented.

MORE FACT, LESS FICTION

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. MILFORD. Mr. Speaker, recently an august member of the other House—Senator BARRY GOLDWATER—rose to accost the news media. He was indignant. And rightfully so. Senator GOLDWATER had been the subject of a story later proven to be an erroneous assumption.

As a former member of the press corps, where I carried a working press card as television announcer and newspaper column writer for 18 years, I am pleased that my former paper, the Dallas Morning News took umbrage with the journalistic misdeed.

I would recommend their editorial plea for more fact and less fiction to my distinguished colleagues in the House.

The editorial follows:

ROTTEN BUNCH

Through some outstanding feats of investigative reporting the national media uncovered the Watergate mess and finally brought a Republican administration down.

That being the case, many may believe that there was nothing but sour grapes in GOP Sen. Barry Goldwater's furious charge that the press is a "rotten bunch."

There may have been a certain amount of partisan feeling, but the primary reason for the senator's anger was his belief that two TV networks had reported falsehoods as factual news. Since both stories dealt with supposed actions by the senator himself, presumably he is well qualified to judge.

The situation Goldwater was complaining about has been drawing concerned comment not only from wounded political figures but from journalists themselves. The problem is the increasing number of unattributed, undocumented and in some cases unchecked news stories passed on to the public in recent months.

Hiding a source who fears public identification is an old and legitimate device of investigative journalism. Often it is the only way that a reporter can get at a story that should be told.

But until recently, it was considered to be a tool that should be used only when the newspaper and the reporter were willing to put their professional reputations on the line to back the source's veracity.

The Watergate story was broken by investigative reporters who won both professional and financial rewards as a result. Not surprisingly, this drew a wave of imitators and emulators. Soon every day brought waves of shocking revelations and startling accusations from "usually reliable sources" and "high government officials."

Some of these stories were later proved true. But it also became apparent that much of what was being passed on to the public as investigative reporting was in fact nothing but disguised rumor-mongering.

One of the networks blasted by Sen. Goldwater, for example, checked back on the story that had angered him. The reporter, according to the network, "has been in touch with his original source. The source says he was wrong in assuming Sen. Goldwater was involved."

A national TV news agency giving the country a news story based on an erroneous assumption by an unnamed source?

When reporting the news—even in Washing, "the cave of echoes"—has moved that far from the sound basis of hard facts, it is time to wonder about the fourth estate's standards.

Public affairs journalism is the core of the free press. Many of its greatest achievements have begun with the "reliable source" story.

But public affairs journalism also brings together politicians and newsmen, two professionals that include in their ranks some of the nation's most dedicated gossips.

When the Watergate fever subsides, let us hope that some of the newsmen will ask themselves whether they have been letting their pleasure mix with their business.

VICE ADM. EUGENE P. WILKINSON, U.S. NAVY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mrs. SCHROEDER. Mr. Speaker, during our recess, on the first of September, one of the Navy's most venerable submarine officers will retire. Vice Adm. Eugene P. "Dennis" Wilkinson is best remembered as the first commanding officer of the U.S.S. *Nautilus,* the world's first nuclear powered submarine, and his brief but vastly significant message, "Underway on nuclear power." However, his distinguished career extends over three decades, from December 1940 when he was first commissioned.

His varied roles as an active seagoing officer are the primary testimony of his dedicated service to our country. He had a distinguished war record, making eight submarine war patrols and earning the Silver Star. He was executive officer of three submarines. He was commanding officer of four submarines including the *Nautilus*. One can imagine the mental and physical demands he experienced both in building the *Nautilus* and then guiding it through the trials of its first years of operation. The experience he gained in this position made him the logical choice to be the commissioning commanding officer of the U.S.S. *Long Beach,* the cruiser that was the world's first nuclear powered surface ship.

After his many years at sea he distinguished himself as a staff officer in several assignments throughout the world. He has spent his final 2 years as deputy chief of naval operations for submarine warfare.

I believe it is proper that the Congress of the United States represent the American people in thanking "Dennis" Wilkinson for all he has done for us, and in wishing him smooth sailing and continued success.

PRESIDENT FORD'S INAUGURAL ADDRESS ENCOURAGING

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. CHAMBERLAIN. Mr. Speaker, in an editorial of August 13, the Lansing State Journal, Lansing, Mich., points out that President Ford's inaugural address was indeed encouraging, his words straightforward with a ring of sincerity and determination. Recent editorial comment in much of our media has also reflected this optimistic tone, and I am sure the American people find it refreshing. I would ask, Mr. Speaker, that this editorial be included in the RECORD, so that others may know of the sentiment being expressed in Michigan's Sixth Congressional District.

The editorial follows:

FORD'S CALL TO GET BUSY ENCOURAGING

President Ford laid it on the line Monday night—compromise.

His veto, he asserted, will not be needed if the effort to find common ground is made before hand.

The good will shown him by ovations from both parties in Congress indicated fertile ground, but just how fertile will be tested by his call for national health care legislation by the end of the year.

The President's inaugural address to Congress and the nation sounded the usual phrases of action, progress, attacking the problems, peace at home and throughout the world—all words that have been said by his predecessors in the nation's highest office.

Until proven otherwise, however, his words, simple and straightforward, had the ring of sincerity and determination.

No dreamer, the President said he wasn't looking for a honeymoon but wanted to have a good marriage with Congress.

In addition to the proposal for health care, he flatly asserted there would be no cut back in defense, and thereby shattered any illusions of a honeymoon that some of the more liberal factions of Congress might have had.

Whether the sincerity and determination of his words will weather the shoals of congressional infighting during the pressurized campaign season remains to be seen.

His agreement to an economic summit conference to attack inflation may work, but it's likely to create more smoke than progress. Even then, it would still be far more than has been accomplished during the recent administration so preoccupied with Watergate. His urging that Congress reestablish the cost of living council, even if its only weapon is to publically rap the knuckles of the over-greedy, will be a positive step.

His behest to the voters that they back the candidates who promise to hold down government spending was a nice thought—but how that belt tightening is to be accomplished in the face of at least two priorities established by Ford will be interesting. If his efforts to fight inflation with budget-cutting are to be successful, it means that hopes of finding those cuts in the defense budget will have to be dropped. In addition, there will be the cost of the proposed health care plan. These represent heavy spending that must come at the expense of other budget areas if Ford's goal is to be achieved.

President Ford signaled that he is intent on restarting the adminstrative machinery after the stall created by Watergate. He emphasized his willingness to work with Congress and received an enthusiastic response. It's a good beginning, bouyed by the end of the Watergate acrimony and all it entailed. Hopefully the marriage will be a lasting one.

LIMITING FEDERAL SPENDING IS NECESSARY TO HELP FIGHT INFLATION

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. HEINZ. Mr. Speaker, there has been too much talk in recent months from those of us in Washington and too little real action to halt stampeding inflation. Today I am introducing legislation which I believe is a critical first step if we are serious about stopping inflation. My bill clamps an absolute Federal spending ceiling of $295 for the fiscal year, nearly $10 billion under the budget proposed by the administration last February.

I firmly believe that Congress must be held accountable for a self-imposed annual spending limit. That is why I fought for the successful passage of the Congressional Budget Control Act which became law July 12, 1974. But the congressional spending controls provided in that bill do not take effect until fiscal year 1976.

In the meantime the fires of inflation rage on. And unless we act soon, these fires will become so high and so hot as to be impossible to quell short of a national calamity. That is why we must now cut Federal spending.

Just as there is nothing inevitable about inflation, there is nothing inevitable about Federal spending. We do not have to throw up our hands in despair over mounting budgets and soaring deficits. Congress can control spending if it really wants to make the hard decisions that Members are elected to make.

There is a vast amount of waste in the Federal budget. If we removed the administrative inefficiencies, the boondoggles, and the unnecessary bureaucrats, I believe we could safely slash Federal spending by more than the $10 billion cut I am proposing today. After all, $10 billions is barely 3 percent of the anticipated Federal spending, and the list of Federal programs heavy with fat includes highway programs, public works projects, space and defense programs, agricultural subsidies, foreign aid and useless or counterproductive social welfare programs.

Mr. Speaker, I would not presume to impose on Congress, through this bill, my views as to where spending cuts should be made in this fiscal year. That is why my proposal would require a prorated reduction in all Federal programs other than social security and interest on the public debt.

I admit that the total cut I propose is modest compared to the vast Federal budget. But I firmly believe that responsible congressional spending ceiling would have a profound effect on the inflationary psychology which now pervades our economy.

First, the Federal Reserve Board would be less inclined to pursue a policy of high interest rates and tight money if it saw Congress finally joining it in the trenches in the war against inflation. What is more, a relaxation of the "Fed's" restrictive monetary policy would help revive the depressed homebuilding industry and lower the effective cost of homes for all Americans.

Second, labor unions would be less inclined to make inflationary wage demands if they were confident that Government was actually working to control inflation.

Third, inventory spending merely to avoid inflation would be cut. Industry would also defer unwarranted plans to add more plant or equipment simply to beat rising prices.

Fourth, the rest of the world would again look to the United States for the economic leadership that is so badly needed in the face of worldwide resource shortages and international inflation.

Moreover, the nearly $10 billion cut in Federal spending would have important effects other than psychological. A spending reduction of nearly $10 billion would be deflationary since it would decrease total demand for goods and services. It would help dampen inflationary pressures and curb inflationary expectations.

With the cost of living shooting up at 12 percent annual rate, Congress can no longer delay biting the bullet. The dollar is now worth 25 percent less than it was just 5 years ago. If we further delay dramatic, decisive action we shall only make the situation worse for all Americans as well as for ourselves.

I recognize that cuts in Government spending alone are not the easy solution to chronic, severe inflation that some would have us believe. Much, much more needs to be done. For example, as chairman of the House Republican Task Force on Antitrust and Monopoly Problems, I realize the importance of strong antitrust action to enforce the kind of competition in business that brings prices down and keeps them down. It is also clear that we have to develop manufacturing processes and living styles that are less wasteful of our scarce resources and commodities—particularly energy. Moreover, long overdue are the careful adjustments in our export policies to assure minimum adverse effects on prices American industries and consumers pay for items such as scrap steel, petroleum, timber, wheat, beef and other farm products.

But we in Congress must start the battle against inflation by putting our own house in order—and that means by cutting Federal spending.

Our economic problems are serious and the solutions are not easy. But the challenge to this Congress, and to this Congressman is clear.

I think President Ford's words to Congress and the people sum up the situation well:

> We have a lot of work to do. Let's get on with it.

Our work against inflation must start with this cut in Federal spending. So let us get on with it.

FOOD EXPORT CONTROLS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues a recent Washington Post editorial which discusses the painful choice we now face on food export controls. As my colleagues are aware, our corn, soybean, feed grains and wheat harvests have been seriously depleted because of extremely adverse weather conditions—and we face this potentially critical shortage of essential commodities at a time when our reserve supplies are at an all-time low.

Last year, the American people suffered the greatest food price hikes and shortages in some 25 years, and yet our harvests were plentiful. We know now that as much as half of the 14-percent increase in food prices and the shortages of essential commodities were a direct result of the boom in export demand. Massive and irresponsible export agreements, like the United States-Soviet wheat deal, critically depleted our supplies, forcing domestic prices up and jeopardizing our ability to respond to disaster abroad.

If at this point, when adverse weather has already minimized our food supplies, we do not place responsible restraints on food exports, we will find ourselves facing possibly the gravest food crisis in our history. We not only have a responsibility to the American consumer, to insure him an adequate supply of food at stable prices, but we also have a responsibility to our traditional trading partners overseas and to those needy nations which depend upon U.S. food production.

The Post editorial calls upon the Secretary of Agriculture to immediately institute an export licensing and allocation system for our food supplies.

For more than a year, I have urged that this step be taken. In the face of continued unresponsiveness from USDA, I have introduced legislation—H.R. 10844—the Export Priorities Act, which would set up an export licensing and allocation system for agricultural commodities, that we might insure a more orderly market for allocating our food supplies.

It is incumbent upon the Congress to act where the administration has failed. If USDA does not respond to the clear need that exists to place restraints on our food exports, Congress must mandate these restraints by law. We can no longer afford to play guessing games and juggling maneuvers with our most essential commodities.

The complete text of the Post editorial follows:

Corn, Soybeans, and the Drought

> The ominous warning in the Agriculture Department's crop report this week foreshadows a painful choice on food export controls. If this country does not at last begin to limit its foreign sales of foodstuffs, they will inevitably aggravate the inflation in grocery prices here at home. But if we put limits on our exports they will have a serious

impact on our balance of trade, which now depends heavily upon agricultural sales. That in turn, as the past administration always argued, could mean further trouble for the dollar.

Neither alternative is attractive, but there is no doubt which is the better and safer one. Limits on American food exports are now necessary. We cannot leave our basic food supply to the surges of an unpredictable world market. It serves the best interests of our major foreign buyers as well to set out clear rules now, letting them know exactly what they can expect and permitting them to make their own plans in an orderly fashion. It is not a matter of cutting off any buyer. Instead, it would mean telling the world how much we could safely export and, if total demand should approach that amount, how we would allocate our limited supply.

The Secretary of Agriculture, Dr. Earl Butz, will presumably advise President Ford against any export limits at all, just as he advised President Nixon against them. The past administration, with Secretary Butz's enthusiastic support, led this country into an exceedingly high-risk food policy that, at every turn, gambled long-range interests to get through short-range difficulties. Mainly to bolster the dollar abroad, and the foreign trade balance, the last administration fastened itself to a reckless policy of pushing food exports to the point of selling off most of our longstanding reserves.

All calculations for the current year were based on the most optimistic possible estimates of farm production—estimates requiring every contingency to run in our favor, from fertilizer supplies to the weather. It was in regard to the weather, of course, that the gamble failed. The policy was to get through this year with a crop that was to be hugely bigger than any previous record. That was before the drought began. Last year's corn crop was 5.6 billion bushels, and last spring the Agriculture Department was offering a euphoric forecast of 6.7 billion bushels this year. Now the Department expects only about 5 billion bushels. The wheat crop is better, and will be a little above even last year's record. But it will be 20 per cent below the forecast earlier this year, on which our trade policy has been based. The soybean crop last year was 1.6 billion bushels. The current forecast is 1.3 billion this year.

Secretary Butz can hardly be blamed for the drought this summer. But he can indeed be blamed for deprecating the possibility of a drought and ignoring the evidence that we might be approaching the bottom of the 20-year drought cycle. He can properly be blamed for the circumstance that we now come to a year of withered crops with the lowest reserves in more than a generation. When President Ford begins to weigh the advice that he is currently getting from the Agriculture Department, he may want to recall some of the previous landmarks of Secretary Butz's stewardship. After the Russian wheat sale, the price of wheat shot upward. The administration drew no lesson, apparently, from that interesting event. Instead, it sat deaf and blind through a series of warnings that other foreign countries were buying abnormally large volumes of American soybeans because of a worldwide shortage of protein. At length, the rush for soybeans drove the price to phenomenal heights and the administration, in a sudden burst of panic, slammed the door shut on any soybean exports at all for some months. To many foreign countries, this unexpected reversal seemed almost an act of open hostility. In this country soybeans are mainly fed to animals. But in many of the importing countries, notably Japan they are a staple of the human diet.

After the soybean fiasco, the federal government set up a reporting system under which all agricultural export sales are registered. But they are registered only after the sale, and sometimes as much as a couple of weeks afterward. The proper step now, before matters go any farther, is to require export licenses for foodstuffs. If the exporter has to get a license before he can consummate a sale, the Agriculture Department will know precisely and before the fact how much of each crop has been sold abroad.

The United States has broad responsibilities to those overseas who have come to depend on our farmers to feed them. Some are, like the Japanese, wealthy countries that have been our steady customers for many years. Others desperately need food, but have no dollars with which to bid. Export licensing would make it possible to allow special provision for both the steady customers and the soft-currency buyers.

Americans, particularly those of us who live in cities, have learned a lot about agricultural policy in the past few years. We have learned that this country's food supplies—bountiful, varied and, by most other peoples' standards, still cheap—are not to be taken for granted. Restoring stability and order to our agricultural markets will take skillful policy. Export licenses ought now to be regarded as only the first step toward rebuilding the national standby reserves of basic foodstuffs that, in recent years, we have profligately allowed to run down.

MIDSHIPMAN KATHERINE JARVIS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. WHITEHURST. Mr. Speaker, earlier this year the Second District of Virginia had the honor of sending the first Virginia woman to a service academy. I nominated Katherine Jarvis of Norfolk, to the Merchant Marine Academy. She possessed outstanding qualifications and I am very pleased she was accepted. Kathy is one of 15 women in the academy's plebe class of 350, and for the first time in history a brother and sister are attending service academies at the same time; her brother Michael joined the Naval Academy's plebe class this summer.

I know it will not be easy for Kathy and other members of her class at the Academy during the years of training and education, and I want them to know they have our support and encouragement.

I, too, was heartened recently by receiving a letter from Kathy. It gives a sketch of life at the Academy, and so radiates her charm, spirit, and enthusiasm that I want to share it with my colleagues:

Kings Point, N.Y.,
August 9, 1974.

Congressman G. William Whitehurst,
House of Representatives
Washington, D.C.

Dear Dr. Bill: For the past three weeks your first lady midshipman has marched, doubletimed, squared corners, flanked corners, braced up, sounded off, eaten square meals, rowed a boat, sailed a boat, carried a gun; and had to write fifty times why it is called a rifle and not a gun. I'm bruised, blistered; with sore muscles and sore bones. I have lost pounds of weight, but not one ounce of my motivation or my desire to make you proud of your nominee.

I'm happy to report that all of the girls are doing very well. Also I'd like to report that chivalry is not dead. The male plebes have been a tremendous help to us. I have learned many thing in the last three weeks, but utmost in my mind, at this time, is that I've developed a total appreciation of the simplest pleasures, like resting.

I've had the honor of being selected as a member of the sailing team, which is great fun for me and makes me anxious for the day when we compete against Annapolis and I get to see Mike. He sends you his highest regards and told me to tell you that being a plebe at the Naval Academy is like being in the charge of the Light Brigade—"their's is not to reason why, but to do or die."

Seriously though, I wanted to let you know that we are both doing well; keeping our sense of humor and being reasonably happy, considering the condition of being plebes.

Respectfully yours,
Midshipman Katherine Jarvis.

MIZELL URGES NATIONAL HEALTH INSURANCE PROGRAM

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. MIZELL. Mr. Speaker, in this Chamber President Gerald R. Ford on August 12, 1974 set as a priority for his administration, the American people, and this Congress the passage of a national health insurance measure before the 93d Congress adjourns.

This is an issue about which I have been concerned for sometime as national health insurance is of urgent importance to the majority of Americans.

As one who recognizes that health care—adequate and reasonably priced health care—is vital to all the citizens of the Nation I have cosponsored legislation in both the 92d and 93d Congresses to establish a program of national health insurance.

Therefore, I am compelled to urge the Committee on Ways and Means, which I know has been working on this legislation, to act as expeditiously and favorably on my bill H.R. 2226.

Any national health insurance program adopted by the Congress must meet these criteria: it must be effective, that is, it must help reduce the spiraling cost of medical care and help improve medical care facilities; and the program must be efficient, that is it must provide aid where it is most needed and not throw the hard-earned dollars of the American taxpayer down the drain.

Under the provisions of H.R. 2226, a voluntary health insurance program would be established. It is important to note that the program would be voluntary. It would not force any citizen who feels secure in his ability to cover his medical expenses to subscribe. This feature should help to keep the costs of the program down.

Another vital feature of my legislation is the coverage it would provide for catastrophic illness. This bill would cover unlimited hospital days and up to 30 additional days in a skilled nursing facility. Catastrophic illness poses a threat to many families, and the formula for coverage contained in my legislation would alleviate the largest part of the financial strain on a family.

The medicredit plan incorporated in this legislation would pay health insurance premiums for the poor, and allow tax credits for others for the purchase of private health insurance plans.

Anyone under the age of 65 would be eligible for participation, and those over 65 would be covered, as they are currently, by medicare. The proposal I am supporting contains the provision for reduced Federal payment of premiums according to the income of those participating. Therefore, those with larger incomes would be eligible for less assistance than those with low incomes.

At a minimum, the health care coverage provided by this plan would provide 60 days hospitalization, including nursing services, drugs, blood, appliances, maternity and psychiatric care, and physical therapy. If the illness is catastrophic, the plan would provide unlimited hospitalization and physician care.

In addition, the plan would provide certain home health services, ambulance service, emergency or outpatient hospital services. Dental care for children 2 to 6 years of age and emergency dental services and oral surgery for all ages also is included.

Mr. Speaker, besides these constructive objectives which this proposal would meet, there are certain important things which it would not do, and which would mean a savings for the taxpayers and the establishment of an efficient health insurance program.

Medicredit would not require extensive restructuring of the existing health care system, which now provides quality health care for the Nation, and which provides jobs and income for countless persons—and which does not constitute a tax drain.

Our national health care system, based on private practice, is one of the best in the world today. I firmly believe that we would run the risk of jeopardizing our high quality health care if we do away with private enterprise in the medical profession. This should not be the aim of a national health care program, and we should strive to insure that it is not an inadvertent consequence of such a program.

Other programs proposed and now before the Ways and Means Committee would tear down the entire existing structure, replacing it with new and untried systems. Such a course is, I believe, fraught with unknown hazards and expenses.

Furthermore, medicredit would not force patients or physicians to accept a particular kind of health insurance. The program I sponsor is flexible and innovative, and maintains that freedom of choice which is so vital to the health of the American medical system and the Nation's economy.

Mr. Speaker, my constituents have told me of their concern. I hear daily about the need for a national health insurance program to cover catastrophic or prolonged illnesses. At the same time, my constituents, like an overwhelming majority of the American people, are not willing to pay for more wasteful Federal spending programs which do not provide aid to those who have a legitimate need.

This issue provides the Congress another opportunity to show the American people that we can act responsibly and with their best interests in mind. If we provide a good, solid, and economical national health insurance program, we can expect good results in terms of improved health services and lower costs.

These are the true needs of my constituents and, I am sure, of the vast majority of the citizens of the Nation. I am hopeful and urge the approval of the medicredit program as a responsible national insurance system for America.

ATTORNEY GENERAL SAXBE ASKED TO EXPLAIN DISMISSAL OF A MAJOR CRIMINAL CASE AS PART OF A PLEA-BARGAINING DEAL

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. FISHER. Mr. Speaker, under leave to extend my remarks I include a letter which I have today sent to Attorney General William B. Saxbe:

AUGUST 22, 1974.

Hon. WILLIAM B. SAXBE,
The Attorney General, Department of Justice, Washington, D.C.

DEAR MR. SAXBE: As you know, several months ago an indictment was returned in federal court at Abilene, Texas, against Jake Jacobsen. He was charged on seven counts for conspiracy, misapplication of savings and loan funds, and perjury, carrying a potential penalty of 35 years in prison and $65,000 in fines.

The press reported that the charges involved the handling of nearly $1 million in funds improperly and for the benefit of Jacobsen and his co-defendant, Ray Cowan.

The Savings and Loan Association referred to in the indictment was located in my home town of San Angelo, Texas. Many of the alleged victims are my constituents.

Earlier this month the Washington press reported that as a result of a plea bargaining deal manipulated here in Washington the Texas indictment against Jacobsen was to be dismissed as a part of an agreement between the Office of Special Prosecutor and Jacobsen. It was reported the dismissal was to become a reality on condition that Jacobsen would testify and make out some sort of a case against former Treasury Secretary John Connally for receiving $10,000 in milk funds from Jacobsen, the purpose for which it was to be used being in dispute.

In addition, the Washington press reported the Office of Special Prosecutor agreed to forego reinstating another indictment against Jacobsen, which had been dismissed for technical reasons, and carrying a potential penalty of five years and $10,000.

The agreement as reported called for Jacobsen to plead guilty to a milder case as a part of the bargain to induce him to testify against Connally.

As you know, there was no remote relationship between the Texas case against Jacobsen and Watergate or the milk fund. Therefore, since the Special Prosecutor had no jurisdiction and no authority to dismiss the Texas case, I am assuming your office agreed to this plea bargaining arrangement.

You can understand that many of my constituents are at a total loss to understand why the Texas case against Jacobsen is to be dismissed. They do not accept the deal manipulated here in Washington as a valid justification. I share their views. I am, therefore, addressing the following questions to you:

1. Who was the individual in the Department of Justice who agreed to this arrangement?

2. Specifically, what if anything was wrong with the Texas case, what are the legal grounds, to justify this extraordinary action of dismissal?

3. Is the proposed dismissal recommended by the U.S. District Attorney whose responsibility it would be to prosecute Jacobsen in the Texas case?

4. Please give me the rationale which the Department of Justice employs in absolving Jacobsen of guilt, or of not being required to answer for the allegations against him as contained in the Texas indictment.

Sincerely,

O. C. FISHER.

THIS IS THE WEEK THAT WAS FOR GERRY FORD

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. CHAMBERLAIN. Mr. Speaker, in an article entitled "This is the Week That Was for Gerry Ford," written by Bud Vestal, the Jackson Citizen Patriot, August 14, chronicled the somber events of the change in Presidents, and editorially commented on "A Golden Opportunity" for greater openness in Government. While no one expects that all our problems can be solved only by a change in leadership, the general tone of editorial comment in daily newspapers, as well as from other media, appears optimistic, and, with the Watergate era now behind us, such views can be constructive in urging the American people's support for President Ford at this critical point in history.

The articles follow:

A GOLDEN OPPORTUNITY—OPENNESS, CANDOR, AND THE SEPARATION OF POWERS

Congress now has an unparalleled opportunity to straighten out some questionable practices that have crept into government during the past several decades.

The reference is to the gradual erosion of congressional powers, willed by both Congresses and the past several presidents.

Most of the powers surrendered by Congress to the White House have been handed over as a matter of expediency, and a succession of presidents dating back to Franklin Roosevelt have been only too happy to accept.

This abdication of power has inevitably led to confrontations between the two branches of government, and to even more recriminations, all of them avoidable and unnecessary.

The most publicized of these confrontations occurred over the too-broad permission given presidents to impound funds approved by Congress, and over the war powers given Lyndon Johnson and Richard Nixon.

Ultimately the war powers matter was settled in an acrimonious battle capped by a congressional override of Nixon's veto. The fund-impounding problem is still with us. It even drew President Ford's comments during his first address to Congress Monday.

One of the basic problems is that all too often Congress passes laws dealing with specific matters but neglects to include termination dates beyond which the desired action should cease.

The many states of emergency established in the past 25 years are object lessons. The enabling legislation is still on the books, even though the emergencies have long passed.

Now the nation has a new President, one who pledged to maintain an open door and mind, who believes fully in the constitutional divisions of power, who is fully familiar with both the legislative and executive operations.

Could there possibly be a better time to straighten the books, to have Congress resume its rightful role?

A special Senate committee is about to file a report on its investigations into the practice of presidents withholding essential information from both Congress and the nation.

The report draft says gaps in the public record are "primarily due to a failure by Congress to specify substantive standards under which all presidential directives should be recorded. In addition, Congress has not yet enacted laws which would prevent the executive from using classification to withhold information . . ."

Legal requirements hold a president must publish proclamations or executive orders in the Federal Register for them to be binding. To circumvent this requirement, it has become customary to classify the material, thus precluding its publication in the unclassified Federal Register.

The Senate committee recommends a second, classified edition of the Register so that such things as Presidents Kennedy's and Johnson's National Security Action Memorandums, or President Nixon's National Security Action Directives, would be forced into some record available to Congress, even though not available to the public.

A re-separation of powers would have several benefits. In addition to restoring things to their rightful possessors, it would place responsibility where it belongs. The public would thus know who did whatever it is they like or dislike. Accountability is the word.

The present state of affairs makes it possible, and attractive, for the chief executive to operate in semi-secrecy. It also begs further confrontations over the possession of power, the duties and responsibilities of the two branches of government.

These first two weeks of President Ford's term of office are an ideal time in which Congress can act—before Ford feels it necessary to use the too-broad powers given the presidency and while Congress has the examples of the immediate past fresh in its memory.

THIS IS THE WEEK THAT WAS FOR GERRY FORD

By Bud Vestal

WASHINGTON.— It is over now, and seems so predictable in retrospect.

Last week Gerald R. Ford and his staff were prisoners in a drama that was being written one line ahead of the playing; he was the one man in Washington who could not lift a finger to hasten or influence the story's outcome.

Now lids are coming off many stories, like this account from the inside looking out:

Monday morning, Aug. 5, in New Orleans was a queasy time for the Vice President on the road, and for his staff back in Washington. Sen. Robert P. Griffin of Michigan had warned President Nixon Saturday to release all Watergate tapes subpoenaed by the Senate, and then called on him Monday to resign. He knew something, and undoubtedly had warned Ford.

But Ford followed schedule on a political fund-raising swing through Mississippi and Louisiana. Monday morning he addressed the Disabled American Veterans convention in New Orleans, vowing no amnesty for Vietnam draft-dodgers. Then he was advised to return swiftly to Washington and departed at 1:40 p.m. in the Convair turboprop that was the vice president's plane. En route Ford received a radio-phone call from Col. Jack Walker, a military aide, saying that Deputy Presidential Press Secretary Gerald Warren would brief newsmen on the so-called "Haldeman tapes" at 4:15 p.m.

On arrival at his office in the Old Executive Office Building, Ford was told that President Nixon's Chief of Staff, Alexander Haig, had called. He returned the call and Haig told him the gist of the tapes; Ford was thunderstruck. This was the "superbomb," as Ford's staff members called it.

It was, plain and simple, the revelation that Nixon knew about the Watergate cover-up six days after the burglary, had participated in it, and had lied about it to Ford and everyone else.

Ford and his staff had discussed for more than a week a statement terminating Ford's public defense of Nixon. Now, the vice president moved swiftly to do it, and a two-page statement was ready for the news media before dark Monday. It said that it would "no longer be in the public interest" for Ford to argue the President was innocent.

Ford's mood was sorrowful; he was tense. He and his staff worked late Monday night. Shortly before midnight Ford's office received notice of a cabinet meeting the following morning.

The cabinet meeting has been described as "eerie" because it proceeded with business as usual although everybody in town knew a crisis was unfolding.

Tuesday afternoon Ford's staff of more than 60 in the vice presidential offices tried to continue "business as usual" but tension was strong. Ford conferred often with top aides. Staff chief Robert T. Hartman, unusually quiet, was busy preparing for takeover of power.

Wednesday morning Haig came to Ford's office and conferred with him from 8 to 9 a.m. This touched off false rumors that President Nixon would announce his resignation that day. In Michigan, State Sen. Jack Toepp, R-Cadillac, called the Vice President's brother, Thomas Ford, a legislative budget aide, saying "something big is coming at 7 p.m.—the television station told me." The ABC television network headquarters in New York called Michigan contacts to ask for names of New York residents who had known Vice President Ford.

It was all 24 hours premature. Nevertheless, Ford cancelled an interview scheduled Wednesday afternoon with a New York Times editor, and a scheduled staff conference. But he did give an interview to an Italian television network crew, on urging of John Volpe, ambassador to Italy. He also met with Fred Malek, deputy director of the Office of Management and the Budget, and was briefed by Gen. Brent Scowcroft, Secretary of State Henry Kissinger's deputy for national security.

Everyone on Ford's staff knew "the balloon had gone up" in the words of one, but at no time did Ford call a staff conference or issue any statement to his people on the new situation.

Thursday morning Ford went to Blair House at 9:30 to give seven posthumous Medals of Honor to families of Vietnam war casualties. While he was there, Haig called the office to say President Nixon wanted to see Ford at 11 a.m.

Even at this hour part of Ford's staff was working on final details of a 12-day "blockbuster" of a political trip starting with a telethon fundraiser in Los Angeles, finishing in Honolulu Aug. 19.

But shortly after noon Thursday Ford walked solemnly into his office after meeting with President Nixon. He summoned Hartman, adviser Philip Buchen and other top aides to tell them that he would be President Friday noon.

Ford then met with GOP Chairman George Bush of Texas—now considered a possibility for new vice president—and scrubbed the California-Hawaii trip. The rest of the day he spent with his top aides to plan his transition.

Ford was alternately agitated and calm; the hours evaporated on the clock. Hartman, a former Washington political writer, began writing the brief, homespun speech Ford would give at the most simple presidential inaugural ceremony since Calvin Coolidge was sworn in by his father, a Justice of the Peace, at the family home in Plymouth, Vt.

Friday morning everybody waited in the vice presidential offices for President Nixon's departure at 9:45 a.m. Secretary Kissinger came for one more conference with Ford at 8:15 a.m.

Just before 9:45 a.m. Ford and his bodyguard went to the White House south lawn to say farewell as President Nixon entered a helicopter to start his trip home to California. Ford was last in line at the helicopter door and the emotion-choked Nixon could not look directly into Ford's eyes—he shook hands, and gave Ford a whack on the right elbow with his left hand.

Shortly after that Ford's staff began following him to the White House working offices. They simply walked across the lane between the EOB, a dark gray pile of Gothic architecture, to the gleaming White House.

In little more than an hour Ford would be sworn in as president, and these 60-some staff aides would become part of the presidency. Regardless of who had hoped for it and who had feared it, it came to them inexorably as a juggernaut during five days of crisis in Washington.

SUPPORT FOR PRESIDENT FORD

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. DERWINSKI. Mr. Speaker, editorial commentary from across the country properly supporting President Ford continues to pour into our offices. I to insert into the RECORD, at this point, an editorial broadcast August 13, over Station WMAQ-TV in Chicago, expressing their support of President Ford's ascension into office:

EDITORIAL OPINION BY STATION WMAQ-TV

The first address by the new President—some encouraging signs from Gerald Ford.

Even if President Ford had not delivered his speech last night to the joint session of Congress, his appearance would itself have been successful. The warm, almost boisterous reception he received from Congress probably reflected a national sense of relief after many months of anguish.

Watergate has not ended. Criminal trials will continue. So will the debate whether former President Nixon should be immune from possible prosecution. History will try to determine whether his resignation prevented us from learning through the impeachment process the full story of Watergate.

But for now, it seems clear, there's a new national mood that is almost euphoric.

President Ford did not offer new programs last night. Instead he offered hope of progress. He promised his administration's first priority will be to control "public enemy number one," inflation. And he pledged "communication, conciliation, compromise and cooperation."

The purpose of his speech last night was to gain the confidence of Congress and the

American people that our government can start moving again. In that, he undoubtedly succeeded. Eventually, of course, President Ford will be judged not on his promise but his accomplishments. His success in gaining the support of Congress and the people is the first necessary step toward a record of achievement.

BUD SHUSTER SAVES MAN'S LIFE

HON. EDWARD YOUNG

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. YOUNG of South Carolina. Mr. Speaker, anyone who serves in public life is asked to help solve all kinds of problems. Many times, faced with a difficult situation, it is easier to say, "there's nothing I can do," or "that's not a Federal matter." But not Congressman BUD SHUSTER, my colleague from Pennsylvania.

BUD SHUSTER went far above and beyond any job description of a Congressman to save the life of a man from his congressional district. The Union Memorial Hospital of Baltimore, Md., released the exciting story of a rattlesnake, a helicopter, and a Congressman, which follows:

THE UNION MEMORIAL HOSPITAL NEWS

A rattlesnake, a helicopter and a Congressman? These seem like an unlikely combination of unrelated elements; but Walter E. Ford of Breezewood, Pennsylvania knows better. Currently, a patient at The Union Memorial Hospital in Baltimore, Maryland, Mr. Ford was hunting snakes in Bedford County, Pa. when he was bitten three times on the leg by a timber rattlesnake.

He was admitted to a Bedford County hospital for treatment, but his condition declined steadily. Mr. Ford's son, an Army medical corpsman was home on leave, called Congressman Bud Shuster (R–Pa.) in Washington for help.

The freshman Congressman, an avid outdoorsman, recognized the life-and-death implications of the man's plight. Scheduled appointments were cancelled, and after hours of phone calls both in and out of state, Mr. Shuster was put in touch with the American Venom Laboratory at Edgewood Arsenal, just outside Baltimore.

It was recommended that Mr. Shuster arrange for Mr. Ford to be transferred to The Union Memorial Hospital, where Dr. Rennert M. Smelser, in the Department of Surgery, could treat him. Dr. Smelser, with many years experience in treating such cases, was contacted.

Congressman Shuster was warned that an ambulance ride from Bedford to Baltimore could prove fatal to the patient. At this point, not only Mr. Ford's leg, but his life was in danger.

The Congressman was thus able to arrange for an army helicopter to transport Mr. Ford, whose condition by now was critical. Although the use of such helicopters is generally restricted to army purposes, Congressman Shuster's persistence yielded positive results. In a matter of a few hours, Mr. Ford arrived at Union Memorial where Dr. Smelser and his team were waiting.

According to Dr. Smelser, "The Congressman's fast action and intervention on behalf of the patient was undoubtedly responsible for saving his leg, if not his life."

At present Mr. Ford's condition is no longer listed as critical; he has been moved from the Intensive Care Unit. The Congressman's interest in the patient, which involved innumerable phone calls to check on his condition, reached a climax today when he came from Washington to meet Mr. Ford personally. Both Mr. Ford's wife and son were present and were able to express their personal gratitude to Mr. Shuster.

"I'm delighted that everything is working out so well", said the Congressman, "there seems to be no limit to what can be accomplished when people work toward a common goal. Without Dr. Smelser's assistance and that of The Union Memorial Staff and the army, the outcome might have been quite different."

I am proud to serve in Congress with a man like BUD SHUSTER—a man who refused to take "no" for an answer and spent several painstaking hours working against the clock in search of a hospital and a helicopter to save a life.

I know for a fact that he personally kept in daily touch with the hospital to follow the progress and even personally visited the patient at the Baltimore, Md., hospital.

We need more men who care like BUD SHUSTER.

RESOLUTION ADOPTED

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, under leave to extend my remarks, I am inserting into the CONGRESSIONAL RECORD a resolution adopted by the Vienna Town Council pledging unqualified support to President Ford.

This is a great display of good citizenship on the part of those people in an effort to bring about better national unity. I commend them for the adoption of this resolution.

The resolution follows.

RESOLUTION ADOPTED BY THE VIENNA TOWN COUNCIL

Whereas, the Nation has undergone an unprecedented crisis in recent months which has resulted in the loss by resignation of both a President and a Vice President, and

Whereas, the events leading up to and resulting from said crisis have resulted in a "crisis of confidence" in public officials and public institutions generally, and

Whereas, our new President, Gerald R. Ford, who has assumed the Presidency without benefit of National elections, has requested the support of the entire Nation as he tries to lead the Country in the months ahead, and

Whereas, the Town Council of the Town of Vienna, Virginia believes that President Ford needs and deserves the support and confidence of the entire Nation as he assumes the responsibilities of the high office of the President of the United States, now, therefore, be it

Resolved by the Council of the Town of Vienna, this 19th day of August, 1974, that the Vienna Town Council does hereby pledge its unqualified support to President Ford, and be it further

Resolved that the citizens of the Town be, and the same hereby are, requested to join in a united effort to heal our National wounds and move forward in unity behind our new President. Be it further

Resolved that a copy of this resolution be forwarded to President Ford and the members of our Congressional Delegation.

ALL POWER TENDS TO CORRUPT

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. SPENCE. Mr. Speaker, when Lord Acton said that "all power tends to corrupt," I have no doubt he included in his list of corrupting temptations the power to spend other people's money. One of the occupational hazards of the legislator is the tendency toward smug self-righteousness brought about by spending money which is not his on "good causes."

We have to be eternally on our guard, lest the desire to "do good" toward selected groups should cause us to forget our duty to the American people, or allow us to betray the trust which has been placed in us. Nearly two centuries ago, a Scottish jurist and historian, Alexander Fraser Tytler, gave us this sober assessment.

> A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess out of the public treasury. From that moment on, the majority always votes for the candidate promising the most benefits from the public treasury with the result that democracy always collapses over a loose fiscal policy always followed by a dictatorship and a monarchy.

If this seems unduly alarmist or extreme, one only needs to study the history to confirm that the syndrome has recurred with disturbing regularity. Thus, I always find it useful to remember that there is no such thing as "Government money"—only money which has been contributed by American taxpayers. Whenever I hear claims that more "Government money" should be spent on any particular project, I always translate these claims into their real meaning: that American taxpayers should be made to contribute more of their own money toward that project. In this way, I am able to avoid the tendency of many to feel that money in the public treasury does not really belong to anyone.

Certainly, Congress has been lavish in its expenditures of taxpayers' money on domestic programs over the years. It is clear that the "big spenders" in both the House and the Senate faithfully dance to the tune of the Federal assistance lobby, paying little or no regard to the fact that the money must come from the pockets of hard-working citizens. Last year, a nonpartisan, nonideological group of college and graduate students devoted 2,500-man hours of research to analyzing votes on appropriation bills, and cost estimates for legislation introduced by individual Senators. One group, nicknamed the "Extravagant Eleven" by the task force, were conspicuous for their advocacy of an extraordinary number of social welfare proposals. Among them, the Extravagant Eleven suggested nearly $1 trillion worth of new spending schemes. One Senator, in the space of only 6 months, proposed $109.4 billion worth of new programs.

Most would agree that Government has an obligation to care for those who, because of illness or infirmity, or other valid disabilities, are not able to produce a sufficient income for themselves and their families. No one begrudges the assistance which actually reaches the poor and needy. But the fact is much of it does not. If the money set aside for assistance projects were actually divided among all those who are below the poverty level, the poor would disappear overnight. We have created a vast bureaucratic superstructure which siphons billions of dollars from funds designated for the poor into a wide array of political patronage, administrative salaries, inefficiency, and plain waste.

It is the height of irresponsibility for Congress to fund wasteful and indiscriminate projects at any time—as Congressmen, we have a duty to the American people to insure that they receive full value for their money. But in times of inflation that duty is doubled, and if the misuse of money contributed by taxpayers is irresponsible, then the misuse of money taken from the American people without their knowledge or consent must be termed totally reprehensible.

This is the real meaning and significance of inflation. Because many of our legislators have become addicted to gigantic social programs, for which they are loath to ask the American people to finance through their taxes, the Government must resort instead to the tactic of paying for them out of newly printed money. When they spend more than they dare to openly and honestly ask the American people to consent to, they make up the balance by creating new money on the Federal presses.

It does not take an expert in monetary theory to realize that if more money is created without a corresponding increase in goods and services, then prices will rise. Every American family has learned the hard way that, as the Government has pumped more money into the economy to finance lavish projects, the prices of our existing stock of goods and services have risen.

This is a particularly evil form of taxation by stealth. As the Government creates new money to spend, so does the value of everyone else's money fall. The American people are being taxed by inflation just as surely as if Government agents were sneaking into their bank vaults at night to help themselves.

If Government creation of new money is causing an inflation rate of 12 percent, this means that for every $100 owned by a citizen, the Government is effectively taking $12 away from him every year without his consent and without his knowledge. Even money deposited in the bank is not safe from these predations. Earning interest at 5 percent is really equivalent to losing $7 a year for each $100 invested.

Honest taxation is unpleasant enough, but this underhand and deceitful way of taking money is utterly repugnant. The "big spenders" resort to it, because they know that if the American people were given any choice in the matter, they would not willingly pay for such expensive and wasteful projects.

Meanwhile, these extravagant politicians think that they are having it both ways. They gain a reputation for being "concerned," they attract the attention of the national media, and they rank high on all the special interest rating polls—yet, they escape the wrath of ordinary taxpayers by concealing the method by which their programs must be financed. Some even pander additional political favor by advocating a reduction in taxes.

Unfortunately for them, Americans are beginning to realize what fiscal conservatives have been saying for years. That is, the blame for inflation can be laid squarely at the door of those who vote for wasteful and inefficient programs. The people are waking up to the necessary connection between massive Federal spending and inflation. It is very significant, for example, that a recent Gallup poll revealed that the number of voters in this country who consider themselves conservatives is now the highest ever recorded since the question was first asked in 1936. Conservatives outpolled liberals by fully 12 percentage points.

Perhaps a cure for inflation can best be achieved if responsible Congressmen tell people the truth. The media are always excited by big, visible programs which give the appearance of action, and it is because of this attention that some Members of Congress are tempted to court easy popularity by supporting them. But the truth is that quieter virtues, such as preserving the integrity of Government, keeping trust with taxpayers, and maintaining the stability of currency, are of far greater value to the people we are elected to serve.

Those who curry favor through the support of such splashy programs will begin to find that cheap popularity is an ephemeral thing. A more lasting source of respect is available for the Congressman who can tell his electorate that he fought to keep their money honest, that he never robbed them by surreptitious means, and that he handled their finances with integrity.

There can no longer be the excuses of ignorance. The evil has been identified and brought into the open. We know that the main cause of inflation is the printing by the Government of new money to finance projects which the taxpayer would not willingly pay for. Now that the evil is known, we must take action. There must be no more deficit financing, and no more underhanded juggling of the Nation's money. If we insist on a drastic cut in wasteful Government spending, we shall remove the main temptation to inflate the money supply.

If the American people are not prepared to pay for something out of taxation, then they are not prepared to pay for it at all. We, as their representatives, owe it to them to see that their wishes are not thwarted by deficit financing. Economy and honesty might lack the glamor of a highly publicized posturing about social concern, but they are qualities that we could ill-forget or ignore. In combination, they can lift us out of this swamp of inflation, and bring integrity back to our Government as well as to our money.

FORD'S MAN

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. QUIE. Mr. Speaker, I have always had a very high regard for Robert T. Hartmann. Mr. Hartmann administered the staff of President Ford when Mr. Ford was Vice President. He now serves as a counselor to the President, a job which he can be expected to do very well.

I insert at this point in the RECORD an article from the New York Post of August 17, 1974, concerning Mr. Hartmann:

MAN IN THE NEWS: ROBERT T. HARTMANN

(By John S. Lang)

AUGUST 17, 1974.

WASHINGTON.—There are those who call him President Ford's Prussian, much as Haldeman and Ehrlichman were Richard Nixon's Prussians.

Robert T. Hartmann's reputation for brusqueness has grown to such proportions during his few days in the White House that his own father sent him a package of the minerals that got into carborundum, the abrasive used for grinding steel.

"So you'll know what you are," his father joked.

It is perhaps because of this image that Gerald Ford decided to hang on to more polished Alexander Haig as chief of staff when he moved to 1600 Pennsylvania Av. Hartmann, who administered Ford's vice presidential office and might logically have become chief of staff, took on instead the title of counselor to the President.

But Hartmann remains near the President's doorway, always close to the President's ear, helping to shape the direction of Ford's honeymoon with Congress and the American people. If he is a hard man up close, Hartmann's words and attitudes work a smooth blend on the public when filtered through the hearty midwestern personality of Gerald R. Ford.

Political analysts credit Hartmann's backroom planning with helping Ford become his own man as Vice President, and not Richard Nixon's, with keeping Ford clear of Nixon's embrace during the former President's plunge to disgrace.

Hartmann was among those who advised Ford to reject Nixon's offer last February to show him evidence—selected transcripts of tapes—which Nixon claimed would clear him of wrongdoing in the Watergate coverup. This freed Ford of any commitment to continue publicity defending Nixon.

And it was Hartmann who, last December, helped arrange Ford's swearing-in as Vice President in the House of Representatives—subtly emphasizing his ties to Congress—when it was thought that the White House was preparing an elaborate ceremony in the East Room.

Ford came closest to slipping into Nixon's defense strategy last Jan. 15 when he delivered a speech, written at the White House, blaming impeachment talk on "a few extreme partisans" trying to "crush the President."

The reaction among Ford's supporters and advisers was adverse. Ford backpedaled in subsequent public appearances. And at Ford's suggestion, Hartmann helped write the speech before a Republican conference in Chicago in which the Vice President described Nixon's aides involved in Watergate as "an arrogant elite guard of political adolescents."

Ironically, it's with two of those aides most detested by politicians with whom Hartmann is sometimes compared. "He's another Prussian like Haldeman or Erlichman," says a longtime associate, "though he's far more the political sophisticate than either one of them. He's not a terribly good administrator and he seems to have difficulty arriving at a decision. He can be extremely difficult for the people he works with.

"But if he has a blowup he forgets about it the next day—even though the people he's dealing with may not be able to forget. Rather than apologize, he'll do some generous act—like take you to an expensive lunch."

A reporter who covered Ford's travels as Vice President says Hartmann is "about as likeable as a grizzly—hard on the press, hard on the Secret Service and hard on his staff people."

Others currently close to Hartmann object to descriptions of him as "abrasive," although their demurrers leave the impression that he can be difficult.

"Here's a real person who cuts through red tape, who gets things done, who's effective," says Milton A. Friedman, chief speechwriter for the President, who works closely with Hartmann on Ford's addresses. "Here is a guy who is his own man and the President's man and very close to the people. That's distinct from any arrogance or royalist posture."

Jo Ann Wilson, who is Hartmann's chief aide, says, "I know he is misunderstood by many of his associates. He does have a tendency to speak his mind. He has very definite ideas about what he wants. But I've been very upset about descriptions of him as abrasive—he's very thoughtful, particularly with the ladies. He understands some of us are not as thick-skinned as the men."

Friends and critics agree, however, that Hartmann is politically savvy and that his background will make him invaluable to a President with little experience in foreign affairs.

Robert Trowbridge Hartmann, 57, owes much of his tough manner and his seamed face, the hue of 7-year-old bourbon, to a lifetime of being witness to or participant in crises of world power.

In 1938, as a new graduate of Stanford University, Hartmann bummed around the world, watched Nazi rallies in Hitler's Germany, seeing the birth of global war in China and Japan.

His first blind date with the woman he later married, Roberta Sankey, had to be postponed because Hartmann, then a Navy ensign, at Long Beach, Cal., was restricted to base. It was Dec. 7, 1941, and the Japanese that day attacked Pearl Harbor. They were married the following year.

As a lieutenant commander in 1945 it was Hartmann who went to Orinato Bay to arrange the surrender of Japanese forces in the North Pacific to Adm. Frank Fletcher.

After World War II, picking up a newspaper career begun as copy boy on the Los Angeles Times, Hartmann became a police reporter, went on to editorial writer and then was sent to Washington to open the newspaper's first full-fledged bureau here. He arrived on March 1, 1954, the day Puerto Rican revolutionaries shot up the U.S. House of Representatives.

Then known as Vice President—and fellow Southern Californian — Richard Nixon's favorite reporter, Hartmann headed the Times' Washington bureau for eight years, covering Nixon's famed "kitchen debate" with Nikita Khrushchev in Moscow and the trip to Caracas, Venezuela, during which the Vice President was spat upon by hostile crowds. Hartmann developed a reputation as an excellent writer. But all was not to go smoothly for him.

In 1962 Hartmann was reassigned to Rome as bureau chief. Otis Chandler had succeeded his father as publisher of the Los Angeles Times and the newspaper was dropping its arch-conservative stance.

"Hartmann is deeply conservative and he was philosophically out of tune with the way the paper was changing," says a reporter who worked with Hartmann at the time. "There was a personality clash with the managing editor. Those were the reasons for his being sent to Rome. And even today he's a little bitter about the Times' management."

Two years later, Hartmann quit reporting. He languished until 1966 as an information advisor for the UN's Food and Agricultural Organization, and then Rep. Melvin Laird (R-Wis.) picked him to be editor of reports issued by the House Republican Conference. When Laird became Nixon's Defense Secretary in 1969, Hartmann wound up on Rep. Ford's payroll as legislative assistant and then minority sergeant at arms for the House.

Busy 10 and 12 hours a day drafting Republican allternatives to the policies of the Democrats controlling Congress, Hartmann made a few close friends. But he made many respect him for his insights into politics and for his creativity with the written word.

It may be as a wordsmith that he is most valuable to the new President. As his own speechmaker in the House before enlisting Hartmann's talents, Gerald Ford is best remembered for a Lincoln's Day address in which he deplored the Johnson Administration, saying, "If Abraham Lincoln were alive today he'd be spinning in his grave."

There were no such goofs and there were many passages of simple eloquence in President Ford's inaugural address and in his speech to Congress last Monday.

Milton Friedman, who also worked on the two speeches, declines to say which passages stem from Hartmann. "You have to look at the total product," says Friedman. "Hartmann and the President are really in close harmony."

It is a harmony of opposites: Ford, abandoned by his father, climbing to prominence on athletic scholarships, yeoman service in minority politics and an air of genial goodwill; Hartmann, darling only child of a well-educated man, ace collegiate debater, reared in an atmosphere where books were not discouraged.

Born in Rapid City, S.D., on April 8, 1917 (it was Easter Sunday) Hartmann lived the first seven years of his life in Niagara Falls, N.Y., the son of Minor L, Hartmann and the former Elizabeth Trowbridge. The elder Hartmann, now 85, was director of research for the Carborundum Co. "Bob got pneumonia practically every winter, so the family moved to California," says Hartmann's wife. "His father had a doctorate in chemistry from Harvard but became a patent attorney, and Bob grew up in Beverly Hills." Minor Hartmann still practices as a patent lawyer.

California had been the original goal of the family since Hartmann's great-grandfather arrived in this country in the 1840s and opened a small business in the German colony of Tiffin, Ohio.

According to Hartmann's wife, "His great-great-grandfather came over later, found that the 'von' had been dropped from the family name, felt his children had married beneath themselves and set out for the California gold fields.

"Somewhere along the line great-great-grandfather died and his partner did not honor an agreement to send the family certificates of ownership in a mining company. The family tried to trace the certificates but found nothing."

Nearly a century later the family made it to California and Hartmann spent his boyhood in the Los Angeles suburbs, becoming an Eagle Scout and a bookworm.

He graduated at the head of his high school class in Beverly Hills and would have been Phi Betta Kappa at Stanford, says his wife, "if he had spent two days studying instead of just one hour all year." At Stanford Hartmann was editor of a campus magazine and was graduated with a B.A. in journalism.

Hartmann still spends his few chances for relaxation—he has worked several days round-the-clock since Ford became President—engrossed in books, usually history.

He and his wife live in Maryland just across the District line in a large, two-story brick house with a swimming pool built by the same contractor who built Ford's pool in Alexandria, Va., and a court for boccie, the Italian bowling game which the Hartmanns learned to play when he was bureau chief in Rome.

They have two children, Rob, an information specialist with the National Endowment for the Arts in Washington, and Roberta, herself the mother of two children and wife of Charles Brake, a high school science teacher in Louisville, Ky. The family belong to the Church of Christ.

On vacations the Hartmanns go to their second home on St. Croix in the Virgin Islands, where Hartmann snorkels and takes underwater pictures which are mounted in his Maryland home. "He's a good swimmer and down in the islands he goes way out and dives to see what he can see," says Mrs. Hartmann.

Currently she says, "he brings his work home with him even though sometimes he just falls asleep with it. He works so hard, I get so mad when I read those things about him being abrasive.

"I would back him up against anybody. He's got a memory that's a lot better than elephants'—photographic. He's a walking encyclopedia, frankly. The children used to ask him questions and say, "Is this going to be the 50-cent or the $1 lecture?"

"Now the papers say Mr. Ford doesn't have people that are really big league and that Bob's abrasive. He's a really nice guy. He's just a strong person, that's all."

BUDGET AUTHORITY REQUESTED AND PROVIDED IN APPROPRIATION BILL FOR FISCAL YEARS 1969–74

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. MINISH. Mr. Speaker, there has been much loose talk in recent years about the Congress role in accelerating Federal spending and thereby contributing to the huge budget deficits experienced over the last few years.

This rhetoric often seeks to prove that excessive Federal spending caused by the Congress results in inflation. Therefore, it is alleged, Congress is irresponsible.

In point of fact, the appropriations requested by the administration exceeded the appropriation enacted by the Congress in each of the last 6 fiscal years. Overall in this 6-year period the administration requested $39 billion more than the Congress appropriated.

In view of the likelihood that this type rhetoric will reach new heights in the months to come, I include a table prepared by the Library of Congress at this point for the information of my colleagues:

BUDGET AUTHORITY REQUESTED AND PROVIDED IN APPROPRIATION BILLS FOR FISCAL YEARS 1969-74

[In millions of dollars]

Fiscal year	Appropriations requested by the President	Appropriations enacted
1969	146, 491	132, 352
1970	141, 770	135, 018
1971	148, 796	146, 509
1972	166, 271	163, 430
1973	183, 922	176, 371
1974	185, 207	178, 923

Source: Joint Committee on Reduction of Federal Expenditure Congressional Quarterly.

AMENDING THE EXPORT-IMPORT BANK ACT OF 1945

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. RINALDO. Mr. Speaker, as the author of the amendment to the Export-Import Bank to stop loans to Turkey I would like to speak on behalf of this section of the bill.

My amendment, which was accepted by the committee, would prohibit any loan, guarantee, or insurance to Turkey from the Eximbank until such time as the President reports to the Congress that the Turkish Government is in compliance with our antiheroin program.

This measure was made necessary by the decision of the Turkish Government to allow some 100,000 farmers to resume full scale production of opium. The large part of this crop will be converted into heroin and sold in the United States. Since our Government working with the Turkish Government started limiting Turkish opium growth, the number of addicts has decreased dramatically. Prior to 1971 when the new program was initiated it was estimated that 80 percent of the heroin sold on the east coast originated in Turkey. In 1971 there were 824 heroin connected deaths in New York City while last year our antidrug program had brought the figure down to 186. While even one death is too high, we have made much progress. We cannot now allow the Turkish Government to destroy the progress we have made.

Some have said that this is an internal Turkish problem, but I could not disagree more. The fact of the matter is that this will affect crime on the streets of every American city and destroy the lives of many of our young Americans.

If the Turkish Government were responsible for bombs and guns being smuggled into the United States, we would take this type of dramatic response, and heroin is every bit as dangerous as one of these weapons.

The House has approved a resolution calling for the cutting off of all foreign aid to Turkey, but my research has shown that very little of our AID money goes to Turkey for economic development.

In fact, in fiscal year 1974 they received only $3.3 million for ongoing AID programs and another $3 million in Public Law 480 "Food For Peace" funds.

In fiscal year 1973, according to the Eximbank annual report, Turkey ranked No. 15 in Eximbank aid receiving a total of $146,561,623 in loans and guarantees. These loans, given by the Export-Import Bank, are not considered foreign assistance by either the legal staff of the State Department or the Eximbank.

The 1961 Foreign Assistance Act as amended states in section 638 that "no provision of this Act shall be construed to prohibit assistance to any country pursuant to . . . the Export-Import Bank Act as amended."

I am convinced that we must apply the maximum amount of pressure on the Turkish Government to reverse its policy on opium growth. I believe that this section of the bill is a step in the right direction.

OPERATION MEMORY

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. DON H. CLAUSEN. Mr. Speaker, as I am sure my colleagues will agree, we owe it to ourselves and to America's millions of war veterans to remember and reflect on the great sacrifices they made in the cause of protecting and preserving freedom both here in America and throughout the world.

With this thought in mind, I want to share with my colleagues the commemorative effort now underway to memorialize the veterans of Sonoma County, Calif., who gave their lives in the cause of freedom. This effort, appropriately designated "Operation Memory," is being headed up by Mr. Greg Smith, a young Vietnam veteran, and I want to offer my personal commendation to Greg, to all those who have worked with him in advancing this program and to the many citizens and community leaders throughout Sonoma County who have come out in open support of this worthwhile project.

I can think of no finer tribute to the war dead of Sonoma County than the construction of a monument in their memory which has been made possible by the efforts of individuals—friends, relatives, neighbors, and fellow Sonomans—sharing a desire to express their appreciation for the sacrifices these men and women have made for all the people of this county, this State, and this Nation.

A short address by Mr. Smith outlining the "Operation Memory" project follows:

> In 1850, just 4 years after the California Bear Flag was raised at Sonoma, Calif., Sonoma County was born. In 1861, a number of men from the county became her first veterans by participating in the Civil War.
>
> Thirty-four years later, men from Sonoma County were called for service in the Spanish-American War. In 1917, Americans were called to Europe to fight in World War I, and 81 from Sonoma County lost their lives. In World War II, 102 men from Sonoma County died. In June of 1950, men and women from the County were called to service during the Korean conflict and little more than a decade later, 43 sons of the sons of World War I veterans, some not even old enough to vote, were to lose their lives in the Vietnam conflict.
>
> Since the birth of Sonoma County in 1850, then, seven generations of Americans have gone to war, and 190 from Sonoma County have paid the price of freedom with their lives.
>
> Because we of Sonoma County are very proud of this heritage and of our freedom, many veterans and civic organizations from throughout the county have joined together to construct a memorial in the name of all Sonoma County war dead from the Civil War to the Vietnam conflict.
>
> "Operation Memory," the organization raising the funding for construction of the monument, has drawn on the 124 year-old history of Sonoma County and her war dead to undertake this project as a "first step" in celebration of the Bicentennial in Sonoma County.
>
> The memorial will be located at the county of Sonoma Administration Center and will stand 20 feet high with mother "Columbia" kneeling in prayer over the monument. It will be 6 feet across at the base with marble plaques on all four sides representing each war in which Americans were involved; behind the plaques, a time capsule listing the name of the war and the dead of that war will be placed. As the main fundraiser for this project, Operation Memory has created a unique commemorative medallion of which only 2,500 will be made and distributed along with a certificate to each person making a donation toward the building of the monument. The front of the medallion portrays mother "Columbia" kneeling in prayer over the inscription "In Memory of Sonoma County California War Dead." Draped behind her is the American banner which represents the bloodshed of our war dead for our freedoms of speech and religion. On the circle it shows the Civil War 1861-1865; Spanish-American War 1898-1902; World War I 1917-1918; World War II 1940-1945; Korea 1950-1955; and Vietnam 1961-1973. Each star represents 10 Sonoma County war dead. The California Bear shows that Sonoma is where the California State Bear flag was originated in 1846. On the reverse side, a wreath with the inscription "May No Generation Ever Forget Those of Sonoma County Who Gave Their Lives for Our Freedom," appears, along with 7 stars, each representing 10 war dead. The smooth box on this side will include the individually engraved number, from 1 to 2,500, of each medallion. The monument, which will be dedicated on Veterans' Day, November 11, 1974, will also include a time capsule with the name of each person making a donation and a duplicate receipt with his medallion number on it.
>
> Through this memorial, we hope to preserve for all time the memory of those who made the supreme sacrifice so that America might remain strong and free.

DEPARTMENT OF STATE AUTHORIZATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. LEHMAN. Mr. Speaker, since February 1973, I have been working on H.R. 69, the revision and extension of our Nation's elementary and secondary education laws, as a member of the General

Education Subcommittee, the full Education and Labor Committee and the House-Senate conference committee.

Because of my long efforts to assist in the passage of this bill, I was invited to HEW yesterday afternoon to attend President Ford's signing into law of H.R. 69.

While I was away from the House, a rollcall vote was taken on the approval of the Department of State authorization bill. This bill, which was approved by 330 to 43, includes the vital authorization of $40 million in aid to Israel for assistance in the resettlement of Soviet Jewish refugees.

I strongly support the authorization of this assistance and I regret having missed this rollcall. Had I been present for rollcall No. 513, I would have voted "yes."

SPEECH BY JOHN EXTER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. SYMMS. Mr. Speaker, on June 19, 1974, the distinguished economist, John Exter, addressed a dinner meeting of the House and Senate Republican Steering Committees. Mr. Exter is a former director of the First City Bank in New York and a former Governor of the Federal Reserve Board. He is now a private consultant. For the benefit of my colleagues who are concerned about our monetary crisis, I will read into the RECORD the text of Mr. Exter's speech. Following is the third and final part of his remarks:

SPEECH BY JOHN EXTER

Question. I'd like to ask a question about that waking up. When do you think those Arabs are going to wake up?

Answer. I do not know. They should not meet me. I did meet a wealthy Kuweiti last November, and I heard subsequently that I woke him up and he bought some gold. But do you know what he did? He bought in November when the price of gold was $90. Then I heard later that he sold at a higher price. You see, they are traders, not holders. One of my clients bought at $90 and sold at $170. He, too, is a trader, not a firm holder. He has not absorbed the gold, although he is going back in right now.

Question. John, I would like to ask you one other question: Vern Myers said, and you pointed this out very well, that the contraction of the money supply brings contraction in the New York Stock Exchange which involves a very broad spectrum of American investors through mutual funds and retirement programs, etc. He pointed out that the family people that own General Motors now have $28 billion less purchasing power than they had three years ago. He is, like you, talking about dollar appreciation, but he doesn't think gold is going to go on up as you are forecasting. What are your comments?

Answer. Vern Myers and I disagree about the role of gold.

Question. He says gold is going to beat the politicians, though. Just what you said.

Answer. Let me just give you my point of view on gold, because people are always asking me: How high is the price of gold going to go? It depends on the currency. I have already told you that I see some currencies experiencing continuous inflation, ultimately hyperinflation. In those currencies the price of gold will go up and up. When the currency is worth zero the price of gold will be infinity. But I have told you already that I do not see the dollar going continuously to hyperinflation. I think we are going to have a major interruption. If we do, and this interruption is characterized by some of the 1929–33 kind of debt liquidation, commodity prices in dollars will tumble, and other prices will tumble, stock prices, bond prices, real estate prices. There will be a general decline in prices. Then what happens to gold? In that situation a lot of Peters will be losing money because their banks will close, or their money may be tied up because of a freeze on deposits, or something like that. In the Eurodollar market, for instance, I mentioned to you that the Arabs are lending money at call.

Suppose they try to withdraw that money? Those Eurodollar banks could not pay. Many would have to close. Then the Arabs would take big losses, so what would they do? They would try to find stronger debtors. They would go into treasury bills but, and here is the point, they might also go into gold. In other words, in that kind of scramble for liquidity the inflationary reason to buy gold disappears but the risk factor becomes much more important. Many kinds of paper become riskier when we go into a world of defaults and failures. When the risk factor is great people will go to gold because it is virtually riskless as long as it is not taken from you by robbers or the government.

There is another very important factor. As long as we have had continuous inflation, our federal government and the Federal Reserve have been in favor of trying to keep the gold price down, but believe me, we already see them changing their attitude.

Other countries, caught short of dollars by the squeeze, want the price of gold up. Italy wants it up. France wants it up. So do a number of others. The Austrians have already raised the price of gold on their books, and we will change it on ours, too, if only because we may soon reap a whirlwind.

The Arabs may not sell their oil for paper, but only for gold. Then we shall not want to sell our gold to them cheap. We are going to want the highest possible price. Also, in a world of deflation and unemployment the government will want to do everything it possibly can to stimulate the economy. One way will be to raise the price of gold. After all, that is what Roosevelt did at the bottom of the depression in 1933. The price of gold did not go up in inflation, but in deflation.

Question: When you talk about what the oil producing countries will do, last year they had a surplus of reserves of about $4 billion, I understand. This year they will end up with about $60 billion I understand. Within the next three years they will have up to $200 billion. Now, what are they going to do, how much gold is there?

Answer: Well, that is why I say, I hope you permit us to hold gold before the Arabs start to buy it because once they start to buy even a little bit of it, even start to spend a tiny fraction of those dollars on gold there will not be enough and the price will go soaring.

Question: And they're talking that way now.

Answer: Yes, there is talk, for instance, about making the Saudi Arabian riyal a gold-backed currency, and so on. They are trying to think of all sorts of things. There was a rumor in the paper yesterday that Secretary Kissinger signed an agreement with the Saudis under which they would loan us up to $10 billion on a gold backed basis. Did you hear about that rumor? It was printed in the Boston Herald yesterday. This is the kind of thing being talked about more and more.

But I also want to say to you that it is not reasonable to project those oil figures into the future. Such figures are impossible, out of the question. In other words, I am telling you that we are going to have a financial and economic breakdown in which economic activity will shrink. There is already a surplus of oil in the world, as you know. The pressure on the oil price is downward. Tanker rates have recently plummeted. If we went into recession and world trade shrank and commodity prices fell, oil prices could fall, too. Note: A discussion between Mr. Exter and someone in the audience. Too faint to pick up.

So there are tremendous changes going on in the world of international finance. Many things will come to a stop. Just for example, the Italians in the last two years have borrowed $10½ billion to support the lira. The British in the last two and one-half years have borrowed $8 billion. Such borrowings as these are amazing. Most of it was borrowed in the Eurodollar market. The British borrowed in the Eurodollar market through their local authorities, their nationalized industries, and the British government itself. It was a deliberate policy to have these government agencies and the government itself borrow dollars and sell the dollars to the Bank of England for sterling. Now they owe all those dollars. How are they going to pay them back? They just cannot pay because the Bank of England has sold most of them to support the pound and buy oil.

This is only a part of the cross currency debt that has been built up. Japanese banks, according to my guess, and it is a rough one, have borrowed over $10 billion from banks here and in the Eurodollar market since the first of the year, and have sold those dollars to the Bank of Japan for yen. The French, too, have borrowed $3 billion. One day they are going to exhaust their credit lines. The Italians have already exhausted theirs. They cannot find any more Peters in the private sector. The British and the Japanese will exhaust theirs. Then what will happen? All those currencies will plummet and go into runaway inflation. In other words we have built up a network of cross currency debt that can never be paid.

Question. You mentioned earlier that we no longer have internal economies, everything floats around, that we are now since August 15 of '71 into a new era of paper depreciating and depreciating. Businessmen in different countries have to deal with one another or try to deal with one another. Is there any possibility that you will see business going on to a private gold standard. In other words contracts with payments in terms of gold.

Answer. I am glad you asked that question. It takes me back to the Constitution of the United States. I mentioned earlier the continental dollar. Our Constitutional Convention met in 1787 just after the continental dollar had become worthless. I happen to have here a tape recording of some of the proceedings of the Constitutional Convention and my secretary has transcribed it. Unfortunately she found 18½ minutes had been erased. And, as you will see, I suspect James Madison, who was just a little soft on paper money. I shall read from some of the tapes. They were debating and voting on a proposition to strike out the words "and emit bills on the credit of the United States." The continental dollar was in the form of bills or credit. This is what some of them had to say:

Mr. Gouverneur Morris. "If the United States had credit, such bills would be unnecessary, if they had not unjust and useless."

Mr. Madison. "Will it not be sufficient to prohibit the making them a tender?" (in other words, he meant prohibit making paper money legal tender.)

This is why I am responding in this way to your question. One of the things Congress could do is make gold coins. The Constitution gives Congress the power to coin money and regulate the value thereof and of foreign coins. There is nothing said about paper, because this proposition which the Convention debated was supported. They voted to strike out the words, "emit bills of credit" So Congress was not really given the power to print paper money and your predecessors never should have made Federal Reserve notes legal tender. In fact, the Constitution prohibits the states from making anything but gold and silver coins legal tender. This is how our founding fathers were thinking. So Madison says if you don't make paper legal tender this will remove the temptation to emit it with unjust views. He means "for unjust purposes."

Madison goes on: "And promissory notes, in that shape, may in some emergencies be best."

I'm going to read another one. It is a dandy.

Mr. Ellsworth thought this a favorable moment to shut and bar the door against paper money. The mischiefs of the various experiments which had against paper money. The mischiefs of the various experiments which had been made were now fresh in the public mind, and had excited the disgust of all the respectable part of America. By withholding the power from the new government, more friends of influence would be gained to it than by almost anything else. Paper money can in no case be necessary. Give the government credit and other resources will offer. The power may do harm, never good.

Here is another:

Mr. Butler remarked, (and this is on your point, too) that paper was a legal tender in no country in Europe. He was urgent for disarming the government of such a power.

Mr. Read thought the words, if not struck out, would be as alarming as the mark of the beast in Revelation.

Mr. Langdon had rather reject the whole plan, (he means the whole Constitution) than retain the three words, "and emit bills."

Now I do not want you to get the idea that all of these statements were against paper money. Here is a typical politician speaking:

"Mr. Mercer was a friend to paper money, though in the present state and temper of America he should neither propose nor approve of such a measure. He was consequently opposed to a prohibition of it all together. It would stamp suspicion on the government to deny it a discretion on this point. It was impolitic, also, to excite the opposition of all those who were friends to paper money. The people of property would be sure to be on the side of the plan, and it was impolitic to purchase their further attachment with the loss of the opposite class of citizens."

I love that.

In conclusion I think that what we are facing in the years ahead is going to be so bad that you in the Congress at some time are going to have to make up your minds on some very serious issues. For instance, whether to go back to the Constitution, go back to what our Founding Fathers said, and make gold legal money, have the government mint gold coins again and make these gold coins legal tender, and withdraw the legal tender provision from Federal Reserve notes. As a matter of fact you may have to face the problem of whether to continue the Federal Reserve System. You know, the Bank of the United States was eliminated twice in our history, and both times it was argued that the Bank of the United States was unconstitutional, the first time by Madison, for the reasons that I have just read to you. By the way, the provisions, "to emit bills of credit", was struck out by a vote of 9 to 2. Mr. Mercer obviously was one of the two. You may have to face that issue again. If you do not eliminate the Federal Reserve System, an alternative would be to permit the Federal Reserve System to hold only gold. In other words, prohibit it from holding any paper assets, no government securities, or any other paper IOUs.

We have entered the greatest economic crisis in history, a very serious breakdown of the entire international monetary system. In the years ahead there will be a lot of rethinking of the basic elements of that system, especially the role of paper money. After every other attempt to substitute paper for gold there was a strong reaction in favor of gold. The reaction this time will be stronger than ever. We are going to have to reconstruct a monetary world based on gold and you're going to have to do a lot of thinking about that. Does that answer your questions?

Question. Well, not entirely, but it seems to me that if Americans are allowed to own gold, then some American businesses in dealing with German businesses are going to find alternative ways of doing business, such as using gold to fix contract prices.

Answer. I think that is right. I think that gold will come back into its own as money.

Question. You spoke of withdrawing all the paper and coining gold. Now this is not a question of interchangeable money, but only one kind of money.

Answer. That is right, except that paper would not necessarily be withdrawn. It would no longer be legal tender. The Congress in accordance with the Constitution would simply coin money, most importantly gold coins, and leave the rest to the free market. There need be no legal tender law at all. The Constitution prohibits the states from making anything but gold and silver coins legal tender.

Question. Is there physically now enough gold to handle world trade and commerce?

Answer. Oh, yes. It all depends on the price you put on the gold. That is all there is to that. Even half as much gold would be enough or a third as much, but it would have a higher price on it. Also you must remember this, that when I say go back to the gold standard and go back to the use of gold, I do not in any case mean that we would all pay our bills with $5 gold pieces.

Question. That is why I asked you about your saying we would only have coins.

Answer. That is all the government should do. The government should just coin money and regulate the value thereof. Let private people do the rest.

Question. So we'd have paper interchangeable with gold.

Answer. Oh yes, there would still be plenty of paper IOUs. There is nothing that would prevent you from being so foolish as to lend me a million dollars. No, let that sort of thing be free, or you could lend to anybody else. You could lend a bank money, but if all that money was convertible into gold, as it would be if the government did nothing but coin money, then the reserves of the banks would have to be gold, as they used to be. In that case, you would be very careful about the bank to which you lent. You would be sure it could pay gold if you demanded it.

Question. What do we have physically that is unpledged as gold reserves? In other words, have we issued Roosa bonds for all the gold that we're showing in the Treasury, or have we pledged gold in other ways?

Answer. We have already welched on Roosa bonds and on swaps with the Swiss and others. We did it when we closed the gold window. I understand the Swiss have a two day put provision in their Roosa bonds. I think in all of them. If the put were exercised the Treasury would have to pay the bonds in Swiss francs and would have to acquire them by selling gold. But the Swiss never dared exercise the put when the gold window was open. Closing it really meant defaulting. Roosa bonds were really payable in gold at $35 an ounce although the Swiss never had the courage to demand the gold.

Question. What is to keep the Arabs from not demanding total payment in gold but just enough so that Congress cannot say no because the people are going to want the oil? Say a quarter of 1% in gold?

Answer. Oh, there are always possibilities of compromises like that. The monetary distortion is so horrendous now that there is no way of going from here to there, from inconvertibility to convertibility in one simple step. This is a point I very much want to make. Maybe I could make it in closing. You all look pretty tired. Someone mentioned Vern Myers. He keeps talking about restoring convertibility into gold at $200 or $300—I have forgotten his exact figure but it is up in that area. We cannot do that, not as long as paper debt is expanding at such an explosive rate. It cannot be done at any price, not even at $1,000 an ounce. Of course, a $1,000 price would last longer than $300, but neither would last very long. We must debt liquidation first, in one or the other of the two forms that I described, the 1929–'33 kind or the hyperinflation kind. History shows that there is no other way. We must go through debt liquidation in order to stop this explosive debt creation. Only then can we talk about going back to convertibility of the remaining paper money or the new money into gold at a fixed price. After we do that convertibility will keep future debt expansion under control. It will keep it disciplined.

Question. Why not hold diamonds?

Answers. There are lots of reasons. Let me give you a few. It is a fact of life of course, that gold has proved throughout history to be the better store-of-value money. People today hold more gold than diamonds as money. Now, why? For one thing, gold is fungible. I do not know whether you know the word or not. It means one ounce of gold is exactly like another ounce of gold and has the same value. But one 20 carat diamond is not exactly like another 20 carat diamond. The value depends upon the quality of the diamond and on the cut. Style sometimes changes the value of diamonds. Secondly, the industrial demand for gold is very small compared to the monetary demand in a given year. By this I mean true industrial demand. Today industrial demand figures include jewelry. But I am wearing gold rather than pearl or diamond cuff links mostly because I want to hoard gold. I really think of them partly as money and not as jewelry. Thirdly, and this point would apply to diamonds, too, the annual production of gold is very small compared to the total stock of gold already in the world.

In other words, we cannot change the amount of gold in the world significantly, except over a very long period of time.

Question. How much does the rate of inflation depend upon the size of the national debt? Germany has a small debt and less inflation.

Answer. By the national debt do you mean the debt of the federal government?

Question. Yes.

Answer. No, I do not think there is a close correlation. The real point is that the Germans today are creating marks more slowly than we are creating dollars relative to the size of our respective economies. But the Germans may speed up. In fact, I forecast that they will.

Question. The Germans work.

Answer. Well, one reason they work is that they have a better store-of-value money to work for.

Question. But I mean if you increase your inflationary expansion of money and increase your production you have less inflation.

Answer. Yes, that is true. I see what you mean. The rate of increase in physical GNP in Germany is greater today than it is here, which makes it easier for the Germans to hold down their rate of inflation.

Question. I've been very quiet. I looked around the table and I am from a little different section of the country. We were called, you know, the Southern Arabs. We have many of them living with us. I think we probably know more about their thinking. The Arabic peoples are one of the greatest friends that we have. They have tried every way they could to get respect from us because they want to be our friends. I sincerely believe this. All of these things that they did were merely trying to get our attention, and they did. They hit us in the head. But fundamentally they believe that the old system, that the policies of the monarch are dictated by his creditors. And they are really, I believe, not going to gold yet because they think for some reason our Federal Reserve note is a part of the ownership of the United States, and if you drive around your countryside you will see Arab movement. They are moving into our country, and they feel that the more land, the more businesses, the more of our national debt they can get hold of, that they're going to influence more of our thinking, politically too. And I just throw this thought out to you that this is the debt problem that we have. It's not so much our debt that you mention, it's who in the hell owns that debt.

Answer. Yes, but an interesting point is that so far they have gone very little into treasury bills, they have gone heavily into the Eurodollar market instead. They have bought up a little real estate here and there, and some shares and so on. One of the reasons they do not want to buy too heavily into our companies, however, is that they are afraid we may nationalize them the way they have nationalized us. They are a little worried.

Question. They feel that our creditors right now are running our country, and they want to cut in on some of this credit and to control the policies of the country.

Answer. Right.

Question. John, could you give a time table of what you see chronologically over the next three or four years. I'm thinking particularly in terms of beginning to get deflation here.

Answer. Well, if we are going to get the deflation, and I think we are going to get it, it may come within the next year or so.

Question. So whoever is in the White House now, I'm not thinking of some political consideration.

I am concerned. If you go back to '29, it took us 35 years to finally get the public to re-evaluate Hoover's culpability in causing the great crash. Politically speaking, that laid the foundation for the whole generation of New Deal through Great Society thinking, and we finally got that eliminated in '68 and here we are stuck with a Republican President, and if we get hit with that deflation while he is there, the public is undiscriminating. It is who is occupying the White House who caused it. The prospect of another generation of this to me is portentous as hell.

Answer. For the very reasons you mention, in December, 1968, after Nixon had been elected and Arthur Burns was slated to go to the White House as his counsellor—I have long been a friend of Burns—I invited him to lunch at Citibank and told him much of what you just said. I said you are inheriting a mess. Of course, it was much less of a mess at the end of '68 than it is today, but we did have all that I described to you tonight, except in smaller measure. I told him that Nixon ought to have the Fed tighten money, precipitate the 1929–'33 kind of debt liquidation and get it over with early in his administration. I suggested he do what De Gaulle did when he came in. De Gaulle appointed Jacques Rueff to head a commission to draw a plan to stabilize the French franc. Then De Gaulle carried out that stabilization program within his first year in office, and stabilized the franc.

It turned from a weak currency into a strong currency overnight at the end of 1958 when the plan was implemented. I used the De Gaulle example to show the political advantage of getting the pain over with. Take your lumps early in the administration and hope that by 1972—I was thinking along the same lines that you are—the country would be coming out of it and that at least we would have a stable money. Of course, there was no hope. I knew that even then, mind you. I have no illusions about trying to persuade politicians, no illusions whatsoever.

Question: Well, John, I know it is getting late. The way I am I'd stay here all night, but would you say one thing in closing about why we must have the crash to purge us of all the inefficiencies that the liberals have given us.

Answer: It is principally the debt problem. If we did not live in societies that required us to pay our debts, we could come out of it more easily. But we have to pay our debts and if we do not on a large scale, the system breaks down. The debt problem is like a cancer on the whole economic system. It has to be cut out. You have to go to the hospital and stay in bed for a while. Many cannot work for want of jobs. We cannot live normal active working lives while that excessive debt burden is being cut out of the system. For us as individuals we are in a time of economic survival. We have got to think primarily in terms of how we are going to survive the next ten, fifteen years. It is going to be a long time, by the way.

Question: A longer recovery in '29?

Answer: This is a much worse problem than '29 because we never went off the gold standard then. We stayed on it internationally, although domestically we could not hold gold. We took a stiff dose of debt liquidation. We allowed it to run its course, so that by 1933 the system was liquid and we could start the recovery again. But the volume of debt today, and particularly the amount of it that has been incurred across the foreign exchanges, just dwarfs what we had in 1929. That is why I think there will be much more hyperinflation in many currencies this time. My guess is that even if we go into deflation in the dollar—and now I am looking very far ahead—many years—the United States government, the Congress and the Administration will produce enormous budget deficits and spend money like mad to try to substitute government for private borrowing because the latter will be lacking, and thus arrest the debt liquidation and get debt creation going again. So we may well wind up with hyperinflation in the dollar, as so many others will in their currencies.

Question. Why do you have to have a complete liquidation rather than a gradual one, assuming you can do it, but I know you can't.

Answer. We only have complete liquidation if we have hyperinflation and the dollar becomes worthless. That is complete liquidation. We then start over with a new currency. But if we are going to save the dollar we have to have partial debt liquidation. We must get rid of the illiquid debtors. In 1929 we had, let me think, something like 25,000 banks and wound up with 14,000 in 1933. Banks were eliminated like flies. We also had building and loan associations in those days. The whole industry was practically wiped out. This is very painful debt liquidation. If you were a benevolent dictator, you would go through it as quickly as possible and then let people start over again, start new businesses, open fresh facilities.

Question. Like a cancer operation.

Answer. Like a cancer. Cut it out.

Question. One of the indications is that our gold reserves are estimated at $10 billion, and yet our annual debt interest is over $20 billion.

Answer. That is the point I made about how the rising interest cost makes the system borrow more and more and more. That is why the whole process becomes explosive.

As I see you staying late like this, all I can say is that the Congress of the United States works hard.

Note. A discussion with several people talking at once.

A question was asked about the special drawing right (SDR).

Answer. It is people in the market place who decide what money is, not governments, not economists. That is why you can just rule out the SDR. Governments are trying to decide that the SDR is money, but it won't work because people will decide otherwise.

They will not hold it, nor will they continue to hold currencies backed by SDRs. People will leave them and go to gold, or silver, or something else. They have even gone to Deutschemarks. They will look for something else.

Question. Something of value.

Answer. Exactly.

Question. You know, this point you made about the store house of value, I spoke to the Teenage Republicans this morning out at Madeira, a private school out there, and I tried to tell the kids the importance of gold. It more perfectly meets all the criteria of money than anything else, whether you're talking about diamonds, or valuable paintings, or antique cars. But the most important ingredient is as you say, it is a store house of values. And you know you have confidence that in purchasing power it's going to be worth ten years from now what it's worth today if not more.

Answer: Because it cannot be increased in quantity. It is scarce and there is only so much of it in the world. The annual production of it is small compared to the existing stock.

Note.—Everyone talking at once. Someone asked about the falling gross national product.

Answer. If the debt burden is onerous while the GNP is growing, think how much more onerous it becomes when the GNP starts to shrink, as it is doing now. A growing GNP helps people to service and repay debt, but if GNP shrinks the problems of the illiquid debtors are magnified. That is the idea I wanted to leave with you.

GREAT LAKES BILL OF RIGHTS WOULD STIMULATE COMMERCE ON THE GREAT LAKES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. FRASER. Mr. Speaker, the economy of the Great Lakes States is being depressed by Government policies which hamper the growth of trade on this, the Nation's fourth seacoast.

Congress can take corrective action by adopting the "Great Lakes bill of rights of 1974," a bill to stimulate commerce on the Great Lakes.

The bill permits preference cargoes—largely export cargoes—to be shipped through Great Lakes ports when the equipment, materials, or commodities are manufactured or produced nearby, rather than being shipped overland to another coastal port.

In addition assistance to U.S. shipping by the Maritime Administration would have to be distributed fairly with at least 10 percent of it going to the St. Lawrence Seaway-Great Lakes range of ports.

A regional office of the Maritime Administration would also be established at a Great Lakes port so that greater attention and resources of Government would be directed toward that area.

Finally the Department of Transportation would be encouraged to reset pilotage rates at a fair and equitable level, as required by statute.

Mr. Speaker, I hope my colleagues will join in sponsoring and supporting this effort to encourage shipping in the Great Lakes and insure fairness in administration of the law.

HON. WILMER D. MIZELL REVIEWS CONGRESSIONAL ACTION FOR THE AMERICAN TOBACCO FARMER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. MIZELL. Mr. Speaker, when I was elected to the House of Representatives in 1968, I was appointed to the House Committee on Agriculture and subsequently to the Subcommittee on Tobacco.

It has been my privilege since the beginning of the 93d Congress to serve as the ranking Republican member of the Tobacco Subcommittee, and this position has provided me with an even greater opportunity to work for the flue-cured and burley tobacco farmers in the Fifth Congressional District of North Carolina, which I represent, as well as tobacco growers throughout North Carolina and the Nation.

There is probably no congressional committee more important to the lives of so many North Carolinians, as over 400,000 families earn their livelihood in the State from the farming of tobacco.

Therefore, I would like to take this opportunity to review the work that has been done by the Tobacco Subcommittee during the 93d Congress. In so doing, I will outline many problems and issues which have confronted the economic well-being of tobacco growers, and what I and the subcommittee have done to alleviate many of these problems.

The most difficult problem that the tobacco farmers have faced is the great increase of production. This has been most harmful to the small tobacco farmer and the Tobacco Subcommittee has worked with the farmer and the Department of Agriculture in trying to work out a solution to this major problem and also to see that the price the farmer receives for his crop is sufficient. The Tobacco Subcommittee will increase the price support of both flue-cured and burley by 10 percent. Unfortunately, at this time, the full House of Representatives has not acted on this measure.

Another area of crucial importance to tobacco farmers is the increasing attempts by some in Government to either ban the sale of cigarettes or to place restrictions on the sale of tobacco products.

An unfortunate precedent came in 1973 when Chairman Richard Simpson of the Consumer Products Safety Commission said the Commission was planning to consider banning the sale of all cigarettes containing 22 milligrams or more of tar.

I immediately pointed out in the firmest possible manner that the legislative history of the Consumer Products Safety Act, which authorized the Commission, expressly excluded tobacco and tobacco products from the Commission's range of authority. In a statement in response to Chairman Simpson's proposal, I said:

> Control of tobacco and tobacco products by the Commission clearly lacks foundation in law and is contrary to the will of Congress.

In May of this year, the Commission voted that it agreed with my interpretation, and that it lacked authority over tobacco.

At the present time, we find Secretary of Health, Education, and Welfare, Caspar W. Weinberger, requesting authority for his Department or some other Government agency to set limits on the tar and nicotine content of cigarettes.

In a strongly worded telegram, I stated to Secretary Weinberger that—

> The last thing the American people want or need is another Federal agency trying to extend the tentacles of government power into another area of their personal lives.

It has been my experience, throughout my terms in Congress, that it is necessary for one to maintain constant watch over all of the Federal bureaucracy.

In the fall of 1973, I participated with several other members of the House Tobacco Subcommittee in informal investigative hearings in North and South Carolina. The hearings were initiated in response to the serious concern tobacco growers had expressed about marketing problems. During these hearings, the growers told us their most difficult problems were overproduction and lack of space on auction floors.

Those of us involved in these hearings were determined that positive action should be taken to assist our tobacco farmers with their problems, and as an outgrowth of these hearings, we made several recommendations to the Secretary of Agriculture in regard to tobacco allotments and the problems that the farmers faced in the marketing of tobacco.

Because of these hearings, and with my contacts with tobacco farmers, it was with great concern and consternation, during the congressional Christmas recess of 1973, that I learned of the Department of Agriculture's proposal.

I was appalled by the announcement of a proposal to end altogether the allocation and quota system, and immediately told the Secretary of Agriculture that such action would bring chaos and disaster to the tobacco farmers throughout the entire Nation.

Immediately I began efforts to try to halt these proposed changes, and in an effort to represent the tobacco farmers of the Fifth District and North Carolina, I personally sent the Secretary of Agriculture copies of over 3,000 communications I had received in opposition to this ill-conceived proposal.

On December 26, the Department announced that rather than ending the quota system, it would increase allotments by 10 percent in the coming year.

Because this decision was of such importance to my district and State, I at once arranged for hearings along with Chairman FRANK STUBBLEFIELD of the Tobacco Subcommittee to make the Department of Agriculture justify their action.

I wanted to impress upon Department officials the strong and well-founded dissatisfaction the proposals had met among my constituents.

Further, I felt that I should advise the Department of Agriculture in the strongest possible terms that it seemed to me that the Department was playing games with the lives and the livelihood of a substantial segment of the population of North Carolina by at first holding forth the threat of total economic disaster, when most likely the Department knew all the while it would propose a 10-percent quota increase.

I did not appreciate this game playing, and, as a representative of tobacco farmers, I wanted to clearly and forcefully tell Department officials that neither I nor anyone else in North Carolina thought the game was amusing.

As a result of this hearing, assurances were received from Administrator Kenneth Frick of the Agricultural Stabilization and Conservation Service that—

The Department is committed to a continuation of the present tobacco program, including quotas and allotment programs;

Price supports on flue-cured tobacco will not be frozen, but will probably be increased by an estimated 8 to 10 percent—price supports have since actually been increased by 8.7 percent;

The tobacco barter program involving the Commodity Credit Corporation, may be reinstated if export conditions require;

Tobacco is receiving top priority among agricultural commodities in international trade talks underway—the United States has since signed a pact with the nine-member European Community which lowers tariffs on tobacco—and

Marketing problems experienced during the last marketing season, including lack of space on auction floors, will be resolved before the 1974 season.

Mr. Speaker, this is a good point in my report to take just a few minutes to note that officials of the U.S. Department of Agriculture, in an effort to resolve the tobacco marketing problems, have devised a new method known as "market designation."

This new system is being initiated in the 1974–75 season now underway. I, along with many others, hope it will be successful, but I intend to keep abreast of the situation in order to be aware of any new problems which may arise, and any old problems which may not be satisfactorily resolved.

Another small, but important, problem came up in March of this year after the Department had increased quotas, saying it needed more production. I learned that the Department had decreased the amount of tolerance allowed tobacco farmers in the growth of tobacco.

This action seemed at best illogical, and I telephoned Administrator Frick and was assured that the error would be corrected.

It is important that officials of the Department of Agriculture who deal with tobacco matters possess a working knowledge of the particular problems encountered by tobacco farmers.

I was, therefore, pleased when the Department, at my suggestion, appointed J. W. York of Mount Airy, N.C., as Director of the Tobacco Division of the Agriculture Marketing Service. I urged the appointment because of his vast experience in tobacco marketing and because Mr. York is acutely aware of the problems of the tobacco farmers.

The Fifth District of North Carolina is further represented in the formation of Government tobacco policy through services on the USDA's National Tobacco Advisoy Committee of William S. Leake, an official of the R. J. Reynolds Tobacco Co. in Winston-Salem, and John W. Petree, a tobacco farmer from Rural Hall, N.C. This advisory committee has broad responsibilities in areas such as domestic and export requirements, and production and adjustment stabilization programs.

The Tobacco Subcommittee of the House Agriculture Committee has concerned itself with the subject of Maryland-type tobacco. The House of Representatives on July 22 passed by unanimous consent a proposal initiated by the tobacco subcommittee which will allow the growing of Maryland-type tobacco only if it does not have any characteristics of either flue-cured or burley tobacco. This will protect both the flue-cured and burley programs, which I strongly support, and for which the North Carolina farmers have worked so hard.

Mr. Speaker, I have tried to highlight my work and involvement on behalf of the tobacco farmers and interest I represent in North Carolina's Fifth District in this report. I know there are other areas which probably should receive attention, but I firmly feel the House tobacco subcommittee has worked hard and well during the 93d Congress.

I am grateful to have had the opportunity to make a contribution, and I commend Chairman Stubblefield and all my colleagues on this subcommittee for their desire to provide and oversee adequate programs for the tobacco farmers of the Nation. I further want it noted that I consider it a personal honor, as ranking Republican member, to have the spirit of nonpartisanship to insure a successful tobacco program.

VILLAGE HONORS POLICE CHIEF

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. WOLFF. I would like to pay tribute to an exceptional law enforcement officer and constituent, Chief Walter Ruckgaber of the village of Lake Success. Chief Ruckgaber earlier this week was elected president of the State Association of Police Chiefs for the State of New York.

In his tenure on the Lake Success Village Police Force, Chief Ruckgaber has seen both the community he has protected and the police force he has served on, grow in size as well as stature. We wish him well on his election as president of the New York State Association of Chiefs of Police.

I am inserting an article which appeared in a local newspaper concerning the tribute paid by the New Hyde Park Village Board to Chief Ruckgaber on his election, since he resides in the New Hyde Park community.

Village Honors Police Chief

Lake Success—Village Police Chief Walter Ruckgaber, who was elected president of the State Association of Chiefs of Police Wednesday, was honored by the village board last night.

Ruckgaber, 54, a resident of New Hyde Park, has seen the village force grow from a seven-man contingent when he joined 28 years ago into the present 21-officer squad. During his 16 years as chief, "he's professionalized the police department," Mayor Jack Sahn said. "He's turned it into the equal of any force in the state."

Ruckgaber was elected to the statewide post at a meeting of the association in South Fallsburg, N.Y. He had moved up through the association's executive ranks since his election as third vice president three years ago, he said.

LET US TRY AGAIN ON HEALTH CARE

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. PETTIS. Mr. Speaker, this morning's newspapers carried articles about the difficulty those of us on the Ways and Means Committee are having in agreeing on a national health insurance bill. There is no doubt that the different proposals now before the committee are such that an easy compromise is not possible. However, I would like to reassure my colleagues in this body that the differences are not as grave as is being reported, and I see no reason why we cannot have a bill to cover catastrophic illnesses.

Yes, Mr. Speaker, I am quite disappointed our committee has not been able to announce completion of a national catastrophic health insurance bill before we go home for the recess today. Since President Ford and Committee Chairman Wilbur Mills have both placed a high priority on enactment of a health care bill this year, I hope the various people concerned with this matter will be able to work out their differences between now and September 11. The committee can then, fresh from a needed rest, conclude action on one of the most important pieces of legislation before this Congress. I am certainly willing to pledge my continued support for this effort.

REORGANIZATION OF RAIL SERVICE IN NEW ENGLAND

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. HARRINGTON. Mr. Speaker, it has come to my attention that a proposal to merge four railroads in the Northeast has been submitted for consideration to the Interstate Commerce Commission and the U.S. Railway Association by the Amoskeag Co., which holds substantial stock in three of the four railroads considered for merger under this plan.

The submission of this proposal raises the possibility that the well-balanced rail reorganization plan enacted by the Congress will be disrupted, and that the interests of a private holding company will take precedence over the needs of the communities involved.

I would hope that the Members of Congress and the New England Congressional Caucus, in particular, consider the implications of this matter and take the necessary steps to attend to the questions involved.

An article by Robert E. Bedingfield of the New York Times News Service describing the Amoskeag proposal appeared in the August 20 issue of the Boston Herald-American. At this time, I would like to insert this article in the Record for the informataion of my colleagues. The text follows:

Major Northeast Railroad Complex Proposed by Dumaine

(By Robert E. Bedingfield)

New York.—Frederic C. Dumaine Jr., of Weston, Mass., is urging a common management and eventual merger of the three northern New England railroads, to be followed by a merger with the Delaware & Hudson Railway.

Over the weekend, Dumaine had the Amoskeag Company, of which he is president and majority owner, submit a 40-page "preliminary" proposal making the recommendations to the Interstate Commerce Commission and the U.S. Railway Ass'n. The proposal also was circulated within the New England Council, a government-business group.

The railroads are the Bangor & Aroostook, 99 percent owned by Amoskeag; the Maine Central, of which Amoskeag owns 33 percent of the stock, subject to a voting trust agreement, and the bankrupt Boston & Maine, of which Amoskeag holds 22 percent of the first mortgage bonds.

Amoskeag earlier this year petitioned the ICC for permission to vote its stock in the Maine Central, a move that the Maine Central's management has challenged.

In its proposal, Amoskeag stated that if the ICC would allow it to vote its Maine Central shares and put the 885-mile line and the 541-mile Bangor & Aroostook under one management, it would then try to reorganize the 1416-mile B. & M. "in such a manner that it could be managed by Amoskeag."

The Delaware & Hudson Railway operates 717 miles of road in New York and Pennsylvania, providing the principal entry and exit lines for railroad freight moves to and from New England.

It connects with the B.&M. at Mechanicsville, N.J. at Binghamton, N.Y., on the west the D.&H. interchanges traffic with the Erie-Lackawanna, while at Rotterdam Junction, N.Y., it interchanges traffic with the Penn Central.

Dumaine is a former president of the D.&H., a wholly owned subsidiary of Dereco, Inc., a holding company controlled by the Norfolk & Western Railway. Reached by telephone John P. Fishwick, president of the N.&W., said that while Amoskeag had sent him a copy of its proposal, he had not yet had an opportunity to read it.

Dumaine declined to take telephone calls to discuss Amoskeag's proposal.

In addition to a four-railroad merger, Amoskeag recommended the inclusion in a lines of the Norwick & Worcester railroad from Worcester to New London, Conn., and the use of the tracks of the New Haven railroad from New London to New York City and from Springfield to New York City.

The four major roads, and the additional New Haven trackage, the proposal states "will make for increased competition with the New Haven, whose absorption by the Penn Central has been a disaster for the New England roads as well as D. & H."

Amoskeag also stated in its proposal that its program was designed to be effected entirely by private enterprise and that system would be a competitor of the consolidated rail corporation, Conrail, the federally funded railway the U.S. Railway Association is organizing to take over the Penn Central and several other bankrupt railroads.

Amoskeag contended in its proposal that the three New England railroads and the D. & H. "could not continue to exist" unless the continuity of through routes and connections were maintained.

It documented how Banger & Aroostook trains originating traffic in northern Maine connect with Maine central trains near Bangor and run through to Portland where via the tracks of the Portland terminal, a Maine central subsidiary, a connection is made with the Boston & Maine, which connects in turn at Mechanicsville with the D. & H.

"All three New England roads depend on the D. & H.," the proposal pointed out, "and in turn, the D. & H. depends on its connections with the Erie Lackawanna at Binghamton, N.Y., for long haul Western movements."

In submitting its proposal, Amoskeag said it was not a complete résumé in support of its position.

PATENT PROVISIONS ON NONNUCLEAR ENERGY R. & D. BILL ARE DANGEROUSLY DEFECTIVE AND SHOULD BE ELIMINATED

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Mr. HOSMER. Mr. Speaker, I have sent the following communication to the Members of this body:

AUGUST 21, 1974.

DEAR COLLEAGUE: "What experience and history teach is this—that people and governments never have learned anything from history, or acted on principles deduced from it."

Thus, in Section 7 of the nonnuclear energy R & D bill (H.R. 13565) you will find a lot of complicated patent provisions.

A similar mistake was made in 1952 when the Office of Saline Water was established. Its program was set back at least five years while industry tried to figure out new, complicated and potentially costly patent provisions.

Unless Section 7 is deleted—or NASA's patent provisions made to apply—there will be another long hiatus while a lot of silly and emotion laden Congressional patent mumbo-jumbo is unscrambled.

Without a Section 7, nothing is lost. The situation will simply be that existing government patent law will apply.

Please facilitate the energy R & D program by voting for anybody's amendment to get rid of this unnecessary patent foolishness.

Thank you,

CRAIG HOSMER,
Member of Congress.

CONCERN FOR THE JEWISH COMMUNITY

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. CAREY of New York. Mr. Speaker, I recently met with Mr. Herman Rosenbaum, the dedicated president of the National Council of Young Israel. In our discussion concerning the American-Jewish community and Jewish communities throughout the world, we underlined the importance of the continued vigil in the Middle East and in dealing with the plight of the Soviet Jewry and all other oppressed Jews.

On July 31, the House approved the International Nuclear Agreements Act, H.R. 15582, a bill of great importance to the fate of Israel and indeed, the entire world. By enabling the Congress to disapprove an international agreement with regard to the peaceful use of nuclear powerplants, we demonstrated the tremendous importance that we hold for the protection of all peoples from a nuclear holocaust. With the Middle East being such a sensitive spot, we cannot permit the indiscriminate allocation of nuclear materials whatever the reason.

Nuclear powerplants used for peaceful purposes still give off sufficient radioactive material each year to enable the production of nuclear weapons. We cannot permit even the possibility of such an occurrence, for once there is a mistake, there would be no tomorrow for any country. Our gestures of friendship to other lands should be based upon mutual efforts to achieve lasting world peace—and nuclear proliferation in the Middle East will never assure such peace.

Our eternal vigil in that part of the world must also include the continuing commitment to Israel that we will not foresake her while she is vulnerable. Her concessions to Arab nations have placed her in a most precarious situation—to reduce military support at this time would be to assure her total demise. She must not be left open to attack, for if we abandon Israel then we abandon democracy and the hopes of freedom loving citizens in the Middle East.

And while we pause to consider the far reaching effects that congressional activities play in the Middle East, let us not forget the importance of our responsibility to Soviet Jews and oppressed Jews in other areas of the world.

In promulgating a trade agreement, we must assure the Soviet Jews of the basic human right we take for granted—the right to emigrate. If we are concerned with economic agreements, let us also reaffirm that we still hold human rights above all considerations. If we negotiate on dollars and cents issues, let us make it extremely clear that while we are willing to cut redtape in economic matters, the Soviets must warrant such treatment by cutting away the shackles of discrimination and persecution which have bound the lives of Soviet Jews.

We all are well aware that the passage of legislation in any area does not mean that responsibility in a matter has been fulfilled. Laws are nothing more than words if not enforced. Concerns do not bring results without concrete actions. If we are committed to the decent treatment of Jews around the world, then surely we must continue to strive to end the terrorism, discrimination, and tragedy that these people have known. And because we are committed to insuring basic human rights for all citizens, I am optimistic that we will continue to assume the leadership necessary to insuring peace in the Middle East and freedom for Soviet Jews and all oppressed Jews throughout the world.

THE BLACK PRESS OF AMERICA

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. JOHN L. BURTON. Mr. Speaker, I wish to bring to the attention of the House the following statement made before the Subcommittee on Communications of the Senate Commerce Committee by the distinguished Dr. Carlton B. Goodlett, president of the National News Publishers Association:

STATEMENT OF CARLTON B. GOODLETT, PH. D., M.D., PRESIDENT, NATIONAL NEWSPAPER PUBLISHERS ASSOCIATION—THE BLACK PRESS OF AMERICA

My name is Carlton B. Goodlett, and I have the honor to serve as President of the National Newspaper Publishers Association—The Black Press of America. The Black Press is 147 years old; since our founding publication, Freedom's Journal, we have worked incessantly, first, to end slavery and then, for the one hundred and eleven years since Lincoln's Emancipation Proclamation, we have waged a continuing struggle against all forms of racism—covert and overt as well as individual and institutional. The NNPA was founded 35 years ago and is composed today of 139 black newspapers publshed in 90 cities in the Continental United States, in Canada and in the Virgin Islands. I come before you today to express the unanimous and unqualified opposition of our organization to the passage of any Broadcast License Renewal legislation in this session of the U.S. Congress.

In 1969 the Congress considered similar legislation as that being considered by this honorable body today. At that time the Black Press and black citizens characterized such legislation as racist, and protested that it would forever close to blacks any opportunities to gain ownership of radio and television stations. Now, in 1974, we again mount the bastions to defend equal opportunities and freedom against this legislation which, as in 1969, is an example of racism especially perpetrated by the Congress against the black citizenry of this nation.

In its 34th Annual Convention, Pittsburgh, Pa., the NNPA passed a resolution calling for the defeat of this legislation, which is attached to my remarks as Appendage A. Moreover, I wish to associate the NNPA without reservation with the statements made before this Subcommittee by the Honorable Henry Marsh, Vice Mayor of Richmond, Va., and Chairman of the National Black Caucus of Local Elected Officials (June 27) and James McCuller, National Chairman, National Black Media Coalition (June 20).

The Broadcast License Renewal legislation is not only classism, pitting the haves against the have-nots; it is also racism of the most insidious and virulent type. If we are indeed a nation of laws and not men, it is a serious indictment of the nation that one of the most vigorous proponents of institutional racism is the U.S. Congress, which propagates racism through legislation that perpetually places 25,000,000 Black Americans (a population more numerous than 157 other nations in the world) beyond the pale—denying them equal treatment before the law.

Two nations, one black and one white, were born with the introduction of slavery into the New World. With industrialization, America found it more and more profitable to have domestic colonials; after 300 years of slavery and 111 years of crypto-freedom, our political and economic institutions have become so structured and manipulated as to reinforce the separateness of the black and white nations—"separate and unequal," as described by the 1968 Kerner Report which identified the basic sickness which is America's: white racism. Our so-called democratic society is mortally imperiled by racism, a cancerous disease which will destroy not only an individual but also, if allowed to metastasize without radical surgery, a great nation.

Though our system is permeated with both covert and overt racism, let us consider who and what the black nation is: It is 25,000,000 strong, the second largest aggregation of blacks on earth, second only to Nigeria's 71,000,000. Of Africa's 52 nations only two are more numerous—Egypt and Nigeria. Of all the 36 nations of North and South America only three are more populous, White America-USA, Brazil and Mexico. Academically and economically we are the most highly developed black people anywhere, with approximately 7,500 physicians, 3,000 dentists, 4,000 attorneys, thousands of professors and public school teachers. Black youth in institutions of higher learning number 727,000 (460,000 more than attend institutions of higher learning in Great Britain with a population of 55,000,000.)

Black America is concentrated in the 50 largest cities of the nation, of which 25 have a black population in excess of 100,000. 33.8% of the population of these 25 cities is black, while in the 50 largest cities we are 22.7% of the total population. It is estimated that by 1980 12 to 14 of our 25 largest cities will probably have black mayors, as we have already in Gary, Newark, Washington, D.C., Los Angeles, Atlanta, Detroit, Berkeley, et al. The test will come when these black mayors attempt to use their newly won political power to end racism in employment, housing, education and law enforcement in their respective cities.

The Black Nation-USA constitutes a population of 25,000,000—the ninth wealthiest nation of the 80-odd nations outside of the Socialist bloc; yet, though our population in each of 16 metropolitan areas exceeds 250,000, only 33 of over 7,000 radio licenses are owned by Black America, and no blacks own any of the approximately 800 tv stations in the nation. On the other hand, between 220 and 250-odd black newspapers are black-owned. How is it that black-owned newspapers and magazines, some grossing millions of dollars annually, have thrived, while there has been black ownership participation in radio to the extent of only 0.3%—and no participation in television? It must be laid at the doorstep of the Federal Government, i.e., the legislative and the executive branches. The Congress has passed legislation and the FCC has interpreted it so as to favor white radio broadcasters who serve the white majority. There has been a continuing and secret collusion between the Congress, the Federal Communication Commission and white enterprise, so as to minimize black proprietorship in radio and to exclude black proprietorship in television. Since the 1940's black-programmed radio stations have increased; yet, we find that of the estimated 350 radio stations programmed for black audiences, only 33, which are marginal properties, are owned by blacks. There are 17 white millionaires in black radio. In recent times the only possibility for a breakthrough for blacks is to buy marginal stations at outrageous prices. Since the white owners of black-programmed stations did not have to pay the FCC or anyone for their future revenue expectations when they initially established black-programmed stations, these outrageous prices are examples of economic racism. Why should Black America be forced to pay such huge prices which few blacks can afford? The contemplated legislation will make it well-nigh impossible for blacks to acquire any radio station except through outright purchase at exorbitant, unrealistic prices.

The National Association of Broadcasters know very well that FCC will not begin to pull their licenses, even under the existing "superior service standard, short of instances of gross neglect or violation of the law. It is a charade. Why do they need more protection? Indeed, the FCC and the current monopolists have their own built-in protection; instant success to public opinion. The National Association of Broadcasters have indicated that black-owned radio stations would benefit from the 5 Years Renewal Provision. The National Association of Black Broadcasters are not coming before the Congress lobbying for more renewal time protections; they are more interested in having more equitable access, first, to white-only facilities in VHF network affiliated and private television and, second, to high-powered white-owned AM radio stations which are monopolizing the 25 cities where blacks are most heavily concentrated and will soon elect black mayors.

We live in a quantitative society. Blacks have met every challenge presented by the nation in peace and war. Based upon our population, we should have approximately 770 radio stations and approximately 88 tv stations. What substitute for the quota system does the Congress suggest, so as to reduce the glaring inequities of low representation in radio and no representation in television ownership? This is a conspicuous instance of economic racism that the Congress will ignore at great peril to the nation.

The racism practiced by the broadcasting industry is only abated once every three years at renewal time, with the aggressive demands of racial minority groups for enforcement of the "superior Service" standard and the vague possibility of a petitioner's denial or his replacement by a competing applicant for his license. The record shows that between these three-year renewal periods the majority of radio and television stations rarely undertake effective training programs for black journalists or other racial minority applicants. Moreover, these preying white businesses rely upon the Black Press to expend the capital to train potential black employees which they steal frantically away from the Black Press during prelicense renewal time.

A recent study by American Newspaper Publishers Association demonstrated that six years after the Kerner Report only 2.9 percent of the professional personnel in radio and television are black. The NAB claims approximately a 11 percent figure. During the three-year intervals after renewal applications and issuance, the FCC has demonstrated only scanty or no surveillance; so these white stations, even those usurping the air in the black ghettos of America, can do pretty much as they please concerning programming, employment and community input with their facilities. With such arrogance displayed on the 3-year renewal basis, just think of the horrors which would be perpetrated under a Congressional 5-year renewal statute. Even with the 3-year rule the FCC does little or nothing to require black-programmed radio and white radio serving the black masses in the 50 largest cities to meet the "superior service" requirement standard. With the 5-year rule and the standard of "substantive service" guaranteeing renewal in the face of challenges, blacks and other citizen groups will find themselves investing in a hopeless cause. Who will challenge the licensee if the present legislation is enacted? Because of the FAC's bias in favor of incumbents, there is simply no excuse for shedding off challenges, which present no major threat to the industry. Is there any excuse for retroactively putting an end at least to the hopes of blacks who up until now have been denied ownership in the nation's tv industry?

Crossownership, as now implemented, is a prime example of inequity; in the top ten markets for television, 38 of the 39 VHF stations are owned by multi-station groups. These markets contain 68,000,000 people—34 percent of the nation's population. The three networks own 14 of these 39 stations, and newspapers own 7 more of these stations, or 21 of the 39 stations in the ten top markets are owned by monopoly. Those papers which own radio stations are white newspapers of general circulation. How are blacks to acquire any of these crossowned stations, which only the white big-city dailies got a chance at in the 1920s (radio) and 1940s and 50s (TV)? They will only get a chance if the FCC permits consideration of the impact of media monopolies at renewal time. The printed media or the daily newspapers of America are the most racist of all forms of communication. The American Newspaper Publishers study found that blacks comprised 2.9% of the personnel in mass communications media—radio and television—and only 1.9 percent of the professional personnel in the white newspaper industry.

Under popular pressure the Congress is being forced to reduce the oil depreciation allowance; however, with his '74 License Renewal Act, the Congress is supporting special interests and monopoly in a publicly owned commodity, the nation's airwaves. In fact, we are rewarding those who practice racism in its most blatant form. The ban on consideration of crossownership at renewal time is another gimmick which will allow the FCC to either let present monopolistic control remain as it is or else promulgate an across-the-board rule. The Black Press feels that the public interest would best be served by permitting decisions on crossownership on a case by case basis at renewal time. Such legislation would provide enough flexibility so that the FCC could either prohibit crossownership altogether or do nothing about it.

While it is unlikely that a suburban newspaper or a neighborhood black-owned newspaper would ever present a serious monopoly problem if it owned either a radio station or a TV station, we add hurriedly that should a black monopolist develop, he should be treated as any other monopolist. It is unmistakably clear to us that an across-the-board rule on crossownership is only a gimmick to prevent small newspapers and black newspapers from owning radio and television stations. For example, a black entrepreneur who happens to own a small community newspaper and is not a monopolist should have the same chance of owning a radio and TV station as white newspaper owners who were and are monopolists had when they got the TV licenses in 1939 and the 1940s.

The Leadership Conference on Civil Rights and friends across the nation have come to Washington to speak out against the shocking indifference of most operators of mass communications media, i.e. radio and television, in this nation to the needs and the rights of minority peoples and women who up until now have been given some modicum of protection by enforced Federal legislation. The Broadcast Renewal Act is an attempt to insulate present mass communication proprietors from citizens' challenging, particularly by women and racial minorities.

It is our hope that our opposition to the passage of this legislation will win the enthusiastic support of courageous members of the Congress—both the House and the Senate, so that out of this dialogue will come legislation which will right the wrongs which have existed throughout the history of Federal regulations of the people's airwaves to the advantage of private entrepreneurship which under a Federal mandate monopoly has created wealth, avarice and greed.

It is hoped that with the passage of post-Watergate election financing legislation the members of the U.S. Congress will no longer find it necessary to genuflect to the four powerful financial giants who enjoy monopoly over the nation's airwaves. It is hoped further that in the near future Congress will be able to develop legislation breaking up these awesome monopolies and returning to the people its share of participatory rights in a national commodity, the airwaves.

For over 50-odd years now, Black Americans have been engaged on a treadmill of conversation leading nowhere in this area; evidence has continued to mount of the insensitivity and lack of concern for the plight of 25,000,000 Black Americans to have equity and enjoy full participatory rights in the area of control and management of the air that serves their communities.

If conversation alone would have ended racism in America this deadly disease would have been ended eons ago. We appear before this Honorable Committee as probably the last of the conversationalists in Black America. Those who come after us will undoubtedly represent black activists, who recognize that no relief comes to those who are oppressed at the hands of government without some form of active opposition. Frederick Douglass, a great black newspaper publisher and abolitionist, said it best:

"Power concedes nothing without a demand. It never did and it never will. Find out just what any people will quietly submit to and you have found out the exact measure of injustice and wrong which will be imposed upon them, and these will continue till they are resisted with either words or blows, or with both. The limits of tyrants are prescribed by the endurance of those whom they oppress. . . ."

A sombre mood permeates Black America. As I close, we call upon the words of another great editor and social scientist, Dr. W. E. B. du Bois, who after nine decades of surveying the American scene pondered the question which haunts many blacks today: Where does the black man stand in America?

"If we aim to be Americans and do only what America does, think what she thinks and say what she says, we are a stupid people; if on the other hand we are determined to reach the highest standards of the world, and broaden and lift those standards by developing the best part of our Negro culture, erased from our souls by blood and slavery, by poverty and insults, we may, led by Africa, yet save the world. On the other hand, if we are bribed by high salaries to our gifted while our millions crawl, by publicity for our fools while our leaders and our youth rot in jail, we are lost. This notion, by its mad plunge into lying, stealing and murder, will drag us as a part of it down to an age . . . of eternal night."

Gentlemen, the question is, will the Congress of the United States, in this the 198th year of the history of the nation, in this the 111th year post Lincoln-Emancipation Proclamation, act responsibly to begin the process of racial surgery to eradicate economic racism from one of the nation's most precious commodities, the people's airwaves? That question, gentlemen, will have to be answered by you and your peers in the United States Congress. This License Renewal Act must not only be defeated but the Congress must develop a new Magna Carta for the airwaves, which allows all Americans participatory access to the nation's airwaves.

LEGION BAND REGAINS TITLE

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. O'BRIEN. Mr. Speaker, I have always loved rousing band music and I am proud to say that my hometown, Joliet, Ill., has produced one of the best bands in the Nation.

The superiority of the Joliet American Legion Band was proven again this week when the group captured the national American Legion band title for the 25th time. Victory was doubly sweet, since the band had lost its title 2 years ago to the Tonawanda, N.Y., band.

The Joliet musicians, numbering just under 100, were ably directed by Tom Drake at the competition in Miami Beach, Fla., on Sunday. Their performance must have been a delight to hear.

I want to take this opportunity to congratulate the entire band, and Mr. Drake in particular, on their success. I also want to wish the best of luck to the band's new president, Keith Wilson, who is succeeding Art Coote, and vice president Al Zlogar, who is replacing Don Werner. They have some big shoes to fill, but I am sure they are up to the job.

The following is an account of the band's trimumph in Miami that appeared in the Joliet Herald-News this week:

Legion Band Regains Title

They did it again!

Joliet's American Legion Band in competition in Miami Beach, Fla., Sunday recaptured the national American Legion Band title for the 25th time.

The Joliet musicians, almost 100 strong under the baton of Tom Drake, received a 86.25 rating to bring the title back to Joliet after a two-year lapse.

"We did it. We did it," was the shout of joy over the telephone as the Herald-News today spoke to Jay Trump, a member of the band.

The Aurora band which was second with an 85.9 has registered a protest to be heard this morning in Miami Beach over a change in the site of the competition.

Joliet had complained the stage at the junior high school where the concert competition was to take place was too small. All the Joliet musicians could not get on the stage.

The concert, therefore, was transferred outdoors to the school patio where all bands played.

Trump said the Jolietans should be able to defend their championship successfully.

In third place was the Kansas City, Mo., band.

The Tonawanda Band from New York which claimed the championship from the Legion in Chicago competition in 1972 did not compete ths year.

The Joliet Band did not compete in Hawaii last year due to the lack of funds. The bandsmen are to return to Illinois late today or early Tuesday. Their plane is due at O'Hare at 11:30 p.m.

Arrival time in Joliet has been estimated at 1 a.m.

New officers for the band were elected Sunday night. Keith Wilson is the new president, succeeding Art Coote. Al Zlogar is the vice president replacing Don Werner.

Still seeking funds to pay for the trip, the band is bringing the Carson and Barnes five-ring circus to Joliet Friday for two performances at 2 and 8 p.m. in the Memorial Stadium parking lot.

THE CASE OF VALENTYN MOROZ

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. DULSKI. Mr. Speaker, when citizens stand up to defend their own nations from enemies, they are acclaimed as heroes and honored by history. When individuals defend their countries against authoritarian or totalitarian rule with personal integrity and humanity as guides, they are revered. Such is the case of one Ukrainian historian-writer, Valentyn Moroz.

Mr. Speaker, some 500 feet from the Soviet Embassy in Washington, there is a hunger strike by a number of Americans of Ukrainian heritage demonstrating solidarity with Valentyn Moroz, who has been on a hunger strike since July 1 of this year protesting his treatment in Vladimir prison. The last information is that he is being force-fed. The Ukrainian historian was arrested for allegedly spreading "anti-Soviet propaganda," which consists of his three major works: "A Report on the Berian Reservation," "Amid the Snows," and "A Chronicle of Resistance." Valenytn Moroz and the hunger strikers are protesting in solidarity a number of specific points of the Soviets' form of "justice":

A closed trial—contrary to the Soviets' own criminal code of procedure;

A lack of substantive evidence for conviction—all witnesses refused to testify against Moroz;

Unconstitutional conviction—the articles of conviction were, according to the International Commission of Jurists, ultra vires to the Soviet Constitution;

Physical assault and poisoned food—certified by recently freed inmates including Anatoly Radygin, a Russian Jewish captain imprisoned for attempted flight from the Soviet Union.

Valentyn Moroz is not the only one persecuted for his beliefs—which, incidentally, are guaranteed under the Freedom of Speech clause in the Soviet

Constitution. His wife and son have been evicted from their family apartment. In addition, his wife has been refused a number of jobs on the basis that her husband has been convicted for "anti-Soviet agitation and propaganda."

The Committee for the Defense of Valentyn Moroz, which is sponsoring the hunger strike in Canada, the United States and West Germany, has received expressions of support from Andrei Sakharov, Prime Minister Pierre Trudeau, Nobel Prize Winner Heinrich Boell, as well as numerous other notable people. The committee initiated the hunger strike on July 31, and will prolong it until the Soviet Government guarantees humane treatment of Moroz. A nightly candlelight vigil is held in front of the Soviet Embassy as a constant reminder that the fire of freedom can not be snuffed out by repression of any country or individual.

Mr. Speaker, let us heed the warning Valentyn Moroz gave the Soviet Government before his sentencing:

> You have lost control, for our society has reached a stage of development where repressions no longer produce the intended, but the opposite, effect. From now on every act of repression will boomerang! . . . Do not point the accusing finger at me . . . I did not jail Moroz; I did not throw the boomerang.

INCOME AND NET WORTH STATEMENT OF THE HONORABLE MICHAEL J. HARRINGTON

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. HARRINGTON. Mr. Speaker, I wish to insert in the RECORD an account of my sources of income and financial holdings. I realize that disclosure of this information is not required by law, but I submit it in order to provide a complete picture of my financial situation. The date is for the calendar year 1973.

My gross salary as a Congressman was $42,500.00. In addition, I received $282 in income from stock dividends—(specific stocks are listed below—$1,973.04 in interest payments, $2,475.96 in other income, primarily capital gains, and $21,658.83 in income from my law practice.

My deductions and exemptions included the standard personal exemption for myself, my wife, and my five children—$750 each for a total of $5,250. In addition, my itemized deductions totaled $19,639.75. Also, my gross income was reduced by $6,370 due to congressional expenses I met through out-of-pocket expenditures.

I would like to point out, with regard to this last figure, that I received the ordinary congressional allowances for stationery, travel to and from the district, district office costs, and telephone expenses. However, these allowances fell short of providing reimbursement for the actual congressional expenses I incurred during the past year.

I paid $11,847.09 in Federal taxes, $3,138.49 in State taxes, and $3,200 in local property taxes.

With regard to my net worth, it consists, first, of my home in Beverly, Mass., which I purchased in December 1968, for $70,000. I financed the acquisition by means of a $50,000 mortgage. At the present time, my home is valued at approximately $125,000 and my mortgage indebtedness has increased to $79,769.78.

In addition, I have a one-third interest, amounting to about $20,000 in the building at 59 Federal Street in Salem, Mass. The worth of this holding is offset by a mortgage totaling $10,090.62. I own no other real estate.

I have $28,885.52 in my checking and savings accounts, the market value of the common stock I own is $37,807, the cash value of my life insurance is $1,510, and the cash value of my congressional retirement fund is $16,389.02.

In addition to these tangible assets, my law practice represents a potential asset, though it is difficult to value, since I have never solicited or received offers to purchase my share in the firm.

As far as major liabilities are concerned, they are represented by mortgages I mentioned above.

At this point, Mr. Speaker, I would like to insert in the RECORD a summary of my net worth and stock holdings.

Assets and liabilities

Assets:	
Home—estimated fair market value	$125,000.00
Law office building—estimated fair market value	20,000.00
Cash	28,885.00
Stock	37,807.00
Life insurance, cash value	1,510.00
Congressional retirement fund, cash value	16,389.02
Total assets	229,591.54
Liabilities: Mortgages	89,860.40
Assets minus liabilities	139,731.14

STOCK HOLDINGS

[Value as of market quotations, June 15, 1974]

Stock	Number of shares	Market value
Mrs. Smith's Pie Co	75	$694
Gloucester Engineering	100	800
National Cash Register	100	3,388
Worthington Bio-Chemical	100	825
Pennzoil United	200	3,700
Liggett & Platt	300	3,075
Bristol Myers	100	5,475
Statham Instrument	200	3,050
ECRM, Inc	1,000	5,500
Mountain Fuel Supply Co	100	5,775
Keane Associates	200	700
Becker Industries	200	4,825
Total, market value		37,807

Note: I do not make the investment decisions regarding these holdings. They are controlled in a discretionary account and are managed by White, Weld & Co.

FEDERAL MASS TRANSPORTATION AMENDMENTS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. LEHMAN. Mr. Speaker, because of previous commitments in my district, I was unable to participate in votes on two amendments to the Federal Mass Transportation Act last Thursday.

On rollcall No. 495, the Harsha amendment to make urbanized areas with a population of 2 million or more eligible under category A in the bill, I would have voted "no." The amendment was rejected 143 to 215.

On rollcall No. 496, the Shuster amendment to require the Secretary to evaluate the extent to which urban communities are attempting to discourage auto use and encourage mass transit use before approving projects, I would have voted "no." The amendment was rejected 155 to 174.

On Monday, August 19, I was present, but for unexplained reasons, was not recorded on rollcall No. 501, the authorization for the Youth Conservation Corps. I would have voted "yes" on the passage of this legislation.

AHEPA SPEAKS OUT: IN THE NAME OF HUMANITY, THE KILLING ON CYPRUS MUST BE STOPPED

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. KEMP. Mr. Speaker, we should all be appalled at the continuing bloodshed in Cyprus.

It has destroyed the fragile peace in the eastern Mediterranean and threatens a confrontation of larger proportions.

It has caused the loss of life and limb among Cypriot, Greek, and Turk alike—soldier and civilian.

It has caused untold devastation—of property and of hope—on the island.

It has fractured the stability of NATO.

Yet, the war—broken only intermittently by cease-fires which collapse—goes on.

In the name of humanity, the killing on Cyprus must stop. Peace must be restored. So, too, must sovereignty.

Meeting at their 52d Supreme Convention in Boston this past Monday, August 19—the Order of AHEPA—the American-Hellenic Educational Progressive Association—of which I am an honorary member—unanimously passed a resolution calling for a cessation of hostilities on Cyprus, a withdrawal of foreign troops, and a restoration of the island's autonomy.

There is much to which we should give our attention in this resolution, and I specifically call it to the attention of my colleagues who serve on the Committee on Foreign Affairs.

Mr. Speaker, the war on Cyprus shows once again that, when we pray for peace, we must realize that peace is not possible when aggressors move forward while peaceful men sit silent. Let us all strive toward the human condition—that time when the hearts and minds of leaders in the world who now desire domination of others will be moved to exercise the restraints which make peace possible.

The resolution follows:

> Whereas, the unprovoked, unjustified and illegal invasion of Cyprus by Turkey, and her waging of a barbarous war on the Cyp-

riot people, are a high crime against humanity, violate fundamental principles of international law, fly in the face of international treaties and UN resolutions, threatens the independence and territorial integrity of Cyprus, jeopardize peace and stability in the Middle East, weaken the NATO alliance, and imperil America's influence and posture in the eastern Mediterranean; and,

Whereas, Cyprus and Greece have been the traditional and unswerving Allies of the United States and Great Britain for over 100 years, and have fought valiantly and selflessly in defense of western civilization from time immemorial, and are now our strongest and most loyal bulwark in the Mediterranean and Middle East; and,

Whereas Turkey did not join the Allies in World Wars I and II; she has received $13 billion of American aid to protect NATO; she has used these weapons against a peaceful, friendly people NATO was designed to protect; whereas Turkey has again embarked on an unrestricted opium poppy growing program openly intended to flood America with deadly drugs to destroy our youth for financial gain; thereby, Turkey is once again proving that she is not a true friend of the United States;

Whereas, the United Nations has on four separate occasions condemned foreign intervention in Cyprus, and approved the territorial integrity of the island on the principles of self-determination:

(a) by calling on "all nations . . . to respect the sovereignty, unity, independence, and territorial integrity of the Republic of Cyprus and to refrain from any intervention against it" (Resolution #2077 of the General Assembly, December 18, 1965);

(b) by demanding the "immediate end to foreign military intervention in the Republic of Cyprus . . ." and "the withdrawal . . . of foreign military personnel" not present under existing treaties (Resolution #353 of the Security Council, July 20, 1974);

(c) by proposing a "timely and phased reduction of the number of (foreign) armed forces" from Cypriot soil (Declaration of the Foreign Ministers of England, Turkey, and Greece at Geneva, July 30, 1974); and

(d) by insisting that "all parties to the present fighting cease all firing and military action forthwith" and return to the conference table and "resume negotiations without delay" (Resolution #357 of the Security Council, August 14, 1974).

Whereas, Turkey has ignored, disregarded, and violated every one of these international mandates and has conducted sham negotiations in bad faith while preparing wholesale aggression for a modern Pearl Harbor:

We now therefore, resolve that:

1. We condemn absolutely the unprovoked and illegal invasion of Cyprus by Turkey, the barbarous atrocites committed by her armed forces on the Cypriot people, her insincere negotiations in Geneva; and her cynical resort to arms to achieve her unlawful goals.

2. The proposed U.N. cease fire must be rigidly enforced with adequate U.N. forces and all additional means necessary. Turkey must be held strictly accountable for all violations of the cease fire.

3. Turkey must immediately commence a phased but rapid withdrawal of all her military forces from Cyprus and that the U.N. forces and the National Guard of Cyprus shall be the only armed forces entrusted with the pacification of the country.

4. All U.S. military and economic aid to Turkey, including but not limited to, all military equipment, munitions, technical data, and services, all economic or agricultural programs and commodities, and all licenses, credits, grants, loans or other means therefore, shall be immediately suspended, and none shall be restored until after a full review and reassessment by the United States of the entire U.S. aid program to Turkey.

5. We deplore, condemn, and denounce any and all statements, demonstrations and violent actions of irresponsible provocateur elements anywhere against the American people, elected officials, and Government; we call upon all Greeks and Cypriots everywhere to remain constant to the traditions of Greek-American friendship and alliance; and we pledge, as loyal Americans, our continued confidence and support in our country's great mission to bring peace and justice to all the world, including Cyprus, based on the democratic principles of freedom and self-determination, with adequate safeguards for the rights of minorities.

6. In that spirit we call upon our Government to reassert its moral leadership and to act effectively in support of self-determination and freedom in Cyprus, to repair the damage Turkey has caused to our defense interests in the Mediterranean, and to attract Greece, by our deeds, back into military participation in NATO.

7. Meanwhile, we request of all nations who love freedom and who sorrow over the sufferings of innocent people, to help in a massive campaign for funds, food, clothing, shelter, medical supplies and other relief, within and beyond the United Nations and the Red Cross, to ameliorate the horrible conditions of the 150,000 Greek Cypriot refugees and help them return to their homes as quickly as possible.

8. We urge the restoration to full authority of the Cyprus Government over the entire Island; massive economic aid to the same and the return of England, Greece, and Turkey to Geneva to stay in continuous session until a settlement is finally concluded.

NUCLEAR REAPPRAISAL ACT REINTRODUCED

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. WALDIE. Mr. Speaker, in March of this year I, along with Mr. ASPIN, introduced the Nuclear Energy Reappraisal Act. We were motivated by an increasing concern about hazards of operation of nuclear powerplants and by unknown dangers in the entire nuclear fuel cycle.

Those fears have not been lessened, Mr. Speaker, even after the release of the Atomic Energy Commission's safety report.

There remains a built-in conflict of interest within the nuclear industry and the AEC.

This legislation, which I am reintroducing today, provides for a truly independent study of nuclear hazards and calls for a moritorium in the issuance of construction licenses during the course of the study—up to 5 years.

There is no need to panic and rush to fulfill the dreams of those who foresee 1,200 nuclear powerplants by the end of this century without full knowledge of the possible dangers. That is the purpose of this bill and I am hopeful it will be given every consideration.

FORWARD, NOW, TOGETHER

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, President Ford has shown in his first days of office qualities of leadership, both moral and political, that should do much to bring about the spirit of cooperation and reunification so badly needed in our country. His early statements and actions have clearly demonstrated the compassion, concern, and thoughtfulness with which he intends to fulfill his duties as President. The new openness, the recognition of the needs and concerns of the American people, and the clear willingness to work with Congress to solve our pressing problems lend great hope for the Ford Presidency.

The August 13 Fond du Lac, Wis., Reporter and the August 14 Manitowoc, Wis., Herald-Times-Reporter had excellent editorials on the promise of the Ford Presidency. The Fon du Lac paper noted that the President's speech to Congress last Monday served as a "good start" that will help "lay the foundation for the rebuilding of confidence in those who run our Government." The Herald-Times-Reporter said:

> In his first few days at the helm, Gerald R. Ford said what needed to be said, and acted both symbolically and in fact to affirm the continuity and stability of the United States Government.

I commend the editorials to your attention:

[From the Fond du Lac Reporter, Aug. 13, 1974]

PRESIDENT FORD SETS COOPERATIVE TONE IN HIS FIRST MAJOR SPEECH

Amid smiles, repartee and laughter, President Ford embarked upon a new, friendlier and more cooperative relationship with Congress last night in his first major address as the successor to Richard Nixon.

If anything came through during his nationally televised speech it is that President Ford has geninue rapport with members of the legislative branch. They gave him a standing and prolonged ovation, frequent applause and a back-slapping, hand-shaking exit.

President Ford's warm reception served to emphasize the tension that had built within the Nixon administration, particularly since the Watergate break-in. The sense of relief evident in congress also was felt by Americans who heard his talk on television. And that, in a very real way, can help lay the foundation for the rebuilding of confidence in those who run our government.

Not that President Ford won't have trouble. He will, and nobody is more aware of it than he is. But he indicated his willingness to get down to work on a give-and-take basis when he declared, "I do not want a honeymoon with you; I want a good marriage."

Although lacking specifics, President Ford outlined the course that he can be expected to follow.

The major foe is inflation. Americans who have been trying to stretch their dollars are in full accord. He was correct when he said the people blame government for big spending, and he pledged he will make every effort to balance the federal budget by 1976. That may be a big order, however, particularly with his corresponding desire to support a powerful military establishment.

His awareness of the plight of the American economy was demonstrated again in remarks about reviving the Cost of Living Council—but this time without controls. The Council could look into abuses and correct them, without strapping either labor or management with restrictions that push the working man farther behind in his struggle to meet living expenses.

Moving ahead against inflation will require the cooperation of all segments of society and President Ford said he would like to convene an economic summit meeting, over which he would volunteer to preside. He proposed that such a meeting be held in full view of the public so Americans can get a better understanding of the nuts and bolts involved in making the economy work. And to further stress his desire to hold down spending he said he would support candidates from any party who sincerely want to cut costs and balance the national budget.

President Ford also called for congressional action on a sound health care bill and said that while he has some disagreement with the Elementary and Secondary Education bill he does not intend to veto it.

In an indirect swipe at the tactics that contributed to President Nixon's downfall, he said he would tolerate no illegal wiretaps and bugging and would give high respect to the rights of privacy for every citizen. He also voiced his support for the "necessity of a free press," and promised an "open door" policy as long as he is President.

Touching upon other areas of serious concern, President Ford assured the Soviet Union and China that he intends to pursue the foreign policy course charted by President Nixon and reaffirmed "loyal collaboration" with our allies. He said he will continue to work for peace in the Middle East, and renewed U.S. support for the United Nations.

In all, it was a good speech, very well received and welcomed by a nation that has grown weary of conflict in the White House.

No one can say how President Ford will fare in the program he has set for his administration. How he succeeds may well determine his plans for 1976—when he is likely to seek a full term.

But at least last night he got off to a good start, not only with members of Congress, but also with the American people.

[From the Herald-Times-Reporter, Aug. 14, 1974]

FORWARD, NOW, TOGETHER

Our new president has given many indications that he understands what must be done to get things moving again in this country after a long period of demoralization and disarray. In his first few days at the helm, Gerald R. Ford said what needed to be said, and acted both symbolically and in fact to affirm the continuity and stability of the United States government.

A particular concern at the moment of the transfer of power was that foreign capitals not misinterpret this as a time of weakness and discontinuity. President Ford took pains to avert any such conclusions. Flanked by Secretary of State Henry A. Kissinger, he spent much time on his first afternoon as president talking with groups of allied diplomats. Later Kissinger and top State Department officials assured representatives of many other nations that American foreign policy would follow its present course and "full continuity in the conduct of our national affairs" was promised in a message to Kurt Waldheim secretary general of the United Nations.

Another concern was lest the American people perceive the changeover as a time of uncertainty and dislocation with regard to domestic affairs. Mr. Ford moved to quiet such fears, also; he asked all Cabinet members and heads of independent agencies to stay on, and was assured they would continue in a spirit of unwavering support and loyalty. He also emphasized that White House hostility toward Congress was a thing of the past. It became clear at once that he meant to make the most of warm relations developed during 25 years of service in the House.

The undergirding prelude to all this was President Ford's address after having been sworn in by Chief Justice Warren E. Burger. The welcome assurance that "our long national nightmare is over" will be the most widely quoted remark in that address, but there was much more of interest in what the President described as "just a little straight talk among friends."

What Mr. Ford said was simple, modestly eloquent, in good taste, a low-keyed rallying cry to the American people to work with him in harmony and "go forward, now, together." In return he pledged himself to be "the president of all the people," and said further: "In all my public and private acts as your president, I expect to follow my instincts of openness and candor with full confidence that honesty is always the best policy in the end."

In themselves these words are not exceptional, nor do they necessarily command belief. Uttered by the new president at the awesome moment of assuming that office, they had a promising ring of sincerity and determined conviction.

MICHIGAN BEAN FESTIVAL

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. TRAXLER. Mr. Speaker, during Labor Day weekend the citizens of Michigan will be celebrating the 28th annual Michigan Bean Festival, a tribute to my State's most important agricultural crop. As I am sure my colleagues know, it is Michigan's navy beans which supply the Capitol with its delicious bean soup, a daily tradition in both the House and Senate Restaurants since the turn of the century.

Michigan is the Nation's most important bean-producing State, supplying more than one-third of the total U.S. output of beans and 99 percent of our Nation's navy beans. Most of these navy beans are grown in the Saginaw Valley-Thumb area of Michigan's Eighth Congressional District. In Michigan, beans are big business. The investment in the crop—for seed, fertilizers, machinery, and gas—runs into several millions of dollars annually. Several additional millions are invested in the processing, storing, and shipping of the beans to customers all over the world. This year more than 630,000 acres of beans have been planted by as many as 10,000 Michigan farmers, a substantial increase over last year.

Yet the investment pays off in large yields of high quality vegetables. The annual gross return for the State on its bean havests runs between $45 and $60 million. The crop helps the U.S. balance of payments, too. In an average crop year, about 25 percent of Michigan beans are shipped to more than 30 nations abroad.

"A symbol of thrift"—"A poor man's meal"—"Warm cloak against economic adversity" are just some of the labels attached to the bean, which has served rich and poor alike down through the centuries. It is now believed that beans were the first vegetables to grow on the Earth and one of man's first cultivated crops grown in Switzerland and northern Italy as early as the bronze age. The ancient Egyptians 2,000 years before Christ worshipped beans as a symbol of life and raised temples dedicated to it. The Greeks and Romans ate them, voted with them—light beans were "pro" and dark beans "con"—and even gambled with them. The Babylonian army marched and fought for 1,500 years on a fighting ration of beans and pork. Early explorers to America found beans grown by the native Indians all along the eastern seaboard.

Hearty bean dishes are embedded in our Nation's heritage, too. A staple item in the larder of the hearty pioneers, the bean early became an American food. Teddy Roosevelt is quoted as saying that he and his Rough Riders won the battle of San Juan Hill on a diet of beans.

Because beans are rich in calcium, iron, and the B vitamins and a valuable source of protein, the bean can probably be credited with keeping alive and healthy many poor men and women who could afford nothing else to eat. For the price, beans are still one of the best bargains around.

Hosted by the citizens of Fairgrove, Mich., the Bean Festival is one of the oldest State festivals in Michigan. Born in 1947, it started as a way of honoring the Michigan navy bean and the men and women who laboriously raise the crop, process it and ship it to the far corners of the world, and a way of reminding residents and visitors of the importance of the bean to the State's economic prosperity.

Homage to the "lowly bean" began on September 20, 1947, when the Fairgrove Businessmen's Association sponsored a bean soup and baked bean dinner for about 500 local farm families and villagers.

The following year plans were made for a bigger and better festival—a parade, the crowning of a "Bean Queen," a rodeo, street dancing, and fireworks—to be held on Labor Day. Most of the festival took place on Main Street in Fairgrove. The churches in the city and the OES served free bean soup, starting a tradition of free bean soup that marks the festival even today. Miss Donna Hunter, of Fairgrove, was chosen the first queen. She and Ann Sheridan flew to Washington, D.C., and presented a gift package of Michigan navy beans to President Harry Truman.

In 1949, the festival expanded even more and was designated the "Michigan Bean Festival." Through the years, the festival has undergone various changes, expanding to 3 days and attracting over 20,000 visitors every year. The festival currently is sponsored by the Fairgrove Jaycees.

Since 1960, the free bean soup that marks this festival has been prepared in huge bean kettles right on the street where all the festivities are held. Three large kettles are made to fit on the back of a pickup truck. The soup is cooked with gas burners under the kettles. It takes a lot of delicious bean soup to fill up 20,000 people.

Highlight of every festival is the crowning of the Bean Queen. This year's candidates include Anne Reinbold of Saginaw County, Cindy Schluckebier of Tuscola County, Ellen Hagen of Huron County, Reneye Godley of Gratiot County, and Denise Histed of Bay County. The winner will receive the title from the 1973 queen, Karen Jean Reif.

The charm of the Bean Festival lies in its small-town fun approach. The citizens of Fairgrove should take great pride in themselves, their town, and their widely attended festival. I understand that proceeds from the festival are used for community recreation projects.

Mr. Speaker, I would like to offer my special thanks to Mr. Rudy Petzold of the Tuscola County Advertiser, Mr. Henry Sugden, Mrs. Barbara Sheridan, and Jerry Thiel of the Michigan Bean Shippers Association, for the background information for my tribute to the Michigan Bean Festival. As my colleagues consume some of the 40,000 bowls of bean soup served in the House Restaurant each year, I hope they will take special note of the source of those beans: the hard-working people of Michigan and in particular Tuscola County. To all my colleagues and all Americans who might be traveling or vacationing in Michigan next weekend, I offer my personal invitation to stop and visit the Michigan Bean Festival for a day of old-fashioned fun and a cup of bean soup.

OLDER AMERICANS HOME REPAIR ASSISTANCE ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. SEIBERLING. Mr. Speaker, I am pleased to introduce the Older Americans Home Repair Assistance Act. The purpose of this proposal is twofold: It would help to counter the rapidly rising costs of home maintenance for approximately one-fourth of our older citizens who would be eligible to receive home repair assistance and at the same time it would authorize home repair and maintenance jobs as a means for increasing employment opportunities for older Americans.

This act is similar to a Senate proposal—S. 633—introduced in January 1973 by Senator FRANK CHURCH who is well known for his efforts to improve Federal policy affecting older people. This act is also similar in intent—although narrower in scope—to the community service employment program, title 9 of the Older Americans Act. Under title 9, the Secretary of Labor is funding community service projects operated by nonprofit agencies and organizations as a means of employing older workers. As in my proposal, to qualify for employment the older worker must be at least 55 years of age, have a low income, and be likely to have difficulty in securing suitable paid employment. Although I am introducing the Older Americans Home Repair Assistance Act as a separate bill, I would hope that it might also be considered as an amendment to title 9 when that legislation comes up for renewal.

The Older Americans community service employment program—title 9—and Project Mainstream are enjoying considerable success in employing older workers with low employment prospects. Many projects report being deluged by applicants seeking employment and many more projects await action than can be undertaken with current funding.

It is very clear that this concept merits expansion. Today over a third of a million of our Nation's workers age 55 and over are unemployed, and countless more—although not officially listed as unemployed—have been squeezed out of the job market because of their age. The creation of this program would be an important step in furthering the opportunities of older workers to pursue continued or second careers as a meaningful alternative to unemployment.

Perhaps even more important, however, are the possibilities that this program holds for older homeowners, who comprise 70 percent of the population over 65. Upon retirement when many older Americans face drastic cuts in their income, the high costs of repair and maintenance can easily overwhelm the older homeowner. Remarkably, the costs of home maintenance and repair are outdistancing even the skyrocketing rate of inflation: over the last 4 years, home repair costs rose 38 percent compared to inflation's 26 percent rise. The older homeowner is caught in a dilemma: he—and more often she—cannot afford to improve his property, but can ill-afford to live in it without repair.

The proposal I am offering today would provide a way out of this dilemma. Under this new program, the homeowner would supply materials for the repair project, but all labor, no matter how extensive, would be performed without charge. I would note here that when Congress approved title 9, we were careful to include assurances that these projects will not interfere with the existing local labor markets.

The eligibility of homeowners to receive home repair assistance would be determined by income and would include all recipients of supplemental security income and other homeowners with income not in excess of the intermediate budget for a retired couple in urban areas of the United States.

The impact of this program on the safety and psychological well-being of older homeowners cannot be minimized. Carpentry, painting, masonry, plumbing, wallpapering, and electrical home improvements will increase home safety, reducing hazards that might otherwise force the homeowner out of his dwelling. The psychological benefits speak for themselves.

In formulating Government programs and policies to assist older Americans, one of our primary concerns should be to assist them in maintaining their independence. I strongly believe that this measure can be instrumental in deferring the forces of institutionalization and dependency that all too often entrap older people. As a complement to existing inhome services, this measure can provide older people with the basic ingredients for a meaningful and rewarding life.

Mr. Speaker, I insert the text of this bill at this point in the RECORD:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Older Americans Home Repair Assistance Act of 1974".

DEFINITIONS

SEC. 2. For the purposes of this Act—

(1) "eligible individual" means an individual who is at least fifty-five years of age, who has an income, as determined by the Secretary, not in excess of 125 per centum of the poverty level income for poor individuals established for that fiscal year by the Director of the Office of Management and Budget, and who has or is determined reasonably likely to have difficulty in securing employment;

(2) "home-repair projects" means any work determined by the Secretary to be appropriate for any eligible individual to perform with respect to the repair of a home of any assistance recipient under title 16 of the Social Security Act (42 U.S.C. 1381 et seq.) or any other eligible homeowner and includes carpentry, painting, masonry, plumbing, wallpapering, and electrical work;

(3) "eligible homeowner" means any person aged sixty-five or older whose income is not in excess of the intermediate budget for a retired couple in the urban areas of the United States, as determined by the most recent data available to the Secretary;

(4) "Secretary" means the Secretary of Labor;

(5) "State" means the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

APPROPRIATIONS AUTHORIZED

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

PROGRAM AUTHORIZED

SEC. 4. (a) In order to promote work opportunities for unemployed or underemployed persons who are at least fifty-five years of age and who have poor employment prospects and to assist eligible homeowners to repair their homes, the Secretary is authorized, in accordance with the provisions of this Act, to enter into contracts with public or private nonprofit agencies or organizations for the conduct of home repair projects by eligible individuals.

(b) The Secretary shall not enter into any contract under this Act unless he determines that such project—

(1) will provide work opportunities for eligible individuals who do not have opportunities for other suitable paid employment;

(2) will provide work for such individuals only on a home-repair project;

(3) will result in an increase in employment opportunities for eligible individuals and will not result in the displacement of employed workers or impair existing contracts;

(4) will utilize methods or recruitment and selections which will assure that the

maximum number of eligible individuals will have an opportunity to participate in the project to be assisted;

(5) will include such short-term training as may be necessary to make the most effective use of the skills and talents of those eligible individuals who are participating, and will provide for the payment of the reasonable expenses of individuals being trained, including a reasonable subsistence allowance;

(6) will assure that reasonably safe and healthy conditions of work will be provided, and will assure that persons employed under such programs will be paid at rates comparable to the rates of pay prevailing in the same labor market area for persons employed in similar work, but in no event shall any person employed under such programs be paid at a rate less than that prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, or the appropriate State minimum wage, whichever is higher;

(7) will be administered with the advice of persons who are knowledgeable with regard to the needs of older persons; and

(8) will authorize pay for transportation costs of eligible individuals which may be incurred in employment in any project assisted under this Act in accordance with regulations promulgated by the Secretary.

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 5. The Secretary shall establish criteria designed to achieve an equitable distribution of assistance among the States and between urban and rural areas under this Act. In developing such criteria the Secretary shall consider, among other relevant factors, the ratios of population, unemployment, and income levels.

LIMITATIONS ON FEDERAL ASSISTANCE

SEC. 6. (a) Federal financial assistance to any program carried out pursuant to this Act shall not exceed 90 percent of the cost of such program, including costs of administration. The Secretary may approve assistance in excess of 90 percent if he determines, pursuant to regulations establishing objective criteria for such determinations, that it is necessary to further the objectives of this Act to pay such excess. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) Payments under this Act may be made in advance or by way of reimbursement, and in such installments and on such conditions as the Secretary determines necessary to carry out the objectives of this Act.

INTERAGENCY COOPERATION

SEC. 7. The Secretary shall consult and cooperate with the Administration on Aging and any other related Federal agency administering related programs, with a view to achieving optimal coordination with such other programs and shall promote the coordination of projects under this Act with other public and private programs or projects of a similar nature. Such Federal agencies shall cooperate with the Secretary in disseminating information about the availability of assistance under this Act and in promoting the identification and interests of individuals eligible for employment in projects funded under this Act.

PARTICIPANTS NOT FEDERAL EMPLOYEES

SEC. 8. Eligible individuals who are employed in any project assisted under this Act shall not be considered to be Federal employees as a result of such employment and shall not be subject to the provisions of part III of title 5, United States Code.

ADMINISTRATION

SEC. 9. (a) The Secretary shall prescribe regulations to assure that programs assisted under this Act have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, availability of inservice training and technical assistance programs, and other policies as may be necessary to promote the effective use of funds received under this Act.

(b) The Secretary may prescribe such additional rules and regulations as he deems necessary to carry out the provisions of this Act.

(c) In carrying out his functions under this Act the Secretary is authorized to utilize, with their assent, the services and facilities of Federal agencies without reimbursement, and with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement.

REPORT

SEC. 10. The Secretary shall transmit, as a part of the annual report required of the Department of Labor, a detailed report setting forth the activities conducted under this Act.

ATLANTA AGENCY GEARS UP TO FACE FUTURE

HON. BEN B. BLACKBURN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. BLACKBURN. Mr. Speaker, the following feature article by Editor Hubert F. Lee, appeared in the summer edition of Dixie Business, Atlanta, Ga. One of the few Atlanta advertising agencies with national accounts. Weltin Advertising in its 3 years of operation, is making the most of every possible opportunity. I feel my colleagues may be interested in reading of its methods.

The article follows:

ATLANTA AGENCY GEARS UP TO FACE FUTURE

When someone walks through the door of Weltin Advertising, Atlanta, and says "what's new?" they'd better plan to spend some time listening!

There's a new national account, which is representative of the agency's growth in its three years of operation.

There's a new agency subsidiary, Atlanta Marketing Group, which offers new product development capabilities previously requiring the brainpower of several different creative and research services and advertising agencies.

The agency's offices, too, are new, in an office park away from the clamor and hassle of downtown at 1401 W. Paces Ferry Road, N.W.

And the newest excitement at the agency is the national recognition being received for a Weltin-designed product for Texize Chemicals Corporation.

Larry Weltin formed the agency in 1971, with Lon Kapuscinski who has received national recognition for work on Texize household cleaning products, as executive vp and creative director, and Richard Hemsley, senior vp/director of client services, who had worked with Grey Advertising (New York) on Procter & Gamble accounts, including Downy, Duz Detergent, and Jif Peanut Butter. Others brought in were senior vp and director of marketing services, Ev Nelson, who founded one of Chicago's first media services and also worked as corporate media director of Tatham Laird & Kudner; and senior vp/account supervisor R. E. "Frosty" Snow, who has served as account executive on the Foremost Dairies, Dodge and Pepsi Cola accounts while at BBD&O. Weltin's background included stints in Chicago at Leo Burnett and Needham, Harper & Steers on State Farm Insurance and the Betty Crocker products of General Mills.

"Although each of us have something unique to offer, we have two important things in common," Weltin explains. "We all have backgrounds with large agencies, and we have all worked together before.

"We went after the chiefs first so we could build a base from which to work. We had everything we needed but clients. We opened our doors with none!"

In its first year of operation, billings reached $750,000. The agency will bill more than $5 million this year.

Starting with a client list of zero, the young, aggressive agency now includes banks, real estate firms, hotels, feed and pet food products, a soft drink bottler, a shopping mall, personnel service, an automobile dealership and a major publishing house among its local and regional clients.

One of the few Atlanta advertising agencies with national accounts, Weltin Advertising help develop the concept, name, and design the package for Texize Chemical's new Grease Relief, a multipurpose household degreaser.

"Our consumer research had indicated that there is a great amount of consumer concern about grease, both in the kitchen and on clothes," says Dick Hemsley, Weltin senior vp. "When the Grease Relief formula was placed in the hands of a representative group of 200 women to determine their reactions to the product in actual use, 70% stated they would buy the product if it were available in stores.

"Yankelovich Laboratory Test Market was contracted to simulate test market conditions," Hemsley says. "At Yankelovich, all of the marketing elements are tested together to determine probability of success in 'the real world,' and Grease Relief achieved one of the highest trial rates of any household product Yankelovich had *ever* tested."

Based on these findings and the agency's recommendation Grease Relief was introduced into the Southeast in April, 1973.

Texize Chemicals acquired Grease Relief in July, 1973, and after measuring consumer attitudes and purchase behavior patterns for several months, began national distribution in January, 1974. National advertising for the product began in mid-March.

The product not only set records in research, but it has also received accolades from within the packaging industry.

"The product is unique in the marketplace," explains Lou Kapuscinski, Weltin executive vp. "Its name and packaging highlight that uniqueness.

"Once we decided on the name 'Grease Relief' the rest of the creative strategy fell into place. Relief was the key word. The capsule shape of the container signifies relief. The container visualizes the concept, gives the product meaning, and reinforces that meaning.

"When the package design helps sell the product, it becomes a strong marketing tool, and not just another pretty face," says Kapuscinski.

The product container has already been named one of the "Top Packages of the Year" by Packaging Design, "Package of the Week" by Food & Drug Packaging, and was one of the packaging ideas that visiting Japanese businessmen took back with them from a major trade show in Chicago.

Advertising for the product took the form of dramatizing situations in which the housewife might encounter grease problems. The final results were two extremely fast paced, attention-getting TV commercials and a print execution which research proved successfully communicated the basic position of Grease Relief as a degreaser in laundry and kichen usage.

"The advertising began at a high introductory level, and research measuring the effectiveness of the campaign showed that

50% of all homemakers in the area were aware of Grease Relief after 10 weeks," says Ev Nelson, the director of marketing services.

The agency received a Phoenix Award from the Atlanta Ad Club for the Grease Relief advertising campaign.

It is this type of conceptual, creative and advertising work that is building Weltin Advertising's image as an agency that "gets the job done—whatever it takes."

"If it takes humor to sell the product, we're funny; if it takes hard sell, we use strong language," says the 37-year-old Weltin. "But, at all times there is a method to our madness, and the end result is aimed at a single goal—selling the client's product, at a profit for him.

"We view the basic agency function as creating and placing advertising for clients. However, to effectively perform this function, it has been essential to extend our services to include marketing planning; detailed analyses of background data and problems and opportunities; the formulation of communications objectives and strategies; media planning, research and buying; creative planning, execution and production; sales promotion planning and execution; market research; and budget control," says Weltin.

"Our philosophy of client-agency relationships includes the client as part of our team," says Hemsley. "We're professionals and so are our clients. Creative marketing pros on the client's side stimulate the creative professionalism on our side. When the client is a participant as well as decision maker in the advertising strategy, you form a strong marketing team."

The team concept saved the day early last summer when Weltin and its client, Georiga Railroad Bank of Augusta (Ga.) worked together and developed, created and implemented a total advertising package within two days.

On Friday, July 6, the Federal Reserve Bank authorized commercial banks to raise the interest payable to various categories of savings accounts. At 9 a.m. that day, the Weltin staff was on the phone with Arthur Baxter, assistant vp/marketing of the bank. That evening, all TV, radio and newspaper copy had been prepared and approved, and was on its way to the media.

TV and radio spots were on the air the next day. The first newspaper ad ran in the Sunday edition of the local newspaper, announcing the bank's increased interest rates. The entire ad program was in motion within 48 hours of the Federal Government's announcement—scooping all other local banks by almost a week.

"The bank's decisions on its interest rate increase program were decided even as we were talking to the agency by phone," said Arthur Baxter. "In almost one spontaneous move, the bank's financial program and the advertising program were decided upon and action was taken."

The fact that Weltin had Georgia RR Bank on telecopier (as they have all their out-of-town clients) also proved beneficial, allowing them to see and approve the advertising as it progressed.

Although not all situations require the speed that was necessary to implement the bank's program, this type of flexibility and the ability to act swiftly are representative of how the Weltin staff works.

Weltin's advertising and marketing program for N.E. Isaacson and Associates of Reedsburg (Wi.) is another example of what the combination of team concept and solid marketing principles can do for a situation on hand.

"When we began working with Isaacson on a new recreational land venture in Georgia, we knew nothing about the land business," Weltin said. "But we bring the same basic marketing approach into every account. Because Isaacson had a long history of successful recreational land ventures in the midwest before coming to Georgia, it was possible to position the new venture as a well-planned, but inexpensive recreational land development backed by a developer well-known for its integrity.

"We developed the name Turtle Cove following a series of research projects, and it was clearly perceived by the public as 'a quiet-restful place which probably had water-related activities as part of its amenities,' " explains Weltin.

Marketing research showed that the primary target for Turtle Cove was the new breed of blue collar worker, more affluent with more time for recreation.

"The basic media strategy was to use broadcast to gain awareness and print media to detail the sales facts about the project. The broadcast campaign was specifically designed to register the name and "feel" of the project," explains Nelson.

"Results during the two year campaign have been very gratifying," reports Bill Landis, Isaacson director of marketing. "Turtle Cove is one of the most successful, recreational land projects introduced into the Atlanta market, and we are readying a second project in the southeast."

Concerning ad agencies Weltin says, "There's been a tremendous acceleration of change in the marketing environment. "Solid opportunities can come and go in very short periods of time. Life cycles of products and services, in many cases, have been compressed dramatically. The ability and desire to react intelligently to this pace is what will separate successful marketers and agencies from all others."

VFW'S HARBOR POST 1253 OF SAN PEDRO, CALIF., TO CELEBRATE ITS 50TH ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. ANDERSON of California. Mr. Speaker, over a century ago Abraham Lincoln stated a philosophy which has been adopted as the creed of the VFW when he said that:

> We must care for him who shall have borne the battle and for his widow and orphan.

Since that time this outstanding organization has cared not only for the veteran and his family, but for the entire community and Nation as well. I am indeed proud of the record which these dedicated Americans have contributed to our Nation.

I am especially pleased that one of the oldest Veterans of Foreign Wars posts in southern California is in my congressional district. Harbor Post 1253 of San Pedro will celebrate its 50th anniversary this August 25, 1974.

It will be a privilege for me to help commemorate this golden anniversary by participating in a program on September 4, 1974 with Jack Melban, California State commander of the VFW; Wally Chun, fourth district commander of VFW, and Col. Clarence E. Gentry, commander of Fort MacArthur. The guest of honor will be Arthur J. Bringleson, the only living original charter member.

Fifty years ago he chartered this outstanding VFW post with J. Roark, C. E. Ayers, E. Beckman, R. E. Briggs, A. J. Bringleson, J. L. Hunter, S. F. Cook, F. Z. Crosse, R. E. Leslie, D. R. Nelson, W. J. Pendergast, N. W. Sanford, E. W. Shaffer, R. V. Sitta, G. A. Skoukenburg, W. H. Whitehead, B. F. Von weidenfield, and D. Davidson.

During the half century of its existence Harbor Post 1253 has made numerous contributions to this fine community.

Currently this Post is providing aid to any veteran in distress; provides entertainment and service to veterans in both Sawtelle and the Long Beach Veteran's Administration hospitals; sponsors boys baseball teams and 19 youth bowling teams; and a bike safety program.

In conjunction with the district, State, and national VFW organization, the Post is sponsoring a veterans' employment center, a blood bank, a $10,000 scholarship, the annual Memorial Day poppy sales, and a national home for families of deceased veterans.

Mr. Speaker, I am confident that this worthwhile organization will continue to maintain its excellent program under the leadership of its 1974–75 officers: Joseph J. O'Neil, commander; Isidore Schiller, senior vice commander; Milton Orchard, junior vice commander; Edward J. Berard, quartermaster; Robert Dinnewill, adjutant; Floyd Ford, advocate; Leonard Schneider, trustee; Gerald Mabry, trustee; and Howard Houk, officer of the day.

To assist this dedicated Post, the Harbor Post 1253 Ladies Auxiliary was chartered in 1931 and has ably supported the Post in all its endeavors. The officers for 1974–75 are: Mrs. Pearl Newburg, president; Mrs. Lucille Bowering, treasurer; Mrs. Ruth Goyne, conductress, and Mrs. Bessie Johnson, secretary.

Mr. Speaker, we in Southern California are fortunate to have these dedicated individuals in our community. We appreciate their many past achievements and are looking forward to many future years of dedicated service to our veterans and their families, our community, and our Nation.

OUR NATION SALUTES CHIEF WILLIAM DE RONDE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. ROE. Mr. Speaker, as the Senate and House conferees are deliberating on their conference report to the Congress on H.R. 11989, the Fire Prevention and Control Act of 1974, which I was privileged to sponsor with my colleagues on the Science and Astronautics Committee, and look forward to having the conference report on the Public Safety Officers Benefits Act of 1974 placed on our congressional calendar for action during this 93d Congress, it gives me great pleasure to call your attention to the outstanding deeds and exemplary achievements of one of the most distinguished members of the firefighting brigade of my Eighth Congressional District, State of New Jersey, the Honorable William De Ronde of Prospect Park.

Chief De Ronde was a young rookie fireman when he joined the Prospect Park Volunteer Fire Department 55 years ago and I know that you, Mr. Speaker, and our colleagues here in the Congress will join with me in extending our heartiest congratulations and best wishes to Bill De Ronde who has served our community, State and Nation in one of the most noble and most hazardous professions of our country: The fireman.

When Bill volunteered his services to the Prospect Park Fire Department, this Public Safety Officers Corps consisted of a few men pulling a water tank along the streets of Prospect Park, some pails and a few ladders. During his many years of service from fireman to fire chief, he witnessed the growth of the Prospect Park Fire Department which is located in the smallest municipality of Passaic County from a handful of men and a hand-drawn fire cart to one of the finest firefighting departments in our State possessing some of the most advanced firematics equipment available in our Nation, just this year adding a new $45,000 fire engine, expertly handled by a complement of trained volunteer firefighters, second to none. This description of the firefighters' early history can well be attributed to every fire department throughout our Nation.

To dedicated, unselfish men like Bill De Ronde and conscientious public service fire departments like Prospect Park, our Nation does indeed owe an overwhelming debt of gratitude and appreciation. In contemplating the firematics legislation pending in the Congress, there should indeed be no hesitation in expressing all of our support and confidence in our firefighting public safety officers corps by expediting congressional action and approval of this pending legislation for a national commitment to help our professional and volunteer firemen and provide them with the essential tools to do their job with optimum efficiency. The Federal assistance afforded by the Fire Prevention and Control Act of 1974 will help to reduce the staggering losses resulting from fires through the establishment of an highly advanced technical firematics training center, to be known as the U.S. National Fire Academy, a firematics data research system, public educational programs in fire safety, research and training in new techniques and improved State and local programs in fire prevention and control.

I wholeheartedly support H.R. 11989 (S. 1769) and call your attention to the preamble of the committee report furnished us by our Committee on Science and Astronautics who have worked so diligently to promulgate this omnibus firematics bill under the leadership of our distinguished chairman, the Honorable OLIN TEAGUE of Texas. The text of the preamble reminds us that the United States has the highest rates of death and property loss from fire of any industrial nation throughout the world and with your permission, Mr. Speaker, I would like to reiterate the preamble of the committee report at this point in our historic journal of Congress which reads as follows:

> Losses from fires have reached very high levels in the United States. Each year more than 12,000 persons lose their lives as a direct result of fires and many tens of thousands are injured and maimed. Close to two hundred of those lost are firefighters who die in the performance of their dangerous duty. The losses in property are equally large, and are estimated to exceed $2 billion each year. Other indirect costs of fire, for example the cost of maintaining fire departments, may total another $8 billion per year. The prevention and control of fires is and must remain the responsibility of local authorities. But if the trend of growing fire losses is to be halted and reversed, the Federal Government must make a contribution in certain fields where only a national effort can provide the needed initiative and effort. This bill is aimed at filling that need."

Mr. Speaker, it is also important to note at this time that in our deliberations on the Public Safety Officers Benefits Act of 1974 which I had sponsored in the 92d Congress and again in the 93d Congress, we were advised that it had been officially determined by the Department of Labor that "firefighting is now the most hazardous profession in the United States." The passage of this legislation by the House and Senate manifests our recognition of society's moral obligation to compensate the families of these individuals who daily risk their lives to protect the lives and property of our people.

The adjournment of the 92d Congress prevented House consideration of the conference report on similar legislation in October 1972 and I sincerely trust that the conference report of the 93d Congress agreeing on a resolution to the House-passed and Senate-passed versions of the legislative provisions for these survivors' benefits to our Nation's volunteer and professional firemen will be returned to the Members of the House and Senate for reaffirmation of the Members' approval of this measure so that it can be placed in the President's hands for enactment into law during our current session of Congress.

Mr. Speaker, recently the Prospect Park Fire Department presented Bill De Ronde with a plaque of appreciation commemorating his services as a fireman and fire chief of their volunteer firefighting organization for 55 years. Bill has also served as vice president of the North Jersey Firemen's Association and during his 55 years of service in the department has answered an average of 70 percent of all fire alarms in Prospect Park.

May I wholeheartedly commend Bill De Ronde to you and our colleagues for the quality of his leadership and the shining example he has established for all Americans, young and adults alike, in the exemplary tradition of the volunteer fireman, which, in his own words, he so modestly portrays with his response:

> It's not only the excitement of being a fireman . . . It is also the satisfaction of knowing that you are helping someone when he desperately needs help.

Mr. Speaker, I know you will want to join with me in a congressional salute of appreciation to Bill De Ronde for his standards of excellence and record of achievement as a volunteer fireman and I am sure you will agree with me that through the firematics legislation before us we can indeed express our Nation's recognition and gratitude to him and all of the firefighters of America and help them in their time of need in combatting the perils of fire so that they can continue to provide the optimum quality service in their public safety endeavors, fire protection and control measures on behalf of all of our people.

COMMENTS ON THE JUDICIARY COMMITTEE REPORT ON IMPEACHMENT

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 21, 1974

Ms. ABZUG. Mr. Speaker, in voting to accept the House Judiciary Committee report on impeachment of President Richard Nixon by a vote of 412 to 3, this body has completed a process initiated under article I of the Constitution which gives to the House of Representatives "the sole power of impeachment."

Implicit in this vote is agreement with the report, in which the members of the committee, Republicans as well as Democrats, unanimously approved the article impeaching Richard Nixon for obstruction of justice and overwhelmingly approved the other two articles impeaching him for abuses of power in office and for denying to the House evidence it had subpenaed for its inquiry.

There can be no doubt that if given an opportunity to vote directly to impeach Mr. Nixon, the House would have done so by a huge, bipartisan majority. Only Mr. Nixon's resignation on August 8 aborted the process by which the House was prepared to debate and vote on the impeachment charges and to order him to stand trial before the Senate, where he undoubtedly would have been convicted.

Richard Nixon resigned because the Constitution, the Congress and the American people had caught up with him. One might say he left by the back door while the forces of justice were coming through the front door. His removal from office was inevitable. Mr. Nixon chose to remove himself, after having released to the Nation a confession in the form of tape transcripts which showed that a week after the Watergate break-in he ordered his top aid, H. R. Haldeman, to obstruct the FBI investigation of that crime. By his own act, his lies were exposed to the entire Nation.

I would like the RECORD to show that I would have voted to approve all three articles of impeachment in the House Judiciary Committee report. I regret that the House leadership did not bring the article of impeachment before this body for a direct vote. I believe the Members of the House should have been recorded on this issue.

On May 5, 1973, more than a year ago,

I called on the House to inquire into whether Richard Nixon had committed impeachable acts.

I said then:

> I have too much respect for the office of the Presidency to be taken in by Mr. Nixon's pious disclaimers of any knowledge about Watergate. Watergate is shorthand for political espionage, wiretapping, conspiracy, lawbreaking, subversion of the democratic process and all the other criminal actions that helped put Richard Nixon back into the White House.

The revelations of the past year have borne out my statement on May 5, 1973 that:

> Watergate was not an isolated incident. It was the ugly soul of this Administration.

In calling for a House impeachment inquiry last year, I said that:

> This process should be set in motion to demonstrate that the President is not above the law.

On October 23, 1973 I introduced articles of impeachment against Richard Nixon, charging him with seven separate violations of the Constitution and the law. The articles covered charges of unlawful conduct in connection with the President's defiance of the Federal court order on the tapes, his dismissal of Special Prosecutor Archibald Cox and seizure of his files, his establishment of a personal secret police within the White House that engaged in burglaries, wiretaps, espionage and perjury, his obstruction of justice in the Ellsberg case, violations of campaign fund laws, his impounding of funds appropriated by Congress, and his authorization of the secret bombing of Cambodia.

I said then it was evident that Mr. Nixon had committed impeachable acts,

> His contempt for the Constitution, the Congress, the courts and the people, as seen in the Cox dismissal, climaxes a long series of unlawful and anti-democratic actions by the President. His attempt to cover up the evidence and to shut down the Cox investigation indicates that the trail was indeed leading directly into the Oval Office.

As indeed it did.

I also called on the House Judiciary Committee to look into "the unanswered questions about Mr. Nixon's involvement in the Watergate coverup and mounting evidence of his wrong-doing in connection with payment of taxes and misuse of taxpayer's money to improve his personal property at Key Biscayne and San Clemente."

Many of the charges that I and others raised in impeachment resolutions last fall have been included in the articles voted by the House Judiciary Committee. I regret that the committee did not include a charge relating to Mr. Nixon's deliberate deception of the Congress in concealing his administration's massive and secret bombing of Cambodia. In my view, that was his most horrendous crime. In earlier days, apologists for Mr. Nixon used to say, "Nobody died at Watergate." But thousands did die in Southeast Asia as a result of his illegal bombing orders, a direct violation of the Constitution.

Although there may be disagreement among us on the validity of all of the many charges against Richard Nixon, a national consensus has been reached that he was not fit to be President. His departure is a triumph for the Constitution and the democratic process, which Mr. Nixon and his aides tried to subvert and to replace with one-man rule.

We now have a new President, but there is unfinished business in connection with Richard Nixon and his fellow conspirators. Some Americans are suggesting that he should be granted blanket immunity from any prosecution and, in effect, given a guarantee that the laws will not be applied to him. This would be a strange postcript.

This would be a strange postscript to Watergate and a deliberate violation of the Constitution, which says in article 1, section 3:

> Judgment in cases of impeachment shall not extend further than to removal from office . . . but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment and punishment, according to law.

I have received many letters and phone calls from constituents who are appalled at the proposal that Mr. Nixon should be placed above the law. I share in that reaction. We have already seen deals made for Vice President Spiro Agnew and former Attorney General Richard Kleindienst which mock the principle of equal justice under the law. I believe Special Prosecutor Leon Jaworski should now allow a Federal grand jury to do what the original Watergate grand jury wanted to do last winter: indict Mr. Nixon for conspiracy to obstruct justice. If other investigations now under way also lead to the indictment and trial of Richard Nixon, those legal processes should not be impeded or sidetracked. Should a trial result in his conviction, it will be time enough then to decide whether he should receive a suspended sentence or pardon.

Personally, I do not care whether or not Mr. Nixon serves time in prison, though perhaps his aides who have already been imprisoned or face prison for crimes committed in his behalf may feel otherwise. The important point is not what happens to Richard Nixon personally, but that the requirements of law and equal justice be fully satisfied and that no unfortunate precedents be established.

The Nation is now in a so-called honeymoon period with the new President, Gerald Ford. There is vast relief, a feeling I share, that "the nightmare of Watergate" is over, that the Constitution has proved more durable than Richard Nixon, and that we can now concentrate on such urgent problems as inflation and our spending priorities. But before we close the book on Watergate and the crimes of the Nixon administration, we have other unfinished business to deal with.

What have we learned from Watergate? What can we do next?

We have learned that we have a great Constitution and a great system of democratic government. We have learned that we can lose both if we are not vigilant and if we do not demand high moral standards from our elected representatives.

We have learned that there had been such an erosion of congressional power that we were on the way to an imperial Presidency. We must restore that power to Congress, and never again must we allow a President to wage war without the consent of Congress or the people or to conduct massive secret air raid bombings. Never again must we allow him arbitrarily to impound money appropriated by Congress for essential social programs.

We have learned how our political parties are corrupted by the power and influence of big money. We need public financing of political campaigns so that you do not have to be a millionaire or know a millionaire to be elected to office. We have gone part of the way in voting a campaign reform bill that provides for public financing of the Presidential election. We should continue our efforts to extend public financing to congressional campaigns. Only in this way will we see the election of a Congress more representative of the diversity of America, that includes more women, more minorities, more working people, and middle income people.

We have learned that under Richard Nixon the Government was sold to the highest bidders, to the corporations, to ITT, to the wheat dealers, to the milk lobby, to the polluters, to the oil monopoly. Despite the departure of Richard Nixon, the control of the American economy, the power to make the rich richer and the poor poorer, the power to determine the quality and cost of consumer product and the quality of our lives remains in the hands of the corporate monopolies. The power of the Pentagon—the military-industrial complex—remains supreme.

Unless we can make fundamental changes in our society, enact basic tax reform, curb the powers of the corporations and the trusts, drastically cut the military budget and end the nuclear arms race, and evaluate programs by the yardstick of whether they are good for the people, not just for profits, then we will simply have changed the palace guard and changed nothing else. These are the long term problems that must be confronted in the aftermath of Watergate.

Finally, the whole question of the Presidential succession should be reexamined by Congress and appropriate remedial action taken. We are now in an unprecedented situation that was not contemplated when the 25th amendment to the Constitution was adopted. For the first time in history, we have a nonelected President, appointed by a President who resigned in disgrace. This nonelected President is now appointing a Vice President, Nelson Rockefeller, an oil millionaire who never saw fit to utter one word of criticism of Richard Nixon throughout the 2 years of the Watergate ordeal.

I find it ironic that the proposed postscript to Watergate should be the elevation to national office of a man whose name is synonymous with corporate wealth and power. I believe this kind of nomination shows more than ever that we need a constitutional amendment to require new national elections when a President resigns or is impeached and convicted.

The one central lesson of Watergate we must cling to is that, despite the attempted subversion of our democracy, the people are sovereign. We must be guided in Congress by what benefits the vast majority of Americans, not just the special interests and the corporations. When the Nation undergoes a trauma such as Watergate, the cleansing process should be expressed through national elections in which the people directly choose their Government.

MURDER AND THE RIGHT TO BEAR ARMS

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. SIKES. Mr. Speaker, distortions in the news media are not news to Members of Congress. Bland disregard for the truth is commonplace in altogether too many areas. It is as though some of those involved are sublimely indifferent to the lack of credibility which they have built in the public mind.

A very good illustration was a recent broadcast of the CBS network entitled "Murder and the Right To Bear Arms." It not only is out of date, it is inaccurate and grossly misleading. Yet it was broadcast as though it were the current and the gospel truth.

The matter is fully and well discussed in a letter of the president of CBS by C. R. Gutermuth, president of the NRA, and I submit his letter for printing in the RECORD:

THE NATIONAL RIFLE
ASSOCIATION OF AMERICA,
August 5, 1974.

Mr. ARTHUR R. TAYLOR,
President, Columbia Broadcasting System, 51 West 52nd Street, New York, N.Y.

DEAR MR. TAYLOR: I viewed the CBS network presentation on WTOP last evening entitled "Murder and the Right to Bear Arms," and was dumbfounded and amazed that the Columbia Broadcasting System would permit that obsolete, wholly misleading, ten-year-old film to be presented to the Nation between six and seven p.m. on Sunday evening. That one-hour show obviously gave millions of people a completely inaccurate concept of the existing laws and the rights of law-abiding citizens to have firearms.

How, in good conscience, could CBS knowingly and wittingly mislead the general public with that flagrant distortion of the current situation.

Two of the participants in that film, Senator Thomas J. Dodd and Franklin L. Orth, the former Executive Vice President of the NRA, have been dead for many years. Judge Bartlett Rummel left the presidency of the NRA in 1965. Most of the arguments made by the proponents of additional firearms legislation a decade ago already have been answered by the "Omnibus Crime Control and Safe Streets Act of 1968" and the 1968 Gun Control Act. It was blatantly stated in that program that juveniles and others could purchase firearms across the country by mail in an unrestricted manner, and that there are no laws against the sale of machine guns, cannons and the like. You and the others know that it is absolutely wrong to make such inaccurate statements to the millions of people that were viewing that ill-conceived presentation. In all fairness, the people are entitled to have the facts presented honestly.

Among the slanted concepts and inaccuracies about the position of the NRA, which always has stood for sensible firearms regulations, the film dealt with the rights of citizens under the Second Amendment of the Constitution. I am therefore asking the Federal Communications Commission whether or not the media has any responsibility at all to the citizenry under the First Amendment, which grants television and the press the liberties they enjoy under the right of free speech.

I would appreciate knowing whether you have any legitimate excuse for showing that completely inaccurate film? Moreover, under the equal time doctrine, I contend that we are entitled to the same Sunday evening prime time.

Sincerely,
C. R. GUTERMUTH,
President.

PRAIRIE FIRE

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. ICHORD. Mr. Speaker, because of the many requests from Members for information, I wish to take this opportunity to inform the House about a publication entitled "Prairie Fire" which claims to be "a strategy for anti-imperialism and revolution inside the United States."

The book was printed in the United States by the Red Dragon Print Collective of the Weather Underground. The Weather Underground is the guerrilla terrorist group which evolved from the Students for a Democratic Society and which claims to have bombed the U.S. Capitol in March 1971, and the Pentagon in May 1972. In addition, the Weather Underground openly acknowledged in Prairie Fire to having executed 17 specific bombings throughout the Nation since late 1969 as well as an unspecified number of bombings of "ROTC buildings, draft and recruiting centers." The most recent bombing listed was the offices of the U.S. Department of Health, Education, and Welfare in San Francisco in March 1974.

Prairie Fire came to the attention of the Committee on Internal Security from press accounts and was commented upon by Inspector Thomas J. Smith of the Federal Bureau of Investigation during hearings on August 1, 1974, concerning terrorism. Inspector Smith expressed the belief that the book was going to be "unquestionably a working reference book of revolutionary groups."

I directed the committee staff to obtain a copy of the book and to prepare an analysis of it which I offer for the RECORD:

PRAIRIE FIRE

Prairie Fire is a 158-page book subtitled "The Politics of Revolutionary Anti-Imperialism" and is reportedly "being distributed clandestinely to thousands of people's organizations, collectives and projects." Signed by Bernardine Dohrn, Billy Ayers, Jeff Jones and Celia Sojourn, it was reportedly rewritten four times and collectively adopted as the political statement of the Weather Underground.

It is addressed to "communist-minded people, independent organizers and anti-imperialists; those who carry the traditions and lessons of the struggles of the last decade, those who join in the struggles of today."

The Weather Underground describes itself as "a guerrilla organization," comprised of "communist women and men, underground in the United States for more than four years" whose intention is "to disrupt the empire . . . to incapacitate it * * * to attack from the inside * * * to forge an underground . . . a clandestine political organization engaged in every form of struggle * * * a base from which to attack."

In a review of the 14-year history of its movement the underground acknowledged that their "rebellion of the 1960's" had led them "to revolution, a long and many sided struggle for power." They also revealed that by March 1970, a base from which to carry out guerrilla and underground actions had been established.

"In four years of armed work," the Weather Underground claims to have learned "to appreciate the complexity of doing it right and the difficulty of sustaining it." Guerrillas are forced, they state, "to escalate and move beyond what can be immediately sustained."

Declaring that "armed actions * * * are a great teacher and example," they list the following assorted attacks by the Weather Underground which they said have been "focused and specific," actions which they claim "were a catalyst for thousands of politically directed armed actions between 1970 and 1972, almost all of which complemented mass struggles." Bombings for which they took credit were listed as follows:

To retaliate for the most savage criminal attacks against Black and Third World people, especially by the police apparatus:

Haymarket police statute, Chicago, October 1969 and October 1970;

Chicago police cars, following the murder of Fred Hampton and Mark Clark, December 1969;

New York City Police Headquarters, June 1970;

Marin County Courthouse, following the murder of Jonathan Jackson, William Christmas and James McClain, August 1970;

Long Island City Courthouse, in Queens, in solidarity with prison revolts taking place in New York City, October 1970;

Department of Corrections in San Francisco and Office of California Prisons in Sacramento, for the murder of George Jackson in San Quentin, August 1971;

Department of Corrections in Albany, N.Y., for the murder and assault against the prisoners of Attica, September, 1971; and

103rd Precinct of the New York City police, for the murder of 10-year-old Clifford Clover, May 1973.

To disrupt and agitate against US aggression and terror against Vietnam and the Third World:

Harvard war research Center for International Affairs, Proud Eagle Tribe (women's brigade), October 1970;

US Capitol, after the invasion of Laos, March 1971;

MIT research center, William Bundy's office, Proud Eagle Tribe (women's brigade), October 1971;

The Pentagon, after the bombing of Hanoi and mining of the harbors of North Vietnam, May 1972;

Draft and recruiting centers;

ROTC buildings; and

ITT Latin America Headquarters, following the fascist counter-revolution in Chile, September 1973.

To expose and focus attention against the power and institutions which most cruelly oppress, exploit and delude the people:

National Guard Headquarters, Washington, D.C., after the murders at Jackson State and Kent State, May 1970;

Presidio Army Base and MP Station, San Francisco, July 26, 1970;

Federal Offices of HEW (Health, Education and Welfare), (women's brigade), San Francisco, March 1974; and

In addition credit was then taken for a jail break, described as the "Liberation of Timothy Leary from California Men's Colony, San Luis Obispo, September 1970."

Charging that "US imperialism" is the "enemy of all mankind," Weather Underground identifies its enemy as the United States. And it cautions against "reformism," because that allegedly "deceives and derails the movement by putting forward the strategy of 'peaceful transition to socialism' "; reformism, according to Weather Underground "assumes the essential goodness of US society, in conflict with the revolutionary view that the system is rotten to the core and must be overthrown."

Calling for "revolutionary war," Weather Underground emphasized that such action is "the only path to the final defeat of imperialism and the building of socialism. * * *" Stating that it will be an "armed struggle," and that it will be "complicated and protracted" the Weather Underground cited the following principles for action:

Our method is dialectical materialism;

This paper is a strategy for revolutionary anti-imperialism;

Our final goal is the destruction of imperialism, the seizure of power and the creation of socialism;

Socialism is the violent overthrow of the bourgeoisie, the establishment of the dictatorship of the proletariat;

Revolution is a dialectical process of destruction and creation. Active combat against the empire is the only foundation for socialist revolution in the oppressor nation, and

Revolutionaries in the U.S. have as our main enemy U.S. imperialism. Defeating this enemy will require a lot of work—and this is the unique contribution we can make to the world revolution.

Although the primary emphasis of the strategy as set forth by Weather Underground called for armed struggle and violent actions, it also recognized a need for several types of "mass struggle and movements" which are "not mere spectators in revolutionary war." The underground called on the leaders of mass organizations "to encourage and support revolutionary armed struggle in open as well as quiet ways."

Pointing to the "many faces" of militant resistance and fighting, Weather Underground listed the following actions which they claim show a continuum between guerrilla and mass work:

Acts of resistance—"draft card burnings, sabotage in the military, on the job in government, attacks on the police";

Mass demonstrations—"Marches on the Pentagon, Stop the Draft Week, African Liberation Day rallies, International Women's Day Marches, Chicano Moratorium marches";

Demands for control and power through seizures of institutions—"Community Control of hospitals and schools, occupations of land such as Wounded Knee, or symbols such as the Statute of Liberty, People's Park, prison rebellions, and takeovers";

Clandestine propaganda— Spray painting, pouring blood on draft files, the Media, Pa. FBI ripoff";

Popular rebellion—"Watts, Detroit, Chicago, Cleveland, Newark";

Outrage expressed violently and collectively—"Jackson, Kent, Cambodia, bank burning at Isla Vista, TDA's Days of Rage."

Prairie Fire cites several organizations whose terrorist activity had contributed to the so-called revolutionary anti-imperialist movement.

The Black Liberation Army headed the review. Weather Underground claimed that the "development of guerrilla organization and armed activity against the state is most advanced in the Black community." It also alleged that the Black Liberation Army had been "fighting for three years under ruthless attack by the state." According to Weather Underground, the BLA and the "Symbionese Liberation Army are leading forces in development of the armed struggle and political consciousness, respected by ourselves [Weather Underground] and other revolutionaries."

In addition, Puerto Rico was cited as a "major focal point of world struggle" and the Puerto Rican independence movement as "a living bond to national liberation struggles in Latin America." Organizations reported to be leading that struggle included the Puerto Rican Independence Party (PIP) and the Puerto Rican Socialist Party (PSP). The latter, it was revealed, had "been invited as an observer to the recent Non-Aligned Nations Conference in Algiers." It also reported that the "Puerto Rican movement has continued its armed resistance to U.S. Imperialism" through actions of the two terrorist organizations: the Armed Commandos of Liberation (CAL) who have attacked U.S.-owned companies and the Condado Hotel strip" in Puerto Rico and, within the United States, "MIRA—an armed revolutionary Puerto Rican group [which] has attacked many businesses and large stores" in the New York City Area.

Internationally Weather Underground expressed an empathy with Che Guevara, Ho Chi Minh, Mao Tse-tung, and Amilcar Cabral of Guine Bissau. It also expressed support for the Palestine terrorist movement.

In its wrap-up the Weather Underground called upon "communist-minded organizers" to "take the initiative now and lead." Urging the use of Prairie Fire as an "ideological foundation," would-be revolutionaries are advised to:

Organize poor and working people—go to the neighborhoods, the schools, the social institutions, the work places. Agitate.

Radical teachers should work in schools in working class neighborhoods, in community or junior colleges. Radicalize other teachers, organize parents * * * Community controlled and counter institutions should be made into insurgent bases."

Organize among youth. Organize among women. Communists should play a big role in these movements, these popular upheavals which spawned us. This is our strength. Revolutionize existing projects and movements, analyze real situations, intervene with a revolutionary anti-imperialist perspective.

Mr. Speaker, it would be comforting if a document such as Prairie Fire could be dismissed as only so much rhetoric. That, however, is not possible in the light of the terrorist acts which are continuing in the United States even today.

In the past 2 weeks a bomb was exploded in the Los Angeles International Airport which sent bodies flying across the lobby. Two persons were killed in the explosion, a third died a few days later. The press reported that 36 had been injured.

On the same day an unexploded 18-inch pipe bomb was found under a two-story building that houses some officers of the General Motors Corporation in Burlingame, Calif. That bomb was loaded with dynamite and smokeless powder. A lighted cigarette had been placed next to the fuse, and fortunately had burned out without igniting the fuse. Authorities have reported that had the fuse been ignited, the building would have been leveled.

Terrorists claim to have been responsible for both of the above incidents.

KQED Television in San Francisco received a message concerning the incident in Burlingame, directing it to an alley off Bryant Street in San Francisco where a "communique" was found. It was a typed message from "VOZ of the New America" and it said that the "New World Liberation Front" has found GM guilty of "conspiring to make billions of dollars at the public's expense." Promising further action, the communique sent "greetings and love to the Symbionese Liberation Army, the Weatherpeople, the Black Liberation Army, and all prisoners of war."

Still another organization has emerged to claim "credit" for the bombing of the Los Angeles Airport, and promises even further tragedy: the "Aliens of America" have claimed responsibility for the fatal August 6 bombing of the airport and have threatened to release nerve gas in Washington, D.C. in 3 months.

The Washington Post reported on Saturday, August 17 that the threat was contained in a tape recording found in a downtown trash bin after a telephone call to the Los Angeles Herald Examiner by a man who identified himself as Isaac Rasim, chief military officer of Aliens of America.

I ask that the article, written by Al Martinez of the Los Angeles Times be inserted in the Record at this point:

Aliens of America Claims Bombing, Threatens Nerve Gas Attack on District of Columbia

(By Al Martinez)

Los Angeles.—A group that calls itself "Aliens of America" has claimed responsibility for the fatal Aug. 6 bombing at Los Angeles International Airport and has theatened to release nerve gas in Washington, D.C.

The threat was contained in a tape recording found in a downtown trash bin after a telephone call to The Los Angeles Herald-Examiner.

A man who identified himself as Isaac Rasim, "chief military officer of Aliens of America," said in the recording that an attack on the nation's capital would come in three months to protest the way aliens are treated in this country.

Meanwhile, Rasim said, "We will have to write our name on the face of this nation in blood"—an indication that more attacks similar to the airport explosion may be coming.

The taped message indicated that the airport was selected to correspond to the first letter in the organization's name, "A."

Police Capt. Merv King said, "We have no idea whether or not the next target will begin with the letter "L." We don't know what is in the bomber's mind—if the sender of the messages is in fact the bomber."

In his taped message, Rasim, said, "The Supreme Court has repeatedly ruled that an alien is not a human being . . ." He also criticized Congress, and warned that if corrective action is not taken in three months, nerve gas will "destroy the entire personnel of Capitol Hill."

The message said two tons of a gas called Sarine would be transported from St. Louis and would be fired from eight single-shot cannon barrels.

The message added:

"During . . . these three months, we will have to write our name on the face of this nation, because this nation has lost the ability to realize that whoever had the ingenuity and ability to create it, will also be able to destroy it once he realizes it has become his worst enemy."

In an earlier portion of the recording, the phrase "write our name on the face of this nation in blood" was used.

This is the second taped message received that takes responsibility for the airport bombing which claimed three lives. The first tape went to CBS Television. There also have been four telephone calls to The Herald Examiner and CBS.

Police said the same "Mediterranean-sounding" man recorded both taped messages and made all but the most recent telephone call. That voice was described as similarly accented, but not the same.

Because of the apparently different voices, police and the FBI are assuming they are dealing with more than one person, according to police Cdr. Pete Hagan.

The first tape contained details of the bombing which have led authorities to believe the person speaking on the tape may have been involved in it. The second tape contained no details but did claim responsibility.

Hagan said the man who made the two tapes and the first three telephone calls is being sought because "he knows some pertinent facts" about the airport bombing that killed three persons and injured 35 others.

On August 19, the Washington Post carried an Associated Press report that—

> Calm-sounding man identifying himself as "Isaac Rasim" told the Los Angeles Herald Examiner in a telephone call Saturday, "We have postponed our activities pending whatever will happen next."'

Rasim had also revealed the location of a 25 pound bomb in a coin-operated locker in a downtown Los Angeles Greyhound bus depot Friday night.

Although Rasim has been dubbed the "alphabet bomber," police have noted that his formula is elusive. Police Commander Peter Hagan commented:

> Who would think of the Greyhound site as an "L" place?

This report also carries the Rasim promise to wipe out the U.S. Senate and House of Representatives within the next 3 months by firing artillery shells loaded with nerve gas at Capitol Hill.

I ask that the last article be inserted in the Record at this point.

[From the Washington Post, Aug. 19, 1974]

Los Angeles Police Boost Security Despite Bomb Postponement

(By Chris Pederson)

Los Angeles, Aug. 18.—Can a confessed bomber be trusted?

Police weighed this question after the foreign-accented "alphabet bomber" said he had postponed setting off a bomb he said would blow up a crowded area today.

Despite his pledge, tight security gripped this sprawling metropolis. The normal police contingent of 600 men was bolstered by 1,000 extra officers and 80 FBI agents.

Officers searched theaters, churches, parks and other crowded areas. Given special consiledation were locations that in any way could be connected with the letter "I"— the letter due for the third bomb in a deadly game of anagrams.

Saturday night, an explosion set up a mushroom-shaped fireball "as big as a 10-story building at a warehouse owned by the Inter-American Star Trucking and Warehouse Corp. on 7th and Imperial Streets. But police said the explosion was apparently caused by a chemical reaction that had nothing to do with the "alphabet bomber" and it was just a coincidence that the explosion involved an "I."

Security was tight today at the Forum in suburban Inglewood, where the "Reverend Ike," New York evangelist Frederick Eikerenkoetter, was to address a crowd of 18,000.

A 200-man force was assigned to patrol the annual Watts Festival in the Los Angeles Memorial Coliseum.

The calm-sounding man identifying himself as "Isaac Rasim" told the Los Angeles Herald Examiner in a telephone call Saturday, "We have postponed our activities pending whatever will happen next. Sunday is off. Nothing will happen."

Rasim is the self-proclaimed chief military officer of "Aliens of America," a group he says is responsible for the Aug. 6 bombing at Los Angeles International Airport that killed three persons and the planting of a 25-pound bomb in a coin-operated locker in a downtown bus depot Friday night.

Rasim revealed the location of the bus-station bomb to police. He said his group had a change of heart due to news coverage of their cause.

The "Aliens of America," Rasim said, would "write our names in blood" unless two now-retired Los Angeles police officers were arrested for murder in the 1970 mistaken slaying of two Mexican nationals and all immigration laws are repealed. He says aliens are treated shoddily in the United States.

Rasim vowed to write the name of the group in blood and said "A" was for airport, "L" was for locker, then life.

"We have no way of knowing whether he's telling us the truth or not." Police Cmdr. Peter Hagan said after hearing of the postponement. "He could be sincere, but then again it could be a ruse. We just can't afford to take chances.

"We're going to look everywhere and won't disregard a place because it begins with 'M' and not 'T.' We learned from the Greyhound (bus terminal) experience that we don't have his alphabet formula down yet," said Hagan. "Who would think of the Greyhound site as an 'L' place? he asked.

Sen. Alan Cranston (D-Calif.), to whom one tape recording from Rasim was sent, has appealed to him to "sit down and talk with me" before committing more violence.

On one of his three tapes, Rasim said his group planned within the next three months to wipe out the U.S. Senate and House of Representatives by firing artillery shells loaded with nerve gas at Capitol Hill.

"We can step down from this insanity any hour the U.S. government . . . declares the entire body of immigration and naturalization laws unconstitutional and to follow with a repeal of such laws," Rasim said.

On the tapes Rasim also has spouted anti-Christian, anti-Jewish philosophies and decried the fact that mass immigration to Israel could spill over into Arab territories bordering Israel.

The FBI said "Aliens of America" was first heard from last June in an apparent hoax that postcards carrying nerve gas had been mailed to U.S. Supreme Court justices.

Police say the two former police officers Rasim wants arrested had nothing to do with the slayings of the two Mexicans, killed during a search for a murder suspect four years ago. The former police officers are under guard. Charges were brought against seven other policemen, but were dismissed in court.

Rasim's nationality so far has escaped detection. Language experts in Washington, D.C., who have studied the tapes, believe Rasim's accent is Hungarian, Estonian or Lithuanian. However, many persons locally described the dialect as Eastern Mediterranean, probably Arab.

IN SOMBER REFLECTION ON THE STRUGGLE OF THE PEOPLE OF CZECHOSLOVAKIA

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. ROE. Mr. Speaker, the United Nations Charter charges its member nations to "refrain in their international relations from the threat or use of force against the territorial sovereignty or political independence of any state."

Yesterday, the people of Czechoslovakia in solemn commemoration observed a "Day of Soviet Shame" reminding all of the freedom-loving peoples throughout the world of the 1968 Soviet intervention in Czechoslovakia and the unprovoked occupation of the land of the courageous and persevering Czechs and Slovaks. In recognition of the severity of the transgression of human rights and the need to safeguard the inalienable birthright of every individual to his personal cultural and religious freedoms in a nation that can determine its own destiny and aspirations, with your permission, Mr. Speaker, I would like to insert at this point in our historic journal of Congress a copy of the statement of principles of the Czechoslovak National Council of America that I received from Dr. Joseph Hasek, cochairman, and Mrs. Anna Faltus, liaison, of the council's foreign affairs research committee, in observance of the sixth anniversary of the Soviet intrusion and domination of the state of Czechoslovakia.

The statement of the Czechoslovak National Council of America is as follows:

Freedom Is Indivisible

On this sad occasion of the sixth anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article 1, Section 2);

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought

> to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and cooperation among all nations on the basis of true progress and humanity.
>
> The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a *Day of Soviet Shame* in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve "the withdrawal of Soviet troops from Czechoslovakia."

Mr. Speaker, it is most important that we are ever vigilant and continually dedicated in the quest for universal understanding and compassion from the worldwide international community of nations on behalf of the oppressed peoples throughout the world in order to achieve human justice and eliminate unjust and cruel exercise of governmental authority.

I am pleased to join in commemorative observance with our citizens of Czechoslovakian heritage and all Americans in somber reflection of the continuing struggle of the people of Czechoslovakia to achieve national independence and self-determination.

THE REGISTER OF TORRINGTON, CONN., CELEBRATES 100TH ANNIVERSARY

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mrs. GRASSO. Mr. Speaker, earlier this month, the Register of Torrington, Conn., celebrated its 100th birthday. This meaningful milestone marks a century of straightforward journalism and uncompromising service to the community, at the Register. In its 100 years, this vital news outlet has played an active role in the progress of the region—through its excellent coverage of current events and its cogent editorial comment.

The first issue of the Register rolled off a handcranked press and was circulated to some 300 people in the downtown borough of Torrington, then called Wolcottville, on Saturday, August 8, 1874. That first issue was cranked out by the paper's publisher Henry Boulton and his apprentice.

After several ownership changes, a weekly Register became a daily one in 1889 under the guidance of Henry M. White. It was White also who moved the newspaper to the two-story building on Water Street which it now occupies.

In 1898, White sold the newspaper to the Torrington Publishing Co., a group of local businessmen headed by O. R. Fyler, a prominent Torringtonian. The publishing company operated the Register—known until about a year ago as the Torrington Register—for 70 years, drawing on the expertise and diligence of a succession of Torrington notables.

It was in 1968, however, that the late Donald B. Miller and his brother Lawrence K. Miller purchased the paper—adding it to their chain which includes the Berkshire Eagle in Pittsfield, Mass., a well-known New England newspaper. Lawrence Miller is now the editor of the Register and the president of the corporation that publishes the paper.

Over the years, the newspaper has grown in both size and stature. From a circulation of 2,000 in 1905, it jumped to 6,500 in 1935; 10,000 in 1958, and over 12,000 at the present time. Through the years, dedicated journalists have served this family oriented source of news, views and entertainment. Any history of The Register would have to highlight people like John A Thompson, Matthew K. Beary, W. James Murdick, Bess Bailey, and Walter Gisselbrecht.

Jim Murdick's recent passing is a loss to all Register readers. Starting a quarter of a century ago as a reporter, he rose to city editor, the job he held so nobly at this death.

Mr. Gisselbrecht rose from general assignment reporter to secretary of the Register's publishing corporation, a post he now holds, while Bess Bailey—well, she is just Bess Bailey, a well-known and effective, witty and world-wise Register wonder, whose love in life is to write about politics.

Nor is The Register content with the past, but it is ever-reaching and pressing onward to the future, now under the steady guidance of executive editor Philip Savory and managing editor Arthur S. Perelman.

For the benefit of my colleagues, I am inserting the following excerpt from an editorial which appeared in the anniversary issue of The Register, and was entitled "Happy Birthday to Us."

> HAPPY BIRTHDAY TO US
>
> We're bouncing out on the street today with nary an ache or a pain. Indeed, we confess to feeling a bit perkier than usual, but what the heck do you expect from someone joining the ranks of the centenarians.
>
> Oh we know there's going to be a few typos here and there and even a misspelled name or two to be sure, but our cheeks are pink and we're just as long on wind as ever. Doc says our blood pressure is a little high at times but nothing to worry about. Says it's normal for one our age who has spent 100 years fussing about what's going on around town.
>
> Not that we're bragging about how old we are, but our birth certificate is right there on the front page just as it has been since August 8, 1874; we elaborate a bit more on the subject on pages 6 and 7. Usually newspapers devote more time and space to their 100th anniversaries, but we're saving our cake for 1976 in honor of a gal who will be 200 that we're partial to. She's had a few setbacks lately, but we know she's going to come through in fine shape. Doc says she has a rugged constitution. We'll be 102 then and we're counting on being around then and a good many years thereafter.

WILLIAM CLOHERTY IN MASSACHUSETTS HOUSE RACE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. HARRINGTON. Mr. Speaker, I have had the pleasure of serving for the past term as a member of the Foreign Affairs Committee. I have, in that capacity, become acquainted with the Latin American Teaching Fellowships—LATF—program of the Fletcher School of Law and Diplomacy at Tufts University. LATF is a program that has won high marks from a number of us in the Congress for its effectiveness and efficiency. Bill Cloherty, who I have had the opportunity to get to know, has directed the development of this uniquely productive—LATF—program for the past 9 years.

The attached article from the July 26, 1974, issue of the Medford Mercury indicates that Bill Cloherty is now pursuing the opportunity to enter public service by seeking an open seat in the Massachusetts House. I am pleased by this development for a number of reasons; two reasons are perhaps worthy of mention. First, Bill's decision to seek public office indicates that the concept of public service still appeals to individuals of ability. And this is particularly important to our society in this era of rapid and, at times, chaotic change.

Second, it is certain that Bill Cloherty will apply the same intense drive and energy to the great questions of public policy that face, not only Massachusetts but, all of our States. I know that Bill, if selected by the voters, will make a strong contribution to government.

We need new views and new perspectives.

The people of Medford have an opportunity to secure a hard-working and productive new public servant in Bill Cloherty. Bill has compiled a distinguished record at Harvard and in his work at the Fletcher School of Law and Diplomacy. He will do an equally good job for the people of Medford.

It has been said that a "rising tide lifts all the boats." Bill Cloherty will, I am certain, make a contribution that will help to create that "rising tide." I commend this article, from this very fine newspaper, to my colleagues.

The text follows:

> WILLIAM CLOHERTY IN HOUSE RACE
>
> MEDFORD.—William M. Cloherty, 326 Boston ave., has formally announced his candidacy for the Democratic nomination for state representative in the new 20th Middlesex District. The single-seat district includes all of Ward Six; Precincts One and Two of Ward Five; Precincts Two and Three of Ward Four, and Precinct Three of Ward Three.
>
> Cloherty, 33, was raised in Medford, attended Malden Catholic High School and graduated from Harvard College. For the past nine years he has worked at the Fletcher School of Law and Diplomacy at Tufts University. He is director of the school's Latin American Teaching Fellowships program.
>
> As such, Cloherty pointed out, much of his responsibility deals with "delicate negotiations" with governmental agencies for program funding. He also handles contacts with major foundations such as the Ford Foundation and with large corporations. As director of the Latin American program, Cloherty has travelled extensively, both in Latin America and the United States, and has dealt with program planning, budgeting and development of the unique teaching fellowship program.
>
> In discussing his candidacy, Cloherty said that he does not believe that running against "two candidates from well known, established Medford political families" is a disadvantage. Cloherty was referring to Mayor

Frederick N. Dello Russo and Atty. Robert P. Doherty, his two primary opponents. Cloherty said that while collecting nomination signatures, door-to-door, in the district, he found that "many voters enthusiastically supported the notion of a new face in politics" and that a frequently expressed view was that "new ideas were needed to confront growing problems."

Cloherty said that in touring the district he has found that residents are concerned with high property taxes and are asking how that property tax burden can be reduced. Cloherty said this was one of the issues he would address himself to during the campaign. Another subject of vital voter concern, Cloherty reported, is inflation and the spiraling high cost of living.

The Democratic aspirant also reported that he has composed a team of researchers from Harvard and Tufts to offer advice on the technical aspects of inflation, property tax revenue and its alternatives, among other topics of voter concern. He said he is also polling the voters themselves on a number of items, including restoration of the Mystic River and citizen views on campaign methods.

During the course of the campaign, Cloherty explained, he will issue "position papers" on the critical issues.

CONGRESSMAN GARNER SHRIVER REPORTS ON THE NEW EDUCATION AMENDMENTS

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. SHRIVER. Mr. Speaker, it was my pleasure this week to attend the signing ceremony for the Elementary and Secondary Education Amendments of 1974. This is the first major piece of legislation signed into law by President Gerald Ford, and it represents the most important elementary and secondary education bill to be considered by the Congress in nearly a decade. Virtually the entire catalog of Federal programs for our schools is contained in this act.

This signing ceremony was the culmination of a year and a half of deliberation by Congress, by the administration and by the education community on the best ways to extend and improve programs originally established by the landmark Elementary and Secondary Education Act of 1965 and other laws. The fact that agreement has finally been reached in this complex area is a tribute to all concerned.

Mr. Speaker, I want to take this opportunity to report to my constituents, especially our educators, on the provisions of the new act and what is in store as far as the funding of these programs.

The major goal of Congress in writing this bill was to consolidate various categorical education programs while making the larger, general-assistance programs more truly reflect needs of individual school districts. Forward funding is stressed as well as giving more discretion in the use of Federal funds to local and State officials. The need for these changes has long been recognized.

The basic title I, ESEA program of Federal compensatory education funds for disadvantaged children is extended through fiscal year 1978. A new formula for the distribution of this assistance shifts funds away from wealthier, urban States to the poorer and rural States. Schools in the Fourth Congressional District of Kansas which I represent will receive approximately $2.5 million in this fiscal year under the new formula, which is about $150,000 more than under the old law. Sedgwick County schools will get $1.9 million of this total. Harvey County schools will get $94,000—an increase of $13,000; Kingman County $68,000—up $24,000; McPherson County $79,000—up $34,000; Marion County $73,000—up $13,000; and Reno County $231,000—up $71,000.

Title I entitlements are based on revised census data on economically disadvantaged children. At the same time, Congress has expressed concern that this still may not be the most accurate measurement of real need. Accordingly, the new act includes funds for an experimental program in which 20 school districts would cooperate with the National Institute of Education in the use of other methods besides poverty to determine levels of title I support. Educational achievement levels would be one possible method studied.

Another important section of the law increases considerably Federal financial assistance for local education programs for handicapped children. Nationally, our standard education practices have effectively excluded half of our school-aged handicapped children from appropriate programs in our public schools. A growing number of court cases indicates that this will no longer be allowed.

In order to meet the pressing financial needs in local communities resulting from these court decisions and State legislation mandating the education of all handicapped children, the act provides for a general assistance formula program of Federal assistance to the States. In addition, school districts which receive Federal impact aid funds, such as several districts in the Fourth Congressional District, will be allowed to count each handicapped child as one and a half for the purposes of eligibility.

The impact aid program itself is extended, with amendments, through fiscal year 1978. Schools in Sedgwick County annually receive nearly $2 million under this program. For many years administrations of both political parties have attempted to eliminate impact aid because of abuses which occur in some wealthy school districts, such as the Maryland and Virginia suburbs of Washington, D.C. As a member of the Health, Education, and Welfare Appropriations Subcommittee which recommends funding for this program, I have fought these efforts in behalf of school districts which are genuinely impacted by Federal activity, such as those around military bases. We have been successful in keeping the program going, but our job should be easier if the new act is successful in curbing past abuses in the program.

Language is included in the bill to allow states likes Kansas with education financing equalization plans to count Federal impact aid funds as part of local input for purposes of determining appropriate levels of State assistance. Without such an understanding, the Federal Government would be guilty of negating States' efforts to equalize spending.

While the act falls short of the administration's proposals for consolidation of most Office of Education programs, some consolidation is included. Seven previously separate programs have been folded into two broader categories: a library and instructional resources program, and an innovation and support services program. The law stipulates that these programs shall be administered at the local and State levels.

The law also stipulates that consolidation shall not take place unless forward funding is provided by Congress 1 year in advance of when the funds are to be spent. The total funding for the programs in both consolidations must not be less than the total funded prior to consolidation.

A Senate provision which was adopted in the final version added seven new "special projects," which could better be termed as categorical programs on trial. These programs would be funded for 3 years, after which they would be dropped if not effective or folded into consolidation plans to compete with other programs for funds. These programs are: education of the gifted and talented, women's educational equity, career education, metric education, consumers' education, community schools, and arts education. Of these I believe the most meritorious is the community schools program, also in the House bill, which seeks to aid communities in making better use of their school facilities.

A new reading improvement program is authorized in the act to assist State and local education agencies in improving reading skills of preschool, elementary and secondary students. Adult education will receive increased assistance and will be entirely administered by the States. The law stipulates that adult education programs must be coordinated with manpower training and reading programs.

Finally, a provision of the act amends the Teacher Corps program permitting the corps to involve experienced teachers in heavily disadvantaged areas. This program will benefit from the talents and experience of these professionals. I take special interest in the progress of this program since the Wichita, Kans., school system has recently received approval for a Teachers Corps project in conjunction with Wichita State University. This is the first such Teacher Corps program in Kansas.

The act authorizes the expenditure of $25 billion over the life of these programs. However, it is well to note, as did President Ford in his address to the Congress, that some restraint in spending will probably be necessary, just as it is in all other Federal programs.

It is getting late in the legislative year, but our subcommittee will hold hearings on the budget requests for these programs beginning on September 11. We will look carefully at each of the programs, whether new or revised, and send our funding recommendations to the full House in short order. Final action on the supplemental appropriation bill for these items hopefully will be completed by the middle of October.

Concurrent with our action on that bill, we will be in conference with members of the Senate Appropriations Committee on the fiscal 1975 Labor-Health, Education and Welfare appropriations bill, which passed the House last June.

That bill included $33 billion for the programs administered by the Departments of Labor and Health, Education, and Welfare that were legally authorized at that time. U.S. Office of Education programs, mainly in the area of higher education, would receive $3.3 billion under the House bill, to which would be added whatever funds are appropriated in the supplemental bill.

More specifically, the regular bill included a significant increase for student assistance programs and continued funding for institutions of higher education, for teacher training, for the right to read program, for vocational education, for follow through, and for educational broadcasting facilities and programing.

The House also voted funds for the research activities of the National Institute of Education, but with a strong warning that such funds should be used for better dissemination of research results to local school systems rather than for the benefit of education research contractors. The past record in this regard has not been satisfactory.

Mr. Speaker, President Eisenhower once observed in discussing education:

> The federal role should be merely to facilitate, never to control education.

As a Member of the House for 14 years and as a member of the Education Appropriations Subcommittee for 10, I have attempted to follow that philosophy.

The action taken by the 93d Congress in redesigning the methods by which the Federal Government supplements far larger State and local education expenditures should be helpful in offering more effective and less restrictive assistance to our schools and to our students.

OUR NATION SALUTES THE GREENWOOD FOREST CAVALIERS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. ROE. Mr. Speaker, it is indeed my privilege and honor to call your attention to the National Parade Corps Competition and the winning team who has brought great honor to the Township of West Milford, the State of New Jersey, and America. On Sunday, September 8, members of the Township of West Milford, my Eighth Congressional District, and the State of New Jersey will honor the Greenwood Forest Cavaliers who have just returned from South Bend, Ind. where they achieved national honors at the 1974 World Parade Corps championship competition.

The Cavaliers were organized as the Greenwood Forest Twirling Team under the sponsorship of the Greenwood Forest Volunteer Fire Co. In 1969 the Honorable Phil De Angelo, national recognized director, outstanding instructor, and twirling champion, himself, undertook the training and evolvement of this dynamic youth group into the No. 1 leading world champion parade corps, the Greenwood Forest Cavaliers.

Mr. Speaker, I know you and our colleagues here in the Congress will want to join with me in highest commendation of Phil De Angelo and the following team members:

Captains: Karen Cooke, Diane Striffler, Lor.. Cella, Susan Fitzpatrick.

Twirlers: Nancy Shenise, Alexis Gabriel, Sharon Taggert, Clare Curley, Debbie Manzoni, Cara Barkowitz, Lisa Sablin, Debbie Shenise, Michaele Ann Curley, Ellen Walsh, Jackie Bauman, Nancy Mulraney.

Main guard members: Jenny Ollearo, Andrea Sobeta, Emma Harper, Susan Ducher, Judy Ducher, Ruth Bakker, Patty Finnegan, Debbie Ann Chipcase, Maryann Curley.

Banner Bearers: Susan Sablin, Christine Ciambroni, Willy Hajanacki, Carolyn Cirasa.

Flag Bearers: Amy Portz, Debbie Powers, Joanne Nutter, Cathy Ann Stiffler, Susan Stiffler, Tom Gillo, Karen Gillo, Peggy Flogel, Lora Morgan, Dora Morgan.

Drummers: Mr. M. Malkowicz, drum instructor, Bobby Gillow, Reed Fitzpatrick, Jack Mullen, Larry Bauman, Kenny Nutter, Sean Petrovick, T. J. Ciambroni, Jeff Bakker, Moreen Connor.

Managers: Edna Striffler, Christian Striffler.

Mr. Speaker, the Greenwood Forest Cavaliers have been New Jersey's statewide parade corps champions for 5 years and I call your attention to the following State assembly resolution that was filed in testimony to their record and with good wishes for the national competition which I am reporting on today:

RESOLUTION BY ASSEMBLYMAN SINSIMER

Whereas, the Greenwood Forest Cavaliers started their spectacular rise to fame in 1958 as a 36-girl Dance-Twirl Corps known as the Greenwood Forest Twirling Team, and

Whereas, their first teacher was Mr. Tanzer of West Milford, who after one year was succeeded by Mrs. J. Lombardi who taught the Corps for nine years, and

Whereas, in 1969, a nationally recognized champion twirler, Mr. Phil De Angelo became Director and Instructor, and re-organized the group into a Parade Corps known as the Greenwood Forest Cavaliers, and

Whereas, in 1970, their first year of competition under Mr. De Angelo's guidance, the Corps, then having grown to 45 members with a Color Guard, Flag Line, Twirlers, and Drum Line, captured the N. J. State, the New York Open and the Connecticut Open titles, and

Whereas, in 1971, after having again won the N. J. State title, the Greenwood Forest Cavaliers entered national competition in Indiana, and placed fourth in a field of 28 championship Corps, and

Whereas, in 1972, after winning the N. J. State title for the third straight year, the Corps again competed nationally in Indiana and placed second in a field of 31 Championship Corps, and

Whereas, in 1973, after capturing its fourth N. J. State title, as well as the Pennsylvania Open, the N. Y. Open and the Connecticut Open, the Greenwood Forest Cavaliers entered International Competition in Toronto, Canada, and placed third among internationally famous corps, and

Whereas, in 1974, having won the N. J. State and Open championships for the fifth consecutive year, and

Whereas, they are planning to go Indiana again this year during the first week in August, with the hope of bringing back to New Jersey its first National Championship, now therefore, be it

Resolved, by the General Assembly of the State of New Jersey, that we offer our sincere congratulations to the Greenwood Forest Cavaliers for their numerous past accomplishments and our hopes and prayers for their forthcoming National Competition, coupled with our sincere gratitude for the honors and recognition they have given to the State of New Jersey, be it further

Resolved, That a copy of this Resolution, signed by the Speaker and attested to by the Clerk of the Assembly, be delivered to Mr. Phil De Angelo, the Director of the Greenwood Forest Cavaliers.

We in New Jersey take great pride in the quality of their performance which certainly serves as a fine tribute to each of the members and the preparation, training, personal effort and hard work that they have devoted to attain this worldwide victorious achievement. I am indeed pleased to extend heartiest congratulations to each of the members and seek, through our historical journal of Congress, this national recognition of their good deeds and as they celebrate their latest victory ribbon of national renown at the West Milford Bicentennial Community picnic that our people are planning for them on September 8, it is indeed my great pleasure to join with their family and friends in extending this congressional salute to the Cavaliers for their distinguished contribution to the recreational and cultural enrichment of our community, State and Nation. We wholeheartedly salute the Greenwood Forest Cavaliers, world champions.

SERMON ON NATIONAL ANGUISH

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, I offer for insertion into the RECORD, the sermon delivered by my good friend, the Very Reverend Robert H. Andrews, Rector, St. Andrews Episcopal Church, Arlington, Va., on August 11, following the resignation of the President. I feel it is appropriate to call it to the attention of my colleagues and the American people:

SERMON

Sometime around the year 345 B.C. an obscure prophet by the name of Joel spoke to the people of Israel on the heels of a plague of locusts that had devastated the land. He viewed the disaster as a judgment of the Lord and a pre-view of the coming of the apocalyptic day of the Lord. And so he called on the nation to repent, "to blow the trumpet in Zion, proclaim a solemn fast, appoint a day of abstinence; gather the people together, proclaim a solemn assembly; summon the elders . . . let the ministers of the Lord say, 'Spare thy people, O Lord, thy own people, expose them not to reproach, lest other nations make them a by-word and everywhere men ask "Where is now their God?"

I think it not unfitting for us to take to heart these words of so long ago, for we have, during the past many months, been passing through a time of anguish that surely should have been calling on us as a people to reexamine ourselves and the condition of our national life. The travail of these fleeting days will certainly have been wasted unless we are committed to turning our gaze inward, and accepting the fact that we may all have very well contributed in one measure or another to the present crisis. This introspection is a national task involving all citizens of these United States, but for those of us who are Christians, it encompasses a predetermined point of view—that is, minds and hearts conditioned by the Judaic-Christian culture which we have inherited and in which we now live. This culture binds us to a moral responsibility to a God whom we believe judges history in every passing moment, but whose will is that we shall be redeemed in the midst of that judgment by faith in His Son, Jesus Christ. This belief teaches us that we are made righteous by faith in Christ and are thus freed from the ultimate anxiety about the meaning of life and death, but, by the same token, it presumes that we are more deeply knowledgeable about our responsibility for His creation.

In the light of what has just been said, I feel that it is not enough that we point the accusing finger at those whom we feel have been derelict in maintaining the high standards of the offices to which they have been called. For in truth we share with them a general malaise that lies deep in the hearts of all of us who have compromised by action or inaction the moral and ethical values that we so publicly and proudly state are the norm for ourselves and our country. I saw not too long ago a cartoon that showed a man in a large and expensive automobile with a very noticeable exhaust emission saying to his companion, "I'm rich; why shouldn't I pollute the air?"

Somehow, station in life has lent itself to abuse of freedom, responsibility and privilege. Thus the thinking goes, "Because I've grown up dispossessed I can't be held accountable for my actions that contravene the law". "Because I'm not educated, I can always excuse myself because of my ignorance."—"Because I hold high office I can't be called to account for what I do". Or if I'm religious, I can assert that I know the will of God and act in accordance with that conviction no matter what, even though it implies that anyone who disagrees with my action cannot possibly know the will of God! And now of late, in both politics and Church, we have seen applied to specific situations the old saw, "the end justifies the means." But the Christian cannot in good conscience apply that kind of reasoning without abdicating the structure of law and grace that has given form and substance to the Judaic-Christian enterprise from the very beginning. Such a rationale that embraces the belief that I am above the law if what I seek to achieve is what I believe to be right, is fraught with dire dangers that could well threaten the viability of any and all human institutions formulated to regulate and safeguard the rights, freedom and welfare of the human race.

Law is the means by which we are provided a framework of order that seeks to protect the human community from violence and chaos. Law is the basic structure that gives us the springboard to seek our true freedom and potential, and when that law is formulated on the will of God for his creation, allows itself to be revised and revamped to provide better for equal rights and dignity for all persons. Jesus discussed this when he dealt with the ultimate Law given to the Israelites from Mt. Sinai; "I came not to change or do away with the Law but to fulfill (explain) it in such a way that you will know the fullness of the will of God for all His creation." Such an intepretation of the Law dares us to judge others before we peer intently into our own souls and face squarely the excuses, rationalizations and stubbornness that allow us to evade the consequences of many of the actions we engage in. And though we may subvert and escape the law of man, the law of God stands, massive as the mountain from which it came.

Now just as the prophet Joel had word from the Lord calling on Israel to repent, to search the heart and mind of His chosen nation, so Joel had a further word from the Lord; a word of restoration and hope. "Then the Lord's love burned with zeal for His land and He was moved with compassion for His people. . . . Thereafter the day shall come, saith the Lord, when I will pour out my Spirit on all flesh; your sons and daughters shall prophesy, your old men shall dream dreams and your young men shall see visions". And the gateway to all this, says St. Paul, is faith in Christ. "If on your lips is the confession", he says, "Jesus is Lord, and in your heart the faith that God raised Him from the dead, then you will find salvation". I believe it is time for us, the people of these United States to prophesy with courage and faith in Christ that peace can be attained in the world, a peace accompanied by striving for justice for all men and brotherhood among all peoples. Right now is the time to dream impossible dreams, to purge our land of bitter things, to temper justice with mercy and to regain our composure without rancour. Assuredly this will not be an easy task, for we are a people derived from many kindreds and tongues, separated by political affiliations and set apart by different religious and philosophical persuasions. But if we are to pursue with diligence the American goals of freedom and equal opportunity for all, we must expand our dreams of the past to encompass the wholeness of everything that God has caused to be. And in undertaking this venture, we as Christians can do no better than to remember the words of one of our great hymns,

"In Christ there is no east or west, in Him no south or north; but one great fellowship of love throughout the whole wide earth . . . Join hands then, brothers of the faith, Whate'er your race may be! Who serves my Father as a son is surely kin to me. In Christ now meet both east and west, in Him meet south and north. All Christly souls are one in Him throughout the whole wide earth."

Take heart, rejoice that God calls us to new and brighter days ahead and may the grace of our Lord Jesus Christ be with us all evermore. Amen.

ANNOUNCEMENT OF HEARINGS ON H.R. 8864

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. EDWARDS of California. Mr. Speaker, I would like to announce that the Subcommittee on Civil Rights and Constitutional Rights of the House Committee on the Judiciary will begin hearings on H.R. 8864, to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys.

The hearings will commence on Thursday, September 12, 1974, at 10 a.m. in room 2237 of the Rayburn House Office Building.

Those wishing to testify or to submit statements for the record should address their requests to the Committee on the Judiciary, U.S. House of Representatives, Washington, D.C. 20515.

"ON THE FRONTIER OF DEMOCRACY," BY ANTHONY SAMPSON

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD a most thoughtful article by Anthony Sampson concerning the current crisis in United States-Greek relations over Cyprus.

Mr. Sampson is Washington correspondent for the London Observer.

The essay, which appeared in the August 20, 1974, issue of the Washington Post, follows:

ON THE FRONTIER OF DEMOCRACY

(By Anthony Sampson)

The rapidly worsening American relations with Greece, culminating in the murder of the American ambassador to Cyprus, present not only the greatest test to Secretary of State Henry Kissinger's diplomacy, but raise in an extreme form the question that has always troubled observers of the detente: Must the small nations be sacrificed in the interests of the balance of power?

Last week, a delegation of congressmen of Greek origin, led by Reps. John Brademas (D-Ind.) and Paul Sarbanes (D-Md.), called on Kissinger to make known their profound concern over the Greek plight. Kissinger's reply, as might be expected, was that while he sympathized with their concern, the Greek-Turkish conflict was part of a much wider, and delicate, balance of forces in which the peace of the world was at stake.

To Greeks, who have very long memories, this explanation has a familiar ring; it is part of a pattern with which they were familiar enough in the early 19th century, when Greece was trying to rebel against Turkish repression. The reasons that the Great Powers 150 years ago refused to encourage the Greeks have been described with relentless logic by one of the most distinguished historians of that period—Dr. Henry Kissinger.

In his remarkable book, "A World Restored," which contains so many pointers to his own subsequent diplomacy, Kissinger recounts the problem in 1821 facing the two great statesmen of Europe, Lord Castlereagh in Britain and Count Metternich in Austro-Hungary, when an insurrection by the Greeks was followed by appalling Turkish reprisals, including the slaughter of Greeks in Constantinople and the hanging of the Greek patriarch and bishops outside the door of his cathedral. The Turkish atrocities outraged European liberals, and stirred Tsar Alexander of Russia, as the protector of the Greek Orthodox faith, to plan to move against Turkey.

But Metternich and Castlereagh saw any such interference as a grave threat both to the social order in Europe and to the concert of powers. With great cunning, Metternich persuaded the tsar that his moral repugnance must be put second to the need to maintain the existing order; Castlereagh likewise insisted that humanitarian considerations were subordinate to maintaining the "consecrated structure" of Europe. The Turkish repression thus continued, and "the two great statesmen of repose" (as Kissinger calls them) congratulated each other on having saved the peace of Europe.

But in the end, of course, the Greek rebellion was not so easily kept down; The liberal forces of Western Europe provided arms and men, Castlereagh's policy collapsed with his suicide and the British and Russians together guaranteed Greek independence six years later.

The contribution of English liberals to the liberation of Greece is something the Greeks have never forgotten, and Lord Byron, who fought on their side, is spoken of in Greece today as if he were still alive.

Of course the whole shape of the world has changed in the subsequent century-and-a-half, and the balance of power is now on a global scale. But the doctrines of Metternich and Castlereagh undoubtedly still have great relevance—with some reason—in the mind of Kissinger; and Greece, like other small countries on the frontiers of the détente, still presents a very awkward dilemma.

In terms of power politics, Turkey is far more immediately important as the front line in the NATO defense system, with a frontier with the Soviet Union, a strong government and a sophisticated premier Dr. Ecevit (an old friend of Kissinger and translator of T. S. Eliot). Yet the Greek moral claim to support from the West, and particularly from Western Europe, is likely to be as powerful now as in 1820, and the claim is made stronger by the well-justified guilt of the West at having tacitly supported the previous colonels' dictatorship. The splendors of Greek history and art still offer a special emotional appeal to the West, as they did for Lord Byron.

Moreover, the Greek-Turkish crisis provides a moment of truth for NATO today as it did to Metternich's concert of powers. It is becoming increasingly clear that NATO cannot exist indefinitely as a secure military alliance without a strengthening of its political cohesion and ideals. A month ago, with the two embarrassing dictatorships in NATO, in Portugal and Greece, both overthrown, the opportunity seemed ripe for the renewal of NATO as something more than a defense system; and Secretary of Defense James Schlesinger has recently made clear that NATO must undergo a political revival.

But today the fact that Greece, having overthrown its dictatorship (without Western help), is being sacrificed to the military needs of NATO is bound to make the political purposes of the alliance look even more hollow. The Americans and the British both are arguing that Greece must accept the principle of diplomatic continuity, and must pay the price of the colonels' folly, but in the light of the previous Western support of the colonels, it must be regarded as part of their folly, too.

The ultimate danger of a policy based purely on military considerations (as it was with Metternich) is not merely that it becomes callous toward small nations that get in the way, but also that it underestimates the need for some political justification behind any alliance: That the baby goes out with the bathwater. Or, as Kissinger himself puts it, summing up Metternich's limitations: "Diplomacy is not a substitute for conception: its achievements ultimately will depend on its objectives." It is entirely appropriate that Greece should once again provide an embarrassing challenge to the world powers; for with all its chaos, underdevelopment and emotionalism, it is on the most exposed frontier of European democracy, which it originally invented.

JERRY FINKELSTEIN ON MASS TRANSIT

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. KOCH. Mr. Speaker, I would like to set forth the text of the editorial which was authored by Jerry Finkelstein on the subject of mass transit and which appeared in the New York Law Journal.

It bears upon the bill which this House recently passed and is well done indeed. Would that the Congress had followed his advice. The article follows:

[From the New York Law Journal, Aug. 19, 1974]

LOOK TO FORD: TO PRESERVE THE SUBWAY FARE

(By Jerry Finkelstein)

The fate of mass transportation fares is once again in the cliff-hanger stage. The immediate crisis revolves about a bill before the House of Representatives that would appropriate $20 billion over a six-year period to subsidize construction of mass transit facilities, the purchase of equipment and to help finance mass transportation operating deficits.

In its present form, the bill, if enacted, would face a presidential veto, since it would run counter to President Ford's policy to reduce federal expenditures in the war against inflation. Mayor Beame, who met with President Ford last week together with a delegation from the U.S. Conference of Mayors, emerged from that session with a sense of gloom and disappointment.

But Mr. Beame feels that President Ford is an experienced and skilled legislator who knows how to reach a realistic compromise which would meet the requirements of the federal budget, yet nevertheless provide sufficient federal funding to protect the existing fare structure.

Lawyers, as representatives of all segments of the community, can play a significant role in arriving at such a compromise, particularly in view of the fact that many of the congressmen and members of state legislatures in this area are members of the legal profession.

Federal aid is essential to preserve the thirty-five-cent fare on city subways and buses and to maintain the present fare structure on commuter rail and bus lines, as well as mass transit fares in Albany, Syracuse, Buffalo and in other areas throughout the state. Without this federal subsidy, city subway and bus fares will increase to at least fifty cents and rail and bus fares on commuter lines are likely to increase by as much as 35 per cent.

The impact of such fare increases on the economy of the New York metropolitan region will be disastrous. It will have an adverse effect on retail sales, on real estate values, on the cultural resources of the area and on every other segment of the economy. Transportation costs are in the market basket of consumer purchases that are used to calculate the consumer price index. Thus, fare increases will generate higher wage costs under countless union agreements where wages are geared to increases in the cost of living index.

The economy of the city is already in poor shape. According to the Bureau of Labor Statistics, payroll employment here has declined by job losses of 30,000 or more per month. A substantial fare hike will generate even more job losses as business and industry seek to relocate to areas of lower operating costs.

Both Governor Wilson and Mayor Beame have stretched virtually to the breaking point the ability of the state and the city to prevent onerous and inflationary fare increases. Under their leadership, the state and the city each appropriated $100 million to hold the line against fare increases, in anticipation of prospective federal subsidies. Without federal subsidies, their program will expire at the end of the year and precipitate another crisis for mass transportation here.

The attempt by Governor Wilson and Mayor Beame to hold the line against fare increases is duplicated on the other side of the Hudson River by Governor Brendan Byrne of New Jersey, Mayor Kenneth Gibson of Newark and other mayors of New Jersey municipalities.

Part of the problem confronting Congress is that the New York-New Jersey region would receive a high proportion of federal assistance under any realistic distribution formula. This follows from the fact that this region has invested more and is continuing to invest more in mass transportation facilities than any other area of the country.

The public investment in the city's subway system now exceeds $40 billion. To this must be added investments by the state in the Long Island Railroad and in commuter lines of the bankrupt Penn Central and New Haven lines. The Port Authority of New York and New Jersey has substantial investments in PATH.

In addition, New York will make further investments in the construction of the Second Avenue subway. Also, the Port Authority plans substantial expansion of mass transit facilities by building rail lines to the Kennedy and Newark Airports. This new program of the Port Authority has the support of its new chairman, Dr. William Ronan. It is part of a mass transportation program which the Port Authority is ready to undertake and which I enthusiastically support.

No other area has such broad plans for mass transportation and consequently no other area has a right to expect as substantial federal assistance as this area. The fact is, of course, that this region is a central point in American business, industry, finance and communications. A fare increase that would impair the economy of the region and would threaten its retail and real estate interests, its manufacturing and distributing industries, its place as the communications and cultural center of the nation, would also undermine the economy of the nation as a whole.

In the interests of the national economy, Congerss will necessarily have to take a broader view of the urgent need for a responsible federal mass transportation program. The New York and New Jersey congressional delegations, and business interests in this area, can play a significant role in convincing Congress of the vital need for a broader approach.

STATEMENT OF CONGRESSMAN JOHN M. MURPHY ON THE INTRODUCTION OF A CONCURRENT RESOLUTION TO PREVENT THE TELEVISING OF EVEL KNIEVEL'S "DEATH LEAP"

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. MURPHY of New York. Mr. Speaker, as many of my colleagues know, during my 12 years in Congress I have taken deep interest in the massive display of violence on television and its possible consequences on the tranquility of this Nation.

When the Congress first conducted its lengthy investigations of the problem of the effects of aggressive acts on television being imitated by the Nation's youth, there were many experts who testified that they were deeply convinced that the constant display of violence and aggressive acts on this medium seriously affected young people. The very young and impressionable were especially susceptible to imitating aggressive acts, especially under certain conditions. A summary of these conditions was outlined by me on the House floor on January 11, 1972.

There were six such conditions, two of which are germane to the situation that I consider of serious moment at this point in time.

As Members are probably aware, because of the tremendous "ballyhoo" that has attended an event which has been referred to as a "mega-promotion," Evel Knievel, the stunt driver, is planning a death leap over the quarter-mile-wide, 500-foot-deep Snake River Canyon gorge in Idaho. His modified motorcycle, the "Skycycle X-2" will turn him into a human rocket.

Knievel's proposed death leap is currently being scheduled to be carried on national television, unfortunately, to be viewed by millions of impressionable teenagers and children. Which brings me to the six conditions of the impact of television on human behavior to which I have just referred.

Condition No. 1 indicates that normal persons who see violent or aggressive acts on television exhibit nearly twice as much aggressive or violent behavior as persons who have not seen such presentations. This was found by the scientists to be true of children, adolescents, of adult males and of adult females.

Condition No. 5, however, gets directly to the point at issue here.

Condition No. 5 states that violence and aggression—in this case a highly dangerous act fraught with violent overtones—shown on television can affect anyone in any case, but it is most dangerous to young people. Furthermore, it is most likely to be imitated if it seems justified by the prevalent social values. For example, if an established "hero" or "antihero," such as Knievel, is committing the violent or aggressive act, and if the "hero" or "antihero" is rewarded for his or her aggression, the impulse to copy that aggression is even greater.

By his own admission, Mr. Knievel stands to make millions of dollars and garner national fame and adulation from this one act.

That Mr. Knievel's exploits are imitated — sometimes disastrously — goes without question.

We were all shocked by the recent spectacular photograph—entitled "Fatal Leap"—which showed a 22-year-old Florida youth flying through the air to his death after his motorcycle hit the top of the 28th of 30 automobiles he was trying to clear to break the world record jump of 171 feet.

This particular bit of "entertainment" is a Knievel trademark and has been recently exploited on national television.

It is my belief and the belief of experts with whom I have discussed this project that the telecast, nationally, of such a dangerous and potentially fatal endeavor could encourage large numbers of young people to imitate this type of behavior which would be seen on tens of millions of the Nation's television sets.

Mr. Speaker, I point out again that congressional hearings in both the House and Senate have documented the many accidental suicides, homicides, and crimes that can be directly attributed to the victim's or perpetrator's imitation of dangerous behavior he has seen on a specific television show.

I recall from the Senate hearings the case of a doctor's son who ran from the house after seeing a "Superman" show and who tried to imitate his hero by standing in the middle of the street, arms and legs askance, to stop a speeding oncoming vehicle.

The boy was killed instantly.

Our law enforcement officers and courts have been dealing with numerous cases such as this over the years. I cite the Baltimore killings of November 1971 when police were quoted as saying, "The killer was prompted to commit Baltimore's largest mass slaying by a television crime show."

The similarity in this case to an episode of the television show "Hawaii Five-O," which was aired the night of October 19, caused police to probe in that direction. In the story, a deranged army veteran sits in a bunker atop a busy highway munching chocolate and sniping at passersby on a nearby highway.

The same show was accused of causing the sniper shooting spree by a 15-year-old Fairfax County youth on October 21 who held police at bay with rifle and shotgun fire before being forced out of his home by police teargas. The youth shot himself in this case, but not fatally.

In October 1973, Boston's police commissioner accused a TV for contributing to the killing of a young woman when six youths forced her to douse herself with gasoline and then burned her to death. The show was an ABC presentation which portrayed youngsters who set skid row bums on fire for kicks.

ABC, I would point out, will also carry the Knievel leap.

And just last week a Canadian grand jury found that the death of 14-year-old David Coombes was directly attributable to a mock hanging he had witnessed on a television program hours before. Apparently this youngster upon seeing one of his rock idols perform a mock hanging on television, tried to replicate this feat and accidentally killed himself in the process.

The police and the court assumptions in the above cases agree with the findings of the scientists who worked on the Surgeon General's study of TV violence and aggression who made the following conclusions:

> The accumulated findings pertinent to television's impact on the aggressive behavior of the young are now very considerable and the weight of this evidence is clear. There is a statistically reliable and socially significant relationship between exposure to televised violence and aggressive behavior.
>
> Large segments of American society are profoundly affected by aggressive or anti-social behavior which has been instigated by exposure to violent and dangerous entertainment portrayed on TV.
>
> We now know that exposure to aggressive television and learning its lessons is significantly related to aggressive behavior as shown by many studies of 10,000 normal children from average American homes.

And finally—

> The demonstrated teaching and instigating effects of aggressive and dangerous television fare upon children are of sufficient importance in the United States to warrant appropriate remedial action.

Mr. Speaker, that is just what I am seeking today, remedial action against a threat to the welfare of untold numbers of American youth.

Mr. Knievel's death leap over the Snake River Canyon is expected to occur on or about September 8, 1974.

This leap must not be televised.

I have written to the Chairman of the Federal Communications Commission calling upon him to prevent this macabre, suicidal event from being telecast across the Nation and from being viewed by many youths who may try to imitate Knievel's behavior.

The Federal Communications Commission is charged with the responsibility of insuring that harmful or dangerous programs do not reach the public airwaves. Certainly Knievel's jump is potentially harmful and dangerous and therefore must not reach the viewing public. I have no objection to Knievel attempting his jump, but I do object to his inciting others to do the same by using the public airwaves to further his "mega-promotion" of this money-making scheme.

In conjunction with this, and in an attempt to prevent the telecast of this death leap, I introduced today House Concurrent Resolution 625 calling on the FCC to take immediate steps to stop the networks from televising this event.

I urge the appropriate committee chairman to take immediate and appropriate measures to insure that Knievel's jump is not telecast.

I have discussed this with members of the FCC and they have told me that a strong move by the Congress would help them to turn off the TV cameras at this preordained suicide jump.

There are now 120 million television sets in the country. This means that more children and young people could be viewing such a spectacle than ever before in our history.

I would point out that the television networks and the individual stations do not own the airwaves: they are merely permitted to use them if they provide programs that are in the public interest and that do not constitute a danger or threat or are offensive to the community.

There is nothing wrong with the proposition that television networks are in the business of making money, but it has been shown by the Surgeon General's studies on the effects of TV on children that they are making money at the expense of social conditions in this country. Further, it has been proven that the violence and aggression displayed on TV produces violence and imitative aggression in our children and young people.

Mr. Speaker, the time has arrived when we must take a hard look at the TV medium and seriously ask the question whether or not we are forced to put a limit on an industry that has already contributed substantially to the violence in this country and which is aggravated and escalated by that industry almost every week.

Mr. Speaker, we must put our foot down when the TV industry goes beyond commonsense as it is proposing to do in this case.

It is the duty of those of us in Congress who have the authority to assume the responsibility to guarantee that the weak, the immature, and the young of this country are protected from the influences of men like Knievel who glorify danger and death.

I, for one, will not blithely stand by and allow Mr. Knievel's escapade to be televised.

I insert the resolution I introduced today at this point in the RECORD and ask Members to support me in this effort:

Whereas the Surgeon General has found that violence and potentially harmful behavior on television is imitated by young people; and

Whereas Congressional hearings have documented accidental suicides, homicides and crimes that have been attributed to specific television programs; and

Whereas a recent Canadian grand jury's investigation of death by hanging of 14-year-old David Coombes was directly attributable to a mock hanging the deceased had witnessed on a television program hours before; and

Whereas the proposed death leap of stunt driver Evel Knievel is expected to draw the attention of millions of television viewers including impressionable teenagers and children; and

Whereas the Federal Communications Commission is charged with the responsibility of insuring that harmful or dangerous programs do not reach the public airwaves; and

Whereas the Knievel death leap telecast is imminent: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress looks with disapproval on the effects that this highly publicized event is likely to have on the Nation's youth; and

That it is the sense of the Senate and the House that the Federal Communications Commission take immediate steps to prevent the telecast of this event in order to preserve the safety and lives of certain impressionable youth of the United States of America.

ON THE 10TH ANNIVERSARY OF THE DEATH OF SISTER MADALEVA OF ST. MARY'S COLLEGE

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 22, 1974

Mr. BRADEMAS. Mr. Speaker, for a year and a half, before coming to Congress, I had the great privilege of serving on the faculty of St. Mary's College, Notre Dame, Ind.

The president of the college at that time was a most remarkable woman, Sister Mary Madeleva, of the Congregation of the Holy Cross.

A poet and essayist as well as a college administrator, Sister Madeleva was an unusually gifted and dedicated person.

Last month marks the 10th anniversary of her death, and I insert at this point in the RECORD a splendid essay in tribute to Sister Madeleva by her longtime friend, James A. Eldridge, published in the July 27, 1974, issue of the Chillicothe, Ohio, Gazette.

The essay follows:

A HEAVENLY TRAMP

(By James A. Eldridge)

Today's column might well bear the headline "The Most Unforgettable Character I've Met."

Many readers will recall that for years the "Reader's Digest" has carried such a feature article each month. In my dentist's office, in a ship crossing the Irish Sea and in the lounges of countless airports I've often glanced at these articles. Like other readers I used to wonder whom I would write about if the "Digest" editors offered me the chance and I answered the question for myself at some time and place I cannot now recall. My candidate was Sister Mary Madeleva of the Congregation of Holy Cross, poet, essayist and president of St. Mary's College at Notre Dame, Ind., from 1934 to 1961.

She has been much in my thoughts this week because Thursday marked the 10th anniversary of her death. From my shelves I have taken down the 18 volumes of prose and poetry that she wrote, to read randomly again—here and there—her elegant verse and pristine prose.

Her life was a paradox. In 1908 she sought the anonymity of the convent, but in 1957, when she celebrated her 70th birthday, she was a nationally famous educator, poet, college president, ecumenist, lecturer and hostess.

"Life" magazine featured her in an article and early one morning millions of TV viewers saw and heard her as she bandied words with host Dave Garroway on the "Today" show.

Our friendship spanned some 16 years and in that time I came to cherish her grace, wit, style, elegance and sophistication.

Dozens of times I enjoyed her hospitality at St. Mary's College and each time she swept forward to greet me in her office I was aware that she knew well the nuns in Chaucer's "Canterbury Tales."

Sister Madeleva was petite and graceful. The white, fluted, starched coif she wore for more than 50 years emphasized her beautiful, sparkling eyes. Her voice was small and at times listeners had to strain to catch her wit and wisdom.

THE MEDIEVAL AND THE CONTEMPORARY

The decor she had created around herself reflected the medieval and the contemporary.

A glance at her book shelves gave her guests an estimate of the dimensions of her intellectual sophistication. Her tastes embraced Mortimer Adler, Christopher Fry, C. S. Lewis, Jacques and Raissa Maritain, Msgr. Ronald Knox, Alice Meynell, John Henry Cardinal Newman, Edna St. Vincent Millay, T. S. Eliot and Methodist Bishop G. Bromley Oxnam—an old friend.

Also, there were seed catalogues by the dozen, and books on birds and wild flowers were piled high—and these were flanked by various versions of the Scriptures.

Her handsome drawing room adjoining her office told of her travels. Here were maps of Oxford University, her beloved graduate school. She once wrote of that ancient seat of learning, "I left Oxford, it is true, but never, never pulled up the roots." Maps of London, Paris, the Holy Land covered the walls.

Along the wainscotting of the drawing room her guests met Giotto, Fra Angelico Bonfigli and Botticelli. All around the "squirrel cage," as she called it, were bells. The cowbell came from Vermont, elephant bells from India, a slender bell from Vietnam and a camel's bell from Nazareth.

In one corner stood her large collection of canes and walking sticks collected around the world. She carried them about the campus as she planted trees and talked to the Druids.

It was in this setting that she served as president of St. Mary's College for 27 years. They were years of change and experiment. It was here she fought to raise the standards of education for American women, and Catholic women—lay and religious—in particular.

It was in this office she planned the buildings that rose round her: a library, a science hall and a magnificent fine arts center dedicated by her friend, actress Helen Hayes.

In her drawing room she entertained the famous and the great who made the pilgrimage to see her: Clare Booth Luce, G. K. Chesterton, Barbara Ward, Irene Dunne, Father Martin C. D'Arcy, Frank Sheed, Maisie Ward, Sir Shane Leslie and Marian Anderson.

THE MUSES

But the most welcome guests were the muses. Many of her hours were, in the words of Archibald MacLeish, "spent turning the water of words into the wine of poetry" and in 1959 Macmillan and Co. published a definite collection of her poetry—"The Four Last Things."

As I have been re-reading these delicate, exquisite verses the past few days I am certain they will be a permanent part of America's literary legacy. As a poet she is in the "goodly company" of Millay, Amy Lowell and Emily Dickinson.

Sister Madeleva was born May 27, 1887, in the small, mill town of Cumberland, Wis. Her father, a harness maker, had come from Germany at the age of nine. Her mother, a teacher, was the daughter of German immigrants.

She entered the University of Wisconsin at 17 to major in mathematics. At Madison she heard great music, attended lectures in French and German and saw the "divine Sarah Bernhardt, made up like a French doll, driving through the student quarters."

The following year she transferred to St. Mary's College and in September 1908 she took the first steps to become a sister of Holy Cross. Later, she was the first nun to receive a doctor of philosophy degree at the University of California.

In 1961—at the age of 74—she published a volume of essays that embrace her total educational philosophy. In the preface to "Conversations With Cassandra" she wrote, "Every teacher of genuine dimensions subscribes to the militancy of his vocation. He relies on its military regimes and disciplines. He is well aware of the panoply and display of banners . . . over the past half century he may recall a number of them: the elective system, accrediting agencies, standardization, specialization, progressive education, the Great Books, the call of the sciences, audiovisual aids, airborne education, teaching machines, propaganda unlimited. Teachers, students and schools have all experienced all these and are still rational. We are said to be secure when we can stand everything that can happen to us. If this is the test, we are on a fair way to security in education."

Earlier, in 1959, at the age of 72, she published her memoirs and, of course, they bore the optimistic title, "My First Seventy Years."

She died on July 25, 1964, in the New England Baptist Hospital and she handled that task as she had handled her entire life—with discipline and dispatch. She said she was quite willing to remain longer on earth "if God so desired but if He does not, I do not intend to tarry."

Following her death, the British author and actor, Robert Speaight wrote in the London "Tablet," "In a line from one of her poems she had imagined herself as 'a heavenly tramp in heavenly Ardens,' and I am well content to think of her like this—with a heavenly blackthorn in her hand."

So am I.